NW REporter

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Northwest MLS brokers not seeing much seasonal slowdown, say buyers still need to be bold

KIRKLAND, Washington (December 6, 2021) – Historically soggy weather and the onset of holidays did not deter thousands of buyers and sellers during November, based on the latest report from Northwest Multiple Listing Service. Numbers for new listings, pending sales, and closed sales were comparable to year-ago totals, while prices rose a little more than 15%.

“The so-called seasonal slowdown normally sees serious buyers gain an advantage over casual buyers who take a break during the holidays. The difference this year is that there are fewer buyers taking a break and demand remains high,” reported Mike Larson, managing broker at Compass in Tacoma.

Northwest MLS figures show 8,571 pending sales across 26 counties last month, nearly matching the year-ago total of 8,584 mutually accepted offers. The 8,976 closed sales marked a slight improvement on twelve months ago when MLS members tallied 8,875 completed transactions (up 1.14%).

“Waived inspections and funds committed upfront in the event of a low appraisal are not as common, but sellers still have the upper hand,” according to Larson, a member of the Northwest MLS board of directors. “Buyers still need to be very bold and very intentional with their offers.”

J. Lennox Scott, chairman and CEO of John L. Scott Real Estate, echoed Larson. “Typically, we see a lull of sales activity during late fall and into early winter. While there are fewer transactions at this time of year, the intensity for each new listing going under contract is extremely high,” Scott remarked, noting there were substantially more homes going under contract (8,571) than there were new listings (6,455).

Twenty of the 26 counties in the NWMLS report added more new listings during November than a year ago, but with demand outstripping supply, inventory was meager in many areas.

Area-wide, there were 4,621 active listings of single family homes and condominiums at month end, down nearly 29% from a year ago when there were 6,505 listings. The selection at month end amounted to about two weeks of supply (0.51 months). Five counties had even less supply: Snohomish (0.24 months), Thurston (0.35) King (0.38 months), Clark (0.39) and Pierce (0.44 months).

“The pandemic continues to put pressure on home sales and prices,” stated Dean Rebhuhn, owner of Village Homes and Properties. “Historic low inventory is still influencing multiple offer situations in King, Snohomish and Pierce counties,” adding, “Increasing interest rates have not slowed the pace of sales.”

Rebhuhn also said they are seeing “accelerated activity in Kittitas and Grant counties, along with rising prices.” He noted the I-90 location of counties east of King County favor work-from-home hybrid models. “Lifestyle changes and a strong job market will continue to drive the market into 2022 and beyond.”

NWMLS board member John Deely, executive vice president of operations at Coldwell Banker Bain, observed King County prices, currently at $740,000, have been trending downward since July when this year’s prices peaked at $789,000. Total active listings are spiraling downward as well, with King County’s supply down 60% from a year ago, which he said “speaks to the continued inventory crunch.”

“To put this into further perspective, King County had only 1,149 active listings at the end of November – the lowest inventory I can remember – and a 90% decrease since November 2010 when there were 11,867 active listings,” Deely commented, adding, “This is hampering existing sellers from moving up. Baby boomers find themselves in large homes and not needing the space, but they are hesitant to sell without a place to go should they want to stay in the region.”

On a brighter note, Deely said new financing options are expected to develop during 2022. He mentioned the “modern bridge loan,” which would give homeowners the ability to sell their current residence *after* they’ve found and purchased their new home.

Veteran broker Gary O’Leyar, owner of Berkshire Hathaway HomeService Signature Properties, said every year has its own market dynamics, but with seasonal similarities most years. For example, he noted within the Seattle map areas in the MLS report, “extreme appreciation has leveled off.” The Northwest MLS report shows prices within Seattle are essentially the same as a year ago: $765,000 for November’s closed sales, compared to the year ago figure of $760,000. Elsewhere, for example, for the Eastside and Southeast King County map areas, prices jumped more than 26% from a year ago.

O’Leyar also noted, “Given what has been the extreme shortage of inventory in the Seattle market, there is currently a seasonal market opportunity for Seattle urban shoppers for condominiums and townhomes.” His recent search for townhomes (usually classified in the MLS database as a single family dwelling) uncovered a surprising number of such listings in some Seattle neighborhoods. “Tis the season could ring true for those seeking this type of urban dwelling,” he commented.

Brokers in Kitsap County described the market there as “fast moving” with buyers vying for the limited inventory (slightly more than two weeks of supply).

“Homes are coming off the market faster than they are coming on. We have, however, seen a decrease in the number of multiple offers on new listings, and we continue to see steady open house traffic,” said Frank Wilson, Kitsap regional manager and branch managing broker at John L. Scott Real Estate. “With this fast-paced market, if a seller puts their home on the market in early December when there are fewer listings but still a lot of buyers, it could likely be off the market by Christmas.”

