

Housing Availability in the Puget Sound

Units Aren't Added Fast Enough—and They're Inequitably Distributed

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The rate of growth in housing units in the Puget Sound **has declined each decade since the 1970s.**

Between 2010 and 2020, the number of units available grew by 12 percent—**4 percentage points lower than the rate of population growth.**

The region **must increase housing production by 40 percent from 2020 to 2030** to meet the Puget Sound Regional Council's housing needs projection.

Regional housing production is unevenly distributed. Edgewood, Issaquah, Kirkland, Redmond, and Seattle each added housing stock by more than 19 percent since 2010. That level, however, is inadequate given demand. And other cities with active demand, including Edmonds and Lake Forest Park, added housing by less than six percent.

More housing is needed. Housing costs throughout the region remain high, even in cities building units. Almost half of Seattle renters, and a third of those in Kirkland and Redmond, spend more than 30 percent of income on housing.

The Puget Sound Regional Council estimates that the four-county metropolitan area needs 810,000 new residential units over the next three decades to accommodate growth. More housing is essential, yet recent trends show that housing construction is inadequate to serve a growing population. Local and state governments must develop new policies to guarantee housing availability.

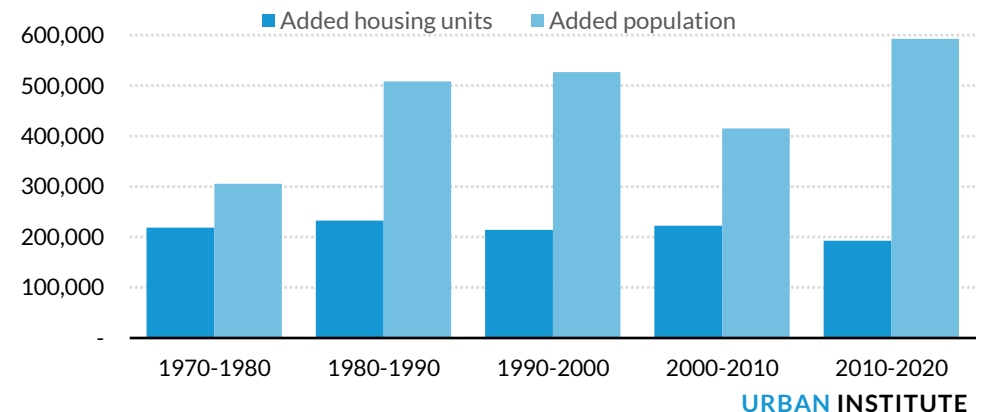
DESPITE A GROWING POPULATION, HOUSING PRODUCTION IS DECLINING

Between 2010 and 2020, fewer than 200,000 housing units were added—the slowest increase since the 1970s, both in terms of number of units and rate per new resident (figure 1). The decline in housing production occurred even as population growth sped up. In the 2010s, the population of the four counties increased by almost 600,000 residents, after increasing by 400,000 residents in the 2000s. Limited housing availability will increase competition for housing units, ramp up prices, and make the Puget Sound a less inclusive and more expensive place to live.

Housing growth is focused on the region's core areas. Municipalities along existing or planned fixed-guideway transit lines, including light rail and bus rapid transit, grew at a faster pace than the region overall—adding housing at a 17 percent rate in the 2010s. Development was both greater than in the rest of the region (which grew at 5 percent), and greater than in the same municipalities in the 2000s.

FIGURE 1
Puget Sound Counties Are Slowing Housing Production

Growth in housing units and population, by decade



Source: Author calculations based on US Census Bureau data.

Notes: Includes data for King, Kitsap, Pierce, and Snohomish Counties.

ACHIEVING A FAIR DISTRIBUTION OF HOUSING

Over the past few decades, new housing permits and construction have been distributed unevenly. Edgewood, Issaquah, Kirkland, Redmond, and Seattle each grew their housing stock by more than 19 percent between 2010 and 2020, permitting more than 118 units per 1,000 residents (figure 2). Even that level, however, is likely inadequate given strong demand to live in those cities and high housing costs.

Some cities with significant interest in development, including Edmonds and Lake Forest Park, however, increased their housing stock by less than six percent and permitted 35 or less units per 1,000 residents in the 2010s. Communities with lower resident incomes, such as Lakewood, meanwhile, struggled to attract new housing due to limited real-estate demand.

