

2024 Housing Monitoring Update

The State of the Region's Housing



Puget Sound Regional Council



November 2024



We are leaders in the region to realize equity for all. Diversity, racial equity and inclusion are integrated into how we carry out all our work.

psrc.org/equity

Background



The Regional Housing Strategy was adopted by the Executive Board in February 2022.

PSRC will deliver an annual update to cities, counties, and other stakeholders as they implement the strategy, and provide resources and support for the 2024 local comprehensive plan update.

This presentation continues that work, monitoring and presenting the state of the region's housing landscape.



Homeownership Affordability

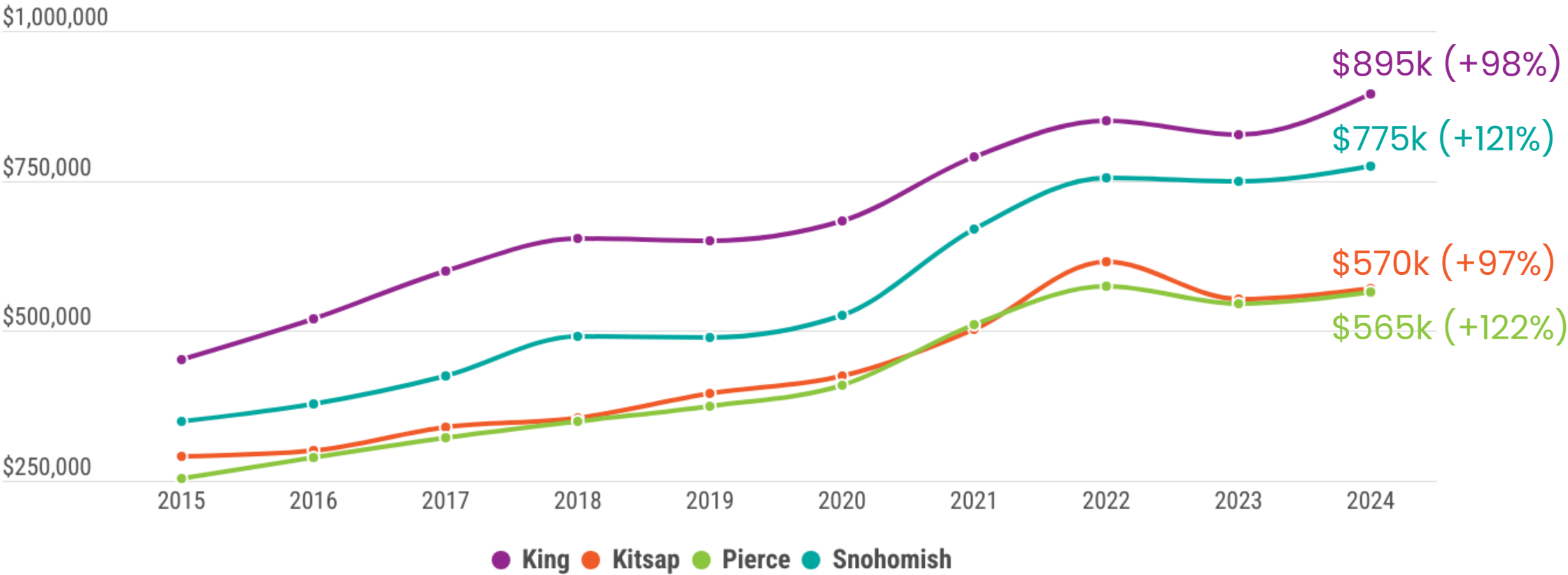
Ownership is Out of Reach

Between high home prices and mortgage rates, purchasing a home is more expensive than ever.



Homeownership Affordability

Typical home values have increased significantly, with prices highest in King and Snohomish counties

