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## Northwest MLS brokers report robust activity amid low interest rates, tight inventory, changing lifestyles

KIRKLAND, Washington (July 6, 2020) – Historically low interest rates and lifestyle changes are fueling housing activity around Washington state, according to Dean Rebhuhn, president of Village Homes and Properties in Woodinville. Commenting on just-released June statistics from Northwest Multiple Listing Service, he and other brokers say multiple offers are common “especially in the median price range.”

Brokers in the 23 counties that are part of Northwest MLS point to a shortage of homes as a key factor in the bidding wars. At the end of June, there was only 1.16 months of supply system-wide, which is the second lowest level in the past decade. (The lowest mark, at 1.12 months, was in December 2017.)

Not surprisingly, the supply/demand imbalance is causing prices to ratchet up. Median prices for last month’s 8,312 closed sales of single family homes and condos increased nearly 5.7% compared to a year ago, rising from \$440,000 to \$465,000. A comparison to May shows an increase of more than 3.3%.

In the four-county central Puget Sound area, year-over-year prices rose even more. Of these counties, King County had the smallest increase at nearly 5.9% (rising from \$637,675 to \$675,000). Pierce County prices jumped nearly 8.2%, from \$372,500 to \$403,000. Prices were up nearly 6.7% in Snohomish County and more than 7.7% in Kitsap County.

“Multiple offers are back with a vengeance as buyers are handicapped by having only about half the inventory of a year ago,” noted Dick Beeson, managing broker at RE/MAX Northwest in Tacoma-Gig Harbor. “The refrain, ‘Sorry to tell you, but the seller has accepted another offer,’ is heard with regularity,” he stated, adding, “If a buyer finds a home they like, it’s likely 20 other people will be vying for it, and the battle is on.”

J. Lennox Scott, chairman and CEO of John L. Scott Real Estate, noticed a major increase in sales activity intensity, which measures the percentage of homes that sell within the first 30 days of going on the market. “It’s almost as if the cupboards were bare in the more affordable to mid-price ranges where the majority of sales take place,” he remarked.

“What a difference a month makes,” exclaimed Matthew Gardner, chief economist at Windermere Real Estate. “What is abundantly clear is that the COVID-19 induced slowing in housing activity that we saw in May was not enough to freeze the Seattle housing market for very long,” he added.

Gardner described the month-over-month gains in pending sales, closed sales, and prices as “very significant” and indicators of a housing market that is “very robust.”

The new report from Northwest MLS shows last month’s volume of pending sales surged 15% from May (increasing from 10,389 to 11,916); closed sales jumped more than 39% (from 5,957 to 8,312), and month-over-month prices rose more than 3.3% (from \$449,850 to \$465,000).

Year-over-year comparisons show pending sales increased nearly 3%, closed sales dropped about 12.3% and prices increased 5.7%.

James Young, director of the Washington Center for Real Estate Research, noted the shortage of inventory is resulting in higher prices and rising demand “in places that are more rural and popular with older people trading down.” He named Jefferson County (Port Townsend), Kittitas County (Suncadia), and Chelan County (Wenatchee and Chelan) as examples. NWMLS figures show all three areas had some of the steepest price gains coupled with rapidly shrinking supply.

“Extraordinarily low month’s supply indicates that prices may have more room to move in areas popular with people trading down or seeking more space but still close to Seattle,” suggested Young. “Mason County and Thurston County come to mind, but interestingly, several Central Washington counties had strong year-over-year price growth including Kittitas (30%), Chelan (22%) and Grant (9.4%).”

Young also noted the pre-pandemic migration patterns to outer suburbs or more rural areas appear to have accelerated now that lockdowns have eased.

Some MLS representatives who commented on June’s numbers were encouraged by listing activity. NWMLS members added 10,709 new listings last month, lagging a year ago when brokers added 11,977 new listings, but improving on May’s total by 838 listings (up 3.5%).

“In many areas we are seeing new listings making a comeback, which is a welcomed sight for buyers encountering stiff competition,” stated Scott. “As the economy continues to open up at a steady pace, we anticipate more sellers will choose to list their homes,” he added.

Gardner called the number of homes for sale “perilously low,” but said, “The month-over-month jump in new listings was encouraging but it did not help overall inventory levels as they all sold too quickly!”

The MLS report shows pending sales totaled 11,916 to outgain the 10,709 new listings. At month end, there were 9,670 active listings in the MLS database, well below a year ago when the selection included 16,680 homes and condos for a drop of 42%. June’s total also declined from May when there were 10,357 active listings.

