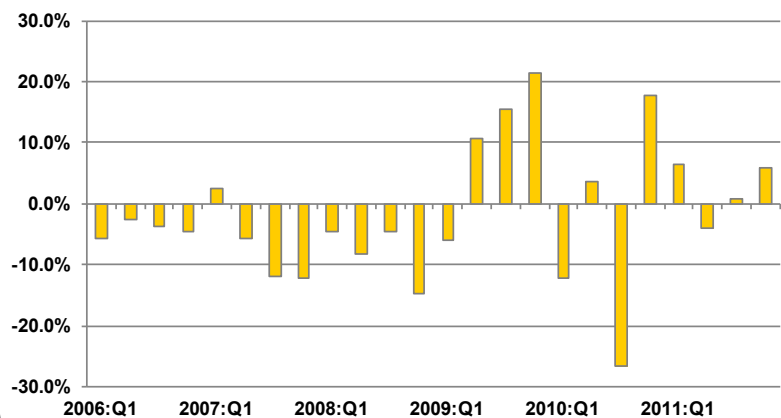




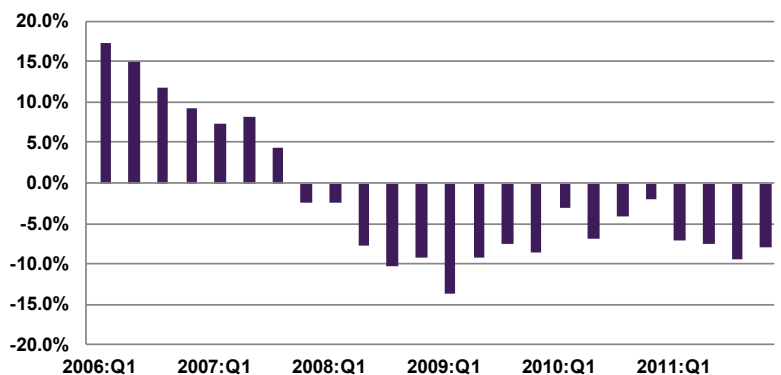
Washington Market Highlights: Fourth Quarter 2011

- ▶ Existing home sales increased in the fourth quarter by 6.0 percent to a seasonally adjusted annual rate of 91,680 units. For full year 2011 a total of 87,460 single-family homes were sold throughout the state of Washington, 3.0 percent above the 2010 sales total.
- ▶ Building permit activity increased 8.5 percent from a year earlier, totaling 4,029 new units authorized. While 58 percent of those permits were for single-family homes, only the multifamily permit activity was higher than in late 2010.
- ▶ The median price home sold in Washington during the fourth quarter was \$217,000, 9.1 percent below a year earlier. Distressed property sales coupled with consumer belief that prices will continue to fall still drives price reductions.
- ▶ During calendar year 2011 the median sales price was 224,200, 9.1 percent below 2010.
- ▶ Housing affordability for both all buyers and first-time buyers reached record levels as exceptionally low mortgage rates combined with lower prices and virtually unchanged incomes. However, buyers largely remained on the sidelines.
- ▶ Inventories of homes available for sale fell sharply, in part reflecting the traditionally slow expected sales over the holidays and in part the further departure of sellers unwilling to compete with distressed properties for the attention of discount shoppers.
- ▶ With 77,000 seriously delinquent mortgages throughout the state and a foreclosure rate of roughly 5,000 per quarter, the overhang of distressed properties will impede the market during 2012.

Change in Home Sales, SAAR



Percent Change in Median Home Price from Year Ago



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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Fourth Quarter 2011
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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.

Fourth Quarter 2011

The fourth quarter saw an increase in home sales and building permits, but annual data represented continued stagnation. Meanwhile, median selling prices continued to decline, driven by distressed properties. Multifamily construction continues to outpace single-family building. Affordability is again at record highs, yet sales do not reflect the bargains available because higher down payment and stricter qualification standards are making it difficult for some would-be buyers to secure financing for home purchases. Job growth is finally appearing, but the economy is still in a negative position relative to employment in 2007. All-in-all, the fourth quarter represented a good news/bad news situation for the housing market in Washington.

Home Resales

During the fourth quarter of 2011, existing homes in Washington sold at a seasonally adjusted annual rate of 91,080 units. This represented a jump of 6.0 percent compared to last quarter and an improvement of 9.6 percent compared to a year ago. The sales rate during the quarter was the highest since the most recent tax credit program expired in mid-2010.

Annual data tallied a statewide total of existing home sales of 87,460 units, a modest 3.0 percent increase from 2010, but it represents the fourth consecutive year with total sales below 90,000.

Improvement in home sales was widespread, with 28 of Washington's 39 counties reporting more sales than a year ago. Nine reported fewer sales, while two were unchanged. Comparing the sales rate to a year earlier tells a similar story, with ten counties registering a slower sales rate. In each case, the improvements and declines included a mix of metropolitan, micropolitan and rural areas.

Smaller counties tend to have the greatest swings in housing market activity. The fourth quarter results

illustrated this very clearly, with the sales rate doubling in Wahkiakum county compared to the previous county (to an annual rate of 80 sales), while the rate decline by 75 percent in Columbia county to an annual rate of 20 homes. Excluding all the rural counties from the analysis of extremes, the greatest quarterly increase in the sales rate was 32.5 percent in Kittitas County (Ellensburg micropolitan area), while the greatest decline was 25.0 percent in Skamania County, a tiny part of the Portland-Vancouver, OR-WA metropolitan area (by virtue of commuting patterns). The second largest slippage was 19.1 percent in Walla Walla County (Walla Walla micropolitan area). Among the truly urban, metropolitan counties, the extremes were increases of 17.2 percent in Asotin County (Lewiston, ID-WA) and 17.0 percent in Snohomish County to a drop of 9.7 percent in Cowlitz County (Longview).

Home sales activity is always concentrated in the urban markets. During the fourth quarter, 84.5 percent of existing home sales in Washington took place in the 17 counties identified by of Office of Management and Budget as located in metropolitan areas. By contrast, the 13 rural counties collectively accounted for



only 3.4 percent of sales activity. The remaining nine micropolitan counties represented 12.1 percent of sales activity during the quarter. This represents a bit of an increase in metropolitan concentration at the expense of the micropolitan areas compared to a year ago. Homeownership rates are also a bit lower in metropolitan counties, so 87.8 percent of the state’s population resides in the metropolitan counties, while 3.4 percent live in the rural areas.

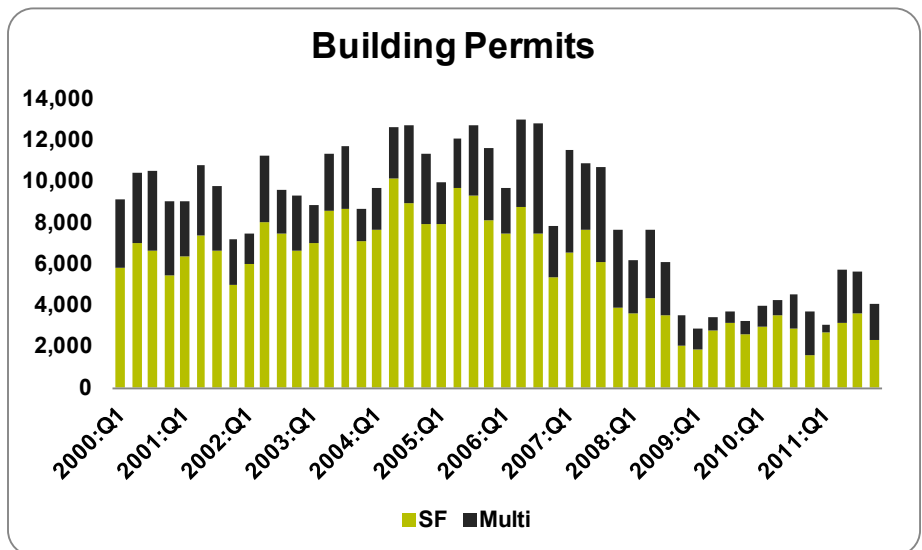
Total home resales during 2010 ranged from a high of 23,380 units in King County down to 40 homes sold in Garfield County. Based on full-year data, the largest jump in home sales in 2011 was 43.5 percent in Klickitat County followed by an 18.2 percent increase in Whitman County. The biggest drip was 27.9 percent in Asotin County, while Northeast Washington (Ferry/Pend Oreille/Stevens counties) collectively reported a 20.0 percent reduction in sales.

Housing Construction

Building permits for a total of 4,029 housing units were issued during the final quarter of 2011 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 8.5 percent compared to the low construction rate in the closing quarter of 2010.

While improving construction permits suggests additional employment in the sector, it is important to examine the composition of the rebound. Construction of housing units in buildings with at least two units increased by 28.1 percent to 1,678 units, while single-family construction declined another 2.2 percent to 2,351 units. Consistent with national news stories, the recovery of the apartment market is clearly underway, but single-family construction continues to lag badly. More complete analysis of housing construction market will be included in the next issue of Washington State’s Housing Market once the Census Bureau releases complete data for 2011 later this spring.

Total value of residential building permits issued during the fourth quarter was \$744.2 million, 1.3 percent above a year ago, while the single-family permit value was up 0.2 percent to \$572.6 million. For the single-family dollar value to increase in the face of fewer units constructed implies some increase in the average value of construction per unit, a change which may imply construction is more concentrated in higher cost areas.



The greatest increase in the total number of building permits issued in percentage terms was 357.1 percent in Whitman County. However, single-family permits there declined by 42.9 percent over the same period. It needs to be emphasized that smaller communities generate large percentage changes with modest changes in permit activity. There were only 32 total permits issued in Whitman County during the fourth quarter, only four of which were for single-family homes. Meanwhile, 12 of the 32 counties where statistics were reported saw the total number of permits decline from last year. Three additional counties reported no permit activity in either year. Single-family permits increased in ten counties, double the number of improvements compared to last year.

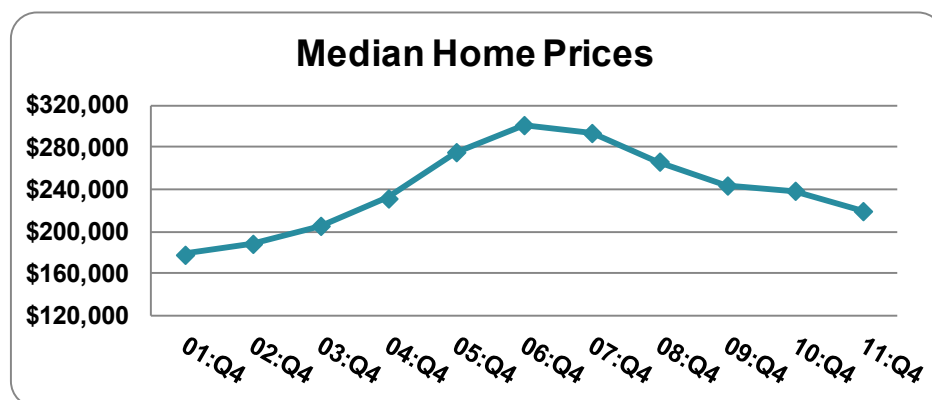
Total permit value increased compared to a year ago in 12 counties, led by a doubling in Benton and Whitman counties. The dollar value of single-family permits increased in 11 counties, with seven of those recording at least a 30 percent increase in value. In the Seattle-Tacoma metropolitan area the single-family permit value increased sharply in King and Kitsap counties, but declined in Pierce, Snohomish and Thurston counties.

Home Prices

No question is asked more often by home owners or potential owners than, “Have housing prices hit bottom?” If not, they want to know how much longer the slide will last. The answer is quite location specific, and this means neighborhood more than community or county. The question becomes even more difficult to answer because of the emergence of additional sources of home price data.

The Washington Center for Real Estate Research at the Runstad Center uses the long-standing and easily understood measure of home prices—the median—where half the homes sold for prices above that statistic, and half sold for less. Since the median depends on the mix of homes sold in a time period, and that mix changes from quarter to quarter and year to year, its changes must not be interpreted as appreciation or depreciation rates. A real advantage of the median, however, is that it tends to be available much sooner than other measures which might more accurately measure appreciation of individual homes.

Statewide, median price during the fourth quarter stood at \$217,000, a level 9.1 percent (roughly \$10,000) lower than a year earlier. The statewide median price for full-year 2011 was \$224,200, 9.0 percent below the 2010 median. It should be pointed out that unlike the unit sales statistics, median prices are not generally seasonally adjusted, so quarter-to-quarter comparisons are meaningless. Typically, median prices are lower in the late fall and winter reflecting the fact that homes sold from April through September tend to be larger and more expensive than those sold between October and March.



