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Improving housing inventory, rising costs may bring some “normalcy” to Western Washington market

KIRKLAND, Washington (May 5, 2022) –Rising interest rates and inflation, coupled with slight improvement in inventory, may bring some normalcy to Western Washington’s frenzied housing market suggest some brokers with Northwest Multiple Listing Service.

“The Puget Sound housing market has shifted down several levels of hotness in most areas and is more in alignment with the strong market we saw pre-pandemic,” stated J. Lennox Scott, chairman and CEO of John L. Scott Real Estate.

Commenting on a new Northwest MLS report summarizing April activity, Scott noted a “slight increase” in unsold properties, adding, “Not all homes are selling within the first week on market.” He believes the “intensity adjustment means multiple offers will not be as commonplace as they’ve been in the last two years.” He also indicated premium pricing (above asking price) is softening as well. He expects the “normal seasonality in the real estate market will be more pronounced, bringing a bit of normalcy to home buyers and sellers,” but believes there will still be an “elevated buyer focus on each new listing.”

Last month’s sales of single family homes and condominiums across 26 counties in the report had a list price to sales price ratio of 107.8%, which was down from March when it reached a 12-month peak of 108.2%. A year ago, the ratio was 106.6%.

The latest MLS report showed a mix of positive and negative numbers.

Member-brokers added 11,681 new listings of single family homes and condos during April, the highest number since last July when 12,916 listings were added, prompting some upbeat comments: “Did you hear that? It’s the sound of happy buyers in all areas other than King County celebrating last month’s jump in active listings as it means they now have more homes to choose from,” proclaimed Matthew Gardner, chief economist at Windermere Real Estate.

Only two counties, King and Jefferson, had year-over-year drops in inventory. “Unfortunately for King County buyers, the area is still desperate for inventory and competition is as fierce as ever,” remarked Gardner.

At month end, the selection of homes and condos in the database totaled 6,514, the highest level since September 2021 when there were 7,757 total active listings.

Notably, the number of new listings (11,681) surpassed the number of pending sales (9,760), to help boost inventory. Pending sales were down about 7.8% from a year ago and down 3% from March.

Commenting on April’s improvement in total inventory compared to a year ago, James Young, director of the Washington Center for Real Estate Research at the University of Washington, suggested “This is evidence that interest rates are having a cooling effect on some parts of the suburban market and along the I-5 corridor.”

Young also noted a sharp decline in condo inventory in King County from a year ago – down about 35% countywide, with even greater shrinkage in Southwest King County (-49%) and the Eastside (-42%). With limited selection, sales in those areas also plunged, while prices increased. For condos system-wide the median price on last month’s sales was \$485,000 (up 15.5% from a year ago); in King County, where more than 60% of sales occurred, YOY prices rose 12.6%, from \$460,000 to \$518,000.

Area-wide prices for single family home sales (excluding condos) in King County also increased, climbing nearly 20% from a year ago, from \$830,000 to \$995,000.

Closed sales of homes and condos slid from year ago, from 8,791 to 8,344 for a drop of around 5.1%.

“We are starting to see signs of impact from the significant rise in mortgage rates earlier this year, such as an increase in active listings and months of inventory creeping higher, but the full impact will likely not be felt for a few months,” said Matthew Gardner, chief economist at Windermere Real Estate.

Commenting on growing inventory of single family homes (up 27% from a year earlier), Young suggested higher priced homes requiring a mortgage “are feeling some heat from recent interest rates.”

The NWMLS report shows there was about three weeks (.78 months) of inventory of single family homes and condos combined at the end of April. By this metric, that is the highest level in nearly 18 months. MLS data show there was .80 months of supply in October 2020.

Despite the improving inventory, and in spite of rising interest rates, brokers report brisk activity and are not seeing prices ease much.

“One thing that has not been impacted by rising financing costs is home price growth,” Gardner said, pointing to double-digit gains in nearly every county, “including a whopping 27% in Snohomish County, the highest by far in the four-county Puget Sound region.”

Dean Rebhuhn, owner at Village Homes and Properties, echoed Gardner’s observations. “Even with rising mortgage rates, inflation and high gas prices, the housing market remains strong with prices continuing to increase,” he commented, adding, “Inventory is improving in most counties giving buyers more choices and making sellers a little more flexible in considering financing and inspection

contingencies.” Rebhuhn also reported demand continues to create multiple offers on homes in key locations and on median priced properties.

Gary O’Leyar, designated broker/owner at Berkshire Hathaway HomeServices Signature Properties, also commented on rising rates, suggesting they could present more opportunities for hopeful buyers that have been shut out of the previous market. “It may seem contrary to good news for prospective home buyers, but the increase in interest rates may have a positive side. We are seeing signs that the peak ‘zeal’ of the competitive offer frenzy may be leveling off a bit. While we might have seen 10 offers on an active listing, now we may see only five, or sometimes fewer.”

