



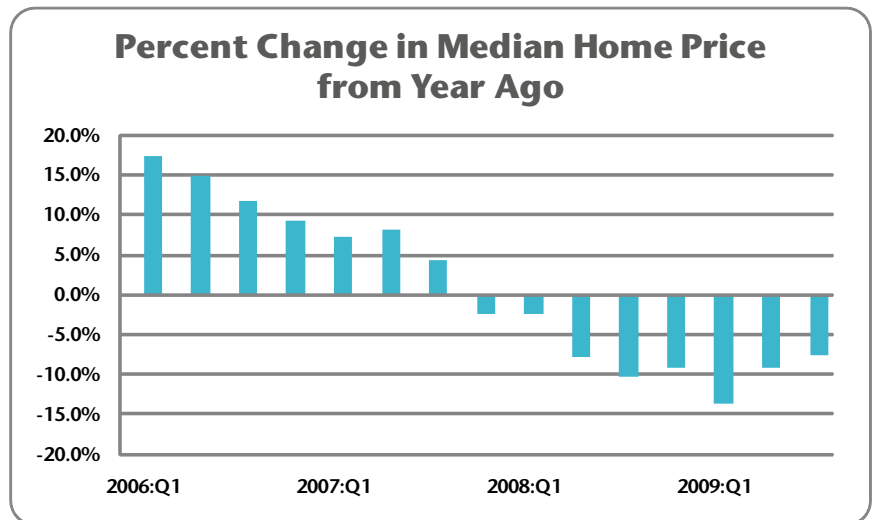
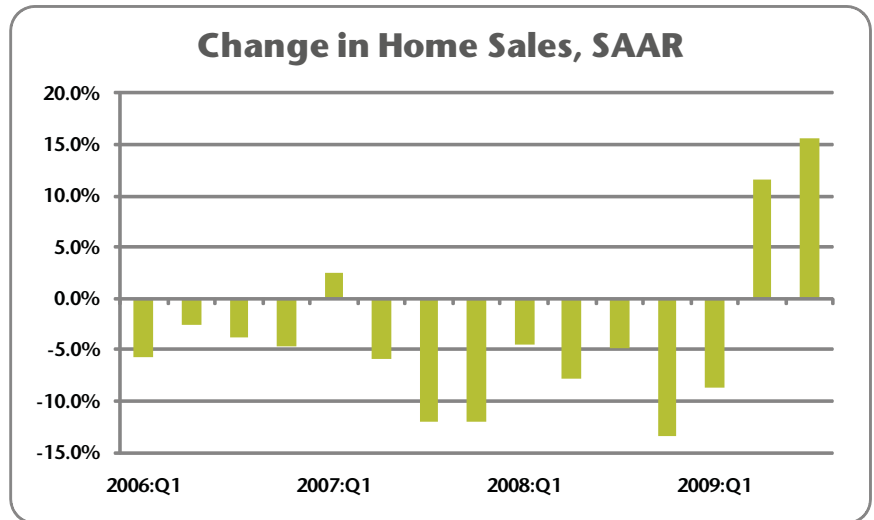
# Washington State's Housing Market

## 3rd Quarter 2009

WASHINGTON CENTER FOR REAL ESTATE RESEARCH | COLLEGE OF BUSINESS | DECEMBER 2009

### Washington Market Highlights: Third Quarter 2009

- First-time buyer tax credit encourages existing home sales to 15.6 percent increase above second quarter, and the first year-to-year increase since 2005.
- Housing construction still depressed. 3,732 building permits were issued, 39.1 percent below a year ago. Multifamily construction was especially weak.
- Median sales price was 7.7 percent lower than last year—\$259,700. Rate of decline was less than second quarter.
- Housing affordability—all buyer and repeat—basically unchanged from second quarter. Median income family has a 22.9 percent cushion for purchasing median price home, but first-time buyers still face affordability challenges.
- Inventory available for sale moves toward balance with fewer homes on the market and a statewide month's supply of 8.4 months, only a modest oversupply, but many counties reported increasing inventories and increased imbalance between supply and demand.
- Delinquencies and foreclosures continue to rise, putting pressure on prices and threatening the ability of housing recovery to be sustained.



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

# Third Quarter 2009

Economists say the Great Recession is over and the recovery is underway. National housing markets have reported increasing sales for the last two quarters. Some indicators suggest that home values are increasing. Does this mean the housing market in Washington is returning to normal? Signals are decidedly mixed, and this report makes that apparent. Sales activity was better than last quarter and better than a year ago, but prices continued to decline, just at a slower rate. Affordability stopped improving and housing construction remained moribund. Unfortunately, continued increases in unemployment and the numbers of properties in foreclosure (or seriously delinquent) continue to increase, suggesting the industry is not out of the woods.

## Home Resales

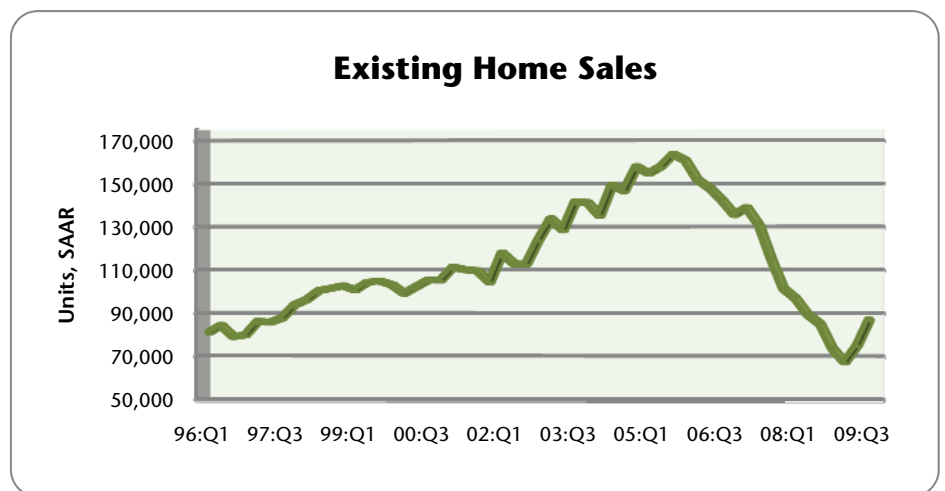
During the third quarter of 2009, existing homes in Washington sold at a seasonally adjusted annual rate of 86,930 units. This represented an increase of 15.6 percent compared to last quarter and 2.6 percent compared to a year ago. The improvement in sales can be attributed directly to the first-time buyer tax credit program enacted earlier this year and scheduled to expire on November 30. A survey of real estate licensees in Washington conducted by WCRER in late September and early October indicated that half of sales activity during the third quarter involved buyers who were claiming the tax credit. In addition, the agents believed that 60 percent of those sales would not have occurred without the credit. This means that 30 percent of sales could be directly tied to the stimulus program (and sales in the third quarter were 30 percent above the first quarter). Without the tax credit sales activity in Washington would have remained at historically low levels.

King County, home to a 28.6 percent of the state's population, accounted for 25.4 percent of home sales during the third quarter. Since homeownership rates are generally

lower in densely populated urban areas, this is not a surprising proportion. While there were over twice as many sales in King County as in any other single county, there were a total of 17 counties where the annual sales rate exceeded 1,000 for the third quarter. Meanwhile there were still four counties with seasonally adjusted annual sales less than 100 homes.

While the statewide sales rate was a bit higher than the third quarter of last year, a majority of counties reported fewer sales than a year ago. Many of those slower sales levels represented declines of more than 20 percent (nine of 22 counties which reported fewer sales than during the July to September period last year).

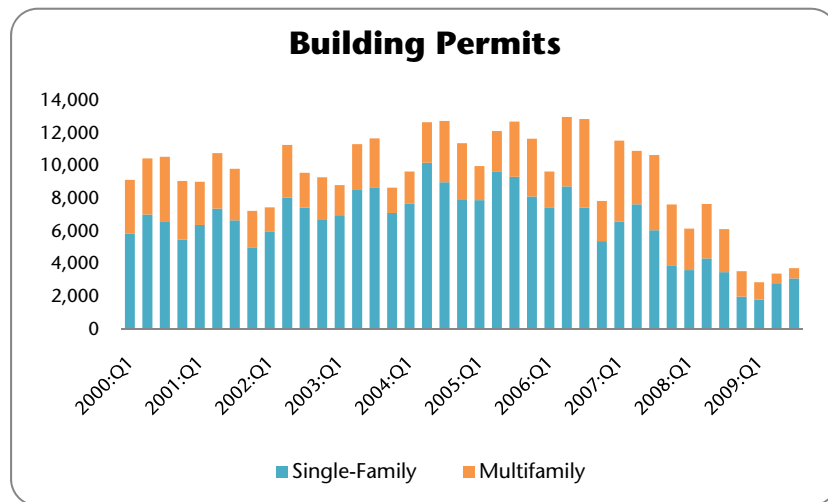
To facilitate comparisons to more recent periods, WCRER began reporting sales a year ago at seasonally adjusted annual rates. Consistent with the 15.6 percent increase in activity compared to the second quarter, sales rates were above the second quarter in all but nine counties. Among metropolitan counties the largest increase was 30.0 percent in Asotin County (part of the Lewiston, ID-WA metropolitan area). King, Pierce and Clark counties also saw increasing activity of more than 20 percent. Meanwhile, only the Tri-Cities (Benton and Franklin counties) in the urban group saw a decline in sales activity, but those counties had been more resilient than other areas earlier in the recession. In smaller urban areas (called micropolitan by government analysts), the range of sales changes compared to the prior quarter was



from an increase of 35.6 percent in Walla Walla County to a decline of 15.2 percent in Grays Harbor County (Aberdeen/Hoquiam). In the rural markets the range was from an improvement of 88.9 percent in San Juan County to a decline in sales activity of 29.6 percent in Klickitat County. It must be emphasized, however, that small number of sales can represent huge swings in activity in these small communities.

