

THE STATE OF THE STATE'S HOUSING 2026

SUPPLY AND AFFORDABILITY IN WASHINGTON STATE

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List of Abbreviations

ACS	American Community Survey
AHAR	Annual Homelessness Assessment Report
AMI	Area Median Income
CAO	Critical Areas Ordinance
Commerce	Washington State Department of Commerce
CPI	Consumer Price Index
FHFA	Federal Housing Finance Agency
GMA	Growth Management Act
HAI	Housing Affordability Index
HB	House Bill
HUD	U.S. Department of Housing and Urban Development
OFM	Washington State Office of Financial Management
PIT	Point-in-Time
PSH	Permanent Supportive Housing
PUMS	Public Use Microdata Sample
SB	Senate Bill
WCRER	Washington Center for Real Estate Research

Executive Summary

This report is submitted by the Washington Center for Real Estate Research (WCRER) to the Washington State Legislature as required by RCW 36.70A.610. In addition to this report, WCRER publishes detailed housing statistics on its website for counties and cities in Washington. These statistics include information about house prices, rents, vacancy rates, affordability, building permits, completions, and subsidized rental housing, in addition to data relevant to assessing racially disparate impacts of development.

Housing Needs, Planning, and New Legislation

Washington's counties and cities must plan for and accommodate housing affordable to all income levels. Counties must adopt housing need targets based on population growth estimates within a range provided by the Washington State Office of Financial Management (OFM) and divide this among local jurisdictions. Senate Bill (SB) 5587, enacted in 2025, directed WCRER to evaluate each county's progress in meeting housing needs and closing gaps at all income levels, including emergency and supportive housing for the homeless.

WCRER's initial report found that Washington produced more housing than it needed to from 2020 to 2022, helping to offset possible deficits during other time periods. However, Washington's housing stock became less affordable, such that the net production of housing exceeded projected needs only for housing units affordable to those making >120% of AMI. This is partly because new housing units are expensive, and thus new units are likely to be affordable only to moderate- or upper-income categories. The state is lagging far behind its needed production of emergency housing and permanent supportive housing (PSH). Based on analysis of data for the 2020-2025 period, the state had a deficit of 15,592 emergency housing beds and 22,790 PSH units.

In the 2026 legislative session, Washington continued to adopt housing-oriented legislation. Notably, Senate Bill (SB) 6026 requires cities over 30,000 and non-rural counties to allow housing in commercial zones, while House Bill (HB) 2266 reduces barriers for siting supportive housing and emergency shelter.

Economic and Demographic Trends

Washington's growing population exceeded 8.17 million people as of April 2026. This continued growth puts a strain on the existing housing supply and signals that Washington will need to produce more housing. Household incomes are also rising in the state. In Q2 2026, Washington's median household income reached an estimated \$102,000, up 7.4% from three years earlier.

Nationally, construction costs increased more rapidly during 2025-2026 than in the previous year (4.6% versus 2%). New tariffs and immigration enforcement policies are likely causing costs to increase at faster rates than otherwise would be the case. Inflation due to high oil costs resulting from the war with Iran are also likely to be a factor.

Homeownership

After a decade of sharp increases, the price of the median house in Washington moderated between 2022 and 2026. This flattening of house prices is likely driven by interest rates rising to levels not seen since the early 2000s.

In spite of this moderation in house price growth, the net effect from 2021 to 2026 has been a decrease in affordability for the median income 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 relatively unchanged over the last decade. As of 2024, 67% of White households were homeowners, while only 36% of Black households were homeowners.

Rental Housing

A surge in new apartment construction helped to slow rent growth to 1.9% on average annually from Q2 2022 to Q2 2026. Simultaneously, vacancy rates are above the average for the Q2 2016 to Q2 2026 period, after a sharp but brief drop during the pandemic. The number of new multifamily units permitted annually declined every year since 2021. Meanwhile, multifamily annual completions rose from April 2021 to April 2023 but have begun to slow down during the April 2024 to April 2026 period. This reduction is expected to continue because completions typically lag behind permits and the decrease in permitting over the last two years implies the housing stock will grow more slowly next year.

Household income growth and moderate rent increases have helped keep affordability for the median-income renter relatively stable over the last decade. However, affordability for WCRER's hypothetical low-income renter household continues to be a challenge, though some low-income renters can afford apartments that are below the average rent. Very and extremely low-income renters typically face high-cost burdens unless they can 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 about half of those households paying more than 50% of income on housing costs.

Homelessness

The number of homeless persons who are sheltered or unsheltered (i.e., literally homeless) remained virtually unchanged from 2024 to 2025, according to HUD's point-in-time (PIT) count. However, this is only about one-fifth of Commerce's "Snapshot" count that is based on a much broader definition of homelessness. According to these broader Snapshot estimates, homelessness peaked in 2023 at about 157,000 individuals and declined 3.4% over the 2023-2026 period.

Housing Needs, Planning, and New Legislation

Planning for Affordable Housing in Washington

HB 1220, passed in 2021, requires communities in Washington to “plan for and accommodate” housing affordable to all income levels.¹ The bill also requires Commerce to project housing needs for counties based on population growth estimates from OFM. These needs were calculated for the Area Median Income (AMI) categories established for each county by the U.S. Department of Housing and Urban Development (HUD): extremely low income, or up to 30% of AMI; very low income, or greater than 30% up to 50% of AMI; low income, or greater than 50% up to 80% of AMI; moderate income, or greater than 80% up to 120% of AMI; and upper income, or greater than 120% of AMI.² Needs for emergency housing and permanent supportive housing (PSH) were also projected.

As part of their comprehensive plan updates, the 28 fully planning counties must choose a 20-year population growth estimate within a range set by OFM (Figure 1 provides update deadlines). The remaining 11 partially planning counties are not required to select a 20-year housing needs target.³ Projected housing needs are based on the population growth estimate. Counties are then responsible for working with local jurisdictions to plan for enough housing for each income level to meet the county-level target. For example, King County must build 12,810 total housing units per year to meet its housing targets (Figure 2). Approximately 40% of these new units must be affordable to households in the up to 30% of AMI category. Fourteen of Washington’s 39 counties were scheduled to complete their comprehensive plan updates in either 2024 or 2025. Deadlines for comprehensive plan updates for all counties are shown in Figure 1.

¹ Codified in RCW 36.70A.070(2).

² The moderate-income category was divided into two parts: greater than 80% up to 100% of AMI, and greater than 100% up to 120% of AMI.

³ Counties that do not select a population estimate default to OFM’s “medium” estimate.

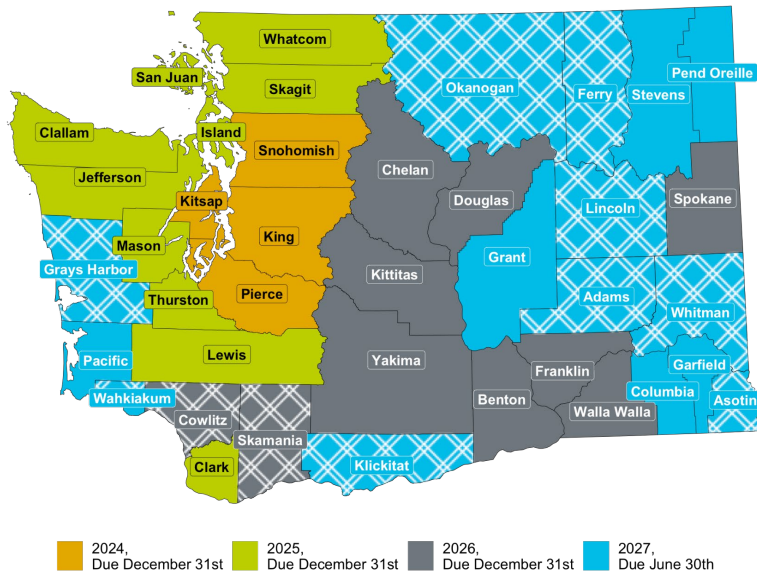


Figure 1: Comprehensive Plan Update Schedule, Washington Counties

Source: Commerce

Note: Cross hatching denotes partially planning counties under the GMA.

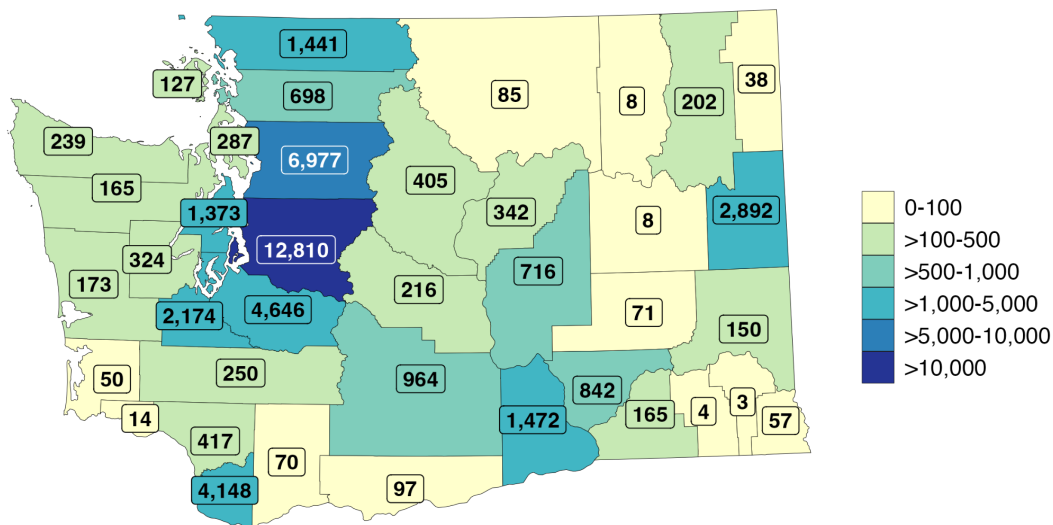


Figure 2: Projected Annual Housing Needs for Washington Counties

Source: Commerce

Note: The projected needs for most counties are the numbers adopted by those counties, while Asotin, Columbia, Cowlitz, Ferry, Garfield, Grant, Grays Harbor, Klickitat, Lincoln, Okanogan, Pend Oreille, Skamania, Stevens, Wahkiakum, and Whitman counties are based on OFM's medium population projection. Spokane County is pending final adoption.

Progress in Meeting Housing Needs

The Washington State Legislature directed WCRER to conduct an analysis of estimated existing housing units and needs at each income level for each county in Washington.⁴ A report is due to the Legislature starting in 2026 and every two years thereafter. This report identifies each county's progress in closing the gap between estimated existing housing units and existing housing needs at each income level and must also include each county's progress in developing emergency housing and PSH. A summary of this analysis is provided here, while a more detailed account is given in a separate report.⁵

To determine each county's progress in meeting its permanent housing needs for each income level, WCRER relies in part on the latest available counts of Comprehensive Housing Affordability Strategy (CHAS) data from HUD, a special tabulation of the U.S. Census Bureau's American Community Survey (ACS). The most recent CHAS data are from 2022, which allows WCRER to estimate each county's progress in meeting their housing needs between the 2020 baseline year and 2022.⁶ We also use data directly from the ACS to allocate housing units to the moderate- and upper-income ranges that are not defined in the CHAS data. The ACS data combine smaller counties for reporting purposes. Hence, the tabulation in Table 1 in some cases shows combined totals for groups of counties for the upper three AMI categories.

Statewide, aggregating all income categories, Washington produced more housing than it needed to over this period (Table 1). However, the bulk of Washington's housing stock became more unaffordable, such that the net production of housing is only ahead for housing units affordable to those making >120% of AMI. This is partially because new housing units are expensive, and thus new units are likely to be affordable only to moderate- or upper-income categories (>80% of AMI). Typically, new housing that is affordable to lower-income households requires subsidies.

The drift in the affordability of Washington's housing for income categories below 120% of AMI is likely due to a combination of factors. Some small number of units is lost through demolition or hazards such as fire. Some units will filter downward from a higher AMI category as properties age and become less expensive relative to other properties. However, the opposite can also occur when properties filter upwards due to some combination of strong demand and supply constraints. Additionally, housing units

⁴ The legislation was SB 5587, which was enacted in 2025 and codified as RCW 36.70A.610(1)(e).

⁵ Steven C. Bourassa and Christian P. Phillips, *Housing Needs and Housing Production: A Progress Report to the Washington State Legislature*, Seattle: Washington Center for Real Estate Research, University of Washington, 2026, <https://wcrer.be.uw.edu/research-reports/>.

⁶ For more detail on the methodology for measuring production of permanent housing relative to needs, see: Steven C. Bourassa and Christian P. Phillips, *Implementing Washington State's SSB 5587: Methodology for Measuring Production of Housing at Different Affordability Levels*, Seattle: Washington Center for Real Estate Research, University of Washington, 2026, <https://wcrer.be.uw.edu/research-reports/>.

that were previously subsidized may become unsubsidized or vice versa. Lastly, the underlying data used to produce these tables comes from the ACS, which samples only a small percentage of all households. Consequently, survey statistics have margins of error that can be large in percentage terms for smaller populations such as extremely low-income households in a small county.

Most of the approximately 250,000 unit increase in the >120% AMI category was clearly due to upward filtering (net production of housing across all categories was only about 100,000 units). In other words, the majority of the units contributing to this increase were previously affordable to households in lower AMI categories. Some, mostly rural, counties show positive numbers for the 0-30% and >30-50% AMI categories, but most of those counties produced little or no subsidized housing during the two-year period. This means that the positive numbers were likely due to some combination of downward filtering and statistical sampling issues. Other notable findings from Table 1 are the positive numbers for King and Snohomish counties for the >50-80% AMI category. In both of those cases, the numbers probably result from a combination of upward filtering during a time when the apartment market was very tight and addition of new subsidized units affordable to households within that category.

Washington is lagging far behind its needed production of emergency housing and PSH (Table 2). Based on analysis of data for the 2020-2025 period, the state had a deficit of 15,592 emergency housing beds.⁷ Some rural counties are ahead in their emergency housing production, but this can be attributed to having very low or no annual need. Almost 88% of the backlog in statewide emergency housing production is from King and Snohomish counties combined. Admittedly, the projected annual projected needs for new emergency housing for these counties are ambitious: 2,456 and 431 beds in King and Snohomish counties, respectively. Washington is 29,902 beds (22,790 units) behind in the production of PSH relative to needs. Only Douglas County, which does not need to produce any PSH, satisfied its needs over the 2020-2025 period.

⁷ For more detail on the methodology for measuring production of emergency housing and permanent supportive housing relative to needs, see: Steven C. Bourassa and Christian P. Phillips, *Implementing Washington State's SSB 5587: Methodology for Measuring Production of Emergency and Permanent Supportive Housing*, Seattle: Washington Center for Real Estate Research, University of Washington, 2026, <https://wcrer.be.uw.edu/research-reports/>.

Table 1: Net Permanent Housing Production Less Projected Needs, 2020-2022

Adams	-103	483	-589					Adams
Asotin	40	-242	-451					Asotin
Columbia	-14	34	-6					Columbia
Garfield	32	-10	-75	-279	-111	3,021	908	Garfield
Lincoln	112	-248	-89					Lincoln
Whitman	-569	-35	5					Whitman
Benton	-128	-2,413	-6,051					Benton
Franklin	-160	-1,720	-2,822	228	1,833	12,179	-219	Franklin
Walla Walla	559	-486	-1,242					Walla Walla
Chelan	645	339	-1,316	-580	-625	3,006	1,003	Chelan
Douglas	52	-307	-211					Douglas
Clallam	-146	-341	-1,802	-619	-517	5,299	631	Clallam
Jefferson	-119	-621	-501					Jefferson
Cowlitz	-222	-1,493	-2,442					Cowlitz
Pacific	-274	135	-405	-1,242	720	6,553	1,190	Pacific
Wahkiakum	1	8	-151					Wahkiakum
Ferry	61	30	-129					Ferry
Okanogan	53	176	-272	-821	-67	3,891	1,597	Okanogan
Pend Oreille	258	-176	-260					Pend Oreille
Stevens	27	-458	-716					Stevens
Grant	-369	791	-1,148	-1,339	572	3,855	1,242	Grant
Kittitas	89	-308	-905					Kittitas
Grays Harbor	120	-1,607	-508	-1,623	-130	6,173	590	Grays Harbor
Mason	132	397	-2,362					Mason
Island	-333	-519	-822					Island
San Juan	-59	104	-134	-3,777	-1,028	12,107	408	San Juan
Skagit	-347	-682	-4,100					Skagit
Klickitat	29	-54	-508					Klickitat
Lewis	308	-814	-2,241	-1,207	135	5,648	642	Lewis
Skamania	-88	-91	-475					Skamania
Clark	-486	1,568	-6,981	-3,830	826	9,400	497	Clark
King	-10,453	-19,237	30,597	-43,409	-4,155	53,636	6,979	King
Kitsap	-1,077	-2,231	-8,974	-1,558	2,528	10,355	-957	Kitsap
Pierce	-2,919	-7,041	-18,256	-11,632	824	38,717	-307	Pierce
Snohomish	-3,356	-11,334	2,490	-22,159	-4,748	35,598	-3,509	Snohomish
Spokane	-289	-3,361	-21,035	1,443	3,320	20,588	666	Spokane
Thurston	-536	-244	-9,717	-3,311	961	11,716	-1,131	Thurston
Whatcom	-1,071	-525	-1,508	-2,711	-4,283	10,341	241	Whatcom
Yakima	196	354	-4,131	-2,539	554	5,277	-289	Yakima
Statewide	-20,404	-52,179	-70,243	-100,965	-3,391	257,360	10,182	Statewide
	0-30% AMI	>30-50% AMI	>50-80% AMI	>80-100% AMI	>100-120% AMI	>120% AMI	Total	

Behind
Ahead

Source: WCRER

Note: The projected needs for most counties are the numbers adopted by those counties, while Asotin, Columbia, Cowlitz, Ferry, Garfield, Grant, Grays Harbor, Klickitat, Lincoln, Okanogan, Pend Oreille, Skamania, Stevens, Wahkiakum, and Whitman counties are based on OFM's medium population projection. Spokane County is pending final adoption.

