



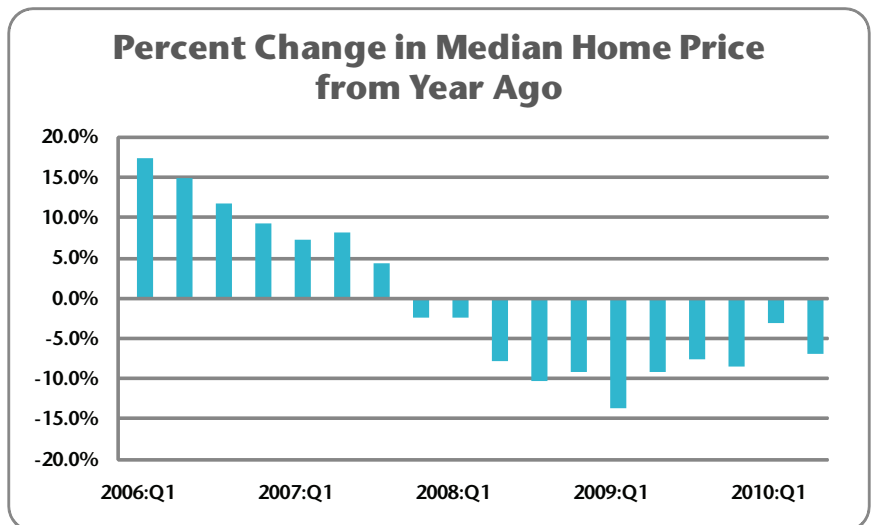
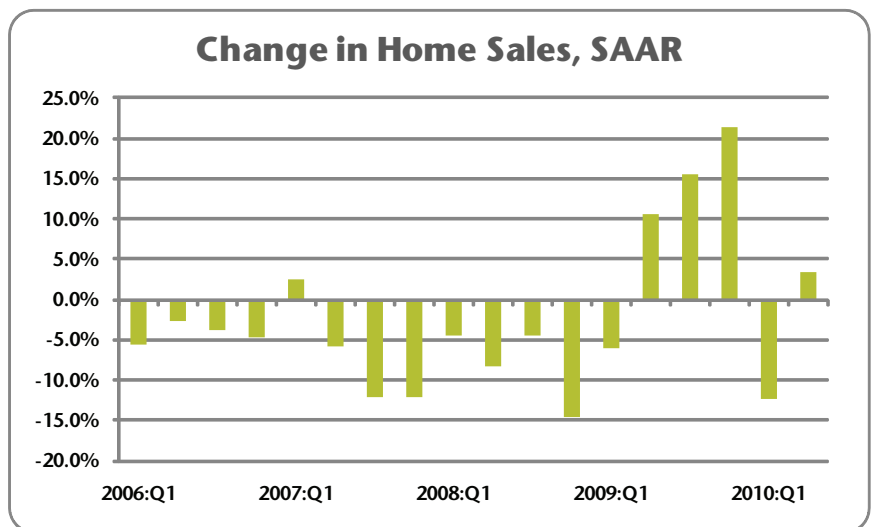
Washington State's Housing Market

2nd Quarter 2010

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

Washington Market Highlights: Second Quarter 2010

- Existing single-family home sales rebounded by 3.5 percent during the quarter reaching a seasonally adjusted annual rate of 96,020 units. Sales were spurred by the expiring Federal tax credits for first-time and some repeat buyers.
- Housing construction, as measured by building permits, increased 25.9 percent compared to a year earlier. Multifamily construction increased more than single-family.
- Median home prices throughout the state continued to decline. The median home sold during the quarter was \$246,800, 6.9 percent below a year ago. Some of the decline is attributed to active first-time buyer activity because of the tax credit.
- Exceptionally low mortgage interest rates combined with lower home prices to push the housing affordability index to a new record high – 136.4 for all buyers and 80.1 for first-time buyers.
- Inventories of homes available for sale are increasing again. The 53,262 homes listed for sale on the state's multiple listing services are capable of sustaining the market for 8.6 months at current sales rates, even if no additional homes are listed for sale. This is at the low end of a buyer's market.
- Primary market risks are continued increasing levels of mortgage delinquency and foreclosure in the state coupled with sluggish employment growth.



Survey Description

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

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

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

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

Data in this report represents closed sales transactions.

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

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

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

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

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

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

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

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

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

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

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

Second Quarter 2010

Sluggish. Disappointing. Jobless. These are the words generally describing the “economic recovery” as mid-year 2010 approached. Housing, the traditional leader of an economic recovery, while modestly improved, was far from robust. Residential construction remained in a funk (although somewhat better than a year ago). Stories of more stable home prices and reduced foreclosure problems appeared in the national press, but unfortunately, this time Washington was counter to the trend. The good news – mortgage interest rates are at record lows, but potential buyers don’t have the confidence or downpayments to take advantage, especially since the Federal tax credit programs expired. Positive headlines aside, the second quarter housing news was not what the economy needed.

Home Resales

During the second quarter of 2010, existing homes in Washington sold at a seasonally adjusted annual rate of 96,020 units. This represented an increase of 3.5 percent compared to last quarter and a jump of 27.5 percent compared to a year ago. Much of the strength can be attributed to the expiration of the Federal tax credit programs, where purchase and sales agreements needed to be signed by April 30, with the original requirement of closing by June 30. While the latter date has been extended to September 30, most transactions closed by the June 30 cutoff. The year-to-year increase was a bit

expiration of the tax credit qualification in April, sales rates have declined. Data for the first quarter will provide our first indication of what a post-recession, unassisted housing market is like. Since inventories available for sale are already beginning to increase, optimism based on the fairly strong sales in the second quarter must be tempered.

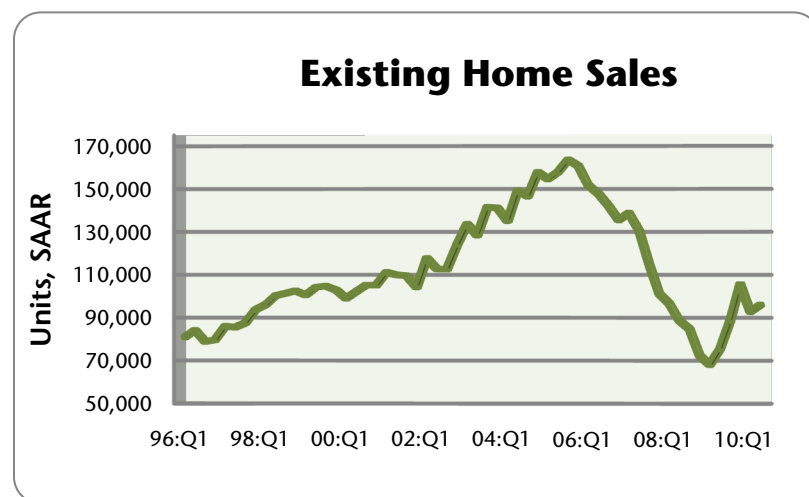
All counties, with the exception of rural Adams County reported higher sales during the second quarter than a year earlier, but the news comparing the sales rate in the second quarter to the first quarter was mixed. One-third (13) of Washington’s 39 counties experienced a slower seasonally adjusted annual sales rate during the most recent period than during the January-March quarter. San Juan County experienced the biggest sales decline (45.5 percent). Six other counties saw sales rate declines of over 10 percent. However, only Whatcom County in that group was a metropolitan community. At the other extreme, tiny Wahkiakum and Garfield counties had the largest percentage increase in sales activity – 50.0 percent. An additional 13 counties saw sales rate advances of at least 10 percent compared to early 2010.

Home sales activity is always concentrated in the urban markets. During the second quarter, 84.4 percent of existing home sales in Washington took place in the 17 counties identified by the Office of Management and Budget as located in metropolitan areas. By contrast, the 13 rural counties collectively accounted for only 3.6 percent of sales activity. The remaining nine micropolitan counties represented 12.1 percent of sales activity during the second quarter.

Housing Construction

Building permits for a total of 4,288 housing units were issued during the second quarter in the 33 counties where some or all of their permit-issuing jurisdictions provide monthly data to the Census Bureau. This represents an increase in permit activity of 25.9 percent compared to the dismal rate in the second quarter of 2009.

Single-family permit activity increased by 23.3 percent to 3,467 units while multifamily permit activity jumped by 38.0 percent to 821 units. This increase is consistent with some reports suggesting the rental market is seeing reduced vacancies as households

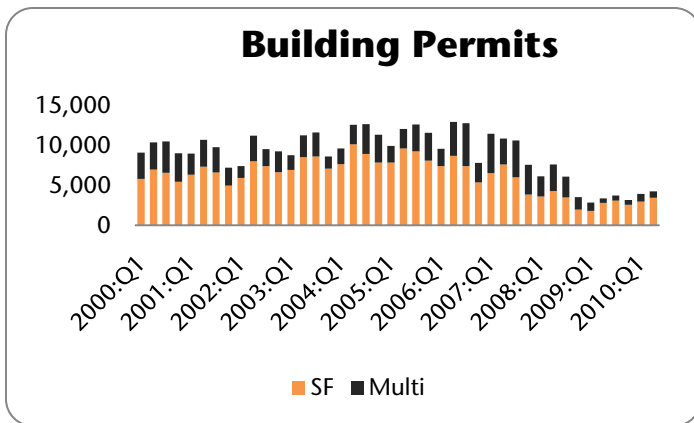


smaller than observed in the last two quarters, principally because the initial tax credit was beginning to impact the second quarter 2009 data.

While WCRER does not report pending home sales, indications from groups that do suggest that since the

that had doubled-up during the worst of the recession from independent households, and former homeowners displaced by short sales and foreclosures return to rental housing. Any improvement to residential construction is welcome news to a construction industry that has lost thousands of jobs in Washington during the recession.

Not only have the number of building permits increased, but the value of those permits has increased more rapidly, with the single-family permit value reaching \$812.9 million during the second quarter – 34.3 percent above a year ago.



Low levels of building permit activity a year ago and significant swings in construction markets in individual communities resulted in very striking local building permit changes. Building permit activity nearly tripled compared to the second quarter of last year in Spokane County, for example, where 500 permits represented a 185.7 percent INCREASE. Significantly, single-family permits only increased by 46.9 percent. Four other counties saw total permit activity increase by over 50 percent.

Often the striking percentage changes are limited to small rural markets, but Spokane was not the only urban area experiencing a very rapid increase in building permits. Clark County (91.7 percent), Pierce County (64.0 percent) and Franklin County (45.8 percent) also saw significantly increased construction. However, metropolitan counties Cowlitz and Skamania saw permit activity slide by at least 40 percent compared to a year ago. In the state’s most populous county (King) total permit activity increased by 20.8 percent, totaling 1,028 units, with single-family construction jumping 47.6 percent.