## Housing Construction

Building permits for a total of 3,732 housing units were issued during the second quarter in the 32 counties where some or all of their permit issuing jurisdictions provide monthly data to the Census Bureau. This represents a reduction in permit activity of 39.1 percent compared to the third quarter of 2008. The absolute number of permits issued was 326 more than during the second quarter of this year. Moreover, the year-to-year decline in building permit activity was less than in the second quarter. The weakness remained especially pronounced in the multifamily construction category where building permit activity was 76.3 percent below the third quarter of 2008. By contrast, single-family home construction permits declined by just 10.9 percent. This reflects the oversupply of existing homes on the market, causing builders to refrain from starting new units unless they are custom construction contracted to a buyer before construction begins.



At a local level there were wide disparities in total housing construction. Four counties (Franklin, Okanogan, Stevens and Thurston) saw permits increase by over 40

percent compared to last year, while five counties had at least a 50 percent decline in construction activity (led by a 71.7 percent drop in King County).

Excluding multifamily construction changes the story somewhat as the highly volatile multifamily construction market (even in boom years) can produce misleading assessments of market condition. King County illustrates this point clearly. While total building permits declined by 71.7 percent, single family construction only declined by 14.2 percent. This means that the construction of duplex and apartments declined by 92.4 percent from 1,928 units during the third quarter of last year to only 147 units this year. This reflects both the widely reported collapse of the high-end condo market and the weakness in the rental market driven by reduced migration to the Seattle area, doubling up because of the recession, and competition from single-family homes which have become rentals when they cannot be sold in a timely fashion.

Around the state single-family building permit activity declined in 21 of the 32 reporting counties, while seven counties saw increased single-family building permit activity.

During the third quarter of 2009 the total value of residential building permits was \$753.5 million, 25.3 percent below the \$1.0 billion in construction authorized a year ago. The year-to-year decline in the value of building permits during the third quarter was roughly half the decline reported in the last issue of this report.

Moreover, it is important to recognize that even in the midst of this deep housing construction recession significant economic activity is being generated by the construction of new homes.

## Home Prices

Sales and construction activity illustrate the vitality of the housing market, but most households are less concerned with how many homes are selling (unless they are trying to sell themselves) than they are with how the most significant asset in their “portfolio” is performing.

National media stories abound highlighting various measures of housing price performance, mortgage delinquency and foreclosure, and even measures of the degree to which homeowners are

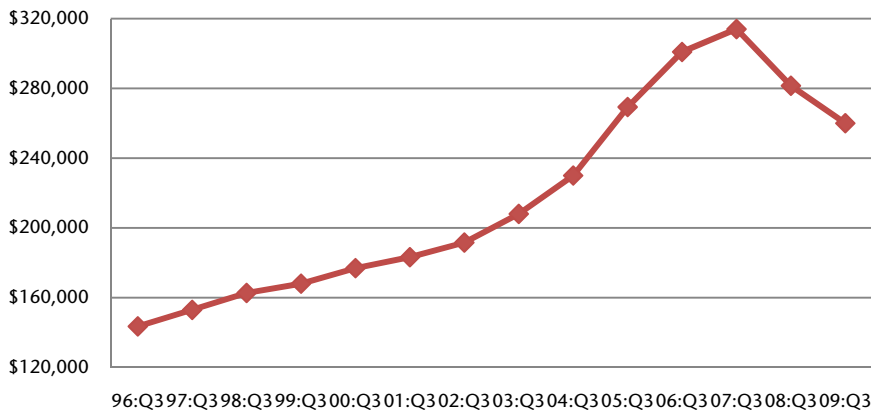
“underwater”, where their outstanding mortgage balance exceeds the total value of the home. All these measures are valuable in explaining the housing market performance, but WCRER sticks with the most familiar price measure – the median.

Statewide median prices continued to decline in the third quarter, but the rate of change was a bit less than reported for the second quarter. The median price home sold between July and September carried a closed sale price of \$259,700. This was a median price about 7.7 percent lower than the prevailing median a year ago. It must be remembered that the median reflects the values of those homes actually sold during the period and, as noted previously, the first-time buyer segment was especially active in the last three months. This concentrated activity

below those in the third quarter of 2008. Price changes ranged from a decline of 19.1 percent in Whitman County to a price jump of 25.2 percent in Columbia County. Since both of these counties have limited numbers of sales, the change in medians may be less representative of the market than those in larger volume areas.

Among the metropolitan counties the range of price changes was a high of 6.8 percent in Douglas County (Wenatchee MSA) to a decline of 15.1 percent in Cowlitz County (Longview MSA). For the micropolitan areas the strongest price performance was no change in Kittitas County (Ellensburg), with the decline in Whitman County (Pullman) the other extreme. For rural areas the Columbia County gain was tops, and a 13.3 percent decline in median in Klickitat County was the other extreme.

### Median Home Prices



### Prices by Bedroom

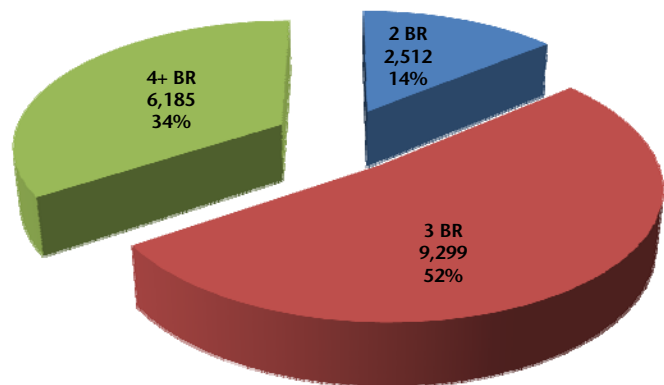
Since relying on a single median price may mask changes in the housing market, WCRER now examines price trends by the number of bedrooms in the home in a modest attempt to standardize housing quality. During the third quarter the median price for homes with two or fewer bedrooms statewide was \$179,800, 13.9 percent below the same time last year. Three-bedroom homes, which comprise roughly half the market, declined by the smallest percentage, 9.3 percent, to

in lower price ranges and certainly influenced the calculated median. As always, the median reflects that price where half the homes sold for more, and half for less.

Median prices ranged from a high of \$515,000 in San Juan County to a low of \$125,000 in rural Adams County. Among the metropolitan population centers the range was from \$382,000 in King County to \$147,000 in Asotin County (Lewiston, ID-WA). The micropolitan areas exhibited less variation from a low median of \$134,500 in Grays Harbor County (Aberdeen/ Hoquiam) to a high of \$288,500 in Island County.

Price changes also varied widely, although most counties reported prevailing median prices

### 3rd Quarter 2009 Washington Home Sales by Number of Bedrooms





a median of \$241,500. Larger homes saw prices decline by 10.7 percent to a median of \$329,500.

In a market where home sales to first-time buyers have been providing much of the market strength, these results may seem surprising, but since 2-bedroom homes represent the smallest component of the market (remember, these statistics do not include condos), the first-time buyers are seeking bargains and preparing for the future, with space for families, guests and home offices.

The table below also illustrates this flight to quality. While the two-bedroom homes have shown the largest percentage decline in median price, their market share was marginally less than a year ago. The market share for three-bedroom homes also declined, but the price decline was least (in terms of both dollars and percentages). Meanwhile, the market share of homes with four or more bedrooms increased while prices experienced the largest dollar drop, but the percentage decline was between the other two categories. Buyers were clearly seeking (and finding) bargains in the marketplace.

It should also be noted that the dollar and percentage declines in median price for all home size groups were lower than three months ago, suggesting some stabilization in the overall market consistent with increased sales levels.

#### Change in Median Price vs. Change in Market Share (3<sup>rd</sup> Qtr 2008 to 3<sup>rd</sup> Qtr 2009)

Number of Bedrooms	Change In Median Price	Change In Market Share
2 or less	-\$29,000 (-13.9%)	-0.4%
3	-\$24,800 (-9.3%)	-0.7%
4 or more	-\$39,300 (-10.7%)	+1.1%

Small samples often cause county-level detail on prices by number of bedrooms to exhibit unusual patterns, so no additional analysis is being presented.

### Housing Affordability

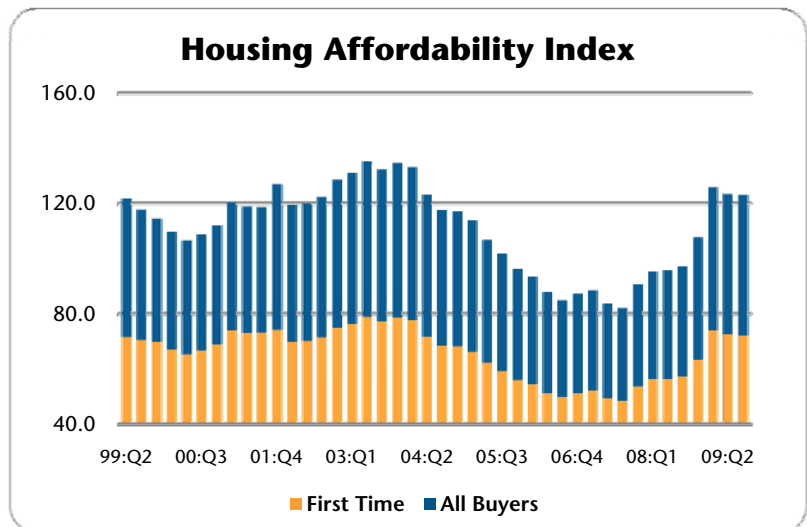
With home prices continuing to decline while mortgage interest rates remain low often means housing affordability is improving. However, in the midst of the deepest recession in 70 years, job losses may depress incomes, offsetting the expense advantages. WCRER's affordability index shows affordability was essentially unchanged from the second quarter, but remains much better than at

this time a year ago. In fact, affordability during the third quarter was the highest at this time of year since 2003.