Another broker in Kitsap County, Frank Leach, broker/owner of RE/MAX Platinum Services and a board member at Northwest MLS, agreed the market has tempered somewhat. "We've had a 2.45% increase in active listings, a nearly 3% increase in pending sales, and almost a 6% increase in closed sales compared to a year ago." Also, he noted, "We have seen an increase in contingent sales."

Commenting on the supply of homes in Kitsap County, Leach said builders and developers are scrambling to bring on new inventory in all sectors. He described the current inventory, with only 0.57 months of supply, as "drastically low and fueling the increase in median prices." NWMLS figures show prices are up 13.9%. Even so, Leach described Kitsap County as "still a great value and a magnet for surrounding communities with loads of infrastructure improvements and companies moving into the area." MLS figures show the median price in Kitsap County, at $500,000, is about two-thirds of the median price in King County ($740,000).

Looking at other areas, James Young, director of the Washington Center for Real Estate Research at the University of Washington, believes "the normal seasonal effects have taken hold," but pointed to Skagit and Whatcom counties, and other areas along the I-5 corridor as areas where the "main price action" is still occurring.

"The return to these suburban areas seems to continue unabated as first-time buyers seek value and those seeking a more relaxed lifestyle are taking advantage of low interest rates," said Young. He singled out Skagit and Whatcom counties for their large price increases, at 21.2% and 26.5%, respectively. "This may be in part due to the border reopening and possible pent-up demand from Canadian buyers."

Area-wide, the November numbers were "pretty much what was expected with the market starting to slow as we move into the winter," stated Matthew Gardner, chief economist at Windermere Real Estate.

Gardner commented on recent adjustments in Federal Housing Finance Agency (FHFA) limits for conforming loans (mortgages backed by Fannie Mae or Freddie Mac), which included a record 18% jump in most markets, but also an increase from $776,250 to $891,250 in the higher-cost tri-county area encompassing King, Pierce and Snohomish counties. "I anticipate this will be a further boost to more expensive markets."

Looking ahead to 2022, Gardner expects the pace of appreciation "to slow significantly" from levels seen this year. "In fact, I predict single family prices will increase by around 8% in King and Snohomish counties, and by almost 11% in Pierce County. Although still well above the long-term averages, affordability issues and modestly rising interest rates will take some of the steam out of the market in 2022," he added.

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 (rev 12/13/21)	
	New Listings	Total Active	# Pending Sales	# Closings	Avg. Price	Median Price	This month	Same mo., year ago
King	2,068	1,149	2,791	3,045	$946,823	$740,000	0.38	0.93
Snohomish	951	325	1,224	1,339	$724,822	$658,505	0.24	0.38
Pierce	1,116	670	1,555	1,522	$557,562	$505,000	0.44	0.45
Kitsap	333	251	452	443	$581,042	$500,000	0.57	0.59
Mason	100	104	117	131	$440,769	$393,000	0.79	0.63
Skagit	123	129	157	157	$596,727	$515,000	0.82	0.64
Grays Harbor	129	197	150	166	$355,331	$305,000	1.19	1.27
Lewis	92	132	134	135	$394,424	$365,000	0.98	1.30
Cowlitz	106	97	155	130	$384,870	$362,000	0.75	0.75
Grant	109	153	102	134	$352,865	$329,211	1.14	1.22
Thurston	368	196	508	557	$502,116	$470,000	0.35	0.36
San Juan	24	68	23	30	$1,551,177	$1,152,50	2.27	2.38
Island	124	81	157	149	$596,354	$550,000	0.54	0.59
Kittitas	77	93	93	81	$629,172	$459,000	1.15	0.75
Jefferson	36	37	38	54	$620,850	$580,000	0.69	1.45
Okanogan	34	112	47	58	$414,090	$346,000	1.93	2.19
Whatcom	268	246	338	319	$589,151	$545,000	0.77	1.02
Clark	65	34	93	88	$575,496	$479,950	0.39	0.47
Pacific	26	71	49	53	$340,481	$330,000	1.34	1.33
Ferry	8	27	5	2	$207,450	$207,450	13.50	9.00
Clallam	71	75	96	111	$457,724	$409,000	0.68	0.75
Chelan	76	134	87	78	$655,068	$574,500	1.72	0.97
Douglas	35	49	57	62	$502,214	$429,000	0.79	1.21
Adams	15	33	17	15	$299,207	$265,000	2.20	2.50
Walla Walla	46	61	70	68	$440,034	$384,000	0.90	1.50
Columbia	3	11	7	6	$266,416	$278,750	1.83	5.00
Others	52	86	49	43	$359,156	$294,900	2.00	1.98
Total	**6,455**	**4,621**	**8,571**	**8,976**	**$700,280**	**$570,000**	**0.51**	**0.73**

