

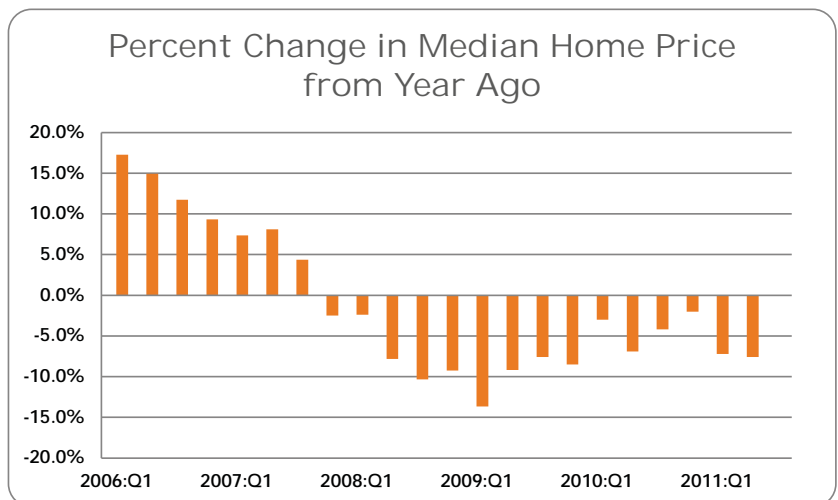
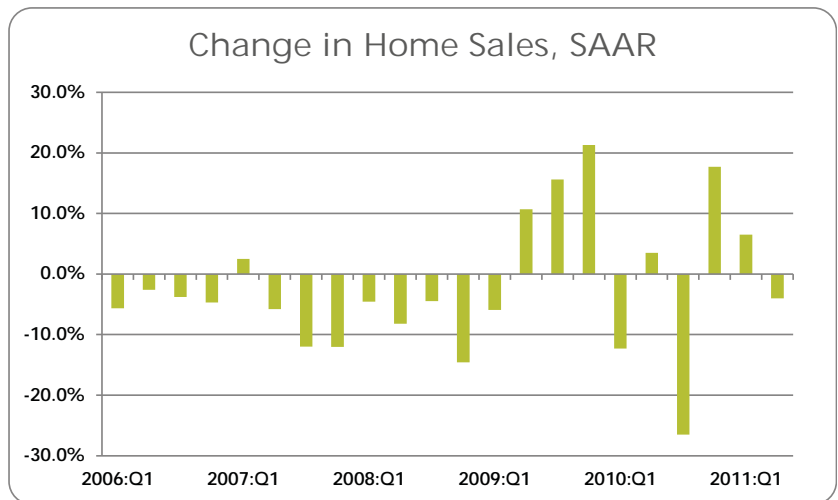


Washington State's Housing Market 2nd Quarter 2011

WASHINGTON CENTER FOR REAL ESTATE RESEARCH | COLLEGE OF BUSINESS | SEPTEMBER 2011

Washington Market Highlights: Second Quarter 2011

- ▶ Existing home sales in Washington declined during the second quarter by 4.0 percent to a seasonally adjusted annual rate of 85,210 units. The sales rate was 11.3 percent lower than the second quarter of 2010 when the last sales using stimulus tax credits were still closing.
- ▶ Building permit activity jumped 33.6 percent from the second quarter months of 2010. Strength was limited to multifamily permits. Single family permits dropped 9.7 percent for the same time last year. A total of 5,730 new permits were issued by the jurisdictions reporting to the Census Bureau.
- ▶ The median price home sold in Washington during the second quarter was \$226,900, 7.6 percent below a year earlier. Prices have now declined year-year for 15 consecutive quarters.
- ▶ Housing affordability for both all buyers and first-time buyers reached new record levels highs as continued very low mortgage interest rates combined with lower prices and virtually unchanged incomes. Many buyers are still waiting for prices to stabilize, and will probably continue to wait as the Fed assures Americans that interest rates will remain very low until 2013.
- ▶ Multiple listing services indicated a total of 47,838 homes were on the market at the end of the quarter, enough to sustain sales at current rates for 8.2 months. This is the lowest June 30 listing inventory since 2006.
- ▶ 76,400 Washington mortgages are at least 90-days delinquent, representing 6.42 percent of mortgages, essentially unchanged in the last three months, exerting further downward pressure on values.



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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Second Quarter 2011
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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
Home Price	Median	85% Median
Downpayment	20%	10%
Mortgage Term	30 years	30 years
Income	Median Family*	70% Median Household*
Mortgage Insurance	No	Yes (add 0.25% to mortgage rate)
Mortgage Rate	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.		

Second Quarter 2011

As the US economy approached mid-year the recovery seemed to have stalled out, with job growth anemic and unemployment rates still above nine percent. Foreclosures were not making headlines, but they were not working their way through the system either. Like the economy, the paperwork flow was distressingly slow, leaving the housing market with a continued overhang of short sale and foreclosure listings and a still undetermined “shadow inventory” of properties which had been foreclosed but were still in the portfolio of lenders. Media reports of an era of rentership were common. Meanwhile, interest rates remained near historic lows. Uncertainty continues to plague decision making, especially by potential buyers.

Home Resales

During the second quarter of 2011, existing homes in Washington sold at a seasonally adjusted annual rate of 85,210 units. This represented 4.0 percent decline in the sales rate after two successive quarters of improvement. The comparison to the year-ago sales rate was an even more striking 11.3 percent decline, but that was driven by the artificially high sales rate during the early summer last year as buyers rushed to ensure deals closed by the end of June to secure the expiring Federal tax credit.



As usual, there were significant variations in market performance around the state, with eight counties recording quarter-to-quarter increases in sales activity while eleven others saw reductions in the sales rate of at least 20 percent. Sales in Klickitat County, which recorded the largest percentage jump in the first quarter,

saw the second largest drop (45.8 percent) during the second quarter. Only adjacent Skamania County saw a bigger drop in sales. Meanwhile, sales increased by 20 percent in both Ferry and Jefferson counties, representing the most improved markets compared to the opening quarter of the year. It should be emphasized, however, that each of these communities is quite small, and a small increase or drop in sales can result in a significant percentage change. Among those counties characterized as metropolitan by the Office of Management and Budget (excluding Skamania which is metropolitan despite its small size because of commuting patterns to greater Portland), the strongest sales performance was a 19.9 percent quarter-to-quarter increase in Cowlitz County (Longview), while the weakest was a drop of 32.5 percent in Chelan County (Wenatchee). Less heavily populated areas, identified by OMB as micropolitan, ranged from a 1.5 percent increase in the sales rate in Grant County (Moses Lake) to a decline of 22.5 percent in Clallam County (Port Angeles).

Despite the sharp year-to-year decline in sales, five counties managed to overcome the loss of the tax credit and actually have a higher sales rate in the second quarter of 2011. The largest among these was Pierce County where the 10,420 seasonally adjusted annual sales rate was up 2.4 percent. Over the same time period, the biggest sales drop in a population center was 47.1 percent in Asotin County (Lewiston, ID-WA).

Among the micropolitan areas there were no annual increases. The declines ranged from 1.1 percent in Mason County (Shelton) to 29.2 percent in Grant County.

Housing Construction

Building permit data is not seasonally adjusted, but there was a significant increase in the last three months. Construction stood 33.6 ahead of the second quarter last year. During the

April-June period building permits were issued for a total of 5,730 housing units in the 33 counties where some or all of the permit issuing jurisdictions provide monthly data to the Census Bureau. Nearly 2,700 more housing units were authorized during the second quarter than in

the opening months of year. Some of the increase is due to improved weather conditions for construction, and some to an actual increase in need for housing units.

Much has been made in recent weeks that any strength in housing is focused on the multifamily rental sector. The first quarter 2011 *Washington State's Housing Market* did not reflect that multifamily emphasis, but it is very clear in this data. Single-family construction declined by 9.7 percent compared to a year earlier while the construction of units in buildings with at least two residences increased by 116.7 percent! Multifamily construction represented 45.4 percent of new housing units authorized during the second quarter, compared to just 19.1 percent a year earlier.

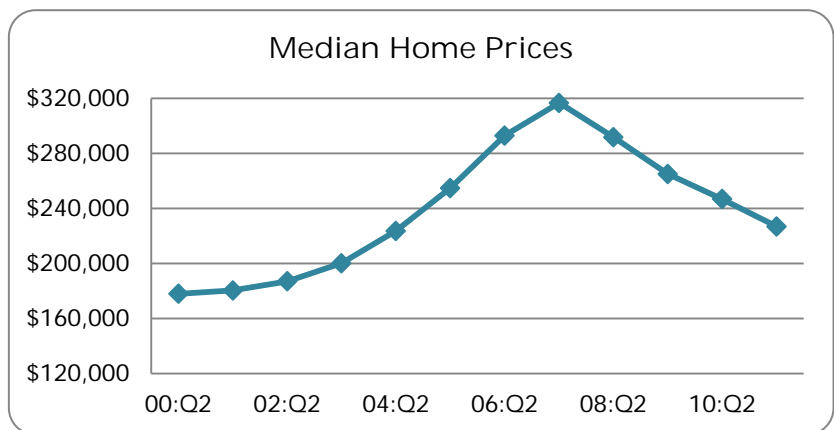
Total value of residential building permits issued during the second quarter was \$1,102.4 million, 20.1 percent above a year ago, while the single-family permit value declined 6.7 percent to \$758.8 million. The average single-family permit value throughout the state was \$242,400 (not including land cost).

Building permit activity more than doubled compared to a year ago in four counties, including King and Benton. However, building permits were not uniformly higher, especially in communities with ample multifamily units already. In fact, 19 of the 33 reporting counties saw less building permit activity than during the second quarter of 2010. In percentage terms, the largest decline in construction was in Whitman County (Pullman), which saw 73.7 percent fewer permits issued. While single-family construction there was down a bit, the absence of any apartment construction was the biggest factor in the decline.

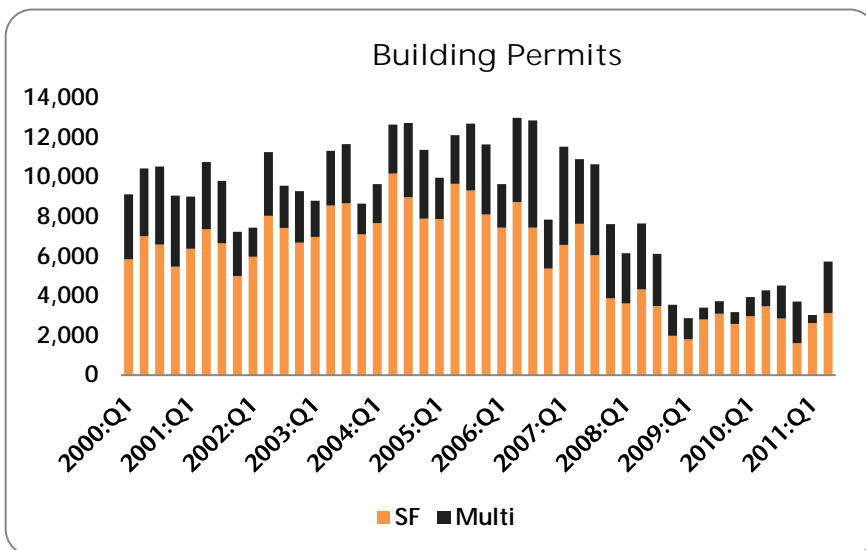
King County accounted for nearly 40 percent of the value of building permits issued during the second quarter, with Snohomish County a very distant second. Fully 95 percent of construction value reported by the Census Bureau occurred in the 16 reported counties located in metropolitan areas.

