NW REporter

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Northwest MLS brokers say August housing activity follows patterns of seasonal slowing

KIRKLAND, Washington (September 7, 2021) – August typically brings a dip in housing activity and this year was no different, according to representatives from Northwest Multiple Listing Service when commenting on newly-released statistics. Figures comparing July to August show month-to-month drops in new listings, total inventory, pending sales, close sales, and median prices.

"August showed a more traditional seasonal pattern with decreased activity as families took end-of-summer vacations and made back-to-school preparations," remarked Frank Wilson, Kitsap regional manager and branch managing broker at John L. Scott Real Estate.

NWMLS statistics show the volume of new listings added during August, including single family homes and condominiums, declined from both July (down 11.5%) and twelve months ago (down 4.2%). Total inventory for the 26 counties in the report also fell, shrinking about 6.6% from July and nearly 22.6% from a year ago. At month end, there were 7,425 active listings, down from the year-ago total of 9,591.

"We saw a dip in open house traffic overall, although some new listings were overwhelmed with traffic, depending on the area and the price point," reported Wilson. "We are seeing homes stay on the market slightly longer and more instances of sellers overpricing their properties."

John Deely, executive vice president of operations at Coldwell Banker Bain, agreed. "The continued lack of inventory indicates properties will move very quickly if priced reasonably. Even in our current hot market, pricing a property correctly has never been more important," he emphasized.

Prices showed signs of moderating during August. The median price on the 10,571 sales that closed last month was $579,000, a drop of $10,000 from July. Prices did rise compared to 12 months ago, climbing from $490,000 for an increase of about 18.2%. That year-over-year (YOY) percentage change was the smallest since February when there was a bump-up of about 15%.

Matthew Gardner, chief economist at Windermere Real Estate, suggested price cooling is in sight. He said he looks at listing prices as a leading indicator of where things are headed. "In King County, median list prices dropped from $740,000 in July to $729,000 in August. That would explain why the median sales price also fell modestly month-over-month. I believe this is because we are hitting a price ceiling and that the rabid pace of home price appreciation will continue to cool as we move through the rest of the year."

Northwest MLS figures show the median list price system-wide for single family homes and condos combined, was unchanged, at $605,000, from July to August. The asking price fell from July to August in about half the counties in the report.

"Purchasers are continuing to find mortgage interest rates below 3%, providing increased buying power," stated Dean Rebhuhn, owner at Village Homes and Properties. He believes the historic low interest rates coupled with lifestyle changes continue to be market drivers and factors in keeping inventory at historically low levels.

Northwest MLS figures indicate there was around three weeks of inventory (0.70 months) at the end of August. Clark, King, Kitsap, Lewis, Mason, Pierce, Snohomish, and Thurston counties had only about three weeks of inventory, with Snohomish reporting the smallest supply (0.49 months), about two weeks.

Commenting on inventory, James Young, director of the Washington Center for Real Estate Research at the University of Washington, said gains in total active inventory in several counties were mostly consistent with patterns observed all year, notably in the suburbs, the seaside, and the Olympic Peninsula. "It is not just a return to the suburbs, it is a continued return to the country as people continue to work from home."

Several counties experienced year-over-year increases in inventory, including Chelan, Douglas, Ferry, Grays Harbor, Island, Kittitas, Lewis, Mason, Okanogan, and Thurston.

In about half the counties, the number of new listings outgained the number of pending sales. For all counties combined, last month's total number pending sales (12,238) surpassed the number of new listings (11,437), a margin of 801 units.

"The extreme real estate market in the Puget Sound area continued during August, with strong buyer demand due to historically low interest rates and a backlog of buyers still looking for a home," remarked J. Lennox Scott, chairman and CEO of John L. Scott Real Estate.

Scott expects the "housing market intensity for each new listing will start tightening back up again in the Puget Sound region as we start heading toward the first of the year."

Deely said condos may be showing some signs of pent-up demand, noting closed sales were up more than 10% from a year ago, with King County sales jumping 19.9%. "Not only is there pent-up demand as some choose to move back to the city center a year after civil unrest and a pandemic, but residential buyers are finding themselves priced out of the market and are moving toward condo ownership."

