

## **█ Momentum building as home buyers respond to lower prices, favorable financing**

KIRKLAND, Wash. (June 6, 2011) – Northwest Multiple Listing Service members reported a 43 percent increase in pending sales of single family homes and condominiums during May compared to the same month a year ago. Sellers accepted offers from 7,509 buyers last month, up from the year-ago total of 5,242 pending sales.

Year-to-date pending sales are slightly under the total for the first five months of 2010 when sales were boosted by a federal tax credit. Through May 2010, Northwest MLS members had reported 35,454 mutually accepted offers; this year's total for five months is 33,612 (down about 5.5 percent).

We're seeing a definite shift in the market – especially in the areas closer to Seattle and Bellevue," remarked OB Jacobi, president of Windermere Real Estate and a member of the Northwest MLS board of directors. "Homes that are priced aggressively are seeing a lot of competition and we're even getting reports of some homes selling before buyers can act," he stated.

Members reported 5,015 closed sales during May, about 5 percent fewer than the year-ago total of 5,290 completed transactions. For the first five months of this year, a total of 20,473 transactions have closed, which compares to 21,861 for the same five months of 2010 (down about 6.8 percent).

For the four-county Puget Sound region (King, Kitsap, Pierce and Snohomish counties), pending sales through five months are at 97.6 percent of year-ago levels, while closed sales are at 95.6 percent of year-to-date totals for 2010.

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

Matt Deasy, the general manager of Windermere Real Estate/East, considers the small differences between year-to-date figures for 2011 and the "tax incentive fueled market" of 2010 to be "good news."

Mike Grady, president and COO of Coldwell Banker Bain, was also upbeat in his comments about the current market. "The substantial jump in pending home sales reported today won't be surprising to the brokers working in the core urban markets of Seattle and West Bellevue," observed Grady. He also noted the increasingly strong demand for homes and falling inventory "is making for a very competitive market in those areas, with multiple offers on the best properties becoming more common."

"Low interest rates, low down payment requirements, and lower adjusted prices are attracting buyers into the market," reported J. Lennox Scott, chairman and CEO of John L. Scott Real Estate. "We are seeing healthy sales activity close to the job centers of Seattle and Bellevue, creating a low inventory of homes for sale," he noted.

Members added 10,293 new listings to inventory during May, about 900 more than the same month a year ago for a 9.7 percent increase. Despite those additions, the selection is smaller than 12 months ago. At month end, there were 36,261 active listings of single family homes and condos in the MLS system. That's about 5,400 fewer than a year ago when inventory totaled 41,690 listings, a shrinkage of 13 percent.

"On King County's Eastside, we are seeing a decrease in the number of listings that are short sales or bank-owned properties," said Kathy Estey, managing broker of John L. Scott Bellevue Main. "Inventory of quality homes in median price ranges is low and we see multiple offers in most price ranges, including homes in the higher price ranges. Some of the old, stale inventory has sold. However, the majority of homes are still selling for less than full price."

Jacobi said a recent review of Windermere's sales data shows that 40 percent of homes in the median price range are selling at list price and many of these buyers are paying cash. "With that being said, the market is still very price sensitive, so sellers need to continue to be realistic about the value of their home," he stated.

The median price for last month's sales system-wide was \$239,999, about 11 percent less than a year ago when it was \$269,950. Brokers attribute much of that price decline to the fairly high ratio (estimated at 30-40 percent in many markets) of foreclosed homes and short sales that are being sold at deep discounts.

In King County, prices slipped 8.4 percent, from \$346,000 a year ago to \$316,750 for last month’s closed sales of single family homes and condominiums. For single family homes only (excluding condominiums), the median selling price was \$345,000, down about 9 percent from the May 2010 figure of \$379,000.

Grady is encouraged by the momentum. “The last few years, home sales haven’t sustained much momentum without government support,” he noted, adding, “This year, however, the momentum is continuing to build naturally, as we would normally expect in the spring and summer months. Remember, by this time last year we had already experienced all of the benefit of the homebuyer tax credit, and sales began to wane after that credit had expired. We see an entirely different dynamic this year.”

It’s obvious not all local markets are improving equally, Grady acknowledged, suggesting, “It’s also obvious that the basic market forces of low supply and high demand are beginning to shift buyer or seller attitudes in many neighborhoods. That’s good news for sellers, and perhaps a cautionary message to buyers as well.”

