

## **📌 Housing recovery continues, but so do hurdles**

The housing recovery, like the broader economy, appears to be on the path to slow and steady improvement, but challenges remain. Those are among findings in the 2014 edition of [The State of the Nation's Housing](#), a publication of Harvard University's Joint Center for Housing Studies (JCHS).

The report provides an assessment of the state of the housing market and the foreclosure crisis, the economic and demographic trends driving housing demand, the state of mortgage finance, and ongoing housing affordability challenges.

Researchers say growth is being restrained by tight credit, still elevated unemployment, mounting student loan debt among young Americans, sluggish household growth, and ongoing affordability concerns. Consequently, millennials – which are key to a more robust recovery – and other first-time homebuyers are kept out of the market.

Given the sheer volume of young adults coming of age, the number of households in their 30s should increase by 2.7 million over the coming decade. That growth should boost demand for new housing, the report's authors stated.

“Ultimately, the large millennial generation will make their presence felt in the owner-occupied market,” says Daniel McCue, research manager of the Joint Center, “just as they already have in the rental market, where demand is strong, rents are rising, construction is robust, and property values increased by double digits for the fourth consecutive year in 2013.”

Home sales rose significantly, but low inventories persist, the JCHS reported. Sales of newly-built homes jumped 17 percent in 2013, with sales of existing homes rising 9 percent. For-sale inventories averaged 2.1 million last year, some 200,000 fewer than the previous year, and about 600,000 below the averages during 1999-2013. Contributing to tight inventory, more than 7 million homes are reported to be vacant and held off market.

Researchers found new construction strengthened during 2013, jumping 18 percent from 2012. However, last year's volume of new starts, at 925,000 units, was well below the historical average of 1.46 units. Single family homes accounted for about two-thirds of the starts. The share of new units built as rentals reached its highest level since 1974.

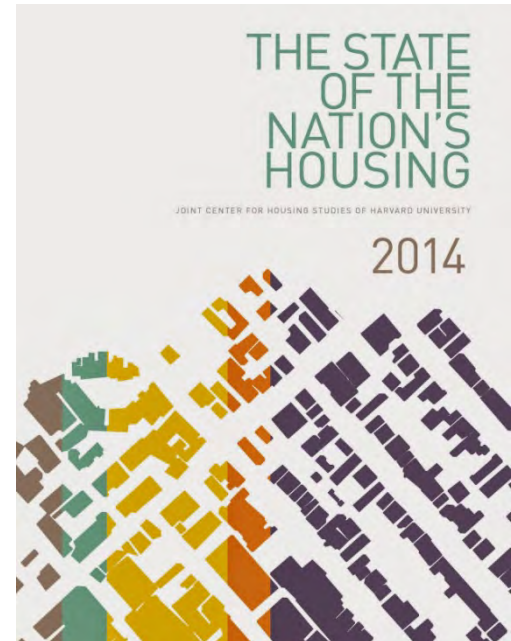
Widespread gains in prices occurred last year, but the report's authors flagged “trouble spots.”

Home values rose in 97 of the 100 largest metro areas in 2013, up from 73 metros in 2012. “But the recovery has been far from even within metro areas as cumulative price declines from 2006-2013 were three times more severe in minority neighborhoods than in mostly white neighborhoods,” the researchers stated in their analysis.

Slow household growth continues to be a drag on demand, but researchers expect improvement over the next decade, with minorities driving 76 percent of projected net growth. The number of households aged 70 and older is expected to increase by approximately 8.3 million. Millennials will form 24 million new households, offset in part by declines among baby boomers and pre-boomer households.

More than 15 million adults in their 20s and 3.1 million in their 30s lived in their parents' homes in 2013, according to research by JCHS.

Continuing an eight-year slide, homeownership rates slipped again in 2012-2013. JCHS found the drop has been most dramatic among younger adults. Measured from previous peaks, homeownership rates have shrunk 6



percentage points among black households and 4 percent points among both Hispanic and Asian/other households. For white households the drop was 3 percentage points. Researchers also reported continued expansion of white-minority homeownership gaps.