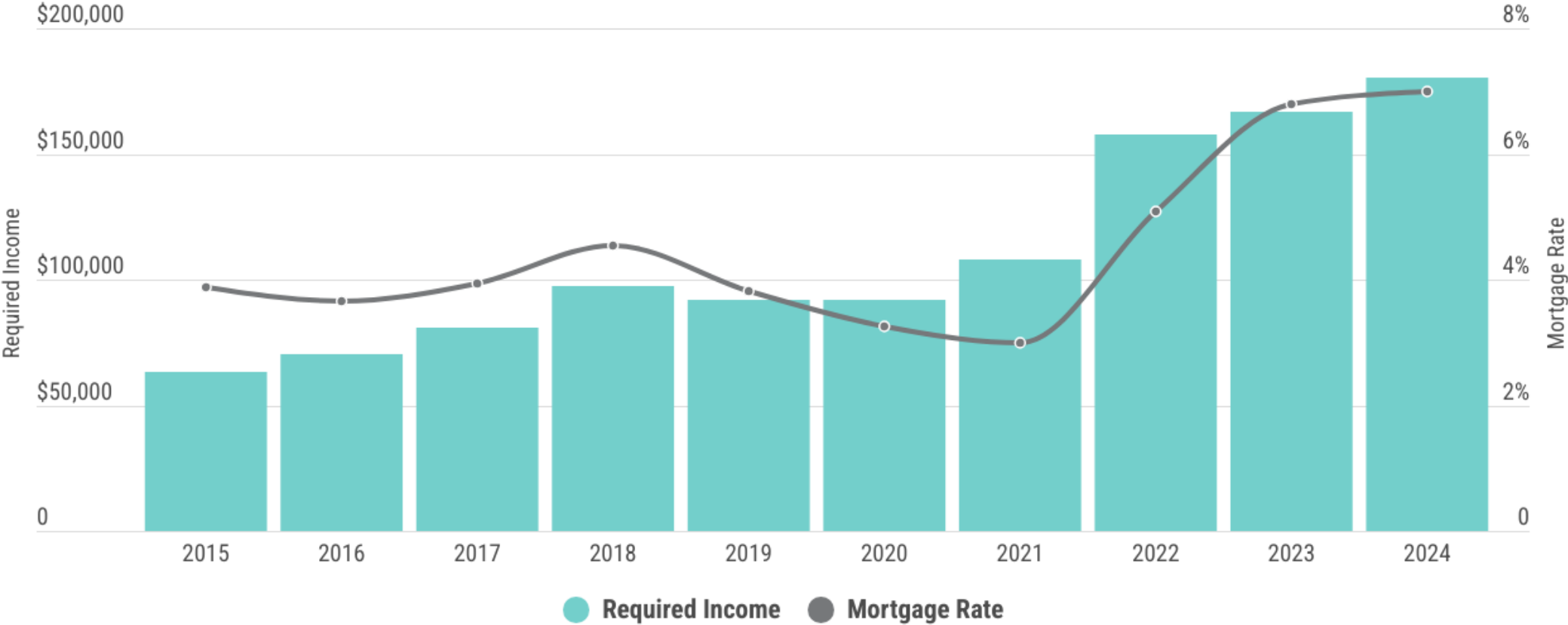


Source: Zillow, Home Value Index. Estimates are based on data collected in June of each year.



Homeownership Affordability

Income required to purchase the typically priced home hit an all-time high



Source: Zillow, Home Value Index; Freddie Mac, Primary Mortgage Market Survey; required income values calculated by PSRC
Note: Data are for the Seattle-Tacoma-Bellevue metropolitan statistical area which represents King, Pierce, and Snohomish counties. Assumes a 31% debt-to-income ratio, 30-year fixed rate mortgage, 20% down payment, 1% property tax, and 0.35% property insurance rate. Estimates are based on data collected in June of each year.



Homeownership Affordability

What types of workers could afford the region's typically priced home?

In 2015

Mail carriers, bus mechanics, teachers, social workers, graphic designers



who earned
\$60,000

Approximately 2 in 5 workers

In 2020

Professors, skilled tradespeople, firefighters, dental hygienists, nurses

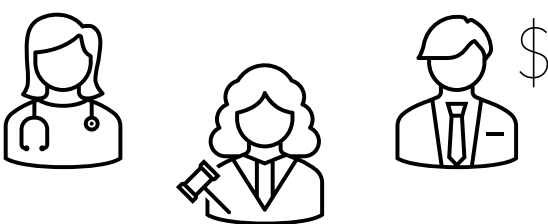


who earned
\$90,000

Approximately 1 in 5 workers

In 2023

Doctors, lawyers, managers, finance/technology professionals



who earned
\$167,000

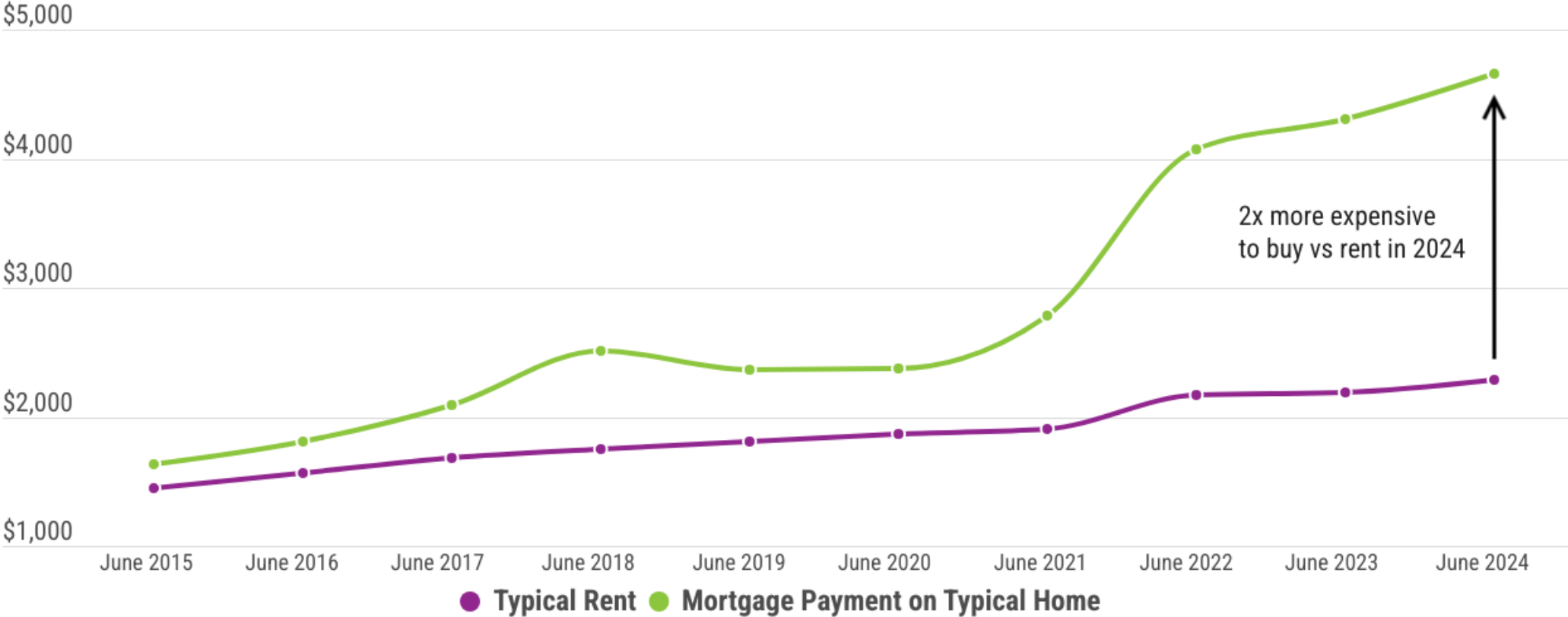
Approximately 1 in 25 of workers

Source: Zillow, Home Value Index; Washington Employment Security Department, Occupational Employment and Wage Estimates for Seattle-Bellevue-Everett MSA; required income and worker ratio values calculated by PSRC



Homeownership Affordability

Today, it's 2x more expensive to buy than to rent, placing greater pressure on an already heated rental market.