“No wonder the number of closed sales is down – there’s hardly anything to buy,” proclaimed Beeson.

Mike Grady, president and COO of Coldwell Banker Bain, said agents are reporting a lot of interest in outlying areas such as Bellingham, Bainbridge Island, Eastern Washington, Bend, Oregon and other destinations with recreational amenities that appeal to buyers who are able to work from home or take early retirement. As inventory diminishes in those areas, Grady is hoping this trend may open up additional inventory in the Puget Sound region.

Grady also commented on the industry's increased use of technology during "stay-at-home" directives. "Virtual transactions are becoming more common," he stated, citing the experience of a broker at their Issaquah office. She recently handled two transactions 100% virtually with the buyers purchasing their homes without ever personally stepping inside, according to Grady.

Rebhuhn also reported rising interest in moving to suburban neighborhoods and to Central and Eastern Washington. "The reasons are more space, lower prices, and lower taxes. They have found they can accomplish most of their work and business from home."

"If we were not amid a pandemic and the restrictions on showings and public open houses, it seems like just another summer real estate market," said Gary O'Leyar, designated broker/owner at Berkshire Hathaway HomeServices Signature Properties in Seattle. "We continue to see price appreciation over last year as well as the all too common shortages of inventory. Buyers are wisely taking advantage of record low interest rates. Potential sellers might take note: If you have given any thought about selling, this may well be a particularly good time to do so!"

In a recent report, *Housing Wire*, a news portal for mortgage and housing professionals, indicated last week's average rate for a 30-year fixed mortgage, at 3.07%, was the lowest in a Freddie Mac data series that goes back to 1971. Its Housing Recovery Index shows Seattle is among markets showing the greatest recovery.

Northwest Multiple Listing Service is a not-for-profit, member-owned organization that facilitates cooperation among its member real estate firms. With more than 2,300 member firm offices and 30,000 brokers across Washington state, NWMLS ([www.nwmls.com](http://www.nwmls.com)) is the largest full-service MLS in the Northwest. While based in Kirkland, Washington, its service area spans 23 counties and it operates 20 local service centers.

[Next page](#): statistical charts

[For more news](#), visit [nwmls.com](http://nwmls.com) and select "News & Information," (includes latest press release, statistics and *Northwest REporter*), plus the NWMLS Media Kit.

Single Fam. Homes + Condos	LISTINGS		PENDING SALES	CLOSED SALES			MONTHS OF INVENTORY	
	New Listings	Total Active	# Pending Sales	# Closings	Avg. Price	Median Price	This month	Same mo., year ago
King	4,107	3,471	4,025	2,783	\$817,186	\$675,000	1.25	1.77
Snohomish	1,544	1,093	1,848	1,344	\$557,075	\$521,544	0.81	1.49
Pierce	1,548	1,149	1,853	1,376	\$441,949	\$403,000	0.84	1.26
Kitsap	507	390	609	414	\$521,648	\$416,944	0.94	1.41
Mason	170	133	214	152	\$347,708	\$311,000	0.88	2.14
Skagit	209	258	263	215	\$448,592	\$402,680	1.20	2.13
Grays Harbor	187	245	232	130	\$250,361	\$235,000	1.88	3.19
Lewis	142	180	191	122	\$296,744	\$279,900	1.48	2.24
Cowlitz	156	120	185	111	\$300,321	\$280,000	1.08	1.92
Grant	140	173	159	104	\$275,877	\$247,375	1.66	2.67
Thurston	511	280	656	434	\$393,823	\$370,000	0.65	1.04
San Juan	45	176	63	31	\$901,771	\$612,500	5.68	9.30
Island	182	178	207	162	\$484,620	\$399,970	1.10	1.95
Kittitas	121	146	145	89	\$551,933	\$455,000	1.64	3.14
Jefferson	71	110	83	59	\$478,659	\$443,800	1.86	3.42
Okanogan	59	145	75	39	\$307,872	\$205,000	3.72	5.28
Whatcom	438	598	453	324	\$441,164	\$400,000	1.85	1.98
Clark	112	100	146	88	\$414,513	\$397,000	1.14	2.05
Pacific	71	117	86	50	\$274,392	\$237,500	2.34	4.06
Ferry	12	31	8	3	\$116,000	\$122,500	10.33	8.67
Clallam	117	162	109	80	\$381,299	\$350,000	2.03	3.11
Chelan	134	179	170	102	\$523,845	\$460,650	1.75	3.35
Douglas	59	89	83	55	\$384,303	\$350,000	1.62	1.91
Others	67	147	53	45	\$300,971	\$262,000	3.27	3.70
<b>Total</b>	<b>10,709</b>	<b>9,670</b>	<b>11,916</b>	<b>8,312</b>	<b>\$578,194</b>	<b>\$465,000</b>	<b>1.16</b>	<b>1.76</b>

