



Seattle-Bellevue-Everett, Washington

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of July 1, 2013



Summary

Housing Market Area



The Seattle-Bellevue-Everett Housing Market Area (HMA) (hereafter, the Seattle HMA) on the Puget Sound in northwest Washington consists of King and Snohomish Counties. The HMA is home to several globally renowned companies, including The Boeing Company; Amazon.com, Inc.; and Microsoft Corporation. The HMA is the educational, medical services, and trade center for the Northwest, and its seaport is the eighth busiest in the United States.

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Economy

Labor market conditions strengthened in the Seattle HMA during the 12 months ending June 2013; nonfarm payrolls increased by 37,500 jobs, or 2.6 percent, to 1.46 million jobs. The three largest employers in the HMA are The Boeing Company, Microsoft Corporation, and the University of Washington. The average unemployment rate declined to 6.0 percent compared with the average rate of 7.8 percent during the previous year. Nonfarm job growth is expected to average 34,100 jobs, or 2.3 percent, a year from July 2013 to July 2016.

Sales Market

The sales housing market in the HMA is soft but improving, with a vacancy rate of 2.2 percent. During the 12 months ending June 2013, new single-family home sales increased 23 percent, to 4,900 homes (Hanley Wood, LLC). Sales of existing single-family homes increased 20 percent, to 32,100 homes. During the forecast period, demand is expected for 26,500 new homes (Table 1). The 2,425 homes currently under construction and some of the 30,300 other vacant units in the HMA that may reenter the market will likely satisfy a portion of the demand.

Rental Market

Rental housing market conditions in the HMA are tight, with an overall vacancy rate of 4.2 percent. The apartment vacancy rate averaged 4.4 percent during the second quarter of 2013 compared with the average rate of 4.8 percent a year ago (Real Data, Inc.). The average apartment rent was \$1,190, up 6 percent from a year ago. The demand for new rental units during the next 3 years is expected to total 19,500 units. The 13,500 units currently under construction will meet a portion of the estimated demand during the first 2 years of the forecast period (Table 1).

Table 1. Housing Demand in the Seattle HMA,* 3-Year Forecast, July 1, 2013, to July 1, 2016

	Seattle HMA*	
	Sales Units	Rental Units
Total demand	26,500	19,500
Under construction	2,425	13,500

*Seattle-Bellevue-Everett HMA.
 Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of July 2014. A portion of the estimated 30,300 other vacant units in the HMA will likely satisfy some of the forecast demand. Total demand for sales units includes mobile homes.
 Source: Estimates by analyst

Economic Conditions

Job growth in the Seattle HMA has accelerated for the second consecutive year since the economic recovery began in 2011. During the 12 months ending June 2013, nonfarm payrolls increased 2.6 percent, or by 37,500 jobs, to 1.46 million jobs after increasing 2.4 percent, or by 33,700 jobs, during the previous 12 months (Table 2). Recent hiring activity led to a decline in the unemployment rate to an average of 6.0 percent during the 12 months ending June 2013 compared with an average of 7.8 percent during the previous year. Figure 1 shows the trends in the labor force, resident employment, and the unemployment rate in the HMA from 2000 through 2012.

Table 2. 12-Month Average Nonfarm Payroll Jobs in the Seattle HMA,* by Sector

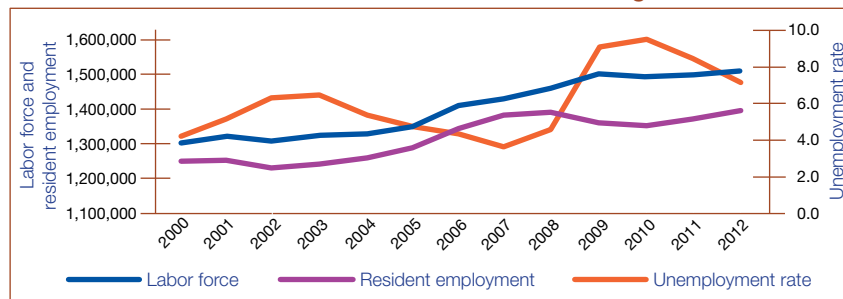
	12 Months Ending June 2012	12 Months Ending June 2013	Absolute Change	Percent Change
Total nonfarm payroll jobs	1,423,500	1,461,000	37,500	2.6
Goods-producing sectors	227,900	237,800	9,900	4.3
Mining, logging, & construction	64,500	67,500	3,000	4.7
Manufacturing	163,500	170,300	6,800	4.2
Service-providing sectors	1,195,500	1,223,200	27,700	2.3
Wholesale & retail trade	209,000	218,400	9,400	4.5
Transportation & utilities	47,600	48,700	1,100	2.3
Information	86,700	86,600	- 100	- 0.1
Financial activities	79,200	79,500	300	0.4
Professional & business services	210,900	218,500	7,600	3.6
Education & health services	171,700	175,400	3,700	2.2
Leisure & hospitality	135,600	139,600	4,000	2.9
Other services	52,900	54,000	1,100	2.1
Government	201,900	202,600	700	0.3

*Seattle-Bellevue-Everett HMA.

