

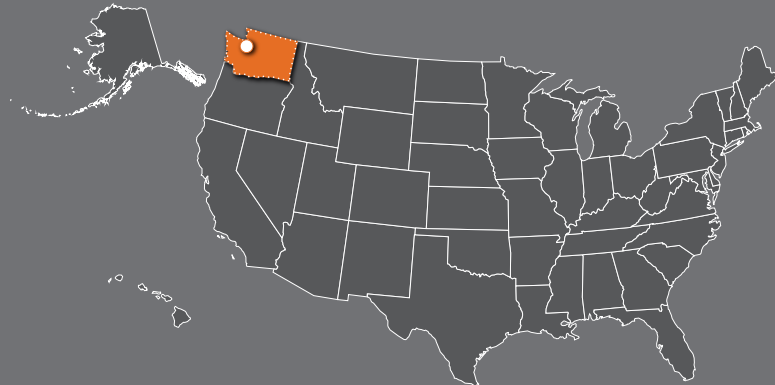
# HUD PD&R Housing Market Profiles

## Seattle-Bellevue-Kent, Washington



### Quick Facts About Seattle-Bellevue-Kent

- Current sales market conditions: slightly tight
- Current apartment market conditions: balanced
- In 2024, the technology industry accounted for 30 percent of the total economic output of the Seattle-Tacoma-Bellevue Metropolitan Statistical Area (hereafter, Seattle MSA)—a share surpassed only by Silicon Valley (CompTIA).



Seattle, Washington

By [Holi Urbas](#) | As of July 1, 2025

### Overview

The Seattle-Bellevue-Kent (hereafter, Seattle) metropolitan division includes King County and is situated along the Puget Sound in Washington State. The metropolitan division accounts for approximately 57 percent of the population and 70 percent of the nonfarm payrolls of the greater Seattle MSA, which includes King, Snohomish, and Pierce Counties. The Seattle metropolitan division is an aerospace and technology (hereafter, tech) hub anchored by globally renowned companies, including The Boeing Company, Microsoft Corporation, and Amazon.com, Inc. (hereafter, Boeing, Microsoft, and Amazon, respectively).

- As of July 1, 2025, the population of the metropolitan division is estimated at 2.41 million, reflecting an average annual increase of 31,600, or 1.4 percent, since 2021, and net in-migration accounted for more than three-fourths of the gain.
- Population growth was slow from 2020 to 2021, increasing by 12,700, or 0.6 percent, compared with an average annual increase of 23,150, or 1.0 percent, from 2017 to 2020. The slowdown in growth was largely pandemic related, with increased domestic net out-migration, low international net in-migration, and increased deaths.

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- All net in-migration to the metropolitan division since 2017 has been international in origin. Housing affordability in the

metropolitan division has generally decreased since 2010, resulting in domestic net out-migration every year since 2017.

## Economic Conditions

Job growth in the Seattle metropolitan division during the past year was modest but accelerating. During the second quarter of 2025, nonfarm payrolls averaged 1.51 million, increasing by 17,500 jobs, or 1.2 percent, year over year, similar to the national growth rate. By comparison, payrolls in the metropolitan division rose 0.5 percent year over year as of the second quarter of 2024. The unemployment rate in the metropolitan division averaged 4.2 percent as of the second quarter of 2025 compared with 4.1 percent a year ago. The return of job growth in the tech industry contributed to the overall acceleration in payroll growth during the past year. For context, tech industry employment in the Seattle MSA peaked in 2022 at 288,100 jobs and subsequently declined to 274,500 jobs in 2024 (CompTIA). The decline was largely due to overzealous hiring during the pandemic and rising interest rates, which curtailed venture capital investment, the primary source of funding for the industry.

As of the second quarter of 2025—

- The tech-heavy professional and business services and the information sectors added 5,000 and 2,100 jobs, respectively, both up 1.6 percent year over year compared with respective annual losses of 400 and 6,600 jobs as of the second quarter of 2024.

