

2025 Housing Monitoring Update

Housing in Flux: The Year of Policy Change



Puget Sound Regional Council



November 2025



We are leaders in the region to realize equity for all. Diversity, racial equity and inclusion are integrated into how we carry out all our work.

psrc.org/equity

Background



The Regional Housing Strategy was adopted by the Executive Board in February 2022.

PSRC will deliver an annual update to cities, counties, and other stakeholders as they implement the strategy, and provide resources and support.

This presentation continues that work, monitoring and presenting the state of the region's housing landscape.



Homeownership Affordability

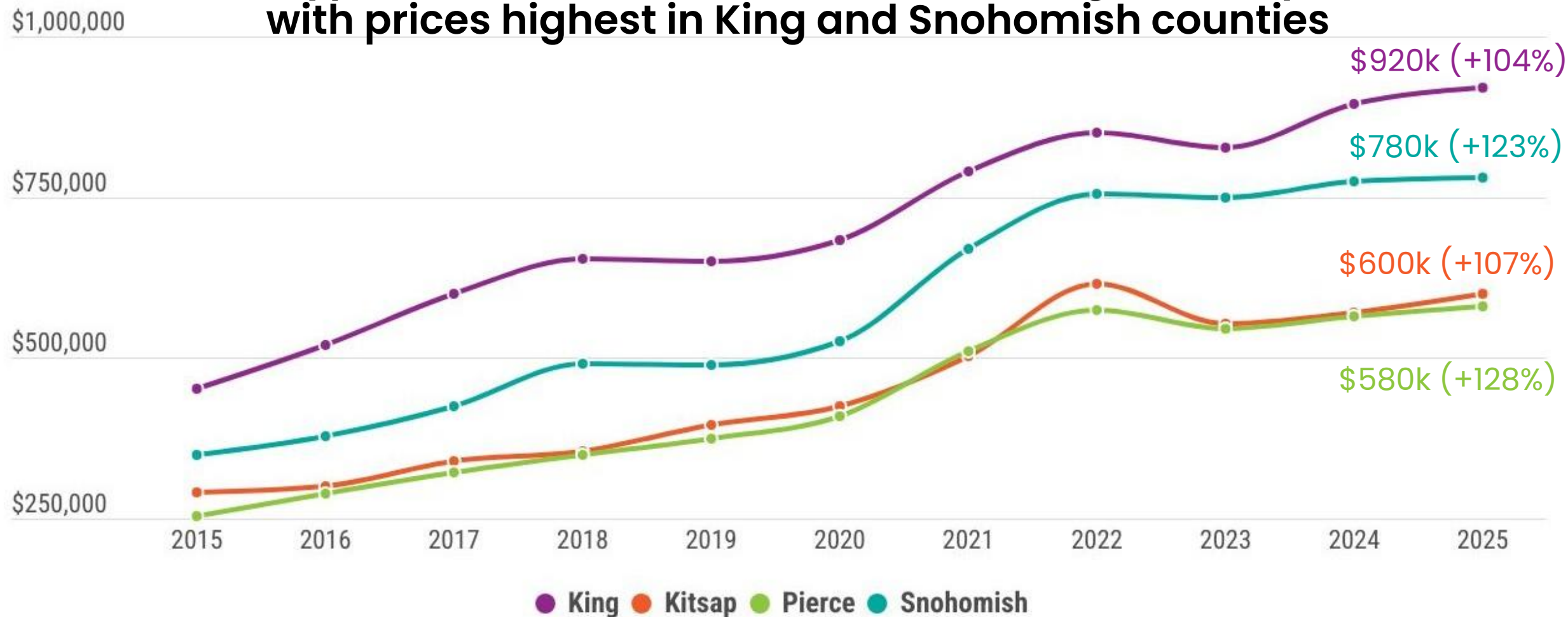
Ownership is Out of Reach

Between high home prices and mortgage rates, purchasing a home is more expensive than ever.



Homeownership Affordability

Typical home values have increased significantly, with prices highest in King and Snohomish counties

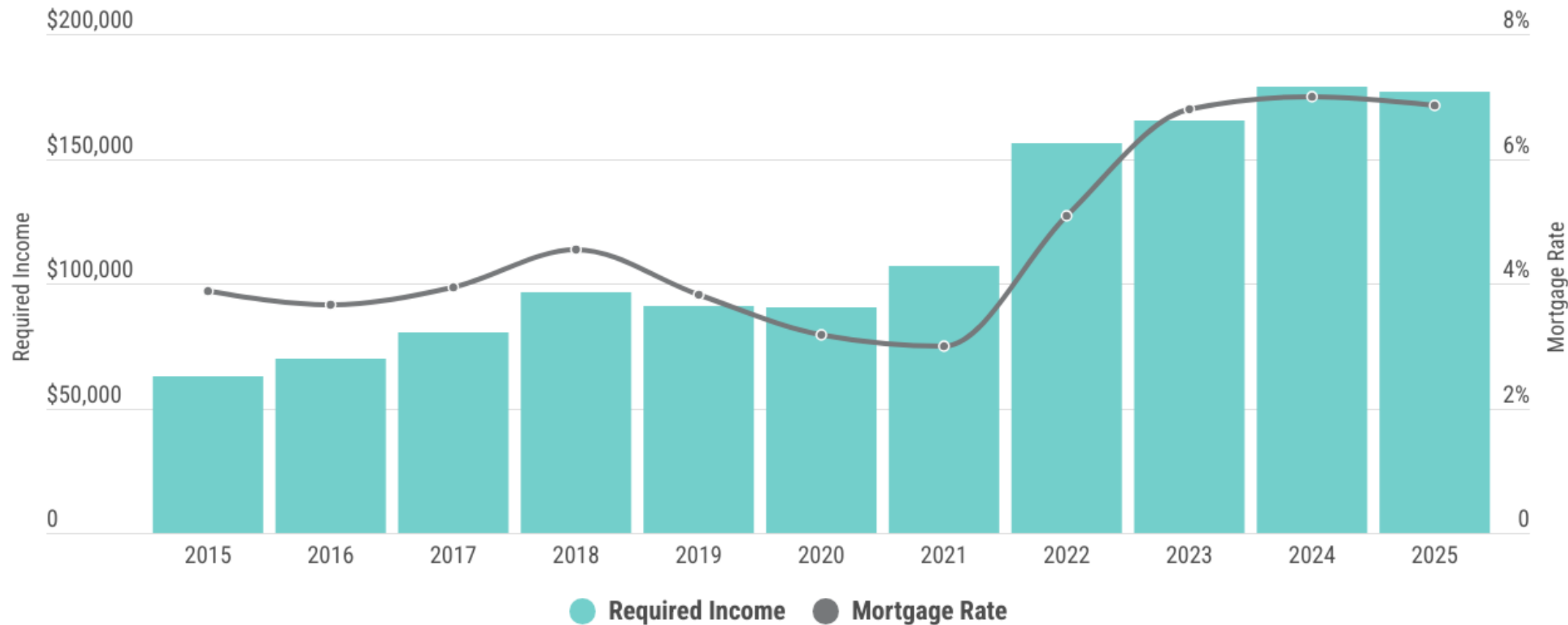


Source: Zillow, Home Value Index. Estimates are based on data collected in June of each year.



Homeownership Affordability

Income required to afford the typically priced home (\$745,000 in 2025) at an all-time high



Source: Zillow, Home Value Index; Freddie Mac, Primary Mortgage Market Survey; required income values calculated by PSRC
Note: Data are for the Seattle-Tacoma-Bellevue metropolitan statistical area which represents King, Pierce, and Snohomish counties. Assumes a 31% debt-to-income ratio, 30-year fixed rate mortgage, 20% down payment, 1% property tax, and 0.35% property insurance rate. Estimates are based on data collected in June of each year.



Homeownership Affordability – Example



In 2024, the average elementary school teacher in the region earned \$100,396¹.



If they saved 10% of their salary over 10 years, they would have a down payment of about \$100,000.



Homeownership Affordability – Example



With a mortgage payment of
\$2,510/month
to keep housing costs at
30% of income...



They can afford a
\$425,000 home,
including the down payment.



