

# New Home Executive Summary

Seattle, Washington

First Quarter, 2006

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## New Home Executive Summary

The New Home Market Executive Summary provides an overview of the new home market with supporting statistics by submarket. Containing objective market data and independent analysis, this report is an ideal supplement to your internal and external reports, including loan applications and land acquisition packages.

For more information, visit [www.hanleywood.com/hwmi](http://www.hanleywood.com/hwmi), or call 1-800-639-3777.

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## Summary Table

	Median Detached Base Prices		Total Sales (Attached & Detached)				Current Detached & Attached Sales Rate Per Month
	Price	Price/sq. ft.	Last 4 Qtrs	% Capture	Current Qtr.	% Capture	
King	\$499,950	\$184	6,168	42.7%	1,569	43.8%	3.53
Kitsap	\$564,083	\$167	359	2.5%	50	1.4%	1.25
Pierce	\$295,950	\$145	3,212	22.2%	801	22.3%	3.44
Snohomish	\$395,491	\$183	3,695	25.6%	884	24.7%	2.84
Thurston	\$280,521	\$137	1,020	7.1%	282	7.9%	4.28
<b>Seattle Region</b>	<b>\$368,752</b>	<b>\$168</b>	<b>14,454</b>	<b>100%</b>	<b>3,586</b>	<b>100%</b>	<b>3.28</b>

## Sales Trends, Quarter

**Total Net Sales.** During the first quarter of 2006, Seattle builders sold 3,586 new homes in the region, representing a 27% decrease from the same period last year. New home sales in King County dropped 22% from the same period last year with 1,569 net sales in the quarter, while representing 44% of total sales in the Seattle market. Pierce County experienced a 36% decrease from the same period last year with 801 sales, while Snohomish also dropped a significant 29% with 884 sales.

**Detached Net Sales.** The detached market accounted for 62% of Seattle's new home sales down 9% from the same period last year. During the first quarter of 2006, 2,243 single-family homes were sold. While all counties reported a decrease in sales this quarter, King and Pierce Counties both showed the most significant slow downs with a 44% drop in sales.

**Attached Net Sales.** The attached market accounted for 37% of Seattle's new home sales, with 1,343 units sold during the first quarter. Snohomish reported the only decrease compared to last years pace while King and Pierce Counties remained relatively steady with a 4% and 11% increase respectively in attached sales compared to the same period last year. King County captured the majority of attached region-wide sales with a 70% capture rate reporting 947 sales for the first quarter.

## Monthly Sales Rate per Project

**Detached Monthly Sales Rate.** Detached projects averaged a monthly sales rate of 2.5 sales per project in the first quarter of 2006, increasing 29% compared to the same period last year. While a relatively smaller market, Thurston County topped all submarkets with an average monthly rate of 4.2 sales per project, followed by an average rate of 3.2 sales per project in Pierce County.

**Attached Monthly Sales Rate.** Attached homes sold at a faster pace than detached homes, with the overall average sales rate increasing to 6.3 sales per project in the first quarter of 2006, up 31% with 4.8 sales per project during the same period last year. The monthly sales rate was highest in King and Snohomish Counties, where new attached projects averaged 7.8 and 6.2 sales per month, respectively.

## Median Price Trends

**Detached Median Prices.** The median base price of a new single-family home sold in Seattle increased 22% to \$368,752 from \$302,950 a year ago. While representing the smallest submarket in the Seattle region, Kitsap County reported the highest median price of \$564,083 mainly due to the fact that several, if not most, of the projects have water views and are located in prime locations for that submarket. It's not uncommon for small submarkets to report out of trend data due to several factors. King County's median price of \$499,950 increased 36% compared to \$367,950 the same time last year. The most affordable detached homes were found in Thurston County with a median base price of \$280,521 in the first quarter. Pierce County followed closely behind Thurston reporting the second lowest median price of \$295,950.

**Detached Median Price Per Square Foot.** The detached median price per square foot value increased 18% from \$142 in the first quarter of 2005 to \$168 in the first quarter of 2006. The median price per square foot value increased the most in Kitsap and Pierce Counties reporting a 38% and 22% increase respectively over the same period last year. King County listed the highest median sales price per square foot value of \$184, up 14% from \$162 the same period last year with Snohomish County following very closely behind at \$183 per square foot, up 20%.

**Attached Median Prices.** The median price for an attached home sold in Seattle increased a noteworthy 34% from \$222,061 to \$298,500. Kitsap County reported the highest median price of \$360,000 representing the smallest submarket in the Seattle region, however, there may be a higher value added due to the fact that several, if not most, of the attached projects have water views and

are in prime locations for that submarket. The lowest attached median price of \$193,950 was reported in Snohomish County while also reporting the only decrease of a slight 1.6%.

