

**REALTORS, from page 8**

**J.Z.:** *The measure's proponents claim that the cost of an additional tax or fee would stifle real estate sales, and that it is a serious burden to homebuyers and sellers to have thousands of dollars added to their costs. They say it could put a home out of reach for a first-time homeowner. As a real estate professional, do you agree?*

**C.B.:** I don't, and the reason I don't is that when I look at real estate transfer fees across the nation, there are a lot of creative ways to make sure that it does not end up squelching home ownership for those that are on the edge. Many of them include first-time-buyer exemptions, some of them make it progressive so that the longer you own the home, the less the tax is, so that it doesn't penalize long-term homeowners. The philosophy of a transfer fee is to recognize that when a property transfers hands — particularly when there's a lot of churning of the market, people coming in and flipping homes, doing it every couple years — it takes a toll on the community. It's a shift in who lives there. It may be displacing renters. It's just something that, as a community, I don't want to go encourage.

**J.Z.:** *It used to be that a home was a place you bought to live in and raise a family. Today it is an investment priority. You mentioned the churn; houses that are bought and sold for the profit, not as a housing resource. How does that aspect of the market play into this?*

**C.B.:** Some of that has slowed due to the economy. I think some people are looking at whether it is the kind of investment they can afford, for one, and that they want to make.

Home ownership is not for everyone, and I think it's important to recognize that and make sure that we are not, on one hand, incentivizing people to buy homes to the point where it's not a good economic decision for them: with the mortgage interest deduction, being able to deduct your property taxes, having incentives for home buying. But making sure you're looking at the big picture. And stability is what is most important for the community and I think what builds real wealth and livability is people being able to stay where they are for a long period of time. Have the kids stay in the same schools, having them create communities within their neighborhoods and be near family and friends, or whatever the reason is they moved there.

There's a bigger picture to look at than just whether a property sale should be taxed or not.

**J.Z.:** *You mention the mortgage tax*

*deduction: It's the largest housing subsidy in the country, but it never draws the criticism that arises when we talk about rental subsidies for low-income families.*

**C.B.:** Homeowners live in subsidized housing. Let's look at tax policies on homeownership and housing in a very holistic and logical way and not try to parse it into little pieces and go and amend the constitution to garner a better position for our trade group.

We need a global conversation on housing and to look at it more as a human right than some sort of expectation that's that is how we're going to make it to the American Dream. Because the bottom line is it hasn't worked. Homeownership is not the ticket to the American Dream. It can be a part of what can be the American Dream for some people, but I think we need to reprioritize and look at getting affordable housing for everyone instead of people want to buy a home.

**J.Z.:** *Talking about protections against it being a financial hardship, you mentioned exemptions for first-time homeowners and for long-time homeowners. And I believe the first \$200,000 of the home can be exempt, is that the case?*

**C.B.:** Municipalities have used different tools to make sure it has not become a barrier to homeownership. Because obviously, no one who is going to be proposing a real estate transfer fee, especially if it's going to go toward affordable housing, is going to want to do the opposite. It is how you craft it. That's why you see them often have many parameters surrounding them.

The other issue that the real estate association keeps bringing up is that many people are underwater and that this makes it more difficult. I can tell you from experience, the people I work with, some are underwater so much that they're performing a short sale, meaning the bank is the one who is going to lose in the end. It's not holding them back from selling, if they're a couple thousand dollars short. I'm seeing people who are \$20,000 \$40,000, \$400,000 short on what they owe. So this is not going to affect that population in my view. People either wait in their homes until the value has resurfaced, or they short sale with the bank.

There are a lot of issues that for me are so day-to-day and so critical to our clients, that are the kind of issues I would love to see the Association of Realtors really work on to make sure we are able to conduct business. (Short sales) are an issue that holds us back from being able to conduct business more than any transfer fee could. It slows sales. I have a short sale that's been in escrow for nine months. So how can

someone, buyers or sellers, efficiently live their lives when it's all on hold over two banks fighting it out back east? Working on that issue would create more sales, it would give people more certainty in terms of when they go to sell their house short sale, it would give buyers more incentive to buy short sales, because it wouldn't be such a nightmare to go through.

The federal government is trying to get banks to work better on this, because it recognizes that short sales are a good answer to the problem we're in, and that if banks were able to systematize it and make it more efficient, with more known how the process worked, it would help the market.

**J.Z.:** *And that would help the market regardless of the economic forces out of your control?*

**C.B.:** Exactly. It's a way to deal with a difficult economic situation we're in in a way that's truly helpful, not just for the practitioners, the Realtors in the trenches, but also for all the buyers and sellers who are trying to buy and sell property.

**J.Z.:** *We know the National Association of Realtors has raised about \$1 million in its assessment on its members for this campaign. But where are individual agents on this — are they rallying behind this?*

**C.B.:** No one that I have spoken to was pleased or aware of the decision when it was made back when we got the first notification that we would be assessed. I think there's a tremendous lack of awareness in the real estate community that this is happening and what it's really about. I know that there are definitely Realtors who are very much in favor of this and that doesn't surprise me, but I think there are a lot of Realtors who are not sure where this came from — not sure why this is where their money is being spent. And are quite frankly, just neutral on the issue. It's not a problem for Realtors. It has not been an issue for folks in Washington County. It has not slowed development there.