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

The second measure is the first-time buyer index. It is computed in the same general way, but it assumes a less expensive home (85 percent of median), a lower downpayment (10 percent), lower income (70 percent of median household income, including single persons) and a requirement that mortgage insurance be included. Many first-time buyers are opting for lower downpayment FHA mortgages, but these assumptions are still appropriate for many, if not most, households looking to purchase their first home.

In the third quarter the statewide all-buyer index was 122.9, meaning the median income family in Washington had 22.9 percent *more* income than the minimum required to afford the median price home—a significant improvement from the 96.9 recorded in the third quarter of 2008.



Locally, affordability indices in the third quarter ranged from a low of 57.3 in San Juan County to 176.2 in Benton County. Among metropolitan counties the range was from a low of 101.9 in King County to Benton County's high. Among the micropolitan areas, the greatest affordability was in Grays Harbor County (Aberdeen/Hoquiam), and the least was in Island County (Oak Harbor). Rural area affordability was generally quite high (San Juan County was the exception). The all-buyer affordability index indicated that homes were affordable to the median income family everywhere but San Juan County.

While first-time buyers drove the market during the third quarter, attaining homeownership remained an affordability challenge. Statewide, the typical would-be first time buyer household has only 72.1 percent of the income required to purchase the typical starter home. This value is essentially unchanged from three months ago, but remains far above the affordability of one year ago.

First-time affordability measures exceeded 100 in only four Washington counties (four fewer than last quarter), with the highest value recorded in Adams County (109.3). Meanwhile, potential buyers still have only one-third the required income in San Juan County. King County remains the least affordable urban county, with a first-time index of 56.8 about the same as last quarter, but much better than most recent observations. At the other end of the spectrum, Benton County was the only urban county where the first-time buyers index reached 100 (105.6). Among the smaller urban places the range of first-time affordability measures was narrower, with Grays Harbor registering 105.4 while Kittitas County (Ellensburg) was 64.6.

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

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

Income	P&I Expense (25% of Income)	Mortgage Amount	Downpayment	Maximum Home Purchase Price	Approx. Percent of Home Market
\$30,000	\$625	\$116,426	\$6,128	\$122,554	6.1%
\$60,000	\$1,250	\$232,852	\$25,872	\$258,724	39.8%
\$90,000	\$1,875	\$349,278	\$87,320	\$436,598	72.0%
\$150,000	\$3,125	\$582,130	\$313,455	\$895,585	93.1%

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). When reviewing these calculations the reader should recall that the median family income in the state during the second quarter was \$68,080, although the county-level medians ranged from a low of \$41,881 in Ferry County to a high of \$83,038 in King County. Similarly, household incomes, which tend to be lower by definition, had a statewide value of \$56,097, with county-level incomes ranging from \$35,124 in Ferry County to a high of \$65,096 in Snohomish County. These median income values suggest that the first two income/asset categories are more relevant for most state residents.

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

A note about dates is appropriate. September is nearly at the end of the prime selling season, and homes which sell late in the year are typically smaller (fewer bedrooms) than those selling during midsummer. These statistics are based upon MLS data reported from around the state, but are only 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. 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, indicating how difficult it will be for each group to find affordable housing (e.g., housing market access) in these counties.

The statewide data shows only 1.9 percent of homes statewide were priced under \$80,000, and 13 of the 36 counties for which listing detail is available indicated less than 1.0 percent of the homes were priced that low. These statistics indicate that in many parts of the state first-time home buyers, as represented by the lowest income group, would have limited access to the housing market.

Including homes priced at or below \$160,000 raises the percentage statewide to 12.6 percent. Among the metropolitan counties the proportion of homes priced less than \$160,000 ranged from a low of 1.1 percent in King County to a high of 40.9 percent in Asotin County.

### Available Inventory

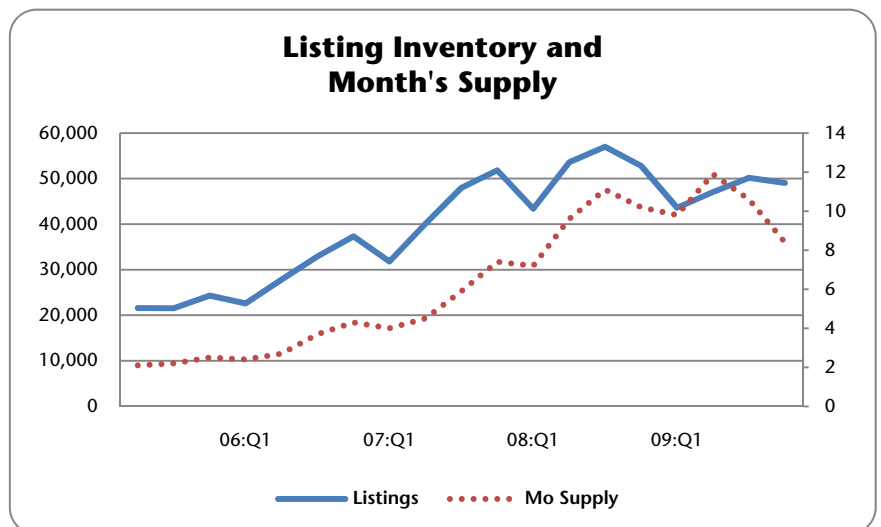
Economics analyzes demand and supply looking for equilibrium or balance. Home sales, discussed earlier, is the measure of demand. Inventory available for sale represents the supply side of the equation. During the period of rapid home sales and

escalating prices there was excess demand and scant supply. More recently, demand has been sluggish at best and inventories available for sale have been overly abundant—excess supply. In those situations price declines are inevitable. The current question is whether balance between supply is returning to market, encouraging stabilization of prices.

Listings available for sale throughout Washington, at the end of the third quarter, declined significantly compared to the same time in 2008. There were 49,057 homes listed for sale on the various Multiple Listing Services, 14.3 percent fewer than a year ago, but this was still 5,500 more homes on the market than in September 2006. At the peak of the market in 2005 there were only 29,726 homes available for sale. 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.

By far the largest number of single-family listings was found in King County, where 9,360 homes were on the market, 19.4 percent fewer than a year earlier. Pierce County had the second largest listing inventory, 5,143 homes, but like King County that total was significantly lower than a year earlier (25.8 percent). Among the 36 counties for which listing detail is available, the smallest number of available homes was 70 in Columbia County.

Listing statistics varied widely across the state, with 22 counties indicating fewer homes on the market than a





year ago, and 13 indicating there were more homes available for sale. This suggests the housing market is still in the process of adjusting to the lower volume of activity, and more instability should be expected over the months ahead. In both metropolitan and micropolitan areas counties with fewer listings currently on the market compared to a year ago outnumbered those with increased inventory, but for rural communities listings are often still increasing. Walla Walla County again had the greatest increase in available listings (42.7 percent).

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. Accordingly, WCRER computes estimates of the month's supply of housing by price range. A month's supply statistic measures how long it would take to sell all the homes currently available for sale if no new listings were added to the inventory. The seasonally adjusted annual rate of sales for the quarter is compared to the end-of-quarter listing inventory to determine the month's supply. This prevents higher sales rates in previous quarters from producing unrealistically optimistic estimates of market activity. Similarly, it prevents exceptionally low inventories and actual sales during the slow winter months from making inventories seem exceptionally large relative to sales.

The third quarter month's supply for Washington was 8.4 months, compared to 10.2 months a year ago and 7.4 months two years ago. While the sales rate during the quarter may have been significantly increased by the first-time buyer tax credit, the month's supply statistics represents a much more balanced picture than has been seen for some time.

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 must still be characterized as modestly oversupplied, where would-be home purchasers can secure some concessions from sellers who are frustrated by the length of time their home is on the market. Those concessions mean that the prices of individual homes would be expected to continue to decline, and that the resulting median prices will also likely continue to slip.

Although the overall news about supply conditions is encouraging for the state's market, it must also be

recognized that serious oversupply still prevails in many areas. In 22 of the 36 counties for which month's supply measures are calculated, there are enough homes currently on the market to satisfy demand for over a year, with six counties recording at least a 20 month's supply. In those market price declines will likely persist throughout 2010.

Supply/demand imbalances are not consistent across the price spectrum either. In fact, statewide all price ranges under \$250,000 would be characterized as balanced, while the \$250,000-499,999 have only a slight oversupply. The imbalance is concentrated in those homes priced higher than \$500,000, where a 16.6 month inventory persists. This means those owners must be very patient waiting for a buyer to meet their price, or accept an offer far below what they are seeking. As foreclosure pressure is just beginning to impact these more expensive homes, there is considerable uncertainty about how those homes will impact the overall market in the months ahead.

High prices are clearly relative to prevailing prices in a community, and the inventory imbalances hit at differing points in the price distribution in individual counties. Even in the \$80,000-\$159,999 price range there are 10 counties where there is at least a ten month's supply. In the \$250,000-499,999 range there are 13 counties where it would take over two years to clear all the homes currently on the market.

