

### Home Ownership Rate

#### OUTCOME: PROMOTE AFFORDABLE HOME OWNERSHIP OPPORTUNITIES

##### Countywide Planning Policy Rationale

"Countywide programs should provide...low-income housing development, including new construction, acquisition, and rehabilitation; [and]...assistance to low and moderate income home buyers. (AH-2A)

The trend in local home ownership has diverged from the national trend. While a greater share of the country's households have entered home ownership since 1970, the ownership rate in King County actually decreased. Nationally, the largest gains in homeownership occurred in the 1990s, while only minor gains were seen in King County. However, the trend has reversed since 2000, with an increase in home ownership locally and virtually no change nationally.

As the country moved out of a recession after 2000 and interest rates remained low, both the national and local home ownership rates increased through 2005. Indeed, strong growth in the housing market accompanied a rising national home ownership rate, which reached 69% in 2005. However, a distinct reversal of this upward trend began in 2006 as the home ownership rate throughout the United States dropped to 67% and remained there through 2007.

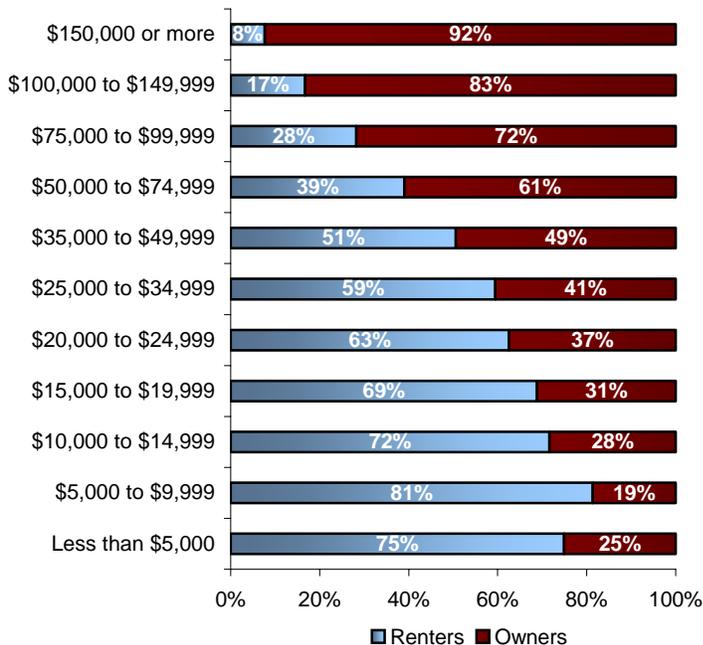
Figure 25.1

Home Ownership Rate					
Year	1970	1980	1990	2000	2007
King County	63%	62%	59%	60%	62%
Washington State	67%	67%	62%	65%	66%
Western United States	60%	60%	58%	61%	63%
United States	63%	64%	64%	67%	67%

source: U.S. Census Bureau, American Community Survey

Figure 25.2

##### Distribution of Renter and Owner Households in King County by Income Group



source: American Community Survey

This drop in ownership may be attributed to dubious mortgage lending practices and a recent economic downturn that have accompanied rising foreclosure rates throughout the country. While pressure on the housing market has been felt nationally, it has been pronounced in housing markets that experienced dramatic and arguably unsustainable growth in recent years (such as Las Vegas with a 4% foreclosure rate in 2007) and in those that have been most affected by the recent economic downturn (such as Detroit with an almost 5% foreclosure rate).

With a 2007 foreclosure rate of less than 0.5%, the Seattle-Bellevue-Everett metropolitan area has not experienced as much strain on the housing market. This relatively low foreclosure rate accompanies a slight increase in King County's home ownership rate over the last several years.

As shown in figure 25.2, the rate of home ownership increases as income increases. In 2007, about two-thirds of owner households earned more than median household income. In contrast, almost three-quarters of all renter households earned less than median income.