Danger, Danger, Will Robinson!

If you were born after 1970, that phrase won’t mean anything to you unless you’ve watching Lost in Space reruns on late night! That’s what came to mind when I read all the headlines on the DANGER report, which stands for “Definitive Analysis of the Negative Game Changers Emerging in Real Estate” www.DANGERreport.com. NAR (National Association of Realtors) contracted real estate trends expert Stephan Swanepoel to identify and report potential negative game changers emerging in real estate.

The DANGER Report offers a comprehensive and objective analysis of the most noteworthy threats, risks, and black swans that could impact the real estate industry. The report is based on one-on-one interviews of industry CEOs and leaders as well as data from a comprehensive national survey of 7,899 REALTORS®.

Each threat or danger is rated as to its probability, timing and potential impact on a 1 to 5 scale. An impact rating of 5 was considered a “Game Changer.” These three factors were combined into an overall composite score called a “Danger Index.” Here are the top 10 threats facing the industry as measured by Danger Index, along with descriptions from the report:

1. Masses of marginal agents destroy reputation: The real estate industry is saddled with a large number of part-time, untrained, unethical and/or incompetent agents. This knowledge gap threatens the credibility of the industry.
2. Regulatory tsunami hits: Regulatory creep and large financial penalties increase compliance costs.
3. Decision-making structure becomes a hindrance: NAR’s complex governance structure encumbers its ability to adopt appropriate future strategies, tactics and policies.
4. Leaders not in unison with fast-paced world: The inability to recruit, train and engage the skills required to lead associations through transition.
5. Entry by a new player: The current warlike environment in real estate becomes attractive to a large non-industry company that sees opportunity.
6. Unclear end result: The MLS movement hasn’t thought through what a post-Realtor-owned MLS might look like or how it would operate. [See Upstream.]
7. Commissions spiral downward: A variety of powerful forces exert significant downward pressure on real estate commissions.
8. Paper brokerages cause disruption: With no walls and little operating costs, paper brokerages proliferate and become a major force overnight. [See Inman series on paper brokerages flying under the radar.]
9. The three-tier structure liability: The unique three-tier Realtor Association structure emerges as the trigger of major crippling channel conflicts between national, state and local Realtor associations.
10. Too many uninformed decisions are taken: Misguided decisions are made by leaders who don’t clearly understand their obligations and responsibilities.

Many of the 50 items listed in the report take the industry to task for low-quality agents, poor leadership, cumbersome governance structures, industry infighting and shortsightedness, particularly when it comes to the potential effects of advancing technology. The report overall was harsh, however, there are critical points that many realtors including myself agree with or can see as future possibilities or threats. If even a few of threats come to pass, there will be drastic changes in the real estate industry in the future.

Carmen Villarma, CPM, President
Summer Social Media Strategy

Does your multifamily community or homeowner association have a Facebook page, a Twitter account or other social media site? If not, now is the time! Many communities have turned to social media as a way to encourage their renters to get involved.

Have you considered your social media strategy for this summer? Summer is the perfect time to get out and work in the yard. You could launch a yard beautification campaign—offering a cash reward, discounts on local entertainment, reduced or free rent, etc., for different categories (for example, the “yard of the month” or “best balcony.”)

Set limits, so that the contest isn’t about who can spend the most.

If you contract with a landscaping company, ask them if they would be willing to host a clinic, or offer discounts. In exchange, promote these vendors on your social media sites.

By creating a social media promotion, you’ll encourage your residents to get to know each other better and to take pride in their community. You’ll also save money on advertising, and you may not have to spend as much time nudging residents to keep their outdoor spaces looking good this summer!

That’s an Association Issue... Or is it?

It’s a common misconception that community associations assume complete and exclusive authority over all people, property, actions and grievances within their community. Sometimes it’s an owner misconception that their clogged sink or running toilet is an association issue. Sometimes it’s a pure neighbor dispute. But sometimes, it can be more serious. In one situation, one unit owner (allegedly) intentionally threw a rock at their neighbor’s window and verbally harassed the occupants. Local law enforcement was called and decided...it was an association issue.