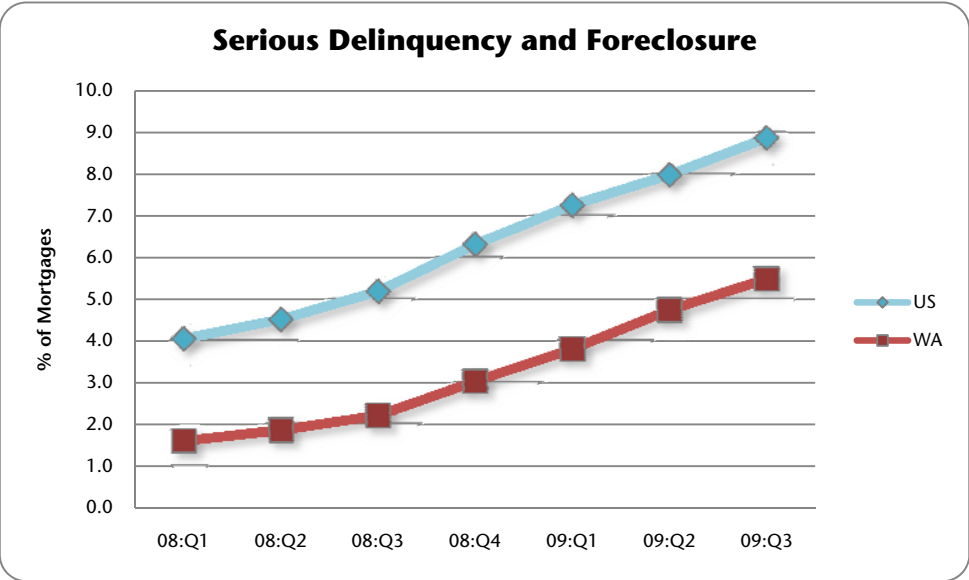
## **Market Risks**

Efforts to modify loans to avoid foreclosures are moving slowly, and with questionable success. Relatively few loans have been permanently modified under the Home Affordable Modification Program (HAMP) enacted in the early days of the Obama administration. Prior loan modification programs have achieved little, with about a quarter of the loans being at least 60 days past due within 90 days of modification, and over half the loans being 60 or more days delinquent before the end of the first year after modification.

Washington is experiencing some of the most rapid increases in delinquency and foreclosure starts in the nation, but still remains below national averages. According to the Mortgage Bankers Association, 8.85 percent of mortgages nationwide are at least 90 days in arrears, with 4.47 percent at some point in the foreclosure process as of September. The good news is that similar statistics for Washington indicate a serious delinquency of

5.47 percent and a foreclosure process rate of 2.23 percent. The number of states with lower serious delinquency rates than Washington continues to grow. Currently there are 14 states in better shape – four more than just three months ago. Putting the serious delinquency statistics into perspective, the highest delinquency rate is in Florida (18.81 percent) and the lowest is in North Dakota (2.36 percent).

All metropolitan areas in the state are perceived to have a greater risk of prolonged price declines in the current estimates than they had a year ago. Longview (Cowlitz County) was estimated to have a 95.1 percent chance of facing lower prices in two years for the highest reading in the state. By contrast PMI was least pessimistic about the Yakima area which was assigned a 36.4 percent likelihood. The Seattle area earned a score of 53.9.



The elephant in the room, of course, is the path of the overall recession. Economists have generally concluded that the recession is statistically over, but that employment will not meaningfully recover until mid-year 2010 or later. While housing has traditionally led recoveries, it is unlikely that housing will materially improve before employment this cycle. Inventories of existing homes remain high enough that there will be minimal pressure for new construction. Price declines and low interest rates will continue to entice first time buyers

Future expectations for the housing market are often tied to the stabilization of housing prices. Once potential buyers believe the home the purchase will not be worth significantly less in the months and years ahead, the volume will stabilize. WCRER does not engage in forecasting activities at this point, but the Center does monitor expectations published by others. One of the most interesting series is the Market Risk Index published by PMI. The estimate the likelihood that prices in individual metropolitan areas will be lower two years from now than they are today.

who resisted the allure of the initial tax cut to reconsider their decision to remain renters, and the expanded tax cut may encourage some repeat buyers to change their residence, but it is unclear whether a sustained housing recovery is underway, or even if housing can avoid a double-dip or “W-shaped” cycle.

We are clearly enduring the Chinese curse, “may you live in interesting times.”

# HOUSING MARKET SNAPSHOT

## State of Washington and Counties Third Quarter 2009

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	180	5.9%	-21.7%			\$125,000	6.1%	162.7	109.3
Asotin	390	30.0%	8.3%			\$147,000	-7.5%	165.3	95.4
Benton	2,330	-23.9%	-27.4%	111	-14.6%	\$171,700	0.3%	176.2	105.6
Chelan	940	4.4%	-5.1%	38	-42.4%	\$215,000	-13.3%	125.3	73.2
Clallam	930	31.0%	12.0%	34	-37.0%	\$218,700	-7.1%	114.4	66.3
Clark	6,580	24.2%	20.1%	221	-42.9%	\$219,000	-10.0%	146.6	89.0
Columbia	90	28.6%	28.6%	1	-50.0%	\$136,500	25.2%	175.1	99.4
Cowlitz	1,260	18.9%	-6.7%	50	4.2%	\$164,900	-15.1%	154.1	92.2
Douglas	430	22.9%	-10.4%	24	-46.7%	\$235,000	6.8%	111.9	69.5
Ferry	90	50.0%	-18.2%	0	N/A	\$140,500	-11.4%	139.8	83.5
Franklin	480	-23.8%	-27.3%	109	53.5%	\$171,700	0.3%	142.1	93.2
Garfield	40	33.3%	0.0%	0	N/A	\$147,000	-7.5%	165.2	89.3
Grant	1,500	26.1%	-26.1%			\$169,000	-2.0%	132.0	83.0
Grays Harbor	1,170	-15.2%	-29.5%	24	-29.4%	\$134,500	-13.2%	174.9	105.4
Island	2,290	-2.6%	-3.4%	50	-7.4%	\$268,500	-5.0%	113.0	69.9
Jefferson	310	-3.1%	-29.5%	23	-20.7%	\$260,000	-5.0%	108.7	62.4
King	22,100	22.5%	9.7%	740	-71.7%	\$382,000	-10.5%	101.9	56.8
Kitsap	3,380	15.4%	14.2%	115	-28.1%	\$249,900	-7.4%	130.6	78.6
Kittitas	1,040	-1.0%	-18.1%	60	-4.8%	\$215,000	0.0%	125.6	64.6
Klickitat	190	-29.6%	-55.8%			\$185,000	-13.3%	130.7	78.0
Lewis	770	4.1%	16.7%	66	-24.1%	\$163,300	-6.7%	149.9	90.0
Lincoln	260	23.8%	-23.5%			N/A	N/A	N/A	N/A
Mason	880	0.0%	-17.0%	50	-23.1%	\$175,000	-7.9%	154.7	95.3
Okanogan	450	-27.4%	-26.2%	45	45.2%	\$162,000	-4.7%	131.6	80.3
Pacific	230	27.8%	27.8%	0	N/A	\$153,100	3.0%	150.7	86.8
Pend Oreille	150	50.0%	-16.7%	1	N/A	\$140,500	-11.4%	154.0	93.7
Pierce	10,380	25.1%	11.6%	476	-6.5%	\$230,000	-9.6%	139.7	82.4
San Juan	170	88.9%	-10.5%	21	-59.6%	\$515,000	-7.9%	57.3	33.7
Skagit	1,490	14.6%	-9.7%	71	-16.5%	\$233,600	-8.4%	121.7	74.5
Skamania	110	-8.3%	37.5%	7	-56.3%	\$212,500	6.3%	124.1	77.7
Snohomish	7,310	17.1%	13.5%	625	-5.4%	\$297,000	-12.6%	120.8	73.2
Spokane	7,020	18.4%	-3.2%	234	-28.9%	\$177,600	-7.2%	155.0	86.4
Stevens	580	56.8%	-18.3%	3	50.0%	\$140,500	-11.4%	170.2	103.0
Thurston	4,030	15.5%	1.5%	372	44.7%	\$243,100	-3.0%	133.5	79.5
Wahkiakum	70	0.0%	-12.5%			\$182,000	5.8%	145.3	89.0
Walla Walla	1,180	35.6%	28.3%			\$168,900	-12.6%	155.5	88.0
Whatcom	2,200	11.1%	0.9%	94	-33.3%	\$255,300	-7.2%	111.5	62.4
Whitman	360	2.9%	16.1%	28	21.7%	\$176,000	-19.1%	152.7	68.9
Yakima	3,570	12.6%	1.7%	39	-62.5%	\$154,200	-1.4%	150.3	92.0
Statewide	86,930	15.6%	2.6%	3,732	-39.1%	\$259,700	-7.7%	122.9	72.1

