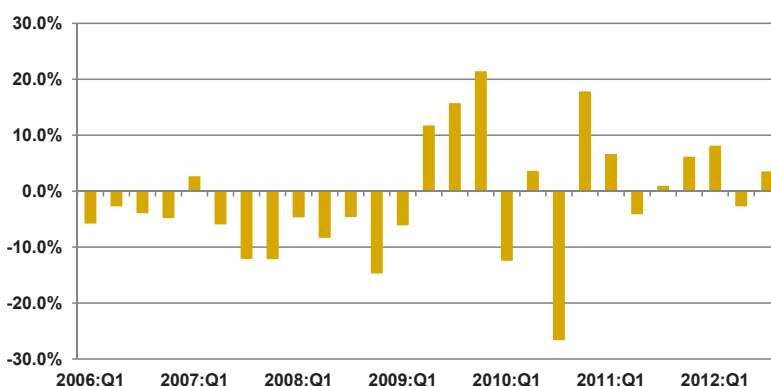




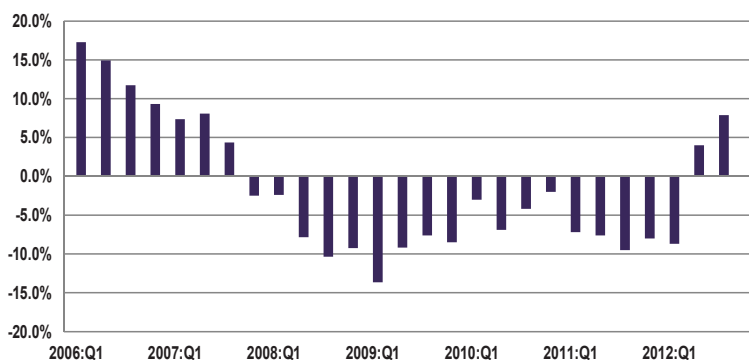
Washington Market Highlights: Third Quarter 2012

- ▶ Existing home sales increased in the third quarter by 3.4 percent to a seasonally adjusted annual rate of 97,860 units, and jumped 11.9 percent above a year earlier.
- ▶ Building permit activity increased 33.2 percent from a year earlier, totaling 7,463 new units authorized. Single-family permits increased 34.6 percent.
- ▶ The median price home sold in Washington during the third quarter was \$243,100, 7.9 percent above a year earlier.
- ▶ Housing affordability for both all buyers and first-time buyers was largely unchanged from the second quarter as price increases offset lower mortgage rates and modestly increasing incomes. However, homes remain very affordable for both all buyers and first-time buyers in most counties.
- ▶ Inventories of homes available for sale declined to 36,863 single-family homes, enough to sustain the market for only 5.7 months. This is the smallest end of September inventory of listings since 2005. Month's supply was especially low greater Seattle, contributing to bidding wars and higher prices.
- ▶ Seriously delinquent mortgages finally dipped a bit to 77,750 homes in continued jeopardy of foreclosure. On a positive note, the proportion of underwater mortgages declined significantly.

Change in Home Sales, SAAR



Percent Change in Median Home Price from Year Ago



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

Prepared by:
Washington Center for Real Estate Research
Runstad Center for Real Estate Studies
College of Built Environments
University of Washington
424 Gould Hall, Box 355740
Seattle, WA 98195-5740
Phone: (206) 685-9597
Web: wcrer.be.washington.edu
E-mail: wcrer@uw.edu

Associate Director for Research:
Glenn E. Crellin

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Survey Description

Publication: Washington State's Housing Market is a publication of the Washington Center for Real Estate Research / Runstad Center for Real Estate Studies at the University of Washington.

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 2012

Washington State's Housing Market in the third quarter of 2012 showed rather consistent indications of recovery. Existing home sales continued improving; median home prices increased on a year-to-year basis; building permits were strong for both single-family and multifamily construction; and homes available for sale continued to plummet. Seriously delinquent mortgages slipped a bit, but are still surprisingly high. Mortgage interest rates are at historic lows, but housing affordability declined a bit in the third quarter, driven by the recovering prices. Improving employment conditions (despite a still-high unemployment rate) reinforced the increasing optimism about housing. However, economic risks, especially the "fiscal cliff" temper the outlook.

Home Resales

The real estate industry welcomes the rapid turnaround of home sales markets. While sales rates remain well below the heyday, in the third quarter the seasonally adjusted sales rate reached 97,860 units. This is a level 3.4 percent higher than the second quarter and 11.9 percent above the third quarter of last year. The current sales rate is the highest since the closing quarter of 2009 (when first-time buyer tax credits were driving sales). The last time sales were this high without special incentives was in the first quarter of 2008 as the home sales market in Washington was slowing.

Quarter-to-quarter sales increased in 25 of Washington's 39 counties, led by a 300 percent jump in tiny Skamania County. In fact, double-digit increases were reported since the second quarter in 14 counties in all parts of the state. Since the Seattle-Tacoma-Olympia Combined Metropolitan area reported stronger markets in the second quarter than much of the state, the biggest improvements were observed elsewhere. None of the metropolitan counties retreated compared to three months earlier, however.

Smaller counties routinely have the greatest swings in housing market activity when expressed as

percentages. The second quarter results again illustrated this very clearly. From the extraordinary strength in Skamania County to a 70 percent drop in sales activity in Adams County, smaller localities dominated the extreme percentage changes. Excluding all the rural counties from the analysis of extremes, quarter-to-quarter sales changes ranged from an improvement of 49.1 percent in Cowlitz County to a decline of 10.0 percent in Asotin County. The state's largest market, King County, reported a sales rate of 27,480 units, virtually unchanged from the previous quarter.

Home sales activity is always concentrated in the urban markets. Collectively the 17 counties identified by the Federal Office of Management and Budget as part of metropolitan areas accounted for an annual sales rate of 82,510 homes, 84.3 percent of the statewide total. The next group, characterized as micropolitan



areas, is nine counties with a sales rate in the third quarter of 11,700 units, 12.0 percent of the total. The remaining 13 counties had a total annual sales rate of 3,470 units, 3.5 percent of the statewide total.

Housing Construction

Building permits for a total of 7,463 housing units were issued during the third quarter of 2012 in the 32 counties where some or all of the permit issuing jurisdictions provide monthly data to the Census Bureau. This represents an increase in permit activity of 33.2 percent compared to the construction rate in the July-September quarter of 2011.

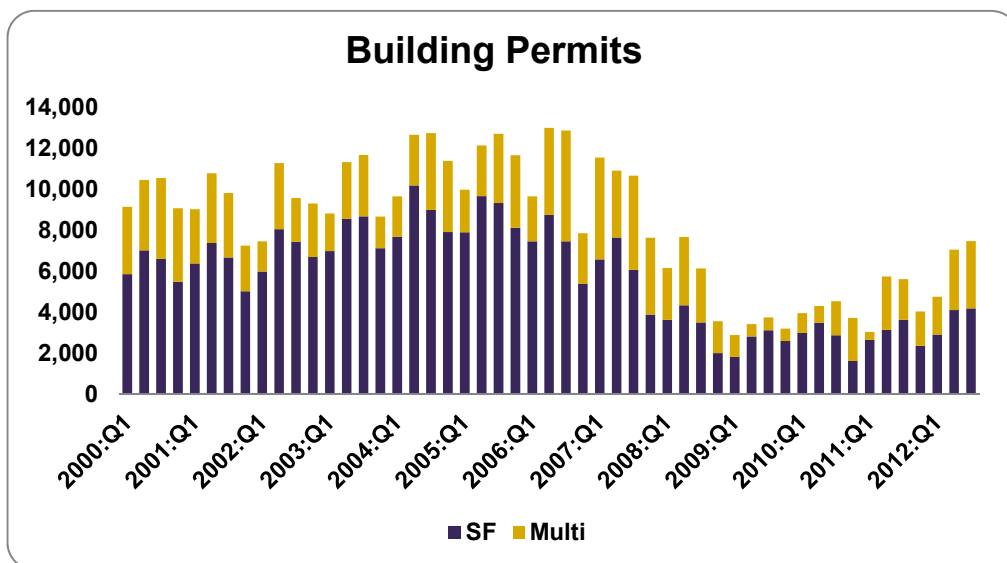
While improving construction permits means employment gains in the important construction sector, it is important to examine the composition of the rebound. Strength in the multifamily construction sector is receiving well-deserved attention, but during the third quarter single-family permit activity actually increased more than multifamily – 34.6 percent compared to 31.4 percent for units in building with two or more units. During the third quarter 4,352 single-family homes were permitted, 58.3 percent of statewide permit activity during the quarter. The last time more single-family permits were issued in a single quarter was the second quarter of 2008.

Total value of residential building permits issued during the third quarter was \$1,487.4 million, 43.6 percent above a year ago, while the single-family permit value was up 39.9 percent to \$1,069.9 million. Since the increases in value were greater than the increases in units in both cases, it is apparent that the value per permitted unit is increasing, reflecting the improvement market and the concentration of activity in more costly markets, especially King County.

The greatest increase in the total number of building permits issued in percentage terms was 434.2 percent in Whitman County (Pullman), followed by a 107.1 percent jump in Snohomish County. Significantly, in both cases the strength was driven by multifamily construction. The new construction housing market remains very mixed, however, with 10 of the 32 reporting counties still registering

reduced total permit activity. Looking solely at single-family construction, 20 counties saw increased permitting while seven reported reduced construction. Roughly 71 percent of the building permits reported to the Census bureau were issued in the five-county greater Seattle area.

Total permit value increased compared to a year ago in 20 counties, led by a near tripling in Whitman County. The dollar value of single-family permits also increased in 21 counties. The greatest jump in single-family dollar value was 91.0 percent in Skagit County. The five-county Seattle area saw over a billion dollars in residential permits issued during the third quarter, 71.0 percent to the statewide total.



Home Prices

For decades the only data on home prices came from Realtor associations and multiple listing services, reporting median or average prices. More recently so-called repeat sales measures by S&P Case Shiller or the Federal Housing Finance Agency have appeared, along with many other indexes designed as tools for investors to speculate in the housing market without actually purchasing real estate. This report relies on the long-standing approach using median sales prices, representing the midpoint of the distribution of all sales, with half the homes selling for more, and half selling for less. Median and average prices are subject to changes in the composition of the market, but present the data in a way that the public understands. Repeat sales data is better for representing appreciation (or depreciation) in the value of individual homes over time. Regardless of method, however, the third quarter of 2012 has rather consistently indicated that home prices nationally, and in Washington have been increasing, although there have been counties and neighborhoods where prices are still weak.

The median selling price of a single-family home in Washington during the third quarter was \$243,100. This represents a median price 7.9 percent higher than the third quarter of last year. This is the second consecutive quarter of year-over-year median price increases, after 18 quarters of price declines. Hopefully this means stability has returned to home prices.

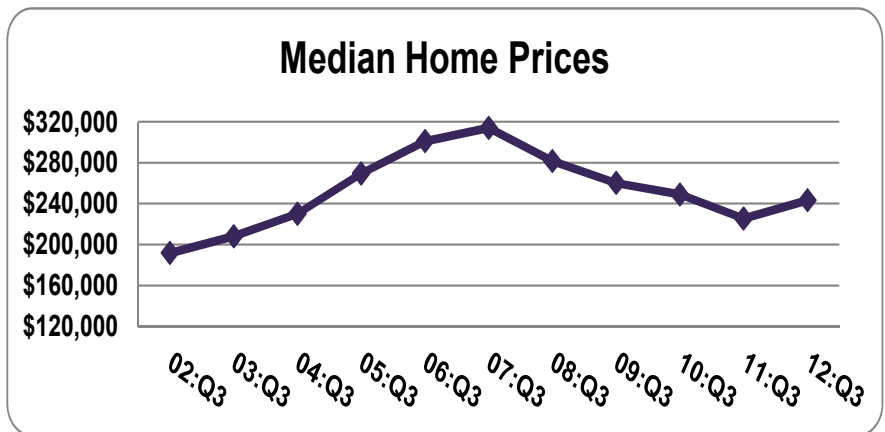
The only other home price measure available statewide is produced by the Federal Housing Finance Agency (FHFA). Since there is a bigger delay in releasing this statistic, the second quarter of 2012 is the most recent available. This measure is a “repeat sales” measure, meaning that it focuses on price changes of properties that have sold more than once, measuring changes in prices. Like most of the repeat sales statistics, the data is released as an index, not a meaningful price, so the change from a year ago is the only meaningful measure. Prices in Washington using this measure increased 1.1 percent in the second quarter compared to a year earlier. Washington’s appreciation was 36th best, but finally moved into positive territory.

Median prices ranged from a high of \$382,100 in San Juan County to a low of \$86,200 in rural Lincoln County, one of two areas which reported medians less than \$100,000. Among the metropolitan population centers, the range was from \$379,900 in King County to \$140,800 in Cowlitz County (Longview), less than half the median in metro Seattle. The micropolitan areas exhibited variations from a low median of \$125,300 in Grays Harbor County

(Aberdeen) to a high of \$258,500 in Island County (Oak Harbor). While these counties are in the same relative positions as last quarter, in both cases the reported median is significantly higher.

Price changes also varied widely. Median prices were lower than a year ago in 10 of Washington’s 39 counties (compared to 17 three months ago). Pacific County has the largest median price decline, 14.3 percent while both Columbia and Wahkiakum counties had over 50 percent increases in median prices, driven by a very small number of sales in each county.

Among the metropolitan counties the range of price changes was a high of a 14.1 percent increase in Snohomish County to a decline of 2.6 percent in Thurston County (Olympia). Among the nine micropolitan areas, six reported higher median prices, with Mason County (Shelton) seeing the greatest increase in the



group, 18.1 percent. The micropolitan area with the greatest price decline in the last year was Moses Lake (Grant County), where the median price dropped 7.9 percent from the third quarter of last year.

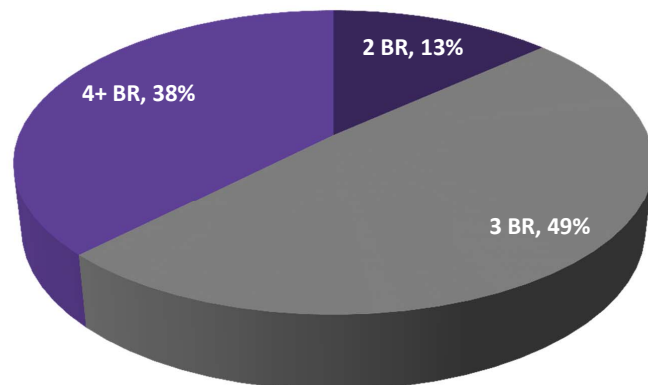
Prices by Bedroom

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

The median price 2-bedroom single-family home (remember, these statistics do not include condominium apartments) sold statewide during the third quarter was \$157,000, 8.1 percent higher than a year ago. Moving to the much more typical 3-bedroom homes, the median increased 8.0 percent between the third quarters of 2011 and 2012, to \$219,400. Among the homes with four or more bedrooms the median sales price was \$311,200, a jump of 7.0 percent over the last year. These statistics reinforce the impression that housing prices are stabilizing across the board.

