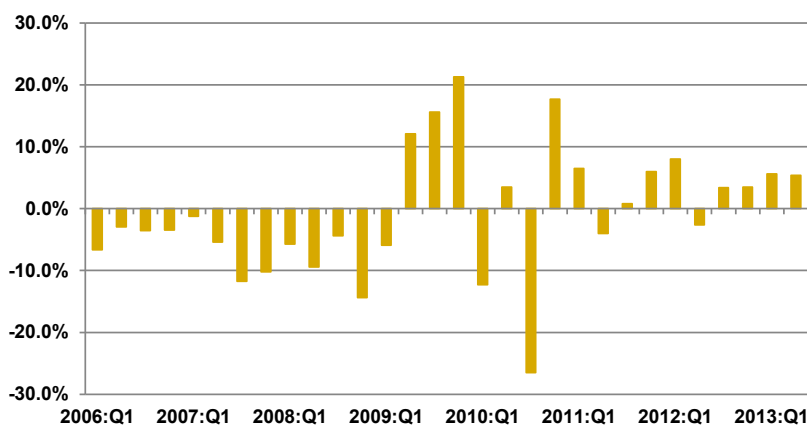




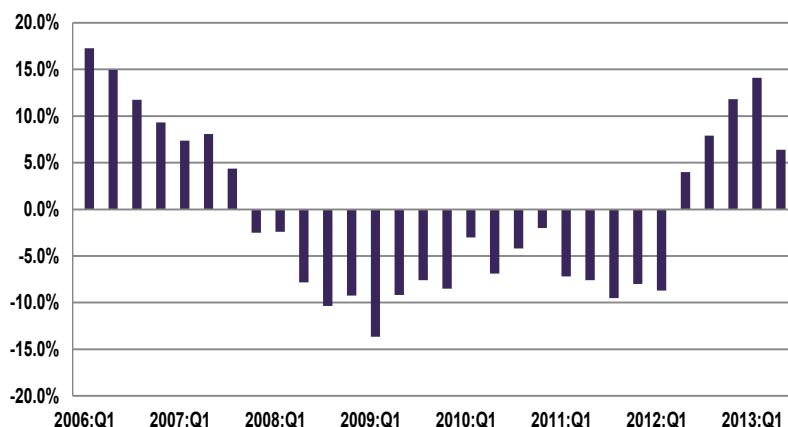
Washington Market Highlights: Second Quarter 2013

- ▶ Existing home sales increased in the second quarter by 5.5 percent to a seasonally adjusted annual rate of 93,310 units, and jumped 21.0 percent above a year earlier.
- ▶ Building permit activity increased 4.2 percent from a year earlier, totaling 7,339 new units authorized. Single-family permits increased 20.6 percent.
- ▶ The median price home sold in Washington during the second quarter was \$251,100, 6.4 percent above a year earlier.
- ▶ Housing affordability for both all buyers and first-time buyers declined somewhat from the first quarter as higher home prices and mortgage rates offset modestly increasing incomes. The All-Buyer Housing Affordability Index stayed above 100 in all 39 counties, however.
- ▶ Inventories of homes available for sale totaled 34,845 single-family homes at the end of the quarter, 8.2 percent below the year-ago level. This inventory level represented only a 3.0 month supply, a clear shortage of homes on the market relative to demand.
- ▶ Seriously delinquent mortgages declined for the fourth consecutive quarter. The 59,900 Washington mortgages which are at least 90-days past due or in the foreclosure process represent a decline of nearly 20,000 from this time last year. Completed foreclosures increased, as the mediations mandated by the state's Foreclosure Fairness Act have been completed and the remaining delinquent mortgages begin to flow through the pipeline, helping reduce the shadow inventory.

Change in Home Sales, SAAR



Percent Change in Median Home Price from Year Ago



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

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

Associate Director for Research:
Glenn E. Crellin

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Survey Description

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

Coverage: At least quarterly, the Runstad Center receives data on single-family home sales from each multiple listing service located in, or providing market coverage to, Washington communities. In 2012, data on nearly 69,000 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 2010 American Community Survey and data from individual county assessors.

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 the Runstad Center 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 21 metropolitan counties in 14 metropolitan areas (or divisions) and nine micropolitan areas. Metropolitan and micropolitan area designations were revised in February 2013 based on Census 2010. Some rural counties are now included in metropolitan or micropolitan areas because of commuting patterns.

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 $[(\text{Listings}/\text{SAAR}) \times 12 = \text{month's supply}]$. 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 2013

Washington State's Housing Market in the second quarter of 2013 reflected continuing improvement in economic conditions throughout the state, and generated some concern about reemergence of bubble conditions. Existing home sales were up compared to the first quarter and sharply higher than a year ago statewide. Housing construction continued to increase, this time single-family construction was especially strong. Inventories of homes available for sale continue to be very limited, forcing buyers to make quick purchase decisions and often to face multiple offer situations resulting in sharply higher sales prices. Higher prices combined with increased mortgage interest rates to offset family income gains to reduce housing affordability, but the Housing Affordability Index remained quite high by historical standards.

Home Resales

Lest there was any remaining doubt that the housing recovery is real, statistics in the second quarter rose for the fourth consecutive quarter (and seventh in last eight) based on the seasonally adjusted annual rate (SAAR) of home sales. The 93,280 unit sales rate was 5.4 percent higher than during the first quarter, 21.0 percent above the sales rate a year ago and 71.1 percent above the recession's low point of 54,510. The last time the sales rate exceeded the current level was the second quarter of 2007.

The question is often asked regarding the meaning of seasonally adjusted annual rate statistics. First, it should be noted that most economic statistics released by government agencies are similarly adjusted. Seasonal adjustment allows meaningful comparisons of economic activity from period to period even when there are well understood patterns of more and less active sales. In housing markets it is well known that sales activity is greatest in the late spring through the summer and less active in the fall and winter. The annual rate portion of the statistic indicates how many sales would occur if the relative pace observed during the period were to continue for an entire year. This is not a forecast of expected activity.

Looking to the not seasonally adjusted data, there were 25,860 single-family home sales during the second quarter, 21.6 percent more than during the second quarter of 2012. While this number is close to the year-to-year change in the SAAR data, the difference reflects the changes in seasonal patterns which are emerging from the seasonal adjustment process. These evolving patterns are the reason seasonally adjusted estimates are revised annually for the recent past (typically three years). The last time the actual number of homes sold during a quarter exceeded 25,000 was during the third quarter of 2007.

Employment gains explain much of the housing strength. In June the State's Employment Security Department estimated that total employment was 3,262,950. This is the highest number of employed persons reported during a June in the state since 2008. This is also the second highest June employment on record. Improving job prospects lead to overall consumer confidence, and strong home price performance (which will be discussed shortly) eases consumer fears that purchasing a home will lead to further reduction to the economic well-being.



Quarter-to-quarter sales increased in 19 of Washington's 39 counties, led by a 57.1 percent jump in rural Columbia County. Among the 19 counties reporting a slower sales rate in the second quarter than three months earlier, the largest decline was 36.4 percent in another less urban area, Adams County. Compared to a year earlier only five counties reported a slower sales rate, with Adams County's 50 percent decline the most significant.

When the Federal Office of Management and Budget redefined metropolitan areas earlier this year, the expanded role of commuting patterns revised the understanding of what areas are metropolitan, with several of Washington's less densely populated areas (Columbia, Pend Oreille, Skamania and Stevens counties) now included within metropolitan definitions. Rather than distorting the common understanding of an urban area, Washington State's Housing Market will continue to treat these areas as if they had not been reclassified as metropolitan. Walla Walla County was upgraded from micropolitan to metropolitan, and Adams County moved from rural to micropolitan status.

The 17 metropolitan counties represented 83,310 home sales at annual rates, nearly 90 percent of the statewide total. The sales rate in those communities was 6.7 percent higher than during the first quarter. By contrast the micropolitan counties collectively increased 1.2 percent while sales in the rural areas declined by 14.8 percent. The housing recovery is concentrated in the urban markets. Among the metropolitan counties the greatest increase in sales compared to the first quarter was a 38.1 percent jump in Douglas County (Wenatchee MSA) while Cowlitz County (Longview) declined by 8.6 percent.

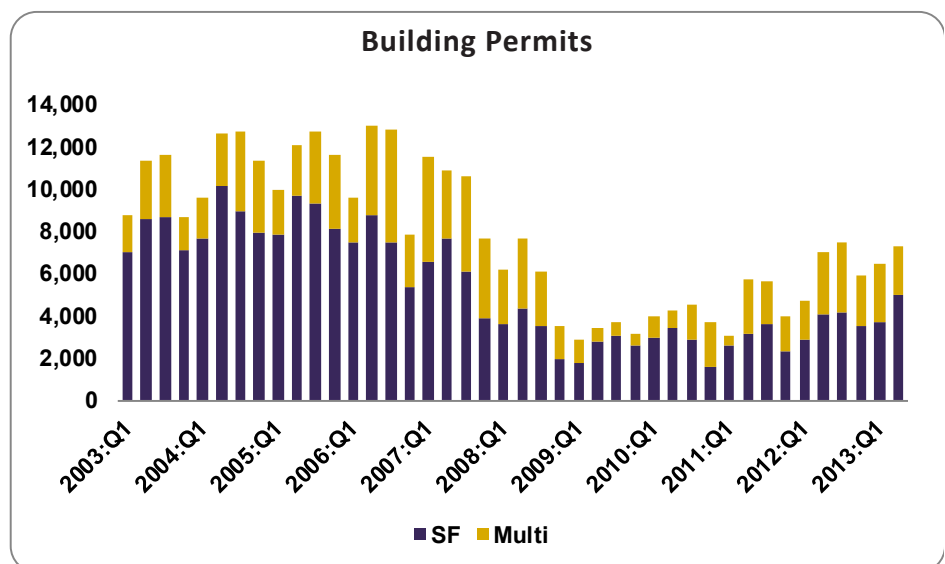
Looking to the micropolitan areas, the largest increase was a jump of 22.5 percent in sales activity from the first quarter in Kittitas County (Ellensburg) while the largest decline was 36.4 percent in Adams County (Othello).

Housing Construction

Building permits for a total of 7,339 housing units were issued during the second quarter of 2013 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 6.4 percent compared to the construction rate in the April-June quarter of 2012.

For the last year discussion about residential construction has focused on multifamily housing. During the second quarter that shifted back to single-family building permits as the driver of improving markets.

Single-family permit activity was 20.6 percent higher during the second quarter than it had been a year earlier, representing 67.5 percent of the issued permits. Meanwhile, multifamily permits were 18.4 percent below the level of the second quarter of 2012. It should be noted that multifamily permits are notoriously erratic with many multifamily projects announced, but not yet permitted.



Total value of residential building permits issued during the second quarter was \$1,652.2 million, 10.8 percent above a year ago. Single-family permit value was up 29.6 percent to \$1,365.1 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 616.7 percent in Whitman County (Pullman), followed by a 121.1 percent jump in Douglas County. In Whitman County a couple of multifamily projects were permitted, but the increase in Douglas County was exclusively single-family construction. The 16 metropolitan counties which report data monthly to the Census Bureau represented 94.1 percent of the building permits tallied during the quarter. It should be emphasized, however, that many smaller jurisdictions throughout the state do not report building permit activity in the monthly survey.

