

THE STATE OF THE STATE'S HOUSING 2024

SUPPLY AND AFFORDABILITY IN WASHINGTON STATE

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The State of the State's Housing 2024: Supply and Affordability in Washington State

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For detailed information on housing in Washington communities with populations over 10,000, as well as selected smaller jurisdictions, please see the WCRER website: <https://wcrer.be.uw.edu/housing-market-data-toolkit/>. Much of the information on the WCRER website is provided pursuant to RCW 36.70A.610. The information available for cities and counties includes, among other data: average rents and vacancy rates; median house prices and numbers of transactions; affordability indexes for renters and buyers; single-family and multifamily building permit application statistics; additions to the housing stock; the stock of subsidized rental housing; housing and other profiles from the American Community Survey; and optional income limits for jurisdictions participating the Multifamily Property Tax Exemption Program.

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Table of Contents

Acknowledgments	2
Table of Contents	3
Executive Summary	5
Housing Needs and Planning in Washington State	5
Economic and Demographic Trends	5
Homeownership	6
Rental Housing	6
Homelessness	6
Housing Needs and Planning in Washington State	7
Projected Housing Needs and Comprehensive Planning	7
Buildable Lands Reports	9
Recent State Legislation	10
Demographic and Economic Trends	14
Population	14
Household Incomes	16
Household Structure	18
Housing Stock	20
Homeownership	22
House Prices	22
Mortgage Interest Rates	23
Affordability for Buyers	25
Ownership by Race and Ethnicity	27
Single-Family Permits and Completions	31
Rental Housing	32
Apartment Rents and Vacancy Rates	32
Affordability for Renters	33
Multifamily Permits and Completions	36
Subsidized Rental Housing	38
Homelessness	40
Conclusion	43
Appendix	44

Executive Summary

Housing Needs and Planning in Washington State

Washington faces significant challenges in providing affordable housing for its population. Nearly half of all renter households face high-cost burdens, paying more than 30% (or even 50%) of income on housing costs. Reflecting increasingly costly housing, the homeless population continues to grow. Homeownership has become less and less affordable to middle-income families, with high interest rates and limited supply combining to put ownership out of reach for many. The state's growing population places additional demands on a supply of housing that is already stretched thin.

Communities are required to plan for affordable housing as part of the comprehensive planning process. Legislation passed in 1997 requires seven fast-growing counties to prepare Buildable Lands Reports to help guide their comprehensive plans. These reports, among other things, compare achieved residential densities with targets and determine if buildable lands are adequate for projected employment and residential growth. They also propose reasonable measures for addressing discrepancies. The seven counties are generally meeting target densities and have adequate buildable land to accommodate growth, although not all jurisdictions within each county are meeting targets and providing sufficient buildable land.

During its most recent sessions, the Washington state legislature passed a series of significant pro-growth housing bills. This legislation reflects a shift seen in other states, such as California, that are taking a more active role in setting housing policy rather than delegating authority mostly to municipalities. New housing legislation passed in 2023 increased the minimum residential densities across large portions of the state, allowed the development of Accessory Dwelling Units (ADUs) in single family zones, and set standards that aim to simplify and streamline the design review and project review processes for new development. Housing related bills in 2024 required cities to allow co-housing (private sleeping units with shared communal facilities such as kitchens) in multifamily zones and enabled a tax break for office to residential conversion.

Economic and Demographic Trends

Washington's population has been growing steadily and exceeded eight million in 2024. This growth puts a strain on the existing housing supply and signals that Washington will need to produce more housing in the coming years. Household incomes are also rising in the state. In Q2 2024, Washington's median household income reached \$99,000, up 18% from three years earlier. Meanwhile, the variation in incomes across households headed by individuals of different races is increasing. These diverging incomes by race are largely driven by the rising incomes of Asian-headed households in contrast to more moderate gains for all other groups.

Homeownership

After a decade of steady increases, the price of the median house in Washington leveled off between 2022 and 2024. This flattening of house prices is likely driven by interest rates rising to levels not seen since the early 2000s. In Q1 2024, homeowners in Washington had mortgages with an average outstanding interest rate of 3.9% which was far below the corresponding rate for a new 30-year fixed-rate mortgage at 6.7%. This gap in rates disincentivizes homeowners from moving to avoid losing their relatively low-interest rate mortgage thereby decreasing mobility and preventing home prices from correcting themselves. Overall, the net effect from 2021 to 2024 has been a decrease in affordability for the first-time homebuyer and the median homebuyer in Washington. Meanwhile, rising interest rates, flat home prices, and high construction costs slowed down single-family permitting activity.

There is a large, persistent gap in homeownership by race that has remained unchanged over the last decade. As of 2022, 69% of White-headed households in Washington lived in homes they owned while only 32% of Black-headed households were homeowners.

Rental Housing

A surge in new construction slowed rent growth to an average of 3.6% annually from 2022 to 2024. Simultaneously, vacancy rates returned to more typical levels, after a brief drop during the pandemic. Construction costs initially accelerated sharply during the pandemic but began to flatten in 2023 as supply chain bottlenecks opened up. Multifamily permitting activity peaked in late 2021 and has since slowed. Meanwhile, multifamily completions rose 8% annually from 2019 to 2024 but are likely to slow down in the coming years.

Median household income and moderate median rent increases have helped keep affordability for the median renter relatively stable over the last decade. However, affordability for WCRER's stylized low-income renter household continues to remain mostly unaffordable, though some low-income renters can afford apartments that are below the average rent. Very and extremely low-income renters continue to face high-cost burdens unless they are able to obtain subsidized housing. Nearly half of all renter households in the state face high-cost burdens, paying more than 30% of income on housing costs, with one-quarter paying more than 50% of income on housing costs. The main federal programs subsidize only about one-quarter of the households who qualify for funding under the government's rules.

Homelessness

The number of homeless individuals is increasing in Washington. This increase is driven mostly by an increase in unsheltered homelessness, accounting for 75% of the homeless population in 2023. Statewide, males are far more likely to be homeless than females. Additionally, while the number of homeless persons in families increased 6% from 2020 to 2023, the number of homeless individuals increased 25% during the same period.

Housing Needs and Planning in Washington State

Projected Housing Needs and Comprehensive Planning

House Bill 1220, passed in 2021, required communities to “plan for and accommodate” housing affordable to all income levels.¹ The bill also required the Washington State Department of Commerce to project housing needs for communities in the state. These needs were calculated for income categories corresponding to those established by the US Department of Housing and Urban Development: extremely low income or 0-30% of Area Median Income (AMI); very low income or >30-50% of AMI; low income or >50-80% of AMI; moderate income or >80-120% of AMI; and upper income or >120% of AMI. Needs for emergency housing and shelters were also projected.

Based on the Washington State Office of Financial Management (OFM) medium population projections, needs for counties and the state were projected through 2044. Total needs for all income categories (excluding emergency housing) are shown for each of the counties in Figure 1. County needs vary dramatically depending on population and projected growth rates. The total need is for over 1.1 million housing units plus over 90,000 units of emergency housing (Table 2).

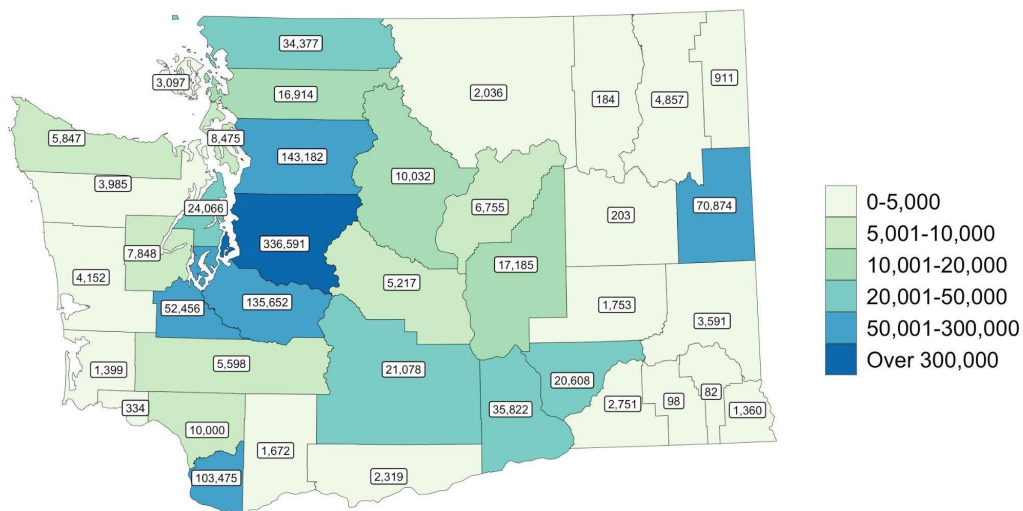


Figure 1: Housing Needs for Washington Counties through 2044

Source: Washington State Department of Commerce

¹ This was codified in RCW 36.70A.070(2).

Table 1: Washington Statewide Housing Need by Category through 2044

Category	Definition	Housing Need
Extremely low income	0-30% of AMI	343,008
Very low income	>30-50% of AMI	180,316
Low income	>50-80% of AMI	124,928
Moderate income	>80-120% of AMI	147,844
Upper income	>120% of AMI	310,740
<i>Total</i>	<i>All income categories</i>	<i>1,106,836</i>
Emergency housing	Emergency housing, including shelter beds	91,357

Source: Washington State Department of Commerce

Note: These needs are estimated based on the Washington State Office of Financial Management's medium population projections.

Jurisdictions that are required to engage in comprehensive planning under the Growth Management Act must include a housing element. Support for housing planning may be found on the Department of Commerce's *Updating GMA Housing Elements* web page.² That page includes a link to the Housing for All Planning Tool (HAPT), which is the Excel workbook used to project the county and statewide housing needs shown in Figure 1 and Table 1. This workbook can also be used to project needs for individual cities.

These needs must be addressed in the next round of growth management plans, which are due on a rolling basis starting December 31, 2024, as shown in Figure 2.³ In addition, these plans must address new requirements for planning for middle housing and Accessory Dwelling Units (ADUs), among other legislative changes.⁴

² See: <https://www.commerce.wa.gov/growth-management/housing-planning/housing-guidance/>.

³ See RCW 36.70A.130(5) for more details about the review schedule.

⁴ Washington State Department of Commerce, *A Guide to the Periodic Update Process Under the Growth Management Act*, Revised 2022.

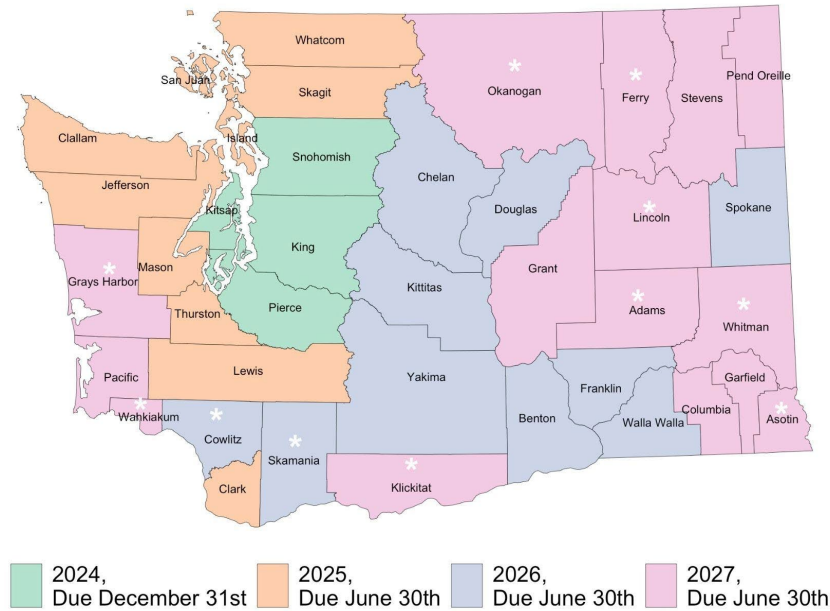


Figure 2: Comprehensive Plan Update Schedule for Fully and Partially Planning Counties

Source: Washington State Department of Commerce, *A Guide to the Periodic Update Process Under the Growth Management Act*

Buildable Lands Reports

Fast-growing counties in western Washington are required to prepare Buildable Lands Reports in preparation for comprehensive plan updates.⁵ The aim is to ensure that comprehensive planning is based on careful and rational analysis of projected employment and residential growth. The counties that are required to prepare these reports are Clark, King, Kitsap, Pierce, Snohomish, Thurston, and Whatcom. The reports are required to review and evaluate the following items, among other things, for each of the counties and their cities:

- Determine whether there is sufficient suitable land for projected growth.
- Determine whether urban densities are being achieved in growth areas.
- Identify reasonable measures for addressing discrepancies between growth plans and actual development patterns.

⁵ This requirement was enacted in 1997; see RCW 36.70A.215. RCW 36.70A.610(1)(d) requires WCRER to review and report on the buildable lands reports every other year starting in 2024. This subsection is intended to fulfill that requirement for 2024. The statute also requires WCRER to report on updates to comprehensive plans; however, given that the first due date for plan updates is not until after the publication date of this report, that analysis will be included in later publications.

The most recent set of Buildable Lands Reports were completed between 2021 and 2023 in anticipation of the upcoming deadlines for updating comprehensive plans.⁶ A detailed listing of key findings of these reports is provided in Appendix Table A. The seven counties all report that they have sufficient buildable land to accommodate expected population and employment growth through some target year, which ranges from 2035 to 2044. Most jurisdictions within each of the counties also have sufficient buildable land to accommodate anticipated growth. In some cases, buildable land is deemed inadequate for residential needs and in other cases it is inadequate for employment needs; in a small number of cases, buildable land is insufficient for both purposes. Note that the largest cities in each county generally have sufficient buildable capacity; an exception is Everett, in Snohomish County, that has a shortfall in residential capacity.

Six of the counties report that housing is being built at or above planned densities; one county does not compare achieved densities with targets. Within most of the counties, most jurisdictions are achieving target densities. An exception is King County, where a large number of jurisdictions are not achieving targets, although the two largest cities, Seattle and Bellevue, are. Pierce and Snohomish counties do not provide comparisons of achieved and target densities for individual jurisdictions.

Reasonable measures for addressing discrepancies are recommended for a small number of cities: Burien (relating to employment capacity), Pacific (employment), Sammamish (residential), Shoreline (employment), and Tukwila (residential and employment) in King County; unincorporated urban growth areas (residential and employment) in Kitsap County; and Birch Bay (residential) in Whatcom County. No reasonable measures are recommended for jurisdictions in Clark, Pierce, and Thurston counties, and the report for Snohomish County does not discuss specific reasonable measures.

Recent legislation (discussed below) to increase densities in residential areas throughout the state and to allow Accessory Dwelling Units (ADUs) will increase the capacity of existing residential buildable lands. This should help to resolve some of the discrepancies identified in the Buildable Lands Reports.

Recent State Legislation

During its most recent sessions, the Washington state legislature passed a series of significant pro-growth housing bills (Table 1). This built upon earlier legislation designed to encourage municipalities to plan for affordable housing.⁷ As has occurred in other states, the legislature

⁶ Clark County, *Buildable Lands Report*, June 2022; King County, *Urban Growth Capacity Report*, June 2021; Kitsap County, *Buildable Lands Report*, November 2021; Pierce County, *Buildable Lands Report*, November 2022; Snohomish County Tomorrow, *Buildable Lands Report*, September 2021; Thurston Regional Planning Council, *Buildable Lands Report for Thurston County*, June 2021; and Whatcom County, *Buildable Lands Report 2022*, Revised February 2023. For more information about the Buildable Lands Program, see: <https://www.commerce.wa.gov/growth-management/data-research/buildable-lands/>.

⁷ Steven C. Bourassa and Mason Virant, *Increasing Washington State's Urban Residential Building Capacity: Actions Taken by Municipalities in Response to HB 1923 and HAPI Grants*, Seattle, WA:

has become more aggressive in its efforts to support development of more affordable housing by mandating certain changes that, among other things, increase minimum residential densities and streamline review processes.

