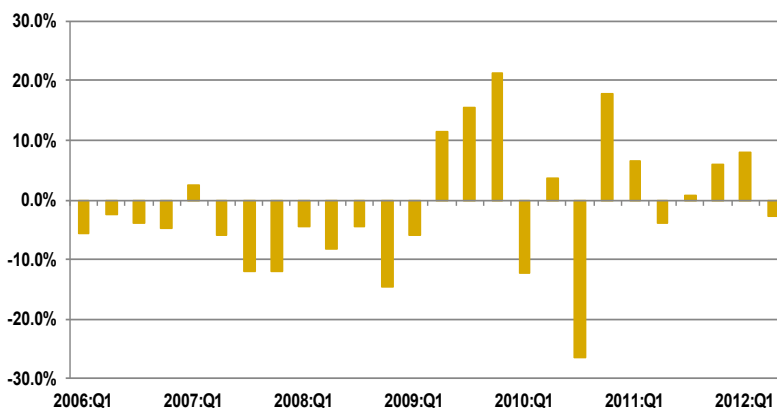




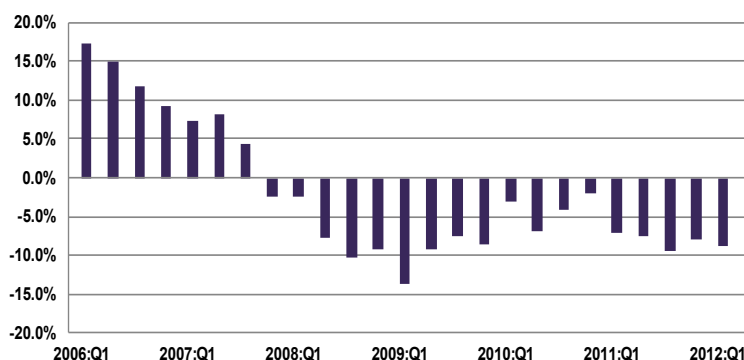
Washington Market Highlights: Second Quarter 2012

- ▶ Existing home sales declined in the second quarter by 2.6 percent to a seasonally adjusted annual rate of 94,510 units, but remained 10.4 percent above a year earlier.
- ▶ Building permit activity increased 22.9 percent from a year earlier, totaling 7,041 new units authorized. Single-family permits increased 30.7 percent.
- ▶ The median price home sold in Washington during the second quarter was \$236,000, 4.0 percent above a year earlier. First year-to-year increase since third quarter of 2007.
- ▶ Housing affordability for both all buyers and first-time buyers backed off record levels despite record low mortgage rates. Despite decline, homes remain very affordable for both all buyers and first-time buyers.
- ▶ Inventories of homes available for sale increased seasonally but remained well below recent years. There were 38,200 homes on the market at the end of June, enough to sustain the market for 6.1 months. Inventory was especially limited in greater Seattle.
- ▶ Seriously delinquent mortgages surprisingly increased by 1,200 to 80,000 problem loans throughout the state.

Change in Home Sales, SAAR



Percent Change in Median Home Price from Year Ago



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

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Survey Description

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

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

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

Data in this report represents closed sales transactions.

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

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

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

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

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

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

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

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

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

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

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

Second Quarter 2012

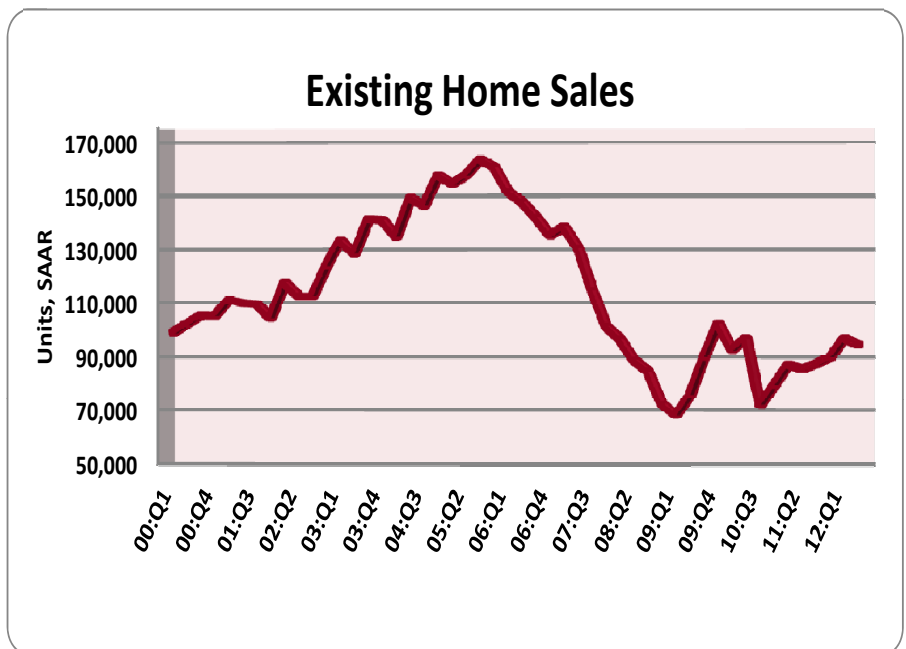
Washington State's Housing Market in the second quarter of 2012 was a bit confusing. Existing home sales were up...and down. Median home prices increased on a year-to-year basis for the first time since 2007. Building permits reached their highest level since the second quarter of 2008. Homes available for sale continued to decline. Seriously delinquent mortgages are still increasing while the pace of completed foreclosures is declining. Mortgage interest rates are at historic lows, but housing affordability actually declined a bit in the second quarter. Combined with an economic recovery which is having a difficult time gaining traction, analyzing the current housing market is challenging.

Home Resales

The real estate industry has been excitedly discussing increasing sales, stabilizing prices and limited inventories of homes available for sale. While these are all true, it is also true that the seasonally adjusted annual rate of home sales in the second quarter was lower than during the first quarter. How can the market be up and down simultaneously?

The answer lies in understanding seasonal adjustment. A seasonally adjusted annual rate describes the number of homes that would be sold in a full year IF the relative sales pace were to continue for an entire year. It is not a forecast. It does not include sales activity in previous periods. It merely compares current activity to established patterns in the past. Data on quarterly home sales in Washington for nearly 20 years has been analyzed for seasonal trends. That analysis indicates how much home sales usually increase from the doldrums of winter to the active markets of spring and early summer. The approach used here is identical to that of Federal statistical agencies as well as the National Association of Realtors®.

There were a total of 26,320 homes sold throughout the state (not seasonally adjusted) during the April through June period this year, nearly 7,600 (10.8 percent) more sales than during the January through March period. Seasonally adjusted annual rates imply those sales would be equivalent to 94,510 homes sold in a year. This seasonally adjusted annual rate is actually 2.6 percent lower than the rate recorded for the first quarter of 2012. The decline means the market did not increase quite as much as usual, but the strong year-to-year increases make clear the state is in the midst of a housing recovery.



Since the housing recession began, only two quarters have seen higher levels of seasonally adjusted home resales than this quarter, and that 94,510 was 10.4 percent above the rate a year ago, clearly reinforcing the conclusion that the housing market is beginning to improve. The quarter-to-quarter decline in the seasonally adjusted data is consistent with other economic data which has been demonstrating that the pace of the overall recovery has slowed after a robust first quarter, especially on the employment front.

Quarter-to-quarter sales increased in 10 of Washington's 39 counties, led by an 11.7 percent jump in Kitsap County. In fact, among the eight counties in the Seattle-Tacoma-Olympia Combined Metropolitan area, only two recorded seasonally adjusted sales decline, meaning that half of the state's stronger housing markets were in greater Seattle.

Smaller counties routinely have the greatest swings in housing market activity when expressed as percentages. The second quarter results again illustrated this very clearly, with the sales rate jumping 30.4 percent in San Juan County, while at the same time declining by 66.7 percent compared to the first quarter in Skamania County. While Skamania County is included in the Portland-Vancouver metropolitan area based on commuting patterns, it remains one of the smallest counties in terms of home sales, with an annual rate of only 50 homes recorded for the second quarter. Excluding all the rural counties from the analysis of extremes, sales ranged from the high in Kitsap County to a 30.4 percent drop in Grant County, which had led the list of positive performers three months ago. It was that exceptionally strong first quarter which could not be sustained that led to the second quarter comparative weakness. The state's largest market, King County, reported a sales rate of 27,450 units, an increase of 3.2 percent compared to the opening months of 2012.

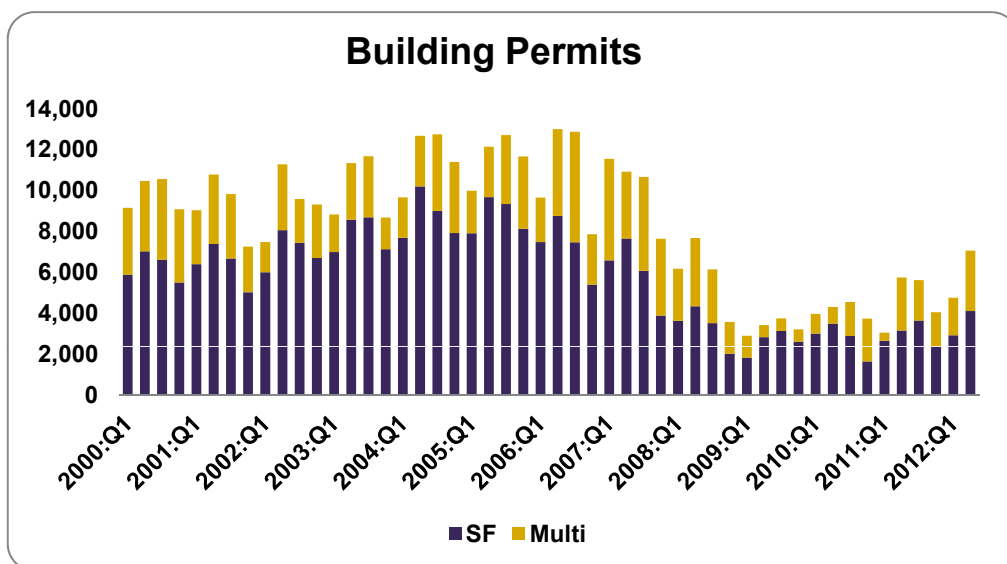
Home sales activity is always concentrated in the urban markets. During the second quarter, 57.8 percent of existing home sales in Washington took place in the five counties traditionally identified as the Seattle-Tacoma metropolitan area. Because of the relative strength of the Seattle area during the second quarter, it represented a larger share of the total market than three months ago. By contrast, the 13 rural counties collectively accounted for only 3.8 percent of sales activity, a number which is marginally higher than their 3.4 percent share of the state's population.

Housing Construction

Building permits for a total of 7,041 housing units were issued during the second quarter of 2012 in the 32 counties where some or all of the permit issuing jurisdictions provide monthly data to the Census Bureau. This represents an increase in permit activity of 22.9 percent compared to the construction rate in the April-June quarter of 2011.

While improving construction permits suggests employment gains in the important construction sector, it is important to examine the composition of the rebound. While the strength of multifamily construction has dominated recent headlines, single-family permits increased 30.7 percent compared to a year ago, while multifamily construction "only" increased 13.5 Percent over the same period. This marks the strongest single-family construction market in quite a while, but indicates that the recovery in apartment construction is also continuing.

Total value of residential building permits issued during the first quarter was \$1,491.1 million, 35.3 percent above a year ago, while the single-family permit value was up 38.9 percent to \$1,053.6 million. Since the value of single-family permits again



increased more rapidly than the number of permits issued, it means that the average construction value per new home is increasing. This is consistent with the relatively strong single-family permit activity in King County, where construction costs are higher than most other parts of the state.

