

Rebound in housing prices hits important milestone in 2016

Strong demand and extremely tight supplies of both for-sale and for-rent homes are pushing up housing costs. Consequently, affordability pressures are at near record levels, according to findings in the latest [State of the Nation's Housing report](#).

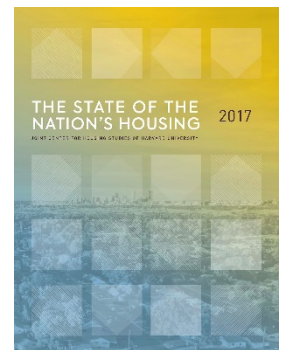
“Addressing the scale and complexity of need requires a renewed national commitment to expand the range of housing options available for an increasingly diverse society,” stated the authors in their 44-page report.

Researchers reported rises in housing demand, homes prices, and construction volumes, along with sharp drops in the number of distressed homeowners.

National home prices hit an important milestone in 2016, finally surpassing the pre-recession peak. An analysis of the nation's 100 largest metropolitan areas revealed that prices were up in 97 of the regions. Gains since 2000 varied widely, with appreciation topping 50 percent in some markets while others “posted only modest gains or even declines.”


Other key findings in the report included:

- At last count in 2015, nearly 19 million US households paid more than half their incomes for housing.
- Even after seven straight years of construction growth, the US added less new housing over the last decade than in any other 10-year period dating back to the 1970s.
- The national homeownership rate fell slightly, marking the 12th consecutive month of declines, but researchers believe it appears to be leveling off, thanks in part to last year's growth in homeowners – the largest increase since 2006.
- Affordability is a growing concern, with an average of only 45 percent of renters in the nation's metro areas able to afford monthly payments on a median-priced home in their markets. The situation is dire in high-cost metros of the Pacific Coast, Florida, and the Northwest, where fewer than 25 percent of renters could afford such payments. Nearly 39 million US households live in housing they cannot afford.
- High housing costs are a special concern for younger and older households, in part because larger shares of such households are headed by a single adult wage earner. Nearly 47 percent of single-person households (including both owners and renters) were cost-burdened in 2015; nearly 25 million children and about one-third of older adults faced cost burdens in 2015.



- Rental vacancy rates hit 30-year lows resulting in rent hikes that outpaced inflation in most markets.
- Incomes in US households grew overall, thereby reducing the number of households paying more than 30 percent of income for housing (the standard measure of affordability).
- Millennials, immigrants, and older Americans will drive housing demand.

The *State of the Nation's Housing*, presented in six chapters and an appendix of tables, includes interactive maps and charts, plus several online data tools. The report is a publication of the Joint Center for Housing Studies, a collaborative unit affiliated with the Harvard Graduate School of Design and the Harvard Kennedy School.

LATEST PRESS RELEASE **“Typical summer slowdown” may mean opportunities for frustrated house hunters**

KIRKLAND, Washington (July 6, 2017) – For frustrated house hunters, there’s hope: the volume of new listings added to inventory during June (13,658) was the highest total for any single month since May 2008 (14,176 new listings), according to the latest statistics from Northwest Multiple Listing Service.

“This time of year we see more new listings coming on the market than pending sales, and June didn’t disappoint,” stated J. Lennox Scott, chairman and CEO of John L. Scott.

Noting the pace of sales is slowing and the number of multiple offers is moderating, broker Gary O’Leyar suggested a summer breather is under way (as anticipated), which could yield “the season for a successful purchase” for weary shoppers. O’Leyar, the designated broker/owner at Berkshire Hathaway HomeServices Signature Properties, said this mid-summer real estate market “seems to be following a fairly typical seasonal cycle” even though inventory is significantly lower than a year ago.

Northwest MLS director George Moorhead also commented on the “typical summer slowdown,” but said it is more noticeable in outlying areas. “The hot core areas are still quite active as buyers vie for a new home.” He also detected a slight increase in the time it is taking to market a home, and reported some cooling off in the luxury market, saying prices may be reaching a plateau.

For many brokers, rising prices are an ongoing concern, with one industry leader describing the ever-increasing prices as “startling.”

While the number of new listings was up about 7 percent year-over-year, total inventory lagged. Brokers reported 14,482 active listings of single family homes and condos at the end of June, which is down 14

percent from twelve months ago when would-be buyers could choose from 16,838 listings. Compared to the previous month, however, inventory jumped up 16 percent (12,481 vs. 14,482).

