NW REporter

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Northwest MLS report shows "typical August," and return to more "normalized conditions"

KIRKLAND, Washington (September 8, 2022) – Reports that we are entering a "bear market" are highly exaggerated, suggests an economist who tracks real estate activity when commenting on the latest statistics from Northwest Multiple Listing Service (NWMLS). A director with the multiple listing service said the latest data may just reflect a typical August, noting activity tends to be slow as summer ends.

"Many may not remember August is usually a slow month because we were in a full-on sprint the last two years no matter which month it was. This may just be an adjustment back to normal," said Jason Wall, designated broker and owner at Lake & Company Real Estate and a member of the Northwest MLS board of directors.

In a report summarizing August activity, Northwest MLS figures showed a continued buildup of inventory – nearly double the selection of a year ago and more than three times the offerings at the end of the first quarter.

Brokers added 9,914 new listings to inventory during August, a drop from both July's total of 11,805 and the year-ago total (11,437). At month end there were 14,683 active listings of single family homes and condominiums across the 26 counties in the NWMLS report.

Fewer sales were reported than a year ago, but both pending sales (mutually accepted offers) and closed sales improved on July's figures.

Northwest MLS members reported 9,552 pending sales, a drop of nearly 22% from the year-ago total of 12,238 pendings. Every county except Columbia experienced a decline in pending sales. Activity picked up from July when there were 8,775 pending sales, a gain of nearly 8.9%.

Similarly, the volume of closed sales fell from a year ago. MLS members recorded 7,998 completed transactions, improving 4.6% from July's total of 7,645. But last month's closings were down about 24% from the same month a year ago when members notched 10,571 closed sales.

"Last month's housing numbers certainly are eye-opening," stated Windermere Chief Economist Matthew Gardner. "However," he continued, "I believe they are simply indicating the market is trending back to the more normalized conditions that we were seeing before the pandemic."

J. Lennox Scott, chairman and CEO of John L. Scott Real Estate, commented on the local housing market's resilience. "The resilience is clear as a steady cadence of homes going under contract continues. In the more affordable and mid-price ranges, demand remains strong as buyers look to get settled before fall."

Broker Dean Rebhuhn, owner at Village Homes and Properties, commented on inflation and pent-up buyer demand. "Buyers are realizing homeownership is a good hedge against inflation," he remarked. "The market took a slight pause as mortgage rates increased from historic lows. Then, as sellers came to the market with realistic pricing, and price reductions on existing inventory occurred, pent up buyer demand took effect and buyers found homes they could afford."

Rebhuhn also noted last month's sales showed home values continue to appreciate.

The median price on sales of single family homes and condos that closed during August was $600,000, up more than 3.6% from a year ago, but down slightly from July when the area-wide price was $625,000.

For single family homes, year-over-year (YOY) prices rose about 4.2%, from $600,000 to $625,000. Homes in San Juan County registered the steepest jump, climbing from $800,000 to $995,000 (up nearly 24.4%).

A comparison of the four counties in the Puget Sound region shows year-over-year median prices for single family homes increased from 5.9% in King County to 9.2% in Kitsap County.

Within the six sub-areas on the report for King County, North King County notched the largest YOY gain on single family home prices at 11.5%, followed by the map areas within Seattle (5.9%), Southwest King County (4.1%), the Eastside (about 3.9%), and Southeast King County (nearly 3%). Prices fell 11.3% on Vashon compared to a year ago.

Condo prices system-wide rose 3.3% from twelve months ago. Across all counties, the median price rose from $435,625 to $450,000. In King County, where nearly 60% of condo sales occurred, the median price increased 5.9%, from $458,000 to $485,000.

A check of the sales price to list price ratio shows an area-wide ratio of 99.3%. In three counties – Pierce, Thurston and Douglas – sellers received slightly more than their asking price. In ten other counties, the ratio was between 99.1% and 99.9%.

Economist Gardner expects prices will soften. "Home sales increased month-over-month, but the rise in listings is causing prices to soften," he remarked, adding, "I predict prices will drop further as we move into the fall, but reports that we are entering a "bear market' are highly exaggerated. The market is simply reverting to its long-term average as it moves away from the artificial conditions caused by the pandemic."

Commenting on the uptick in inventory, Gardner said, “Even though inventory in the King, Pierce and Snohomish counties region almost doubled from a year ago, the number of homes for sale is still 14% lower than in August of 2019.”

Wall and Scott also commented on the jump in inventory.

Scott expects only two more months this year will have an increased selection of new resale listings coming on the market. “Once winter hits, new resale listings will become scarcer until activity ticks up to a higher level in March 2023,” he stated.

Wall also believes inventory will grow, saying, “I expect we will see even more inventory as we move out of the summer and into fall. Sellers will need to be more realistic about pricing and follow the advice of their broker regarding preparation of the home and positioning in the market. Buyers will have more inventory to look at and the longer market times may give buyers some leverage that they have not had in the past few years.”

John Deely, executive vice president of operations at Coldwell Banker Bain, also anticipates a more balanced market. “With continued building of inventory and fluctuating yet rising interest rates in July, we were on a trend toward a more balanced market. This seems to have cooled slightly as active inventory dropped from July to August. And, with less than two months’ inventory, we are still very much in a seller’s market.”

Commenting on prices, Deely reports increased competitiveness. “With the increase in median price slowing down to single digit percentages for the last two months, we are also seeing some competitiveness in pricing. Sellers are closely watching the market and pricing competitively to get their property sold. The increase in market time reflected in the months of inventory is due to sellers who are not pricing accurately, so their homes are sitting on the market longer.”

Despite the surge in inventory, the Northwest MLS report shows there is only 1.84 months of supply – and that’s down from July’s figure of 2.01 months. Only six counties had more than three months of supply: Adams, Ferry, Lewis, Okanogan, Pacific, and San Juan. Most industry analysts consider four to six months of inventory to be a balanced market.