Homeownership Affordability – Example

11,645 homes

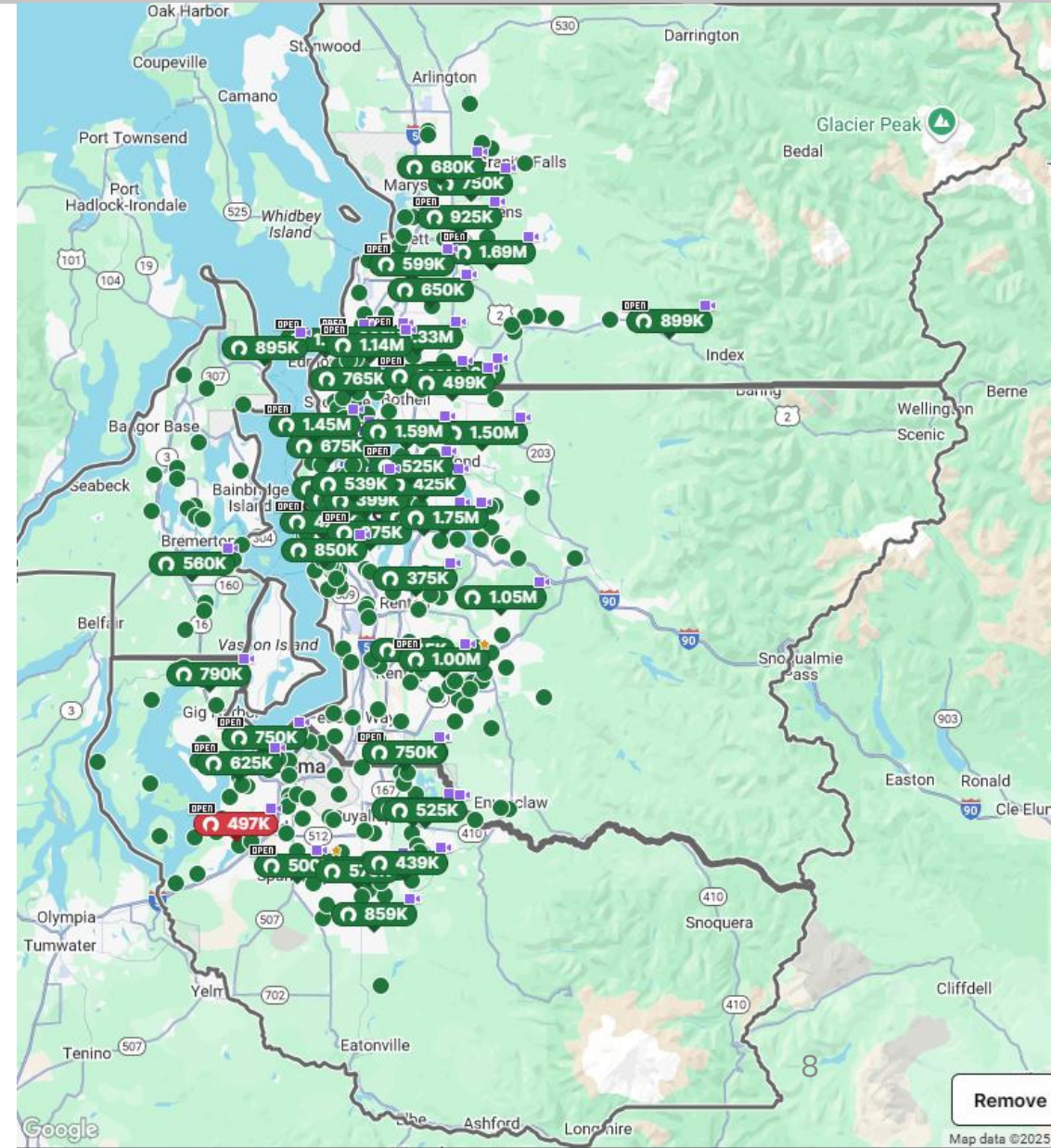
listed for sale at the
end of August

1,113 homes

listed at or below
\$425,000

<10% of listed
homes

affordable to the
average teacher



Homeownership Affordability – Example

Listings under \$425k

vs.

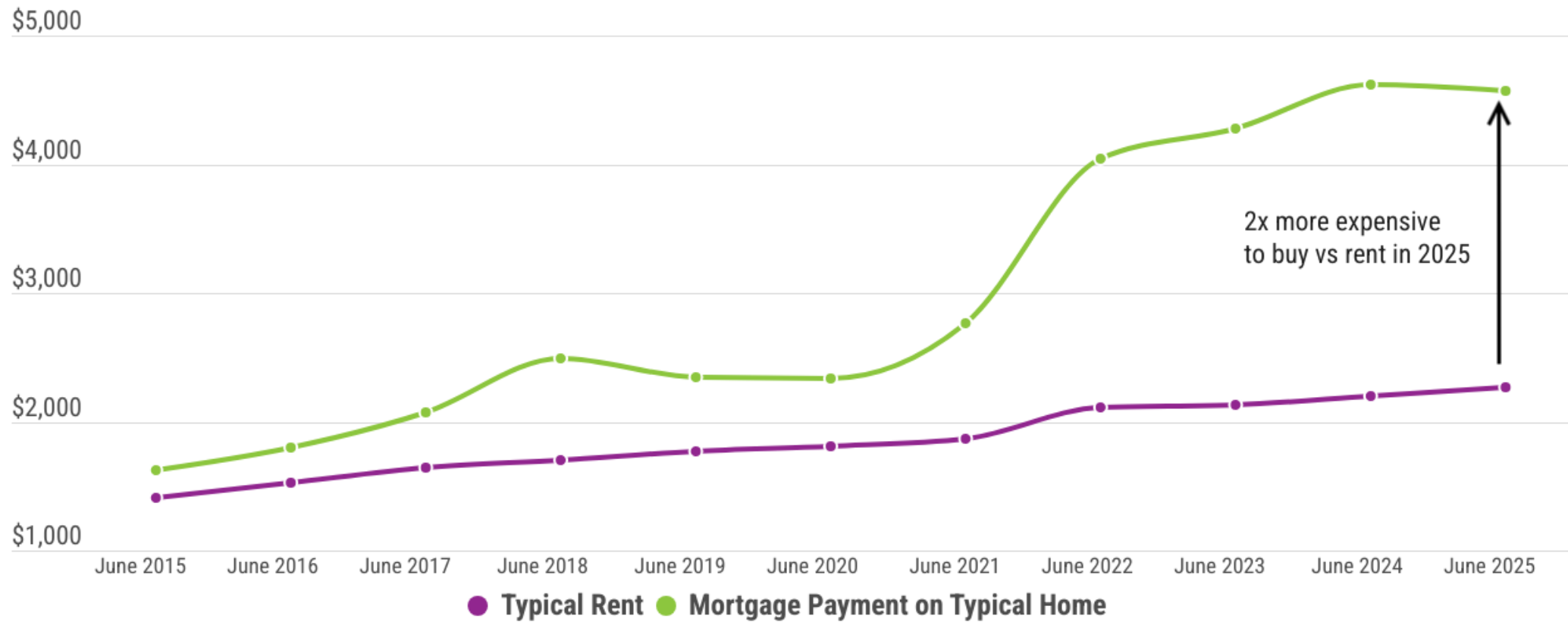
Median Listing

2	Bedrooms	3
888	Square Footage	1,864
\$392	Price per sq. ft.	\$407
1979	Year built	1995
13	days on market	35



Homeownership Affordability

Today, it's 2x more expensive to buy than to rent, placing greater pressure on an already heated rental market.



Source: Zillow, Home Value Index, Observed Rent Index; Freddie Mac, Primary Mortgage Market Survey; gap between typical rent and mortgage payment values calculated by PSRC

Note: Data are for the Seattle-Tacoma-Bellevue metropolitan statistical area which represents King, Pierce, and Snohomish counties. Assumes a 31% debt-to-income ratio, 30-year fixed rate mortgage, 20% down payment, 1% property tax, and 0.35% property insurance rate.



