

Northwest MLS Reflects on Action-Packed 2010

Last year proved to be an action-packed time for Northwest Multiple Listing Service, marked by conversion, upgrades, revisions, amendments, trainings and a huge volume of communications with members.

During a series of meetings around the state with designated brokers and branch managers, representatives from Northwest MLS recapped 2010 and previewed “coming attractions.” The discussion covered:

- The conversion to Matrix and involvement of Matrix Advisory Groups
- Upgrading Xpress Forms to Adobe
- Revising more than 100 forms
- Legal updates on amended rules
- Processing 225 arbitration/disciplinary complaints
- Training more than 30,000 licensees via various courses
- Handling 218,396 calls

Addressing more than 490,000 emails (including “SpeakUps”)

Attorney Justin Haag provided an overview of top disciplinary and auto-fine issues (see box), along with status reports on short sales and pertinent DFI/DOL bulletins, the B&O tax, and possible legislative actions.

Haag noted NWMLS emailed 8,812 notices of violations during 2010, with 93 percent of them resolved following the notification. Total fine amounts decreased from 2009.

Bob Gent, director of business development and member relations, discussed recent enhancements to Matrix, many of them the result of input from various Advisory Groups. He also previewed upcoming changes, including market reports, enhanced open house searches and mapping, customized Statistical Data Reports, and the Listing Input process.

Top Advisory Group issues centered on photos (including multi-photo loads instead of one at a time), parcel maps and layers, shortcomings of searching by “not,” Google-style search for addresses, search criteria shortcuts, and the ability to edit a listing from any screen. Dozens of requests for adding search fields are pending.

The next big issue with Tarasoft will be mobile apps, according to Gent.

Gent also provided a preview of upgrades to Realist, which NWMLS rolled out in late March. The all-in-one search screen and parcel map integrates Matrix listing data, tax data and Realist ValueMap estimated valuations. Members are invited to view webinars and attend workshops to experience all the new features.

Looking ahead, electronic signature capabilities will become a reality in 2011, culminating a multi-year process as technology evolved. NWMLS is currently evaluating vendors, and expects to release the selected digital platform and product later this year.

TOP DISCIPLINARY ISSUES DURING 2010

- Keys and keyboxes (Rule 50) – 20 violations
- Listing Input (Rule 1) – 14 violations
- Solicitation of listings (Rule 17) – 13 violations
- Restrictions on showing/sale (Rule 11) – 12 violations
- Inaccurate data (Rule 10) – 9 violations
- Direct contact with sellers (Rule 125) – 8 violations
- Required turn-in (Rule 2) – 6 violations
- Cooperation (Rule 25) – 5 violations
- Business Cards (Rule 180) – 5 violations

TOP AUTO-FINE ISSUES DURING 2010

- No primary photo (58% of violations)
- Invalid owner phone number (16% of violations)
- Invalid owner name (9% of violations)
- Open House in Marketing Remarks (6% of violations)
- Phone number in marketing remarks (2% of violations)

Housing market doing “surprisingly well” without a stimulus

KIRKLAND, Wash. (April 6, 2011) – Last month’s pending sales fell below year-ago totals in Western Washington, but brokers say the market is faring quite well, considering last year’s activity was boosted by federal tax credits.

The latest report from Northwest Multiple Listing Service shows 7,570 pending sales of single family homes and condominiums during March. That’s down about 12 percent from a year ago when members reported 8,605 pending transactions (mutually accepted offers) across the 21 counties in the Northwest MLS service area.

“The market is doing surprisingly well without a stimulus,” observed Northwest MLS director OB Jacobi, president of Windermere Real Estate Company “Considering that this time last year there was a rush of buyers trying to beat the tax credit deadline, to have the number of sales off just slightly points towards a strengthening market,” he added.