Table 2: Net Emergency Housing and PSH Production Less Projected Needs, 2020-2025

	Emergency Housing (Beds)	PSH (Beds)	PSH (Units)	
Adams	-5	-51	-38	Adams
Asotin	-8	-64	-45	Asotin
Benton	68	-732	-523	Benton
Chelan	-35	-237	-163	Chelan
Clallam	-160	-194	-149	Clallam
Clark	-422	-1,759	-1,441	Clark
Columbia	0	-14	-6	Columbia
Cowlitz	16	-390	-300	Cowlitz
Douglas	-60	0	0	Douglas
Ferry	0	-22	-11	Ferry
Franklin	179	-504	-365	Franklin
Garfield	-1	-3	-1	Garfield
Grant	43	-273	-169	Grant
Grays Harbor	-4	-335	-256	Grays Harbor
Island	-49	-205	-160	Island
Jefferson	-24	-68	-50	Jefferson
King	-11,608	-9,564	-7,530	King
Kitsap	-172	-751	-569	Kitsap
Kittitas	10	-154	-102	Kittitas
Klickitat	-10	-34	-27	Klickitat
Lewis	-9	-292	-185	Lewis
Lincoln	21	-34	-24	Lincoln
Mason	79	-242	-186	Mason
Okanogan	9	-131	-94	Okanogan
Pacific	-32	-59	-45	Pacific
Pend Oreille	13	-28	-18	Pend Oreille
Pierce	-604	-4,896	-3,654	Pierce
San Juan	0	-12	-10	San Juan
Skagit	19	-423	-280	Skagit
Skamania	-10	-18	-15	Skamania
Snohomish	-2,108	-4,268	-3,470	Snohomish
Spokane	-329	-993	-625	Spokane
Stevens	-49	-151	-102	Stevens
Thurston	-49	-870	-654	Thurston
Wahkiakum	2	-27	-23	Wahkiakum
Walla Walla	15	-59	-44	Walla Walla
Whatcom	107	-978	-674	Whatcom
Whitman	-10	-126	-67	Whitman
Yakima	-413	-941	-713	Yakima
Statewide	-15,592	-29,902	-22,790	Statewide

■ Behind
■ Meets Needs
■ Ahead

Source: WCRER

Note: The projected needs for most counties are the numbers adopted by those counties, while Asotin, Columbia, Cowlitz, Ferry, Garfield, Grant, Grays Harbor, Klickitat, Lincoln, Okanogan, Pend Oreille, Skamania, Stevens, Wahkiakum, and Whitman counties are based on OFM's medium population projection. Spokane County is pending final adoption.

Status of Comprehensive Plan Updates

The Washington State Legislature also directs WCRER to summarize the overall progress of jurisdictions in updating their comprehensive plans.⁸ Table 3 summarizes the status of these updates for jurisdictions whose deadlines for completion have passed (either December 2024 or December 2025). These jurisdictions include fully and partially planning cities, as well as the counties themselves. As of October 2026, no county with a 2024 or 2025 deadline has all jurisdictions complete. Some smaller jurisdictions have received a two-year extension from their original deadline, noted in the fourth column of the table.

Jurisdictions with overdue periodic updates or overdue critical areas ordinances risk a legal challenge to their comprehensive plan adjudicated by the Growth Management Hearings Board. The status of these cases is summarized in Table 4.

⁸ RCW 36.70A.610.

Table 3: Progress on Periodic Updates for Jurisdictions with Due Dates in 2024 and 2025

Planning Year	County	Total Jurisdictions	Jurisdictions with 2-Year Extensions	Complete Jurisdictions	Comprehensive Plans Adopted	Implementing Development Regulations Adopted	Critical Areas Ordinance Adopted
2024	King	39	0 (0%)	14 (36%)	26 (67%)	26 (67%)	14 (36%)
2024	Kitsap	5	0 (0%)	3 (60%)	4 (80%)	4 (80%)	3 (60%)
2024	Pierce	22	0 (0%)	7 (32%)	11 (50%)	11 (50%)	7 (32%)
2024	Snohomish	20	0 (0%)	6 (30%)	11 (55%)	11 (55%)	6 (30%)
2025	Clallam	4	1 (25%)	0 (%)	1 (0%)	1 (25%)	0 (0%)
2025	Clark	9	1 (11%)	1 (11%)	1 (11%)	1 (11%)	1 (11%)
2025	Island	4	2 (50%)	0 (0%)	2 (50%)	2 (50%)	0 (0%)
2025	Jefferson	2	1 (50%)	1 (50%)	1 (50%)	1 (50%)	2 (100%)
2025	Lewis	10	6 (60%)	1 (10%)	3 (30%)	3 (30%)	1 (10%)
2025	Mason	2	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
2025	San Juan	2	1 (50%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)
2025	Skagit	9	4 (44%)	3 (33%)	6 (67%)	6 (67%)	3 (33%)
2025	Thurston	8	1 (13%)	1 (13%)	4 (50%)	4 (50%)	1 (13%)
2025	Whatcom	8	0 (0%)	1 (13%)	4 (50%)	4 (50%)	1 (13%)

Source: Commerce

Table 4: Status of Growth Management Hearings Board Cases, 2024 to Present

Case Title	Case Number	Outcome
Anson Bartrand v. Grant County	24-1-0001	Dismissal
The Estate of Harlan Douglass v. City of Spokane, a Washington municipal corporation	24-1-0002	Dismissal
State of Washington Department of Commerce v. Franklin County	24-1-0003	Dismissal
Robert M Carosino v. Franklin County	24-1-0004	Dismissal
Fred Greef v. Board of Klickitat County Commissioners	24-1-0005	Dismissal
Gregory and Kimberly Stein v. San Juan County and Port of Friday Harbor	24-2-0001	Dismissal
Schneider Homes, Inc v. City of Tukwila	24-3-0001	Dismissal
King County v. City of Shoreline	24-3-0002	Dismissal
Historic Tacoma, Washington Trust for Historic Preservation, Northend Neighborhood Council v. City of Tacoma	24-3-0003	Invalidity
Edmonds Environmental Council, Diane Buckshnis, Joe Scordino, Theresa Hollis, Clinton Wright v. City of Edmonds	24-3-0004	Dismissal
Garry Oak Coalition v. City of Lakewood	24-3-0005	Dismissal
Futurewise v. Snohomish County	24-3-0006	Dismissal
Port Gamble S'Klallam Tribe v. Kitsap County	24-3-0007	Consolidated
Kitsap Environmental Coalition, Joseph S. Lubischer, Dave Shorett, Doug Hayman v. Kitsap County	24-3-0008	Consolidated
Port Gamble S'klallam Tribe, et al. v. Kitsap County Port Gamble S'klallam Tribe; Kitsap Environmental Coalition; Joseph S. Lubischer; Dave Shorett; and Doug Hayman v. Kitsap County	24-3-0008C	Dismissal
Cindy Kothandaraman v. City of Pullman	25-1-0001	Dismissal
Cindy Kothandaraman v. City of Pullman	25-1-0002	Dismissal
Upper Columbia Properties LLC v. City of Colville	25-1-0003	Dismissal
Lower Columbia Properties LLC v. City of Colville	25-1-0004	Dismissal
Futurewise v. Thurston County	25-2-0001	Consolidated
Tani Sutley v. Whatcom County Executive Satpal S. Sidhu, Whatcom County Planning and Development Director Mark Personius, Department of Ecology Northwest Region Director Thomas Buroker	25-2-0002	Dismissal
Evergreen Islands v. Skagit County	25-2-0003	Dismissal
Gather Church v. Lewis County	25-2-0005	Dismissal
F Robert Strahm v. Snohomish County	25-3-0001	Consolidated
Kitsap Alliance of Property Owners & William M. Palmer v. Kitsap County	25-3-0002	Consolidated

Case Title	Case Number	Outcome
Futurewise, Kian Bradley and Trevor Reed v. City of Mercer Island	25-3-0003	Noncompliance
Futurewise v. Kitsap County	25-3-0004	Consolidated
Kitsap Alliance of Property Owners; Palmer; Futurewise; Yamamoto; & Yamamoto Hydroseeding v. Kitsap County; Kitsap Alliance of Property Owners; William M. Palmer; Futurewise; Terry Y. Yamamoto; Yamamoto Hydroseeding v. Kitsap County	25-3-0005c	Noncompliance
Purdy Interchange, LLC v. Pierce County and City of Gig Harbor as intervenor	25-3-0006	Noncompliance
F Robert Strahm v. Snohomish County	25-3-0007C	Dismissal
Futurewise v. City of Clyde Hill	25-3-0008	Awaiting hearing
Port of Seattle v. City of Seattle	25-3-0009	Invalidity
Friends of Smith Cove and Rock the Block v. City of Bremerton	25-3-0010	Dismissal
Futurewise, Pilchuck Audubon Soc'y, Adopt A Stream Found., League of Women Voters of Snohomish Cnty. and Sno-Isle Sierra Club v. Snohomish Cnty.	25-3-0011	Noncompliance
State of Washington, Department of Commerce v. City of Duvall	25-3-0012	Awaiting hearing
Futurewise v. Town of Hunts Point	25-3-0013	Awaiting hearing
Friends of Black Diamond v. City of Black Diamond	25-3-0014	Dismissal
Upper Columbia Properties LLC v. City of Colville	26-1-0001	Dismissal
State of Washington, Department of Commerce v. Chelan County	26-1-0002	Invalidity
William Turner and Ian Munce v. City of Anacortes	26-2-0001c	Dismissal
Ian Munce v. City of Anacortes	26-2-0002	Consolidated
Friends of Clark County v. Clark County	26-2-0003	Noncompliance
Evergreen Islands v. Skagit County	26-2-0004	Consolidated
Evergreen Islands; Jan M Edelstein and Friends of Skagit County v. Skagit County	26-2-0004c	Noncompliance
Jan Edelstein and Friends of Skagit County v. Skagit County	26-2-0005	Consolidated
Ian Munce v. City of Anacortes	26-2-0006	Consolidated
William Turner v. City of Anacortes	26-2-0007	Consolidated
William Turner v. City of Anacortes	26-2-0008	Dismissal
Evergreen Highlands Neighborhood Association v. City of Vancouver	26-2-0009	Dismissal
Evergreen Highlands Neighborhood Association v. City of Vancouver	26-2-0010	Consolidated

Case Title	Case Number	Outcome
Evergreen Highlands Neighborhood Association v. City of Vancouver	26-2-0010c	Dismissal
Evergreen Highlands Neighborhood Association v. City of Vancouver	26-2-0011	Consolidated
Whatcom Environmental Council v. City of Bellingham	26-2-0012	Awaiting hearing
South Sound Bird Alliance et al. v. Thurston County	26-2-0013c	Invalidity
South Sound Bird Alliance, Gordon White and Robert Metzger v. Thurston County	26-2-0014	Consolidated
Brian Wetcher v. City of Anacortes	26-2-0015	Consolidated
James Benedetto v. City of Anacortes	26-2-0016	Consolidated
Affordable Hometown Port Townsend, Mary McCurdy, John Capps, John Watts v. City of Port Townsend	26-2-0017	Noncompliance
Ian Munce v. City of Anacortes	26-2-0018	Dismissal
Cheema Mart VI, LLC, a Washington Limited Liability Company v. The City of Langley, Washington, a municipal corporation	26-2-0019	Awaiting hearing
Citizens of the Ebey's Reserve for a Healthy, Safe and Peaceful Environment; Whidbey Environmental Action Network; and Cornerstone Homes NW LLC v. Island County v. Island County	26-2-0020c	Awaiting hearing
Whidbey Environmental Action Network v. Island County	26-2-0021	Consolidated
Cornerstone Homes NW LLC v. Island County	26-2-0022	Consolidated
Donna L. Breske v. City of Seattle	26-3-0001	Consolidated
Donna L. Breske; Jennifer Godfrey dba Orca Nexus; Orca Conservancy; Orca Network; Captain Paul Watson Foundation; Puget Sound Harvest Association; Ruby Holland; Keith Roraback; and Jonathan Warren v. City of Seattle	26-3-0001c	Noncompliance
Western States Petroleum Association v. City of Tacoma	26-3-0002	Awaiting hearing
Olympic View Water and Sewer District v. City of Shoreline	26-3-0003	Noncompliance
Jackie W. Stanfill v. Kitsap County	26-3-0004	Dismissal
Jennifer Godfrey dba Orca Nexus; Orca Conservancy; Orca Network; Captain Paul Watson Foundation; Puget Sound Harvesters Association; Ruby Holland; Keith Roraback; and Jonathan Warren v. City of Seattle	26-3-0005	Consolidated
Aaron Miller and Jasmine Miller v. King County	26-3-0006	Dismissal

Source: Commerce

Recent State Legislation

In the 2026 legislative session, Washington continued the housing reform seen in recent years with a number of bills that are generally smaller in scope than in previous years (see Table 5).⁹ One of the more sweeping laws to be enacted is SB 6026, which requires cities with populations over 30,000 and non-rural counties to allow residential uses in all areas zoned for commercial or mixed use within urban growth areas.¹⁰ It also places restrictions on the amount of ground floor commercial that can be required, and entirely exempts ground floor commercial requirements for developments with publicly subsidized housing. Effectively, this legislation removes barriers to office-to-residential conversions in cities where housing is not currently allowed in commercially zoned areas and a developer would have had to request a rezoning. Additionally, reducing ground floor commercial requirements will make it easier to build housing, because it will allow developers to judge market conditions themselves. Jurisdictions have until December 2027 to implement this legislation, otherwise the text pre-empts existing local ordinances.

Table 5: Washington State Housing Legislation, 2026 Session

Bill	Focus	Key Provisions
SB 6026	Legalizing housing in all commercial zones	Requires cities over 30,000 and non-rural counties to allow residential uses in areas zoned for commercial or mixed use in urban growth areas. This limits the amount of ground floor commercial space that may be required to 40% or less of the area zoned for commercial or mixed use. Publicly subsidized development is exempt from any ground floor commercial or mixed-use requirements.
HB 2266	Shelters, transitional, emergency, and permanent supportive housing (STEP)	Amends the GMA to require that fully planning cities, counties, and towns allow new transitional or permanent supportive housing (PSH) in any zones within an urban growth area in which residential dwelling units or hotels are allowed. Further, indoor emergency shelter and housing must be allowed in any zone where hotels are allowed. Such jurisdictions are allowed to conduct only administrative review of proposed projects instead of a more cumbersome design review.

⁹ Interpretation of the new legislation is based in part on Department of Commerce, “Washington State housing laws of 2019 through 2026”, <https://deptofcommerce.app.box.com/s/jfd6j7vsgpiotketm4c09eekocovd4lc>.

¹⁰ We use the short versions of bill prefixes (i.e., either HB or SB) but refer to the final versions of those bills.

Bill	Focus	Key Provisions
HB 1345	Legalize DADUs outside of urban growth areas	Fully planning counties may allow detached accessory dwelling units (DADUs) outside of urban growth areas so long as the DADUs are subject to certain development regulations such as ensuring each parcel has no more than one ADU or DADU, the DADU must be within 150 feet of the principal unit, and the sewage or septic system must be able to handle the additional demand from a DADU, among other requirements. Jurisdictions must track the production of these units.
HB 2269	Rural middle housing	Allows middle housing in rural counties to be served by either a large on-site sewage system or public sewer system.
SB 6200	Air conditioning	Landlords cannot prevent tenants from installing portable or window mounted air conditioning, subject to certain safety regulations.
SB 6237	Flood risk disclosure for renters	Landlords of rental units in flood prone areas must notify their tenants that the landlord's insurance does not insure a tenant's items and that tenants should purchase their own renter's and flood insurance policies.
SB 6027	Maintenance of affordable housing	This legislation enables jurisdictions to fund the rehabilitation, operation, and maintenance of affordable housing and provide rental assistance from existing taxes. Housing funded by the state's Affordable Housing for All Account must be affordable to households making at or below 30% AMI.
SB 6091	Pocket listings	Real estate brokers may not market residential properties to an exclusive group of prospective buyers or real estate brokers without concurrently marketing the listing to the general public. This legislation outlaws what are commonly known as "pocket listings."
HB 1974	Land banks	Authorizes jurisdictions to create land banks to acquire, hold, improve, fund, lease, sell, or dispose of property to be used as affordable housing. At least 50% of the land or property leased or sold by the land bank must include a covenant or deed restriction that the housing units remain affordable for at least 30 years. For rental units these must be affordable to households with an income at or below 80% AMI and for owner-occupied units these must be

Bill	Focus	Key Provisions
		affordable to households with an income at or below 120% AMI.
HB 1687	Social housing	Enables the state and local governments to work with social housing public development authorities (PDAs) to assist in the planning, construction, or operation of housing projects.
HB 2304	Condominium liability	This legislation expands the types of condominium units that are eligible for express warranty, reducing the risk for condominium developers. Any buildings with 12 or fewer units and four or fewer stories are eligible.
HB 1859	Religious organization density bonus	Reduces the affordability requirements to receive a density bonus for housing built on sites owned by religious organizations. For renter-occupied units this drops from 100% to 50% of the rental units needing to be set aside for households making below 80% of AMI or 20% of units affordable at or below 50% of AMI. These units must be affordable for 50 years.
HB 2418	Permit review	Contains simplifications to permitting, including for special districts and utilities. Includes time frames for permitting and clarification about when developers are entitled to a partial refund on any permit fees due to delay in processing by the jurisdiction.