Small samples often cause county-level detail on prices by number of bedrooms to exhibit unusual patterns, but larger communities generally have enough sales activity to offset the problems. Accordingly, Washington State's Housing Market limits analysis of the bedroom detail to metropolitan counties only. The median price of a 2-bedroom home in Cowlitz County declined by 19.6 percent between the third quarters of 2011 and 2012. Meanwhile in King County smaller home prices increased by 26.8 percent. In the 3-bedroom category Snohomish County showed the biggest increase (14.2 percent) while Yakima County sustained a 10.0 percent slide. Larger homes experienced a price decline of 8.5 percent in Whatcom County with the other extreme an increase of 18.1 percent in Yakima County. The least costly 2-bedroom homes were located in Cowlitz County. For 3-bedroom homes that distinction passed to Yakima County. For homes with four or more bedroom, the lowest urban median was in Asotin County. Regardless of number of bedrooms the most expensive urban homes were found in King County, as usual.

**3rd Quarter 2012 Washington Home Sales
by Number of Bedrooms**



Housing Affordability

Households and families generally focus on the relationship between their potential mortgage payment and their income when deciding on home purchases. Of course, those relationships are tempered by lending standards, access to down payments, other recurring financial obligations and their confidence in the overall economy. While the importance of investor purchasers in the market is undeniable, as the market recovers it appears most purchasers are intending to occupy the properties themselves, a significant change from the motivations of many purchasers a year ago. Accordingly, the concept of affordability is of increasing interest.

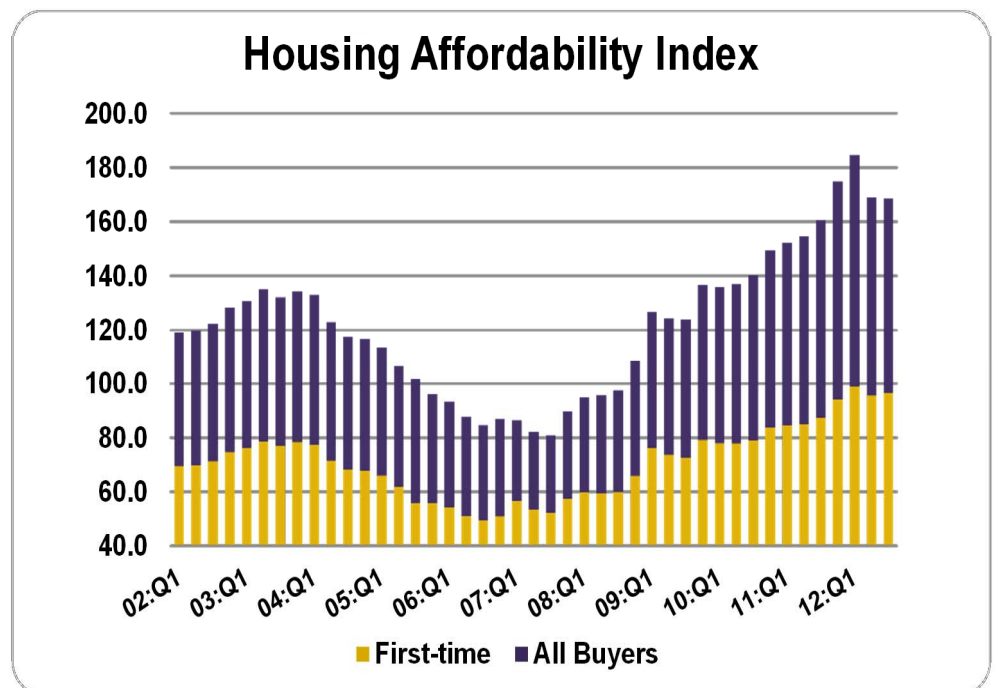
Low mortgage rates have historically driven consumers to purchase homes, especially when those low rates are combined with prices which are lower than have recently prevailed. Prices and mortgage rates combine with income to determine the affordability of housing. Income for the majority of households has continued to increase slowly during the recession and the early stages of the recovery. While mortgage rates continued to fall during the third quarter, and incomes showed modest improvement, the occasionally significant increases in prices pushed the overall affordability measures a bit lower.

WCRER/Runstad calculates two measures of affordability. The all-buyer index measures the degree to which a median income **family** (two or more individuals related by blood, marriage or adoption) can afford mortgage payments on a median price home, assuming a 20 percent downpayment and a 30-year mortgage at prevailing mortgage interest rates. The calculation assumes the family can spend 25 percent of their gross income on principal and interest payments. While there may be some mortgages available in the marketplace with less restrictive terms, these assumptions fairly represent the current home purchase market and can compare affordability to other time periods. 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. 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. While many buyers are still opting for FHA loans which allow lower downpayments or VA or USDA no money down mortgages, those proportions have declined in recent months and the general affordability 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 168.7, meaning the median income family in Washington had 68.7 percent more income than the minimum required to afford the median price home—an improvement from the 160.7 recorded a year ago and essentially unchanged from the 169.0 registered three months ago.

The county-level all-buyer affordability measures in the third quarter ranged from a high of 353.7 in Lincoln County to a low of 96.9 in ever-costly San Juan County, which was the only county recording an index below 100, suggesting that home purchases are consistently affordable throughout the state. Among the metropolitan counties the range was from a low affordability of 132.4 in King County to a high of 236.1 in Cowlitz County. For the micropolitan areas the greatest affordability was in Grays Harbor County (233.9) and the least was in Clallam County (156.9).



The housing affordability index for first-time buyers statewide in the third quarter was 96.6, up from 87.0 in the third quarter of 2011. Surprisingly, the first-time buyer measure inched up from the 95.5 reading in the second quarter. Since an index value of 80 is generally considered to offer meaningful choice and access to ownership housing for first-time buyers, this current market presents a great opportunity for well qualified first-time buyers to enter the ranks of homeowners.

The first-time buyer affordability index exceeded 100 in 24 counties during the third quarter (one more than last quarter). However, achieving homeownership is still a challenge in many areas, especially as rents are rising in many communities, making it more difficult to accumulate the downpayment. The counties which present the biggest challenges do not change much. San Juan and King's high prices, Klickitat's resource-based employment, and Whitman's student population keep those counties especially challenging. Among the metropolitan counties, the greatest affordability for first-time buyers was in Benton County (127.3) and was least in King County (74.0). For the micropolitan areas, the most affordable for current renters to move to home ownership was Grays Harbor County, while Whitman County presented the greatest hurdle. In both cases the counties identified were the same three months ago.

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 3.75 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.

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 | \$134,956 | \$7,102 | \$142,058 | 16.3% |
| \$60,000 | \$1,250 | \$269,911 | \$29,990 | \$299,901 | 60.6% |
| \$90,000 | \$1,875 | \$404,867 | \$101,216 | \$506,083 | 83.8% |
| \$150,000 | \$3,125 | \$674,778 | \$363,341 | \$1,038,119 | 96.0% |

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 second quarter

was \$72,650, although the county-level medians ranged from a low of \$46,225 in Ferry County to a high of \$89,150 in King County. Similarly, household incomes, which tend to be lower by definition, had a statewide value of \$58,619, with county-level incomes ranging from \$36,601 in Okanogan County to a high of \$70,139 in King County. These median income values demonstrate that the first two income/asset categories are more relevant for most state residents.

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

Remember, these are estimates since these MLS systems typically handle around 80 percent of the market but do not cover all areas of the state. Also, recall that these are offered prices and actual sales may occur below (or above) these prices, depending upon local market conditions and the motivations of buyers and sellers. Additionally, there may be additional affordable homes available through foreclosure options, but buyers must be wary of potential defects in those units. Despite falling inventory levels, the proportion of affordable listing increased because of the further decline in mortgage rates, which have begun increasing modestly since the end of the third quarter.

The statewide data shows 3.8 percent of homes statewide on the market at the end of September were priced under \$80,000 (compared to 3.7 percent a year ago). Fewer than 2.0 percent of homes on the market are priced less than \$80,000 in five Washington counties. These statistics emphasize that in many parts of the state modest income households, especially those looking for their first home, still face very limited access to the ownership housing market.

Including homes priced at or below \$160,000 raises the affordable percentage statewide to 21.7 percent. Among the metropolitan counties the proportion of homes priced less than \$160,000 ranged from a low of 4.7 percent in King County to a high of 43.5 percent in Cowlitz County. Both represent a modest increase in lower priced homes compared to three months ago.

Available Inventory

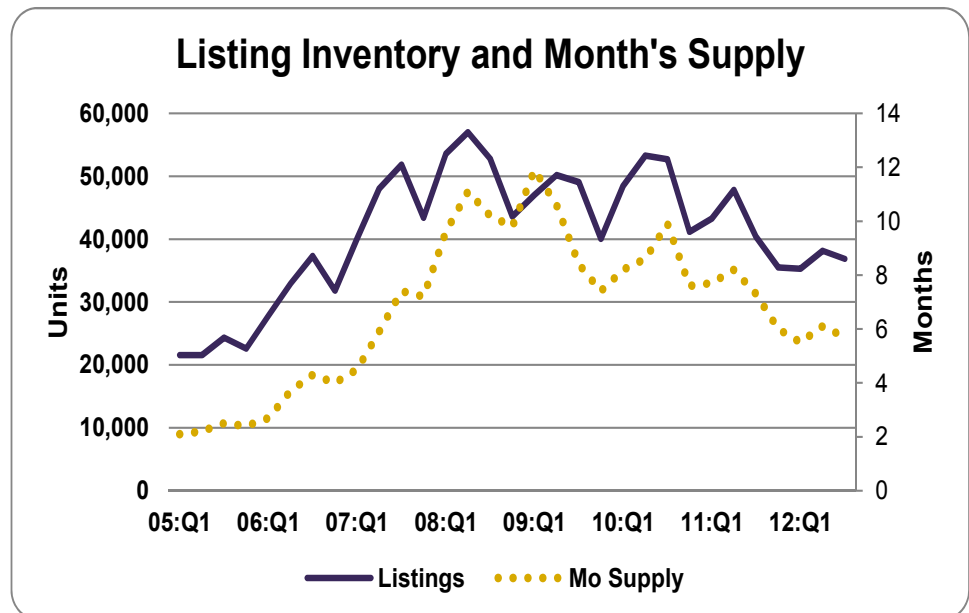
Economics analyzes demand and supply looking for equilibrium or balance. Existing home sales, discussed earlier, is the measure of demand. Inventory available for sale represents the supply side of the equation. During the period of rapid home sales and escalating prices there was excess demand and very limited supply. During 2008 while sales plummeted, inventories available for sale surged. During the depths of the recession inventories surged. Now inventory available for sale appears limited again, but potential upward pressure on prices may be tempered by the continuing problem with distressed properties, as will be discussed in more detail shortly. Some would be sellers had not anticipated how quickly the market would turn, and are not prepared to list their home because of need for maintenance or lease commitments. It is unlikely the inventory levels will increase meaningfully before early 2013.

Listings available for sale throughout Washington, at the end of the September 2012, stood 19.1 percent below the listing inventory a year earlier. There were 36,863 homes listed on the various Multiple Listing Services, a reduction of 8,724 homes compared to last year. It must be emphasized that these counts do not include any homes being offered for sale directly by the owners, without the assistance of real estate licensees, or those marketed by real estate licensees who are not members of a multiple listing service, and may not include homes marketed by financial institutions after foreclosure. This so-called shadow inventory remains one of the real mysteries of the current housing market.

King County alone represents 5,007 active listings, 35.5 percent fewer than a year earlier. Active listings increased compared to the prior year in eight of the 35 counties for which listing data is available. The most rapid growth of listing inventory was 9.2 percent in Benton/Franklin counties, while the largest reduction in homes available for sale was 46.0 percent in Snohomish County.

One additional comment about listings is important. It had been anticipated that a shortage of inventory coupled with experience dealing with the Foreclosure Fairness Act and continuing Federal refinancing opportunities for underwater homeowners were diminish the distressed property inventory. As will be detailed shortly, there is still a significant share of Washington mortgages which are seriously delinquent. However, stories of multiple offers on non-distressed homes in good condition are becoming common, especially in greater Seattle. If these conditions prevail in the near term, it is likely the pace of listings will accelerate in the spring.

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/Runstad 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 quarter-end month's supply for Washington was 5.7 months, compared to 7.3 months a year 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 usually be characterized as balanced. The assessment of balance in the current market, however, needs to be tempered by the understanding that distressed properties may not be in move-in condition, meaning the effective inventory balance may be significantly less than the statistic. This is consistent with median prices increasing more rapidly than inflation and the prevalence of multiple offers. Until more listings are processed, the behavior of home prices will be difficult to predict.

While the statewide market is "balanced", many individual local markets or price ranges are oversupplied or have clear shortages of homes available for sale. Clearly, both Snohomish and King counties have shortages of homes available for sale, with month's supplies of only 2.6 and 2.9 months, respectively. The recent multiple-offer situation in greater Seattle is consistent with this tight supply. Meanwhile, 12 Washington counties still have inventory levels capable of sustaining the current sales rate for at least a year even if no new listings come on the market. These are places which clearly have an excess supply of homes on the market today, where price declines may continue into next year. The inventory imbalance

remained especially pronounced in Northeast Washington (Stevens/Ferry/Pend Oreille counties), where current inventories could sustain the market for 85 months at current sales rates.

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 have the greatest month's supply of 7.7 months (down from 8.5 months last quarter), but practically speaking only King County has a modest shortage of expensive homes with Snohomish County balanced and Kitsap County only modestly oversupplied. All remaining counties with inventories of expensive homes would be considered oversupplied. These specialized homes always have a limited market, so the "oversupply" is not generally a problem leading to significant price reductions.