Among first-time owners, minorities represent a growing share, but they still struggle to obtain loans. Between 1993 and 2013, Hispanic share of first-time owners rose from 4 percent to 9 percent, and the Asian/other share climbed from 2 percent to 6 percent. During the same period, the white share fell from 86 percent to 77 percent.

In 2011-2012, denial rates for conventional purchase mortgages among Hispanics was reported to be 25 percent, while for blacks it was 40 percent – nearly twice to three times the rate for whites.

Researchers also examined incomes relative to the rising cost of housing, and found they're failing to keep pace. Real median household incomes fell another 1.4 percent in 2011-2012, hitting its lowest level in nearly two decades. Additional findings indicate:

From 2002 to 2012, the real median income for households aged 25–34 fell 11 percent, leaving their real incomes below those of same-aged households in 1972.

Since 2002, the real median annual incomes among households in their 50s—the peak earning years for this group as they look to retire over the coming decade—have fallen by \$9,100 among 50–54 year olds and by \$5,700 among 55–59 year olds.

Mounting student loan debt will likely delay homeownership for young Americans, according to findings in the JCHS report:

Consumer debt rose 14 percent from the end of 2010 to the end of 2013, accounting for more than a quarter (26 percent) of aggregate household debt, the highest share since early 2004.

Student loan debt has accounted for 63 percent of the growth in total debt over the past year and for nearly the entire increase in non-housing consumer debt since 2003. Student loan balances reported on credit reports increased by \$114 billion in 2013 alone.

Between 2001 and 2010, the share of households aged 25–34 with student loan debt soared from 26 percent to 39 percent, with the median amount rising from \$10,000 to \$15,000. Within this group, the share with at least \$50,000 in student debt more than tripled, jumping from 5 percent to 16 percent.

Cost burdens remain near record levels. Nearly 41 million households were cost-burdened, spending more than 30 percent of their income for housing. That's up by more than 9 million from a decade earlier. On a brighter note, median housing costs for homeowners have fallen faster than incomes since 2007, helping to ease the burden.

More than one-fourth of renters are considered severely burdened (paying more than 50 percent of income for housing).

Spending such high amounts on housing has spillover effects—compared to similar families living in more affordable housing, observed Michael Spotts, senior analyst-project manager at Enterprise Community Partners in Washington, D.C. In commenting on similar findings in an earlier report, he noted severely cost burdened low-income families spend one-third less on food, one-half less on clothing and four-fifths less on health care.

The State of the Nation's Housing report has been released annually since 1988. It serves as a resource for both public policy makers and private decision makers in the housing industry.

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## **▮ No summer slowdown expected as real estate brokers report brisk activity**

KIRKLAND, Wash. (July 3, 2014) – Listing activity perked up during June, but strong job growth in the Seattle/King County region has brokers predicting brisk sales with competitive bidding throughout the summer.

Figures just released by Northwest Multiple Listing Service for June activity show gains from a year ago on several key indicators, including inventory, pending sales, closed sales, and prices:

- Brokers added 735 more new listings during June than during the same month a year ago, an increase of 6.8 percent;
- Inventory (total active listings) rose 7.5 percent compared to twelve months ago;
- Pending sales (mutually accepted offers) are up about 4.5 percent year-over-year;
- Closed sales rose 3.3 percent from a year ago;
- Prices for sales of single family homes and condominiums climbed 6.9 percent from same period last year, reaching the highest level since August 2008.

“We are still suffering from low inventory in parts of Snohomish County, and we’re still seeing multiple offers on the majority of new listings,” reported Diedre Haines, regional managing broker in Snohomish County for Coldwell Banker Bain and a director with Northwest MLS. She described the market as “strange,” adding, “We are not feeling or sensing the onset of a typical summer slowdown.”

Even though figures for Snohomish County show sizable gains in the number of listings in many areas, Haines said good quality listings in the most desirable areas are “greatly needed as buyers, sellers, and agents all long for a more balanced market.” New listings that are of high quality and priced correctly are attracting multiple offers, she reported.