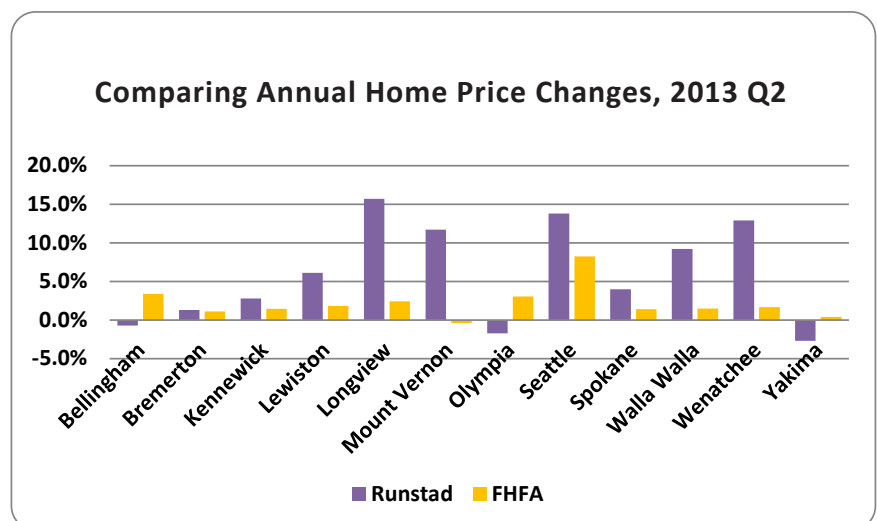
Total permit value increased compared to a year ago in 25 counties, led by a Whitman, Stevens and Whatcom counties where the dollar value of permits issued more than doubled. The five-county greater Seattle region accounted for over one billion dollars in permit activity – 66.1 percent of the statewide total. Over \$100 million in residential permits were also issued in Clark and Spokane counties.

Home Prices

Washington State's Housing Market uses the traditional median sales price to monitor home prices. This measure describes the mid-point of the home price distribution, and changes in the median indicate how much more or less buyers are paying for homes generally, but changes in the median cannot be used to measure appreciation in the values of individual homes. Assessment if whether the values of homes are appreciating requires a repeat sales measure like Case/Shiller or Federal Housing Finance Agency (FHFA). Despite this caveat, most measures of housing prices indicate that home values are moving upward, often sharply. The statewide median sales price during the second quarter of 2013 was \$251,100, 6.4 percent above the median price a year ago. The only other statewide measure of prices comes from the Federal Housing Finance Agency, which calculate an appreciation rate of 9.26 percent for the same period. FHFA indicates that the stateside prices today are 13.77 percent below five years ago. Only seven states had more rapid appreciation in home values in the last year, according to FHFA.

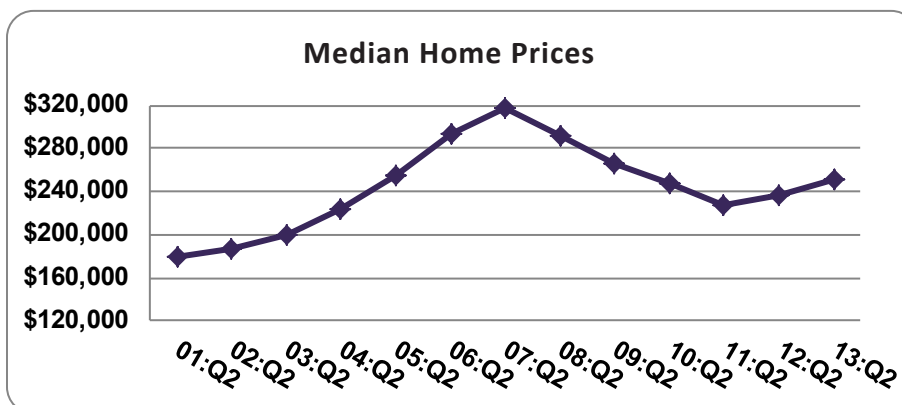
Comparisons between appreciation rates and changes in median prices show that differences in estimates are especially apparent in the metropolitan area data.

Although there are clear seasonal patterns to home prices, seasonal adjustment is not generally applied, and the Runstad Center follows that convention. Accordingly, comparisons are only made to the same quarter in previous years. Similar to the FHFA data, the current median price is 14.0 percent below the level of five years ago. The highest second quarter median was \$316,700 recorded in 2007.



Median prices ranged from a low of \$67,500 in Lincoln County (the only market under \$100,000) to a high of \$421,900 in King County which exceeded \$400,000 for the first time since the third quarter of 2008. The only other county with a median in excess of \$300,000 was always-costly San Juan County. Four other counties (Snohomish, Jefferson, Whatcom and Island) recorded medians above \$250,000. Other less costly counties were Pacific (\$108,000) and Grays Harbor (\$115,300).

Price changes also varied widely. Median prices were lower than a year ago in a surprising 15 of Washington's 39 counties, but most of the declines were less than three percent. Meanwhile, 12 counties recorded median price jumps of at least 10 percent. In terms of extreme price changes, the biggest decline was 11.5 percent in Lewis County, while the largest increase was 24.8 percent in Klickitat County.

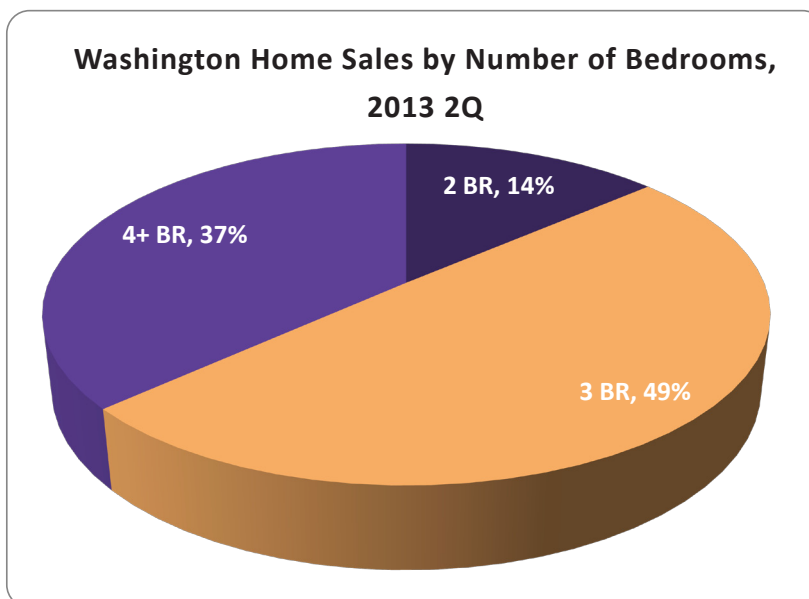


Among the metropolitan counties the range of price changes was from a high of 15.7 percent increase in Cowlitz County to a decline of 2.7 percent in Yakima County. Among the nine micropolitan areas, seven reported higher median prices, with Adams County seeing the greatest increase in the group, 13.5 percent. The micropolitan area with the greatest price decline in the last year was Lewis County.

Prices by Bedroom

It is useful for buyers and sellers (and their agents) to understand price behavior for the specific types of homes they are dealing with, especially since the composition of what is selling changes from quarter to quarter or year-to-year. To address this issue Washington State's Housing Market presents statistics by the number of bedrooms in the home since this is the most consistently reported physical characteristic.

The median price 2-bedroom single-family home (these statistics do not include condominium apartments) sold statewide during the second quarter was \$165,900, 9.5 percent higher than a year ago. Moving to the much more typical 3-bedroom homes, the median increased 8.8 percent between the second quarters of 2012 and 2013, to \$228,200. Among the homes with four or more bedrooms the median sales price was \$326,500, a jump of 8.6 percent over the last year. These statistics reinforce the impression that housing prices are increasing across the board.



Small samples often cause county-level detail on prices by number of bedrooms to exhibit unusual patterns, but larger communities generally have enough sales activity to offset the problems. Accordingly, Washington State's Housing Market limits analysis of the bedroom detail to metropolitan counties only. The median price of a 2-bedroom home in Clark County jumped by 40.4 percent between the second quarters of 2012 and 2013. Meanwhile in Benton/Franklin counties smaller home prices fell by 11.5 percent. In the 3-bedroom category Chelan County showed the biggest increase (27.1 percent) while Yakima County sustained a 5.6 percent slide. Larger homes experienced a price decline of 6.7 percent in Chelan County with the other extreme an increase of 16.7 percent in neighboring Douglas County. These statistics clearly illustrate that location and market specifics differentiate housing price performance.

The least costly 2-bedroom homes were located in Yakima County. For 3-bedroom homes that distinction passed to Cowlitz 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. For homes with four or more bedrooms Snohomish County was the second most costly, but still nearly \$150,000 lower than King 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 influenced by lending standards, access to down payments, other recurring financial obligations and their confidence in the overall economy. These factors led to the creation of the Housing Affordability Index by the National Association of Realtors® in 1982 when mortgage interest rates were in the teens making home purchases exceptionally difficult for most would-be home buyers.

Low mortgage rates have historically resulted in high levels of housing demand, but even low mortgage rates could not sustain the market during the recent recession, and the slow return to economic health has not driven housing demand until recently. Home sales prices and mortgage rates combine with income to determine the affordability of housing. Income for the majority of households has continued to increase slowly, even during the recession and the early stages of the recovery. Thus all three legs of the affordability stool worked to make the affordability of homeownership achieve record highs in recent quarters. However, during the second quarter the home price jumps combined with increasing mortgage rate (which have increased more quickly since the end of the quarter) resulted in affordability backing off from recent record highs across the state. Many buyers who waited for prices to "hit bottom" expecting rates to remain low were scrambling to purchase before both prices and rates moved above their comfort levels.

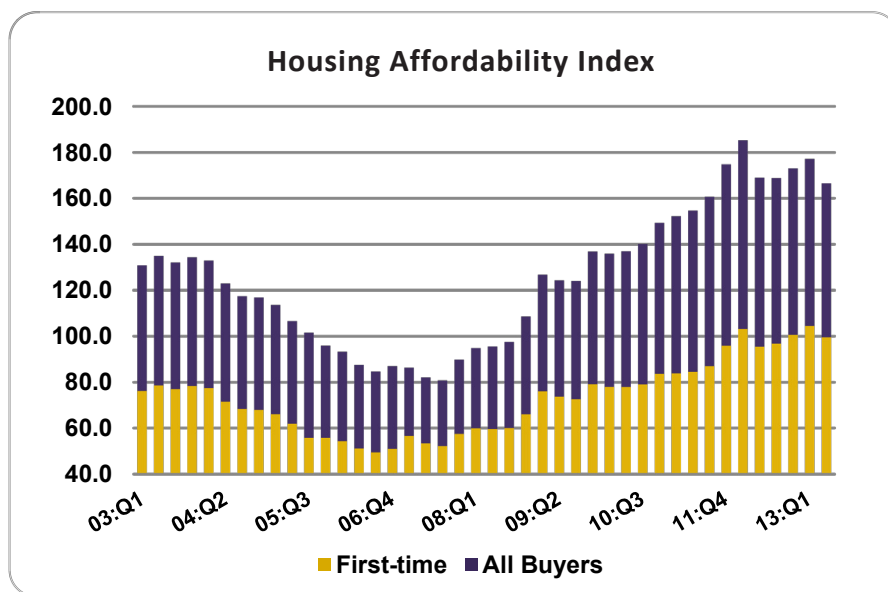
The Runstad Center calculates two measures of affordability. The all-buyer index measures the degree to which a median income **family** (two or more individuals related by blood, marriage or adoption) can afford mortgage payments on a median price home, assuming a 20 percent downpayment and a 30-year 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 the same general way, but with different assumptions. It assumes a less expensive home (85 percent of area 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 roughly a quarter of home purchases are financed with FHA loans which allow lower downpayments or VA or USDA no money down mortgages, the general affordability assumptions are still appropriate for most households looking to purchase their first home.

In the second quarter the statewide all-buyer index was 166.6, meaning the median income family in Washington had 66 percent more income than the minimum required to afford the median price home. This represented affordability below any quarter in the last two years.

