

OUR REGION'S Affordable Housing Crisis



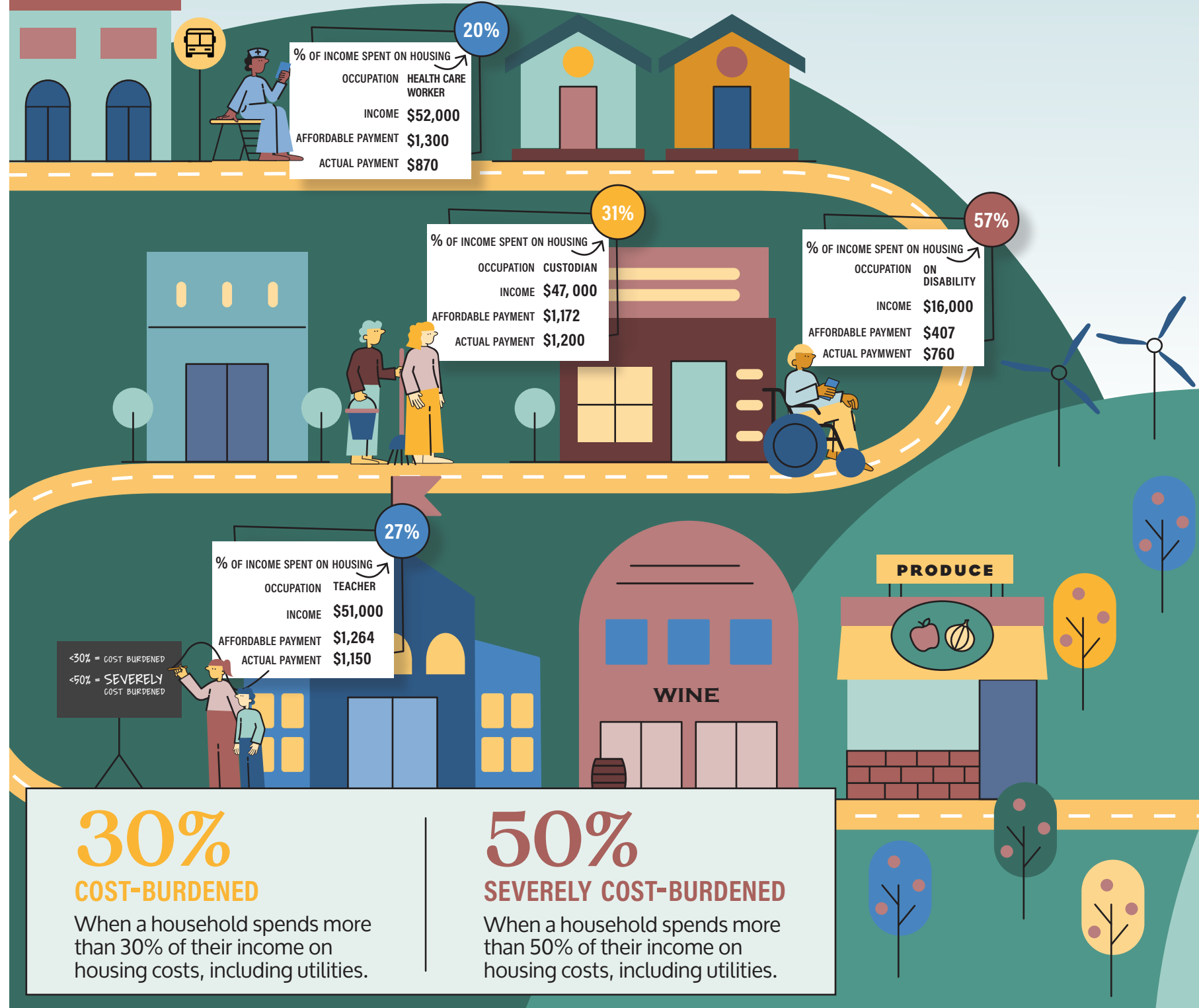
SUMMER
2022

What the shortage of affordable housing means for
Columbia County, Walla Walla County, & Milton-Freewater

*Community Council's vision is a community where all
people come together to create the future they want.*



Many Families Can't Afford Homes



35% of households that pay rent or a mortgage in our region spent more than 30% of their income on housing, making them cost-burdened.

SOURCE: US Census Bureau, American Community Survey, 2020, 5-Year Estimates, Table B25091

What does it take to buy a home?