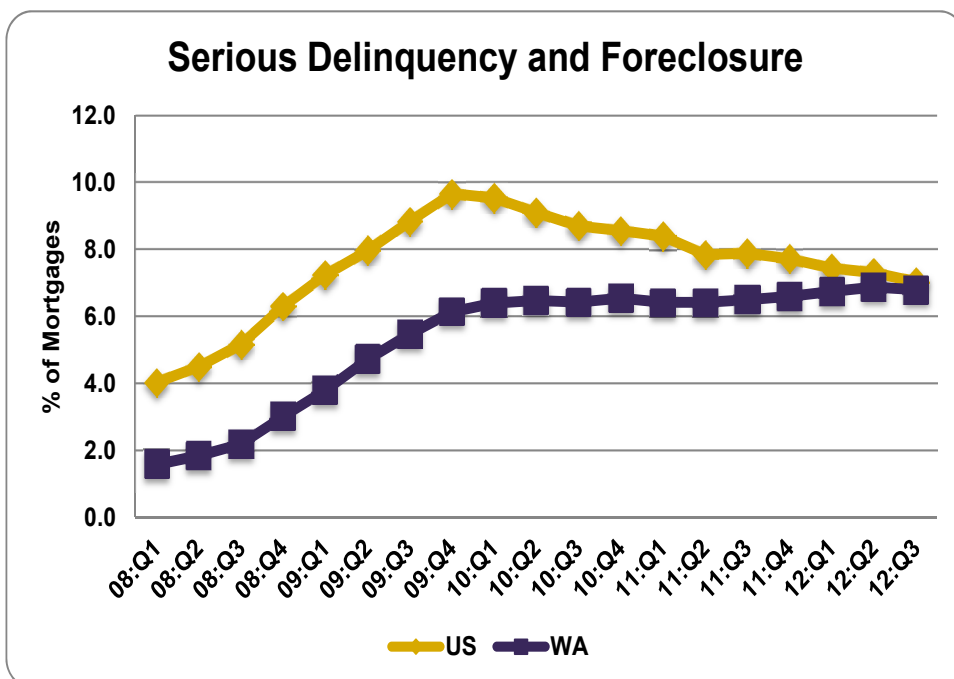
Market Risks

While this report has taken a generally optimistic tone for housing in Washington, risks remain. While overall economic trends reflect improvement in employment, Washington continues to have an unemployment rate higher than national statistics. In part this reflects our stronger hiring which has permitted job seekers to remain in the workforce, rather than giving up the search for a job.

With a strong rental market, rents are rising. Rapid jumps in rents seem to be encouraging first-time buyers to take advantage of low interest rates and purchase home before sales price increase much more. It will be at least mid-year 2013 before new apartment units enter the rental stream in large enough numbers to slow rent increases enough to encourage well-qualified households to remain in rental units.

Mortgage interest rates have not been a risk factor for quite a while, and are expected to remain exceptionally low for another year. While the quarterly average interest rate used in this issue is the lowest on record, the last couple of months have seen rates tick upward. Buyers who were waiting for prices to hit bottom may now be faced with the prospect that both prices and mortgage rates are making their payments a bit higher than they would have been six months ago. This may continue a sense of urgency to be a buyer soon, increasing demand before most sellers can prepare their homes for market. However, the November through February period is generally a time of limited home sales activity as weather and the holidays combine to discourage home searches.

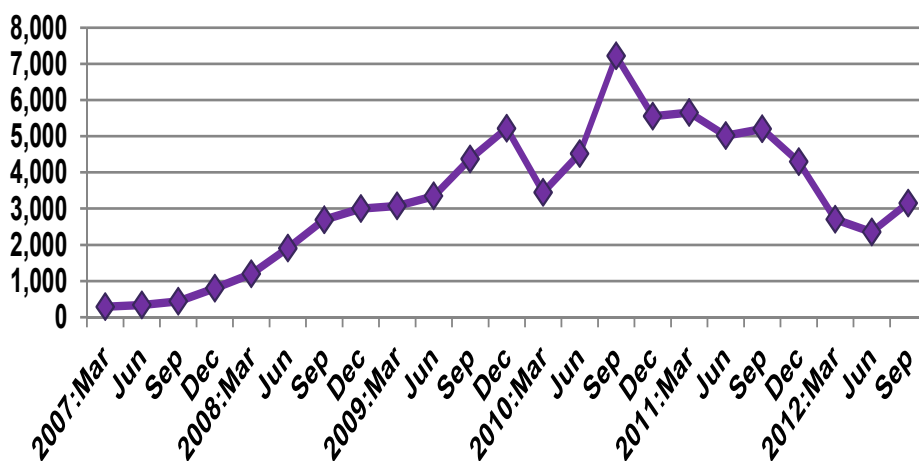
Distressed properties remain the biggest source of confusion and risk in the market in the short term. Seriously delinquent properties (those where the mortgages are at least 90 days past due or in foreclosure) declined a bit in Washington in the third quarter, but remained higher than the active market would have predicted. At the end of September there were approximately 77,750 mortgages in the state which were at least 90 days past due or at some stage of the foreclosure process. This represents an decrease of



about 2,200 mortgages in the last three months. Slow foreclosure processing resulting from both Federal efforts encouraging refinancing of mortgages and Washington's Foreclosure Fairness Act and its mediation provisions have limited foreclosure completions. During the first nine months of 2012 Realty Trac reported there were 8,210 completed foreclosures in Washington, 48.3 percent fewer than during the same period in 2011.

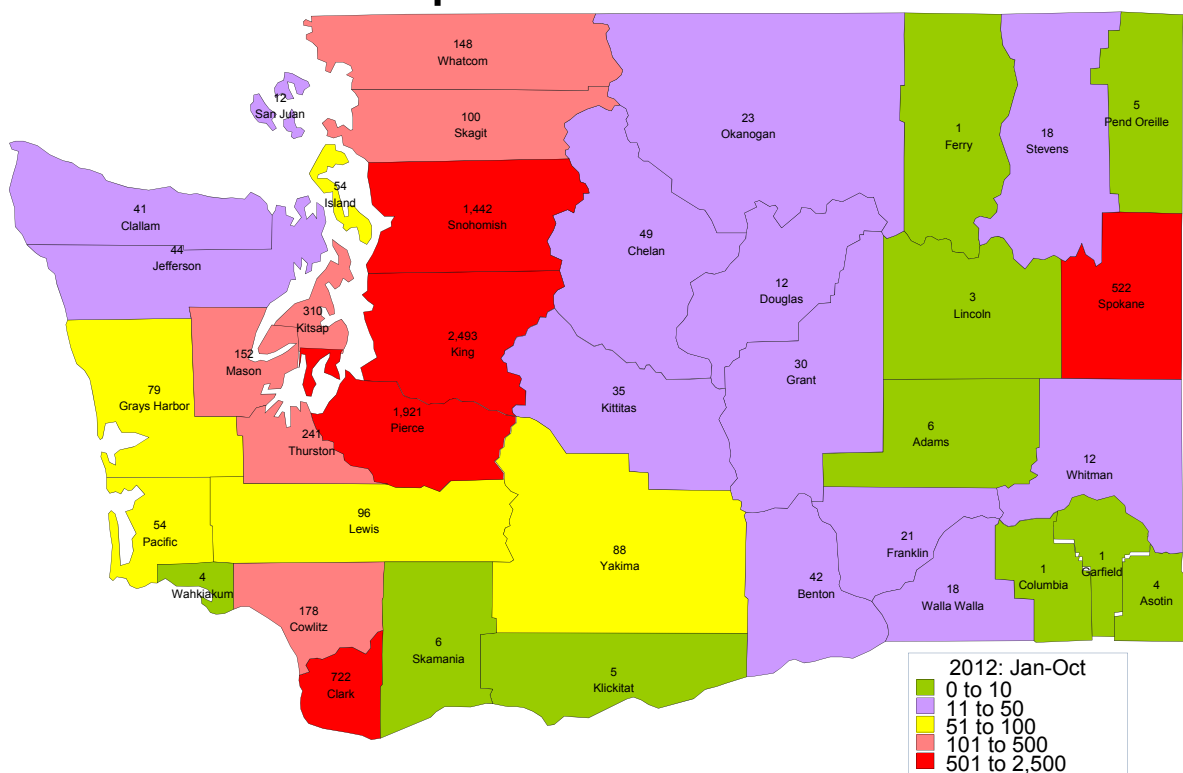
In summary, it is often said that all real estate is local, that that remains clear in this report. Since King County and the remainder of the greater Seattle area represents the economic heart of the state, it comes as no surprise that housing activity in the Central Puget Sound drives the statewide statistics. Fortunately, the remainder of the state is also generally recovering, just at a slower pace. The primary market risks are the fiscal cliff, the potential for a surge of foreclosure properties, and international economics and politics. Optimism carries the day, but must be tempered.

Quarterly Foreclosures Completed in Washington



Source: RealtyTrac (www.realtytrac.com/)

Completed Foreclosures



HOUSING MARKET SNAPSHOT

State of Washington and Counties Third Quarter 2012

| County | Home Resales (units) | | | Building Permits | | Median Resale Price | | Housing Affordability Index (HAI) | First-Time HAI |
|------------------|----------------------|------------------------|------------------------|------------------|------------------------|---------------------|------------------------|---|-------------------|
| | SAAR | % Change (last qtr) | % Change (year ago) | # | % Change (year ago) | \$ | % Change (year ago) | | |
| ADAMS | 60 | -70.0% | -64.7% | | | \$140,000 | 32.1% | 185.2 | 124.0 |
| ASOTIN | 270 | -10.0% | -6.9% | | | \$157,000 | 0.3% | 199.9 | 106.5 |
| BENTON | 2,980 | -2.6% | -1.0% | 387 | 26.5% | \$184,800 | 1.9% | 203.3 | 127.3 |
| CHELAN | 1,360 | 17.2% | 24.8% | 47 | 74.1% | \$232,400 | 6.1% | 146.4 | 89.0 |
| CLALLAM | 920 | 4.5% | 2.2% | 30 | 11.1% | \$208,300 | 17.6% | 156.9 | 78.7 |
| CLARK | 6,240 | 2.3% | 1.8% | 475 | 77.2% | \$203,000 | 7.0% | 202.3 | 109.8 |
| COLUMBIA | 100 | 25.0% | 25.0% | 0 | N/A | \$150,000 | 62.2% | 220.5 | 116.6 |
| COWLITZ | 1,700 | 49.1% | 16.4% | 19 | -40.6% | \$140,800 | -2.9% | 236.1 | 120.6 |
| DOUGLAS | 430 | 0.0% | -8.5% | 28 | 16.7% | \$212,900 | 7.5% | 155.7 | 91.6 |
| FERRY | 110 | 10.0% | 10.0% | 0 | N/A | \$135,000 | -12.9% | 193.3 | 122.0 |
| FRANKLIN | 610 | -3.2% | -1.6% | 207 | 2.0% | \$184,800 | 1.9% | 203.3 | 95.8 |
| GARFIELD | 30 | 0.0% | 0.0% | 1 | N/A | \$157,000 | 0.3% | 179.8 | 129.3 |
| GRANT | 1,600 | 36.8% | 34.5% | | | \$147,300 | -7.9% | 199.0 | 108.7 |
| GRAYS HARBOR | 1,270 | -13.6% | -18.1% | 27 | 58.8% | \$125,300 | -0.6% | 233.9 | 134.5 |
| ISLAND | 3,130 | 13.0% | 5.7% | 40 | -16.7% | \$258,500 | 3.4% | 157.7 | 90.5 |
| JEFFERSON | 560 | 16.7% | 51.4% | 19 | 11.8% | \$231,200 | -2.9% | 154.0 | 85.2 |
| KING | 27,480 | 0.1% | 20.7% | 3,185 | 71.1% | \$379,900 | 8.5% | 132.4 | 74.0 |
| KITSAP | 3,450 | 0.0% | 16.9% | 157 | 46.7% | \$249,800 | 6.1% | 170.2 | 99.2 |
| KITTITAS | 1,550 | 18.3% | 20.2% | 46 | 0.0% | \$198,200 | 9.5% | 178.5 | 87.2 |
| KLICKITAT | 300 | -11.8% | -6.3% | | | \$218,700 | 23.8% | 127.0 | 73.8 |
| LEWIS | 770 | -4.9% | 0.0% | 37 | 54.2% | \$142,900 | 1.3% | 222.5 | 115.4 |
| LINCOLN | 270 | 12.5% | 12.5% | | | \$86,200 | -9.3% | 353.7 | 214.2 |
| MASON | 990 | 0.0% | 0.0% | 23 | -28.1% | \$167,700 | 18.1% | 201.9 | 120.6 |
| OKANOGAN | 550 | -23.6% | 27.9% | 32 | -23.8% | \$158,000 | -5.1% | 182.6 | 92.8 |
| PACIFIC | 200 | -13.0% | 0.0% | | | \$92,500 | -14.3% | 320.5 | 178.3 |
| PEND OREILLE | 190 | 11.8% | 11.8% | 0 | N/A | \$135,000 | -12.9% | 199.9 | 115.7 |
| PIERCE | 10,930 | 4.0% | -0.5% | 630 | -19.8% | \$204,600 | 6.3% | 197.2 | 117.8 |
| SAN JUAN | 270 | -10.0% | 107.7% | 24 | -25.0% | \$382,100 | 10.8% | 96.9 | 64.2 |
| SKAGIT | 1,880 | 13.9% | 17.5% | 73 | 65.9% | \$218,400 | 7.1% | 169.7 | 109.4 |
| SKAMANIA | 200 | 300.0% | 66.7% | 11 | 10.0% | \$175,000 | -5.4% | 234.6 | 129.1 |
| SNOHOMISH | 9,780 | 4.2% | 16.3% | 1,114 | 107.1% | \$273,800 | 14.1% | 170.2 | 98.8 |
| SPOKANE | 5,890 | 0.5% | 11.3% | 269 | -60.3% | \$175,300 | 5.1% | 201.9 | 114.1 |
| STEVENS | 740 | 10.4% | 13.8% | 0 | N/A | \$135,000 | -12.9% | 225.0 | 132.8 |
| THURSTON | 4,150 | 8.4% | 20.3% | 239 | -10.8% | \$217,800 | -2.6% | 193.7 | 118.7 |
| WAHIAKUM | 90 | -10.0% | 80.0% | | | \$170,000 | 172.0% | 183.9 | 112.4 |
| WALLA WALLA | 990 | 1.0% | 10.0% | 10 | -33.3% | \$171,000 | -5.0% | 191.1 | 108.8 |
| WHATCOM | 2,230 | 3.7% | 5.2% | 95 | 35.7% | \$254,500 | 4.3% | 149.8 | 82.3 |
| WHITMAN | 480 | 20.0% | 11.6% | 203 | 434.2% | \$208,700 | 8.0% | 166.3 | 66.4 |
| YAKIMA | 3,110 | 2.3% | 13.1% | 35 | -20.5% | \$151,400 | 3.7% | 190.2 | 106.1 |
| Statewide | 97,860 | 3.4% | 11.9% | 7,463 | 33.2% | \$243,100 | 7.9% | 168.7 | 96.6 |