**4-county Puget Sound Region Pending Sales (SFH + Condo combined)**

(totals include King, Snohomish, Pierce &amp; Kitsap counties)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2002	4293	4735	5569	5436	6131	5212	5525	6215	5394	5777	4966	4153
2003	4746	5290	6889	6837	7148	7202	7673	7135	6698	6552	4904	4454
2004	4521	6284	8073	7910	7888	8186	7583	7464	6984	6761	6228	5195
2005	5426	6833	8801	8420	8610	8896	8207	8784	7561	7157	6188	4837
2006	5275	6032	8174	7651	8411	8094	7121	7692	6216	6403	5292	4346
2007	4869	6239	7192	6974	7311	6876	6371	5580	4153	4447	3896	2975
2008	3291	4167	4520	4624	4526	4765	4580	4584	4445	3346	2841	2432
2009	3250	3407	4262	5372	5498	5963	5551	5764	5825	5702	3829	3440
2010	4381	5211	6821	7368	4058	4239	4306	4520	4350	4376	3938	3474
2011	4272	4767	6049	5732	5963	5868	5657	5944	5299	5384	4814	4197
2012	4921	6069	7386	7015	7295	6733	6489	6341	5871	6453	5188	4181
2013	5548	6095	7400	7462	7743	7374	7264	6916	5951	6222	5083	3957
2014	5406	5587	7099	7325	8055	7546	7169	6959	6661	6469	5220	4410
2015	5791	6541	8648	8671	8620	8608	8248	7792	7179	6977	5703	4475
2016	5420	6703	8130	8332	9153	8869	8545	8628	7729	7487	6115	4727
2017	5710	6024	7592	7621	9188	9042	8514	8637	7441	7740	6094	4460
2018	5484	5725	7373	7565	8742	8052	7612	6893	6235	6367	5328	4037
2019	5472	4910	7588	8090	8597	8231	7773	7345	6896	6797	5788	4183
2020	5352	6078	6477	5066	7297	8335						

# It's past time to strike racially restrictive covenants from deeds

Although no longer enforceable, restrictive covenants were common in the first half of the 20<sup>th</sup> Century. Such agreements sometimes barred people from specific races, national origins, ethnic backgrounds, and even certain religions from legally purchasing or occupying properties.

A [report](#) in the September/October edition *Common Ground*, a publication of Community Associations Institute (CAI), stated some covenants generally barred “non-Caucasian” groups, while others would specify certain races, nationalities, or individuals with disabilities.



When the Supreme Court ruled such covenants to be unenforceable in a 1948 decision (*Shelley v. Kraemer*) it was estimated that more than half of all residential housing built in the country carried deeds with racially restrictive covenants.

In 1968, with the passage of the federal Fair Housing Act, writing racially restrictive covenants into deeds became illegal. That law also made it illegal to refuse to sell or rent a home to any person who was included in a protected class.

A Washington state law passed in 1968 rendered such covenants void. That law ([RCW 49.60.224](#)) says it is an unfair practice to attempt to honor a racially restrictive covenant in the chain of title. Nevertheless, [Segregated Seattle](#), part of the Seattle Civil Rights & Labor History Project at the University of Washington, has collected 70 segregation maps and nearly 500 restrictive covenants from deeds on file in the King County archives.

Even if a covenant is no longer enforceable, legal scholars note it will still be visible in the chain of title, and even within the language of the deed. (The chain includes all the recorded documents that affect title to a property, back to the original conveyance by the United States.)

To the dismay of many, racially restrictive covenants remain in deeds and governing documents in a surprising number of community associations. (If CCRs are more than 30 years old, they should be scrutinized.) Removing offensive provisions can be an onerous process unless legislation at the state level is available, according to the Community Associations Institute, an international membership organization with more than 40,000 members.

Property owners in Washington were granted a way to strike racially restrictive covenants from documents affecting the title of their properties, thanks to a 2018 amendment to state laws against discrimination. Owners of properties with a racially restrictive covenant can now record a modification document with the county where the property is located.

To determine if a racially restrictive covenant is related to a particular property, a search of land title records maintained by the King County Recorder’s Office can be undertaken. Although it’s free to search those records, it can be a complex process and fees are charged for properties.

