

Housing Affordability in Pierce County

MAYORS' ROUNDTABLE

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Pierce County housing market snapshot



June 15, 2017

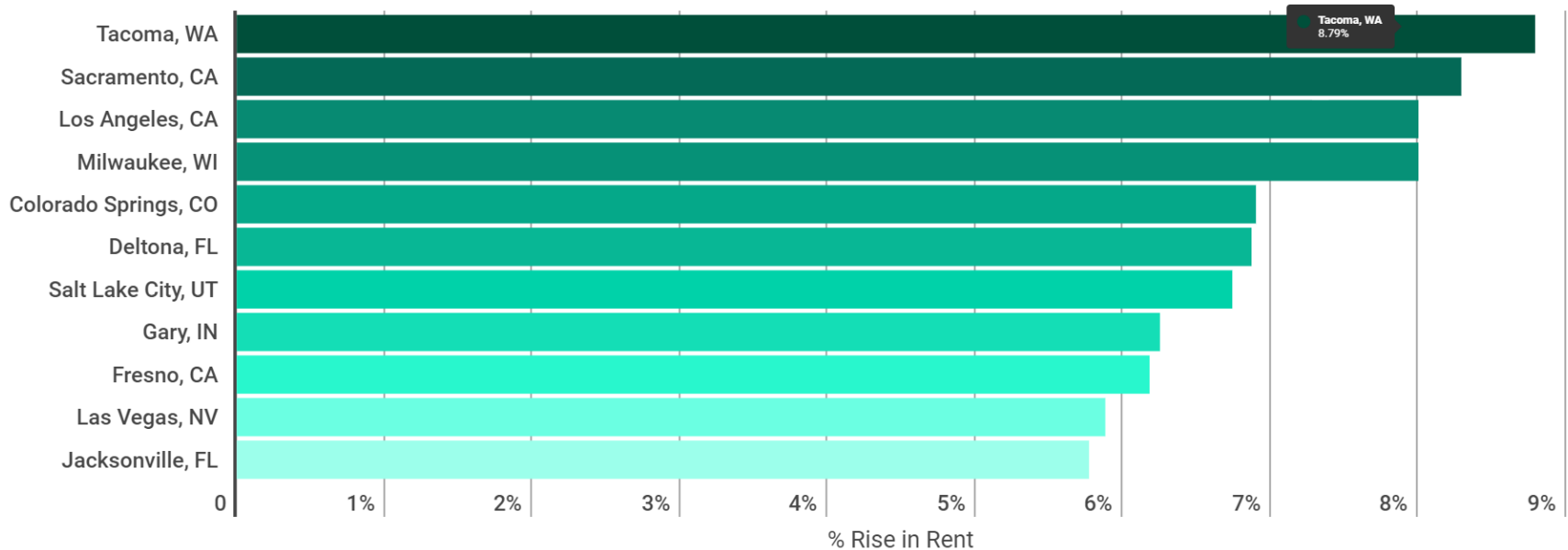
We're growing faster than King County — and our rents prove it

