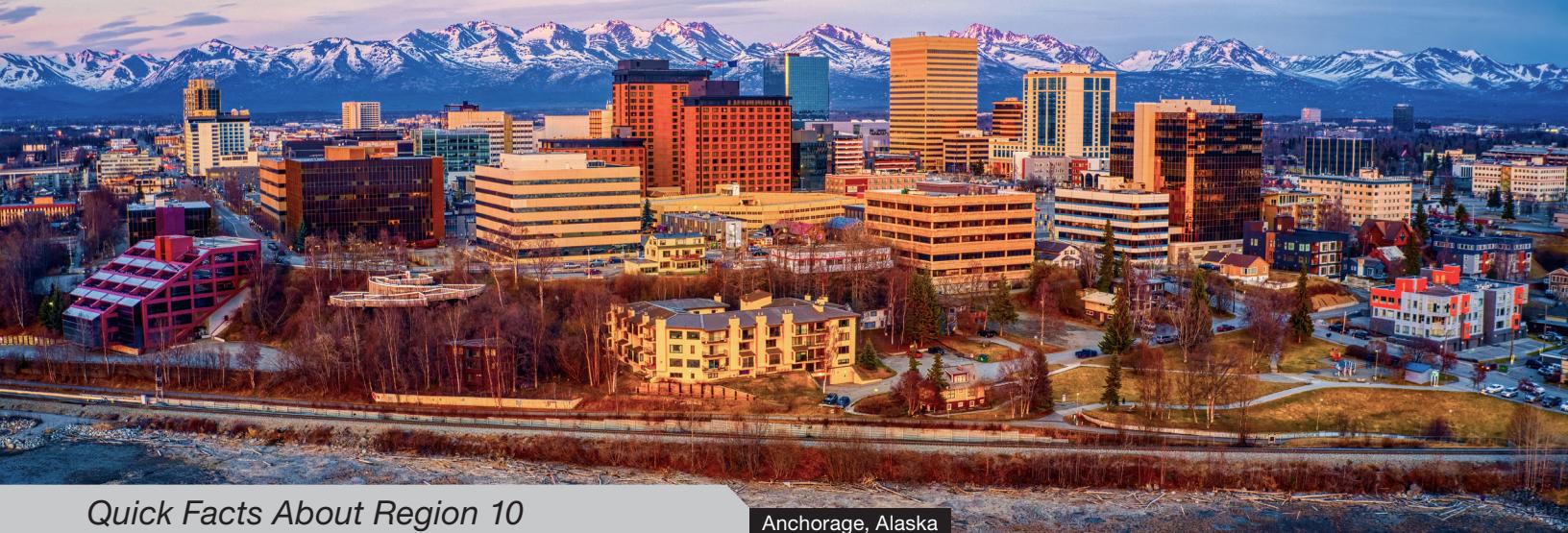


# HUD PD&R Regional Reports

## Region 10: Northwest



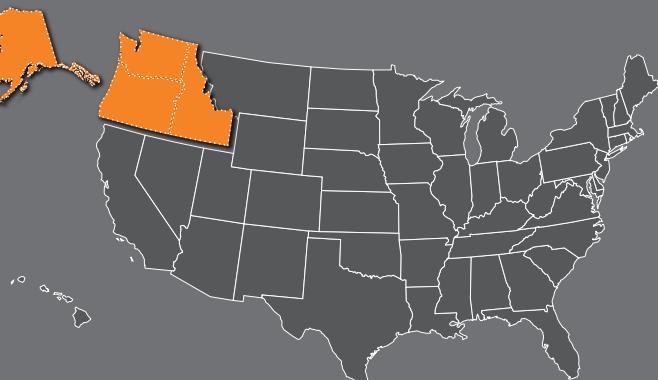
### Quick Facts About Region 10

#### **Sales market conditions—**

Second quarter 2025: mixed (balanced to slightly tight)  
First quarter 2025: mixed (balanced to slightly tight)  
Second quarter 2024: balanced