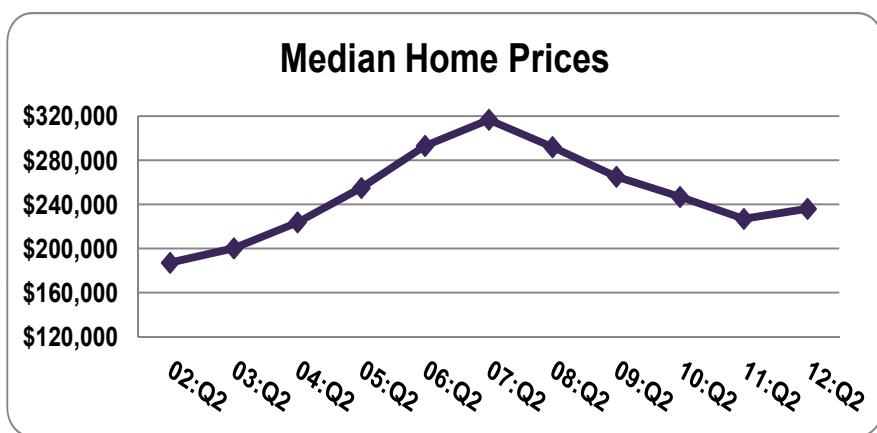
The greatest increase in the total number of building permits issued in percentage terms was 116.7 percent in Whatcom County (Bellingham), followed by a 63.3 percent jump in Clark County. Significantly, both of these urban markets also saw double-digit increases in single-family permits, but those jumps were smaller than the multifamily construction surge. The new construction housing market remains very mixed, however, with 10 of the 32 reporting counties registering reduced total permit activity. Looking solely at single-family construction, 22 counties saw increased permitting. Roughly three-quarters of the building permits reported to the Census bureau were issued in the eight-county greater Seattle area.

Total permit value increased compared to a year ago in 21 counties, led by a doubling in Island County. The dollar value of single-family permits also increased in 21 counties. Three counties (King, Pierce and Snohomish) each recorded more than \$100 million in permit activity during the second quarter, collectively representing 67.6 percent of the statewide construction value. Ten additional counties had at least \$10 million in building permits issued

Home Prices

Home sales prices are computed in a variety of ways, and are reported in a variety of formats. This report relies on the long-standing approach using median sales prices, representing the midpoint of the distribution of all sales, with half the homes selling for more, and half selling for less. Other sources use the so-called repeat sales method, where the same homes are monitored over time to more accurately measure appreciation in home values. Both approach struggle with monitoring changes in the quality of homes, as larger or smaller homes may dominate, or as homeowners make modifications to their homes. Regardless of method, however, the second quarter of 2012 has rather consistently indicated that home prices nationally, and in Washington have been increasing, although there have been counties and neighborhoods where prices are still declining.

The median selling price of a single-family home in Washington during the second quarter was \$236,000. This represents a median price 4.0 percent higher than the second quarter of last year. It has been 18 quarters (4½ years) since the median price registered a year-to-year increase. Before the celebration begins, however, it is important to emphasize that a single observation does not indicate a trend. At least two quarters of increasing medians are required, but it is an encouraging sign that perhaps the housing price declines are mostly in the rear view mirror.



It should be emphasized 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 second quarter median is the highest median recorded for the state since the closing months of 2010.

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 first quarter of 2012 is the most recent available. This measure is a “repeat sales” measure, meaning that it focuses on price changes of properties that have sold more than once, measuring changes in prices. Like most of the repeat sales statistics, the data is released as an index, not a meaningful price, so the change from a year ago is the only meaningful measure. Prices in Washington using this measure declined 5.6 percent in the first quarter compared to a year earlier. Significantly, this was the third poorest price performance in the nation. It is worth noting, however, that many states saw more prolonged and steeper price declines than Washington using the FHFA data.

Median prices ranged from a high of \$370,800 in King to a low of \$72,500 in rural Lincoln County, which reported the only median less than \$100,000. Among the remaining metropolitan population centers, the range was from \$261,400 in Snohomish County to \$128,900 in Cowlitz County (Longview), less than half the median in metro Seattle. The micropolitan areas exhibited variations from a low median of \$115,600 in Grays Harbor County (Aberdeen) to a high of \$242,600 in Island County (Oak Harbor). While these counties are in the same relative positions as last quarter, in both cases the reported median is significantly higher.

Price changes also varied widely. Median prices were lower than a year ago in 17 of Washington’s 39 counties (compared to 29 three months ago). Two small counties (Klickitat and San Juan) registered median price declines of at least 20 percent in the last year. Another small, rural county, Wahkiakum, had the largest jump in median price, 43.8 percent.

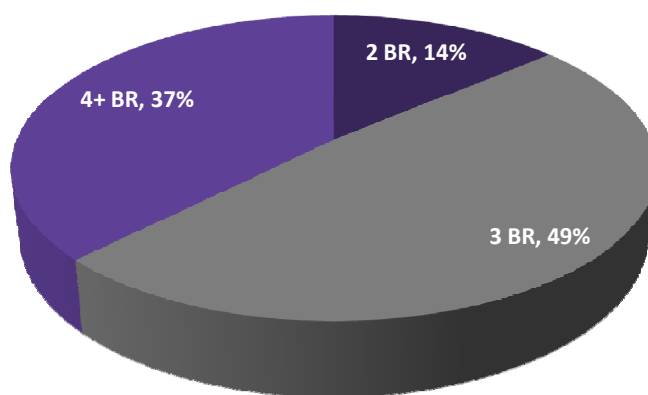
Among the metropolitan counties the range of price changes was a high of an 8.2 percent increase in Snohomish County to a decline of 5.0 percent in Asotin County (Lewiston, ID-WA). Among the nine micropolitan areas, six reported higher median prices, with the Lewis County (Centralia) seeing the greatest increase in the group, 17.0 percent. The micropolitan area with the greatest price decline in the last year was Oak Harbor (Island County), where the median price dropped 4.9 percent from the second quarter of last year.

Prices by Bedroom

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

The median price 2-bedroom single-family home (remember, these statistics do not include condominium apartments) sold statewide during the second quarter was \$151,600, 4.6 percent higher than a year ago. Moving to the much more typical 3-bedroom homes, the median increased 2.9 percent between the second quarters of 2011 and 2012, to \$210,000. Among the homes with four or more bedrooms the median sales price was \$300,600, a jump of 3.6 percent over the last year. These statistics reinforce the impression that housing prices are stabilizing across the board.

**2nd Quarter 2012 Washington Home Sales
by Number of Bedrooms**



Small samples often cause county-level detail on prices by number of bedrooms to exhibit unusual patterns, but larger communities generally have enough sales activity to offset the problems. Accordingly, Washington State's Housing Market limits analysis of the bedroom detail to metropolitan counties only. The median price of a 2-bedroom home in Skagit County declined by 16.1 percent between the second quarters of 2011 and 2012. Meanwhile in Thurston County smaller home prices increased by 23.0 percent. In the 3-bedroom category Skagit County showed the biggest increase (8.5 percent) while Asotin County sustained a 25.0 percent slide. Larger homes experienced a price decline of 28.6 percent in Chelan County with the other extreme an increase of 41.5 percent in Pierce County. The least costly 2-bedroom homes were located in Yakima County. For 3-bedroom homes that distinction passed to Asotin County, which also had the lowest median for larger homes. Regardless of number of bedrooms the most expensive urban homes were found in King County, as usual.

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. Investors, meanwhile focus on their ability to lease the property as a variable rent, or the realistic ability to invest relatively small sums in improving the property, then selling it for a profit. It must be emphasized that this is different from the motivation of the flippers in 2005 who thought they could resell nearly any property at a substantial profit with virtually no risk of either lower prices or slow marketing time. While investors are active in the current market (as evidenced by the large proportion of cash sales), the assessment of affordability focuses on households and families desiring homes for their own residences.

Low mortgage rates have historically driven consumers to purchase homes, especially when those low rates are combined with prices which are lower than have recently prevailed. Prices and mortgage rates combine with income to determine the affordability of housing. Income for the majority of households has continued to increase slowly during the recession and the early stages of the fragile recovery. Thus all three legs of the affordability stool worked to make the affordability of homeownership achieve record highs in recent quarters. However, the overall price increases offset continued declines in mortgage interest rates, resulting in affordability backing off from recent record highs across the state. Many buyers waited for prices to "hit bottom" or for total mortgage payments to stabilize at a low level. Others are waiting for the recovery to take hold and result in significant employment and wage increases. Perhaps the slight decline in affordability will convince hesitant buyers that they need to begin their home search soon, rather than continuing to wait for further declines.

WCER/Runstad calculates two measures of affordability. The all-buyer index measures the degree to which a median income **family** (two or more individuals related by blood, marriage or adoption) can afford mortgage payments on a median price home, assuming a 20 percent downpayment and a 30-year mortgage at prevailing mortgage interest rates. The calculation assumes the family can spend 25 percent of their gross income on principal and interest payments. While there may be some mortgages available in the marketplace with less restrictive terms, these assumptions fairly represent the current home purchase market and can compare affordability to other time periods. This is the same analysis approach which has been used by the National Association of Realtors® since 1982.

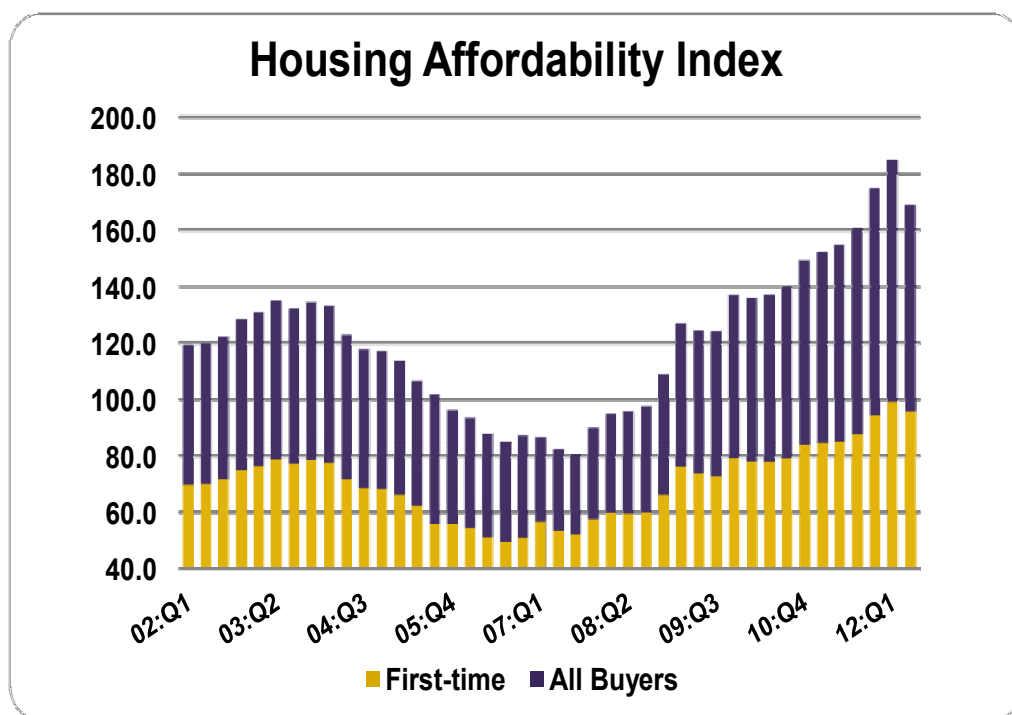
The second measure is the first-time buyer index. It is computed in the same general way, but it assumes a less expensive home (85 percent of median), a lower downpayment (10 percent), lower income (70 percent of median **household** income, including single persons) and a requirement that mortgage insurance be included. While many buyers are still opting for FHA loans which allow lower downpayments or VA or USDA no money down mortgages, those proportions have declined in recent months and the

general affordability assumptions are still appropriate for many, if not most, households looking to purchase their first home.

In the second quarter the statewide all-buyer index was 169.0, meaning the median income family in Washington had 69 percent more income than the minimum required to afford the median price home—a major improvement from the 154.7 recorded a year ago, but significantly lower than the 185.3 registered only three months ago.

The county-level all-buyer affordability measures in the second quarter ranged from a high of 409.1 in Lincoln County to a low of 107.1 in ever-costly San Juan County. This quarter is the second consecutive period when the index has stood above 100 in all 39 counties, reinforcing the finding that housing is consistently affordable throughout the state. Among the metropolitan counties the range was from a low affordability of 131.9 in King County to a high of 250.8 in Cowlitz County. For the micropolitan areas the greatest affordability was in Grays Harbor County (246.6) and the least was in Island County (163.5).

The housing affordability index for first-time buyers statewide in the second quarter was 95.5, up from 84.5 in the second quarter of 2011. Like the all buyer index, the first-time buyer measure backed off from the record high 103.2 achieved in the first quarter. Since an index value of 80 is generally considered to offer meaningful choice and access to ownership housing for first-time buyers, this current market presents a great opportunity for well qualified first-time buyers to enter the ranks of homeowners.



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

The table clearly illustrates how income growth, coupled with ownership of homes with generally increasing values can move a household up the ladder of homeownership (providing they retain the equity in their existing home and avoid home equity loans or second mortgages). When reviewing these calculations the reader should recall that the median family income in the state during the second quarter was \$72,400, although the county-level medians ranged from a low of \$46,050 in Ferry County to a high of \$88,800 in King County. Similarly, household incomes, which tend to be lower by definition, had a statewide value of \$57,579, with county-level incomes ranging from \$36,121 in Okanogan County to a high of \$68,857 in King County. These median income values demonstrate that the first two income/asset categories are more relevant for most state residents.