NOTES:

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

EXISTING HOME SALES

State of Washington and Counties Seasonally Adjusted Annual Rate

| County | 10:Q3 | 10:Q4 | 11:Q1 | 11:Q2 | 11:Q3 | 11:Q4 | 12:Q1 | 12:Q2 | 12:Q3 | Percent change | |
|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|--------------|
| | | | | | | | | | | Last qtr | Year ago |
| ADAMS | 260 | 130 | 340 | 210 | 170 | 130 | 170 | 200 | 60 | -70.0% | -64.7% |
| ASOTIN | 380 | 410 | 360 | 280 | 290 | 320 | 420 | 300 | 270 | -10.0% | -6.9% |
| BENTON | 2,850 | 3,100 | 3,160 | 2,990 | 3,010 | 3,090 | 3,140 | 3,060 | 2,980 | -2.6% | -1.0% |
| CHELAN | 930 | 970 | 1,220 | 820 | 1,090 | 1,090 | 1,450 | 1,160 | 1,360 | 17.2% | 24.8% |
| CLALLAM | 830 | 860 | 970 | 820 | 900 | 960 | 970 | 880 | 920 | 4.5% | 2.2% |
| CLARK | 4,510 | 5,270 | 5,770 | 6,060 | 6,130 | 6,120 | 6,420 | 6,100 | 6,240 | 2.3% | 1.8% |
| COLUMBIA | 50 | 110 | 130 | 110 | 80 | 20 | 90 | 80 | 100 | 25.0% | 25.0% |
| COWLITZ | 1,200 | 1,220 | 1,350 | 1,570 | 1,460 | 1,350 | 1,350 | 1,140 | 1,700 | 49.1% | 16.4% |
| DOUGLAS | 360 | 390 | 380 | 370 | 470 | 440 | 410 | 430 | 430 | 0.0% | -8.5% |
| FERRY | 100 | 80 | 100 | 110 | 100 | 120 | 130 | 100 | 110 | 10.0% | 10.0% |
| FRANKLIN | 590 | 640 | 650 | 610 | 620 | 630 | 650 | 630 | 610 | -3.2% | -1.6% |
| GARFIELD | 40 | 40 | 40 | 30 | 30 | 30 | 50 | 30 | 30 | 0.0% | 0.0% |
| GRANT | 1,240 | 1,270 | 1,330 | 1,350 | 1,190 | 1,200 | 1,680 | 1,170 | 1,600 | 36.8% | 34.5% |
| GRAYS HARBOR | 1,320 | 1,290 | 1,510 | 1,310 | 1,550 | 1,590 | 1,540 | 1,470 | 1,270 | -13.6% | -18.1% |
| ISLAND | 2,350 | 2,490 | 2,290 | 2,340 | 2,960 | 2,630 | 2,510 | 2,770 | 3,130 | 13.0% | 5.7% |
| JEFFERSON | 460 | 390 | 390 | 460 | 370 | 390 | 490 | 480 | 560 | 16.7% | 51.4% |
| KING | 17,780 | 20,460 | 23,740 | 23,420 | 22,760 | 23,700 | 26,610 | 27,450 | 27,480 | 0.1% | 20.7% |
| KITSAP | 2,650 | 2,950 | 3,010 | 2,880 | 2,950 | 3,020 | 3,090 | 3,450 | 3,450 | 0.0% | 16.9% |
| KITTITAS | 1,030 | 1,290 | 1,150 | 1,020 | 1,290 | 1,460 | 1,210 | 1,310 | 1,550 | 18.3% | 20.2% |
| KLICKITAT | 230 | 170 | 430 | 270 | 320 | 320 | 410 | 340 | 300 | -11.8% | -6.3% |
| LEWIS | 500 | 710 | 800 | 770 | 770 | 810 | 740 | 810 | 770 | -4.9% | 0.0% |
| LINCOLN | 260 | 220 | 300 | 270 | 240 | 240 | 320 | 240 | 270 | 12.5% | 12.5% |
| MASON | 730 | 800 | 880 | 930 | 990 | 880 | 1,210 | 990 | 990 | 0.0% | 0.0% |
| OKANOGAN | 370 | 670 | 450 | 430 | 430 | 420 | 740 | 720 | 550 | -23.6% | 27.9% |
| PACIFIC | 170 | 210 | 220 | 180 | 200 | 240 | 230 | 230 | 200 | -13.0% | 0.0% |
| PEND OREILLE | 180 | 150 | 170 | 190 | 170 | 210 | 220 | 170 | 190 | 11.8% | 11.8% |
| PIERCE | 8,220 | 9,550 | 10,290 | 10,690 | 10,990 | 10,910 | 11,410 | 10,510 | 10,930 | 4.0% | -0.5% |
| SAN JUAN | 120 | 160 | 190 | 170 | 130 | 170 | 230 | 300 | 270 | -10.0% | 107.7% |
| SKAGIT | 1,340 | 1,460 | 1,620 | 1,490 | 1,600 | 1,620 | 1,640 | 1,650 | 1,880 | 13.9% | 17.5% |
| SKAMANIA | 80 | 80 | 130 | 40 | 120 | 100 | 150 | 50 | 200 | 300.0% | 66.7% |
| SNOHOMISH | 6,600 | 7,020 | 7,790 | 7,630 | 8,410 | 9,090 | 9,230 | 9,390 | 9,780 | 4.2% | 16.3% |
| SPOKANE | 4,710 | 5,060 | 5,730 | 5,490 | 5,290 | 5,580 | 6,970 | 5,860 | 5,890 | 0.5% | 11.3% |
| STEVENS | 680 | 560 | 670 | 750 | 650 | 800 | 840 | 670 | 740 | 10.4% | 13.8% |
| THURSTON | 3,440 | 3,630 | 3,520 | 3,590 | 3,450 | 3,710 | 3,500 | 3,830 | 4,150 | 8.4% | 20.3% |
| WAHIAKUM | 60 | 60 | 80 | 60 | 50 | 90 | 100 | 100 | 90 | -10.0% | 80.0% |
| WALLA WALLA | 690 | 930 | 960 | 830 | 900 | 790 | 990 | 980 | 990 | 1.0% | 10.0% |
| WHATCOM | 1,810 | 1,980 | 1,930 | 1,930 | 2,120 | 2,120 | 2,270 | 2,150 | 2,230 | 3.7% | 5.2% |
| WHITMAN | 270 | 350 | 350 | 350 | 430 | 450 | 520 | 400 | 480 | 20.0% | 11.6% |
| YAKIMA | 2,600 | 2,550 | 2,750 | 2,750 | 2,750 | 3,020 | 2,920 | 3,040 | 3,110 | 2.3% | 13.1% |
| Statewide | 71,990 | 79,680 | 87,150 | 85,570 | 87,430 | 89,860 | 97,020 | 94,640 | 97,860 | 3.4% | 11.9% |

NOTES:

- Number of single-family units sold, excluding new construction.

EXISTING HOME SALES

State of Washington and Counties Not Seasonally Adjusted

| County | Year Total | | | | 2011 | Percent change | | | (Year ago) |
|------------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|--------------|
| | 11:Q1 | 11:Q2 | 11:Q3 | 11:Q4 | | 12:Q1 | 12:Q2 | 12:Q3 | |
| ADAMS | 60 | 50 | 50 | 40 | 200 | 30 | 50 | 20 | -60.0% |
| ASOTIN | 70 | 80 | 90 | 70 | 310 | 80 | 80 | 80 | -11.1% |
| BENTON | 650 | 830 | 830 | 750 | 3,060 | 640 | 850 | 820 | -1.2% |
| CHELAN | 220 | 250 | 300 | 270 | 1,040 | 260 | 350 | 370 | 23.3% |
| CLALLAM | 190 | 210 | 260 | 250 | 910 | 190 | 230 | 270 | 3.8% |
| CLARK | 1,190 | 1,680 | 1,730 | 1,440 | 6,040 | 1,320 | 1,690 | 1,760 | 1.7% |
| COLUMBIA | 30 | 30 | 20 | 0 | 80 | 20 | 20 | 30 | 50.0% |
| COWLITZ | 280 | 450 | 400 | 320 | 1,450 | 280 | 330 | 460 | 15.0% |
| DOUGLAS | 70 | 90 | 140 | 120 | 420 | 80 | 100 | 130 | -7.1% |
| FERRY | 20 | 30 | 30 | 30 | 110 | 20 | 30 | 30 | 0.0% |
| FRANKLIN | 130 | 170 | 170 | 150 | 620 | 130 | 180 | 170 | 0.0% |
| GARFIELD | 10 | 10 | 10 | 10 | 40 | 10 | 10 | 10 | 0.0% |
| GRANT | 230 | 380 | 340 | 310 | 1,260 | 290 | 330 | 460 | 35.3% |
| GRAYS HARBOR | 290 | 370 | 410 | 410 | 1,480 | 290 | 420 | 340 | -17.1% |
| ISLAND | 440 | 630 | 860 | 650 | 2,580 | 480 | 750 | 910 | 5.8% |
| JEFFERSON | 100 | 100 | 110 | 130 | 440 | 100 | 140 | 150 | 36.4% |
| KING | 4,570 | 6,530 | 6,490 | 5,790 | 23,380 | 5,110 | 7,650 | 7,830 | 20.6% |
| KITSAP | 600 | 770 | 840 | 750 | 2,960 | 620 | 920 | 980 | 16.7% |
| KITTITAS | 210 | 280 | 370 | 370 | 1,230 | 230 | 360 | 440 | 18.9% |
| Klickitat | 90 | 80 | 90 | 70 | 330 | 90 | 100 | 80 | -11.1% |
| LEWIS | 170 | 200 | 220 | 200 | 790 | 160 | 210 | 220 | 0.0% |
| LINCOLN | 50 | 70 | 70 | 60 | 250 | 50 | 70 | 80 | 14.3% |
| MASON | 160 | 260 | 300 | 210 | 930 | 210 | 280 | 300 | 0.0% |
| OKANOGAN | 60 | 180 | 120 | 80 | 440 | 90 | 300 | 150 | 25.0% |
| PACIFIC | 50 | 40 | 60 | 60 | 210 | 50 | 60 | 60 | 0.0% |
| PEND OREILLE | 30 | 50 | 50 | 50 | 180 | 40 | 50 | 60 | 20.0% |
| PIERCE | 2,090 | 2,900 | 3,060 | 2,710 | 10,760 | 2,310 | 2,840 | 3,040 | -0.7% |
| SAN JUAN | 40 | 40 | 40 | 50 | 170 | 50 | 70 | 70 | 75.0% |
| SKAGIT | 330 | 410 | 450 | 390 | 1,580 | 340 | 460 | 520 | 15.6% |
| SKAMANIA | 30 | 10 | 30 | 20 | 90 | 30 | 20 | 50 | 66.7% |
| SNOHOMISH | 1,600 | 2,130 | 2,310 | 2,210 | 8,250 | 1,900 | 2,610 | 2,680 | 16.0% |
| SPOKANE | 920 | 1,590 | 1,580 | 1,390 | 5,480 | 1,120 | 1,700 | 1,760 | 11.4% |
| STEVENS | 110 | 200 | 200 | 200 | 710 | 140 | 180 | 230 | 15.0% |
| THURSTON | 700 | 980 | 970 | 920 | 3,570 | 690 | 1,040 | 1,170 | 20.6% |
| WAHIAKUM | 20 | 20 | 10 | 20 | 70 | 20 | 30 | 20 | 100.0% |
| WALLA WALLA | 170 | 210 | 250 | 220 | 850 | 170 | 250 | 280 | 12.0% |
| WHATCOM | 360 | 540 | 620 | 510 | 2,030 | 420 | 600 | 650 | 4.8% |
| WHITMAN | 50 | 140 | 120 | 80 | 390 | 80 | 150 | 140 | 16.7% |
| YAKIMA | 560 | 770 | 750 | 750 | 2,830 | 590 | 850 | 840 | 12.0% |
| Statewide | 16,950 | 23,760 | 24,750 | 22,060 | 87,520 | 18,730 | 26,360 | 27,660 | 11.8% |

NOTES:

- Number of units sold, excluding new construction

MEDIAN HOME PRICES

State of Washington and Counties Time Trend

| County | 11:Q1 | 11:Q2 | 11:Q3 | 11:Q4 | 11 Annual | 12:Q1 | 12:Q2 | 12:Q3 | % Ch Q3 |
|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------|
| ADAMS | \$114,000 | \$127,300 | \$106,000 | \$126,700 | \$121,500 | \$117,500 | \$123,300 | \$140,000 | 32.1% |
| ASOTIN | \$128,900 | \$164,500 | \$156,500 | \$163,100 | \$155,200 | \$128,000 | \$156,200 | \$157,000 | 0.3% |
| BENTON | \$175,400 | \$174,400 | \$181,300 | \$174,800 | \$176,700 | \$177,800 | \$181,400 | \$184,800 | 1.9% |
| CHELAN | \$207,300 | \$215,000 | \$219,000 | \$220,000 | \$218,400 | \$215,900 | \$205,000 | \$232,400 | 6.1% |
| CLALLAM | \$176,400 | \$185,300 | \$177,100 | \$179,000 | \$180,000 | \$169,300 | \$190,000 | \$208,300 | 17.6% |
| CLARK | \$194,200 | \$190,400 | \$189,800 | \$184,400 | \$189,800 | \$174,800 | \$198,500 | \$203,000 | 7.0% |
| COLUMBIA | \$129,100 | \$107,500 | \$92,500 | \$194,000 | \$130,000 | \$147,500 | \$145,000 | \$150,000 | 62.2% |
| COWLITZ | \$140,500 | \$130,000 | \$145,000 | \$136,300 | \$139,500 | \$131,300 | \$128,900 | \$140,800 | -2.9% |
| DOUGLAS | \$225,000 | \$201,000 | \$198,000 | \$195,000 | \$203,700 | \$193,700 | \$195,000 | \$212,900 | 7.5% |
| FERRY | \$130,000 | \$140,000 | \$155,000 | \$150,000 | \$146,900 | \$101,400 | \$127,100 | \$135,000 | -12.9% |
| FRANKLIN | \$175,400 | \$174,400 | \$181,300 | \$174,800 | \$176,700 | \$177,800 | \$181,400 | \$184,800 | 1.9% |
| GARFIELD | \$128,900 | \$164,500 | \$156,500 | \$163,100 | \$155,200 | \$128,000 | \$156,200 | \$157,000 | 0.3% |
| GRANT | \$158,900 | \$150,000 | \$160,000 | \$144,000 | \$154,100 | \$160,700 | \$156,000 | \$147,300 | -7.9% |
| GRAYS HARBOR | \$121,500 | \$112,300 | \$126,000 | \$115,000 | \$120,000 | \$87,500 | \$115,600 | \$125,300 | -0.6% |
| ISLAND | \$239,800 | \$255,000 | \$250,000 | \$243,000 | \$249,900 | \$212,500 | \$242,600 | \$258,500 | 3.4% |
| JEFFERSON | \$260,000 | \$245,500 | \$238,000 | \$196,000 | \$238,000 | \$227,900 | \$245,300 | \$231,200 | -2.9% |
| KING | \$345,000 | \$348,300 | \$350,000 | \$320,000 | \$340,000 | \$322,400 | \$370,800 | \$379,900 | 8.5% |
| KITSAP | \$235,000 | \$235,000 | \$235,500 | \$230,000 | \$235,000 | \$212,500 | \$242,200 | \$249,800 | 6.1% |
| KITTITAS | \$205,000 | \$192,500 | \$181,000 | \$192,000 | \$188,500 | \$180,000 | \$190,000 | \$198,200 | 9.5% |
| Klickitat | \$202,300 | \$212,500 | \$176,700 | \$130,000 | \$180,000 | \$176,700 | \$167,500 | \$218,700 | 23.8% |
| LEWIS | \$137,500 | \$135,000 | \$141,100 | \$134,000 | \$139,900 | \$129,200 | \$158,000 | \$142,900 | 1.3% |
| LINCOLN | \$45,000 | \$70,000 | \$95,000 | \$50,000 | \$71,700 | \$62,500 | \$72,500 | \$86,200 | -9.3% |
| MASON | \$154,500 | \$140,000 | \$142,000 | \$144,000 | \$145,000 | \$141,000 | \$156,200 | \$167,700 | 18.1% |
| OKANOGAN | \$153,800 | \$149,500 | \$166,500 | \$150,000 | \$160,000 | \$140,000 | \$161,700 | \$158,000 | -5.1% |
| PACIFIC | \$119,500 | \$116,000 | \$107,900 | \$131,900 | \$120,000 | \$101,400 | \$108,300 | \$92,500 | -14.3% |
| PEND OREILLE | \$130,000 | \$140,000 | \$155,000 | \$150,000 | \$146,200 | \$101,400 | \$127,100 | \$135,000 | -12.9% |
| PIERCE | \$199,900 | \$197,000 | \$192,500 | \$185,000 | \$194,000 | \$175,900 | \$195,200 | \$204,600 | 6.3% |
| SAN JUAN | \$442,500 | \$422,500 | \$345,000 | \$425,000 | \$405,000 | \$320,000 | \$336,400 | \$382,100 | 10.8% |
| SKAGIT | \$204,700 | \$198,000 | \$204,000 | \$200,000 | \$202,800 | \$184,100 | \$206,400 | \$218,400 | 7.1% |
| SKAMANIA | \$150,000 | \$125,000 | \$185,000 | \$170,000 | \$166,000 | \$190,000 | \$160,000 | \$175,000 | -5.4% |
| SNOHOMISH | \$245,000 | \$241,500 | \$240,000 | \$240,000 | \$243,000 | \$234,700 | \$261,400 | \$273,800 | 14.1% |
| SPOKANE | \$162,600 | \$161,500 | \$166,800 | \$158,100 | \$164,600 | \$158,100 | \$168,100 | \$175,300 | 5.1% |
| STEVENS | \$130,000 | \$140,000 | \$155,000 | \$150,000 | \$146,900 | \$101,400 | \$127,100 | \$135,000 | -12.9% |
| THURSTON | \$209,500 | \$220,000 | \$223,600 | \$215,000 | \$219,500 | \$213,200 | \$225,600 | \$217,800 | -2.6% |
| WAHIAKUM | \$148,300 | \$80,000 | \$62,500 | \$225,000 | \$95,000 | \$90,000 | \$115,000 | \$170,000 | 172.0% |
| WALLA WALLA | \$164,900 | \$167,500 | \$180,000 | \$163,400 | \$170,900 | \$150,000 | \$160,000 | \$171,000 | -5.0% |
| WHATCOM | \$245,200 | \$253,000 | \$244,000 | \$230,000 | \$241,500 | \$232,800 | \$259,700 | \$254,500 | 4.3% |
| WHITMAN | \$170,000 | \$192,700 | \$193,300 | \$173,300 | \$186,600 | \$176,700 | \$193,300 | \$208,700 | 8.0% |
| YAKIMA | \$140,800 | \$150,700 | \$146,000 | \$147,400 | \$145,300 | \$137,200 | \$161,900 | \$151,400 | 3.7% |
| Statewide | \$228,100 | \$226,900 | \$225,300 | \$217,000 | \$224,180 | \$208,300 | \$235,900 | \$243,100 | 7.9% |

Source: WCRER Estimates

HOME PRICES BY NUMBER OF BEDROOMS

State of Washington and Counties Third Quarters

| County | 2 Bedroom | | | 3 Bedroom | | | 4 or More Bedrooms | | |
|------------------|------------------|------------------|-------------|------------------|------------------|-------------|--------------------|------------------|-------------|
| | 2011 | 2012 | % ch | 2011 | 2012 | % ch | 2011 | 2012 | % ch |
| ADAMS | \$55,000 | N/A | N/A | \$120,000 | \$135,000 | 12.5% | \$120,000 | \$0 | -100.0% |
| ASOTIN | \$102,500 | \$120,000 | 17.1% | \$154,400 | \$158,000 | 2.3% | \$200,000 | \$195,000 | -2.5% |
| BENTON | \$93,000 | \$95,000 | 2.2% | \$166,200 | \$166,600 | 0.2% | \$239,800 | \$239,900 | 0.0% |
| CHELAN | \$166,000 | \$185,000 | 11.4% | \$220,300 | \$214,300 | -2.7% | \$283,300 | \$275,000 | -2.9% |
| CLALLAM | \$152,500 | \$155,000 | 1.6% | \$189,200 | \$213,600 | 12.9% | \$173,300 | \$287,500 | 65.9% |
| CLARK | \$106,900 | \$126,000 | 17.9% | \$167,800 | \$179,100 | 6.7% | \$249,100 | \$268,000 | 7.6% |
| COLUMBIA | N/A | N/A | N/A | N/A | \$120,000 | N/A | N/A | \$156,700 | N/A |
| COWLITZ | \$84,000 | \$67,500 | -19.6% | \$140,000 | \$149,500 | 6.8% | \$184,000 | \$187,500 | 1.9% |
| DOUGLAS | \$65,000 | \$212,500 | 226.9% | \$196,000 | \$192,500 | -1.8% | \$247,200 | \$233,300 | -5.6% |
| FERRY | \$128,000 | \$80,000 | -37.5% | \$165,000 | \$153,300 | -7.1% | \$200,000 | \$120,000 | -40.0% |
| FRANKLIN | \$93,000 | \$95,000 | 2.2% | \$166,200 | \$166,600 | 0.2% | \$239,800 | \$239,900 | 0.0% |
| GARFIELD | \$102,500 | \$120,000 | 17.1% | \$154,400 | \$158,000 | 2.3% | \$200,000 | \$195,000 | -2.5% |
| GRANT | \$114,500 | \$101,700 | -11.2% | \$155,000 | \$141,400 | -8.8% | \$204,800 | \$192,900 | -5.8% |
| GRAYS HARBOR | \$91,500 | \$100,000 | 9.3% | \$138,300 | \$139,000 | 0.5% | \$195,000 | \$135,000 | -30.8% |
| ISLAND | \$243,000 | \$255,800 | 5.3% | \$240,000 | \$253,700 | 5.7% | \$288,500 | \$282,100 | -2.2% |
| JEFFERSON | \$203,800 | \$221,900 | 8.9% | \$277,000 | \$241,700 | -12.7% | \$575,000 | \$225,000 | -60.9% |
| KING | \$234,800 | \$297,700 | 26.8% | \$306,000 | \$331,700 | 8.4% | \$446,000 | \$464,600 | 4.2% |
| KITSAP | \$150,000 | \$162,900 | 8.6% | \$230,000 | \$246,600 | 7.2% | \$290,000 | \$296,500 | 2.2% |
| KITTITAS | \$125,000 | \$140,000 | 12.0% | \$196,500 | \$209,400 | 6.6% | \$228,800 | \$300,000 | 31.1% |
| KLICKITAT | \$80,000 | \$110,000 | 37.5% | \$225,000 | \$250,000 | 11.1% | \$163,300 | \$170,000 | 4.1% |
| LEWIS | \$107,500 | \$103,300 | -3.9% | \$155,900 | \$150,800 | -3.3% | \$173,000 | \$180,000 | 4.0% |
| LINCOLN | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| MASON | \$126,500 | \$133,300 | 5.4% | \$144,500 | \$172,300 | 19.2% | \$209,000 | \$300,000 | 43.5% |
| OKANOGAN | \$169,000 | \$130,000 | -23.1% | \$150,000 | \$160,000 | 6.7% | \$251,000 | \$250,000 | -0.4% |
| PACIFIC | \$82,500 | \$70,000 | -15.2% | \$127,500 | \$110,000 | -13.7% | \$89,500 | \$140,000 | 56.4% |
| PEND OREILLE | \$128,000 | \$80,000 | -37.5% | \$165,000 | \$153,300 | -7.1% | \$200,000 | \$120,000 | -40.0% |
| PIERCE | \$116,000 | \$120,000 | 3.4% | \$179,800 | \$190,900 | 6.2% | \$232,000 | \$244,400 | 5.3% |
| SAN JUAN | \$317,500 | \$333,300 | 5.0% | \$345,000 | \$416,700 | 20.8% | \$1,342,500 | \$500,000 | -62.8% |
| SKAGIT | \$145,500 | \$170,000 | 16.8% | \$201,300 | \$212,100 | 5.4% | \$264,000 | \$260,000 | -1.5% |
| SKAMANIA | \$15,000 | \$150,000 | 900.0% | \$190,000 | \$180,000 | -5.3% | N/A | N/A | N/A |
| SNOHOMISH | \$140,900 | \$168,800 | 19.8% | \$214,000 | \$244,400 | 14.2% | \$300,000 | \$334,500 | 11.5% |
| SPOKANE | \$93,700 | \$98,000 | 4.6% | \$154,000 | \$157,900 | 2.5% | \$203,500 | \$211,400 | 3.9% |
| STEVENS | \$128,000 | \$80,000 | -37.5% | \$165,000 | \$153,300 | -7.1% | \$200,000 | \$120,000 | -40.0% |
| THURSTON | \$161,000 | \$156,700 | -2.7% | \$207,000 | \$203,900 | -1.5% | \$270,000 | \$266,600 | -1.3% |
| WAHIAKUM | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| WALLA WALLA | N/A | \$76,200 | N/A | N/A | \$178,000 | N/A | N/A | \$253,600 | N/A |
| WHATCOM | \$150,300 | \$182,000 | 21.1% | \$238,800 | \$257,800 | 8.0% | \$320,000 | \$292,900 | -8.5% |
| WHITMAN | \$120,000 | \$120,000 | 0.0% | \$158,700 | \$205,000 | 29.2% | \$260,700 | \$242,900 | -6.8% |
| YAKIMA | \$81,200 | \$83,300 | 2.6% | \$160,400 | \$144,400 | -10.0% | \$194,000 | \$229,200 | 18.1% |
| Statewide | \$145,300 | \$157,000 | 8.1% | \$203,200 | \$219,400 | 8.0% | \$290,900 | \$311,200 | 7.0% |