Rental Affordability

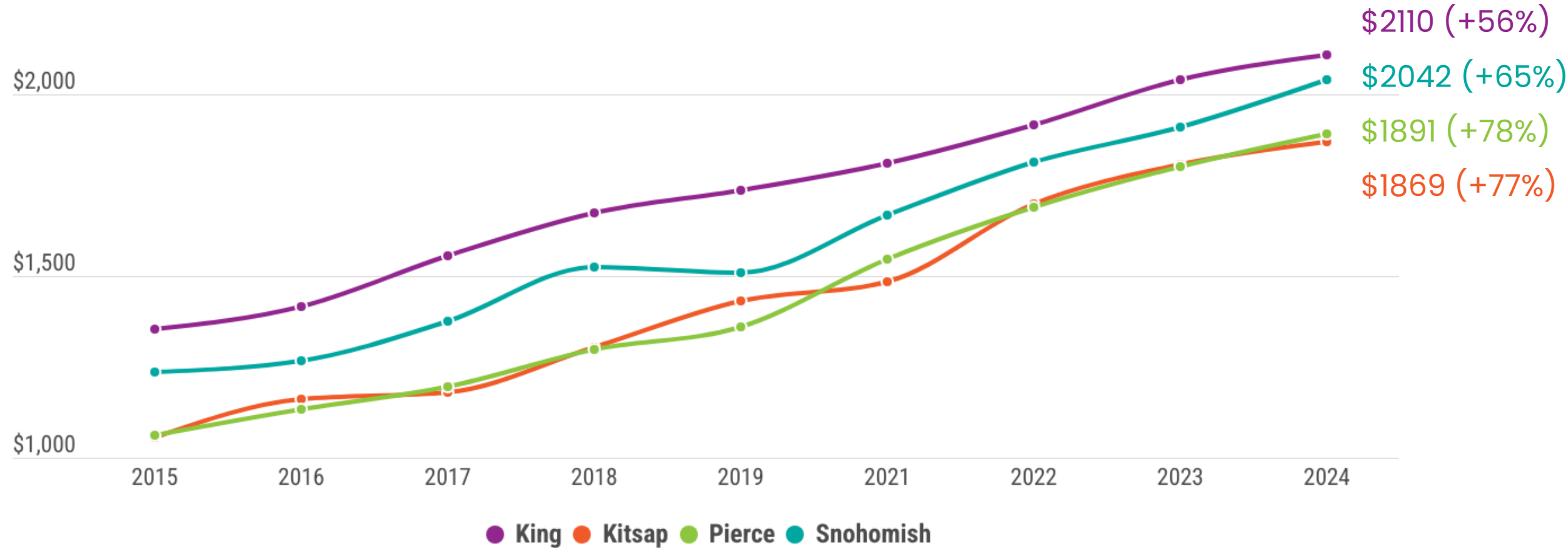
Rents are high

Renter cost burden continues to worsen for low & moderate-income households.



Rental Affordability

Since 2015, rents have risen significantly, with the largest percentage jump in Kitsap and Pierce counties

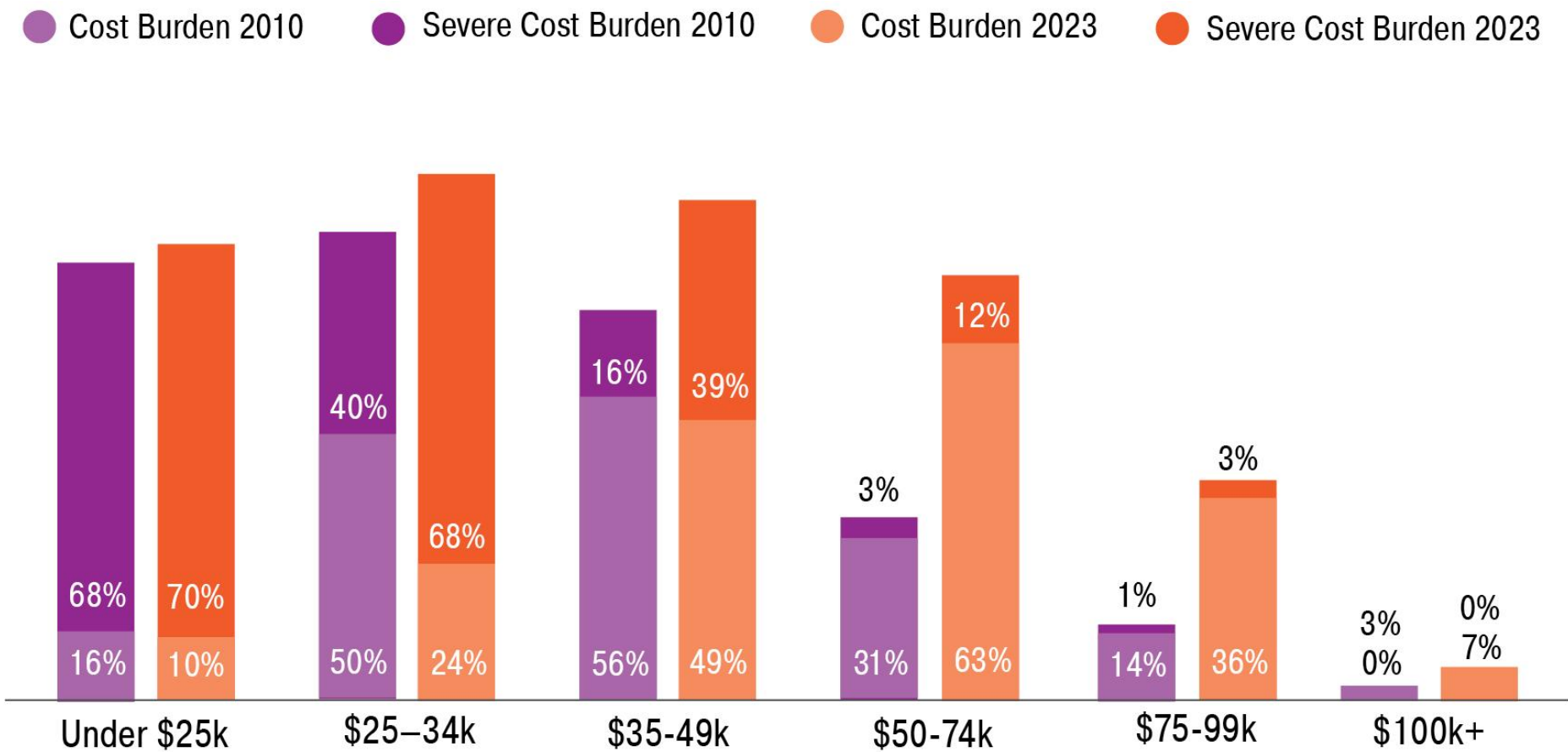


Source: U.S. Census Bureau, American Community Survey, 1 Year Estimates



Rental Affordability

Renter cost burden continues to worsen for low & even moderate-income households.

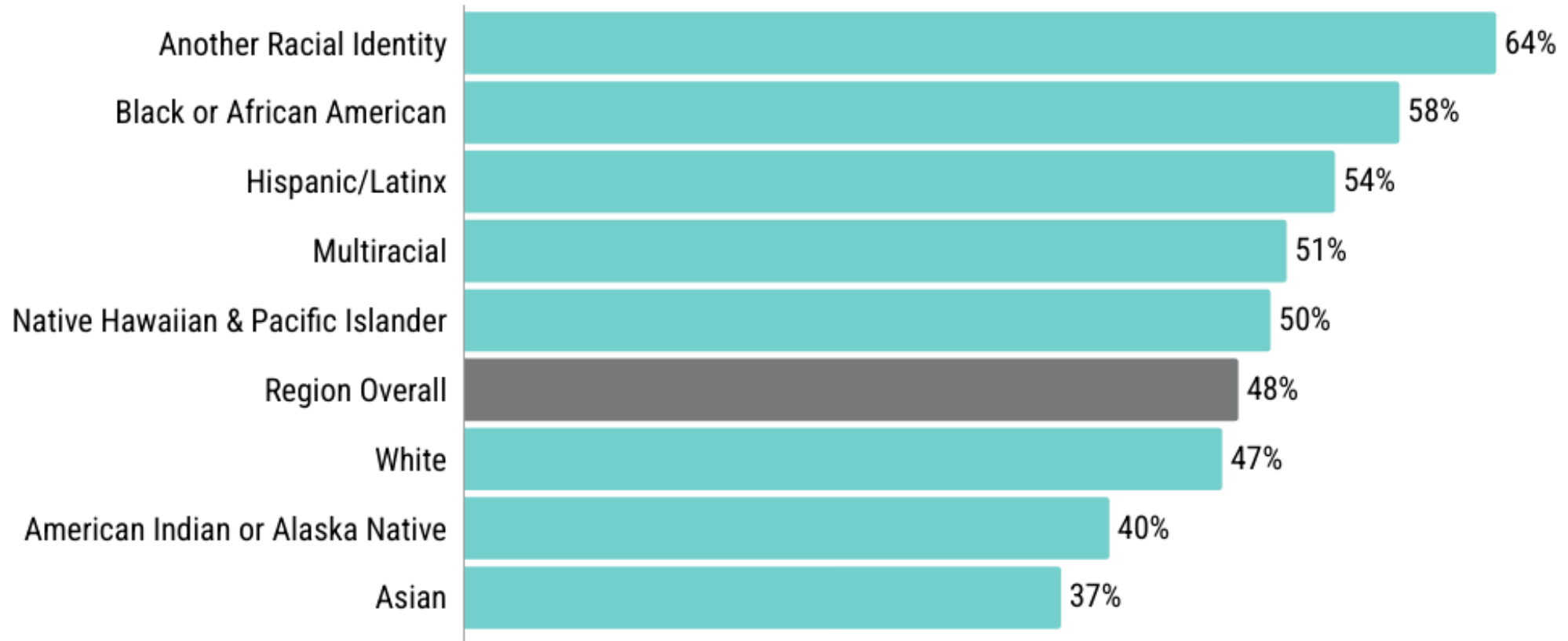


Source: U.S. Census Bureau, American Community Survey, 2010 and 2023 5-Year Public Use Microdata Sample



