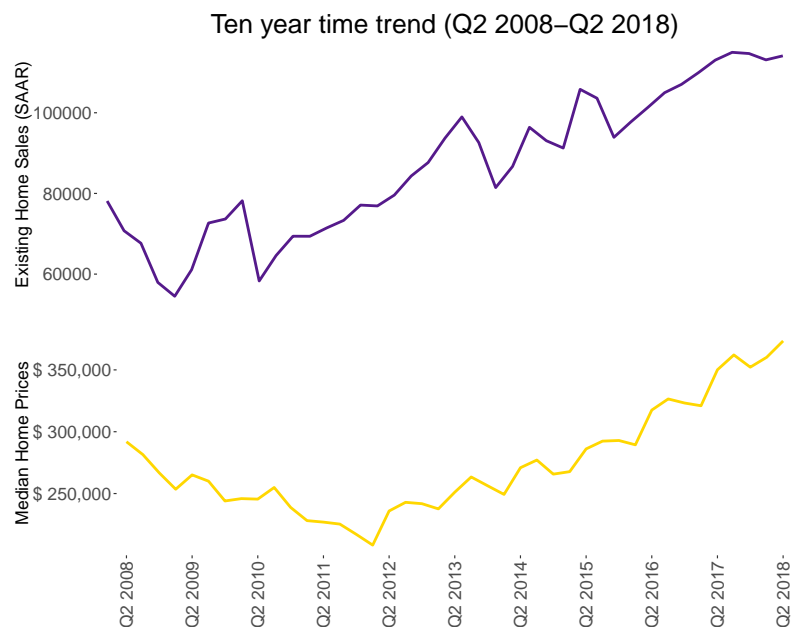


Washington Market Highlights: Second Quarter 2018

- Existing home sales declined in the second quarter by 0.9 percent to a seasonally adjusted annual rate of 114,110 units compared to last quarter, and rose 0.9 percent compared to a year earlier.
- Building permit activity fell 0.6 percent from a year earlier, totaling 10,834 new units authorized. Of these, 6,042 were issued for single-family units.
- The median price home sold in Washington during the second quarter was \$373,400, 6.7 percent higher than a year earlier.
- Housing affordability for both all buyers and first-time buyers fell from both the previous quarter and the same quarter a year ago. The All-Buyer Housing Affordability Index stayed above 100 in 34 of Washington's 39 counties.
- Inventories of homes available for sale totaled 18,707 single-family homes at the end of the quarter, a 56.1% increase from the first quarter and a 1.8 percent decrease from a year ago. This inventory level represented a 2.0 month supply, a slight imbalance, where demand exceeds the supply of homes on the market.



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Real Estate Commission

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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Second Quarter 2018
Issued August 2018

Survey Description

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

Coverage: At least quarterly, WCRER 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 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 Second 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 [(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.

Summary:

Washington state's housing market was strong in the second quarter of 2018, with sales rising and new building permits only slightly falling compared with a year ago.

The statewide median sales price for a single family home rose to \$373,400 in the second quarter, which was 6.7 percent higher than the same time in 2017.

The seasonally adjusted annual rate of existing home sales rose 0.9 percent from the second quarter of 2017—from 103,030 to 114,110. This means that if the quarter's pace continued unchanged for a year, that number of homes would be sold. Although robust, the current annual rate of sales is lower than the high witnessed in 2003.

Home prices rose in all of the state's seventeen metropolitan counties. Statewide, Lincoln County recorded the highest relative increase of 47.4 percent, followed by Ferry County at 25.9 percent. Median prices were lower than a year earlier in only one county, with prices in Skamania County decreasing by 2.3%.

Given the variety of location and market diversity in the state, median housing prices are highly variable, ranging from \$140,000 in Lincoln County to \$729,800 in King County (San Juan County has the second highest median values at \$558,300).

Housing affordability was lower in the second quarter than both the previous quarter and year. That index—where 100

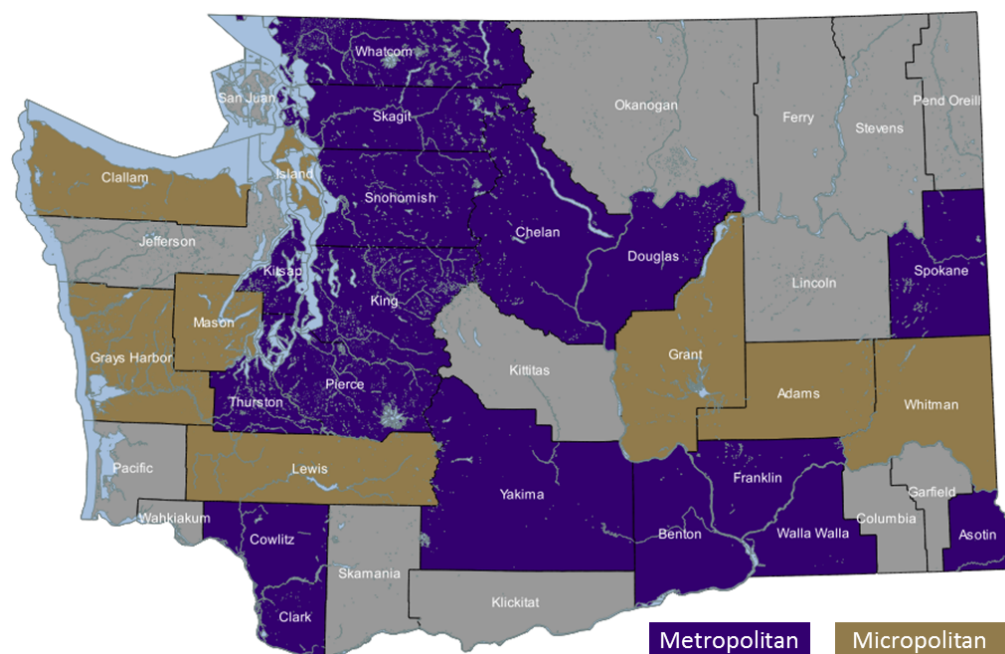
means a middle-income family can just qualify for a median-priced home, given a 20 percent down payment and a 30-year fixed mortgage rate at prevailing rates—was 105.4, down from 112.3 in the first quarter of 2018. This metric suggests that, given the same down payment and mortgage, a middle-income family can afford a home selling for 5.4 percent above the median.

Statewide, the first-time buyer index declined by 3.9 points, ending the quarter at 61.2. This index assumes a less expensive home, lower down payment and lower income. This means that a household earning 70 percent of the median household income—as may be true of first-time buyers—had only 61.2 percent of the income required to purchase a typical starter home statewide.

Housing affordability varied widely across the state. The least affordable county is San Juan County, with Columbia County the most affordable. Thirty-five counties, especially those in the central Puget Sound, present affordability issues for newcomers.

Affordability remains a challenge in the state's housing market. Meanwhile, permitting activity is strong. In the second quarter of 2018, a total of 10,834 building permits were recorded, down slightly (0.6%) from the previous year.

Washington can be described as three states, including trends for Metropolitan, micropolitan, and other areas (map below). It can also be three states, with differing challenges for eastern Washington, western Washington, and the central Puget Sound. The nature of this report has been changed so that reader's can more easily pull out the information they need, especially for variances in location.



Home Resales:

5 of 39

Number of counties with a quarter-over-quarter decline in seasonally adjusted sales.

0.9%

Quarter-over-quarter increase in seasonally adjusted annual sales.

12.5%

Largest drop in seasonally adjusted quarter-over-quarter sales seen in **Klickitat** county.

114,110

Seasonally Adjusted Annual Sales (SAAR).

440

Largest drop in seasonally adjusted quarter-over-quarter sales in absolute terms seen in **Snohomish** county.

0.9%

Year-over-year increase in seasonally adjusted annual sales.

One

Number of counties with sales rates at least ten percent lower than the previous quarter.

29 of 39

Number of counties with quarter-over-quarter sales increases.

14.3%

Largest quarter-over-quarter gain in seasonally adjusted sales seen in **Adams** and **Wahkiakum** counties.

4 of 17

Number of Metropolitan counties with fewer sales than the previous quarter.

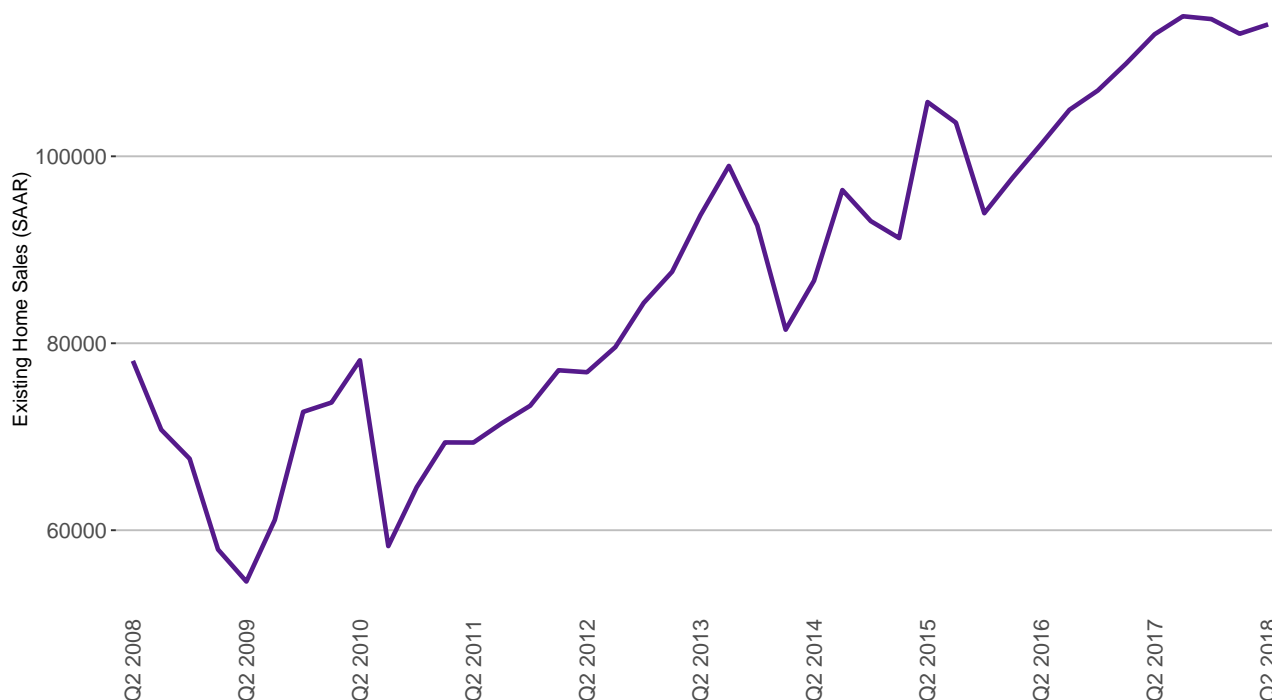
430

Largest quarter-over-quarter sales gain in absolute terms seen in **Pierce** county.

98,980

Seasonally adjusted annual sales rate in the 17 Metropolitan counties (**86.7 %** of state total).

Ten year time trend (Q2 2008–Q2 2018)



Housing Construction:

10,834

Number of building permits issued during the quarter.

0.6%

Decline in year-over-year total number of permits.

1.5%

Increase in quarter-over-quarter total number of permits.

1.6%

Increase in year-over-year single family permits (**94** additional units).

3.1%

Decline in year-over-year multifamily permits (**154** fewer units).

200.0%

Greatest year-over-year increase in permits in a Metropolitan county, (**Asotin** county, **4** additional units).

700.0%

Greatest year-over-year increase in permits in a non-Metropolitan county, (**Adams** county, **7** additional units).

21 of 22

Number of counties with more than a 10% increase in single family permits of the total number of counties with an increase in single family permits, as compared to one year ago.

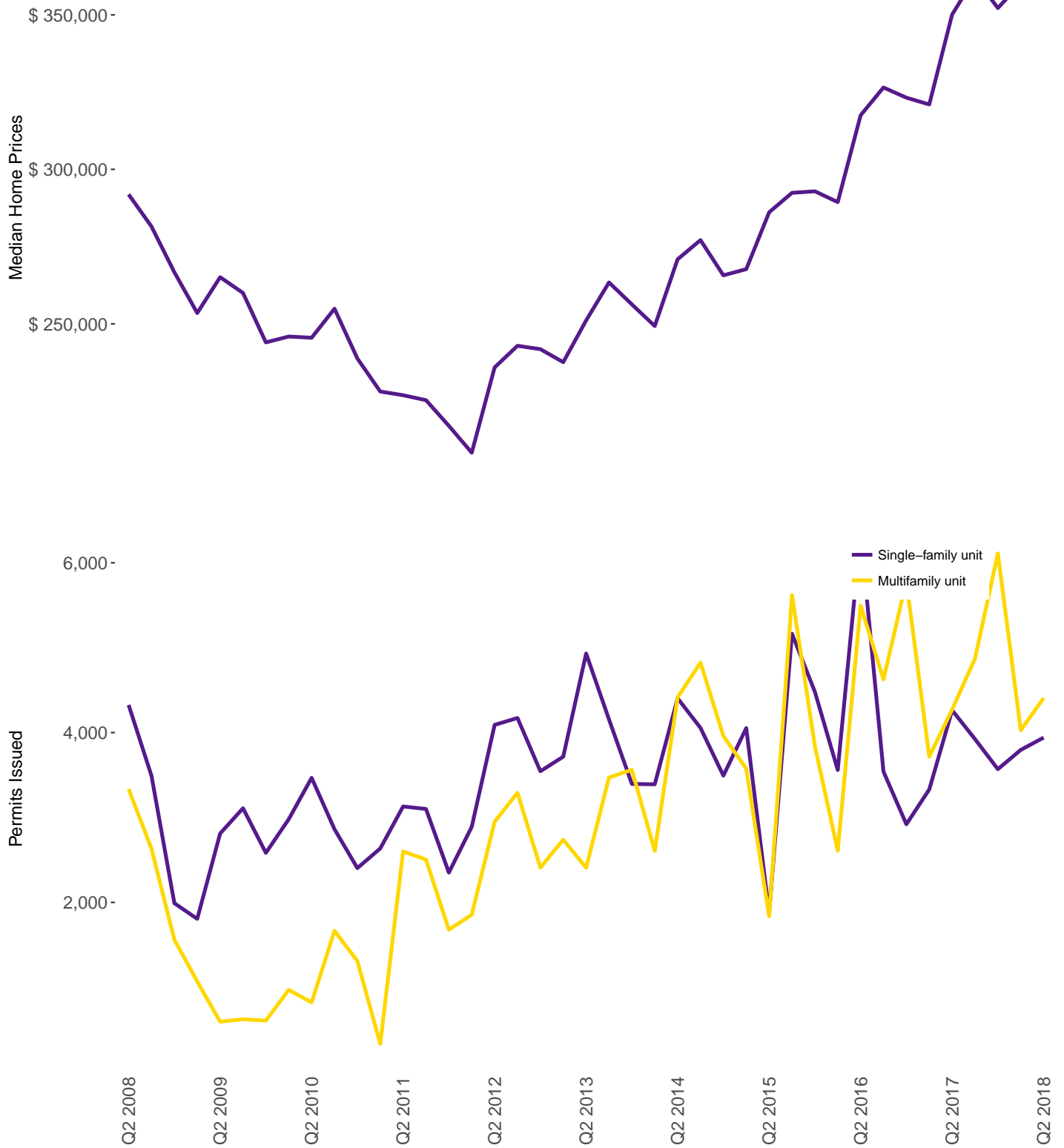
13 of 14

Number of counties with more than a 10% decrease in single family permits of the total number of counties with a decrease in single family permits, as compared to one year ago.

0 of 4

Number of counties in the central Puget Sound had a year-over-year increase in single family permits.

Ten year time trend (Q2 2008–Q2 2018)



Home Prices:

\$373,400

Median selling price of a single family home.

6.7%

Year-over-year **increase** in median selling price of a single family home.

14.9%

Year-over-year **increase** in the Federal Housing Finance Agency (FHFA) repeat sales index.

\$729,800

Highest median price in the state seen in **King** county.

\$140,000

Lowest median price in the state seen in **Lincoln** county.

\$215,600

Lowest median price in a Metropolitan county seen in **Walla Walla** county.

\$158,300–\$377,900

Range of prices in Micropolitan areas (**Adams** to **Island**).

Zero

Number of counties with year-over-year price declines of more than ten percent.

Twenty-four of Thirty-seven

Number of counties with year-over-year price increases of more than ten percent.

6.7%, 11.0%, & 10.1%

Year-over-year price change in eastern Washington, Western Washington, and the central Puget Sound.

Big Players

Increases for the five largest counties by sales volume:

King 12.1%

Pierce 12.9%

Snohomish 12.5%

Spokane 12.5%

Thurston 10.2%

Prices by Bedroom:

\$270,200

Median price for a 2-bedroom single family home, a **13.2%** year-over-year **increase**.

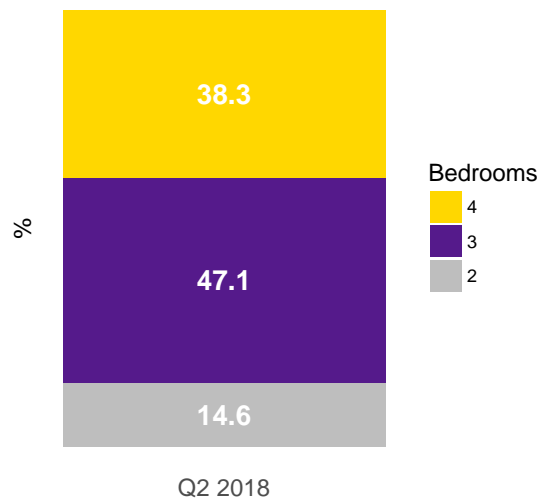
\$352,100

Median price for a 3-bedroom single family home, a **11.5%** year-over-year **increase**.

\$465,100

Median price for a 4-bedroom single family home, a **5.4%** year-over-year **increase**.

Sales by Number of Bedrooms



0 of 17

Number of Metropolitan counties with price declines in 2-bedroom homes.

Four

Number of Metropolitan counties with year-over-year price increases of 20% or more for 2-bedroom homes (**Benton**, **Franklin**, **Snohomish** and **Yakima** counties).

Zero & Zero

Number of Metropolitan counties with price declines in 3-bedroom and 4-bedroom homes.

Housing Affordability:

6.7%

Year-over-year increase in home prices.

Worse & Worse

Statewide all-buyer housing affordability as compared to last quarter, and last year.

105.4

Statewide all-buyer housing affordability index.

63.1 to 216.2

Range of affordability index scores across the state, low in **San Juan** county, and high in **Columbia** county.

39 of 39

Number of counties with statewide all-buyer affordability lower than a year ago.

66.9 & 103.6

Lowest affordability index values in Metropolitan (**King**), and micropolitan (**Island**) counties.

61.2

Statewide first-time housing affordability index, **down** from the previous quarter, and **down** from last year.

5 of 39

Number of counties with a first-time affordability index greater than 100 (affordable).

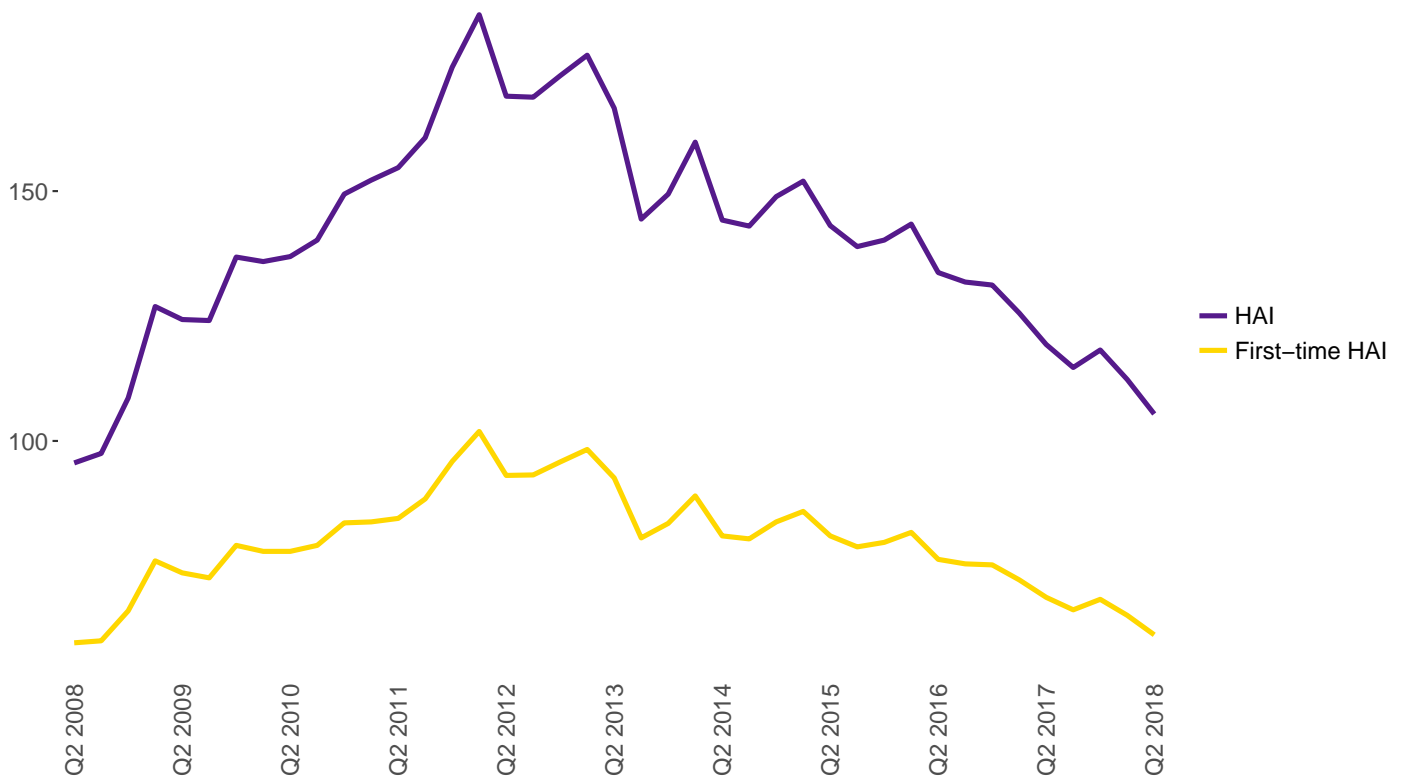
29.5 to 105.8

Range of values for first-time affordability among metropolitan counties. Low in **Franklin** county, and high in **Walla Walla** county.