Notes: Based on 12-month averages through June 2012 and June 2013. Numbers may not add to totals because of rounding.

Source: U.S. Bureau of Labor Statistics

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Seattle HMA,* 2000 Through 2012



*Seattle-Bellevue-Everett HMA.

Source: U.S. Bureau of Labor Statistics

Despite the addition of 85,200 jobs since November 2010, nonfarm payrolls remain approximately 19,000 jobs below the peak level of 1.48 million jobs achieved in 2008. Most job losses during the decade occurred in 2009 and 2010, when job losses were greatest in the construction subsector, in which payrolls decreased 32 percent, or by 34,000 jobs, and in the financial activities sector, in which payrolls declined 13 percent, or by 11,500 jobs. Job losses in the construction subsector and the financial activities sector occurred mainly because of the financial crises in the residential housing and banking industries that began in 2007. Led by an increase of nearly 7,800 jobs in the manufacturing sector, the labor market recovery began in 2011, when nonfarm payrolls increased 1.9 percent, to 1.40 million jobs.

Job growth during the 12-month period ending June 2013 departed from the trend in the previous year, when the manufacturing sector led all sectors during the first year of labor market recovery. Job growth was strongest in the retail trade subsector, which increased by 7,900 jobs, or 5.6 percent, during the 12 months ending June 2013 compared with an increase of 4,100 jobs, or 2.9 percent, a year earlier. Gains in the retail trade subsector were concentrated in the general merchandise subsector, partly because of hiring at Amazon.com, Inc. With several hundred job openings in the Seattle HMA as of June 2013, Amazon.com, Inc., is expected to continue hiring during the forecast period. Mainly because of the increase in multifamily construction activity during 2012, the construction subsector was the second fastest growing subsector during the 12 months ending June 2013, increasing by 3,100 jobs, or 4.8 percent, after recording no job growth during the previous year.

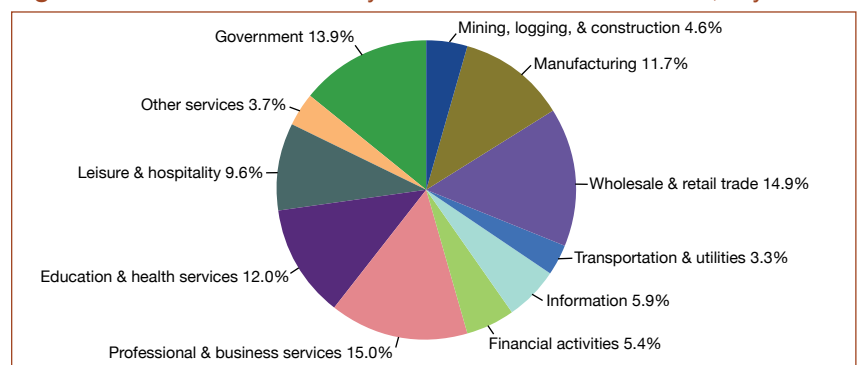
Manufacturing sector payrolls increased by 6,800 jobs, or 4.2 percent, during the 12 months ending June 2013 compared with an increase of 10,100 jobs, or 6.6 percent, during the previous 12 months. After leading the manufacturing sector with job gains of 5,200 in 2011 and 7,700 in 2012, The Boeing Company lost 1,400 jobs from January through July 2013, primarily because new commercial airline projects shifted from the development phase into production, leading to layoffs of design engineers. (Data are for Washington State; no data are available for the HMA, where most Boeing employees are based.) As of December 2012, the company had 1,220 commercial aircraft orders, the second most in the company's history. The professional and business services sector, the largest sector in the Seattle HMA, accounting for 15.0 percent of nonfarm payrolls (Figure 2), added 7,600 jobs during the 12 months ending June 2013, a 3.6-percent gain. Job growth was mainly the result of hiring by computer design firms, as the demand for information technology upgrades in the aftermath of the 2007-to-2009 recession continued to grow.

Payrolls in the leisure and hospitality sector increased by 4,000 jobs, or 2.9 percent, during the 12 months ending

June 2013 compared with an increase of 3,600 jobs, or 2.6 percent, the previous year. Nearly all the job growth occurred in the food services and drinking places industry, in part because a variety of ethnic and niche restaurants opened in the city of Seattle. The education and health services sector increased 2.2 percent, as 3,700 jobs were added to local payrolls, a decline from the 4,500 jobs added during the preceding 12-month period. Education and health services was the only sector to grow every year from 2000 through 2012, and it has grown more than any sector in the HMA since 2000 (Figure 3). Hiring by health clinics, hospitals, residential care facilities, and nursing homes has accounted for approximately 40 percent of job growth in that sector since 2000 and 75 percent of job growth during the past year.