Table 2. Key Housing Legislation, Washington State, 2023-2024

Bill	Year	Focus	Key provisions
HB 1110	2023	Middle-income housing	Increases the density of housing certain cities must allow per lot
HB 1293	2023	Review processes	Requires local governments to streamline design review processes
HB 1337	2023	Accessory dwelling units	Requires local governments to allow two ADUs per lot in urban growth areas along with other regulations
HB 1998	2024	Co-living units	Requires local government to allow co-living development in higher density areas
SB 5290	2023	Housing permit processing	Clarifies timelines for processing permits and updates reporting requirements
SB 6175	2024	Office to residential conversion	Allows cities to offer sales and use tax deferrals for conversion of commercial buildings to residential

Source: Washington State Legislature; Washington State Department of Commerce

HB 1110 passed in 2023 is the most changemaking of them all. Also known as the “middle housing bill,” HB 1110 sets new minimum density requirements for cities at three different population thresholds. The highest tier, cities with populations over 75,000, will be required to allow four units per residential lot in all predominantly residential zones, six units per lot within one quarter of a mile of a major transit stop, and six units per lot if two of the units are

Washington Center for Real Estate Research, University of Washington, March 2024, <https://wcrer.be.uw.edu/research-reports/>. For a complete list and description of housing legislation covering the past six years, see: Washington State Department of Commerce, *Washington State Housing Laws of 2019 through 2024*, <https://deptofcommerce.app.box.com/s/jfd6j7vsgpiotketm4c09eekocovd4lc>.

affordable. The next densest tier, cities between 25,000 and 75,000 people, will be required to allow two units per lot in predominantly residential zones, four units per lot within one quarter of a mile of a major transit stop, and four units per residential lot if one unit is affordable. The final tier is defined as cities with less than 25,000 people that are “within a contiguous urban growth area with the largest city in a county with a population of more than 275,000.”⁸ Currently, only cities in King County meet this threshold. These cities are required to allow two units per lot in all predominantly residential zones. Notably, for developments falling under these provisions, cities: are permitted to perform only an administrative design review rather than a more cumbersome review process; may not require parking if within a half mile of a transit stop; and may require a maximum of one parking space for lots smaller than 6,000 square feet or two parking spaces for lots larger than 6,000 square feet. This legislation covers a wide geography of cities within Washington and as such the cumulative effect of a reduction in restrictive zoning should increase housing supply statewide over the long term.

Washington also passed legislation in 2023 that allows ADUs to be built throughout the state and establishes guardrails to prevent cities from making it overly difficult to build these types of units. Specifically, HB 1337 requires cities to allow two ADUs in all areas where single-family homes are currently allowed. To ensure that building ADUs is in fact feasible, the law sets a few restrictions on municipalities. For example, cities are now limited in the impact fees they can charge, cannot require the owner to live on the property, cannot set stricter standards than exist for the primary residence, and cannot set a maximum size smaller than 1000 square feet. Additionally, cities must allow ADUs to be converted from existing structures (such as garages) and they must allow ADUs to be resold as condominiums.

Other legislation passed in 2023 simplifies and streamlines the project and design review processes. Project review is required by local governments as part of the entitlement process. This may include a separate design review process that focuses on the formal aspects of new construction. HB 1293 requires cities to develop clear and objective design review criteria. Further, these criteria may not result in a reduction in density, height, bulk, or scale below the generally applicable development regulations, except for designated landmarks or historic districts. Additionally, any design review process must be conducted concurrently with the project permitting process and may not include more than one public meeting.

In the 2024 session, the legislature passed a series of smaller bills encouraging affordable housing. HB 1998 legalized co-living on sites within an urban growth area zoned for six or more multifamily units. Co-living is a development where sleeping units are individually rented with shared communal facilities such as kitchens. HB 1998 prevents cities from requiring co-living developments to include parking within a half-mile walking distance of a major transit stop or provide more than 0.25 spaces of off-street parking per sleeping unit, with exceptions for safety or sites near airports. Additionally, cities cannot make the standards for co-living more restrictive than other types of multifamily in the same zone nor exclude co-living housing from participating in affordable housing incentive programs. Lastly, the legislation sets standards for how cities

⁸ Final Bill Report, E2SHB 1110, <https://lawfilesexternal.leg.wa.gov/biennium/2023-24/Pdf/Bill%20Reports/House/1110-S2.E%20HBR%20FBR%2023.pdf?q=20240915193830>.

can define density for such units and how impact fees for sewer connections should be calculated. Historically, co-living units were a common form of housing in the United States but were outlawed by many cities in the 1970s and 1980s.⁹ Re-authorizing smaller units allows those with lower incomes or space preferences to have more choices with respect to where they live.

Passed in 2023, SB 5290 makes changes to local government procedures for new housing permit processing. It improves clarity on the timelines for processing permits and for associated application fees. The legislation updates the reporting requirements for permit processing, and requires the Department of Commerce to develop a reporting template. Cities and counties are encouraged to take additional measures to improve the timeliness of permit processing.

SB 6175, passed in 2024, enables cities to defer sales and use taxes for real estate developers converting underutilized commercial buildings to housing with some affordability requirements. If the property is maintained for the intended purpose for ten years, the deferred taxes need not be repaid. The legislation sets out minimum standards for what qualifies and allows cities to set their own more stringent standards. With a large post-pandemic glut of office space, office to residential conversion is a hot topic. Currently, it is very expensive and often financially infeasible to convert underutilized office buildings to residential due to their unsuitable layouts and extensive infrastructure requirements. A tax break for conversions could help make some projects financially feasible.

The Washington legislature advanced an impressive housing agenda in the legislative sessions in 2023 and 2024 that should help increase the housing supply in the state. It will take some time for these laws to have an impact. Many are designed to take effect with or following the upcoming updates to comprehensive plans and development regulations. For example, the new middle housing and ADU laws become effective starting June 2025 in the Puget Sound region.

⁹ Joshua McNichols, “‘Co-Living’ bill would revive a nearly extinct affordable housing type in Washington cities,” KUOW, January 5, 2024, <https://www.kuow.org/stories/co-living-bill-would-revive-a-nearly-extinct-affordable-housing-type-in-washington-cities>.

Demographic and Economic Trends

Population

Washington’s population exceeded eight million residents in 2024. Since April 2020, Washington’s population has been growing steadily at a rate of about 0.5% annually based on population estimates from the Washington State Office of Financial Management (Figure 3). Both the Puget Sound region and the rest of the state have been growing at about the same rate; however, the Puget Sound region is roughly 17% larger in terms of population.¹⁰ All counties in the state experienced some population growth from April 2020 to April 2024. Clark County’s population grew by 6.3%, the fastest in the state, while Yakima County grew slowly for a county of its size, adding only 2.3% to its population (Figure 4).

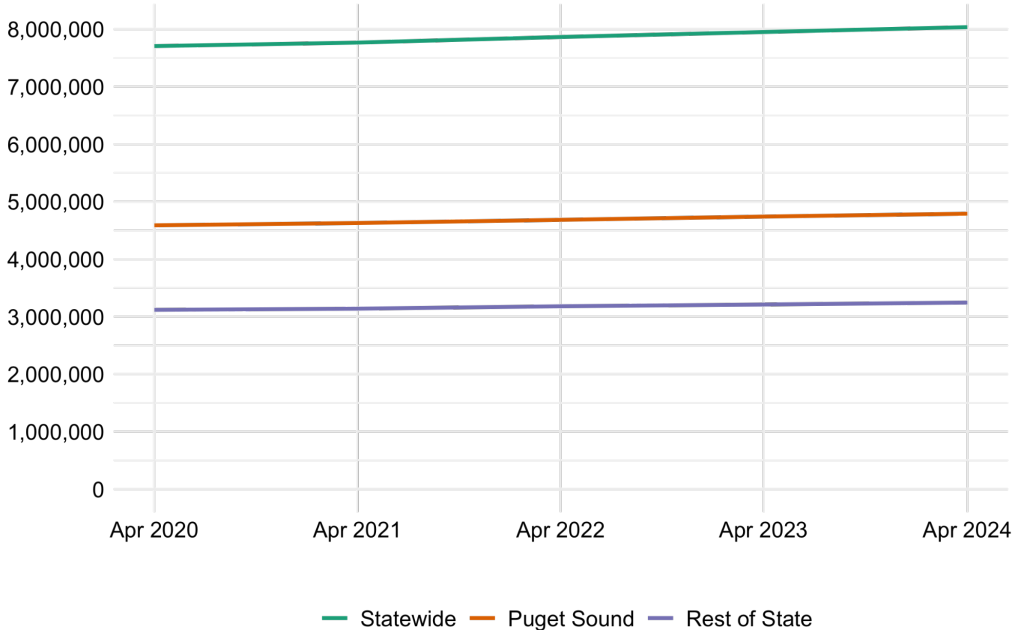


Figure 3: Population Estimates for Washington State and Regions
Source: Washington State Office of Financial Management

¹⁰ For the purposes of this report, the Puget Sound region is defined as King, Kitsap, Pierce, Snohomish, and Thurston counties. (Note that this definition differs from that of the Puget Sound Regional Council, which excludes Thurston County.) All other counties make up the Rest of State region. Where appropriate, regional statistics are the weighted averages of county statistics, with the weights defined as the county populations for the relevant year as reported by the Washington State Office of Financial Management.

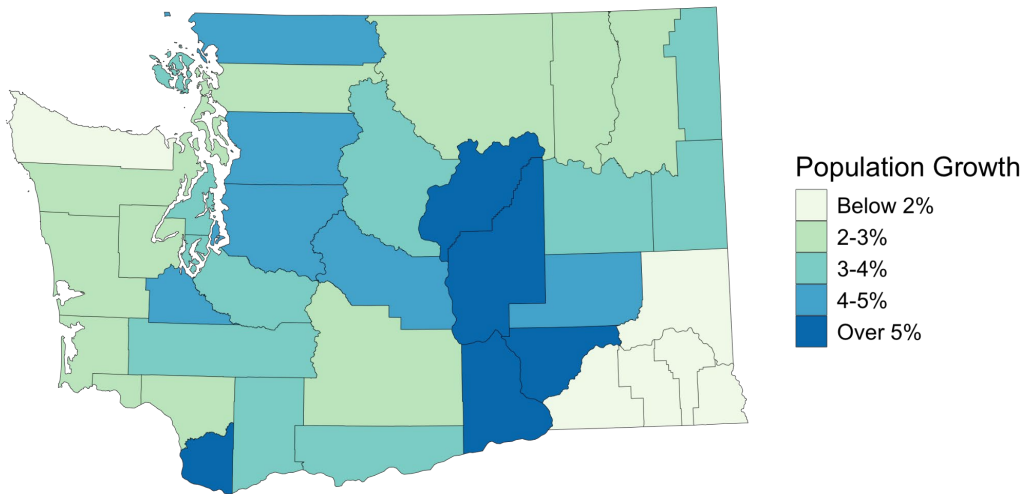


Figure 4: Population Growth from April 2020 to April 2024, Washington Counties

Source: Washington State Office of Financial Management

Migration within Washington declined following the pandemic in 2021 according to estimates from the American Community Survey. However, both migration from out of state and abroad picked up from 2021 to 2022.

About 15% of Washingtonians were born abroad, which is close to the national average of 14%. Washington has a lower percentage than California (27%) but more than Oregon (10%). Within Washington, those born abroad are present across the state but make up sizable proportions of a few counties. Roughly 25% of those living in King County, 23% in Adams County, and 22% in Franklin County were born outside of the United States (Figure 5).

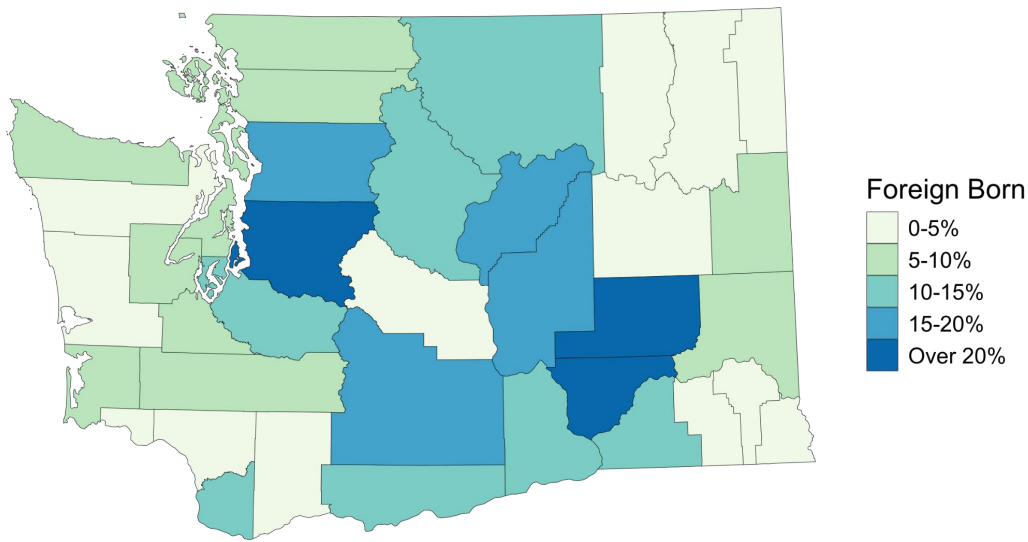


Figure 5: Percentage of Population Born Abroad, Washington Counties

Source: American Community Survey, 2022 5-year estimates

Household Incomes

Median household income peaked in Q1 2024 in Washington and decreased slightly leading into Q2 2024. In Q2 2024, median household income exceeded \$114,000 in the Puget Sound region and \$81,000 in the rest of the state, resulting in a statewide median household income of \$99,000, according to WCRER estimates (Figure 6).¹¹ Household incomes have generally been increasing in Washington. From 2019 to 2022, the number of households making over \$75,000 grew while the number of households making between \$15,000 and \$75,000 decreased (Figure 7). In contrast to this general upward shift, the number of households earning less than \$10,000 increased and there was no change in the number of households earning between \$10,000 and \$15,000.

¹¹ The statewide and regional median household income estimates are based on data from the Washington State Office of Financial Management updated with more recent data from the US Bureau of Labor Statistics. These numbers are subject to change as new data become available.

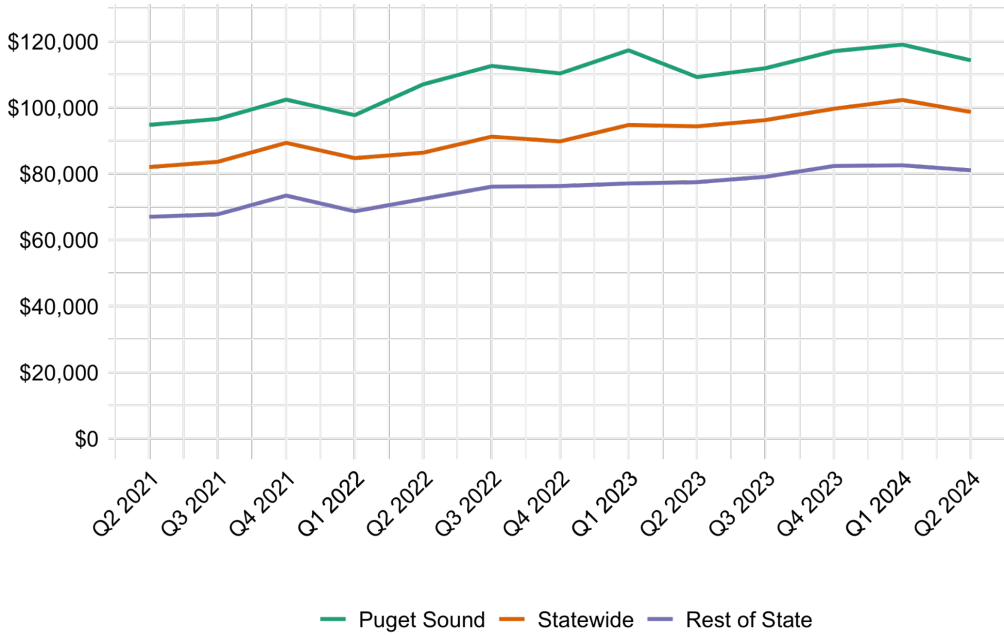


Figure 6: Median Household Income, Washington State and Regions
 Source: Washington Center for Real Estate Research

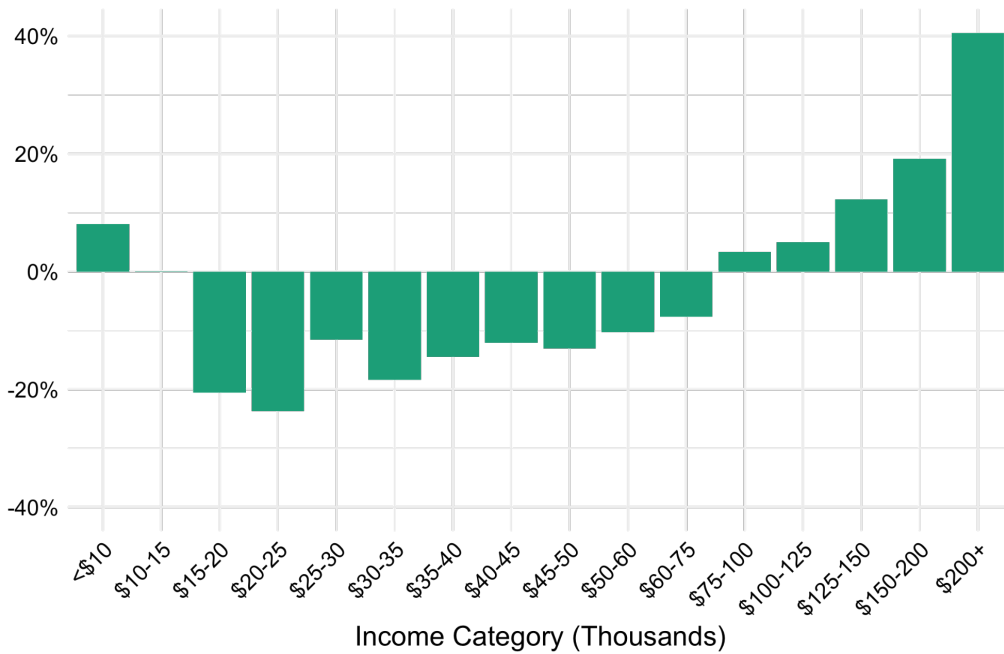


Figure 7: Percent Change in Number of Households by Income Category, State of Washington, 2019-2022
 Source: American Community Survey, 2019 and 2022 1-year estimates

Median household income has been increasing for households of all major racial and ethnic groups over the last decade with the most pronounced effect for Asian households, according to estimates from the American Community Survey. In 2022, Asian households in Washington had the largest median household income at \$126,000, up 50% from 2014. White households in Washington had a median household income of \$92,000 in 2022, up 37% from 2014. Black median household income was \$68,000 in 2022, up 45% from 2014. The median income gap between Black and White households has remained mostly unchanged since 2014. However, the gap between Asian and other groups' median household incomes has been increasing (Figure 8).

