REAL ESTATE LICENSEE UPDATE

IMPORTANT CHANGE TO EMPLOYMENT LAW COULD AFFECT YOU

Starting January 1, 2018, employers in Washington will be required to provide their employees with paid sick leave.

Initiative 1433, which was approved by Washington voters in fall 2016, contains 4 primary changes to state law:

- Requires employers to provide paid sick leave to most employees beginning January 1, 2018.
- Increases the minimum wage over the next several years.
- Ensuring tips and service charges are given to the appropriate staff and,
- Protects employees from retaliation when exercising their rights under the Minimum Wage Requirements and Labor Standards Act.

Paid Sick Leave Requirements:

Accrual

- Most employees must accrue paid sick leave at a minimum rate of 1 hour of paid sick leave for every 40 hours worked. This includes part-time and seasonal workers.
- Paid sick leave must be paid to employees at their normal hourly compensation.
- Employees are entitled to use accrued paid sick leave beginning on the 90th calendar day after the start of their employment.
- Unused paid sick leave of 40 hours or less must be carried over to the following year.
- Employers are allowed to provide employees with more generous carry over and accrual policies.

Usage

Employees may use paid sick leave:

- To care for themselves or their family members.
- When the employee’s workplace or their child’s school or place of care has been closed by a public official for any health-related reason.
- For absences that qualify for leave under the state’s Domestic Violence Leave Act.

Employers may allow employees to use paid sick leave for additional purposes.

Rulemaking for paid sick leave:

The Department of Labor & Industries (L&I) is developing rules to explain and enforce the new requirements.

These rules will include:

- Procedures for employers to notify their employee(s).
- Recordkeeping and reporting requirements regarding paid sick leave.
- Processes to protect employees from retaliation for the lawful use of paid sick leave.

The rules are being developed in two phases: (1) employer requirements and employee rights and (2) enforcement of the new law. Opportunities for public comment on employer requirements and employee rights ended September 1. There is more information and webinars available on:

https://esd.wa.gov/paid-family-medical-leave and here:
http://www.lni.wa.gov/apps/workshops/workshopinfo.asp_WkshopID_810
Expert Tips to Avoid Falling Victim to Real Estate Fraud Schemes

CHICAGO (November 4, 2017) — Jon Goodman, real estate attorney at Frascona, Joiner, Goodman and Greenstein, P.C., shared information with Realtors® and other attendees at the 2017 REALTORS® Conference & Expo about the risks of real estate fraud and how to avoid falling victim to scams in the marketplace.

During the session, Goodman said that real estate transactions are often complicated and tedious dealings and demand close attention from the agent, buyer and seller. He said many times real estate professionals and consumers do not consider the risks of fraud in real estate, even when wiring large sums of money. Goodman said that real estate brokers are especially vulnerable to becoming victims of wire fraud.

“You cannot be a successful real estate broker unless you are an optimist and open with your clients. I don’t want you to change that professional quality, which is so crucial to success in real estate, but your relationship with clients makes you susceptible to fraud schemes,” he said.

Goodman shared several red flags real estate professionals should keep in mind during a transaction and the steps agents can take to ensure transactions are secure:

• Seek to work with people you know. Ensure you can recognize their voice and know something personal about them that you can ask to confirm their identity.
• Do not be the direct source of wire instructions to clients and let clients know that you will not be the source of those instructions.
• Educate clients to not rely on wiring instructions that come through e-mail or from a website. Wiring instructions should come from a secured system or confirmed verbally from a voice the buyer knows.

Goodman went on to say that if agents are included on wire instructions to their clients, it is crucial to do the following:

• Let clients know that you will not be e-mailing the wiring instructions and only give clients the phone number to the wiring recipient verbally.
• Also, verbally, give clients some information to qualify the source of the wire instructions. Do not put the qualifying information in an e-mail.

Goodman said if fraud is suspected, it is imperative to act quickly or homebuyers might find themselves out of luck. Additional tips for real estate professionals and consumers for staying safe from fraud schemes are available from NAR and the FTC.

