



Synopsis of the Our Valley, Our Future Regional Housing Survey Results September 2017

Residents continue to struggle in finding and affording a home in Chelan and Douglas counties, to the point where many are considering relocating, according to a regional survey conducted by the Our Valley, Our Future community initiative.

The Our Valley, Our Future survey found residents favoring a diverse range of options to solve the housing challenges, as well as a collaborative approach to the problem, with citizens, government, the housing industry and nonprofits all being seen as having a key role.

Of the 1,700 people who completed the Our Valley housing survey, 45.5 percent of respondents were from Wenatchee, 26.6 percent from East Wenatchee, and 13.1 percent from the Upper Wenatchee Valley. The income and age demographics of survey-takers generally reflect the overall community's demographics. Additionally, more than 600 survey respondents wrote short personal stories describing the housing challenges they and those they know are facing in the region.

Key survey findings

- 71.1 percent of survey respondents said the issue of housing availability and affordability is “extremely important” for the community. Another 23.4 percent labeled it as “important.”
- More than three-fourths of respondents (77.4 percent) said the local housing market, left to its own devices, will not correct the region’s growing problems with housing availability and affordability. A total of 12 percent said the housing market will do that eventually, and 10.6 percent said they weren’t sure or didn’t have an opinion.
- Given housing costs and availability, 45.2 percent of the respondents said they have considered relocating to another city within the past year, while 49.1 percent said they had not. 5.7 percent said they weren’t sure or had no opinion.
- Survey respondents cited an inadequate supply of reasonably priced homes and an inadequate supply of homes in general as the greatest challenges to buying a home today. An inadequate supply of rental units, followed by the poor quality of available rental units, were cited as the greatest challenges faced by renters.
- 46 percent of respondents indicated they are spending more than 30 percent of their household income on housing (either mortgage or rent) — including 23.4 percent spending more than 40 percent. Financial experts generally advise people not to spend more than 30 percent of their income on housing. Nationally, a family of four spent an average of 25.8 percent of their income on housing in 2014, according to a report by the Pew Charitable

Trusts.

- Among residents who rent a home, 46.3 percent said they are paying more than they can afford, 42.4 percent said they are paying what they can afford, and 11.3 percent said they are paying less than can afford.
- While adding more single-family homes and apartments remain the top choices, nine in 10 survey-takers called for a greater diversity of housing types in the region. They chose such types as town houses, row houses, cluster housing, four-plexes, tiny houses (i.e. single family homes of less than 400 square feet), and high-rise buildings. There was support, too, for apartment complexes to be built in towns outside the greater Wenatchee area.
- Asked if they would be willing to help finance new infrastructure (roads, utilities) so that more land could be opened up for housing, 45 percent said they would, 22.7 percent said no, 21.7 percent said they were not sure or had no opinion, and 10.7 percent provided an alternative answer.
- About one in every three respondents said their ideal location to live is a rural setting with acreage. More populated areas (suburbs, urban neighborhoods and downtown cores) were favored by 48.9 percent. 15.2 percent of respondents said a small town was their preferred housing location.
- In order of importance, respondents favored these services and amenities being situated close to where they live: Grocery stores, employment/jobs, schools, medical facilities, parks and recreation, public transportation, trails, shops and restaurants, parking, and child care/pre-school.
- 65.6 percent said new "in-fill" housing (new housing built in empty or redeveloped lots in existing neighborhoods) should reflect the character of those existing neighborhoods and districts. 13.5 percent said "in-fill" should not reflect the character of existing neighborhood, while 20.9 percent were not sure or had no opinion.

Note: For the complete survey results, visit www.ourvalleyourfuture.org

Next steps in Our Valley Regional Housing Approach 'Game-Changer'

The regional housing survey is part of a multi-step Regional Housing Approach "game-changer" project that Our Valley, Our Future has undertaken to develop recommendations to improve the region's housing supply and affordability. The game-changer is one of seven such major projects in Our Valley Action Plan, released in November 2016.

The survey results were released at the "Where Will We Live?" Housing Forum held Sept. 20 at Pybus Public Market in Wenatchee. Forum attendees brainstormed ideas to improve the housing market.

In October, an Our Valley Housing Solutions Group will take the survey and forum results, along with findings of an Our Valley white paper on housing cost disparities, and research and recommend new policies aimed at increasing the availability and affordability of homes in the two-county region. The Housing Solutions Group is to be made up of stakeholders and citizens representing a variety of interest groups across the political spectrum. The group's recommendations will be made to policy makers and industry and community leaders.

Today's housing market in Chelan and Douglas counties

The Our Valley Regional Housing Approach game-changer project follows on the heels of a Greater Wenatchee Area Urban Housing Study, conducted in 2016 by the cities of Wenatchee and East Wenatchee, that revealed mounting challenges for residents. Among the major issues identified by the 2016 study: Rising housing costs; low vacancy rates; the lack of market-rate, multifamily and low-income housing being built; and stagnant wages.

The study, released in September 2016, concluded the housing supply was not keeping up with demand and there would be upward pressure on costs for years to come unless it was corrected. The study also found a mismatch between household size and housing stock, seemingly indicating a need for smaller housing units in the community.

In June 2016, the median home value in the Wenatchee area was 76.1 percent higher than in Yakima, 50.4 percent higher than in Spokane, and 27.4 higher than in the Tri-Cities.

Since then, if anything, the housing market has tightened further, according to a series of local reports released this year by Pacific Appraisal Associates and Chelan-Douglas Trends:

- In July 2017, the median home sales price in the Greater Wenatchee Area was \$287,250, up 9 percent from July 2016 and up 38.3 percent from July 2012.
- In June 2017, the median home sales price in the Leavenworth area was \$385,000, up 27 percent from June 2016 and 48.1 percent from June 2012.
- Between 2010 and 2015, the median household income rose 17.7 percent in Chelan and Douglas counties.
- In July 2017, there were 156 homes for sale in the Greater Wenatchee Area, down from the 450 homes listed in July 2012 and 600 in July 2011. In a healthy housing market, experts say the Greater Wenatchee Area would have somewhere between 300 and 325 homes for sale.
- Through July, there were 150 single-family building permits issued in the two-county region, virtually unchanged from the past few years.
- In July 2017, the rental market in the Greater Wenatchee Area remained stagnant with an overall vacancy rate of 0.5 percent. (A healthy rental market is typically around 5 percent.) Broken down further, the rental market looked like this in July: 0.6 percent vacancy rate for one-bedroom apartments, 0.3 percent vacancy rate for two-bedroom apartments, 0.5 for single-family homes and 0.5 percent for duplexes.
- In Leavenworth, the long-term rental vacancy rate was at 1 percent in March 2017 according to a City of Leavenworth housing study.
- In 2014, 312 new apartments (Riverside Nine complex) were built in Wenatchee. Since then, only 28 new apartments have been constructed in the community.
- In July 2017, the market rate for renting a one-bedroom apartment was approximately \$1,200 a month (not including fees) in the Greater Wenatchee Area and approximately \$1,800 a month (not including fees) for a two-bedroom apartment.
- In the Leavenworth area, an estimated 36 percent of the homes are vacation homes and short-term rentals.