

REPORT TO THE LEGISLATURE

Housing Market Data Toolkit

As required under RCW 36.70A.610

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ACKNOWLEDGMENTS

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This report and the associated data are available from the Washington Center for Real Estate Research at <https://wcrer.be.uw.edu/>. Questions about the report and its content should be directed to:

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EXECUTIVE SUMMARY

This report is presented in response to RCW 36.70A.610, which requires the Washington Center for Real Estate Research (WCRER) at the University of Washington to compile housing supply and affordability metrics for each city planning under RCW 36.70A.040 with a population of 10,000 or more. The Washington State Department of Commerce has contracted with the WCRER to produce these data. Although not required by the legislation, the data are provided (where possible) for all cities with populations of 10,000 or more and, in some cases, for counties. The data are presented in the [Housing Market Data Toolkit](#) hosted on WCRER's web site.

Additional data relevant to housing affordability is provided in the [Housing Market Reports and Apartment Market Reports](#) produced by WCRER under contract with the Washington State Department of Licensing. These reports provide median prices, affordability indexes for home buyers, average rents, and other data at the county level.

This current compilation reflects WCRER's efforts to improve the quality, timeliness, and usefulness of the information provided. In addition, the WCRER now plans to update the data regularly throughout the year as significant new information becomes available, which will also increase the timeliness and usefulness of the data.

In addition to the data provided in response to RCW 36.70A.610, the WCRER is completing an inventory of subsidized rental housing for cities and counties. The Department of Commerce is required to prepare such an inventory under RCW 43.185B.040 in coordination with the Affordable Housing Advisory Board. This will also be updated periodically as the source data are updated.

These data will provide a wide range of information for jurisdictions to use in assessing affordable housing supply and demand for both the general market as well as for targeted income and demographic groups. This analysis may include updates for housing elements in comprehensive plans required under RCW 36.70A.070, or the development of housing needs assessments as part of housing action plans described in RCW 36.70A.600. The data will also be useful to the state's Affordable Housing Advisory Board (AHAB) in their ongoing work. The elements of the Toolkit are:

- Census Data
- City House Price Data
- Rental Housing Markets
- City Housing Affordability Indexes
- Permits and Completions
- Subsidized Rental Housing

INTRODUCTION

During the 2019 legislative session, affordable housing and housing supply issues were a primary issue of concern. Inward population migration, economic growth, and shortage of new housing supply were contributing to rapidly rising house prices and rents. In that context, HB 1923 was adopted to encourage local governments to take actions that would increase the stock of affordable housing. Local governments were offered grants to adopt options from of a list of potential actions in RCW 36.70A.600, or adopt a Housing Action Plan that would facilitate development of housing affordable at all income levels and across housing tenures. Alignment of market conditions with growth targets and development of housing strategies using data resources emerged as a key issue. Many local governments sought data resources so that housing needs could be objectively identified in a consistent manner.

In the same year, Department of Commerce's Housing Memorandum (2019) identified the need for coordinated resources to measure the relationship between different house types, density, land use, and housing affordability. A major issue arising from these discussions was accounting for housing inventory, capacity, and output in a coordinated way. The Washington Center for Real Estate Research (WCRER) was chosen by the legislature to compile and maintain data resources and assist in accounting for the impacts of actions taken by local governments to increase the supply of affordable housing.

While funding for this work is provided through a contract with the Department of Commerce, the data elements, measurement criteria, and supply frameworks were developed by the WCRER in consultation with the Department of Commerce and other agencies, including the Washington State Housing Finance Commission and the Washington State Office of Financial Management. The data elements were introduced through the initial set of reports and were revised and updated in the current report. Subsequent reports call for the development of housing and land inventory metrics as well as housing capacity measurement through the buildable lands reports prepared under RCW 36.70A.215. The ongoing series of reports will align these inventory, output, and capacity metrics to provide a more complete set of data needed for local housing needs assessments, planning, and evaluation.

LEGISLATION

RCW 36.70A.610 as amended requires the Washington Center for Real Estate Research (WCRER) at the University of Washington to produce a series of reports compiling housing supply and affordability metrics for each city planning under RCW 36.70A.040 with a population over 10,000 persons.