The county-level all-buyer affordability measures in the second quarter ranged from a high of 460.6 in Lincoln County to a low of 100.6 in ever-costly San Juan County, both rural areas. Since the index stood above 100 in all 39 counties, middle-income families have reasonable opportunities to find a home they can afford. Among the metropolitan counties the range was from a low affordability of 121.9 in King County to a high of 227.3 in Cowlitz County. For the micropolitan areas the greatest affordability was in Grays Harbor County (259.3) and the least was in Island County (164.4).



The housing affordability index for first-time buyers statewide in the second quarter was 99.5, up from 95.5 in the second quarter of 2012, lower than the 104.4 registered three months ago. Since an index value of 80 is generally considered to offer meaningful choice and access to ownership housing for first-time buyers, this current market presents a great opportunity for well-qualified first-time buyers to enter the ranks of homeowners.

The first-time buyer affordability index exceeded 100 in 27 counties during the second quarter. However, achieving homeownership is still a challenge in many areas, especially as rents are rising in many communities, making it more difficult to accumulate the downpayment. The counties which present the biggest challenges do not change much. San Juan and King's high prices, Jefferson's resource-based employment, and Whitman's student population keep those counties especially challenging. Among the metropolitan counties, the greatest affordability for first-time buyers was in Benton County (134.5) and was least in King County (66.9). For the micropolitan areas, the most affordable for current renters to move to home ownership was Grays Harbor County (145.3), while Whitman County presented the greatest hurdle (72.4). Rural communities, San Juan County (55.7) and Lincoln County (296.3) provided the affordability extremes.

Availability of Affordable Housing

Rather than rely on a single measure of housing affordability, it is helpful to examine home affordability for several income levels and compare this with the available housing inventory. Moreover, higher-income

households typically make larger downpayments (perhaps assisted from equity acquired from sale of an existing home), while lower income households (including our hypothetical first-time buyer) may only be able to make a minimal downpayment. The four income/asset groups considered are:

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

In each case it is assumed that the household is willing to spend 25 percent of gross income on principal and interest payments and overall debt levels are average. It is also assumed that these buyers could find mortgages at an interest rate of 3.75 percent (which is marginally above the prevailing rate during the quarter). Based upon these income, downpayment, and debt-service assumptions we can estimate the purchase price of an affordable home for these income groups. The table below shows the maximum affordable home for each of these income groups based upon the financial assumptions just described.

Affordable Home Purchase Prices for Selected Income/Asset Groups

Income	P&I Expense (25% of Income)	Mortgage Amount	Downpayment	Maximum Home Purchase Price	Approx. Percent of Home Market
\$30,000	\$625	\$134,956	\$7,102	\$142,058	16.2%
\$60,000	\$1,250	\$269,911	\$29,990	\$299,901	57.5%
\$90,000	\$1,875	\$404,867	\$101,216	\$506,083	82.3%
\$150,000	\$3,125	\$674,778	\$363,341	\$1,038,119	95.7%

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 \$73,400, although the county-level medians ranged from a low of \$46,400 in Adams County to a high of \$90,200 in King County. Similarly, household incomes are lower by definition, had a statewide value of \$57,467, with county-level incomes ranging from \$33,354 in Ferry County to a high of \$69,747 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 with asking prices 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 equally. Also, recall that these are offered prices and actual sales may occur above or below 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 that only 3.9 percent of homes statewide on the market at the end of June were priced under \$80,000. 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 20.9 percent. Among the metropolitan counties the proportion of homes priced less than \$160,000 ranged from a low of 2.5 percent in King County to a high of 41.2 percent in Cowlitz County.

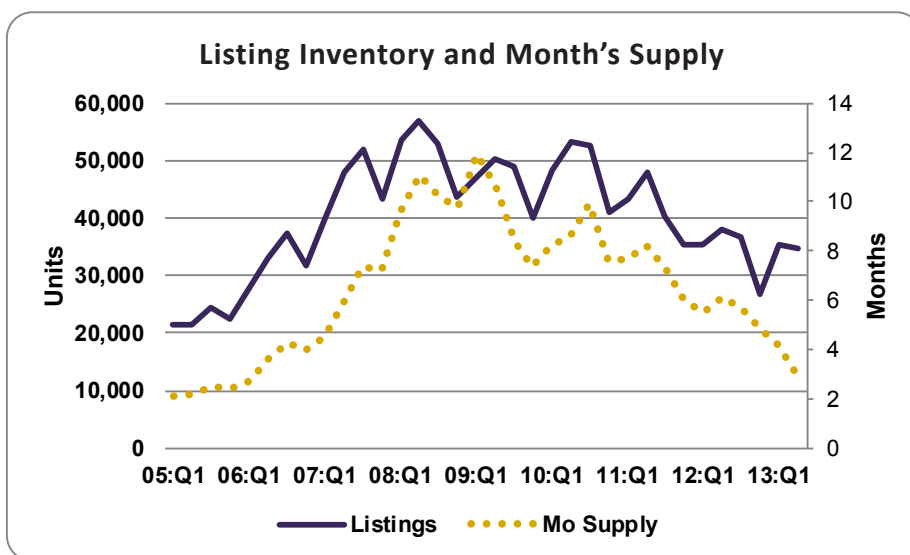
Available Inventory

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 is again very limited, even though the sales rate remains well below the pre-recession frenzy. The imbalance between supply and demand, however, if resulting in the price gains discussed previously.

Listings available for sale throughout Washington, at the end of the June 2013, stood 8.2 percent below the listing inventory a year earlier. There were 34,845 homes listed on the various Multiple Listing Services, a reduction of 3,115 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. However, it appears the price increases have resulted in many of those properties being listed and sold, limiting the continuing impact of the shadow inventory.

Ten markets each have over 1,000 homes listed for sale, collectively representing 64.1 percent of all listings. The 5-county Central Puget Sound region accounts for 11,536 of the active listings. Active listings actually increased compared to the prior year in ten of the 35 counties for which listing data is available. The most rapid growth of listing inventory was 7.7 percent in Okanogan County, while the largest reduction in homes available for sale was 22.8 percent in Asotin/Garfield counties.

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. The Runstad Center 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.

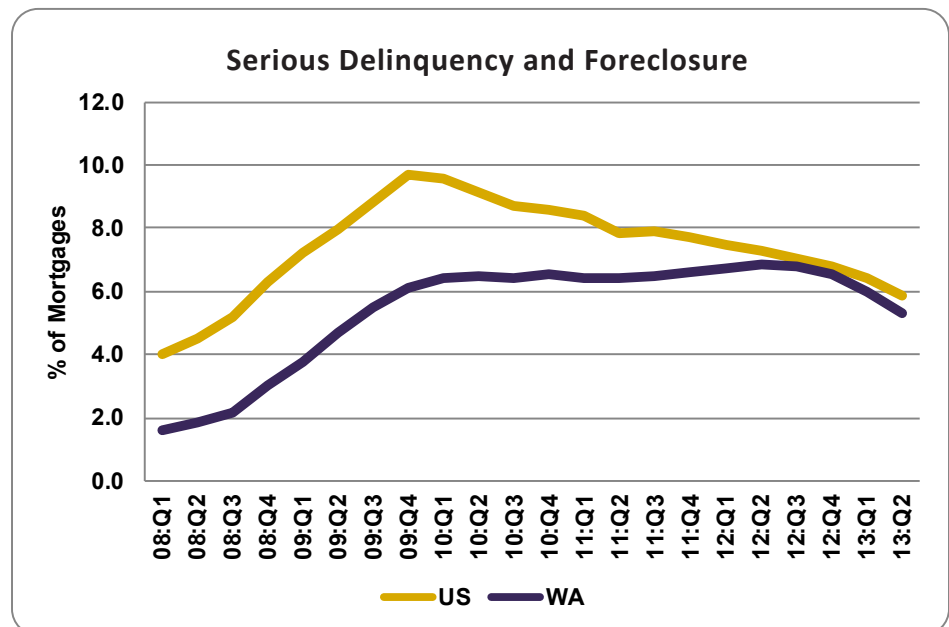
The quarter-end month's supply for Washington was only 3.0 months, compared to 6.2 months a year ago. A 5-7 month inventory is considered normal or balanced, consistent with changes in median prices which are similar to overall inflation rates. Accordingly, the current market would usually be characterized as a shortage. This is consistent with the increasing prices already discussed.

While the statewide market is undersupplied, the same cannot be said for individual local markets or price ranges. Nine counties have an overall month's supply in excess of 10 months, with San Juan County having a 37 month supply of homes on the market. King, Snohomish and Thurston counties have the most extreme shortage of homes on the market relative to sales, with month's supply measures under 2.0 months overall, and especially for homes priced less than \$500,000. Accordingly, it is no surprise that bidding wars and rapid price increases are common in the greater Seattle region.

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. But even then it is a limited 4.0 month inventory. Outside the urban markets the very expensive homes represent a very small share of the overall market, so the month's supply numbers are often unavailable or very long, even if there are only a handful of homes in those price ranges on the market. 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.

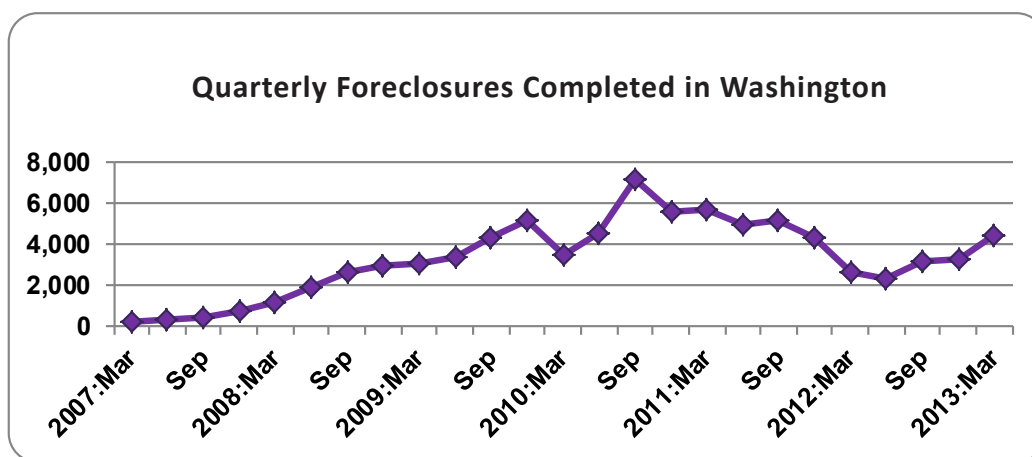
Market Risks

The popular Recent issues of this report have focused on distressed properties as the primary risk to the market. Given the sharp reduction in the number of seriously delinquent property already discussed, that risk is rapidly going away. Today's risk must be the path of mortgage interest rates. June was apparently the last month for exceptionally low rates on home loans. Recent data from Freddie Mac indicates that the average rate on a fixed rate loan has reached its highest level in two years, currently a point and a quarter above the November low. On a \$200,000 mortgage that translates to an additional \$146 per month. This will likely temper the rate of future price increases. It may spur some would-be buyers to enter the market before higher prices and higher rates price them out of the market, but some renters may conclude the time is not right to buy, and they remain renters for a while.



Washington, especially in the Seattle market has been blessed with a jobs market which has been providing opportunities for meaningful employment for several months. Continuation of a healthy job market is obviously a necessary condition for continued improvement in housing.

While mortgage delinquencies are declining, foreclosures have been increasing in Washington during the first half of 2013. Many are surprised that in the face of an improving housing market and national statistics suggesting foreclosures are down, that the local data is on a different path. Actually, the increases are not surprising. Throughout 2012 the lenders were complying with the terms of the Foreclosure Fairness Act imposed a mediation period where the borrower and lender attempted to negotiate terms under which the borrower could resume affordable payments. Certainly some foreclosures were averted, but those properties which were too far underwater or with borrowers who facing other economic challenges have moved to complete the foreclosure process. During the first half of 2013 a total of 9,020 mortgage foreclosures were completed, 78.4 percent more than during the first half of 2012, according to data provided by RealtyTrac.