The transportation and utilities sector increased by 1,100 jobs, or 2.3 percent, to 48,700 jobs during the 12-month period ending June 2013 compared with the increase of 900 jobs, or 2.1 percent, during the previous year. In 2012, the Port of Seattle ranked as the eighth busiest container cargo seaport in the United States, serving 22 international steamship companies. In 2007, the seaport provided approximately

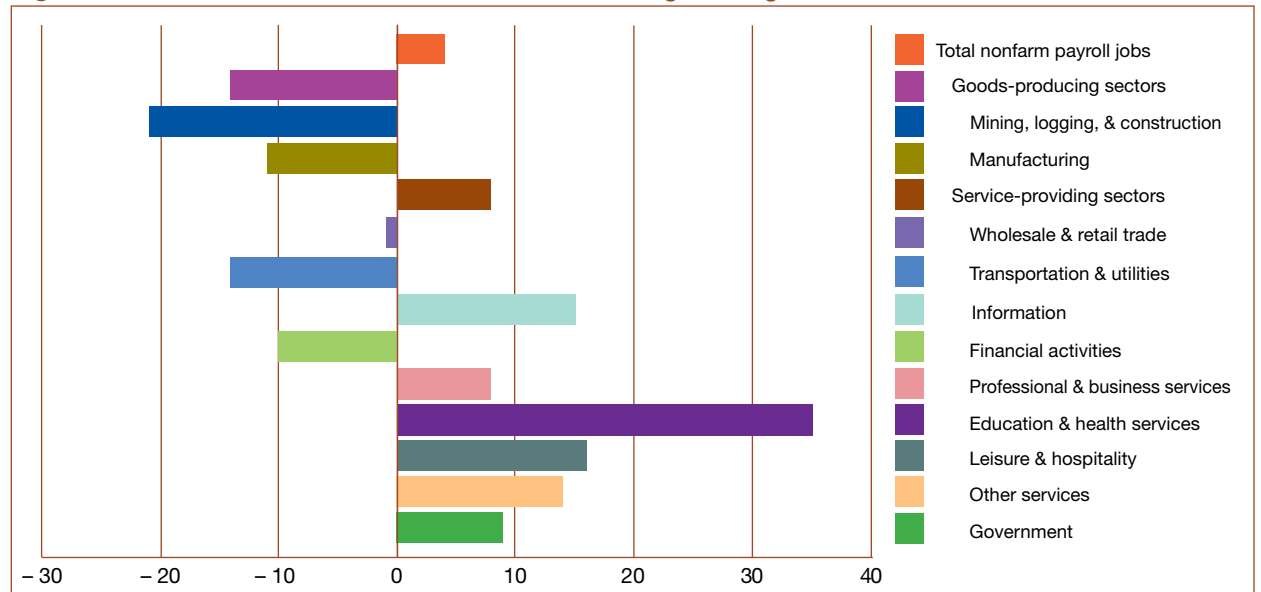
Figure 2. Current Nonfarm Payroll Jobs in the Seattle HMA,* by Sector



*Seattle-Bellevue-Everett HMA.

Note: Based on 12-month averages through June 2013.

Source: U.S. Bureau of Labor Statistics

Figure 3. Sector Growth in the Seattle HMA,* Percentage Change, 2000 to Current

*Seattle-Bellevue-Everett HMA.

Note: Current is based on 12-month averages through June 2013.

Source: U.S. Bureau of Labor Statistics

33,000 jobs and had an annual economic impact of approximately \$32 billion on the HMA (Port of Seattle report). Measured in dollar volume, during 2011, the top three exported commodities were apples, machinery, and cereals, and the top three imported commodities were toys, sports equipment, and machinery.

Nonfarm payrolls in the government sector increased by 700 jobs, or 0.3 percent, to 202,600 jobs, during the 12 months ending June 2013 compared

with the loss of 2,000 jobs during the previous year. The University of Washington is the third largest employer in the HMA, with 27,900 employees (Table 3), accounting for 14 percent of jobs in the government sector. Enrollment at the university campuses in the HMA during the 2011–12 academic year was 38,850 students, up slightly from an average of 38,550 students during the 2008–09 academic year. The university has a direct and indirect economic impact on the Seattle HMA of \$4.4 billion and 34,250 jobs (*The Economic and Social Impact of the University of Washington Report, 2010*, TrippUmbach). The university, which receives more federal funding than any other public university in the United States, recently received \$25 million in grants from a variety of sources for its Life Sciences Discovery Fund that supports innovative research in Washington to promote life sciences competitiveness, enhance economic vitality, and improve health and health care.

