Housing key to economic recovery

Washington state's chief economist is forecasting an extended period of "muddle-through" as the U.S. and local economies grapple with the doldrums. In remarks at an economic outlook forum, Dr. Arun Raha, who also serves as executive director of the Economic and Revenue Forecast Council, said the recession will end when the housing market starts to recover, which he expects will occur within about 18 months.

In the meantime, Raha pointed to three risks to the economic outlook:

1. European sovereign debt problem
2. Political gridlock in Washington D.C.
3. Weak consumer and business confidence

His forecast for the 2011-2013 biennium is $1.4 billion lower due to the worsened economic outlook.

"For the economy to grow, we need clarity about fiscal policy" he told the audience at the "Navigating 2012" event hosted by Umpqua Bank in partnership with the *Puget Sound Business Journal*.

For the short-term, Raha pegged the odds of slipping back into a recession at one in three, adding, "The best I can hope for is we don't slip," despite declining consumer confidence, sales expectations and small business optimism. Stability in home prices will signal a turnaround in the economy, he believes.

On a more upbeat note, he thinks long-term prospects are good, citing improvements in multi-family building permits, an anticipated slowing of foreclosures, Boeing's book of orders, growth in software publishing employment, and strong gains in exports as contributing factors.

The state's top economist also noted a pent-up demand for cars. "We're driving older cars – and that is simply un-American," he proclaimed.

With high levels of uncertainty, Raha expects slow economic and job growth, as high unemployment and weak confidence persists.

Another economist, William Conerly, Ph.D., principal of Conerly Consulting and chief economist of abcInvesting.com, discussed risks, opportunities and business challenges, comparing both upside risks and downside risks.

In his opening remarks, he referenced a survey of economists by *The Wall Street Journal*. Thirteen percent of those polled believe a recession exists now, with 29 percent expecting a recession to occur next year. However, more than half (48 percent) expect no recession.

A potential meltdown of the European financial system poses a big risk coupled with inflationary worries in China and India, said Conerly, a former senior VP at First Interstate Bank.

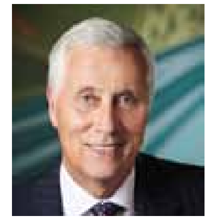
Downside risks include vendor performance, cash flow and personnel. The upside risks he identified include export growth, business capital spending ("it could be better") and a rebound in construction ("we are under building for long-term needs").

Contingency planning is important during uncertain times. Conerly's four-point plan encompasses:

1. Assessing one's own vulnerability
2. Developing early warning systems
3. Sketching out a contingency plan
4. Maintaining flexibility to execute the plan.

Ray Davis, the final speaker, framed his remarks and outlook around the theme "The Storm Continues."

The housing crisis, unemployment, loss of consumer confidence and the financial industry helped create "The Great Recession," according to Davis, the CEO of Umpqua Bank.



“I do not believe there is a threat of a double-dip,” Davis proclaimed as a preface to outlining key steps business can take to be proactive in a recovery:

- Build and invest
- Prepare for recovery
- Position company to come out of recession stronger than when it started, a strategy Umpqua has embraced.

Davis, author of the book *Leading for Growth: How Umpqua Bank Got Cool and Created a Culture of Greatness*, said his bank is focusing on addressing problems early and aggressively, turning challenges into opportunities, and focusing on a culture of excellence with a clear value proposition.

It’s not about who wins, Davis insisted after describing the political climate as “horrible” and “a train wreck.” Politicians should step aside, he suggested, adding, “It’s clearly up to corporate America to take away the fear of the unknown.”

During a Q&A session, Davis advocated for a cap on campaign spending by political candidates and changes in immigration laws. Calling the housing market one of the fundamental aspects of our economy, he is optimistic of a comeback “much faster than a lot of naysayers believe.”

The three speakers agreed housing will rebound. What will be different when it does rebounds is “more responsible people will be engaged in it – no more liar loans,” said Davis. Conerly foresees a different mix of housing stock during the recovery, characterized in part by smaller homes. Raha noted it will come back “in a more sustainable manner.”

