

Housing Market Conditions & Shifting Area Median Income in King County

Housing Development Consortium Symposium

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Guiding Questions

How have multifamily market conditions & Area Median Income (AMI) changed in recent years?

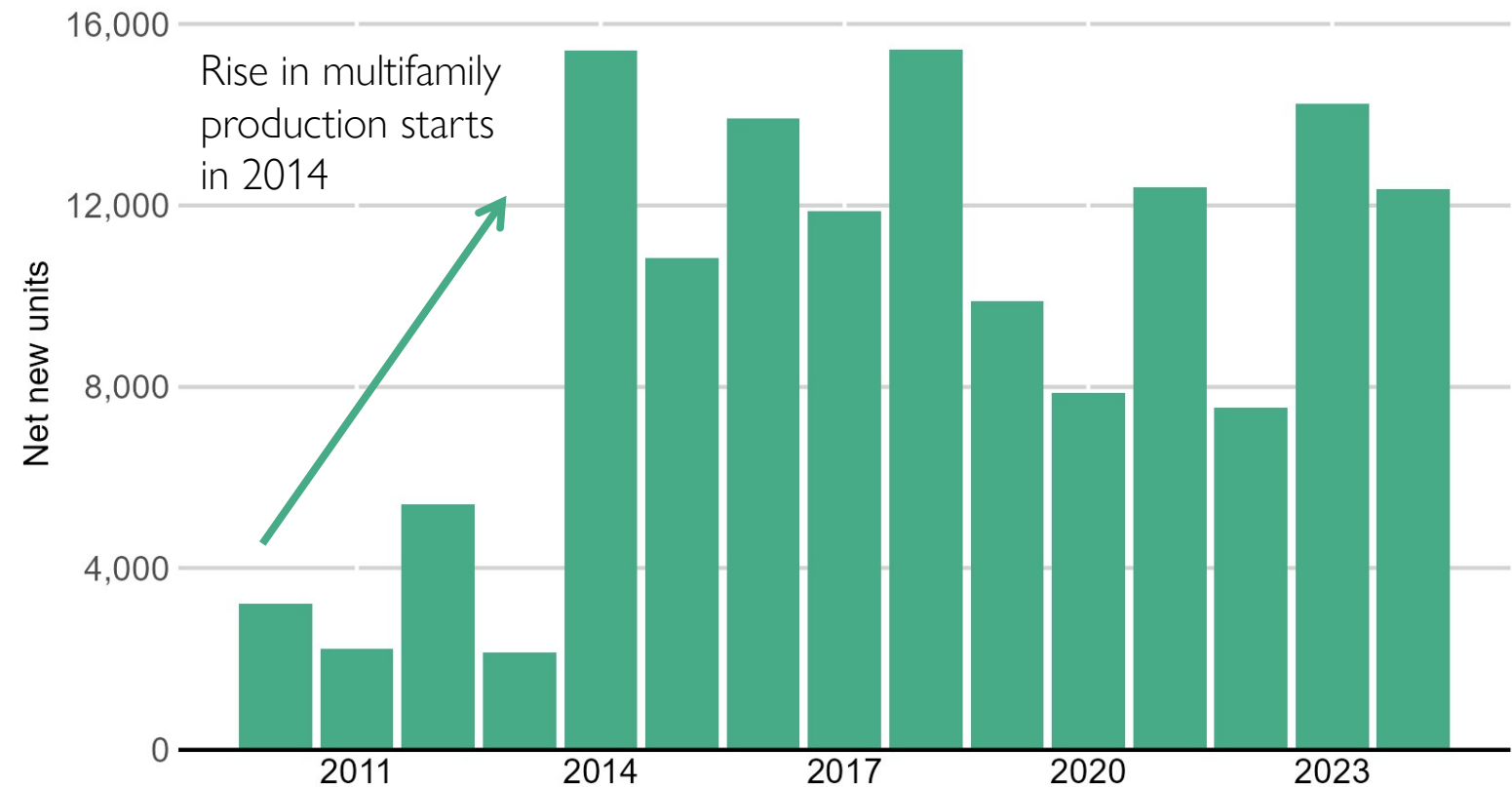
What are the impacts of these changes on the affordable housing sector?

Market Conditions

Heightened recent multifamily production

Multifamily production has been strong in recent years, with many units coming online in 2023

Multifamily Housing Production in King County, 2010-2024



Studio rental production outpaces other unit sizes

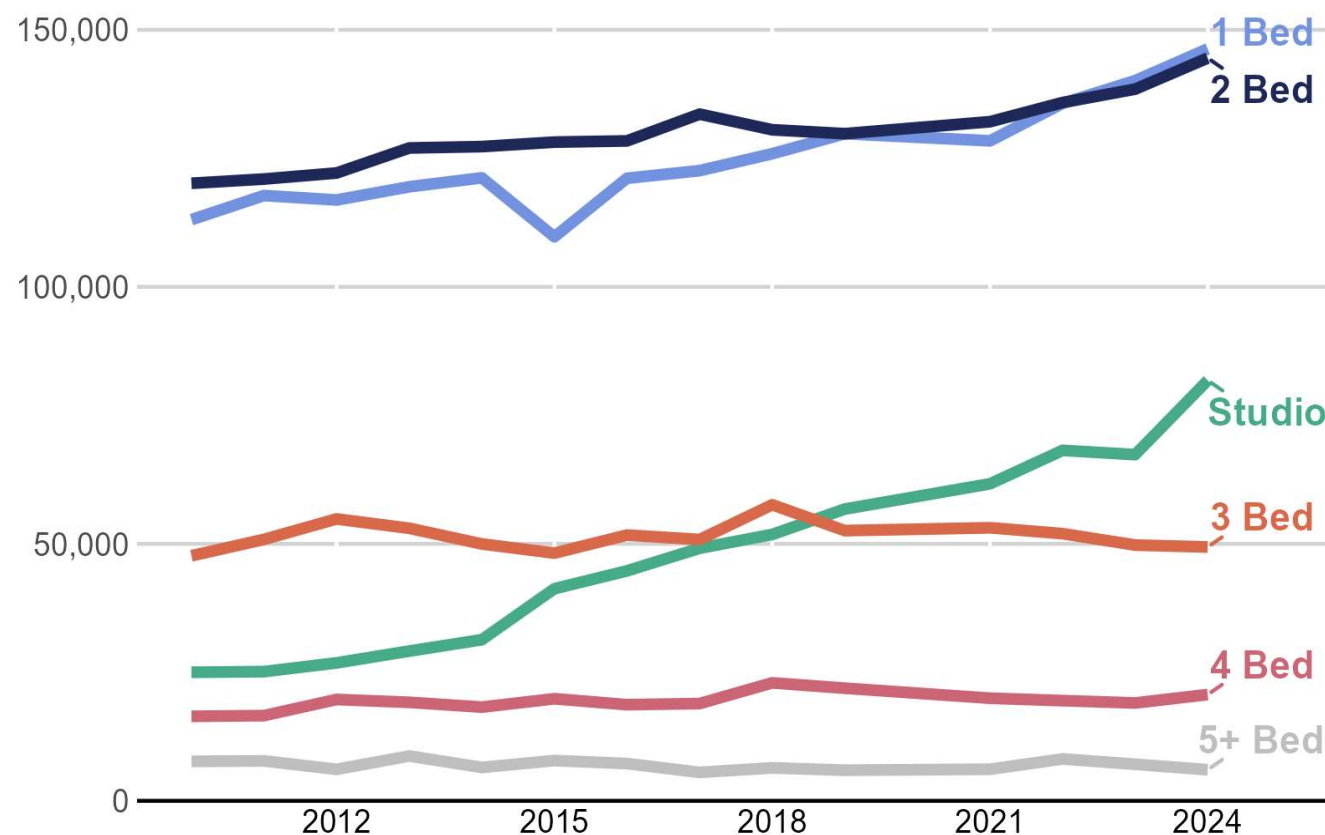
Since 2010...