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 - May 2011**

Single Fam. Homes + Condos	LISTINGS		PENDING SALES	CLOSED SALES		
	New Listings	Total Active	# Pending Sales	# Closings	Avg. Price	Median Price
King	3,786	11,030	3,113	2,104	\$387,566	\$316,750
Snohomish	1,388	4,621	1,315	820	\$256,065	\$230,000
Pierce	1,579	5,501	1,223	796	\$217,376	\$194,000
Kitsap	466	1,770	312	207	\$271,851	\$237,000
Mason	201	850	70	52	\$154,670	\$138,572
Skagit	233	1,123	141	103	\$266,177	\$199,990
Grays Harbor	210	943	85	58	\$139,011	\$121,500
Lewis	117	749	73	64	\$137,002	\$124,950
Cowlitz	136	588	101	71	\$160,002	\$136,000
Grant	136	620	71	53	\$170,127	\$153,000
Thurston	495	1,720	338	255	\$232,451	\$218,900
San Juan	89	477	13	12	\$537,796	\$395,000
Island	242	1,009	96	73	\$308,393	\$265,950
Kittitas	136	539	42	37	\$213,929	\$176,000
Jefferson	127	578	36	16	\$281,341	\$272,500
Okanogan	88	416	23	8	\$148,688	\$158,750
Whatcom	441	1,807	259	161	\$273,674	\$244,000
Clark	68	276	62	32	\$217,863	\$184,000
Pacific	83	422	26	15	\$133,008	\$144,400
Ferry	12	56	5	5	\$100,200	\$68,000
Clallam	92	463	35	31	\$217,615	\$205,000
Others	168	703	70	42	\$202,115	\$176,525
<b>MLS TOTAL</b>	<b>10,293</b>	<b>36,261</b>	<b>7,509</b>	<b>5,015</b>	<b>\$297,881</b>	<b>\$239,999</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>2000</b>	3706	4778	5903	5116	5490	5079	4928	5432	4569	4675	4126	3166
<b>2001</b>	4334	5056	5722	5399	5631	5568	5434	5544	4040	4387	4155	3430
<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	4,767	6049	5732	5963							

**📰 New study concludes buying may beat renting for first time in years – and Seattle is place to buy**

Seattle is the best play to buy a home right now.

Researchers Eli Beracha and Ken Johnson made that conclusion after analyzing data for 23 different Metropolitan Statistical Areas (MSAs).

The study used an eight-year holding period for comparative purposes and factored in costs associated with homeownership, tax benefits and home price appreciation, and considered returns on similar risk portfolios. The net result is that home price gains would need to average only 3.25% annually to beat renting, according to Beracha and Johnson.

After crunching the numbers, Beracha and Johnson concluded buying a home may beat renting for the first time in several years.

Two key factors prompted their conclusion. First, rents are expected to rise, perhaps as much as 7 percent in each of the next two years. Second, home prices have dropped enough -- about 32 percent from their 2006 peak -- to create a buying opportunity.

In corroborating the analysis, CNNMoney compared 10 metro areas and determined it makes sense to buy in half of them: Cincinnati, Chicago, Milwaukee, Pittsburgh and Seattle. In the other five cities, Boston, Dallas, Honolulu, Houston, and New York, it is more advantageous to rent. (*See chart.*)

Authors of the CNNMoney analysis noted Seattle’s home prices have grown quickly over past 25 years, but since the late stages of the boom during the 2000s, “prices have fallen 26% from its peak, according to Fiserv, making purchases more attractive.” Research shows by early 2011, prices had fallen to about 26 times the annual rents.

“Seattle’s price rises have been robust historically and for someone looking for a home today, gains would only have to near the metro area’s normal growth rate for buyers to come out richer than renters in eight years,” stated the CNNMoney report.

Of the 23 cities Beracha and Johnson looked at, Seattle is the best place to buy right now. When renters invest in portfolios that include stocks, the appreciation rate required over the next eight years there is 4.84 percent and the area's historical average is 6.06 percent.

Better to BUY in	Home price gains needed to make buying a better deal	Historical average gain
Seattle	4.84	6.06
Pittsburgh	3.15	3.91
Chicago	4.26	4.75
Cincinnati	3.19	3.57
Milwaukee	4.32	4.56
Better to RENT in		
Dallas	3.93	1.97
Honolulu	7.62	5.99
Boston	6.78	5.4
New York	7.0	5.75
Houston	3.76	2.58

Source: CNNMoney

In comparing the cost of owning with the cost of renting over three decades, Beracha and Johnson said renting has usually come out ahead. Buying typically leads to higher monthly and annual bills once all costs are factored in -- mortgage payments, property taxes, maintenance and transactional costs, they noted.

Those higher costs can be offset if the home gains in value. But if renters invest the savings, as the researchers assumed, renting has typically been the better deal. "I was shocked at how often renters won," said Johnson.

Even in cities where people are, theoretically, better off renting, they may not be in reality. Paying off a mortgage is a forced savings plan, said Dean Baker, co-director of the Center for Economic and Policy Research. The mortgage bill comes in every month, the homeowner pays it and the mortgage balance goes down, he explained.

In comparing renting with buying, Baker issued caveats: Buyers should beware the assumption that home prices will rebound, even from current depressed levels, Renters, meanwhile, are just as likely to spend their savings, he suggested, adding, "They'll wind up with less money than homeowners."

In discussing their findings, Johnson said, "Our study disputes the commonly-accepted wisdom in the United States that renting is always 'throwing away money. As a government and a society, we recognize that home ownership has multi-dimensional benefits: increasing civic pride, improving self-esteem, crime prevention, child development, and better educational outcomes, among others. Yet our findings show that financially, if renters exercise disciplined investing over time, they can be more successful in accumulating wealth than those who own a home."

