

# Communities Count 2008

## Data Updates For April 2010

- Affordable Housing
- Bankruptcies
- Home Foreclosures
- Unemployment

[www.communitiescount.org](http://www.communitiescount.org)

Communities Count reports on a set of social and health indicators every three years. **Communities Count 2008** is the fourth such report. One strength of the report is that it contains a stable set of indicators that can show trends over time. Generally, a three year cycle for updating the report has been an efficient approach to making information available for planning, decision-making and guiding action/advocacy. However, the current economic recession, which began in December 2007, has undoubtedly had an impact on many of the indicators reported in **Communities Count 2008**. Even as it went to print, conditions in our communities were changing.

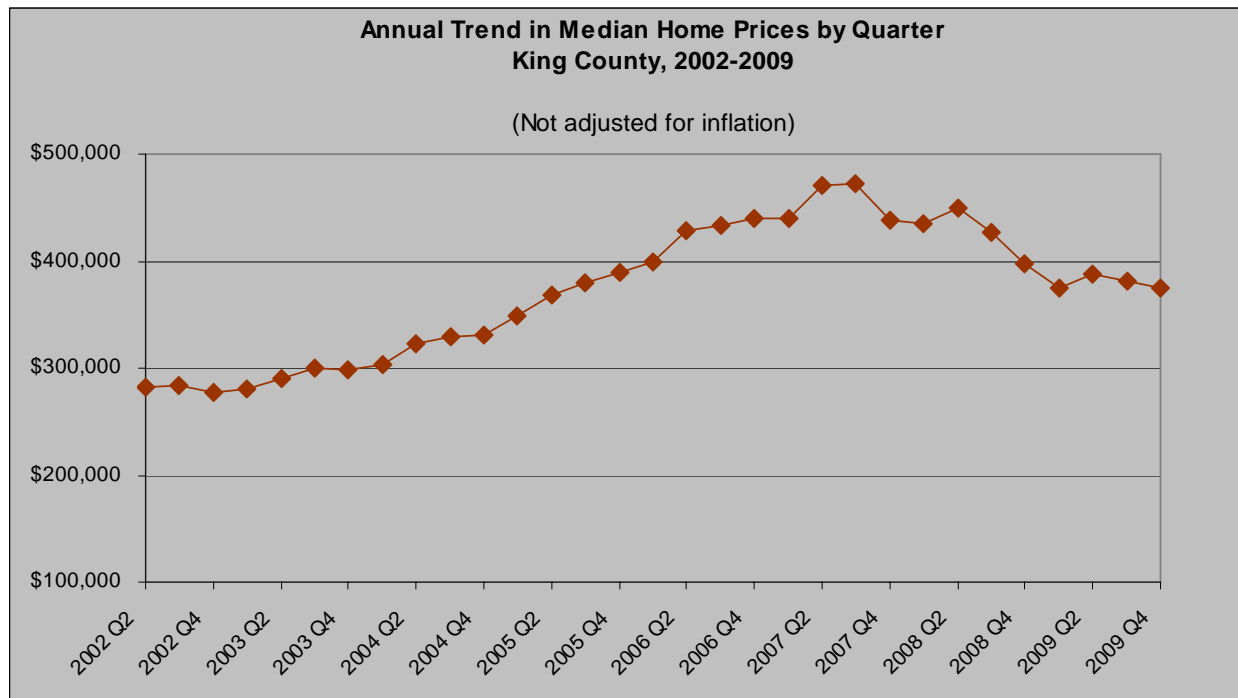
In response to the many requests we have received for more timely information and new information related to the economic downturn, we will be updating our indicators as new data become available. In addition, we will add supplemental data likely to be related to the impact of this recession. Previous data reports, along with the full 2008 report, is available online at [www.communitiescount.org](http://www.communitiescount.org).

# I. Updates to Communities Count 2008 Indicators

## Affordable Housing

Last updated: 04/16/2010

Next update: Monthly home/condo prices by month for previous month; May 2010 for 1<sup>st</sup> Quarter home prices; May 2010 for rental prices.



- Home values in King County peaked sometime in the third quarter 2007 and reached a low point in early 2009. The median home price has changed very little since that time. In March 2010, the median price was \$367,250. This was up .9% from March 2009.
- The median price for a condominium fell by 2.2% from one year ago to \$250,000 in March 2010.