**Attached Median Price Per Square Foot.** The median price per square foot value for an attached home sold in Seattle increased a significant 41% from \$194 to \$274. King County reported a record \$391 median price per square foot representing a 60% increase from the same period last year. Thurston and Pierce also experienced a dramatic increase of 50% and 26% respectively while the median size of attached homes overall decreased 5% from 1,089 square feet compared to 1,145 for the same period this year.

## Average Price Trends

**Detached Average Prices.** The average price of a new detached home sold rose 22% from \$339,265 a year ago to \$413,535 in the first quarter of 2006. King County, the largest submarket in the Seattle region, represented the second highest average price of \$549,426, up 27% from the same period last year, with Kitsap County leading the region with a reported \$555,581 up 58%. Pierce and Thurston Counties offered the most affordable detached product, with average prices of \$312,604 and \$283,229, respectively.

**Detached Average Price Per Square Foot.** The average detached price per square foot value increased 20% from a year ago reaching \$170. King and Snohomish Counties listed the highest price per square foot values of \$194 and \$179, respectively, with Kitsap following closely at \$164. The most affordable homes, in terms of price per square foot value, were found in Thurston County at \$142.

**Attached Average Prices.** The average price for an attached home sold in the Seattle area increased 37% from \$249,180 in first quarter 2005 to \$340,637 in first quarter 2006. King County reported the highest gain of 40% as well as the highest average attached price of \$384,427 in the region, up from \$275,301 the same period last year.

**Attached Average Price Per Square Foot.** The average attached price per square foot increased 51% from \$222 in first quarter 2005 to a record \$335 in first quarter 2006. King County experienced the strongest gain of 55% with an average price per square foot increasing from \$254 to \$393 compared to the same time last year. The most affordable attached product, in terms of price per square foot value, was in Thurston County at \$168 per square foot, up from \$114 for the same period last year while representing the second highest gain of 47%.

## Sales by Price Range

**Detached Sales by Price Range.** Only 24% of Seattle's new detached sales were for homes priced less than \$300,000. The majority of these sales occurred in Pierce and Thurston Counties, which dominate the lower price ranges. In King County, nearly 100% of detached sales were priced above \$300,000 while the county captured 37% of all regional sales in this price range.

**Attached Sales by Price Range.** 45% of the region's attached sales were priced under \$300,000. King County accounted for the most sales priced under \$250,000 with 230 sales, followed by Pierce County with 155 sales. A recent surge of condo conversions in the region has added inventory and sales to the lower priced attached product. King County, however, continues to dominate the price ranges above the \$300,000 mark, capturing nearly all of the sales in this higher price range.

## Number of Active Projects

**Detached Number of Active Projects.** There were 309 active detached projects in the Seattle region during the first quarter 2006, a net loss of 13 projects during the quarter and 24 less projects than one year ago. King County, which had the highest number of active detached projects at 112, held 36% of the region's active detached projects. Snohomish and Pierce Counties reported 104 and 66 active projects, respectively, at the end of the quarter.

**Number of Active Attached Projects.** The number of active attached projects increased from 74 to 80 resulting in 6 more projects from the previous quarter. King County offered the most active attached projects with 47, followed distantly by Pierce County with 16 and Snohomish County with 8 attached projects. Kitsap and Thurston Counties combined accounted for only 9 total active attached projects.

## Unsold Detached Inventory

**Detached Standing Inventory.** There were 342 units of detached standing inventory in the Seattle market at the end of first quarter 2006, equating to a relative supply of only 0.4 months. This represented an increase of only 3 standing inventory homes from one year ago when the region held 339 standing units.

**Detached Speculative Inventory.** At the end of the first quarter, there were 1,800 units of speculative inventory, translating into a relative supply of 2.3 months based on current sales rates up 421 units from the same period last year. King and Snohomish Counties held the most speculative inventory with 536 and 578 units, respectively.

**Detached Total Unsold Inventory.** The Seattle market had 8,444 units of total unsold inventory at the end of the first quarter, translating into a relative supply of 10.6 months. 54% of the region's total unsold inventory was located in King and Pierce Counties, with a combined 4,560 units at the end of first quarter 2006. Relative supply was highest in Thurston County, with 22 months of unsold inventory.

## Unsold Attached Inventory

**Attached Standing Inventory.** There were only 175 units of attached standing inventory in the Seattle market during the first quarter of 2006, a 53% decrease from 325 units a year earlier. Relative supply decreased slightly from 0.9 months of supply last year to 0.4 months of supply this year. Accounting for nearly all the attached standing inventory, King County reported a relative supply of 0.5 months, with Kitsap reporting the lowest relative supply at 0.1 months of attached standing inventory.

**Attached Speculative Inventory.** The Seattle market had 887 units of speculative attached inventory at the end of the first quarter, translating into 2.2 months of supply. Kitsap and Thurston Counties had the highest level of relative supply at 4.7 and 4.4 months respectively.