Number of studios increased **227%**

Available 1- and 2-bedroom had smaller increases (**29%** & **20%**)

Little growth in 3+ bedroom units

Total Number of Rental Units in King County by Unit Size, 2010-2024



Studio rental production outpaces other unit sizes

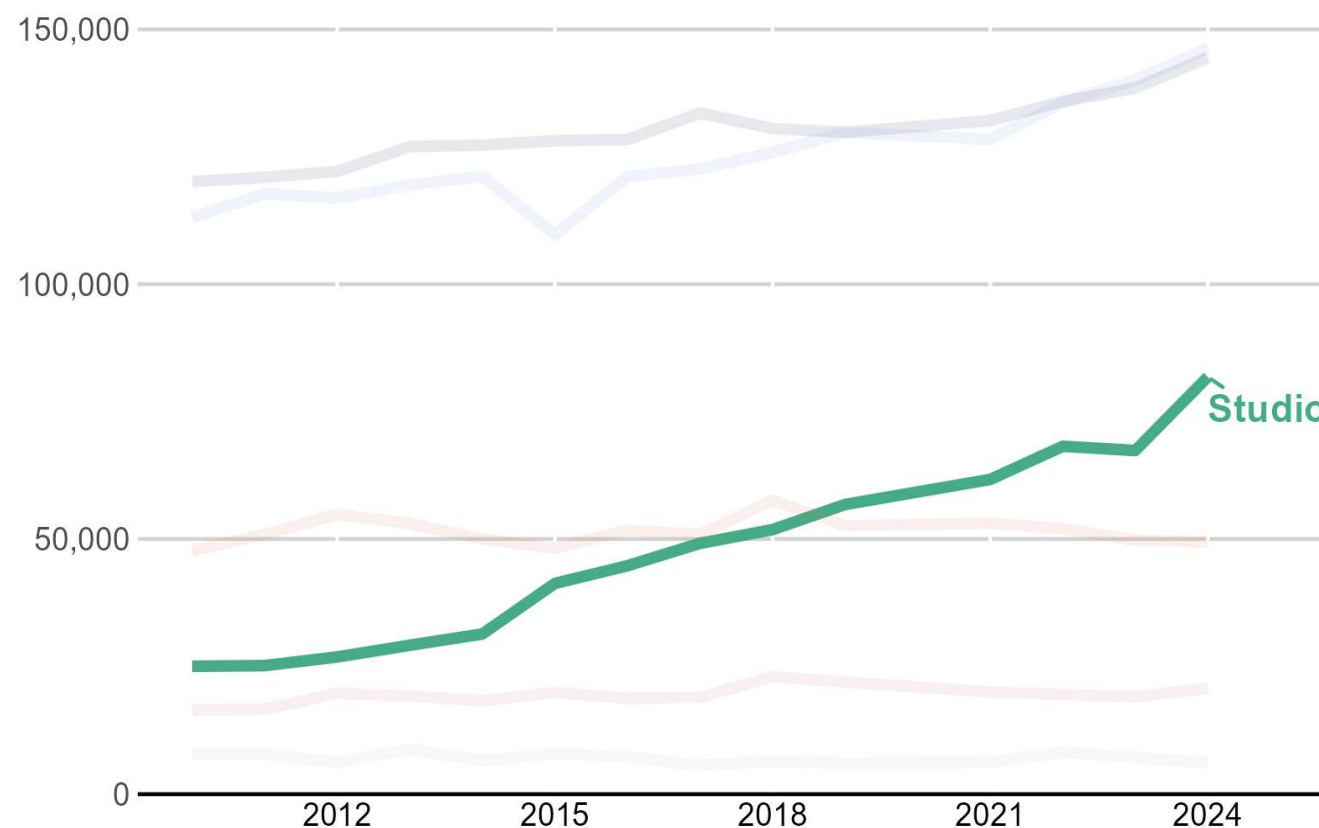
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Total Number of Rental Units in King County by Unit Size, 2010-2024



Increased unit production slowed rent growth

Multifamily production contributed to slowed rent growth, particularly for:

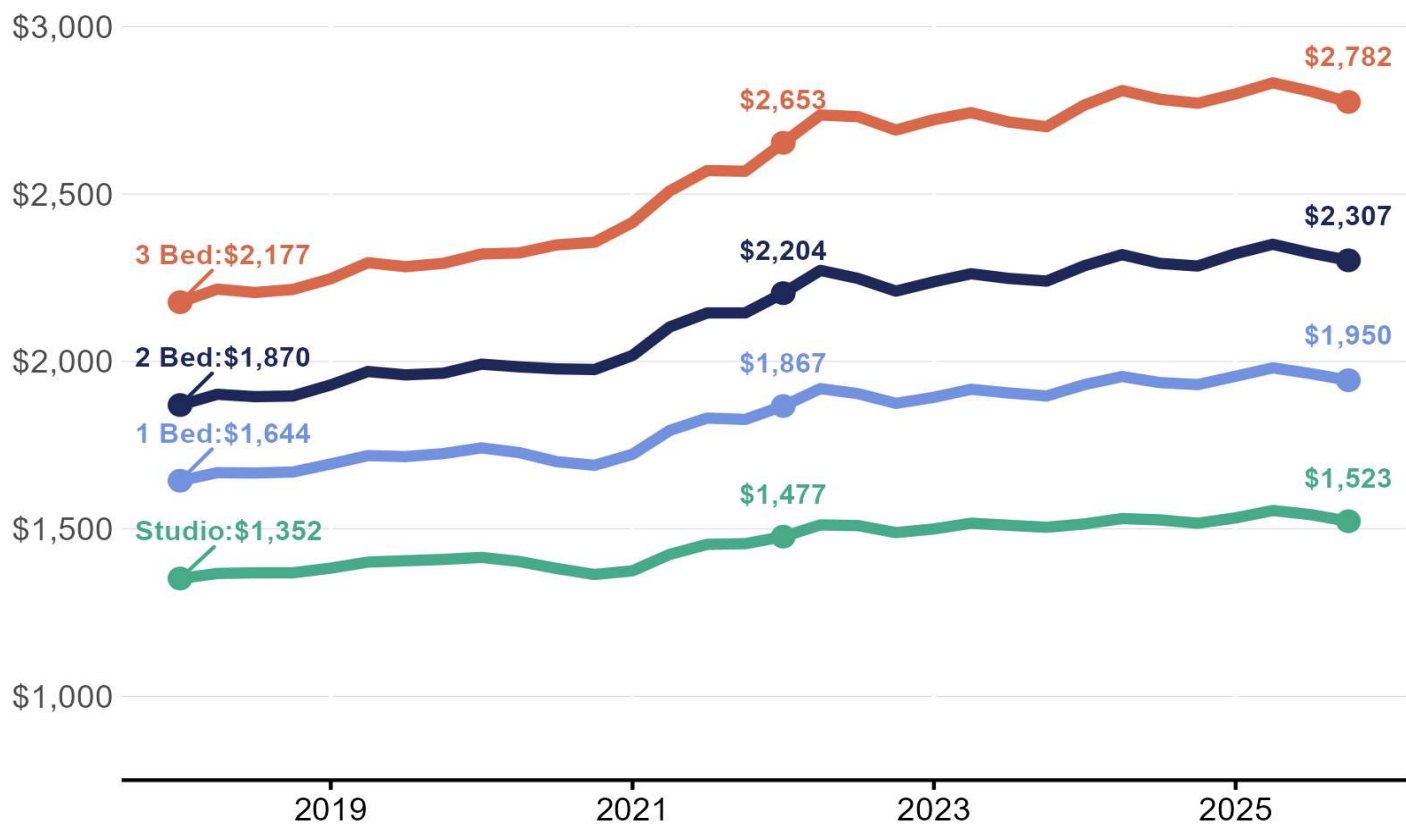
Studios

2018-2021	7.7%
2022-2025	3.1%

1-bedrooms

2018-2021	11.1%
2022-2025	4.1%

Multifamily Market Rents by Unit Size in King, Snohomish, and Pierce Counties, Q1 2018-Q4 2025



