KENT

SOUTH KING COUNTY SUB-REGIONAL

HOUSING ACTION PLAN FRAMEWORK

2020

This document provides trends in demographic, employment, housing, and housing affordability along with housing projections for the City of Kent. Kent is a participant of the South King County Sub-regional cities who are coordinating a comprehensive Housing Action Plan Framework for South King County which includes the cities of:

- Auburn
- Burien
- Federal Way
- Kent
- Renton
- Tukwila

Given that the participating communities are impacted by many common market trends and demands, cooperation is necessary to address these issues. Providing for the sub-regional coordination of Housing Action Plans through a common Framework will allow all the partners to address housing issues holistically and ensure housing-related burdens are not simply shifted around between cities.

The sub-region differs from East King County and Seattle, where housing markets and income levels significantly skew the Area Median Income as it relates to how affordability is defined, and therefore how successful south King County cities are in providing affordable housing for their communities. A sub-regional framework that captures broad factors impacting housing choice, cost burden, and existing conditions of housing stock in South King County will set the stage to evaluate and incorporate appropriate policies, tools and incentives for increasing residential capacity.

This document and analyses were produced by:

ECONorthwest
ECONOMICS · FINANCE · PLANNING

Executive Summary

› Kent needs about 5,999 new housing units by 2040 when its population is expected to reach about 138,500 people (see page 7).

› Kent needs to produce about 300 units per year to reach this goal (pg. 7). This is about the same pace of units produced annually over the 2011-2019 timeframe (pg. 4).

› Kent saw a lot of development in the recent development cycle with a noticeable increase in production since 2017, however this was not enough to keep up with demand. From 2010 to 2019, Kent only produced 9.1 housing units for every 10 new households (pg. 4).

› Despite strong production, home prices have still risen throughout Kent. Average 2-bedroom rents increased almost 60% since 2010, and home prices increased 88% (pg. 6).

› Housing costs are quickly outpacing incomes: over the 2012 to 2018 time period, renter incomes only grew 25% and homeowner incomes only grew 11% (pg. 5).

› In 2018, 83% of renters and 96% of homeowners earning less than 30% of AMI were cost burdened, along with 81% of renters and 57% of homeowners earning between 30% and 50% of AMI (pg. 6).

› Kent gained many 2-person households, while seeing a large decline in 1-person households from 2012 to 2018. The City's overall population grew 39%, twice as high as the South King County subregion's growth over that timeframe (pg. 5).

› Kent's demographics changed by income too. Households earning more than 100% of AMI saw the largest increase: they accounted for 27% of total households in 2012 but this increased to 33% of total households by 2018 (pg. 5). This increase was greater than Auburn, Federal Way, or Renton's increase in high-income households, and greater than the increase in the South King County subregion as a whole.

› As a result of Kent's changing demographics, the bulk of its new units are needed at the 100%+ AMI affordability range, followed by units needed in the 50%-80% AMI and 0-30% AMI ranges (pg. 7).

› The majority of Kent's residents work in the manufacturing sector (with a median salary just under $60,000), followed by wholesale trades ($54,000), construction ($53,000), and transportation and warehousing ($50,100) (pg. 8).

The 2018 HUD Area Median Income (AMI) for King County is $103,400 for a 4-person household. Data discussing "% AMI" are proportioned off of this median and are also for 4-person households.

Housing Trends

48,228
Number of total housing units in 2018

Source: OFM, 2019

2,759
Number of housing units built since 2011

Source: OFM, 2019

307
New housing units built on average every year since 2011

Source: OFM, 2019

9.1
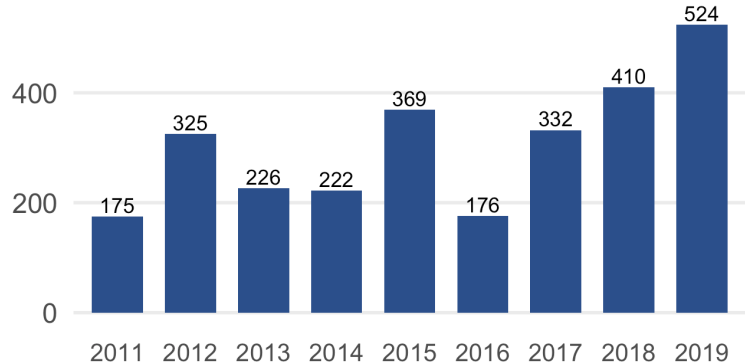New housing units per every 10 new households

