

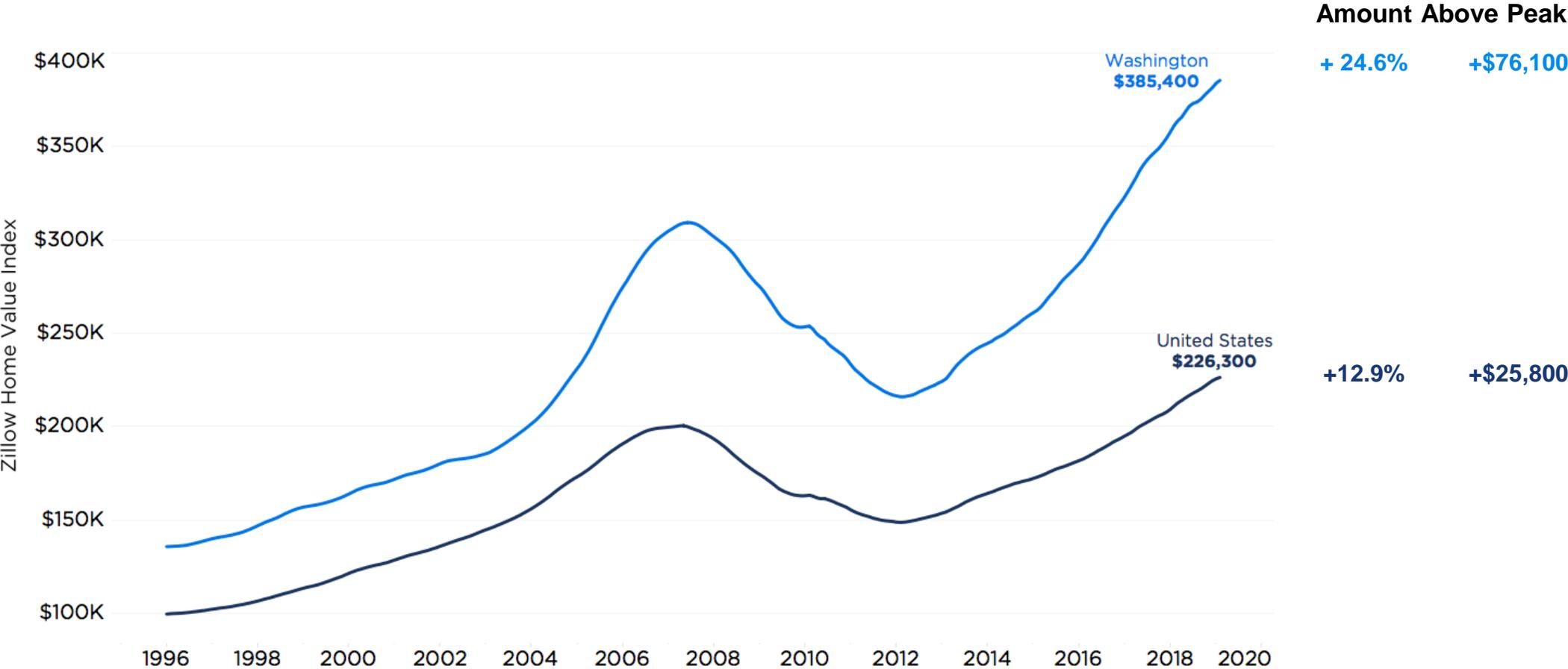
Washington's Housing Market: Trends - Causes - Effects

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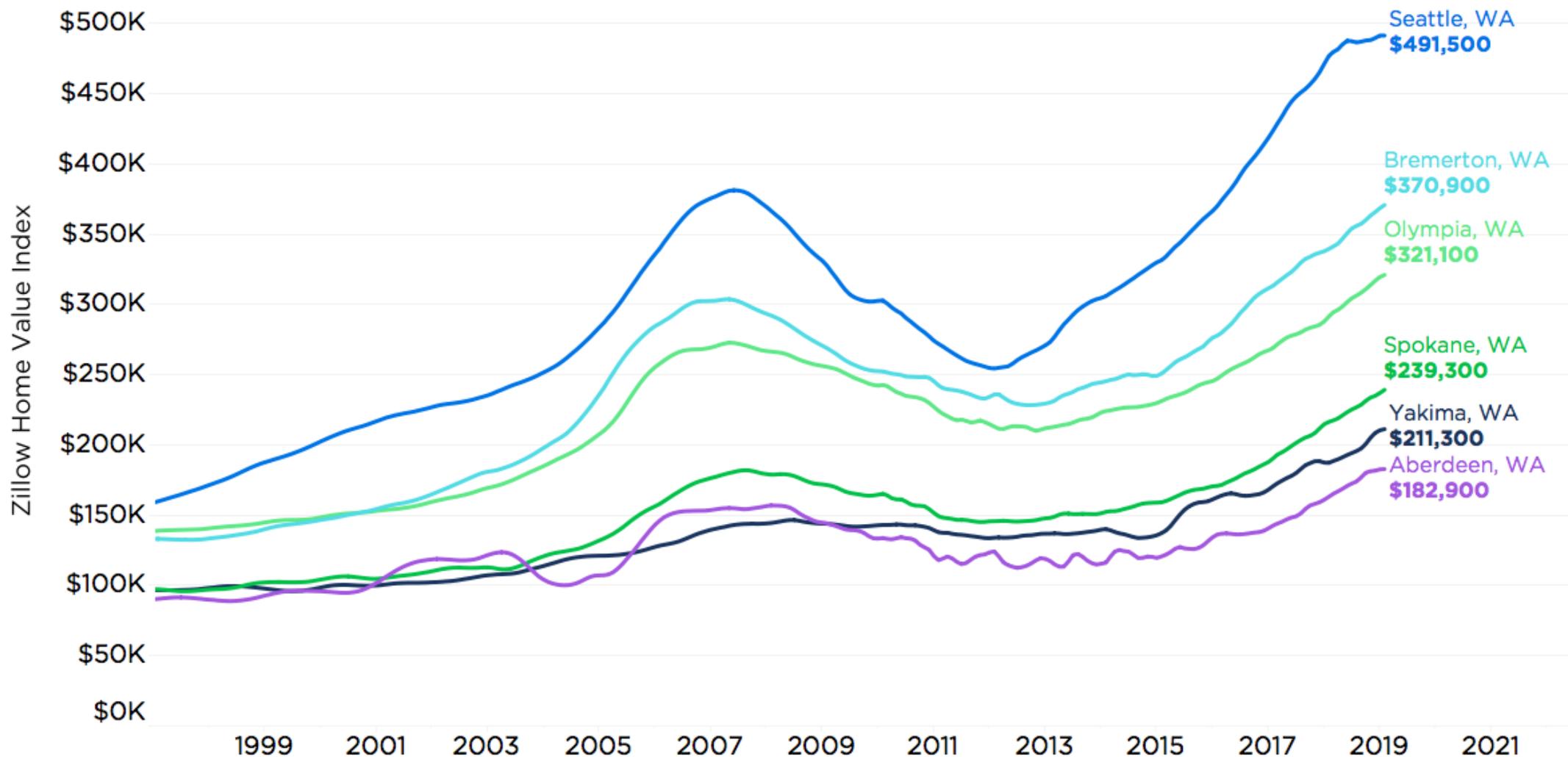
Home values breaking records