Supply, as measured by the ratio between listings and sales, remains tight across many of the 21 counties in the Northwest MLS system. King County shows only 1.8 months of inventory, with Snohomish slightly better with about 2.8 months of supply. Area-wide, there is 3.35 months of inventory. Many industry experts consider 4-to-6 months to be the barometer for a balanced market.

Northwest MLS chairman Darin Stenvers said “not all sellers are feeling movement in their markets,” noting in some northern parts of the state the summer selling season got a late start. In Whatcom County, where his office is located, inventory rose about 4.5 percent in June compared to a year ago, while pending sales jumped 17 percent. Prices are up more than 9 percent in that county.

Stenvers, the office managing broker at John L. Scott in Bellingham, said buyers would be “well advised” to monitor interest rates, since they have a tendency to move up as summer winds down. “This is a very good time for real estate investing with confidence and value,” he stated.

New home starts and a higher demand for employees will help keep the outlook optimistic, Stenvers believes – a view shared by other brokers.

John Deely, principal managing broker at Coldwell Banker Bain in Seattle, expects the brisk market to continue into fall, citing low interest rates, increasing prices and inventory, and high demand as drivers of the positive activity.

“Brokers in the Seattle market are keeping busy as multiple offers and cash buyers dominate new, well priced listings in most markets,” commented Deely, a director with Northwest MLS. The market for homes priced at \$1 million and up around Seattle is experiencing pending sales volume at levels not seen since 2007, according to his analysis.

Haines also commented on all-cash activity, saying investors paying all cash or with very large down payments are “still major players.”

Deely has also noticed a “marked increase in the number of contingent offers being written and accepted.” He spoke of one listing that drew four offers, with two of them contingent on the sale of the buyer’s home, and the other two cash. The seller elected to accept one of the contingent offers because of more favorable terms, as well as because the buyers already lived in the neighborhood and the seller was confident that neighbor’s home would sell quickly due to activity in the surrounding area.

J. Lennox Scott, chairman and CEO of John L. Scott Real Estate, shares the optimism. Pointing to recent reports on the addition of 14,400 jobs in the tri-county area (more than any two month period since the beginning of 2007), he expects a “red hot summer selling season.” Scott also credits lower interest rates with fueling what he described as a “mini power surge of sales.”

“Close to the job centers we have a severe shortage of homes for sale,” Scott said, adding “Above the one million dollar price point we are also experiencing very strong sales activity with a shortage of supply.”

Brokers reported 9,909 pending sales during June, outgaining a year ago by 425 transactions for an increase of nearly 4.5 percent. Ten counties reported double-digit increases. Last month’s pending sales, although up from 12 months ago, declined compared to May (down about 4.5 percent).

Low appraisals are still a concern as a potential deal-killer on some pending sales, Haines reported. “We are experiencing an increase in low appraisals,” she stated, explaining sometimes the difference between the sale price and appraised price can be as little as \$1,500. “In most low appraisal situations, the buyers are willing and able to make up the difference by increasing their down payment.”

June’s closed sales (completed transactions) climbed about 3.3 percent from a year ago. Brokers reported 7,558 closings during June, surpassing May’s mark by 371 transactions for a gain of nearly 5.2 percent.

The median price system-wide was just under \$300,000 (\$299,335), which represents an increase of more than 6.9 percent from a year ago. The last time the median price topped \$300,000 for the overall area was August 2008 when it was \$302,500.

King County continues to report the highest median price for single family homes and condos (combined) at \$410,000. That’s up 7 percent from a year ago. For single family homes (excluding condos) the county-wide price jumped more than 6 percent compared to a year ago, rising from \$427,500 to \$453,500.

Deely said the steady increase in prices appears to be incentivizing otherwise dormant sellers to make their move to buy and sell.

Commenting on the competition between buyers, Stenvers encouraged buyers to take advantage of technology. “Buyers that want fast, accurate data should work with a real estate professional to have a home search set up so results can be emailed directly to them,” he suggested. “This will allow them first shot at all the new listings and reduce the chance of missing hot new inventory.”

Northwest Multiple Listing Service, owned by its member real estate firms, is the largest full-service MLS in the Northwest. Its membership includes more than 21,000 real estate brokers. The organization, based in Kirkland, Wash., currently serves 21 counties in Washington state.

