

Overall Residential Inventory

The total number of homes for sale declined weekly from the end of October to the year's end. It started to climb in January and will continue to do so.

New Single Family Detached

Buyers' Market

Anything above \$1,000,000

Above \$750,000: moving toward neutral zone

Sellers' Market

Anything below \$450,001: less than 4 months

Neutral (favoring neither buyer nor seller)

\$450,001 - \$750,000

Condominiums (Includes townhomes, zero lot line and row homes)

Buyers Market

Anything above \$1,000,000

\$750,001 - \$1,000,000: moving toward neutral

Sellers Market

Anything below \$750,001: less than 3.3 months

Neutral (favoring neither buyer nor seller)

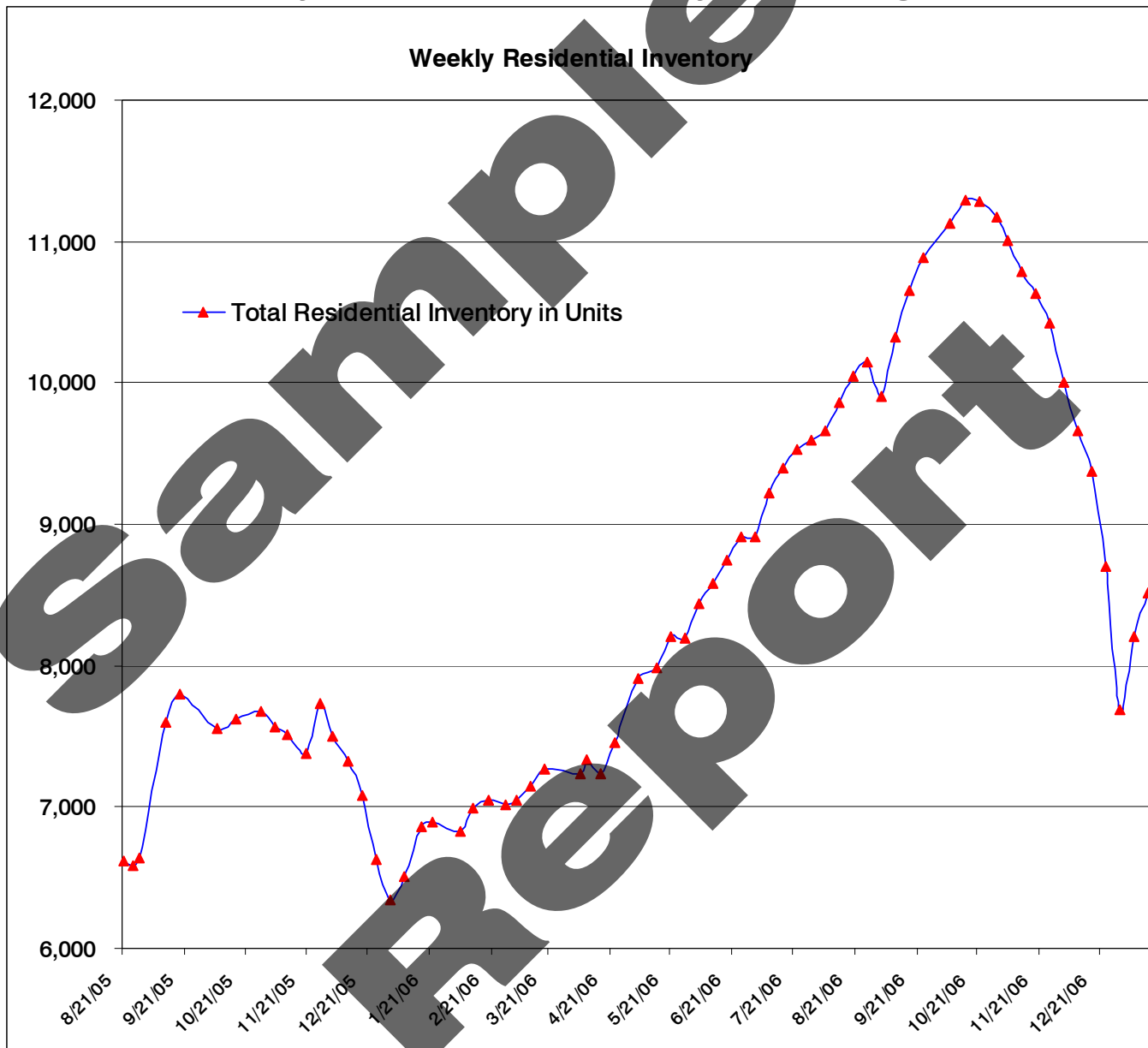
\$750,001 - \$1,000,000: a 4.3 month supply for past quarter