Source: Zillow Home Value Index, February 2019



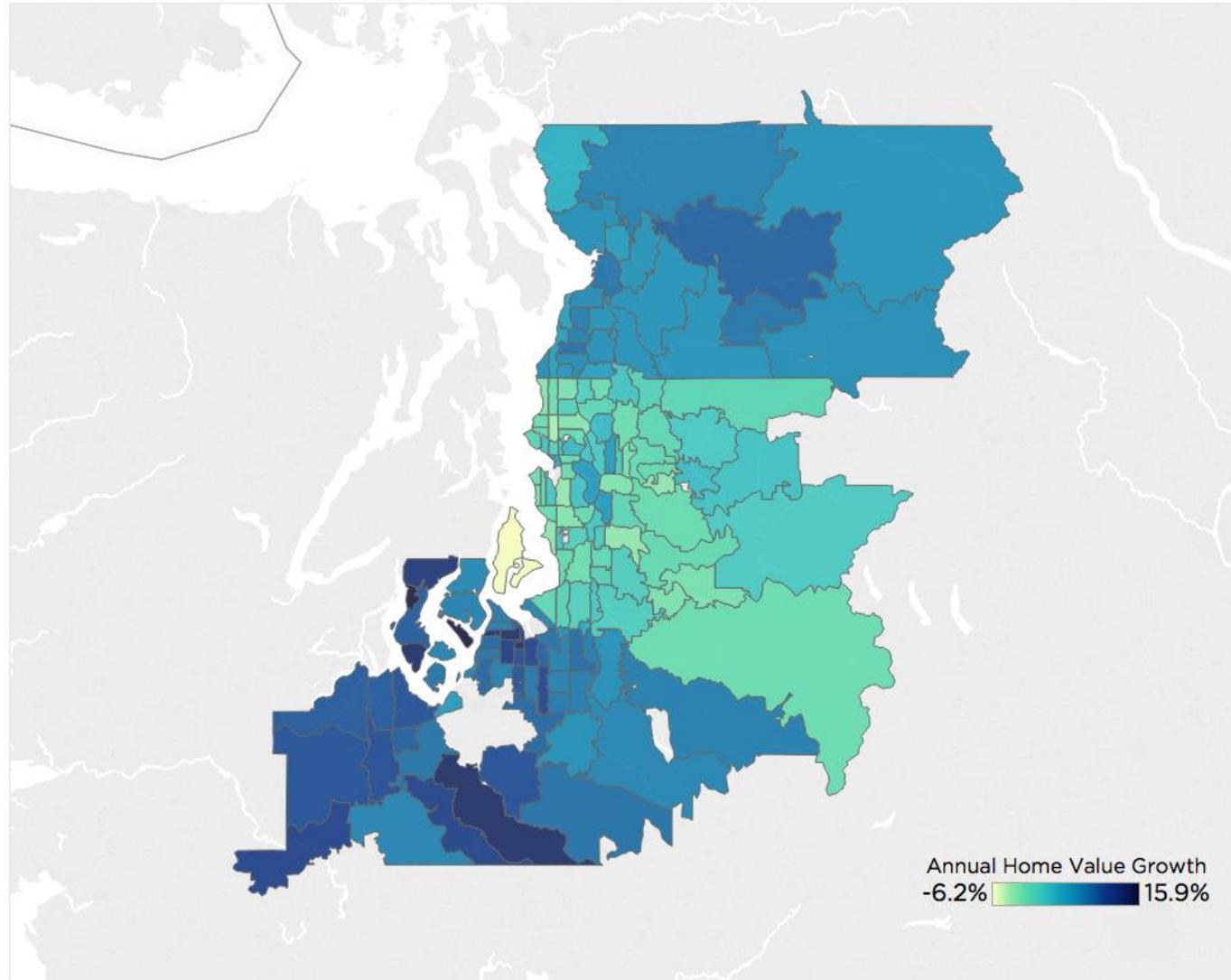
It's not just the Seattle area that has grown quickly



Source: Zillow Home Value Index, February 2019

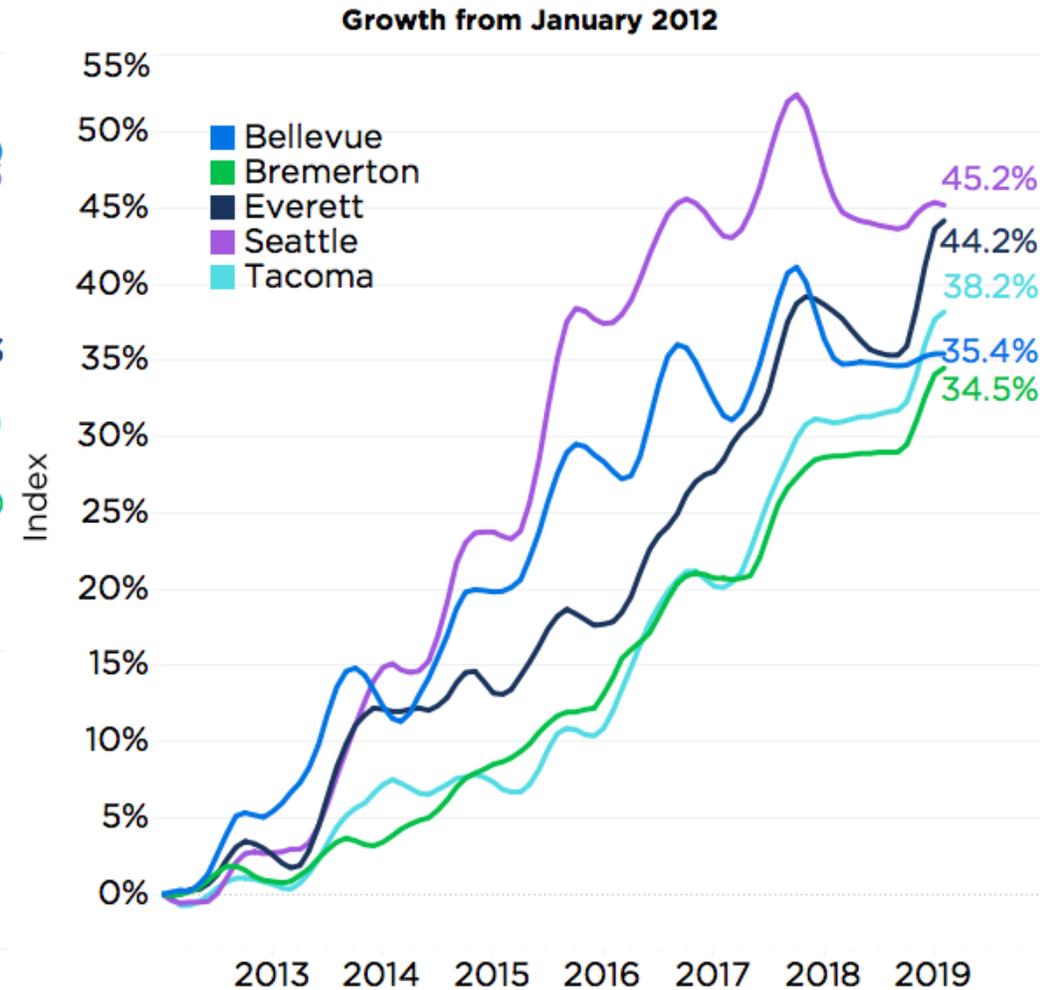
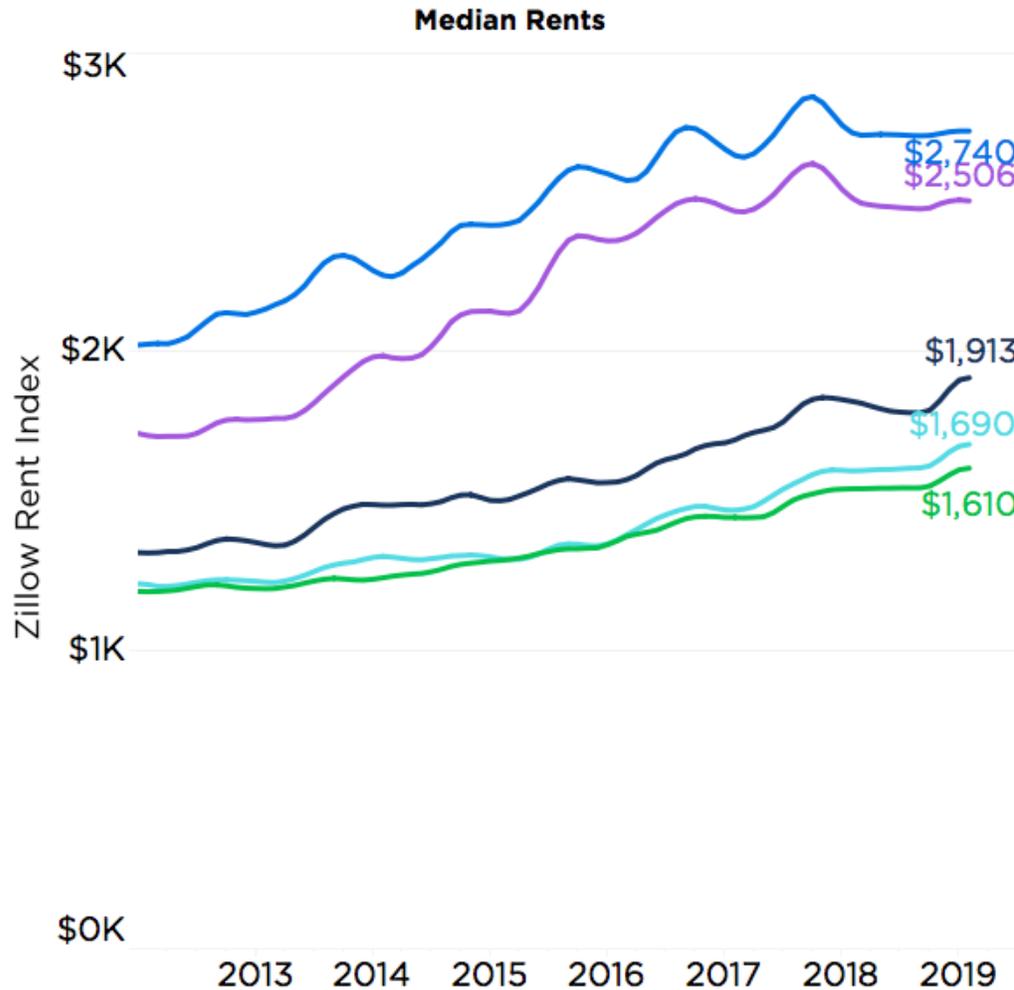