Table 3. Major Employers in the Seattle HMA*

Name of Employer	Nonfarm Payroll Sector	Number of Employees
The Boeing Company	Manufacturing	76,450
Microsoft Corporation	Information	40,300
University of Washington	Government	27,900
Providence Health Services	Education & health services	19,100
King County	Government	13,375
United States Postal Service	Government	12,375
City of Seattle	Government	10,625
Costco Wholesale Corporation	Wholesale & retail trade	8,225
Group Health Cooperative	Education & health services	8,125
Nordstrom, Inc.	Wholesale & retail trade	7,150

*Seattle-Bellevue-Everett HMA.

Note: Excludes local school districts.

Source: King County Economic Development

During the 12 months ending June 2013, job losses occurred in only the information sector, with payrolls declining 0.1 percent, or by 100 jobs. Job losses, which were concentrated in the telecommunications industry, were somewhat offset by hiring in the software and Internet publishing industries. With several hundred job openings posted on their website as

of June 2013, Microsoft Corporation is expected to hire more employees during the forecast period.

Led by the manufacturing, wholesale and retail trade, and education and health services sectors, nonfarm payrolls are expected to grow at an average annual rate of 34,100 jobs, or 2.3 percent, from July 2013 through June 2016.

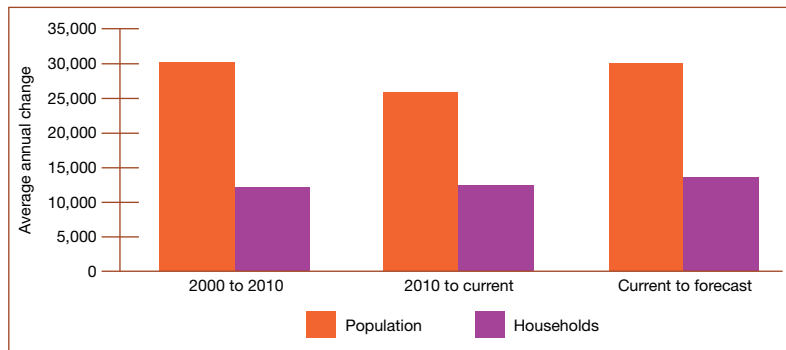
Population and Households

As of July 2013, the estimated population of the Seattle HMA was 2.73 million. Since the April 2010 Census, population growth has averaged 1.0 percent, or 25,950 people, a year compared with an average annual

population growth of 1.2 percent, or 30,150 people, from 2000 to 2010 (Figure 4). Population growth was strongest from July 2005 to July 2008, when it averaged 1.5 percent, or 37,225 people, a year, mainly because nonfarm payroll job growth averaged a robust 2.6 percent, or 35,750 jobs, a year.

During this time, net in-migration to the Seattle HMA averaged 18,450 people a year. Approximately 30 percent of net in-migration to the HMA originated from California, and 20 percent originated from foreign countries (IRS Migration Files, 2005–08). Population growth has slowed since 2010 as a result of net out-migration totaling 2,225 people from April 2010 to July 2011 because of job losses. From July 2011 to July 2012, this trend reversed, when net in-migration totaled 2,300 people because of the early phase of the economic recovery; nonfarm payroll jobs increased by 26,600, or 1.9 percent, in 2011. Figure 5 shows the components of population change in the Seattle HMA from 2000 to forecast. During the forecast period, the population is expected to grow at an average annual rate of 1.1 percent, or by 30,050, mostly due to increased job growth.

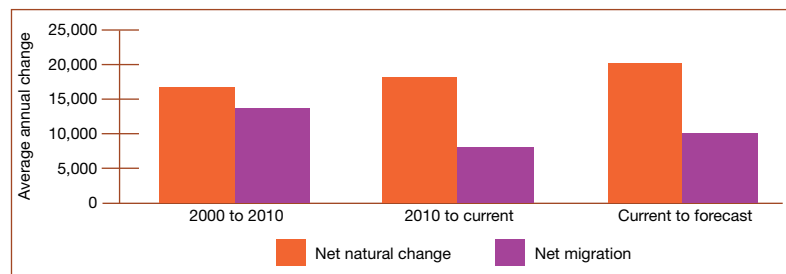
Figure 4. Population and Household Growth in the Seattle HMA,* 2000 to Forecast



*Seattle-Bellevue-Everett HMA.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

Figure 5. Components of Population Change in the Seattle HMA,* 2000 to Forecast



*Seattle-Bellevue-Everett HMA.