O’Leyar is not expecting a dramatic change in the regional market but believes there could be a “leveling off” from the double digit-plus year-over-year appreciation.

Another industry leader, John Deely, also reported high demand, saying increases in interest rates “haven’t appeared to cool off the market quite yet.” Deely, executive vice president of operations at Coldwell Banker Bain, pointed to statistics for single family homes, noting total residential inventory in April was up in every county served by NWMLS except Jefferson – “and up by double digits in every county except three: Clark, Jefferson and San Juan.”

“Median prices on single family homes have been skyrocketing so far this year with prices for sales in King County just shy of \$1 million in April,” he remarked, noting that figure reflects an increase of more than 28% (+\$220,000) since January.

Brokers in Kitsap County report robust activity in all areas. “Kitsap sales remain brisk as we increase inventory and sales,” reported Frank Leach, designated broker-owner at RE/MAX Platinum Services. Open houses are attracting “huge turnouts,” with accepted offers averaging 6.2% over asking prices.

The MLS report shows listings of homes and condos in Kitsap County are up nearly 36% from a year ago. Pending sales improved 6.9% YOY, with closed sales climbing 9.4%. The median price has increased more than 15% from twelve months ago, from \$485,000 to \$558,500.

Leach said new construction in Kitsap County is “racing forward” in all residential sectors. He described land sales as “flying off the shelf,” but detected a softening of condo prices (down about 10% YOY) as inventory improved to 1.5 months of supply at month end.

Young singled out the South Puget Sound region encompassing Lewis, Mason, and Thurston counties as showing some of the best values in median house prices. NWMLS figures show the median price of sales during April in Lewis County was \$389,000; in Mason County it was \$420,000; and in Thurston County it was \$510,000. “It will be interesting to see how interest rates influence these markets as the search for value among first time buyers continues,” he remarked.

With mortgage interest rates drifting upward in anticipation of the Federal Reserve’s hikes in its baseline interest rate, some brokers recommend quick action by prospective home buyers.

“We will not likely see interest rates back to 3%. Never before has it been more important to get pre-approved and get serious about finding a home as now,” stressed Leach.

“Owning real estate is a hedge against rising inflation,” emphasized Gardner, the Windermere economist. “Homeowners with a fixed rate mortgage will always have the same monthly payment, even as other costs rise,” he explained.

Lawrence Yun, chief economist at the National Association of REALTORS, noted affordability “greatly worsened” in the first quarter of 2022, pointing to sustained price appreciation and higher mortgage rates. NAR reported the monthly mortgage payment on a typical existing single family home with a 20% down payment rose \$319, or 30%, from one year ago, to \$1,383.

Yun said price declines are “unlikely,” but he expects “more pullback in housing demand as mortgage rates take a heavier toll on affordability. Declining affordability is always the most problematic to first-time buyers who have no home to leverage, and it remains challenging for moderate-income potential buyers as well.”

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	4,199	2,108	3,356	3,060	\$1,130,168	\$880,000	0.69	0.65
Snohomish	1,804	822	1,489	1,284	\$882,596	\$800,000	0.64	0.49
Pierce	1,773	871	1,580	1,413	\$628,415	\$564,000	0.62	0.47
Kitsap	564	304	483	430	\$703,519	\$558,500	0.71	0.57
Mason	160	104	143	99	\$485,918	\$420,000	1.05	0.89
Skagit	235	168	199	147	\$646,267	\$592,500	1.14	0.87
Grays Harbor	183	201	181	135	\$383,813	\$355,500	1.49	1.00
Lewis	164	130	141	123	\$412,444	\$389,000	1.06	0.77
Cowlitz	165	102	170	121	\$403,495	\$385,000	0.84	0.59
Grant	122	95	128	105	\$364,202	\$349,900	0.90	0.91
Thurston	600	278	546	413	\$557,967	\$510,000	0.67	0.49
San Juan	51	68	31	18	\$1,038,058	\$817,000	3.78	1.91
Island	207	115	174	136	\$738,164	\$567,500	0.85	0.62
Kittitas	123	92	81	51	\$841,791	\$535,000	1.80	1.05
Jefferson	75	49	57	41	\$666,180	\$598,000	1.20	1.16
Okanogan	79	97	55	39	\$384,990	\$371,500	2.49	2.59
Whatcom	473	294	367	267	\$622,064	\$585,000	1.10	0.86
Clark	118	56	103	82	\$555,475	\$500,000	0.68	0.60
Pacific	83	86	67	50	\$340,880	\$317,000	1.72	0.66
Ferry	19	26	7	7	\$261,900	\$255,000	3.71	2.67
Clallam	100	88	95	86	\$496,812	\$420,500	1.02	0.98
Chelan	127	125	92	90	\$713,911	\$604,000	1.39	1.30
Douglas	61	47	60	43	\$506,689	\$449,900	1.09	0.59
Adams	18	20	23	8	\$280,410	\$297,728	2.50	1.00
Walla Walla	88	66	67	49	\$429,856	\$381,000	1.35	0.83
Columbia	13	12	9	5	\$268,800	\$267,000	2.40	1.60
Others	77	90	56	42	\$477,261	\$438,110	2.14	2.25
Total	11,681	6,514	9,760	8,344	\$833,354	\$659,950	0.78	0.64

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	3943
2022	4405	5560	7312	6908								

Affordable Housing Week – May 8-14 – All in for Affordable Housing



Affordable Housing Week will be observed May 8-14 when the Housing Development Consortium hosts a stellar lineup of speakers and panelists who will discuss homelessness and affordable housing in King County.