#### **Apartment market conditions—**

Second quarter 2025: slightly soft  
First quarter 2025: mixed (balance to slightly soft)  
Second quarter 2024: mixed (slightly soft to soft)



Anchorage, Alaska

By [Adam Tubridy](#) | 2nd Quarter 2025

## Overview

The economy of the Northwest region expanded as of the second quarter of 2025. Nonfarm payrolls in the region increased 1.0 percent year over year to 6.93 million, following growth of 1.0 percent as of the second quarter of 2024. By comparison, payrolls increased 1.1 percent nationally as of the second quarter of 2025. Home sales market conditions ranged from balanced to slightly tight throughout most of the region compared with balanced conditions a year ago. Home sales in the region decreased 1 percent during the 12 months ending May 2025 compared with a 7-percent decline nationally, and the average home sales price rose 4 percent to \$653,400 compared with home price growth of 6 percent nationally (Zonda). Apartment market conditions in the region were slightly soft in every metropolitan area highlighted in this report. Year-over-year rent growth was 3 percent or less or relatively unchanged in every highlighted metropolitan area (CoStar Group).

- The unemployment rate in the region increased 0.3 percentage point year over year to 4.3 percent as of the second quarter of 2025, higher than the national rate of 4.1 percent.

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- As of the second quarter of 2025, every state in the region added jobs compared with a year ago, led by growth of 2.4 percent in Idaho.
- Single-family home construction decreased 3 percent and multifamily home construction increased 11 percent

as of the second quarter of 2025 compared with the second quarter of 2024.

## Economic Conditions

Economic conditions are strong in the Northwest region, and payroll growth has not significantly changed compared with a year ago. As of the second quarter of 2025, nonfarm payrolls increased by 71,300 jobs, or 1.0 percent, from a year earlier to 6.93 million jobs, similar to the gain of 65,600 jobs, or 1.0 percent, as of the second quarter of 2024. Job growth in the region was slightly slower than job growth in the nation, where payrolls increased 1.1 percent year over year as of the second quarter of 2025 compared with 1.4 percent a year ago. Regionwide, jobs increased in 8 of the 11 payroll sectors during the past year. The education and health services sector led job growth, adding 41,900 jobs, or 3.9 percent, year over year, accounting for nearly 60 percent of the regionwide net job growth and following year-over-year growth of 4.5 percent as of the second quarter of 2024. The leisure and hospitality sector was the second largest source of growth, adding 15,200 jobs, or 2.2 percent, following growth of 0.8 percent a year earlier. Job growth in the leisure and hospitality sector was strongest in Idaho, where payrolls increased by 4,000 jobs, or 4.2 percent, compared with the second quarter of 2024. The third largest job gains occurred in the professional and business services

sector, up by 14,900 jobs, or 1.6 percent, compared with the second quarter of 2024, when the sector declined 0.3 percent. Nationally, the sector contracted 0.1 percent year over year as of the second quarter of 2025.

The manufacturing sector was the largest source of job losses in the region as of the second quarter of 2025, falling by 9,000 jobs, or 1.6 percent, year over year, compared with no significant change a year earlier. Job losses in the sector were concentrated in Oregon, where the number of payrolls declined by 7,100 jobs, or 3.8 percent, year over year. Layoffs of approximately 3,000 workers at Intel Corporation, one of the largest manufacturers in the state, contributed to job losses in the sector. The mining, logging, and construction sector had the second fastest decline in payrolls, falling 1.6 percent, or by 7,400 jobs, year over year, following a 0.5-percent decrease a year earlier. Job losses were concentrated in Washington, where the number of payrolls fell by 11,900, or 5.1 percent, primarily because of reduced levels of office and other commercial construction.

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### As of the second quarter of 2025, nonfarm jobs increased in 8 of the 11 sectors in the Northwest region.