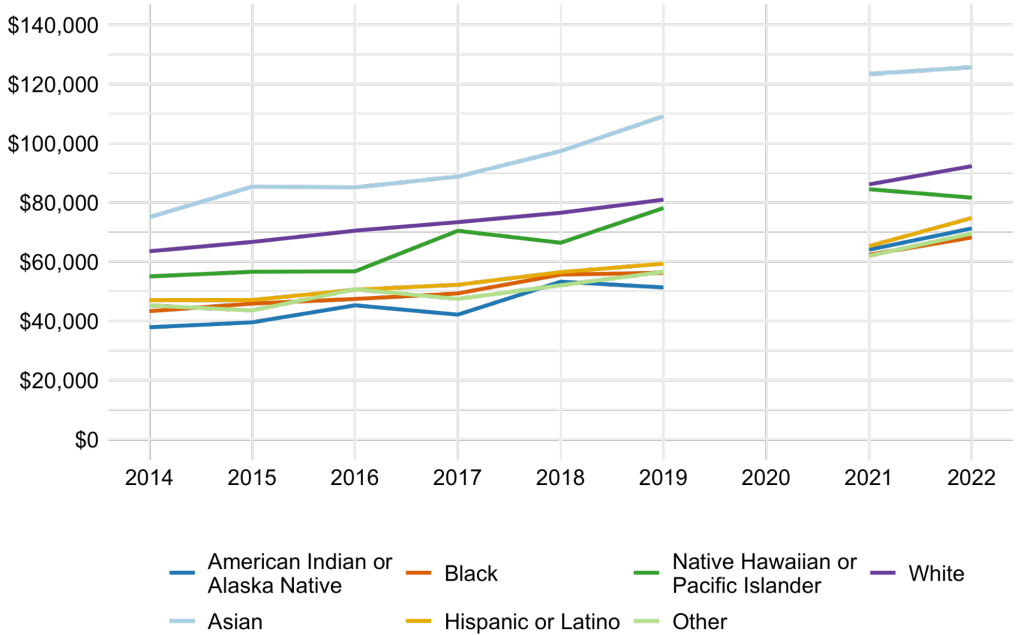


Figure 8: Median Household Income by Race or Ethnicity

Source: American Community Survey, 2014-2019 and 2021-2022 1-year estimates

Note: The US Census Bureau did not release the 2020 American Community Survey 1-year estimates due to low response rates (induced by the Covid-19 pandemic) that did not meet their statistical standards.

Household Structure

From 2019 to 2022, the percentage of non-family households among all households increased slightly, from 13.7% to 14.7% (Figure 9). The bulk of this growth was driven by an increase in single-person households. In 2022, 63% of Washington households consisted of one to two people, leading to an average household size of 2.53 people statewide, according to the most recent data available from the American Community Survey (Figure 10).

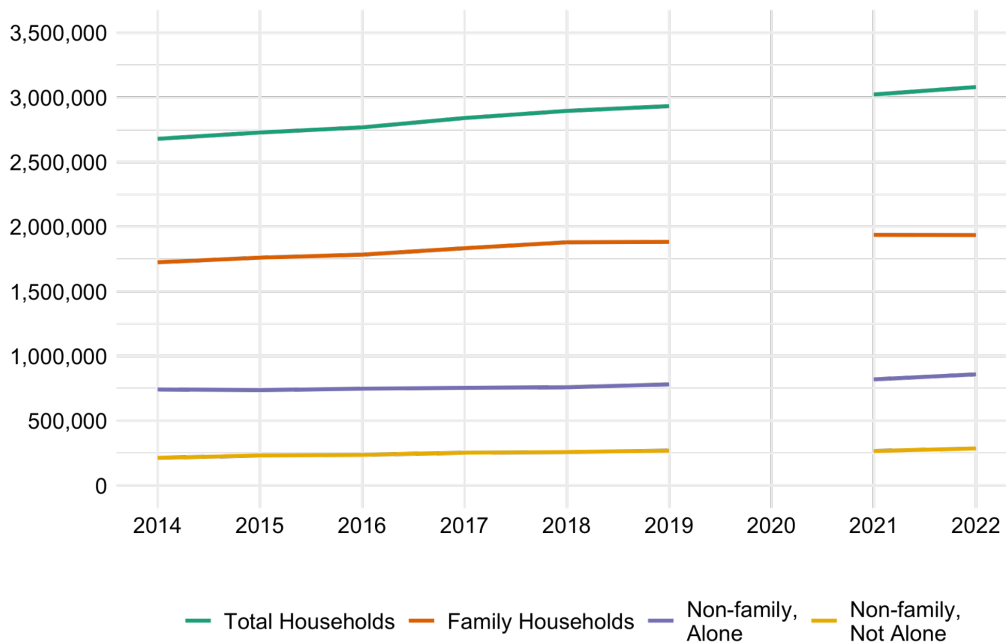


Figure 9: Households by Family Status, Washington State

Source: American Community Survey, 2014-2019 and 2021-2022 1-year estimates

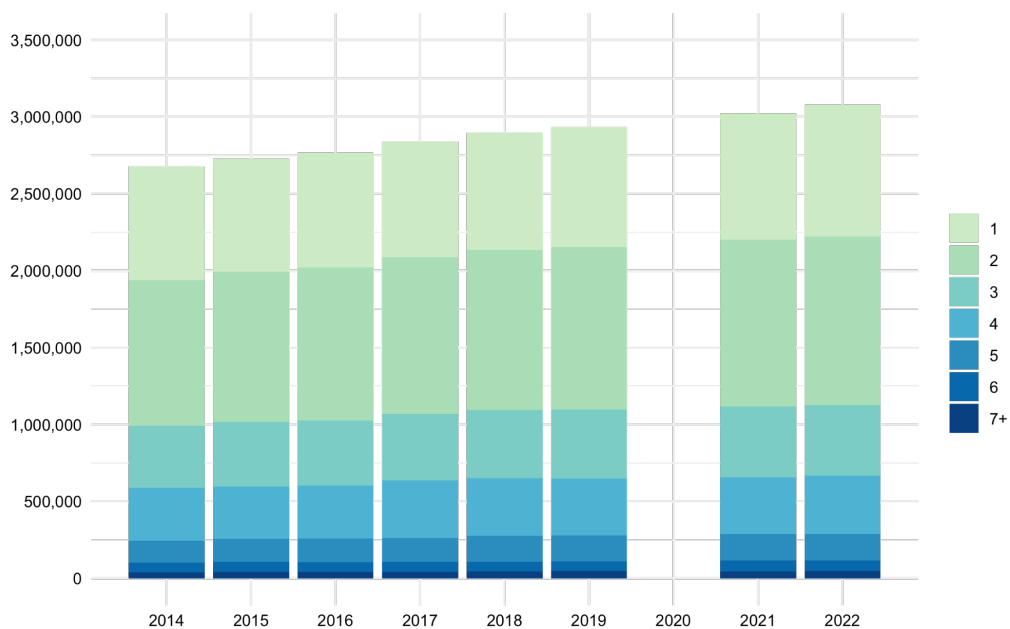


Figure 10: Number of Households by Size, Washington State

Source: American Community Survey, 2014-2019 and 2021-2022 1-year estimates

During periods of rising housing costs we would expect households to “double-up” or share housing costs with those that are not their own family as well as see household sizes increase

as families move in, or stay, together. A growing share of households living alone is a signal of increasing affordability for at least some subset of Washingtonians.

Housing Stock

From April 2020 to April 2024, Washington increased its housing stock by 5.7%, according to estimates from the Washington State Office of Financial Management (Figure 11). County-level estimates show that this housing stock growth was distributed widely across Washington and that no county's housing stock decreased (Figure 12).

It is important for large, economically important cities to continue to build new housing because the housing market of one city is intrinsically tied to both its neighboring cities and the region. If relatively high-income and large cities do not build new housing, the demand for housing does not go away. Instead, housing affordability in neighboring cities will decrease and other negative externalities like traffic will increase as residents now need to commute longer distances to work. Seattle's population is projected to soon surpass San Francisco's, which can be attributed in part to a long-term sustained increase in the housing stock.¹²

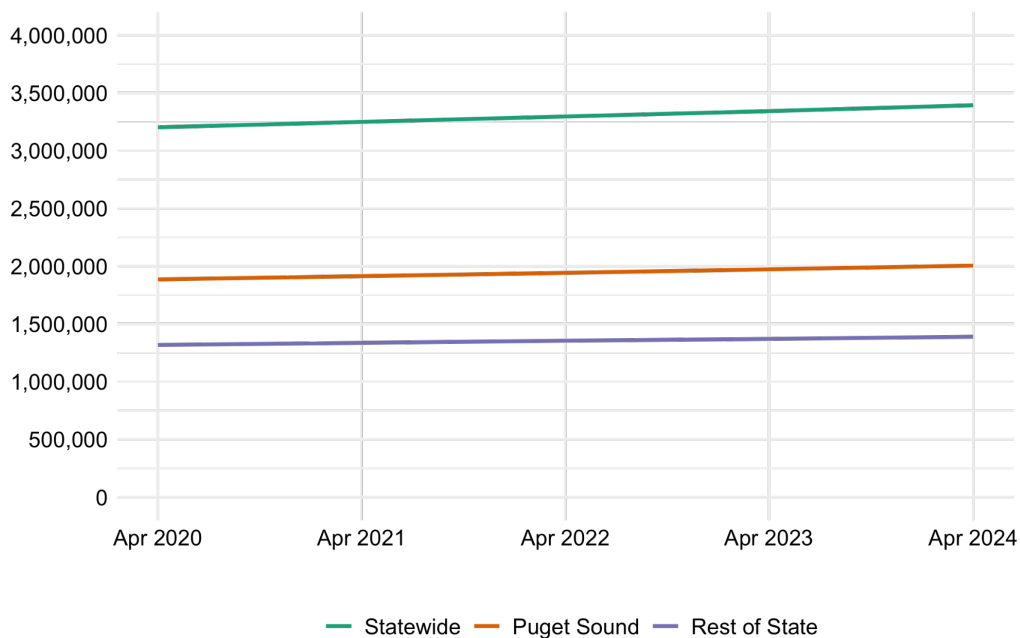


Figure 11: Housing Stock, Washington State and Regions, 2020 to 2024

Source: Washington State Office of Financial Management

¹² Roland Li, "S.F. exodus: what we can learn from the U.S.'s fastest-growing big city," *San Francisco Chronicle*, October 23, 2023, <https://www.sfchronicle.com/sf/article/san-francisco-seattle-recovery-18422696.php>; Doug Trumm, "Seattle's population nears 800,000 in latest state tally," *The Urbanist*, July 30, 2024, <https://www.theurbanist.org/2024/07/01/seattles-population-nears-800000-in-latest-state-tally/>.

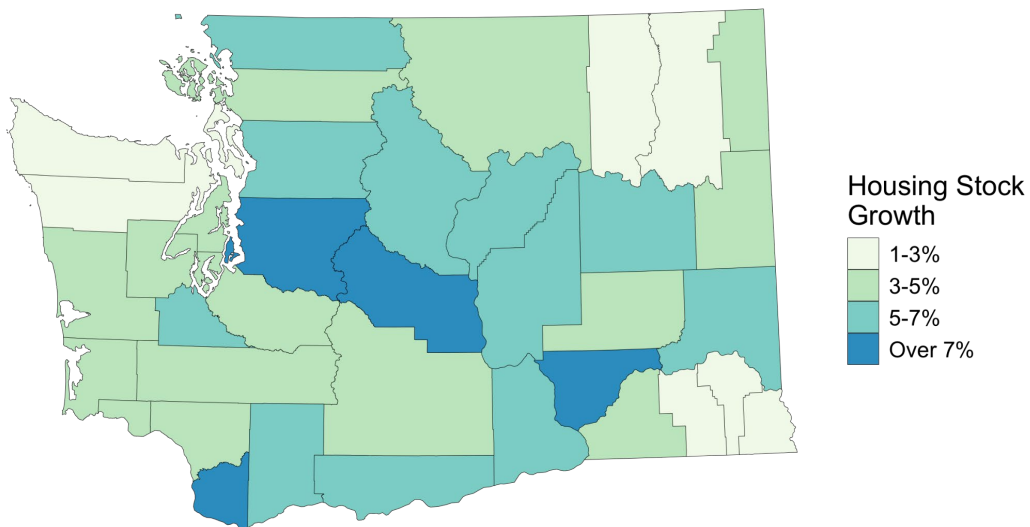


Figure 12: Housing Stock Growth from April 2020 to April 2024, Washington Counties
Source: Washington State Office of Financial Management

Homeownership

House Prices

The median-priced house in Washington cost approximately \$695,000 in Q2 2024. Median house price growth slowed significantly to an average increase of only 3% annually from Q2 2022 to Q2 2024, following the previous period of annual 10% increases from 2014 to 2022. As of Q2 2024, the median house price in the Puget Sound region (\$823,000) exceeded the statewide median while the median for the rest of the state (\$485,000) is lower (Figure 13). This flattening of house price trends is true in Bellingham, Seattle, Spokane, Tacoma, and Yakima with the ranking of house prices across cities remaining virtually unchanged (Figure 14).

