

Hispanics poised to reinvigorate ailing housing market

Minorities and immigrants, led by Hispanics, will likely drive first-time homebuyer purchases and accelerate the nation's housing recovery, according to a new report from the National Association of Hispanic Real Estate Professionals (NAHREP).

Concurrent with the study's release, prime sponsor NAHREP joined with two other industry groups to promote a five-point plan for restoring the future of minority homeownership.

Population size, age and a greater propensity to be married, coupled with high motivation, are factors that will drive minorities' demand for condominiums, smaller starter homes and first trade-up homes. The same factors are spurring growth among minorities for housing in the middle and middle-upper segments.

"The Latin boom has been forecasted for years but we are now seeing the front edge of it and it has the potential to help the nation's housing system get back on track if we can create a safe credit environment for new buyers to get into the market," said Carmen Mercado, president of the 18,000-member trade group. "Our report quotes data from a number of sources that highlight the fact that enthusiasm for homeownership in the Hispanic community remains as strong as ever."

With more than \$1 trillion in purchasing power (up from \$951 billion in 2008), Hispanics are expected to lead the first time homebuyer market. Within the next decade, they are projected to account for about 40 percent of all new homeowners.

The report's author cites five favorable trends that should help increase the rate of Hispanic homeownership in the coming years:

1. Hispanics are now the largest minority group in the country and represent a growing portion of the age group involved in most home sales – those between ages 24 and 46.
2. More than other population groups, Hispanics can pick up stakes and move to other parts of the country in search of better jobs and more affordable housing.
3. Hispanics continue to attain steady gains in population, income, education and entrepreneurship.
4. More Hispanics can now afford to buy a home, especially in the suburbs, inner cities and in small towns.
5. Record low interest rates, government-backed loans and less predatory lending are making sustainable homeownership more affordable.

Award-winning author-consultant Alejandro Becerra, who wrote the "State of Hispanic Homeownership Report," also noted national studies supporting Hispanics' strong emotional and financial motivations for homeownership.

Thirty-four percent of Hispanics said they are likely to buy a home in the next three years, compared to only 24 percent of all Americans, according to one report. Figures for 2006 indicate Hispanics took out 700,000 home-purchase loans, far outpacing all minority groups. Looking ahead, by 2020, eighty percent of all new homebuyers will be minorities or immigrants, with Hispanics being the largest share, according to industry analysts.

"More than the general population and by a wide margin, Hispanics yearn for a place to call home, a dwelling located in a safe and secure neighborhood in which to raise children and provide them with a good education and a home they can leave behind for the family," Becerra stated.

NAHREP expects immigrant and minority homeownership to stimulate America's housing renewal. During the 1990s, the percentage of Hispanics owning a home rose from 42 percent to 48 percent -- the fastest rate of increase for any population segment in the country.

Other compelling evidence on the potential growth of Hispanic homeownership comes from the Pew Hispanic Center tabulations of U.S. Census 2008 income data. It shows that half (50 percent) of Hispanic households earned more than \$41,000 a year, with 30 percent earning more than \$65,000 annually. Over the past decade Hispanic households who earned more than \$100,000 per year grew by 125 percent to 3.7 million.

Another boost for the growth of homeownership among Latinos is attributed to real estate professionals, particularly those who are bilingual and culturally sensitive. They are successfully addressing the homeownership needs of Hispanics by forging strong and viable partnerships with lenders, national housing groups, such as LISC (Local Initiatives Support Corporation), Enterprise (Enterprise Community Partners, Inc.), counseling and nonprofit housing organizations, and government entities.

Despite the optimistic outlook, barriers persist, and must be addressed with policy changes, NAHREB and its cohorts believe.

Among the obstacles the report identified are mistrust of financial entities, fear of getting bad loans, and lack of information on affordable homeownership programs.

Nationally, subprime loans in 2006 were issued 2.3 times more often to Latino borrowers than to White borrowers.

A study released last year by the Center for Responsible Lending revealed that 17 percent of Hispanics had lost their homes or were at imminent risk of losing their home to foreclosure on loans originated between 2005 and 2008. That compares to 7 percent for non-Hispanic Whites. The Center estimates nearly one of every seven Hispanic homeowners will lose a home in a foreclosure action.

“If we are to prevent foreclosures more effectively, we need to complete loan modification efforts before foreclosing, include loan principal reduction in loan modifications, establish an independent third-party to whom to appeal adverse denials of loan modification requests, and expand funding of housing counseling agencies,” Becerra stated.

Becerra is a former Senior Housing Fellow with the Congressional Hispanic Caucus Institute. His critically acclaimed book, *Hispanic Homeownership: The Key to America’s Housing and Economic Renewal*, was published in 2010.

In an effort to create a sustainable path to homeownership, foster economic growth, and strengthen America’s families, NAHREB and affiliates the Asian Real Estate Association of America (AREAA) and the National Association of Real Estate Brokers (NAREB) developed a five-point plan. Upon issuing it, the groups, which together have more than 70,500 members, voiced strong opposition “to the perspective that homeownership strategies must be curtailed and that government must step back from its support of the secondary market.”