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

affordability threshold. The affordable share of homes on the market increases for each income/asset group, as expected.

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	\$130,913	\$6,890	\$137,803	14.2%
\$60,000	\$1,250	\$261,827	\$29,091	\$290,918	57.5%
\$90,000	\$1,875	\$392,740	\$98,185	\$490,925	82.5%
\$150,000	\$3,125	\$654,566	\$352,459	\$1,007,025	95.8%

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. Falling inventory levels have reduced the proportions of listings considered affordable for each income group, and the remaining more affordable units may require substantial maintenance and repair.

The statewide data shows 3.5 percent of homes statewide on the market at the end of June were priced under \$80,000 (compared to 3.3 percent a year ago). No more than 2.0 percent of homes on the market are priced less than \$80,000 in eight Washington counties. These statistics emphasize that in many parts of the state modest income households, especially those looking for their first home, still face very limited access to the ownership housing market.

Including homes priced at or below \$160,000 raises the affordable percentage statewide to 20.4 percent. Among the metropolitan counties the proportion of homes priced less than \$160,000 ranged from a low of 4.3 percent in King County to a high of 40.1 percent in Cowlitz County. Both represent a significant decline in lower priced homes compared to three months ago.

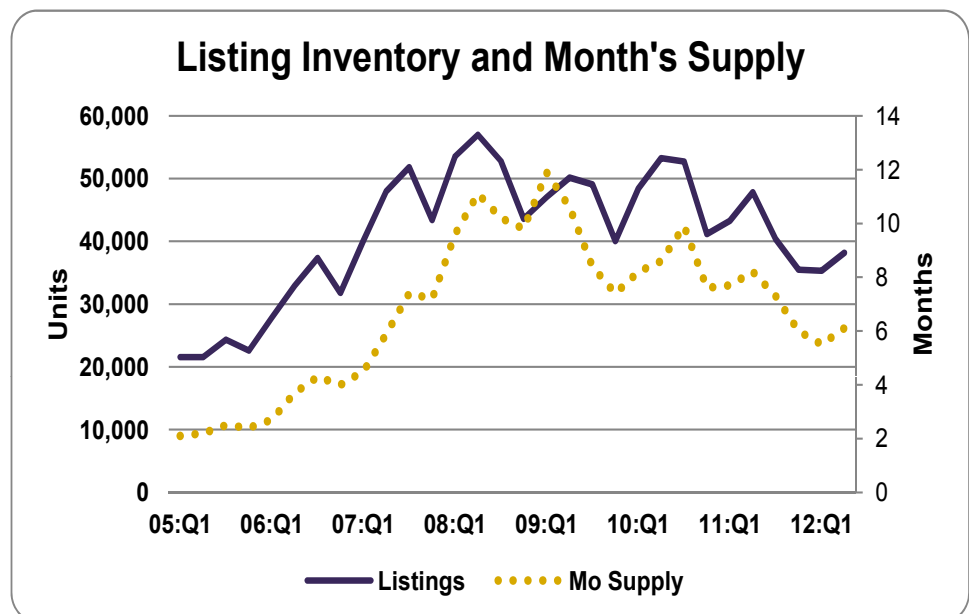
Available Inventory

Economics analyzes demand and supply looking for equilibrium or balance. Existing home sales, discussed earlier, is the measure of demand. Inventory available for sale represents the supply side of the equation. During the period of rapid home sales and escalating prices there was excess demand and very limited supply. During 2008 while sales plummeted, inventories available for sale surged. During the depths of the recession inventories surged. Now inventory available for sale appears somewhat limited again, but potential upward pressure on prices may be tempered by the continuing problem with distressed properties, as will be discussed in more detail shortly.

Listings available for sale throughout Washington, at the end of the June 2012, stood 20.2 percent below the listing inventory a year earlier. There were 38,163 homes listed on the various Multiple Listing Services, a reduction of 9,655 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 5,091 active listings, 37.7 percent fewer than a year earlier. Active listings increased compared to the prior year in only three of the 35 counties for which listing data is available. The most rapid growth of listing inventory was 2.3 percent in Benton/Franklin counties, while the largest reduction in homes available for sale was 45.3 percent in Snohomish County.

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. Three months ago this report asked if the scant inventory would speed the pace of clearing distressed inventory from the market. So far it has not. Stories of multiple offer situations are often heard, especially in greater Seattle. They typically involve homes in desirable neighborhoods which are in move-in condition. So far, those storied have not drawn many potential sellers back to the market.



Listings alone, however, only tell part of the story. They need to be linked to prevailing sales rates to determine how the current availability might influence aggregate housing markets in the months ahead. WCRER/Runstad computes estimates of the month's supply of housing by price range. A month's supply

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

The quarter-end month's supply for Washington was 6.1 months, compared to 8.3 months a year ago. A 5-7 month inventory is considered normal or balanced, consistent with changes in median prices which are similar to overall inflation rates. Accordingly, the current market would usually be characterized as balanced. The assessment of balance in the current market, however, needs to be tempered by the understanding that foreclosure properties may not adequately represented in the listing statistics, and that distressed properties may still dominate some neighborhoods, so the month's supply of homes is not likely to be a good barometer of likely price performance in the short term. While price declines should be anticipated in neighborhoods with a significant level of distressed properties, short inventories will probably lead to price increases in other neighborhoods. The impact on the aggregate market remains difficult to predict.

While the statewide market is "balanced", the same cannot be said for individual local markets or price ranges. Both King and Snohomish counties have extremely limited inventories of homes available for sale, with month's supplies of only 2.9. Accordingly, it is no surprise that stories of bidding wars and rapidly increasing prices are often heard in greater Seattle. Meanwhile, 16 Washington counties still have inventory levels capable of sustaining the current sales rate for at least a year even if no new listings come on the market. These are places which clearly have an excess supply of homes on the market today, where price declines will likely continue throughout the second half, even if they were not dealing with distressed properties. The inventory imbalance was especially clear in several small counties, with Northeast Washington (Stevens/Ferry/Pend Oreille counties) leading the list with a 3-year supply of homes.

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 8.5 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

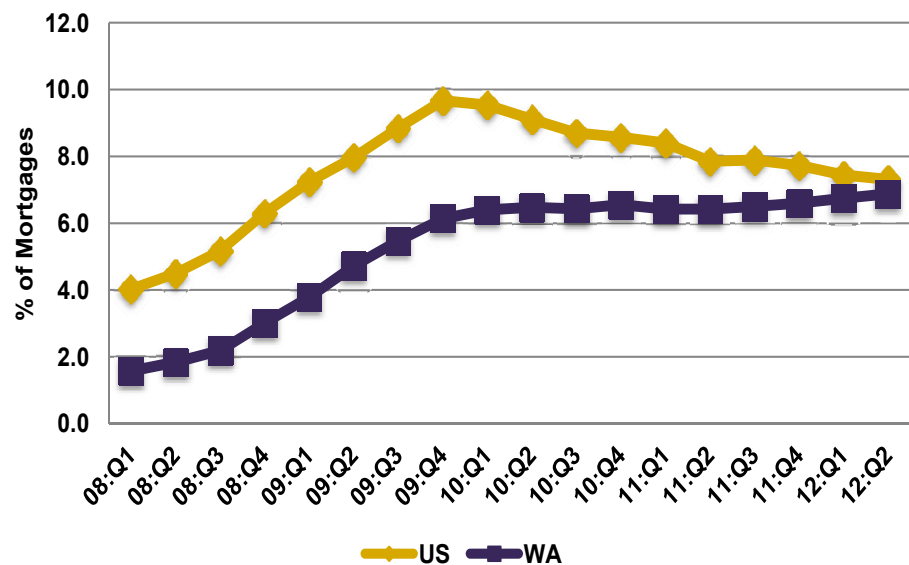
This report has already made clear that the path ahead for housing in Washington remains unclear. In some urban markets the improvement is undeniable, and those communities are large enough to drive overall statewide statistics. However, as an observer looks beyond the immediate Seattle area, the recovery is tenuous at best. Unemployment remains an issue in most communities, and the national statistics continue to show very limited job creation as workers return to the labor force, resulting in higher unemployment rates despite the additional jobs. As governments at all levels continue to shed jobs, communities with high levels of public sector employment continue to face challenging housing markets.

With a strong rental market, rents are rising. Rapid jumps in rents might further tip the balance toward homeownership. WCRER/Runstad data for the first quarter indicated average rents in Washington increased 3.7 percent in the last year. Real estate brokers report that first-time buyers are very active in the market, suggesting the rent/buy decision favors purchasing. The rapid increase in multifamily construction reported in this and previous issues could bring enough additional apartments to the market within a year to change that balance, however.

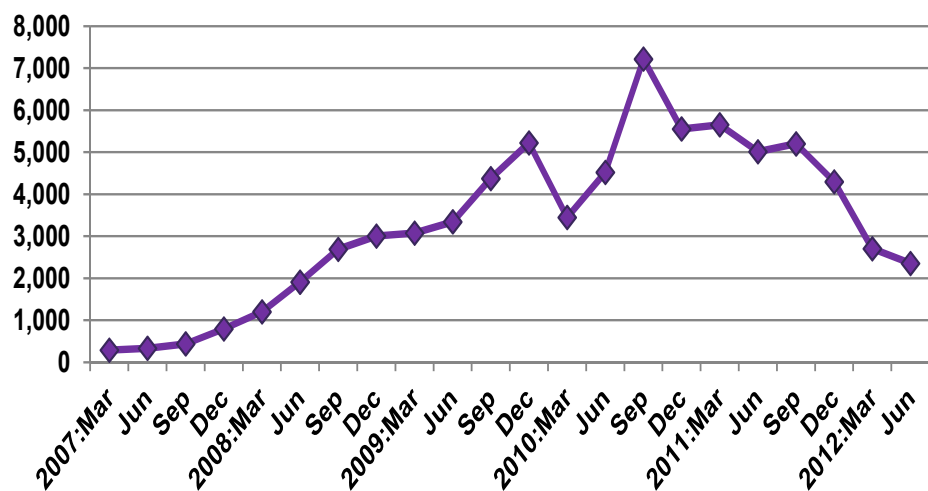
Mortgage interest rates have not been a risk factor for quite a while, and are expected to remain exceptionally low for another year. At the same time, weekly reports suggest the lowest rates are now in the rear view mirror with gradually increasing finance costs in the future. Buyers who were waiting for prices to hit bottom may now be faced with the prospect that both prices and mortgage rates are making their payments higher than they would have been six months ago. This may create a sense of urgency to be a buyer soon, increasing demand before most sellers can prepare their homes for market. The price implications are obvious.

Distressed properties remain 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) continued to increase in Washington, despite the increasing sales which could have cleared some of the problem loans as short sales. At the end of June there were approximately 80,000 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 1,200 mortgages in the last three months. While fewer mortgages are joining the ranks of the seriously delinquent, foreclosure processing remains lengthy. Completed foreclosures so far in 2012 have averaged 888 per month, roughly half the rate seen during 2011.