The only other home price measure available statewide is produced by the Federal Housing Finance Agency (FHFA). As mentioned previously, there is a bigger delay in releasing this statistic, so the third quarter of 2011 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 declined 8.6 percent in the last year and have declined 24.2 percent from the peak in 2007. While this is clearly a significant loss of home value, media reports and public perception both paint a picture which is far worse. Median prices, for example have declined far more, 31.5 percent from their 2007 peak. As striking as those numbers are, it must be remembered that many hard-hit states have experienced price declines in both statistics of 40 percent and more.

Median prices ranged from a high of \$425,000 in San Juan County to a low of \$50,000 in rural Lincoln County, which reported the only median less than \$100,000. Among the metropolitan population centers, the range was from \$320,000 in King County to \$136,300 in Cowlitz County (Longview), less than half the median in metro Seattle. The micropolitan areas exhibited variations from a low median of \$115,000 in

Grays Harbor County (Aberdeen) to a high of \$243,000 in Island County (Oak Harbor).

Price changes also varied widely. Median prices were lower than a year ago in 29 of Washington's 39 counties, compared to "only" 22 a year ago. The greatest price slide in the last year was 41.2 percent in tiny Lincoln County, while the largest increase was 116.8 percent in even smaller Columbia County. Each of those areas reported so few sales that even median prices are subject to wide variations because of small samples.

Among the metropolitan counties the range of price changes was a high of a 14.3 percent increase in Asotin County (Lewiston, ID-WA MSA) to a decline of 13.5 percent in King County. All nine micropolitan areas experienced declines in the median price, ranging from 3.8 percent in Island County to 15.8 percent in Kittitas County (Ellensburg).

Looking at the data for the full calendar year, the greatest increase in median price was 5.0 percent in Asotin and Garfield counties (only seven counties reported annual increases), while 10 counties had median price declines of at least 10 percent, compared to only three a year ago. The most significant decline was 35.8 percent in Wahkiakum County. Among the primary urban areas, the biggest increase was 5.0 percent in the Asotin County (the only metropolitan county where annual prices increased), while the greatest decline was 11.8 percent in Pierce County.

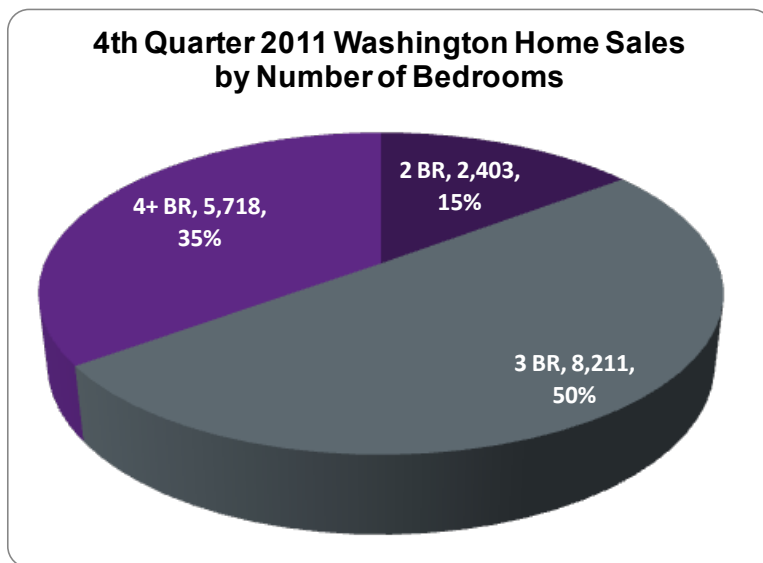
Prices by Bedroom

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 home sold statewide during the fourth quarter was \$134,400, 18.5 percent lower than a year ago. Moving to the more typical 3-bedroom homes, the median declined 10.2 percent between the final quarter of 2010 and 2011, to \$196,400. Among the homes with four or more bedroom the median was \$280,100, a decline of 6.9 percent over the last year.

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 fourth quarter than others.

While small samples often cause county-level detail on prices by number of bedrooms to exhibit unusual patterns, larger communities generally have enough sales activity to offset the problems. Accordingly, only counties in metropolitan areas will be discussed further. The median price of a 2-bedroom home in Snohomish County declined by 32.9 percent between the closing quarter of 2010 and 2011. Meanwhile in Asotin County smaller home prices increased by 3.6 percent. In the 3-bedroom category Asotin County showed the only increase (13.9 percent) while King County sustained a 16.1 percent slide. Moving to



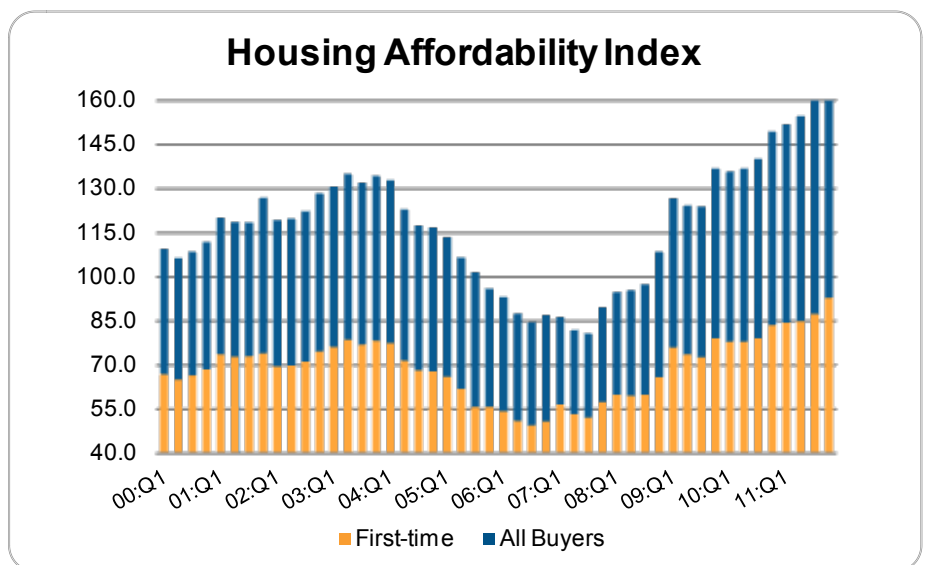
the homes with the most bedrooms, the median price declined by 21.8 percent in Skagit County while it increased by 16.2 percent in Yakima County. Regardless of number of bedrooms the most expensive urban homes were found in King County. The lowest median prices were consistently reported in Cowlitz County.

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. Low mortgage rates have historically driven consumers to purchase homes, especially when those low rates are combined with prices which are lower than have prevailed for awhile. These are two of the three legs of the affordability stool. Income is the final leg. Despite high levels of unemployment, aggregate income statistics have remained quite stable. This causes traditional affordability measures to look quite positive, but households still question whether buying a home make sense, especially as prices continue to decline. Those who want to purchase are often contending they want to wait until “prices hit bottom”. Others feel frozen out of the market because they lack sufficient downpayments or have credit scores lower than the lenders are willing to accept.

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 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 approach which has been used by the National Association of Realtors® since 1982. These assumptions are generally consistent with underwriting criteria prevailing in the current marketplace, especially now that lenders are requiring larger downpayments than have prevailed for a decade or more.

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 opting for FHA loans which allow lower downpayments or VA or USDA no money down mortgages, these general assumptions are still appropriate for many, if not most, households looking to purchase their first home.



In the fourth quarter the statewide all-buyer index was 174.8, meaning the median income family in Washington had 74.8 percent more income than the minimum required to afford the median price home—a major improvement from the 149.4 recorded a year ago, or even the 160.7 registered only three months ago. Although this affordability is the highest ever recorded, the level of home sales increased only marginally, and the waiting game continues.

The all-buyer affordability measures in the fourth quarter ranged from a high of 564.4 in Lincoln County to a low of 80.7 in ever-costly San Juan County, the only county where the statistic indicated a median income family could not afford the median price home, as has been the case for two years. Among the metropolitan counties the range was from a low of 139.5 in Chelan County to a high of 225.6 in Cowlitz County. For the micropolitan areas the greatest affordability was in Grays Harbor County (235.8) and the least was in Island County (155.2).

The continued decline in median prices helped push the affordability index for first-time buyers to record levels as well. The housing affordability index for first-time buyers statewide in the fourth quarter was 94.1, up from 87.4 in the third quarter. Since an index value of 80 is generally considered to offer meaningful choice and access to ownership housing for first-time buyers, this 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 16 counties during the fourth quarter (five more than a year ago), but there are still areas where it is very difficult for renters to achieve homeownership. The index recorded a measure no higher than 70 in four counties, indicating that a home ownership is still a stretch for many households. No metropolitan counties had first-time buyer indices below 70, and college-dominated Whitman County was the only micropolitan county on the list of extremely challenging markets for first-time buyers. Since the overall housing market depends on first-time buyers entering the market thus allowing existing owners to afford to move to another location, concerns remain that affordability continue to hold back the market, and those challenges will persist once mortgage interest rates begin their inevitable climb back to normal levels. However, pronouncements from the Fed suggest that timetable has been pushed off until 2014.

Availability of Affordable Housing

Rather than rely on a single measure of housing affordability, it is helpful to examine home affordability for several income levels and compare this with the available housing inventory. Moreover, higher-income households typically make larger downpayments (perhaps assisted from equity acquired from sale of an existing home), while lower income households (including our hypothetical first-time buyer) may only be able to make a minimal downpayment. The four income/asset groups considered are:

- \$30,000 income, 5% downpayment
- \$60,000 income, 10% downpayment
- \$90,000 income, 20% downpayment
- \$150,000 income, 35% downpayment

In each case it is assumed that the household is willing to spend 25 percent of gross income on principal and interest payments and overall debt levels are average. It is also assumed that these buyers could find mortgages at an interest rate of 4.25 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

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	\$127,048	\$6,687	\$133,735	15.8%
\$60,000	\$1,250	\$254,096	\$28,233	\$282,329	61.4%
\$90,000	\$1,875	\$381,144	\$95,286	\$476,430	84.9%
\$150,000	\$3,125	\$635,240	\$342,053	\$977,293	95.4%

home for each of these income groups based upon the financial assumptions just described.

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 fourth quarter was \$71,900, although the county-level medians ranged from a low of \$45,700 in Ferry County to a high of \$88,100 in King County. Similarly, household incomes, which tend to be lower by definition, had a statewide value of \$54,441, with county-level incomes ranging from \$33,976 in Okanogan County to a high of \$65,328 in King 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 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. 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, except the highest.

The statewide data shows 4.3 percent of homes statewide were priced under \$80,000 (compared to 3.1 percent a year ago). No more than 1.5 percent of homes on the market are priced less than \$80,000 in four Washington counties. These statistics emphasize that in many parts of the state modest income households, especially those looking for their first homes, face improved, but still limited, access to the ownership housing market.

Including homes priced at or below \$160,000 raises the affordable percentage statewide to 24.0 percent. Among the metropolitan counties the proportion of homes priced less than \$160,000 ranged from a low of 9.6 percent in King County to a high of 46.2 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 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 to be stabilizing, but it is unclear what that means for the market.

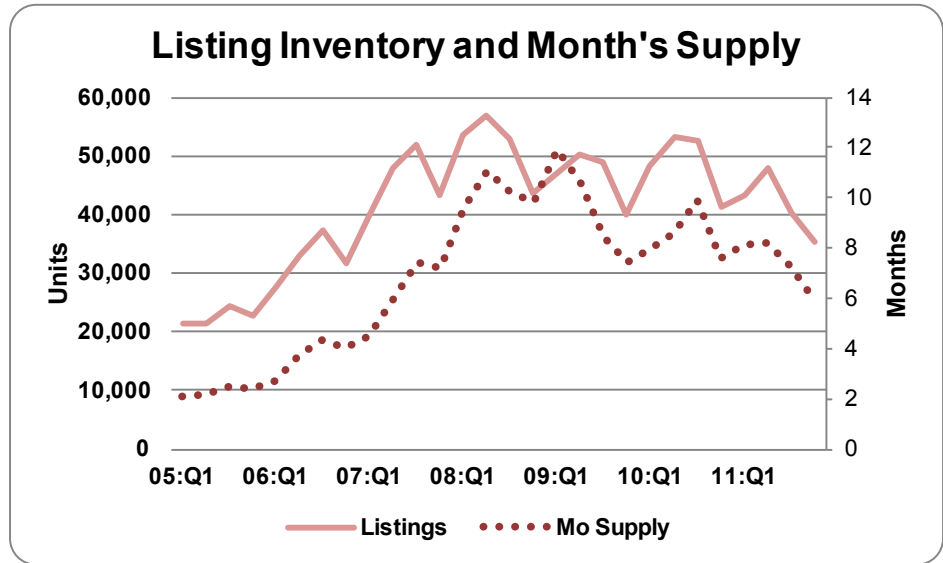
Listings available for sale throughout Washington, at the end of the December 2011, stood 13.8 percent below the listing inventory a year earlier. There were 35,483 homes on the various Multiple Listing Services, a reduction of 5,666 homes compared to last year. It must be emphasized that these counts 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 5,491 active listings, 25.4 percent fewer than a year earlier. Active listings increased compared to the prior year in 10 of the 36 counties for which listing data is available. The most rapid growth of listing inventory was 27.9 percent in Columbia County, while the largest reduction in homes

available for sale was 52.5 percent in the Lewiston ID-WA metropolitan area, which had seen a surge in listings a year ago. This return to more normal listing inventories suggests the December 2011 supply of listings was an aberration.

