NW REporter

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Western Washington housing market "more balanced, and not so crazy – and that's a good thing"

KIRKLAND, Washington (June 6, 2022) – "Home sellers really need to re-think their expectations," suggested Mike Larson, a member of the board of directors at Northwest Multiple Listing Service (NWMLS) when commenting on statistics summarizing May activity. The new report showed a significant increase in active listings compared to a year ago, a slowdown in sales, and prices still rising.

Larson, the managing broker at Compass in Tacoma, said the days of "multiple offers and waived inspections, at least in Pierce County, are behind us." He described the market as "more balanced and not so crazy, and that's a good thing. Buyers are getting a little relief – not much, but a little as we're slowly easing back into the kind of market we had pre-COVID."

NWMLS members added 13,075 new listings to inventory during May, up 9.7% from a year earlier and the highest monthly number since June 2021.

At the end of May, buyers could choose from 8,798 active listings system-wide, up a whopping 59% from a year ago when there were only 5,533 properties in the database. That is the largest selection since September 2020 when there were 9,099 single family homes and condominiums offered for sale across the 26 counties served by Northwest MLS.

Two counties more than doubled their number of active listings from a year ago. The selection in Snohomish County jumped from 500 to 1,182 listings (up 136.4%). Douglas County had a similar increase, rising 134.5%. Also nearly doubling their inventory from a year ago were Cowlitz, Island, and Walla Walla counties.

"The significant increase in the number of homes for sale has some speculating that the market is about to implode, but that is very unlikely," stated Matthew Gardner, chief economist at Windermere Real Estate. "What's more likely to occur is that the additional supply will lead us toward a more balanced market, which after years of such lopsided conditions, is much needed," he added.

Even with the healthy uptick in inventory, there is still less than one month of supply area-wide (0.97 months). Twenty of the 26 counties in the report are showing more than a month of supply, with the tightest inventory (0.85 months or less) in the four-county Puget Sound region.

Both pending sales (mutually accepted offers) and closed sales during May were down from a year ago, but up from the previous month.

Pending sales declined about 11.7% from twelve months ago but increased 8.2% compared with April. Members reported 10,563 pending sales of homes and condos last month, up from April's figure of 9,760, but down from the year-ago total of 11,969.

Gardner believes the April-to-May increase indicates rising mortgage rates are not yet negatively impacting the housing market. "The additional supply of homes for sale is giving buyers more choices, which is something they haven't had in several years," he remarked.

Closed sales dipped slightly from a year ago (down about 3%) but rose 9% from April. Members completed 9,096 sales last month, which was 278 fewer than a year ago. May's total outgained April by 752 transactions.

Buyers can expect to pay more for homes and condos, although the increases may be moderating. Last month's system-wide median price of $660,000 was up 12.8% from the year-ago figure of $585,000. Comparing percentages, that was the smallest YOY increase since December 2020 when it was 12.2%.

"In May, we saw a slowdown in the steep price increases we have witnessed so far this year," observed John Deely, executive vice president of operations at Coldwell Banker Bain. He noted prices for single family home sales (excluding condos) in King County jumped from $775,000 in January to a whopping $995,000 in April, a change of $220,000 in only four months (a jump of 28.4%). Prices for single family homes in King County were nearly unchanged from April ($995,000) to May ($998,888).

"Rising interest rates coupled with inflation are causing buyers that rely on conventional mortgages to reconsider the affordability, and possibly take a break or look in areas that are less costly," Deely commented. "We seem to be heading from an extreme seller's market toward a more balanced market with increasing inventory."

J. Lennox Scott also commented on market adjustments. "Unsold inventory is ticking upward locally as more new listings hit the market. This gives buyers an increased selection of desirable properties to choose from as they hunt for their new home," said Scott, the chairman and CEO of John L. Scott Real Estate.

"Though there is still a steady backlog of buyers in the market, the increase in inventory means each home will receive fewer offers and may not go pending the first weekend," Scott remarked, adding, "Seasonal home price flattening is also in play, which means premium pricing is off for most properties."

NWMLS figures show last month's sales fetched 105.7% of the asking price, down from April when it was 107.7% and March when it was 108.2%.

Scott also noted luxury sales activity has held steady due to strong buyer demand in the Puget Sound area. He attributes this to “a backlog of buyers along with factors like job growth and our thriving local economy.”

MLS figures show there were 95 sales of properties priced at $2 million or more in January. That number rose to 136 in February, 325 in March, 389 in April and 353 in May.

Frank Wilson, Kitsap regional manager at John L. Scott Real Estate, is detecting “light breezes of change” in that county. “Homes are staying on the market a few days longer. We are still receiving multiple offers, but not as many.” He also noted inventory is slowly growing. MLS figures show supply in Kitsap County is up nearly 39% from a year ago.

“Finally, some balance in the market for homebuyers,” exclaimed Dean Rebhuhn, owner at Village Homes and Properties in Woodinville. “Last month provided more buying opportunities due to increasing number of new listings and more flexible sellers willing to work with buyers on finance and inspection contingencies,” he remarked, but also reported, “Price reductions are on the increase from sellers as overpriced properties are languishing on the market.”