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	7880	7405	6022	

Northwest MLS fall meetings update members on diverse topics

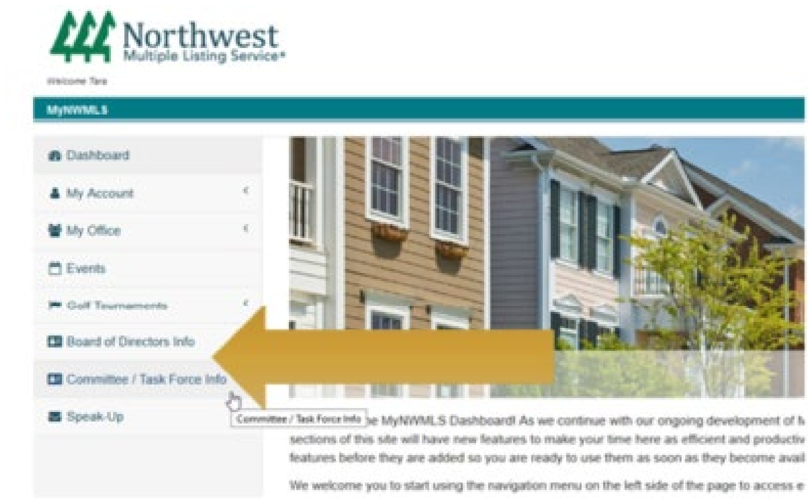
Amid pandemic-related uncertainties and ever-changing mandates, Northwest Multiple Listing Service (NWMLS) stayed focused not only on its core services, but also on some strategic initiatives, reported CEO Tom Hurdelbrink during last month's meetings for member-brokers. The meetings, held virtually, also included updates on the latest membership survey, MLS services and products, plus an overview of industry and legal issues.

As part of his membership and staffing update, Hurdelbrink noted the number of member firms (including branches) has grown 7.3% when comparing October 2019 (pre-pandemic) to October 2021. During the same two-year timeframe, the number of subscribing brokers jumped a surprising 12.4%, rising from 27,650 to 31,071 subscribers. Such growth pace is "not sustainable," he suggested.

Northwest MLS is poised for growth and expansion, notably from discussions and partnerships with MLS organizations in several areas, including Central Washington, Walla Walla, Eastern Washington, and Southwestern Washington. "We have created some positive and productive relationships helping brokers across most of the state," Hurdelbrink said, while acknowledging there have been a few challenges.

Hurdelbrink also discussed ongoing consolidation of multiple listing services, resulting in a steady decline in the total number of MLSs. The shifts have included absorption of smaller systems, improved efficiencies at growth-oriented MLSs, technological advantages, and greater geographic coverage. Years ago, the number of multiple listing services exceeded 1,000, but now there are fewer than 600.

Commenting on the growth and expansion of Northwest MLS, Hurdelbrink said member participation and involvement "is vital to the success of the organization." Its quest for volunteers with diverse backgrounds, experiences and perspectives spurred the creation of new online application tools for positions on the board of directors, committees, and various task forces or advisory groups. These new tools are available online on the MyNWMLS dashboard.



In keeping with tradition, the fall meetings included introductions and nominations of candidates for positions on the NWMLS Board of Directors. Ballots, using a secure online voting platform, are due by December 9.

The next speaker, Tara Marino highlighted some of the results from the latest membership survey, conducted every two years. More than 5,000 members and subscribers participated in this year's survey, according to Marino, the director of communications and training at NWMLS.

In addition to gauging satisfaction of products and services, the feedback contributes to future service enhancements, development of new products and services, and setting project priorities. The high participation rate means the results are "highly statistically valid," according to GMA Research, which conducts the biennial survey.

Marino's overview of survey findings included measurements of various customer service attributes, comparing 2017, 2019 and 2021. While the latest scores are "very high," they showed slight decreases from two years ago. GMA Research said such findings have been a consistent trend in satisfaction surveys in all industries during the pandemic.

In other questions, respondents were asked to rate both the importance of NWMLS's key products and core support services, and their satisfaction with each of them. "Our goal is to keep the satisfaction rating as close to or exceeding the importance rating," Marino explained, adding, "We will continue to increase training opportunities and system enhancements to further reduce any gaps between importance and satisfaction."