One additional comment about listings is important. It appears that would-be sellers who have any flexibility in their need to sell have withdrawn properties from the market rather than compete against the distressed properties, whether they are short sales or lender-owned properties. Will this accelerate the pace of clearing the distressed inventory from distorting the market? Only time will tell.

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 year-end month's supply for Washington was 6.0 months, compared to 7.7 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 foreclosure properties may not adequately represented in the listing statistics, and that distressed properties are probably predominant, so the month's supply of homes is not likely to be a good barometer of likely price performance in the short term. This implies that modest price declines should be anticipated in the months ahead. There is insufficient historical precedent to estimate how large an impact will be felt on home prices.

While the statewide market is "balanced", the same cannot be said for individual local markets or price ranges. Fourteen Washington counties still have inventory levels capable of sustaining the current sales rate for at least a year with no new listings coming on the market. These are places which clearly have an excess supply of homes on the market today, where price declines would likely continue throughout 2012, even if they were not dealing with distressed properties. The inventory imbalance was especially clear in several small counties, with Columbia County leading the list with a 6-year supply of homes. By contrast, the lowest month's supply measure was 3.3 months in Whatcom County (Bellingham).

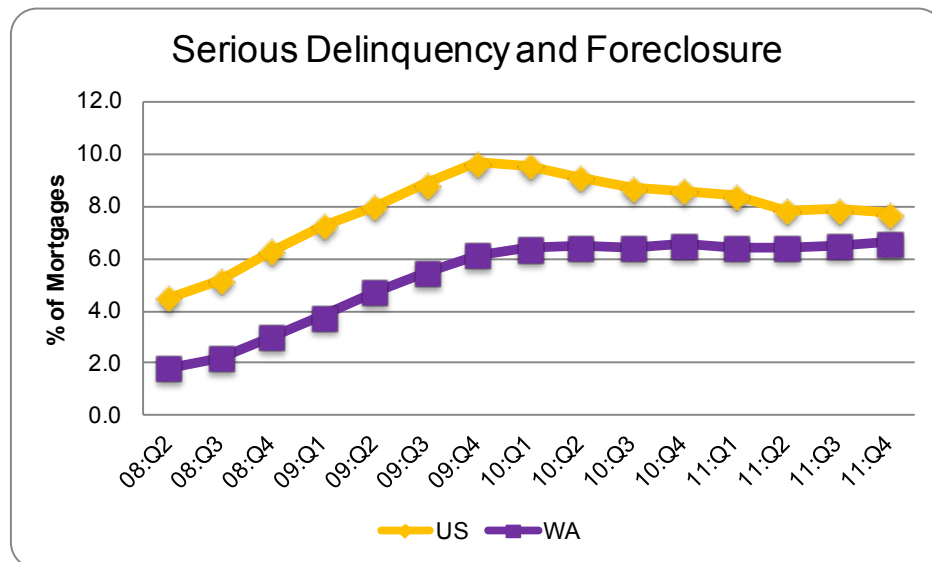
As expected, the least expensive homes have the most limited supply compared to sales rates, but a broad range of prices have very similar supply conditions. Homes priced above \$500,000 statewide have the greatest month's supply of 8.9 months, only a modest oversupply, but outside the greater Seattle market

the expensive properties generally recorded significant levels of oversupply. Of course, even during active real estate markets those properties typically take longer to sell because they can be afforded by a much more limited clientele.

Market Risks

Modestly improving sales rates prevail both nationally and in the state of Washington. While sales rates are stabilizing, and perhaps even improving, prices remain the Achilles heel of the real estate market throughout the country and in Washington. With assurance from the Federal Reserve Board that interest rates will not increase significantly until late 2014, consumer psychology will be a key risk to the recovery. Generalized consumer confidence readings from the Thomson Reuters/University of Michigan survey remain in negative territory, and probably will until employment improvements gain traction. Would-be first-time homebuyers continue to indicate they will remain cautious so long as prices continue to decline. Rapid jumps in rents might tip the balance toward home ownership.

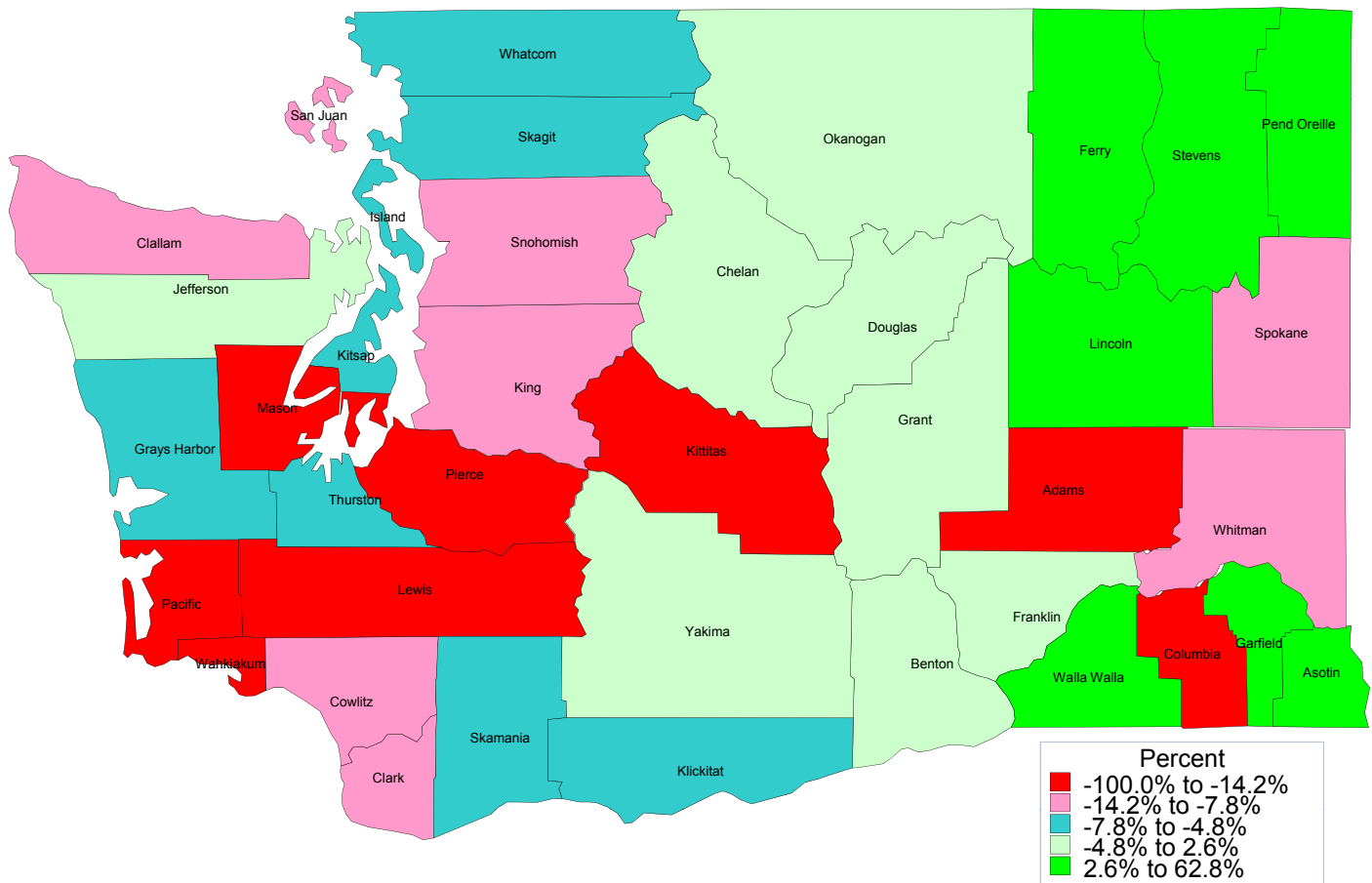
Distressed properties are the biggest source of risk to the market in the short term, and fall in a couple of categories. Seriously delinquent properties (those where the mortgages are at least 90 days past due or in foreclosure) continue to increase slowing in Washington, even though there have been modest declines nationally. At year-end there were approximately 77,000 mortgages in the state which were at least 90 days past due or at some stage of the foreclosure process. This represents an increase of about 1,000 mortgages in the last three months. While fewer mortgages are joining the ranks of the seriously delinquent, foreclosure processing remains lengthy. Recent statistics from RealtyTrac indicate that approximately 5,000 mortgages completed the foreclosure process during each of the last two quarters of 2011. At that rate,



there are enough properties likely to go through foreclosure to last nearly four years. It is not anticipated that the overhang will plague the state's housing market that long. Many of those properties will be sold via short sales prior to foreclosure, especially when few non-distressed properties are available. Others will be able to take advantage of programs offering the ability to refinance. In addition, it is likely that actual foreclosure processing will be more rapid.

In summary, the employment situation seems to be gradually improving, but current employment is still below peak levels. Home sales are beginning to increase, but are dominated by distressed properties which are dragging down price aggregates. Housing is remarkably affordable, but many buyers are remaining on the sidelines waiting for prices to "hit bottom". Because of the seriously delinquent and foreclosure pipeline properties, it is likely prices will continue to decline compared to a year earlier throughout most of 2012.

Home Price Change 2010Q4-2011Q4



HOUSING MARKET SNAPSHOT

State of Washington and Counties Fourth Quarter 2011

County	Home Resales (units)			Building Permits		Median Resale Price		Housing Affordability Index (HAI)	First-Time HAI
	SAAR	% Change		#	% Change	\$	% Change		
	(last qtr)	(year ago)		(year ago)		(year ago)			
ADAMS	150	-11.8%	0.0%			\$126,700	5.6%	189.4	104.2
ASOTIN	340	17.2%	-22.7%			\$163,100	14.3%	177.9	90.3
BENTON	3,160	7.5%	-4.0%	278	192.6%	\$174,800	-4.2%	198.9	119.4
CHELAN	1,080	0.9%	10.2%	22	-21.4%	\$220,000	-0.3%	139.5	82.1
CLALLAM	960	6.7%	10.3%	20	0.0%	\$179,000	-12.3%	168.9	88.9
CLARK	6,120	1.0%	12.9%	231	41.7%	\$184,400	-8.6%	206.0	111.5
COLUMBIA	20	-75.0%	-77.8%	1	N/A	\$194,000	116.8%	157.7	66.5
COWLITZ	1,300	-9.7%	11.1%	15	-46.4%	\$136,300	-8.7%	225.6	126.9
DOUGLAS	450	-8.2%	4.7%	27	-3.6%	\$195,000	-2.5%	153.4	80.1
FERRY	120	20.0%	50.0%	0	N/A	\$150,000	7.1%	160.7	88.8
FRANKLIN	650	8.3%	-4.4%	177	53.9%	\$174,800	-4.2%	198.9	95.7
GARFIELD	40	33.3%	-20.0%	0	N/A	\$163,100	14.3%	160.1	90.8
GRANT	1,180	0.0%	-7.1%			\$144,000	-8.3%	188.3	114.7
GRAYS HARBOR	1,610	6.6%	22.0%	14	0.0%	\$115,000	-15.4%	235.8	118.9
ISLAND	2,730	-7.8%	0.7%	32	39.1%	\$243,000	-3.8%	155.2	84.6
JEFFERSON	370	2.8%	0.0%	11	-8.3%	\$196,000	-23.1%	167.9	80.5
KING	23,760	6.5%	10.6%	1,295	-5.4%	\$320,000	-13.5%	145.2	76.5
KITSAP	3,090	5.8%	-1.0%	64	30.6%	\$230,000	-2.5%	170.9	97.8
KITTITAS	1,630	32.5%	10.9%	24	9.1%	\$192,000	-15.8%	170.3	72.8
KLICKITAT	320	0.0%	100.0%			\$130,000	-32.7%	197.6	108.6
LEWIS	830	12.2%	10.7%	15	-58.3%	\$134,000	-7.6%	219.7	119.0
LINCOLN	240	4.3%	9.1%			\$50,000	-41.2%	564.4	299.9
MASON	860	-13.1%	6.2%	20	11.1%	\$144,000	-12.7%	217.6	118.0
OKANOGAN	400	-9.1%	-33.3%	22	4.8%	\$150,000	-18.9%	177.9	84.9
PACIFIC	240	20.0%	14.3%			\$131,900	16.2%	208.0	96.8
PEND OREILLE	200	17.6%	42.9%	0	N/A	\$150,000	7.1%	166.3	86.5
PIERCE	11,170	1.5%	10.6%	654	40.0%	\$185,000	-12.7%	201.9	111.8
SAN JUAN	180	50.0%	-5.3%	16	-11.1%	\$425,000	-14.1%	80.7	44.7
SKAGIT	1,620	3.2%	10.2%	36	-2.7%	\$200,000	-12.4%	171.4	101.6
SKAMANIA	90	-25.0%	12.5%	5	66.7%	\$170,000	9.7%	223.4	103.5
SNOHOMISH	9,450	17.0%	26.0%	597	0.8%	\$240,000	-8.6%	179.3	98.7
SPOKANE	5,570	7.5%	13.2%	172	-10.9%	\$158,100	-6.2%	207.2	104.0
STEVENS	770	20.3%	45.3%	0	N/A	\$150,000	7.1%	187.4	96.0
THURSTON	3,830	15.7%	0.0%	148	-28.2%	\$215,000	-4.4%	181.6	100.2
WAHIAKUM	80	100.0%	60.0%			\$225,000	66.7%	128.5	69.7
WALLA WALLA	760	-19.1%	-20.8%	6	-92.0%	\$163,400	-4.4%	185.0	99.2
WHATCOM	2,200	4.8%	3.3%	78	47.2%	\$230,000	-8.0%	153.2	74.3
WHITMAN	460	7.0%	17.9%	32	357.1%	\$173,300	-5.7%	185.4	68.8
YAKIMA	3,050	14.2%	16.0%	17	-22.7%	\$147,400	-4.5%	180.7	102.4
Statewide	91,080	6.0%	9.6%	4,029	8.5%	\$217,000	-9.1%	174.8	94.1