TO AFFORD A HOME THAT COSTS **\$376,400***
*MEDIAN HOME PRICE IN WALLA WALLA COUNTY 2021

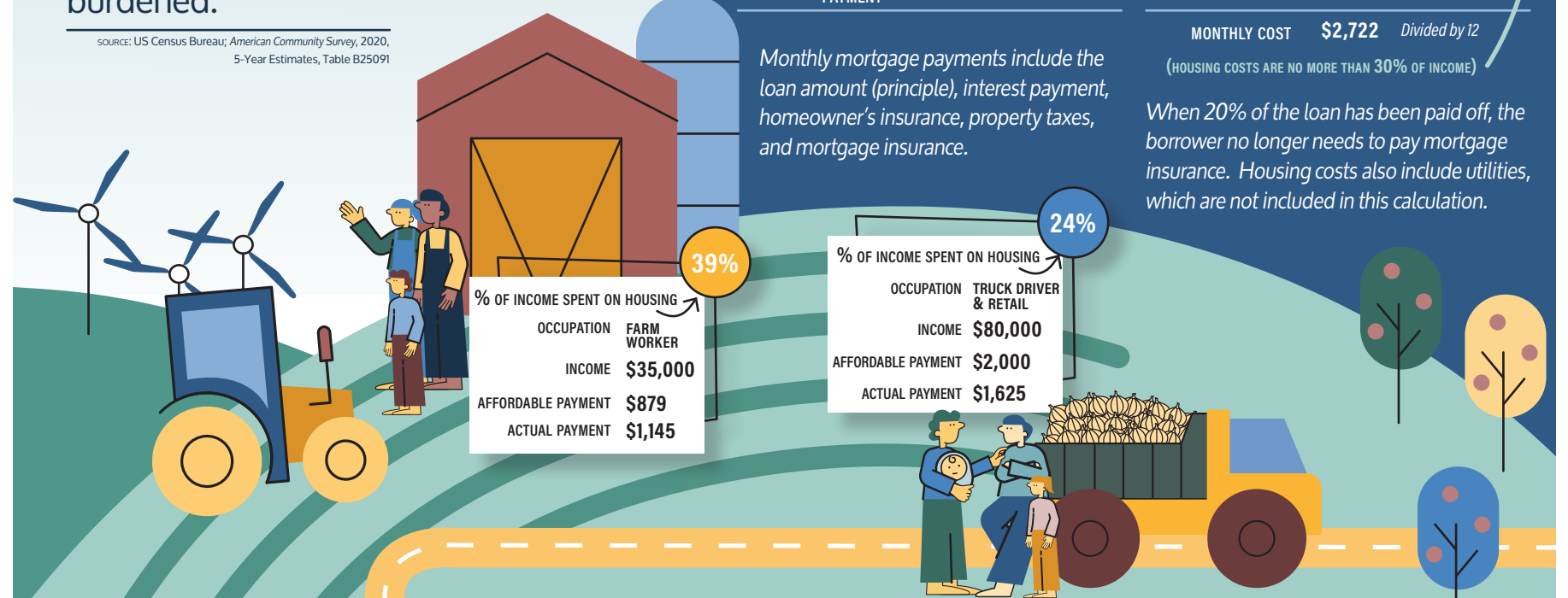
YOU NEED MONTHLY INCOME OF **\$9,074**
OR ANNUAL INCOME OF \$108,890

MONTHLY MORTGAGE PAYMENT		ANNUAL HOUSING EXPENSE	
MEDIAN SALES PRICE	\$376,400	MORTGAGE PAYMENT	\$23,832 <small>Mon. Mortgage x 12</small>
DOWN PAYMENT	\$18,800 <small>5%</small>	PROPERTY TAX	\$4,705 <small>.0125 x Sales Price</small>
LOAN AMOUNT	\$357,580	MORTGAGE INSURANCE	\$3,039 <small>.0085 x Loan Amount</small>
INTEREST RATE	5.3% <small>30 Year Mortgage</small>	HOME INSURANCE	\$1,091 <small>.0029 x Sales Price</small>
MONTHLY MORTGAGE PAYMENT	\$1,986	TOTAL ANNUAL COST	\$32,667 <small>PITI (PRINCIPAL, INTEREST, TAX, INSURANCE)</small>

Monthly mortgage payments include the loan amount (principle), interest payment, homeowner's insurance, property taxes, and mortgage insurance.