A comparison to two years ago reveals a double-digit jump in pending sales. Area-wide, the volume is up nearly 33 percent, rising from 5,701 pending sales in March 2009 to 7,570 for last month. For the four-county Puget Sound region, pending sales spiked nearly 42 percent compared to two years ago (from 4,266 to 6,049). “The glass is starting to look more half full than half empty,” Jacobi commented.

Mike Grady, president and COO of Coldwell Banker Bain, agreed. “Most real estate professionals will be happy to move past the year-over-year comparisons that have been made the first few months of 2011, as they reflect the boost given home sales by last year’s Homebuyer Tax Credit,” he noted, adding, “Home sales are now standing on their own -- without the benefit of incentives -- and the market is actually behaving quite typically.”

Buyers have plenty of choices, although the selection is smaller than a year ago, reflecting fewer new listings being added to inventory. Members added 9,812 new listings to inventory last month, which compares to 12,994 additions for the same month a year ago. At month end, the Northwest MLS database included 33,444 active listings, including 28,146 single family homes and 5,298 condominiums. That’s a drop of 5,272 properties, a decline of 13.6 percent.

“In fact, some urban core neighborhoods, such as Greenlake, Queen Anne and West Bellevue, are seeing very strong demand, and a waning supply of desirable homes for sale,” Grady reported. Many buyers looking in these neighborhoods are beginning to express frustration over the lack of available homes, according to Grady. “As a result, Realtors are beginning to report multiple offers, with contracts settling over the list price on the best homes.”

While this certainly isn’t the norm in most areas served by the NWMLS, Grady said it is encouraging that in some areas homes are selling briskly, and distressed and bank-owned properties are still in the minority.

Distressed properties continue to drag down prices. According to research by the National Association of REALTORS[®], nearly one of every four home sales (24 percent) in Washington is classified as a short sale or foreclosure.

Northwest MLS members reported 4,590 closed sales of single family homes and condominiums last month. That total represents a drop of 7.7 percent from twelve months ago when members notched 4,972 closings.

Prices on last month’s closed sales system-wide declined about 8 percent compared to a year ago. The area-wide median sales price was \$242,925; a year ago it was \$264,475. In King County, prices dipped about 7 percent (\$319,950 last month versus \$343,950 for March 2010), although the gap was much narrower in some areas. In the Northwest MLS map areas comprising the Eastside, prices were off about 2 percent (\$435,000 versus 444,000), while in the Seattle area, the year-over-year drop was only about 1 percent (\$357,500 versus \$361,500).

“We saw a lot of qualified buyers making offers in March,” Windermere’s Jacobi remarked. “They’re out of the tire-kicking mode and ready to buy now. Inventory is low in general, and there is a particular shortage of move-in ready homes,” he stated, noting properties that are selling look like model homes. “Sellers realize if they remove any buyer objections ahead of time, their house will sell, and sell quickly.”

Jacobi said one of his company’s brokers wrote a cash offer for a client on a \$1.1 million home in Bridle Trails the first day it was on the market. “The house was in perfect shape and newly painted. The sellers did a pre-inspection

and spent several thousand dollars on minor repairs. The property got multiple offers,” he reported. The sellers accepted the cash offer for just under their asking price.

Grady senses some neighborhoods appear to be close to recovery, citing remarks by a broker who likened the market to a space capsule re-entering the atmosphere. “While it might appear to be burning out of control, the heat is actually beneficial, providing the friction necessary to slow the descent and allow a safe landing. Perhaps our broader market appears to be smoldering now, but some neighborhoods also appear to be close to recovery. With ‘Spaceship Seattle’ currently offering fewer than two single family homes for sale for every buyer currently under contract, it could be an interesting summer around the real estate launch pad,” he suggested.

Commenting on the latest nationwide report on pending sales, Lawrence Yun, NAR chief economist, said “We may not see notable gains in existing-home sales in the near term, but they’re expected to rise 5 to 10 percent this year with the economic recovery, job creation and excellent affordability conditions providing confidence to buyers who’ve been on the sidelines.”