A complete summary of survey results appeared in the Monday Update of November 29 and are posted on the member website.

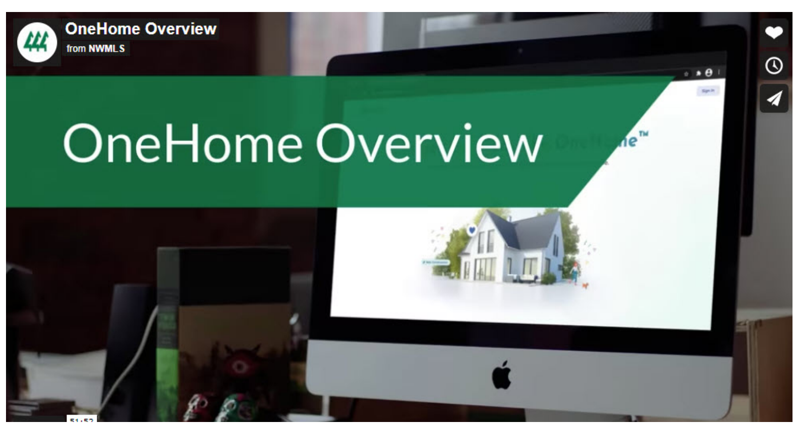
Justin Haag, general counsel at Northwest MLS, provided an industry and legal update, noting the MLS industry is increasing its focus on consumers. Consequently, the MLS is evaluating what it can do to assist brokers in helping to educate and empower consumers, a move that marks an expansion of its traditional focus on member-brokers. As the industry evolves, there has been continued emphasis on promoting competition amongst member firms and encouraging innovation.

Improvements to Agency Law to promote transparency – particularly with regard to compensation and representation – may be one approach, according to Haag. He anticipates possible future legislation affecting Agency Law, which has not been significantly updated since 1997.

In discussing rules issues, the NWMLS attorney discussed some of the most common sources of complaints and infractions. Haag noted that NWMLS offers a new, three-hour, self-paced clock hour course covering important rules and regulations.

The fall meeting also included an overview of the OneHome™ Enhanced Client Portal, which was launched in early October. Madeline Feder, communications supervisor at NWMLS, reminded brokers the modern, responsive design offers a better browsing experience, the most up-to-date data, valuable insights about their clients, and enhanced security.

The portal, an integral part of Matrix, encompasses text notifications so clients can receive instant SMS notifications about listings, the OneHome Planner to help clients better understand the buying and selling process, a PropertyFit™ Score, which uses artificial intelligence to determine how closely a property fits a buyer's criteria, and other user-friendly tools that enhance the broker-client relationship. Only clients that have been invited by their broker can access OneHome.



Brokers can visit the NWMLS member website to view a 51-minute webinar on how to use the OneHome Portal to engage clients throughout their home searching and buying process. User Guides, FAQs, and an informational flyer are also available at nwmls.com.

Feder noted NWMLS is sharing member feedback with CoreLogic and working with them to resolve a few concerns. She also highlighted several enhancements to Authentisign.

Launched in late October, the redesigned Authentisign features a simple, clear interface, and a new workflow that enables improved, expedited signings. Feder said both the "classic" and new versions of

Authentisign will be available on TransactionDesk during a transition period. She encouraged brokerages to schedule a training class or webinar to promote understanding and use of the new online signing service.

The final segments of the fall meetings covered listing input enhancements, updates on in-person services and contactless pickup, and training opportunities such as webinars, tutorials, virtual 1:1 Q&A sessions, and self-paced online training opportunities. Training Supervisor John Bozich noted more than two dozen topics can be customized and several offerings are approved for clock hours.

Meeting participants were also reminded about the Down Payment Resource application and its features. Nearly two-thirds of NWMLS listings are eligible for down payment assistance programs.

Potential buyers cite bidding wars as top obstacle

Getting outbid is the top reason serious house-hunters say is why they can't buy a home. Nevertheless, about half these long-time searchers intend to keep looking for the "right" home in the same location.

Those conclusions were among findings in the 3rd quarter Housing Trends Report from the National Association of Home Builders (NAHB). The report measures prospective home buyers' perceptions about the availability and affordability of homes for sale in their markets.

When buyers who had been actively searching for three or more months were asked why they had not been successful, 45% said getting outbid was the primary reason. That marked only the third time in the history of the series that this reason ranked first. In first quarter 2018 when the series started, only 18% blamed bidding wars for their lack of success.

Other reasons preventing prospective purchasers from succeeding in their quest were inability to find an affordably priced home (36%), inability to find a home in the desired neighborhood, and inability to find a home with their most sought-after features.

