



WASHINGTON'S HOUSING ATTAINABILITY CRISIS

How the Housing Shortage Impacts a Family's Ability to Purchase a Home in Each County

Who We Are

The Building Industry Association of Washington is the voice of the housing industry in the state of Washington.

The association is dedicated to ensuring and enhancing the vitality of the building industry for the benefit of its members and the housing needs of the citizens.

To accomplish this purpose, the association's primary focus is to educate, influence and affect the legislative, regulatory, judicial and executive agencies of Washington's government.

BIAW offers its membership those services which can best be provided on a statewide basis and disseminates information concerning the building industry to all members and the public.

■ Contents

Background	4	Kittitas	13
Executive Summary	4	Klickitat	13
Washington State Data	5	Lewis	13
Methodology	6	Lincoln	14
Limitations	6	Mason	14
County Data		Okanogan	14
Adams	7	Pacific	15
Asotin	7	Pend Oreille	15
Benton	7	Pierce	15
Chelan	8	San Juan	16
Clallam	8	Skagit	16
Clark	8	Skamania	16
Columbia	9	Snohomish	17
Cowlitz	9	Spokane	17
Douglas	9	Stevens	17
Ferry	10	Thurston	18
Franklin	10	Whakiakum	18
Garfield	10	Walla Walla	18
Grant	11	Whatcom	19
Grays Harbor	11	Whitman	19
Island	11	Yakima	19
Jefferson	12		
King	12		
Kitsap	12		

■ Background

The state is experiencing a housing attainability crisis. We've begun using the term attainable because the term affordable has become synonymous with government subsidized housing. While it's an important piece of the housing market for various reasons, we prefer to focus on housing that families can own, also referred to as "market-rate" housing. The term attainable, as defined by the Merriam-Webster dictionary: "capable of being done or carried out" and "possible to get." Unfortunately, as the key findings above illustrate, Washington is moving further away from homeownership attainability for a majority of the population.

If the supplemental budget passed in the 2022 Legislative Session is any indication, current leadership thinks the solution to the state's housing crisis is to pump more money into the Housing Trust Fund to build more government-subsidized units that will never be owned by the majority of Washington's families. This not only drastically reduces opportunities for families to increase household equity and establish intergenerational wealth, it also limits generational mobility. Further, it prevents traditionally marginalized communities from ever breaking the perpetual cycle of poverty.

Various policy solutions exist to combat our housing attainability crisis and increase homeownership opportunities for all Washingtonians. BIAW hopes policymakers will explore the myriad of policy options with us as they consider any and all laws and regulations. Our members truly want to invest in their communities and build homes for families. We need our government leaders help to achieve a more balanced housing market.

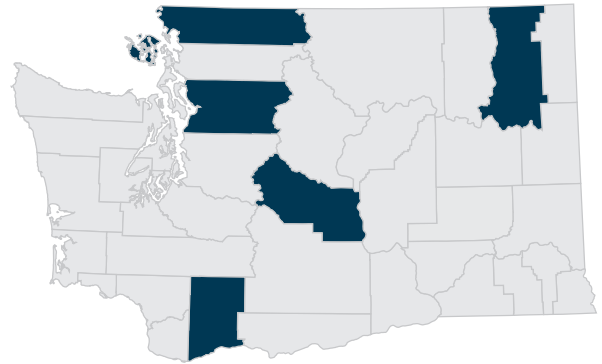
■ Executive Summary

BIAW's national counterpart, the National Association of Home Builders (NAHB) produces an annual priced-out report for new homes. NAHB's report focuses primarily on major market and submarkets. To help state and local policy makers better assess the depth of the problem across the new and existing housing market, BIAW compiled a report that captured the same information on a localized level and included the average of all home sales—new and existing.

We utilized NAHB's methodology to identify what percentage of households in each county could afford a mortgage at the current median home sales price in each county. Secondly, we calculated the number of households that would be priced-out for each additional \$1,000 that is added onto the price of a home.