Another consequential piece of legislation from this session is HB 2266, which requires that fully planning cities and counties allow new transitional or permanent supportive housing (PSH) in any zones where residential units or hotels are allowed. The legislation also stipulates that emergency shelter must be allowed anywhere hotels are allowed. When evaluating projects in these categories, jurisdictions are allowed to conduct only an administrative review rather than a more cumbersome design review. This legislation came into force quickly in June 2026.

The Legislature also passed HB 1345 which enables fully planning counties to allow detached accessory dwelling units (DADUs) outside of urban growth areas. Ultimately, the effect of this legislation on housing depends on how many counties actually end up adopting it. HB 2269 allows middle housing in “limited areas of more intensive rural development” to be served by either a large on-site sewage system or public sewage system. Collectively, these two pieces of legislation could make it more feasible for

developers in rural places to build housing. For example, allowing middle housing to be served by on-site sewage systems allows greater flexibility for developers, though these systems are likely to be very expensive and may only have narrow use cases. However, such adjustments in rules may help produce at least some housing in more rural areas where large developments are infeasible.

SB 6200 requires that landlords allow tenants to use portable air conditioning units or install window units so long as they do not cause damage to the building itself or pose a danger to others. The landlord is not responsible for these air conditioning units. SB 6237 is another rental-unit-oriented piece of legislation that requires landlords of units located in flood zones to disclose that such units are subject to flooding and encourage renters to purchase their own renter's and flood insurance policies since the landlord's policy does not cover the tenant's items and renter's insurance policies generally do not cover flood damage.

SB 6027 enables jurisdictions to fund the rehabilitation, operation, and maintenance of affordable housing and provide rental assistance from existing taxes. Housing funded by the state's Affordable Housing for All Account must be affordable to households making at or below 30% AMI.

SB 6091 prevents the practice known as "pocket listings" whereby real estate brokers market a property to a subset of buyers before they make it available to the general public. This legislation requires that, if a broker wants to market a property to a specific group, they are allowed to only if they have also marketed the property to the general public. This should in theory help protect both buyers and sellers of real estate to ensure that transactions are at fair market prices. The *Seattle Times* reported that this legislation is directly related to an ongoing legal battle between a brokerage firm and the Northwest Multiple Listings Service (NWMLS), which covers much of the state. According to that reporting, the brokerage firm reserved certain listings for their own websites and agents before placing them on the NWMLS.¹¹

HB 1974 enables jurisdictions to create landbanks to acquire, hold, improve, fund, lease, sell, or dispose of property to be used as affordable housing. At least 50% of the land or property leased or sold by the land bank must include a covenant or deed restriction that the housing units remain affordable for at least 30 years. For rental units these must be affordable to households with an income at or below 80% AMI and for owner-occupied units these must be affordable for households with an income at or below 120% AMI.

¹¹ Alexis Weisand, "Fight over secret home listings heats up in WA as real estate giants clash," *Seattle Times*, April 6, 2026, <https://www.seattletimes.com/business/real-estate/fight-over-secret-home-listings-heats-up-in-wa-as-real-estate-giants-clash/>.

HB 1687 enables state and local governments to work with social housing public development authorities (PDAs) to assist in the planning, construction, or operation of housing projects. Effectively, this legislation is an extension of the existing Housing Cooperation Law to include a new type of PDA that uses traditional subsidized rental housing and cross-subsidized rental housing (using rents from high-income households to support rents for moderate- and low-income households). The Housing Cooperation Law allows local governments to assist in planning, construction and operation of housing projects. As of August 2026, Seattle is the only jurisdiction in the state with a social housing PDA.

HB 2304 expands the types of condominium units that are eligible for express warranty, reducing the risk for condominium developers. Buildings with 12 or fewer units and four or fewer stories are eligible.

HB 1859 reduces the affordability requirements necessary to receive a density bonus for housing built on sites owned by religious organizations. For renter-occupied units this drops from 100% to 50% of the rental units needing to be set aside for households making below 80% AMI or 20% of units affordable at or below 50% AMI. These units must be maintained as affordable for 50 years.

HB 2418 contains a suite of simplifications to permitting, including permitting for special districts and utilities. The bill includes time frames for permitting and clarification as to when developers are entitled to a refund on permit fees due to delay in processing by the jurisdiction.

Overall, Washington's Legislature continues to make progress towards adjusting the institutional environment to be favorable to the production of housing of all types. As the housing-related laws are incorporated into individual county and city comprehensive plans it should make it easier to build housing in the years to come. However, market forces such as construction costs and low expected rates of rent and price growth will still weigh heavily in developers' calculations. In any case, when market conditions improve for developers, they should be able to respond faster.

Demographic and Economic Trends

Population

As of April 2026, Washington's population exceeded 8.17 million residents, according to OFM. Since 2020, Washington's population has been growing steadily at a rate of about 1% annually. Most counties in Washington experienced some population growth from April 2025 to April 2026 (Figure 3). Franklin County grew the fastest at 2.5%, followed by Adams county at 2% and then Benton, Clark, Grant, Lewis, Wahkiakum, Pend Oreille and Thurston at over 1%. Columbia and Whitman counties saw slight population losses, while Ferry, Garfield, Pacific, and Skamania counties had no population change. King County accounted for 21% of the statewide growth between April 2025 and April 2026. King, Clark, Pierce, and Snohomish counties combined made up 55% of statewide growth during that 12-month period.

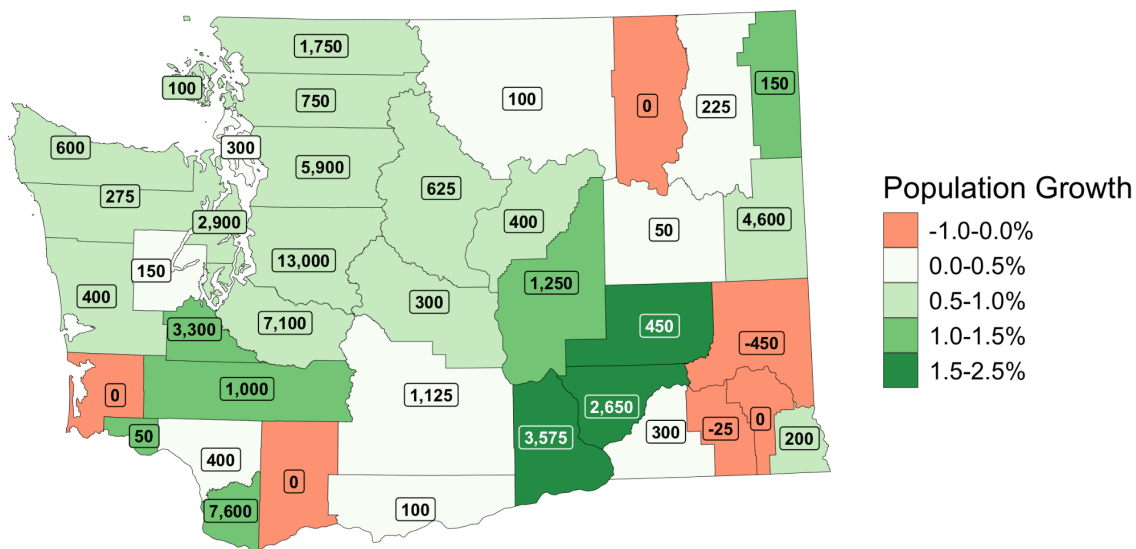


Figure 3: Population Growth in Washington Counties, April 2025 to April 2026

Source: OFM

The share of the population identifying as White has been declining since 2020 in Washington while simultaneously the population of those who identify as belonging to two or more races has been increasing (Figure 4). This trend is largely an artifact of a change in the way the Census Bureau began to ask households about their race and ethnicity starting in 2020.¹² Therefore, any figures stratified by race over time should be interpreted with caution, especially when considering the White and Two or more races categories.

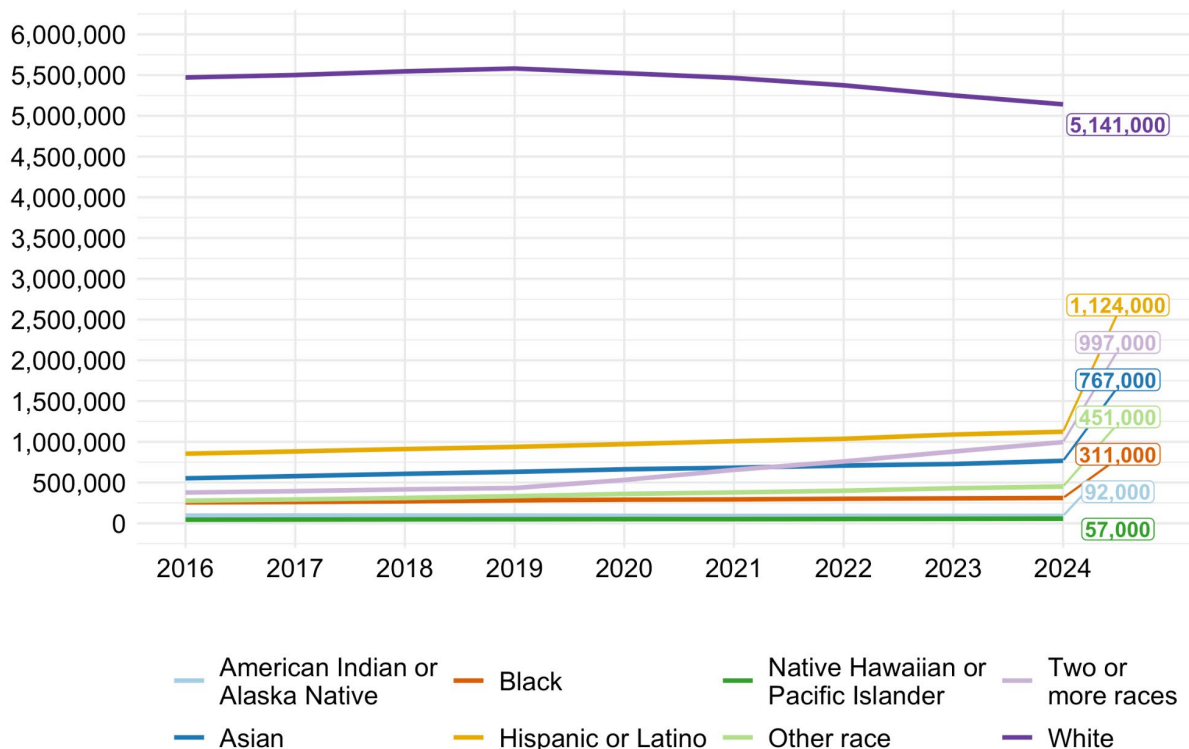


Figure 4: Population by Race and Ethnicity in Washington

Source: ACS, 2016-2024 5-year estimates

¹² For more information, see: Nicholas Jones, Rachel Marks, Roberto Ramirez, and Merarys Rios-Vargas, "2020 Census illuminates racial and ethnic composition of the country," Washington, DC: US Census Bureau, <https://www.census.gov/library/stories/2021/08/improved-race-ethnicity-measures-reveal-united-states-population-much-more-multiracial.html>.

People continue to move to Washington in greater numbers than those leaving the state (Figure 5). Net domestic migration to Washington declined following the pandemic in 2021, according to estimates from the U.S. Census Bureau's Population Estimates Program. However, migration to the state from abroad rebounded quickly and has remained elevated. Between July 1, 2023, and July 2, 2024, net domestic migration to Washington turned positive, leading to a total net migration of about 73,000 people. During the subsequent year, from July 1, 2024, to July 1, 2025, this dropped 24% to about 55,000.

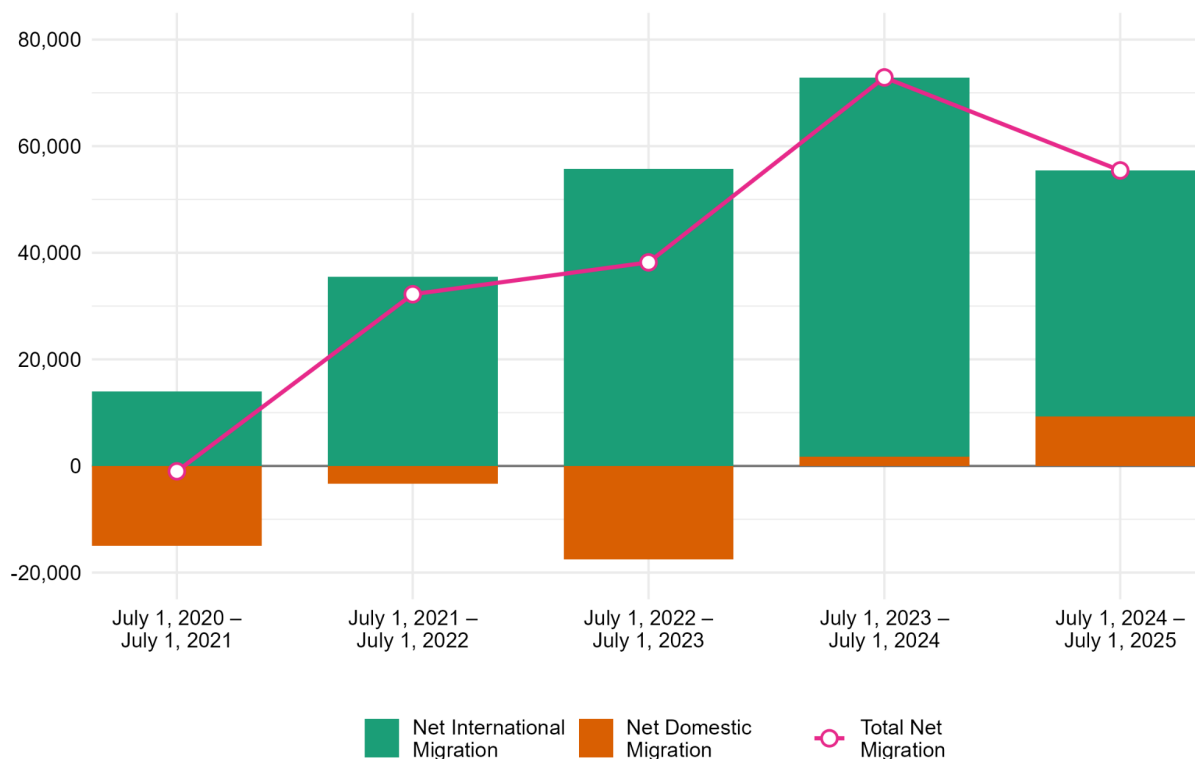


Figure 5: Net International and Domestic Migration, Washington State

Source: U.S. Census Bureau, Population Estimates Program

Household Income

In Q2 2026, median household income exceeded \$122,000 in the Puget Sound region and \$92,000 in the rest of the state, resulting in a statewide median household income of \$102,000, according to WCRER estimates (Figure 6). Household incomes have generally been increasing throughout Washington.

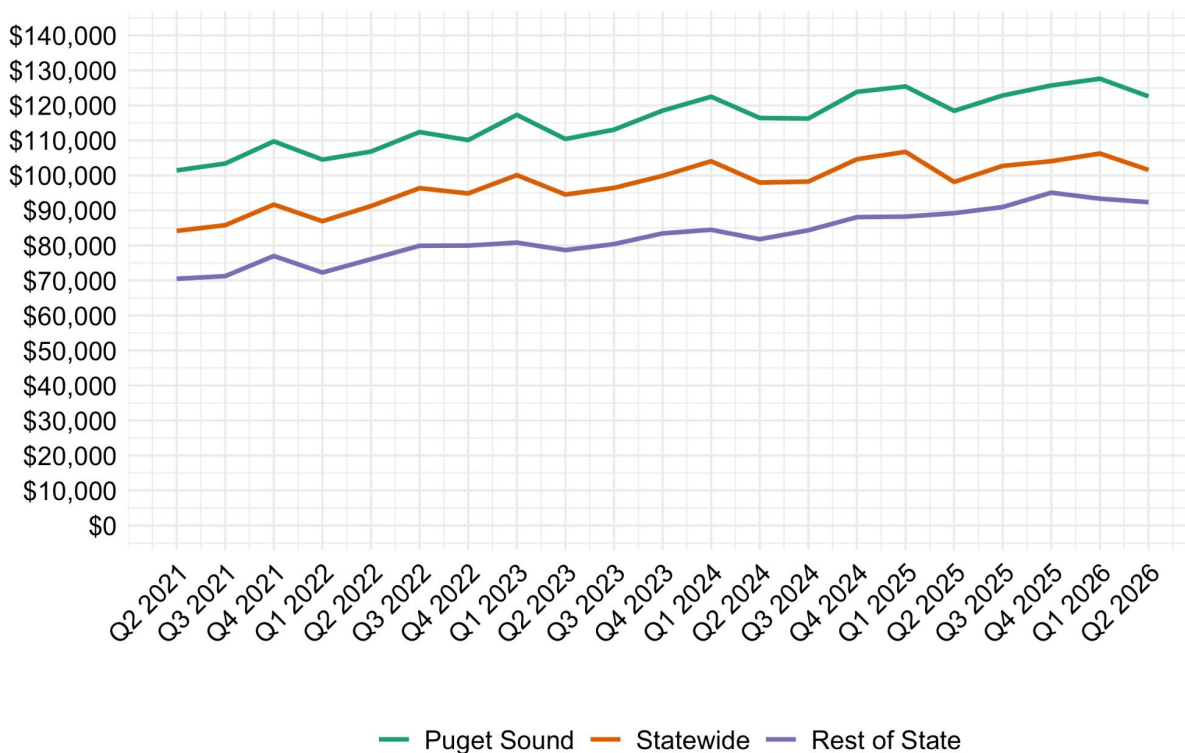


Figure 6: Median Household Income, Washington State and Regions

Source: WCRER estimates based on OFM and US Bureau of Labor Statistics data

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 ACS (Figure 7). In 2024, which is the most recent year for which data are available, Asian households in Washington had the largest median household income at \$143,000, up 52% from 2016. White households in Washington had a median household income of \$100,000 in 2024, up 33% from 2016. Black median household income was \$76,000 in 2024, up 47% from 2015. In 2016, Black household income was 31% less than White household income; by 2024, this gap narrowed to 24%. However, the gap between Asian and other groups' median household incomes is increasing.