Home Refi Program Modified to Help More Borrowers, Boost Market Stability

Millions of underwater homeowners who are paying above-market rates on their mortgages may benefit from recent changes to the Home Affordable Refinance Program (HARP). Housing markets, Fannie Mae, Freddie Mac and taxpayers are also likely to reap benefits.

One important element of the changes is the encouragement, through elimination of certain risk-based fees, for borrowers to utilize HARP to refinance into shorter-term mortgages. Borrowers who owe more on their house than the house is worth will be able to reduce the balance owed much faster if they take advantage of today’s low interest rates by shortening the term of their mortgage.

The Federal Housing Finance Agency (FHFA) calculates a homeowner with a $200,000 loan on a home worth only $160,000 would be able to pay their loan balance down to that level in 5.5 years by refinancing into a 20-year loan at 4.5 percent interest. FHFA said that compares to 10 years with a 30-year loan at the same rate.

Qualified homeowners who refinance through HARP will save, on average, about $2,500 annually, according to Shaun Donovan, secretary of Housing and Urban Development.

Enhancements, announced last month, were developed at the direction of the FHFA with Fannie Mae and Freddie Mac (the Enterprises), along with input from lenders, mortgage insurers and other industry participants. The new program enhancements address several other key aspects of HARP to better serve borrowers *(see box).*

An estimated 75 percent of all homeowners who owe more on their homes than they are worth are paying mortgage interest rates nearly a point higher than today’s average rate for a 30-year fixed mortgage.

According to data compiled by CoreLogic, 10.9 million, or 22.5 percent, of all residential properties with a mortgage, were in negative equity at the end of the second quarter of 2011, down very slightly from 22.7 percent in the first quarter. An additional 2.4 million borrowers had less than five percent equity, referred to as near-negative equity, in the second quarter. Together, negative equity and near-negative equity mortgages account for 27.5 percent of all residential properties with a mortgage nationwide.

Washington's negative equity mortgages accounted for 17.2 percent of all mortgages. Nevada had the highest negative equity percentage with 60 percent of all of its mortgaged properties underwater, followed by Arizona (49 percent), Florida (45 percent), Michigan (36 percent) and California (30 percent).

Data aggregator Lender Processing Services reported similar numbers: approximately 23 percent of an estimated 46 million homes whose owners are current on their mortgages -- nearly 11 million homes -- are underwater. LPS calculates that about 72 percent of homes in foreclosure have negative equity.

Fannie Mae and Freddie Mac have helped approximately 9 million families refinance into a lower cost or more sustainable mortgage product, with HARP assisting approximately 10 percent of those families.

"High negative equity is holding back refinancing and sales activity and is a major impediment to the housing market recovery," stated Mike Fleming, chief economist with CoreLogic, a leading provider of consumer, financial and property information, analytics and services to business and government. The hardest hit markets have improved over the last year, primarily as a result of foreclosures, he noted, adding, "But nationally, the level of mortgage debt remains high relative to home prices."

Negative equity not only restricts refinancing, but also sales, according to CoreLogic. Since the 2005 sales peak, non-distressed sales in zip codes with low negative equity have fallen 61 percent, compared to an 83 percent sales decline in high negative equity zip codes.

Enhancements to HARP (Oct. 2011)

- Eliminating certain risk-based fees for borrowers who refinance into shorter-term mortgages and lowering fees for other borrowers;
- Removing the current 125 percent LTV ceiling for fixed-rate mortgages backed by Fannie Mae and Freddie Mac;
- Waiving certain representations and warranties that lenders commit to in making loans owned or guaranteed by Fannie Mae and Freddie Mac;
- Eliminating the need for a new property appraisal where there is a reliable AVM (automated valuation model) estimate provided by the Enterprises; and
- Extending the end date for HARP until Dec. 31, 2013 for loans originally sold to the Enterprises on or before May 31, 2009.