Now in its seventh year, this year’s event is focused on the theme “All in for Housing.” It will feature a series of education and advocacy events highlighting the role affordable housing plays in stabilizing communities.

To kick off the event on May 9, HDC's new Executive Director Patience Malaba will be joined by Gregg Colburn, author and assistant professor at the University of Washington; Girmay Zahilay, King County councilmember; and Teresa Mosqueda, City of Seattle councilmember. The program will be held from 3-4:30 pm at the Tateuchi Story Theatre Room at the Wing Luke Museum. [Registration](#) is required.



Colburn co-authored *Homelessness is a Housing Problem* with data journalist Clayton Page Aldern. He is a member of the Bill and Melinda Gates Foundation Family Homelessness Evaluation Committee and co-chair of the University of Washington's Homelessness Research Initiative.

The kickoff event will also honor the 2022 Advocate of the Year, recognizing a local housing champion whose dedicated work has advanced HDC's movement.

Other programs HDC is presenting as part of [Affordable Housing Week](#) include sessions on:

- Updating comprehensive plans to create thriving affordable communities (May 9, noon – 1:30 pm)
- Black homeownership initiative roundtable (May 10, noon – 1:30 pm)
- Cedar Crossing building tour at the Roosevelt Light Rail Station (May 11, 3 – 4:30 pm)
- Affordable Housing 101 (May 12, 1:30-3 pm). Virtual event.
- AHW Closing Reception (May 13, 5-6:30 pm at The Cloud Room)

Also on the calendar is a conversation with Congresswoman Suzan DelBene; a summit on the Vets, Seniors and Human Services Levy; a meetup with King County Councilmember Claudia Balducci; an update on North King County's state of affordable housing; a discussion on advancing renter protections hosted by the Stay Housed Stay Healthy Coalition; and a discussion hosted by Seattle's Office of Housing on the Seattle Housing Levy.

To view a complete calendar with links for registering, visit the HDC [website](#).

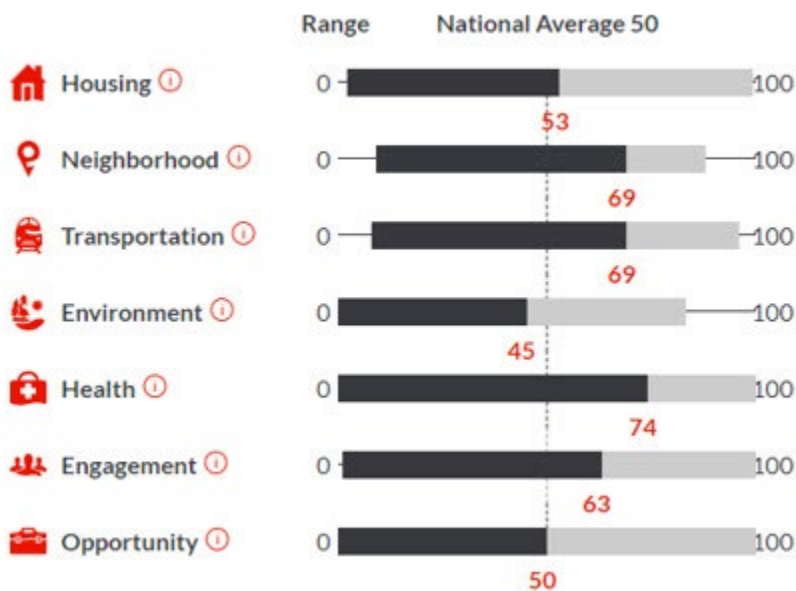
The Housing Development Consortium was established in 1988 by ten Seattle-area nonprofit housing providers. Its membership encompasses major affordable housing developers, accountants, architects,

attorneys, financial institutions, general contractors, government agencies, public housing authorities and service providers.

Seattle ranks high in three categories, but below-average on the environment

Seattle ranks among the top 10 large cities based on AARP’s recently redesigned Livability Index with a score of 60, placing it 8th on the list. The Emerald City notched strong performances in the transportation, neighborhood, and health categories, but was below the national average on its environment score.

AARP Livability Scores for Seattle



San Francisco topped the rankings of large cities (population of 500,000+) with an overall score of 65, followed by New York and Washington, DC, with each getting a score of 63. Also finishing ahead of Seattle were Boston (62), Portland (62), Philadelphia (61) and Denver (61).