38.1 to 118.6

Range of values for first-time affordability among micropolitan counties. Low in **Mason** county, and high in **Clallam** county.

Ten year time trend (Q2 2008–Q2 2018)



Availability of Affordable Housing:

\$78,400

Statewide median family income

\$49,400 to \$97,200

Range of median family income values. Low in **Adams** county, and high in **King** county.

\$64,013

Statewide median household income

\$20,394 to \$97,494

Range of median household income values. Low in **Wahkiakum** county, and high in **Clallam** county.

1.2%
Statewide inventory priced below \$80,000, **declined** from 2.0% from a year ago.

27 of 39
Number of counties with less than 2% of homes priced below \$80,000.

0% & 0%
Homes in **King** and **San Juan** counties below \$80,000.

6.2%
Statewide inventory priced below \$160,000, **declined** from 10.5% a year ago.

0.2% to 16.7%
Range of availability of homes below \$160,000 in Metropolitan counties. Low in **King** county, and high in **Walla Walla** county.

Available Inventory:

18,707

Number of homes available for sale at the end of the quarter.

6,720 & 349

Increase from last quarter (**56.1%**), and **decline** from last year (**1.8%**).

2,015 & 3,703

Largest available inventories seen in **Pierce** county and **King** county. Up **65.6%**, and up **115.2%** from last quarter.

Three of Five

Number of counties with more than 1,000 listing that had an increase over last quarter.

0 of 39

Number of counties with a decline in listings since the last quarter.

7.7%

Smallest increase since last quarter, seen in **Benton** and **Franklin** counties.

0 of 39
Number of counties with declines in listings greater than 20%.

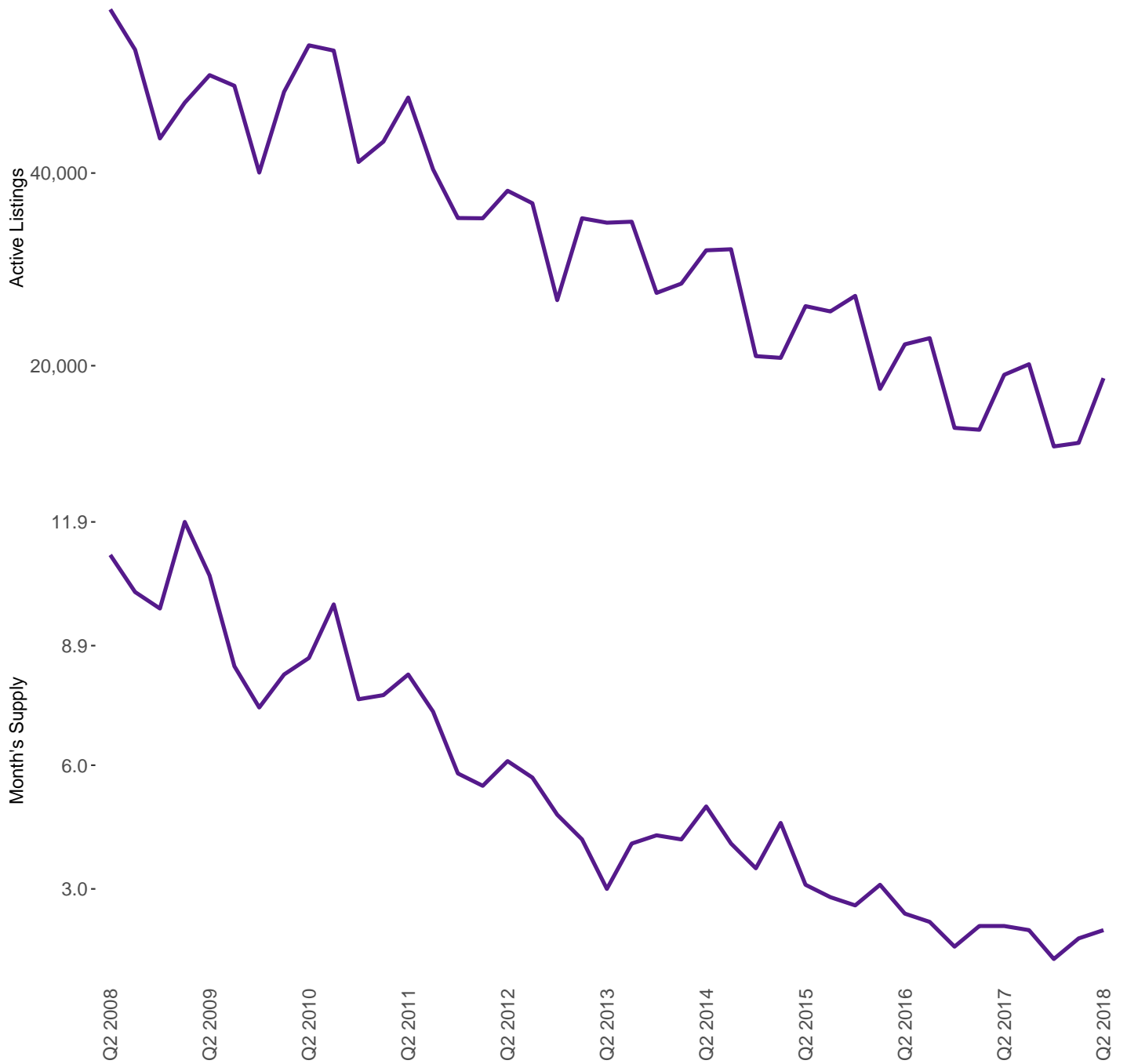
2.0
Month's supply of housing. **1.7** last quarter, and **2.1** last year.

1.6 to 75.5
Range of month's supply across the counties—low in **Kitsap**, **Pierce**, and **Thurston** counties, high in **Columbia** county.

Six
Number of counties with less than five month's supply of homes priced over \$500,000.

1 & 11
Numbers of counties with more than a year's supply of homes, and more than a year's supply of homes priced over \$500,000.

Ten year time trend (Q2 2008–Q2 2018)



HOUSING MARKET SNAPSHOT

State of Washington and Counties
Second Quarter 2018

County	SAAR	% Change by qtr	% Change by year	Building Permits	% Change by year	Median Resale Price (\$)	% Change by year	HAI	First- time HAI
Adams	160	14.3	33.3	8	700.0	\$158,300	7.2	156.7	86.9
Asotin	270	12.5	8.0	6	200.0	\$219,700	5.5	137.6	83.2
Benton	4,100	1.0	-4.0	636	92.7	\$276,300	13.2	130.4	86.2
Chelan	1,030	2.0	2.0	144	20.0	\$334,100	13.5	114.8	64.6
Clallam	1,120	5.7	1.8	51	21.4	\$293,700	7.5	106.9	118.6
Clark	7,340	1.4	-6.0	886	-26.5	\$361,200	6.5	109.1	65.8
Columbia	130	0.0	44.4	4	100.0	\$146,800	4.5	216.2	150.7
Cowlitz	1,520	0.0	8.6	49	-12.5	\$237,600	9.6	134.2	83.8
Douglas	660	4.8	17.9	11	-68.6	\$327,900	16.4	113.7	59.6
Ferry	110	10.0	37.5	5	25.0	\$175,000	25.9	144.2	43.8
Franklin	1,380	1.5	-3.5	213	29.1	\$276,300	13.2	130.4	29.5
Garfield	50	0.0	0.0	2	0.0	\$207,500	10.9	130.8	95.7
Grant	1,060	6.0	20.5	28	-41.7	\$207,800	12.2	135.2	75.6
Grays Harbor	1,920	3.8	12.3	37	48.0	\$188,800	14.6	148.8	88.3
Island	2,170	0.0	3.8	38	-30.9	\$377,900	11.7	103.6	75.6
Jefferson	700	4.5	0.0	44	-22.8	\$378,700	11.5	90.5	58.4
King	27,640	1.4	-3.5	3,612	-17.1	\$729,800	12.1	66.9	39.8
Kitsap	5,050	-0.4	3.9	257	-20.4	\$355,600	9.4	115.3	87.6
Kittitas	1,220	0.8	0.0	48	23.1	\$338,500	22.0	100.6	45.4
Klickitat	280	-12.5	-9.7	14	-51.7	\$250,000	0.0	107.0	63.8
Lewis	1,310	0.8	6.5	94	291.7	\$224,300	17.8	135.1	99.8
Lincoln	170	13.3	88.9	3	50.0	\$140,000	47.4	208.2	172.5
Mason	1,410	3.7	12.8	47	42.4	\$240,300	17.8	135.0	38.1
Okanogan	450	2.3	9.8	12	33.3	\$201,700	12.9	137.3	102.7
Pacific	520	4.0	-1.9	12	33.3	\$182,500	9.9	155.6	75.9
Pend Oreille	300	7.1	20.0	11	37.5	\$181,700	6.9	143.3	76.0
Pierce	16,250	2.7	6.9	1,798	30.9	\$353,700	12.9	108.8	50.8
San Juan	360	5.9	2.9	44	0.0	\$558,300	10.3	63.1	28.1
Skagit	2,290	-0.4	-6.5	158	9.7	\$342,300	8.5	103.9	36.6
Skamania	260	0.0	-7.1	17	70.0	\$262,500	-2.3	150.2	72.6
Snohomish	10,580	-4.0	-4.2	1,190	77.3	\$494,600	12.5	91.4	50.3
Spokane	9,210	-2.1	2.9	789	14.7	\$253,200	12.5	133.5	83.0
Stevens	890	8.5	21.9	19	46.2	\$181,700	6.9	159.9	90.5
Thurston	5,520	1.1	8.2	284	-12.1	\$319,300	10.2	126.6	61.1
Wahkiakum	80	14.3	-27.3	4	-42.9	\$241,700	20.8	124.6	30.1
Walla Walla	910	2.2	3.4	46	17.9	\$215,600	1.3	145.6	105.8
Whatcom	3,320	0.9	1.2	304	-36.8	\$385,000	12.1	95.6	55.5
Whitman	460	7.0	4.5	36	20.0	\$268,600	10.5	123.6	80.3
Yakima	1,910	2.7	1.1	106	17.8	\$231,200	12.3	119.6	68.6
Statewide	114,110	0.9	0.9	11,067	1.6	\$373,400	10.6	105.4	61.2

1. Home Resales are Runstad Center estimates based on MLS reports or deed recording.

2. SAAR means data presented at Seasonally Adjusted Annual Rates allowing qtr-to-qtr comparison.

3. Building permits (total) are from the U.S. Department of Commerce, Bureau of the Census. For less populous counties, building permit data prior to 2017 may be based upon sampled estimates.

4. Median prices are Runstad Center estimates of the point at which half of existing home sales occurred at higher prices and half at lower prices.

5. 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.

6. Whitman, Benton, and Franklin Counties figures cannot be compared to reports released prior to Q2:2015.

EXISTING HOME SALES

State of Washington and Counties
Seasonally Adjusted Annual Rate

County	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	% Change by qtr	% Change by year
Adams	120	130	140	140	160	14.3	33.3
Asotin	250	250	250	240	270	12.5	8.0
Benton	4,270	4,040	4,120	4,060	4,100	1.0	-4.0
Chelan	1,010	1,030	1,010	1,010	1,030	2.0	2.0
Clallam	1,100	1,070	1,120	1,060	1,120	5.7	1.8
Clark	7,810	7,800	7,660	7,240	7,340	1.4	-6.0
Columbia	90	120	120	130	130	0.0	44.4
Cowlitz	1,400	1,430	1,530	1,520	1,520	0.0	8.6
Douglas	560	580	560	630	660	4.8	17.9
Ferry	80	90	100	100	110	10.0	37.5
Franklin	1,430	1,360	1,390	1,360	1,380	1.5	-3.5
Garfield	50	50	50	50	50	0.0	0.0
Grant	880	910	950	1,000	1,060	6.0	20.5
Grays Harbor	1,710	1,820	1,810	1,850	1,920	3.8	12.3
Island	2,090	2,040	2,060	2,170	2,170	0.0	3.8
Jefferson	700	680	670	670	700	4.5	0.0
King	28,630	28,980	28,450	27,250	27,640	1.4	-3.5
Kitsap	4,860	5,050	5,100	5,070	5,050	-0.4	3.9
Kittitas	1,220	1,250	1,220	1,210	1,220	0.8	0.0
Klickitat	310	330	330	320	280	-12.5	-9.7
Lewis	1,230	1,260	1,270	1,300	1,310	0.8	6.5
Lincoln	90	110	140	150	170	13.3	88.9
Mason	1,250	1,350	1,370	1,360	1,410	3.7	12.8
Okanogan	410	430	460	440	450	2.3	9.8
Pacific	530	530	530	500	520	4.0	-1.9
Pend Oreille	250	270	270	280	300	7.1	20.0
Pierce	15,200	15,570	15,660	15,820	16,250	2.7	6.9
San Juan	350	360	340	340	360	5.9	2.9
Skagit	2,450	2,450	2,330	2,300	2,290	-0.4	-6.5
Skamania	280	280	290	260	260	0.0	-7.1
Snohomish	11,040	11,360	11,290	11,020	10,580	-4.0	-4.2
Spokane	8,950	9,230	9,370	9,410	9,210	-2.1	2.9
Stevens	730	790	810	820	890	8.5	21.9
Thurston	5,100	5,350	5,400	5,460	5,520	1.1	8.2
Wahkiakum	110	100	90	70	80	14.3	-27.3
Walla Walla	880	930	870	890	910	2.2	3.4
Whatcom	3,280	3,270	3,230	3,290	3,320	0.9	1.2
Whitman	440	440	440	430	460	7.0	4.5
Yakima	1,890	1,900	1,870	1,860	1,910	2.7	1.1
Statewide	113,030	114,990	114,670	113,110	114,110	0.9	0.9

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

EXISTING HOME SALES

State of Washington and Counties
Not Seasonally Adjusted

County	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	% Change by qtr	% Change by year
Adams	30	30	30	30	40	33.3	33.3
Asotin	60	60	60	60	70	16.7	16.7
Benton	1,090	1,030	1,020	970	1,040	7.2	-4.6
Chelan	260	270	250	240	260	8.3	0.0
Clallam	280	280	280	260	280	7.7	0.0
Clark	2,010	2,010	1,900	1,760	1,880	6.8	-6.5
Columbia	20	30	30	30	30	0.0	50.0
Cowlitz	360	370	380	370	390	5.4	8.3
Douglas	140	150	140	150	160	6.7	14.3
Ferry	20	20	20	20	30	50.0	50.0
Franklin	370	350	340	330	350	6.1	-5.4
Garfield	10	10	10	10	10	0.0	0.0
Grant	230	240	240	240	270	12.5	17.4
Grays Harbor	430	460	460	450	490	8.9	14.0
Island	520	530	510	500	540	8.0	3.8
Jefferson	180	170	170	160	180	12.5	0.0
King	7,370	7,470	7,080	6,580	7,130	8.4	-3.3
Kitsap	1,230	1,300	1,270	1,220	1,290	5.7	4.9
Kittitas	310	320	310	290	310	6.9	0.0
Klickitat	80	80	80	80	70	-12.5	-12.5
Lewis	310	320	320	320	330	3.1	6.5
Lincoln	20	30	40	40	50	25.0	150.0
Mason	320	350	340	330	360	9.1	12.5
Okanogan	110	120	110	110	120	9.1	9.1
Pacific	130	140	130	120	130	8.3	0.0
Pend Oreille	60	70	70	70	80	14.3	33.3
Pierce	3,860	3,990	3,910	3,850	4,120	7.0	6.7
San Juan	80	90	90	80	90	12.5	12.5
Skagit	630	630	580	560	580	3.6	-7.9
Skamania	70	70	70	70	70	0.0	0.0
Snohomish	2,820	2,900	2,800	2,670	2,690	0.7	-4.6
Spokane	2,280	2,370	2,320	2,210	2,370	7.2	3.9
Stevens	190	210	210	200	230	15.0	21.1
Thurston	1,300	1,380	1,360	1,310	1,410	7.6	8.5
Wahkiakum	30	20	20	20	20	0.0	-33.3
Walla Walla	230	240	220	210	230	9.5	0.0
Whatcom	840	850	810	780	840	7.7	0.0
Whitman	120	110	100	100	120	20.0	0.0
Yakima	490	490	470	450	490	8.9	0.0
Statewide	28,890	29,510	28,550	27,250	29,120	7.0	0.8

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

EXISTING HOME SALES

State of Washington and Counties
Annual, 2011-2017

County	2011	2012	2013	2014	2015	2016	2017	% Change by year
Adams	170	120	90	100	90	120	140	33.3
Asotin	190	190	220	240	320	280	240	-12.5
Benton	2,500	2,560	2,940	3,050	4,030	4,300	3,960	6.7
Chelan	570	730	810	550	740	1,040	980	40.5
Clallam	710	710	950	810	630	1,040	1,040	65.1
Clark	5,100	5,420	6,560	6,410	7,220	8,160	7,410	13.0
Columbia	70	70	110	90	190	80	120	-57.9
Cowlitz	810	790	1,060	1,050	1,240	1,350	1,530	8.9
Douglas	320	340	460	380	430	570	570	32.6
Ferry	0	40	50	50	60	70	100	16.7
Franklin	840	860	990	1,020	1,350	1,440	1,330	6.7
Garfield	40	40	40	50	60	50	50	-16.7
Grant	700	590	980	830	870	890	980	2.3
Grays Harbor	1,260	950	1,130	1,310	1,360	1,690	1,880	24.3
Island	990	1,110	1,870	1,570	1,750	1,920	2,110	9.7
Jefferson	320	410	510	560	650	680	690	4.6
King	19,770	21,920	25,650	25,180	26,370	28,350	28,020	7.5
Kitsap	2,620	2,940	3,650	3,920	3,780	4,720	5,110	24.9
Kittitas	590	880	840	880	1,090	1,170	1,260	7.3
Klickitat	180	190	230	240	270	260	330	-3.7
Lewis	660	870	1,110	910	1,000	1,120	1,320	12.0
Lincoln	220	120	60	210	80	80	160	0.0
Mason	640	700	830	1,030	1,030	1,170	1,420	13.6
Okanogan	200	280	330	340	390	420	450	7.7
Pacific	260	280	360	400	480	530	520	10.4
Pend Oreille	180	190	270	210	240	250	280	4.2
Pierce	9,250	8,980	11,230	11,450	12,650	14,570	16,000	15.2
San Juan	140	230	310	310	290	330	360	13.8
Skagit	1,520	1,350	1,760	1,840	1,990	2,390	2,350	20.1
Skamania	120	160	210	210	220	280	270	27.3
Snohomish	7,900	8,480	9,430	9,240	10,030	11,390	11,240	13.6
Spokane	4,470	3,330	6,190	7,600	7,040	8,440	9,420	19.9
Stevens	520	570	790	630	710	720	830	1.4
Thurston	4,320	2,910	6,270	3,620	3,950	4,860	5,560	23.0
Wahkiakum	40	80	50	140	120	120	80	0.0
Walla Walla	510	560	660	710	820	900	890	9.8
Whatcom	2,530	2,190	3,360	2,690	3,040	3,230	3,320	6.2
Whitman	260	300	400	330	460	450	400	-2.2
Yakima	1,240	1,310	1,520	1,670	1,850	1,930	1,860	4.3
Statewide	72,730	73,750	94,280	91,830	98,890	111,360	114,580	12.6

