

Housing Affordability in King County

King County experienced the state's highest housing prices during the bubble, with the median in the \$400,000 range. The curious part of the price increase was that population growth prior to the increase was quite low, and as prices climbed, so did population. Wage increases during this time were above the state average, but not dramatically so.

Since the peak in 2008, prices are off around 20 percent, and with low interest rates, monthly payments are now lower compared to wages than in 2002. Overall affordability is back over 100 in the WCRER index.

Current inventories are around 6.5 months, and construction is at a very low 5,000 units in the King-Snohomish market. With population growth staying well above one percent, we can expect housing demand to pick up and supply squeezed as the recovery strengthens. Unemployment in King County peaked below nine percent and is now around eight percent, signaling a stronger economy looking forward.

* These data points cover both King and Snohomish Counties