- The education and health services sector led job growth, adding 8,100 jobs, or 4.0 percent, year over year compared with 3.3-percent growth a year earlier. Approximately 70 percent of sector growth during the past year was in the healthcare and social assistance subsector, equally split between the ambulatory and healthcare services industry and the social assistance industry.
- Of the two sectors that lost jobs, the mining, logging, and construction sector lost the most, down by 4,100, or 5.5 percent, year over year, following the loss of 4,800 jobs, or 6.1 percent, a year ago. Those losses were largely due to a decline in commercial construction. Several of the large tech companies are actively consolidating their physical footprints, contributing to negative net absorption of office space since 2021 and rising office vacancy rates (CoStar Group).
- Recent losses in the manufacturing sector, which declined by 1,600 jobs, or 1.7 percent, year over year, are largely attributable to Boeing, which laid off nearly 2,600 employees at the start of 2025 (Worker Adjustment and Retraining Notification database). Jobs in the sector increased by 1,000 year over year as of the second quarter of 2024.

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**As of the second quarter of 2025, all service-providing sectors in the Seattle metropolitan division added jobs from a year ago.**

	3 Months Ending		Year-Over-Year Change	
	June 2024 (Thousands)	June 2025 (Thousands)	Absolute (Thousands)	Percent
<b>Total Nonfarm Payrolls</b>	1,492.7	1,510.2	17.5	1.2
Goods-Producing Sectors	168.1	162.5	-5.6	-3.3
Mining, Logging, & Construction	73.9	69.8	-4.1	-5.5
Manufacturing	94.2	92.6	-1.6	-1.7
Service-Providing Sectors	1,324.7	1,347.7	23.0	1.7
Wholesale & Retail Trade	165.4	165.5	0.1	0.1
Transportation & Utilities	64.6	65.5	0.9	1.4
Information	129.3	131.4	2.1	1.6
Financial Activities	73.5	74.1	0.6	0.8
Professional & Business Services	313.2	318.2	5.0	1.6
Education & Health Services	200.6	208.7	8.1	4.0
Leisure & Hospitality	139.6	142.8	3.2	2.3
Other Services	49.4	50.5	1.1	2.2
Government	189.0	190.9	1.9	1.0
<b>Unemployment Rate</b>	4.1%	4.2%		

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

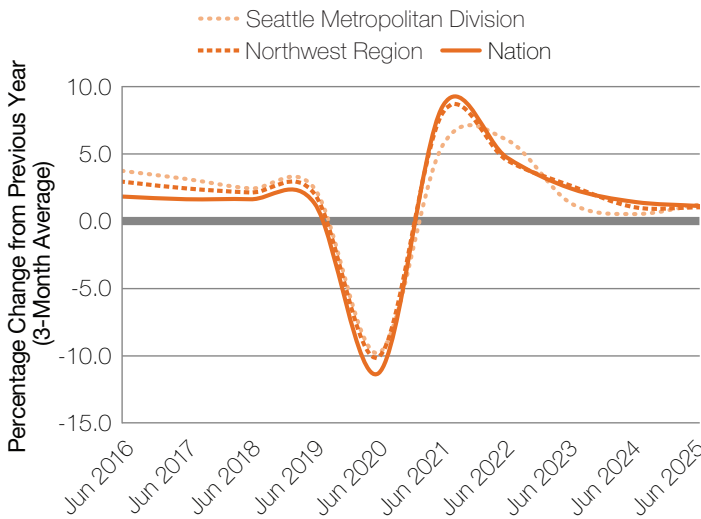
Source: U.S. Bureau of Labor Statistics



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In 2024, the Seattle MSA had the highest concentration of tech workers among the largest metropolitan areas in the nation at 12.4 percent compared with 5.8 percent nationally (CompTIA).

