

Apartment Vacancy Rate

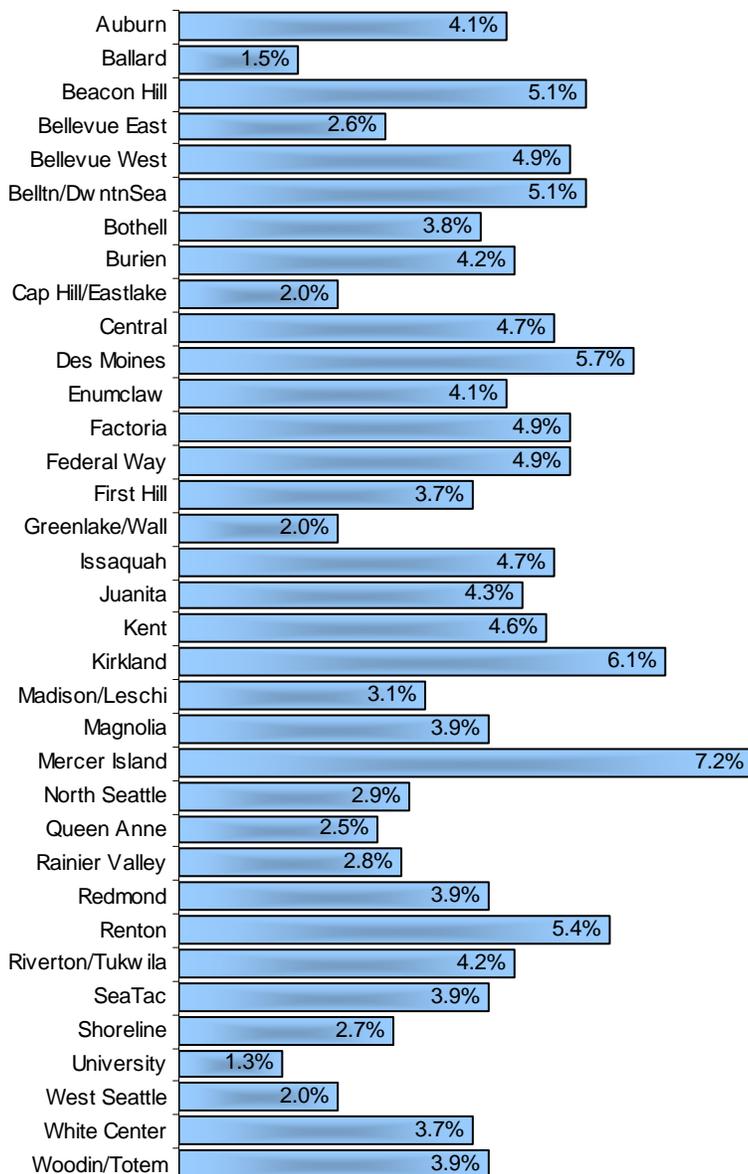
OUTCOME: PROVIDE SUFFICIENT AFFORDABLE HOUSING FOR ALL KING COUNTY RESIDENTS

Countywide Planning Policy Rationale

"The distribution of housing affordable to low and moderate-income households shall take into consideration the need for proximity to lower wage employment, access to transportation and human services, and the adequacy of infrastructure to support housing development ...avoid over-concentration of assisted housing; and increase housing opportunities and choices for low and moderate-income households in communities throughout King County. Each jurisdiction shall give equal consideration to local and Countywide housing needs." (AH-2)...All jurisdictions shall monitor residential development within their jurisdictions....Housing prices and rents also should be reported...King County shall report annually on housing development, the rate of housing cost and price increases and available residential capacity Countywide." (AH-5)

Figure 26.1

Vacancy Rates in King County Neighborhoods April 2008



source: Dupre + Scott Apartment Advisors, Inc.