The total value of building permits more than doubled compared to last year in Franklin, Spokane and Clark counties, and nearly doubled in Pierce County. Meanwhile, construction value declined from a year ago in 11 counties, indicating once again how uneven

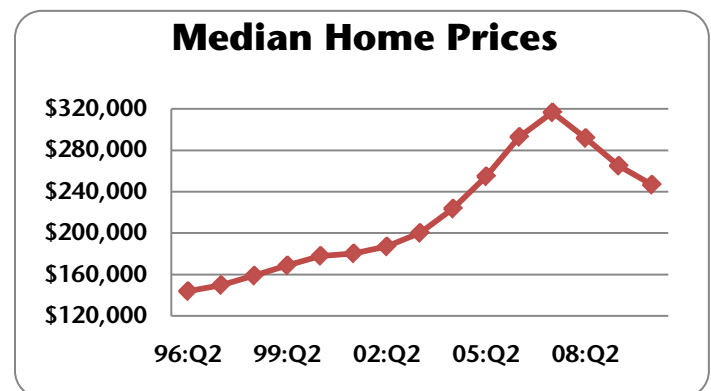
housing market performance is across the state (reinforcing the statement that all real estate is local). The importance of high-value multifamily construction activity in the large urban areas was highlighted by the 36.4 percent statewide increase in the total value of permits, reaching \$918.2 million. Even when real estate markets are depressed, they remain important drivers of local economic activity.

Home Prices

Existing home sales and construction activity illustrate the vitality of the housing market, but only households actively attempting to sell a home are very concerned with how many homes are selling. Many more households are concerned how the most significant asset in their “portfolio” is performing, i.e. what is happening to home prices.

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

Statewide, the decline in median prices accelerated a bit in the second quarter after slowing early in the year. The median price home in Washington sold for \$246,800 during the quarter, a decline of 6.9 percent from a year earlier. Because there is unadjusted seasonality to house prices, WCRER only compares medians to the same quarter in prior years. On a year-to-year comparison basis, median prices have now declined for 11 consecutive quarters. In terms of actual median prices, the statewide peak was in the second quarter of 2007 at \$316,700. The current median is 22.1 percent below that level. As bad as that is, many communities in



other parts of the country have had to deal with price declines at least double that magnitude.

Median prices ranged from a high of \$375,500 in King County (which reclaimed the dubious claim to high price leader from San Juan which held the title since 2004 in all but one quarter) to a low of \$107,500 in rural Columbia County. Among the metropolitan population centers the range was from \$375,500 in King County to \$152,600 in Asotin County (Lewiston, ID-WA) and \$152,700 in Yakima County. The micropolitan areas exhibited variations from a low median of \$130,000 in Grays Harbor County (Aberdeen/ Hoquiam) to a high of \$262,500 in Island County (Oak Harbor).

Price changes also varied widely. Of the 38 counties for which median prices are available, 21 reported a lower median than in the April-June quarter of 2009. Price changes ranged from a decline of 9.2 percent in Skamania County to a price jump of 29.2 percent in Jefferson County. Since both of these counties have very limited numbers of sales, the change in medians may be less representative of the market than those in larger volume areas.

Among the metropolitan counties the range of price changes was a high of a 5.5 percent increase in Benton/Franklin counties to a decline of 9.2 percent in Skamania County (Portland-Vancouver-Hillsboro, OR-WA MSA). For the micropolitan areas the strongest price performance was an increase in median price of 7.7 percent in Lewis County (Centralia), with the decline of 6.5 percent in Grays Harbor County (Aberdeen) the other extreme. Median prices declined from a year ago in only two of the nine micropolitan areas in Washington.

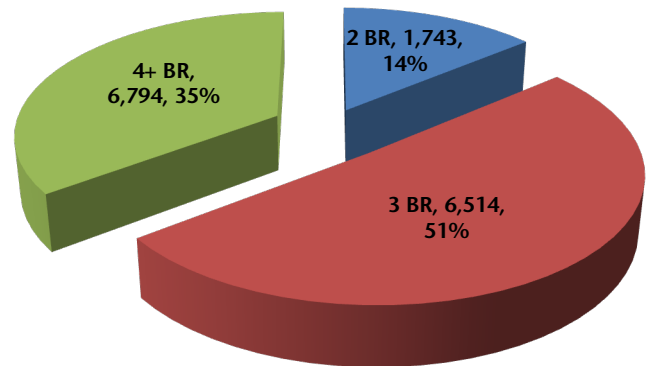
Prices by Bedroom

Since relying on a single median price may mask changes in the housing market, WCRER also examines price trends by the number of bedrooms in the home in a modest attempt to standardize housing quality. During the second quarter the median price for homes with two or fewer bedrooms statewide was \$174,100, 4.9 percent below the same time last year. Three-bedroom homes, which comprise roughly half the market, declined by 5.7 percent, to a median of \$228,600. Larger homes saw prices decline by 7.7 percent to a median of \$309,300.

Since the tax credits continued to favor first-time buyers, the somewhat stronger price reports for smaller homes are not surprising.

The table below illustrates this impact. Despite the most stable prices, first-time buyers caused an increase

2nd Quarter 2010 Washington Home Sales by Number of Bedrooms



in the share of homes sold with only two bedrooms, but despite larger price declines, the larger and more expensive homes saw no change in market share.

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

Change in Median Price vs. Change in Market Share (2nd Qtr 2009 to 2nd Qtr 2010)

Number of Bedrooms	Change In Median Price	Change In Market Share
2 or less	-\$8,900 (-4.9%)	+0.5%
3	-\$13,900 (-5.7%)	-0.5%
4 or more	-\$25,900 (-7.7%)	0.0%

While small samples often cause county-level detail on prices by number of bedrooms to exhibit unusual patterns, larger communities generally have enough sales activity to offset the problems. Accordingly, this issue of Washington State's Housing Market will examine prices by bedroom in metropolitan counties. Four metropolitan area recorded higher prices for 2-bedroom homes, while 11 had declines. For 3-bedroom properties, only two areas (Tri-cities and the Douglas County portion of Wenatchee) had an increased median. Surprisingly, median prices for homes with four or more bedroom increased in six of the 15 metropolitan areas. Data for Snohomish County, which had a overall decline in median of 9.0 percent was especially interesting. The median price for 2-bedroom homes declined by 18.1 percent compared to a year earlier, 3-bedroom homes by 10.9 percent and larger properties by only 5.6 percent. This does not imply, however, that the

sellers of homes with four or more bedrooms only cut prices by 5.6 percent. While the buyers paid that much less, they may have received more square footage, larger lots or additional upgrades as well.

Housing Affordability

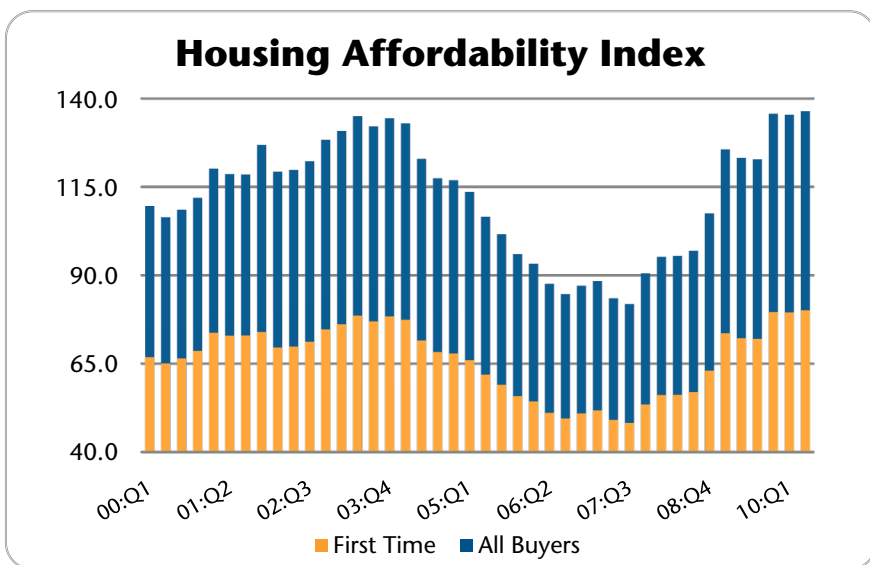
Lower home prices have combined with historically low mortgage interest rates to produce very affordable housing for those households where income has not declined significantly, who have access to downpayments and who can qualify for mortgages based on their debt level and credit history. WCRER's affordability index shows affordability remained very high during the second quarter of 2010. It must be pointed out, however, that the income data provided by Claritas (a consulting firm) continues to increase, despite the recession which has increased unemployment, decreased hours for many hourly workers and denied salary increases to most others. Accordingly, WCRER is exploring the possibility of implementing revised income data in the next issue of this report.

approach which has been used by the National Association of Realtors® since 1982. After a period of lax underwriting, these assumptions are generally consistent with conditions prevailing in the current marketplace.

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

In the second quarter the statewide all-buyer index was 136.4, meaning the median income family in Washington had 36.4 percent *more* income than the minimum required to afford the median price home—a major improvement from the 123.2 recorded in the second quarter of 2009. Significantly, this is a new record high for the all-buyer index.

Locally, affordability indices in the second quarter ranged from a low of 96.2 in San Juan County to 233.8 in Columbia County. Among metropolitan counties the range was from a low of 110.6 in King County to Benton County's high of 177.7. Among the micropolitan areas, the greatest affordability was in Grays Harbor County (Aberdeen) where the index was 188.4, and the least was in Clallam County (Port Angeles) at 119.0. Rural area affordability was generally quite high (San Juan and Jefferson counties were exceptions). The all-buyer affordability index was above 130 in all other rural counties.



WCRER computes two measures of affordability. The all-buyer index measures the degree to which a median income family (two or more individuals related by blood, marriage or adoption) can afford mortgage payments on a median price home, assuming a 20 percent downpayment and a 30-year mortgage at prevailing mortgage interest rates. The calculation assumes the family can spend 25 percent of their income on principal and interest payments. While this may seem restrictive, it does not include property taxes or homeowner's insurance, which are part of conforming loan analyses. This is the same analysis

While first-time buyers drove much of the market during the second quarter, and the first-time buyer affordability index statewide was also at a record high, attaining homeownership remained challenging in many areas. Statewide, the typical would-be first-time buyer household had only 80.1 percent of the income required to purchase the typical starter home.

First-time affordability measures exceeded 100 in nine Washington counties, with the highest value recorded in Columbia County (132.6). Meanwhile, potential buyers still have incomes well below the minimum required to purchase a starter homes in San

Juan County, where the index stood at an improved 56.6. King County remains the least affordable urban county, with a first-time index of 61.7, identical to last quarter. At the other end of the spectrum, two metropolitan counties (Benton and Skamania) reported first-time buyers index values of at least 100. Among the smaller urban places the range of first-time affordability measures was similar, from 62.3 in Whitman County (Pullman) to 113.6 in Grays Harbor County.

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	6.7%
\$60,000	\$1,250	\$232,852	\$25,872	\$258,724	44.9%
\$90,000	\$1,875	\$349,278	\$87,320	\$436,598	76.0%
\$150,000	\$3,125	\$582,130	\$313,455	\$895,585	94.6%

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 \$69,946, although the county-level medians ranged from a low of \$41,498 in Ferry County to a high of \$86,257 in King County. Similarly, household incomes, which tend to be lower by definition, had a statewide value of \$57,741, with county-level incomes ranging from \$35,007 in Ferry County to a high of \$68,168 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.