Think about that for a minute. There was probably a violation of the associations’ governing documents, but there was also a crime committed. A crime is no less a crime when committed within a community association, and law enforcement is best trained to deal with it—not board members, homeowners or the association manager. It’s important that association volunteers and service providers remain cognizant of this fact for the safety of everyone involved.

Safety is of paramount importance, but it’s also important to consider the liability you assume if you take on the role of “law enforcement.” As professional property managers, TMG will help you evaluate your authority, options and obligations in difficult situations.

DNA Testing for Dog Waste on the Rise

You read that right! Frustrated with dog owners who refuse to clean up after their pets, an increasing number of multifamily communities and HOAs are turning to DNA testing to identify the offenders. A company called “PooPrints” receives DNA samples via mouth swab from all the pets in the community. When an incident occurs, send a sample to the lab, and they identify the culprit. The company claims pet waste will be reduced by 75-100%. For more information, visit www.pooprints.com.

RMLS


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<td>$361,664</td>
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May 2015 Market Stats—Residential Home Sales—Clark County WA

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2015 Board Member Education Series

June: Budget/Financials/Reserves  
OR: 6/17/15 | WA: 6/24/15

July: No Class

August: Board Member Orientation  
OR: 8/20/15 | WA: 8/27/15

September: Insurance/Claims  
OR: 9/17/15 | WA: 9/24/15

October: Rule Making/Equal Enforce  
OR: 10/15/15 | WA: 10/22/15

November: FHA Certification (Condos)  
OR: 11/12/15 | WA: 11/19/15

December: No Class

To register, contact Sandee Enbysk  
Sandee.Enbysk@TMGnorthwest.com  
(503) 858-1084

We don’t just talk about service; we do it at every opportunity ... EVERYDAY.”

www.TMGnorthwest.com
Class of 2015: Employment Outlook

The National Center for Education Statistics (NCES) predicts that the college Class of 2015 will include 1.86 million students at the Bachelor Degree level. The outlook for the job market for these college graduates is good in 2015, as more companies are looking to hire a better skilled workforce. Data shows that U.S. employers plan to hire 9.6% more college graduates in 2015 than in 2014.

Current unemployment rates for those over 25 with a high school degree is 6.5%, versus 3.2% for college graduates with a Bachelor’s degree and higher.

The average salary projections for 2015 Bachelor degree broad categories are as follows:

- $62,998 Engineering
- $61,287 Computer Science
- $56,171 Math & Sciences
- $51,508 Business
- $51,220 Agriculture & Natural Resources
- $49,395 Healthcare
- $49,047 Communications
- $45,042 Social Services
- $45,042 Humanities

### Tuition is on the Rise

The cost of college tuition has increased 4 times faster than the rate of inflation. It has increased at a rate faster than the cost of medical care and new home prices (see chart below).

Below are sample 4-year tuition rates for full-time resident students at universities in the area:

- $36,492 Oregon State University
- $45,544 Washington State University
- $41,148 University of Oregon
- $49,576 University of Washington
- $148,000 Linfield
- $160,320 University of Portland

### Single Family Home Rents & Vacancy Rates Portland/Vancouver Metro Area

Properties 1300 sq. ft. to 3000 sq. ft. Single Family homes are less consistent in type, design, square footage and rent variances are greater depending on location.

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<th>Avg. Rent Range</th>
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### Multifamily Rents & Vacancy Rates Portland/Vancouver Metro Area

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<th>2 BD</th>
<th>2 BD</th>
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<th>Avg. vacancy rate</th>
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<td>1.04</td>
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<td>$1.24</td>
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### On-Time Lease Renewal Winners

Congratulations to Jennifer G. & Olesya G.!

They are the winners of a $50 gift card!