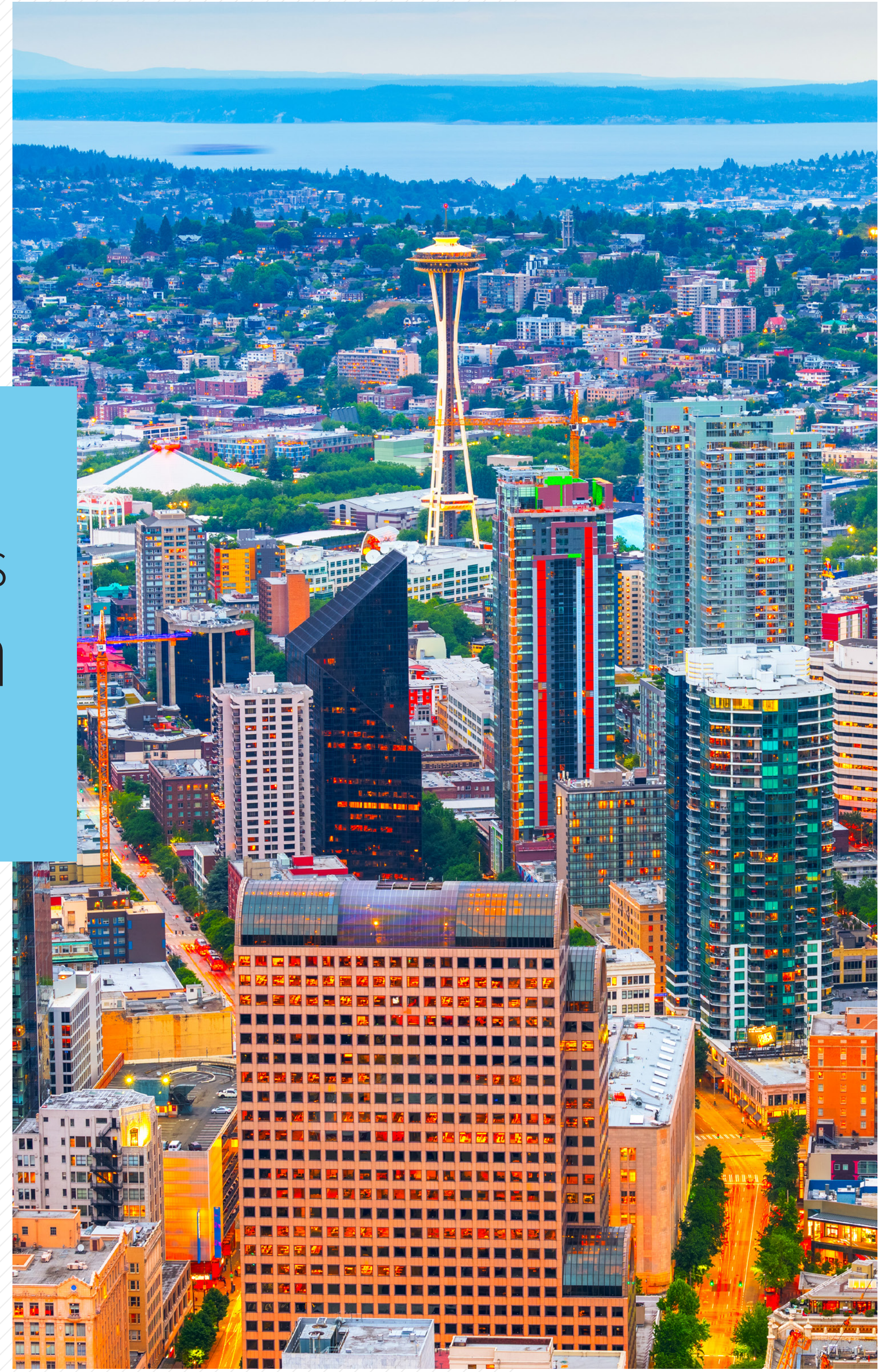
COMPREHENSIVE HOUSING MARKET ANALYSIS

Seattle, Washington



U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of June 1, 2025

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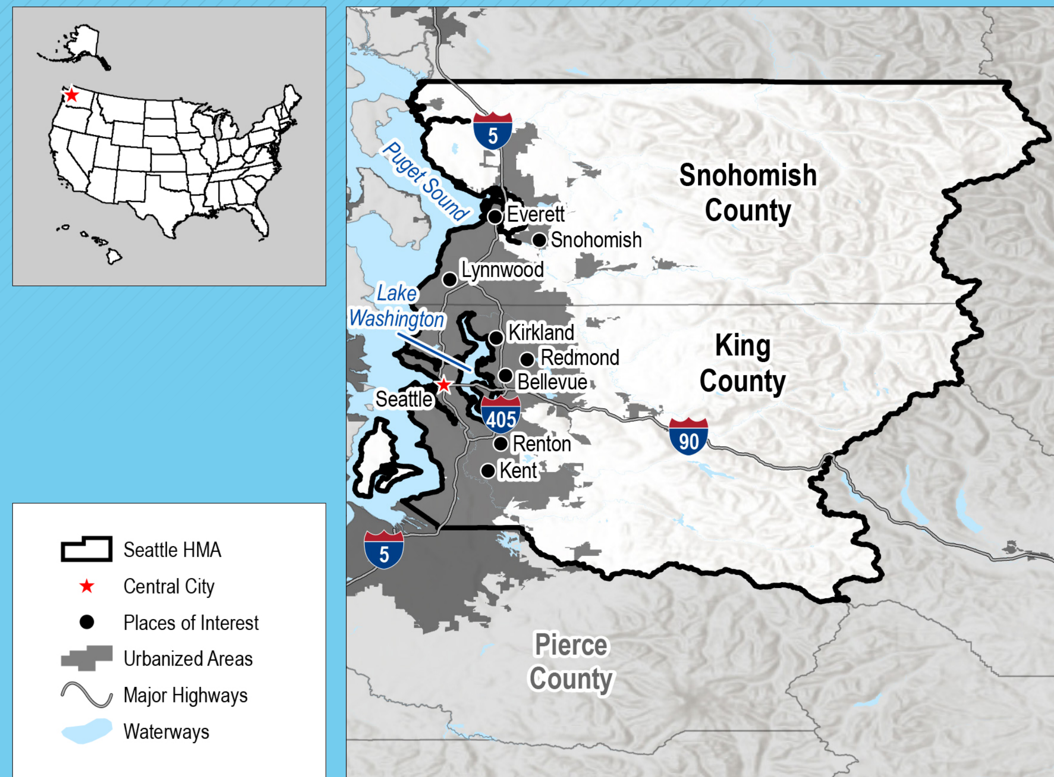
Executive Summary

Housing Market Area Description

The Seattle Housing Market Area (hereafter, Seattle HMA) includes the Seattle-Bellevue-Kent, WA Metropolitan Division (coterminous with King County) and the Everett, WA Metropolitan Division (coterminous with Snohomish County). The HMA is situated along the Puget Sound in western Washington state. It includes more than three-fourths of the population in the greater Seattle-Tacoma-Bellevue, WA Metropolitan Statistical Area (hereafter, Seattle MSA), which includes King, Snohomish, and Pierce Counties. The HMA is an aerospace and tech hub anchored by globally recognized companies, including The Boeing Company, Microsoft Corporation, and Amazon.com, Inc. (hereafter, Boeing, Microsoft, and Amazon, respectively).

The current population of the HMA is estimated at 3.26 million.

The concentration of tech workers in the MSA is high at 12.4 percent, compared with 5.8 percent nationally (State of the Tech Workforce 2024, CompTIA). In 2024, the tech industry accounted for 30 percent of the total economic output of the MSA—a share surpassed only by Silicon Valley, with 53 percent.



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's Market-at-a-Glance tool.
Additional data for the HMA can be found in this report's supplemental tables.
For information on HUD-supported activity in this area, see the Community Assessment Reporting Tool.

Market Qualifiers

Economy

Stable: The unemployment rate in the Seattle HMA averaged 4.1 percent during the 12 months ending May 2025, unchanged from a year ago.

During the 12 months ending May 2025, nonfarm payrolls in the HMA increased by 19,100 jobs, or 1.1 percent, to 1.80 million jobs compared with 0.4-percent growth a year earlier. The government and the education and health services sectors led job growth during the past 12 months, more than offsetting notable job losses in the mining, logging, and construction and the manufacturing sectors. Following peak employment in 2022, the tech industry continued to shed jobs but at a slower pace than a year ago. Nonfarm payroll growth is expected to average 0.8 percent annually during the 3-year forecast period.

Sales Market

Slightly Tight: Home sales rose year over year during the 12 months ending May 2025, the first annual increase since the corresponding period in 2021 (Zonda).

The sales vacancy rate in the HMA is estimated at 1.0 percent compared with 0.9 percent in April 2020. Home sales increased 4 percent year over year during the 12 months ending May 2025 to 38,000 homes sold, compared with an 8-percent reduction a year earlier (Zonda). Home sales prices in the HMA averaged $1.01 million during the past 12 months, up 5 percent from a year ago compared with a 7-percent increase during the previous 12 months. Demand is anticipated for 23,000 new homes in the HMA during the forecast period; the 5,125 homes under construction will meet a portion of that demand.

Rental Market

Balanced: The rental vacancy rate in the HMA—including apartments, single-family homes, and other housing units available for rent—is estimated at 7.0 percent, up from 5.0 percent in April 2020, when conditions were slightly tight.

Apartment market conditions in the HMA are also balanced, with an apartment vacancy rate of 7.2 percent as of the second quarter of 2025, up from 7.0 percent a year ago and a recent low of 5.6 percent in the second quarter of 2022 (CoStar Group). Market conditions have eased because new apartment deliveries have outpaced absorption in 4 of the past 5 years, causing rising vacancy rates and slow rent growth, which has averaged 1 percent annually since the second quarter of 2022. Demand is estimated for 30,400 rental units during the forecast period; the 15,400 units under construction will satisfy more than one-half of the expected demand.

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3-Year Housing Demand Forecast

		Sales Units	Rental Units
Seattle HMA	Total Demand	23,000	30,400
	Under Construction	5,125	15,400

Notes: Total demand represents the estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of June 1, 2025. The forecast period is June 1, 2025, to June 1, 2028.
Source: Estimates by the analyst

Economic Conditions

Largest Sector: Professional and Business Services

> Approximately one-half of jobs in the professional and business services sector in the Seattle HMA are in the professional, scientific, and technical services subsector, which includes many high-paying tech jobs.