Source: WCRER Estimates

HOUSING AFFORDABILITY INDEX

State of Washington and Counties Third Quarter 2012

| County | Median Price | Mortgage Rate | Monthly Payment | Median Family Income | HAI | Starter Monthly Payment | Median Household Income | First Time HAI |
|------------------|------------------|---------------|-----------------|----------------------|--------------|-------------------------|-------------------------|----------------|
| ADAMS | \$140,000 | 3.72% | \$517 | \$45,950 | 185.2 | \$509 | \$43,308 | 124.0 |
| ASOTIN | \$157,000 | 3.72% | \$580 | \$55,600 | 199.9 | \$571 | \$41,708 | 106.5 |
| BENTON | \$184,800 | 3.72% | \$682 | \$66,575 | 203.3 | \$672 | \$58,681 | 127.3 |
| CHELAN | \$232,400 | 3.72% | \$858 | \$60,300 | 146.4 | \$846 | \$51,596 | 89.0 |
| CLALLAM | \$208,300 | 3.72% | \$769 | \$57,900 | 156.9 | \$758 | \$40,916 | 78.7 |
| CLARK | \$203,000 | 3.72% | \$749 | \$72,750 | 202.3 | \$739 | \$55,626 | 109.8 |
| COLUMBIA | \$150,000 | 3.72% | \$554 | \$58,600 | 220.5 | \$546 | \$43,626 | 116.6 |
| COWLITZ | \$140,800 | 3.72% | \$520 | \$58,900 | 236.1 | \$512 | \$42,359 | 120.6 |
| DOUGLAS | \$212,900 | 3.72% | \$786 | \$58,725 | 155.7 | \$775 | \$48,663 | 91.6 |
| FERRY | \$135,000 | 3.72% | \$498 | \$46,225 | 193.3 | \$491 | \$41,085 | 122.0 |
| FRANKLIN | \$184,800 | 3.72% | \$682 | \$66,575 | 203.3 | \$672 | \$44,159 | 95.8 |
| GARFIELD | \$157,000 | 3.72% | \$580 | \$50,025 | 179.8 | \$571 | \$50,640 | 129.3 |
| GRANT | \$147,300 | 3.72% | \$544 | \$51,925 | 199.0 | \$536 | \$39,970 | 108.7 |
| GRAYS HARBOR | \$125,300 | 3.72% | \$463 | \$51,925 | 233.9 | \$456 | \$42,057 | 134.5 |
| ISLAND | \$258,500 | 3.72% | \$954 | \$72,250 | 157.7 | \$941 | \$58,402 | 90.5 |
| JEFFERSON | \$231,200 | 3.72% | \$853 | \$63,075 | 154.0 | \$841 | \$49,125 | 85.2 |
| KING | \$379,900 | 3.72% | \$1,402 | \$89,150 | 132.4 | \$1,382 | \$70,139 | 74.0 |
| KITSAP | \$249,800 | 3.72% | \$922 | \$75,325 | 170.2 | \$909 | \$61,821 | 99.2 |
| KITTITAS | \$198,200 | 3.72% | \$732 | \$62,675 | 178.5 | \$721 | \$43,134 | 87.2 |
| Klickitat | \$218,700 | 3.72% | \$807 | \$49,225 | 127.0 | \$796 | \$40,297 | 73.8 |
| LEWIS | \$142,900 | 3.72% | \$527 | \$56,325 | 222.5 | \$520 | \$41,156 | 115.4 |
| LINCOLN | \$86,200 | 3.72% | \$318 | \$54,025 | 353.7 | \$314 | \$46,068 | 214.2 |
| MASON | \$167,700 | 3.72% | \$619 | \$60,000 | 201.9 | \$610 | \$50,483 | 120.6 |
| OKANOGAN | \$158,000 | 3.72% | \$583 | \$51,125 | 182.6 | \$575 | \$36,601 | 92.8 |
| PACIFIC | \$92,500 | 3.72% | \$341 | \$52,525 | 320.5 | \$337 | \$41,152 | 178.3 |
| PEND OREILLE | \$135,000 | 3.72% | \$498 | \$47,825 | 199.9 | \$491 | \$38,961 | 115.7 |
| PIERCE | \$204,600 | 3.72% | \$755 | \$71,475 | 197.2 | \$745 | \$60,167 | 117.8 |
| SAN JUAN | \$382,100 | 3.72% | \$1,410 | \$65,600 | 96.9 | \$1,390 | \$61,248 | 64.2 |
| SKAGIT | \$218,400 | 3.72% | \$806 | \$65,675 | 169.7 | \$795 | \$59,641 | 109.4 |
| SKAMANIA | \$175,000 | 3.72% | \$646 | \$72,750 | 234.6 | \$637 | \$56,354 | 129.1 |
| SNOHOMISH | \$273,800 | 3.72% | \$1,011 | \$82,575 | 170.2 | \$996 | \$67,488 | 98.8 |
| SPOKANE | \$175,300 | 3.72% | \$647 | \$62,700 | 201.9 | \$638 | \$49,916 | 114.1 |
| STEVENS | \$135,000 | 3.72% | \$498 | \$53,825 | 225.0 | \$491 | \$44,729 | 132.8 |
| THURSTON | \$217,800 | 3.72% | \$804 | \$74,750 | 193.7 | \$793 | \$64,485 | 118.7 |
| WAHIAKUM | \$170,000 | 3.72% | \$628 | \$55,400 | 183.9 | \$619 | \$47,700 | 112.4 |
| WALLA WALLA | \$171,000 | 3.72% | \$631 | \$57,900 | 191.1 | \$622 | \$46,411 | 108.8 |
| WHATCOM | \$254,500 | 3.72% | \$939 | \$67,550 | 149.8 | \$926 | \$52,269 | 82.3 |
| WHITMAN | \$208,700 | 3.72% | \$770 | \$61,500 | 166.3 | \$759 | \$34,592 | 66.4 |
| YAKIMA | \$151,400 | 3.72% | \$559 | \$51,025 | 190.2 | \$551 | \$40,077 | 106.1 |
| Statewide | \$243,100 | 3.72% | \$897 | \$72,650 | 168.7 | \$885 | \$58,619 | 96.6 |

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 | 10:Q1 | 10:Q2 | 10:Q3 | 10:Q4 | 11:Q1 | 11:Q2 | 11:Q3 | 11:Q4 | 12:Q1 | 12:Q2 | 12:Q3 |
|------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| ADAMS | 209.5 | 193.3 | 188.9 | 205.3 | 205.8 | 182.4 | 221.0 | 189.4 | 207.9 | 204.6 | 185.2 |
| ASOTIN | 184.8 | 171.4 | 179.1 | 195.0 | 209.1 | 164.9 | 177.8 | 177.9 | 230.8 | 195.3 | 199.9 |
| BENTON | 176.3 | 180.4 | 178.7 | 180.6 | 182.5 | 185.2 | 183.4 | 198.9 | 199.0 | 201.5 | 203.3 |
| CHELAN | 119.7 | 129.5 | 130.2 | 135.3 | 139.0 | 134.4 | 134.9 | 139.5 | 146.0 | 160.1 | 146.4 |
| CLALLAM | 125.7 | 127.9 | 141.1 | 138.2 | 156.0 | 150.5 | 162.6 | 168.9 | 181.7 | 167.3 | 156.9 |
| CLARK | 154.8 | 158.7 | 165.4 | 178.9 | 180.4 | 185.6 | 191.5 | 206.0 | 221.2 | 201.2 | 202.3 |
| COLUMBIA | 206.7 | 256.3 | 154.6 | 326.7 | 219.6 | 265.6 | 317.0 | 157.7 | 211.1 | 221.8 | 220.5 |
| COWLITZ | 184.0 | 173.9 | 182.1 | 197.2 | 203.1 | 220.9 | 203.4 | 225.6 | 238.4 | 250.8 | 236.1 |
| DOUGLAS | 127.5 | 119.8 | 136.2 | 145.5 | 124.8 | 140.1 | 145.4 | 153.4 | 158.5 | 164.0 | 155.7 |
| FERRY | 171.9 | 146.8 | 159.6 | 169.1 | 175.3 | 162.9 | 150.1 | 160.7 | 242.1 | 199.6 | 193.3 |
| FRANKLIN | 176.3 | 180.4 | 178.7 | 180.6 | 182.5 | 185.2 | 183.4 | 198.9 | 199.0 | 201.5 | 203.3 |
| GARFIELD | 184.0 | 170.5 | 178.0 | 193.6 | 202.7 | 156.0 | 164.2 | 160.1 | 207.7 | 175.8 | 179.8 |
| GRANT | 151.9 | 148.4 | 153.1 | 163.3 | 156.9 | 167.8 | 162.0 | 188.3 | 171.7 | 182.7 | 199.0 |
| GRAYS HARBOR | 174.5 | 188.6 | 190.9 | 190.4 | 206.7 | 225.2 | 206.2 | 235.8 | 315.4 | 246.6 | 233.9 |
| ISLAND | 123.8 | 125.2 | 128.1 | 136.9 | 141.2 | 135.2 | 143.1 | 155.2 | 180.7 | 163.5 | 157.7 |
| JEFFERSON | 104.0 | 101.5 | 118.4 | 118.7 | 113.9 | 122.7 | 131.3 | 167.9 | 147.0 | 141.1 | 154.0 |
| KING | 111.5 | 110.5 | 110.4 | 119.1 | 124.0 | 124.0 | 127.0 | 145.2 | 146.8 | 131.9 | 132.4 |
| KITSAP | 145.4 | 146.2 | 139.7 | 154.4 | 151.5 | 153.7 | 158.7 | 170.9 | 188.3 | 170.7 | 170.2 |
| KITTITAS | 136.3 | 142.1 | 125.5 | 134.7 | 145.9 | 157.2 | 172.4 | 170.3 | 185.0 | 181.0 | 178.5 |
| Klickitat | 107.3 | 130.2 | 137.3 | 137.9 | 125.2 | 117.6 | 142.3 | 197.6 | 148.0 | 161.3 | 127.0 |
| LEWIS | 182.5 | 158.7 | 160.9 | 186.6 | 192.7 | 199.6 | 198.0 | 219.7 | 231.8 | 195.7 | 222.5 |
| LINCOLN | N/A | N/A | N/A | 322.6 | 588.3 | 379.3 | 285.9 | 564.4 | 459.5 | 409.1 | 353.7 |
| MASON | 173.3 | 168.6 | 155.7 | 179.2 | 186.0 | 207.4 | 210.8 | 217.6 | 226.2 | 210.9 | 201.9 |
| OKANOGAN | 132.7 | 136.9 | 135.9 | 127.4 | 151.6 | 160.3 | 150.7 | 177.9 | 194.1 | 173.5 | 182.6 |
| PACIFIC | 192.2 | 184.2 | 190.8 | 230.0 | 212.0 | 220.2 | 243.4 | 208.0 | 275.3 | 266.2 | 320.5 |
| PEND OREILLE | 178.3 | 152.3 | 165.7 | 175.6 | 181.9 | 168.8 | 155.5 | 166.3 | 250.5 | 206.5 | 199.9 |
| PIERCE | 152.9 | 150.6 | 153.1 | 166.4 | 171.6 | 175.9 | 185.4 | 201.9 | 216.1 | 201.0 | 197.2 |
| SAN JUAN | 86.5 | 98.6 | 83.7 | 69.5 | 74.5 | 77.6 | 96.4 | 80.7 | 109.0 | 107.1 | 96.9 |
| SKAGIT | 134.6 | 132.0 | 140.4 | 139.4 | 151.9 | 159.3 | 159.9 | 171.4 | 189.6 | 174.7 | 169.7 |
| SKAMANIA | 211.0 | 216.8 | 176.4 | 232.8 | 233.6 | 282.7 | 196.5 | 223.4 | 203.5 | 249.6 | 234.6 |
| SNOHOMISH | 136.9 | 137.5 | 145.0 | 155.3 | 161.8 | 165.6 | 171.5 | 179.3 | 186.8 | 173.3 | 170.2 |
| SPOKANE | 169.9 | 169.2 | 165.7 | 181.4 | 183.3 | 187.0 | 187.1 | 207.2 | 210.9 | 204.8 | 201.9 |
| STEVENS | 192.3 | 164.3 | 178.9 | 189.7 | 198.6 | 186.3 | 173.3 | 187.4 | 282.2 | 232.5 | 225.0 |
| THURSTON | 148.3 | 147.8 | 148.7 | 162.0 | 169.6 | 163.6 | 166.3 | 181.6 | 186.4 | 181.9 | 193.7 |
| WAHIAKUM | 176.0 | 205.1 | 154.8 | 234.6 | 200.4 | 361.8 | 459.4 | 128.5 | 327.0 | 264.4 | 183.9 |
| WALLA WALLA | 153.7 | 150.8 | 165.2 | 173.7 | 173.4 | 170.7 | 162.1 | 185.0 | 205.1 | 198.6 | 191.1 |
| WHATCOM | 128.1 | 123.9 | 122.8 | 130.6 | 130.1 | 128.0 | 137.3 | 153.2 | 154.1 | 142.7 | 149.8 |
| WHITMAN | 135.0 | 134.8 | 134.4 | 162.2 | 171.2 | 153.3 | 158.1 | 185.4 | 185.0 | 174.7 | 166.3 |
| YAKIMA | 166.0 | 160.3 | 165.0 | 166.9 | 176.8 | 165.9 | 175.4 | 180.7 | 197.6 | 173.0 | 190.2 |
| Statewide | 135.9 | 136.9 | 140.2 | 149.4 | 152.2 | 154.7 | 160.7 | 174.8 | 185.3 | 169.0 | 168.7 |

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.
- 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