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

MEDIAN HOME PRICES

State of Washington and Counties

Time Trend

County	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	% Change by year
Adams	\$147,600	\$147,300	\$150,700	\$153,300	\$158,300	7.2
Asotin	\$208,300	\$202,100	\$198,600	\$208,700	\$219,700	5.5
Benton	\$244,100	\$245,200	\$251,100	\$267,400	\$276,300	13.2
Chelan	\$294,400	\$337,300	\$316,400	\$318,700	\$334,100	13.5
Clallam	\$273,100	\$269,700	\$275,600	\$273,300	\$293,700	7.5
Clark	\$339,200	\$342,000	\$336,700	\$346,800	\$361,200	6.5
Columbia	\$140,500	\$140,500	\$147,800	\$153,800	\$146,800	4.5
Cowlitz	\$216,700	\$227,100	\$238,200	\$250,000	\$237,600	9.6
Douglas	\$281,600	\$290,900	\$285,900	\$295,000	\$327,900	16.4
Ferry	\$139,000	\$127,000	\$141,000	\$157,000	\$175,000	25.9
Franklin	\$244,100	\$245,200	\$251,100	\$267,400	\$276,300	13.2
Garfield	\$187,100	\$191,100	\$194,500	\$199,500	\$207,500	10.9
Grant	\$185,200	\$194,400	\$201,400	\$180,800	\$207,800	12.2
Grays Harbor	\$164,700	\$167,600	\$188,200	\$188,700	\$188,800	14.6
Island	\$338,200	\$349,700	\$345,600	\$349,000	\$377,900	11.7
Jefferson	\$339,700	\$368,700	\$356,800	\$361,900	\$378,700	11.5
King	\$650,800	\$658,400	\$641,400	\$672,700	\$729,800	12.1
Kitsap	\$325,000	\$326,500	\$320,200	\$326,300	\$355,600	9.4
Kittitas	\$277,400	\$278,900	\$312,500	\$311,700	\$338,500	22.0
Klickitat	\$250,000	\$259,600	\$246,900	\$279,200	\$250,000	0.0
Lewis	\$190,400	\$211,100	\$217,000	\$208,800	\$224,300	17.8
Lincoln	\$95,000	\$99,000	\$107,000	\$100,000	\$140,000	47.4
Mason	\$204,000	\$220,700	\$224,200	\$226,100	\$240,300	17.8
Okanogan	\$178,700	\$218,500	\$204,300	\$225,000	\$201,700	12.9
Pacific	\$166,000	\$162,900	\$180,700	\$190,000	\$182,500	9.9
Pend Oreille	\$170,000	\$170,000	\$187,000	\$176,200	\$181,700	6.9
Pierce	\$313,200	\$338,400	\$315,600	\$332,500	\$353,700	12.9
San Juan	\$518,700	\$553,600	\$537,500	\$475,000	\$558,300	7.6
Skagit	\$315,500	\$322,900	\$329,600	\$342,300	\$342,300	8.5
Skamania	\$268,700	\$285,400	\$277,500	\$287,500	\$262,500	-2.3
Snohomish	\$439,700	\$452,400	\$442,300	\$472,200	\$494,600	12.5
Spokane	\$225,100	\$229,300	\$222,700	\$225,100	\$253,200	12.5
Stevens	\$170,000	\$170,000	\$187,000	\$176,200	\$181,700	6.9
Thurston	\$289,800	\$289,800	\$287,900	\$297,900	\$319,300	10.2
Wahkiakum	\$200,000	\$212,500	\$243,700	\$180,000	\$241,700	20.8
Walla Walla	\$212,800	\$213,700	\$220,700	\$214,200	\$215,600	1.3
Whatcom	\$343,500	\$350,600	\$345,900	\$360,800	\$385,000	12.1
Whitman	\$243,000	\$244,000	\$220,800	\$254,200	\$268,600	10.5
Yakima	\$205,900	\$209,300	\$204,400	\$200,900	\$231,200	12.3
Statewide	\$337,700	\$363,200	\$352,200	\$360,200	\$373,400	10.6

WCRER Estimates

HOME PRICES BY BEDROOMS

State of Washington and Counties
Second Quarters

County	2 bedrooms			3 bedrooms			4+ bedrooms		
	Q2 2017	Q2 2018	% Change	Q2 2017	Q2 2018	% Change	Q2 2017	Q2 2018	% Change
Adams	60,000	75,000	25	147,500	176,700	19.8	262,500	145,000	-44.8
Asotin	134,300	143,100	6.6	209,800	224,200	6.9	237,500	247,000	4
Benton	125,900	159,400	26.6	227,200	253,800	11.7	299,300	334,300	11.7
Chelan	215,900	238,600	10.5	293,300	329,300	12.3	385,700	395,000	2.4
Clallam	235,000	259,200	10.3	285,500	316,900	11	296,900	292,600	-1.4
Clark	230,600	259,600	12.6	297,000	333,700	12.4	415,900	435,500	4.7
Columbia	47,500	77,500	63.2	120,000	180,000	50	200,000	400,000	100
Cowlitz	143,700	171,300	19.2	218,300	245,400	12.4	271,700	297,600	9.5
Douglas	170,000	180,000	5.9	275,000	313,200	13.9	335,000	410,700	22.6
Ferry	95,000	250,000	NA	225,000	190,000	-15.6	275,000	200,000	-27.3
Franklin	125,900	159,400	26.6	227,200	253,800	11.7	299,300	334,300	11.7
Garfield	134,300	143,100	6.6	209,800	224,200	6.9	237,500	247,000	4
Grant	120,000	125,000	4.2	174,800	194,700	11.4	230,300	275,000	19.4
Grays Harbor	141,300	166,700	18	192,300	204,300	6.2	152,500	219,400	43.9
Island	311,600	369,400	18.5	339,000	363,700	7.3	400,000	439,600	9.9
Jefferson	304,200	356,200	17.1	368,700	390,600	5.9	525,000	537,500	2.4
King	529,300	587,500	11	596,800	656,400	10	772,700	872,200	12.9
Kitsap	250,000	279,600	11.8	313,200	341,200	8.9	398,600	445,500	11.8
Kittitas	198,600	283,300	42.6	281,500	327,800	16.4	306,200	397,700	29.9
Klickitat	212,500	150,000	-29.4	291,700	293,700	0.7	350,000	350,000	0
Lewis	130,600	158,600	21.4	204,000	229,300	12.4	268,700	264,600	-1.5
Lincoln	50,000	120,000	NA	140,000	140,000	0	250,000	150,000	-40
Mason	150,000	186,200	24.1	226,800	254,200	12.1	275,000	312,500	13.6
Okanogan	147,500	180,000	22	187,500	170,000	-9.3	206,200	275,000	33.4
Pacific	146,000	171,700	17.6	182,900	198,300	8.4	150,000	195,000	30
Pend Oreille	87,500	136,700	56.2	200,000	210,400	5.2	225,000	220,000	-2.2
Pierce	220,600	252,500	14.5	289,800	333,300	15	374,400	409,800	9.5
San Juan	496,400	475,000	-4.3	525,000	600,000	14.3	750,000	900,000	20
Skagit	243,700	247,800	1.7	306,400	344,000	12.3	390,300	437,500	12.1
Skamania	190,000	150,000	-21.1	291,700	287,500	-1.4	450,000	400,000	-11.1
Snohomish	290,400	367,300	26.5	398,600	449,800	12.8	530,900	588,100	10.8
Spokane	129,000	152,000	17.8	200,800	230,400	14.7	269,400	295,800	9.8
Stevens	87,500	136,700	56.2	200,000	210,400	5.2	225,000	220,000	-2.2
Thurston	245,100	267,100	9	271,600	298,700	10	335,800	367,700	9.5
Wahkiakum	200,000	525,000	NA	212,500	208,300	-2	130,000	325,000	NA
Walla Walla	130,000	130,000	0	225,900	255,600	13.1	267,300	305,000	14.1
Whatcom	247,700	281,600	13.7	341,700	373,800	9.4	429,500	448,600	4.4
Whitman	153,300	148,300	-3.3	231,000	247,700	7.2	290,400	310,700	7
Yakima	100,000	139,000	39	207,500	229,300	10.5	271,600	300,000	10.5
Statewide	238,600	270,200	13.2	315,700	352,100	11.5	441,100	465,100	5.4

WCRER Estimates

HOUSING AFFORDABILITY INDEX

State of Washington and Counties
Second Quarter 2018

County	Median Price	Mortgage Rate	Monthly Payment	Family Income	HAI	Starter Monthly Payment	Household Income	First-time HAI
Adams	\$158,300	4.7	\$656	\$49,400	156.7	\$646	\$38,505	86.9
Asotin	\$219,700	4.7	\$911	\$60,200	137.6	\$897	\$51,173	83.2
Benton	\$276,300	4.7	\$1,146	\$71,750	130.4	\$1,128	\$66,651	86.2
Chelan	\$334,100	4.7	\$1,386	\$76,400	114.8	\$1,364	\$60,456	64.6
Clallam	\$293,700	4.7	\$1,218	\$62,500	106.9	\$1,199	\$97,494	118.6
Clark	\$361,200	4.7	\$1,498	\$78,500	109.1	\$1,474	\$66,587	65.8
Columbia	\$146,800	4.7	\$609	\$63,200	216.2	\$599	\$61,963	150.7
Cowlitz	\$237,600	4.7	\$985	\$63,500	134.2	\$970	\$55,736	83.8
Douglas	\$327,900	4.7	\$1,360	\$74,250	113.7	\$1,338	\$54,742	59.6
Ferry	\$175,000	4.7	\$726	\$50,250	144.2	\$714	\$21,470	43.8
Franklin	\$276,300	4.7	\$1,146	\$71,750	130.4	\$1,128	\$22,834	29.5
Garfield	\$207,500	4.7	\$860	\$54,050	130.8	\$847	\$55,625	95.7
Grant	\$207,800	4.7	\$862	\$55,950	135.2	\$848	\$43,993	75.6
Grays Harbor	\$188,800	4.7	\$783	\$55,950	148.8	\$770	\$46,667	88.3
Island	\$377,900	4.7	\$1,567	\$78,000	103.6	\$1,543	\$80,028	75.6
Jefferson	\$378,700	4.7	\$1,571	\$68,250	90.5	\$1,546	\$61,876	58.4
King	\$729,800	4.7	\$3,028	\$97,200	66.9	\$2,980	\$81,263	39.8
Kitsap	\$355,600	4.7	\$1,475	\$81,650	115.3	\$1,452	\$87,217	87.6
Kittitas	\$338,500	4.7	\$1,404	\$67,850	100.6	\$1,382	\$43,050	45.4
Klickitat	\$250,000	4.7	\$1,037	\$53,250	107.0	\$1,020	\$44,638	63.8
Lewis	\$224,300	4.7	\$930	\$60,350	135.1	\$915	\$62,672	99.8
Lincoln	\$140,000	4.7	\$580	\$58,050	208.2	\$571	\$67,608	172.5
Mason	\$240,300	4.7	\$997	\$64,600	135.0	\$981	\$25,661	38.1
Okanogan	\$201,700	4.7	\$836	\$55,150	137.3	\$823	\$58,026	102.7
Pacific	\$182,500	4.7	\$757	\$56,550	155.6	\$745	\$38,798	75.9
Pend Oreille	\$181,700	4.7	\$753	\$51,850	143.3	\$741	\$38,675	76.0
Pierce	\$353,700	4.7	\$1,467	\$76,650	108.8	\$1,444	\$50,268	50.8
San Juan	\$558,300	4.7	\$2,316	\$70,200	63.1	\$2,279	\$43,865	28.1
Skagit	\$342,300	4.7	\$1,420	\$70,850	103.9	\$1,397	\$35,117	36.6
Skamania	\$262,500	4.7	\$1,089	\$78,500	150.2	\$1,071	\$53,333	72.6
Snohomish	\$494,600	4.7	\$2,052	\$90,050	91.4	\$2,019	\$69,692	50.3
Spokane	\$253,200	4.7	\$1,050	\$67,300	133.5	\$1,033	\$58,843	83.0
Stevens	\$181,700	4.7	\$753	\$57,850	159.9	\$741	\$46,028	90.5
Thurston	\$319,300	4.7	\$1,324	\$80,500	126.6	\$1,303	\$54,593	61.1
Wahkiakum	\$241,700	4.7	\$1,002	\$60,000	124.6	\$986	\$20,394	30.1
Walla Walla	\$215,600	4.7	\$894	\$62,500	145.6	\$880	\$63,872	105.8
Whatcom	\$385,000	4.7	\$1,597	\$73,300	95.6	\$1,572	\$59,785	55.5
Whitman	\$268,600	4.7	\$1,114	\$66,100	123.6	\$1,096	\$60,412	80.3
Yakima	\$231,200	4.7	\$959	\$55,050	119.6	\$944	\$44,433	68.6
Statewide	\$373,400	4.7	\$1,549	\$78,400	105.4	\$1,524	\$64,013	61.2

Source: Runstad Center Estimates
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. 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	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
Adams	197.0	200.4	193.9	178.6	178.4	177.8	174.1	166.3	156.7
Asotin	178.4	182.2	177.1	171.8	153.9	157.8	160.9	148.8	137.6
Benton	172.5	175.2	175.3	158.8	156.6	155.1	151.8	138.4	130.4
Chelan	145.6	140.7	138.5	144.2	134.9	117.9	126.7	122.9	114.8
Clallam	130.4	131.4	139.4	125.5	121.9	122.8	120.4	118.0	106.9
Clark	144.8	143.5	141.7	135.3	123.3	121.6	123.8	116.8	109.1
Columbia	187.8	252.4	204.1	189.5	239.6	238.4	227.1	212.0	216.2
Cowlitz	165.8	171.0	164.5	150.2	156.1	148.2	141.6	131.1	134.2
Douglas	150.6	152.2	142.4	140.2	137.1	132.9	136.3	129.1	113.7
Ferry	188.4	196.7	215.3	216.8	192.4	209.5	189.1	165.1	144.2
Franklin	172.5	175.2	175.3	158.8	156.6	155.1	151.8	138.4	130.4
Garfield	167.6	168.5	165.0	155.7	153.9	149.9	147.6	139.8	130.8
Grant	160.2	163.5	165.8	163.9	161.0	152.6	147.5	159.7	135.2
GraysHarbor	195.7	205.3	188.4	187.5	181.0	177.0	157.9	153.0	148.8
Island	133.1	131.4	132.7	122.9	122.9	118.2	119.8	115.3	103.6
Jefferson	115.6	116.8	104.7	99.1	107.0	98.1	101.6	97.3	90.5
King	92.6	93.4	88.9	86.4	79.4	78.1	80.4	74.5	66.9
Kitsap	151.1	151.1	153.3	145.6	133.7	132.5	135.4	129.1	115.3
Kittitas	149.0	141.3	136.5	125.3	130.2	128.9	115.3	112.3	100.6
Klickitat	104.7	149.8	116.2	125.8	113.4	108.7	114.5	98.4	107.0
Lewis	182.7	183.1	191.9	178.3	169.0	151.6	147.8	149.2	135.1
Lincoln	374.6	366.8	357.2	335.7	325.7	310.9	288.2	299.6	208.2
Mason	182.9	175.3	174.0	169.9	168.8	155.2	153.0	147.4	135.0
Okanogan	176.5	145.9	146.4	179.1	164.4	133.8	143.4	126.5	137.3
Pacific	211.3	209.2	205.8	192.8	181.5	184.0	166.2	153.6	155.6
Pend	173.8	177.7	184.2	190.2	162.4	161.5	147.2	151.8	143.3
Pierce	148.8	147.6	145.3	138.1	130.5	120.1	129.0	119.0	108.8
SanJuan	92.9	75.1	87.6	79.8	72.2	67.3	69.4	76.3	63.1
Skagit	129.3	134.3	132.2	121.9	119.6	116.3	114.2	106.8	103.9
Skamania	193.2	167.7	154.4	179.4	155.6	145.8	150.2	140.9	150.2
Snohomish	124.8	122.5	123.7	111.4	108.9	105.4	108.0	98.4	91.4
Spokane	174.2	172.6	177.4	166.5	159.4	155.6	160.5	154.3	133.5
Stevens	194.5	198.8	205.9	212.6	181.4	180.4	164.3	169.4	159.9
Thurston	162.7	163.1	161.5	154.9	148.0	147.2	148.5	139.4	126.6
Wahkiakum	155.7	158.0	152.6	131.2	159.7	149.6	130.7	172.0	124.6
WallaWalla	168.1	165.1	158.2	147.5	156.5	155.0	150.4	150.5	145.6
Whatcom	132.1	126.8	122.7	114.3	113.6	110.7	112.5	104.8	95.6
Whitman	151.8	156.4	161.8	136.1	145.0	143.6	159.0	134.2	123.6
Yakima	161.8	157.4	149.3	146.9	142.4	139.4	143.0	141.4	119.6
Statewide	134.0	132.3	131.0	124.3	123.7	114.4	118.2	112.3	105.4

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 INDEX

First-time Buyers

State of Washington and Counties

Time Trend

County	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018
Adams	114.1	115.4	111.1	101.8	101.0	100.2	97.5	92.7	86.9
Asotin	103.3	106.1	103.7	101.2	91.1	93.9	96.2	89.5	83.2
Benton	113.5	115.3	115.5	104.7	103.2	102.3	100.1	91.4	86.2
Chelan	81.9	79.2	77.9	81.2	75.9	66.3	71.3	69.2	64.6
Clallam	120.8	124.8	135.6	125.1	124.2	127.9	128.1	128.2	118.6
Clark	84.7	84.2	83.5	80.1	73.2	72.5	74.1	70.2	65.8
Columbia	118.8	161.7	132.5	124.6	159.4	160.5	154.7	146.1	150.7
Cowlitz	97.6	101.4	98.4	90.5	94.7	90.6	87.1	81.2	83.8
Douglas	81.2	81.8	76.2	74.8	72.9	70.3	71.9	67.9	59.6
Ferry	71.8	73.0	77.8	76.3	65.8	69.6	61.0	51.7	43.8
Franklin	56.6	55.2	53.0	46.0	43.3	40.9	38.1	33.1	29.5
Garfield	118.1	119.3	117.4	111.3	110.5	108.1	107.0	101.8	95.7
Grant	91.1	92.8	93.9	92.7	90.8	85.8	82.8	89.5	75.6
Grays Harbor	113.6	119.4	109.9	109.7	106.2	104.1	93.1	90.5	88.3
Island	89.7	89.5	91.2	85.5	86.2	83.8	85.8	83.3	75.6
Jefferson	69.8	71.1	64.3	61.4	66.8	61.7	64.4	62.2	58.4
King	53.4	54.0	51.6	50.4	46.5	45.9	47.4	44.1	39.8
Kitsap	104.6	105.9	108.7	104.6	97.1	97.3	100.5	97.0	87.6
Kittitas	68.2	64.6	62.3	57.1	59.2	58.5	52.2	50.8	45.4
Klickitat	63.4	90.4	70.0	75.7	68.1	65.1	68.5	58.8	63.8
Lewis	121.5	123.4	131.2	123.6	118.7	107.8	106.4	108.8	99.8
Lincoln	283.4	280.8	276.7	263.2	258.2	249.2	233.5	245.4	172.5
Mason	66.9	62.2	60.0	56.8	54.6	48.6	46.3	43.1	38.1
Okanogan	118.9	99.7	101.4	125.8	116.9	96.4	104.6	93.5	102.7
Pacific	104.4	103.2	101.4	94.8	89.1	90.2	81.3	75.0	75.9
Pend Oreille	93.6	95.4	98.7	101.9	86.7	86.1	78.3	80.7	76.0
Pierce	73.5	72.4	70.7	66.8	62.6	57.2	61.0	55.9	50.8
San Juan	45.1	36.1	41.6	37.5	33.6	30.9	31.5	34.3	28.1
Skagit	54.9	55.8	53.7	48.4	46.4	44.1	42.2	38.6	36.6
Skamania	94.5	81.9	75.3	87.4	75.6	70.7	72.8	68.2	72.6
Snohomish	68.4	67.2	67.9	61.2	59.8	57.9	59.4	54.1	50.3
Spokane	103.9	103.5	106.9	100.9	97.1	97.1	98.8	95.4	83.0
Stevens	108.3	110.9	115.1	119.2	101.8	101.5	92.6	95.7	90.5
Thurston	83.1	82.7	81.3	77.5	73.5	72.5	72.6	67.7	61.1
Wahkiakum	53.0	51.8	48.1	39.7	46.4	41.6	34.7	43.6	30.1
Walla Walla	113.6	112.6	108.9	102.6	109.7	109.7	107.4	108.5	105.8
Whatcom	74.6	71.8	69.8	65.2	65.0	63.6	64.8	60.6	55.5
Whitman	86.1	90.3	95.1	81.5	88.3	88.9	100.1	85.8	80.3
Yakima	93.0	90.5	85.8	84.4	81.8	80.0	82.1	81.2	68.6
Statewide	76.5	75.7	75.1	71.4	71.2	66.0	68.3	65.1	61.2

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.

