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## Northwest MLS brokers say real estate activity across Washington remains strong

KIRKLAND, Washington (December 7, 2020) – Some real estate brokers expect the competition for homes to ease somewhat over the holidays, but the latest statistics from Northwest Multiple Listing Service indicate activity is unusually strong heading into December.

“The rush is on for housing,” exclaimed J. Lennox Scott, chairman and CEO at John L. Scott Real Estate. “Real estate activity typically chills as temperatures drop but buyer demand remains high. “With low unsold inventory, all eyes will be on each new home that comes on the market,” he suggested, adding, “This strong demand is present in the more affordable mid-price ranges and extends into high-end homes.”

The Northwest MLS report summarizing November activity shows strong year-over-year (YOY) increases in closed sales (up about 23%) and prices (up 13.8%). Pending sales (mutually accepted offers) rose 7.9% from a year ago, and the year’s saga of depleted inventory continued last month with the number of total listings down nearly 43%.

Windermere Chief Economist Matthew Gardner said even though the housing market has started to show some signs of its traditional winter slowdown “activity remains higher than we would normally see at this time of year. This isn’t too surprising given the fact that the spring selling season was essentially cancelled due to COVID-19.”

Commenting on the low inventory, NWMLS director Meredith Hansen emphasized buyers need to be ready to compete. “Offers that have the best chance of acceptance are from buyers who are pre-approved with a local lender or have cash. Buyers also need to be prepared to have a pre-inspection in order to waive that contingency, and be ready to escalate in price if necessary,” suggested Hansen, the owner/designated broker at Keller Williams Greater Seattle.

Although inventory is limited, a check of the supply by price range shows about 25% of the listings across the 23 counties served by Northwest MLS are priced under \$400,000, and a similar number (24.4%) are priced from \$400,000 to \$600,000. At the high end of the spectrum, about 21% of homes and condominiums in the database have asking prices of \$1 million and higher.

“With listings down 42.8%, record low interest rates, and demand very high in outer suburban areas, it seems like the perfect price storm has hit,” suggested James Young, director of the Washington Center for Real Estate Research at the University of Washington.

While overall inventory is down, a comparison of counties shows a wide range of deficits, according to NWMLS data. Perhaps surprisingly, King County’s supply declined “only” about 18% from a year ago, while five counties (Clallam, Clark, Island, Mason, and Snohomish) reported drops of at least 63%. A closer look at the MLS report for all counties shows the shortages are most acute for single family homes (off 50.6% area-wide), while the condo supply improved (up 7.1%).

Thirteen of the 23 counties in the MLS report had less than one month of supply at month end. Overall, there was about three weeks (0.73) of inventory at the end of November, well below the four-to-six months many analysts use as a gauge of a balanced market.

Commenting on the depleted supply, NWMLS director John Deely noted the absorption of standing inventory kept King County’s residential supply (single family homes) at 0.67 months and condo supply at 1.88 months by the end of November. “These are indicators of a solid sellers’ market for both but reflect differences in the demand for these two types of housing,” stated Deely, principal managing broker at Coldwell Banker Bain.

Deely described the real estate market in King County as a “tale of two cities” in November, explaining, “While the residential market continued its trend of record low inventory, the condo market holds record high inventory when looking at the second half of the year, compared to the same periods over the past eight years.”

For many first-time buyers, a condominium is the path to homeownership.

Economist Gardner said there have been some “interesting shifts in the King County condominium market.” While the supply of single family listings across the county remains painfully low, condo listings are 39% higher YOY. “Some are suggesting the increase in condo inventory is COVID-19 induced, but I think it’s too early to call this a trend as condo sales are actually higher than a year ago.”

A check of Northwest MLS statistics shows condo listings system-wide are up more than 7% from a year ago. Closed sales jumped nearly 34% overall and condo prices increased more than 11%.

The MLS map areas encompassing Seattle have about 61% more condo listings than a year ago; the Eastside selection is up 36%. Year-over-year condo prices in Seattle rose about 8.7% while on the Eastside prices on condos that sold in November surged nearly 32%. In South King County, condo prices jumped 24% on shrinking inventory (down nearly 33%).

“The lack of inventory in all price ranges has caused a ‘gold rush’ of buyers,” reported Dick Beeson, managing broker at RE/MAX Northwest in Tacoma-Gig Harbor. Noting inventory in Pierce County is at about half of last year’s selection, setting the stage for increasing prices, he said the coronavirus pandemic has not fazed the multitude of house hunters. “It is not deterring determined buyers who know that competing buyers from outside the state are floating into town with a boatload of cash from sales of their previous digs.”

One indicator of brisk activity is the ratio of pending sales to new listings. November's 8,584 pending sales outgained the month's new listings, which totaled 6,425 area-wide, continuing a pattern reported during much of the year. New listings surpassed pending sales during only two months (March and April) this year, resulting in the depleted supply of active listings.

Brokers reported 6,505 total active listings at the end of November, down from the year-ago total of 11,366. Supply was at the lowest level since February.

Despite the limited selection, Deely said buyer demand remained strong through November and is more active than in previous years. "Even though open houses were curtailed in mid-November, buyers were making in-person appointments to view properties and many desirable listings had solid activity right up to the offer review date," he reported.

As Young noted, attractive mortgage rates continued to fuel demand. Rates on a 30-year fixed-rate mortgage fell to their lowest level, at 2.71%, for the 14<sup>th</sup> time this year, according to Freddie Mac. The record-low rates are allowing people to bid up prices, Young stated.

"November has been one of our busiest months for sales and closings in years," stated Gary O'Leyar, designated broker/owner of Berkshire Hathaway HomeServices Signature Properties. "Consumer confidence in both real estate and employment have been the benchmarks of our strong real estate market," he added.

O'Leyar said the COVID-19 crisis has many households investing more time and monetary resources into their primary residences, with many of these homes becoming primary workplaces as well. "I see this as an ongoing trend even as we move out of the COVID crisis into the next phase of the real estate market," he remarked.

