DRAFT HOUSING INVENTORY & ASSESSMENT REPORT
KEY FINDINGS

The Draft Housing Inventory and Assessment Report (HIAR) was created as part of the City's Housing Action Plan (HAP) Project. It is a guide for decision-makers, residents, and other community members that:

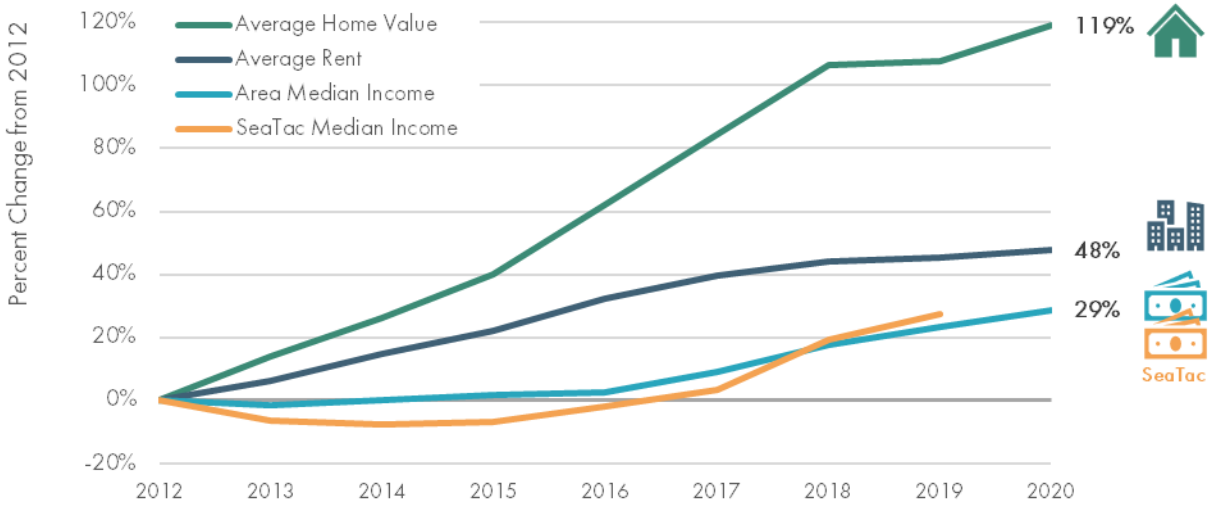
- Provides SeaTac's current housing conditions baseline data, and
- Identifies shortcomings or gaps in how the housing supply meets demand now and in the future.

Along with community input, the findings from this report will be used to develop strategies for SeaTac's Housing Action Plan.

HOUSING COSTS

1. **Like most of the Puget Sound region, housing costs in SeaTac have risen significantly more than household incomes over the last decade.** Since 2012, home prices have risen 119%, rents have risen 48%, while incomes are up just 29%. This makes buying a home increasingly out of reach for average SeaTac families.

