

LATEST NEWS RELEASE

 **Housing inventory reaches record low, but brokers expect spring bounce**

KIRKLAND, March 6, 2017) – Home buyers are in a spring mood, but sellers are still hibernating, suggested one broker while commenting about the latest statistics from Northwest Multiple Listing Service. Figures for February and feedback from brokers indicate record-low inventory is spurring multiple offers, rising prices, fewer sales, and frustrated house-hunters.

Year over-year pending sales (mutually accepted offers) declined for the first time since March 2016, falling 8.9 percent. Eight counties, including King and Snohomish, reported double-digit drops in pending sales as the volume of new listings couldn't keep pace with demand.

During the past three months, brokers have added 17,572 new listings to inventory, down only 5.7 percent when compared to the same three-month period of a year ago. During the latest December-to-February timeframe, MLS members reported 22,393 pending sales, far outpacing the number of new listings.

“Our robust market has created extreme conditions, and we're seeing frenzy hot activity on each new listing coming on the market,” reported J. Lennox Scott, chairman and CEO of John L. Scott. “We're also experiencing some of the lowest inventory levels on record,” he noted.

In fact, a check of Northwest MLS records dating to 2004 shows no other month when the number of active listings dipped below the 10,000 mark – until last month.

At the end of February, there were 9,091 active listings in the Northwest MLS system, which encompasses 23 counties. That represents a drop of nearly 25 percent from the year-ago total of 12,107.

“Home sellers and buyers are complaining equally about the current market's low inventory,” remarked MLS director George Moorhead, designated broker at Bentley Properties. “Sellers are frustrated when they cannot find another home to match their current needs, or when a home goes off market so fast that the option of a contingent sale is not even considered,” he stated.

Buyers have been grumbling about the market for the past two years, Moorhead said. “That mood has escalated into a panic as other buyers up the ante – at times to a level that even causes real estate professionals to shake their heads,” he remarked.

Brokers believe seasonality is a factor, with several saying they are expecting an uptick in listings.

“For buyers, hope springs eternal, but the sellers are still hibernating,” suggested John Deely, the principal managing broker at Coldwell Banker Bain. “We've been experiencing continued high buyer demand as the spring market takes off early but sellers are on a more traditional schedule as listings slowly ramp up,” he reported, adding, “Sellers that have come to market ahead of the traditional

spring market are reaping the benefits of less competition [from others who are selling] and a highly competitive buyer pool.”

Deely said anecdotal information indicates many sellers are preparing their properties for the more traditional listing time around May.

That expectation was echoed by fellow MLS director Frank Wilson, the branch managing broker at John L. Scott in Poulsbo, and by Lennox Scott.

Scott expects inventory to start rising in March, but he also anticipates the number of buyers will increase too. “It will continue to be a competitive market in the more affordable and mid-price ranges,” he predicts.

“The spring market in Kitsap is a little like waiting for the tulips to begin coming up. We have the buyer demand but the inventory has not started springing up yet,” commented Wilson. “Open houses have a lot of traffic and we are seeing multiple offers on new listings that are priced correctly.”

Wilson noted Kitsap County is seeing an increase in investor type buyers as they anticipate the impact of the new fast ferry system, now in the beginning stages of roll-out. “Access directly to Seattle on a fast foot ferry will have a large impact on Kingston, Bremerton, and Port Orchard, while hopefully reducing the pressure on the Bainbridge Island terminal,” he stated.

“What many don’t realize is that while a lack of inventory might help a seller get more for their home, it has a downside,” according to Wilson. “It can cause potential sellers not to list, appraisals to come in low, buyers to lose out to multiple offers, VA and FHA buyers to take second chair to cash or conventional loans, and a general frustration from lack of choice. A balanced market is always preferable to this unbalanced state of things,” he remarked.

Scott agreed, saying, “Some potential sellers are currently parked in a gridlock position because they are afraid to put their home on the market for fear they either won’t find a home, or they will find themselves in a multiple offer situation. This has stalled the migration pattern of sellers who would normally be putting their homes on the market.”

Moorhead suggested one tactic for buyers, given the historic low levels of inventory, is to start looking below the price point they’ve been considering. “Getting into a home and then moving up in 3-to-5 years is becoming a more common theme as most buyers cannot secure the home they wish to be in long-term. This is a definite shift in mindset since the average homeowner typically lives in a home 7-to-10 years.”

Brokers expect little relief in rising prices.

“Home sellers are benefitting from the perfect storm of market conditions, but as the ongoing low inventory levels and precipitous drop in pending sales indicate, there simply are not enough homes to meet the demand of buyers. All of this is pushing up home prices faster than anywhere else in the country and will continue to do so if we don’t see more homes come on the market this spring,” said OB Jacobi, president of Windermere Real Estate.

“With less than a two month supply of inventory, we will continue to see price escalation,” stated Wilson, who noted prices on closed sales of single family homes and condos in Kitsap County, where his office is situated, are up 10 percent from a year ago. That county has about 1.4 months of supply, third lowest among the 23 counties in the MLS database.

Both King and Snohomish County had less than one month of supply. Area-wide there was about 1.7 months of supply. (In general, four-to-six months of supply is considered balanced.)

Year-over-year prices are up nearly 8.9 percent area-wide, with 13 counties reporting double-digit gains. The median price for last month’s 5,374 closed sales of single family homes and condos (combined) was \$335,000. Closed sales volumes rose nearly 6.9 percent from a year ago.

In King County -- one of only four counties where the volume of closed sales fell from a year ago -- prices jumped 14.1 percent, climbing from \$439,950 to \$502,000. Despite the drop, King County’s year-to-date total of 3,803 closed sales is running 7.3 percent ahead of the first two months of 2016. System-wide, the number of completed transactions for January and February is up 12.3 percent. Deely believes those figures indicate the “fast pace, high velocity market” will continue to grow in 2017.

