



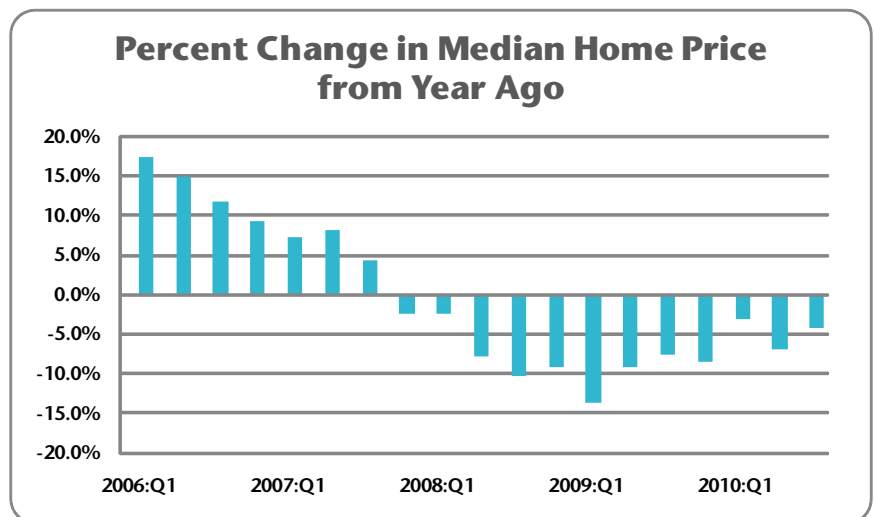
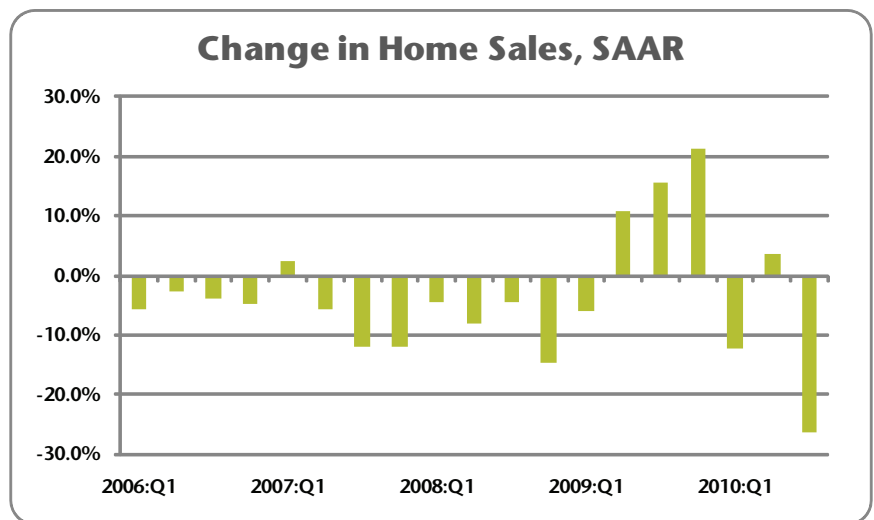
# Washington State's Housing Market

## 3rd Quarter 2010

WASHINGTON CENTER FOR REAL ESTATE RESEARCH | COLLEGE OF BUSINESS | November 2010

### Washington Market Highlights: Third Quarter 2010

- Existing single-family home sales declined by a record 26.5 percent in the third quarter to a seasonally adjusted annual rate of 70,550 units. The expiration of tax credits were largely responsible for the decline.
- Building permits were issued for 4,527 new units during the quarter, an increase of 21.3 percent compared to a year earlier; all of the increase was for multifamily rentals. Single-family permits declined by 7.9 percent over the same period.
- The median sales price, state-wide, was \$248,900, a drop of 4.2 percent, which returned to statewide median to 2005 levels. Despite the statewide decline, more counties had higher median prices than lower ones.
- Mortgage interest rates continued to decline, and when combined with lower home prices resulted in improved affordability of homes for well-qualified buyers. The all-buyer housing affordability index stood at a record 140.2, meaning the median income family had a 40.2 percent income cushion in terms of affording the median price home.
- Inventories of homes available for sale are creeping upward. When this is combined with the slower sales pace the market remains oversupplied with a 9.9 month's supply of homes on the market. This does not include the shadow inventory of foreclosed homes the lenders have not formally put on the market.



## Survey Description

Washington State's Housing Market is a quarterly report to the Washington Real Estate Commission and the Washington State Department of Licensing.

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Third Quarter 2010  
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**Publication:** *Washington State's Housing Market* is a publication of the Washington Center for Real Estate Research (WCRER) at Washington State University.

**Coverage:** At least quarterly, the WCRER receives data on single-family home sales from each multiple listing service located in, or providing market coverage to, Washington communities. In 2008, data on nearly 62,000 home transactions were received and processed.

**Sales Volume:** Estimated total sales value of single-family homes in each county is compiled using a scale factor to transform the MLS sales to market totals. This scaling is required since a significant number of transactions are always completed as "for sale by owner" or are assisted by real estate licensees who do not participate in a MLS. Scale factors were developed by analyzing the relationship between MLS sales and measures of total single-family sales derived from the 2000 Census of Housing.

Data in this report represents closed sales transactions.

**Sales Price:** Median sales prices represent that price at which half the sales in a county (or the state) took place at higher prices, and half at lower prices. Since WCRER does not receive sales data on individual transactions (only aggregated statistics), the median is determined by the proportion of sales in a given range of prices required to reach the midway point in the distribution. While average prices are not reported, they tend to be 15-20 percent above the median.

Movements in sales prices should not be interpreted as appreciation rates. Prices are influenced by changes in cost and changes in the characteristics of homes actually sold. The table on prices by number of bedrooms provides a better measure of appreciation of types of homes than the overall median, but it is still subject to composition issues (such as square footage of home, quality of finishes and size of lot, among others).

There is a degree of seasonal variation in reported selling prices. Prices tend to hit a seasonal peak in summer, then decline through the winter before turning upward again, but home sales prices are not seasonally adjusted. Users are encouraged to limit price comparisons to the same time period in previous years.

**Seasonal Adjustment:** Volume statistics are seasonally adjusted using the X-11 method of seasonal adjustment originally developed at the US Bureau of the Census and used for adjustment of most economic statistics by government agencies. The procedure includes adjusting for trading day variation—the number of Mondays, Tuesdays, etc., in a particular month or quarter. This type of variation in the data was found to be significant.

Sales in each county are first seasonally adjusted, then aggregated to yield the statewide statistics.

Seasonal indices are based on quarterly single-family home sales activity dating from first quarter 1994. New seasonal adjustment factors are constructed at the conclusion of each year. Data for the three preceding years are revised using these new seasonal factors.

Seasonally-adjusted annual rate values are based on single quarter sales and indicate the number of sales which would take place in a year if the relative sales pace were to continue. They are not a forecast of annual activity and do not include the sales observations of previous quarters.

**Metropolitan/Micropolitan Areas:** This report uses the definitions of metropolitan and micropolitan areas by the Federal Office of Management and Budget. Briefly, metropolitan areas are larger communities with at least 50,000 people in the urban core. Micropolitan areas are smaller cities, with 10,000-50,000 people in the urban core. Currently Washington has 17 metropolitan counties in 13 metropolitan areas (or divisions) and nine micropolitan areas.

**Month's Supply:** Estimates of month's supply of homes on the market compare the number of total MLS listings at the end of the quarter to the seasonally-adjusted annual rate sales for that county [(Listings/SAAR) x 12 = month's supply]. It is interpreted as how long the current inventory available for sale would be able to meet current demand if no additional homes were listed for sale.

**Housing Affordability:** Two measures of housing affordability are presented. Each should be interpreted as the degree to which a median income family (or typical first-time buyer household) could afford to purchase the assumed home. The following table lays out the assumptions. In all cases it is assumed the lender would be willing to fund the loan so long as the principal and interest payments do not exceed 25 percent of gross income. Index values above 100 indicate housing is affordable to the specified income group.

	All Buyers	First Time
<b>Home Price</b>	Median	85% Median
<b>Downpayment</b>	20%	10%
<b>Mortgage Term</b>	30 years	30 years
<b>Income</b>	Median Family*	70% Median Household*
<b>Mortgage Insurance</b>	No	Yes (add 0.25% to mortgage rate)
<b>Mortgage Rate</b>	FHFA estimate of effective rate loans closed, existing homes	
* Family income is two or more individuals related by blood, marriage, or adoption. Household income includes single persons living alone.		

# Third Quarter 2010

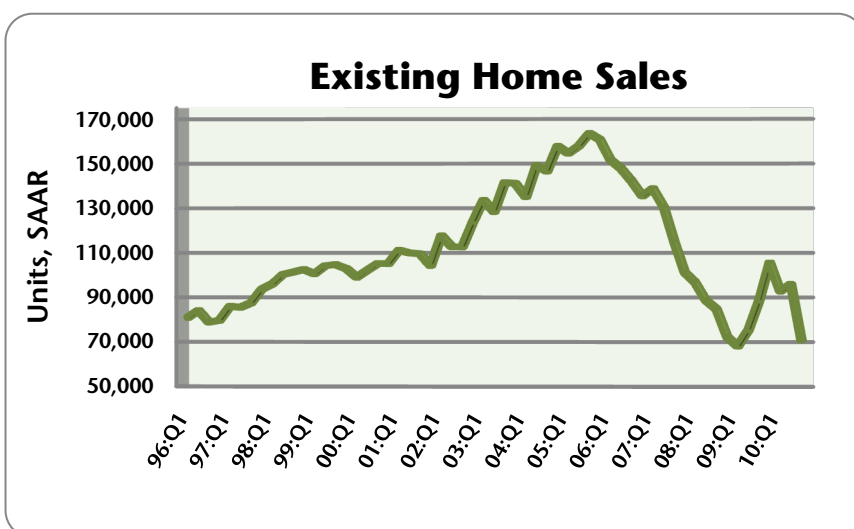
Are we there yet? Consumers and real estate professionals alike are impatient for the real estate recovery to begin. While the recession formally ended over a year ago, home sales in the third quarter of 2010 looked more like those in the depths of the recession than five quarters into a recovery. In addition, home prices are continuing to decline, foreclosures are increasing and housing construction is still in the doldrums. While some national statistics are beginning to stabilize, the fact that Washington entered the housing recession a bit later than some other states means that local weakness is slower to depart.

## Home Resales

During the third quarter of 2010, existing homes in Washington sold at a seasonally adjusted annual rate of 70,550 units. This represented a slump of 26.5 percent compared to last quarter and a decline of 20.2 percent compared to a year ago. This was the sharpest quarter to quarter decline of the recession. Much of the weakness can be attributed to the expiration of the Federal tax credit programs, where transactions needed to be closed by the end of September, but relatively few were closed after the initial June 30 deadline. The current sales rate is only 3.7 percent above the recession's low point in the first quarter of 2009.

The home sales rate in Adams County doubled compared to the second quarter to lead the state, followed by stable sales in San Juan County. On the other extreme, the largest sales decline was 58.3 percent in Columbia County. More meaningful are changes in sales activity among the urban communities. All counties identified by the Federal government as included in metropolitan areas had slower home sales than during the second quarter, ranging from a 2.7 percent decline in Douglas County (Wenatchee MSA) to a drop of 53.3 percent in Skamania County (Portland-Vancouver-Beaverton, OR-WA). Among the smaller urban markets (micropolitan areas) the range of percentage changes was much narrower, from a decline of 18.4 percent in Island County (Oak Harbor) to a drop of 39.2 percent in Lewis County (Centralia).

Home sales activity is always concentrated in the urban markets. During the third quarter, 83.7 percent of existing home sales in Washington took place in the 17 counties identified by the Office of Management and Budget as located in metropolitan areas. By contrast, the 13 rural counties collectively accounted for only 4.1 percent of sales activity. The remaining nine micropolitan counties represented 12.2 percent of sales activity during the third quarter.



All counties, with the exception of rural Adams County reported slower home sales during the third quarter than during the second quarter. However, the news comparing the sales rate in the third quarter to the prior year was mixed. Seven counties reported stronger sales than a year ago while two more were unchanged.