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	10:Q1	10:Q2	10:Q3	10:Q4	11:Q1	11:Q2	11:Q3	11:Q4	Percent change	
									Last qtr	Year ago
ADAMS	160	120	250	150	320	190	170	150	-11.8%	0.0%
ASOTIN	370	510	380	440	360	270	290	340	17.2%	-22.7%
BENTON	3,650	4,290	2,760	3,290	3,180	2,990	2,940	3,160	7.5%	-4.0%
CHELAN	1,010	1,210	910	980	1,230	830	1,070	1,080	0.9%	10.2%
CLALLAM	930	1,050	820	870	1,020	790	900	960	6.7%	10.3%
CLARK	6,330	7,020	4,510	5,420	5,860	6,070	6,060	6,120	1.0%	12.9%
COLUMBIA	170	120	50	90	140	110	80	20	-75.0%	-77.8%
COWLITZ	1,560	1,460	1,170	1,170	1,360	1,630	1,440	1,300	-9.7%	11.1%
DOUGLAS	390	370	360	430	390	340	490	450	-8.2%	4.7%
FERRY	120	130	100	80	100	120	100	120	20.0%	50.0%
FRANKLIN	750	880	570	680	650	610	600	650	8.3%	-4.4%
GARFIELD	40	60	40	50	40	30	30	40	33.3%	-20.0%
GRANT	1,680	1,920	1,230	1,270	1,340	1,360	1,180	1,180	0.0%	-7.1%
GRAYS HARBOR	1,600	1,650	1,250	1,320	1,550	1,310	1,510	1,610	6.6%	22.0%
ISLAND	2,890	2,720	2,220	2,710	2,300	2,270	2,960	2,730	-7.8%	0.7%
JEFFERSON	420	330	440	370	400	480	360	370	2.8%	0.0%
KING	23,380	24,050	17,530	21,490	24,180	23,540	22,310	23,760	6.5%	10.6%
KITSAP	3,360	3,460	2,630	3,120	3,010	2,850	2,920	3,090	5.8%	-1.0%
KITTITAS	1,590	1,250	950	1,470	1,190	960	1,230	1,630	32.5%	10.9%
KLICKITAT	220	270	240	160	480	260	320	320	0.0%	100.0%
LEWIS	820	790	480	750	850	760	740	830	12.2%	10.7%
LINCOLN	310	320	260	220	300	280	230	240	4.3%	9.1%
MASON	1,250	930	700	810	920	920	990	860	-13.1%	6.2%
OKANOGAN	560	690	350	600	440	440	440	400	-9.1%	-33.3%
PACIFIC	220	230	170	210	220	170	200	240	20.0%	14.3%
PEND OREILLE	210	220	170	140	170	200	170	200	17.6%	42.9%
PIERCE	9,930	10,180	8,170	10,100	10,340	10,420	11,010	11,170	1.5%	10.6%
SAN JUAN	220	120	120	190	200	160	120	180	50.0%	-5.3%
SKAGIT	1,540	1,740	1,300	1,470	1,760	1,440	1,570	1,620	3.2%	10.2%
SKAMANIA	120	150	70	80	150	40	120	90	-25.0%	12.5%
SNOHOMISH	8,170	8,300	6,320	7,500	8,050	7,530	8,080	9,450	17.0%	26.0%
SPOKANE	6,850	7,220	4,750	4,920	5,910	5,540	5,180	5,570	7.5%	13.2%
STEVENS	800	830	670	530	670	770	640	770	20.3%	45.3%
THURSTON	4,010	3,990	3,330	3,830	3,480	3,670	3,310	3,830	15.7%	0.0%
WAHIAKUM	60	90	50	50	110	60	40	80	100.0%	60.0%
WALLA WALLA	1,090	1,030	700	960	990	800	940	760	-19.1%	-20.8%
WHATCOM	2,300	2,060	1,770	2,130	1,950	1,880	2,100	2,200	4.8%	3.3%
WHITMAN	300	360	260	390	370	340	430	460	7.0%	17.9%
YAKIMA	3,360	3,910	2,520	2,630	2,780	2,780	2,670	3,050	14.2%	16.0%
Statewide	92,740	96,030	70,570	83,070	88,760	85,210	85,940	91,080	6.0%	9.6%

NOTES:

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

EXISTING HOME SALES

State of Washington and Counties Not Seasonally Adjusted

County	Year Total		11:Q1	11:Q2	11:Q3	11:Q4	Year Total 2011	Percent change (Year ago)	Percent change (Annual)
	10:Q4	2010							
ADAMS	40	180	60	50	50	40	200	-37.5%	11.1%
ASOTIN	100	430	70	80	90	70	310	-18.2%	-27.9%
BENTON	750	3,500	650	830	830	750	3,060	5.1%	-12.6%
CHELAN	230	1,030	220	250	300	270	1,040	15.4%	1.0%
CLALLAM	220	910	190	210	260	250	910	8.3%	0.0%
CLARK	1,230	5,810	1,190	1,680	1,730	1,440	6,040	35.2%	4.0%
COLUMBIA	20	100	30	30	20	0	80	100.0%	-20.0%
COWLITZ	290	1,330	280	450	400	320	1,450	21.2%	9.0%
DOUGLAS	110	380	70	90	140	120	420	40.0%	10.5%
FERRY	20	100	20	30	30	30	110	0.0%	10.0%
FRANKLIN	150	710	130	170	170	150	620	6.3%	-12.7%
GARFIELD	10	50	10	10	10	10	40	0.0%	-20.0%
GRANT	330	1,510	230	380	340	310	1,260	-5.6%	-16.6%
GRAYS HARBOR	330	1,440	290	370	410	410	1,480	17.1%	2.8%
ISLAND	610	2,600	440	630	860	650	2,580	24.6%	-0.8%
JEFFERSON	110	390	100	90	90	100	380	-25.0%	-2.6%
KING	4,970	21,430	4,570	6,530	6,490	5,790	23,380	27.8%	9.1%
KITSAP	730	3,130	600	770	840	750	2,960	10.5%	-5.4%
KITTITAS	320	1,250	210	280	370	370	1,230	23.3%	-1.6%
KLICKITAT	40	230	90	80	90	70	330	28.6%	43.5%
LEWIS	180	700	170	200	220	200	790	57.1%	12.9%
LINCOLN	60	280	50	70	70	60	250	-12.5%	-10.7%
MASON	190	880	160	260	300	210	930	36.4%	5.7%
OKANOGAN	130	550	60	180	120	80	440	20.0%	-20.0%
PACIFIC	50	210	50	40	60	60	210	20.0%	0.0%
PEND OREILLE	40	170	30	50	50	50	180	0.0%	5.9%
PIERCE	2,360	9,550	2,090	2,900	3,060	2,710	10,760	33.6%	12.7%
SAN JUAN	50	160	40	40	40	50	170	33.3%	6.3%
SKAGIT	350	1,510	330	410	450	390	1,580	21.6%	4.6%
SKAMANIA	20	100	30	10	30	20	90	50.0%	-10.0%
SNOHOMISH	1,690	7,520	1,600	2,130	2,310	2,210	8,250	26.9%	9.7%
SPOKANE	1,270	5,830	920	1,590	1,580	1,390	5,480	12.1%	-6.0%
STEVENS	140	690	110	200	200	200	710	-4.8%	2.9%
THURSTON	890	3,760	700	980	970	920	3,570	-1.0%	-5.1%
WAHIAKUM	10	70	20	20	10	20	70	-50.0%	0.0%
WALLA WALLA	260	940	170	210	250	220	850	25.0%	-9.6%
WHATCOM	470	2,030	360	540	620	510	2,030	17.0%	0.0%
WHITMAN	60	330	50	140	120	80	390	50.0%	18.2%
YAKIMA	630	3,100	560	770	750	750	2,830	5.6%	-8.7%
Statewide	19,460	84,890	16,950	23,750	24,730	22,030	87,460	21.0%	3.0%

NOTES:

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

EXISTING HOME SALES

State of Washington and Counties Annual, 2000-2011

County	2000	2002	2004	2006	2008	2009	2010	2011
ADAMS	180	220	280	270	190	190	180	200
ASOTIN	310	450	480	520	350	370	430	310
BENTON	2,350	2,810	3,430	3,810	3,180	3,550	3,500	3,060
CHELAN	1,110	1,370	1,750	1,640	1,050	950	1,030	1,040
CLALLAM	1,190	1,480	1,650	1,290	910	830	910	910
CLARK	6,370	7,440	9,490	8,630	5,340	6,110	5,810	6,040
COLUMBIA	70	90	90	100	80	80	100	80
COWLITZ	1,410	1,580	2,170	2,550	1,360	1,220	1,330	1,450
DOUGLAS	470	590	720	680	450	440	380	420
FERRY	110	150	210	180	110	80	100	110
FRANKLIN	480	580	700	780	650	730	710	620
GARFIELD	40	50	50	60	40	40	50	40
GRANT	1,300	1,840	2,080	2,740	1,850	1,460	1,510	1,260
GRAYS HARBOR	1,200	1,870	2,660	2,500	1,590	1,380	1,440	1,480
ISLAND	2,600	3,580	5,470	4,390	2,510	2,570	2,600	2,580
JEFFERSON	700	760	950	740	470	320	390	380
KING	29,830	30,410	40,360	35,850	20,590	20,630	21,430	23,380
KITSAP	4,340	4,750	5,830	5,010	3,070	3,290	3,130	2,960
KITTITAS	620	1,980	1,840	1,980	1,160	1,080	1,250	1,230
KLICKITAT	280	330	390	450	340	220	230	330
LEWIS	580	880	1,140	1,310	710	740	700	790
LINCOLN	210	320	450	490	320	260	280	250
MASON	1,260	1,420	1,770	1,880	1,020	920	880	930
OKANOGAN	540	720	940	860	650	480	550	440
PACIFIC	280	290	440	440	190	200	210	210
PEND OREILLE	170	270	370	310	190	140	170	180
PIERCE	12,940	14,520	17,800	18,260	9,480	9,760	9,550	10,760
SAN JUAN	310	260	340	310	170	150	160	170
SKAGIT	2,150	2,210	3,120	2,720	1,700	1,480	1,510	1,580
SKAMANIA	100	110	150	140	80	110	100	90
SNOHOMISH	10,880	10,850	14,370	14,620	6,680	7,050	7,520	8,250
SPOKANE	7,180	8,550	9,740	10,820	6,690	6,360	5,830	5,480
STEVENS	650	1,030	1,440	1,210	730	530	690	710
THURSTON	3,800	4,370	5,500	6,460	4,110	3,920	3,760	3,570
WAHKIAKUM	90	110	140	120	100	50	70	70
WALLA WALLA	980	1,230	1,240	1,470	1,040	1,050	940	850
WHATCOM	2,750	3,390	4,030	3,160	2,260	2,200	2,030	2,030
WHITMAN	420	510	580	670	380	380	330	390
YAKIMA	2,910	3,200	3,680	4,520	3,630	3,480	3,100	2,830
Statewide	103,160	116,570	147,840	143,940	85,420	84,800	84,890	87,460