### 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	
	08:Q1	08:Q2	08:Q3	08:Q4	09:Q1	09:Q2	09:Q3	Last qtr	Year ago
Adams	130	170	230	200	130	170	180	5.9%	-21.7%
Asotin	390	380	360	300	270	300	390	30.0%	8.3%
Benton	3,350	3,360	3,210	2,790	2,780	3,060	2,330	-23.9%	-27.4%
Chelan	1,340	1,050	990	870	780	900	940	4.4%	-5.1%
Clallam	1,110	960	830	830	680	710	930	31.0%	12.0%
Clark	5,480	5,290	5,480	5,110	4,710	5,300	6,580	24.2%	20.1%
Columbia	160	70	70	50	60	70	90	28.6%	28.6%
Cowlitz	1,360	1,450	1,350	1,240	1,120	1,060	1,260	18.9%	-6.7%
Douglas	420	460	480	420	450	350	430	22.9%	-10.4%
Ferry	120	110	110	100	70	60	90	50.0%	-18.2%
Franklin	690	690	660	570	570	630	480	-23.8%	-27.3%
Garfield	40	40	40	30	30	30	40	33.3%	0.0%
Grant	1,830	1,790	2,030	1,740	1,210	1,190	1,500	26.1%	-26.1%
Grays Harbor	1,600	1,690	1,660	1,400	1,240	1,380	1,170	-15.2%	-29.5%
Island	3,110	2,610	2,370	2,130	2,230	2,350	2,290	-2.6%	-3.4%
Jefferson	530	530	440	390	330	320	310	-3.1%	-29.5%
King	23,920	21,260	20,140	17,540	14,910	18,040	22,100	22.5%	9.7%
Kitsap	3,550	3,030	2,960	2,890	2,800	2,930	3,380	15.4%	14.2%
Kittitas	1,590	1,070	1,270	780	750	1,050	1,040	-1.0%	-18.1%
Klickitat	410	270	430	260	200	270	190	-29.6%	-55.8%
Lewis	860	730	660	650	550	740	770	4.1%	16.7%
Lincoln	320	320	340	290	220	210	260	23.8%	-23.5%
Mason	1,140	1,160	1,060	750	630	880	880	0.0%	-17.0%
Okanogan	560	890	610	420	300	620	450	-27.4%	-26.2%
Pacific	230	200	180	150	170	180	230	27.8%	27.8%
Pend Oreille	210	200	180	170	130	100	150	50.0%	-16.7%
Pierce	10,370	10,010	9,300	8,280	8,020	8,300	10,380	25.1%	11.6%
San Juan	240	130	190	200	110	90	170	88.9%	-10.5%
Skagit	2,050	1,870	1,650	1,260	1,280	1,300	1,490	14.6%	-9.7%
Skamania	160	50	80	80	70	120	110	-8.3%	37.5%
Snohomish	8,210	6,910	6,440	5,290	5,170	6,240	7,310	17.1%	13.5%
Spokane	7,250	7,300	7,250	5,110	5,230	5,930	7,020	18.4%	-3.2%
Stevens	810	750	710	660	480	370	580	56.8%	-18.3%
Thurston	4,590	4,180	3,970	3,780	3,590	3,490	4,030	15.5%	1.5%
Wahkiakum	210	70	80	80	40	70	70	0.0%	-12.5%
Walla Walla	1,150	1,090	920	1,030	770	870	1,180	35.6%	28.3%
Whatcom	2,680	2,350	2,180	1,880	1,800	1,980	2,200	11.1%	0.9%
Whitman	560	440	310	250	250	350	360	2.9%	16.1%
Yakima	3,950	3,720	3,510	3,410	2,940	3,170	3,570	12.6%	1.7%
Statewide	96,680	88,650	84,730	73,380	67,070	75,180	86,930	15.6%	2.6%

**NOTE:**

- Revised for consistency with 2000 Census of Housing. Number of single-family units sold, excluding new construction

# EXISTING HOME SALES

## State of Washington and Counties Not Seasonally Adjusted

County	08:Q1	08:Q2	08:Q3	08:Q4	Year Total 2008	09:Q1	09:Q2	09:Q3	Percent change (Year ago)
Adams	30	50	70	40	190	30	50	50	-28.6%
Asotin	80	110	100	60	350	60	90	120	20.0%
Benton	700	930	910	640	3,180	580	850	660	-27.5%
Chelan	250	310	290	200	1,050	140	260	270	-6.9%
Clallam	210	260	240	200	910	130	200	270	12.5%
Clark	1,150	1,510	1,540	1,140	5,340	990	1,510	1,850	20.1%
Columbia	30	20	20	10	80	10	20	30	50.0%
Cowlitz	270	410	380	300	1,360	220	300	350	-7.9%
Douglas	80	130	140	100	450	90	100	130	-7.1%
Ferry	20	30	30	30	110	10	10	30	0.0%
Franklin	140	190	190	130	650	120	170	140	-26.3%
Garfield	10	10	10	10	40	10	10	10	0.0%
Grant	340	510	590	410	1,850	220	340	440	-25.4%
Grays Harbor	310	450	490	340	1,590	240	370	350	-28.6%
Island	570	720	740	480	2,510	410	650	720	-2.7%
Jefferson	130	100	120	120	470	80	60	80	-33.3%
King	4,750	6,020	5,810	4,010	20,590	2,970	5,110	6,380	9.8%
Kitsap	700	850	860	660	3,070	560	820	990	15.1%
Kittitas	280	290	420	170	1,160	130	280	350	-16.7%
Klickitat	90	70	120	60	340	40	70	50	-58.3%
Lewis	180	190	190	150	710	120	190	230	21.1%
Lincoln	60	90	100	70	320	40	60	80	-20.0%
Mason	200	310	330	180	1,020	110	240	280	-15.2%
Okanogan	100	280	180	90	650	50	200	130	-27.8%
Pacific	50	50	50	40	190	30	50	70	40.0%
Pend Oreille	40	50	60	40	190	20	30	50	-16.7%
Pierce	2,130	2,820	2,610	1,920	9,480	1,650	2,350	2,910	11.5%
San Juan	40	40	50	40	170	20	30	50	0.0%
Skagit	400	530	480	290	1,700	250	370	430	-10.4%
Skamania	30	10	20	20	80	10	30	30	50.0%
Snohomish	1,700	1,920	1,860	1,200	6,680	1,070	1,740	2,110	13.4%
Spokane	1,190	2,060	2,090	1,350	6,690	860	1,670	2,030	-2.9%
Stevens	140	200	220	170	730	80	100	180	-18.2%
Thurston	920	1,150	1,170	870	4,110	720	960	1,190	1.7%
Wahkiakum	30	20	30	20	100	0	20	20	-33.3%
Walla Walla	220	300	260	260	1,040	150	240	330	26.9%
Whatcom	510	680	660	410	2,260	340	570	670	1.5%
Whitman	80	160	100	40	380	40	130	120	20.0%
Yakima	800	1,030	1,000	800	3,630	600	880	1,020	2.0%
Statewide	18,960	24,860	24,530	17,070	85,420	13,200	21,130	25,200	2.7%

### NOTES:

- 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	08:Q1	08:Q2	08:Q3	08:Q4	08 Annual	09:Q1	09:Q2	09:Q3	%Ch Q3
Adams	\$112,000	\$108,900	\$117,800	\$113,300	\$113,600	\$85,000	\$122,700	\$125,000	6.1%
Asotin	\$150,500	\$157,000	\$158,900	\$149,100	\$154,900	\$143,000	\$155,200	\$147,000	-7.5%
Benton	\$162,300	\$163,600	\$171,200	\$166,000	\$165,800	\$159,400	\$164,000	\$171,700	0.3%
Chelan	\$247,000	\$251,500	\$247,900	\$240,000	\$247,000	\$242,000	\$225,000	\$215,000	-13.3%
Clallam	\$236,500	\$250,000	\$235,500	\$222,600	\$236,500	\$218,000	\$212,100	\$218,700	-7.1%
Clark	\$253,700	\$257,400	\$243,300	\$236,400	\$246,900	\$224,100	\$218,200	\$219,000	-10.0%
Columbia	\$150,000	\$138,000	\$109,000	\$75,300	\$130,000	\$139,900	\$110,000	\$136,500	25.2%
Cowlitz	\$180,500	\$175,000	\$194,200	\$171,000	\$181,500	\$169,800	\$172,300	\$164,900	-15.1%
Douglas	\$245,000	\$230,000	\$220,000	\$245,000	\$234,900	\$219,900	\$217,900	\$235,000	6.8%
Ferry	\$136,000	\$165,000	\$158,500	\$139,500	\$156,600	\$150,000	\$150,000	\$140,500	-11.4%
Franklin	\$162,300	\$163,600	\$171,200	\$166,000	\$165,800	\$159,400	\$164,000	\$171,700	0.3%
Garfield	\$150,500	\$157,000	\$158,900	\$149,100	\$154,900	\$143,000	\$155,200	\$147,000	-7.5%
Grant	\$165,000	\$160,000	\$172,500	\$154,000	\$159,000	\$150,100	\$161,700	\$169,000	-2.0%
Grays Harbor	\$150,000	\$155,000	\$155,000	\$142,500	\$151,000	\$142,000	\$139,000	\$134,500	-13.2%
Island	\$289,500	\$284,000	\$282,500	\$298,000	\$285,000	\$248,000	\$261,400	\$268,500	-5.0%
Jefferson	\$322,500	\$302,500	\$273,800	\$295,500	\$299,000	\$242,500	\$217,500	\$260,000	-5.0%
King	\$435,000	\$450,000	\$427,000	\$397,000	\$430,000	\$375,000	\$387,500	\$382,000	-10.5%
Kitsap	\$266,000	\$271,300	\$270,000	\$250,000	\$265,000	\$239,500	\$245,000	\$249,900	-7.4%
Kittitas	\$253,800	\$250,000	\$215,000	\$215,000	\$235,000	\$220,000	\$201,700	\$215,000	0.0%
Klickitat	\$225,000	\$200,000	\$213,300	\$220,800	\$213,900	\$237,500	\$156,700	\$185,000	-13.3%
Lewis	\$195,500	\$186,000	\$175,000	\$182,800	\$186,500	\$160,500	\$150,000	\$163,300	-6.7%
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mason	\$195,500	\$193,000	\$190,000	\$173,900	\$192,000	\$148,500	\$163,800	\$175,000	-7.9%
Okanogan	\$170,000	\$180,700	\$170,000	\$150,000	\$170,000	\$138,000	\$158,500	\$162,000	-4.7%
Pacific	\$152,500	\$165,300	\$148,600	\$165,800	\$165,000	\$125,000	\$131,000	\$153,100	3.0%
Pend Oreille	\$136,000	\$165,000	\$158,500	\$139,500	\$156,600	\$150,000	\$150,000	\$140,500	-11.4%
Pierce	\$265,000	\$268,500	\$254,300	\$243,000	\$258,000	\$235,000	\$230,900	\$230,000	-9.6%
San Juan	\$478,800	\$570,000	\$559,000	\$452,500	\$510,000	\$684,000	\$350,000	\$515,000	-7.9%
Skagit	\$285,000	\$269,500	\$255,000	\$263,700	\$263,000	\$245,000	\$232,000	\$233,600	-8.4%
Skamania	\$262,500	\$275,000	\$200,000	\$212,500	\$236,400	\$185,000	\$172,500	\$212,500	6.3%
Snohomish	\$352,700	\$349,400	\$340,000	\$325,000	\$345,000	\$311,800	\$307,000	\$297,000	-12.6%
Spokane	\$186,800	\$196,700	\$191,300	\$185,300	\$191,600	\$180,300	\$177,900	\$177,600	-7.2%
Stevens	\$136,000	\$165,000	\$158,500	\$139,500	\$156,600	\$150,000	\$150,000	\$140,500	-11.4%
Thurston	\$257,700	\$260,000	\$250,600	\$250,000	\$255,000	\$247,000	\$240,000	\$243,100	-3.0%
Wahkiakum	\$250,000	\$180,000	\$172,000	\$155,500	\$182,500	\$501,300	\$158,000	\$182,000	5.8%
Walla Walla	\$190,000	\$185,000	\$193,300	\$184,900	\$190,500	\$181,100	\$175,000	\$168,900	-12.6%
Whatcom	\$280,000	\$280,000	\$275,000	\$264,000	\$278,000	\$259,900	\$265,000	\$255,300	-7.2%
Whitman	\$211,100	\$224,100	\$217,600	\$212,500	\$219,300	\$175,000	\$207,900	\$176,000	-19.1%
Yakima	\$148,200	\$153,100	\$156,400	\$140,800	\$148,900	\$137,300	\$158,600	\$154,200	-1.4%
Statewide	\$293,600	\$291,900	\$281,500	\$266,700	\$284,400	\$253,500	\$265,100	\$259,700	-7.7%