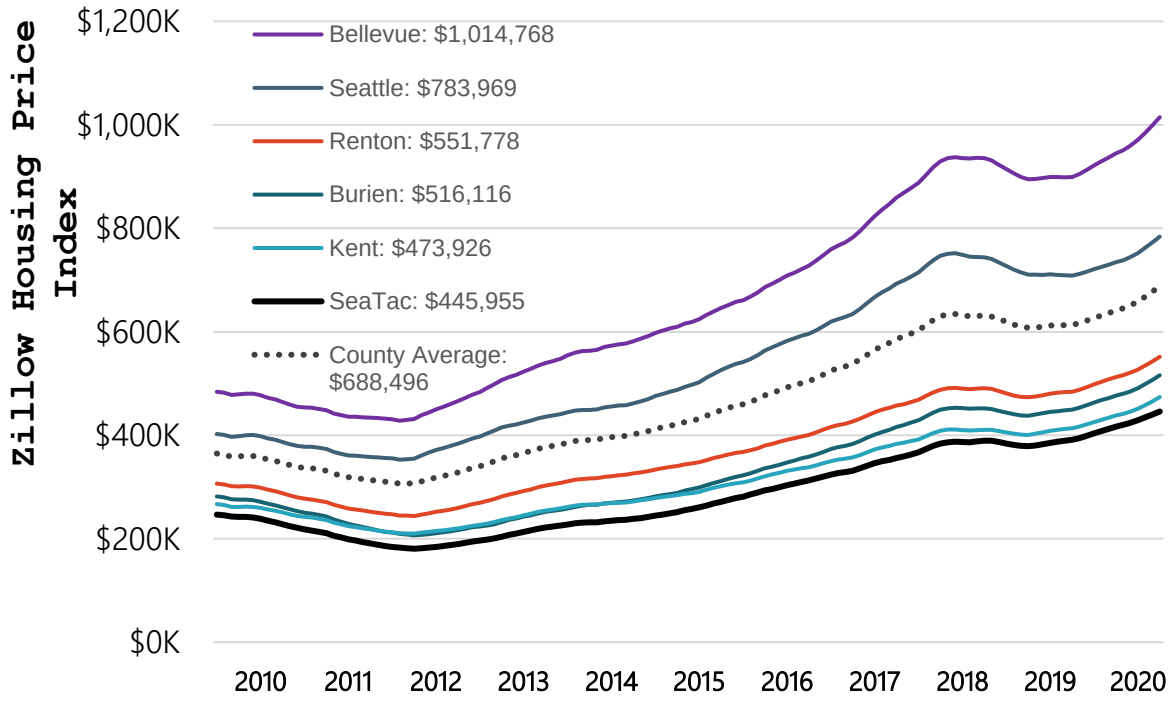
Exhibit 1. Home Prices, Rents, and Incomes in SeaTac and King County



Source: Zillow, 2020; HUD 2020, ACS 2019 5-Year Estimates

2. **While home prices are rising in SeaTac and other South King County cities, they have not risen as fast as the countywide average.**

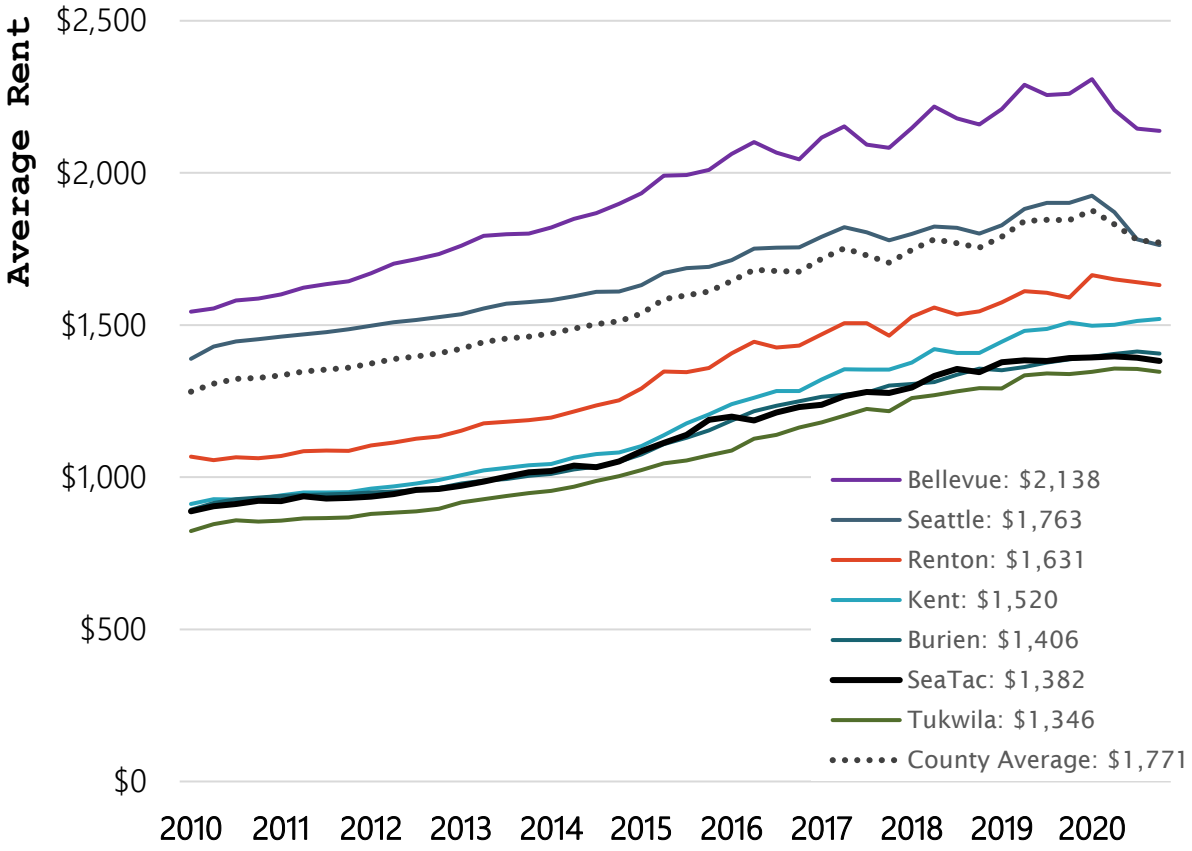
Exhibit 2. SeaTac and Peer Cities House Prices House Prices 2010-2020