While Deely noted the YOY uptick in condo sales, he said some buyers are still looking to move further away from the city and employment centers. "Work from home opportunities, as well as the thought/hope that some employers will allow flexible work schedules post-COVID are driving factors," he said, adding, "Other factors are lower taxes and overall costs in suburban areas. People are buying the maximum house they can and factoring in the variable cost of a commute. Many out-of-state buyers are not very concerned about distance from workplaces as they are accustomed to long commutes."

In Kitsap County, the market "continues to be very hot," with inventory remaining low, according to Frank Leach, broker/owner at RE/MAX Platinum Services. "Don't be fooled," he added, "Prices and interest rates are not going to stay stable for long." He also noted rental rates continue to climb.

Leach expects an influx of people will keep moving to the Kitsap Peninsula area, including 3,000 sailors and their families who arrived in late July when the aircraft carrier USS Theodore Roosevelt shifted its homeport from San Diego to Bremerton for a planned 16-month retrofit.

Both Leach and Wilson expect home values in Kitsap County, which rose 14.7% from a year ago, will keep increasing even as builders are trying to meet demand. "Although there are affordable home options being planned for the future, those are several years away," according to Wilson. "Affordable housing has taken a real hit over the past six or seven years with the average price far exceeding what the average income in Kitsap can afford."

At the other end of the price spectrum, economist Gardner noted luxury home sales continue to exceed expectations, with no signs of slowing.

According to Northwest MLS statistics, nearly 15% of this year's sales (through August) commanded prices of $1 million or more. The year-to-date total of 10,237 sales that have fetched $1 million-plus eclipses the totals for all of 2020 when there were 8,898 such sales, as well as the entire year of 2019, when members notched a total of 6,711 sales over a million dollars.

Gardner's analysis found strong activity for luxury homes in Snohomish and Pierce counties, prompting him to say, "This tells me that there's a migration of buyers who are choosing to move away from King County and into adjacent areas where their money goes further."

Northwest Multiple Listing Service is a not-for-profit, member-owned organization that facilitates cooperation among its member real estate firms. With more than 2,500 member firm offices and 32,000 brokers across Washington state, NWMLS (www.nwmls.com) is the largest full-service MLS in the Northwest. Based in Kirkland, Washington, its service area spans 26 counties, and it operates 21 local service centers.

Single Fam. Homes + Condos	**LISTINGS**		**PENDING SALES**	**CLOSED SALES**			**MONTHS OF INVENTORY**	
	New Listings	Total Active	# Pending Sales	# Closings	Avg. Price	Median Price	This month	Same mo., year ago
King	3,774	2,268	4,027	3,680	$968,432	$771,750	0.62	1.16
Snohomish	1,779	813	1,910	1,658	$719,104	$667,410	0.49	0.69
Pierce	1,871	1,071	2,029	1,733	$553,360	$505,000	0.62	0.70
Kitsap	513	349	620	550	$617,371	$498,925	0.63	0.81
Mason	184	117	211	155	$457,937	$399,000	0.75	0.72
Skagit	224	176	225	192	$581,947	$516,653	0.92	0.95
Grays Harbor	239	255	261	170	$348,045	$331,750	1.50	1.14
Lewis	164	185	169	132	$408,679	$375,000	1.40	1.02

Cowlitz	164	103	210	145	$402,196	$365,000	0.71	0.86
Grant	169	161	147	118	$337,992	$315,000	1.36	1.42
Thurston	665	314	750	635	$500,089	$464,000	0.49	0.46
San Juan	41	95	37	40	$1,115,597	$790,000	2.38	3.00
Island	217	137	233	180	$672,574	$552,500	0.76	0.65
Kittitas	119	138	113	100	$656,148	$459,875	1.38	1.46
Jefferson	71	63	89	63	$665,083	$616,500	1.00	1.57
Okanogan	57	134	47	41	$356,862	$300,000	3.27	2.37
Whatcom	435	318	429	374	$567,149	$548,500	0.85	1.08
Clark	120	67	128	109	$573,100	$510,000	0.61	1.49
Pacific	85	100	75	52	$339,048	$337,000	1.92	2.04
Ferry	13	28	10	5	$385,740	$289,900	5.60	4.00
Clallam	144	124	141	117	$458,414	$413,000	1.06	1.66
Chelan	130	150	128	105	$636,681	$530,000	1.43	1.30
Douglas	73	49	60	51	$637,346	$465,000	0.96	0.94
*Adams	15	17	25	11	$272,221	$260,000	1.55	5.25
*Walla Walla	97	82	81	71	$418,566	$395,000	1.15	3.33
*Columbia	10	16	7	11	$278,091	$250,000	1.45	N/A
Others	64	95	76	73	$401,768	$347,000	1.30	2.66
Total	**11,437**	**7,425**	**12,238**	**10,571**	**$715,758**	**$579,000**	**0.70**	**0.97**

