



300 Deschutes Way SW, Suite 300 | Tumwater, WA 98501
(360) 352-7800 | BIAW.com

FOR IMMEDIATE RELEASE
March 1, 2021

Janelle Guthrie, Communications Director
janelleg@biaw.com

First-time home buyers increasingly priced out of Washington housing market

OLYMPIA... With a hot home buyer's market and ongoing shortage of new construction, home builders are troubled by a growing crisis in housing: People in middle and lower-income brackets are increasingly priced out of the market for home ownership.

"Legislators are considering a number of bills this session that will significantly increase the cost of new homes," said Tracy Doriot, 2021 president of the Building Industry of Washington. "Many of the bills have worthy goals. However, they also have significant consequences.

"Every \$1,000 increase in the cost of building a new home prices more than 2,500 people out of the market in Washington," he said. "We're asking legislators to also consider the effects of their policies have on preventing more and more people from attaining the American Dream of home ownership."

Homes drive household wealth

The National Association of Home Builders recently shared a [report citing home ownership](#) as the primary driver of household wealth. Across all racial and ethnic demographics, people's homes were their largest asset.

Every \$1,000 added leaves 2,500+ households behind

The NAHB also released its [2021 Priced-Out Estimates](#), showing how higher home prices and rising interest rates affect people's ability to buy new homes.

In Washington state, the median home price is \$522,023, requiring a minimum income of \$112,295 just to qualify for a mortgage. At that price point, more than 72% of Washington's roughly 3 million households are priced out already. And for every \$1,000 in additional costs, 2,524 more households are unable to qualify for a new mortgage.

Washington's [housing affordability pyramid](#) shows how many households are priced out at various price points above and below the median price.

"By adding more and more regulation, legislators, sadly, are telling those in the disadvantaged, lower and middle economic classes that they will not be able to own a home," explained Doriot. "That's why, as Washington continues work to recover from the economic fallout of the COVID-19 pandemic, the BIAW [is supporting legislation](#) that helps address the state's housing shortage with homes more people can afford."

The association has been actively opposing measures that add new regulations, requirements and restrictions that drive up the costs of home ownership and reduce the supply of new housing to meet the state's needs.

Priced out data by major metropolitan areas in Washington:

	Median Home Price	Income needed to qualify	All Households	Households who can afford median price	Priced out now	# lost per \$1000 increase
Bellingham, WA	428,692	89,724	92,324	32,197	60,127	126
Bremerton-Silverdale-Port Orchard, WA	482,511	103,296	111,881	39,355	72,526	116
Kennewick-Richland, WA	445,051	96,481	107,793	37,344	70,449	112
Longview, WA	360,613	77,472	41,829	15,290	26,539	58
Mount Vernon-Anacortes, WA	394,931	85,247	50,201	19,915	30,286	63
Olympia-Lacey-Tumwater, WA	406,318	89,062	117,433	40,107	77,326	140
Portland-Vancouver-Hillsboro, OR-WA	458,484	98,901	984,059	346,744	637,315	985
Seattle-Tacoma-Bellevue, WA	542,762	116,574	1,571,761	639,320	932,441	1,557
Spokane-Spokane Valley, WA	411,934	90,357	231,614	55,216	176,398	189
Walla Walla, WA	451,406	99,907	21,781	4,850	16,931	23
Wenatchee, WA	344,065	73,423	38,422	14,690	23,732	41
Yakima, WA	358,557	78,213	85,352	17,375	67,977	82

###

The Building Industry Association of Washington is the voice of the housing industry as the state's largest trade association with nearly 8,000 member companies directly and indirectly employing approximately 188,000 people. The association is dedicated to ensuring and enhancing the vitality of the building industry for the benefit of its members and the housing needs of Washington residents. Learn more at:

www.biaw.com