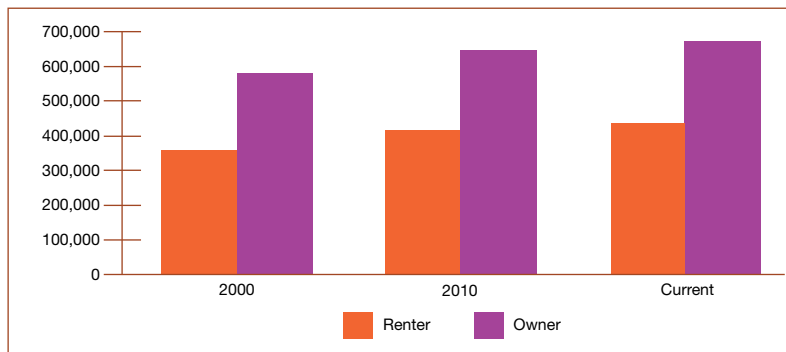
Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

Population and Households *Continued*

Reflecting recent population trends, household growth has slowed since 2010, increasing at an average annual rate of 1.2 percent, or by 12,450 households, a year to nearly 1.10 million households as of July 2013 (Figure 4). During the same period, the number of renter households grew at an average

annual rate of 1.6 percent, to 432,200 households, and the number of owner households increased at an average annual rate of 0.9 percent, to 665,800 households (Figure 6). From April 2010 to July 2013, the percentage of owner households declined from 61.1 to 60.6 percent of all households. The increased demand for rental housing during this period was caused by weak labor market conditions in 2009 and 2010 and by a decrease in homeownership because of stricter mortgage financing terms and an increase in foreclosures. During the 3-year forecast period, the rate of household growth is expected to remain unchanged at 1.2 percent a year. See Table DP-1, at the end of this report, for household growth by tenure in the HMA from 2000 through the current date.

Figure 6. Number of Households by Tenure in the Seattle HMA,* 2000 to Current



*Seattle-Bellevue-Everett HMA.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

Housing Market Trends

Sales Market

The sales housing market in the Seattle HMA is soft but, because of recent job growth and historically low mortgage interest rates, sales of new and existing homes started to improve. Local realtors noted that improving sales were, in part, because of the return of first-time homebuyers to the market. During the 12-month period ending June 2013, the number of new single-family home sales increased 23 percent, to 4,900 homes, compared with a 25-percent increase the previous year (Hanley Wood, LLC). Although the new home sales market is improving in the HMA, new single-family home sales were 28 percent less than the average of 6,800 new homes sold annually

from 2005 through 2010. The average sales price of a new single-family home during the 12 months ending June 2013 was \$402,200, up 3 percent from a year ago, the first time since September 2008 that the average 12-month sales price increased. Sales were most active in the \$300,000-to-\$400,000 price range, accounting for approximately 31 percent of all new home sales transactions.

Subdivisions where the number of new home sales was greatest included Redmond Ridge East and Somerwood Place, where 93 and 63 new homes sold, respectively, during the 12 months ending June 2013. Both

subdivisions are east of the city of Seattle in King County. At Redmond Ridge East, new homes sold for between \$500,000 and \$850,000 and averaged 3,000 square feet. Sommerwood Place homes start at \$350,000 and range from 1,775 to 2,225 square feet. Steady job growth and the increase in new home sales resulted in a 34-percent increase in the number of single-family homes permitted, to 6,575 homes, during the 12 months ending June 2013 (preliminary data). From 2008 through 2010, an average of 5,300 single-family homes were permitted annually in the HMA (Figure 7).

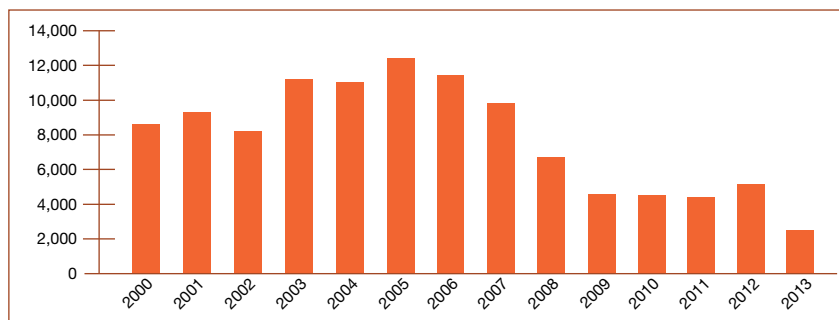
Sales of nondistressed, existing single-family homes increased 20 percent, to 32,100 homes sold, during the 12 months ending June 2013 compared with the 26,650 homes sold during the previous 12 months and were up 27 percent from the average of 25,250 homes sold annually from 2007 through 2010 (Hanley Wood, LLC). The average sales price of a nondistressed, existing single-family home was \$427,000 during the 12 months ending June 2013, 10 percent more than the sales price a year ago but 5 percent less than the 2007-through-2010 average sales price of \$448,400. Home sales were greatest in the \$200,000-to-\$300,000 price range and among homes selling for more

