

**FORECAST** 

> LOCAL B8

Sunny and warm. High 85, low 54.

# WINNING HUSKIES

35-29 over San Jose St.

SPORTS > C1



# **Bumbershoot:** Plenty of fun, sun still on the way

Today's highlights LOCAL > B1, B3

lose

**Cougars** 

40-14 to

**Auburn** 

SPORTS > C1

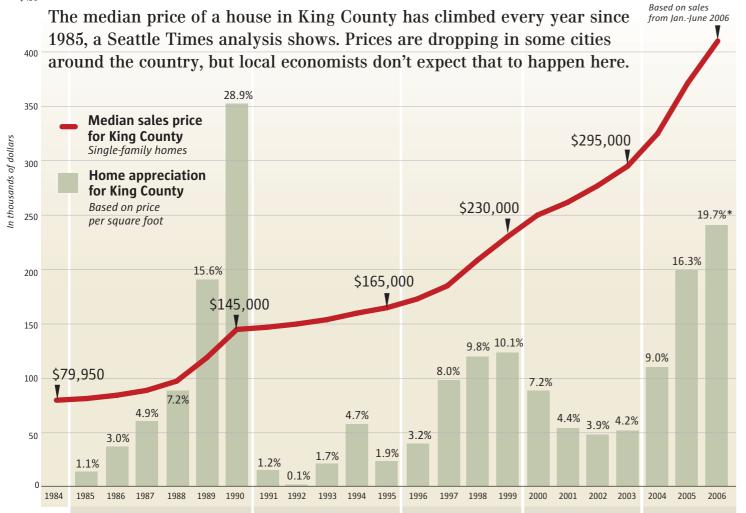
# The Seattle Times



**SEPTEMBER 3, 2006** \$1.50

seattletimes.com

# Home prices' long rise: Is the end near?



## **Late 1980s**

Region experiences significant employment growth, led by Boeing, which adds 50,000 jobs. Seattle benefits from international trade boom stimulated by weak dollar. Strong population growth spurs demand for homes, which causes frenzied buying into 1990.

Annual mortgage rates:\*\* 10.13 to 12.43 percent

has arrived."

times precipitously.

though it's come close.

Nationally speaking, anyway.

King County may escape it, ac-

cording to a Seattle Times analy-

sis of single-family-home prices.

were followed by quick recoveries.

If history is any indication,

The Housing Squeeze

rinceton economist Paul Krugman, writing in The

New York Times, said: "The long-feared housing bust

It shows that appreciation rates have risen and fallen, some-

But not once since 1985 — through recession years, inter-

est-rate spikes, wars and employment downturns — has the

countywide median price of a single-family home fallen, al-

A federal study, which goes back further, reveals nine

"Seattle has never been a market that's prone to price

months of Seattle-area price declines in the early 1980s that

drops," said economist Matthew Gardner of Gardner John-

son, a Seattle-based land-use-economics firm. "The way it

works is, prices climb, plateau, stay there and then climb

again. You might see an area where there was a short-term

How the high cost of homes

is reshaping the way we live

BY ELIZABETH RHODES / Seattle Times business reporter

## **Early 1990s**

Economic boom of late '80s ends. Nation falls into recession in 1991. Local home demand drops sharply as regional economy slows considerably. Boeing stops hiring; population arowth slows

Annual mortgage rates: 7.93 to 9.25 percent

> See home-value

neighborhood at

seattletimes.com/homes

statistics by

High-tech startups fuel local economy and population growth as high-tech employment surges. Stock-market gains add to optimism. Microsoft stock options create home-buying

**Late 1990s** 

Annual mortgage rates: 7.44 to 7.81 percent

#### **Early 2000s** Stock market dives

as tech boom goes bust: 15.000 tech jobs lost locally. Seattle area enters recession as Boeing cuts more than 30,000 jobs. Housing demand drops, but lowest mortgage rates in 40 years keep market from

Annual mortgage rates: 5.83 to 8.05

bottoming out.