**As of the second quarter of 2025, nonfarm payrolls in the Seattle metropolitan division increased year over year at a rate similar to that of the Northwest region and the nation.**



Source: U.S. Bureau of Labor Statistics

The tech workforce extends to most sectors of the economy, with direct employment at tech companies concentrated in the professional and business services, the information, and the manufacturing sectors, whereas tech-related jobs at non-tech companies are counted in the industry of the employer. The tech industry in the metropolitan division has grown rapidly since 2010, propelled by the expansion of Big Tech—a standard term to describe the most dominant companies in the tech industry, including the Big Five—Amazon, Apple Inc., Meta Platforms, Inc., Google LLC (Alphabet Inc.), and Microsoft—of which several are top employers in the metropolitan division. Despite declining levels of employment, the economic impact of the tech industry on the Seattle MSA grew 13 percent, from \$134.0 billion in 2023 to \$151.4 billion in 2024.

## Largest Employers in the Seattle Metropolitan Division

Name of Employer	Nonfarm Payroll Sector	Number of Employees
The Boeing Company	Manufacturing	69,800
Amazon.com, Inc.	Wholesale & Retail Trade	65,000
Microsoft Corporation	Professional & Business Services	51,400

Note: Excludes local school districts.

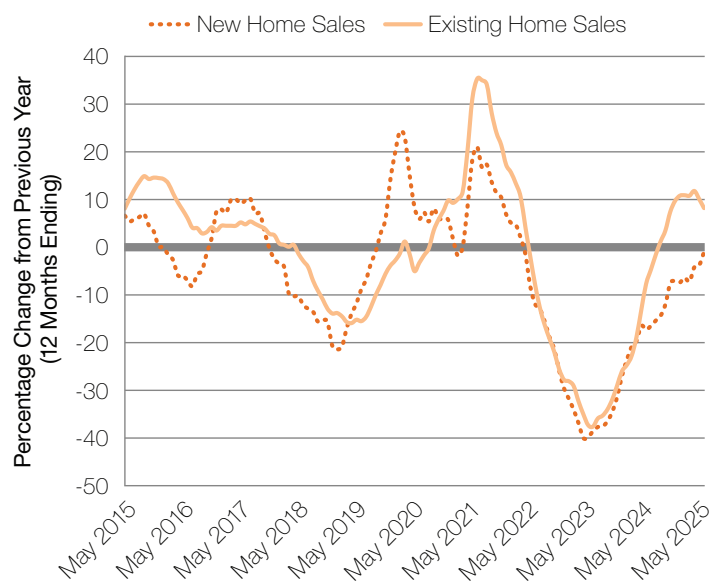
Source: Puget Sound Business Journal's Book of Lists, 2024

## Sales Market Conditions

Sales market conditions in the Seattle metropolitan division are slightly tight. The overall sales vacancy rate is estimated at 1.1 percent, similar to the 1.0-percent rate in 2020. Market conditions eased when mortgage interest rates rose in 2022, causing home sales to decline considerably and home sales price growth to moderate. During the 12 months ending May 2025, however, home sales rose on an annual basis for the first time since the same corresponding period in 2021. The increase in home sales during the past year is partly due to an increase in the inventory of homes for sale, which rose from 2.2 to 2.8 months year over year as of June 2025—the highest level of inventory in June since 2012 (Redfin, a national real estate brokerage, with adjustments by the analyst). A small decline in the mortgage interest rate, which averaged 6.79 percent as of the second quarter of 2025, down from 6.99 percent a year ago, also contributed to increasing sales (Freddie Mac).

- Home sales rose almost 8 percent year over year during the 12 months ending May 2025 to 26,200 homes sold, following a 9-percent drop a year earlier (Cotality, with adjustments by the analyst). Despite the recent uptick, current home sales are more than 41 percent less than the average of 43,200

**Home sales in the Seattle metropolitan division rose year over year as of the 12 months ending May 2025 because of an increase in existing home sales.**



Note: Sales are for single-family homes, townhomes, and condominiums.