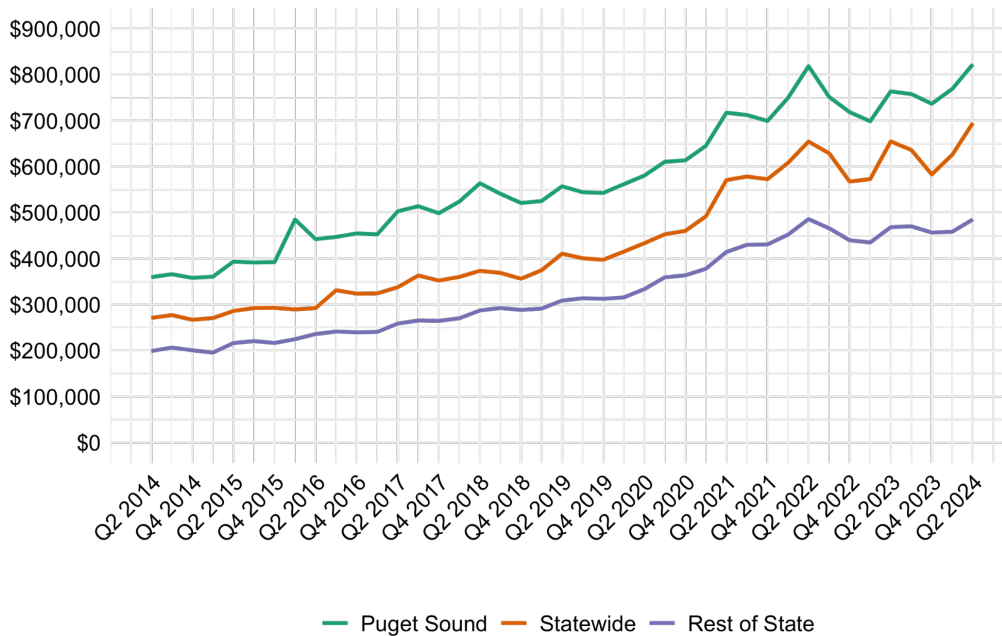


Figure 13: Median House Price by Region, Washington State and Regions
 Source: Washington Center for Real Estate Research; Multiple Listing Services

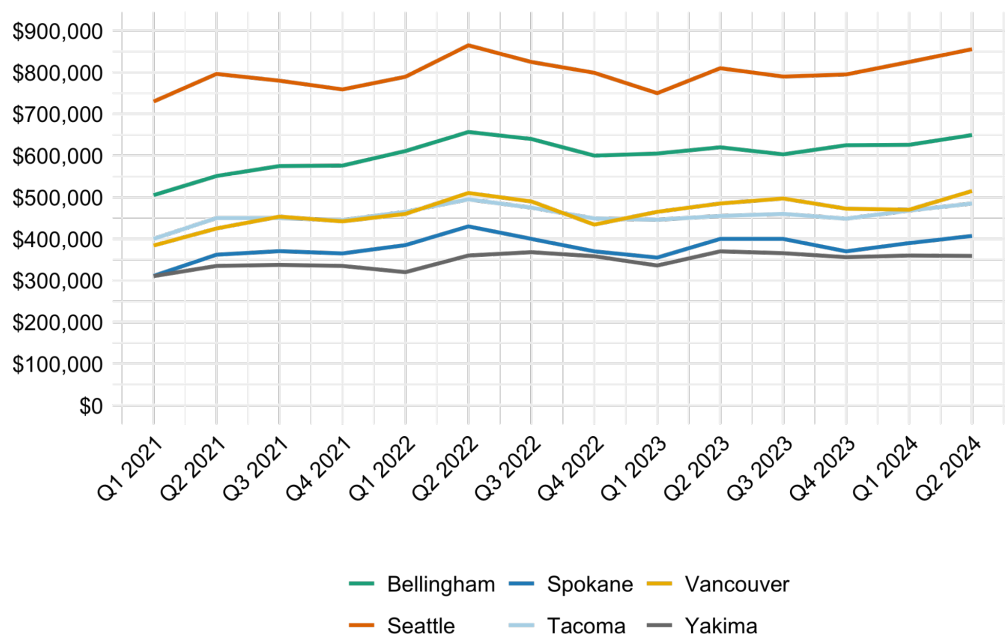


Figure 14: Median House Prices, Selected Cities

Source: Washington Center for Real Estate Research; Multiple Listing Services

Mortgage Interest Rates

Rising interest rates have made mortgages more expensive. Interest rates on a 30-year fixed-rate mortgage increased sharply from a low of 2.65% in Q1 2021 to 7.2% by May of 2024, according to Freddie Mac. However, as startling as this rise in interest rates might seem, Q2 2024 rates were below the long-run historical average from Q2 1971 to Q2 2024 of 7.73% (Figure 15). Nonetheless, rising interest rates increase a borrower's monthly payment thereby driving up the cost of homeownership. Estimates from the Federal Housing Finance Agency show that the median payment on all outstanding mortgages in Washington increased 24% from Q1 2020 to Q1 2024, to \$1,960 (Figure 16).

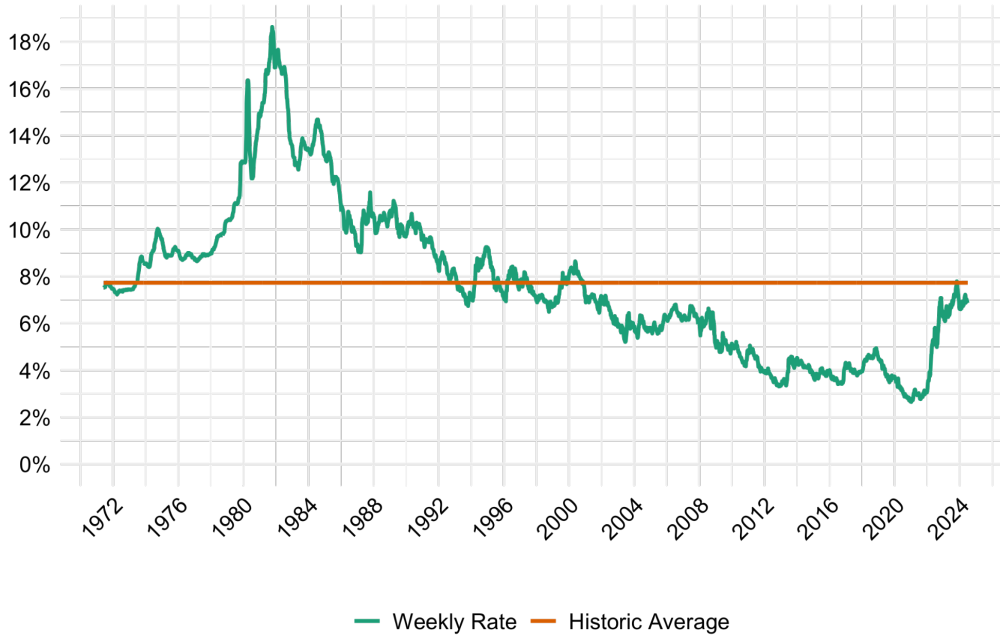


Figure 15: Interest Rate on 30-year Fixed-rate Mortgages

Source: Freddie Mac

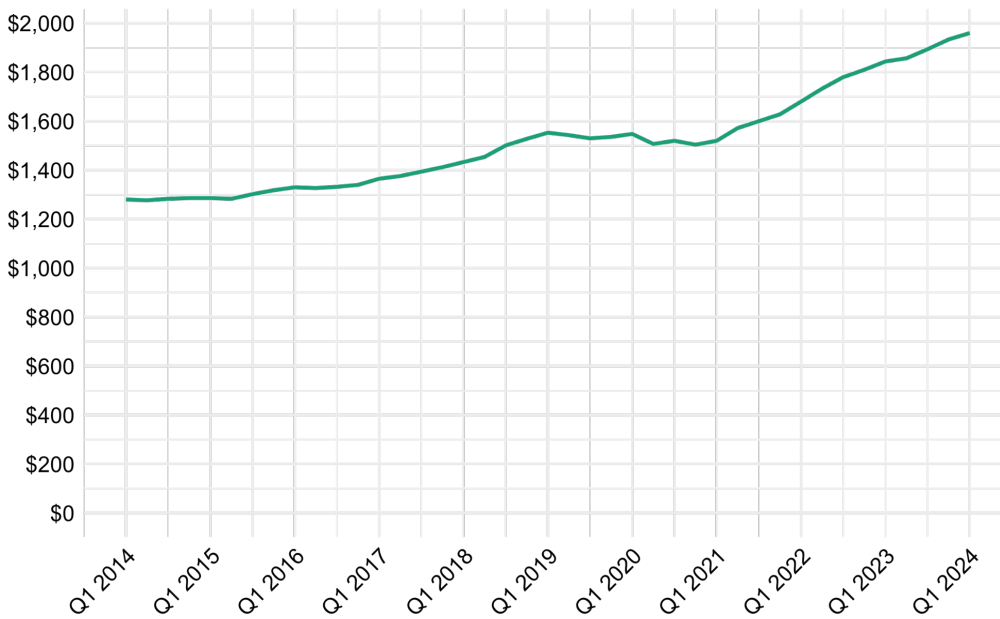


Figure 16: Median Payment on Outstanding Mortgages, Washington State

Source: Federal Housing Finance Agency

Rising interest rates are also decreasing homeowner mobility. From Q1 2014 to Q1 2021, the average interest rate on an outstanding mortgage in Washington was typically slightly higher than the rate available for a new mortgage (Figure 17). Interest rates on new mortgages began to increase sharply in Q1 2021 resulting in a large gap between the average rate on outstanding mortgages and new mortgages. As of Q1 2024, the average interest rate on all outstanding mortgages in Washington was estimated to be only 3.9% by the Federal Housing Finance Agency, with rates for new mortgages averaging 6.75% in that quarter (and 7% in Q2 2024), as reported by Freddie Mac. Such a large gap reduces mobility by causing homeowners to stay in their current home to avoid having to take on a mortgage with a much higher rate when purchasing a different home. Moreover, for new homeowners, entering the market with high interest rates is quite expensive. These factors are reflected in a significant drop in the number of transactions. On an annualized basis, the number of transactions statewide as of Q2 2024 was about 79,000, compared to about 120,000 three years earlier, according to WCRER calculations.

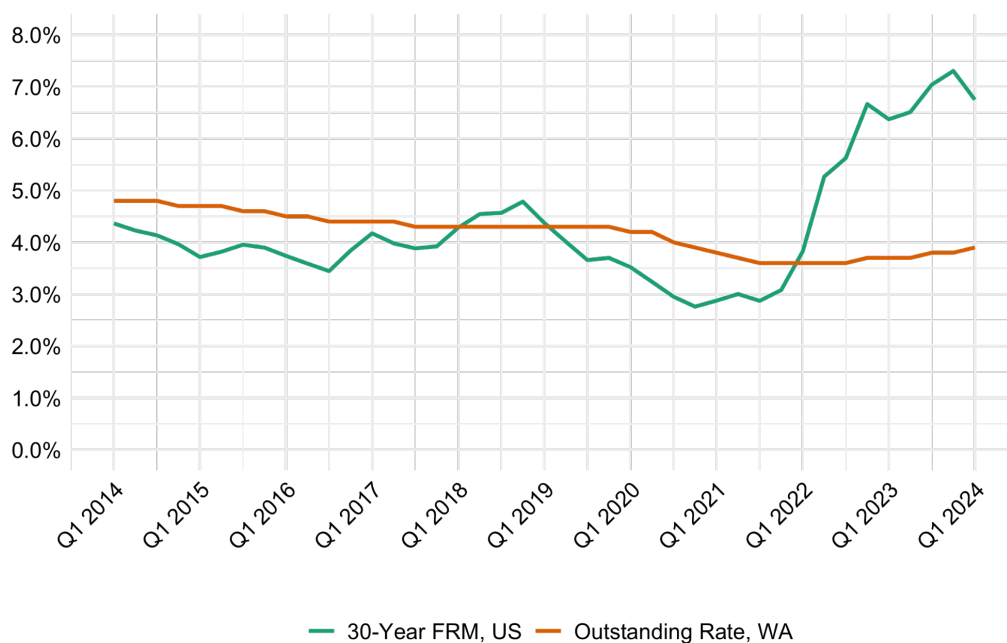


Figure 17: Average US Current and Washington State Outstanding Mortgage Rates

Source: Freddie Mac; Federal Housing Finance Agency

Affordability for Buyers

While the trend in home prices has been relatively flat across Washington from 2022 to 2024, the affordability of purchasing a home declined sharply over the last few years. WCRER's median-income buyer Housing Affordability Index (HAI) represents a household with the median

income purchasing a median-priced home.¹³ The index numbers represent median income as a percentage of the income required to afford the median-priced house. Hence, values of 100 or above represent affordability, while values below 100 are unaffordable. Affordability for the median buyer has been dropping for the last decade and crossed into unaffordable territory in Q2 2021 and has been dropping since, driven mainly by rapidly increasing interest rates combined with limited supply (Figure 18). WCRER's first-time buyer HAI represents a household making 70% of the median household income purchasing a house priced at 85% of the median.¹⁴ This index follows a similar trajectory to the median buyer except that it has been unaffordable for this hypothetical first-time buyer to purchase a home in Washington since 2012.

Home buying affordability decreased significantly across Washington's major and regional cities. Bellingham, Seattle, Spokane, Tacoma, Vancouver, and Yakima all declined in affordability from Q2 2021 to Q2 2024 (Figure 19).

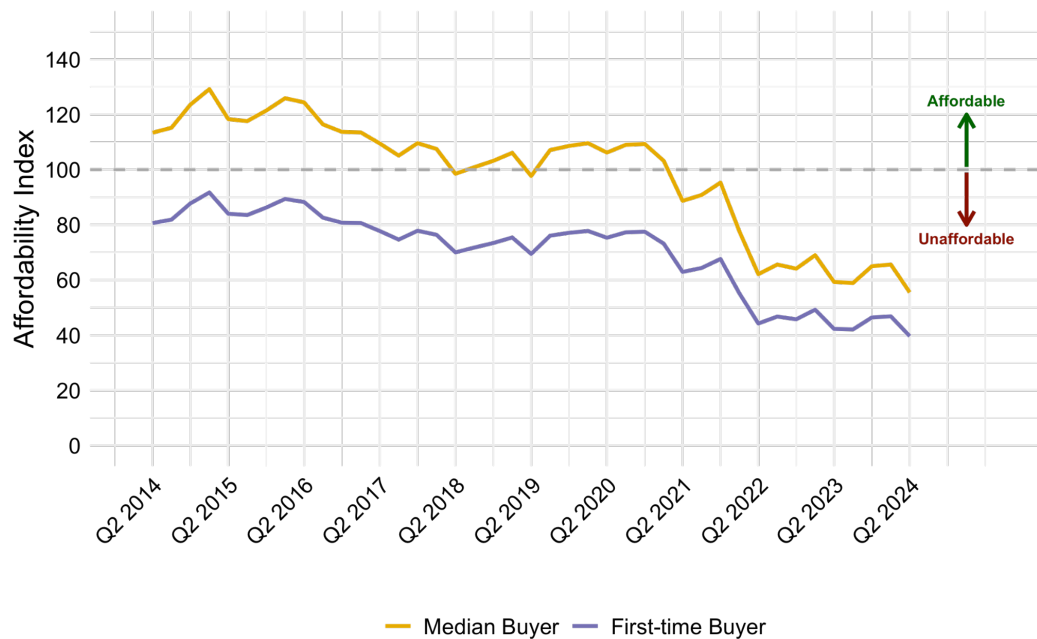


Figure 18: Homeowner Affordability Indexes, Washington State

Source: Washington Center for Real Estate Research

¹³ The median-income buyer HAI also assumes a 20% down payment, a 30-year fixed-rate mortgage at the going interest rate, and that the household should spend no more than 25% of income on mortgage payments (principal and interest). The buyer HAIs do not include property taxes, home insurance, and other expenses associated with homeownership that increase the total cost of homeownership.

¹⁴ The first-time buyer HAI also assumes a 10% down payment, 30-year fixed-rate mortgage at a slightly higher interest rate than for the median-income buyer, and that the household should spend no more than 25% of income on mortgage payments.

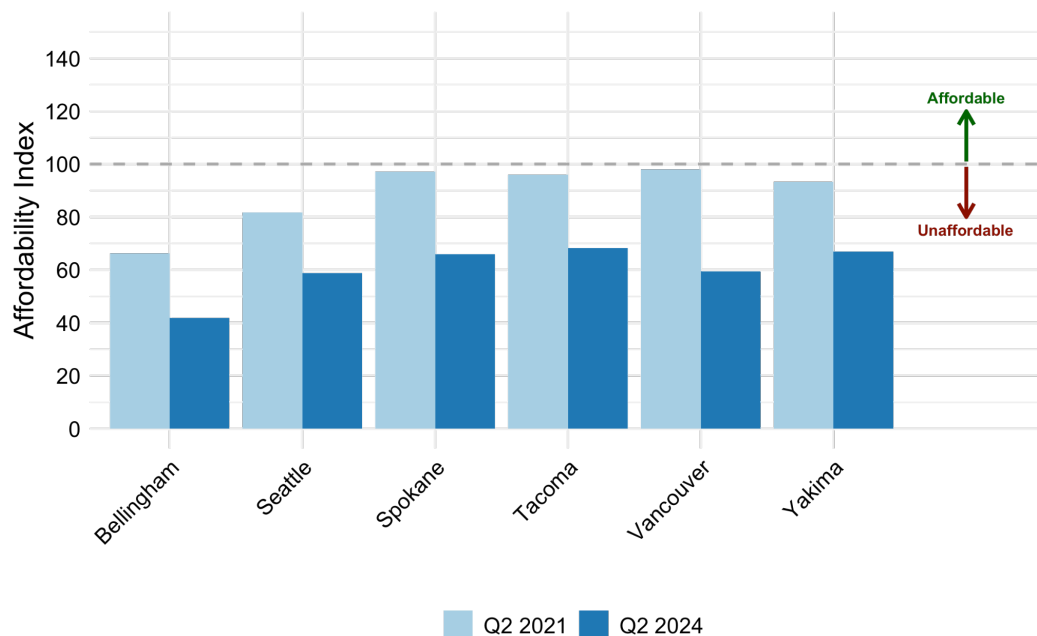


Figure 19: Median-Income Buyer Affordability Index, Q2 2021 versus Q2 2024, Selected Cities

Source: Washington Center for Real Estate Research

Ownership by Race and Ethnicity

There are large, persistent differences in homeownership by race and ethnicity in Washington (Figure 20).¹⁵ Only 32% of Black-headed households in Washington are homeowners compared to 69% of White-headed households. Over the last decade this divide remained remarkably large and unchanging. Asian-headed household homeownership has likewise remained flat in spite of the fact that Asian-headed household income has increased rapidly. These differences in homeownership by race might be caused by several factors. For example, people of different races and ethnicities are concentrated in different locations with varying housing affordability, and they have different levels of income (see Figure 8 above) and wealth.¹⁶

¹⁵ For a more detailed discussion of this issue, see: Washington State Department of Commerce, *Improving Homeownership Rates for Black, Indigenous and People of Color in Washington*, September 2022, https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=Homeownership%20Disparities%20Recommendations%20Report%20-%20FINAL%20-%20Sep2022_e0b6a028-62cf-478c-aa9b-52e5e5c66609.pdf.

