



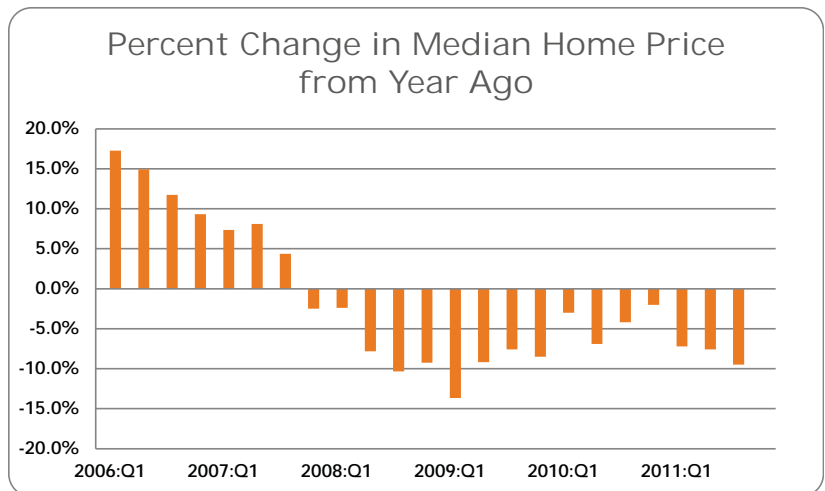
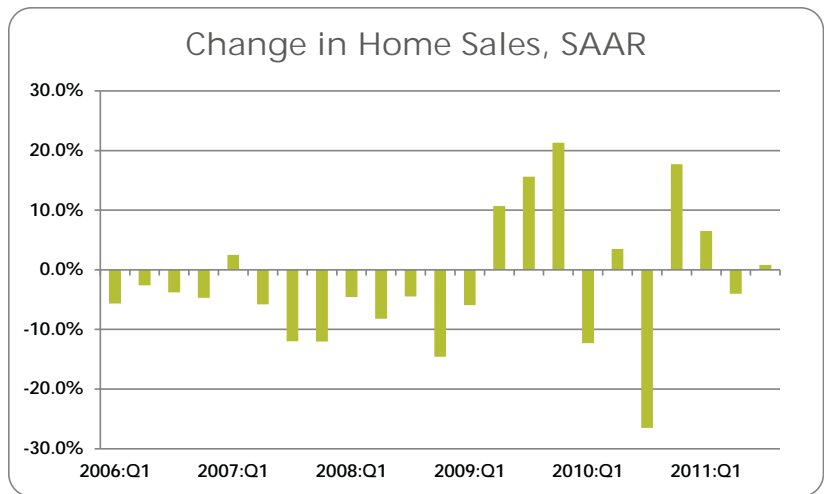
Washington State's Housing Market

3rd Quarter 2011

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

Washington Market Highlights: Third Quarter 2011

- ▶ Existing home sales in Washington increased during the third quarter by 0.8 percent to a seasonally adjusted annual rate of 85,870 units. The sales rate was 21.7 percent higher than the third quarter of 2010 when the final tax credit stimulus had just expired.
- ▶ Total building permits issued during the quarter in the 33 counties where some or all jurisdictions report permits to the Census Bureau totaled 5,604 units, 23.8 percent more than a year earlier. Multifamily construction increased 50.4 percent while single-family home building was up 8.3 percent.
- ▶ The median price home sold in Washington during the third quarter was \$225,300, 9.5 percent below a year earlier. This was one of the largest declines of the downturn.
- ▶ Price drops and lower mortgage rates combined to push housing affordability for both repeat and first-time buyers to record highs. The all-buyer index stood at 160.7 and the first-time index was 87.4.
- ▶ Multiple listing services indicated a total of 45,650 homes were on the market at the end of the quarter, enough to sustain sales at current rates for 7.3 months. This is beginning to look like a stabilizing inventory level.
- ▶ 5,165 mortgage foreclosures were completed during the quarter, but 76,800 Washington mortgages are still in the foreclosure pipeline or at least 90-days past due, indicating the foreclosure overhang will persist beyond 2012.
- ▶ Continuing price declines and expectation of low interest rates to prevail until mid-2013 may cause buyers to keep waiting for the market bottom, resulting in another slow market in 2012.



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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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.

Third Quarter 2011

Economic news continues to dominate the headlines, with employment growth agonizingly slow, and an economy gyrating between bursts of improving news and another round of jitters from abroad. Similarly, national real estate markets are bouncing around the bottom, with sales activity beginning to modestly improve, while home prices continue to decline on a year-to-year basis (although some seasonally adjusted prices are beginning to edge up from period to period). Foreclosure inventories remain high, but other measures of delinquency and new foreclosure starts are beginning to stabilize. Affordability is better than at any time in recent memory, but potential homebuyers are remaining on the sidelines until conditions become clear.

Home Resales

During the third quarter of 2011, existing homes in Washington sold at a seasonally adjusted annual rate of 85,870 units. This represented a 0.8 percent improvement in the sales rate after a decline in the prior quarter. The comparison to the year-ago sales rate was a sharp 21.7 percent jump in sales, but that comparison was to the earlier

period immediately after the expiration of the Federal tax credit.

As the adage goes, all real estate is local, and comparisons of home sales performance at the county level throughout the state bears this out. Compared to the previous quarter, the sales rate increased in 18 of Washington's 39 counties and declined in 19. The remaining two counties reported no change in sales. The greatest sales surge was 200 percent in Skamania County, while the greatest decline was 33.3 percent in Wahkiakum



County. Since both of these counties are small (even though Skamania is considered part of the Portland metropolitan area), it is informative to focus on the larger metropolitan markets. Among those, the strongest was a 44.1 percent increase in Douglas County (Wenatchee MSA) while the weakest was an 11.7 percent drop in Cowlitz County (Longview). Among the smaller population centers characterized as micropolitan by the Office of Management and Budget, the range was from an increase of 30.4 percent in Island County to a decline of 13.2 percent in Grant County (Moses Lake). Only one other micropolitan county experienced a quarter-to-quarter weakening of the market.

In terms of absolute numbers of home sales, the 5-county Central Puget Sound region continues to generate the lion's share of housing market activity, with a seasonally adjusted sales rate of 47,630 units or 55.5 percent of the statewide total within the region. By contrast, the five counties with the fewest home sales represented only a 370 unit sales rate, 0.4 percent of the statewide total.

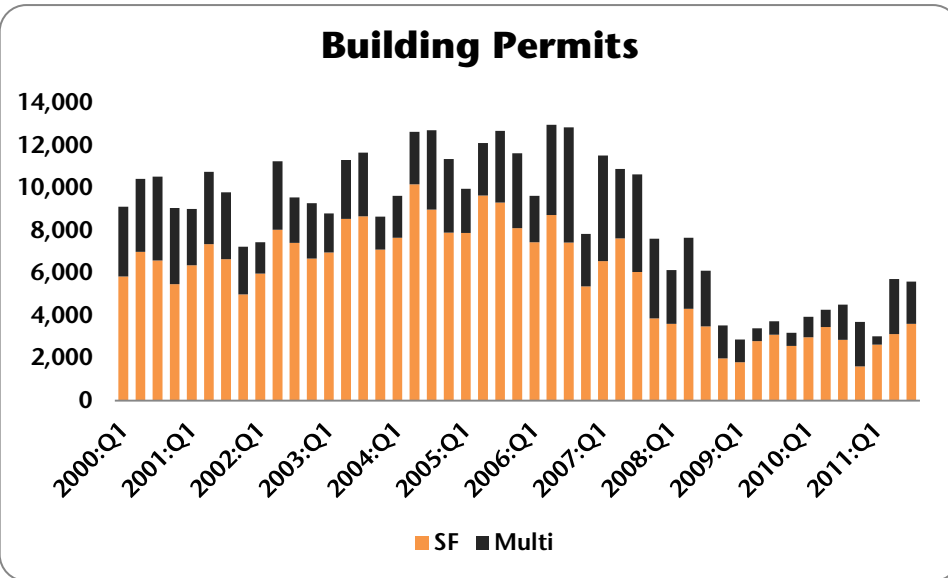
Housing Construction

It would be nice if new home sales, or even housing starts data, were available at the state level or below. Unfortunately, the best housing construction data available at lower levels of geography from the Census data is for building permits. During the third quarter the jurisdictions which report permit data monthly to the Census Bureau authorized construction of 5,604 housing units, an increase of 23.8 percent compared to the same period in 2010. While quarter-to-quarter changes in data which has not been seasonally adjusted is difficult to interpret, there were 126 fewer permits issued in the most recent quarter than in the April-June period.

News reports seem to regularly include announcements of new apartment projects in most urban markets, and analysts are discussing a long-term focus on rental housing. Washington seems to be following that tendency as well. Single-family building permits increased 8.3 percent compared to the third quarter of 2010 while permits for units in buildings with at least two units increased 50.4 percent over the same period. Total value of residential building permits issued during the third quarter was \$1,036.6 million, 27.6 percent above a year ago, while the single-family permit value increased 9.8 percent to \$765.6 million. The average single-family permit value throughout the state

was \$224,900 (not including land cost), down from \$243,600 a year earlier.

Building permit activity (including both single-family and multifamily construction) was especially strong in Spokane, Benton, Whitman, Skamania and Pierce counties, all of which saw at least a 90 percent jump in activity. Overall, 15 of the 33 reporting counties saw increased permit activity compared to the third quarter of 2010. Lewis County reported the largest decline in construction activity for the quarter. Single-family



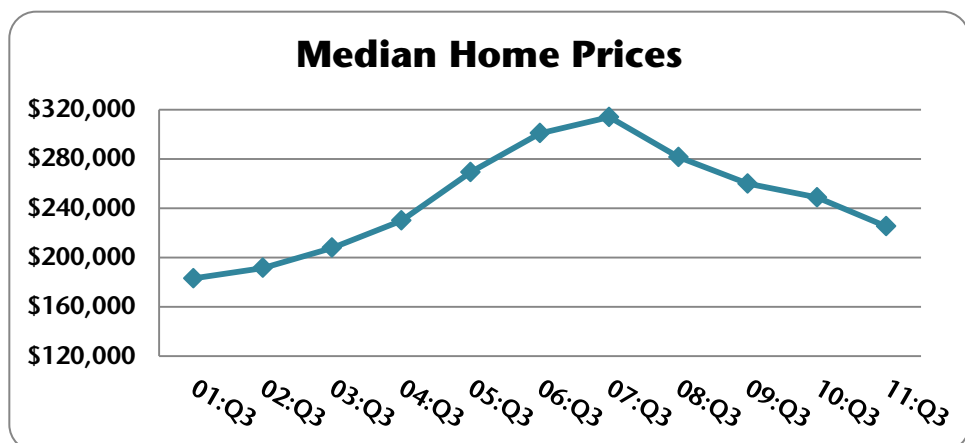
construction was spotty throughout the state, ranging from a 150.0 percent jump in Skamania County and an increase of 79.8 percent in Benton County to a drop of 38.5 percent in Whitman County.