“Buyers have taken a beating the last few years,” said Wall. “A move to a more balanced market will likely encourage buyers that stopped looking to rethink the idea and return. Even if interest rates are higher the continued rise in rent expense still makes owning a home an attractive idea.”

Lawrence Yun, chief economist at the National Association of Realtors®, believes “we may be at or close to the bottom in contract signings” for the current housing cycle. He noted housing affordability plummeted to its lowest level since 1989, in part due to rising mortgage rates and prices, but he expects annual price appreciation to moderate “to the typical rate of 5% by the end of this year and into 2023.”

Continuing the optimistic outlook, Yun stated, “With mortgage rates expected to stabilize near 6% alongside steady job creation, home sales should start to rise by early next year.”

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

Northwest. Based in Kirkland, Washington, its service area spans 26 counties, and it operates 21 local service centers.

Single Fam. Homes + Condos	LISTINGS		PENDING SALES	CLOSED SALES			MONTHS OF INVENTORY	
	New Listings	Total Active	# Pending Sales	# Closings	Avg. Price	Median Price	This month	Same mo., year ago
King	3,198	4,307	2,919	2,601	$1,004,682	$815,000	1.66	0.62
Snohomish	1,449	1,901	1,529	1,100	$771,479	$700,000	1.73	0.49
Pierce	1,534	2,230	1,624	1,302	$619,193	$550,000	1.71	0.62
Kitsap	507	692	509	461	$641,131	$547,380	1.50	0.63
Mason	157	272	147	131	$494,972	$435,000	2.08	0.75
Skagit	249	368	223	180	$618,724	$515,000	2.04	0.92
Grays Harbor	201	431	187	150	$355,256	$327,500	2.87	1.50
Lewis	178	369	157	102	$436,123	$399,000	3.62	1.40
Cowlitz	160	241	163	129	$402,131	$376,000	1.87	0.71
Grant	116	210	119	107	$371,297	$350,000	1.96	1.36
Thurston	530	657	544	468	$554,398	$489,995	1.40	0.49
San Juan	42	127	34	22	$978,364	$940,000	5.77	2.38
Island	180	278	177	192	$647,962	$565,000	1.45	0.76
Kittitas	106	212	103	85	$772,474	$545,000	2.49	1.38
Jefferson	94	127	71	63	$592,881	$618,500	2.02	1.00
Okanogan	69	195	41	48	$426,897	$357,250	4.06	3.27
Whatcom	459	734	401	332	$626,657	$577,125	2.21	0.85
Clark	99	160	86	81	$551,620	$515,000	1.98	0.61
Pacific	78	172	58	50	$301,005	$287,000	3.44	1.92
Ferry	10	30	6	8	$196,163	$172,450	3.75	5.60
Clallam	113	199	114	75	$533,340	$481,000	2.65	1.06
Chelan	137	294	119	111	$657,652	$571,000	2.65	1.43
Douglas	54	97	49	45	$583,096	$480,000	2.16	0.96
Adams	26	59	9	16	$326,923	$304,933	3.69	1.55
Walla Walla	66	98	68	58	$498,196	$425,000	1.69	1.15
Columbia	9	24	11	12	$324,825	$267,450	2.00	1.45
Others	93	199	84	69	$450,329	$403,045	2.88	1.30
Total	**9,914**	**14,683**	**9,552**	**7,998**	**$742,151**	**$600,000**	**1.84**	**0.70**

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	7482	6031	5934	6581				

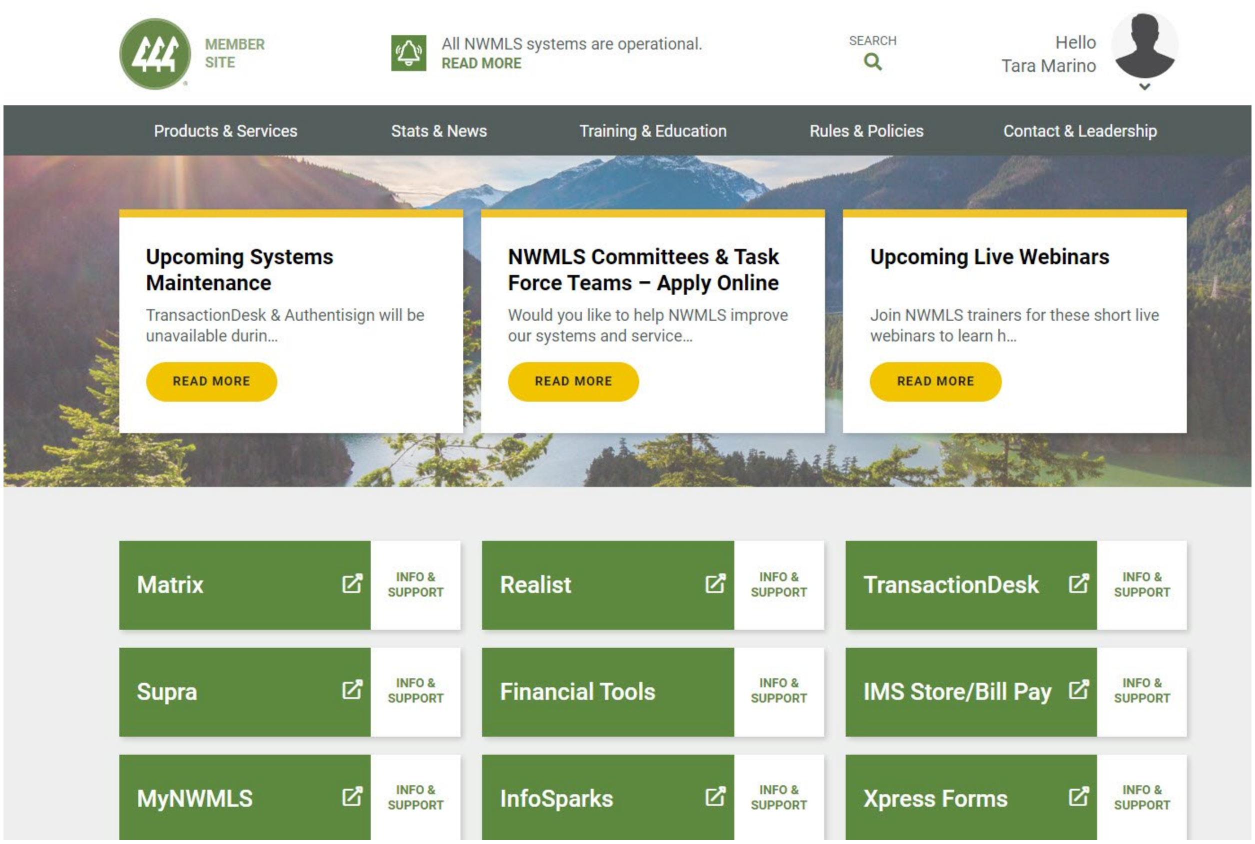
New NWMLS website designed to enhance online experiences, productivity

