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## Anxiety among home buyers “incredibly high” as they vie for unprecedented shortage of homes across much of Washington state

KIRKLAND, Washington (November 5, 2020) – “Finding and buying a home today is more difficult than at any time in the past 40 years of my career,” was how broker Dick Beeson summed up the latest statistics from Northwest Multiple Listing Service.

The Northwest MLS report recapping October activity showed a 40% drop in active listings compared to the same month a year ago, an increase of 16% in pending sales (mutually accepted offers), and a year-over-year (YOY) jump of nearly 30% in closed sales. The median price of single family homes and condominiums that sold last month was \$500,000, up 19% from the same period a year ago, according to the MLS summary, which encompasses 23 counties, mostly in Western and Central Washington.

Beeson, the managing broker at REMAX Northwest in Tacoma-Gig Harbor, said he has never seen so many buyers needing to write multiple offers before securing a home. “Interest rates are incredibly low. Inventory is incredibly low. And anxiety is incredibly high among buyers,” he remarked.

“Sellers are struggling, too,” Beeson said. “They worry they’re leaving money on the table by accepting an offer within days of their property coming on the market,” he remarked, adding, “But brokers know that in this market, if a seller doesn’t receive an offer within a short time after the property is listed, the home is most likely overpriced.”

NWMLS members added 10,428 new listings to the supply during the month, improving on the year-ago total of 8,394 for a gain of 24%. In keeping with the pattern of previous months, October’s 11,039 pending sales surpassed the number of new listings.

“Yet again, the four-county area of King, Snohomish, Pierce, and Kitsap counties broke the record for the month of October for the number of homes going under contract,” stated J. Lennox Scott, chairman and CEO of John L. Scott Real Estate. The MLS reported 7,934 pending sales for the four-county region. A comparison of October pending sales dating to 2002 shows the previous high of 7,740 occurred in 2017.

Matthew Gardner, chief economist at Windermere Real Estate, said his biggest concern continues to be the ongoing lack of homes for sale in the Central Puget Sound area. “Keep in mind that a four month supply of homes for sale is a sign of a balanced housing market, but in 14 counties, including the King/Pierce/Snohomish region, there is currently less than one month of supply. This is what is allowing home prices to escalate at double digit rates.”

Whether Boeing’s recent announcement of significant layoffs will affect the housing market is being watched by industry experts.

“I’ve been watching the Snohomish County housing market closely but, as I predicted last month, there has not been any negative fallout so far,” Gardner stated. “In fact,” he continued, “compared to a year ago the number of homes for sale is down and home prices are still rising.”

Gardner said he maintains his position that “any additional inventory that may come to market will likely be absorbed swiftly as we continue to see buyers moving from the more expensive King County market to the relative affordability that Snohomish County offers.”

According to the latest MLS report, the median priced single family home (excluding condos) that sold in Snohomish County last month was about \$165,000 (about 28.5%) less than the figure for King County (\$579,972 vs. \$745,000).

Area-wide the median price for last month’s sales of single family homes (excluding condos) was \$515,000, a 20.2% jump from a year ago. For single family homes and condos combined, prices rose by double digits in 21 of the 23 counties in the MLS market area. The highest median prices for homes and condos that sold last month were in San Juan County at \$705,000 and in King County at \$685,000. Those two counties also had the highest median prices for single family homes (excluding condos). In San Juan County the price was \$753,250, while in King County it was \$745,000.

Scott noted the luxury market in the Puget Sound region also had record-breaking sales for the month. Last month, NWMLS brokers notched 1,004 sales priced at \$1 million or more in the tri-county area of King, Kitsap and Snohomish. That volume easily surpassed the previous high of 553 luxury sales in 2019.

“Supply and demand continue to drive the real estate market,” observed Dean Rebhuhn, broker-owner at Village Homes and Properties in Woodinville. Record low interest rates have increased purchasing power with mortgage programs such as FHA 3.5% down payments, he noted. Also, he added, “The availability of funds has allowed record refinancing for purchasing second homes and investment properties.”

With home prices increasing, which Rebhuhn believes indicates strong jobs and lifestyle demand, he said it raises questions about whether our market is underpriced. “Highly likely,” he suggested.

Brokers in Kitsap County reported a “huge pent-up demand.” Frank Wilson, the Kitsap regional manager and branch managing broker at John L. Scott Real Estate in Poulsbo, said, “The lack of listings and the extremely low interest rates are two of a growing number of reasons why buyers are looking in our area.” He said they’re beginning to see flight from larger cities as more and more jobs can be done remotely.

Wilson also reported strong traffic at open houses since the Governor announced in early October that limited open houses would be permitted in all counties with strict adherence to occupancy restrictions and other safety guidelines.

“Now that we can hold homes open again, we are seeing anywhere from five to 20 small groups coming through, with showings often resulting in multiple offers,” Wilson stated, adding, “It is good to see both brokers and buyers working together plus the stringent use of masks, social distancing, hand sanitizer and other tools to ensure safe and healthy showings.”