Yun also emphasized the importance of looking at the broader trend, citing the unusually bad weather in the Northeast as having a negative impact on February’s data. “Month-to-month movements can be instructive, but in this uneven recovery it’s important to look at the longer term performance,” he said. “Pending home sales have trended up very nicely since bottoming out last June, even with periodic monthly declines.”

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- March 2011

Single Fam. Homes + Condos	LISTINGS		PENDING SALES	CLOSED SALES		
	New Listings	Total Active	# Pending Sales	# Closings	Avg. Price	Median Price
King	3,778	10,500	3,057	1,885	\$394,918	\$319,950
Snohomish	1,481	4,641	1,375	785	\$267,472	\$237,000
Pierce	1,556	5,184	1,317	735	\$221,295	\$193,900
Kitsap	414	1,573	300	225	\$282,825	\$229,000
Mason	131	673	86	30	\$180,596	\$163,875
Skagit	225	1,046	146	85	\$244,323	\$220,000
Grays Harbor	167	838	89	61	\$135,567	\$121,500
Lewis	122	681	77	62	\$144,142	\$139,950
Cowlitz	142	597	109	59	\$140,594	\$128,500
Grant	127	544	71	36	\$163,651	\$165,000
Thurston	490	1,613	335	220	\$220,915	\$201,947
San Juan	56	363	11	9	\$803,693	\$316,000
Island	187	860	101	62	\$254,815	\$224,500
Kittitas	72	419	41	26	\$189,946	\$178,495
Jefferson	81	441	30	19	\$242,063	\$260,000
Okanogan	41	340	17	6	\$248,250	\$166,500
Whatcom	386	1,543	263	162	\$259,256	\$236,000
Clark	75	269	37	38	\$256,642	\$237,500
Pacific	66	342	26	21	\$152,490	\$119,000
Ferry	5	51	1	2	\$148,500	\$148,500
Clallam	77	400	32	25	\$210,975	\$195,000
Others	133	526	49	37	\$173,789	\$151,000
MLS TOTAL	9,812	33,444	7,570	4,590	\$302,368	\$242,925

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									

King County REALTORS® launch initiative to provide housing for Japan earthquake victims

In the aftermath of the devastating earthquake and tsunami that struck Japan on March 11, REALTORS® are mounting a campaign to support both immediate and long-term needs for shelter for the victims.

Along with providing links to established charities that are providing assistance, the National Association of REALTORS (NAR) and its county and state affiliates are supporting an initiative of SEATTLE *KingCounty* REALTORS® (SKCR), the official NAR Ambassador Association to Japan's four nationwide real estate associations.

"Our members have deep ties to Japan so we are keenly aware of the devastation and dire need for shelter," said Kristen Greenlaw, SKCR's 2011 president. More than 100,000 children have been uprooted from their homes, she noted, citing estimates from Save the Children.

Mercer Island REALTOR Jason Watabe, a past president of SKCR and founding member of the Washington Chapter of the Asian Real Estate Association of America (AREAA) worked with SKCR leadership to establish a dedicated fund for longer-term disaster relief. Its focus will be projects to rebuild and create shelter. The fund will be administered through SKCR's nonprofit charitable affiliate, The Realtors Environmental Council (TREC), with 100 percent of the tax-deductible donations earmarked for housing projects identified in consultation with affiliated real estate associations in Japan.

Along with making personal donations, Realtors are being urged to organize fund-raisers for disaster-relief services and rebuilding efforts.

Links to the various recommended charities are on SKCR's website (www.nwrealtor.com) and the national organization's site: www.realtor.org or http://www.realtor.org/about_nar/japan_earthquake_relief.

Governmental Affairs Reporter

A quarterly report from you Seattle KingCounty Realtors

First Quarter 2011: January - March

[This is a separate PDF file: 10 pages, 1.4MB](#)

Eye on Washington**Reform and Long-term Extension of National Flood Insurance Program Needed**

The National Flood Insurance Program (NFIP) is essential to a properly functioning real estate market. It ensures access to affordable flood insurance for 5.6 million American home and business owners in 21,000 communities nationwide where the insurance is required to obtain a federally related mortgage.