State of Washington and Counties First Time Buyers, Time Trend

| County | 10:Q1 | 10:Q2 | 10:Q3 | 10:Q4 | 11:Q1 | 11:Q2 | 11:Q3 | 11:Q4 | 12:Q1 | 12:Q2 | 12:Q3 |
|------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|-------------|-------------|
| ADAMS | 127.4 | 116.7 | 113.2 | 122.1 | 124.2 | 111.5 | 136.9 | 121.5 | 135.3 | 135.0 | 124.0 |
| ASOTIN | 97.3 | 89.6 | 93.0 | 100.6 | 107.7 | 84.8 | 91.2 | 92.3 | 120.9 | 103.2 | 106.5 |
| BENTON | 114.0 | 117.3 | 116.8 | 118.7 | 120.3 | 122.5 | 121.6 | 130.0 | 128.2 | 127.9 | 127.3 |
| CHELAN | 69.0 | 73.5 | 72.7 | 74.3 | 76.0 | 73.2 | 73.2 | 78.9 | 84.6 | 95.1 | 89.0 |
| CLALLAM | 61.9 | 62.9 | 69.3 | 67.8 | 75.9 | 72.5 | 77.7 | 81.4 | 88.9 | 82.9 | 78.7 |
| CLARK | 85.3 | 87.2 | 90.5 | 97.5 | 98.2 | 100.8 | 103.8 | 111.7 | 120.0 | 109.2 | 109.8 |
| COLUMBIA | 102.1 | 125.0 | 74.3 | 154.9 | 103.0 | 123.2 | 145.4 | 75.2 | 104.4 | 113.5 | 116.6 |
| COWLITZ | 92.0 | 87.0 | 91.1 | 98.7 | 101.7 | 110.8 | 102.0 | 113.9 | 120.8 | 127.6 | 120.6 |
| DOUGLAS | 75.1 | 69.9 | 78.7 | 83.2 | 71.6 | 80.5 | 83.8 | 89.8 | 93.0 | 96.3 | 91.6 |
| FERRY | 100.4 | 84.5 | 90.6 | 94.5 | 97.5 | 90.1 | 82.5 | 92.3 | 143.7 | 122.2 | 122.0 |
| FRANKLIN | 96.6 | 101.0 | 102.2 | 105.4 | 108.5 | 112.0 | 112.8 | 115.1 | 108.0 | 102.1 | 95.8 |
| GARFIELD | 110.0 | 100.5 | 103.5 | 110.9 | 117.8 | 91.9 | 98.0 | 102.5 | 138.5 | 121.8 | 129.3 |
| GRANT | 89.7 | 88.2 | 91.5 | 98.3 | 94.9 | 102.1 | 99.0 | 111.9 | 99.3 | 102.8 | 108.7 |
| GRAYS HARBOR | 97.2 | 104.6 | 105.3 | 104.6 | 113.0 | 122.6 | 111.7 | 129.9 | 176.3 | 139.8 | 134.5 |
| ISLAND | 70.5 | 71.0 | 72.2 | 76.7 | 77.8 | 73.1 | 76.0 | 83.6 | 99.5 | 91.9 | 90.5 |
| JEFFERSON | 56.3 | 54.3 | 62.5 | 62.0 | 58.4 | 61.7 | 64.7 | 84.8 | 76.6 | 75.8 | 85.2 |
| KING | 60.7 | 59.9 | 59.4 | 63.7 | 66.0 | 65.7 | 66.9 | 77.7 | 79.7 | 72.7 | 74.0 |
| KITSAP | 81.9 | 81.4 | 76.7 | 83.7 | 80.7 | 80.3 | 81.4 | 90.3 | 103.0 | 96.4 | 99.2 |
| KITTITAS | 67.6 | 70.0 | 61.3 | 65.3 | 70.2 | 75.1 | 81.7 | 81.2 | 89.0 | 87.8 | 87.2 |
| KLICKITAT | 60.8 | 74.3 | 78.9 | 79.8 | 74.6 | 72.1 | 89.7 | 124.3 | 90.7 | 96.3 | 73.8 |
| LEWIS | 94.1 | 81.3 | 81.8 | 94.3 | 95.9 | 97.7 | 95.4 | 107.2 | 115.6 | 99.6 | 115.4 |
| LINCOLN | N/A | N/A | N/A | 185.0 | 337.6 | 217.6 | 163.9 | 329.6 | 271.7 | 244.8 | 214.2 |
| MASON | 102.3 | 98.8 | 90.5 | 103.3 | 106.5 | 117.8 | 118.7 | 124.3 | 131.2 | 124.1 | 120.6 |
| OKANOGAN | 73.0 | 74.6 | 73.3 | 68.0 | 79.1 | 81.6 | 75.0 | 87.9 | 96.8 | 87.4 | 92.8 |
| PACIFIC | 100.6 | 95.6 | 98.1 | 117.2 | 107.1 | 110.2 | 120.7 | 106.4 | 145.0 | 144.2 | 178.3 |
| PEND OREILLE | 99.0 | 83.9 | 90.6 | 95.3 | 99.1 | 92.2 | 85.1 | 93.1 | 141.8 | 118.2 | 115.7 |
| PIERCE | 89.5 | 87.3 | 87.7 | 94.4 | 96.5 | 98.1 | 102.4 | 113.7 | 124.2 | 117.9 | 117.8 |
| SAN JUAN | 50.1 | 56.3 | 47.2 | 38.6 | 41.4 | 43.2 | 53.7 | 47.6 | 67.0 | 68.4 | 64.2 |
| SKAGIT | 85.9 | 83.2 | 87.5 | 85.9 | 92.3 | 95.5 | 94.5 | 103.3 | 116.9 | 110.2 | 109.4 |
| SKAMANIA | 110.8 | 112.5 | 90.4 | 117.9 | 117.1 | 140.2 | 96.4 | 113.0 | 105.9 | 133.6 | 129.1 |
| SNOHOMISH | 77.1 | 76.8 | 80.2 | 85.1 | 87.9 | 89.3 | 91.6 | 97.9 | 104.2 | 98.6 | 98.8 |
| SPOKANE | 94.0 | 93.2 | 90.9 | 99.1 | 99.1 | 100.0 | 98.9 | 111.1 | 115.1 | 113.8 | 114.1 |
| STEVENS | 109.2 | 92.0 | 98.6 | 103.0 | 106.4 | 98.3 | 90.1 | 100.7 | 156.6 | 133.1 | 132.8 |
| THURSTON | 91.0 | 89.7 | 89.3 | 96.2 | 99.7 | 95.1 | 95.5 | 105.7 | 110.4 | 109.6 | 118.7 |
| WAHKIACUM | 90.8 | 105.2 | 78.9 | 118.8 | 104.5 | 194.4 | 254.7 | 75.1 | 194.2 | 159.3 | 112.4 |
| WALLA WALLA | 84.0 | 81.8 | 89.0 | 93.0 | 93.3 | 92.3 | 88.0 | 102.3 | 114.6 | 112.0 | 108.8 |
| WHATCOM | 70.3 | 67.8 | 67.0 | 71.1 | 70.0 | 68.1 | 72.2 | 81.1 | 82.7 | 77.5 | 82.3 |
| WHITMAN | 52.7 | 52.0 | 51.1 | 60.9 | 63.3 | 55.7 | 56.5 | 67.9 | 69.9 | 67.9 | 66.4 |
| YAKIMA | 93.1 | 90.4 | 93.7 | 95.3 | 101.8 | 96.2 | 102.4 | 104.7 | 113.1 | 97.7 | 106.1 |
| Statewide | 76.9 | 77.0 | 78.2 | 82.8 | 83.8 | 84.5 | 87.0 | 95.9 | 103.2 | 95.5 | 96.6 |

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
End of Third Quarter 2012

| County | \$80,000 | \$160,000 | \$250,000 | \$500,000 |
|------------------|-------------|--------------|--------------|--------------|
| ADAMS | N/A | N/A | N/A | N/A |
| ASOTIN | 3.0% | 38.4% | 70.3% | 98.3% |
| BENTON | 4.1% | 28.0% | 65.8% | 95.5% |
| CHELAN | 4.3% | 14.6% | 39.2% | 82.3% |
| CLALLAM | 1.1% | 15.7% | 45.1% | 83.7% |
| CLARK | 2.1% | 19.0% | 49.4% | 87.7% |
| COLUMBIA | N/A | N/A | N/A | N/A |
| COWLITZ | 9.9% | 43.5% | 68.2% | 95.5% |
| DOUGLAS | 3.9% | 19.6% | 51.4% | 89.9% |
| FERRY | 8.7% | 37.0% | 65.6% | 93.5% |
| FRANKLIN | 4.1% | 28.0% | 65.8% | 95.5% |
| GARFIELD | 3.0% | 38.4% | 70.3% | 98.3% |
| GRANT | 5.2% | 39.1% | 70.9% | 96.1% |
| GRAYS HARBOR | 14.9% | 49.7% | 78.0% | 95.9% |
| ISLAND | 1.1% | 7.0% | 30.9% | 73.9% |
| JEFFERSON | 2.1% | 12.4% | 28.8% | 80.7% |
| KING | 0.2% | 4.7% | 17.8% | 58.6% |
| KITSAP | 2.1% | 16.0% | 45.1% | 84.9% |
| KITTITAS | 2.0% | 17.3% | 46.9% | 80.4% |
| KLICKITAT | 3.1% | 27.4% | 54.9% | 88.5% |
| LEWIS | 9.1% | 41.4% | 73.4% | 97.2% |
| LINCOLN | N/A | N/A | N/A | N/A |
| MASON | 8.0% | 36.9% | 64.5% | 93.1% |
| OKANOGAN | 6.6% | 30.7% | 59.1% | 90.5% |
| PACIFIC | 16.1% | 47.4% | 73.8% | 94.2% |
| PEND OREILLE | 8.7% | 37.0% | 65.6% | 93.5% |
| PIERCE | 3.0% | 20.3% | 50.2% | 87.0% |
| SAN JUAN | 0.0% | 1.7% | 6.2% | 36.5% |
| SKAGIT | 3.0% | 17.9% | 43.1% | 81.1% |
| SKAMANIA | 7.2% | 37.1% | 55.7% | 87.6% |
| SNOHOMISH | 1.5% | 10.3% | 28.7% | 79.8% |
| SPOKANE | 5.4% | 35.3% | 68.4% | 93.7% |
| STEVENS | 8.7% | 37.0% | 65.6% | 93.5% |
| THURSTON | 2.1% | 13.5% | 50.3% | 91.9% |
| WAHIAKUM | N/A | N/A | N/A | N/A |
| WALLA WALLA | 5.3% | 33.4% | 67.4% | 92.9% |
| WHATCOM | 2.7% | 10.7% | 36.4% | 80.1% |
| WHITMAN | 9.9% | 34.3% | 70.9% | 96.5% |
| YAKIMA | 7.4% | 39.5% | 69.1% | 93.6% |
| Statewide | 3.8% | 21.7% | 48.3% | 83.6% |

Source: WCRER Estimates

LISTINGS AVAILABLE FOR SALE

State of Washington and Counties End of Third Quarters

| County | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | % Ch 11-12 |
|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| ADAMS | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| ASOTIN | 337 | 381 | 450 | 473 | 516 | 867 | 465 | 401 | -13.8% |
| BENTON | 1,575 | 1,754 | 1,641 | 1,582 | 1,456 | 1,538 | 1,726 | 1,885 | 9.2% |
| CHELAN | 376 | 350 | 0 | 588 | 647 | 658 | 642 | 513 | -20.1% |
| CLALLAM | N/A | N/A | 871 | 745 | 757 | 767 | 741 | 630 | -15.0% |
| CLARK | 1,916 | 3,789 | 4,421 | 4,737 | 3,321 | 3,538 | 2,868 | 2,336 | -18.5% |
| COLUMBIA | N/A | N/A | N/A | 59 | 70 | 74 | 94 | N/A | N/A |
| COWLITZ | 411 | 571 | 778 | 775 | 640 | 657 | 558 | 511 | -8.4% |
| DOUGLAS | N/A | N/A | N/A | 254 | 254 | 270 | 247 | 179 | -27.5% |
| FERRY | 260 | 288 | 320 | 432 | 508 | 535 | 537 | 552 | 2.8% |
| FRANKLIN | 1,575 | 1,754 | 1,641 | 1,582 | 1,456 | 1,538 | 1,726 | 1,885 | 9.2% |
| GARFIELD | 337 | 381 | 450 | 473 | 516 | 867 | 465 | 401 | -13.8% |
| GRANT | 370 | 415 | 603 | 683 | 667 | 633 | 585 | 561 | -4.1% |
| GRAYS HARBOR | 511 | 692 | 854 | 884 | 727 | 862 | 790 | 797 | 0.9% |
| ISLAND | 556 | 890 | 1,121 | 1,138 | 1,115 | 1,022 | 994 | 822 | -17.3% |
| JEFFERSON | 289 | 401 | 490 | 501 | 558 | 562 | 573 | 475 | -17.1% |
| KING | 6,149 | 7,919 | 11,103 | 11,610 | 9,360 | 10,230 | 7,763 | 5,007 | -35.5% |
| KITSAP | 1,197 | 1,888 | 2,417 | 2,323 | 1,739 | 1,745 | 1,672 | 1,473 | -11.9% |
| KITTITAS | 299 | 403 | 604 | 695 | 562 | 548 | 553 | 486 | -12.1% |
| KLICKITAT | N/A | 146 | 222 | 237 | 215 | 246 | 262 | 226 | -13.7% |
| LEWIS | 450 | 629 | 845 | 818 | 772 | 872 | 770 | 713 | -7.4% |
| LINCOLN | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| MASON | 423 | 555 | 898 | 878 | 762 | 843 | 836 | 780 | -6.7% |
| OKANOGAN | N/A | 225 | 313 | 411 | 395 | 435 | 451 | 435 | -3.5% |
| PACIFIC | N/A | N/A | 366 | 391 | 350 | 412 | 409 | 387 | -5.4% |
| PEND OREILLE | 260 | 288 | 320 | 432 | 508 | 535 | 537 | 552 | 2.8% |
| PIERCE | 3,800 | 5,861 | 7,687 | 6,929 | 5,143 | 5,604 | 4,734 | 3,435 | -27.4% |
| SAN JUAN | 210 | 244 | 329 | 411 | 431 | 461 | 466 | 385 | -17.4% |
| SKAGIT | 597 | 919 | 1,145 | 1,142 | 1,198 | 1,166 | 1,011 | 840 | -16.9% |
| SKAMANIA | N/A | 75 | 108 | 133 | 107 | 105 | 91 | 97 | 6.6% |
| SNOHOMISH | 3,164 | 4,056 | 5,968 | 5,749 | 4,394 | 4,679 | 3,508 | 1,895 | -46.0% |
| SPOKANE | 1,942 | 2,942 | 3,607 | 3,842 | 3,932 | 3,990 | 3,558 | 3,226 | -9.3% |
| STEVENS | 260 | 288 | 320 | 432 | 508 | 535 | 537 | 552 | 2.8% |
| THURSTON | 995 | 1,941 | 2,209 | 1,987 | 1,673 | 1,862 | 1,674 | 1,222 | -27.0% |
| WAHIAKUM | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| WALLA WALLA | 364 | 347 | 534 | 503 | 718 | 717 | 676 | 509 | -24.7% |
| WHATCOM | N/A | 1,739 | 1,841 | 1,657 | 1,507 | 1,671 | 1,491 | 1,491 | 0.0% |
| WHITMAN | 140 | 162 | 180 | 203 | 183 | 195 | 167 | 172 | 3.0% |
| YAKIMA | 963 | 1,288 | 1,425 | 1,538 | 1,392 | 1,473 | 1,410 | 1,032 | -26.8% |
| Statewide | 29,726 | 43,581 | 56,081 | 57,227 | 49,057 | 52,712 | 45,587 | 36,863 | -19.1% |