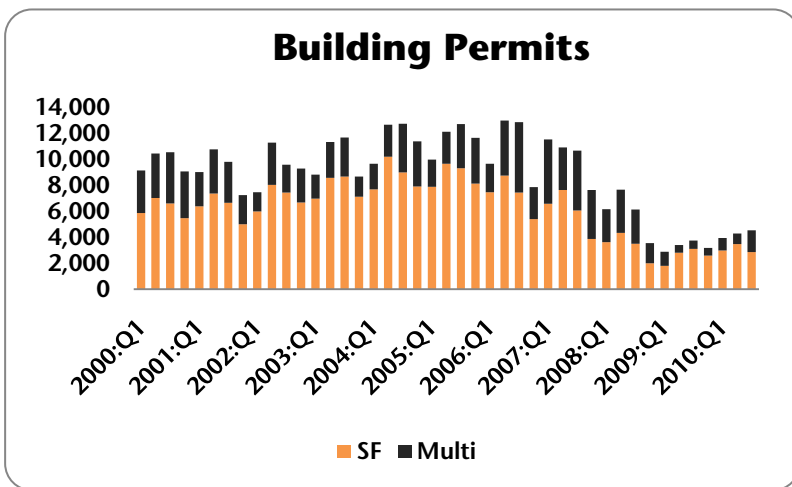
## Housing Construction

Building permits for a total of 4,527 housing units were issued during the third quarter in the 33 counties where some or all of the permit issuing jurisdictions provide monthly data to the Census Bureau. This represents an increase in permit activity of 21.3 percent compared to the depressed rate in the third quarter of 2009.

All of the improvement in construction occurred in the multifamily sector, which surged by 167.3 percent to 1,665 new multifamily units permitted. Meanwhile, single-family permit activity fell by 7.9 percent to 2,862 units. The improvement in multifamily construction is consistent with reports that apartment vacancies have stabilized or are declining and rents are beginning to rise because displaced homeowners become renters and some households that had doubled-up during the worst of the recession are

beginning to secure separate housing. Despite the improvement in multifamily construction, however, the overall rate of construction remains very low by the standards of recent decades.

Total value of residential building permits issued during the third quarter was \$812.5 million, 7.8 percent above a year ago, while the single-family permit value increased by 3.3 percent to \$697.1 million. The increased dollar value at a time when units of single-family construction declined reflected smaller declines in units in the more costly counties and larger declines in less pricey areas.



King County, in particular saw a surge in total permit activity, and only a small decline in single-family construction. Single-family building permits were above a year ago in six of the 33 counties reporting these statistics, led by a 29.4 percent jump in Franklin County. This is consistent with the relative strength of the Tri-Cities economy, driven by Federal stimulus dollars flowing to the Hanford cleanup. Only two counties west of the Cascades saw an increase in single-family permits – Pierce and San Juan.

Total permit value increased compared to a year ago in 10 counties, led by a doubling in Franklin County. The dollar value of single-family permits increased in 11 counties, with half of those recording at least a 20 percent increase in value. While the state’s most populous county saw an increase in single-family permit value, that increase was less than one percent.

Employment recovery is key to the overall economic recovery, and as an industry very hard hit by the recession, construction in particular needs job creation. While the permit numbers reported here are somewhat encouraging, far more construction—residential commercial and infrastructure—is required before a significant increase in homebuilding can be justified.

## Home Prices

While economists and home sales professionals watch sales and construction statistics, the public at large only worries about the sales rate if they are actively attempting to sell a home. However, all homeowners and potential buyers focus on home prices as measures of their net worth and to decide if the time is right to purchase a home.

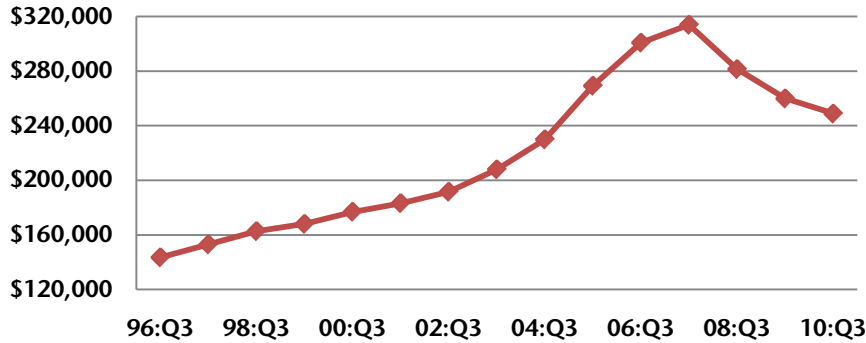
National media stories abound, highlighting various measures of housing price performance, mortgage delinquency and foreclosure, and even measures of the degree to which homeowners are “underwater” or which communities remain “overvalued”. While WCRER tracks many of these measures because they are valuable in explaining the housing market performance, this report emphasizes the most familiar price measure – the median (where half the sales take place at higher prices, and half lower).

Statewide, the decline in median prices slowed a bit in the third quarter, presumably because the composition of sales changed without the support of Federal tax credits. The median price home in Washington sold for \$248,900 during the quarter, a decline of 4.2 percent from a year earlier. Because there is unadjusted seasonality to house prices,

WCRER only compares medians to the same quarter in prior years. On a year-to-year comparison basis, median prices have now declined for three full years (12 consecutive quarters). The median price is now lower than it was in the third quarter of 2005. In terms of actual median prices, the statewide peak was in the second quarter of 2007 at \$316,700. While the current median price is \$67,800 lower, it is important to recognize that prices have declined more sharply in many areas of the country.

Median prices ranged from a high of \$402,000 in San Juan County (returning to the top of the leader board) to a low of \$127,500 in rural Adams County. Among the metropolitan population centers, the range was from \$390,000 in King County to \$151,700 in Asotin County (Lewiston, ID-WA) and \$153,200 in Yakima County, less than half the median in metro Seattle. The micropolitan areas exhibited variations from a low median of \$133,000 in Grays Harbor County (Aberdeen) to a high of \$265,000 in Island County (Oak Harbor).

## Median Home Prices



Price changes also varied widely. Of the 38 counties for which median prices are available, only 15 reported a lower median than in the July-September quarter of 2009. Price changes ranged from a decline of 21.9 percent in San Juan County to a price jump of 35.5 percent in Columbia County. Since both of these counties have very limited numbers of sales, the change in medians may be less representative of the market than those in larger volume areas.

Among the metropolitan counties the range of price changes was a high of a 5.3 percent increase in Benton/Franklin counties (Kennewick-Pasco-Richland MSA) to a decline of 11.6 percent in Douglas County Wenatchee MSA). For the micropolitan areas the strongest price performance was an increase in median price of 23.1 percent in Whitman County (Pullman), with the decline of 10.2 percent in Clallam County (Port Angeles) the other extreme.

## Prices by Bedroom

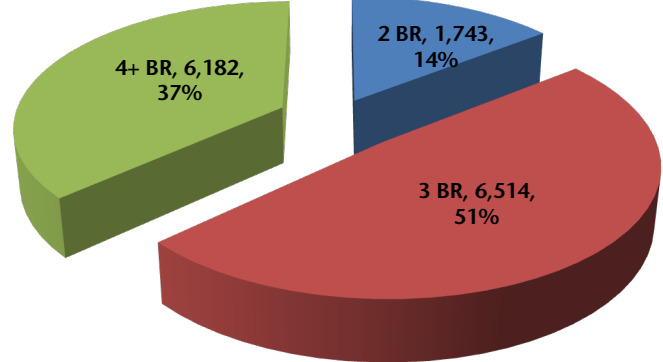
While median prices are more reflective of the typical home available in the market, they are somewhat influenced by changes in the composition of homes sold. When first-time buyers surge in the market the median price home sold may be lower than in a more balanced market. Similarly, if first-time buyers are on the sidelines, the median price may increase while the prices of individual homes are declining. Accordingly, WCRER has been including the median price home by number of bedrooms in an attempt to standardize quality somewhat.

The median price 2-bedroom home sold during the third quarter was \$162,200, 9.8 percent lower than a year ago, reflecting the departure of many first-time buyers from the market as the tax credits expired. For three-bedroom homes (about half the market) the median price clipped 4.8 percent over the last year to

\$229,900. Meanwhile, the median price of larger home declined the least (4.7 percent) to a median of \$314,400.

The table below illustrates the impact of market share on aggregate prices. There was virtually no change in the share of the market represented by small homes, while the most plentiful 3-bedroom units declined in importance while larger home represented a larger share of the market despite the smallest decline in median price.

## 3rd Quarter 2010 Washington Home Sales by Number of Bedrooms



It should be pointed out that quarterly changes in the location of home sales will have an impact on these statistics. Sizes of homes vary from community to community, and as already discussed, some counties saw stronger overall markets during the third quarter than others,

### Change in Median Price vs. Change in Market Share (3<sup>rd</sup> Qtr 2009 to 3<sup>rd</sup> Qtr 2010)

Number of Bedrooms	Change In Median Price	Change In Market Share
2 or less	-\$17,600 (-9.8%)	+0.5%
3	-\$11,600 (-4.8%)	-2.9%
4 or more	-\$15,500 (-4.7%)	+2.4%

While small samples often cause county-level detail on prices by number of bedrooms to exhibit unusual patterns, larger communities generally have enough sales activity to offset the problems. Accordingly, this issue of *Washington State's Housing Market* will examine

prices by number of bedrooms in metropolitan counties. Communities with higher prices were nearly balanced with those reporting declines. Among 2-bedroom homes, eight urban counties had a higher median while nine had declines. For 3-bedroom houses there were six increases and ten declines, with one county unchanged. Larger homes were again mixed, with eight counties each reporting increases and declines, while a small county included in a metropolitan area had no larger home sales during the quarter. The highest median price for a 2-bedroom home was \$293,000 in King County, while the median price in Douglas County was only \$50,000. For 3-bedroom homes the range of urban medians was from \$153,100 in Asotin County to \$350,000 in King County. Meanwhile, the range of median prices for homes with at least four bedrooms was from \$195,000 in Cowlitz County to \$480,000 in King County. It should be noted that these statistics generally exclude condominiums.

## Housing Affordability

Lower home prices have combined with record low mortgage interest rates to produce very affordable housing for those households where income has not declined significantly, who have access to downpayments and who can qualify for mortgages based on their debt level and credit history. WCRER's affordability index shows affordability remained very high during the third quarter of 2010.

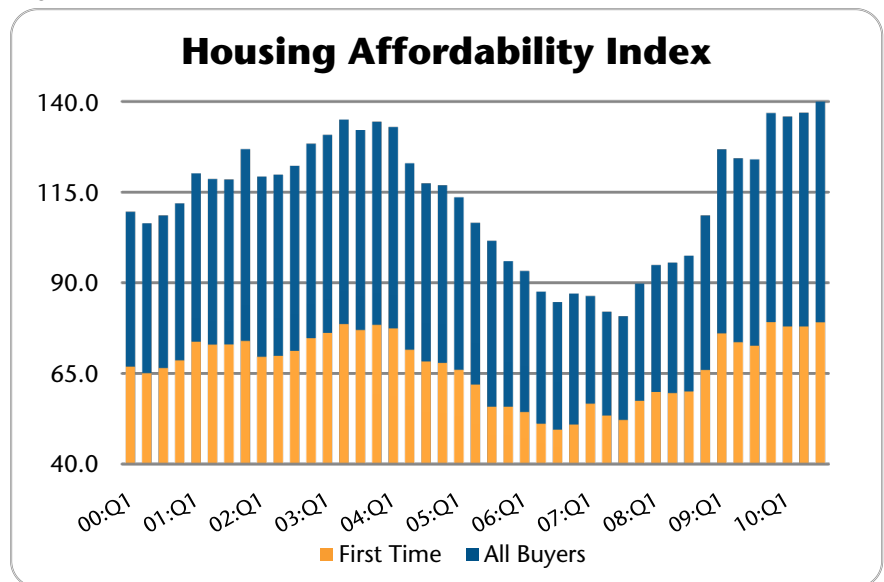
Before examining the index values, however, it is necessary to identify a data change compared to previous issues of *Washington State's Housing Market*. Earlier this year Claritas, the firm from which WCRER has purchased median household and family income estimates for many years decided to stop producing family income measures. Since the Center had been concerned by some year-to-year inconsistencies in that data anyway, a detailed evaluation of alternative data sources was undertaken. As a result of that process it was decided to begin using data on median family income from the Department of Housing and Urban Development since that data is already used by many housing groups, especially those serving lower-income groups. Household income data is not obtained by the Office of Financial Management in the state of Washington. Because of the income source data change, the affordability indices have been revised beginning in 2007. Revised

estimates have been posted in the "Build Your Own Report" feature on the WCRER website.

WCRER computes two measures of affordability. The all-buyer index measures the degree to which a median income **family** (two or more individuals related by blood, marriage or adoption) can afford mortgage payments on a median price home, assuming a 20 percent downpayment and a 30-year mortgage at prevailing mortgage interest rates. The calculation assumes the family can spend 25 percent of their gross income on principal and interest payments. While this may seem restrictive, it does not include property taxes or homeowner's insurance, which are part of conforming loan analyses. This is the same analysis approach which has been used by the National Association of Realtors® since 1982. These assumptions are generally consistent with underwriting criteria prevailing in the current marketplace.