For single family homes (excluding condos), the median selling price in King County was \$560,000. That’s a gain of more than 8.7 percent from the year-ago figure of \$514,975.

Snohomish County prices spiked more than 18.2 percent, rising from \$327,500 to \$387,250. For single family homes only, prices in that county increased 14.9 percent, from \$359,000 to \$412,500.

“At this point it appears that those seeking to stay in ‘commuter counties’ that surround the job hub of King County have the best opportunity to do so in Pierce County,” suggested Mike Grady, president and COO of Coldwell Banker Bain. “However,” he noted, “inventories in Pierce County are shrinking at a high rate as well (down nearly 24 percent), suggesting that demand is pushing southward to Tacoma/Pierce County. That will likely cause sales prices to spike in the future, so this opportunity may not last long.”

The median price on last month’s sales in Pierce County rose to \$274,950 from \$249,250 for a gain of 10.3 percent. That’s about 55 percent of the price in King County (\$502,000), Grady noted. Single family home prices (excluding condos) in Pierce County (\$280,000) were half the price in King County (\$560,000).

Area-wide prices on last month's completed transactions for condo sales rose 6.2 percent from a year ago, increasing from \$275,000 to \$292,000. King County condo prices increased 5.1 percent to \$340,500.

Condo inventory plunged 33.2 percent, most notably in King County where brokers reported a sharp drop, at 41.5 percent. At month end there were only 759 condos listed for sale, down from the year-ago total of 1,136 units.

Sparse inventory of condos system-wide likely contributed to a 14.8 percent decline in pending sales. Brokers reported 1,063 pending sales of condos during February while adding 915 new listings. A year ago, members logged 1,247 pending sales and added 1,099 new listings to condo inventory.

Asked about recent news reports of immigrants backing out of home purchases in reaction to the President's immigration policies, brokers had mixed comments.

"While we're hearing from our brokers about buyer uncertainty related to those holding H-1B work visas (for temporary employees) and those who are undocumented residents, we don't at this point see a significant effect on the market. Until we have clarity around the Trump Administration's executive orders on immigration, it's impossible to know what effect they may have," said Grady.

Moorhead said there is a "distinct ripple being felt," but added, "We do anticipate many buyers with the H-1B visa to start cooling their interest until clarity is given to how this new policy will shake out."

Northwest Multiple Listing Service, owned by its member real estate firms, is the largest full-service MLS in the Northwest. Its membership of more than 2,200 member offices includes more than 26,000 real estate professionals. The organization, based in Kirkland, Wash., currently serves 23 counties in the state.

Statistical tables begin on following page.

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	2,389	1,731	2,673	1,793	\$614,587	\$502,000	0.97	1.33
Snohomish	1,083	840	1,296	904	\$413,062	\$387,250	0.93	1.47
Pierce	1,217	1,416	1,616	985	\$299,095	\$274,950	1.44	2.15
Kitsap	319	540	439	273	\$324,544	\$280,781	1.98	2.26
Mason	94	263	120	82	\$212,000	\$190,000	3.21	4.09
Skagit	183	299	229	134	\$320,220	\$275,800	2.23	3.74
Grays Harbor	88	387	122	74	\$149,424	\$144,950	5.23	6.52
Lewis	98	243	136	71	\$171,011	\$155,000	3.42	6.64
Cowlitz	100	143	133	88	\$218,532	\$215,950	1.63	3.03
Grant	59	274	80	37	\$178,653	\$170,000	7.41	10.03
Thurston	379	577	482	306	\$279,528	\$265,000	1.89	2.86
San Juan	28	180	24	19	\$666,468	\$534,000	9.47	12.89
Island	146	280	181	105	\$351,152	\$320,000	2.67	3.50
Kittitas	55	142	63	61	\$327,809	\$262,000	2.33	4.59
Jefferson	43	192	62	34	\$333,844	\$281,500	5.65	7.14
Okanogan	27	236	24	24	\$180,000	\$154,000	9.83	14.83
Whatcom	246	503	278	185	\$357,179	\$319,630	2.72	4.55
Clark	32	53	31	25	\$335,852	\$308,000	2.12	2.50
Pacific	46	189	46	39	\$191,095	\$175,000	4.85	8.11
Ferry	5	54	3	1	\$32,000	\$32,000	54.00	52.00
Clallam	81	194	93	61	\$263,543	\$225,000	3.18	4.80
Chelan	56	181	62	43	\$498,975	\$400,000	4.21	7.67
Douglas	38	62	32	13	\$290,569	\$279,000	4.77	4.41
Others	36	112	22	17	\$142,238	\$159,000	6.59	14.30
Total	6,848	9,091	8,247	5,374	\$421,349	\$335,000	1.69	2.41

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

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


King County broker tapped to chair Northwest MLS Board

John Deely, principal managing broker at Coldwell Banker Bain Seattle, has been elected 2017 chairman of the Northwest Multiple Listing Service (NWMLS) board of directors. Other new officers are Jason Wall, vice chairman; Robert Wasser, secretary; and Kevin Campbell, treasurer.



Member-brokers of Northwest MLS also elected two new directors and re-elected two others for its 15-member board. Together, these directors represent 11 districts within 21 counties across the MLS service area.

Newly elected directors are Chris Millsap, owner/designated broker at RE/MAX Advantage-Lake Chelan, and Cindy Thuirer, designated broker/owner at North Beach Realty Ocean Shores. The two directors who were re-elected for two-year terms are Dick Beeson, principal managing broker

at RE/MAX Professionals in Gig Harbor, and Jason Wall, president/designated broker at Lake & Company Real Estate in Seattle's Green Lake neighborhood.