Broker/owner Frank Leach at RE/MAX Platinum Services in Silverdale said Kitsap County continues to enjoy brisk activity, “but not without the frustration of having historically low inventory. Although new listings are on the rise, they are being stripped from the market at a stunning pace. Buyers are bidding up properties as demand stays steady and inventory continues to dwindle.” He attributes part of the surge to buyers east of Kitsap County coming into the market.

Northwest MLS data show Kitsap has only about two weeks of supply (0.57), with inventory plummeting more than 41% from a year ago.

Mike Grady, president and COO at Coldwell Banker Bain, said October reflected a continuation of the summer market well into autumn and puts sellers in a great position. “We’re seeing buyers snapping homes up almost as fast as they’re listed,” he commented, adding, “With interest rates remaining at record lows and employment in major tech industries very strong, this is a good indication that we may well skip the usual slowing in the winter market altogether.”

Rebhuhn said the coming holiday season may present more opportunities for buyers, with less competition for new listings. However, given the current sparse inventory and keen competition, broker Frank Leach, a member of the NWMLS board of directors, emphasized buyers must be prepared when entering the marketplace “with funds and financials at the ready.”

Condo shoppers are less pressured in some parts of the market. System-wide, inventory is up about 5.4% compared to twelve months ago, aided in part by the addition of 1,589 new listings during the month – a healthy 37.6% YOY improvement. At month end there was about 1.5 months of supply.

Pending sales of condos jumped nearly 35%, while area-wide closings nearly doubled from a year ago, rising from 950 transactions to 1,414. Prices were up slightly more than 14%. The overall median price on last month’s sales was \$395,000. In King County, which accounted for nearly six of every 10 sales (58.7%), the median price was \$459,970, which reflects a 19.5% increase from this time a year ago.

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.

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	3,971	3,806	3,833	3,857	\$853,099	\$685,000	0.99	1.74
Snohomish	1,626	844	1,761	1,734	\$589,989	\$549,994	0.49	1.51
Pierce	1,614	986	1,786	1,619	\$473,143	\$425,000	0.61	1.29
Kitsap	507	311	554	549	\$551,750	\$435,000	0.57	1.24
Mason	125	92	157	148	\$363,215	\$333,325	0.62	1.50
Skagit	215	198	232	243	\$498,099	\$434,900	0.81	1.82
Grays Harbor	165	165	201	175	\$278,911	\$248,500	0.94	2.33
Lewis	132	183	148	134	\$336,700	\$327,500	1.37	1.83
Cowlitz	146	112	177	165	\$357,611	\$324,750	0.68	1.66
Grant	127	156	150	147	\$279,739	\$270,000	1.06	2.38
Thurston	504	232	563	531	\$427,334	\$391,400	0.44	1.07
San Juan	39	98	56	62	\$982,273	\$705,000	1.58	6.50
Island	184	126	195	195	\$514,266	\$436,500	0.65	2.14
Kittitas	106	97	128	105	\$643,060	\$498,950	0.92	2.56
Jefferson	60	76	64	72	\$599,496	\$500,361	1.06	3.19
Okanogan	45	120	66	57	\$364,147	\$320,000	2.11	5.91
Whatcom	376	402	395	408	\$499,087	\$450,000	0.99	2.29
Clark	108	63	137	120	\$472,318	\$419,500	0.53	2.14
Pacific	67	94	84	86	\$226,549	\$221,250	1.09	3.18
Ferry	6	26	9	5	\$378,900	\$269,500	5.20	6.00
Clallam	89	111	119	137	\$409,881	\$369,900	0.81	2.64
Chelan	100	137	107	133	\$554,316	\$469,500	1.03	2.68
Douglas	44	56	49	56	\$439,812	\$371,200	1.00	1.60
Others	72	132	68	68	\$372,796	\$286,600	1.94	3.68
<b>Total</b>	<b>10,428</b>	<b>8,623</b>	<b>11,039</b>	<b>10,806</b>	<b>\$623,015</b>	<b>\$500,000</b>	<b>0.80</b>	<b>1.73</b>