Launched in 2009, HARP is among several refinancing options available to homeowners. It is unique in that it is the only refinance program that enables borrowers who owe more than their home is worth to take advantage of low interest rates and other refinancing benefits. The program will continue to be available to borrowers with loans sold to the Enterprises on or before May 31, 2009 with current loan-to-value (LTV) ratios above 80 percent.

Originally scheduled to phase out this year, FHFA said the revamped HARP program will continue through the end of 2013. Condominiums that originally met Enterprise requirements remain eligible.

To be eligible, borrowers must be current on their mortgage payments with no late payment in the past six months and no more than one late payment in the past 12 months

"We know that there are many homeowners who are eligible to refinance under HARP and those are the borrowers we want to reach," said FHFA Acting Director Edward J. DeMarco. "Building on the industry's experience with HARP over the last two years, we have identified several changes that will make the program accessible to more borrowers with mortgages owned or guaranteed by the Enterprises. Our goal in pursuing these changes is to create refinancing opportunities for these borrowers, while reducing risk for Fannie Mae and Freddie Mac and bringing a measure of stability to housing markets."

David Stevens, president and CEO of the Mortgage Bankers Association, said the mortgage industry welcomes the changes to the HARP program. Lenders "are particularly gratified" by the decision to grant lenders relief from some representations and warranties in originating new HARP loans, he said in a statement.

While the changes "are not going to be a silver bullet to solve all the issues facing our housing market they will offer lenders another tool to help borrowers and hopefully help bring some stability to housing markets, particularly those most impacted by home-value declines," Stevens said.

Borrowers do not need to use third party companies that advertise themselves as "mortgage experts" or "foreclosure specialists" to apply for a HARP loan. Homeowners can determine if they have a Fannie Mae or Freddie Mac loan by going to: http://www.FannieMae.com/loanlookup/ or calling 800-7FANNIE or https://ww3.FreddieMac.com/corporate/or 800-FREDDIE.

Lenders should have operational instructions from The Enterprises by November 15th. Implementation timelines are expected to vary.

Housing activity during October shows mixed results with sales up, prices down, buyers still hesitant

NWMLS, KIRKLAND, Wash. (Nov. 3, 2011) – Befitting October and Halloween, last month's housing activity had both tricks and treats. Northwest Multiple Listing Service members reported solid gains in pending sales (up almost 21 percent from a year ago), consistent demand in many price ranges, a shortage of homes in a few categories, and some resurgence of move-up buyers.

Despite those encouraging indicators, prices were down almost 11 percent area-wide compared to a year ago and brokers say there is persistent "hesitancy" in the market.

"All the pieces (for a recovery) exist -- low interest rates, lots of choices, increasing loan availability as well as purchasing programs, yet as a whole the housing market has stalled in many places," said Northwest MLS director Frank Wilson.

"What is holding back the housing market has little to do with houses," Wilson stated, pointing to uncertainty in the stock market and volatile global economies, along with a more complicated, prolonged transaction process and lack of job creation.

"We knew the median price would take a hit in October because the 'temporary' loan limit for conventional financing dropped back down from $567,500 to $506,000 after being in place for two years," said OB Jacobi, president of Windermere Real Estate Co. As of October 1, buyers in need of a mortgage above $506,000 must now qualify for a jumbo loan which is more restrictive and comes at a higher cost than conventional financing, he explained. "With fewer financing options for buyers of higher priced homes in our metro area, it's only natural that this would cause downward pressure on October's median price," added Jacobi, a member of the Northwest MLS board of directors.

In King County, nearly one-third of the available inventory is priced above the new, more restrictive dollar limit.

Northwest MLS brokers added 7,235 new listings to inventory during October, almost 1,000 fewer residential properties than the same month a year ago. Sixteen of the 21 counties served by the MLS reported shrinkage in inventory. At month end, MLS members reported 33,094 active listings of single family homes and condominiums.