Key findings:

- Only 15% of Washington households can afford to purchase a median-priced home. That means 85% cannot afford to purchase a home.
- All 39 counties in Washington have more than 50% of households that cannot afford a median priced home in their county.
- 27 of the 39 counties have more than 80% of households that cannot afford the median priced home.
- While King County boasts the highest overall median home prices, the counties least able to afford homes include: **Kittitas, San Juan, Skamania, Snohomish, Stevens** and **Whatcom**. In all of these counties, more than 90% of households cannot afford to purchase a home in their county.



Washington State Data



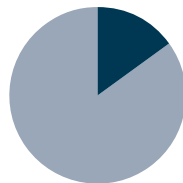
WASHINGTON

4,068

Median Home Sales Price **\$643,400**

Income Needed to Qualify **\$171,890**

Median Household Income **\$77,006**



■ **15%** of households **can afford** to purchase a median priced home under current market conditions

■ **85%** of households **cannot afford** to purchase a median priced home under current market conditions

Number of Households priced-out of Homeownership with Each Additional \$1,000 Added to Sales Price

Methodology

To replicating NAHB's study, BIAW gathered much of the same data for use in computations. Where the BIAW study differs is the usage of the 30-year Federal Housing Administration (FHA) mortgage loan product, rather than a 30-year conventional loan product. BIAW's reasoning is that this loan product is easier to qualify for since the barriers to entry into homeownership do not include a 20% down payment and allows for approval with lower credit scores.

BIAW used the FHA's minimum requirement of a 3% down payment (which then includes private mortgage insurance – PMI – to offset risk of the lender). Assumptions in calculating affordability of mortgages based off median sales price include: borrower holds \$0.00 in debt, has a 700-719 credit score, qualifies for a 5.35% interest rate (as of April 20, 2022), and purchases a property without a Home Owners' Association fee. According to Smart Asset, the average property tax in Washington was \$2,325. This is an average and can result in a much lower or much higher tax depending on the county in which the home is located. Similarly, Bankrate provided an average home owner's insurance rate of \$863. Like property taxes, insurance can vary widely on the condition and location of the home. Because many variables are in play, we elected to use the averages of both figures to simply this study.

All other data points listed within this study were gathered from the U.S. Census Bureau, with the exception of current median home sales prices (retrieved from Redfin on April 20, 2022). Calculations for determining required income to purchase the media-priced home for each area were completed in the Mortgage Loan 'Mortgage Required Income Calculator.' This was done solely for the ability to change property tax and homeowner's insurance values, as well as an automatically generated PMI estimate.

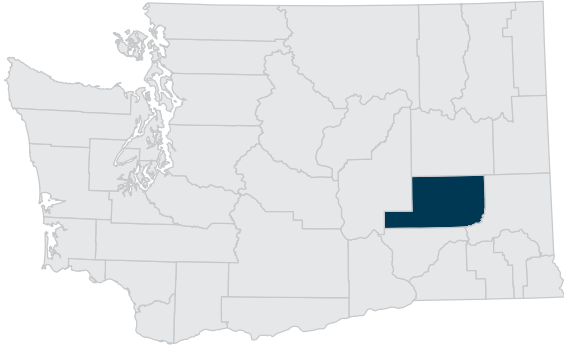
Lastly, to calculate 'priced-out' figures, we utilized the methodology developed by NAHB. They utilize the income distribution tables from the U.S. Census Bureau to identify the percentage of households that can afford to purchase a median priced home. Using the same data tables, we can assess how many households are priced-out for each additional \$1,000 added to the price of a home.

Limitations

Limitations to our findings include the following:

- Interest rates continue to rise each day, and it's anticipated that the Federal Reserve will increase interest rates further as 2022 progresses. This reduces the buying power of potential home buyers because as rates rise, higher priced homes will fall out of reach for many buyers.
- We pulled the data to run computations on April 20, 2022. If home appreciation continues to rise at historical levels, the housing attainability crisis will continue to get worse.
- Property taxes and insurance rates used in computations were averages. That means for any given county, attainability of homeownership could be worse or better based on the county's property tax rate and the area's insurance rate.