than \$500,000; sales in these price ranges each accounted for approximately 20 percent of sales activity. The East of Sammamish Lake and Kent submarkets recorded the greatest increases in sales during the 12 months ending June 2013, rising 18 and 17 percent, respectively (Northwest Multiple Listing Service [NWMLS]). The average sales price of nondistressed homes in East of Sammamish Lake increased 21 percent, to \$489,000, and in Kent increased 21 percent, to \$244,000.

The number of REO (Real Estate Owned) properties sold decreased 39 percent, to 4,050 homes, and the average sales price of an REO property increased 11 percent, to \$274,600, during the 12-month period ending June 2013 (Hanley Wood, LLC). REO sales accounted for 13 percent of existing home sales during the same period compared with 28 percent of existing home sales a year ago. One reason for the decline in REO sales was the increase in short-sale activity during this period, reducing the number of properties that entered the REO inventory. More homeowners were able to sell their properties as short sales, because lenders determined that short sales were an economically viable alternative to the lengthy foreclosure process. During the 12 months ending May 2013, 5,625 short sales closed, a 42-percent increase from the previous year, and the average sales price of a short-sale transaction declined 8 percent, to \$246,900 (CoreLogic, Inc.).

The inventory of homes for sale as of June 2013 was 7,300, a 2-month supply at the current pace of sales activity compared with the inventory of 8,850 homes, a 3-month supply, a year ago (NWMLS data). The inventory of unsold homes was at its lowest level since 2000, partly because homeowners

Figure 7. Single-Family Homes Permitted in the Seattle HMA,* 2000 to 2013



*Seattle-Bellevue-Everett HMA.

Notes: Includes townhomes. Includes data through June 2013.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

had not been motivated to sell in a housing market in which home sales prices had decreased 25 percent since 2007. In addition, in May 2013, approximately 14 percent of mortgage holders were in a negative equity position and were not willing to place their homes on the market unless they offered their property as a short sale (CoreLogic, Inc.).

Existing condominium sales increased 30 percent, to 7,875 homes sold, and the average sales price increased 6 percent, to \$255,325, compared with the increase in sales of 36 percent and the decline in sales price of 2 percent recorded during the previous year (Hanley Wood, LLC). By contrast, partly because of a decrease in construction activity, the number of new condominiums sold decreased 30 percent, to 525, compared with a decline of 38 percent a year ago. The average new condominium sales price increased 29 percent, to \$548,200, during the 12-month period ending June 2013 compared with the increase of 7 percent during the previous year. The inventory of new and existing condominiums for sale was 1,320 homes, a 23-percent decline from year ago.

Local realtors reported that, because of the diminishing availability of desirable properties, multiple offers resulting in a sales price that exceeded the listing price were common not only for condominiums but for single-family properties as well.

Condominium developments where sales activity was greatest during the 12-month period ending June 2013 were the Bellevue Towers and Burien Town Square, with sales of 137 and 26 homes, respectively. As of June 2013, Bellevue Towers, a 539-unit project in Bellevue, listed an 888-square-foot, one-bedroom condominium unit for \$425,000 and a two-bedroom, two-bathroom condominium for \$933,000. As of July 2013, 90 percent of the condominiums at Bellevue Towers had sold. Completed in 2009, the Burien Town Square condominiums in Burien listed at \$160,950 for a 539-square-foot, one-bedroom, one-bathroom condominium and \$335,000 for a 1,049-square-foot, two-bedroom, two-bathroom condominium.

During the 3-year forecast period, demand is expected for 26,500 homes in the Seattle HMA, increasing from 9,000 homes during the first year to 11,800 homes during the third year. The 2,425 homes under construction will likely satisfy a portion of demand during the first year (Table 1). Table 4 shows the estimated demand for new market-rate sales housing by price range during the forecast period. Some of the estimated 30,300 other vacant units in the HMA could become available for sale, satisfying part of the demand during the forecast period. As shown in Table 4, demand is expected to be greatest in the \$250,000-to-\$349,999 price range.

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Seattle HMA,* July 1, 2013, to July 1, 2016

Price Range (\$)		Units of Demand	Percent of Total
From	To		
150,000	249,999	2,375	9.0
250,000	349,999	9,475	36.0
350,000	449,999	5,525	21.0
450,000	549,999	3,425	13.0
550,000	649,999	1,575	6.0
650,000	749,999	1,050	4.0
750,000	849,999	530	2.0
850,000	and higher	2,375	9.0

*Seattle-Bellevue-Everett HMA.