% OF HOMES ON MARKET BELOW SPECIFIED PRICE

State of Washington and Counties

End of Second Quarter 2018

County	\$80,000	\$160,000	\$250,000	\$500,000
Adams	7.9	44.7	65.8	97.4
Asotin	NA	10.8	51.2	92.5
Benton	1.2	5.3	20.8	79.3
Chelan	0.5	4.7	14.0	51.2
Clallam	0.5	7.5	21.4	68.7
Clark	0.6	2.4	4.3	57.6
Columbia	2.2	16.7	42.3	87.7
Cowlitz	NA	8.9	32.0	81.8
Douglas	NA	1.7	9.6	78.3
Ferry	9.8	43.1	68.6	96.1
Franklin	1.2	5.3	20.8	79.3
Garfield	NA	10.8	51.2	92.5
Grant	3.4	21.1	47.2	93.6
Grays Harbor	7.5	24.6	54.4	87.8
Island	NA	NA	2.1	54.1
Jefferson	1.6	6.3	12.2	56.1
King	0.0	0.2	0.6	19.5
Kitsap	NA	1.2	8.7	55.8
Kittitas	0.4	2.7	12.0	49.3
Klickitat	0.9	9.3	23.1	66.7
Lewis	1.5	12.9	39.2	83.7
Lincoln	11.6	39.5	58.1	90.7
Mason	1.8	13.4	38.4	82.0
Okanogan	3.4	21.6	42.6	80.9
Pacific	6.3	21.4	50.4	89.1
Pend Oreille	8.1	26.5	48.1	86.9
Pierce	0.1	1.0	6.5	60.3
San Juan	NA	0.4	2.0	24.3
Skagit	2.2	6.3	13.2	48.8
Skamania	1.8	30.4	37.5	80.4
Snohomish	0.1	0.6	1.3	37.8
Spokane	1.2	10.3	34.3	80.9
Stevens	8.1	26.5	48.1	86.9
Thurston	0.3	2.9	9.4	72.6
Wahkiakum	NA	NA	7.1	82.1
Walla Walla	2.2	16.7	42.3	87.7
Whatcom	4.3	6.3	10.8	52.0
Whitman	1.0	17.8	35.6	87.1
Yakima	3.0	15.7	45.2	89.0
Statewide	1.2	6.2	16.8	57.7

WCRER Estimates

LISTINGS AVAILABLE FOR SALE

State of Washington and Counties
End of Second Quarters

County	Q2 2012	Q2 2013	Q2 2014	Q2 2015	Q2 2016	Q2 2017	Q2 2018	% Change
Adams	NA	87	56	46	41	46	38	-17.4
Asotin	435	336	355	341	307	244	240	-1.6
Benton	1,854	1,804	1,584	1,267	1,019	886	753	-15
Chelan	541	482	403	259	348	215	215	0
Clallam	640	628	427	298	320	300	201	-33
Clark	2,580	2,344	1,206	1,418	1,144	1,005	1,226	22
Columbia	547	25	494	416	450	358	317	-11.5
Cowlitz	588	454	534	404	271	224	225	0.4
Douglas	201	161	146	120	106	78	115	47.4
Ferry	75	75	89	67	66	56	51	-8.9
Franklin	1,854	1,804	1,584	1,267	1,019	886	753	-15
Garfield	435	336	355	341	307	244	240	-1.6
Grant	584	582	524	487	410	332	265	-20.2
GraysHarbor	827	774	802	605	525	418	386	-7.7
Island	924	857	780	585	482	439	333	-24.1
Jefferson	531	477	427	360	273	272	189	-30.5
King	4,997	4,209	4,707	3,399	3,140	2,583	3,703	43.4
Kitsap	1,503	1,388	1,416	46	750	712	563	-20.9
Kittitas	525	459	505	438	297	227	225	-0.9
Klickitat	242	249	46	185	160	113	108	-4.4
Lewis	722	723	670	633	403	338	263	-22.2
Lincoln	NA	51	42	45	31	44	43	-2.3
Mason	820	801	780	606	468	355	284	-20
Okanogan	437	469	531	465	430	360	319	-11.4
Pacific	441	435	434	319	292	238	238	0
Pend	551	558	545	467	429	348	260	-25.3
Pierce	3,481	2,976	3,775	2,905	2,285	2,171	2,015	-7.2
SanJuan	468	432	452	398	342	260	247	-5
Skagit	903	792	808	593	503	422	410	-2.8
Skamania	101	107	17	66	44	38	56	47.4
Snohomish	1,985	1,747	2,438	1,913	1,474	1,316	1,513	15
Spokane	NA	3,098	3,290	2,768	2,304	2,131	1,646	-22.8
Stevens	551	558	545	467	429	348	260	-25.3
Thurston	1,329	1,158	1,393	1,088	969	745	646	-13.3
Wahkiakum	NA	NA	NA	44	NA	35	28	-20
WallaWalla	547	543	494	467	450	358	317	-11.5
Whatcom	1,358	1,306	1,430	1,049	845	712	602	-15.4
Whitman	216	200	183	98	147	122	101	-17.2
Yakima	874	896	873	885	694	555	566	2
Statewide	31,827	31,683	32,656	25,550	22,219	19,056	18,707	-1.8

WCRER Estimates

MONTH'S SUPPLY OF HOUSING BY PRICE RANGE

State of Washington and Counties

June 2018

County	Under \$80,000	\$80,000- \$159,999	\$160,000- \$249,999	\$250,000- \$499,999	\$500,000 and above	Total Market	% Change by year
Adams	1.9	2.9	1.7	9.4	NA	3.1	-39.2
Asotin	NA	NA	3.2	4.3	14.9	3.5	-14.6
Benton	1.8	1.5	0.9	2.0	6.7	1.9	-13.6
Chelan	0.5	2.6	1.7	1.6	NA	2.8	-6.7
Clallam	0.3	2.3	1.2	1.7	5.7	2.0	-44.4
Clark	1.4	2.5	0.8	1.6	5.6	2.3	27.8
Columbia	6.3	54.8	96.5	128.7	139.4	75.5	12.0
Cowlitz	NA	NA	1.1	2.6	11.2	2.1	0.0
Douglas	NA	NA	1.3	2.4	NA	2.4	33.3
Ferry	15.9	18.0	6.9	7.4	NA	10.1	-15.1
Franklin	1.8	1.5	0.9	2.0	6.7	1.9	-13.6
Garfield	NA	NA	3.2	4.3	14.9	3.5	-14.6
Grant	6.2	2.3	2.1	5.3	5.3	3.2	-37.3
Grays Harbor	2.0	2.7	2.9	4.7	21.6	3.6	-12.2
Island	NA	NA	NA	1.7	3.5	2.0	-28.6
Jefferson	3.0	3.4	1.1	2.7	5.4	3.2	-40.7
King	3.4	1.5	1.2	1.4	1.8	1.8	50.0
Kitsap	NA	NA	0.9	1.2	3.0	1.6	-20.0
Kittitas	3.1	1.5	1.8	2.1	6.4	3.1	10.7
Klickitat	3.2	3.2	3.5	8.4	19.4	7.3	23.7
Lewis	0.8	1.8	1.9	3.6	13.5	2.8	-15.2
Lincoln	2.7	4.9	6.5	22.7	NA	7.0	-41.2
Mason	0.8	2.2	1.8	2.9	6.3	2.5	-21.9
Okanogan	4.0	6.9	7.0	11.3	63.6	9.8	-21.6
Pacific	3.1	2.8	3.4	8.9	36.4	4.9	-26.9
Pend Oreille	3.9	3.2	3.8	6.2	NA	5.0	-42.5
Pierce	1.9	0.9	0.8	1.2	3.8	1.6	-11.1
San Juan	NA	NA	NA	4.1	10.7	7.9	-9.2
Skagit	14.5	3.9	1.2	1.4	6.7	2.6	4.0
Skamania	2.9	6.6	2.3	5.4	14.5	5.8	0.0
Snohomish	3.3	2.9	0.7	1.7	2.8	2.3	27.8
Spokane	2.6	1.7	1.6	2.5	5.7	2.3	-23.3
Stevens	3.9	3.2	3.8	6.2	NA	5.0	-42.5
Thurston	1.1	1.7	0.7	1.4	4.1	1.6	-11.1
Wahkiakum	NA	NA	NA	12.6	18.0	6.7	-57.6
Walla Walla	1.9	4.3	3.7	4.8	7.3	4.4	-20.0
Whatcom	4.2	1.8	1.5	1.5	5.4	2.4	-11.1
Whitman	0.6	5.0	2.0	2.6	28.6	2.9	-32.6
Yakima	3.3	2.8	3.3	4.6	NA	4.0	5.3
Statewide	2.2	2.2	1.5	1.7	2.6	2.0	-4.8

WCRER Estimates

MEDIAN HOME PRICES

State of Washington and Counties
Annual, 2010-2017

County	2010	2011	2012	2013	2014	2015	2016	2017
Adams	\$123,900	\$120,700	\$128,300	\$132,700	\$127,300	\$140,800	\$145,900	\$154,100
Asotin	\$147,800	\$155,000	\$150,600	\$161,800	\$160,100	\$170,300	\$178,000	\$197,100
Benton	\$177,500	\$176,700	\$183,300	\$186,600	\$190,400	\$201,200	\$222,800	\$244,000
Chelan	\$224,800	\$218,000	\$220,900	\$223,900	\$239,700	\$269,800	\$275,600	\$305,100
Clallam	\$206,400	\$179,800	\$191,500	\$193,400	\$207,000	\$219,300	\$250,700	\$270,300
Clark	\$212,500	\$189,800	\$197,900	\$229,700	\$247,600	\$263,200	\$294,600	\$332,800
Columbia	\$125,000	\$128,300	\$145,400	\$153,700	\$130,000	\$166,900	\$140,000	\$152,700
Cowlitz	\$156,700	\$139,100	\$136,600	\$150,500	\$162,000	\$179,100	\$199,900	\$225,600
Douglas	\$212,700	\$203,300	\$202,100	\$207,000	\$223,000	\$238,300	\$259,000	\$283,000
Ferry	NA	NA	\$95,000	\$134,000	\$130,000	\$127,500	\$95,000	\$146,700
Franklin	\$177,500	\$176,700	\$183,300	\$186,600	\$190,400	\$201,200	\$222,800	\$244,000
Garfield	\$147,800	\$155,000	\$150,600	\$161,800	\$160,100	\$170,300	\$178,000	\$197,100
Grant	\$161,300	\$154,100	\$154,900	\$156,900	\$160,200	\$165,400	\$182,400	\$190,500
Grays Harbor	\$133,200	\$116,600	\$113,000	\$118,800	\$123,200	\$138,800	\$151,600	\$169,400
Island	\$264,700	\$248,700	\$251,200	\$255,000	\$266,700	\$290,400	\$316,900	\$340,400
Jefferson	\$273,000	\$235,200	\$239,900	\$261,400	\$254,500	\$276,600	\$320,200	\$355,200
King	\$379,100	\$344,900	\$367,700	\$420,500	\$449,600	\$493,800	\$566,200	\$637,700
Kitsap	\$241,600	\$234,700	\$237,800	\$242,500	\$243,500	\$260,200	\$288,400	\$316,600
Kittitas	\$218,400	\$191,200	\$194,900	\$210,900	\$220,100	\$243,700	\$259,900	\$285,300
Klickitat	\$198,700	\$178,300	\$188,300	\$189,400	\$180,000	\$204,900	\$236,600	\$244,100
Lewis	\$152,400	\$138,600	\$142,100	\$141,600	\$150,500	\$158,700	\$174,000	\$199,200
Lincoln	\$73,600	\$70,800	\$82,000	\$67,500	\$127,500	\$80,000	\$80,000	\$105,000
Mason	\$170,000	\$145,700	\$157,100	\$152,300	\$158,500	\$170,800	\$194,100	\$213,600
Okanogan	\$174,100	\$161,000	\$153,200	\$159,700	\$151,400	\$166,500	\$182,900	\$198,700
Pacific	\$132,600	\$121,800	\$102,300	\$114,000	\$125,300	\$141,600	\$143,500	\$165,000
Pend Oreille	\$144,200	\$146,600	\$133,400	\$119,800	\$143,700	\$150,400	\$156,400	\$169,200
Pierce	\$218,700	\$193,500	\$194,700	\$217,700	\$231,900	\$251,900	\$279,000	\$315,700
San Juan	\$422,000	\$413,600	\$351,400	\$391,500	\$419,400	\$444,300	\$467,100	\$516,700
Skagit	\$227,000	\$203,400	\$209,400	\$228,600	\$236,500	\$258,100	\$287,300	\$317,000
Skamania	\$160,000	\$164,000	\$178,600	\$188,600	\$173,700	\$217,600	\$256,500	\$271,600
Snohomish	\$277,300	\$242,400	\$261,900	\$299,100	\$328,700	\$363,800	\$391,700	\$439,300
Spokane	\$172,700	\$162,300	\$170,100	\$174,500	\$178,400	\$192,200	\$207,300	\$222,600
Stevens	\$144,200	\$146,600	\$133,400	\$119,800	\$143,700	\$150,400	\$156,400	\$169,200
Thurston	\$230,100	\$217,700	\$219,100	\$224,000	\$231,400	\$247,000	\$266,100	\$285,800
Wahkiakum	\$150,000	\$90,000	\$127,500	\$145,000	\$75,000	\$167,500	\$212,500	\$226,800
Walla Walla	\$179,800	\$170,600	\$166,500	\$180,700	\$176,300	\$185,800	\$212,300	\$217,900
Whatcom	\$254,000	\$241,800	\$252,400	\$261,600	\$271,300	\$290,400	\$311,700	\$343,600
Whitman	\$201,700	\$186,300	\$196,700	\$212,900	\$201,600	\$204,100	\$228,700	\$241,200
Yakima	\$155,100	\$150,300	\$161,800	\$160,100	\$160,600	\$166,800	\$189,000	\$204,200
Statewide	\$245,700	\$223,900	\$236,600	\$253,800	\$267,600	\$289,100	\$315,900	\$348,900

WCRER Estimates

TOTAL BUILDING PERMITS

State of Washington and Counties
Annual, 2008-2017

County	2009	2010	2011	2012	2013	2014	2015	2016	2017	% Change by year
Adams	69	33	24	29	54	50	86	31	31	0.0
Asotin	35	27	16	19	23	35	31	32	34	6.2
Benton	549	1,259	1,127	1,094	930	942	1,124	1,357	1,111	-18.1
Chelan	246	206	154	207	577	304	365	393	442	12.5
Clallam	157	169	154	168	122	160	216	247	307	24.3
Clark	709	1,070	961	1,558	2,942	2,240	3,283	3,310	3,787	14.4
Columbia	4	4	4	2	7	7	10	2	4	100.0
Cowlitz	147	131	113	132	195	178	173	308	484	57.1
Douglas	109	114	92	92	129	156	162	181	187	3.3
Ferry	21	22	13	15	20	10	16	21	0	-100.0
Franklin	542	763	570	531	375	322	510	530	698	31.7
Garfield	4	4	2	3	1	3	NA	1	1	0.0
Grant	228	228	187	275	279	264	457	650	445	-31.5
GraysHarbor	166	166	114	125	122	142	178	207	251	21.3
Island	198	219	164	178	221	252	281	373	408	9.4
Jefferson	106	97	86	83	101	121	177	238	172	-27.7
King	3,186	6,020	6,143	11,614	12,277	14,703	15,226	17,699	18,641	5.3
Kitsap	562	623	540	804	913	598	1,066	1,059	1,094	3.3
Kittitas	177	183	174	195	344	283	288	323	531	64.4
Klickitat	91	77	58	78	94	83	120	123	115	-6.5
Lewis	212	204	93	121	95	164	129	232	234	0.9
Lincoln	45	43	32	27	45	30	33	50	43	-14.0
Mason	160	140	134	121	135	108	111	166	212	27.7
Okanogan	129	123	130	103	134	165	165	133	144	8.3
Pacific	50	125	111	130	139	63	62	77	85	10.4
Pend	74	52	48	36	37	42	47	59	41	-30.5
Pierce	2,047	1,900	2,566	2,479	2,892	3,777	3,046	3,865	4,968	28.5
SanJuan	120	189	105	92	109	109	100	124	115	-7.3
Skagit	290	207	179	229	283	274	424	505	663	31.3
Skamania	32	25	34	23	26	34	47	38	58	52.6
Snohomish	2,186	2,120	2,521	3,573	4,348	3,473	2,594	3,925	3,725	-5.1
Spokane	1,786	1,609	1,785	1,353	1,634	1,839	1,978	3,596	3,460	-3.8
Stevens	86	72	54	71	84	79	74	109	140	28.4
Thurston	1,317	1,156	1,028	1,012	1,289	1,003	931	2,081	1,067	-48.7
Wahkiakum	11	11	10	5	12	11	15	15	20	33.3
WallaWalla	113	128	202	150	241	207	188	218	144	-33.9
Whatcom	460	458	605	637	999	1,007	911	1,183	1,256	6.2
Whitman	79	90	93	283	380	218	141	194	242	24.7
Yakima	508	624	438	471	358	442	392	422	434	2.8
Statewide	17,011	20,691	20,864	28,118	32,966	33,898	35,157	44,077	45,794	3.9

U.S. Department of Commerce

SINGLE-FAMILY BUILDING PERMITS

State of Washington and Counties
Annual, 2008-2017

County	2009	2010	2011	2012	2013	2014	2015	2016	2017	% Change by year
Adams	57	33	22	26	44	46	75	28	23	-17.9
Asotin	29	27	16	19	21	33	31	30	34	13.3
Benton	540	937	781	897	840	798	825	952	848	-10.9
Chelan	236	204	154	205	259	286	358	385	414	7.5
Clallam	149	139	114	168	122	160	215	243	287	18.1
Clark	690	963	688	1,190	1,699	1,588	2,220	2,645	2,080	-21.4
Columbia	4	4	2	2	7	7	10	2	4	100.0
Cowlitz	147	116	113	132	155	160	168	273	464	70.0
Douglas	95	109	92	92	127	147	132	158	185	17.1
Ferry	21	22	13	15	20	10	16	21	0	-100.0
Franklin	540	636	558	374	245	280	396	496	609	22.8
Garfield	4	4	2	3	1	3	NA	1	1	0.0
Grant	218	205	171	251	236	230	228	264	350	32.6
GraysHarbor	142	163	104	125	122	140	174	207	251	21.3
Island	198	219	164	176	221	252	281	369	401	8.7
Jefferson	94	97	80	83	101	121	154	234	172	-26.5
King	2,003	2,578	2,765	3,864	4,419	4,215	4,010	4,254	4,356	2.4
Kitsap	552	468	451	634	674	519	796	862	952	10.4
Kittitas	175	177	169	180	285	265	285	304	364	19.7
Klickitat	91	77	54	78	88	78	120	105	99	-5.7
Lewis	132	124	82	97	95	129	129	156	218	39.7
Lincoln	45	41	30	27	45	30	33	50	43	-14.0
Mason	149	140	134	121	120	108	111	166	208	25.3
Okanogan	129	123	120	103	98	160	164	133	138	3.8
Pacific	48	125	111	130	139	63	62	77	85	10.4
Pend	74	52	48	36	37	42	47	59	41	-30.5
Pierce	1,243	1,708	1,494	2,009	2,369	2,371	2,253	2,469	3,014	22.1
SanJuan	120	189	105	92	109	109	100	118	112	-5.1
Skagit	251	203	179	227	283	262	410	420	534	27.1
Skamania	32	25	34	23	26	24	47	38	58	52.6
Snohomish	1,790	1,853	1,819	2,174	1,985	2,079	2,383	2,702	2,627	-2.8
Spokane	809	939	740	963	1,299	1,014	1,340	1,661	1,608	-3.2
Stevens	84	66	52	67	66	79	74	99	136	37.4
Thurston	1,083	1,053	858	959	929	934	881	1,084	950	-12.4
Wahkiakum	11	11	10	5	12	11	15	15	20	33.3
WallaWalla	87	66	80	102	134	183	184	182	144	-20.9
Whatcom	426	401	419	488	568	542	599	718	793	10.4
Whitman	67	62	33	70	100	75	81	78	80	2.6
Yakima	426	343	298	301	300	352	390	405	412	1.7
Statewide	12,991	14,702	13,159	16,508	18,400	17,905	19,797	22,463	23,115	2.9

U.S. Department of Commerce

TOTAL HOUSING INVENTORY

State of Washington and Counties
Annual, 2012-2017

County	2012	2013	2014	2015	2016	2017	% Change by year
Adams	6,271	6,325	6,375	6,461	6,492	6,523	0.5
Asotin	9,819	9,842	9,877	9,908	9,940	9,974	0.3
Benton	69,426	70,356	71,298	72,422	73,779	74,890	1.5
Chelan	35,016	35,593	35,897	36,262	36,655	37,097	1.2
Clallam	35,772	35,894	36,054	36,270	36,517	36,824	0.8
Clark	166,633	169,575	171,815	175,098	178,408	182,195	2.1
Columbia	2,126	2,133	2,140	2,150	2,152	2,156	0.2
Cowlitz	43,342	43,537	43,715	43,888	44,196	44,680	1.1
Douglas	15,726	15,855	16,011	16,173	16,354	16,541	1.1
Ferry	4,096	4,116	4,126	4,142	4,163	4,163	0.0
Franklin	26,003	26,378	26,700	27,210	27,740	28,438	2.5
Garfield	1,347	1,348	1,351	1,351	1,352	1,353	0.1
Grant	34,246	34,525	34,789	35,246	35,896	36,341	1.2
GraysHarbor	36,158	36,280	36,422	36,600	36,807	37,058	0.7
Island	38,520	38,741	38,993	39,274	39,647	40,055	1.0
Jefferson	16,912	17,013	17,134	17,311	17,549	17,721	1.0
King	873,907	886,184	900,887	916,113	933,812	952,453	2.0
Kitsap	106,199	107,112	107,710	108,776	109,835	110,929	1.0
Kittitas	21,002	21,346	21,629	21,917	22,240	22,771	2.4
Klickitat	9,914	10,008	10,091	10,211	10,334	10,449	1.1
Lewis	33,404	33,499	33,663	33,792	34,024	34,258	0.7
Lincoln	5,800	5,845	5,875	5,908	5,958	6,001	0.7
Mason	30,087	30,222	30,330	30,441	30,607	30,819	0.7
Okanogan	21,364	21,498	21,663	21,828	21,961	22,105	0.7
Pacific	15,444	15,583	15,646	15,708	15,785	15,870	0.5
Pend	7,612	7,649	7,691	7,738	7,797	7,838	0.5
Pierce	332,261	335,153	338,930	341,976	345,841	350,809	1.4
SanJuan	12,060	12,169	12,278	12,378	12,502	12,617	0.9
Skagit	50,727	51,010	51,284	51,708	52,213	52,876	1.3
Skamania	5,353	5,379	5,413	5,460	5,498	5,556	1.1
Snohomish	293,193	297,541	301,014	303,608	307,533	311,258	1.2
Spokane	207,412	209,046	210,885	212,863	216,459	219,919	1.6
Stevens	19,420	19,504	19,583	19,657	19,766	19,906	0.7
Thurston	109,458	110,747	111,750	112,681	114,762	115,829	0.9
Wahkiakum	2,076	2,088	2,099	2,114	2,129	2,149	0.9
WallaWalla	23,774	24,015	24,222	24,410	24,628	24,772	0.6
Whatcom	91,000	91,999	93,006	93,917	95,100	96,356	1.3
Whitman	19,525	19,905	20,123	20,264	20,458	20,700	1.2
Yakima	87,567	87,925	88,367	88,759	89,181	89,615	0.5
Statewide	2,919,972	2,952,938	2,986,836	3,021,993	3,066,070	3,111,864	1.5