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

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
<b>2002</b>	4293	4735	5569	5436	6131	5212	5525	6215	5394	5777	4966	4153
<b>2003</b>	4746	5290	6889	6837	7148	7202	7673	7135	6698	6552	4904	4454
<b>2004</b>	4521	6284	8073	7910	7888	8186	7583	7464	6984	6761	6228	5195
<b>2005</b>	5426	6833	8801	8420	8610	8896	8207	8784	7561	7157	6188	4837
<b>2006</b>	5275	6032	8174	7651	8411	8094	7121	7692	6216	6403	5292	4346
<b>2007</b>	4869	6239	7192	6974	7311	6876	6371	5580	4153	4447	3896	2975
<b>2008</b>	3291	4167	4520	4624	4526	4765	4580	4584	4445	3346	2841	2432
<b>2009</b>	3250	3407	4262	5372	5498	5963	5551	5764	5825	5702	3829	3440
<b>2010</b>	4381	5211	6821	7368	4058	4239	4306	4520	4350	4376	3938	3474
<b>2011</b>	4272	4767	6049	5732	5963	5868	5657	5944	5299	5384	4814	4197
<b>2012</b>	4921	6069	7386	7015	7295	6733	6489	6341	5871	6453	5188	4181
<b>2013</b>	5548	6095	7400	7462	7743	7374	7264	6916	5951	6222	5083	3957
<b>2014</b>	5406	5587	7099	7325	8055	7546	7169	6959	6661	6469	5220	4410
<b>2015</b>	5791	6541	8648	8671	8620	8608	8248	7792	7179	6977	5703	4475
<b>2016</b>	5420	6703	8130	8332	9153	8869	8545	8628	7729	7487	6115	4727
<b>2017</b>	5710	6024	7592	7621	9188	9042	8514	8637	7441	7740	6094	4460
<b>2018</b>	5484	5725	7373	7565	8742	8052	7612	6893	6235	6367	5328	4037
<b>2019</b>	5472	4910	7588	8090	8597	8231	7773	7345	6896	6797	5788	4183
<b>2020</b>	5352	6078	6477	5066	7297	8335	8817	9179	8606	7934		

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## Battle of the Barristers draws record crowd, raises \$35K for scholarships



With more than 600 attendees participating virtually, five prominent real estate attorneys discussed and debated actions and inactions by parties to various real estate scenarios. The popular “Battle of the Barristers,” presented annually by Seattle King County REALTORS®, is also a fundraiser for the Seattle First Citizen Scholarship Foundation. The seminar is approved for 3 clock hours.

The battling barristers included Annie Fitzsimmons, Hotline lawyer and instructor at Washington REALTORS®; Lars Neste, shareholder at Demco Law Firm, P.S.; Chris Osborn, general counsel for Northwest Multiple Listing Service and partner at Stoel Rives LLP; and Doug Tingvall, attorney specializing in residential real estate. Mike Spence, a partner at Helsell Fetterman LLP, served as moderator/instructor during the lively discussion on several significant real estate legal issues.

In the first of six scenarios, Spence described a transaction between buyers and sellers who are personal friends and whose brokers were in the same office. The case involved the use of Northwest Multiple Listing Service Form 65B Rental Agreement (Seller Occupancy After Closing) because the seller’s new house would not be ready when anticipated due to construction delays. One issue was the uncertain duration of the post-closing occupancy and whether the “short form” (65B) rental agreement, rather than Form 68 (Lease/Rental Agreement) should have been used.

“The longer the extension, the more likely a landlord-tenant situation exists,” suggested Neste. Osborn noted the short form was created upon pressure from the broker community. “The long form provides more comfort for both parties,” Osborn explained while acknowledging “there’s no bright line”

regarding duration. As the attorneys bantered about the merits of the various forms, Fitzsimmons stated, “I worry about brokers walking away from this class thinking they shouldn’t use Form 65B.”

The second scenario was based on pandemic-related challenges affecting various phases of a transaction, including recording date(s) and a notice from the County Recorder’s office to the brokerage community stating they could not guarantee same-day recording numbers. This case study involved a broker with five transactions “in the hopper,” with two of them resulting in delivering the Notice of Termination on behalf of the sellers because of delays in appraisals. Buyers on the remaining three transactions were concerned about interest rate locks expiring. Spence posed questions about what the broker should do on behalf of the seller and buyer clients.

The barristers discussed the risks involved in deviating from the forms manual or not relying on experts in the industry, suggesting actions such as inserting an “on or before” or “TBD” clause could result in claims for malpractice or the unauthorized practice of law.

Tingvall also mentioned situations where closing is tied to another event, such as “within 10 days after the issuance of a Certificate of Occupancy.” He favors using a range of dates, but Osborn disagreed, saying the “vast majority of deals are date-specific.” He urged brokers to avoid ambiguity: “Steer away from language that is uncertain.” To underscore his point, he cited a recent transaction where parties used Form 21 to address defaults, but because the appropriate boxes were not checked, expensive litigation ensued. “With that kind of mistake on the document, both brokers are subject to malpractice claims,” he cautioned.

If a date needs to be changed, Neste suggested circulating an addendum in order to change a contract.

Fitzsimmons commented on the addition of “crazy, handwritten language” on an agreement. “If both parties sign, there could be a problem.” She also noted before COVID it was advisable to set a closing date not on the last day or a month, and not on a Friday.

Scenario #3 pertained to encroachments and the sellers’ failure to disclose a boundary agreement with their former neighbors 12 months before the sale so the neighbor could build an Accessory Dwelling Unit. The purchasers claimed the adjustment violated the Homeowner Association’s CC&Rs and meant the seller falsely answered question 1C on Form 17 regarding the existence of any “encroachments, boundary agreements, or boundary disputes.”

The case raised issues about disclosures, “actual and constructive knowledge,” context, and whether the HOA followed its own rules.