Article courtesy of the National Association of Realtors.
The Washington housing market showed the continuing effects of high demand in the third quarter of 2017 according to the Washington Center for Real Estate Research.

The statewide median sales price rose to $363,200 in the third quarter, 9.7 percent higher than the same time period last year. This represents an all-time high for statewide house prices and represents the highest median price ever recorded in Washington.

Similarly, the seasonally adjusted annual rate of existing home sales rose 9.4 percent from the second quarter of 2016 to 114,820 homes. This figure is lower than comparable figures for 2007 at the peak of the last market cycle. The continued low supply of existing homes listed for sale is likely a leading factor promoting rapid house price growth throughout the state.
Breaking down trends by region reveals a high level of variance in house prices throughout the state. Somewhat expectedly, median prices were highest in King County at $658,400, with a year-on-year increase over 2016 of 15.5 percent. The lowest median prices were found in Lincoln County at $93,000 with a low number of house sales recorded.

House prices in many other state markets rose significantly, with Spokane up 5.0 percent to a median of $225,100 and Whatcom County (Bellingham) rising 10.6 percent to $350,600. House prices in Pierce County rose by 18.5% recording a record high of $338,400. House price growth continued strong growth outside of King and Pierce Counties with median prices in Snohomish County growing by 12.5 percent to $452,400 while in Skagit County prices grew by 11.5 percent to a median of $322,900. These figures indicate that the trend for demand moving to more affordable regions further away from the major employment centers in the Puget Sound continuing. Further evidence for this can be found in Lewis County where prices rose 16.4 percent to a median of $211,100.

Reflecting trends in the wider Puget Sound region, Jefferson County (Port Townsend) rose 15.0 percent on a median price of $368,700, Mason County (Shelton) up 9.0 percent on a median price of $220,700, and Kitsap County posted a median price of $326,000 up 10.2 percent from last year.

Other regional markets posted significant price increases with Benton and Franklin counties (The Tri-cities) posting a median price of $245,200, a 9.0 percent increase over the same period last year. Chelan County (Wenatchee) posted a median price of $337,300 (up 18.2 percent from the same period in 2016) and Walla Walla posting a median price of $220,500 (unchanged from 2016). Compared to last year, the Yakima median house price stood at $209,300 up 9.0 percent while prices in Spokane rose 5.0 percent to a median price of $225,100.

Housing affordability was lower in the third quarter of 2017 than both the first and second quarters of the year. The index – where 100 means a middle-income family can just qualify for a median-priced home, given a 20 percent down payment and a 30-year fixed mortgage rate at prevailing rates – was 114.4, down sharply from 123.7 posted in the second quarter and 124.3 in the first quarter. This metric suggests that, given the same down payment and mortgage, a middle-income family can afford a home selling for 14.4 percent above the median.

Statewide, the first-time buyer index showed a decrease of 5.5 points, ending the quarter at 66.0. This index assumes a less expensive home than a typical family, lower down payment and lower income. Using the assumption that a first time buyer household would earn 70 percent of the area median household income, our index reveals that they had 66.0 percent of the income required to purchase a typical starter home.

With the overall house price increases noted statewide, it is not surprising that housing the number of building permits has increased as builders respond to increased demand. In the third quarter of 2017, a total of 11,744 building permits were recorded, an increase of 13.1 percent from the third quarter of 2017. Based upon results from previous quarters, this suggests a lack of construction capacity and longer development pipelines are impacting the ability for current demand levels to be met in the short term.

While prices and building permit levels continue to increase, it is useful to note that prices on a statewide level have only recently surpassed the 2007 peak. Statewide building permits for this year are forecast to remain slightly below the 2006 peak, indicating that as strong demand continues and macro-economic forces remain favorable prices should continue to rise in the coming year.

The Washington Center for Real Estate Research produces home sales statistics in partnership with Washington Department of Licensing and the Washington Real Estate Commission. Sales, median home prices and affordability data for all Washington counties are available [here](http://realestate.washington.edu/research/wcrer/reports/).