System-wide there was just over 1.4 months of inventory, but the supply varied across the 23 counties in the MLS market area. King County continued to have the tightest inventory, with less than a month of supply (0.84). Six other counties reported less than two months of supply (Cowlitz, Douglas, Kitsap, Pierce, Snohomish, and Thurston). In general, four-to-six months is considered to be a balanced market.

“Inventory continues to go lower as prices continue to climb in Kitsap County, leaving us with about 1.5 months of supply and home prices that are up more than 12 percent from a year ago,” said MLS director Frank Wilson, branch managing broker at John L. Scott in Poulsbo.

“Unlike a normal market for buyers, today’s market is not about the current inventory, rather it’s about inventory that is coming on the market,” Wilson commented. “The real story is the increased number of homes that will become available next month, and the month after.” He recommends buyers work out a success strategy with their real estate professional before even looking at their first house.

The increase in the number of new listings coupled with fewer offers for each property means more choices and a little breathing room for the backlog of buyers who have been waiting to buy a home, Scott believes. “For sellers, the market remains at a frenzy level of new listings selling in the first 30 days,” he said.

MLS brokers reported 12,397 pending sales (mutually accepted offers) during June for a gain of nearly 3.4 percent from a year ago. Compared to May, the volume of pending sales dropped slightly. Nine counties reported year-over-year decreases in the number of pending sales, with inventory shortages a likely contributing factor since most of these counties show double-digit declines in the number of active listings.

In the four-county region encompassing King, Kitsap, Pierce and Snohomish counties, MLS members notched a record-setting 9,042 pending sales, beating the previous high for the month of June that was reached in 2005. Figures show May also beat the record for that month.

“Strong job growth, price appreciation, and low interest rates continue to fuel the Puget Sound housing market,” stated Scott.

Seattle’s growing population is another likely factor. Recent U.S. Census Bureau data shows Seattle is gaining about 1,100 residents per week, an “astounding” figure, said MLS director Diedre Haines.

“June slowed a bit, probably due to it being summer – but I do not anticipate much of a slowdown this year,” remarked Haines, principal managing broker-South Snohomish County at Coldwell Banker Bain.

"In Snohomish County we are once again experiencing low appraisals," she said, adding, "I'm not sure why this is happening, especially with regard to new construction." Haines said new product is selling before it's out of the ground, with many of these new homes not even hitting the market.

Northwest MLS director Scott Comey also commented on the brisk activity in Snohomish County.

"In Snohomish County, we have been seeing a lot more tech-type workers buying homes," according to Comey, the owner/designated broker at RE/MAX Elite. "Many of my agents have clients from Microsoft, Amazon, and Google to name a few, where just a couple of years ago we rarely saw them up this way." To get bigger bang for the buck, Comey said prospective purchasers are being pushed further north, or further south, driving up values in both Snohomish and Pierce counties. "Coupled with Boeing and other local employers doing very well, it is keeping the inventory levels under a month."

"With interest rates still very low, we are hopeful that those who want to move up into a larger home, aren't deterred too much," Comey stated. Although "contingent" offers are a struggle in today's market, he said many buyers are finding alternative methods to making the move, like bridge loans.

Reflecting strong second-quarter activity, closed sales for June topped the 10,000 mark, a first for Northwest MLS member brokers. Last month's total of 10,094 closed sales area-wide was up almost 3 percent from the year-ago total of 9,805 closings. Year-to-date sales for the first half of 2017 are up 4.7 percent compared to the first six months of 2016.

Prices for single family homes and condos combined surged 10 percent in June compared to a year ago, rising from \$350,000 to \$385,000. For the four-county Puget Sound region, year-over-year prices are up about 11.4 percent. In King County, the median price of a single family home (excluding condos) jumped 13.9 percent, from \$573,522 to \$653,000.

Despite their upward trajectory, prices still matter, according to Northwest MLS director Dick Beeson, who cautioned sellers to "be wary" about unrealistic pricing. He reviewed more than 800 listings offered for sale in King, Pierce and Snohomish counties since January 1 that went off market as expired listings, "mainly because they were over-priced," he suggested.