Source: Zillow, Home Value Index, Observed Rent Index; Freddie Mac, Primary Mortgage Market Survey; gap between typical rent and mortgage payment values calculated by PSRC
Note: Data are for the Seattle-Tacoma-Bellevue metropolitan statistical area which represents King, Pierce, and Snohomish counties. Assumes a 31% debt-to-income ratio, 30-year fixed rate mortgage, 20% down payment, 1% property tax, and 0.35% property insurance rate.



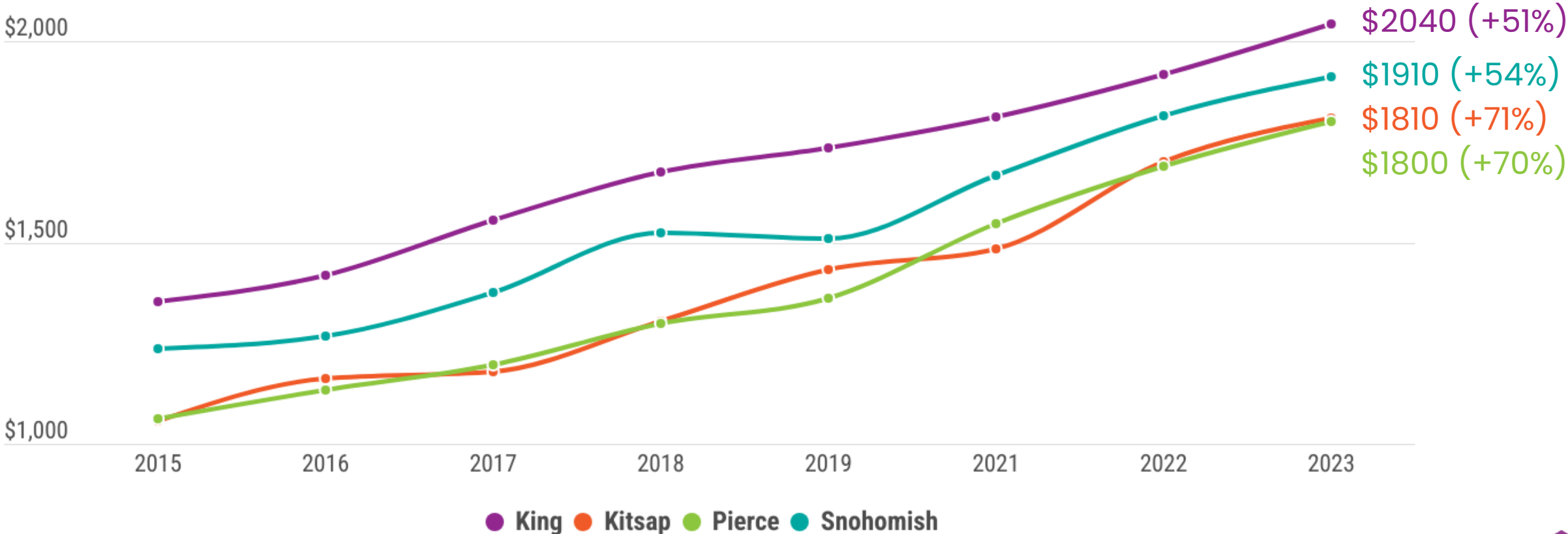
Rental Affordability

Rents are high

Renter cost burden continues to worsen for low & moderate-income households.

Rental Affordability

Rents have risen significantly across the region, with the largest percentage jump in Kitsap and Pierce counties