Osborn said absent any indication the broker knew (about the setback agreement), then the broker probably has no responsibility. Neste reminded brokers of their duty to exercise reasonable skill and care. While brokers tend to think they “can rest on what seller says” is generally true, brokers still have some responsibility to check on whether there is something obvious that is not disclosed. “I forgot” is not a defense, Fitzsimmons emphasized.

Scenario #4 raised issues pertaining to agency disclosure and Forms 42 (Agency Disclosure – for use when the transaction forms do not otherwise contain an agency disclosure provision) Form 34 (blank Addendum/Amendment to Purchase and Sale Agreement), Form 1S (appointment of subagent), disclosure of selling office commission, and timely communication and presentation of offers.

Neste said timing issues arise with teams, co-brokerage arrangements. “I don’t think we’re as careful as we could be.” Others agreed, emphasizing, “It’s critical that both parties understand who you represent.”

Neste also noted by statute, brokers have the option to represent neither party, but commented, “What are you really accomplishing? If you are providing limited services, I can see that, but otherwise, why run from your duties?”

Spence said brokers will sometime use Form 34 to state they are “only facilitating this transaction” and calls it bad practice. An agent who does so, as a “favor,” for example, can’t walk the middle. Tingvall said he’s okay with some situations when a broker acts as a facilitator. Neste stated he “despises” the term “facilitator” which was noted is not in the licensing law. Similarly, he has reservations about “dual agency.” While it is legal, are buyers and sellers informed of what that really means for them? he asked adding, “You can’t advocate when you’re a dual agent.”

The fifth scenario raised issues on backup offers, inspections (with and without contingencies), questionable relationships between brokers, post-closing promises, rescission issues, and the unauthorized use of an image on a listing website.

During the discussion, the barristers commented on multiple offers and selling a property twice. “Some of the worst lawsuits you can be involved in are multiple offer situations and you move to the next before disposing of a previous buyer,” said one of the attorneys. Another remarked, “Selling a property twice is among the worst situation you could get in.”

The scenario also prompted comments about inspections. “Information only” inspections are a bad idea, stated Fitzsimmons, noting these and “pre-inspections” have been the source of countless hotline questions. One of the barristers attributed the use of such documents to the frenzy market, saying “Buyers are being stupid – and brokers are allowing it.”

With regard to post-closing promises, the panel of attorneys tended to agree, saying such promises can be risky and hard to enforce.

As for the unauthorized use of an image on the listing website, Osborn said copyright infringements are still a big issue with potential liability. However, he noted since Northwest MLS uses the Digital Millennium Copyright Act (DCMA), liability for the infringement is limited if the owner of the copyright provides notice and the image is taken down. “Make sure you have the license to use all images,” he emphasized. (See NWMLS Legal Bulletin 212.)

The final case (scenario #6) dealt with amenities at a townhome project, a purchaser who opted out of a club membership, and a recent law known as WUCOIA that requires public offering statements for “plat communities” of more than 12 units, and whether this property is subject to it. (The Washington Uniform Common Interest Ownership Act became effective 7/1/2018. It mostly pertains to new condominiums and other planned communities.) The barristers reminded brokers to be aware of this Act, which Fitzsimmons said “places an enormous burden on sellers in a plat community.”

### **First Citizen Scholarship Foundation**

The popular “Battle of the Barristers” legal seminar raised a record-breaking \$35,000 for the Scholarship Foundation, a 501(c)3 charitable corporation. Scholarships are presented to SKCR REALTOR® and Affiliate members, their children, grandchildren, nieces, and nephews who display a commitment to the growth, health, and betterment of or communities as exemplified by the Seattle-King County First Citizen Award recipients.

Since inception in 1999, more than \$443,000 in scholarships have been awarded to a total of 254 students.

This year’s Foundation board established a named scholarship in honor of longtime member and past president Evangeline “Van” Anderson, marking only the third time a named scholarship has presented. Bellevue High School senior Rachel Park was the recipient of this year’s special \$5,000 scholarship.

## Two groups to collaborate in quest to eliminate housing discrimination based on sexual orientation



Two groups plan to combine forces to cross-promote Fair Housing initiatives and related concerns, according to a [Memorandum of Understanding](#) (MOU) they signed in early September.

The [National Fair Housing Alliance](#) (NFHA), established in 1988, and the newly launched [LGBTQ+ Real Estate Alliance](#) pledged to collaborate to “rid the nation of housing discrimination based on sexual orientation and gender identity” and to “ensure everyone has access to housing free from discrimination.”

The agreement – the first MOU signed by the Real Estate Alliance – unites the organizations to promote fair housing, educate each group’s members and the general public about the fair housing rights and responsibilities of the LGBTQ+ community, provide fair housing training to LGBTQ+ RE members, and



collaborate in the fight to expand fair housing protections for all within the LGBTQ+ community. They will also collaborate to showcase instances of housing discrimination.