Deely's career in real estate dates to 1978. He assumed his current leadership role at Coldwell Banker Bain in March 2008. Among his service to Northwest MLS, Deely has been a long-time member of its Forms Committee. The widely-recognized expert on local forms is a past chair of the Washington Association of Realtors® Risk Reduction Committee and is credited with initiating the push for unified forms statewide.

Deely is also well known among top producers for his coaching skills. In 2008, the state Supreme Court appointed him to be a real estate industry representative on the Limited Practice Board.

Vice chairman Jason Wall began his career as a real estate professional in 1989 and became part of Lake & Company Real Estate in 1995, eventually assuming ownership of the area's top-producing independent real estate office. The Seattle native also serves on the board at Seattle King County Realtors® and is a past president of the Northwest Independent Brokers Association.

Robert Wasser, this year's secretary of the Northwest MLS board, is the current president of the Northwest Independent Brokers Association, a position he has held since 2013. A graduate of the Michael G. Foster School of Business at the University of Washington, he is marking his 10th year as the owner-broker of Prospera Real Estate in Seattle. Wasser's real estate industry involvement also includes service on the MLS Disciplinary Review Panel.

Kevin Campbell, this year's treasurer, has more than 20 years of experience in real estate, including service on several industry boards. He is the designated broker and owner of the Kelso/Longview and Cathlamet offices of Windermere Real Estate.

Joining the board as the director representing Central Washington (including brokers in Chelan, Douglas, Grant, Kittitas and Okanogan counties) is Chris Millsap. A resident of the Lake Chelan Valley, he is the owner/designated broker at RE/MAX Advantage-Lake Chelan, which he opened in 2011. His background spans 37 years and includes experience as an owner in two construction companies, a developer, an owner of a title and escrow company, and a member of The Mike Ferry Organization, an industry leader in training programs for real estate professionals.

The second newly-elected member of the Northwest MLS board is Cindy Thuirer, the designated broker/owner of North Beach Realty Ocean Shores, which she founded with her husband in 2013. The one-time dental assistant started her real estate career in 2006, becoming a managing broker in 2012. She is an active volunteer with several youth programs. Thuirer's role on the MLS board includes representing other brokers in Clallam, Grays Harbor, Jefferson and Mason counties.

Dick Beeson will continue his service on the MLS board with his re-election by colleagues in Pierce and Thurston counties. His career in real estate dates to 1979 and includes leadership positions

with Washington Realtors® and Tacoma-Pierce County Association of REALTORS®. Additionally, he is a past chairman of the Northwest MLS board, serving a two-year term from 1999-2000.

Eight other broker-members also serve on this year's board of directors:

- Scott Comey with RE/MAX Elite in Lynnwood;
- Michael Connolly with Windermere Real Estate Central in Kirkland;
- Joe Deasy with Windermere Real Estate/East in Bellevue;
- Randall Fischer with Coldwell Banker Koetje Real Estate in Oak Harbor;
- David Maider with Windermere Real Estate M2 LLC in Everett;
- George Moorhead with Bentley Properties in Bothell;
- Bobbie Petrone Chipman with John L. Scott, Inc. in Puyallup; and
- Frank Wilson with John L. Scott, Inc. in Poulsbo

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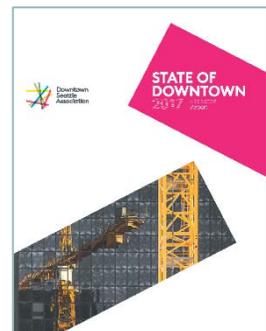
Report on Downtown Seattle calls it as “a dynamic intersection of people, places and possibilities”

Describing Downtown Seattle as “a vibrant hub of activity and a symbol of urban optimism,” an organization whose mission is “to champion a healthy, vibrant urban core” released an economic report with data about downtown as a place to live, work, shop and play.

More than 70,000 people now live downtown, according to the [2017 State of Downtown](#) report from the Downtown Seattle Association. The report noted the mix of residents includes a growing number of students and families with children.

Downtown Seattle's 12 neighborhoods encompass more than 265,000 jobs, 50,000 of which have been added since 2010, according to Jon Scholes, DSA's president and CEO. Downtown accounted for around 94 percent of all jobs gained in Seattle between 2010 and 2015.

Among Seattle's downtown workers, about half (49 percent) travel 10 or fewer miles to their jobs. One third have commutes of 10-to-24 miles, 10 percent commute 25-to-50 miles, and eight percent live at least 50 miles from their workplace.



Other metrics the report highlighted included:

- Nearly 50 percent of downtown residents are between ages 25-to-44;
- More than 7,000 downtown residents attend schools of higher learning;
- In 2016, 25 percent of the downtown pop lived in a household with two or more people related by birth, marriage or adoption;
- With 3,200 children now calling downtown Seattle home, this segment is one of its fastest-growing residential populations (up 40 percent since 2010).

The report's metrics for housing indicate more than 20,000 residential units have been added to downtown's inventory in the past decade, and another 30,000 are under construction or in development, including nearly 6,000 scheduled for completion by the end of this year. During December 2016, some 47 residential buildings were under construction. Apartments represent the majority of new units coming online.

Researchers also analyzed the mix of housing units by type and number of bedrooms. The vast majority – 81 percent – are rental. That compares to an owner-occupant rate of 46 percent citywide and 60 percent for the Puget Sound region. Of the total housing units, more than 14,000 are reported to have two or more bedrooms:

Downtown's Housing Units

# of Bedrooms	Apartments	Condominiums
Studio	12,576	1,437
1	23,442	6,736
2	8,805	4,768
3+	213	267
Total	45,036	13,208

Although the report focused on the vibrancy of downtown, both the mayor and county executive acknowledged challenges associated with growth, listing housing affordability as one of them.