Instead, the trio of associations recommends:

1. Providing a balanced regulatory approach to Qualified Residential Mortgages (QRMs) exemption definition in order to support and encourage sustainable homeownership for qualified and responsible homebuyers.
2. Increasing diversity in the financial services sector and adequate oversight of minority business utilization and senior management hires.
3. Upholding the historical mission of the Federal Government to provide continued liquidity and stability to the housing and mortgage markets by preserving a critical role in the secondary mortgage market. Proponents emphasize a stable and robust secondary market is essential for mortgage lending to remain affordable and accessible to current and future homebuyers.
4. Providing strong consumer protection oversight in order to restore consumer and market confidence in homeownership.
5. Require mandatory homebuyer education and counseling for all first-time homebuyers.

“We believe that implementation of the Five-Point Plan will not only result in the recovery and resurgence of housing but will also help restore confidence in the American dream of homeownership, especially for the multicultural communities that have been hit so hard by foreclosures,” the groups stated.

A digital copy of the report is available for download at: <http://nahrep.org/state-of-hispanic-homeownership.php>.

About NAHREP. The National Association of Hispanic Real Estate Professionals, a non-profit 501c6 trade association, is dedicated to increasing the homeownership rate among Latinos by educating and empowering the real estate professionals that serve them. Based in San Diego, NAHREP (www.nahrep.org) is the premier trade organization for Hispanics and has more than 18,000 members in 48 states and 50 affiliate chapters, including one in Washington State.

Washington Adverse Possession Law Changed to Provide for Attorneys' Fees and Payment of Taxes

Parties to a lawsuit over adverse possession of real property will have some new provisions to take into account as a result of a law passed by the Washington State Legislature and signed by the governor.

Engrossed Substitute House Bill 1026 (“ESHB 1026”) changed the Washington adverse possession statute, RCW 7.28, to allow for a prevailing party to recover attorneys’ fees. It also permits a court to order a successful adverse possessor to reimburse taxes and assessments paid by the title holder during the time that the plaintiff was in possession of the property and for taxes that accrued during the lawsuit.

Before the amendments, Washington’s adverse possession statute did not provide for any recovery of attorneys’ fees and made no mention of taxes and assessments. The changes to the law, particularly the allowance for attorneys’ fees, could result in more settlements of adverse possession cases to avoid the potential high costs of trial and risk of loss.

Adverse possession allows a person, after openly occupying someone else’s land for a minimum of 10 years, to bring a lawsuit to gain record ownership of that property. The bill signed into law will allow the winning party to request costs and reasonable attorneys’ fees, which a court would have discretion to award all or a part of as it deems just and equitable. Similarly, the reimbursement of taxes would be left to the court’s discretion. A court also could order the winning party to pay the county any taxes or assessments that were not paid during the time the adverse possession lawsuit was pending.

The new law went through several significant revisions during its travels through the Legislature. An earlier version of the bill that passed out of the state House of Representatives committee would have required that a person who asserted an adverse possession claim pay the attorneys’ fees of the defending party. This “winner-pays” scheme is different from most fee award provisions that typically provide for the prevailing party to recover attorneys’ fees and costs. That particular provision, however, did not make it out of the full House, as floor amendments changed the fee recovery language to a more standard prevailing party provision.

Also, in the original version of the bill was a requirement that a plaintiff prove adverse possession by “clear, cogent and convincing” evidence. That standard would have been much higher than the typical preponderance of evidence burden of proof in civil cases, including many adverse possession cases.

Although the full House retained that higher standard of proof in the version of the bill it passed, the state Senate struck the burden of proof language entirely from the final bill.

The changes to the law will not affect current adverse possession cases; it will only apply to adverse possession actions filed on or after July 1, 2012.

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█ Pending sales around Washington state at mid-year surpass year-ago levels; industry leader says “It feels like we have hit the bottom of the market”

KIRKLAND, Wash. (July 6, 2011) – Continuing the double-digit gain in home sales during May, last month’s pending sales surpassed the volume for June 2010 by nearly 36 percent. Northwest Multiple Listing Service members reported 7,539 mutually accepted offers last month, up nearly 2,000 transactions from the year-ago total of 5,547 pending sales of single family homes and condominiums.

At midyear, Northwest MLS brokers have logged 41,151 pending sales for a slight improvement on the total of 41,001 for the first six months of 2010 when sales were stimulated by a federal tax incentive.

Closed sales for the 21 counties in the Northwest MLS service area are running slightly behind 2010 figures. Through June, members have completed 26,034 sales, which compares to a total of 27,624 closings for the midpoint of 2010.

MLS members reported 5,561 closed sales during June, down 3.5 percent from the same month a year ago when there were 5,763 closings. Five counties (Clark, Cowlitz, Jefferson, King and Mason) reported year-over-year increases in the number of closed sales.

PLEASE NOTE: Northwest MLS reports both pending sales (mutually accepted offers) as a barometer of the most recent activity, and closed sales (completed transactions).

“It feels like we have hit the bottom of the market,” remarked Lennox Scott, chairman and CEO of John L. Scott Real Estate. He described sales activity as being at “healthy levels” for the past seven months across all price ranges close to the Seattle-Bellevue job centers and up through the median price range in the surrounding markets. “Buyer confidence has definitely returned,” he proclaimed.