¹⁶ A careful study of race, ethnicity, and homeownership rates should simultaneously control for all of the main factors relevant to housing tenure choice. See, for example: Steven C. Bourassa, "Ethnicity, endogeneity and housing tenure choice," *Journal of Real Estate Finance and Economics*, vol. 20, no. 3, 2000, pp. 323-341.

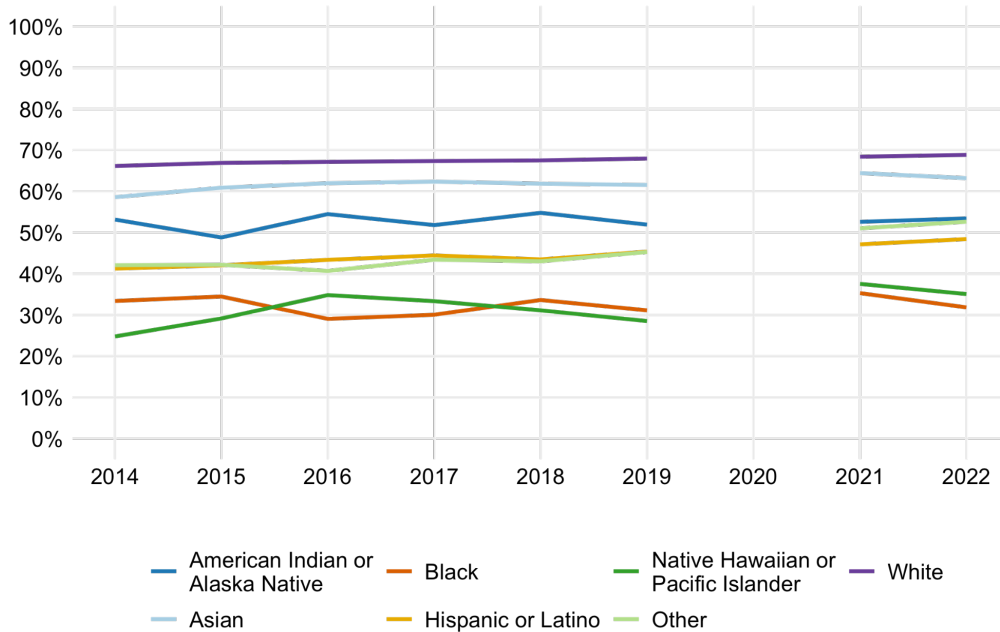


Figure 20: Homeownership Rate by Race or Ethnicity, Washington State

Source: American Community Survey, 2014-2019 and 2021-2022 1-year estimates

White-headed households are more likely to be located in counties with lower median house prices, contributing to that group's higher rate of homeownership. For example, Cowlitz, Spokane, and Whatcom counties are over 80% White and have median house prices below the statewide median house price, according to recent American Community Survey and WCRER data (Figure 21). Hispanic or Latino-headed households are present throughout the state but mostly concentrated in eastern Washington, representing most households in Adams, Franklin, and Yakima counties (Figure 22). The fact that the median house prices in these counties are lower than in the Puget Sound region and that Hispanic or Latino-headed median household income was roughly \$75,000 in 2022 helps explain in part why Hispanic or Latino homeownership (48%) was higher than Black homeownership in 2022.

Asian and Black households are concentrated in the Puget Sound Region where house prices are very high (Figures 23 and 24). Black median household income (\$68,000) was only 54% of Asian median household income (\$126,000) as of 2022. Relatively low median household income coupled with demographic concentration in high-cost counties explains, in part, the low rates of homeownership for Black households and why Asian homeownership has not surpassed that of White households.

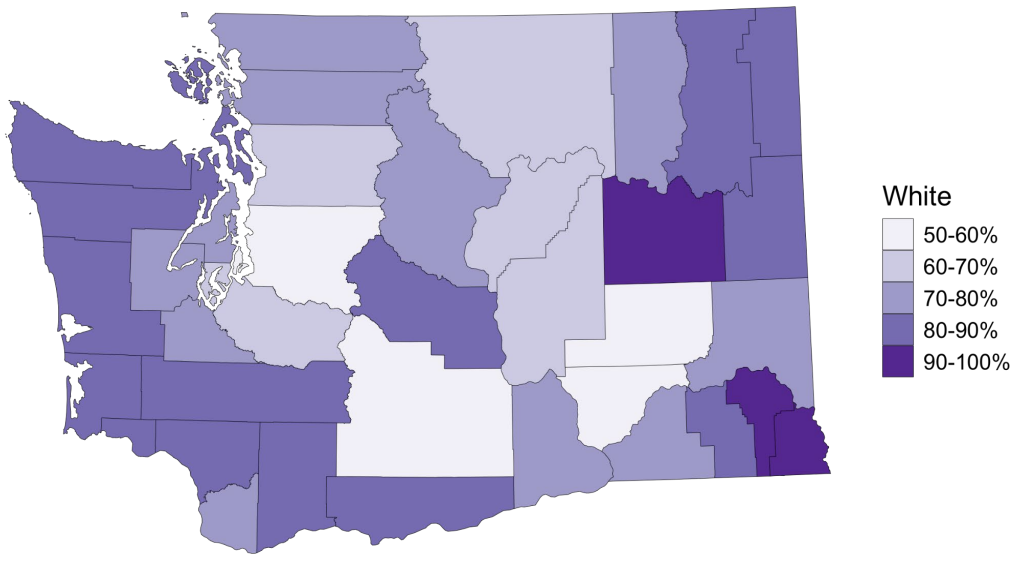


Figure 21: Percent White in 2022, Washington Counties
Source: American Community Survey, 2022 5-year estimates

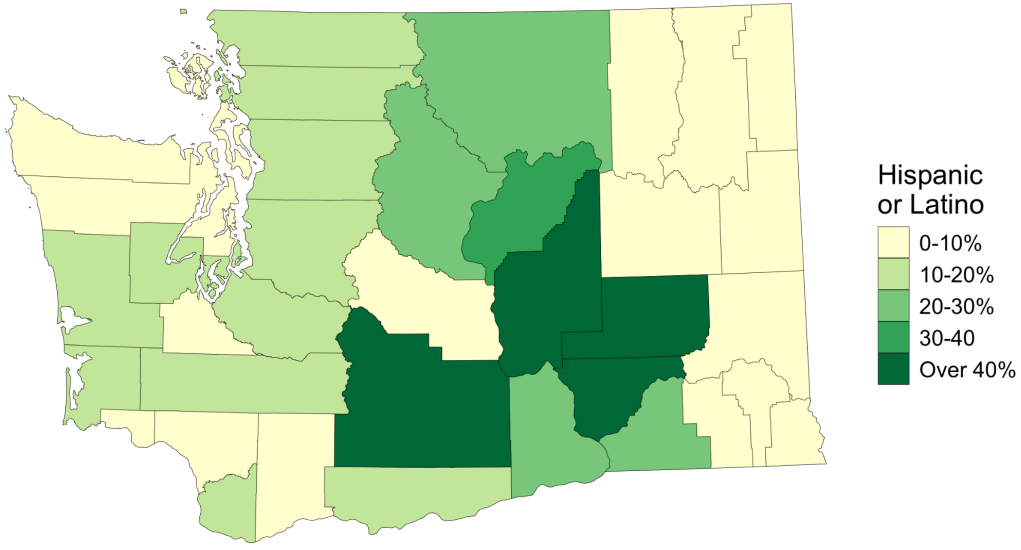


Figure 22: Percent Hispanic or Latino in 2022, Washington Counties
Source: American Community Survey, 2022 5-year estimates

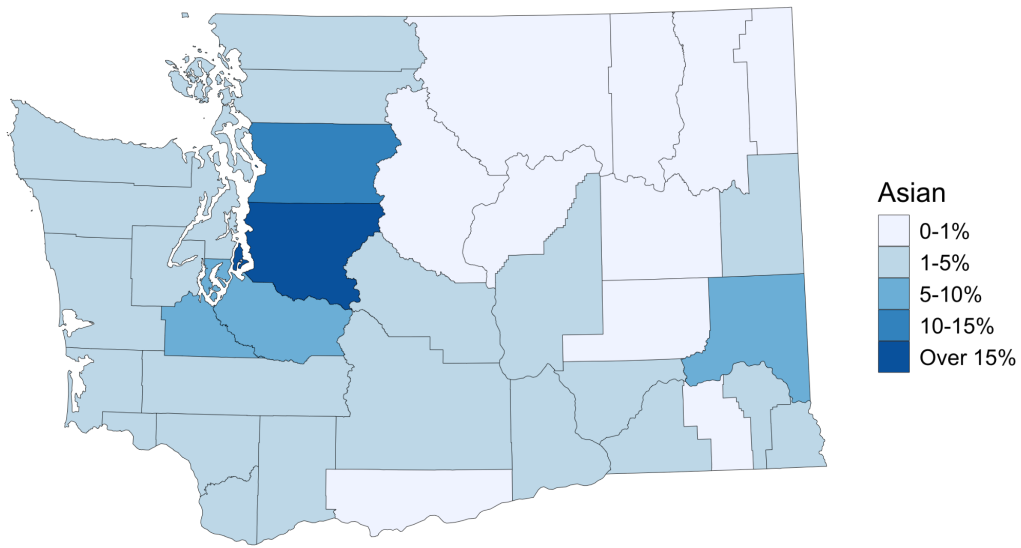


Figure 23: Percent Asian in 2022, Washington Counties

Source: American Community Survey, 2022 5-year estimates

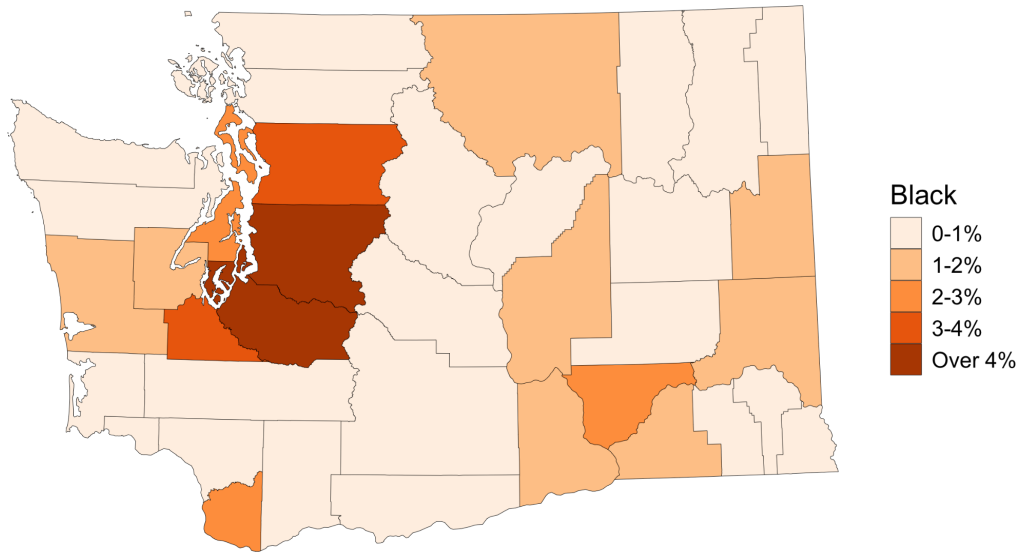


Figure 24: Percent Black in 2022, Washington Counties

Source: American Community Survey, 2022 5-year estimates

Single-Family Permits and Completions

Washington permitted almost 112,000 new units of single-family housing from January 2019 to March 2024. The number of new housing units permitted rose from March 2019 to March 2021 due to record low interest rates and rising housing demand. However, after March 2021, the number of new units permitted began to slow according to data from the U.S. Census Bureau's Building Permit Survey (Figure 25), due to a combination of factors, including rising interest rates and construction costs. This trend is also reflected in a national decline from 1.11 million single-family permits in 2021 to 0.92 million in 2023.¹⁷ From April 2021 to April 2024, the annual number of single-family housing units completed declined 15% statewide, according to data from the Washington State Office of Financial Management.

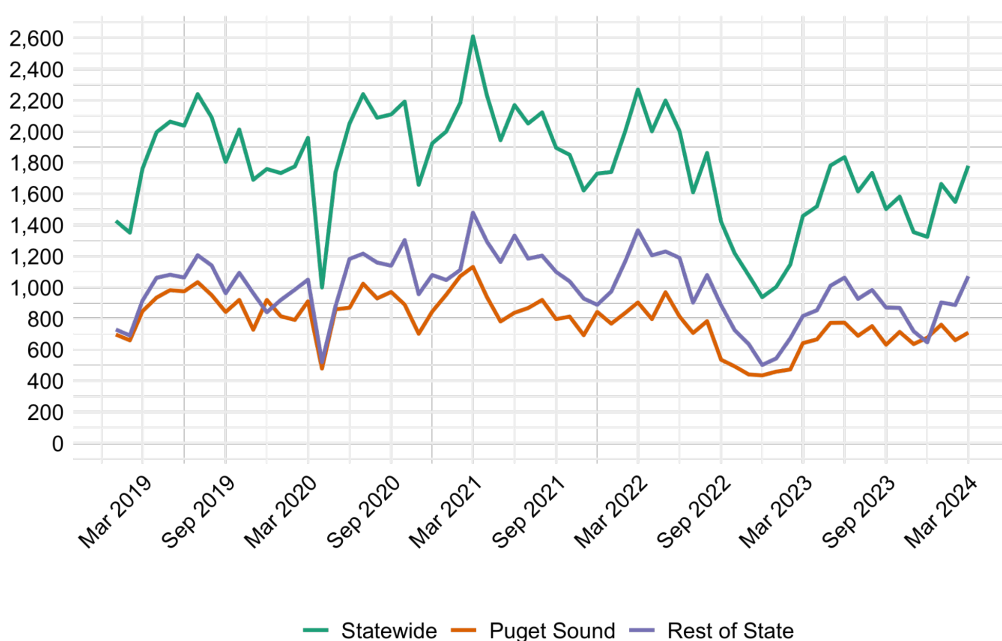


Figure 25: Single-family Housing Units Permitted by Region, Monthly, Washington State and Regions

Source: US Census Bureau, Building Permits Survey

¹⁷ See "Permits by United States and regions" at <https://www.census.gov/construction/bps/current.html>.

Rental Housing

Apartment Rents and Vacancy Rates

A surge in new apartment construction helped to slow rent growth to 1.6% annually from Q2 2022 to Q2 2024 (Figure 26). Previously, from Q1 2014 to Q1 2021, statewide stabilized rents had been increasing at about 5.5% annually.¹⁸ This accelerated from Q1 2021 to Q1 2022 when statewide median stabilized rent spiked approximately 11%, caused by rising incomes and savings that led to an increase in household formation and thus an increased demand for apartments.