AARP’s Livability Index uses 61 characteristics from 50 national sources of data to evaluate communities across seven categories: housing, neighborhood, transportation, environment, health, engagement, and opportunity. A locale’s total livability score is an average of the scores in each of the seven categories.

Philadelphia was the only large city in the top 10 list to score high in housing. Housing is measured by metrics and policies that promote affordability, availability, and accessibility.

San Jose, which made the “top 10” list for the first time, was the only large city to score high in opportunity, which considers job availability, government creditworthiness, and graduation rates.

Among mid-sized cities, which covers areas with populations ranging from 100,000 to 499,999, the top three cities were Alexandria, Virginia; Cambridge, Massachusetts; and Arlington, Virginia with each having an overall score of 67.

St. Louis Park, Minnesota and Watertown, Massachusetts attained scores of 66 in the small cities category to finish atop that list.

An area’s overall Livability Score can range from 0 to 100. Users can enter an address, city, state, or zip code in a [search box](#) to explore and compare communities, and can also adjust the weight of each category to personalize scores for what matters most to their own livability.

With soaring housing costs, supply-chain disruptions, and rising mortgage rates hampering the real estate market and creating [affordability challenges](#) for older Americans, AARP’s Public Policy Institute redesigned its Livability Index and expanded its data fields to improve navigation.

AARP acknowledges it can be difficult to achieve high scores across all categories, noting issues surrounding livability are complex and interconnected.

In its Policy Book, AARP Public Policies state: "A livable community is one that is safe and secure, has affordable and appropriate housing and transportation options, and has supportive community features and services. Once in place, those resources enhance personal independence, allow residents to age in place, and foster residents’ engagement in the community’s civic, economic, and social life."

With nearly 38 million members, AARP is the nation’s largest nonprofit, nonpartisan organization dedicated to empowering people 50 and older to choose how they live as they age. During 2020, AARP produced 565 educational and advocacy TeleTown Halls reaching 1.2 million people. Its Public Policy Institute focuses on advancing “innovative, equitable, evidence-based and actionable solutions that empower people to choose how they live as they age.”

Seattle dad and son start company to process hard-to-recycle items

Consumers who are looking for ways to sustainably dispose of items not allowed by many curbside services may have a new option thanks to [Ridwell](#), a fast-growing Seattle-based company started in 2017 by a dad and his then 6-year-old son.

Offering regular front porch pick-ups to its member-subscribers, the company provides reusable cloth bags for sorting items in several “core categories,” plus a wood bin for storing the bags between pickups. Typical categories of hard-to-recycle materials Ridwell accepts include:

- Plastic film (shipping material, plastic shopping bags, produce bags, and more).
- Clothing, fabric, and shoes (most shoes, clothes, textiles, and more).
- Household batteries (Alkaline, hearing aid, rechargeable, and small lithium-ion batteries).
- Household variety light bulbs (LEDs, CFLs, small fluorescent, incandescent).

They also offer a rotating “featured category” every pickup, sometimes tying into seasons, such as holiday lights, school supplies, eyeglasses, wine corks, electronics cords and cables, and printer cartridges.

Ridwell tries to promote responsible consumption by helping consumers find companies that commit to sustainability. It also publishes a blog and sends out regular emails with links and images to educate customers about acceptable and unacceptable items in the various categories.

Since China banned the import of most plastic recyclables in 2018, many local governments and waste companies have had to search for alternatives. Until then, China had processed nearly half the world’s recyclable waste for a quarter century. Now, more plastics are finding their way to landfills, incinerators, or as litter. More than 90% of the plastic ever produced has not been recycled, according to [Greenpeace estimates](#).

The Yale School of the Environment estimates as many as 111 million tons of plastics will have to be processed in the coming decade. They suggest the recycling crisis triggered by China’s ban could have an upside, prompting both the development of better solutions for managing waste and motivating manufacturers to make their products more easily recyclable. It should also be “a wake-up call to the world on the need to sharply cut down on single-use plastics.”

Enter Ridwell.

Founder Ryan Metzger and his son Owen started gathering dead batteries that had accumulated around their house and searched for a company that would accept them instead of taking them to a landfill.

Once that was accomplished, they invited neighbors to become part of their recycling carpool, eventually expanding their list of recyclable items. In addition to working with an expanding list of carefully vetted recycling partners and processors in their service areas to make sure "stuff" is kept out of landfills and sustainably reused or recycled, "we make it viable for companies to reuse their packaging and product materials by picking up from consumers and delivering back to their warehouses," the company promises on its [website](#).

Ridwell representatives say plastic film, which is picked up every two weeks as one of its four core categories, is by far the most used category.

Among the ways it is reused is as a component of decking material like Trex.

Ridwell's members can choose from various plans, with pricing starting around \$12 per month, depending on location and duration of a subscription. Gift plans are available.