WCRER estimates

SINGLE-FAMILY HOUSING INVENTORY

State of Washington and Counties
Annual, 2012-2017

County	2012	2013	2014	2015	2016	2017	% Change by year
Adams	4,081	4,125	4,171	4,246	4,274	4,297	0.5
Asotin	7,053	7,074	7,107	7,138	7,168	7,202	0.5
Benton	46,607	47,447	48,245	49,070	50,022	50,870	1.7
Chelan	25,139	25,398	25,684	26,042	26,427	26,841	1.6
Clallam	26,145	26,267	26,427	26,642	26,885	27,172	1.1
Clark	121,847	123,546	125,134	127,354	129,999	132,079	1.6
Columbia	1,665	1,672	1,679	1,689	1,691	1,695	0.2
Cowlitz	30,498	30,653	30,813	30,981	31,254	31,718	1.5
Douglas	10,699	10,826	10,973	11,105	11,263	11,448	1.6
Ferry	2,929	2,949	2,959	2,975	2,996	2,996	0.0
Franklin	18,083	18,328	18,608	19,004	19,500	20,109	3.1
Garfield	1,029	1,030	1,033	1,033	1,034	1,035	0.1
Grant	20,652	20,888	21,118	21,346	21,610	21,960	1.6
GraysHarbor	25,982	26,104	26,244	26,418	26,625	26,876	0.9
Island	30,714	30,935	31,187	31,468	31,837	32,238	1.3
Jefferson	13,110	13,211	13,332	13,486	13,720	13,892	1.3
King	506,708	511,127	515,342	519,352	523,606	527,962	0.8
Kitsap	77,135	77,809	78,328	79,124	79,986	80,938	1.2
Kittitas	14,377	14,662	14,927	15,212	15,516	15,880	2.3
Klickitat	6,914	7,002	7,080	7,200	7,305	7,404	1.4
Lewis	23,525	23,620	23,749	23,878	24,034	24,252	0.9
Lincoln	4,391	4,436	4,466	4,499	4,549	4,592	0.9
Mason	22,425	22,545	22,653	22,764	22,930	23,138	0.9
Okanogan	15,326	15,424	15,584	15,748	15,881	16,019	0.9
Pacific	10,899	11,038	11,101	11,163	11,240	11,325	0.8
Pend	5,687	5,724	5,766	5,813	5,872	5,913	0.7
Pierce	228,922	231,291	233,662	235,915	238,384	241,398	1.3
SanJuan	10,263	10,372	10,481	10,581	10,699	10,811	1.0
Skagit	37,637	37,920	38,182	38,592	39,012	39,546	1.4
Skamania	3,877	3,903	3,927	3,974	4,012	4,070	1.4
Snohomish	198,282	200,267	202,346	204,729	207,431	210,058	1.3
Spokane	141,698	142,997	144,011	145,351	147,012	148,620	1.1
Stevens	14,284	14,350	14,429	14,503	14,602	14,738	0.9
Thurston	77,431	78,360	79,294	80,175	81,259	82,209	1.2
Wahkiakum	1,533	1,545	1,556	1,571	1,586	1,606	1.3
WallaWalla	16,604	16,738	16,921	17,105	17,287	17,431	0.8
Whatcom	59,255	59,823	60,365	60,964	61,682	62,475	1.3
Whitman	9,898	9,998	10,073	10,154	10,232	10,312	0.8
Yakima	59,847	60,147	60,499	60,889	61,294	61,706	0.7
Statewide	1,933,151	1,951,551	1,969,456	1,989,253	2,011,716	2,034,831	1.1

WCRER estimates

MULTIFAMILY HOUSING INVENTORY

State of Washington and Counties
Annual, 2012-2017

County	2012	2013	2014	2015	2016	2017	% Change by year
Adams	2,190	2,200	2,204	2,215	2,218	2,226	0.4
Asotin	2,766	2,768	2,770	2,770	2,772	2,772	0.0
Benton	22,819	22,909	23,053	23,352	23,757	24,020	1.1
Chelan	9,877	10,195	10,213	10,220	10,228	10,256	0.3
Clallam	9,627	9,627	9,627	9,628	9,632	9,652	0.2
Clark	44,786	46,029	46,681	47,744	48,409	50,116	3.5
Columbia	461	461	461	461	461	461	0.0
Cowlitz	12,844	12,884	12,902	12,907	12,942	12,962	0.2
Douglas	5,027	5,029	5,038	5,068	5,091	5,093	0.0
Ferry	1,167	1,167	1,167	1,167	1,167	1,167	0.0
Franklin	7,920	8,050	8,092	8,206	8,240	8,329	1.1
Garfield	318	318	318	318	318	318	0.0
Grant	13,594	13,637	13,671	13,900	14,286	14,381	0.7
GraysHarbor	10,176	10,176	10,178	10,182	10,182	10,182	0.0
Island	7,806	7,806	7,806	7,806	7,810	7,817	0.1
Jefferson	3,802	3,802	3,802	3,825	3,829	3,829	0.0
King	367,199	375,057	385,545	396,761	410,206	424,491	3.5
Kitsap	29,064	29,303	29,382	29,652	29,849	29,991	0.5
Kittitas	6,625	6,684	6,702	6,705	6,724	6,891	2.5
Klickitat	3,000	3,006	3,011	3,011	3,029	3,045	0.5
Lewis	9,879	9,879	9,914	9,914	9,990	10,006	0.2
Lincoln	1,409	1,409	1,409	1,409	1,409	1,409	0.0
Mason	7,662	7,677	7,677	7,677	7,677	7,681	0.1
Okanogan	6,038	6,074	6,079	6,080	6,080	6,086	0.1
Pacific	4,545	4,545	4,545	4,545	4,545	4,545	0.0
Pend	1,925	1,925	1,925	1,925	1,925	1,925	0.0
Pierce	103,339	103,862	105,268	106,061	107,457	109,411	1.8
SanJuan	1,797	1,797	1,797	1,797	1,803	1,806	0.2
Skagit	13,090	13,090	13,102	13,116	13,201	13,330	1.0
Skamania	1,476	1,476	1,486	1,486	1,486	1,486	0.0
Snohomish	94,911	97,274	98,668	98,879	100,102	101,200	1.1
Spokane	65,714	66,049	66,874	67,512	69,447	71,299	2.7
Stevens	5,136	5,154	5,154	5,154	5,164	5,168	0.1
Thurston	32,027	32,387	32,456	32,506	33,503	33,620	0.3
Wahkiakum	543	543	543	543	543	543	0.0
WallaWalla	7,170	7,277	7,301	7,305	7,341	7,341	0.0
Whatcom	31,745	32,176	32,641	32,953	33,418	33,881	1.4
Whitman	9,627	9,907	10,050	10,110	10,226	10,388	1.6
Yakima	27,720	27,778	27,868	27,870	27,887	27,909	0.1
Statewide	986,821	1,001,387	1,017,380	1,032,740	1,054,354	1,077,033	2.2

WCRER estimates

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DP04

SELECTED HOUSING CHARACTERISTICS

2013-2017 American Community Survey 5-Year Estimates

Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Technical Documentation section.

Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

Although the American Community Survey (ACS) produces population, demographic and housing unit estimates, it is the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities, and towns and estimates of housing units for states and counties.

A processing error was found in the Year Structure Built estimates since data year 2008. For more information, please see the errata note #110.

Subject	Mason County, Washington			
	Estimate	Margin of Error	Percent	Percent Margin of Error
HOUSING OCCUPANCY				
Total housing units	33,190	+/-110	33,190	(X)
Occupied housing units	23,034	+/-553	69.4%	+/-1.7
Vacant housing units	10,156	+/-563	30.6%	+/-1.7
Homeowner vacancy rate	3.1	+/-1.3	(X)	(X)
Rental vacancy rate	7.3	+/-2.9	(X)	(X)
UNITS IN STRUCTURE				
Total housing units	33,190	+/-110	33,190	(X)
1-unit, detached	24,842	+/-641	74.8%	+/-2.0
1-unit, attached	536	+/-196	1.6%	+/-0.6
2 units	485	+/-156	1.5%	+/-0.5
3 or 4 units	227	+/-87	0.7%	+/-0.3
5 to 9 units	214	+/-78	0.6%	+/-0.2
10 to 19 units	90	+/-51	0.3%	+/-0.2
20 or more units	393	+/-137	1.2%	+/-0.4
Mobile home	6,122	+/-537	18.4%	+/-1.6
Boat, RV, van, etc.	281	+/-139	0.8%	+/-0.4
YEAR STRUCTURE BUILT				
Total housing units	33,190	+/-110	33,190	(X)
Built 2014 or later	329	+/-162	1.0%	+/-0.5
Built 2010 to 2013	432	+/-164	1.3%	+/-0.5
Built 2000 to 2009	5,674	+/-463	17.1%	+/-1.4
Built 1990 to 1999	8,015	+/-576	24.1%	+/-1.7
Built 1980 to 1989	4,734	+/-488	14.3%	+/-1.5
Built 1970 to 1979	6,008	+/-500	18.1%	+/-1.5
Built 1960 to 1969	2,925	+/-382	8.8%	+/-1.1
Built 1950 to 1959	1,879	+/-350	5.7%	+/-1.1
Built 1940 to 1949	1,425	+/-251	4.3%	+/-0.8

Subject	Mason County, Washington			
	Estimate	Margin of Error	Percent	Percent Margin of Error
Built 1939 or earlier	1,769	+/-298	5.3%	+/-0.9
ROOMS				
Total housing units	33,190	+/-110	33,190	(X)
1 room	774	+/-221	2.3%	+/-0.7
2 rooms	876	+/-225	2.6%	+/-0.7
3 rooms	3,448	+/-449	10.4%	+/-1.4
4 rooms	7,468	+/-570	22.5%	+/-1.7
5 rooms	7,382	+/-632	22.2%	+/-1.9
6 rooms	5,645	+/-506	17.0%	+/-1.5
7 rooms	3,249	+/-398	9.8%	+/-1.2
8 rooms	2,133	+/-327	6.4%	+/-1.0
9 rooms or more	2,215	+/-280	6.7%	+/-0.8
Median rooms	5.0	+/-0.2	(X)	(X)
BEDROOMS				
Total housing units	33,190	+/-110	33,190	(X)
No bedroom	955	+/-260	2.9%	+/-0.8
1 bedroom	3,995	+/-453	12.0%	+/-1.4
2 bedrooms	11,636	+/-699	35.1%	+/-2.1
3 bedrooms	13,105	+/-741	39.5%	+/-2.2
4 bedrooms	2,893	+/-423	8.7%	+/-1.3
5 or more bedrooms	606	+/-171	1.8%	+/-0.5
HOUSING TENURE				
Occupied housing units	23,034	+/-553	23,034	(X)
Owner-occupied	17,785	+/-542	77.2%	+/-2.0
Renter-occupied	5,249	+/-512	22.8%	+/-2.0
Average household size of owner-occupied unit	2.57	+/-0.08	(X)	(X)
Average household size of renter-occupied unit	2.79	+/-0.17	(X)	(X)
YEAR HOUSEHOLDER MOVED INTO UNIT				
Occupied housing units	23,034	+/-553	23,034	(X)
Moved in 2015 or later	2,130	+/-369	9.2%	+/-1.6
Moved in 2010 to 2014	5,797	+/-525	25.2%	+/-2.1
Moved in 2000 to 2009	8,795	+/-476	38.2%	+/-2.0
Moved in 1990 to 1999	3,703	+/-355	16.1%	+/-1.5
Moved in 1980 to 1989	1,337	+/-227	5.8%	+/-1.0
Moved in 1979 and earlier	1,272	+/-203	5.5%	+/-0.9
VEHICLES AVAILABLE				
Occupied housing units	23,034	+/-553	23,034	(X)
No vehicles available	808	+/-143	3.5%	+/-0.6
1 vehicle available	5,673	+/-442	24.6%	+/-1.9
2 vehicles available	8,953	+/-638	38.9%	+/-2.5
3 or more vehicles available	7,600	+/-510	33.0%	+/-2.1
HOUSE HEATING FUEL				
Occupied housing units	23,034	+/-553	23,034	(X)
Utility gas	1,688	+/-214	7.3%	+/-0.9
Bottled, tank, or LP gas	1,222	+/-212	5.3%	+/-0.9
Electricity	16,622	+/-565	72.2%	+/-1.9
Fuel oil, kerosene, etc.	187	+/-86	0.8%	+/-0.4
Coal or coke	0	+/-28	0.0%	+/-0.1
Wood	3,052	+/-362	13.2%	+/-1.5
Solar energy	4	+/-7	0.0%	+/-0.1
Other fuel	187	+/-154	0.8%	+/-0.7
No fuel used	72	+/-76	0.3%	+/-0.3

Subject	Mason County, Washington			
	Estimate	Margin of Error	Percent	Percent Margin of Error
SELECTED CHARACTERISTICS				
Occupied housing units	23,034	+/-553	23,034	(X)
Lacking complete plumbing facilities	186	+/-113	0.8%	+/-0.5
Lacking complete kitchen facilities	432	+/-174	1.9%	+/-0.8
No telephone service available	448	+/-148	1.9%	+/-0.6
OCCUPANTS PER ROOM				
Occupied housing units	23,034	+/-553	23,034	(X)
1.00 or less	22,311	+/-546	96.9%	+/-0.8
1.01 to 1.50	418	+/-157	1.8%	+/-0.7
1.51 or more	305	+/-125	1.3%	+/-0.5
VALUE				
Owner-occupied units	17,785	+/-542	17,785	(X)
Less than \$50,000	1,038	+/-223	5.8%	+/-1.2
\$50,000 to \$99,999	1,628	+/-237	9.2%	+/-1.3
\$100,000 to \$149,999	2,800	+/-323	15.7%	+/-1.8
\$150,000 to \$199,999	3,123	+/-402	17.6%	+/-2.2
\$200,000 to \$299,999	4,435	+/-501	24.9%	+/-2.6
\$300,000 to \$499,999	3,414	+/-408	19.2%	+/-2.3
\$500,000 to \$999,999	1,201	+/-237	6.8%	+/-1.3
\$1,000,000 or more	146	+/-90	0.8%	+/-0.5
Median (dollars)	206,700	+/-10,091	(X)	(X)
MORTGAGE STATUS				
Owner-occupied units	17,785	+/-542	17,785	(X)
Housing units with a mortgage	11,199	+/-527	63.0%	+/-2.7
Housing units without a mortgage	6,586	+/-549	37.0%	+/-2.7
SELECTED MONTHLY OWNER COSTS (SMOC)				
Housing units with a mortgage	11,199	+/-527	11,199	(X)
Less than \$500	280	+/-87	2.5%	+/-0.8
\$500 to \$999	2,663	+/-346	23.8%	+/-2.6
\$1,000 to \$1,499	3,526	+/-385	31.5%	+/-3.4
\$1,500 to \$1,999	2,672	+/-366	23.9%	+/-3.2
\$2,000 to \$2,499	1,265	+/-282	11.3%	+/-2.4
\$2,500 to \$2,999	434	+/-151	3.9%	+/-1.3
\$3,000 or more	359	+/-100	3.2%	+/-0.9
Median (dollars)	1,377	+/-48	(X)	(X)
Housing units without a mortgage	6,586	+/-549	6,586	(X)
Less than \$250	1,452	+/-255	22.0%	+/-3.3
\$250 to \$399	1,618	+/-236	24.6%	+/-3.2
\$400 to \$599	2,145	+/-327	32.6%	+/-3.8
\$600 to \$799	1,132	+/-253	17.2%	+/-3.6
\$800 to \$999	132	+/-60	2.0%	+/-0.9
\$1,000 or more	107	+/-73	1.6%	+/-1.1
Median (dollars)	418	+/-20	(X)	(X)
SELECTED MONTHLY OWNER COSTS AS A PERCENTAGE OF HOUSEHOLD INCOME (SMOCAPI)				
Housing units with a mortgage (excluding units where SMOCAPI cannot be computed)	11,112	+/-531	11,112	(X)
Less than 20.0 percent	3,918	+/-418	35.3%	+/-3.1
20.0 to 24.9 percent	1,485	+/-267	13.4%	+/-2.3
25.0 to 29.9 percent	1,537	+/-291	13.8%	+/-2.6
30.0 to 34.9 percent	1,063	+/-225	9.6%	+/-2.0
35.0 percent or more	3,109	+/-333	28.0%	+/-2.8

Subject	Mason County, Washington			
	Estimate	Margin of Error	Percent	Percent Margin of Error
Not computed	87	+/-63	(X)	(X)
Housing unit without a mortgage (excluding units where SMOCAPI cannot be computed)	6,350	+/-524	6,350	(X)
Less than 10.0 percent	2,897	+/-364	45.6%	+/-4.3
10.0 to 14.9 percent	1,527	+/-271	24.0%	+/-3.9
15.0 to 19.9 percent	603	+/-179	9.5%	+/-2.8
20.0 to 24.9 percent	495	+/-137	7.8%	+/-2.1
25.0 to 29.9 percent	145	+/-74	2.3%	+/-1.2
30.0 to 34.9 percent	162	+/-110	2.6%	+/-1.7
35.0 percent or more	521	+/-146	8.2%	+/-2.1
Not computed	236	+/-165	(X)	(X)
GROSS RENT				
Occupied units paying rent	4,814	+/-490	4,814	(X)
Less than \$500	582	+/-137	12.1%	+/-2.8
\$500 to \$999	2,354	+/-336	48.9%	+/-5.1
\$1,000 to \$1,499	1,590	+/-303	33.0%	+/-5.0
\$1,500 to \$1,999	181	+/-95	3.8%	+/-1.9
\$2,000 to \$2,499	24	+/-33	0.5%	+/-0.7
\$2,500 to \$2,999	0	+/-28	0.0%	+/-0.7
\$3,000 or more	83	+/-84	1.7%	+/-1.8
Median (dollars)	925	+/-35	(X)	(X)
No rent paid	435	+/-146	(X)	(X)
GROSS RENT AS A PERCENTAGE OF HOUSEHOLD INCOME (GRAPI)				
Occupied units paying rent (excluding units where GRAPI cannot be computed)	4,722	+/-480	4,722	(X)
Less than 15.0 percent	473	+/-119	10.0%	+/-2.5
15.0 to 19.9 percent	971	+/-233	20.6%	+/-4.3
20.0 to 24.9 percent	503	+/-157	10.7%	+/-2.9
25.0 to 29.9 percent	375	+/-119	7.9%	+/-2.5
30.0 to 34.9 percent	345	+/-118	7.3%	+/-2.5
35.0 percent or more	2,055	+/-327	43.5%	+/-5.0
Not computed	527	+/-171	(X)	(X)

Data are based on a sample and are subject to sampling variability. The degree of uncertainty for an estimate arising from sampling variability is represented through the use of a margin of error. The value shown here is the 90 percent margin of error. The margin of error can be interpreted roughly as providing a 90 percent probability that the interval defined by the estimate minus the margin of error and the estimate plus the margin of error (the lower and upper confidence bounds) contains the true value. In addition to sampling variability, the ACS estimates are subject to nonsampling error (for a discussion of nonsampling variability, see Accuracy of the Data). The effect of nonsampling error is not represented in these tables.

Households not paying cash rent are excluded from the calculation of median gross rent.

Telephone service data are not available for certain geographic areas due to problems with data collection of this question that occurred in 2015 and 2016. Both ACS 1-year and ACS 5-year files were affected. It may take several years in the ACS 5-year files until the estimates are available for the geographic areas affected.

While the 2013-2017 American Community Survey (ACS) data generally reflect the February 2013 Office of Management and Budget (OMB) definitions of metropolitan and micropolitan statistical areas; in certain instances the names, codes, and boundaries of the principal cities shown in ACS tables may differ from the OMB definitions due to differences in the effective dates of the geographic entities.







Estimates of urban and rural populations, housing units, and characteristics reflect boundaries of urban areas defined based on Census 2010 data. As a result, data for urban and rural areas from the ACS do not necessarily reflect the results of ongoing urbanization.

Explanation of Symbols:

1. An '***' entry in the margin of error column indicates that either no sample observations or too few sample observations were available to compute a standard error and thus the margin of error. A statistical test is not appropriate.
2. An '-' entry in the estimate column indicates that either no sample observations or too few sample observations were available to compute an estimate, or a ratio of medians cannot be calculated because one or both of the median estimates falls in the lowest interval or upper interval of an open-ended distribution.
3. An '-' following a median estimate means the median falls in the lowest interval of an open-ended distribution.
4. An '+' following a median estimate means the median falls in the upper interval of an open-ended distribution.
5. An '****' entry in the margin of error column indicates that the median falls in the lowest interval or upper interval of an open-ended distribution. A statistical test is not appropriate.
6. An '*****' entry in the margin of error column indicates that the estimate is controlled. A statistical test for sampling variability is not appropriate.
7. An 'N' entry in the estimate and margin of error columns indicates that data for this geographic area cannot be displayed because the number of sample cases is too small.
8. An '(X)' means that the estimate is not applicable or not available.

