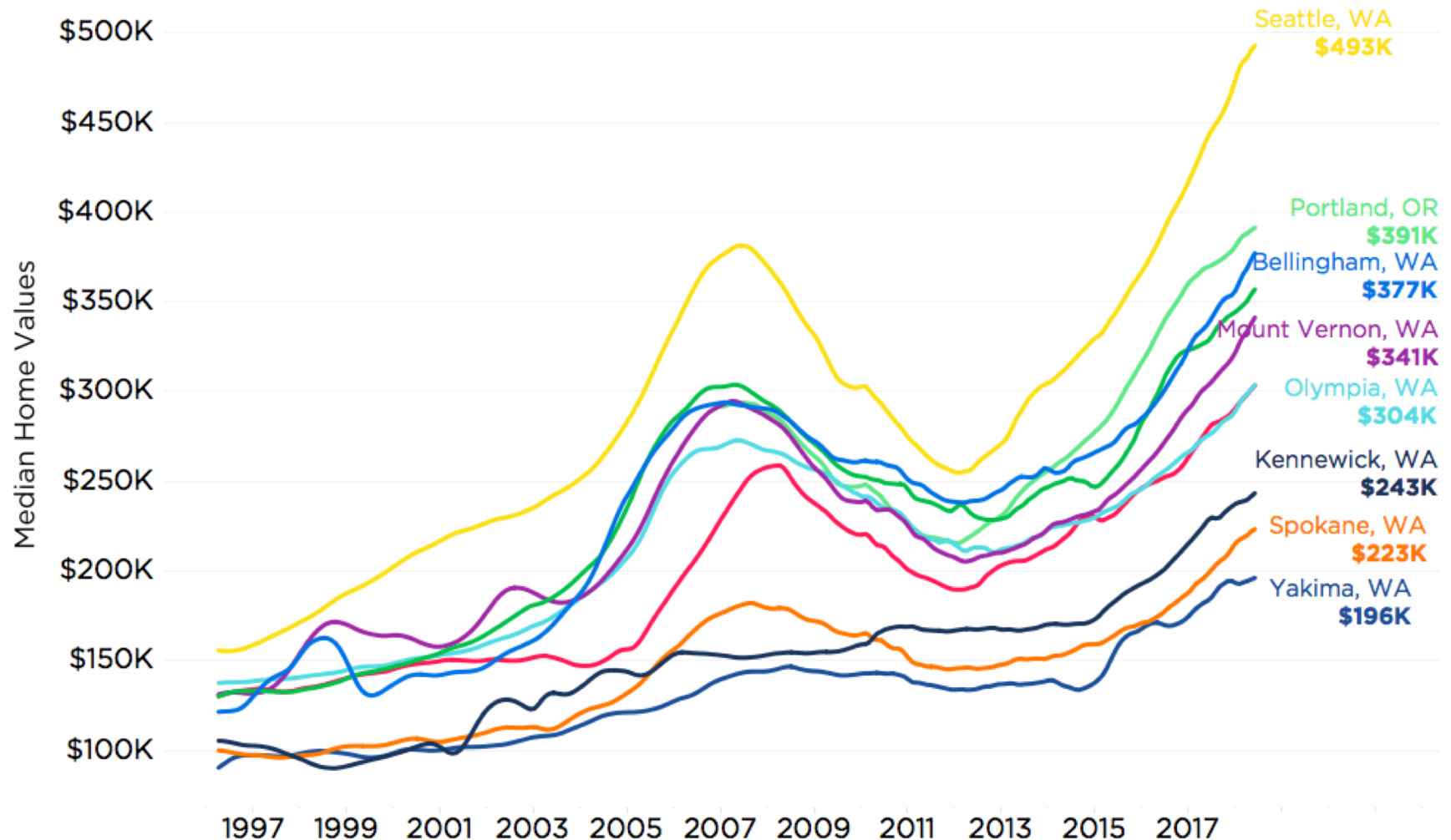


A photograph of a modern, single-story house at dusk. The house has large windows and a flat roof. The interior lights are on, and the exterior is lit up. There are trees and bushes in the foreground and background. A blue semi-transparent banner is overlaid on the left side of the image, and a green semi-transparent banner is overlaid on the right side.

WASHINGTON STATE HOUSING MARKET TRENDS

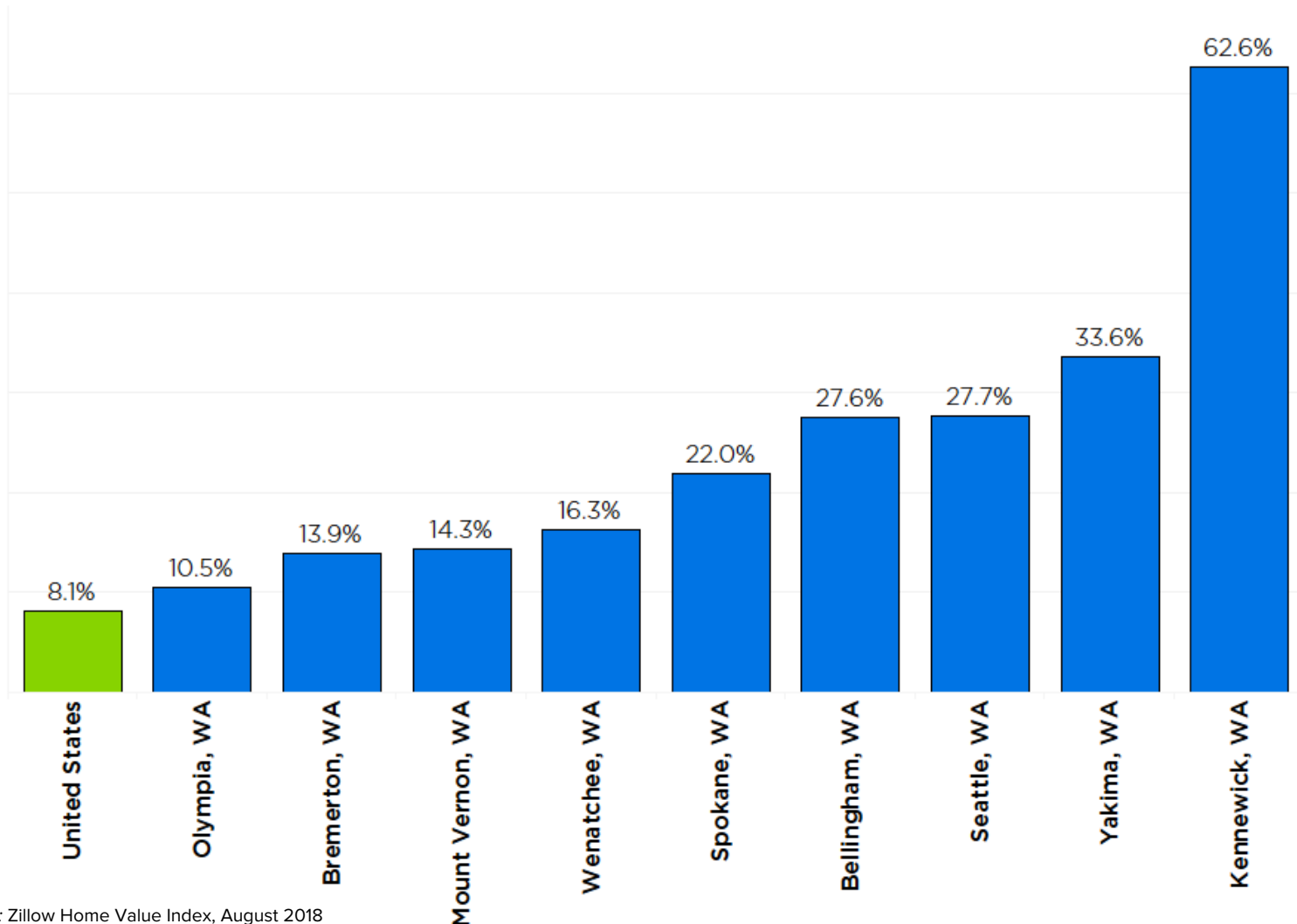
Aaron Terrazas, Senior Economist
[zillow.com/research](https://www.zillow.com/research)

Home values continue to rise across WA State

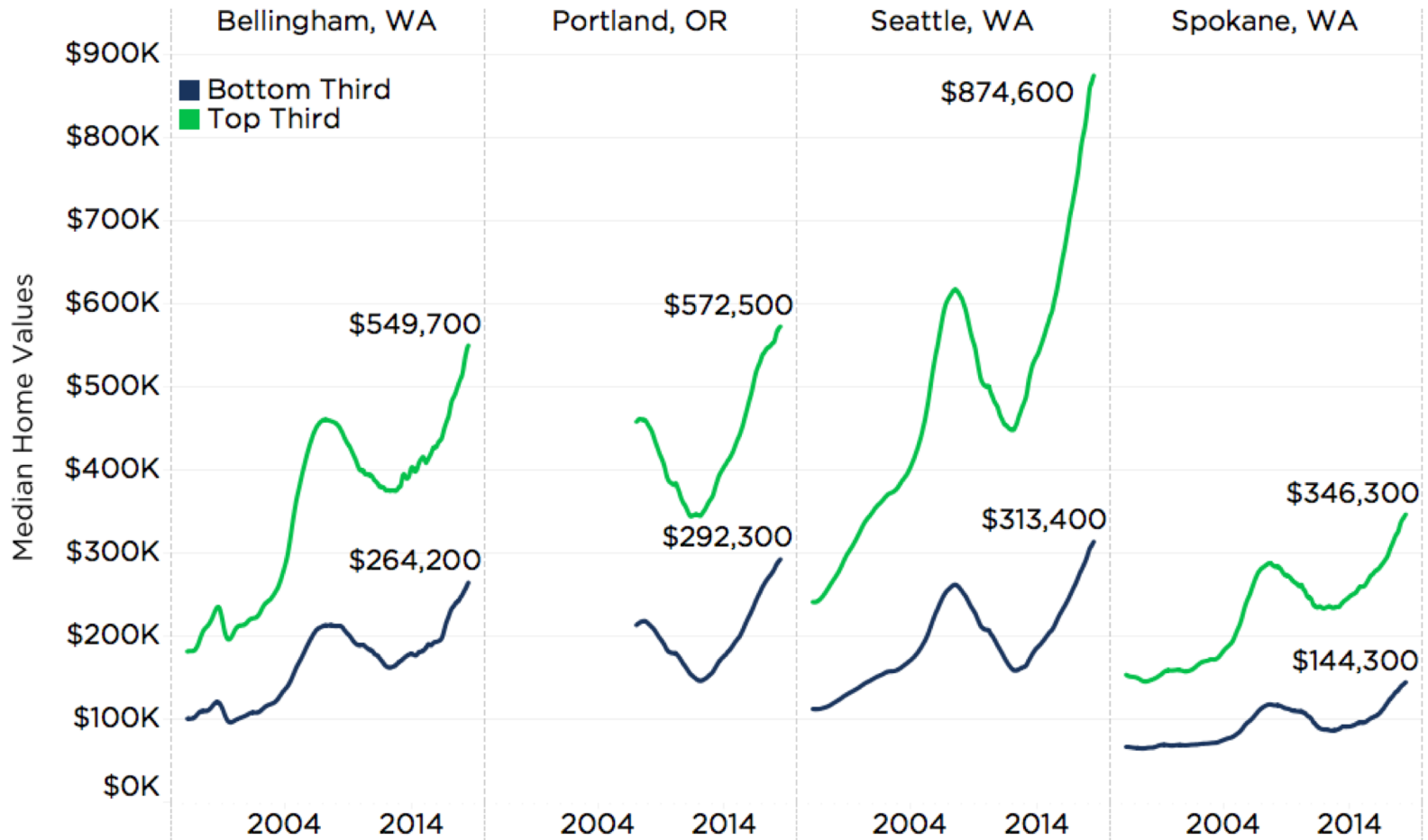


Seattle has a had a strong recovery, but it's been even stronger in parts of Central Washington