1. The Washington center for real estate research at the University of Washington shall produce a series of reports as described in this section that compiles housing supply and affordability metrics for each city planning under RCW 36.70A.040 with a population of ten thousand or more.
 - a. The initial report, completed by October 15, 2020, must be a compilation of objective criteria relating to income, employment, housing and rental prices, and other metrics relevant to assessing housing supply and affordability for all income segments, including the percentage of cost-burdened households of each jurisdiction. This report may also include city-specific median income data for those cities implementing the multifamily tax exemption program under chapter 84.14 RCW.
 - b. The report completed by October 15, 2021, must include an analysis of the private rental housing market for each area outlining the number of units, vacancy rates, and rents by unit type, where possible. This analysis should separate market rate multifamily rental housing developments and other smaller scale market rate rental housing. This analysis should also incorporate data from the Washington state housing finance commission on subsidized rental housing in the area consistent with the first report under this subsection.
 - c. The report completed by October 15, 2022, must also include data relating to actions taken by cities under chapter 348, Laws of 2019 as well as detailed information on development regulations, levies and fees, and zoning related to housing development.
 - d. The report completed by October 15, 2024, and every two years thereafter, must also include relevant data relating to buildable lands reports prepared under RCW 36.70A.215, where applicable, and updates to comprehensive plans under this chapter.
2. The Washington center for real estate research shall collaborate with the Washington housing finance commission and the office of financial management to develop the metrics compiled in the series of reports under this section.
3. The series of reports under this section must be submitted, consistent with RCW 43.01.036, to the standing committees of the legislature with jurisdiction over housing issues and this chapter.

Note that the information required under 1.c. above is currently being compiled and will be submitted as a separate report.

HOUSING MARKET DATA TOOLKIT

Because gathering the data to assess housing needs can be time consuming and complex, the legislature mandated that the WCRER should compile relevant data. Quality housing market information is required to adequately address important aspects driving affordable housing outcomes in a comprehensive planning framework.

With these issues in mind, the Housing Market Data Toolkit has been developed. This toolkit is designed to be a place to access key data sets to help jurisdictions assess housing need and develop strategies to address those needs.

This update of the Housing Market Data Toolkit is divided into six areas based upon data sources and type of information provided. These are described below; additional technical details are provided in the notes that accompany the data on the WCRER website. Note that the data are provided for all cities with populations of at least 10,000 (except as noted). County-level data, when provided, are for all 39 counties.

In addition to the data published on its website, WCRER has calculated revised Area Median Incomes (AMIs) for the cities participating in the Multi-Family Housing Property Tax Exemption (MFTE) Program (RCW 84.14). County and regional AMIs published by the U.S. Department of Housing and Urban Development (HUD) do not necessarily reflect economic conditions within the cities located within those areas, particularly cities with lower family incomes. These data have been provided to the Department of Commerce for use in administering the MFTE Program. They will be updated annually when HUD updates its AMI estimates.

The Housing Market Data Toolkit can be accessed [HERE](#).

Census Data

Data profiles are provided for each city and for all counties. The most recent data come from the U.S. Census Bureau's American Community Survey (ACS) 2016-2020 5-year estimates. The ACS 2017-2021 data are scheduled to be released in December 2022, and the WCRER website will be updated at that time. There are four profiles for each jurisdiction: Demographic, Economic, Housing, and Social. These profiles contain a wide variety of data of interest to housing planners, including the following metrics:

Demographic – Information on total population, population by age cohort, and population by race.

Economic – Information on the distribution of household income, median household income, median family income, employment characteristics, workers by industry classification, and commuting patterns.

Housing – Information on housing costs by tenure of householder, including monthly owner costs and estimated rents. The number of cost burdened households is provided. Information is also available for length of housing tenure, vehicles available, and age of housing unit, as well as other housing-related information.

Social – Information on households by type (family, non-family), average household size, veteran status, disabled population characteristics, grandparents as caregivers, and residence location one year ago.

City House Price Data

A new feature of the Housing Market Data Toolkit is quarterly median house prices for most of the cities, starting with Q1 2021 and continuing up through Q3 2022. These data are obtained from regional Multiple Listing Services. Overall medians are provided for each city as well as by type of structure (single-family, condominium, and manufactured) and number of bedrooms. We plan to update these data quarterly. Note that county-level house price data are provided separately in WCRER's Housing Market Reports.