Since its formation, Ridwell's 60,000-plus members have saved more than 5 million pounds of waste from landfills. Along with Seattle, it operates in more than 40 communities, including Bellingham, Denver, Minneapolis and Portland, and anticipates having 300 employees by mid-year.

Earlier this year, Ridwell added Austin, Texas to the communities it serves. It adds ZIP codes in communities where a certain number of residents – typically from 150 to 1,000 – have expressed interest in a subscription.

The entrepreneurial company has had some pushback, primarily from established trash haulers and sanitation workers in some communities, as well as people who think they are not properly regulated, and some who note its service is not affordable to all. In response to concerns about equitable service, the company launched a pilot program last holiday season whereby Ridwell contributed \$10 towards a six-month community-supported membership for every \$48 gift card it sold.

Ridwell has also added a "[transparency](#)" page to its website. It provides details on where materials end up, how much of the material is diverted, and the amount of contamination. It reports 97.5% of collected material is reused or recycled.

What is plastic film?

Unlike dedicated plastic film recyclers, modern recycling centers were not set up to handle flexible, lightweight plastic film. This material can snarl the machinery. Scientists estimate that plastic film can take 450 years or longer to break down in landfills.

(explanation excerpted from Ridwell's website) In technical terms, plastic film is usually made up of low-density polyethylene (or LDPE) and sometimes carries the plastic #4 logo. More practically we like to think of it as anything that's 'scrunchable' and a single material (meaning it does not have metal or paper in it or affixed to it). Examples include [clean](#) Ziploc bags, bubble wrap, air pillows, grocery bags, Prime shippers, plastic wrapping, newspaper bags, clothes packaging, and cereal bags.

Padded envelopes, film with food on it and unwashed meat packaging are examples of plastic film that cannot be recycled by Ridwell.

Canada imposes 2-year ban on foreign homebuyers

Foreign buyers cannot buy homes in Canada for two years due to a government ban designed to cool the country's overheated market. Average prices soared more than 50% during the past two years, to more than \$868,400 (in Canadian dollars), according to the Canadian Real Estate Association.

Along with blocking most foreign buyers and non-Canadian companies from purchasing residential real estate, the government is imposing higher taxes for people who sell their home within a year, plus other measures in hopes of curbing speculation and demand.

When Finance Minister Chrystia Freeland unveiled the federal budget for the year, she announced billions for new housing and actions to help Canadians who are trying to become homeowners. The measures include a new savings account and changes to the first-time homebuyers' tax credit.

Exceptions are extended to permanent residents and foreign students. Exemptions are also made for recreational properties (although they are not defined) and temporary workers.

Freeland's announcements follow previous efforts to tamp down sales to foreign buyers. In 2016, British Columbia imposed a 15% tax on home and condominium purchases by foreign buyers. Earlier this year, Ontario raised its own tax to 20% and extended coverage to the entire province.

Some economists and industry experts are dubious about the impact the latest bans might have. Some suggest it could create new problems.

In an interview with Bloomberg, Simeon Papailias, a finance expert and the president/co-founder of real estate investment firm REC Canada stated, "I don't think a two-year Band-Aid is going to have an impact on what's a fundamental lack of supply."

Tsur Somerville, an associate professor at Sauder School of Business at the University of British Columbia, and a specialist on real estate economics is one skeptic. In an interview with journalist Ian Austen, who is a Canada correspondent for *The New York Times*, Somerville said the housing prices increase during the pandemic contradicts assumptions underlying the ban.

The pandemic made it difficult for foreign buyers of real estate to get to Canada, the UBC professor noted, adding that the previous two years is when house prices have had their largest increase the past decade.

Another professor, Gilles LeVasseur, from the University of Ottawa, believes provisions of the bans that discriminate against people based on nationality run afoul of the Canadian Charter of Rights and Freedoms, which forms part of the country's Constitution.

Austen also quoted U.S. Congressman Brian Higgins, who follows cross-border issues. Higgins, whose district includes portions of Erie and Niagara counties, said he raised issues about the real estate bans with officials in Washington and during a meeting with Prime Minister Justin Trudeau, suggesting it goes

too far. He contends “It violates the U.S.-Canada-Mexico Trade Agreement” by discriminating against American and Mexican buyers.

Somerville thinks priced-out buyers in Canada shouldn’t get their hopes up too much because of the latest bans. In the interview with the NY Times journalist he stated, “It always feels like everyone wants some magic solution that comes at no cost to them and makes housing affordable,” he said, adding, not wholly seriously: “The way to make housing affordable is to cut housing prices by 50 percent. But that kind of leads to a couple of other problems in the macro economy.”

Priced-out trend is real

The priced-out phenomenon is real, explained internationally acclaimed economist and syndicated columnist Elliot Eisenberg, in a recent blog.