Oct 1, 2018

Tacoma's median rent for a two-bedroom apartment matches D.C.'s

Pierce County housing market snapshot

Biggest Median Rent Increases in 2017

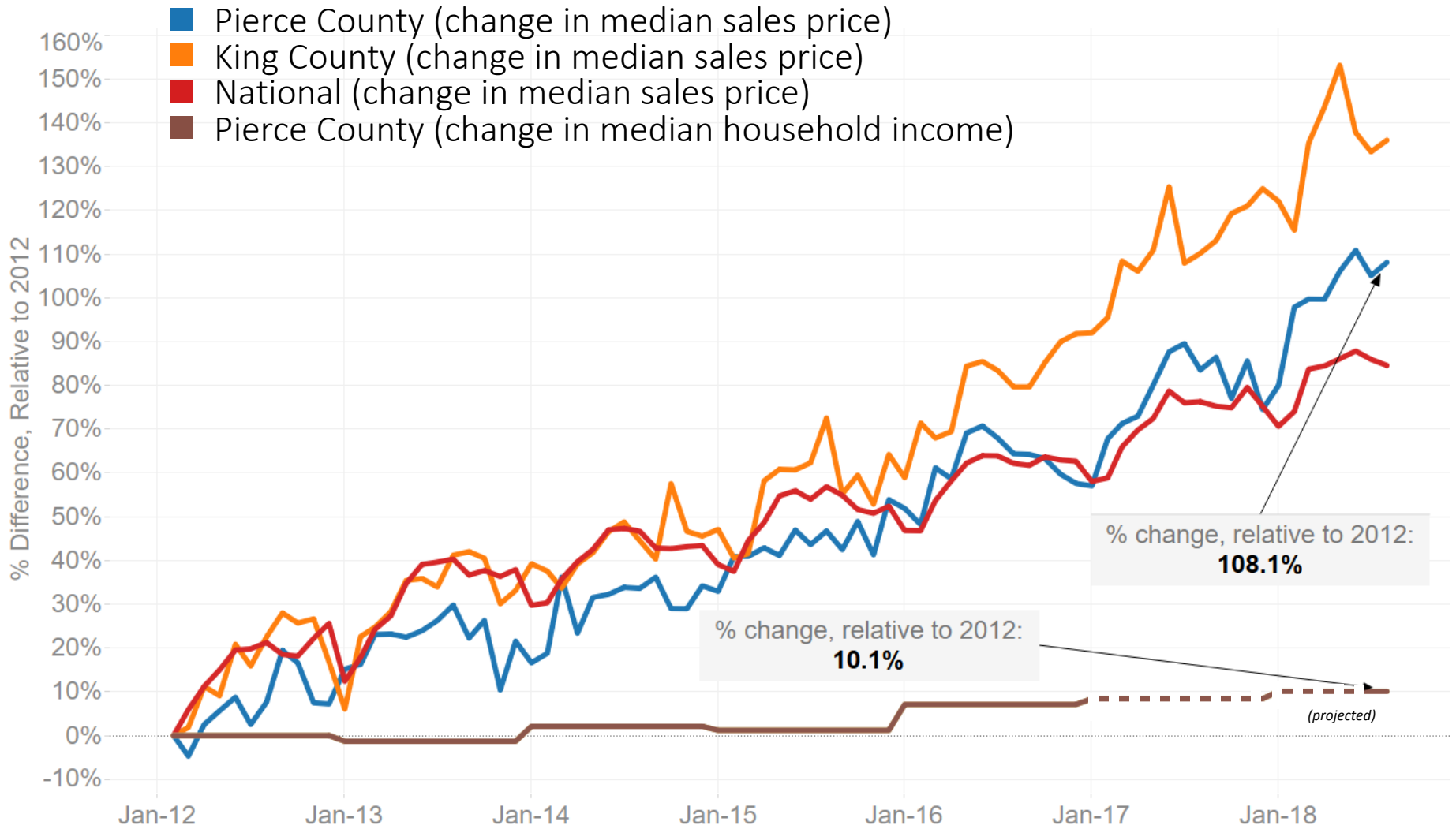


What is "affordable?"

Ask: How much of income goes towards housing costs? (PITI/rent + utilities)

- i. Government Standards (HUD)
 - a. >30% is unaffordable (cost-burdened)
 - b. >50% = severely cost-burdened
- ii. National Association of Realtors: >25% is unaffordable