**Attached Total Unsold Inventory.** There were 2,828 attached units of total unsold inventory at the end of the first quarter, which equates to 7.0 months of supply, increasing 300 units from the same period last year. With 1,642 units in total unsold inventory, King County accounted for 58% of total region-wide supply.

## For More Information

**More detailed data.** More detailed information is available for purchase on our website at [www.hanleywood.com/hwmi](http://www.hanleywood.com/hwmi), or in our Residential Pro subscription product.

**Additional Analysis.** Our Market Monitor publication is a more in-depth, quarterly analysis of market conditions. The Market Monitor is available on our website or through a consulting or information sales representative at 1-800-639-3777.

The Seattle New Home Executive Summary includes data on the Seattle-Tacoma-Bremerton Metropolitan Statistical Area, which is comprised of the Seattle-Bellevue-Everett Metropolitan Division (**King and Snohomish Counties**) and the Tacoma Metropolitan Division (**Pierce County**). The Bremerton-Silverdale MSA (**Kitsap County**) and the Olympia MSA (**Thurston County**) are also included.

## SALES TRENDS, QUARTER January – March 2006

### SINGLE-FAMILY DETACHED

Submarket	NET SALES			MONTHLY SALES / PROJECT		
	Same Period Last			Current	Same Period	% Change
	Current Period	Year	% Change	Period	Last Year	
King	622	1,111	(44.0%)	1.9	2.7	(29.2%)
Kitsap	19	21	(9.5%)	0.9	0.6	35.9%
Pierce	597	1,079	(44.7%)	3.2	5.9	(46.2%)
Snohomish	766	967	(20.8%)	2.6	3.3	(20.8%)
Thurston	239	348	(31.3%)	4.2	4.7	(10.8%)
<b>Total</b>	<b>2,243</b>	<b>3,526</b>	<b>(36.4%)</b>	<b>2.5</b>	<b>3.6</b>	<b>(28.6%)</b>
% of total	62.5%	71.5%				

### ATTACHED TOWNHOMES AND CONDOMINIUMS

Submarket	NET SALES			MONTHLY SALES / PROJECT		
	Same Period Last			Current	Same Period	% Change
	Current Period	Year	% Change	Period	Last Year	
King	947	907	4.4%	7.8	4.7	63.7%
Kitsap	31	10	210.0%	1.7	2.3	(24.4%)
Pierce	204	183	11.5%	4.5	5.2	(12.1%)
Snohomish	118	285	(58.6%)	6.2	5.5	13.7%
Thurston	43	20	115.0%	4.8	2.3	103.4%
<b>Total</b>	<b>1,343</b>	<b>1,405</b>	<b>(4.4%)</b>	<b>6.3</b>	<b>4.8</b>	<b>30.9%</b>
% of total	37.5%	28.5%				

### TOTAL

Submarket	NET SALES			MONTHLY SALES / PROJECT		
	Same Period Last			Current	Same Period	% Change
	Current Period	Year	% Change	Period	Last Year	
King	1,569	2,018	(22.2%)	3.5	3.4	4.9%
Kitsap	50	31	61.3%	1.3	0.8	50.9%
Pierce	801	1,262	(36.5%)	3.4	5.8	(40.5%)
Snohomish	884	1,252	(29.4%)	2.8	3.6	(21.9%)
Thurston	282	368	(23.4%)	4.3	4.5	(4.2%)
<b>Total</b>	<b>3,586</b>	<b>4,931</b>	<b>(27.3%)</b>	<b>3.3</b>	<b>3.8</b>	<b>(14.8%)</b>

## SALES TRENDS, YEAR TO DATE January – March 2006

### SINGLE-FAMILY DETACHED

Submarket	NET SALES			MONTHLY SALES / PROJECT		
	Year to Date	Same Period Last		Year to Date	Same Period	
		Year	% Change		Last Year	% Change
King	622	1,111	(44.0%)	1.9	2.7	(29.2%)
Kitsap	19	21	(9.5%)	0.9	0.6	35.9%
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Kitsap	50	31	61.3%	1.3	0.8	50.9%
Pierce	801	1,262	(36.5%)	3.4	5.8	(40.5%)
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Thurston	282	368	(23.4%)	4.3	4.5	(4.2%)
<b>Total</b>	<b>3,586</b>	<b>4,931</b>	<b>(27.3%)</b>	<b>3.3</b>	<b>3.8</b>	<b>(14.8%)</b>