Echoing that comment, Matt Deasy, the general manager of Windermere Real Estate East, noted the early signs of a market shift, which he expects will prompt shifts in buyers’ priorities. “The combination of lower inventory levels and higher sales is leading to early signs of a market shift,” he observed, adding, “These conditions are also causing the median home price to stabilize, despite being lower than last year.”

Deasy, who is also a member of the Northwest MLS board of directors, said brokers are “seeing a lot of activity in the markets close to the job centers in Seattle and Bellevue which is causing some buyers to miss out on opportunities if they don’t act fast enough.” As this cycle continues, he expects buyers’ priorities will shift from looking for the best deal possible to finding the best house for their needs at a fair price.

Prices on last month’s closed sales area-wide were down about 9 percent from the same month a year ago, but compared to January, the drop is only about 2.8 percent. The median price for sales that closed last month was \$240,950; a year ago it was \$265,000. In January it was \$250,000.

CoreLogic, Inc., a California company that analyzes various statistical data, attributes much of the drops in home prices to distressed sales. In a report issued last week, the company said year-over-year prices for sales during May fell 5.8 percent in the Seattle area and 7.4 percent nationwide. If homes in or under threat of foreclosure are excluded, the drops were just 1.75 percent in King and Snohomish counties, according to CoreLogic’s analysis

Like prices, inventory is showing signs of stabilizing. Northwest MLS members added 10,334 new listings to inventory last month, about the same number as a year ago when they added 10,354 new listings. With those additions, there were 36,871 single family homes and condominiums offered for sale in the MLS database at the end of June. That’s down about 14 percent from a year ago when inventory stood at 42,940 active listings.

Measured by “month’s supply,” there is about a 5-month supply of homes system-wide, which is considered to be a balanced (or neutral) market favoring neither buyers nor sellers. Inventory is tighter in King County where the month’s supply is about 3.7 months.

“For the most part, Kitsap County is seeing a normalization of our market in the price ranges below \$350,000,” said Frank Wilson, branch managing broker at John L. Scott Real Estate in Poulsbo. “We are seeing inventory levels in the 4-to-6 month timeline,” he reported, while noting it’s much higher at the upper end of the price spectrum. The MLS map areas encompassing East Bremerton and Silverdale are experiencing good activity said Wilson, a member of the Northwest MLS board of directors.

With the return of buyer confidence, Scott said multiple offers are occurring in markets where there is low inventory. “Buyers are seeing the advantage of historic low interest rates, lower adjusted prices and low down payment options,” he stated.

Commenting on the current market, Wilson emphasized the “basics have not changed” for buyers and sellers, “even though it is easy to get caught up in the national news. Real estate is a micro discussion, not a macro one,” he emphasized. “Your broker should be able to talk neighborhood specifics and what the inventory and turnover are within each area,” he added.

Northwest MLS director Meribeth Hutchings reported “the buyers are out there,” and noted they’re looking for an “opportunity.” She also said they are seeing multiple offers, but added no uptick in prices is expected. “Where I am seeing increased activity is with our property management company, which reports vacancy rates of only 3-to-4 percent,” said Hutchings, the designated broker/owner at Windermere Real Estate/Lake Stevens Inc.

“Buyers need to talk with a lender first to better understand their mortgage options, become informed about today’s market and be prepared to make a reasonable offer when they find a home that meets their needs,” Wilson advises. Sellers need to be priced within about 3 percent of what the home will sell for, and they need to look at their home and property through the eyes of a buyer. “Paint, clean, de-clutter and above all, be prepared to move,” he suggests.

Northwest Multiple Listing Service, owned by its member real estate firms, is the largest full-service MLS in the Northwest. Its membership includes more than 22,000 real estate brokers. The organization, based in Kirkland, Wash., currently serves 21 counties in Washington state.

Statistical Summary by Counties: Market Activity Summary - June 2011

Single Fam. Homes + Condos	LISTINGS		PENDING SALES	CLOSED SALES		
	New Listings	Total Active	# Pending Sales	# Closings	Avg. Price	Median Price
King	3948	11173	3008	2362	\$412,836	\$317,000
Snohomish	1466	4548	1279	866	\$264,163	\$239,925
Pierce	1509	5501	1266	872	\$209,078	\$195,278
Kitsap	472	1834	315	248	\$277,923	\$238,000
Mason	176	897	75	59	\$179,264	\$145,000
Skagit	220	1113	147	91	\$234,474	\$185,000
Grays Harbor	179	925	107	60	\$129,263	\$113,500
Lewis	157	780	76	40	\$153,950	\$145,500
Cowlitz	149	602	100	97	\$149,225	\$140,000
Grant	124	630	65	60	\$164,518	\$154,000
Thurston	480	1746	360	290	\$236,378	\$228,475
San Juan	57	499	12	9	\$462,889	\$415,000
Island	240	1062	116	67	\$268,964	\$245,000
Kittitas	120	579	60	31	\$227,551	\$190,000
Jefferson	109	613	40	28	\$244,505	\$247,500
Okanogan	79	450	27	17	\$206,200	\$157,500
Whatcom	431	1864	291	215	\$287,558	\$247,450
Clark	59	285	48	42	\$184,051	\$178,450
Pacific	81	463	27	20	\$123,650	\$101,546
Ferry	9	63	0	1	\$55,000	\$55,000
Clallam	101	483	43	31	\$222,412	\$194,900
Others	168	761	77	55	\$209,613	\$185,000
MLS TOTAL	10,334	36,871	7,539	5,561	\$310,007	\$240,950