Source: Zillow, 2020; BERK, 2020.

3. **While SeaTac's average rent costs are around $600 less a month than the county average, they generally align with rents in South King County.**

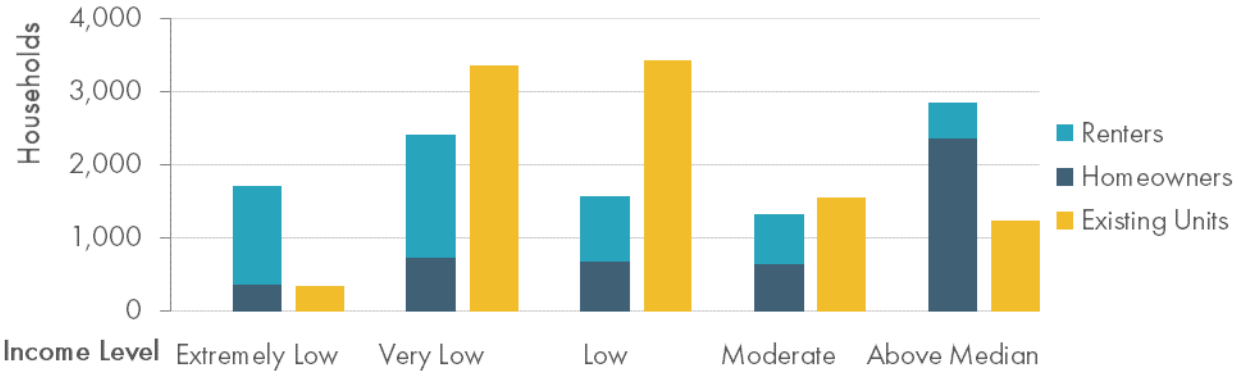
Exhibit 3. Exhibit SeaTac and Regional Rent Growth, 2001-2020



Source: CoStar, 2020; BERK, 2020.

4. **SeaTac has a shortage of homes for people at the highest and lowest income levels.** SeaTac has few rental units available for the 23% of renter households that have moderate or high incomes, and these households may be able to afford higher monthly costs than they are paying now. Adding desirable units for higher income renters alongside existing affordable units could reduce pressure on lower-income market segments. SeaTac also does not have enough housing affordable to households in the "extremely low" income category, requiring these households to rent units they can't easily afford. (When looking at the cumulative stock of extremely low and low income units, it is likely that there are households in both income categories that are in units that are difficult to afford.)