MONTHLY COST **\$2,722** Divided by 12
(HOUSING COSTS ARE NO MORE THAN 30% OF INCOME)

When 20% of the loan has been paid off, the borrower no longer needs to pay mortgage insurance. Housing costs also include utilities, which are not included in this calculation.



What is affordable housing?

"AFFORDABLE HOUSING" IS OFTEN USED TO REFER ONLY TO HOMES THAT ARE SUBSIDIZED BY THE GOVERNMENT. Since affordable housing is defined as the relationship between income and housing costs, it can be used to describe housing affordability at any income level. When a household spends no more than 30% of their pre-tax income on housing costs, including utilities, it is considered affordable. When families have to spend more of their incomes on housing costs, they have less to spend on other necessities like food, childcare, clothing, transportation, and health care.

MYTH

AFFORDABLE HOUSING = SUBSIDIZED HOUSING

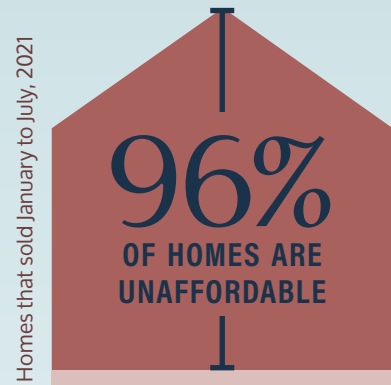
IN FACT

AFFORDABLE HOUSING APPLIES TO EVERYONE BECAUSE IT IS THE RELATIONSHIP BETWEEN COST & INCOME

Homes in Our Region Are Out of Reach

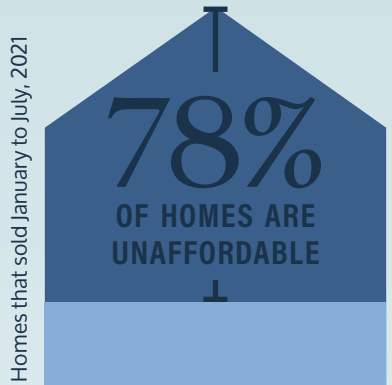
Who can afford the cost of homes?

FOR FAMILIES EARNING LESS THAN \$50,000...



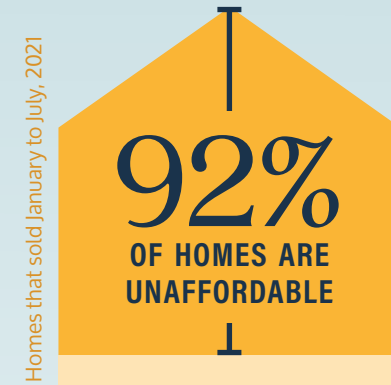
NEARLY ONE HALF of Walla Walla households could not afford 96% of available homes.

Almost half (44%) of all households in Walla Walla County earn less than \$50,000 per year. There are very few homes for sale that they can afford to buy. For example, a household earning \$50,000 per year could afford a home that costs up to \$207,000. Yet there are very few homes for sale at or below that price in Walla Walla County.



NEARLY ONE HALF of Columbia County households could not afford 78% of available homes.

In Columbia County, nearly half (47%) of all households earn less than \$50,000 per year. The most they could afford to spend on a home is \$207,000. There are few homes for sale at or below that price.