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
2000	3706	4778	5903	5116	5490	5079	4928	5432	4569	4675	4126	3166
2001	4334	5056	5722	5399	5631	5568	5434	5544	4040	4387	4155	3430
2002	4293	4735	5569	5436	6131	5212	5525	6215	5394	5777	4966	4153
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	4,767	6049	5732	5963	5868						

Northwest Multiple Listing Service Chooses Authentisign™ for Electronic Signatures

Seattle, WA – June 29, 2011 – Instanet Solutions announced today that Authentisign™, an integrated digital signature platform, has been selected by Northwest Multiple Listing Service as its E-SIGN product-of-choice. Northwest MLS is one of the nation’s largest MLSs servicing more than 22,000 real estate brokers in Washington state.



“The opportunity to serve Northwest MLS and its members is a privilege” said Martin Scrocchi, Instanet’s President & CEO. “They have an industry-wide reputation as a technology innovator, and many other MLSs around the country look to



Northwest MLS for leadership in choosing and implementing advanced technologies. We feel great about having been selected as their vendor and business partner.”

Tom Hurdelbrink, Northwest MLS’s President & CEO added, “Authentisign will enable our members to provide their clients with a secure and efficient method for electronically executing contract documents. Authentisign will be tightly integrated with our existing forms platform, making it easy for our members to facilitate paperless transactions. Instanet has been a very flexible partner helping Northwest MLS to foster its culture of innovation.”

Northwest MLS plans to implement the Authentisign service beginning fall 2011. Users will pay a nominal monthly fee.

More than 10 years ago, the E-SIGN law was enacted when U.S. President Clinton signed the E-Signature bill giving the same legal validity to an electronic signature as a signature in pen and ink. As real estate brokers and consumers become increasingly comfortable with the security and authenticity of electronic signatures, MLSs and Associations are rapidly embracing this technology.

About NORTHWEST MLS: Northwest MLS, owned by its member real estate firms, is the largest full-service MLS in the Northwest. Its membership includes more than 22,000 real estate brokers. The organization, based in Kirkland, Wash., currently serves 21 counties in Washington state.

About Instanet Solutions: Instanet Solutions is a leading provider of real estate technology with approximately 390,000 licensed, paid, user accounts of their various real estate focused products - InstanetForms™,

TransactionDesk™, DocBox™, DocBox2Go™, InstanetFax™ and Authentisign™. Instanet Solutions, based in London, Ontario, began delivering residential real estate technology in 1992. Further information about Instanet Solutions and its products is available at <http://www.instanetsolutions.com>.

Tips to Save Energy This Summer

June's weather for Puget Sound and much of Washington brought below normal temperatures, clouds and rain – and even occasional sunshine, after an unseasonably cold and wet May. But surely warmer weather is coming, so now is the time for homeowners to find ways to save energy and keep their homes comfortably cool. Following are several no-cost and low-cost tips from the U.S. Department of Energy.

For starters, DOE recommends conducting an energy assessment to find out where you can save the most and where it might be worthwhile to invest in long-term energy savings.

- **Use natural ventilation.** In climates where it cools off at night, turn off the cooling system and open the windows while sleeping. In the morning, shut the windows and blinds to capture the cool air. Consider installing window coverings and window treatments to prevent heat gain through the windows.
- **Operate the thermostat efficiently.** Set the thermostat as high as comfortably possible in the summer. Keep the house warmer than normal when you are away. A programmable thermostat can make it easy to set back the temperature.
- **Use fans and ventilation strategies to cool your home.** If you use air conditioning, a ceiling fan will allow you to raise the thermostat setting about 4°F with no reduction in comfort. Turn off ceiling fans when you leave the room. When you shower or take a bath, use the bathroom fan to remove the heat and humidity, and make sure fans are vented to the outside, not just to the attic.
- **Keep cooling systems running efficiently.** Know how to operate and maintain your air conditioner, evaporative cooler or heat pump, and schedule regular maintenance on such equipment. Vacuum registers regularly to remove any dust buildup. Ensure that furniture and other objects are not blocking the air flow through your registers.
- **Don't heat your home with appliances and lighting.** On hot days, avoid using the oven. Instead, cook on the stove, use a microwave oven or grill outside. Install efficient lighting that runs cooler. (Only about 10-to-15 percent of the electricity that incandescent lights consume results in light – the rest is turned into heat.) Wash only full loads of dishes and clothes, and consider air drying them.
- **Keep hot air from leaking into your home.** Seal cracks and openings to prevent warm air from leaking into your home. Add caulk or weather stripping to seal air leaks around leaky doors and windows.
- **Lower your water heating costs.** Water heating can account for 14-to-25 percent of the energy consumed in your home. Turn down the temperature of your water heater to the warm setting (120°F). You'll save energy and avoid scalding your hands.
- **Consider investing in ENERGY STAR products,** which can save families about a third on their energy bill with similar savings of greenhouse gas emissions, (ENERGY STAR is a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy helping us all save money and protect the environment.)