“Things have changed,” agreed Dick Beeson, managing broker at RE/MAX Northwest Realtors in Gig Harbor. “Sellers who expect to get more than their asking price are unhappy if they receive offers only slightly above their list price. Sellers are now more often required to consider offers contingent upon financing, inspections, or the sale of the buyer’s home. Things that were normal in purchase contracts just two years ago are making their return,” he stated.

Beeson expects inventory will continue to grow as more sellers realize now is the time to sell. “Otherwise, their home’s appreciation simply becomes unrealized phantom equity, especially if prices fail to continue their dizzying upward spiral.” And, he suggested, “That day is drawing near.”

Despite some conditions tilting to favor buyers, Beeson said some buyers have given up hope, choosing to sit on the sidelines waiting for a more “normal” or falling market. “Those days are a mirage.”

Reflecting on his 40 years in the business, Beeson wondered, “Who would ever imagine increases of nearly 65% in inventory in Pierce County and nearly 36% in Pierce and King County would only produce less than a month’s supply of homes for sale? Imagine prices escalating at 15% or more a year, yet the number of closed sales is falling. Imagine buyers looking at the increased inventory, increased prices and still experiencing serious competition with a plethora of other buyers for most homes. That’s the world of today in Western Washington!”

Would-be owners of condominiums will find limited choices with inventory down more than 9% from a year ago. Prices are up nearly 15%, rising from $435,000 to $500,000.

“The only constant is change,” said Gary O’Leyar, another broker with decades of experience. “Although we have been through a long run-up in the market, history tells us that the real estate market never remains static. There is a definite shift in buyers’ patterns,” according to O’Leyar, the designated broker/owner at Berkshire Hathaway HomeServices Signature Properties in Seattle.

O’Leyar also noted there are many “micro markets” within each county. Within King County, for example, Northwest MLS tracks data for 30 map areas. Last month’s median sales prices ranged from

$565,400 in the area encompassing Dash Point and Federal Way to nearly $2.6 million on Mercer Island. Also notable is area 720 where Shoreline and Lake Forest Park are located. That area had a year-over-year price bump of 52.4%, with the median price surpassing $1 million for the first time, according to MLS records. In nine of the 30 map areas in King County, median prices exceeded $1 million last month.

O'Leyar acknowledged "outside influences beyond our local control" are factors contributing to market changes. He cited interest rates and the price of gasoline among them.

There are local dynamics that also impact activity, O'Leyar emphasized. "Employment is a significant barometer," he suggested. "King County enjoys an extremely low unemployment rate, recently at about 2% which is notably below the state and national rates around 4.1% and 3.6%, respectively. When clients ask for market forecast opinions, my consistent 'go to' reply has been "Watch the employment numbers along with population numbers of people entering or exiting the market. It's basic supply and demand."

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	4,581	2,708	3,606	3,281	$1,099,144	$880,000	0.83	0.55
Snohomish	1,973	1,182	1,571	1,394	$856,607	$782,800	0.85	0.34
Pierce	2,018	1,214	1,736	1,502	$639,121	$575,000	0.81	0.51
Kitsap	593	351	569	446	$648,543	$550,000	0.79	0.62
Mason	174	152	142	115	$493,205	$410,000	1.32	0.72
Skagit	270	203	230	178	$634,636	$555,500	1.14	0.72
Grays Harbor	240	276	181	156	$370,221	$350,000	1.77	1.08
Lewis	199	190	149	119	$412,148	$406,000	1.60	1.28
Cowlitz	197	157	152	120	$443,325	$400,000	1.31	0.74
Grant	152	143	108	114	$424,687	$385,000	1.25	0.89
Thurston	646	371	600	475	$569,080	$519,933	0.78	0.47
San Juan	58	94	28	17	$1,188,824	$985,000	5.53	2.39
Island	269	186	199	145	$678,711	$610,000	1.28	0.59
Kittitas	167	152	105	89	$719,857	$550,000	1.71	0.98
Jefferson	86	82	61	46	$703,283	$625,000	1.78	1.15
Okanogan	121	149	76	39	$395,729	$310,000	3.82	1.86
Whatcom	491	355	402	341	$691,615	$610,000	1.04	0.84
Clark	130	90	108	95	$613,614	$550,000	0.95	0.64
Pacific	79	102	66	46	$342,545	$352,000	2.22	1.05
Ferry	12	27	12	7	$216,714	$175,000	3.86	12.00
Clallam	132	113	115	83	$520,324	$444,950	1.36	1.00
Chelan	180	179	119	97	$692,532	$570,900	1.85	1.03
Douglas	78	68	53	65	$464,491	$425,000	1.05	0.55
Adams	19	23	17	10	$429,679	$390,790	2.30	1.63
Walla Walla	98	85	82	65	$522,498	$445,000	1.31	0.93
Columbia	18	24	8	10	$391,540	$315,250	2.40	5.00
Others	94	122	68	41	$468,870	$420,125	2.98	1.70

Total	**13,075**	**8,798**	**10,563**	**9,096**	**$818,146**	**$660,000**	**0.97**	**0.59**

<u>4-county Puget Sound Region Pending Sales (SFH + Condo combined)</u>
(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	7482							

White House "Housing Supply Action Plan" draws praise from housing industry leaders

An ambitious Housing Supply Action Plan unveiled last month by President Biden aims to close the country's housing supply shortfall within five years. Using a combination of legislative and administrative initiatives, the plan -- which the administration called the most comprehensive "all-of-government" effort in history -- drew a generally positive reaction from the housing and mortgage banking industries.