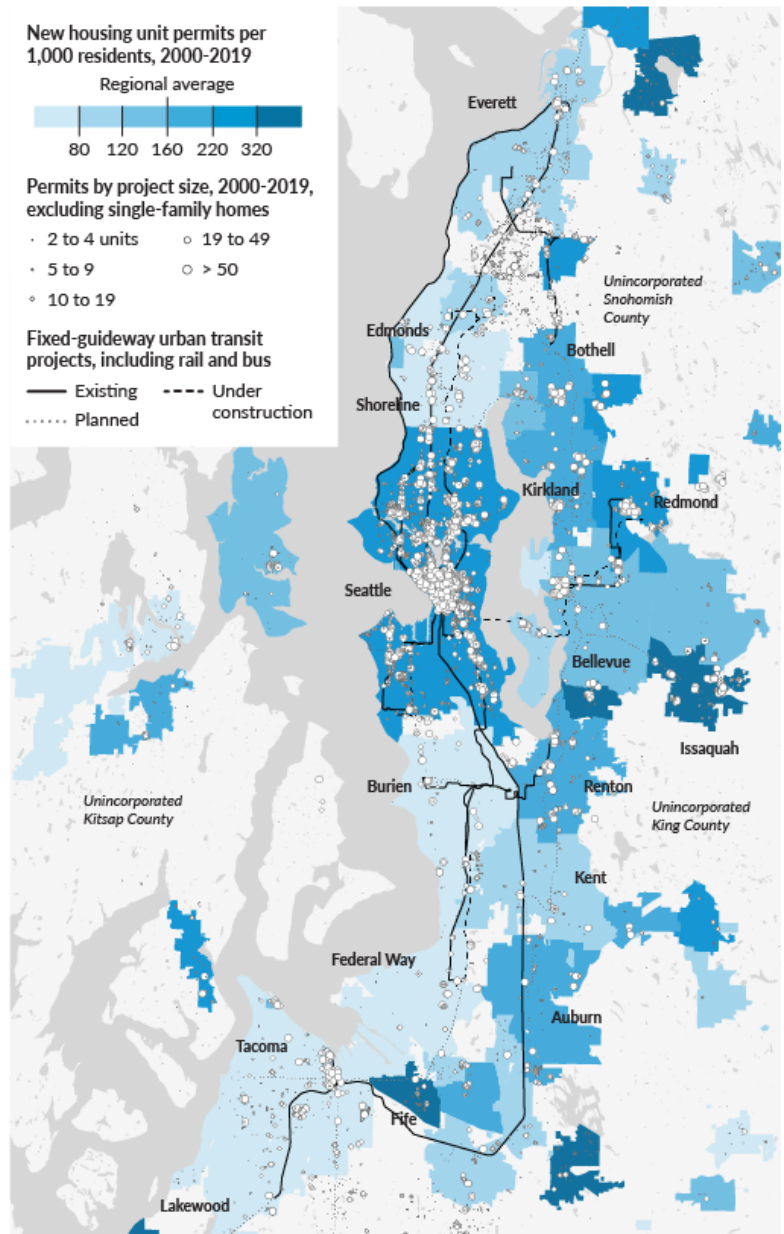
SUBSIDIZED HOUSING IS UNDERPROVIDED

Private development is essential to meet growing demand, but without subsidies, the market will not provide adequate homes for people with low and moderate incomes. The federal government must step in. Yet the region's number of new federally subsidized units declined in the 2010s compared to the 2000s, despite a growing population.

Overall, there is inadequate support for Puget Sound residents. Units with federal location-based subsidies, such as Low-Income Housing Tax Credits, serve about 70,000 households in municipalities with fixed-guideway transit. Tenant-based Housing Choice Vouchers serve about 40,000 families. Close to 200,000 households make less than \$25,000 annually, and 130,000 households spend more than 50 percent of incomes on rent. Additional federal support for affordable housing—combined with local and state support—would help fill this gap.

Everett, Lynnwood, and Seattle account for a disproportionate share of the region's subsidized housing units. These municipalities, which account for 36 percent of the region's population, contain more than 58 percent of its location-based subsidized housing units. Conversely, some suburbs—DuPont, Edgewood, Fircrest, Lake Forest Park, Mukilteo, and Newcastle—offer no federally subsidized housing units within their boundaries. Newcastle and Lake Forest Park have the first- and third-highest median household incomes, respectively, among transit-adjacent municipalities.

FIGURE 2
New Housing Construction in the Puget Sound



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Source: The authors, based on data from Puget Sound Regional Council, the US Census Bureau, and Transit Explorer 2.

Notes: Uses population data from Census 2000 as base.