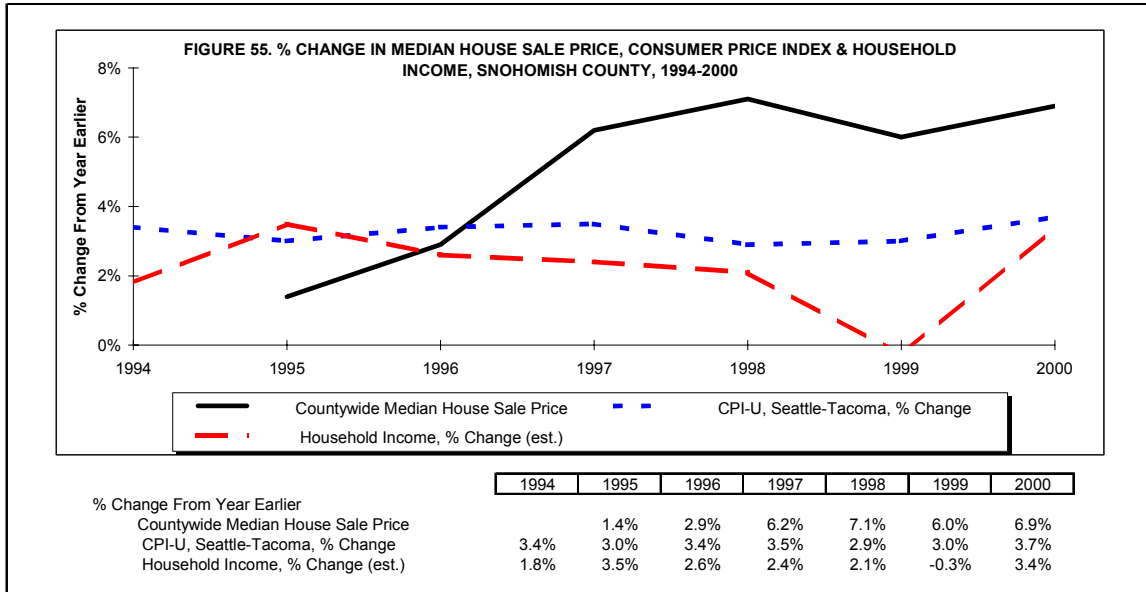


Housing Sales Market: Price Report and Affordability Analysis

Housing sales prices continue to increase faster than both income and cost of living.

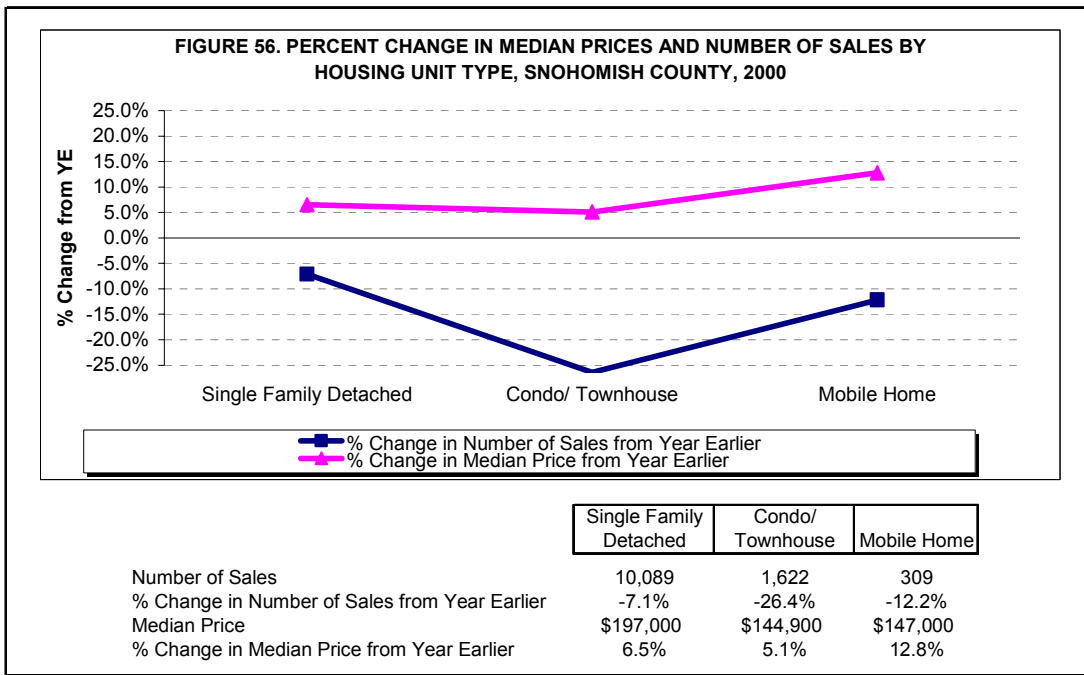
The 2000 median housing sales price (including single family detached homes, condos/townhomes and mobile homes) in Snohomish County was \$188,000, up 6.9% from the 1999 median price of \$175,900. Annual sales price increase moderated some in 1999, rising by 6.0%. However, in 2000 the increase of 6.9% was close to the earlier high of 7.1% in 1998. Home prices increased faster than both income and the local consumer price index in 1999 and 2000, continuing a trend that began in 1997.