	Second Quarter		Year-Over-Year Change	
	2024 (Thousands)	2025 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	6,856.1	6,927.4	71.3	1.0
Goods-Producing Sectors	1,014.5	998.2	-16.3	-1.6
Mining, Logging, & Construction	462.3	454.9	-7.4	-1.6
Manufacturing	552.3	543.3	-9.0	-1.6
Service-Providing Sectors	5,841.6	5,929.2	87.6	1.5
Wholesale & Retail Trade	925.3	919.9	-5.4	-0.6
Transportation & Utilities	285.5	288.9	3.4	1.2
Information	213.6	220.0	6.4	3.0
Financial Activities	316.3	316.7	0.4	0.1
Professional & Business Services	950.1	965.0	14.9	1.6
Education & Health Services	1,073.6	1,115.5	41.9	3.9
Leisure & Hospitality	694.1	709.3	15.2	2.2
Other Services	231.8	237.0	5.2	2.2
Government	1,151.1	1,156.9	5.8	0.5

Note: Numbers may not add to totals due to rounding.

Source: U.S. Bureau of Labor Statistics



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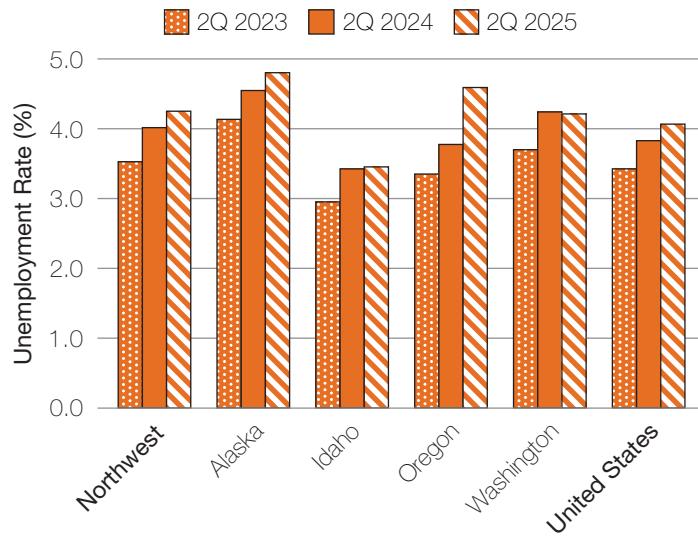
As of the second quarter of 2025, the 4.3-percent unemployment rate in the region was the third highest among the 10 HUD-defined regions in the nation, up from 4.0 percent a year ago. Three states in the region—Alaska, Oregon, and Washington—had unemployment rates above the national average of 4.1 percent. Idaho, with a 3.5-percent unemployment rate, was the only state with a lower unemployment rate than the nation.

As of the second quarter of 2025—

- Washington had the largest payroll gain in the region, adding 32,500 jobs, or 0.9 percent, year over year to 3.68 million jobs compared with the second quarter of 2024, when the number of jobs grew 1.1 percent. The information sector in the state grew 3.4 percent, or by 5,500 jobs, compared with a 0.3-percent decline nationally.
- Idaho had the fastest rate of year-over-year job growth among the states in the region, with payrolls increasing 2.4 percent, or by 20,600 jobs, to 885,200 jobs compared with a 1.6-percent gain a year ago. Idaho had the second fastest rate of job growth among all 50 states as of the second quarter of 2025.
- In Alaska, nonfarm payrolls increased by 4,400 jobs, or 1.3 percent, from a year ago to 343,000 jobs, slowing from growth of 1.9 percent as of the second quarter of 2024. Job growth in Alaska was broad based, with 8 of the 11 payroll sectors adding jobs.

- Nonfarm payrolls in Oregon increased by 13,800 jobs, or 0.7 percent, to 2.02 million jobs compared with 0.2-percent growth a year earlier. A decline of 9,900 jobs, or 3.2 percent, in the goods-producing sectors partially counteracted a gain of 23,700 jobs, or 1.4 percent, in the service-providing sectors.

**As of the second quarter of 2025, the unemployment rate was 0.2 percentage point higher in the Northwest region than in the nation.**



2Q = second quarter.