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

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
2003	4746	5290	6889	6837	7148	7202	7673	7135	6698	6552	4904	4454
2004	4521	6284	8073	7910	7888	8186	7583	7464	6984	6761	6228	5195
2005	5426	6833	8801	8420	8610	8896	8207	8784	7561	7157	6188	4837
2006	5275	6032	8174	7651	8411	8094	7121	7692	6216	6403	5292	4346
2007	4869	6239	7192	6974	7311	6876	6371	5580	4153	4447	3896	2975
2008	3291	4167	4520	4624	4526	4765	4580	4584	4445	3346	2841	2432
2009	3250	3407	4262	5372	5498	5963	5551	5764	5825	5702	3829	3440
2010	4381	5211	6821	7368	4058	4239	4306	4520	4350	4376	3938	3474
2011	4272	4767	6049	5732	5963	5868	5657	5944	5299	5384	4814	4197
2012	4921	6069	7386	7015	7295	6733	6489	6341	5871	6453	5188	4181
2013	5548	6095	7400	7462	7743	7374	7264	6916	5951	6222	5083	3957
2014	5406	5587	7099	7325	8055	7546	7169	6959	6661	6469	5220	4410
2015	5791	6541	8648	8671	8620	8608	8248	7792	7179	6977	5703	4475
2016	5420	6703	8130	8332	9153	8869	8545	8628	7729	7487	6115	4727
2017	5710	6024	7592	7621	9188	9042	8514	8637	7441	7740	6094	4460
2018	5484	5725	7373	7565	8742	8052	7612	6893	6235	6367	5328	4037
2019	5472	4910	7588	8090	8597	8231	7773	7345	6896	6797	5788	4183
2020	5352	6078	6477	5066	7297	8335	8817	9179	8606	7934	6122	4851
2021	5216	5600	8002	7716	8674	8824	8049	8586				

Down Payment® RESOURCE

Educating sellers and agents about FHA loans in hot markets

Editor's note: The following report is reprinted with permission from "The DPR Interview," a regular feature of The Down Payment Report to showcase national leaders in homeownership assistance and low down payment programs.

Over the past six months, Washington State has been home to some of the nation's hottest markets. In May, Spokane's real estate market had the highest rate of bidding wars among the top 50 metro areas nationwide. In January, Tacoma was the hottest market in the nation, with half of all homes pending sale in just 23 days. In January, more than 4,500 homes in the Seattle market sold for $100,000 over the asking price through June.

Many families using down payment assistance from the Washington State Housing Finance Commission (WSHFC) compete with buyers using conventional financing. Lisa DeBrock, WSHFC's homeownership director, leads efforts to correct myths and educate sellers and their agents about the commission's FHA-based Down Payment Assistance program.

Lisa DeBrock,
Division Director, Homeownership, WSHFC

Q: Are fewer buyers using down payment assistance because of competitive markets and bidding wars?
Most of our families are low to moderate-income families who definitely need down payment assistance. Unfortunately, it can make their offers less competitive because sellers and real estate agents often don't know that DPA offers can be far more substantial than a regular FHA or conventional offer (not counting all-cash offers, of course). A lot of education is needed.

Q: What are you hearing from lenders about FHA loans in this competitive environment?
In my experience, sellers' perceptions are based on what they hear about FHA from their real estate agents. For example, many agents think that FHA appraisals are more difficult than conventional ones. Any appraisal of an older home might raise concerns that need to be addressed for the home to qualify, but loan officers tell me that the cost to bring these properties up to par is usually minimal.