The second measure is the first-time buyer index. It is computed in the same general way, but it assumes a less expensive home (85 percent of median), a lower downpayment (10 percent), lower income (70 percent of median **household** income, including single persons) and a requirement that mortgage insurance be included. Many buyers are opting for lower downpayment FHA mortgages and USDA no money down mortgages, but these general assumptions are still appropriate for many, if not most, households looking to purchase their first home.

In the third quarter the statewide all-buyer index was 140.2, meaning the median income family in Washington had 40.2 percent *more* income than the minimum required to afford the median price home—a major improvement from the 124.1 recorded only a year



ago. Significantly, this is a new record high for the all-buyer index.

Locally, affordability indices in the third quarter ranged from a low of 93.7 San Juan County to 188.9 in Adams County. Among metropolitan counties the range was from a low of 110.4 in King County to Cowlitz County’s high of 182.1. Among the micropolitan areas, the greatest affordability was in Grays Harbor County (Aberdeen) where the index was 190.9, and the least was in Kittitas County (Ellensburg) at 125.5.

The sharp decline in median prices for the homes with the fewest bedrooms helped push the affordability index for first-time buyers to record levels as well. The housing affordability index for first-time buyers stood at 79.1 during the third quarter. Since an index value of 80 is generally considered to offer meaningful choice and access to ownership housing for first-time buyers, the industry would ordinarily be looking at swarms of buyers in the market; but these are clearly not ordinary times.

While the first-time buyer affordability index exceeded 100 in three counties during the third quarter, there are still areas where it is very difficult for renters to achieve homeownership. The index recorded a measure no higher than 65 in six counties, indicating that a housing recovery which is available to a broad range of households is still elusive. Challenges are apparent in counties large and small on both sides of the mountains.

### Availability of Affordable Housing

Rather than rely on a single measure of housing affordability, it is helpful to examine home affordability for several income levels and compare this with the available housing inventory. Moreover, higher-income households typically make larger downpayments (perhaps assisted from equity acquired from sale of an existing home), while lower income households (including our hypothetical first-time buyer) may only be able to make a minimal downpayment. The four income/ asset groups considered are:

- \$30,000 income, 5% downpayment
- \$60,000 income, 10% downpayment
- \$90,000 income, 20% downpayment
- \$150,000 income, 35% downpayment.

In each case it is assumed that the household is willing to spend 25 percent of gross income on principal and interest payments and overall debt levels are average. It is also assumed that these buyers could find mortgages at an interest rate of 4.75 percent (which is

near the prevailing rate during the quarter). Based upon these income, downpayment, and debt-service assumptions we can estimate the purchase price of an affordable home for these income groups. The table below shows the maximum affordable home for each of these income groups based upon the financial assumptions just described.

The table clearly illustrates how income growth, coupled with ownership of homes with generally increasing values can move a household up the ladder of

**Affordable Home Purchase Prices for Selected Income/Asset Groups**

Income	P&I Expense (25% of Income)	Mortgage Amount	Downpayment	Maximum Home Purchase Price	Approx. Percent of Home Market
\$30,000	\$625	\$119,813	\$6,306	\$126,119	4.6%
\$60,000	\$1,250	\$239,625	\$26,626	\$266,251	34.5%
\$90,000	\$1,875	\$359,438	\$89,860	\$449,298	68.7%
\$150,000	\$3,125	\$599,064	\$313,455	\$921,637	92.9%

homeownership (providing they retain the equity in their existing home and avoid home equity loans or second mortgages). When reviewing these calculations the reader should recall that the median family income in the state during the second quarter was \$70,125, although the county-level medians ranged from a low of \$46,150 in Okanogan County to a high of \$86,575 in King County. Similarly, household incomes, which tend to be lower by definition, had a statewide value of \$55,614, with county-level incomes ranging from \$34,375 in Pacific County to a high of \$66,666 in King County. These median income values suggest that the first two income/asset categories are more relevant for most state residents.

This assessment has described the maximum affordable home price for these income/asset groups, but the question remains as to how much opportunity there is to buy a home within the affordable price range. The final column in the table indicates the proportion of homes currently on the market priced below the affordability threshold. The affordable share of homes on the market increases for each income/asset group, as expected.

Remember, these are estimates since these MLS systems typically handle around 80 percent of the market but do not cover all areas of the state. Also, recall that these are offered prices and actual sales may occur below (or above) these prices, depending upon local market conditions and the motivations of buyers and sellers. Additionally, there may be additional affordable

homes available through foreclosure options, but buyers must be wary of potential defects in those units. In spite of limitations, the percentage of listings at or below each threshold price indicates the degree of home choice available to each income group, and choices have increased at all income levels.

The statewide data shows only 2.6 percent of homes statewide were priced under \$80,000. No more than 1.5 percent of homes on the market are priced less than \$80,000 in 11 Washington counties. These statistics emphasize that in many parts of the state modest income households, especially those looking for their first home, have improved, but still limited, access to the ownership housing market.

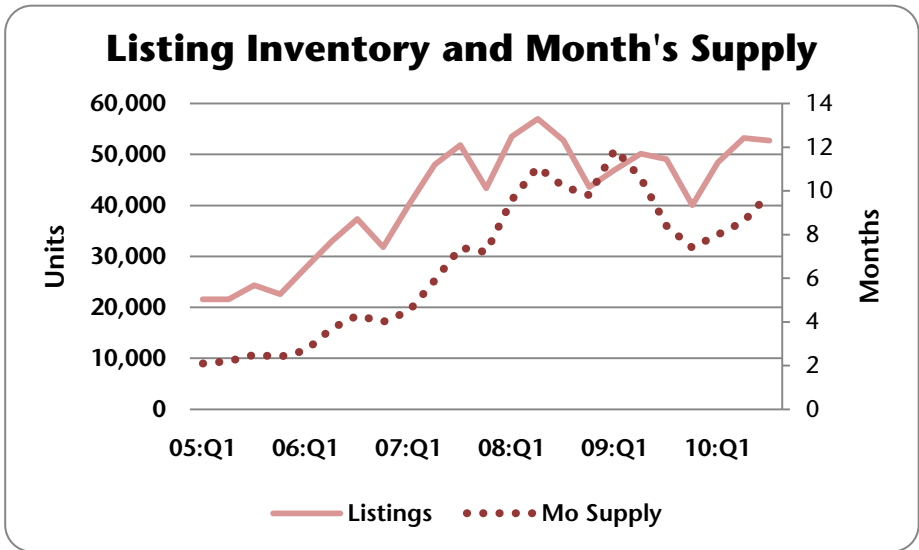
Including homes priced at or below \$160,000 raises the affordable percentage statewide to 17.0 percent. Among the metropolitan counties the proportion of homes priced less than \$160,000 ranged from a low of 4.0 percent in King County to a high of 42.5 percent in Cowlitz County. Available Inventory Economics analyzes demand and supply looking for equilibrium or balance.

Existing home sales, discussed earlier, is the measure of demand. Inventory available for sale represents the supply side of the equation. During the period of rapid home sales and escalating prices there was excess demand and scant supply. During 2008 while sales plummeted, inventories available for sale surged. More recently, the market has moved toward balance, but slowing home sales has led to increases in the number of homes lingering on the market. This raises questions about whether sufficient balance between supply and demand can be attained to help stabilize home prices.

Listings available for sale throughout Washington, at the end of the September, stood 7.5 percent above the listing inventory at this time last year. There were 52,712 homes on the various Multiple Listing Services, an increase of nearly 3,700 homes over the last year, but still 3,800 fewer than two years ago. By contrast, at the end of the third quarter in 2005 there were only 29,700 homes actively on the market. It must be emphasized that these counts do not include any homes being offered for sale directly by the owners, without the assistance of real estate licensees, or those marketed by real estate licensees who are not members of a multiple listing service, and may not include homes marketed by financial institutions after foreclosure. This so-called

shadow inventory is one of the real mysteries of the current housing market.

King County alone represents 10,200 active listings, nearly one-fifth of the state total. Active listings increased compared to a year ago in all but six of the 36 counties for which listing data is available. The most rapid growth of listing inventory was 68.0 percent in the Lewiston, ID-WA metropolitan area, while the largest reduction in homes available for sale was 8.3 percent in Island County.



Listings alone, however, only tell part of the story. They need to be linked to prevailing sales rates to determine how the current availability might influence aggregate housing markets in the months ahead. WCRER computes estimates of the month's supply of housing by price range. A month's supply statistic measures how long it would take to sell all the homes currently available for sale if no new listings were added to the inventory. The seasonally adjusted annual rate of sales for the quarter is compared to the end-of-quarter listing inventory to determine the month's supply. This prevents higher sales rates in previous quarters from producing unrealistically optimistic estimates of market activity. Similarly, it prevents exceptionally low inventories and actual sales during the slow winter months from making inventories seem exceptionally large relative to sales.

The third quarter month's supply for Washington was 9.9 months, compared to 8.3 months a year ago and 10.2 months two years ago. The combination of a reduced seasonally adjusted annual sales rate and the increase in the inventory of homes actively on the market resulted in the higher month's supply statistic.

A 5-7 month inventory is considered normal or balanced, consistent with changes in median prices



which are similar to overall inflation rates. Accordingly, the current market would be characterized as somewhat oversupplied. Anytime the month's supply is above nine, there is likelihood that competition in the market will result in lower prices for individual homes, and probably for the median sales price as well. This expectation is reinforced by the large inventory of distressed properties, whether they are actively being marketed through multiple listing services or being held off the market as part of the shadow inventory. There is insufficient historical precedent to estimate how large an impact will be felt on home prices.

While the statewide market is only somewhat oversupplied, the same cannot be said for individual local markets or price ranges. Twenty-four Washington counties have inventory levels capable of sustaining the current sales rate for over a year with no new listings coming on the market. These are places which clearly have an excess supply of homes on the market today, where price declines will likely continue not only for the remainder of this year, but beyond. The inventory imbalance was especially clear in six counties (Jefferson, Klickitat, Lewis, Okanogan, San Juan and Skamania) where the month's supply exceeds two years. The lowest month's supply measure was 4.4 months in Snohomish County.

As expected, the least expensive homes have the most limited supply compared to sales rates, but a broad range of prices have very similar supply conditions. Homes priced about \$500,000 statewide are significantly oversupplied, but that is true in hot markets as well as sluggish ones.

What is considered to be a high-priced home clearly differs from community to community, and the month's supply statistics by price range reflect those distinctions. For example, seven counties had supplies of homes capable of supporting the low-price market for over a year. This may reflect very few inexpensive listings and even fewer sales, along with properties which may be in such poor condition that many households would pass them by even if they were the only affordable ownership options. Perhaps the most significant month's supply finding is that 28 counties have enough listings on the market priced between \$250,000 and \$499,999 to fulfill

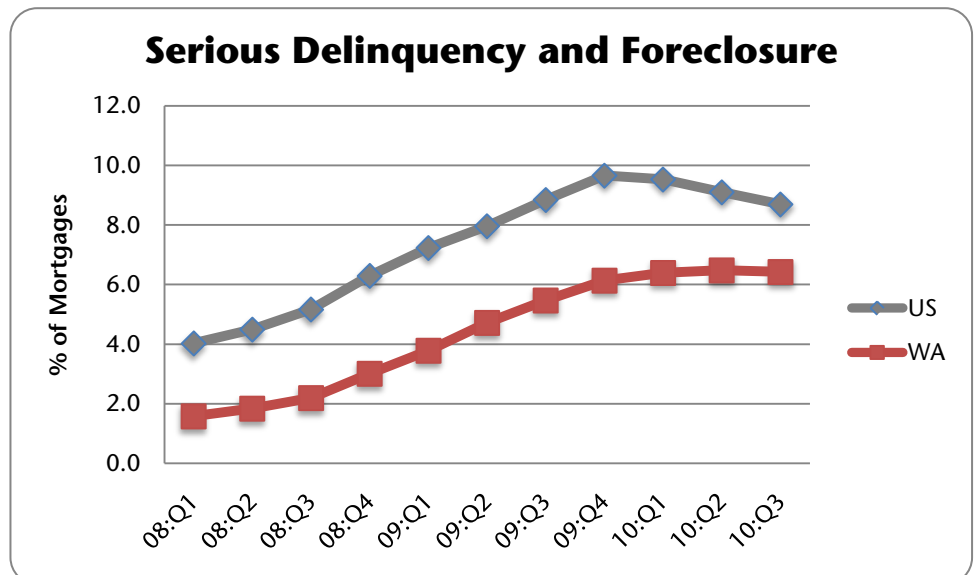
demand in that price range for over a year. These are clearly homes where purchase offers will likely be significantly less than the asking price.