Source: U.S. Bureau of Labor Statistics

## Sales Market Conditions

Sales housing market conditions in the Northwest region were mixed, ranging from balanced to slightly tight as of the second quarter of 2025 compared with balanced conditions a year ago. Home sales in the region decreased 1 percent to 170,700 homes sold during the 12 months ending May 2025 compared with the 12 months ending May 2024, when home sales decreased 11 percent year over year (Zonda). Nationally, home sales decreased 7 percent year over year during the 12 months ending May 2025 compared with an 11-percent decline a year earlier. Increases in mortgage interest rates since mid-2022 have increased the cost of homeownership, and, as a result, the current number of home sales is 41 percent less than the level during the 12 months ending May 2022, which had the highest number of home sales since the Great Recession. The inventory of homes for sale was relatively unchanged during the past year, with approximately 48,000 homes for sale as of June 2025, reflecting a 3.4-month supply, up slightly from a 3.2-month supply as of June 2024 (Redfin, a national real estate brokerage, with adjustments by the analyst). The average home price in the region increased 4 percent to \$653,400 during the 12 months ending May 2025, following a 4-percent increase during the 12 months ending

May 2024 (Zonda). By comparison, the average home price increased 6 percent nationally during the 12 months ending May 2025.

Alaska led the region in home price growth, with the average home price up 9 percent year over year to \$371,800 as of the 12 months ending May 2025, following a 1-percent decline during the previous 12-month period. The state also had the lowest inventory of homes for sale relative to sales in the region, with a 2.8-month supply as of June 2025, down from a 3.0-month supply a year ago, and the limited supply of homes for sale supported the recent strong home price increases (Redfin, a national real estate brokerage, with adjustments by the analyst). The number of home sales in Alaska increased 2 percent during the 12 months ending May 2025, following a 28-percent decline a year earlier (Zonda).

In Washington, the number of home sales increased 2 percent during the 12 months ending May 2025, following a decline of 11 percent a year earlier. Home sales in the Seattle-Tacoma-Bellevue (hereafter Seattle) metropolitan area outpaced the state, rising 4 percent. The average home price in the state

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During the 12 months ending May 2025, home sales in the Northwest region increased modestly, solely because of gains in Alaska and Washington.

	12 Months Ending	Number of Homes Sold				Price		
		2024	2025	Percent Change	Average	2024 (\$)	2025 (\$)	Percent Change
Alaska	May	5,800	5,900	2	AVG	340,300	371,800	9
Anchorage	May	3,600	4,000	11	AVG	360,100	371,700	3
Idaho	May	25,950	24,100	-7	AVG	527,800	536,700	2
Boise City	May	13,200	13,200	0	AVG	542,200	541,600	0
Oregon	May	49,950	49,250	-1	AVG	556,900	569,000	2
Portland-Vancouver-Hillsboro	May	30,050	30,200	0	AVG	606,600	622,200	3
Washington	May	90,000	91,500	2	AVG	709,900	747,700	5
Bellingham	May	2,950	2,775	-6	AVG	641,300	687,000	7
Kennewick	May	3,725	3,800	2	AVG	447,900	468,800	5
Seattle-Tacoma-Bellevue	May	45,850	47,700	4	AVG	886,000	927,600	5
Spokane-Spokane Valley	May	7,700	7,800	1	AVG	448,500	462,800	3

AVG = average.

Notes: All figures are rounded. Includes new and existing single-family homes, townhomes, and condominiums.