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. In spite of limitations, the percentage of listings at or below each threshold price indicates the degree of home choice available to each income group, and choices have increased at all income levels.

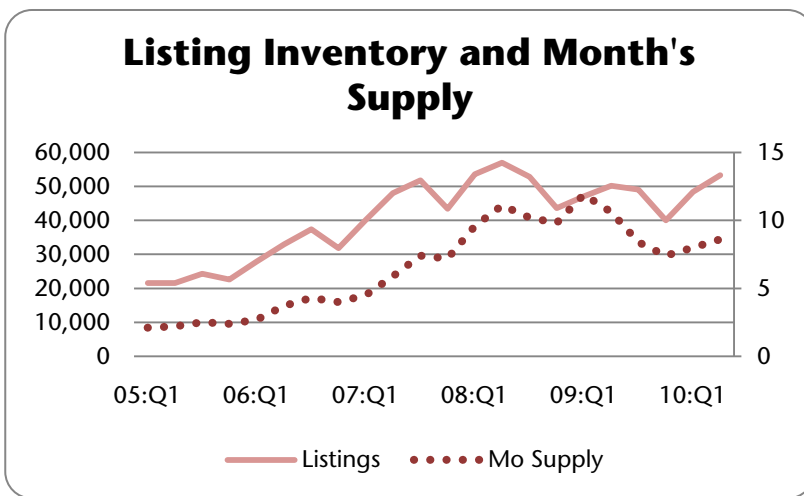
The statewide data shows only 2.2 percent of homes statewide were priced under \$80,000. While 11 of the 36 counties for which listing detail is available indicated less than 1.0 percent of the homes were priced below \$80,000 a year ago, only seven remained that low this year. These statistics reinforce the contention that in many parts of the state first-time home buyers, as represented by the lowest income group, would have improved, but still limited, access to the housing market.

Including homes priced at or below \$160,000 raises the affordable percentage statewide to 14.8 percent. Among the metropolitan counties the proportion of homes priced less than \$160,000 ranged from a low of

2.5 percent in King County to a high of 42.3 percent in Cowlitz County.

Available Inventory

Economics analyzes demand and supply looking for equilibrium or balance. Existing home sales, discussed earlier, is the measure of demand. Inventory available for sale represents the supply side of the equation. During the period of rapid home sales and escalating prices there was excess demand and scant supply. During 2008 while sales plummeted, inventories available for sale surged. More recently, the market has moved toward balance, but slowing numbers of accepted contracts since the tax credit expired while more homeowners returned to the market in attempts to sell their homes raise questions about whether balance between supply and demand can be sustained and lead to more stable home prices.



Listings available for sale throughout Washington, at the end of the second quarter, stood 5.8 percent above the listing inventory at this time last year. There were 53,262 homes on the various Multiple Listing Services, an increase of nearly 3,000 homes over the last year, but still 5,000 fewer than two years ago. By contrast, at the end of June 2005 there were only 27,400 homes actively on the market. It must be emphasized that these counts do not include any homes being offered for sale directly by the owners, without the assistance of real estate licensees, or those marketed by real estate licensees who are not members of a multiple listing service, and may not include homes marketed by financial institutions after foreclosure. This so-called shadow inventory is one of the real mysteries of the current housing market.

King County alone accounts for about 18.5 percent of the homes on the market – 9,873. This is about 200 more homes than were on the market there a year ago,

an increase of 2.3 percent. Most other counties, especially those in metropolitan areas saw a much more rapid growth in available inventory, especially in percentage terms. Pierce, Snohomish, Spokane and Clark counties, in that order, had the next largest inventories available for sale. The largest jump in inventory among those large counties was 8.4 percent in Pierce County, while the inventory actually declined a bit in Clark County.

Listing statistics varied widely across the state. Only nine counties indicated fewer homes on the market this year than a year ago, while 13 indicated there were at least ten percent more homes available for sale. This suggests the housing market is still struggling to establish a workable equilibrium in a market without external support.

Listings alone, however, only tell part of the story.

They need to be linked to prevailing sales rates to determine how the current availability might influence aggregate housing markets in the months ahead. WCRER computes estimates of the month's supply of housing by price range. A month's supply statistic measures how long it would take to sell all the homes currently available for sale if no new listings were added to the inventory. The seasonally adjusted annual rate of sales for the quarter is compared to the end-of-quarter listing inventory to determine the month's supply. This prevents higher sales rates in previous quarters from producing unrealistically optimistic estimates of market

activity. Similarly, it prevents exceptionally low inventories and actual sales during the slow winter months from making inventories seem exceptionally large relative to sales.

The second quarter month's supply for Washington was 8.6 months, compared to 10.6 months a year ago and 11.1 months two years ago. The combination of a stronger seasonally adjusted annual sales rate and modest increase in the inventory of homes actively on the market resulted in the lower month's supply statistic. Unfortunately, this is the highest month's supply observed in the last year.

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 ordinarily be characterized as somewhat oversupplied. However, this should not be interpreted as meaning price declines will necessarily accelerate. The real questions are whether potential

sellers will withdraw their listings until conditions stabilize or whether lenders aggressively move to liquidate the shadow inventory. There is insufficient historical precedent to suggest what will happen.

While the statewide market is only modestly oversupplied, the same cannot be said for individual local markets. Twenty Washington counties have inventory levels capable of sustaining the current sales rate for over a year with no new listing coming on the market. These are places which clearly have an excess supply of homes on the market today, where price declines will likely continue not only for the remainder of this year, but often beyond. The inventory imbalance was especially clear in San Juan County where the current sales rate could be sustained for five years without any additions to the for sale inventory. Only the Tri-cities market had a inventory level under 5.0 months. The only other “balanced market,” with an inventory level of 6.5 months, was King County.

Supply/demand imbalances are not consistent across the price spectrum either. In fact, statewide, all price ranges under \$250,000 would be characterized as generally balanced, or even a little tight, while the homes with asking prices in excess of \$250,000 are still clearly oversupplied. Owners of high-end properties are more accustomed to longer sales periods, but with more homes moving into those categories in recent years and the increasing delinquency and foreclosure pressure throughout the price spectrum, there is considerable uncertainty about how the prices of luxury homes will behave 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 ten counties where there is at least a ten month’s supply. In the \$250,000-499,999 range there are 18 counties where it would take over a year and a half to clear all the homes currently on the market. These are both double the number of high inventory counties which prevailed only six months ago.

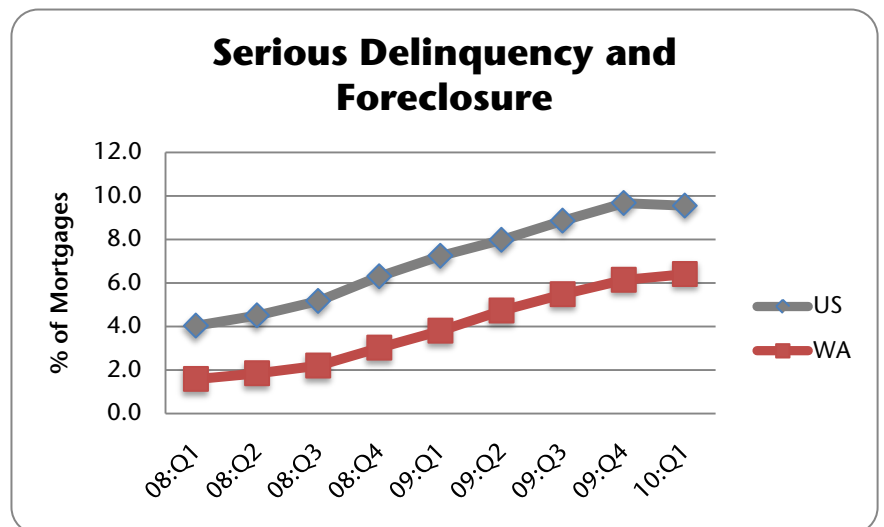
Market Risks

The hot topic in economic circles these days is whether or not the economy is headed for a double dip recession. Economic growth estimates are being scaled back by most forecasters. Employment growth in the private

sector has not been enough to offset layoffs from temporary Census positions. Significant additional layoffs of teachers, police and firefighters were narrowly averted in recent days. While the unemployment rate in Washington remains below the national rate, job growth is needed, and soon, for the housing market to stabilize and recover.

Although the financial system is no longer perceived on the verge of collapse, credit for home purchases at the best interest rates is only available for the buyers with the most pristine credit histories, and for those with access to ample cash for downpayments and closing costs. The loss of equity in underwater mortgages (or even in mortgages which are still less than the value of the property) mean that sellers are hard pressed to re-enter the homeownership market after they sell because they can no longer satisfy downpayment requirements. It is no wonder the industry is looking at safe alternatives to support some sales.

National data is beginning to show an easing of the foreclosure crisis, but like most national statistics, the devil is in the details, and the details suggest that Washington is currently running counter to the national trend. The most recent data from RealtyTrac indicated that foreclosure filings in Washington have moved into 14th place among the states, a far worse position than the state was in a year ago. The rate of foreclosure is still below the national level, but not by much.



Source: Mortgage Bankers Association

More reliable data on mortgage delinquency and foreclosure is provided by the Mortgage Bankers Association. Their first quarter data indicates that the proportion of mortgages at least 90-days past due or at

some stage of the foreclosure process continue to increase nationally and in Washington. In the last year, Washington has moved from the fifth lowest state in terms of serious mortgage delinquency to the middle of the pack, although the 6.14 percent of mortgages in trouble in the state remains well short of the national statistic of 9.67 percent. The good news was that the proportion of mortgages 30 days late in the MBA's first quarter report actually declined for the second consecutive quarter, both nationally and in Washington. It is hoped this represents the continuing of a trend of improvement.

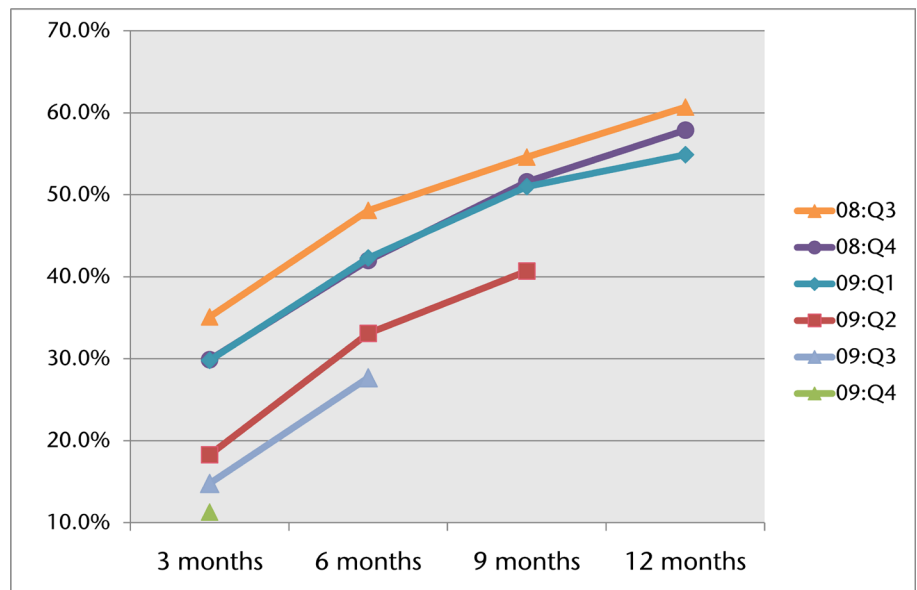
It has been noted previously that one of the biggest worries about the housing market is continuing high levels of foreclosures if mortgage modification programs only delay the ultimate distressed sale of the property. After a couple of years monitoring the success (or lack thereof) of the modification programs, the data is beginning to look more encouraging. For mortgages modified in the fourth quarter of 2008, 29.9 percent were at least 60 days past due three months later. The most recent data release by the Federal Housing Finance Agency (FHFA) is for the fourth quarter of 2009, showing that only 11.3 percent of modified mortgages were 60 days delinquent within 90 days. Although this proportion is still too high, it is the first real sign of progress stemming the tide of delayed foreclosure.