Summary

There appears to be very little overbuilding in the county so far. More inventory is being offered in the first two weeks of January. Absorption rates can handle the current levels well.

Condominiums have the potential to be overbuilt, particularly with conversions and the new height limits downtown. However, the current numbers of sales are absorbing inventory so quickly that sellers remain confident. With prices reaching exalted levels, it is possible to build beyond the means of the potential buyers. So far at least, price does not seem to have reached any ceiling.

Total Weekly Residential Inventory Since August 2005

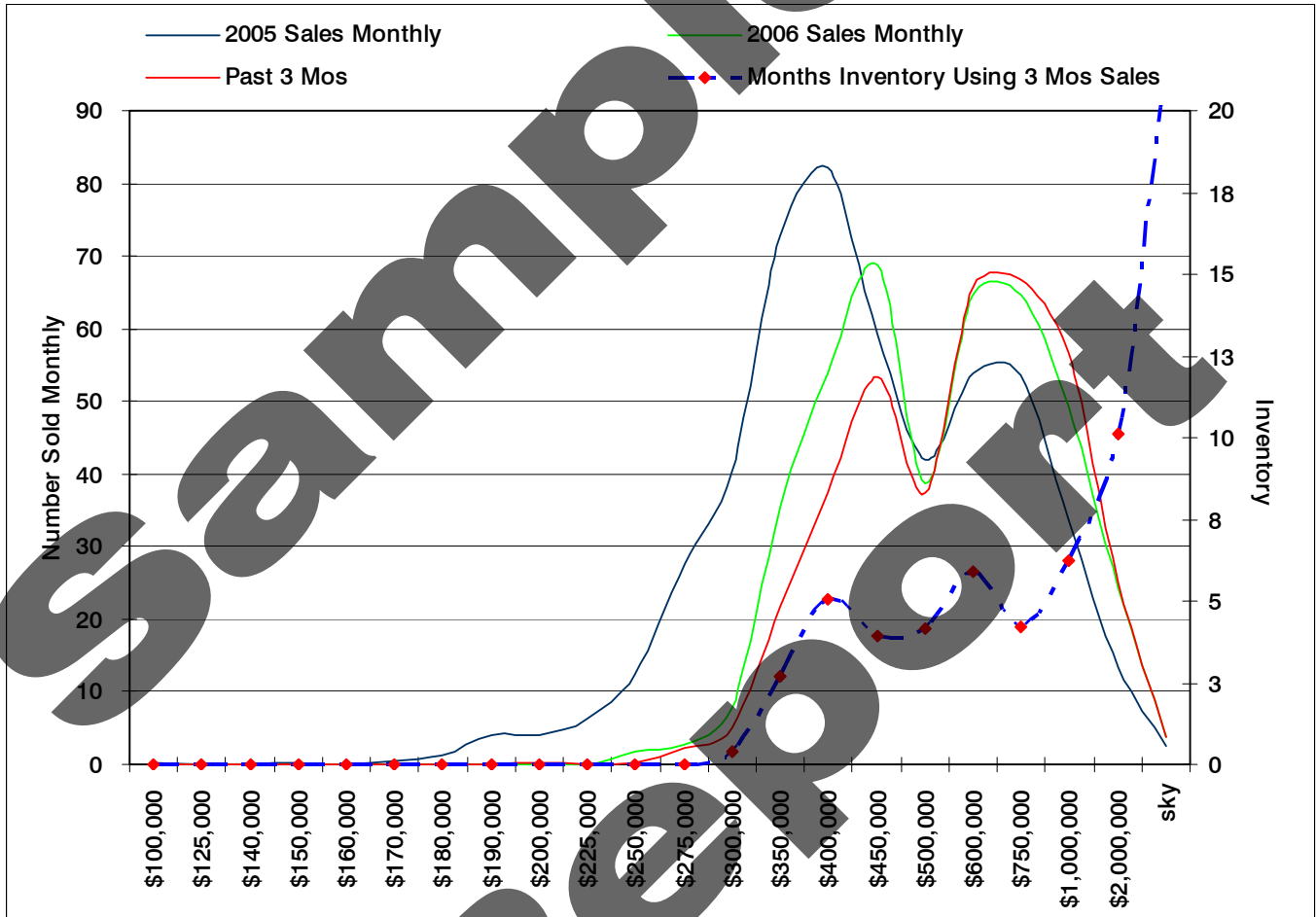


New Single Family Sales and Inventory

Range of Prices	2005		January - December 2006									
	Total#	Per Mo	Total	Per Mo	Inventory 11/15/06	Inventory 12/19/06	Inventory 1/16/07	# Mos Using Per/Mo Sales YTD	Per Mo in Last 3 Mos	#Mos Using Past 3 Mos Sales	Current Month's Sales	#Mos Using Current Month Sales
- - \$100,000	2	0.2	0	0.0	0	0	0	-	0.0	-	0	-
\$100,001 - \$125,000	0	0.0	0	0.0	0	0	0	-	0.0	-	0	-
\$125,001 - \$140,000	0	0.0	0	0.0	0	0	0	-	0.0	-	0	-
\$140,001 - \$150,000	2	0.2	0	0.0	0	0	0	-	0.0	-	0	-
\$150,001 - \$160,000	0	0.0	0	0.0	0	0	0	-	0.0	-	0	-
