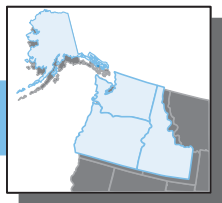


Housing Market Profile

Northwest • HUD Region X



Yakima, Washington

The Yakima metropolitan area, in south-central Washington, consists of Yakima County. The population of the metropolitan area increased at an average annual rate of 0.6 percent, or 1,525, from 2010 to an estimated 247,400 as of January 1, 2013. Net natural change accounted for all the population growth during this period, averaging 2,600 people annually, and annual net out-migration averaged 1,100 people. The metropolitan area has the highest level of agriculture production in Washington by value and is ranked 12th in the nation in the 2007 Census of Agriculture. The largest private employers are Yakima Valley Memorial Hospital, Wal-Mart Stores, Inc., and Borton & Sons, Inc., with 2,500, 1,550, and 1,200 employees, respectively.

The economy of the metropolitan area has steadily improved since mid-2011. During the 12 months ending June 2012 (the most recent data available), covered employment increased by 2,000 jobs, or 2 percent, to 102,000 jobs, which exceeded the prerecession total of 101,100 jobs recorded in 2008. The strongest employment growth occurred in the agriculture, forestry, fishing, and hunting sector (hereafter referred to as the agriculture sector), which added 2,500 jobs, a 10.7-percent increase. This increase included gains of 1,800 jobs, or 11.8 percent, in the crop production subsector and 700 jobs, or 10.8 percent, in the agriculture and forestry support services subsector. The agriculture sector is the largest sector in the metropolitan area, accounting for 26,300 jobs, or 26 percent of total covered employment. The state of Washington produces an estimated 60 percent of the nation's apples, most of which are grown in the metropolitan area. Poor weather conditions in other apple-producing regions led to higher prices for Washington growers and contributed to strong growth in the agriculture sector in the metropolitan area. The only substantial employment declines occurred in the government and the other services sectors, which decreased by 300 jobs each, or 1.5 and 6.8 percent, respectively. During the 12 months ending November 2012, the unemployment rate averaged 9.9 percent, down from 10.0 percent during the previous 12 months.

Sales housing market conditions in the Yakima metropolitan area were balanced as of January 1, 2013. The estimated vacancy rate was 1.5 percent, up slightly from 1.4 percent in April 2010. Based on data from Hanley

Wood, LLC, 1,950 existing single-family homes—regular resale and REO (Real Estate Owned)—sold during the 12 months ending November 2012, a 7-percent increase compared with the 1,825 homes sold during the previous 12 months. The average existing home sales price increased 10 percent, from \$161,900 to \$178,200. During the 12 months ending November 2012, 14 percent of existing homes sales were REO properties, relatively unchanged from the previous period. According to LPS Applied Analytics, 5.4 percent of home loans in the metropolitan area were 90 or more days delinquent, were in foreclosure, or transitioned into REO status in November 2012, up from 4.7 percent in November 2011. The market for new sales housing was softer than the market for existing sales housing. According to Hanley Wood, LLC, during the 12 months ending November 2012, new home sales declined to 85 homes sold compared with the 150 homes sold during the previous 12 months, and the average new home sales price decreased 3 percent, from \$241,200 to \$233,000.

Homebuilding activity, as measured by the number of single-family homes permitted, continued to decrease because of the soft market for new homes, a trend that began in 2008. Based on preliminary data, 120 single-family homes were permitted in 2012, a 19-percent decrease compared with the 150 homes permitted in 2011. By comparison, an average of 460 homes was permitted annually from 2008 through 2010.

Rental housing market conditions in the metropolitan area were tight as of January 1, 2013. The overall estimated rental vacancy rate was 4.0 percent, down slightly from 4.1 percent in April 2010. According to the Washington Center for Real Estate Research, from September 2011 to September 2012, the apartment vacancy rate decreased from 5.0 to 3.3 percent. The average monthly rent increased 1 percent from the previous year, to \$587, and rents averaged \$526 for a one-bedroom unit and \$615 for a two-bedroom/one-bathroom unit. Although preliminary multifamily permitting data is unavailable for the metropolitan area, the city of Yakima reported 130 multifamily units under construction as of November 2012. The Castle Creek Apartments, in the city of Yakima, recently completed phase two of construction, adding 126 units that were fully occupied as of December 2012. The asking rents were \$650 for a one-bedroom/one-bathroom unit, \$800 for a two-bedroom/two-bathroom unit, and \$900 for a three-bedroom/two-bathroom unit.