Source: WCRER Estimates

MONTH'S SUPPLY OF HOUSING BY PRICE RANGE

State of Washington and Counties
September 2012

| County | Under \$80,000 | \$80,000- 159,999 | \$160,000 \$249,999 | \$250,000- \$499,999 | \$500,000 and above | Total Market | Market 2011 | Market 2010 |
|------------------|-------------------|----------------------|------------------------|-------------------------|------------------------|-----------------|----------------|----------------|
| ADAMS | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| ASOTIN | 3.6 | 7.9 | 9.5 | 19.3 | N/A | 9.8 | 11.3 | 16.0 |
| BENTON | 6.9 | 6.2 | 7.2 | 9.3 | 35.5 | 7.7 | 7.1 | 7.3 |
| CHELAN | 8.9 | 6.9 | 6.5 | 10.0 | 41.2 | 9.5 | 13.5 | 16.2 |
| CLALLAM | 2.4 | 5.6 | 8.6 | 11.8 | 106.9 | 10.1 | 13.5 | 15.1 |
| CLARK | 3.5 | 4.2 | 4.3 | 7.4 | 21.7 | 5.7 | 7.3 | 12.2 |
| COLUMBIA | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| COWLITZ | 3.7 | 6.4 | 6.7 | 20.0 | N/A | 7.7 | 8.2 | 13.3 |
| DOUGLAS | 5.0 | 5.7 | 3.4 | 9.8 | N/A | 5.8 | 9.7 | 16.8 |
| FERRY | 38.9 | 42.2 | 102.5 | N/A | N/A | 85.2 | 22.7 | 21.7 |
| FRANKLIN | 6.9 | 6.2 | 7.2 | 9.3 | 35.5 | 7.7 | 7.1 | 7.3 |
| GARFIELD | 3.6 | 7.9 | 9.5 | 19.3 | N/A | 9.8 | 11.3 | 16.0 |
| GRANT | 3.6 | 8.5 | 10.9 | 36.4 | N/A | 11.0 | 13.4 | 15.7 |
| GRAYS HARBOR | 9.7 | 16.4 | 22.0 | 44.4 | N/A | 18.7 | 12.6 | 17.4 |
| ISLAND | 3.6 | 3.2 | 7.8 | 9.1 | 24.0 | 9.1 | 11.4 | 15.7 |
| JEFFERSON | 5.1 | 7.2 | 7.5 | 18.5 | N/A | 14.2 | 23.0 | 23.3 |
| KING | 1.0 | 2.0 | 2.3 | 2.6 | 4.0 | 2.9 | 5.0 | 9.2 |
| KITSAP | 2.7 | 6.0 | 6.0 | 6.4 | 9.0 | 6.3 | 8.4 | 10.2 |
| KITTITAS | 4.1 | 6.2 | 10.2 | 13.5 | 24.4 | 10.9 | 13.4 | 18.2 |
| Klickitat | 4.1 | 19.1 | 30.8 | 15.5 | N/A | 19.1 | 19.4 | 25.3 |
| LEWIS | 8.6 | 10.8 | 13.7 | 54.0 | N/A | 14.6 | 14.6 | 27.4 |
| LINCOLN | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| MASON | 7.4 | 13.6 | 15.6 | 4.2 | 26.3 | 14.7 | 14.8 | 21.8 |
| OKANOGAN | 8.9 | 22.7 | 38.6 | 40.1 | N/A | 28.2 | 22.7 | 27.9 |
| PACIFIC | 7.2 | 12.5 | 38.3 | 78.7 | N/A | 17.5 | 22.3 | 11.5 |
| PEND OREILLE | 38.9 | 42.2 | 102.5 | N/A | N/A | 85.2 | 22.7 | 21.7 |
| PIERCE | 2.4 | 3.7 | 3.9 | 6.4 | 13.7 | 4.9 | 6.3 | 10.5 |
| SAN JUAN | N/A | N/A | 6.9 | 15.1 | 36.8 | 21.4 | 42.5 | 24.9 |
| SKAGIT | 6.4 | 6.3 | 5.7 | 9.4 | 30.9 | 8.4 | 5.9 | 15.7 |
| SKAMANIA | N/A | 14.1 | 7.0 | 5.0 | N/A | 15.7 | N/A | N/A |
| SNOHOMISH | 2.1 | 2.1 | 1.6 | 2.7 | 7.3 | 2.6 | 5.0 | 4.2 |
| SPOKANE | 5.7 | 7.3 | 7.3 | 9.9 | 30.9 | 8.1 | 10.3 | 12.9 |
| STEVENS | 38.9 | 42.2 | 102.5 | N/A | N/A | 85.2 | 22.7 | 21.7 |
| THURSTON | 2.6 | 3.1 | 4.2 | 6.1 | 20.2 | 4.9 | 3.7 | 8.9 |
| WAHIAKUM | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| WALLA WALLA | 3.3 | 9.7 | 12.3 | 11.0 | 55.0 | 10.3 | 16.8 | 23.1 |
| WHATCOM | 5.1 | 7.3 | 5.5 | 7.7 | 18.5 | 7.7 | 8.8 | 12.3 |
| WHITMAN | 26.4 | 12.2 | 7.3 | 11.4 | N/A | 10.0 | 8.0 | 14.9 |
| YAKIMA | 3.9 | 8.2 | 8.3 | 14.1 | 46.0 | 8.9 | 13.0 | 13.7 |
| Statewide | 4.5 | 5.7 | 5.2 | 5.6 | 7.7 | 5.7 | 7.3 | 10.1 |

Source: WCRER Estimates

RESIDENTIAL BUILDING PERMITS

State of Washington and Counties Units Authorized, Monthly

| COUNTY | JUL 11 | | AUG 11 | | SEP 11 | | JUL 12 | | AUG 12 | | SEP 12 | | % Change | |
|------------------|--------------|--------------|--------------|--------------|--------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | TOT | ONE | TOT | ONE | TOT | ONE | TOT | ONE | TOT | ONE | TOT | ONE | TOT | ONE |
| ADAMS | | | | | | | | | | | | | | |
| ASOTIN | | | | | | | | | | | | | | |
| BENTON | 89 | 58 | 118 | 69 | 99 | 60 | 126 | 82 | 142 | 90 | 119 | 73 | 26.5% | 31.0% |
| CHELAN | 8 | 8 | 8 | 8 | 11 | 11 | 13 | 13 | 16 | 16 | 18 | 18 | 74.1% | 74.1% |
| CLALLAM | 7 | 7 | 11 | 11 | 9 | 9 | 10 | 10 | 9 | 9 | 11 | 11 | 11.1% | 11.1% |
| CLARK | 74 | 70 | 72 | 47 | 122 | 54 | 114 | 114 | 169 | 139 | 192 | 82 | 77.2% | 95.9% |
| COLUMBIA | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | N/A |
| COWLITZ | 12 | 12 | 12 | 12 | 8 | 8 | 7 | 7 | 6 | 6 | 6 | 6 | -40.6% | -40.6% |
| DOUGLAS | 4 | 4 | 13 | 13 | 7 | 7 | 9 | 9 | 6 | 6 | 13 | 13 | 16.7% | 16.7% |
| FERRY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | N/A |
| FRANKLIN | 62 | 49 | 77 | 56 | 64 | 48 | 78 | 73 | 70 | 70 | 59 | 59 | 2.0% | 32.0% |
| GARFIELD | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | N/A | N/A |
| GRANT | | | | | | | | | | | | | | |
| GRAYS HARBOR | 7 | 7 | 4 | 4 | 6 | 6 | 8 | 8 | 14 | 14 | 5 | 5 | 58.8% | 58.8% |
| ISLAND | 14 | 14 | 16 | 16 | 18 | 18 | 16 | 16 | 15 | 15 | 9 | 9 | -16.7% | -16.7% |
| JEFFERSON | 6 | 6 | 6 | 6 | 5 | 5 | 7 | 7 | 10 | 10 | 2 | 2 | 11.8% | 11.8% |
| KING | 550 | 251 | 918 | 284 | 393 | 199 | 1,195 | 335 | 1,215 | 365 | 775 | 327 | 71.1% | 39.9% |
| KITSAP | 22 | 22 | 34 | 34 | 51 | 35 | 42 | 42 | 49 | 49 | 66 | 31 | 46.7% | 34.1% |
| KITTITAS | 17 | 17 | 17 | 17 | 12 | 10 | 17 | 17 | 14 | 14 | 15 | 15 | 0.0% | 4.5% |
| Klickitat | | | | | | | | | | | | | | |
| LEWIS | 6 | 6 | 13 | 13 | 5 | 5 | 15 | 15 | 15 | 10 | 7 | 7 | 54.2% | 33.3% |
| LINCOLN | | | | | | | | | | | | | | |
| MASON | 13 | 13 | 8 | 8 | 11 | 11 | 8 | 8 | 8 | 8 | 7 | 7 | -28.1% | -28.1% |
| OKANOGAN | 10 | 10 | 19 | 16 | 13 | 13 | 10 | 10 | 15 | 15 | 7 | 7 | -23.8% | -17.9% |
| PACIFIC | | | | | | | | | | | | | | |
| PEND OREILLE | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | N/A |
| PIERCE | 155 | 153 | 500 | 127 | 131 | 129 | 188 | 188 | 278 | 224 | 164 | 164 | -19.8% | 40.8% |
| SAN JUAN | 8 | 8 | 11 | 11 | 13 | 13 | 11 | 11 | 8 | 8 | 5 | 5 | -25.0% | -25.0% |
| SKAGIT | 14 | 14 | 20 | 20 | 10 | 10 | 24 | 24 | 26 | 26 | 23 | 23 | 65.9% | 65.9% |
| SKAMANIA | 4 | 4 | 3 | 3 | 3 | 3 | 4 | 4 | 6 | 6 | 1 | 1 | 10.0% | 10.0% |
| SNOHOMISH | 168 | 122 | 180 | 174 | 190 | 170 | 240 | 198 | 388 | 235 | 486 | 214 | 107.1% | 38.8% |
| SPOKANE | 200 | 48 | 193 | 41 | 284 | 64 | 119 | 67 | 74 | 72 | 76 | 74 | -60.3% | 39.2% |
| STEVENS | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | N/A |
| THURSTON | 57 | 57 | 130 | 58 | 81 | 74 | 63 | 63 | 94 | 76 | 82 | 60 | -10.8% | 5.3% |
| WAHIAKUM | | | | | | | | | | | | | | |
| WALLA WALLA | 6 | 6 | 6 | 6 | 3 | 3 | 3 | 3 | 2 | 2 | 5 | 5 | -33.3% | -33.3% |
| WHATCOM | 21 | 21 | 25 | 22 | 24 | 19 | 26 | 26 | 36 | 36 | 33 | 31 | 35.7% | 50.0% |
| WHITMAN | 33 | 3 | 2 | 2 | 3 | 3 | 4 | 4 | 6 | 6 | 193 | 6 | 434.2% | 100.0% |
| YAKIMA | 19 | 19 | 13 | 13 | 12 | 12 | 10 | 10 | 19 | 19 | 6 | 6 | -20.5% | -20.5% |
| Statewide | 1,587 | 1,010 | 2,429 | 1,091 | 1,588 | 999 | 2,368 | 1,365 | 2,710 | 1,546 | 2,385 | 1,261 | 33.2% | 34.6% |

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

State of Washington and Counties Value Authorized, Quarterly Totals

| COUNTY | 3rd Qtr 2011 | | 2nd Qtr 2012 | | 3rd Qtr 2012 | | % change year ago | |
|------------------|------------------|----------------|------------------|------------------|------------------|------------------|-------------------|--------------|
| | Total Value | SF Value | Total Value | SF Value | Total Value | SF Value | Total Value | SF Value |
| ADAMS | | | | | | | | |
| ASOTIN | | | | | | | | |
| BENTON | \$58.9 | \$46.5 | \$73.7 | \$63.1 | \$76.7 | \$63.5 | 30.2% | 36.7% |
| CHELAN | \$5.2 | \$5.2 | \$7.6 | \$7.6 | \$8.1 | \$8.1 | 54.8% | 54.8% |
| CLALLAM | \$5.3 | \$5.3 | \$5.4 | \$5.4 | \$6.5 | \$6.5 | 23.9% | 23.9% |
| CLARK | \$58.7 | \$51.0 | \$83.0 | \$81.2 | \$92.5 | \$81.7 | 57.5% | 60.2% |
| COLUMBIA | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | N/A | N/A |
| COWLITZ | \$5.7 | \$5.7 | \$6.9 | \$6.9 | \$3.5 | \$3.5 | -38.6% | -38.6% |
| DOUGLAS | \$5.0 | \$5.0 | \$3.5 | \$3.5 | \$6.7 | \$6.7 | 35.1% | 35.1% |
| FERRY | | | | | | | | |
| FRANKLIN | \$39.7 | \$34.2 | \$50.1 | \$49.0 | \$45.2 | \$44.7 | 13.7% | 31.0% |
| GARFIELD | \$0.0 | \$0.0 | \$0.2 | \$0.2 | \$0.1 | \$0.1 | N/A | N/A |
| GRANT | | | | | | | | |
| GRAYS HARBOR | \$3.5 | \$3.5 | \$3.5 | \$3.5 | \$5.3 | \$5.3 | 52.7% | 52.7% |
| ISLAND | \$9.7 | \$9.7 | \$8.4 | \$8.4 | \$9.0 | \$9.0 | -7.0% | -7.0% |
| JEFFERSON | \$4.0 | \$4.0 | \$3.0 | \$3.0 | \$4.8 | \$4.8 | 17.6% | 17.6% |
| KING | \$335.6 | \$199.5 | \$693.3 | \$315.6 | \$597.7 | \$301.8 | 78.1% | 51.3% |
| KITSAP | \$21.1 | \$20.4 | \$25.8 | \$25.8 | \$29.9 | \$26.4 | 41.7% | 29.6% |
| KITTITAS | \$9.6 | \$9.4 | \$10.2 | \$10.2 | \$10.2 | \$10.2 | 6.0% | 8.6% |
| Klickitat | | | | | | | | |
| LEWIS | \$3.3 | \$3.3 | \$3.9 | \$3.9 | \$5.5 | \$5.1 | 67.8% | 55.1% |
| LINCOLN | | | | | | | | |
| MASON | \$7.2 | \$7.2 | \$9.2 | \$9.2 | \$4.8 | \$4.8 | -32.4% | -32.4% |
| OKANOGAN | \$4.4 | \$4.4 | \$4.3 | \$4.3 | \$4.5 | \$4.5 | 1.7% | 1.7% |
| PACIFIC | | | | | | | | |
| PEND OREILLE | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | \$0.0 | N/A | N/A |
| PIERCE | \$136.9 | \$98.9 | \$158.3 | \$134.2 | \$153.5 | \$144.3 | 12.1% | 45.9% |
| SAN JUAN | \$10.7 | \$10.7 | \$9.8 | \$9.8 | \$7.8 | \$7.8 | -26.9% | -26.9% |
| SKAGIT | \$8.1 | \$8.1 | \$11.1 | \$11.1 | \$15.4 | \$15.4 | 91.0% | 91.0% |
| SKAMANIA | \$1.9 | \$1.9 | \$2.6 | \$2.6 | \$2.6 | \$2.6 | 35.4% | 35.4% |
| SNOHOMISH | \$125.1 | \$115.7 | \$156.0 | \$148.5 | \$221.1 | \$162.4 | 76.8% | 40.4% |
| SPOKANE | \$85.1 | \$37.0 | \$73.4 | \$62.9 | \$70.0 | \$64.7 | -17.8% | 75.1% |
| STEVENS | \$0.1 | \$0.1 | \$0.2 | \$0.2 | \$0.0 | \$0.0 | -100.0% | -100.0% |
| THURSTON | \$53.8 | \$46.1 | \$47.6 | \$47.2 | \$54.5 | \$49.6 | 1.3% | 7.6% |
| WAHIAKUM | | | | | | | | |
| WALLA WALLA | \$3.3 | \$3.3 | \$4.1 | \$4.1 | \$2.2 | \$2.2 | -33.9% | -33.9% |
| WHATCOM | \$15.6 | \$14.9 | \$22.8 | \$18.8 | \$22.7 | \$22.3 | 45.1% | 50.1% |
| WHITMAN | \$6.1 | \$2.1 | \$2.7 | \$2.7 | \$18.3 | \$3.4 | 198.6% | 62.2% |
| YAKIMA | \$11.8 | \$11.8 | \$10.7 | \$10.7 | \$8.1 | \$8.1 | -31.3% | -31.3% |
| Statewide | \$1,035.8 | \$764.9 | \$1,491.1 | \$1,053.6 | \$1,487.4 | \$1,069.9 | 43.6% | 39.9% |

Source: U.S. Department of Commerce

NOTES:

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

Home Price Change 2011 Q3 - 2012 Q3