Source: RealtyTrac (www.realtytrac.com/)

In summary, it is often said that all real estate is local, and that remains abundantly clear in this report. Sheer numbers of people and home sales mean that greater Seattle drives the state. Today, the strong Seattle-area market counterbalances some weaknesses in less populous areas of the state, but the overall second quarter story was positive. Higher interest rates, and another round of Federal budget posturing means uncertainty remains, but the general mood seems optimistic.

HOUSING MARKET SNAPSHOT

State of Washington and Counties Second Quarter 2013

County	Home Resales (units)			Building Permits		Median Resale Price		Housing Affordability Index (HAI)	First-Time HAI
	SAAR	% Change (last qtr)	% Change (year ago)	#	% Change (year ago)	\$	% Change (year ago)		
ADAMS	70	-36.4%	-50.0%			\$140,000	13.5%	188.9	117.0
ASOTIN	260	13.0%	8.3%			\$165,800	6.1%	193.2	104.2
BENTON	2,700	-1.8%	9.8%	328	-8.9%	\$186,500	2.8%	205.5	134.5
CHELAN	820	-7.9%	12.3%	55	41.0%	\$231,500	12.9%	153.6	86.6
CLALLAM	980	14.0%	32.4%	54	116.0%	\$189,000	-0.5%	176.4	112.2
CLARK	6,600	13.2%	23.8%	678	90.4%	\$228,000	14.9%	183.7	102.3
COLUMBIA	110	57.1%	83.3%	0	N/A	\$130,000	-10.3%	259.6	137.7
COWLITZ	960	-8.6%	28.0%	26	-29.7%	\$149,200	15.7%	227.3	121.3
DOUGLAS	580	38.1%	75.8%	42	121.1%	\$199,600	2.4%	173.5	98.5
FERRY	90	-18.2%	28.6%	0	N/A	\$125,600	-1.2%	212.2	107.5
FRANKLIN	910	-1.1%	9.6%	166	-26.5%	\$186,500	2.8%	205.5	101.0
GARFIELD	50	25.0%	0.0%	0	N/A	\$165,800	6.1%	173.8	115.1
GRANT	730	-7.6%	-1.4%			\$159,300	2.1%	187.7	109.8
GRAYS HARBOR	920	-4.2%	-14.0%	20	17.6%	\$115,300	-0.3%	259.3	145.3
ISLAND	1,410	8.5%	41.0%	44	29.4%	\$253,100	4.3%	164.4	96.2
JEFFERSON	460	-2.1%	21.1%	23	64.3%	\$267,300	9.0%	135.9	73.3
KING	27,450	9.0%	23.5%	2,621	-23.5%	\$421,900	13.8%	121.9	66.9
KITSAP	4,000	18.0%	44.9%	138	16.0%	\$245,400	1.3%	176.9	103.5
KITTITAS	870	22.5%	47.5%	63	34.0%	\$206,200	8.5%	175.1	82.3
Klickitat	200	-25.9%	-9.1%			\$209,100	24.8%	135.6	84.1
LEWIS	820	9.3%	32.3%	37	19.4%	\$139,800	-11.5%	231.8	127.2
LINCOLN	90	-18.2%	0.0%			\$67,500	-6.9%	460.6	296.3
MASON	730	-28.4%	-8.8%	38	-7.3%	\$146,700	-6.1%	235.4	117.6
OKANOGAN	270	-30.8%	-10.0%	35	16.7%	\$158,300	-2.1%	186.0	103.4
PACIFIC	350	20.7%	25.0%			\$108,000	-0.3%	280.0	141.4
PEND OREILLE	250	-24.2%	25.0%	0	N/A	\$125,600	-1.2%	219.4	121.0
PIERCE	12,100	5.1%	24.0%	768	2.4%	\$219,600	12.5%	187.3	100.9
SAN JUAN	200	-23.1%	5.3%	24	-11.1%	\$375,000	11.5%	100.6	55.7
SKAGIT	1,830	21.2%	45.2%	81	35.0%	\$230,500	11.7%	164.1	88.6
SKAMANIA	170	-5.6%	21.4%	8	-27.3%	\$156,700	-2.1%	267.3	133.5
SNOHOMISH	10,540	6.9%	16.0%	1,102	70.6%	\$299,700	14.7%	158.9	86.8
SPOKANE	5,800	-8.1%	5.6%	354	6.3%	\$174,800	4.0%	206.4	114.9
STEVENS	720	-25.0%	22.0%	2	100.0%	\$125,600	-1.2%	246.6	134.1
THURSTON	3,750	4.7%	30.7%	228	15.7%	\$221,800	-1.7%	194.0	108.1
WAHIAKUM	80	-11.1%	33.3%			\$140,000	21.7%	228.0	113.8
WALLA WALLA	760	28.8%	33.3%	25	47.1%	\$174,700	9.2%	190.9	113.6
WHATCOM	2,620	10.5%	17.5%	263	102.3%	\$257,900	-0.7%	150.9	81.7
WHITMAN	400	14.3%	21.2%	86	616.7%	\$212,900	10.1%	166.3	72.4
YAKIMA	1,660	0.0%	8.5%	30	-14.3%	\$157,600	-2.7%	186.4	107.6
Statewide	93,310	5.5%	21.0%	7,339	4.2%	\$251,100	6.4%	166.6	92.6

Source: Runstad Center for Real Estate Studies, University of Washington

NOTES:

- Home Resales are Runstad Center estimates based on MLS reports or deed recording.
- SAAR means data presented at Seasonally Adjusted Annual Rates allowing quarter-to-quarter comparison.
- Building permits (total) are from the U.S. Department of Commerce, Bureau of the Census.
- Median prices are Runstad Center 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	11:Q4	12:Q1	12:Q2	12:Q3	12:Q4	13:Q1	13:Q2	Percent change	
								Last qtr	Year ago
ADAMS	130	140	150	140	70	110	70	-36.4%	-50.0%
ASOTIN	190	240	190	170	180	230	260	13.0%	8.3%
BENTON	2,490	2,460	2,470	2,460	2,500	2,750	2,700	-1.8%	9.8%
CHELAN	600	730	680	750	760	890	820	-7.9%	12.3%
CLALLAM	750	740	710	720	680	860	980	14.0%	32.4%
CLARK	5,200	5,330	5,130	5,320	5,960	5,830	6,600	13.2%	23.8%
COLUMBIA	20	60	60	80	90	70	110	57.1%	83.3%
COWLITZ	770	750	650	950	990	1,050	960	-8.6%	28.0%
DOUGLAS	330	330	330	330	350	420	580	38.1%	75.8%
FERRY	70	70	60	70	80	110	90	-18.2%	28.6%
FRANKLIN	830	830	830	820	840	920	910	-1.1%	9.6%
GARFIELD	40	50	40	30	40	40	50	25.0%	0.0%
GRANT	550	740	490	740	630	790	730	-7.6%	-1.4%
GRAYS HARBOR	1,090	1,070	1,000	910	1,070	960	920	-4.2%	-14.0%
ISLAND	990	1,000	1,080	1,180	1,240	1,300	1,410	8.5%	41.0%
JEFFERSON	380	380	420	460	460	470	460	-2.1%	21.1%
KING	20,620	22,220	23,200	23,740	25,360	25,180	27,450	9.0%	23.5%
KITSAP	2,720	2,760	3,070	3,120	3,180	3,390	4,000	18.0%	44.9%
KITTITAS	660	590	650	740	730	710	870	22.5%	47.5%
Klickitat	180	220	170	160	220	270	200	-25.9%	-9.1%
LEWIS	670	620	680	670	690	750	820	9.3%	32.3%
LINCOLN	70	90	70	80	80	110	90	-18.2%	0.0%
MASON	590	800	670	700	790	1,020	730	-28.4%	-8.8%
OKANOGAN	190	300	300	260	300	390	270	-30.8%	-10.0%
PACIFIC	290	280	280	270	300	290	350	20.7%	25.0%
PEND OREILLE	190	200	170	190	220	330	250	-24.2%	25.0%
PIERCE	9,560	9,760	9,390	9,730	10,280	11,510	12,100	5.1%	24.0%
SAN JUAN	150	190	240	250	230	260	200	-23.1%	5.3%
SKAGIT	1,260	1,260	1,330	1,500	1,580	1,510	1,830	21.2%	45.2%
SKAMANIA	120	140	120	220	150	180	170	-5.6%	21.4%
SNOHOMISH	8,960	9,090	9,340	9,790	9,340	9,860	10,540	6.9%	16.0%
SPOKANE	4,610	5,490	4,690	4,930	5,510	6,310	5,800	-8.1%	5.6%
STEVENS	570	590	490	550	660	960	720	-25.0%	22.0%
THURSTON	3,000	2,870	3,100	3,340	3,070	3,580	3,750	4.7%	30.7%
WAHIAKUM	60	60	60	70	160	90	80	-11.1%	33.3%
WALLA WALLA	480	570	580	570	540	590	760	28.8%	33.3%
WHATCOM	2,070	2,230	2,160	2,270	2,460	2,370	2,620	10.5%	17.5%
WHITMAN	290	330	270	320	300	350	400	14.3%	21.2%
YAKIMA	1,580	1,530	1,580	1,630	1,700	1,660	1,660	0.0%	8.5%
Statewide	73,320	77,110	76,900	80,230	83,790	88,470	93,310	5.5%	21.0%

Source: Runstad Center for Real Estate Studies, University of Washington

NOTES:

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

EXISTING HOME SALES

State of Washington and Counties Not Seasonally Adjusted

County	Year Total 2011	12:Q1	12:Q2	12:Q3	12:Q4	Year Total 2012	13:Q1	13:Q2	Percent change (Year ago)
ADAMS	160	30	40	40	20	130	20	20	-50.0%
ASOTIN	190	50	50	50	40	190	50	70	40.0%
BENTON	2,450	490	690	670	620	2,470	540	760	10.1%
CHELAN	560	130	190	210	200	730	160	230	21.1%
CLALLAM	710	150	180	210	180	720	170	250	38.9%
CLARK	5,090	1,120	1,420	1,490	1,400	5,430	1,220	1,830	28.9%
COLUMBIA	60	20	20	20	20	80	20	30	50.0%
COWLITZ	810	160	180	260	230	830	220	270	50.0%
DOUGLAS	320	60	80	100	90	330	80	150	87.5%
FERRY	70	10	20	20	20	70	20	20	0.0%
FRANKLIN	830	160	230	230	210	830	180	260	13.0%
GARFIELD	40	10	10	10	10	40	10	10	0.0%
GRANT	560	130	140	200	160	630	140	220	57.1%
GRAYS HARBOR	1,040	200	290	230	280	1,000	180	270	-6.9%
ISLAND	990	190	290	350	320	1,150	240	370	27.6%
JEFFERSON	350	80	110	120	120	430	100	120	9.1%
KING	19,960	4,360	6,530	6,690	6,100	23,680	4,940	7,740	18.5%
KITSAP	2,650	550	820	880	790	3,040	680	1,070	30.5%
KITTITAS	590	110	170	210	200	690	130	230	35.3%
KLICKITAT	180	40	50	50	50	190	40	60	20.0%
LEWIS	660	130	180	180	180	670	160	220	22.2%
LINCOLN	70	20	20	20	20	80	20	30	50.0%
MASON	630	140	190	200	190	720	190	210	10.5%
OKANOGAN	190	50	80	90	70	290	60	70	-12.5%
PACIFIC	260	60	70	70	80	280	60	90	28.6%
PEND OREILLE	180	40	40	60	60	200	60	70	75.0%
PIERCE	9,470	2,030	2,500	2,680	2,580	9,790	2,400	3,220	28.8%
SAN JUAN	130	30	60	70	70	230	50	50	-16.7%
SKAGIT	1,240	270	360	410	390	1,430	320	490	36.1%
SKAMANIA	120	40	30	60	40	170	40	40	33.3%
SNOHOMISH	8,170	1,880	2,590	2,650	2,290	9,410	2,040	2,920	12.7%
SPOKANE	4,480	910	1,380	1,440	1,360	5,090	1,050	1,720	24.6%
STEVENS	520	100	130	170	170	570	170	190	46.2%
THURSTON	2,900	560	840	950	770	3,120	700	1,020	21.4%
WAHIAKUM	40	20	20	10	30	80	30	30	50.0%
WALLA WALLA	510	100	150	170	150	570	110	190	26.7%
WHATCOM	2,030	420	600	650	610	2,280	450	720	20.0%
WHITMAN	250	50	100	90	60	300	50	150	50.0%
YAKIMA	1,470	310	440	440	420	1,610	340	470	6.8%
Statewide	70,930	15,210	21,290	22,450	20,600	79,550	17,440	25,880	21.6%