Dean Rebhuhn, broker-owner at Village Homes and Properties in Woodinville, said the "COVID Effect" is causing purchasers to want more space, both inside and outside. "Working and schooling from home, whether full- or part-time is the new normal," he commented, noting buyers are finding suburban and rural solutions to these lifestyle changes.

Industry watchers say the in-migration of people from larger, more expensive locales is driven not only by low interest rates, but also by workers freed by the pandemic to work from home long-term, and by a desire for more living space by those who are working remotely, supervising their children's schooling, or accommodating adult children and aging parents who may have been displaced because of the virus.

Organizers of a forum for the Pacific NorthWest Economic Region (PNWER) said the rise of virtual platforms like Zoom has prompted knowledge workers to flock to new frontiers known as "Zoom towns" – scenic destinations where they can live more cheaply and "achieve a work/life balance which many never dreamed of achieving." Speakers identified several "Zoom towns" including two areas in Washington, the San Juan Islands and the Methow Valley.

Year-to-date closed sales in San Juan County are up more than 48% compared to the same period last year. In Okanogan County, where the Methow Valley is located, sales are up more than 17%.

"People are seeking space and value since they feel working from home may be a feature of their lives into the future," commented Young, from the Center for Real Estate Research. He said Chelan County's

price movement is notable, saying it reflects that trend. Prices for sales that closed in that county last month surged 36% from a year ago.

Prices on last month's 8,875 closed sales were up nearly 14% from a year ago, rising from \$434,900 to \$495,000. Seventeen of the 23 counties in the report had double-digit price gains compared to a year ago.

Kitsap County is among the areas experiencing double-digit activity in pending sales, closed sales, and prices. "Competition in the fast-moving market is fierce with buyers now using non-refundable earnest money and waiving inspections and financing. This is unprecedented compared to past markets," stated Frank Leach, broker/owner at RE/MAX Platinum Services.

Leach said new construction in Kitsap County is at an "all-time high with numbers not seen since the '90s." Even so, he said new construction is not keeping pace with demand. "That coupled with people looking to upsize for in-home offices or expanding families, or downsize for retirement, or looking for starter homes makes for an extremely competitive market." Additionally, he continued, the sub-3% interest rates are converting many renters into homeowners. "This is a pivotal time for many and an opportunity of a lifetime to be a homeowner versus renting."

Northwest Multiple Listing Service is a not-for-profit, member-owned organization that facilitates cooperation among its member real estate firms. With more than 2,300 member firm offices and 30,000 brokers across Washington state, NWMLS ([www.nwmls.com](http://www.nwmls.com)) is the largest full-service MLS in the Northwest. While based in Kirkland, Washington, its service area spans 23 counties and it operates 20 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	2,305	2,867	2,846	3,098	\$850,236	\$685,000	0.93	1.39
Snohomish	904	527	1,291	1,380	\$579,100	\$538,475	0.38	1.27
Pierce	1,080	680	1,546	1,516	\$484,014	\$436,000	0.45	1.12
Kitsap	344	245	439	418	\$562,347	\$439,000	0.59	1.24
Mason	88	70	123	112	\$362,557	\$329,500	0.63	2.19
Skagit	118	129	190	202	\$509,248	\$425,000	0.64	2.04
Grays Harbor	129	158	157	124	\$304,762	\$280,000	1.27	2.62
Lewis	86	148	140	114	\$359,284	\$328,000	1.30	2.42
Cowlitz	99	95	145	127	\$397,314	\$338,500	0.75	1.78
Grant	81	131	106	107	\$286,635	\$250,630	1.22	2.66
Thurston	338	175	425	486	\$419,006	\$385,250	0.36	1.06
San Juan	27	88	35	37	\$895,142	\$679,000	2.38	7.84
Island	121	92	157	156	\$570,668	\$467,500	0.59	2.22
Kittitas	57	71	79	95	\$645,225	\$445,950	0.75	2.83
Jefferson	51	71	71	49	\$455,928	\$420,000	1.45	3.00
Okanogan	20	105	34	48	\$323,078	\$258,225	2.19	5.27
Whatcom	249	328	307	323	\$489,722	\$431,000	1.02	2.33
Clark	63	46	89	98	\$458,988	\$397,000	0.47	2.00
Pacific	34	73	64	55	\$258,373	\$238,000	1.33	3.78
Ferry	4	27	4	3	\$172,267	\$107,000	9.00	6.50
Clallam	65	77	97	102	\$401,519	\$356,000	0.75	2.14

Chelan	59	101	86	104	\$654,557	\$539,700	0.97	3.09
Douglas	32	51	36	42	\$403,045	\$393,950	1.21	2.15
Others	71	150	117	79	\$364,076	\$325,000	1.90	4.86
<b>Total</b>	<b>6,425</b>	<b>6,505</b>	<b>8,584</b>	<b>8,875</b>	<b>\$620,045</b>	<b>\$495,000</b>	<b>0.73</b>	<b>1.58</b>