Primary Local Economic Factors

The tech industry in the HMA has expanded rapidly since 2010, propelled by the expansion of Big Tech—a common term to describe the dominant companies in the tech industry, including the Big Five (Amazon, Apple Inc., Meta Platforms, Inc. [formerly Facebook, Inc.; hereafter, Meta], Google LLC [a subsidiary of Alphabet Inc.], and Microsoft). Big Tech firms are among the top employers in the HMA (Table 1). Tech industry employment in the MSA peaked in 2022 at 288,100 jobs and subsequently declined to 274,500 in 2024 (State of the Tech Workforce 2024, CompTIA). The decline in jobs is partly due to overzealous hiring during the pandemic and to rising interest rates since 2022 that curtailed venture capital investment, the primary source of funding in the industry. Despite declining levels of employment, the economic impact of the tech industry on the MSA grew 13 percent, from $134.0 billion in 2023 to $151.4 billion in 2024.

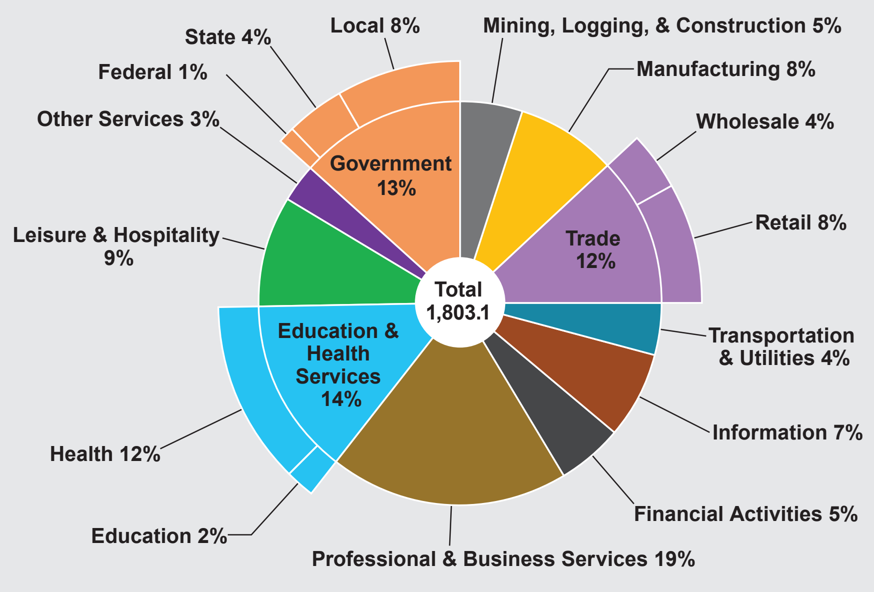
Table 1. Major Employers in the Seattle HMA

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	51,362
University of Washington	Government	46,824
Providence Health & Services	Education & Health Services	17,533
Walmart Inc.	Wholesale & Retail Trade	16,000
Fred Meyer Stores, Inc.	Wholesale & Retail Trade	15,500
Starbucks Corporation	Leisure & Hospitality	11,239
Swedish Health Services	Education & Health Services	10,759
Costco Wholesale Corporation	Wholesale & Retail Trade	9,264

Note: Excludes local school districts.
Source: *Puget Sound Business Journal Book of Lists*, 2024

The tech workforce extends across most sectors of the HMA economy. Direct employment at tech companies is largely concentrated in the professional and business services, the information, and the manufacturing sectors. At non-tech-industry companies, jobs are counted in the primary sector of the employer, including any tech-related jobs. In 2010, the professional and business services sector accounted for 14 percent of total nonfarm payrolls in the HMA; that share has grown to 19 percent as of the current date (Figure 1). The information sector has also expanded considerably since 2011; however, the manufacturing sector has declined (Figure 2). In 2024, the median annual wage among tech workers in the MSA was $152,500—127 percent higher than the overall median wage in the MSA and 35 percent higher than the national median tech wage (State of the Tech Workforce 2024, CompTIA). The large concentration of high-wage earners in the HMA contributes to relatively high housing costs.

Figure 1. Share of Nonfarm Payroll Jobs in the Seattle HMA, by Sector



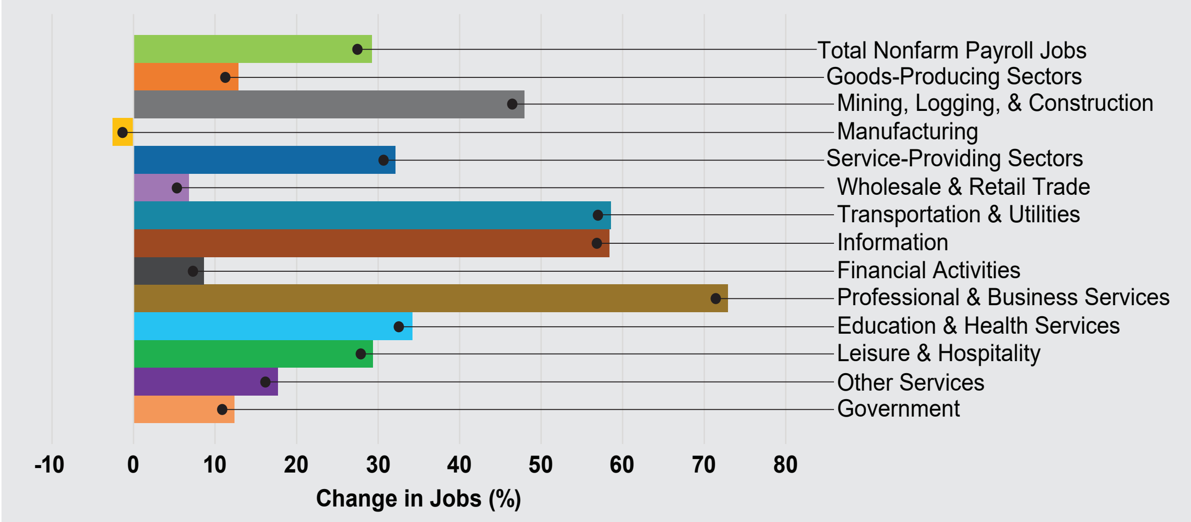
Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through May 2025.
Source: U.S. Bureau of Labor Statistics

The city of Seattle is the center of the tech industry in the HMA; however, the Eastside—an area of King County that includes the cities east of Lake Washington—has a significant presence as well. Tech companies account for 6 of the 10 largest employers in the city of Bellevue—the second most populous city in the HMA—and the city of Redmond is home to the 500-acre Microsoft headquarters campus, with a $5 billion expansion expected to be complete in late 2025. Meta, Google, and Apple are also major corporate residents of the Eastside. Everett, the largest city in Snohomish County, is home to a Boeing production site that employs more than 30,000 people. The site includes the largest manufacturing building in the world by volume, which has been used to produce the 747, 767, and 777 airliners (The Boeing Company). In addition, an estimated 12,000 people work at the Boeing production site in the city of Renton in King County, where the 737 Max airliner is assembled.

Current Conditions—Nonfarm Payrolls

The economy in the HMA is stable, with moderate job growth during the past year; however, job growth accelerated from a year earlier. During the 12 months ending May 2025, nonfarm payrolls increased year over year by 19,100 jobs, or 1.1 percent, to 1.80 million jobs compared with annual growth of 0.4 percent a year earlier (Table 2). Nationally, payrolls increased 1.2 percent year over year during the past 12 months, slowing from a 1.6-percent gain a year earlier.

Figure 2. Sector Growth in the Seattle HMA, 2011 to Current



Note: Current data are based on 12-month averages ending May 2025.
Source: U.S. Bureau of Labor Statistics

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Seattle HMA, by Sector

	12 Months Ending May 2024	12 Months Ending May 2025	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	**1,784.0**	**1,803.1**	**19.1**	**1.1**
Goods-Producing Sectors	252.1	244.6	-7.5	-3.0
Mining, Logging, & Construction	102.3	97.8	-4.5	-4.4
Manufacturing	149.9	146.8	-3.1	-2.1
Service-Providing Sectors	1,531.9	1,558.5	26.6	1.7
Wholesale & Retail Trade	211.3	210.5	-0.8	-0.4
Transportation & Utilities	72.4	73.9	1.5	2.1
Information	135.0	134.3	-0.7	-0.5
Financial Activities	87.0	87.0	0.0	0.0
Professional & Business Services	345.5	348.5	3.0	0.9
Education & Health Services	236.2	244.9	8.7	3.7
Leisure & Hospitality	165.5	168.7	3.2	1.9
Other Services	59.5	59.4	-0.1	-0.2
Government	219.6	231.3	11.7	5.3

Notes: Based on 12-month averages through May 2024 and May 2025. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

The government sector had the largest job gain and fastest rate of growth during the 12 months ending May 2025, adding 11,700 jobs, or 5.3 percent, year over year, similar to the rate of growth a year ago. The state government subsector accounted for nearly 60 percent of job growth in the sector during the past 12 months. The education and health services sector added the second largest number of jobs during the past year, up by 8,700, or 3.7 percent, accelerating from 2.9-percent growth a year ago. The health care and social assistance subsector accounted for nearly all the sector growth during the past year, supported by the aging population in the HMA, which has increased demand for healthcare services. Notable job growth occurred in the leisure and hospitality sector, which added 3,200 jobs, or 1.9 percent, during the past year, following a year-over-year increase of 8,000 jobs, or 5.1 percent, during the previous 12 months. In 2024, visitor spending in King County increased more than 7 percent from 2023, and tourism-related jobs rose 5 percent to 68,100 (Visit Seattle).

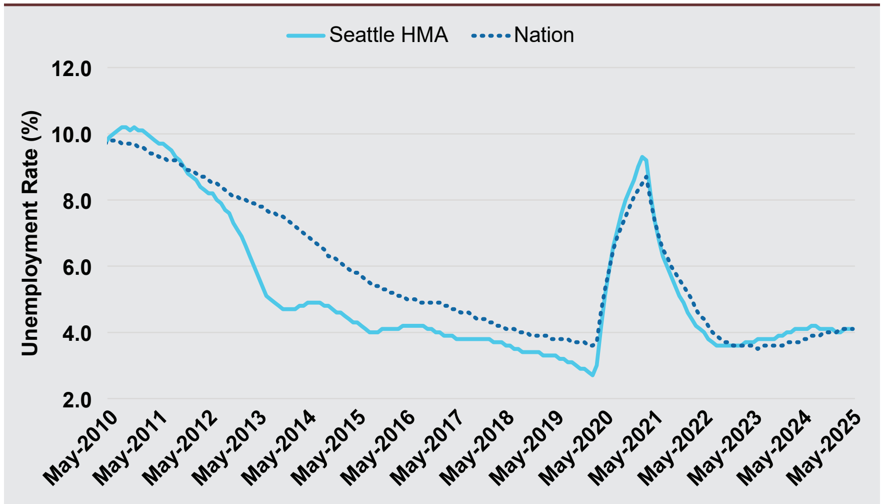
The tech industry in the HMA has contracted since employment peaked in 2022, but the rate of job loss slowed during the past year. The slowdown in job losses was partly reflected in the year-over-year addition of 3,000 jobs, or 0.9 percent, in the professional and business services sector compared with a loss of 6,800 jobs a year ago. The other two tech-heavy payroll sectors—information and manufacturing—lost 700 and 3,100 jobs, respectively. By comparison, during the previous 12 months, the information sector lost 9,200 jobs, but an increase of 4,800 manufacturing sector jobs partly offset those losses. A rise in venture capital funding, specifically in the field of artificial intelligence (AI), partly contributed to increases in the information and the professional and business services sectors. In June 2025, the MSA ranked third in the nation for the number of AI job openings (University of Maryland). Layoffs of nearly 2,600 employees by Boeing at the start of 2025 greatly contributed to recent losses in the manufacturing sector (Worker Adjustment and Retraining Notification database [WARN]).