Any discussion about real estate has to be hyper-local, that is, specific to a geographic area and in some cases as specific as a neighborhood, Wilson suggested. "Just viewing the latest report reveals wide variation of inventory from county to county; Snohomish has 3.2 months of inventory while Okanogan has an 18 month supply of homes," he noted.

The housing market in Kitsap County is quietly gaining strength, said Wilson, the branch managing broker at John L. Scott's Poulsbo office. "Even though we are still seeing a settling of prices, there is good momentum in home sales, up almost 12 percent," he noted. Northwest MLS data show inventory in that county is down to about 5.9 months of supply compared to 7.1 months at this time last year. (Five-to-six months of inventory is a neutral market, below five months favors sellers, and more than six months is considered to be a buyer's market, Wilson explained.)

"As the supply continues to decrease, we expect shorter market time, with home prices stabilizing and even beginning to appreciate again," Wilson predicts.

Pending sales (mutually accepted offers) increased nearly 21 percent from a year ago, rising from 5,653 transactions to 6,817.

In the past four months, the combination of shrinking inventory and more sales (both pending and closed) have led to a swift change in the supply of homes, remarked NWMLS director Darin Stenvers, the managing broker at John L. Scott's Bellingham office.

Demand is remaining consistent in many price ranges and move-up buyers are returning to the market because of a shortage of homes that are not distressed, Stenvers noted. This move-up segment can list and sell their homes, then buy a better home with essentially the same payments, he explained. "Buyers know interest rates will not be at these historically low levels forever so they may pass up a short sale/fixer bank owned home for a more conventional transaction," he remarked.

Buyers still have bargaining power, according to Stenvers. He cited a recent transaction involving a home where the appraisal was $40,000 under the asking price because of disparities with the comps used. The buyers negotiated a price that split the difference, deciding that was preferable to "losing a beautiful home altogether."

Two key factors support a healthy real estate market -- jobs and low interest rates, said J. Lennox Scott, CEO and chairman of John L. Scott Real Estate. "Interest rates are at historic lows, and here in the Puget Sound we are fortunate to have a stable employment base," he observed.

Commenting on the selection of listings, Scott said 10 months of healthy sales activity have reduced the home inventory levels significantly in the greater Seattle area. "We have a shortage of homes for sale in the more affordable ranges throughout the region, and a healthy level of homes for sale in the mid-price range. Sellers with homes that are priced right are seeing multiple offers," according to Scott.

Prices for last month's closed sales of single family homes and condominiums (combined) fell 10.9 percent from a year ago, dropping from $255,932 to $228,000. While all but two counties in the Northwest MLS market area experienced declines, the drops were by single digits in 10 counties.

King County reported one of the sharpest year-over-year declines. The median price on last month's completed transactions in the county was $287,500, which compares to a year-ago figure of $350,000 (down about 17.9 percent). For single family homes (excluding condominiums), median prices slipped 14.7 percent, dropping from $375,000 a year ago to last month's figure of $320,000.

Pricing data should be viewed with some misgivings, said Joe Spencer, president and COO of John L. Scott Real Estate. "Headlines stating home values have fallen by double digits compared to last year don't always reflect what is really happening," he explained, noting factors that can influence prices.

"Not every home has dropped 15 percent in value," Spencer insists. He attributes much of the decline to a combination of factors, including shifting demographics and the influence of distressed properties, which he said may be as high as 40 percent in some areas. More investors and first-time buyers are purchasing in the more affordable price ranges, which results in a downward shift of median prices, Spencer explained. Also, he noted, distortions caused by REO (bank- or other lender-owned) and foreclosed properties contribute to price depressions.

"When you adjust for these conditions and compare 'standard resale homes' the change in home values is much less drastic," Spencer emphasizes. He believes a more accurate reflection of price declines for the Seattle area is around 6 percent, citing research by CoreLogic, Wells Fargo Securities and other analysts.