At the same time, Beracha said, "the study reinforced previous research that found home ownership to be a better option for individuals who might otherwise spend the difference between the costs of renting and owning."

"People who own typically wind up with more value, because a home appears to be a forced savings account," Beracha said. For financial value to emerge in a rental situation, "the key question is whether individuals have the discipline to invest the cash savings they'd have from renting their home rather than buying it -- a pattern that's not typical of American renters."

Ken Johnson is an associate professor, Knight-Ridder Research Fellow, and editor of the Journal of Real Estate Practice and Education at Florida International University. Eli Beracha is assistant professor, department of finance, at East Carolina University's College of Business. Their "buy vs. rent" report will be published in an upcoming issue of *Real Estate Economics*, the official journal of the American Real Estate and Urban Economics Association.

## **📄 Raising your IQ about QR**

### **Curious about QR Codes?**

A few statistics underscore the skyrocketing popularity of QR (Quick Response) codes, with real estate professionals being among those who are embracing this nifty tool.

The Nielsen Company estimates U.S. smartphone penetration will hit 50 percent by the end of 2011. New York-based eMarketer, an authority on digital marketing, media and commerce, reports there are currently 73.3 million smartphone users.

According to the new site Mashable and JumpScan:

- 52% of mobile users have seen or heard of QR codes; of those,
- 28% have scanned one. iPhone users scan by far the most, at 68% (versus 26% of Android users and 4% of Blackberry users).
- QR-code scanning rose a whopping 1,200% from July to December 2010.
- Companies like Starbucks are already using QR codes (as well as barcodes) to enable users to pay for their purchases via mobile. A whopping 3 million customers have already tried it.

Many of the major airlines are now using 2D codes as digital boarding passes, and by the end of 2011 all carriers will be required to provide this service for international flights, notes Jeff Korhan, an online marketing consultant/blogger, professional speaker and coach. "I tried this myself and it works like a charm," he reported, adding, "My only suggestion is to not rely on the link, but rather to save a copy of the image on your phone. You don't want to risk not being able to find a good signal when you need it most!"

SunMaid, a 99-year-old company, hopes to leverage the technology in a promotional tie-in with DreamWorks Studios and last month's debut of its animated movie Kung Fu Panda 2. Packages of its raisins are adorned with the QR code. Upon scanning it, consumers land on a mobile website where they can enter a contest for a chance to win prizes, including the grand prize VIP trip for four to the Giant Panda center at the Atlanta Zoo.

QR codes have been in use in Japan, where they were invented, for more than a decade. Denso Wave, a subsidiary of Toyota, holds the trademark, but that company is not exercising its patent rights in order to encourage widespread use. (The codes were initially used for tracking parts in automobile manufacturing.)

In some ways, QR codes are similar to barcodes. Unlike the linear one-dimension barcodes, which have a capacity of 20 numerical digits, QR codes are two-dimension matrix codes with the ability to hold thousands of alphanumeric characters of information. The information encoded can be text, URLs or other data and digital content, and the codes may appear in magazines, on signs, buses, business cards or other objects that consumers can scan to access more information.

QR codes can be scanned or read with a number of mobile devices, including iPhones, Android, BlackBerry or other camera-enabled smartphones. (*See box for links to download readers and code generators.*)

In an article Korhan authored on practical uses of QR Codes, his list of current and anticipated applications include:

- Business cards and other stationery
- Brochures and other marketing materials
- Advertisements
- Vehicles
- Product tags and packaging
- Name badges
- Event ticket stubs
- Point of sale displays
- Coupons and special offers
- Signs

- Recommendations for complementary products and services
- Purchase receipts
- Links to installation and assembly instructions and demonstrations
- Customer feedback forms
- Warranties (e.g., sources for replacement parts and services)

A review of govloop.com, a social network for the government community, indicates rising use of QR codes in the public sector. Examples range from tourism (Manor, Tex., Long Beach, Wash., and Michigan Dept. of Transportation), to GSA campaigns and events, building permits (New York City), and conferences (Baltimore).

Real estate professionals are also adding the codes to their marketing arsenals. Rose Harris, a Realtor at ONE Sotheby's International Realty in Miami, told "Biz Byte" columnist Tasha Cunningham that she has been using QR codes to educate clients about the properties she sells. "We use them to drive traffic to our single listing websites," said Harris. "Our clients love them because they can simply scan the code and find out everything they need to know about a property without having to go to a computer to search for it. It's right there in the palm of their hand."

(Editor's note: Northwest Multiple Listing Service has rules governing two dimension barcodes, such as QR codes and Microsoft Tags. In general, they may be added to signs or fliers, but cannot be uploaded as listing photos.)

In an interview with Media Life Magazine, the publisher of Entertainment Weekly was asked about the future of QR codes. "They're definitely getting more traction," replied Jason Wagenheim, noting Microsoft's recent announcement that five billion of its MS Tags have been printed since their January 2009 launch. The same report indicated the number of product scans had doubled in just the past three months.