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*Statistical Summary by Counties: Market Activity Summary – June 2014*

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	4,228	5,609	3,953	3,109	\$511,181	\$410,000	1.80	1.73
Snohomish	1,710	2,764	1,545	1,220	\$339,040	\$313,375	2.27	1.75
Pierce	1,699	3,815	1,555	1,085	\$254,897	\$229,950	3.52	2.89
Kitsap	599	1,462	493	409	\$312,665	\$250,000	3.57	3.85
Mason	206	774	127	82	\$179,768	\$167,300	9.44	13.38
Skagit	247	823	231	153	\$277,771	\$230,000	5.38	4.75
Grays Harbor	197	823	103	84	\$137,635	\$131,900	9.80	12.53
Lewis	161	643	116	66	\$155,916	\$145,000	9.74	13.60
Cowlitz	172	548	130	79	\$182,357	\$170,000	6.94	5.10
Grant	126	536	92	84	\$178,546	\$159,544	6.38	8.55
Thurston	593	1,402	481	355	\$248,856	\$236,000	3.95	3.54
San Juan	72	434	25	23	\$409,946	\$329,000	18.87	42.60
Island	210	785	196	142	\$308,854	\$258,250	5.53	7.11
Kittitas	141	514	86	60	\$309,422	\$222,450	8.57	7.82
Jefferson	95	440	51	51	\$275,159	\$230,000	8.63	11.13
Okanogan	97	515	45	24	\$233,583	\$168,250	21.46	21.55
Whatcom	506	1,617	377	290	\$304,840	\$270,625	5.58	5.63
Clark	79	166	57	64	\$300,118	\$234,250	2.59	2.90
Pacific	84	458	57	24	\$161,445	\$143,500	19.08	18.76
Ferry	16	73	1	4	\$163,875	\$156,750	18.25	36.50
Clallam	104	445	68	51	\$214,421	\$210,000	8.73	8.70
Others	199	696	120	99	\$263,266	\$217,000	7.03	7.89
<b>MLS TOTAL</b>	<b>11,541</b>	<b>25,342</b>	<b>9,909</b>	<b>7,558</b>	<b>\$376,397</b>	<b>\$299,335</b>	<b>3.35</b>	<b>3.22</b>

\* Months of inventory are calculated using active listings divided by closed sales.

**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>2000</b>	3706	4778	5903	5116	5490	5079	4928	5432	4569	4675	4126	3166
<b>2001</b>	4334	5056	5722	5399	5631	5568	5434	5544	4040	4387	4155	3430
<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						

## **REALTORS® install long-anticipated flag pole, dedicating it to veterans**

Resurrecting an effort that began in 2003 when Steven Wayne served as president of SEATTLE KingCounty REALTORS®, 2014 president Larry Christensen led a three-month campaign to raise funds to install a flag pole at the REALTOR® building in Bellevue.

During ceremonies held June 13 – the day before Flag Day –



Christensen announced the new, highly-visible 40-foot pole would be dedicated to U.S. veterans. Situated on a hill near the I-405 and I-90 interchange, the pole is visible to an estimated 200,000 motorists each day.

Four volunteers from the Honor Guard at VFW Post 2995 in Redmond conducted an official flag-folding ceremony to commemorate the occasion. Jim Weaver, founder of the post's Honor Guard, led the ceremony, explaining the significance of each fold (see box).

Weaver noted less than 7 percent of the country's population has ever served in the military, but reminded the audience that those who take an oath of service essentially "write a blank check to give their lives if necessary."

The program also featured a tribute to military personnel by SKCR CEO Russell Hokanson and remarks by representatives of the Veterans Association of Real Estate Professionals (VARep).

Jordan Voss, VARep's Washington State director, said the organization is dedicated to increasing sustainable homeownership and financial literacy education for the low-to-moderate income active-military and veteran communities. Formed in 2011, the nonprofit group's members work within all sectors of the real estate, housing, and financial-services industries. Like several other states, the local chapter is planning a Veterans Housing Summit.