Finally, the discussion of market risks must turn to the topic of consumer psychology. If potential home buyers believe they can secure homeownership next year with lower prices and mortgage interest costs that are no higher than today, what is the pressure to buy now? Certainly the ability to control the property, decorate to your taste and not have a landlord plays a role, as does the tax deduction for mortgage interest and property taxes, but that may not be enough. Stabilizing and even rent increases may influence the decisions for some households, as will a return to more normal household formations as the recession winds down. Media attention to stable prices as measured

by Case-Shiller or FHFA nationally may play a role, but looking at localized data is more reflective of what a potential buyer should expect in the neighborhood where he/she desires to reside.

There are now so many measures of housing market performance that it is difficult to keep current on all the statistics. WCRER has stumbled on lightly-reported data produced by PMI as some of the most interesting. They estimate the likelihood that prices in a given metropolitan area will be lower two years from now than they are today. Two years ago their estimates in most American communities were very high, and they were right. Now their estimated likelihood of sustained price declines are significantly lower. Across Washington their estimates ranged from a high of 82.4 percent in the Portland-Vancouver-Hillsboro OR-WA MSA to a low of 9.6 percent in the Yakima MSA. Their estimate for the Seattle-Bellevue-Everett MSA was 51.9 percent down slightly from last quarter and from a year earlier. However, the predictive accuracy of this measure has not been tested. Since real estate market trends are notoriously difficult to forecast, maybe the next issue of Washington State's Housing Market will paint a clearer picture.

Re-Default Rates of Modified Loans: 60 or More Days Delinquent



Source: US Department of the Treasury

HOUSING MARKET SNAPSHOT

State of Washington and Counties Second Quarter 2010

County	Home Resales (units)		Building Permits (units)		Median Resale Price		Housing Affordability Index (HAI)	First-Time HAI	
	SAAR	% Change	#	% Change (year ago)	\$	% Change (year ago)			
		(last qtr) (year ago)							
Adams	120	-25.0%	-40.0%		\$120,000	-2.2%	170.4	115.2	
Asotin	510	37.8%	70.0%		\$152,600	-1.7%	167.9	96.5	
Benton	4,280	17.3%	33.8%	126	\$173,100	5.5%	177.7	106.4	
Chelan	1,210	19.8%	37.5%	39	\$215,000	-4.4%	126.6	74.3	
Clallam	1,050	12.9%	43.8%	32	\$209,800	-1.1%	119.0	68.8	
Clark	7,020	10.9%	32.2%	341	\$214,100	-1.9%	156.0	94.7	
Columbia	120	-29.4%	71.4%	0	\$107,500	-2.3%	233.8	132.6	
Cowlitz	1,460	-6.4%	32.7%	24	\$160,400	-6.9%	162.2	97.1	
Douglas	370	-5.1%	2.8%	38	\$226,500	3.9%	122.4	75.8	
Ferry	130	8.3%	116.7%	0	\$152,000	1.3%	131.4	78.9	
Franklin	880	17.3%	33.3%	156	\$173,100	5.5%	148.5	97.3	
Garfield	60	50.0%	100.0%	0	\$152,600	-1.7%	169.7	91.4	
Grant	1,920	14.3%	54.8%		\$163,100	0.9%	147.3	92.2	
Grays Harbor	1,650	3.1%	23.1%	17	\$130,000	-6.5%	188.4	113.6	
Island	2,720	-5.9%	14.8%	41	\$262,500	0.4%	127.6	79.4	
Jefferson	330	-21.4%	6.5%	20	\$281,000	29.2%	105.2	60.2	
King	24,050	2.9%	33.0%	1,028	\$375,500	-3.1%	110.6	61.7	
Kitsap	3,460	3.0%	16.5%	113	\$235,000	-4.1%	145.8	87.6	
Kittitas	1,250	-21.4%	28.9%	35	\$203,000	0.6%	139.7	71.8	
Klickitat	270	22.7%	3.8%		\$193,300	23.4%	133.0	78.9	
Lewis	790	-3.7%	8.2%	57	\$161,500	7.7%	156.1	93.8	
Lincoln	320	3.2%	45.5%		N/A	N/A	N/A	N/A	
Mason	930	-25.6%	9.4%	43	\$165,000	0.7%	171.2	105.5	
Okanogan	690	23.2%	19.0%	35	\$161,000	1.6%	139.2	85.1	
Pacific	230	4.5%	27.8%	0	\$134,000	2.3%	179.6	104.1	
Pend Oreille	220	4.8%	120.0%	2	\$152,000	1.3%	148.2	89.9	
Pierce	10,180	2.5%	21.9%	592	\$220,000	-4.7%	151.8	89.5	
San Juan	120	-45.5%	20.0%	39	\$328,800	-6.1%	96.2	56.6	
Skagit	1,740	13.0%	32.8%	58	\$226,300	-2.5%	132.2	81.2	
Skamania	150	25.0%	36.4%	5	\$156,700	-9.2%	177.1	110.2	
Snohomish	8,300	1.6%	35.0%	511	\$279,500	-9.0%	137.9	83.5	
Spokane	7,220	5.4%	22.8%	500	\$171,400	-3.7%	170.8	95.2	
Stevens	830	3.8%	112.8%	1	\$152,000	1.3%	166.2	100.5	
Thurston	3,990	-0.5%	13.0%	256	\$231,000	-3.8%	149.3	89.2	
Wahkiakum	90	50.0%	50.0%		\$145,500	-7.9%	187.8	114.5	
Walla Walla	1,030	-5.5%	15.7%	16	\$185,000	5.7%	148.1	83.8	
Whatcom	2,060	-10.4%	4.6%	73	\$250,200	-5.6%	118.7	66.5	
Whitman	360	20.0%	9.1%	38	\$208,000	0.0%	136.9	62.3	
Yakima	3,910	16.4%	23.7%	52	\$152,700	-3.7%	162.7	99.6	
Statewide	96,020	3.5%	27.5%	4,288	25.9%	\$246,800	-6.9%	136.4	80.1

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	09:Q1	09:Q2	09:Q3	09:Q4	10:Q1	10:Q2	Last qtr	Percent change Year ago
Adams	150	200	170	240	160	120	-25.0%	-40.0%
Asotin	280	300	390	460	370	510	37.8%	70.0%
Benton	2,840	3,200	3,560	4,610	3,650	4,280	17.3%	33.8%
Chelan	790	880	970	1,160	1,010	1,210	19.8%	37.5%
Clallam	700	730	920	920	930	1,050	12.9%	43.8%
Clark	4,820	5,310	6,560	7,720	6,330	7,020	10.9%	32.2%
Columbia	60	70	90	90	170	120	-29.4%	71.4%
Cowlitz	1,120	1,100	1,260	1,420	1,560	1,460	-6.4%	32.7%
Douglas	460	360	430	480	390	370	-5.1%	2.8%
Ferry	70	60	90	90	120	130	8.3%	116.7%
Franklin	580	660	730	950	750	880	17.3%	33.3%
Garfield	30	30	40	50	40	60	50.0%	100.0%
Grant	1,270	1,240	1,510	1,760	1,680	1,920	14.3%	54.8%
Grays Harbor	1,240	1,340	1,230	1,650	1,600	1,650	3.1%	23.1%
Island	2,160	2,370	2,320	3,510	2,890	2,720	-5.9%	14.8%
Jefferson	320	310	310	350	420	330	-21.4%	6.5%
King	15,180	18,080	22,020	26,660	23,380	24,050	2.9%	33.0%
Kitsap	2,750	2,970	3,420	3,940	3,360	3,460	3.0%	16.5%
Kittitas	770	970	1,090	1,490	1,590	1,250	-21.4%	28.9%
Klickitat	210	260	190	270	220	270	22.7%	3.8%
Lewis	560	730	770	850	820	790	-3.7%	8.2%
Lincoln	230	220	260	300	310	320	3.2%	45.5%
Mason	660	850	890	1,210	1,250	930	-25.6%	9.4%
Okanogan	350	580	450	480	560	690	23.2%	19.0%
Pacific	170	180	220	210	220	230	4.5%	27.8%
Pend Oreille	130	100	150	160	210	220	4.8%	120.0%
Pierce	8,040	8,350	10,380	12,200	9,930	10,180	2.5%	21.9%
San Juan	120	100	170	190	220	120	-45.5%	20.0%
Skagit	1,270	1,310	1,510	1,800	1,540	1,740	13.0%	32.8%
Skamania	70	110	110	160	120	150	25.0%	36.4%
Snohomish	5,250	6,150	7,320	9,450	8,170	8,300	1.6%	35.0%
Spokane	5,380	5,880	6,840	6,990	6,850	7,220	5.4%	22.8%
Stevens	490	390	570	620	800	830	3.8%	112.8%
Thurston	3,590	3,530	4,050	4,510	4,010	3,990	-0.5%	13.0%
Wahkiakum	50	60	70	60	60	90	50.0%	50.0%
Walla Walla	810	890	1,170	1,210	1,090	1,030	-5.5%	15.7%
Whatcom	1,810	1,970	2,220	2,790	2,300	2,060	-10.4%	4.6%
Whitman	260	330	380	620	300	360	20.0%	9.1%
Yakima	3,010	3,160	3,600	4,130	3,360	3,910	16.4%	23.7%
Statewide	68,050	75,330	88,430	105,760	92,740	96,020	3.5%	27.5%

NOTES:

2008-9 revised for changing seasonal patterns.

