

RENTON

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 Renton. Renton 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:

ECONNorthwest

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Executive Summary

- › Renton needs about 9,262 new housing units by 2040 when its population is expected to reach about 121,500 people (see page 7).
- › Renton needs to produce about 463 units per year to reach this goal (pg. 7). This is slightly more than the 440 average units produced annually over the 2011-2019 timeframe (pg. 4).
- › Renton's development was strong in the early part of this recent development cycle and hit a second peak in 2016 but has been declining since. Overall, Renton has a high share of housing stock built since 2000 (about 30% of all units) compared to the rest of the cities and the subregion (pg. 4).
- › Still this development was not enough to meet demand as Renton produced only 7.3 new housing units for every 10 new households between 2010 and 2019. This is lower than the development seen in the entire South King County subregion, and in each city except Federal Way (pg. 4).
- › This underproduction has led to significant increase in home costs. Average 2-bedroom rents increased more than 50% since 2010, and home prices increased more than 90% (pg. 6).
- › Renton has the highest home prices of the six cities in the region, and the third-largest increase in home prices, behind Burien and Tukwila (pg. 6).
- › In 2018, 95% of renters and 87% of homeowners earning less than 30% of AMI were cost burdened, along with 74% of renters and 52% of homeowners earning between 30% and 50% of AMI (pg. 6).
- › Renton gained many 2-person households, while seeing declines in the number of 1-person and 3-person households from 2012 to 2018. Over this same timeframe, Renton's median renter household income grew by 64% – the highest in the region – while homeowner household incomes grew only 26% (pg. 5).
- › Renton also saw declines in the number of households earning less than 50% of AMI between 2012 and 2018, while gaining higher income households (pg. 5).
- › As a result of Renton's changing demographics, the bulk of its new units are needed at the 50%-80% AMI and over 100% AMI affordability range (pg. 7).

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

42,870

Number of total housing units in 2018

Source: OFM, 2019

3,940

Number of housing units built since 2011

Source: OFM, 2019

438

New housing units built on average every year since 2011

Source: OFM, 2019

7.3

New housing units per every 10 new households

› *Between 2010-2019*

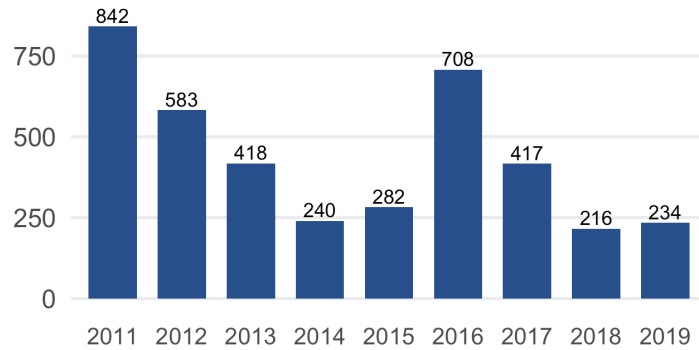
Source: OFM, 2019, ECONorthwest calculations

Housing Units Built by Decade, 1960-2020

Decade	% of Units
Before 1960's	17%
1960's	15%
1970's	9%
1980's	17%
1990's	13%
2000's	22%
2010's	8%