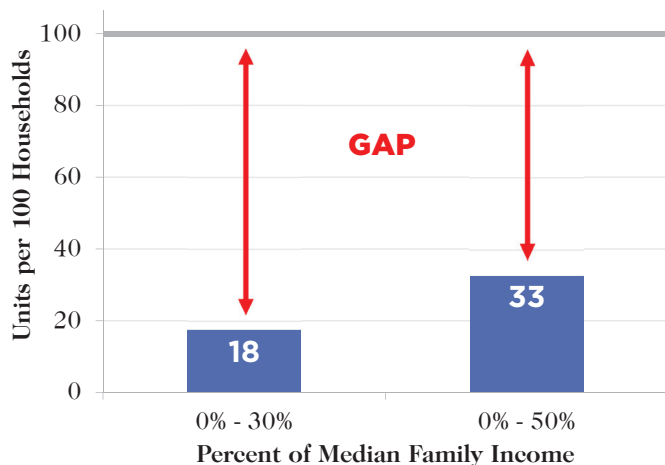
MASON COUNTY



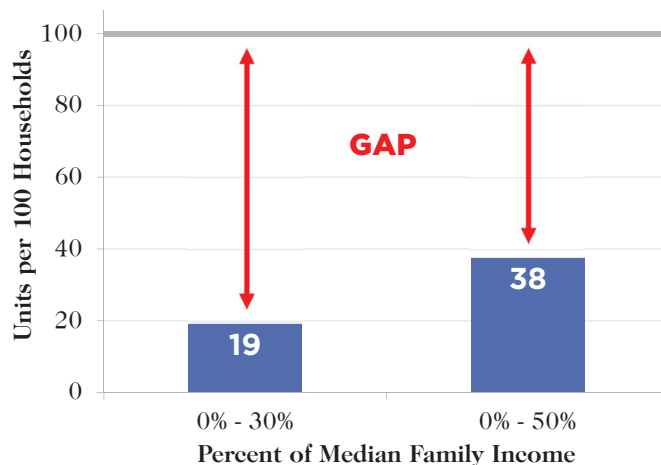
-  Population: 60,545
-  Area: 971 miles²
-  Households: 23,274
-  Median Family Income: \$60,200
-  Low-income Renter Households: 3,050
-  Subsidized Housing Units: 401

Affordable Housing Gap

Affordable and Available Housing Units for Every 100 Households



Forecasted Affordable and Available Housing Units for Every 100 Households in 2019

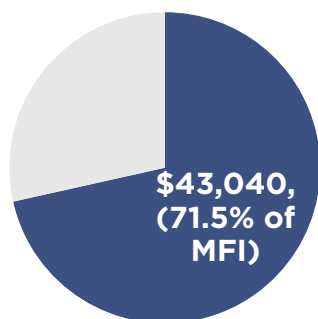


Housing Market

How Much of the Median Family Income (MFI) Must a Household Earn to Afford Rent?

4 people / 3 bedrooms

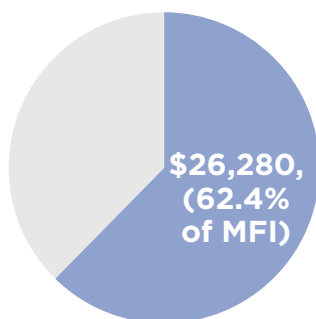
Fair Market Rent: \$1,076



■ required income

1 person / 1 bedroom

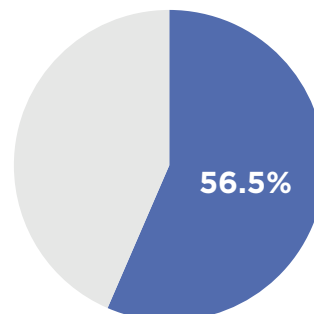
Fair Market Rent: \$657



■ required income

How Much of the Housing Stock Can the Median Family Income Afford to Buy?

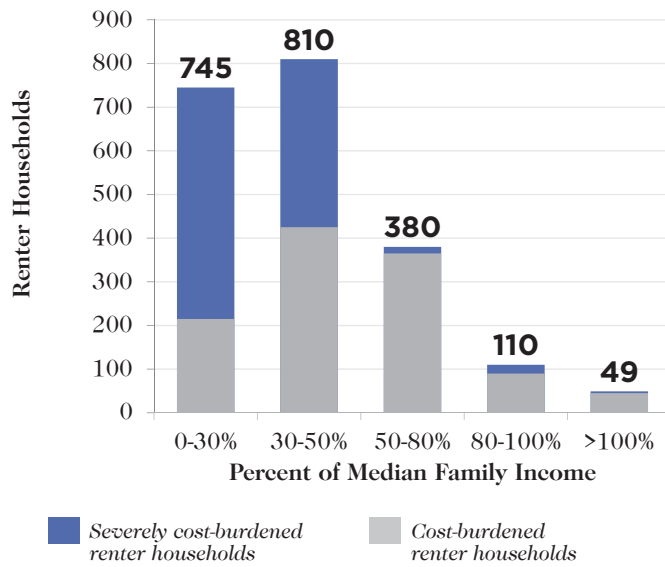
Maximum Affordable Home Value: \$244,924



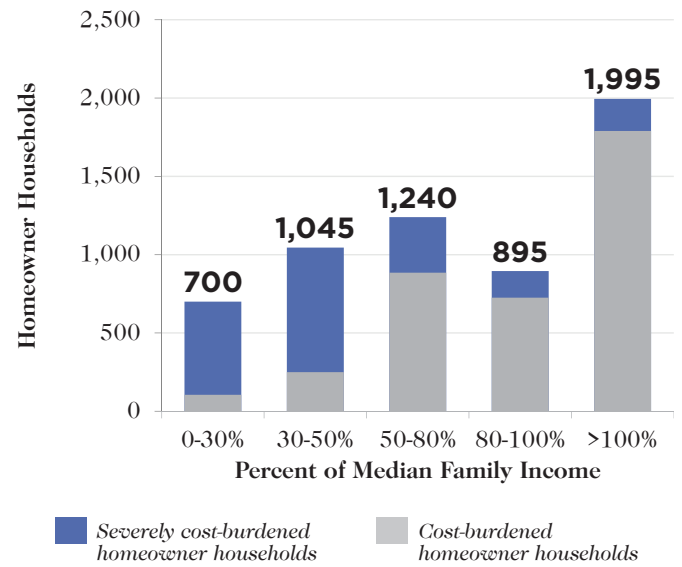
■ % of owner-occupied homes that are affordable

Cost Burden

Cost-Burdened **Renter** Households

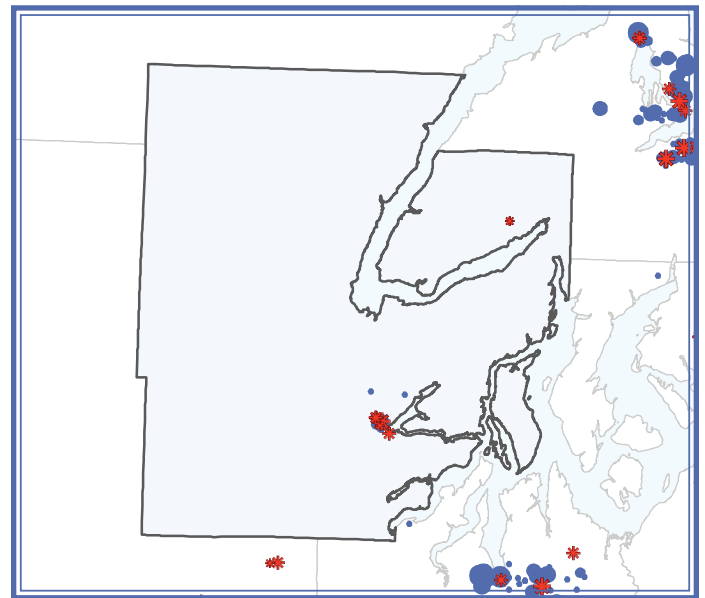
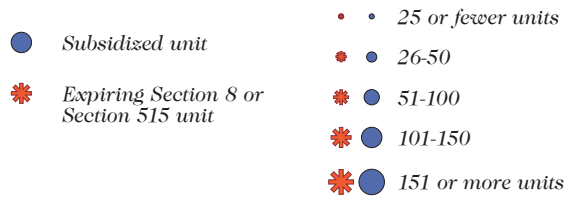


Cost-Burdened **Homeowner** Households



Subsidized Housing Inventory

Subsidized Housing Units, Including Those That Are Scheduled to Expire by 2017



Subsidized Inventory Characteristics

- Sites: 14
- Units: 401
- Section 8/Section 515 units set to expire by 2017: 236

Are There Enough Subsidized Units for Eligible Renter Households at Different Income Thresholds?

% of Median Family Income	Renter Households	Subsidized Units for Which They Are Eligible*		Units per 100 Households
		#	%	
0% - 30%	1,170	242	100.0%	21
30% - 50%	1,090	128	52.9%	12
50% - 80%	790	0	0.0%	0
80% - 100%	550	0	0.0%	0

* Income eligibility was not available for all units in the inventory

18-04 Final Report:

2018 Tax Preference Performance Reviews

Multifamily Housing in Mason County

Legislative Auditor's Conclusion:

The preference has not stimulated multifamily housing construction in Mason County. A review of a similar preference in 2019 may identify some possible strategies.

December 2018

Property tax exemption for Multifamily Housing in Mason County

The preference provides a property tax exemption to owners for new, expanded, or updated multifamily housing in targeted areas of rural counties. Mason County is the only rural county that qualifies under current law.

The housing must have at least four units and include affordable housing. The property remains exempt for eight to twelve years, depending on the percent of units that are affordable. Affordability and income limits are defined by Mason County.

The preference was created in 2014. Developers may not apply after January 1, 2020.

Estimated Biennial Beneficiary Savings

\$0

Tax Type

Property Tax

Chapter 84.14 RCW

Applicable Statutes

The stated public policy objective is not being met

The Legislature stated a public policy objective in the tax preference performance statement for the preference when it was enacted in 2014.

Objective (stated)	Results
Stimulate construction of multifamily housing in target areas of rural counties where housing options, including affordable housing options, are severely limited.	Not met. No developers have built multifamily housing in Mason County since 2014.

Preference related to a broader exemption that JLARC staff will review in 2019

The preference is related to an exemption that is commonly referred to as the Multifamily Property Tax exemption (MFTE). Like this preference, the MFTE allows a larger number of local governments to provide a property tax exemption to stimulate the construction of multifamily housing within designated areas.

This preference for Mason County has more stringent income and project eligibility requirements than MFTE. For example, at least 20% of units must be affordable to qualify for the preference. An upcoming 2019 JLARC review of MFTE may identify factors that help multifamily housing preferences achieve their goals. That review may also be informative for the Mason County preference.

Recommendations

Legislative Auditor's Recommendation: Allow to expire and consider other strategies

The Legislature stated it intended to extend the preference if at least 20 percent of new housing units were occupied by low or moderate income households. However, there has been no new multifamily housing developed in Mason County since the preference was enacted.

The Legislature should allow the preference to expire and consider whether different strategies would be more successful for attracting new development.

While it has not achieved its objective to stimulate housing development, an upcoming 2019 JLARC review of a related preference may provide information to improve the incentive.

More information is available on the Recommendations Tab.

Commissioners' Recommendation

The Commission endorses the Legislative Auditor's recommendation without comment.

Committee Action to Distribute Report

On December 12, 2018 this report was approved for distribution by the Joint Legislative Audit and Review Committee.

Action to distribute this report does not imply the Committee agrees or disagrees with the Legislative Auditor recommendations.

REVIEW DETAILS

1. What is the preference?

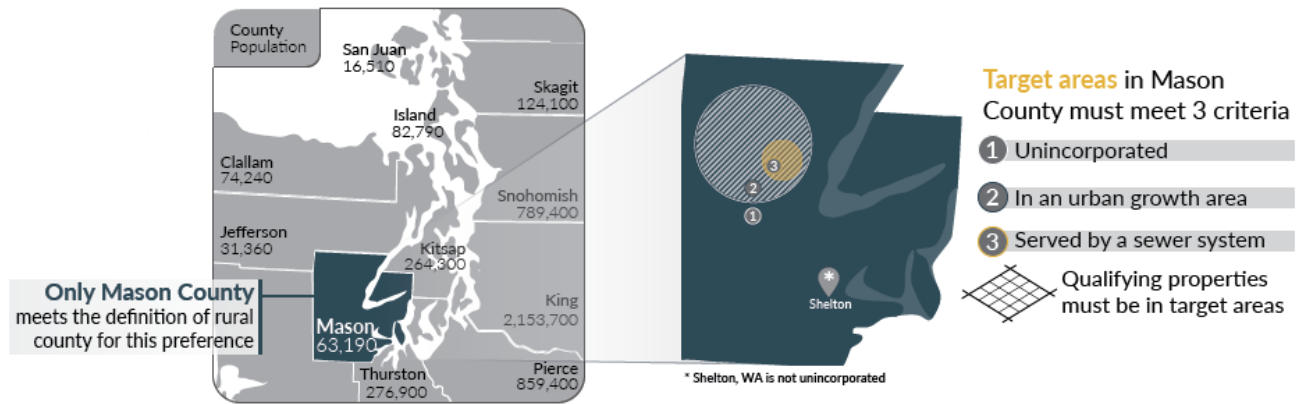
Property tax exemption available in Mason County to stimulate construction of multifamily housing

Stated objective: Stimulate construction of new multifamily housing in rural counties

The Legislature passed this preference in 2014 to "stimulate construction of new multifamily housing in urban growth areas located in unincorporated areas of rural counties where housing options, including affordable housing options, are severely limited."

The tax preference performance statement further indicated that the Legislature wanted to increase the number of affordable housing units for low to moderate income residents in certain counties.

Exhibit 1.1: Preference is limited to target areas within Mason County



Source: JLARC staff analysis of RCW 84.14.010 and 84.14.040.

The preference is available only in a designated rural county, which statute defines as one that borders Puget Sound and has a population between 50,000 and 71,000. This effectively limits the preference to Mason County.

As allowed by statute, Mason County designated three target areas: Allyn, Belfair, and an unincorporated area near Shelton. A target area must be in an unincorporated area (i.e., not in a city or town), within an urban growth area, and served by a sewer system. A property must lie within a target area to qualify for the preference. See appendix for maps showing the designated areas.

Property tax exemption available for multifamily housing with affordable units

The preference provides a property tax exemption on new, expanded, or updated multifamily housing. The exemption applies only to the newly constructed improvements, not the value of the land or existing improvements. The housing must have at least four units and include affordable housing. The properties may be rented or sold.

Mason County adopted the following rules regarding affordability:

- If at least 20 percent of the units are affordable for low or moderate income households, the owner is eligible for an 8-year exemption.
- If at least 50 percent of the units are affordable for low or moderate income households, the owner is eligible for a 12-year exemption.

What does affordable housing mean?

In general, housing is affordable if housing costs (including utilities) are less than 30 percent of the household income for a low or moderate income family.

Mason County defines "low income" and "moderate income" based on the median income in the county, adjusted for family size. Low income means that a household's income is less than 50 percent of the county's median income. Moderate income is less than 80 percent for the 8 year exemption, or between 80 and 115 percent for the 12 year exemption.

Exhibit 1.2: How income limits and affordable rent are calculated

2018 Mason County Area Median Income (AMI): \$63,100		
	Family of Four	Individual
Low Income	\$32,500 (\$2,708 per month)	\$22,750 (\$1,896 per month)
Affordable rent (30% of monthly income including utilities)	\$812 per month	\$569 per month

Source: JLARC staff analysis of RCW 84.14.010(1), 84.14.010(9); JLARC staff analysis of HUD 2018 income limits. HUD adjusts income limits based on family size and other factors.

Statute and local ordinance include reporting requirements

When a property is granted an exemption, the county must report information to the Department of Commerce in the year the exemption is granted. Additionally, the owner must report annually to the county with information on occupancy, compliance, and changes to the property.

Preference scheduled to expire in 2020

The preference took effect June 12, 2014. New applications may not be approved after January 1, 2020.

The Legislature stated that if at least 20 percent of the new housing was occupied by households below 80 percent of the area median income for the county, it intended to extend the expiration date.

REVIEW DETAILS

2. Objective not met

The preference has not led to additional multifamily housing. Future study of related preference may identify some possible reasons.

Preference has not led to multifamily housing development

Staff of Mason County and the city of Shelton stated there has been no multifamily residential construction since the preference was enacted in 2014. Information on the program was not readily available on websites for the county or the Department of Commerce. Mason County staff noted that costs for new sewer connections were prohibitive to many builders, and that the county passed an ordinance in June 2017 to lower the connection fees for new construction. Staff said that some developers have expressed interest in using the preference, but that none have applied for it to date.

No beneficiaries or economic impacts from the preference

The Mason County Assessor reported that no properties are using the preference. Because it has never been used, there are no beneficiaries or economic impacts to report.

Reviewing related exemption in 2019 could shed light on why preference did not achieve objective

The preference is related to the Multifamily Property Tax Exemption (MFTE). The Legislature passed the MFTE in 1995, and JLARC staff are scheduled to review it in 2019.

The MFTE allows certain sized cities and counties to provide a property tax exemption to stimulate the construction of new, rehabilitated, or converted multifamily housing within designated areas. Only the value of the eligible housing improvements are exempt (i.e., the land and existing improvements remain taxable).

- If the property has four or more units, it may be eligible for an eight-year exemption.
- If the property also includes at least 20 percent affordable housing, it may be eligible for the twelve-year exemption.

The preference for Mason County has more income and project eligibility requirements than MFTE. These differences are described in the next section of the report.

The upcoming 2019 JLARC review of MFTE may inform discussions about the factors that help multifamily housing preferences achieve their goals.

REVIEW DETAILS

3. Other counties and states

More stringent affordability requirements in Mason County

JLARC staff compared Mason County's exemption to the experience of other counties and states to help identify some potential reasons why this preference did not result in new multifamily housing.

There are more stringent affordability requirements for the Mason County exemption than for the MFTE

This exemption is related to the broader Multifamily Tax Exemption (MFTE) program for urban areas. However, the Legislature imposed more stringent requirements for this preference in Mason County, and Mason County imposed additional requirements. These requirements affect the percent of housing that must be affordable and the income thresholds. Compared to areas that qualify for the broader MFTE, Mason County developers must include more affordable housing and charge lower rent to qualify.

Exhibit 3.1: Affordable housing requirements and low-income thresholds exemplify the more stringent requirements for this preference.

Example: Affordable housing requirements

Preference	MFTE	This preference (as set by Legislature)	This preference (as set by Mason County)
8 year exemption	0%	20% of units	20% of units
12 year exemption	20% of units	20% of units	50% of units

Example: Low-income thresholds

Preference	MFTE	This preference (as set by Legislature)	This preference (as set by Mason County)
8 year exemption	No requirement	80% of AMI or lower	50% of AMI or lower
12 year exemption	80% of AMI or lower	80% of AMI or lower	50% of AMI or lower

Source: JLARC staff analysis of RCW 84.14.020 and 84.14.040, Mason County Code 17.90.030 and 17.90.070.

Other rural counties report multifamily housing development challenges

JLARC staff contacted staff in 17 counties considered rural by the Office of Financial Management to determine whether the lack of new multifamily residential construction is unique to Mason County.

- Five of the 17 counties reported no multifamily development in their unincorporated areas since 2014.
- Four of the counties did not provide information.
- Only three counties had developments with at least four units as required for this preference. One was farmworker housing built by a local housing authority, one was vacation homes near a ski resort, and one was built by a religious community.

Similar program in Oregon was not used in unincorporated areas

JLARC staff searched for similar programs in Oregon and California, two other west coast states with a similar urban/rural divide. California does not have a comparable property tax preference.

Oregon has a program that is similar to Washington in that it allows local jurisdictions to create zones to incentivize multifamily housing. Zones may be created by either cities or counties, but no counties have opted to create zones.

REVIEW DETAILS

4. Applicable statutes

Chapter 84.14 RCW

Tax preference performance statement—2014 c 96:

This section is the tax preference performance statement for the tax preference contained in RCW 84.14.040 and 84.14.060. This performance statement is only intended to be used for subsequent evaluation of the tax preference. It is not intended to create a private right of action by any party or be used to determine eligibility for preferential tax treatment.

(1) The legislature categorizes this tax preference as one intended to induce certain designated behavior by taxpayers, as indicated in RCW 82.32.808(2)(a).

(2) It is the legislature's specific public policy objective to stimulate the construction of new multifamily housing in urban growth areas located in unincorporated areas of rural counties where housing options, including affordable housing options, are severely limited. It is the legislature's intent to provide the value of new housing construction, conversion, and rehabilitation improvements qualifying under chapter 84.14 RCW an exemption from ad valorem property taxation for eight to twelve years, as provided for in RCW 84.14.020, in order to provide incentives to developers to construct new multifamily housing thereby increasing the number of affordable housing units for low to moderate-income residents in certain rural counties.

(3) If a review finds that at least twenty percent of the new housing is developed and occupied by households making at or below eighty percent of the area median income, at the time of occupancy, adjusted for family size for the county where the project is located or where the housing is intended exclusively for owner occupancy, the household may earn up to one hundred fifteen percent of the area median income, at the time of sale, adjusted for family size for the county where the project is located, then the legislature intends to extend the expiration date of the tax preference.

(4) In order to obtain the data necessary to perform the review in subsection (3) of this section, the joint legislative audit and review committee may refer to data provided by counties in which beneficiaries are utilizing the preference, the office of financial management, the department of commerce, the United States department of housing and urban development, and other data sources as needed by the joint legislative audit and review committee." [2014 c 96 § 1.]

RCW 84.14.005: Findings.