The mining, logging, and construction sector lost the most jobs during the past year, down by 4,500, or 4.4 percent, similar to the loss of 4,600 jobs, or 4.3 percent, a year ago. Those losses were due to declines in multifamily and commercial construction. Many large tech companies in the HMA, including Microsoft and Google, have consolidated their work areas and reduced their physical footprint, contributing to negative net absorption of office space since 2021 and rising office vacancy rates. The office vacancy rate in the HMA was 17.8 percent as of the second quarter of 2025, up from 16.2 percent a year ago and a second quarter low of 5.9 percent in 2019 (CoStar Group). Currently, 4.77 million square feet of office space is under construction in the HMA, down 26 percent from a year ago and compared with a second quarter average of 11.35 million square feet under construction from 2021 through 2023.

Current Conditions—Unemployment

The unemployment rate in the HMA averaged 4.1 percent during the 12 months ending May 2025, unchanged from a year ago but up from 3.7 percent during the 12 months ending May 2023 (Figure 3). During the past year, the labor force and resident employment grew at the same rate, 1.1 percent, slowing from respective increases of 1.8 and 1.4 percent during the 12 months ending May 2024. The unemployment rate reached a recent peak of 7.4 percent during the 12 months ending May 2021 compared with a prepandemic rate of 3.3 percent during the corresponding period in 2019. The current rate in the HMA is equal to the national rate, which increased from 3.8 percent during the 12 months ending May 2024.

Figure 3. 12-Month Average Unemployment Rate in the Seattle HMA and the Nation



Note: Based on the 12-month moving average.
Source: U.S. Bureau of Labor Statistics

Economic Periods of Significance

2011 Through 2019: Economic Recovery and Expansion

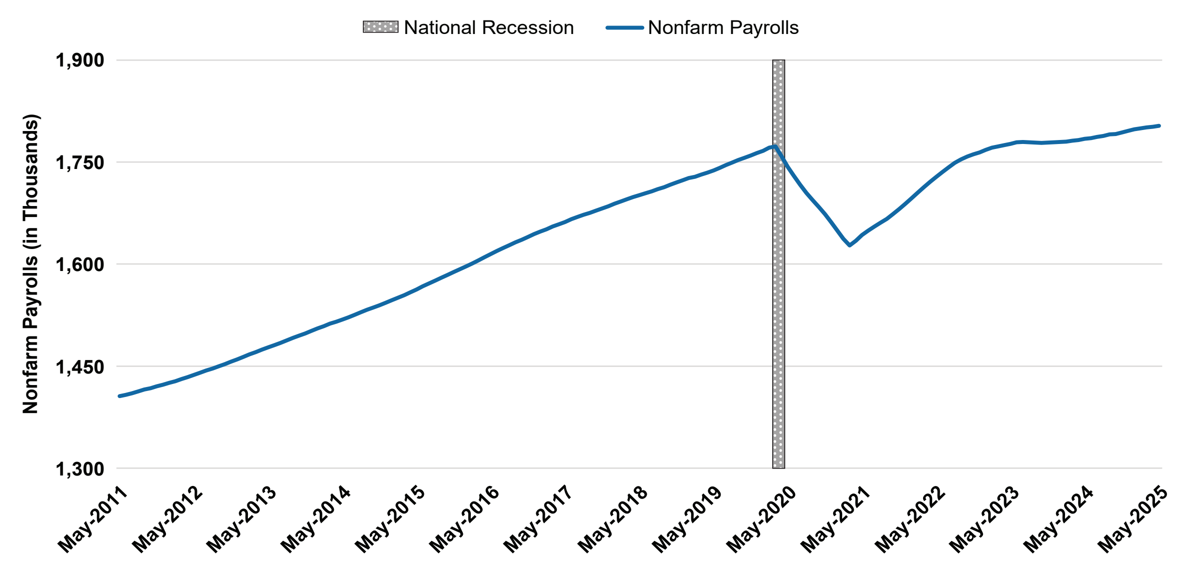
The economic recovery from the Great Recession began in 2011, and the number of jobs lost was recovered by mid-2013. From 2014 through 2019, payrolls increased by an average of 43,600 jobs, or 2.7 percent, annually, and all nonfarm sectors added jobs except manufacturing. The professional and business services and the information sectors accounted for approximately 43 percent of the job gains, as the tech industry expanded considerably. Strong hiring at Amazon, which increased from 5,000 employees in 2010 to more than 50,000 in 2019, greatly contributed to job growth in nearly all sectors of the economy and attracted many skilled workers to the HMA. Apple opened offices in the HMA in 2014, growing its workforce to more than 500 in 2018 (GeekWire). Google and Meta had a small presence in the HMA in the early 2010s; by 2019, both had opened major campuses in the South Lake Union neighborhood of the city of Seattle, adjacent to the Amazon campus. With elevated net in-migration during this period, due to the strong jobs market, demand for new homes increased, and the mining, logging, and construction sector added an average of 5,300 jobs, or 6.3 percent, annually. Strong population growth also contributed to average annual gains of 5,500 and 5,000 jobs, or 2.7 and 3.2 percent, respectively, in the education and health services and the leisure and hospitality sectors. The manufacturing sector had an average annual decline of 700 jobs during the period, partly because Boeing moved most of the production of the 787 Dreamliner to South Carolina.

2020 Through 2024: Pandemic, Recovery, and Tech Contraction

In 2020, countermeasures to slow the spread of COVID-19 caused payrolls in the HMA to fall by 101,700 jobs, or 5.8 percent, equal to the rate of decline nationally (Figure 4). Nearly all payroll sectors lost jobs in the HMA in 2020 except for the information and the professional and business services sectors, which added 5,500 and 4,300 jobs, or 4.4 and 1.4 percent, respectively. Both sectors benefited from the rapidly expanding tech industry, fueled by robust demand during the pandemic. The leisure and hospitality sector accounted for approximately 50 percent of the net job loss, contracting 29 percent, because the demand for in-person services plummeted and many dining and entertainment venues closed.

Annual job growth resumed in 2021, and nonfarm payrolls in the HMA exceeded 2019 prepandemic levels in 2022, similar to the national recovery. In 2021 and 2022, nonfarm payrolls in the HMA increased by an average of 51,200 jobs, or 3.0 percent, annually. The tech industry grew strongly, contributing to average

Figure 4. 12-Month Average Nonfarm Payrolls in the Seattle HMA



Note: 12-month moving average.
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

annual increases of 19,900 jobs, or 6.1 percent, in the professional and business services sector and 6,600 jobs, or 4.9 percent, in the information sector. Tourism to the HMA started to rebound, leading to strong gains in the leisure and hospitality sector, which added an average of 14,800 jobs, or 11.4 percent, each year. The manufacturing sector, which generally tracks employment trends at Boeing and its suppliers, lost an average of 4,400 jobs, or 2.9 percent, a year during 2021 and 2022. Boeing announced major layoffs in 2020 due to reduced orders because of the COVID-19 pandemic.

Payroll growth in the HMA slowed in 2023 and 2024 as the economy transitioned from recovery to expansion, averaging a gain of 16,000 jobs, or 0.9 percent, a year. Job growth was strongest in the government sector, which added an average of 11,900 jobs, or 5.6 percent, a year, of which 58 percent was in the state government subsector. Notable growth occurred in the leisure and hospitality and the education and health services sectors, which increased by 7,600 and 7,100 jobs, or 4.9 and 3.1 percent, respectively. The tech industry contracted, however. The professional and business services and the information sectors lost a combined 9,600 jobs a year, but an average annual gain of 2,800 manufacturing sector jobs partially offset those losses. Elevated mortgage interest rates led to reduced demand for homes and home lending services, causing the financial activities and the mining, logging, and construction sectors to lose an average of 1,100 and 3,100 jobs, or 1.3 and 3.0 percent, a year, respectively.

Forecast

Job growth is expected during the 3-year forecast period, but the growth is expected to slow slightly compared with the most recent 12 months, averaging a gain of 15,150 jobs, or 0.8 percent, annually. Modest job growth is expected to continue in most service-providing sectors, especially in the healthcare industry, to meet increased demand stemming from a growing and aging population. The tech industry is expected to continue contracting, however, constraining job growth in the professional and business services, the information, and the manufacturing sectors. Microsoft announced layoffs of 3,150 workers in May 2025, with an effective date between July and October 2025 (WARN). Furthermore, the ongoing consolidation of physical footprints across the tech industry is anticipated to reduce demand for new office space, suppressing job growth in the mining, logging, and construction sector. The HMA is anticipated to continue to develop as a national leader in AI, partly offsetting the overall contraction in the tech industry. Growth in AI is expected to contribute to an increase in the highly skilled jobs required to build and maintain AI systems, but other jobs are likely to be lost because of the automation of some routine tasks.

Population and Households

Current Population: 3.26 Million

Since 2017, net in-migration to the Seattle HMA has been entirely net international in-migration, mostly from Asia.

Population Trends

The HMA population is estimated at 3.26 million as of June 1, 2025 (Table 3). On average, net natural increase has accounted for one-third of total population growth in the HMA since 2010. Approximately 40 percent of the 8.12 million residents in the state of Washington reside in the HMA, and King County accounts for nearly three-fourths of the HMA population (Washington State Office of Financial Management, as of April 1). Within King County, the city of Seattle has 816,600 residents, representing approximately 25 percent of the HMA population. Economic growth, housing affordability, and international migration heavily influence population growth trends. Housing affordability has generally decreased since 2010, resulting in domestic net out-migration every year since 2017. Changes to federal immigration policy have reduced international net in-migration and the resulting offset to domestic net out-migration.

From the start of the economic recovery in 2011 through the peak years of net in-migration ending in 2017, the population of the HMA increased by an average of 51,800, or 1.8 percent, annually, and net in-migration accounted for two-thirds of the growth (Figure 5). During that period, domestic net in-migration accounted for approximately 40 percent of total net in-migration, and international net in-migration contributed the remaining 60 percent. Asia has been consistently one of the top origins of new residents to the Seattle MSA (Table 4).