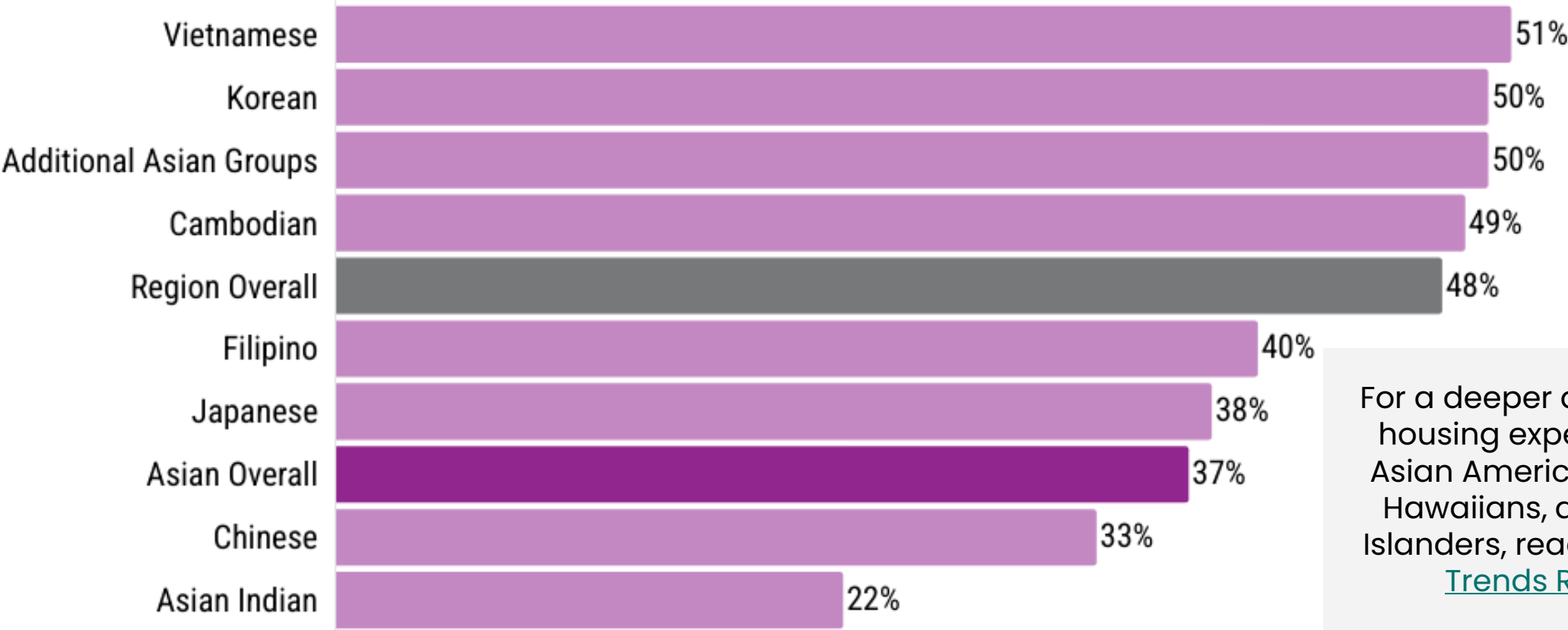
Rental Affordability

Disparities across **race & ethnicity** persist. Renter cost burden is higher for communities of color.



Rental Affordability

Among Asian subpopulations, renter cost burden varies widely.

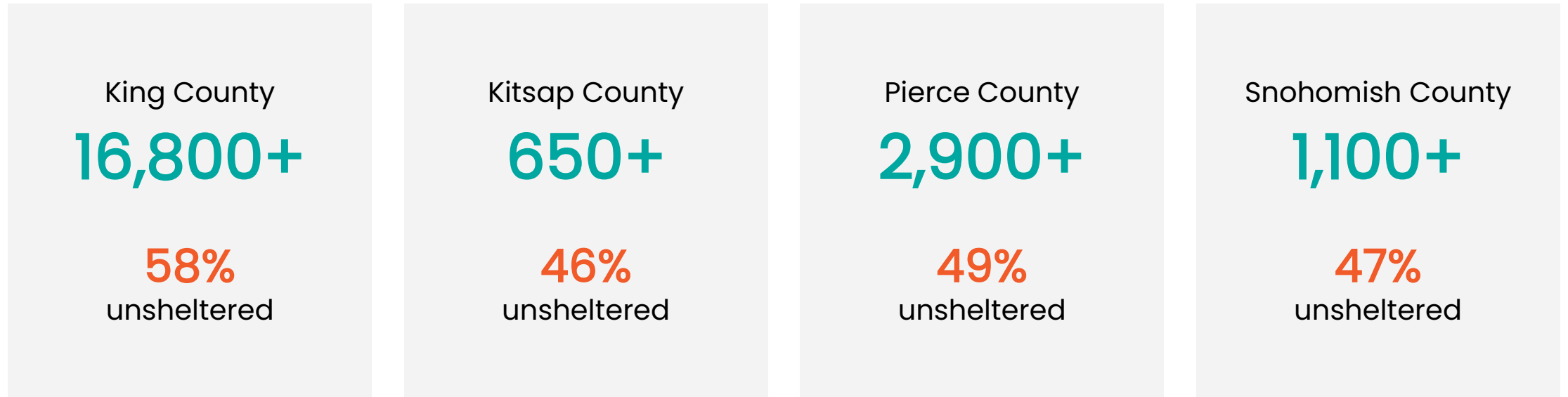


For a deeper dive into the housing experiences of Asian Americans, Native Hawaiians, and Pacific Islanders, read our [Equity Trends Report](#).



Affordability – Homelessness

21,000+ people are experiencing homelessness in the region, an increase from 14,600+ in 2019

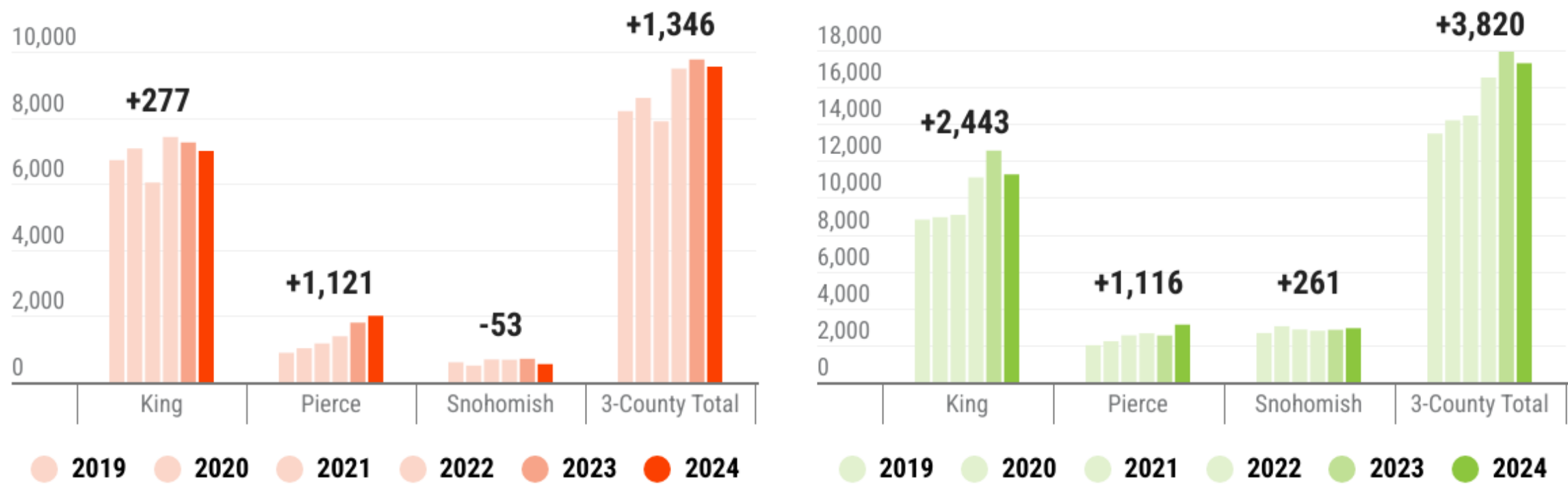


These data are **assumed to be an undercount**. Homelessness has many drivers, but a lack of housing affordable to most residents will only worsen the crisis.