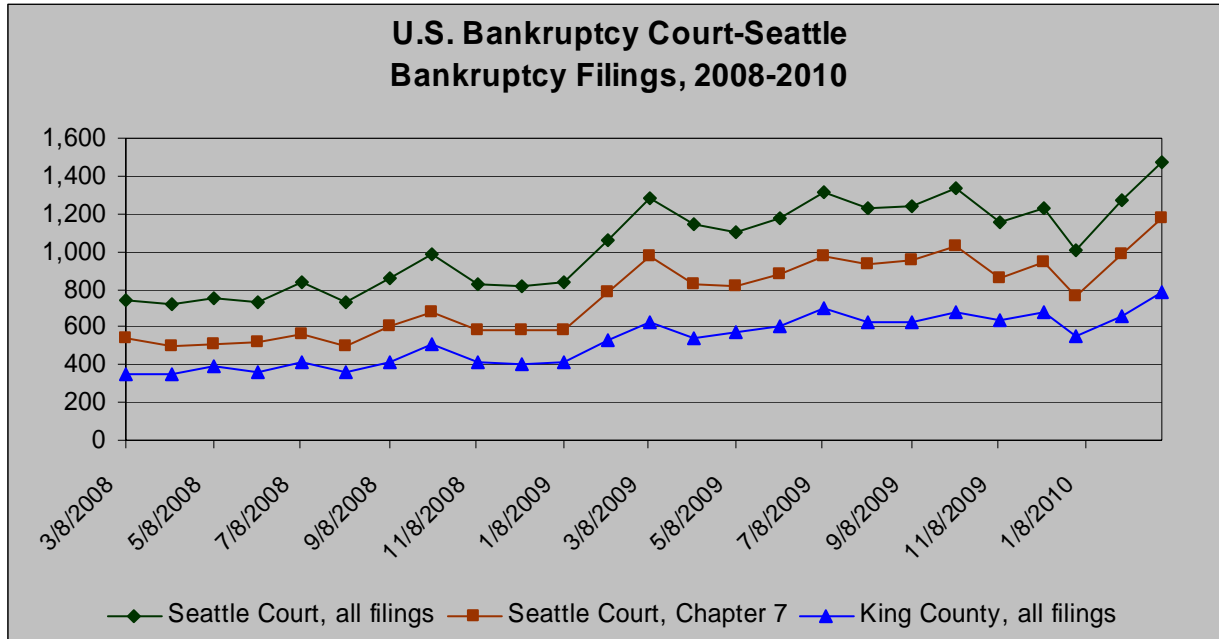
Sources: Quarterly figures for home prices from Washington Center for Real Estate Research. Monthly home and condominium prices from NW Multiple Listing Service.

## II. Supplemental Data

### Bankruptcies

Last updated: 04/16/2010

Next scheduled update: Monthly for previous month.



- In March 2010, 1,475 bankruptcy petitions (all types) were filed in the Seattle court. The total number of filings this year (3,752) is up 18.2% compared to the same time period in 2009. Of these, 1,180 were personal (Chapter 7) filings. Personal bankruptcies were up by 20.4% in March 2010 compared to the same month in 2009.
- 784 cases were filed from King County in March 2010, an increase of 26% over March 2009.

#### Bankruptcy Overview:

Bankruptcies in King County are generally handled through the Federal Bankruptcy Court in Seattle. Individuals can file under either Chapter 7 or Chapter 13. Businesses usually file under Chapter 11.

**Chapter 7**, entitled Liquidation, contemplates an orderly, court-supervised procedure by which a trustee takes over the assets of the debtor's estate, reduces them to cash, and makes distributions to creditors, subject to the debtor's right to retain certain exempt property and the rights of secured creditors. Because there is usually little or no nonexempt property in most chapter 7 cases, there may not be an actual liquidation of the debtor's assets. These cases are called "no-asset cases." If such a debtor's income is in excess of certain thresholds, the debtor may not be eligible for chapter 7 relief.

**Chapter 13**, entitled Adjustment of Debts of an Individual With Regular Income, is designed for an individual debtor who has a regular source of income. Chapter 13 enables the debtor to keep a valuable asset, such as a house, and to propose a "plan" to repay creditors over time – usually three to five years. Chapter 13 is also used by consumer debtors who do not qualify for chapter 7 relief under the means test.

**Chapter 11**, entitled Reorganization, ordinarily is used by commercial enterprises that desire to continue operating a business and repay creditors concurrently through a court-approved plan of reorganization. The debtor normally goes through a period of consolidation and emerges with a reduced debt load and a reorganized business.