## Market Risks

The November election results clearly illustrated that Americans are impatient for the "recovery" to be observable in their daily lives. Unfortunately, the seeds of the economic problems were sown over a very long time, and there is no magic bullet which will return the economy to health overnight. While there are many keys to the recovery, none is more fundamental than job growth. Private employment has been growing slowly in recent months, but precarious state and local budgets in Washington may offset those gains as state agencies, counties, cities and school districts trim their payrolls to balance their budgets.

Larger than average proportions of home sales in recent months have been made to buyers paying cash for the properties. Often these are investors who expect to refinance the properties once they are able to demonstrate consistent cash flows. For most buyers a home purchase is not possible without securing a mortgage, and proving to lenders that a buyer deserves a mortgage is getting far more difficult. Not only are downpayment requirements increasing, often sharply, but significantly higher minimum credit scores are establishing challenging hurdles as well. Buyers without significant cash resources for downpayments and closing costs are turning in much larger numbers to FHA and USDA home loan programs, but the USDA programs in particular suffer from variable lending capacity.

While foreclosure issues are moderating to some extent nationally, the problem is still very serious in Washington. Third quarter data from the Mortgage



Bankers Association indicated that the serious delinquency in Washington is stabilizing (national data is finally declining), but the biggest increase in actual foreclosure starts compared to a year ago was in Washington. Serious delinquency in Washington (90-days past due plus foreclosure inventory) represented 6.43 percent of homes with mortgages, compared to 5.47 percent a year ago. This means that 75,900 Washington homeowners are in immediate jeopardy of losing their homes. These distressed properties will continue to exert downward pressure on home values throughout 2011, and perhaps beyond.

A year ago, hopes for faster stabilization of the housing market were pinned on a new generation of mortgage modification programs, designed to encourage lenders to write off some of the principal and restructure the remaining mortgage. Unfortunately, only about 36 percent the properties which entered the Home Affordable Modification Program (HAMP) with trial modifications have emerged with permanent loan modifications. Many properties were foreclosed, sold as short sales or loans were modified/refinanced outside the Federal program. Of those where permanent modification were granted, HAMP has been far more successful in producing sustainable modifications. Roughly a quarter of the initial permanent HAMP modifications were at least 60 days past due at the end of a year in the program. This compares to earlier modification programs where over half were at least 60-days delinquent within a year.

Finally, the discussion of market risks must turn to the topic of consumer psychology. Many potential

home purchasers are convinced they should wait until the market “hits bottom” before it is safe to become a homeowner. This attitude needs to be viewed with caution. The Federal Reserve Board continues to assure the country of their intent to keep interest rates low until they believe a truly sustainable recovery is underway. However, there will be countervailing pressure from the international community for higher returns of US Treasury obligations funding the deficit. A scenario where mortgage interest rates rise from their current 4.75 percent to a still low 5.75 percent is not hard to envision. For a buyer making a 10 percent downpayment on a home, a further decline of over 10 percent in the purchase price would be required to keep the monthly mortgage payment as low as it would be on a purchase made today.

The last issue of *Washington State's Housing Market* introduced PMI's Housing Risk Index, designed to measure the likelihood that home prices in a given metropolitan area will be lower two years from now than they are today. Since then, PMI has re-estimated their models to use better input data, and some communities have much higher or lower likelihoods of sustained price declines but most places had quite consistent estimates. The newest estimates for Washington metropolitan areas are from a low of 13.8 percent for lower prices in Yakima to a high of 68.1 percent in Bremerton. Yakima was joined by Kennewick-Pasco-Richland and Seattle-Bellevue-Everett with low likelihoods of long term future declines.

# HOUSING MARKET SNAPSHOT

State of Washington and Counties  
Third Quarter 2010

County	Home Resales (units)		Building Permits (units)		Median Resale Price		Housing Affordability Index (HAI)	First-Time HAI	
	SAAR	% Change		#	% Change (year ago)	\$			% Change (year ago)
		(last qtr)	(year ago)						
Adams	250	108.3%	47.1%			\$127,500	2.0%	188.9	102.0
Asotin	380	-25.5%	-2.6%			\$151,700	3.2%	179.1	92.4
Benton	2,750	-35.9%	-22.8%	106	-4.5%	\$180,800	5.3%	178.7	112.3
Chelan	910	-24.8%	-6.2%	37	-2.6%	\$223,000	3.7%	130.2	78.0
Clallam	820	-21.9%	-10.9%	31	-8.8%	\$196,500	-10.2%	141.1	77.5
Clark	4,510	-35.8%	-31.3%	249	12.7%	\$213,200	-2.6%	165.4	92.0
Columbia	50	-58.3%	-44.4%	0	N/A	\$185,000	35.5%	154.6	68.4
Cowlitz	1,170	-19.9%	-7.1%	33	-34.0%	\$158,500	-3.9%	182.1	102.7
Douglas	360	-2.7%	-16.3%	27	12.5%	\$207,800	-11.6%	136.2	73.0
Ferry	100	-23.1%	11.1%	0	N/A	\$145,000	3.2%	159.6	85.9
Franklin	560	-36.4%	-23.3%	141	29.4%	\$180,800	5.3%	178.7	91.8
Garfield	40	-33.3%	0.0%	0	N/A	\$151,700	3.2%	178.0	94.7
Grant	1,230	-35.9%	-18.5%			\$163,900	-3.0%	153.1	98.4
Grays Harbor	1,250	-24.2%	1.6%	19	-20.8%	\$133,000	-1.1%	190.9	96.7
Island	2,220	-18.4%	-4.3%	34	-32.0%	\$265,000	-1.3%	128.1	74.4
Jefferson	440	33.3%	41.9%	21	-8.7%	\$250,000	-3.8%	118.4	60.8
King	17,530	-27.1%	-20.4%	1,946	163.0%	\$390,000	2.1%	110.4	60.5
Kitsap	2,630	-24.0%	-23.1%	104	-9.6%	\$255,100	2.1%	139.7	84.0
Kittitas	950	-24.0%	-12.8%	36	-40.0%	\$239,000	11.2%	125.5	56.4
Klickitat	240	-11.1%	26.3%			\$190,000	2.7%	137.3	72.6
Lewis	480	-39.2%	-37.7%	64	-3.0%	\$164,900	1.0%	160.9	90.9
Lincoln	260	-18.8%	0.0%			N/A	N/A	N/A	N/A
Mason	700	-24.7%	-21.3%	39	-22.0%	\$185,500	6.0%	155.7	86.6
Okanogan	350	-49.3%	-22.2%	36	-20.0%	\$169,000	4.3%	135.9	72.6
Pacific	170	-26.1%	-22.7%	0	N/A	\$134,000	-12.5%	190.8	90.8
Pend Oreille	170	-22.7%	13.3%	0	N/A	\$145,000	3.2%	165.7	84.6
Pierce	8,170	-19.7%	-21.3%	413	-13.2%	\$225,000	-2.2%	153.1	87.0
San Juan	120	0.0%	-29.4%	22	4.8%	\$402,000	-21.9%	83.7	45.6
Skagit	1,300	-25.3%	-13.9%	61	-14.1%	\$221,200	-5.3%	140.4	87.4
Skamania	70	-53.3%	-36.4%	4	-42.9%	\$200,000	-5.9%	176.4	83.6
Snohomish	6,320	-23.9%	-13.7%	432	-30.9%	\$275,000	-7.4%	145.0	82.0
Spokane	4,750	-34.2%	-30.6%	211	-9.8%	\$181,000	1.9%	165.7	87.1
Stevens	670	-19.3%	17.5%	1	N/A	\$145,000	3.2%	178.9	93.7
Thurston	3,330	-16.5%	-17.8%	298	-19.9%	\$239,000	-1.7%	148.7	86.1
Wahkiakum	50	-44.4%	-28.6%			\$200,000	9.9%	154.8	74.2
Walla Walla	700	-32.0%	-40.2%	14		\$175,500	3.9%	165.2	89.1
Whatcom	1,770	-14.1%	-20.3%	93	-1.1%	\$261,000	2.2%	122.8	62.8
Whitman	260	-27.8%	-31.6%	15	-46.4%	\$216,700	23.1%	134.4	54.9
Yakima	2,520	-35.5%	-30.0%	40	2.6%	\$153,200	-0.6%	165.0	94.5
<b>Statewide</b>	<b>70,550</b>	<b>-26.5%</b>	<b>-20.2%</b>	<b>4,527</b>	<b>21.3%</b>	<b>\$248,900</b>	<b>-4.2%</b>	<b>140.2</b>	<b>79.1</b>

## NOTES:

- Home Resales are WCRER estimates based on MLS reports or deed recording (Real Market Data LLC)
- SAAR means data presented at Seasonally Adjusted Annual Rates allowing quarter-to-quarter comparison.
- Building permits (total) are from the U.S. Department of Commerce, Bureau of the Census
- Median prices are WCRER estimates. Half the homes sold at higher prices, half lower
- Affordability index measures the ability of a typical family to make payments on median price resale home. It assumes 20% downpayment and 30-year amortizing mortgage. First-time buyer affordability index assumes a less expensive home, lower downpayment and lower income.

# EXISTING HOME SALES

## State of Washington and Counties Seasonally Adjusted Annual Rate

County	09:Q1	09:Q2	09:Q3	09:Q4	10:Q1	10:Q2	10:Q3	Percent change	
								Last qtr	Year ago
Adams	150	200	170	240	160	120	250	108.3%	47.1%
Asotin	280	300	390	460	370	510	380	-25.5%	-2.6%
Benton	2,840	3,200	3,560	4,610	3,650	4,290	2,750	-35.9%	-22.8%
Chelan	790	880	970	1,160	1,010	1,210	910	-24.8%	-6.2%
Clallam	700	730	920	920	930	1,050	820	-21.9%	-10.9%
Clark	4,820	5,310	6,560	7,720	6,330	7,020	4,510	-35.8%	-31.3%
Columbia	60	70	90	90	170	120	50	-58.3%	-44.4%
Cowlitz	1,120	1,100	1,260	1,420	1,560	1,460	1,170	-19.9%	-7.1%
Douglas	460	360	430	480	390	370	360	-2.7%	-16.3%
Ferry	70	60	90	90	120	130	100	-23.1%	11.1%
Franklin	580	660	730	950	750	880	560	-36.4%	-23.3%
Garfield	30	30	40	50	40	60	40	-33.3%	0.0%
Grant	1,270	1,240	1,510	1,760	1,680	1,920	1,230	-35.9%	-18.5%
Grays Harbor	1,240	1,340	1,230	1,650	1,600	1,650	1,250	-24.2%	1.6%
Island	2,160	2,370	2,320	3,510	2,890	2,720	2,220	-18.4%	-4.3%
Jefferson	320	310	310	350	420	330	440	33.3%	41.9%
King	15,180	18,080	22,020	26,660	23,380	24,050	17,530	-27.1%	-20.4%
Kitsap	2,750	2,970	3,420	3,940	3,360	3,460	2,630	-24.0%	-23.1%
Kittitas	770	970	1,090	1,490	1,590	1,250	950	-24.0%	-12.8%
Klickitat	210	260	190	270	220	270	240	-11.1%	26.3%
Lewis	560	730	770	850	820	790	480	-39.2%	-37.7%
Lincoln	230	220	260	300	310	320	260	-18.8%	0.0%
Mason	660	850	890	1,210	1,250	930	700	-24.7%	-21.3%
Okanogan	350	580	450	480	560	690	350	-49.3%	-22.2%
Pacific	170	180	220	210	220	230	170	-26.1%	-22.7%
Pend Oreille	130	100	150	160	210	220	170	-22.7%	13.3%
Pierce	8,040	8,350	10,380	12,200	9,930	10,180	8,170	-19.7%	-21.3%
San Juan	120	100	170	190	220	120	120	0.0%	-29.4%
Skagit	1,270	1,310	1,510	1,800	1,540	1,740	1,300	-25.3%	-13.9%
Skamania	70	110	110	160	120	150	70	-53.3%	-36.4%
Snohomish	5,250	6,150	7,320	9,450	8,170	8,300	6,320	-23.9%	-13.7%
Spokane	5,380	5,880	6,840	6,990	6,850	7,220	4,750	-34.2%	-30.6%
Stevens	490	390	570	620	800	830	670	-19.3%	17.5%
Thurston	3,590	3,530	4,050	4,510	4,010	3,990	3,330	-16.5%	-17.8%
Wahkiakum	50	60	70	60	60	90	50	-44.4%	-28.6%
Walla Walla	810	890	1,170	1,210	1,090	1,030	700	-32.0%	-40.2%
Whatcom	1,810	1,970	2,220	2,790	2,300	2,060	1,770	-14.1%	-20.3%
Whitman	260	330	380	620	300	360	260	-27.8%	-31.6%
Yakima	3,010	3,160	3,600	4,130	3,360	3,910	2,520	-35.5%	-30.0%
<b>Statewide</b>	<b>68,050</b>	<b>75,330</b>	<b>88,430</b>	<b>105,760</b>	<b>92,740</b>	<b>96,030</b>	<b>70,550</b>	<b>-26.5%</b>	<b>-20.2%</b>