In a news release, White House officials noted fewer new homes were built in the decade following the Great Recession than in any decade since the 1960s; also, the mismatch between housing supply and demand grew during the pandemic.

The shortfall "burdens family budgets, drives up inflation, limits economic growth, maintains residential segregation, and exacerbates climate change," officials stated. While rising housing costs have burdened families across the income spectrum, these costs have hit low- and moderate-income families, and people and communities of color, even harder.

The multi-pronged Biden-Harris housing plan includes:

- Deploying new financing mechanisms to build and preserve more housing where financing gaps currently exists, such as manufactured housing, accessory dwelling units, 2-to-4-unit properties, and smaller multifamily buildings.
- Measures to ensure more government-owned homes and other housing goes to owner-occupants, or nonprofits who will rehab them, and not large institutional investors.
- Working with the private sector to address supply chain issues.
- Improving building techniques to finish construction this year on the most new homes in any year since 2006.
- Helping renters who are grappling with high rental costs by building and preserving rental housing for low- and moderate-income families.
- Rewarding jurisdictions that have reformed zoning and land-use policies.
- Expanding and improving existing forms of federal financing, including for affordable multifamily development and preservation, and institute reforms to the Low Income Housing Tax Credit and the HOME Investment Partnerships Program.

Moody's Analytics estimates the housing shortfall exceeds 1.5 million homes nationwide. The National Association of Realtors®, in a research report it commissioned in 2021, pegged the shortage at 5.5 million homes.

Commenting on the Biden plan, NAR President Leslie Rouda Smith said NAR "welcomes the administration's work on this effort and encourages policymakers to look at comprehensive action." She emphasized comprehensive action is needed that "includes zoning reforms, investment in new construction, expansion of financing and tax incentives to spurt investment in housing and convert unused commercial space to residential."


Leslie Rouda Smith

Continuing, the NAR president said the trade group supports policies encouraging states and localities receiving federal dollars to explore high-density zoning and other land-use rules that lock out families. "We also support new grant programs for localities to enact pro-housing policies."


Bob Broeksmit

Bob Broeksmit, president & CEO of the Mortgage Bankers Association, issued a statement commending the Biden administration "for announcing steps to alleviate the acute shortage of single-family and multifamily housing for prospective homebuyers and renters."

In the same statement the MBA president said his group intends to review all aspects of the plan in greater details, but said, "Eliminating the regulatory barriers to new construction, including manufactured housing, in underserved markets; expanding affordable financing for multifamily development and rehab projects; and a commitment to more private and public sector partnerships will help address the housing supply and affordability challenges that continue to burden families."

The Housing Supply Action Plan also drew praise from the National Association of Home Builders (NAHB).


Jerry Konter

NAHB chairman Jerry Konter, said his group commends the White House "for joining the fight to put the issue of housing affordability in the forefront of the national economic agenda after NAHB had been urging the administration to move on this vital national concern for the past several months."

The NAHB statement also referenced a letter, signed by more than 10,000 of its 140,000 members, it sent to President Biden in April. Citing rapidly rising interest rates, rising home prices and rents, and the rising cost of lumber and building materials, the Home Builders urged "immediate action" to address issues that "threaten to derail the current housing and economic expansion."

The NAHB letter asked the Biden administration to suspend tariffs on Canadian lumber imports. (The Department of Commerce recently announced it had reduced duties on softwood lumber ships from Canada as part of an independent and quasi-judicial process.)

The home building industry, in a statement on its website, said it agrees with the White House that the key to resolving the nation's housing affordability challenges is to build more homes. NAHB describes itself as "a willing partner in solving the affordability crisis that will enable builders to construct more affordable entry-level housing, raise first-time, first-generation and minority homeownership rates, provide quality rental housing and shore up the national economy."

The White House news release outlining the various elements of the Housing Supply Action Plan said the actions build on the strategy the Administration has proposed and urged Congress to pass various measures to recruit more workers into good-paying construction jobs.

The release notes the President's budget includes a 50% increase in funding for Youth Build, investments of $303 million to expand Registered Apprenticeships and $100 million for a new Sectoral Employment through Career Training for Occupational Readiness program, which focuses on growing industries like construction.

If enacted, the plan's proposals would use a combination of existing funding, such as the bipartisan infrastructure bill passed last year, Department of Transportation budgets, and new spending proposals.

Africatown project underway for affordable housing with Afrocentric inspired amenities, community spaces

Photo courtesy of GGLO/David Baker Associates

Construction of a long-anticipated development encompassing 126 affordable housing units and flexible, Afrocentric inspired amenities and community spaces is underway in Seattle's Central District. The seven-story structure culminates years of negotiation and planning coupled with unique financing to create a project that addresses affordability, displacement, and gentrification in the area.