Notes: Numbers may not add to totals because of rounding. The 2,425 homes currently under construction and a portion of the estimated 30,300 other vacant units in the submarket will likely satisfy some of the forecast demand.

Source: Estimates by analyst

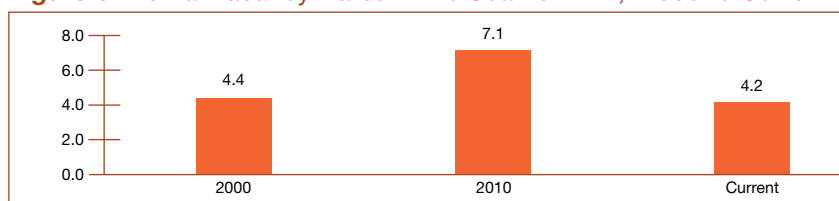
Rental Market

The rental housing market in the Seattle HMA is tight, with the estimated rental vacancy rate at 4.2 percent as of July 2013 compared with the vacancy rate of 7.1 percent in 2010 (Figure 8). The apartment vacancy rate averaged 4.4 percent during the second quarter of 2013 compared with 4.8 percent recorded a year ago (Real Data, Inc.). Apartment vacancy rates were lowest in the Capitol Hill, North Seattle, South Central, and Tukwila submarkets, all of which averaged vacancy rates of less than 3 percent during the second quarter of 2013 (Real Data, Inc.). Apartment vacancy rates were highest in the Eastside North and Eastside South submarkets in King County, at 7.5 and 6.2 percent, respectively. The average vacancy rate in the Seattle North Central submarket is typically below the average rate for the HMA, partly because of the presence of the University of Washington. On-campus housing accommodates approximately 6,000 students, and a new residence hall with 650 beds is scheduled to open in September 2013. Students renting off campus locate primarily in the University District neighborhood, which is approximately 3 miles north of downtown Seattle. The effect of nearly 166,500 students on the HMA rental housing market is confined to areas close to the HMA's three major campuses—Seattle University, Seattle Pacific University, and the University of Washington.

The average apartment rent in the HMA during the second quarter of 2013 was \$1,190, a 6-percent increase from a year ago (Real Data, Inc.). Average rents by unit type were approximately \$980 for a studio unit; \$1,050 for a one-bedroom unit; \$1,120 for a two-bedroom, one-bathroom unit; \$1,375 for a two-bedroom, two-or-more-bathroom unit; \$1,140 for a three-bedroom, one-bathroom unit; and \$1,525 for a three-bedroom, two-or-more-bathroom unit. The submarkets with the highest average rents in the HMA were Bellevue, at \$1,800, and Downtown Seattle, at \$1,700 (Real Data, Inc.). The submarkets with the lowest average rents were Sea-Tac and Des Moines, each with an average rent of approximately \$860. Rental concessions averaged \$14 a month during the second quarter of 2013 in the Seattle HMA, with 23 percent of properties offering concessions compared with 30 percent offering concessions a year ago.

Nearly 3,150 rental units were absorbed during 2012 and rents increased nearly 6 percent, as developers more than doubled the number of units produced compared with the number built in 2011. Another 2,725 units in projects of 50 or more units were absorbed during the first 6 months of 2013 (Real Data, Inc.). Multifamily construction activity, as measured by the number of units permitted, increased 42 percent, to 7,925 units permitted, during the 12 months ending June 2013 compared with 5,600 units permitted the previous year (preliminary data; Figure 9). During the peak years of 2006 through 2008, multifamily construction activity averaged 9,100 units a year, but nearly 33 percent of those units were condominiums, whereas only 625 units, or 7 percent, of the multifamily units

Figure 8. Rental Vacancy Rates in the Seattle HMA,* 2000 to Current



*Seattle-Bellevue-Everett HMA.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

permitted during the 12-month period ending June 2013 were for condominiums.

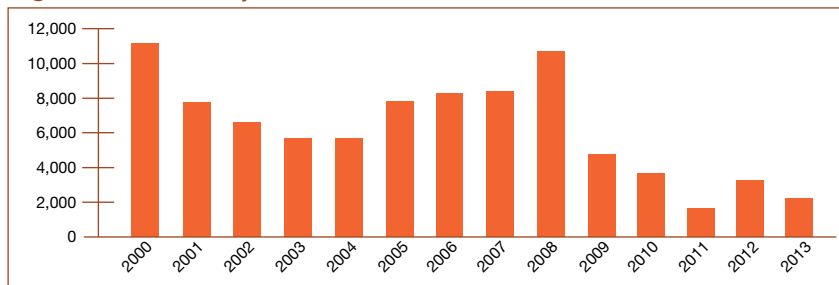
As of March 2013, 13,125 apartments were under construction in projects with 20 or more units (Dupre+Scott Apartment Development Report). Construction is most active in the Belltown/Downtown/South Lake Union submarket, where 3,400 units are in development. The largest apartment complex under construction is the 386-unit 815 Pine development that will have 40 stories. 815 Pine is scheduled for completion in April 2015 with early occupancy starting in November 2014. Stadium Place West and South Towers are also under construction near the major transit hub for the Seattle-Tacoma-Bellevue metropolitan area, Safeco Field (home to Major League Baseball's Seattle Mariners), and Century Link Field (home to the