Between 1999 and 2000, the median price of a single family detached home in Snohomish County rose by 6.5%.

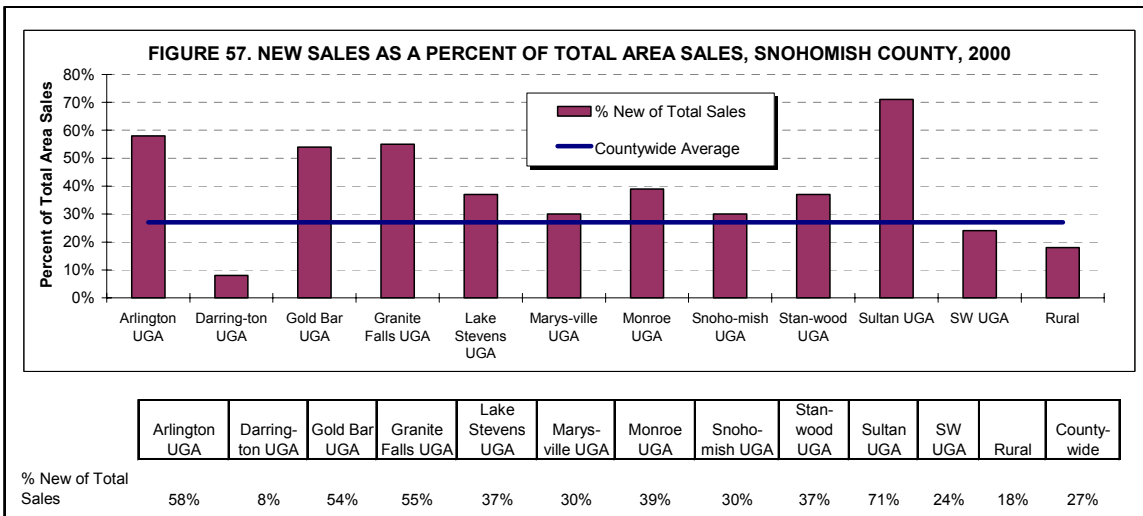
84% of all homes sold in 2000 countywide were single family detached units with a median price of \$197,000. Condos/townhouses, with a median price of \$144,900, comprised 13% of total 2000 sales. 3% of sales were mobile homes with a median price of \$147,000. This distribution of sales by housing unit type is relatively consistent with sales over the last few years. Median price of mobile homes in 2000 increased the most from a year earlier at 12.8%. The 2000 median sales price of single family detached units was 6.5% higher than in 1999 and condo/townhouse prices rose by 5.1%.

The number of 2000 housing sales overall was down 10.4% from 1999. Condo/townhouse sales had the largest drop, -26.4%. Sales of condos/townhouses had been increasing more rapidly than other unit types in 1998 and 1999 at 12% and 43% respectively. 2000 sales of single family detached units dropped by 7.1% and mobile home sales fell by 12.2% from a year earlier.



The most common housing type sold in 2000 was an existing, three bedroom, 1,500 to 2,499 square foot, single family detached home on a lot of less than half an acre.