In 2017, when Africatown Community Land Trust (ACLT, Africatown), Forterra, and Lake Union Partners (LUP, a local developer) announced their historic partnership for inclusive redevelopment, Andrea Caupain Sanderson, a board member at Africatown, remarked, "Bold partnerships like this are necessary if Seattle is to truly mitigate displacement, nurture diversity, and create lasting business and residential affordability."

The ground floor of the Africatown building, located at 23rd and Spring Street in a formerly red-lined neighborhood, will encompass retail, community open space, ACLT's new headquarters and a commercial kitchen. Also planned is a public art project curated to honor the legacy of Black families in the Central District. Sculptures, integrated art, a mural, and virtual reality art installations will be featured in more than 20 interior and exterior locations throughout the project.

The six floors of apartments will include studios, 1-, 2- and 3-bedroom units. Residences will be rented to people with 30%-60% of area median income, currently equaling $48,600 for one-person households and $69,420 for a four-person household.

At groundbreaking ceremonies earlier this year, K. Wyking Garrett, president and CEO of Africatown Community Land Trust, called the project “another step toward maintaining and developing a future for the Black community that has called the Central District home for nearly 140 years.”

Garrett, a third-generation community builder and social entrepreneur who grew up across the street from the Africatown Plaza, also described it as “another step in the direction of building a new normal rooted in equity, literally moving away from the modern-day Jim Crow apartheid that has been the status quo.”

ACLT is developing the project in partnership with Community Roots Housing, a public development authority. They are working with several professionals and vendors who are Black, including project architects, members of the design team, the general contractor and Black-owned MAD Construction.

ACLT and Community Roots housing raised $1.26 million for the development. The city of Seattle provided $13.4 million in acquisition and construction financing plus $1.6 million in Equitable Development Initiative funds. King County assisted with $2 million in construction financing. Other funding sources were KeyBank Community Development Lending and Investment, which is providing $37.4 million of construction financing and $14.2 million of permanent financing, and Key Community Development Corp., which is providing $25.7 million of low-income housing tax credit equity.

Project executives said redevelopment of the site is consistent with the vision of the 23rd Avenue Action Plan and the proposed Mandatory Housing Affordability (MHA) legislative re-zone for the Central District along 23rd Avenue. They also noted the project will continue the legacy of community building on the site of the former Umoja PEACE (Positive Education, Art, Culture & Enterprise) Center, the Black-led community organization where the Africatown Seattle movement began over a decade ago. Africatown is also complying with the Evergreen Sustainable Development Standard.

According to information from Africatown Community Land Trust, it was formed to “acquire, steward and develop land assets that are necessary for the Black/African diaspora community to grow and thrive in place in the Central District as well as support other individuals and organizations in retention and development of land.” Its board includes real estate professionals, business executives, entrepreneurs, other professionals and long-time community members from the Central District. ACLT describes itself as being here “not for income, but for outcome.”

The project’s site was acquired after years of contentious relationships.

White developers who had been building multifamily developments in the area were poised to obtain a full-block property for a 400-unit-plus mixed-use apartment project as rising rents were forcing longtime residents out of the Central District, according to reports. Eventually, when the sale of the property to

Lake Union Partners went through, that company and land-preservation nonprofit Forterra and ACLT announced a pioneering plan to sell one-fifth of the block for Africatown Plaza.

Forterra served as the interim purchaser of the parcel on behalf of Africatown, then worked with others to transfer the property in a community development partnership entity. During its 25-year history of securing urban, rural and wild places, Forterra has been a party in more than 400 land transactions.

Yesler Community Collaborative, now named Crescent Collaborative, a local collective impact organization, was a key facilitator in the partnership. The Collaborative has worked with various partners across Seattle's diverse neighborhoods to support equity and sustainability and to counter gentrification in many of Seattle's significant historic neighborhoods.

City of Seattle officials have been actively engaged with the project, with a focus on helping develop and support what has been described as a "new model for equitable development."

At groundbreaking ceremonies, Seattle Mayor Bruce Harrell remarked, "When I walked these streets as a little kid, we were not talking about anti-displacement. We thought we would live here forever."

Lake Union Partners intends to develop between 400-420 apartment homes on their 80% portion of the site.

The full-block project will include capacity for around 515,000 sq. ft. of developable building area. The mixed-used redevelopment of the site is consistent with the vision of the 23rd Avenue Action Plan and the proposed Mandatory Housing Affordability (MHA) legislative re-zone for the Central District along 23rd Avenue.

Most King County property owners getting valuation notices with double-digit increases

Property owners in King County are receiving property valuation notices from the county Assessor's Office. For most homeowners, it means a double-digit increase from their last notice, while owners of commercial properties will see little change.

Notices are being mailed out over the next several months to all 720,000 residential and commercial property owners countywide. Counties are required by state law to adjust property values every year to reflect market sales.

Upon receiving a notice of valuation, a property owner has 60 days to appeal their new value. Higher values do not directly relate to potential tax increases, according to King County Assessor John Wilson.

Property values are currently being set as of January 1, 2021. These values are applied to the 2022 tax bill, explained Wilson. He emphasized taxing districts around the county determine property taxes, not the Department of Assessments.