\$160,001 - \$170,000	6	0.5	0	0.0	0	0	0	-	0.0	-	0	-
\$170,001 - \$180,000	16	1.3	0	0.0	0	0	0	-	0.0	-	0	-
\$180,001 - \$190,000	49	4.1	0	0.0	0	0	0	-	0.0	-	0	-
\$190,001 - \$200,000	50	4.2	1	0.1	0	0	0	-	0.3	-	1	-
\$200,001 - \$225,000	76	6.3	0	0.0	0	0	0	-	0.0	-	0	-
\$225,001 - \$250,000	150	12.5	20	1.7	0	0	0	-	0.3	-	1	-
\$250,001 - \$275,000	331	27.6	34	2.8	17	0	0	-	2.3	-	1	-
\$275,001 - \$300,000	485	40.4	94	7.8	26	20	2	0.3	5.0	0.4	3	0.7
\$300,001 - \$350,000	874	72.8	424	35.3	114	88	58	1.6	21.7	2.7	25	2.3
\$350,001 - \$400,000	986	82.2	647	53.9	241	221	189	3.5	37.3	5.1	40	4.7
\$400,001 - \$450,000	709	59.1	826	68.8	224	209	209	3.0	53.3	3.9	56	3.7
\$450,001 - \$500,000	504	42.0	465	38.8	174	159	155	4.0	37.3	4.2	38	4.1
\$500,001 - \$600,000	646	53.8	776	64.7	376	346	366	6.0	65.7	5.9	75	5.1
\$600,001 - \$750,000	644	53.7	777	64.8	297	261	280	4.3	66.7	4.2	62	4.5
\$750,001 - \$1,000,000	402	33.5	593	49.4	358	323	352	7.1	56.7	6.2	65	5.4
\$1,000,001 - \$2,000,000	161	13.4	292	24.3	268	239	253	10.4	25.0	10.1	25	10.1
\$2,000,001 - sky	29	2.4	44	3.7	74	71	79	21.5	3.7	21.5	4	19.8
Overall Total	6,122	510	4,993	416	2,169	1,937	1,963	4.7	375	5.2	396	5.0

Color Key		
Buyers' Market More than 6 mos	Sellers' Market Less than 4 mos	Neither; In Equilibrium 4 - 6 mos