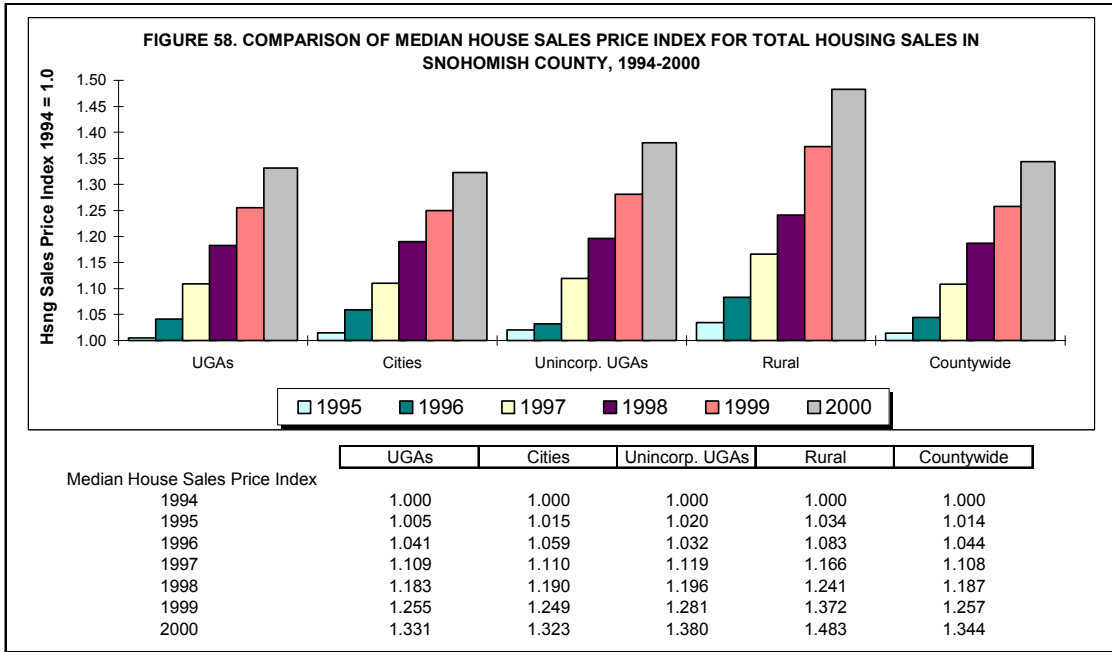
As in the past, most county homes sold were existing units but new sales now comprise more than a quarter of all sales. New sales rose from 23% of total sales in 1998 to 30% in 1999 and then dropped to 27% in 2000. Over 50% of all 2000 housing sales in the Arlington, Gold Bar, Granite Falls and Sultan Urban Growth Areas (UGAs) were new units.



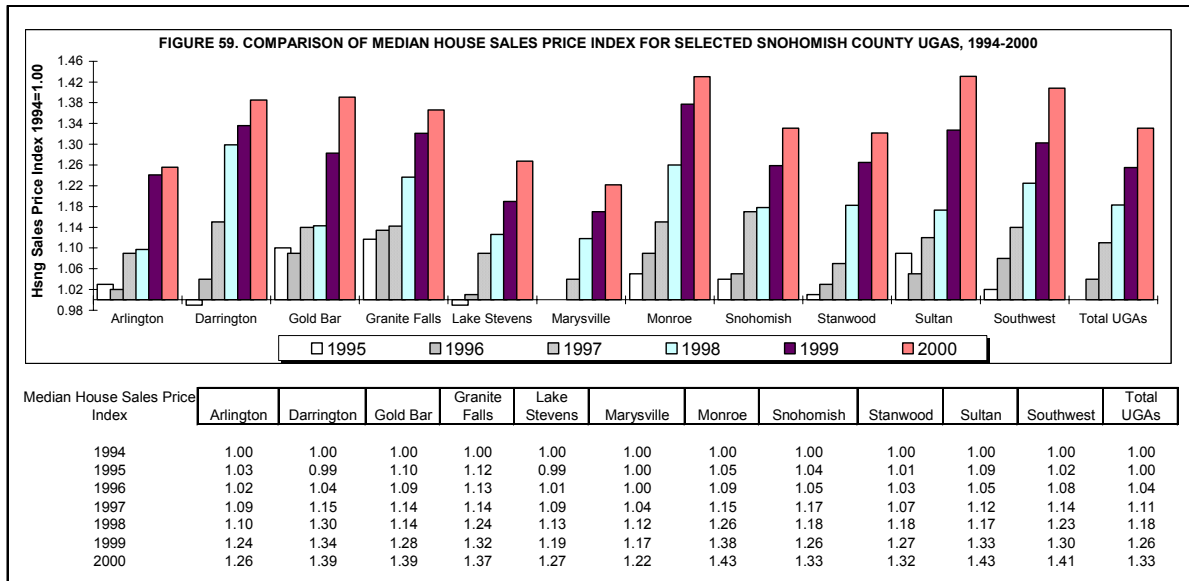
87% of county sales in 2000 were homes on less than half acre lots. Prices of these homes increased the least amount (6.9%) compared with other, larger lot sizes. The majority of homes sold (60%) were three bedroom units, followed by 4 plus bedroom units (17%) and 2 bedroom homes (16%). The most common size of homes sold in 2000 was 1,500 to 2,499 SF (42% of total sales). Smaller, 1,000 to 1,499 SF homes were the second most common size sold (27%).