**J.Z.:** *Other states have or have had transfer taxes that sent the money to a developer of a subdivision. They were moneymaking deals for the developer.*

**C.B.:** That is something that happened with private developers; they would hide provisions in covenants, conditions and restrictions that every time the property transferred, the developer got money. That is very different from what we're talking about. If there were to be a real estate transfer fee, it would be set aside for a very specific reason. And that would be the voters' choice. That's what it is about — giving voters and opportunity to say hey, we see a need here is a potential funding source, and why prevent the voters from making that decision?

**J.Z.:** *Does Oregon's affordable housing need a real estate transfer fee?*

**C.B.:** Oregon's affordable housing needs something. I think that taking a tool like this off the table for municipalities and the state in general is a mistake in that we are seeing the needs skyrocket. And the problem is not going away. So to ignore it is at our peril. Because what happens when people can't afford homes is they will be

sleeping on your porch, whether it's your business or your home. They are sleeping on family's couches. Our whole economy starts to quiver because those people then can't be effective in their lives. If you don't have an affordable place to live, you're either consumed with the issue to the point it affects your work, your school performance and your abilities to parent, for example. Or you're quite literally on the street just trying to survive. And that's not a community I want to live in.

Without some sort of sign that the problem is getting better, we've got to look at solutions, and whether it's the transfer fee or other funding mechanisms, I'm willing to get creative and see what's out there. And I think most Oregonians are.

**J.Z.:** *Would such a tax help the real estate market?*

**C.B.:** If Oregon were to adopt a transfer fee, I think it would help Oregonians. I'm hard pressed to say it would help the Realtors. But I don't think it's our job to amend the constitution to help Realtors. I think our job is to amend the constitution to help Oregonians.

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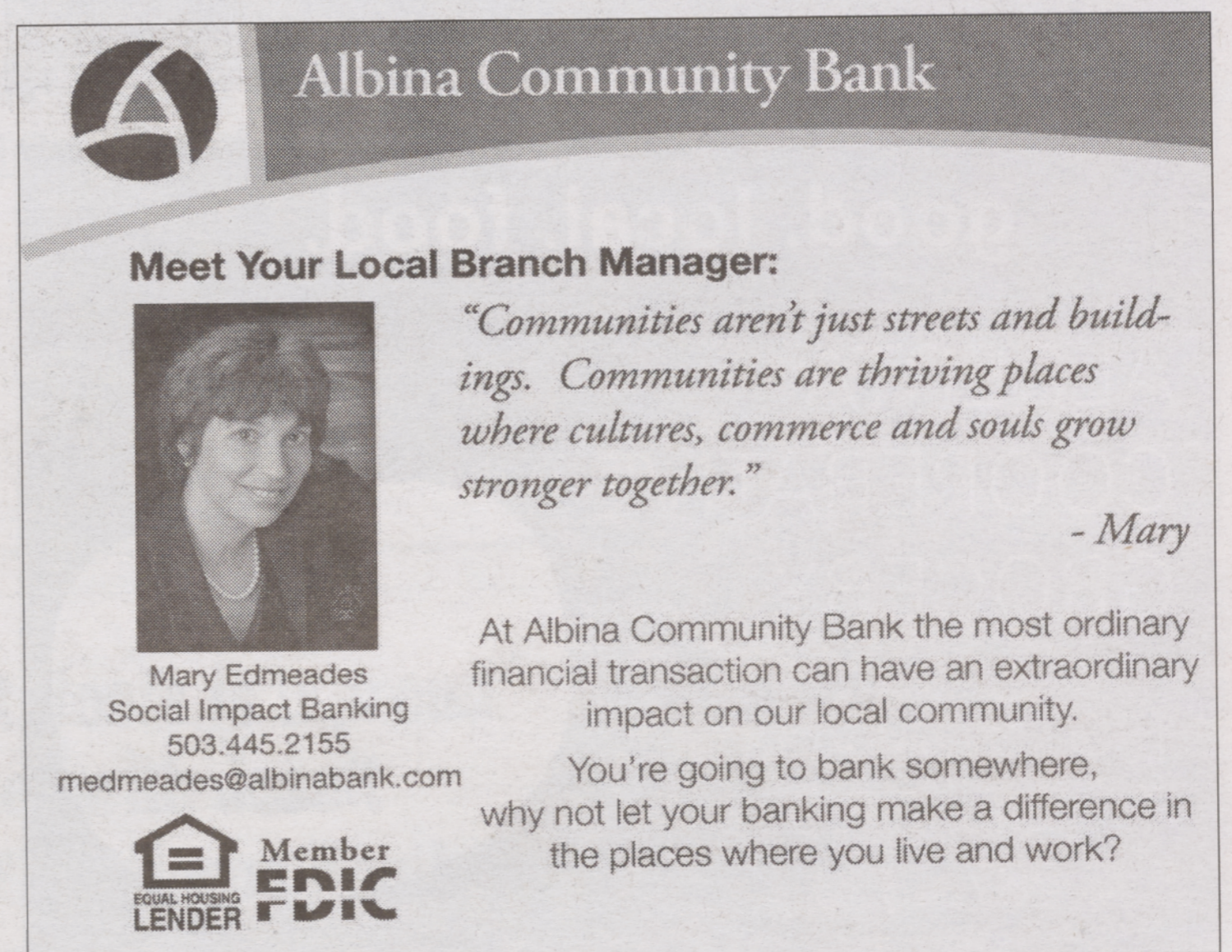


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