Ryan Weyandt, CEO of the LGBTQ+ Real Estate Alliance, expects the partnership with NFHA will allow the groups to work collaboratively “and hopefully get us to a much better place as a community. So many are stunned to learn that the LGBTQ+ community does not have the full breadth of protections at the federal level under our nation’s fair housing and fair lending laws,” he remarked.

“While our industry, led by the National Association of Realtors®, has been proactive in working with our community in the fight for housing equality, we have a long way to go,” stated Weyandt, a veteran mortgage lender. Only 27 states (including Washington) and Washington, D.C. have explicit local laws to prohibit discrimination based on sexual orientation and/or gender identity.

About 4.5% of the U.S. population identifies as LGBTQ or an estimated 11 million people, of which 88% are employed, according to a [2018 report by MAP and the National LGBTQ Workers Center](#).

“The National Fair Housing Alliance is thrilled about partnering with the LGBTQ+ Real Estate Alliance to advance fair housing, particularly at a time when civil rights are under attack and key tools for strengthening equity are being systematically eviscerated,” said Lisa Rice, president and CEO of NFHA. As part of the agreement, her organization will have a seat on the Alliance’s Diversity, Equity and Inclusion Council, the LGBTQ+ Mortgage Advisory Council, and the Sponsor Advisory Board.

Rice noted the Department of Housing and Urban Development (HUD) recently passed its harmful Disparate Impact rule that will gut civil rights protections for LGBTQ+ people and members of other vulnerable communities, making it exceedingly harder to challenge systemic discrimination by housing providers. “We must fight back, and our new partnership with the LGBTQ+ Real Estate Alliance will give us another avenue through which to do just that,” she proclaimed.

#### **About the LGBTQ+ Real Estate Alliance**

The LGBTQ+ Real Estate Alliance is a 501(c)6 nonprofit dedicated to empowering the LGBTQ+ community on the path to homeownership. It also advocates on behalf of the community on housing issues and real estate policy.

Founded in June 2020, the all-inclusive organization works to improve the professional lives of its members through a public-facing Alliance Referral Community. Its formation resulted from a conflict with leadership of the National Association of Gay and Lesbian Real Estate Professionals. Since the Alliance began accepting members in October 2020, it has grown to more than 50 chapters in the U.S. and Puerto Rico.

According to its website, the LGBTQ homeownership rate is 49%, well below the 64% rate for the general population. The community has an annual purchase power of nearly \$1 trillion in the U.S. The site also indicates fear of any type of discrimination in the future home buying process is a concern for 46% of renters.

### About the National Fair Housing Alliance (NFHA)

NFHA is a consortium of more than 200 private, nonprofit fair housing organizations and state and local civil rights agencies from throughout the U.S. Founded in 1988 with headquarters in Washington, D.C., the organization works to eliminate housing discrimination and ensure equal housing opportunity for all people through leadership, education, outreach, membership services, public policy initiative, community development, advocacy, and enforcement.

NFHA estimates there are more than 4 million acts of discrimination in the U.S. each year. It has three membership levels, including tax-deductible individual memberships, along with Fair Housing Agencies (operating members) and Housing/Advocate Agencies (supporting members).

Operating members in Washington include the Fair Housing Center of Washington in Tacoma and the Northwest Fair Housing Alliance in Spokane. The City of Seattle's Office for Civil Rights Enforcement is a supporting member.

## SKCR joins... Coalition for more housing choices



Seattle King County REALTORS® (SKCR) joined the recently launched [Coalition for More Housing Choices](#), an organization whose members plan to collaborate to “advocate for a shared and defined vision for housing.”

“The mission of our REALTOR® organization is to foster a business climate in which our members can meet the housing needs of their clients. Promoting policies that allow for the creation of new inventory and more housing options for consumers is our top priority,” stated SKCR president Georgia Stevens, managing broker at Compass Washington.

In addition to SKCR, current members include [15 other organizations](#) representing a broad spectrum of Puget Sound regional leaders, civic organizations, businesses, labor and nonprofits.

The Coalition, which started forming in 2019, has adopted five guiding principles (*see box*) for addressing the housing crisis. Several statistics summarize the concerns:

Since 2011, jobs in our region have grown **21%** but housing construction has only grown by **13%**, causing housing prices to surge by **96%**. [Learn more.](#)

Source: Smith, Brad; Hood, Amy. Microsoft. [“Ensuring a healthy community: the need for affordable housing,”](#) January 16, 2019.

New research reconfirms Washington faces a shortage of over 225,000 homes as measured from 2000–2015. [Learn more.](#)

Source: Up for Growth. [“Housing Underproduction in Washington State,”](#) January 2020.

Our region is forecast to add 1.8 million more people by 2050. That’s like adding 2.5 more Seattles in 30 years’ time.

Source: [Puget Sound Regional Council.](#)

Today’s median home price in King County is nearly seven times the median household income, and median rental housing costs are now 35% of median household income.

Source: Challenge Seattle. [“The Invisible Crisis: A Call to Action on Middle-Income Housing Affordability,”](#) January 2019.