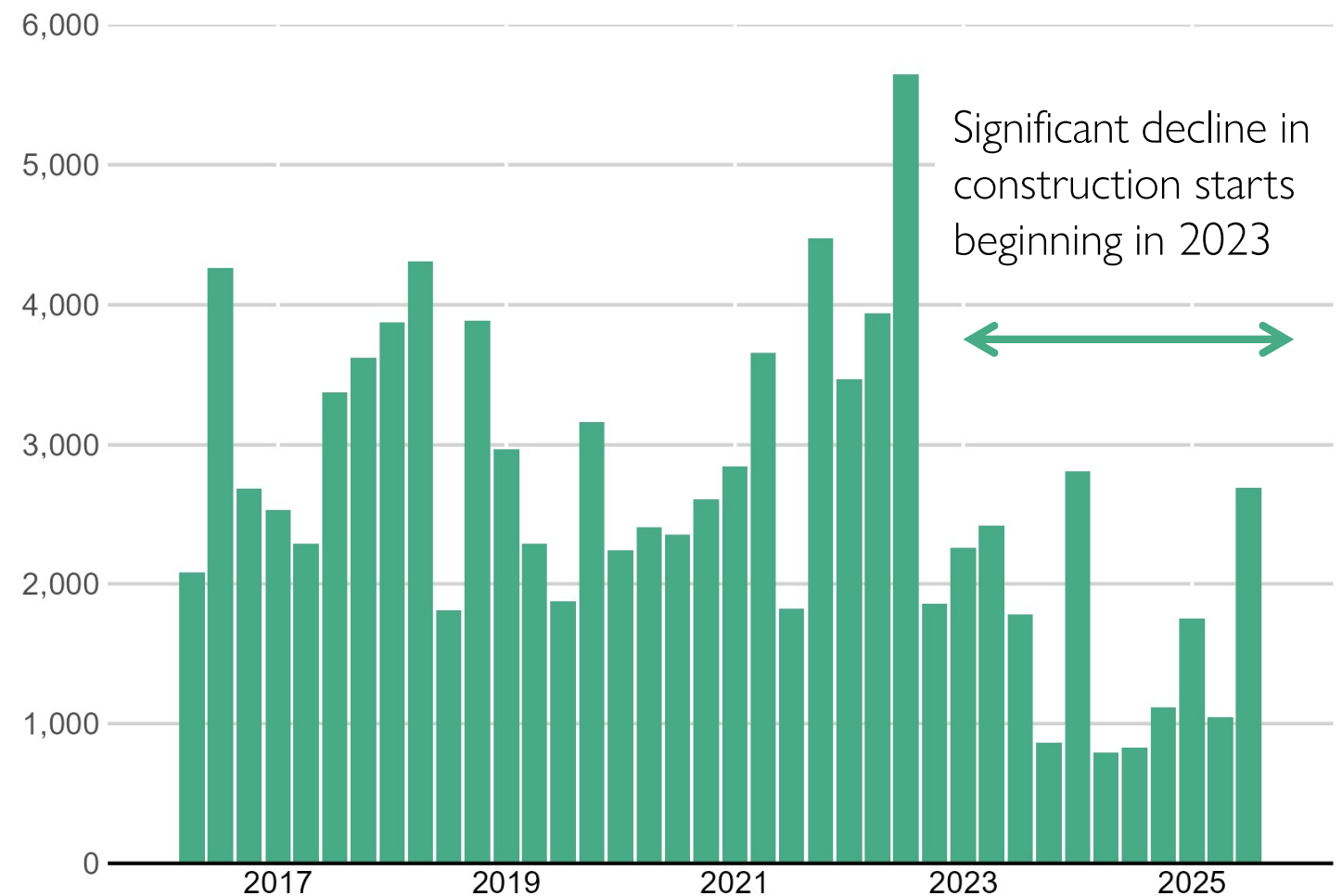
Source: CoStar Multifamily Market Rents, Q1 2018 – Q4 2025

Falling construction starts may add upward rent pressure

Multifamily Construction Starts in King, Snohomish, and Pierce Counties
Q1 2016 – Q4 2025

Multifamily construction starts dropped in the past two years, which may result in:

- Fewer units coming online
- Faster rent growth



Source: CoStar Multifamily Construction Starts, Q1 2016 – Q4 2025

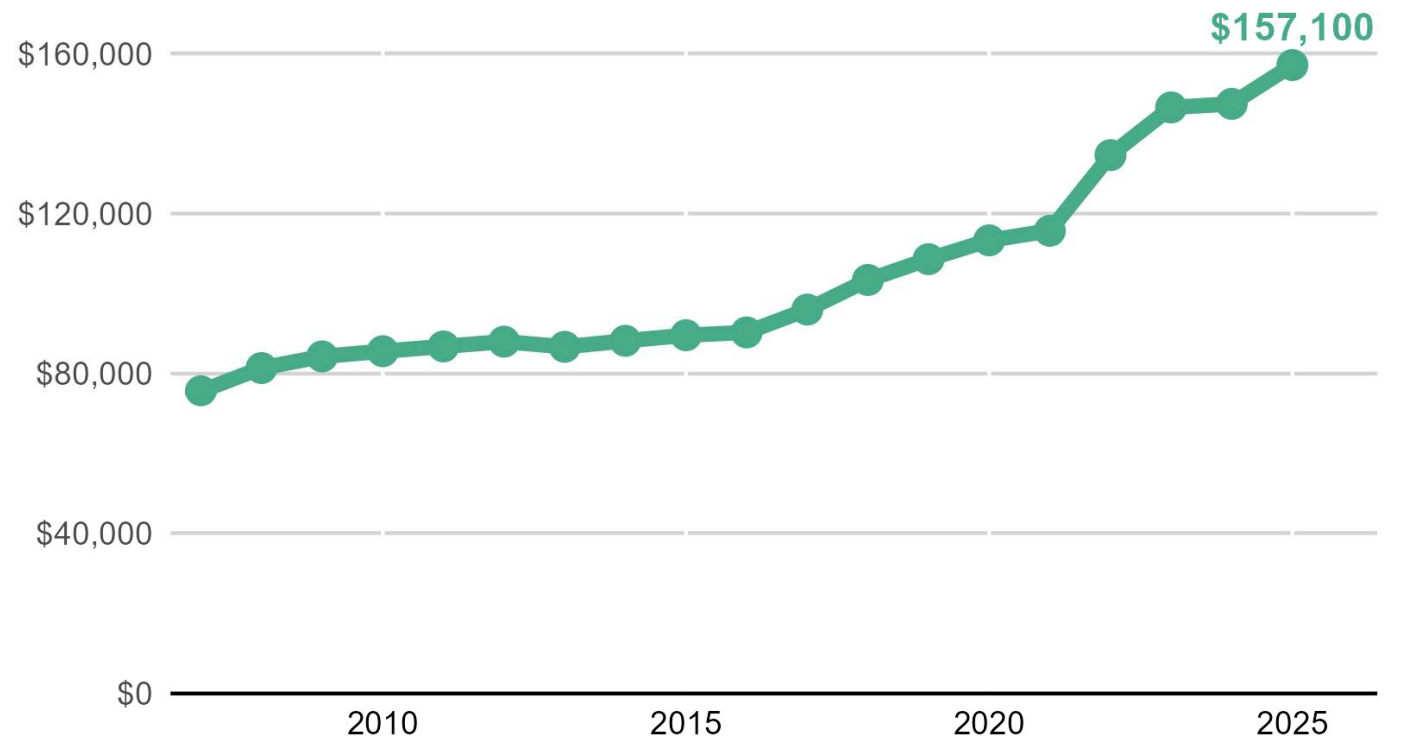
Rising AMI & Rent Overlap

Median family income has risen sharply

HUD sets AMI annually based on median family incomes in King and Snohomish Counties

Median family income increased **64%** between 2017 & 2025

HUD Median Family Income Used for King County Income Limits, 2007 - 2025



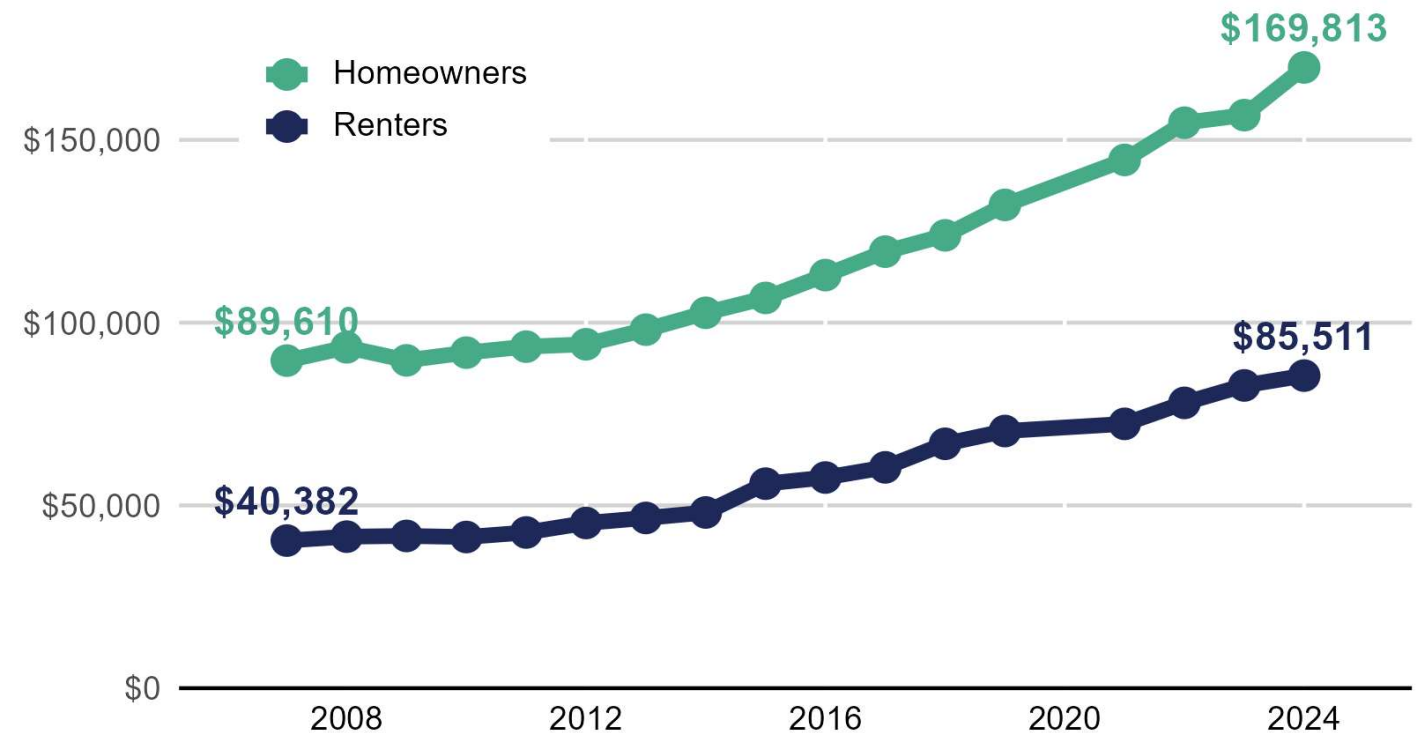
Gap between homeowner and renter incomes is widening