When Northwest Multiple Listing Service unveils its redesigned website on September 13, users will find several new features, improved navigation, better functionality, and a mobile-friendly design.

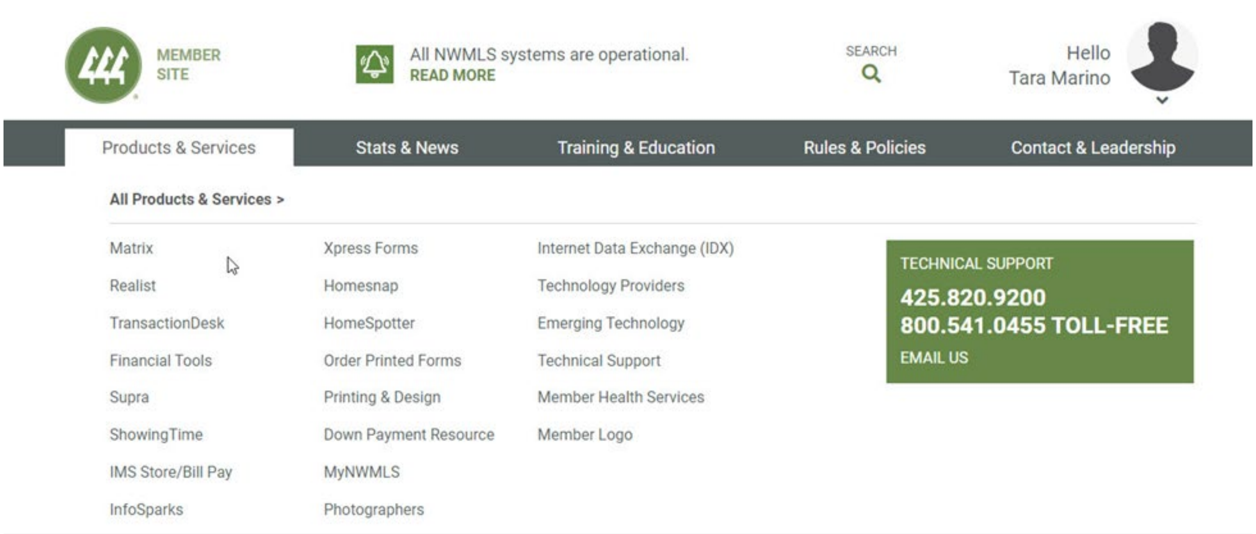
The launch culminates months of preparation and testing. It also reflects feedback from Northwest MLS membership, according to Tara Marino, the organization’s director of communications and training.

Marino said live webinars, a video, and printable guides are among training opportunities members can access to familiarize themselves with the modernized NWMLS.com site. The brand refresh included the member-only site and the corporate (public-facing) site.

The new site for members provides easy access to all products and services. Whether viewed from a smartphone, tablet, desktop of other device, this one-stop online resource is organized into six sections: Products & Services, Stats & News, Training & Education, Rules & Policies, Contact & Leadership. Additionally, there’s an icon for My Account, which members can access simply by hovering over their profile photo.

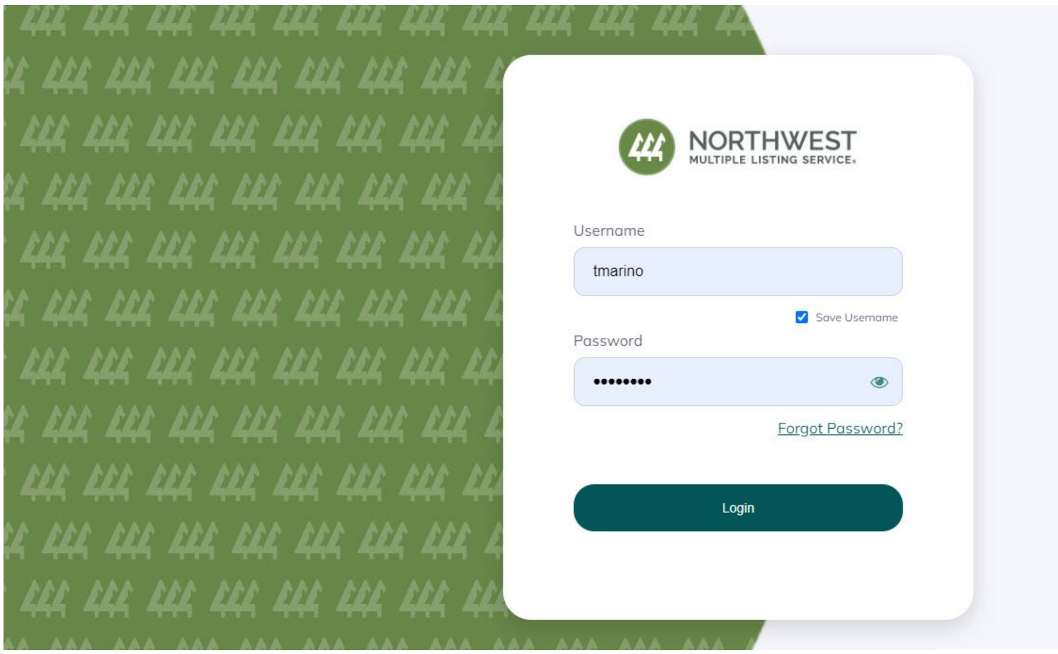


The member site home page also has quick access to system statuses or issues, timely announcements, and easy access buttons for opening favorite products to connect with information and support. Simply by clicking their photo, members can view and edit their profile on MyNWMLS, as well as review account information or pay dues.