Home Prices

Many potential homebuyers have indicated they are interested in owning a home, but they are unwilling to purchase until they are convinced the housing recession is over and prices have "hit bottom." Unfortunately the data compiled for the second quarter do not lead to an interpretation that the bottom has arrived. The median home sale price, statewide, during the quarter was



\$226,900, 7.6 percent lower than a year ago. While this is roughly the same degree of decline observed in the first quarter, it suggests the home value declines will persist a bit longer. It is important to remember that median prices represent the typical price being paid during a time period, with half the sales above that level and half below. When the nature of what is selling is concentrated in homes of a particular type, and that type is different than what typically sells during that time of year, the change in median is not representative. WCRER collects, but does not normally report, data on the nature of financing for the transactions. It appears that a larger proportion of recent sales have not involved financing of any kind. They have been transacted for cash. That may mean that these are investor purchases, where the investor is planning on renting the property or believes they are securing a large enough discount on the value of the property that a few cosmetic improvements will



make the property more appealing to prospective buyer so that the investor can “flip” it profitably and quickly. Unlike the flippers in the hot market, however, these investors are well aware of the risks and will only purchase homes at steep discounts. This means the character of homes currently being sold are significantly different than those sold last year, suggesting that the median price is declining more rapidly than a repeat sales measure like Case-Shiller or FHFA would indicate.

Median prices ranged from a high of \$422,500 in San Juan County to a low of \$70,000 in rural Lincoln County. Among the metropolitan population centers, the range was from \$348,300 in King County to \$125,000 in Skamania County (Portland-Vancouver-Beaverton, OR-WA). The micropolitan areas exhibited variations from a low median of \$112,300 in Grays Harbor County (Aberdeen) to a high of \$255,000 in Island County (Oak Harbor).

Price changes also varied widely. Median prices were lower than a year ago in 26 of Washington’s 39 counties. The greatest price slide in the last year was 45.0 percent in Wahkiakim County. On the positive side, the biggest jump was 133.3 percent in Lincoln County, due to a very small sample, followed by a 28.5 percent increase in always volatile (and expensive) San Juan County. Again a small sample is the primary explanatory factor.

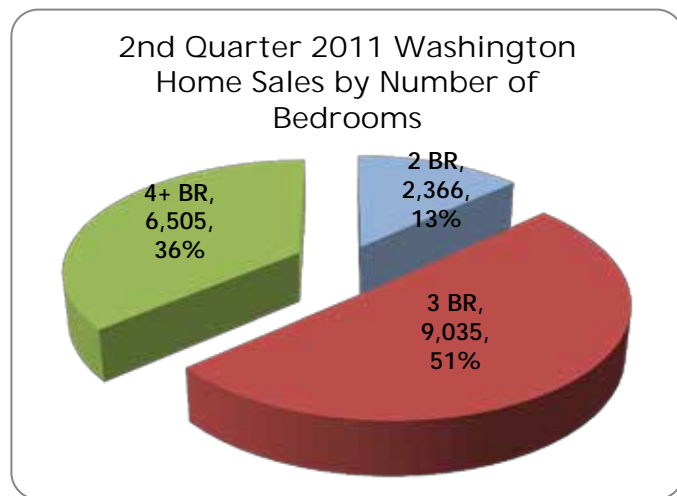
Among the metropolitan counties the range of price changes was an increase of 7.8 percent in Asotin County to a decline of 20.2 percent in Skamania County. Six of the 17 metropolitan counties saw stable or increasing medians. All the micropolitan areas saw lower median prices than a year ago, ranging from a 2.9 percent easing in Island County to a 16.4 percent drop in Lewis County (Centralia).

Prices by Bedroom

While median prices are more reflective of the typical home sold in the market during the time period, they are often influenced by changes in the composition of homes sold. A reflection of what is happening in the market is illustrated by looking at price behavior by types of homes, here represented by the number of bedrooms, the most consistently reported physical characteristic. Accordingly, WCRER includes data on the median price home by number of bedrooms in an attempt to standardize quality somewhat.

The median price 2-bedroom home sold statewide during the second quarter was \$144,900, 15.4 percent lower than a year ago. Moving to the more typical 3-

bedroom homes, the median declined 10.4 percent between the second quarter of 2010 and 2011, to \$204,100. Among the homes with four or more bedrooms the median was \$290,200, a decline of 5.6 percent over the last year. Each of these declines is roughly the same as observed three months ago.



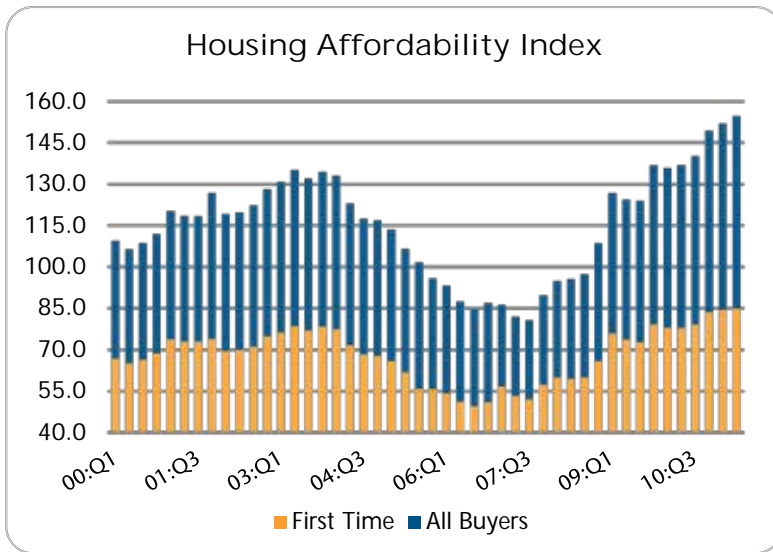
It should be pointed out that quarterly changes in the location of home sales will have an impact on these statistics. Sizes of homes vary from community to community, and as already discussed, some counties saw stronger overall markets during the first quarter than others.

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, only counties in metropolitan areas will be discussed further. The median price of a 2-bedroom home sold during the quarter ranged from \$77,500 in Cowlitz County to \$260,000 in King County. Unlike most quarters where the counties change from category to category, these two counties recorded the low and high medians consistently. For 3-bedroom units the range was from \$130,000 to \$310,000, while for larger homes the range in medians was from \$175,000 to \$445,000. In general the year-to-year decline in median prices was greatest in percentage terms for 2-bedroom homes and least on a percentage basis for the larger properties. This may reflect greater flexibility to remain current on their loans by individuals who purchased larger, more costly properties.

Housing Affordability

The result of declining home prices and continued exceptionally low mortgage interest rates (while reported incomes have maintained marginal increases despite the recession and high unemployment) has once

again produced record high levels of housing affordability statewide for both all buyers and first-time purchasers. The statewide all-buyer index reached 154.7 in the second quarter, 2.5 points above the previous record set last quarter. This index means a median income family has 54.7 percent more income than the bare minimum needed to qualify to purchase a median price home. It assumes a 20 percent downpayment and a 30-year mortgage at prevailing mortgage rates. It implicitly assumes the buyer's other debts will not lead to a lack of qualification.



WCRER uses the standard definition of family for economic analysis – two or more individuals related by blood, marriage or adoption. While this may seem an unreasonable restriction, research has consistently shown that despite demographic changes the vast majority of buyers still fit that profile. Finally, the index assumes that up to 25 percent of their gross income can be allocated to principal and interest payments. While this may seem low, it does not include property taxes or homeowner's insurance, which are part of conforming loan analyses, and is consistent with current underwriting standards. This is the same analysis approach which has been used by the National Association of Realtors® since 1982.

The second measure is the first-time buyer index, which is computed in the same general way, but 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. Homeownership remains a stretch for first-time buyers, despite setting a record. Statewide the first-time buyer index stood at 85.0, up 0.6 points from the previous record set only three months ago. Still, that would-be buyer continues to have a 15 percent income shortfall, meaning they need a larger downpayment or need to find a less expensive home.

The all-buyer affordability measures in the first quarter ranged from a high of 379.3 in Lincoln County (home to 10,600 people according to Washington's Office of Financial Management) to a low of 77.6 in San Juan County (where the population is now estimated to be 15,900 persons). Taken together, these two counties represent 0.4 percent of the population of the state. Among the metropolitan counties the range was from a low of 124.0 in King County, unchanged from last quarter, to the high of 282.7 in Skamania County (Cowlitz County was second with an index of 220.9). For the micropolitan areas the greatest affordability was 225.2 in Grays Harbor County and the least was 135.2 in Island County.

The first-time buyer affordability index exceeded the 80-point mark which generally indicates favorable purchase conditions for first-time buyers in 29 counties during the second quarter, indication that reasonable opportunities for first-time buyers are widespread. In fact, the index reached at least 100 in 12 counties. Unfortunately, there are still areas where it is very difficult for renters to achieve homeownership. The index recorded a measure below 70 in seven counties, indicating that a home ownership is still a stretch for many households. The county where achieving that first ownership home remains most difficult is San Juan County where the index was only 42.5. Whitman County with its heavily student population presented the second-biggest challenge with an index value of 59.3. At the other extreme, would-be first time buyers encountered highly affordable conditions in Wahkiakum and Lincoln counties where the index was at least 180.

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 5.00 percent (which is marginally above 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.

Income	P&I Expense (25% of Income)	Mortgage Amount	Downpayment	Maximum Home Purchase Price	Approx. Percent of Home Market
\$30,000	\$625	\$116,426	\$6,128	\$122,554	10.0%
\$60,000	\$1,250	\$232,852	\$25,872	\$258,724	50.8%
\$90,000	\$1,875	\$349,278	\$87,320	\$436,598	78.9%
\$150,000	\$3,125	\$582,130	\$313,455	\$895,585	95.2%

The table clearly illustrates how income growth, coupled with ownership of homes with generally increasing values, can move a household up the ladder of 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 quarter was \$71,150, although the county-level medians ranged from a low of \$47,050 in Adams County to a high of \$87,500 in King County. Similarly, household incomes, which tend to be lower by definition, had a statewide value of \$54,910, with county-level incomes ranging from \$34,180 in Pacific County to a high of \$65,863 in King County. These median income values suggest that the first two income/asset categories are most relevant for 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. It should be noted that the affordable share in the market at for all price ranges is declining, indicating the homes offered at the lowest prices are a declining share of all listings. Moreover, the reduction in the affordable share of the market was most pronounced compared to the first quarter in the second income range illustrated in the table.

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. Also, the short sale and foreclosure properties often take far longer to close, and are often not a good solution for someone whose lease is expiring or who is moving from a distant community. 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.

The statewide data shows only 3.3 percent of homes statewide were priced under \$80,000. In the 5-county greater Seattle market the highest concentration of these lower-priced homes was 3.3 percent in Pierce County. In King County only 0.4 percent of single-family listings carried prices no higher than \$80,000. These statistics emphasize that in many parts of the state modest income households, especially those looking for their first home, still face limited access to the ownership housing market.

Including homes priced at or below \$160,000 raises the affordable percentage statewide to 20.4 percent. Among the metropolitan counties the proportion of homes priced less than \$160,000 ranged from a low of 7.2 percent in King County to a high of 43.9 percent in Cowlitz County. It is also noteworthy that only 0.8

percent of the homes available for sale in San Juan County are offered at prices no higher than \$160,000.

