

# COMPREHENSIVE HOUSING MARKET ANALYSIS

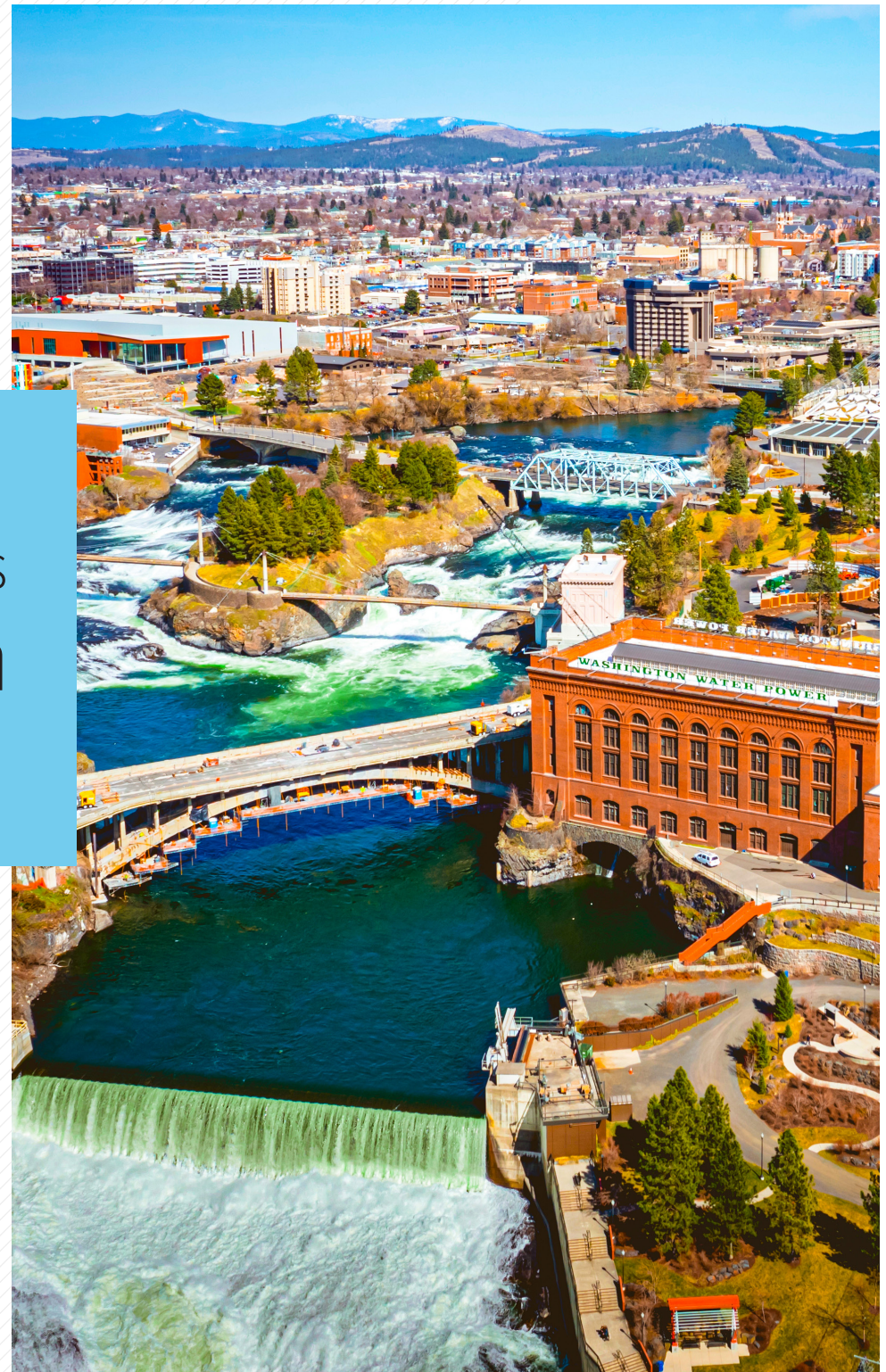
# Spokane, Washington

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

As of June 1, 2025



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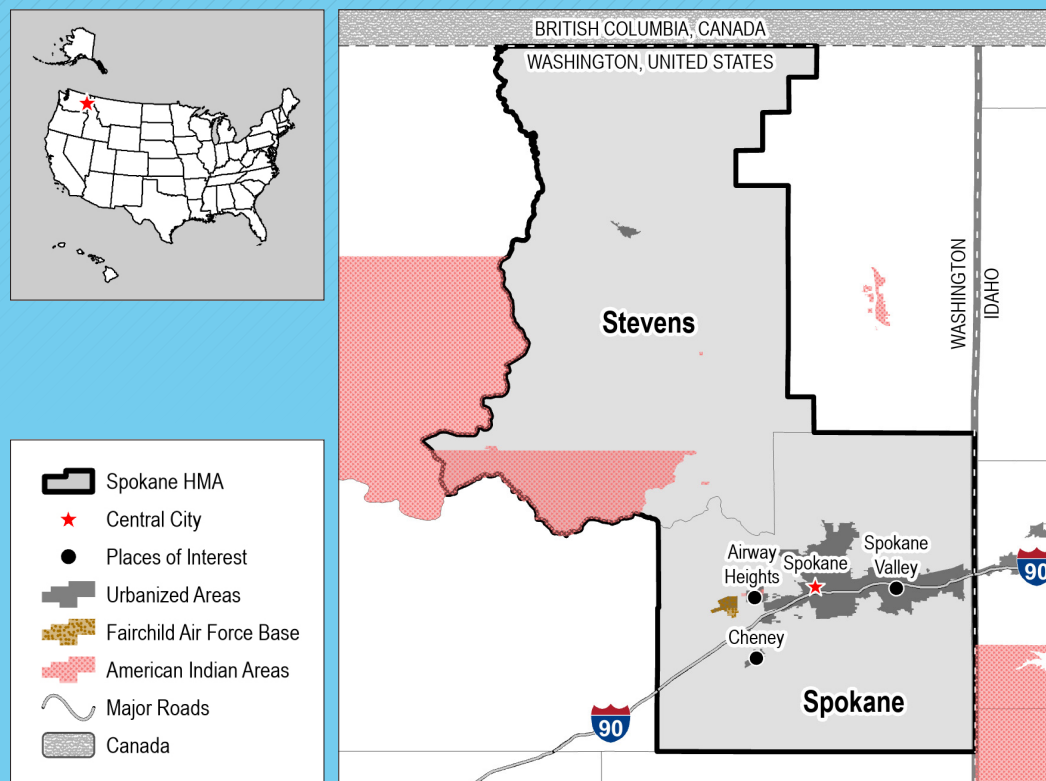


# Executive Summary

## Housing Market Area Description

The Spokane Housing Market Area (hereafter, Spokane HMA) is defined as Stevens and Spokane Counties and is coterminous with the Spokane-Spokane Valley, WA Metropolitan Statistical Area (MSA). The HMA, along the border with Idaho, is the largest urban area in eastern Washington. Fairchild Air Force Base, four universities, and five hospitals support the two largest job sectors, the government and the education and health services sectors, which form the economic base of the HMA.

The current population of the HMA is estimated at 607,700.



## 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

 **Strong but Moderating:** Although the Spokane HMA economy is expanding, the rate of nonfarm payroll growth has significantly declined during the past 2 years.


Nonfarm payrolls increased by 1,200 jobs, or 0.5 percent, annually to 266,700 jobs during the 12 months ending May 2025 compared with a 1.2-percent increase a year earlier. Six of the 11 nonfarm payroll sectors added jobs during the 12 months ending May 2025, led by the education and health services sector, which added 1,500 jobs, or 2.6 percent, but job losses, particularly in the goods-producing sectors, partly offset the gains. The unemployment rate averaged 4.5 percent, up slightly from 4.4 percent a year earlier. Nonfarm payrolls are expected to increase during the 3-year forecast period at an average rate of 0.8 percent annually.

Sales Market

 **Balanced:** The number of home sales stabilized during the past 12 months after falling 38 percent from its recent peak in 2021.

The home sales market has eased since April 2020, when conditions were slightly tight. The HMA had a 3.1-month supply of homes for sale during May 2025, up from a 2.9-month supply during May 2024 and a 1.2-month supply during May 2020 (Redfin, a national real estate brokerage, with adjustments by the analyst). During the 12 months ending May 2025, new and existing home sales were essentially unchanged and home sales prices increased 3 percent year over year (Zonda). During the next 3 years, demand is expected for 4,050 additional homes. The 560 homes under construction are expected to meet a portion of that demand during the first year of the forecast period.