Serious Delinquency and Foreclosure



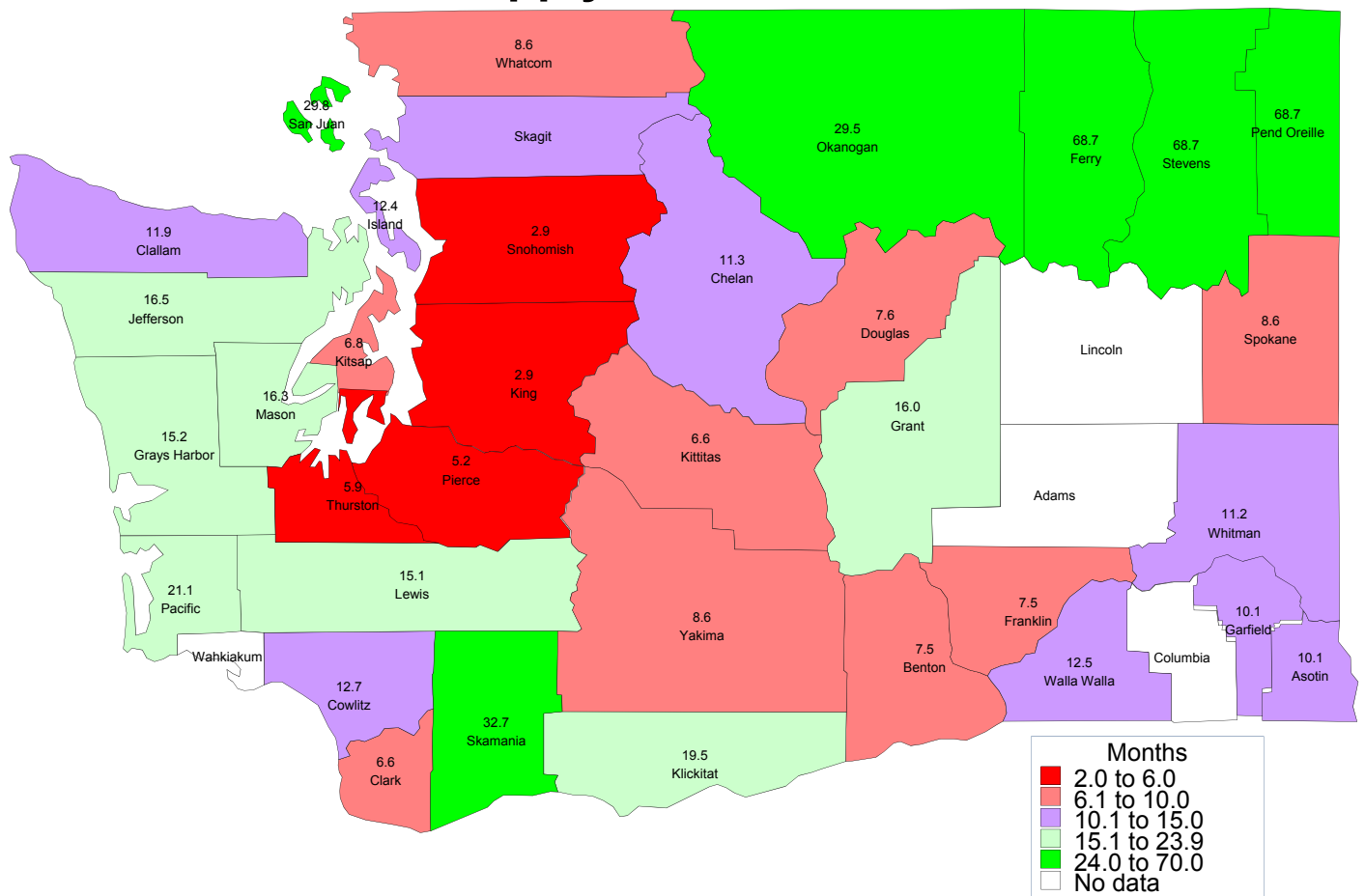
Quarterly Foreclosures Completed in Washington



Source: RealtyTrac (www.realtytrac.com/)

In summary, it is often said that all real estate is local, and that is abundantly clear in this report. Sheer numbers of people and home sales mean that greater Seattle drives the state. Today, the strong Seattle market counterbalances weaknesses in the remainder of the state, producing unclear trends. These mixed messages are likely to continue for some time, unless a flood of foreclosures swamps the market, but that currently appears unlikely. The remainder of the year promises to be interesting.

Month's Supply of Homes on Market



HOUSING MARKET SNAPSHOT

State of Washington and Counties Second Quarter 2012

County	Home Resales (units)			Building Permits		Median Resale Price		Housing Affordability Index (HAI)	First-Time HAI
	SAAR (last qtr)	% Change (year ago)		# % Change (year ago)		\$ % Change (year ago)			
ADAMS	110	-35.3%	-47.6%			\$123,300	-3.1%	204.6	135.0
ASOTIN	300	-28.6%	7.1%			\$156,200	-5.0%	195.3	103.2
BENTON	3,040	-3.2%	1.7%	360	7.5%	\$181,400	4.0%	201.5	127.9
CHELAN	1,160	-20.0%	41.5%	39	14.7%	\$205,000	-4.7%	160.1	95.1
CLALLAM	880	-9.3%	7.3%	25	-16.7%	\$190,000	2.5%	167.3	82.9
CLARK	6,100	-5.0%	0.7%	356	63.3%	\$198,500	4.3%	201.2	109.2
COLUMBIA	80	-11.1%	-27.3%	0	N/A	\$145,000	34.9%	221.8	113.5
COWLITZ	1,140	-15.6%	-27.4%	37	42.3%	\$128,900	-0.8%	250.8	127.6
DOUGLAS	430	4.9%	16.2%	19	-64.2%	\$195,000	-3.0%	164.0	96.3
FERRY	100	-23.1%	-9.1%	0	N/A	\$127,100	-9.2%	199.6	122.2
FRANKLIN	630	-3.1%	3.3%	226	6.1%	\$181,400	4.0%	201.5	102.1
GARFIELD	30	-40.0%	0.0%	1	N/A	\$156,200	-5.0%	175.8	121.8
GRANT	1,170	-30.4%	-13.3%			\$156,000	4.0%	182.7	102.8
GRAYS HARBOR	1,470	-4.5%	12.2%	17	41.7%	\$115,600	2.9%	246.6	139.8
ISLAND	2,770	10.4%	18.4%	34	47.8%	\$242,600	-4.9%	163.5	91.9
JEFFERSON	480	-2.0%	4.3%	14	-26.3%	\$245,300	-0.1%	141.1	75.8
KING	27,450	3.2%	17.2%	3,426	51.5%	\$370,800	6.5%	131.9	72.7
KITSAP	3,450	11.7%	19.8%	119	33.7%	\$242,200	3.1%	170.7	96.4
KITTITAS	1,310	8.3%	28.4%	47	23.7%	\$190,000	-1.3%	181.0	87.8
KLIKITAT	340	-17.1%	25.9%			\$167,500	-21.2%	161.3	96.3
LEWIS	810	9.5%	5.2%	31	-50.8%	\$158,000	17.0%	195.7	99.6
LINCOLN	220	-31.3%	-18.5%			\$72,500	3.6%	409.1	244.8
MASON	990	-18.2%	6.5%	41	17.1%	\$156,200	11.6%	210.9	124.1
OKANOGAN	720	-2.7%	67.4%	30	7.1%	\$161,700	8.2%	173.5	87.4
PACIFIC	230	0.0%	27.8%			\$108,300	-6.6%	266.2	144.2
PEND OREILLE	170	-22.7%	-10.5%	0	-100.0%	\$127,100	-9.2%	206.5	118.2
PIERCE	10,510	-7.9%	-1.7%	750	30.2%	\$195,200	-0.9%	201.0	117.9
SAN JUAN	300	30.4%	76.5%	27	50.0%	\$336,400	-20.4%	107.1	68.4
SKAGIT	1,650	0.6%	10.7%	60	27.7%	\$206,400	4.2%	174.7	110.2
SKAMANIA	50	-66.7%	25.0%	11	-31.3%	\$160,000	28.0%	249.6	133.6
SNOHOMISH	9,390	1.7%	23.1%	646	-24.7%	\$261,400	8.2%	173.3	98.6
SPOKANE	5,860	-15.9%	6.7%	333	-20.1%	\$168,100	4.1%	204.8	113.8
STEVENS	670	-20.2%	-10.7%	1	-50.0%	\$127,100	-9.2%	232.5	133.1
THURSTON	3,830	9.4%	6.7%	197	-1.0%	\$225,600	2.5%	181.9	109.6
WAHIAKUM	100	0.0%	66.7%			\$115,000	43.8%	264.4	159.3
WALLA WALLA	980	-1.0%	18.1%	17	30.8%	\$160,000	-4.5%	198.6	112.0
WHATCOM	2,150	-5.3%	11.4%	130	116.7%	\$259,700	2.6%	142.7	77.5
WHITMAN	400	-23.1%	14.3%	12	20.0%	\$193,300	0.3%	174.7	67.9
YAKIMA	3,040	4.1%	10.5%	35	0.0%	\$161,900	7.4%	173.0	97.7
Statewide	94,510	-2.6%	10.4%	7,041	22.9%	\$236,000	4.0%	169.0	95.5

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	12:Q1	12:Q2	Percent change	
											Last qtr	Year ago
ADAMS	160	130	260	130	340	210	170	130	170	110	-35.3%	-47.6%
ASOTIN	370	540	380	410	360	280	290	320	420	300	-28.6%	7.1%
BENTON	3,640	4,340	2,850	3,100	3,160	2,990	3,010	3,090	3,140	3,040	-3.2%	1.7%
CHELAN	1,000	1,200	930	970	1,220	820	1,090	1,090	1,450	1,160	-20.0%	41.5%
CLALLAM	900	1,080	830	860	970	820	900	960	970	880	-9.3%	7.3%
CLARK	6,280	7,200	4,510	5,270	5,770	6,060	6,130	6,120	6,420	6,100	-5.0%	0.7%
COLUMBIA	140	120	50	110	130	110	80	20	90	80	-11.1%	-27.3%
COWLITZ	1,530	1,390	1,200	1,220	1,350	1,570	1,460	1,350	1,350	1,140	-15.6%	-27.4%
DOUGLAS	390	410	360	390	380	370	470	440	410	430	4.9%	16.2%
FERRY	120	120	100	80	100	110	100	120	130	100	-23.1%	-9.1%
FRANKLIN	750	890	590	640	650	610	620	630	650	630	-3.1%	3.3%
GARFIELD	40	60	40	40	40	30	30	30	50	30	-40.0%	0.0%
GRANT	1,730	1,870	1,240	1,270	1,330	1,350	1,190	1,200	1,680	1,170	-30.4%	-13.3%
GRAYS HARBOR	1,600	1,600	1,320	1,290	1,510	1,310	1,550	1,590	1,540	1,470	-4.5%	12.2%
ISLAND	2,860	2,760	2,350	2,490	2,290	2,340	2,960	2,630	2,510	2,770	10.4%	18.4%
JEFFERSON	410	320	460	390	390	460	370	390	490	480	-2.0%	4.3%
KING	23,680	24,390	17,780	20,460	23,740	23,420	22,760	23,700	26,610	27,450	3.2%	17.2%
KITSAP	3,380	3,580	2,650	2,950	3,010	2,880	2,950	3,020	3,090	3,450	11.7%	19.8%
KITTITAS	1,480	1,320	1,030	1,290	1,150	1,020	1,290	1,460	1,210	1,310	8.3%	28.4%
KLICKITAT	210	270	230	170	430	270	320	320	410	340	-17.1%	25.9%
LEWIS	800	790	500	710	800	770	770	810	740	810	9.5%	5.2%
LINCOLN	310	310	260	220	300	270	240	240	320	220	-31.3%	-18.5%
MASON	1,190	920	730	800	880	930	990	880	1,210	990	-18.2%	6.5%
OKANOGAN	640	590	370	670	450	430	430	420	740	720	-2.7%	67.4%
PACIFIC	210	240	170	210	220	180	200	240	230	230	0.0%	27.8%
PEND OREILLE	200	200	180	150	170	190	170	210	220	170	-22.7%	-10.5%
PIERCE	10,030	10,490	8,220	9,550	10,290	10,690	10,990	10,910	11,410	10,510	-7.9%	-1.7%
SAN JUAN	180	150	120	160	190	170	130	170	230	300	30.4%	76.5%
SKAGIT	1,470	1,770	1,340	1,460	1,620	1,490	1,600	1,620	1,640	1,650	0.6%	10.7%
SKAMANIA	120	140	80	80	130	40	120	100	150	50	-66.7%	25.0%
SNOHOMISH	8,100	8,400	6,600	7,020	7,790	7,630	8,410	9,090	9,230	9,390	1.7%	23.1%
SPOKANE	6,820	7,110	4,710	5,060	5,730	5,490	5,290	5,580	6,970	5,860	-15.9%	6.7%
STEVENS	780	780	680	560	670	750	650	800	840	670	-20.2%	-10.7%
THURSTON	4,070	3,980	3,440	3,630	3,520	3,590	3,450	3,710	3,500	3,830	9.4%	6.7%
WAHIAKUM	60	100	60	60	80	60	50	90	100	100	0.0%	66.7%
WALLA WALLA	1,100	1,080	690	930	960	830	900	790	990	980	-1.0%	18.1%
WHATCOM	2,310	2,130	1,810	1,980	1,930	1,930	2,120	2,120	2,270	2,150	-5.3%	11.4%
WHITMAN	290	380	270	350	350	350	430	450	520	400	-23.1%	14.3%
YAKIMA	3,290	3,920	2,600	2,550	2,750	2,750	2,750	3,020	2,920	3,040	4.1%	10.5%
Statewide	92,640	97,070	71,990	79,680	87,150	85,570	87,430	89,860	97,020	94,510	-2.6%	10.4%

