

# Communities Count 2008

## Data Updates July 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).

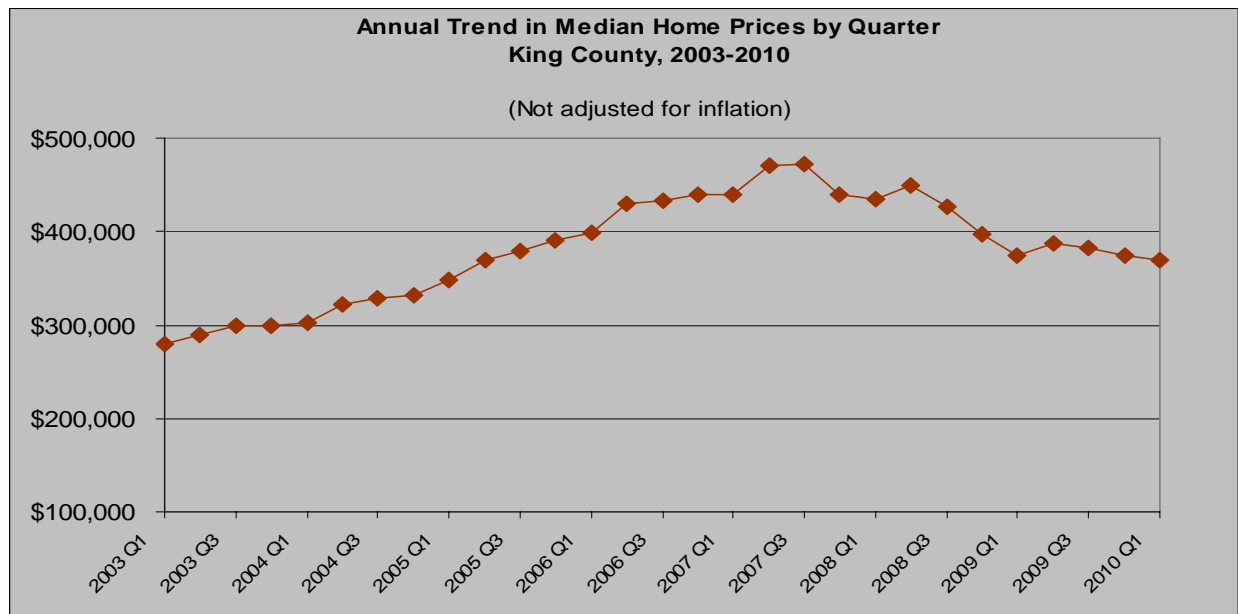
# I. Updates to Communities Count 2008 Indicators

## BASIC NEEDS AND SOCIAL WELL-BEING

### Affordable Housing

Last updated: 07/12/2010

Next update: Monthly home/condo prices by month for previous month; Aug 2010 for 2nd Quarter home prices; Nov 2010 for rental prices.



- Home values in King County peaked sometime in the third quarter 2007 and then dropped to a low point in early 2009. The latest quarterly report from the Washington Center for Real Estate Research shows a slight decline in 2010. Quarterly data may present a truer picture of trends than monthly figures.
- In June 2010, the median price for a single family home in King County was \$383,000, a decline of 3% from a year ago. Prices for single family homes continue to decline in the South and North regions of the county.
- The median price for a condominium fell by 2.8% from one year ago to \$242,000 in June 2010.

Sources: Apartment data and quarterly figures for home prices from Washington Center for Real Estate Research, <http://www.wcrer.wsu.edu/default.aspx>.