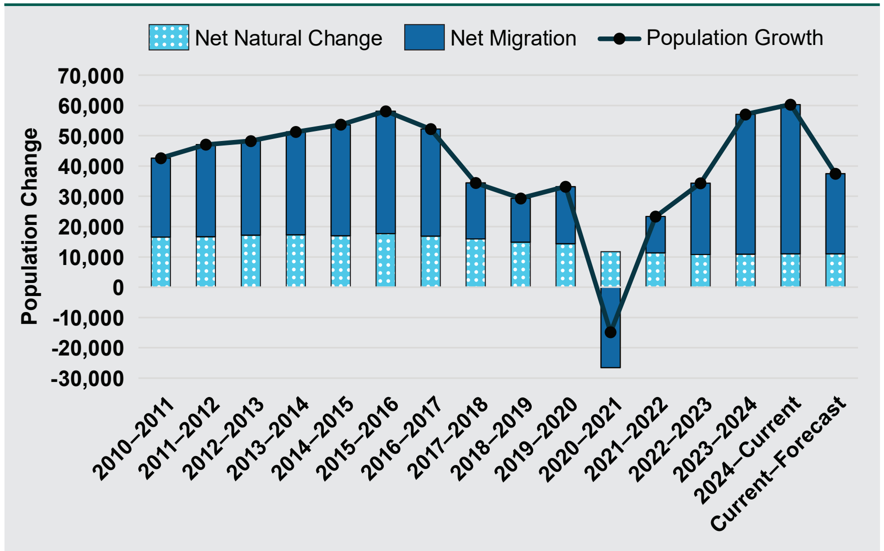
From 2017 to 2020, population growth slowed to an average of 32,350 people, or 1.1 percent, and net in-migration accounted for 53 percent of the growth. International net in-migration to the HMA started slowing in 2017, partly in response to changes in federal policy. Domestic net out-migration commenced at the same time, mainly because of a prolonged period of tight sales market conditions in the HMA and a persistent lack of affordable housing, which led many households to leave. Population decline

Table 3. Seattle HMA Population and Household Quick Facts

		2020	Current	Forecast
Population Quick Facts	**Population**	3,098,000	3,260,000	3,372,000
	Average Annual Change	45,300	31,350	37,500
	Percentage Change	1.6	1.0	1.1
		2020	**Current**	**Forecast**
Household Quick Facts	**Households**	1,225,000	1,302,800	1,347,000
	Average Annual Change	16,700	15,150	14,750
	Percentage Change	1.5	1.2	1.1

Notes: Average annual changes and percentage changes are based on averages from 2010 to 2020, 2020 to current, and current to forecast. The forecast period is the current date (June 1, 2025) to June 1, 2028.
Sources: 2010 and 2020—2010 Census and 2020 Census; current and forecast—estimates by the analyst

Figure 5. Components of Population Change in the Seattle HMA, 2010 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is the current date (June 1, 2025) to June 1, 2028.
Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

occurred from 2020 to 2021 because of several pandemic-related factors, including reduced net natural increase, an increase in domestic net out-migration, and very low international net in-migration. From 2020 to 2021, the HMA population declined by 14,850, or 0.5 percent, including net out-migration of 26,550 people.

Population growth resumed at a slow rate from 2021 to 2023, averaging a gain of 0.9 percent, or 28,800, a year. Growth was slow despite increasing international net in-migration because rapidly rising home prices compounded the affordability issues, leading to high levels of domestic net out-migration. Rising mortgage rates in 2022 and return-to-work policies by Big Tech companies caused domestic net out-migration to slow considerably. Since 2023, the population of the HMA has increased by an average of 58,700, or 1.8 percent, a year, with net in-migration accounting for 81 percent of the growth.

Population by Geography

Return-to-work mandates, employment in the tech industry, and light rail expansions have influenced recent population growth trends within the HMA. From 2020 to 2023, King County grew at an average annual rate of 1.1 percent annually, accelerating to an average annual gain of 1.3 percent from 2023 to 2025 (Washington State Office of Financial Management, as of April 1). Of the cities in the county with 80,000 or more residents, Redmond has had the fastest population growth since 2023, averaging 3.1 percent a year compared with 1.9 percent growth from 2020 to 2023. Despite ongoing layoffs in Big Tech, which is highly concentrated in the city, population growth accelerated because of the light rail expansion, which led to considerable residential construction. The cities of Seattle and Bellevue had the second and third fastest average annual growth rates since 2023, at 2.4 and 1.1 percent, respectively, up from 1.9 and 0.6 percent from 2020 to 2023. The city of Kirkland had the largest slowdown in growth, declining from 1.7 to 0.5 percent, largely because of tech industry job losses and because it has some of the highest housing costs in the HMA.

In contrast to King County, population growth in Snohomish County has slowed since 2023, averaging a gain of 0.8 percent annually compared with 1.3-percent growth from 2020 to 2023. The city of Everett, with a 2025 population of 114,700, increased an average of 0.2 percent annually from 2023 to 2025, slowing from an average annual gain of 1.1 percent from 2020 to 2023. The slowdown was partly due to layoffs at Boeing. The city of Lynnwood was the only city in the county with a population of 40,000 or more with accelerating population growth from 2023 to 2025, largely because of a recently completed light rail extension.

Table 4. Migration Flows in the Seattle MSA, 2016–20

Into the HMA	
Asia	23,150
Los Angeles-Long Beach-Anaheim, CA	8,825
Portland-Vancouver-Hillsboro, OR-WA	8,000
Europe	6,800
San Francisco-Oakland-Berkeley, CA	6,100
Out of the HMA	
Spokane-Spokane Valley, WA	7,950
Olympia-Lacey-Tumwater, WA	7,000
Bremerton-Silverdale-Port Orchard, WA	6,275
Phoenix-Mesa-Chandler, AZ	6,075
Portland-Vancouver-Hillsboro, OR-WA	5,775
Net Into the HMA	
Los Angeles-Long Beach-Anaheim, CA	3,225
Chicago-Naperville-Elgin, IL-IN-WI	2,625
San Francisco-Oakland-Berkeley, CA	2,250
Portland-Vancouver-Hillsboro, OR-WA	2,225
New York-Newark-Jersey City, NY-NJ-PA	2,150

Notes: Data are for the Seattle MSA, which includes Pierce County. Foreign migration is not included in outflows.
Source: U.S. Census Bureau Migration Flows, 2016–2020 American Community Survey 5-year data

Expansions of the existing light rail system are ongoing throughout the HMA, and a significant amount of housing has been or is being built along the new routes. The six-stop, 8.5-mile extension connecting the city of Seattle with the city of Lynnwood in Snohomish County opened in August 2024. A three-stop, 8-mile line will open in late 2025 that will extend from Seattle to the southern part of the HMA.

Age Cohort Trends

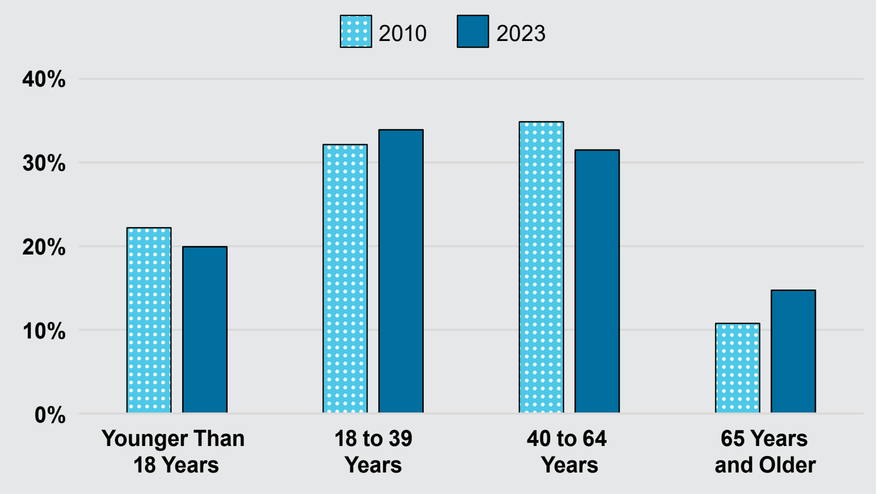
The fastest growing age cohort in the HMA is people aged 65 and older (Figure 6). This cohort grew from 11 percent of the population in 2010 to 15 percent in 2023, similar to nationwide trends (2010 and 2023 American Community Survey [ACS] 1-year data). The number of people in this cohort increased at an average annual rate of 3.7 percent in the HMA, significantly faster than the overall population growth rate, mainly because of the large number of Baby Boomers reaching retirement age. The only other cohort that increased as a share of the total population during the period was those aged 18 to 39, a range that overlaps with the most prominent age cohort in the tech industry (CBRE). From 2010 to 2023, the share of the population aged 40 to 64 declined from 35 to 32 percent, and the population younger than 18 declined from 22 to 20 percent, partly because of fewer births.

Household Trends

Household growth in the HMA has generally reflected population growth trends from 2010 to 2020; however, an increase in the formation of smaller households has caused the household growth rate to exceed the population growth rate since 2020. As of June 1, 2025, the number of households in the HMA is estimated at approximately 1.30 million, reflecting an average annual increase of 15,150 households, or 1.2 percent, since 2020, faster than the 1.0-percent average annual rate of population growth. Many people in shared living arrangements dispersed to form separate households during the pandemic—partly aided by federal stimulus payments—and the growing cohort of seniors who generally have smaller households contributed to the faster household growth rate. By comparison, households increased by an average of 16,700, or 1.5 percent, annually from 2010 to 2020, slower than the 1.6-percent average annual population growth during the period.

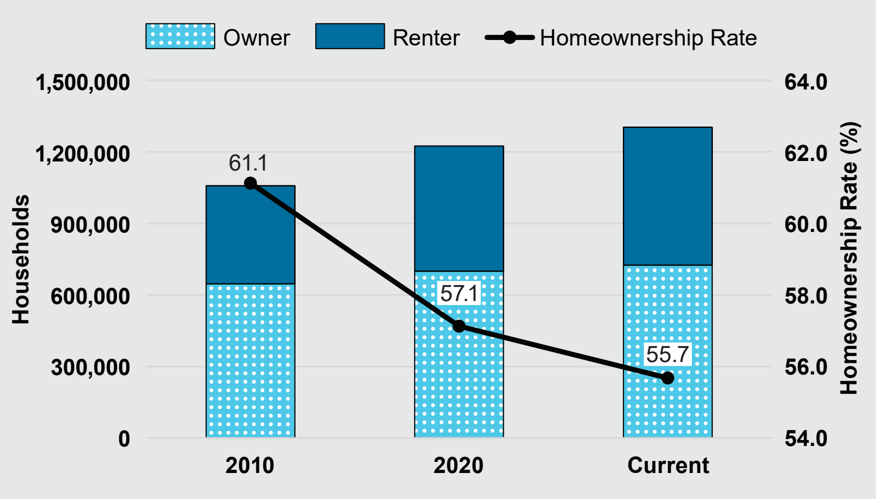
An estimated 55.7 percent of households in the HMA are homeowners, down from a homeownership rate of 57.1 percent in 2020 and a 61.1-percent rate in 2010 (Figure 7). Since 2020, owner households have increased at an average annual rate of 0.7 percent, similar to the 0.8-percent average annual

Figure 6. Share of Population by Age Range in the Seattle HMA



Source: 2010 and 2023 American Community Survey 1-year data

Figure 7. Households by Tenure and Homeownership Rate in the Seattle HMA



Note: The current date is June 1, 2025.
Sources: 2010 and 2020—2010 Census and 2020 Census; current—estimates by the analyst

gain from 2010 to 2020. By comparison, renter households have increased an average of 1.9 percent annually since 2020, compared with average annual growth of 2.5 percent from 2010 to 2020.