We need to educate sellers and their real estate agents that the cost of repairs to qualify for an FHA loan is usually small. For whatever reason, the industry has a perception that a conventional offer is a stronger offer, whether that is true or not. If you have a qualified buyer, you have a qualified buyer. Whether the loan is VA, FHA, conventional, the appraisal of the property itself should not differ much from one to the other.

Q: Is this problem getting worse in your market because it is getting more competitive?
Yes, pretty much every affordable home I hear of has multiple offers on it. It doesn't matter where in the state. The prices have gone up tremendously. It is a very, very tough ride for first-time homebuyers. Still, some of them are getting offers accepted because we still have strong reservations.

Q: Have you heard of a specific case where a seller took a conventional offer over an FHA offer even though the FHA offer was higher?
I'm sure that has happened a lot. When our borrowers get their offer accepted even though there were multiple offers, it's usually because of a huge education process and the reputation of the buyers' agent and the loan officer for getting these offers accepted and closed within the time frame. They can demonstrate that they have had many of these transactions this year and got them done with no time to waste. With DPA, it is a stronger deal because there is no sourcing of the funds. Our funds are guaranteed.

Q: How has your FHA business fared over the past couple of years?
The decline in conventional financing started two years ago when the Housing Finance Agencies (HFA) preferred product was severely rolled back by Fannie and Freddie. Before that, in our whole portfolio, reservations were usually about 40 percent conventional and 60 percent government. Since Fannie and Freddie made those changes, we are roughly 18 percent conventional, which is very unbalanced. Even our current trend in reservations is roughly 20 percent conventional and 80 percent government. I really thought that we would see conventional offers increase because conventional are perceived as stronger, but we haven't. In my opinion, it's because, with Fannie and Freddie, it is very, very hard to get a borrower with a below-680 credit score approved. So, until Fannie and Freddie relax their guidelines, I think we will still see a majority of our families go FHA.

DPR is licensed to Multiple Listing Services (including Northwest MLS), Realtor Associations, lenders, and housing counselors across the country. The latest and past editions of The Down Payment Report may be viewed and downloaded by clicking here.

New research tracks resale housing market; brokers invited to be survey participants

New research to measure the strength of the resale housing market found prices continue to rise and buyer competition is still intense.

John Burns Real Estate Consulting, an independent research and consulting firm, unveiled its Resale Housing Market Index (RHMI) last month. It is based on a proprietary survey of more than 6,000 real estate agents. (*Note:* The firm is recruiting more brokers to participate in future surveys; see box.)

> If you are a real estate broker and are interested in weighing in every month, just complete a brief form to learn more. Participants receive a free social media infographic and permission to repost in their marketing materials.

The new index measures the overall health and sentiment of national resale housing fundamentals.

Commenting on their findings, researchers Devyn Bachman, Jody Kahn, and Nicole Luszczak stated, "Don't let headline sensationalism fool you. While easing conditions and seasonal shifts in many metros point to less frenzied demand, the market remains strong."

The analysts from Burns believe the shifts and insights into supply, demand, and affordability trends may help industry leaders gradually recalibrate their businesses after roughly 18 months "of panic and chaos."

Key findings in the initial survey included:

- **Sales remain strong**, with some typical seasonal slowing.
- **Prices continue to rise**, with 77% of agents sharing that home prices rose month-over-month.
- **Investors are very active in the market** and cash is king.
- **Buyer competition remains fierce,** with 59% of contracts receiving multiple offers nationally.
- **Down payments are growing,** with 42% of agents reporting higher down payments compared to pre-COVID.

Using a 100-point scale to gauge a contracting versus expanding resale market, the latest index was 75.5 (0-100 scale with below/above 50 = contracting/expanding).

Questions about the RHMI or finding out more on how to participate can be directed to Devyn Bachman, vice president of research, at surveys@realestateconsulting.com.

John Burns Real Estate Consulting has offices throughout the U.S. and collects data on 300+ markets nationwide. Its clients include builders, developers, building products companies, investors and others.