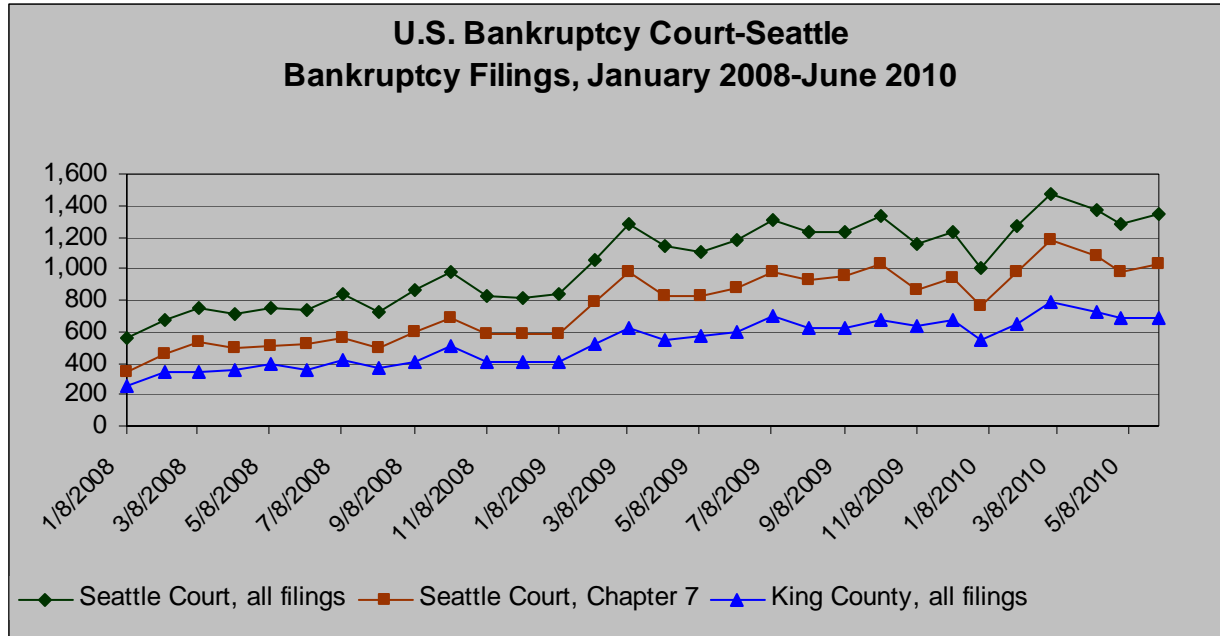
Monthly home and condominium prices from NW Multiple Listing Service, <http://www.nwrealestate.com/nwrpub/index.cfm>

## II. Supplemental Data

### Bankruptcies

Last updated: 07/12/2010

Next scheduled update: Monthly for previous month.



- In June 2010, 1,340 bankruptcy petitions (all types) were filed in the Seattle court. The total number of filings this year (7,753) is up 17.5% compared to the same time period in 2009. Of the petitions filed in June 2010, 1,031 were personal (Chapter 7) filings. Personal bankruptcies were up by 23.0% so far this year compared to 2009.
- 690 cases were filed from King County in June 2010. Year-to-date, filings in King County increased by 14.8% in June.
- Business bankruptcies averaged 44 per month in 2008 and have risen to a monthly average of 76 so far in 2010 in the Western Washington District (Seattle and Tacoma courts).