Even though property values rose by about 9 percent for the 2022 tax year, the increase in the total amount of property taxes to be collected in King County will be a modest 3 percent. Wilson said that is because voter approved levies, and not rising property values, are the primary drivers of property tax increases.

Of valuations that have been updated, the sharpest increases tend to be for homes on the Eastside, in many cases mirroring statistics from Northwest Multiple Listing Service. In many Eastside communities, the adjustments are higher than 30%. These areas include Bothell, Carnation/Fall City, Hunts Point, Kenmore, Mercer Island, North Bend/Snoqualmie, and Yarrow Point.

Valuations in Kirkland, Redmond, Woodinville, and Bellevue are up around 45%, according to the county Department of Assessments. For homeowners on south Sammamish Plateau, the bump-up amounted to 52%.

Since values in Eastside communities are outgaining most other areas, Wilson said owners in those communities will likely assume a greater proportionate share of the tax burden.

Northwest Multiple Listing Service reports show the area-wide median value for single family homes that sold in King County during April jumped nearly 20% from a year ago, rising from $830,000 to $995,000. Homes in North King County had the smallest increase, at 5.2%. Vashon sales price rose nearly 10.8%, followed by the Southwest part of King County (up 14.8%), Seattle (up 16.6%), Southeast King (up 23.6%) and the Eastside (up 32.5%).

A property's location and assessed value influence taxes, along with the number of jurisdictions levying taxes. State, city, county, school district, port and fire district levies can contribute to increases.

"Residential property values have continued to rise during the COVID 19 pandemic, partly driven by a lack of housing inventory," said Wilson. "Still, it is important to remember that voter approved levies, and not the value of your property, is the primary cause of increased property taxes."

Local governments may not increase property tax collections by more than 1% per year without voter approval. That restriction does not apply to voter approved levies.

About 57% of property tax revenues collected in King County in 2022 will pay for schools, according to information from the County Assessor. Voter-approved measures for veterans and seniors, fire protection and parks are also funded by property taxes. About 17% of tax payments are used by King County for roads, police, criminal justice, public health, elections, parks, and other services.

King County collects property taxes on behalf of the state, the county, cities, and taxing districts (such as school and fire districts) and distributes the revenue to these local governments.

Information from the Assessor's office indicate overall, countywide property tax collections for the 2022 tax year are $6.79 billion, an increase of $190 million (up 3%) over last year's total of $6.6 billion. Total County property values jumped more than 9%, from $659.5 billion to $722.5 billion.

RESOURCES FOR TAXPAYERS

4-minute video explaining how property taxes are calculated
https://www.youtube.com/watch?v=ZqnZuhDBdwo

Tax Transparency Tool for reviewing tax distribution for a property. Search by address or Parcel ID #.
https://localscape.spatialest.com/#kingcountyassessor/Tax

Tax relief. Multi-lingual information for seniors, persons with disabilities, and disabled veterans. Applications may be made online or by mail.
https://kingcounty.gov/depts/assessor/TaxRelief/SeniorExemptions.aspx

Tax Advisor Office. This division of the King County Office of the Ombuds is independent of the County Assessor's Office to provide advice and assistance on tax related matters including appeals.
https://kingcounty.gov/independent/property-tax-advisor.aspx

2021 vs 2022 Property Tax Bills and Residential Median Values by City

Mandatory education on Fair Housing now in effect

Real estate licensees in Washington must complete a new 6-hour Fair Housing course under a law that went into effect on June 1.

Additionally, only pre-approved schools or instructors may offer the mandatory course titled "Washington Real Estate Fair Housing (6-hr) (3-hr)." This is the only course approved to date. Instructors and schools can submit applications by signing into their SAW account and completing the form. The goal of these limitations, according to the Washington State Department of Licensing (DOL), is "to ensure all licensees have the necessary training and understanding of historic and current discriminations surrounding the buying, selling, and renting of houses."

DOL was charged with implementing Substitute Senate Bill 5378 and developing the curriculum with input from several entities. The licensing department is also updating the Real Estate Fundamentals and Real Estate Law course to include Fair Housing.

All brokers and managing brokers renewing their licenses in 2022 must take the approved Fair Housing course by June 1, 2023 (a full year from now). Those who completed their education before June 1, 2022, including those who obtained their first license before June 1, 2022, are required to take the class prior to renewal. Upon completing the Fair Housing course, existing licensees will receive credit on their account.

Licensees can log into their account to search for the new course and an accredited school. Those who fail to complete the mandatory Fair Housing training curriculum by the deadline will be out of compliance and their license will expire.

As part of the implementation process and development of course curriculum, DOL conducted listening sessions for feedback from stakeholders, schools, instructors, and the public. Among entities they identified as providing input were:

- Associations that represent real estate brokers and agents;
- Washington State Commission on African American Affairs;
- Washington State Commission on Hispanic Affairs;
- Governor's Office of Indian Affairs;
- Washington State Commission on Asian Pacific American Affairs;
- Washington State Human Rights Commission;
- Governor's Committee on Disability Issues and Employment;
- Washington State LGBTQ Commission; and
- Washington State Housing Finance Commission.