Source: Runstad Center for Real Estate Studies, University of Washington

NOTES:

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

MEDIAN HOME PRICES

State of Washington and Counties Time Trend

County	12:Q1	12:Q2	12:Q3	12:Q4	12 Annual	13:Q1	13:Q2	% Ch Q2
ADAMS	\$117,500	\$123,300	\$133,300	\$135,700	\$128,900	\$103,300	\$140,000	13.5%
ASOTIN	\$128,000	\$156,200	\$157,000	\$156,500	\$150,800	\$156,000	\$165,800	6.1%
BENTON	\$177,800	\$181,400	\$184,800	\$189,300	\$183,400	\$181,800	\$186,500	2.8%
CHELAN	\$215,900	\$205,000	\$232,400	\$226,400	\$221,100	\$195,600	\$231,500	12.9%
CLALLAM	\$169,300	\$190,000	\$208,300	\$195,600	\$191,700	\$184,000	\$189,000	-0.5%
CLARK	\$174,800	\$198,500	\$203,000	\$210,800	\$196,500	\$219,200	\$228,000	14.9%
COLUMBIA	\$147,500	\$145,000	\$150,000	\$125,000	\$146,200	\$143,300	\$130,000	-10.3%
COWLITZ	\$131,300	\$128,900	\$140,800	\$142,200	\$137,000	\$140,000	\$149,200	15.7%
DOUGLAS	\$193,700	\$195,000	\$212,900	\$203,700	\$202,400	\$199,100	\$199,600	2.4%
FERRY	\$101,400	\$127,100	\$135,000	\$158,700	\$136,700	\$113,000	\$125,600	-1.2%
FRANKLIN	\$177,800	\$181,400	\$184,800	\$189,300	\$183,400	\$181,800	\$186,500	2.8%
GARFIELD	\$128,000	\$156,200	\$157,000	\$156,500	\$150,800	\$156,000	\$165,800	6.1%
GRANT	\$160,700	\$156,000	\$147,300	\$163,600	\$155,000	\$151,200	\$159,300	2.1%
GRAYS HARBOR	\$87,500	\$115,600	\$125,300	\$112,300	\$115,000	\$102,700	\$115,300	-0.3%
ISLAND	\$212,500	\$242,600	\$258,500	\$269,600	\$250,000	\$249,200	\$253,100	4.3%
JEFFERSON	\$227,900	\$245,300	\$231,200	\$260,000	\$240,000	\$253,300	\$267,300	9.0%
KING	\$322,400	\$370,800	\$379,900	\$381,100	\$365,000	\$384,300	\$421,900	13.8%
KITSAP	\$212,500	\$242,200	\$249,800	\$238,600	\$233,000	\$233,300	\$245,400	1.3%
KITTITAS	\$180,000	\$190,000	\$198,200	\$213,700	\$195,100	\$213,600	\$206,200	8.5%
Klickitat	\$176,700	\$167,500	\$218,700	\$209,400	\$185,600	\$156,700	\$209,100	24.8%
LEWIS	\$129,200	\$158,000	\$142,900	\$154,000	\$145,000	\$154,500	\$139,800	-11.5%
LINCOLN	\$62,500	\$72,500	\$86,200	\$155,000	\$83,000	\$65,000	\$67,500	-6.9%
MASON	\$141,000	\$156,200	\$167,700	\$157,800	\$154,900	\$123,600	\$146,700	-6.1%
OKANOGAN	\$140,000	\$161,700	\$158,000	\$151,700	\$155,000	\$137,100	\$158,300	-2.1%
PACIFIC	\$101,400	\$108,300	\$92,500	\$107,000	\$105,000	\$113,300	\$108,000	-0.3%
PEND OREILLE	\$101,400	\$127,100	\$135,000	\$158,700	\$136,700	\$113,000	\$125,600	-1.2%
PIERCE	\$175,900	\$195,200	\$204,600	\$201,600	\$195,000	\$199,400	\$219,600	12.5%
SAN JUAN	\$320,000	\$336,400	\$382,100	\$335,700	\$362,500	\$412,500	\$375,000	11.5%
SKAGIT	\$184,100	\$206,400	\$218,400	\$218,700	\$207,400	\$207,200	\$230,500	11.7%
SKAMANIA	\$190,000	\$160,000	\$175,000	\$200,000	\$175,700	\$170,000	\$156,700	-2.1%
SNOHOMISH	\$234,700	\$261,400	\$273,800	\$270,500	\$260,000	\$280,800	\$299,700	14.7%
SPOKANE	\$158,100	\$168,100	\$175,300	\$171,300	\$169,600	\$166,300	\$174,800	4.0%
STEVENS	\$101,400	\$127,100	\$135,000	\$158,700	\$136,700	\$113,000	\$125,600	-1.2%
THURSTON	\$213,200	\$225,600	\$217,800	\$217,100	\$218,000	\$218,500	\$221,800	-1.7%
WAHIAKUM	\$90,000	\$115,000	\$170,000	\$130,000	\$143,300	\$75,000	\$140,000	21.7%
WALLA WALLA	\$150,000	\$160,000	\$171,000	\$179,000	\$166,800	\$174,200	\$174,700	9.2%
WHATCOM	\$232,800	\$259,700	\$254,500	\$261,300	\$250,000	\$245,600	\$257,900	-0.7%
WHITMAN	\$176,700	\$193,300	\$208,700	\$200,000	\$197,000	\$202,100	\$212,900	10.1%
YAKIMA	\$137,200	\$161,900	\$151,400	\$161,300	\$154,500	\$146,800	\$157,600	-2.7%
Statewide	\$208,300	\$235,900	\$242,900	\$241,800	\$234,200	\$237,600	\$251,100	6.4%

Source: Runstad Center for Real Estate Studies, University of Washington

HOME PRICES BY NUMBER OF BEDROOMS

State of Washington and Counties Second Quarters

County	2 Bedroom			3 Bedroom			4 or More Bedrooms		
	2012	2013	% ch	2012	2013	% ch	2012	2013	% ch
ADAMS	\$75,000	\$60,000	-20.0%	\$130,000	\$145,000	11.5%	\$120,000	\$150,000	25.0%
ASOTIN	\$107,500	\$118,000	9.8%	\$155,600	\$180,800	16.2%	\$196,000	\$198,700	1.4%
BENTON	\$105,400	\$93,300	-11.5%	\$167,500	\$170,500	1.8%	\$229,000	\$235,600	2.9%
CHELAN	\$147,500	\$160,000	8.5%	\$187,300	\$238,000	27.1%	\$310,000	\$289,300	-6.7%
CLALLAM	\$165,000	\$150,000	-9.1%	\$200,000	\$199,300	-0.4%	\$237,500	\$225,000	-5.3%
CLARK	\$99,400	\$139,600	40.4%	\$175,000	\$204,400	16.8%	\$262,900	\$284,800	8.3%
COLUMBIA	N/A	N/A	N/A	\$146,700	\$150,000	2.2%	\$140,000	\$150,000	7.1%
COWLITZ	\$47,500	\$93,300	96.4%	\$133,300	\$152,600	14.5%	\$182,500	\$190,000	4.1%
DOUGLAS	\$96,700	\$144,000	48.9%	\$191,800	\$191,700	-0.1%	\$228,600	\$266,700	16.7%
FERRY	\$80,000	\$68,000	-15.0%	\$150,000	\$126,700	-15.5%	\$150,000	\$197,500	31.7%
FRANKLIN	\$105,400	\$93,300	-11.5%	\$167,500	\$170,500	1.8%	\$229,000	\$235,600	2.9%
GARFIELD	\$107,500	\$118,000	9.8%	\$155,600	\$180,800	16.2%	\$196,000	\$198,700	1.4%
GRANT	\$107,500	\$96,200	-10.5%	\$150,900	\$153,000	1.4%	\$202,300	\$194,700	-3.8%
GRAYS HARBOR	\$80,000	\$84,000	5.0%	\$126,400	\$126,400	0.0%	\$130,000	\$100,000	-23.1%
ISLAND	\$230,400	\$215,500	-6.5%	\$241,700	\$248,900	3.0%	\$270,800	\$292,600	8.1%
JEFFERSON	\$245,000	\$267,900	9.3%	\$229,500	\$262,500	14.4%	\$350,000	\$450,000	28.6%
KING	\$278,800	\$316,400	13.5%	\$321,900	\$374,200	16.2%	\$458,000	\$516,100	12.7%
KITSAP	\$165,600	\$192,500	16.2%	\$243,700	\$239,700	-1.6%	\$293,700	\$289,500	-1.4%
KITTITAS	\$136,000	\$143,300	5.4%	\$192,000	\$221,700	15.5%	\$318,700	\$275,000	-13.7%
Klickitat	\$126,700	\$110,000	-13.2%	\$180,000	\$221,900	23.3%	\$225,000	\$250,000	11.1%
LEWIS	\$95,000	\$98,600	3.8%	\$165,000	\$146,300	-11.3%	\$212,500	\$191,100	-10.1%
LINCOLN	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MASON	\$120,000	\$115,500	-3.8%	\$150,000	\$158,300	5.5%	\$186,700	\$200,000	7.1%
OKANOGAN	\$136,700	\$137,500	0.6%	\$142,500	\$156,700	10.0%	\$241,700	\$275,000	13.8%
PACIFIC	\$91,700	\$95,000	3.6%	\$135,000	\$114,000	-15.6%	\$180,000	\$160,000	-11.1%
PEND OREILLE	\$80,000	\$68,000	-15.0%	\$150,000	\$126,700	-15.5%	\$150,000	\$197,500	31.7%
PIERCE	\$106,500	\$126,500	18.8%	\$178,200	\$201,500	13.1%	\$235,800	\$267,200	13.3%
SAN JUAN	\$275,000	\$310,000	12.7%	\$350,000	\$450,000	28.6%	\$750,000	\$500,000	-33.3%
SKAGIT	\$115,000	\$162,000	40.9%	\$205,600	\$226,000	9.9%	\$256,800	\$275,000	7.1%
SKAMANIA	\$150,000	\$120,000	-20.0%	\$160,000	\$218,700	36.7%	\$400,000	\$160,000	-60.0%
SNOHOMISH	\$151,200	\$174,600	15.5%	\$231,200	\$266,200	15.1%	\$318,600	\$367,100	15.2%
SPOKANE	\$91,100	\$100,000	9.8%	\$158,900	\$163,800	3.1%	\$209,100	\$207,900	-0.6%
STEVENS	\$80,000	\$68,000	-15.0%	\$150,000	\$126,700	-15.5%	\$150,000	\$197,500	31.7%
THURSTON	\$188,600	\$170,800	-9.4%	\$207,200	\$202,700	-2.2%	\$266,900	\$267,300	0.1%
WAHKIAKUM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WALLA WALLA	\$99,000	\$97,500	-1.5%	\$160,000	\$172,100	7.6%	\$240,600	\$235,000	-2.3%
WHATCOM	\$180,000	\$184,800	2.7%	\$252,600	\$252,600	0.0%	\$315,700	\$339,800	7.6%
WHITMAN	\$100,000	\$146,000	46.0%	\$173,300	\$196,200	13.2%	\$240,900	\$281,200	16.7%
YAKIMA	\$97,000	\$91,000	-6.2%	\$170,300	\$160,800	-5.6%	\$214,300	\$223,600	4.3%
Statewide	\$151,500	\$165,900	9.5%	\$209,800	\$228,200	8.8%	\$300,600	\$326,500	8.6%