### NOTES:

2008-9 revised for changing seasonal patterns.  
Number of single-family units sold, excluding new construction

# EXISTING HOME SALES

## State of Washington and Counties Not Seasonally Adjusted

County	09:Q1	09:Q2	09:Q3	09:Q4	Year Total 2009	10:Q1	10:Q2	10:Q3	Percent change (year ago)
Adams	30	50	50	60	190	30	30	80	60.0%
Asotin	60	90	120	100	370	70	150	110	-8.3%
Benton	580	900	1,020	1,050	3,550	750	1,210	790	-22.5%
Chelan	140	260	270	280	950	180	360	260	-3.7%
Clallam	130	200	270	230	830	170	280	240	-11.1%
Clark	990	1,510	1,850	1,760	6,110	1,300	2,000	1,280	-30.8%
Columbia	10	20	30	20	80	40	30	10	-66.7%
Cowlitz	220	300	350	350	1,220	310	400	330	-5.7%
Douglas	90	100	130	120	440	70	100	100	-23.1%
Ferry	10	10	30	30	80	20	30	30	0.0%
Franklin	120	180	210	220	730	150	250	160	-23.8%
Garfield	10	10	10	10	40	10	20	10	0.0%
Grant	220	340	440	460	1,460	300	520	360	-18.2%
Grays Harbor	240	370	350	420	1,380	310	450	350	0.0%
Island	410	650	720	790	2,570	550	750	690	-4.2%
Jefferson	80	60	80	100	320	100	60	120	50.0%
King	2,970	5,110	6,380	6,170	20,630	4,570	6,810	5,080	-20.4%
Kitsap	560	820	990	920	3,290	680	960	760	-23.2%
Kittitas	130	280	350	320	1,080	270	360	300	-14.3%
Klickitat	40	70	50	60	220	40	80	70	40.0%
Lewis	120	190	230	200	740	170	210	140	-39.1%
Lincoln	40	60	80	80	260	50	90	80	0.0%
Mason	110	240	280	290	920	210	260	220	-21.4%
Okanogan	50	200	130	100	480	80	240	100	-23.1%
Pacific	30	50	70	50	200	50	60	50	-28.6%
Pend Oreille	20	30	50	40	140	30	50	50	0.0%
Pierce	1,650	2,350	2,910	2,850	9,760	2,040	2,860	2,290	-21.3%
San Juan	20	30	50	50	150	40	40	30	-40.0%
Skagit	250	370	430	430	1,480	300	490	370	-14.0%
Skamania	10	30	30	40	110	20	40	20	-33.3%
Snohomish	1,070	1,740	2,110	2,130	7,050	1,660	2,350	1,820	-13.7%
Spokane	860	1,670	2,030	1,800	6,360	1,090	2,060	1,410	-30.5%
Stevens	80	100	180	170	530	130	210	210	16.7%
Thurston	720	960	1,190	1,050	3,920	810	1,080	980	-17.6%
Wahkiakum	0	20	20	10	50	10	30	20	0.0%
Walla Walla	150	240	330	330	1,050	200	280	200	-39.4%
Whatcom	340	570	670	620	2,200	430	600	530	-20.9%
Whitman	40	130	120	90	380	40	150	80	-33.3%
Yakima	600	880	1,020	980	3,480	670	1,090	710	-30.4%
<b>Statewide</b>	<b>13,200</b>	<b>21,190</b>	<b>25,630</b>	<b>24,780</b>	<b>84,800</b>	<b>17,950</b>	<b>27,040</b>	<b>20,440</b>	<b>-20.2%</b>

**NOTE:**

Revised for consistency with 2000 Census of Housing  
Number of units sold, excluding new construction

# MEDIAN HOME PRICES

## State of Washington and Counties Time Trend

County	09:Q1	09:Q2	09:Q3	09:Q4	09 Annual	10:Q1	10:Q2	10:Q3	%Ch Q3
Adams	\$85,000	\$122,700	\$125,000	\$120,000	\$122,400	\$110,000	\$120,000	\$127,500	2.0%
Asotin	\$143,000	\$155,200	\$147,000	\$143,800	\$147,800	\$140,500	\$152,600	\$151,700	3.2%
Benton	\$159,400	\$164,000	\$171,700	\$166,800	\$166,800	\$176,600	\$173,100	\$180,800	5.3%
Chelan	\$242,000	\$225,000	\$215,000	\$220,000	\$225,200	\$230,000	\$215,000	\$223,000	3.7%
Clallam	\$218,000	\$212,100	\$218,700	\$206,500	\$213,700	\$213,100	\$209,800	\$196,500	-10.2%
Clark	\$224,100	\$218,200	\$219,000	\$208,300	\$216,600	\$218,100	\$214,100	\$213,200	-2.6%
Columbia	\$139,900	\$110,000	\$136,500	\$136,500	\$135,700	\$132,500	\$107,500	\$185,000	35.5%
Cowlitz	\$169,800	\$172,300	\$164,900	\$159,000	\$166,000	\$151,000	\$160,400	\$158,500	-3.9%
Douglas	\$219,900	\$217,900	\$235,000	\$196,000	\$222,600	\$210,500	\$226,500	\$207,800	-11.6%
Ferry	\$150,000	\$150,000	\$140,500	\$148,000	\$149,300	\$129,000	\$152,000	\$145,000	3.2%
Franklin	\$159,400	\$164,000	\$171,700	\$166,800	\$166,800	\$176,600	\$173,100	\$180,800	5.3%
Garfield	\$143,000	\$155,200	\$147,000	\$143,800	\$147,800	\$140,500	\$152,600	\$151,700	3.2%
Grant	\$150,100	\$161,700	\$169,000	\$146,500	\$155,000	\$158,500	\$163,100	\$163,900	-3.0%
Grays Harbor	\$142,000	\$139,000	\$134,500	\$135,000	\$135,000	\$140,000	\$130,000	\$133,000	-1.1%
Island	\$248,000	\$261,400	\$268,500	\$268,000	\$262,500	\$265,000	\$262,500	\$265,000	-1.3%
Jefferson	\$242,500	\$217,500	\$260,000	\$310,000	\$269,000	\$272,500	\$281,000	\$250,000	-3.8%
King	\$375,000	\$387,500	\$382,000	\$375,000	\$380,000	\$370,000	\$375,500	\$390,000	2.1%
Kitsap	\$239,500	\$245,000	\$249,900	\$243,000	\$244,500	\$235,000	\$235,000	\$255,100	2.1%
Kittitas	\$220,000	\$201,700	\$215,000	\$229,500	\$216,700	\$210,000	\$203,000	\$239,000	11.2%
Klickitat	\$237,500	\$156,700	\$185,000	\$175,000	\$178,300	\$233,300	\$193,300	\$190,000	2.7%
Lewis	\$160,500	\$150,000	\$163,300	\$154,500	\$160,000	\$139,900	\$161,500	\$164,900	1.0%
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mason	\$148,500	\$163,800	\$175,000	\$160,000	\$164,400	\$159,500	\$165,000	\$185,500	6.0%
Okanogan	\$138,000	\$158,500	\$162,000	\$165,000	\$159,000	\$164,500	\$161,000	\$169,000	4.3%
Pacific	\$125,000	\$131,000	\$153,100	\$155,300	\$150,000	\$127,900	\$134,000	\$134,000	-12.5%
Pend Oreille	\$150,000	\$150,000	\$140,500	\$148,000	\$149,300	\$129,000	\$152,000	\$145,000	3.2%
Pierce	\$235,000	\$230,900	\$230,000	\$220,000	\$229,200	\$215,000	\$220,000	\$225,000	-2.2%
San Juan	\$684,000	\$350,000	\$515,000	\$427,500	\$443,500	\$372,500	\$328,800	\$402,000	-21.9%
Skagit	\$245,000	\$232,000	\$233,600	\$223,000	\$232,000	\$220,000	\$226,300	\$221,200	-5.3%
Skamania	\$185,000	\$172,500	\$212,500	\$196,700	\$186,700	\$160,000	\$156,700	\$200,000	-5.9%
Snohomish	\$311,800	\$307,000	\$297,000	\$285,000	\$300,000	\$279,000	\$279,500	\$275,000	-7.4%
Spokane	\$180,300	\$177,900	\$177,600	\$170,200	\$175,800	\$170,200	\$171,400	\$181,000	1.9%
Stevens	\$150,000	\$150,000	\$140,500	\$148,000	\$149,300	\$129,000	\$152,000	\$145,000	3.2%
Thurston	\$247,000	\$240,000	\$243,100	\$227,300	\$239,600	\$228,200	\$231,000	\$239,000	-1.7%
Wahkiakum	\$501,300	\$158,000	\$182,000	\$104,000	\$180,000	\$168,500	\$145,500	\$200,000	9.9%
Walla Walla	\$181,100	\$175,000	\$168,900	\$168,800	\$176,400	\$180,000	\$185,000	\$175,500	3.9%
Whatcom	\$259,900	\$265,000	\$255,300	\$252,500	\$259,000	\$241,400	\$250,200	\$261,000	2.2%
Whitman	\$175,000	\$207,900	\$176,000	\$183,300	\$188,000	\$206,200	\$208,000	\$216,700	23.1%
Yakima	\$137,300	\$158,600	\$154,200	\$145,800	\$153,300	\$147,200	\$152,700	\$153,200	-0.6%
<b>Statewide</b>	<b>\$253,500</b>	<b>\$265,100</b>	<b>\$259,700</b>	<b>\$244,000</b>	<b>\$250,400</b>	<b>\$245,900</b>	<b>\$245,500</b>	<b>\$248,900</b>	<b>-4.2%</b>