A second method is to review the owner’s title insurance policy, typically issued at the time of purchase. This policy identified documents appearing in the public records that affect title to that property – even from decades ago – or covenant documents affecting an entire subdivision. Using those findings, it may be possible to obtain copies from the company that issued the title policy (fees may apply) or to get copies from the Recorder’s office.

The owner may then file a modification document that refers to the recorded document containing the racially restrictive covenant and insert the following statement required by law:

*The referenced original written instrument contains discriminatory provisions that are void and unenforceable under [state law](#) and federal law. This document strikes from the referenced original instrument all provisions that are void and unenforceable under law.*

In other states, if laws have not been passed for modifying documents, CAI supports the following model language:

*A restriction, covenant, or condition, that prohibits or limits the conveyance, encumbrance, rental, occupancy, or use of real property on the basis of race, color, national origin, religion, sex, familial status, or prohibits maintaining a trained guide dog or assistance animal because the individual is blind, deaf or has a physical disability, is void and has no legal effect, except a limitation of use for religious purposes as permitted under the Federal Fair Housing Act or state law.*

Recording a modification document will not delete the historic record, but it provides notice in the land title records that the racially restrictive covenant is void and unenforceable. It legally strikes (but doesn’t physically erase) the void and illegal discriminatory provisions for the original document.

In King County, the Recorder’s Office has [step-by-step instructions](#) for preparing and recording a “Restrictive Covenant Modification Document” and online forms for both individuals and non-individuals. There is no charge to record the document, but there may be a fee to have the form notarized.

“Not only is it important that people be aware that this kind of discriminatory language exists and was pretty extensive, but (they should know) that we’re trying to work with communities to ensure that they have at least one remedy,” stated Steve Lafferty, a member of Maryland’s state legislature who has helped homeowner associations in that state modify covenants with racially restrictive language. “It doesn’t erase history. I think it just rectifies for future generations that this is not language that is going to be acceptable,” he added in an interview in *Common Ground*.

## LEARN MORE

In King County, [“How to Prepare and Record a Restrictive Covenant Modification Document.”](#)

[“True Colors”](#) an article on homeowner associations’ efforts to file modification documents.

[Amendment Process to Remove Discriminatory Restrictive Covenants](#)

# Northwest Multiple Listing Service unveils more options for house hunters to view homes

Western Washington home shoppers can now take various types of guided tours of properties, including a new “Live Stream Open House” option. Northwest Multiple Listing Service (NWMLS) recently unveiled that new feature plus enhanced ways for member-brokers to promote multiple virtual tours on their listings.

The enhancements, developed as part of the industry’s response to the statewide coronavirus (COVID-19) restrictions on in-person open houses, are being well received and will continue once the pandemic constraints are eased, according to the MLS. Additionally, the group announced it has added vacant land to the “lives stream” option, which initially included single family homes, condominiums, farms & ranches, multi-family properties, manufactured homes, rentals, and timeshares.

With the new “Live Stream Open House” offering, listing brokers set specific times to showcase their listings and provide a link for viewing the live broadcast. The option is used for real-time open houses for both the public and for fellow brokers. Viewers can interact with the agent as they tour.

This week, Northwest MLS introduced the ability for brokers to input up to three virtual tour links on their listings. With this feature, listing agents can advertise various tour options using links and corresponding descriptions. Among choices being used are 3-D tours, recordings of video walk-through tours of a home, and photo reel tours.

Once links are entered, other brokers can search for and view the virtual tours in Matrix (the MLS system). The virtual tour links will appear for consumers in the Matrix Client Portal, and they will be included in the NWMLS data feed that appears on members’ public websites.

“With in-person open houses currently prohibited, live streaming further promotes social distancing,” said Northwest MLS chairman Robb Wasser. “These enhancements provide sellers and listing agents with new options. It also enables buyers who are sheltering in place to get to know a property and interact with the listing broker in real time, all from the comfort and safety of their homes,” added Wasser, branch manager at Windermere Real Estate/East in Bellevue.

Live streamed open houses are easily identified with a searchable field in the Northwest MLS database, as well as on the data feed for members’ public websites.

Brokers flagged several hundred listings with the new live stream feature within the first few weeks of the roll-out, according to MLS officials. The option which is popular among out-of-area buyers, is also



being well-received by tech-savvy millennials and other local house-hunters who enjoy previewing from their own homes.

Northwest MLS allows the use of a variety of services and platforms for conducting live stream open houses, including Facebook Live, Zoom, Google Meet, Microsoft Teams, YouTube Live, GoToWebinar, Skype, Blue Jeans, and others.