› *Between 2010-2019*

Source: OFM, 2019, ECONorthwest calculations

Housing Units Built by Decade, 1960-2020

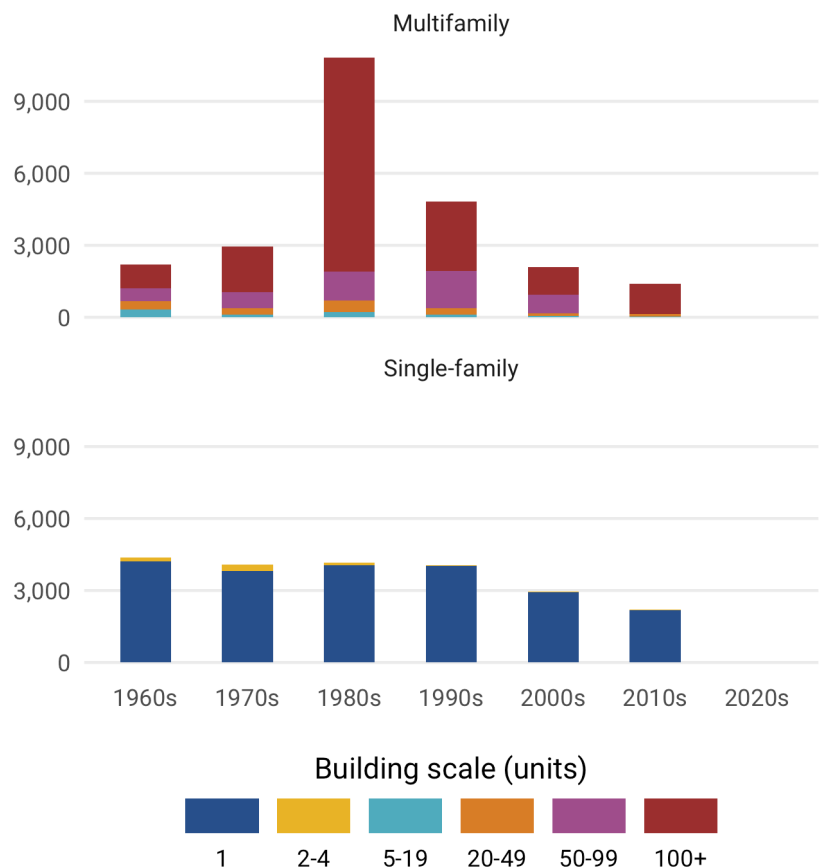| Decade	% of Units
Before 1960's	6%
1960's	13%
1970's	14%
1980's	30%
1990's	18%
2000's	10%
2010's	7%

Source: King County Assessor's Office, 2020

Number of Units Built Per Year, 2011-2019

Source: OFM, 2019

Scale of Housing Built by Decade, 1960-2020

Source: King County Assessor's Office, 2020

39%

Change in population

› *Between 2010 and 2018*

	2010	2018
Population	92,411	128,900

Source: OFM, 2019

6%

Change in number of households

› *Between 2012 and 2018*

	2012	2018
Households	41,951	44,560

Source: PUMS (2012, 2018)

25%

Change in median renter household income

› *Between 2012 and 2018*

	2012	2018
Median Income	$36,367	$45,589

Source: PUMS (2012, 2018)

11%

Change in median owner household income

› *Between 2012 and 2018*

	2012	2018
Median Income	$81,827	$91,179

Source: PUMS (2012, 2018)