Source: Cotality, with adjustments by the analyst

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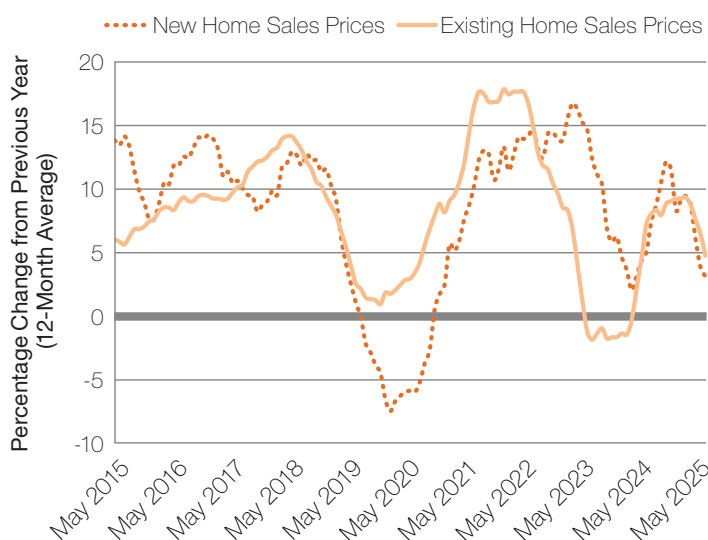


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home sales each year during the corresponding 12-month periods in 2021 and 2022, when historically low interest rates contributed to strong sales demand.

- The average home price rose 4 percent year over year during the 12 months ending May 2025 to \$1.06 million—more than double the national average price of \$440,800—moderating from a 7-percent increase a year ago. Since the 12 months ending May 2019, before the pandemic and before mortgage rates rose, the average home price in the metropolitan division has increased a cumulative 50 percent compared with 54 percent nationally.
- New home sales accounted for approximately 7 percent of total home sales in the metropolitan division during the past 12 months, and that share has steadily declined from 10 percent in 2020. The average new home price was \$1.33 million during the past 12 months, 28 percent higher than the average price of \$1.04 million for an existing home.
- The affordability of buying a home in the metropolitan division has declined considerably in recent years, partly because of strong demand from high-wage earners—largely in the tech industry—which has put upward pressure on prices while income growth has not kept pace. A household in the metropolitan division currently needs to earn \$269,800 to afford a median-priced home, assuming a 10-percent down payment—1.7 times the median family income of \$157,100. In 2020, a household needed to earn \$144,000—or 1.3 times the median family income of \$113,300—to afford a median-priced home.

### New and existing home sales price growth slowed in the Seattle metropolitan division during the 12 months ending May 2025.

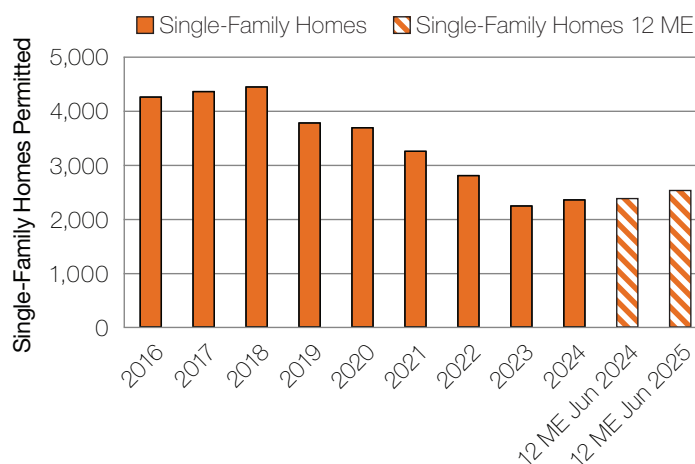


Note: Prices are for single-family homes, townhomes, and condominiums.  
Source: Cotality, with adjustments by the analyst

New home construction—as measured by the number of single-family homes permitted—rose 6 percent year over year during the 12 months ending June 2025 to 2,525 homes permitted (preliminary data), concurrent with a rise in sales demand.