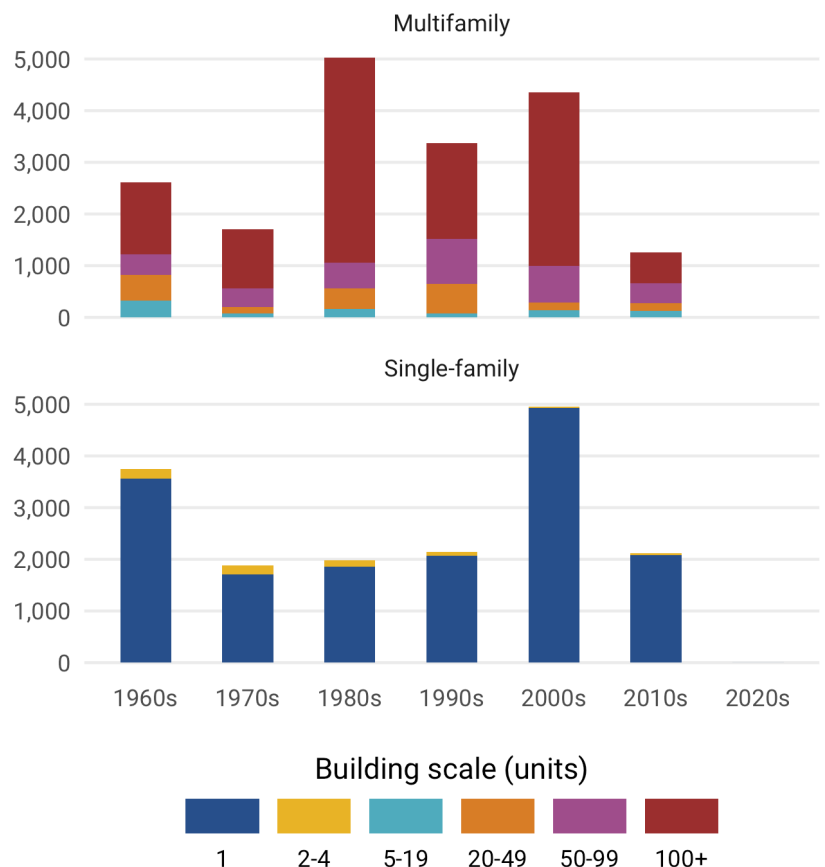
Source: King County Assessor's Office, 2020

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

Demographics

14%

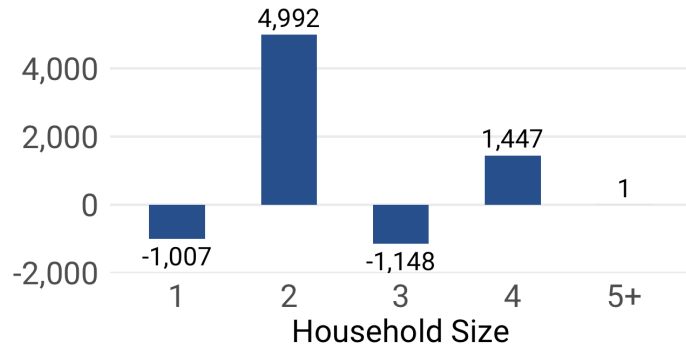
Change in population

› Between 2010 and 2018

	2010	2018
Population	90,927	104,100

Source: OFM, 2019

Change in Household Type, 2012 & 2018



Source: PUMS (2012, 2018)

8%

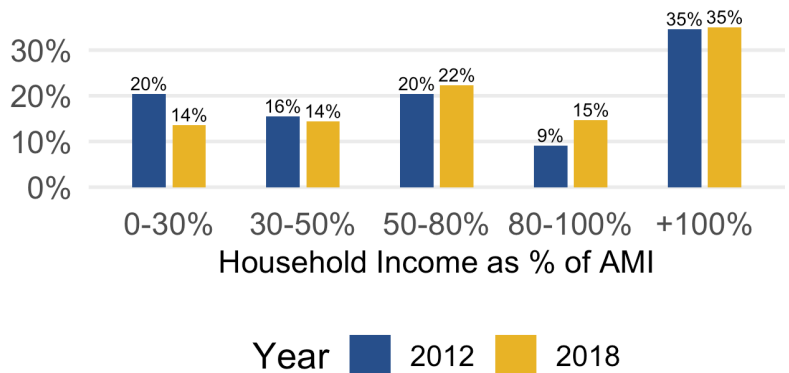
Change in number of households

› Between 2012 and 2018

	2012	2018
Households	51,018	55,303

Source: PUMS (2012, 2018)

Income Distribution by AMI, 2012 & 2018



Source: PUMS (2012, 2018)