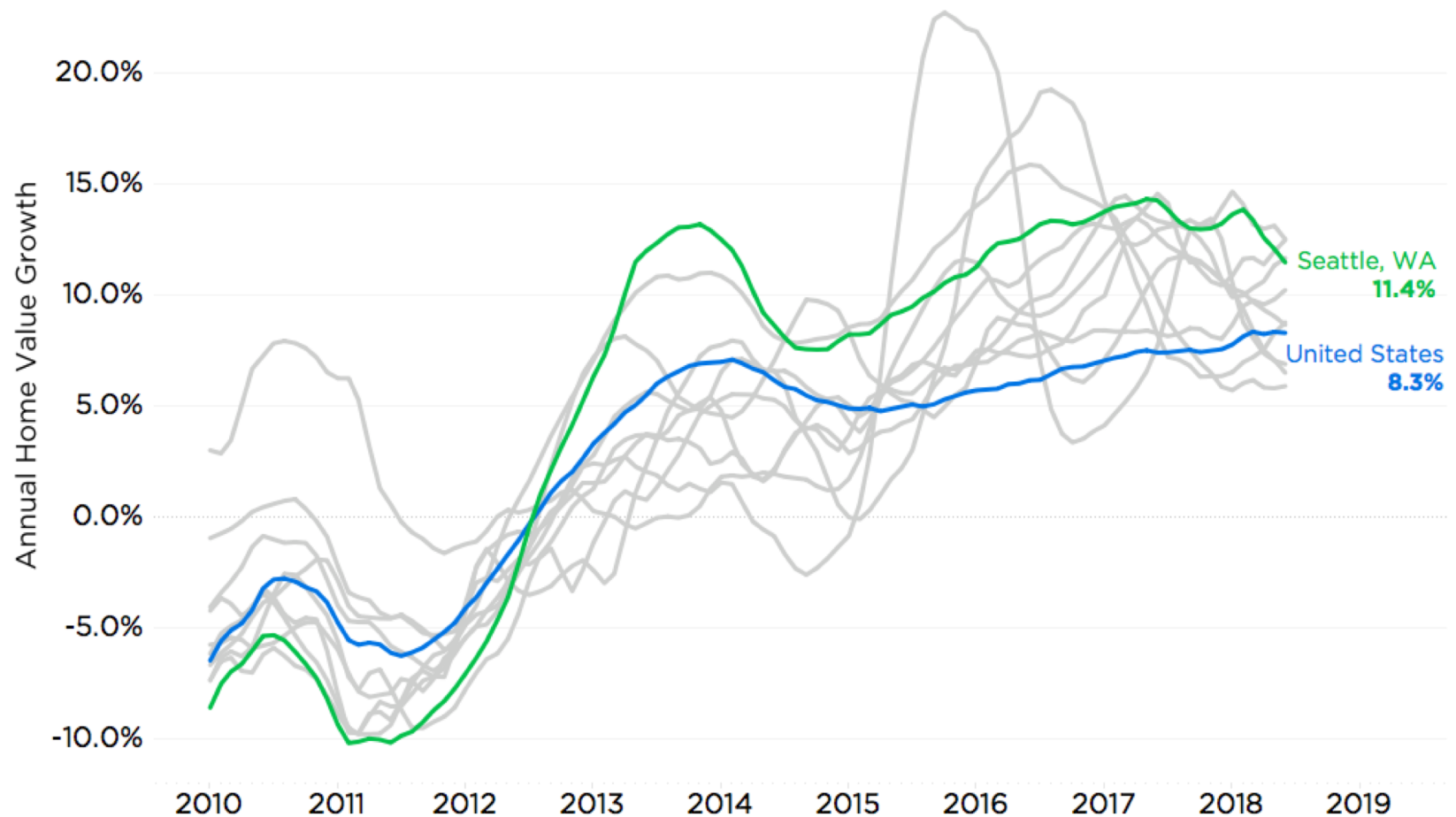
Percent Change in Median Home Value, Relative to 2005-08 Peak



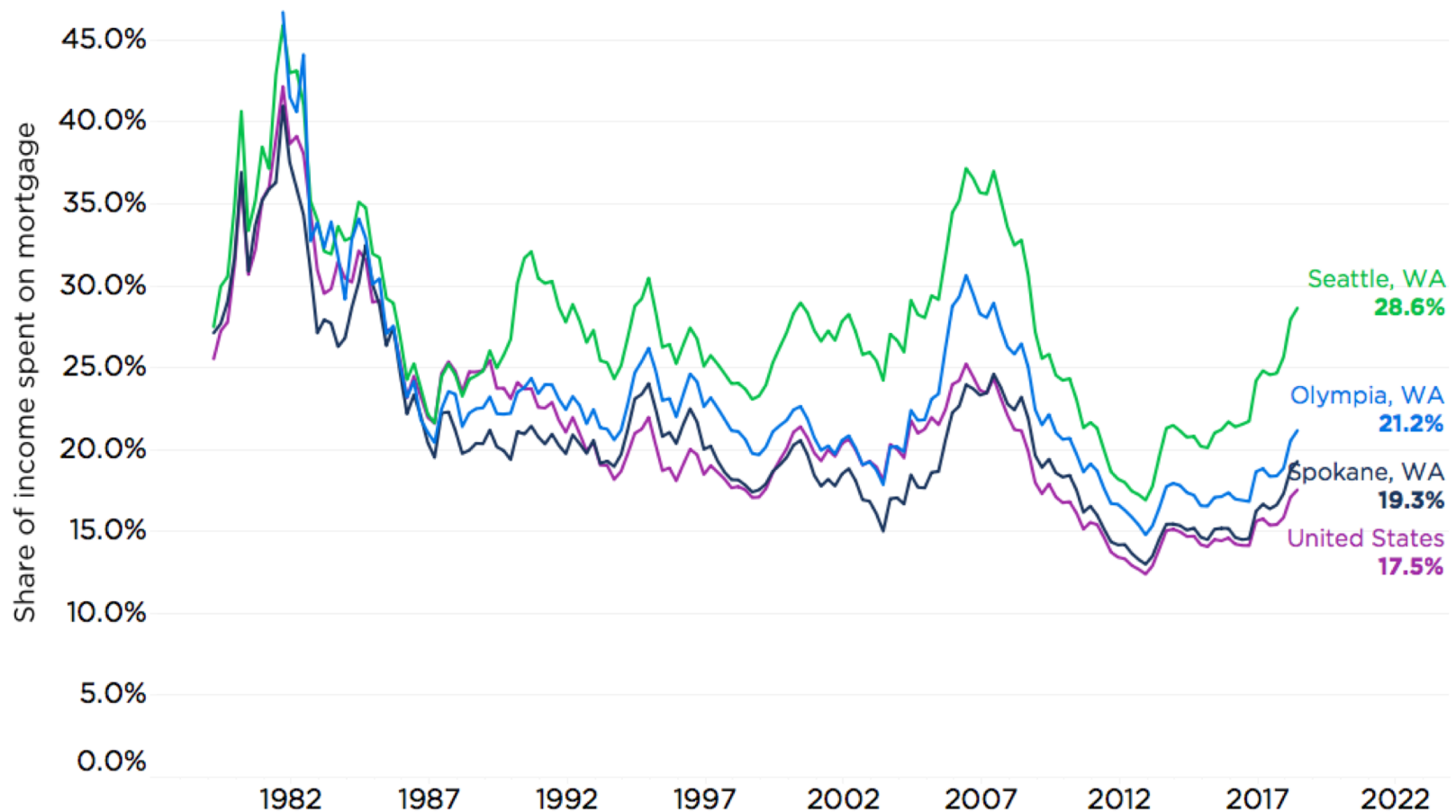
Until recently, the top of the market was outpacing the bottom across the state



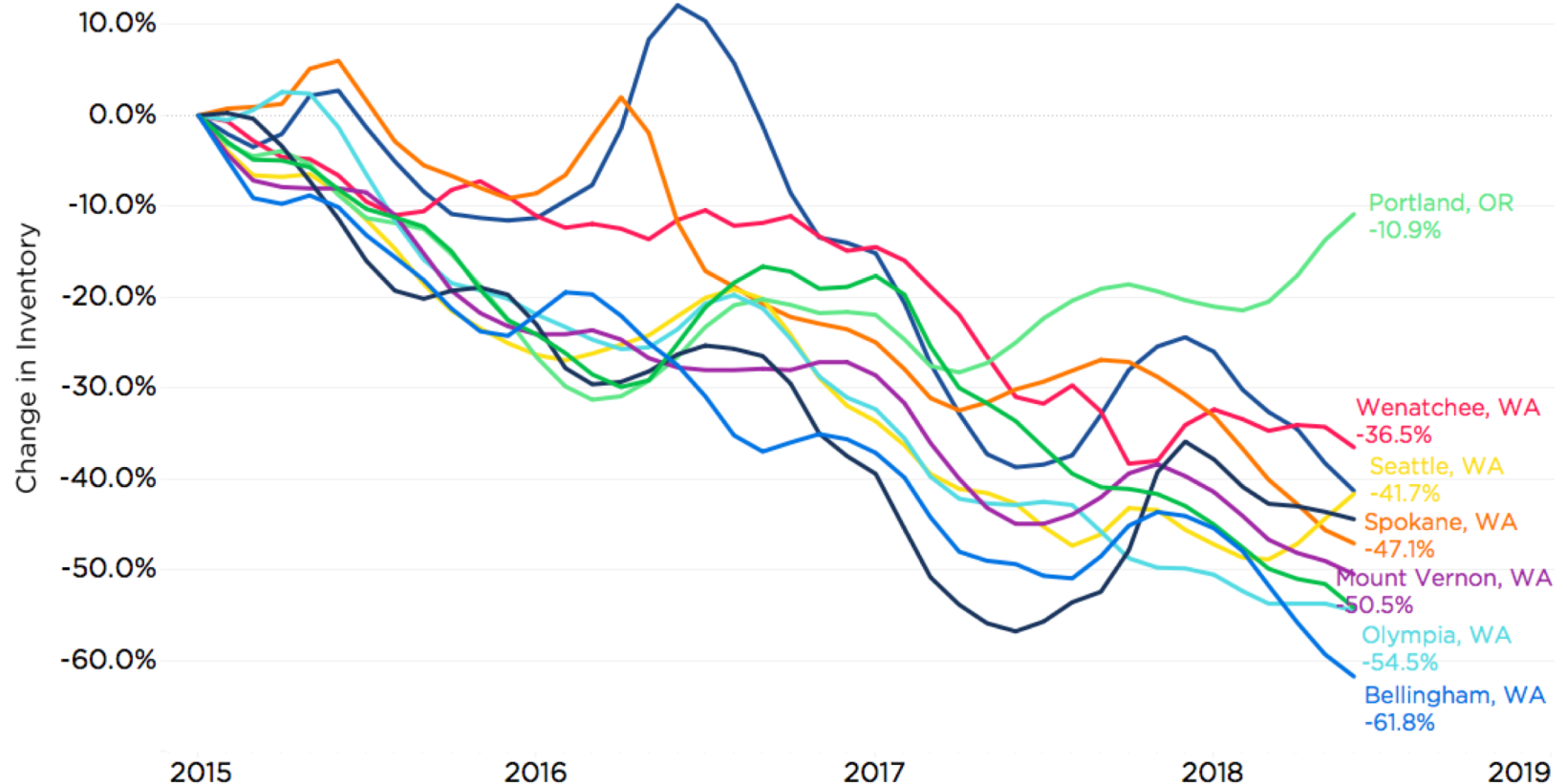
The pace of appreciation has slowed in key markets in recent months