The legislature finds:

(1) That in many of Washington's urban centers there is insufficient availability of desirable and convenient residential units, including affordable housing units, to meet the needs of a growing number of the public who would live in these urban centers if these desirable, convenient, attractive, affordable, and livable places to live were available;

(2) That the development of additional and desirable residential units, including affordable housing units, in these urban centers that will attract and maintain a significant increase in the number of permanent residents in these areas will help to alleviate the detrimental conditions and social liability that tend to exist in the absence of a viable mixed income residential population and will help to achieve the planning goals mandated by the growth management act under RCW 36.70A.020; and

(3) That planning solutions to solve the problems of urban sprawl often lack incentive and implementation techniques needed to encourage residential redevelopment in those urban centers lacking a sufficient variety of residential opportunities, and it is in the public interest and will benefit, provide, and promote the public health, safety, and welfare to stimulate new or enhanced residential opportunities, including affordable housing opportunities, within urban centers through a tax incentive as provided by this chapter.

[2007 c 430 § 1; 1995 c 375 § 1.]

RCW 84.14.007: Purpose.

It is the purpose of this chapter to encourage increased residential opportunities, including affordable housing opportunities, in cities that are required to plan or choose to plan under the growth management act within urban centers where the governing authority of the affected city has found there is insufficient housing opportunities, including affordable housing opportunities. It is further the purpose of this chapter to stimulate the construction of new multifamily housing and the rehabilitation of existing vacant and underutilized buildings for multifamily housing in urban centers having insufficient housing opportunities that will increase and improve residential opportunities, including affordable housing opportunities, within these urban centers. To achieve these purposes, this chapter provides for special valuations in residentially deficient urban centers for eligible improvements associated with multiunit housing, which includes affordable housing. It is an additional purpose of this chapter to allow unincorporated areas of rural counties that are within urban growth areas to stimulate housing opportunities and for certain counties to stimulate housing opportunities near college campuses to promote dense, transit-oriented, walkable college communities.

[2014 c 96 § 2; 2012 c 194 § 1; 2007 c 430 § 2; 1995 c 375 § 2.]

RCW 84.14.010: Definitions.

The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.

(1) "Affordable housing" means residential housing that is rented by a person or household whose monthly housing costs, including utilities other than telephone, do not exceed thirty percent of the household's monthly income. For the purposes of housing intended for owner occupancy, "affordable housing" means residential housing that is within the means of low or moderate-income households.

(2) "Campus facilities master plan" means the area that is defined by the University of Washington as necessary for the future growth and development of its campus facilities for campuses authorized under RCW 28B.45.020.

(3) "City" means either (a) a city or town with a population of at least fifteen thousand, (b) the largest city or town, if there is no city or town with a population of at least fifteen thousand, located in a county planning under the growth management act, or (c) a city or town with a population of at least five thousand located in a county subject to the provisions of RCW 36.70A.215.

(4) "County" means a county with an unincorporated population of at least three hundred fifty thousand.

(5) "Governing authority" means the local legislative authority of a city or a county having jurisdiction over the property for which an exemption may be applied for under this chapter.

(6) "Growth management act" means chapter 36.70A RCW.

(7) "High cost area" means a county where the third quarter median house price for the previous year as reported by the Washington center for real estate research at Washington State University is equal to or greater than one hundred thirty percent of the statewide median house price published during the same time period.

(8) "Household" means a single person, family, or unrelated persons living together.

(9) "Low-income household" means a single person, family, or unrelated persons living together whose adjusted income is at or below eighty percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States department of housing and urban development. For cities located in high-cost areas, "low-income household" means a household that has an income at or below one hundred percent of the median family income adjusted for family size, for the county where the project is located.

(10) "Moderate-income household" means a single person, family, or unrelated persons living together whose adjusted income is more than eighty percent but is at or below one hundred fifteen percent of the median family income adjusted for family size, for the county where the project is located, as reported by the United States department of housing and urban development. For cities

located in high-cost areas, "moderate-income household" means a household that has an income that is more than one hundred percent, but at or below one hundred fifty percent, of the median family income adjusted for family size, for the county where the project is located.

(11) "Multiple-unit housing" means a building having four or more dwelling units not designed or used as transient accommodations and not including hotels and motels. Multifamily units may result from new construction or rehabilitated or conversion of vacant, underutilized, or substandard buildings to multifamily housing.

(12) "Owner" means the property owner of record.

(13) "Permanent residential occupancy" means multiunit housing that provides either rental or owner occupancy on a nontransient basis. This includes owner-occupied or rental accommodation that is leased for a period of at least one month. This excludes hotels and motels that predominately offer rental accommodation on a daily or weekly basis.

(14) "Rehabilitation improvements" means modifications to existing structures, that are vacant for twelve months or longer, that are made to achieve a condition of substantial compliance with existing building codes or modification to existing occupied structures which increase the number of multifamily housing units.

(15) "Residential targeted area" means an area within an urban center or urban growth area that has been designated by the governing authority as a residential targeted area in accordance with this chapter. With respect to designations after July 1, 2007, "residential targeted area" may not include a campus facilities master plan.

(16) "Rural county" means a county with a population between fifty thousand and seventy-one thousand and bordering Puget Sound.

(17) "Substantial compliance" means compliance with local building or housing code requirements that are typically required for rehabilitation as opposed to new construction.

(18) "Urban center" means a compact identifiable district where urban residents may obtain a variety of products and services. An urban center must contain:

(a) Several existing or previous, or both, business establishments that may include but are not limited to shops, offices, banks, restaurants, governmental agencies;

(b) Adequate public facilities including streets, sidewalks, lighting, transit, domestic water, and sanitary sewer systems; and

(c) A mixture of uses and activities that may include housing, recreation, and cultural activities in association with either commercial or office, or both, use.

[2017 c 52 § 16; 2014 c 96 § 3. Prior: 2012 c 194 § 2; prior: 2007 c 430 § 3; 2007 c 185 § 1; 2002 c 146 § 1; 2000 c 242 § 1; 1997 c 429 § 40; 1995 c 375 § 3.]

NOTES:

Effective date—2007 c 185: "This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect July 1, 2007." [2007 c 185 § 3.]

Severability—1997 c 429: See note following RCW 36.70A.3201.

RCW 84.14.020: Exemption—Duration—Valuation.

(1)(a) The value of new housing construction, conversion, and rehabilitation improvements qualifying under this chapter is exempt from ad valorem property taxation, as follows:

(i) For properties for which applications for certificates of tax exemption eligibility are submitted under chapter 84.14 RCW before July 22, 2007, the value is exempt for ten successive years beginning January 1 of the year immediately following the calendar year of issuance of the certificate; and

(ii) For properties for which applications for certificates of tax exemption eligibility are submitted under chapter 84.14 RCW on or after July 22, 2007, the value is exempt:

(A) For eight successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate; or

(B) For twelve successive years beginning January 1st of the year immediately following the calendar year of issuance of the certificate, if the property otherwise qualifies for the exemption under chapter 84.14 RCW and meets the conditions in this subsection (1)(a)(ii)(B). For the property to qualify for the twelve-year exemption under this subsection, the applicant must commit to renting or selling at least twenty percent of the multifamily housing units as affordable housing units to low and moderate-income households, and the property must satisfy that commitment and any additional affordability and income eligibility conditions adopted by the local government under this chapter. In the case of projects intended exclusively for owner occupancy, the minimum requirement of this subsection (1)(a)(ii)(B) may be satisfied solely through housing affordable to moderate-income households.

(b) The exemptions provided in (a)(i) and (ii) of this subsection do not include the value of land or nonhousing-related improvements not qualifying under this chapter.

(2) When a local government adopts guidelines pursuant to RCW 84.14.030(2) and includes conditions that must be satisfied with respect to individual dwelling units, rather than with respect to the multiple-unit housing as a whole or some minimum portion thereof, the exemption may, at

the local government's discretion, be limited to the value of the qualifying improvements allocable to those dwelling units that meet the local guidelines.

(3) In the case of rehabilitation of existing buildings, the exemption does not include the value of improvements constructed prior to the submission of the application required under this chapter. The incentive provided by this chapter is in addition to any other incentives, tax credits, grants, or other incentives provided by law.

(4) This chapter does not apply to increases in assessed valuation made by the assessor on nonqualifying portions of building and value of land nor to increases made by lawful order of a county board of equalization, the department of revenue, or a county, to a class of property throughout the county or specific area of the county to achieve the uniformity of assessment or appraisal required by law.

(5) At the conclusion of the exemption period, the new or rehabilitated housing cost shall be considered as new construction for the purposes of chapter 84.55 RCW.

[2007 c 430 § 4; 2002 c 146 § 2; 1999 c 132 § 1; 1995 c 375 § 5.]

RCW 84.14.030: Application—Requirements.

An owner of property making application under this chapter must meet the following requirements:

- (1) The new or rehabilitated multiple-unit housing must be located in a residential targeted area as designated by the city or county;
- (2) The multiple-unit housing must meet guidelines as adopted by the governing authority that may include height, density, public benefit features, number and size of proposed development, parking, income limits for occupancy, limits on rents or sale prices, and other adopted requirements indicated necessary by the city or county. The required amenities should be relative to the size of the project and tax benefit to be obtained;
- (3) The new, converted, or rehabilitated multiple-unit housing must provide for a minimum of fifty percent of the space for permanent residential occupancy. In the case of existing occupied multifamily development, the multifamily housing must also provide for a minimum of four additional multifamily units. Existing multifamily vacant housing that has been vacant for twelve months or more does not have to provide additional multifamily units;
- (4) New construction multifamily housing and rehabilitation improvements must be completed within three years from the date of approval of the application;
- (5) Property proposed to be rehabilitated must fail to comply with one or more standards of the applicable state or local building or housing codes on or after July 23, 1995. If the property

proposed to be rehabilitated is not vacant, an applicant must provide each existing tenant housing of comparable size, quality, and price and a reasonable opportunity to relocate; and

(6) The applicant must enter into a contract with the city or county approved by the governing authority, or an administrative official or commission authorized by the governing authority, under which the applicant has agreed to the implementation of the development on terms and conditions satisfactory to the governing authority.

[2012 c 194 § 3; 2007 c 430 § 5; 2005 c 80 § 1; 1997 c 429 § 42; 1995 c 375 § 6.]

NOTES:

Severability—1997 c 429: See note following RCW 36.70A.3201.

84.14.040: Designation of residential targeted area—Criteria—Local designation—Hearing—Standards, guidelines.

(1) The following criteria must be met before an area may be designated as a residential targeted area:

- (a) The area must be within an urban center, as determined by the governing authority;
- (b) The area must lack, as determined by the governing authority, sufficient available, desirable, and convenient residential housing, including affordable housing, to meet the needs of the public who would be likely to live in the urban center, if the affordable, desirable, attractive, and livable places to live were available;
- (c) The providing of additional housing opportunity, including affordable housing, in the area, as determined by the governing authority, will assist in achieving one or more of the stated purposes of this chapter; and
- (d) If the residential targeted area is designated by a county, the area must be located in an unincorporated area of the county that is within an urban growth area under RCW 36.70A.110 and the area must be: (i) In a rural county, served by a sewer system and designated by a county prior to January 1, 2013; or (ii) in a county that includes a campus of an institution of higher education, as defined in RCW 28B.92.030, where at least one thousand two hundred students live on campus during the academic year.

(2) For the purpose of designating a residential targeted area or areas, the governing authority may adopt a resolution of intention to so designate an area as generally described in the resolution. The resolution must state the time and place of a hearing to be held by the governing authority to consider the designation of the area and may include such other information pertaining to the designation of the area as the governing authority determines to be appropriate to apprise the public of the action intended.

(3) The governing authority must give notice of a hearing held under this chapter by publication of the notice once each week for two consecutive weeks, not less than seven days, nor more than thirty days before the date of the hearing in a paper having a general circulation in the city or county where the proposed residential targeted area is located. The notice must state the time, date, place, and purpose of the hearing and generally identify the area proposed to be designated as a residential targeted area.

(4) Following the hearing, or a continuance of the hearing, the governing authority may designate all or a portion of the area described in the resolution of intent as a residential targeted area if it finds, in its sole discretion, that the criteria in subsections (1) through (3) of this section have been met.

(5) After designation of a residential targeted area, the governing authority must adopt and implement standards and guidelines to be utilized in considering applications and making the determinations required under RCW 84.14.060. The standards and guidelines must establish basic requirements for both new construction and rehabilitation, which must include:

(a) Application process and procedures;

(b) Requirements that address demolition of existing structures and site utilization; and

(c) Building requirements that may include elements addressing parking, height, density, environmental impact, and compatibility with the existing surrounding property and such other amenities as will attract and keep permanent residents and that will properly enhance the livability of the residential targeted area in which they are to be located.

(6) The governing authority may adopt and implement, either as conditions to eight-year exemptions or as conditions to an extended exemption period under RCW 84.14.020(1)(a)(ii)(B), or both, more stringent income eligibility, rent, or sale price limits, including limits that apply to a higher percentage of units, than the minimum conditions for an extended exemption period under RCW 84.14.020(1)(a)(ii)(B). For any multiunit housing located in an unincorporated area of a county, a property owner seeking tax incentives under this chapter must commit to renting or selling at least twenty percent of the multifamily housing units as affordable housing units to low and moderate-income households. In the case of multiunit housing intended exclusively for owner occupancy, the minimum requirement of this subsection (6) may be satisfied solely through housing affordable to moderate-income households.

[2014 c 96 § 4; 2012 c 194 § 4; 2007 c 430 § 6; 1995 c 375 § 7.]

NOTES: Tax preference performance statement -- 2014 c 96

RCW 84.14.050: Application—Procedures.

An owner of property seeking tax incentives under this chapter must complete the following procedures:

- (1) In the case of rehabilitation or where demolition or new construction is required, the owner must secure from the governing authority or duly authorized representative, before commencement of rehabilitation improvements or new construction, verification of property noncompliance with applicable building and housing codes;
- (2) In the case of new and rehabilitated multifamily housing, the owner must apply to the city or county on forms adopted by the governing authority. The application must contain the following:
 - (a) Information setting forth the grounds supporting the requested exemption including information indicated on the application form or in the guidelines;
 - (b) A description of the project and site plan, including the floor plan of units and other information requested;
 - (c) A statement that the applicant is aware of the potential tax liability involved when the property ceases to be eligible for the incentive provided under this chapter;
- (3) The applicant must verify the application by oath or affirmation; and
- (4) The application must be accompanied by the application fee, if any, required under RCW 84.14.080. The governing authority may permit the applicant to revise an application before final action by the governing authority.

[2012 c 194 § 5; 2007 c 430 § 7; 1999 c 132 § 2; 1997 c 429 § 43; 1995 c 375 § 8.]

NOTES:

Severability—1997 c 429: See note following RCW 36.70A.3201.

RCW 84.14.060: Approval—Required findings.

- (1) The duly authorized administrative official or committee of the city or county may approve the application if it finds that:
 - (a) A minimum of four new units are being constructed or in the case of occupied rehabilitation or conversion a minimum of four additional multifamily units are being developed;
 - (b) If applicable, the proposed multiunit housing project meets the affordable housing requirements as described in RCW 84.14.020;
 - (c) The proposed project is or will be, at the time of completion, in conformance with all local plans and regulations that apply at the time the application is approved;

(d) The owner has complied with all standards and guidelines adopted by the city or county under this chapter; and

(e) The site is located in a residential targeted area of an urban center or urban growth area that has been designated by the governing authority in accordance with procedures and guidelines indicated in RCW 84.14.040.

(2) An application may not be approved after July 1, 2007, if any part of the proposed project site is within a campus facilities master plan, except as provided in RCW 84.14.040(1)(d).

(3) An application may not be approved for a residential targeted area in a rural county on or after January 1, 2020.

[2014 c 96 § 5; 2012 c 194 § 6. Prior: 2007 c 430 § 8; 2007 c 185 § 2; 1995 c 375 § 9.]

NOTES:

Tax preference performance statement—2014 c 96: See note following RCW 84.14.040.

Effective date—2007 c 185: See note following RCW 84.14.010.

RCW 84.14.070: Processing—Approval—Denial—Appeal.

(1) The governing authority or an administrative official or commission authorized by the governing authority must approve or deny an application filed under this chapter within ninety days after receipt of the application.

(2) If the application is approved, the city or county must issue the owner of the property a conditional certificate of acceptance of tax exemption. The certificate must contain a statement by a duly authorized administrative official of the governing authority that the property has complied with the required findings indicated in RCW 84.14.060.

(3) If the application is denied by the authorized administrative official or commission authorized by the governing authority, the deciding administrative official or commission must state in writing the reasons for denial and send the notice to the applicant at the applicant's last known address within ten days of the denial.

(4) Upon denial by a duly authorized administrative official or commission, an applicant may appeal the denial to the governing authority within thirty days after receipt of the denial. The appeal before the governing authority must be based upon the record made before the administrative official with the burden of proof on the applicant to show that there was no substantial evidence to support the administrative official's decision. The decision of the governing body in denying or approving the application is final.

[2012 c 194 § 7; 1995 c 375 § 10.]

RCW 84.14.080: Fees.

The governing authority may establish an application fee. This fee may not exceed an amount determined to be required to cover the cost to be incurred by the governing authority and the assessor in administering this chapter. The application fee must be paid at the time the application for limited exemption is filed. If the application is approved, the governing authority shall pay the application fee to the county assessor for deposit in the county current expense fund, after first deducting that portion of the fee attributable to its own administrative costs in processing the application. If the application is denied, the governing authority may retain that portion of the application fee attributable to its own administrative costs and refund the balance to the applicant.

[1995 c 375 § 11.]

RCW 84.14.090: Filing requirements for owner upon completion—Determination by city or county—Notice of intention by city or county not to file—Extension of deadline—Appeal.

(1) Upon completion of rehabilitation or new construction for which an application for a limited tax exemption under this chapter has been approved and after issuance of the certificate of occupancy, the owner must file with the city or county the following:

- (a) A statement of the amount of rehabilitation or construction expenditures made with respect to each housing unit and the composite expenditures made in the rehabilitation or construction of the entire property;
- (b) A description of the work that has been completed and a statement that the rehabilitation improvements or new construction on the owner's property qualify the property for limited exemption under this chapter;
- (c) If applicable, a statement that the project meets the affordable housing requirements as described in RCW 84.14.020; and
- (d) A statement that the work has been completed within three years of the issuance of the conditional certificate of tax exemption.

(2) Within thirty days after receipt of the statements required under subsection (1) of this section, the authorized representative of the city or county must determine whether the work completed, and the affordability of the units, is consistent with the application and the contract approved by the city or county and is qualified for a limited tax exemption under this chapter. The city or county must also determine which specific improvements completed meet the requirements and required findings.

(3) If the rehabilitation, conversion, or construction is completed within three years of the date the application for a limited tax exemption is filed under this chapter, or within an authorized extension of this time limit, and the authorized representative of the city or county determines that improvements were constructed consistent with the application and other applicable requirements, including if applicable, affordable housing requirements, and the owner's property is qualified for a limited tax exemption under this chapter, the city or county must file the certificate of tax exemption with the county assessor within ten days of the expiration of the thirty-day period provided under subsection (2) of this section.

(4) The authorized representative of the city or county must notify the applicant that a certificate of tax exemption is not going to be filed if the authorized representative determines that:

- (a) The rehabilitation or new construction was not completed within three years of the application date, or within any authorized extension of the time limit;
- (b) The improvements were not constructed consistent with the application or other applicable requirements;
- (c) If applicable, the affordable housing requirements as described in RCW 84.14.020 were not met; or
- (d) The owner's property is otherwise not qualified for limited exemption under this chapter.

(5) If the authorized representative of the city or county finds that construction or rehabilitation of multiple-unit housing was not completed within the required time period due to circumstances beyond the control of the owner and that the owner has been acting and could reasonably be expected to act in good faith and with due diligence, the governing authority or the city or county official authorized by the governing authority may extend the deadline for completion of construction or rehabilitation for a period not to exceed twenty-four consecutive months.

(6) The governing authority may provide by ordinance for an appeal of a decision by the deciding officer or authority that an owner is not entitled to a certificate of tax exemption to the governing authority, a hearing examiner, or other city or county officer authorized by the governing authority to hear the appeal in accordance with such reasonable procedures and time periods as provided by ordinance of the governing authority. The owner may appeal a decision by the deciding officer or authority that is not subject to local appeal or a decision by the local appeal authority that the owner is not entitled to a certificate of tax exemption in superior court under RCW 34.05.510 through 34.05.598, if the appeal is filed within thirty days of notification by the city or county to the owner of the decision being challenged.

[2012 c 194 § 8; 2007 c 430 § 9; 1995 c 375 § 12.]

RCW 84.14.100: Report—Filing.

(1) Thirty days after the anniversary of the date of the certificate of tax exemption and each year for the tax exemption period, the owner of the rehabilitated or newly constructed property must file with a designated authorized representative of the city or county an annual report indicating the following:

(a) A statement of occupancy and vacancy of the rehabilitated or newly constructed property during the twelve months ending with the anniversary date;

(b) A certification by the owner that the property has not changed use and, if applicable, that the property has been in compliance with the affordable housing requirements as described in RCW 84.14.020 since the date of the certificate approved by the city or county;

(c) A description of changes or improvements constructed after issuance of the certificate of tax exemption; and

(d) Any additional information requested by the city or county in regards to the units receiving a tax exemption.

(2) All cities or counties, which issue certificates of tax exemption for multiunit housing that conform to the requirements of this chapter, must report annually by December 31st of each year, beginning in 2007, to the department of commerce. The report must include the following information:

(a) The number of tax exemption certificates granted;

(b) The total number and type of units produced or to be produced;

(c) The number and type of units produced or to be produced meeting affordable housing requirements;

(d) The actual development cost of each unit produced;

(e) The total monthly rent or total sale amount of each unit produced;

(f) The income of each renter household at the time of initial occupancy and the income of each initial purchaser of owner-occupied units at the time of purchase for each of the units receiving a tax exemption and a summary of these figures for the city or county; and

(g) The value of the tax exemption for each project receiving a tax exemption and the total value of tax exemptions granted.