Forecast

Population growth is expected to continue during the 3-year forecast period, with the population reaching 3.37 million by June 1, 2028, reflecting average annual growth of 37,500 people, or 1.1 percent. Net in-migration is anticipated to slow compared with the period since 2023 to an average of 26,500 people a year, accounting for 71 percent of population growth during the forecast period. Domestic net out-migration is anticipated to continue but to slow. The relatively high cost of living in the HMA will continue to be a barrier; however, the reversal of remote work policies will slow domestic net out-migration. International net in-migration is expected to slow as well, partly because of weakness in the tech industry labor market.

During the next 3 years, households in the HMA are expected to increase by an average of 14,750, or 1.1 percent, reaching 1.35 million by June 1, 2028. Owner household growth during the forecast period is expected to be similar to the trend since 2020, averaging a gain of 0.7 percent annually. Renter household growth is expected to slow to an average of 1.6 percent annually, mainly because of slowing population growth.

Home Sales Market

Market Conditions: Slightly Tight

The average home sales price in the Seattle HMA during the most recent 12 months, $1.01 million, reflects a cumulative gain of 50 percent from the average of $673,700 during the corresponding period in 2020 (Zonda).

Current Conditions and Recent Trends

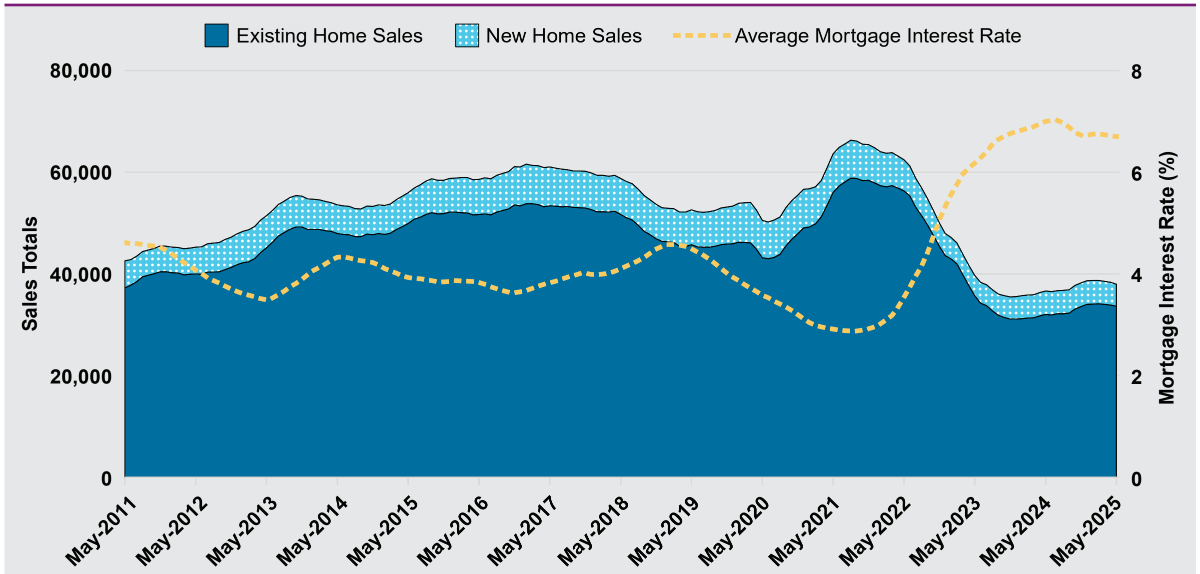
Sales market conditions in the HMA are slightly tight. The overall sales vacancy rate is estimated at 1.0 percent, up from 0.9 percent in 2020, when conditions were similar (Table 5). Market conditions were tighter when sales demand increased after the onset of the pandemic but eased when mortgage interest rates rose in 2022, causing home sales to decline considerably and price growth to moderate. During the past 12 months, however, home sales rose on an annual basis for the first time since the corresponding period in 2021, increasing 4 percent year over year to 38,000 home sales, partly because of a small decline in the mortgage interest rate (Zonda; Figure 8). Despite the recent uptick, current home sales are 40 percent lower than the average of 63,000 home sales during the corresponding 12-month periods in 2021 and 2022. The average home price rose 5 percent during the past 12 months to an average of $1.01 million, moderating slightly from a 7-percent increase a year ago.

Table 5. Home Sales Quick Facts in the Seattle HMA

		Seattle HMA	Nation
Home Sales Quick Facts	**Vacancy Rate**	1.0%	NA
	Months of Inventory	2.5	4.0
	Total Home Sales	38,000	4,934,000
	1-Year Change	4%	-5%
	New Home Sales Price	$1,085,000	$501,000
	1-Year Change	6%	3%
	Existing Home Sales Price	$1,003,000	$424,700
	1-Year Change	5%	6%
	Mortgage Delinquency Rate	0.4%	1.0%

NA = data not available.
Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending May 2025; and months of inventory and mortgage delinquency data are as of May 2025. The current date is June 1, 2025.
Sources: Vacancy rate—estimates by the analyst; months of inventory—Redfin, a national real estate brokerage, with adjustments by the analyst; mortgage delinquency rate—Cotality; home sales and prices—Zonda

Figure 8. 12-Month Home Sales Totals by Type of Sale in the Seattle HMA



Note: The mortgage interest rate is the 12-month average rate for a 30-year, fixed-rate mortgage.
Sources: Home sales—Zonda; mortgage interest rates—Freddie Mac

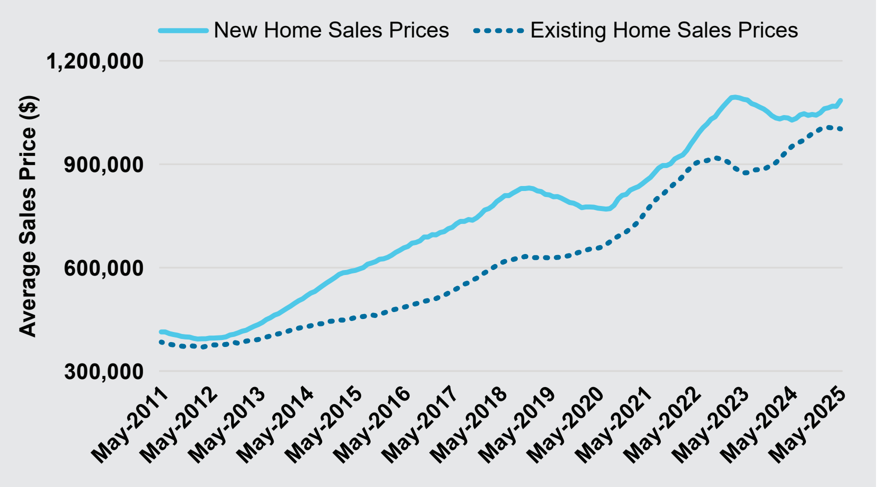
Nationally, the rate for 30-year, fixed-rate mortgages averaged 6.7 percent during the past 12 months, down from 7.0 percent a year ago but well above the low of 2.9 percent during the 12 months ending May 2021 (Freddie Mac). The rise in rates also deterred many potential sellers from listing their homes if a subsequent purchase would require financing at a higher rate, limiting the increase in the supply of for-sale housing and helping prevent market conditions from becoming soft. During the past year, however, the inventory of homes for sale increased from 1.8 to 2.5 months of supply (Redfin, a national real estate brokerage, with adjustments by the analyst). Investors make up a growing share of the sales market, supporting home sales demand because they frequently pay cash and are therefore less affected by changing mortgage rates. Approximately 13 percent of homes sold in the Seattle MSA during the first quarter of 2025 were to investors, and that share has generally increased each year from 6 percent in 2010 (Redfin, a national real estate brokerage).

New home sales accounted for nearly 12 percent of total home sales in the HMA during the 12 months ending May 2025, and that share has ranged from 9 to 15 percent a year since 2010 (Zonda). The average price of a new home was $1.09 million during the past 12 months (Figure 9), up 6 percent from a year ago and reversing a 6-percent drop during the preceding 12 months. The average existing home sales price of $1.00 million during the past 12 months is 8 percent less than that of a new home and is up 5 percent year over year, following a 9-percent increase a year before. Nearly 58 percent of new and existing home sales during the past 12 months were priced from $400,000 to $999,999 (Figure 10).

Historical Trends

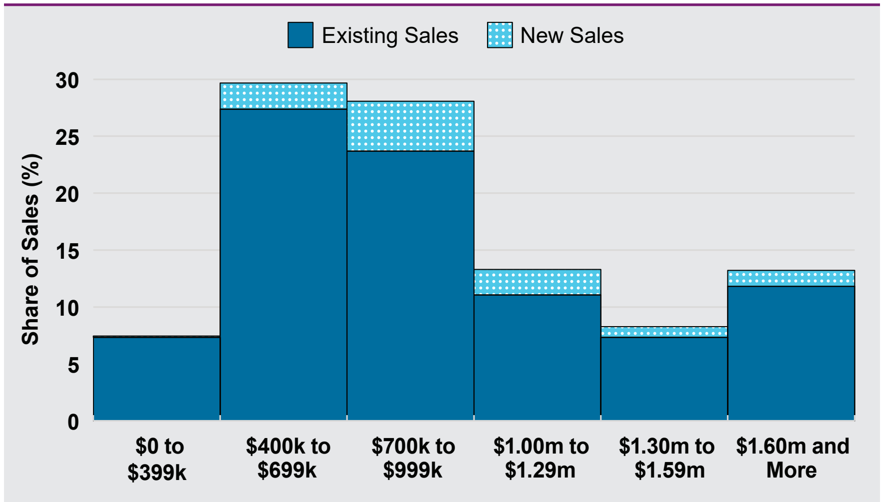
Home sales demand rose during most of the 2010s, fueled by increased purchasing power from the influx of residents seeking high-paying jobs in the expanding tech industry. From 2011 through 2016, total new and existing home sales increased an average of 6 percent a year to a high of 61,000 homes sold, and prices rose an average of 5 percent annually to an average of $533,200. A prolonged period of price growth without an accompanying

Figure 9. 12-Month Average Home Sales Price by Type of Sale in the Seattle HMA



Source: Zonda

Figure 10. Share of Overall Home Sales by Price Range in the Seattle HMA During the 12 Months Ending May 2025



Note: New and existing sales include single-family homes, townhomes, and condominiums.
Source: Zonda

increase in average wages outside of the tech industry eroded affordability for other workers, limiting the number of households in the HMA that could afford homeownership. Subsequently, home sales fell an average of 7 percent annually during 2017 and 2018, whereas price growth surged to an average of 11 percent a year. Affordability improved in 2019 and 2020, largely because of declining interest rates. That decline, coupled with increased household mobility in 2020 due to the adoption of remote work policies, enabled increased homeownership; home sales and prices increased 3 and 5 percent, respectively, each year.

