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"Extraordinary market conditions" sustain strong home sales around Washington state during holidays

KIRKLAND, Washington (January 6, 2021) – "Insatiable buyer demand" is keeping inventory scarce as house hunters try to outmaneuver and outbid each other, according to reports from Northwest Multiple Listing Service (NWMLS). Its statistical summary for December showed strong activity throughout the holiday season with double-digit increases in new listings, pending sales, closed sales, and prices.

Northwest MLS brokers added 5,260 new listings to inventory during December, a hefty 39.3% increase over the same month a year ago. Last month's additions fell short of meeting demand as members reported 6,883 pending sales (mutually accepted offers). That number surpassed the year-ago volume by 940 transactions for an increase of 15.8%.

Pending sales were especially robust in several counties where year-over-year (YOY) gains of 25% or greater were notched, notably Grant (up 133%), Kittitas (up 55%) and Pacific (up nearly 43%).

"As more people are working from home, they are also purchasing properties further afield from Seattle," observed James Young, director of the Washington Center for Real Estate Research at the University of Washington. He singled out Chelan, Clallam, Grays Harbor, Kittitas, and Mason as counties that had year-over-year price growth of 20% or more. The MLS report also shows Pacific and Whatcom counties with 20% or higher price gains.

"The velocity of the December market is a harbinger of the 2021 market as tight listing inventory, low interest rates, and high buyer demand continue to drive momentum," remarked

NWMLS director John Deely, executive vice president, operations at Coldwell Banker Bain. "Every market serviced by NWMLS was trending below December 2019 for total active inventory," he noted. "In King County, despite a nearly 62% increase in new listings compared to a year ago, the insatiable buyer demand quickly absorbed available properties," he added.

Deely reviewed new listing activity during the month of December for the past decade and found last month's total (5,260) was the largest since 2010 (5,460).

At month end, there were 4,732 total active listings system-wide in the MLS database, which encompasses 25 counties. That's down 44% from a year ago when the selection included 8,469 listings. Measured by months of inventory, there is only about two weeks of supply (0.53 months) overall. Only five counties had more than a month of supply, well below the four-to-six months of supply used by housing analysts as a gauge of a balanced market.

"With just over a two-week supply of homes on the market, last month maintained the extraordinary market we have seen all year," commented Young. "For demand and supply to remain this out of balance for this time of year is incredible," he added.

NWMLS director Jason Wall, designated broker at Lake & Company Real Estate, said 2020 was unusual "and it ended in the same way – surprising." Noting the market typically slows during the holiday season, Wall said, "This year, with little to no travel and not much else attracting homebuyers' attention, many of them remained very active in the market. Homebuyers that hoped to take advantage of less competition in a relaxed housing market instead found the same competitive market."

NWMLS director Mike Larson, president/designated broker at ALLEN Realtors, described the market as "the best of times for sellers and a very challenging time for buyers. Sellers can be picky because there are almost always multiple offers. Buyers are being forced to add value to their offers in ways other than price." Examples he cited included shorter contingencies, closing date flexibility, higher earnest money deposits, and agreeing upfront to pay the difference if a property's appraised value is lower than the sales price.

Home prices continue to rise. For the 9,008 sales of single family homes and condos that closed last month, prices jumped nearly 12.2% from a year ago, increasing from $435,000 to $488,000. Only three counties (Ferry, Okanogan, and San Juan) reported year-over-year price drops, while nearly all other counties had double-digit gains, according to the NWMLS report.

Single family homes accounted for most of the price escalation. For the 7,848 closed sales of this property type, prices increased nearly 12.9%. YOY prices on the 1,160 closed sales of condos rose about 1.8%.

“We see home prices continue to increase with jobs and lifestyle changes being two of the major factors in sales. Unbelievably low interest rate and buyer demand continue to drive the market,” commented Dean Rebhuhn, broker-owner at Village Homes and Properties. Smart buyers are winning in multiple offer situations by doing pre-inspections and having financing approved, according to Rebhuhn.

“Housing market activity is truly off the charts,” exclaimed J. Lennox Scott, chairman and CEO of John L. Scott Real Estate. He described activity for new listings going under contract as “frenzy-level,” fueled by low interest rates and a huge backlog of buyers.

“Now that the holiday season is over, local housing markets will see a surge of buyers entering the market in 2021,” Scott predicts. He also reported those who can work from home are moving to lifestyle/destination markets further outside city centers.