DOL has published a 3-page Q&A document for licensees and posts updates on its News page.
Questions may be directed to: DOLEducation5378@dol.wa.gov.
Licensees can also subscribe to DOL's listserv for updates: Real Estate Program LISTSERV

What would you do with found money?

Consider a few numbers:
$1,180,105,478 (available cash)
11,148,844 (number of owners)
72,295,389 (available shares)
2,266 (available tangibles)

Those are the breakdowns of unclaimed property held by the Washington State Department of Revenue (DOR).

DOR is the custodian for unclaimed property. It is charged with administering a program to find the rightful owners (or their heirs) of lost or misplaced property. The agency is also responsible for educating and providing guidance to holders of unclaimed property to ensure compliance with unclaimed property laws.

Department of Revenue Washington State

DOR launched a new website in 2021, ClaimYourCash.org, designed to be more user-friendly. The free and secure service features a FastTrack process for "instant approval" of some claims, an expanded search function, bilingual videos, FAQs, and the ability for claimants to check the status of their claim.

Since 1955, DOR has returned more than $1.2 million "that people forgot or didn't know existed." During the past three fiscal years, more than 471,000 refunds have been processed and $221.5 million has been paid to claimants.

Property is usually considered unclaimed after three years, at which point it is turned over to the state. Banks, retailers, credit unions, utilities, corporations, insurance companies, and governmental entities are among many sources of unclaimed property.

According to DOR, the most common types of unclaimed property include bank accounts; insurance proceeds; stocks, bonds, and mutual funds; utility and phone company deposits; customer/patient credits; refunds (e.g., from memberships); uncashed checks (e.g., payroll, insurance payments, or travelers' checks); money orders; and safe deposit box contents. (DOR holds tangible property, such as items found in a safe deposit box, for at least two years before it is auctioned off. Proceeds are then held indefinitely for the owner to claim.)

Unclaimed property does not include real estate, vehicles, and most other physical property.

Laws pertaining to unclaimed property began in the U.S. as a consumer protection program. It has evolved to protect not only the owners, but also their heirs and estates. Washington laws (RCW Chapter 63.29) require businesses and other organizations to review their records every year to determine whether they hold any property that meets the definition of unclaimed property.

Revenue's Unclaimed Property team was selected the 2020-21 Unclaimed Property State of the Year by the Unclaimed Property Professionals Organization. The award recognizes a state that "has gone above and beyond to assist the companies that are required to remit unclaimed property to the state."

DOR reminds residents that unclaimed property can be prevented by keeping accounts active, such as by making a deposit or withdrawal, updating contact information, and logging into personal accounts.

Does a windfall await you? Start a search by clicking here.

Builder confidence sinks amid growing affordability challenges

Growing affordability challenges are causing builder confidence in the housing market to erode, according to the National Association of Home Builders. NAHB believes these challenges are growing.

The latest NAHB/Wells Fargo Housing Marketing Index (HMI) showed an eight point drop in builder confidence for newly built single-family homes in May, falling to 69. That marked the fifth consecutive month of declining builder sentiment.

NAHB cited rapidly rising interest rates, double-digit price increases for material costs, and ongoing home price appreciation as factors for the plunging confidence, noting the housing sector is particularly sensitive to changes in interest rates.

Among the challenges builders face are escalating costs of building materials (up 19% from a year ago), and a rapid surge in mortgage rates to a 12-year high. Based on current affordability conditions, less than half (50%) of new and existing home sales are affordable for a typical family. For entry-level and first-time home buyers, current conditions are particularly difficult.

NAHB has conducted a monthly survey gauging builder perceptions for more than 35 years. The group analyzes three metrics and compares geographic regions.

All three HMI indices declined in May. Sales expectations had the steepest drop, falling 10 points to 63. The measure charting traffic of prospective buyers posted a nine-point decline to 52, while the metric gauging current sales conditions fell eight points to 78.

Analysts use the scores for each component to calculate a seasonally adjusted index where any number over 50 indicates more builders view conditions as good rather than poor.

A comparison of regions shows the Midwest with the steepest drop in the three-month moving average for regional HMI scores. It fell seven points to 62, followed by the West where the average declined six points to 83. The South fell two points to 80 and the Northeast held steady at 72.

NAHB members build more than 80% of all new housing in the United States, employing more than 10 million people nationwide. The federation has 140,000 members affiliated with 800-plus state and local associations. About one-third of its members are home builders or remodelers.

Existing home sales shrink, price appreciation grows

Existing home sales around the country continued to slide in April, falling to the lowest level since June 2020. Analysts at the National Association of Home Builders attributed the decline to rising mortgage rates and higher home prices, stating that combination is pricing out first-time and young buyers.

Citing data from the National Association of Realtors®, NAHB noted year-over-year sales were down 5.9%. Single family homes, townhomes, condominiums, and co-ops were included in the statistics.

First-time buyers comprise a shrinking share of homebuyers, accounting for 28% in April. That’s down from the previous month (30%) and 12 months ago (31%).

All-cash sales dropped from a month ago but rose slightly from a year ago. They accounted for 26% of April’s transactions, down 2% from March, but up from the year-ago figure of 25%.