#### 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.

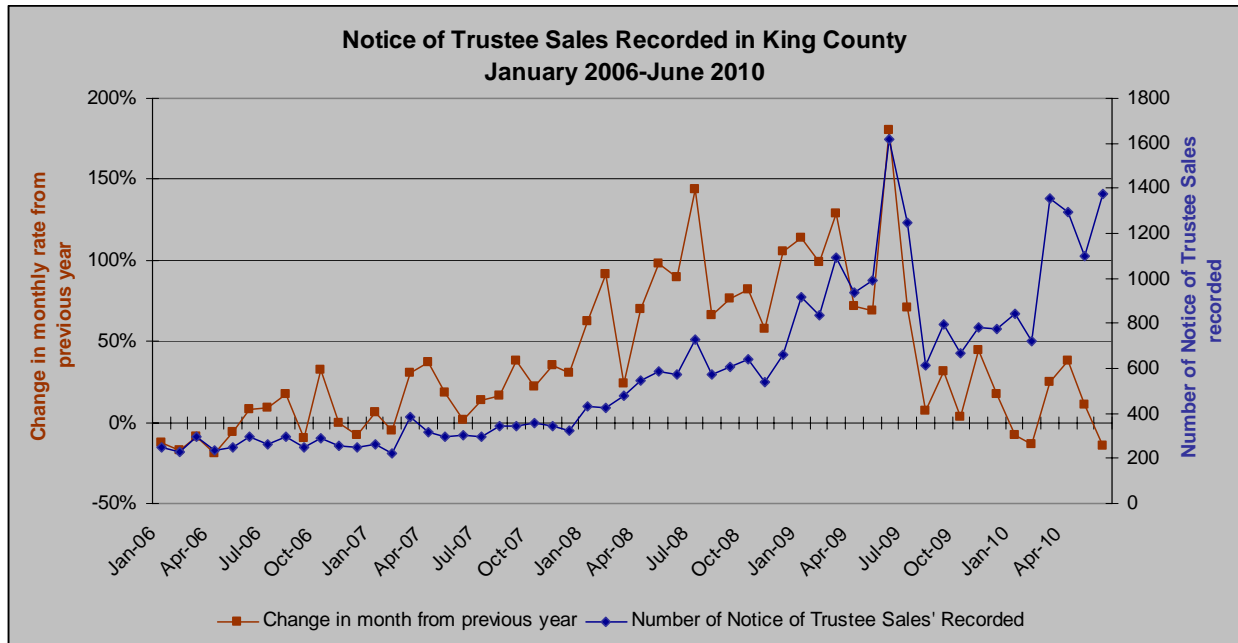
**Chapter 11**, entitled Reorganization, ordinarily is used by commercial enterprises that desire to continue operating a business and repay creditors concurrently through a court-approved plan of reorganization. The debtor normally goes through a period of consolidation and emerges with a reduced debt 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: 07/12/2010

Next scheduled update: Monthly for previous month.



- Home foreclosures, represented by Notice of Trustee Sales, remain below the high in June 2009. The year-over-year change in June was -14.7%.

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**

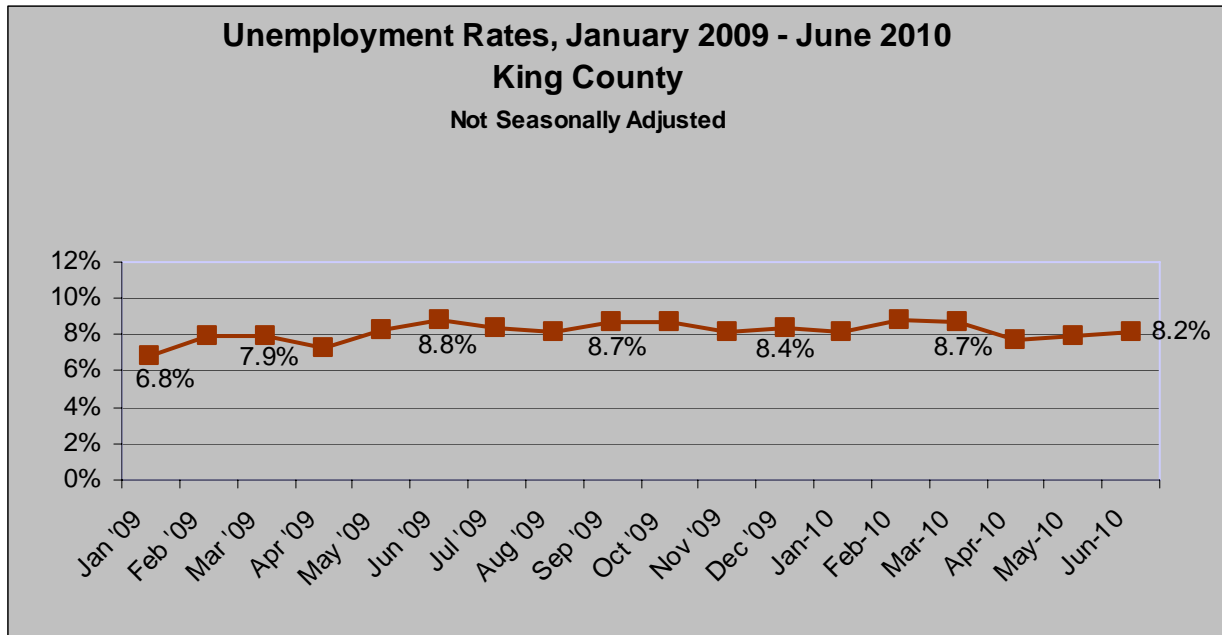
The Notice of Trustee Sale (NTS) is filed at least 30 days after the notice of default. There is no single point in the process that the experts call "a foreclosure". All NTS must be recorded with the King County Recorder's Office, but preliminary steps don't have to be. NTS means a property will be 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>