Recently, the House Financial Services Subcommittee on Insurance, Housing and Community Opportunity held the first hearing on legislative proposals designed to reform the NFIP. NAR reaffirmed its long-standing support for strengthening the NFIP for the long-term to prevent undermining the real estate market recovery.

NAR strongly supports reauthorizing the NFIP for a minimum of five years. The current authority expires September 30, 2011. This authority is the latest in a long line of stopgap measures that have exacerbated uncertainty in recovering real estate markets. Since September 2008, authority for the NFIP has been extended nine times and twice was allowed to expire for multiple weeks at a time, immeasurably shaking investor confidence. During the June 2010 “lapse” more than 45,000 transactions were delayed or cancelled according to NAR survey data.

Additionally, NAR supports strengthening the long-term viability of the NFIP by expanding coverage to include business interruption and loss of residential use which encourages participation, indexing coverage limits which have not been updated despite inflation since 1994, and ensuring that the owners of repetitive loss properties pay insurance rates that reflect the full risk to the property. These reforms will help increase funds for the NFIP, help property owners recover from flood losses, and decrease future federal assistance when underinsured properties suffer flood losses.

While some groups have called for the NFIP to be privatized, NAR strongly opposes any efforts to move the program towards privatization. The NFIP was created and continues to address an on-going failure of the private market to provide access to affordable flood insurance. The private market would guarantee neither the availability nor the affordability of property insurance to protect against flooding, one of the most expensive natural disasters in the U.S. Without this program, the only way for many owners to rebuild after a flood would be for the federal government to provide post-disaster rebuilding assistance – using taxpayer dollars.

NAR will continue to seek the major reforms that are necessary to strengthen the long-term viability of the program and looks forward to working with the Subcommittee to ensure the continued availability of affordable flood insurance.

For more information on the NFIP and NAR's actions, please visit <http://www.realtor.org/politicaladvocacy/nfip>.

Quadrant shifts homebuilding approach in response to research

In the wake of a prolonged downturn in real estate, Quadrant Homes listened to feedback from homebuyers, modified its approach to building, rolled out a mortgage protection plan, made an unprecedented promise, and, in January, launched a new slogan and marketing campaign.

Speaking at a Bellevue Chamber of Commerce luncheon, the company's president, Ken Krivanec, admitted the company was “not fully prepared for the 70 percent downturn.” In the past few years of the slump, the company slashed production and its workforce.

Krivanec, a veteran of the homebuilding industry since 1988, was named president of Quadrant, a homebuilding subsidiary of the Weyerhaeuser Real Estate Company, in October 2010.

Research drove most of the recent changes in the company's business model.

Krivanec outlined the journey in four components: culture, operational excellence, sustainability and listening to the customer.

Referring to its culture as “the Quadrant way,” he said it influences the company’s approach to hiring and training. Five principles are embodied in its approach:

1. Always safe (only two reportable incidents in the last five years)
2. Team synergy (“no individual heroes”)
3. Flawless execution (“doing the right thing at the right time for all the right reasons. We don’t sanction incompetencies.”)
4. Character (consisting of 27 qualities group about five “Cs” – character, competency, commitment, competitiveness and coach-ability.)
5. Innovation (seek out new ideas)

Krivanec also discussed the company’s value delivery system, from land acquisition to sustainability and customer satisfaction. Ninety-seven percent of its homebuyers say they are willing to refer Quadrant to friends and family, he noted.

Research uncovered buyer wants, needs, and expectations, including:

- Energy efficient homes
- Value
- Higher level of customization, including the ability to personalize both exterior and interior finishes of their home. (More than half – 53 percent – of buyers have taken advantage of the ability to customize.)
- Choice: buyers are willing to trade square footage for more options
- Homes built to high standards

With research confirming the increasing importance of sustainability to buyers, Quadrant committed to building all new homes to the 2011 Northwest ENERGY STAR standards. The company also offers four key checkpoints in its building process.