64%

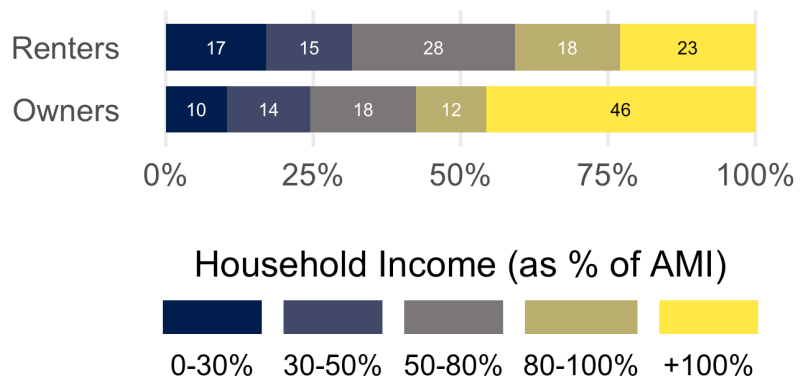
Change in median renter household income

› Between 2012 and 2018

	2012	2018
Median Income	\$45,055	\$73,956

Source: PUMS (2012, 2018)

Income Distribution by AMI and Tenure, 2018



Source: PUMS, 2018

26%

Change in median owner household income

› Between 2012 and 2018

	2012	2018
Median Income	\$77,786	\$98,270

Source: PUMS (2012, 2018)

Housing Affordability

Cost Burdened

› A household who pays more than 30% of their income on housing (inclusive of households with severe cost burdening).

Severely Cost Burdened

› A household who pays more than 50% of their income on housing.