Home values are actually falling in the city, but booming in the 'burbs



Source: Zillow Home Value Index, February 2019

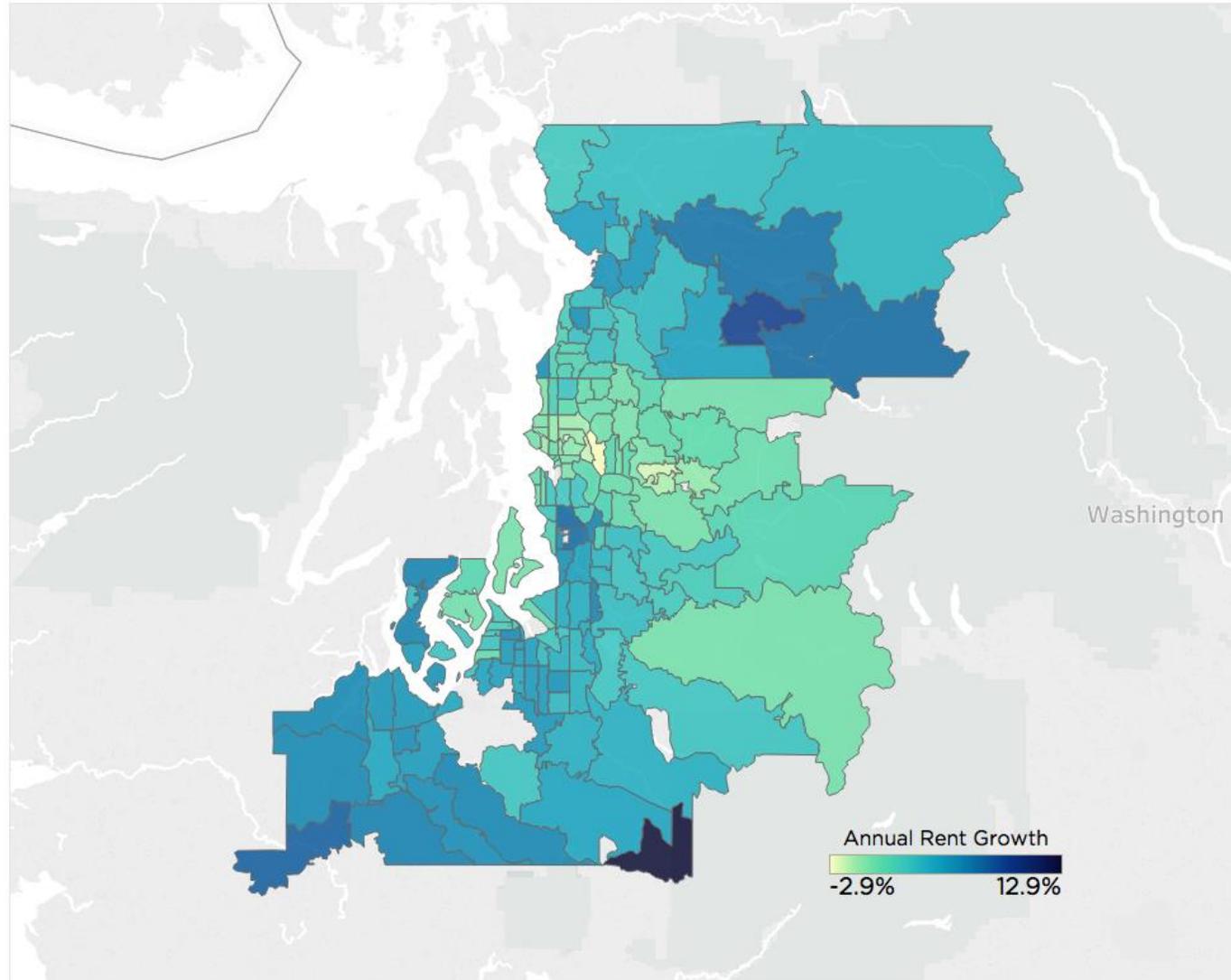
Rents in Seattle & Bellevue are high but leveling off after years of fast growth



Source: Zillow Rent Index, February 2019



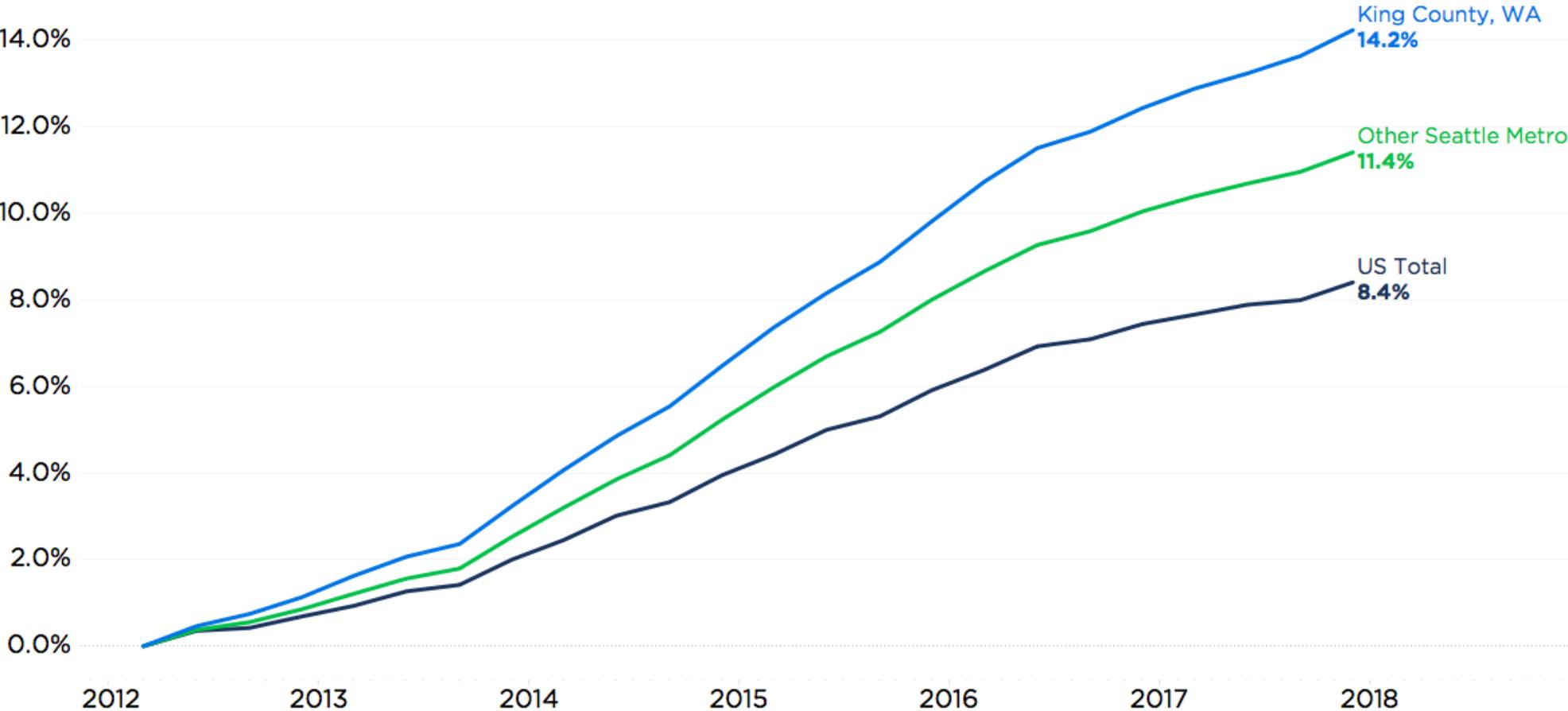
Similar to home values, rent is falling downtown but rising on the outskirts



Causes

A lot of jobs have been added around here...