Home prices in rural Snohomish County continued to increase at a faster pace than the county overall.

Median rural county (portion of county outside of Urban Growth Areas) 2000 sales price was \$215,000, up 8% from a year earlier. Sales of rural homes dropped by 9.8% from 1999 and comprised 13% of total 2000 county sales. A calculated rural sales price index of 1.48 (1994=1.00) indicates that rural prices have consistently increased at a faster pace than other areas of the county over time.



87% of 2000 countywide housing sales occurred within an Urban Growth Area (60% of which were in incorporated areas). The median price of these homes overall was \$185,500, up 6.1% from a year earlier. 2000 UGA sales volume was down 10.5% from 1999.



The Monroe, Sultan and Southwest UGAs have experienced an increase of over 40% in median sales price over the last six years. This compares to a 33% increase in all UGAs combined and about 34% countywide. Marysville UGA prices increased the least over the same period, with an increase of 22% since 1994.

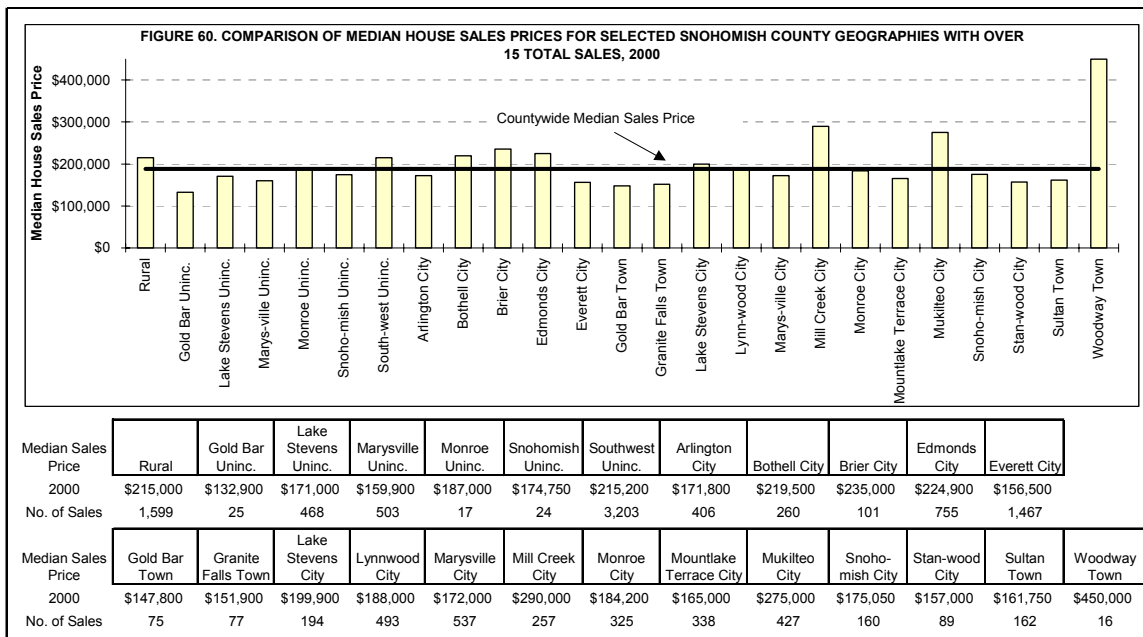
2000 median housing prices in both rural Snohomish County and the Southwest UGA exceeded the countywide median price. Index (7 sales), Darrington (12 sales) and Gold Bar (100 sales) UGAs had the lowest prices of all the UGAs, each below 80% of the countywide median price.