Dr. Eisenberg compared the median price of a house and interest rates in March 2021 and March 2022. In March 2021, the median price was \$326,350 and the interest rate on a 30-year mortgage was 3.10%. A buyer who put 20% down would have a monthly payment, excluding taxes and property insurance of \$1,115/mo.

One year later (March 2022) the price of that house is 15% higher (\$375,300) and the interest rate has surged 61.3%, to 5.00%. The new mortgage payment is \$1,612/month, an increase of \$497/month.

	Median Price		Interest Rate		Monthly Payment	
	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22
	\$326,350	\$375,300	3.10%	5.00%	\$1,115	\$1,612
% change	15%		61.30%		44.60%	

Eisenberg, a former senior economist with the National Association of Home Builders, is chief economist for GraphsandLaughs, LLC in Miami. The firm consults with a variety of clients across the U.S. The popular presenter was the keynote speaker earlier this year at the Economic Forecast Breakfast of the Master Builders Association of King and Snohomish Counties.

Known as “the Bowtie Economist,” Eisenberg has written a daily 70-word commentary on the economy since December 2020. It circulates at no charge to 20,000 subscribers. His Friday offering, “The Friday File,” is described as “intentionally fun and lighthearted.” Visit his [website](#) for subscription options.

Washington among best work from home states

Washington is among the top 10 work from home (WFH) states, according to rankings compiled by WalletHub. Using 12 key metrics to compare the 50 states and District of Columbia, that personal finance website ranked Washington #8. New Jersey was #1.

Analysts at Wallet Hub also used two key dimensions, “Work Environment” and “Living Environment” to rank the best WFH states. Work Environment, valued at 60 points, considered things like share of potential telecommuters, internet access, and cybersecurity. Living Environment, valued at 40 points, considered the price of electricity and internet plans, home size, and type of dwelling.

Based on these two dimensions and corresponding weighted scores, Washington ranked 11th for Work Environment (D.C. was #1) and 19th for Living Environment (Texas was #1).

Looking at the 12 key metrics, the report had Washington ranked:

- 3rd for household internet access
- 3rd for the average retail price of electricity
- 5th for share of population that is working from home
- 21st for the cost of internet; and
- 26th for a home’s average square footage

Washington accumulated 61.57 points on the 100-point scale. The scores ranged from New Jersey’s high, with a score of 66.75 to 51st-place Alaska, with 34.74 points.

In its [report](#) of findings, WalletHub found only 6% of the national workforce was working remotely pre-pandemic, citing data from the National Council on Compensation Insurance. Now, the number of professional jobs that are remote is around 20%, but WalletHub cautioned these workers may not always have the best environment for doing so.

Crowded, uncomfortable spaces, inadequate security, and high costs for electricity and internet access can hinder productivity, the researchers noted. Conversely, workers may have a more relaxed and possibly more productive environment at a home office.

Jill Gonzalez, an analyst at WalletHub, said another consideration is that increased flexibility in the workforce can create stronger competition for positions.

“People can be hired by companies across the world, but also have to stand out among a worldwide field of applicants,” she stated.

Companies should allow employees to work from home, if possible, after the pandemic, Gonzalez suggested. “Having at least some employees work from home creates a more hygienic and less chaotic work environment and would help minimize the economic damage of future crises like the COVID-19 pandemic,” she explained, adding, “Letting employees work from home could lead to a general boost in

worker morale, too, considering the majority of people who currently work from home want to continue doing so.”

Other states on the “top 10” list of best states for remote work included the District of Columbia (#2), followed by Delaware, Connecticut, Massachusetts, Utah, Texas, Maryland, and New York.

Among other Western states in the top 20 were Arizona (#14), Nevada (#15), and California (#16). Oregon was 21st, Idaho was 37th.

As part of its report, WalletHub assembled a panel of experts to discuss several key questions:

- The outlook for work from home arrangements.
- Should companies invest more resources to establish a functional WFH alternative for their employees?
- The most important advantages and disadvantages of working remotely.
- The top three indicators of the best work from home infrastructure.

Rankings were based on data from U.S. Census Bureau, Global Workplace Analytics, HighSpeedInternet.com, Internet Crime Complaint Center, Wakefield Research, U.S. Energy Information Administration, BroadbandNow, Homes.com, and Zillow.

City-County agreement will yield 81 homes for low-income households

Nearly three acres of land that has been vacant for 15 years will be developed for mixed income housing under an agreement between the city of Tacoma and Pierce County.

The county agreed to transfer the property on Pacific Avenue in Tacoma based on a proposal by Mercy Housing Northwest. Pierce County acquired the parcel in 2000 as part of a larger deal to develop county facilities, but those plans never materialized. It had been declared surplus in 2007.

Under the agreement, Pierce County will transfer 2.90 acres at 3561 Pacific Ave. in Tacoma to the city of Tacoma/Tacoma Community Redevelopment Authority. TCRA owns the adjacent land.