Nationwide, mortgage affordability looks good due to low interest rates

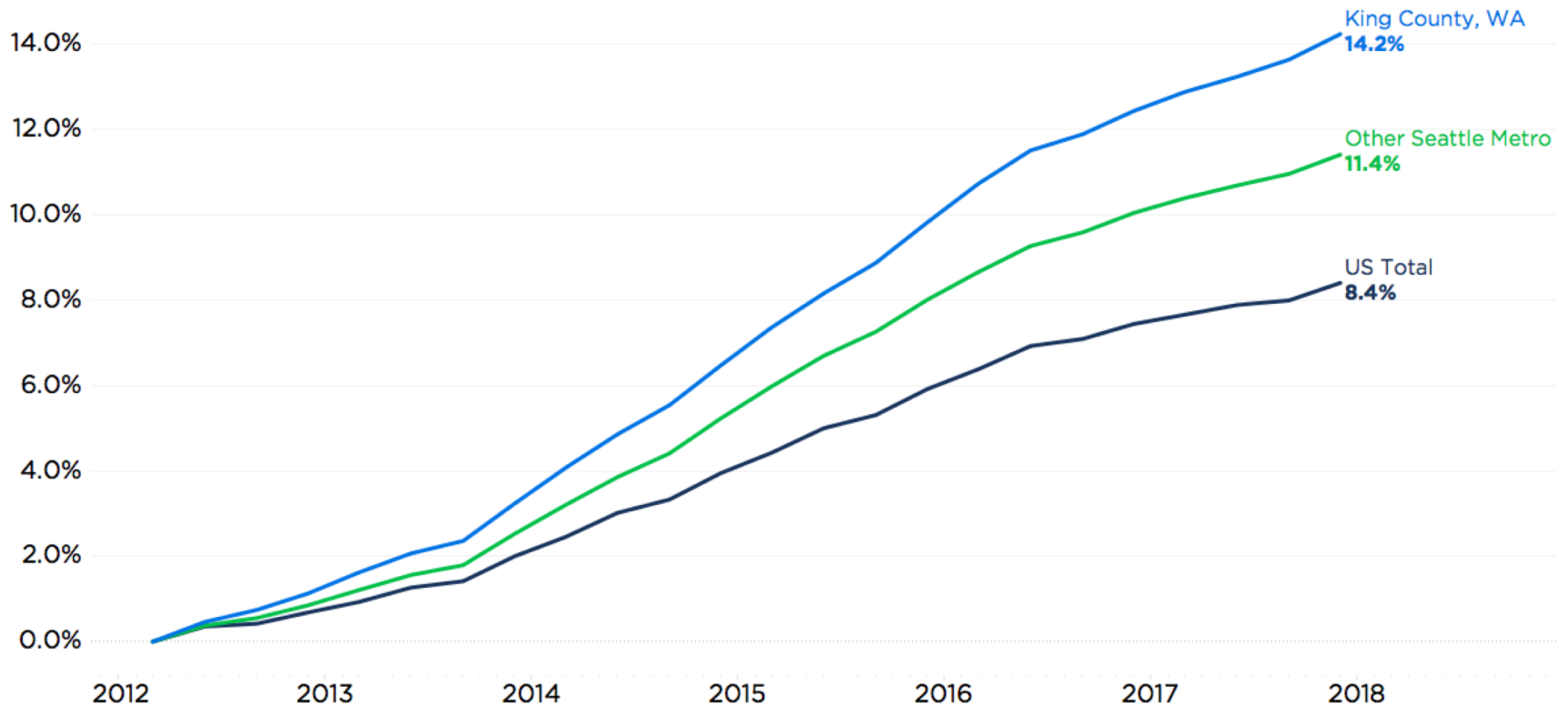


Recent price gains have been driven by tight inventory



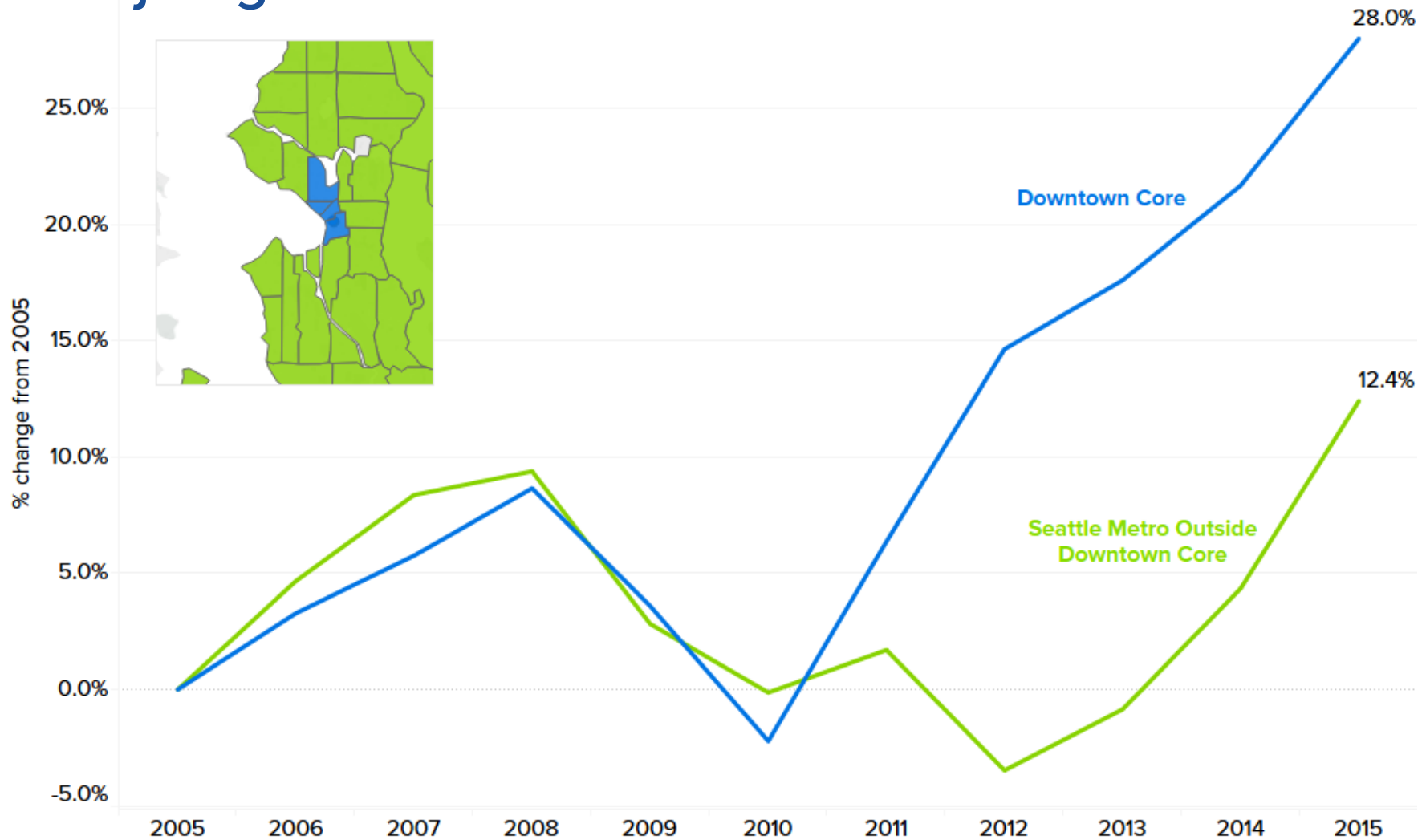
The Seattle region is adding jobs faster than the national rate