TABLE 13. MEDIAN HOUSE SALES PRICE IN CURRENT DOLLARS, SNOHOMISH COUNTY UGAs AND UNINCORPORATED RURAL, 1994 - 2000

Median Sales Price Current Dollars	Arlington UGA	Darrington UGA	Gold Bar UGA	Granite Falls UGA	Index UGA	Lake Stevens UGA	Marysville UGA	Monroe UGA	Snohomish UGA	Stanwood UGA	Sultan UGA	Southwest UGA	Rural	County-wide
1994	\$136,750	\$81,000	\$105,000	\$111,200	NA	\$139,900	\$135,000	\$128,950	\$131,450	\$120,950	\$113,000	\$142,000	\$145,000	\$139,900
1995	\$141,500	\$80,000	\$115,000	\$124,200	\$76,450	\$137,900	\$135,000	\$134,900	\$137,200	\$122,400	\$123,250	\$145,000	\$150,000	\$141,900
1996	\$139,500	\$84,000	\$114,000	\$126,100	\$83,000	\$141,000	\$134,900	\$140,000	\$137,450	\$125,000	\$119,000	\$153,000	\$157,000	\$146,000
1997	\$149,000	\$92,750	\$119,900	\$127,000	\$70,000	\$152,200	\$139,900	\$148,400	\$153,600	\$129,200	\$126,600	\$162,000	\$169,000	\$155,000
1998	\$150,000	\$105,250	\$120,000	\$137,500	\$101,950	\$157,600	\$150,900	\$162,500	\$154,900	\$142,950	\$132,500	\$174,000	\$180,000	\$166,000
1999	\$169,700	\$108,200	\$134,700	\$146,900	\$100,000	\$166,550	\$158,000	\$177,550	\$165,500	\$153,000	\$149,900	\$185,000	\$199,000	\$175,900
2000	\$171,800	\$112,200	\$146,100	\$151,900	\$100,000	\$177,250	\$165,000	\$184,400	\$175,000	\$159,900	\$161,750	\$200,000	\$215,000	\$188,000
As a % of Co. Median Price														
1994	98%	58%	75%	79%	NA	100%	96%	92%	94%	86%	81%	102%	104%	100%
1995	100%	56%	81%	88%	54%	97%	95%	95%	97%	86%	87%	102%	106%	100%
1996	96%	58%	78%	86%	57%	97%	92%	96%	94%	86%	82%	105%	108%	100%
1997	96%	60%	77%	82%	45%	98%	90%	96%	99%	83%	82%	105%	109%	100%
1998	90%	63%	72%	83%	61%	95%	91%	98%	93%	86%	80%	105%	108%	100%
1999	96%	62%	77%	84%	57%	95%	90%	101%	94%	87%	85%	105%	113%	100%
2000	91%	60%	78%	81%	53%	94%	88%	98%	93%	85%	86%	106%	114%	100%

Significant variation in median sales price exists throughout Snohomish County.

Sales price data is calculated for both incorporated and unincorporated portions of the Urban Growth Areas. For selected areas with over 15 total sales, median prices ranged from \$132,900 in the unincorporated portion of the Gold Bar UGA to \$450,000 in the Town of Woodway.