## MEDIAN BASE SALES PRICE TRENDS January – March 2006

### SINGLE-FAMILY DETACHED

Submarket	MEDIAN BASE SALES PRICE			MEDIAN SQUARE FEET			MEDIAN SALES PRICE PER SQ. FT.		
	Current Period	Same Period Last Year	% Change	Current Period	Same Period Last Year	% Change	Current Period	Same Period Last Year	% Change
King	\$499,950	\$367,950	35.9%	2,717	2,271	19.6%	\$184	\$162	13.6%
Kitsap	\$564,083	\$298,360	89.1%	3,378	2,466	37.0%	\$167	\$121	38.0%
Pierce	\$295,950	\$248,950	18.9%	2,041	2,092	(2.4%)	\$145	\$119	21.8%
Snohomish	\$395,491	\$316,216	25.1%	2,161	2,080	3.9%	\$183	\$152	20.4%
Thurston	\$280,521	\$233,838	20.0%	2,048	2,033	0.7%	\$137	\$115	19.1%
<b>Total</b>	<b>\$368,752</b>	<b>\$302,950</b>	<b>21.7%</b>	<b>2,195</b>	<b>2,133</b>	<b>2.9%</b>	<b>\$168</b>	<b>\$142</b>	<b>18.3%</b>

### ATTACHED TOWNHOMES AND CONDOMINIUMS

Submarket	MEDIAN BASE SALES PRICE			MEDIAN SQUARE FEET			MEDIAN SALES PRICE PER SQ. FT.		
	Current Period	Same Period Last Year	% Change	Current Period	Same Period Last Year	% Change	Current Period	Same Period Last Year	% Change
King	\$332,747	\$245,561	35.5%	851	1,002	(15.1%)	\$391	\$245	59.6%
Kitsap	\$360,000	\$228,833	57.3%	1,125	884	27.3%	\$320	\$259	23.6%
Pierce	\$209,750	\$177,990	17.8%	1,128	1,211	(6.9%)	\$186	\$147	26.5%
Snohomish	\$193,950	\$197,200	(1.6%)	1,090	1,272	(14.4%)	\$178	\$155	14.8%
Thurston	\$197,900	\$191,450	3.4%	1,157	1,679	(31.1%)	\$171	\$114	50.0%
<b>Total</b>	<b>\$298,500</b>	<b>\$222,061</b>	<b>34.4%</b>	<b>1,089</b>	<b>1,145</b>	<b>(4.8%)</b>	<b>\$274</b>	<b>\$194</b>	<b>41.2%</b>

### TOTAL

Submarket	MEDIAN BASE SALES PRICE			MEDIAN SQUARE FEET			MEDIAN SALES PRICE PER SQ. FT.		
	Current Period	Same Period Last Year	% Change	Current Period	Same Period Last Year	% Change	Current Period	Same Period Last Year	% Change
King	\$399,031	\$312,942	27.5%	1,591	1,701	(6.5%)	\$309	\$199	55.0%
Kitsap	\$437,552	\$275,932	58.6%	1,981	1,955	1.3%	\$262	\$166	58.2%
Pierce	\$273,996	\$238,660	14.8%	1,808	1,964	(7.9%)	\$155	\$123	26.3%
Snohomish	\$368,588	\$289,124	27.5%	2,018	1,896	6.4%	\$182	\$153	19.4%
Thurston	\$267,923	\$231,534	15.7%	1,912	2,014	(5.1%)	\$142	\$115	23.7%
<b>Total</b>	<b>\$342,442</b>	<b>\$279,902</b>	<b>22.3%</b>	<b>1,781</b>	<b>1,852</b>	<b>(3.8%)</b>	<b>\$208</b>	<b>\$157</b>	<b>32.4%</b>

\*\$0 corresponds to no sales for the quarter

## AVERAGE BASE SALES PRICE TRENDS January – March 2006

### SINGLE-FAMILY DETACHED

Submarket	AVERAGE BASE SALES PRICE			AVERAGE SQUARE FEET			AVERAGE SALES PRICE PER SQ. FT.		
	Current Period	Same Period Last Year	% Change	Current Period	Same Period Last Year	% Change	Current Period	Same Period Last Year	% Change
King	\$549,426	\$432,326	27.1%	2,783	2,620	6.2%	\$194	\$165	17.1%
Kitsap	\$555,581	\$352,512	57.6%	3,386	2,592	30.6%	\$164	\$135	21.5%
Pierce	\$312,604	\$272,786	14.6%	2,145	2,294	(6.5%)	\$146	\$119	22.8%
Snohomish	\$418,987	\$345,068	21.4%	2,358	2,275	3.6%	\$179	\$152	18.2%
Thurston	\$283,229	\$231,361	22.4%	2,042	2,038	0.2%	\$142	\$115	23.7%
<b>Total</b>	<b>\$413,535</b>	<b>\$339,265</b>	<b>21.9%</b>	<b>2,394</b>	<b>2,368</b>	<b>1.1%</b>	<b>\$170</b>	<b>\$142</b>	<b>19.8%</b>