Employment Growth Since 2012



Source: Zillow Calculation from Bureau of Labor Statistic, July 2018

Within the Seattle metro, the downtown core has led job growth

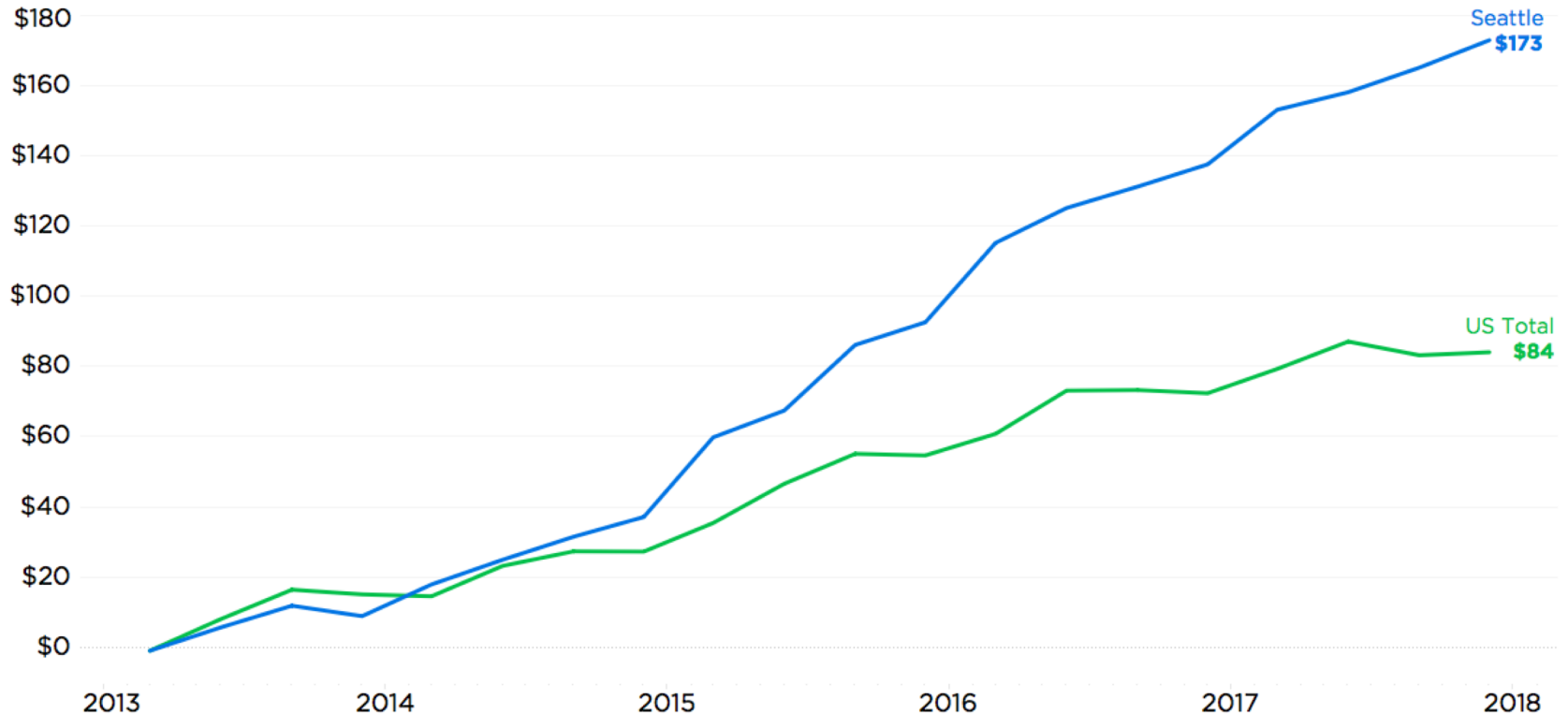


Notes: Urban Core includes ZIP codes 98121, 98101, 98154, 98104, and 98109.

Source: U.S. Census Bureau, County Business Patterns data, ZIP Code Employment Statistics, 2005 to 2015.

And Seattle wage growth significantly outpaces nation

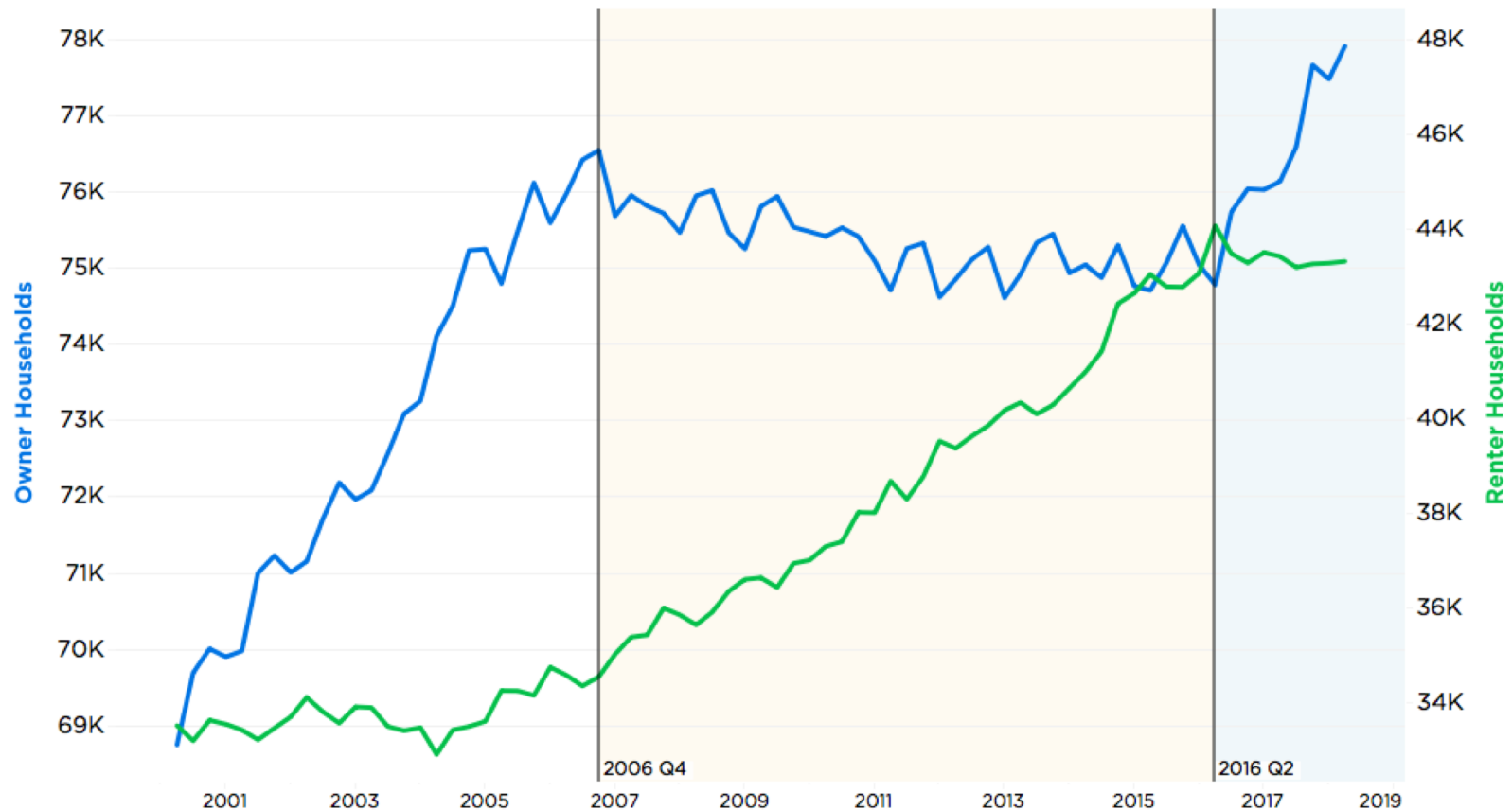
Average Weekly Wage Change Since 2012



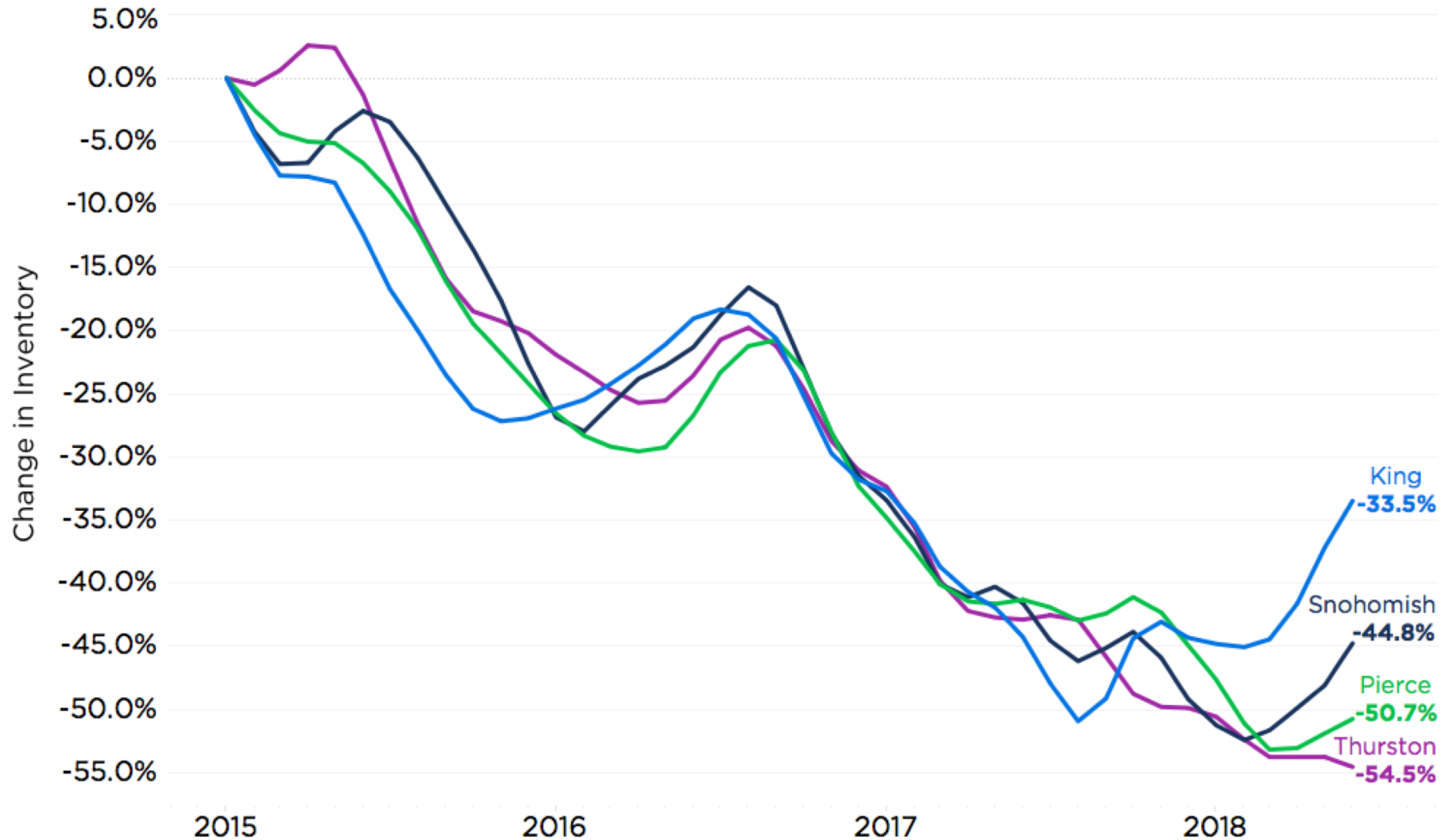
Source: Zillow Calculation from Bureau of Labor Statistic, July 2018

Between Q4 2005 and Q2 2016, renters accounted for all new households in the United States