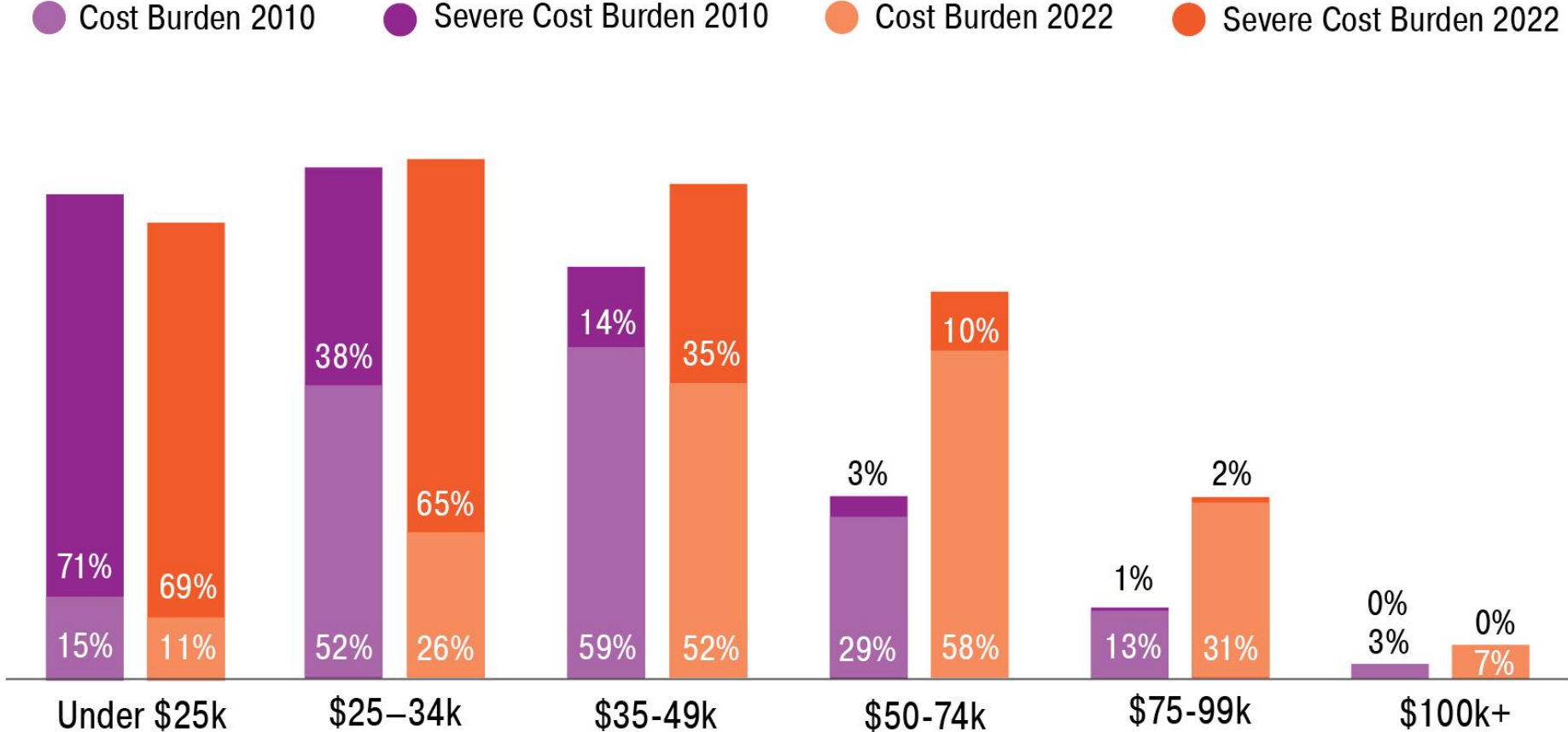


Source: U.S. Census Bureau, American Community Survey, 1 Year Estimates



Rental Affordability

Renter cost burden continues to worsen for low & even moderate-income households.



Source: U.S. Census Bureau, American Community Survey, 2010 and 2022 5-Year Public Use Microdata Sample



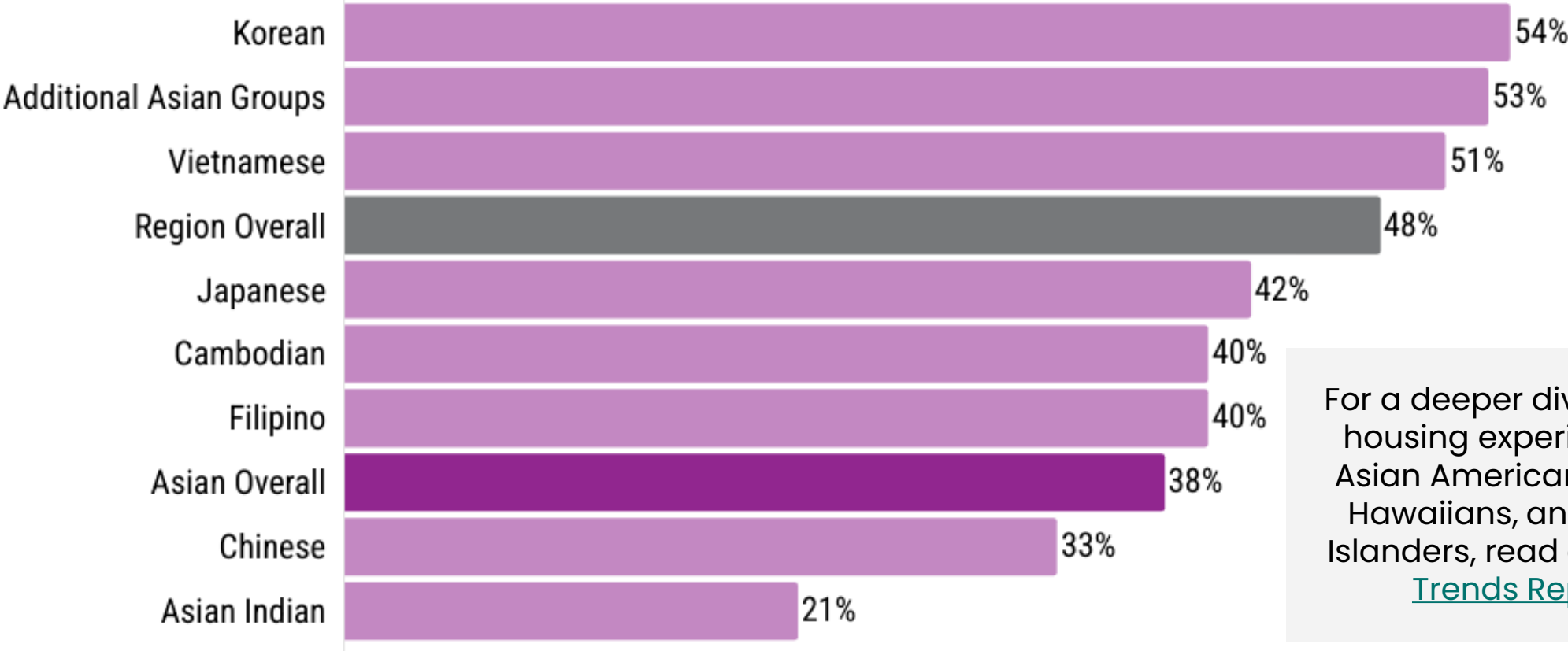
Rental Affordability

Disparities across **race & ethnicity** persist. Renter cost burden is higher for communities of color.



Rental Affordability

Among Asian subpopulations, renter cost burden varies widely.



For a deeper dive into the housing experiences of Asian Americans, Native Hawaiians, and Pacific Islanders, read our [Equity Trends Report](#).

Source: U.S. Census Bureau, American Community Survey, 2022 5-Year Public Use Microdata Sample



Affordability - Homelessness

20,000+ people living without proper shelter in the region

King County

16,000+

Kitsap County

500+

Pierce County

2,600+

Snohomish County

1,100+

These data are **assumed to be an undercount**. Homelessness has many drivers, but a lack of housing affordable to most residents will only worsen the crisis.