### ATTACHED TOWNHOMES AND CONDOMINIUMS

Submarket	AVERAGE BASE SALES PRICE			AVERAGE SQUARE FEET			AVERAGE SALES PRICE PER SQ. FT.		
	Current Period	Same Period Last Year	% Change	Current Period	Same Period Last Year	% Change	Current Period	Same Period Last Year	% Change
King	\$384,427	\$275,301	39.6%	1,013	1,138	(11.0%)	\$393	\$254	54.7%
Kitsap	\$339,629	\$263,518	28.9%	1,035	987	4.9%	\$333	\$267	24.9%
Pierce	\$229,204	\$195,424	17.3%	1,259	1,294	(2.7%)	\$186	\$155	20.2%
Snohomish	\$232,694	\$204,039	14.0%	1,202	1,226	(2.0%)	\$189	\$169	11.5%
Thurston	\$201,857	\$192,552	4.8%	1,234	1,686	(26.8%)	\$168	\$114	46.8%
<b>Total</b>	<b>\$340,637</b>	<b>\$249,180</b>	<b>36.7%</b>	<b>1,075</b>	<b>1,183</b>	<b>(9.2%)</b>	<b>\$335</b>	<b>\$222</b>	<b>50.9%</b>

### TOTAL

Submarket	AVERAGE BASE SALES PRICE			AVERAGE SQUARE FEET			AVERAGE SALES PRICE PER SQ. FT.		
	Current Period	Same Period Last Year	% Change	Current Period	Same Period Last Year	% Change	Current Period	Same Period Last Year	% Change
King	\$449,838	\$361,750	24.4%	1,715	1,954	(12.2%)	\$314	\$205	53.0%
Kitsap	\$421,691	\$323,804	30.2%	1,928	2,074	(7.0%)	\$269	\$177	51.4%
Pierce	\$291,363	\$261,568	11.4%	1,919	2,149	(10.7%)	\$157	\$124	25.9%
Snohomish	\$394,120	\$312,965	25.9%	2,204	2,037	8.2%	\$181	\$156	16.0%
Thurston	\$270,821	\$229,252	18.1%	1,919	2,019	(5.0%)	\$146	\$115	27.2%
<b>Total</b>	<b>\$386,234</b>	<b>\$313,597</b>	<b>23.2%</b>	<b>1,900</b>	<b>2,030</b>	<b>(6.4%)</b>	<b>\$232</b>	<b>\$165</b>	<b>40.7%</b>

\*\$0 corresponds to no sales for the quarter

## SALES BY PRICE RANGE January – March 2006

### SINGLE-FAMILY DETACHED

Submarket	Less than \$150,000	\$150,000 - \$199,999	\$200,000 - \$249,999	\$250,000 - \$299,999	\$300,000 - \$399,999	\$400,000 - \$499,999	\$500,000 - \$699,999	Greater than \$700,000	TOTAL*
King	0	0	0	1	186	91	201	138	617
Kitsap	0	0	0	0	0	0	18	1	19
Pierce	0	46	24	248	176	76	20	0	590
Snohomish	0	0	16	57	291	209	183	8	764
Thurston	0	0	38	123	76	0	2	0	239
<b>Total</b>	<b>0</b>	<b>46</b>	<b>78</b>	<b>429</b>	<b>729</b>	<b>376</b>	<b>424</b>	<b>147</b>	<b>2,229</b>
% of total	0.0%	2.1%	3.5%	19.2%	32.7%	16.9%	19.0%	6.6%	

### ATTACHED TOWNHOMES AND CONDOMINIUMS

Submarket	Less than \$150,000	\$150,000 - \$199,999	\$200,000 - \$249,999	\$250,000 - \$299,999	\$300,000 - \$399,999	\$400,000 - \$499,999	\$500,000 - \$699,999	Greater than \$700,000	TOTAL*
King	1	91	138	33	314	74	264	32	947
Kitsap	0	0	0	9	0	16	6	0	31
Pierce	0	63	92	29	16	0	1	3	204
Snohomish	0	30	76	0	1	0	0	11	118
Thurston	0	29	12	2	0	0	0	0	43
<b>Total</b>	<b>1</b>	<b>213</b>	<b>318</b>	<b>73</b>	<b>331</b>	<b>90</b>	<b>271</b>	<b>46</b>	<b>1,343</b>
% of total	0.1%	15.9%	23.7%	5.4%	24.6%	6.7%	20.2%	3.4%	

### TOTAL

Submarket	Less than \$150,000	\$150,000 - \$199,999	\$200,000 - \$249,999	\$250,000 - \$299,999	\$300,000 - \$399,999	\$400,000 - \$499,999	\$500,000 - \$699,999	Greater than \$700,000	TOTAL*
King	1	91	138	34	500	165	465	170	1,564
Kitsap	0	0	0	9	0	16	24	1	50
Pierce	0	109	116	277	192	76	21	3	794
Snohomish	0	30	92	57	292	209	183	19	882
Thurston	0	29	50	125	76	0	2	0	282
<b>Total</b>	<b>1</b>	<b>259</b>	<b>396</b>	<b>502</b>	<b>1,060</b>	<b>466</b>	<b>695</b>	<b>193</b>	<b>3,572</b>

\* Total may be less than total sales due to projects not reporting sales prices.