NOTES:

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

MEDIAN HOME PRICES

State of Washington and Counties

Time Trend

County	10:Q4	10 Annual	11:Q1	11:Q2	11:Q3	11:Q4	11 Annual	%Ch Q4	%Ch Yr
ADAMS	\$120,000	\$123,900	\$114,000	\$127,300	\$106,000	\$126,700	\$121,500	5.6%	-1.9%
ASOTIN	\$142,700	\$147,800	\$128,900	\$164,500	\$156,500	\$163,100	\$155,200	14.3%	5.0%
BENTON	\$182,400	\$177,500	\$175,400	\$174,400	\$181,300	\$174,800	\$176,700	-4.2%	-0.5%
CHELAN	\$220,600	\$224,900	\$207,300	\$215,000	\$219,000	\$220,000	\$218,400	-0.3%	-2.9%
CLALLAM	\$204,200	\$206,400	\$176,400	\$185,300	\$177,100	\$179,000	\$180,000	-12.3%	-12.8%
CLARK	\$201,700	\$212,500	\$194,200	\$190,400	\$189,800	\$184,400	\$189,800	-8.6%	-10.7%
COLUMBIA	\$89,500	\$125,000	\$129,100	\$107,500	\$92,500	\$194,000	\$130,000	116.8%	4.0%
COWLITZ	\$149,300	\$155,000	\$140,500	\$130,000	\$145,000	\$136,300	\$139,500	-8.7%	-10.0%
DOUGLAS	\$200,000	\$210,500	\$225,000	\$201,000	\$198,000	\$195,000	\$203,700	-2.5%	-3.2%
FERRY	\$140,000	\$144,300	\$130,000	\$140,000	\$155,000	\$150,000	\$146,900	7.1%	1.8%
FRANKLIN	\$182,400	\$177,500	\$175,400	\$174,400	\$181,300	\$174,800	\$176,700	-4.2%	-0.5%
GARFIELD	\$142,700	\$147,800	\$128,900	\$164,500	\$156,500	\$163,100	\$155,200	14.3%	5.0%
GRANT	\$157,000	\$160,000	\$158,900	\$150,000	\$160,000	\$144,000	\$154,100	-8.3%	-3.7%
GRAYS HARBOR	\$136,000	\$135,000	\$121,500	\$112,300	\$126,000	\$115,000	\$120,000	-15.4%	-11.1%
ISLAND	\$252,500	\$260,000	\$239,800	\$255,000	\$250,000	\$243,000	\$249,900	-3.8%	-3.9%
JEFFERSON	\$254,900	\$265,000	\$260,000	\$245,500	\$238,000	\$196,000	\$238,000	-23.1%	-10.2%
KING	\$369,900	\$375,000	\$345,000	\$348,300	\$350,000	\$320,000	\$340,000	-13.5%	-9.3%
KITSAP	\$236,000	\$240,000	\$235,000	\$235,000	\$235,500	\$230,000	\$235,000	-2.5%	-2.1%
KITTITAS	\$228,000	\$214,000	\$205,000	\$192,500	\$181,000	\$192,000	\$188,500	-15.8%	-11.9%
KLICKITAT	\$193,300	\$198,800	\$202,300	\$212,500	\$176,700	\$130,000	\$180,000	-32.7%	-9.5%
LEWIS	\$145,000	\$154,300	\$137,500	\$135,000	\$141,100	\$134,000	\$139,900	-7.6%	-9.3%
LINCOLN	\$85,000	\$73,600	\$45,000	\$70,000	\$95,000	\$50,000	\$71,700	-41.2%	-2.6%
MASON	\$164,900	\$165,000	\$154,500	\$140,000	\$142,000	\$144,000	\$145,000	-12.7%	-12.1%
OKANOGAN	\$185,000	\$169,000	\$153,800	\$149,500	\$166,500	\$150,000	\$160,000	-18.9%	-5.3%
PACIFIC	\$113,500	\$128,000	\$119,500	\$116,000	\$107,900	\$131,900	\$120,000	16.2%	-6.3%
PEND OREILLE	\$140,000	\$144,300	\$130,000	\$140,000	\$155,000	\$150,000	\$146,200	7.1%	1.3%
PIERCE	\$212,000	\$220,000	\$199,900	\$197,000	\$192,500	\$185,000	\$194,000	-12.7%	-11.8%
SAN JUAN	\$495,000	\$422,500	\$442,500	\$422,500	\$345,000	\$425,000	\$405,000	-14.1%	-4.1%
SKAGIT	\$228,300	\$223,000	\$204,700	\$198,000	\$204,000	\$200,000	\$202,800	-12.4%	-9.1%
SKAMANIA	\$155,000	\$160,000	\$150,000	\$125,000	\$185,000	\$170,000	\$166,000	9.7%	3.8%
SNOHOMISH	\$262,700	\$275,000	\$245,000	\$241,500	\$240,000	\$240,000	\$243,000	-8.6%	-11.6%
SPOKANE	\$168,500	\$172,700	\$162,600	\$161,500	\$166,800	\$158,100	\$164,600	-6.2%	-4.7%
STEVENS	\$140,000	\$144,300	\$130,000	\$140,000	\$155,000	\$150,000	\$146,900	7.1%	1.8%
THURSTON	\$224,900	\$230,000	\$209,500	\$220,000	\$223,600	\$215,000	\$219,500	-4.4%	-4.6%
WAHAKIACUM	\$135,000	\$148,000	\$148,300	\$80,000	\$62,500	\$225,000	\$95,000	66.7%	-35.8%
WALLA WALLA	\$171,000	\$180,000	\$164,900	\$167,500	\$180,000	\$163,400	\$170,900	-4.4%	-5.1%
WHATCOM	\$250,000	\$250,000	\$245,200	\$253,000	\$244,000	\$230,000	\$241,500	-8.0%	-3.4%
WHITMAN	\$183,700	\$201,700	\$170,000	\$192,700	\$193,300	\$173,300	\$186,600	-5.7%	-7.5%
YAKIMA	\$154,300	\$151,500	\$140,800	\$150,700	\$146,000	\$147,400	\$145,300	-4.5%	-4.1%
Statewide	\$238,800	\$246,300	\$228,100	\$226,900	\$225,300	\$217,000	\$224,180	-9.1%	-9.0%

Source: WCRER Estimates

MEDIAN HOME PRICES

State of Washington and Counties Annual, 2000-2011

Counties	2000	2002	2004	2006	2007	2008	2009	2010	2011
ADAMS	\$83,700	\$74,200	\$93,600	\$89,800	\$98,600	\$113,600	\$122,400	\$123,900	\$121,500
ASOTIN	\$92,400	\$95,300	\$111,200	\$142,900	\$151,400	\$154,900	\$147,800	\$147,800	\$155,200
BENTON	\$119,400	\$140,300	\$147,900	\$157,200	\$168,300	\$165,800	\$166,800	\$177,500	\$176,700
CHELAN	\$129,000	\$131,400	\$147,300	\$202,000	\$243,900	\$247,000	\$225,200	\$224,900	\$218,400
CLALLAM	\$117,800	\$131,400	\$164,300	\$231,500	\$242,000	\$236,500	\$213,700	\$206,400	\$180,000
CLARK	\$147,000	\$156,500	\$195,000	\$269,400	\$273,800	\$246,900	\$216,600	\$212,500	\$189,800
COLUMBIA	N/A	N/A	\$81,400	\$100,000	\$120,600	\$130,000	\$135,700	\$125,000	\$130,000
COWLITZ	\$110,100	\$110,700	\$125,000	\$174,500	\$186,500	\$181,500	\$166,000	\$155,000	\$139,500
DOUGLAS	\$129,000	\$131,400	\$147,300	\$202,000	\$236,900	\$234,900	\$222,600	\$210,500	\$203,700
FERRY	\$88,700	\$90,900	\$114,000	\$143,700	\$156,400	\$156,600	\$149,300	\$144,300	\$146,900
FRANKLIN	\$119,400	\$140,300	\$147,900	\$157,200	\$168,300	\$165,800	\$166,800	\$177,500	\$176,700
GARFIELD	\$92,400	\$95,300	\$111,200	\$142,900	\$151,400	\$154,900	\$147,800	\$147,800	\$155,200
GRANT	\$90,000	\$92,800	\$105,000	\$133,500	\$154,500	\$159,000	\$155,000	\$160,000	\$154,100
GRAYS HARBOR	\$81,400	\$87,000	\$104,000	\$148,000	\$165,000	\$151,000	\$135,000	\$135,000	\$120,000
ISLAND	\$155,100	\$177,000	\$215,900	\$300,000	\$305,000	\$285,000	\$262,500	\$260,000	\$249,900
JEFFERSON	\$176,400	\$184,900	\$245,000	\$326,300	\$328,500	\$299,000	\$269,000	\$265,000	\$238,000
KING	\$249,900	\$278,500	\$324,000	\$425,000	\$455,000	\$430,000	\$380,000	\$375,000	\$340,000
KITSAP	\$149,400	\$165,900	\$206,900	\$275,000	\$290,300	\$265,000	\$244,500	\$240,000	\$235,000
KITTITAS	\$128,900	\$150,300	\$174,000	\$248,000	\$260,000	\$235,000	\$216,700	\$214,000	\$188,500
KLICKITAT	N/A	N/A	N/A	N/A	\$191,100	\$213,900	\$178,300	\$198,800	\$180,000
LEWIS	\$89,000	\$106,000	\$124,500	\$170,000	\$197,000	\$186,500	\$160,000	\$154,300	\$139,900
LINCOLN	N/A	N/A	N/A	N/A	N/A	N/A	N/A	\$73,600	\$71,700
MASON	\$104,800	\$115,000	\$138,100	\$191,700	\$206,300	\$192,000	\$164,400	\$165,000	\$145,000
OKANOGAN	N/A	\$80,300	\$86,500	\$145,600	\$163,000	\$170,000	\$159,000	\$169,000	\$160,000
PACIFIC	\$69,500	\$78,200	\$100,000	\$135,000	\$150,000	\$165,000	\$150,000	\$128,000	\$120,000
PEND OREILLE	\$88,700	\$90,900	\$114,000	\$143,700	\$156,400	\$156,600	\$149,300	\$144,300	\$146,200
PIERCE	\$151,800	\$170,000	\$199,900	\$270,000	\$281,400	\$258,000	\$229,200	\$220,000	\$194,000
SAN JUAN	\$250,000	\$272,200	\$337,000	\$539,500	\$563,300	\$510,000	\$443,500	\$422,500	\$405,000
SKAGIT	\$151,200	\$165,500	\$191,200	\$260,000	\$270,000	\$263,000	\$232,000	\$223,000	\$202,800
SKAMANIA	N/A	N/A	N/A	N/A	\$232,100	\$236,400	\$186,700	\$160,000	\$166,000
SNOHOMISH	\$196,400	\$220,000	\$250,000	\$345,400	\$371,000	\$345,000	\$300,000	\$275,000	\$243,000
SPOKANE	\$103,500	\$109,700	\$131,100	\$181,600	\$196,000	\$191,600	\$175,800	\$172,700	\$164,600
STEVENS	\$88,700	\$90,900	\$114,000	\$143,700	\$156,400	\$156,600	\$149,300	\$144,300	\$146,900
THURSTON	\$137,900	\$154,900	\$184,900	\$252,200	\$265,000	\$255,000	\$239,600	\$230,000	\$219,500
WAHIAKUM	\$98,200	\$128,000	\$167,000	\$205,000	\$200,000	\$182,500	\$180,000	\$148,000	\$95,000
WALLA WALLA	\$96,600	\$119,900	\$139,500	\$175,800	\$193,000	\$190,500	\$176,400	\$180,000	\$170,900
WHATCOM	\$146,500	\$159,100	\$216,800	\$282,300	\$290,000	\$278,000	\$259,000	\$250,000	\$241,500
WHITMAN	\$117,000	\$128,100	\$147,700	\$188,200	\$198,600	\$219,300	\$188,000	\$201,700	\$186,600
YAKIMA	\$108,000	\$110,700	\$125,700	\$134,900	\$147,500	\$148,900	\$153,300	\$151,500	\$145,300
Statewide	\$176,300	\$188,500	\$225,000	\$293,800	\$309,600	\$284,400	\$250,400	\$246,300	\$224,180