County Data



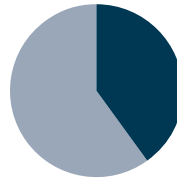
ADAMS COUNTY

20

Median Home Sales Price **\$245,000**

Income Needed to Qualify **\$72,504**

Median Household Income **\$51,601**



- 40% of households can afford to purchase a median priced home under current market conditions
- 60% of households cannot afford to purchase a median priced home under current market conditions



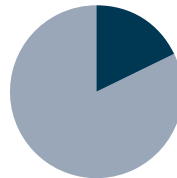
ASOTIN COUNTY

24

Median Home Sales Price **\$340,750**

Income Needed to Qualify **\$96,390**

Median Household Income **\$53,941**



- 18% of households can afford to purchase a median priced home under current market conditions
- 82% of households cannot afford to purchase a median priced home under current market conditions



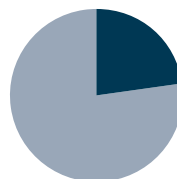
BENTON COUNTY

151

Median Home Sales Price **\$429,000**

Income Needed to Qualify **\$118,405**

Median Household Income **\$72,046**



- 23% of households can afford to purchase a median priced home under current market conditions
- 77% of households cannot afford to purchase a median priced home under current market conditions



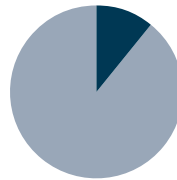
CHELAN COUNTY

51

Median Home Sales Price **\$519,500**

Income Needed to Qualify **\$140,981**

Median Household Income **\$61,304**



11% of households can afford to purchase a median priced home under current market conditions

89% of households cannot afford to purchase a median priced home under current market conditions



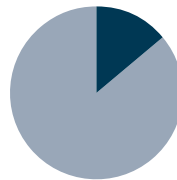
CLALLAM COUNTY

69

Median Home Sales Price **\$427,500**

Income Needed to Qualify **\$118,031**

Median Household Income **\$55,090**



14% of households can afford to purchase a median priced home under current market conditions

86% of households cannot afford to purchase a median priced home under current market conditions



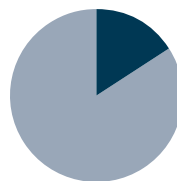
CLARK COUNTY

314

Median Home Sales Price **\$525,000**

Income Needed to Qualify **\$142,353**

Median Household Income **\$77,184**



16% of households can afford to purchase a median priced home under current market conditions

84% of households cannot afford to purchase a median priced home under current market conditions

Number of Households priced-out of Homeownership with Each Additional \$1,000 Added to Sales Price



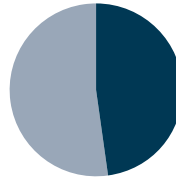
COLUMBIA COUNTY

 7

Median Home Sales Price **\$227,000**

Income Needed to Qualify **\$68,014**

Median Household Income **\$61,779**



- 48% of households can afford to purchase a median priced home under current market conditions
- 52% of households cannot afford to purchase a median priced home under current market conditions



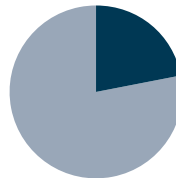
COWLITZ COUNTY

 101

Median Home Sales Price **\$370,000**

Income Needed to Qualify **\$103,687**

Median Household Income **\$58,791**



- 22% of households can afford to purchase a median priced home under current market conditions
- 78% of households cannot afford to purchase a median priced home under current market conditions



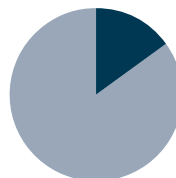
DOUGLAS COUNTY

 27


Median Home Sales Price **\$501,500**

Income Needed to Qualify **\$136,491**

Median Household Income **\$65,730**



- 15% of households can afford to purchase a median priced home under current market conditions
- 85% of households cannot afford to purchase a median priced home under current market conditions

 Number of Households priced-out of Homeownership with Each Additional \$1,000 Added to Sales Price



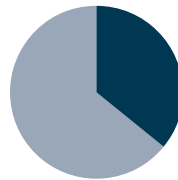
FERRY COUNTY

12

Median Home Sales Price **\$218,000**

Income Needed to Qualify **\$65,768**

Median Household Income **\$41,685**



36% of households can afford to purchase a median priced home under current market conditions