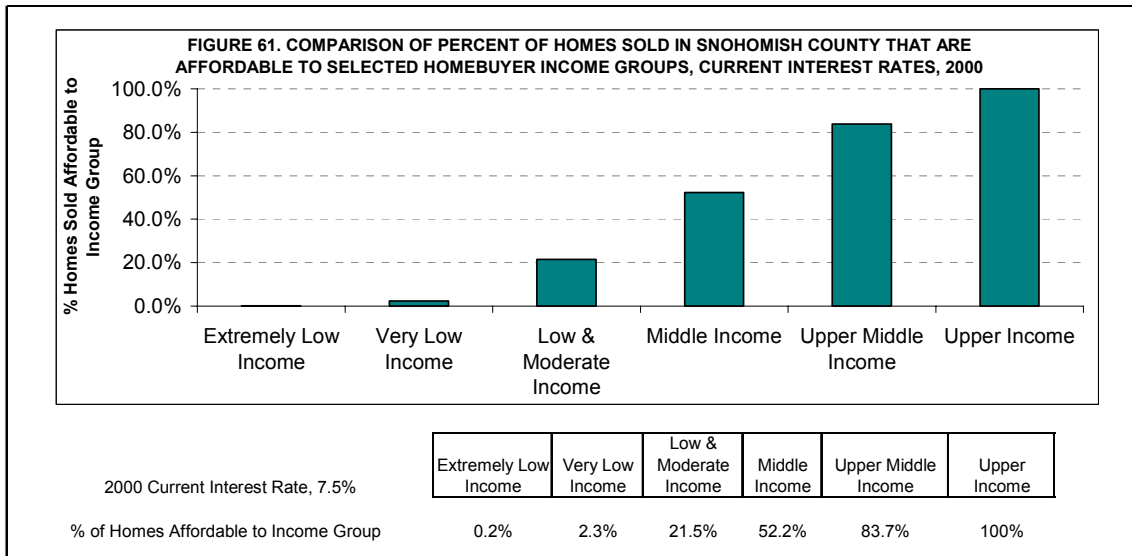
Six of the nine cities within the Southwest Urban Growth Area had 2000 median sales prices that exceeded the countywide median price. Median sales price of homes in the unincorporated SW UGA was also higher than the county median price. The Cities of Everett and Mountlake Terrace had the lowest median sales prices in the SW UGA at \$156,500 and \$165,000 respectively.