Number of owner and renter households, United States

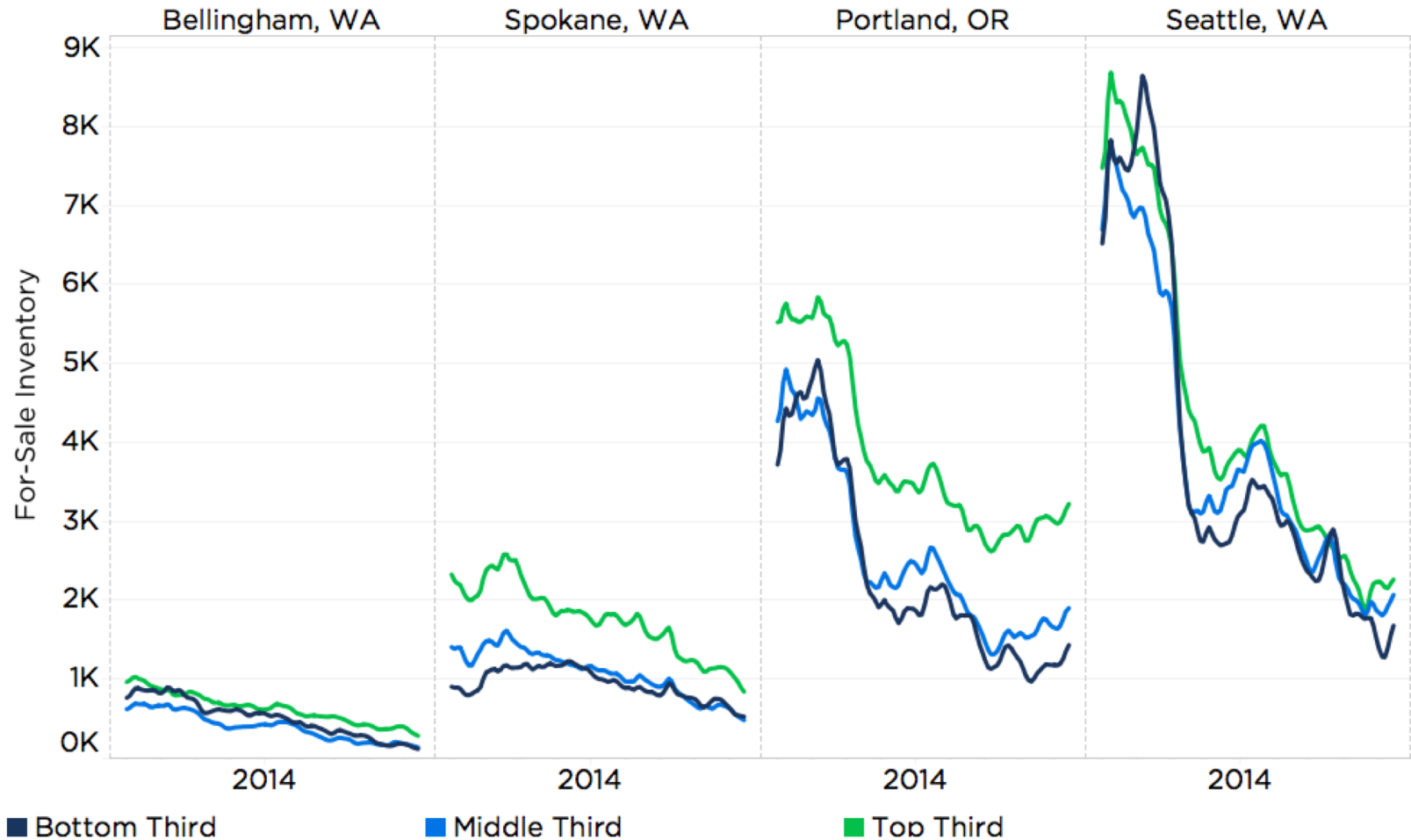


But maybe a sign of change...

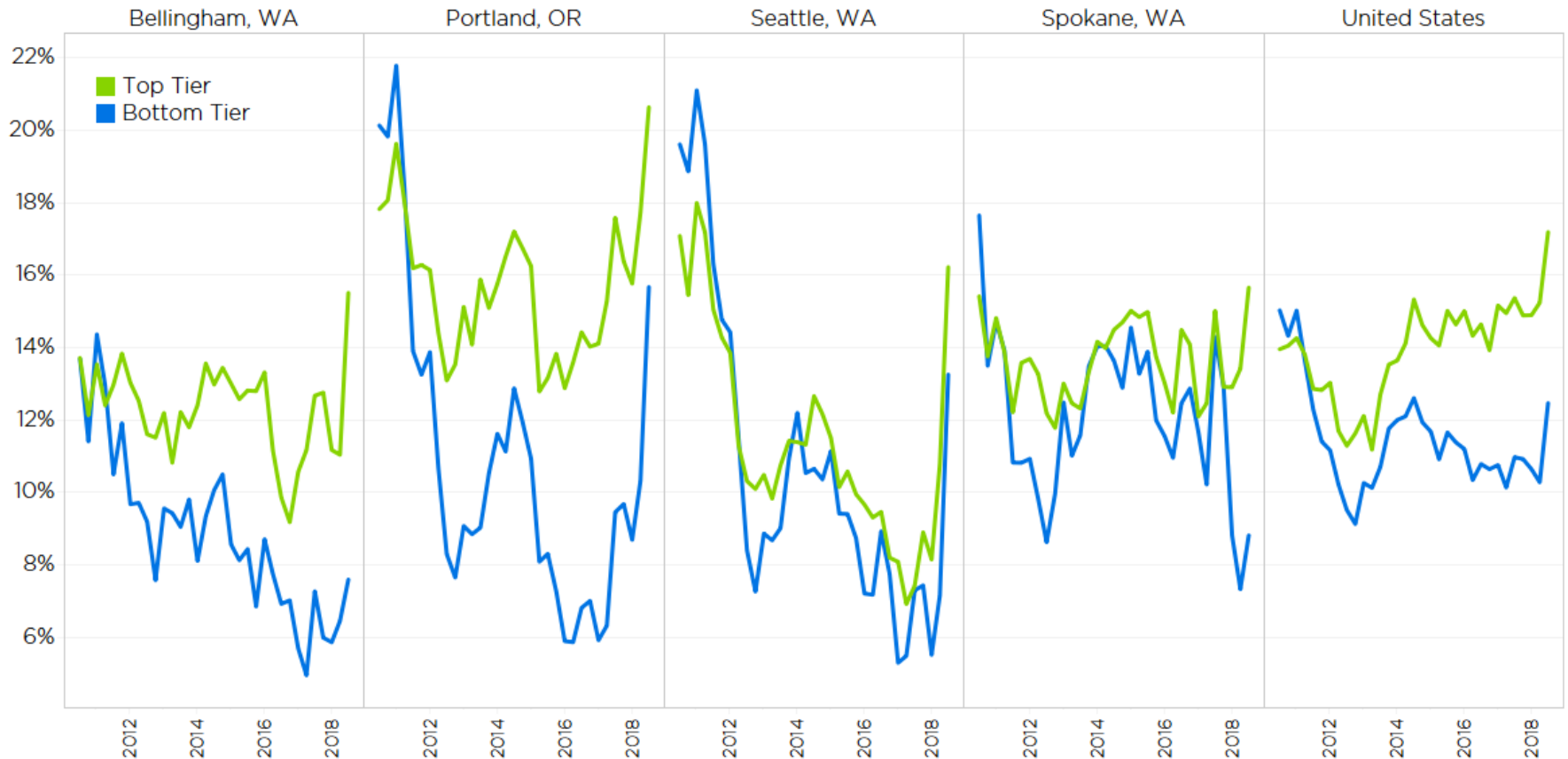


Source: Zillow For-Sale Inventory, June 2018

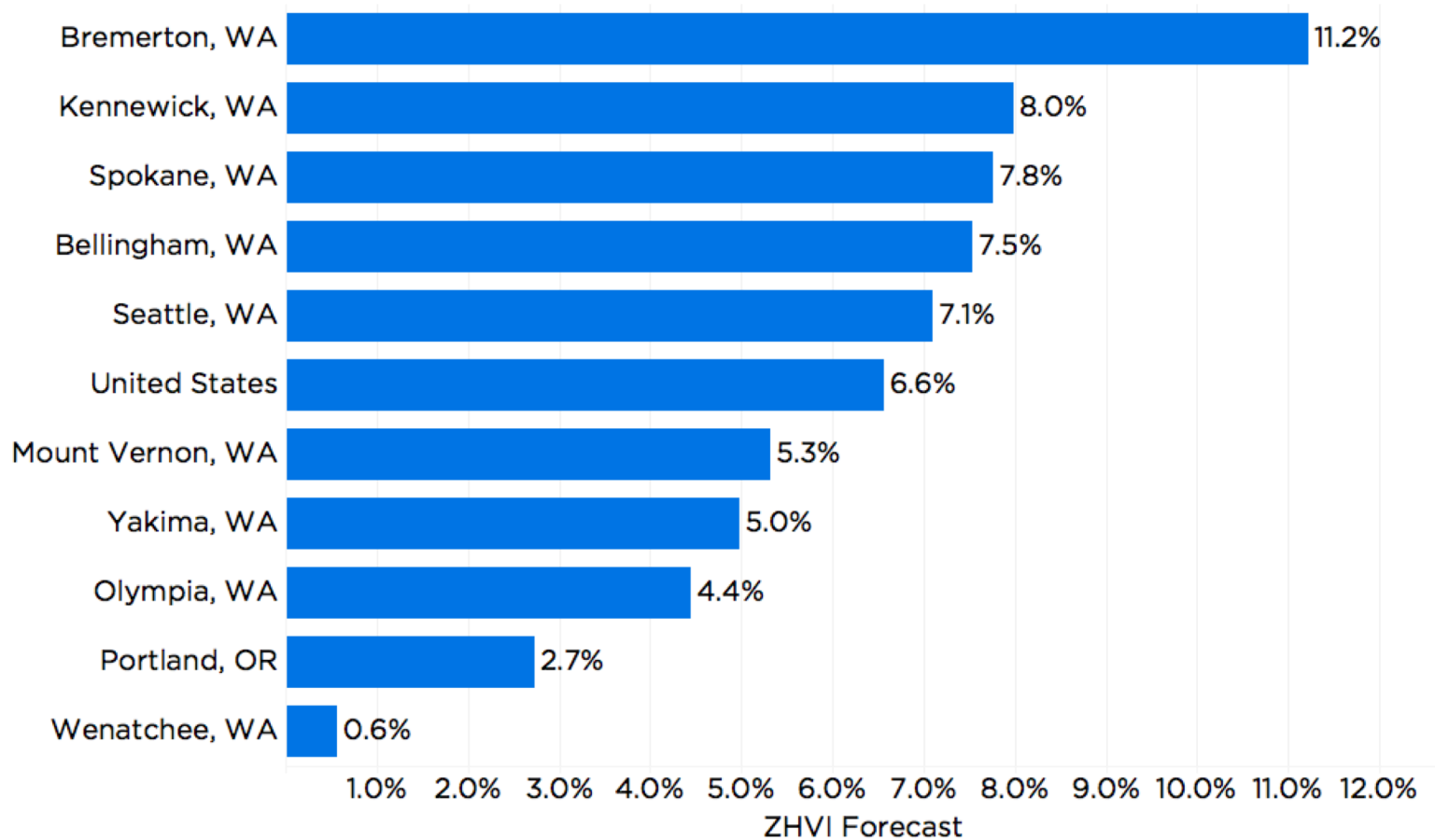
Inventory easing in the region's priciest markets