Source: WCRER Estimates

# HOME PRICES BY NUMBER OF BEDROOMS

## State of Washington and Counties Third Quarters

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

Source: WCRER Estimates

# HOUSING AFFORDABILITY INDEX

## State of Washington and Counties Third Quarter 2009

	Median Price	Mortgage Rate	Monthly Payment	Median Family Income	HAI	Starter Monthly Payment	Median Household Income	First Time HAI
Adams	\$125,000	5.30%	\$555	\$43,379	162.7	\$546	\$40,908	109.3
Asotin	\$147,000	5.30%	\$653	\$51,825	165.3	\$642	\$42,004	95.4
Benton	\$171,700	5.30%	\$763	\$64,500	176.2	\$750	\$54,298	105.6
Chelan	\$215,000	5.30%	\$955	\$57,434	125.3	\$939	\$47,107	73.2
Clallam	\$218,700	5.30%	\$972	\$53,367	114.4	\$955	\$43,416	66.3
Clark	\$219,000	5.30%	\$973	\$68,481	146.6	\$957	\$58,406	89.0
Columbia	\$136,500	5.30%	\$606	\$50,954	175.1	\$596	\$40,629	99.4
Cowlitz	\$164,900	5.30%	\$733	\$54,186	154.1	\$720	\$45,532	92.2
Douglas	\$235,000	5.30%	\$1,044	\$56,086	111.9	\$1,026	\$48,902	69.5
Ferry	\$140,500	5.30%	\$624	\$41,881	139.8	\$614	\$35,124	83.5
Franklin	\$171,700	5.30%	\$763	\$52,024	142.1	\$750	\$47,924	93.2
Garfield	\$147,000	5.30%	\$653	\$51,781	165.2	\$642	\$39,326	89.3
Grant	\$169,000	5.30%	\$751	\$47,571	132.0	\$738	\$42,022	83.0
Grays Harbor	\$134,500	5.30%	\$598	\$50,167	174.9	\$587	\$42,467	105.4
Island	\$268,500	5.30%	\$1,193	\$64,692	113.0	\$1,173	\$56,234	69.9
Jefferson	\$260,000	5.30%	\$1,155	\$60,263	108.7	\$1,136	\$48,591	62.4
King	\$382,000	5.30%	\$1,697	\$83,038	101.9	\$1,668	\$65,029	56.8
Kitsap	\$249,900	5.30%	\$1,110	\$69,620	130.6	\$1,091	\$58,797	78.6
Kittitas	\$215,000	5.30%	\$955	\$57,590	125.6	\$939	\$41,604	64.6
Klickitat	\$185,000	5.30%	\$822	\$51,544	130.7	\$808	\$43,228	78.0
Lewis	\$163,300	5.30%	\$725	\$52,199	149.9	\$713	\$44,023	90.0
Lincoln	N/A	5.30%	N/A	\$52,391	N/A	N/A	\$43,987	N/A
Mason	\$175,000	5.30%	\$777	\$57,724	154.7	\$764	\$49,964	95.3
Okanogan	\$162,000	5.30%	\$720	\$45,474	131.6	\$708	\$38,955	80.3
Pacific	\$153,100	5.30%	\$680	\$49,203	150.7	\$669	\$39,816	86.8
Pend Oreille	\$140,500	5.30%	\$624	\$46,130	154.0	\$614	\$39,421	93.7
Pierce	\$230,000	5.30%	\$1,022	\$68,505	139.7	\$1,005	\$56,777	82.4
San Juan	\$515,000	5.30%	\$2,288	\$62,927	57.3	\$2,249	\$52,036	33.7
Skagit	\$233,600	5.30%	\$1,038	\$60,608	121.7	\$1,020	\$52,143	74.5
Skamania	\$212,500	5.30%	\$944	\$56,246	124.1	\$928	\$49,453	77.7
Snohomish	\$297,000	5.30%	\$1,319	\$76,489	120.8	\$1,297	\$65,096	73.2
Spokane	\$177,600	5.30%	\$789	\$58,695	155.0	\$776	\$45,960	86.4
Stevens	\$140,500	5.30%	\$624	\$50,997	170.2	\$614	\$43,322	103.0
Thurston	\$243,100	5.30%	\$1,080	\$69,196	133.5	\$1,062	\$57,860	79.5
Wahkiakum	\$182,000	5.30%	\$809	\$56,400	145.3	\$795	\$48,489	89.0
Walla Walla	\$168,900	5.30%	\$750	\$56,009	155.5	\$738	\$44,520	88.0
Whatcom	\$255,300	5.30%	\$1,134	\$60,714	111.5	\$1,115	\$47,726	62.4
Whitman	\$176,000	5.30%	\$782	\$57,292	152.7	\$769	\$36,316	68.9
Yakima	\$154,200	5.30%	\$685	\$49,416	150.3	\$673	\$42,487	92.0
Statewide	\$259,700	5.30%	\$1,154	\$68,080	122.9	\$1,134	\$56,097	72.1