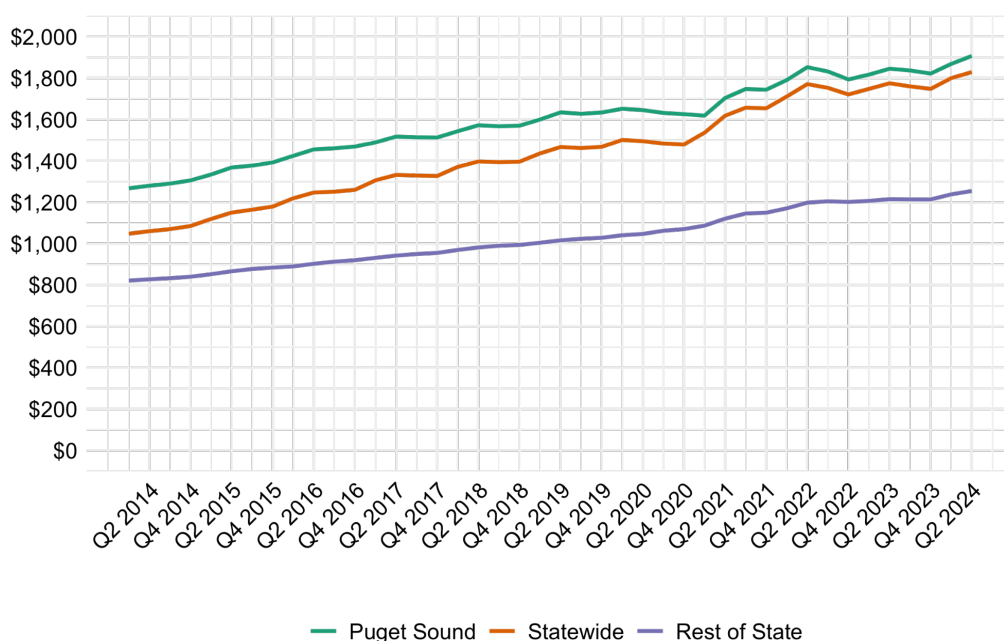


Figure 26: Median Stabilized Rent, Washington State and Regions

Sources: Washington Center for Real Estate Research; CoStar

Apartment vacancies rebounded due to new development activity after a sharp decline early in the pandemic (Figure 27). Vacancies are slightly higher in the Puget Sound region than in the rest of the state. This rebound and subsequent rise in apartment vacancy above the historic statewide average corresponds with the large volume of new multifamily housing development in the last few years.

¹⁸ “Stabilized” rents refer to average rents for properties that are no longer in the lease-up stage.

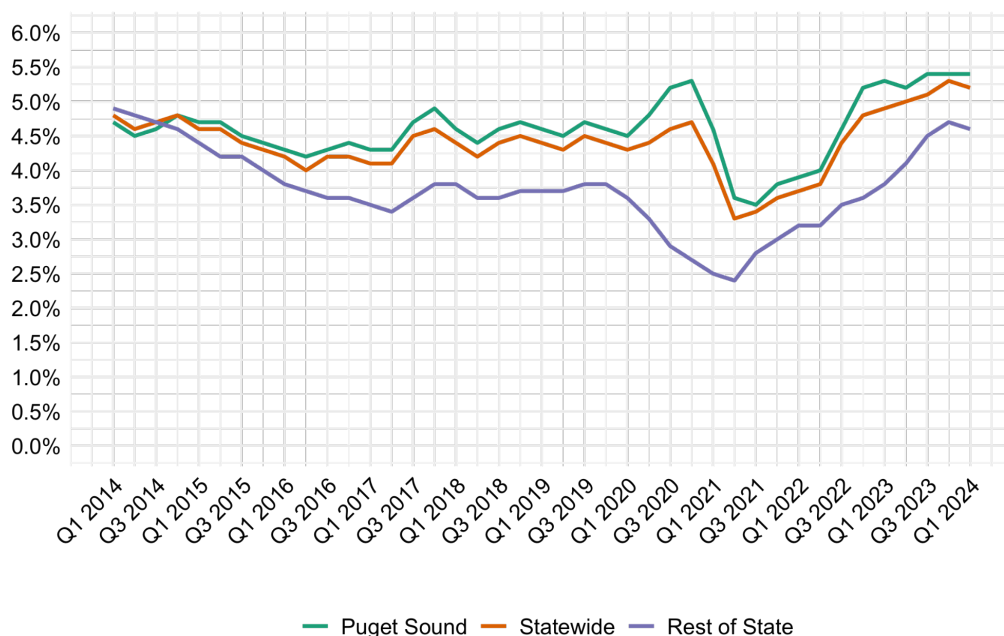


Figure 27: Apartment Vacancy Rates, Washington State and Regions

Sources: Washington Center for Real Estate Research; CoStar

Affordability for Renters

Increases in median household incomes have kept up with average rent increases, meaning that renter affordability for those in the middle of the income distribution has remained relatively stable over the last decade (Figure 28). WCRER's median-income renter HAI represents a household with median income renting an apartment with the average rent for Washington. An index value of 100 indicates that a renter has 100% of the income needed to spend no more than 30% of income on rent.¹⁹ According to the median-income renter HAI, rent is considered affordable at the state level. This presents a sharp contrast to the median-income buyer's situation.

WCRER's low-income renter represents a household making 70% of the median income renting the average rent apartment. This renter is at the upper end of the low-income range, which is defined by the US Department of Housing and Urban Development to be less than 80% of the area median income. For this stylized low-income renter, housing has not been affordable since at least 2000, which is as far back at the WCRER index goes. However, affordability for the low-income renter tracks that of the median renter and has not changed much over the last 10

¹⁹ Spending more than 30% of income on rent is a common threshold for housing that is considered unaffordable. This threshold is generally used by the US Department of Housing and Urban Development. Of course, households with very low or extremely low incomes (below 50% or 30% of the area median income, respectively) may not be able to afford 30% and still have enough income left for other necessities.

years. This low-income renter could afford somewhat less expensive apartments that are below the median rent.

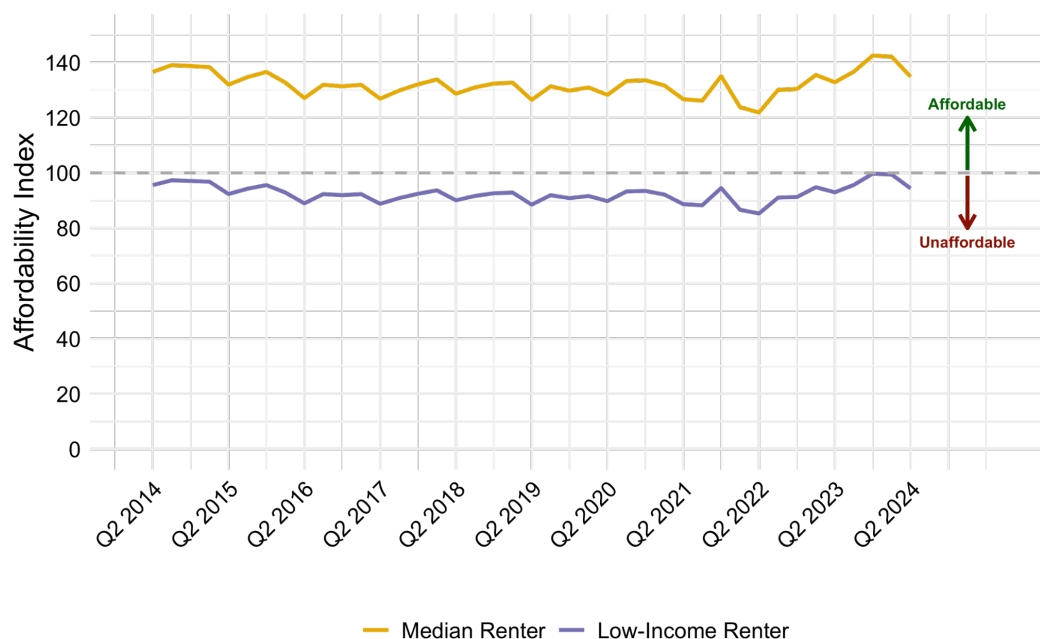


Figure 28: Renter Affordability Indexes, Washington State

Source: Washington Center for Real Estate Research

However, households with low incomes, and particularly those with very and extremely low incomes (below 50% and 30%, respectively, of area median income) face particular difficulties finding affordable housing. Due to funding limitations, only one out of four eligible renter households receives federal rental assistance.²⁰ Most federal rental assistance comes in the form of Housing Choice Vouchers, Section 8 Project-Based Rental Assistance, and Public Housing.

The most recent cost burden data published by Harvard’s Joint Center for Housing Studies shows increases over time in the share of moderately and severely cost-burdened renter households nationwide.²¹ Table 3 shows the percentages of cost-burdened households in Washington State and in the US for 2023, with both owners and renters shown for comparison purposes.²² Virtually half of all renter households were cost-burdened and almost one-quarter

²⁰ Erik Gartland, “Chart book: funding limitations create widespread unmet need for rental assistance,” Washington, DC: Center on Budget and Policy Priorities, February 15, 2022.

²¹ Joint Center for Housing Studies, *The State of the Nation’s Housing 2024*, Cambridge, MA: Harvard University, 2024, Figure 22, p. 29.

²² The data shown in Table 3 are from a new table available from the American Community Survey (B25140) that reports rates for both moderate and severe cost burdens starting with 2022.

were severely cost-burdened in both years. These percentages are quite similar to those for the nation as a whole. Owners are much less likely to be cost-burdened.

Table 3. Cost-Burdened Percentages of Households, Washington State and US, 2023

Location and tenure	Year	Moderately cost-burdened (%)	Severely cost-burdened (%)	Total cost-burdened (%)
Washington renters	2023	24.5	23.8	48.3
US renters	2023	24.1	25.6	49.7
Washington owners	2023	13.7	10.2	23.9
US owners	2023	12.3	9.8	22.1
Washington owners and renters	2023	17.5	15.0	32.5
US owners and renters	2023	16.2	15.1	31.3

Source: US Census Bureau, American Community Survey 1-year estimates

Note: Moderately and severely cost-burdened households pay over 30% and 50% of income, respectively, on housing costs.

Black households in Washington had higher than average cost burden rates. Some 54.2% and 35.3% of Black renters and owners, respectively, were cost-burdened (either moderately or severely). Hispanic renters in the state had slightly higher than average rates (51.8%), while Hispanic owners had slightly lower than average rates (23.3%). Asian renters had significantly lower than average rates (34.0%), but Asian owners had slightly higher than average rates (25.4%). American Indian and Native Alaskan renters and owners had lower than average rates (42.8% and 21.9%, respectively).

Increases in interest rates (discussed above) and construction costs have affected both the single-family and multifamily sectors. Over the long time period shown in Figure 29, construction costs increased at a fairly steady rate until 2020, when the growth rate increased sharply due to supply chain bottlenecks.²³ This high rate of growth continued through 2022, and then reversed somewhat in 2023; however, construction costs clearly remain much higher than they would have been had they continued to increase at their pre-2020 rates, contributing to the cost of both new and existing housing.

²³ RS Means, *Building Construction Costs 2024*, Greenville, SC: Gordian, 2023.

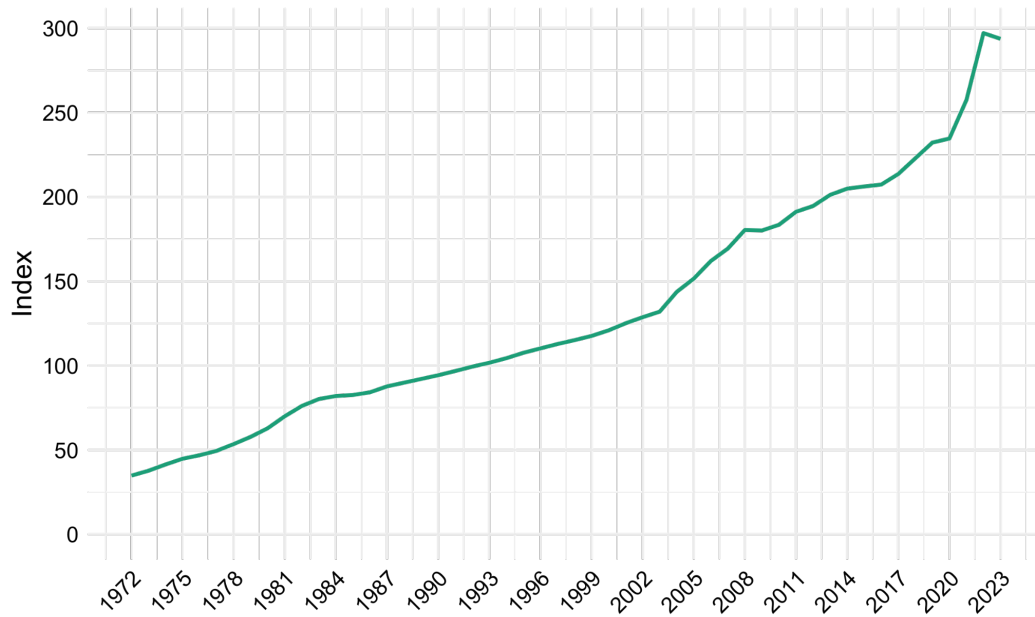


Figure 29: Construction Cost Index, US

Source: RS Means

Multifamily Permits and Completions

Jurisdictions in Washington state permitted roughly 30,000 multifamily units in 2021 and only 19,000 in 2023, according to the U.S. Census Bureau Building Permits Survey (Figure 30). Meanwhile, the Washington State Office of Financial Management reports that the multifamily housing stock increased 8% annually from April 2019 to April 2024 (Figure 31). New multifamily permits are declining while completions are rising due to the time it takes to construct multifamily buildings. The multifamily housing units that have been completed to date in 2024 were started two or three years prior, likely in 2021 and 2022 when multifamily permits were at their highest. Therefore, given the drop in permitting activity from 2022 to 2024, the level of new multifamily completions will likely decline in the next few years.

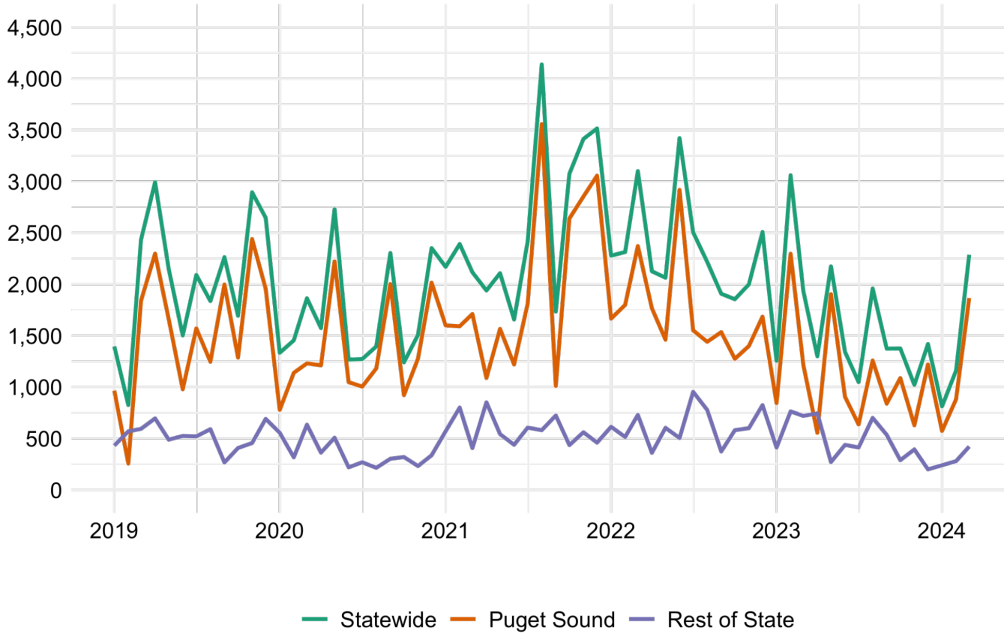


Figure 30: New Permitted Multifamily Units, Monthly, Washington State and Regions
 Source: US Census Bureau, Building Permits Survey

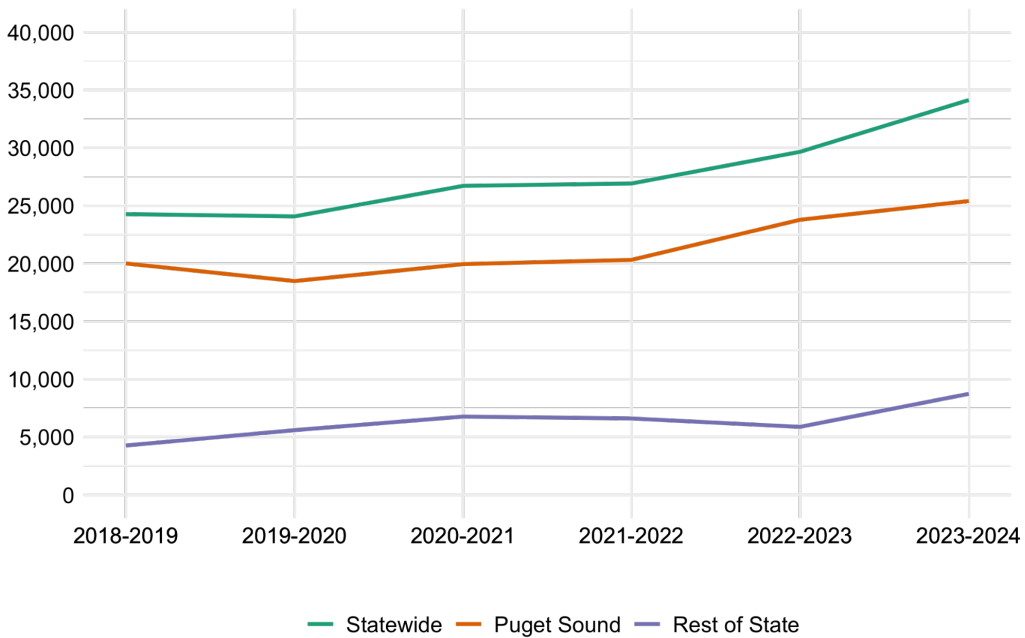


Figure 31: Additions to the Multifamily Housing Stock, Annual, Washington State and Regions
 Sources: Washington Center for Real Estate Research; Washington State Office of Financial Management

Subsidized Rental Housing

Not surprisingly, Washington's stock of subsidized rental units is heavily concentrated in the main population centers in the Puget Sound region and Spokane County (Figure 32).²⁴ A table showing the number of subsidized units by county is provided in Appendix Table B. The single largest sources of funding (in terms of numbers of units supported) are managed by the Washington State Housing Finance Commission, which includes the Low Income Housing Tax Credit program (funded by the US Department of the Treasury) as well as bond funding programs. These programs focus on subsidies for suppliers of affordable housing. The second largest source of funding is the Washington State Housing Trust Fund, which is followed by the US Department of Housing and Urban Development. Other smaller programs include those managed by the US Department of Agriculture's Rural Housing Service, Washington State's Multi-Family Property Tax Exemption Program, and various locally funded programs. Even when combined with the Housing Choice Voucher program, these programs unfortunately do not come close to satisfying the need for affordable housing as defined by the federal government.