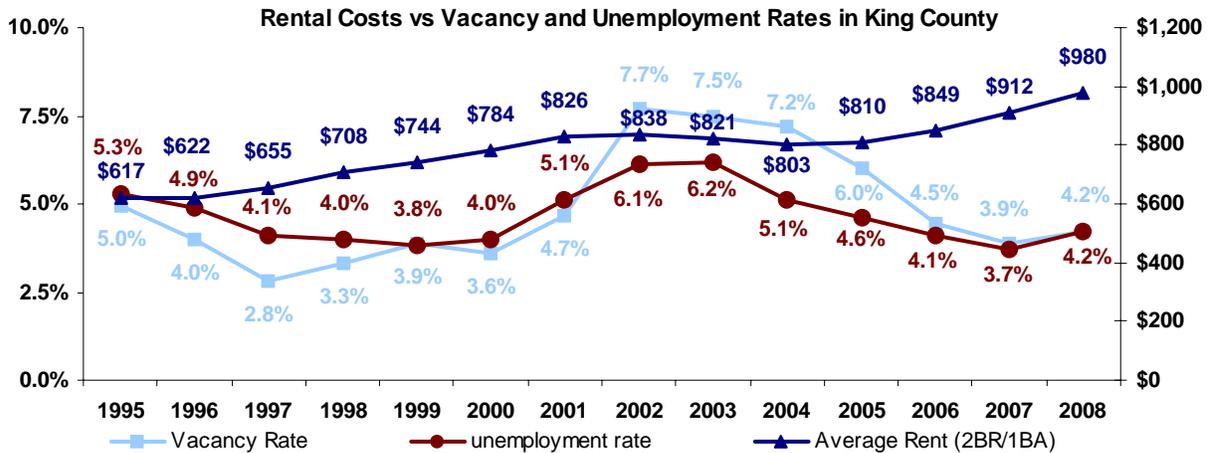
Rental vacancy rates are influenced by the availability of housing stock and measure the capacity to accommodate household demand. A vacancy rate of five percent is generally regarded as a normal market rate. Lower vacancy rates suggest high demand for units and upward pressure on rents while higher vacancy rates suggest excess capacity and downward pressure on rents.

As shown in figure 26.2, vacancy rates climbed quickly after 2000, more than doubling from 3.6% to 7.7% in 2002. With a booming housing market and rising rate of home ownership, rental vacancy rates remained relatively high through 2004, accompanied by small decreases in rental costs. The higher vacancy rates accompanied high unemployment and low population growth.

Beginning in 2005, apartment vacancy rates in King County dipped below five percent, dropping to a low of 3.9% in 2007. Low vacancy rates and rising rental rates corresponded with employment gains. Moving into 2008, however, both vacancy rates and unemployment increased slightly, movement not seen in five years. The effect that rising unemployment and previous debt-driven consumption will have on apartment rental costs and vacancy rates is unclear.

Apartment vacancy rates differ throughout the county's subareas. In April 2008, the county's vacancy rate averaged 4.1% for a 2 BR/ 1 BA apartment. In neighborhoods north of Seattle's ship canal, the vacancy rate averaged 2.4% while the county's southeast neighborhoods averaged a 5.0% vacancy rate.

Figure 26.2



source: Central Puget Sound Real Estate Research Committee, Washington State Employment Security Department, Dupre + Scott Apartment Advisors, Inc.

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King County Benchmark Program

Established by the Growth Management Planning Council (GMPC) in 1995 as required by the WA State Growth Management Act, the King County Benchmark Program monitors 45 indicators that measure the progress of the King County Countywide Planning Policies. The indicators are intended to collectively articulate the impact of land use and development policies/ practices on our natural, built and social environment. Rather than focusing on the jurisdictional programs of the county's 40 jurisdictions, the Benchmarks provide a high level analytical view of change within the geographic boundaries of King County.

As one of the first and most durable efforts at monitoring outcomes in the public sector, the King County Benchmark Program demonstrates how measurement of broad quality-of-life outcomes can help determine if public policy and programs are making a difference. Public outcome monitoring is a strategy for change: it alerts us to what we are doing well and where we need to do better. It is closely connected to both the policy goals that it monitors, and to the strategic planning, programs, and services that are intended to implement those goals.

The Benchmark Program reports cover five policy areas: land use, economic development, transportation, affordable housing and the environment. All reports are available on the Internet at <http://your.kingcounty.gov/budget/benchmark/bench08/>. For information, please contact Lisa Voight, Program Manager (206)263-9720 or e-mail: lisa.voight@kingcounty.gov.

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