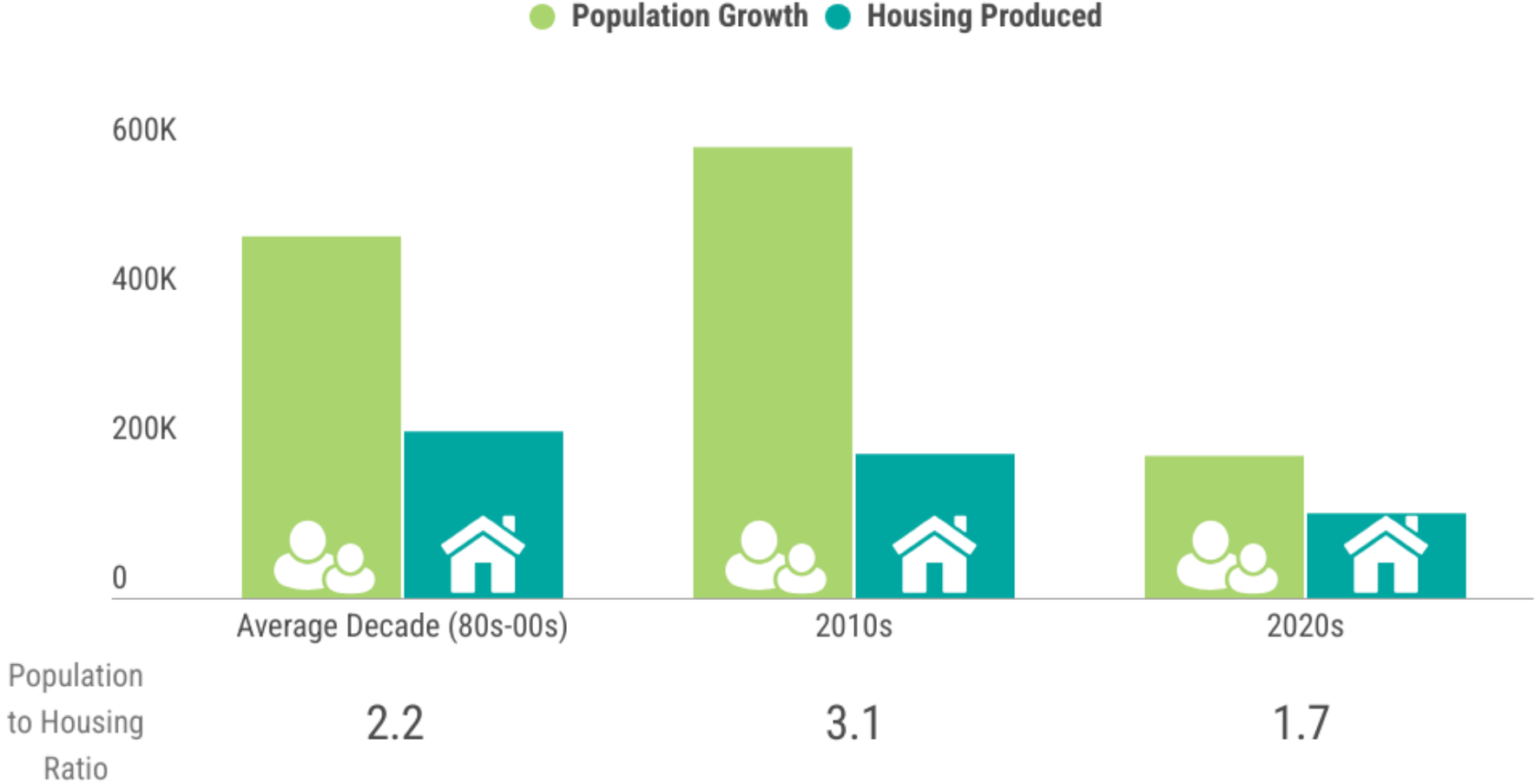
Our Region Continues to Grow

Continued Growth

The region's population continues to rise, and more growth is expected over the coming decades. New state laws are guiding jurisdictions on how to prepare.

Our Region Continues to Grow

The region underbuilt housing in the 2010s given its population growth. We're starting to address this shortage, but more is needed.



Source: U.S. Census Bureau, Decennial Census; WA Office of Financial Management, April 1 Population and Housing Estimates – 2024 Postcensal