AMI is calculated using both homeowner & renter incomes

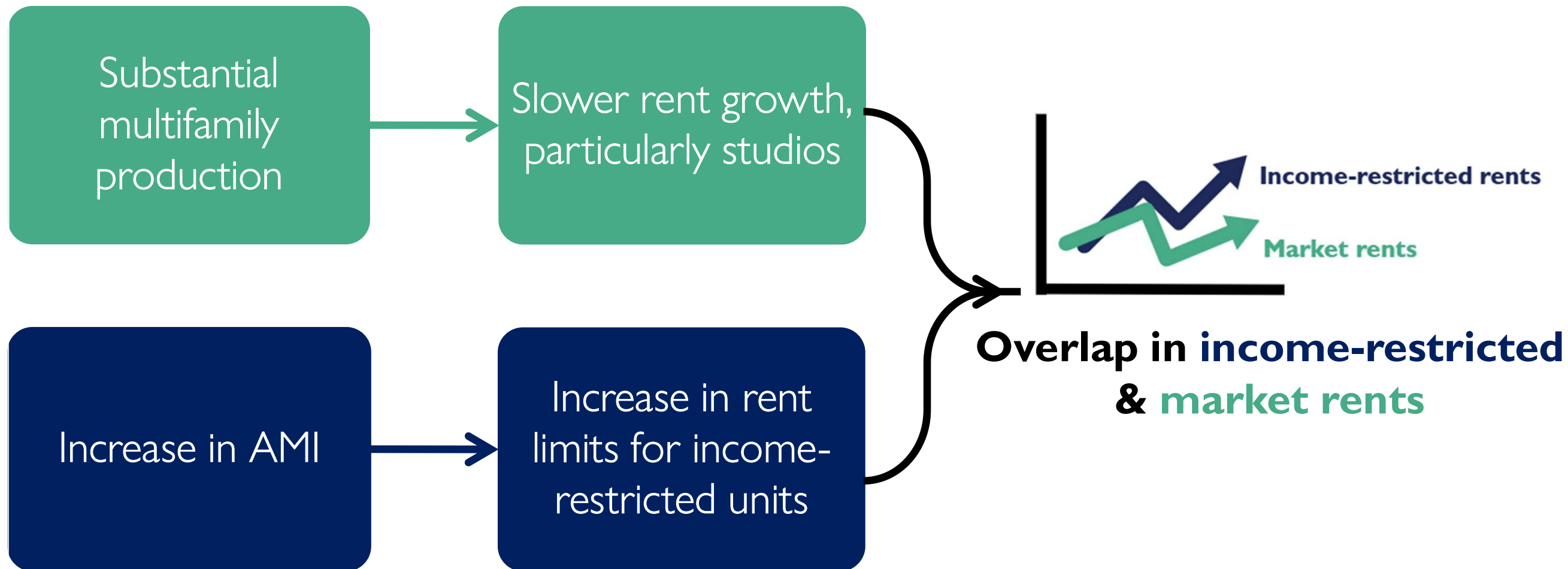
The difference between homeowner & renter incomes is growing

Increasing AMI impacts income-restricted rents

King County Median Household Income by Tenure, 2007-2024

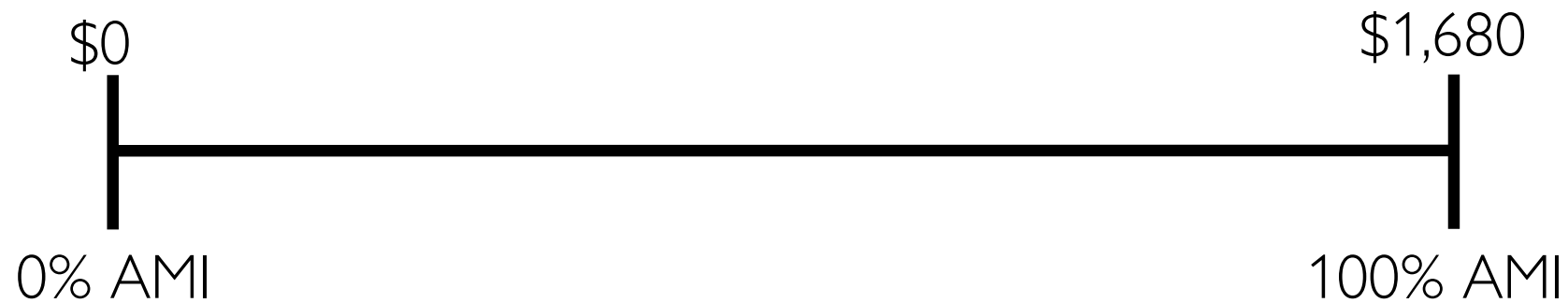


Market pressure & increasing AMI result in income-restricted rents overlapping with market rents



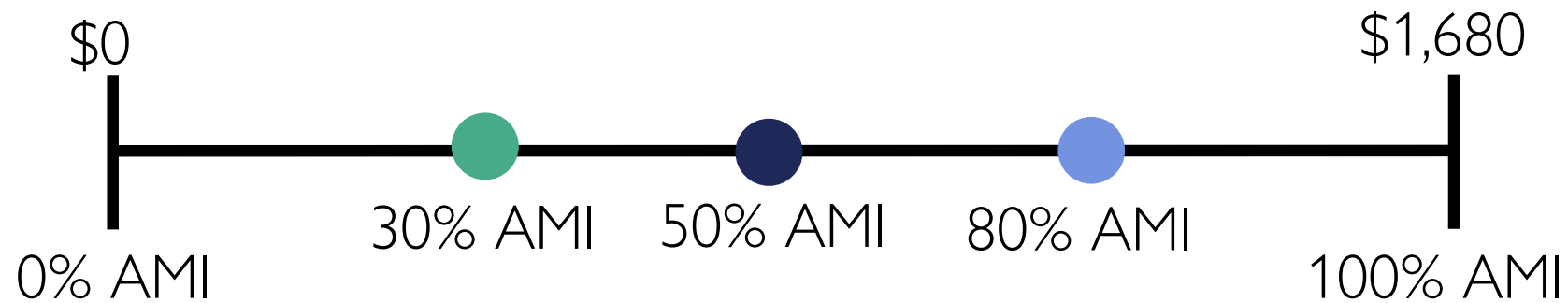
Income-restricted rents are based on AMI

Case study: Studios in King County, 2017



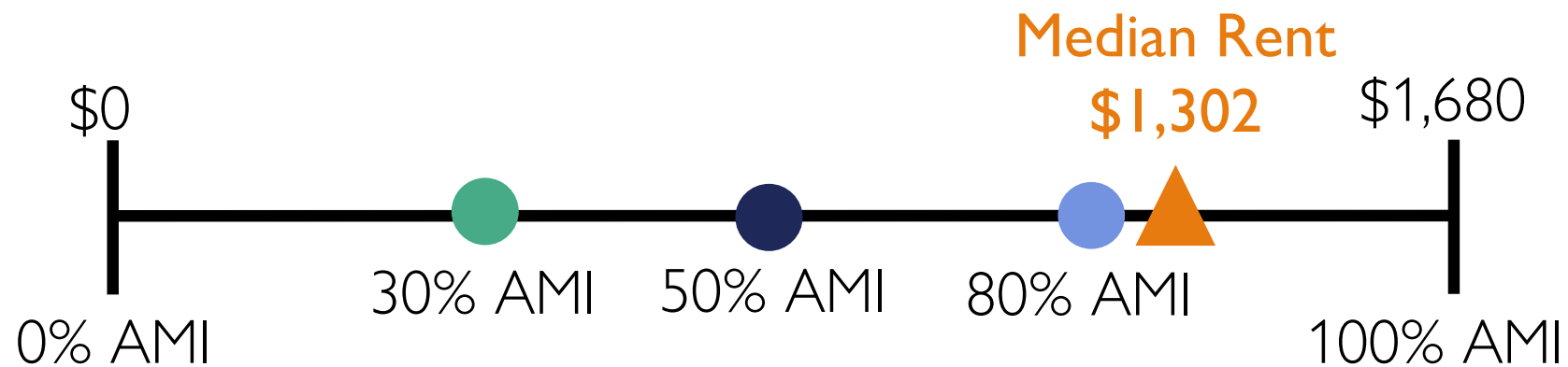
30%, 50%, 80% AMI benchmarks scaled to 100% AMI