Employment Growth Since 2012

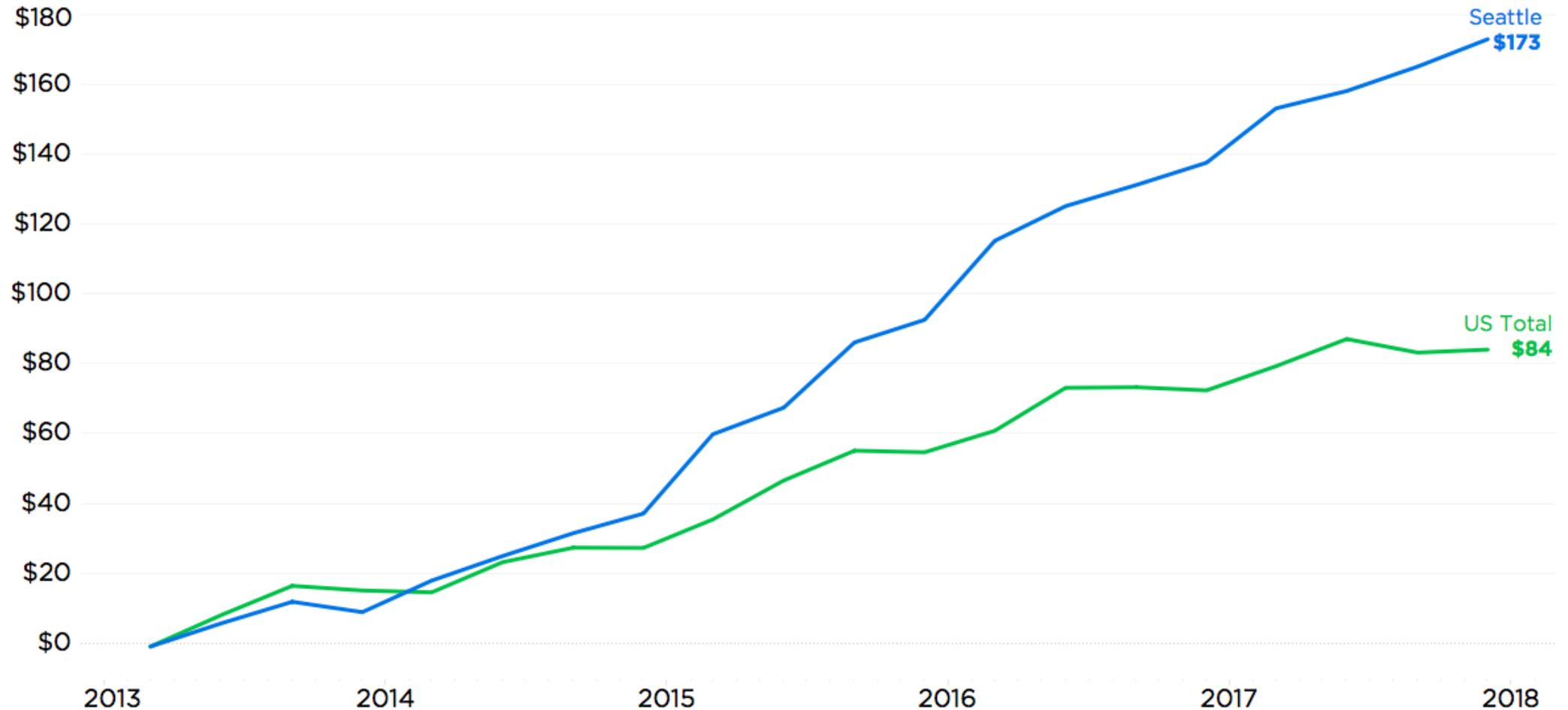


Source: Zillow Calculation from Bureau of Labor Statistics, July 2018



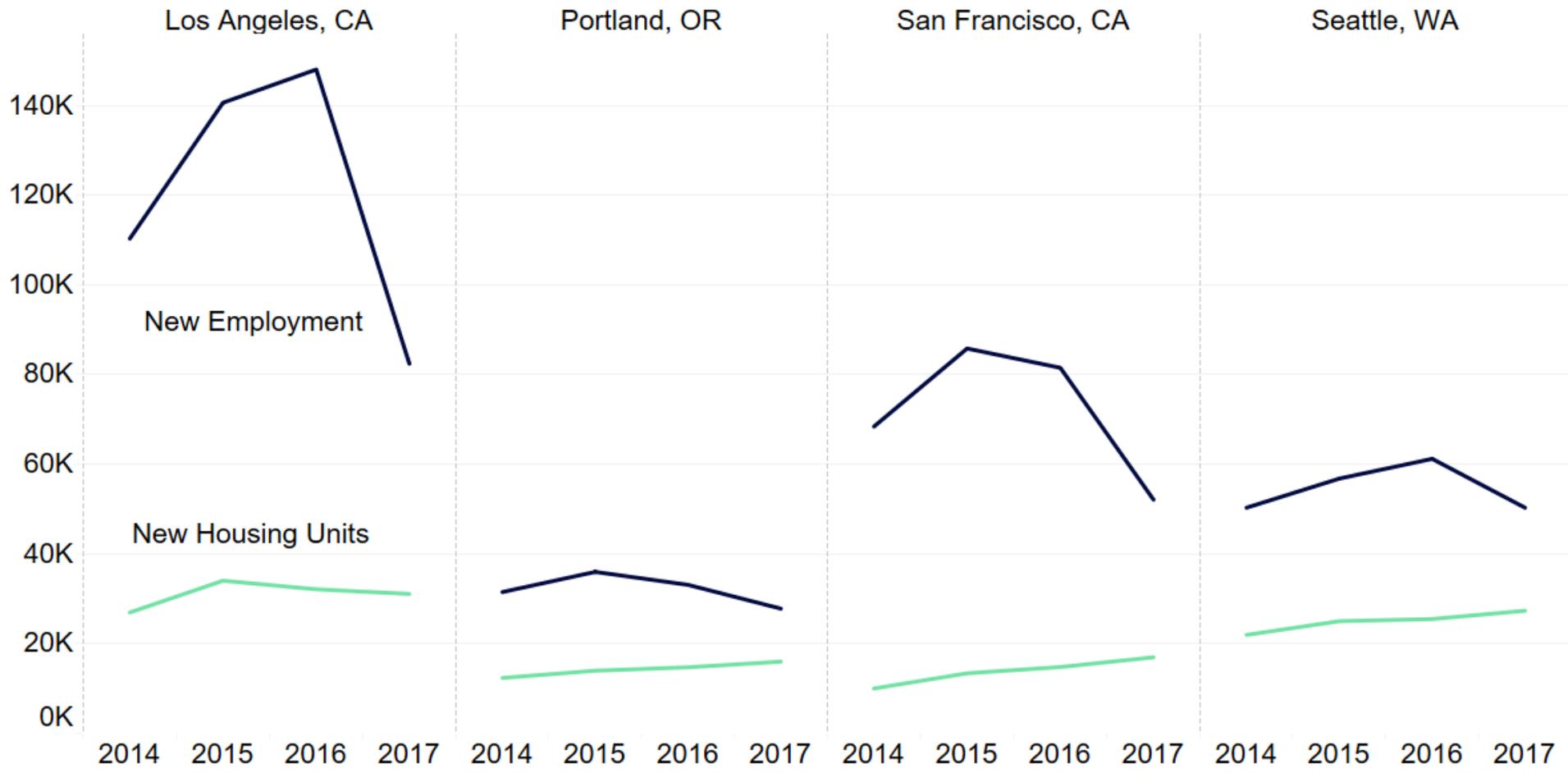
Seattle metro wage growth significantly outpaces nation