Rental Market

 **Slightly Soft:** The rental vacancy rate is estimated at 7.2 percent, an increase from 5.0 percent in April 2020, when conditions were balanced.

Apartment market conditions transitioned from balanced to slightly soft during the past 2 years because the number of new units entering the market outpaced absorption. As of the second quarter of 2025, the apartment vacancy rate was 7.0 percent, down from 8.7 percent as of the second quarter of 2024 but up from 5.6 percent as of the second quarter of 2023 (CoStar Group). Approximately 3,600 new market-rate apartments were completed during the past 24 months, more than any comparable period since at least 2010. As of the second quarter of 2025, the average monthly rent increased less than 1 percent from a year earlier to \$1,374. During the forecast period, demand is expected for 2,000 rental units; however, the 2,200 units under construction will exceed the expected demand.

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| 3-Year Housing Demand Forecast |                    |             |              |
|--------------------------------|--------------------|-------------|--------------|
| Spokane HMA                    |                    | Sales Units | Rental Units |
|                                | Total Demand       | 4,050       | 2,000        |
|                                | Under Construction | 560         | 2,200        |

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: Education and Health Services

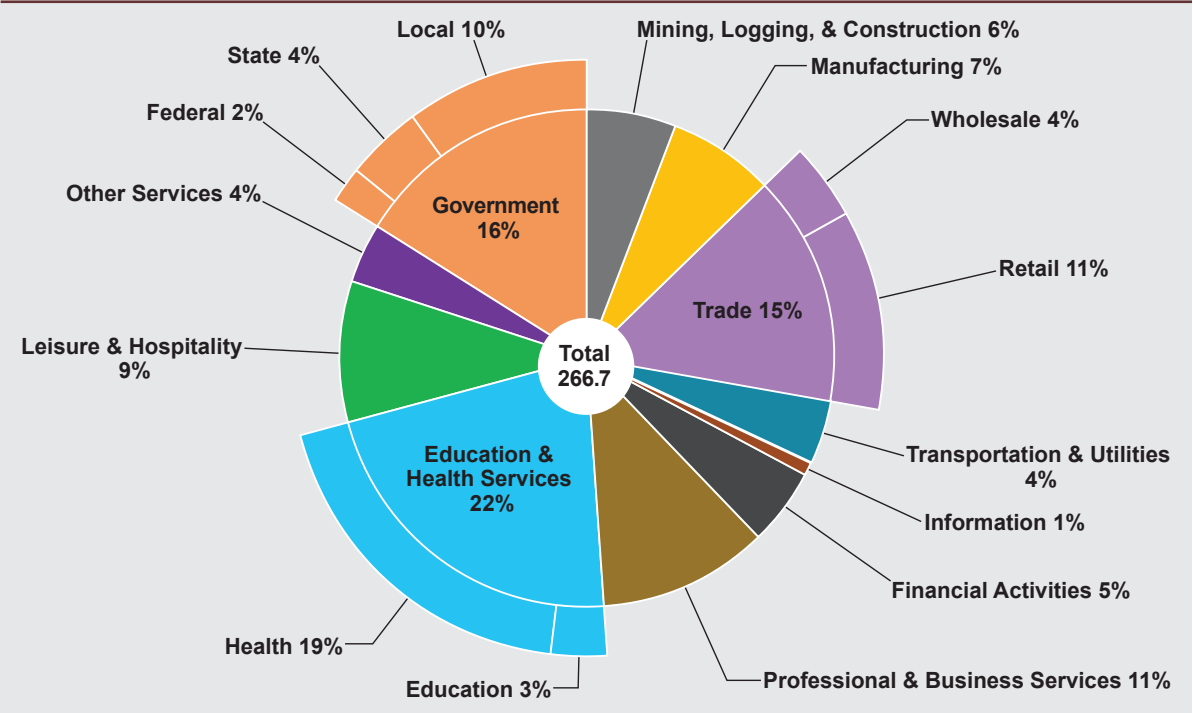
The share of jobs in the education and health services sector in the Spokane HMA is 7 percentage points higher than the national share.

## Primary Local Economic Factors

The education and health services sector is the largest in the HMA, accounting for 22 percent of nonfarm payrolls (Figure 1). Since 2020, the sector has accounted for nearly 50 percent of all nonfarm payroll growth and includes 3 of the 10 largest employers in the HMA (*Spokane Journal of Business Book of Lists 2023*; Table 1). The strong growth in the sector occurred primarily as a result of the expansion of the health care and social assistance subsector, which accounts for 86 percent of jobs in the sector. In addition, the Mann-Grandstaff Department of Veterans Affairs Medical Center, included in the government sector, is a leading healthcare provider and among the 10 largest employers in the HMA. Increased spending on health care, an aging population, and the role of the HMA as a healthcare hub for eastern Washington and northern Idaho all contributed to the growth of healthcare-related jobs.

The HMA is home to four universities that have a combined student enrollment of approximately 17,000: Eastern Washington University (EWU), Gonzaga University, Washington State University-

Figure 1. Share of Nonfarm Payroll Jobs in the Spokane 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

Table 1. Major Employers in the Spokane HMA

| Name of Employer  | Nonfarm Payroll Sector      | Number of Employees |
|---|-----------------------------|---------------------|
| Fairchild Air Force Base  | Government                  | 7,400               |
| Providence Health & Services                                      | Education & Health Services | 6,775               |
| State of Washington   | Government                  | 5,950               |
| Amazon.com, Inc.  | Transportation & Utilities  | 3,725               |
| MultiCare Health System   | Education & Health Services | 3,350               |
| Mann-Grandstaff Department of Veterans Affairs Medical Center     | Government                  | 1,600               |
| Kalispel Tribal Economic Authority/Northern Quest Resort & Casino | Government                  | 1,600               |
| URM Stores, Inc.  | Wholesale & Retail Trade    | 1,600               |
| CHAS Health   | Education & Health Services | 1,575               |
| Walmart Inc.  | Wholesale & Retail Trade    | 1,425               |

Notes: Excludes local school districts. Data include military personnel, who generally are not included in nonfarm payroll survey data. Sources: *Spokane Journal of Business Book of Lists 2023*; estimates by the analyst



Spokane (WSU Spokane), and Whitworth University. Gonzaga and Whitworth Universities are private, and thus, their payrolls are included in the education and health services sector. Their respective employment levels—1,375 and 500—have been fairly stable since 2020. Gonzaga University has an estimated economic impact of \$620 million annually on the HMA (Parker Strategy Group 2024). EWU and WSU Spokane are public universities and are included in the state government subsector. These two universities employ approximately 1,100 and 680 people, respectively.

## Current Conditions— Nonfarm Payrolls

Job growth slowed during the past 2 years. Total nonfarm payrolls in the HMA averaged 266,700 jobs during the 12 months ending May 2025, up by 1,200, or 0.5 percent, from the preceding 12 months, when payrolls increased by 3,000 jobs, or 1.2 percent, from a year earlier (Table 2). By comparison, annual nonfarm payroll growth averaged 4.1 percent during 2021 and 2022, when the HMA was recovering from the COVID-19 pandemic-induced recession. The number of payrolls in the HMA is 5.6 percent higher than in 2019, whereas the number of payrolls in the nation is 5.2 percent higher. During the past year, job gains in 6 of the 11 nonfarm sectors, all of them service-providing sectors, supported payroll growth in the HMA.