Not always apparent in the raw numbers are the hurdles faced by "real live buyers and sellers who are having a harder time than in the past," lamented Wilson. "Transactions are more complicated and have a higher chance to fail. Lenders who are involved with short sales and bank owned homes further complicate and lengthen the transaction process due to their policies and practices." Consequently, Wilson emphasized, buyers and sellers need to be explicit about what they want to accomplish. "They also need lots of patience and should choose their team wisely, making sure to select real estate professionals who can walk them through the process."

Comparing last year with this, Mike Grady, president and COO of Coldwell Banker Bain, noted inventory was plentiful and competition was relatively light last year. Now, he said the market "ingredients" appear to be changed: the number of buyers is increasing and there are fewer homes for sale. "While that's a typical recipe for stable or increasing prices and quicker decisions, today's market has some 'less palatable ingredients,' such as foreclosed properties and shaky consumer confidence."

"Knowing whether these new inventory dynamics will be slow-baked or microwaved into the housing market is still anyone's guess," Grady suggested, adding, "It looks like more people are coming off their home buying diets only to find a reduced supply of homes for sale. That could create some welcome momentum in local markets heading into the new year."

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 – **Oct. 2011**

Single Fam. Homes + Condos	LISTINGS		PENDING SALES	CLOSED SALES		
	New Listings	Total Active	# Pending Sales	# Closings	Avg. Price	Median Price
King	2,744	9,649	2,769	1,853	$369,908	$287,500
Snohomish	1,106	4,045	1,226	828	$243,260	$221,142
Pierce	1,206	5,059	1,103	757	$203,049	$180,000
Kitsap	341	1,690	286	218	$273,066	$234,204
Mason	104	810	56	50	$184,570	$145,000
Skagit	162	1,022	147	73	$214,562	$187,650
Grays Harbor	152	828	87	81	$141,852	$115,000
Lewis	106	713	72	57	$140,605	$145,255
Cowlitz	88	533	87	48	$139,439	$134,000
Grant	77	573	43	44	$168,128	$160,500
Thurston	297	1,628	282	245	$224,602	$210,000
San Juan	17	458	24	13	$658,685	$435,000
Island	126	936	121	66	$318,209	$272,500
Kittitas	61	538	46	51	$248,117	$201,500
Jefferson	61	571	39	32	$266,821	$224,500
Okanogan	37	414	23	14	$184,982	$161,000
Whatcom	271	1,663	224	177	$301,889	$235,000
Clark	42	236	42	33	$175,044	$160,000
Pacific	42	412	31	25	$137,656	$132,000
Ferry	8	65	1	2	$141,500	$141,500
Clallam	51	457	32	36	$200,700	$181,250
Others	136	794	76	61	$188,553	$173,500
MLS TOTAL	**7,235**	**33,094**	**6,817**	**4,764**	**$283,085**	**$228,000**

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	5657	5944	5299	5384		

Northwest MLS brokers give glowing reviews to new e-signature service

Initial users of a new online e-signature service launched earlier this month by Northwest Multiple Listing Service are praising its features and benefits.

"Authentisign is a client convenience that has given 'service' a new meaning," said Elizabeth Erickson, owner and designated broker at Gallery Homes, LLC in Mukilteo. She started using the new document signing tool the first day it became available.

Erickson's initial transaction involved a pilot who responded through a mobile device from airports around the world, starting in Colorado and concluding in Norway. "I guess I'm just too old to not be in awe of that!" she confessed, noting it took her about 10 minutes to upload the documents and start the signature process.

Authentisign, a product of Instanet Solutions, is a secure online document signing service enabling multiple parties to participate and sign documents electronically. The service can be used anytime by registered users to sign documents online, replacing the need for faxing, scanning and emailing, or meeting face-to-face, thereby saving both time and paper.

Joel Semanko, another early user of the service, praised its ease of use. The broker/owner of Semanko Realty Group, LLC in Mount Vernon said he has used it for offers and counteroffers involving local clients as well as buyers from Vancouver, BC and Texas. "My clients love the convenience and user friendliness," he remarked, noting the dashboard that enables viewing the signing history and progress is very helpful.