Available Inventory

At the height of the housing bubble, real estate licensees typically complained they had nothing to sell and an oversupply of buyers, making the price inflation even more serious. Once the recession began, the complaint switched to an overabundance of homes on the market compared to the number of potential buyers. Inventories of listings surged. As the stagnant sales have continued, and would-be buyers have decided to stay put or to rent out a home they really wanted to sell, the inventory of homes actively listed for sale has declined and stabilized, but because of the sluggish sales pace this continues to represent at least a modest oversupply. The discussion that follows pertains to the apparent inventory. Unfortunately, the shadow inventory of properties (homes that may have reverted to the lender, or are moving through the agonizingly slow foreclosure pipeline) make this analysis incomplete.

Listings available for sale throughout Washington, at the end of the June 2011, stood 10.2 percent below the listing inventory a year earlier. There were 47,838 homes on the various Multiple Listing Services, the lowest June inventory since 2006. In 2005 the available inventory had fallen to 27,407. 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.

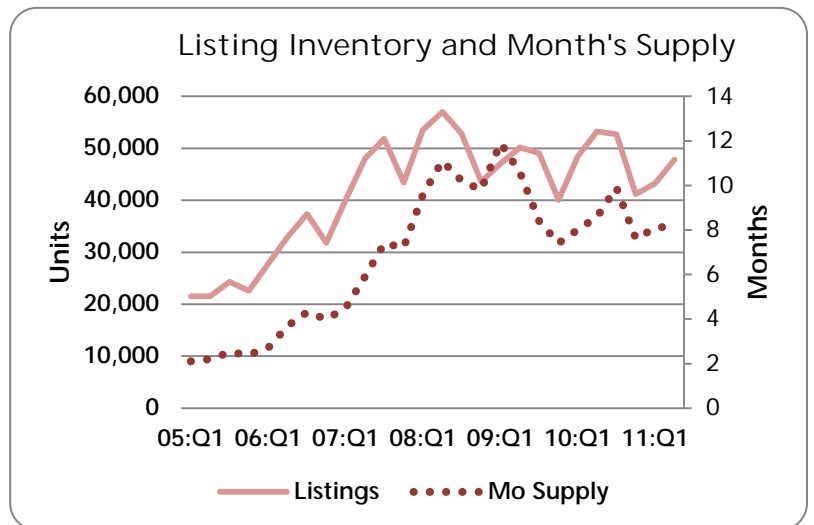
King County alone represents 8,177 active listings, 17.2 percent fewer than a year ago. Active listings increased compared to the prior year in six of the 36 counties for which listing data is available. The most rapid growth of listing inventory was 19.9 percent in the Columbia County, while the largest reduction in homes available for sale was 44.7 percent in Asotin/Garfield counties. Among the metropolitan counties, the Tri-Cities and Skamania County reported more listings available for sale than a year earlier (Yakima was unchanged), most of the remaining urban counties saw at least ten percent fewer properties on the market.

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 or lower sales rates in previous quarters from distorting estimates of market activity.

The quarter-end month's supply for Washington was 8.2 months, compared to 8.7 months a year ago (when the tax credit sales were still having an impact) and 10.6 months two years ago.

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 still be characterized as somewhat oversupplied. The assessment of balance in the current market, however, needs to be tempered by the understanding that foreclosure properties are not adequately represented in the listing statistics, so the month's supply of homes really on the market is larger than it appears, and those additional units are also likely to be liquidated at prices which are below what typically motivated sellers would accept. Accordingly, further modest price declines should be anticipated in the months ahead, especially with the likelihood that the Fed's assurance that overall interest rates will remain low should have a similar impact on mortgage rates. On the flip side, Fiserv, a financial services information company, indicated their belief that home prices in Washington will hit bottom in early 2012, and will be increasing significantly by early 2013.



While the statewide market is only somewhat oversupplied, the same cannot be said for individual local markets or price ranges. Twenty-five Washington

counties still have inventory levels capable of sustaining the current sales rate for at least a year with no new listings coming on the market (up from 18 three months ago). These are places which clearly have an excess supply of homes on the market today, where price declines will likely continue throughout into 2012. The inventory imbalance was especially clear in several small counties (Okanogan, San Juan and Skamania) where the month's supply was approximately four years! By contrast, the King County market would be described as balanced with a 5.4 month supply. This is clearly good news about potential stabilization of the housing market in Washington's most populous 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 above \$500,000 statewide are significantly oversupplied, in King County with its higher prevailing prices, even these more costly homes are almost in balance.

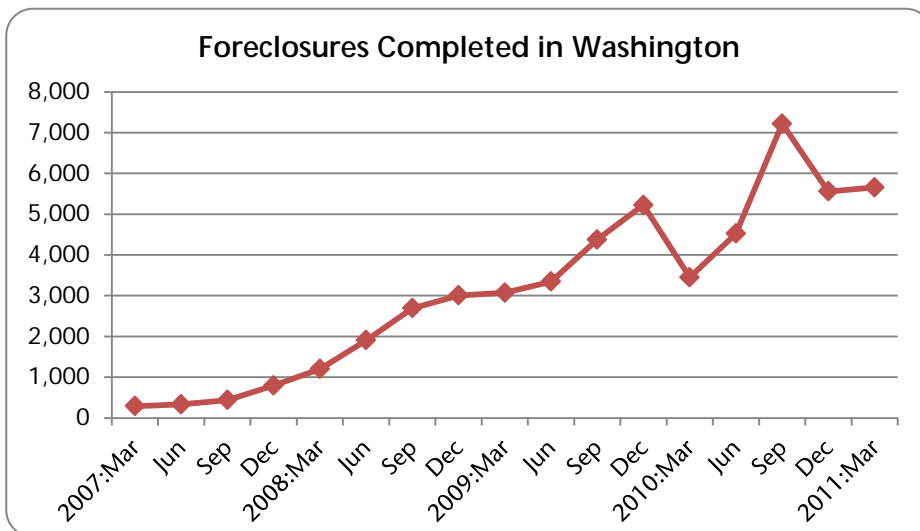
Market Risks

As this report is being written in August, the stock market is wildly gyrating, unemployment rates are increasing, even as a few jobs are being created, the political bickering causes economic stalemate, the state revenue projections lead to talk of another special session and a new round of expenditure (and job) cuts. None of these factors will encourage potential buyers to actually purchase a home. This consumer reticence will continue to paralyze housing markets and lead to further reductions in values and selling prices, and will cause more existing homeowners to conclude it is counterproductive to continue paying their mortgages. These strategic defaults will only make the problems of delinquency and foreclosure a persistent problem well into next year.

Media reports imply that most mortgages are "underwater," with balances that exceed the current value of the home. While this characterizes many mortgages, especially those made since 2004 or to homeowners who refinanced properties taking out equity during the boom, it is unfair to describe the vast majority of mortgages in such broad terms. Washington's negative equity problem is less severe than many other states, with 16.9 of mortgages having

loan balances which are greater than current value of the home. Nationally, 22.7 percent of mortgaged homes are underwater. CoreLogic, which provided this data, indicates 238,500 Washington mortgages are in negative equity territory, about 1,000 more than three months ago.

There is good news and bad news on the foreclosure front. WCRER continues to follow data from the Mortgage Bankers Association and RealtyTrac regarding mortgage delinquency and foreclosure. Because RealtyTrac reports are issued monthly, their data is most current. Headlines indicate foreclosure rates have fallen sharply. Unfortunately, delays due to fraudulent mortgage processing and attempts to clean up the process are responsible for the apparent improvement. During the first six months of 2011 the foreclosure process has been completed on 10,651 Washington mortgages, 33.9 percent above the 7,955 completed foreclosures in the first half of 2010.

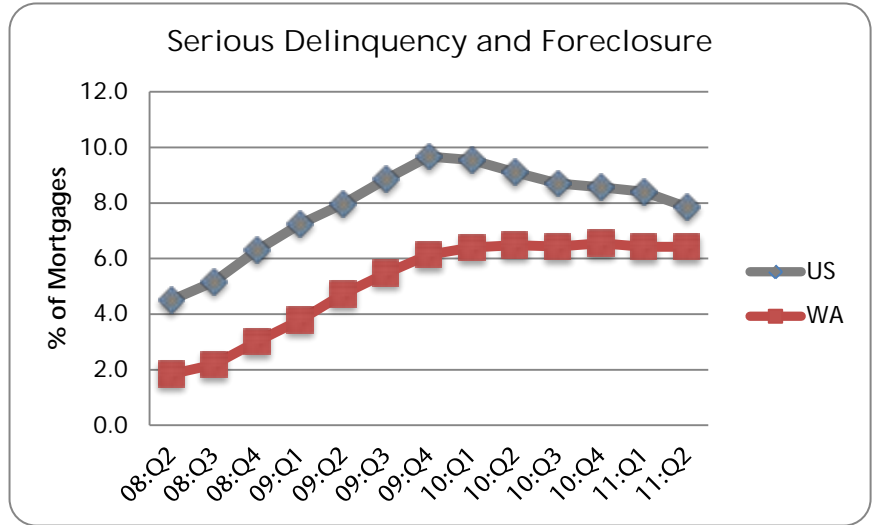


Washington State's Housing Market also monitors delinquency and foreclosure data from the Mortgage Bankers Association because they have tracked this data through many housing cycles. The key measure is the percent of mortgages that are at least 90-days past due or in foreclosure, described by MBA as "seriously delinquent." The second quarter 2011 data indicates the 6.42 percent of Washington mortgages are seriously delinquent, unchanged from the first quarter and marginally improved from the second quarter last year when the reading was 6.48 percent. Meanwhile, conditions are improving nationwide where the serious delinquency rate fell to 7.85 percent, compared to 8.10 percent three months earlier and 9.11 percent a year ago. Roughly 76,400 Washington mortgages are currently seriously delinquent.