Chart of New Single Family Sales and Inventory



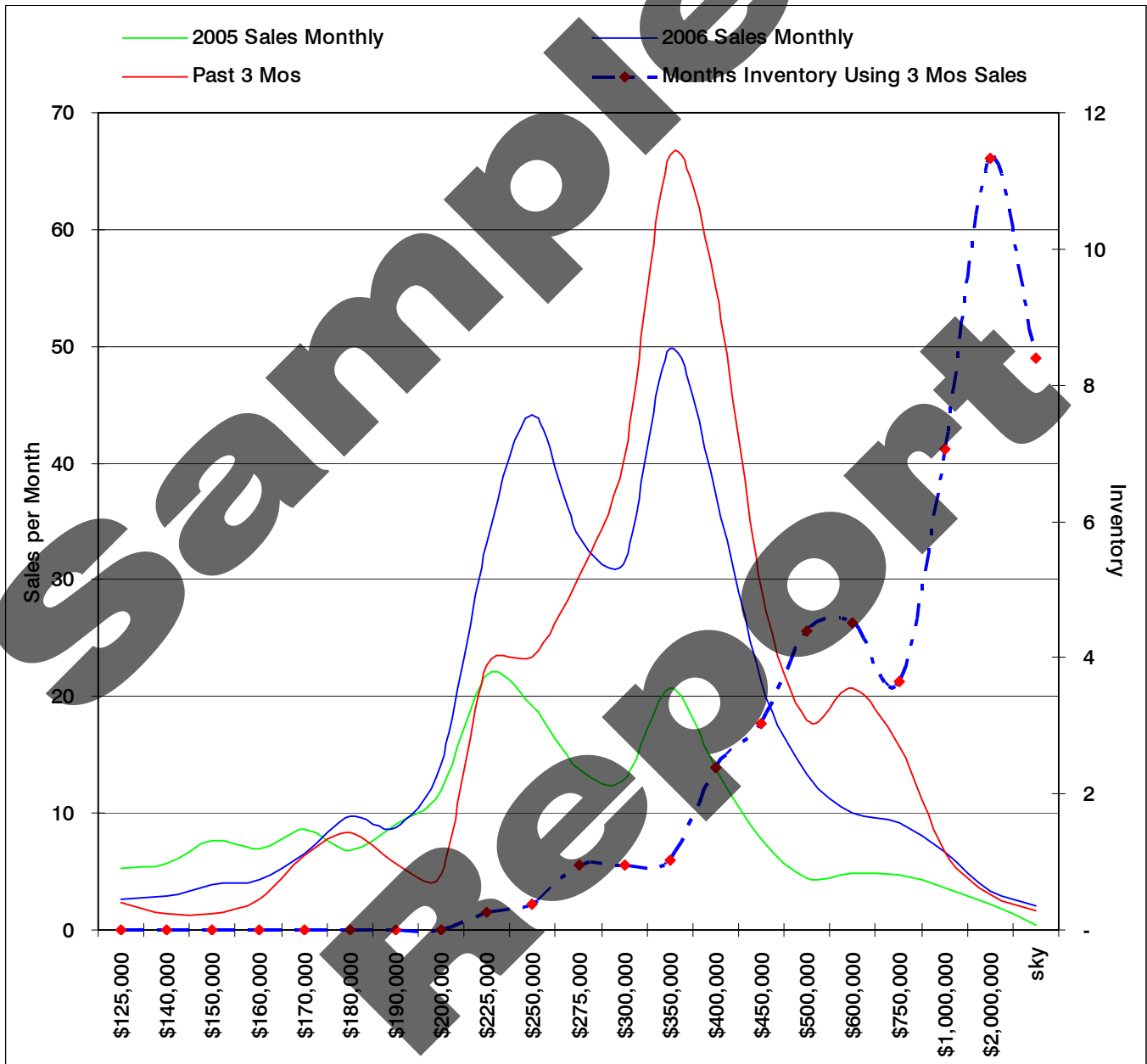
New Condominium Sales and Inventory

Includes townhomes, zero lot line and row homes

RANGE OF PRICES	2005		January - December 2006									
	Total	Per Mo	Total	Per Mo	Inventory 11/15/06	Inventory 12/19/06	Inventory 1/16/07	# Mos Using Per/Mo Sales YTD	Per Mo in Last 3 Mos	#Mos Using Past 3 Mos Sales	Current Month's Sales	#Mos Using Current Month Sales
\$100,001 - \$125,000	64	5.3	31	2.6	0	0	0	-	2.3	-	0	-
\$125,001 - \$140,000	69	5.8	35	2.9	0	0	0	-	1.3	-	3	-
\$140,001 - \$150,000	92	7.7	46	3.8	0	0	0	-	1.3	-	0	-
\$150,001 - \$160,000	84	7.0	51	4.3	0	0	0	-	2.7	-	2	-
\$160,001 - \$170,000	104	8.7	78	6.5	0	0	0	-	6.3	-	5	-
\$170,001 - \$180,000	81	6.8	117	9.8	0	0	0	-	8.3	-	8	-
\$180,001 - \$190,000	109	9.1	106	8.8	0	0	0	-	5.7	-	6	-
\$190,001 - \$200,000	143	11.9	171	14.3	4	2	0	0.0	4.7	0.0	1	0.0
\$200,001 - \$225,000	263	21.9	397	33.1	16	7	6	0.2	22.7	0.3	11	0.5
\$225,001 - \$250,000	230	19.2	529	44.1	23	14	9	0.2	23.3	0.4	13	0.7
\$250,001 - \$275,000	166	13.8	404	33.7	34	25	29	0.9	30.3	1.0	14	2.1
\$275,001 - \$300,000	155	12.9	379	31.6	41	40	39	1.2	40.7	1.0	24	1.6
\$300,001 - \$350,000	249	20.8	598	49.8	63	52	68	1.4	66.3	1.0	52	1.3
\$350,001 - \$400,000	166	13.8	447	37.3	59	55	131	3.5	55.0	2.4	58	2.3
\$400,001 - \$450,000	93	7.8	256	21.3	25	27	89	4.2	29.3	3.0	32	2.8
\$450,001 - \$500,000	54	4.5	160	13.3	26	28	79	5.9	18.0	4.4	25	3.2
\$500,001 - \$600,000	58	4.8	121	10.1	55	43	93	9.2	20.7	4.5	28	3.3
\$600,001 - \$750,000	56	4.7	110	9.2	24	22	57	6.2	15.7	3.6	18	3.2
\$750,001 - \$1,000,000	43	3.6	80	6.7	22	21	47	7.1	6.7	7.1	11	4.3
\$1,000,001 - \$2,000,000	26	2.2	40	3.3	20	18	34	10.2	3.0	11.3	4	8.5
\$2,000,001 - sky	5	0.4	25	2.1	10	13	14	6.7	1.7	8.4	2	7.0
Overall Total	2,310	192.5	4,181	348.4	422	367	695	2.0	366	1.9	317	2.2

Color Key		
Buyers' Market More than 6 mos	Sellers' Market Less than 4 mos	Neither; In Equilibrium 4 - 6 mos

Chart of Condominium Sales and Inventory



Methodology Used to Determine Inventory