In his introductory statement in the report, King County Executive Dow Constantine wrote, "We are committed to creating and funding innovative solutions for affordable housing and homelessness." Referring to the passage of Sound Transit 3, he said he believe the expanded network will offer "downtown residents and commuters access to jobs, education, entertainment, and all the region has to offer."

The Downtown Seattle Association said ensuring Seattle and its downtown remain accessible to a wide range of people has been a longtime DSA priority. The reported noted its efforts to increase affordable housing, in part as a partner in the Housing Affordability and Livability Agenda (HALA), its efforts to help pass the \$290 million housing levy in 2016, and an ongoing involvement in addressing homelessness via its 11-person Outreach Team that canvasses the streets every day, along with its Jobs Connect initiative to match homes individuals to jobs.

Established in 1958, the Downtown Seattle Association (DSA) is a member-based nonprofit organization that champions a healthy, vibrant urban core. It focuses on “making Downtown Seattle a great place to live, work, shop and play through public policy advocacy, economic development and marketing.”

Forum airs concerns and ideas to help solve homelessness

It's a disturbing problem that demands a solution, proclaimed a consultant whose company helps communities and organizations tackle complex issues by using a collaborate approach and mutually reinforcing activities.

Speaking at a State of Homelessness in Seattle forum, Barbara Poppe told her audience, “You are the most innovative business community... You are smart, you are caring, you know how to get stuff done. I don't know why you don't get it done,” lamented Poppe, who has worked with Seattle to produce “The Path Forward” report that addresses the crisis in the city.

At the same forum, homebuilders emphasized they want to help solve the region's homelessness crisis and presented what they said was a straightforward solution to increase the production of affordable housing. The group of private builders urged local governments to consider waiving or reducing their development fees, which can add as much as 30 percent to the cost of a project.

Development costs ultimately cut the number of affordable homes that can be built, explained Leanne Woodland, executive director of HomeAid Puget Sound, a group of private homebuilders that works with nonprofits to develop and remodel emergency shelters and transitional and permanent housing.

“Sometimes the building industry gets blamed for the high cost of housing,” she commented. “We're part of the solution,” she reminded the audience, while acknowledging cutting development fees can affect the budgets of various local jurisdictions.

HomeAid has planned \$8 million worth of projects this year, with builders donating up to half the cost of materials and labor. Among those projects is a \$2.3 million expansion for Acres of Diamonds, a nonprofit that serves homeless women and children in Duvall.

Starbucks and the Seattle Metropolitan Chamber of Commerce are working to engage the business community, service providers, City of Seattle and King County in efforts to address unsheltered families. At the end of the forum, a senior vice president at Starbucks offered Starbucks stores as meeting places for local businesses, government and community organizations to keep pressing for answers. He also announced two additional forums will be planned in the near future.

Joining Starbucks in sponsoring last month's forum was the Chamber, the Downtown Seattle Association, Visit Seattle and the Alliance for Pioneer Square.

In March 2015, [HomeAid America](#), a national nonprofit provider of housing for homeless families and individuals, announced it was reestablishing HomeAid in the Seattle-Tacoma area with the creation of HomeAid Puget Sound (HAPS). It was previously a program of the Master Builder Care Foundation.



Through the generosity of builders, their trades and their suppliers, HomeAid has completed more 400 housing projects nationwide valued at more than \$200 million. Nearly 220,000 people have been sheltered by these housing projects since its founding in 1989. With 17 chapters around the country, HomeAid has more than 50 additional projects in development across the country.

Homes on golf courses can attract buyers and command higher prices but researchers also found downsides when owners close courses

Homes adjacent to golf courses draw buyers and command higher prices – at least in South Florida, according to new research.

An analysis of 10,000 transactions that sold and closed in 2015 in Palm Beach, Broward and Miami-Dade counties revealed that properties next to a golf course fetches a premium of 8-to-12 percent on average.

The study was conducted by faculty at Florida Atlantic University.

“Preliminary results from statistical pricing models suggest that properties receive a pricing boost,” said Ken Johnson, Ph.D., a real estate economist and an associate dean of graduate programs and professor in FAU's College of Business. “Thus, there is strong evidence to conclude that golf courses remain a positive draw to potential property owners.”

Researchers noted more than 800 golf courses have closed in the United States (including some in Washington state) in the past decade due in part to oversupply. That move has prompted residents, developers and municipal officials around the country to face decisions whether to

convert underperforming golf properties to housing developments or keep them as golfing communities.

Facing failing financial performance, some course owners have allowed their property to fall into a state of disrepair that could have a negative impact on nearby property values.

Other owners have donated golf course land to nature trusts and local parks in order to take a tax break, according to Bloomberg reporter Patrick Clark. "Others have inked deals with homebuilders," he wrote, but added, "those deals are often contingent on winning approval from homeowner associations or local governments."

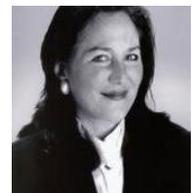
"The strong statistical evidence supporting a pricing boost for being adjacent to a golf course should help property owners, developers and city officials make quicker and more financially fair decisions," said Ksenija Bogosavljevic, a graduate student who is working with Johnson on the study as part of ongoing research on the viability of golf course communities.

"Uncertainty over value destroys deals, and these findings reduce that uncertainty and should result in quicker resolutions one way or another," said Johnson, coauthor of the *Beracha, Hardin & Johnson Buy vs. Rent (BH&J) Index*. "In the end, no one wants a vacant course."