Case study: Studios in King County, 2017



Median rent is not directly tied to 100% AMI

Case study: Studios in King County, 2017



Each year, AMI increases based on incomes

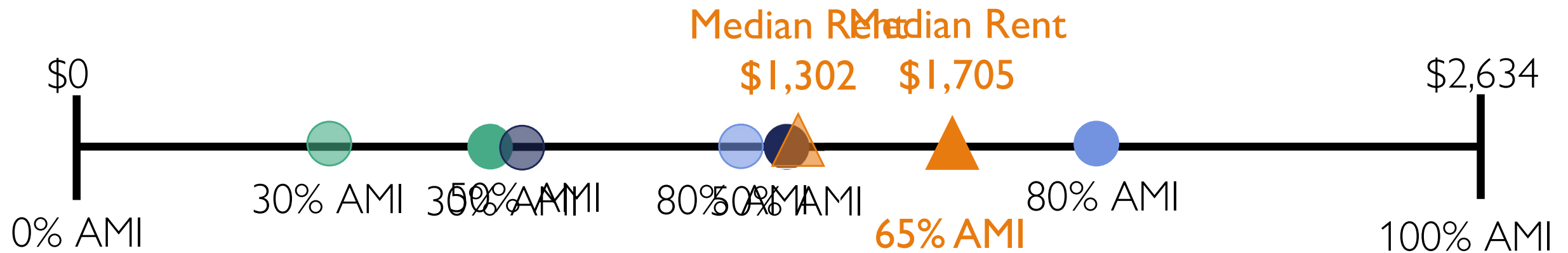
Case study: Studios in King County

2017 → 2024



As AMI increases, so do the 30%, 50% & 80% rent benchmarks

Case study: Studios in King County, 2024



Median rent also increased, but not at the same rate as the income-restricted rent benchmarks. In fast growing income areas, like King County, this creates overlap between income-restricted and private market rents.

What does this mean for people looking to rent?

2-person household, both making Seattle minimum wage:
~\$83,000 per year or 67% AMI



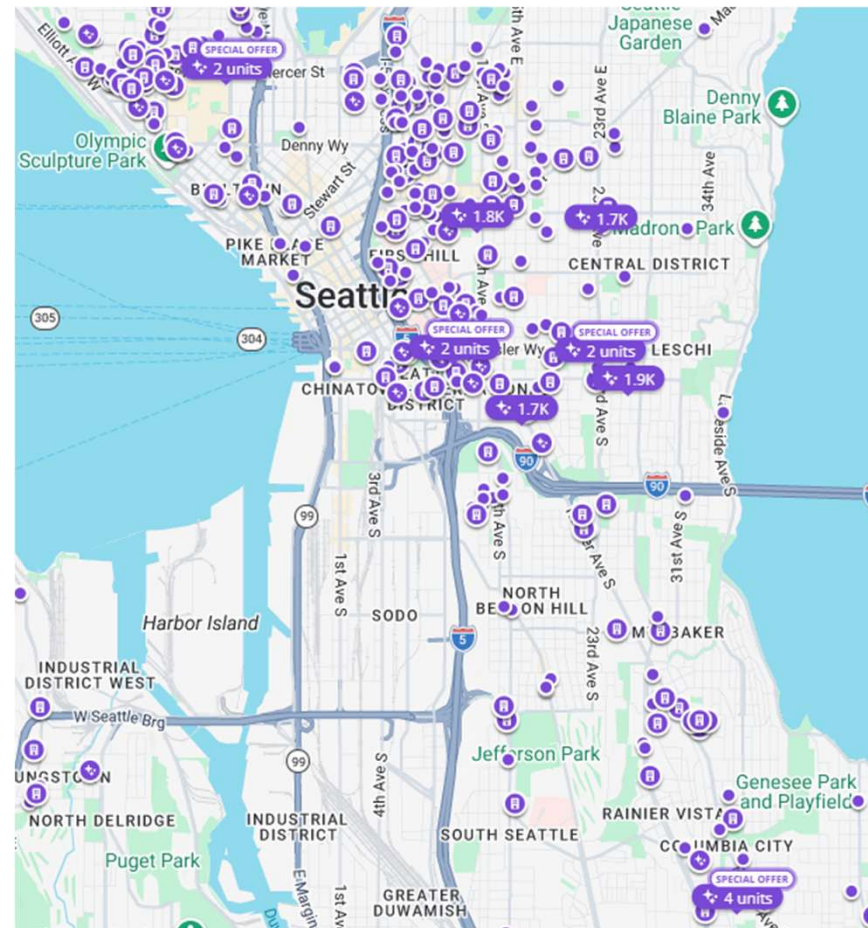
70% AMI Income-restricted Unit:
\$2,062 Max Allowable Rent

Market Rate Unit in Central Seattle:
\$1,839

Income-restricted unit
\$223 more expensive

What does this mean for people looking to rent?

1-Bedroom Units Available Below \$1,840 in Central Seattle
Q1 2026



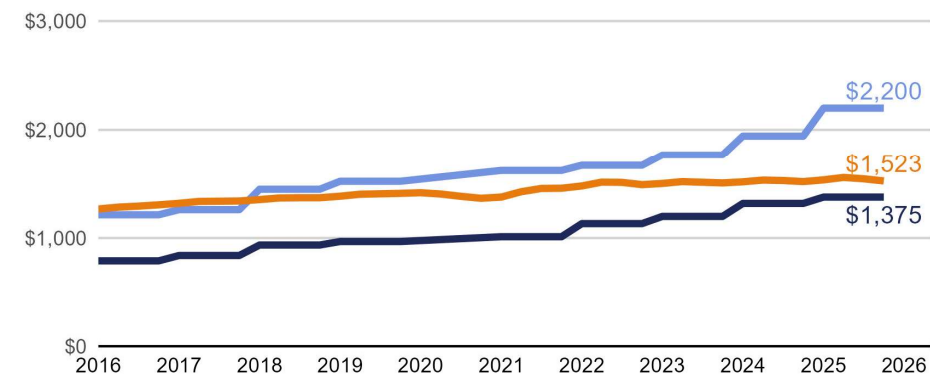
Most King/Snohomish/Pierce County market rents are below 80% AMI

Rent Overlap

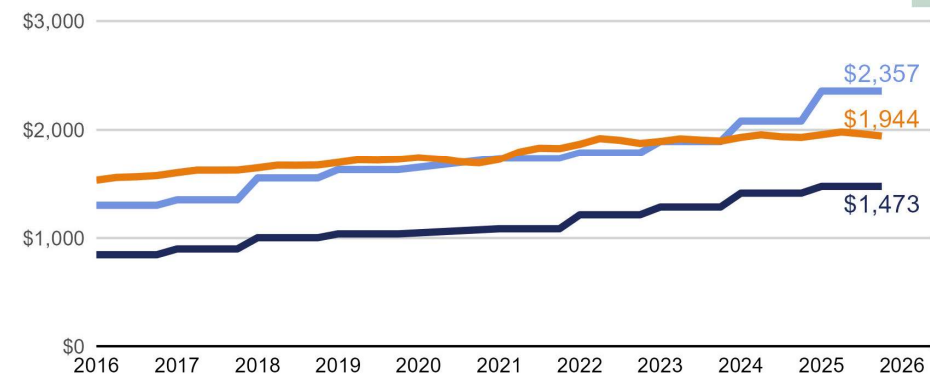


50% AMI Rent, 80% AMI Rent, and King/Snohomish/Pierce Market Rent

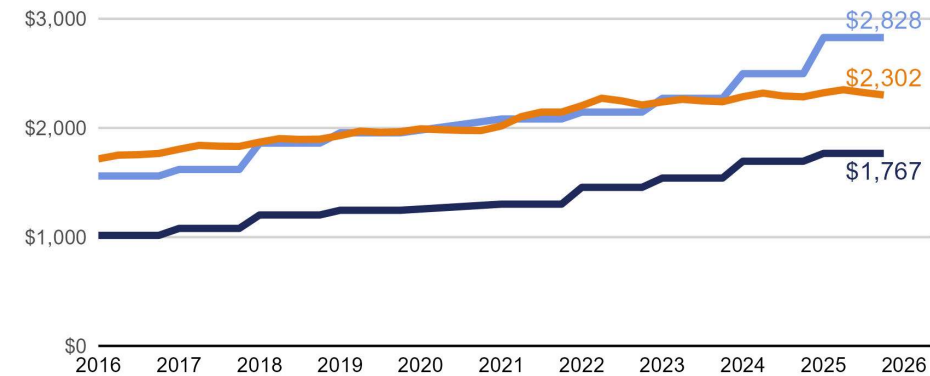
Studio:



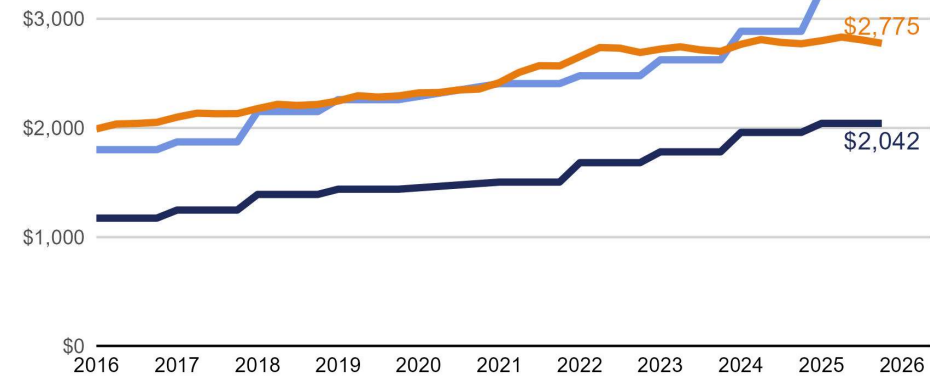
1 Bedroom:



2 Bedroom:



3 Bedroom:



- 50% AMI
- 80% AMI
- Market Rent

Source: CoStar Multifamily Market Rents Q1 2016 – Q4 2025, Seattle-Bellevue WA HUD Metro FMR Area Income Limits, 2016-2025

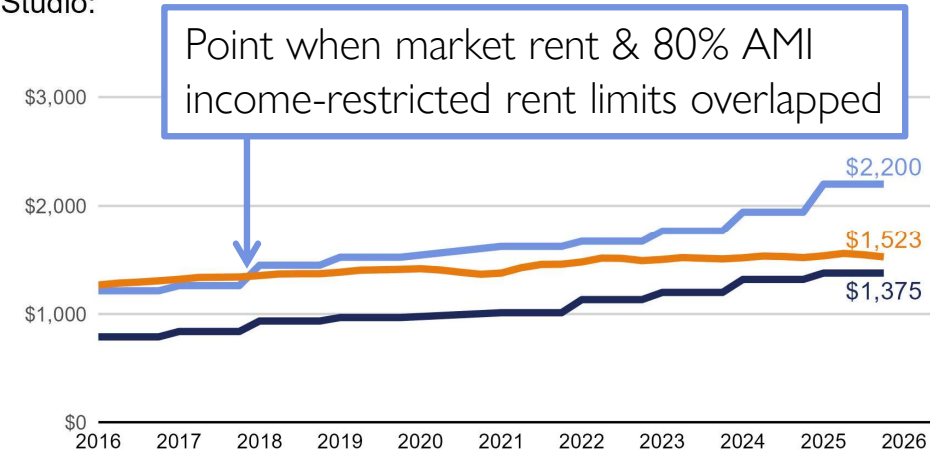
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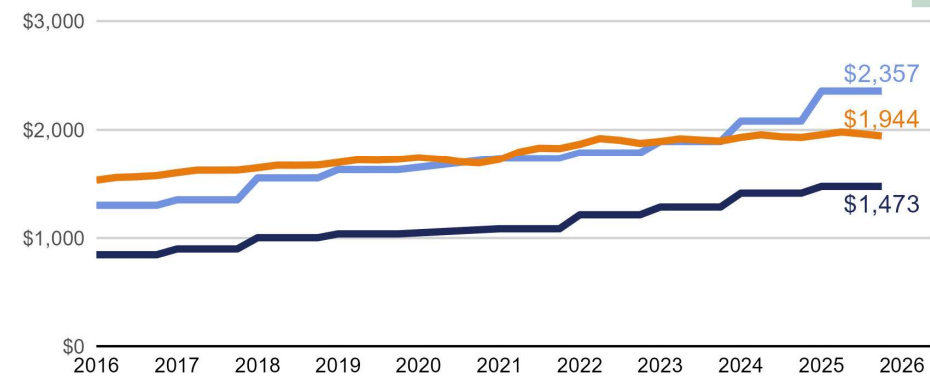


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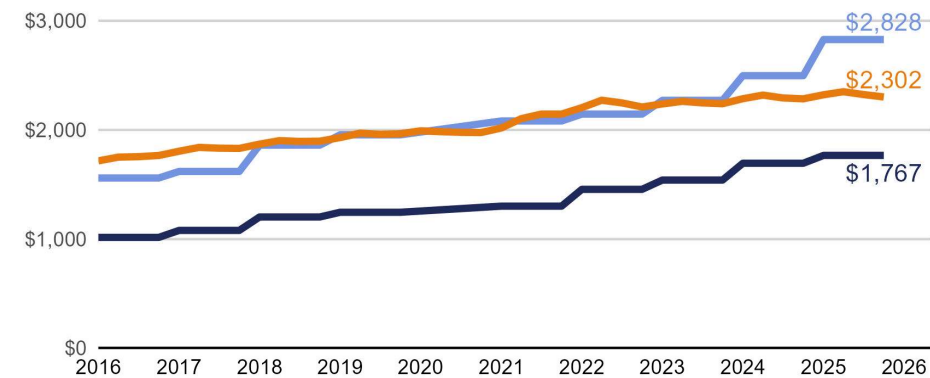
Studio:



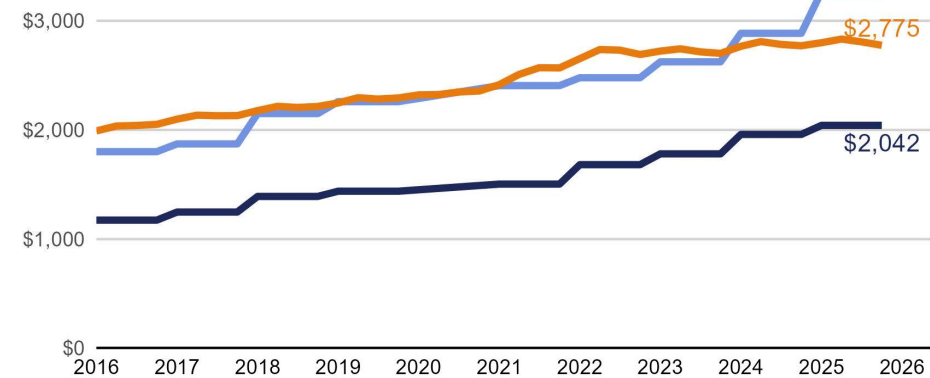
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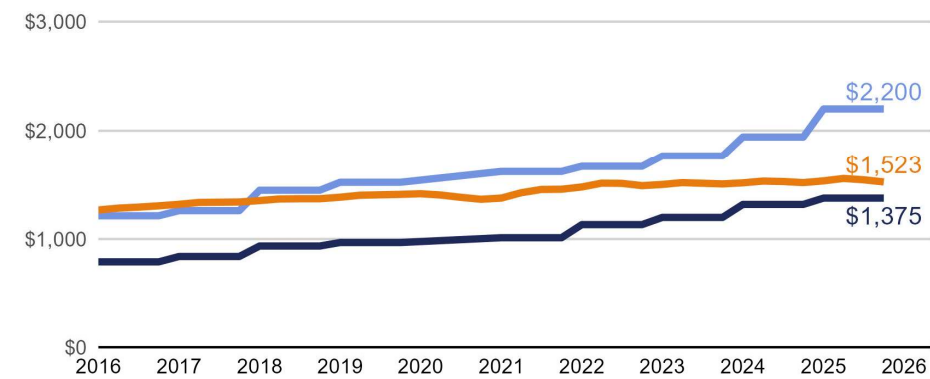
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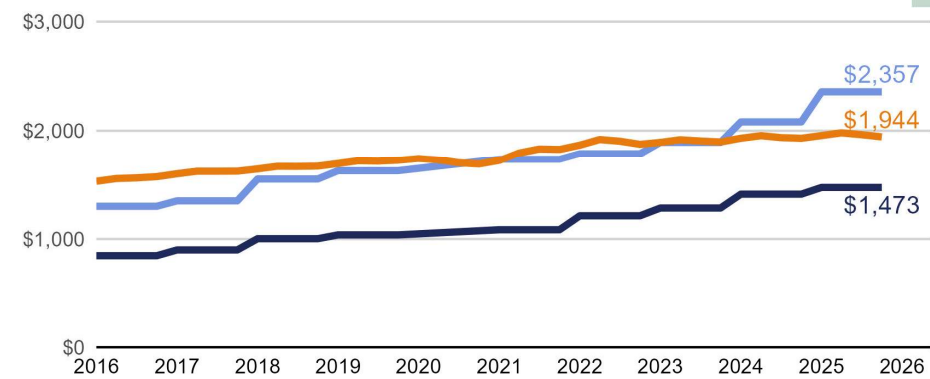