When asked about their next steps if still unable to find a home in the next few months, about half (49%) of active buyers intend to keep searching for at least three months. Most of these determined buyers said they will continue looking for the 'right' home in the same location. The portion who said they will accept a smaller or older home increased to 29%, up from 24% in the second quarter.

Slightly more home seekers (22%) anticipate suspending their search until next year or later when compared to the previous quarter (20%). In Q420, a series high of 28% indicated they would abandon their search temporarily.

NAHB said the share of adults planning a home purchase slipped to 16% during the third quarter, snapping a streak of five straight quarters of increases. It cratered at 10% in the second quarter of 2020.

A comparison of regions showed the West had the only increase in the share of adults with plans to purchase a home, rising from 17% to 19%. The numbers were unchanged in the Midwest (at 13%) and in the South (at 17%), but plunged in the Northeast, dropping from 20% in Q221 to 14% in Q321.

Looking at the intentions by generation, the year-over-year share of Millennials planning a home purchase grew from 22% to 29%. Among Gen Z buyers, the portion grew from 14% to 20%. The numbers for both Gen X and Boomers were flat.

First-time buyers in the mix rebounded from 56% in Q320 to 65% in Q321.

Builders credit the onset of COVID-19 with boosting the demand for newly built homes. In Q118, only 15% of buyers were seeking new construction. By Q420, it surged to 42%, but sharp increases in prices drove down the demand for the past three quarters, settling at 32% in Q321. The share who are classified as ambivalent between new or existing grew from 27% in the fourth quarter of 2020 to 34% in Q321.

The Housing Trends Report, created by the NAHB Economics team, is based on quarterly, online interviews by an independent research firm. Data are based on a national sample of adults selected to proportionately represent the US adult population in terms of age, gender, region, race/ethnicity, and education.

Rising prices appear to be discouraging prospective buyers

Fewer prospective buyers tried to buy a home during the third quarter of 2021 compared to the previous quarter. The decrease reversed six quarters of steady gains, according to the Housing Trends Report from the National Association of Home Builders (NAHB).

The share of would-be buyers trying to find a home slipped to 57% in the third quarter, down from a peak of 61% that was reported for the second quarter of 2021.

NAHB's economics team, which produces the research, said the decline is an indication that fast-growing home prices have begun to discourage a segment of potential buyers from getting past the planning state.

The share of potential buyers who were actively searching dropped in three of the four Census regions between Q2 and Q3 of 2021. It was flat in the Midwest, holding steady at 50%.

Researchers found most buyers actively engaged in the purchase process were devoting considerable time searching for a home. Two-thirds (66%) reported spending three or more months looking during each the first three quarters of 2021, up from 57% in the last quarter of 2019 (pre-COVID).

The Housing Trends Report measures prospective home buyers' perceptions about the availability and affordability of for-sale homes in their markets. It is produced quarterly to track changes in perception over time.

Timber company executive foresees strong housing market for years

Pent-up demand and demographics will keep the U.S. housing market strong "for years ahead," according to Weyerhaeuser CEO Devin Stockfish.

In an interview with CNBC's Jim Cramer, the timber giant's leader said underbuilding dating to the last Great Recession and surging demand during the pandemic are fueling homebuying.

The National Association of REALTORS® estimates there is an "underbuilding gap" of up to 6.8 million units. It described the state of America's housing stock as "dire."

In another interview, with Eben Shapiro, a contributing editor at TIME magazine, Stockfish cited a Freddie Mac study indicating the U.S. is 4 million units underbuilt. "It's the best housing backdrop we've had in well over a decade," he commented. He also noted the pandemic prompted a "whole new appreciation for the value of a home" and pointed to the breakdown of the supply chain coming out of the Great Recession as factors contributing to underbuilding.

Stockfish believes there is a lot of pent-up demand, particularly among the "wave of millennials who are reaching stages of their life when homebuying becomes a priority."

Weyerhaeuser is the largest private landowner of timberlands in the U.S. with 11 million acres. It also manages 14 million acres in Canada. The Seattle-based company typically plants about 150 million trees a year and harvests about 2% of its land base annually, which Stockfish says ensures they can "harvest at this level for hundreds and hundreds of years."

"When you think about normalized housing over any historical period, really coming out of '08, '09, 2010, we've really been building well below that level for a significant amount of time," he told CNBC's Cramer.

Building Code Council adopts emergency rule to accommodate builder concerns

The State Building Code Council (SBCC) adopted an emergency rule affecting heat pumps in response to concerns from the homebuilding industry.