#### **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
<b>2002</b>	4293	4735	5569	5436	6131	5212	5525	6215	5394	5777	4966	4153
<b>2003</b>	4746	5290	6889	6837	7148	7202	7673	7135	6698	6552	4904	4454
<b>2004</b>	4521	6284	8073	7910	7888	8186	7583	7464	6984	6761	6228	5195
<b>2005</b>	5426	6833	8801	8420	8610	8896	8207	8784	7561	7157	6188	4837
<b>2006</b>	5275	6032	8174	7651	8411	8094	7121	7692	6216	6403	5292	4346
<b>2007</b>	4869	6239	7192	6974	7311	6876	6371	5580	4153	4447	3896	2975
<b>2008</b>	3291	4167	4520	4624	4526	4765	4580	4584	4445	3346	2841	2432
<b>2009</b>	3250	3407	4262	5372	5498	5963	5551	5764	5825	5702	3829	3440
<b>2010</b>	4381	5211	6821	7368	4058	4239	4306	4520	4350	4376	3938	3474
<b>2011</b>	4272	4767	6049	5732	5963	5868	5657	5944	5299	5384	4814	4197
<b>2012</b>	4921	6069	7386	7015	7295	6733	6489	6341	5871	6453	5188	4181
<b>2013</b>	5548	6095	7400	7462	7743	7374	7264	6916	5951	6222	5083	3957
<b>2014</b>	5406	5587	7099	7325	8055	7546	7169	6959	6661	6469	5220	4410
<b>2015</b>	5791	6541	8648	8671	8620	8608	8248	7792	7179	6977	5703	4475
<b>2016</b>	5420	6703	8130	8332	9153	8869	8545	8628	7729	7487	6115	4727
<b>2017</b>	5710	6024	7592	7621	9188	9042	8514	8637	7441	7740	6094	4460
<b>2018</b>	5484	5725	7373	7565	8742	8052	7612	6893	6235	6367	5328	4037
<b>2019</b>	5472	4910	7588	8090	8597	8231	7773	7345	6896	6797	5788	4183
<b>2020</b>	5352	6078	6477	5066	7297	8335	8817	9179	8606	7934	6122	

## NAR updates conduct code, rolls out training to combat discrimination

Acting on a recommendation of its Professional Standards Committee, the board of directors for the National Association of Realtors® (NAR) approved a new personal conduct policy addressing discrimination. America's largest trade association subsequently released a new online interactive training platform designed to help combat discrimination in the country's real estate market.

The motion approved by the NAR board makes it a violation for Realtors to use harassing or hate speech toward any of the protected classes under Article 10 of NAR's Code of Ethics. It covers race, color, religion, sex, handicap, familial status, national origin, sexual orientation, and gender identity.



In a news release announcing the new policy, NAR's 2020 President Vince Malta stated, "I applaud NAR's Board of Directors and our Professional Standards Committee for their efforts to raise the bar on the professionalism and private speech of America's 1.4 million Realtors. Malta, a third-generation Realtor and the CEO and broker at Malta & Co., Inc., in San Francisco added, "Combatting and overcoming bigotry and injustice starts with each of us. Realtors today took tangible steps to ensure we are held to the highest possible standard while providing a mechanism of enforcement for those who violate our new policies."

*Vince Malta*

The action came in part in response to various complaints local, state, and national Realtor associations received about discriminatory speech posted online by Realtors, particularly on social media. It led to months of meetings and deliberations that culminated when NAR's Professional Standards Committee and Interpretations Procedures Advisory Board met to consider the Code of Ethics' applicability to discriminatory speech and conduct beyond a Realtor's real estate duties.

NAR's Advisory Board recommended that its Code of Ethics apply to every action a Realtor takes, whether personal or professional.

Complaints alleging a violation of Article 10 of the Code of Ethics can now be brought to a hearing panel at a local Realtor association. At that hearing, panelists will be asked to assess the circumstances on a case-by-case basis. The national association's Professional Standards Committee will continue working to develop case interpretations to assist members and professional standards enforcement volunteers in understanding the Code's applicability.

In another effort to combat discrimination in the real estate industry, NAR unveiled a new, interactive training platform called Fairhaven. The fair housing simulation exercise will be offered free to NAR members, brokerage firms and Realtor associations.

Described as a new approach to fair housing training "unlike anything currently available in the real estate industry," Fairhaven is part of NAR's ACT! Initiative. That fair housing plan emphasizes accountability, culture change, and training to promote equal opportunity in real estate. It uses self-testing and other mechanisms for holding real estate professionals accountable for discrimination.

Newly named NAR president Charlie Oppler, CEO of Prominent Properties Sotheby's International Realty in Franklin Lakes, N.J., said the lessons in Fairhaven will help promote equity in the nation's housing market. "NAR will continue our work to create innovative anti-discrimination training and to champion efforts that encourage diversity, right racial bias, and build more inclusive communities," he added.



*Charlie Oppler*

The self-paced training allows participants to save their work and resume the simulation later. They can repeat the training as often as they'd like.

Ernst & Young Learning Labs created the Fairhaven program for NAR and its members. The firm also developed NAR's Commitment to Excellence (C2EX) training platform.

## Nation's housing stressed by trio of factors during 2020

Not surprisingly, the 2020 rendition of [The State of the Nation's Housing](#) contained plenty of grim news, but authors suggested there is no better time for policymakers to “seize the moment by framing a new, comprehensive housing strategy that will reduce inequalities and advance the longstanding goal of a decent, affordable home in a suitable living environment for all.”

The report delves into the upheaval stemming from the coronavirus pandemic, but also covers social unrest from racial injustice, and devastation from climate change.

In a news release coinciding with its report, the Harvard Joint Center for Housing Studies (JCHS) suggested the nation's housing challenges have never been so evident – “particularly the lack of affordable rental housing, unequal access to good-quality homes, and the vulnerability of much of the housing stock to natural disasters.

For renters, affordability worsened. As of late September, renters earning less than \$25,000 a year were much more likely to report lost employment income since March, when shutdowns started. Roughly one in five renters earning less than \$25,000 also said they were behind on rent.

“So far, state and federal moratoriums have slowed evictions,” stated Chris Herbert, managing director of the Joint Center for Housing Studies. Without additional federal aid, Herbert said many households that missed payments may be unable to cover their back rents “and will find themselves on the brink of eviction and at risk of homelessness.”

Renters were not the only ones who faced adversity because of the pandemic. Among homeowners, low income and households of color have taken a disproportionate hit, according to the JCHS report. Among all homeowners, 36% reported losing income between March and September, but the shares were as high as 44% among owners earning less than \$25,000, 41% among Black owners, and 49% among Hispanic owners. Similarly, while 7% of white homeowners were delinquent on mortgage payments in late September, the share was significantly higher among owners who are Hispanic (18%), Black (17%) and Asian (12%).

