Priest Lake Conference

APA Inland Empire Chapter  June 2019
Home prices have risen faster than incomes. In 1967 it was 2.5 times the median income to buy the median priced house, in 2017 it was 3.5.
Home prices have increased due to lack of supply. We are building fewer houses.
The lower the number, the higher the importance. Density, NIMBYs are tied, local government regulation even later.
Housing is considered “Affordable” if the household is paying no more than 30% of their income for housing costs (rent or mortgage plus utilities).

A household is “Cost Burdened” if they are paying more than 30% of their income on housing costs.

**Area Median Income** is the middle of the income range. 50% of people earn above, and 50% below. Provided by the US Department of Housing and Urban Development (HUD) at the county and metro level, adjusted by household size.

**Subsidized Housing** is made affordable to occupants through direct government financial support. It is typically targeted to low and extremely low-income households, formerly homeless households and those with special needs.

**Rent subsidies** are payments made directly to a private market landlord (including non-profit housing agencies) on behalf of an income-qualified tenant. Subsidies can be permanent or temporary and funded through a number of different federal and state housing programs.
Rents in Washington

Source: http://www.zillow.com/home-values/
You should also see movement between different housing types and tenures.
Basics of urban housing markets

Housing Ladder

Ownership - Trade-up
- SF Houses close to the city
- Higher-end townhouses close to the city
- Highrise urban condominium - upper floors
- SF Houses inner suburbs
- TH close to the city
- Highrise urban condominium – lower floors
- SF Houses in suburbs
- TH in Inner suburbs

Ownership - First-time buyers
- Mid-rise higher density condominiums near city
- Townhouses in Inner suburbs
- Mid-rise Lower density condominiums closer suburbs
- Small SF Houses / Townhouses in outer suburbs
- Mid-rise higher density condominiums in outer suburbs

Rental Tenure
- High quality MF Suburban Housing
- Medium Quality MF Housing closer to the urban core
- High quality MFH in the suburbs
- Medium quality MFH closer to the urban core
- Older apartments and hotels - ADUs
- Rental properties far away from the urban core

Each rung on the ladder represents a particular submarket.
Current Supply Dynamics

> Housing Ladder

Ownership - Trade-up
- SF Houses close to the city
- Higher-end townhouses close to the city
- High-rise urban condominium - upper floors
- SF Houses in inner suburbs
- TH close to the city
- High-rise urban condominium - lower floors

Ownership - First-time buyers
- SF Houses in inner suburbs
- TH in inner suburbs
- MISSING HIGHER DENSITY HOUSING OPTION
- Townhouses in mid-suburbs

Rental Tenure
- High quality MF Suburban Housing
- Medium Quality MF Housing closer to the urban core
- High quality MFH in the suburbs
- Medium quality MFH closer to the urban core
- Older apartments and hotels - ADUs
- Rental properties far away from the urban core

Vacuum between rental tenures and first time buyers
This is called the MISSING MIDDLE
Basics of urban housing markets

> Lower end of the housing ladder

- Mid-rise Lower density condominiums closer suburbs
- Small SF Houses / Townhouses in outer suburbs

- Mid-rise higher density condominiums in outer suburbs

High quality MF Suburban Housing
Medium Quality MF Housing closer to the urban core

High quality MFH in the suburbs
Medium quality MFH closer to the urban core

Older apartments and hotels - ADUs
Rental properties far away from the urban core