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

|                                   | 12 Months Ending<br>May 2024 | 12 Months Ending<br>May 2025 | Absolute Change | Percentage Change |
|-----------------------------------|------------------------------|------------------------------|-----------------|-------------------|
| <b>Total Nonfarm Payroll Jobs</b> | <b>265.5</b>                 | <b>266.7</b>                 | <b>1.2</b>      | <b>0.5</b>        |
| <b>Goods-Producing Sectors</b>    | <b>34.0</b>                  | <b>32.9</b>                  | <b>-1.1</b>     | <b>-3.2</b>       |
| Mining, Logging, & Construction   | 16.2                         | 15.6                         | -0.6            | -3.7              |
| Manufacturing                     | 17.8                         | 17.3                         | -0.5            | -2.8              |
| <b>Service-Providing Sectors</b>  | <b>231.5</b>                 | <b>233.8</b>                 | <b>2.3</b>      | <b>1.0</b>        |
| Wholesale & Retail Trade          | 39.4                         | 39.3                         | -0.1            | -0.3              |
| Transportation & Utilities        | 11.3                         | 11.5                         | 0.2             | 1.8               |
| Information                       | 3.0                          | 3.0                          | 0.0             | 0.0               |
| Financial Activities              | 14.3                         | 14.1                         | -0.2            | -1.4              |
| Professional & Business Services  | 29.6                         | 29.7                         | 0.1             | 0.3               |
| Education & Health Services       | 57.3                         | 58.8                         | 1.5             | 2.6               |
| Leisure & Hospitality             | 25.2                         | 25.3                         | 0.1             | 0.4               |
| Other Services                    | 9.5                          | 9.7                          | 0.2             | 2.1               |
| Government                        | 41.9                         | 42.5                         | 0.6             | 1.4               |

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 education and health services sector led job growth during the 12 months ending May 2025, expanding by 1,500 jobs, or 2.6 percent, to 58,800 jobs, following growth of 1,900 jobs, or 3.4 percent, during the previous 12 months. Most of the growth was in the health care and social assistance subsector. During the 12 months ending May 2025, this subsector expanded by 1,800 jobs, or 3.6 percent, following growth of 1,500 jobs, or 3.2 percent, a year earlier. Since 2020, the largest employer in the sector, Providence Health & Services—a nonprofit healthcare system—has added approximately 600 jobs, primarily through incremental expansions to accommodate increasing demand for healthcare services.

The second largest job gain during the 12 months ending May 2025 occurred in the government sector, which increased by 600 jobs, or 1.4 percent, to 42,500, following growth of 1,700 jobs, or 4.2 percent, during the previous year. Almost all growth occurred in the local government subsector, which added 600 jobs, or 2.2 percent, during the 12 months ending May 2025. The number of jobs in the local government subsector has fully recovered from the pandemic and is 4.3 percent above 2019 levels.

Job losses in the goods-producing sectors partially offset gains in most of the service-providing sectors. The mining, logging, and construction sector declined by 600 jobs, or 3.7 percent, to 15,600 jobs during the 12 months ending May 2025, following a loss of 400 jobs, or 2.2 percent, during the previous 12 months. The

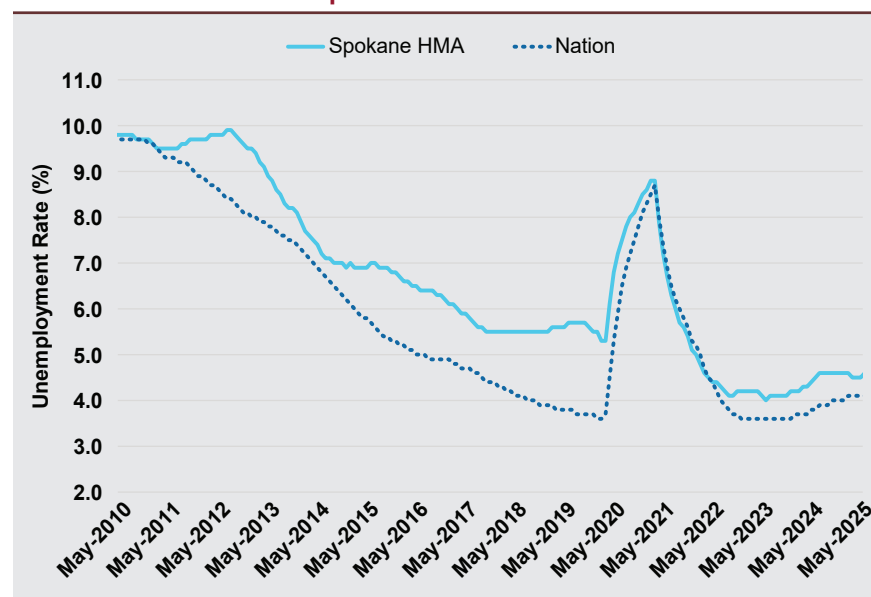
manufacturing sector decreased by 500 jobs, or 2.8 percent, continuing from a fall of 300 jobs, or 1.5 percent, during the previous 12-month period. Plug Power Inc., a hydrogen power startup, laid off nearly 110 employees in 2024, contributing to job losses in the manufacturing sector.

## Current Conditions—Unemployment

The unemployment rate in the HMA averaged 4.5 percent during the 12 months ending May 2025, up slightly from 4.4 percent during the previous 12 months and above the national average of 4.1 percent (Figure 2). Resident employment decreased 1.9 percent, outpacing the labor force decline of 1.8 percent. The unemployment rate reached a recent annual high of 8.5 percent during 2020 because of the pandemic-related economic downturn before falling to a recent low of 4.2 percent in 2022.

Before the 2020 economic downturn, the unemployment rate in the HMA had declined throughout most of the 2010s because of strong job growth. The unemployment rate was 9.7 percent in 2010 because of job losses during the Great Recession but decreased to 5.5 percent during 2017. The unemployment rate was stable at 5.5 percent from 2017 through 2019. The 12-month average unemployment rate of the HMA was above the national level from 2011 through 2020.

**Figure 2. 12-Month Average Unemployment Rate in the Spokane HMA and the Nation**



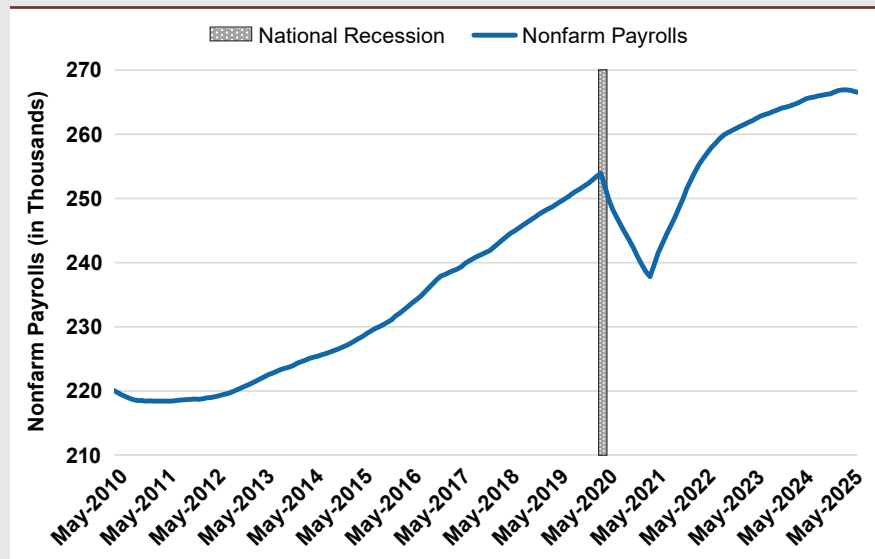
Note: Based on the 12-month moving average.  
Source: U.S. Bureau of Labor Statistics

## Economic Periods of Significance

### 2011 Through 2019—Economic Recovery and Expansion

The HMA economy expanded throughout most of the 2010s, supported by broad-based growth across sectors. Payroll growth was slow in 2011, with the HMA adding 300 jobs, or 0.1 percent, before accelerating from 2012 through 2014, when payrolls increased by an average of 2,700 jobs, or 1.2 percent, annually (Figure 3). From 2012 to 2014, population growth also accelerated, contributing to increased economic activity in the HMA. The wholesale and retail trade sector led job growth, adding an average of 600 jobs, or 1.7 percent, annually from 2012 through 2014.

Job growth in the HMA accelerated from 2015 through 2019, before the pandemic, with nonfarm payrolls increasing by an average of 5,100 jobs, or 2.2 percent, annually. Payroll growth in this period continued to be broad based, with every nonfarm payroll sector expanding by an average of at least 1.0 percent annually. The education and health services sector was the largest source of job growth in the HMA, adding an average of 1,100 jobs, or 2.3 percent, annually. Providence Health & Services contributed significantly to job gains from 2015 through 2019, adding approximately 2,500 full-time equivalent positions (*Spokane Journal of Business*).

**Figure 3. 12-Month Average Nonfarm Payrolls in the Spokane HMA**

Note: 12-month moving average.