Because of the current global microchip shortage, many home builders are unable to obtain certain components for residential heat pumps that are frequently installed to achieve the required energy credits in the residential energy code. Upon being notified of this problem by the homebuilding industry, the State Building Code Council (SBCC) adopted the emergency rule.

The rule, filed on October 21, specifies that homes can still receive the certificate of occupancy and the required energy credits while waiting on installation of the outdoor compressor unit.

According to a notice from the Master Builders Association of King and Snohomish Counties, home builders were concerned that projects already permitted and in construction would be unable to obtain a certificate of occupancy without being able to secure the residential heat pumps. That situation could also affect financing.

Homeowner outlays for remodeling could reach $400 billion by mid-2022

Residential remodeling expenditures could reach $400 billion by the third quarter of 2022, according to projections in the latest Leading Indicator of Remodeling Activity (LIRA). Strong growth in the indicator, which includes national home improvement and repair spending on owner-occupied homes, is expected to continue during 2022.

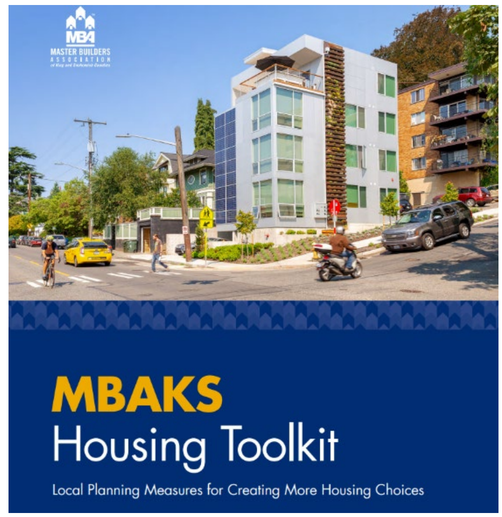
Based on four-quarter moving totals, LIRA increased 9% during the first quarter of this year, 8.8% during Q2, and 12.3% during Q3. Growth of 9% is anticipated for the current quarter. It is projected to taper to 8.6% by the second quarter of 2022.

Researchers credit the strong housing market “with elevated home construction and sales activity and immense house price appreciation in markets across the country” as factors for the growth. They expect rapid expansion of owners’ equity will fuel demand for more and larger remodeling projects into 2022.

LIRA includes interior and exterior home improvements such as remodeling, renovation, restoration, additions, alterations, and replacements of home components that add value to a home or property. Also included are maintenance and repair activities that preserve the current value of the home.

"Home remodeling will likely grow at a faster pace given the ongoing strength of home sales, house price appreciation, and new residential construction activity," stated Chris Herbert, managing director of the Joint Center for Housing Studies of Harvard University. He noted a significant rise in permits for home improvements indicates owners are continuing to invest in bigger discretionary and replacement projects.

Abbe Will, associate project director in the Remodeling Futures Program at the Center, said remodeling expenditures to owner-occupied homes will likely surpass $380 billion by mid-2022. "Larger gains in retail sales of building materials suggest the remodeling market continues to be lifted by DIY activity as well," she added.



Several headwinds could taper expected expenditures for remodeling and renovations. The rising costs of labor and building materials along with increasing interest rates were possibilities Will mentioned.

In its latest report, officials with the Remodeling Futures Program noted "unprecedented changes" to the US economy brought on by the pandemic showed "extreme percent changes from pandemic-induced lows." To reduce such growth rate volatility, its projections for the second and third quarters of 2022 utilize smoothed data for three leading model inputs: residential remodeling permits, single-family housing starts, and existing single-family home sales.

Produced quarterly since 2007, the LIRA measures short-term trends in remodeling activity for professionally-installed and do-it-yourself remodeling and repair projects. It is designed to project the annual rate of change in spending for the current quarter and subsequent four quarters. The LIRA is released by the Remodeling Futures Program at the Joint Center for Housing Studies of Harvard University. The next report is scheduled for release on January 20.
Master Builders issue "Housing Toolkit" for boosting housing choices and supplyCities and counties can take some simple steps to help ease regulatory burdens and other obstacles that hamper the creation of housing for the Puget Sound region's growing population, suggested the Master Builders Association of King and Snohomish Counties (MBAKS). The builder group recently issued an updated "Housing Toolkit" to help local jurisdictions provide more diverse and more affordable housing.

By 2050, the region comprising King, Snohomish, Pierce and Kitsap counties will add 1.5 million more people. Given this anticipated growth, MBAKS believes "there must be a clear plan for building new housing that works for current residents while ensuring that the region is affordable for newcomers and future generations."

Housing choices should include single family homes along with condominiums, accessory dwelling units (ADUs), and townhomes.