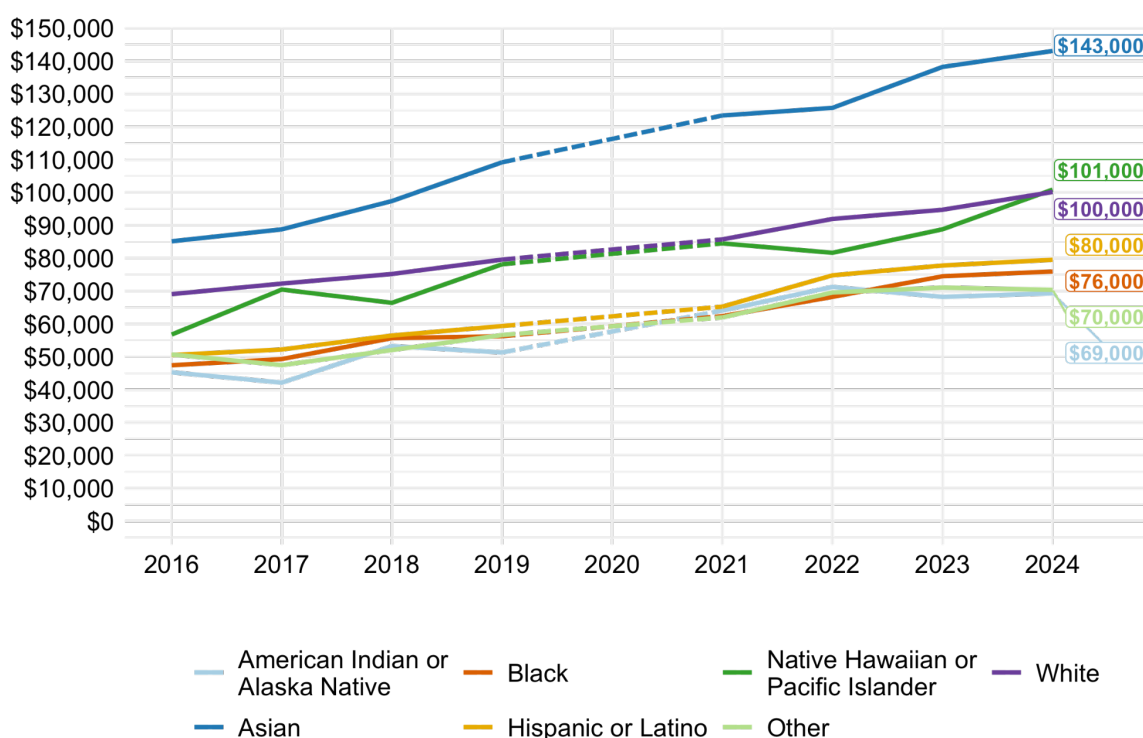


Figure 7: Median Household Income by Race or Ethnicity, Washington State

Source: ACS, 1-year estimates

Note: The US Census Bureau did not release the 2020 ACS 1-year estimates due to low response rates (induced by the Covid-19 pandemic) that did not meet their statistical standards. It was not possible to update this figure with data for 2025 due to a delay in releasing the ACS 1-year data for that year.

Household Structure

From 2019 to 2024, the percentage of non-family households among all households increased slightly, from 13.8% to 14.9% (Figure 8). The bulk of this growth was driven by an increase in single-person households. In 2015, 63% of Washington households consisted of one or two people, by 2024 this increased slightly to 64%, leading to an average household size of 2.46 people statewide (Figure 9). Owner-occupied households are slightly larger than renter-occupied households (consisting of 2.63 people and 2.17 people, respectively), according to the most recent data available from the ACS.

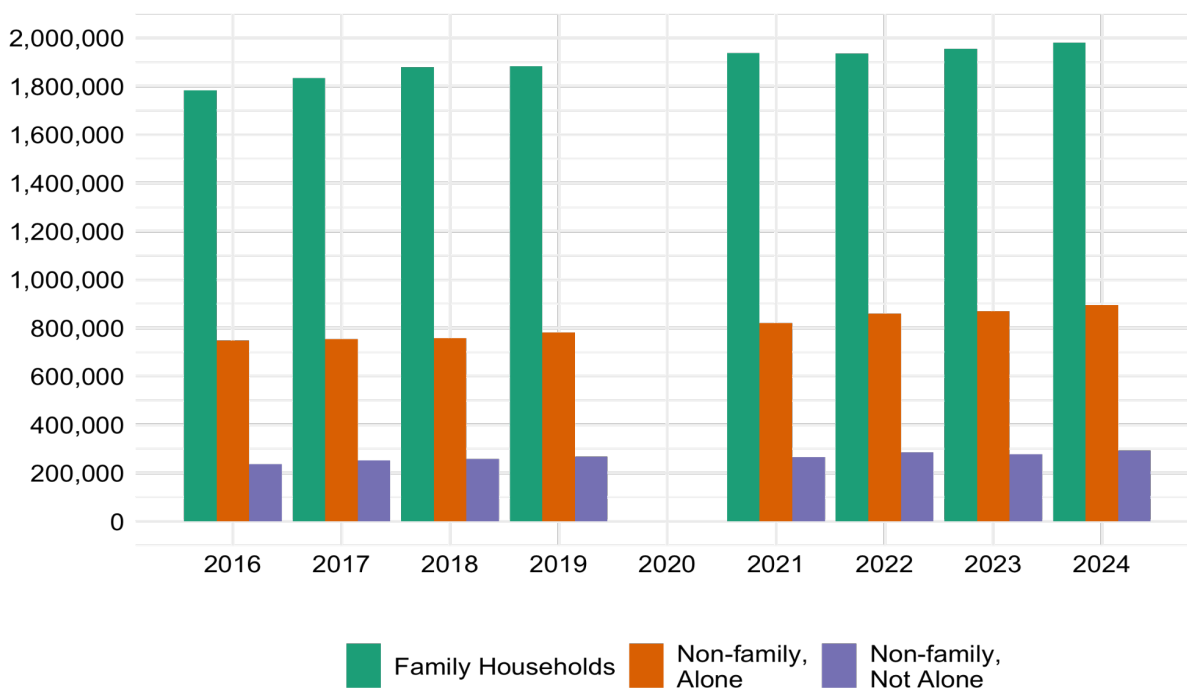


Figure 8: Households by Family Status, Washington State

Source: ACS, 1-year estimates

Note: The US Census Bureau did not release the 2020 ACS 1-year estimates due to low response rates (induced by the Covid-19 pandemic) that did not meet their statistical standards. It was not possible to update this figure with data for 2025 due to a delay in releasing the ACS 1-year data for that year.

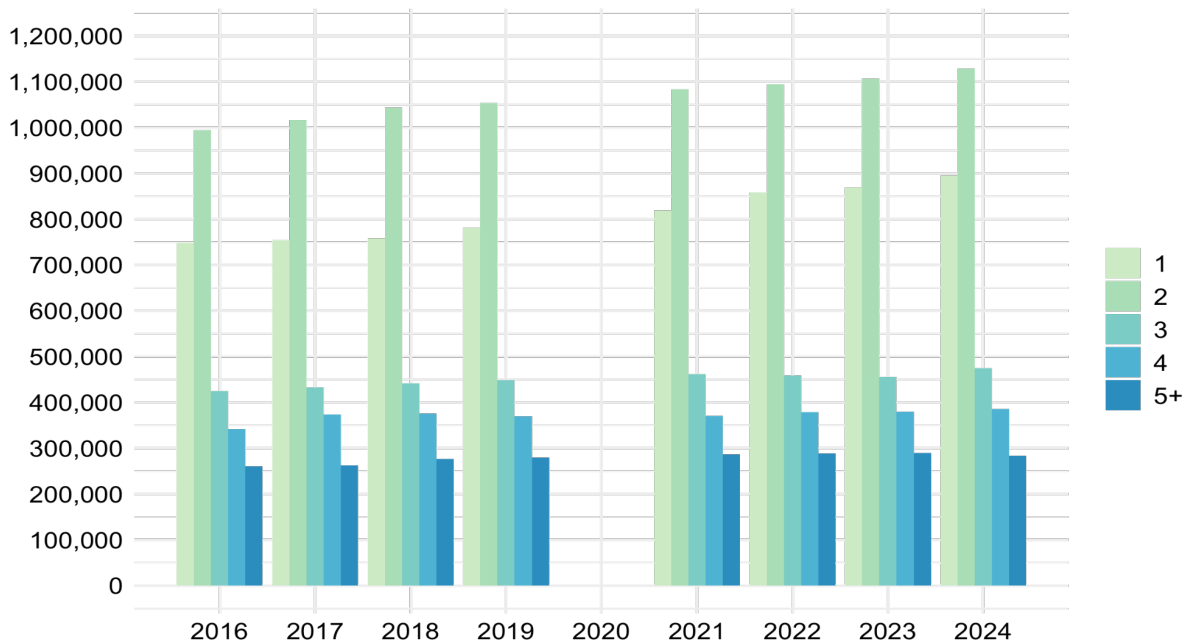


Figure 9: Number of Households by Size, Washington State

Source: ACS, 1-year estimates

Note: The US Census Bureau did not release the 2020 ACS 1-year estimates due to low response rates (induced by the Covid-19 pandemic) that did not meet their statistical standards. It was not possible to update this figure with data for 2025 due to a delay in releasing the ACS 1-year data for that year.

Housing Stock

From April 2025 to April 2026, Washington increased its housing stock by 1.2%, according to estimates from OFM (Figure 10).¹³ County-level estimates show that this housing stock growth was distributed widely across Washington and that no county's housing stock decreased.

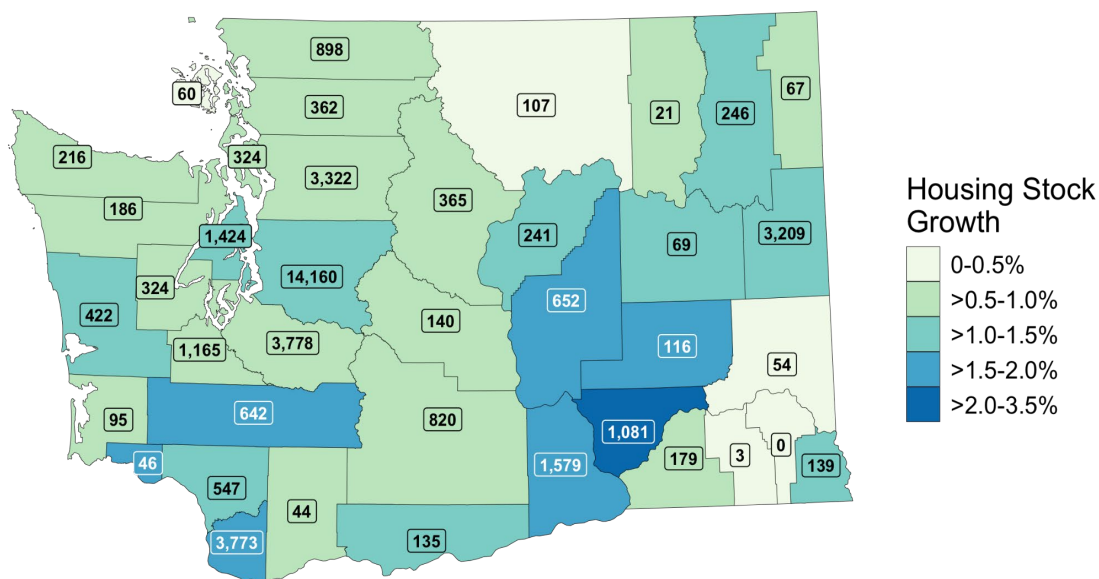


Figure 10: Housing Stock Growth for Washington Counties, April 2025 to April 2026

Source: OFM

¹³ We report housing stock, completions, and permit data as of April 1 each year, consistent with the way OFM reports these data. This aligns with the April 1 date of the decennial census.

Interest Rates

Rising interest rates have made both construction loans and permanent financing for apartment buildings more expensive. As of Q2 2026, the average interest rate on permanent financing of apartment buildings was 7.31% and construction financing was somewhat higher at 10.34%.¹⁴ Government-backed loans typically have lower rates. High interest rates make housing more expensive to build and thus makes it less likely that a developer will pursue a given project.

For homebuyers, interest rates on a 30-year fixed rate home mortgage increased sharply from a low of 2.65% in early January 2021 to a high of 7.79% at the end of October 2023. Mortgage interest rates then dropped to as low as 5.98% at the end of February 2026 but subsequently rose due to inflation caused by the war with Iran. High interest rates increase a borrower's monthly payment thereby driving up the cost of homeownership (see further discussion in the section on Homeownership below).

¹⁴ Rates for apartment financing are from RealtyRates.com. Rates for home mortgages are from Freddie Mac. These rates exclude fees or points.

Construction Costs

Nationwide, construction costs increased by 4.6% in the 12 months leading up to July 1, 2026, which is more than double the growth rate of 2% in the prior year (Figure 11).

Rising construction costs combined with relatively low permits and completions for both single-family and multifamily units imply that the rise in construction costs is driven by supply factors such as the cost of materials and labor. Increased tariffs and immigration enforcement have likely had an impact on the costs of materials and labor, although it is difficult to assess the magnitude of these effects. Inflation due to high oil costs resulting from the war with Iran is also likely to be a factor.

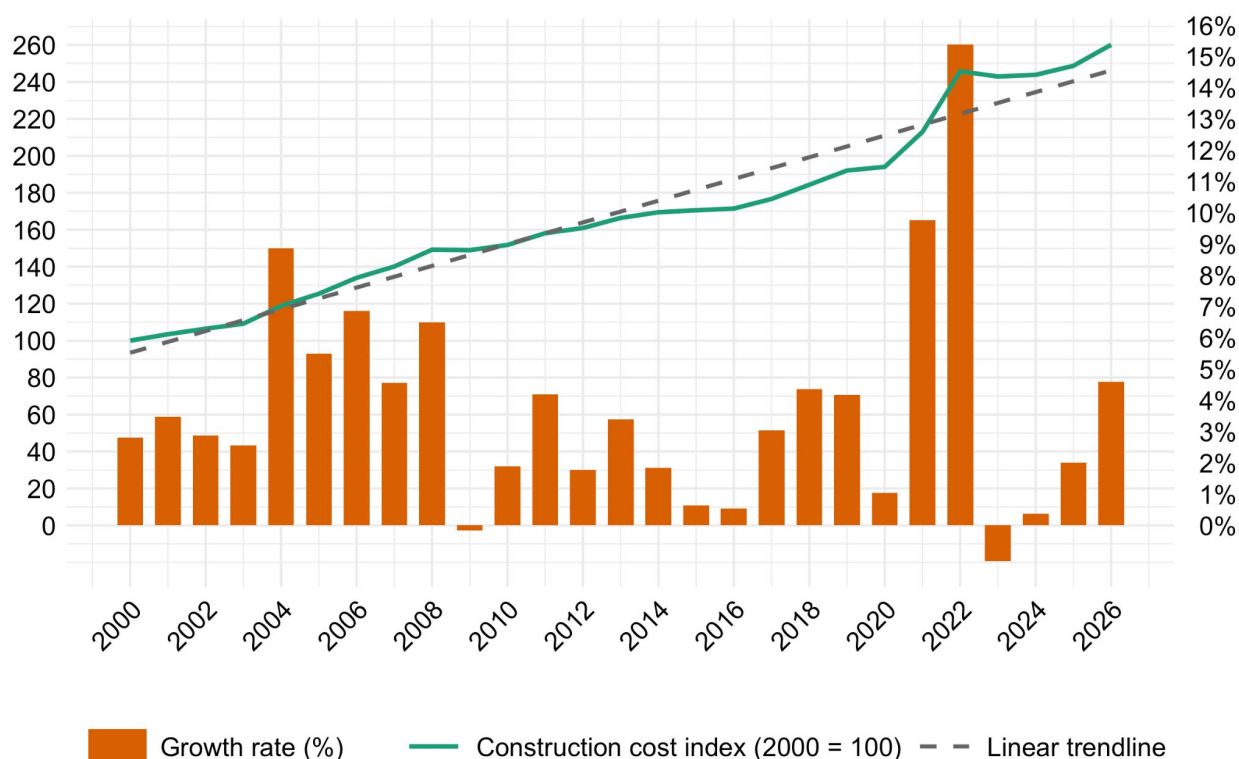


Figure 11: Construction Cost Index, US (2000 = 100)

Source: RS Means

Note: The growth rates refer to the 12 months leading up to July 1 of each year.

In Everett, Richland, Seattle, Spokane, Tacoma, and Yakima, the rise in the cost of materials outpaced the rise in the cost of labor from 2025 to 2026 (Figure 12). In Vancouver, labor costs grew faster than materials over the same period. Labor and materials costs in Washington are rising faster than the national average.