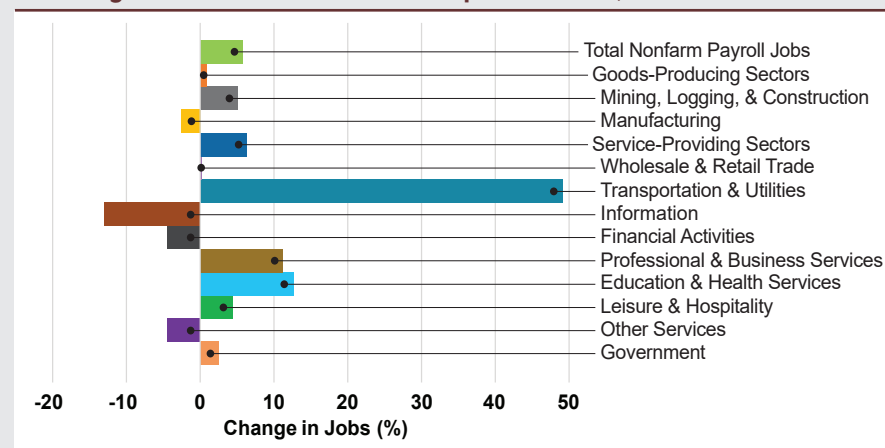
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

### 2020 Through 2023—Job Losses During the COVID-19 Pandemic, Recovery, and Expansion

During 2020, nonfarm payrolls in the HMA fell 4.6 percent, or by 11,500 jobs, with 8 of the 11 payroll sectors contracting because of public health measures undertaken to limit the spread of COVID-19. The leisure and hospitality sector lost the most jobs, declining by 4,900, or 20.2 percent, primarily because restaurants and other venues limited services or temporarily closed. The government sector lost the second highest number of jobs, contracting by 2,700, or 6.5 percent. Nearly one-half of the job losses were in the local government educational services industry, which declined by 1,300 jobs, or 9.5 percent, mostly because of temporary school closures.

The HMA economy recovered in 2021, with nonfarm payrolls surpassing prepandemic levels, and transitioned to expansion in 2022. During 2021

and 2022, nonfarm payrolls increased by an average of 10,000 jobs, or 4.1 percent, annually. The leisure and hospitality sector led job growth, adding an average of 2,900 jobs, or 13.8 percent, annually because restrictions on in-person dining ended and tourism recovered. The transportation and utilities sector grew the fastest on a percentage basis, expanding by an average of 1,900 jobs, or 21.4 percent, annually to accommodate the increased demand for online purchases and delivery services—a trend that had been increasing in the 2010s but accelerated during the pandemic. Amazon.com, Inc. opened a new fulfillment center in the city of Spokane Valley in 2021, which created approximately 1,000 jobs, contributing to growth in the sector. Since 2022, the transportation and utilities sector has grown at a much slower rate, but sector payrolls are nearly 50 percent higher than 2019 payroll levels (Figure 4). Job growth in the sector slowed during 2023, when the number of jobs increased by 3,300, or 1.3 percent. The government and the education and health services sectors added the most jobs during 2023, expanding by averages of 1,600 and 1,400 jobs, or 4.0 and 2.6 percent, respectively.

**Figure 4. Sector Growth in the Spokane HMA, 2020 to Current**

Note: Current data are based on the 12-month averages ending May 2025.

Source: U.S. Bureau of Labor Statistics

## Forecast

During the 3-year forecast period, the HMA economy is expected to continue to grow, with nonfarm payroll jobs increasing an average of 0.8 percent annually. Job growth is expected to remain slow during the first year of the

forecast period but increase in the second and third years. The education and health services sector is expected to continue to be a leading source of job growth as the population of the HMA continues to age, creating demand for more healthcare services.



# Population and Households

Current Population: 607,700

Annual domestic net in-migration to the Spokane HMA decreased 75 percent between 2019 and 2024.

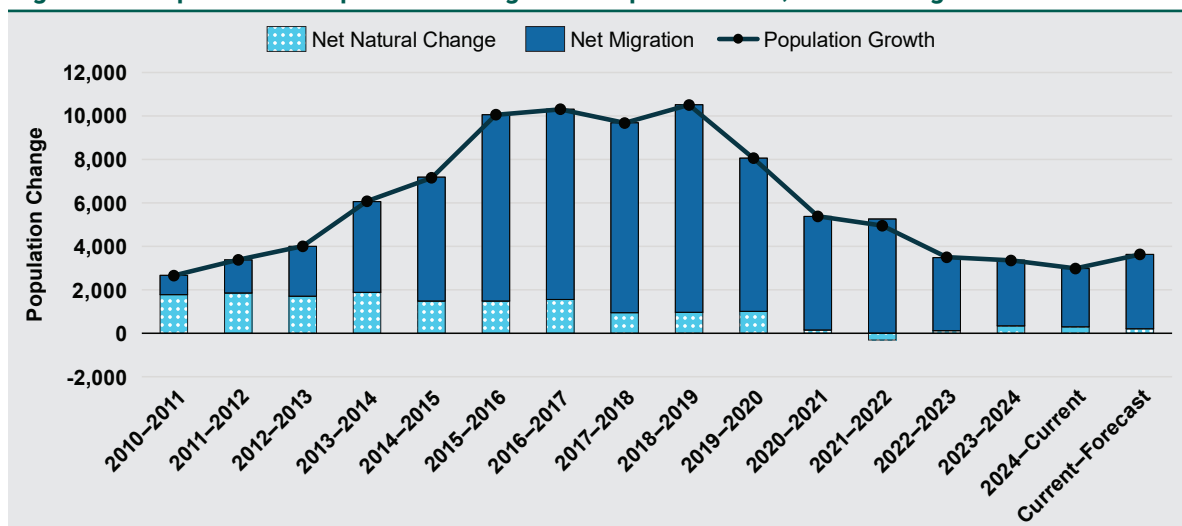
## Population Trends

Population growth in the HMA has decelerated since 2020 (Figure 5). Average annual net natural increase has slowed since 2020, reflecting the long-term demographic trends of fewer births and more deaths. In addition, deaths briefly surpassed births, reflecting the COVID-19 pandemic. Domestic net in-migration was strong during the late 2010s but decreased in 2020 and decreased further after mortgage interest rates increased in 2022, making homebuying relatively more expensive. An increase in international net in-migration partially offset the decline in domestic net in-migration and the falling rate of net natural increase since 2020.

## 2010 to 2020

Population growth was relatively slow at the beginning of the 2010s, when job growth was weak and the HMA was recovering from the housing crisis and Great Recession. The population increased by an annual average of 3,450, or 0.7 percent, from April 2010 to 2013 (U.S. Census Bureau decennial census and population estimates as of July 1). As the HMA economy strengthened, population growth

**Figure 5. Components of Population Change in the Spokane HMA, 2010 Through the Forecast Period**



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

accelerated, averaging 6,625 people, or 1.2 percent, annually from 2013 to 2015 and rising to an average of 9,825 people, or 1.8 percent, annually from 2015 to April 2020. Increasing numbers of people moving to the HMA supported the faster population growth—net in-migration increased from an average of 1,625 people annually from 2010 to 2013 to 4,950 people from 2013 to 2015 and to 8,650 people from 2015 to 2020. Rising domestic net in-migration was a major contributor to the population increase during the 2010s. Domestic net in-migration was negative from 2010 to 2013, but the trend then reversed, and domestic net in-migration increased to account for 77 percent of net in-migration from 2013 to 2015 and 95 percent from 2015 to 2020. Population growth slowed from 2019 to April 2020 to an annual rate of 8,100 people, or 1.4 percent, but remained higher than the periods before 2015.

## 2020 to Current

Population growth has continued to slow each year since 2020. From April 2020 to July 2022, the HMA population increased by an average of 5,475, or 0.9 percent, annually. During this period, net natural increase sharply declined to an average of 50 people annually compared with an average of 1,500 people a year from 2010 to 2020, partly because of increased mortality associated with the pandemic. Net in-migration from 2020 to 2022 slowed to an average of 5,425 people annually because of decreased domestic net in-migration. Domestic in-migration slowed partially because of home sales price growth

in the HMA, which outpaced many major west coast metropolitan areas. Population growth slowed further from 2022 to 2024, averaging an increase of 3,425 people, or 0.6 percent, annually. Net natural increase recovered modestly after the pandemic, averaging 220 people annually, but net in-migration fell to an average of 3,200 people annually. Domestic net in-migration fell sharply, accounting for only 54 percent of net migration, partly because increased mortgage interest rates added to monthly homeownership costs and discouraged many potential homebuyers from relocating to the area. Many homeowners were reluctant to sell their current homes if a subsequent purchase would require financing at a higher interest rate. High mortgage interest rates had a particularly acute effect on domestic migration because many of the people who move to the HMA are seeking more affordable housing. From July 2024 to the current date, population growth was estimated to have continued at a similar rate, averaging an increase of 2,975 people, or 0.5 percent. A continued decline in net in-migration offset a slight rise in net natural increase.