Number of single-family units sold, excluding new construction

EXISTING HOME SALES

State of Washington and Counties Not Seasonally Adjusted

County	09:Q1	09:Q2	09:Q3	09:Q4	Year Total 2009	10:Q1	10:Q2	Percent change (Year ago)
ams	30	50	50	60	190	30	30	-40.0%
Asotin	60	90	120	100	370	70	150	66.7%
Benton	580	900	1,020	1,050	3,550	750	1,200	33.3%
Chelan	140	260	270	280	950	180	360	38.5%
Clallam	130	200	270	230	830	170	280	40.0%
Clark	990	1,510	1,850	1,760	6,110	1,300	2,000	32.5%
Columbia	10	20	30	20	80	40	30	50.0%
Cowlitz	220	300	350	350	1,220	310	400	33.3%
Douglas	90	100	130	120	440	70	100	0.0%
Ferry	10	10	30	30	80	20	30	200.0%
Franklin	120	180	210	220	730	150	250	38.9%
Garfield	10	10	10	10	40	10	20	100.0%
Grant	220	340	440	460	1,460	300	520	52.9%
Grays Harbor	240	370	350	420	1,380	310	450	21.6%
Island	410	650	720	790	2,570	550	750	15.4%
Jefferson	80	60	80	100	320	100	60	0.0%
King	2,970	5,110	6,380	6,170	20,630	4,570	6,810	33.3%
Kitsap	560	820	990	920	3,290	680	960	17.1%
Kittitas	130	280	350	320	1,080	270	360	28.6%
Klickitat	40	70	50	60	220	40	80	14.3%
Lewis	120	190	230	200	740	170	210	10.5%
Lincoln	40	60	80	80	260	50	90	50.0%
Mason	110	240	280	290	920	210	260	8.3%
Okanogan	50	200	130	100	480	80	240	20.0%
Pacific	30	50	70	50	200	50	60	20.0%
Pend Oreille	20	30	50	40	140	30	50	66.7%
Pierce	1,650	2,350	2,910	2,850	9,760	2,040	2,860	21.7%
San Juan	20	30	50	50	150	40	40	33.3%
Skagit	250	370	430	430	1,480	300	490	32.4%
Skamania	10	30	30	40	110	20	40	33.3%
Snohomish	1,070	1,740	2,110	2,130	7,050	1,660	2,350	35.1%
Spokane	860	1,670	2,030	1,800	6,360	1,090	2,060	23.4%
Stevens	80	100	180	170	530	130	210	110.0%
Thurston	720	960	1,190	1,050	3,920	810	1,080	12.5%
Wahkiakum	0	20	20	10	50	10	30	50.0%
Walla Walla	150	240	330	330	1,050	200	280	16.7%
Whatcom	340	570	670	620	2,200	430	600	5.3%
Whitman	40	130	120	90	380	40	150	15.4%
Yakima	600	880	1,020	980	3,480	670	1,090	23.9%
Statewide	13,200	21,190	25,630	24,780	84,800	17,950	27,030	27.6%

NOTE:

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

MEDIAN HOME PRICES

State of Washington and Counties Time Trend

County	09:Q1	09:Q2	09:Q3	09:Q4	09 Annual	10:Q1	10:Q2	%Ch Q2
Adams	\$85,000	\$122,700	\$125,000	\$120,000	\$122,400	\$110,000	\$120,000	-2.2%
Asotin	\$143,000	\$155,200	\$147,000	\$143,800	\$147,800	\$140,500	\$152,600	-1.7%
Benton	\$159,400	\$164,000	\$171,700	\$166,800	\$166,800	\$176,600	\$173,100	5.5%
Chelan	\$242,000	\$225,000	\$215,000	\$220,000	\$225,200	\$230,000	\$215,000	-4.4%
Clallam	\$218,000	\$212,100	\$218,700	\$206,500	\$213,700	\$213,100	\$209,800	-1.1%
Clark	\$224,100	\$218,200	\$219,000	\$208,300	\$216,600	\$218,100	\$214,100	-1.9%
Columbia	\$139,900	\$110,000	\$136,500	\$136,500	\$135,700	\$132,500	\$107,500	-2.3%
Cowlitz	\$169,800	\$172,300	\$164,900	\$159,000	\$166,000	\$151,000	\$160,400	-6.9%
Douglas	\$219,900	\$217,900	\$235,000	\$196,000	\$222,600	\$210,500	\$226,500	3.9%
Ferry	\$150,000	\$150,000	\$140,500	\$148,000	\$149,300	\$129,000	\$152,000	1.3%
Franklin	\$159,400	\$164,000	\$171,700	\$166,800	\$166,800	\$176,600	\$173,100	5.5%
Garfield	\$143,000	\$155,200	\$147,000	\$143,800	\$147,800	\$140,500	\$152,600	-1.7%
Grant	\$150,100	\$161,700	\$169,000	\$146,500	\$155,000	\$158,500	\$163,100	0.9%
Grays Harbor	\$142,000	\$139,000	\$134,500	\$135,000	\$135,000	\$140,000	\$130,000	-6.5%
Island	\$248,000	\$261,400	\$268,500	\$268,000	\$262,500	\$265,000	\$262,500	0.4%
Jefferson	\$242,500	\$217,500	\$260,000	\$310,000	\$269,000	\$272,500	\$281,000	29.2%
King	\$375,000	\$387,500	\$382,000	\$375,000	\$380,000	\$370,000	\$375,500	-3.1%
Kitsap	\$239,500	\$245,000	\$249,900	\$243,000	\$244,500	\$235,000	\$235,000	-4.1%
Kittitas	\$220,000	\$201,700	\$215,000	\$229,500	\$216,700	\$210,000	\$203,000	0.6%
Klickitat	\$237,500	\$156,700	\$185,000	\$175,000	\$178,300	\$233,300	\$193,300	23.4%
Lewis	\$160,500	\$150,000	\$163,300	\$154,500	\$160,000	\$139,900	\$161,500	7.7%
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mason	\$148,500	\$163,800	\$175,000	\$160,000	\$164,400	\$159,500	\$165,000	0.7%
Okanogan	\$138,000	\$158,500	\$162,000	\$165,000	\$159,000	\$164,500	\$161,000	1.6%
Pacific	\$125,000	\$131,000	\$153,100	\$155,300	\$150,000	\$127,900	\$134,000	2.3%
Pend Oreille	\$150,000	\$150,000	\$140,500	\$148,000	\$149,300	\$129,000	\$152,000	1.3%
Pierce	\$235,000	\$230,900	\$230,000	\$220,000	\$229,200	\$215,000	\$220,000	-4.7%
San Juan	\$684,000	\$350,000	\$515,000	\$427,500	\$443,500	\$372,500	\$328,800	-6.1%
Skagit	\$245,000	\$232,000	\$233,600	\$223,000	\$232,000	\$220,000	\$226,300	-2.5%
Skamania	\$185,000	\$172,500	\$212,500	\$196,700	\$186,700	\$160,000	\$156,700	-9.2%
Snohomish	\$311,800	\$307,000	\$297,000	\$285,000	\$300,000	\$279,000	\$279,500	-9.0%
Spokane	\$180,300	\$177,900	\$177,600	\$170,200	\$175,800	\$170,200	\$171,400	-3.7%
Stevens	\$150,000	\$150,000	\$140,500	\$148,000	\$149,300	\$129,000	\$152,000	1.3%
Thurston	\$247,000	\$240,000	\$243,100	\$227,300	\$239,600	\$228,200	\$231,000	-3.8%
Wahkiakum	\$501,300	\$158,000	\$182,000	\$104,000	\$180,000	\$168,500	\$145,500	-7.9%
Walla Walla	\$181,100	\$175,000	\$168,900	\$168,800	\$176,400	\$180,000	\$185,000	5.7%
Whatcom	\$259,900	\$265,000	\$255,300	\$252,500	\$259,000	\$241,400	\$250,200	-5.6%
Whitman	\$175,000	\$207,900	\$176,000	\$183,300	\$188,000	\$206,200	\$208,000	0.0%
Yakima	\$137,300	\$158,600	\$154,200	\$145,800	\$153,300	\$147,200	\$152,700	-3.7%
Statewide	\$253,500	\$265,100	\$259,700	\$244,000	\$250,400	\$245,900	\$246,800	-6.9%

Source: WCRER Estimates

HOME PRICES BY NUMBER OF BEDROOMS

State of Washington and Counties Second Quarters

County	2 Bedroom			3 Bedroom			4 or More Bedroom		
	2009	2010	% ch	2009	2010	% ch	2009	2010	% ch
Adams	\$65,000	\$57,500	-11.5%	\$124,500	\$130,000	4.4%	\$150,000	\$120,000	-20.0%
Asotin	\$115,000	\$110,000	-4.3%	\$159,300	\$155,800	-2.2%	\$182,000	\$190,000	4.4%
Benton	\$77,700	\$95,500	22.9%	\$152,400	\$162,300	6.5%	\$222,700	\$232,800	4.5%
Chelan	\$146,700	\$180,000	22.7%	\$220,000	\$197,500	-10.2%	\$270,800	\$321,400	18.7%
Clallam	\$152,500	\$178,000	16.7%	\$220,000	\$215,700	-2.0%	\$275,000	\$221,400	-19.5%
Clark	\$146,000	\$140,000	-4.1%	\$193,100	\$190,800	-1.2%	\$272,500	\$270,900	-0.6%
Columbia	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cowlitz	\$102,000	\$90,000	-11.8%	\$170,800	\$157,000	-8.1%	\$208,000	\$232,000	11.5%
Douglas	\$180,000	\$160,000	-11.1%	\$207,700	\$223,400	7.6%	\$245,000	\$287,500	17.3%
Ferry	\$125,000	\$126,700	1.4%	\$166,700	\$156,000	-6.4%	\$225,000	\$180,000	-20.0%
Franklin	\$77,700	\$95,500	22.9%	\$152,400	\$162,300	6.5%	\$222,700	\$232,800	4.5%
Garfield	\$115,000	\$110,000	-4.3%	\$159,300	\$155,800	-2.2%	\$182,000	\$190,000	4.4%
Grant	\$111,500	\$74,100	-33.5%	\$159,000	\$158,000	-0.6%	\$201,100	\$165,000	-18.0%
Grays Harbor	\$106,800	\$101,700	-4.8%	\$142,500	\$154,000	8.1%	\$155,000	\$194,500	25.5%
Island	\$261,700	\$216,300	-17.3%	\$240,000	\$260,000	8.3%	\$327,500	\$335,000	2.3%
Jefferson	\$207,000	\$210,000	1.4%	\$252,500	\$270,000	6.9%	\$315,000	\$392,500	24.6%
King	\$318,000	\$310,000	-2.5%	\$356,000	\$330,000	-7.3%	\$470,000	\$465,000	-1.1%
Kitsap	\$179,900	\$150,000	-16.6%	\$239,500	\$226,500	-5.4%	\$319,500	\$310,000	-3.0%
Kittitas	\$169,000	\$205,000	21.3%	\$198,500	\$210,000	5.8%	\$244,000	\$257,000	5.3%
Klickitat	\$155,000	\$150,000	-3.2%	\$150,000	\$208,300	38.9%	\$225,000	\$225,000	0.0%
Lewis	\$105,000	\$93,900	-10.6%	\$168,000	\$157,000	-6.5%	\$182,000	\$159,500	-12.4%
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mason	\$131,200	\$139,000	5.9%	\$179,800	\$175,000	-2.7%	\$170,000	\$150,500	-11.5%
Okanogan	\$140,000	\$169,000	20.7%	\$160,000	\$180,000	12.5%	\$258,000	\$147,000	-43.0%
Pacific	\$100,000	\$99,000	-1.0%	\$195,500	\$155,000	-20.7%	\$205,000	\$167,500	-18.3%
Pend Oreille	\$125,000	\$126,700	1.4%	\$166,700	\$156,000	-6.4%	\$225,000	\$180,000	-20.0%
Pierce	\$155,000	\$133,000	-14.2%	\$219,100	\$204,000	-6.9%	\$275,000	\$250,000	-9.1%
San Juan	\$316,500	\$412,500	30.3%	\$536,800	\$370,000	-31.1%	\$378,000	\$370,000	-2.1%
Skagit	\$196,000	\$185,400	-5.4%	\$225,000	\$220,000	-2.2%	\$285,900	\$290,000	1.4%
Skamania	\$170,000	\$150,000	-11.8%	\$166,700	\$162,500	-2.5%	N/A	\$150,000	N/A
Snohomish	\$232,000	\$190,000	-18.1%	\$279,500	\$249,000	-10.9%	\$360,000	\$340,000	-5.6%
Spokane	\$122,200	\$113,100	-7.4%	\$173,000	\$165,200	-4.5%	\$218,700	\$203,800	-6.8%
Stevens	\$125,000	\$126,700	1.4%	\$166,700	\$156,000	-6.4%	\$225,000	\$180,000	-20.0%
Thurston	\$189,300	\$190,000	0.4%	\$230,000	\$219,000	-4.8%	\$293,000	\$265,000	-9.6%
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	\$175,000	-14.6%	\$260,000	\$224,900	-13.5%	\$325,000	\$298,000	-8.3%
Whitman	\$110,000	\$146,700	33.4%	\$208,300	\$195,000	-6.4%	\$239,300	\$244,200	2.0%
Yakima	\$82,000	\$108,600	32.4%	\$172,700	\$160,300	-7.2%	\$191,700	\$201,500	5.1%
Statewide	\$183,000	\$174,100	-4.9%	\$242,500	\$228,600	-5.7%	\$335,200	\$309,300	-7.7%