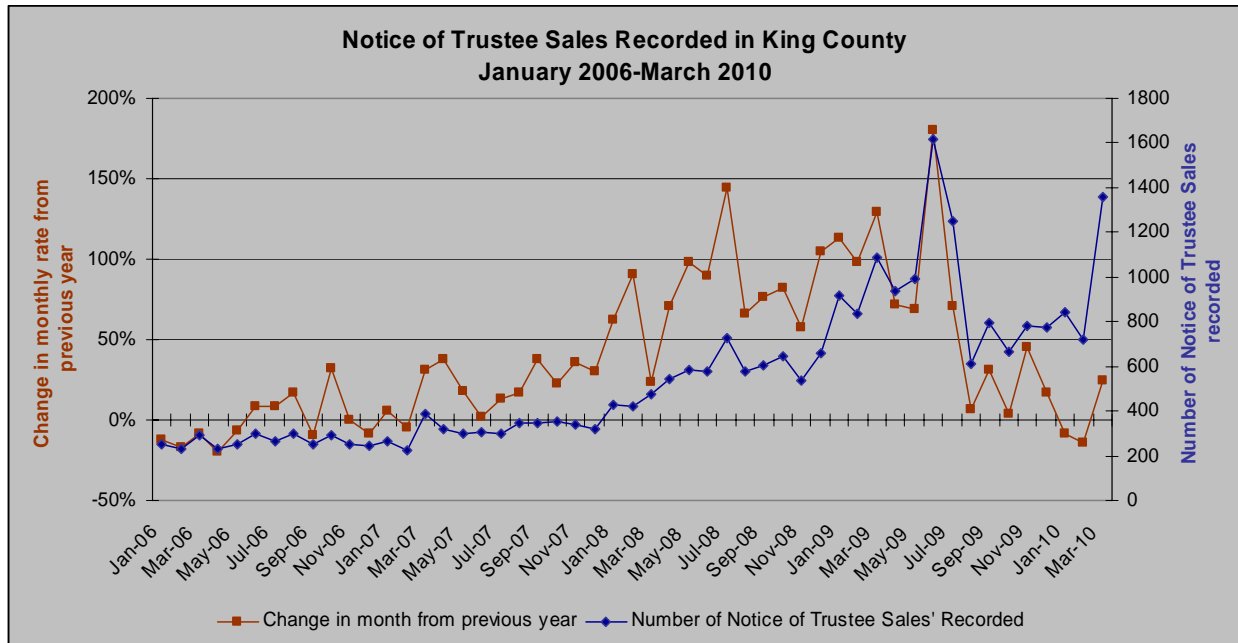
Additional information on bankruptcies in Western Washington is available on the U.S. courts website. Bankruptcy statistics can be found at <http://www.wawb.uscourts.gov/posts.htm?f=3>

# Home Foreclosures

Last updated: 04/16/2010

Next scheduled update: Monthly for previous month.

Updated Foreclosure maps will appear in the May 2010 update.



- Home foreclosures, represented by Notice of Trustee Sales, spiked in March 2010, although they remained below the high in June 2009. The year-over-year increase in March was 25%.

Source: King County recorder: <http://146.129.54.93:8193/search.asp?cabinet=opr> Data were queried monthly by 'Notice of Trustee Sale'.

## **Foreclosure Overview & Foreclosure Process**

### **What is Foreclosure?**

Foreclosure is a process that allows a lender to recover the amount owed on a defaulted loan by selling or taking ownership (repossession) of the property securing the loan. The foreclosure process begins when a borrower/owner defaults on loan payments (usually mortgage payments) and the lender files a public default notice, called a Notice of Default. The foreclosure process can end one of four ways:

1. The borrower/owner reinstates the loan by paying off the default amount during a grace period determined by state law. This grace period is also known as pre-foreclosure.
2. The borrower/owner sells the property to a third party during the pre-foreclosure period. The sale allows the borrower/owner to pay off the loan and avoid having a foreclosure on his or her credit history.
3. A third party buys the property at a public auction at the end of the pre-foreclosure period.
4. The lender takes ownership of the property, usually with the intent to re-sell it on the open market. Properties repossessed by the lender are also known as bank-owned or REO properties (Real Estate Owned by the lender).

### **Major Elements of Washington Foreclosure Include:**

1. Mailing and posting the Notice of Default (at least 30 days after default occurs).
2. Setting the Trustee's Sale that includes recording mailing and posting of the Notice of Trustee's Sale (must be done more than 90 days before sale date).
3. Publication - 2 times at specific intervals in the last month before sale.
4. Holding the Sale (Must be at least 190 days after date of first default, 90 days after NTS is posted)
5. Sales can be continued up to 120 days at the will of the lender.