Northwest MLS' latest technology upgrade allows its members and their buyers or sellers to log into a secured website using a specially created identity to access and review contract documents. They then place their electronic signature on the document where required and as prompted by email notifications and "invitations." After the document routing is complete and every participant has affixed signatures where indicated, all parties receive a final electronic copy of the document with all required signatures.

Authentisign is usable across multiple file types and various platforms, currently including PCs and Macs; tablets may also be used for collecting signatures. The signing service, developed in 2005, is FHA approved, ESIGN compliant, and fully integrated with most Northwest MLS forms. Its member subscribers pay $3.50 per month (plus tax) for the service.

The service recognizes different types of participants, allowing brokers to choose whether each participant is a signer (buyer or seller), a reviewer (listing broker, selling broker, or attorney), or a recipient of the final signed document (listing firm or selling firm).

Tom Hurdelbrink, Northwest MLS president and CEO, said the tight integration of Authentisign with the MLS' existing forms platform, together with the set-up wizards, step-by-step prompts, and support will enable members to facilitate efficient and secure paperless transactions for their clients.

"It is a given fact that nothing in the home buying process can replace the value of a personal relationship with a skilled and knowledgeable real estate broker," Hurdelbrink emphasized, adding, "When the consumer is ready to take action, the efficiency and convenience of Authentisign cannot be beat."

Erickson, the broker in Mukilteo, said she subscribed to a different service earlier this year at the prompting of clients in California who were relocating here. The retired couple, described as "not particularly tech savvy" (kind of like me," Erickson quips) had access to online document signing with agents who listed two of their properties California. They lamented Erickson's cumbersome system, telling her "We wish you had available what our agents here have, where we just open an email and click on where we're to sign and it's just done!"

"I was scanning and emailing PDFs of the purchase agreements and then inspection addendums that required signatures at various times," Erickson recalls. "My clients had to print them off, drive to a Kinkos to scan and resend to me."

Now, Erickson uses electronic signing for local as well as out-of-area clients. She says the local use of e-signatures for "that one needed initial" on a final addendum for clients just across town is extremely convenient for them too. "They can just sign it when they get home at midnight and eliminate having to meet up somewhere for a single initial."

Electronic signatures have been allowed since 2000 when Congress enacted the Electronic Signatures in Global and National Commerce Act ("ESIGN"). Such signatures ensure the integrity of a signed document by confirming the time and date the document was signed, recording the IP (internet protocol) address of the person who signed the document, and by verifying that the document has not been changed since it was signed.

Because Washington law restricts the preparation of real estate contracts to licensed real estate brokers (and attorneys), Authentisign is only available to real estate brokers. Clerical staff, unlicensed assistants, and appraisers do not have access to it.

Instanet Solutions (www.instanetsolutions.com), a leading provider of real estate technology, has approximately 390,000 licensed, paid, user accounts of its various real estate focused products. The company, based in London, Ontario, began delivering residential real estate technology in 1992.

"Authentisign has enhanced my company's professional image in this high tech real estate industry," Semanko reported, adding, "I hope the entire membership will use this service -- it'll make it easier to serve all parties in the buying and selling transactions."