Change in Household Type, 2012 & 2018

Household Size: 1: -2,554; 2: 4,369; 3: 452; 4: 217; 5+: 125
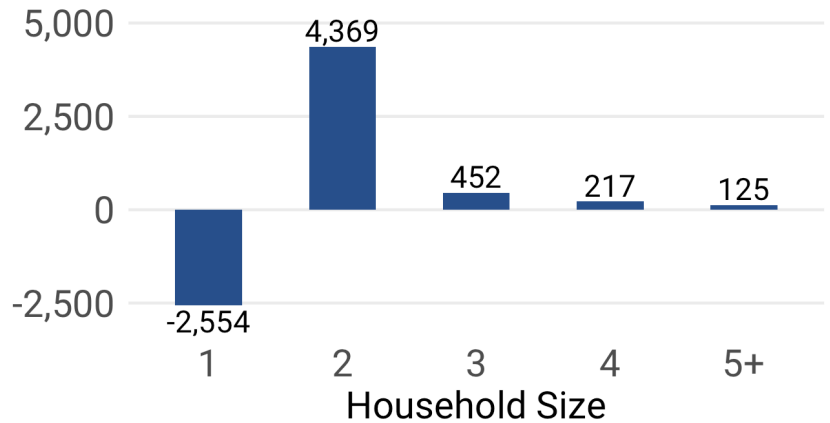
Source: PUMS (2012, 2018)

Income Distribution by AMI, 2012 & 2018

Household Income as % of AMI	2012	2018
0-30%	25%	23%
30-50%	15%	14%
50-80%	24%	20%
80-100%	9%	11%
+100%	27%	33%

Year: ■ 2012   ■ 2018
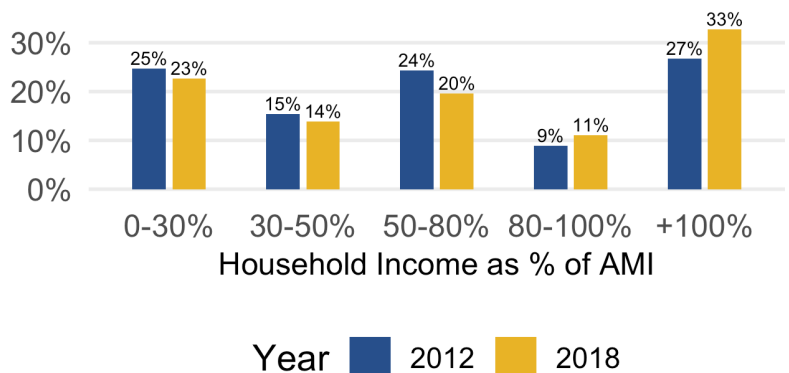
Source: PUMS (2012, 2018)

Income Distribution by AMI and Tenure, 2019

	0-30%	30-50%	50-80%	80-100%	+100%
Renters	38	19	16	5	22
Owners	11	10	22	16	42

Household Income (as % of AMI)

0-30%   30-50%   50-80%   80-100%   +100%
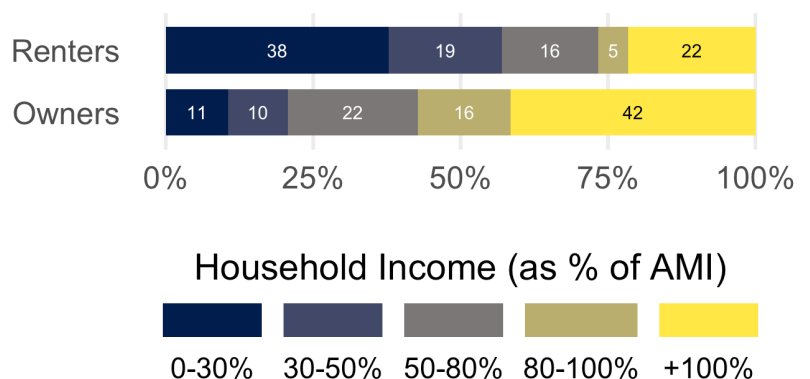
Source: PUMS, 2018