Source: Runstad Center for Real Estate Studies, University of Washington

HOUSING AFFORDABILITY INDEX

State of Washington and Counties Second Quarter 2013

County	Median Price	Mortgage Rate	Monthly Payment	Median Family Income	HAI	Starter Monthly Payment	Median Household Income	First Time HAI
ADAMS	\$140,000	3.64%	\$512	\$46,400	188.9	\$505	\$40,479	117.0
ASOTIN	\$165,800	3.64%	\$606	\$56,200	193.2	\$598	\$42,711	104.2
BENTON	\$186,500	3.64%	\$682	\$67,250	205.5	\$672	\$62,005	134.5
CHELAN	\$231,500	3.64%	\$846	\$62,400	153.6	\$834	\$49,550	86.6
CLALLAM	\$189,000	3.64%	\$691	\$58,500	176.4	\$681	\$52,412	112.2
CLARK	\$228,000	3.64%	\$833	\$73,500	183.7	\$822	\$57,645	102.3
COLUMBIA	\$130,000	3.64%	\$475	\$59,200	259.6	\$469	\$44,237	137.7
COWLITZ	\$149,200	3.64%	\$545	\$59,500	227.3	\$538	\$44,714	121.3
DOUGLAS	\$199,600	3.64%	\$730	\$60,750	173.5	\$719	\$48,576	98.5
FERRY	\$125,600	3.64%	\$459	\$46,750	212.2	\$453	\$33,354	107.5
FRANKLIN	\$186,500	3.64%	\$682	\$67,250	205.5	\$672	\$46,534	101.0
GARFIELD	\$165,800	3.64%	\$606	\$50,550	173.8	\$598	\$47,149	115.1
GRANT	\$159,300	3.64%	\$582	\$52,450	187.7	\$574	\$43,227	109.8
GRAYS HARBOR	\$115,300	3.64%	\$421	\$52,450	259.3	\$416	\$41,411	145.3
ISLAND	\$253,100	3.64%	\$925	\$73,000	164.4	\$912	\$60,166	96.2
JEFFERSON	\$267,300	3.64%	\$977	\$63,750	135.9	\$963	\$48,394	73.3
KING	\$421,900	3.64%	\$1,542	\$90,200	121.9	\$1,520	\$69,747	66.9
KITSAP	\$245,400	3.64%	\$897	\$76,150	176.9	\$884	\$62,741	103.5
KITTITAS	\$206,200	3.64%	\$754	\$63,350	175.1	\$743	\$41,934	82.3
KLICKITAT	\$209,100	3.64%	\$764	\$49,750	135.6	\$754	\$43,458	84.1
LEWIS	\$139,800	3.64%	\$511	\$56,850	231.8	\$504	\$43,946	127.2
LINCOLN	\$67,500	3.64%	\$247	\$54,550	460.6	\$243	\$49,422	296.3
MASON	\$146,700	3.64%	\$536	\$60,600	235.4	\$529	\$42,635	117.6
OKANOGAN	\$158,300	3.64%	\$579	\$51,650	186.0	\$570	\$40,440	103.4
PACIFIC	\$108,000	3.64%	\$395	\$53,050	280.0	\$389	\$37,738	141.4
PEND OREILLE	\$125,600	3.64%	\$459	\$48,350	219.4	\$453	\$37,569	121.0
PIERCE	\$219,600	3.64%	\$803	\$72,150	187.3	\$791	\$54,766	100.9
SAN JUAN	\$375,000	3.64%	\$1,371	\$66,200	100.6	\$1,351	\$51,599	55.7
SKAGIT	\$230,500	3.64%	\$843	\$66,350	164.1	\$831	\$50,477	88.6
SKAMANIA	\$156,700	3.64%	\$573	\$73,500	267.3	\$565	\$51,711	133.5
SNOHOMISH	\$299,700	3.64%	\$1,095	\$83,550	158.9	\$1,080	\$64,306	86.8
SPOKANE	\$174,800	3.64%	\$639	\$63,300	206.4	\$630	\$49,617	114.9
STEVENS	\$125,600	3.64%	\$459	\$54,350	246.6	\$453	\$41,608	134.1
THURSTON	\$221,800	3.64%	\$811	\$75,500	194.0	\$799	\$59,231	108.1
WAHAKIUM	\$140,000	3.64%	\$512	\$56,000	228.0	\$505	\$39,388	113.8
WALLA WALLA	\$174,700	3.64%	\$639	\$58,500	190.9	\$630	\$49,052	113.6
WHATCOM	\$257,900	3.64%	\$943	\$68,300	150.9	\$929	\$52,085	81.7
WHITMAN	\$212,900	3.64%	\$778	\$62,100	166.3	\$767	\$38,092	72.4
YAKIMA	\$157,600	3.64%	\$576	\$51,550	186.4	\$568	\$41,917	107.6
Statewide	\$251,100	3.64%	\$918	\$73,400	166.6	\$905	\$57,467	92.6

Source: Runstad Center 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	11:Q2	11:Q3	11:Q4	12:Q1	12:Q2	12:Q3	12:Q4	13:Q1	13:Q2
ADAMS	182.4	221.0	189.4	207.9	204.6	194.6	195.1	257.7	188.9
ASOTIN	164.9	177.8	177.9	230.8	195.3	199.9	204.7	206.6	193.2
BENTON	185.2	183.4	198.9	199.0	201.5	203.3	202.6	212.2	205.5
CHELAN	134.4	134.9	139.5	146.0	160.1	146.4	154.7	181.6	153.6
CLALLAM	150.5	162.6	168.9	181.7	167.3	156.9	170.6	182.4	176.4
CLARK	185.6	191.5	206.0	221.2	201.2	202.3	198.8	192.4	183.7
COLUMBIA	265.6	317.0	157.7	211.1	221.8	220.5	270.1	237.0	259.6
COWLITZ	220.9	203.4	225.6	238.4	250.8	236.1	238.6	243.8	227.3
DOUGLAS	140.1	145.4	153.4	158.5	164.0	155.7	167.4	173.7	173.5
FERRY	162.9	150.1	160.7	242.1	199.6	193.3	167.9	237.3	212.2
FRANKLIN	185.2	183.4	198.9	199.0	201.5	203.3	202.6	212.2	205.5
GARFIELD	156.0	164.2	160.1	207.7	175.8	179.8	184.2	185.9	173.8
GRANT	167.8	162.0	188.3	171.7	182.7	199.0	182.9	199.0	187.7
GRAYS HARBOR	225.2	206.2	235.8	315.4	246.6	233.9	266.4	293.0	259.3
ISLAND	135.2	143.1	155.2	180.7	163.5	157.7	154.4	168.0	164.4
JEFFERSON	122.7	131.3	167.9	147.0	141.1	154.0	139.8	144.4	135.9
KING	124.0	127.0	145.2	146.8	131.9	132.4	134.9	134.6	121.9
KITSAP	153.7	158.7	170.9	188.3	170.7	170.2	181.9	187.2	176.9
KITTITAS	157.2	172.4	170.3	185.0	181.0	178.5	169.0	170.1	175.1
Klickitat	117.6	142.3	197.6	148.0	161.3	127.0	135.5	182.1	135.6
LEWIS	199.6	198.0	219.7	231.8	195.7	222.5	210.7	211.2	231.8
LINCOLN	379.3	285.9	564.4	459.5	409.1	353.7	200.8	481.5	460.6
MASON	207.4	210.8	217.6	226.2	210.9	201.9	219.1	281.3	235.4
OKANOGAN	160.3	150.7	177.9	194.1	173.5	182.6	194.2	216.1	186.0
PACIFIC	220.2	243.4	208.0	275.3	266.2	320.5	282.8	268.6	280.0
PEND OREILLE	168.8	155.5	166.3	250.5	206.5	199.9	173.7	245.4	219.4
PIERCE	175.9	185.4	201.9	216.1	201.0	197.2	204.2	207.6	187.3
SAN JUAN	77.6	96.4	80.7	109.0	107.1	96.9	112.5	92.1	100.6
SKAGIT	159.3	159.9	171.4	189.6	174.7	169.7	173.0	183.7	164.1
SKAMANIA	282.7	196.5	223.4	203.5	249.6	234.6	209.6	248.0	267.3
SNOHOMISH	165.6	171.5	179.3	186.8	173.3	170.2	176.0	170.6	158.9
SPOKANE	187.0	187.1	207.2	210.9	204.8	201.9	210.8	218.4	206.4
STEVENS	186.3	173.3	187.4	282.2	232.5	225.0	195.4	276.0	246.6
THURSTON	163.6	166.3	181.6	186.4	181.9	193.7	198.4	198.2	194.0
WAHIAKUM	361.8	459.4	128.5	327.0	264.4	183.9	245.6	428.3	228.0
WALLA WALLA	170.7	162.1	185.0	205.1	198.6	191.1	186.4	192.6	190.9
WHATCOM	128.0	137.3	153.2	154.1	142.7	149.8	149.0	159.5	150.9
WHITMAN	153.3	158.1	185.4	185.0	174.7	166.3	177.1	176.3	166.3
YAKIMA	165.9	175.4	180.7	197.6	173.0	190.2	182.3	201.5	186.4
Statewide	154.7	160.7	174.8	185.3	169.0	168.8	173.1	177.2	166.6