49% of renters and 26% of homeowners in Washington are cost-burdened—they must spend more than 30% of their income on housing. This makes our region less affordable for current residents, newcomers, and future generations.

Source: U.S. Census Bureau. *2012–2016 American Community Survey, Median Income in Past 12 Months, 1-Year Estimates, 2017.*

Research shows 74% of jurisdictions in King County allow fewer than four homes per acre in at least one residential zone.

Source: Study conducted for MBAKS by LDC Inc., January 2019.

By 2030, one in five people in the United States will be age 65 or older. And by 2035, older adults are projected to outnumber children for the first time. America’s current housing stock doesn’t fit a rapidly aging population.

Source: AARP. [“Making Room: Housing for a Changing America,”](#) 2019.

In 2017, more than 19 million older adults were living in housing that didn’t provide them with the best opportunity to live independently. Only about 1% of the nation’s present housing is equipped to meet their needs.

Source: AARP. [“Making Room: Housing for a Changing America,”](#) 2019.

### **Five Guiding Principles**

1. More housing options
2. Environmental stewardship
3. Equity
4. Public finance and public/private partnerships
5. Regulatory reforms

Driven by the five principles and drawing on proven policies and experiences, coalition members seek to successfully remove barriers to more housing choices to meet the needs of current and future residents, whether they intend to purchase or rent a home. The group intends to develop a broadly supported plan for new housing based on “robust policy research” to inform decision-making by policymakers, and to share best practices with local, county, and state officials.

The Coalition supports increasing housing choices and options in the urban centers of the Puget Sound region. Additionally, members will strive to build new homes across the region that “not only support the local neighborhood, but also meet the planning goals of the Growth Management Act.” That law,

adopted in 1990, guides new housing development toward job centers, transportation, and where people already live, especially in cities.

Realtors and others who are interested in following the Coalition can [subscribe to email updates](#).

## Seattle, Portland shift to outmigration markets as buyers opt for farther out and more affordable destinations

Labeling it a “surprise,” analysts with John Burns Real Estate Consulting reported Seattle and Portland flipped to outmigration markets for two consecutive quarters, reversing both cities’ patterns of being in-migration markets. Buyers moving to more affordable locations or farther out submarkets were cited as likely causes for the change.

“Never before have space and location been more important,” wrote a trio of researchers from Burns in their report for the firm’s weekly newsletter (“The Light”) covering issues arising from the COVID-19 pandemic. The company routinely tracks the acceleration of moves to exurban communities.

As part of their analysis, representatives from Burns compare U-Haul rental rates between 39 cities to gain insight into migration patterns. According to their findings, the pre-COVID cost to rent a 20-foot truck from Seattle to Austin was \$1,446, but it now costs \$2,567 more, a spike of nearly 78%.

The researchers compared the average premium or discount to drive a 20-foot truck to a city compared to returning the same truck between October 2020 versus October 2019.

In an earlier report published in May, Burns predicted “The Great American Move” as states, counties, and cities around the country slowly reopened. “For safety reasons, financial prospects, life change improvements, personal comfort, and employment, we expect a surge in household and business relocations over the next few months that will provide new, strategic opportunities for the real estate market.”

The consultants’ latest comparison found most of the outmigration markets were in the coastal states, with all eight California markets experiencing the most outmigration. They noted Riverside-San Bernardino and Sacramento are attracting in-state buyers looking for more space and affordability.

Following the eight California cities with the highest rates of outmigration were New York, Baltimore and Washington, DC, driven in part by retirees and first-time buyers. With the pandemic’s “work from home” mandates and technology enabling productive home-based work, buyers can relocate.

Some such workers are lured to affordable tech markets such as Boise (with a noticeable influx of Northern Californians), Austin, Raleigh-Dunham, and Sale Lake City.

The exodus from expensive areas is benefiting the Coastal Southeast and Florida, as well as the “Big Southern Markets.” The Burns survey found builders are raising prices to accommodate demand, especially in Jacksonville, Myrtle Beach, Charleston, Sarasota, Orlando, and Tampa. The Burns report also named Atlanta, Charlotte, Dallas, Fort Worth, Houston, and Dallas as other attractive destinations for relocating families. Builders in these areas reported strong sales and 7%+ price appreciation in September.

Phoenix, one of the strongest housing markets in the country, continues to be an in-migration magnet in the Southwest. Researchers noted strength in the entry-level segment and “reinvigorated active-adult demand.”

Co-authors for the last migration report were Danielle Nguyen, manager of research, and managing principals Lesley Deutch and Ken Perlman.

## Residents of Seattle, 13 other cities must earn \$100,000 annually to live comfortably

Seattle is among 14 U.S. cities where residents must earn at least \$100,000 annually to live comfortably as a renter or homeowner, according to an analysis from [GoBankingRates.com](http://GoBankingRates.com).