"The month-to-month price changes are startling," remarked Mike Grady, president and COO of Coldwell Banker Bain. "Eventually we will outpace the first-time homebuyer's ability to qualify for a mortgage and that will slow the market down somewhat," he stated, adding, "That said, we believe the biggest challenge is that there is literally no active housing for those age 55+ being developed in the Puget Sound area. Without quality condominium development that provides a place for baby boomers wanting to downsize, they don't move, thus blocking the next big-home buyer from moving up which in turn stops the domino effect downstream."

“The market sizzles while sellers fiddle,” quipped Beeson, principal managing broker at RE/MAX Professionals in Gig Harbor. Noting 80-to-90 percent of sellers in the Central Puget Sound counties are accepting offers on their homes within 30 days of listing and marketing it, he acknowledged, “There is no end to the pain buyers are experiencing as they search for a home.”

On a more encouraging note Beeson urged buyers to not give up. “Diligence and prior planning are necessary to win the day. Buyers must be pre-underwritten for a loan, not just pre-approved. They must act decisively, not weakly or slowly. They must keep their composure and perseverance as they lose out on offers before finally winning.”

MLS director George Moorhead agreed. “It is not uncommon to have buyers present offers on eight or more homes before being successful; they also become more aggressive in terms of their offers.” The conversations these buyers have with their brokers also take on an entirely different level of negotiating tactics and swift decisions, according to Moorhead, the designated broker at Bentley Properties.

Buyers continue to suffer from fatigue, reported Haines. “The difference this year is that it seems buyers are more determined and not giving up. Rates have increased a bit, but this doesn’t seem to be a negative for them.” And, she added, “We still struggle with the issue of them waiving their protective rights despite our counsel not to.” Haines said sellers are starting to become adamant that they do not want multiple buyers conducting pre-inspections, but commented, “This is a trend I personally hope continues.”

Wilson also offered advice to buyers. “They need to be clear as to what they will accept, or not. Get pre-underwritten by their lender, be ready for a fast tracked inspection, strong earnest money, strong financing and amount down and put forward the most streamlined offer their situation will allow.”

Commenting on the latest MLS statistics, Grady said the numbers “tell the continuing story of a very tight market created by the situation of a region where far more jobs are being created than new housing units -- whether they are apartments, condos or single-family homes. This pattern won’t change until developers can out-build net new job creation, especially in the greater Puget Sound area.”

Condos, once the path to ownership for first-time buyers, offer sparse options. Inventory is down 24 percent from a year ago. Condos currently only account for about 8 percent of all active listings, and there is less than a month’s supply.

Condo prices, while more affordable than many single family homes, continue to trend upward. The median sales price for last month’s closed sales of condos was \$328,675, an increase of nearly 9.6 percent from a year ago.

Based on his analysis of MLS data, Moorhead noted condos have appreciated in the double digits for the last three years as they play catch-up to single family homes sales. “Condos are typically the next

best option for first time buyers who cannot keep up with a surge in pricing from single family homes; however, even condos are being priced out of reach for many new buyers.”

The market frenzy prompts questions about a housing bubble.

“We are often asked about how long this will market last,” said Wilson. His reply? “Jobs in Seattle are still getting stronger, the economy is not yet at full strength, incomes are starting to rise, loan interest rates are low, money is relatively easy to borrow, gas prices are low, the stock market is doing well and the public’s attitude seems to be good. This could last a few years.”

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 Summary by Counties: Market Activity Summary – June 2017