- Although new home construction rose during the past year, it declined at an average annual rate of 9 percent, from a peak of 4,450 homes in 2018 to a low of 2,250 homes in 2024. The decline corresponds to slowing population growth and reduced sales housing affordability.
- Seven of the 10 most active new home subdivisions—as measured by annual closings—are on the east side of the metropolitan division, which has a large concentration of Big Tech, including the 500-acre Microsoft headquarters campus in the city of Redmond. Of the top 10, 7 are condominium or townhome developments, both of which are typically more affordable options for homeownership than detached single-family homes.
- Woodside Condominiums on the east side topped the list of most active new home subdivisions, with 112 home sales during the past year and prices ranging from \$750,000 to \$1.42 million. First Light, a highrise condominium development in downtown Seattle, has sold 68 of 454 homes, with prices ranging from \$653,000 to \$5.10 million.
- The Ridge at Big Rock, also on the east side, ranked second, with 73 detached single-family home sales during the past year, at prices ranging from \$712,000 to \$1.40 million. In the southern portion of the metropolitan division, which is generally the most affordable area of the metropolitan division, Regency at Ten Trails, was also among the top 10. Sixty detached single-family homes sold during the past year, with prices ranging from \$625,000 to \$1.13 million.

### Although considerably lower than recent trends, new home construction in the Seattle metropolitan division rose year over year during the 12 months ending June 2025.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2016–24—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

## Apartment Market Conditions

Apartment market conditions in the Seattle metropolitan division are currently balanced. Despite fluctuations in economic and population growth, apartment market conditions in the Seattle metropolitan division have been balanced to tight since the economic recovery from the Great Recession through the current date. The apartment vacancy rate has stayed in a narrow band of less than 2 percentage points, ranging from a low of 5.6 percent as of the second quarter of 2017—during the peak years of net in-migration to the metropolitan division—to a high of 7.3 percent as of the second quarter of 2025 (CoStar Group). The rate has increased recently because new deliveries have outpaced absorption since 2022. Despite lagging completions, however, recent absorption was comparatively strong, increasing almost 50 percent from a year ago and surpassing peak absorption in 2021. As of the second quarter of 2025, the average monthly rent rose 2 percent year over year to \$2,168, similar to the rate of increase a year ago. Strong demand during the pandemic, aided by federal stimulus payments, led to a 7-percent year-over-year increase as of the second quarter of 2022, the swiftest annual rent growth in the past 20 years, which was followed by a year of stagnant rents. As of the second quarter of 2025—

- Apartment market conditions vary by geographic location and proximity to the large tech hubs in the city of Seattle and in the eastern portion of the metropolitan area. Of the 20 CoStar Group-defined market areas in the metropolitan division, 11 had declining apartment vacancy rates

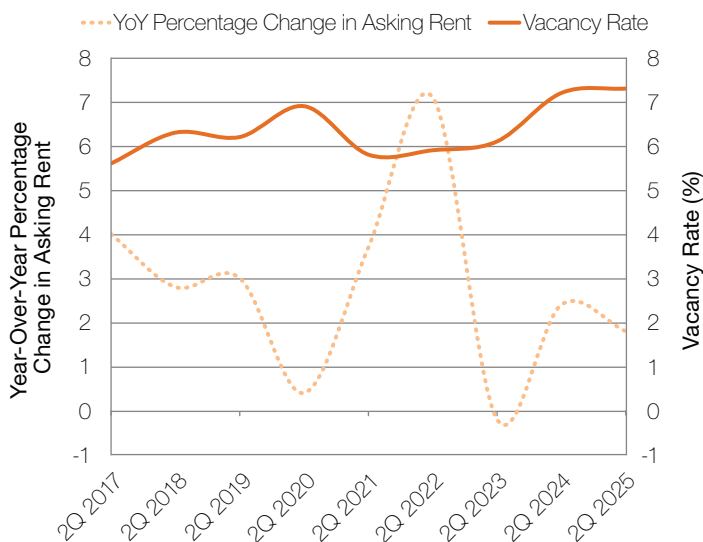
compared with a year ago, and 4 areas had rent growth in excess of the 2-percent metropolitan division average.