NOTES:

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

EXISTING HOME SALES

State of Washington and Counties Not Seasonally Adjusted

County	Year Total					Year Total				Percent change (Year ago)
	10:Q4	2010	11:Q1	11:Q2	11:Q3	11:Q4	2011	12:Q1	12:Q2	
ADAMS	40	180	60	50	50	40	200	30	30	-40.0%
ASOTIN	100	430	70	80	90	70	310	80	80	0.0%
BENTON	750	3,500	650	830	830	750	3,060	640	850	2.4%
CHELAN	230	1,030	220	250	300	270	1,040	260	350	40.0%
CLALLAM	220	910	190	210	260	250	910	190	230	9.5%
CLARK	1,230	5,810	1,190	1,680	1,730	1,440	6,040	1,320	1,690	0.6%
COLUMBIA	20	100	30	30	20	0	80	20	20	-33.3%
COWLITZ	290	1,330	280	450	400	320	1,450	280	330	-26.7%
DOUGLAS	110	380	70	90	140	120	420	80	100	11.1%
FERRY	20	100	20	30	30	30	110	20	30	0.0%
FRANKLIN	150	710	130	170	170	150	620	130	170	0.0%
GARFIELD	10	50	10	10	10	10	40	10	10	0.0%
GRANT	330	1,510	230	380	340	310	1,260	290	330	-13.2%
GRAYS HARBOR	330	1,440	290	370	410	410	1,480	290	420	13.5%
ISLAND	610	2,600	440	630	860	650	2,580	480	750	19.0%
JEFFERSON	110	390	100	100	110	130	440	100	140	40.0%
KING	4,970	21,430	4,570	6,530	6,490	5,790	23,380	5,110	7,650	17.2%
KITSAP	730	3,130	600	770	840	750	2,960	620	920	19.5%
KITTITAS	320	1,250	210	280	370	370	1,230	230	360	28.6%
Klickitat	40	230	90	80	90	70	330	90	100	25.0%
LEWIS	180	700	170	200	220	200	790	160	210	5.0%
LINCOLN	60	280	50	70	70	60	250	50	60	-14.3%
MASON	190	880	160	260	300	210	930	210	280	7.7%
OKANOGAN	130	550	60	180	120	80	440	90	300	66.7%
PACIFIC	50	210	50	40	60	60	210	50	60	50.0%
PEND OREILLE	40	170	30	50	50	50	180	40	50	0.0%
PIERCE	2,360	9,550	2,090	2,900	3,060	2,710	10,760	2,310	2,840	-2.1%
SAN JUAN	50	160	40	40	40	50	170	50	70	75.0%
SKAGIT	350	1,510	330	410	450	390	1,580	340	460	12.2%
SKAMANIA	20	100	30	10	30	20	90	30	20	100.0%
SNOHOMISH	1,690	7,520	1,600	2,130	2,310	2,210	8,250	1,900	2,610	22.5%
SPOKANE	1,270	5,830	920	1,590	1,580	1,390	5,480	1,120	1,700	6.9%
STEVENS	140	690	110	200	200	200	710	140	180	-10.0%
THURSTON	890	3,760	700	980	970	920	3,570	690	1,040	6.1%
WAHIAKUM	10	70	20	20	10	20	70	20	30	50.0%
WALLA WALLA	260	940	170	210	250	220	850	170	250	19.0%
WHATCOM	470	2,030	360	540	620	510	2,030	420	600	11.1%
WHITMAN	60	330	50	140	120	80	390	80	150	7.1%
YAKIMA	630	3,100	560	770	750	750	2,830	590	850	10.4%
Statewide	19,460	84,890	16,950	23,760	24,750	22,060	87,520	18,730	26,320	10.8%

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	12:Q1	12:Q2	% Ch Q2
ADAMS	\$120,000	\$123,900	\$114,000	\$127,300	\$106,000	\$126,700	\$121,500	\$117,500	\$123,300	-3.1%
ASOTIN	\$142,700	\$147,800	\$128,900	\$164,500	\$156,500	\$163,100	\$155,200	\$128,000	\$156,200	-5.0%
BENTON	\$182,400	\$177,500	\$175,400	\$174,400	\$181,300	\$174,800	\$176,700	\$177,800	\$181,400	4.0%
CHELAN	\$220,600	\$224,900	\$207,300	\$215,000	\$219,000	\$220,000	\$218,400	\$215,900	\$205,000	-4.7%
CLALLAM	\$204,200	\$206,400	\$176,400	\$185,300	\$177,100	\$179,000	\$180,000	\$169,300	\$190,000	2.5%
CLARK	\$201,700	\$212,500	\$194,200	\$190,400	\$189,800	\$184,400	\$189,800	\$174,800	\$198,500	4.3%
COLUMBIA	\$89,500	\$125,000	\$129,100	\$107,500	\$92,500	\$194,000	\$130,000	\$147,500	\$145,000	34.9%
COWLITZ	\$149,300	\$155,000	\$140,500	\$130,000	\$145,000	\$136,300	\$139,500	\$131,300	\$128,900	-0.8%
DOUGLAS	\$200,000	\$210,500	\$225,000	\$201,000	\$198,000	\$195,000	\$203,700	\$193,700	\$195,000	-3.0%
FERRY	\$140,000	\$144,300	\$130,000	\$140,000	\$155,000	\$150,000	\$146,900	\$101,400	\$127,100	-9.2%
FRANKLIN	\$182,400	\$177,500	\$175,400	\$174,400	\$181,300	\$174,800	\$176,700	\$177,800	\$181,400	4.0%
GARFIELD	\$142,700	\$147,800	\$128,900	\$164,500	\$156,500	\$163,100	\$155,200	\$128,000	\$156,200	-5.0%
GRANT	\$157,000	\$160,000	\$158,900	\$150,000	\$160,000	\$144,000	\$154,100	\$160,700	\$156,000	4.0%
GRAYS HARBOR	\$136,000	\$135,000	\$121,500	\$112,300	\$126,000	\$115,000	\$120,000	\$87,500	\$115,600	2.9%
ISLAND	\$252,500	\$260,000	\$239,800	\$255,000	\$250,000	\$243,000	\$249,900	\$212,500	\$242,600	-4.9%
JEFFERSON	\$254,900	\$265,000	\$260,000	\$245,500	\$238,000	\$196,000	\$238,000	\$227,900	\$245,300	-0.1%
KING	\$369,900	\$375,000	\$345,000	\$348,300	\$350,000	\$320,000	\$340,000	\$322,400	\$370,800	6.5%
KITSAP	\$236,000	\$240,000	\$235,000	\$235,000	\$235,500	\$230,000	\$235,000	\$212,500	\$242,200	3.1%
KITTITAS	\$228,000	\$214,000	\$205,000	\$192,500	\$181,000	\$192,000	\$188,500	\$180,000	\$190,000	-1.3%
KLICKITAT	\$193,300	\$198,800	\$202,300	\$212,500	\$176,700	\$130,000	\$180,000	\$176,700	\$167,500	-21.2%
LEWIS	\$145,000	\$154,300	\$137,500	\$135,000	\$141,100	\$134,000	\$139,900	\$129,200	\$158,000	17.0%
LINCOLN	\$85,000	\$73,600	\$45,000	\$70,000	\$95,000	\$50,000	\$71,700	\$62,500	\$72,500	3.6%
MASON	\$164,900	\$165,000	\$154,500	\$140,000	\$142,000	\$144,000	\$145,000	\$141,000	\$156,200	11.6%
OKANOGAN	\$185,000	\$169,000	\$153,800	\$149,500	\$166,500	\$150,000	\$160,000	\$140,000	\$161,700	8.2%
PACIFIC	\$113,500	\$128,000	\$119,500	\$116,000	\$107,900	\$131,900	\$120,000	\$101,400	\$108,300	-6.6%
PEND OREILLE	\$140,000	\$144,300	\$130,000	\$140,000	\$155,000	\$150,000	\$146,200	\$101,400	\$127,100	-9.2%
PIERCE	\$212,000	\$220,000	\$199,900	\$197,000	\$192,500	\$185,000	\$194,000	\$175,900	\$195,200	-0.9%
SAN JUAN	\$495,000	\$422,500	\$442,500	\$422,500	\$345,000	\$425,000	\$405,000	\$320,000	\$336,400	-20.4%
SKAGIT	\$228,300	\$223,000	\$204,700	\$198,000	\$204,000	\$200,000	\$202,800	\$184,100	\$206,400	4.2%
SKAMANIA	\$155,000	\$160,000	\$150,000	\$125,000	\$185,000	\$170,000	\$166,000	\$190,000	\$160,000	28.0%
SNOHOMISH	\$262,700	\$275,000	\$245,000	\$241,500	\$240,000	\$240,000	\$243,000	\$234,700	\$261,400	8.2%
SPOKANE	\$168,500	\$172,700	\$162,600	\$161,500	\$166,800	\$158,100	\$164,600	\$158,100	\$168,100	4.1%
STEVENS	\$140,000	\$144,300	\$130,000	\$140,000	\$155,000	\$150,000	\$146,900	\$101,400	\$127,100	-9.2%
THURSTON	\$224,900	\$230,000	\$209,500	\$220,000	\$223,600	\$215,000	\$219,500	\$213,200	\$225,600	2.5%
WAHIAKUM	\$135,000	\$148,000	\$148,300	\$80,000	\$62,500	\$225,000	\$95,000	\$90,000	\$115,000	43.8%
WALLA WALLA	\$171,000	\$180,000	\$164,900	\$167,500	\$180,000	\$163,400	\$170,900	\$150,000	\$160,000	-4.5%
WHATCOM	\$250,000	\$250,000	\$245,200	\$253,000	\$244,000	\$230,000	\$241,500	\$232,800	\$259,700	2.6%
WHITMAN	\$183,700	\$201,700	\$170,000	\$192,700	\$193,300	\$173,300	\$186,600	\$176,700	\$193,300	0.3%
YAKIMA	\$154,300	\$151,500	\$140,800	\$150,700	\$146,000	\$147,400	\$145,300	\$137,200	\$161,900	7.4%
Statewide	\$238,800	\$246,300	\$228,100	\$226,900	\$225,300	\$217,000	\$224,180	\$208,300	\$236,000	4.0%