Source: WCRER Estimates

HOUSING AFFORDABILITY INDEX

State of Washington and Counties
Second Quarter 2010

County	Median Price	Mortgage Rate	Monthly Payment	Median Family Income	HAI	Starter Monthly Payment	Median Household Income	First Time HAI
Adams	\$120,000	5.07%	\$519	\$42,476	170.4	\$511	\$40,357	115.2
Asotin	\$152,600	5.07%	\$661	\$53,229	167.9	\$650	\$42,970	96.5
Benton	\$173,100	5.07%	\$749	\$63,909	177.7	\$737	\$53,770	106.4
Chelan	\$215,000	5.07%	\$931	\$56,563	126.6	\$915	\$46,621	74.3
Clallam	\$209,800	5.07%	\$908	\$51,861	119.0	\$893	\$42,126	68.8
Clark	\$214,100	5.07%	\$927	\$69,386	156.0	\$912	\$59,205	94.7
Columbia	\$107,500	5.07%	\$465	\$52,229	233.8	\$458	\$41,628	132.6
Cowlitz	\$160,400	5.07%	\$694	\$54,050	162.2	\$683	\$45,452	97.1
Douglas	\$226,500	5.07%	\$980	\$57,628	122.4	\$964	\$50,115	75.8
Ferry	\$152,000	5.07%	\$658	\$41,498	131.4	\$647	\$35,007	78.9
Franklin	\$173,100	5.07%	\$749	\$53,406	148.5	\$737	\$49,154	97.3
Garfield	\$152,600	5.07%	\$661	\$53,812	169.7	\$650	\$40,709	91.4
Grant	\$163,100	5.07%	\$706	\$49,917	147.3	\$694	\$43,904	92.2
Grays Harbor	\$130,000	5.07%	\$563	\$50,881	188.4	\$553	\$43,115	113.6
Island	\$262,500	5.07%	\$1,136	\$69,609	127.6	\$1,118	\$60,834	79.4
Jefferson	\$281,000	5.07%	\$1,216	\$61,396	105.2	\$1,196	\$49,402	60.2
King	\$375,500	5.07%	\$1,625	\$86,257	110.6	\$1,599	\$67,660	61.7
Kitsap	\$235,000	5.07%	\$1,017	\$71,171	145.8	\$1,001	\$60,124	87.6
Kittitas	\$203,000	5.07%	\$879	\$58,919	139.7	\$864	\$42,582	71.8
Klickitat	\$193,300	5.07%	\$837	\$53,426	133.0	\$823	\$44,525	78.9
Lewis	\$161,500	5.07%	\$699	\$52,367	156.1	\$688	\$44,239	93.8
Lincoln	N/A	5.07%	N/A	\$51,782	N/A	N/A	\$43,430	N/A
Mason	\$165,000	5.07%	\$714	\$58,710	171.2	\$703	\$50,826	105.5
Okanogan	\$161,000	5.07%	\$697	\$46,569	139.2	\$685	\$39,978	85.1
Pacific	\$134,000	5.07%	\$580	\$50,004	179.6	\$571	\$40,713	104.1
Pend Oreille	\$152,000	5.07%	\$658	\$46,811	148.2	\$647	\$39,902	89.9
Pierce	\$220,000	5.07%	\$952	\$69,375	151.8	\$937	\$57,483	89.5
San Juan	\$328,800	5.07%	\$1,423	\$65,691	96.2	\$1,400	\$54,298	56.6
Skagit	\$226,300	5.07%	\$980	\$62,181	132.2	\$963	\$53,635	81.2
Skamania	\$156,700	5.07%	\$678	\$57,656	177.1	\$667	\$50,428	110.2
Snohomish	\$279,500	5.07%	\$1,210	\$80,066	137.9	\$1,190	\$68,168	83.5
Spokane	\$171,400	5.07%	\$742	\$60,823	170.8	\$730	\$47,640	95.2
Stevens	\$152,000	5.07%	\$658	\$52,500	166.2	\$647	\$44,598	100.5
Thurston	\$231,000	5.07%	\$1,000	\$71,676	149.3	\$984	\$60,161	89.2
Wahkiakum	\$145,500	5.07%	\$630	\$56,769	187.8	\$619	\$48,654	114.5
Walla Walla	\$185,000	5.07%	\$801	\$56,948	148.1	\$788	\$45,265	83.8
Whatcom	\$250,200	5.07%	\$1,083	\$61,728	118.7	\$1,065	\$48,542	66.5
Whitman	\$208,000	5.07%	\$900	\$59,154	136.9	\$886	\$37,835	62.3
Yakima	\$152,700	5.07%	\$661	\$51,609	162.7	\$650	\$44,398	99.6
Statewide	\$246,800	5.07%	\$1,068	\$69,946	136.4	\$1,051	\$57,741	80.1

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	08:Q1	08:Q2	08:Q3	08:Q4	09:Q1	09:Q2	09:Q3	09:Q4	10:Q1	10:Q2
Adams	163.6	168.9	153.9	169.2	246.5	172.3	162.7	173.0	186.7	170.4
Asotin	141.0	134.9	130.6	146.4	169.5	160.2	165.3	175.2	180.3	167.9
Benton	175.9	171.7	158.7	169.8	193.9	190.9	176.2	185.7	174.3	177.7
Chelan	95.5	94.9	95.6	105.2	114.2	124.2	125.3	125.1	118.7	126.6
Clallam	98.7	92.8	96.2	106.7	118.8	122.9	114.4	123.3	118.0	119.0
Clark	111.1	109.6	114.0	123.8	144.3	151.2	146.6	159.1	152.1	156.0
Columbia	142.9	153.7	189.1	285.6	170.6	222.3	175.1	181.4	187.7	233.8
Cowlitz	127.8	131.2	115.5	137.5	152.3	152.3	154.1	164.1	172.0	162.2
Douglas	93.3	99.3	101.9	96.4	119.3	123.4	111.9	139.1	130.3	122.4
Ferry	130.3	107.3	109.6	131.2	133.8	135.5	139.8	135.9	154.9	131.4
Franklin	132.8	131.0	122.2	132.1	152.7	152.2	142.1	151.6	144.0	148.5
Garfield	146.0	137.4	131.0	144.5	168.0	159.4	165.2	175.8	181.6	169.7
Grant	121.1	122.6	109.7	127.1	146.0	140.1	132.0	159.0	148.9	147.3
Grays Harbor	138.1	133.5	131.1	150.3	166.7	173.9	174.9	179.9	173.7	188.4
Island	87.6	88.9	87.3	86.8	118.0	116.7	113.0	119.3	123.2	127.6
Jefferson	75.1	80.6	88.1	86.6	116.9	133.3	108.7	94.3	107.5	105.2
King	77.0	74.3	76.9	87.0	102.8	102.4	101.9	108.1	110.5	110.6
Kitsap	109.0	106.2	104.2	117.9	136.4	136.5	130.6	139.1	144.4	145.8
Kittitas	92.6	94.1	107.5	113.3	122.8	137.1	125.6	121.8	133.7	139.7
Klickitat	91.0	102.9	95.2	97.4	100.9	157.3	130.7	143.6	108.7	133.0
Lewis	112.2	117.6	122.4	123.2	154.6	168.2	149.9	163.0	179.5	156.1
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mason	121.0	122.7	122.5	141.3	183.1	169.6	154.7	174.8	175.8	171.2
Okanogan	106.9	101.3	106.5	128.1	154.5	137.7	131.6	133.9	134.9	139.2
Pacific	130.8	121.3	133.1	126.4	185.5	180.8	150.7	153.5	186.7	179.6
Pend Oreille	139.7	115.2	117.8	141.1	145.1	148.1	154.0	150.9	173.4	148.2
Pierce	106.8	105.3	109.2	120.5	137.7	143.0	139.7	150.7	154.3	151.8
San Juan	51.6	43.6	44.0	57.6	42.5	85.7	57.3	72.0	83.5	96.2
Skagit	89.4	93.5	96.1	96.9	115.8	125.3	121.7	132.1	134.6	132.2
Skamania	84.6	81.7	111.5	111.7	142.4	156.5	124.1	138.9	171.6	177.1
Snohomish	87.1	87.7	88.3	97.1	113.2	118.7	120.8	131.3	135.7	137.9
Spokane	129.6	122.1	122.4	132.2	151.3	157.8	155.0	168.2	169.6	170.8
Stevens	150.9	124.7	127.9	153.6	158.8	162.9	170.2	167.7	193.6	166.2
Thurston	110.7	108.9	110.1	115.5	130.3	137.9	133.5	148.4	149.1	149.3
Wahkiakum	91.5	128.2	132.8	156.0	53.4	172.4	145.3	261.9	161.4	187.8
Walla Walla	121.2	124.5	117.0	128.9	145.7	154.0	155.5	160.8	151.1	148.1
Whatcom	91.8	90.9	90.0	97.9	110.0	110.3	111.5	116.5	122.1	118.7
Whitman	110.6	103.9	104.9	112.9	152.6	131.9	152.7	152.2	136.3	136.9
Yakima	135.8	130.6	124.8	145.2	166.4	148.6	150.3	165.7	166.0	162.7
Statewide	95.2	95.5	96.9	107.5	125.6	123.2	122.9	135.7	135.4	136.4