Inventory continues to be the biggest issue and challenge for buyers, reported Mike Grady, president and CEO of Coldwell Banker Bain. “We’re seeing sparse inventory play out in more rural areas,” he noted, adding, “There are indications people are continuing to move farther out as they’re now able to work from home. It is most definitely a sellers’ market and buyers should not depend on a significant increase in inventory or a decrease in prices in the coming months,” he stated.

Grady also advised would-be purchasers to have patience and prepare for multiple offer situations. “An example is a recent sale one of our brokers facilitated for her buyers on New Year’s Eve. The buyers had been looking for months and won a bidding war on a listing located near Monroe by paying 18% over list price. This is the reality of the market and it’s increasingly occurring outside the major metro areas.”

“COVID has not slowed the demand for housing. In fact, it has driven it up as people search for the perfect work from home location,” said Frank Wilson, Kitsap regional manager and branch managing broker at John L. Scott Real Estate.

With open houses prohibited due to the pandemic, Wilson said brokers remain busy showing new listings by appointment and in accordance with protocols. “We’re seeing increases in website traffic and virtual tours.”

Wilson said the story in Kitsap County, where his office is located, is not just about low inventory. “It’s deeper than that. We’ve had more houses come on the market when compared to last year. The real story is about the pent-up demand of buyers.” He said buyers are coming from all areas of the buyer spectrum, including those who are moving to improve their quality of life or escape densely populated cities, those who can now afford a house due to low interest rates, and those who need a change based on life cycles.

Dick Beeson, managing broker at RE/MAX Northwest in Tacoma-Gig Harbor, analyzed inventory and price changes in five Puget Sound area counties, concluding "The huge price rise in each county is driven by the extraordinarily low interest rates and incredible lack of inventory."

Beeson believes some King County sellers will opt for less expensive homes outside the county, such as the South Sound area encompassing Pierce, Thurston, and Kitsap counties. "With teleworking becoming the norm for many people, sellers in King County can buy a good home in a good neighborhood in the South Sound and have money left in their pocket. South Sound is a slowly awakening giant," he predicts.

"The 2020 housing market was remarkable for many reasons, not the least of which was its extraordinary resolve through the COVID-19 pandemic," stated Windermere Chief Economist Matthew Gardner, adding, "Who would've thought back in April that we would be ending the year with strong increases in both sales and prices?"

Deely, Larson, Rebhuhn, and Wall expect activity in 2021 to resemble 2020:

- "Demand driven by the continued growth of the tech and biomedical sectors and our high quality of life with access to vast marine and alpine activities will continue to drive prices up and growth toward the suburbs." ~ John Deely
- "So much of what is driving the market is interest rates and I don't see the Fed raising rates in the foreseeable future. I expect 2021 to be much like 2020." ~ Mike Larson
- "2020 real estate activity ended with a bang, indicating that 2021 will be an explosive year for listings and sales." ~ Dean Rebhuhn
- "I expect the first half of 2021 will be very similar to last year: low interest rates combined with low housing inventory resulting in a very active and competitive market. Multiple offers and waived contingencies will likely be the norm as we roll into the new year." ~ Jason Wall

Economist Gardner echoed some of those sentiments, saying, "As we move into 2021, I expect continued strong demand from buyers, but unfortunately, the likelihood that there will be any significant increase in inventory is slim. As a result, I believe prices will continue to rise, which is good news for sellers, but raises concerns about affordability. This, combined with modestly rising mortgage rates, could end up taking some steam out of the market but overall, I expect housing to continue being a very bright spot in the Puget Sound economy."