BY JOLENE ANDERSON

New distributed ledger technology creates smart contracts

Why should real estate practitioners embrace the practice of creating Smart Contracts? Jessica Edgerton, associate counsel with the National Association of REALTORS®, urges real estate practitioners to adopt a two-step authentication process, which confirms your identity with both a password and a secondary code sent by text or phone call. Edgerton also urges agents to [never conduct business over public Wi-Fi](#) (source: *REALTOR Magazine*) and to take extra caution about what links they click on. "People are just so used to email as a form of communication and document sharing, and really it's not an ideal or secure form," Edgerton says. "Until the technology is able to be perfected and secured, everyone needs to stay aware of the problem and educate each other."



By Jolene Anderson

Blockchain, or Distributed Ledger Technology (DLT), is a new technology tool which every Realtor will want in their toolbox to create "Smart Contracts."

According to a recent Deloitte Global report, Distributed ledger technology (DLT), more commonly known as Blockchain, is challenging traditional business models and providing new opportunities to reinvent financial services, according to a Deloitte Global report. "[Over the horizon: Blockchain and the future of financial infrastructure.](#)" addresses key uses for blockchain to transform finance.

While disruption and change are looked upon with skepticism, the facts don't lie: Our outdated technology tools leave our clients and our families open to attack from cyber criminals. We must evolve our real estate practice to utilize new technology tools to create smart contracts.

Let us look at the history of smart contracts. Nick Szabo, a cryptographer, in researching digital currency, is credited with coining the term "smart contract" in the mid-1990s. Szabo's article, "Smart Contracts," originally published in early 1996 in the magazine *Extropy*, forecasts with prescient accuracy the benefits and parameters of the blockchain contract applications in development and making blockchain news headlines today. In his 1995 article, Szabo predicted that the digital revolution would drastically change the way humans make contracts, and he questioned even then whether our traditional contracts would continue to have a use in the cyberspace era. Smart contracts would improve execution of the four basic contract objectives, which Szabo described as **observability, verifiability, privity and enforceability**. Among other use cases discussed in the following sections, smart contracts according to Szabo would enable both parties to observe the other's performance of the contract, verify if and when a contract has been performed, guarantee that only the details necessary for completion of the contract are revealed to both parties and be self-enforcing to eliminate the time spent policing the contract." (Source: [Bitcoin Magazine](#))

Many of us remember using a facsimile machine in our real estate practice, which was useful to gather signatures amongst the parties for a contract or agreement. At the time, there was a certain amount of reluctance to conduct business in this manner; after all it was the first time someone could sign something, place it in a machine, send it from one phone line to another and deliver a digitally reproduced signature. The path this signature took was not controllable or traceable, and in most cases, it traversed miles of wire before reaching its destination, so how could it be considered a valid signature? ***The intentions of the signature were clear to everyone***, but businesses wanted to know they could count on the validity of the signature, and if no one actually witnessed the action of one individual or of a corporation how could a business put any faith in it? The fax became standard operating procedure world-wide. The courts found validity in this method of signature capturing and businesses also felt secure in this method.

The development of the Portable Document Format (PDF) enabled the ability to scan signed documents and email those documents to the intended party. This was a logical next step as email soon became the standard by which we handle a majority of our daily communications. And, with this, came the benefit of having a permanent electronic version of the document and eliminating the task of having to file or re-scan the faxed document for retention. This afforded users with greater efficiencies and cost reductions, and helped us all become a little more paper-less. The government and regulators had no option but to accept electronic signatures and documents as being legally binding and electronic storage as meeting document retention requirements.

Following widespread business adoption, the ESIGN Act and Silicon Valley's penchant to innovate came the arrival of the next disruption: E-signature and document management providers, namely DocuSign. ***With their ingress (early 2000's) came the ability to electronically transmit, review and sign documents and agreements using a digital signature.*** Again, as we historically witnessed with new technologies, skeptics viewed this as a transitory technology that will never gain widespread acceptance and adoption; time has proven them wrong. Today, E-signature, is commonplace and is the new standard by which documents and agreements are handled.

The innovation that we have witnessed over the decades in the e-signature space naturally leads to more of the same: further innovation, newer products and services and greater efficiencies. This brings us to the next step in the e-signature evolution and the next disruption: ***Event-based authentication, using blockchain technology, provides the ability to electronically execute contracts and agreements, within your existing email platform, eliminating the requirement for 3rd party portals and interfaces.*** With that, users will be afforded a legal, efficient, and frictionless opportunity to sign contracts and agreements resulting in the reduction of transaction costs for individuals, businesses and their customers. With 3 Factor Event Based Authentication, parties to the contract or agreement will know, with absolute certainty, with whom they are communicating and contracting. Additionally, businesses continuity will be improved by having all email communications, content and their attachments, which are encrypted at rest, stored on an individualized, immutable and tamper proof ledger. Additional benefits include archival and reporting, including state changes of all communications, content, attachments and identity authentication activities.

Today's real estate practitioner can provide a greater level of security to their real estate clients by utilizing new technology tools which create smart contracts.

For more information on blockchain technology please feel free to contact: Jolene@ULedger.co.

Jolene Anderson is a licensed REALTOR® with Coldwell Banker Bain and an Advisor to ULedger.co.

“Strong communities” coming together to remember Oso slide

March 22 will make the third anniversary of the tragic Oso landslide in Snohomish County, which claimed 43 lives, destroyed 49 homes and other structures, and moved 18 million tons of sand and clay.

To commemorate the catastrophe, the communities of Arlington and Darrington are [hosting “Ride to Remember Oso,”](#) a one-way, 28-mile bicycle ride and community event.



The ride will “remember those who were lost and affected by the slide, and recognize how far our communities have come by celebrating our resilience and the completion of the Darrington/Arlington entry in the “America’s Best Communities competition,” said Arlington Mayor Barb Tolbert and Darrington Mayor Dan Rankin.