Average Weekly Wage Change Since 2012

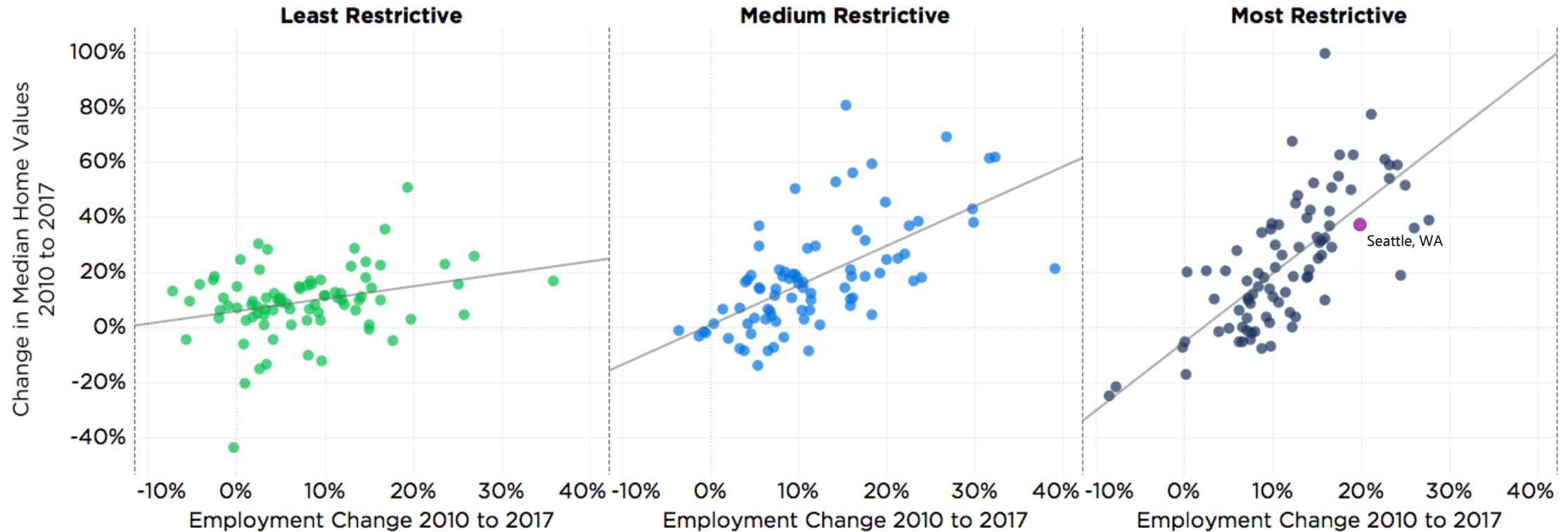


Source: Zillow Calculation from Bureau of Labor Statistics, July 2018

But new housing construction hasn't kept pace (In Seattle, or anywhere else)

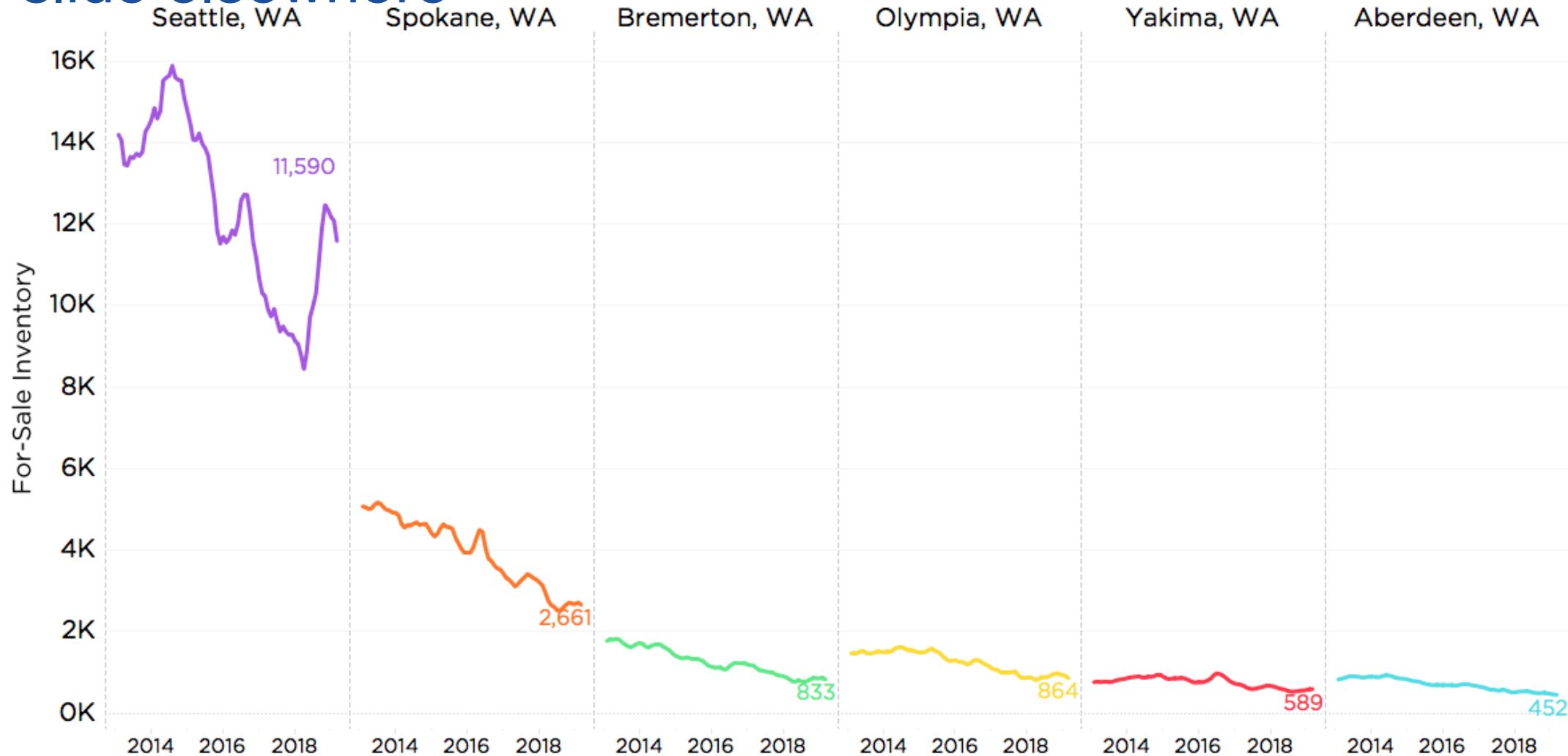


Restrictive land use regulations amplify the effect of job growth on home value gains



Source: Zillow analysis of data from the Wharton Residential Land Use Regulation Index, U.S. Bureau of Labor Statistics Quarterly Census of Employment and Wages, 2010-2017 and Zillow Home Value Index, 2010-2017.

