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Washington Realtors call for legislative solutions to middle-income home shortage

OLYMPIA – The Washington Association of REALTORS® today announced that the 25,000-member organization will seek legislation to address the state's shortage of homes that middle-income families can afford. The announcement comes on the heels of a report from a legislative task force, whose recommendations the Realtors said fall short of what Washington families need.

In May the Washington Realtors requested that Gov. Chris Gregoire, Speaker of the House Frank Chopp, and Senate Majority Leader Lisa Brown appoint a task force to develop a "Housing Opportunities Legislative Agenda" for the 2007 legislative session. Realtors reasoned that identifying strategies to increase the supply of middle-income homes could improve home ownership rates, bring families back to Washington's urban areas, and reduce traffic by enabling middle-wage workers to afford a home near their workplaces.

In July the governor appointed a Growth Management / Housing Task Force. The 29-member group, however, was only able to meet four times before having to issue recommendations to the governor.

"We are pleased that the Legislature and the governor recognize the need to address the state's home-affordability crisis. We applaud the first steps taken by the task force to provide preliminary recommendations," said Terry Sullivan, president of the Washington Realtors.

Realtors praised a recommendation in the final report that proposes the creation of a Growth Management Infrastructure Account. The funds would help local governments pay for infrastructure that must be in place before homes are constructed. The task force recommendation recognized the need to ensure that an adequate infrastructure framework is in place to accommodate growth.

Sullivan said, however, that the task force failed to provide recommendations for the 2007 legislative session to ensure that there is sufficient land capacity to accommodate projected population growth as the governor requested. That's why Realtors will ask the Legislature and the governor to approve legislation in 2007 that will effectively address the crisis in the availability and affordability of homes. He added that home prices in Washington are continuing to go up, contrary to national trends that show home prices dropping. The state median home price rose to \$293,000 at the end of the second quarter, an increase of almost 15 percent from

the previous year, according to the Washington Center for Real Estate Research at Washington State University ([www.cb.wsu.edu/~wcrer/](http://www.cb.wsu.edu/~wcrer/)). San Juan County set the mark for the highest median home price in the state at \$640,000. Median prices for other counties include Clark, \$268,800; King, \$429,000; Pierce, \$270,000; Snohomish, \$340,000; Spokane, \$179,100; Thurston, \$253,500; and Whatcom, \$284,000.

"People are searching for ways around school closures in urban areas and snarled traffic on the freeways, and one answer is as close as the house next door: provide home choices near schools and places of work. The shortage of homes that families can afford is pushing them out of our communities and onto the freeways," said Sullivan. "Teachers, firefighters, police officers and other middle-wage people should be able to live in the communities they serve."

From 1993-2000 King County added 237,000 new jobs, but only 75,000 new housing units. "As a result, King County was more than 58,000 units short of what people needed. The failure to anticipate and respond to that need forced more than 103,000 workers employed in King County to seek housing in other counties," said Sullivan. "Our state's failure to accommodate growth is the underlying cause driving increased traffic congestion, sprawl, and lack of housing choices affordable to working families. Someone is not connecting the dots."

Washington Realtors' legislative solutions for expanding the supply of home choices would include the following:

- Ensuring sufficient buildable land capacity is available to accommodate residential and employment growth.
- Establishing performance measures to determine whether communities are realistically preparing to accommodate growth, ensure economic vitality, provide housing opportunities, and relieve traffic congestion.
- Increasing the accuracy of growth projections that municipalities use for planning.
- Establishing a "Growth Management Infrastructure Account" to help communities provide the streets, sewers, and other infrastructure that homes require.

"We want policy-makers to understand that we are at crisis stage," said Sullivan. "Hardworking middle-income families cannot find a decent home they can afford. Our legislative agenda will provide real solutions to the home shortage that is driving up prices and driving away the American dream of home ownership."

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*For more information, please contact Barbara Lally, (360) 943-3100*

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