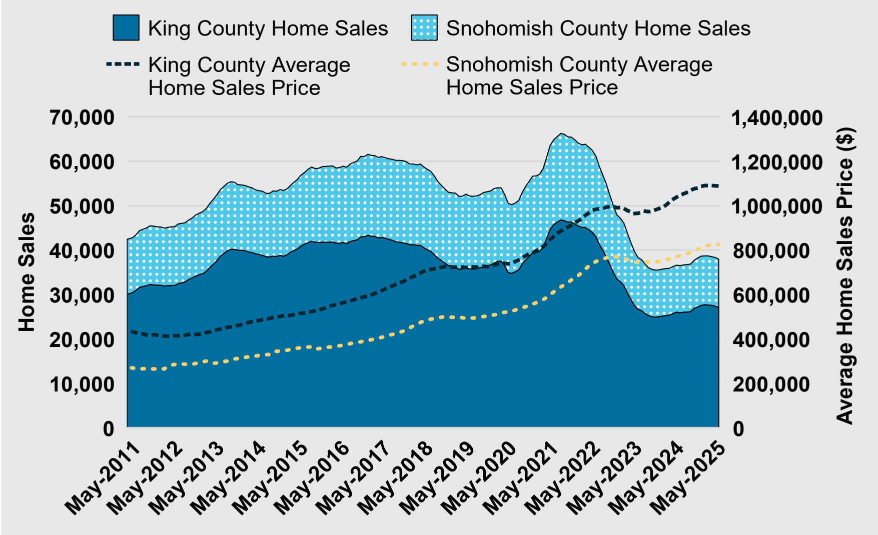
Sales and Prices by Geography

Home sales and prices in both HMA counties have increased in tandem. Most sales activity occurs in King County, which includes 71 percent of the owner-occupied housing units in the HMA (2023 ACS 1-year data). Prices in King County are also higher (Figure 11). Approximately 71 percent of HMA home sales during the past 12 months were in King County, equal to the share a year ago (Zonda). That share has been relatively stable since 2010, ranging from 69 to 73 percent. The price differential between the two counties has widened in dollar amount since 2010; however, in percentage terms, the disparity has narrowed considerably. During the past 12 months, the average price of a home in King County was $1.09 million, 32 percent higher than the $826,200 average price in Snohomish County. The current average home prices in the two counties reflect year-over-year gains of 5 and 7 percent, respectively, further narrowing the difference in prices. For context, prices in King County were 41 percent higher than in Snohomish County in 2020 and 58 percent higher in 2011.

Sales Construction

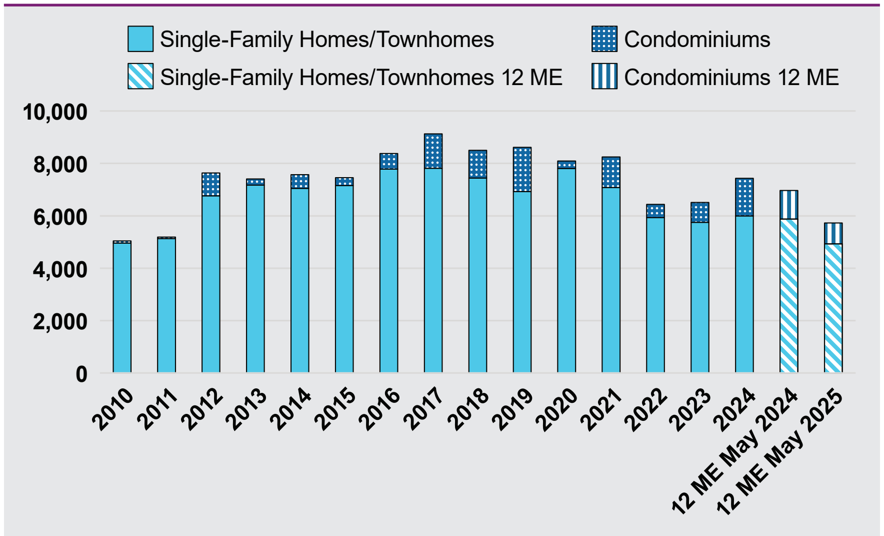
Sales construction activity—as measured by the number of single-family homes, townhomes, and condominiums authorized by building permits—was relatively steady in the HMA from 2012 through 2021. The average of 8,100 homes permitted annually lagged behind the strong growth in demand and was insufficient to ease tight market conditions during the period. Land constraints due to the mountainous topography of the HMA contributed to the problem, inhibiting sales construction activity during the period, but partly accounted for the increasing share of condominium construction (Figure 12).

Figure 11. Home Sales and Prices by County in the Seattle HMA



Note: 12-month moving averages ending May 2025.
Source: Zonda

Figure 12. Annual Sales Permitting Activity in the Seattle HMA



12 ME = 12 months ending.
Sources: U.S. Census Bureau, Building Permits Survey; 2010–24—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

Sales demand has been weaker since 2022 because of elevated mortgage interest rates and decreased affordability. An average of 6,475 homes a year were permitted in 2022 and 2023 before increasing to 7,425 homes in 2024. The increase in 2024 was due to a rise in condominium units permitted, whereas the number of single-family homes and townhomes permitted was stable from 2022 through 2024, averaging 5,900 homes a year. During the 12 months ending May 2025, sales construction fell 18 percent year over year to 5,725 homes. The decline reflected a decrease in all three types of sales housing—single-family homes, townhomes, and condominiums. Condominiums have accounted for 15 percent of sales construction activity during the past 24 months compared with 5 percent from 2010 through 2016 and 12 percent from 2017 through 2023.

New Home Developments

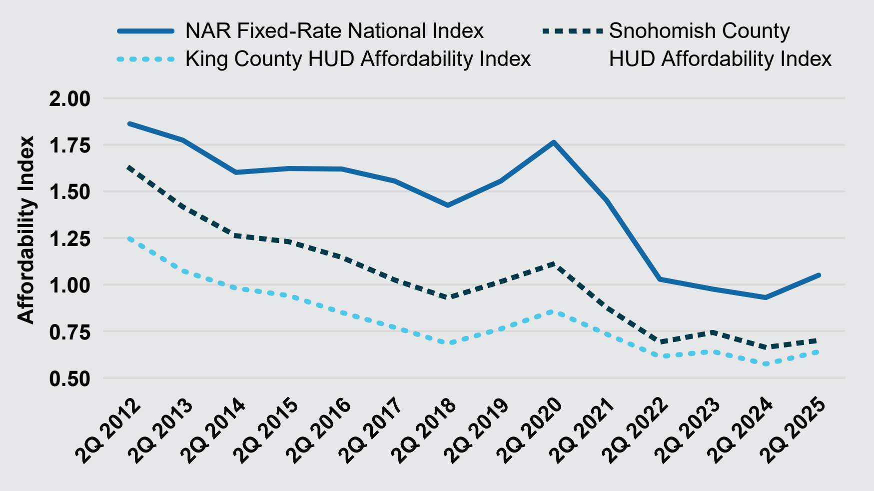
Six of the 10 most active new home subdivisions in the HMA, ranked by the average number of monthly home sales, are in Snohomish County (Zonda). Cathcart Crossing in the city of Snohomish tops the list, with 11.2 sales per month and prices ranging from $585,000 to $750,000. Since opening in May 2024, 159 townhomes have sold in the community, and 127 lots are still available. The Trellis subdivision in the city of Lynnwood, also in Snohomish County, had the third highest sales in the HMA, 6.2 sales per month. Of the 50 planned townhomes in the community, 44 have sold since opening in December 2024, with prices ranging from $635,000 to $735,000. Woodside, in the city of Redmond in King County, ranked fourth, with 6.0 home sales per month and prices ranging from $950,000 to $1.30 million. Of the 170 townhomes planned for the community, 151 have sold since it opened in July 2023. First Light Seattle, a highrise condominium project in downtown Seattle, was the ninth most active, with 4.7 sales per month since presales began in 2018. The development has 459 units, of which 346 have sold, with prices ranging from $916,000 to $4.12 million.

Housing Affordability: Sales

Homeownership in the HMA is expensive, and the affordability of buying a home has declined since 2012. High demand from workers benefiting from the tech boom has put upward pressure on home prices, and income growth has not kept pace. A period of strong home price growth from 2012 through 2019 without an accompanying increase in average wages outside of the tech industry eroded affordability for other workers, limiting the number of households in the HMA that could afford homeownership. As of the second quarter of 2025, a household in King County needed to earn $269,800 to afford a median-priced home, assuming a 10-percent down payment; that requirement is 1.7 times the 2025 median family income of $157,100. In 2020, a household needed to earn $144,000—or 1.3 times the median household income of $113,300—to afford a median-priced home. Snohomish County has been consistently more affordable since 2012, and in 2020, a household earning 98 percent of the median family income could afford a median-priced home. As of the second quarter of 2025, however, a household in Snohomish County needed 1.6 times the median family income to purchase a median-priced home.

The HUD Homebuyer Affordability Index—a ratio of the HUD median family income in the HMA to the income required to purchase a median-priced home—for both counties of the HMA follow similar patterns, although King County has always been less affordable than Snohomish County (Figure 13).

Figure 13. Seattle HMA HUD Homebuyer Affordability Index



2Q = second quarter. NAR = National Association of REALTORS®.
Sources: HUD Median Family Income data; Redfin, a national real estate brokerage; Freddie Mac; NAR

A value of 1.00 or greater indicates that a family earning the median income is able to afford a median-priced home. The index for Snohomish County was above 1.00 during most periods from the second quarter of 2012 until the second quarter of 2021 but fell to 0.70 as of the second quarter of 2025. The index has been below 1.00 in King County since 2014, falling from 0.86 as of the second quarter of 2020 to 0.64 as of the second quarter of 2025. Affordability in both counties of the HMA is significantly lower than in the nation.