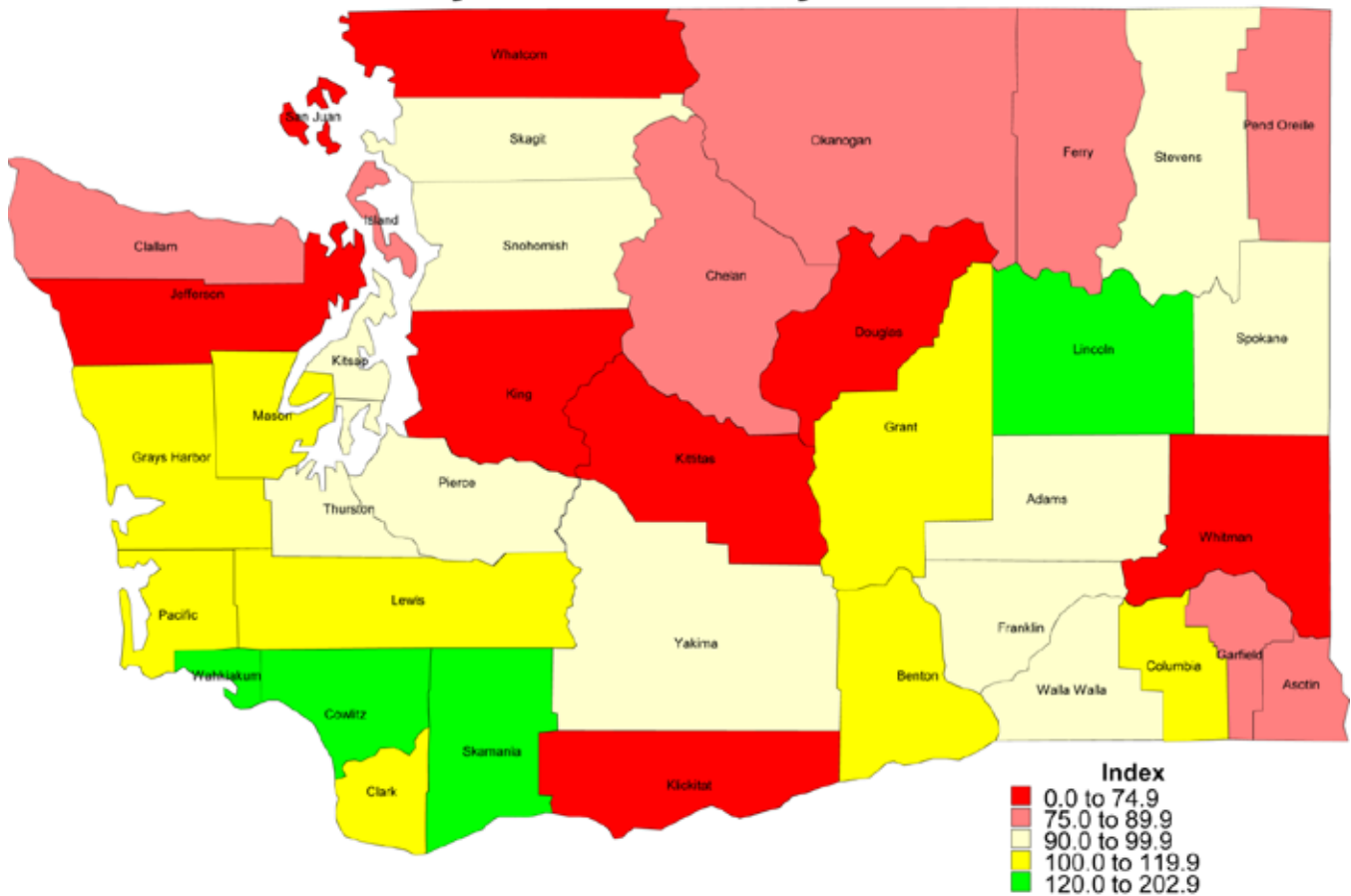
Persistent economic problems here and abroad continue to make forecasting future housing market activity a risky proposition. Job growth is critical, but it has proved hard to come by. While some private sector jobs have been created, an almost equal number of government jobs have been eliminated. Some workers who had stopped looking for work when the recession was at its worse have begun looking again, but the result has been a higher unemployment rate because their reentry has added to the labor force and the count of the unemployed. High gas prices have added to commuting costs and have further depressed housing markets in some distant suburbs. Gas prices are now combining with the hot, dry summer and media reports are expecting a surge in food prices which will depress the income a household has to pay for housing.

In a more positive vein for home sellers, many news reports are concluding it is now cheaper to own than rent, especially while mortgage rates remain low. As mentioned

previously, the Fed's plan to keep rates low until mid-2013 is a double-edged sword for housing. It will keep housing affordable for those buyers entering the market, but it may discourage those sitting on the fence waiting for prices to hit bottom before they jump. The sense of urgency this report has mentioned in recent issues has been diminished.



First Time Buyer Affordability Index 2011:Q2



HOUSING MARKET SNAPSHOT

State of Washington and Counties Second Quarter 2011

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	190	-40.6%	58.3%			\$127,300	6.1%	182.4	98.8
Asotin	270	-25.0%	-47.1%			\$164,500	7.8%	164.9	84.1
Benton	2,990	-6.0%	-30.3%	335	165.9%	\$174,400	0.8%	185.2	113.4
Chelan	830	-32.5%	-31.4%	34	-12.8%	\$215,000	0.0%	134.4	79.3
Clallam	790	-22.5%	-24.8%	30	-6.3%	\$185,300	-11.7%	150.5	80.9
Clark	6,070	3.6%	-13.5%	218	-36.1%	\$190,400	-11.1%	185.6	101.6
Columbia	110	-21.4%	-8.3%	0	N/A	\$107,500	0.0%	265.6	114.2
Cowlitz	1,630	19.9%	11.6%	26	8.3%	\$130,000	-19.0%	220.9	124.5
Douglas	340	-12.8%	-8.1%	53	39.5%	\$201,000	-11.3%	140.1	73.6
Ferry	120	20.0%	-7.7%	0	N/A	\$140,000	-7.9%	162.9	88.8
Franklin	610	-6.2%	-30.7%	213	36.5%	\$174,400	0.8%	185.2	91.7
Garfield	30	-25.0%	-50.0%	0	N/A	\$164,500	7.8%	156.0	85.2
Grant	1,360	1.5%	-29.2%			\$150,000	-8.0%	167.8	104.5
Grays Harbor	1,310	-15.5%	-20.6%	12	-29.4%	\$112,300	-13.6%	225.2	113.9
Island	2,270	-1.3%	-16.5%	23	-43.9%	\$255,000	-2.9%	135.2	76.0
Jefferson	480	20.0%	45.5%	19	-5.0%	\$245,500	-12.6%	122.7	60.7
King	23,540	-2.6%	-2.1%	2,262	120.0%	\$348,300	-7.2%	124.0	66.4
Kitsap	2,850	-5.3%	-17.6%	89	-21.2%	\$235,000	0.0%	153.7	90.0
Kittitas	960	-19.3%	-23.2%	38	8.6%	\$192,500	-5.2%	157.2	68.6
Klickitat	260	-45.8%	-3.7%			\$212,500	9.9%	117.6	63.1
Lewis	760	-10.6%	-3.8%	63	10.5%	\$135,000	-16.4%	199.6	110.5
Lincoln	280	-6.7%	-12.5%			\$70,000	133.3%	379.3	201.9
Mason	920	0.0%	-1.1%	35	-18.6%	\$140,000	-15.2%	207.4	113.7
Okanogan	440	0.0%	-36.2%	28	-20.0%	\$149,500	-7.1%	160.3	80.4
Pacific	170	-22.7%	-26.1%	0	0.0%	\$116,000	-13.4%	220.2	103.5
Pend Oreille	200	17.6%	-9.1%	1	-50.0%	\$140,000	-7.9%	168.8	86.9
Pierce	10,420	0.8%	2.4%	576	-2.7%	\$197,000	-10.5%	175.9	98.4
San Juan	160	-20.0%	33.3%	18	-53.8%	\$422,500	28.5%	77.6	42.5
Skagit	1,440	-18.2%	-17.2%	47	-19.0%	\$198,000	-12.5%	159.3	96.4
Skamania	40	-73.3%	-73.3%	16	220.0%	\$125,000	-20.2%	282.7	132.2
Snohomish	7,530	-6.5%	-9.3%	858	67.9%	\$241,500	-13.6%	165.6	92.2
Spokane	5,540	-6.3%	-23.3%	417	-16.6%	\$161,500	-5.8%	187.0	95.9
Stevens	770	14.9%	-7.2%	2	100.0%	\$140,000	-7.9%	186.3	96.3
Thurston	3,670	5.5%	-8.0%	199	-22.3%	\$220,000	-4.8%	163.6	92.1
Wahkiakum	60	-45.5%	-33.3%			\$80,000	-45.0%	361.8	183.8
Walla Walla	800	-19.2%	-22.3%	13	-18.8%	\$167,500	-9.5%	170.7	91.4
Whatcom	1,880	-3.6%	-8.7%	60	-17.8%	\$253,000	1.1%	128.0	63.7
Whitman	340	-8.1%	-5.6%	10	-73.7%	\$192,700	-7.4%	153.3	59.3
Yakima	2,780	0.0%	-28.9%	35	-32.7%	\$150,700	-1.3%	165.9	94.4
Statewide	85,210	-4.0%	-11.3%	5,730	33.6%	\$226,900	-7.6%	154.7	85.0

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	10:Q1	10:Q2	10:Q3	10:Q4	11:Q1	11:Q2	Percent change	
							Last qtr	Year ago
Adams	160	120	250	150	320	190	-40.6%	58.3%
Asotin	370	510	380	440	360	270	-25.0%	-47.1%
Benton	3,650	4,290	2,760	3,290	3,180	2,990	-6.0%	-30.3%
Chelan	1,010	1,210	910	980	1,230	830	-32.5%	-31.4%
Clallam	930	1,050	820	870	1,020	790	-22.5%	-24.8%
Clark	6,330	7,020	4,510	5,420	5,860	6,070	3.6%	-13.5%
Columbia	170	120	50	90	140	110	-21.4%	-8.3%
Cowlitz	1,560	1,460	1,170	1,170	1,360	1,630	19.9%	11.6%
Douglas	390	370	360	430	390	340	-12.8%	-8.1%
Ferry	120	130	100	80	100	120	20.0%	-7.7%
Franklin	750	880	570	680	650	610	-6.2%	-30.7%
Garfield	40	60	40	50	40	30	-25.0%	-50.0%
Grant	1,680	1,920	1,230	1,270	1,340	1,360	1.5%	-29.2%
Grays Harbor	1,600	1,650	1,250	1,320	1,550	1,310	-15.5%	-20.6%
Island	2,890	2,720	2,220	2,710	2,300	2,270	-1.3%	-16.5%
Jefferson	420	330	440	370	400	480	20.0%	45.5%
King	23,380	24,050	17,530	21,490	24,180	23,540	-2.6%	-2.1%
Kitsap	3,360	3,460	2,630	3,120	3,010	2,850	-5.3%	-17.6%
Kittitas	1,590	1,250	950	1,470	1,190	960	-19.3%	-23.2%
Klickitat	220	270	240	160	480	260	-45.8%	-3.7%
Lewis	820	790	480	750	850	760	-10.6%	-3.8%
Lincoln	310	320	260	220	300	280	-6.7%	-12.5%
Mason	1,250	930	700	810	920	920	0.0%	-1.1%
Okanogan	560	690	350	600	440	440	0.0%	-36.2%
Pacific	220	230	170	210	220	170	-22.7%	-26.1%
Pend Oreille	210	220	170	140	170	200	17.6%	-9.1%
Pierce	9,930	10,180	8,170	10,100	10,340	10,420	0.8%	2.4%
San Juan	220	120	120	190	200	160	-20.0%	33.3%
Skagit	1,540	1,740	1,300	1,470	1,760	1,440	-18.2%	-17.2%
Skamania	120	150	70	80	150	40	-73.3%	-73.3%
Snohomish	8,170	8,300	6,320	7,500	8,050	7,530	-6.5%	-9.3%
Spokane	6,850	7,220	4,750	4,920	5,910	5,540	-6.3%	-23.3%
Stevens	800	830	670	530	670	770	14.9%	-7.2%
Thurston	4,010	3,990	3,330	3,830	3,480	3,670	5.5%	-8.0%
Wahkiakum	60	90	50	50	110	60	-45.5%	-33.3%
Walla Walla	1,090	1,030	700	960	990	800	-19.2%	-22.3%
Whatcom	2,300	2,060	1,770	2,130	1,950	1,880	-3.6%	-8.7%
Whitman	300	360	260	390	370	340	-8.1%	-5.6%
Yakima	3,360	3,910	2,520	2,630	2,780	2,780	0.0%	-28.9%
Statewide	92,740	96,030	70,570	83,070	88,760	85,210	-4.0%	-11.3%