Source: WCRER Estimates

# HOME PRICES BY NUMBER OF BEDROOMS

State of Washington and Counties  
Third Quarters

County	2 Bedroom			3 Bedroom			4 or More Bedroom		
	2008	2009	% ch	2008	2009	% ch	2008	2009	% ch
Adams	\$85,000	\$65,000	-23.5%	\$125,000	\$131,000	4.8%	\$95,000	\$110,000	15.8%
Asotin	\$114,000	\$112,500	-1.3%	\$167,300	\$150,600	-10.0%	\$203,100	\$188,200	-7.3%
Benton	\$86,300	\$104,400	21.0%	\$152,300	\$162,900	7.0%	\$227,100	\$219,400	-3.4%
Chelan	\$188,000	\$150,000	-20.2%	\$238,600	\$233,000	-2.3%	\$320,800	\$328,600	2.4%
Clallam	\$215,000	\$171,400	-20.3%	\$265,700	\$244,600	-7.9%	\$243,200	\$225,000	-7.5%
Clark	\$177,900	\$151,700	-14.7%	\$235,000	\$196,000	-16.6%	\$335,900	\$268,600	-20.0%
Columbia	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cowlitz	\$117,300	\$93,500	-20.3%	\$196,000	\$170,000	-13.3%	\$250,000	\$197,500	-21.0%
Douglas	\$183,300	\$170,000	-7.3%	\$220,500	\$233,700	6.0%	\$271,400	\$287,500	5.9%
Ferry	\$130,000	\$118,300	-9.0%	\$164,500	\$172,000	4.6%	\$200,000	\$170,000	-15.0%
Franklin	\$86,300	\$104,400	21.0%	\$152,300	\$162,900	7.0%	\$227,100	\$219,400	-3.4%
Garfield	\$114,000	\$112,500	-1.3%	\$167,300	\$150,600	-10.0%	\$203,100	\$188,200	-7.3%
Grant	\$117,500	\$97,000	-17.4%	\$152,700	\$159,300	4.3%	\$218,000	\$189,000	-13.3%
Grays Harbor	\$136,800	\$102,500	-25.1%	\$160,000	\$168,500	5.3%	\$211,100	\$136,700	-35.2%
Island	\$300,500	\$249,000	-17.1%	\$265,000	\$266,300	0.5%	\$338,000	\$315,000	-6.8%
Jefferson	\$260,000	\$221,500	-14.8%	\$275,000	\$276,000	0.4%	\$390,000	\$271,500	-30.4%
King	\$332,500	\$315,000	-5.3%	\$398,500	\$349,000	-12.4%	\$535,000	\$472,500	-11.7%
Kitsap	\$197,500	\$169,900	-14.0%	\$265,000	\$242,500	-8.5%	\$320,000	\$325,500	1.7%
Kittitas	\$186,500	\$180,000	-3.5%	\$222,500	\$206,700	-7.1%	\$271,300	\$350,000	29.0%
Klickitat	\$165,000	\$140,000	-15.2%	\$233,300	\$208,300	-10.7%	\$300,000	\$200,000	-33.3%
Lewis	\$145,900	\$115,000	-21.2%	\$175,000	\$177,000	1.1%	\$233,700	\$212,500	-9.1%
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mason	\$177,500	\$138,500	-22.0%	\$191,000	\$179,000	-6.3%	\$278,500	\$218,000	-21.7%
Okanogan	\$118,500	\$137,500	16.0%	\$177,900	\$168,300	-5.4%	\$225,500	\$183,700	-18.5%
Pacific	\$145,000	\$124,900	-13.9%	\$155,500	\$169,500	9.0%	\$225,000	\$198,900	-11.6%
Pend Oreille	\$130,000	\$118,300	-9.0%	\$164,500	\$172,000	4.6%	\$200,000	\$170,000	-15.0%
Pierce	\$198,500	\$145,000	-27.0%	\$242,000	\$220,000	-9.1%	\$306,900	\$270,300	-11.9%
San Juan	\$559,000	\$400,000	-28.4%	\$564,500	\$560,000	-0.8%	\$741,900	\$591,000	-20.3%
Skagit	\$184,500	\$185,500	0.5%	\$255,400	\$232,800	-8.8%	\$341,000	\$282,500	-17.2%
Skamania	\$190,000	\$72,500	-61.8%	\$275,000	\$237,500	-13.6%	\$325,000	\$350,000	7.7%
Snohomish	\$247,100	\$203,300	-17.7%	\$317,000	\$270,500	-14.7%	\$395,000	\$351,500	-11.0%
Spokane	\$130,000	\$117,800	-9.4%	\$191,200	\$171,600	-10.3%	\$237,700	\$210,700	-11.4%
Stevens	\$130,000	\$118,300	-9.0%	\$164,500	\$172,000	4.6%	\$200,000	\$170,000	-15.0%
Thurston	\$225,000	\$189,500	-15.8%	\$240,100	\$230,000	-4.2%	\$304,000	\$302,200	-0.6%
Wahkiakum	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Walla Walla	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Whatcom	\$205,000	\$199,000	-2.9%	\$271,500	\$247,500	-8.8%	\$373,500	\$330,000	-11.6%
Whitman	\$78,300	\$85,000	8.6%	\$198,000	\$168,300	-15.0%	\$250,000	\$216,700	-13.3%
Yakima	\$95,000	\$93,900	-1.2%	\$162,500	\$164,000	0.9%	\$214,500	\$235,200	9.7%
<b>Statewide</b>	<b>\$208,800</b>	<b>\$179,800</b>	<b>-13.9%</b>	<b>\$266,300</b>	<b>\$241,500</b>	<b>-9.3%</b>	<b>\$368,800</b>	<b>\$329,500</b>	<b>-10.7%</b>

Source: WCRER Estimates

# HOUSING AFFORDABILITY INDEX

State of Washington and Counties  
Third Quarter 2010

	Median Price	Mortgage Rate	Monthly Payment	Median Family Income	HAI	Starter Monthly Payment	Median Household Income	First Time HAI
Adams	\$127,500	4.78%	\$534	\$48,400	188.9	\$525	\$36,742	102.0
Asotin	\$151,700	4.78%	\$635	\$54,625	179.1	\$625	\$39,604	92.4
Benton	\$180,800	4.78%	\$757	\$64,950	178.7	\$745	\$57,353	112.3
Chelan	\$223,000	4.78%	\$934	\$58,375	130.2	\$919	\$49,173	78.0
Clallam	\$196,500	4.78%	\$823	\$55,725	141.1	\$810	\$43,051	77.5
Clark	\$213,200	4.78%	\$893	\$70,900	165.4	\$879	\$55,409	92.0
Columbia	\$185,000	4.78%	\$775	\$57,475	154.6	\$762	\$35,772	68.4
Cowlitz	\$158,500	4.78%	\$664	\$58,025	182.1	\$653	\$46,013	102.7
Douglas	\$207,800	4.78%	\$870	\$56,900	136.2	\$856	\$42,839	73.0
Ferry	\$145,000	4.78%	\$607	\$46,525	159.6	\$598	\$35,193	85.9
Franklin	\$180,800	4.78%	\$757	\$64,950	178.7	\$745	\$46,874	91.8
Garfield	\$151,700	4.78%	\$635	\$54,275	178.0	\$625	\$40,584	94.7
Grant	\$163,900	4.78%	\$686	\$50,450	153.1	\$675	\$45,576	98.4
Grays Harbor	\$133,000	4.78%	\$557	\$51,025	190.9	\$548	\$36,332	96.7
Island	\$265,000	4.78%	\$1,110	\$68,250	128.1	\$1,092	\$55,745	74.4
Jefferson	\$250,000	4.78%	\$1,047	\$59,475	118.4	\$1,030	\$42,923	60.8
King	\$390,000	4.78%	\$1,633	\$86,575	110.4	\$1,607	\$66,666	60.5
Kitsap	\$255,100	4.78%	\$1,068	\$71,650	139.7	\$1,051	\$60,564	84.0
Kittitas	\$239,000	4.78%	\$1,001	\$60,275	125.5	\$985	\$38,094	56.4
Klickitat	\$190,000	4.78%	\$796	\$52,450	137.3	\$783	\$38,989	72.6
Lewis	\$164,900	4.78%	\$691	\$53,325	160.9	\$680	\$42,373	90.9
Lincoln	N/A	4.78%	N/A	\$53,875	N/A	N/A	\$40,620	N/A
Mason	\$185,500	4.78%	\$777	\$58,050	155.7	\$764	\$45,383	86.6
Okanogan	\$169,000	4.78%	\$708	\$46,150	135.9	\$696	\$34,672	72.6
Pacific	\$134,000	4.78%	\$561	\$51,400	190.8	\$552	\$34,375	90.8
Pend Oreille	\$145,000	4.78%	\$607	\$48,300	165.7	\$598	\$34,670	84.6
Pierce	\$225,000	4.78%	\$942	\$69,225	153.1	\$927	\$55,336	87.0
San Juan	\$402,000	4.78%	\$1,683	\$67,625	83.7	\$1,657	\$51,753	45.6
Skagit	\$221,200	4.78%	\$926	\$62,425	140.4	\$912	\$54,634	87.4
Skamania	\$200,000	4.78%	\$838	\$70,900	176.4	\$824	\$47,221	83.6
Snohomish	\$275,000	4.78%	\$1,152	\$80,175	145.0	\$1,133	\$63,685	82.0
Spokane	\$181,000	4.78%	\$758	\$60,275	165.7	\$746	\$44,524	87.1
Stevens	\$145,000	4.78%	\$607	\$52,150	178.9	\$598	\$38,396	93.7
Thurston	\$239,000	4.78%	\$1,001	\$71,425	148.7	\$985	\$58,115	86.1
Wahkiakum	\$200,000	4.78%	\$838	\$62,250	154.8	\$824	\$41,921	74.2
Walla Walla	\$175,500	4.78%	\$735	\$58,275	165.2	\$723	\$44,203	89.1
Whatcom	\$261,000	4.78%	\$1,093	\$64,400	122.8	\$1,076	\$46,346	62.8
Whitman	\$216,700	4.78%	\$907	\$58,525	134.4	\$893	\$33,630	54.9
Yakima	\$153,200	4.78%	\$642	\$50,825	165.0	\$631	\$40,895	94.5
<b>Statewide</b>	<b>\$248,900</b>	<b>4.78%</b>	<b>\$1,042</b>	<b>\$70,125</b>	<b>140.2</b>	<b>\$1,026</b>	<b>\$55,614</b>	<b>79.1</b>

Source: WCRER Estimates

## NOTES:

- Housing Affordability Index measures the ability of a middle income family to carry the mortgage payments on a median price home. When the index is 100 there is a balance between the family's ability to pay and the cost. Higher indexes indicate housing is more affordable.
- First-time buyer index assumes the purchaser's income is 70% of the median household income.
- Home purchased by first-time buyers is 85% of area's median price.
- All loans are assumed to be 30 year loans.
- All buyer index assumes 20% downpayment. First-time buyer index assumes 10% down.
- It is assumed 25% of income can be used for principal and interest payments.



# HOUSING AFFORDABILITY INDEX

## State of Washington and Counties Time Trend

County	08:Q1	08:Q2	08:Q3	08:Q4	09:Q1	09:Q2	09:Q3	09:Q4	10:Q1	10:Q2	10:Q3
Adams	175.5	180.8	164.3	180.4	265.4	187.4	178.8	191.9	209.5	193.3	188.9
Asotin	145.7	139.8	135.8	152.7	176.2	165.9	170.7	180.3	184.8	171.4	179.1
Benton	161.5	158.9	148.0	159.6	185.6	185.9	174.5	187.2	176.3	180.4	178.7
Chelan	92.4	92.3	93.5	103.4	112.6	122.7	124.2	124.4	119.7	129.5	130.2
Clallam	97.4	90.9	93.5	102.9	117.2	124.0	118.1	130.2	125.7	127.9	141.1
Clark	110.5	109.1	113.7	123.6	144.8	152.5	148.6	161.9	154.8	158.7	165.4
Columbia	154.9	168.7	210.2	321.4	191.1	247.9	194.4	200.5	206.7	256.3	154.6
Cowlitz	128.3	131.8	116.2	138.5	155.6	158.0	162.2	175.1	184.0	173.9	182.1
Douglas	90.8	98.4	102.7	98.8	120.8	123.6	110.8	136.2	127.5	119.8	136.2
Ferry	136.6	112.6	115.1	137.8	142.3	145.8	152.2	149.8	171.9	146.8	159.6
Franklin	161.5	158.9	148.0	159.6	185.6	185.9	174.5	187.2	176.3	180.4	178.7
Garfield	146.9	140.9	136.9	153.9	177.1	166.2	170.5	179.6	184.0	170.5	178.0
Grant	121.1	123.8	111.9	131.0	150.6	144.6	136.4	164.4	151.9	148.4	153.1
Grays Harbor	137.0	130.4	126.0	142.2	160.4	169.9	173.6	181.3	174.5	188.6	190.9
Island	92.8	94.2	92.8	92.4	124.5	122.2	117.4	123.0	123.8	125.2	128.1
Jefferson	74.1	79.1	85.9	84.0	113.3	129.2	105.4	91.4	104.0	101.5	118.4
King	77.8	75.7	78.9	90.1	105.9	105.0	104.2	110.0	111.5	110.5	110.4
Kitsap	108.6	106.9	105.9	121.1	139.5	139.1	132.6	140.6	145.4	146.2	139.7
Kittitas	95.8	97.5	111.5	117.8	127.1	141.3	128.9	124.5	136.3	142.1	125.5
Klickitat	92.3	104.0	95.9	97.8	101.1	157.4	130.5	143.2	107.3	130.2	137.3
Lewis	112.6	117.9	122.7	123.4	155.4	169.7	151.8	165.6	182.5	158.7	160.9
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mason	117.2	118.7	118.5	136.4	177.8	165.6	151.9	172.5	173.3	168.6	155.7
Okanogan	107.0	100.8	105.3	125.8	151.8	135.4	129.5	131.7	132.7	136.9	135.9
Pacific	134.3	124.0	135.6	128.2	189.0	185.1	155.0	158.5	192.2	184.2	190.8
Pend Oreille	143.0	118.1	121.0	145.3	149.3	152.5	158.5	155.3	178.3	152.3	165.7
Pierce	102.4	101.8	106.2	118.0	135.2	140.8	137.9	149.1	152.9	150.6	153.1
San Juan	56.5	47.5	47.7	62.2	45.6	91.1	60.4	75.3	86.5	98.6	83.7
Skagit	88.6	93.2	96.3	97.7	116.6	126.0	122.2	132.4	134.6	132.0	140.4
Skamania	106.8	102.2	138.3	137.5	175.4	192.9	153.1	171.5	211.0	216.8	176.4
Snohomish	88.9	90.4	91.8	101.9	117.9	122.7	124.0	133.9	136.9	137.5	145.0
Spokane	133.0	124.3	123.6	132.5	152.1	159.0	156.7	170.4	169.9	169.2	165.7
Stevens	153.4	126.6	129.5	155.2	159.9	163.6	170.4	167.3	192.3	164.3	178.9
Thurston	108.9	107.5	109.1	114.8	129.7	137.4	133.3	148.4	148.3	147.8	148.7
Wahkiakum	97.5	135.5	139.4	162.6	56.2	183.6	156.5	284.9	176.0	205.1	154.8
Walla Walla	123.2	126.8	119.4	131.8	148.8	157.1	158.4	163.6	153.7	150.8	165.2
Whatcom	91.8	92.6	93.4	103.3	116.1	116.3	117.7	122.9	128.1	123.9	122.8
Whitman	111.2	104.8	106.2	114.7	154.2	132.7	152.8	151.7	135.0	134.8	134.4
Yakima	137.2	132.2	126.6	147.6	169.1	150.9	152.6	168.2	166.0	160.3	165.0
Statewide	94.9	95.6	97.5	108.6	126.9	124.3	124.1	136.8	135.9	136.9	140.2

Source: WCRER Estimates

### NOTES:

- Housing Affordability Index measures the ability of a middle income family to carry the mortgage payments on a median price home. When the index is 100 there is a balance between the family's ability to pay and the cost. Higher indexes indicate housing is more affordable.
- First-time buyer index assumes the purchaser's income is 70% of the median household income.
- Home purchased by first-time buyers is 85% of area's median price.
- All loans are assumed to be 30 year loans.
- All buyer index assumes 20% downpayment. First-time buyer index assumes 10% down.
- It is assumed 25% of income can be used for principal and interest payments.