The 32-page toolkit includes 10 sections, with each of them coded as applicable to single-family neighborhoods, missing middle housing types, and/or multifamily neighborhoods::

- SEPA-related and planning tools;
- Affordable housing;
- Housing types and innovations;
- Optimizing residential densities;
- Housing capacity near transit and jobs;
- Win-wins for housing and the environment;
- Enhanced predictability;
- Permit efficiencies and process improvements;
- Flexibility in site planning and design;
- Fees

MBAKS points out its tools can be adopted locally and do not require state legislative action. The toolkit includes examples of model codes local jurisdictions already utilizing the kit. A total of 41 specific code updates and process improvements to enable more housing choices are highlighted.

First released in 2020, the update features four new tools and dozens of resources linked to existing tools. The new tools include contingency-based parking, allowing separate ownership of accessory dwelling units (ADUs), allowing cottage housing, and a streamlined utility available certificate process.

Also included in the toolkit is an "effectiveness rating chart" for various housing types. The document acknowledges assistance and insights from LDC, Inc. (engineering consultants) and notes several items included as options for increasing housing capacity and affordability are in HB 1923, a bill to increase residential building. Sponsored by Rep. Joe Fitzgibbon and others, the measure approved with an effective date of 7/28/2019.

40% of pet owners say caring for furry friends is as costly as kids

Six of every 10 pet owners (61%) admitted having a pet is costlier than they anticipated, but an even larger number (74%) say cost doesn't matter so long as they have a healthy, happy, safe fur baby.

Those were among findings from a recent survey of 2,000 dog and cat owners. Two of every five respondents think having a pet is just as, if not more, expensive than raising a child. About half of those polled said they spend more money on their pets every year than they do on themselves.

In analyzing the spending habits of pet parents, OnePoll, which conducted the survey in partnership with MetLife for Pet Wellness Month, reported the average pet owner spends more than $4,500 on their pet's basic needs every year.

Other findings from the survey included:

- Three in five pet parents allocate around $200 from each paycheck for their pet's necessities, which includes food, toys, flea and tick treatments, and medicine.
- 27% were surprised at having to invest in stain/odor removers.
- 26% had not anticipated needing a pet first aid kit (which they said came in handy).
- Unexpected costs pet parents experienced included health care, training, and other "unavoidable extras."
- One-third of pet owners said they usually end up exceeding their budget by at least $500 whenever they take their pet to the vet.

"For many pet parents, their animals are more than just 'furry friends' — they are part of the family," said Katie Blakeley, vice president and head of pet insurance at MetLife. "However, with all the joys of having a pet also comes financial stress, as many pet parents are willing to take on almost any cost to ensure that their pets are happy and healthy."

According to the National Pet Owners Survey by the American Pet Products Association (APPA), a trade association, an estimated 70% of U.S. households own a pet, up from 67% when the survey was conducted two years ago. APPA's latest survey, released earlier this year, found the industry exceeded $100 billion in annual sales during 2020, the highest level in its history.

News In Brief

- **During a press event in Glasgow, Gov. Jay Inslee announced an executive order to fully electrify Washington state's public fleets and transition to a 100% zero-emission light duty fleet by 2035.** The governor also ordered switching to 100% zero-emission medium and heavy-duty state fleets by 2040. Inslee made the announcement as part of a coalition of 68 state, regional, and city governments working to address the climate crisis by signing actions to cut emissions by 2030. The governor also pledged to require 100% of new cars to be zero-emission vehicles beginning in 2035 and 100% zero-carbon energy by 2045. He also pledged to ensure 100% net zero operating emissions for new building construction starting in 2030.

- **Idaho is the least regulated state in the nation, a study from George Mason University says.** Idaho has somewhere around 35,000 regulations. In comparison, Oregon has 205,000 and Washington has 200,000. Gov. Brad Little says cutting regulations was one of his main campaign goals. Little issued two executive orders,--the Red Tap Reduction Act and Licensing Freedom Act--in an effort to remove barriers for growth. Little also consolidated 11 separate agencies to reduce costs and regulations.

- **Washington's redistricting commission failed to meet its deadline and kicked the job of creating new political maps to the state Supreme Court.** The bipartisan commission had a deadline of 11:59 p.m. Monday to approve new boundaries for congressional and legislative districts following the 2020 census. In a statement the panel said the job would now go to the high court. Washington's 2021 commission consists of four voting members — two Democrats and two Republicans — appointed by legislative caucus leaders. The Democratic appointees were former legislator Brady Piñero Walkinshaw and state labor-council leader April Sims; Republican commissioners were former state legislators Joe Fain and Paul Graves.