### **Measuring/Indicating Foreclosure**

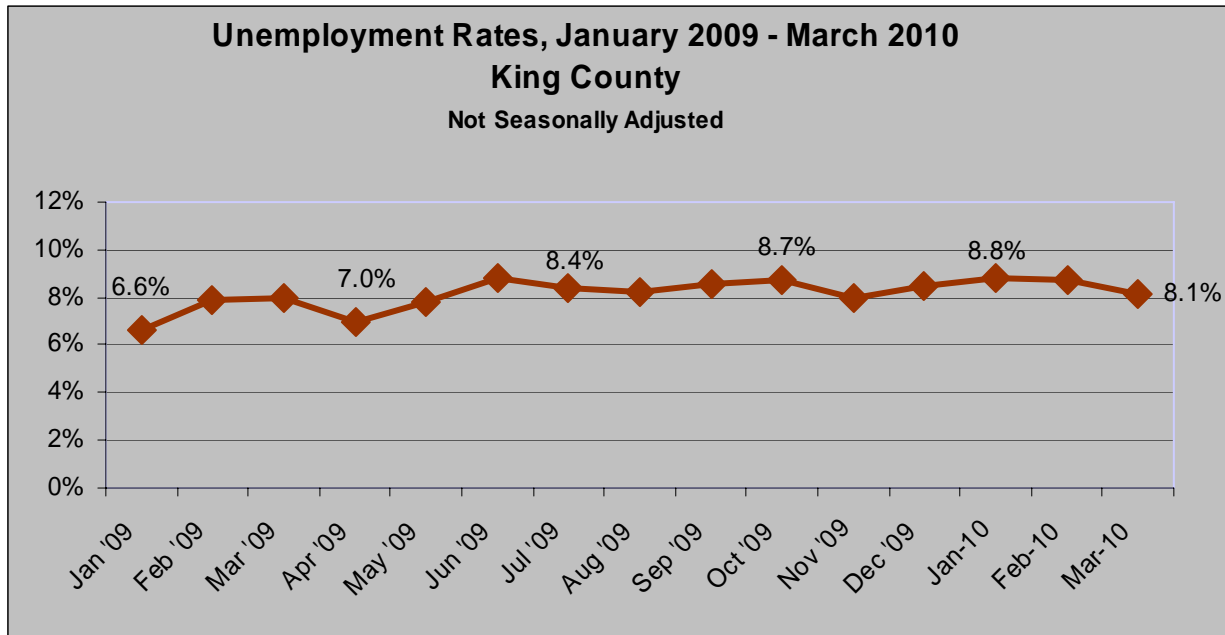
The Notice of Trustee Sale (NTS) is filed at least 30 days after the notice of default. There is no single point in the process that the experts call "a foreclosure". All NTS must be recorded with the King County Recorder's Office, but preliminary steps don't have to be. NTS means a property will be lost to foreclosure in 120 days without substantial intervention, so it is used as an indicator of serious foreclosure risk: it indicates a default that will turn into loss of the property unless something big and costly happens.