64% of households cannot afford to purchase a median priced home under current market conditions



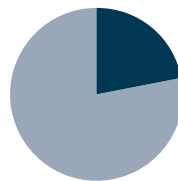
FRANKLIN COUNTY

56

Median Home Sales Price **\$420,000**

Income Needed to Qualify **\$116,160**

Median Household Income **\$66,904**



22% of households can afford to purchase a median priced home under current market conditions

78% of households cannot afford to purchase a median priced home under current market conditions



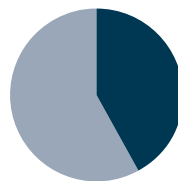
GARFIELD COUNTY

4

Median Home Sales Price **\$216,000**

Income Needed to Qualify **\$65,270**

Median Household Income **\$56,923**



42% of households can afford to purchase a median priced home under current market conditions

58% of households cannot afford to purchase a median priced home under current market conditions

Number of Households priced-out of Homeownership with Each Additional \$1,000 Added to Sales Price



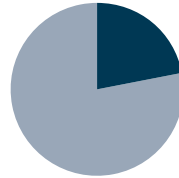
GRANT COUNTY

 80

Median Home Sales Price **\$343,800**

Income Needed to Qualify **\$97,151**

Median Household Income **\$59,165**



- 22% of households can afford to purchase a median priced home under current market conditions
- 78% of households cannot afford to purchase a median priced home under current market conditions



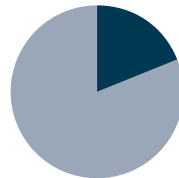
GRAYS HARBOR COUNTY

 72

Median Home Sales Price **\$359,000**

Income Needed to Qualify **\$100,943**

Median Household Income **\$50,665**



- 19% of households can afford to purchase a median priced home under current market conditions
- 81% of households cannot afford to purchase a median priced home under current market conditions



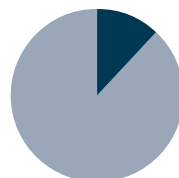
ISLAND COUNTY

 56


Median Home Sales Price **\$597,200**

Income Needed to Qualify **\$160,364**

Median Household Income **\$70,765**



- 12% of households can afford to purchase a median priced home under current market conditions
- 88% of households cannot afford to purchase a median priced home under current market conditions

 Number of Households priced-out of Homeownership with Each Additional \$1,000 Added to Sales Price



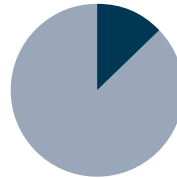
JEFFERSON COUNTY

 26

Median Home Sales Price **\$522,500**

Income Needed to Qualify **\$141,730**

Median Household Income **\$57,693**



13% of households can afford to purchase a median priced home under current market conditions

87% of households cannot afford to purchase a median priced home under current market conditions



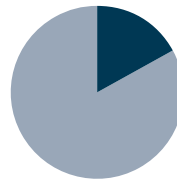
KING COUNTY

 970

Median Home Sales Price **\$846,700**

Income Needed to Qualify **\$222,605**

Median Household Income **\$99,158**



17% of households can afford to purchase a median priced home under current market conditions

83% of households cannot afford to purchase a median priced home under current market conditions



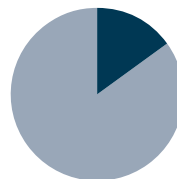
KITSAP COUNTY

 187

Median Home Sales Price **\$525,000**


Income Needed to Qualify **\$142,353**

Median Household Income **\$78,969**



15% of households can afford to purchase a median priced home under current market conditions

85% of households cannot afford to purchase a median priced home under current market conditions

 Number of Households priced-out of Homeownership with Each Additional \$1,000 Added to Sales Price



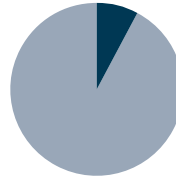
KITTITAS COUNTY

 **28**

Median Home Sales Price **\$600,000**

Income Needed to Qualify **\$161,063**

Median Household Income **\$59,703**



- 8%** of households can afford to purchase a median priced home under current market conditions
- 92%** of households cannot afford to purchase a median priced home under current market conditions