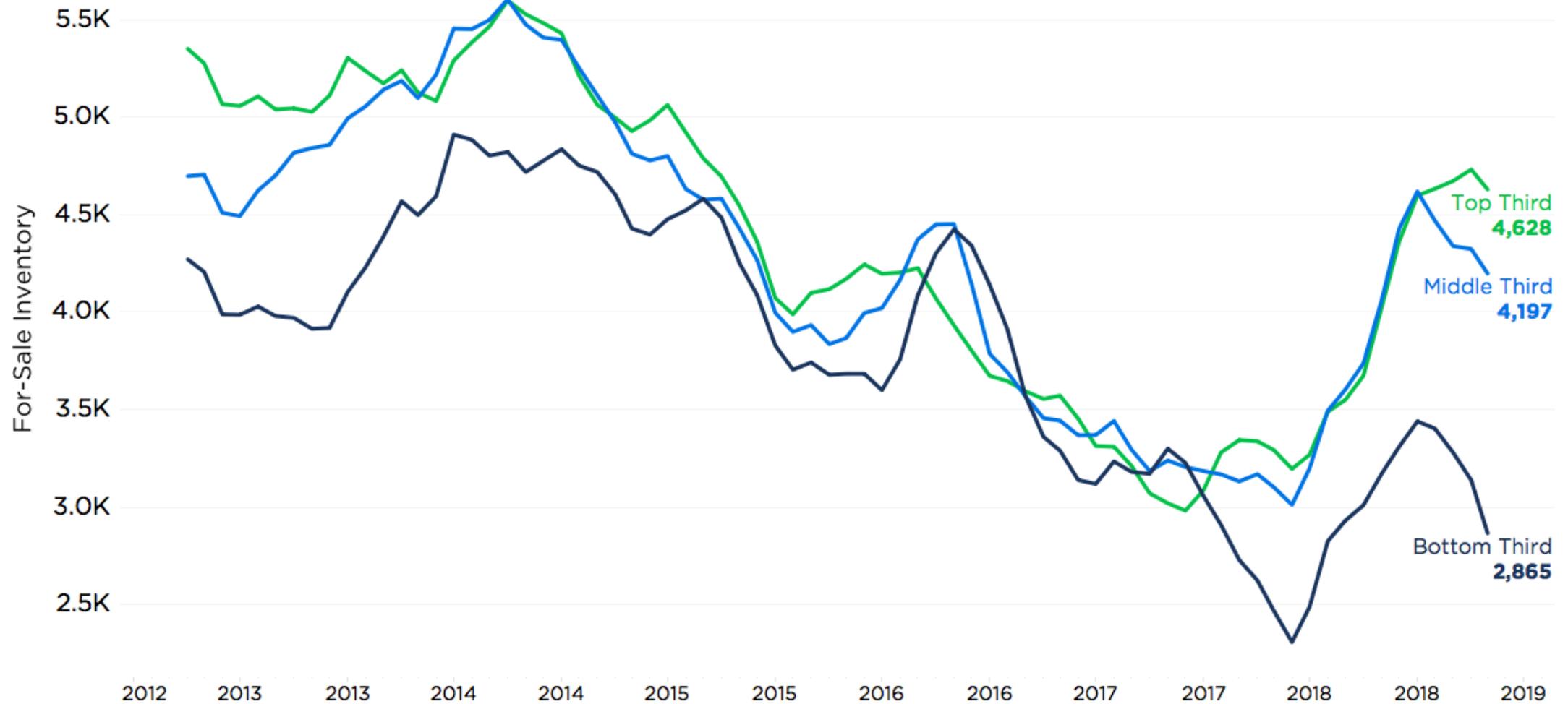
For-sale inventory has jumped in Seattle, but remains on a slide elsewhere



Source: Zillow For-Sale Inventory, February 2019



But in Seattle, inventory gains are concentrated largely at the top of the market



Source: Zillow For-Sale Inventory, February 2019



Effects

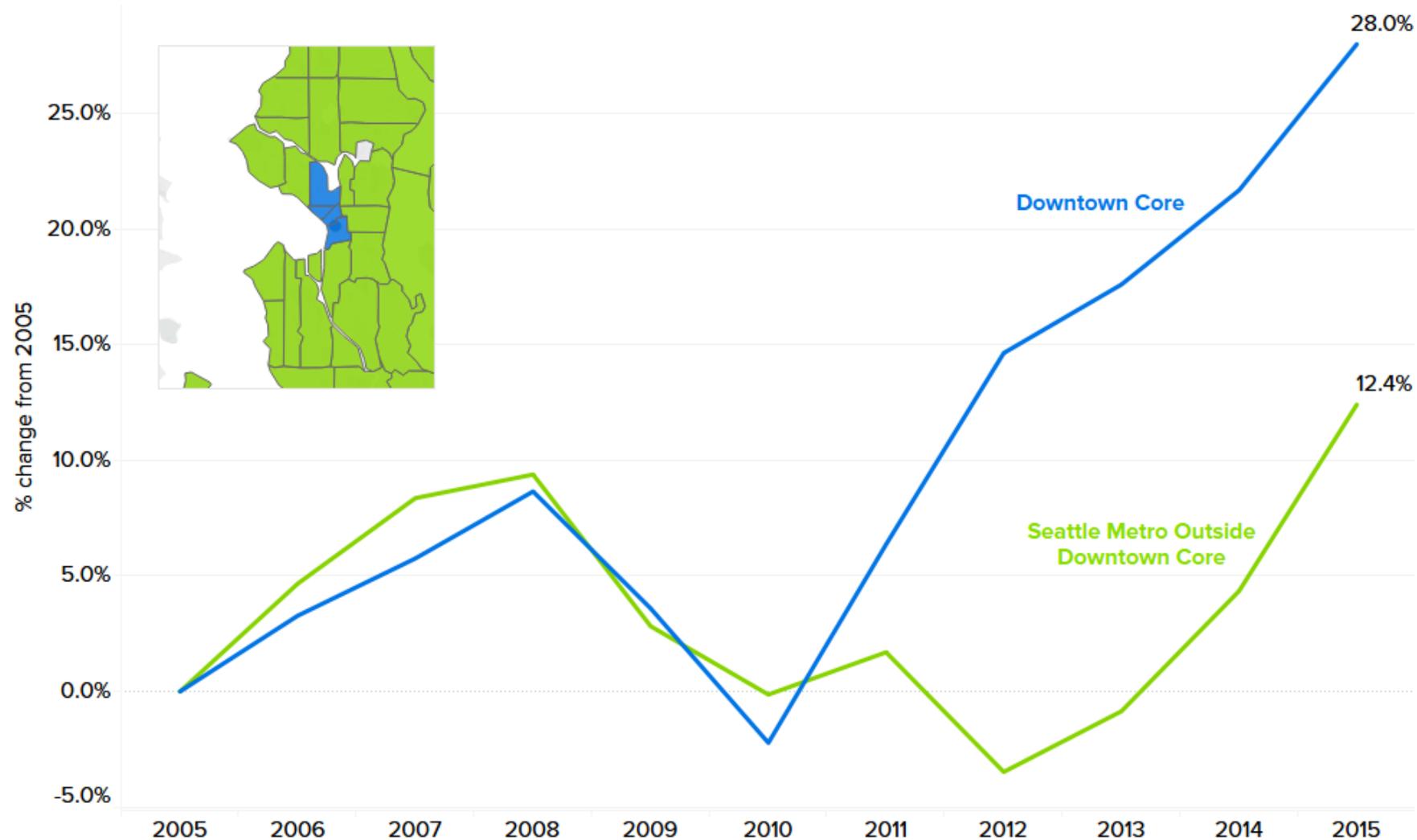
Historically unaffordable rents and delicate mortgage affordability

Housing insecurity

Doubling up

Workers feel the “big push”