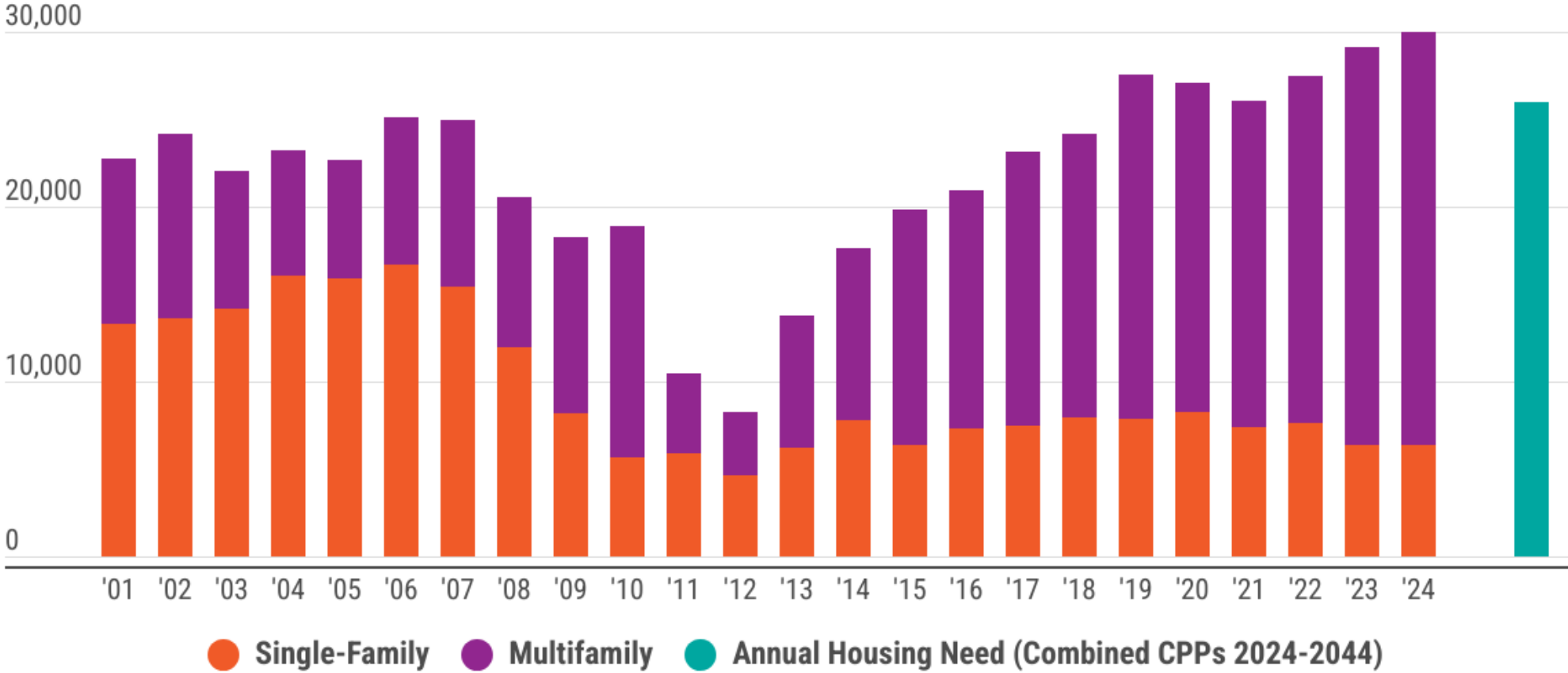
New Housing Supply Is on The Way

Production & Permitting

Housing production is increasing across the region, however a slowdown in permitting has taken hold.

New Housing Supply Is on The Way

Annual housing production is at an all-time high, helping to address the housing shortage

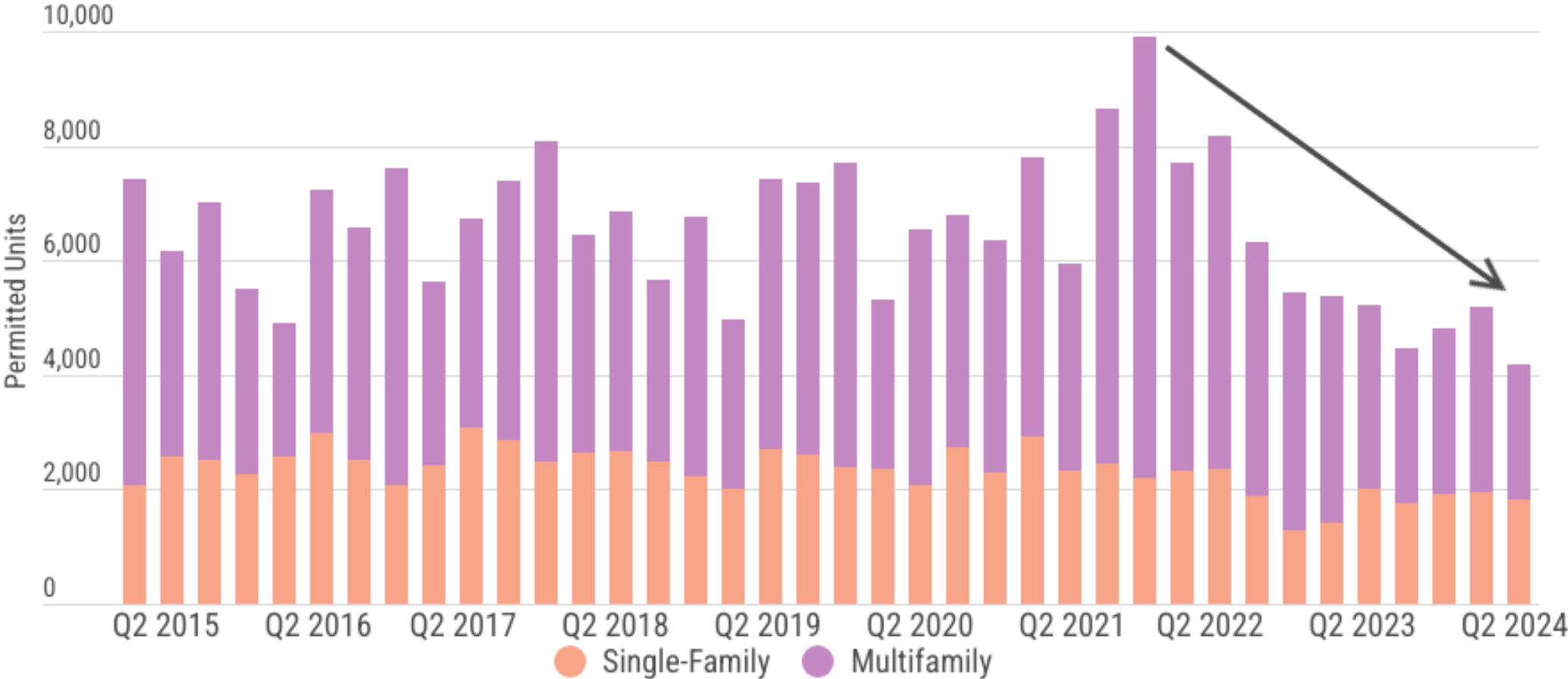


Source: PSRC calculations using: OFM, Postcensal Housing Unit Estimates 2000-2024, Intercensal Housing Estimates 2000-2020; 2000 Decennial Census, Table H30.