Homeownership in the HMA has become less affordable, particularly for households in the 25-to-44 age cohort, the prime demographic for first-time homebuyers. That cohort has a considerably lower homeownership rate in the HMA than in the nation (Table 6). The HUD First-Time Homebuyer Affordability Index measures the median household income for householders aged 25 to 44 relative to the income needed to purchase a starter home, defined as a home priced at the 25th percentile. The index has been below 1.00 since the second quarter of 2020. Recently, a small drop in the mortgage interest rate contributed to improved affordability in the MSA, with the index rising year over year from 0.66 to 0.73 as of the second quarter of 2025 (Figure 14). Nationally, homeownership has been affordable for first-time homebuyers since 2010, although affordability has declined, with the index falling to 1.31 as of the second quarter of 2025, down from a peak of 2.48 as of the second quarter of 2012. A 10-percent down payment is assumed—a significant barrier to many first-time homebuyers. A household in the MSA earning the median household income and saving 5 percent a year would need 13.2 years to afford a 10-percent down payment—compared with 9.0 years nationally—up from 11.0 years in 2020 and 9.0 years in 2010 (Zillow).

Forecast

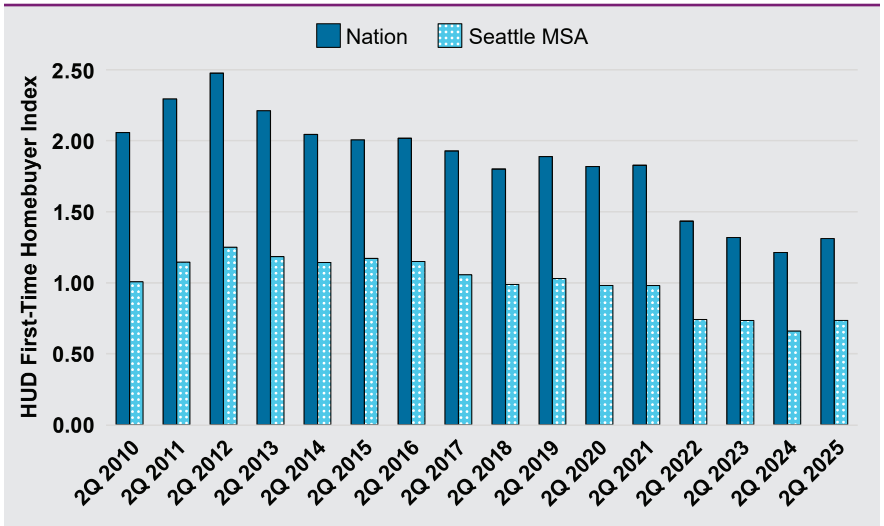
During the next 3 years, demand is estimated for 23,000 new homes (Table 7). The 5,125 homes under construction will meet a portion of the demand during the first year of the forecast period. Demand will be strong in Snohomish County and in the southern portion of the HMA because of the relative affordability in both areas and along the ongoing light rail expansions throughout the HMA. Although the tech industry is contracting, it will continue to provide high-wage jobs, contributing to sales demand on the Eastside.

Table 6. Homeownership Rates by Age of Householder in the Seattle MSA

	Seattle MSA			Nation		
	2010	2020	2023	2010	2020	2023
Householder Aged 25 to 34 Years	36.9	31.6	33.4	42.0	38.3	41.3
Householder Aged 35 to 44 Years	61.7	55.8	58.2	62.3	57.3	61.1
Total Households	61.6	58.3	59.8	65.1	63.1	65.2

Note: Data are for the Seattle MSA, which includes King, Pierce, and Snohomish Counties.
Sources: 2010 and 2020 Decennial Census; 2023 American Community Survey 1-year data

Figure 14. Seattle MSA HUD First-Time Homebuyer Index



2Q = second quarter.
Note: Data are for the Seattle MSA, which includes King, Pierce, and Snohomish Counties.
Sources: 2010–2025 American Community Survey 1-year data; Freddie Mac; Zonda

Table 7. Demand for New Sales Units in the Seattle HMA During the Forecast Period

	Sales Units
Demand	23,000 Units
Under Construction	5,125 Units

Note: The forecast period is June 1, 2025, to June 1, 2028.
Source: Estimates by the analyst

Rental Market

Market Conditions: Balanced

The apartment vacancy rate has ranged from 5.3 to 7.2 percent since 2010 (CoStar Group).

Current Conditions and Recent Trends

The overall rental market in the Seattle HMA—including apartments, single-family homes, and other housing units available for rent—is balanced, with an estimated rental vacancy rate of 7.0 percent, up from 5.0 percent in April 2020, when conditions were slightly tight (Table 8). Conditions have eased because new deliveries have outpaced absorption in 4 of the past 5 years, resulting in rising vacancy rates and slowing rent growth (Figure 15). Approximately 15,000 apartment units were completed as of the 12 months ending June 2025, whereas 13,950 units were absorbed (CoStar Group). Despite lagging completions, recent absorption was comparatively strong because of elevated net in-migration—increasing 50 percent from a year earlier, nearly matching the peak absorption in 2021 and higher than the average of 11,850 units absorbed annually as of June from 2016 through 2019.

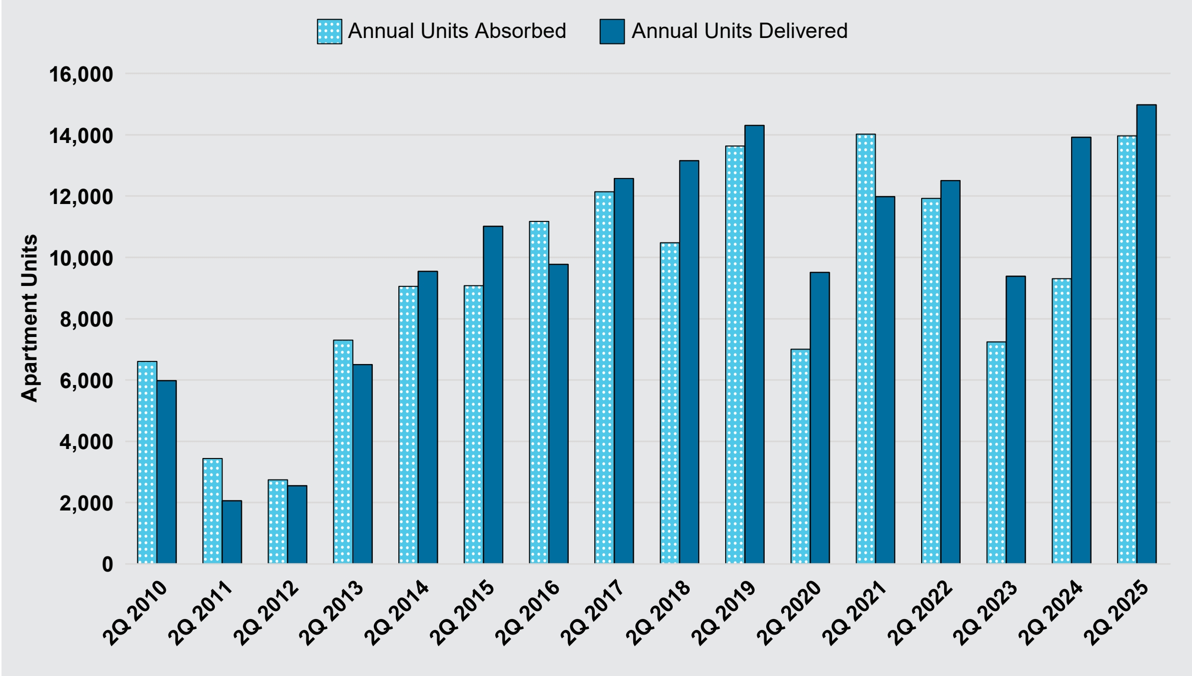
In 2023, approximately 21 percent of renter households in the HMA lived in single-family homes, down from 26 percent in 2010 (ACS

Table 8. Rental Market Quick Facts in the Seattle HMA

Rental Market Quick Facts		2020 (%)	Current (%)
	Rental Vacancy Rate	5.0	7.0
		2010 (%)	2023 (%)
	Occupied Rental Units by Structure		
	Single-Family Attached & Detached	26	21
	Multifamily (2–4 Units)	13	10
	Multifamily (5+ Units)	59	68
	Other (Including Mobile Homes)	2	1

Notes: The current date is June 1, 2025. Percentages may not add to 100 due to rounding.
Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2023 American Community Survey 1-year data

Figure 15. Apartment Deliveries and Absorption in the Seattle HMA



2Q = second quarter.
Source: CoStar Group

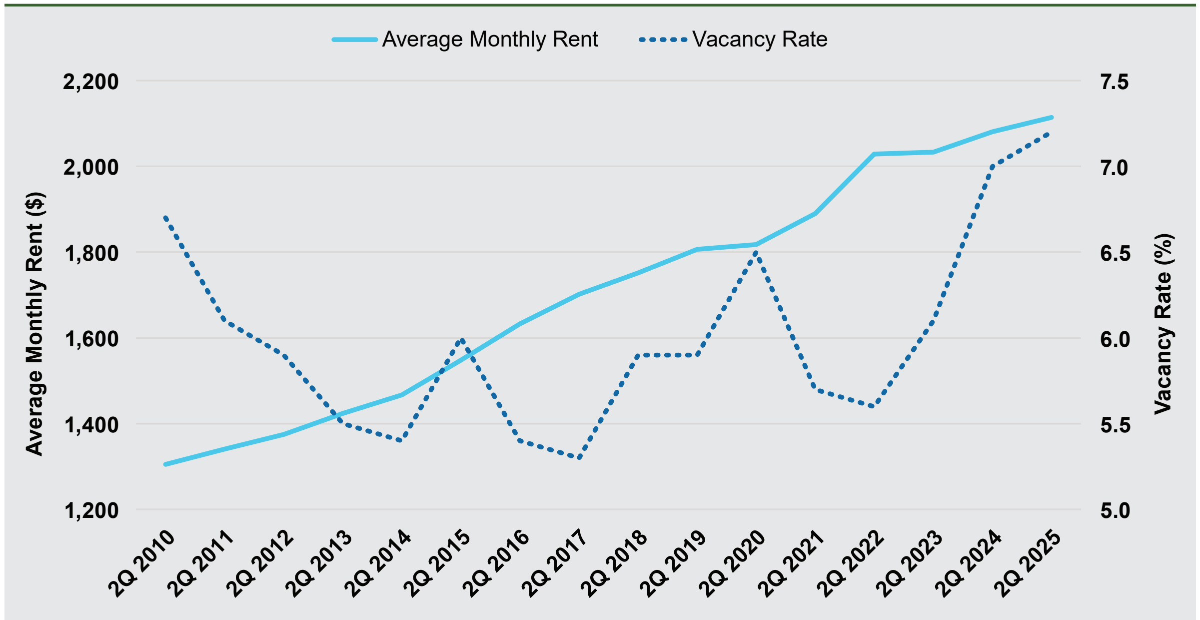
1-year data). Approximately 68 percent of renter households lived in multifamily structures with five or more units, typically apartments, up from 59 percent in 2010.

