

SOUND HOUSING QUARTERLY

2009 Q3
Summary

Executive Summary

The one-two punch of the \$8,000 first-time homebuyer tax credit and abnormally-low interest rates in the 5's definitely had an effect on the Puget Sound housing market in the third quarter, though it was not felt uniformly around the sound. Sales increased the most in the central counties of King, Snohomish, Pierce, and Kitsap, with Thurston experiencing only a very moderate bump in sales and sales actually continuing to decline in outlying Island and Skagit counties.

The Real Estate Heat Index for all seven counties increased in the third quarter, due in large part to the increase in sales activity. Even Island and Skagit—where sales continued to decrease—saw their REHI increase, though they both remained in the single-digits. Even with recent increases, the REHI in all counties remains well below pre-bubble levels.

7-County Snapshot

Here's a snapshot of vital housing statistics for the seven Puget Sound counties we track:

	YOY Price (SFH)	YOY Sales Vol. (SFH)	Real Estate Heat Index	Affordability Index	Months of Supply (avg.)
King	-11.1%	+9.8%	15.3	103.5	4.2
Snohomish	-12.4%	+13.6%	12.9	129.1	4.5
Pierce	-9.5%	+11.6%	13.2	146.5	4.4
Kitsap	-7.8%	+14.2%	13.4	131.5	5.1
Thurston	-4.1%	+1.5%	16.1	141.3	4.5
Island	-1.7%	-3.3%	6.8	120.4	11.0
Skagit	-7.4%	-9.7%	7.3	132.9	8.9

Real Estate Heat Index

The Real Estate Heat Index (REHI) uses supply, demand, and home prices to calculate the general "heat" of the housing market. Here is a view of the REHI for the seven Puget Sound counties through 2009.