### Migration Trends

During 2022, the most recent year of data available, the largest source of domestic migration to the HMA was from other areas in Washington, with 2,725 net movers to the HMA (U.S. Internal Revenue Service County-to-County Migration Flows, with adjustments by the analyst). Within Washington, more than 60 percent of net in-migration originated in the Seattle-Tacoma-

Bellevue (hereafter, Seattle) MSA. California was another major source of net in-migration, with 1,446 people moving to the HMA. Households that relocate to the HMA from the Seattle MSA or California are often attracted by the relatively low home prices. The average home price in the Seattle MSA was double the average in the HMA during the 12 months ending May 2025 (Zonda). The divergence in home prices peaked in 2017, when the average home price in the Seattle MSA was 127 percent higher than in the HMA, corresponding to the period with the highest rate of net domestic in-migration to the HMA. Offsetting the in-migration from areas on the west coast, net out-migration to states away from the west coast accounted for a loss of 2,060 people. Net out-migration to the U.S. Census Bureau-defined South region, which includes Texas and Florida, was particularly strong.

### Age Cohort Trends

In Spokane County, the only geographic area in the HMA for which data are available for every year since 2010, the median age of the population was 38.7 years in 2023 compared with the median age of 39.2 years nationally (2023 American Community Survey [ACS] 1-year data). Although the median age of the population is lower than the national average, the cohort of residents aged 62 and older grew at an average rate of 3 percent annually from 2010 to 2023, compared with average annual population growth of 1 percent overall. As a result, the cohort of residents aged 62 and older increased from 16.4 to 21.5 percent of the population of the county during that period. The increasing age of the population has contributed to the slowdown in net natural increase and increased the demand for healthcare services and age-restricted housing.

### Household Trends

As of June 1, 2025, the number of households in the HMA is estimated at 244,750, representing an average increase of 2,600 households, or 1.1 percent, annually since 2020 (Table 3). By comparison, household growth averaged 2,675, or 1.2 percent, annually from 2010 to 2020. The number of households increased at a

Table 3. Spokane HMA Population and Household Quick Facts

| Population Quick Facts | 2020                  | Current | Forecast |         |
|------------------------|-----------------------|---------|----------|---------|
|                        | Population            | 585,784 | 607,700  | 618,600 |
|                        | Average Annual Change | 7,100   | 4,250    | 3,625   |
|                        | Percentage Change     | 1.3     | 0.7      | 0.6     |
| Household Quick Facts  | 2020                  | Current | Forecast |         |
|                        | Households            | 231,275 | 244,750  | 250,100 |
|                        | Average Annual Change | 2,675   | 2,600    | 1,775   |
|                        | Percentage Change     | 1.2     | 1.1      | 0.7     |

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



slightly slower rate than the population from 2010 to 2020, but household growth has outpaced population growth since 2020 because families have had fewer children, and older adults, who generally have smaller average household sizes, have become a larger share of the population. The current homeownership rate is estimated at 63.7 percent—down from 63.9 percent in 2020.

## Forecast

During the 3-year forecast period, the population of the HMA is expected to increase by an average of 3,625, or 0.6 percent, a year. Population growth

is expected to strengthen slightly compared with the post-2022 period but remain well below the average from 2015 to 2020. Net in-migration is expected to continue to be low because of elevated mortgage interest rates, contributing to continued slow population growth. Household growth during the next 3 years is expected to average 1,775 households, or 0.7 percent, annually—slower than recent trends but slightly faster than the forecasted population growth as smaller households continue to be the norm.



# Home Sales Market

## Market Conditions: Balanced

New and existing home sales were unchanged during the past 12 months but down 38 percent from 3 years ago.

## Current Conditions

The home sales market in the Spokane HMA is balanced, with an overall sales vacancy rate of 1.5 percent as of June 1, 2025 (Table 4), up from 1.1 percent in 2020, when conditions were slightly tight. The number of new and existing home sales remained stable at 7,700 sales during the 12 months ending May 2025, after falling sharply during the previous 3 years (Zonda). Average home sales prices during the 12 months ending May 2025 increased 3 percent to \$462,800 after rising 1 percent during the previous 12 months. Higher mortgage interest rates since early 2022 have reduced demand and contributed to the lower home sales during the past 3 years, with recent sales at the lowest level since 2013. The largest share of existing home sales were priced between \$350,000 and \$450,000, whereas the largest share of new home sales were priced between \$450,000 and \$600,000. Figure 6 shows the distribution of new and existing sales by price range during the 12 months ending May 2025.

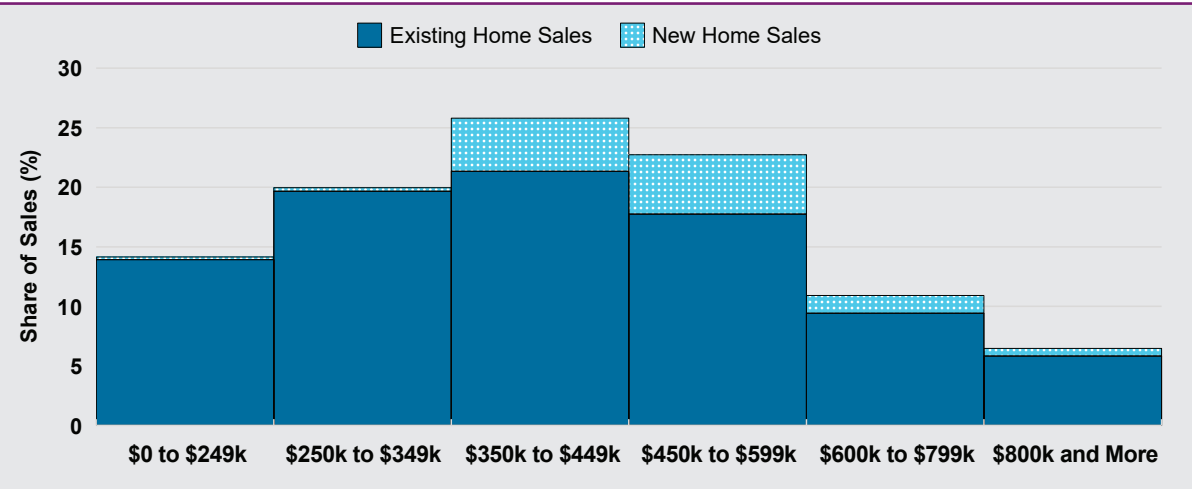
A relatively low level of home sales contributed to a slightly greater supply of homes for sale during the past year. The available inventory in the HMA totaled approximately 1,800 single-family homes,

Table 4. Home Sales Quick Facts in the Spokane HMA

| Home Sales Quick Facts | Spokane HMA               |           | Nation    |
|------------------------|---------------------------|-----------|-----------|
|                        | Vacancy Rate              | 1.5%      | NA        |
|                        | Months of Inventory       | 3.1       | 4.0       |
|                        | Total Home Sales          | 7,700     | 3,948,000 |
|                        | 1-Year Change             | 0%        | -7%       |
|                        | New Home Sales Price      | \$510,600 | \$519,700 |
|                        | 1-Year Change             | 4%        | 2%        |
|                        | Existing Home Sales Price | \$455,700 | \$498,400 |
|                        | 1-Year Change             | 3%        | 6%        |
|                        | Mortgage Delinquency Rate | 0.7%      | 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; delinquency rate—Cotality; home sales and prices—Zonda

Figure 6. Share of Overall Sales by Price Range During the 12 Months Ending May 2025 in the Spokane HMA



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

townhomes, and condominiums for sale during May 2025, representing a 3.1-month supply, up from 1,650 homes for sale, or a 2.9-month supply, during May 2024 (Redfin, a national real estate brokerage, with adjustments by the analyst). By comparison, the HMA had 1,025 homes for sale, or a 1.2-month supply,

