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Home affordability bills win unanimous committee approval, await Appropriations hearing

OLYMPIA – Two bills that address Washington’s home affordability crisis have won unanimous approval of the House Local Government committee. But HB 1726 and HB 1727 must move out of the House Appropriations committee by March 5 to remain viable.

HB 1726 would improve the accuracy of population growth projections to help cities and counties anticipate the demand for homes generated by employment growth; HB 1727 clarifies that growth plans must provide sufficient land for homes needed to accommodate growing population needs.

“These bills deserve to be heard and approved by the House Appropriations Committee because they encourage more realistic growth planning,” said Washington Realtors Chief Executive Officer, Steve Francks. “One bill would ensure the supply of homes matches job growth as more people move here to live and work. The other bill ensures we meet the demand for home choices generated by current residents and families who move to Washington.”

Home prices have risen by more than 60 percent statewide over the last five years. The median price for a home in King County is \$440,000. But home prices have been climbing in every county in the state: e.g. Snohomish, \$355,000; Pierce \$276,500; Thurston, \$254,000; Clark, \$272,000; Kitsap, \$280,000; Jefferson, \$312,500.

The escalation of home prices has far outpaced wages, which have risen only about 14 percent. The resulting gap has left Washington with the worst home affordability rate in 15 years, according to the Center for Real Estate Research at Washington State University. The Center’s Housing Affordability Index showed that middle-income families in King County only have about 69 percent of what they need to carry the mortgage on a median priced home.

Francks pointed out that too many communities have failed to anticipate the need for homes generated by employment growth. Another cause of the relentless price increases is the critical shortage of homes available for middle-income families. Many of the costs that determine home prices have remained flat over the last several years. The exception is the price of land, the use of which is controlled almost entirely by the decisions of state and local government: how and to what degree land may be used, if it is used at all. Government land-use decisions directly affect the cost and supply of homes available to meet demand – and the cost of land has skyrocketed in recent years.

“The shortage of homes isn’t just costing home buyers. The price for legislative inaction on this crisis is degradation of transportation, environmental, and economic resources that threatens our economic recovery,” said Francks. “While legislators are struggling to find a way to pay for more roads, poor growth planning is forcing more middle-income families onto the highways where they suffer long commutes to find a home that fits the family and the budget. More cars on the road hurt the environment, take a toll on highways and the quality of life of the families who work in our communities. Families should be able to afford to live near where they work.”

The median home price for the state of Washington is about \$256,000. The state Employment Security Department gives examples of professions which make less than \$65,000, the income needed to accommodate the purchase of a median-priced home. They include educators, claims adjusters, accountants, chemical engineers, landscape architects, counselors, clergy, social workers, nurses, physical therapists, and many, many more.

“The unanimous support of the Local Government committee shows that these common-sense bills will better prepare Washington for the population growth we know is coming,” said Francks. “HB 1726 and 1727 deserve a hearing in House Appropriations so that we can continue to help middle-income families find homes that are truly affordable.”

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