Affordability – Homelessness

Access to **emergency housing** (left) and **permanent supportive housing** (right) has expanded across much of the region



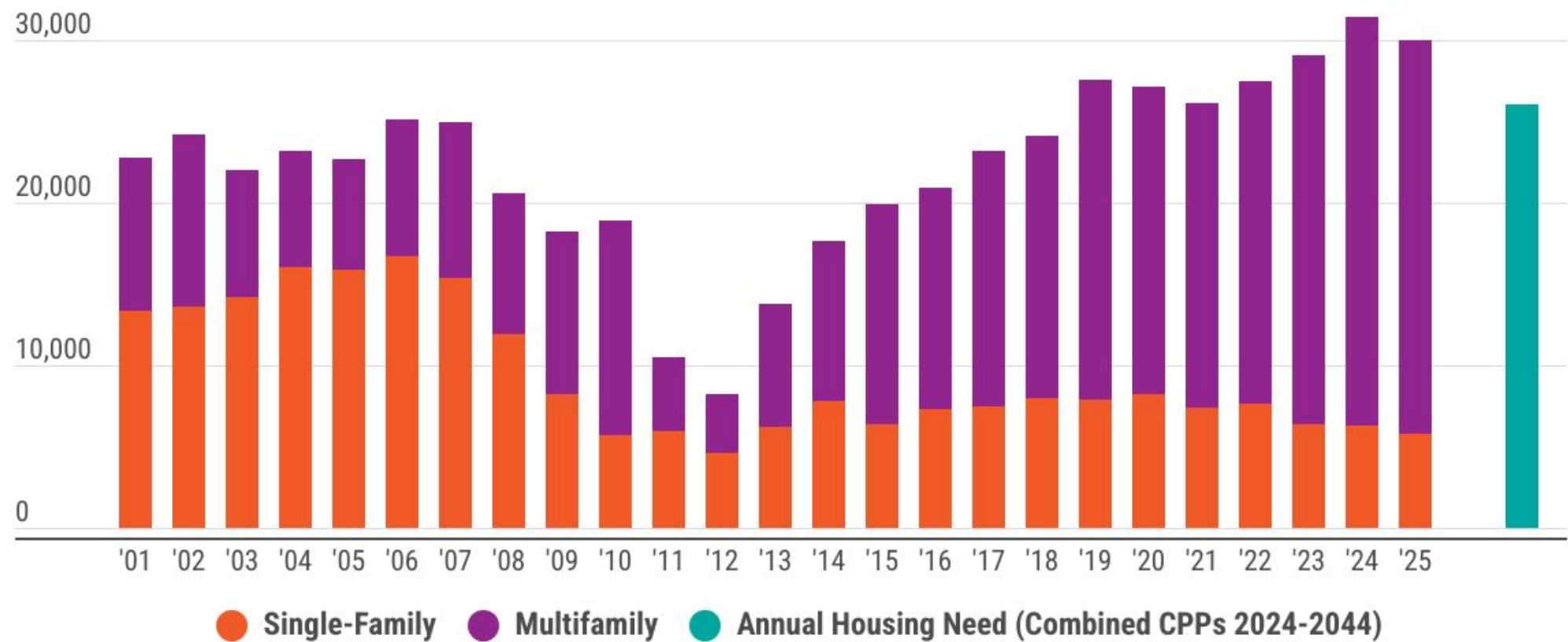
Our Region Continues to Grow

Continued Growth

The region's housing production bounced back after the 2008 recession, but has favored smaller, multifamily units.

Our Region Continues to Grow

Annual housing production is at an all-time high, helping to address the housing shortage

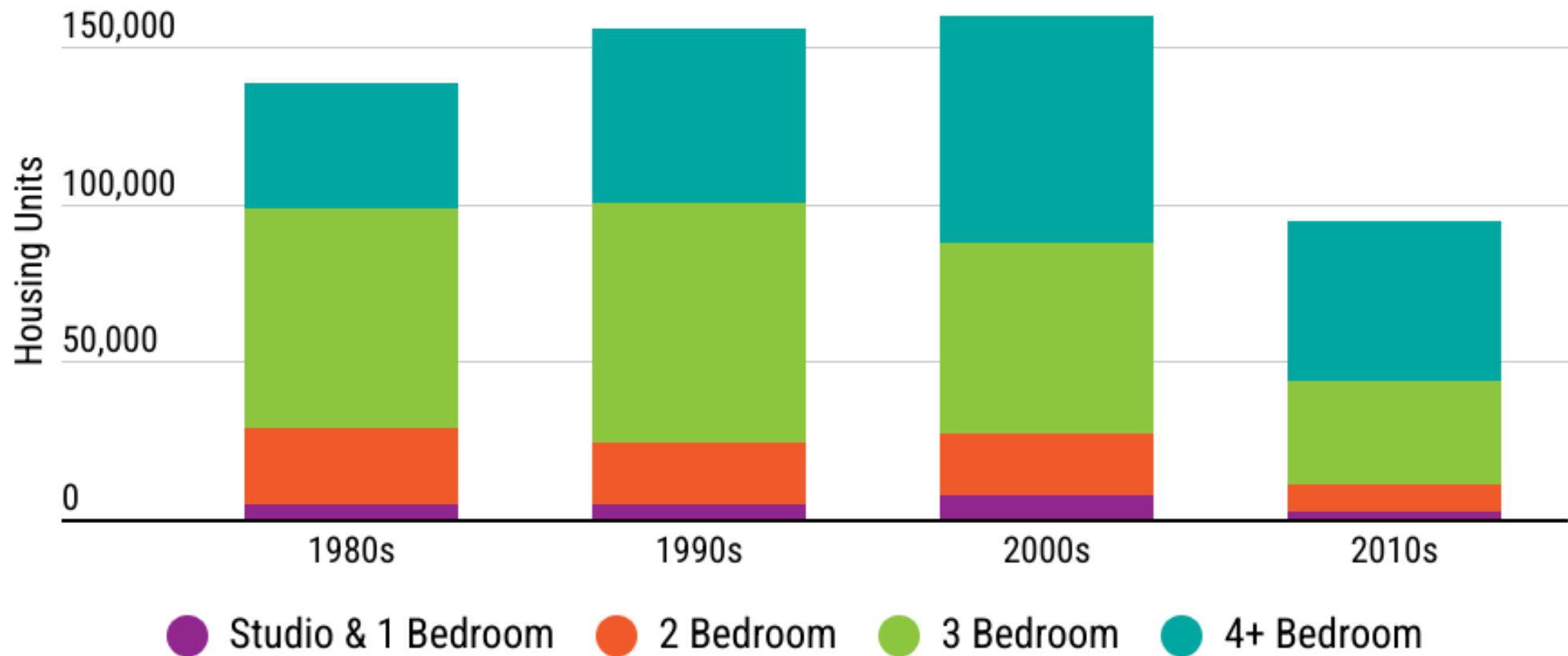


Source: PSRC calculations using: OFM, Postcensal Housing Unit Estimates 2000–2025, Intercensal Housing Estimates 2000–2020; 2000 Decennial Census, Table H30.