TABLE 14. MEDIAN HOUSE SALES PRICE IN CURRENT DOLLARS, SW UGA CITIES AND UNINC. UGA, 1994-2000

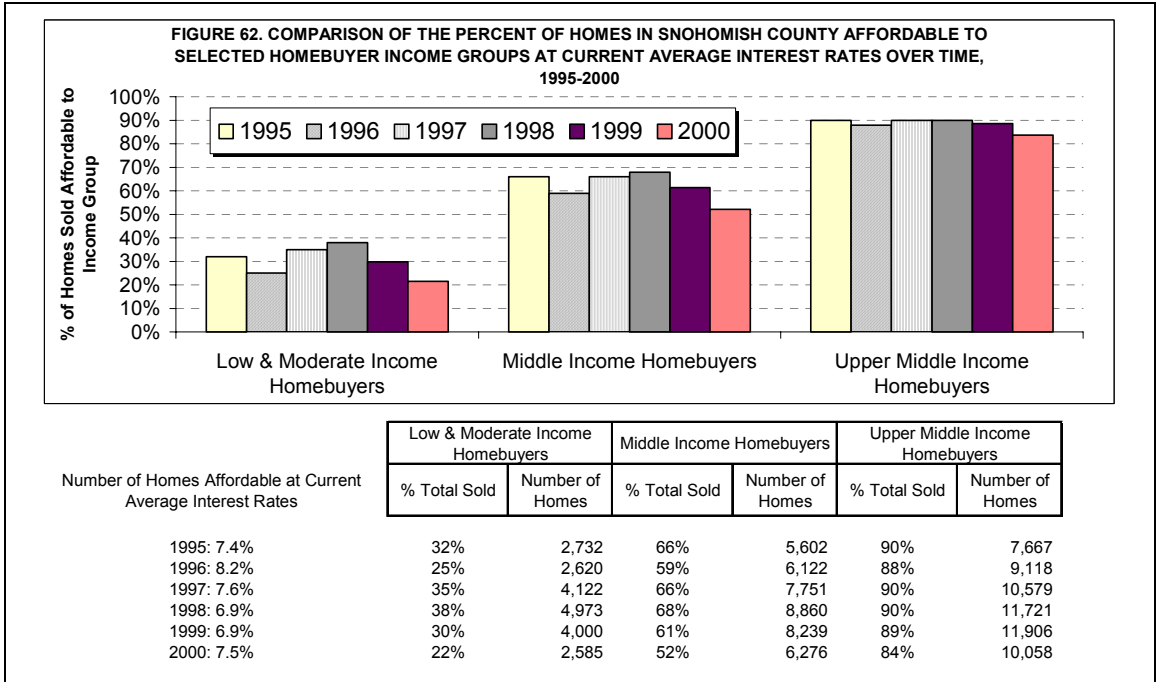
Median Sales Price Current Dollars	Bothell	Brier	Edmonds	Everett	Lynnwood	Mill Creek	Mountlake Terrace	Mukilteo	Woodway	Unincorp. Southwest
1994	\$141,500	\$169,000	\$156,900	\$118,900	\$135,000	\$225,000	\$117,800	\$195,000	\$435,000	\$145,400
1995	\$156,600	\$174,900	\$160,200	\$112,000	\$136,950	\$214,500	\$116,900	\$206,000	\$440,300	\$150,000
1996	\$162,800	\$176,100	\$172,000	\$112,850	\$142,500	\$228,000	\$119,000	\$205,000	\$520,750	\$158,000
1997	\$173,500	\$199,900	\$175,500	\$129,900	\$144,500	\$260,000	\$128,900	\$214,000	\$300,000	\$168,300
1998	\$197,950	\$211,700	\$191,500	\$137,400	\$158,000	\$289,500	\$139,900	\$250,000	\$552,500	\$181,500
1999	\$203,900	\$199,900	\$206,000	\$148,000	\$175,000	\$274,500	\$156,750	\$235,000	\$655,000	\$198,000
2000	\$219,500	\$235,000	\$224,900	\$156,500	\$188,000	\$290,000	\$165,000	\$275,000	\$450,000	\$215,200
As a % of Co. Median Price										
1994	101%	121%	112%	85%	96%	161%	84%	145%	311%	104%
1995	110%	123%	113%	85%	97%	151%	82%	139%	310%	106%
1996	112%	121%	118%	88%	98%	156%	82%	140%	194%	108%
1997	112%	129%	113%	84%	93%	168%	83%	138%	357%	109%
1998	119%	128%	115%	83%	95%	174%	84%	151%	333%	109%
1999	116%	114%	117%	84%	99%	156%	89%	134%	372%	113%
2000	117%	125%	120%	83%	100%	154%	88%	146%	239%	114%

The percent of housing sales affordable to low/moderate income households fluctuated between 38% and 22% over the last six years, due in part to interest rates.

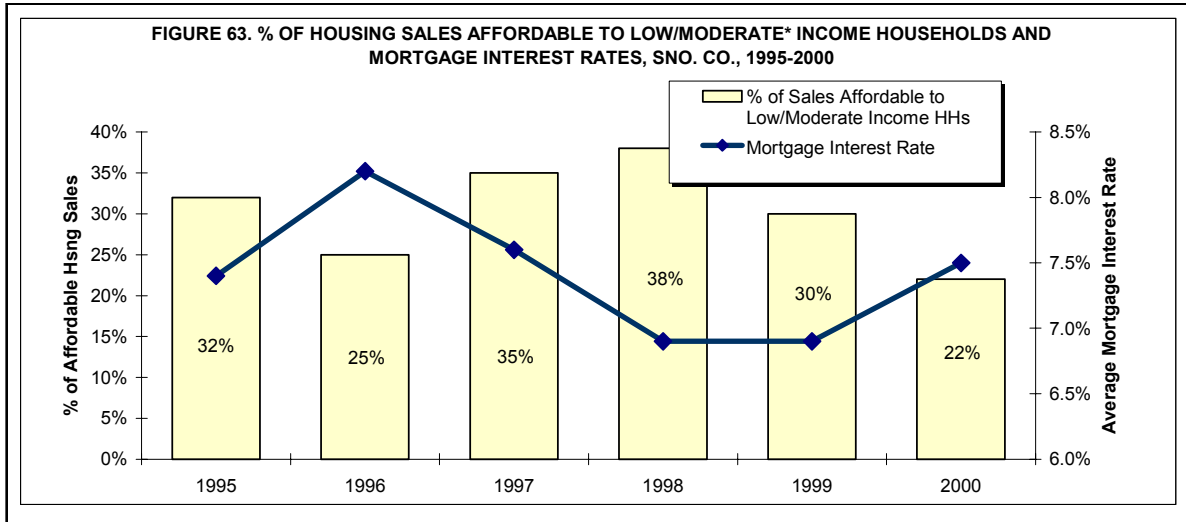
Low and moderate households are defined as earning up to 95% of county median household income. 2000 sales price and income data indicate that about 22% of countywide sales (2,585 of 12,020 total sales) were affordable to low/moderate income households. Just over half of all 2000 sales (52%) were affordable to middle income households, earning up to 120% of median county household income.