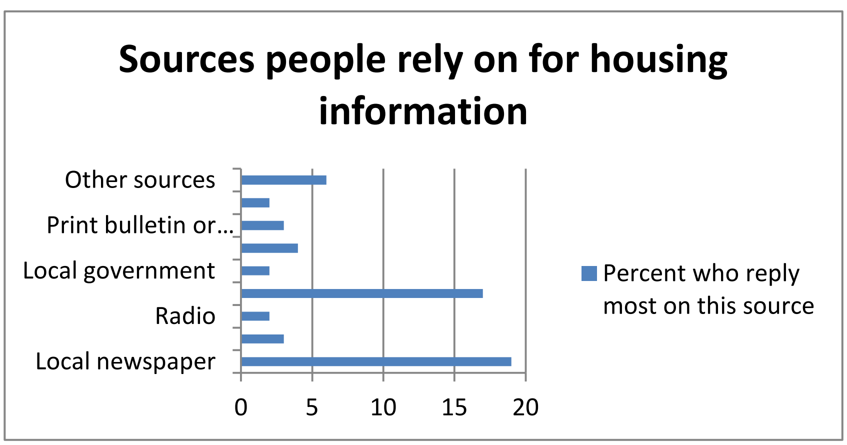
Northwest Multiple Listing Service, owned by its member real estate firms, is the largest full-service MLS in the Northwest. Its membership includes more than 22,000 real estate brokers. The organization, based in Kirkland, Wash., currently serves 21 counties in Washington state.

Sources people use for housing news/info

Newspapers are the go-to source for information on housing, according to a new nationwide study on how people learn about their local community. Newspapers (both print and online) ranked first or tied for first in 11 of 16 news categories in the poll.

Upon analyzing responses from 2,251 adults, pollsters reported Americans turn to a wide range of platforms to get local news and information, "and where they turn varies considerably depending on the subject matter and their age."

Local TV draws a mass audience largely around a few popular subjects, while local newspapers attract a smaller cohort of citizens but for a wider range of civically oriented subjects, the researchers concluded.



Local TV news is the source most Americans rely on for information about the weather, breaking news and to a lesser extent traffic.

Weather, by a wide margin, was the mostly widely followed among the topics, with 89 percent of adults saying they turn to TV for weather news. Breaking news, politics and crime also drew high marks, but TV ranks low as a source for news about businesses, schools, government and cultural events.

Word-of-mouth (face-to-face connections, rather than Facebook) topped all other new and traditional forms of news media except local TV as the most frequently consulted news source.

About three-fourths (74 percent) of survey respondents said they turned to local TV news at least once a week to get information about their community. Word of mouth ranked second (55 percent), followed by radio (51 percent), newspapers (50 percent) and the Internet (47 percent). The latter category includes search engines, social networks such as Facebook, and blogs and websites not associated with a traditional media source such as a TV station or newspaper.

Web-only outlets are now a primary source of information on key subjects like education, local business and restaurants. For the 79 percent of Americans who are online, the Internet ranks as a top source of information for most of the local subjects studied in the survey.

For adults under 40, the web is first for 11 of the top 16 topics—and a close second on four others.

Newspapers' appeal is primarily to people over 40; younger people say they are increasingly getting their news from other sources, such as the Internet and mobile phones. Among a finding the pollsters described as "striking," most Americans (69 percent) say that if their local newspaper no longer existed, it would *not* have a major impact on their ability to keep up with information and news about their community.

The study was produced by the Pew Research Center's Project for Excellence in Journalism and the Pew Internet & American Life Project in partnership with the John S. and James L. Knight Foundation.

Free Exhibit Showcases Container Architecture

Container architecture, considered an alternative approach to prefabricated building, is on display at the AIA Seattle Design Gallery. The free expo continues until December 9.

CONTAINER ARCHITECTURE EXHIBIT

Location ..... AIA Seattle Design Gallery
.... 1911 First Avenue
Hours.............. Tues.-Fri., 10 am – 5 pm
Cost ....Free
Expo closes December 9

Originally envisioned by Czech architect Jure Kotnik, the travelling exhibit comes most recently from Paris, and features work by 22 internationally recognized firms. The expo demonstrates the many uses of containers in the built environment.

Exhibition sponsors say the expo is for "the most remarkable realized buildings using cargo containers as architectural building blocks," noting quality architecture isn't about what materials you build with but how you use them.

Among benefits proponents of container architecture cite are it is quick, low cost, and offers custom, eco-friendly solutions.

The exhibition features projects of HyBrid Architecture of Seattle, which was featured in last month's edition of *Northwest REporter* for its winning design of a container cabin in a competition sponsored by King County.