Source: WCRER Estimates

HOME PRICES BY NUMBER OF BEDROOMS

State of Washington and Counties Fourth Quarters

County	2 Bedroom			3 Bedroom			4 or More Bedroom		
	2010	2011	% ch	2010	2011	% ch	2010	2011	% ch
ADAMS	\$30,000	\$32,500	8.3%	\$125,000	\$138,300	10.6%	\$100,000	\$150,000	50.0%
ASOTIN	\$101,400	\$105,000	3.6%	\$149,300	\$170,000	13.9%	\$190,000	\$186,700	-1.7%
BENTON	\$101,700	\$83,000	-18.4%	\$167,600	\$160,200	-4.4%	\$228,400	\$228,100	-0.1%
CHELAN	\$142,000	\$137,100	-3.5%	\$242,300	\$225,000	-7.1%	\$275,000	\$290,600	5.7%
CLALLAM	\$162,500	\$131,700	-19.0%	\$210,900	\$185,400	-12.1%	\$217,900	\$197,500	-9.4%
CLARK	\$133,300	\$101,200	-24.1%	\$180,700	\$162,200	-10.2%	\$260,300	\$246,200	-5.4%
COLUMBIA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
COWLITZ	\$83,000	\$67,500	-18.7%	\$148,300	\$138,900	-6.3%	\$211,200	\$166,800	-21.0%
DOUGLAS	\$110,000	\$130,000	18.2%	\$192,500	\$188,600	-2.0%	\$266,700	\$225,000	-15.6%
FERRY	\$95,000	\$112,000	17.9%	\$154,000	\$162,200	5.3%	\$216,700	\$185,000	-14.6%
FRANKLIN	\$101,700	\$83,000	-18.4%	\$167,600	\$160,200	-4.4%	\$228,400	\$228,100	-0.1%
GARFIELD	\$101,400	\$105,000	3.6%	\$149,300	\$170,000	13.9%	\$190,000	\$186,700	-1.7%
GRANT	\$127,000	\$83,200	-34.5%	\$153,200	\$142,500	-7.0%	\$195,000	\$180,000	-7.7%
GRAYS HARBOR	\$104,000	\$89,000	-14.4%	\$140,000	\$126,500	-9.6%	\$152,800	\$181,700	18.9%
ISLAND	\$247,500	\$229,000	-7.5%	\$235,000	\$246,500	4.9%	\$270,000	\$247,000	-8.5%
JEFFERSON	\$188,500	\$177,500	-5.8%	\$254,900	\$210,800	-17.3%	\$380,000	\$174,500	-54.1%
KING	\$285,000	\$225,500	-20.9%	\$335,000	\$281,200	-16.1%	\$449,900	\$419,900	-6.7%
KITSAP	\$178,000	\$140,800	-20.9%	\$230,000	\$225,000	-2.2%	\$280,000	\$275,700	-1.5%
KITTITAS	\$127,500	\$135,300	6.1%	\$238,500	\$185,000	-22.4%	\$282,000	\$265,900	-5.7%
KLICKITAT	\$150,000	\$100,000	-33.3%	\$205,000	\$160,000	-22.0%	\$190,000	\$325,000	71.1%
LEWIS	\$118,500	\$107,100	-9.6%	\$147,500	\$145,000	-1.7%	\$225,000	\$169,000	-24.9%
LINCOLN	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MASON	\$127,500	\$120,000	-5.9%	\$170,000	\$160,000	-5.9%	\$210,000	\$202,500	-3.6%
OKANOGAN	\$178,500	\$161,000	-9.8%	\$187,500	\$140,000	-25.3%	\$228,500	\$243,000	6.3%
PACIFIC	\$95,000	\$122,000	28.4%	\$144,000	\$137,000	-4.9%	\$75,000	\$185,000	146.7%
PEND OREILLE	\$95,000	\$112,000	17.9%	\$154,000	\$162,200	5.3%	\$216,700	\$185,000	-14.6%
PIERCE	\$140,000	\$97,000	-30.7%	\$196,000	\$169,000	-13.8%	\$244,000	\$227,000	-7.0%
SAN JUAN	\$430,000	\$346,500	-19.4%	\$585,000	\$524,600	-10.3%	\$831,300	\$560,000	-32.6%
SKAGIT	\$160,000	\$117,500	-26.6%	\$215,000	\$197,900	-8.0%	\$332,500	\$260,000	-21.8%
SKAMANIA	\$100,000	\$120,000	20.0%	\$160,000	\$180,000	12.5%	\$350,000	N/A	N/A
SNOHOMISH	\$196,000	\$131,500	-32.9%	\$240,000	\$215,000	-10.4%	\$310,000	\$295,000	-4.8%
SPOKANE	\$99,200	\$87,600	-11.7%	\$156,900	\$155,100	-1.1%	\$209,500	\$188,500	-10.0%
STEVENS	\$95,000	\$112,000	17.9%	\$154,000	\$162,200	5.3%	\$216,700	\$185,000	-14.6%
THURSTON	\$180,000	\$170,000	-5.6%	\$216,500	\$197,300	-8.9%	\$263,500	\$249,500	-5.3%
WAHIAKUM	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	\$195,000	\$150,300	-22.9%	\$250,000	\$230,000	-8.0%	\$322,500	\$300,000	-7.0%
WHITMAN	\$115,000	\$110,000	-4.3%	\$135,000	\$163,300	21.0%	\$200,000	\$212,500	6.3%
YAKIMA	\$85,800	\$73,800	-14.0%	\$165,200	\$157,000	-5.0%	\$190,000	\$220,800	16.2%
Statewide	\$164,900	\$134,400	-18.5%	\$218,800	\$196,400	-10.2%	\$300,900	\$280,100	-6.9%

Source: WCRER Estimates

HOUSING AFFORDABILITY INDEX

State of Washington and Counties Fourth Quarter 2011

County	Median Price	Mortgage Rate	Monthly Payment	Median Family Income	HAI	Starter Monthly Payment	Median Household Income	First	Time HAI
ADAMS	\$126,700	4.28%	\$500	\$45,500	189.4	\$493	\$35,227		104.2
ASOTIN	\$163,100	4.28%	\$644	\$55,000	177.9	\$634	\$39,269		90.3
BENTON	\$174,800	4.28%	\$690	\$65,900	198.9	\$680	\$55,677		119.4
CHELAN	\$220,000	4.28%	\$869	\$58,200	139.5	\$856	\$48,193		82.1
CLALLAM	\$179,000	4.28%	\$707	\$57,300	168.9	\$696	\$42,455		88.9
CLARK	\$184,400	4.28%	\$728	\$72,000	206.0	\$717	\$54,850		111.5
COLUMBIA	\$194,000	4.28%	\$766	\$58,000	157.7	\$755	\$34,421		66.5
COWLITZ	\$136,300	4.28%	\$538	\$58,300	225.6	\$530	\$46,132		126.9
DOUGLAS	\$195,000	4.28%	\$770	\$56,700	153.4	\$759	\$41,665		80.1
FERRY	\$150,000	4.28%	\$592	\$45,700	160.7	\$583	\$35,525		88.8
FRANKLIN	\$174,800	4.28%	\$690	\$65,900	198.9	\$680	\$44,635		95.7
GARFIELD	\$163,100	4.28%	\$644	\$49,500	160.1	\$634	\$39,486		90.8
GRANT	\$144,000	4.28%	\$569	\$51,400	188.3	\$560	\$44,036		114.7
GRAYS HARBOR	\$115,000	4.28%	\$454	\$51,400	235.8	\$447	\$36,476		118.9
ISLAND	\$243,000	4.28%	\$960	\$71,500	155.2	\$945	\$54,835		84.6
JEFFERSON	\$196,000	4.28%	\$774	\$62,400	167.9	\$762	\$42,069		80.5
KING	\$320,000	4.28%	\$1,264	\$88,100	145.2	\$1,245	\$65,328		76.5
KITSAP	\$230,000	4.28%	\$908	\$74,500	170.9	\$895	\$60,020		97.8
KITTITAS	\$192,000	4.28%	\$758	\$62,000	170.3	\$747	\$37,284		72.8
KLICKITAT	\$130,000	4.28%	\$513	\$48,700	197.6	\$506	\$37,654		108.6
LEWIS	\$134,000	4.28%	\$529	\$55,800	219.7	\$521	\$42,542		119.0
LINCOLN	\$50,000	4.28%	\$197	\$53,500	564.4	\$194	\$40,001		299.9
MASON	\$144,000	4.28%	\$569	\$59,400	217.6	\$560	\$45,325		118.0
OKANOGAN	\$150,000	4.28%	\$592	\$50,600	177.9	\$583	\$33,976		84.9
PACIFIC	\$131,900	4.28%	\$521	\$52,000	208.0	\$513	\$34,049		96.8
PEND OREILLE	\$150,000	4.28%	\$592	\$47,300	166.3	\$583	\$34,611		86.5
PIERCE	\$185,000	4.28%	\$731	\$70,800	201.9	\$720	\$55,168		111.8
SAN JUAN	\$425,000	4.28%	\$1,679	\$65,000	80.7	\$1,653	\$50,693		44.7
SKAGIT	\$200,000	4.28%	\$790	\$65,000	171.4	\$778	\$54,204		101.6
SKAMANIA	\$170,000	4.28%	\$671	\$72,000	223.4	\$661	\$46,942		103.5
SNOHOMISH	\$240,000	4.28%	\$948	\$81,600	179.3	\$934	\$63,195		98.7
SPOKANE	\$158,100	4.28%	\$624	\$62,100	207.2	\$615	\$43,869		104.0
STEVENS	\$150,000	4.28%	\$592	\$53,300	187.4	\$583	\$38,417		96.0
THURSTON	\$215,000	4.28%	\$849	\$74,000	181.6	\$836	\$57,480		100.2
WAHIAKUM	\$225,000	4.28%	\$889	\$54,800	128.5	\$875	\$41,838		69.7
WALLA WALLA	\$163,400	4.28%	\$645	\$57,300	185.0	\$636	\$43,219		99.2
WHATCOM	\$230,000	4.28%	\$908	\$66,800	153.2	\$895	\$45,557		74.3
WHITMAN	\$173,300	4.28%	\$684	\$60,900	185.4	\$674	\$31,792		68.8
YAKIMA	\$147,400	4.28%	\$582	\$50,500	180.7	\$573	\$40,277		102.4
Statewide	\$217,000	4.28%	\$857	\$71,900	174.8	\$844	\$54,441		94.1