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	10:Q1	10:Q2	10:Q3	10:Q4	Year Total 2010	11:Q1	11:Q2	Percent change (Year ago)
Adams	30	30	80	40	180	60	50	66.7%
Asotin	70	150	110	100	430	70	80	-46.7%
Benton	750	1,210	790	750	3,500	650	830	-31.4%
Chelan	180	360	260	230	1,030	220	250	-30.6%
Clallam	170	280	240	220	910	190	210	-25.0%
Clark	1,300	2,000	1,280	1,230	5,810	1,190	1,680	-16.0%
Columbia	40	30	10	20	100	30	30	0.0%
Cowlitz	310	400	330	290	1,330	280	450	12.5%
Douglas	70	100	100	110	380	70	90	-10.0%
Ferry	20	30	30	20	100	20	30	0.0%
Franklin	150	250	160	150	710	130	170	-32.0%
Garfield	10	20	10	10	50	10	10	-50.0%
Grant	300	520	360	330	1,510	230	380	-26.9%
Grays Harbor	310	450	350	330	1,440	290	370	-17.8%
Island	550	750	690	610	2,600	440	630	-16.0%
Jefferson	100	60	120	110	390	100	90	50.0%
King	4,570	6,810	5,080	4,970	21,430	4,570	6,530	-4.1%
Kitsap	680	960	760	730	3,130	600	770	-19.8%
Kittitas	270	360	300	320	1,250	210	280	-22.2%
Klickitat	40	80	70	40	230	90	80	0.0%
Lewis	170	210	140	180	700	170	200	-4.8%
Lincoln	50	90	80	60	280	50	70	-22.2%
Mason	210	260	220	190	880	160	260	0.0%
Okanogan	80	240	100	130	550	60	180	-25.0%
Pacific	50	60	50	50	210	50	40	-33.3%
Pend Oreille	30	50	50	40	170	30	50	0.0%
Pierce	2,040	2,860	2,290	2,360	9,550	2,090	2,900	1.4%
San Juan	40	40	30	50	160	40	40	0.0%
Skagit	300	490	370	350	1,510	330	410	-16.3%
Skamania	20	40	20	20	100	30	10	-75.0%
Snohomish	1,660	2,350	1,820	1,690	7,520	1,600	2,130	-9.4%
Spokane	1,090	2,060	1,410	1,270	5,830	920	1,590	-22.8%
Stevens	130	210	210	140	690	110	200	-4.8%
Thurston	810	1,080	980	890	3,760	700	980	-9.3%
Wahkiakum	10	30	20	10	70	20	20	-33.3%
Walla Walla	200	280	200	260	940	170	210	-25.0%
Whatcom	430	600	530	470	2,030	360	540	-10.0%
Whitman	40	150	80	60	330	50	140	-6.7%
Yakima	670	1,090	710	630	3,100	560	770	-29.4%
Statewide	17,950	27,040	20,440	19,460	84,890	16,950	23,750	-12.2%

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:Q4	09 Annual	10:Q1	10:Q2	10:Q3	10:Q4	10 Annual	11:Q1	11:Q2	%Ch Q2
Adams	\$120,000	\$122,400	\$110,000	\$120,000	\$127,500	\$120,000	\$123,900	\$114,000	\$127,300	6.1%
Asotin	\$143,800	\$147,800	\$140,500	\$152,600	\$151,700	\$142,700	\$147,800	\$128,900	\$164,500	7.8%
Benton	\$166,800	\$166,800	\$176,600	\$173,100	\$180,800	\$182,400	\$177,500	\$175,400	\$174,400	0.8%
Chelan	\$220,000	\$225,200	\$230,000	\$215,000	\$223,000	\$220,600	\$224,900	\$207,300	\$215,000	0.0%
Clallam	\$206,500	\$213,700	\$213,100	\$209,800	\$196,500	\$204,200	\$206,400	\$176,400	\$185,300	-11.7%
Clark	\$208,300	\$216,600	\$218,100	\$214,100	\$213,200	\$201,700	\$212,500	\$194,200	\$190,400	-11.1%
Columbia	\$136,500	\$135,700	\$132,500	\$107,500	\$185,000	\$89,500	\$125,000	\$129,100	\$107,500	0.0%
Cowlitz	\$159,000	\$166,000	\$151,000	\$160,400	\$158,500	\$149,300	\$155,000	\$140,500	\$130,000	-19.0%
Douglas	\$196,000	\$222,600	\$210,500	\$226,500	\$207,800	\$200,000	\$210,500	\$225,000	\$201,000	-11.3%
Ferry	\$148,000	\$149,300	\$129,000	\$152,000	\$145,000	\$140,000	\$144,300	\$130,000	\$140,000	-7.9%
Franklin	\$166,800	\$166,800	\$176,600	\$173,100	\$180,800	\$182,400	\$177,500	\$175,400	\$174,400	0.8%
Garfield	\$143,800	\$147,800	\$140,500	\$152,600	\$151,700	\$142,700	\$147,800	\$128,900	\$164,500	7.8%
Grant	\$146,500	\$155,000	\$158,500	\$163,100	\$163,900	\$157,000	\$160,000	\$158,900	\$150,000	-8.0%
Grays Harbor	\$135,000	\$135,000	\$140,000	\$130,000	\$133,000	\$136,000	\$135,000	\$121,500	\$112,300	-13.6%
Island	\$268,000	\$262,500	\$265,000	\$262,500	\$265,000	\$252,500	\$260,000	\$239,800	\$255,000	-2.9%
Jefferson	\$310,000	\$269,000	\$272,500	\$281,000	\$250,000	\$254,900	\$265,000	\$260,000	\$245,500	-12.6%
King	\$375,000	\$380,000	\$370,000	\$375,500	\$390,000	\$369,900	\$375,000	\$345,000	\$348,300	-7.2%
Kitsap	\$243,000	\$244,500	\$235,000	\$235,000	\$255,100	\$236,000	\$240,000	\$235,000	\$235,000	0.0%
Kittitas	\$229,500	\$216,700	\$210,000	\$203,000	\$239,000	\$228,000	\$214,000	\$205,000	\$192,500	-5.2%
Klickitat	\$175,000	\$178,300	\$233,300	\$193,300	\$190,000	\$193,300	\$198,800	\$202,300	\$212,500	9.9%
Lewis	\$154,500	\$160,000	\$139,900	\$161,500	\$164,900	\$145,000	\$154,300	\$137,500	\$135,000	-16.4%
Lincoln	\$76,700	N/A	\$80,000	\$30,000	\$58,700	\$85,000	\$73,600	\$45,000	\$70,000	133.3%
Mason	\$160,000	\$164,400	\$159,500	\$165,000	\$185,500	\$164,900	\$165,000	\$154,500	\$140,000	-15.2%
Okanogan	\$165,000	\$159,000	\$164,500	\$161,000	\$169,000	\$185,000	\$169,000	\$153,800	\$149,500	-7.1%
Pacific	\$155,300	\$150,000	\$127,900	\$134,000	\$134,000	\$113,500	\$128,000	\$119,500	\$116,000	-13.4%
Pend Oreille	\$148,000	\$149,300	\$129,000	\$152,000	\$145,000	\$140,000	\$144,300	\$130,000	\$140,000	-7.9%
Pierce	\$220,000	\$229,200	\$215,000	\$220,000	\$225,000	\$212,000	\$220,000	\$199,900	\$197,000	-10.5%
San Juan	\$427,500	\$443,500	\$372,500	\$328,800	\$402,000	\$495,000	\$422,500	\$442,500	\$422,500	28.5%
Skagit	\$223,000	\$232,000	\$220,000	\$226,300	\$221,200	\$228,300	\$223,000	\$204,700	\$198,000	-12.5%
Skamania	\$196,700	\$186,700	\$160,000	\$156,700	\$200,000	\$155,000	\$160,000	\$150,000	\$125,000	-20.2%
Snohomish	\$285,000	\$300,000	\$279,000	\$279,500	\$275,000	\$262,700	\$275,000	\$245,000	\$241,500	-13.6%
Spokane	\$170,200	\$175,800	\$170,200	\$171,400	\$181,000	\$168,500	\$172,700	\$162,600	\$161,500	-5.8%
Stevens	\$148,000	\$149,300	\$129,000	\$152,000	\$145,000	\$140,000	\$144,300	\$130,000	\$140,000	-7.9%
Thurston	\$227,300	\$239,600	\$228,200	\$231,000	\$239,000	\$224,900	\$230,000	\$209,500	\$220,000	-4.8%
Wahkiakum	\$104,000	\$180,000	\$168,500	\$145,500	\$200,000	\$135,000	\$148,000	\$148,300	\$80,000	-45.0%
Walla Walla	\$168,800	\$176,400	\$180,000	\$185,000	\$175,500	\$171,000	\$180,000	\$164,900	\$167,500	-9.5%
Whatcom	\$252,500	\$259,000	\$241,400	\$250,200	\$261,000	\$250,000	\$250,000	\$245,200	\$253,000	1.1%
Whitman	\$183,300	\$188,000	\$206,200	\$208,000	\$216,700	\$183,700	\$201,700	\$170,000	\$192,700	-7.4%
Yakima	\$145,800	\$153,300	\$147,200	\$152,700	\$153,200	\$154,300	\$151,500	\$140,800	\$150,700	-1.3%
Statewide	\$244,000	\$250,400	\$245,900	\$245,500	\$248,900	\$238,800	\$246,300	\$228,100	\$226,900	-7.6%