Housing Affordability

3,086

Number of income restricted units

› *Total units as of 2020*

Source: ECONorthwest analysis of public affordable housing data

58%

Change in average rent for 2-bedroom apartment

› *Between 2010 and 2020*

	2010	2020
Average Rent	$913	$1,440

Source: Costar

88%

Change in median home sales price

› *Between 2010 and 2020*

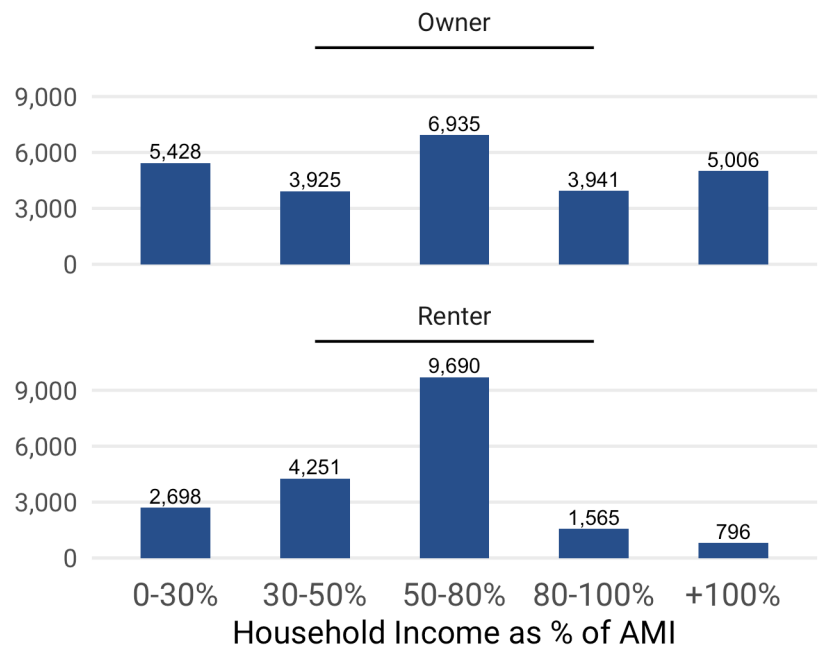|	2010	2020
Median Sales Price	$237,750	$447,500

Source: Zillow

Cost Burdened and Severely Cost Burdened by Tenure, 2018
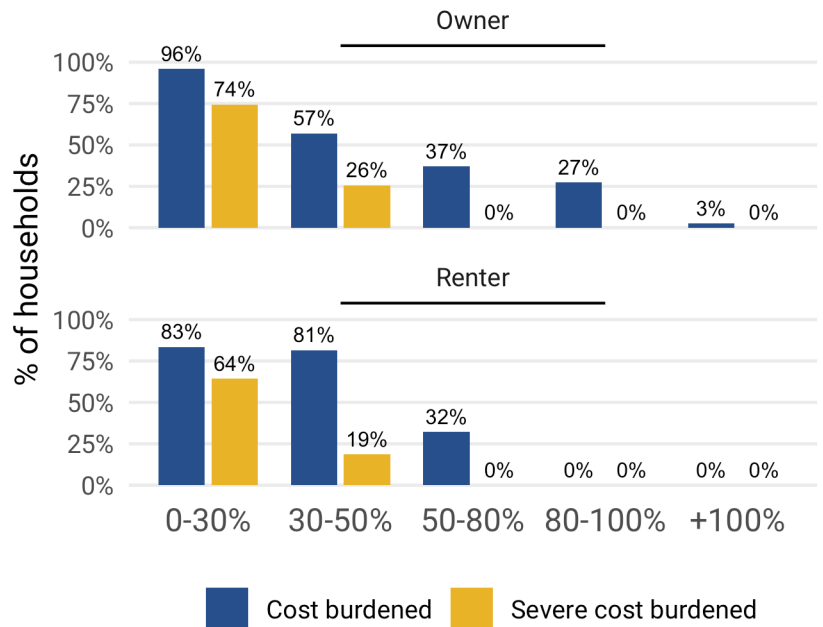
Source: PUMS, 2018