Building permits valued at more than \$100 million were issued in King, Pierce and Snohomish counties, with those three jurisdictions accounting for 57.7 percent of statewide construction value.

Home Prices

Sluggish demand for housing, as consumers are reluctant to purchase homes they believe may continue to lose value, coupled with the inventory of homes returned to lenders through foreclosure, and properties still in or approaching the foreclosure pipeline, continue to influence home sales prices negatively. The median home sale price, statewide, during the third quarter was \$225,300, 9.5 percent lower than a year ago. Only the third quarter of 2008 and the first quarter of 2009, during the formal recession, saw larger year-to-year declines in the median selling price. 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.

Other measures of home prices, notably the widely reported Case-Shiller index and data from the Federal Housing Finance Agency, are so-called repeat sales measures which do a better job of tracking appreciation or depreciation in the value of individual homes. Third quarter data from FHFA for the state of Washington represented an 8.6 percent decline in the value of homes.



Case-Shiller data is limited to price changes in selected metropolitan areas. Their Seattle area data for September indicated a 6.5 percent decline from a year ago. The differences in these statistics suggest that investors are actively purchasing lower-cost properties with the intent of taking advantage of the improving rental market, then making cosmetic improvements to the properties once the resale market recovers. This is consistent with the higher than average frequency of cash sales discussed in the last issue of *Washington State's Housing Market*.

Median prices ranged from a high of \$350,000 in King County (last quarter's leader, San Juan County was \$5,000 lower) to a low of \$62,500 in rural Wahkiakum County. Among the metropolitan population centers, the range was from King County's high to \$145,000 in Cowlitz County (Longview). The micropolitan areas exhibited variations from a low median of \$126,000 in Grays Harbor County (Aberdeen) to a high of \$250,000 in Island County (Oak Harbor).

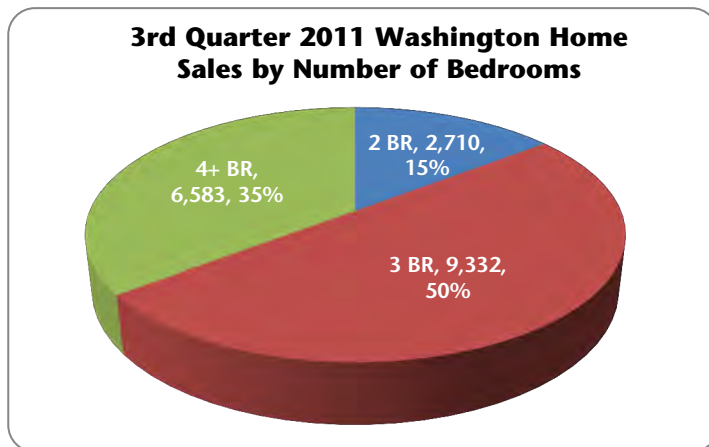
Price changes also varied widely. Median prices were lower than a year ago in 29 of Washington's 39 counties. The greatest price slide in the last year was 68.8 percent in Wahkiakim County. On the positive side, the biggest jump was 61.8 percent in Lincoln County. However, both of these counties have very few home sales and therefore often have unrepresentative price movements.

Among the metropolitan counties the range of price changes was an increase of 3.2 percent in Asotin County to a decline of 14.4 percent in Pierce County. Only three of the 17 metropolitan counties saw stable or increasing medians. Among the micropolitan areas only Walla Walla had a higher median than a year ago, with a 2.6 percent advance to \$180,000. Meanwhile, the median price slid 24.3 percent in Kittitas County (Ellensburg) to \$181,000.

Prices by Bedroom

As mentioned earlier, median prices 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.

The median price for a 2-bedroom home sold statewide during the second quarter was \$145,300, 14.6 percent lower than a year ago. Moving to the more typical 3-bedroom homes, the median declined 13.0 percent between the third quarter of 2010 and 2011, to \$203,200. Among the homes with four or more bedrooms the median was \$290,900, a decline of 9.8 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 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 \$65,000 in

Douglas County to \$234,800 in King County. For 3-bedroom homes the lowest urban median was \$140,000 in Cowlitz County, while the high was \$306,000 in King County. For the larger homes with four or more bedrooms the range was from \$184,000 in Cowlitz County to \$446,000 in King County. Statewide the price declines were greatest for the smallest units, with the 2-bedroom median falling 14.6 percent, the 3-bedroom median down 13.0 percent and the larger home median declining only 9.8 percent. This is consistent with greater numbers of distressed homebuyers and investors in the smaller, less expensive categories.

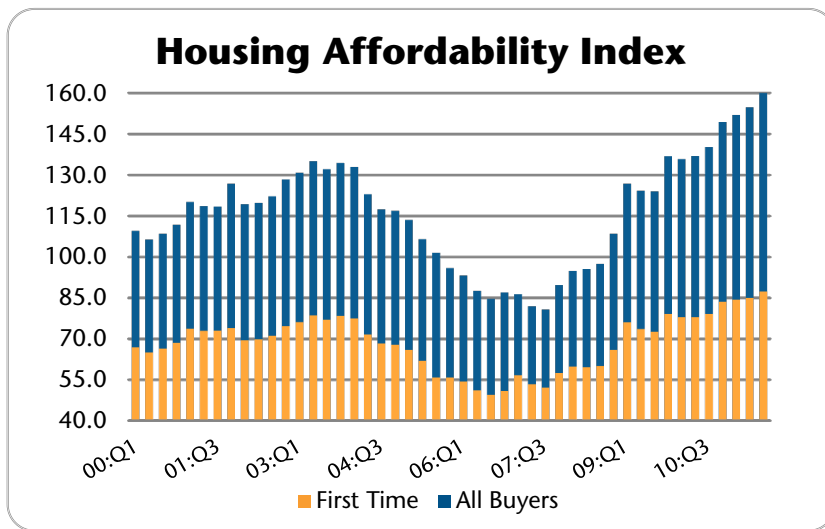
Housing Affordability

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 160.7 in the second quarter, 6.0 points above the previous record set last quarter. This index means a median income family has 60.7 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 (4.63 percent in the third quarter). 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 87.4, up 2.4 points from the previous record set only three months ago. Still, that would-be buyer continues to have a 12 percent income shortfall, meaning they need a larger downpayment or need to find a less expensive home.



The all-buyer affordability measures in the third quarter ranged from a high of 459.4 in Wahkiakum County (home to 4,100 people according to Washington's Office of Financial Management) to a low of 96.4 in San Juan County (where the population is now estimated to be 15,900 persons). Taken together, these two counties represent 0.3 percent of the population of the state. Among the metropolitan counties the range was from a low of 127.0 in King County to the high of 203.4 in Cowlitz County. For the micropolitan areas the greatest affordability was 206.2 in Grays Harbor County and the least was 143.1 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 28 counties during the third quarter (one fewer than three months ago), but still an indication that reasonable opportunities for first-time buyers are widespread. 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 53.1. Whitman County with its heavily student population presented the second-biggest challenge with an index value of 59.9. At the other extreme, would-be first time buyers encountered highly affordable conditions in Wahkiakum County where the index was 241.1

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 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	\$119,813	\$6,306	\$126,119	12.1%
\$60,000	\$1,250	\$239,625	\$26,625	\$266,250	54.8%
\$90,000	\$1,875	\$359,438	\$89,860	\$449,298	81.2%
\$150,000	\$3,125	\$599,063	\$322,572	\$921,635	95.9%

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 \$71,525, although the county-level medians ranged from a low of \$46,275 in Adams County to a high of \$87,800 in King County. Similarly, household incomes, which tend to be lower by definition, had a statewide value of \$54,676, with county-level incomes ranging from \$34,114 in Pacific County to a high of \$65,596 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. The affordable shares in the market increased when compared to the second quarter primarily because the interest rate used in the calculation was a bit lower than in the last quarter.

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. Also, 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 3.7 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 3.9 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 22.1 percent. Among the metropolitan counties the proportion of homes priced less than \$160,000 ranged from a low of 8.3 percent in King County to a high of 49.7 percent in Cowlitz County. It is also noteworthy that only 1.4 percent of the homes

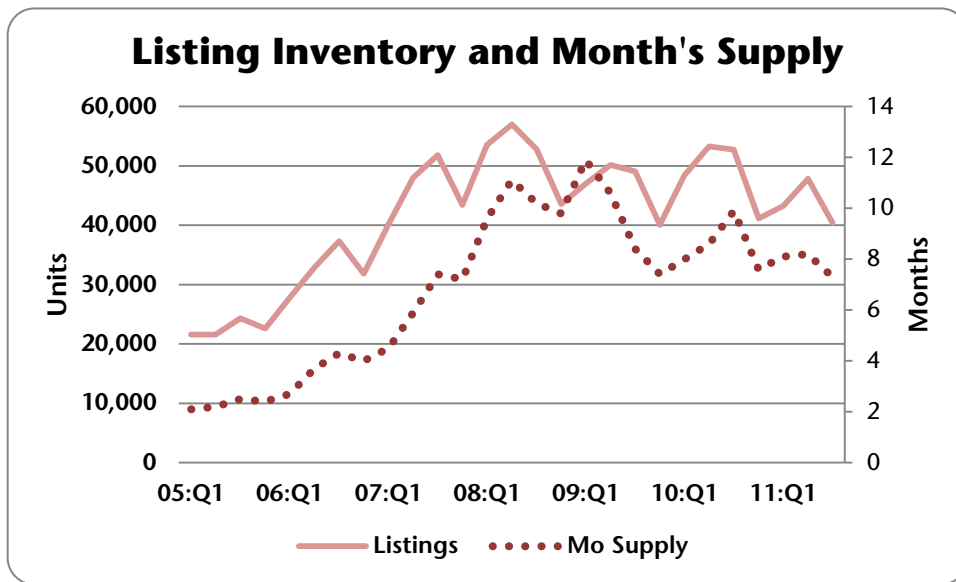
available for sale in San Juan County are offered at prices no higher than \$160,000 (and this represents a 0.6 point improvement in access!).

Available Inventory

Balance is returning to the listings available for sale (not counting the difficult to identify “shadow inventory” of real estate owned by financial institutions), but many potential sellers are holding their properties off the market until the sales rate improves. At the end of September the multiple listing services throughout the state offered 45,650 homes for sale. This is 13.4 percent fewer homes on the market than a year ago. While most communities reported a declining sales inventory, the story was once again mixed as there were year-to-year increases in the number of homes on the market in eleven of the reported counties.