New Housing Supply Is on The Way

Unfortunately, looking upstream, permitted multifamily units are on the decline



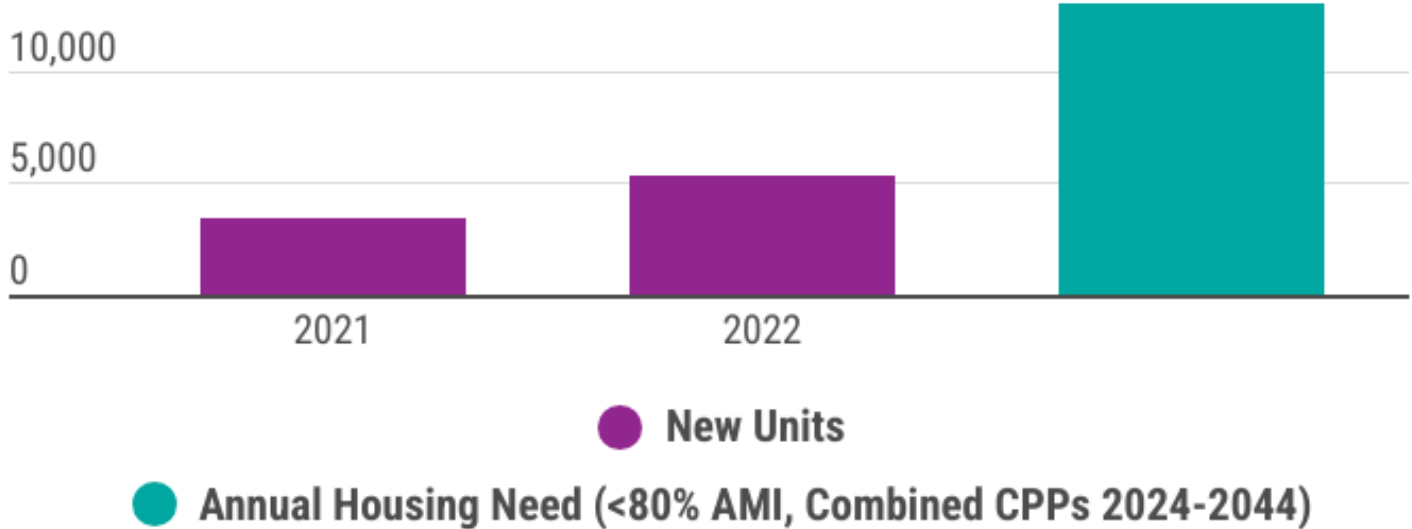
Source: U.S. Census Bureau, Building Permits Survey
Note: Represents data from Q1 2015 to Q2 2024



New Housing Supply Is on The Way

In 2022, the region produced 5,000+ units of income-restricted housing. However, to meet the region’s goals, 15,000 units will be needed annually (<80% AMI).

	King	Kitsap	Pierce	Snohomish	Total
Total	68,210	3,630	9,950	14,810	96,600
New in 2022	4,490	70	180	600	5,340



Source: PSRC, Income-Restricted Housing Database; King County, King County Income-Restricted Housing Database
 Note: Data are for income-restricted properties in service as of December 2022.



Local Progress

Planning for Affordable Housing

Jurisdictions are updating their plans and development regulations to accommodate more housing regionwide.

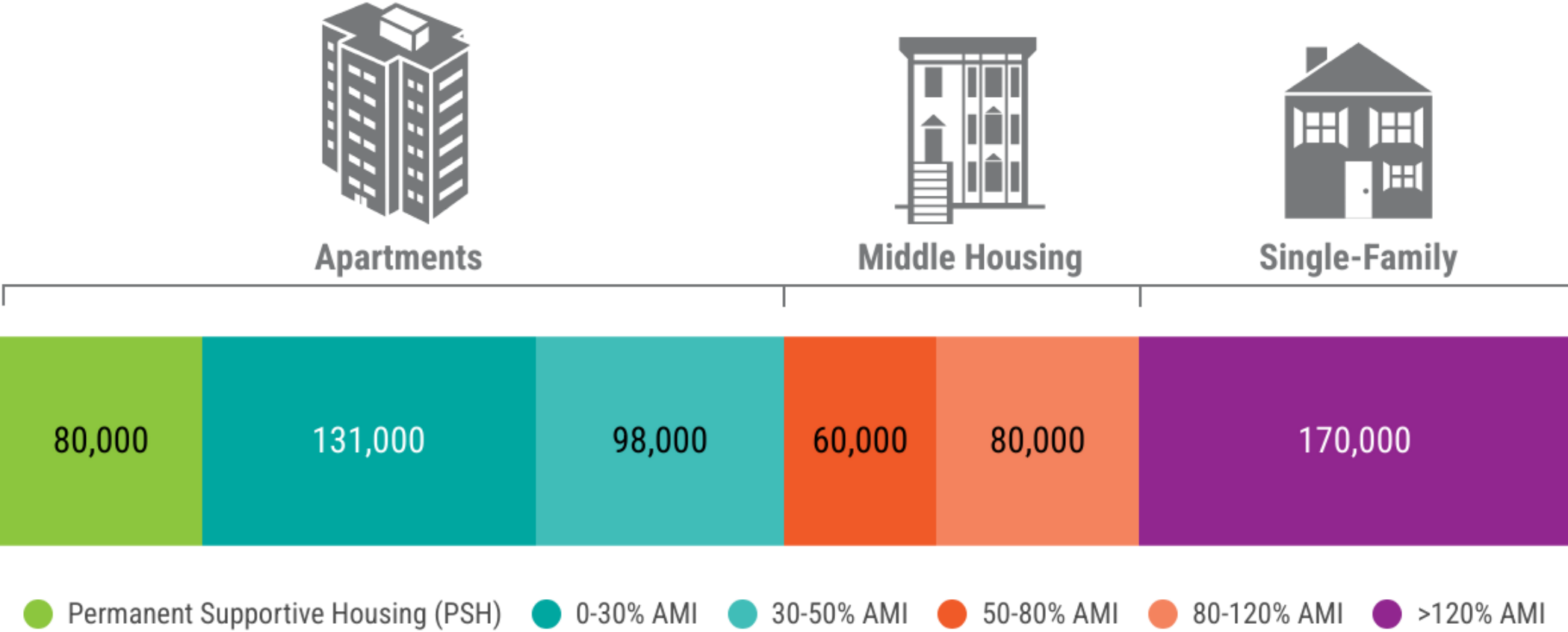
Local Progress – Comprehensive Plan Updates