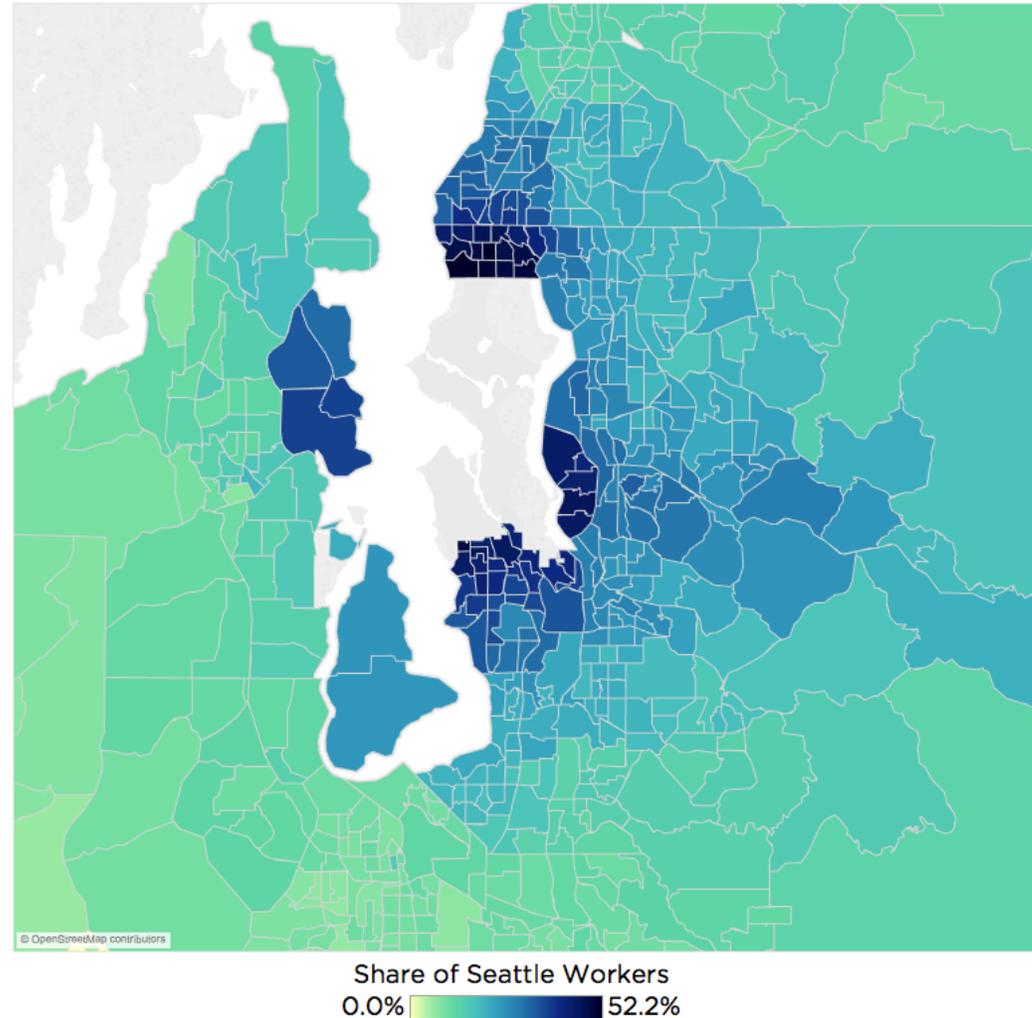
Within the Seattle metro, the downtown core has led job growth



Notes: Urban Core includes ZIP codes 98121, 98101, 98154, 98104, and 98109.

Source: U.S. Census Bureau, County Business Patterns data, ZIP Code Employment Statistics, 2005 to 2015.

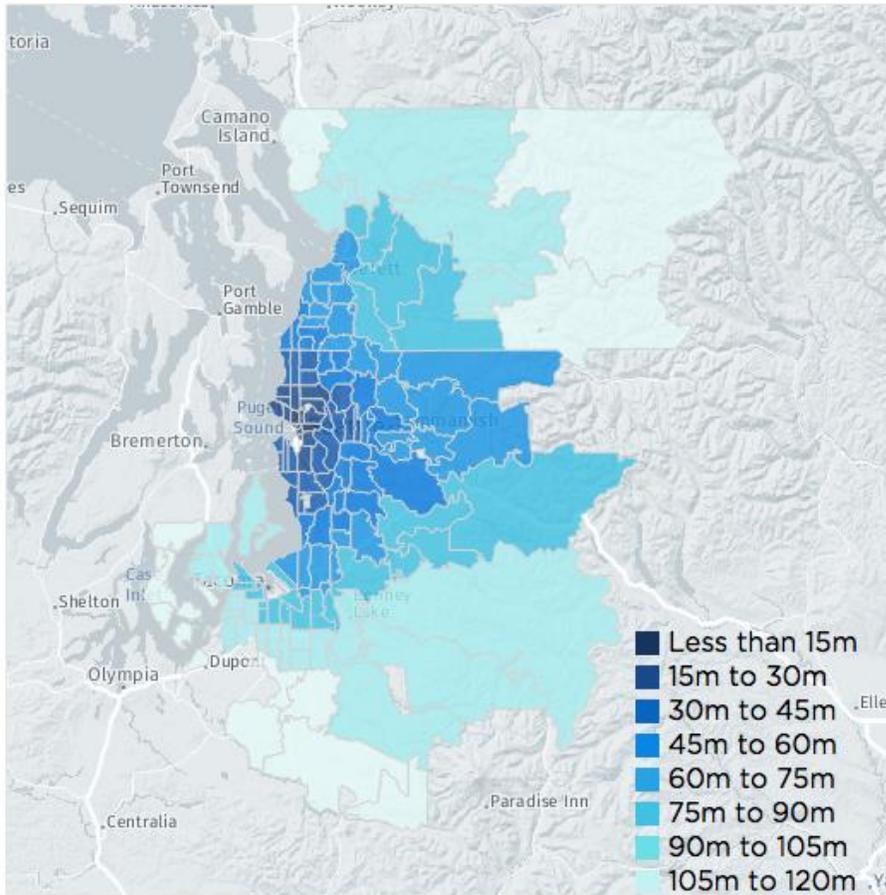
As far south as Tacoma, as high as one-in-five employed adults works in Seattle



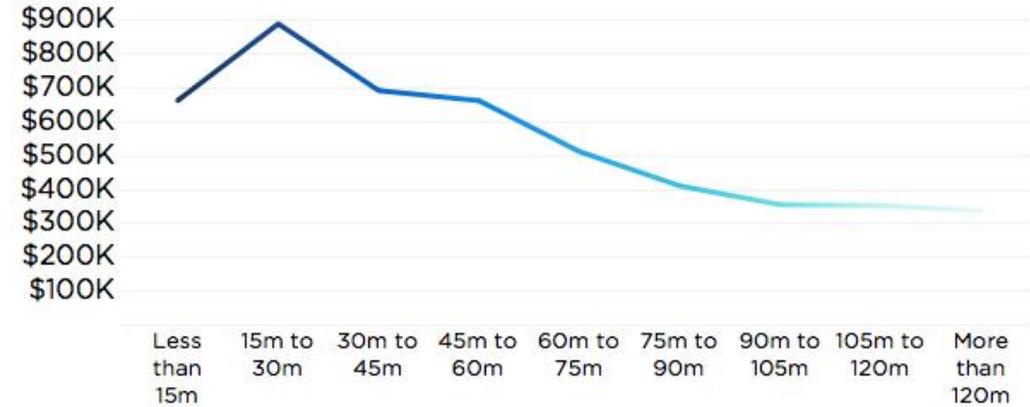
Source: Zillow analysis of U.S. Census Bureau, Longitudinal Employer-Household Dynamics (LEHD) data.

Big savings in the suburbs for Seattle workers

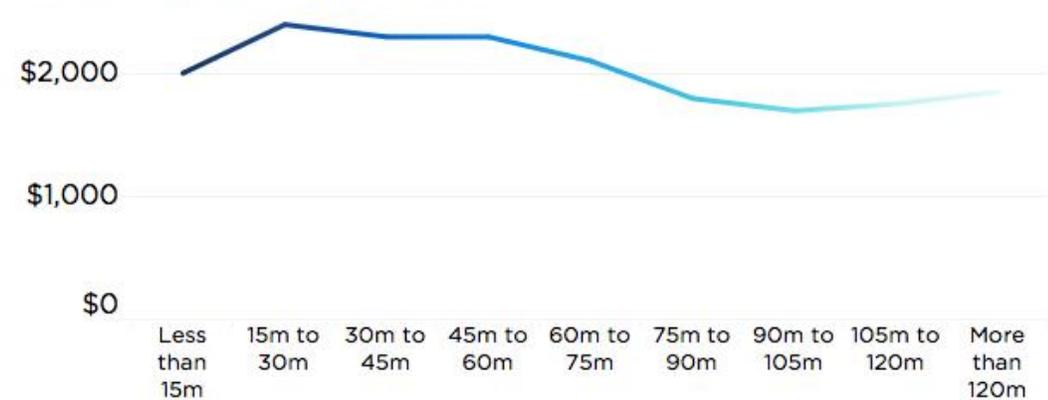
Commute Times (to Downtown Core) and Home Values and Rents for Seattle