King County’s listing inventory, while still the largest in the state, declined to its lowest third quarter level since the top of the market in 2005, with only 7,763 homes listed on the MLS, 24.1 percent below the year ago inventory. Pierce County had the second largest listing inventory, 4,734 homes, 15.5 percent fewer than last year. Among the metropolitan counties, only the Tri-Cities (Benton and Franklin counties) reported more listings available for sale than a year earlier. 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 7.3 months, compared to 9.9 months a year ago (immediately after the expiration of the tax credit) and 8.4 months two years ago.

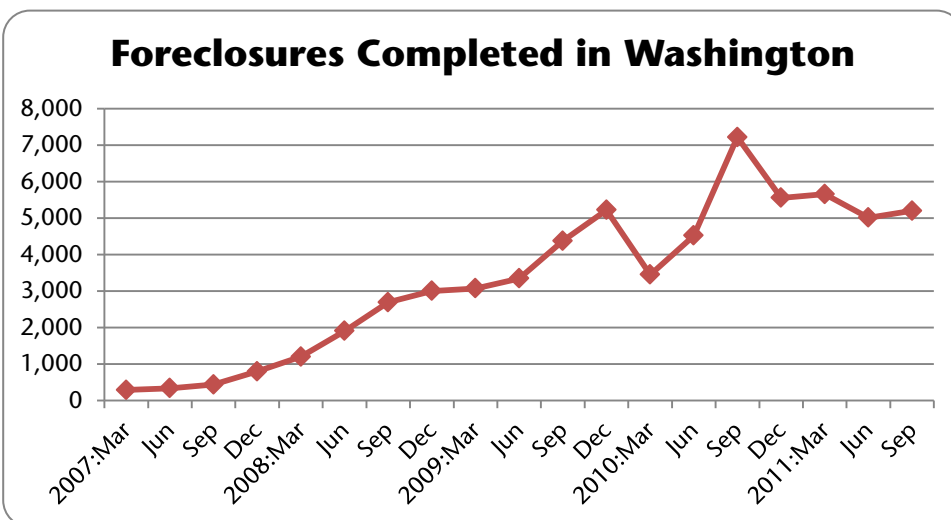
A 5-7 month inventory is considered normal or balanced, consistent with changes in median prices which are similar to overall inflation rates. Accordingly, the current market would still be characterized as nearly balanced. The assessment of balance in the current market, however, needs to be tempered 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 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.

While the statewide market is nearly balanced, many markets remain seriously oversupplied. The same cannot be said for individual local markets or price ranges. Nineteen 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. Fortunately, this is fewer significantly oversupplied counties than three months ago. The shortest month’s supply is 3.8 in Thurston County, but that could change almost overnight, depending on resolution to the state’s budget shortfall. Similarly, the King County market would be described as on the low end of balanced with a 5.1 month supply. This may indicate that more price stability is in store for 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 clearly oversupplied, while in King County (with its higher prevailing prices) even these more costly homes are generally in balance.

Market Risks

For over a month the Occupy movement has been protesting around the county, driven by sluggish job opportunities and frustrations that banks and the wealthy are not doing their part to end the economic crisis. While not directly related to the housing market, the movement is symptomatic of overall hesitation to make significant financial moves in the face of uncertainty. The financial markets gyrate based on the most recent news of potential defaults or political uprisings abroad. Meanwhile, the US political institutions seem incapable of working together to find common ground, preferring to stick to ideological extremes and gridlock. Since the county is moving into an election year, it is unlikely this will change in the short run, implying 2012 will not see a return to stability throughout the economy. This continued uncertainty about direction and solutions is a real risk to the housing market.



Adding to the risk is the continuing issue of foreclosures. RealtyTrac reported that 5,165 foreclosures on Washington homes were completed during the third quarter. This represents a decline in foreclosure completions of 28.4 percent compared to a year earlier. The decline in overall foreclosure filings was even more striking at 45.4 percent. Ordinarily, this would be viewed as a real positive, but it is indicative of how long it is taking to move these distressed properties through the pipeline.

Washington law specifies a minimum 120 days between the initial notice of delinquency and completion of the foreclosure on a deed of trust since this is a nonjudicial foreclosure state. However, Lender Processing Services has recently published data showing that, on average in nonjudicial states, mortgages are 398 days delinquent before the initial steps are taken toward foreclosure, the average delinquency for loans in the foreclosure pipeline is 510 days, and that the average delinquency at the point of foreclosure completion is 565 days—over 18 months since the last mortgage payment! Except at the point of initiation of the foreclosure process, the durations are far longer in judicial foreclosure jurisdictions.

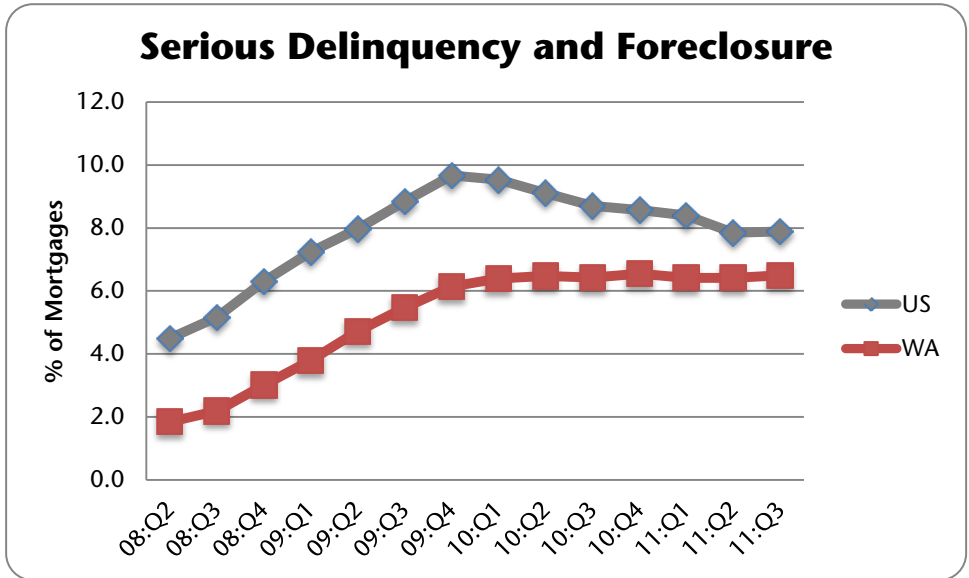
The Mortgage Bankers Association of America estimates that there are currently 76,813 mortgages in Washington that are at least 90 days delinquent or in the foreclosure pipeline. At the current foreclosure rate, that means this drag on the housing market will be with us for nearly 15 quarters (almost four more years). Fortunately, many of those properties may be sold as short sales or otherwise removed from the distressed property list, but since these properties are not eligible for the recently announced loan modification programs, it is likely many will slowly be moved through the foreclosure process. It is also possible that the processing speed will be increased, but that will leave lenders in the position of determining how quickly to dispose of their accumulated “shadow inventory” without causing addition hardship in the overall housing market.

The delinquency and foreclosure problems were initially linked to unsound lending practices during the boom, but recently the causes have been related to economic issues, especially unemployment. Regardless of the cause, it is useful to illustrate the trends in what the Mortgage Bankers Association refers to as “seriously delinquent” mortgages, those that are at least 90-days past due or in foreclosure. The third quarter 2011 data indicates that 6.50 percent of Washington mortgages are seriously delinquent, modestly increased from both the second quarter and a year earlier.

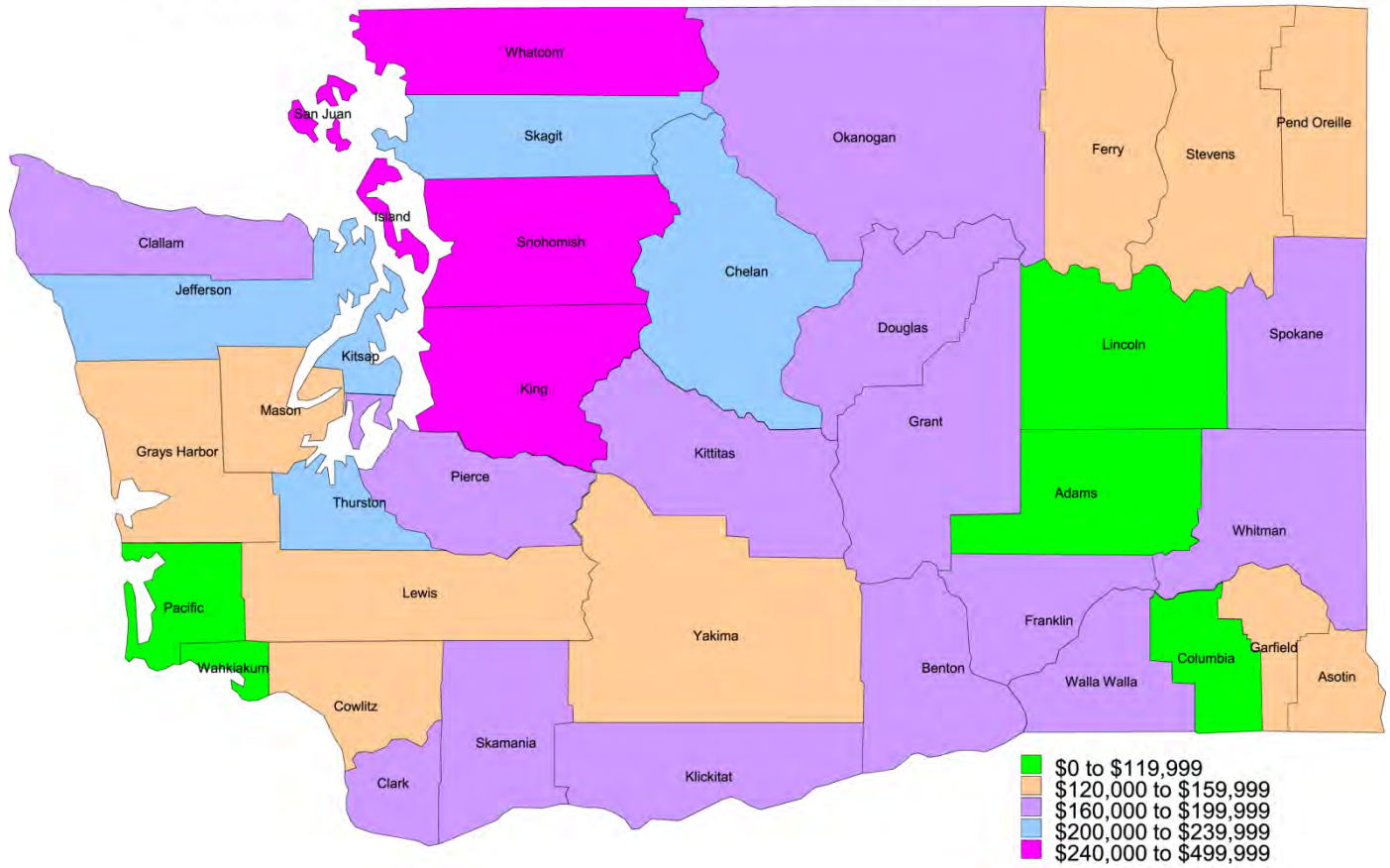
Washington's serious delinquency rate remains well below the national rate, and the rate for the Western region generally.