Award-winning designer Jure Kotnik of Slovenia curated the exhibition, which opened at the Museum of Architecture and Design in Ljubljana, the capital of Slovenia.

News In Brief

- **U.S. homebuilders are less pessimistic about the struggling housing market, but not enough to signal a recovery any time soon.** The National Association of Home Builders said Tuesday that its index of builder sentiment this month rose from 14 to 18. Any reading below 50 indicates negative sentiment about the housing market. It hasn't reached 50 since April 2006, the peak of the housing boom. The index has been below 20 for all but one month during the past two years. Last year, the number of people who bought new homes fell to its lowest level dating back nearly a half-century. Sales this year haven't fared much better. Builders are struggling to compete with foreclosures, which have made the price of previously occupied homes more competitive. Many buyers are having difficulty obtaining loans or meeting higher down payment requirements. Low appraisals are scuttling some deals after contracts have been signed. Some buyers want to upgrade to a new house but are holding off because they can't sell their home. David Crowe, the builders group's chief economist, said some builders are shifting their assessment from "poor" to "fair," but few are changing their views from "fair" to "good."
- **Washington state recorded its first monthly job declines in more than a year, losing more than 18,000 jobs in September largely due to deep cuts in government.** The reductions, which also included a decline in private sector positions, wiped out much of the past year's gains. The number of positions had been steadily increasing by a few thousand each month, and growth over the past year now stands at about 27,000. The figures seemed to run counter to the jobless rate, which fell from 9.3 percent to 9.1 percent in September. The numbers are produced from two different surveys."It's not unusual for the surveys to generate somewhat different results, but the gap between the two September surveys is much larger than we usually see," said Greg Weeks, who leads labor market analysis at the Employment Security Department. He expects the numbers will be revised in the coming weeks. Government recorded a drop of nearly 11,000 jobs in the month, according to the surveys. The leisure and hospitality sector lost more than 3,000 jobs while construction also saw steep reductions. Aerospace led gains with 1,000 jobs while manufacturing recorded 800 new jobs.
- **An innovative research firm believes they have a measurable way of confirming the six most innovative cities in the U.S. and Seattle made the cut.** In research published by 2ThinkNow and in a report by 24/7 Wall St, Seattle is more innovative than Philadelphia and Los Angeles. But when it comes to new and creative thinking - New York City, San Francisco, and Boston have us beat. The list is based on factors such as education and cultural assets. The research firm cataloged the largest cities in the world and ranks them by "their ability to generate ideas." Indicators of idea generation include large education resources, cultural assets like music, sports and languages, and a research and development base. The cities must also be networked with other innovative markets. The Emerald City ranks sixth in the amount of patents granted per city. The report also indicates that the presence of Microsoft, Boeing, and Amazon gives Seattle an edge.
- **According to Kiplinger.com, Seattle is one of the top places for young adults.** The magazine based its finding on the list of 10 best cities for young adults based on low cost of living and reasonable rents relative to paycheck size. It screened for cities with high starting salaries for college grads, using data from Payscale.com.
- **Washington state has 16 companies listed on Inc. magazine’s list of the 500 fastest-growing companies in the country.** To qualify for Inc.’s list, companies must have been founded and generating revenue by March 31, 2007, with a minimum revenue requirement in 2007 of $100,000 and a minimum revenue requirement in 2010 of $2 million.

Calendar of Events

Through December 6, 2011

Dates	Event	Clock Hours	Time	Location	Contact
SEATTLE-*King County* REALTORS®					
11/9-14	NAR Annual Conference			Anaheim, C	(800) 540-3277
11/16	Board of Directors		10:30am-1:30pm	SKCR	(800) 562-6024
11/24-25	Holiday – Office Closed				
12/2	Awards & Installation Banquet		5:30pm-9pm	SKCR	(800) 540-3277
12/6	Gov't Affairs Committee		10:30am-1:30pm	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"					