Rental Housing Markets

Another new feature of the Toolkit is quarterly rental apartment data for all of the cities that have reportable information. Currently, WCRER reports these data for Q3 2022. This includes average market rate rents and square footages, as well as vacancy rates. These data are sourced from the commercial property information company CoStar. The Center is currently exploring the possibility of providing more detailed data in the future, such as statistics by number of bedrooms.

City Housing Affordability Indexes

Now that the WCRER is collecting data on current house prices and apartment rents by city, it is possible to calculate current affordability indexes for most of the cities. Two homeownership and two rental indexes have been published for Q3 2022. The homeownership indexes follow a methodology similar to that of the National Association of Realtors. There is an index for home buyers with median incomes, first-time buyers with lower incomes, apartment renters with median incomes, and apartment renters with lower incomes. The WCRER is currently evaluating the possibility of providing additional affordability metrics. These data will be updated quarterly.

Permits and Completions

WCRER is now providing monthly residential building permit data, starting with January 2019 (for most of the cities) and continuing through September 2022. These data are from the U.S. Census Bureau's Building Permit Survey, which is updated monthly. The Center plans to update this quarterly. Estimated completions (i.e., changes in the housing stock) were calculated based upon the Washington State Office of Financial Management's (OFM's) annual estimates of housing units by type for each year. These data will be updated annually when OFM updates their estimates.

Subsidized Rental Housing

This part of the report is currently being developed, but data should be available by early 2023. This will be an inventory of the supply of multi-family rental housing receiving subsidies from the main sources, including federal subsidies (project-based rental assistance, loan subsidies and guarantees, grants, and Low-Income Housing Tax Credits) and state subsidies (property tax exemptions for multi-family housing, Housing Trust Fund subsidies, and bond funding). The data are obtained from the US Department of Housing and Urban Development, US Department of

Agriculture's Rural Housing Service, Washington State Housing Finance Commission, and Washington State Department of Commerce. The aim is to measure housing units benefiting from subsidies from all of the major programs designed to increase the supply of affordable housing. Projects receiving subsidies from multiple sources are identified so that a true measure of the number of subsidized units can be calculated. Details about the types of subsidies received from each source will be provided to the extent possible given the information available from the organizations listed above. Profiles will be published for cities and counties and project-level data for cities and counties will be made available upon request. The profiles will be updated periodically as significant new data are published by the funding sources.

LIST OF CITIES FOR WHICH DATA ARE PROVIDED

RCW 36.70A.610 requires this report to include information for all Washington cities planning under the Growth Management Act with a population over 10,000 people. The WCRER has included all cities with populations of at least 10,000 as well as additional cities that are growing and which may fall within the mandate of the GMA in the future. Data are also provided for all 39 counties in Washington where available and appropriate.

Aberdeen	Issaquah	Pullman
Airway Heights	Kelso	Puyallup
Anacortes	Kenmore	Redmond
Arlington	Kennewick	Renton
Auburn	Kent	Richland
Bainbridge Island	Kirkland	Ridgefield
Battle Ground	Lacey	Sammamish
Bellevue	Lake Forest Park	SeaTac
Bellingham	Lake Stevens	Seattle
Bonney Lake	Lakewood	Sedro-Woolley
Bothell	Liberty Lake	Shelton
Bremerton	Longview	Shoreline
Burien	Lynden	Snohomish
Burlington	Lynnwood	Snoqualmie
Camas	Maple Valley	Spokane
Centralia	Marysville	Spokane Valley
Cheney	Mercer Island	Sumner
Covington	Mill Creek	Sunnyside
Des Moines	Monroe	Tacoma
DuPont	Moses Lake	Tukwila
East Wenatchee	Mount Vernon	Tumwater
Edgewood	Mountlake Terrace	University Place
Edmonds	Mukilteo	Vancouver
Ellensburg	Newcastle	Walla Walla
Enumclaw	Oak Harbor	Washougal
Everett	Olympia	Wenatchee
Federal Way	Pasco	West Richland
Ferndale	Port Angeles	Woodinville
Fife	Port Orchard	Yakima
Gig Harbor	Port Townsend	Yelm
Grandview	Poulsbo	