# HOUSING AFFORDABILITY INDEX

## First-Time Buyers State of Washington and Counties Time Trend

County	08:Q1	08:Q2	08:Q3	08:Q4	09:Q1	09:Q2	09:Q3	09:Q4	10:Q1	10:Q2	10:Q3
Adams	110.3	111.0	98.7	105.8	153.7	107.3	101.4	107.6	116.0	105.7	102.0
Asotin	83.2	78.1	74.2	81.5	93.7	87.9	90.2	94.9	96.7	89.0	92.4
Benton	103.3	102.8	96.8	105.5	121.6	120.9	112.7	120.0	112.3	114.2	112.3
Chelan	60.4	59.2	58.9	63.9	69.7	76.1	77.3	77.6	73.6	78.7	78.0
Clallam	58.9	53.8	54.1	58.1	65.8	69.3	65.7	72.1	69.4	70.5	77.5
Clark	71.0	68.5	69.7	73.9	85.3	88.7	85.3	91.8	87.2	88.8	92.0
Columbia	81.6	87.5	107.4	161.5	93.8	119.0	91.2	91.9	93.7	114.8	68.4
Cowlitz	80.6	81.0	70.0	81.6	90.7	91.1	92.7	99.1	104.0	98.2	102.7
Douglas	56.0	58.5	59.0	54.8	67.1	68.8	61.9	76.2	70.3	65.1	73.0
Ferry	78.3	63.4	63.8	75.0	77.2	79.1	82.5	81.1	92.9	79.2	85.9
Franklin	97.0	93.1	84.5	88.7	101.8	100.8	93.5	99.1	92.4	93.6	91.8
Garfield	87.2	82.6	79.2	87.9	100.0	92.9	94.4	98.3	99.8	91.6	94.7
Grant	87.1	89.3	81.0	95.1	106.7	100.1	92.3	108.8	99.6	96.4	98.4
Grays Harbor	77.2	73.2	70.5	79.2	87.2	90.2	90.2	92.1	88.6	95.7	96.7
Island	57.6	58.5	57.7	57.5	76.2	73.6	69.8	72.0	72.4	73.0	74.4
Jefferson	42.6	44.5	47.3	45.2	60.5	68.6	55.7	48.0	54.3	52.5	60.8
King	49.0	46.7	47.6	53.2	61.6	60.4	59.2	61.7	62.1	61.1	60.5
Kitsap	66.0	65.5	65.5	75.4	86.4	85.8	81.4	85.9	88.4	88.4	84.0
Kittitas	49.6	49.3	55.2	57.0	60.8	66.8	60.4	57.6	62.5	64.6	56.4
Klickitat	51.4	56.7	51.3	51.2	53.4	84.0	70.4	78.0	57.9	69.6	72.6
Lewis	67.7	70.4	72.7	72.5	90.4	97.8	86.8	93.8	103.3	89.8	90.9
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mason	72.7	72.0	70.3	79.1	102.3	94.6	86.3	97.3	97.3	94.2	86.6
Okanogan	66.0	61.0	62.7	73.6	87.5	77.0	72.7	72.9	72.6	74.1	72.6
Pacific	71.4	64.8	69.6	64.6	94.1	91.1	75.5	76.3	92.2	88.0	90.8
Pend Oreille	80.9	65.5	65.9	77.5	79.0	80.1	82.7	80.4	91.9	78.2	84.6
Pierce	66.7	64.9	66.3	72.1	81.4	83.7	81.0	86.4	88.1	86.2	87.0
San Juan	35.5	29.2	28.6	36.4	26.4	52.1	34.1	42.0	47.9	54.1	45.6
Skagit	57.2	60.6	63.1	64.4	76.1	81.6	78.5	84.4	85.1	82.8	87.4
Skamania	57.3	53.5	70.6	68.4	86.5	94.4	74.4	82.6	101.1	103.3	83.6
Snohomish	57.2	57.1	57.1	62.3	70.9	72.7	72.4	77.0	78.3	78.2	82.0
Spokane	75.0	70.0	69.6	74.4	84.2	86.7	84.3	90.5	89.9	89.2	87.1
Stevens	92.2	74.5	74.6	87.4	88.7	89.4	91.9	88.9	101.7	86.5	93.7
Thurston	74.9	71.9	71.0	72.6	80.6	84.2	80.5	88.2	87.4	86.4	86.1
Wahkiakum	57.0	77.3	77.6	88.3	29.7	94.2	78.2	138.4	85.1	98.7	74.2
Walla Walla	73.4	74.1	68.5	74.2	83.4	87.8	88.4	91.0	84.7	82.2	89.1
Whatcom	50.9	50.4	49.9	54.2	60.6	60.5	61.1	63.6	66.1	63.7	62.8
Whitman	51.6	47.8	47.5	50.4	67.3	57.5	65.9	65.0	57.0	56.0	54.9
Yakima	95.4	88.3	81.2	90.7	102.1	89.8	89.4	97.1	95.5	92.0	94.5
Statewide	59.9	59.6	60.0	66.0	76.0	73.6	72.6	79.1	77.9	77.9	79.1

Source: WCRER Estimates

### NOTES:

- Housing Affordability Index measures the ability of a middle income family to carry the mortgage payments on a median price home. When the index is 100 there is a balance between the family's ability to pay and the cost. Higher indexes indicate housing is more affordable.
- First-time buyer index assumes the purchaser's income is 70% of the median household income.
- Home purchased by first-time buyers is 85% of area's median price.
- All loans are assumed to be 30 year loans.
- All buyer index assumes 20% downpayment. First-time buyer index assumes 10% down.
- It is assumed 25% of income can be used for principal and interest payments.

# PERCENTAGE OF HOMES ON MARKET BELOW SPECIFIED PRICE

State of Washington and Counties  
End of Second Quarter 2010

County	\$80,000	\$160,000	\$250,000	\$500,000
Adams	N/A	N/A	N/A	N/A
Asotin	6.0%	40.9%	73.3%	95.3%
Benton	4.8%	31.2%	64.9%	93.9%
Chelan	2.2%	9.9%	33.4%	78.5%
Clallam	5.2%	15.2%	42.3%	82.3%
Clark	0.9%	8.6%	47.5%	86.5%
Columbia	12.9%	54.3%	81.4%	94.3%
Cowlitz	6.7%	36.1%	70.4%	96.3%
Douglas	0.4%	4.7%	47.2%	85.8%
Ferry	7.3%	32.3%	58.3%	91.1%
Franklin	4.8%	31.2%	64.9%	93.9%
Garfield	6.0%	40.9%	73.3%	95.3%
Grant	2.7%	31.8%	66.4%	94.8%
Grays Harbor	9.1%	36.1%	70.4%	96.3%
Island	0.3%	4.0%	24.4%	68.9%
Jefferson	0.7%	6.8%	20.1%	70.8%
King	0.1%	1.1%	9.3%	55.8%
Kitsap	0.8%	6.5%	31.9%	73.7%
Kittitas	0.2%	7.9%	34.9%	74.0%
Klickitat	2.8%	15.3%	40.0%	79.1%
Lewis	2.9%	25.9%	62.4%	94.6%
Lincoln	N/A	N/A	N/A	N/A
Mason	2.4%	24.2%	55.4%	89.8%
Okanogan	5.1%	28.0%	51.8%	84.6%
Pacific	5.8%	37.4%	68.7%	93.7%
Pend Oreille	7.3%	32.3%	58.3%	91.1%
Pierce	0.9%	8.8%	39.3%	81.4%
San Juan	0.0%	0.2%	2.4%	27.1%
Skagit	0.6%	5.3%	34.6%	78.4%
Skamania	0.9%	22.4%	57.9%	85.0%
Snohomish	0.4%	2.7%	20.5%	80.4%
Spokane	1.7%	26.1%	59.9%	90.2%
Stevens	7.3%	32.3%	58.3%	91.1%
Thurston	0.5%	4.9%	42.8%	87.4%
Wahkiakum	N/A	N/A	N/A	N/A
Walla Walla	11.8%	36.4%	65.0%	86.4%
Whatcom	2.8%	7.9%	33.4%	77.9%
Whitman	4.9%	26.8%	63.4%	94.5%
Yakima	8.1%	40.7%	70.4%	95.0%
<b>Statewide</b>	<b>1.9%</b>	<b>12.6%</b>	<b>37.5%</b>	<b>78.2%</b>

Source: WCRER Estimates

# LISTINGS AVAILABLE FOR SALE

State of Washington and Counties  
End of Third Quarter

County	2003	2004	2005	2006	2007	2008	2009	2010	% Ch 09-10
Adams	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Asotin	403	341	337	381	450	473	516	867	68.0%
Benton	1,371	1,463	1,575	1,545	1,641	1,582	1,456	1,538	5.6%
Chelan	541	393	376	350	0	588	647	658	1.7%
Clallam	N/A	N/A	N/A	N/A	656	638	757	767	1.3%
Clark	2,163	1,497	1,916	3,183	4,421	4,089	3,321	3,538	6.5%
Columbia	N/A	N/A	N/A	N/A	54	59	70	74	5.7%
Cowlitz	540	357	411	571	778	775	640	657	2.7%
Douglas	N/A	N/A	N/A	N/A	N/A	254	254	270	6.3%
Ferry	366	332	260	288	320	432	508	535	5.3%
Franklin	1,371	1,756	1,575	1,754	1,641	1,582	1,456	1,538	5.6%
Garfield	403	341	337	381	450	473	516	867	68.0%
Grant	409	456	370	415	603	683	667	633	-5.1%
Grays Harbor	602	486	511	692	854	884	727	862	18.6%
Island	726	682	556	890	1,121	1,138	1,115	1,022	-8.3%
Jefferson	N/A	323	289	401	490	501	558	562	0.7%
King	8,427	7,109	6,149	7,919	11,103	11,610	9,360	10,230	9.3%
Kitsap	1,396	1,220	1,197	1,888	2,417	2,323	1,739	1,745	0.3%
Kittitas	273	316	299	403	604	695	562	548	-2.5%
Klickitat	N/A	N/A	N/A	160	222	237	215	246	14.4%
Lewis	435	420	450	629	845	818	772	872	13.0%
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mason	541	440	423	555	898	878	762	843	10.6%
Okanogan	N/A	N/A	N/A	225	313	411	395	435	10.1%
Pacific	N/A	N/A	N/A	N/A	366	391	350	412	17.7%
Pend Oreille	366	332	260	288	320	432	508	535	5.3%
Pierce	3,990	3,750	3,800	5,861	7,687	6,929	5,143	5,604	9.0%
San Juan	246	216	210	244	329	411	431	461	7.0%
Skagit	833	608	597	919	1,145	1,142	1,198	1,166	-2.7%
Skamania	N/A	N/A	N/A	78	108	133	107	105	-1.9%
Snohomish	3,893	3,417	3,164	4,056	5,968	5,749	4,394	4,679	6.5%
Spokane	1,875	1,835	1,942	2,942	3,607	3,842	3,932	3,990	1.5%
Stevens	366	332	260	288	320	432	508	535	5.3%
Thurston	951	949	995	1,941	2,209	1,987	1,673	1,862	11.3%
Wahkiakum	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Walla Walla	N/A	N/A	364	347	534	503	718	717	-0.1%
Whatcom	N/A	N/A	N/A	1,739	1,841	1,657	1,507	1,671	10.9%
Whitman	115	132	140	162	180	203	183	195	6.6%
Yakima	908	959	963	1,288	1,425	1,538	1,392	1,473	5.8%
<b>Statewide</b>	<b>33,510</b>	<b>30,462</b>	<b>29,726</b>	<b>42,783</b>	<b>55,920</b>	<b>56,472</b>	<b>49,057</b>	<b>52,712</b>	<b>7.5%</b>