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) is the largest full-service MLS in the Northwest. Based in Kirkland, Washington, its service area spans 25 counties and it operates 21 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	1,793	1,949	2,351	3,096	$837,507	$676,000	0.63	0.94
Snohomish	806	373	1,018	1,413	$590,450	$535,000	0.26	0.87
Pierce	898	515	1,156	1,538	$479,229	$430,000	0.33	0.87
Kitsap	258	195	326	420	$509,128	$425,950	0.46	0.82
Mason	64	54	99	117	$376,936	$335,000	0.46	1.53
Skagit	132	109	149	188	$481,973	$431,000	0.58	1.79
Grays	101	127	134	147	$278,333	$252,500	0.86	2.73
Lewis	87	112	124	133	$331,390	$291,000	0.84	2.51
Cowlitz	67	61	118	126	$345,654	$320,000	0.48	2.13
Grant	75	99	114	135	$282,754	$271,911	0.73	2.35
Thurston	300	144	361	481	$428,222	$395,950	0.30	0.68
San Juan	23	75	29	45	$883,097	$670,000	1.67	8.40
Island	109	65	126	155	$538,713	$423,500	0.42	1.74
Kittitas	37	46	59	104	$605,981	$447,473	0.44	1.71
Jefferson	34	57	41	48	$480,681	$406,000	1.19	2.65
Okanogan	22	89	33	46	$289,347	$269,500	1.93	5.17
Whatcom	190	249	238	320	$505,716	$466,000	0.78	2.24
Clark	42	35	59	85	$483,769	$420,000	0.41	1.35
Pacific	35	66	50	57	$308,807	$275,000	1.16	3.70
Ferry	4	23	6	7	$211,286	$175,000	3.29	11.33
Clallam	48	61	73	88	$394,057	$371,500	0.69	2.01
Chelan	42	61	72	97	$507,831	$409,000	0.63	2.56
Douglas	28	39	39	54	$424,913	$387,500	0.72	2.57
*Adams	5	13	10	19	$197,6 [illegible]	$216,065	0.68	2.50
*Walla Walla	34	40	67	46	$387,272	$349,250	0.87	1.80

Others	26	75	31	43	$334,918	$285,000	1.74	4.54
Total	5,260	4,732	6,883	9,008	$607,576	$488,000	0.53	1.19

*Adams and Walla Walla counties are added as separate rows this month; previously, statistics for those counties were included in the row for "Others/Out of area"

<u>4-county Puget Sound Region Pending Sales (SFH + Condo combined)</u>
(totals include King, Snohomish, Pierce & 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	8817	9179	8606	7934	6122	4851

Housing experts expect post-pandemic rebound

Spokane-Spokane Valley is expected to be a “top 10” market during and in a post-COVID environment, according to the National Association of Realtors®, which made the prediction as part of last month’s second annual Real Estate Forecast Summit. It was the only area within Washington state to make the list.

In addition to demonstrated resilience, NAR considered a variety of indicators deemed to be influential for a metro area’s recovery and growth prospects. The factors for the “top 10” list included unemployment rate; net domestic migration, including movers from expensive West Coast areas; share of workers in retail trade, leisure and hospitality industries; mobility to retail and leisure places; and the fraction of the workforce working from home.

"Some markets have been performing exceptionally well throughout the pandemic and they'll likely carry that momentum well into 2021 and beyond because of strong in-migration of new residents, faster local job market recoveries and environments conducive to work-from-home arrangements and other factors," said Lawrence Yun, NAR chief economist and senior vice president of research.

Housing experts tended to be optimistic about a post-pandemic rebound, citing improving conditions for jobs and stable interest rates as key reasons.

More than 20 leading economic and housing experts participated in the summit, which was held virtually. Among their predictions they expect GDP growth of 3.5% and an annual unemployment rate of 6.2% this year. The forecasters believe the unemployment rate will decline to 5.0% in 2022.

Yun said another 9.8 million more jobs are needed to match the prior peak.

Housing prices are expected to rise 8.0% during 2021 and 5.5% the following year, while 30-year fixed mortgage rates are projected to be 3.0% this year and increase to 3.25% in 2022. The panels of prognosticators also anticipate:

- Housing starts will total 1.5 million this year and 1.59 million in 2022.
- The share of U.S. workforce working from home will shrink from 21% in 2020 to 18% this year; by 2022, it is expected to shrink to 12%.
- Small declines in office and hotel vacancy rates in 2021, but a slight improvement in retail vacancies.

An overwhelming 90% of the experts surveyed expect the Federal Open Market Committee will make no change in the current federal funds rate of 0% during 2021. For 2022, a rate increase of 0.25% is predicted.

"It is an understatement to say the year 2020 has been filled with challenges and full of surprises," said Yun. "Yet, one astonishing development has been the hot housing market as consumers eyed record-low mortgage rates and reconsidered what a home should be in a new economy with flexible work-from-home schedules."

In his presentation, Yun said the months supply of inventory is at an all-time low.

In 2020, home sales will reach 5.52 million, the highest annual mark since 2006, with the median home price setting a record high of $293,000, according to NAR.