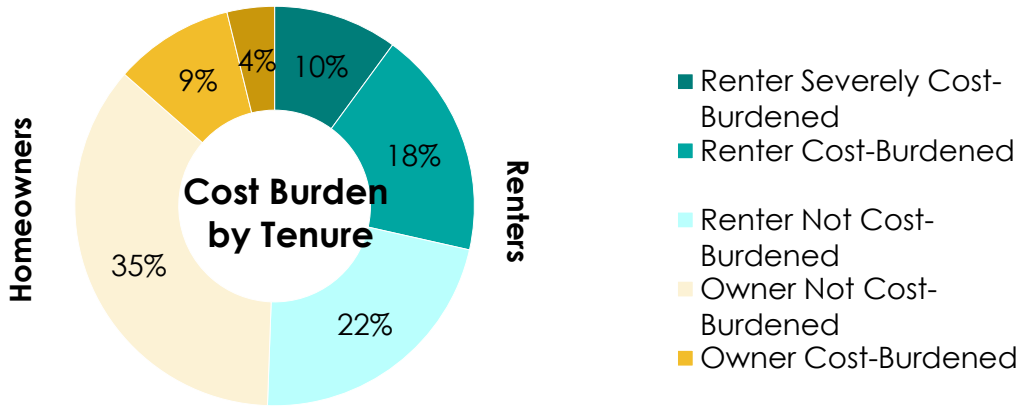
Exhibit 4. Existing Supply and Gaps/Surplus by Income Level



Source: HUD CHAS, 2020 (based on ACS 2017 5-year estimates)

5. **While SeaTac has a proud history of providing housing for working families, currently, two out of five SeaTac households are paying more than 30% of their gross income on housing.** The US Department of Housing & Urban Development considers these households to be "cost burdened," because they will have less money available for other essentials.

Exhibit 5. Cost Burden and Severe Cost Burden by Tenure (Owner/Renter)

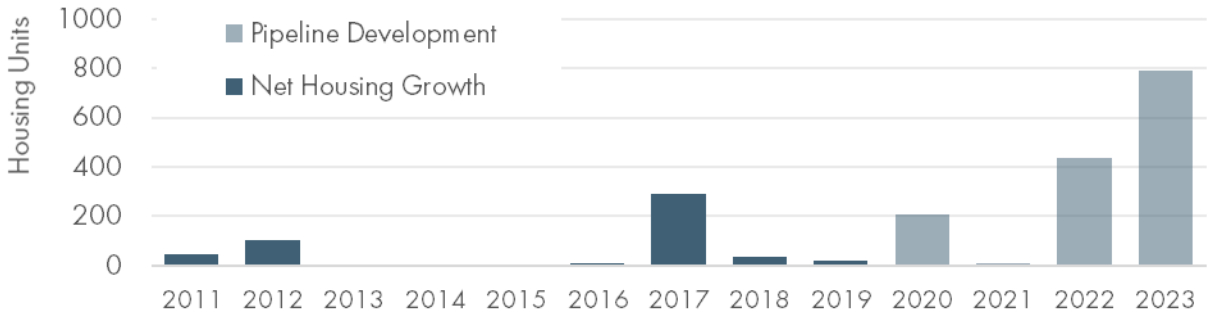


Source: HUD CHAS (based on ACS 2013-2017 5-year estimates); BERK, 2020.

RECENT & ANTICIPATED HOUSING GROWTH

6. **Until recently, SeaTac's housing supply was not on pace to meet anticipated demand.** Although the city has adequate land capacity to meet forecasted growth, actual housing growth over the last decade has been slower than in most other cities in King County. In the last few years, however, the development community has shown more interest in building housing here, and approximately 1,300 new, primarily multi-family/ apartment units are anticipated to be constructed in the next five years. In accordance with the City's urban village growth strategy, much of this construction is located near the three light rail stations that serve SeaTac. To accommodate expected population growth (including local young adults wanting to stay in SeaTac, empty nesters and people moving to the region), SeaTac needs about 4,700 additional homes by 2040. This means an average of 235 new homes/residential units constructed per year.