The top menu of the member site is also where members can register for training, review rules, or contact any of the 21 office locations for NWMLS. By clicking on the Products & Services tab, users can easily navigate to nearly two dozen resources ranging from Matrix, Realist and TransactionDesk to forms, or technical support.

The new version of the login page has an option to save a LAG number so it auto-fills and won't have to be manually entered on each visit. Another big win for members is the ability to have your web browser save your NWMLS password by opting to "save username." (See screenshot below.)



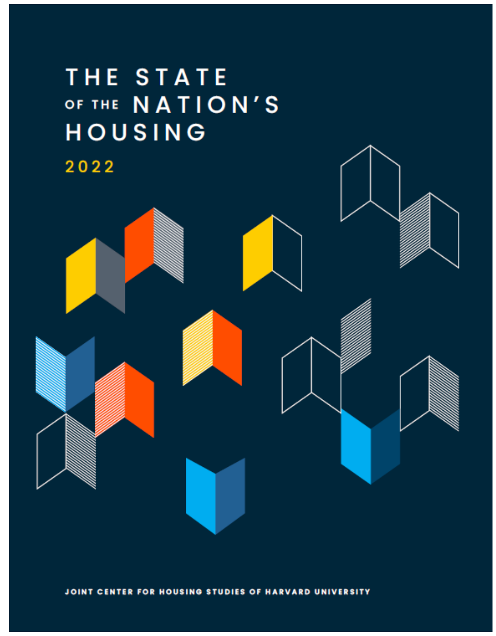
Among new features for consumers is a broker search tool where non-members can look up NWMLS brokers and offices in their area. Real estate news and information about services NWMLS provides to members are also featured.

The "new look" NWMLS is designed to improve members' online experiences, interactions and productivity. Marino said the rejuvenation project also encompasses updates to the NWMLS brand to reflect growing membership and its leadership position in the industry. As part of the process, this month's rollout will include a refreshed logo, color palette and new materials.

Report concludes housing stock is in "dire need of investment" to meet demands

Some 4 million renter households have been priced out of homeownership in the past year due to rising home prices and mortgage interest rates. Eroding affordability was among findings in the latest *State of the Nation's Housing* report from Harvard's Joint Center for Housing Studies.

Authors of the 48-page report described the housing market as being at an inflection point, noting the surge in prices of gas, food and other necessities has made matters worse, "especially now that most emergency government supports have ended."



On a brighter note, researchers believe the large number of apartments under construction should bring some relief on the rental side. Nonetheless, they suggested the pressure of high housing costs is "unlikely to relent" for lower-income households and households of color.

To illustrate the impact of changes in prices and interest rates, researchers tabulated year-over-year increases and the resulting effect on a potential owner's cost. JCHS staff based their analysis on data from Freddie Mac, primary mortgage market surveys, and existing sales figures from the National Association of REALTORS®.

	April 2021	April 2022	Change 2021-2022
Interest Rate (percent)	3.06	4.98	1.92
Median Home Price	$340,700	$391,200	$50,500
Downpayment and Closing Costs	$22,100	$25,400	$3,300
Monthly Mortgage Payment	$1,400	$2,020	$620
Total Monthly Owner Costs	$2,060	$2,780	$720
Annual Income Needed	$79,600	$107,600	$28,000

Estimates assume a 3.5% downpayment on a 30-year fixed-rate loan with zero points, 0.85% mortgage insurance, 0.35% property taxes, 1.15% property taxes, 3% closing costs, and a minimum 31% debt-to-income ratio.

Source: The State of The Nation's Housing 2022

Total monthly payments rose by at least $500 since a year ago in 70 of the 100 largest metro areas, including 30 metros where owner costs spiked more than $1,000 per month.

In the Seattle-Tacoma-Bellevue region, where the median home price was pegged at $811,553, the increases mean the estimated mortgage payment would be $4,196; with the addition of other costs, the estimated monthly payment climbs to $5,765.

Nationwide, JCHS calculated home price appreciation in March 2022 was 20.6%, marking the largest jump in 30 years of recordkeeping. “Severe constraints” on supply are blamed for much of the record surges, with surprisingly strong household growth during the pandemic being a contributing factor.

Further pressure on prices is attributed to investors who are buying up moderately priced homes either to convert to rentals or to upgrade and resell. The report cites findings by CoreLogic which found the investor share of single family home sales during first quarter 2022 hit 28%, a sharp increase from a year earlier when investors accounted for 19% of such sales.

More and more households are being priced out of homeownership and related benefits such as the potential to build significant wealth through home equity, according to the JCHS report. The challenge coincides with a time when households of color need increased access to narrow wide racial gaps.

While the homeownership rate for non-Hispanic white households is 74.6%, it is only 48.3% for Hispanic households and 46.0% for non-Hispanic Black households.