In his remarks, Hokanson singled out a distant relative, Navy Cmdr Robert J. Flynn, a POW in a Communist Chinese prison during the Vietnam War, who died earlier this year at age 76. He was one of only two American servicemen known to have been held by the Chinese during the war.



In Vietnam, Cmdr Flynn was a bombardier-navigator when he was shot down on a bombing mission.

The aviator suffered severe spinal injuries and was tortured and held in a 12x16-foot cell in solitary confinement during much of his captivity. Following his release, the POW received a bachelor's degree from the University of Washington and held command positions, retiring in 1985 with the rank of commander.

"The REALTOR® flagpole will serve as a reminder of the measure of devotion our service members have," Hokanson remarked.

More than 100 REALTORS® and affiliates contributed more than \$13,000 to the campaign during Christensen's recent blitz to reach the campaign goal. He said contributions are still being accepted, noting those who



donate \$150 or more will have an inscribed brick installed at the base of the pole. The first brick to be laid will be in appreciation to the veterans and the services of VFW Post 2995.

### Meaning of Flag-Folding Program

The flag-folding ceremony represents the same religious principles on which our great country was originally founded.

The portion of the flag denoting honor is the canton of blue containing the stars representing states our veterans served in uniform. The canton field of blue dresses from left to right and is inverted only when draped as a pall on the casket of a veteran who has served our country honorably in uniform. In the U.S. Armed Forces, at the ceremony of retreat, the flag is lowered, folded in a triangle fold and kept under watch throughout the night as a tribute to our nation's honored dead. The next morning it is brought out and, at the ceremony of reveille, run aloft as a symbol of our belief in the resurrection of the body.



### Symbols for the Folds of the Flag

The **first** fold of our flag is a symbol of life.

The **second** fold is a symbol of our belief in eternal life.

The **third** fold is made in honor and remembrance of the veteran departing our ranks, and who gave a portion of his or her life for the defense of our country to attain peace throughout the world.

The **fourth** fold represents our weaker nature; as American citizens trusting in God, it is to Him we turn in times of peace, as well as in times of war, for His divine guidance.



The **fifth** fold is a tribute to our country, for in the words of Stephen Decatur, "Our country, in dealing with other countries, may she always be right, but it is still our country, right or wrong."

The **sixth** fold is for where our hearts lie. It is with our heart that we pledge allegiance to the flag of the United States of America, and to the republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

The **seventh** fold is a tribute to our armed forces, for it is through the armed forces that we protect our country and our flag against all enemies, whether they be found within or without the boundaries of our republic.

The **eighth** fold is a tribute to the one who entered into the valley of the shadow of death, that we might see the light of day, and to honor our mother, for whom it flies on Mother's Day.

The **ninth** fold is a tribute to womanhood, for it has been through their faith, love, loyalty and devotion that the character of the men and women who have made this country great have been molded.

The **tenth** fold is a tribute to father, for he, too, has given his sons and daughters for the defense of our country since he or she was first born.

The **eleventh** fold, in the eyes of Hebrew citizens, represents the lower portion of the seal of King David and King Solomon and glorifies, in their eyes, the God of Abraham, Isaac and Jacob.



The **twelfth** fold, in the eyes of a Christian citizen, represents an emblem of eternity and glorifies, in their eyes, God the Father, the Son and Holy Ghost. When the flag is completely folded, the stars are uppermost, reminding us of our national motto, "In God We Trust."

After the flag is completely folded and tucked in, it has the appearance of a cocked hat, ever reminding us of the soldiers who served under Gen. George Washington and the sailors and Marines who served under Capt. John Paul Jones and were followed by their comrades and shipmates in the U.S. Armed Forces, preserving for us the rights, privileges and freedoms we enjoy today. The source and the date of origin of this Flag Folding Procedure is unknown, however some sources attribute it to the Gold Star Mothers of America while others to an Air Force chaplain stationed at the United States Air Force Academy. Others consider it to be an urban legend. It is provided as a patriotic service to all.

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## Issues & Impacts

### Second Quarter Edition (April - June 2014)

**Issues & Impacts** is a quarterly publication produced by the SEATTLE *KingCounty* REALTORS® to inform members about current issues and successes within your Governmental Affairs Department.