Source: Runstad Center for Real Estate Studies, University of Washington

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	11:Q2	11:Q3	11:Q4	12:Q1	12:Q2	12:Q3	12:Q4	13:Q1	13:Q2
ADAMS	112.7	139.1	121.5	132.6	129.7	122.6	122.2	160.5	117.0
ASOTIN	85.4	92.2	92.3	120.6	102.7	105.8	109.0	110.8	104.2
BENTON	121.5	120.1	130.0	130.1	131.7	132.9	132.5	138.8	134.5
CHELAN	74.9	75.7	78.9	82.5	90.4	82.6	87.2	102.4	86.6
CLALLAM	73.2	78.8	81.4	92.4	89.4	87.8	99.8	111.4	112.2
CLARK	101.0	104.1	111.7	120.5	110.1	111.1	109.7	106.6	102.3
COLUMBIA	126.4	151.0	75.2	102.6	109.8	111.1	138.5	123.6	137.7
COWLITZ	111.1	102.5	113.9	121.5	129.0	122.6	125.0	128.9	121.3
DOUGLAS	81.1	84.7	89.8	92.3	95.0	89.7	96.0	99.1	98.5
FERRY	92.3	85.6	92.3	136.2	110.0	104.3	88.7	122.8	107.5
FRANKLIN	107.7	106.4	115.1	112.2	110.6	108.6	105.3	107.3	101.0
GARFIELD	94.5	102.2	102.5	133.8	113.8	117.1	120.6	122.4	115.1
GRANT	100.4	96.6	111.9	101.8	108.0	117.3	107.5	116.7	109.8
GRAYS HARBOR	123.9	113.5	129.9	174.3	136.6	129.9	148.4	163.7	145.3
ISLAND	74.3	77.9	83.6	98.8	90.6	88.7	88.0	97.0	96.2
JEFFERSON	63.0	66.9	84.8	75.1	72.9	80.4	73.8	77.0	73.3
KING	66.4	68.0	77.7	78.9	71.2	71.8	73.4	73.5	66.9
KITSAP	82.3	84.5	90.3	101.3	93.4	94.8	103.0	107.7	103.5
KITTITAS	75.6	82.6	81.2	88.0	85.9	84.5	79.8	80.1	82.3
KLICKITAT	71.0	87.7	124.3	92.9	101.0	79.3	84.4	113.2	84.1
LEWIS	99.2	97.5	107.2	115.5	99.5	115.4	111.4	113.7	127.2
LINCOLN	219.7	166.3	329.6	273.0	247.1	217.1	125.2	305.0	296.3
MASON	119.1	120.7	124.3	126.4	115.3	108.0	114.5	143.8	117.6
OKANOGAN	82.3	75.9	87.9	97.9	89.3	95.9	103.9	117.9	103.4
PACIFIC	112.5	124.4	106.4	140.5	135.6	162.8	143.4	135.9	141.4
PEND OREILLE	93.1	86.3	93.1	139.8	115.0	111.0	96.2	135.6	121.0
PIERCE	99.5	104.7	113.7	120.8	111.6	108.6	111.6	112.7	100.9
SAN JUAN	44.4	56.0	47.6	63.6	61.8	55.3	63.6	51.5	55.7
SKAGIT	97.1	96.9	103.3	112.2	101.5	96.8	96.9	101.1	88.6
SKAMANIA	143.1	99.4	113.0	102.7	125.6	117.9	105.1	124.1	133.5
SNOHOMISH	90.7	93.8	97.9	102.0	94.6	92.9	96.1	93.2	86.8
SPOKANE	101.3	100.8	111.1	113.8	111.2	110.3	115.9	120.8	114.9
STEVENS	100.7	93.4	100.7	151.9	125.4	121.5	105.7	149.7	134.1
THURSTON	96.3	97.4	105.7	107.7	104.3	110.3	112.1	111.2	108.1
WAHKIAKUM	196.6	258.8	75.1	186.5	146.9	99.6	129.5	219.8	113.8
WALLA WALLA	93.0	89.0	102.3	115.0	112.7	109.7	108.3	113.3	113.6
WHATCOM	68.7	73.3	81.1	81.9	76.1	80.2	80.1	86.0	81.7
WHITMAN	56.9	58.3	67.9	70.0	68.1	66.7	73.1	74.8	72.4
YAKIMA	95.5	101.3	104.7	114.4	100.1	110.0	105.3	116.3	107.6
Statewide	85.4	88.4	95.9	101.9	93.1	93.2	95.8	98.3	92.6

Source: Runstad Center for Real Estate Studies, University of Washington

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 2013

County	\$80,000	\$160,000	\$250,000	\$500,000
ADAMS	N/A	N/A	N/A	N/A
ASOTIN	3.9%	34.5%	67.9%	95.8%
BENTON	5.3%	28.4%	64.1%	95.6%
CHELAN	3.5%	15.1%	37.1%	78.4%
CLALLAM	2.2%	17.5%	46.0%	83.8%
CLARK	1.5%	13.8%	42.3%	85.8%
COLUMBIA	N/A	N/A	N/A	N/A
COWLITZ	9.0%	41.2%	68.9%	96.0%
DOUGLAS	1.9%	17.4%	52.8%	87.6%
FERRY	8.2%	35.5%	67.0%	93.5%
FRANKLIN	5.3%	28.4%	64.1%	95.6%
GARFIELD	3.9%	34.5%	67.9%	95.8%
GRANT	4.6%	36.1%	70.1%	95.4%
GRAYS HARBOR	14.3%	47.5%	76.0%	96.5%
ISLAND	0.5%	5.7%	25.6%	70.6%
JEFFERSON	2.9%	12.4%	31.9%	80.3%
KING	0.3%	2.5%	12.6%	52.0%
KITSAP	2.5%	15.9%	42.4%	81.6%
KITTITAS	1.7%	17.0%	41.8%	77.1%
Klickitat	6.8%	26.5%	53.0%	87.6%
LEWIS	8.6%	41.6%	75.5%	97.5%
LINCOLN	N/A	N/A	N/A	N/A
MASON	6.4%	35.5%	64.7%	93.3%
OKANOGAN	6.2%	30.9%	57.4%	89.6%
PACIFIC	14.5%	46.0%	72.0%	93.8%
PEND OREILLE	8.2%	35.5%	67.0%	93.5%
PIERCE	2.5%	16.9%	40.4%	84.7%
SAN JUAN	0.5%	2.3%	5.6%	34.0%
SKAGIT	3.3%	15.2%	37.8%	76.9%
SKAMANIA	8.4%	40.2%	57.9%	86.9%
SNOHOMISH	1.6%	8.8%	24.4%	77.6%
SPOKANE	5.8%	36.8%	64.8%	92.8%
STEVENS	8.2%	35.5%	67.0%	93.5%
THURSTON	1.7%	11.1%	45.7%	89.3%
WAHIAKUM	N/A	N/A	N/A	N/A
WALLA WALLA	6.1%	38.3%	72.0%	93.9%
WHATCOM	3.5%	11.6%	33.5%	80.7%
WHITMAN	3.5%	30.5%	67.0%	96.0%
YAKIMA	8.6%	39.2%	68.5%	94.5%
Statewide	3.9%	20.9%	45.4%	82.0%

Source: Runstad Center for Real Estate Studies, University of Washington

LISTINGS AVAILABLE FOR SALE

State of Washington and Counties End of Second Quarters

County	2006	2007	2008	2009	2010	2011	2012	2013	% Ch 12-13
ADAMS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ASOTIN	257	443	536	571	951	526	435	336	-22.8%
BENTON	1,648	1,658	1,632	1,428	1,512	1,813	1,854	1,804	-2.7%
CHELAN	306	542	538	680	668	643	541	482	-10.9%
CLALLAM	N/A	N/A	627	812	783	736	640	628	-1.9%
CLARK	3,414	4,206	5,053	3,584	3,494	3,253	2,580	2,344	-9.1%
COLUMBIA	N/A	N/A	N/A	72	81	97	N/A	N/A	N/A
COWLITZ	454	710	808	604	660	591	577	456	-21.0%
DOUGLAS	N/A	N/A	N/A	274	289	241	201	161	-19.9%
FERRY	295	325	411	500	576	575	551	558	1.3%
FRANKLIN	1,648	1,658	1,632	1,428	1,512	1,813	1,854	1,804	-2.7%
GARFIELD	257	443	536	571	951	526	435	336	-22.8%
GRANT	386	523	685	654	609	600	578	579	0.2%
GRAYS HARBOR	715	807	907	777	829	833	812	769	-5.3%
ISLAND	871	1,053	1,180	1,165	1,133	1,023	916	854	-6.8%
JEFFERSON	357	480	516	538	630	571	519	474	-8.7%
KING	6,489	9,458	11,863	9,655	9,873	8,177	5,091	4,203	-17.4%
KITSAP	1,634	2,339	2,462	1,758	1,879	1,700	1,438	1,388	-3.5%
KITTITAS	333	520	672	609	572	545	524	453	-13.5%
KLICKITAT	N/A	222	246	249	265	271	242	249	2.9%
LEWIS	465	783	829	744	840	776	705	707	0.3%
LINCOLN	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MASON	520	865	956	817	882	868	793	790	-0.4%
OKANOGAN	N/A	275	390	396	439	429	429	462	7.7%
PACIFIC	N/A	N/A	407	346	444	421	426	429	0.7%
PEND OREILLE	295	325	411	500	576	575	551	558	1.3%
PIERCE	5,098	7,483	7,136	5,328	5,775	5,034	3,469	2,995	-13.7%
SAN JUAN	247	328	392	446	458	457	440	403	-8.4%
SKAGIT	845	1,132	1,210	1,224	1,192	1,037	893	782	-12.4%
SKAMANIA	N/A	108	116	123	105	109	101	107	5.9%
SNOHOMISH	3,483	5,382	5,819	4,527	4,694	3,727	2,040	1,791	-12.2%
SPOKANE	2,401	3,236	3,958	3,845	3,943	3,651	3,305	3,098	-6.3%
STEVENS	295	325	411	500	576	575	551	558	1.3%
THURSTON	1,678	2,294	2,081	1,670	1,895	1,674	1,309	1,159	-11.5%
WAHIAKUM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WALLA WALLA	425	512	844	832	710	763	547	543	-0.7%
WHATCOM	N/A	1,861	1,758	1,572	1,787	1,543	1,340	1,340	0.0%
WHITMAN	186	189	204	211	234	220	216	200	-7.4%
YAKIMA	1,155	1,387	1,548	1,355	1,445	1,425	1,057	1,045	-1.1%
Statewide	36,157	51,872	58,774	50,365	53,262	47,818	37,960	34,845	-8.2%

Source: Runstad Center for Real Estate Studies, University of Washington

MONTH'S SUPPLY OF HOUSING BY PRICE RANGE

State of Washington and Counties
June 2013

County	Under \$80,000	\$80,000- 159,999	\$160,000 \$249,999	\$250,000- \$499,999	\$500,000 and above	Total Market	Market 2012	Market 2011
ADAMS	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ASOTIN	4.2	3.2	3.8	10.1	N/A	4.5	10.0	12.9
BENTON	4.5	3.9	4.1	5.9	11.9	4.6	7.6	7.4
CHELAN	3.3	3.8	2.9	5.6	20.3	5.0	10.5	17.6
CLALLAM	2.0	3.4	5.0	11.3	22.1	6.5	11.6	14.4
CLARK	2.3	2.7	2.4	4.4	11.8	3.5	6.6	8.4
COLUMBIA	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
COWLITZ	3.0	3.9	4.7	9.0	N/A	4.9	12.6	8.9
DOUGLAS	1.4	2.2	2.1	3.6	N/A	2.8	8.1	12.5
FERRY	8.2	23.2	62.6	52.6	N/A	31.3	67.8	20.8
FRANKLIN	4.5	3.9	4.1	5.9	11.9	4.6	7.6	7.4
GARFIELD	4.2	3.2	3.8	10.1	N/A	4.5	10.0	12.9
GRANT	1.3	2.5	3.3	4.5	N/A	3.1	17.0	14.8
GRAYS HARBOR	5.1	8.2	17.3	40.4	N/A	11.0	15.4	17.2
ISLAND	0.4	1.1	1.6	3.0	8.1	2.7	12.2	16.2
JEFFERSON	5.7	9.1	8.7	12.5	N/A	11.9	16.9	28.3
KING	1.0	0.9	1.1	1.3	2.0	1.5	3.0	5.5
KITSAP	2.6	3.0	3.1	3.8	7.5	3.8	6.8	9.5
KITTITAS	2.9	6.4	3.8	7.2	19.1	6.4	6.4	19.4
Klickitat	4.8	8.0	8.6	12.1	N/A	9.8	19.5	27.1
LEWIS	1.7	3.9	4.7	8.4	N/A	4.2	15.3	16.9
LINCOLN	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MASON	3.8	7.3	12.2	2.8	11.8	9.6	16.4	18.5
OKANOGAN	6.8	9.4	16.5	20.1	N/A	14.3	19.8	32.3
PACIFIC	7.1	9.9	22.6	123.7	N/A	15.3	21.6	25.6
PEND OREILLE	8.2	23.2	62.6	52.6	N/A	31.3	67.8	20.8
PIERCE	1.7	1.9	1.7	3.8	7.8	2.8	5.1	6.9
SAN JUAN	N/A	N/A	8.2	19.6	83.3	37.0	30.1	50.3
SKAGIT	4.4	3.3	3.4	5.7	19.4	5.2	9.8	12.3
SKAMANIA	13.7	14.7	14.4	5.5	N/A	19.1	N/A	N/A
SNOHOMISH	3.0	1.6	1.1	1.6	4.5	1.7	2.9	6.1
SPOKANE	2.9	3.4	3.1	4.8	12.1	3.7	8.8	10.3
STEVENS	8.2	23.2	62.6	52.6	N/A	31.3	67.8	20.8
THURSTON	0.8	0.8	1.1	1.8	8.5	1.4	5.8	4.4
WAHIAKUM	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
WALLA WALLA	4.3	6.7	6.2	7.9	18.1	6.8	12.5	20.5
WHATCOM	2.5	1.6	1.4	2.2	5.7	2.2	8.5	10.9
WHITMAN	2.6	4.0	2.4	2.6	N/A	2.8	10.9	12.5
YAKIMA	4.3	5.1	5.2	10.3	39.8	6.1	8.5	13.5
Statewide	2.9	3.1	2.5	3.0	4.0	3.0	6.2	8.4