In addition to longstanding racial inequities, the JCHS report outlines several other challenges, including:

- The affordability squeeze. Nearly a third of households are cost burdened, spending more than 30% of their income on housing costs; among renters, roughly 46% are at least moderately cost burdened.
- Rising housing instability. Coinciding with ending government protections, eviction filings started climbing.
- One-time allocations from remaining relief measures to support both renters and homeowners in distress.
- Longer-term assistance needs. An estimated 7.8 million unassisted households with very low incomes had severe costs burdens and/or lived in severely inadequate housing. “The stopgap measures put in place over the past two years underscore the need for substantial, consistent investment in affordable rental housing,” the authors wrote. They found that chronic underinvestment in HUD-funded programs has left the stock of 932,000 public housing units with capital needs estimated at $81 billion in 2020.
- Expanding the market-rate supply of both for sale and for rent housing. State and local zoning reforms, repurposing commercial properties vacated during the pandemic, and adoption of more efficient construction methods are among ways to boost sources of housing.
- Meeting the needs of an aging population. The number of households headed by adults age 65 and over is projected to surge from around 33 million in 2018 to more than 50 million in 2038. That increase is escalating the need for accessible housing.
- Growing risks from climate change. The cost of disaster repairs for homeowners has jumped 117% from 2009-2019. “In addition to threatening the homes and lives of residents, weather-related disasters pose serious risks to the housing finance system,” the report states, with a call for Fannie Mae and Freddie Mac to make the system more resilient, and for incentives for owners in high-exposure areas to either mitigate their risk or relocate.
- Mitigating housing’s environmental impacts. The residential sector generates about a fifth of the nation’s direct greenhouse gas emissions, prompting a call for stricter requirements for the

energy efficiency of new homes, energy-efficient retrofits of existing homes, and a shift toward electrification and renewable energy sources.

In their outlook, authors of The State of the Nation's Housing emphasized developing the policies and practices to meet housing needs will take "concerted efforts by both the public and private sectors."

Principal funding for the report was provided by the Policy Advisory Board of the Joint Center for Housing Studies and Wells Fargo, along with support from more than a dozen other entities.

Industry expert testifies for ways to alleviate housing crisis

Recent record-setting surges in home prices and rents have exacerbated longstanding housing affordability challenges, a housing studies leader told members of the U.S. House Committee on Ways and Means during testimony in mid-July.

A comprehensive, substantial approach by public, private and nonprofit sectors is needed to alleviate the housing crisis, stated Dr. Christopher Herbert, managing director at Harvard's Joint Center for Housing Studies (JCHS) and a lecturer in the Department of Urban Planning and Design at the university's Graduate School of Design.

Drawing from this year's JCHS annual report, *The State of the Nation's Housing*, Herbert emphasized the new supply of housing is failing to keep pace with demand. The pandemic boosted housing demand resulting in worsening housing affordability for both would-be homebuyers and renters.

During his testimony, Herbert described the consequences of high housing cost burdens for the lowest income households, noting these significant burdens lead to reduced spending for food and healthcare and increasing housing instability. Quality housing is "foundational for a healthy and productive life for every person in America," he said to committee members.

Investing in good quality, affordable and secure homes in thriving communities "would pay dividends to society as well, in a more productive workforce, lower public spending for healthcare and other supports, and enhanced economic activity in the important housing sector," Herbert emphasized in his prepared remarks.

Among conditions and challenges of today's housing market the JCHS director highlighted during his remarks, which he titled, "Nowhere to Live: Profits, Disinvestment, and The American Housing Crisis," were:

- Record-setting gains in home prices and rents.
- Tight market conditions being a key driver of rising prices for both buyers and renters.

- Surging housing demand, particularly among millennials, but also from investors in the single-family market.
- New construction lagging demand over the past decade. In addition to not keeping pace with household growth, new supply has been concentrated in larger, more expensive buildings, while in the multifamily market, new apartments have been concentrated in larger buildings in prime urban locations. Also, Herbert added, land use regulations and disruptions in the availability of building materials have constrained supply in many communities.
- Trends in housing affordability. “Importantly, racial inequalities in the housing market and the broader economy are clearly reflected in disparities in the incidences of housing cost burdens,” Herbert emphasized, citing figures from the 2020 American Community Survey.
- Homebuyer affordability deteriorates. To illustrate his point, Herbert used Freddie Mac data showing the impact of rapidly rising home prices and sharply higher interest rates.
- Worsening affordability likely to exacerbate racial disparities in homeownership. In his testimony, Herbert said “The difficulty in achieving homeownership has significant consequences for opportunities to control housing costs over time and to build wealth.”
- Consequences of high housing cost burdens. Cost-burdened households made difficult tradeoffs to meet basic needs, such as for food and healthcare. Unaffordable housing costs also increase housing instability.

Looking ahead, Herbert told committee members it seems likely that the share of both renters and owners spending more than 30 percent of the income on housing will continue their upward climb.

To alleviate the housing crisis, the JCHS manager said concerted efforts by both the public and private sectors are needed, along with supply side interventions and demand side supports. Additionally, expanded public subsidies will be necessary to increase the supply of deeply affordable housing available both for rent and to own. He also favors supports for homebuilders to adopt more efficient construction methods.

“The Neighborhood Homes Investment Act deserves serious consideration as a tool for expanding the supply of good quality homes and homeownership opportunities in these communities,” Herbert suggested. Finally, he urged for “greater efforts to expand opportunities for people of color to own homes and narrow the substantial shortfall in homeownership rates by race and ethnicity.”

Puget Sound region among markets with lowest vacancy rates

Only five major markets in the U.S. have a lower housing vacancy rate than the tri-county Puget Sound region according to Anytime Estimate, a real estate data company. For the area encompassing King, Pierce and Snohomish counties the vacancy rate for rental units and owned homes was 5.4%.

Minneapolis has the lowest overall rate (4.6%) followed by Portland (4.9%), San Jose (5%), Denver (5.1%) and Salt Lake City (5.3%).

Seattle's rental vacancy rate was 3.6% at the time of the survey, matching Portland and Minneapolis. Boston had the lowest rate at 3%. Sacramento fared slightly better at 3.4%, followed by New York at 3.5%.

The data company's analysts also reported:

- There are more than 16 million vacant housing units in the U.S.
- Nationwide, there is an overall vacancy rate of 11.6%.
- Rental units alone have a 5.8% vacancy rate, while only 1.4% of homeowner units are vacant.
- Seven metros have an overall vacancy rate that exceeds the national rate, with four of those areas located in Florida. The seven areas are Orlando, which has the highest rate (15.27%), followed by Miami; Tampa, Florida; Birmingham, Alabama; New Orleans; Riverside, California; and Jacksonville, Florida.