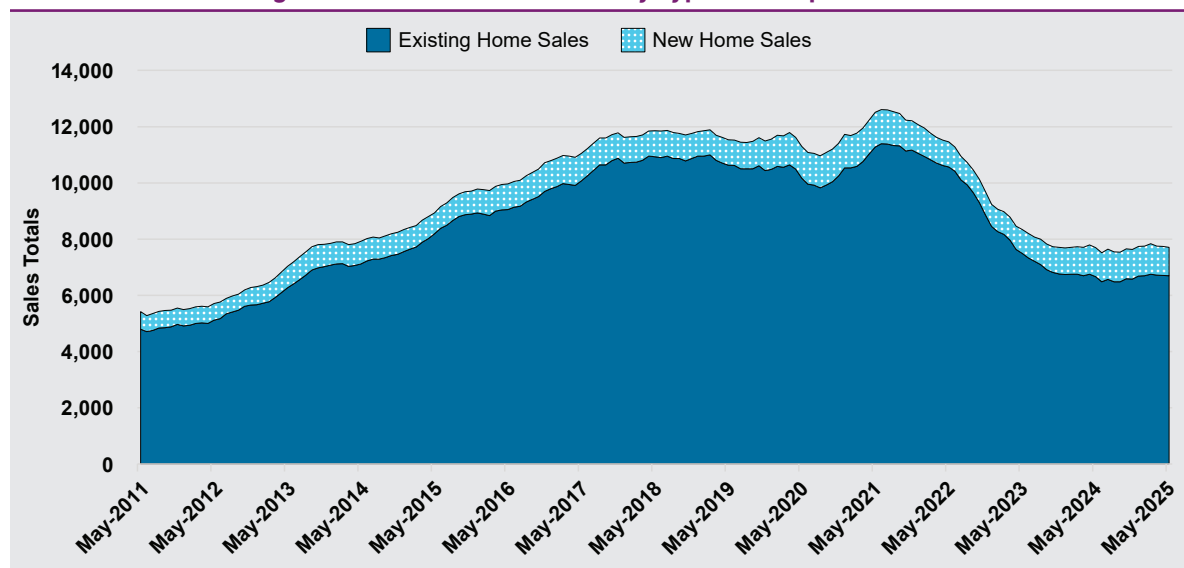


during May 2020, when conditions were slightly tight. Market conditions have eased since 2022, and the inventory of available homes is similar to levels during May 2016 and May 2017, when the supply of homes for sale averaged 3.3 months and the market was balanced.

## Existing Home Sales and Price Trends

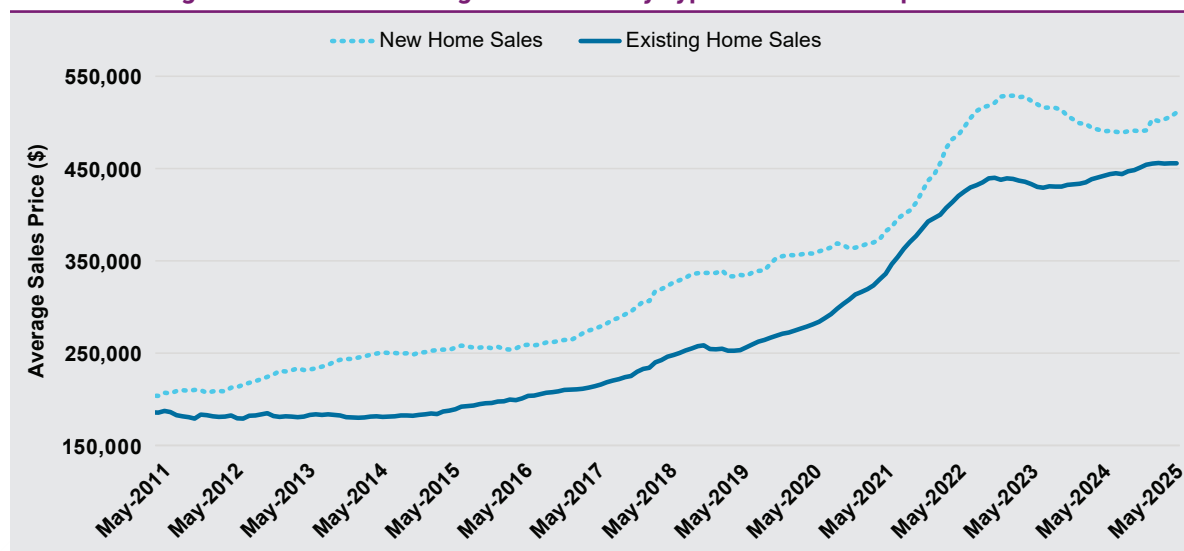
Existing home sales increased throughout most of the 2010s, supported by job and population growth. After reaching a low of 4,900 sales in 2011, existing home sales increased an average of 12 percent annually from 2012 through 2018 to 10,950 homes sold (Zonda; Figure 7). During the early 2010s, real estate owned (REO) home sales were a large portion of existing home sales, but the share decreased rapidly as the supply of distressed properties was depleted. REO sales represented 23 percent of existing home sales in 2011 but fell to only 3 percent by 2018. REO home prices averaged nearly 20 percent less than prices for other existing homes, and the large share of REO sales in the early 2010s put downward pressure on existing home prices. The average existing home price decreased 1 percent annually from 2011 through 2013 to \$180,600 and then grew an average of 7 percent annually from 2014 through 2018 as REO home sales declined (Figure 8). The price growth for existing homes in the HMA outpaced that of the nation, for which the average existing home price increased 5 percent annually from 2014 through 2018. During 2019,

**Figure 7. 12-Month Sales Totals by Type in the Spokane HMA**



Source: Zonda

**Figure 8. 12-Month Average Sales Price by Type of Sale in the Spokane HMA**



Source: Zonda

the number of existing home sales fell 4 percent, but existing home price growth continued, rising 6 percent on an annual basis.

Sales demand increased and the home sales market tightened during the COVID-19 pandemic. The average price of an existing home increased 20 percent annually during 2020 and 2021, and existing home sales increased only 3 percent annually, constrained by a limited inventory of homes for sale. During 2020 and 2021, low mortgage interest rates made homeownership more affordable for many households. In 2022, however, the number of existing home sales in the HMA fell 24 percent, and home price growth slowed to 11 percent in response to rising interest rates. Demand for existing homes continued to decline in 2023, with home sales and prices decreasing 20 and 1 percent, respectively, year over year. During the 12 months ending May 2025, the number of existing home sales rose 1 percent to 6,700 home sales compared with an 11-percent decline in home sales during the previous 12-month period. The average price of an existing home increased 3 percent to \$455,700 during the 12 months ending May 2025, following a 2-percent increase a year earlier.

## New Home Sales and Price Trends

The number of new home sales increased overall during the 2010s. In 2011, the number of new home sales fell 20 percent year over year but then increased an average of 8 percent annually from 2012 through 2019 to 1,075 new home sales

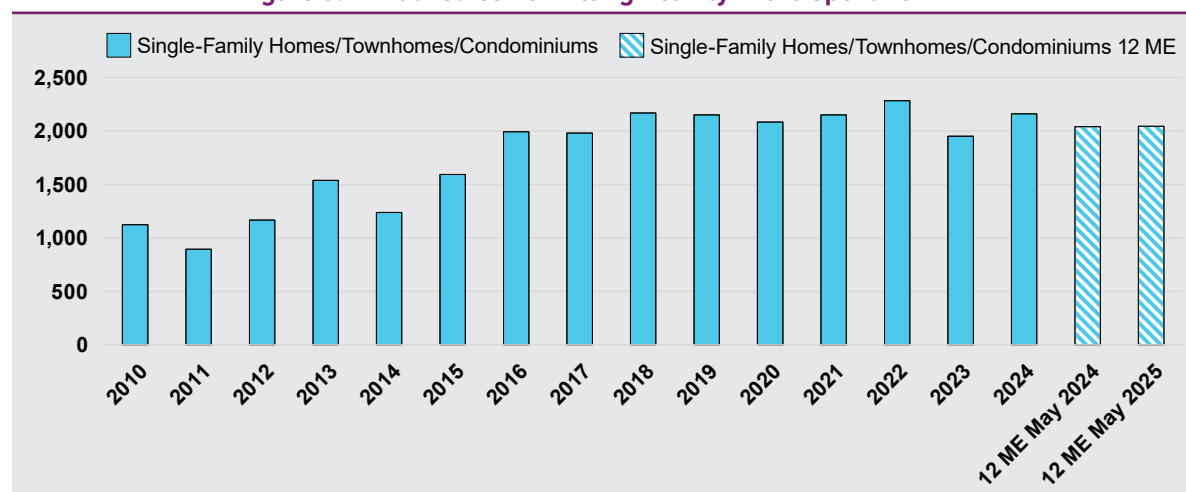
in 2019. New home prices increased at a faster rate than existing home prices from 2011 through 2019, rising an average of 7 percent annually compared with 5 percent for existing home prices.