In summary, creating jobs remains the key, and the pressure to the private sector to increase hiring is intensified as governments at all levels are being forced to make significant budget reductions. Those budget cuts translate to reduced workforces of public servants. It remains to be seen whether the private job growth can offset the public sector job losses in the short term.

Financial uncertainty related mostly to international markets and the pressure from distressed and foreclosure homes means that the next year will remain challenging for Washington's housing market.



Median Home Sales Prices 2011:Q3



HOUSING MARKET SNAPSHOT

State of Washington and Counties Third Quarter 2011

County	Home Resales (units)		Building Permits (units)		Median Resale Price		Housing Affordability Index (HAI)	First-Time HAI	
	SAAR	% Change	#	% Change	\$	% Change			
	(last qtr)	(year ago)		(year ago)		(year ago)			
Adams	170	-10.5%		-32.0%		\$106,000	-16.9%	221.0	120.7
Asotin	290	7.4%		-23.7%		\$156,500	3.2%	177.8	90.5
Benton	2,880	-3.7%	306	188.7%		\$181,300	0.3%	183.4	111.2
Chelan	1,070	28.9%	27	-27.0%		\$219,000	-1.8%	134.9	79.5
Clallam	900	13.9%	27	-12.9%		\$177,100	-9.9%	162.6	86.5
Clark	6,060	-0.2%	268	7.6%		\$189,800	-11.0%	191.5	104.3
Columbia	80	-27.3%	0	N/A		\$92,500	-50.0%	317.0	135.0
Cowlitz	1,440	-11.7%	32	-3.0%		\$145,000	-8.5%	203.4	114.5
Douglas	490	44.1%	24	-11.1%		\$198,000	-4.7%	145.4	76.2
Ferry	100	-16.7%	0	N/A		\$155,000	6.9%	150.1	82.4
Franklin	590	-3.3%	203	44.0%		\$181,300	0.3%	183.4	89.5
Garfield	30	0.0%	0	N/A		\$156,500	3.2%	164.2	91.3
Grant	1,180	-13.2%		-4.1%		\$160,000	-2.4%	162.0	99.8
Grays Harbor	1,510	15.3%	17	-10.5%		\$126,000	-5.3%	206.2	104.1
Island	2,960	30.4%	48	41.2%		\$250,000	-5.7%	143.1	79.2
Jefferson	360	-25.0%	17	-19.0%		\$238,000	-4.8%	131.3	63.9
King	22,310	-5.2%	1,861	-4.4%		\$350,000	-10.3%	127.0	67.5
Kitsap	2,920	2.5%	107	2.9%		\$235,500	-7.7%	158.7	91.9
Kittitas	1,230	28.1%	46	27.8%		\$181,000	-24.3%	172.4	74.5
Klickitat	320	23.1%		33.3%		\$176,700	-7.0%	142.3	77.3
Lewis	740	-2.6%	24	-62.5%		\$141,100	-14.4%	198.0	108.5
Lincoln	230	-17.9%		-11.5%		\$95,000	61.8%	285.9	152.1
Mason	990	7.6%	32	-17.9%		\$142,000	-23.5%	210.8	114.9
Okanogan	440	0.0%	42	16.7%		\$166,500	-1.5%	150.7	73.8
Pacific	200	17.6%	0	0.0%		\$107,900	-19.5%	243.4	113.8
Pend Oreille	170	-15.0%	0	N/A		\$155,000	6.9%	155.5	80.4
Pierce	11,010	5.7%	786	90.3%		\$192,500	-14.4%	185.4	103.2
San Juan	120	-25.0%	32	45.5%		\$345,000	-14.2%	96.4	53.1
Skagit	1,570	9.0%	44	-27.9%		\$204,000	-7.8%	159.9	95.8
Skamania	120	200.0%	10	150.0%		\$185,000	-7.5%	196.5	91.5
Snohomish	8,080	7.3%	538	24.5%		\$240,000	-12.7%	171.5	94.9
Spokane	5,180	-6.5%	677	220.9%		\$166,800	-7.8%	187.1	95.0
Stevens	640	-16.9%	1	0.0%		\$155,000	6.9%	173.3	89.2
Thurston	3,310	-9.8%	268	-10.1%		\$223,600	-6.4%	166.3	92.8
Wahkiakum	40	-33.3%		-20.0%		\$62,500	-68.8%	459.4	241.1
Walla Walla	940	17.5%	15	7.1%		\$180,000	2.6%	162.1	86.8
Whatcom	2,100	11.7%	70	-24.7%		\$244,000	-6.5%	137.3	67.5
Whitman	430	26.5%	38	153.3%		\$193,300	-10.8%	158.1	59.9
Yakima	2,670	-4.0%	44	10.0%		\$146,000	-4.7%	175.4	99.6
Statewide	85,870	0.8%	5,604	23.8%		\$225,300	-9.5%	160.7	87.4

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								Percent change	
	10:Q1	10:Q2	10:Q3	10:Q4	11:Q1	11:Q2	11:Q3	Last qtr	Year ago
Adams	160	120	250	150	320	190	170	-10.5%	-32.0%
Asotin	370	510	380	440	360	270	290	7.4%	-23.7%
Benton	3,650	4,290	2,760	3,290	3,180	2,990	2,880	-3.7%	4.3%
Chelan	1,010	1,210	910	980	1,230	830	1,070	28.9%	17.6%
Clallam	930	1,050	820	870	1,020	790	900	13.9%	9.8%
Clark	6,330	7,020	4,510	5,420	5,860	6,070	6,060	-0.2%	34.4%
Columbia	170	120	50	90	140	110	80	-27.3%	60.0%
Cowlitz	1,560	1,460	1,170	1,170	1,360	1,630	1,440	-11.7%	23.1%
Douglas	390	370	360	430	390	340	490	44.1%	36.1%
Ferry	120	130	100	80	100	120	100	-16.7%	0.0%
Franklin	750	880	570	680	650	610	590	-3.3%	3.5%
Garfield	40	60	40	50	40	30	30	0.0%	-25.0%
Grant	1,680	1,920	1,230	1,270	1,340	1,360	1,180	-13.2%	-4.1%
Grays Harbor	1,600	1,650	1,250	1,320	1,550	1,310	1,510	15.3%	20.8%
Island	2,890	2,720	2,220	2,710	2,300	2,270	2,960	30.4%	33.3%
Jefferson	420	330	440	370	400	480	360	-25.0%	-18.2%
King	23,380	24,050	17,530	21,490	24,180	23,540	22,310	-5.2%	27.3%
Kitsap	3,360	3,460	2,630	3,120	3,010	2,850	2,920	2.5%	11.0%
Kittitas	1,590	1,250	950	1,470	1,190	960	1,230	28.1%	29.5%
Klickitat	220	270	240	160	480	260	320	23.1%	33.3%
Lewis	820	790	480	750	850	760	740	-2.6%	54.2%
Lincoln	310	320	260	220	300	280	230	-17.9%	-11.5%
Mason	1,250	930	700	810	920	920	990	7.6%	41.4%
Okanogan	560	690	350	600	440	440	440	0.0%	25.7%
Pacific	220	230	170	210	220	170	200	17.6%	17.6%
Pend Oreille	210	220	170	140	170	200	170	-15.0%	0.0%
Pierce	9,930	10,180	8,170	10,100	10,340	10,420	11,010	5.7%	34.8%
San Juan	220	120	120	190	200	160	120	-25.0%	0.0%
Skagit	1,540	1,740	1,300	1,470	1,760	1,440	1,570	9.0%	20.8%
Skamania	120	150	70	80	150	40	120	200.0%	71.4%
Snohomish	8,170	8,300	6,320	7,500	8,050	7,530	8,080	7.3%	27.8%
Spokane	6,850	7,220	4,750	4,920	5,910	5,540	5,180	-6.5%	9.1%
Stevens	800	830	670	530	670	770	640	-16.9%	-4.5%
Thurston	4,010	3,990	3,330	3,830	3,480	3,670	3,310	-9.8%	-0.6%
Wahkiakum	60	90	50	50	110	60	40	-33.3%	-20.0%
Walla Walla	1,090	1,030	700	960	990	800	940	17.5%	34.3%
Whatcom	2,300	2,060	1,770	2,130	1,950	1,880	2,100	11.7%	18.6%
Whitman	300	360	260	390	370	340	430	26.5%	65.4%
Yakima	3,360	3,910	2,520	2,630	2,780	2,780	2,670	-4.0%	6.0%
Statewide	92,740	96,030	70,570	83,070	88,760	85,210	85,870	0.8%	21.7%

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	11:Q3	Percent change (Year ago)
dams	30	30	80	40	180	60	50	50	-37.5%
Asotin	70	150	110	100	430	70	80	90	-18.2%
Benton	750	1,210	790	750	3,500	650	830	810	2.5%
Chelan	180	360	260	230	1,030	220	250	300	15.4%
Clallam	170	280	240	220	910	190	210	260	8.3%
Clark	1,300	2,000	1,280	1,230	5,810	1,190	1,680	1,730	35.2%
Columbia	40	30	10	20	100	30	30	20	100.0%
Cowlitz	310	400	330	290	1,330	280	450	400	21.2%
Douglas	70	100	100	110	380	70	90	140	40.0%
Ferry	20	30	30	20	100	20	30	30	0.0%
Franklin	150	250	160	150	710	130	170	170	6.3%
Garfield	10	20	10	10	50	10	10	10	0.0%
Grant	300	520	360	330	1,510	230	380	340	-5.6%
Grays Harbor	310	450	350	330	1,440	290	370	410	17.1%
Island	550	750	690	610	2,600	440	630	860	24.6%
Jefferson	100	60	120	110	390	100	90	90	-25.0%
King	4,570	6,810	5,080	4,970	21,430	4,570	6,530	6,490	27.8%
Kitsap	680	960	760	730	3,130	600	770	840	10.5%
Kittitas	270	360	300	320	1,250	210	280	370	23.3%
Klickitat	40	80	70	40	230	90	80	90	28.6%
Lewis	170	210	140	180	700	170	200	220	57.1%
Lincoln	50	90	80	60	280	50	70	70	-12.5%
Mason	210	260	220	190	880	160	260	300	36.4%
Okanogan	80	240	100	130	550	60	180	120	20.0%
Pacific	50	60	50	50	210	50	40	60	20.0%
Pend Oreille	30	50	50	40	170	30	50	50	0.0%
Pierce	2,040	2,860	2,290	2,360	9,550	2,090	2,900	3,060	33.6%
San Juan	40	40	30	50	160	40	40	40	33.3%
Skagit	300	490	370	350	1,510	330	410	450	21.6%
Skamania	20	40	20	20	100	30	10	30	50.0%
Snohomish	1,660	2,350	1,820	1,690	7,520	1,600	2,130	2,310	26.9%
Spokane	1,090	2,060	1,410	1,270	5,830	920	1,590	1,580	12.1%
Stevens	130	210	210	140	690	110	200	200	-4.8%
Thurston	810	1,080	980	890	3,760	700	980	970	-1.0%
Wahkiakum	10	30	20	10	70	20	20	10	-50.0%
Walla Walla	200	280	200	260	940	170	210	250	25.0%
Whatcom	430	600	530	470	2,030	360	540	620	17.0%
Whitman	40	150	80	60	330	50	140	120	50.0%
Yakima	670	1,090	710	630	3,100	560	770	750	5.6%
Statewide	17,950	27,040	20,440	19,460	84,890	16,950	23,750	24,710	20.9%