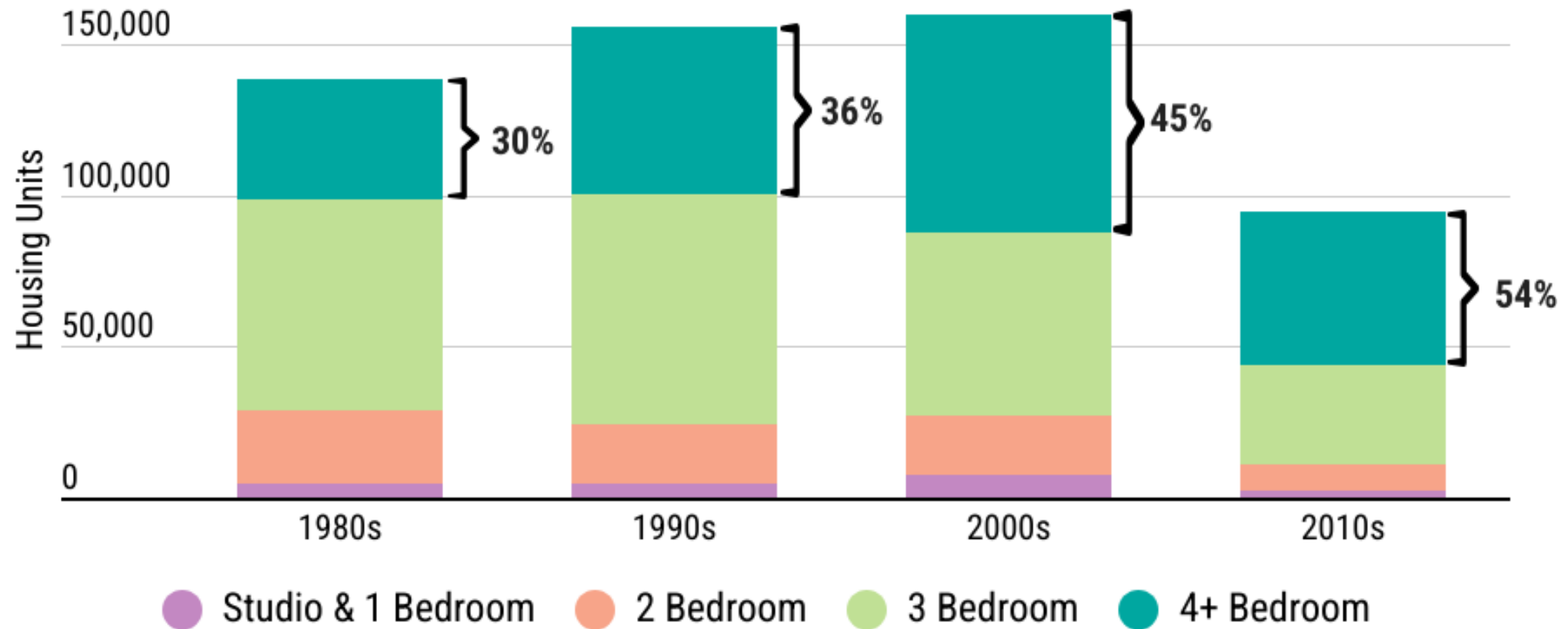
Ownership Housing Production

Nearly 80,000 fewer units were built in the 2010's compared to the 2000's. Units that were built are larger (and more expensive).



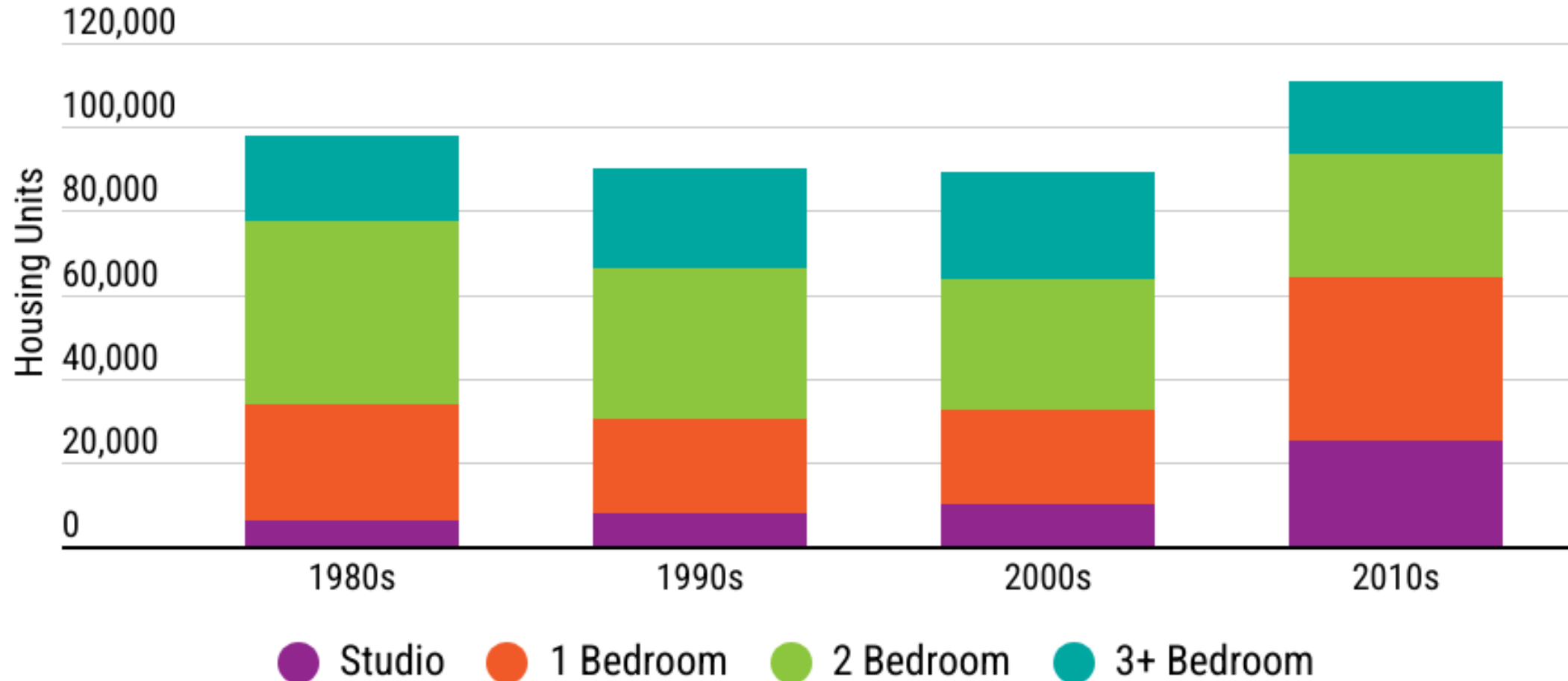
Ownership Housing Production

Nearly 80,000 fewer units were built in the 2010's compared to the 2000's. Units that were built are larger (and more expensive).



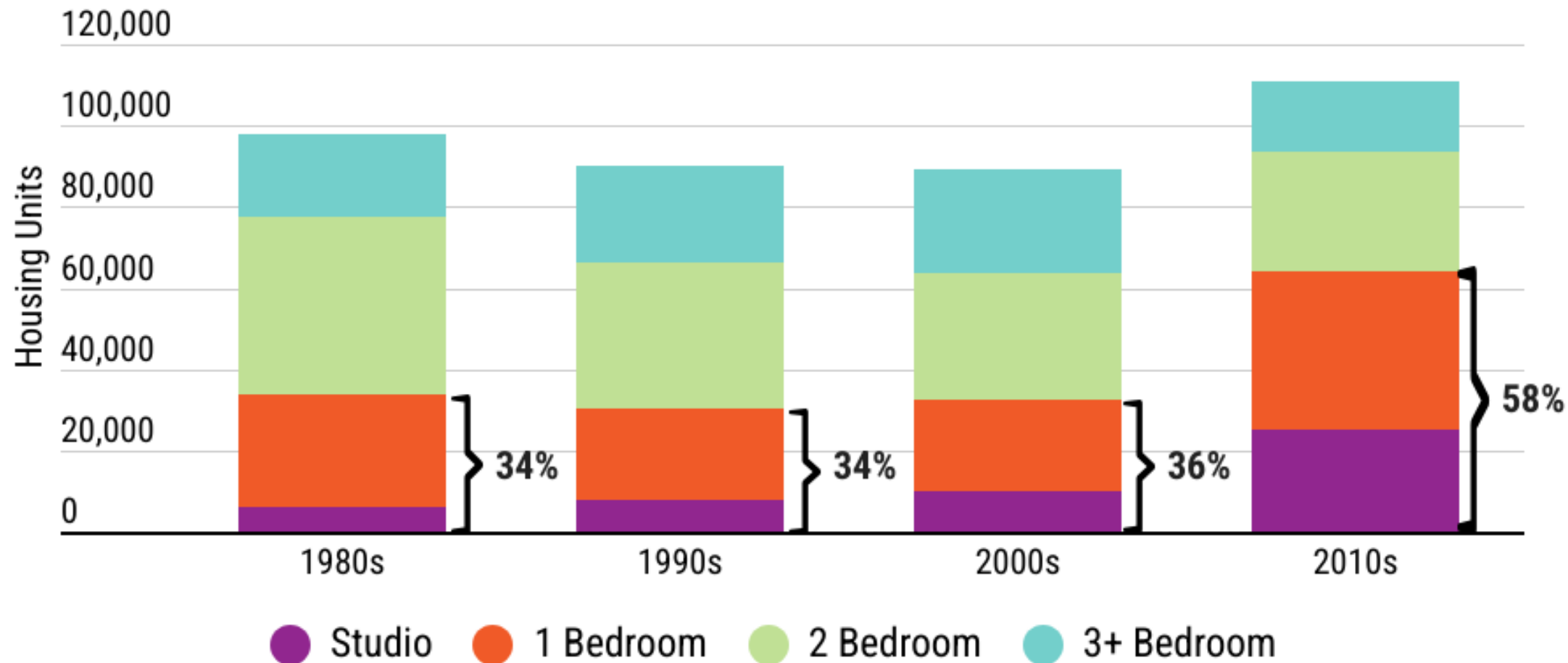
Rental Housing Production

Production of rental units is higher than in previous decades, driven by an increase in studio and one-bedroom units