Inventory totals were mixed. April’s tally rose from 0.93 million in March to 1.03 million units, but it was down from the year-ago figure of 1.15 million units. That amounts to about 2.2 months of supply, which NAHB believes is “ongoing good news for home construction.”

Nearly nine of every 10 homes (88%) sold during April were on the market for less than a month, averaging just 17 days, the same as March and a year ago.

Prices continued to escalate, jumping 14.8% from twelve months ago. The April median sales price of all existing homes was $391,200. That marked the 122nd consecutive month of year-over-year increases for a record-setting streak. For existing condos/co-ops, the median price for April’s transactions was $340,000, up 13.1% from a year earlier.

The West notched the steepest drop in the volume of existing sales compared to March, at 5.8%. Sales in the South dipped 4.6% while both the Northwest and Midwest experienced gains of 1.5% and 3.1% respectively. Compared to a year ago, all four regions had fewer sales with the declines ranging from 1.5% in the Midwest to 10.7% in the Northwest.

Support for Ukraine, urgent need for medical supplies & more

A NWMLS member is working directly with the Washington State Ambassador to Ukraine to collect funds for humanitarian aid. Many hospitals in Ukraine have been destroyed and there is a critical need for medical supplies.

You can help by making a donation to the Ukrainian Association of Washington State. You may donate any amount you like, and choose how you'd like your donation to be distributed:

- Delivery of medical supplies to hospitals in Ukraine
- Providing civilians with life-saving tactical medicines
- Providing body armor to civilian defense units
- Helping displaced families and orphans
- WARM 106.1 Teddy Bear Patrol

The Ukrainian Association of Washington State, is a non-profit organization which works to promote and preserve Ukrainian heritage.

News In Brief

- **The Evergreen State ranked No. 1 as the best state for nurses, according to a recent WalletHub study.** WalletHub said it compared all 50 states using 21 metrics and Washington took home the top spot, edging Maine, New Mexico, Minnesota, New Hampshire and Oregon, respectively. Some of the criteria included highest salaries, most and fewest job openings per capita and most and fewest healthcare facilities. The article on WalletHub said the mean annual salary for nurses hovers around $80,000 nationally, and the profession boasts one of the lowest unemployment rates in the country. Click here for the full story and report from WalletHub.

- **Client Giant, an automated gifting service, named Seattle one of the 10 best cities in America to start a small business.** The Emerald City was ranked No. 7 on the list, behind No. 1 San Francisco, Austin, Minneapolis, San Jose, Columbus and Nashville. Seattle edged No. 8 Boston, Portland and Denver on the list. The rankings were based on the number of small businesses in each city, the city's economic growth and small business incentives from local government. The first week of May is National Small Business Week, prompting the report. Click here for the full report from Client Giant.

- **A recent WalletHub study found that Washington state ranks 23rd in the country for drug use despite having the third-highest percentage of adult drug users.** West Virginia topped the list of 51, ahead of the District of Columbia, Arkansas, Missouri, New Mexico and Nevada. Oregon was ninth on the list, which was compiled using 21 metrics ranging from arrest and overdose rates to opioid prescriptions and employee drug-testing laws, according to WalletHub's report. Vermont, Oregon and Washington ranked Nos. 1-3, respectively, with the highest percentage of adult drug users. Washington also claimed the No. 3 ranking, behind Oregon and Colorado, with the highest percentage of adults with unmet drug-treatment needs. The Evergreen State ranked 51st in the nation — the lowest possible — with the fewest people receiving substance abuse treatment per 1,000 drug users. Click here for the full report from WalletHub.

- **Washington state saw the 14th-largest rent increase since 2019 among American states, according to a new report from Stessa.** The Evergreen state's median rent jumped from $1,571 in 2019 to $1,782 in 2022. Among U.S. small cities, Yakima ranked near the top with a 29.7 percent increase over that time span, good for fifth in the country. In the midsize category, the Spokane Valley area ranked ninth-highest an increase of 23.1 percent. The Portland area's 19.4 percent increase was ninth-highest among large cities. Click here for the full Stessa report.

- **Prices for rent increased in Tacoma over the past year at a steeper rate than nearly any other city in America, according to a rent.com report.** The Pierce County city saw a 39.7 percent increase in rent year-over-year, the eighth-highest in the country. Tacoma trailed No. 1 Oklahoma City (133.3 percent), Austin (112.5), Long Beach, Calif. (50), Jersey City (49.6), Nashville (48.9), Huntington Beach, Calif. (46.4), and Garland, Texas (46.1). New York (39) and Little Rock, Ark. (36.8), rounded out the top 10. The average one-bedroom apartment is renting for $2,528 in Tacoma as of April, according to rent.com. New York tops the list with an average rental cost of $5,119. The second-highest is Jersey City, which checks in at $3,943. Click here for the full report from rent.com.

- **The Evergreen State is the eighth-best state in America to be a police officer, according to a recent WalletHub study.** WalletHub ranked all 50 states plus the District of Columbia using 30 key indicators, from median income for law-enforcement officers to police deaths per 1,000 officers to state and local police-protection expenses per capita. Connecticut ranked No. 1 in the country, ahead of California, Illinois, DC, Maryland, Massachusetts and Minnesota. Mississippi, West Virginia, Alaska, Hawaii and Arkansas ranked Nos. 47-51, respectively. Washington ranked second in the nation in median income, median income growth and road safety, and 16th in violent-crime rate.