For more no-cost and low-cost tips, visit http://www.energysavers.gov/seasonal/tips_summer.html?print.

Owning a home still valued despite dip in values

Nearly nine in 10 Americans say homeownership is an important part of their American dream, and something that remains central to a sense a well-being, according to respondents in a recent New York Times/CBS News poll.

Nevertheless, respondents expressed worry about their purchase. Almost half (49 percent) call it a safe investment, but nearly the same number (45 percent) think it is risky.

Almost no one who took part in the nationwide poll favors discontinuing the mortgage-tax deduction.

Opinions are shifting when it comes to assessing blame for the housing crisis as people are increasingly faulting financial institutions. In the wake of recent disclosures about banks following improper and illegal procedures in pursuing foreclosures, 42 percent blame lenders, while 29 percent say regulators are guilty.

When the question was asked in early 2008 during the mounting crisis, the numbers were reversed. Forty percent blamed regulators and 28 percent blamed lenders. Only a small number of those polled at either moment blamed the borrowers themselves for taking loans they could not afford.

Respondents favor support for people in financial distress over housing. In fact, helping those on the verge of foreclosure drew more support than providing assistance to those who have been without a job for many months. Although politically contentious, the issue of direct financial assistance to those having trouble paying their mortgages drew approval by more than half those polled (53 percent).

Widespread foreclosures are worrisome. Three-quarters of those polled said foreclosures are a problem in their communities.

Forty-five percent say the government should be doing more to improve the housing market; only 16 percent say it should be doing less.

Respondents were split by a wide margin on a question about down payment requirements. Fifty-eight percent say lenders should still require the conventional 20 percent down, while 36 percent believe it should be eased.

The downward spiral in home values has affected long-term plans for half those surveyed. About 20 percent say the crisis has prevented them from moving to another city or taking a different job.

The nationwide telephone poll was conducted June 24-28 with 979 adults and has a margin of sampling error of plus or minus 3 percentage points for all adults.

Governmental Affairs Reporter

A quarterly report from your Seattle-King County REALTORS®; Period Covered: 2nd Quarter 2011, April - June

Your Seattle-King County REALTORS® (SKCR) is involved on these issues on your behalf:

- GreenHomeAdvisor.org
- Seattle's Energy Audit & Retrofit Program
- Real Estate Signage
- Land Use & Development Regulations
- Annexation: Kirkland Annexation is Complete
- Legal Corner: Possible Lawsuit Against FEMA
- WA State Legislative Recap
- The Realtors Environmental Council (TREC) - Register Now
- Political Affairs

This is a separate 12-page, full-color, 3.5MB PDF document:

<http://www.nwmls.com/discover/library/reporter/2011/Aug11/Aug11GovtAffRprtr.pdf>

The REALTOR® Governmental Affairs Reporter is a quarterly publication produced by SKCAR to inform members about current issues and successes within your Governmental Affairs Department. Our next publication will be released in April 2011. The 2010 VP of Governmental & Public Affairs is Jim Dierst jimdi@johnlscott.com, VP-elect of Governmental & Public Affairs is Evangeline Anderson van@vananderson.com, staff director is David Crowell dcrowell@nwrealtor.com, and our local legislative housing advocates are Sam Pace sampace@concentric.net and Randy Bannecker wrbann@seanet.com Please call David Crowell at (425) 974-1011 ext. 704 if there are any local legislative issues that need SKCAR's attention.

▮ Pew Research finds surprises in analyzing adult Facebook users

Among users of social networking sites, Facebook users are more trusting, have more close friends, are more politically engaged, and get more support from their friends, according to a new national study.

The survey, conducted as part of Pew Research Center's Internet & American Life Project, explored people's overall social networks and how use of these technologies is related to trust, tolerance, social support, and community and political engagement.

Researchers found that 47 percent of the entire adult population is using social networking, up from 26 percent in a similar survey from 2008. Research shows today's social networking users are older: the average age of adult site users is 38, which compares to age 33 in 2008. More than half of all adult social networking site users are now 35-plus.

Researchers found Facebook (the dominant platform measured by both number of users and frequency of use) helps users retain high school ties and it revives dormant relationships. The average Facebook user has 229 Facebook friends, according to the sample, with the list comprised of a variety of relationships:

- 22% people from high school
- 12% extended family
- 10% coworkers
- 9% college friends
- 8% immediate family
- 7% people from voluntary groups
- 2% neighbors

Nearly a third (31 percent) of Facebook friends could not be classified into the above categories. Only 3 percent are people users have never met in person and another 7 percent are people who have met only one time.

"There has been a great deal of speculation about the impact of social networking site use on people's social lives, and much of it has centered on the possibility that these sites are hurting users' relationships and pushing them away from participating in the world," noted Prof. Keith Hampton, the lead author of the new Pew Internet report. "We've found the exact opposite – that people who use sites like Facebook actually have more close relationships and are more likely to be involved in civic and political activities."