Single Homes + Condos	Fam.	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		4,769	3,057	4,309	3,655	\$705,893	\$590,000	0.84	1.02
Snohomish		2,135	1,580	1,957	1,558	\$454,906	\$420,000	1.01	1.17
Pierce		2,295	2,326	2,150	1,721	\$347,854	\$314,965	1.35	1.60
Kitsap		658	765	626	483	\$428,098	\$335,000	1.58	1.61
Mason		200	360	205	165	\$231,074	\$214,000	2.18	4.02
Skagit		338	442	283	220	\$364,984	\$320,000	2.01	2.30
Grays Harbor		208	477	190	140	\$187,452	\$169,450	3.41	4.46
Lewis		179	341	171	117	\$209,747	\$200,000	2.91	3.58
Cowlitz		204	232	195	152	\$226,486	\$213,250	1.53	1.84
Grant		137	360	121	98	\$204,557	\$192,793	3.67	4.61
Thurston		708	773	710	552	\$315,327	\$287,450	1.40	2.11
San Juan		54	262	30	30	\$794,233	\$480,000	8.73	14.61
Island		274	459	214	217	\$427,986	\$340,000	2.12	2.19
Kittitas		145	249	123	99	\$310,524	\$260,000	2.52	3.77
Jefferson		123	286	76	58	\$353,944	\$308,150	4.93	4.13
Okanogan		102	354	57	48	\$216,241	\$174,750	7.38	12.79
Whatcom		568	833	482	399	\$353,603	\$320,000	2.09	2.50
Clark		68	89	59	30	\$317,077	\$306,000	2.97	2.38
Pacific		79	258	79	40	\$172,236	\$156,500	6.45	5.49
Ferry		9	52	5	5	\$210,640	\$210,000	10.40	62.00
Clallam		167	334	142	108	\$327,292	\$295,000	3.09	3.94
Chelan		115	271	100	94	\$385,613	\$299,250	2.88	4.75
Douglas		51	79	45	45	\$362,018	\$292,000	1.76	3.21
Others		72	243	68	60	\$199,871	\$167,750	4.05	4.56
Total		13,658	14,482	12,397	10,094	\$488,282	\$385,000	1.43	1.72

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	7592	7621	9188	9042						

Chamber meeting features economist with housing market overview

Since bottoming out in 2012, home values have approached pre-recession highs, which economist Svenja Gudell said was a “very fast recovery.” Equally impressive is the 7 percent annual growth rate—twice the historical rate of 3.5 percent.

Dr. Svenja Gudell, chief economist at Zillow, told attendees at a meeting of the Bellevue Chamber of Commerce that while Seattle area homes are appreciating at 12 percent annually as the market “soaks up all the inventory,” it is not likely to turn into the next San Francisco. “There’s still quite a bit of runway,” she remarked.



Millennials encouraged by high-paying jobs and corresponding affordability are starting to make up a “bigger chunk” of housing activity, according to research by Zillow. Like most house-hunters, this cohort is experiencing the consequences of under building during 2008-2014.

“Across the board, home values in the Seattle metro area have exceeded their peaks,” she noted while displaying a graph comparing median prices in Bellevue, Everett, Renton, Seattle and Tacoma. “While prices seem high, they are not alarming,” she stated.

Home value growth is expected to slow through the first quarter of 2018, due in part to expected hikes in mortgage rates. Values in Seattle are forecast to increase by 5 percent, according to Zillow's analysis, although Gudell pegs the rise at "closer to 7-to-8 percent."

Zillow's home value index also includes an analysis of price changes when the price spectrum is divided into thirds. Since 1997, homes in the bottom third have appreciated at an annual rate of 9.7 percent. That compares to 6.8 percent for the middle third and 4.8 percent for the upper tier.

Today's first-time home buyers are older and more likely to buy a more expensive home, skipping the first tier (where inventory is sparse) if they can afford to do so, according to Gudell.

"Weak income growth and rapid appreciation, even with very low mortgage interest rates means homes are becoming more unaffordable more quickly for bottom-third buyers," according to Zillow's economists.

Growth in rents is moderating and were virtually flat in the second half of 2016 for the metro index. By comparison, rents in the Pacific Northwest had the strongest growth at more than 6.7 percent. "Rents can be hyperlocal," she noted, citing Belltown as an example where rent hikes have slowed due to the construction of many new units. As rent hikes diminish, landlords will start offering concessions.

As part of her program, Gudell also presented data comparing the share of income spent on housing from 1998 to present. Today's renters are spending around 29 percent, nearly twice as much as owners with a mortgage (around 16 percent). "Nationwide, the share of income spent on a mortgage is well below historic norms," she emphasized.

Seattle homeowners are spending about 25 percent of their income on a mortgage, while renters are allocating 32 percent.

"The bottom is really hurting right now," Zillow's economist remarked. For renters, as their share of income spent on rent rises, a growing number report saving nothing.

Renters' prospects for buying are dim, Gudell acknowledged, with opportunities narrowing in an era of acute inventory shortages and rising prices. She noted home values in the bottom third of the price spectrum are growing twice as fast as the other two segments. To compound the situation, income growth for the lowest wage earners has been especially weak, the pace of new construction is lagging demand, and investors are buying single family homes and converting them to rentals (Zillow's data indicates single family homes as rentals have climbed to more than 19 percent, which compares to a historical average of around 13 percent).