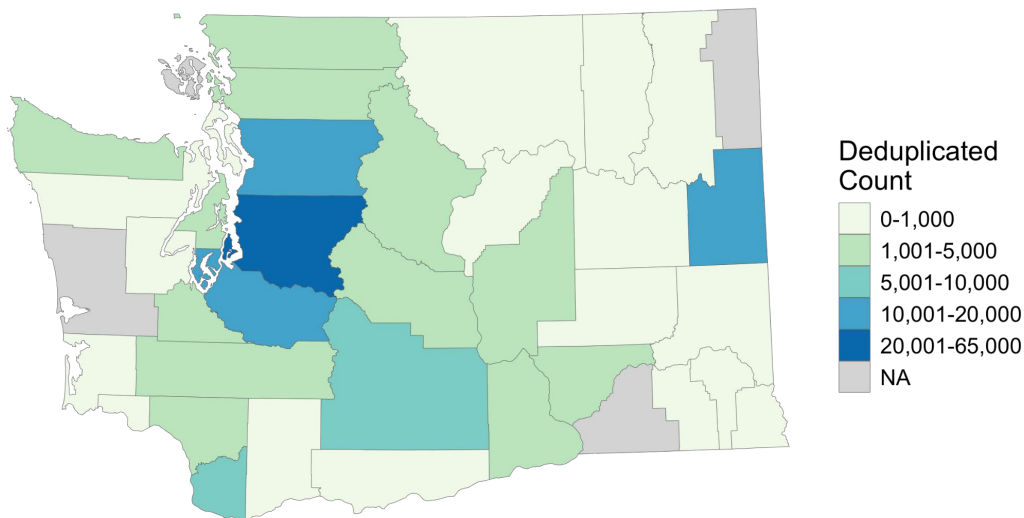


Figure 32: Subsidized Rental Housing Units, Washington Counties, 2023

Source: Washington Center for Real Estate Research

²⁴ Note that the stock of subsidized rental housing refers to units that have dedicated subsidies, such as funding from programs like the Low-Income Housing Tax Credit, Project-Based Section 8 Rental Subsidies, or Public Housing. Units occupied by households receiving Housing Choice Vouchers are excluded from the subsidized rental housing inventory.

Moreover, much of subsidized rental housing is for households at the upper end of the low-income range and sometimes even for moderate-income households (at roughly 80% to 120% or area median income). For example, inclusionary zoning programs may benefit both low- and moderate-income households. Inclusionary zoning typically means that the city permits the housing developer to build more densely if a certain portion of units is set aside for those making under an established threshold of area median income. For example, Seattle's incentive zoning program allows housing developers more density if they set aside a portion of their units to be affordable to households making 80% of the area median income. These programs are very beneficial for those households that are just below these thresholds since landlords will typically set the rent to be the maximum amount they can feasibly charge under the specific program. These supply-based subsidy programs do not support the very lowest income households, which are the ones most likely to be cost-burdened or even experiencing homelessness.

Homelessness

The number of homeless individuals is rising in Washington, mostly consisting of an increase in unsheltered homelessness (Figure 33). The estimated number of homeless individuals in the state increased 42% from 2014 to 2023, from 18,000 to 28,000 respectively.²⁵ Data published by the Washington State Department of Commerce indicate that the number of homeless persons increased further to about 31,000 by 2024.²⁶ From 2013 to 2020, the average annual rate of increase was roughly constant at about 4%. This accelerated to 10% from 2022 to 2023, after the pandemic, in part because rising housing costs affect very low-income individuals or families most severely.²⁷

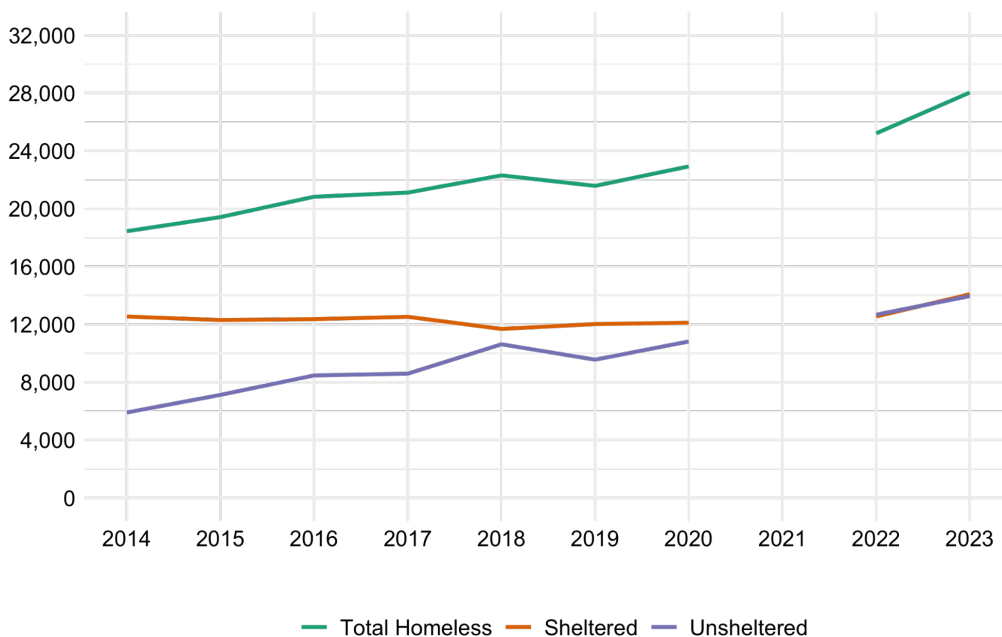


Figure 33: Point-in-Time Estimates of Overall Homeless, Washington State

Source: US Department of Housing and Urban Development

²⁵ Point-in-time estimates of homelessness are from the US Department of Housing and Urban Development, <https://www.hudexchange.info/programs/coc/coc-homeless-populations-and-subpopulations-reports/>.

²⁶ The Washington State Department of Commerce publishes a range of reports and data on homelessness. See: *Homelessness in Washington: 2023 Annual Report to Meet Requirements in RCW 43.185C*, https://app.leg.wa.gov/ReportsToTheLegislature/Home/GetPDF?fileName=CommerceReports_2023_HD_Homelessness_in_Washington_24def55e-7087-43fc-ad0c-7894a56106ab.pdf and the various reports available at <https://www.commerce.wa.gov/homelessness-response/planning-and-reporting/pit-count/>.

²⁷ While homelessness is a complex problem, it is increasingly evident that it is largely caused by lack of affordable housing; see, for example, Gregg Colburn and Clayton Page Aldern, *Homelessness is a Housing Problem: How Structural Factors Explain U.S. Patterns*, Berkeley, CA: University of California Press, 2022.

While the number of sheltered homeless has largely remained flat, the number of unsheltered homeless doubled over the last decade, accounting for 75% of the homeless population as of 2023 (Figure 33). The homeless population in Washington was far more male than female at 62% and 36% respectively, in 2023. Over time, HUD began collecting more granular gender categories adding “Neither Male nor Female” in 2017 and “Gender Questioning” in 2021 (Figure 34). The number of homeless individuals in families has remained relatively constant over time while the number of homeless individuals on their own has doubled since 2014 (Figure 35).

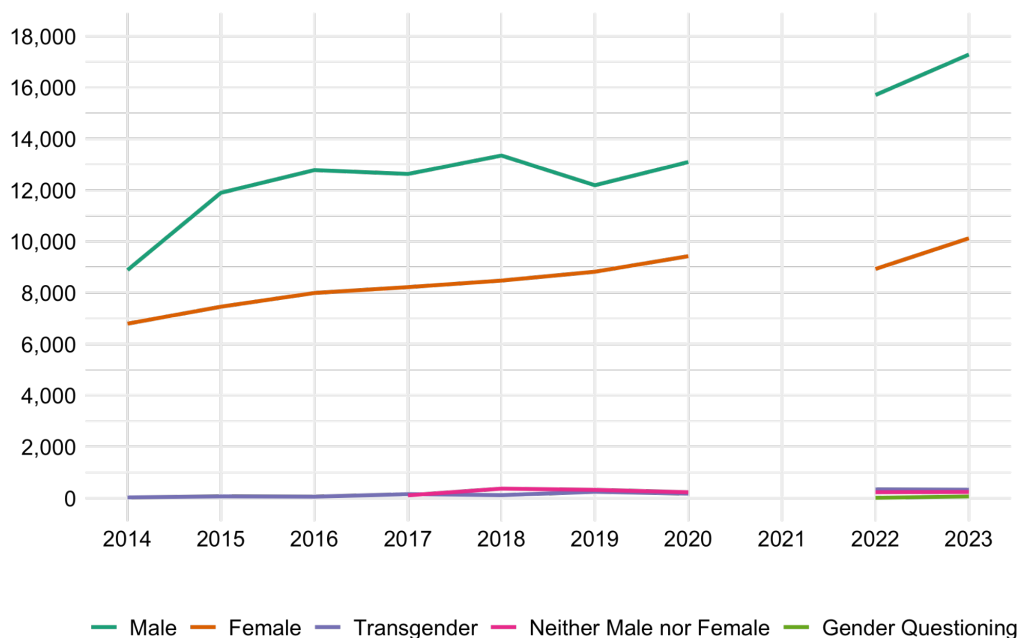


Figure 34: Point-in-Time Estimates of Homeless by Gender, Washington State

Source: US Department of Housing and Urban Development

In June 2024, the U.S. Supreme Court reversed a Ninth Circuit Court of Appeals decision that barred cities with inadequate shelter space from fining, citing, and jailing homeless people for the act of sleeping in public places when no shelter beds are available.²⁸ The legal challenge centered around a group of homeless people from Grants Pass, Oregon, who argued that city laws criminalizing sleeping outdoors, known as anti-camping laws, make homelessness as a class illegal rather than criminalizing specific conduct. They argued that outlawing camping in public places when there are no available shelter beds violates the 8th Amendment’s protection against cruel and unusual punishment. The Ninth Circuit Court of Appeals agreed and restricted western states from enforcing such anti-camping laws when there were not enough shelter beds to accommodate those people.²⁹ The US Supreme Court reversed the Ninth Circuit’s decision on the grounds that the lower court’s decision was judicial overreach because the 8th

²⁸ *City of Grants Pass v. Johnson*, U.S. Supreme Court docket no. 23-17 (June 28, 2024).

²⁹ This was based on an earlier decision by that court: *Martin v. City of Boise*, 920 F.3rd 584 (September 4, 2018).

Amendment pertains only to punishments for criminal violations and that anti-camping bans did not criminalize homelessness. This decision has added new urgency to the need to provide adequate affordable housing for the homeless, as jurisdictions are now enabled to ban camping. Several Washington cities have already passed stricter anti-camping regulations.³⁰

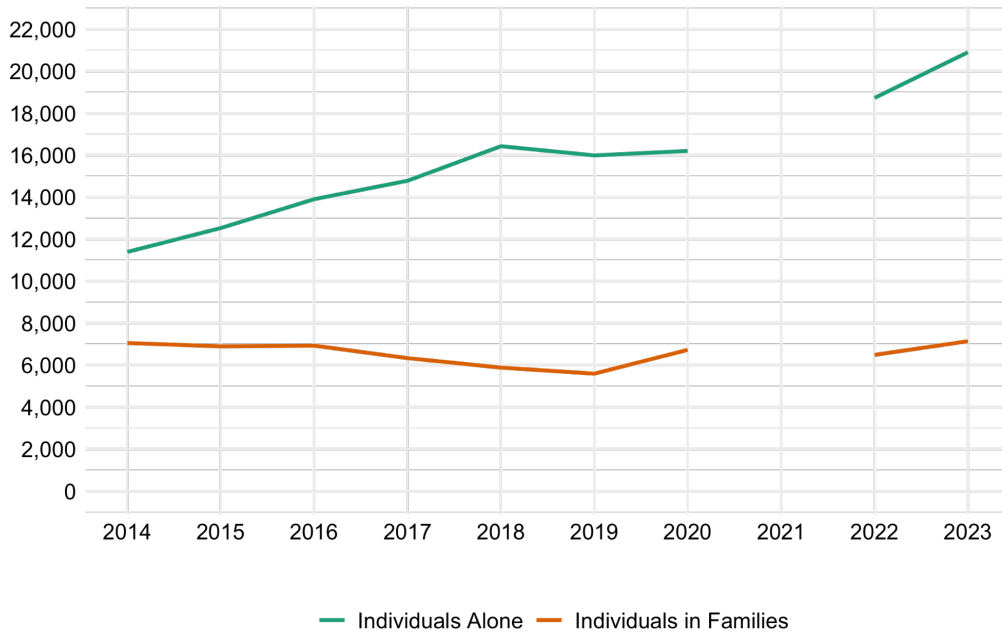


Figure 35: Point-in-Time Estimates of Homeless by Family Status, Washington State

Source: US Department of Housing and Urban Development

Homelessness is complex and not something that can be entirely resolved at the city level. The relatively high housing cost burdens experienced by extremely low-income households contribute directly to rising homelessness. The housing needs of the poorest households are fundamentally different from those which can be supplied by the market. To decrease homelessness in Washington, extensive subsidies would be needed to make housing affordable, well above and beyond what is already in place.

³⁰ See, for example, Greg Kim, “How WA cities are responding to the Supreme Court homelessness ruling,” *Seattle Times*, September 2, 2024.

Conclusion

Washington faces significant challenges in providing affordable housing for its population. Nearly half of all renter households face high cost burdens, paying more than 30% (and, in many cases, more than 50%) of income on housing costs. Reflecting increasingly costly housing, the homeless population continues to grow. Homeownership has become less and less affordable for middle-income families, with high interest rates and limited supply combining to put ownership out of reach for many. The state's growing population places additional demands on a supply of housing that is already stretched thin.

The Washington state legislature has enacted multiple laws intended to increase the supply of affordable housing. Among other things, these laws have: provided grants to help communities plan for affordable housing; mandated minimum residential densities; and allowed Accessory Dwelling Units to be built in single-family districts. Communities are required to plan for affordable housing as part of the comprehensive planning process. Fast-growing counties are required to prepare careful analyses of development densities and capacity and to publish that information in Buildable Lands Reports to help inform the comprehensive planning process. The counties are currently engaged in updating their comprehensive plans, with the first set of updates due at the end of 2024 and the final set in 2027.