"Overall, residential real estate will continue to be an important driver of our nation's economic recovery and the activity in these markets will help lead the way," stated NAR President Charlie Oppler, a Realtor® from Franklin Lakes, N.J., and the CEO of Prominent Properties Sotheby's International Realty.

The 2020 NAR Real Estate Forecast Summit consensus forecasts are compiled as the median of the responses of 23 economic and housing market experts who participated during the 2019 and 2020 summits. The survey was conducted from November 19 through December 4, 2020.

Home appreciation reaches highest level since 2014

Homeowners with mortgages saw an average equity gain of $17,000 for the third quarter of 2020 compared to the same period a year ago. Owners in Washington state enjoyed more than double the U.S. amount with an average gain of $35,800 according to the CoreLogic® Home Equity Report.

CoreLogic reported the year over year (YOY) increase equaled 10.8% for homeowners with mortgages, a group that accounts for roughly 63% of all properties. The collective equity gain totaled $1 trillion since the third quarter of 2019 and marks the largest average equity gain since the first quarter of 2014.

"Over the past year, strong home price growth has created a record level of home equity for homeowners," said Dr. Frank Nothaft, chief economist for CoreLogic. "The average family with a home mortgage loan had $194,000 in home equity in the third quarter. This provides an important buffer to protect families if they experience financial difficulties and is one reason for the generational low in foreclosure rates reported in September."

Home equity gains are likely to continue over the next several months, fueled by strong purchase demand. Prices are also expected to keep rising, although the CoreLogic HPI Forecast shows home prices slowing over the next 12 months as new home construction and more existing for-sale homes ease supply pressures. CoreLogic believes this easing could moderate the pace of both home price growth and equity gains.

Also reported was a decrease in the total number of mortgaged homes in negative equity. From 2Q2020 to 3Q2020 that number decreased by 6.9% to 1.6 million homes or 3% of all mortgaged properties. A comparison of the third quarters of 2019 and 2020 showed a drop of 18.3%, or 370,000 properties in negative equity. For the third quarter of 2020 some 1.6 million mortgaged properties had negative equity.

"The housing market has remained a strong pillar in an otherwise tumultuous economic year," said Frank Martell, president and CEO of CoreLogic. "A sharp rise in demand, spurred by record-low interest rates, continues to bolster homeowner equity. And with many people now spending more time than ever before at home, some homeowners have tapped into their strengthening equity to fund renovations."

Unlike Silicon Valley, Seattle dodges "techie exodus"

With pandemic-induced "work-from-anywhere" policies being implemented at countless companies, several urban areas are experiencing high rates of outmigration.

Seattle seems to be faring just fine, according to "inflow-outflow ratio" data from LinkedIn, and other research. That contrasts with Silicon Valley, where the rate of relocating employees and investors has been described by some as an "exodus."

LinkedIn statistics indicate the Bay Area has the biggest year-over-year (YOY) percentage decline in its inflow-outflow ratio, followed by New York City. Conversely, Madison, Wisconsin boasts the biggest gains – and by a wide margin -- based on data covering April to October. (The LinkedIn data is based on members who report city-to-city movement on their profiles.)

Tech Migration Trends (inflow-outflow ratio)

BIGGEST GAINS			LARGEST DECLINES		
Rank	City	% change April-Oct 2020 vs 2019	Rank	City	% change April-Oct 2020 vs 2019
1	Madison, WI	74.2%	1	San Francisco Bay Area (Silicon Valley)	-35.3%
2	Cleveland	19.9%	2	New York City	-20.1%
3	Sacramento	17.6%	3	Boston	-18.5%
4	Minneapolis-St. Paul	16.9%	4	Chicago	-12.0%
5	Hartford, CT	15.1%	5	Cincinnati	-11.3%

Source: LinkedIn Economic Graph Research

Seattle added 2.2 tech workers for every one worker that left, which was only slightly below the 2.5 number for 2019. Further analysis shows the number of people moving from the Bay Area to Seattle surged 28% YOY from March to October.

Commenting on the shift, one advocate for the Bay Area's technology community said she expected some tech companies and workers to relocate to the Seattle area. During an interview with GeekWire, Jennifer Stojkovic, executive director of sf.citi, noted Seattle and Silicon Valley offer several similar amenities but Seattle has a relatively lower cost of living. (A 2020 survey by

Best Places listed the median price of a home in Seattle at $714,400, while in San Francisco it was nearly $1.4 million.)