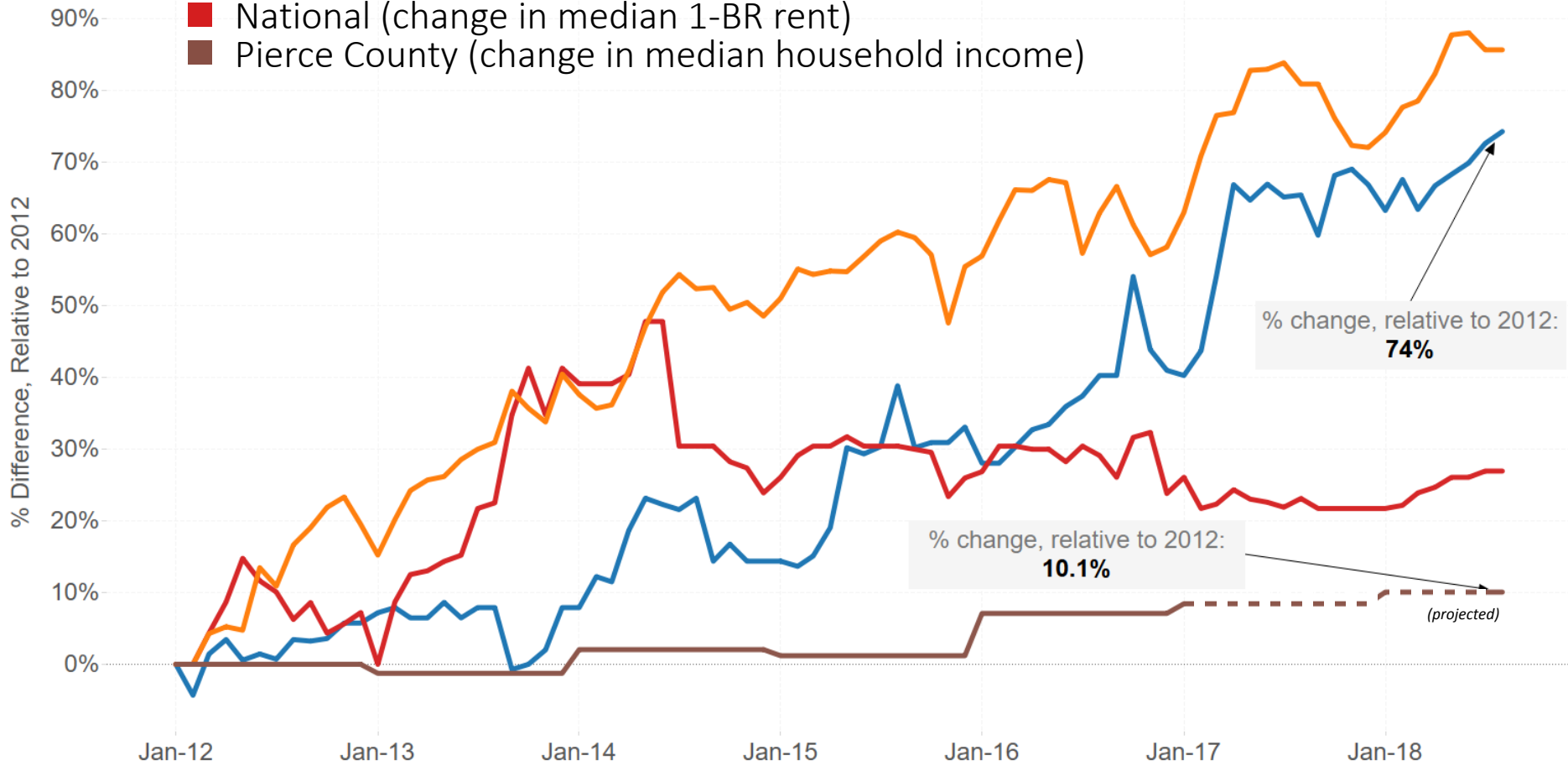
Housing prices outpace income changes...