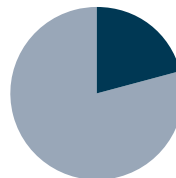
KLICKITAT COUNTY

 **25**

Median Home Sales Price **\$316,500**

Income Needed to Qualify **\$90,340**

Median Household Income **\$56,667**



- 21%** of households can afford to purchase a median priced home under current market conditions
- 79%** of households cannot afford to purchase a median priced home under current market conditions



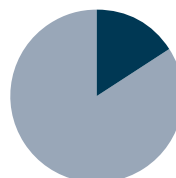
LEWIS COUNTY

 **189**


Median Home Sales Price **\$396,500**

Income Needed to Qualify **\$110,297**

Median Household Income **\$54,970**



- 16%** of households can afford to purchase a median priced home under current market conditions
- 84%** of households cannot afford to purchase a median priced home under current market conditions

 Number of Households priced-out of Homeownership with Each Additional \$1,000 Added to Sales Price



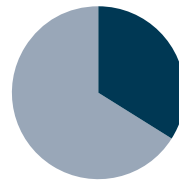
LINCOLN COUNTY

 15

Median Home Sales Price **\$253,825**

Income Needed to Qualify **\$74,705**

Median Household Income **\$58,584**



34% of households can afford to purchase a median priced home under current market conditions

66% of households cannot afford to purchase a median priced home under current market conditions



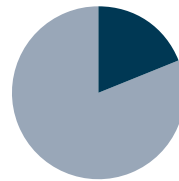
MASON COUNTY

 53

Median Home Sales Price **\$410,000**

Income Needed to Qualify **\$113,665**

Median Household Income **\$60,565**



19% of households can afford to purchase a median priced home under current market conditions

81% of households cannot afford to purchase a median priced home under current market conditions



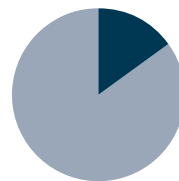
OKANOGAN COUNTY

 42

Median Home Sales Price **\$366,000**

Income Needed to Qualify **\$102,689**

Median Household Income **\$48,528**



15% of households can afford to purchase a median priced home under current market conditions

85% of households cannot afford to purchase a median priced home under current market conditions

 Number of Households priced-out of Homeownership with Each Additional \$1,000 Added to Sales Price



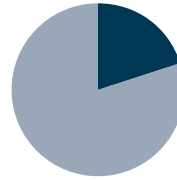
PACIFIC COUNTY

 25

Median Home Sales Price **\$327,000**

Income Needed to Qualify **\$92,960**

Median Household Income **\$50,873**



- 20% of households can afford to purchase a median priced home under current market conditions
- 80% of households cannot afford to purchase a median priced home under current market conditions



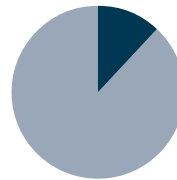
PEND OREILLE COUNTY

 12

Median Home Sales Price **\$437,000**

Income Needed to Qualify **\$120,401**

Median Household Income **\$55,021**



- 12% of households can afford to purchase a median priced home under current market conditions
- 88% of households cannot afford to purchase a median priced home under current market conditions



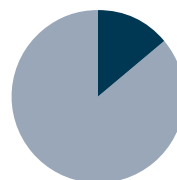
PIERCE COUNTY

 550

Median Home Sales Price **\$552,000**

Income Needed to Qualify **\$149,089**

Median Household Income **\$76,438**



- 14% of households can afford to purchase a median priced home under current market conditions
- 86% of households cannot afford to purchase a median priced home under current market conditions

 Number of Households priced-out of Homeownership with Each Additional \$1,000 Added to Sales Price



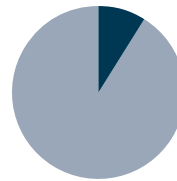
SAN JUAN COUNTY

 7

Median Home Sales Price **\$1,072,500**

Income Needed to Qualify **\$278,934**

Median Household Income **\$64,753**



■ 9% of households can afford to purchase a median priced home under current market conditions

■ 91% of households cannot afford to purchase a median priced home under current market conditions