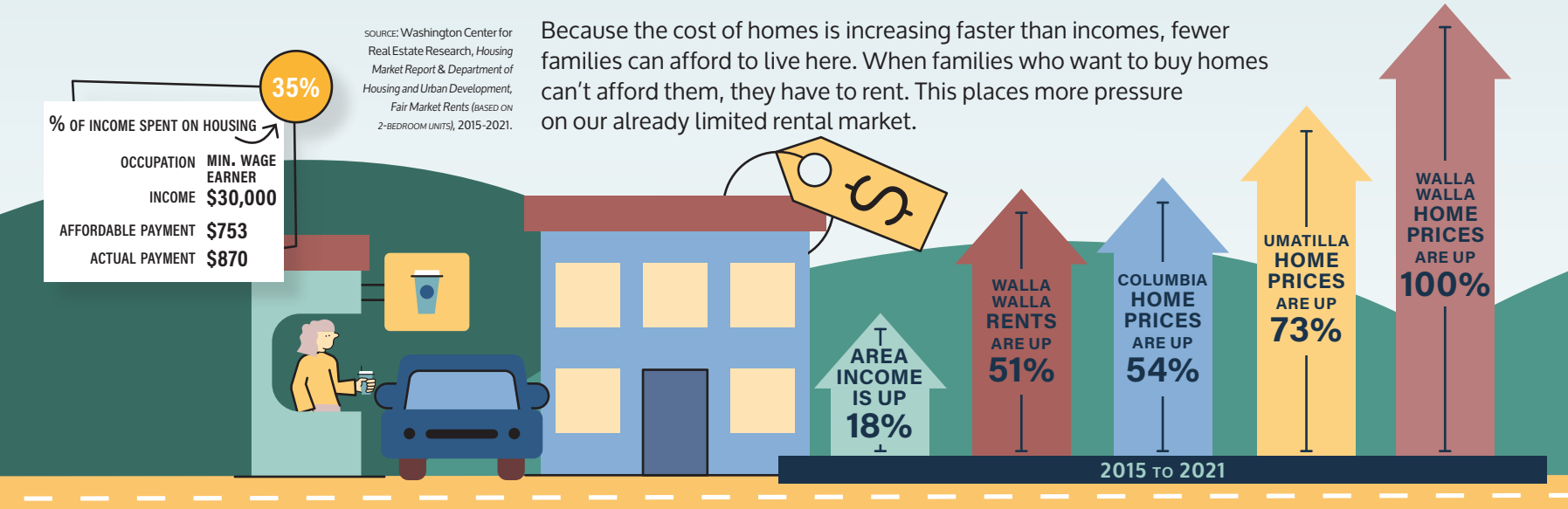
ONE HALF of Milton-Freewater households could not afford 92% of available homes.

Half of the households in Milton-Freewater earn less than \$50,000 per year. Like Columbia and Walla Walla counties, there are few homes for sale that they can afford to purchase.

RENTS & HOME PRICES ARE INCREASING FASTER THAN INCOMES

Because the cost of homes is increasing faster than incomes, fewer families can afford to live here. When families who want to buy homes can't afford them, they have to rent. This places more pressure on our already limited rental market.

SOURCE: Washington Center for Real Estate Research, Housing Market Report & Department of Housing and Urban Development, Fair Market Rents (BASED ON 2-BEDROOM UNITS), 2015-2021.



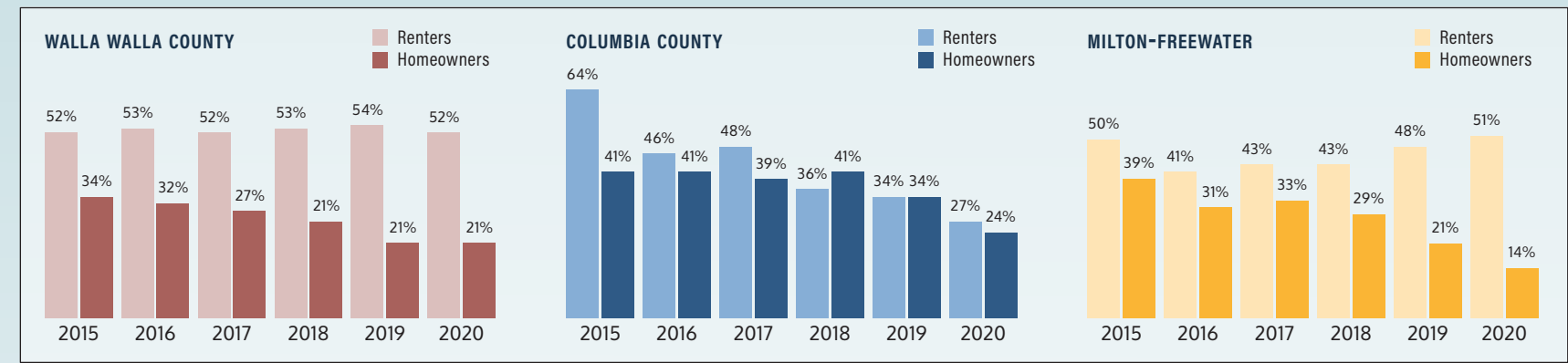
Who doesn't have affordable homes?

In our region in 2020, 35% of households that paid rent or a mortgage lived in homes they could not afford. Renters are more likely to live in homes they can't afford than homeowners. This is largely because homeowners tend to have steady mortgage payments. As

homeowners' incomes increase, their monthly mortgage payments become smaller portions of their paychecks. Renters, on the other hand, can face rent increases that outpace increases in their incomes. This is especially true when there is a low rental vacancy rate. In our region,

families with incomes less than \$50,000 per year are much more likely than those with higher incomes to live in homes they can't afford. On average, families with incomes under \$50,000 are eight times more likely than those with higher incomes to be cost-burdened.