Moving industry scams costly, stressful – and widespread

Real estate brokers are relied on for more than just writing transactions for buyers and sellers. One of their value-added services may be providing helpful resources pertaining to their clients' relocation to help protect them from scams.

Moving scams are so prevalent that two major moving companies collaborated to form a help center for victims. That resource, called MoveRescue, was started in 2003 by Mayflower and United Van Lines as a no-cost advocacy service. It offers resources and representatives to help consumers who believe they've been scammed by a fraudulent mover. It also provides helpful information on understanding the moving process, industry practices, how to find a reputable mover, and steps to take if victimized by an unscrupulous mover.

Another source of useful information is the Better Business Bureau, whose investigative studies show scams occur most often with interstate moves. Based on an average of 13,000 moving-related complaints and negative reviews it receives each year, BBB says dishonest companies can create financial and emotional nightmares for unsuspecting consumers.

COVID-19 led to the emergence of even more shady practices, according to the Better Business Bureau. Demanding substantially higher fees after loading or transporting goods, having unreasonably long (or extended) delivery windows, holding items hostage for additional charges, and delivering damaged goods are the most common complaints. (Overcharging tends to be the most common complaint.)

Consumers should be wary of unethical and illegal business practices by moving companies. Red flags include:

- Holding property hostage until the consumer pays more. It is illegal for movers to charge more than 110% of the estimate before delivery. It is illegal to increase the price after goods are loaded.
- Not offering full value replacement liability protection; the standard released value liability protection pays 60 cents per pound, not on the dollar value of an item.
- Lies about delivery dates, location and quality of the workers.

While the vast majority of movers are trustworthy and care about reputation and customer service, there are exceptions, relying solely on a quick internet search to find a mover is risky, the BBB cautions, adding "Do careful and extensive research to ensure you are dealing with a legitimate mover." Three important steps that should be taken are:

- Get three in-person or virtual estimates based on weight, not cubic feet; and
- Opt for full value replacement liability insurance; and
- Check with the BBB and the professional moving associations (e.g., American Movers & Storage Association and the U.S. Federal Motor Carrier Safety Administration).

The FMCSA website has information for people planning a move, including downloadable checklists. For interstate moves, federal regulations require movers to give consumers two brochures, "Ready to Move," and upon agreeing to hire a move, "Your Rights and Responsibilities When You Move."

Additionally, before hiring a mover, make sure the company has a physical address, not just a post office box, and uses vehicles with their company logo. Obtain in-person quotes or video conferencing technology to walk an estimator through your home and possessions. Fees should be based on weight, not volume. Make sure the company accepts credit cards and requires only a small upfront deposit.

Legitimate moving companies compete on price, professionalism, and reliability, and they're licensed. Most of them are members of trade associations that require adherence to professional standards, such as the American Movers & Storage Association.

Other resources are the American Trucking Associations' (ATA) Moving & Storage Conference ProMover certification program, which is designed to fight imposters or "rogue operators," and Certified Moving Consultants, experienced professionals who have met industry education and training requirements.

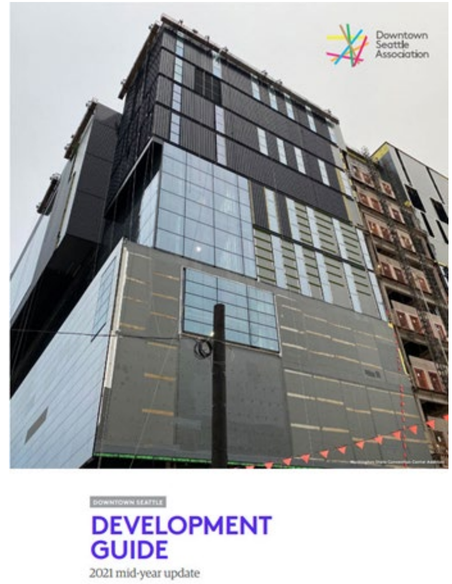
Realtors should encourage their buyers and sellers to do some careful research from the Better Business Bureau and moving industry associations so they can avoid the heartbreak, stress and financial consequences of a scam. On the BBB website, consumers can view a business profile for BBB Accreditation status, rating, reviews, and complaints or alerts on businesses.