Source: Zonda

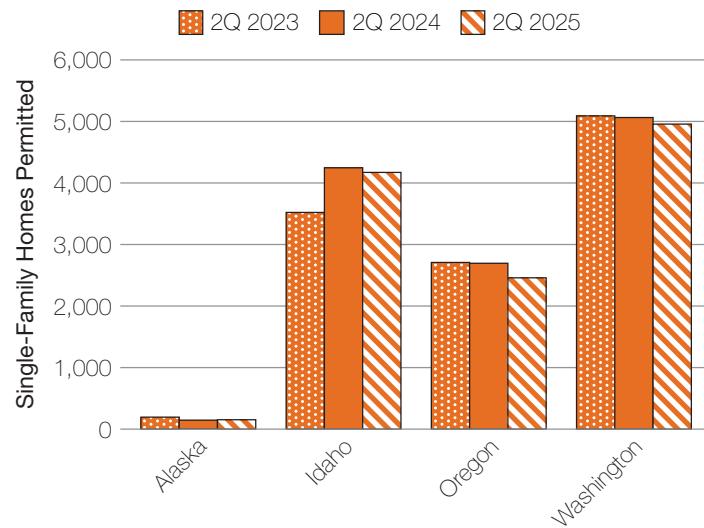
increased 5 percent to \$747,700 during the 12 months ending May 2025, unchanged from the previous 12 months. The inventory of homes for sale increased more in Washington than in any other state, rising 23 percent to 22,850 in June 2025, when a 3.1-month supply of homes was available for sale (Redfin, a national real estate brokerage, with adjustments by the analyst).

Home sales and price growth in Idaho and Oregon were lower than elsewhere in the region. The number of home sales declined in Idaho and Oregon during the 12 months ending May 2025, falling 7 and 1 percent, respectively, compared with a year earlier (Zonda). During the same period, average home prices increased 2 percent in both Idaho and Oregon to \$536,700 and \$569,000, respectively, following growth of 2 percent in both states a year earlier. The 3.8- and 3.7-month supply of homes for sale in Idaho and Oregon, respectively, were more than elsewhere in the region, contributing to limited home price increases (Redfin, a national real estate brokerage, with adjustments by the analyst).

As of the second quarter of 2025 (preliminary data)—

- Homebuilding in the region, as measured by the number of single-family homes permitted, decreased 3 percent from a year earlier to approximately 11,750 homes, following a 6-percent year-over-year increase as of the second quarter of 2024. By comparison, single-family homebuilding in the nation decreased 8 percent year over year.
- Oregon had the largest decline in new home construction activity, down by 230 homes, or 9 percent, from the second

As of the second quarter of 2025, single-family home permitting decreased in the Northwest region because of declines in Idaho, Oregon, and Washington.



2Q = second quarter.

Note: Based on preliminary data.

Source: U.S. Census Bureau, Building Permits Survey

quarter of 2024 to 2,475 homes permitted. The decline was larger in the portion of the Portland metropolitan area in Oregon, where homebuilding fell 11 percent year over year to 1,050 homes permitted.

- In Idaho, 4,175 homes were permitted, down 2 percent from a year ago, when permitting increased 20 percent year over year. Approximately 55 percent of all homes permitted

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in the state were in the Boise metropolitan area, where single-family construction increased 2 percent compared with the second quarter of 2024.

- Homebuilding fell 2 percent in Washington to 4,950 homes permitted, compared with the second quarter of 2024. Approximately 1,675 homes were permitted in the Seattle metropolitan area, down 6 percent from a year earlier.

- Alaska was the only state in the region where homebuilding did not decrease, with permitting rising by 5 homes year over year to 160 homes permitted. New home construction in the Anchorage metropolitan area fell from 75 homes permitted during the second quarter of 2024 to 60 homes permitted during the second quarter of 2025.

## Apartment Market Conditions

Apartment market conditions in the Northwest region were slightly soft across all seven highlighted metropolitan areas, compared with soft to slightly soft conditions a year ago. The regionwide apartment vacancy rate was 7.4 percent as of the second quarter of 2025, down from 7.5 percent a year ago but up from 6.7 percent as of the second quarter of 2023 (CoStar Group). The average apartment rent in the region increased 1 percent to \$1,811 as of the second quarter of 2025, compared with an increase of 2 percent a year ago. Nationally, annual rent growth averaged 1 percent as of the second quarter of 2025, and the apartment vacancy rate increased from 8.0 to 8.2 percent. The vacancy rate in the region was stable as of the second quarter of 2025 because 31,600 apartment units were delivered during the 12 months ending June 2025, similar to the absorption of 30,450 units. Completions decreased and absorption increased from the 12 months ending June 2024, when 36,550 were delivered and 26,850 units were absorbed. A historically high number of apartment completions occurred during the past 24 months. Deliveries and absorption averaged 26,600 and 24,350 units, respectively, annually from 2018 through 2022.