Cybersecurity company Tanium recently moved its headquarters from Emeryville (near San Francisco) to Kirkland following the mid-year relocation of co-founder and CEO Orion Hindawi. He said the company also considered Austin, Denver, Nashville and other locations, but ultimately chose Seattle due to its "diverse economic base, natural beauty, proximity to the Bar Area, moderate political environment, and robust enterprise software talent mix."

Hindawi noted Tanium, valued at more than $9 billion, intends to keep a large presence in the San Francisco area and elsewhere. "We expect to deepen our support for remote-first work to give our people flexibility to live where they want, and work from there."

Tanium employs around 1,500 workers globally and envisions eventually leasing up to 50,000 square feet of office space for its Puget Sound area workforce. It has been named to the Forbes Cloud 100
"Top 100 Private Companies in Cloud Computing" for five consecutive years.

Alex Kantrowitz, founder of *Big Technology* newsletter and podcast stated Seattle may be "on its way to becoming the new tech capital of the U.S." but others differed with that forecast. A LinkedIn economist believes tech talent will return to hubs such as the Bay Area when offices reopen.

CNBC tech editorial director Matt Rosoff acknowledged the validity of recent criticisms by investors and executives of companies that were exiting San Francisco, but argues the city isn't dying. In a recent commentary, he noted the tech industry's deep roots in the Bay Area and countered many of the naysayers' complaints.

Urbanist Richard Florida told GeekWire reporter Taylor Soper he does not expect U.S. tech hubs to decentralize in any significant way. "I do not see a massive relocation of large corporations or startups anywhere outside the handful of superstar metros that have dominated this for the better part of two decades," stated Florida, who is also a professor at the University of Toronto.

"San Francisco and Seattle will be just fine," Florida proclaimed.

U.W. history professor Margaret O'Mara tended to agree with the urbanist. "Silicon Valley's obituary has been written prematurely before; boom-and-bust cycles have defined the region's economy for decades," she wrote last month in her opinion column in the *New York Times."* Complaints about the Bay Area's cost of living have been perennial, too," she added but emphasized, "Silicon Valley always roared back, each time greater than the last."

O'Mara believes the secret to San Francisco's resilience is money. No other tech region has generated such wealth and industry-specific expertise, which is why it has had such resilience, she stated, but cautioned the region's "more pressing threat actually comes not from other U.S. cities but the "globalization of tech investment" and Chinese superstars like Alibaba and ByteDance."

In its report on the migration of tech workers, GeekWire noted San Francisco and Seattle wrestle with similar problems, including homelessness, escalating housing costs, and debates over how to tax big businesses.

While California may be losing some of its tech stars, GeekWire reported two of Seattle's standouts, Amazon and Microsoft, have seen their stock prices soar during the pandemic as millions rely on their products and services. Additionally, the companies are recruiting more workers in the region.

GeekWire also reported Seattle is flourishing on the startup front. It recently moved into the top 10 of The Global Startup Ecosystem Report for 2020 published by Startup Genome. The rankings are based on seven "success factors:" performance, funding, market reach, talent, connectedness, knowledge, and infrastructure. Venture capitalists invested $1.1 billion across 65 deals during the third quarter, according to GeekWire, which tracks Pacific Northwest startup investments.

Veteran policy consultant offers insights for housing advocates

In a special presentation tailored to Realtor associations, veteran public policy/communications consultant Michael Luis discussed constraints and strategies for working effectively with local governments. Drawing on his experiences as an elected official and executive with local not-for-profit and economic development organizations, the Medina resident offered insights on changing land use policies and regulations to increase housing supplies.

Housing construction once proceeded with little opposition or constraints until the 1980s. That's when anti-sprawl efforts started to emerge in many areas of the country, including the Evergreen State, Luis recounted in his opening comments. Efforts in Washington culminated with passage of the Washington State Growth Management Act (GMA) in 1990, a measure designed to slow the spread of urban growth and to concentrate growth in existing developed areas.

The measure also led to a “seismic shift in the housing business,” and it changed how local governments should look at housing, Luis stated.

“Political conflict and a more complex regulatory environment have made local housing advocacy far more important,” stated Luis, a former councilmember and mayor of Medina.

“Housing advocacy is hard work,” Luis acknowledged, adding, “Governments are not set up to change quickly or for radical change.” Because people in local government can at times exhibit a ‘50s mindset and tend to be very conservative at the local level even though they may be liberal nationally, “you have to be strategic about picking your shots.”