Source: WCRER Estimates

HOME PRICES BY NUMBER OF BEDROOMS

State of Washington and Counties Second Quarters

County	2 Bedroom			3 Bedroom			4 or More Bedrooms		
	2011	2012	% ch	2011	2012	% ch	2011	2012	% ch
ADAMS	\$35,000	N/A	N/A	\$135,500	\$95,000	-29.9%	\$120,000	\$0	-100.0%
ASOTIN	\$103,300	\$105,000	1.6%	\$160,000	\$120,000	-25.0%	\$183,300	\$165,000	-10.0%
BENTON	\$104,300	\$105,400	1.1%	\$165,300	\$167,500	1.3%	\$228,800	\$229,000	0.1%
CHELAN	\$143,300	\$146,000	1.9%	\$225,000	\$184,000	-18.2%	\$342,900	\$245,000	-28.6%
CLALLAM	\$168,300	\$165,000	-2.0%	\$193,600	\$200,000	3.3%	\$190,000	\$237,500	25.0%
CLARK	\$118,000	\$99,400	-15.8%	\$163,000	\$175,000	7.4%	\$252,600	\$262,900	4.1%
COLUMBIA	N/A	N/A	N/A	N/A	\$146,700	N/A	N/A	\$140,000	N/A
COWLITZ	\$77,500	\$47,500	-38.7%	\$130,000	\$133,300	2.5%	\$175,000	\$182,500	4.3%
DOUGLAS	\$95,000	\$95,000	0.0%	\$204,200	\$190,000	-7.0%	\$240,000	\$225,000	-6.3%
FERRY	\$95,000	\$110,000	15.8%	\$156,000	\$262,500	68.3%	\$166,700	\$95,000	-43.0%
FRANKLIN	\$104,300	\$105,400	1.1%	\$165,300	\$167,500	1.3%	\$228,800	\$229,000	0.1%
GARFIELD	\$103,300	\$105,000	1.6%	\$160,000	\$120,000	-25.0%	\$183,300	\$165,000	-10.0%
GRANT	\$102,000	\$107,500	5.4%	\$148,000	\$150,900	2.0%	\$197,500	\$202,300	2.4%
GRAYS HARBOR	\$86,200	\$80,000	-7.2%	\$110,000	\$126,400	14.9%	\$153,800	\$130,000	-15.5%
ISLAND	\$238,300	\$230,400	-3.3%	\$242,500	\$241,700	-0.3%	\$300,000	\$270,800	-9.7%
JEFFERSON	\$180,700	\$245,000	35.6%	\$254,500	\$229,500	-9.8%	\$281,000	\$350,000	24.6%
KING	\$260,000	\$278,800	7.2%	\$310,000	\$321,900	3.8%	\$445,000	\$458,000	2.9%
KITSAP	\$156,800	\$165,600	5.6%	\$238,000	\$243,700	2.4%	\$300,800	\$293,700	-2.4%
KITTITAS	\$125,000	\$136,000	8.8%	\$193,000	\$192,000	-0.5%	\$330,000	\$318,700	-3.4%
Klickitat	\$190,000	\$126,700	-33.3%	\$216,700	\$180,000	-16.9%	\$316,700	\$225,000	-29.0%
LEWIS	\$67,500	\$95,000	40.7%	\$142,000	\$165,000	16.2%	\$195,000	\$212,500	9.0%
LINCOLN	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MASON	\$120,200	\$120,000	-0.2%	\$146,000	\$150,000	2.7%	\$140,000	\$186,700	33.4%
OKANOGAN	\$120,000	\$136,700	13.9%	\$147,300	\$142,500	-3.3%	\$210,000	\$241,700	15.1%
PACIFIC	\$114,000	\$91,700	-19.6%	\$127,500	\$135,000	5.9%	\$121,000	\$180,000	48.8%
PEND OREILLE	\$95,000	\$110,000	15.8%	\$156,000	\$262,500	68.3%	\$166,700	\$95,000	-43.0%
PIERCE	\$117,500	\$106,500	-9.4%	\$182,000	\$178,200	-2.1%	\$166,700	\$235,800	41.5%
SAN JUAN	\$380,000	\$275,000	-27.6%	\$460,000	\$350,000	-23.9%	\$231,500	\$750,000	224.0%
SKAGIT	\$137,000	\$115,000	-16.1%	\$189,500	\$205,600	8.5%	\$985,000	\$256,800	-73.9%
SKAMANIA	\$65,000	\$150,000	130.8%	\$140,000	\$160,000	14.3%	N/A	N/A	N/A
SNOHOMISH	\$150,000	\$151,200	0.8%	\$219,900	\$231,200	5.1%	\$305,000	\$318,600	4.5%
SPOKANE	\$96,400	\$85,600	-11.2%	\$152,400	\$150,400	-1.3%	\$200,300	\$190,300	-5.0%
STEVENS	\$95,000	\$110,000	15.8%	\$156,000	\$262,500	68.3%	\$166,700	\$95,000	-43.0%
THURSTON	\$153,300	\$188,600	23.0%	\$204,000	\$207,200	1.6%	\$270,500	\$266,900	-1.3%
WAHIAKUM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WALLA WALLA	N/A	\$99,000	N/A	N/A	\$160,000	N/A	N/A	\$240,600	N/A
WHATCOM	\$170,000	\$180,000	5.9%	\$250,000	\$252,600	1.0%	\$315,000	\$315,700	0.2%
WHITMAN	\$103,300	\$95,000	-8.0%	\$185,700	\$180,000	-3.1%	\$219,600	\$275,000	25.2%
YAKIMA	\$76,200	\$83,300	9.3%	\$156,200	\$144,400	-7.6%	\$232,100	\$229,200	-1.2%
Statewide	\$144,900	\$151,600	4.6%	\$204,100	\$210,000	2.9%	\$290,200	\$300,600	3.6%

Source: WCRER Estimates

HOUSING AFFORDABILITY INDEX

State of Washington and Counties Second Quarter 2012

County	Median Price	Mortgage Rate	Monthly Payment	Median Family Income	HAI	Starter Monthly Payment	Median Household Income	First Time HAI
ADAMS	\$123,300	3.92%	\$466	\$45,800	204.6	\$460	\$42,561	135.0
ASOTIN	\$156,200	3.92%	\$591	\$55,400	195.3	\$582	\$41,196	103.2
BENTON	\$181,400	3.92%	\$686	\$66,350	201.5	\$676	\$59,323	127.9
CHELAN	\$205,000	3.92%	\$775	\$59,600	160.1	\$764	\$49,822	95.1
CLALLAM	\$190,000	3.92%	\$719	\$57,700	167.3	\$708	\$40,239	82.9
CLARK	\$198,500	3.92%	\$751	\$72,500	201.2	\$740	\$55,405	109.2
COLUMBIA	\$145,000	3.92%	\$548	\$58,400	221.8	\$541	\$42,056	113.5
COWLITZ	\$128,900	3.92%	\$488	\$58,700	250.8	\$480	\$42,042	127.6
DOUGLAS	\$195,000	3.92%	\$738	\$58,050	164.0	\$727	\$48,016	96.3
FERRY	\$127,100	3.92%	\$481	\$46,050	199.6	\$474	\$39,697	122.2
FRANKLIN	\$181,400	3.92%	\$686	\$66,350	201.5	\$676	\$47,321	102.1
GARFIELD	\$156,200	3.92%	\$591	\$49,850	175.8	\$582	\$48,630	121.8
GRANT	\$156,000	3.92%	\$590	\$51,750	182.7	\$582	\$40,978	102.8
GRAYS HARBOR	\$115,600	3.92%	\$437	\$51,750	246.6	\$431	\$41,317	139.8
ISLAND	\$242,600	3.92%	\$918	\$72,000	163.5	\$904	\$57,003	91.9
JEFFERSON	\$245,300	3.92%	\$928	\$62,850	141.1	\$914	\$47,533	75.8
KING	\$370,800	3.92%	\$1,403	\$88,800	131.9	\$1,382	\$68,857	72.7
KITSAP	\$242,200	3.92%	\$916	\$75,050	170.7	\$903	\$59,681	96.4
KITTITAS	\$190,000	3.92%	\$719	\$62,450	181.0	\$708	\$42,623	87.8
KLICKITAT	\$167,500	3.92%	\$634	\$49,050	161.3	\$624	\$41,233	96.3
LEWIS	\$158,000	3.92%	\$598	\$56,150	195.7	\$589	\$40,212	99.6
LINCOLN	\$72,500	3.92%	\$274	\$53,850	409.1	\$270	\$45,366	244.8
MASON	\$156,200	3.92%	\$591	\$59,800	210.9	\$582	\$49,564	124.1
OKANOGAN	\$161,700	3.92%	\$612	\$50,950	173.5	\$603	\$36,121	87.4
PACIFIC	\$108,300	3.92%	\$410	\$52,350	266.2	\$404	\$39,908	144.2
PEND OREILLE	\$127,100	3.92%	\$481	\$47,650	206.5	\$474	\$38,385	118.2
PIERCE	\$195,200	3.92%	\$738	\$71,250	201.0	\$728	\$58,816	117.9
SAN JUAN	\$336,400	3.92%	\$1,272	\$65,400	107.1	\$1,254	\$58,804	68.4
SKAGIT	\$206,400	3.92%	\$781	\$65,450	174.7	\$769	\$58,122	110.2
SKAMANIA	\$160,000	3.92%	\$605	\$72,500	249.6	\$596	\$54,644	133.6
SNOHOMISH	\$261,400	3.92%	\$989	\$82,250	173.3	\$974	\$65,888	98.6
SPOKANE	\$168,100	3.92%	\$636	\$62,500	204.8	\$627	\$48,893	113.8
STEVENS	\$127,100	3.92%	\$481	\$53,650	232.5	\$474	\$43,247	133.1
THURSTON	\$225,600	3.92%	\$853	\$74,500	181.9	\$841	\$63,197	109.6
WAHIAKUM	\$115,000	3.92%	\$435	\$55,200	264.4	\$429	\$46,828	159.3
WALLA WALLA	\$160,000	3.92%	\$605	\$57,700	198.6	\$596	\$45,809	112.0
WHATCOM	\$259,700	3.92%	\$982	\$67,300	142.7	\$968	\$51,438	77.5
WHITMAN	\$193,300	3.92%	\$731	\$61,300	174.7	\$721	\$33,527	67.9
YAKIMA	\$161,900	3.92%	\$612	\$50,850	173.0	\$603	\$40,439	97.7
Statewide	\$236,000	3.92%	\$893	\$72,400	169.0	\$880	\$57,579	95.5

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	12:Q1	12:Q2
ADAMS	178.8	191.9	209.5	193.3	188.9	205.3	205.8	182.4	221.0	189.4	207.9	204.6
ASOTIN	170.7	180.3	184.8	171.4	179.1	195.0	209.1	164.9	177.8	177.9	230.8	195.3
BENTON	174.5	187.2	176.3	180.4	178.7	180.6	182.5	185.2	183.4	198.9	199.0	201.5
CHELAN	124.2	124.4	119.7	129.5	130.2	135.3	139.0	134.4	134.9	139.5	146.0	160.1
CLALLAM	118.1	130.2	125.7	127.9	141.1	138.2	156.0	150.5	162.6	168.9	181.7	167.3
CLARK	148.6	161.9	154.8	158.7	165.4	178.9	180.4	185.6	191.5	206.0	221.2	201.2
COLUMBIA	194.4	200.5	206.7	256.3	154.6	326.7	219.6	265.6	317.0	157.7	211.1	221.8
COWLITZ	162.2	175.1	184.0	173.9	182.1	197.2	203.1	220.9	203.4	225.6	238.4	250.8
DOUGLAS	110.8	136.2	127.5	119.8	136.2	145.5	124.8	140.1	145.4	153.4	158.5	164.0
FERRY	152.2	149.8	171.9	146.8	159.6	169.1	175.3	162.9	150.1	160.7	242.1	199.6
FRANKLIN	174.5	187.2	176.3	180.4	178.7	180.6	182.5	185.2	183.4	198.9	199.0	201.5
GARFIELD	170.5	179.6	184.0	170.5	178.0	193.6	202.7	156.0	164.2	160.1	207.7	175.8
GRANT	136.4	164.4	151.9	148.4	153.1	163.3	156.9	167.8	162.0	188.3	171.7	182.7
GRAYS HARBOR	173.6	181.3	174.5	188.6	190.9	190.4	206.7	225.2	206.2	235.8	315.4	246.6
ISLAND	117.4	123.0	123.8	125.2	128.1	136.9	141.2	135.2	143.1	155.2	180.7	163.5
JEFFERSON	105.4	91.4	104.0	101.5	118.4	118.7	113.9	122.7	131.3	167.9	147.0	141.1
KING	104.2	110.0	111.5	110.5	110.4	119.1	124.0	124.0	127.0	145.2	146.8	131.9
KITSAP	132.6	140.6	145.4	146.2	139.7	154.4	151.5	153.7	158.7	170.9	188.3	170.7
KITTITAS	128.9	124.5	136.3	142.1	125.5	134.7	145.9	157.2	172.4	170.3	185.0	181.0
KLICKITAT	130.5	143.2	107.3	130.2	137.3	137.9	125.2	117.6	142.3	197.6	148.0	161.3
LEWIS	151.8	165.6	182.5	158.7	160.9	186.6	192.7	199.6	198.0	219.7	231.8	195.7
LINCOLN	N/A	N/A	N/A	N/A	N/A	322.6	588.3	379.3	285.9	564.4	459.5	409.1
MASON	151.9	172.5	173.3	168.6	155.7	179.2	186.0	207.4	210.8	217.6	226.2	210.9
OKANOGAN	129.5	131.7	132.7	136.9	135.9	127.4	151.6	160.3	150.7	177.9	194.1	173.5
PACIFIC	155.0	158.5	192.2	184.2	190.8	230.0	212.0	220.2	243.4	208.0	275.3	266.2
PEND OREILLE	158.5	155.3	178.3	152.3	165.7	175.6	181.9	168.8	155.5	166.3	250.5	206.5
PIERCE	137.9	149.1	152.9	150.6	153.1	166.4	171.6	175.9	185.4	201.9	216.1	201.0
SAN JUAN	60.4	75.3	86.5	98.6	83.7	69.5	74.5	77.6	96.4	80.7	109.0	107.1
SKAGIT	122.2	132.4	134.6	132.0	140.4	139.4	151.9	159.3	159.9	171.4	189.6	174.7
SKAMANIA	153.1	171.5	211.0	216.8	176.4	232.8	233.6	282.7	196.5	223.4	203.5	249.6
SNOHOMISH	124.0	133.9	136.9	137.5	145.0	155.3	161.8	165.6	171.5	179.3	186.8	173.3
SPOKANE	156.7	170.4	169.9	169.2	165.7	181.4	183.3	187.0	187.1	207.2	210.9	204.8
STEVENS	170.4	167.3	192.3	164.3	178.9	189.7	198.6	186.3	173.3	187.4	282.2	232.5
THURSTON	133.3	148.4	148.3	147.8	148.7	162.0	169.6	163.6	166.3	181.6	186.4	181.9
WAHIAKUM	156.5	284.9	176.0	205.1	154.8	234.6	200.4	361.8	459.4	128.5	327.0	264.4
WALLA WALLA	158.4	163.6	153.7	150.8	165.2	173.7	173.4	170.7	162.1	185.0	205.1	198.6
WHATCOM	117.7	122.9	128.1	123.9	122.8	130.6	130.1	128.0	137.3	153.2	154.1	142.7
WHITMAN	152.8	151.7	135.0	134.8	134.4	162.2	171.2	153.3	158.1	185.4	185.0	174.7
YAKIMA	152.6	168.2	166.0	160.3	165.0	166.9	176.8	165.9	175.4	180.7	197.6	173.0
Statewide	124.1	136.8	135.9	136.9	140.2	149.4	152.2	154.7	160.7	174.8	185.3	169.0