In Washington, apartment market conditions were slightly soft across the four highlighted metropolitan areas. The vacancy rate in the Seattle metropolitan area was unchanged at 7.0 percent, with a large number of apartment completions offsetting an increase in apartment absorption. During the 12 months ending

June 2025, the apartment inventory of the Seattle metropolitan area expanded 3.6 percent, up from a 3.4-percent expansion a year earlier. Absorption, as a percentage of the apartment inventory, increased to a greater extent, rising from 2.4 percent during the 12 months ending June 2024 to 3.3 percent during the 12 months ending June 2025. The apartment vacancy rate decreased more than 1.0 percentage point in both the Bellingham and the Spokane metropolitan areas. The number of apartments completed during the 12 months ending June 2025 decreased 78 percent and absorption fell 2 percent in the Bellingham metropolitan area, whereas completions decreased 48 percent and absorption increased 78 percent in the Spokane metropolitan area, contributing to the falling vacancy rates. Year-over-year rent growth was moderate in all highlighted areas in Washington as of the second quarter of 2025, ranging from 3 percent in the Kennewick-Richland metropolitan area to 1 percent in Seattle and Spokane metropolitan areas.

The apartment vacancy rate in the Boise metropolitan area was 9.9 percent as of the second quarter of 2025, down from 11.8 percent a year earlier. By comparison, the vacancy rate averaged 6.0 percent as of the second quarters of 2020 through 2022. Apartment construction has been occurring at a very high rate in this metropolitan area, contributing to an elevated vacancy rate. The apartment inventory of the Boise metropolitan

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**As of the second quarter of 2025, apartment vacancy rates declined in three of the seven highlighted metropolitan areas in the Northwest region compared with a year ago.**

	Market Condition	Vacancy Rate			Average Monthly Rent		
		2Q 2024 (%)	2Q 2025 (%)	Percentage Point Change	2Q 2024 (\$)	2Q 2025 (\$)	Percent Change
Anchorage	Slightly Soft	6.3	6.7	0.4	1,420	1,466	3
Bellingham	Slightly Soft	8.7	6.6	-2.1	1,696	1,734	2
Boise City	Slightly Soft	11.8	9.9	-1.9	1,607	1,633	2
Kennewick-Richland	Slightly Soft	9.1	9.1	0	1,456	1,493	3
Portland	Slightly Soft	7.3	7.5	0.2	1,683	1,683	0
Seattle	Slightly Soft	7.0	7.0	0	2,080	2,110	1
Spokane	Slightly Soft	8.5	7.4	-1.1	1,366	1,375	1

2Q = second quarter.

Sources: Market condition—Economic and Market Analysis Division; vacancy rate and average monthly rent—CoStar Group



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area expanded an average of 8.6 percent annually from 2020 to 2023, more than any other highlighted metropolitan area. During the 12 months ending June 2025, however, the number of apartment completions, as a percentage of the inventory, fell to 5.7 percent, and apartment absorption increased to 7.1 percent, causing the vacancy rate to fall. The average asking apartment rent was \$1,633 as of the second quarter of 2025, up 2 percent from a year earlier.

The Portland metropolitan area was the only highlighted metropolitan area where the average asking rent did not increase; it was stable at \$1,683. Absorption, as a percentage of the apartment inventory, has been sluggish in the Portland metropolitan area, averaging 2.8 percent annually during the past 36 months, less than any other highlighted metropolitan area outside Alaska. Developers responded to limited absorption by reducing apartment construction; deliveries, as a percentage of the inventory, averaged 2.3 percent annually during the same period. The overall apartment vacancy rate in the Portland metropolitan area was 7.5 percent as of the second quarter of 2025, up 0.2 percentage point year over year, and the stabilized vacancy rate was 6.2 percent, higher than any other highlighted metropolitan area outside of Alaska.