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	10:Q1	10:Q2	10:Q3	10:Q4	10 Annual	11:Q1	11:Q2	11:Q3	%Ch Q3
Adams	\$110,000	\$120,000	\$127,500	\$120,000	\$123,900	\$114,000	\$127,300	\$106,000	-16.9%
Asotin	\$140,500	\$152,600	\$151,700	\$142,700	\$147,800	\$128,900	\$164,500	\$156,500	3.2%
Benton	\$176,600	\$173,100	\$180,800	\$182,400	\$177,500	\$175,400	\$174,400	\$181,300	0.3%
Chelan	\$230,000	\$215,000	\$223,000	\$220,600	\$224,900	\$207,300	\$215,000	\$219,000	-1.8%
Clallam	\$213,100	\$209,800	\$196,500	\$204,200	\$206,400	\$176,400	\$185,300	\$177,100	-9.9%
Clark	\$218,100	\$214,100	\$213,200	\$201,700	\$212,500	\$194,200	\$190,400	\$189,800	-11.0%
Columbia	\$132,500	\$107,500	\$185,000	\$89,500	\$125,000	\$129,100	\$107,500	\$92,500	-50.0%
Cowlitz	\$151,000	\$160,400	\$158,500	\$149,300	\$155,000	\$140,500	\$130,000	\$145,000	-8.5%
Douglas	\$210,500	\$226,500	\$207,800	\$200,000	\$210,500	\$225,000	\$201,000	\$198,000	-4.7%
Ferry	\$129,000	\$152,000	\$145,000	\$140,000	\$144,300	\$130,000	\$140,000	\$155,000	6.9%
Franklin	\$176,600	\$173,100	\$180,800	\$182,400	\$177,500	\$175,400	\$174,400	\$181,300	0.3%
Garfield	\$140,500	\$152,600	\$151,700	\$142,700	\$147,800	\$128,900	\$164,500	\$156,500	3.2%
Grant	\$158,500	\$163,100	\$163,900	\$157,000	\$160,000	\$158,900	\$150,000	\$160,000	-2.4%
Grays Harbor	\$140,000	\$130,000	\$133,000	\$136,000	\$135,000	\$121,500	\$112,300	\$126,000	-5.3%
Island	\$265,000	\$262,500	\$265,000	\$252,500	\$260,000	\$239,800	\$255,000	\$250,000	-5.7%
Jefferson	\$272,500	\$281,000	\$250,000	\$254,900	\$265,000	\$260,000	\$245,500	\$238,000	-4.8%
King	\$370,000	\$375,500	\$390,000	\$369,900	\$375,000	\$345,000	\$348,300	\$350,000	-10.3%
Kitsap	\$235,000	\$235,000	\$255,100	\$236,000	\$240,000	\$235,000	\$235,000	\$235,500	-7.7%
Kittitas	\$210,000	\$203,000	\$239,000	\$228,000	\$214,000	\$205,000	\$192,500	\$181,000	-24.3%
Klickitat	\$233,300	\$193,300	\$190,000	\$193,300	\$198,800	\$202,300	\$212,500	\$176,700	-7.0%
Lewis	\$139,900	\$161,500	\$164,900	\$145,000	\$154,300	\$137,500	\$135,000	\$141,100	-14.4%
Lincoln	\$80,000	\$30,000	\$58,700	\$85,000	\$73,600	\$45,000	\$70,000	\$95,000	61.8%
Mason	\$159,500	\$165,000	\$185,500	\$164,900	\$165,000	\$154,500	\$140,000	\$142,000	-23.5%
Okanogan	\$164,500	\$161,000	\$169,000	\$185,000	\$169,000	\$153,800	\$149,500	\$166,500	-1.5%
Pacific	\$127,900	\$134,000	\$134,000	\$113,500	\$128,000	\$119,500	\$116,000	\$107,900	-19.5%
Pend Oreille	\$129,000	\$152,000	\$145,000	\$140,000	\$144,300	\$130,000	\$140,000	\$155,000	6.9%
Pierce	\$215,000	\$220,000	\$225,000	\$212,000	\$220,000	\$199,900	\$197,000	\$192,500	-14.4%
San Juan	\$372,500	\$328,800	\$402,000	\$495,000	\$422,500	\$442,500	\$422,500	\$345,000	-14.2%
Skagit	\$220,000	\$226,300	\$221,200	\$228,300	\$223,000	\$204,700	\$198,000	\$204,000	-7.8%
Skamania	\$160,000	\$156,700	\$200,000	\$155,000	\$160,000	\$150,000	\$125,000	\$185,000	-7.5%
Snohomish	\$279,000	\$279,500	\$275,000	\$262,700	\$275,000	\$245,000	\$241,500	\$240,000	-12.7%
Spokane	\$170,200	\$171,400	\$181,000	\$168,500	\$172,700	\$162,600	\$161,500	\$166,800	-7.8%
Stevens	\$129,000	\$152,000	\$145,000	\$140,000	\$144,300	\$130,000	\$140,000	\$155,000	6.9%
Thurston	\$228,200	\$231,000	\$239,000	\$224,900	\$230,000	\$209,500	\$220,000	\$223,600	-6.4%
Wahkiakum	\$168,500	\$145,500	\$200,000	\$135,000	\$148,000	\$148,300	\$80,000	\$62,500	-68.8%
Walla Walla	\$180,000	\$185,000	\$175,500	\$171,000	\$180,000	\$164,900	\$167,500	\$180,000	2.6%
Whatcom	\$241,400	\$250,200	\$261,000	\$250,000	\$250,000	\$245,200	\$253,000	\$244,000	-6.5%
Whitman	\$206,200	\$208,000	\$216,700	\$183,700	\$201,700	\$170,000	\$192,700	\$193,300	-10.8%
Yakima	\$147,200	\$152,700	\$153,200	\$154,300	\$151,500	\$140,800	\$150,700	\$146,000	-4.7%
Statewide	\$245,900	\$245,500	\$248,900	\$238,800	\$246,300	\$228,100	\$226,900	\$225,300	-9.5%

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		
	2010	2011	% ch	2010	2011	% ch	2010	2011	% ch
Adams	\$47,500	\$55,000	15.8%	\$132,100	\$120,000	-9.2%	\$130,000	\$120,000	-7.7%
Asotin	\$95,800	\$102,500	7.0%	\$153,100	\$154,400	0.8%	\$225,000	\$200,000	-11.1%
Benton	\$107,300	\$93,000	-13.3%	\$168,500	\$166,200	-1.4%	\$242,300	\$239,800	-1.0%
Chelan	\$170,000	\$166,000	-2.4%	\$223,600	\$220,300	-1.5%	\$282,100	\$283,300	0.4%
Clallam	\$146,700	\$152,500	4.0%	\$220,700	\$189,200	-14.3%	\$190,000	\$173,300	-8.8%
Clark	\$128,300	\$106,900	-16.7%	\$183,600	\$167,800	-8.6%	\$278,500	\$249,100	-10.6%
Columbia	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cowlitz	\$103,000	\$84,000	-18.4%	\$162,500	\$140,000	-13.8%	\$195,000	\$184,000	-5.6%
Douglas	\$50,000	\$65,000	30.0%	\$201,900	\$196,000	-2.9%	\$271,400	\$247,200	-8.9%
Ferry	\$115,000	\$128,000	11.3%	\$153,700	\$165,000	7.4%	\$196,700	\$200,000	1.7%
Franklin	\$107,300	\$93,000	-13.3%	\$168,500	\$166,200	-1.4%	\$242,300	\$239,800	-1.0%
Garfield	\$95,800	\$102,500	7.0%	\$153,100	\$154,400	0.8%	\$225,000	\$200,000	-11.1%
Grant	\$113,500	\$114,500	0.9%	\$151,800	\$155,000	2.1%	\$211,000	\$204,800	-2.9%
Grays Harbor	\$118,200	\$91,500	-22.6%	\$152,500	\$138,300	-9.3%	\$140,000	\$195,000	39.3%
Island	\$250,000	\$243,000	-2.8%	\$265,000	\$240,000	-9.4%	\$295,000	\$288,500	-2.2%
Jefferson	\$250,000	\$203,800	-18.5%	\$250,000	\$277,000	10.8%	\$360,000	\$575,000	59.7%
King	\$293,000	\$234,800	-19.9%	\$350,000	\$306,000	-12.6%	\$480,000	\$446,000	-7.1%
Kitsap	\$219,700	\$150,000	-31.7%	\$253,000	\$230,000	-9.1%	\$332,500	\$290,000	-12.8%
Kittitas	\$220,000	\$125,000	-43.2%	\$235,000	\$196,500	-16.4%	\$385,000	\$228,800	-40.6%
Klickitat	\$155,000	\$80,000	-48.4%	\$218,700	\$225,000	2.9%	\$120,000	\$163,300	36.1%
Lewis	\$114,500	\$107,500	-6.1%	\$173,400	\$155,900	-10.1%	\$187,800	\$173,000	-7.9%
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mason	\$183,900	\$126,500	-31.2%	\$180,000	\$144,500	-19.7%	\$340,000	\$209,000	-38.5%
Okanogan	\$130,000	\$169,000	30.0%	\$190,000	\$150,000	-21.1%	\$207,000	\$251,000	21.3%
Pacific	\$96,000	\$82,500	-14.1%	\$162,000	\$127,500	-21.3%	\$175,000	\$89,500	-48.9%
Pend Oreille	\$115,000	\$128,000	11.3%	\$153,700	\$165,000	7.4%	\$196,700	\$200,000	1.7%
Pierce	\$149,900	\$116,000	-22.6%	\$211,400	\$179,800	-14.9%	\$260,000	\$232,000	-10.8%
San Juan	\$420,000	\$317,500	-24.4%	\$400,000	\$345,000	-13.8%	\$999,000	\$1,342,500	34.4%
Skagit	\$160,000	\$145,500	-9.1%	\$219,500	\$201,300	-8.3%	\$307,000	\$264,000	-14.0%
Skamania	\$110,000	\$15,000	-86.4%	\$237,500	\$190,000	-20.0%	N/A	N/A	N/A
Snohomish	\$190,000	\$140,900	-25.8%	\$254,300	\$214,000	-15.8%	\$327,000	\$300,000	-8.3%
Spokane	\$113,200	\$93,700	-17.2%	\$165,500	\$154,000	-6.9%	\$227,000	\$203,500	-10.4%
Stevens	\$115,000	\$128,000	11.3%	\$153,700	\$165,000	7.4%	\$196,700	\$200,000	1.7%
Thurston	\$195,000	\$161,000	-17.4%	\$225,000	\$207,000	-8.0%	\$287,000	\$270,000	-5.9%
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	\$179,500	\$150,300	-16.3%	\$260,000	\$238,800	-8.2%	\$331,000	\$320,000	-3.3%
Whitman	\$35,000	\$120,000	242.9%	\$190,000	\$158,700	-16.5%	\$275,000	\$260,700	-5.2%
Yakima	\$82,000	\$81,200	-1.0%	\$163,000	\$160,400	-1.6%	\$228,100	\$194,000	-14.9%
Statewide	\$170,100	\$145,300	-14.6%	\$233,500	\$203,200	-13.0%	\$322,400	\$290,900	-9.8%