As reported in the March 2016 issue of *Northwest REporter*, both towns were among 50 quarter-finalists in the “Best Communities” program, with each receiving \$50,000 to develop a community revitalization plan. They’ve since advanced to the final round and are now among eight finalists competing for \$6 million in top prizes. Winners will be announced on April 19.

The Ride to Remember (not recommended for children) starts in downtown Arlington at Legion Park and follows State Route 530 to Oso Loop Road, continuing east on SR 530 to the celebration in Darrington with a rest stop at the Oso store. Return transportation is available. The \$30 registration fee includes long sleeve shirt. Additional details are [online](#).

The Ride to Remember is managed by City of Arlington, Town of Darrington, and Snohomish County Parks and supported by [BIKES Club of Snohomish County](#).

Since the slide at the Steelhead Haven community, the county has replanted 6,400 Douglas firs and Western red cedars, 1,300 Sitka willows, 25,000 shrubs and scattered 11 million wildflower seeds. More than 11,000 tons of man-made debris has been removed from site.

In October 2016, on the eve of a trial, attorneys representing survivors and family members of the victims in a liability lawsuit against the state announced a \$50 million settlement. That settlement did not involve the timber land owner, another defendant.

MAKING COMMUNITY BETTER FOR ALL

Couple described as “always about the greater good” named 2017 Seattle-King County First Citizens

As activists, administrators and advisors, the newly-named 2017 Seattle-King County First Citizens are known for their dedication to causes, community, and country, along with their devotion to family and friends.

Medina residents Bill and Jill Ruckelshaus are the 79th recipients of the prestigious award and the eighth couple to be saluted for their inspiring leadership and contributions to the area’s quality of life.



“Bill and Jill Ruckelshaus, as dynamic individuals and as a couple, have enriched us in countless ways. We look forward to thanking them at the civic celebration on May 25,” said Sam DeBord, president of Seattle King County REALTORS, which created the award in 1939.

Last year's honoree, Phyllis Campbell, said the duo "have always been about the greater good, making our lives better for both current and future generations. Their imprint has been in so many places in our community and in our nation, whether it is business, politics, the environment or education," added Campbell, the chairman, Pacific Northwest, for JPMorgan Chase & Co.

Dan and Nancy Evans, who were recognized as First Citizens in 2003 for their lifelong citizenship and civic involvement, also praised this year's award recipients for their extensive contributions. "Bill and Jill Ruckelshaus represent the epitome of public service," they stated, adding, "Their exceptional wisdom and talents are devoted to making our community and nation better for all citizens."

From early in their careers, Bill and Jill Ruckelshaus accumulated a significant list of accomplishments in both public and private sector endeavors.

Jill Ruckelshaus earned a reputation as a trailblazer and champion of women's rights, with many achievements to her credit. Among the "proudest career milestones" she lists are active participation in the Equal Rights Amendment, Title IX, Americans with Disabilities Act, women in the military, pay equity, and electing more women to public office. She was a founding member of the National Political Women's Caucus, and was the first presiding officer for the 1977 International Women's Year Commission.

In the Nixon administration, Jill Ruckelshaus served as special assistant on women's affairs. The former speechwriter also served as a delegate to the 1977 National Women's Conference in Mexico City, and, from 1979-1984 on the U.S. Commission on Civil Rights.

William Ruckelshaus' distinguished career encompasses government agencies, nonprofits and corporations, and also includes two years of military service in the U.S. Army. Early in his career the Harvard Law School graduate was deputy attorney general and a chief counsel in the Indiana Attorney General's office. He was elected to the Indiana House of Representatives and served as majority leader in the 1967 session his first term.

The man known as both Bill and "Ruck" served in various federal government roles dating to 1969 when he was an Assistant Attorney General. In 1970, he became the first Administrator at the Environmental Protection Agency. He later became acting Director of the FBI and Deputy Attorney General of the U.S. Department Justice. In the event known as the "Saturday Night Massacre" Ruckelshaus resigned from his position within the Justice Department, along with Attorney General Elliott Richardson, rather than obey an order from President Nixon to fire the Watergate special prosecutor, Archibald Cox. He then moved to the private sector where he practiced law in Washington, D.C. and later joined Weyerhaeuser as senior vice president. He returned to EPA as Administrator for a second term from 1983-1985. Later he was CEO at Browning-Ferris Industries from 1988-1995 and has been a strategic partner in venture capital at Madrona Venture Group since 1999.

Bill and Jill were married in Indianapolis in 1962. They have five children.

Both First Citizens have impressive academic credentials – she from Indiana University and Harvard, and he from Princeton University and Harvard Law School.

Jill and Bill Ruckelshaus have served on numerous boards. Her list of nonprofit organizations includes the YWCA, Landesa, Copper Canyon Press, Indiana University Foundation, and Seattle Symphony; her for-profit list includes Costco, Fred Meyer Stores, Lincoln National and The Seafirst Corporation.

Bill Ruckelshaus' nonprofit board service includes the Bullitt Foundation, The Energy Foundation, The Meridian Institute, Long Live the Kings, Seattle Aquarium Society, and the Urban Institute, where he is a life trustee. He is a former board member of Coinstar, Inc., Cummins Engine Company, Nordstrom, Inc., Monsanto, Solutia Pharmacia Corporation, TVW, Weyerhaeuser Company, and several other corporations.