REAL ESTATS uses the various Multiple Listing Services® (MLS) by accessing the data through the Internet. There are many real estate companies who have search engines allowing various types of searches for single family, condominiums and townhouses. They also allow the search by predetermined or self-determined price ranges and years built. Some use new and existing categories. It is through the various company web sites that we access the MLS databases.

In several counties there is more than a single MLS providing the listings. In these instances, Real Estats pours through the data looking for duplicate addresses or pictures to insure a single count for each property. Some are probably missed, while some are mistaken for duplicates. Every effort is made to count each listed property only once.

Several subscribers have suggested that builders do not list everything that is for sale while others declare that many builders are showing a rendering of a house to be built after a "sale" is made. Perhaps these offset each other. When there are many similar drawings instead of pictures, Real Estats reduces the count but still includes some of these houses in the inventory numbers.

In most MLS databases, townhomes are sometimes listed as single family detached residences when in fact they are not. Real Estats includes them in condominium sales in our reports and also in the count of inventory. We have at times missed this but since we are now aware, we watch for it.

When determining absorption rate, we use the activity recorded in the most recent 90 days. Because sales record in 30 to 60 days even with financing, we believe that this is representative of what is current. The absorption is determined by dividing the monthly sales into the total inventory in each price range to see how many months it would require to sell all. The most recent three months sales are best for determining the present state of the marketplace.

Should you have questions or comments, please contact us at:

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