The development would include 81 units for lower-income households. At least two-thirds of the housing units would be earmarked for those whose household incomes are at or below 80% of the area median income or have an annual income of \$57,750 for a three-person household. Also part of the proposal are plans for an early learning center and community space.

The agreement allows the property to be used as a temporary shelter through Dec. 31, 2023. The arrangement can be renewed for two-year periods until development begins, but if no permits are issued within eight years of the land transfer, the property returns to Pierce County.

In a release announcing the agreement, Pierce County Council Vice Chair Marty Campbell stated, “To help address the challenges we face related to the housing crisis in the region, we asked for a review of county-owned properties with the intent to find a path with our partners to see more housing built. This agreement carries out a shared priority between the county and city to increase affordable housing in the region and provide economic development in our neighborhoods.”

News In Brief

- **A [recent Stessa report](#) reported by KOMO News found what many Seattle-area residents already know: rent is pricier in the Emerald City than it is in just about any other metro.** The report from Stessa — a finance tool that helps real estate investors “maximize their profits” with rental properties — ranked the Seattle-Tacoma-Bellevue area sixth among the nation’s large metros, only trailing — from Nos. 1 through 6, respectively — San Jose-Sunnyvale-Santa Clara, San Francisco-Oakland-Berkeley, Boston-Cambridge-Newton, Los Angeles-Long Beach-Anaheim and San Diego-Chula Vista-Carlsbad. According to the report, the median rent estimate in the greater Seattle area is \$2,080. The median in the costly San Jose-Sunnyvale-Santa Clara South Bay Area is \$3,186. The report also shows the median prices in the Seattle-Tacoma-Bellevue market for a studio (\$1,603), one bedroom (\$1,682), two bedroom (\$2,005), three bedroom (\$2,762) and four bedroom (\$3,261).
- **Remote workers in the Evergreen State have it better than those in most states in the country, [according to a recent WalletHub report](#).** Washington state ranked eighth in the study behind, respectively, New Jersey, DC, Delaware, Connecticut, Massachusetts, Utah and Texas. The study found Washington ranked third in households’ internet access, third in average retail price of electricity, fifth in share of population working from home, 21st in internet cost and 26th in average square home footage. Many employers shifted to work-from-home structures during the pandemic. About 20 percent of all professional jobs were remote at the beginning of 2022, according to WalletHub.
- **Americans want to work for Amazon more than any other company in 2022, according to LinkedIn research.** LinkedIn released its list of the most sought-after workplaces in the United States on Wednesday, using data from its 810 million members. The study’s methodology evaluates how companies are able to attract and retain the best talent through promotions, opportunities for employees of all backgrounds to gain new skills, gender diversity, how much recruiters from other companies search for employers currently working for Amazon and other criteria. Alphabet ranked second on the list, followed by Wells Fargo, JPMorgan Chase & Co., Walmart, IBM, AT&T, Bank of America, Apple and Comcast.
- **Seattle and Bellevue were recognized by the Chamber of Commerce as the most physically active large and small cities, respectively, in the United States.** Vancouver, Wash., ranked 10th among midsize cities, according to the chamber’s research. The study found that 84.7 percent of Seattle residents are physically active, while only 22 percent of the city is obese, 27 percent have high cholesterol and 7.4 percent are diabetic. Bellevue residents boast an 86-percent mark

for physically active people. **For the full report, [click here](#).** Minneapolis, San Francisco, Denver, Colorado Springs, Portland, San Diego, Austin and Raleigh rounded out the top 10 for large cities. The data used by the Chamber of Commerce considers the following physical activity, among others: running, walking, calisthenics, gardening and golfing.