John Deely, a member of the NWMLS board of directors, said sellers are enthusiastic that brokers are trying new and different ways to market their homes, while noting “It’s a new paradigm for many agents in terms of looking at themselves on video and how they present themselves.” Deely, the principal managing broker at Coldwell Banker Bain in Seattle, noted agents who are technically oriented are adapting quickly, but even those who aren’t as tech-savvy but are instead more people- and socially-oriented are jumping in. “It’s all part of their independent, entrepreneurial nature,” he remarked.

Listing agents are creating their live-streamed tours using a variety of devices ranging from smart phones and tablets to higher-quality gear, including cameras on tripods and microphones, according to Deely. Additionally, he said some have scheduled live streaming for various affiliates such as home stagers, inspectors, and appraisers to exchange information and get feedback before holding an open house for the public or for other brokers.

“Early adopter” Don Lonam, a broker at Deely’s office who “jumped in,” became licensed two years ago after working nearly three decades in health care and hospital administration. While he was comfortable with video conferencing applications from his prior experiences, he stated, “As a newer licensee I felt the need to adapt so I viewed this new option as a challenge and a requirement.”

For a live stream open house at a West Seattle listing, Lonam wanted to give his online prospective buyers the experience of walking through the home and grounds, but he was also anticipating questions about the bridge closure so he incorporated a Zoom chat. As part of that discussion, he used the screen share tool to show three alternate routes to and from West Seattle.

Deely said attendance by house-hunters has been mixed at his office’s live streamed open houses as agents experiment with different ways to promote the new option to house-hunters. Lonam agreed, but nevertheless said he plans to create a live stream open house for every future listing.

Research by the National Association of Realtors (NAR) and other industry groups shows videos and live streaming are more engaging, more memorable, and more popular than other types of content. Some Realtors even do a “live streaming spree,” showing multiple properties throughout the day, according to NAR. Industry watchers expect this two-way interaction and “modern way of connecting with clients” will increase in popularity among home shoppers, even after COVID-19 restrictions are eased.

Washington, like many states, has implemented a series of “stay-home” orders, which continue to evolve. In conjunction with Washington Governor Jay Inslee’s “Stay Home, Stay Healthy” directives first issued on March 15, Northwest MLS temporarily disabled open house options on its listing platform and database. Public open houses are still prohibited, and in-person interactions remain extremely limited.



With the introduction of the live streaming feature, the MLS reminded its members of the restrictions on holding in-person open houses and published “Best Practices” tips and mandatory protocols for in-person interactions. The organization also pledged to continue to look for ways to support its member real estate brokers, while at the same time adhering to guidelines from government and public health officials.

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## Northwest MLS modifies Lease/Rental Agreement Form

Northwest Multiple Listing Service revised Form 68 (Lease Rental/Agreement) to address two bills passed during the last legislative session: House Bill 1694 (allowing tenants to pay certain sums in installments) and House Bill 2535 (providing for a grace period before late fees may be imposed for past due rent.).

The changes, effective July 1, also affect the Move-In/Move-Out Addendum (form 68A) and the Pet Addendum (Form 68B).

Form 68C was created as a blank addendum to allow the parties to modify the terms of the Lease/Rental Agreement. Northwest MLS reminds brokers that under Washington law they are not permitted to draft contractual provisions. Instead, the lessor/tenant should consult with an attorney to draft any additional contractual terms. Another new document, Form 67, covers the Lease/Rental Commission Agreement.

In [Legal Bulletin 199](#), which summarizes the modified forms, NWMLS said the majority of the revisions are focused on modernizing the forms to make them consistent with current practices.

Revised Form 68 is available on Xpress Forms and in Transaction Desk.

NWMLS has removed old versions of the forms and advises brokers to recycle their obsolete forms to prevent any inadvertent use.

# King County's Department of Local Services marks notable inaugural year

When King County Executive Dow Constantine appointed John Taylor to serve as the first director of the newly created [Department of Local Services](#) (DLS), he envisioned a leader for a “virtual city hall” or “go-



to agency” for the “unique and diverse” constituents in unincorporated King County. “Everyone in the unincorporated parts of King County should have the opportunity for meaningful involvement in the decisions that affect their communities,” Constantine stated.

Upon being named to the new post, Taylor said Executive Constantine wanted to provide a single point of accountability while making sure that everyone who lives in unincorporated King County has their own version of a city hall, a hub that coordinates services that improve their quality of life.

