

“Missing Middle” Housing in the Region

“Middle” housing refers to a range of housing types — from duplexes to townhomes to low-rise multifamily developments — that bridge a gap between single-family housing and more intense multifamily and commercial areas.



Source: Opticos Design, Inc., MissingMiddleHousing.com

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PSRC’s analysis of King County assessor data finds that these development types tend to be more affordable than either single-family homes or higher density housing options.

Middle housing can help promote housing diversity, give people greater housing choices, and produce urban densities that support walkable communities, local retail and commercial services, and efficient public transit.

Yet availability of these housing options is often few and far in between in many communities, hence the term “missing” middle housing.

PSRC conducted an analysis using King County assessor data for residential sales transactions to confirm whether and to what degree middle housing types can offer more affordable homeownership options in the local market.

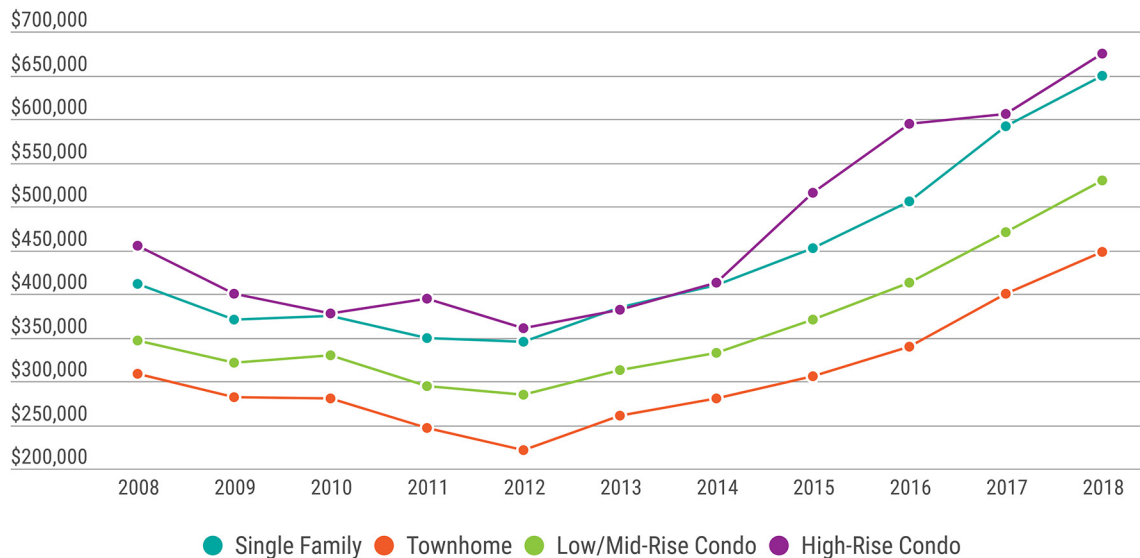
King County was chosen as a case study area, given a broader array of available housing types and larger sample sizes represented in its assessor sales database.

Residential sales transactions were categorized into four housing types — detached single family, townhomes (or attached single family), low/mid-rise condo, and high-rise condo. Mobile homes were excluded from the analysis. The distinction between low/mid-rise and high-rise condo was determined based on construction class (e.g., masonry, wood frame, and prefab steel was considered low/mid-rise; structural steel and reinforced concrete was considered high-rise).

Middle housing is more affordable than single-family

Over the past 10 years, the median sales prices of townhomes and low- to mid-rise condos were consistently and substantially lower than for single-family homes.

Median Sales Price by Housing Type, King County



Source: King County Assessor Database

Over the past calendar year, the median price for townhome sales recorded to date (through September 2018) was \$448,000, 31 percent lower than the median price for single-family homes (\$650,000).

The median price for low- to mid-rise condos was \$530,000 or 18 percent lower than for single-family homes.

High-rise condos, which are some of the most cost-intensive projects to build, came in with the highest median price of \$675,000.

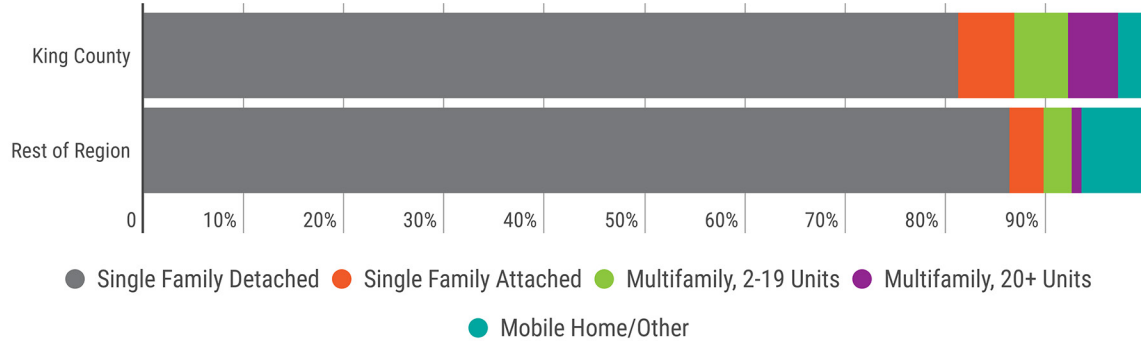
Unit square footage is a key factor behind these price differentials, as the typical townhome and especially condominium unit is smaller than the standard detached single-family home. But in many urban markets, demand is growing for affordable homeownership options within walkable neighborhoods well served by local retail and amenities.

Middle housing is small share of region's housing stock

An analysis of American Community Survey data shows that these middle housing options are indeed limited or “missing” from the region's homeownership market.

The region's ownership housing stock is dominated by traditional detached single-family housing.

Ownership Housing Stock by Housing Type



Source: 2017 American Community Survey

Detached single-family represents 81 percent of the ownership housing stock in King County, and 86 percent of the stock in Kitsap, Pierce and Snohomish counties combined.

Two housing types that best approximate middle housing — attached single-family homes (or townhomes) and multifamily structures with 2-19 units — comprise just 6 percent and 5 percent of King County’s ownership stock, and even less (3 percent and 3 percent) across the balance of the region.

Addressing housing affordability in the central Puget Sound region requires a variety of tools and strategies to ensure people of all incomes have access to housing that meets their needs — and middle housing is part of this work.

Regional and local tools can help to promote and incentivize the development of more middle housing to provide more affordable homeownership opportunities. VISION 2050 provides an opportunity for the region to develop policies and actions to make sure middle housing won’t be “missing” in the future.