SOURCE: REDFIN, U.S. CENSUS

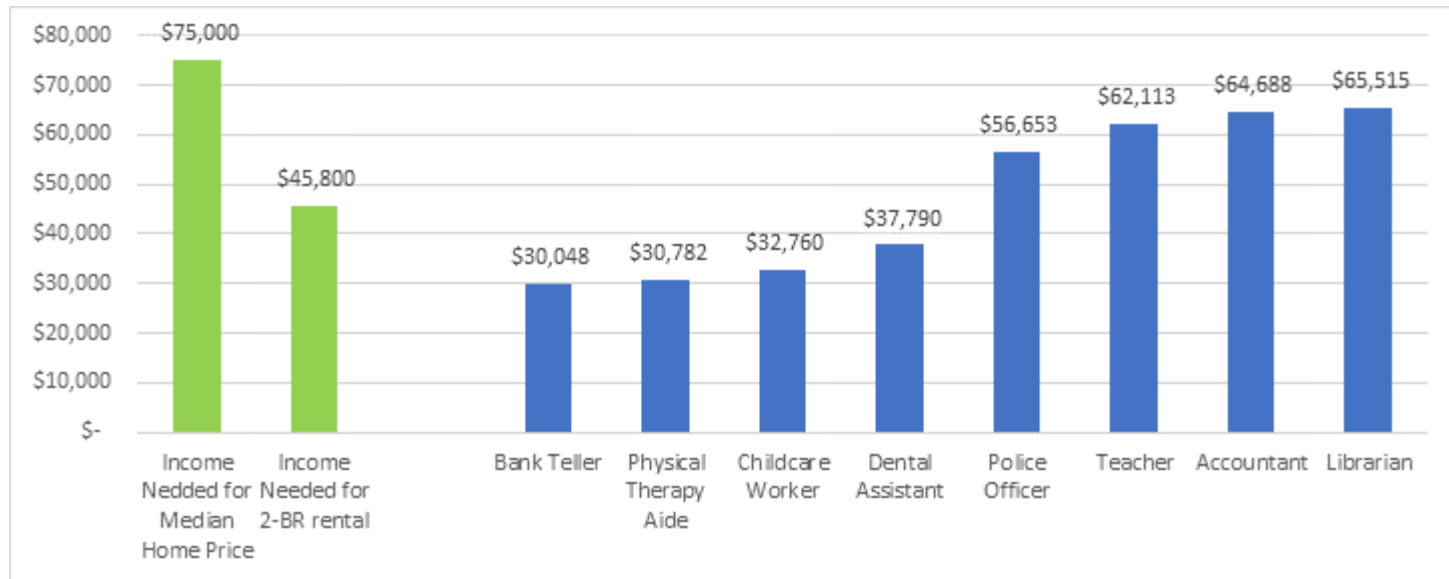
...and so do rental prices

- Pierce County (change in median 1-BR rent)
- King County (change in median 1-BR rent)
- National (change in median 1-BR rent)
- Pierce County (change in median household income)



SOURCE: ZILLOW, U.S. CENSUS

Local affordability indicators



\$1,145 → **\$22.02** → **1.9**

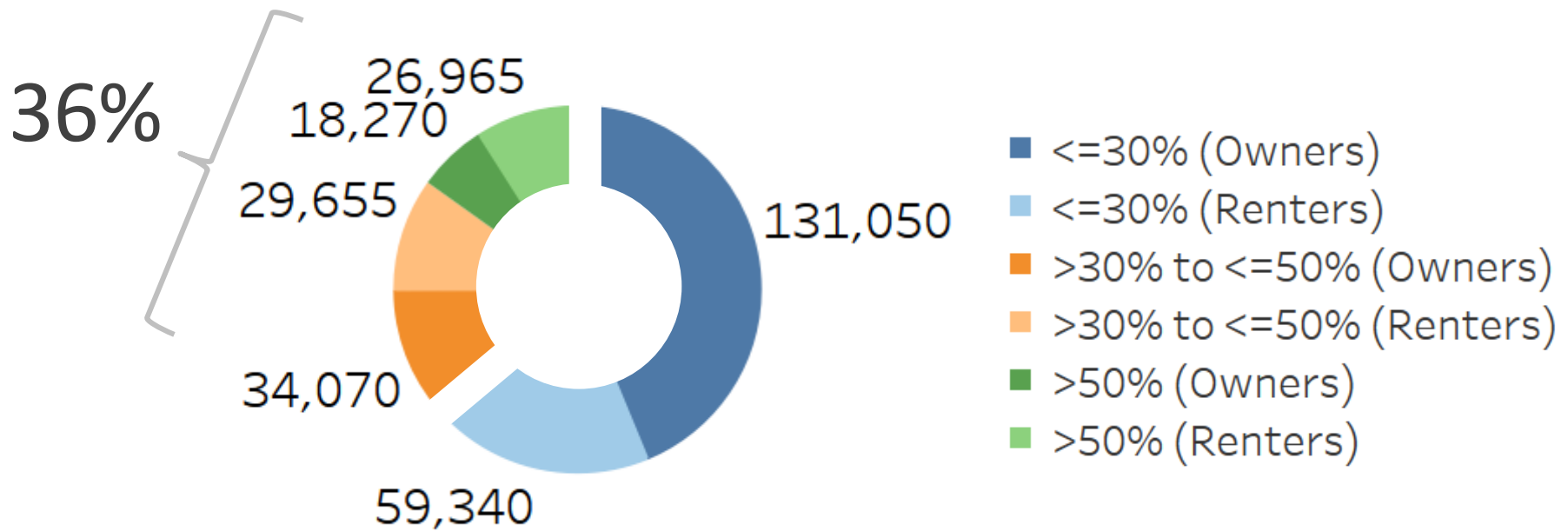
Fair Market Rate, 2-BR apartment, Pierce County