"I really feel that it's a technology that's here to stay and it will only get better, faster and allow for more interactivity, especially as we see adoption rates continue to increase," Wagenheim stated. "Like every other piece of new technology in this fast-changing market, we need more and more consumer adoption for it to be meaningful for our advertising partners, and we need our advertising partners to deliver

Wagenheim expects the next phase of QR code technology for Entertainment Weekly will include building out a more robust destination that includes an opportunity for users to share just-scanned codes with their social network.

#### READ MORE

- List of recommended QR-Code reading software, available for download: <http://www.mobile-barcodes.com/qr-code-software/>
- Code generators: <http://www.mobile-barcodes.com/qr-code-generator/>
- "Who is Scanning QR Codes?" Considerations when producing a mobile strategy. **The Point:** Mind your QR P's and Q's.: <http://www.marketingprofs.com/short-articles/2271/who-is-scanning-qr-codes-heres-a-quick-update#ixzz1LCxMdWa1>
- 20 page white paper titled "Harnessing the Power of the Mobile Web." [www.knotice.com](http://www.knotice.com)
- How QR Codes Can Grow Your Business. [socialmediaexaminer.comhttp://www.socialmediaexaminer.com/how-qr-codes-can-grow-your-business/](http://www.socialmediaexaminer.com/how-qr-codes-can-grow-your-business/)
- 10 Ways to Use QR Codes and Microsoft Tags to Attract New Customers. <http://www.bizbytes101.com/>
- QR codes and Microsoft Tags can boost your bottom line. <http://www.miamiherald.com/2011/05/30/2241785/qr-codes-and-microsoft-tags-can.html>
- Microsoft Tags (works on various devices). MS tags can incorporate logos and images, but require a Microsoft Tag Reader, available at: <http://tag.microsoft.com/download.aspx>



## **▮ "CONSTRUCTIVE RECEIPT" ISSUES IN 1031 EXCHANGES THE IRS DISALLOWS A "DO-IT-YOURSELF" EXCHANGE**

A sale of property for cash or other property is generally a taxable event unless another provision of the Internal Revenue Code permits tax deferral. Where tax deferral is available, the IRS and courts generally require strict compliance with the statute or regulations authorizing such deferral.

One of the most commonly used statutes providing tax deferral is Internal Revenue Code § 1031. This provision permits tax deferral when “like kind” property is exchanged for other like kind property. Although the exchange requirement might seem simple at first blush, Section 1031 and the regulations promulgated by the Treasury under authority granted by Congress set forth specific procedures and documentation requirements that must be met at the time the relinquished property is transferred to a buyer if the “exchange” will involve a sale of relinquished property for cash or other non-like kind property. This sort of transaction is commonly referred to as a “delayed exchange.” A taxpayer’s intent to purchase replacement property following a sale is not enough to qualify for tax deferral under Internal Revenue Code §1031.

The documentation requirements mostly relate to an income tax notion called “constructive receipt.” Under this doctrine, a taxpayer has received property that the taxpayer controls or has access to, even if the taxpayer does not actually have possession of the property. Section 1.1031(k)-1(f)(2) states that a “taxpayer is in constructive receipt of money or property at any time the money or property is credited to the taxpayer’s account, set apart for the taxpayer, or otherwise made available so that the taxpayer may draw upon it at any time.”

The regulations describe various ways of avoiding the application of the constructive receipt doctrine where relinquished property is sold for cash or other like kind property in the first phase of a tax deferred exchange (e.g., the like-kind property is not merely swapped). Specifically, the regulations create several “safe harbor” arrangements, including the use of a “qualified intermediary”, “qualified trust” or “qualified escrow” to hold the sale proceeds during the period between the sale of the relinquished property and purchase of replacement property. Each of the foregoing arrangements requires the taxpayer to execute a written agreement that adequately limits the taxpayer’s right to receive, pledge, borrow or otherwise obtain the benefit of the sale proceeds during the exchange period.

A recent Tax Court case illustrates the problem that arises when a delayed exchange is not properly documented at the time of the relinquished property sale. In [Crandall vs. Commissioner, T.C. Summ. Op. 2011-14, 2011 TNT 32-7](#), the taxpayer sold an undeveloped parcel of land in Arizona that had been held for investment. The taxpayer intended to exchange out of the Arizona property and into a property in California located closer to the taxpayer’s residence. Upon the sale of the Arizona property, the buyer’s purchase money was deposited in an escrow account with the title company handling the closing in Arizona.

However, instead of utilizing one of the safe harbor arrangements authorized in the regulations, such as using a qualified intermediary to facilitate the exchange, the taxpayer merely left the proceeds in the escrow account at the title company, and told the escrow officer that he was doing an exchange. The taxpayer later instructed the Arizona title company to transfer some of escrowed funds to a title company in California engaged to close a purchase of other investment property for the taxpayer. The property being acquired in the second escrow met the “like-kind” requirement under Section 1031.