2,434

Number of income restricted units

› Total units as of 2020

Source: ECONorthwest analysis of public affordable housing data

52%

Change in average rent for 2-bedroom apartment

› Between 2010 and 2020

	2010	2020
Average Rent	\$1,060	\$1,610

Source: Costar

91%

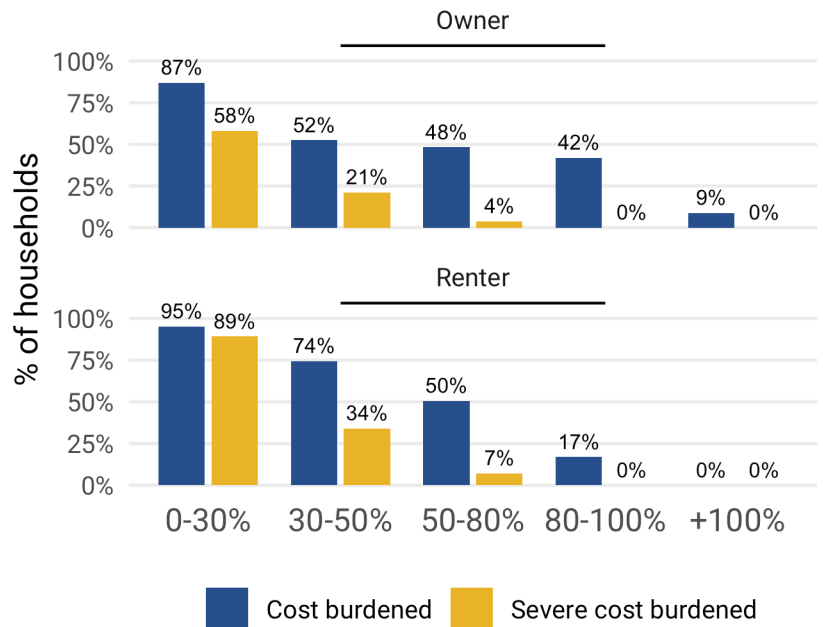
Change in median home sales price

› Between 2010 and 2020

	2010	2020
Median Sales Price	\$269,950	\$516,800

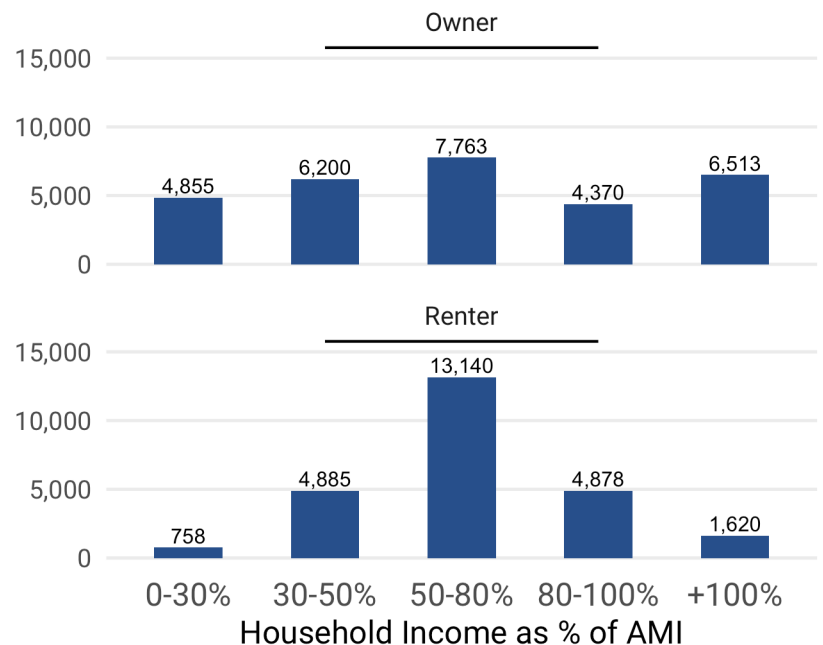
Source: Zillow

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

121,459

Projected population by 2040

Source: PSRC, 2017

731

Average annual population growth projected through 2040

Source: PSRC, 2017, ECONorthwest calculations

9,262

Projected number of units needed by 2040

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

463

Average number of new units needed per year through 2040

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

6%

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
824	8,438	9,262

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

Housing Units Needed as a Share of Existing Stock

Existing Units	Housing Need	% of Existing Units
42,870	9,262	22%

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

Housing Units Needed by AMI, 2040

AMI	# of Units	% of Units
0-30%	926	10%
30-50%	1,111	12%
50-80%	1,852	20%
80-100%	1,297	14%
100%+	4,075	44%

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.