- **A recent study from autoinsurance.org found Seattle ranks No. 7 in the country for most expensive commutes.** The average daily commute time in Seattle is 28 minutes, and the annual cost to drivers is $9,790, according to autoinsurance.org. The coasts dominated the top 10, with

Fremont and San Francisco in California registering the most expensive commutes in the country. Fremont's annual commute is 36.4 minutes and costs $15,005, while San Francisco's is 34.7 minutes and costs $13,015. Jersey City ranks third, following by Arlington, Va., New York, San Jose, Seattle, Irvine, Calif., Oakland and Chicago. The least expensive commute belongs to Lubbock, Texas, according to the study, followed by Laredo, Texas. Lubbock's average daily commute is 16.2 minutes and costs $2,874 annually. Click here for the full report.

- **With college graduations across the country nearing, WalletHub conducted a study to find out which cities are the best to start a career. Seattle ranked No. 5 in the country** thanks in part to the lowest unemployment rate in America. The Emerald City boasts the second-highest percentage of adults 25 and older with at least a bachelor's degree. The study found Seattle ranked 11th in percentage of residents who are fully vaccinated. Other criteria included projected population growth, starting salary (adjusted for cost of living), entry-level jobs per 100,000 working-age people and annual job-growth rate. Salt Lake City took home the top spot in the study, followed by Orlando, Atlanta and Austin. Boise, Miami, Tampa, Portland, ME, and Columbia, SC., rounded out the top 10. According to WalletHub, employers are planning to hire 31.6 percent more graduates from the class of 2022 than they did from the class of 2021. Click here for the full study results.

- **SmartAsset analyzed 322 of the largest cities in the United States to determine the fastest-rising housing markets, and two Puget Sound cities ranked in the top 25. Everett claimed the No. 3 slot, while Bellevue took home No. 25.** SmartAsset, a personal finance company, used three metrics: home value growth, income growth and housing demand (the difference between population growth and housing unit growth). The following blurb about Everett was written by SmartAsset in the report: *Everett, Washington is located 25 miles north of Seattle and ranks in the top 10% of cities for all three metrics we considered. Everett had the 26th-largest median household income growth between 2016 and 2020, rising 29.63%. The city also saw its median home value rise 48.60% during that time (28th-highest overall). Meanwhile, the city had the 30th-highest housing demand across our study, as its population grew 3.20% faster than the number of new housing units.* Six of the top nine cities are in California. Click here for the full report.

- **A new WalletHub study found Washington state is the No. 1 state in the country for millennials.** The personal-finance website compared all 50 states and the District of Columbia using 34 key metrics, including share of millennials, millennial unemployment rate and millennial voter-turnout rate. Washington state ranked fourth in percentage of millennials and average monthly earnings for millennials. The Evergreen state ranks ninth in percentage of millennials living with parents, 17th in percentage of insured millennials and 19th in millennial unemployment rate. The District of Columbia, Massachusetts, Utah, Illinois, Minnesota, Oregon, Wisconsin, Virginia and Colorado rounded out the top 10, respectively. Louisiana, Arkansas, New Mexico, West Virginia and Mississippi ranked Nos. 47-51, respectively. Click here for the full report from WalletHub.

- **Zillow ranked the city of Woodinville as the country's "most popular" housing market for the early part of 2022.** The ranking is based on Zillow page views, home prices and other metrics. Another Washington city made the list, too: Edmonds ranked No. 5. Suburban cities in other states, from California to Florida, rounded out the top 10. All of the top cities are about a half-hour from a city center, helping to "paint a picture of how remote work has changed the U.S. housing landscape," wrote Zillow economist Nicole Bachaud. Interest in the suburbs — whether for more space or lower prices — has been a driving force in the local housing market since the start of the pandemic, with some areas outside of Seattle seeing home prices jump 20% to 30% in one year according to the *Seattle Times*.

- **Seattle ranked No. 7 in the country among the best cities to raise a family, according to a recent WalletHub study.** Nearly 32 percent of people who moved last year said they did so to be closer to family, according to WalletHub. The personal-finance site said the average American moves 11.7 times in their lifetime. For the study, WalletHub compared more than 180 cities using 46 key metrics, including housing affordability, quality of school systems, the percentage of fully-vaccinated residents and more. Fremont, Calif., took home the No. 1 slot, followed by Overland Park, Kansas, Irvine, Calif., Plano, Texas, Columbia, Md., and San Diego. Detroit claimed the 182nd and final spot. Click here for the full report from WalletHub.

Calendar of Events

DATES	EVENT	TIME	LOCATION	CONTACT
6/13	Charity Golf Tournament	11:00 a.m. – 5:00 p.m.	Redmond Ridge	425-974-1011
6/14	Gov't Affairs Committee	10:30 a.m. – 1:00 p.m.	SKCR	425-974-1011
6/15	YRN Brunch & Networking	10:00 a.m. – 12:00 p.m.	WAC	425-974-1011
7/4	Holiday – Office Closed			

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