The standalone Local Services department and its 500 employees are the “de facto city government.” It is charged with better coordinating and delivering three primary programs to an estimated 250,000 residents and businesses. Collectively, these communities would be the second-largest city in the state.

Taylor briefed members of the Governmental and Public Affairs Committee at Seattle King County REALTORS® on the department’s inaugural year. Its three primary programs are road services, permitting and (via service partnership agreements) providing other services to seven community service areas:

## King County Community Service Areas



Taylor highlighted a number of accomplishments during Local Services' first year, noting the department is very dependent on property taxes. The achievements included new and proactive approaches to public outreach and community engagement, which encompassed regular weekly "field office" hours and a Town Hall meeting in each of the seven service areas. The department also launched a Conservation Corps pilot program, an Economic Development Program, and a quarterly service delivery report.

The Road Services Division, which is responsible for 1,500 miles of roads and 182 bridges, also notched a number of accomplishments that included resurfacing 45 miles of pavement, numerous capital projects ranging from bridge maintenance projects to school zone safety enhancements, guardrail construction and preservation, sidewalk repairs, and drainage projects.

Road Services workers also responded to a 50-year winter storm and a major rain/landslide event.

The Permitting Division also underwent significant transformations. "People need predictability," Taylor remarked. The Division's website was revised to improve navigation. Additionally, efforts began to move residential permits (about 70% of that division's volume) to MyBuildingPermit.com to ease access.

Service partner agreements were executed covering parks, stormwater services, animal services, and public health. Taylor said the partnerships with other county departments means services can be better coordinated and delivered in a timelier manner. Participating agencies will share data for better transparency and accountability.

When COVID-19 emerged as a health crisis, DLS pivoted to assist, with about half the office staff re-tasked to support the Executive's Office and Public Health in the areas of community outreach, Small Business Assistance Programs, distribution of cloth masks and hand sanitizer, and functioning as a clearinghouse for information.

All staff from Permitting shifted to working remotely as they maintained operations.

Roads Division personnel also worked remotely, maintaining full operations and delivering the full capital program on time and on budget.

DSL also publishes and archives a monthly email [newsletter](#) for people who live, work, or play in the county's unincorporated areas.

Creation of the Department of Local Services stemmed from a study requested by the county executive. Senior Deputy Executive Fred Jarrett conducted the project, which was designed to determine how to better provide responsive, effective support to residents and businesses in unincorporated King County. The framework focused on direct and contracted services covering transportation, public safety, and clean water. The King County Council unanimously approved the proposal to create the DLS.

## New tool simplifies utility set-up

Puget Sound Energy (PSE) has simplified the process for setting up electric and natural gas service for homebuyers in their 6,000 square mile service territory, which covers much of Western Washington.



The [online tool](#) may be used for setting up, stopping, or moving service.

“It’s hard enough going through the process of buying a house. Setting up service can be confusing and time consuming,” stated Brandon Leyritz, a community engagement staff member at PSE. Same-day service can be arranged, or it can be scheduled up to 60 days in advance, he added.

PSE serves 1.1 million electric and 840,000 natural gas customers.

## Washington nets nearly 110,000 new residents in past year

Washington’s population grew 1.5% over the past year to top 7.6 million.

A new report from the Office of Financial Management (OFM) shows net migration accounted for 76% of the 109,800 new residents. OFM reported net births made up the remaining 24% of the growth.

Since April 2, 2010, the state’s population has grown by 931,700 people, with more than a third of the new residents (329,600) choosing to live in King County.

During the same 2010-to-2020 timeframe, 332,459 new housing units were added. Of that total, 122,049 (36.7%) were in King County.

Viewed another way, one new housing unit was added for every 2.8 new residents statewide; in King County, one new home was added for every 2.7 new residents.

Of the state’s current estimate of total housing units (3,218,136), about two-thirds (66%) are in incorporated areas.

Population growth has remained concentrated in five of the state’s largest metropolitan counties: Clark, King, Pierce, Snohomish and Spokane, according to OFM.

Four of the top 10 cities for population growth are in King County: Bellevue, Kirkland, Redmond, and Seattle. Rounding out the list are Lacey, Pasco, Richland, Spokane, Tacoma, and Vancouver.

## We’re not #1

Seattle ranked in the bottom 10 of cities whose residents have not paid off their home loans, according to a new study from Construction Coverage, which reviews financial products, software, and insurance for the construction industry.

Only 18% of owner-occupied homes in the Seattle-Tacoma-Bellevue area are paid off, according to the research findings. That puts Seattle 48<sup>th</sup> among 53 metro areas in the study. The Washington-Arlington-Alexandria area was last on the list with only 14.6% of homes paid off.