"Interesting variation" in the characteristics of users across different social network sites emerged from the survey, according to Lauren Sessions Goulet, co-author of the report. "People pick the platforms which best meet their social and professional needs," she remarked.

For instance, the report found:

- Nearly twice as many men (63 percent) as women (37 percent) use LinkedIn.
- The average adult MySpace user is younger (32), and the average adult LinkedIn user older (40), than the average Facebook user (38), Twitter user (33), and users of other social networking sites (35).

- MySpace and Twitter users are the most racially diverse mainstream social network platforms.
- MySpace users tend to have fewer years of formal education than users of other social network services, whereas most LinkedIn users have at least one university degree.

Among findings the authors noted as “surprising” were that social networking sites are increasingly used to keep up with close social ties (40 percent of users have friended all of their closes confidants) and MySpace users tend to be more open to opposing points of view.

“Social networking sites have become increasingly important to people as they find ways to integrate check-ins and updates into the rhythms of their lives,” noted Lee Rainie, a co-author of the report. “People use them now to stay in touch with their best friends and distant acquaintances alike. But the story hasn’t ended. It’s clear that the world of networked individuals will continue to change as the platforms and populations of users continue to evolve.”

The survey was Pew’s first-ever reading on specific Facebook activities. It was based on telephone interviews conducted in late 2010 involving 2,255 adults age 18 or older.

HUD Funds Construction and Self-sufficiency Programs for Local Housing Authority Residents



The U.S. Department of Housing and Urban Development awarded 10 public housing authorities nearly \$34 million in grants earlier this year that will be used as seed money to create early childhood education and adult training facilities for public housing residents. Housing authorities in Seattle and King County were among the recipients.

Funding for the local projects, valued at more than \$6 million, will be used to build a new community center at Valli Kee Apartments in Kent, to expand community centers at the Firwood Circle and Burndale Homes public housing complexes in Auburn, and to preserve the Steam Plant at Yesler Terrace in Seattle as a facility for self-sufficiency programs and services.

HUD’s Capital Fund Education and Training Community Facilities (CFCF) Program provides funding to public housing authorities for the construction, rehabilitation, or purchase of facilities that offer comprehensive, integrated education and employment services to help public housing residents achieve long-term economic self-sufficiency.

Although the community facilities that receive HUD grants are designed primarily for public housing residents, they can be utilized by residents in the surrounding community.

The grant for the Valli Kee Apartments in Kent will be used to replace an outdated, 900 square-foot multipurpose community room with a 4,330 square-foot facility.

The new building will house classrooms, a dedicated computer lab, multipurpose meeting/activity spaces, and private counseling areas. In addition, two outdoor play areas – one designed for preschoolers and one for older youth – will be constructed adjacent to the center. The building will be fully accessible for use by residents with disabilities.

Several service providers are collaborating with the Housing Authority to support the apartment residents, including Child Care Resources, the Refugee Women’s Alliance (parent education classes), Kent Youth and Family Services



in partnership with the Kent School District (after-school programs), the Puget Sound Educational Service District (training classes for parents) and Renton Technical College (outreach, recruitment and distance learning access).

The project is expected to employ 40 workers and will generate additional economic activity in the Kent community.

Two other public housing complexes owned and managed by King County Housing Authority (KCHA) are also beneficiaries of the HUD grants. KCHA will replace or expand undersized existing facilities with larger, fully-accessible and energy-efficient community centers

The current Firwood Circle facility will be renovated and expanded to provide 3,366 square feet of program space. A new 3,563 square-foot Burndale Homes facility will house community services currently located in a converted residential unit.

Children from these communities face unique economic and cultural obstacles to achieving educational success. KCHA will be collaborating with Neighborhood House, the Auburn School District, and an array of community-based nonprofit partners to strengthen academic support for these students. Both facilities will provide after-school programs for children living in the complexes and surrounding neighborhoods, along with classrooms for basic adult education and computer literacy instruction.

The grant award to the Seattle Housing Authority will allow the Steam Plant at Yesler Terrace to be preserved as that community's only uniquely modernist building. It will become a permanent home for important self-sufficiency services in the center of the 30-acre community, where approximately 1,200 residents live.

The new center will house Neighborhood House's Head Start program, Catholic Community Service's Youth Tutoring program, an Express Credit Union for affordable financial services, SEIU (Service Employees International Union) training center and Seattle Housing's employment opportunity services.

Construction is expected to begin in summer of 2012 and take about a year.

A recent study by the Econsult Corporation measuring the economic impact of construction work on public housing sites nationally concluded that every construction dollar spent generates \$2.12 in additional economic activity through wages, purchases of goods and services, and consumer spending by workers.

KCHA administers a range of quality affordable rental and homeownership programs in the Puget Sound region. The Authority daily serves about 18,000 families and elderly and disabled households.

Stephen Norman, executive director of KCHA said the grants will enable the recipients to support programs that help children succeed in school and their parents develop job skills that will make them economically self-sufficient. "Our approach – combining stable, attractive housing with vital human services and improved educational opportunities – ensures that struggling families have the opportunity to achieve their full potential," Norman stated, adding, "We are grateful to Sen. (Patty) Murray for her long-standing commitment to providing resources to ensure that all students get the best education possible."