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	09:Q3	09:Q4	10:Q1	10:Q2	10:Q3	10:Q4	11:Q1	11:Q2	11:Q3	11:Q4
ADAMS	178.8	191.9	209.5	193.3	188.9	205.3	205.8	182.4	221.0	189.4
ASOTIN	170.7	180.3	184.8	171.4	179.1	195.0	209.1	164.9	177.8	177.9
BENTON	174.5	187.2	176.3	180.4	178.7	180.6	182.5	185.2	183.4	198.9
CHELAN	124.2	124.4	119.7	129.5	130.2	135.3	139.0	134.4	134.9	139.5
CLALLAM	118.1	130.2	125.7	127.9	141.1	138.2	156.0	150.5	162.6	168.9
CLARK	148.6	161.9	154.8	158.7	165.4	178.9	180.4	185.6	191.5	206.0
COLUMBIA	194.4	200.5	206.7	256.3	154.6	326.7	219.6	265.6	317.0	157.7
COWLITZ	162.2	175.1	184.0	173.9	182.1	197.2	203.1	220.9	203.4	225.6
DOUGLAS	110.8	136.2	127.5	119.8	136.2	145.5	124.8	140.1	145.4	153.4
FERRY	152.2	149.8	171.9	146.8	159.6	169.1	175.3	162.9	150.1	160.7
FRANKLIN	174.5	187.2	176.3	180.4	178.7	180.6	182.5	185.2	183.4	198.9
GARFIELD	170.5	179.6	184.0	170.5	178.0	193.6	202.7	156.0	164.2	160.1
GRANT	136.4	164.4	151.9	148.4	153.1	163.3	156.9	167.8	162.0	188.3
GRAYS HARBOR	173.6	181.3	174.5	188.6	190.9	190.4	206.7	225.2	206.2	235.8
ISLAND	117.4	123.0	123.8	125.2	128.1	136.9	141.2	135.2	143.1	155.2
JEFFERSON	105.4	91.4	104.0	101.5	118.4	118.7	113.9	122.7	131.3	167.9
KING	104.2	110.0	111.5	110.5	110.4	119.1	124.0	124.0	127.0	145.2
KITSAP	132.6	140.6	145.4	146.2	139.7	154.4	151.5	153.7	158.7	170.9
KITTITAS	128.9	124.5	136.3	142.1	125.5	134.7	145.9	157.2	172.4	170.3
KLICKITAT	130.5	143.2	107.3	130.2	137.3	137.9	125.2	117.6	142.3	197.6
LEWIS	151.8	165.6	182.5	158.7	160.9	186.6	192.7	199.6	198.0	219.7
LINCOLN	N/A	N/A	N/A	N/A	N/A	322.6	588.3	379.3	285.9	564.4
MASON	151.9	172.5	173.3	168.6	155.7	179.2	186.0	207.4	210.8	217.6
OKANOGAN	129.5	131.7	132.7	136.9	135.9	127.4	151.6	160.3	150.7	177.9
PACIFIC	155.0	158.5	192.2	184.2	190.8	230.0	212.0	220.2	243.4	208.0
PEND OREILLE	158.5	155.3	178.3	152.3	165.7	175.6	181.9	168.8	155.5	166.3
PIERCE	137.9	149.1	152.9	150.6	153.1	166.4	171.6	175.9	185.4	201.9
SAN JUAN	60.4	75.3	86.5	98.6	83.7	69.5	74.5	77.6	96.4	80.7
SKAGIT	122.2	132.4	134.6	132.0	140.4	139.4	151.9	159.3	159.9	171.4
SKAMANIA	153.1	171.5	211.0	216.8	176.4	232.8	233.6	282.7	196.5	223.4
SNOHOMISH	124.0	133.9	136.9	137.5	145.0	155.3	161.8	165.6	171.5	179.3
SPOKANE	156.7	170.4	169.9	169.2	165.7	181.4	183.3	187.0	187.1	207.2
STEVENS	170.4	167.3	192.3	164.3	178.9	189.7	198.6	186.3	173.3	187.4
THURSTON	133.3	148.4	148.3	147.8	148.7	162.0	169.6	163.6	166.3	181.6
WAHIAKUM	156.5	284.9	176.0	205.1	154.8	234.6	200.4	361.8	459.4	128.5
WALLA WALLA	158.4	163.6	153.7	150.8	165.2	173.7	173.4	170.7	162.1	185.0
WHATCOM	117.7	122.9	128.1	123.9	122.8	130.6	130.1	128.0	137.3	153.2
WHITMAN	152.8	151.7	135.0	134.8	134.4	162.2	171.2	153.3	158.1	185.4
YAKIMA	152.6	168.2	166.0	160.3	165.0	166.9	176.8	165.9	175.4	180.7
Statewide	124.1	136.8	135.9	136.9	140.2	149.4	152.2	154.7	160.7	174.8

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

Time Trend

County	09:Q3	09:Q4	10:Q1	10:Q2	10:Q3	10:Q4	11:Q1	11:Q2	11:Q3	11:Q4
ADAMS	101.4	107.6	116.0	105.7	102.0	109.4	110.7	98.8	120.7	104.2
ASOTIN	90.2	94.9	96.7	89.0	92.4	99.9	106.9	84.1	90.5	90.3
BENTON	112.7	120.0	112.3	114.2	112.3	112.7	112.8	113.4	111.2	119.4
CHELAN	77.3	77.6	73.6	78.7	78.0	80.0	82.2	79.3	79.5	82.1
CLALLAM	65.7	72.1	69.4	70.5	77.5	75.8	84.7	80.9	86.5	88.9
CLARK	85.3	91.8	87.2	88.8	92.0	98.8	99.2	101.6	104.3	111.5
COLUMBIA	91.2	91.9	93.7	114.8	68.4	143.0	95.3	114.2	135.0	66.5
COWLITZ	92.7	99.1	104.0	98.2	102.7	111.1	114.5	124.5	114.5	126.9
DOUGLAS	61.9	76.2	70.3	65.1	73.0	76.8	65.7	73.6	76.2	80.1
FERRY	82.5	81.1	92.9	79.2	85.9	90.8	94.9	88.8	82.4	88.8
FRANKLIN	93.5	99.1	92.4	93.6	91.8	91.7	91.5	91.7	89.5	95.7
GARFIELD	94.4	98.3	99.8	91.6	94.7	102.0	108.7	85.2	91.3	90.8
GRANT	92.3	108.8	99.6	96.4	98.4	103.9	98.8	104.5	99.8	114.7
GRAYS HARBOR	90.2	92.1	88.6	95.7	96.7	96.4	104.6	113.9	104.1	118.9
ISLAND	69.8	72.0	72.4	73.0	74.4	79.3	80.6	76.0	79.2	84.6
JEFFERSON	55.7	48.0	54.3	52.5	60.8	60.5	57.2	60.7	63.9	80.5
KING	59.2	61.7	62.1	61.1	60.5	64.7	66.9	66.4	67.5	76.5
KITSAP	81.4	85.9	88.4	88.4	84.0	92.3	89.7	90.0	91.9	97.8
KITTITAS	60.4	57.6	62.5	64.6	56.4	60.0	64.3	68.6	74.5	72.8
KLICKITAT	70.4	78.0	57.9	69.6	72.6	72.2	66.4	63.1	77.3	108.6
LEWIS	86.8	93.8	103.3	89.8	90.9	105.4	107.8	110.5	108.5	119.0
LINCOLN	N/A	N/A	N/A	N/A	N/A	171.7	313.2	201.9	152.1	299.9
MASON	86.3	97.3	97.3	94.2	86.6	99.2	102.5	113.7	114.9	118.0
OKANOGAN	72.7	72.9	72.6	74.1	72.6	67.3	78.1	80.4	73.8	84.9
PACIFIC	75.5	76.3	92.2	88.0	90.8	109.0	100.0	103.5	113.8	96.8
PEND OREILLE	82.7	80.4	91.9	78.2	84.6	89.2	93.0	86.9	80.4	86.5
PIERCE	81.0	86.4	88.1	86.2	87.0	94.0	96.5	98.4	103.2	111.8
SAN JUAN	34.1	42.0	47.9	54.1	45.6	37.5	40.5	42.5	53.1	44.7
SKAGIT	78.5	84.4	85.1	82.8	87.4	86.1	92.9	96.4	95.8	101.6
SKAMANIA	74.4	82.6	101.1	103.3	83.6	109.7	109.6	132.2	91.5	103.5
SNOHOMISH	72.4	77.0	78.3	78.2	82.0	87.2	90.5	92.2	94.9	98.7
SPOKANE	84.3	90.5	89.9	89.2	87.1	95.0	95.0	95.9	95.0	104.0
STEVENS	91.9	88.9	101.7	86.5	93.7	98.9	103.1	96.3	89.2	96.0
THURSTON	80.5	88.2	87.4	86.4	86.1	92.9	96.4	92.1	92.8	100.2
WAHKIAKUM	78.2	138.4	85.1	98.7	74.2	111.9	98.6	183.8	241.1	69.7
WALLA WALLA	88.4	91.0	84.7	82.2	89.1	92.8	92.8	91.4	86.8	99.2
WHATCOM	61.1	63.6	66.1	63.7	62.8	66.6	65.5	63.7	67.5	74.3
WHITMAN	65.9	65.0	57.0	56.0	54.9	65.3	67.6	59.3	59.9	68.8
YAKIMA	89.4	97.1	95.5	92.0	94.5	95.2	100.8	94.4	99.6	102.4
Statewide	72.6	79.1	77.9	77.9	79.1	83.6	84.4	85.0	87.4	94.1

Source: WCRER Estimates

NOTES:

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

PERCENTAGE OF HOMES ON MARKET BELOW SPECIFIED PRICE

State of Washington and Counties
End of Fourth Quarter 2011

County	\$80,000	\$160,000	\$250,000	\$500,000
ADAMS	N/A	N/A	N/A	N/A
ASOTIN	2.9%	37.3%	73.5%	96.6%
BENTON	5.2%	28.0%	65.1%	95.5%
CHELAN	3.0%	16.0%	46.1%	85.7%
CLALLAM	9.9%	28.6%	54.0%	89.0%
CLARK	2.7%	20.7%	52.3%	88.7%
COLUMBIA	18.4%	57.5%	82.8%	96.6%
COWLITZ	11.3%	46.2%	73.8%	96.2%
DOUGLAS	3.4%	19.6%	60.9%	90.5%
FERRY	8.0%	42.9%	70.1%	95.0%
FRANKLIN	5.2%	28.0%	65.1%	95.5%
GARFIELD	2.9%	37.3%	73.5%	96.6%
GRANT	6.6%	38.9%	71.5%	96.8%
GRAYS HARBOR	17.6%	51.9%	78.1%	96.7%
ISLAND	1.1%	9.8%	35.2%	80.0%
JEFFERSON	2.4%	11.1%	32.4%	80.7%
KING	0.5%	9.6%	30.8%	69.6%
KITSAP	1.5%	15.8%	46.7%	85.9%
KITTITAS	2.4%	18.3%	50.4%	79.0%
KLICKITAT	6.8%	21.5%	52.5%	87.0%
LEWIS	7.9%	36.6%	71.7%	97.2%
LINCOLN	N/A	N/A	N/A	N/A
MASON	8.5%	37.4%	69.6%	93.7%
OKANOGAN	7.8%	33.1%	61.1%	89.0%
PACIFIC	15.8%	50.3%	78.7%	95.7%
PEND OREILLE	8.0%	42.9%	70.1%	95.0%
PIERCE	3.9%	27.3%	62.0%	90.3%
SAN JUAN	0.3%	1.4%	7.1%	43.3%
SKAGIT	2.4%	17.8%	47.9%	86.6%
SKAMANIA	3.7%	40.7%	61.7%	86.4%
SNOHOMISH	1.8%	17.0%	44.9%	87.9%
SPOKANE	4.8%	32.9%	67.1%	92.7%
STEVENS	8.0%	42.9%	70.1%	95.0%
THURSTON	1.6%	14.7%	54.4%	94.0%
WAHKIAKUM	N/A	N/A	N/A	N/A
WALLA WALLA	21.9%	48.7%	72.7%	92.0%
WHATCOM	3.0%	11.5%	39.0%	82.2%
WHITMAN	7.2%	31.6%	64.5%	91.4%
YAKIMA	7.6%	41.1%	70.9%	96.1%
Statewide	4.3%	24.0%	53.6%	86.6%

Source: WCRER Estimates

LISTINGS AVAILABLE FOR SALE

State of Washington and Counties End of Third Quarters

County	2004	2005	2006	2007	2008	2009	2010	2011	% Ch 10-11
ADAMS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ASOTIN	308	268	350	416	430	494	796	378	-52.5%
BENTON	1,412	1,435	1,473	1,365	1,421	1,286	1,263	1,500	18.8%
CHELAN	315	243	336	590	494	482	471	462	-1.9%
CLALLAM	N/A	N/A	N/A	657	636	654	555	574	3.4%
CLARK	1,502	2,090	3,064	3,917	4,020	3,114	3,143	2,557	-18.6%
COLUMBIA	N/A	N/A	N/A	N/A	70	60	68	87	27.9%
COWLITZ	363	360	505	673	635	575	570	458	-19.6%
DOUGLAS	N/A	N/A	N/A	N/A	210	190	212	179	-15.6%
FERRY	238	221	223	258	325	385	427	401	-6.1%
FRANKLIN	1,412	1,435	1,473	1,365	1,421	1,286	1,263	1,500	18.8%
GARFIELD	308	268	350	416	430	494	796	378	-52.5%
GRANT	376	330	331	540	569	529	448	459	2.5%
GRAYS HARBOR	376	468	541	702	714	634	720	688	-4.4%
ISLAND	468	517	699	881	861	848	789	705	-10.6%
JEFFERSON	222	235	297	390	411	419	409	402	-1.7%
KING	4,691	4,411	5,423	8,187	8,707	6,918	7,364	5,491	-25.4%
KITSAP	851	988	1,435	1,920	1,820	1,370	1,390	1,304	-6.2%
KITTITAS	231	217	289	498	507	410	344	366	6.4%
KLICKITAT	N/A	N/A	146	167	162	185	197	177	-10.2%
LEWIS	361	355	576	605	725	681	677	609	-10.0%
LINCOLN	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MASON	323	330	554	677	684	591	594	583	-1.9%
OKANOGAN	N/A	N/A	231	253	316	317	320	345	7.8%
PACIFIC	N/A	N/A	N/A	286	299	291	318	326	2.5%
PEND OREILLE	238	221	223	258	325	385	427	401	-6.1%
PIERCE	2,851	3,375	4,806	6,203	5,601	4,611	4,717	3,902	-17.3%
SAN JUAN	160	165	170	276	345	374	304	317	4.3%
SKAGIT	453	499	741	954	952	986	929	805	-13.3%
SKAMANIA	N/A	N/A	75	55	102	91	82	81	-1.2%
SNOHOMISH	2,554	2,448	3,128	4,617	4,362	3,533	3,640	2,676	-26.5%
SPOKANE	1,553	1,573	2,350	2,652	2,849	2,972	2,963	2,722	-8.1%
STEVENS	238	221	223	258	325	385	427	401	-6.1%
THURSTON	706	1,013	1,494	1,665	1,591	1,447	1,384	1,269	-8.3%
WAHIAKUM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WALLA WALLA	N/A	278	333	838	693	599	611	597	-2.3%
WHATCOM	N/A	N/A	1,306	1,308	1,280	1,174	1,209	1,042	-13.8%
WHITMAN	112	98	124	108	127	120	133	152	14.3%
YAKIMA	829	774	1,119	1,255	1,254	1,159	1,189	1,189	0.0%
Statewide	23,451	24,836	34,388	45,210	45,673	40,049	41,149	35,483	-13.8%