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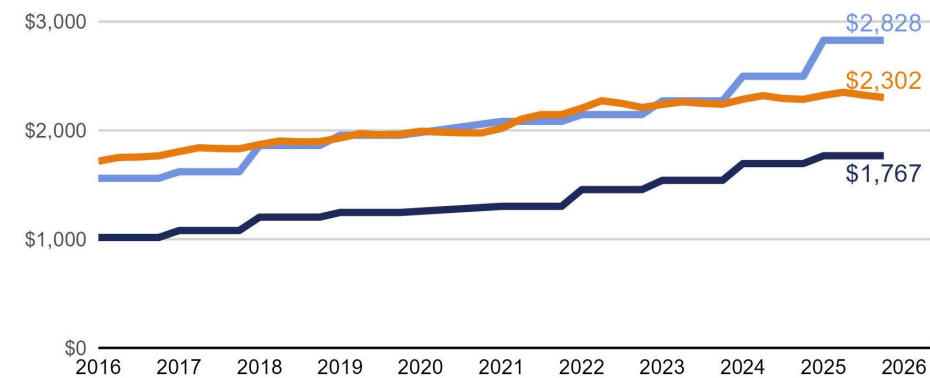
Studio:



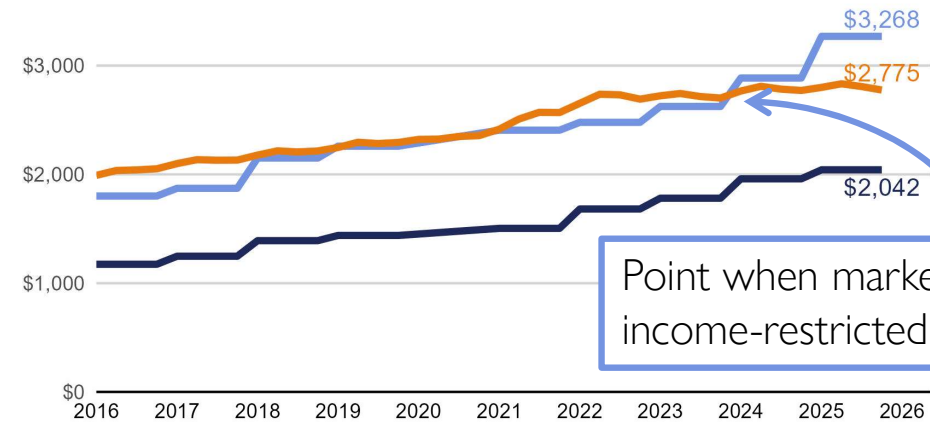
1 Bedroom:



2 Bedroom:



3 Bedroom:



Point when market rent & 80% AMI income-restricted rent limits overlapped

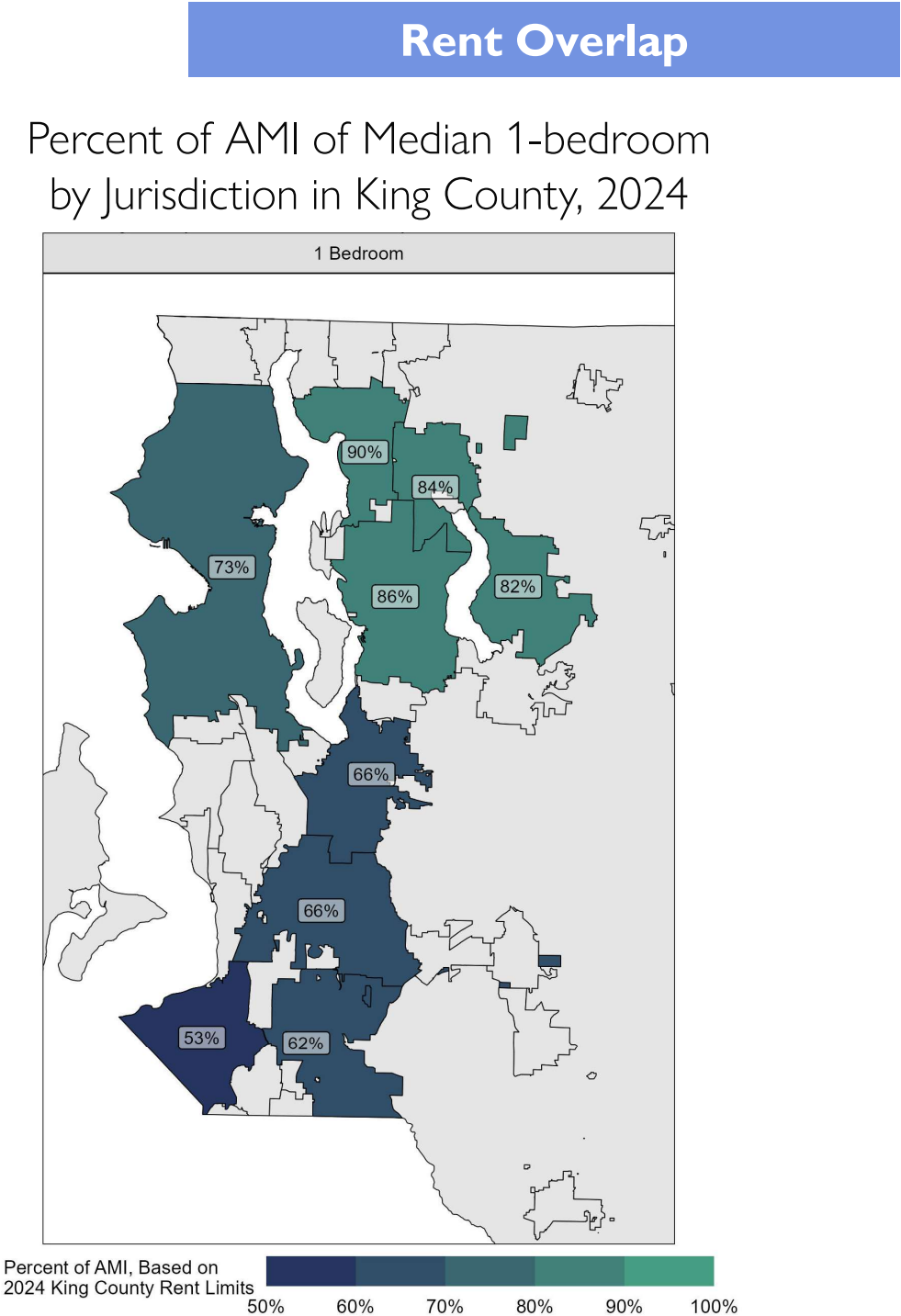
Source: CoStar Multifamily Market Rents Q1 2016 – Q4 2025, Seattle-Bellevue WA HUD Metro FMR Area Income Limits, 2016-2025