The State of Nation's Housing report also addressed persistent racial disparities in housing markets.

“Widespread calls for racial justice have pointed out the high degree of residential segregation and economic inequality that still exists in the US,” stated Daniel McCue, a senior research associate at the

Center. “In fact, the sharp racial disparities in housing are both a cause and a consequence of other social inequalities.”

Nearly two-thirds of the poor Black, Hispanic, and Native American populations live in communities with poverty rates above 20%, about twice the rate of poor white Americans, according to the report. The Harvard researchers said they have far higher cost-burden rates and account for a disproportionately large share of the homeless population. Additionally, they wrote, the Black-white homeownership gap is larger than it has been in decades at fully 31 percentage points.

Also contributing to the year’s housing challenges was climate change. The U.S. had experienced 16 distinct billion-dollar natural disasters in 2020 (as of September) totaling nearly \$50 billion. Climate change is also blamed for adding to the number of low-income households facing energy insecurity, notably during the record summer heat when the need for air conditioning was extreme.

Reflecting on the report’s findings, the report’s authors wrote: “The economic dislocation caused by the pandemic has underscored, perhaps as never before, the fundamental importance of secure, adequate, and affordable housing for all. It has also revealed just how many millions of cost-burdened households are facing housing insecurity. Indeed, those with good-quality, appropriate housing have been more likely to maintain their health and financial security this year, while those without adequate resources have faced not just the risk of eviction or foreclosure, but greater exposure to life-threatening illness from COVID-19.”

Herbert said a new national housing policy, to be effective, would set out the appropriate roles and responsibilities of federal, state, and local governments in meeting the country’s needs. “Among other things, it would establish funding sources and distribution channels for subsidies, create incentives for efficient private production of housing through regulatory and tax structures, and ensure the availability and affordability of mortgage financing as well as the stability of the housing finance system.”

## Northwest MLS updates members on multiple topics at virtual fall meetings



The fall General Membership Meeting of Northwest Multiple Listing Service covered a range of topics from elections in three districts to strategic planning and national issues.

Voting members in three districts (King, Snohomish and Pierce/Thurston counties) will be using Election Buddy's paperless ballots and have until December 11 to submit their votes.

NWMLS President and CEO Tom Hurdelbrink provided highlights and updates from strategic direction initiatives, touching on technology, growth and expansion (welcome Walla Walla!), a marketing and communications audit, and staffing for emerging needs and services. Another important initiative, governance, includes the creation of a task force and a focus on inclusion and diversity to ensure strong representation on decision-making bodies as well as committees.

NWMLS General Counsel Justin Haag discussed the latest COVID-19 protocols for in-person activities and open houses. Comprehensive information on the coronavirus pandemic as it affects real estate is published on the nwmls.com website. Topics include best practices for showings and in-person interactions, FAQs, current restrictions, legal bulletins, an informational bulletin for buyers and sellers, and a compilation of resources and recommendations from the U.S. Centers for Disease Control and Prevention ("CDC").

Shifting to other concerns, Haag briefed the meeting participants on various national issues, including two class action lawsuits, *Moehrl v. National Association of Realtors*, et al covering more than 20 market areas, and *Sitzer v. National Association of Realtors*, et al, which concerns claims in Missouri. Discovery is underway in both cases, and both are expected to take years to resolve.

Another national issue in Haag's report was the Department of Justice's (DOJ) investigation into the real estate industry. DOJ is interested in information related to commission rules and amounts, transparency for consumers related to commissions, broker steering, and related issues. Haag noted NWMLS made recent (2019) changes to its rules and forms pertaining to selling office commissions to promote transparency for consumers and give seller's additional options when listing property for sale. The changes are discussed in Legal Bulletin 217 and an accompanying FAQ document.

A third national issue pertains to private listing clubs of some brokers (Top Agent Network, "TAN," and Pocket Listing Service, "PLS"). Both cases relate to NAR's recently adopted "Clear Cooperation Policy" requiring brokers to input listings in the MLS within 24 hours of public promotion. Haag noted NWMLS's Rule 2(c), created in 2013, requires brokers to input listings before any public promotion. In a recent ruling, a U.S. District Court in California essentially said, "pocket listings are bad for consumers," confirming the prudence of Rule 2(c).

Fair Housing was the final national issue Haag discussed. He referenced a 2019 *Newsday* report based on a three-year undercover investigation indicating widespread unequal treatment of minorities in Long Island, NY. Industry efforts nationally and locally are ongoing to ensure compliance with fair housing protections. (*Editor's note: see article elsewhere in this issue on recent NAR initiatives on fair housing.*)

Tara Marino, the director of communications and training at Northwest MLS, showcased various virtual broker resources, including Live Stream Open Houses and Multiple Virtual Tours on Matrix, and ShowingTime. These resources were developed to assist brokers and consumers to conduct more activities remotely during the coronavirus pandemic. She noted the ShowingTime LIVE Video option, enabling brokers to conduct live, interactive one-on-one showings, is available for a free trial through December 31.

Marino said ShowingTime usage, which assists listing brokers and sellers to safely schedule showings, has “exploded” since March, underscoring her point with a chart comparing 2019 and 2020. She also summarized helpful tips, encouraging brokers to download the ShowingTime mobile app. Meeting participants were reminded that various resources, including a webinar, video, and quick start guide are available on the NWMLS website.

In addition to the ShowingTime resources, NWMLS has an extensive selection of training resources covering myriad topics. Options include instructor-led classes, online classes, live webinars, and virtual office trainings.