New Orleans-Metairie, Louisiana ranked first, with its 32.5% share of owner-occupied homes that are paid off. Detroit was 2<sup>nd</sup> with 30.6%, followed by Houston (30.5%), San Antonio (30.1%) and Miami-Fort Lauderdale-West Palm Beach (29.6%).

Rank	Metro Area	Share of owner-occupied homes that are paid off	Median home value (w/o mortgage)	Median home value (w/ mortgage)	Median household income (w/o mortgage)	Median household income (w/mortgage)	Median monthly housing costs (w/o mortgage)	Median monthly housing costs (w/ mortgage)
1	New Orleans	32.5%	\$175,000	\$215,000	\$60,000	\$90,000	\$411	\$1,491
43	Seattle-Tacoma-Bellevue	18.0%	\$450,000	\$480,000	\$100,100	\$131,000	\$511	\$1,584
53	Wash-Arlington-Alexandria	14.6%	\$410,000	\$420,000	\$116,000	\$145,000	\$760	\$2,378

Source: *Construction Coverage*

According to the study, which was based on data from the U.S. Census Bureau, more than 38% of owner-occupied housing units nationwide are owned free and clear. For homeowners under age 65, the share is 26.4%.

Among states, Washington was 43<sup>rd</sup>, ahead of last-place Maryland. West Virginia topped the list, followed by Mississippi, Louisiana, New Mexico and North Dakota.

Although the rankings by Construction Coverage were based on the share of owner-occupied homes that were paid off, researchers also calculated the median home value, median household income, median monthly housing costs and housing costs as a percentage of income for households with and without a mortgage. The [report](#) included results for large (1,000,000 or more), midsize (350,000-999,999) and small (100,000-349,999) metro areas.

Only households with homeowners under age 65 were included. Metropolitan area with fewer than 100,000 people were removed.

The study indicated metros with the largest shares of residents who have paid off their homes tend to be places with lower home values and cheaper to live in. “Across these metros, homeowners who have paid off their mortgages also have lower median household incomes and monthly housing costs,” the researchers stated.

When considering demographics, researchers found mortgage payoff rates vary substantially.

A comparison of age groups showed people aged 19 to 25 are more likely to have paid off their mortgages than people aged 26 to 44, but researchers said the rates of homeownership among this age group are much lower. “The same phenomenon is present when looking at educational attainment among homeowners,” the analysts stated. “People with less than a high school degree are much less likely to be homeowners, but those who do own homes are more likely to be mortgage-free.”

Researchers noted mortgage delinquencies tend to rise significantly during recessions. “Housing costs are often the biggest line item for most people’s budgets, and the current economic downturn has made it difficult for many people to pay their mortgages,” acknowledged Jonathan Jones, a writer at Construction Coverage.

Citing quarterly data from the Federal Reserve Bank of New York, the analysts found the delinquency rate on mortgages peaked at over 8% during the Great Recession and declined to below 1 percent in 2019.

The national delinquency rate nearly doubled between March and April of this year – the largest single-month increase ever recorded, according to data from Black Knight, a real estate technology company.

In addition to the Census Bureau, Construction Coverage uses data from the Bureau of Labor Statistics and other agencies. [Recent reports](#) have covered manufactured housing (and where it’s on the rise), cities with the sharpest drop in construction activity amid COVID-19, cities with the most small

businesses, cities with the most cost-burdened households, best cities for millennial home buyers, and best cities for first-time home buyers.