Source: WCRER Estimates

HOME PRICES BY NUMBER OF BEDROOMS

State of Washington and Counties Second Quarters

County	2 Bedroom			3 Bedroom			4 or More Bedroom		
	2010	2011	% ch	2010	2011	% ch	2010	2011	% ch
Adams	\$57,500	\$35,000	-39.1%	\$130,000	\$135,500	4.2%	\$120,000	\$120,000	0.0%
Asotin	\$110,000	\$103,300	-6.1%	\$155,800	\$160,000	2.7%	\$190,000	\$183,300	-3.5%
Benton	\$95,500	\$104,300	9.2%	\$162,300	\$165,300	1.8%	\$232,800	\$228,800	-1.7%
Chelan	\$180,000	\$143,300	-20.4%	\$197,500	\$225,000	13.9%	\$321,400	\$342,900	6.7%
Clallam	\$178,000	\$168,300	-5.4%	\$215,700	\$193,600	-10.2%	\$221,400	\$190,000	-14.2%
Clark	\$140,000	\$118,000	-15.7%	\$190,800	\$163,000	-14.6%	\$270,900	\$252,600	-6.8%
Columbia	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cowlitz	\$92,500	\$77,500	-16.2%	\$165,200	\$130,000	-21.3%	\$215,500	\$175,000	-18.8%
Douglas	\$160,000	\$95,000	-40.6%	\$223,400	\$204,200	-8.6%	\$287,500	\$240,000	-16.5%
Ferry	\$126,700	\$95,000	-25.0%	\$156,000	\$156,000	0.0%	\$180,000	\$166,700	-7.4%
Franklin	\$95,500	\$104,300	9.2%	\$162,300	\$165,300	1.8%	\$232,800	\$228,800	-1.7%
Garfield	\$110,000	\$103,300	-6.1%	\$155,800	\$160,000	2.7%	\$190,000	\$183,300	-3.5%
Grant	\$115,000	\$102,000	-11.3%	\$154,800	\$148,000	-4.4%	\$205,200	\$197,500	-3.8%
Grays Harbor	\$111,000	\$86,200	-22.3%	\$150,000	\$110,000	-26.7%	\$156,500	\$153,800	-1.7%
Island	\$225,000	\$238,300	5.9%	\$260,000	\$242,500	-6.7%	\$299,500	\$300,000	0.2%
Jefferson	\$242,500	\$180,700	-25.5%	\$281,000	\$254,500	-9.4%	\$344,300	\$281,000	-18.4%
King	\$307,500	\$260,000	-15.4%	\$345,000	\$310,000	-10.1%	\$465,000	\$445,000	-4.3%
Kitsap	\$178,500	\$156,800	-12.2%	\$230,000	\$238,000	3.5%	\$290,000	\$300,800	3.7%
Kittitas	\$160,000	\$125,000	-21.9%	\$201,500	\$193,000	-4.2%	\$265,000	\$330,000	24.5%
Klickitat	\$150,000	\$190,000	26.7%	\$208,300	\$216,700	4.0%	\$225,000	\$316,700	40.8%
Lewis	\$112,000	\$67,500	-39.7%	\$170,000	\$142,000	-16.5%	\$169,900	\$195,000	14.8%
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mason	\$135,800	\$120,200	-11.5%	\$165,000	\$146,000	-11.5%	\$249,000	\$140,000	-43.8%
Okanogan	\$212,500	\$120,000	-43.5%	\$159,500	\$147,300	-7.6%	\$164,000	\$210,000	28.0%
Pacific	\$98,500	\$114,000	15.7%	\$165,000	\$127,500	-22.7%	\$181,000	\$121,000	-33.1%
Pend Oreille	\$126,700	\$95,000	-25.0%	\$156,000	\$156,000	0.0%	\$180,000	\$166,700	-7.4%
Pierce	\$150,000	\$117,500	-21.7%	\$210,000	\$182,000	-13.3%	\$255,000	\$231,500	-9.2%
San Juan	\$298,400	\$380,000	27.3%	\$455,000	\$460,000	1.1%	N/A	\$985,000	N/A
Skagit	\$167,500	\$137,000	-18.2%	\$229,000	\$189,500	-17.2%	\$309,000	\$285,000	-7.8%
Skamania	\$150,000	\$65,000	-56.7%	\$162,500	\$140,000	-13.8%	\$150,000	N/A	N/A
Snohomish	\$199,500	\$150,000	-24.8%	\$259,200	\$219,900	-15.2%	\$325,000	\$305,000	-6.2%
Spokane	\$113,100	\$96,400	-14.8%	\$165,200	\$152,400	-7.7%	\$203,800	\$200,300	-1.7%
Stevens	\$126,700	\$95,000	-25.0%	\$156,000	\$156,000	0.0%	\$180,000	\$166,700	-7.4%
Thurston	\$177,600	\$153,300	-13.7%	\$220,000	\$204,000	-7.3%	\$267,300	\$270,500	1.2%
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	\$175,000	\$170,000	-2.9%	\$244,500	\$250,000	2.2%	\$325,000	\$315,000	-3.1%
Whitman	\$146,700	\$103,300	-29.6%	\$195,000	\$185,700	-4.8%	\$244,200	\$219,600	-10.1%
Yakima	\$108,600	\$76,200	-29.8%	\$160,300	\$156,200	-2.6%	\$201,500	\$232,100	15.2%
Statewide	\$171,300	\$144,900	-15.4%	\$227,700	\$204,100	-10.4%	\$307,300	\$290,200	-5.6%

Source: WCRER Estimates

HOUSING AFFORDABILITY INDEX

State of Washington and Counties Second Quarter 2011

	Median Price	Mortgage Rate	Monthly Payment	Median Family Income	HAI	Starter Monthly Payment	Median Household Income	First Time HAI
Adams	\$127,300	4.85%	\$537	\$47,050	182.4	\$529	\$35,833	98.8
Asotin	\$164,500	4.85%	\$694	\$54,950	164.9	\$683	\$39,403	84.1
Benton	\$174,400	4.85%	\$736	\$65,450	185.2	\$724	\$56,348	113.4
Chelan	\$215,000	4.85%	\$908	\$58,550	134.4	\$893	\$48,585	79.3
Clallam	\$185,300	4.85%	\$782	\$56,500	150.5	\$770	\$42,694	80.9
Clark	\$190,400	4.85%	\$804	\$71,600	185.6	\$791	\$55,074	101.6
Columbia	\$107,500	4.85%	\$454	\$57,850	265.6	\$447	\$34,962	114.2
Cowlitz	\$130,000	4.85%	\$549	\$58,200	220.9	\$540	\$46,085	124.5
Douglas	\$201,000	4.85%	\$849	\$57,050	140.1	\$835	\$42,135	73.6
Ferry	\$140,000	4.85%	\$591	\$46,200	162.9	\$581	\$35,392	88.8
Franklin	\$174,400	4.85%	\$736	\$65,450	185.2	\$724	\$45,531	91.7
Garfield	\$164,500	4.85%	\$694	\$52,000	156.0	\$683	\$39,925	85.2
Grant	\$150,000	4.85%	\$633	\$51,000	167.8	\$623	\$44,652	104.5
Grays Harbor	\$112,300	4.85%	\$474	\$51,250	225.2	\$466	\$36,419	113.9
Island	\$255,000	4.85%	\$1,076	\$69,850	135.2	\$1,059	\$55,199	76.0
Jefferson	\$245,500	4.85%	\$1,036	\$61,050	122.7	\$1,020	\$42,411	60.7
King	\$348,300	4.85%	\$1,470	\$87,500	124.0	\$1,447	\$65,863	66.4
Kitsap	\$235,000	4.85%	\$992	\$73,200	153.7	\$976	\$60,238	90.0
Kittitas	\$192,500	4.85%	\$813	\$61,300	157.2	\$800	\$37,608	68.6
Klickitat	\$212,500	4.85%	\$897	\$50,650	117.6	\$883	\$38,188	63.1
Lewis	\$135,000	4.85%	\$570	\$54,600	199.6	\$561	\$42,475	110.5
Lincoln	\$70,000	4.85%	\$296	\$53,800	379.3	\$291	\$40,249	201.9
Mason	\$140,000	4.85%	\$591	\$58,850	207.4	\$581	\$45,348	113.7
Okanogan	\$149,500	4.85%	\$631	\$48,550	160.3	\$621	\$34,255	80.4
Pacific	\$116,000	4.85%	\$490	\$51,750	220.2	\$482	\$34,180	103.5
Pend Oreille	\$140,000	4.85%	\$591	\$47,900	168.8	\$581	\$34,635	86.9
Pierce	\$197,000	4.85%	\$832	\$70,200	175.9	\$818	\$55,235	98.4
San Juan	\$422,500	4.85%	\$1,784	\$66,450	77.6	\$1,755	\$51,117	42.5
Skagit	\$198,000	4.85%	\$836	\$63,900	159.3	\$822	\$54,376	96.4
Skamania	\$125,000	4.85%	\$528	\$71,600	282.7	\$519	\$47,054	132.2
Snohomish	\$241,500	4.85%	\$1,020	\$81,050	165.6	\$1,003	\$63,391	92.2
Spokane	\$161,500	4.85%	\$682	\$61,200	187.0	\$671	\$44,131	95.9
Stevens	\$140,000	4.85%	\$591	\$52,850	186.3	\$581	\$38,409	96.3
Thurston	\$220,000	4.85%	\$929	\$72,950	163.6	\$914	\$57,734	92.1
Wahkiakum	\$80,000	4.85%	\$338	\$58,650	361.8	\$332	\$41,871	183.8
Walla Walla	\$167,500	4.85%	\$707	\$57,950	170.7	\$696	\$43,613	91.4
Whatcom	\$253,000	4.85%	\$1,068	\$65,600	128.0	\$1,051	\$45,873	63.7
Whitman	\$192,700	4.85%	\$813	\$59,850	153.3	\$800	\$32,527	59.3
Yakima	\$150,700	4.85%	\$636	\$50,650	165.9	\$626	\$40,524	94.4
Statewide	\$226,900	4.85%	\$958	\$71,150	154.7	\$942	\$54,910	85.0

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	09:Q1	09:Q2	09:Q3	09:Q4	10:Q1	10:Q2	10:Q3	10:Q4	11:Q1	11:Q2
Adams	265.4	187.4	178.8	191.9	209.5	193.3	188.9	205.3	205.8	182.4
Asotin	176.2	165.9	170.7	180.3	184.8	171.4	179.1	195.0	209.1	164.9
Benton	185.6	185.9	174.5	187.2	176.3	180.4	178.7	180.6	182.5	185.2
Chelan	112.6	122.7	124.2	124.4	119.7	129.5	130.2	135.3	139.0	134.4
Clallam	117.2	124.0	118.1	130.2	125.7	127.9	141.1	138.2	156.0	150.5
Clark	144.8	152.5	148.6	161.9	154.8	158.7	165.4	178.9	180.4	185.6
Columbia	191.1	247.9	194.4	200.5	206.7	256.3	154.6	326.7	219.6	265.6
Cowlitz	155.6	158.0	162.2	175.1	184.0	173.9	182.1	197.2	203.1	220.9
Douglas	120.8	123.6	110.8	136.2	127.5	119.8	136.2	145.5	124.8	140.1
Ferry	142.3	145.8	152.2	149.8	171.9	146.8	159.6	169.1	175.3	162.9
Franklin	185.6	185.9	174.5	187.2	176.3	180.4	178.7	180.6	182.5	185.2
Garfield	177.1	166.2	170.5	179.6	184.0	170.5	178.0	193.6	202.7	156.0
Grant	150.6	144.6	136.4	164.4	151.9	148.4	153.1	163.3	156.9	167.8
Grays Harbor	160.4	169.9	173.6	181.3	174.5	188.6	190.9	190.4	206.7	225.2
Island	124.5	122.2	117.4	123.0	123.8	125.2	128.1	136.9	141.2	135.2
Jefferson	113.3	129.2	105.4	91.4	104.0	101.5	118.4	118.7	113.9	122.7
King	105.9	105.0	104.2	110.0	111.5	110.5	110.4	119.1	124.0	124.0
Kitsap	139.5	139.1	132.6	140.6	145.4	146.2	139.7	154.4	151.5	153.7
Kittitas	127.1	141.3	128.9	124.5	136.3	142.1	125.5	134.7	145.9	157.2
Klickitat	101.1	157.4	130.5	143.2	107.3	130.2	137.3	137.9	125.2	117.6
Lewis	155.4	169.7	151.8	165.6	182.5	158.7	160.9	186.6	192.7	199.6
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	322.6	588.3	379.3
Mason	177.8	165.6	151.9	172.5	173.3	168.6	155.7	179.2	186.0	207.4
Okanogan	151.8	135.4	129.5	131.7	132.7	136.9	135.9	127.4	151.6	160.3
Pacific	189.0	185.1	155.0	158.5	192.2	184.2	190.8	230.0	212.0	220.2
Pend Oreille	149.3	152.5	158.5	155.3	178.3	152.3	165.7	175.6	181.9	168.8
Pierce	135.2	140.8	137.9	149.1	152.9	150.6	153.1	166.4	171.6	175.9
San Juan	45.6	91.1	60.4	75.3	86.5	98.6	83.7	69.5	74.5	77.6
Skagit	116.6	126.0	122.2	132.4	134.6	132.0	140.4	139.4	151.9	159.3
Skamania	175.4	192.9	153.1	171.5	211.0	216.8	176.4	232.8	233.6	282.7
Snohomish	117.9	122.7	124.0	133.9	136.9	137.5	145.0	155.3	161.8	165.6
Spokane	152.1	159.0	156.7	170.4	169.9	169.2	165.7	181.4	183.3	187.0
Stevens	159.9	163.6	170.4	167.3	192.3	164.3	178.9	189.7	198.6	186.3
Thurston	129.7	137.4	133.3	148.4	148.3	147.8	148.7	162.0	169.6	163.6
Wahkiakum	56.2	183.6	156.5	284.9	176.0	205.1	154.8	234.6	200.4	361.8
Walla Walla	148.8	157.1	158.4	163.6	153.7	150.8	165.2	173.7	173.4	170.7
Whatcom	116.1	116.3	117.7	122.9	128.1	123.9	122.8	130.6	130.1	128.0
Whitman	154.2	132.7	152.8	151.7	135.0	134.8	134.4	162.2	171.2	153.3
Yakima	169.1	150.9	152.6	168.2	166.0	160.3	165.0	166.9	176.8	165.9
Statewide	126.9	124.3	124.1	136.8	135.9	136.9	140.2	149.4	152.2	154.7