Anytime Estimate said vacancy is a hot topic now because the decreasing rate is causing rents and home prices to rise – problems that are compounded by low housing inventory in many areas and the increasingly visibility of homelessness in major cities.

"Americans are looking for cities with affordable living solutions, but some areas have more options than others," wrote Sam Huisache, a content writer at Clever Real Estate, a real estate education platform for home buyers, sellers, and investors. She noted most areas with high vacancies are located in tourist-centric regions that tend to have vacancies associated with unused seasonal homes.

High unemployment and economic depression were also noted as contributing factors for high vacancy rates.

Data from the U.S. Census Bureau, the U.S. Department of Housing and Urban Development, Zillow, and the U.S. Bureau of Economic Analysis were used in the report.

Anytime Estimate was acquired by Clever Real Estate in 2021.

Multifamily construction hits 50-year high

One in three renters would sacrifice space to achieve their dream of homeownership, according to research by RentCafé, which tracks the apartment market. In new research, the company reported multifamily construction during the past two years reached a 50-year high.

RentCafé analysts said 420,000 new apartments are expected nationwide this year. Apartment completions last topped 400,000 units in 1972.

Seattle is among 10 metro areas that will hit five-year peaks in apartment deliveries this year.

"New apartment construction in the U.S. is flexing its muscle once again in 2022, despite pressing economic concerns and supply chain disruptions in the aftermath of the pandemic," wrote Veronica Grecu in a RentCafé blog.

With pent-up demand driving the construction boom, some industry watchers suggest it could help realign rents with incomes. Nevertheless, Grecu said soaring inflation and rising interest rates are causing some renters to postpone their dream to become homeowners.

Seattle is projected to deliver 15,341 apartments before year end. New York claims the top spot with a record 28,153 new rental apartments anticipated during 2022. That volume is nearly 50% higher than completions in 2021. Three Texas metros – Dallas, Austin and Houston -- claimed 2nd, 4th and 5th place among the top 20 metros.

A comparison of cities by number of apartments built in the first half of 2022 shows Seattle at No. 3, behind Houston and Austin. Developers delivered 3,232 apartments in Seattle from January through June.

Doug Ressler, manager of business intelligence at Yardi Matrix, believes there is one big reason why so many metros are on a record-breaking pace. "People who lived with family or friends during the pandemic formed independent households as employment and savings surged."

Despite the construction frenzy and return to pre-pandemic levels of activity, Ressler said three familiar challenges hamper the industry: labor shortages, material costs and availability, and supply chain issues.

"Supply is struggling to keep up with demand in the Emerald City," stated Grecu, senior creative writer and researcher at RentCafé. The pace of construction is not likely to slow anytime soon, according to Grecu, noting Seattle's population is projected to hit 1 million by 2044 and city officials are working to develop new strategies to add more housing as part of the update to the One Seattle Plan.

Seattle leaders invited feedback until last month (August 22) on the issues and alternatives that will inform the environmental review of the comprehensive plan update. Rico Quirindongo, acting director of the city's Office of Planning & Community Development, said the goal of the One Seattle Plan is "to make the city more equitable, livable, sustainable, and resilient for today's communities and future residents."

In its report on multifamily construction, RentCafé's researchers used data across 125 U.S. metropolitan statistical areas, basing it on figures for buildings containing 50-plus units.

RentCafe.com also offers a nationwide apartment search website. Yardi Matrix, a sister company to Rent Café, is a business development and asset management tool for brokers, sponsors, banks and equity sources.

Seattle startup offers weekly neighborhood deals to simplify and streamline home maintenance tasks

Weekly deals on various home maintenance chores can be scheduled effortlessly with just a few clicks, according to a Seattle-based start-up whose co-founder and CEO is an experienced real estate professional.

Ashley Hayes Michael ("UrbanAsh") partnered with Patrick Opie, a tech consultant with a background in mathematics and physics, to launch "WelcomeHome."

Unlike similar services that offer to match home maintenance vendors with homeowners who identify a need for particular services, WelcomeHome bills itself as a predictive and more proactive service, rather than being reactive. They use algorithms for anticipating needs and organizing contractors to offer next-day, discounted services. Instead of building an app, they simply communicate via text messaging.

Based on their experience, research and proof-of-concept pilot tests, Michael and Opie believe homeowners want to avoid the hassle of finding reputable contractors, researching costs, coordinating schedules, and micromanaging tasks. Homeowners are also inclined to postpone routine chores, like raking leaves, or defer maintenance, such as cleaning chimneys or vents.

Recent deal alerts, which are texted on Tuesdays, have included yard cleaning (at $40/hour, discounted from $60/hour); car detailing (at $260/car, reduced from $320), and window washing (for $8/pane, reduced from $15).

One early user of WelcomeHome's services touted both the online interface, describing it as intuitive and easy to use, and the "hassle-free" invoicing and payment options.

Opie said they constructed their initial algorithms by scouring public databases to compile homes' histories and neighborhood maintenance patterns. Seasonal needs and types of homes in a neighborhood were also considered. WelcomeHome promises to bring needed maintenance services to homeowners in a "convenient, fun, and economical way," with no signup costs and no recurring fees.

As they build a pool of vetted contractors, Welcome Home is not currently charging vendors any fees to be associated with the company and its weekly deals. Vendors are paid by homeowners on completion of the job, with WelcomeHome earning a fraction of the fees paid.

The company's website lists more than two dozen services it can handle, ranging from appliances to vents. Along with its weekly alerts of deals, the founders say they can facilitate special requests or tasks, such as installations of security or entertainment systems.

Ideally, at least 20 neighbors who would regularly opt-in to a weekly deal are needed. Homeowners can sign up for their neighborhood's "waiting list" until a minimum threshold is met.

The startup plans to expand to Phoenix and Denver.