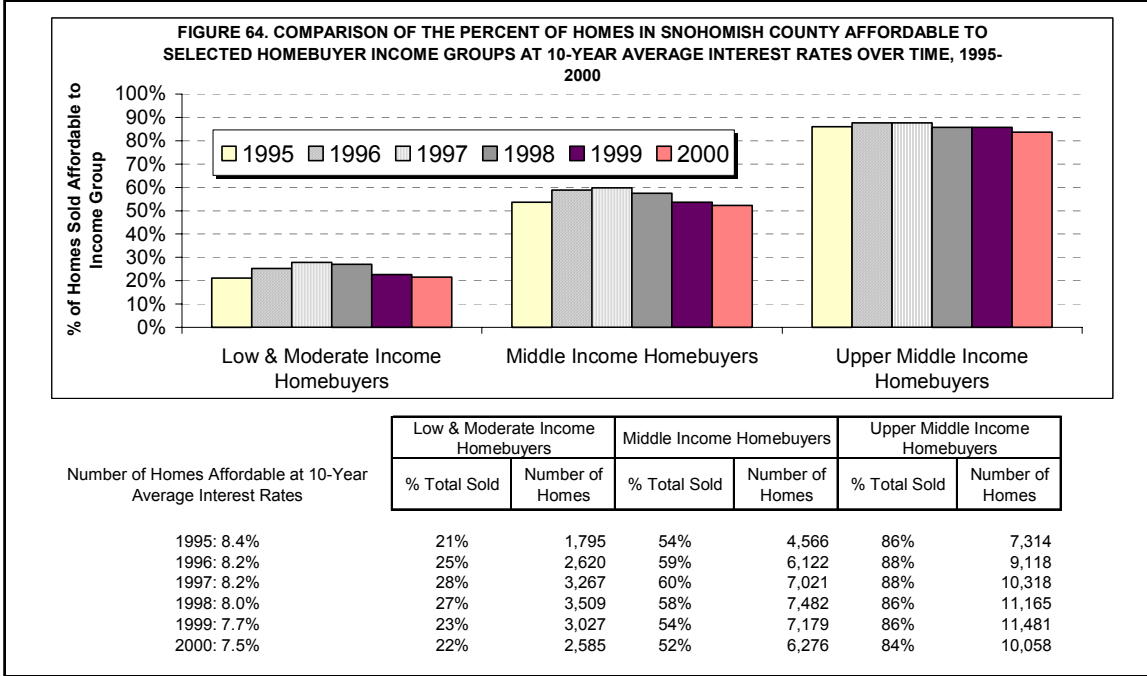
The percent of sales affordable to low/moderate, middle income and upper middle income (earning up to 175% of median income) households in 2000 were at the lowest levels since 1995. 22% of 2000 county sales were affordable to low/moderate income households compared with 38% in 1998.



Interest rates have a close inverse relationship with the percent of affordable housing sales. When interest rates dropped between 1996 and 1998, the percent of affordable sales increased. In 2000, the average interest rate was up from the previous two years and the percent of affordable housing declined.



Although interest rates have a large impact on affordable housing, when interest rates are standardized (using a ten-year average figure) a decrease in affordability over time is still evident. At ten-year average interest rates, the percent of homes affordable to low/moderate income households in 2000 was 22%, down from a high of 28% in 1997. At ten-year average interest rates the difference between the highest and lowest percentage is not as large as at current interest rates, however, the data still shows a decline in the percent of affordable housing sales over the last few years.



The percent of 2000 housing sales affordable to low/moderate income households in selected areas of the county varies greatly. Many factors including location and housing stock characteristics contribute to the geographic differences in affordability.