## NUMBER OF ACTIVE PROJECTS January – March 2006

### SINGLE-FAMILY DETACHED

Submarket	Current Number of Active Projects	Projects at Beginning of Period	Change During the Period	Number of Projects Open	
				Same Period Last Year	Change from Last Year
King	112	122	-10	141	-29
Kitsap	8	11	-3	11	-3
Pierce	66	65	1	60	6
Snohomish	104	106	-2	98	6
Thurston	19	18	1	23	-4
<b>Total</b>	<b>309</b>	<b>322</b>	<b>-13</b>	<b>333</b>	<b>-24</b>

### ATTACHED TOWNHOMES AND CONDOMINIUMS

Submarket	Current Number of Active Projects	Projects at Beginning of Period	Change During the Period	Number of Projects Open	
				Same Period Last Year	Change from Last Year
King	47	44	3	67	-20
Kitsap	6	5	1	2	4
Pierce	16	13	3	10	6
Snohomish	8	9	-1	17	-9
Thurston	3	3	0	3	0
<b>Total</b>	<b>80</b>	<b>74</b>	<b>6</b>	<b>99</b>	<b>-19</b>

### TOTAL

Submarket	Current Number of Active Projects	Projects at Beginning of Period	Change During the Period	Number of Projects Open	
				Same Period Last Year	Change from Last Year
King	159	166	-7	208	-49
Kitsap	14	16	-2	13	1
Pierce	82	78	4	70	12
Snohomish	112	115	-3	115	-3
Thurston	22	21	1	26	-4
<b>Total</b>	<b>389</b>	<b>396</b>	<b>-7</b>	<b>432</b>	<b>-43</b>

## UNSOLD DETACHED INVENTORY LEVELS March 2006

### SINGLE-FAMILY DETACHED, CURRENT PERIOD

	UNSOLD INVENTORY LEVELS			MONTHS REMAINING AT CURRENT YEAR'S SALES RATE		
	STANDING	SPECULATIVE	TOTAL UNSOLD INVENTORY	STANDING	SPECULATIVE	TOTAL UNSOLD INVENTORY
King	118	536	2,247	0.5	2.2	9.4
Kitsap	1	9	60	0.1	1.1	7.3
Pierce	54	480	2,313	0.2	2.2	10.6
Snohomish	150	578	2,100	0.6	2.3	8.2
Thurston	19	197	1,724	0.2	2.6	22.4
<b>Total</b>	<b>342</b>	<b>1,800</b>	<b>8,444</b>	<b>0.4</b>	<b>2.3</b>	<b>10.6</b>

### SINGLE-FAMILY DETACHED, SAME PERIOD IN PREVIOUS YEAR

	UNSOLD INVENTORY LEVELS			MONTHS REMAINING AT LAST YEAR'S SALES RATE		
	STANDING	SPECULATIVE	TOTAL UNSOLD INVENTORY	STANDING	SPECULATIVE	TOTAL UNSOLD INVENTORY
King	67	458	2,174	0.2	1.4	6.6
Kitsap	7	23	123	1.2	3.8	20.5
Pierce	75	349	2,575	0.4	1.7	12.2
Snohomish	182	475	1,826	0.8	2.0	7.7
Thurston	8	74	1,521	0.1	0.9	17.8
<b>Total</b>	<b>339</b>	<b>1,379</b>	<b>8,219</b>	<b>0.4</b>	<b>1.6</b>	<b>9.4</b>

### SINGLE FAMILY DETACHED CHANGE

	UNSOLD INVENTORY LEVELS			CHANGE IN MONTHS REMAINING		
	STANDING	SPECULATIVE	TOTAL UNSOLD INVENTORY	STANDING	SPECULATIVE	TOTAL UNSOLD INVENTORY
King	51	78	73	0.3	0.9	2.8
Kitsap	(6)	(14)	(63)	(1.0)	(2.7)	(13.2)
Pierce	(21)	131	(262)	(0.1)	0.5	(1.6)
Snohomish	(32)	103	274	(0.2)	0.3	0.5
Thurston	11	123	203	0.2	1.7	4.5
<b>Total</b>	<b>3</b>	<b>421</b>	<b>225</b>	<b>0.0</b>	<b>0.7</b>	<b>1.1</b>

## UNSOLD ATTACHED INVENTORY LEVELS March 2006

### ATTACHED TOWNHOMES AND CONDOMINIUMS, CURRENT PERIOD

Submarket	UNSOLD INVENTORY LEVELS			MONTHS REMAINING AT CURRENT YEAR'S SALES RATE		
	STANDING	SPECULATIVE	TOTAL UNSOLD INVENTORY	STANDING	SPECULATIVE	TOTAL UNSOLD INVENTORY
King	145	604	1,642	0.5	2.2	6.0
Kitsap	3	101	204	0.1	4.7	9.4
Pierce	16	139	524	0.3	2.8	10.6
Snohomish	8	8	384	0.2	0.2	7.3
Thurston	3	35	74	0.4	4.4	9.3
<b>Total</b>	<b>175</b>	<b>887</b>	<b>2,828</b>	<b>0.4</b>	<b>2.2</b>	<b>7.0</b>