Housing Units Affordable by AMI and Tenure, 2018

Source: PUMS, 2018

Housing Need Forecast

138,453

Projected population by 2040

Source: PSRC, 2017

454

Average annual population growth projected through 2040

Source: PSRC, 2017, ECONorthwest calculations

5,999

Projected number of units needed by 2040

Source: OFM, 2019; PSRC, 2017; ECONorthwest Calculation

300

Average number of new units needed per year through 2040

Source: OFM, 2019; PSRC, 2017; ECONorthwest Calculation

0%

Increase in annual housing production to reach 2040 housing need target

Source: OFM, 2019; PSRC, 2017; ECONorthwest Calculation

Housing Units Needed Through 2040

Underproduction	Future Need	Housing Need
0	5,999	5,999

Source: OFM, 2019; PSRC, 2017; ECONorthwest Calculation

Housing Units Needed as a Share of Existing Stock

Existing Units	Housing Need	% of Existing Units
48,228	5,999	12%

Source: OFM, 2019; PSRC, 2017; ECONorthwest Calculation

Housing Units Needed by AMI, 2040

AMI	# of Units	% of Units
0-30%	1,080	18%
30-50%	720	12%
50-80%	1,200	20%
80-100%	720	12%
100%+	2,280	38%

Source: OFM, 2019; PSRC, 2017; ECONorthwest Calculation

HUD Affordability Level by Housing Type, 2018

AMI	Studio	1-bed	2-bed
30%	$542	$582	$698
50%	$904	$970	$1,164
80%	$1,448	$1,552	$1,862
100%	$1,810	$1,938	$2,326

Source: HUD, 2018

*Underproduction* › *Housing units needed to satisfy existing households today.*

Future Need › *PSRC 2040 population forecast translated into housing units.*

Employment Profile

Industry (2-digit NAICS Code)	Kent Employment Numbers				Regional Access to Employment	
	Employees (2018)	# Change (2008-2018)	% Change (2008-2018)	Median Salary (2018)	% Jobs by Auto	% Jobs by Transit
Agriculture, Forestry, Fishing and Hunting	61	-82	-57%	$ 26,667	27%	1%
Mining, Quarrying, and Oil and Gas Extraction	0	0	0%	NA	43%	5%
Utilities	553	474	600%	$91,250	40%	2%
Construction	8,498	3,453	68%	$52,958	51%	3%
Manufacturing	14,151	-1,088	-7%	$59,171	49%	3%
Wholesale Trade	10,840	955	10%	$53,936	62%	4%
Retail Trade	6,050	-293	-5%	$35,288	52%	3%
Transportation and Warehousing	6,752	1,478	28%	$50,176	74%	6%
Information	514	-172	-25%	$69,141	23%	1%
Finance and Insurance	759	-416	-35%	$57,969	41%	2%
Real Estate and Rental and Leasing	940	1	0%	$42,168	47%	3%
Professional, Scientific, and Technical Services	1,968	37	2%	$67,804	33%	1%
Management of Companies and Enterprises	2,404	1,390	137%	$59,828	57%	4%
Administrative and Support and Waste Management and Remediation services	2,868	829	41%	$35,817	51%	3%
Educational Services	3,885	1,469	61%	$55,430	37%	3%
Health Care and Social Assistance	6,032	2,285	61%	$44,564	46%	3%
Arts, Entertainment, and Recreation	812	434	115%	$42,207	43%	1%
Accommodation and Food Services	3,763	390	12%	$28,759	46%	4%
Other Service	2,133	183	9%	$40,325	45%	2%
Public Administration	3,202	46	1%	$68,528	50%	3%