- **State lawmakers are continuing to move forward with a capital gains tax after a Douglas County Superior Court judge ruled that the tax violates the state constitution.** Judge Brian Huber says the tax has all the qualifications of an income tax, but is being disguised under a different name to make it legal. However, lawmakers are still carrying it out and labeling it as an excise tax, which means those rules don't apply. The capital gains tax would potentially raise about \$500 million a year and go towards public schools and early learning programs. State lawmakers will likely appeal Huber's ruling and bring the issue to the State Supreme Court to decide on. You can find out more information on the Washington capital gains tax [here](#).
- **Seattle Mayor Bruce Harrell is asking for the entire city to join in some spring cleaning next month.** Harrell announced his One Seattle Day of Service initiative Monday morning after taking down some graffiti with volunteers in the Chinatown-International District. The day of service will happen May 21, Harrell said there will be more than 2,200 volunteer opportunities across the city. There will be plenty of things to help with, from cleaning graffiti to picking up trash or planting trees and much more. All volunteer opportunities will start at 9 a.m. the day of and go on until 5 p.m., Harrell said the work will be done in two to three-hour shifts. [You can register for a shift here](#). Harrell said those who participate will be given a sense of pride and a T-shirt.
- **The Supreme Court rejected a challenge from New York, New Jersey, Connecticut and Maryland to the 2017 tax law that capped federal tax deductions for state and local taxes.** The lawsuit had previously been dismissed by lower courts. It argued that the Republican-led tax law, signed by then-President Donald Trump, unfairly singled out high-tax states in which Democrats predominate. The law caps a deduction for state and local taxes, known as SALT, at \$10,000. The lawsuit claimed that lawmakers crafted the provision to target Democratic states, interfering with the states' constitutionally granted taxing authority. Legislation to raise the cap has passed the House of Representatives but not the Senate.
- **A new LendingTree study found the Evergreen State is the best state in the country to own an electric vehicle.** Washington state has the third-most electric vehicle registrations relative to miles traveled, LendingTree found. It also has the fourth-lowest average price of electricity for residential users. Five metrics were used for the study: number of charging ports, fatality rates, electric vehicle registrations, availability of tax credits and the cost of electricity. Utah was ranked No. 2 in the study, while Mississippi took home the No. 50 slot. [Click here](#) for the full study.
- **Homicide rates have increased rapidly throughout the United States throughout the pandemic, and WalletHub compared the 50 largest cities to see where they rank in terms of the spike.** Between the first quarter of 2020 and the first quarter of 2022 — the timeframe used in WalletHub's study — homicide rates rose by an average of 17 percent in the nation's 50 most populated metros, according to WalletHub. Seattle ranked No. 29 on the list. The Emerald City saw 1.75 homicide cases per capita in 2022. New Orleans, Cincinnati, Atlanta, Baltimore,

Memphis, Milwaukee, Louisville, Norfolk, Detroit and Dallas ranked Nos. 1-10, respectively. Lincoln, Neb., was 50th on the list.

- **Pierce County said it will transfer 2.9 acres of vacant land to the city of Tacoma or the Tacoma Community Redevelopment Authority to be developed into mixed-income housing.** The transfer was approved at a council meeting in April. The land, located at 3561 Pacific Ave in Tacoma, has been untouched for the past 15 years, according to a written release from the Pierce County Council. The housing will feature a minimum of 80 units reserved for lower-income households. The site can also be used for temporary shelter through Dec. 31, 2023, per the release. Under the new agreement, at least two-thirds of the units developed will be dedicated to households with incomes at or below 80 percent of the area's median income, or an annual income of \$57,750 for a three-person household, for the at least 40 years. According to the release, Pierce County first acquired the property in 2000 as part of a larger land deal to be developed for county facilities, but the plan never happened.
- **American Home Shield [ranked the seven best cities in the United States for young professionals](#), and Seattle took home the No. 1 slot.** The rankings were determined based on proximity to "career opportunities, affordability and things to do." Following the Emerald City on the list, respectively, were Tampa, Boston, Grand Rapids, Mich., Austin, Chicago and San Diego. In the post from American Home Shield, Seattle is touted for its high minimum wage, startup history, musical background and its plethora of coffee shops. [Click here](#) for the full article from American Home Shield.
- **Seattle's unemployment rate continues to bounce back better than nearly every other city in the United States.** WalletHub released a report titled "Cities Whose Unemployment Rates Are Bouncing Back Most" on Wednesday, and the Emerald City ranked 13th. Unemployment is down 11.19 percent in Seattle since March 2020, when the COVID-19 pandemic began, according to the study. As of March 2022, Seattle's unemployment rate of 2.1 percent was the sixth-lowest in the nation. Eight of the top 10 bounce-back cities from the report are in Arizona. Portland ranked 138th on the list, while Spokane (No. 159), Vancouver, Wash. (No. 163) and Tacoma (No. 172) all placed in the top 175.
- **New research from Social Security Office Near Me found Washington state ranks seventh in the country for healthcare.** Social Security Office Near Me — which, according to its website, provides "clear and practical information to our readers to answer every question they have about Social Security, Medicare, aging, and retirement" — [ranked all 50 states](#) using healthcare spending, number of hospitals per million residents, LPI score and physicians per 10,000 residents as criteria. The Evergreen State tied with Maine for seventh in the United States, trailing Massachusetts, California, New York, Oregon, Colorado and New Jersey, respectively. The study reports that Washington spends \$8,702 on healthcare per capita, has 60 hospitals and an overall healthcare score of 7.19 out of 10. Alabama, Arkansas, Delaware, Tennessee, Georgia, Mississippi, South Carolina, South Dakota, Arizona and North Dakota ranked 50th-41st, respectively. Among countries worldwide, France, Switzerland and Germany claimed the top three spots, in order. The United States ranked 24th out of 34 countries. Turkey (No. 34), Hungary (No. 33) and Latvia (No. 32) were found to be the worst. [Click here](#) for the full study.

Calendar of Events

DATES	EVENT	TIME	LOCATION	CONTACT
May 1 - 6	NAR Legislative Meetings			425-974-1011
May 18	YRN Brunch & Networking	10:30 a.m. – 12:00 p.m.	WAC	425-974-1011

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