Source: WCRER Estimates

NOTES:

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

HOUSING AFFORDABILITY INDEX

First-Time Buyers State of Washington and Counties Time Trend

County	08:Q1	08:Q2	08:Q3	08:Q4	09:Q1	09:Q2	09:Q3	09:Q4	10:Q1	10:Q2
Adams	110.0	113.3	103.0	112.9	164.7	115.4	109.3	116.4	126.0	115.2
Asotin	81.5	78.1	75.7	84.9	98.1	92.5	95.4	100.9	103.7	96.5
Benton	105.6	103.1	95.3	101.9	116.3	114.4	105.6	111.3	104.4	106.4
Chelan	55.4	55.1	55.6	61.2	66.5	72.4	73.2	73.2	69.5	74.3
Clallam	57.1	53.8	55.9	62.0	68.9	71.2	66.3	71.4	68.2	68.8
Clark	67.6	66.7	69.3	75.2	87.6	91.8	89.0	96.6	92.4	94.7
Columbia	81.9	87.9	107.9	162.4	96.9	126.2	99.4	102.9	106.5	132.6
Cowlitz	76.7	78.6	69.2	82.3	91.0	91.1	92.2	98.1	102.9	97.1
Douglas	58.1	61.9	63.5	60.1	74.2	76.7	69.5	86.3	80.7	75.8
Ferry	78.0	64.1	65.3	78.0	79.6	80.7	83.5	81.3	92.8	78.9
Franklin	87.9	86.5	80.6	86.8	100.2	99.8	93.2	99.4	94.3	97.3
Garfield	78.9	74.4	71.1	78.5	91.1	86.3	89.3	94.9	97.9	91.4
Grant	76.4	77.4	69.4	80.4	92.1	88.2	83.0	99.8	93.3	92.2
Grays Harbor	83.3	80.6	79.1	90.6	100.4	104.7	105.4	108.4	104.7	113.6
Island	54.1	54.8	53.8	53.5	72.7	72.1	69.9	73.9	76.5	79.4
Jefferson	43.3	46.5	50.8	49.9	67.2	76.5	62.4	54.0	61.6	60.2
King	42.9	41.4	42.9	48.5	57.2	57.0	56.8	60.3	61.7	61.7
Kitsap	65.5	63.9	62.7	70.9	82.0	82.0	78.6	83.6	86.8	87.6
Kittitas	47.1	48.0	55.1	58.3	63.1	70.5	64.6	62.6	68.8	71.8
Klickitat	54.5	61.8	57.3	58.6	60.5	94.1	78.0	85.6	64.6	78.9
Lewis	67.1	70.5	73.5	74.0	92.7	100.9	90.0	97.9	107.9	93.8
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mason	74.2	75.4	75.5	87.1	112.8	104.5	95.3	107.7	108.3	105.5
Okanogan	65.7	62.1	65.1	78.0	94.0	83.9	80.3	81.7	82.3	85.1
Pacific	75.2	69.6	76.4	72.4	106.4	103.9	86.8	88.6	108.0	104.1
Pend Oreille	85.8	70.6	72.1	86.1	88.4	90.2	93.7	91.7	105.3	89.9
Pierce	62.8	62.1	64.5	71.2	81.3	84.3	82.4	88.9	91.0	89.5
San Juan	30.5	25.8	26.0	33.9	25.1	50.5	33.7	42.3	49.1	56.6
Skagit	54.5	57.1	58.8	59.3	70.8	76.7	74.5	80.9	82.5	81.2
Skamania	53.5	51.6	70.3	70.4	89.5	98.1	77.7	86.8	107.0	110.2
Snohomish	52.8	53.2	53.6	58.9	68.6	71.9	73.2	79.6	82.2	83.5
Spokane	72.3	68.1	68.3	73.8	84.3	87.9	86.4	93.7	94.5	95.2
Stevens	91.4	75.5	77.5	93.0	96.0	98.5	103.0	101.4	117.0	100.5
Thurston	65.7	64.6	65.4	68.6	77.3	81.9	79.5	88.4	89.0	89.2
Wahkiakum	57.0	79.4	82.0	95.9	32.7	105.6	89.0	160.1	98.6	114.5
Walla Walla	68.7	70.6	66.3	73.1	82.4	87.1	88.0	90.9	85.5	83.8
Whatcom	51.4	50.9	50.4	54.8	61.6	61.7	62.4	65.2	68.3	66.5
Whitman	49.5	46.5	47.0	50.5	68.4	59.3	68.9	68.9	61.9	62.3
Yakima	83.1	79.9	76.4	88.9	101.8	90.9	92.0	101.4	101.6	99.6
Statewide	56.1	56.2	56.9	63.0	73.6	72.2	72.1	79.6	79.5	80.1

Source: WCRER Estimates

NOTES:

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PERCENTAGE OF HOMES ON MARKET BELOW SPECIFIED PRICE

State of Washington and Counties
End of Second Quarter 2010

County	\$80,000	\$160,000	\$250,000	\$500,000
Adams	N/A	N/A	N/A	N/A
Asotin	9.6%	39.6%	68.5%	95.1%
Benton	3.0%	28.4%	66.0%	94.7%
Chelan	2.8%	11.4%	38.2%	80.2%
Clallam	4.5%	15.5%	43.7%	83.7%
Clark	3.6%	16.9%	53.7%	89.8%
Columbia	20.0%	55.0%	80.0%	98.3%
Cowlitz	5.0%	42.3%	71.6%	94.1%
Douglas	1.7%	9.7%	48.4%	86.9%
Ferry	5.9%	32.5%	59.0%	91.7%
Franklin	3.0%	28.4%	66.0%	94.7%
Garfield	9.6%	39.6%	68.5%	95.1%
Grant	4.6%	32.8%	65.7%	95.1%
Grays Harbor	10.5%	42.3%	71.6%	94.1%
Island	0.6%	5.7%	25.0%	73.4%
Jefferson	0.3%	6.4%	23.4%	72.5%
King	0.1%	2.5%	16.5%	63.4%
Kitsap	0.9%	9.1%	35.4%	78.3%
Kittitas	1.5%	14.0%	43.4%	80.4%
Klickitat	3.4%	18.9%	47.2%	80.8%
Lewis	4.0%	29.0%	62.7%	94.5%
Lincoln	N/A	N/A	N/A	N/A
Mason	4.2%	26.3%	57.3%	90.7%
Okanogan	4.7%	24.3%	54.2%	87.3%
Pacific	8.2%	42.1%	68.7%	94.1%
Pend Oreille	5.9%	32.5%	59.0%	91.7%
Pierce	1.1%	12.8%	50.5%	85.9%
San Juan	0.0%	1.0%	4.3%	30.9%
Skagit	1.2%	8.5%	37.7%	79.4%
Skamania	26.7%	28.6%	54.3%	65.7%
Snohomish	0.3%	4.4%	30.8%	84.9%
Spokane	1.7%	26.2%	61.5%	91.4%
Stevens	5.9%	32.5%	59.0%	91.7%
Thurston	0.5%	7.1%	46.6%	91.4%
Wahkiakum	N/A	N/A	N/A	N/A
Walla Walla	11.7%	37.1%	63.3%	85.8%
Whatcom	2.2%	9.0%	38.2%	78.4%
Whitman	2.1%	25.2%	65.0%	91.0%
Yakima	7.0%	38.6%	69.6%	94.9%
Statewide	2.2%	14.8%	42.5%	81.8%

Source: WCRER Estimates

LISTINGS AVAILABLE FOR SALE

State of Washington and Counties
End of Second Quarter

County	2003	2004	2005	2006	2007	2008	2009	2010	% Ch 09-10
Adams	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Asotin	432	379	342	257	443	536	571	951	66.5%
Benton	1,255	1,412	1,581	1,473	1,658	1,632	1,428	1,512	5.9%
Chelan	513	464	396	306	542	538	680	668	-1.8%
Clallam	N/A	N/A	N/A	N/A	657	636	812	783	-3.6%
Clark	2,163	1,502	1,414	3,064	4,206	4,020	3,584	3,494	-2.5%
Columbia	N/A	N/A	N/A	N/A	52	57	72	81	12.5%
Cowlitz	539	363	376	454	710	808	604	660	9.3%
Douglas	N/A	N/A	N/A	N/A	N/A	285	274	289	5.5%
Ferry	390	375	298	295	325	411	500	576	15.2%
Franklin	1,255	1,694	1,581	1,648	1,658	1,632	1,428	1,512	5.9%
Garfield	432	379	342	257	443	536	571	951	66.5%
Grant	395	447	444	386	523	685	654	609	-6.9%
Grays Harbor	614	572	478	715	807	907	777	829	6.7%
Island	755	795	539	871	1,053	1,180	1,165	1,133	-2.7%
Jefferson	N/A	361	270	357	480	516	538	630	17.1%
King	9,041	7,481	5,538	6,489	9,458	11,863	9,655	9,873	2.3%
Kitsap	1,592	1,269	1,073	1,634	2,339	2,462	1,758	1,879	6.9%
Kittitas	273	343	252	333	520	672	609	572	-6.1%
Klickitat	N/A	N/A	N/A	160	228	246	249	265	6.4%
Lewis	463	465	433	465	783	829	744	840	12.9%
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mason	576	508	451	520	865	956	817	882	8.0%
Okanogan	N/A	N/A	N/A	214	275	390	396	439	10.9%
Pacific	N/A	N/A	N/A	N/A	344	407	346	444	28.3%
Pend Oreille	390	375	298	295	325	411	500	576	15.2%
Pierce	4,351	3,775	3,464	5,098	7,483	7,136	5,328	5,775	8.4%
San Juan	242	264	215	247	328	392	446	458	2.7%
Skagit	821	699	554	845	1,132	1,210	1,224	1,192	-2.6%
Skamania	N/A	N/A	N/A	78	102	116	123	105	-14.6%
Snohomish	4,153	3,534	2,747	3,483	5,382	5,819	4,527	4,694	3.7%
Spokane	1,811	1,676	1,644	2,401	3,236	3,958	3,845	3,943	2.5%
Stevens	390	375	298	295	325	411	500	576	15.2%
Thurston	966	940	933	1,678	2,294	2,081	1,670	1,895	13.5%
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	337	425	512	844	832	710	-14.7%
Whatcom	N/A	N/A	N/A	1,617	1,861	1,758	1,572	1,787	13.7%
Whitman	214	157	169	186	189	204	211	234	10.9%
Yakima	941	984	940	1,155	1,387	1,548	1,355	1,445	6.6%
Statewide	34,967	31,588	27,407	37,701	52,925	58,092	50,365	53,262	5.8%