SEATTLE *KingCounty* REALTORS® (SKCR) is ensuring that public policies support homeownership and your business's bottom line.

[Please Click Here to access full publication \(PDF, 9 pages, 400KB\).](#)

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## Seattle Takes Top Honors as Most Generous U.S. City

Seattle out-gave other U.S. cities during 2013, according to a survey based on per capita online giving. Bellevue also earned a top 10 ranking.

Software firm Blackbaud said Seattle residents generated \$33.2 million from 201,502 donations. That equates to a rate of \$53,542 per 1,000 residents to earn top spot among 265 locales with a population of more than 100,000.

Collectively, the cities generated \$822 million from 8.3 million donors. The dollars contributed reflect a 61 percent increase from the \$509 million donors gave in 2012.

In amassing its \$33-plus million, Seattle had both the highest total amount and the highest number of donations compared to other cities.

The most generous cities in the survey were:

1. Seattle, WA
  2. Alexandria, VA
  3. Atlanta, GA
  4. Washington, DC
  5. Cambridge, MA
  6. Ann Arbor, MI
  7. Arlington, VA
  8. Cincinnati, OH
  9. Bellevue, WA
  10. San Francisco, CA
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From a regional perspective, the West outperformed other areas with eight cities on the top 25 list, followed by the South and Midwest, with seven cities each. Using the U.S. Census grouping of states, last place among regions went to the Northeast, with only three cities on the list.

“Online giving continues to be an important part of a nonprofit’s overall strategy,” said Steve MacLaughlin, director of product management for Blackbaud. “We continue to see growth in online giving and it is helping to drive fundraising results across nonprofits of all sizes.”

Blackbaud provides cloud-based and on-premise software and services for organizations of all sizes. Headquartered in Charleston, South Carolina, it has served the nonprofit and education sectors for 30 years, working with customers in 60-plus countries.

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## Liberals Walk, Conservatives Drive

Conservatives would rather live in large houses in small towns and rural areas, but liberals prefer smaller houses and walkable communities in cities. That conclusion was revealed in a recent Pew Research Center study on political polarization.

Liberals prefer to live among a mix of different races and ethnicities, while conservatives favor having neighbors of the same religious faith. Researchers also reported “sizable minorities” of both groups who said they would be dismayed if someone from the “other side” were to marry into their family.

Fully half of people with consistently conservative views and 35 percent of ardent liberals say it’s important to live in a place where most people share their political views. Some researchers have even found evidence that such preferences factor into where Americans decide to move.

Researchers also found stark differences when valuing amenities. Nearly three-fourths of consistent liberals (73 percent) said being near art museums and theaters was important; only 23 percent of consistent conservatives rated such amenities as important.

Pew’s analysts found that Democrats and Republicans are ideologically further apart than at any point in recent history, with growing numbers of both parties admitting to highly negative views of the other party.

Surveyors polled more than 10,000 adults between January and March, making the “Political Polarization” study the firm’s largest political survey in its history.

Pew Research is a nonprofit, tax-exempt organization that conducts public opinion polling, demographic research, media content analysis and other research. The nonpartisan fact tank is a subsidiary of The Pew Charitable Trusts.

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## News In Brief

- **Sarah Rick Lewontin, Executive Director of Bellwether Housing, received the Carla Okigwe Leadership Award at Housing Development Consortium of Seattle-King County’s (HDC) annual luncheon on April 30th.** This special award is given occasionally in honor of the vision and leadership of HDC’s founding Executive Director, Carla Okigwe. Recipients are chosen for their exemplary contributions to the affordable housing movement and a clear commitment to bettering the lives of those struggling and the communities in which they live. Ms. Lewontin is the third recipient of the award since its inception in 2009. Sarah was recognized for her exceptional contributions to the affordable housing movement in Seattle and throughout King County. For many years, Sarah has participated in numerous activities throughout the community with a goal of raising awareness of the need for more affordable housing. She currently serves on Urban Land Institute Northwest’s Advisory Board and co-chairs the ULI-NW Housing Task Force. She also serves on Puget Sound Regional Council’s Growth Management Policy Board and the Seattle Mayor’s Advisory Committee on Affordable Housing Incentives. Sarah is an active member of Seattle 4 Rotary, and represents Bellwether
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Housing as a member of the Housing Partnership Network. She served for many years on HDC's board of directors, including terms as president and treasurer.