NWMLS Training Specialist Barb Bowles reviewed recent Matrix upgrades, known as version X. Enhancements include:

- Navigation changes
- Larger responsive maps
- Better email formatting
- Contacts page improvements

To close out the fall meeting, COO Monica Beck discussed the sunseting of ActiveKEYs scheduled for this month (December 2020). Cellular carriers are shutting down the 2G technology used by Supra ActiveKEY on January 1, 2021. Current users need to switch to the eKey, which provides better service and more features at lower cost, while also eliminating the need to carry an additional device. “It turns your phone into your key.” The switch and activation can be done over the phone by appointment.

## Despite prohibition on open houses, brokers, buyers and sellers employ array of virtual tools to stay safe and fulfill housing needs

Even though in-person open houses are not currently allowed under new and reinstated pandemic-related restrictions, broker-members of Northwest Multiple Listing Service (NWMLS) continue to provide services to home buyers and sellers using several contactless and virtual tools.

Feedback from NWMLS representatives include reports of sales by purchasers who made offers to buy based on virtual and live stream open houses without an in-person tour. One manager noted sellers appreciate being directly involved with their listing broker in establishing limits on the number of visits to their home and the strict use of CDC guidelines for post-showing cleaning/sanitizing.

On November 15, when Governor Jay Inslee announced a four-week statewide set of restrictions, Northwest MLS published updated protocols for all in-person activities, such as showings and inspections, along with other directives to support efforts to reverse an alarming rise in new COVID-19 cases. The MLS information for its members, produced in collaboration with Washington REALTORS® included an 8-page FAQ document with an accompanying chart summarizing requirements for the phased “Safe Start” reopening plan for each county. NWMLS currently serves 23 of the state’s 39 counties.

Using online tools, Northwest MLS members are able to schedule private showings, convene meetings, complete forms, interact with industry partners in real time, and obtain necessary signatures, all while adhering to protocols to slow the spread of COVID-19.

“Brokers and the industry have adjusted quickly to changing business practices necessitated by COVID-19,” stated John Deely, principal managing broker at Coldwell Banker Bain and a director with NWMLS. “Protecting the health of all persons involved while providing access to the basic necessity of housing has been paramount in our day-to-day activities,” he added.

“While COVID protocols have again adjusted which real estate activities are allowed, I continue to see examples of an industry that is evolving effectively and safely with the ongoing pandemic and fast-paced real estate market,” stated Northwest MLS Chairman Robb Wasser, branch manager at Windermere Real Estate/East in Bellevue. “Our member-brokers are being creative and resourceful in finding ways to help their clientele and maintain relationships, and the MLS has kept a focus on how to enhance the tools, programs, and systems that brokers rely upon.”

“Our real estate market remains active with virtual tours and scheduled property showings,” reported Dean Rebhuhn, broker-owner at Village Homes and Properties. He said buyers are viewing properties online, and then, after narrowing their choices, contacting their broker to schedule in-person showings. “We are experiencing contactless signings and closings,” he stated.

Commenting on the latest restrictions, broker Frank Wilson said, “In situations like this it is easy to get stuck on what we can’t do, instead of what we can do. We still have many tools to help consumers gain information they need to make good decisions and fulfill their dreams while staying safe and healthy,” added Wilson, the Kitsap regional manager and branch managing broker at John L. Scott Real Estate.

Wilson said brokers are making more and more use of video, not only to showcase new listings, but also to help walk buyers and sellers through the paperwork. “Behind the scenes, real estate brokers, escrow and title officers, and lenders use virtual workbenches to hammer out the details of each transaction and work together virtually so closings occur on time,” he explained.

Commenting on the resiliency and flexibility of the industry, J. Lennox Scott, chairman and CEO of John L. Scott, noted business practices were adjusted in March when COVID-19 restrictions were first enacted. While some of the mandates were disruptive when first implemented, Scott said the industry quickly adapted to meet strong demand.

“We just had four consecutive months of record-setting sales, and we could only do private showings during three of those months,” he commented. He credits a combination of factors for fueling demand, including historically low home interest rates, and work-from home residents and others reflecting on where they want to live in their next phase of life.

Deely, at Coldwell Banker Bain, credited Northwest MLS with moving quickly to restrict open houses to meet mandated guidelines, and to also provide leading software/apps to manage showings as restrictions changed. He also noted home shoppers’ virtual experiences are enhanced with an expanded number of online resources. Since May, NWMLS brokers can input up to three links on each listing, including options such as 3-D tours, recordings of video walk-through tours, or photo reels with up to 50 images.

“These enhancements, including live remote showings using streaming technology and real time interactions, help reduce traffic to the home and time spent at a listing,” added Deely.

Another director, Frank Leach, said Matterport (a 3D platform) and virtual tours are at their highest use yet. “Buyers’ agents are touring homes with cameras and using phones to do live tours with their clients. Zoom is also being used for two-way interactions. The agent serves as the eyes, nose and boots on the ground, saving time and keeping clients safe. We are seeing many buyers make decisions based on virtual tours and counseling from their broker,” reported Leach, broker/owner at RE/MAX Platinum Services.

Leach said he anticipates virtual tours will be a growing trend that will likely be used more widely in the future (and post-pandemic). “While there is no substitute for walk-throughs, sometimes it just isn’t possible. Buyers, sellers and agents are being creative to avoid losing out on an opportunity.”

Meredith Hansen, owner/designated broker at Keller Williams Greater Seattle and a Northwest MLS director, said brokers at her office are very pleased with the success of virtual tours. “Sellers really like the convenience of not having to be out of their homes for any length of time and not have strangers walking through their homes.” Buyers appreciate the opportunity to view a home and ask questions before deciding whether to schedule an in-person showing, Hansen added.

“One of our brokers recently held a virtual open house for a listing on a downtown condo and received an offer a few days later,” reported Hansen. The buyer decided to purchase based on the virtual experience without an in-person showing.

Hansen said veteran broker Matt Warmack, who runs The Warmack Group at Keller Williams has had lots of success holding virtual open houses. “After the open house, he goes live on Facebook to showcase the listing, then goes live on Instagram where several hundred followers, including other brokers and industry vendors, can preview it.”