HUD required successful applicants to illustrate their ability to get firm financial commitments of at least 5 percent to leverage the HUD grant. The applicants were also required to identify at least one education and/or training supportive service provider, such as a community college, that would partner with the housing authority to provide education and employment services at the facility. All of the grantees surpassed this requirement by forming partnerships with many local organizations in the community.

United We Stand, Divided, Not So Well

Those who enjoy a great movie or a compelling play understand that classic examples of staged drama all have a very predictable flow. The term used to describe this flow is “act structure.” Act structure accounts for how the flow of nearly every plot. All staged drama, be it distributed via stage or screen, has 'acts'. Critics and screenwriters divide films into acts, even though films don't require physical break down, as would a play.

Act breaks in a film are often very obscure for lay audiences, and sometimes only a trained person can detect the ending of one act and the beginning of another in the progression of a movie; although learned people can typically mark it by a 'plot point' in the writing process or film appreciation.

The most common paradigm in theatre, and so in films, is the three act structure, originally proposed over 2,300 years ago, by the Greek philosopher, Aristotle. This paradigm sees all stories as having a 'beginning', a 'middle' and an 'end'. Playwrights and screenwriters divide their stories into three major parts, according to this paradigm:

1. Set up
2. Confrontation (alternatively called 'conflict' or 'complication')
3. Resolution

These form the basic three acts of any performance – whether on stage or on screen.

The thesis of this article is to suggest that the American real estate industry is currently engaged in, what historians might call, the “ultimate” three-act play. The term ultimate is appropriate given the fact that the final act of the play will, to a great extent, determine who will move on to play the lead in the upcoming series about the new American real estate industry and marketplace.

Act I: Set Up

These circumstances, in and of themselves, might not be considered especially significant in most cases. It is, after all, an adult game, being played in an adult forum and adults, according to our parents, distinguish themselves by always understanding the “consequences” of their actions.

What makes the current real estate industry drama alarming is that, of the over one million players engaged, only a handful understands how the ultimate outcome will impact the industry, the marketplace and the players.

What makes this drama dangerous is that each one of these “knowing” individuals appears to be engaged in the drama, not as a shepherd seeking to protect the flock, but rather, as a predator seeking to use the current circumstances to achieve some combination of ordinary greed, power and control. Worse yet, several would have the industry believe that they are there for the benefit of the American REALTOR.

To be honest, it is difficult even for the most sophisticated within the real estate world to spot these intrusions. This confusion is the product of four factors:

1. Those who would manipulate the industry for their own gain are very articulate and skilled in their presentation of both the situation and their patriotic role, “the spin”.
2. The very changes and re-engineering that they are promoting are, in fact, what the industry will need to move forward, the real issue is who will control them and to what end.
3. The changes currently sweeping the industry are both organic, in that they are attaching to the basic procedures of the transaction, and profound, meaning that they are recreating many of the industry’s most enduring beliefs.
4. The vast majority of those who should be correctly interpreting current events and protecting the industry aren’t. Most agents and brokers are sitting in trenches awaiting the return of a marketplace that will never again exist and most industry leaders are so engaged in their own career, business and professional struggles that they have grown to find their leadership tasks boring and irrelevant. While they can often be found on the scene, they aren’t really there.

The efforts to usurp the potentials and prerogatives of our industry can be found in each of its segments. Organized real estate, at all three levels, is currently awash in these types of activities. Yet the vast majority of brokers, agents and leaders have no idea that their futures are being exploited, often by schemes and designs that are both ill-advised and operationally defective on their face. Many of these players not only don't realize that their organizations are being compromised, but they have no idea what role they could play in a more reasoned and logical reformation.

Similar activities are occurring at the highest levels of the "business" side of our industry. Despite a historic rise in opportunities, the level of creativity and innovation within the business sector are almost non-existent. At the same time, the initiatives and inventions of those who would replace the current structure and its players moves forward with funding, invasion of the market and the winning over of the consumer. The current showdown between the large brokers and the franchises over the distribution of listings is a classic example of what happens when a culture reaches a point of demise.

These events are also playing out at the ground level of our industry. Relationships between agents and brokers are not moving forward, on the basis of what has been learned about what must happen, but rather along the track of what has been experienced. Here again innovation and creativity is being met by suspicion and distrust. Rumors and distrust are causing thousands of agents to roam from one broker to another rather than staying in their current relationship and attempting to jointly create a reformation.

Act 2: Confrontation

There are those who, in conversation, suggest that the current events within the American real estate industry are exactly what should be happening at this point in its history. This is probably the truth, from a traditionalist perspective. After all, transparency is a relatively new concept, especially in the face of centuries of sanctioning the actions of a few who hoodwinked the aspirations and stole the potential of many.

It must be pointed out that it isn't as if there aren't those who are calling out the alarm. Every day dozens of bloggers and other social media activists are sounding the warning. Amazingly enough, they are using a language and a media that, while understandable to a small minority, doesn't exist for the vast majority of those who lives are about to be negatively impacted. Within this "establishment" group there remains a belief that those who criticize the "status quo" are troublemakers and terrorists. They wait calmly for someone to invite them to a meeting to discuss the future of the industry, a call that will never come, because it has never occurred.