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.
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- 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	09:Q1	09:Q2	09:Q3	09:Q4	10:Q1	10:Q2	10:Q3	10:Q4	11:Q1	11:Q2
Adams	153.7	107.3	101.4	107.6	116.0	105.7	102.0	109.4	110.7	98.8
Asotin	93.7	87.9	90.2	94.9	96.7	89.0	92.4	99.9	106.9	84.1
Benton	121.6	120.9	112.7	120.0	112.3	114.2	112.3	112.7	112.8	113.4
Chelan	69.7	76.1	77.3	77.6	73.6	78.7	78.0	80.0	82.2	79.3
Clallam	65.8	69.3	65.7	72.1	69.4	70.5	77.5	75.8	84.7	80.9
Clark	85.3	88.7	85.3	91.8	87.2	88.8	92.0	98.8	99.2	101.6
Columbia	93.8	119.0	91.2	91.9	93.7	114.8	68.4	143.0	95.3	114.2
Cowlitz	90.7	91.1	92.7	99.1	104.0	98.2	102.7	111.1	114.5	124.5
Douglas	67.1	68.8	61.9	76.2	70.3	65.1	73.0	76.8	65.7	73.6
Ferry	77.2	79.1	82.5	81.1	92.9	79.2	85.9	90.8	94.9	88.8
Franklin	101.8	100.8	93.5	99.1	92.4	93.6	91.8	91.7	91.5	91.7
Garfield	100.0	92.9	94.4	98.3	99.8	91.6	94.7	102.0	108.7	85.2
Grant	106.7	100.1	92.3	108.8	99.6	96.4	98.4	103.9	98.8	104.5
Grays Harbor	87.2	90.2	90.2	92.1	88.6	95.7	96.7	96.4	104.6	113.9
Island	76.2	73.6	69.8	72.0	72.4	73.0	74.4	79.3	80.6	76.0
Jefferson	60.5	68.6	55.7	48.0	54.3	52.5	60.8	60.5	57.2	60.7
King	61.6	60.4	59.2	61.7	62.1	61.1	60.5	64.7	66.9	66.4
Kitsap	86.4	85.8	81.4	85.9	88.4	88.4	84.0	92.3	89.7	90.0
Kittitas	60.8	66.8	60.4	57.6	62.5	64.6	56.4	60.0	64.3	68.6
Klickitat	53.4	84.0	70.4	78.0	57.9	69.6	72.6	72.2	66.4	63.1
Lewis	90.4	97.8	86.8	93.8	103.3	89.8	90.9	105.4	107.8	110.5
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	171.7	313.2	201.9
Mason	102.3	94.6	86.3	97.3	97.3	94.2	86.6	99.2	102.5	113.7
Okanogan	87.5	77.0	72.7	72.9	72.6	74.1	72.6	67.3	78.1	80.4
Pacific	94.1	91.1	75.5	76.3	92.2	88.0	90.8	109.0	100.0	103.5
Pend Oreille	79.0	80.1	82.7	80.4	91.9	78.2	84.6	89.2	93.0	86.9
Pierce	81.4	83.7	81.0	86.4	88.1	86.2	87.0	94.0	96.5	98.4
San Juan	26.4	52.1	34.1	42.0	47.9	54.1	45.6	37.5	40.5	42.5
Skagit	76.1	81.6	78.5	84.4	85.1	82.8	87.4	86.1	92.9	96.4
Skamania	86.5	94.4	74.4	82.6	101.1	103.3	83.6	109.7	109.6	132.2
Snohomish	70.9	72.7	72.4	77.0	78.3	78.2	82.0	87.2	90.5	92.2
Spokane	84.2	86.7	84.3	90.5	89.9	89.2	87.1	95.0	95.0	95.9
Stevens	88.7	89.4	91.9	88.9	101.7	86.5	93.7	98.9	103.1	96.3
Thurston	80.6	84.2	80.5	88.2	87.4	86.4	86.1	92.9	96.4	92.1
Wahkiakum	29.7	94.2	78.2	138.4	85.1	98.7	74.2	111.9	98.6	183.8
Walla Walla	83.4	87.8	88.4	91.0	84.7	82.2	89.1	92.8	92.8	91.4
Whatcom	60.6	60.5	61.1	63.6	66.1	63.7	62.8	66.6	65.5	63.7
Whitman	67.3	57.5	65.9	65.0	57.0	56.0	54.9	65.3	67.6	59.3
Yakima	102.1	89.8	89.4	97.1	95.5	92.0	94.5	95.2	100.8	94.4
Statewide	76.0	73.6	72.6	79.1	77.9	77.9	79.1	83.6	84.4	85.0

Source: WCRER Estimates

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PERCENTAGE OF HOMES ON MARKET BELOW SPECIFIED PRICE

State of Washington and Counties End of Second Quarter 2011

County	\$80,000	\$160,000	\$250,000	\$500,000
Adams	N/A	N/A	N/A	N/A
Asotin	3.6%	32.1%	70.2%	97.1%
Benton	4.1%	26.1%	63.9%	95.5%
Chelan	1.7%	11.2%	39.7%	80.6%
Clallam	6.1%	20.7%	48.5%	87.9%
Clark	2.4%	22.5%	56.0%	88.9%
Columbia	12.4%	46.4%	77.3%	97.9%
Cowlitz	7.7%	43.9%	73.3%	96.4%
Douglas	3.3%	19.5%	58.1%	92.9%
Ferry	6.1%	36.0%	63.0%	94.8%
Franklin	4.1%	26.1%	63.9%	95.5%
Garfield	3.6%	32.1%	70.2%	97.1%
Grant	4.6%	35.7%	66.7%	96.0%
Grays Harbor	11.8%	43.9%	73.3%	96.4%
Island	0.5%	7.4%	31.4%	75.7%
Jefferson	2.0%	12.1%	32.6%	77.9%
King	0.4%	7.2%	24.5%	65.5%
Kitsap	1.9%	10.6%	38.5%	79.7%
Kittitas	2.3%	17.5%	44.1%	79.2%
Klickitat	7.4%	24.4%	52.0%	89.3%
Lewis	6.0%	32.5%	69.6%	96.8%
Lincoln	N/A	N/A	N/A	N/A
Mason	6.3%	31.1%	63.7%	91.8%
Okanogan	5.8%	27.0%	53.6%	85.6%
Pacific	9.5%	46.7%	73.5%	95.4%
Pend Oreille	6.1%	36.0%	63.0%	94.8%
Pierce	3.3%	24.0%	56.7%	88.2%
San Juan	0.0%	0.8%	5.1%	41.5%
Skagit	1.8%	18.3%	43.8%	81.5%
Skamania	7.3%	33.9%	56.9%	85.3%
Snohomish	1.2%	14.0%	41.3%	86.0%
Spokane	4.4%	31.3%	66.0%	92.7%
Stevens	6.1%	36.0%	63.0%	94.8%
Thurston	1.6%	11.9%	50.8%	91.9%
Wahkiakum	N/A	N/A	N/A	N/A
Walla Walla	14.9%	39.6%	67.0%	89.9%
Whatcom	3.1%	11.2%	39.7%	82.3%
Whitman	7.7%	31.8%	66.4%	94.1%
Yakima	8.6%	40.1%	72.1%	96.0%
Statewide	3.3%	20.4%	48.7%	84.0%

Source: WCRER Estimates

LISTINGS AVAILABLE FOR SALE

State of Washington and Counties End of Second Quarter

County	2004	2005	2006	2007	2008	2009	2010	2011	% Ch 10-11
Adams	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Asotin	379	342	257	443	536	571	951	526	-44.7%
Benton	1,694	1,581	1,648	1,658	1,632	1,428	1,512	1,813	19.9%
Chelan	464	396	306	542	538	680	668	643	-3.7%
Clallam	N/A	N/A	N/A	789	627	812	783	736	-6.0%
Clark	0	1,414	3,414	4,206	5,053	3,584	3,494	3,253	-6.9%
Columbia	N/A	N/A	N/A	N/A	57	72	81	97	19.8%
Cowlitz	507	376	454	710	808	604	660	591	-10.5%
Douglas	N/A	N/A	N/A	N/A	285	274	289	241	-16.6%
Ferry	375	298	295	325	411	500	576	575	-0.2%
Franklin	1,694	1,581	1,648	1,658	1,632	1,428	1,512	1,813	19.9%
Garfield	379	342	257	443	536	571	951	526	-44.7%
Grant	447	444	386	523	685	654	609	600	-1.5%
Grays Harbor	572	478	715	807	907	777	829	833	0.5%
Island	795	539	871	1,053	1,180	1,165	1,133	1,023	-9.7%
Jefferson	361	270	357	480	516	538	630	571	-9.4%
King	7,481	5,538	6,489	9,458	11,863	9,655	9,873	8,177	-17.2%
Kitsap	1,269	1,073	1,634	2,339	2,462	1,758	1,879	1,700	-9.5%
Kittitas	343	252	333	520	672	609	572	545	-4.7%
Klickitat	N/A	N/A	124	228	246	249	265	271	2.3%
Lewis	465	433	465	783	829	744	840	776	-7.6%
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mason	508	451	520	865	956	817	882	868	-1.6%
Okanogan	N/A	N/A	214	275	390	396	439	429	-2.3%
Pacific	N/A	N/A	N/A	344	407	346	444	421	-5.2%
Pend Oreille	375	298	295	325	411	500	576	575	-0.2%
Pierce	3,775	3,464	5,098	7,483	7,136	5,328	5,775	5,034	-12.8%
San Juan	264	215	247	328	392	446	458	457	-0.2%
Skagit	699	554	845	1,132	1,210	1,224	1,192	1,037	-13.0%
Skamania	N/A	N/A	88	102	116	123	105	109	3.8%
Snohomish	3,534	2,747	3,483	5,382	5,819	4,527	4,694	3,727	-20.6%
Spokane	1,676	1,644	2,401	3,236	3,958	3,845	3,943	3,651	-7.4%
Stevens	375	298	295	325	411	500	576	575	-0.2%
Thurston	940	933	1,678	2,294	2,081	1,670	1,895	1,674	-11.7%
Wahkiakum	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Walla Walla	N/A	337	425	512	844	832	710	763	7.5%
Whatcom	N/A	N/A	1,617	1,861	1,758	1,572	1,787	1,543	-13.7%
Whitman	157	169	186	189	204	211	234	220	-6.0%
Yakima	984	940	1,155	1,387	1,548	1,355	1,445	1,445	0.0%
Statewide	30,512	27,407	38,200	53,005	59,116	50,365	53,262	47,838	-10.2%