## News In Brief

- **Federal regulators will vote in July on whether to make "988" the number to reach a suicide prevention hotline.** The Federal Communications Commission says phone service providers will have until July 2022 to implement the new number, if the measure is approved in July, as expected. Once it's in place, people will be able to dial 988 to seek help, like how you can call 911 for an emergency. Currently, the National Suicide Prevention Lifeline uses a 10-digit number, 800-273-TALK (8255), which routes calls to about 170 crisis centers. That 800 number will remain in place, but having the shorter number makes it easier for people to call and is expected to lead to an increase in calls to the hotline. Suicide-prevention experts have said that the three-digit number will be a breakthrough that helps people in crisis. One aspect of designating a three-digit number for the hotline, just like 911 for emergencies, is that it removes stigma for seeking help in a mental-health emergency, they say. The government's action comes as suicide rates have increased across the U.S. over the past two decades. The coronavirus pandemic has put even more strain on the nation's mental health care system, and experts have been concerned about the impact as the virus and its aftershocks may deepen people's levels of anxiety and depression.
- **The 2020 REALTORS® Conference & Expo, originally scheduled for Nov. 13–16 in New Orleans, will transition to a fully virtual format given the ongoing health and safety concerns related to the COVID-19 pandemic.** In recent surveys designed to look at member and association staff interest in traveling to New Orleans for an in-person conference, more than two-thirds of respondents reported that they'd be unwilling to do so. They cited safety concerns, including their desire to avoid crowds and the unlikelihood of a vaccine being available by November. NAR will announce details, including registration information, in the coming weeks. The virtual format will allow the association's full governance processes to proceed normally during the conference, which will also include educational speakers, energizing livestreamed content, networking opportunities, and an industry expo.
- **The number of Americans signing contracts to buy homes rebounded a record 44.3% in May after a record-breaking decline the previous month,** as the impact of the coronavirus pandemic sidelined both buyers and sellers. Pending home sales are continuing to increase. "This has been a spectacular recovery for contract signings, and goes to show the resiliency of American consumers and their evergreen desire for homeownership," said Lawrence Yun, NAR's chief economist. <http://ow.ly/p1v350AKEIW> The National Association of Realtors said that its index of pending sales rose to 99.6 in May, the highest month-over-month gain in the index since its inception in January 2001. The pending home sales index plunged 21.8% from March to April to a level of 69.



- The U.S. Supreme Court ruled that the single-director structure of the Consumer Financial Protection Bureau (CFPB) is unconstitutional. With this decision, the bureau's director can no longer be removed from the position only *for cause* but instead will serve at the discretion of the president *at will*. For REALTORS®, the most notable outcome is that **the decision does not invalidate the CFPB as a whole and ensures the bureau will operate with a director who serves at the will of the president moving forward**. Late last year, the National Association of REALTORS® submitted an [amicus curiae brief](#), along with the National Association of Home Builders and the Mortgage Bankers Association, calling for the Supreme Court to cause the least possible disruption to the nation's housing and real estate markets with this ruling. The announcement is in line with NAR's advocacy and should result in minimal disruption to the role of the CFPB and its past and future actions.
- **Washington state now faces a [projected \\$8.8 billion state budget shortfall](#) through 2023**. About half of that shortfall hits the state's current, 2019-21 \$53.3 billion operating budget. A spending document that reaches all facets and regions of Washington, it funds schools, state parks, public-health programs, prisons and social services, like foster care and mental health. In the coming months, lawmakers are expected to make adjustments to the budget in a special legislative session. As lawmakers and Gov. Jay Inslee confront the bleak numbers, they wrestle with hard choices. The state's emergency reserves won't cover even the current budget's shortfall. Democrats are talking up new taxes as a way to avoid deep cuts while rebalancing Washington's regressive tax system, which depends heavily on the sales tax. Some have urged new taxes on capital gains or on large employers, or the elimination of some business tax breaks. Republicans fear new taxes, which they argue will burden businesses at the very time employers need relief. And, they say that by making more cuts now, early on, they can reduce damage to programs that help Washington's most vulnerable in the coming months and years. While the pandemic hit hard and suddenly, lawmakers aren't likely to take as drastic a response. Their immediate concern is to plug the \$4.5 billion hole in the current two-year budget. The state's roughly \$3 billion in reserves will get them a good distance toward that goal. The harder decisions will likely come in January, when lawmakers return for their scheduled session to write a new two-year budget. They face a projected \$4.3 billion shortfall for that spending blueprint.
- **Washington's [population has topped 7.6 million](#), with growth coming mostly from those moving to the state**. Latest numbers show the state has grown by 109,800 residents over the past year, a 1.5% increase. Population growth has remained concentrated in the five of the state's largest metropolitan counties: Clark, King, Pierce, Snohomish and Spokane. The top 10 cities for population growth are: Seattle, Vancouver, Redmond, Bellevue, Tacoma, Pasco, Kirkland, Richland, Lacey and Spokane. Seattle's population increased by 13,800 people to 761,100.

# Calendar of Events

DATES	EVENT	TIME	LOCATION	CONTACT
7/7	Affiliate Council	10 a.m.-11 a.m.	Zoom	425-974-1011
7/15	Board of Directors	9:30 a.m.-1 p.m.		425-974-1011
7/29	Board Orientation	9:30 a.m.-12 p.m.		425-974-1011
8/4	Gov't Affairs Committee	10:30 a.m.-1:30 p.m.		425-974-1011

**SEATTLE *King County* REALTORS®**