The IRS subsequently disallowed the exchange on the ground that the taxpayer had constructive receipt of the sale proceeds, and assessed a tax on the sale, interest on the underpayment of tax and penalties. On the taxpayer’s appeal, the Tax Court determined that the transaction was a taxable sale followed by a subsequent purchase because the escrow agreement did not expressly restrict the taxpayer’s access to and use of the funds held in the escrow account.

**Lessons learned from *Crandall* include:**

- Although the taxpayer intended to set up a transaction that qualified for a 1031 exchange, it is well established that a taxpayer's intention to take advantage of tax laws does not determine the tax consequences of their actual transactions. [See *Bezdjian v. Commissioner* (1988) and *Carlton v. United States* (1960).]
- The reinvestment of proceeds from a cash sale of one investment property into a second property will not qualify for the tax deferral benefits under Section 1031. [See *Greene v. Commissioner* (1991); *Coastal Terminals, Inc. v. United States* (1963); *Estate of Bowers v. Commissioner* (1990); *Lee v. Commissioner* (1986).]
- Since the escrow account did not limit the taxpayer's right to receive, pledge, borrow or otherwise obtain the benefits of the proceeds nor anything else to properly reflect the transaction as a 1031 exchange, the account was not deemed a qualified escrow account.
- It is essential to consult with a Qualified Intermediary and your tax advisor when contemplating a delayed exchange. Exchange documents must be executed prior to the closing of the relinquished property, and these documents must place adequate restrictions upon the use of the sale proceeds to avoid constructive receipt issues.



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**REALTORS® Advocate Critical Housing Issues on Capitol Hill****Urge Congress to Fight 20% Down Payments**

During the National Association of REALTORS® 2011 Midyear Legislative Meetings, thousands of REALTORS® descended on Washington, D.C., to meet with lawmakers. REALTORS® met with their Members of Congress to address important policy concerns affecting the real estate industry. Among the concerns brought to Congress were the availability of affordable property insurance, the future of the secondary mortgage market, access to affordable mortgage products and preserving homeownership tax benefits.

REALTORS® witnessed an important development on one of the key issues. On May 13<sup>th</sup>, the House Financial Services Committee, on a unanimous 54-0 vote, reported out H.R. 1309, "Flood Insurance Reform Act of 2011," a 5-year extension of the flood insurance program. The bill will now go to the full House for consideration.

During these meetings with Members of Congress, REALTORS® brought up an additional key issue that would severely impact homeownership — the proposed Qualified Residential Mortgage (QRM) rule. The proposed QRM rule, issued by six federal regulators, would require families to make enormous downpayment requirements of



twenty percent or higher and reduce the availability of affordable mortgages for qualified consumers. Many borrowers would be forced to pay much higher interest rates and fees for safe loans that did not meet the exceedingly narrow QRM criteria. In many cases, some credit worthy borrowers may not be able to get a mortgage at all.

REALTORS® realized that additional outreach and effort is needed and that the support of Congress would be critical to ensure that the QRM rule did not severely impact the burgeoning housing recovery in its tracks. Currently, there is a letter in the Senate being circulated by Senators Mary Landrieu (D-LA), Kay R. Hagan (D-NC) and Johnny Isakson (R-GA). In the House, a similar letter is being circulated by Representatives John Campbell (R-CA), Brad Sherman (D-CA), Ed Perlmutter (D-CO), Shelley Moore Capito (R-WV), Gwen Moore (D-WI), Gary G. Miller (R-CA), Jim Himes (D-CT) and Bill Posey (R-FL). Both letters simply ask Federal Regulators to follow the intent and language of the QRM exemption provision contained in the Dodd-Frank Wall Street Reform and Consumer Protection Act.

To support these Congressional efforts, the National Association of REALTORS® has issued a "Call for Action" to members to ask their Senators and Representatives to sign onto their respective letters and urge regulators to follow congressional intent. To participate in this "Call for Action" please visit <http://www.realtoractioncenter.com>.

To learn more about the QRM rule and how it impacts real estate, please visit <http://www.realtor.org/topics/qrm>.

For more information on the key issues REALTORS® addressed during the Capitol Hill visits, please visit [http://www.realtor.org/government\\_affairs/gapublic/mym\\_home](http://www.realtor.org/government_affairs/gapublic/mym_home).

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## **State launches new map website**

Have you ever wondered where Google and Bing get the information that appears on their online maps? Often, it comes straight from government map data, which is becoming increasingly easier to access online.

The State of Washington is hoping to make it easier for consumers to search and find the vast amount of geographic data it tracks, whether you're a Geographic Information System (GIS) specialist or a just a curious member of the public.

In May, the Washington State Department of Information Services launched the Washington State Geospatial Portal, found online at <http://geography.wa.gov>. The site is a way to access a wide variety of maps, interactive mapping applications, and geographic data hosted on government websites.

Until this portal was launched, individuals would need to search through multiple state government agency websites to find map data. Now, it is all listed in a single online source.