[2012 c 194 § 9; 2007 c 430 § 10; 1995 c 375 § 13.]

RCW 84.14.110: Cancellation of exemption—Notice by owner of change in use—Additional tax—Penalty—Interest—Lien—Notice of cancellation—Appeal—Correction of tax rolls.

(1) If improvements have been exempted under this chapter, the improvements continue to be exempted for the applicable period under RCW 84.14.020, so long as they are not converted to another use and continue to satisfy all applicable conditions. If the owner intends to convert the multifamily development to another use, or if applicable, if the owner intends to discontinue compliance with the affordable housing requirements as described in RCW 84.14.020 or any other condition to exemption, the owner must notify the assessor within sixty days of the change in use or intended discontinuance. If, after a certificate of tax exemption has been filed with the county assessor, the authorized representative of the governing authority discovers that a portion of the property is changed or will be changed to a use that is other than residential or that housing or amenities no longer meet the requirements, including, if applicable, affordable housing requirements, as previously approved or agreed upon by contract between the city or county and the owner and that the multifamily housing, or a portion of the housing, no longer qualifies for the exemption, the tax exemption must be canceled and the following must occur:

(a) Additional real property tax must be imposed upon the value of the nonqualifying improvements in the amount that would normally be imposed, plus a penalty must be imposed amounting to twenty percent. This additional tax is calculated based upon the difference between the property tax paid and the property tax that would have been paid if it had included the value of the nonqualifying improvements dated back to the date that the improvements were converted to a nonmultifamily use;

(b) The tax must include interest upon the amounts of the additional tax at the same statutory rate charged on delinquent property taxes from the dates on which the additional tax could have been paid without penalty if the improvements had been assessed at a value without regard to this chapter; and

(c) The additional tax owed together with interest and penalty must become a lien on the land and attach at the time the property or portion of the property is removed from multifamily use or the amenities no longer meet applicable requirements, and has priority to and must be fully paid and satisfied before a recognizance, mortgage, judgment, debt, obligation, or responsibility to or with which the land may become charged or liable. The lien may be foreclosed upon expiration of the same period after delinquency and in the same manner provided by law for foreclosure of liens for delinquent real property taxes. An additional tax unpaid on its due date is delinquent. From the date of delinquency until paid, interest must be charged at the same rate applied by law to delinquent ad valorem property taxes.

(2) Upon a determination that a tax exemption is to be canceled for a reason stated in this section, the governing authority or authorized representative must notify the record owner of the property as shown by the tax rolls by mail, return receipt requested, of the determination to cancel the exemption. The owner may appeal the determination to the governing authority or authorized representative, within thirty days by filing a notice of appeal with the clerk of the governing authority, which notice must specify the factual and legal basis on which the determination of cancellation is alleged to be erroneous. The governing authority or a hearing examiner or other official authorized by the governing authority may hear the appeal. At the hearing, all affected parties may be heard and all competent evidence received. After the hearing, the deciding body or officer must either affirm, modify, or repeal the decision of cancellation of exemption based on the evidence received. An aggrieved party may appeal the decision of the deciding body or officer to the superior court under RCW 34.05.510 through 34.05.598.

(3) Upon determination by the governing authority or authorized representative to terminate an exemption, the county officials having possession of the assessment and tax rolls must correct the rolls in the manner provided for omitted property under RCW 84.40.080. The county assessor must make such a valuation of the property and improvements as is necessary to permit the correction of the rolls. The value of the new housing construction, conversion, and rehabilitation improvements added to the rolls is considered as new construction for the purposes of chapter 84.55 RCW. The owner may appeal the valuation to the county board of equalization under chapter 84.48 RCW and according to the provisions of RCW 84.40.038. If there has been a failure to comply with this chapter, the property must be listed as an omitted assessment for assessment years beginning January 1 of the calendar year in which the noncompliance first occurred, but the listing as an omitted assessment may not be for a period more than three calendar years preceding the year in which the failure to comply was discovered.

[2012 c 194 § 10; 2007 c 430 § 11; 2002 c 146 § 3; 2001 c 185 § 1; 1995 c 375 § 14.]

NOTES:

Application—2001 c 185 §§ 1-12: "Sections 1 through 12 of this act apply for [to] taxes levied in 2001 for collection in 2002 and thereafter." [2001 c 185 § 18.]

REVIEW DETAILS

Appendix: Mason County maps

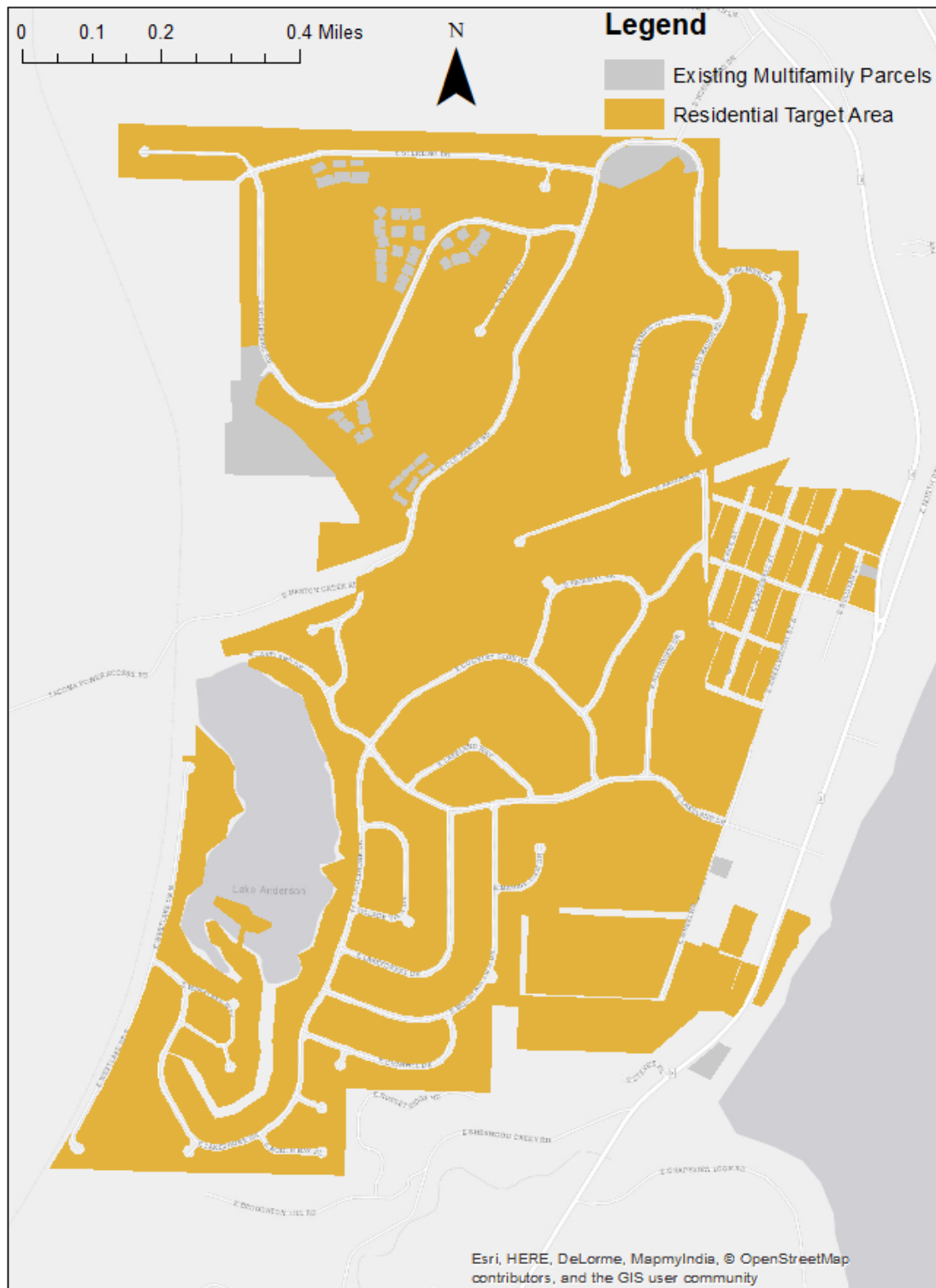
The following maps show the residential targeted areas designated by Mason County. The areas include parcels in specific zoning areas that are served by a sewer system. Because the sewer system in Shelton does not currently extend outside the city limits, there is no land in the targeted area.

The map displays a large area shaded in orange, representing the 'Residential Target Area'. Within this orange area, several smaller, irregular shapes are shaded in grey, representing 'Existing Multifamily Parcels'. The map includes a scale bar at the top left indicating distances from 0 to 0.8 miles. A north arrow is located below the scale bar. The map shows the Union River flowing through the area, with various streets labeled, including NE 10th Ave, NE 11th Ave, NE 12th Ave, NE 13th Ave, NE 14th Ave, NE 15th Ave, NE 16th Ave, NE 17th Ave, NE 18th Ave, NE 19th Ave, NE 20th Ave, NE 21st Ave, NE 22nd Ave, NE 23rd Ave, NE 24th Ave, NE 25th Ave, NE 26th Ave, NE 27th Ave, NE 28th Ave, NE 29th Ave, NE 30th Ave, NE 31st Ave, NE 32nd Ave, NE 33rd Ave, NE 34th Ave, NE 35th Ave, NE 36th Ave, NE 37th Ave, NE 38th Ave, NE 39th Ave, NE 40th Ave, NE 41st Ave, NE 42nd Ave, NE 43rd Ave, NE 44th Ave, NE 45th Ave, NE 46th Ave, NE 47th Ave, NE 48th Ave, NE 49th Ave, NE 50th Ave, NE 51st Ave, NE 52nd Ave, NE 53rd Ave, NE 54th Ave, NE 55th Ave, NE 56th Ave, NE 57th Ave, NE 58th Ave, NE 59th Ave, NE 60th Ave, NE 61st Ave, NE 62nd Ave, NE 63rd Ave, NE 64th Ave, NE 65th Ave, NE 66th Ave, NE 67th Ave, NE 68th Ave, NE 69th Ave, NE 70th Ave, NE 71st Ave, NE 72nd Ave, NE 73rd Ave, NE 74th Ave, NE 75th Ave, NE 76th Ave, NE 77th Ave, NE 78th Ave, NE 79th 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18-04 Final Report: 2018 Tax Preference Performance Reviews
Multifamily Housing in Mason County

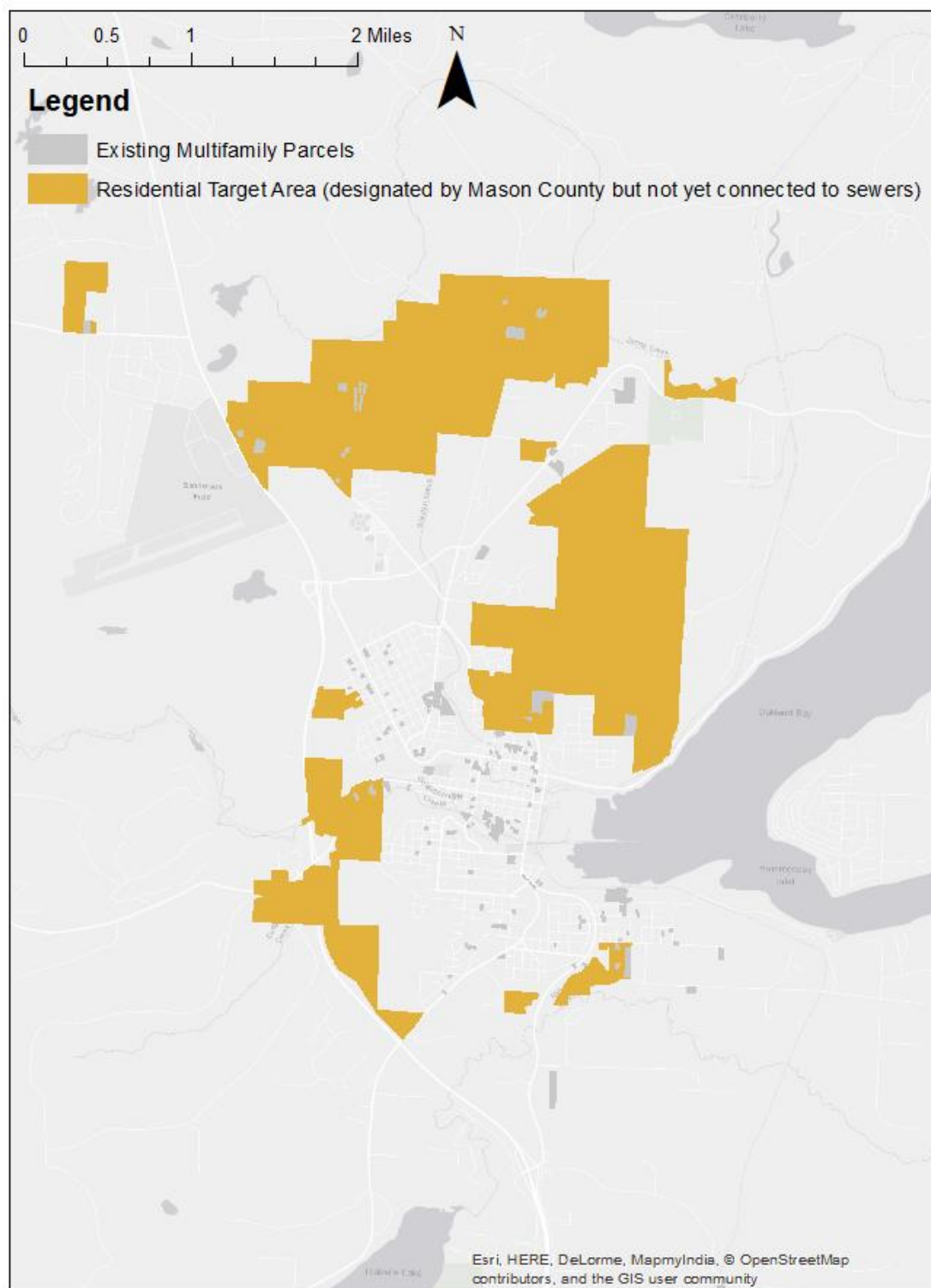
December 2018

Exhibit A.2: Residential target area in Allyn with existing multifamily parcels



Source: Mason County GIS data on sewers, urban growth area and zoning, assessor's office parcel data.

Exhibit A.3: Shelton's sewer system does not currently extend past the incorporated area



Source: Mason County GIS data on sewers, urban growth area and zoning, assessor's office parcel data.

RECOMMENDATIONS & RESPONSES

Legislative Auditor's Recommendation

Legislative Auditor recommends allowing the preference to expire and considering other strategies

The Legislature should allow the preference to expire and consider whether different incentives would be more successful for attracting new development.

While the preference has no official expiration date, no new applications may be approved after January 1, 2020. The Legislature stated its intent to extend the deadline if at least 20 percent of new housing units were occupied by low or moderate income households. This has not occurred. The preference has not stimulated construction of any new housing in the residential targeted areas of Mason County.

An upcoming 2019 JLARC review of a related preference may provide information to improve the incentive.

Legislation Required: No.

Fiscal Impact: Depends on Legislative Action.

RECOMMENDATIONS & RESPONSES

Letter from Commission Chair

State of Washington



E-mail: JLARC@leg.wa.gov
www.citizen taxpref.wa.gov

Citizen Commission for Performance Measurement of Tax Preferences

Dr. Grant D. Forsyth, Chair
Avista Corp
Ronald Bueing, Vice Chair
PricewaterhouseCoopers
Diane Lourdes Dick
Seattle University School of Law

Dr. Justin Marlowe
Evans School of Public Policy and
Governance, University of Washington
Andi Nofziger-Meadows
Edmonds Education Association

Non-Voting Members:
Representative Derek Stanford
Chair, Joint Legislative Audit
and Review Committee
Pat McCarthy
State Auditor

October 18, 2018

The Honorable Representative Kristine Lytton
The Honorable Representative Ed Orcutt
The Honorable Representative Timm Ormsby

The Honorable Representative Bruce Chandler
The Honorable Senator Christine Rolfes
The Honorable Senator John Braun

Re: 2018 Tax Preference Reviews

I am pleased to forward to you the comments that the Citizen Commission for Performance Measurement of Tax Preferences unanimously adopted for this year's review of tax preferences.

We adopted the same position as the Legislative Auditor for all seven recommendations issued this year. The full text of our comments, as well as summaries of the JLARC staff's analysis and recommendations are linked [here](#).

Tax preference reviews provide valuable information as the Legislature considers whether specific preferences are meeting the Legislature's policy objectives. With this year's report, there are now 12 years of tax preference evaluations available to the Legislature, comprising over 270 individual reviews.

I urge you to consider this year's and previous years' recommendations and comments on tax preference statutes in the upcoming legislative session.

The Commission is operating on a multi-year review schedule that goes through 2026. Next year's reviews will have an emphasis on the aerospace industry, but also include preferences for multi-family housing and wood waste (hog fuel) used to generate energy. More details on the reviews planned for 2019 are linked [here](#).

As Chair of the Citizen Commission, I would be pleased to discuss the Commission's position and comments with you and any interested legislators. Please feel free to contact me at

Citizen Commission for Performance Measurement
of Tax Preferences

October 18, 2018

Page 2

grant.forsyth@leg.wa.gov or the Legislative Auditor, Keenan Konopaski at keenan.konopaski@leg.wa.gov
or 360-786-5187.

Sincerely,



Grant D. Forsyth, Chair

Citizen Commission for Performance Measurement of Tax Preferences

Cc: Members of Washington State Legislature
David Schumacher, Office of Financial Management
Marc Baldwin, Office of Financial Management
Jim Schmidt, Office of Financial Management
Randy Simmons, Washington State Department of Revenue
Gil Brewer, Washington State Department of Revenue
Kathy Oline, Washington State Department of Revenue

RECOMMENDATIONS & RESPONSES

Commissioners' Recommendation

The Commission endorses the Legislative Auditor's recommendation without comment.

RECOMMENDATIONS & RESPONSES

Agency Response




STATE OF WASHINGTON

October 1, 2018

TO: Keenan Konopaski, Legislative Auditor
Joint Legislative Audit and Review Committee

FROM: David Schumacher, Director 
Office of Financial Management

Randy Simmons, Acting Director 
Department of Revenue

**SUBJECT: JLARC PRELIMINARY REPORT ON 2018 TAX PREFERENCE
PERFORMANCE REVIEWS**

The Office of Financial Management and the Department of Revenue have reviewed the Joint Legislative Audit and Review Committee's (JLARC) preliminary report on the 2018 tax preference performance reviews.

We appreciate JLARC's thorough analysis and the detailed assessment provided by the Citizen Commission for Performance Measurement of Tax Preferences. A system that provides for a continuous review of state tax preferences is critical to ensure that the state of Washington maintains a fair and equitable tax system.

While we have no specific comments on the 2018 preliminary report, we continue to support JLARC's recommendations for the inclusion of performance statements and specific public policy objectives for all tax preferences where they do not exist in statute today.

Thank you for the opportunity to provide comments on this material and the recommendations made by JLARC.

Washington Joint Legislative Audit and Review Committee

106 11th Avenue SW, Suite 2500

PO Box 40910

Olympia, WA 98504-0910

Phone: 360-786-5171

Fax: 360-786-5180

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Multifamily Housing in Mason County

JLARC Staff 2018 Tax Preference Performance Review

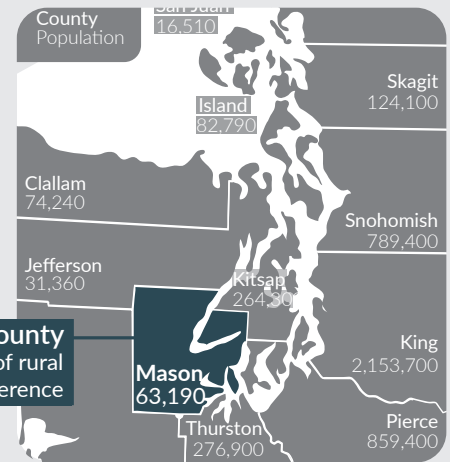
Property Tax

Estimated 2019-21 beneficiary savings: \$0

Property tax exemption available in Mason County to stimulate construction of multifamily housing

- Owners of new, expanded, or updated multifamily housing in targeted areas of rural counties are eligible.
- The housing must have at least four units and include affordable housing.
- Property remains exempt for 8 or 12 years, depending on the percent of units that are affordable.
- Rural county: must border Puget sound and have a population between 50,000 and 71,000.

Only Mason County meets the definition of rural county for this preference



The preference has not stimulated multifamily housing construction in Mason County as intended

No developers have built multifamily housing in Mason County since the Legislature approved the preference in 2014.

Applications cannot be accepted after January 1, 2020.

The Legislature stated its intent to extend the deadline if at least 20 percent of new housing units were occupied by low or moderate income households. This has not occurred.

Upcoming 2019 review of a similar preference used in other locations may identify successful practices for attracting multifamily housing

- The Multifamily Property Tax Exemption (MFTE) allows local governments to provide a property tax exemption to stimulate the construction of multifamily housing within designated areas.
- The review may identify factors that help multifamily housing preferences achieve their goals.
- MFTE will be reviewed by JLARC staff in 2019.

Legislative Auditor's recommendation

Allow to expire and consider other strategies

The preference has not stimulated construction of any new housing in the residential targeted areas of Mason County. While the preference has no official expiration date, no new applications may be approved after January 1, 2020.

The complete report is on the JLARC web site.

For more information, contact: **Keenan Konopaski**, Washington State Legislative Auditor
keenan.konopaski@leg.wa.gov • (360) 786-5187

July 2018