Co-founder Michael is managing broker at Pointe3 Real Estate, with offices in Washington and Oregon, and a leasing specialist and chief operating officer at Seattle Rental Group. Co-founder Opie is also co-founder and CEO at Scout9, an app in limited release (beta) that intends to "provide the best tools, information, and data to deliver the best insights for your pet." His experience also includes positions at BCG (Boston Consulting Group) and Accenture.

BUILT GREEN®

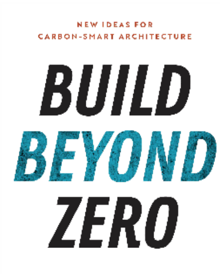
Annual conference to showcase how builders adapt to address climate change

Built Green's 2022 conference draws on the experiences of builders and allied businesses that adapted during recent unpredictable events, including the pandemic, to address climate change. The daylong event on September 15 will be held at South Seattle College.

Chris Magwood

The agenda features keynote speaker Chris Magwood, co-founder of Builders for Climate Action, along with three breakout sessions, networking opportunities, luncheon with presentation of the Built Green Hammer Awards, sponsor expo, a changemakers panel, and the closing reception.

In addition to the keynoter, the educational tracks will focus on "Advancing Policy," "Rethinking Materials," "Innovating Affordability," "Decarbonizing Construction" and "A Foreman's Guide to Built Green Basics." Speakers and panelists include urban planners, green building specialists, home builders, architects, advocates for affordable and workforce housing, thought leaders, a passive home designer, experts on sustainable construction practices, housing policy analysts, educators and appraisers.



Keynoter Chris Magwood leads the development of the BEAM carbon estimator tool for low-rise construction. He has authored seven books on sustainable building including his latest, *Build Beyond Zero: New Ideas for Carbon-Smart Architecture*, with co-author Bruce King. Earlier this year he joined RMI (Rocky Mountain Institute) as manager of carbon-free buildings. That nonprofit organization, with offices on four continents, works to accelerate the clean energy transition.

Two ticket options for this year's Built Green conference are offered, with pricing starting at $65. Attendees are encouraged to use public transportation, bicycles or other lower carbon footprint transportation options to travel the conference venue.

Built Green is the holistic green home certification program of the Master Builders Association of King and Snohomish Counties.

Economist expects "rocky road" for homebuyers

Forecasts from some of the country's largest real estate services firms predict a less frenzied housing market in 2022, with prices rising at a more moderate rate than during 2021.

Buyers should expect a rocky road over the next few months, suggested Daryl Fairweather, chief economist at Redfin.

Data compiled by Redfin indicate the number of homes available to purchase is at an all-time low, while prices are at record highs.

More listings are expected to be added to inventory in early 2022, but eager buyers in the queue will likely experience escalating prices.

Fairweather anticipated 100,000 fewer homes for sale at the end of 2021 compared to February "when housing supply last hit rock bottom."

The imbalance in supply and demand means quick sales for many homeowners. About a third of sellers accepted an offer within a week of listing, up from 27% in 2020 and up from 18% in 2019, according to Redfin's analysis. About 45% of homes went to pending status within the first two weeks of hitting the market.

Redfin's analysis of November's transactions showed nearly half (45%) of homes sold for above their list price, up from both a year ago when it was 35%, and from 2019 when 21% sold above asking prices. The average home sold for about 100.5% of its list price.

As for 2022, Redfin's economist said, "Headlines and new restrictions related to the omicron variant of the coronavirus might fuel some uncertainty and volatility in the economy," adding "In the short term, global interest rates, including mortgage rates, could fall. In this extremely tight housing market, we would quickly see a proportional increase in competition and home prices."

News In Brief

- **According to the Seattle Times, about 40% of the 4.8 million registered voters in Washington participated in the Aug. 2 midterm primary election, with the highest turnouts recorded in the eastern and far west parts of the state.** The turnout for these primary races for state legislative and U.S. House and Senate seats was about the same as 2018, when 40.8% of voters returned their ballots. About half of Washington's voters, 2.4 million people, are concentrated in the Puget Sound region, where a median 37.3% participated in the primary election, according to data from the secretary of state's office. In the 2018 primary, the region recorded a marginally higher voter turnout of 38.6%. King County, which has 1.3 million registered voters, recorded a turnout of over 38% for the primary — a significant decline from 2018, when the turnout was over 50%. Spokane County, which has the largest number of registered voters in Eastern Washington, recorded a turnout of about 40%, witnessing a drop since 2018 (45%), when the region trailed King County. Regionally, counties in Central and Eastern Washington recorded the greatest dip in voter turnout this primary election compared to 2018. Yakima County led that pack as more than two-thirds of that county's 27,000 registered voters did not participate in the primary this year. This is a 25 percentage-point drop from 2018. Pend Oreille County in the east followed, with a 23 percentage-point drop in voter turnout compared to 2018. Nearly half the counties in the state recorded a drop in turnout this year compared to 2018, and a few saw a significant swell of voters. The greatest increases were recorded in Lincoln County in the east, Pacific and Jefferson in the west, and San Juan County in the north. Registered voters in these counties account for just over 1% of registered voters in the state but they accounted for nearly 2% of the ballots counted this election. Since 2014, when the state recorded its lowest voter turnout in a midterm primary (31.2%), voter participation has consistently declined in Yakima and Franklin counties in the south-central part of the state. At the same time, turnout in southwest Wahkiakum County and central Okanogan County has grown.

- **WalletHub released a report detailing the top real estate markets in the country, and Seattle edged out all but three other large cities.** The personal finance website ranked Seattle the No. 4 large real estate market in the United States. The report relied on 17 metrics to determine the most attractive real estate markets nationwide, including median home-price appreciation, median days on market and job growth. Austin ranked No. 1, followed by Nashville and Forth Worth, Texas. Portland clocked in at No. 16.

WalletHub ranked Seattle No. 16 in the country for best places to buy a house. Click here for the full report.