Hourly wage necessary to afford apartment

Minimum wage jobs needed to afford apartment

SOURCES: NATIONAL PAYCHECK TO PAYCHECK DATABASE 2017, HUD FY2017 INCOME LIMITS AND FAIR MARKET RENT DOCUMENTATION SYSTEM

Cost-burdened households in Pierce County

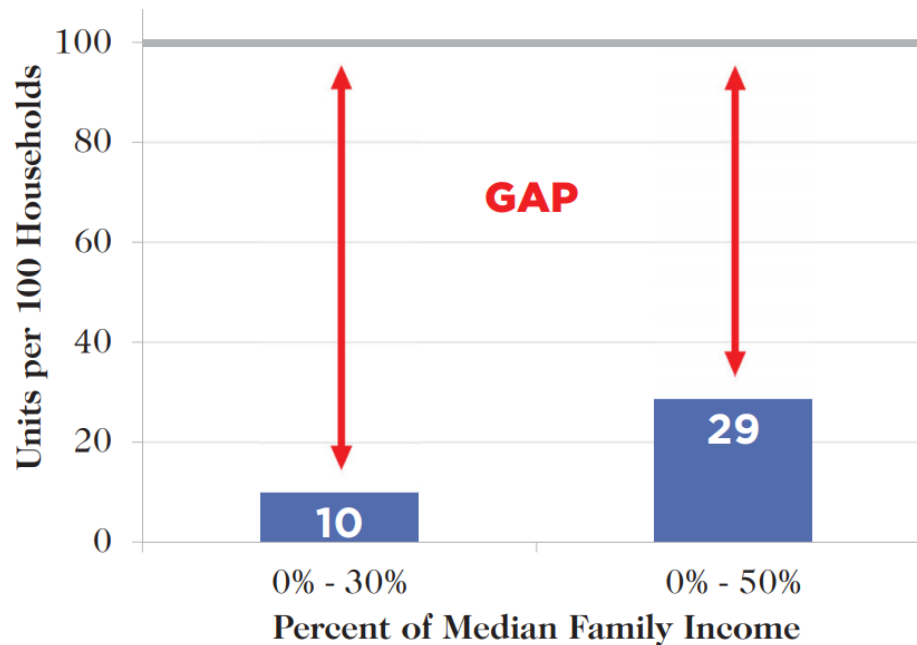


SOURCE: CHAS

Is affordable housing available in Pierce County?

Affordable Housing Gap

Affordable and Available Housing Units for Every 100 Households



SOURCE: WASHINGTON STATE DEPARTMENT OF COMMERCE

Housing unaffordability impacts



Homelessness

- The most frequently cited reasons for homelessness in the County are affordability-related
- For every \$100-increase in rent in a region, researchers estimate a corresponding 15-percent increase in the rate of homelessness.



Transportation

- Lower-wage workers must commute further to jobs, resulting in lost productivity time.
- While access to public transit is one of the strongest predictors of economic mobility, proximity to transit is predictive of unaffordability.

SOURCES: BYRNE ET AL. 2013, CHETTY AND HENDREN 2016, XU 2015, HIGGINS AND KANAROGLOU 2016

Housing unaffordability impacts



Vibrant Communities

- Small businesses thrive when customers have disposable income.
- New housing development and home rehabilitation create new opportunities for careers in construction.



Health and Education

- Health and educational attainment are also rooted in affordability. High school and college graduation rates are approximately 10 percentage points higher for higher income people in Pierce County versus lower earners.
- Across the County, life expectancy varies by almost 40 years—and the variance correlates strongly with income and affordability indicators.



SOURCES: TACOMA/PIERCE COUNTY HEALTH DEPARTMENT, OPPORTUNITY ATLAS

Thank you!
Q&A