After peaking at nearly 1,200 homes sold in 2020, the number of new home sales has generally declined. New home sales were elevated through mid-2021, partly because of a limited inventory of existing for-sale homes. After mortgage interest rates increased in 2022, however, new home sales fell 24 percent year over year to 780 homes. Home sales declined despite many home builders being willing to offer below-market-rate interest rates as incentives to buyers. New home prices continued to rise through 2022, however, before declining in 2023. The average price of a new home increased 20 percent annually from 2020 through 2022 but fell nearly 5 percent in 2023. During the 12 months ending May 2025, the number of new homes sold fell 3 percent to 1,000 homes after increasing 21 percent during the previous 12 months. The average price of a new home during the 12 months ending May 2025 increased 4 percent year over year to \$510,600 after declining more than 6 percent during the previous 12 months.

## Sales Construction

Homebuilding activity—as measured by the number of single-family homes, townhomes, and condominium units permitted (building permits)—generally increased in the HMA from 2011 through 2016 and was relatively stable thereafter (Figure 9). An average of 1,075 homes were permitted annually from 2010 through 2012,

**Figure 9. Annual Sales Permitting Activity in the Spokane 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

increasing to an average of 1,450 homes from 2013 through 2015 and 2,075 homes from 2016 through 2019. The increases in homebuilding reflected a strengthening economy and population growth.

Homebuilding has continued to be fairly stable since 2020, with an average of 2,175 homes permitted annually from 2020 through 2022. Rising mortgage rates and increased financing costs for builders contributed to construction falling to 1,950 homes permitted during 2023, but homebuilding recovered to 2,150 homes permitted during 2024. During the 12 months ending May 2025, 2,050 homes were permitted, unchanged from a year earlier.

As of 2024, the cities of Spokane and Spokane Valley accounted for approximately 18 and 10 percent of sales units permitted in the HMA, respectively, whereas other areas in Spokane County, including smaller cities and unincorporated areas, accounted for 58 percent of homebuilding, and Stevens County accounted for the remaining 13 percent. Elk Meadows Estates, a 331-lot subdivision in Spokane Valley, is one of the most active

subdivisions in the HMA, with 73 homes sold in 2024. The subdivision is expected to be built out in 2027, and prices for the single-family homes begin at approximately \$400,000.

Forecast

Demand is estimated for 4,050 new sales units during the next 3 years (Table 5). The 560 homes under construction are expected to meet a portion of demand during the first year of the 3-year forecast period. New home construction is expected to be concentrated in Spokane County.

Table 5. Demand for New Sales Units in the Spokane HMA During the Forecast Period

| Sales Units        |             |
|--------------------|-------------|
| Demand             | 4,050 Units |
| Under Construction | 560 Units   |

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

# Rental Market

## Market Conditions: Slightly Soft

Apartment market conditions were balanced in 2022 and 2023 but transitioned to slightly soft conditions by 2024.

## Current Conditions and Recent Trends

The overall rental market in the Spokane HMA—including apartments, single-family homes, and other housing units available for rent—is slightly soft. The current estimated 7.2-percent vacancy rate is up from 5.0 percent in April 2020, when rental conditions were balanced (Table 6). Many new apartments came online during the past 2 years, and absorption has not kept pace with the high rate of completions, contributing to the increase in the rental vacancy rate.

## Apartment Market Conditions

The apartment market is also slightly soft. As of the second quarter of 2025, the apartment vacancy rate in the HMA was 7.0 percent, down from 8.7 percent as of the second quarter of 2024 (CoStar Group; Figure 10). Conditions in the apartment market were balanced from 2015 to 2019, with second quarter apartment vacancy rates ranging from 5.0 to 5.8 percent.

Apartment market conditions tightened after the onset of the COVID-19 pandemic, and the apartment vacancy rate declined to 4.4 percent by the second

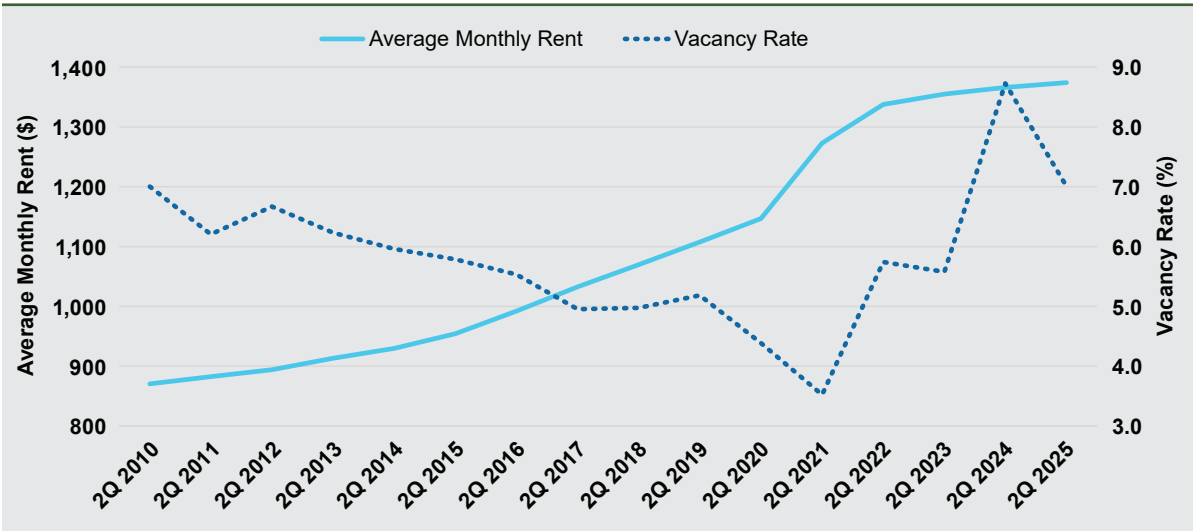
Table 6. Rental and Apartment Market Quick Facts in the Spokane HMA

| Rental Market Quick Facts |                                    | 2020 (%) | Current (%) |
|---------------------------|------------------------------------|----------|-------------|
|                           | Rental Vacancy Rate                | 5.0      | 7.2         |
|                           |                                    | 2021 (%) | 2023 (%)    |
|                           | Occupied Rental Units by Structure |          |             |
|                           | Single-Family Attached & Detached  | 32       | 31          |
|                           | Multifamily (2–4 Units)            | 11       | 13          |
|                           | Multifamily (5+ Units)             | 53       | 52          |
|                           | Other (Including Mobile Homes)     | 3        | 4           |

| Apartment Market Quick Facts |                            | 2Q 2025 | YoY Change |
|------------------------------|----------------------------|---------|------------|
|                              | Apartment Vacancy Rate (%) | 7.0     | -1.7       |
|                              | Average Rent               | \$1,374 | 1%         |
|                              | Studio                     | \$1,061 | 1%         |
|                              | One-Bedroom                | \$1,184 | 1%         |
|                              | Two-Bedroom                | \$1,420 | 0%         |
|                              | Three-Bedroom              | \$1,834 | 1%         |

2Q = second quarter. YoY = year-over-year.  
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—2021 and 2023 American Community Survey 1-year data; apartment data—CoStar Group

Figure 10. Apartment Rents and Vacancy Rates in the Spokane HMA



2Q = second quarter.  
Source: CoStar Group



quarter of 2020 and further to 3.5 percent as of the second quarter of 2021. The apartment vacancy rate declined because of stronger demand, which led to increased apartment absorption. Annual apartment absorption averaged 1,250 units as of the second quarters of 2020 and 2021 compared with average annual completions of 970 units. From the second quarter of 2015 through the second quarter of 2019, annual apartment absorption averaged 880 units compared with an annual average of 910 units completed during the same periods.