- **A new program known as Wheels to the Waterfront is being rolled out by the city of Everett and it is providing a boost to local merchants' summertime business through free rides to the city's waterfront.** Shops and restaurants around the Everett marina have long-sought the no-fare transit trips and city officials said they are already seeing more people take the bus. Everett is using some of the pandemic relief money it received to subsidize the city bus system. The free trips start at 6 p.m. every Thursday, Friday and Saturday, but then are scaled back to just Fridays and Saturdays through Sept. 30.

- **Students who used federal loans to attend ITT Technical Institute as far back as 2005 will automatically get that debt canceled after authorities found "widespread and pervasive misrepresentations" at the defunct for-profit college chain, the Biden administration announced Tuesday, August 16.** The action will cancel $3.9 billion in federal student debt for 208,000 borrowers, the Education Department said. The debt is being forgiven using a federal rule known as borrower defense, which is meant to protect students from colleges that make false advertising claims or otherwise commit fraud. The new policy will automatically cancel any remaining federal student debt that was used to attend ITT Tech from Jan. 1, 2005, through its closure in 2016.

- **Just in time for National Thrift Shop Day, StorageCafe.com compiled a list of the hubs for lovers of vintage clothing. Ranked in the top 50 most populous metro areas, Seattle – Tacoma – Bellevue placed second, right behind the Denver – Aurora – Lakewood area.** In Seattle, there are seven resale venues per 100,000 locals, which ranks fifth among the 50 metro areas on the list. However, the Emerald City truly shines when it comes to resale shopping power. Secondhand sales reach close to $220 per household annually, which ranks fourth overall. Which is a strong indication of the overall thrifting industry here in Seattle. Several metrics are included in this valuation, including thrift establishment availability and thrifting sales volumes. You can view more on the study here.

- **According to Redfin, nationwide, roughly 63,000 home-purchase agreements fell through in July, equal to 16.1% of homes that went under contract that month.** In Washington, Seattle saw 11% of pending sales fall through in July 2022, in Tacoma the percentage of buyers backing out of deals was 17.2%. Data showed that's the highest percentage on record with the exception of March and April 2020, when the onset of the coronavirus pandemic brought the housing market to a near standstill. Click here to read the full report.

- **Washington is the fourth most active state, a new study reveals.** Research conducted by fitness experts Fitness Volt, based the review on a multitude of factors related to fitness. Such as the number of gyms and health clubs per capita, the prevalence of physical inactivity, access to exercise opportunities and Google search terms associated with exercise. Washington ultimately fell behind the states of Minnesota, Colorado, and Connecticut. The Emerald State has six gyms per 100,000 people, 12 health clubs per 100,000 people, 18% physical inactivity prevalence, and 86 percent access to exercise opportunities.

- **Due to increased hospital needs, the regional supply of blood and platelets has dipped to critical levels, according to Bloodworks Northwest as reported by KIRO 7.** As donations remain low this summer, Bloodworks Northwest says over 9,000 appointments need to be filled between now and Labor Day to meet expected demand. The most in-demand blood type, Type O, is especially needed to support trauma patients and all eligible donors with Type O are urged to donate immediately. Most people who are at least 18 years old and weigh at least 110 pounds can donate blood every 56 days. In Washington, 16- or 17-year-olds must have a signed permission form. Schedule an appointment to donate blood now at bloodworksnw.org or call 1-800-398-7888.

- **U.S. Rep. Adam Smith has introduced a bill that would all but shut down the sale of single-family homes to institutional investors and large private equity companies**. The SHAPE (Saving Homes from Acquisition by Private Equity) Act would create a federal real estate transfer tax set at 100% of the property's sale price. Revenue from the tax, which would affect companies with $20 million or more in assets, would be disbursed in grants to states to build and preserve affordable housing for low-income households. The likelihood of the act passing is highly doubtful given the exorbitant tax rate and the might of the real estate lobby. Investors bought 87,500 homes in the second quarter, according to a Redfin analysis of county records across 40 of the largest metro areas. That was 19.4% of the homes sold, down from a record 20.1% in Q1. In the Seattle area, investors swooped in to spend just over $1 billion on single-family homes, or 8.7% of the market's purchased houses. Redfin reported the share of homes purchased by investors in Q2 was nearly 19% lower compared with the same period a year ago. While passage of the act in its present form is unlikely, there is interest in Congress in reining in institutional and private equity companies. Both the House Financial Services Committee and the Ways and Means Committee held hearings this summer on the topic.

- **King County Elections confirmed that Seattle voters will have their say on a ballot initiative that establishes a public developer to create permanently affordable housing in a city known for rising rents and a growing homelessness crisis. Initiative 135** qualified to appear on the ballot in a special election in early 2023 after a second, successful signature-gathering effort by the campaign. If passed, the measure would establish a public development authority, the Seattle Social Housing Developer, that would use government and philanthropic dollars to build new housing and take over existing properties to establish renter-governed housing that would be protected from rental market forces. This model is picking up steam in other states**,** including Hawaii and California**,** and is popular in other countries**,** including Austria and Singapore. Before it can go before voters, the initiative will go before the Seattle City Council. Councilmembers could decide to skip the public vote altogether and pass the initiative, making it a city ordinance. But if that doesn't happen, then it will advance to voters' mailboxes. This new measure, I-135, would create a public corporation operating under state and local laws that would be run by a governing board. Out of the 13-member board, two members would be appointed by Seattle City Council and one by Seattle's mayor. Unlike current forms of public housing operated by agencies like the Seattle Housing Authority, the corporation would not have to abide by federal rules in determining who qualifies for housing. It also would expand eligibility for rent-controlled housing. The initiative's language says it would create housing for people who earn from 0% to 120% of the area's median income. Most federal housing funds go to people who make 80% or less of area median income. Seattle's median household income was $102,500 in 2019.

Calendar of Events

DATES	EVENT	TIME	LOCATION	CONTACT
9/14	Board of Directors	9:30 a.m. – 12:30 p.m.	SKCR	425-974-1011
9/21	YPN Networking & Brunch	10:00 a.m. – 12:00 p.m.	WAC	425-974-1011
9/21 -236	WR Fall Conference		Spokane	425-974-1011

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