- Vacancy rates increased from a year ago in all five market areas covering the east side of the metropolitan division. Market conditions have eased in most areas of the east side, corresponding with an abrupt contraction in the tech industry that began in 2022 and only recently reversed course. Redmond was the only market area in the metropolitan division with declining rents, with the average rent falling 1 percent year over year.
- Areas that cover the city of Seattle had the lowest vacancy rates and swiftest rent growth. The Lake Union market area, where demand is strong and construction is limited, had the lowest vacancy rate of 4.9 percent. Average rents increased 6 percent year over year to \$2,822, the highest average rent in the metropolitan division.
- In four of the five market areas that cover the metropolitan division south of the city of Seattle, absorption exceeded the number of apartments delivered during the past year, and vacancy rates declined. All five areas had average rents below the metropolitan division average.

Builders responded to easing apartment market conditions by reducing multifamily construction—as measured by the number of multifamily units permitted. During the 12 months ending June 2025, multifamily permitting declined 26 percent year over year to 5,900 units (preliminary data).

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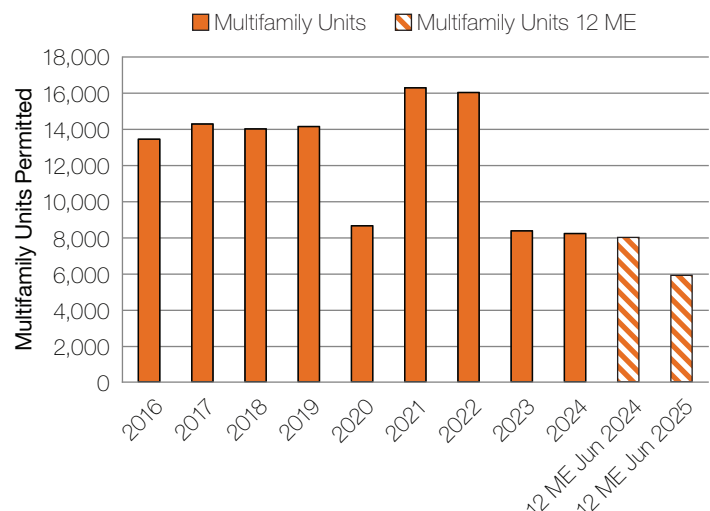
### Rent growth in the Seattle metropolitan division has slowed considerably since 2022.



2Q = second quarter. YoY = year-over-year.

Source: CoStar Group

### Easing apartment market conditions in the Seattle metropolitan division since 2022 caused builders to scale back multifamily construction activity.



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2016–24—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

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- An average of 16,150 units was permitted annually in 2021 and 2022, the highest annual permitting on record in the metropolitan division. Permitting fell to an average of 8,300 units a year in 2023 and 2024 as the vacancy rate rose and rent growth moderated.
- Approximately 13,950 units were permitted annually from 2016 through 2019, when net in-migration to the metropolitan division was strong, and subsequently dropped to 8,650 units permitted in 2020 because of pandemic-related delays.
- An estimated 12,000 units are under construction in the metropolitan division, with approximately one-fourth in the Downtown Seattle area (CoStar Group). The Kirkland (on the east side) and Shoreline (just north of the city of Seattle) areas accounted for 12 percent each.
- Two of the three largest developments to open in 2025 were on the east side of the metropolitan division, which will have a new light rail system in early 2026 connecting the cities of Seattle and Bellevue and terminating in the city of Redmond. The 425-unit Broadstone Vega in the city of Redmond was one of the largest developments to open, with rents averaging \$2,263, \$2,622, and \$3,813 for studio, one-bedroom, and two-bedroom units, respectively.
- Museum House in the city of Seattle is the largest apartment complex to open year to date, with 506 units in two highrise towers. The property contains studio and one-, two-, and three-bedroom units, with respective average rents of \$2,450, \$2,545, \$4,011, and \$5,776.

## 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 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.
Existing Home Sales	Includes resales, short sales, and real estate owned sales.
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.
Resales	These are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party.
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 definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated July 21, 2023.
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