On a brighter note, research shows millennials have positive views of homeownership and their opinions align closely with those of their grandparents.

Data used at the Chamber's Housing Market Overview program may be viewed [online](#).

DEPOSITS IN A § 1031 EXCHANGE **Handling Earnest Money Deposits in an Exchange**

Most offers to purchase real estate are accompanied by the buyer's delivery of a check to the seller generally referred to as an "earnest money deposit." Depending on the terms of the purchase agreement, the earnest money deposit may be refundable or non-refundable. In most cases, the delivery of the earnest money deposit is refundable and merely serves as evidence of the buyer's intent to purchase a property.

In a tax deferred exchange under Internal Revenue Code Section 1031, however, the seller/taxpayer who wants to defer capital gain taxes is generally prohibited from receiving the proceeds from the sale of the relinquished property. A taxpayer receives sale proceeds if ". . . *the taxpayer actually receives the money or property or receives the economic benefit of the money or property. The taxpayer is in constructive receipt of money or property at the time the money or property is credited to the taxpayer's account, set apart for the taxpayer, or otherwise made available so that the taxpayer may draw upon it at any time or so that the taxpayer can draw upon it if notice of intention to draw is given.*"

As a result of the foregoing rules, taxpayers are rightfully concerned about the tax consequences resulting from their receipt of an earnest money deposit or the payment of an earnest money deposit to a seller in connection with the acquisition of replacement property. Some of the typical questions asked regarding handling earnest money deposits in a 1031 exchange are discussed below:

If a taxpayer/seller of an investment property is planning to engage in a 1031 exchange, can the taxpayer accept an earnest money deposit and still obtain full tax deferral? The answer is usually, **yes**. First, the question of whether the taxpayer is in receipt of the sale proceeds is determined at the time ownership is transferred from the seller to the buyer (usually at the time of the closing). Thus, if the taxpayer enters into an exchange agreement before the closing as required when engaging in a 1031 exchange, and thereafter deposits the earnest money funds with the qualified intermediary (QI) or the closing agent before the closing occurs, the receipt of the earnest money deposit should not be treated as the receipt of the sale proceeds. On the other hand, if the taxpayer keeps the earnest money deposit through the closing, he or she would be in receipt of proceeds from the sale. In this case, the deposit would constitute boot (any non like-kind property received in either cash or debt relief) in the exchange, thus would be taxable to the extent there is a capital gain.

Can a taxpayer pay an earnest money deposit to a seller of replacement property in a 1031 exchange? **Yes**. There are two ways to accomplish this within a tax deferred a 1031 exchange. If the QI is holding exchange funds from the sale of the taxpayer's relinquished property, the deposit can be wire transferred directly to the closing agent or seller for the taxpayer. Alternatively, the taxpayer can pay the earnest money directly to the closing agent or seller from their own funds and get reimbursed their deposit at the closing without creating a taxable event. The taxpayer may enter into contract on the

replacement property before entering into contract on their relinquished property, but it is important to close on the relinquished property prior to purchasing the replacement property in order to avoid a reverse exchange parking arrangement situation.

Can a taxpayer get reimbursed for their earnest money deposit paid for the replacement property? Yes. Assuming that the taxpayer has paid the earnest money deposit from their own funds, the QI may direct the closing agent to include an item on the closing statement evidencing the return of earnest money funds to the buyer such as “Refund of Earnest Money to Buyer.” The QI would then transfer funds to the closing agent in an amount sufficient to reimburse the taxpayer.



For more information on §1031 tax deferred exchanges, call your Asset Preservation Inc. Northwest Division Manager – Annamarie Kooning— at 877-909-1031 / 503-348-9577, or email: <mailto:annamarie@apiexchange.com>. This information is not intended to replace qualified legal and/or tax advisors. Every taxpayer should review their specific transaction with their own legal and/or tax counsel. © 2017 Asset Preservation, Inc. All rights reserved.

Desire for new amenities continues to be top reason to remodel

Homeowners remodel for various reasons, but a desire for new amenities tops the list according to a survey by the National Association of Home Builders.