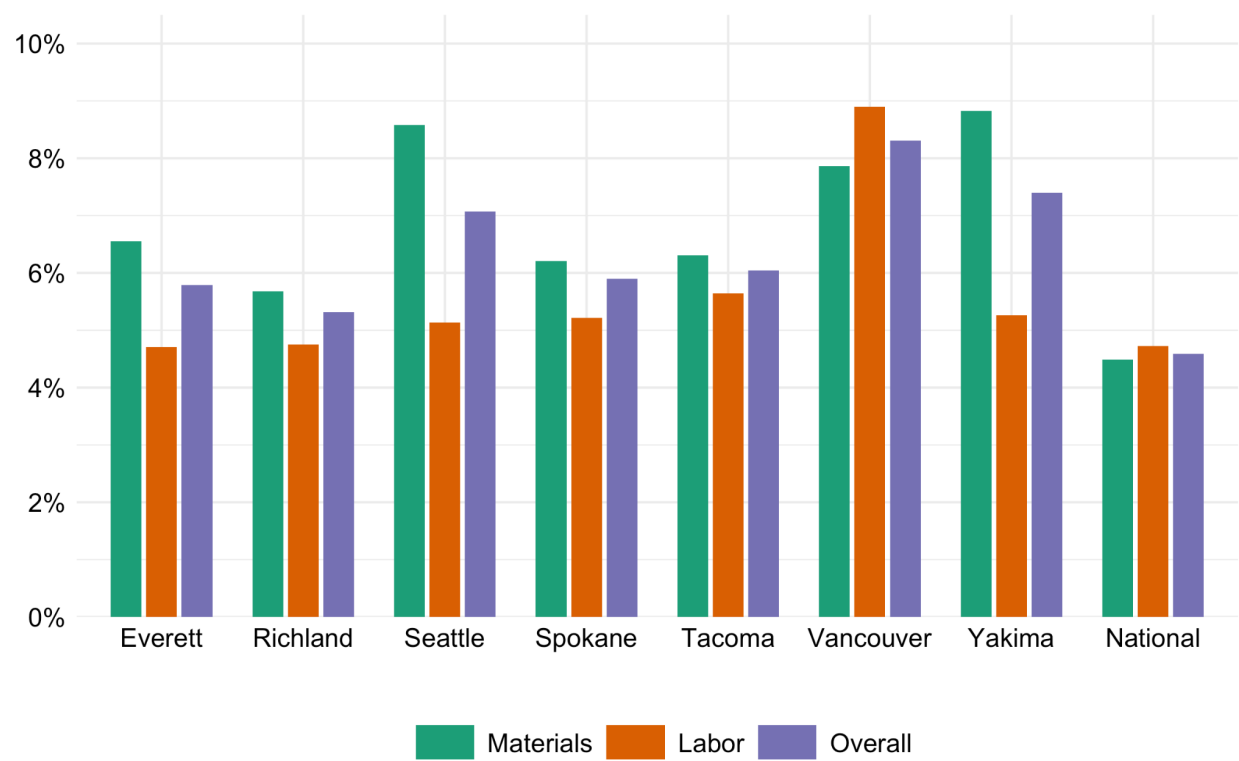


Figure 12: Construction Cost Growth 2025-2026, Selected Cities

Source: RS Means Construction Cost Indexes, July 2025 and July 2026

Note: National average is based on 30 large cities across the US

Homeownership

Ownership Rates

The homeownership rate in Washington was fairly constant from 2016 to 2024, which is the latest year for which we have data (Figure 13). In 2024, Washington had a rate of 63%, which is slightly below the US average of 65%. For comparison, neighboring Idaho had a much higher homeownership rate at 72% while California had a much lower rate at 56%; Oregon had the same rate as Washington. Texas, which has a policy and regulatory environment quite different from that of Washington, nevertheless had nearly the same homeownership rate.

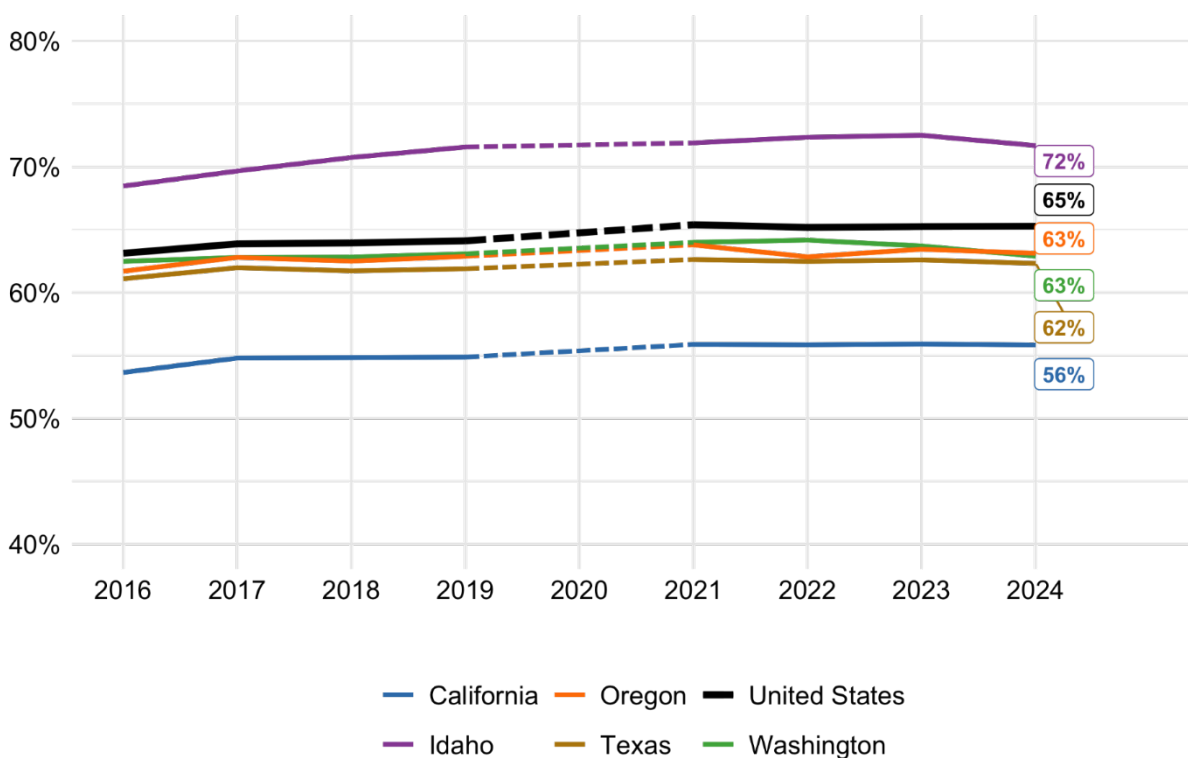


Figure 13: Homeownership Rates, Selected States and US

Source: ACS, 1-year estimates

Note: The U.S. Census Bureau did not release the 2020 ACS 1-year estimates due to low response rates (induced by the Covid-19 pandemic) that did not meet their statistical standards. It was not possible to update this figure with data for 2025 due to a delay in releasing the ACS 1-year data for that year.

There are large, persistent differences in homeownership rates by race and ethnicity in Washington (Figure 14). As of 2024, only 36% of Black households in Washington were homeowners compared to 67% of White households. Over the last decade this divide remained remarkably large and unchanging. Asian households' homeownership rate has likewise remained flat in spite of the fact that Asian household income has increased rapidly. These differences in homeownership by race are likely caused by several factors. People of different races and ethnicities are concentrated in different locations in the state with varying levels of housing affordability, and they have different levels of income and wealth. For example, White households are more likely to be in counties with lower median house prices, contributing to that groups' higher homeownership rate. In contrast, Asian and Black households are concentrated in the Puget Sound Region where house prices are relatively high.

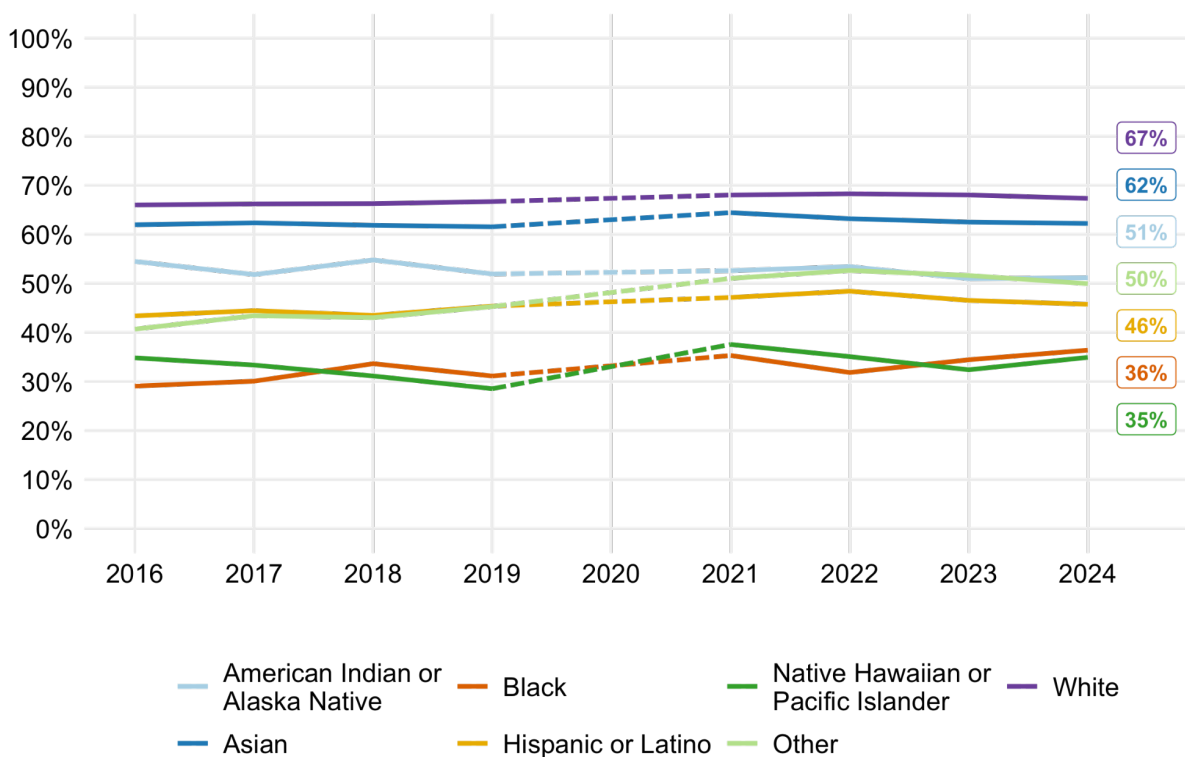


Figure 14: Homeownership Rates by Race or Ethnicity, Washington State

Source: ACS, 1-year estimates

Note: The U.S. Census Bureau did not release the 2020 ACS 1-year estimates due to low response rates (induced by the Covid-19 pandemic) that did not meet their statistical standards. It was not possible to update this figure with data for 2025 due to a delay in releasing the ACS 1-year data for that year.

House Prices

The median-priced house in Washington cost approximately \$645,000 in Q2 2026 (Figure 15). The statewide median price declined by 1.5% from Q2 2023 to Q2 2026. As of Q2 2026, the median price in the Puget Sound region (\$815,000) exceeded the statewide median while the median for the rest of the state (\$487,000) was lower. The statewide flattening of house price trends is reflected in the state's largest cities (Bellingham, Seattle, Spokane, Tacoma, and Yakima), with the ranking of house prices across cities remaining virtually unchanged (Figure 16).

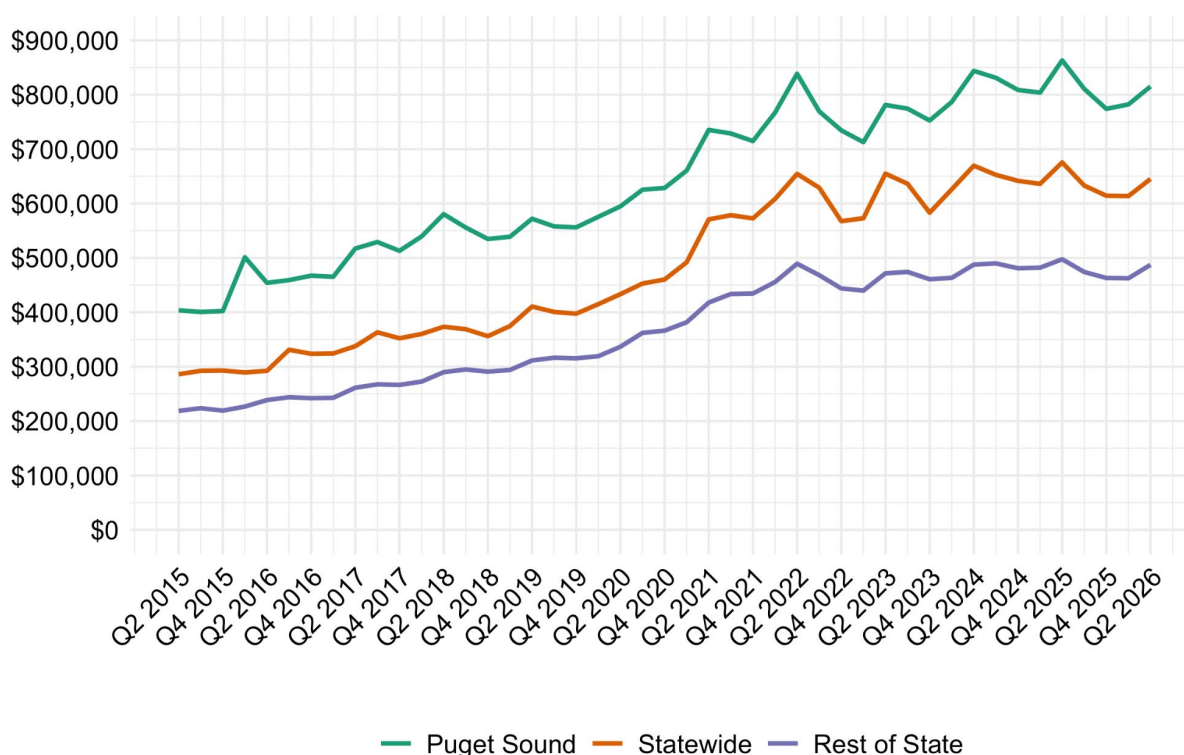


Figure 15: Median House Price by Region, Washington State and Regions
 Sources: WCRER, Multiple Listing Services, and county property assessors

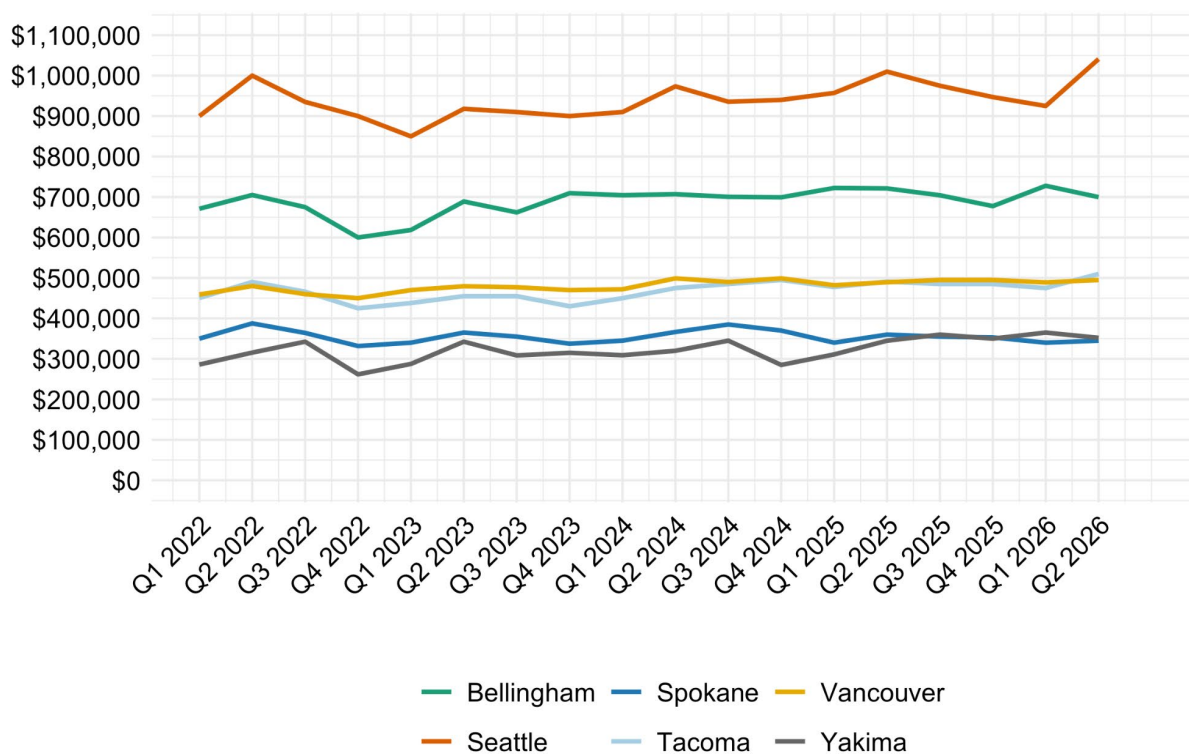


Figure 16: Median Single-Family House Prices, Selected Cities

Sources: WCRER and Cotality

Listings and Sales Transactions

Listings for single-family houses rose 5% from Q3 2025 to Q2 2026 (Figure 17). During the same period, sales of single-family homes declined by 1%. As of Q2 2026, the market is not that great for sellers, which is why the inventory has increased. And the market has not improved for buyers as the inventory has increased; if anything, it has gotten worse for buyers as they see interest rates going up rather than down, with no end in sight. If inventory continues to increase, it will likely be because buyers continue to be constrained from an affordability point of view.