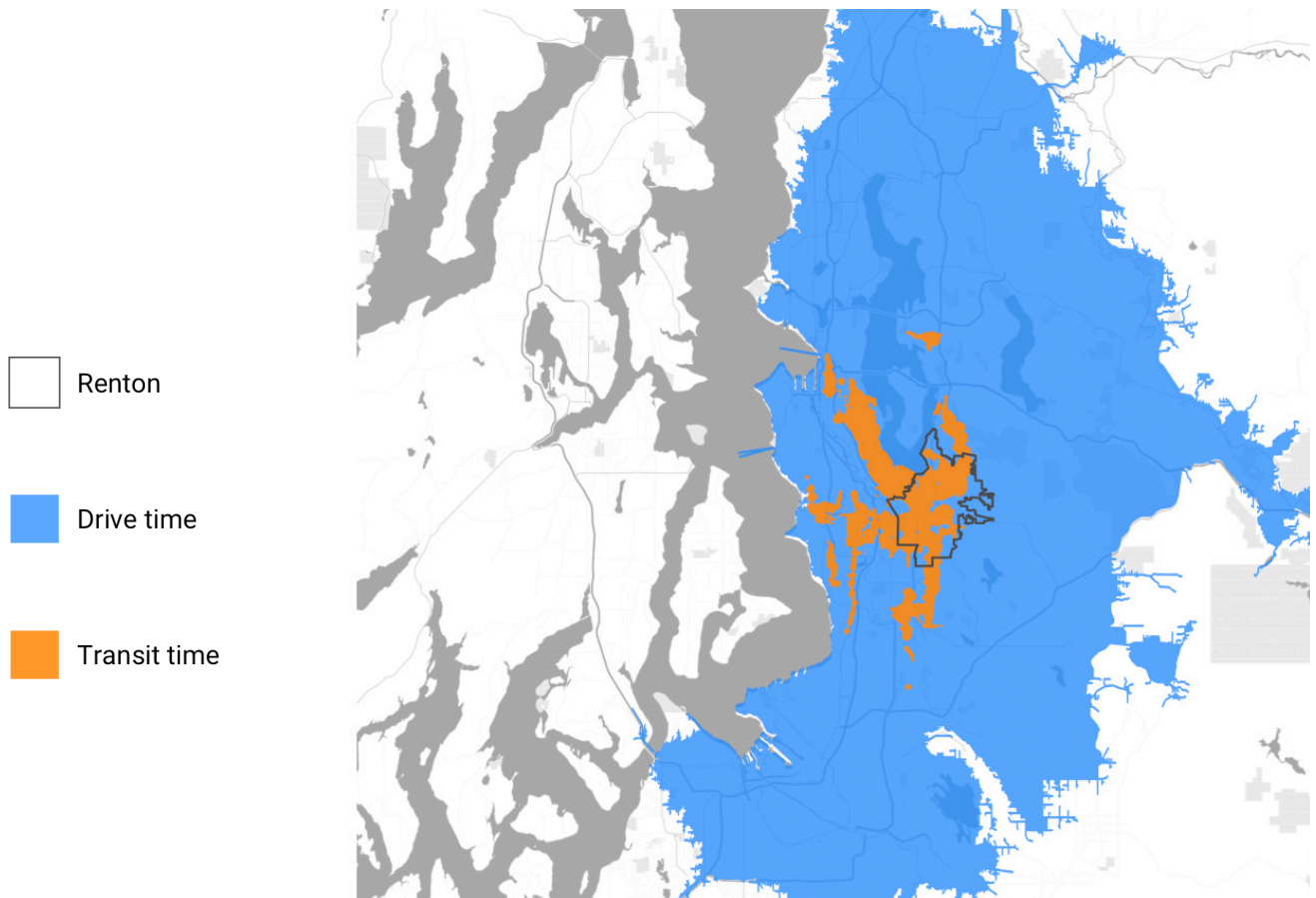
Future Need › PSRC 2040 population forecast translated into housing units.

Employment Profile

Renton Employment Numbers					Regional Access to Employment	
Industry (2-digit NAICS Code)	Employees (2018)	# Change (2008-2018)	% Change (2008-2018)	Median Salary (2018)	% Job by Auto	% Jobs by Transit
Agriculture, Forestry, Fishing and Hunting	13	-80	-86%	\$108,250	39%	1%
Mining, Quarrying, and Oil and Gas Extraction	15	-80	-84%	NA	48%	6%
Utilities	121	8	7%	\$93,929	68%	2%
Construction	2,658	225	9%	\$55,199	65%	2%
Manufacturing	16,228	-511	-3%	\$72,316	60%	8%
Wholesale Trade	3,319	-1,024	-24%	\$50,992	82%	5%
Retail Trade	5,713	-182	-3%	\$42,196	71%	4%
Transportation and Warehousing	2,187	677	45%	\$49,325	86%	3%
Information	3,756	3,053	434%	\$71,223	89%	4%
Finance and Insurance	1,086	-213	-16%	\$67,614	75%	4%
Real Estate and Rental and Leasing	1,334	383	40%	\$51,481	77%	3%
Professional, Scientific, and Technical Services	2,378	-249	-9%	\$73,062	78%	3%
Management of Companies and Enterprises	525	81	18%	\$66,250	91%	6%
Administrative and Support and Waste Management and Remediation services	3,428	1,282	60%	\$37,425	77%	5%
Educational Services	3,004	145	5%	\$52,917	60%	1%
Health Care and Social Assistance	5,981	2,242	60%	\$45,893	70%	4%
Arts, Entertainment, and Recreation	1,119	265	31%	\$53,468	65%	2%
Accommodation and Food Services	4,379	1,218	39%	\$32,431	69%	4%
Other Service	1,511	225	17%	\$40,882	69%	4%
Public Administration	7,452	1,659	29%	\$79,317	68%	3%

Source: PSRC, ECONorthwest

Employment Profile



* 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).