“Whether it’s an open house or a private showing, our updated business practices support changing restrictions along with social distancing for buyers, sellers, and agents. The real estate market remains in full motion,” declared J. Lennox Scott.

Frank Leach agreed: “Despite the COVID-19 issues, the market is moving right along, and buyers and sellers are finding new ways to get what they want.”

Year-to-date figures from Northwest MLS through October show closed sales (77,877) are nearly equal to year-ago volumes (78,194), even though this year’s inventory each month is averaging about 30% less than the selection during the first ten months of 2019.

Northwest Multiple Listing Service is a not-for-profit, member-owned organization that facilitates cooperation among its member real estate firms. With more than 2,300 member firm offices and 30,000 brokers across Washington state, NWMLS ([www.nwmls.com](http://www.nwmls.com)) is the largest full-service MLS in the Northwest. While based in Kirkland, Washington, its service area spans 23 counties and it operates 20 local service centers.

## Will Seattle become a “15-Minute City?”

Like many urban planners and metro government leaders, Seattle Mayor Jenny Durkan has embraced the “15-Minute City” concept as one way to recover from the economic fallout of the coronavirus pandemic. Critics say that notion is unrealistic.

The “15-Minute City,” as envisioned by French academic Carlos Moreno, who is credited with coining the idea, is “simply a way to help shift priorities.” Formulated in response to the climate crisis, it is based on a human-centered design with neighborhoods retooled so they meet daily needs while being sustainable and connected.

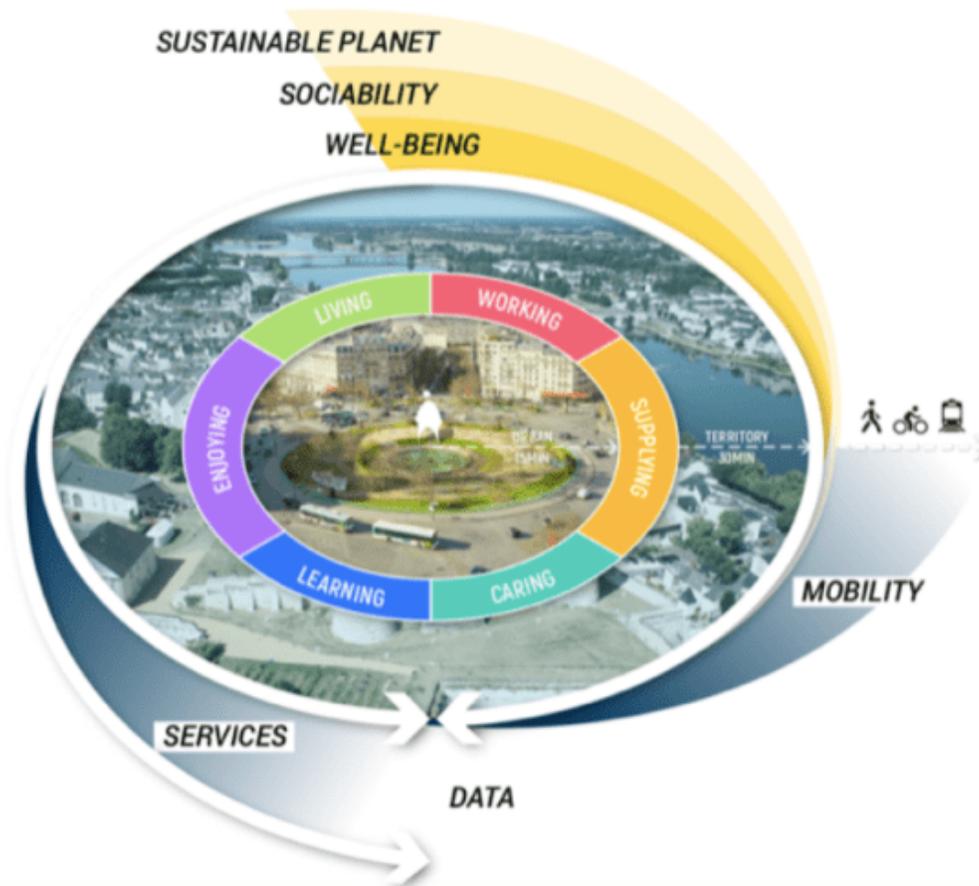
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According to Moreno, the scientific director at Pantheon Sorbonne University and an advisor to several government and non-governmental agencies, the framework of a 15-Minute City has [four key characteristics](#). Urbanist Dan Luscher, writing in *Publicola* described these traits as:

- **Proximity:** Things must be close.
- **Diversity:** Land uses must be mixed to provide a wide variety of urban amenities nearby.

- **Density:** There must be enough people to support a diversity of businesses in a compact land area. Note that Manhattan-level density is not needed, as many low-rise neighborhoods in San Francisco and other U.S. cities prove.
- **Ubiquity:** These neighborhoods must be so common that they are available and affordable to anyone who wants to live in one.

Once implemented, these characteristics would enable six essential social functions: living, working, supplying, caring, learning, and enjoying.



*Credit: Carlos Moreno*

Luscher said broad public engagement and buy-in are essential to implementation, along with detailed measurement and analysis, cost-effectiveness, and the involvement of “all types of actors” – not just urban planners or government agencies. Among the organizations and groups he listed are neighborhood leaders, nonprofits, entrepreneurs, investors, business organizations, and academia.

Seattle is among members of the international C40 Cities Climate Leadership Group that pledges to move toward a 15-Minute City model as a key action that is “critical to achieving a vision for a green and just recovery – and a future that works for everyone.”

In her “Durkan Digest” published in mid-September, Seattle Mayor Jenny Durkan reported she had directed the city’s Office of Planning and Community Development to “explore the concept of a 15 Minute City as a potential framework for the next major Comprehensive Plan.