James Young can be reached at jyoung4@uw.edu
Opinion the Importance of Personal Relationships in an Electronic World

By Cate Moye

In the fast-paced and ever changing real estate industry, we are fortunate to have technology continue to evolve, creating easier and faster ways to complete our work. The use of electronic signatures, which are authorized by both the state and federal governments, have gained a tremendous presence in our industry. However, caution needs to be given to the liability risks that arise when electronic signatures are not handled appropriately.

Based upon recent trends, a majority of transactions are now being signed by electronic signatures rather than with wet signatures. While this has allowed brokers to process transactions at great speed, a number of issues have arisen. As an example, one of the most serious problems is that a single email address is frequently used by two or more individuals who may be signing a contract. If one signs for another or there is no verification of who is behind the computer, this can be considered forgery in the same way that one person providing wet signatures for two or more parties is illegal. These legal ramifications can easily surface after closing if one of the individuals in the transaction claims they had not actually completed their own signing.

All forms of electronic signatures require individuals to accept the company terms and conditions, which lay out the responsibilities and legal liability of accepting an electronic signature, as well as providing indemnification to the company providing the service. However, this does not necessarily stop possible litigation coming after a transaction closes. This trend is also increasing since the advent of electronic signatures as an option.

One of the great benefits of electronic signatures is that it is convenient for scheduling. After all, you do not have to schedule a meeting with your client just to wet sign a few documents when it can be done at their convenience through the web. However, this need for speed and convenience can be tempting for a broker who needs to act quickly. For example, if a client is not available, their agents could send documents to their own email addresses, then sign electronically for them. One would probably take great pause at the thought of providing a wet signature on behalf of a client, but the electronic verification does not require matching signatures or initials and is very easy to complete without client knowledge. While this may seem like a good solution when time is constrained or clients are not contactable, it is still forgery.

While speed can be a good thing, frequently our obligation to fully explain all executed documents to our clients is bypassed in order to achieve fast signatures. That can also be dangerous. With wet signatures it is difficult to argue in a legal context that the client did not receive adequate explanation of the contracts with the implications of these contracts explained to them. When one meets clients to obtain a wet signature at their home or in the broker’s offices, that becomes difficult to argue because the broker can take the time to go through the contract page by page and interpret potential issues for them while they are signing. When using electronic signatures, everything hinges upon the written words provided in emails with the hope that clients read and understand them. The onus then is on the client to ask their broker rather than have the broker explain things to them as they go. Clients may not even know what questions to ask! Perhaps that is why the number of complaints regarding brokers and contracts is increasing in line with more electronic signatures.

There are many larger issues at stake with electronic signatures. While there are states that allow online notaries and other technological contract advances to ease the transaction process, the potential security and legal issues are almost too numerous to outline. However, we need to remember that real estate is a relationship based business. Negotiating a sale by text, having documents electronically signed, and emailing answers to questions removes that one-on-one contact and takes away from building important one-on-one relationships with our clients.

Over the past 10 years, technology has created great efficiencies in our industry while reducing our person to person contact with clients. The purchase or sale of a home is one of the largest and most important decisions clients will make in their lives and sometimes that increased personal contact acts in everyone’s best interests, regardless of the time taken. While it may be interesting to ponder how our business may change in the coming 10 years, it is important to remember that real estate professionals are in the relationship business as much as they are in the bricks and mortar business. Let’s not let technological advances get in the way of helping people fulfill their homeownership dreams.

Cate Moye is a board member of the Washington Real Estate Commission from Spokane and is also Owner/Broker of Windermere Real Estate Spokane Valley/Liberty Lake.
News Bytes and Calendar

The Real Estate Commission has developed a new guidance brochure to assist designated brokers, managing brokers and brokers in understanding the requirements of lawful advertising within the real estate industry. We have mailed each real estate firm one hardcopy. You may also download a copy from our website at: http://www.dol.wa.gov/business/realestate/docs/620400.pdf

CALENDAR -

November

Tax Strategies for CRE Professionals
November 13, 2017 - 1:00pm-4:00pm
Location: CBA Training Room, 12131 113th Ave NE, Suite 101, Kirkland, WA 98034
Registration required. For more information go to www.commercialmls.com/event