“Local governments exist, in many ways, to resist change,” Luis asserted. Local officials may perceive housing as a beast that has to be reined in, but their attitude should be more akin to economic development and their role should be akin to a facilitator, Luis suggested

Unlike states and counties, which are typically tied to physical land areas, local governments are tied more closely to people, Luis said. A central driver of local politics is the element of choice – “choice to incorporate or annex, choice of what services to provide and how to provide them.” Consequently, among the nearly 1900 local governments within the State of Washington, adjacent cities can take very different approaches to providing services.

The evolutionary and fluid nature of local governments also mean any particular property may be served by multiple governments, such as school districts, utility, fire and hospital districts, or other special purpose districts.

Local governments historically have wide authorities regarding land use and development. With regard to housing, Luis said such authority is concentrated in five areas, including

- Planning and zoning
- Permitting
- Infrastructure
- Environmental regulation
- Local services

In working with local governments on housing, Luis said a lack of understanding of what “housing affordability” is about can be very frustrating.

To address these and related challenges of housing and land use politics, housing advocates should be mindful of three pieces of social science theory and how they come into play:

1. Tiebout and public choice. Economist Charles Tiebout analyzed neighborhood differences on taxes and spending and concluded residents shop around for a city that best meets their personal preferences. Luis said this principle of self-selection and sorting easily applies to land use: Once they find a city with a land use pattern they like, they want to preserve their perception of "community character." For housing advocates, this means remembering local officials were elected "by people who tend to like things just the way they are and expect their city leaders to honor their aversion to change."
2. Cosmopolitans and locals. Issues at the city level cut across the normal Republican/Democrat or conservative/liberal national groups. Socialist Daniel Elazar developed the cosmopolitan/local concept based on how people fit along a continuum, rather than an either/or political grouping. Luis suggests housing growth is a good way to distinguish between the perspectives. For people near the cosmopolitan end of the spectrum, more housing means more people, more activity, and more spending in the local area. If housing is more affordable, residents can spend more money on other things. For a more locally oriented person, more housing means more traffic and crowding, higher prices and a threat to the environment.
3. The value of losses and gains. This theory, based on the concept of loss aversion, highlights the different value people place on losses versus gains. "People tend to place a higher value on the prospect of losing something than on the prospect of gaining something of equal worth," Luis explained. When applied to changes in a community or neighborhood, advantages of a new development need to be articulated as large to offset the fear that a neighborhood will be degraded. Luis contends a strategy should address potential downsides before attempting to promote the upsides.

After discussing various "things" that make housing politics "really hard," Luis outlined three strategies for housing advocacy and two critical ingredients of success. He said strategies operate at three levels;

1. Creating a supportive atmosphere (an ongoing process to make sure public officials understand the importance of housing, appreciate the challenges of supplying it, and be receptive to ideas for improving the housing situation.
2. Ensuring favorable regulatory and commission actions. "The goal is to ensure that administrative decisions are fair and timely and commission recommendations are pro-housing," he emphasized.
3. Ensuring favorable council action.

Advocacy with any level of government requires two critical factors: friendly, positive, respectful relationships (both individual and institutional), and information (to understand each other's objectives and constraints).

The strategies and ingredients for success don't happen sequentially, Luis cautioned. "They're concurrent. If you wait for sequence, you lose your opportunity."

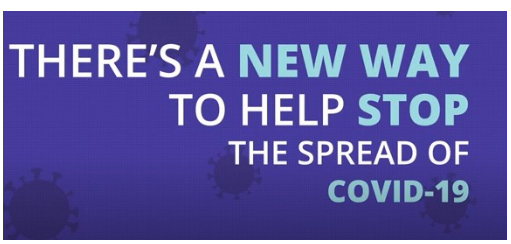
As part of his presentation, Luis also offered tips on effective meetings and written materials, building constituencies, the elements of an ongoing housing advocacy program, and activities needed for a successful campaign when pursuing a particular legislative or regulatory action. Three "non-negotiables" he emphasized were having an annual agenda that identifies the problem, holding regular meetings with decision-makers, and building coalitions.

Luis is a third generation native of the Seattle area and author of several local history books. His consulting practice clients include state and local governments, high education institutions, not-for-profit and economic development organizations, and businesses. Much of his work has focused on issues of housing, infrastructure, and community and economic development.

The "Politics of Housing" program for local Realtor associations was hosted by Washington REALTORS®.