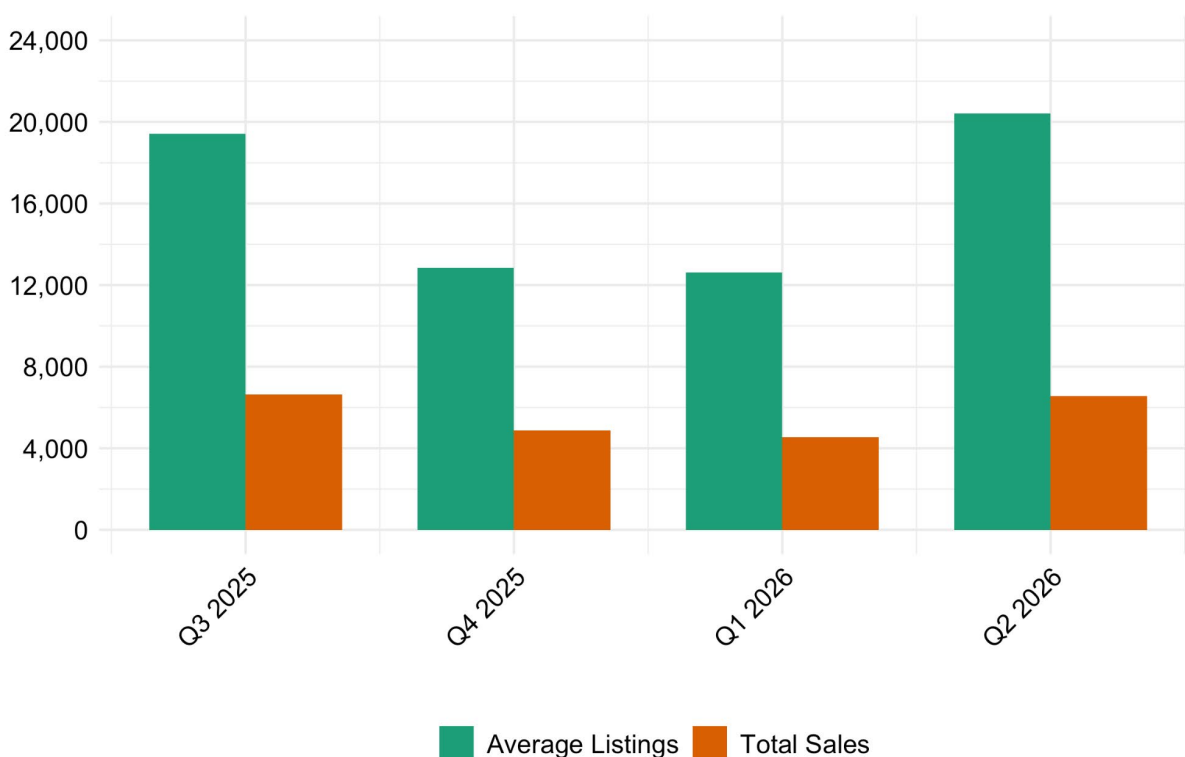


Figure 17: Single-Family Listings and Sales, Washington State

Source: Multiple Listing Services, County Assessors, Cotality

Note: Includes only counties where both listings and sales data are available

Affordability for Buyers

The affordability of purchasing a home declined in 2022 and has remained low (Figure 18). This reflects the sharp increase in mortgage interest rates in that year. WCRER's median-income buyer Housing Affordability Index (HAI) represents a household with median income purchasing a median-priced home.¹⁵ The index numbers can be interpreted as the percentage of income required to afford the median-priced house. Hence, values of 100 or above represent affordable housing, while values below 100 are unaffordable. Affordability for the median-income buyer has been dropping for the last decade and crossed into unaffordable territory in Q2 2021. Interest rates on a new 30-year fixed-rate mortgage increased sharply beginning in Q4 2021 from an average of 3.1% to a high of 7.3% in Q4 2023 and dropped to 6.1% in Q1 2026. Since then, they have been trending upwards due in part to high inflation triggered by the war with Iran; rates averaged 6.4% in Q2 2026.

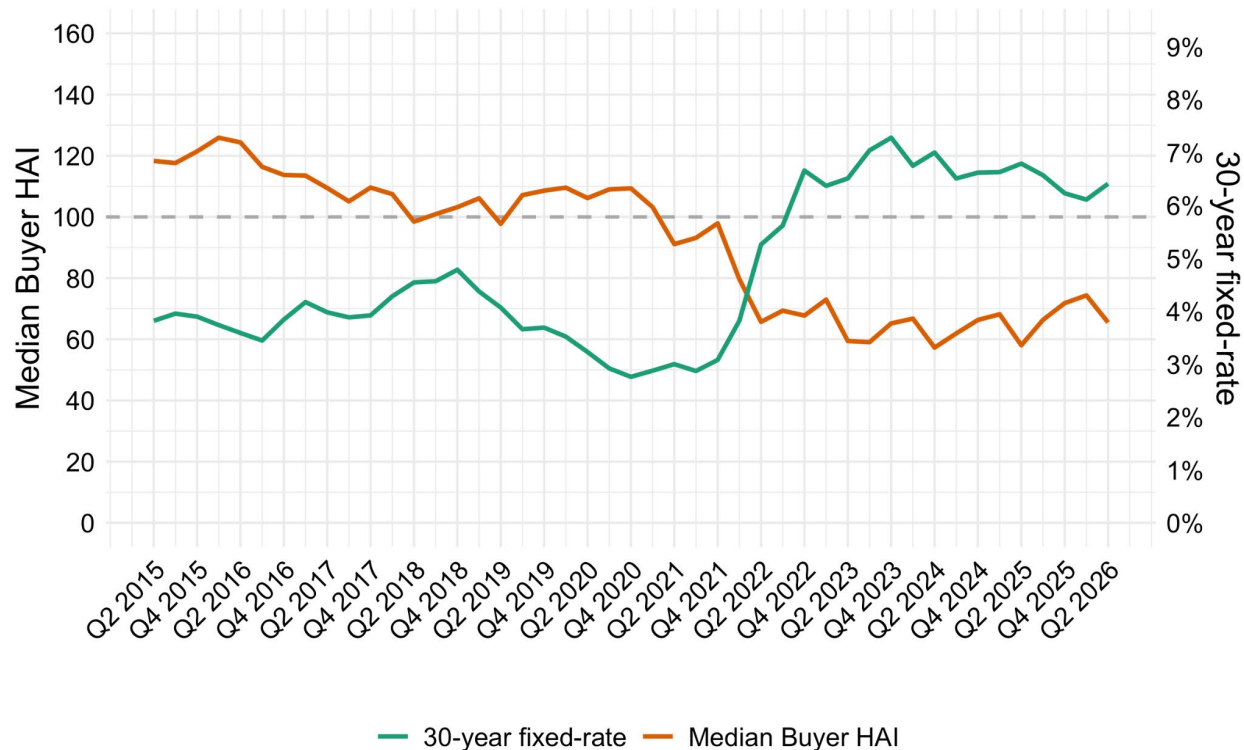


Figure 18: Interest Rates and Affordability in Washington State

Sources: Freddie Mac and WCRER

¹⁵ 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.

Estimates from the Federal Housing Finance Agency (FHFA) show that the average payment on all outstanding mortgages in Washington increased 7.9% from Q1 2025 to Q1 2026, to \$2,526, almost closing the gap with California, which had an average mortgage payment of \$2,668 and a growth rate of 6.1% over the same period (Figure 19).

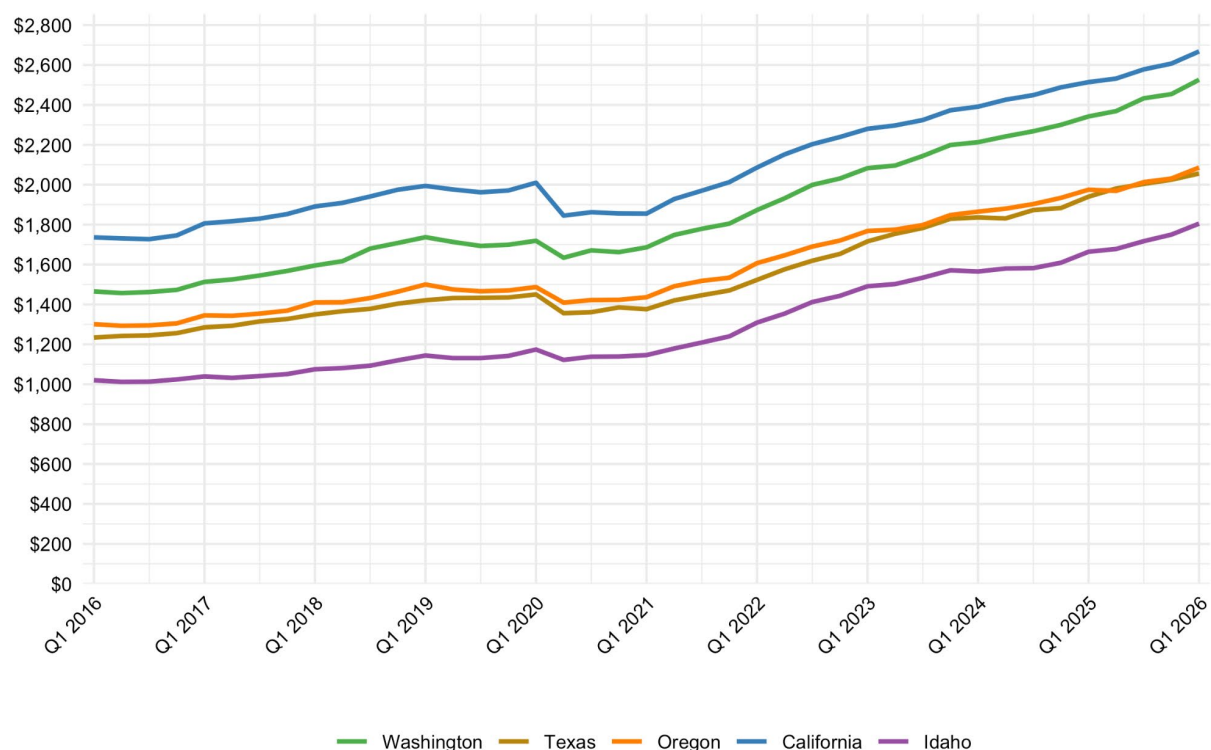


Figure 19: Average Payment on Outstanding Mortgages, Washington and Selected States

Source: FHFA

Home buying has become less affordable across Washington's major and regional cities (Figure 20). Spokane, Tacoma, Vancouver, and Yakima transitioned from affordable for the median-income buyer in Q2 2020 to unaffordable in Q1 2022 where they remain as of Q2 2026. Bellingham and Seattle became even less affordable during the same period.

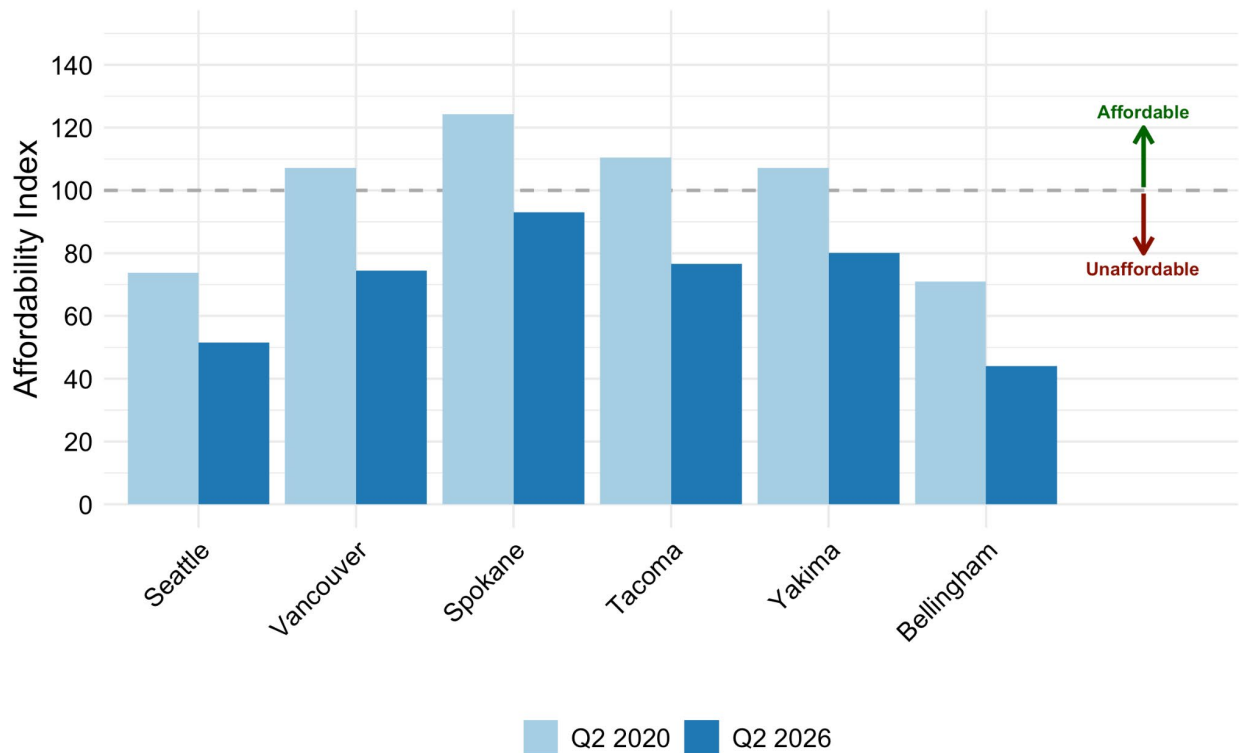


Figure 20: Median-Income Buyer Affordability Index, Selected Cities

Source: WCRER

Approximately 23.4% of Washington homeowners were cost-burdened in 2024, meaning they spent over 30% of their household income on housing costs (Figure 21). Some 13.4% of homeowners spent between 30% and 50% of their income on housing while 10.1% of homeowners spent 50% or more of their income on housing. The overall share of cost burdened homeowners has remained mostly constant statewide from 2016 to 2024, but the share of severely cost-burdened homeowners rose from 2019 to 2024.

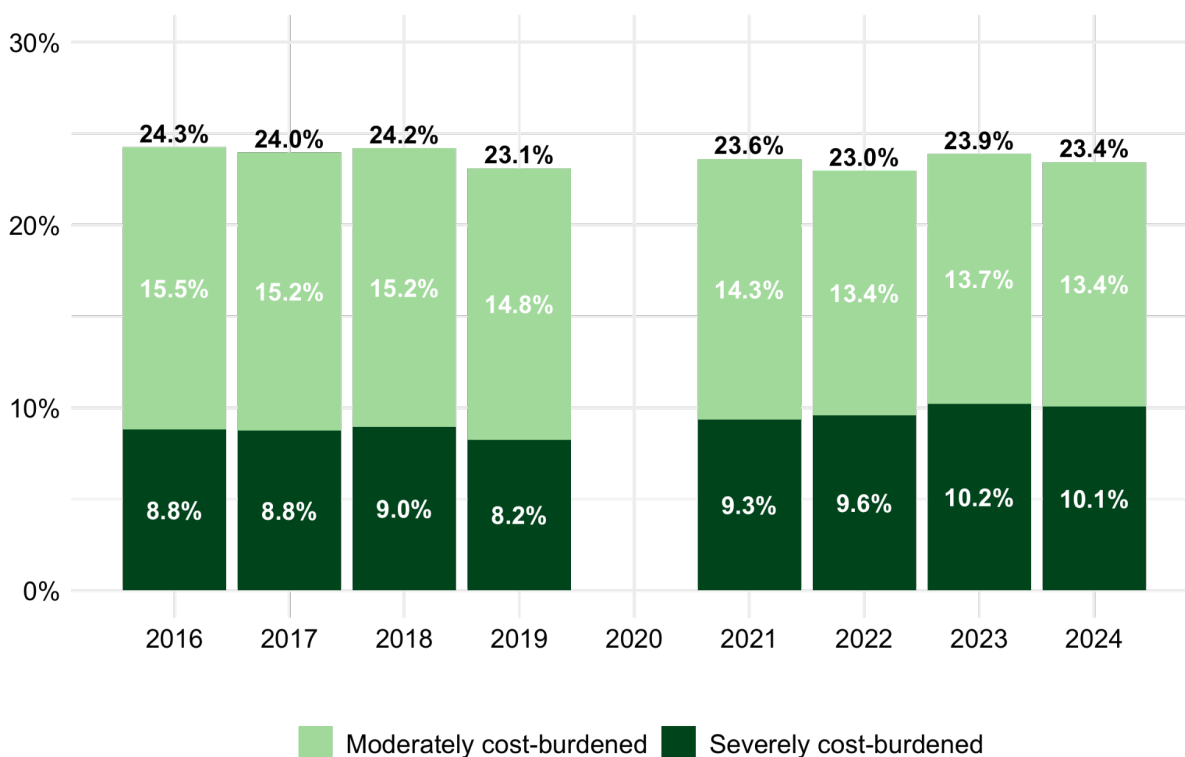


Figure 21: Annual Owner Costs as a Percentage of Household Income, Washington State

Source: ACS, 1-year estimates

Note: The U.S. Census Bureau did not release the 2020 ACS 1-year estimates due to low response rates (induced by the Covid-19 pandemic) that did not meet their statistical standards. It was not possible to update this figure with data for 2025 due to a delay in releasing the ACS 1-year data for that year.

In general, the cost burden rates of Washington homeowners broken down by race tend to be similar to those for the U.S. (Table 6). Asian, Native Hawaiian and Pacific Islander, and Hispanic or Latino homeowners in Washington are slightly or somewhat less cost-burdened than the U.S. average, while White and Black homeowners are slightly more cost-burdened. American Indian and Alaska Native homeowners are equivalently cost burdened in the U.S. and Washington.

Table 6: Owner Cost Burden by Race or Ethnicity, Washington State and U.S.