Source: WCRER Estimates

NOTES:

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

HOUSING AFFORDABILITY

State of Washington and Counties First Time Buyers, Time Trend

County	09:Q3	09:Q4	10:Q1	10:Q2	10:Q3	10:Q4	11:Q1	11:Q2	11:Q3	11:Q4	12:Q1	12:Q2
ADAMS	108.3	117.5	127.4	116.7	113.2	122.1	124.2	111.5	136.9	121.5	135.3	135.0
ASOTIN	90.6	95.5	97.3	89.6	93.0	100.6	107.7	84.8	91.2	92.3	120.9	103.2
BENTON	112.9	120.3	114.0	117.3	116.8	118.7	120.3	122.5	121.6	130.0	128.2	127.9
CHELAN	73.8	72.9	69.0	73.5	72.7	74.3	76.0	73.2	73.2	78.9	84.6	95.1
CLALLAM	60.3	64.2	61.9	62.9	69.3	67.8	75.9	72.5	77.7	81.4	88.9	82.9
CLARK	83.8	89.5	85.3	87.2	90.5	97.5	98.2	100.8	103.8	111.7	120.0	109.2
COLUMBIA	97.4	100.4	102.1	125.0	74.3	154.9	103.0	123.2	145.4	75.2	104.4	113.5
COWLITZ	84.5	87.5	92.0	87.0	91.1	98.7	101.7	110.8	102.0	113.9	120.8	127.6
DOUGLAS	64.8	80.9	75.1	69.9	78.7	83.2	71.6	80.5	83.8	89.8	93.0	96.3
FERRY	88.4	88.7	100.4	84.5	90.6	94.5	97.5	90.1	82.5	92.3	143.7	122.2
FRANKLIN	94.3	100.2	96.6	101.0	102.2	105.4	108.5	112.0	112.8	115.1	108.0	102.1
GARFIELD	101.9	108.9	110.0	100.5	103.5	110.9	117.8	91.9	98.0	102.5	138.5	121.8
GRANT	84.5	96.4	89.7	88.2	91.5	98.3	94.9	102.1	99.0	111.9	99.3	102.8
GRAYS HARBOR	97.0	101.4	97.2	104.6	105.3	104.6	113.0	122.6	111.7	129.9	176.3	139.8
ISLAND	68.6	70.4	70.5	71.0	72.2	76.7	77.8	73.1	76.0	83.6	99.5	91.9
JEFFERSON	57.4	50.0	56.3	54.3	62.5	62.0	58.4	61.7	64.7	84.8	76.6	75.8
KING	58.1	60.2	60.7	59.9	59.4	63.7	66.0	65.7	66.9	77.7	79.7	72.7
KITSAP	77.4	80.2	81.9	81.4	76.7	83.7	80.7	80.3	81.4	90.3	103.0	96.4
KITTITAS	63.9	62.2	67.6	70.0	61.3	65.3	70.2	75.1	81.7	81.2	89.0	87.8
Klickitat	72.2	80.5	60.8	74.3	78.9	79.8	74.6	72.1	89.7	124.3	90.7	96.3
LEWIS	81.3	85.9	94.1	81.3	81.8	94.3	95.9	97.7	95.4	107.2	115.6	99.6
LINCOLN	N/A	N/A	N/A	N/A	N/A	185.0	337.6	217.6	163.9	329.6	271.7	244.8
MASON	89.8	102.7	102.3	98.8	90.5	103.3	106.5	117.8	118.7	124.3	131.2	124.1
OKANOGAN	72.9	73.2	73.0	74.6	73.3	68.0	79.1	81.6	75.0	87.9	96.8	87.4
PACIFIC	80.9	83.7	100.6	95.6	98.1	117.2	107.1	110.2	120.7	106.4	145.0	144.2
PEND OREILLE	87.6	86.8	99.0	83.9	90.6	95.3	99.1	92.2	85.1	93.1	141.8	118.2
PIERCE	82.2	88.2	89.5	87.3	87.7	94.4	96.5	98.1	102.4	113.7	124.2	117.9
SAN JUAN	35.5	44.2	50.1	56.3	47.2	38.6	41.4	43.2	53.7	47.6	67.0	68.4
SKAGIT	79.2	85.5	85.9	83.2	87.5	85.9	92.3	95.5	94.5	103.3	116.9	110.2
SKAMANIA	80.1	91.1	110.8	112.5	90.4	117.9	117.1	140.2	96.4	113.0	105.9	133.6
SNOHOMISH	71.8	76.2	77.1	76.8	80.2	85.1	87.9	89.3	91.6	97.9	104.2	98.6
SPOKANE	87.3	94.7	94.0	93.2	90.9	99.1	99.1	100.0	98.9	111.1	115.1	113.8
STEVENS	97.7	96.4	109.2	92.0	98.6	103.0	106.4	98.3	90.1	100.7	156.6	133.1
THURSTON	83.0	92.0	91.0	89.7	89.3	96.2	99.7	95.1	95.5	105.7	110.4	109.6
WAHKIAKUM	82.1	147.9	90.8	105.2	78.9	118.8	104.5	194.4	254.7	75.1	194.2	159.3
WALLA WALLA	87.6	89.9	84.0	81.8	89.0	93.0	93.3	92.3	88.0	102.3	114.6	112.0
WHATCOM	64.0	67.6	70.3	67.8	67.0	71.1	70.0	68.1	72.2	81.1	82.7	77.5
WHITMAN	62.0	59.9	52.7	52.0	51.1	60.9	63.3	55.7	56.5	67.9	69.9	67.9
YAKIMA	87.1	93.7	93.1	90.4	93.7	95.3	101.8	96.2	102.4	104.7	113.1	97.7
Statewide	71.8	77.9	76.9	77.0	78.2	82.8	83.8	84.5	87.0	95.9	103.2	95.5

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 Second Quarter 2012

County	\$80,000	\$160,000	\$250,000	\$500,000
ADAMS	N/A	N/A	N/A	N/A
ASOTIN	4.6%	39.1%	72.0%	96.6%
BENTON	3.2%	25.7%	64.7%	95.1%
CHELAN	2.2%	12.2%	37.2%	81.3%
CLALLAM	1.6%	15.0%	46.9%	85.6%
CLARK	1.9%	17.4%	47.9%	87.5%
COLUMBIA	N/A	N/A	N/A	N/A
COWLITZ	8.2%	40.1%	68.0%	94.6%
DOUGLAS	4.0%	14.4%	51.2%	89.6%
FERRY	7.1%	36.1%	64.4%	92.9%
FRANKLIN	3.2%	25.7%	64.7%	95.1%
GARFIELD	4.6%	39.1%	72.0%	96.6%
GRANT	4.8%	33.6%	66.1%	95.2%
GRAYS HARBOR	14.6%	47.5%	77.1%	96.3%
ISLAND	0.9%	6.8%	28.0%	73.8%
JEFFERSON	1.9%	11.3%	29.0%	78.7%
KING	0.2%	4.3%	17.2%	57.7%
KITSAP	1.2%	13.6%	43.6%	83.0%
KITTITAS	2.3%	18.1%	47.4%	80.0%
KLICKITAT	5.4%	23.6%	50.0%	88.4%
LEWIS	7.9%	38.1%	71.2%	96.5%
LINCOLN	N/A	N/A	N/A	N/A
MASON	6.3%	32.7%	62.8%	92.8%
OKANOGAN	6.4%	29.5%	57.7%	89.2%
PACIFIC	12.0%	48.8%	75.3%	94.8%
PEND OREILLE	7.1%	36.1%	64.4%	92.9%
PIERCE	2.8%	19.2%	49.5%	86.2%
SAN JUAN	0.0%	1.3%	6.8%	40.0%
SKAGIT	2.5%	15.5%	43.3%	81.8%
SKAMANIA	5.9%	32.7%	52.5%	84.2%
SNOHOMISH	1.8%	11.5%	31.2%	80.7%
SPOKANE	4.8%	32.6%	66.4%	93.1%
STEVENS	7.1%	36.1%	64.4%	92.9%
THURSTON	2.6%	14.5%	50.4%	91.8%
WAHKIAKUM	N/A	N/A	N/A	N/A
WALLA WALLA	7.3%	33.5%	67.1%	93.4%
WHATCOM	3.1%	10.5%	34.6%	79.7%
WHITMAN	7.9%	36.6%	68.1%	95.4%
YAKIMA	8.0%	38.3%	68.9%	94.2%
Statewide	3.5%	20.4%	47.5%	83.2%

Source: WCRER Estimates

LISTINGS AVAILABLE FOR SALE

State of Washington and Counties End of Second Quarters

County	2005	2006	2007	2008	2009	2010	2011	2012	% Ch 11-12
ADAMS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ASOTIN	342	257	443	536	571	951	526	435	-17.3%
BENTON	1,581	1,648	1,658	1,632	1,428	1,512	1,813	1,854	2.3%
CHELAN	396	306	542	538	680	668	643	541	-15.9%
CLALLAM	N/A	N/A	789	627	812	783	736	640	-13.0%
CLARK	1,414	3,414	4,206	5,053	3,584	3,494	3,253	2,580	-20.7%
COLUMBIA	N/A	N/A	N/A	57	72	81	97	N/A	N/A
COWLITZ	376	454	710	808	604	660	591	577	-2.4%
DOUGLAS	N/A	N/A	N/A	285	274	289	241	201	-16.6%
FERRY	298	295	325	411	500	576	575	551	-4.2%
FRANKLIN	1,581	1,648	1,658	1,632	1,428	1,512	1,813	1,854	2.3%
GARFIELD	342	257	443	536	571	951	526	435	-17.3%
GRANT	444	386	523	685	654	609	600	578	-3.7%
GRAYS HARBOR	478	715	807	907	777	829	833	812	-2.5%
ISLAND	539	871	1,053	1,180	1,165	1,133	1,023	916	-10.5%
JEFFERSON	270	357	480	516	538	630	571	519	-9.1%
KING	5,538	6,489	9,458	11,863	9,655	9,873	8,177	5,091	-37.7%
KITSAP	1,073	1,634	2,339	2,462	1,758	1,879	1,700	1,438	-15.4%
KITTITAS	252	333	520	672	609	572	545	524	-3.9%
Klickitat	N/A	146	228	246	249	265	271	242	-10.7%
LEWIS	433	465	783	829	744	840	776	705	-9.1%
LINCOLN	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MASON	451	520	865	956	817	882	868	793	-8.6%
OKANOGAN	N/A	214	275	390	396	439	429	429	0.0%
PACIFIC	N/A	N/A	344	407	346	444	421	426	1.2%
PEND OREILLE	298	295	325	411	500	576	575	551	-4.2%
PIERCE	3,464	5,098	7,483	7,136	5,328	5,775	5,034	3,469	-31.1%
SAN JUAN	215	247	328	392	446	458	457	440	-3.7%
SKAGIT	554	845	1,132	1,210	1,224	1,192	1,037	893	-13.9%
SKAMANIA	N/A	75	102	116	123	105	109	101	-7.3%
SNOHOMISH	2,747	3,483	5,382	5,819	4,527	4,694	3,727	2,040	-45.3%
SPOKANE	1,644	2,401	3,236	3,958	3,845	3,943	3,651	3,305	-9.5%
STEVENS	298	295	325	411	500	576	575	551	-4.2%
THURSTON	933	1,678	2,294	2,081	1,670	1,895	1,674	1,309	-21.8%
WAHIAKUM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WALLA WALLA	337	425	512	844	832	710	763	547	-28.3%
WHATCOM	N/A	1,617	1,861	1,758	1,572	1,787	1,543	1,543	0.0%
WHITMAN	169	186	189	204	211	234	220	216	-1.8%
YAKIMA	940	1,155	1,387	1,548	1,355	1,445	1,425	1,057	-25.8%
Statewide	27,407	38,209	53,005	59,116	50,365	53,262	47,818	38,163	-20.2%