Large differences in 1-bedroom median rents across King County

Median 1-bedroom in 2024 rented for 50-80% AMI in Seattle and South King County

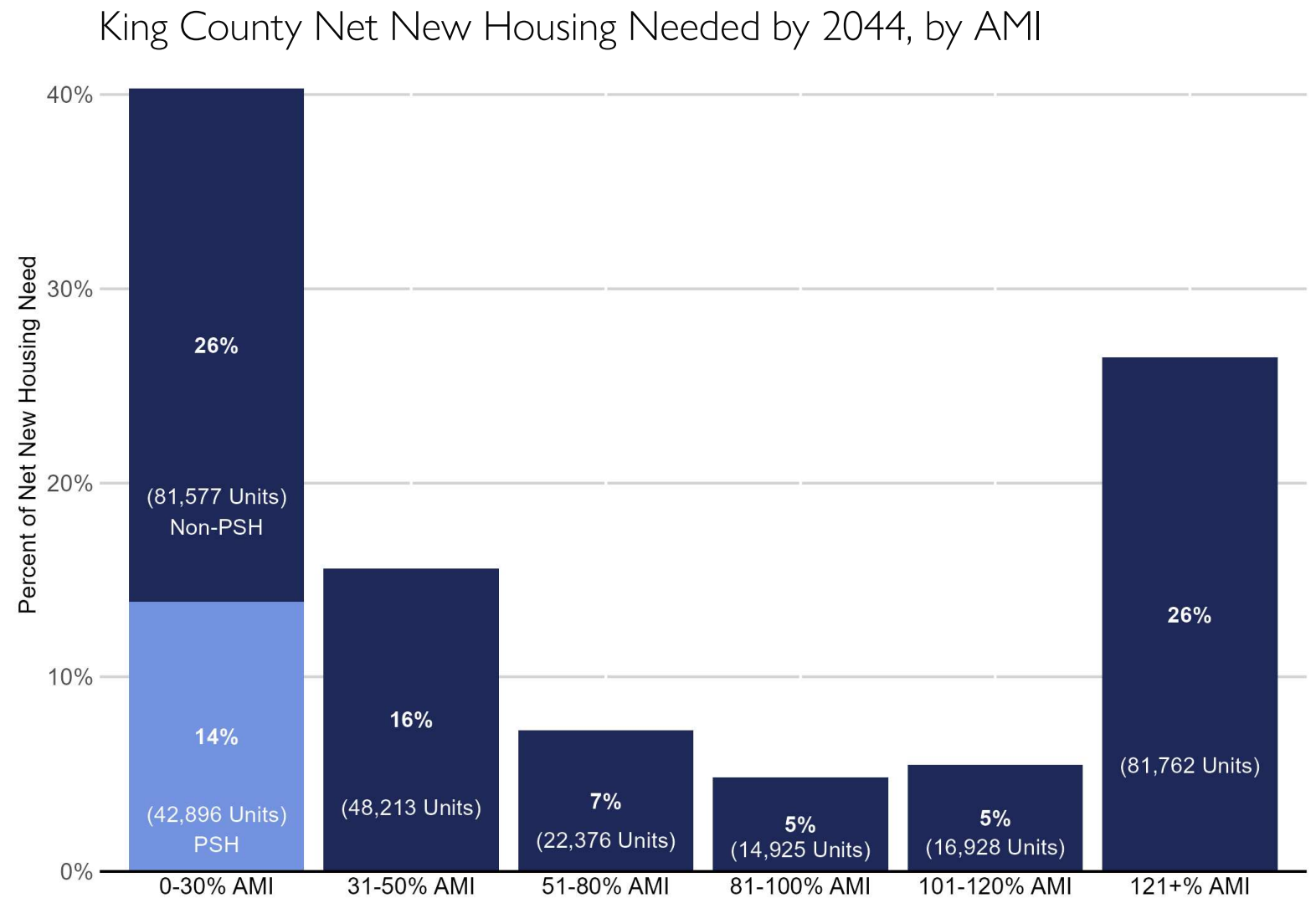
Eastside all above 80% AMI

Source: 2024 Seattle-Bellevue WA HUD Metro FMR Area Income Limits and 2024 1-year ACS. Only includes data on jurisdictions with populations of 65,000 or greater, as jurisdictions smaller than this are not included in the 1-year ACS. Data for jurisdictions with margins of error over 15% of median rent for that unit size are not shown.



Housing Need Remains Greatest at 0-50% AMI

56% of the net new units King County needs by 2044 are at 0-50% AMI



Source: King County Countywide Planning Policies, 2021 Note: 58,983 units of Emergency Housing/Shelter are also needed by 2044.

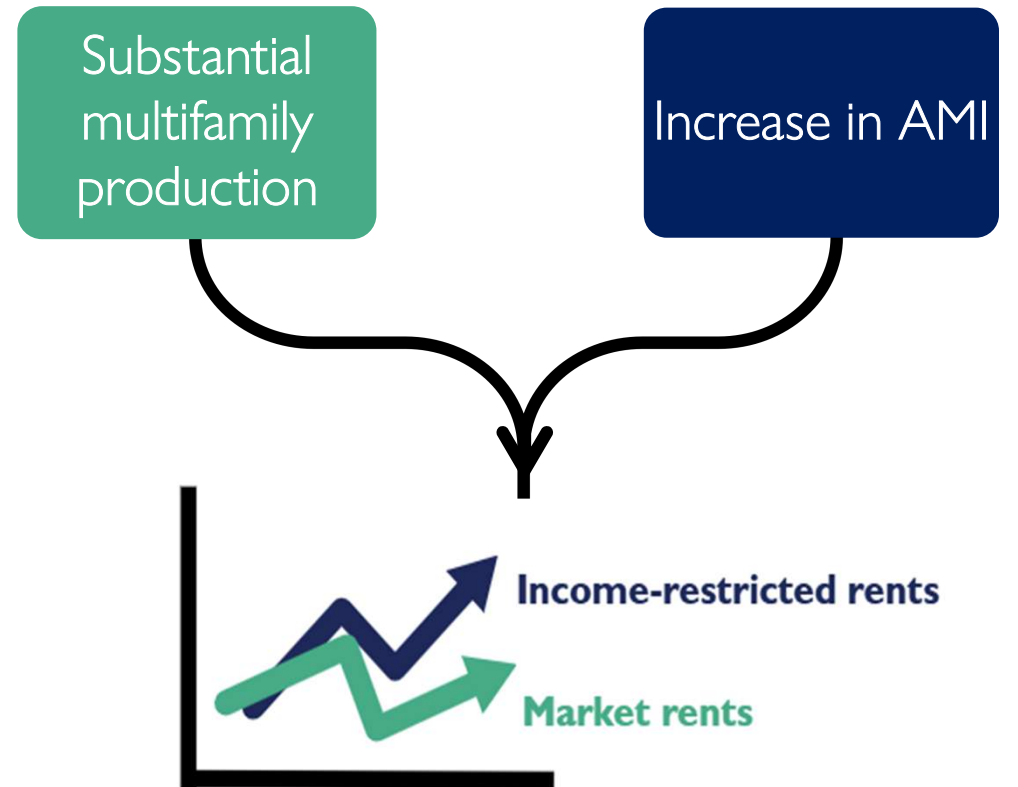
Key Takeaways

Overlap in income-restricted & market rents

Key Drivers:

Substantial production of smaller unit sizes in 2010s slowed rent growth

Growth in high-income households caused AMI and income-restricted rents to rise



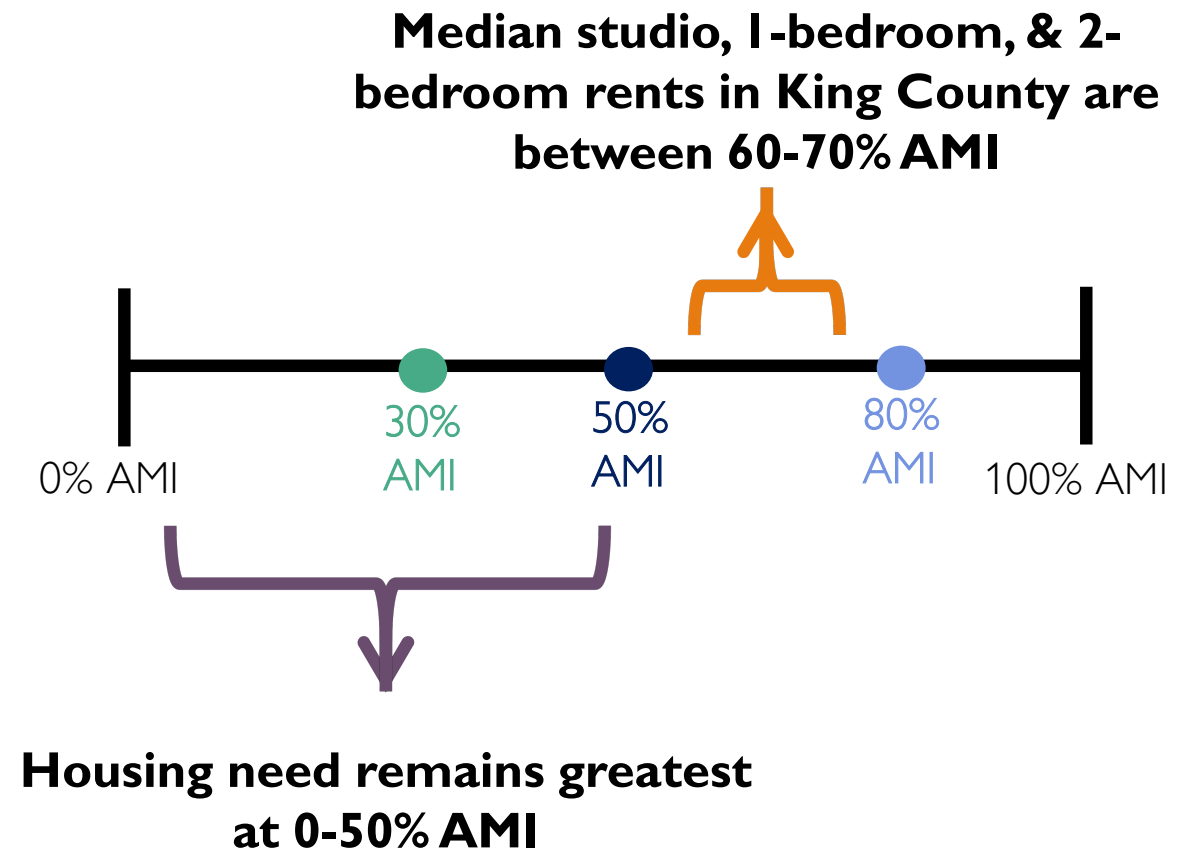
**Overlap in income-restricted
& market rents**

Impacts of overlap on affordable housing sector

Key Impacts:

There are heightened vacancies in some 60+% AMI income-restricted units, straining affordable housing provider finances while operating costs & rental arrears increase

Corroborates that housing need is concentrated at 0-50% AMI and larger unit sizes



Contact us with questions

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