Source: PSRC, ECONorthwest

Employment Profile

☐	Kent
🟦	Drive time
🟧	Transit time
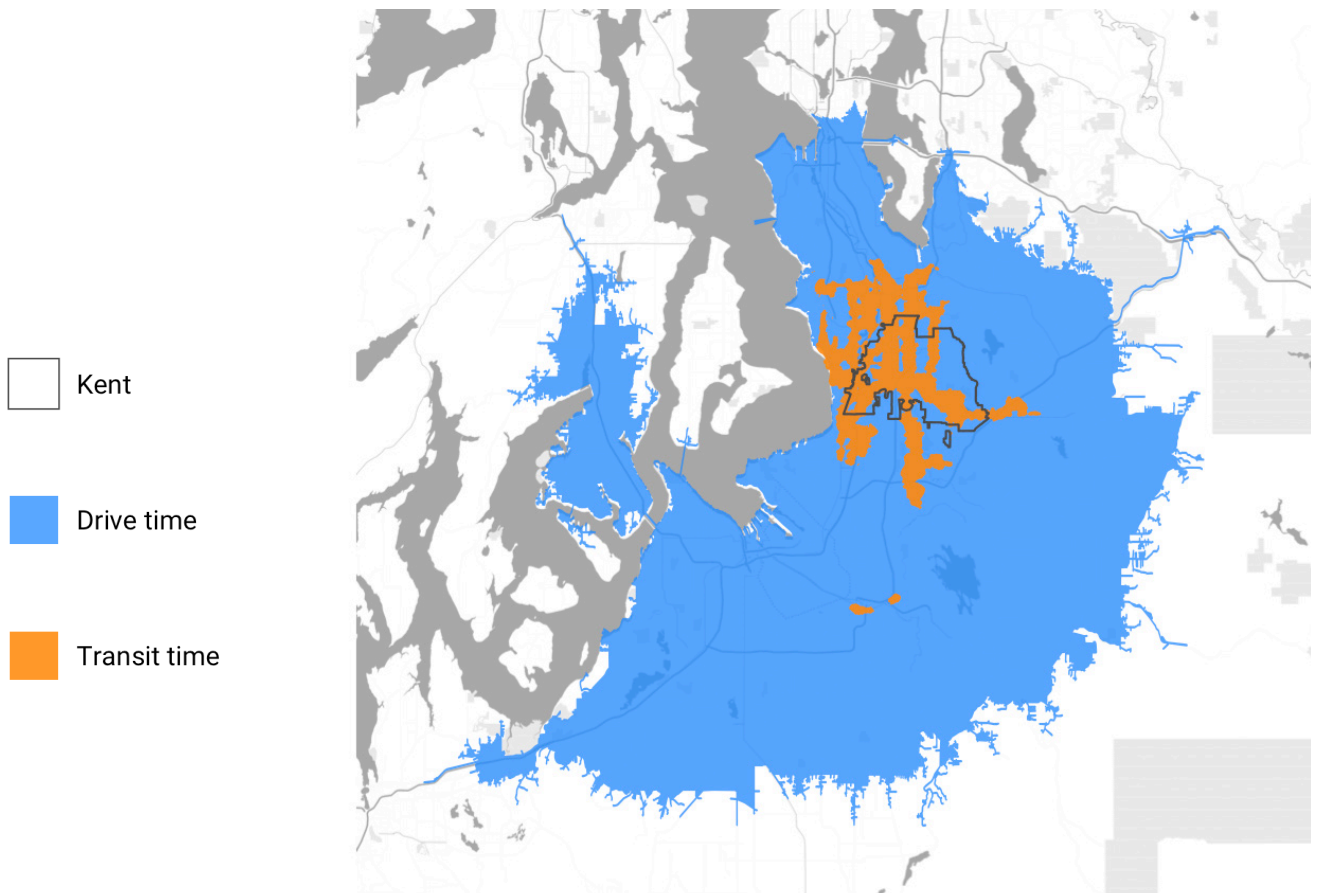
* Transit and drive time of 45 minutes, departing at 8:00 AM, midweek

Source: PSRC, ECONorthwest

Access to Employment*

These city-level employment estimates by 2-digit NAICS codes were derived using a combination of the U.S. Census Bureau's Longitudinal Employer-Household Dynamics (LEHD) Origin-Destination Employment Statistics (LODES) data, and Puget Sound Regional Council's Covered Employment Estimates. These employment estimates show the total number of residents working in each 2-digit NAICS sector in that city, the change in employment in that sector in that city since 2008, and the 2018 median wages for the residents in that city in that sector.

Transit and auto access to regional employment was derived using 45-minute travel sheds for each mode. We calculated the number of jobs available within these travel sheds in each 2-digit NAICS category for the four-county region (King, Pierce, Snohomish, and Kitsap).