Seattle surprises on several scorecards

No need to turn out the lights.

Despite reports of an exodus from downtown Seattle due to a combination of factors, including the coronavirus pandemic, rising homelessness, and civil rights protests, a series of recent reports paints a fairly rosy picture:

- Population growth for downtown Seattle is eclipsing both the city overall and the region.
- A record 6,415 new residential units are on track for completion this year.
- The Seattle region, including the greater Bellevue and Tacoma metro areas, added more tech jobs from 2016 to 2020 than any other large U.S. tech market.



In its 2021 mid-year Development Guide and update, the Downtown Seattle Association (DSA) indicated the 5,564 new residential units expected to be completed in 2022 could mark a record for a two-year period. The surge reverses activity in 2020 when developers completed the fewest project since 2011. The pandemic sidetracked several projects in 2020.

More than 98,000 people now call downtown Seattle home. That record-breaking total contributed to a 38% population increase over the past five years.

DSA also reported more than 28,000 new apartment units, 4,200 hotel rooms, and 17.5 million square feet of office space have been built since 2010. Disruptions from supply-chain issues, along with material and labor shortages could slow momentum, DSA said in a cautionary note.

Jon Scholes, president and CEO of the 1,700-member association, acknowledged significant challenges exist, but commented, “No city has gotten better by people leaving and abandoning or not showing up.”

More than 250 new businesses have opened, but twice that number have shuttered their doors since January 2020, according to information from DSA. An upbeat Scholes expects more than 100,000 people will soon live downtown, “one of the largest residential populations of any downtown across the U.S.” He cites significant investment in the development of both new apartments and condos as factors for the influx.

“With the opening of a new arena, waterfront park and more light rail lines on the horizon, residents and investors are demonstrating their confidence in downtown’s bright future.”

DSA used information from two independent sources, including Esri, a global leader in geographic information system (GIS) software, location intelligence, and mapping.

Esri estimated Seattle’s greater downtown population jumped 60% in the past decade, from 62,000 residents in 2010 to nearly 99,000 this year. In addition to the downtown Seattle neighborhoods, the coverage area encompasses First Hill and the part of Capitol Hill that runs from Broadway to the west.

The second source of DSA data was CoStar, the leading commercial real estate data provider in the U.S. Its information is derived from property manager reports for each building. According to CoStar, occupancy and rents reached record highs for the greater downtown Seattle area during the second quarter of 2021.

CoStar also tracks move-outs and move-ins. They reported a turnaround from 2020, when the number fleeing the city far outgained those moving into it. For the latest quarter, CoStar found there were 1,735 more move-ins than move-outs in downtown apartments (excluding condos).

Rents have also rebounded, while rent concessions have declined. Asking rents for second quarter 2021 in greater downtown was reportedly $2,221, edging out the previous high of $2,207 (from the first quarter of 2020).

While optimistic as tourism and hotel occupancy rise ("downtown's unmatched amenities are powerful draws"), Scholes acknowledges the delta variant of the coronavirus is concerning. He expects a slow return of office workers, which will hamper activity for retailers and restaurants.

Yet another report documented Seattle's attraction to the tech industry. An analysis by CBRE Group, the largest commercial real estate services company in the world, found the Seattle region added more than 48,000 tech jobs from 2016 to 2020. That 35.4% "brain gain" outpaced the rate of all other large U.S. tech markets. Only Toronto (at 42.8%) and Vancouver, B.C. (at 36.1%) surpassed Seattle, aided in part by restrictive immigration policies in the U.S.

Analysts and GeekWire's co-founder Todd Bishop attribute the "meteoric rise" to several factors, including "the expansion of Silicon Valley engineering outposts in the Seattle area, the extraordinary growth of Amazon, the revival of Microsoft, and the emergence of heavily funded homegrown startups, particular in cloud computing."

The "Scoring Tech Talent" report ranked Seattle No. 2 on its overall scorecard, moving ahead of Washington, D.C. and behind the San Francisco Bay Area. Its assessments were based on each region's "depth, vitality and attractiveness to companies seeking tech talent and to tech workers seeking employment."