Appendix

Appendix Table A: Summary of Buildable Lands Reports

County/date of report	Jurisdiction	Is housing being built at planned densities?	If needed, what are the reasonable measures being considered?	Is there sufficient buildable land available to accommodate expected population and employment growth?
Clark June 2022	Countywide	Yes, at 9 units/acre	Not currently needed	Yes (for needs projected through 2035)
	Battle Ground	Yes, 6.3 units/acre versus target of 6 units/acre	Not currently needed	Yes
	Camas	Yes, 6.5 units/acre versus target of 6 units/acre	Not currently needed	Yes
	La Center	Yes, 4.4 units/acre versus target of 4 units/acre	Not currently needed	Yes
	Ridgefield	Yes, 7.7 units/acre versus target of 6 units/acre	Not currently needed	Yes
	Vancouver	Yes, 18.3 units/acre versus target of 8 units/acre	Not currently needed	Yes
	Vancouver (unincorporated urban growth area)	No, 7.4 units/acre versus target of 8 units/acre (note that report states that the target was met although the data presented in Figure 9 suggest otherwise)	Not currently needed (according to the Buildable Lands Report)	Yes
	Washougal	Yes, 6.3 units/acre versus target of 6 units/acre	Not currently needed	Yes

County/date of report	Jurisdiction	Is housing being built at planned densities?	If needed, what are the reasonable measures being considered?	Is there sufficient buildable land available to accommodate expected population and employment growth?
	Woodland	Yes, 4.2 units/acre versus target of 4 units/acre	Not currently needed	Yes, buildable residential land capacity is adequate to meet needs projected through 2035; no employment needs are projected
	Yacolt	No target specified due to lack of public sewer	Not currently needed	Yes
King December 2021 (see notes at the bottom of the table)	Countywide	Yes, overall	Not currently needed	Yes, for needs projected through 2035
	Auburn (part)	No	Not currently needed (according to the report)	Buildable residential land capacity is adequate to meet needs projected through 2035; however, employment capacity is inadequate
	Bothell (part)	No	Not currently needed	Yes
	Burien	No	Actions to increase employment capacity and encourage non-residential development are needed	Buildable residential land capacity is adequate; however, employment capacity is inadequate
	Bellevue	Yes	Not currently needed	Yes
	Federal Way	No	Not currently needed	Yes
	Kent	No	Not currently needed	Yes
	Kirkland	No	Not currently needed	Yes
	Redmond	Yes	Not currently needed	Yes
	Renton	No	Not currently needed	Yes
	SeaTac	No	Not currently needed	Buildable residential land capacity is adequate; however, employment capacity is inadequate

County/date of report	Jurisdiction	Is housing being built at planned densities?	If needed, what are the reasonable measures being considered?	Is there sufficient buildable land available to accommodate expected population and employment growth?
	Seattle	Yes	Not currently needed	Yes
	Tukwila	Yes	Actions to encourage both residential and non-residential development are needed	Yes
	Larger cities (as a group)	No, for Des Moines, Issaquah, Kenmore, Maple Valley, Mercer Island, Newcastle, Shoreline, and Woodinville; yes, for Maple Valley and Sammamish.	Actions to increase residential capacity are needed in Sammamish; actions to increase employment capacity are needed in Shoreline	Buildable land capacity is adequate except in Des Moines, Shoreline, and Woodinville, where employment capacity is inadequate
	Small cities (as a group)	No, for Algona, Beaux Arts, Black Diamond, Carnation, Enumclaw, Milton (part), Normandy Park, North Bend, Skykomish, Snoqualmie, and Yarrow Point; yes, for Clyde Hill, Covington, Duvall, Hunts Point, Lake Forest Park, Medina, Newcastle, and Pacific (part).	Actions are needed to increase employment capacity in Pacific	Buildable land capacity is adequate except in Beaux Arts, Enumclaw, and Sammamish, where residential capacity is inadequate, and in Pacific, where employment capacity is inadequate
	Unincorporated urban growth area	No	Not currently needed	Buildable residential land capacity is adequate; however, employment capacity is inadequate
Kitsap November 2021	Countywide	Yes, average target densities are being achieved in all incorporated areas	Not currently needed	Yes, in all incorporated jurisdictions, to meet needs projected through 2036; however, the unincorporated areas in the county do not have sufficient

County/date of report	Jurisdiction	Is housing being built at planned densities?	If needed, what are the reasonable measures being considered?	Is there sufficient buildable land available to accommodate expected population and employment growth?
				buildable lands to meet projected demand
	Bainbridge Island	Bainbridge Island generally has only maximum densities for residential uses; however, existing densities are sufficient to meet demand	Not currently needed	Yes
	Bremerton	Yes	Not currently needed	Yes
	Port Orchard	Not all residential zones achieved minimum allowed densities	Not currently needed	Yes
	Poulsbo	Yes	Not currently needed	Yes
	Unincorporated urban growth areas	Not all residential zones achieved minimum allowed densities	Some upzoning and other measures are being implemented or may be needed to encourage residential and economic development and increase capacity in various parts of the unincorporated urban growth areas	There are shortfalls in both residential and employment capacity
Pierce November 2022	Countywide	The Buildable Lands Report gives information about achieved densities, but these are not compared with targets	The Buildable Lands Report generally does not discuss reasonable measures with the exceptions of Bonney Lake and Fife, both of which are deemed not to require them	Yes (to meet needs projected through 2044)
	Auburn (part)	See countywide comment above	Not discussed	Yes

County/date of report	Jurisdiction	Is housing being built at planned densities?	If needed, what are the reasonable measures being considered?	Is there sufficient buildable land available to accommodate expected population and employment growth?
	Bonney Lake	See countywide comment above	Not currently needed (according to the report)	Buildable employment capacity is adequate, but there is a shortfall in residential capacity
	Buckley	See countywide comment above	Not discussed	Yes
	Carbonado	See countywide comment above	Not discussed	Yes
	DuPont	See countywide comment above	Not discussed	Buildable employment capacity is adequate, but there is a shortfall in residential capacity
	Eatonville	See countywide comment above	Not discussed	Yes
	Edgewood	See countywide comment above	Not discussed	Yes
	Fife	See countywide comment above	Not currently needed	There are shortfalls in both residential and employment capacity
	Fircrest	See countywide comment above	Not discussed	Buildable employment capacity is adequate, but there is a shortfall in residential capacity
	Gig Harbor	See countywide comment above	Not discussed	Yes
	Lakewood	See countywide comment above	Not discussed	Yes
	Milton (part)	See countywide comment above	Not discussed	Yes
	Orting	See countywide comment above	Not discussed	Yes
	Pacific (part)	See countywide comment above	Not discussed	Buildable employment capacity is adequate, but there is a small (9 unit) shortfall in residential capacity
	Puyallup	See countywide comment above	Not discussed	There are shortfalls in both residential and employment capacity, although the residential shortfall is small (17 units)

County/date of report	Jurisdiction	Is housing being built at planned densities?	If needed, what are the reasonable measures being considered?	Is there sufficient buildable land available to accommodate expected population and employment growth?
	Roy	See countywide comment above	Not discussed	Yes
	Ruston	See countywide comment above	Not discussed	Yes
	South Prairie	See countywide comment above	Not discussed	Yes
	Steilacoom	See countywide comment above	Not discussed	Yes
	Sumner	See countywide comment above	Not discussed	Yes
	Tacoma	See countywide comment above	Not discussed	Yes
	University Place	See countywide comment above	Not discussed	Buildable residential capacity is adequate, but there is a shortfall in employment capacity
	Wilkeson	See countywide comment above	Not discussed	Buildable employment capacity is adequate, but there is a small (26 unit) shortfall in residential capacity
	Unincorporated urban growth area	See countywide comment above	Not discussed	Yes
Snohomish September 2021	Countywide	Yes, urban densities are being achieved consistent with the comprehensive plan; note that this information is not provided in the Buildable Lands Report for specific jurisdictions	Specific reasonable measures are not discussed in the Buildable Lands Report; instead, localities are referred to Appendix D of the Countywide Planning Policies for guidance on possible reasonable measures	Yes, for needs projected through 2035
	Arlington	See countywide comment above	See countywide comment above	Yes
	Bothell (part)	See countywide comment above	See countywide comment above	Yes
	Brier	See countywide comment above	See countywide comment above	Buildable employment capacity is adequate, but there is a small (10 unit) shortfall in residential capacity

County/date of report	Jurisdiction	Is housing being built at planned densities?	If needed, what are the reasonable measures being considered?	Is there sufficient buildable land available to accommodate expected population and employment growth?
	Darrington	See countywide comment above	See countywide comment above	Yes
	Edmonds	See countywide comment above	See countywide comment above	Yes
	Everett	See countywide comment above	See countywide comment above	Buildable employment capacity is adequate, but there is a shortfall in residential capacity
	Gold Bar	See countywide comment above	See countywide comment above	Yes
	Granite Falls	See countywide comment above	See countywide comment above	Buildable residential capacity is adequate, but there is a shortfall in employment capacity
	Index	See countywide comment above	See countywide comment above	Yes
	Lake Stevens	See countywide comment above	See countywide comment above	There are shortfalls in both residential and employment capacity
	Lynnwood	See countywide comment above	See countywide comment above	Yes
	Marysville	See countywide comment above	See countywide comment above	Yes
	Mill Creek	See countywide comment above	See countywide comment above	Yes
	Monroe	See countywide comment above	See countywide comment above	Yes
	Mountlake Terrace	See countywide comment above	See countywide comment above	Yes
	Mukilteo	See countywide comment above	See countywide comment above	Buildable employment capacity is adequate, but there is a shortfall in residential capacity
	Snohomish	See countywide comment above	See countywide comment above	Yes
	Stanwood	See countywide comment above	See countywide comment above	Yes
	Sultan	See countywide comment above	See countywide comment above	Yes
	Woodway	See countywide comment above	See countywide comment above	Buildable residential land capacity is adequate; no employment growth is projected

County/date of report	Jurisdiction	Is housing being built at planned densities?	If needed, what are the reasonable measures being considered?	Is there sufficient buildable land available to accommodate expected population and employment growth?
	Unincorporated urban growth area	See countywide comment above	See countywide comment above	Yes
Thurston June 2021	Countywide	Yes, densities in all urban areas exceed the overall target of 4 housing units per acre	Not currently needed	Yes, capacity exceeds requirements projected through 2040 by 18%
	Bucoda	Yes	Not currently needed	Yes
	Lacey	Yes	Not currently needed	Yes
	Olympia	Yes	Not currently needed	Yes
	Rainier	Yes	Not currently needed	Yes
	Tenino	Yes	Not currently needed	Yes
	Tumwater	Yes	Not currently needed	Yes
	Yelm	Yes	Not currently needed	Yes
	Grand Mound urban growth area	No	Not currently needed	Yes
Whatcom February 2023	Countywide	Yes, for the county overall	Not currently needed	Yes, for needs projected through 2036
	Bellingham	Yes, 11.6 units/acre versus target of 7.2 units/acre	Not currently needed	Yes
	Birch Bay	No, 4.5 units/acre versus target of 5.0 units/acre	Zoning code adjustments such as increases in allowed densities, minimum densities, or maximum lot sizes in residential zones	Buildable employment capacity is adequate, but there is a shortfall in residential capacity
	Blaine	Yes, 4.4 units/acre versus target of 4.3 units/acre	Not currently needed	Yes
	Cherry Point	Not tracked	Not currently needed	Yes
	Columbia Valley	Yes, 4.9 units/acre versus target of 4.0 units/acre	Not currently needed	Yes

County/date of report	Jurisdiction	Is housing being built at planned densities?	If needed, what are the reasonable measures being considered?	Is there sufficient buildable land available to accommodate expected population and employment growth?
	Everson	Yes, 4.8 units/acre versus target of 4.0 units/acre	Not currently needed	Yes
	Ferndale	Yes, 6.1 units/acre versus target of 4.0 units/acre	Not currently needed	Yes
	Lynden	Yes, 7.2 units/acre versus target of 5.0 units/acre	Not currently needed	Yes
	Nooksack	Yes, 5.2 units/acre versus target of 4.4 units/acre	Not currently needed	Yes
	Sumas	Yes, 7.5 units/acre versus target of 4.9 units/acre	Not currently needed	Yes
	Unincorporated urban growth areas	Several unincorporated UGAs generally did not achieve density targets during the 2016-2021 review period (Bellingham, Ferndale, and Lynden), while others did not experience any development (Everson, Nooksack, and Sumas); the Blaine unincorporated UGA did exceed the target density (4.7 versus 4.0 units/acre)	Not addressed separately	Included with the relevant cities above

Sources: Buildable Lands Reports (see text for citations)

Notes: For King County, we list cities categorized as "Metropolitan" or "Core" individually, while those categorized as "Larger" or "Small" are summarized by category. Note that the King County *Urban Growth Capacity Report* does not categorize cities in a consistent manner (for example, Issaquah is sometimes categorized as a Core city and sometimes as a Larger city). For consistency, we categorize cities as shown in Exhibit 13 of the report. The information about achievement of planned densities for individual jurisdictions in King County is based on Exhibit 50 of the King County *Urban Growth Capacity Report*, which lists jurisdictions having "potential inconsistencies related to achieved residential densities being lower than 50% of the zone category density max".

Appendix Table B: Subsidized Housing Inventory by County and Statewide, 2023

County	WSHFC	HTF	RHS	HUD	PHA	MFTE	Total
Adams	212	229	163	52	210	-	572
Asotin	80	55	-	47	140	-	275
Benton	2,843	525	78	760	390	-	3,726
Chelan	373	410	431	299	366	-	1,206
Clallam	950	599	398	106	408	-	1,803
Clark	4,691	2,054	191	1,158	2,147	127	7,126
Columbia	25	6	24	-	-	-	55
Cowlitz	677	452	151	199	116	-	1,294
Douglas	207	133	79	18	59	-	328
Ferry	33	18	28	17	-	-	83
Franklin	729	295	86	121	280	-	1,337
Garfield	-	2	-	-	-	-	2
Grant	1,117	721	527	311	265	-	2,290
Grays Harbor	747	238	162	222	-	-	1,013
Island	440	140	574	78	110	-	803

County	WSHFC	HTF	RHS	HUD	PHA	MFTE	Total
Jefferson	282	119	186	93	-	-	491
King	59,015	17,727	277	4,810	7,606	2,356	65,806
Kitsap	2,673	893	510	772	343	12	4,080
Kittitas	766	177	226	233	-	-	1,179
Klickitat	48	46	164	72	-	-	330
Lewis	890	303	255	331	-	-	1,163
Lincoln	15	58	38	35	-	-	78
Mason	82	79	298	120	-	-	384
Okanogan	424	311	419	85	25	-	935
Pacific	165	95	176	27	-	-	301
Pend Oreille	31	43	83	22	-	-	148
Pierce	8,191	2,649	120	1,787	129	177	11,046
San Juan	197	91	152	-	-	-	302
Skagit	1,549	758	588	183	191	-	2,504
Skamania	23	68	96	36	-	-	164
Snohomish	14,590	2,007	1,053	1,147	196	120	16,365

County	WSHFC	HTF	RHS	HUD	PHA	MFTE	Total
Spokane	7,199	2,855	208	2,582	752	126	10,895
Stevens	179	104	181	83	-	-	395
Thurston	2,726	798	253	472	70	192	3,953
Wahkiakum	-	19	-	-	-	-	19
Walla Walla	517	595	-	174	213	24	1,228
Whatcom	3,036	1,020	188	256	567	-	4,302
Whitman	283	190	-	148	-	-	564
Yakima	2,611	1,491	1,169	838	465	-	5,064
Multiple counties	-	1,549	-	-	-	-	1,549
<i>Statewide</i>	<i>118,616</i>	<i>38,373</i>	<i>9,532</i>	<i>17,694</i>	<i>15,048</i>	<i>3,134</i>	<i>153,609</i>

Sources: For details about data sources, see <https://wcrer.be.uw.edu/housing-market-data-toolkit/subsidized-rental-housing-profile/>.

Notes: These counts are preliminary. While every effort has been made to obtain correct information, complete data was not available from all sources. Key to data sources: WSHFC = Washington State Housing Finance Commission; HTF = Washington State Housing Trust Fund; RHS = US Department of Agriculture, Rural Housing Service; HUD = US Department of Housing and Urban Development; PHA = Public Housing Authorities; MFTE = Multifamily Property Tax Exemption Program; Total = deduplicated totals (units funded by more than one source were counted only once). The PHA data were obtained partly from HUD and partly from a survey of PHAs conducted by Berk Consulting.