Apartment Market Conditions

The apartment market in the HMA is balanced. Apartment market conditions in the HMA have ranged from balanced to slightly tight since the start of economic recovery from the Great Recession through the current date. The vacancy rate has stayed in a narrow band of less than 2 percentage points, ranging from a low of 5.3 percent as of the second quarter of 2017—during the peak years of net in-migration to the HMA—to a high of 7.2 percent as of the second quarter of 2025 (CoStar Group; Figure 16). The vacancy rate has increased from the 5.6-percent rate as of the second quarter of 2022, corresponding with the period of new apartment deliveries exceeding absorption.

The second quarter average apartment rent has increased in the HMA during each of the past 15 years. From the second quarter of 2010 to the second quarter of 2021, the average apartment rent in the HMA increased at an average annual rate of 3 percent, from $1,305 to $1,890. Strong rental demand during the pandemic 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. Rent growth has moderated since, averaging a gain of 1 percent annually through the second quarter of 2025 to $2,114.

Figure 16. Apartment Rents and Vacancy Rates in the Seattle HMA



2Q = second quarter.
Source: CoStar Group

Market Conditions by Geography

Of the 23 CoStar Group-defined market areas in the HMA with surveyed inventories of 5,000 units or more, 13 had declining vacancy rates as of the second quarter of 2025 compared with a year ago. All but one area had increasing or stable rents. Seven of the markets with declining vacancy rates were in the city of Seattle, with the lowest vacancy rate, 4.9 percent, in the Lake Union area north of downtown, decreasing from 8.4 percent a year ago. As part of its consolidation of office space in the HMA, Google is concentrating its workforce at its campus near Lake Union, which contributed to the absorption of 590 units during the past year, surpassing the 100 units delivered. Rents in the area are the highest in the HMA, averaging $2,822, and increased 6 percent year over year as of the second quarter of 2025, double the next strongest rent increase. The largest markets in the HMA in terms of the number of apartments surveyed, the Central and Downtown Seattle areas, had declining vacancy rates during the past year and year-over-year rent growth slightly stronger than the HMA average, at 2 and 3 percent, respectively.

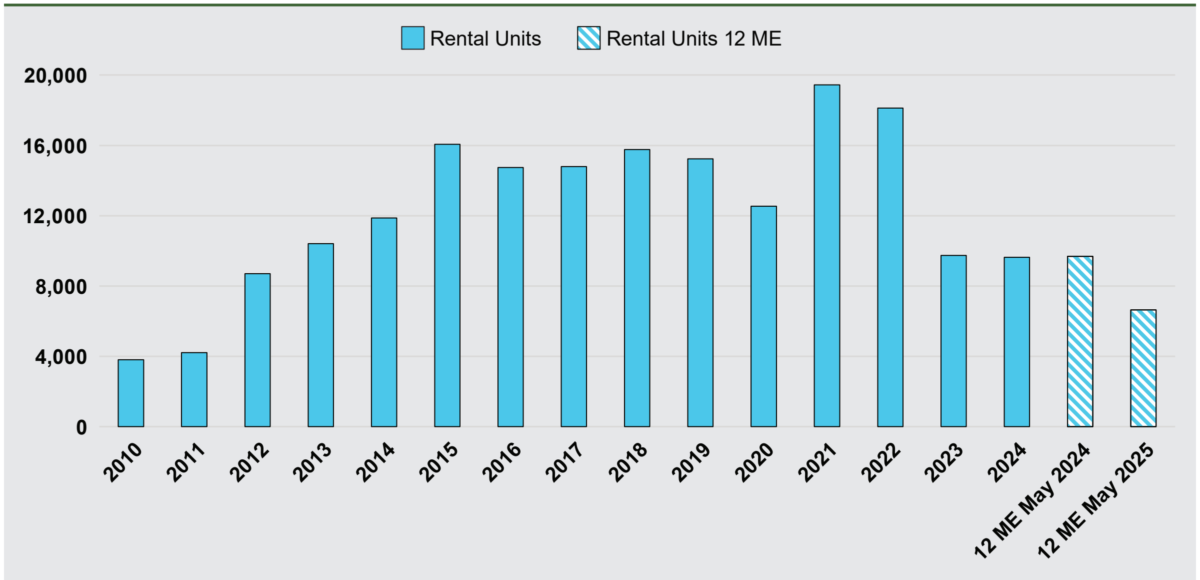
The five market areas on the Eastside had increasing vacancy rates during the past year because 3,700 units were completed, whereas only 2,300 were absorbed. The Redmond market area accounted for 45 percent of the units delivered in the five market areas during the past year. Despite having the highest rate of absorption outside the city of Seattle, at 970 units, the vacancy rate in the market area rose year over year from 5.7 to 8.9 percent as of the second quarter of 2025. Rents in the Redmond market area fell 1 percent year over year to $2,627. Bellevue was the only market area on the Eastside with increasing rents, with the average rent rising 2 percent from a year ago to $2,806.

Absorption in Snohomish County exceeded the number of units delivered during the past year, and the vacancy rate fell in two of the three market areas in the county. The Everett area had the lowest vacancy rate at 5.8 percent, down from 6.4 percent a year ago, and the lowest asking rent in the county at $1,870, unchanged from a year ago. In the Lynnwood area, the vacancy rate fell year over year from 7.9 to 6.8 percent, and rent growth was equal to the 1-percent HMA average.

Rental Construction

Rental construction activity—as measured by the number of rental units permitted—in the HMA has been relatively subdued since 2023 (Figure 17). Apartment absorption fell considerably in 2023

Figure 17. Annual Rental Permitting Activity in the Seattle HMA



12 ME = 12 months ending.
Note: Includes apartments and units intended for rental occupancy.
Sources: U.S. Census Bureau, Building Permits Survey; 2010–24—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

and 2024 following record-high permitting during the previous 2 years, and builders responded by reducing construction. During the 12 months ending May 2025, 6,625 rental units were permitted in the HMA, down 32 percent from the 9,700 units permitted during the previous 12 months (preliminary data).

Rental demand was limited at the start of the 2010s, partly because homeownership was relatively affordable following the housing market collapse of the late 2000s. Demand increased rapidly with the expansion of the tech industry, including the strong job growth at Amazon, and from 2012 through 2015, rental unit permitting increased at an average annual rate of 40 percent. An average of 15,300 rental units were permitted annually from 2015 through 2019, a period of low but stable vacancy rates and steady rent growth. Permitting fell temporarily in 2020 in response to the pandemic, which caused supply chain disruptions and created shortages of building materials and construction labor. Rental demand surged following the onset of the pandemic as households sought more space and many people in shared living arrangements dispersed to form separate households. Permitting during 2021 and 2022 averaged

18,800 units a year. A sharp drop in absorption led to easing rental market conditions and reduced rental permitting activity, with an average of 9,675 units permitted a year in 2023 and 2024.

An estimated 15,400 apartments are under construction in the HMA, down 38 percent from a year ago. Approximately one-third of the units under construction are in the city of Seattle, with the largest concentration, 3,125 units, in the Downtown area. Two highrise developments, Seattle House and WB1200, are included in that total, providing more than 1,000 units each in the Denny Triangle neighborhood of the city of Seattle, adjacent to Downtown and the South Lake Union neighborhood, with a heavy concentration of tech employment. Completion is expected in early- to mid-2026 for both properties. The Eastside accounts for almost 20 percent of units under construction, including 1,400 units, or 9 percent of the HMA total, in the Kirkland area. Snohomish County accounts for 7 percent of all units under construction.

Two of the three largest developments that opened in 2025 were on the Eastside. The Brynn, with 486 units, opened in the city of Kirkland, with rents averaging $2,026, $2,492, and $3,426 for studio and one- and two-bedroom units, respectively. The 425-unit Broadstone Vega opened in the city of Redmond, adjacent to a future light rail station, with rents averaging $2,263, $2,622, and $3,813 for studio and one- and two-bedroom units, respectively. Museum House in the city of Seattle is the largest new development, 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.

Forecast

During the 3-year forecast period, demand is expected for 30,400 rental units in the HMA (Table 9). Demand is anticipated to be greater than the average annual production since 2023 but lower than the recent peak during 2021 and 2022, partly because the pandemic-related surge in household formation has concluded and net in-migration is expected to slow. The 15,400 units under construction will meet more than one-half of the expected demand, primarily during the first and second years of the forecast period. Rental demand is expected to be concentrated near job centers, including the city of Seattle and on the Eastside, as well as along the new light rail lines.

Table 9. Demand for New Rental Units in the Seattle HMA During the Forecast Period

Rental Units	
Demand	30,400 Units
Under Construction	15,400 Units

Note: The forecast period is June 1, 2025, to June 1, 2028.
Source: Estimates by the analyst

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 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. A property is stabilized once the occupancy rate has reached 90 percent or at least 18 months have passed since the property was changed from "under construction" to "existing" on the CoStar Group website.
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.
Demand	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.
Existing Home Sales	Includes regular resales and real estate owned sales. Regular resales 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 and include short sales.
Forecast Period	6/1/2025–6/1/2028—Estimates by the analyst.
Home Sales/ Home Sales Prices	Includes single-family home, townhome, and condominium sales.
HUD Homebuyer Affordability Index	The HUD Affordability Index is calculated as the ratio of the HUD median family income in the HMA to the income required to purchase the median-priced home while spending no more than 30 percent of income on housing costs, including mortgage, insurance, and taxes. An index greater than 1 indicates that a family earning the median income is able to afford a median-priced home.

HUD First-Time Homebuyer Affordability Index	The HUD First-Time Homebuyer Affordability Index is calculated as the ratio of the median household income for the age cohort 25 to 44 years old in the HMA to the income required to purchase a home priced at the 25th percentile, spending no more than 30 percent of income on housing costs, including mortgage, insurance, and taxes. Data for median household income by age are not available for 2020, 2024, and 2025; in those cases, the index is calculated by applying Consumer Price Index inflation factors to 2017, 2022, and 2023 data, respectively.
Net Natural Increase	Resident births are greater than resident deaths.
Rental Market/ Rental Vacancy Rate	Includes apartments and other rental units, such as single-family, multifamily, and mobile homes.

B. Notes on Geography

1.	The metropolitan statistical area and metropolitan division 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.

C. Additional Notes

1.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
2.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

D. Photo/Map Credits

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