RENTERS ARE MORE LIKELY TO BE COST-BURDENED THAN HOMEOWNERS



SOURCE: US Census, American Community Survey, 2020, 5-Year Estimates, Tables B25091 & B25070

MOST HOUSEHOLDS EARNING LESS THAN \$50,000 ARE COST-BURDENED

BY COMPARISON

8% of households earning more than \$50,000 are cost-burdened.*

*Average across the region

- WALLA WALLA COUNTY
- COLUMBIA COUNTY
- UMATILLA COUNTY



SOURCE: US Census, American Community Survey, 2020, 5-Year Estimates, Table S2503

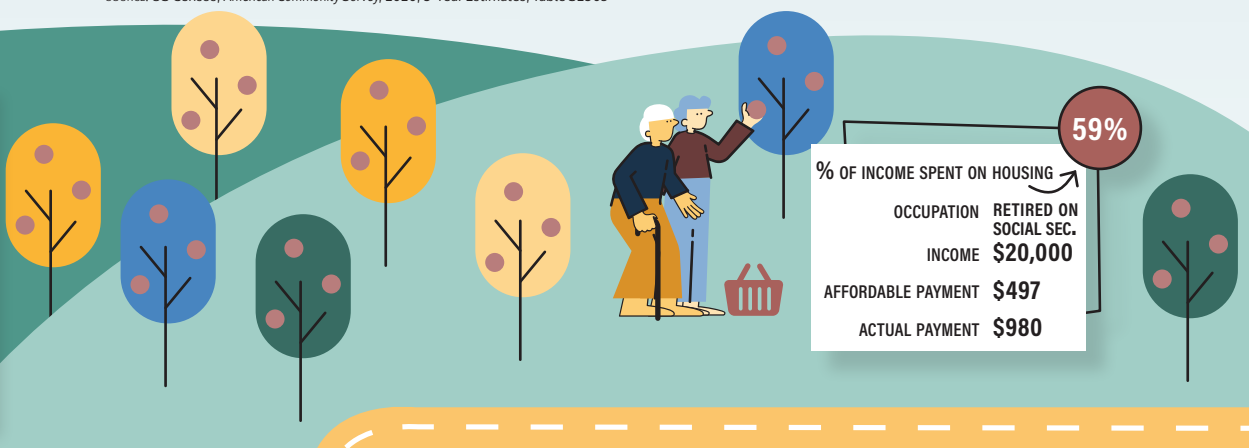
MYTH MORE SEATTLE RENTERS ARE COST-BURDENED THAN WALLA WALLA RENTERS

IN FACT

56% OF CITY OF WALLA WALLA RENTERS ARE COST-BURDENED

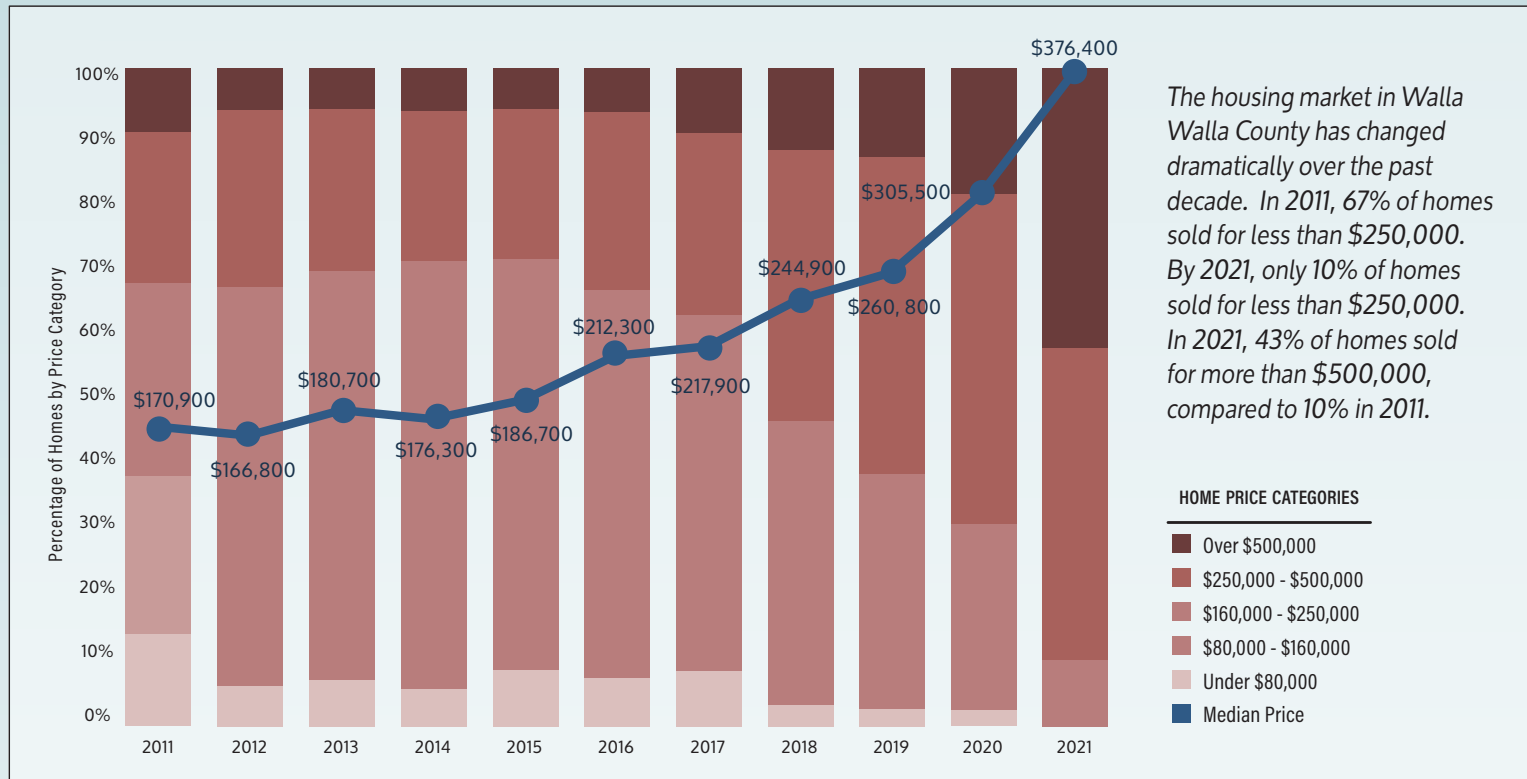
&

44% OF SEATTLE RENTERS ARE COST-BURDENED



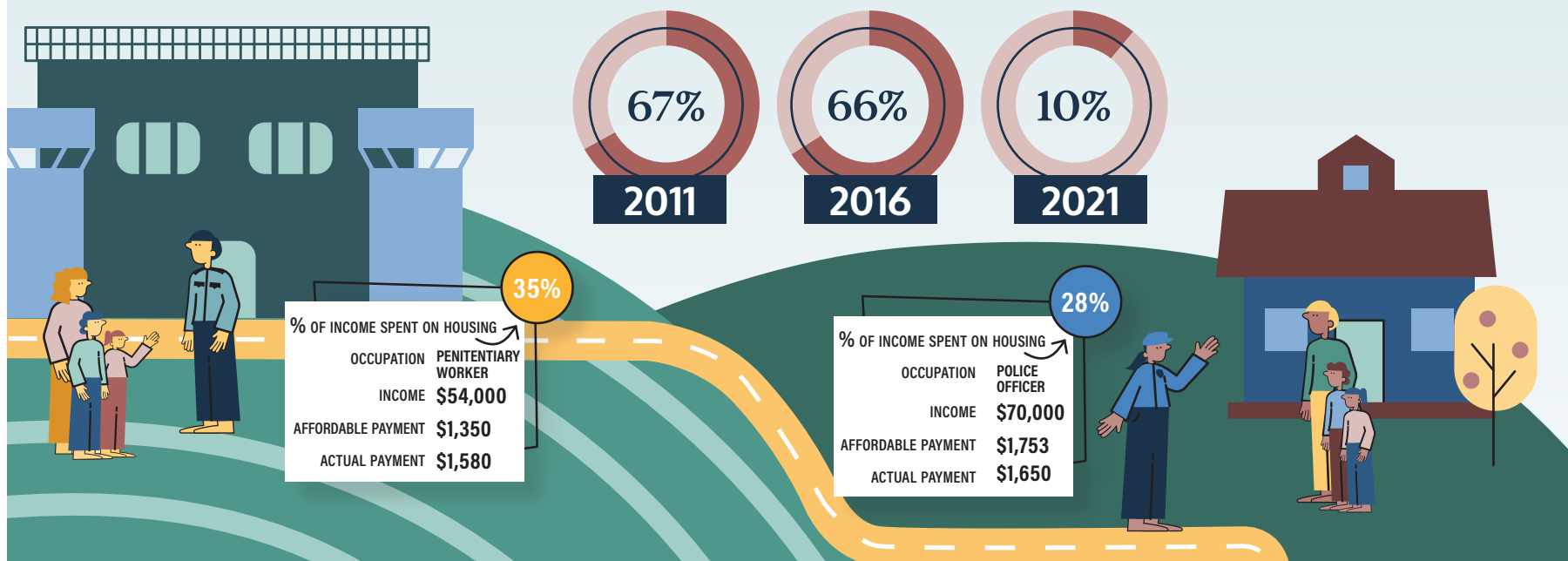
The Market has Changed

How have home prices changed in 10 years?



source: Washington Center for Real Estate Research (WCRER), Washington State Housing Market Report (Q1)