### ATTACHED TOWNHOMES AND CONDOMINIUMS, SAME PERIOD IN PREVIOUS YEAR

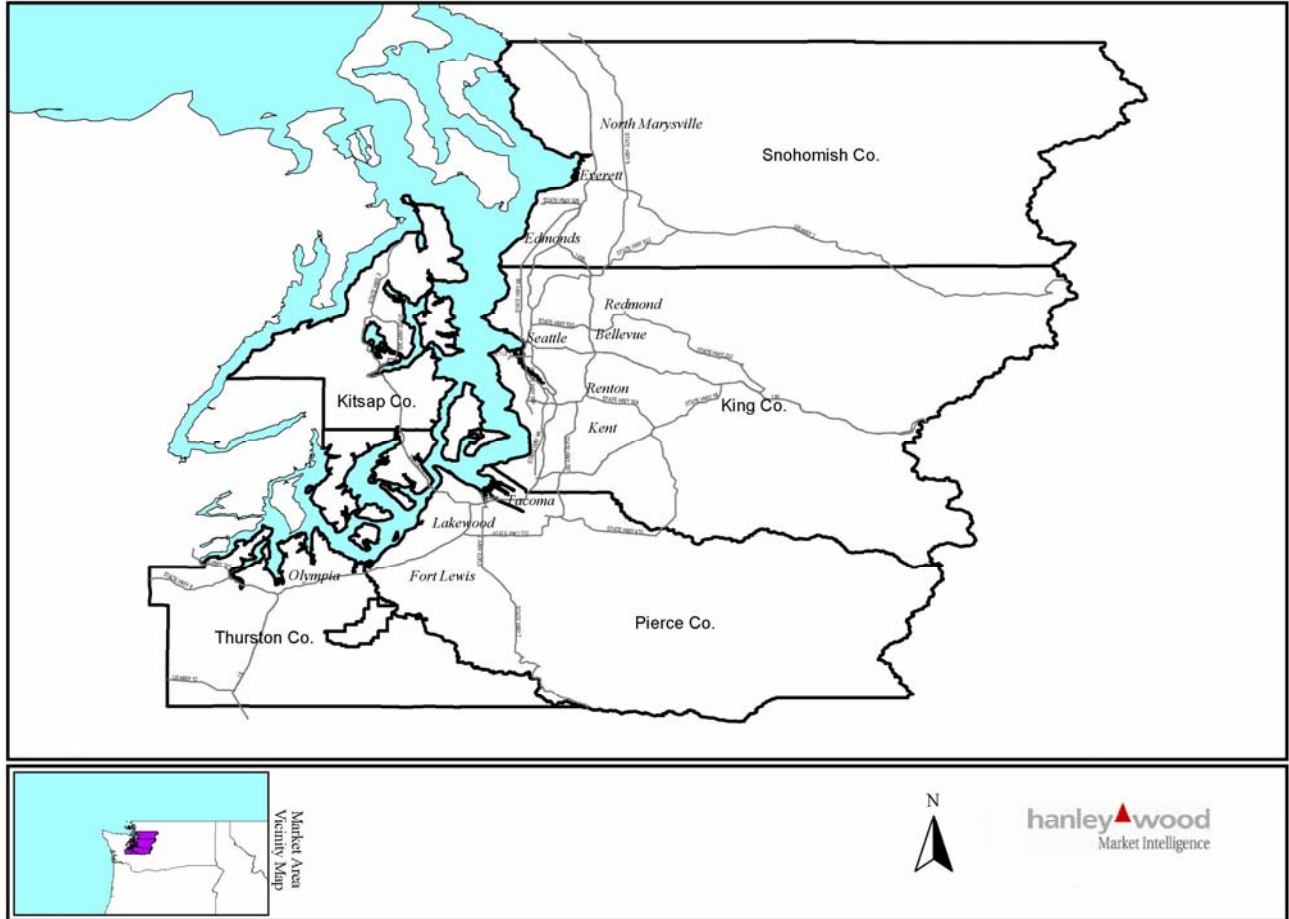
Submarket	UNSOLD INVENTORY LEVELS			MONTHS REMAINING AT LAST YEAR'S SALES RATE		
	STANDING	SPECULATIVE	TOTAL UNSOLD INVENTORY	STANDING	SPECULATIVE	TOTAL UNSOLD INVENTORY
King	235	412	1,702	0.9	1.6	6.6
Kitsap	0	6	151	0.0	2.3	56.6
Pierce	31	115	315	0.8	2.8	7.7
Snohomish	56	59	325	0.8	0.8	4.7
Thurston	3	18	35	1.2	7.4	14.5
<b>Total</b>	<b>325</b>	<b>610</b>	<b>2,528</b>	<b>0.9</b>	<b>1.6</b>	<b>6.8</b>