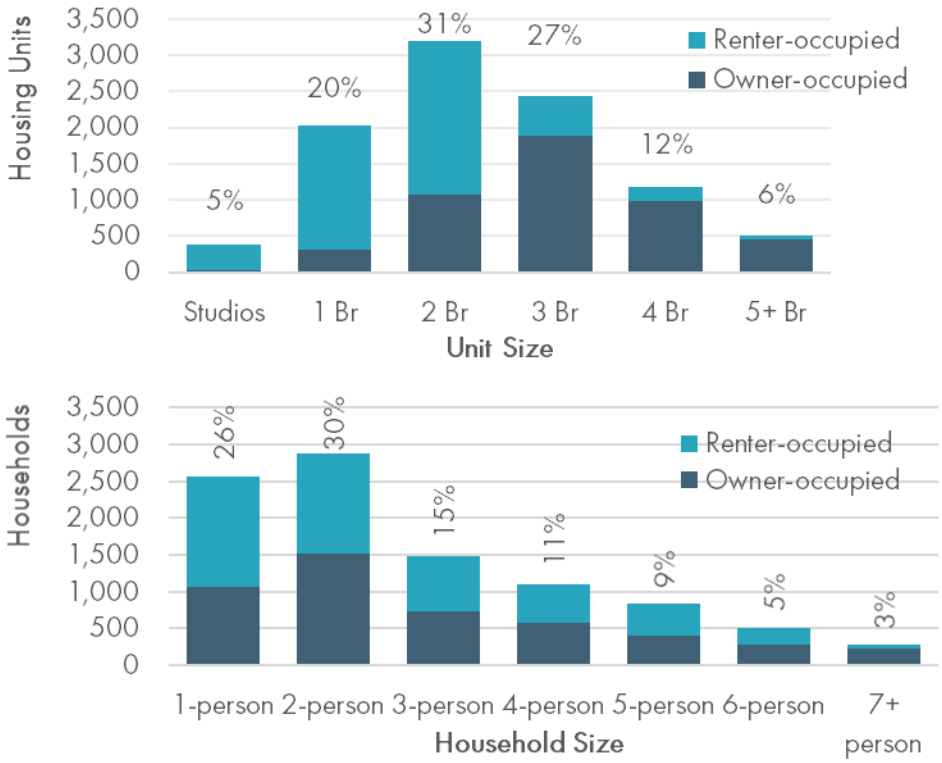
Exhibit 6. Housing Growth and 2020-2023 Pipeline Development



Source: Washington Office of Financial Management, 2020.

HOUSING DEMAND & SUPPLY

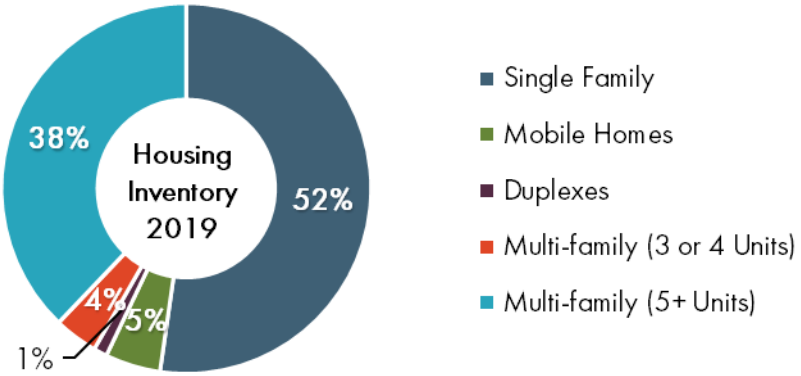
7. **SeaTac's unit sizes do not reflect its household sizes and current demand for housing for families and single-person households.** SeaTac is unique in that families with children are more likely to be renters than homeowners. This may be related to the city's large number of older, mid-century apartments which provide more bedrooms per unit than is typical in newly constructed multi-family buildings. At the same time about a quarter of SeaTac households live alone, indicating demand for small and/or shared homes. Currently, just 5% of SeaTac homes are studios, all of which are rentals.



Source: US Census 2018 ACS 5-Year Estimates.

8. **Middle-density housing options are underrepresented.** SeaTac's housing supply mainly consists of single-family housing and large multi-family/apartment housing, which together make up 9 out of 10 homes. So called "missing middle" housing types like duplexes, townhouses, and small multifamily buildings are becoming more common in the region and could provide options for households that are not well served by other housing types.