Free app helps Washingtonians stop the spread of COVID-19

During the first 100 hours after WA Notify launched, more than 1 million users had downloaded the simple, anonymous exposure notification tool on their smartphones. The free app, designed to help stop the spread of COVID-19, is available for iPhones and Android phones, and is offered in 29 languages.



By the end of December nearly 1.61 million uses had activated WA Notify. More Washington residents opted in within the first 24 hours of the app's availability than any other state using the technology, according to the Washington State Department of Health (DOH).

"Opting into exposure notification is something almost every Washington resident with a smartphone can do to help stop the spread of COVID-19, so we are gratified to see so many people adopting it quickly," said Secretary of Health John Wiesman. "If you haven't activated WA Notify yet, please consider doing so. Studies from Oxford University and Stanford show that the more people who use a tool like WA Notify, the more effectively it will protect our communities."

Users who voluntarily activate the Washington Exposure Notifications tool (WA Notify) will be alerted if they spent time near another user who later tests positive for the coronavirus. Privacy preserving technology jointly developed by Google and Apple is used on WA Notify.

Phones with WA Notify use Bluetooth Low Energy (BLE) technology to exchange random codes with the phones of other users they are near. Anyone who also has WA Notify and has been near the user who tested positive for a significant length of time in the previous 14 days will receive an anonymous alert that they may have been exposed to COVID-19. Notifications have a link to information about what to do next to protect yourself and others.

No location or personal data are collected or revealed as part of the WA Notify tool. The system never collects or shares location data or personal information with Google, Apple, the state Department of Health, or other users. (For more details, see the WA Exposure Notifications privacy policy.) Users can opt in or out at any time.

DOH has prepared various materials to explain how WA notify works, how a user's privacy is protected, how the tool helps, and answers to frequently asked questions. DOH also publishes a blog, Public Health Connection.

Both 30-second and 2-minute videos are also available for viewing in English or Spanish:
ENG Long Form Video: https://www.youtube.com/watch?v=BHpXuARRsJw&feature=youtu.be
SPN Long Form Video: https://www.youtube.com/watch?v=iqGagaXo_4M&feature=youtu.be
ENG :30 Second: https://youtu.be/qf335YtM9_I
SPN :30 Second: https://youtu.be/lrt6zC0f1Uo

Washington implemented its Exposure Notification system following reviews by a state oversight group that included security and civil liberties experts plus representatives from several communities. The group recommended adoption based on the platform's proven reliability, robust data protection, and use by other states.

Since May, when the exposure notification technology became available, public health authorities have launched systems in more than 50 countries, states, and regions. The tool was built on feedback from more than 100 technical briefings with state public health officers, state epidemiologists, and where appropriate, their app developers.

Washington #13 among "Most Educated States"

Washington ranked 13th in a Work + Money report on the most educated states in the U.S. The digital media site reported the 13.1 percent of Americans who hold an advanced degree (as of 2018) earned on average 3.7 times more than those who had not completed high school.

Washington edged out Oregon (#15) and California (#16) but among states in the Western U.S., it was behind Colorado, which was ranked 9th.

In recognizing the Evergreen State, Work + Money noted Washington has more STEM workers than any other state and is tied for first with California, Oregon, and Massachusetts for the number of patents filed each year. The report also found the lack of a state or corporate income tax attracts businesses to Washington.

As home to both Microsoft and Amazon, Washington is among the top five states employing workers in high-tech industries. Also noteworthy was the state's GDP growth, which was highest in the nation in 2017. A 2019 study by WalletHub determined Washington had the best economy in the nation.

Work + Money reported the number of Americans age 25 and older with a mater's or doctoral degree has doubled in the past 20 years. States with a higher percentage of residents with an advanced degree tend to be those with large metropolitan areas where large corporate headquarters are located.

Among Washington's adults age 25 and older, 13.3% hold a master's or doctoral degree. The District of Columbia ranked first in the "most educated states" rankings by Work + Money with 33.4% of its adults holding an advanced degree. Rounding out the top 10 were:
2. Massachusetts
3. Maryland
4. Connecticut
5. Virginia
6. New York
7. Vermont
8. New Jersey
9. Colorado
10. New Hampshire

Work + Money, with 3 million monthly readers, “helps professionals navigate their career, build family savings, understand real estate and business landscapes, and enjoy their wealth and time. It is part of Granite Media, a digital media and technology services company headquartered in San Francisco.