### ATTACHED TOWNHOMES AND CONDOMINIUMS, CHANGE

Submarket	UNSOLD INVENTORY LEVELS			CHANGE IN MONTHS REMAINING		
	STANDING	SPECULATIVE	TOTAL UNSOLD INVENTORY	STANDING	SPECULATIVE	TOTAL UNSOLD INVENTORY
King	(90)	192	(60)	(0.4)	0.6	(0.6)
Kitsap	3	95	53	0.1	2.4	(47.2)
Pierce	(15)	24	209	(0.4)	(0.0)	2.9
Snohomish	(48)	(51)	59	(0.6)	(0.7)	2.7
Thurston	0	17	39	(0.9)	(3.0)	(5.1)
<b>Total</b>	<b>(150)</b>	<b>277</b>	<b>300</b>	<b>(0.4)</b>	<b>0.6</b>	<b>0.2</b>

## Market Area Map

### Seattle-Tacoma-Bremerton, WA



## New Home Definitions

**Net Sales:** Gross Sales fewer Cancellations.

**Project Months:** The sum of the months that all projects were open. For example, if there were only 2 projects in a submarket, and one was open for 3 months of a quarter, and the other was open for 2 months, the market would have 5 project months. This calculation is used to determine the monthly sales rate/project.

**Monthly Sales/Project:** Net sales for the period divided by the number of Project Months. For example, if there were 15 sales during a quarter, and 5 project months in that quarter, the monthly sales rate/project would be 3.0. An increasing number is a sign of a healthy housing market.

**Median Base Sales Price:** A base price is the lowest price available for a particular plan, assuming no upgrades are purchased. The base price may include lot premiums, because some plans may only have units remaining on premium lots. The median base sales price is based on the actual number of homes sold. The median base sales price is the price at which half of the homes sold were priced higher and half lower.

**Median Sales Price per Square Foot:** The median sales price per square foot is based on the median base sales price. Half of the homes sold during the period had a higher base sales price per square foot, and half had a smaller base sales price per square foot. The square footage used is the most recent square footage. In rare instances, the square footage of a plan may have been increased during the period (for example, an optional bedroom becomes standard). Because the square footage used is the square footage at the end of the period, the price per square foot may be off slightly. Also, the median base sales price per square foot cannot necessarily be calculated by dividing the median base price by the median square feet.

**Average Base Sales Price:** The average base sales price is a weighted average price based on the actual number of homes sold. The average base sales price is affected by extreme high and low prices, and because it is a calculated number, its value may not actually exist within the data. The average base sales price is usually higher than the median base sales price.

**Average Sales Price per Square Foot:** The average sales price per square foot is a weighted price per square foot based on actual homes sold.

**Number of Projects:** A project is considered to have opened in the month that prices on individual units are published and offers can be made. A project stays open/active through the month that the final home has closed escrow. Afterwards, it is considered inactive. For example, a project that closes its last escrow on June 15 is considered active through June 30, but inactive on July 1.

**Standing Inventory:** Unsold units that are completed or within 30 days of completion. Model homes are not included unless they are currently for sale.

**Under Construction:** Foundation or vertical construction has started and unsold home should be completed 1 to 6 months from the date of our survey.

**Speculative Inventory:** Standing Inventory + Under Construction Inventory.

**Future Construction:** Homes that have not yet started construction that have also not yet been sold. Some, but not all, of these units may have been released for sale.

**Total Unsold Inventory:** Speculative Inventory + Future Construction.

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**Hanley Wood Market Intelligence, ONLINE PUBLISHED RESEARCH**

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**MARKET MONITOR (Quarterly)**

- Complete analysis of economic and market conditions summarized in an easy to comprehend format
- Discussion of Concerns, Opportunities and Strategies, and Outlook by Submarket
- New Home Market Leading Indicators (using Hanley Wood Market Intelligence data, showed declining market 12-18 months before last recession was recognized)
- Resale Market Analysis
- Economic Indicators – forecasts from key economists and conclusions from Hanley Wood consultants
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**NEW HOME MARKET EXECUTIVE SUMMARY (Quarterly)**

Written analysis and detailed statistics on the new home market based entirely on Hanley Wood Market Intelligence's proprietary database.

- Sales and Price Trends
- Sales by Price Range
- Number of Active Projects
- Inventory Trends

**U.S. HOUSING MARKETS (Quarterly)**

- Current and recent historical permit information on all 331 metropolitan areas
- Demand – Employment, Population, Households, Housing Stock, Investor Hotness Index (Demand/Supply) on the top 75 markets
- Supply – Building Permits, Home Price, Market Hotness Index (Growth) on the top 75 markets

**MARKET SNAPSHOT (Quarterly)**

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