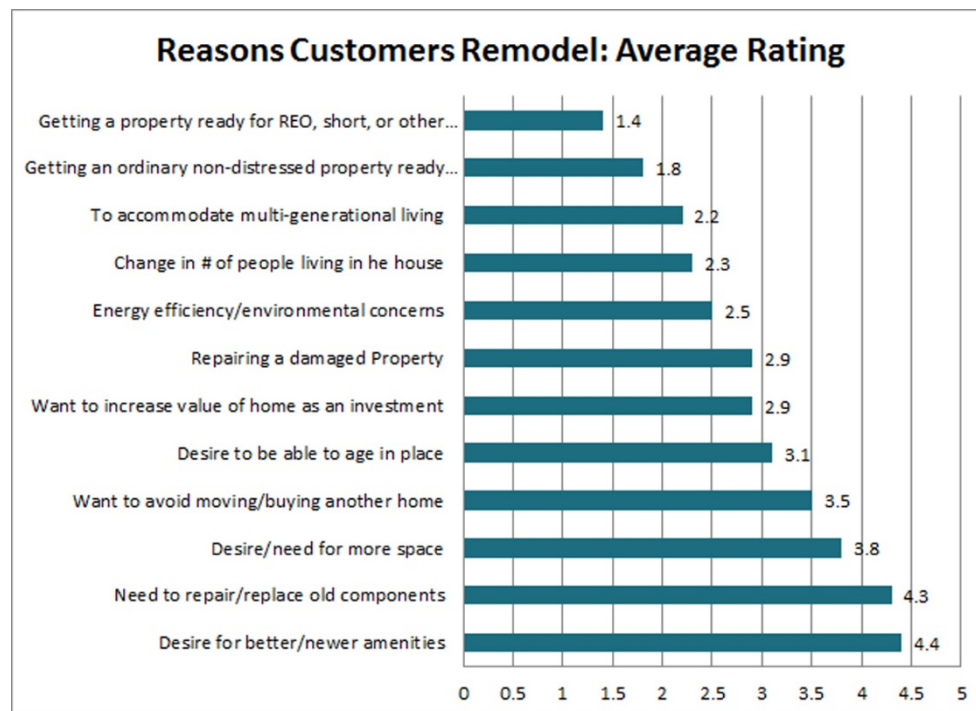


Respondents in this year’s NAHB Remodeling Market Index (RMI) survey for 1st quarter 2017 echoed those of the previous year, with 11 reasons falling in the same order both years. One new reason to remodel appeared on this year’s questionnaire—“to accommodate multi-generational living;” it ranked 10th.

Survey participants were asked to use a five-point scale, with 1 indicating never or almost never, and 5 indicating very often.

Continued

The “need to repair/replace old components” was runner up among reasons for remodeling. Of the 12 reasons in the survey only the top two reasons earned a rating above 4.0.



Based on 5-point scale (1=never/almost never; 5=very often)

Source: National Association of Home Builders

Smart home technology package

Quadrant Homes, a prominent builder in the Puget Sound region for nearly five decades, announced plans to include a smart home technology package as a standard package in all its future communities.

Dubbed the Home Technology Package, it will include:

- **The Ring™ Video Doorbell PRO**, which enables seeing and speaking with visitors who come to the door, and the ability to create custom zones and alerts.
- **LiftMaster® Wi-Fi Garage Door Opener** with battery backup so a garage door may be opened and closed from a smart phone, even during a power outage.
- **Schlage Connect™ Front Door Hardware**, which allows control of the front door remotely using a smart phone.

- **Next Learning Thermostat**, which learns a home's patterns and programs itself to help save energy, while also allowing occupants to adjust a home's temperature with a voice command or through the app.
- **Caséta Lighting Control Starter Package**, which allows turning on the lights from inside or outside the home.
- **Wi-Fi Ready**, including two CAT 6 network jacks, a 36" Smart Panel data hub, and USB chargers throughout the home. New homes will also be pre-wired for wireless.

"This package is great for buyers of all technical knowledge levels," said Ken Krivanec, president of Quadrant Homes, "Many of these solutions are plug and play, and those buyers who want even more home tech can expand the system themselves, or work with our third-party providers to automate and connect their home to their heart's content."

New home buyers in Quadrant's current communities can request the package in presale homes. All buyers will have the option to purchase additional components for their home automation package, including Sonos audio systems, Lutron automated window shades, and live fireplaces.