PERCENTAGE OF HOMES THAT SOLD FOR LESS THAN \$250,000



What homes are available?

THERE ARE FEW HOMES AVAILABLE TO BUY OR RENT



source: Washington Center for Real Estate Research (WCRER), Washington State Housing Market Report (Q1)

LOW VACANCY RATES MAKE THE RENTAL MARKET UNSTABLE

5% VACANCY RATE
STABLE RENTAL MARKET

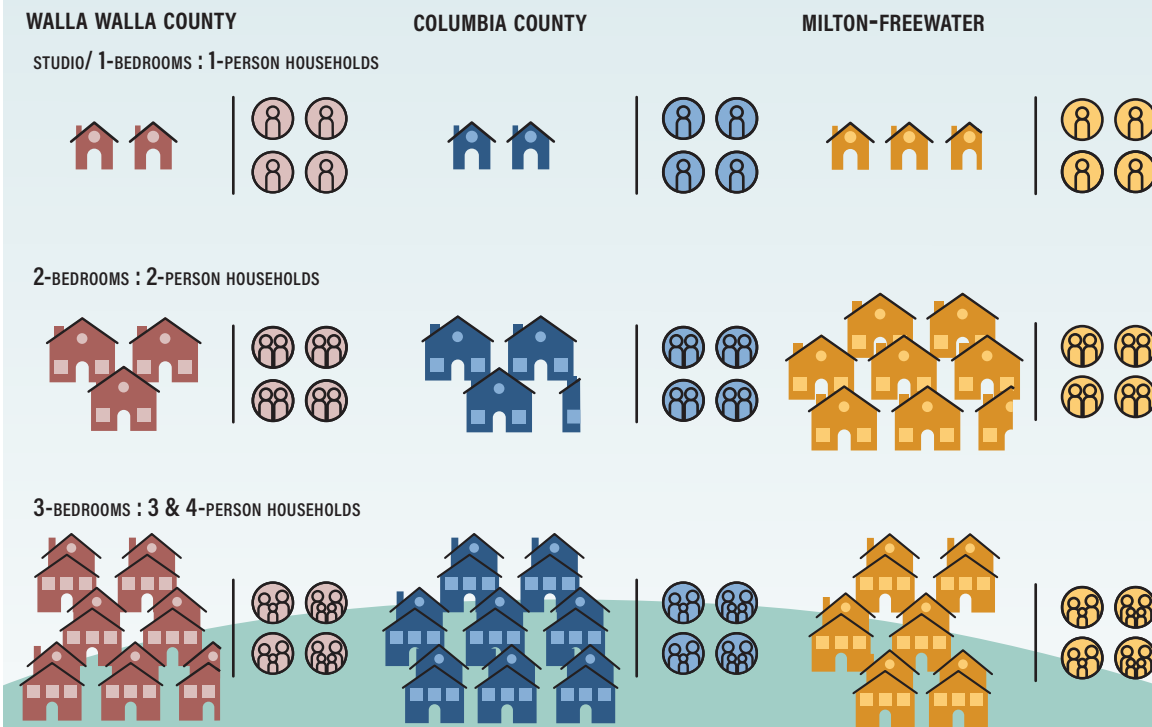
1% VACANCY RATE
UNSTABLE RENTAL MARKET

2021 VACANCY RATE

The rental vacancy rate in Walla Walla County has been below 5% since 2015.