Source: WCRER Estimates

### NOTES:

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

# HOUSING AFFORDABILITY INDEX

## State of Washington and Counties Time Trend

County	07:Q1	07:Q2	07:Q3	07:Q4	08:Q1	08:Q2	08:Q3	08:Q4	09:Q1	09:Q2	09:Q3
Adams	195.6	181.0	156.7	162.3	163.6	168.9	153.9	169.2	246.5	172.3	162.7
Asotin	145.0	128.0	126.8	135.6	141.0	134.9	130.6	146.4	169.5	160.2	165.3
Benton	169.7	167.5	154.6	159.4	175.9	171.7	158.7	169.8	193.9	190.9	176.2
Chelan	101.7	93.1	86.0	86.1	95.5	94.9	95.6	105.2	114.2	124.2	125.3
Clallam	92.2	93.3	83.9	98.9	98.7	92.8	96.2	106.7	118.8	122.9	114.4
Clark	100.0	96.2	92.9	100.5	111.1	109.6	114.0	123.8	144.3	151.2	146.6
Columbia	107.7	195.7	149.3	151.0	142.9	153.7	189.1	285.6	170.6	222.3	175.1
Cowlitz	124.3	120.4	108.0	118.9	127.8	131.2	115.5	137.5	152.3	152.3	154.1
Douglas	95.8	87.9	87.0	92.3	93.3	99.3	101.9	96.4	119.3	123.4	111.9
Ferry	109.4	104.2	102.0	114.4	130.3	107.3	109.6	131.2	133.8	135.5	139.8
Franklin	127.0	125.3	115.6	119.1	132.8	131.0	122.2	132.1	152.7	152.2	142.1
Garfield	150.3	133.4	132.7	142.6	146.0	137.4	131.0	144.5	168.0	159.4	165.2
Grant	147.4	123.8	110.6	113.6	121.1	122.6	109.7	127.1	146.0	140.1	132.0
Grays Harbor	126.8	120.1	105.5	122.0	138.1	133.5	131.1	150.3	166.7	173.9	174.9
Island	84.3	78.9	73.5	82.0	87.6	88.9	87.3	86.8	118.0	116.7	113.0
Jefferson	68.7	68.5	68.6	67.0	75.1	80.6	88.1	86.6	116.9	133.3	108.7
King	70.9	66.4	64.7	72.4	77.0	74.3	76.9	87.0	102.8	102.4	101.9
Kitsap	96.1	92.0	88.9	101.5	109.0	106.2	104.2	117.9	136.4	136.5	130.6
Kittitas	89.9	85.6	83.1	81.9	92.6	94.1	107.5	113.3	122.8	137.1	125.6
Klickitat	106.3	87.6	100.7	99.1	91.0	102.9	95.2	97.4	100.9	157.3	130.7
Lewis	107.7	105.0	93.5	110.3	112.2	117.6	122.4	123.2	154.6	168.2	149.9
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mason	113.7	108.4	96.3	112.0	121.0	122.7	122.5	141.3	183.1	169.6	154.7
Okanogan	120.3	100.6	87.0	107.0	106.9	101.3	106.5	128.1	154.5	137.7	131.6
Pacific	111.7	136.0	127.5	131.0	130.8	121.3	133.1	126.4	185.5	180.8	150.7
Pend Oreille	121.0	114.0	110.5	122.5	139.7	115.2	117.8	141.1	145.1	148.1	154.0
Pierce	95.0	94.0	89.8	97.6	106.8	105.3	109.2	120.5	137.7	143.0	139.7
San Juan	51.2	45.9	39.1	33.6	51.6	43.6	44.0	57.6	42.5	85.7	57.3
Skagit	94.2	84.3	86.7	90.8	89.4	93.5	96.1	96.9	115.8	125.3	121.7
Skamania	78.3	91.3	89.1	92.6	84.6	81.7	111.5	111.7	142.4	156.5	124.1
Snohomish	80.5	78.3	76.8	80.4	87.1	87.7	88.3	97.1	113.2	118.7	120.8
Spokane	126.8	116.7	107.7	119.2	129.6	122.1	122.4	132.2	151.3	157.8	155.0
Stevens	129.3	122.1	118.6	132.0	150.9	124.7	127.9	153.6	158.8	162.9	170.2
Thurston	108.8	100.1	98.1	104.9	110.7	108.9	110.1	115.5	130.3	137.9	133.5
Wahkiakum	133.6	106.2	98.4	117.3	91.5	128.2	132.8	156.0	53.4	172.4	145.3
Walla Walla	122.8	114.6	102.3	114.9	121.2	124.5	117.0	128.9	145.7	154.0	155.5
Whatcom	84.1	82.8	81.8	86.4	91.8	90.9	90.0	97.9	110.0	110.3	111.5
Whitman	120.2	110.2	93.7	114.5	110.6	103.9	104.9	112.9	152.6	131.9	152.7
Yakima	145.1	132.3	116.6	125.7	135.8	130.6	124.8	145.2	166.4	148.6	150.3
Statewide	88.3	83.5	81.8	90.5	95.2	95.5	96.9	107.5	125.6	123.2	122.9

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.
- All loans are assumed to be 30 year loans.
- All buyer index assumes 20% downpayment.
- 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	07:Q1	07:Q2	07:Q3	07:Q4	08:Q1	08:Q2	08:Q3	08:Q4	09:Q1	09:Q2	09:Q3
Adams	131.3	121.7	105.6	109.4	110.0	113.3	103.0	112.9	164.7	115.4	109.3
Asotin	83.7	73.9	73.2	78.3	81.5	78.1	75.7	84.9	98.1	92.5	95.4
Benton	102.0	100.6	92.9	95.7	105.6	103.1	95.3	101.9	116.3	114.4	105.6
Chelan	59.0	54.0	49.9	49.9	55.4	55.1	55.6	61.2	66.5	72.4	73.2
Clallam	53.3	54.0	48.6	57.3	57.1	53.8	55.9	62.0	68.9	71.2	66.3
Clark	61.0	58.6	56.6	61.3	67.6	66.7	69.3	75.2	87.6	91.8	89.0
Columbia	62.1	112.7	86.0	86.9	81.9	87.9	107.9	162.4	96.9	126.2	99.4
Cowlitz	74.5	72.2	64.8	71.4	76.7	78.6	69.2	82.3	91.0	91.1	92.2
Douglas	59.7	54.8	54.2	57.5	58.1	61.9	63.5	60.1	74.2	76.7	69.5
Ferry	65.7	62.6	61.3	68.7	78.0	64.1	65.3	78.0	79.6	80.7	83.5
Franklin	84.1	83.0	76.7	79.1	87.9	86.5	80.6	86.8	100.2	99.8	93.2
Garfield	80.9	71.9	71.6	77.0	78.9	74.4	71.1	78.5	91.1	86.3	89.3
Grant	92.8	78.0	69.7	71.6	76.4	77.4	69.4	80.4	92.1	88.2	83.0
Grays Harbor	76.4	72.4	63.7	73.7	83.3	80.6	79.1	90.6	100.4	104.7	105.4
Island	52.0	48.7	45.5	50.7	54.1	54.8	53.8	53.5	72.7	72.1	69.9
Jefferson	39.8	39.6	39.7	38.7	43.3	46.5	50.8	49.9	67.2	76.5	62.4
King	39.7	37.2	36.1	40.4	42.9	41.4	42.9	48.5	57.2	57.0	56.8
Kitsap	57.8	55.3	53.5	61.0	65.5	63.9	62.7	70.9	82.0	82.0	78.6
Kittitas	45.5	43.4	42.1	41.5	47.1	48.0	55.1	58.3	63.1	70.5	64.6
Klickitat	63.6	52.4	60.3	59.3	54.5	61.8	57.3	58.6	60.5	94.1	78.0
Lewis	64.7	63.0	56.0	66.0	67.1	70.5	73.5	74.0	92.7	100.9	90.0
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mason	69.6	66.4	59.0	68.6	74.2	75.4	75.5	87.1	112.8	104.5	95.3
Okanogan	74.0	61.9	53.6	65.9	65.7	62.1	65.1	78.0	94.0	83.9	80.3
Pacific	64.3	78.3	73.5	75.4	75.2	69.6	76.4	72.4	106.4	103.9	86.8
Pend Oreille	74.0	69.9	67.9	75.5	85.8	70.6	72.1	86.1	88.4	90.2	93.7
Pierce	55.9	55.3	52.8	57.4	62.8	62.1	64.5	71.2	81.3	84.3	82.4
San Juan	30.3	27.2	23.1	19.9	30.5	25.8	26.0	33.9	25.1	50.5	33.7
Skagit	57.5	51.4	53.0	55.4	54.5	57.1	58.8	59.3	70.8	76.7	74.5
Skamania	49.5	57.7	56.4	58.6	53.5	51.6	70.3	70.4	89.5	98.1	77.7
Snohomish	48.8	47.5	46.6	48.7	52.8	53.2	53.6	58.9	68.6	71.9	73.2
Spokane	70.8	65.1	60.1	66.5	72.3	68.1	68.3	73.8	84.3	87.9	86.4
Stevens	78.4	74.1	72.0	80.0	91.4	75.5	77.5	93.0	96.0	98.5	103.0
Thurston	64.5	59.4	58.3	62.2	65.7	64.6	65.4	68.6	77.3	81.9	79.5
Wahkiakum	83.9	66.6	61.7	73.3	57.0	79.4	82.0	95.9	32.7	105.6	89.0
Walla Walla	69.7	65.0	58.1	65.2	68.7	70.6	66.3	73.1	82.4	87.1	88.0
Whatcom	47.0	46.3	45.8	48.4	51.4	50.9	50.4	54.8	61.6	61.7	62.4
Whitman	54.1	49.5	42.1	51.3	49.5	46.5	47.0	50.5	68.4	59.3	68.9
Yakima	88.9	81.0	71.4	76.9	83.1	79.9	76.4	88.9	101.8	90.9	92.0
Statewide	51.8	49.1	48.2	53.5	56.1	56.2	56.9	63.0	73.6	72.2	72.1

Source: WCRER Estimates

### NOTES:

- Housing Affordability Index measures the ability of a middle income family to carry the mortgage payments on a median price home. When the index is 100 there is a balance between the family's ability to pay and the cost. Higher indexes indicate housing is more affordable.
- All loans are assumed to be 30 year loans.
- All buyer index assumes 20% downpayment.
- 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  
September 2009

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

Source: WCRER Estimates

# LISTINGS AVAILABLE FOR SALE

## State of Washington and Counties End of Third Quarter

County	2003	2004	2005	2006	2007	2008	2009	% Ch 08-09
Adams	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Asotin	403	341	337	381	450	473	516	9.1%
Benton	1,371	1,756	1,575	1,754	1,641	1,582	1,456	-8.0%
Chelan	541	393	376	350	0	588	647	10.0%
Clallam	N/A	N/A	N/A	N/A	871	745	757	1.6%
Clark	2,160	1,729	1,916	3,789	4,421	4,737	3,321	-29.9%
Columbia	N/A	N/A	N/A	N/A	54	59	70	18.6%
Cowlitz	540	425	411	571	778	775	640	-17.4%
Douglas	N/A	N/A	N/A	N/A	N/A	254	254	0.0%
Ferry	366	332	260	288	320	432	508	17.6%
Franklin	1,371	1,756	1,575	1,754	1,641	1,582	1,456	-8.0%
Garfield	403	341	337	381	450	473	516	9.1%
Grant	409	456	370	415	603	683	667	-2.3%
Grays Harbor	602	486	511	692	854	884	727	-17.8%
Island	726	682	556	890	1,121	1,138	1,115	-2.0%
Jefferson	N/A	323	289	401	490	501	558	11.4%
King	8,427	7,109	6,149	7,919	11,103	11,610	9,360	-19.4%
Kitsap	1,396	1,220	1,197	1,888	2,417	2,323	1,739	-25.1%
Kittitas	273	316	299	403	604	695	562	-19.1%
Klickitat	N/A	N/A	N/A	146	222	237	215	-9.3%
Lewis	435	420	450	629	845	818	772	-5.6%
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mason	541	440	423	555	898	878	762	-13.2%
Okanogan	N/A	N/A	N/A	225	313	411	395	-3.9%
Pacific	N/A	N/A	N/A	N/A	366	391	350	-10.5%
Pend Oreille	366	332	260	288	320	432	508	17.6%
Pierce	3,990	3,750	3,800	5,861	7,687	6,929	5,143	-25.8%
San Juan	246	216	210	244	329	411	431	4.9%
Skagit	833	608	597	919	1,145	1,142	1,198	4.9%
Skamania	N/A	N/A	N/A	75	108	133	107	-19.5%
Snohomish	3,893	3,417	3,164	4,056	5,968	5,749	4,394	-23.6%
Spokane	1,875	1,835	1,942	2,942	3,607	3,842	3,932	2.3%
Stevens	366	332	260	288	320	432	508	17.6%
Thurston	951	949	995	1,941	2,209	1,987	1,673	-15.8%
Wahkiakum	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Walla Walla	N/A	N/A	364	347	534	503	718	42.7%
Whatcom	N/A	N/A	N/A	1,739	1,841	1,657	1,507	-9.1%
Whitman	115	132	140	162	180	203	183	-9.9%
Yakima	908	959	963	1,288	1,425	1,538	1,392	-9.5%
<b>Statewide</b>	<b>33,507</b>	<b>31,055</b>	<b>29,726</b>	<b>43,581</b>	<b>56,135</b>	<b>57,227</b>	<b>49,057</b>	<b>-14.3%</b>