Durkan is a member of the Global Mayors COVID Recovery Task Force, which over the summer adopted an agenda for a “Green and Just Recovery.” The group recognizes the 15-Minute City as an idea that can shape efforts to mitigate the worsening climate crisis, as well as a “potent and powerful concept for cities that are serious about addressing livability, urban isolation, and housing inequality.”

Seattle architect Mike Eliason, who focuses on passivhaus buildings, social housing and livable cities, expressed reservations about Seattle’s ability to become a 15-Minute City in a [guest editorial](#) in Publicola. He asserts Seattle has no “fully realized” pedestrian zones and the city’s low-traffic “Stay Healthy Streets” are located mostly in single-family neighborhoods “away from businesses, parks, and apartments.” Additionally, he references Mayor Durkan’s proposed 2021 budget that cuts tens of millions of dollars for safe streets and nonmotorized transportation, saying, “This is not climate leadership.”

Noting Seattle’s next major Comprehensive Plan update won’t be adopted until 2024 and a decade thereafter to be realized, Eliason said such a “framework that delays the transformation cities need to adapt to climate change (and COVID 19) for this long is neither climate action nor a path to economic recovery.”

Eliason also criticizes Durkan for a lack of action and leadership, saying Seattle’s mayor “like nearly every other U.S. mayor, is *not* making a city for my children.” He contends the 15-Minute City must be “fast-tracked today, and implemented in full, ideally with strong support from the state and federal levels.”

Among other detractors of the 15-Minute City are NIMBY groups, many historic preservationists, and “anyone else who fears his home value will collapse without the exclusive building and zoning standards that have historically perpetuated segregation,” according to Kea Wilson, senior editor at StreetsBlogUSA.

In her July 31 [blog](#), Wilson quoted Flavio Coppola, program manager for urban planning at C40 Cities, who said there are several key indicators that contribute to a premise underlying the concept of a 15-Minute City. Cities could ask themselves questions like: Do your residents have fresh food outlets in their neighborhoods? Is there a presence of critical public infrastructure, like good grade schools, within 15 minutes of most places? If you can’t reach the high school in a 15-minute bike ride, can a high-schooler at least reach it on transit? As envisioned by Moreno, public school buildings would be repurposed on evenings, weekends, and periods when school is not in session and used for cultural and civic events, or other programs.

Zoning reform will be needed for most cities to achieve 15-minute cityhood.

While Seattle boasts a few “urban villages,” they constitute only a fraction of the city. Notwithstanding its steep hills and large bodies of water, Seattle’s more daunting challenge would be zoning changes to

allow more housing and a broader mix of housing in single-family zones. (Currently, of Seattle's 36,884 total acres, 24,699 (approx. 67%) are in the single family zoning group, according to research by Rachel Ludwick at [Fancy Beans](#). She notes several caveats when calculating depending on which sources and zoning groups are included. Other sources peg the percentage of Seattle's land zoned to only allow standalone, single family homes at 75-to-80 %.)

Paris is considered the "poster child" for a shift that accommodates bikes and walkers. With the onset of pandemic induced lockdowns, it installed what is dubbed "corona cycleways" to ease transit crowding. The city installed 50 kilometers of pop-up bike lanes as a deliverable championed by Mayor Anne Hidalgo as part of her platform while campaigning for re-election this year.

Other cities are reimagining their infrastructures and touting green stimulus plans in their quest for a post-pandemic recovery. In a roundup of far-ranging examples, [Bloomberg City Lab](#) cited projects in Milan, Italy; Tallinn, Estonia; Ottawa, Canada, London, New York City and Portland, Oregon.

## Olympia considering changes to ADU regulations to help ease housing crunch

Among Washington's 39 counties, King County is known for having exorbitant housing costs. A recent two-part report in *The Olympian* delved into Thurston County's ever-increasing prices, focusing on Olympia and Lacey where housing advocates hope to add many more accessory dwelling units (ADUs) as one way to increase the supply of less expensive homes.

Thurston County's population grows by an average of 4,000 people annually, making it one of the state's fastest growing counties, according to the Thurston Regional Planning Council (TRPC). Most of the growth is concentrated in the Olympia-Lacey-Tumwater area.

That county's Housing Affordability Index (HAI), at 123.5 for first quarter 2020, makes it more affordable than the four-county Puget Sound Region consisting of King, Kitsap, Pierce and Snohomish counties, but less affordable than adjacent counties to the West (Grays Harbor and Mason). Since 2014, the HAI for first-time homebuyers in Thurston County has been considered unaffordable, and, according to TRPC, affordability continues to decrease.

Housing supply is lagging population growth and wages are not keeping pace with spiraling costs of housing, whether for home buyers or renters. These twin challenges are among reasons groups like [Olympians for People Oriented Places](#) (O-POP) cite for needing zoning reform that would allow more housing options.

In a status report on its website, O-POP notes the "Missing Middle housing recommendations" passed unanimously by the Olympic City Council in November 2018, allows for more diverse housing units and removes barriers to building ADUs, tiny homes, duplexes, triplexes and other options. Nevertheless,

those code updates are expected to create only 474 to 946 new residential units (not including ADUs) in Olympia over the next 20 years – only 3.6% to 7.3% of the anticipated need for new residences through 2035.



Although Olympia city officials have expressed support for ADUs, the report identified several onerous policies that hinder development of more such dwellings, which are also known as backyard cottages, in-law units, tiny houses, granny flats, or by dozens of other names.

Olympia’s Planning Department data indicate there are around 100 permitted ADUs in the city, which have been allowed since 1995. (A “significant number” of unpermitted units also exist according to anecdotal information.)

“Those interested in building an ADU in Olympia face regulations that can quickly torpedo the project,” wrote Brandon Block, *The Olympian’s* housing and homelessness reporter.

Among deterrents *The Olympian* cites are:

A requirement that all ADUs be owner-occupied (the owner must live on site, either in the ADU or the primary house on the lot). That requirement could be eased as early as this month.