THERE IS A MISMATCH BETWEEN HOME SIZE & HOUSEHOLD SIZE

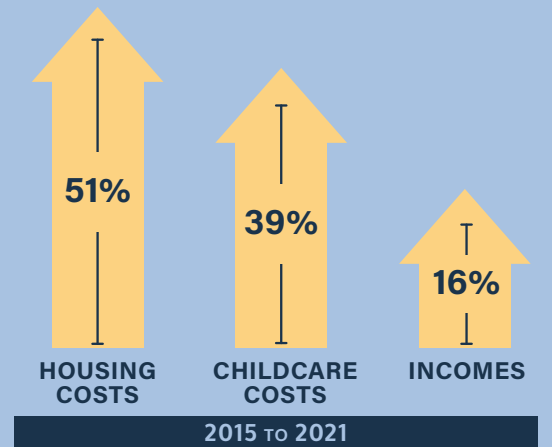
In our region, there are a lot of small households—one or two people—but not a lot of studios or one-bedroom apartments. At the same time, there are a lot of large homes—three or four bedrooms—but not a lot of large families. This means that some people have to care for homes that are much larger than they need, and other families are crowded into homes that are too small.



OTHER COSTS ARE RISING TOO—MAKING IT TOUGH FOR YOUNG FAMILIES TO GET BY



The two largest household expenses for families with young children in our region are childcare and housing. In Walla Walla County, the costs of housing and childcare have increased more than incomes. Rising costs for other goods, such as food and gas, mean that more families are struggling to pay for their basic needs.

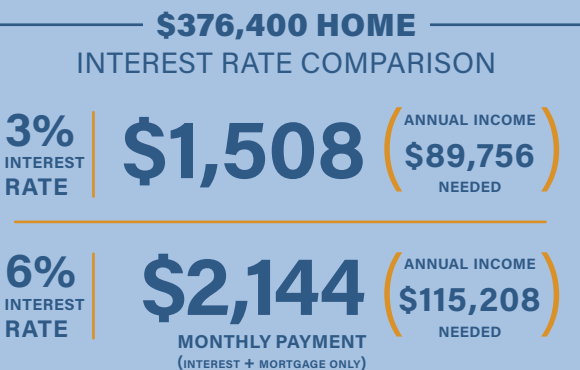


source: Department of Housing and Urban Development, Fair Market Rent (BASED ON 2-BEDROOM UNITS) & Area Median Income, Childcare Aware of Washington, Annual Data Report



RISING INTEREST RATES PUSH HOMES EVEN FURTHER OUT OF REACH

For the past decade, interest rates have been at historic lows (less than 5%). As mortgage rates increase, so do monthly interest payments. Higher mortgage rates mean that families have to purchase lower-priced homes.



How does the affordable housing crisis impact our whole community?

As home prices increase faster than incomes, more and more families struggle to get by. When money is tight, families become stressed because they have to make difficult choices, such as whether to pay for food or transportation, childcare or health care.

Our region's affordable housing crisis impacts our larger community. When families are financially stressed, greater burdens are placed on our hospitals, schools, and other community institutions. When homes are too expensive for working families, employers have a hard time filling jobs because workers cannot move here for new opportunities. When families have to spend more of their paychecks on their housing costs,



they have less to spend in the local economy.

The affordable housing crisis widens the gap between the "haves" and the "have-nots" because current homeowners see their wealth increase, while many renters face a less affordable market that grows further out of reach.

Safe and affordable housing is the foundation of healthy families and stable communities. When families live in safe, affordable homes close to where they work, study, and play, families are less stressed, kids do better in school, and neighbors can build lasting relationships of mutual support and be active in their communities.

REACH OUT



Community Council

HOW HAS THE AFFORDABLE HOUSING CRISIS AFFECTED you? Has it impacted your family, business, or work? Share your story with Community Council: ccstudy@wwcommunitycouncil.org

WANT TO GET INVOLVED? Join the *Affordable Housing Implementation Task Force*: ccadvocacy@wwcommunitycouncil.org

FOR HOUSING ASSISTANCE

CAPECO
541-276-1926

MILTON-FREEWATER

BMAC
509-529-4980

COLUMBIA & WALLA WALLA COUNTIES



COMMON ROOTS HOUSING TRUST
Common Roots is our region's first community land trust for affordable housing, making homes permanently affordable for people whose needs are not met by the traditional housing market. www.commonrootshousing.org

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