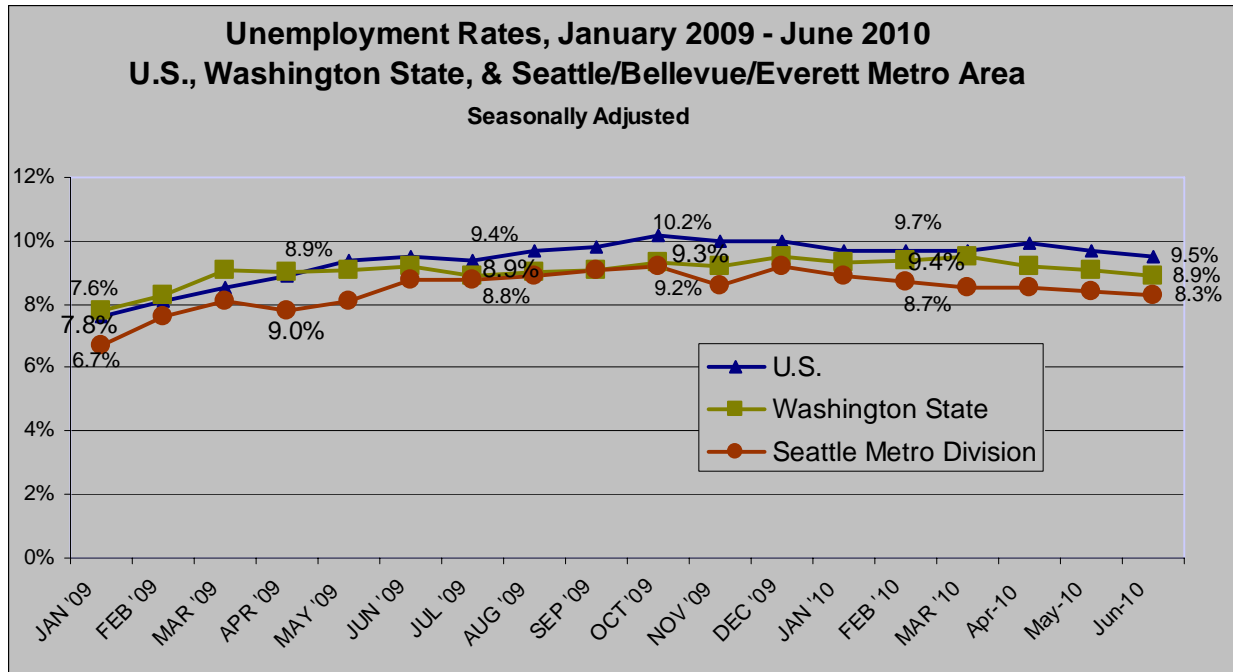
# Unemployment

Last updated 07/20/2010

Next scheduled update: Monthly for previous month



- Unemployment in King County rose from 7.9%\* in May to 8.2% in June, just below the high of 8.8% in June 2009. The number of persons who were unemployed in June rose by about 3,000 compared to last month.
- In December 2007, near the beginning of the current recession, unemployment in King County stood at 3.8%



- The nation's seasonally adjusted unemployment rate dropped slightly to 9.5% in June. This is below a high of 10.2% in October 2009. Washington's unemployment rate also declined slightly from 9.1% in May to 8.9% in June. The Seattle/Bellevue/Everett metropolitan area unemployment rate was 8.3% in June, down from a high of 9.2% in December 2009.

#### 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,  
<http://www.workforceexplorer.com/cgi/dataanalysis/?PAGEID=148>*

## **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>