Source: WCRER Estimates

HOUSING AFFORDABILITY INDEX

State of Washington and Counties Third Quarter 2011

	Median Price	Mortgage Rate	Monthly Payment	Median Family Income	HAI	Starter Monthly Payment	Median Household Income	First Time HAI
Adams	\$106,000	4.63%	\$436	\$46,275	221.0	\$429	\$35,530	120.7
Asotin	\$156,500	4.63%	\$644	\$54,975	177.8	\$634	\$39,336	90.5
Benton	\$181,300	4.63%	\$746	\$65,675	183.4	\$734	\$56,012	111.2
Chelan	\$219,000	4.63%	\$901	\$58,375	134.9	\$887	\$48,389	79.5
Clallam	\$177,100	4.63%	\$729	\$56,900	162.6	\$717	\$42,574	86.5
Clark	\$189,800	4.63%	\$781	\$71,800	191.5	\$769	\$54,962	104.3
Columbia	\$92,500	4.63%	\$381	\$57,925	317.0	\$375	\$34,691	135.0
Cowlitz	\$145,000	4.63%	\$597	\$58,250	203.4	\$587	\$46,108	114.5
Douglas	\$198,000	4.63%	\$815	\$56,875	145.4	\$802	\$41,900	76.2
Ferry	\$155,000	4.63%	\$638	\$45,950	150.1	\$628	\$35,459	82.4
Franklin	\$181,300	4.63%	\$746	\$65,675	183.4	\$734	\$45,083	89.5
Garfield	\$156,500	4.63%	\$644	\$50,750	164.2	\$634	\$39,706	91.3
Grant	\$160,000	4.63%	\$658	\$51,200	162.0	\$648	\$44,344	99.8
Grays Harbor	\$126,000	4.63%	\$519	\$51,325	206.2	\$510	\$36,447	104.1
Island	\$250,000	4.63%	\$1,029	\$70,675	143.1	\$1,013	\$55,017	79.2
Jefferson	\$238,000	4.63%	\$979	\$61,725	131.3	\$964	\$42,240	63.9
King	\$350,000	4.63%	\$1,440	\$87,800	127.0	\$1,418	\$65,596	67.5
Kitsap	\$235,500	4.63%	\$969	\$73,850	158.7	\$954	\$60,129	91.9
Kittitas	\$181,000	4.63%	\$745	\$61,650	172.4	\$733	\$37,446	74.5
Klickitat	\$176,700	4.63%	\$727	\$49,675	142.3	\$716	\$37,921	77.3
Lewis	\$141,100	4.63%	\$581	\$55,200	198.0	\$572	\$42,508	108.5
Lincoln	\$95,000	4.63%	\$391	\$53,650	285.9	\$385	\$40,125	152.1
Mason	\$142,000	4.63%	\$584	\$59,125	210.8	\$575	\$45,337	114.9
Okanogan	\$166,500	4.63%	\$685	\$49,575	150.7	\$674	\$34,115	73.8
Pacific	\$107,900	4.63%	\$444	\$51,875	243.4	\$437	\$34,114	113.8
Pend Oreille	\$155,000	4.63%	\$638	\$47,600	155.5	\$628	\$34,623	80.4
Pierce	\$192,500	4.63%	\$792	\$70,500	185.4	\$780	\$55,202	103.2
San Juan	\$345,000	4.63%	\$1,420	\$65,725	96.4	\$1,398	\$50,905	53.1
Skagit	\$204,000	4.63%	\$840	\$64,450	159.9	\$826	\$54,290	95.8
Skamania	\$185,000	4.63%	\$761	\$71,800	196.5	\$749	\$46,998	91.5
Snohomish	\$240,000	4.63%	\$988	\$81,325	171.5	\$972	\$63,293	94.9
Spokane	\$166,800	4.63%	\$686	\$61,650	187.1	\$676	\$44,000	95.0
Stevens	\$155,000	4.63%	\$638	\$53,075	173.3	\$628	\$38,413	89.2
Thurston	\$223,600	4.63%	\$920	\$73,475	166.3	\$906	\$57,607	92.8
Wahkiakum	\$62,500	4.63%	\$257	\$56,725	459.4	\$253	\$41,855	241.1
Walla Walla	\$180,000	4.63%	\$741	\$57,625	162.1	\$729	\$43,416	86.8
Whatcom	\$244,000	4.63%	\$1,004	\$66,200	137.3	\$988	\$45,715	67.5
Whitman	\$193,300	4.63%	\$796	\$60,375	158.1	\$783	\$32,160	59.9
Yakima	\$146,000	4.63%	\$601	\$50,575	175.4	\$591	\$40,401	99.6
Statewide	\$225,300	4.63%	\$927	\$71,525	160.7	\$913	\$54,676	87.4

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:Q3	09:Q4	10:Q1	10:Q2	10:Q3	10:Q4	11:Q1	11:Q2	11:Q3
Adams	178.8	191.9	209.5	193.3	188.9	205.3	205.8	182.4	221.0
Asotin	170.7	180.3	184.8	171.4	179.1	195.0	209.1	164.9	177.8
Benton	174.5	187.2	176.3	180.4	178.7	180.6	182.5	185.2	183.4
Chelan	124.2	124.4	119.7	129.5	130.2	135.3	139.0	134.4	134.9
Clallam	118.1	130.2	125.7	127.9	141.1	138.2	156.0	150.5	162.6
Clark	148.6	161.9	154.8	158.7	165.4	178.9	180.4	185.6	191.5
Columbia	194.4	200.5	206.7	256.3	154.6	326.7	219.6	265.6	317.0
Cowlitz	162.2	175.1	184.0	173.9	182.1	197.2	203.1	220.9	203.4
Douglas	110.8	136.2	127.5	119.8	136.2	145.5	124.8	140.1	145.4
Ferry	152.2	149.8	171.9	146.8	159.6	169.1	175.3	162.9	150.1
Franklin	174.5	187.2	176.3	180.4	178.7	180.6	182.5	185.2	183.4
Garfield	170.5	179.6	184.0	170.5	178.0	193.6	202.7	156.0	164.2
Grant	136.4	164.4	151.9	148.4	153.1	163.3	156.9	167.8	162.0
Grays Harbor	173.6	181.3	174.5	188.6	190.9	190.4	206.7	225.2	206.2
Island	117.4	123.0	123.8	125.2	128.1	136.9	141.2	135.2	143.1
Jefferson	105.4	91.4	104.0	101.5	118.4	118.7	113.9	122.7	131.3
King	104.2	110.0	111.5	110.5	110.4	119.1	124.0	124.0	127.0
Kitsap	132.6	140.6	145.4	146.2	139.7	154.4	151.5	153.7	158.7
Kittitas	128.9	124.5	136.3	142.1	125.5	134.7	145.9	157.2	172.4
Klickitat	130.5	143.2	107.3	130.2	137.3	137.9	125.2	117.6	142.3
Lewis	151.8	165.6	182.5	158.7	160.9	186.6	192.7	199.6	198.0
Lincoln	N/A	N/A	N/A	N/A	N/A	322.6	588.3	379.3	285.9
Mason	151.9	172.5	173.3	168.6	155.7	179.2	186.0	207.4	210.8
Okanogan	129.5	131.7	132.7	136.9	135.9	127.4	151.6	160.3	150.7
Pacific	155.0	158.5	192.2	184.2	190.8	230.0	212.0	220.2	243.4
Pend Oreille	158.5	155.3	178.3	152.3	165.7	175.6	181.9	168.8	155.5
Pierce	137.9	149.1	152.9	150.6	153.1	166.4	171.6	175.9	185.4
San Juan	60.4	75.3	86.5	98.6	83.7	69.5	74.5	77.6	96.4
Skagit	122.2	132.4	134.6	132.0	140.4	139.4	151.9	159.3	159.9
Skamania	153.1	171.5	211.0	216.8	176.4	232.8	233.6	282.7	196.5
Snohomish	124.0	133.9	136.9	137.5	145.0	155.3	161.8	165.6	171.5
Spokane	156.7	170.4	169.9	169.2	165.7	181.4	183.3	187.0	187.1
Stevens	170.4	167.3	192.3	164.3	178.9	189.7	198.6	186.3	173.3
Thurston	133.3	148.4	148.3	147.8	148.7	162.0	169.6	163.6	166.3
Wahkiakum	156.5	284.9	176.0	205.1	154.8	234.6	200.4	361.8	459.4
Walla Walla	158.4	163.6	153.7	150.8	165.2	173.7	173.4	170.7	162.1
Whatcom	117.7	122.9	128.1	123.9	122.8	130.6	130.1	128.0	137.3
Whitman	152.8	151.7	135.0	134.8	134.4	162.2	171.2	153.3	158.1
Yakima	152.6	168.2	166.0	160.3	165.0	166.9	176.8	165.9	175.4
Statewide	124.1	136.8	135.9	136.9	140.2	149.4	152.2	154.7	160.7