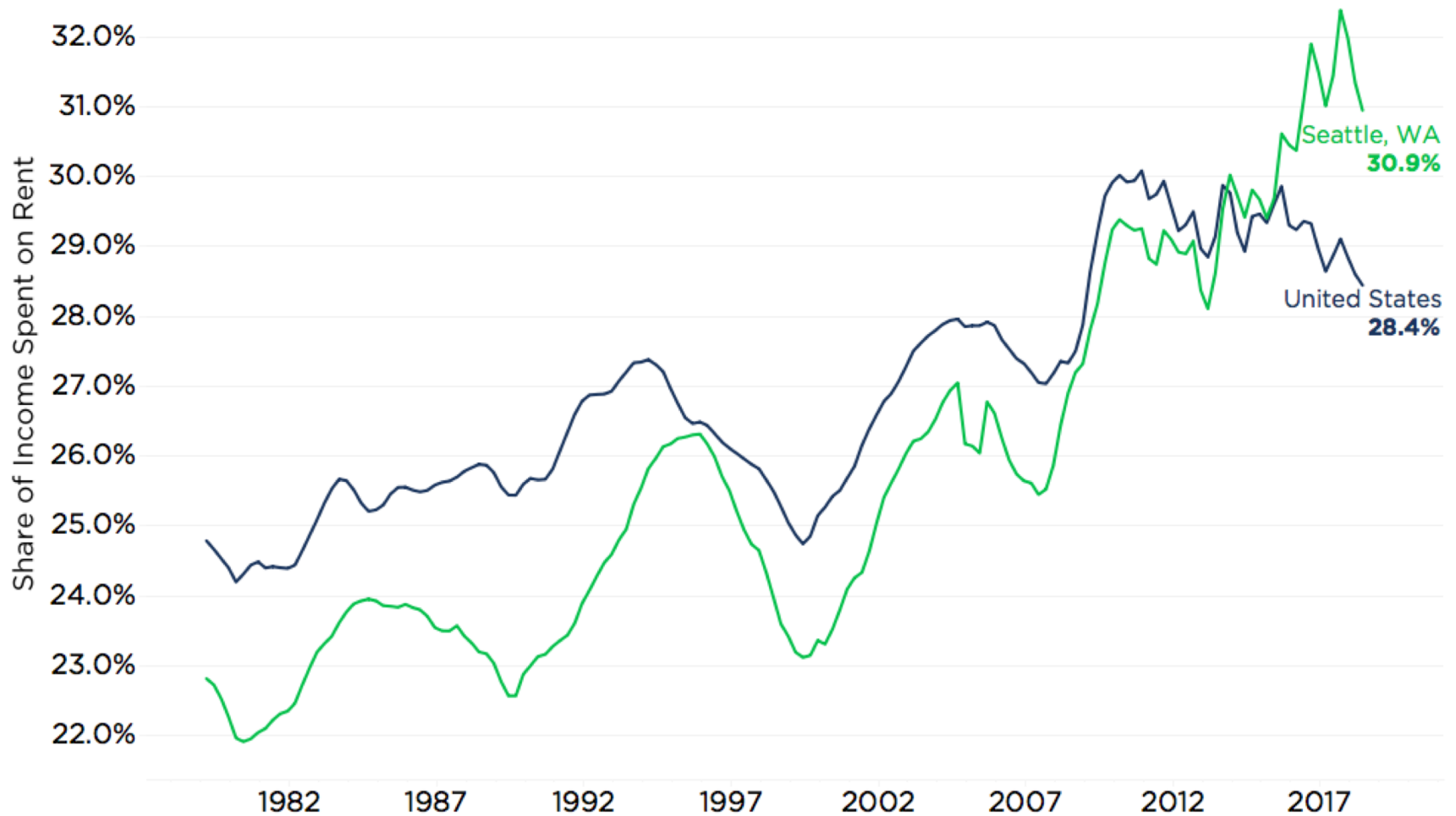
Price cuts are surging, particularly toward the top of the market