Another part of CBRE's report reviewed new tech-related college degrees in the context of overall tech jobs added in each region in order to determine whether a market could retain the talent produced by its universities. Seattle was runner-up to Toronto on the "brain gain" measure.

CBRE also compared tech talent wages and overall diversity. Seattle ranked 2nd (behind the San Francisco Bay Area) in terms of wages and but ranked in the middle when scored by employment of women and underrepresented racial and ethnic groups in the tech industry

CBRE said technology companies were some of the most resilient throughout COVID-19. Its annual tech talent report is "intended to serve as a resource for decision-making and success in building tech talent teams to fulfill critical business and innovation objectives in the years ahead."

Seattle among five markets with steep drop in housing affordability

Escalating home prices negated affordability gains the average homebuyer attained from low interest rates and higher incomes, according to the Real House Price Index (RHPI) published by First American Financial Corp.

The index measures the price changes of single-family properties adjusted for the impact of income and interest rates on consumer homebuying power at national, state and metropolitan levels. First American says its RHPI is considered a measure of housing affordability because it adjusts for house-buying power.

Seattle was among five markets with steep year-over-year affordability drops. The Emerald City declined 20.1%, second only to Phoenix, which dropped 22.7%. Also on the "top five" list were Kansas City, Missouri (-19.6%), Tampa, Florida (-17.8%) and Las Vegas (-17.2%). Compared to most other markets, Seattle's decline was attributed to faster nominal house price growth and lower household income.

Affordability declined in 49 of the 50 major markets in index for May. It also marked the third consecutive month of declining affordability, following a two-year streak of rising affordability, although analysts noted local trends can vary greatly from city to city.

"The decline in May occurred even as two of the three key drivers of the RHPI, household income and mortgage rates, swung in favor of greater affordability relative to one year ago," noted First American Chief Economist Mark Fleming.

"Lower mortgage rates and higher household income compared with one year ago propelled an 11% increase in house-buying power. However, surging house-buying power drives demand, and rising demand in a supply constrained market accelerates nominal house price appreciation," Fleming said. He suggested affordability trends in the coming months "will depend on the supply and dynamics behind nominal house price appreciation – dynamics which will play out differently in each market."

First American is a global provide of title insurance, settlement services and risk solutions for real estate transactions. The next release of its RHPI is scheduled for the week of November 23.

Northwest MLS CEO honored as "Association Executive of the Year"

Tom Hurdelbrink, president and CEO at Northwest Multiple Listing Service, was selected as 2021 Association Executive of the Year by the Washington Society of Association Executives (WSAE).

Hurdelbrink joined Northwest MLS in 2007, initially serving as executive vice president before assuming the CEO role in January 2008. His prior experience with real estate industry associations includes five years at the California Association of REALTORS® and 2.5 years at Realtor.com (now Move, Inc.).

Association Executive of the Year is WSAE's highest honor. It recognizes a member executive who has demonstrated leadership through service to WSAE, as well as at their own association, the association community, and the field of association management. Among his professional association service, Hurdelbrink served as 2014 president of WSAE.

Commenting on the "humbling honor," the NWMLS president acknowledged colleagues, association member, sponsors and WSAE staff "who make volunteering both enjoyable and rewarding."

WASHINGTON SOCIETY OF ASSOCIATION EXECUTIVES

WSAE membership comprises more than 250 professionals statewide. Since its formation in 1968, it has become "the premier source for advancing knowledge, facilitating interchange of expertise and experience, and assisting with the career progression of members in the state's association management community."

News In Brief

- **The Department of Education announced in early August that it will extend a freeze on federal student loan payments until January.** A statement from the department says the "final extension" of the pause with a definitive end date of Jan. 31, 2022, will give borrowers time to plan resuming payments. "The payment pause has been a lifeline that allowed millions of Americans to focus on their families, health, and finances instead of student loans during the national emergency," U.S. Secretary of Education Miguel Cardona said in a statement. "As our nation's economy continues to recover from a deep hole, this final extension will give students and borrowers the time they need to plan for restart and ensure a smooth pathway back to repayment."