Quadrant is based in Bellevue and is part of the TRI Pointe Group family of regional homebuilders. It ranked second on the *Puget Sound Business Journal's* latest list of the area's largest homebuilders.

Four cities in Washington earned a spot on Livability's 2017 "Best Places to Live" list. The online resource evaluated more than 2,000 cities with populations between 20,000 and 350,000, using a composite of more than 40 data points in eight categories.



Olympia, at #4, placed highest among the "Top 100," followed by Bellevue (#6), Renton (#51) and Richland (#78).

Topping the list was Rochester, Minn. Second place went to Iowa City, Iowa, with Ann Arbor, Mich. capturing third. Only six points separated Olympia (with a score of 672) and Iowa City (scoring 678). The first-place city accumulated 695 points.

Categories used for scoring were economics, housing, amenities, infrastructure, demographics, social and civic capital, education, and health care.



Livability conducts its “best places to live” study in partnership with The Initiative for Creativity and Innovation in Cities and New York University’s Schools of Professional Studies. Also participating was data partner Emsi, which models economic data into actionable intelligence for city leaders.

Architects unveil bold project to end homelessness

A Seattle architectural firm is promoting a “housing initiative and community building project” to end homelessness.

Titled the [BLOCK Project](#), the concept seeks to place a BLOCK Home in the backyard of one single-family lot on every residentially zoned block within the City of Seattle. The idea originated with BLOCK Architects, which bills itself as Seattle’s social justice architecture firm.

As envisioned, a [BLOCK home](#) would be “integrated, dignified and sustainable.” Each 125 sq. ft. structure is “beautifully designed to be off-grid, self-sufficient, and amenity-rich with a kitchen, bathroom, sleeping area, solar panels, greywater system and composting toilet.”



Architects Rex Hohlbein and Jenn LaFreniere, a father-daughter team and founders of the BLOCK Project, say it is designed with the goal of setting a new precedent in housing solutions for people experiencing homelessness. Earlier this year they enlisted [Facing Homelessness](#) to bring their “Yes, in my backyard” initiative to the community. That group, whose mission is to remove the negative stereotype against those living on the streets, now owns and manages the project with support from BLOCK Architects and more than a dozen other [partners](#).

BLOCK Project founders believe it “represents an innovative leap forward on the issues of homelessness, cross-class integration, social inclusion, and architectural design.” A statement on the project’s website says it will “not only offer opportunities for healing and advancement to those formerly living on the fringes of society, but it will also bring connection, relationship, and compassion to the center of our lives and communities. They hope a “Yes, in my backyard” approach will nurture the empathy needed to catalyze a global movement.

Fundraising is underway to build 20 block houses in Seattle by the end of the year.

“If we put one block house on every residential zone block in the city, we would have twice the amount of housing as there are homeless in the city,” said Hohlbein, during an interview on [KING TV](#). The first four families who volunteered their backyards for block homes live in Crown Hill, Greenwood, Beacon Hill, and the Central District.

Seattle landlords must provide voter registration info to new renters

Tenants who rent within Seattle will get information on voter registration and a registration form from their landlord. An ordinance requiring that provision passed in a 6-0 vote of the Seattle City Council (three members were absent). It becomes effective 30 days after Mayor Ed Murray signs it.

The measure adds two more pages to a packet of documents landlords are required to give to new tenants. Landlords can access the documents via the Seattle Department of Construction and Inspections and will have the option of downloading the packet online or obtaining it at SDCI.

The legislation drew support from various community and nonprofit organizations, but met with mixed reaction from landlord groups.

The Rental Housing Association of Washington, in a statement on its website, questioned why the requirement only applies to landlords, and suggested it be a part of all residential real estate transactions.

“One group of citizens should not be prioritized over another, which is why RHAWA calls on the City Council to more thoughtfully enhance its voter registration legislation to include all citizens of our city, and to be a fair and willing partner with landlords by acknowledging that it, too, can play a role in enhancing the functioning of our democracy,” the statement read.

Landlords who fail to comply with the requirement could be fined up to \$1,000 in a civil action, and their tenant could terminate the rental agreement.

The bill’s sponsor, Council member Kshama Sawant, said it is “one part of addressing the statistical disenfranchisement” among renters who are more likely to be low-income, younger people, and people of color. She cited U.S. Census Bureau data indicating only 21 percent of renters who had lived in their homes for less than a year reported voting. That number increases to 41 percent when renters have been in their homes for more than five years.