Phase I Environmental Site Assessment Class
November 30, 2017 - 9:00am-12:00pm
Location: CBA office, 12131 113th Ave NE, Suite 101, Kirkland, WA 98034
Registration required. For more information go to www.commercialmls.com/event

December

WA Real Estate Commission
December 5, 2017 - 9:00am – 3:00pm or until business completion
Location: Double Tree Airport, 18740 International Blvd., Seattle, WA 98188
For more information and an agenda go to http://www.dol.wa.gov/business/realestate/meetingsminutes.html

Introduction to Commercial Real Estate Sales
December 15, 2017 - 8:00am-12:00pm
Location: McFerran Law PS, 3906 S. 74th St., Tacoma, WA 98409
Registration required. For more information go to www.commercialmls.com/event

Investment Analysis & Comparison
December 15, 2017 - 1:00pm-5:00pm
Location: McFerran Law PS, 3906 S. 74th St., Tacoma, WA98409
Registration required. For more information go to www.commercialmls.com/event

January

Introduction to Commercial Real Estate Leasing
January 12, 2018 - 8:00am-12:00pm
Location: CBA office, 12131 113th Ave NE, Suite 101, Kirkland, WA 98034
Registration required. For more information go to www.commercialmls.com/event

Solving Difficult Leasing Issues
January 12, 2018 - 1:00pm-5:00pm
Location: CBA office, 12131 113th Ave NE, Suite 101, Kirkland, WA 98034
Registration required. For more information go to www.commercialmls.com/event

January Continued

Legislative Day – WA Association of Realtors
January 17-18, 2018, Olympia, WA
Hundreds of REALTORS® from all over Washington State come together, network, and talk to Legislators on the Hill about issues effecting real estate and housing.
Information: warealtor.org

February

Members Edge
February 20th, 2018, Stevenson, WA
Brought to Washington by the National Association of REALTORS®, this event aims to give REALTOR® Members the competitive advantage by providing short sessions on the latest business trends.
Information: warealtor.org

The Art of Syndication
February 22, 2018 - 9:00am-12:00pm
Location: McFerran Law PS, 3906 S. 74th St., Tacoma, WA 98409
Registration required. For more information go to www.commercialmls.com/event

CCIM CI 102 – Market Analysis for Commercial Investment RE
February 26- March 1, 2018 - 8:30am-5:30pm daily
Location: CBA office, 12131 113th Ave NE, Suite 101, Kirkland, WA 98034
Registration required. For more information go to www.ccimwa.com

March

WA Real Estate Commission
Date and Location TBD
For more information and an agenda go to http://www.dol.wa.gov/business/realestate/meetingsminutes.html

Business Symposium
March 14th, 2018, SeaTac
This Symposium will feature Karel Murray, business strategist, motivational humorist, and international speaker. Real estate brokers will spend the day gaining 7.5 clock hours of continuing education while soaking up relevant information to help them succeed in their business.
Information: warealtor.org

April

WA Realtors Spring Business Conference
April 18, 2018 - 7:00am--1:00pm
Location: Seattle Airport Marriott – SeaTac
Contact: Lori Adler
Email: lori.adler@warealtor.org
Phone: 360-943-3100 x 131

CCIM CI 101 – Financial Analysis for Commercial Investment RE
April 30th – May 3rd, 2018 - 8:30am-5:30pm daily
Location: TBD
Registration required. For more information go to www.ccimwa.com

If a local real estate board or MLS organizations have a meeting to be included in the next News Calendar, please contact James Young at jyoung4@uw.edu
Disciplinary Actions

October 2017

Silas A. Oliveto — Eatonville

- Finding: Unprofessional Conduct — Failure to cooperate with the Department.
- Action: Real Estate Broker License assessed a fine of $1,000 due within 1 year.

September 2017

Melly H. Rodriguez — Eatonville

- Finding: Unprofessional Conduct — Multiple audit irregularities and failure to cooperate with the Department.
- Action: Real Estate Designated Broker License is revoked for 3 years.