#### Recession ends. Local job growth is twice the

Mid 2000s

\$410,000

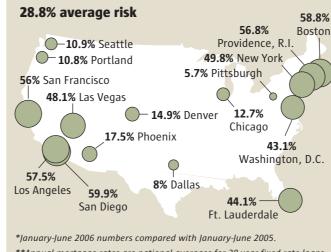
national average, which fuels housing demand. Home prices rise rapidly as demand outstrips inventory.

Annual mortgage rates: 5.84 to present 6.44 percent

## The likelihood that prices will fall

percent

Home prices in the Seattle-Bellevue-Everett area have a 10.9 chance of falling in the next two years, according to the U.S. Market Risk Index compiled by PMI Group. Here's how other areas compare:



\*\*Annual mortgage rates are national averages for 30-year fixed-rate loans. Sources: Freddie Mac's Primary Mortagae Market Survey of conventional 30-year fixed-rate loans; PMI Mortgage Insurance Co.; Seattle Times analysis

of King County Assessor's Office data by Justin Mayo

THE SEATTLE TIMES

# Congress readies for "Security September"

**TIGHT DEADLINE BEFORE RECESS** 

**National-security** issues likely will

crowd out other votes

BY JONATHAN WEISMAN

WASHINGTON - Congress returns to Washington this week with the Republican majorities in both chambers at risk and GOP leaders planning to turn the House and Senate into

Please see > HOUSING, A17

battlegrounds over which political party can best protect the country from terrorists and other security threats.

But in devoting the few remaining legislative days almost exclusively to security issues, Republicans will leave major

domestic tasks undone, including President Bush's prized immigration overhaul and longpromised legislation to toughen the restrictions on lobbying after a wide-ranging corruption scandal.

K SECTION

LOCAL B1

A5

Please see > CONGRESS, A6

# Rape victim tells her story: "He's always right there"



BETTY UDESEN / THE SEATTLE TIMES

Julie Harmia describes being raped by Kevin Coe nearly 26 years ago: "I had to put a little wall around it," she says.

THE KEVIN COE CASE | Julie Harmia will probably need to testify for a third time against the man who is suspected of raping dozens of women in Spokane more than 25 years ago.

BY JONATHAN MARTIN / Seattle Times staff reporter

YAKIMA – Last month, Julie Harmia pulled the battered, dog-eared book off her bookshelf and handed it to her adult son.

It was a true-crime account of the infamous South Hill rapist of Spokane. It was autographed by the author, Jack Olsen: "for

Julie, a lovely lady, with many thanks." Harmia's rape was on Page 200. Her 19year-old son was dumbstruck. "Mom, you

never told us ..." he said. For most of her adult life, Harmia kept a rapist Kevin wall around the evening of Oct. 23, 1980. She did not tell her son, daughter or even a therapist until recently. She has no photos from that time of her life.

Coe, in a 1994 photo.

Convicted

But she still hears the precise diction in rapist Kevin Coe's voice. She feels the dry grass and thorns of the vacant lot where she was thrown down. She sees the stitching on the tan leather glove Coe shoved deep into her mouth to silence

Coe was to get out of prison next Friday after 25 years. Instead, the state attorney general filed a petition to commit him to McNeil Island as a sexually violent predator. Coe's commitment trial, which has not been scheduled, will be the Please see > COE, A16

## **Inside Sunday**

Las Vegas: The marriage-license bureau ended its tradition of staying open 24 hours on Fridays, Saturdays and

holidays. > A4

**Politics:** Retired eye surgeon Dana Beyer hopes to become Maryland's first transgender lawmaker. > A6

Afghanistan: Poppy cultivation increased 59 percent this year, producing a record 6,100 tons of opium. > A10

Iraq: A coalition of tribal leaders demanded the release of Saddam Hussein so he could reclaim the

#### **Conservation:** A group of islanders wants

to make Vashon "energy independent." > Local B1

**Labor:** Surveys suggest four out of five baby boomers plan to work past normal retirement age. > Pacific

Northwest presidency. > A12 magazine

## SEAHAWKS PREVIEW



**YOUR GUIDE** TO THE SEASON

Everything you need to know about Seattle's chances for another Super Bowl

> Thursday in The Times

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