Race or Ethnicity	Geography	Moderately Cost-Burdened	Severely Cost-Burdened	Cost-Burdened
White	Washington	13.2%	9.2%	22.4%
White	U.S.	11.2%	8.5%	19.7%
Black	Washington	16.4%	14.4%	30.8%
Black	U.S.	15.2%	13.7%	28.8%
American Indian and Alaska Native	Washington	11.0%	10.7%	21.7%
American Indian and Alaska Native	U.S.	11.9%	9.7%	21.7%
Asian	Washington	13.2%	10.2%	23.3%
Asian	U.S.	13.6%	11.7%	25.3%
Native Hawaiian and Pacific Islander	Washington	11.3%	9.2%	20.5%
Native Hawaiian and Pacific Islander	U.S.	14.7%	12.4%	27.1%
Hispanic or Latino	Washington	14.3%	9.8%	24.0%
Hispanic or Latino	U.S.	15.1%	11.7%	26.7%

Source: ACS, 2024 5-year estimates

Single-Family Permits and Completions

Washington permitted about 17,800 new units of single-family housing in 2025 (Figure 23). The number of new housing units permitted has declined over the last few years, according to data from the US Census Bureau's Building Permit Survey. This trend is also reflected in a national 18.2% decline from 1.12 million single-family permits in 2021 to 0.91 million in 2025. In Washington, from the April 2021 through April 2022 period to the April 2025 through April 2026 period, the annual number of single-family housing units completed declined 20.7% statewide (Figure 24).

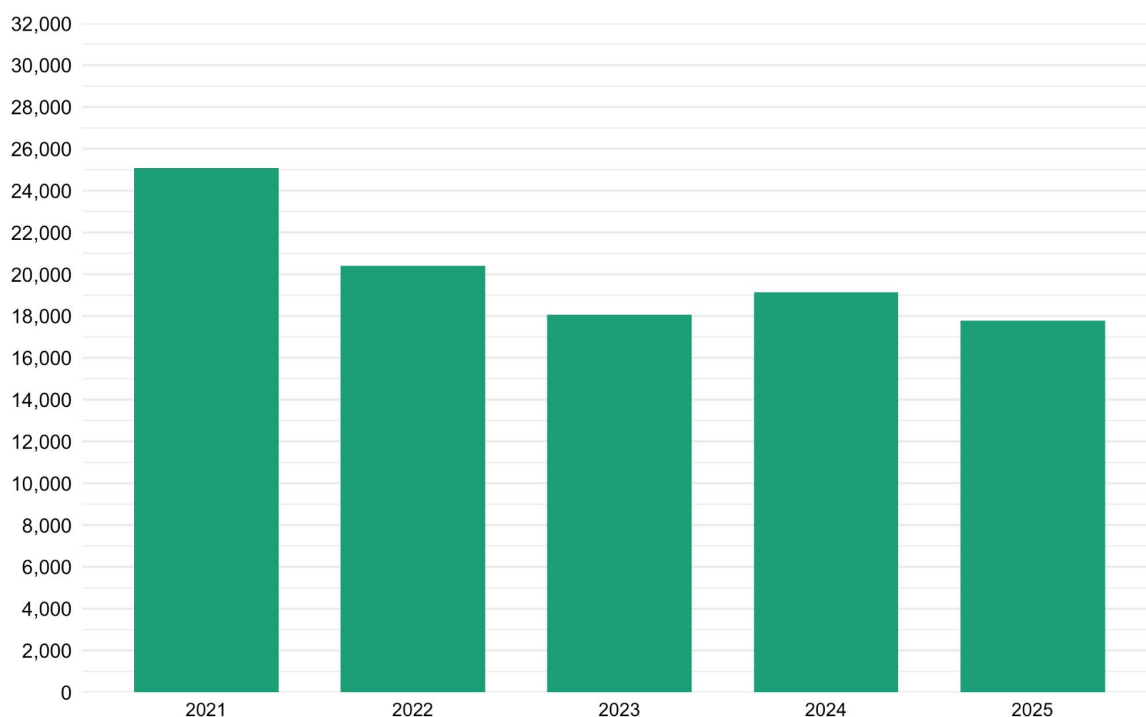


Figure 23: Single-Family Permits, Annual, Washington State

Source: U.S. Census Bureau Building Permits Survey

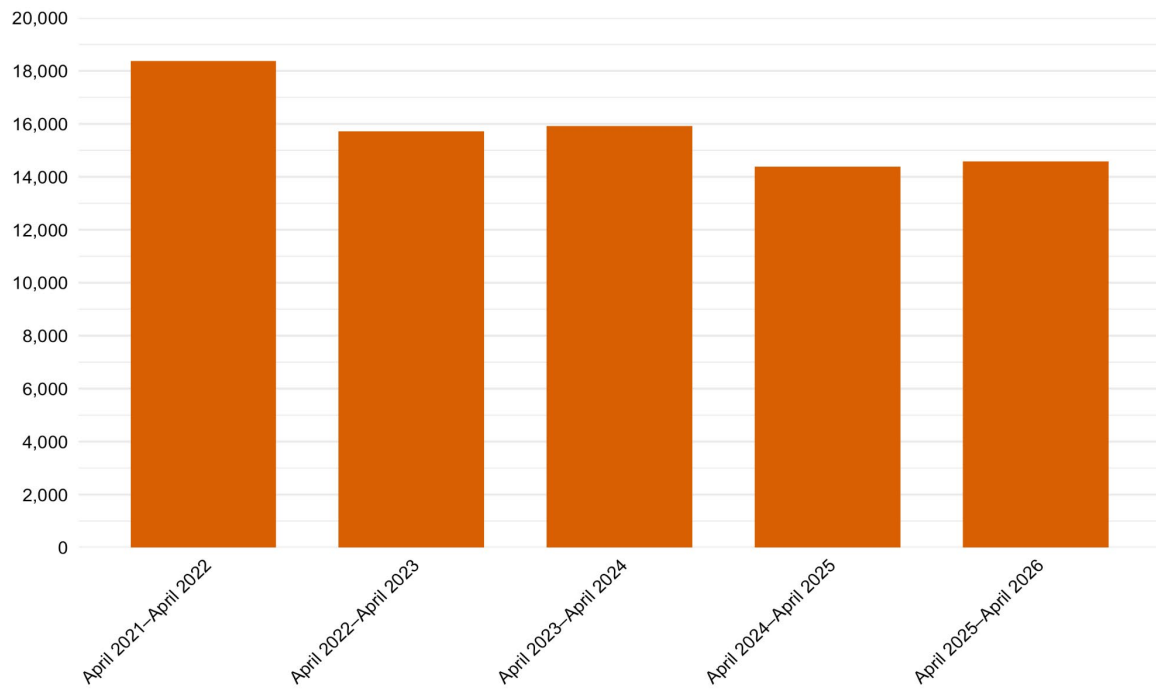


Figure 24: Single-Family Completions, Annual, Washington State

Source: OFM

Rental Housing

Apartment Rents and Vacancy Rates

A surge in new apartment construction helped to slow rent growth to 1.9% on average annually from Q2 2022 to Q2 2026 (Figure 25) after the spike from Q1 2021 to Q2 2022, when statewide median rent grew approximately 11%. Rental growth then slowed considerably, and apartment vacancy rates rebounded due to new development activity. More recently, development has slowed, reflecting higher costs, such as high interest rates, and lower expected demand.

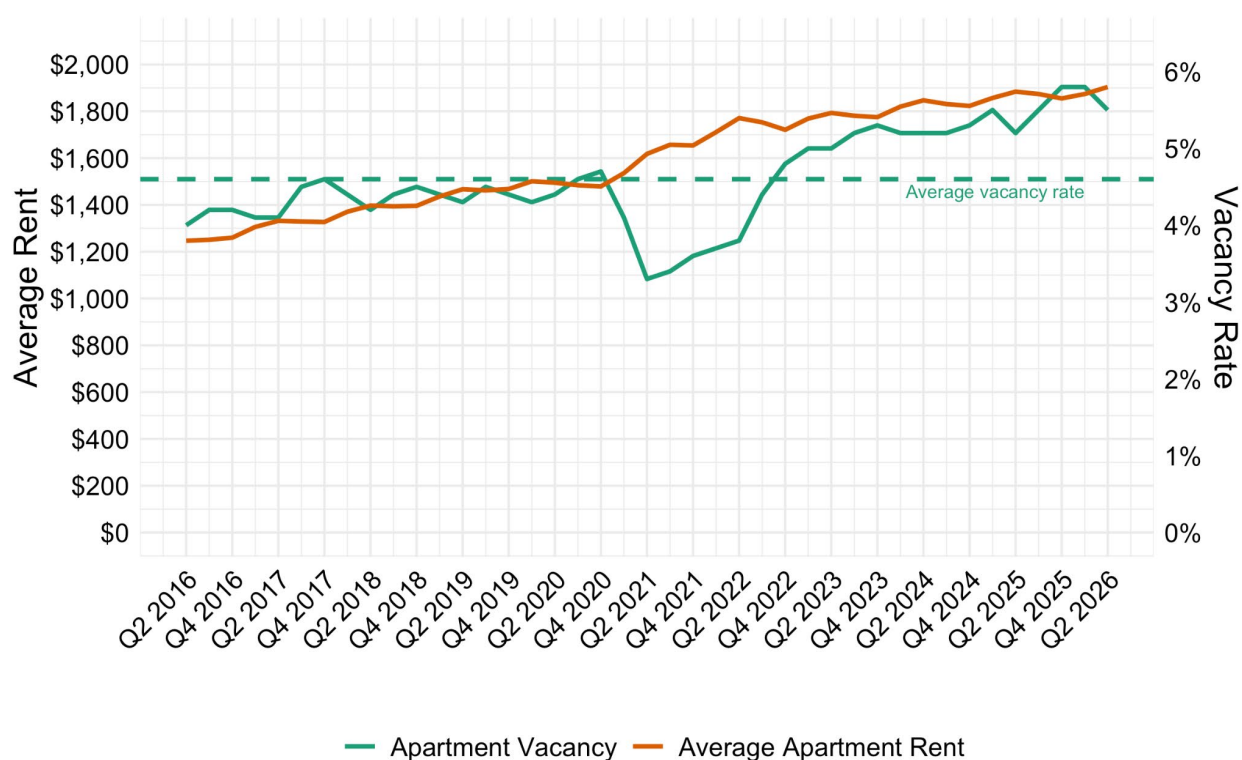


Figure 25: Average Stabilized Apartment Rent and Vacancy, Washington State

Sources: WCRER and CoStar

Note: Stabilized rents and vacancy rates exclude new properties that are still in the lease-up stage.

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 26). 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.¹⁶ For the median-income renter, rent is considered affordable at the state level. This presents a sharp contrast to the median-income buyer's situation.

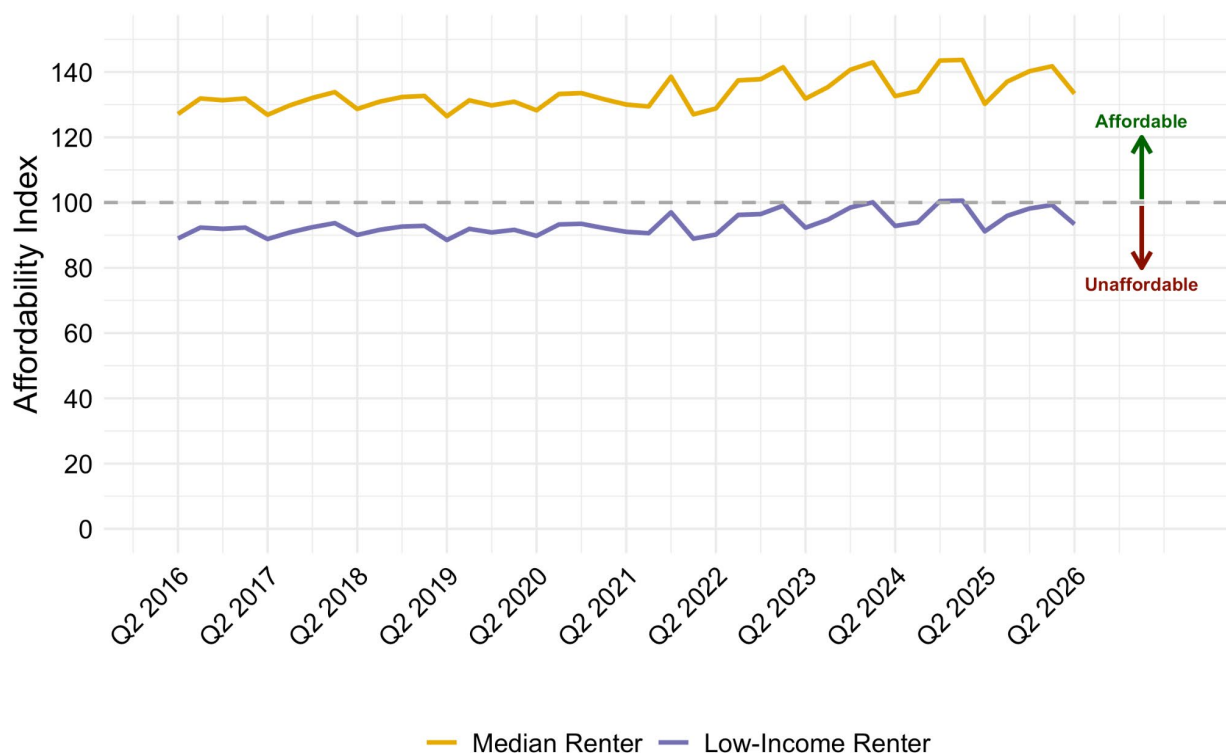


Figure 26: Renter Affordability Indexes, Washington State

Source: WCRER

WCRER's low-income renter represents a household making 70% of the median income renting the average rent apartment. This renter is near the upper end of the low-income range, which is defined by HUD to be up to 80% of AMI. For most of the last decade, an apartment with average rent has not been affordable for this low-income

¹⁶ Spending 30% of income on housing costs is commonly considered to be the maximum that is affordable. This threshold is generally used by HUD. Of course, households with very low or extremely low incomes (less than or equal to 50% or 30% of AMI, respectively) may not be able to afford to spend 30% of their incomes on rent and still have enough income left for other necessities.

renter. However, in Q1 2024, Q4 2024, and Q1 2025, this hypothetical low-income renter nudged into an affordability index of 100. It is important to remember that these indexes focus on hypothetical households renting apartments at hypothetical rent levels. The low-income renter could afford somewhat less expensive apartments that have rents below the average.

In 2024, 48.2% of Washington renters spent at least 30% of their household income on annual gross rent (Figure 27). Some 25.2% of renters spent between 30% and 50% of their household income on gross rent, while 23% of households spent 50% or more of their income on gross rent, making them severely cost-burdened. These high shares of renter cost-burden have been fairly constant over the last decade.

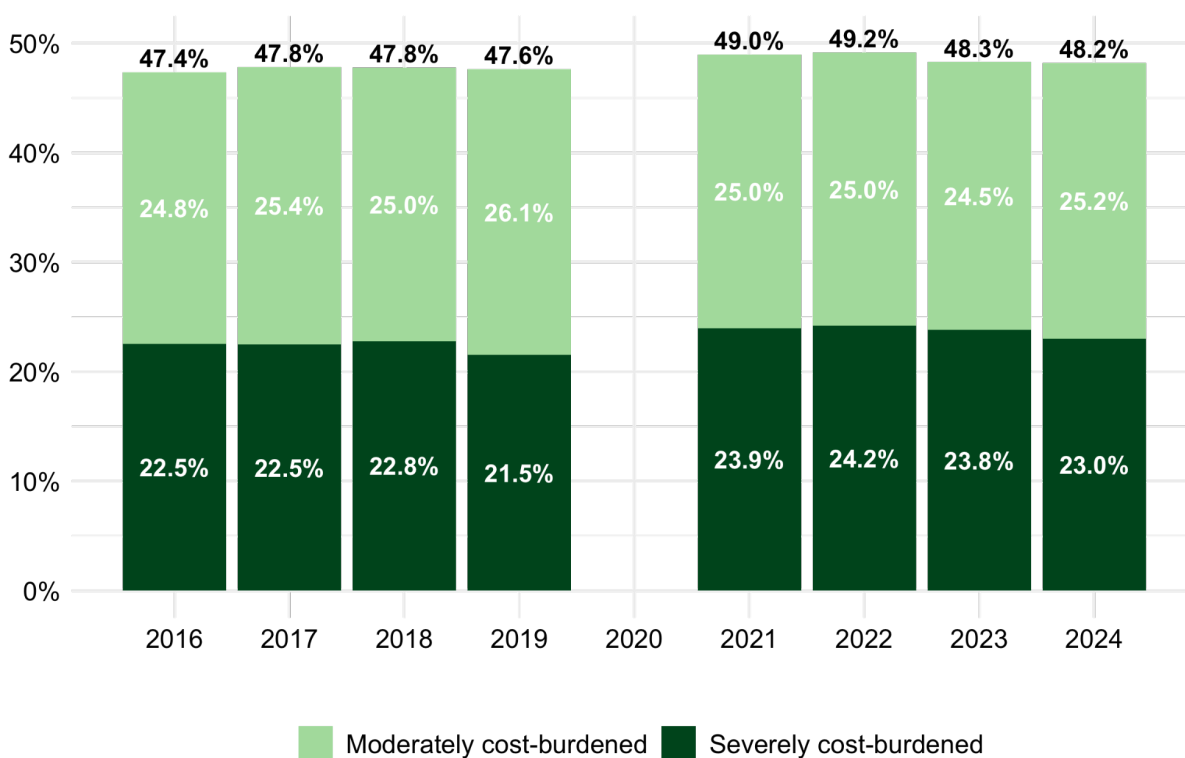


Figure 27: Annual Gross Rent as a Percentage of Household Income, Washington State

Source: ACS, 1-year estimates

Note: The U.S. Census Bureau did not release the 2020 ACS 1-year estimates due to low response rates (induced by the Covid-19 pandemic) that did not meet their statistical standards. It was not possible to update this figure with data for 2025 due to a delay in releasing the ACS 1-year data for that year.