Source: WCRER Estimates

MONTH'S SUPPLY OF HOUSING BY PRICE RANGE

State of Washington and Counties
December 2011

County	Under \$80,000	\$80,000-159,999	\$160,000-\$249,999	\$250,000-\$499,999	\$500,000 and above	Total Market	Market 2010	Market 2009
ADAMS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ASOTIN	3.6	6.5	8.6	9.6	N/A	7.8	12.6	7.6
BENTON	3.9	3.8	5.6	8.3	24.3	5.6	4.9	3.5
CHELAN	5.2	7.7	8.7	11.0	15.0	9.7	10.9	9.4
CLALLAM	7.6	5.7	8.5	14.4	48.5	9.8	10.4	11.7
CLARK	3.3	3.7	5.5	10.3	28.1	6.5	9.0	6.3
COLUMBIA	N/A	85.2	55.1	N/A	N/A	72.6	N/A	N/A
COWLITZ	4.8	7.2	8.8	21.0	N/A	8.8	12.0	9.9
DOUGLAS	3.3	5.3	7.1	9.6	N/A	7.7	10.0	7.5
FERRY	6.7	13.3	11.8	39.3	N/A	14.3	22.2	17.0
FRANKLIN	3.9	3.8	5.6	8.3	24.3	5.6	4.9	3.5
GARFIELD	3.6	6.5	8.6	9.6	N/A	7.8	12.6	7.6
GRANT	5.8	9.0	12.3	42.1	N/A	12.5	11.2	9.7
GRAYS HARBOR	3.4	6.4	8.8	11.4	N/A	6.6	14.5	10.8
ISLAND	5.7	5.1	7.1	11.6	22.0	9.7	11.7	9.0
JEFFERSON	6.1	4.7	11.6	22.5	N/A	15.7	18.5	18.0
KING	1.4	3.2	3.5	3.3	4.8	3.7	5.6	4.4
KITSAP	1.8	5.1	6.3	7.7	11.3	6.7	7.2	5.3
KITTITAS	2.0	6.3	8.2	8.9	26.8	8.6	8.9	10.1
KLICKITAT	3.2	5.9	18.6	23.6	N/A	12.3	27.9	15.0
LEWIS	5.0	8.7	15.9	47.2	N/A	13.1	14.8	13.0
LINCOLN	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MASON	6.5	10.2	16.3	3.3	37.1	13.6	14.5	9.4
OKANOGAN	6.4	17.3	17.6	28.6	N/A	19.0	13.3	3.5
PACIFIC	9.8	13.1	21.6	24.0	N/A	15.7	15.4	14.4
PEND OREILLE	6.7	13.3	11.8	39.3	N/A	14.3	22.2	17.0
PIERCE	2.0	4.9	4.8	7.0	23.7	5.4	7.3	6.1
SAN JUAN	N/A	N/A	10.9	23.2	40.7	28.0	23.7	28.0
SKAGIT	2.0	5.5	7.9	13.8	22.2	8.9	10.9	10.8
SKAMANIA	4.6	23.1	17.5	4.7	N/A	19.2	N/A	N/A
SNOHOMISH	2.6	3.3	3.0	4.0	8.1	3.7	6.7	5.4
SPOKANE	3.4	7.1	8.7	12.3	35.3	8.6	9.2	6.5
STEVENS	6.7	13.3	11.8	39.3	N/A	14.3	22.2	17.0
THURSTON	2.0	3.8	5.4	7.6	15.0	5.8	6.5	5.6
WAHKIAKUM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WALLA WALLA	28.7	14.4	11.1	21.2	168.3	17.4	14.2	11.0
WHATCOM	1.8	1.8	2.5	3.9	8.8	3.3	7.6	6.1
WHITMAN	3.8	5.1	5.4	14.1	N/A	6.8	7.0	4.0
YAKIMA	4.8	10.3	11.3	24.0	69.0	11.7	11.3	7.0
Statewide	3.6	5.3	5.6	6.5	8.9	6.0	7.7	6.0

Source: WCRER Estimates

RESIDENTIAL BUILDING PERMITS

State of Washington and Counties Units Authorized

COUNTY	OCT 10		NOV 10		DEC 10		OCT 11		NOV 11		DEC 11		% Change	
	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE
ADAMS														
ASOTIN														
BENTON	39	39	26	24	30	30	83	52	99	53	96	48	192.6%	64.5%
CHELAN	15	15	6	6	7	7	11	11	7	7	4	4	-21.4%	-21.4%
CLALLAM	7	7	8	8	5	5	7	7	7	7	6	6	0.0%	0.0%
CLARK	49	49	61	61	53	53	60	60	118	49	53	46	41.7%	-4.9%
COLUMBIA	0	0	0	0	0	0	0	0	1	1	0	0	N/A	N/A
COWLITZ	13	13	5	5	10	10	5	5	6	6	4	4	-46.4%	-46.4%
DOUGLAS	16	16	9	6	3	3	10	10	11	11	6	6	-3.6%	8.0%
FERRY	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
FRANKLIN	41	41	31	31	43	43	57	44	62	42	58	39	53.9%	8.7%
GARFIELD	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
GRANT														
GRAYS HARBOR	5	5	3	3	6	6	7	7	4	4	3	3	0.0%	0.0%
ISLAND	9	9	9	9	5	5	12	12	13	13	7	7	39.1%	39.1%
JEFFERSON	5	5	4	4	3	3	4	4	4	4	3	3	-8.3%	-8.3%
KING	299	149	407	136	663	142	477	218	375	186	443	164	-5.4%	33.0%
KITSAP	31	31	13	13	5	5	20	20	25	25	19	19	30.6%	30.6%
KITTITAS	9	9	8	8	5	5	9	9	9	9	6	6	9.1%	9.1%
KLICKITAT														
LEWIS	12	4	1	1	23	4	5	5	5	5	5	5	-58.3%	66.7%
LINCOLN														
MASON	8	8	7	7	3	3	8	8	11	11	1	1	11.1%	11.1%
OKANOGAN	9	9	11	11	1	1	8	8	13	13	1	1	4.8%	4.8%
PACIFIC														
PEND OREILLE	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
PIERCE	146	112	132	129	189	137	96	78	159	105	399	110	40.0%	-22.5%
SAN JUAN	7	7	8	8	3	3	6	6	7	7	3	3	-11.1%	-11.1%
SKAGIT	15	15	6	6	16	16	14	14	7	7	15	15	-2.7%	-2.7%
SKAMANIA	2	2	0	0	1	1	4	4	0	0	1	1	66.7%	66.7%
SNOHOMISH	277	166	167	147	148	148	150	136	233	136	214	126	0.8%	-13.7%
SPOKANE	48	48	51	51	94	51	51	47	91	38	30	30	-10.9%	-23.3%
STEVENS	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
THURSTON	84	84	75	75	47	47	59	52	40	33	49	49	-28.2%	-35.0%
WAHKIACUM														
WALLA WALLA	65	5	3	3	7	7	3	3	3	3	0	0	-92.0%	-60.0%
WHATCOM	14	14	15	12	24	14	16	16	11	11	51	12	47.2%	-2.5%
WHITMAN	2	2	2	2	3	3	29	1	3	3	0	0	357.1%	-42.9%
YAKIMA	10	10	6	6	6	6	10	10	2	2	5	5	-22.7%	-22.7%
Statewide	1,237	874	1,074	772	1,403	758	1,221	847	1,326	791	1,482	713	8.5%	-2.2%

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

COUNTY	4th Qtr 2010		3rd Qtr 2011		4th Qtr 2011		% change year ago	
	Total Value	SF Value	Total Value	SF Value	Total Value	SF Value	Total Value	SF Value
ADAMS								
ASOTIN								
BENTON	\$21.1	\$20.8	\$58.9	\$46.5	\$50.8	\$37.7	140.8%	81.4%
CHELAN	\$5.8	\$5.8	\$5.2	\$5.2	\$3.4	\$3.4	-40.5%	-40.5%
CLALLAM	\$4.0	\$4.0	\$5.3	\$5.3	\$4.3	\$4.3	5.9%	5.9%
CLARK	\$42.5	\$42.5	\$58.7	\$51.0	\$49.7	\$42.7	16.8%	0.6%
COLUMBIA	\$0.0	\$0.0	\$0.0	\$0.0	\$0.2	\$0.2	N/A	N/A
COWLITZ	\$5.8	\$5.8	\$5.7	\$5.7	\$3.0	\$3.0	-48.3%	-48.3%
DOUGLAS	\$5.4	\$5.1	\$5.0	\$5.0	\$4.9	\$4.9	-9.5%	-4.2%
FERRY								
FRANKLIN	\$39.3	\$39.3	\$39.7	\$34.2	\$33.0	\$27.2	-16.0%	-30.8%
GARFIELD	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A	N/A
GRANT								
GRAYS HARBOR	\$2.3	\$2.3	\$3.5	\$3.5	\$3.6	\$3.6	57.6%	57.6%
ISLAND	\$4.1	\$4.1	\$9.7	\$9.7	\$6.0	\$6.0	48.4%	48.4%
JEFFERSON	\$2.8	\$2.8	\$4.0	\$4.0	\$2.6	\$2.6	-7.8%	-7.8%
KING	\$233.4	\$110.7	\$335.6	\$199.5	\$219.3	\$154.7	-6.1%	39.8%
KITSAP	\$10.0	\$10.0	\$21.1	\$20.4	\$14.8	\$14.8	47.2%	47.2%
KITTITAS	\$5.1	\$5.1	\$9.6	\$9.4	\$4.3	\$4.3	-15.4%	-15.4%
KLICKITAT								
LEWIS	\$3.9	\$1.0	\$3.3	\$3.3	\$1.9	\$1.9	-50.9%	84.0%
LINCOLN								
MASON	\$3.6	\$3.6	\$7.2	\$7.2	\$3.1	\$3.1	-14.3%	-14.3%
OKANOGAN	\$3.5	\$3.5	\$5.2	\$5.2	\$3.5	\$3.5	1.0%	1.0%
PACIFIC								
PEND OREILLE	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A	N/A
PIERCE	\$103.0	\$92.4	\$136.9	\$98.9	\$113.7	\$70.3	10.3%	-23.9%
SAN JUAN	\$8.9	\$8.9	\$10.7	\$10.7	\$4.8	\$4.8	-46.2%	-46.2%
SKAGIT	\$7.2	\$7.2	\$8.1	\$8.1	\$6.4	\$6.4	-11.3%	-11.3%
SKAMANIA	\$0.8	\$0.8	\$1.9	\$1.9	\$1.1	\$1.1	35.4%	35.4%
SNOHOMISH	\$120.0	\$104.5	\$125.1	\$115.7	\$118.9	\$97.7	-1.0%	-6.5%
SPOKANE	\$31.6	\$28.6	\$85.1	\$37.0	\$32.0	\$25.2	1.4%	-11.7%
STEVENS	\$0.0	\$0.0	\$0.1	\$0.1	\$0.0	\$0.0	N/A	N/A
THURSTON	\$44.0	\$44.0	\$53.8	\$46.1	\$34.7	\$32.7	-21.0%	-25.7%
WAHIAKUM								
WALLA WALLA	\$9.4	\$3.2	\$3.3	\$3.3	\$1.4	\$1.4	-84.9%	-55.1%
WHATCOM	\$10.8	\$9.0	\$15.6	\$14.9	\$14.5	\$9.7	33.7%	8.5%
WHITMAN	\$1.8	\$1.8	\$6.1	\$2.1	\$4.0	\$0.9	125.3%	-48.7%
YAKIMA	\$4.8	\$4.8	\$11.8	\$11.8	\$4.4	\$4.4	-8.9%	-8.9%
Statewide	\$734.9	\$571.5	\$1,036.6	\$765.6	\$744.2	\$572.6	1.3%	0.2%

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.

First Time Buyer Affordability Index 2011:Q4