Source: <http://www.realtytrac.com/foreclosure/overview.html>

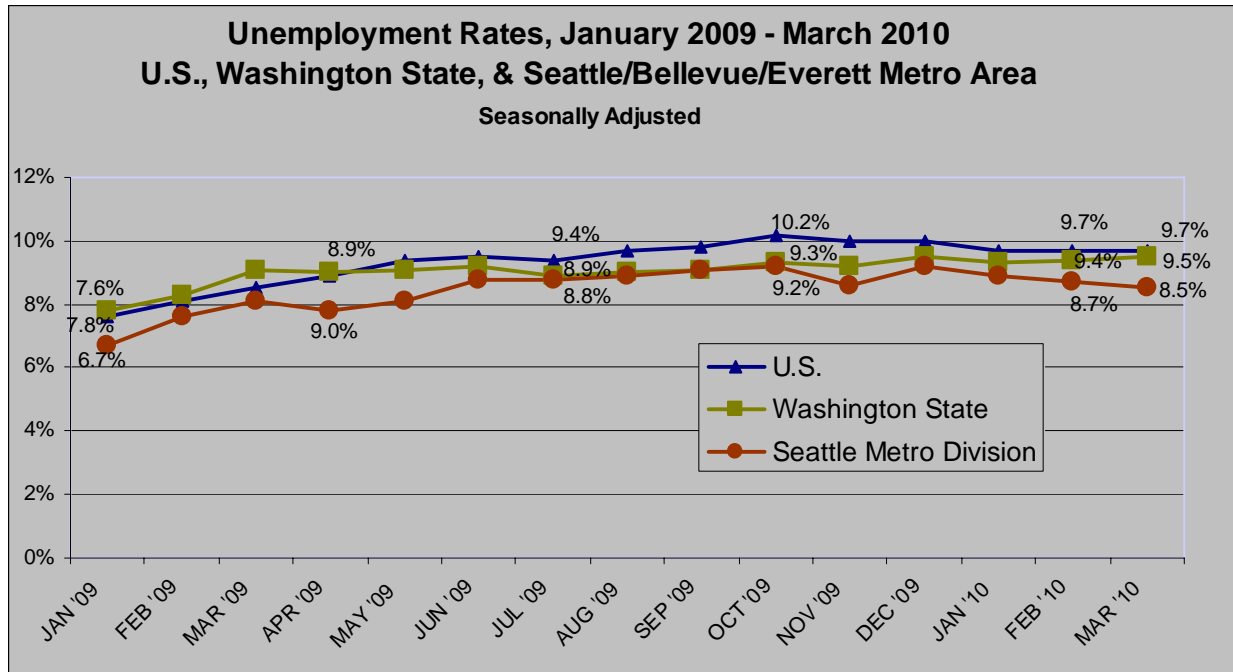
## Unemployment

Last updated 04/16/2010

Next scheduled update: Monthly for previous month



- The employment picture for King County appears to have brightened some in March 2010. The unemployment rate moved from 8.7% to 8.1%. The number of persons unemployed dropped by 5,120 while employment increased by 14,770. The labor force grew by 9,640, indicating that some workers who had previously given up on looking for work may have re-entered the labor market.
- In periods of sustained, high unemployment, many workers who have either lost a job or have not been able to enter the job market become discouraged and stop looking for work. These 'discouraged workers' disappear from the numbers of unemployed and are no longer counted in the labor force. The Employment Security Department defines discouraged workers as "persons who had no employment during the survey week, want a job, have looked for work during the past year, and are available to work, but did not look for work in the last four weeks because they believed that no jobs were available to them. Discouraged workers are classified as not in the labor force. They are not counted as unemployed because they have not made specific efforts to find work."



- The nation's seasonally adjusted unemployment rate remained constant at 9.7% in March. This is down from a high of 10.0% in December 2009. Washington's unemployment rate stood at 9.5%, unchanged from the level in December of last year. The Seattle/Bellevue/Everett metropolitan area has experienced a decline from the December 2009 rate of 9.2% down to 8.5% in March 2010.

#### What does SEASONALLY ADJUSTED mean?

Over the course of a year, the size of the state's labor force and the levels of employment and unemployment undergo sharp fluctuations due to such seasonal events as changes in weather, reduced or expanded production, harvests, major holidays, and the opening and closing of schools. The effect of such seasonal variation can be very large; seasonal fluctuations may account for as much as 95 percent of the month-to-month changes in unemployment at the national level.

Because these seasonal events follow a more or less regular pattern each year, their influence on statistical trends can be eliminated by adjusting the statistics from month to month. These adjustments make non-seasonal developments, such as declines in economic activity, easier to spot. For example, the large number of youth entering the labor force each June is likely to obscure any other changes that have taken place relative to May, making it difficult to determine if the level of economic activity has risen or declined. However, because the effect of students finishing school in previous years is known, the statistics for the current year can be adjusted to allow for a comparable change. The adjusted figure provides a more useful tool with which to analyze changes in economic activity.

*Note: Rates are adjusted for previous months when revised figures become available.  
Source: Washington State Employment Security Department, Labor Market and Economic Analysis Branch.*

## **Websites and Reports with Recession-relevant Data and Analysis**

### **United Way of King County Community Assessment: Basic Needs**

<http://www.uwkc.org/kcca/BasicNeeds/BasicNeeds.asp>

### **Examining the Health Consequences of the 2008-09 Recession**

<http://www.gwumc.edu/sphhs/about/rapidresponse/Recession.cfm>

### **PolicyLink**

[Reclaiming Foreclosed Properties for Community Benefit](#) highlights promising practices that are already underway for localities looking to stabilize their local housing market and prevent blight from spreading.

### **Demos and the Center for Responsible Lending**

The Plastic Safety Net: The Reality Behind Debt in America, Tamara Draut, October 2005, [http://www.demos.org/pubs/psn\\_7\\_28\\_09.pdf](http://www.demos.org/pubs/psn_7_28_09.pdf)

Have you ever wondered why Communities Count reports data by educational level and what this means for health outcomes? To learn more about how education and health are linked, see this report from the Robert Wood Johnson Foundation:

### **Issue Brief 6: Education and Health, Education Matters for Health**

<http://www.commissiononhealth.org/>

Look for other briefs on housing, work, the economy and other topics in this RWJ series: **What Drives Health?**

<http://www.commissiononhealth.org/WhatDrivesHealth.aspx>