American Indian and Alaska Native, Asian, and Hispanic or Latino renters in Washington are somewhat less cost-burdened than the U.S. average (Table 7). Native Hawaiian and Pacific Islander renters are equally cost-burdened as the U.S. average, while White and Black renters are more cost-burdened. Compared to homeowners, renters are about twice as likely to be cost-burdened than homeowners.

Table 7: Renter Cost Burden by Race or Ethnicity, Washington State and U.S.

Race or Ethnicity	Geography	Moderately Cost-Burdened	Severely Cost-Burdened	Cost-Burdened
White	Washington	24.9%	22.8%	47.7%
White	U.S.	22.9%	22.9%	45.9%
Black	Washington	30.1%	28.6%	58.8%
Black	U.S.	25.5%	30.2%	55.7%
American Indian and Alaska Native	Washington	22.9%	21.7%	44.6%
American Indian and Alaska Native	U.S.	23.4%	24.2%	47.6%
Asian	Washington	19.4%	17.5%	36.9%
Asian	U.S.	19.9%	22.5%	42.4%
Native Hawaiian and Pacific Islander	Washington	25.2%	22.1%	47.4%
Native Hawaiian and Pacific Islander	U.S.	25.2%	24.9%	50.1%
Hispanic or Latino	Washington	27.4%	22.2%	49.6%
Hispanic or Latino	U.S.	26.0%	26.9%	52.9%

Source: ACS, 2024 5-year estimates

Multifamily Permits and Completions

Jurisdictions in Washington state permitted roughly 32,000 multifamily units in 2021 and only 17,000 in 2025 (Figure 28). Meanwhile, additions to the multifamily housing stock decreased 23% from the April 2024 through April 2025 period to the April 2025 through April 2026 period (Figure 29). New multifamily permits remain well below levels in 2021 and 2022, which will cause completions to continue to decline.

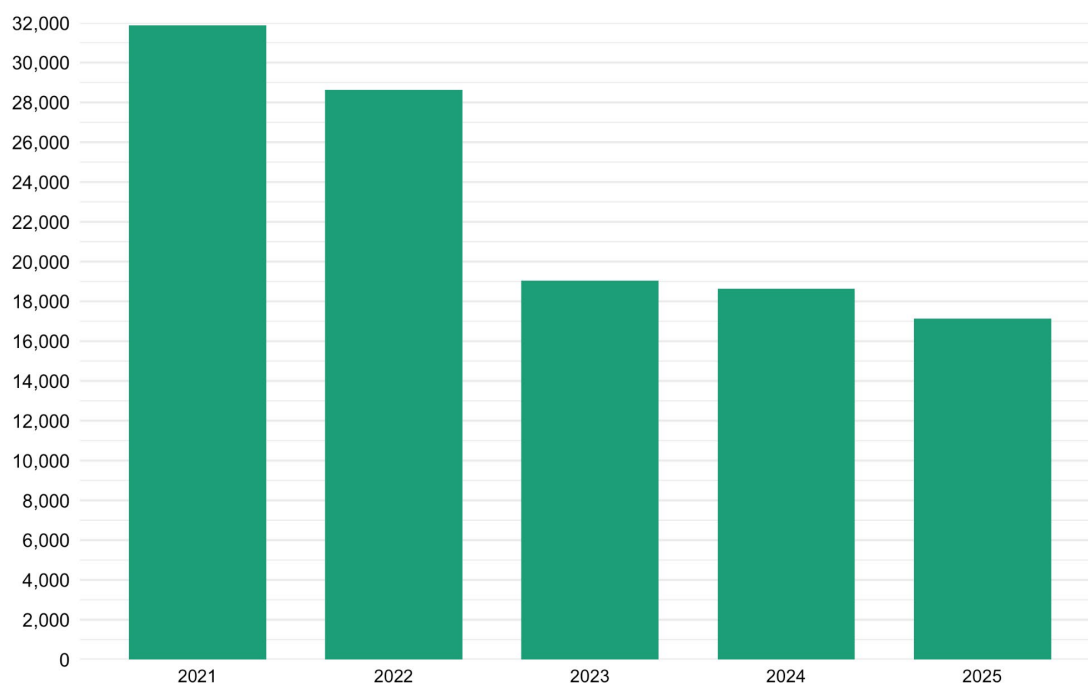


Figure 28: Multifamily Permits (Units), Annual, Washington State

Sources: U.S. Census Bureau Building Permits Survey

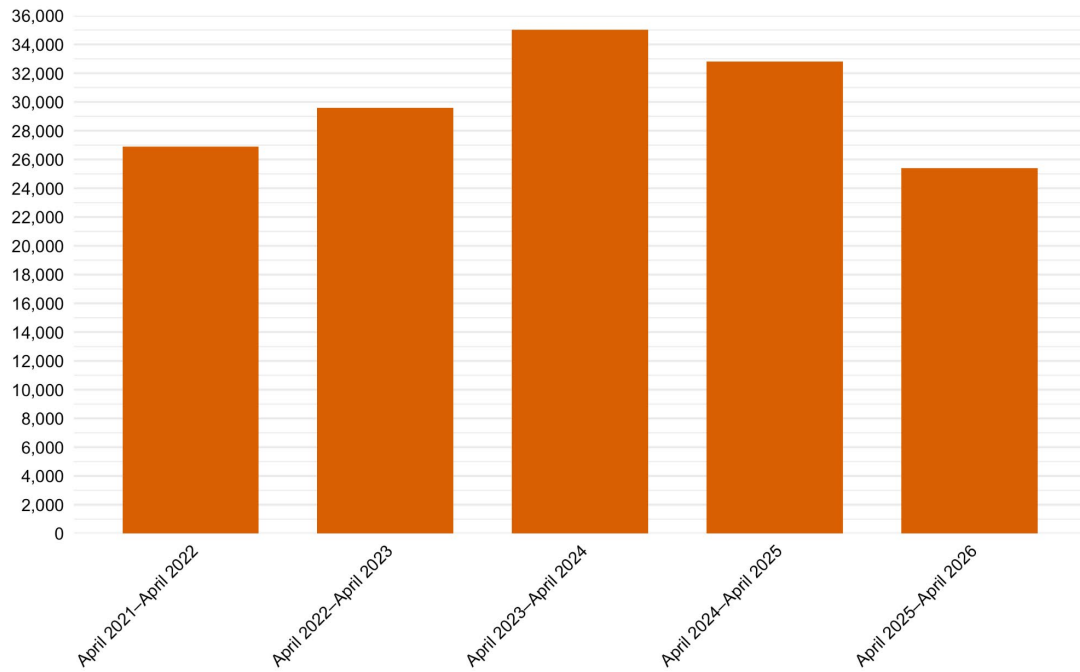


Figure 29: Multifamily Completions (Units), Annual, Washington State

Source: OFM

Homelessness

There are two main sources of statistics about the number of homeless in Washington state (Figure 30). One source is the point-in-time (PIT) count that is reported in HUD's Annual Homelessness Assessment Report (AHAR) to the U.S. Congress. The PIT count is a measure of the number of sheltered and unsheltered homeless on a single night in January.¹⁷ The other source is the Snapshot of Homelessness in Washington State Report ("Snapshot"). The Snapshot defines homelessness much more broadly than the PIT count, including a wider range of homeless and unstably housed persons.¹⁸

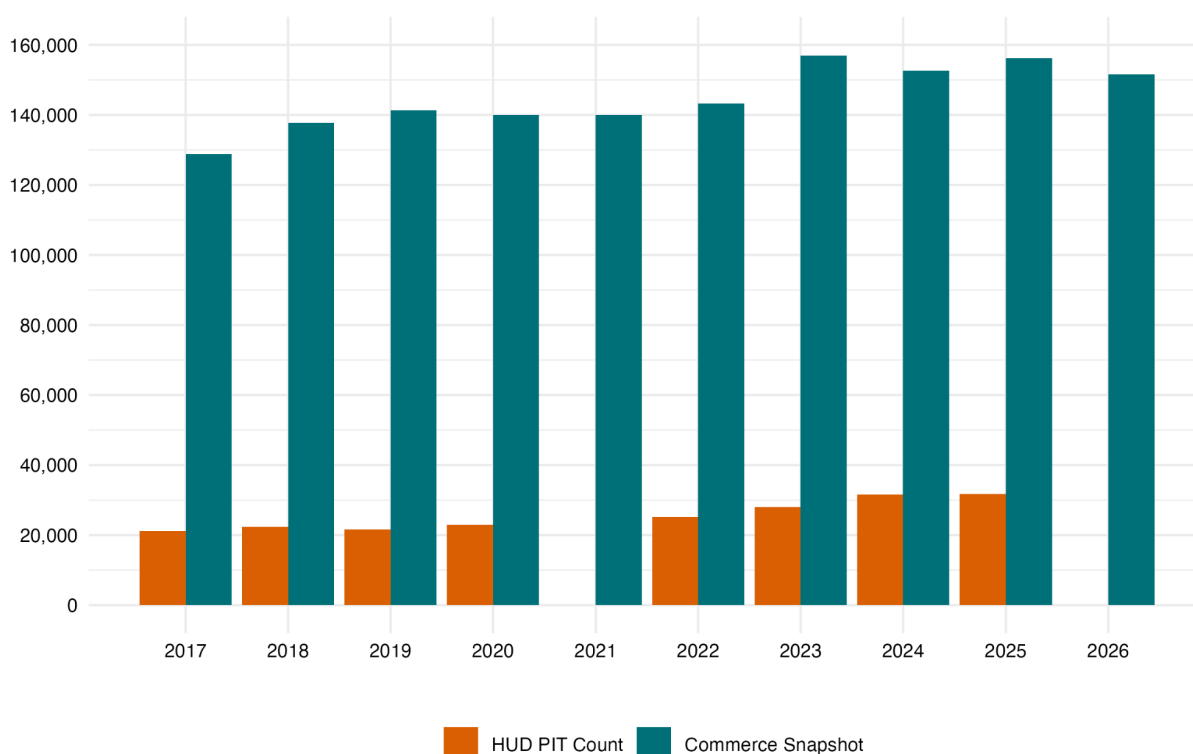


Figure 30: PIT and Snapshot Homeless Counts, Washington State
Sources: HUD AHAR (PIT Homeless) and Commerce (Commerce Snapshot)

¹⁷ Some jurisdictions, such as King County, have opted to use a different method for counting unsheltered homeless on a biennial basis; hence, there was no PIT count of unsheltered homeless in King County in 2023 or 2025. For those years, HUD reports the previous year's unsheltered count. See: HUD, *The 2023 Annual Homelessness Assessment (AHAR) Report to Congress Part I: Point-in-Time Estimates of Homelessness*, December 2023, p. 8. Note that the 2026 AHAR statistics are not yet available.

¹⁸ The Snapshot statistics shown are as of January each year, like the PIT counts. For a more detailed description of the Snapshot, see Commerce, "Understanding the Snapshot Report," July 2025, <https://deptofcommerce.app.box.com/s/xonalo6msygtcjt0hr7ci7qjg8lug7rc/file/1933830157759>.

The PIT and Snapshot counts differ widely, with the latter being almost 500% greater than the former in 2025. Clearly, they are best viewed as measuring two different things: literal homelessness, in the case of the PIT numbers, and anyone who is either literally homeless or unstably housed, in the case of the Snapshot.

According to the PIT count, the number of unsheltered homeless doubled from 2017 to 2025, accounting for 54% of the homeless population as of 2025, while the number of sheltered homeless has grown more slowly (Figure 31).¹⁹ In 2024, the homeless population in Washington was 63% male and 36% female. However, HUD no longer collects this information and has ceased reporting homelessness statistics by gender so we do not have the ability to estimate a breakdown in homelessness by gender for 2025. We assume that the homeless population continues to be more male than female. The number of homeless individuals in families has remained relatively constant over time while the number of homeless individuals on their own has grown by 68% since 2017 (Figure 32).

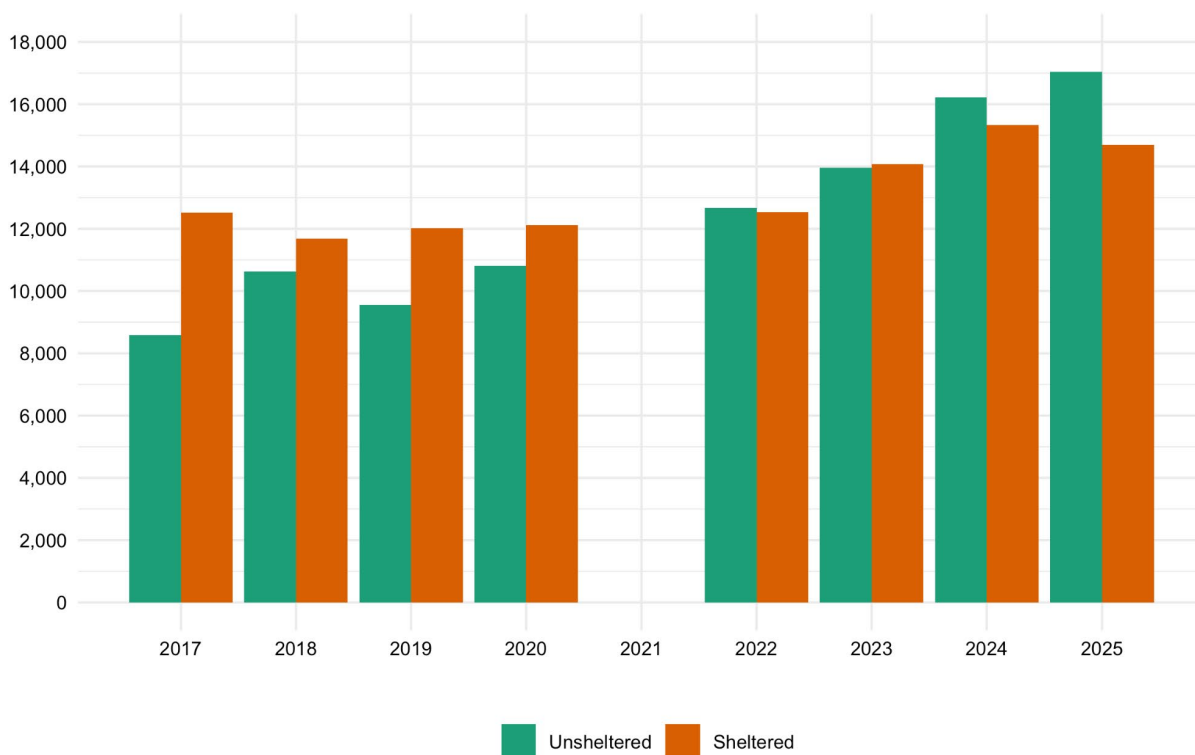


Figure 31: PIT Estimates of Sheltered and Unsheltered Homeless, Washington State

Sources: HUD AHAR

¹⁹ Commerce's Snapshot report does not provide a breakdown of unsheltered and sheltered homeless.



Figure 32: PIT Estimates of Homeless by Family Status, Washington State
Source: HUD AHAR

Statewide, Washington increased its supply of permanent housing for the homeless by 46% from 2016 through 2025 (Figure 33). Over the same period, Washington increased its stock of emergency shelter, Safe Haven, and transitional housing beds by 24%. The main difference between these two types is that permanent housing is designed to provide stable housing for longer, potentially indefinite periods, whereas emergency shelter, Safe Haven, and transitional housing is designed to immediately provide shelter to homeless individuals and families. Both categories can include additional support services such as childcare, employment assistance and job training, food, and mental health services.



Figure 33: Permanent and Emergency Housing Beds, Washington State

Source: HUD Housing Inventory Count Report

Conclusions

Washington continues to face significant housing affordability challenges. Housing is unaffordable for large portions of the population, especially those with incomes below their area's median. 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. Almost a quarter of homeowners are cost burdened. Meanwhile, the homeless population continues to grow.

Rising interest rates have made both construction loans and permanent financing for apartment buildings more expensive. For developers, high interest rates make housing more expensive to build and thus make it less likely that projects will be profitable. For potential homebuyers, high mortgage interest rates have increased borrower's monthly payments, reducing the affordability of homeownership.

Construction costs increased in 2025-2026 by 4.6% or more than double the growth rate for the preceding year. Increases in tariffs and more rigorous immigration enforcement have undoubtedly contributed to faster growth in the cost of materials and labor, although the effects of those policy changes are difficult to quantify at this point. Construction costs matter because they affect the cost and viability of new development, as well as the affordability of existing homes and apartments.

Annual multifamily housing permits continued to decline from April 2025 to April 2026 due to low rent growth projections, the large amount of housing produced in the previous few years, and higher costs. Likewise, during the same period, multifamily housing completions continued to decline from a peak during the April 2023 to April 2024 period.

In the 2026 legislative session, the Washington State Legislature enacted a number of laws intended to increase the supply of affordable housing. Among other things, these laws have: legalized housing in commercial zones; eased the ability to site new supportive and emergency housing; required flood risk disclosure for renters; allow renters to install portable air conditioners; authorized the creation of land banks; eliminated broker pocket listings; and enabled social housing public development authorities.

Jurisdictions within the 14 counties with a comprehensive plan update due in 2024 or 2025 have largely missed their due dates, with Kitsap and Jefferson counties having the highest share of jurisdictions that have completed the process (60% and 50%, respectively). Four of the counties had zero complete jurisdictions.

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