In an effort to boost buyer confidence during an era of high unemployment and fear of an unexpected job loss, Quadrant began offering a 24-month, \$2,000 to \$2,500 mortgage protection assurance program. It’s a way to reassure buyers who may be hesitant to purchase, Krivanec explained.

One of the most public-facing changes was the change in its slogan from “More House, Less Money” to “Built Your Way.” Krivanec said it marks a fundamental shift, “not just a brand promise.” The approach is intended to give buyers the features that matter most to them. The new tag line comes with Quadrant’s promise that if a homebuyer isn’t completely satisfied with their new home in any way “they can walk away from the deal up to the point of closing and will receive all their money back.”

The shift to accommodate more discerning buyers has not affected Quadrant’s evenflow construction methods, according to Krivanec, who said the company has maintained its schedule of finishing a home in 54 working days. Quadrant is currently building or developing new-home communities in King, Snohomish, Pierce, Thurston, Kitsap and Skagit counties.

The lesson he offered to his Chamber audience is “pursue customer loyalty and continue to listen to the buyer.”

Summing up, Krivanec said he was confident Quadrant will recapture buyer share as a result of changes it has made and refocusing on that it calls an “Evolution to a Revolution.” “I’m pleased and excited with how things are going.”

Puget Sound Starts Here

Think you know a lot about Puget Sound? You can take a quiz to test your knowledge.

Would you tell a stranger to scoop his dog's poop? You can answer at an online poll.

Know any youngsters who would like help fight stormwater pollution? Help them enroll as a Drain Ranger.



These are all part of the Puget Sound Action Agenda, a 213 page strategy for cleaning up, restoring and protecting Puget Sound by 2020. The actions, organized around a campaign called "Puget Sound Starts Here," reflect participation by a community-led effort of citizens, local governments, tribes and businesses.

The campaign is the creation of a consortium of 57 cities and counties called STORM (Stormwater Outreach for Regional Municipalities), Washington State Puget Sound Partnership and Washington State Department of Ecology.

The campaign focus is stormwater runoff – the source of 75 percent of all pollution in Puget Sound.

In 2007, Gov. Chris Gregoire created the Puget Sound Partnership, a community-led effort of citizens, local governments, tribes, scientists and businesses working to restore and protect Puget Sound. The organization created the Puget Sound Action Agenda to prioritize cleanup and improvement projects, to coordinate federal, state, local, tribal and private resources, and to make sure various interests are all working cooperatively.

One example of the collaboration is found on the Puget Sound Starts Here website (www.pugetsoundstartshere.org). One section features educational resources, including invitations to ask experts about pet waste, natural yard care, car washing and repairs, septic systems, and pharmaceuticals. Frequently asked questions are answered in a Q&A section.

The "Take Action Now" section offers practical tips for protecting Puget Sound "one small change" at a time," whether in your yard, around your dog, at home or caring for your car.

Elsewhere on the website, visitors can view the complete Action Agenda, obtain scientific and technical data, examine policy and leadership documents, print out posters, order logoed gear, check an events calendar, learn about ways to get involved in the effort (with resources that are searchable by zip code), and sign up for the Partnership's e-newsletter.

Authors of the Action Agenda believe our lifestyle is in danger. "It's easy to take Puget Sound's more than 2,500 miles of shoreline for granted — but as pollution increases, so will beach closures," they stated., adding, "Signs that we are killing Puget Sound are becoming harder and harder to ignore. The experiences we take for granted today might be only nostalgic tales of tomorrow."

Puget Sound Facts

- The Puget Sound region is defined as encompassing 12 counties covering 1.6 million acres and populated by approximately 4.3 million people.
- There are 15 tribal nations in the Puget Sound region.
- Ninety cities and towns border the Sound.
- The Sound helps drive \$20 billion of economic activity in Washington state.
- There are 68 state parks and 8 national parks, wildlife refuges, forests and other public lands that border Puget Sound.
- 10,000 streams flow into Puget Sound.