- Planning for housing at all income levels
- Allowing various types of “middle housing”
- Addressing barriers to housing development (see [Adequate Provisions guidance](#) , via Department of Commerce)



Local Progress – Housing Targets

Regionwide, jurisdictions are planning for 620,000+ new housing units and 77,000+ emergency housing beds by 2044



Source: Countywide Planning Policies: King, Kitsap, Pierce, and Snohomish Counties



Continued Implementation

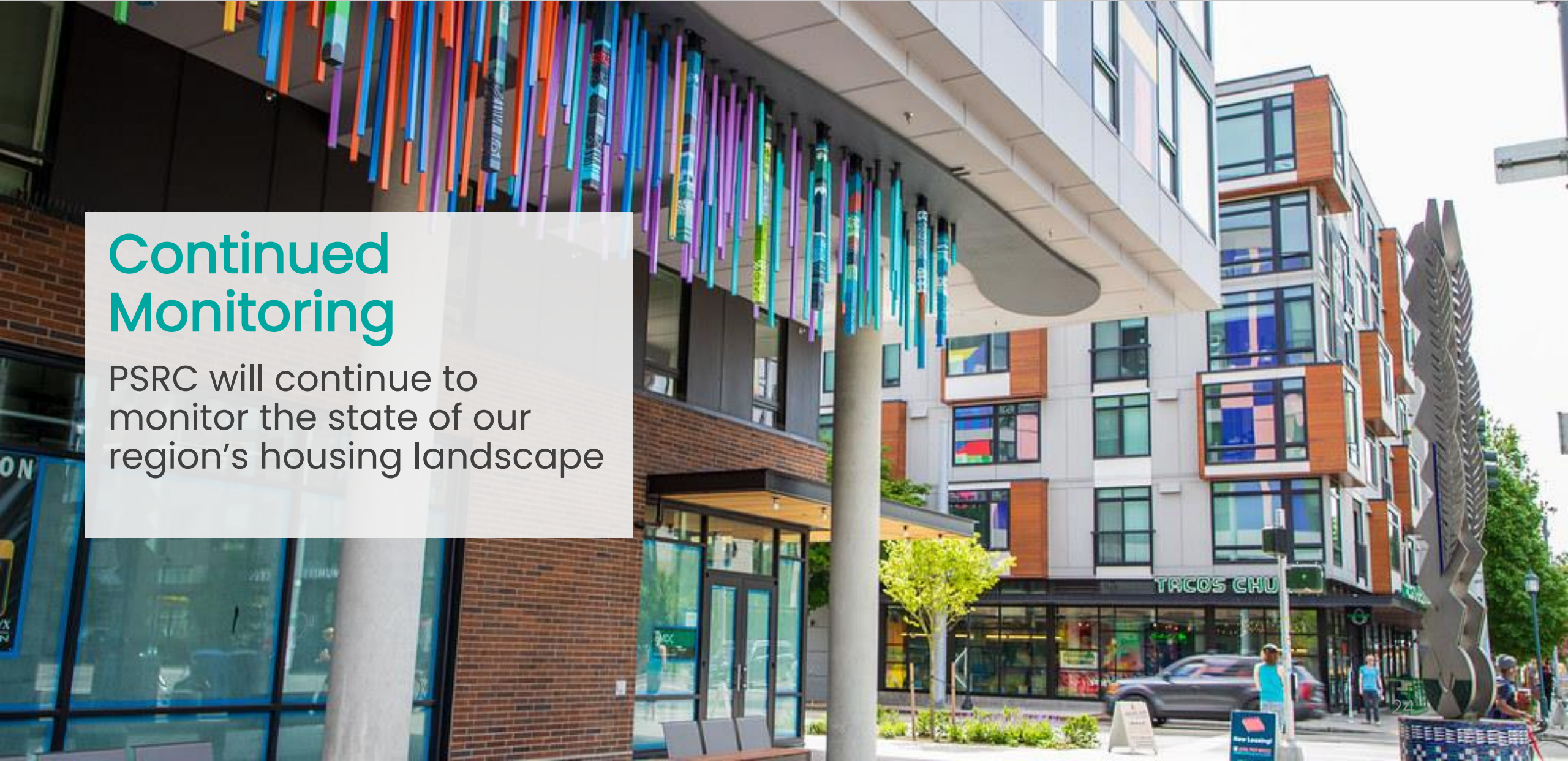
- Adopt and implement programs to support housing
- Resources are available:
 - [Housing Innovations Program \(HIP\)](#)
 - [Housing Opportunities by Place \(HOP\)](#)
 - Guidance for [STEP Housing](#), via Department of Commerce



Next Steps

Continued Monitoring

PSRC will continue to monitor the state of our region's housing landscape



Next Steps

- PSRC will provide **annual updates** on housing monitoring efforts
- PSRC will survey cities and counties for the [Housing Incentives and Tools Survey \(HITS\)](#) in 2025 – stay tuned!





Thank You!

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Puget Sound Regional Council