Rental Housing Production

Production of rental units is higher than in previous decades, driven by an increase in studio and one-bedroom units

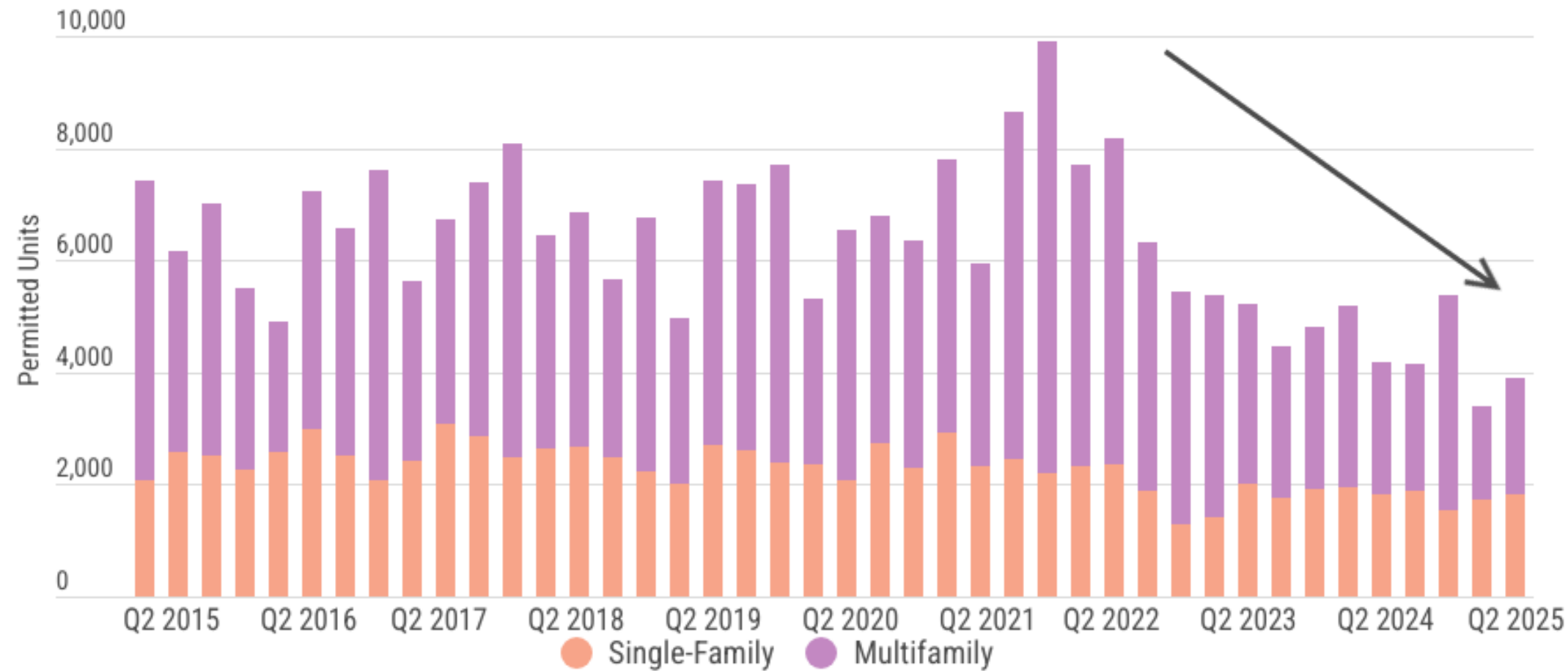


Source: 2023 American Community Survey (ACS) PUMS, 5-Year Estimates



Our Region Continues to Grow

Unfortunately, looking upstream, permitted multifamily units are on the decline

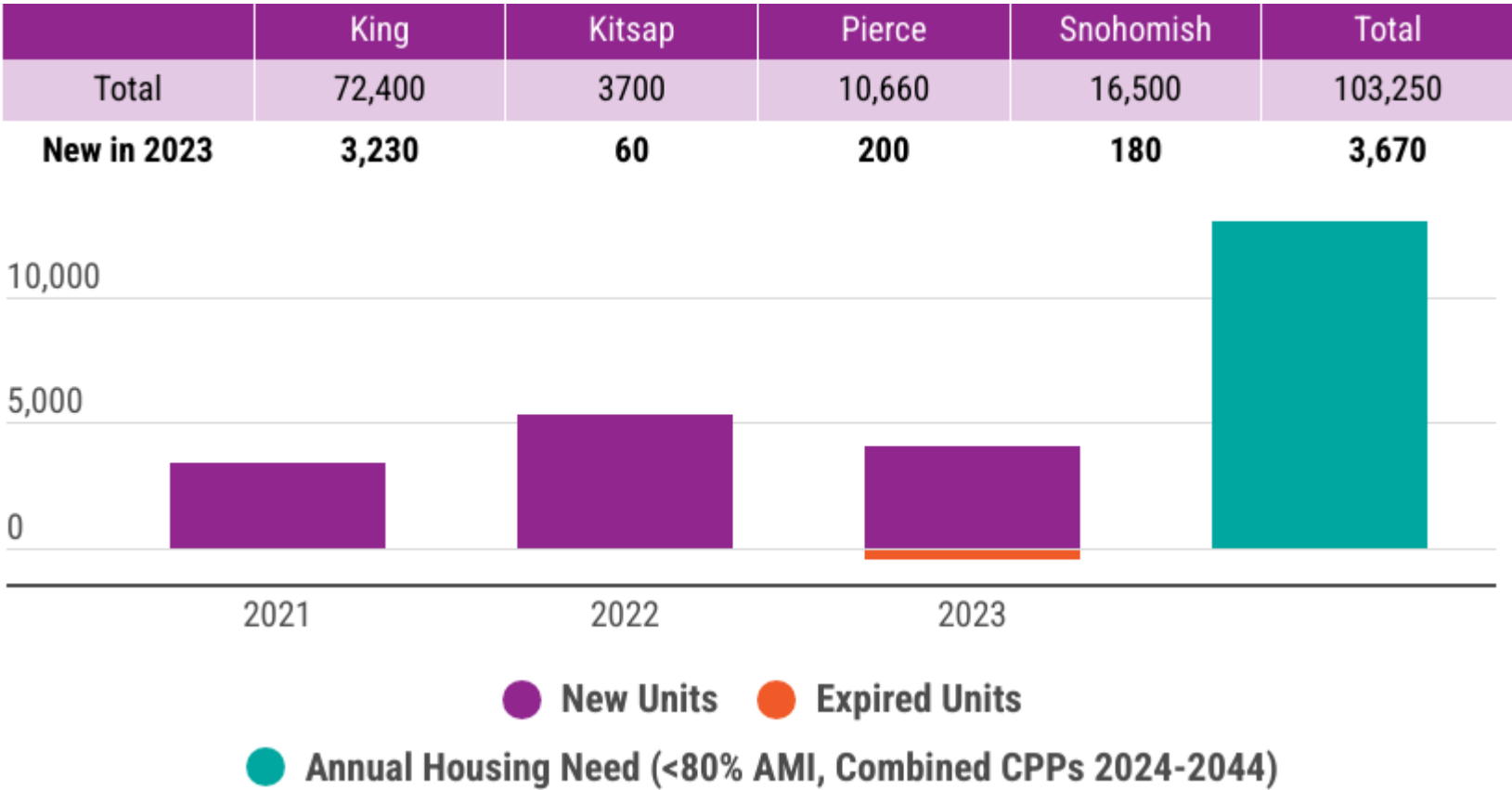


Source: Source: U.S. Census Bureau, Building Permits Survey
Note: Represents data from Q1 2015 to Q2 2025



Our Region Continues to Grow

In 2023, the region produced 4,000+ units of income-restricted housing, and lost 400+ units, largely to expiring covenants. 15,000 units will be needed annually (<80% AMI) to meet the region’s goals.



Source: PSRC, Income-Restricted Housing Database; King County, King County Income-Restricted Housing Database
Note: Data are for income-restricted properties in service as of December 2023. Expired unit data only available for 2023 and only in King County.