Median Home Value by Commute Time



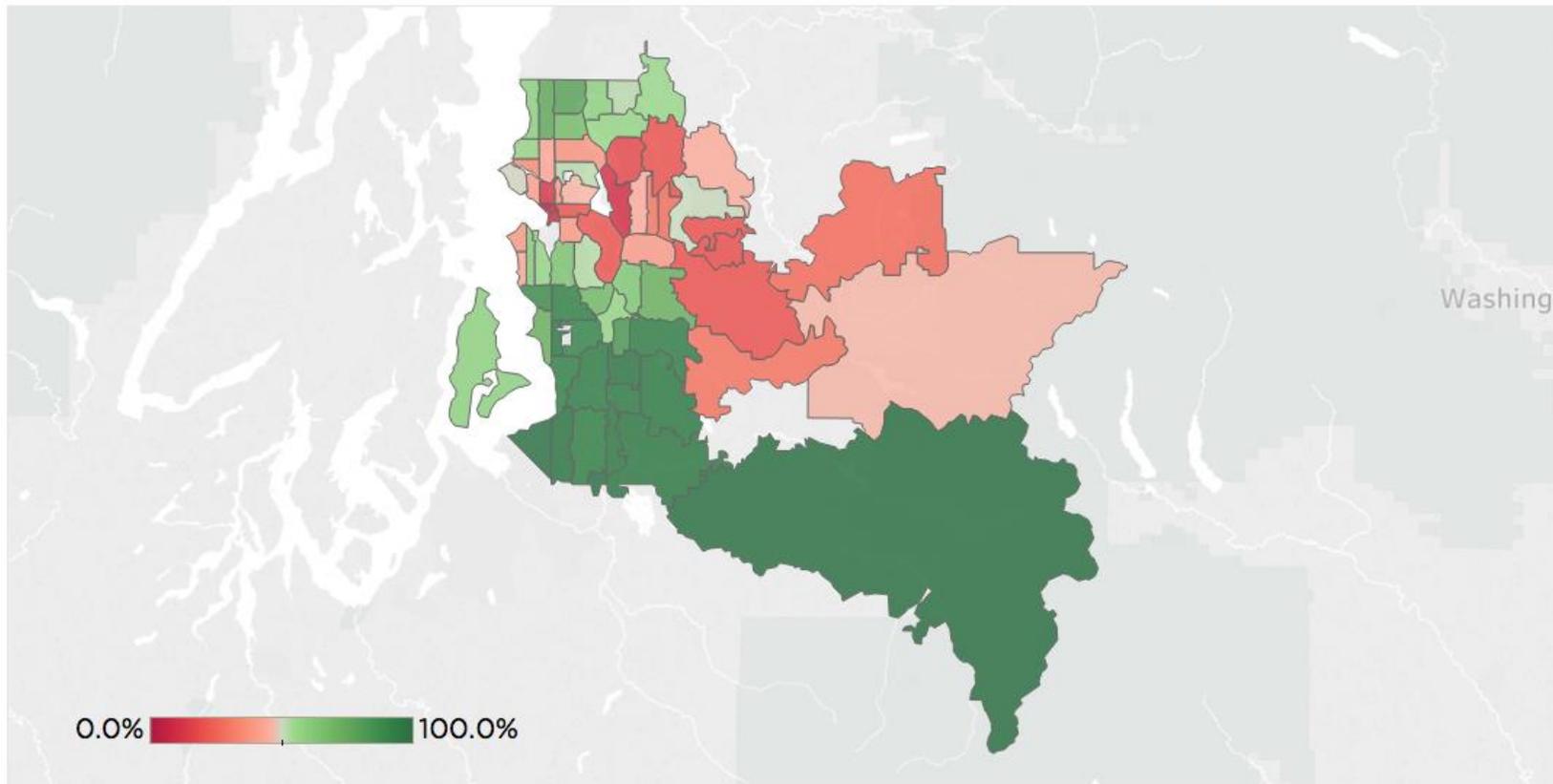
Median Rent by Commute Time



Source: Zillow analysis of Zillow home value data and Here Technologies commute data.

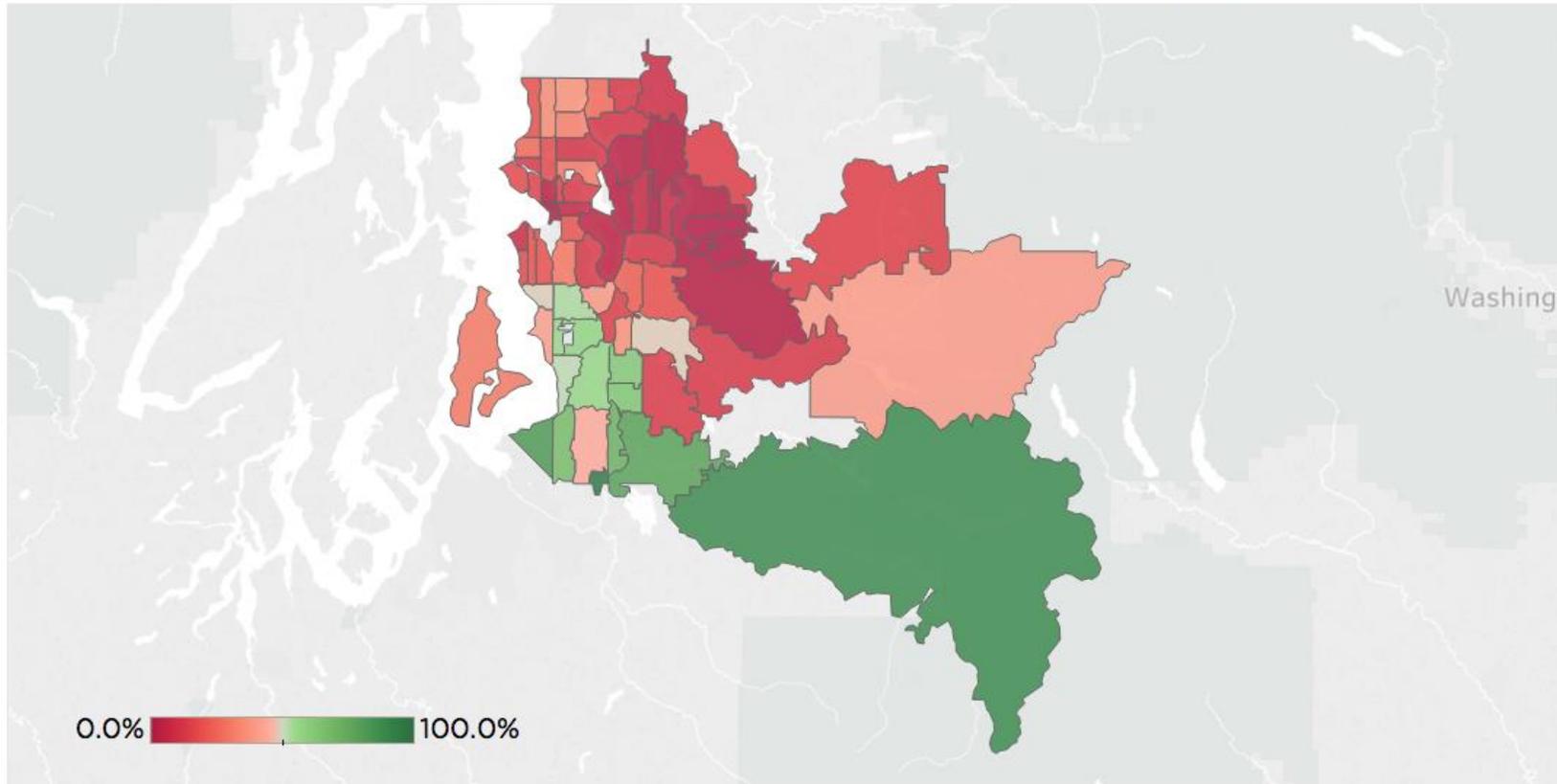
The typical King County **nurse** has few affordable options in many neighborhoods

Share of 1-2 bedroom 2018 rental listings affordable on the median nurse's salary in King County ZIP codes



The typical King County **teacher** has few affordable options in many neighborhoods

Share of 1-2 bedroom 2018 rental listings affordable on the median teacher's salary in King County ZIP codes



A photograph of a house at dusk. The house features a large sunroom with multiple windows and a glass door. The interior of the sunroom is lit up, showing furniture and decor. In the foreground, there is a patio with a fire pit and four chairs. The sky is dark, and there are trees and bushes around the house. The overall scene is peaceful and inviting.

Thank You