In 2001 Bill was appointed board member of the U.S. Presidential Commission on Ocean Policy. Two years later he was appointed to serve on the National Oceanic and Atmospheric Administration, Science Advisory Board, and in 2005 he was appointed co-chair of the Puget Sound Partnership to organize the cleanup of Puget Sound. He is also chairman emeritus of World Resources Institute, a global natural resources research organization that spans more than 50 countries. He was the original chair of the Meridian Institute, a Washington problem solving institution. Bill was the co-chair of the Joint Ocean Commission Initiative to which he was appointed by the President.

In 2004 Bill Ruckelshaus was appointed chairman of The William D. Ruckelshaus Center, a joint effort of the University of Washington and Washington State University. Together, the institutions apply university resources, knowledge, and a collaborative process to solve challenging public policy issues.

Both Bill and Jill Ruckelshaus have received individual awards for myriad accomplishments. Among more recent recognitions, she was honored as a 2014 Woman of Influence by the Puget Sound Business Journal.

In 2012, Mr. Ruckelshaus was the recipient of the NatureServe Conservation Award in honor of “the unique character, scale, and diversity of his contributions to the protection of the natural environment.” In 2015, in recognition of his service to the country, he was awarded the Presidential Medal of Freedom, the highest civilian honor in the U.S.

Reflecting on their decades of distinguished service, this year's First Citizen Award winners commented on their philosophies.

“I've concluded there are four important criteria for what makes a job worthwhile,” stated Bill Ruckelshaus. That list includes interest, excitement, challenge, and fulfillment. He noted it is tough to find the same degree of fulfillment that he found in the government. “At EPA, you work for a cause that

is beyond self-interest and larger than the goals people normally pursue. You're not there for the money, you're there for something beyond yourself."

Commenting on her own leadership philosophy, Jill Ruckelshaus says "Envision change, encourage and validate others." As for her advice for others, she believes "Excellence is a habit. Do your best work and be kind every day."

Like many of the past honorees, the Ruckelshaus' join an elite group of recipients whose vision, leadership, volunteerism and generosity have enhanced the region's vibrancy and quality of life. Past recipients include individuals, couples, families and organizations; they hail from humanitarian groups, charitable, health and educational institutions, arts groups, environmental causes and various civic endeavors.

Other couples who have been honored as First Citizens include Kayla and Ned Skinner (1974); Buster and Nancy Alvord (1991); Laurie and Scott Oki (2002); Dan and Nancy Evans (2003); Jeffrey and Susan Brotman (2005); James and Sherry Raisbeck (2007); and Jamie and Karen Moyer (2011). (See complete list on the following page.)

About the [First Citizen Award](#)

Since its inception in 1939, the First Citizen Award (believed to be this region's oldest such recognition) continues to celebrate community leadership, volunteerism and public service. The civic banquet to honor the annual recipients is a not-for-profit celebration of civic engagement presented by Seattle King County REALTORS® and partners from the real estate community. This year's partners for the May 25 event at the Fairmont Olympic Hotel in Seattle are John L. Scott Real Estate and Windermere Real Estate.



About [Seattle King County REALTORS®](#)

Seattle King County REALTORS® is a trade association of 6,500 real estate brokers who serve clients throughout the Puget Sound area. Its goals include promoting ethical business practices and supporting policies that preserve and expand real property rights and housing affordability. Based in Bellevue, SKCR is a founding member of the National Association of REALTORS®, the largest professional trade association in the country, comprised of 1.2 million members.

The term REALTOR® is a registered collective membership mark that identifies a real estate professional who is a member of the NATIONAL ASSOCIATION OF REALTORS® and subscribes to its strict Code of Ethics.

PAST RECIPIENTS, SEATTLE-KING COUNTY FIRST CITIZEN AWARD

- 1939 Richard Eugene Fuller
- 1940 Dr. Wendell Fifield
- 1941 William O. McKay
- 1942 Kenneth Colman
- 1943 Phil Johnson
- 1944 Children's Orthopedic Hospital
- 1945 W. Walter Williams
- 1946 Royal Brougham
- 1947 John H. Reid
- 1948 Ernest Skeel
- 1949 Dr. Raymond Allen
- 1950 Thomas M. Pelly
- 1951 George Gunn, Jr.
- 1952 Henry Broderick
- 1953 Frank E. Holman
- 1954 William M. Allen
- 1955 Deitrich Schmitz
- 1956 Rev. A.A. Lemieux
- 1957 Gordon N. Scott
- 1958 Nat S. Rogers
- 1959 Mrs. A. Scott Bullitt
- 1960 Michael Dederer
- 1961 Ben E. Ehrlichman
- 1962 Joseph E. Gandy
- 1963 George F. Kachlein, Jr.
- 1964 H.W. McCurdy
- 1965 Edward E. Carlson
- 1966 Milton Katims
- 1967 Mrs. Henry B. Owen
- 1968 James R. Ellis
- 1969 William B. Woods
- 1970 Norton Clapp
- 1971 Glynn Ross
- 1972 John D. Ehrlichman
- 1973 Dr. Dixy Lee Ray
- 1974 Ned and Kayla Skinner
- 1975 Dr. Wm. B. Hutchinson
- 1976 Rabbi Raphael Levine
- 1977 W.J. "Jerry" Pennington
- 1978 John M. Fluke
- 1979 Gordon H. Sweaney
- 1980 James M. Ryan
- 1981 C.M. "Mike" Berry
- 1982 Dr. Dale E. Turner
- 1983 T.A. Wilson
- 1984 Victor Rosellini
- 1985 Fredric A. Danz
- 1986 Robert W. Graham
- 1987 John W. Ellis
- 1988 Samuel Stroum
- 1989 R.C. "Torchy" Torrance
- 1990 The Rev. Wm. J. Sullivan, S.J.
- 1991 Buster and Nancy Alvord
- 1992 Lester R. Sauvage, M.D.
- 1993 Constance W. Rice, Ph.D.
- 1994 Phil M. Smart, Sr.
- 1995 Mary Gates & Family
- 1996 Stanley O. McNaughton
- 1997 Walter B. Williams
- 1998 Jack A. Benaroya
- 1999 Paul Brainerd
- 2000 The Bullitt Family
- 2001 Herb M. Bridge
- 2002 Scott and Laurie Oki
- 2003 Dan and Nancy Evans
- 2004 The McCaw Family
- 2005 Jeffrey and Susan Brotman
- 2006 Dale Chihuly
- 2007 James and Sherry Raisbeck
- 2008 Paul G. Allen
- 2009 Gerard Schwarz
- 2010 Hon. Slade Gorton
- 2011 Jamie and Karen Moyer
- 2012 Rotary International Dist. 5030
- 2013 Lenny Wilkens
- 2014 Hon. Norman B. Rice
- 2015 Theodor "Ted" Baseler
- 2016 Phyllis Campbell