National Football League's Seattle Seahawks). The West Tower, with 10 stories and 107 units, is scheduled to open in October 2013. The South Tower, with 25 stories and 311 units, is scheduled to open in April 2014.

The Ballard and University District neighborhoods, about 20 minutes from downtown Seattle, is the second most active area in the HMA, where nine projects with 1,425 units are under construction. Several of these projects comprise between 250 and 300 units, the largest of which is AMLI Ballard, with 305 apartments in the Ballard submarket. The project will consist of studio, one-bedroom, and two-bedroom apartments and 7 live/work units. Construction is expected to be complete in April 2014. The 283-unit Ava University District Apartments will have studio, one-bedroom, and two-bedroom apartments, along with 8 live/work units. Completion is scheduled for September 2013.

During the 3-year forecast period, demand is estimated for 19,500 new rental units. The 13,500 units under construction will meet a portion of estimated demand during the first 2 years of the forecast period (Table 1). Table 5 displays the estimated demand for new market-rate rental units during the forecast period by rent and number of bedrooms.

Figure 9. Multifamily Units Permitted in the Seattle HMA,* 2000 to 2013



*Seattle-Bellevue-Everett HMA.

Notes: Excludes townhomes. Includes data through June 2013.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Seattle HMA,* July 1, 2013, to July 1, 2016

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
500 to 699	130	925 to 1,124	1,750	1,350 to 1,549	1,175	2,050 to 2,149	10
700 to 899	550	1,125 to 1,324	1,550	1,550 to 1,749	880	2,150 to 2,249	90
900 to 1,099	1,000	1,325 to 1,524	3,125	1,750 to 1,949	630	2,250 to 2,349	110
1,100 to 1,299	650	1,525 to 1,724	1,475	1,950 to 2,149	1,000	2,350 to 2,449	60
1,300 to 1,499	600	1,725 to 1,924	780	2,150 to 2,349	1,000	2,450 to 2,549	35
1,500 or more	190	1,925 or more	1,075	2,350 or more	1,550	2,550 or more	85
Total	3,125	Total	9,750	Total	6,225	Total	390

*Seattle-Bellevue-Everett HMA.

Notes: Numbers may not add to totals because of rounding. The 13,500 units currently under construction will satisfy some of the estimated demand.

Source: Estimates by analyst

Data Profile

Table DP-1. Seattle HMA* Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	1,253,017	1,356,923	1,425,000	0.8	2.0
Unemployment rate	4.2%	9.5%	6.0%		
Nonfarm payroll jobs	1,404,000	1,378,400	1,461,000	- 0.2	2.4
Total population	2,343,034	2,644,584	2,729,000	1.2	1.0
Total households	935,768	1,057,557	1,098,000	1.2	1.2
Owner households	577,818	646,477	665,800	1.1	0.9
Percent owner	61.7%	61.1%	60.6%		
Renter households	357,950	411,080	432,200	1.4	1.6
Percent renter	38.3%	38.9%	39.4%		
Total housing units	978,442	1,137,920	1,163,000	1.5	0.7
Owner vacancy rate	1.3%	2.6%	2.2%		
Rental vacancy rate	4.4%	7.1%	4.2%		
Median Family Income	\$64,600	\$84,300	\$86,800	2.7	1.5

*Seattle-Bellevue-Everett HMA.

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through June 2013. Median Family Incomes are for 1999, 2009, and 2011.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
2010: 4/1/2010—U.S. Decennial Census
Current date: 7/1/2013—Analyst’s estimates
Forecast period: 7/1/2013–7/1/2016—Analyst’s estimates

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.

Other Vacant Units: In the U.S. Department of Housing and Urban Development’s (HUD’s) analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as “other” vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. 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.

For additional data pertaining to the housing market for this HMA, go to www.huduser.org/publications/pdf/CMARtables_Seattle-Bellevue-EverettWA_13.pdf.

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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.

The factual framework for this analysis follows the guidelines and methods developed by HUD’s Economic and Market Analysis Division. 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.

For additional reports on other market areas, please go to www.huduser.org/publications/econdev/mkt_analysis.html.