Source: WCRER Estimates

MONTH'S SUPPLY OF HOUSING BY PRICE RANGE

State of Washington and Counties

June 2012

County	Under \$80,000	\$80,000- 159,999	\$160,000 \$249,999	\$250,000- \$499,999	\$500,000 and above	Total Market	Market 2011	Market 2010
ADAMS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ASOTIN	5.4	8.0	8.8	29.1	N/A	10.1	13.1	12.5
BENTON	3.8	5.5	7.3	10.6	30.0	7.5	7.3	4.8
CHELAN	5.4	4.7	8.3	17.0	28.1	11.3	19.1	13.5
CLALLAM	3.1	4.8	13.0	17.2	40.9	11.9	14.7	11.9
CLARK	3.1	4.0	5.2	9.3	23.8	6.6	8.4	7.6
COLUMBIA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
COWLITZ	4.1	9.5	16.5	35.7	N/A	12.7	9.0	11.1
DOUGLAS	11.4	3.1	6.2	13.7	N/A	7.6	11.7	11.8
FERRY	25.3	57.6	63.2	127.3	N/A	68.7	21.1	20.2
FRANKLIN	3.8	5.5	7.3	10.6	30.0	7.5	7.3	4.8
GARFIELD	5.4	8.0	8.8	29.1	N/A	10.1	13.1	12.5
GRANT	7.2	11.0	14.2	47.5	N/A	16.0	14.1	10.7
GRAYS HARBOR	6.6	13.1	20.9	44.9	N/A	15.2	16.9	14.2
ISLAND	2.4	5.7	7.4	14.0	52.2	12.4	16.4	8.5
JEFFERSON	3.4	9.0	11.5	20.8	N/A	16.5	27.6	24.5
KING	0.7	1.6	2.1	2.7	4.2	2.9	5.4	6.4
KITSAP	1.3	5.3	6.6	7.3	10.4	6.8	9.5	8.0
KITTITAS	1.7	4.1	5.7	9.1	18.3	6.6	20.1	16.1
KLICKITAT	4.5	15.3	17.1	46.1	N/A	19.5	27.5	26.5
LEWIS	6.9	13.7	13.7	31.9	N/A	15.1	16.7	17.2
LINCOLN	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MASON	4.4	15.6	15.9	4.9	40.2	16.3	18.3	26.1
OKANOGAN	12.6	19.9	32.0	48.7	N/A	29.5	48.5	36.5
PACIFIC	7.4	20.5	28.4	50.1	N/A	21.1	25.0	21.0
PEND OREILLE	25.3	57.6	63.2	127.3	N/A	68.7	21.1	20.2
PIERCE	1.8	3.2	4.3	7.2	23.9	5.2	7.0	8.3
SAN JUAN	N/A	N/A	9.9	25.3	53.6	29.8	53.6	62.1
SKAGIT	3.6	5.9	7.5	13.5	33.9	10.0	12.6	12.6
SKAMANIA	N/A	17.5	25.9	10.4	N/A	32.7	N/A	N/A
SNOHOMISH	2.2	2.0	1.9	3.1	8.0	2.9	6.1	7.2
SPOKANE	3.8	7.0	9.1	11.7	19.8	8.6	10.2	8.5
STEVENS	25.3	57.6	63.2	127.3	N/A	68.7	21.1	20.2
THURSTON	5.0	4.7	4.7	6.8	25.4	5.9	4.4	8.1
WAHKIAKUM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WALLA WALLA	12.2	7.7	15.6	16.9	22.0	12.5	20.5	14.7
WHATCOM	7.8	5.8	6.4	8.5	20.6	8.6	11.0	11.5
WHITMAN	11.3	16.0	7.5	11.9	N/A	11.2	12.8	12.8
YAKIMA	5.9	8.1	6.7	15.1	24.4	8.6	13.4	9.0
Statewide	3.9	5.4	5.7	6.5	8.5	6.1	8.3	8.5

Source: WCRER Estimates

RESIDENTIAL BUILDING PERMITS

State of Washington and Counties Units Authorized, Monthly

COUNTY	APR 11		MAY 11		JUN 11		APR 12		MAY 12		JUN 12		% Change	
	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE
ADAMS														
ASOTIN														
BENTON	102	70	116	74	117	67	94	68	129	88	137	88	7.5%	15.6%
CHELAN	8	8	13	13	13	13	13	13	12	12	14	14	14.7%	14.7%
CLALLAM	7	7	10	10	13	13	8	8	9	9	8	8	-16.7%	-16.7%
CLARK	80	80	59	59	79	72	112	98	129	123	115	115	63.3%	59.2%
COLUMBIA	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
COWLITZ	5	5	10	10	11	9	16	16	14	14	7	7	42.3%	54.2%
DOUGLAS	11	11	7	7	35	2	4	4	7	7	8	8	-64.2%	-5.0%
FERRY	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
FRANKLIN	66	52	70	53	77	57	67	62	77	77	82	77	6.1%	33.3%
GARFIELD	0	0	0	0	0	0	1	1	0	0	0	0	N/A	N/A
GRANT														
GRAYS HARBOR	3	3	1	1	8	8	8	8	4	4	5	5	41.7%	41.7%
ISLAND	9	9	11	11	3	3	13	13	8	8	13	13	47.8%	47.8%
JEFFERSON	5	5	6	6	8	8	5	5	3	3	6	6	-26.3%	-26.3%
KING	731	272	1,222	230	309	248	814	334	1,074	377	1,538	357	51.5%	42.4%
KITSAP	32	32	28	26	29	29	31	31	49	49	39	39	33.7%	36.8%
KITTITAS	14	14	10	10	14	14	15	15	18	18	14	14	23.7%	23.7%
Klickitat														
LEWIS	14	7	20	9	29	14	5	5	12	12	14	14	-50.8%	3.3%
LINCOLN														
MASON	14	14	11	11	10	10	12	12	13	13	16	16	17.1%	17.1%
OKANOGAN	7	7	9	9	12	12	5	5	15	15	10	10	7.1%	7.1%
PACIFIC														
PEND OREILLE	0	0	0	0	1	1	0	0	0	0	0	0	-100.0%	-100.0%
PIERCE	129	129	156	144	291	129	155	155	325	221	270	146	30.2%	29.9%
SAN JUAN	9	9	4	4	5	5	10	10	6	6	11	11	50.0%	50.0%
SKAGIT	16	16	14	14	17	17	17	17	23	23	20	20	27.7%	27.7%
SKAMANIA	5	5	9	9	2	2	3	3	4	4	4	4	-31.3%	-31.3%
SNOHOMISH	515	150	148	144	195	170	227	189	185	181	234	220	-24.7%	27.2%
SPOKANE	56	56	286	54	75	67	115	78	116	65	102	76	-20.1%	23.7%
STEVENS	1	1	0	0	1	1	1	1	0	0	0	0	-50.0%	-50.0%
THURSTON	96	68	50	50	53	53	69	69	63	63	65	63	-1.0%	14.0%
WAHIAKUM														
WALLA WALLA	4	4	5	5	4	4	6	6	8	8	3	3	30.8%	30.8%
WHATCOM	20	20	16	16	24	24	34	26	65	27	31	31	116.7%	40.0%
WHITMAN	4	4	1	1	5	5	4	4	2	2	6	6	20.0%	20.0%
YAKIMA	12	12	8	8	15	15	12	12	17	17	6	6	0.0%	0.0%
Statewide	1,975	1,070	2,300	988	1,455	1,072	1,876	1,268	2,387	1,446	2,778	1,377	22.9%	30.7%

Source: U.S. Department of Commerce

NOTES:

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

RESIDENTIAL BUILDING PERMITS

State of Washington and Counties Value Authorized, Quarterly Totals

COUNTY	2nd Qtr 2011		1st Qtr 2012		2nd Qtr 2012		% change year ago	
	Total Value	SF Value	Total Value	SF Value	Total Value	SF Value	Total Value	SF Value
ADAMS								
ASOTIN								
BENTON	\$65.3	\$52.2	\$63.9	\$50.7	\$73.7	\$63.1	12.8%	20.8%
CHELAN	\$6.3	\$6.3	\$1.3	\$1.3	\$7.6	\$7.6	20.1%	20.1%
CLALLAM	\$6.4	\$6.4	\$2.8	\$2.8	\$5.4	\$5.4	-15.1%	-15.1%
CLARK	\$61.1	\$60.4	\$54.8	\$54.8	\$83.0	\$81.2	35.9%	34.5%
COLUMBIA	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A	N/A
COWLITZ	\$5.7	\$5.3	\$3.6	\$3.6	\$6.9	\$6.9	21.9%	30.6%
DOUGLAS	\$4.7	\$4.1	\$1.8	\$1.8	\$3.5	\$3.5	-25.9%	-14.4%
FERRY								
FRANKLIN	\$41.3	\$35.6	\$40.4	\$34.8	\$50.1	\$49.0	21.3%	37.8%
GARFIELD	\$0.0	\$0.0	\$0.0	\$0.0	\$0.2	\$0.2	N/A	N/A
GRANT								
GRAYS HARBOR	\$1.8	\$1.8	\$1.9	\$1.9	\$3.5	\$3.5	90.6%	90.6%
ISLAND	\$3.6	\$3.6	\$6.1	\$6.1	\$8.4	\$8.4	133.8%	133.8%
JEFFERSON	\$4.5	\$4.5	\$3.8	\$3.8	\$3.0	\$3.0	-33.4%	-33.4%
KING	\$440.2	\$209.0	\$362.2	\$213.9	\$693.3	\$315.6	57.5%	51.0%
KITSAP	\$19.0	\$18.7	\$16.6	\$15.3	\$25.8	\$25.8	35.8%	37.8%
KITTITAS	\$8.4	\$8.4	\$2.8	\$2.8	\$10.2	\$10.2	21.3%	21.3%
KLICKITAT								
LEWIS	\$8.1	\$4.4	\$1.6	\$1.6	\$3.9	\$3.9	-52.2%	-11.9%
LINCOLN								
MASON	\$7.0	\$7.0	\$5.8	\$5.8	\$9.2	\$9.2	31.8%	31.8%
OKANOGAN	\$4.4	\$4.4	\$0.8	\$0.8	\$4.3	\$4.3	-3.8%	-3.8%
PACIFIC								
PEND OREILLE	\$0.2	\$0.2	\$0.5	\$0.5	\$0.0	\$0.0	-100.0%	-100.0%
PIERCE	\$114.3	\$94.9	\$110.1	\$107.8	\$158.3	\$134.2	38.6%	41.5%
SAN JUAN	\$6.1	\$6.1	\$5.8	\$5.8	\$9.8	\$9.8	61.9%	61.9%
SKAGIT	\$9.8	\$9.8	\$6.4	\$6.4	\$11.1	\$11.1	13.9%	13.9%
SKAMANIA	\$3.6	\$3.6	\$0.1	\$0.1	\$2.6	\$2.6	-28.1%	-28.1%
SNOHOMISH	\$151.0	\$107.2	\$179.0	\$120.0	\$156.0	\$148.5	3.3%	38.5%
SPOKANE	\$59.3	\$38.7	\$20.9	\$18.5	\$73.4	\$62.9	23.7%	62.7%
STEVENS	\$0.3	\$0.3	\$0.0	\$0.0	\$0.2	\$0.2	-37.1%	-37.1%
THURSTON	\$42.9	\$38.7	\$42.3	\$41.5	\$47.6	\$47.2	10.9%	21.9%
WAHIAKUM								
WALLA WALLA	\$2.6	\$2.6	\$2.5	\$2.5	\$4.1	\$4.1	58.4%	58.4%
WHATCOM	\$13.6	\$13.6	\$7.3	\$7.3	\$22.8	\$18.8	67.5%	38.7%
WHITMAN	\$2.3	\$2.3	\$2.5	\$2.2	\$2.7	\$2.7	20.6%	20.6%
YAKIMA	\$8.9	\$8.9	\$4.0	\$4.0	\$10.7	\$10.7	20.6%	20.6%
Statewide	\$1,102.4	\$758.8	\$951.7	\$718.7	\$1,491.1	\$1,053.6	35.3%	38.9%

Source: U.S. Department of Commerce

NOTES:

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

Home Price Change 2011Q2-2012Q2