Source: WCRER Estimates

MONTH'S SUPPLY OF HOUSING BY PRICE RANGE

State of Washington and Counties June 2011

County	Under \$80,000	\$80,000-159,999	\$160,000-\$249,999	\$250,000-\$499,999	\$500,000 and above	Total Market	Market 2010	Market 2009
Adams	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Asotin	9.3	9.5	14.6	20.3	N/A	13.7	13.1	13.4
Benton	5.7	4.5	7.5	11.6	19.6	7.3	4.9	6.4
Chelan	3.9	9.1	16.8	21.9	74.6	18.9	13.4	18.5
Clallam	10.4	8.2	10.3	29.3	71.9	15.2	12.2	18.7
Clark	4.7	5.8	6.9	11.5	36.2	8.4	7.8	10.5
Columbia	9.6	13.2	23.9	N/A	N/A	19.3	N/A	23.9
Cowlitz	2.9	6.6	11.4	21.6	N/A	8.7	10.6	13.0
Douglas	27.0	13.2	9.5	21.8	28.7	13.8	13.9	14.5
Ferry	5.5	15.3	20.1	81.5	N/A	20.4	19.0	36.8
Franklin	5.7	4.5	7.5	11.6	19.6	7.3	4.9	6.4
Garfield	9.3	9.5	14.6	20.3	N/A	13.7	13.1	13.4
Grant	4.2	10.5	14.1	32.3	N/A	14.0	10.4	18.6
Grays Harbor	6.6	12.8	27.1	46.6	109.0	16.9	13.8	15.3
Island	4.2	7.7	13.0	17.6	44.6	16.9	8.6	18.0
Jefferson	9.5	21.7	17.2	27.2	N/A	28.3	25.4	22.7
King	2.1	4.6	4.9	5.0	6.7	5.4	6.5	8.1
Kitsap	3.3	5.0	8.1	11.1	21.3	9.6	8.3	9.3
Kittitas	5.1	17.0	14.8	32.1	46.4	21.3	17.0	21.5
Klickitat	14.6	20.9	39.0	28.3	105.6	29.0	26.5	25.6
Lewis	4.0	11.2	24.3	56.2	N/A	17.0	17.2	17.1
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mason	6.9	10.5	23.6	44.7	65.4	18.5	25.9	18.3
Okanogan	21.6	23.7	54.0	89.3	160.6	47.5	31.0	29.9
Pacific	9.0	23.9	47.3	38.7	N/A	26.7	22.0	21.1
Pend Oreille	5.5	15.3	20.1	81.5	46.8	20.4	19.0	36.8
Pierce	3.1	6.1	5.8	9.3	30.5	7.2	8.6	9.6
San Juan	N/A	1184.4	13.0	45.9	88.5	54.0	65.7	46.8
Skagit	4.1	8.3	9.4	17.3	52.1	13.0	12.8	17.9
Skamania	15.3	27.7	47.8	118.4	N/A	46.3	N/A	17.7
Snohomish	5.5	5.3	4.6	6.8	13.1	6.2	7.3	9.2
Spokane	4.1	7.1	11.1	15.4	38.2	10.1	8.4	9.9
Stevens	5.5	15.3	20.1	81.5	N/A	20.4	19.0	36.8
Thurston	2.9	2.4	3.7	5.3	17.6	4.3	8.1	8.3
Wahkiakum	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Walla Walla	20.2	18.2	17.1	25.4	122.9	21.4	15.3	21.4
Whatcom	10.1	7.8	8.9	11.5	27.7	11.3	11.9	11.0
Whitman	16.4	11.6	10.8	15.5	N/A	13.3	13.2	12.6
Yakima	6.1	11.5	15.7	19.9	23.2	13.2	9.0	10.9
Statewide	4.9	6.7	7.4	9.2	12.5	8.2	8.7	10.6

Source: WCRER Estimates

RESIDENTIAL BUILDING PERMITS

Units Authorized State of Washington and Counties, Monthly

County	APR 10		MAY 10		JUN 10		APR 11		MAY 11		JUN 11		% Change	
	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE
Adams														
Asotin														
Benton	41	41	37	37	48	46	102	70	116	74	117	67	165.9%	70.2%
Chelan	3	3	15	15	21	21	8	8	13	13	13	13	-12.8%	-12.8%
Clallam	10	10	11	11	11	11	7	7	10	10	13	13	-6.3%	-6.3%
Clark	103	103	74	72	164	112	80	80	59	59	79	72	-36.1%	-26.5%
Columbia	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
Cowlitz	2	2	9	9	13	13	5	5	10	10	11	9	8.3%	0.0%
Douglas	4	4	16	16	18	16	11	11	7	7	35	2	39.5%	-44.4%
Ferry	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
Franklin	57	57	45	45	54	54	66	52	70	53	77	57	36.5%	3.8%
Garfield	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
Grant														
Grays Harbor	5	5	6	6	6	6	3	3	1	1	8	8	-29.4%	-29.4%
Island	14	14	13	13	14	14	9	9	11	11	3	3	-43.9%	-43.9%
Jefferson	7	7	6	6	7	7	5	5	6	6	8	8	-5.0%	-5.0%
King	241	219	360	219	427	257	731	272	1,222	230	309	248	120.0%	7.9%
Kitsap	39	39	35	33	39	39	32	32	28	26	29	29	-21.2%	-21.6%
Kittitas	13	13	11	11	11	11	14	14	10	10	14	14	8.6%	8.6%
Klickitat														
Lewis	14	14	20	15	23	15	14	7	20	9	29	14	10.5%	-31.8%
Lincoln														
Mason	14	14	15	13	14	14	14	14	11	11	10	10	-18.6%	-14.6%
Okanogan	12	12	12	12	11	11	7	7	9	9	12	12	-20.0%	-20.0%
Pacific														
Pend Oreille	0	0	0	0	2	2	0	0	0	0	1	1	-50.0%	-50.0%
Pierce	256	220	148	148	188	182	129	129	156	144	291	129	-2.7%	-26.9%
San Juan	9	9	10	10	20	20	9	9	4	4	5	5	-53.8%	-53.8%
Skagit	15	15	23	18	20	20	16	16	14	14	17	17	-19.0%	-11.3%
Skamania	2	2	2	2	1	1	5	5	9	9	2	2	220.0%	220.0%
Snohomish	183	158	139	114	189	172	515	150	148	144	195	170	67.9%	4.5%
Spokane	100	94	49	49	351	95	56	56	286	54	75	67	-16.6%	-25.6%
Stevens	0	0	1	1	0	0	1	1	0	0	1	1	100.0%	100.0%
Thurston	101	101	74	74	81	75	96	68	50	50	53	53	-22.3%	-31.6%
Wahkiakum														
Walla Walla	3	3	8	8	5	5	4	4	5	5	4	4	-18.8%	-18.8%
Whatcom	25	25	18	16	30	27	20	20	16	16	24	24	-17.8%	-11.8%
Whitman	8	8	1	1	29	3	4	4	1	1	5	5	-73.7%	-16.7%
Yakima	20	20	15	15	17	17	12	12	8	8	15	15	-32.7%	-32.7%
Statewide	1,301	1,212	1,173	989	1,814	1,266	1,975	1,070	2,300	988	1,455	1,072	33.6%	-9.7%

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	2nd Qtr 2010		1st Qtr 2011		2nd Qtr 2011		% change year ago	
	Total Value	SF Value	Total Value	SF Value	Total Value	SF Value	Total Value	SF Value
Adams								
Asotin								
Benton	\$28.7	\$28.4	\$30.5	\$30.2	\$65.3	\$52.2	127.7%	84.0%
Chelan	\$6.5	\$6.5	\$3.7	\$3.7	\$6.3	\$6.3	-2.8%	-2.8%
Clallam	\$7.3	\$7.3	\$4.1	\$4.1	\$6.4	\$6.4	-12.8%	-12.8%
Clark	\$75.5	\$70.1	\$53.6	\$47.9	\$61.1	\$60.4	-19.1%	-13.8%
Columbia	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A	N/A
Cowlitz	\$5.0	\$5.0	\$4.8	\$4.8	\$5.7	\$5.3	14.2%	6.6%
Douglas	\$7.7	\$7.5	\$3.3	\$3.3	\$4.7	\$4.1	-39.2%	-46.1%
Ferry								
Franklin	\$52.9	\$52.9	\$37.4	\$37.4	\$41.3	\$35.6	-21.9%	-32.7%
Garfield	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A	N/A
Grant								
Grays Harbor	\$3.3	\$3.3	\$2.2	\$2.2	\$1.8	\$1.8	-44.5%	-44.5%
Island	\$7.5	\$7.5	\$6.1	\$6.1	\$3.6	\$3.6	-52.1%	-52.1%
Jefferson	\$4.7	\$4.7	\$2.4	\$2.4	\$4.5	\$4.5	-4.5%	-4.5%
King	\$237.2	\$184.1	\$177.1	\$160.8	\$440.2	\$209.0	85.6%	13.6%
Kitsap	\$21.3	\$21.3	\$13.6	\$13.6	\$19.0	\$18.7	-11.0%	-12.0%
Kittitas	\$7.8	\$7.8	\$4.2	\$4.2	\$8.4	\$8.4	7.5%	7.5%
Klickitat								
Lewis	\$7.9	\$6.5	\$3.9	\$2.4	\$8.1	\$4.4	2.3%	-32.5%
Lincoln								
Mason	\$5.7	\$5.5	\$9.0	\$9.0	\$7.0	\$7.0	23.4%	27.1%
Okanogan	\$5.2	\$5.2	\$2.7	\$2.7	\$4.4	\$4.4	-15.7%	-15.7%
Pacific								
Pend Oreille	\$0.2	\$0.2	\$0.0	\$0.0	\$0.2	\$0.2	-21.9%	-21.9%
Pierce	\$133.4	\$128.4	\$103.4	\$95.3	\$114.3	\$94.9	-14.3%	-26.2%
San Juan	\$13.7	\$13.7	\$4.4	\$4.4	\$6.1	\$6.1	-55.7%	-55.7%
Skagit	\$10.8	\$10.5	\$8.3	\$8.3	\$9.8	\$9.8	-9.4%	-6.8%
Skamania	\$0.9	\$0.9	\$0.7	\$0.7	\$3.6	\$3.6	299.5%	299.5%
Snohomish	\$110.3	\$101.8	\$121.9	\$118.5	\$151.0	\$107.2	36.9%	5.3%
Spokane	\$69.7	\$43.7	\$20.4	\$19.7	\$59.3	\$38.7	-14.9%	-11.6%
Stevens	\$0.2	\$0.2	\$0.1	\$0.1	\$0.3	\$0.3	64.0%	64.0%
Thurston	\$55.1	\$54.2	\$42.7	\$42.5	\$42.9	\$38.7	-22.1%	-28.6%
Wahkiakum								
Walla Walla	\$3.2	\$3.2	\$2.0	\$2.0	\$2.6	\$2.6	-19.5%	-19.5%
Whatcom	\$16.2	\$15.7	\$10.2	\$7.9	\$13.6	\$13.6	-16.2%	-13.6%
Whitman	\$6.0	\$2.4	\$1.6	\$1.6	\$2.3	\$2.3	-62.4%	-4.5%
Yakima	\$14.3	\$14.3	\$8.6	\$8.6	\$8.9	\$8.9	-38.1%	-38.1%
Statewide	\$918.2	\$812.9	\$682.9	\$644.3	\$1,102.4	\$758.8	20.1%	-6.7%

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.

Home Sales Change (SAAR) 2011Q1-2011Q2