Source: WCRER Estimates

# MONTH'S SUPPLY OF HOUSING BY PRICE RANGE

## State of Washington and Counties September 2009

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

Source: WCRER Estimates

# RESIDENTIAL BUILDING PERMITS

## Units Authorized State of Washington and Counties, Monthly

County	JUL 08		AUG 08		SEP 08		JUL 09		AUG 09		SEP 09		% Change	
	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE
Adams														
Asotin														
Benton	47	37	39	30	44	36	40	40	39	37	32	32	-14.6%	5.8%
Chelan	27	27	27	27	12	12	16	16	11	11	11	11	-42.4%	-42.4%
Clallam	21	21	16	16	17	17	11	11	11	11	12	12	-37.0%	-37.0%
Clark	128	123	101	78	158	80	81	79	69	69	71	71	-42.9%	-22.1%
Columbia	1	1	1	1	0	0	0	0	0	0	1	1	-50.0%	-50.0%
Cowlitz	12	12	20	18	16	16	18	18	16	16	16	16	4.2%	8.7%
Douglas	10	10	14	14	21	5	5	5	10	10	9	9	-46.7%	-17.2%
Ferry	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
Franklin	26	26	22	22	23	23	38	38	35	35	36	36	53.5%	53.5%
Garfield	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
Grant														
Grays Harbor	12	12	7	7	15	15	13	13	7	7	4	4	-29.4%	-29.4%
Island	20	20	17	17	17	17	21	21	16	16	13	13	-7.4%	-7.4%
Jefferson	6	6	11	11	12	12	9	9	8	8	6	6	-20.7%	-20.7%
King	599	261	1,209	219	811	211	204	180	304	188	232	225	-71.7%	-14.2%
Kitsap	84	69	34	34	42	42	39	37	37	37	39	39	-28.1%	-22.1%
Kittitas	32	32	19	19	12	12	19	19	28	28	13	13	-4.8%	-4.8%
Klickitat														
Lewis	37	27	23	23	27	27	13	13	21	21	32	8	-24.1%	-45.5%
Lincoln														
Mason	26	24	20	20	19	19	22	20	16	16	12	12	-23.1%	-23.8%
Okanogan	11	11	10	10	10	10	18	18	15	15	12	12	45.2%	45.2%
Pacific	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
Pend Oreille	0	0	0	0	0	0	1	1	0	0	0	0	N/A	N/A
Pierce	210	167	152	115	147	140	119	119	205	121	152	116	-6.5%	-15.6%
San Juan	21	21	22	22	9	7	6	6	8	8	7	7	-59.6%	-58.0%
Skagit	30	30	30	28	25	25	20	20	28	23	23	23	-16.5%	-20.5%
Skamania	3	3	6	6	7	7	3	3	1	1	3	3	-56.3%	-56.3%
Snohomish	307	162	203	151	151	103	207	199	154	107	264	150	-5.4%	9.6%
Spokane	73	60	107	55	149	89	78	66	73	59	83	55	-28.9%	-11.8%
Stevens	1	1	1	1	0	0	0	0	2	2	1	1	50.0%	50.0%
Thurston	94	88	77	72	86	74	110	72	154	123	108	98	44.7%	25.2%
Wahkiakum														
Walla Walla														
Whatcom	63	44	43	29	35	29	34	34	29	29	31	26	-33.3%	-12.7%
Whitman	1	1	6	6	16	12	7	3	13	5	8	8	21.7%	-15.8%
Yakima	44	44	39	39	21	21	20	20	10	10	9	9	-62.5%	-62.5%
Statewide	1,946	1,340	2,276	1,090	1,902	1,061	1,172	1,080	1,320	1,013	1,240	1,016	-39.1%	-10.9%

Source: U.S. Department of Commerce

### NOTES:

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

# RESIDENTIAL BUILDING PERMITS

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

County	3rd Qtr 2008		2nd Qtr 2009		3rd Qtr 2009		% change year ago	
	Total Value	SF Value	Total Value	SF Value	Total Value	SF Value	Total Value	SF Value
Adams								
Asotin								
Benton	\$25.2	\$22.9	\$26.0	\$26.0	\$25.5	\$25.2	1.0%	10.2%
Chelan	\$12.3	\$12.3	\$7.4	\$7.4	\$7.1	\$7.1	-41.9%	-41.9%
Clallam	\$13.2	\$13.2	\$7.6	\$7.6	\$8.1	\$8.1	-38.5%	-38.5%
Clark	\$61.3	\$51.3	\$35.8	\$35.4	\$44.2	\$44.1	-27.9%	-14.0%
Columbia	\$0.5	\$0.5	\$0.2	\$0.2	\$0.2	\$0.2	-54.2%	-54.2%
Cowlitz	\$11.8	\$11.6	\$10.6	\$10.6	\$11.9	\$11.9	0.5%	2.6%
Douglas	\$6.7	\$5.6	\$7.3	\$6.4	\$4.7	\$4.7	-29.6%	-15.8%
Ferry								
Franklin	\$15.0	\$15.0	\$22.9	\$22.9	\$23.8	\$23.8	58.7%	58.7%
Garfield	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A	N/A
Grant								
Grays Harbor	\$7.8	\$7.8	\$3.4	\$3.4	\$4.7	\$4.7	-39.5%	-39.5%
Island	\$10.3	\$10.3	\$10.1	\$10.1	\$12.6	\$12.6	22.1%	22.1%
Jefferson	\$7.5	\$7.5	\$4.3	\$4.3	\$5.6	\$5.6	-25.8%	-25.8%
King	\$402.9	\$195.7	\$165.3	\$124.4	\$188.2	\$162.9	-53.3%	-16.8%
Kitsap	\$33.8	\$30.5	\$21.9	\$21.9	\$21.5	\$21.5	-36.4%	-29.6%
Kittitas	\$13.6	\$13.6	\$10.8	\$10.8	\$15.8	\$15.8	16.3%	16.3%
Klickitat								
Lewis	\$11.6	\$10.8	\$6.5	\$6.2	\$8.1	\$5.7	-30.3%	-47.7%
Lincoln								
Mason	\$8.6	\$8.5	\$5.4	\$5.1	\$6.6	\$6.5	-23.3%	-23.7%
Okanogan	\$4.6	\$4.6	\$5.6	\$5.6	\$7.1	\$7.1	52.4%	52.4%
Pacific	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A	N/A
Pend Oreille	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A	N/A
Pierce	\$84.6	\$75.1	\$68.7	\$66.5	\$82.7	\$68.4	-2.2%	-8.9%
San Juan	\$12.8	\$12.6	\$9.7	\$9.7	\$6.6	\$6.6	-48.6%	-47.9%
Skagit	\$16.9	\$16.7	\$12.6	\$12.6	\$13.4	\$13.1	-20.6%	-21.5%
Skamania	\$2.9	\$2.9	\$2.2	\$2.2	\$1.0	\$1.0	-66.7%	-66.7%
Snohomish	\$92.7	\$68.7	\$106.8	\$96.9	\$111.6	\$95.8	20.5%	39.4%
Spokane	\$49.5	\$35.2	\$31.9	\$30.4	\$38.9	\$31.5	-21.5%	-10.3%
Stevens	\$0.4	\$0.4	\$0.4	\$0.3	\$0.3	\$0.3	-21.3%	-21.3%
Thurston	\$47.7	\$46.2	\$60.0	\$49.2	\$71.9	\$61.1	50.8%	32.4%
Wahkiakum								
Walla Walla								
Whatcom	\$26.6	\$22.0	\$17.4	\$16.5	\$19.7	\$19.3	-25.8%	-12.4%
Whitman	\$3.7	\$3.3	\$3.6	\$3.6	\$3.8	\$2.7	3.7%	-19.0%
Yakima	\$24.2	\$24.2	\$8.7	\$8.7	\$7.7	\$7.7	-68.2%	-68.2%
<b>Statewide</b>	<b>\$1,008.7</b>	<b>\$729.0</b>	<b>\$673.3</b>	<b>\$605.2</b>	<b>\$753.5</b>	<b>\$675.0</b>	<b>-25.3%</b>	<b>-7.4%</b>

Source: U.S. Department of Commerce

### NOTES:

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



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