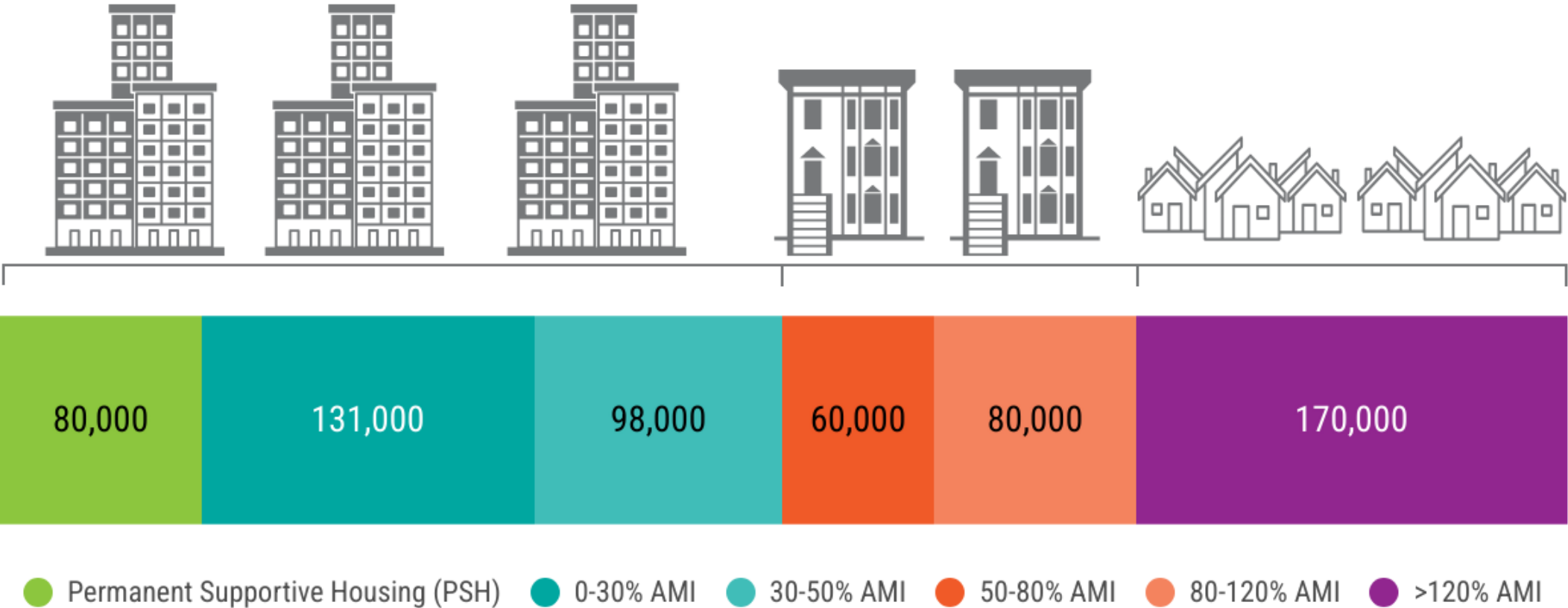
Local Progress

Planning for Affordable Housing

Jurisdictions are updating their plans and development regulations to accommodate more housing regionwide.

Local Progress – Housing Targets

Regionwide, jurisdictions are planning for 620,000+ new housing units and 77,000+ emergency housing beds by 2044



Source: Countywide Planning Policies: King, Kitsap, Pierce, and Snohomish Counties (2024-2044)



Local Progress

- 49 jurisdictions have adopted middle housing development regulations, including 7 that were not required
- Nearly all jurisdictions have adopted ADU regulations that meet or exceed state requirements
 - [Renton](#), [Seattle](#), and jurisdictions across [Kitsap County](#) have made pre-approved ADU plans available



Local Progress – Ongoing Challenges

- Land and construction **costs continue to be barriers** to development
- Many jurisdictions **lack other funding tools** for affordable housing, beyond sales and use taxes
- **More funding is needed** to develop and preserve affordable housing



Changes at State Level

State Legislation from 2024–25

- MFTE Expansion
- Transit-Oriented Development
- Unit Lot Subdivision/Lot Splits
- Parking Reforms
- Condo liability reform
- Rent Stabilization
- Co-living housing

[Commerce Summary of 2019–2025 Laws](#)



Changing National Landscape

Trump Administration Proposed 2026 Budget

- [Proposed substantial cuts](#) to Section 8 voucher program, among others. In 2025, nearly 40,000 households in our region (6% of all renter households) rely on the program.

Passage of the One Big Beautiful Bill Act (OBBBA) 2025

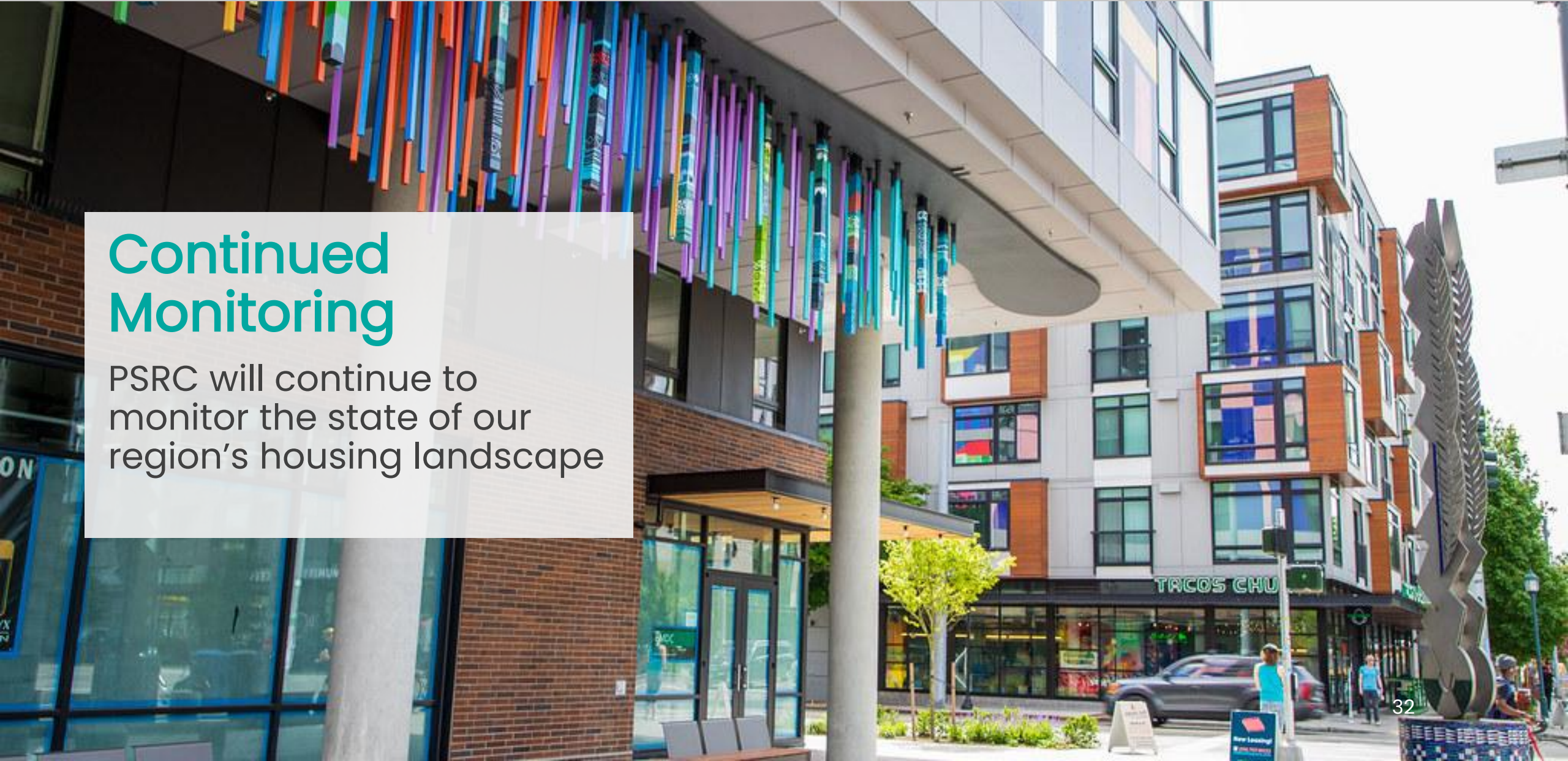
- Bill [includes an expansion](#) of the Low-Income Housing Tax Credit (LIHTC) program.
- Significant cuts to food assistance, Medicaid, and green energy production, among others.



Next Steps

Continued Monitoring

PSRC will continue to monitor the state of our region's housing landscape





Thank You!

Eric Clute

Associate Planner

eclute@psrc.org



Puget Sound Regional Council