The apartment market returned to balanced conditions as of the second quarters of 2022 and 2023, with an average vacancy rate of 5.7 percent. During this period, average annual apartment absorption fell to 540 units annually, whereas apartment completions averaged 990 units annually. Apartment absorption increased as of the second quarters of 2024 and 2025, averaging 1,375 units on an annual basis. The number of annual apartment completions increased to a greater extent, however, averaging 1,800 units, causing the apartment vacancy rate to increase and the market to transition from balanced to slightly soft.

Rent growth in the HMA was high in the early 2020s but subsequently slowed. From 2015 through 2020, average asking rent growth was fairly stable, averaging 4 percent annually. Rent growth accelerated beginning in 2021, averaging 8 percent annually as of the second quarters of 2021 and 2022. Increasing vacancy rates and new apartment competitions caused property managers to slow rent increases after 2022. Asking rents increased an average of 1 percent annually as of the second quarters of 2023 and 2024 and rents increased less than 1 percent on an annual basis to \$1,374 as of the second quarter of 2025.

## Apartments for Seniors

Since 2010, about 7 percent of all apartments built in the HMA have been housing for seniors, including units restricted to household members aged 55 and older. From the second quarter of 2015 through the second quarter of 2023, the vacancy rates at age-restricted apartment properties, including independent-living and assisted-living units, averaged 1.7 percentage points more than units in the overall apartment market. The vacancy rate at age-

restricted apartments decreased from 9.7 percent during the second quarter of 2024 to 8.5 percent during the second quarter of 2025. The average asking rent among all age-restricted multifamily properties was \$2,864 as of the second quarter of 2025, up 2 percent from a year earlier.

## Student Housing

Students at local universities represent a relatively small presence in the rental market in the HMA. EWU is approximately 14 miles southwest of downtown Spokane in the city of Cheney. EWU student enrollment was approximately 5,875 in the fall of 2024, down by 3,775 students, or 39 percent, compared with 2019 (EWU Office of Institutional Research). On-campus housing includes approximately 1,775 dormitory beds, down by approximately 400 compared with 2020 because of dormitory demolition. Student apartments near the EWU campus have a 10.4-percent vacancy rate as of the second quarter of 2025, up from 8.8 percent a year earlier (CoStar Group). No new apartments, including student apartments, have been built near EWU since 2020. The average asking rent per bed near EWU was \$682 as of the second quarter of 2025, up 2 percent from a year earlier. Students who occupy dormitories are included in the group quarters population and are not counted in the household population.

Gonzaga University, near downtown Spokane, has a student enrollment of approximately 7,475, which has not changed significantly since 2020 (Gonzaga University Office of Institutional Research). On-campus housing includes approximately 3,000 dormitory beds, up by approximately 100 since 2020. Student apartments near Gonzaga University had a vacancy rate of 9.9 percent as of the second quarter of 2025, up from 9.3 percent a year earlier, and average asking rents fell 2 percent year over year. Since 2020, the inventory of student apartments near Gonzaga University has expanded by nearly 30 percent to 2,250 beds.

Whitworth University and WSU Spokane have a smaller impact on the HMA. Whitworth University has a student enrollment of approximately 2,350, down 17 percent, or by 470 students, compared with 2019. On-campus housing includes approximately 930 dormitory beds, unchanged since 2020. The number of

student apartments near Whitworth University is not significant. WSU Spokane is home to WSU Health Sciences and primarily offers medical and nursing degrees. WSU Spokane student enrollment was approximately 1,275 as of the fall of 2024, down by 400, or 24 percent, compared with 2019. WSU Spokane is near downtown Spokane and has no on-campus housing.

### Rental Construction

Rental construction activity was low following the Great Recession, when an average of 600 rental units were permitted annually from 2010 through 2013. As economic conditions improved and rental demand strengthened, rental permitting increased an average of 79 percent, or by 530 units, annually from 2014 through 2016 to an average of 1,875 units in 2016 and 2017 (Figure 11). Despite a strengthening economy, rental construction activity slowed to an average of 1,275 units annually during 2018 and 2019.

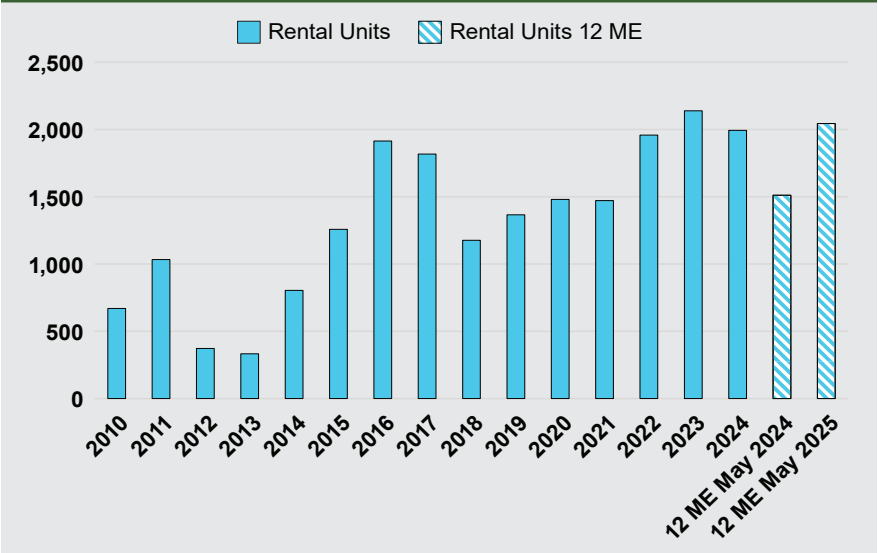
Rental construction increased only moderately during 2020 and 2021, averaging 1,475 units annually. Although apartment vacancy rates were declining and rent growth was high, rental construction was constrained by labor shortages and supply chain disruptions. Rental construction subsequently increased and averaged 2,050 units annually during 2022 and 2023. During the 12 months ending May 2025, 2,050 units were permitted, up 35 percent from a year earlier.

An estimated 2,200 apartments are under construction in the HMA, with approximately 55 percent of them in the city of Spokane and 20 percent in the city of Spokane Valley. Lofts at Garden District, a 79-unit apartment complex, is expected to be complete in the summer of 2025. Announced rents for two- and three-bedroom units at the development start at approximately \$2,075 and \$2,300, respectively.

### Forecast

During the 3-year forecast period, demand is estimated for 2,000 rental units in the HMA (Table 7). Demand for new rental units is expected to be relatively

Figure 11. Annual Rental Permitting Activity in the Spokane 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

Table 7. Demand for New Rental Units in the Spokane HMA During the Forecast Period

| Rental Units       |             |
|--------------------|-------------|
| Demand             | 2,000 Units |
| Under Construction | 2,200 Units |

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

steady during each year of the forecast period and will allow the current excess supply of vacant units to be absorbed. The 2,200 units under construction are expected to exceed the demand during the 3-year forecast period. To prevent further softening of rental market conditions, developers should not plan for additional units to enter the market during the forecast period.

# Terminology Definitions and Notes

## A. Definitions

|   |   |
|---|---|
| <b>Absorption</b>                                       | The net change, positive or negative, in the number of occupied units in a given geographic range.  |
| <b>Apartment Vacancy Rate/<br/>Average Monthly Rent</b> | 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 or in lease up. A property is stabilized once the occupancy rate reaches 90 percent or at least 18 months have passed since the property changed from “under construction” to “existing” on the CoStar Group website.   |
| <b>Building Permits</b>                                 | 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. |
| <b>Demand</b>   | 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.   |
| <b>Existing Home Sales</b>                              | Includes regular resales and real estate owned sales.   |
| <b>Forecast Period</b>                                  | 6/1/2025–6/1/2028—Estimates by the analyst.   |
| <b>Home Sales/<br/>Home Sales Prices</b>                | Includes single-family home, townhome, and condominium sales.   |
| <b>Net Natural Increase</b>                             | Resident births are greater than resident deaths.   |

|   |  |
|---|--|
| <b>Rental Market/<br/>Rental Vacancy<br/>Rate</b> | Includes apartments and other rental units, such as single-family, multifamily, and mobile homes.  |
| <b>Student<br/>Apartments</b>                     | Privately owned and operated apartments targeted at college students. These apartments are rented by the bedroom instead of by the unit. |

## 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. |
| 2. | Urbanized areas are defined using the U.S. Census Bureau's 2020 Census Urban and Rural Classification and the Urban Area Criteria.   |
| 3. | The census tracts referenced in this report are from the 2020 Census.  |

## 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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