A requirement that ADUs provide one off-street parking space.

High costs of building, which includes an estimated \$3,500-\$4,000 in development impact fees.

A requirement that the builder of an ADU install an automatic fire sprinkler system (required in all new residential structures in Olympia since 2014). Compliance could add \$8,000-to-\$10,000 to a project, according to one builder. (Exemptions for ADUs are being considered.)



Unlike Olympia, the city of Lacey doesn’t charge development impact fees, does not require fire sprinklers in new housing, and waives utility hookup fees for ADUs. The city has also made available free [pre-approved designs for ADUs](#) created by a local architectural firm.

Olympia code enforcement officer John “J.W.” Malone told the newspaper reporter the process of enforcement is complaint-based. If an unpermitted ADU is reported, the property owner is notified and given 14 days to fix the violation or be subject to a civil infraction and fine. The unit could also be condemned. Some older units that may have been approved but no longer meet code are classified as “existing nonconforming” and allowed.

It was also noted that real estate agents “have a responsibility to disclose permitting issues to prospective buyers, but not all buyers are savvy enough to check.”

Olympia appears to be making progress on amending its Housing Options Code. At the November 2 meeting of the Planning Commission, commissioners approved a recommendation that increased the maximum size of ADUs to 850 square feet, allow triplexes in the R 4-8 zone, allow fourplexes in the \$ 4-8

and R 6-12 zones, and allow sixplexes in the R 6-12 zone. Commissioners also authorized sending a letter summarizing its recommendations to the City Council.

## News In Brief

- **When the Washington state Legislature convenes in January, the Capitol building will remain closed to the public and lobbyists due to the pandemic, and lawmakers will do their work through a mix of virtual meetings and on-site votes.** The Senate Facilities and Operations Committee met Thursday to discuss the protocols for the 105-day session that begins Jan. 11, including a remote option via Zoom for the public to join committee hearings. As of early November, the House has not yet made an official decision on how to approach session, but Speaker Laurie Jinkins told reporters on Thursday that they are leaning toward doing their work completely remotely, with one lawmaker presiding from the chamber.
- **Ninety-one percent of buyers said they'd use their agent again or recommend their agent to others, and 89% of sellers said they'd definitely or probably recommend their agent for future services, according to NAR's new [2020 Profile of Home Buyers and Sellers](#).** The report takes a deep dive into buyer and seller demographics, experiences, and preferences and unearths interesting shifts since the onset of the pandemic. [The report is free this year as part of Right Tools, Right Now.](#)
- **[Microsoft](#) will make two loans totaling \$65 million to local housing groups with the goal of creating more than 1,000 new affordable housing units in the Seattle area, the company announced late November.** The company will invest \$40 million in an initiative to reduce rents in existing market-rate housing in Bellevue and Kirkland. Developer Stream Real Estate bought three apartment buildings charging market-rate rent and plans to lower rents in 40% of the units to be affordable to people earning less than the area median income. Lower-priced units, according to the developer, go vacant much less frequently than market-rate units, "providing a very stable market niche in economic downturns." Microsoft will also loan \$25 million to the Washington State Housing Finance Commission (WSHFC) for a program that funds developers' purchase of land to build affordable housing. The Redmond software giant made waves last year when it pledged to loan \$475 million to developers at below-market rates to spur the creation of more affordable units. At the time, the company also announced it would make \$25 million in grants to organizations serving the region's low-income and homeless residents. Including the funds in the announcement, Microsoft has allocated \$195 million of that \$500 million commitment. The company has also backed a \$250 million line of credit to the WSHFC, boosting the amount of money the agency can make immediately available to developers building affordable-housing projects.
- **Seattle now ranks as the most competitive housing market in the nation, with 71% of homes selling in under two weeks, according to [a new study](#) released last month.** The study, released by Lombardo Homes, is based on a nationwide survey of homebuyers and sales data from online real estate site Redfin. It found that the average home in the Seattle area sells after just 10 days

on the market. The study also found that the real estate market is booming despite the COVID-19 pandemic, with competition among homebuyers increasing across the country. About three-quarters of the homebuyers surveyed said they believe competition has increased since the start of the pandemic. About the same percentage said they have had a home go off-market before they even got to look at it. The most competitive housing markets in the country, after Seattle, were Omaha, Neb., with 67% of homes selling in under two weeks; Lexington, Ky., with 67%; Denver, Colo., with 65%; and Indianapolis, Ind., at 65%. Nationwide, an average of 42% of homes sold in two weeks or less. The survey also found that more homebuyers are now going online to find homes during the pandemic, and fewer are using a real estate agent. During an earlier survey, in May, 38% of homebuyers said they went online to find a home. But in the latest survey, some 65% said they searched for a home online. Despite the change in competition and ways in which buyers find homes, what they're looking for has stayed largely the same. In the May study, the most important things in a home were price, location, and neighborhood. Today, they're location, price, and size of the home.

- Washington state launched its statewide coronavirus exposure app, joining more than a dozen other states that have already enlisted the use of smartphone technology in the ongoing effort to prevent the spread of COVID-19.** People with iPhones can enable the 'exposure notifications' feature that is already in their phone's settings, and Android devices can download the app. The app, dubbed "WA Notify," uses privacy-preserving technology jointly developed by Google and Apple and works without collecting or revealing any location or personal data. By adding WA Notify to their smartphones, Washington residents will be alerted if they spent time near another user who later tests positive for COVID-19. Use of the app is voluntary and users can opt out at any time. It is available in 29 different languages.

## Calendar of Events

DATES	EVENT	TIME	LOCATION	CONTACT
<b>12/9</b>	Affiliate Council	10 a.m. - 11 a.m.		425-974-1011
<b>12/24-25</b>	Holiday-Office Closed			
<b>1/1/21</b>	Holiday-Office Closed			

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