WASHINGTON STATE HOUSING MARKET TRENDS

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Home values continue to rise across WA State

Source: Zillow Home Value Index, June 2018
Seattle has had a strong recovery, but it’s been even stronger in parts of Central Washington.
Until recently, the top of the market was outpacing the bottom across the state.

Source: Zillow Home Value Index, June 2018
The pace of appreciation has slowed in key markets in recent months.

Source: Zillow Home Value Index, June 2018
Nationwide, mortgage affordability looks good due to low interest rates

Source: Zillow Mortgage Affordability, 2018 Q2.
Recent price gains have been driven by tight inventory

Source: Zillow For-Sale Inventory, June 2018.
The Seattle region is adding jobs faster than the national rate

Source: Zillow Calculation from Bureau of Labor Statistic, July 2018
Within the Seattle metro, the downtown core has led job growth

Notes: Urban Core includes ZIP codes 98121, 98101, 98154, 98104, and 98109.
And Seattle wage growth significantly outpaces nation

Source: Zillow Calculation from Bureau of Labor Statistic, July 2018
Between Q4 2005 and Q2 2016, renters accounted for all new households in the United States

Source: U.S. Census Bureau, Homeownership and Housing Vacancy Survey (HVS), July 2018.
But maybe a sign of change...

Source: Zillow For-Sale Inventory, June 2018
Inventory easing in the region’s priciest markets

Source: Zillow For-Sale Inventory, June 2018
Price cuts are surging, particularly toward the top of the market
Slower, but still strong home value growth on the horizon

- Bremerton, WA: 11.2%
- Kennewick, WA: 8.0%
- Spokane, WA: 7.8%
- Bellingham, WA: 7.5%
- Seattle, WA: 7.1%
- United States: 6.6%
- Mount Vernon, WA: 5.3%
- Yakima, WA: 5.0%
- Olympia, WA: 4.4%
- Portland, OR: 2.7%
- Wenatchee, WA: 0.6%

Source: Zillow Home Value Forecast, June 2018
Rents are historically unaffordable

Source: Zillow Affordability, Q2 2018
As bad as it may be at the median, it’s worse at the bottom.

Source: Zillow Rent Affordability
Rents have plateaued across the region, but at high levels

Source: Zillow Rent Index, June 2018
Rent gains now below inflation in most WA markets

Source: Zillow Rent Index, June 2018
Single-family rents slowing more than multifamily rents in Seattle and Spokane
Within Seattle, the most expensive areas have seen the biggest slowdowns

Source: Zillow Rent Index, June 2018
Same at the ZIP Code level

Source: Zillow Rent Index, June 2018
Apartment rents have slowed most in the places that have built the most.
Average area rent increases 5 percent will push an additional 258 people into homelessness

<table>
<thead>
<tr>
<th>If rents increase:</th>
<th>Los Angeles</th>
<th>New York</th>
<th>Seattle</th>
<th>Washington</th>
</tr>
</thead>
<tbody>
<tr>
<td>1%</td>
<td>378 people</td>
<td>609 people</td>
<td>52 people</td>
<td>30 people</td>
</tr>
<tr>
<td>2%</td>
<td>773</td>
<td>1,196</td>
<td>103</td>
<td>78</td>
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<tr>
<td>3%</td>
<td>1,180</td>
<td>1,787</td>
<td>154</td>
<td>126</td>
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<tr>
<td>4%</td>
<td>1,584</td>
<td>2,383</td>
<td>206</td>
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<tr>
<td>5%</td>
<td>1,993</td>
<td>2,982</td>
<td>258</td>
<td>224</td>
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<td>6%</td>
<td>2,402</td>
<td>3,586</td>
<td>311</td>
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<tr>
<td>7%</td>
<td>2,814</td>
<td>4,197</td>
<td>363</td>
<td>322</td>
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<tr>
<td>8%</td>
<td>3,230</td>
<td>4,811</td>
<td>416</td>
<td>372</td>
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<tr>
<td>9%</td>
<td>3,650</td>
<td>5,428</td>
<td>469</td>
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<tr>
<td>10%</td>
<td>4,072</td>
<td>6,048</td>
<td>523</td>
<td>474</td>
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More research and data at www.zillow.com/research

Real Estate Metrics Include:

- Zillow Home Value Index
- Zillow Rent Index
- For-Sale Inventory
- Housing Affordability
- Zillow Home Value Forecast
- Buy-Rent Breakeven
- Sale prices
- Rental prices
- Home sales
- $ value/square foot
- Price-to-income ratios

...and more