News In Brief

- **The House of Representatives has passed legislation that would repeal the small business1099 reporting requirements** that were enacted as part of the Health Care reform and the landlord reporting requirements enacted in 2010 as part of a Small Business bill. The measure passed on a strong bipartisan vote of 314 - 112. The Senate has passed legislation that would repeal the small business provision, but not the landlord provision. NAR continues its efforts in support of the repeal of both provisions.
 - **King County ranked No. 7 in the country last year for counties spending the most money on remodeling, according a National Association of Home Builders survey released on March 15.** King County homeowners spent an estimated \$2,295 million on their projects, averaging \$4,914. Neighboring Snohomish County was ranked No. 64 with \$665 million and an average of \$3,768, while Pierce County checked in at No. 73 with \$615 million and an average of \$3,323. A total of 3,143 counties were surveyed. Total remodeling spending in a particular county is obviously related to the number of homeowners in the county. Los Angeles County led the country at \$9.4 billion. Rounding out the top five list is Cook County in Illinois, Orange and San Diego counties in California, and Maricopa County in Arizona. The NAHB model uses data from the American Housing Survey - which is funded by the U.S. Department of Housing and Urban Development and conducted by the U.S. Census Bureau - to estimate local remodeling based on home and homeowner characteristics. It is then applied to the information on every county's homes and home owners that the Census Bureau released late last year from its American Community Survey. The new NAHB estimates include remodeling spending per owner-occupied home. Nantucket County Massachusetts leads the nation on remodeling spending per home at \$9,369. Other counties in the top five include New York County (Manhattan) and three counties in the San Francisco Metropolitan area. In each of these counties, remodeling is over \$8,000 per owner-occupied home. In comparison, the average across all counties nationwide is \$2,085.
 - On March 8, 2011, Rep Garrett (R-NJ) and Rep Maloney (D-NY) introduced HR 940, the "United States Covered Bond Act of 2011". **This bill would provide for the development of a covered bond market in the United States.** Similar to mortgage-based securities (MBSs), covered bonds are securities backed by loans. In the case of covered bonds, however, lenders must hold the loans on their balance sheets and, therefore, have an incentive to make sure they are well underwritten. Covered bonds have long been used in other countries to increase liquidity and strengthen financial markets. While covered bonds will not replace residential or commercial MBS as the primary generator of liquidity for the U.S. real estate market, NAR supports this legislation as a means to provide an additional tool to increase mortgage liquidity. NAR believes that this tool can offer increased liquidity and safety in commercial, multifamily, and residential real estate lending. The House Financial Services Capital Markets Subcommittee held a hearing on this issue on March 11, 2011, and NAR provided a letter of support. Similar legislation passed the House Financial Services Committee last year.
 - **On March 11, 2011, the Federal Housing Finance Agency (FHFA) announced a one year extension of the Home Affordable Refinance Program (HARP) to June 30, 2012.** The program expands access to refinancing for qualified individuals and families who are current on their mortgage payment and who have loans owned or guaranteed by Fannie Mae or Freddie Mac with loan-to-value ratios of between 80 percent and 125 percent. Since the beginning of the program in 2009, Fannie Mae and Freddie Mac have purchased or guaranteed 621,803 loans under HARP (190,180 in 2009 and 431,623 in 2010).
-

Calendar of Events

Through April 26, 2011

Dates	Event	Clock Hours	Time	Location	Contact
SEATTLE-King County REALTORS®					
4/13-15	WR Business Conference		Daily	SKCR	(800) 562-6024
4/21	New Member Orientation		9:30am-12:20pm	SKCR	(800) 540-3277
4/21	Washington Transition Course	3	9:30am-12:30pm	SKCR	(800) 540-3277
4/26	“Current Trends in Mortgage Underwriting:	7.5	8:30am-4:40pm	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”					