The Geospatial Portal has multiple uses and features. Users have the ability to:

- Download data to view in other map programs like Google Earth or Bing Maps.  
<http://geography.wa.gov/GeospatialPortal/dataDownload.shtml>
- Access online interactive mapping applications, with the ability to select and zoom areas, choose layers, and print. Interactive maps included on the site show information such as broadband speeds, sales tax rates, and comparisons of legislative districts.  
<http://geography.wa.gov/GeospatialPortal/agencyApps.shtml>
- View or download maps showing a variety of information, including county population densities, tsunami and flood hazard areas, or soils and farming data.  
<http://geography.wa.gov/GeospatialPortal/maps.shtml>

The site's creators plan to include links to maps and data held by cities and counties in Washington state.

Users are encouraged to check back frequently during the coming months as more content will be loaded.

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## **State Licensing Department cutting costs with paperless options**

Washington's Department of Licensing estimates the stack of paper it has saved during the last year is twice the height of the Space Needle. With that paper savings comes cost savings, stated DOL officials.

Nearly 400,000 Washington vehicle owners have signed up for e-mail car tab renewal reminders, enabling them to renew online with just a couple of mouse clicks.

DOL says sending paper renewal notices cost the state about \$3.5 million every year. While there are no plans to stop sending car renewal reminders by mail to those who have not yet signed up for e-mail notifications, DOL has stopped sending boat renewal reminders.

"We know that not everyone has e-mail, so we still have options for them, but many folks do, so we're asking them to sign up to help us be more effective with their tax dollars," said Liz Luce, the director of DOL.

Luce says her agency has also expanded other online offerings for citizens in an effort to reduce or eliminate the need to travel to a driver licensing office. She estimates 220,000 drivers renewed their licenses online last year, and says the number of people requesting their driving record or using other online services has "skyrocketed" during the past year.

DOL currently offers more than 20 different licensing services online, with more rollouts planned.

To sign up for email renewal reminders for vehicles or boats, licensees will need to have their state license plate number or boat registration number and an email address. To renew, a current address, the driver license numbers for the vehicle's owners and a valid credit card are needed.

For details, including an outline of the 5-step process, visit: <https://fortress.wa.gov/dol/tabs/Default.aspx>.

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## **Take the Home Maintenance Quiz**



How often should the moving parts of garage doors be oiled?

What faucet parts need to be cleaned every 90 to 120 days?

What can you use to help a window slide easily?

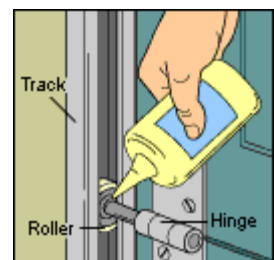
Answers to these and 26 other questions are part of a "Home Maintenance Quiz" to remind homeowners of ways to keep their home in good shape.

"Your home may be the biggest investment you will ever make," the authors state. "Taking good care of it with regular maintenance is necessary to maintain its value and ensure it will provide a comfortable, safe shelter for you and your family for a long time."

NAHB's quiz is noted indented to address every home maintenance project. Instead, it provides helpful tips and reminders.

Take the quiz and find answers to above questions at:

<http://www.nahb.org/generic.aspx?secti onID=124&genericContentID=107788&hp=yes>



## **📌 To speak to a human, first click, then dial.**

Consumers who want to bypass automated operators and a seemingly endless string of numeric prompts to reach a human now have alternate way to connect with a company's receptionist or customer service representative:

Get2Human.com or <http://gethuman.com/>.

GetHuman.com has a searchable database of more than 2,200 companies. Its directory includes phone number(s), steps to talk to a person, plus links to "tips and feedback from others," and "recent reviews and ratings."

Those who are "tired of wasting money and time due to phone systems that require you to press 10 or more options in order to reach a real person, or spending many minutes (or hours) on hold," are invited to consult the Get2Human database. It contains "secret" phone numbers and codes for quick access to customer service for more than 1,000 companies. The database is searchable by company name, industry or country.

The list includes a link for rating a company, along with information on wait times (in minutes), instructions for connecting with a human, a customer service phone number, and TDD phone number (if available).

The Get2Human website includes a blog, with an invitation for visitors to share their call center stories and opinions. It also has a "Great Customer Service Club" to recognize enterprises with superior customer service.

Site visitors can request new Get2Human numbers, report nonworking numbers, and read what others have to say. New listings are added upon being validated.

Get2Human.com, created by Walt Tetscher in 2008, was initially based on the original gethuman.com from Paul English, but with a different web design. English has been widely recognized as a consumer advocate in hundreds of media outlets.

The GetHuman™ movement says its goal is to "to convince enterprises that providing high quality customer service and having satisfied customers costs much less than providing low quality customer service and having unsatisfied customers. "

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## **📌 Dog bites prove costly**

Dog bites accounted for more than a third of all homeowner insurance liability claims in 2010, according to the Insurance Information Institute (I.I.I.).