That personal finance website compared the 50 largest metro areas to determine the necessary income to abide by the “50/30/20” rule of budgeting, which says to allocate 50% for needs such as housing, groceries and utilities, 30% for wants (optional items like dinner and movies out or gym memberships), and 20% for savings and investments.

GoBankingRates found the median salary in the 50 largest metros falls short of what is needed to easily buy or rent a home in those areas.

“With the average salary in each major U.S. city falling well short of what’s needed to live comfortably there, the study should make it clear that a lot of America’s urbanites probably have to make cuts elsewhere to afford living in the big city,” wrote business and finance writer Joel Anderson.

A comparison of Seattle with other cities in the Western U.S. shows varying gaps between median income and income needed to live comfortably, whether as a homeowner or renter.

City	Median Income	Income needed if you’re a homeowner	Income needed if you’re a renter
San Jose	\$96,662	\$197,502	\$143,670
San Francisco	\$96,265	\$230,286	\$164,214

Seattle	\$79,565	\$144,786	\$115,722
San Diego	\$71,535	\$137,826	\$120,786
Austin	\$63,717	\$98,007	\$94,455
Portland	\$61,532	\$106,256	\$97,568
Colorado Springs	\$58,158	\$84,800	\$83,072
Los Angeles	\$54,501	\$150,392	\$136,208
Fresno	\$44,853	\$79,756	\$79,061
Tucson	\$39,617	\$72,870	\$74,070

The findings show it can be difficult to make ends meet even in cities with low housing prices. In Cleveland, Ohio, for example, the average renter needs around \$55,000 a year to own a home and about \$65,000 to rent. (No city among the 50 largest is cheaper to live in than Cleveland, according to the GoBanking survey.)

Cleveland’s median income is just under \$28,000, the lowest among the 50 cities in the report. But homeowners would need \$55,000 to live comfortably and renters need close to \$65,000, which amounts to a shortfall of around \$37,000.

The survey uncovered a few cities will relatively small gaps between median earnings and cost of living. Oklahoma City, Kansas City, Omaha, and Columbus are four cities with median incomes of around \$50,000 a year that fall within \$20,000 of the income homeowners need to get by.

GoBanking used Zillow to calculate housing costs and Sperling’s Best Places to estimate prices of other necessities.

GoBankingRates.com is owned and operated by ConsumerTrack, Inc., a Los Angeles-based digital media and marketing company.

## Region nets 166 people per day during 12-month period

Between April 2019 and April 2020, the Puget Sound region grew by 60,800 people, which is the equivalent of 166 per day, according to Puget Sound Regional Council (PSRC). The organization, a leading source of data and forecasting, anticipates an additional 1 million people will live in the region by 2040.

PSRC said King County added 34,500 people during the latest reporting period, accounting for 57% of the region’s increase.

The latest regional population trends reported by the organization stated the region’s population reached 4,264,200, which reflects a gain of one million people since 2000. It noted last year’s growth was less than recent years when population increases sometimes topped 80,000.

More than half the region's population growth occurred in King County each year since 2011. Pierce and Snohomish counties together accounted for 40% of the latest growth. Three percent of the growth was in Kitsap County.

PSRC indicated the 2020 estimates are subject to revision based on 2020 Census results. It also plans to track data to see possible impacts of COVID-19 on growth in the next year.

PSRC's mission is to "ensure a thriving central Puget Sound now and into the future through planning for regional transportation, growth management and economic development." Its work is directed by the elected leaders of King Pierce, Snohomish, and Kitsap counties, the region's cities and towns, port districts, transit agencies, and tribes.

## Seattle barely makes "top 20" list of most dog-friendly cities

Seattle eked out a tie for 19<sup>th</sup> on a list of "most dog-friendly cities in America," according to SmartAsset, a financial technology company.

The company based its rankings on seven metrics using an analysis of data for 100 of the largest cities in America. Criteria included:

- Dog parks per 100,000 residents
- Dog-friendly restaurants
- Dog-friendly shopping centers
- Median home value
- Average annual days of precipitation
- Walk Score
- Concentration of pet stores and veterinary offices

Tucson, Arizona topped the list followed by runners-up Las Vegas, Nevada and Madison, Wisconsin, which tied. Rounding out the top five were Albuquerque, New Mexico and Portland, Oregon.

Six of the top 11 cities in the study are in the West.

Dog parks were double-weighted. Among the top 20 cities, Boise had the highest number with 6.0 per 100,000 residents, followed by Portland at 5.8. Seattle lagged with only 1.9 dog parks per 100,000 residents.

Researchers said the average number of pet stores and veterinary offices across all 100 cities in the study is approximately 57 per 10,000 establishments. Seattle surpassed that with just under 64.

Tucson's first-place ranking was aided by relatively high scores for number of dog-friendly restaurants, concentration of pet stores and vet offices, and low number of days with precipitation.

As part of its study, SmartAsset cited American Pet Products Association (APPA) research on consumer expenditures for pets and noted the popularity of dogs as pets. An estimated 63.4 million households own a dog, according to APPA. The trade group said Americans spent \$95.7 billion on their pets in 2019, with nearly \$37 billion going toward pet food and treats, and more than \$29 billion spent on vet care and product sales.