- **The new-home market in the past year has largely been driven by the upper tier, resulting in record-setting rises to the number of bedrooms, bathrooms, and garages being added to new homes, according to U.S. Census Bureau.** Forty-four percent of homes built last year had at least four bedrooms, the highest percentage recorded since the Census began tracking the statistic in 1973, and up from 41 percent in 2012, according to the Census data. Another survey high: The percentage of homes built last year with at least three bathrooms grew from 30 percent in 2012 to 33 percent last year. New-home shoppers also are adding garages. The percentage of homes built with a garage for at least three cars rose to 21 percent last year - another survey high and up from 19 percent in 2012. To accommodate the desire for more bathrooms, bedrooms, and garages, homes are getting larger. The median size of a newly built home was 2,384 square feet last year, up 3.4 percent over the previous year. Square footage has steadily been increasing since 2009. The median price of a new home reached \$268,900 last year, another Census survey record high.
  - **An upswing in green building is expected over the next four years as more widespread adoption takes hold, according to survey respondents in McGraw Hill's latest [SmartMarket Report](#).** More than one-third of single-family builders, or 34 percent, report that more than 60 percent of their projects are "green." What's more, 62 percent of builders say they expect that more than 60 percent of their single-family homes will be green by 2018. The multifamily market is also going green. The number of multifamily builders who say that 90 percent of their current projects are green is expected to triple by 2018, rising from 6 percent to 18 percent, according to the report. Forty-two percent of builders say that more than 60 percent of their projects will be green by 2018. (Currently, 23 percent are operating at that level.) Builders say that buyers are showing more willingness to pay for green features. In 2013, 73 percent of single-family builders and 79 percent of single-family remodelers said that buyers were willing to pay a 3 percent to 5 percent premium for green homes. For multifamily homes, 68 percent of builders said that buyers were willing to pay more. In the survey, builders identified the following main drivers to building more green homes: energy cost increases; code, ordinance, and regulation changes; and green-product availability and affordability.
  - **The Federal Housing Administration will be ending its public comment period in mid-August on a proposed program that would allow first-time homebuyers to get a discounted mortgage if they enroll in housing counseling classes, according to Tom Kelly.** The program, called Homeowners Armed with Knowledge (HAWK), was announced last month by the FHA as way to curtail homebuyers' mortgage insurance premium costs. FHA is operating under the assumption that the more borrowers understand about home ownership, the less likely they are to default on their loans, thereby decreasing their lending risk. To be eligible for the discount, borrowers must take several courses before and after closing. FHA says consumers could save an average of \$325 a year or nearly \$10,000 over the life of the loan. FHA officials say the classes could make the difference between qualifying or not qualifying to buy a home. The courses will be taught by agencies approved by the U.S. Department of Housing and Urban Development. FHA hopes that borrowers will be able to apply for the program by the end of the year.
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**Calendar of Events - Through August 12, 2014**

Dates	Event	Clock Hours	Time	Location	Contact
<b>SEATTLE-King County REALTORS®</b>					
7/9	Board of Directors		10:30am-1:30pm	SKCR	425-974-1011
7/15	Affiliate Council		9am-1:30pm	SKCR	425-974-1011
8/5	Gov't Affairs Committee		10:30am-1:30pm	SKCR	425-974-1011
8/12	REALTORS® PAC Auction		5:30PM-8:30PM	SKCR	425-974-1011
<b>For updates visit: <a href="http://www.nwrealtor.com">www.nwrealtor.com</a> and click “events”</b>					
<b>SNOHOMISH COUNTY-CAMANO ASSOCIATION OF REALTORS®</b>					
<b>For updates visit: <a href="http://www.sccar.com">www.sccar.com</a> and click “events”</b>					