- **Seattle was among 14 American cities that grew by at least 100,000 people over the last decade, according to new census data, as the country's population growth was fueled by diversifying populations in major urban areas, while largely declining in rural areas.** By one measure, Washington was growing more diverse, more quickly, than any other state in the country. King County gained more than 338,000 people over the last 10 years, with a total population of 2,269,675. Only four other counties saw population increases of more than 300,000 people. That growth was highlighted by diversity — the non-Hispanic white share of the population in King County dropped more than 10 percentage points since 2010, while the Asian share of the population increased by more than 5 percentage points. Both the Black and Hispanic shares of the population grew by a bit more than 1 percentage point. The Seattle metropolitan area, which includes all of Pierce, King and Snohomish counties, was the 15th largest in the nation, with a total population of 4,018,762. Kent, in South King County, was one of the 10 fastest-growing cities in the country, according to census data released in August. Part of Kent's population gain is due to the annexation of the Panther Lake area, which the city officially took over on July 1, 2010. Other than Seattle, cities that gained more than 100,000 people were: Denver, Fort Worth, Dallas, Houston, San Antonio and Austin, Texas, Los Angeles, New York City, Jacksonville, Florida, Charlotte, North Carolina, Phoenix, Oklahoma City and Columbus, Ohio. In Washington, only tiny Ferry and Columbia counties, with populations under 10,000, lost people, while every other county gained population or held steady. King County grew by 17.5%, Snohomish by 16.1% and Pierce by 15.8%.

- **The average cost of owning a new vehicle is about $9,600 a year, or $805 a month, according to new study by AAA.** And this may surprise you: Depreciation is driving this drain on your wallet. AAA says deprecation accounts for 40% of all the expenses association with owning a car. That's well ahead of fuel and insurance costs.
  The average price of a new vehicle is now $32,900, AAA found. That's an increase of $1,500 or nearly 5 percent from last year. And that price is likely to continue climbing as manufacturers drop lower-end models because of the chip shortage. Higher-end vehicles tend to come with more technology, which drives up the cost.

- **According to a new report, a big chunk of income earned by King County residents doesn't come directly from their labor — it comes from their assets.** On a per capita basis, income generated from assets penciled out to the tune of $24,100 here in 2019. Among the 100 largest U.S. counties, that ranks as the eighth highest. King County's asset income is more than double the national average, which was $11,400 per capita. Asset income comes from three sources: stock dividends, which are cash payments to shareholders; interest, which includes payouts from money deposited in a bank, invested in government bonds or loaned in some other way; and rental income from investment properties (excluding the income of people primarily engaged in the real estate business). Among the 10 large counties with the highest per capita asset incomes, three are in the San Francisco Bay Area and three are in the New York City area. New York County (Manhattan) is in a league of its own among large counties, at $64,200 per capita. Remarkably, the large county with the second-lowest asset income — $4,800 per capita — is in the same city: the Bronx (each of New York City's five boroughs are also U.S. counties).

The lowest asset income among the 100 largest U.S. counties is $3,200 per capita, in Hidalgo County, Texas. According to the report, King County is one of the few places in the U.S. (along with Manhattan and San Francisco) where incomes *both* from earnings and assets are extremely high. Some places with very high earnings, like Washington, D.C., have lower asset incomes than you might expect. And other places with very high asset incomes, like Palm Beach County, Florida, do not have very high earnings. The report comes from the Economic Innovation Group, a Washington, D.C.-based think tank whose mission is to help forge more dynamic, entrepreneurial and inclusive economy across the U.S. Researchers analyzed personal-income tables published by the Bureau of Economic Analysis, which are based on IRS data, for this report.

Calendar of Events

DATES	EVENT	TIME	LOCATION	CONTACT
9/9	Affiliate Council	9:00 a.m. – 10:00 a.m.	Zoom	425-974-1011
9/13	Gov’t Affairs Committee	1:00 p.m. – 2:30 p.m.		425-974-1011
9/14	RPAC Event	7:00 p.m. – 10:00 p.m.		425-974-1011
9/17	State Directors	11:30 a.m. – 1:00 p.m.	T-Mobile Park	425-974-1011
9/22-24	WR Fall Conference		Virtual	425-974-1011
10/5	Gov’t Affairs Committee	10:30 a.m. – 1:30 p.m.		425-974-1011

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