News In Brief

- **The Seattle area is the sixth best place to live in the United States, according to U.S. News & World Report's annual index, rising from seventh last year.** The publication ranked metro areas by migration, desirability, quality of life, "value" and job-market health. "Value" was assessed by using U.S. Census Bureau data to compare income and cost of living in an attempt to show how comfortably people could live within their means. Department of Labor data indicated the strength of various regions' job markets. Crime statistics, health-care rankings and education rankings were included in measuring quality of life. The publication polled people throughout the country and asked them to vote on why they were most interested in living. The top-10 best places to live: 1) Austin, 2) Denver, 3) San Jose, 4) Washington, DC, 5) Fayetteville, **6) Seattle**, 7) Raleigh & Durham, 8) Boston, 9) Des Moines, 10) Salt Lake City.
- With total home sales expected to grow modestly in 2017, following a banner year for the housing industry, the personal-finance website **WalletHub conducted an in-depth analysis of 2017's Best Places to Be a Real Estate Agent.** To determine best markets for Realtors, WalletHub's analysts compared 150 of the largest U.S. cities across 14 key indicators of a healthy housing market, ranging from "sales per agent" to "annual median wage for real estate agents" to "housing-market health index." Its top ten places to be a real estate agent are: 1) Honolulu, HI, **2) Seattle, WA**, 3) Denver, CO, 4) Boston, MA, 5) Aurora, CO, 6) Madison, WI, 7) Reno, NV, 8) San Francisco, CA, 9) Irvine, CA, and 10) Austin, TX.
- **According to a report from San Francisco career site Hired, Seattle techies are the second-best-paid in the country.** The average software engineer in Seattle makes \$126,000 a year, falling just short of the \$134,000 salary Bay Area engineers make. When cost of living is factored in, Seattle drops to the No. 3 spot, following Denver and Austin. Hired uses its own data in the study, collected from its work helping companies find job candidates and offering them positions.
- **When making decisions about buying, selling or renovating their homes, Americans, by and large, take their pets' needs into account, according to a new report from the National Association of Realtors®.** The 2017 [Animal House: Remodeling Impact](#) report found that 81 percent of respondents said that animal-related considerations play a role when deciding on their next living situation. "In 2016, 61 percent of U.S. households either have a pet or plan to get one in the future, so it is important to understand the unique needs and wants of animal owners when it comes to homeownership," said NAR President William E. Brown, a

Realtor® from Alamo, California and founder of Investment Properties. “Realtors® understand that when someone buys a home, they are buying it with the needs of their whole family in mind; ask pet owners, and they will enthusiastically agree that their animals are part of their family.”

- With only 17 state capitals being also the largest cities in their respective states but not necessarily offering the best quality of life, the personal-finance website WalletHub conducted an in-depth analysis to determine [2017’s Best State Capitals to Live In](#).

To identify the most livable seats of state government, WalletHub’s data team compared all 50 across 42 key metrics, ranging from “cost of living” to “K–12 school-system quality” to “number of attractions.” **Of the top 20 state capitals to live in, Olympia, WA was ranked No. 13. Austin, TX was ranked No. 1.**

- **In terms of traffic, the Seattle metro area ranks No. 20 in the worldwide INRIX Traffic Scorecard and No. 10 in the United States.** Drivers here were delayed an average of 55 hours last year in peak times. Tacoma’s traffic ranked 53rd, Portland 30th, and Vancouver, B.C., 76th in the count of 1,064 cities in 38 countries. The most clogged city was Los Angeles, averaging 104 hours delay. The competing Tom Tom navigation company ranks Seattle the fourth most congested are in the United States.
- **Tacoma was ranked #4 on a list of “Twelve Top Convention Cities in the USA for 2017” as selected by MeetingSource.com.** Convention cities across the country were ranked on a five point rating system with criteria that included affordability, ease of access, safety, walkability and promotional appeal. The Tacoma market was recognized for the Greater Tacoma Convention Center, affordable hotel room rates and the proximity to Seattle-Tacoma International Airport.


Calendar of Events Through April 4, 2017

Dates	Event	Time	Location	Contact
SEATTLE—King County REALTORS®				
3/9/17	Affiliate Forum	2:00 pm – 4:00 pm	SKCR	425-974-1011
3/15/17	Board of Directors	9:30 am – 12:00 pm	SKCR	425-974-1011
3/21/17	Affiliate Council	9:30 am – 10:30 am	SKCR	425-974-1011
3/24/17	Battle of the Barristers	8:00 am – 12:00 pm	SKCR	425-974-1011
3/28/17	REALTOR Advantages	9:30 am – 12:30 pm	SKCR	425-974-1011
4/4/17	Gov't Affairs Committee	10:30 am – 1:30 pm	SKCR	425-974-1013
For updates visit: www.nwrealtor.com and click "events"				