Slower, but still strong home value growth on the horizon

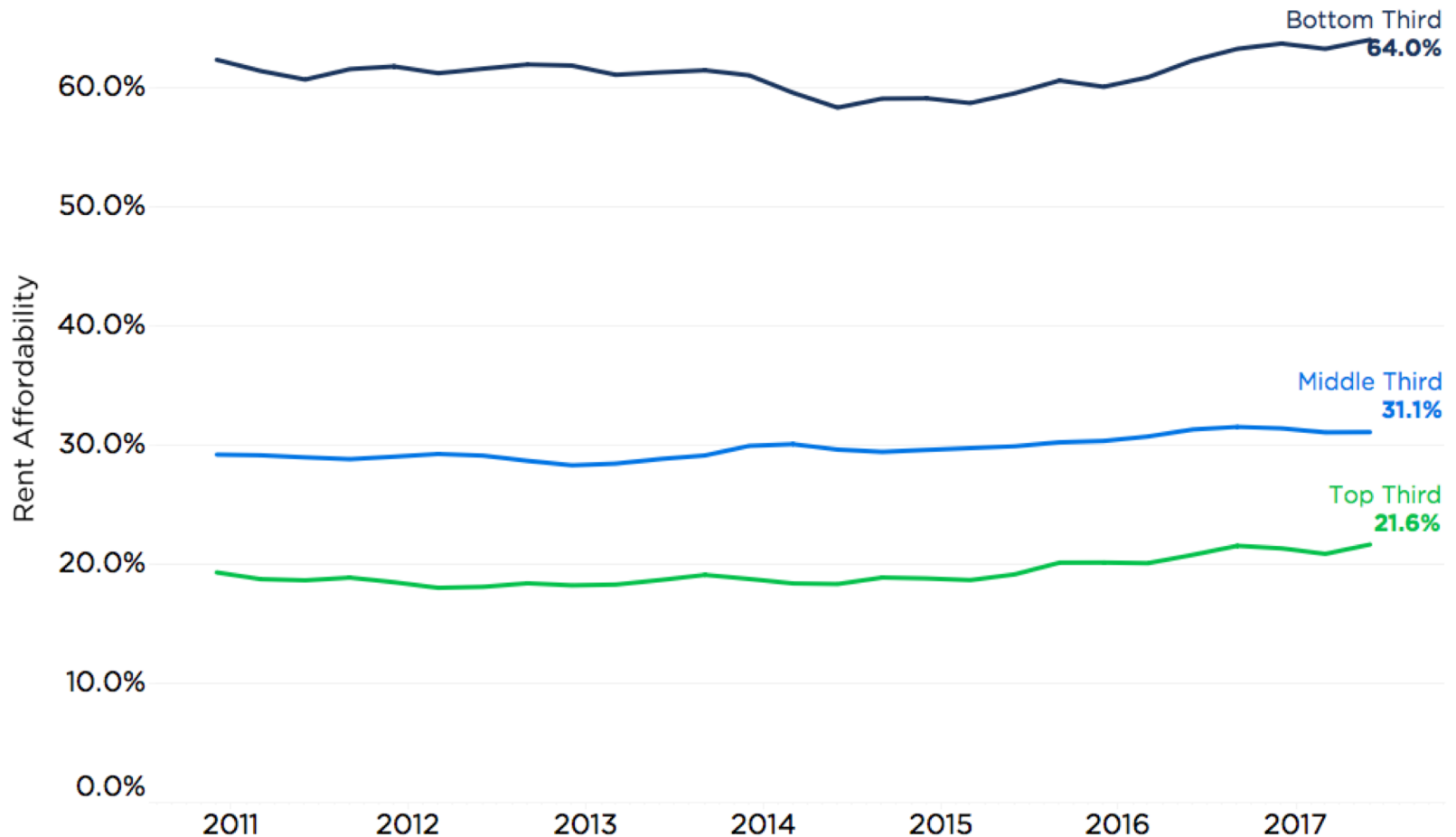


Rents are historically unaffordable

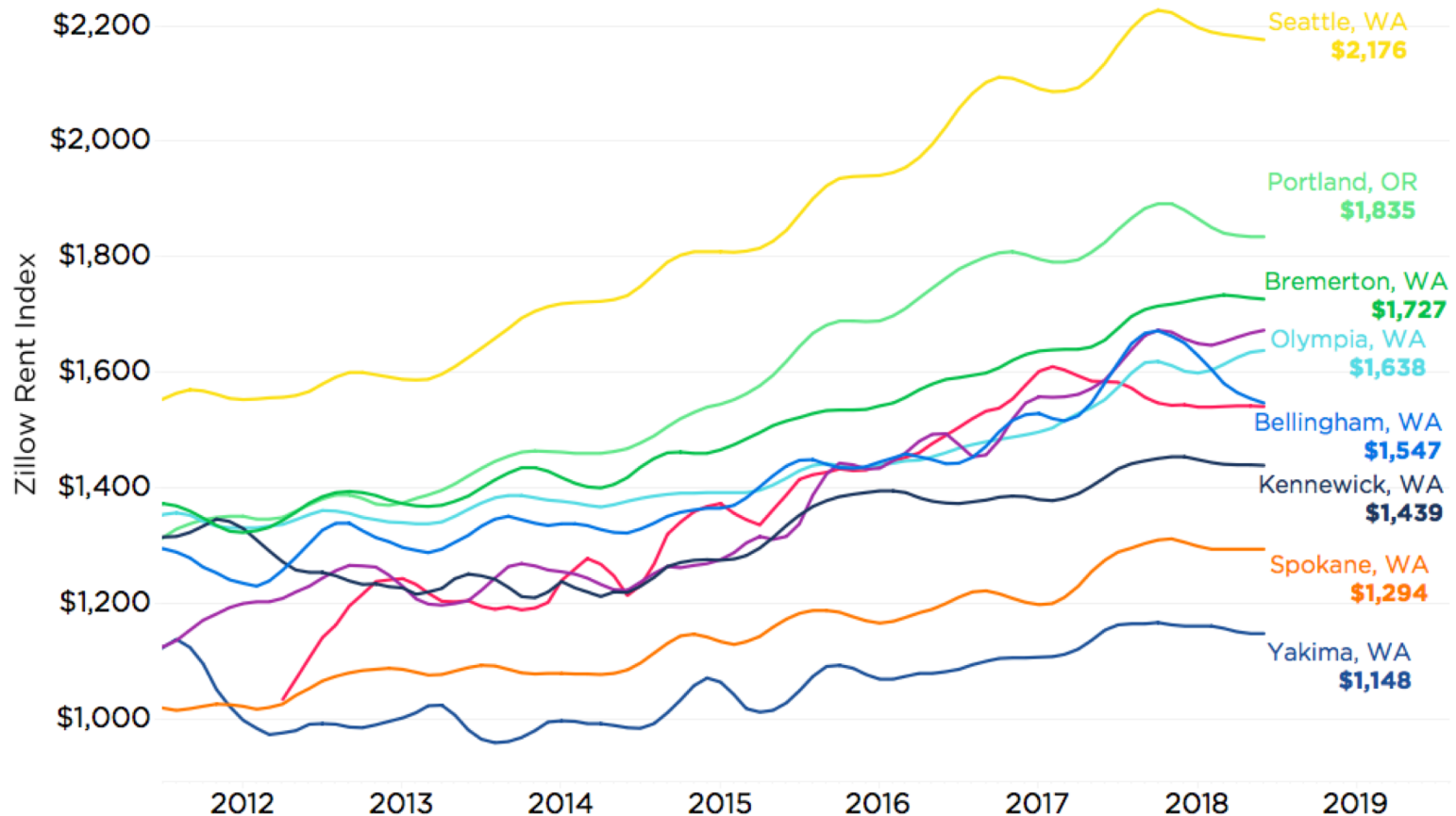


Source: Zillow Affordability, Q2 2018

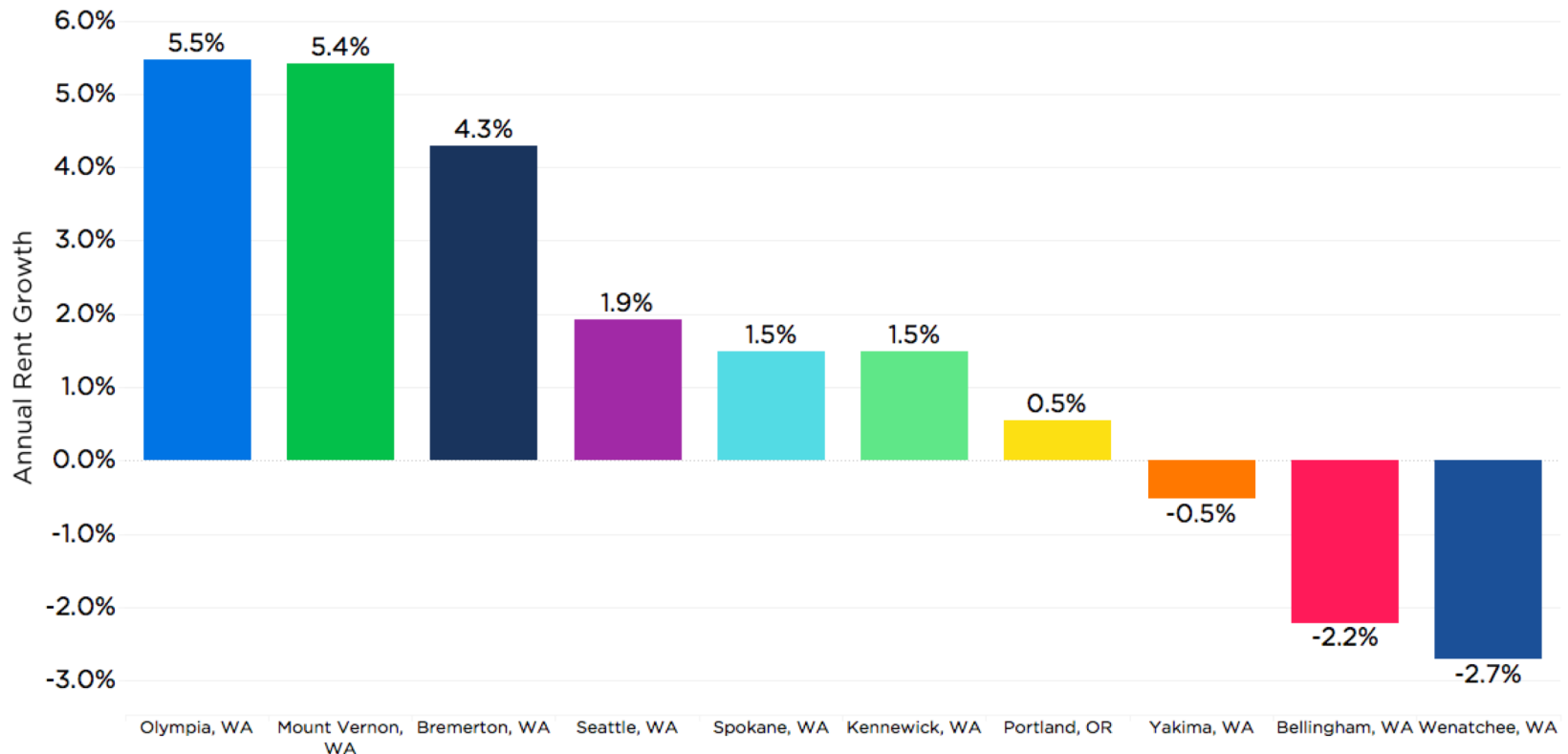
As bad as it may be at the median, it's worse at the bottom



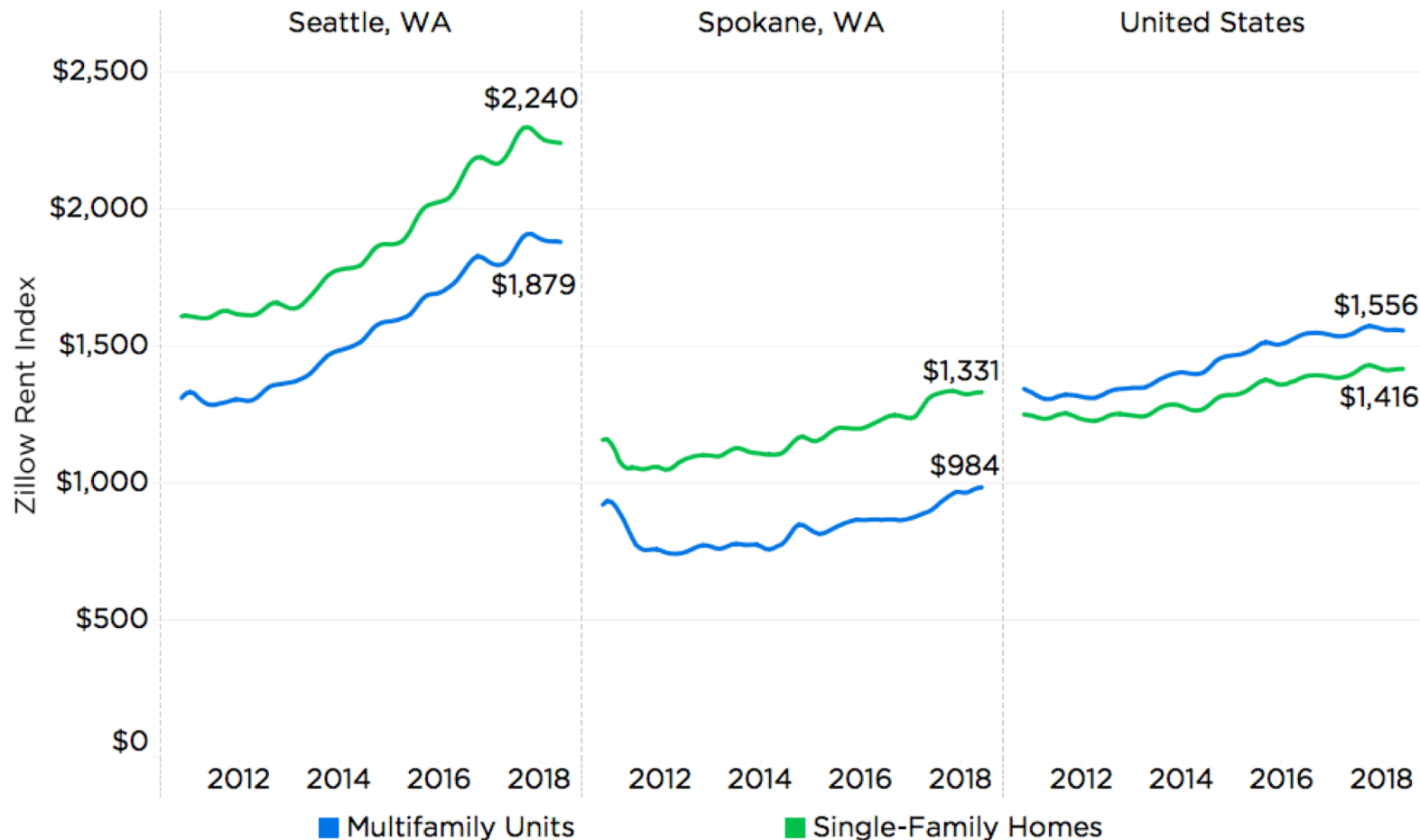
Rents have plateaued across the region, but at high levels