The I.I.I. study calculated the claims totaled nearly \$413 million, which averages out to more than \$26,000 per claim. That average is up 5.3 percent from the 2009 amount of \$24,840; from 2003 to 2010, the cost of these claims has risen nearly 37 percent.

"The average cost per claim has risen over the last eight years (2003-2010) which can be attributed to increased medical costs as well as the size of settlements, judgments and jury awards given to plaintiffs, which have risen well above the rate of inflation in recent years," said Jeanne M. Salvatore, senior vice president and consumer spokesperson for the I.I.I.

Homeowners and renters insurance policies typically cover dog bite liability. Most standard homeowners policies provide policyholders with anywhere from \$100,000 to \$300,000 in liability coverage. If the claim exceeds those limits, the dog owner is personally responsible for all damages above that amount, including legal expenses. A liability policy also provides no-fault medical coverage in the event a dog bites a friend or neighbor. This enables them to submit their medical bills directly to the homeowner's insurance company.

Washington state has a dog bite statute that favors dog bite victims. The law makes the owner of the dog strictly liable for dog bites. Additionally, anyone who harbors, keeps or is negligent with a dog can be held liable for injuries caused by the dog.

Washington dog bite law generally protects landlords from liability for canine-inflicted injuries, unless the landlord is a keeper or harbinger of the dog.

The I.I.I. said people who are liable for negligence in a dog case include anyone who unreasonably failed to control the dog on that day, and thereby caused injury to another person. The activities of the dog which caused the injury are without limit when it can be shown that the actions or inactions of the defendant were unreasonable, and those actions or inactions were the proximate cause of injury.

Most insurance companies will insure homeowners with dogs. However, once a dog has bitten someone, the insurance company may charge a higher premium or exclude the dog from coverage. Some companies require dog owners to sign liability waivers for dog bites. Others will cover a pet only if the owner takes the dog to classes aimed at modifying its behavior.

The personal liability coverage available through a standard homeowners or automobile policy simply may not be enough, I.I.I. suggests. The organization advises homeowners to consider purchasing a personal excess liability policy. Also known as an umbrella liability policy, it protects homeowners against personal liabilities, such as dog bites, that could impact a substantial portion of one's assets. Such policies typically cost \$150 to \$300 per year for the first \$1 million in coverage, according to I.I.I. estimates.

"Some people purchase dogs for the purpose of guarding their homes; however, deadbolt locks and home security systems can be safer burglary deterrents, and can often earn you a discount on your insurance premium," said Salvatore.

"Most dogs are friendly, loving members of the family," said Salvatore. "But even normally docile dogs may bite when they are frightened or when protecting their puppies, owners or food. Ultimately, the responsibility for properly training and controlling a dog rests with the owner."

I.I.I. offers several tips for homeowners who want to minimize their risk (*see box*).

The Insurance Information Institute, based in New York, is a nonprofit organization that serves as a primary source of information, analysis and referrals concerning insurance.

**Steps Dog Owners can take to minimize risk,  
protect assets**

- § Consult with a professional (e.g., veterinarian, animal behaviorist, or responsible breeder) to learn about suitable breeds of dogs for your household and neighborhood.
- § Spend time with a dog before buying or adopting it. Use caution when bringing a dog into a home with an infant or toddler. Dogs with histories of aggression are inappropriate in households with children.
- § Be sensitive to cues that a child is fearful of or apprehensive about a dog and, if so, delay acquiring a dog. Never leave infants or young children alone with any dog.
- § Have your dog spayed or neutered. Studies show that dogs are three times more likely to bite if they are NOT neutered.
- § Socialize your dog so it knows how to act with other people and animals.
- § Discourage children from disturbing a dog that is eating or sleeping.
- § Play non-aggressive games with your dog, such as "go fetch." Playing aggressive games like "tug-of-war" can encourage inappropriate behavior.
- § Avoid exposing your dog to new situations in which you are unsure of its response.
- § Never approach a strange dog and always avoid eye contact with a dog that appears threatening.
- § Immediately seek professional advice from veterinarians, animal behaviorists, or responsible breeders if the dog develops aggressive or undesirable behaviors.

## **Before Tying the Knot, Couples Urged to Check Insurance It's wedding season.**

While the betrothed may be thinking about their honeymoon or first home, the Insurance Information Institute suggests they also consider wedding insurance.

“Wedding insurance is a form of special event insurance that provides reimbursement for non-refundable deposits in the event the wedding needs to be cancelled or postponed due to a natural disaster, death, illness, serious injury or other catastrophe listed in the policy,” said Jeanne M. Salvatore, senior vice president and consumer spokesperson for the I.I.I.

Such policies also provide financial protection in the event the caterer goes bankrupt, or the florist or photographers fail to show up.

Considering the average cost of a wedding approaches \$28,000 (or closer to \$40,000 in urban areas), according to one wedding planning website, it might be a prudent investment.

Several insurers offer wedding insurance. Some provide a package policy that includes a selection of coverages, while others offer a la carte plans with the ability to customize using several options.