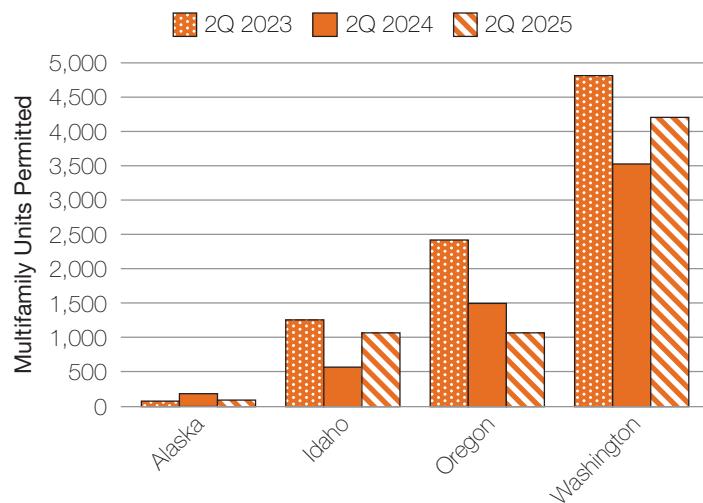
Slightly soft apartment market conditions prevailed in the Anchorage metropolitan area. Despite very low levels of apartment completions, negative absorption led to the apartment vacancy rate increasing 0.4 percentage point year over year to 6.7 percent. Although absorption has been weak, rent growth in the Anchorage metropolitan area has been stronger than in most other highlighted metropolitan areas. The average apartment rent increased 3 percent as of the second quarter of 2025 compared with the second quarter of 2024, when average rents also rose 3 percent year over year.

As of the second quarter of 2025 (preliminary data)—

- Multifamily home construction activity in the region, as measured by the number of multifamily units permitted, increased 11 percent from a year ago to 6,475 units, following a 32-percent year-over-year decrease as of the second quarter of 2024. Nationally, multifamily construction increased 23 percent year over year.

- Approximately 4,225 units, representing nearly 65 percent of the regional total, were permitted in Washington, up 19 percent from a year ago, when permitting decreased 27 percent compared with the second quarter of 2023. Permitting in the Seattle metropolitan area decreased, falling 25 percent to 1,675 units permitted.
- In Idaho, multifamily permitting increased 84 percent year over year to 1,075 units. Multifamily permitting increased at a faster rate in the Boise metropolitan area, more than doubling to 370 units permitted.
- Multifamily permitting in Oregon decreased 28 percent to 1,075 units compared with the second quarter of 2024, when permitting fell 38 percent year over year. In the Oregon portion of the Portland metropolitan area, multifamily construction declined 52 percent year over year to 210 units.
- Approximately 100 multifamily units were permitted in Alaska, down from 200 units during the second quarter of 2024. The Anchorage metropolitan area accounted for 40 units permitted, up from 30 units a year earlier.

**Multifamily permitting increased in the Northwest region as of the second quarter of 2025, entirely because of rising construction levels in Idaho and Washington.**



2Q = second quarter.

Note: Based on preliminary data.

Source: U.S. Census Bureau, Building Permits Survey



## Terminology Definitions and Notes

### A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including only those that are stabilized and in lease up.
Building Permits	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
Expansion of the Apartment Inventory	Completions of apartment units during the past four quarters divided by the CoStar Group-recorded apartment inventory as of the previous corresponding end quarter.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Rental Market/Rental Vacancy Rate	Includes apartments and other rental units, such as single-family, multifamily, and mobile homes.
Stabilized	A property is stabilized once the occupancy rate reaches 90 percent or at least 18 months have passed since the property was changed from "under construction" to "existing" on the CoStar Group website.

### B. Notes on Geography

1. The metropolitan statistical area definitions noted in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated July 21, 2023.