News In Brief

- **Rents in Seattle are continuing to decline month after month amid the coronavirus pandemic.** November data from ApartmentList found that Seattle rents declined 5.6% month over month and are down nearly 20% since the start of the pandemic in March. For the past eight months straight, Seattle has seen its rents fall, the Seattle Post-Intelligencer reported. Median rents in Seattle were $1,395 for a one-bedroom and $1,739 for a two-bedroom. The only city that has seen rents decrease more than Seattle since the start of the pandemic is San Francisco, where rents have declined about 25.4%.

- **Seattle Mayor Jenny Durkan has issued an executive order extending the moratorium on residential and small business evictions through March 31**, her office announced last month. With the order, property owners still are not allowed to initiate evictions unless there is an "imminent threat to the health and safety of the community." The order also prevents tenants from incurring late fees, interest or other charges due to late rent payment, though the tenants are still legally obligated to pay rent during the moratorium, the order states. Other pandemic relief efforts were also extended, including the suspension of late fees on delinquent utility accounts, closures of all public-facing customer service counters at the city of Seattle, and suspension of enforcement on the 72-hour parking rule and City permitted events.

- **Washington Gov. Jay Inslee has again extended the state’s eviction moratorium, this time through the end of March**. Inslee said in a news release that the moratorium has been critical for many people as they cope with the impacts of the coronavirus pandemic. The moratorium has been in place since March and extended several times. It bans, with limited exceptions, residential evictions and late fees on unpaid rent. It also requires landlords to offer residents a repayment plan on unpaid rent. Inslee said additional details about the latest extension would be provided at the end of December. Seattle Mayor Jenny Durkan announced earlier this month that she was extending the moratorium on residential and small business evictions in the city through March 31.

- **The Seattle City Council has voted to require certain groups that spend money to build public pressure on city politicians to register and disclose their finances**. The Seattle Times reports the City Council approved an ordinance this week establishing rules meant to shed light on such activities, and the rules are set to take effect in about six months. The vote was 8-1. Councilmember Kshama Sawant opposed the ordinance, describing the rules as too onerous for grassroots groups and warning they could discourage political organizing by ordinary people. Council President M. Lorena González and other supporters said the changes are needed because sophisticated groups have been able to spend on public politicking without disclosure requirements.

- **Tourists may soon find it harder to book an Airbnb near Leavenworth, Lake Chelan and other popular areas in Chelan County**. The Seattle Times reports county commissioners are considering new limits on short-term rentals and could approve restrictions as soon as next week. Though final details are still being debated, the rules could create a new permitting scheme and limit the number of short-term rentals starting in three years. Locals pushing for the new rules say the explosion of Airbnb, VRBO and other rental sites is transforming their residential neighborhoods. Rental owners counter that their properties help fuel the region's tourism-dependent economy and create jobs.

- **A new study by Redfin has concluded that six of the nation's 10 most competitive real estate markets are in Western Washington, with five of them in the greater Tacoma area**. And no area is hotter right now than Spanaway, where the report finds nearly 69% of homes sell above list price and are only on the market an average of five days -- eight days fewer than last year, Redfin reports. Overall home prices in the area were up nearly 21% from last year and supply was down nearly a third. The town rated a 98 on Redfin's 100-point scale determining which markets are most competitive. Close behind on the list are Lacey and Tacoma, both scoring a 96, where homes typically last just six days on the market -- a whopping 12 days fewer than 2019. Pierce County neighbors Frederickson and Graham also scored Top 10 rankings at 6th and 7th. Eastmont, just north of Mill Creek in Snohomish County, was the lone market to make the Top 10 (at No. 5) that wasn't in the South Sound. Housing prices in Spanaway are roughly half what you might find in Seattle where the median sale prices in November was $740,000. The median sale price in the city of Seattle was $740,000 in November, significantly higher than $388,500 in Spanaway, $395,000 in Lacey, $392,000 in Tacoma, $415,000 in Frederickson and $425,000 in Graham.

Calendar of Events

DATES	EVENT	TIME	LOCATION	CONTACT
1/13	Board of Directors	9:30 a.m. – 11:30 a.m.	Zoom	425-974-1011
1/18-20	WR Committees		Zoom	425-974-1011
1/21	Hill Day		Zoom	425-974-1011
2/2	Gov't Affairs Committee	10:30 a.m. – 1:30 p.m.		425-974-1011

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