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.
- 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	09:Q3	09:Q4	10:Q1	10:Q2	10:Q3	10:Q4	11:Q1	11:Q2	11:Q3
Adams	101.4	107.6	116.0	105.7	102.0	109.4	110.7	98.8	120.7
Asotin	90.2	94.9	96.7	89.0	92.4	99.9	106.9	84.1	90.5
Benton	112.7	120.0	112.3	114.2	112.3	112.7	112.8	113.4	111.2
Chelan	77.3	77.6	73.6	78.7	78.0	80.0	82.2	79.3	79.5
Clallam	65.7	72.1	69.4	70.5	77.5	75.8	84.7	80.9	86.5
Clark	85.3	91.8	87.2	88.8	92.0	98.8	99.2	101.6	104.3
Columbia	91.2	91.9	93.7	114.8	68.4	143.0	95.3	114.2	135.0
Cowlitz	92.7	99.1	104.0	98.2	102.7	111.1	114.5	124.5	114.5
Douglas	61.9	76.2	70.3	65.1	73.0	76.8	65.7	73.6	76.2
Ferry	82.5	81.1	92.9	79.2	85.9	90.8	94.9	88.8	82.4
Franklin	93.5	99.1	92.4	93.6	91.8	91.7	91.5	91.7	89.5
Garfield	94.4	98.3	99.8	91.6	94.7	102.0	108.7	85.2	91.3
Grant	92.3	108.8	99.6	96.4	98.4	103.9	98.8	104.5	99.8
Grays Harbor	90.2	92.1	88.6	95.7	96.7	96.4	104.6	113.9	104.1
Island	69.8	72.0	72.4	73.0	74.4	79.3	80.6	76.0	79.2
Jefferson	55.7	48.0	54.3	52.5	60.8	60.5	57.2	60.7	63.9
King	59.2	61.7	62.1	61.1	60.5	64.7	66.9	66.4	67.5
Kitsap	81.4	85.9	88.4	88.4	84.0	92.3	89.7	90.0	91.9
Kittitas	60.4	57.6	62.5	64.6	56.4	60.0	64.3	68.6	74.5
Klickitat	70.4	78.0	57.9	69.6	72.6	72.2	66.4	63.1	77.3
Lewis	86.8	93.8	103.3	89.8	90.9	105.4	107.8	110.5	108.5
Lincoln	N/A	N/A	N/A	N/A	N/A	171.7	313.2	201.9	152.1
Mason	86.3	97.3	97.3	94.2	86.6	99.2	102.5	113.7	114.9
Okanogan	72.7	72.9	72.6	74.1	72.6	67.3	78.1	80.4	73.8
Pacific	75.5	76.3	92.2	88.0	90.8	109.0	100.0	103.5	113.8
Pend Oreille	82.7	80.4	91.9	78.2	84.6	89.2	93.0	86.9	80.4
Pierce	81.0	86.4	88.1	86.2	87.0	94.0	96.5	98.4	103.2
San Juan	34.1	42.0	47.9	54.1	45.6	37.5	40.5	42.5	53.1
Skagit	78.5	84.4	85.1	82.8	87.4	86.1	92.9	96.4	95.8
Skamania	74.4	82.6	101.1	103.3	83.6	109.7	109.6	132.2	91.5
Snohomish	72.4	77.0	78.3	78.2	82.0	87.2	90.5	92.2	94.9
Spokane	84.3	90.5	89.9	89.2	87.1	95.0	95.0	95.9	95.0
Stevens	91.9	88.9	101.7	86.5	93.7	98.9	103.1	96.3	89.2
Thurston	80.5	88.2	87.4	86.4	86.1	92.9	96.4	92.1	92.8
Wahkiakum	78.2	138.4	85.1	98.7	74.2	111.9	98.6	183.8	241.1
Walla Walla	88.4	91.0	84.7	82.2	89.1	92.8	92.8	91.4	86.8
Whatcom	61.1	63.6	66.1	63.7	62.8	66.6	65.5	63.7	67.5
Whitman	65.9	65.0	57.0	56.0	54.9	65.3	67.6	59.3	59.9
Yakima	89.4	97.1	95.5	92.0	94.5	95.2	100.8	94.4	99.6
Statewide	72.6	79.1	77.9	77.9	79.1	83.6	84.4	85.0	87.4

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 Third Quarter 2011

County	\$80,000	\$160,000	\$250,000	\$500,000
Adams	N/A	N/A	N/A	N/A
Asotin	4.1%	36.3%	74.0%	97.6%
Benton	4.8%	28.4%	65.2%	95.5%
Chelan	1.2%	12.3%	38.9%	80.2%
Clallam	7.8%	23.2%	50.1%	87.6%
Clark	2.6%	20.4%	52.6%	88.1%
Columbia	13.8%	53.2%	81.9%	98.9%
Cowlitz	10.6%	49.7%	76.4%	96.4%
Douglas	2.8%	16.2%	52.6%	91.1%
Ferry	6.1%	38.7%	65.7%	94.6%
Franklin	4.8%	28.4%	65.2%	95.5%
Garfield	4.1%	36.3%	74.0%	97.6%
Grant	5.3%	36.5%	70.8%	96.5%
Grays Harbor	15.8%	49.7%	76.4%	96.4%
Island	0.8%	9.9%	33.0%	78.0%
Jefferson	2.7%	14.0%	33.3%	79.4%
King	0.4%	8.3%	26.7%	67.6%
Kitsap	1.8%	14.0%	41.6%	82.6%
Kittitas	2.6%	17.8%	46.1%	77.2%
Klickitat	5.0%	20.2%	46.6%	85.5%
Lewis	5.4%	35.2%	71.3%	96.5%
Lincoln	N/A	N/A	N/A	N/A
Mason	8.1%	34.9%	67.3%	93.0%
Okanogan	6.8%	30.4%	57.5%	86.2%
Pacific	11.2%	46.7%	73.1%	94.9%
Pend Oreille	6.1%	38.7%	65.7%	94.6%
Pierce	3.9%	26.0%	60.3%	89.9%
San Juan	0.0%	1.4%	5.4%	41.5%
Skagit	3.2%	19.1%	47.3%	83.8%
Skamania	5.5%	38.5%	54.9%	83.5%
Snohomish	1.4%	15.4%	44.5%	86.8%
Spokane	4.8%	32.9%	67.1%	92.7%
Stevens	6.1%	38.7%	65.7%	94.6%
Thurston	2.3%	14.0%	55.2%	93.9%
Wahkiakum	N/A	N/A	N/A	N/A
Walla Walla	16.7%	40.5%	69.7%	90.7%
Whatcom	2.7%	10.4%	38.9%	82.8%
Whitman	7.8%	32.9%	65.9%	93.4%
Yakima	7.6%	41.1%	70.9%	96.1%
Statewide	3.7%	22.1%	50.9%	85.1%

Source: WCRER Estimates

LISTINGS AVAILABLE FOR SALE

State of Washington and Counties End of Third Quarters

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	341	337	381	450	473	516	867	465	-46.4%
Benton	1,756	1,575	1,754	1,641	1,582	1,456	1,538	1,726	12.2%
Chelan	393	376	350	0	588	647	658	642	-2.4%
Clallam	N/A	N/A	N/A	871	745	757	767	741	-3.4%
Clark	1,729	1,916	3,789	4,421	4,737	3,321	3,538	2,868	-18.9%
Columbia	N/A	N/A	N/A	N/A	59	70	74	94	27.0%
Cowlitz	425	411	571	778	775	640	657	558	-15.1%
Douglas	N/A	N/A	N/A	N/A	254	254	270	247	-8.5%
Ferry	332	260	288	320	432	508	535	537	0.4%
Franklin	1,756	1,575	1,754	1,641	1,582	1,456	1,538	1,726	12.2%
Garfield	341	337	381	450	473	516	867	465	-46.4%
Grant	456	370	415	603	683	667	633	585	-7.6%
Grays Harbor	486	511	692	854	884	727	862	790	-8.4%
Island	682	556	890	1,121	1,138	1,115	1,022	994	-2.7%
Jefferson	323	289	401	490	501	558	562	573	2.0%
King	7,109	6,149	7,919	11,103	11,610	9,360	10,230	7,763	-24.1%
Kitsap	1,220	1,197	1,888	2,417	2,323	1,739	1,745	1,672	-4.2%
Kittitas	316	299	403	604	695	562	548	553	0.9%
Klickitat	N/A	N/A	146	222	237	215	246	262	6.5%
Lewis	420	450	629	845	818	772	872	770	-11.7%
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mason	440	423	555	898	878	762	843	836	-0.8%
Okanogan	N/A	N/A	225	313	411	395	435	451	3.7%
Pacific	N/A	N/A	N/A	366	391	350	412	409	-0.7%
Pend Oreille	332	260	288	320	432	508	535	537	0.4%
Pierce	3,750	3,800	5,861	7,687	6,929	5,143	5,604	4,734	-15.5%
San Juan	216	210	244	329	411	431	461	466	1.1%
Skagit	608	597	919	1,145	1,142	1,198	1,166	1,011	-13.3%
Skamania	N/A	N/A	75	108	133	107	105	91	-13.3%
Snohomish	3,417	3,164	4,056	5,968	5,749	4,394	4,679	3,508	-25.0%
Spokane	1,835	1,942	2,942	3,607	3,842	3,932	3,990	3,558	-10.8%
Stevens	332	260	288	320	432	508	535	537	0.4%
Thurston	949	995	1,941	2,209	1,987	1,673	1,862	1,674	-10.1%
Wahkiakum	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Walla Walla	N/A	364	347	534	503	718	717	676	-5.7%
Whatcom	N/A	N/A	1,739	1,841	1,657	1,507	1,671	1,491	-10.8%
Whitman	132	140	162	180	203	183	195	167	-14.4%
Yakima	959	963	1,288	1,425	1,538	1,392	1,473	1,473	0.0%
Statewide	31,055	29,726	43,581	56,081	57,227	49,057	52,712	45,650	-13.4%