Source: WCRER Estimates

# MONTH'S SUPPLY OF HOUSING BY PRICE RANGE

State of Washington and Counties  
September 2010

County	Under \$80,000	\$80,000-159,999	\$160,000-\$249,999	\$250,000-\$499,999	\$500,000 and above	Total Market	Market 2008	Market 2007
Adams	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Asotin	6.4	6.3	9.5	25.0	N/A	9.2	9.3	7.7
Benton	4.6	3.8	4.8	7.5	32.8	5.2	7.3	5.3
Chelan	16.3	7.3	9.0	22.7	40.6	15.8	13.6	7.4
Clallam	10.7	7.4	9.4	13.9	73.5	12.7	14.7	12.6
Clark	2.8	4.6	6.2	10.5	24.0	8.0	13.5	10.5
Columbia	14.9	16.0	N/A	29.8	N/A	16.6	N/A	N/A
Cowlitz	4.7	7.4	13.4	23.9	N/A	12.3	12.3	9.6
Douglas	N/A	6.4	9.4	9.5	62.9	10.6	9.8	N/A
Ferry	13.0	10.6	23.2	44.0	N/A	20.6	16.7	9.7
Franklin	4.6	3.8	4.8	7.5	32.8	5.2	7.3	5.3
Garfield	6.4	6.3	9.5	25.0	N/A	9.2	9.3	7.7
Grant	4.6	10.5	11.9	30.8	N/A	13.6	10.6	8.5
Grays Harbor	5.3	11.5	20.3	27.1	86.0	14.8	13.5	10.4
Island	N/A	6.5	10.0	13.6	57.1	15.5	17.2	10.9
Jefferson	4.5	9.6	7.6	21.4	52.8	18.3	22.3	13.2
King	2.3	2.5	4.2	5.4	10.3	6.5	8.7	5.6
Kitsap	3.9	3.8	5.2	8.1	19.7	7.6	11.5	8.9
Kittitas	3.2	7.1	7.9	20.6	64.6	14.6	18.3	10.4
Klickitat	19.7	8.9	21.8	34.5	N/A	26.2	13.1	12.0
Lewis	3.6	9.1	15.1	27.7	N/A	14.5	19.4	9.9
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mason	3.9	9.0	13.4	4.7	N/A	13.8	15.4	12.2
Okanogan	12.6	12.7	17.7	32.7	N/A	21.6	6.5	9.6
Pacific	5.0	12.8	19.7	35.4	N/A	16.2	22.6	16.4
Pend Oreille	13.0	10.6	23.2	44.0	N/A	20.6	16.7	9.7
Pierce	2.6	4.2	5.4	9.0	26.7	7.5	10.7	9.3
San Juan	N/A	N/A	6.3	12.2	27.1	19.8	28.0	22.5
Skagit	4.0	4.8	8.8	16.7	66.4	13.5	12.8	7.8
Skamania	N/A	75.9	25.1	6.4	N/A	23.6	43.3	20.5
Snohomish	8.3	5.6	5.4	6.9	16.5	7.3	11.2	6.9
Spokane	3.2	5.6	7.5	13.3	42.0	8.4	8.1	6.0
Stevens	13.0	10.6	23.2	44.0	N/A	20.6	16.7	9.7
Thurston	4.4	3.6	5.5	6.7	19.4	6.5	8.2	6.5
Wahkiakum	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Walla Walla	15.6	10.6	9.9	15.8	162.4	13.5	12.7	8.8
Whatcom	9.7	5.9	5.0	9.9	20.0	8.7	9.7	7.6
Whitman	5.8	9.5	9.2	32.3	N/A	12.2	13.4	7.2
Yakima	6.0	8.1	9.1	13.5	47.6	9.4	10.8	8.5
Statewide	5.3	6.0	6.7	8.6	16.6	8.4	10.2	7.4

Source: WCRER Estimates

# RESIDENTIAL BUILDING PERMITS

## Units Authorized State of Washington and Counties, Monthly

County	JUL 09		AUG 09		SEP 09		JUL 10		AUG 10		SEP 10		% Change	
	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE
Adams														
Asotin														
Benton	40	40	39	37	32	32	29	29	38	36	39	39	-4.5%	-4.6%
Chelan	16	16	11	11	11	11	16	16	11	11	10	10	-2.6%	-2.6%
Clallam	11	11	11	11	12	12	10	10	13	13	8	8	-8.8%	-8.8%
Clark	81	79	69	69	71	71	115	62	80	80	54	54	12.7%	-10.5%
Columbia	0	0	0	0	1	1	0	0	0	0	0	0	N/A	N/A
Cowlitz	18	18	16	16	16	16	9	9	15	12	9	9	-34.0%	-40.0%
Douglas	5	5	10	10	9	9	8	8	8	8	11	11	12.5%	12.5%
Ferry	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
Franklin	38	38	35	35	36	36	50	50	51	51	40	40	29.4%	29.4%
Garfield	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
Grant														
Grays Harbor	13	13	7	7	4	4	7	7	7	7	5	5	-20.8%	-20.8%
Island	21	21	16	16	13	13	14	14	12	12	8	8	-32.0%	-32.0%
Jefferson	9	9	8	8	6	6	7	7	7	7	7	7	-8.7%	-8.7%
King	204	180	304	188	232	225	423	208	1,049	173	474	195	163.0%	-2.9%
Kitsap	39	37	37	37	39	39	35	35	36	36	33	33	-9.6%	-8.0%
Kittitas	19	19	28	28	13	13	16	16	10	10	10	10	-40.0%	-40.0%
Klickitat														
Lewis	13	13	21	21	32	8	20	10	32	16	12	7	-3.0%	-21.4%
Lincoln														
Mason	22	20	16	16	12	12	14	14	12	12	13	13	-22.0%	-18.8%
Okanogan	18	18	15	15	12	12	18	18	7	7	11	11	-20.0%	-20.0%
Pacific	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
Pend Oreille	1	1	0	0	0	0	0	0	0	0	0	0	N/A	N/A
Pierce	119	119	205	121	152	116	156	148	148	148	109	106	-13.2%	12.9%
San Juan	6	6	8	8	7	7	10	10	6	6	6	6	4.8%	4.8%
Skagit	20	20	28	23	23	23	22	22	18	18	21	21	-14.1%	-7.6%
Skamania	3	3	1	1	3	3	0	0	1	1	3	3	-42.9%	-42.9%
Snohomish	207	199	154	107	264	150	137	125	130	99	165	139	-30.9%	-20.4%
Spokane	78	66	73	59	83	55	68	68	74	60	69	69	-9.8%	9.4%
Stevens	0	0	2	2	1	1	0	0	0	0	1	1	N/A	N/A
Thurston	110	72	154	123	108	98	85	85	164	67	49	49	-19.9%	-31.4%
Wahkiakum														
Walla Walla							5	5	3	3	6	6	N/A	N/A
Whatcom	34	34	29	29	31	26	29	29	36	31	28	20	-1.1%	-10.1%
Whitman	7	3	13	5	8	8	3	3	4	2	8	8	-46.4%	-18.8%
Yakima	20	20	10	10	9	9	12	12	16	16	12	12	2.6%	2.6%
Statewide	1,172	1,080	1,320	1,013	1,240	1,016	1,318	1,020	1,988	942	1,221	900	21.3%	-7.9%

Source: U.S. Department of Commerce

### NOTES:

- Percentage change is based on equivalent reports.
- TOT refers to total building permits, both single-family and multifamily
- ONE refers to building permits for single-family homes only.

# RESIDENTIAL BUILDING PERMITS

## Value Authorized State of Washington and Counties, Quarterly Totals

County	3rd Qtr 2009		2nd Qtr 2010		3rd Qtr 2010		% change year ago	
	Total Value	SF Value	Total Value	SF Value	Total Value	SF Value	Total Value	SF Value
Adams								
Asotin								
Benton	\$25.5	\$25.2	\$28.7	\$28.4	\$24.2	\$23.9	-5.2%	-5.3%
Chelan	\$7.1	\$7.1	\$6.5	\$6.5	\$6.5	\$6.5	-9.5%	-9.5%
Clallam	\$8.1	\$8.1	\$7.3	\$7.3	\$6.5	\$6.5	-19.5%	-19.5%
Clark	\$44.2	\$44.1	\$75.5	\$70.1	\$59.9	\$56.0	35.4%	27.1%
Columbia	\$0.2	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	N/A	N/A
Cowlitz	\$11.9	\$11.9	\$5.0	\$5.0	\$6.5	\$6.3	-45.7%	-47.5%
Douglas	\$4.7	\$4.7	\$7.7	\$7.5	\$5.8	\$5.8	24.1%	24.1%
Ferry								
Franklin	\$23.8	\$23.8	\$52.9	\$52.9	\$47.7	\$47.7	100.3%	100.3%
Garfield	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A	N/A
Grant								
Grays Harbor	\$4.7	\$4.7	\$3.3	\$3.3	\$3.3	\$3.3	-30.8%	-30.8%
Island	\$12.6	\$12.6	\$7.5	\$7.5	\$6.5	\$6.5	-48.5%	-48.5%
Jefferson	\$5.6	\$5.6	\$4.7	\$4.7	\$5.0	\$5.0	-10.9%	-10.9%
King	\$188.2	\$162.9	\$237.2	\$184.1	\$248.0	\$164.1	31.8%	0.7%
Kitsap	\$21.5	\$21.5	\$21.3	\$21.3	\$22.9	\$22.9	6.4%	6.5%
Kittitas	\$15.8	\$15.8	\$7.8	\$7.8	\$7.4	\$7.4	-53.4%	-53.4%
Klickitat								
Lewis	\$8.1	\$5.7	\$7.9	\$6.5	\$8.3	\$4.7	2.4%	-17.6%
Lincoln								
Mason	\$6.6	\$6.5	\$5.7	\$5.5	\$6.6	\$6.6	0.4%	2.9%
Okanogan	\$7.1	\$7.1	\$5.2	\$5.2	\$5.1	\$5.1	-27.6%	-27.6%
Pacific	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A	N/A
Pend Oreille	\$0.0	\$0.0	\$0.2	\$0.2	\$0.0	\$0.0	N/A	N/A
Pierce	\$82.7	\$68.4	\$133.4	\$128.4	\$96.6	\$94.9	16.8%	38.7%
San Juan	\$6.6	\$6.6	\$13.7	\$13.7	\$5.7	\$5.7	-13.9%	-13.9%
Skagit	\$13.4	\$13.1	\$10.8	\$10.5	\$12.6	\$12.6	-6.7%	-4.5%
Skamania	\$1.0	\$1.0	\$0.9	\$0.9	\$0.8	\$0.8	-20.6%	-20.6%
Snohomish	\$111.6	\$95.8	\$110.3	\$101.8	\$95.9	\$86.6	-14.1%	-9.6%
Spokane	\$38.9	\$31.5	\$69.7	\$43.7	\$37.0	\$36.6	-4.7%	16.0%
Stevens	\$0.3	\$0.3	\$0.2	\$0.2	\$0.2	\$0.2	N/A	N/A
Thurston	\$71.9	\$61.1	\$55.1	\$54.2	\$55.1	\$45.4	-23.4%	-25.6%
Wahkiakum								
Walla Walla			\$3.2	\$3.2	\$2.6	\$2.6	N/A	N/A
Whatcom	\$19.7	\$19.3	\$16.2	\$15.7	\$22.6	\$20.6	14.5%	6.6%
Whitman	\$3.8	\$2.7	\$6.0	\$2.4	\$3.3	\$3.0	-13.2%	10.1%
Yakima	\$7.7	\$7.7	\$14.3	\$14.3	\$10.1	\$10.1	31.6%	31.6%
<b>Statewide</b>	<b>\$753.5</b>	<b>\$675.0</b>	<b>\$918.2</b>	<b>\$812.9</b>	<b>\$812.5</b>	<b>\$697.1</b>	<b>7.8%</b>	<b>3.3%</b>

Source: U.S. Department of Commerce

### NOTES:

- \$ Amounts in Millions
- Total refers to all residential units, regardless of size of structure
- SF refers to Single-Family homes, both detached and attached.

## Median Home Prices