In conclusion we return to our original thesis. There are, today, a number of powers and forces whose actions and initiatives will fundamentally reshape our industry in their own best interests, to the detriment of those who currently comprise its strength and, unfortunately its weakness. Our industry is engaged in a three-act play, two acts of which have already been played out.

Act 3: Resolution

It is incumbent on all of those who will cry foul when their pink slips are ultimately delivered, to immediately find the time to learn what is going on, to form an opinion relative to what set of reformations will best meet the needs of all involved, and to put their not insignificant influence behind what they believe it the best option.

This is an amazing industry, filled with talented people, awesome resources and focused on one of the three most important human objectives. We should not allow ourselves to be dissolved like some ancient backward culture in the face of a far away conqueror. We should not ignore our potential in exchange for a few more years in our present inefficient and unacceptable configuration.

There are leaders out there. There are winning solutions and forums to practice them in. Let's demonstrate, for the entire world to see, that we are part of the solution, not the definition of the problem.

Let's take off our blindfolds and write our own third act.

News In Brief

- Tax reform is needed but whether Congress can make the kinds of cuts that would reduce the maximum tax rate to 25 percent, as some have suggested, is uncertain, the senior Democrat on the tax-writing House Ways & Means Committee said in a recent address. Rep. Sander Levin (D-Mich.) said four major so-called tax expenditures, all of which benefit the broad middle class, would have to be cut or eliminated to broaden the tax base sufficiently to bring down the top rate to that level. These include health insurance exclusions, MID and other housing incentives, retirement savings incentives, and education incentives.
 - QRM Update: NAR Government Affairs has been closely monitoring the implementation of Section 941 or the so-called “QRM Rule” that is part of the risk-retention provisions of the Dodd-Frank legislation passed last year. The “Qualified Residential Mortgage” has the potential to stop the fledgling housing recovery in its tracks if implemented in its current form. NAR has joined with a diverse network of groups who share our position that, as written, the QRM regulation would push millions of American families out of the home market. The regulation would require onerous down-payment requirements of up to twenty percent of the purchase price. NAR has asked for and received an extension of the comment period until August 1, 2011.
 - Bank of America Home Loans recently changed underwriting standards for the FHA loans it provides through its mortgage loan officers for FHA purchase mortgages. Bank of America will increase its flexibility on FICO score requirements and allow borrowers with minimum FICO scores of 580 to apply for loans, assuming they meet certain debt-to-income requirements. Agents with questions about Bank of America's underwriting criteria for FHA loans should contact a Bank of America Mortgage Loan Officer.
 - In recent weeks, the federal agencies controlling FHA and Freddie Mac and Fannie Mae (the GSEs) have published the loan limits that are set to go into effect on October 1, 2011. The current GSE limits range from \$417,000 to \$729,750, depending on local area median home price. The FHA limits range from \$271,050 to \$729,750, also based on 125% of local area median home price. These limits are set to expire on September 30, 2011. The new limits will reset to 115% of local area median up to \$625,500. This reduction in limits will impact 669 counties in 42 states. A chart of the new limits is available on REALTOR.org. Reps. Gary Miller (R-CA) and Brad Sherman (D-CA) have introduced H.R. 1754, the "Preserving Equal Access to Mortgage Finance Programs Act". This legislation will make the current loan limits permanent. NAR continues to work with Congress to enact this legislation.
 - Seattle is the fourth “greenest” city in the United States and Canada, according to a study published Thursday by the Economist Intelligence Unit. The examination, commissioned by Siemens, ranked 27 cities. So which places were ahead of the Emerald City? San Francisco, Vancouver, British Columbia, and New York. The study looked at nine areas, including environmental governance, land use, buildings and transportation. Seattle (PDF) scored first among the metro areas in the “buildings” category. “High-income cities generally do well in buildings, but Seattle’s performance is notable even compared to its high-income peers. Only New York matches Seattle’s feat of scoring maximum points in the category’s two main policy areas for energy efficient buildings: standards and incentives. And owing to a 2002 mandate that all municipal buildings over 5,000 square feet receive LEED silver certification, Seattle now boast an impressive number of LEED-certified buildings in relation to population: 17 for every 100,000 people, versus an Index average of 6.4,” the study said.
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Calendar of Events

Through August 5, 2011

Dates	Event	Clock Hours	Time	Location	Contact
SEATTLE-King County REALTORS®					
7/13	Board of Directors		10:30am-1:30pm	SKCR	(800) 540-3277
7/27	New Member Orientation		9:30am-12:30pm	SKCR	(800) 540-3277
8/2	Government Affairs Committee		10:30am-1:30pm	SKCR	(800) 540-3277
8/5	Housing Demographics Seminar	0	9:30am-11:30am	SKCR	(800) 540-3277
For updates visit: www.nwrealtor.com and click “events”					
SNOHOMISH COUNTY-CAMANO ASSOCIATION OF REALTORS®					
For updates visit: www.sccar.com and click “events”					