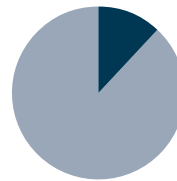
SKAGIT COUNTY

 82

Median Home Sales Price **\$540,000**

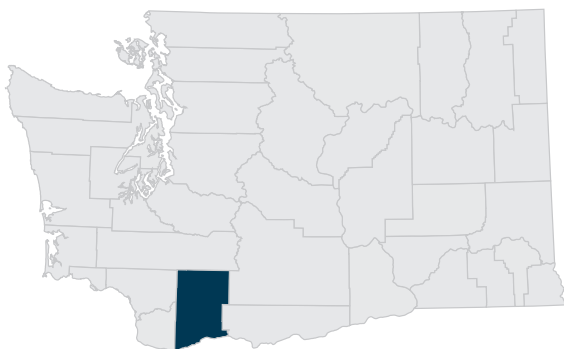
Income Needed to Qualify **\$146,095**

Median Household Income **\$71,021**



■ 12% of households can afford to purchase a median priced home under current market conditions

■ 88% of households cannot afford to purchase a median priced home under current market conditions



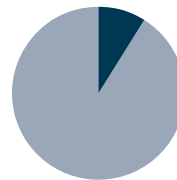
SKAMANIA COUNTY

 8

Median Home Sales Price **\$560,000**

Income Needed to Qualify **\$151,084**

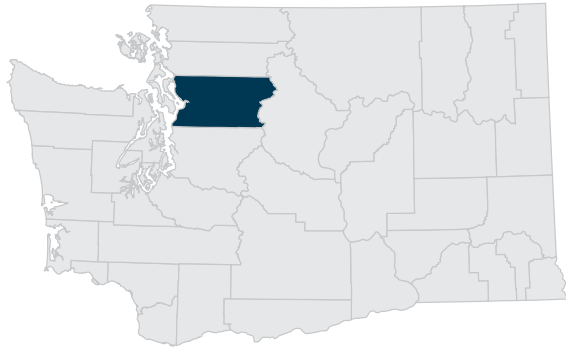
Median Household Income **\$69,296**



■ 9% of households can afford to purchase a median priced home under current market conditions

■ 91% of households cannot afford to purchase a median priced home under current market conditions

 Number of Households priced-out of Homeownership with Each Additional \$1,000 Added to Sales Price



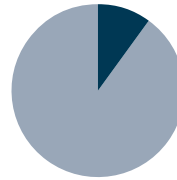
SNOHOMISH COUNTY

 **382**

Median Home Sales Price **\$752,000**

Income Needed to Qualify **\$198,981**

Median Household Income **\$89,273**



- 10%** of households can afford to purchase a median priced home under current market conditions
- 90%** of households cannot afford to purchase a median priced home under current market conditions



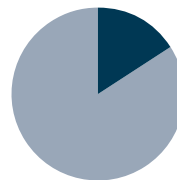
SPOKANE COUNTY

 **426**

Median Home Sales Price **\$436,500**

Income Needed to Qualify **\$120,276**

Median Household Income **\$60,101**



- 16%** of households can afford to purchase a median priced home under current market conditions
- 84%** of households cannot afford to purchase a median priced home under current market conditions



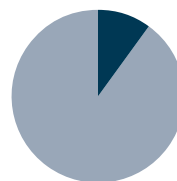
STEVENS COUNTY

 **32**

Median Home Sales Price **\$520,000**

Income Needed to Qualify **\$141,106**

Median Household Income **\$54,426**



- 10%** of households can afford to purchase a median priced home under current market conditions
- 90%** of households cannot afford to purchase a median priced home under current market conditions

 *Number of Households priced-out of Homeownership with Each Additional \$1,000 Added to Sales Price*



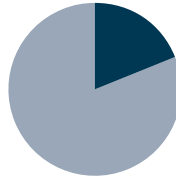
THURSTON COUNTY

 198

Median Home Sales Price **\$505,000**

Income Needed to Qualify **\$137,364**

Median Household Income **\$75,867**



- 19% of households can afford to purchase a median priced home under current market conditions
- 81% of households cannot afford to purchase a median priced home under current market conditions