Source: WCRER Estimates

MONTH'S SUPPLY OF HOUSING BY PRICE RANGE

State of Washington and Counties
September 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	5.6	8.4	14.2	16.3	N/A	11.4	15.9	9.2
Benton	6.4	5.7	7.2	8.7	26.3	7.3	7.6	5.2
Chelan	2.7	8.7	10.2	18.0	30.2	13.7	16.5	15.8
Clallam	8.1	7.1	9.9	28.5	53.4	13.5	15.3	12.7
Clark	4.5	4.4	6.0	10.9	34.3	7.4	12.2	8.0
Columbia	8.4	39.8	29.1	N/A	N/A	25.3	N/A	16.6
Cowlitz	5.6	7.3	7.2	17.6	N/A	8.4	13.7	12.3
Douglas	2.0	7.2	7.6	14.8	27.4	9.1	16.2	10.6
Ferry	9.4	20.9	19.9	35.9	N/A	22.9	22.0	20.6
Franklin	6.4	5.7	7.2	8.7	26.3	7.3	7.6	5.2
Garfield	5.6	8.4	14.2	16.3	N/A	11.4	15.9	9.2
Grant	5.3	11.6	15.1	20.3	N/A	13.5	15.8	13.6
Grays Harbor	7.1	11.2	16.5	23.7	N/A	13.0	18.3	14.8
Island	4.9	6.2	8.8	12.1	27.7	11.4	16.6	15.5
Jefferson	24.3	15.7	14.5	27.8	N/A	24.1	25.9	18.3
King	1.7	4.5	4.8	4.8	5.8	5.1	9.3	6.5
Kitsap	2.8	6.0	7.2	9.4	18.3	8.5	10.3	7.6
Kittitas	3.6	6.8	12.7	16.5	410.6	14.1	19.8	14.6
Klickitat	4.0	15.0	17.9	28.7	N/A	19.6	24.9	26.2
Lewis	4.0	11.2	17.9	49.0	N/A	15.2	28.7	14.5
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mason	4.9	12.8	21.3	3.8	64.9	14.9	22.8	13.8
Okanogan	15.2	16.8	15.8	35.2	185.4	22.4	29.8	21.6
Pacific	10.4	17.8	30.8	38.2	N/A	22.2	11.4	16.2
Pend Oreille	9.4	20.9	19.9	35.9	N/A	22.9	22.0	20.6
Pierce	3.5	5.2	5.7	7.7	16.9	6.3	10.5	7.5
San Juan	N/A	N/A	10.1	30.4	111.1	46.0	26.6	19.8
Skagit	2.7	3.9	5.2	7.4	16.8	6.0	16.1	13.5
Skamania	7.2	28.9	7.2	5.0	N/A	17.5	N/A	23.6
Snohomish	3.1	4.9	4.1	5.4	13.0	5.2	4.4	7.3
Spokane	4.1	8.6	10.6	15.1	43.1	10.5	12.9	8.4
Stevens	9.4	20.9	19.9	35.9	N/A	22.9	22.0	20.6
Thurston	3.0	2.5	3.7	4.3	10.3	3.8	9.2	6.5
Wahkiakum	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Walla Walla	23.1	13.5	12.4	18.5	41.1	16.1	23.0	13.5
Whatcom	3.7	5.5	7.2	10.1	18.0	8.8	12.6	8.7
Whitman	7.4	8.5	7.9	6.6	N/A	8.0	15.5	12.2
Yakima	5.5	11.9	12.9	27.4	79.0	13.4	14.1	9.4
Statewide	4.6	6.4	6.7	7.9	10.6	7.3	9.9	8.4

Source: WCRER Estimates

RESIDENTIAL BUILDING PERMITS

Units Authorized State of Washington and Counties, Monthly

County	JUL 10		AUG 10		SEP 10		JUL 11		AUG 11		SEP 11		% Change	
	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE
Adams														
Asotin														
Benton	29	29	38	36	39	39	89	58	118	69	99	60	188.7%	79.8%
Chelan	16	16	11	11	10	10	8	8	8	8	11	11	-27.0%	-27.0%
Clallam	10	10	13	13	8	8	7	7	11	11	9	9	-12.9%	-12.9%
Clark	115	62	80	80	54	54	74	70	72	47	122	54	7.6%	-12.8%
Columbia	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
Cowlitz	9	9	15	12	9	9	12	12	12	12	8	8	-3.0%	6.7%
Douglas	8	8	8	8	11	11	4	4	13	13	7	7	-11.1%	-11.1%
Ferry	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
Franklin	50	50	51	51	40	40	62	49	77	56	64	48	44.0%	8.5%
Garfield	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
Grant														
Grays Harbor	7	7	7	7	5	5	7	7	4	4	6	6	-10.5%	-10.5%
Island	14	14	12	12	8	8	14	14	16	16	18	18	41.2%	41.2%
Jefferson	7	7	7	7	7	7	6	6	6	6	5	5	-19.0%	-19.0%
King	423	208	1,049	173	474	195	550	251	918	284	393	199	-4.4%	27.4%
Kitsap	35	35	36	36	33	33	22	22	34	34	51	35	2.9%	-12.5%
Kittitas	16	16	10	10	10	10	17	17	17	17	12	10	27.8%	22.2%
Klickitat														
Lewis	20	10	32	16	12	7	6	6	13	13	5	5	-62.5%	-27.3%
Lincoln														
Mason	14	14	12	12	13	13	13	13	8	8	11	11	-17.9%	-17.9%
Okanogan	18	18	7	7	11	11	10	10	19	16	13	13	16.7%	8.3%
Pacific														
Pend Oreille	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
Pierce	156	148	148	148	109	106	155	153	500	127	131	129	90.3%	1.7%
San Juan	10	10	6	6	6	6	8	8	11	11	13	13	45.5%	45.5%
Skagit	22	22	18	18	21	21	14	14	20	20	10	10	-27.9%	-27.9%
Skamania	0	0	1	1	3	3	4	4	3	3	3	3	150.0%	150.0%
Snohomish	137	125	130	99	165	139	168	122	180	174	190	170	24.5%	28.4%
Spokane	68	68	74	60	69	69	200	48	193	41	284	64	220.9%	-22.3%
Stevens	0	0	0	0	1	1	1	1	0	0	0	0	0.0%	0.0%
Thurston	85	85	164	67	49	49	57	57	130	58	81	74	-10.1%	-6.0%
Wahkiakum														
Walla Walla	5	5	3	3	6	6	6	6	6	6	3	3	7.1%	7.1%
Whatcom	29	29	36	31	28	20	21	21	25	22	24	19	-24.7%	-22.5%
Whitman	3	3	4	2	8	8	33	3	2	2	3	3	153.3%	-38.5%
Yakima	12	12	16	16	12	12	19	19	13	13	12	12	10.0%	10.0%
Statewide	1,318	1,020	1,988	942	1,221	900	1,587	1,010	2,429	1,091	1,588	999	23.8%	8.3%

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 2010		2nd Qtr 2011		3rd Qtr 2011		% change year ago	
	Total Value	SF Value	Total Value	SF Value	Total Value	SF Value	Total Value	SF Value
Adams								
Asotin								
Benton	\$24.2	\$23.9	\$65.3	\$52.2	\$58.9	\$46.5	144.0%	94.8%
Chelan	\$6.5	\$6.5	\$6.3	\$6.3	\$5.2	\$5.2	-19.3%	-19.3%
Clallam	\$6.5	\$6.5	\$6.4	\$6.4	\$5.3	\$5.3	-19.3%	-19.3%
Clark	\$59.9	\$56.0	\$61.1	\$60.4	\$58.7	\$51.0	-1.9%	-9.0%
Columbia	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A	N/A
Cowlitz	\$6.5	\$6.3	\$5.7	\$5.3	\$5.7	\$5.7	-11.4%	-8.4%
Douglas	\$5.8	\$5.8	\$4.7	\$4.1	\$5.0	\$5.0	-14.4%	-14.4%
Ferry								
Franklin	\$47.7	\$47.7	\$41.3	\$35.6	\$39.7	\$34.2	-16.7%	-28.4%
Garfield	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A	N/A
Grant								
Grays Harbor	\$3.3	\$3.3	\$1.8	\$1.8	\$3.5	\$3.5	7.0%	7.0%
Island	\$6.5	\$6.5	\$3.6	\$3.6	\$9.7	\$9.7	48.8%	48.8%
Jefferson	\$5.0	\$5.0	\$4.5	\$4.5	\$4.0	\$4.0	-18.6%	-18.6%
King	\$248.0	\$164.1	\$440.2	\$209.0	\$335.6	\$199.5	35.3%	21.6%
Kitsap	\$22.9	\$22.9	\$19.0	\$18.7	\$21.1	\$20.4	-7.7%	-10.9%
Kittitas	\$7.4	\$7.4	\$8.4	\$8.4	\$9.6	\$9.4	30.3%	27.0%
Klickitat								
Lewis	\$8.3	\$4.7	\$8.1	\$4.4	\$3.3	\$3.3	-60.2%	-29.6%
Lincoln								
Mason	\$6.6	\$6.6	\$7.0	\$7.0	\$7.2	\$7.2	8.0%	8.0%
Okanogan	\$5.1	\$5.1	\$4.4	\$4.4	\$5.2	\$5.2	1.5%	1.5%
Pacific								
Pend Oreille	\$0.0	\$0.0	\$0.2	\$0.2	\$0.0	\$0.0	N/A	N/A
Pierce	\$96.6	\$94.9	\$114.3	\$94.9	\$136.9	\$98.9	41.7%	4.2%
San Juan	\$5.7	\$5.7	\$6.1	\$6.1	\$10.7	\$10.7	89.2%	89.2%
Skagit	\$12.6	\$12.6	\$9.8	\$9.8	\$8.1	\$8.1	-35.8%	-35.8%
Skamania	\$0.8	\$0.8	\$3.6	\$3.6	\$1.9	\$1.9	150.4%	150.4%
Snohomish	\$95.9	\$86.6	\$151.0	\$107.2	\$125.1	\$115.7	30.4%	33.6%
Spokane	\$37.0	\$36.6	\$59.3	\$38.7	\$85.1	\$37.0	129.9%	1.0%
Stevens	\$0.2	\$0.2	\$0.3	\$0.3	\$0.1	\$0.1	-28.9%	-28.9%
Thurston	\$55.1	\$45.4	\$42.9	\$38.7	\$53.8	\$46.1	-2.4%	1.5%
Wahkiakum								
Walla Walla	\$2.6	\$2.6	\$2.6	\$2.6	\$3.3	\$3.3	28.7%	28.7%
Whatcom	\$22.6	\$20.6	\$13.6	\$13.6	\$15.6	\$14.9	-30.8%	-27.7%
Whitman	\$3.3	\$3.0	\$2.3	\$2.3	\$6.1	\$2.1	85.1%	-29.4%
Yakima	\$10.1	\$10.1	\$8.9	\$8.9	\$11.8	\$11.8	17.3%	17.3%
Statewide	\$812.5	\$697.1	\$1,102.4	\$758.8	\$1,036.6	\$765.6	27.6%	9.8%

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.

SPECIAL MESSAGE:

The next issue of this publication will have a new logo!

As of January 1, 2012, the Washington Center for Real Estate Research will be located at the University of Washington.

Our new Web address will then be: www.wcrer.uw.edu

Home Sales Change (SAAR) 2011Q2-2011Q3