## News In Brief

- **Home prices skyrocketed in September by more than 18% in Seattle, and Tacoma was the fastest-selling real estate market in the nation for the third month in a row, a new analysis shows.** The study, by real estate company Redfin, also found that average home prices shot up by more than 14% nationwide in September over the same month last year - the steepest increase ever recorded. In Seattle, the median home sales price in September rose by 18.5% over the same month last year to \$640,000. The average home price in Tacoma was \$435,000 - a 14.5% increase over last year. For the third month in a row, Tacoma also was the fastest market in the nation, with half of all homes pending sale in just six days, down from 16 days a year earlier. Seattle was tied with Indianapolis and Grand Rapids, Mich., as the second-fastest market in the nation, with half of homes pending sale in seven days. Tacoma also was the second most competitive market in the nation, with 59.6% of homes selling above list price.
- **U.S. homebuilder confidence advanced in October to a fresh all-time high as record-low interest rates continued to fuel sales and the demand outlook.** A gauge of builder sentiment climbed to 85, the highest in records back to 1985, from 83 a month earlier, according to the National Association of Home Builders/Wells Fargo Market Index released Monday. The October reading was stronger than the median forecast of 83 in a Bloomberg survey of economists, and marked the sixth straight month builder sentiment has exceeded the consensus estimate. The booming housing market has been a bright spot for the economy since the coronavirus lockdowns eased. Declining mortgage rates are making it easier for buyers interested in purchasing larger homes or relocating to suburbs as houses are increasingly viewed as remote workplaces in light of the pandemic. The NAHB's gauge of current single-family home sales rose by 2 points to a record 90 in October, while a measure of the outlook for purchases climbed 3 points to an all-time high of 88. The group's index of prospective buyer traffic held at 74. By region, builder sentiment in the West and Northeast rose to the highest levels on record, while confidence eased in the South and Midwest.
- **The Eastside suburb of Sammamish was named the Best Small City to Live in America by a new survey, though it was quite a bit of company from fellow Eastside neighbors near the top of the list.** [Wallethub compared 1,200 cities](#) across the nation with populations between 25,000 and 100,000 and scored them against 43 indicators ranging from housing costs to school system quality to restaurants per capita -- even how they are handling the COVID-19 outbreak. They



were broken into 5 main categories -- affordability, economic health, education & health, quality of life, and safety. Out of 1,200, Sammamish ranked No. 1 in Economic Health and 11th in Education and Health. It also scored extremely well in Safety (34th). It was above average in their affordability rank (146th) and only fared poor in their Quality of Life rank, which factored in such items as average commute time, entertainment & shopping options and even parks per capita. Sammamish just edged out Lexington, Massachusetts for the top overall spot, with Carmel, Indiana, Needham, Massachusetts and Sugar Land, Texas rounding out the Top 5. But fellow Eastside suburb Redmond ranked No. 10 overall, still placing in the 99th percentile. Other small Puget Sound cities to score in the top percentiles were Kirkland (98th), Bothell (98th), and Issaquah (96th).

- Residents of Washington state have the third-highest average credit score in the nation, according to a new study.** The study, by [personal finance website WalletHub](#), found that Washingtonians have an average credit score of 709, which is solidly in the "good" range and well above the national average score of 680. The number to strive for is at least 750, which marks the beginning of the excellent credit range. The study also found that many people are struggling to maintain a good credit score as the COVID-19 pandemic wreaks havoc on their finances, leading them to take out loans or fall behind on their payments. Minnesota has the highest average credit score in the nation, at 720, according to the study. It is followed by Hawaii at No. 2. North Dakota and South Dakota rank fourth and fifth highest, while Oregon comes in sixth best, with an average score of 707. Residents of Mississippi have the lowest average credit score, at 657. Alabama is second lowest, at 662.
- Home prices around the country continued to shoot up as summer drew to a close — and the Seattle area was no exception, according to the Seattle Times.** Prices around Seattle rose year-over-year by 8.5% in August, the second-highest rate of growth in the country after Phoenix, which clocked a 9.9% increase, according to the S&P CoreLogic Case-Shiller Home Price Index released Tuesday morning. August was the seventh consecutive month that Seattle was second to Phoenix in average home price growth, and the 10th straight month that Seattle price growth topped national averages. Nationally, home prices rose year-over-year by an average 5.7% in August, compared to 4.8% the previous month.

## Calendar of Events

DATES	EVENT	TIME	LOCATION	CONTACT
<b>11/11</b>	Affiliate Council	10 a.m. - 11 a.m.	Zoom	425-974-1011
<b>11/18</b>	Board of Directors	9:30 a.m. - 12 p.m.		425-974-1011
<b>11/26-27</b>	Holiday-Office Closed			
<b>12/1</b>	Gov't Affairs Committee	10:30 a.m. - 12 p.m.	Zoom	425-974-1011

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