Source: Runstad Center for Real Estate Studies, University of Washington

RESIDENTIAL BUILDING PERMITS

State of Washington and Counties Units Authorized, Monthly

COUNTY	APR 12		MAY 12		JUN 12		APR 13		MAY 13		JUN 13		% Change	
	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE	TOT	ONE
ADAMS														
ASOTIN														
BENTON	94	68	129	88	137	88	117	94	114	89	97	81	-8.9%	8.2%
CHELAN	13	13	12	12	14	14	22	22	17	17	16	16	41.0%	41.0%
CLALLAM	8	8	9	9	8	8	16	16	18	18	20	20	116.0%	116.0%
CLARK	112	98	129	123	115	115	214	125	299	164	165	160	90.4%	33.6%
COLUMBIA	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
COWLITZ	16	16	14	14	7	7	8	8	13	13	5	5	-29.7%	-29.7%
DOUGLAS	4	4	7	7	8	8	13	13	15	15	14	14	121.1%	121.1%
FERRY	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
FRANKLIN	67	62	77	77	82	77	55	39	55	40	56	40	-26.5%	-44.9%
GARFIELD	1	1	0	0	0	0	0	0	0	0	0	0	N/A	N/A
GRANT														
GRAYS HARBOR	8	8	4	4	5	5	6	6	8	8	6	6	17.6%	17.6%
ISLAND	13	13	8	8	13	13	16	16	18	18	10	10	29.4%	29.4%
JEFFERSON	5	5	3	3	6	6	6	6	7	7	10	10	64.3%	64.3%
KING	814	334	1,074	377	1,538	357	524	425	1,349	440	748	432	-23.5%	21.4%
KITSAP	31	31	49	49	39	39	57	47	45	45	36	36	16.0%	7.6%
KITTITAS	15	15	18	18	14	14	8	8	19	19	36	36	34.0%	34.0%
Klickitat														
LEWIS	5	5	12	12	14	14	6	6	14	14	17	17	19.4%	19.4%
LINCOLN														
MASON	12	12	13	13	16	16	12	12	11	11	15	15	-7.3%	-7.3%
OKANOGAN	5	5	15	15	10	10	11	11	14	14	10	10	16.7%	16.7%
PACIFIC														
PEND OREILLE	0	0	0	0	0	0	0	0	0	0	0	0	N/A	N/A
PIERCE	155	155	325	221	270	146	294	292	240	222	234	224	2.4%	41.4%
SAN JUAN	10	10	6	6	11	11	7	7	8	8	9	9	-11.1%	-11.1%
SKAGIT	17	17	23	23	20	20	27	27	28	28	26	26	35.0%	35.0%
SKAMANIA	3	3	4	4	4	4	5	5	1	1	2	2	-27.3%	-27.3%
SNOHOMISH	227	189	185	181	234	220	259	171	457	218	386	210	70.6%	1.5%
SPOKANE	115	78	116	65	102	76	99	93	113	110	142	140	6.3%	56.6%
STEVENS	1	1	0	0	0	0	0	0	1	1	1	1	100.0%	100.0%
THURSTON	69	69	63	63	65	63	71	71	69	69	88	86	15.7%	15.9%
WAHIAKUM														
WALLA WALLA	6	6	8	8	3	3	8	8	11	11	6	6	47.1%	47.1%
WHATCOM	34	26	65	27	31	31	157	45	35	35	71	52	102.3%	57.1%
WHITMAN	4	4	2	2	6	6	27	19	52	4	7	7	616.7%	150.0%
YAKIMA	12	12	17	17	6	6	11	11	5	5	14	14	-14.3%	-14.3%
Statewide	1,876	1,268	2,387	1,446	2,778	1,377	2,056	1,603	3,036	1,644	2,247	1,685	4.2%	20.6%

Source: U.S. Department of Commerce

NOTES:

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

RESIDENTIAL BUILDING PERMITS

State of Washington and Counties Value Authorized, Quarterly Totals

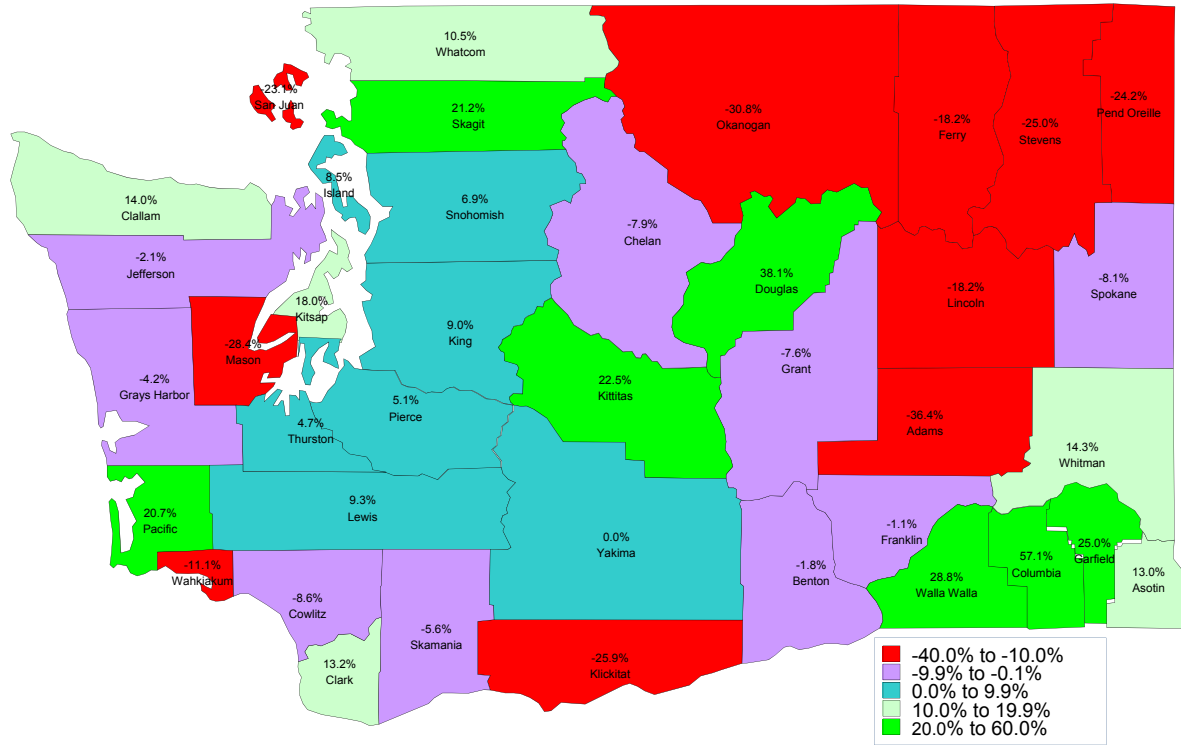
COUNTY	2nd Qtr 2012		1st Qtr 2013		2nd Qtr 2013		% change year ago	
	Total Value	SF Value	Total Value	SF Value	Total Value	SF Value	Total Value	SF Value
ADAMS								
ASOTIN								
BENTON	\$73.7	\$63.1	\$75.1	\$63.0	\$75.6	\$67.4	2.7%	6.9%
CHELAN	\$7.6	\$7.6	\$6.1	\$6.1	\$9.5	\$9.5	25.6%	25.6%
CLALLAM	\$5.4	\$5.4	\$4.1	\$4.1	\$10.5	\$10.5	94.2%	94.2%
CLARK	\$83.0	\$81.2	\$119.3	\$89.2	\$140.2	\$124.5	68.9%	53.3%
COLUMBIA	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	N/A	N/A
COWLITZ	\$6.9	\$6.9	\$4.0	\$4.0	\$5.5	\$5.5	-21.1%	-21.1%
DOUGLAS	\$3.5	\$3.5	\$2.2	\$2.2	\$6.9	\$6.9	97.0%	97.0%
FERRY								
FRANKLIN	\$50.1	\$49.0	\$45.1	\$44.7	\$34.3	\$28.7	-31.4%	-41.4%
GARFIELD	\$0.2	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0	-100.0%	-100.0%
GRANT								
GRAYS HARBOR	\$3.5	\$3.5	\$3.4	\$3.4	\$4.2	\$4.2	21.9%	21.9%
ISLAND	\$8.4	\$8.4	\$10.3	\$10.3	\$12.4	\$12.4	47.4%	47.4%
JEFFERSON	\$3.0	\$3.0	\$4.5	\$4.5	\$4.6	\$4.6	52.0%	52.0%
KING	\$693.3	\$315.6	\$471.6	\$299.5	\$590.7	\$425.3	-14.8%	34.7%
KITSAP	\$25.8	\$25.8	\$19.8	\$19.8	\$32.7	\$31.5	26.9%	22.3%
KITTITAS	\$10.2	\$10.2	\$7.0	\$7.0	\$13.1	\$13.1	29.0%	29.0%
KLICKITAT								
LEWIS	\$3.9	\$3.9	\$2.9	\$2.9	\$4.9	\$4.9	26.1%	26.1%
LINCOLN								
MASON	\$9.2	\$9.2	\$4.0	\$4.0	\$8.7	\$8.7	-5.7%	-5.7%
OKANOGAN	\$4.3	\$4.3	\$1.4	\$1.4	\$4.5	\$4.5	6.3%	6.3%
PACIFIC								
PEND OREILLE	\$0.0	\$0.0	\$0.2	\$0.2	\$0.0	\$0.0	N/A	N/A
PIERCE	\$158.3	\$134.2	\$187.0	\$169.2	\$202.6	\$199.7	27.9%	48.8%
SAN JUAN	\$9.8	\$9.8	\$6.9	\$6.9	\$8.1	\$8.1	-18.0%	-18.0%
SKAGIT	\$11.1	\$11.1	\$9.6	\$9.6	\$15.9	\$15.9	43.1%	43.1%
SKAMANIA	\$2.6	\$2.6	\$2.0	\$2.0	\$1.8	\$1.8	-28.7%	-28.7%
SNOHOMISH	\$156.0	\$148.5	\$164.0	\$107.6	\$206.2	\$149.0	32.2%	0.4%
SPOKANE	\$73.4	\$62.9	\$67.4	\$55.6	\$119.9	\$118.0	63.5%	87.5%
STEVENS	\$0.2	\$0.2	\$0.0	\$0.0	\$0.4	\$0.4	131.8%	131.8%
THURSTON	\$47.6	\$47.2	\$38.9	\$38.9	\$59.2	\$58.8	24.5%	24.5%
WAHIAKUM								
WALLA WALLA	\$4.1	\$4.1	\$2.1	\$2.1	\$5.7	\$5.7	38.7%	38.7%
WHATCOM	\$22.8	\$18.8	\$13.0	\$12.2	\$51.4	\$31.9	125.8%	69.6%
WHITMAN	\$2.7	\$2.7	\$25.6	\$2.7	\$15.8	\$6.7	476.5%	143.6%
YAKIMA	\$10.7	\$10.7	\$10.0	\$10.0	\$6.8	\$6.8	-36.5%	-36.5%
Statewide	\$1,491.1	\$1,053.6	\$1,307.7	\$983.1	\$1,652.2	\$1,365.1	10.8%	29.6%

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 Sales Change (SAAR) 2013 Q1 - 2013 Q2



Median Home Price 2013:Q2