“Planning a wedding is a fun but emotional experience and purchasing wedding insurance can offer some peace of mind as the bride, groom and their families write check after check,” noted Salvatore.”

What if the bride or groom gets jilted?

Some insurers even offer coverage for “cold feet,” providing someone other than the bride or groom is paying for the ceremony (generally the parents) and the couple breaks up more than 180 days before the ceremony.

Before purchasing a policy, I.I.I. recommends checking existing plans for possible inclusion of wedding-related coverage, shopping around to compare costs and range of coverages, and making sure the provider is licensed in the state(s) where the parties live.

I.I.I. also urges couples who are getting married to create or update a home inventory, and to review all insurance policies, including homeowners, auto and life insurance. “You are not only merging two lives, but two households,” they suggest, adding, “And, don’t forget that most wedding and engagement rings will need special coverage in the form of a floater or endorsement.”

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**News In Brief**

- According to Census Bureau surveys, the percentage of Bellevue residents with college degrees keeps climbing, along with the percentage of those in management and professional occupations. Estimates from the 2005-2009 American Community Survey, released along with some results from the 2010 census in recent months, show about 60 percent of Bellevue's residents, 25 years and older, have bachelor's degrees or higher. That's up from 54 percent in 2000 and 46 percent in 1990. The 2005-2009 ACS also shows about 58 percent of Bellevue's workforce in management or professional occupations, up from 53 percent in 2000 and 40 percent in 1990. Staff from the Planning and Community Development Department presented the data, which they and other departments use when planning programs and services. In March, staff reported that, according to the 2010 census, minorities now comprise 41 percent of Bellevue's population, with Asians alone accounting for 28 percent, the highest share of any city in the state. The American Community Survey provides additional details about the city's growing ethnic diversity. According to the ACS, Bellevue had the second highest number and 16th highest percentage of foreign-born residents out of all the cities in the state. About a third of Bellevue's population spoke a language other than English at home, up from 27 percent in 2000 and 14 percent in 1990. According to the 2010 Census, 544 children lived in downtown Bellevue, up from 125 in 2000, an increase of 335 percent. Growing numbers of children have put pressure on local schools in certain neighborhoods.
  - NAR and other interests have concerns over banking regulators' proposed rule for "safe," securitized mortgage loans, called qualified residential mortgage (QRM) loans. The proposed rule would require loans to have at least 20 percent down for lenders to be exempted from a 5-percent risk-retention requirement. NAR and others say congressional intent was to define safe loans as those that are soundly underwritten. The concern is that a high down payment would make home ownership unaffordable to a large percentage of buyers. The alternative to the QRM are loans for which lenders retain the required 5-percent holdback, which analysts say could cost up to 300 basis points more than QRM loans. NAR has just launched a [website](#) on the topic.
  - Only about one in four shoppers are willing to pay more for something if it makes them feel like they are contributing to saving the environment, according to a report by the *Business Examiner*. Shoppers ages 18 to 34 are slower to embrace making purchasing changes to benefit the environment than those shoppers ages 35 to 44 and 55 to 64, according to The Checkout, a study being conducted by The Integer Group and MARC Research. While college-aged consumers are expected to quickly embrace econ-concerns, the data shows they aren't necessarily willing to pay money to do so. Also interesting, is a higher eco-consciousness amongst the 55-plus set compared to younger generations. Results show that all consumers are willing to make easy changes such as switching out light bulbs or getting paperless statements, but when it comes to doing something that requires more time, money and effort, such as only purchasing locally-grown organic food or carpooling, the amount of willing participants drops.
  - The National Association of REALTORS'® Profile of Home Buyers and Sellers notes that the percentage of buyers seeking quality schools (25%) ranks behind only those seeking a shorter commute (49%), nearby family (39%) and affordable homes (44%). When even one child enters the equation, however, price (43%) and local relatives (34%) take a back seat to quality of schools (48%) and proximity to said schools (43%). A joint study by UCLA and Dartmouth College in 2004 found a 10% swing in home values between houses in school districts where mean test scores are within the lowest quarter of the country's average test scores and a home where students average scores are among the top 25%.
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**Calendar of Events**

Through July 13, 2011

Dates	Event	Clock Hours	Time	Location	Contact
<b>SEATTLE-King County REALTORS®</b>					
6/14	“Core Curriculum”	4	9:30am-1:30pm	SKCR	(800) 540-3277
6/24	“Washington Transition” Course	3	9:30am-12:30pm	SKCR	(800) 540-3277
6/28	Government Affairs Committee		10:30am-1:30pm	SKCR	(800) 540-3277
7/4	Holiday – Office Closed			SKCR	(800) 540-3277
7/13	Board of Directors		10:30am-1:30pm	SKCR	(800) 540-3277
For updates visit: <a href="http://www.nwrealtor.com">www.nwrealtor.com</a> and click “events”					
<b>SNOHOMISH COUNTY-CAMANO ASSOCIATION OF REALTORS®</b>					
For updates visit: <a href="http://www.sccar.com">www.sccar.com</a> and click “events”					