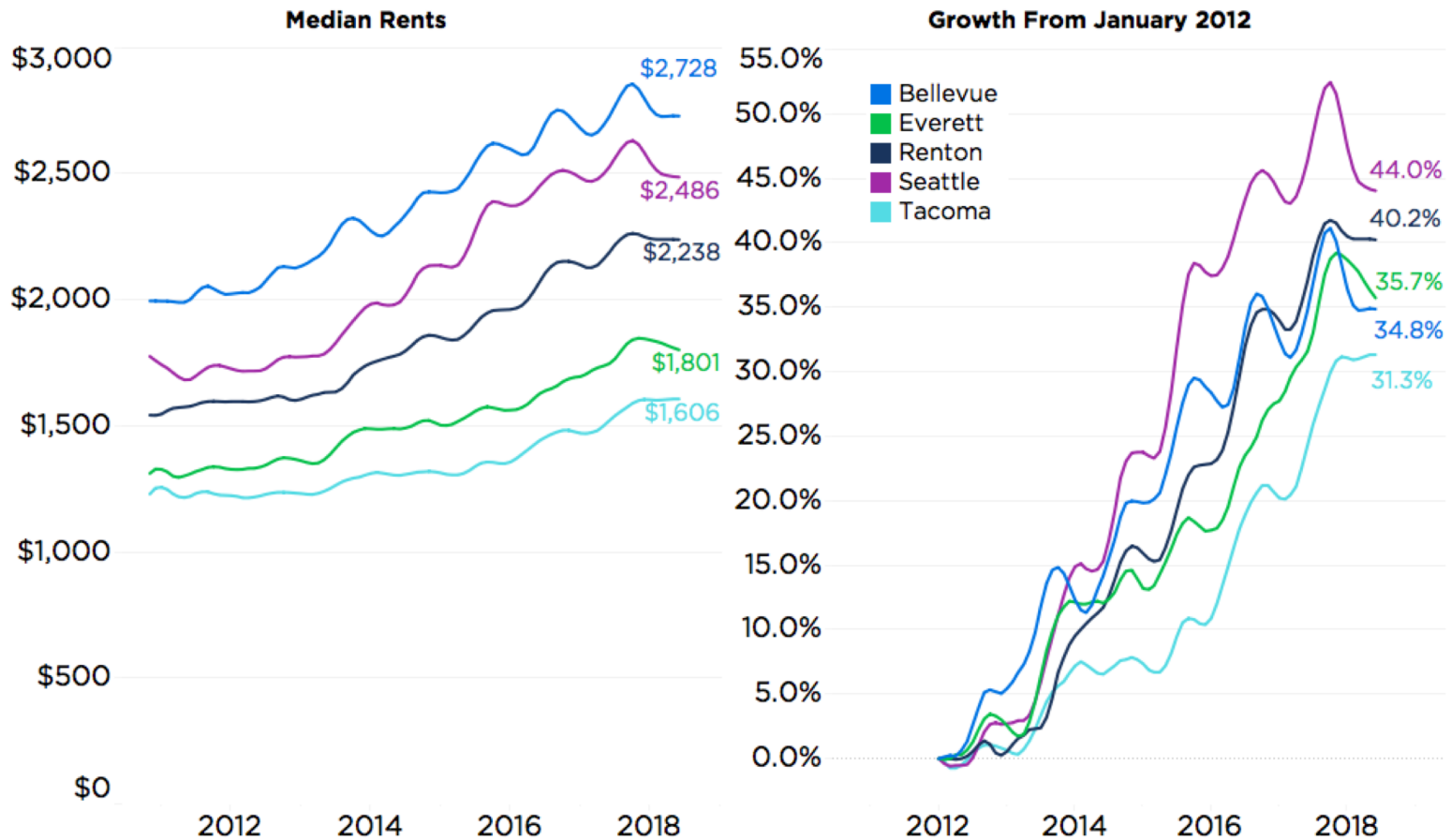
Rent gains now below inflation in most WA markets



Single-family rents slowing more than multifamily rents in Seattle and Spokane

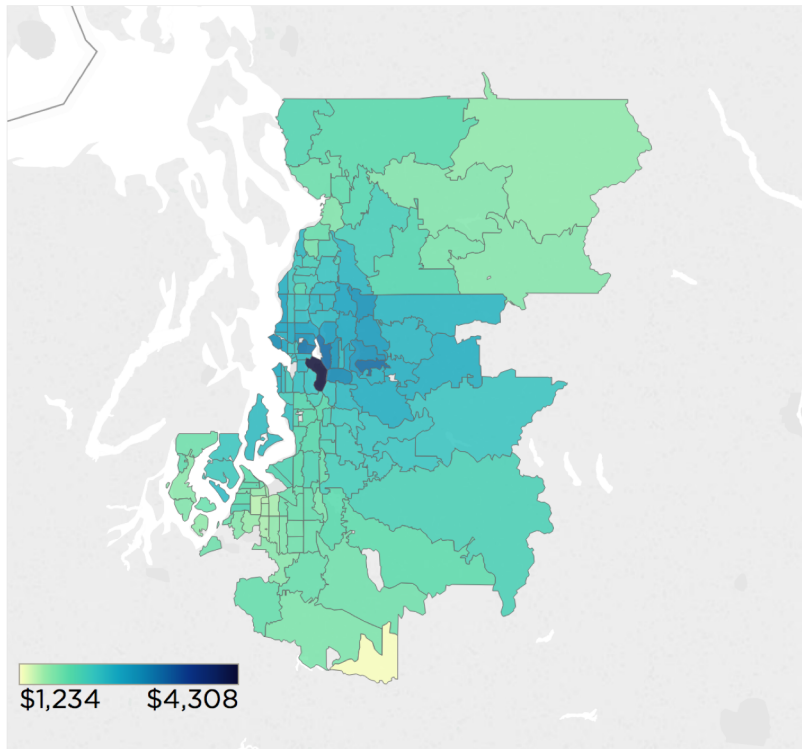


Within Seattle, the most expensive areas have seen the biggest slowdowns

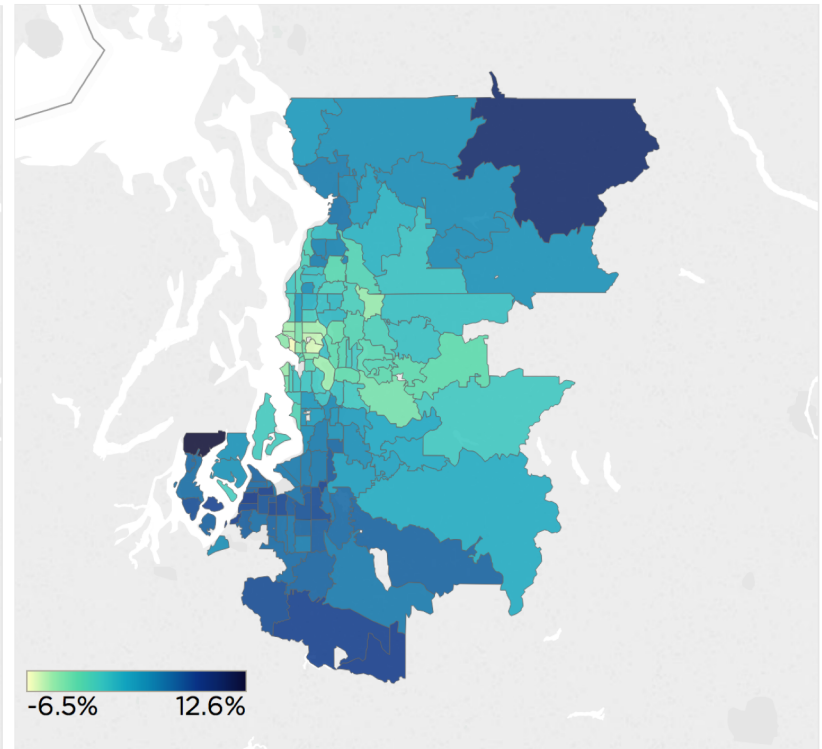


Same at the ZIP Code level

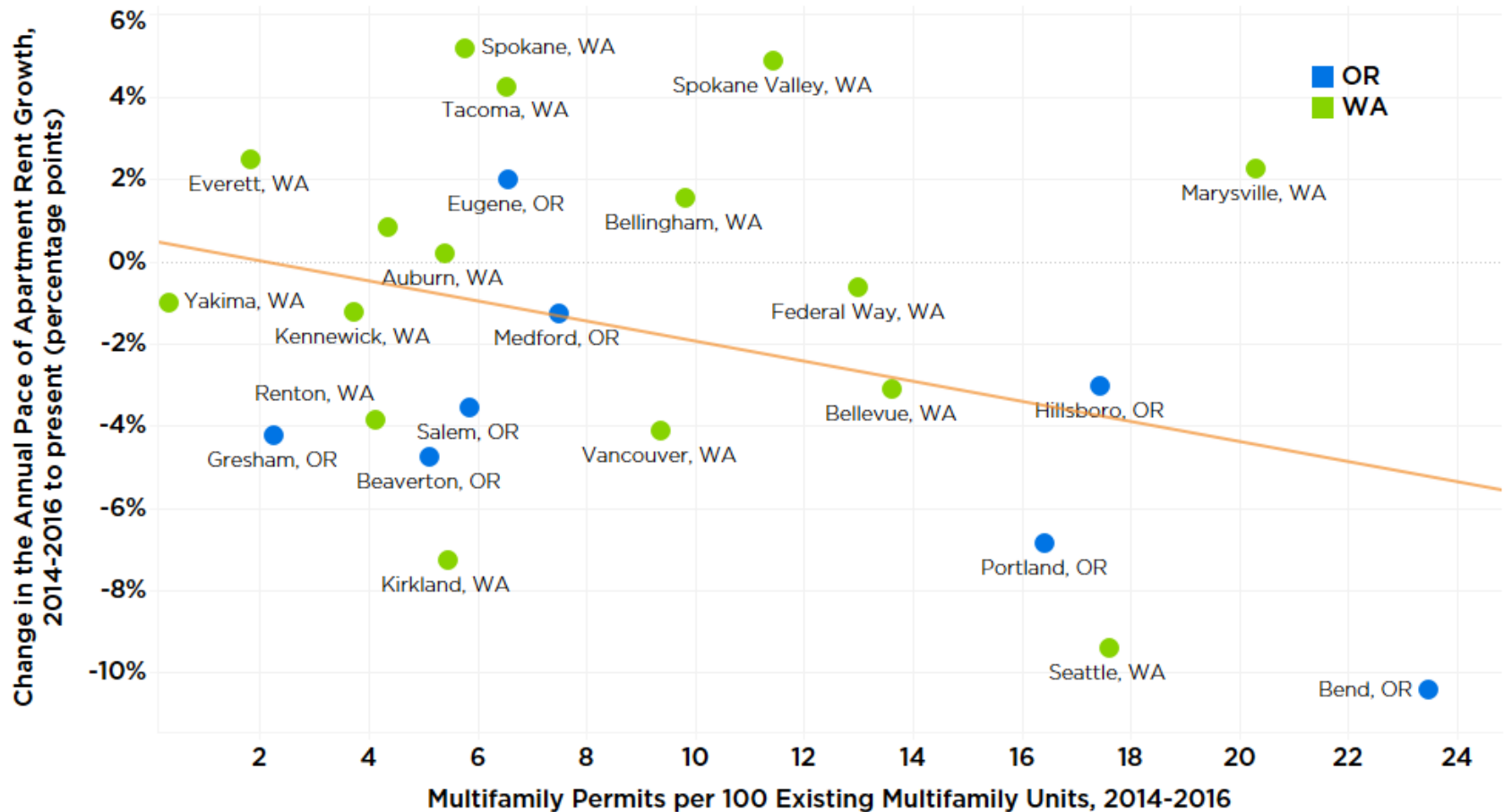
Median Rents



Annual Rent Growth



Apartment rents have slowed most in the places that have built the most



Source: Zillow analysis of Zillow Rent Index for Multifamily Units, U.S. Census Bureau, Building Permits Survey 2014-2016, and U.S. Census Bureau, American Community Survey 2015.

Average area rent increases 5 percent will push an additional 258 people into homelessness

Forecasted increase in homeless population in:

If rents increase:	Los Angeles	New York	Seattle	Washington
1%	378 people	609 people	52 people	30 people
2%	773	1,196	103	78
3%	1,180	1,787	154	126
4%	1,584	2,383	206	174
5%	1,993	2,982	258	224
6%	2,402	3,586	311	272
7%	2,814	4,197	363	322
8%	3,230	4,811	416	372
9%	3,650	5,428	469	423
10%	4,072	6,048	523	474

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