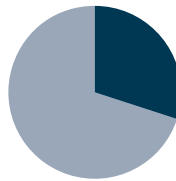
WAHKIAKUM COUNTY

 5

Median Home Sales Price **\$308,000**

Income Needed to Qualify **\$88,220**

Median Household Income **\$54,524**



- 30% of households can afford to purchase a median priced home under current market conditions
- 70% of households cannot afford to purchase a median priced home under current market conditions



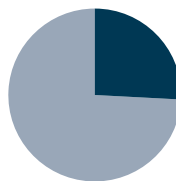
WALLA WALLA COUNTY

 50


Median Home Sales Price **\$402,500**

Income Needed to Qualify **\$111,794**

Median Household Income **\$60,615**



- 26% of households can afford to purchase a median priced home under current market conditions
- 74% of households cannot afford to purchase a median priced home under current market conditions

 Number of Households priced-out of Homeownership with Each Additional \$1,000 Added to Sales Price



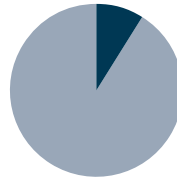
WHATCOM COUNTY

 **130**

Median Home Sales Price **\$620,000**

Income Needed to Qualify **\$166,052**

Median Household Income **\$65,420**



- **9%** of households can afford to purchase a median priced home under current market conditions
- **91%** of households cannot afford to purchase a median priced home under current market conditions



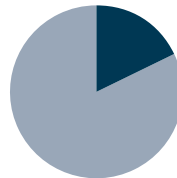
WHITMAN COUNTY

 **47**

Median Home Sales Price **\$345,000**

Income Needed to Qualify **\$97,450**

Median Household Income **\$42,288**



- **18%** of households can afford to purchase a median priced home under current market conditions
- **82%** of households cannot afford to purchase a median priced home under current market conditions



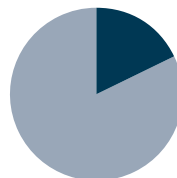
YAKIMA COUNTY

 **199**

Median Home Sales Price **\$377,000**

Income Needed to Qualify **\$105,433**

Median Household Income **\$54,917**



- **18%** of households can afford to purchase a median priced home under current market conditions
- **82%** of households cannot afford to purchase a median priced home under current market conditions

Sources

1. Bankrate. (2021). Homeowners insurance rates by state. Retrieved from <https://www.bankrate.com/insurance/homeowners-insurance/states/>
2. Mortgage Loan. (n.d.). Required Income Calculator for a Home Purchase or a Refinance. [Calculator]. Available from <https://www.mortgageloan.com/calculator/mortgage-required-income-calculator>
3. Redfin. (April 2022). Median home sales prices for counties in Washington. [Data Set]. Retrieved from <https://www.redfin.com/news/data-center/>
4. Smart Asset. (2022). Washington Property Tax Calculator. [Calculator]. Available from <https://smartasset.com/taxes/washington-property-tax-calculator>
5. United States Census Bureau. (2019). American Community Survey: S1901 – Income in the Past 12 Months. [Data File]. Retrieved from <https://data.census.gov/cedsci/table?q=income%20distribution&tid=ACSST5Y2019.S1901>
6. United States Census Bureau (2022). Income in the Past 12 Months. [Data File]. Retrieved from <https://data.census.gov/cedsci/table?q=income%20distribution%20tables%20washington&tid=ACSST5Y2020.S1901>
7. United States Census Bureau. (2021). QuickFacts: Washington. [Data File]. Retrieved from <https://www.census.gov/quickfacts/WA>
8. United States Department of Housing and Urban Development. (n.d.). Let FHA loans help you. Retrieved from <https://www.hud.gov/buying/loans>
9. Zhao, Na. (2022). NAHB Priced-Out Estimates for 2022 [PDF File]. Retrieved from <https://eyeonhousing.org/2022/02/nahb-2022-priced-out-estimates/>



Building Industry Association of Washington
300 Deschutes Way SW, Ste. 300 | Tumwater, WA 98501
(360) 352-7800 | BIAW.com