Leroy Nopen — Redmond

- Action: Real Estate Broker License is suspended for 1 year, all stayed (not imposed) for a period of 3 years; and shall be subject to heightened degree of supervision during the 3 year stay.

July 2017

Liam McCann — Kirkland

- Action: Real Estate Designated Broker License is revoked for 10 years.

Anthony J. Natalie, Jr. — Federal Way

- Action: Real Estate Broker License is revoked for 4 years or until no longer required to register as a sex offender, whichever is sooner.

Stanley D. Tate — Kirkland

- Action: Real Estate Broker License is suspended for 2 years, all stayed (not imposed) for a period of 5 years; and shall be subject to heightened degree of supervision during the 5 year stay.

June 2017

Eric Fuller — Vancouver

- Finding: Unprofessional conduct — Failure to ensure all persons conducting real estate brokerage services on behalf of the firm were appropriately licensed.
- Action: Real Estate Designated Broker is required to take a course in real estate office management; assessed a fine of $1,000 due within 12 months.

Paul Young — Vancouver

- Finding: Unprofessional conduct — Conducted unlicensed activity.
- Action: Real Estate Broker license is suspended for a period of 1 year, all stayed (not imposed) for a period of 3 years; assessed a fine of $2,000 due within 12 months.

May 2017

Marie Pittari — Seattle

- Finding: Unprofessional conduct — Collected management fees and conducted property management services outside of firm and without the designated broker's knowledge and failed to cooperate with the Department; Converted funds for personal use.
- Action: Real Estate Broker license revoked for 10 years.

Greg Perry — Mukilteo

- Finding: Unprofessional conduct — Failure to notify the Department regarding a complaint or conviction within 20 days as required.
- Action: Real Estate Broker license suspended for 1 year, 6 months actual, with remaining 6 months stayed (not imposed) for 3 years.

April 2017

Judith Guerrero — Seattle

- Finding: Unprofessional conduct — Collected management fees and conducted property management services outside of firm and without the designated broker's knowledge; Failed to cooperate with the Department.
- Action: Real Estate Broker license revoked for 5 years; assessed a fine of $5,000 due within 12 months.
February 2017

**Priscilla Mayer — Bellingham**

- Finding: Unprofessional conduct — Conversion of trust funds; failure to use skill and care; failure to deal honestly and in good faith; failure to turn in transaction documents and failure to cooperate with Department.
- Action: Real Estate Broker license revoked for 10 years and assessed a fine of $5,000.

**Mauricio Muguira — Kirkland**

- Finding: Unprofessional conduct — Unlicensed loan origination activity; failure to cooperate with Department.
- Action: Real Estate Broker license revoked for 5 years and assessed a fine of $1,000.

**Rodney Morasch — Vancouver (North Dakota)**

- Finding: Unprofessional conduct — Misrepresentation of material facts in listing a home; failure to use skill and care and to deal honestly and in good faith.
- Action: Real Estate Broker license suspended for 1 year and assessed a fine of $5,000.

**Barbara Nelson — Tacoma**

- Finding: Unprofessional conduct — Failure to notify Department of judgment; conversion of funds and failure to cooperate with Department.
- Action: Real Estate Designated Broker license revoked for 10 years and assessed a fine of $5,000.

October 2016

**Debbie Biggs — Aberdeen**

- Finding: Unprofessional conduct — Failure to maintain adequate records, conversion of trust funds, failure to supervise staff and provide documents to the Department.
- Action: Real Estate Designated Broker License suspended for 3 years, all stayed (not imposed) for a period of 5 years. Relinquish all property management contracts and fined $2,000 due within 9 months.

**Jackie T. Nguyen — Seattle**

- Finding: Unprofessional conduct — Kept designated broker from accessing firm records. Failure to answer transfer application questions truthfully. Failure to report judgments to Department.
- Action: Real Estate Broker License suspended for 1 year, all stayed (not imposed) for a period of 3 years and fined $1,000 due within 1 year.

**Jae H. So — Bellevue**

- Finding: Unprofessional conduct — Agreed to Stipulation to Disbarment by WSBA.
- Action: Real Estate Broker License revoked for 5 years.