Source: WCRER Estimates

MONTH'S SUPPLY OF HOUSING BY PRICE RANGE

State of Washington and Counties
June 2010

County	Under \$80,000	\$80,000- 159,999	\$160,000- \$249,999	\$250,000- \$499,999	\$500,000 and above	Total Market	Market 2009	Market 2008
Adams	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Asotin	10.9	9.0	11.9	28.4	163.7	13.1	13.4	9.9
Benton	3.1	3.3	4.9	7.0	38.5	4.9	6.4	7.3
Chelan	9.7	5.1	10.5	18.0	33.8	13.4	18.5	12.5
Clallam	5.9	7.5	8.9	15.0	136.8	12.2	18.7	10.8
Clark	11.1	6.5	6.0	9.5	18.8	7.8	10.5	14.9
Columbia	38.6	8.4	12.1	35.4	N/A	13.8	N/A	N/A
Cowlitz	4.4	8.1	10.9	17.5	N/A	10.6	13.0	13.5
Douglas	8.6	6.6	11.7	18.3	32.8	13.9	14.5	N/A
Ferry	7.9	12.6	17.2	38.1	N/A	19.0	36.8	14.9
Franklin	3.1	3.3	4.9	7.0	38.5	4.9	6.4	7.3
Garfield	10.9	9.0	11.9	28.4	163.7	13.1	13.4	9.9
Grant	10.2	7.2	8.3	24.5	N/A	10.4	18.6	11.9
Grays Harbor	6.8	9.9	14.6	53.2	83.5	13.8	15.3	14.7
Island	5.8	4.5	4.8	9.5	21.5	8.6	18.0	16.9
Jefferson	1.3	15.7	15.9	26.7	70.8	25.5	22.7	21.3
King	1.1	6.4	6.1	5.8	8.1	6.5	8.1	9.0
Kitsap	1.9	5.4	5.3	10.9	17.5	8.3	9.3	12.6
Kittitas	5.2	9.8	13.2	24.5	33.5	17.0	21.5	23.8
Klickitat	15.3	10.7	23.2	43.3	N/A	26.5	25.6	25.3
Lewis	4.1	13.7	13.2	87.2	N/A	17.2	17.1	18.2
Lincoln	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mason	45.5	10.8	17.8	37.6	40.5	18.4	18.3	16.3
Okanogan	N/A	18.9	30.4	60.4	N/A	31.0	29.9	21.7
Pacific	8.9	17.8	31.0	38.5	N/A	22.0	21.1	22.4
Pend Oreille	7.9	12.6	17.2	38.1	N/A	19.0	36.8	14.9
Pierce	2.5	5.9	7.5	9.8	25.1	8.6	9.6	7.9
San Juan	N/A	N/A	19.5	33.9	175.7	66.0	46.8	49.2
Skagit	3.2	5.7	9.9	15.7	36.2	12.8	17.9	12.0
Skamania	N/A	49.2	11.9	16.1	N/A	11.9	17.7	42.6
Snohomish	3.4	7.0	6.1	6.9	15.7	7.3	9.2	11.2
Spokane	3.7	5.3	7.6	15.1	29.6	8.4	9.9	8.3
Stevens	7.9	12.6	17.2	38.1	N/A	19.0	36.8	14.9
Thurston	4.1	5.3	6.3	10.1	27.7	8.1	8.3	8.5
Wahkiakum	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Walla Walla	13.2	8.4	7.4	13.6	136.7	10.9	21.4	17.2
Whatcom	6.2	12.2	7.1	12.4	38.7	11.9	11.0	11.6
Whitman	12.0	20.0	8.8	16.3	N/A	13.2	12.6	9.6
Yakima	5.7	6.7	9.4	14.1	67.2	9.0	10.9	10.8
Statewide	5.5	6.7	7.4	9.2	13.9	8.6	10.6	11.1

Source: WCRER Estimates

RESIDENTIAL BUILDING PERMITS

Units Authorized State of Washington and Counties, Monthly

County	APR 09		MAY 09		JUN 09		APR 10		MAY 10		JUN 10		% Change	
	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE
Adams														
Asotin														
Benton	26	26	41	41	48	48	41	41	37	37	48	46	9.6%	7.8%
Chelan	11	11	15	15	16	16	3	3	15	15	21	21	-7.1%	-7.1%
Clallam	12	12	7	7	12	12	10	10	11	11	11	11	3.2%	3.2%
Clark	53	53	44	44	81	74	103	103	74	72	164	112	91.6%	67.8%
Columbia	0	0	0	0	1	1	0	0	0	0	0	0	N/A	N/A
Cowlitz	12	12	13	13	19	19	2	2	9	9	13	13	-45.5%	-45.5%
Douglas	24	12	7	7	11	11	4	4	16	16	18	16	-9.5%	20.0%
Ferry	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
Franklin	31	31	35	35	41	41	57	57	45	45	54	54	45.8%	45.8%
Garfield	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
Grant														
Grays Harbor	3	3	6	6	7	7	5	5	6	6	6	6	6.3%	6.3%
Island	15	15	12	12	13	13	14	14	13	13	14	14	2.5%	2.5%
Jefferson	10	10	8	8	3	3	7	7	6	6	7	7	-4.8%	-4.8%
King	181	135	382	156	288	180	241	219	360	219	427	257	20.8%	47.6%
Kitsap	51	51	37	37	31	31	39	39	35	33	39	39	-5.0%	-6.7%
Kittitas	15	15	12	12	13	13	13	13	11	11	11	11	-12.5%	-12.5%
Klickitat														
Lewis	11	11	15	11	20	20	14	14	20	15	23	15	23.9%	4.8%
Lincoln														
Mason	13	13	13	11	16	14	14	14	15	13	14	14	2.4%	7.9%
Okanogan	12	12	16	16	13	13	12	12	12	12	11	11	-14.6%	-14.6%
Pacific	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
Pend Oreille	0	0	0	0	0	0	0	0	0	0	2	2	N/A	N/A
Pierce	116	104	99	95	146	144	256	220	148	148	188	182	64.0%	60.3%
San Juan	10	10	7	7	8	8	9	9	10	10	20	20	56.0%	56.0%
Skagit	17	17	26	26	22	22	15	15	23	18	20	20	-10.8%	-18.5%
Skamania	6	6	2	2	3	3	2	2	2	2	1	1	-54.5%	-54.5%
Snohomish	184	162	161	135	169	152	183	158	139	114	189	172	-0.6%	-1.1%
Spokane	74	69	57	53	44	40	100	94	49	49	351	95	185.7%	46.9%
Stevens	3	1	0	0	1	1	0	0	1	1	0	0	N/A	N/A
Thurston	91	91	114	61	122	95	101	101	74	74	81	75	-21.7%	1.2%
Wahkiakum														
Walla Walla							3	3	8	8	5	5	N/A	N/A
Whatcom	22	17	40	40	27	22	25	25	18	16	30	27	-18.0%	-13.9%
Whitman	7	7	7	7	4	4	8	8	1	1	29	3	111.1%	-33.3%
Yakima	13	13	13	13	15	15	20	20	15	15	17	17	26.8%	26.8%
Statewide	1,023	919	1,189	870	1,194	1,022	1,301	1,212	1,173	989	1,814	1,266	25.9%	23.3%

Source: U.S. Department of Commerce

NOTES:

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

RESIDENTIAL BUILDING PERMITS

Value Authorized State of Washington and Counties, Quarterly Totals

County	2nd Qtr 2009		1st Qtr 2010		2nd Qtr 2010		% change year ago	
	Total Value	SF Value	Total Value	SF Value	Total Value	SF Value	Total Value	SF Value
Adams								
Asotin								
Benton	\$26.0	\$26.0	\$26.2	\$26.2	\$28.7	\$28.4	10.4%	9.2%
Chelan	\$7.4	\$7.4	\$4.9	\$4.9	\$6.5	\$6.5	-12.8%	-12.8%
Clallam	\$7.6	\$7.6	\$6.0	\$6.0	\$7.3	\$7.3	-4.1%	-4.1%
Clark	\$35.8	\$35.4	\$72.6	\$72.6	\$75.5	\$70.1	111.1%	98.2%
Columbia	\$0.2	\$0.2	\$0.2	\$0.2	\$0.0	\$0.0	N/A	N/A
Cowlitz	\$10.6	\$10.6	\$5.3	\$5.0	\$5.0	\$5.0	-53.3%	-53.3%
Douglas	\$7.3	\$6.4	\$4.3	\$4.3	\$7.7	\$7.5	5.9%	17.9%
Ferry								
Franklin	\$22.9	\$22.9	\$23.4	\$23.4	\$52.9	\$52.9	131.3%	131.3%
Garfield	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A	N/A
Grant								
Grays Harbor	\$3.4	\$3.4	\$2.8	\$2.8	\$3.3	\$3.3	-3.7%	-3.7%
Island	\$10.1	\$10.1	\$8.6	\$8.6	\$7.5	\$7.5	-25.4%	-25.4%
Jefferson	\$4.3	\$4.3	\$3.6	\$3.6	\$4.7	\$4.7	9.1%	9.1%
King	\$165.3	\$124.4	\$234.3	\$169.3	\$237.2	\$184.1	43.5%	47.9%
Kitsap	\$21.9	\$21.9	\$13.2	\$13.2	\$21.3	\$21.3	-2.7%	-3.0%
Kittitas	\$10.8	\$10.8	\$8.5	\$8.1	\$7.8	\$7.8	-27.9%	-27.9%
Klickitat								
Lewis	\$6.5	\$6.2	\$5.6	\$5.4	\$7.9	\$6.5	21.3%	4.4%
Lincoln								
Mason	\$5.4	\$5.1	\$4.2	\$3.9	\$5.7	\$5.5	4.4%	7.9%
Okanogan	\$5.6	\$5.6	\$2.6	\$2.6	\$5.2	\$5.2	-7.0%	-7.0%
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	\$0.2	\$0.2	N/A	N/A
Pierce	\$68.7	\$66.5	\$86.1	\$81.6	\$133.4	\$128.4	94.2%	93.1%
San Juan	\$9.7	\$9.7	\$7.9	\$7.9	\$13.7	\$13.7	40.6%	40.6%
Skagit	\$12.6	\$12.6	\$9.2	\$9.2	\$10.8	\$10.5	-14.5%	-16.8%
Skamania	\$2.2	\$2.2	\$2.2	\$2.2	\$0.9	\$0.9	-59.8%	-59.8%
Snohomish	\$106.8	\$96.9	\$135.7	\$126.8	\$110.3	\$101.8	3.3%	5.1%
Spokane	\$31.9	\$30.4	\$25.4	\$25.4	\$69.7	\$43.7	118.9%	43.7%
Stevens	\$0.4	\$0.3	\$0.1	\$0.1	\$0.2	\$0.2	N/A	N/A
Thurston	\$60.0	\$49.2	\$39.3	\$39.0	\$55.1	\$54.2	-8.2%	10.2%
Wahkiakum								
Walla Walla					\$3.2	\$3.2	N/A	N/A
Whatcom	\$17.4	\$16.5	\$8.8	\$7.9	\$16.2	\$15.7	-7.0%	-4.5%
Whitman	\$3.6	\$3.6	\$1.6	\$1.6	\$6.0	\$2.4	66.9%	-34.2%
Yakima	\$8.7	\$8.7	\$5.2	\$5.2	\$14.3	\$14.3	64.0%	64.0%
Statewide	\$673.3	\$605.2	\$747.8	\$667.0	\$918.2	\$812.9	36.4%	34.3%

Source: U.S. Department of Commerce

NOTES:

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

Median Price Changes–2010:Q2