Census Bureau data analyzed by the Seattle Times indicates Seattle is the fastest-growing big city in the country with a net gain of 57 people per day, on average, from July 2015 through July 2016.

 News in Brief

- **Seattle gained the most workers in the past year from the San Francisco Bay Area and lost the most to Boise, Idaho, according to a recent LinkedIn report.** The Seattle area is gaining around 1,100 residents each week, according to a recent U.S. Census Bureau estimate. The migration is largely driven by the region's booming technology industry. For every 10,000 LinkedIn members based in Seattle, 8.98 workers moved in the last year from the San Francisco Bay Area, likely chasing comparatively low housing prices and overall cost of living. Nearly 7 in 10,000 Seattle LinkedIn members moved from New York City and nearly 6 in 10,000 from Chicago last year. The top three cities that gained the most workers from Seattle in the last year are Boise, Idaho, Grand Junction, Colorado, and Fayetteville, North Carolina. For every 10,000 LinkedIn members in Seattle, 0.42 workers moved to Boise in the last year, 0.06 to Grand Junction and 0.05 to Fayetteville. Seattle is the ninth fastest-growing city in the U.S.
- **After an extensive nationwide search, the National Association of REALTORS® have selected Bob Goldberg to succeed current NAR CEO Dale Stinton,** who is retiring at the end of 2017 after 36 years at NAR and 12 as CEO. Goldberg currently serves as NAR senior vice president of Sales & Marketing, Business Development & Strategic Investments, Professional Development and Conventions. Goldberg has been with NAR since 1995 and will be NAR's 12th CEO since the association was founded in 1908.
- **Landlords will be required to provide new tenants with voter-registration information under a new ordinance approved unanimously (6-0 vote with 3 council members absent) by the Seattle City Council.** According to the Seattle Times, studies have shown that people on the move vote at lower rates, as indicated in the ordinance. While 41 percent of renters in their homes for more than 5 years reported voting in 2014, only 21 percent who lived in their homes for less than one year reported voting, the ordinance says, citing U.S. Census Bureau data. Seattle is the fastest growing big city in the country, according to a Seattle Times analysis of Census Bureau data released recently. From July 2015 through July 2016, the city had a net gain of nearly 21,000 people – 57 per day, on average.
- **According to a report published in the Seattle Times, for the eighth straight month Seattle is the hottest housing market in the country.** The typical single-family house across the Seattle metro area cost 12.9 percent more in April than a year ago, according a recent monthly Case-Shiller home price index. Portland was second at 9.3 percent. Nationally, home price increases are slowing down a bit, and grew 5.5 percent from a year ago. Seattle home prices are growing 2.3 times faster than the U.S. average. The typical starter home now in Seattle requires half of household income, according to Trulia. The price of starter homes has

nearly doubled in five years while incomes have not come close to keeping up. At the same time, the number of starter homes on the market has dropped in half since 2012. The Seattle area is tied with the Denver region for the fewest number of houses for sale, relative to market size, in the country, according to CoreLogic.

- Imagine Housing, an organization that builds attractive, affordable, permanent apartment homes around the Eastside for low-income residents, raised \$510,000 at its 2017 benefit dinner an auction.** This year marks the 30th anniversary of [Imagine Housing](#), founded as St. Andrew's Housing Group in 1987. The Kirkland-based nonprofit group currently operates 13 residential communities with 485 affordable rental homes occupied by more than 1,100 people. Along with helping residents build their educational, employment, financial, and life management skills, the organization also provides academic and social enrichment activities for children to help them succeed in life and break the cycle of poverty in their families.

Calendar of Events Through August 1, 2017

Dates	Event	Time	Location	Contact
SEATTLE—King County REALTORS®				
7/12/17	Board of Directors	9:30 am – 12:30 pm	SKCR	425-974-1011
7/18/17	Affiliate Council	1:30pm – 2:30 pm	SKCR	425-974-1011
7/26/17	Realtor Advantages	9:30 am – 12:30 pm	SKCR	425-974-1011
7/4/17	Gov't Affairs Committee	10:30 am – 1:30 pm	SKCR	425-974-1011
For updates visit: www.nwrealtor.com and click "events"				