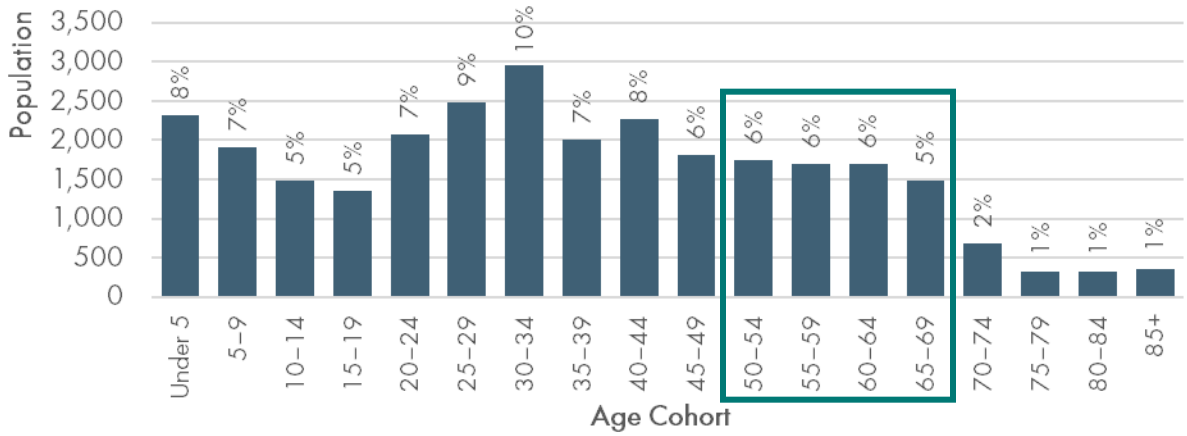
Exhibit 7. SeaTac Housing Types, 2019



Source: Washington Office of Financial Management, 2020.

9. **SeaTac's aging population will require accessible units.** Almost a quarter of SeaTac's current residents will reach the age of 70 within the next 20 years. Ground-floor and elevator accessible units, ideally located near transit and other resources and amenities, would help this segment of the population to remain in SeaTac as they age.

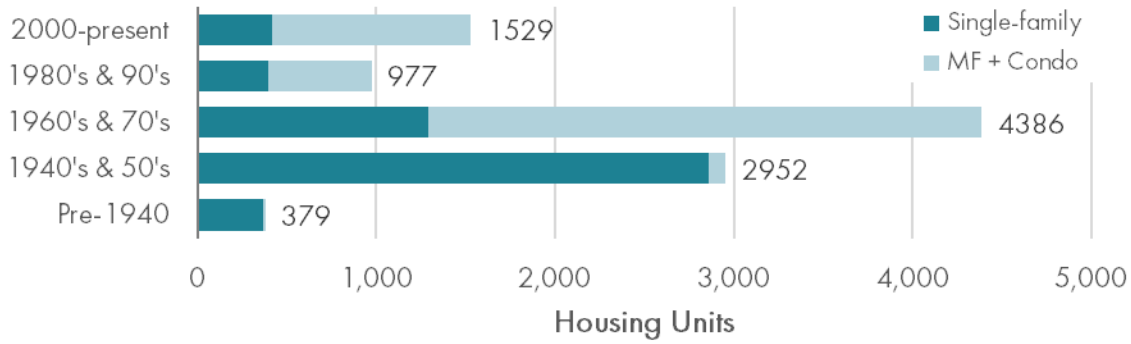
Exhibit 8. SeaTac Population by Age Cohort



Source: US Census 2019 ACS 5-Year Estimates.

10. **Most housing in SeaTac was built within a short period of time and is aging.** Nearly two thirds of all housing units in SeaTac were built between 1950 and 1980. This includes both single family homes and apartment buildings. These units have provided affordable homes for generations of SeaTac residents, but the need for maintenance and renovations will rise in coming decades. As land values rise, demolition and redevelopment can bring new housing options to communities, but can also lead to the displacement of people living in the existing units and disrupt adjacent communities.

Exhibit 9. SeaTac Housing by Year Built, 2020.



Source: King County Assessor, 2020.