- **Steve Francks, RCE, CAE and the CEO of Washington REALTORS® is the 2021 recipient of the William R. Magel Award of Excellence**, an NAR award presented to an individual who has truly excelled in his or her role as an association executive of a REALTOR® association. The William R. Magel Award of Excellence is presented annually to an association executive of a REALTOR® association. The most compelling candidates for the award are those who are well-known within the AE community, with an extensive record of participation, mentorship and contributions that is consistent with the Award's qualifications.

- **Updated numbers by the Economic and Revenue Forecast Council show that projected revenue collections for the 2021-2023 state budget cycle are $898 million above what had been originally forecasted in September**. And projections for the next two-year budget cycle that ends in mid-2025 increased by more than $965 million. Revenues for the current budget cycle that ends mid-2023 are now projected to be $60.2 billion. And projected revenues for the next two-year budget cycle that starts July 1, 2023 are projected to be about $64 billion.

- **A real estate firm is suing Oregon lawmakers over a new state law that bans real estate professionals from delivering "love letters" written from home buyers to sellers when submitting an offer on a house.** The lawsuit alleges that the state ban violates the First Amendment rights of real estate brokers and their clients. The lawsuit was filed in federal court by the Pacific Legal Foundation on behalf of the Total Real Estate Group. "This censorship is based on mere speculation that sellers might sometimes rely on information in these letters to discriminate based on a protected class," the lawsuit alleges. Buyer love letters have come under scrutiny over recent months as their popularity has grown. They are most likely to be used by buyers in multiple-offer situations and in transactions where buyers are trying to make their offer stand out from the pack by expressing their desire for a home. Industry leaders, however, believe these letters could sway sellers to choose or discard a buyer's bid based on personal information, like about the buyer's family, marital status, race, religious status, or more, that could violate fair housing laws. The National Association of REALTORS® has warned real estate professionals about the practice and has recommended agents advise their buyers not to write them. NAR's recommendations have evolved to advising clients about the risks of love letters, and at a minimum, stressing the importance of avoiding including any information in the letter that could be used to illegally discriminate. Agents should also avoid helping buyer clients to draft or deliver love letters, although NAR has not formally barred their use. Oregon is the first state to implement an outright ban on the practice. Oregon's law is set to take effect in January. Real estate professionals in the state then would not be allowed to pass along these letters from buyers that include details about their lives, along with any photographs and videos. Real estate professionals in favor of the letters say these personal expressions can help their buyers stand out in a competitive situation and demonstrate a strong desire for the home. In the lawsuit, the real estate group also argues that they have not been shown any examples of fair housing complaints or lawsuits that have stemmed from a buyer love letter. "This censorship is based on mere speculation that sellers might sometimes rely on information in these letters to discriminate based on a protected class," according to the lawsuit.

- **Steve Hobbs has been sworn in as Washington's 16th secretary of state.** He's the first person of color to head the office and the first Democrat to hold the position in 56 years. Hobbs, who is of Japanese descent, is leaving his Senate seat representing the 44th legislative district to replace Republican Secretary of State Kim Wyman. Wyman was the fifth consecutive GOP secretary of state in Washington dating back to 1965. She is leaving the state to take a key election security job in the Biden administration.

- **Mayor Jenny Durkan that crews working to repair the West Seattle Bridge are on track to finish the project and have the bridge back open for vehicular traffic sometime in mid-2022.** The city closed the bridge in March 2020 after questions were raised about its structural integrity following the discovery of cracks in the bridge. Once the bridge was closed to traffic, the city had to decide if it wanted to erect a new bridge in its place or repair the existing bridge, which opened in 1984 and was projected to have a life of at least 40 years. The city opted to repair the bridge in order to open it sooner for the thousands of motorists who use it every day. A West Seattle High-Rise Bridge Cost-Benefit Analysis (CBA) report concluded earlier this year that the city could proceed with spending $47 million to repair the bridge. Officials said the city secured $19 million in funding from the federal government to help pay for the needed repairs along with $9 million from the Port of Seattle.

Calendar of Events

DATES	EVENT	TIME	LOCATION	CONTACT
12/7	Gov't Affairs Committee	10:30 a.m. – 1:30 p.m.	SKCR or Zoom	425-974-1011
12/9	Affiliate Council	9 a.m. - 10 a.m.	Zoom	425-974-1011
12/10	Installation & Awards	6:30 p.m. – 9:30 p.m.	MOHAI	425-974-1011
12/24	Holiday-Office Closed			
12/27	Holiday-Office Closed			
12/31	Holiday-Office Closed			

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