
I. Highlights - - - - 2002

Puget Sound Economy: scraping along the bottom

Perhaps the economic downturn began on January 15, 2001, when the Pergola in Pioneer Square was pulled down by an errant truck. It worsened when an earthquake measuring 6.8 hit the Puget Sound region on February 28. The costs to repair infrastructure in King County, including the Alaskan Way Viaduct and the King County Courthouse, are still mounting. In March, the Boeing Company announced it would move its headquarters back East, to Chicago as it turned out. Then Boeing announced that layoffs would begin later in the year. Actual layoffs began late in 2001 and continue even now. As of mid-2002, Boeing has laid off about 30,000 employees nationally, including about 19,000 here in the Puget Sound region.

Psychologically, we hit bottom on September 11, 2001 with the terrorist attacks. Even though New York and Washington DC are far away, we came together as a nation in grief, and the sense of gloom seemed to settle in here for a long time. In 2002, the news didn't get much better. The dot-com bust, continuing into 2002, removed millions in income and eliminated thousands of high-paying jobs. Two years of stock market declines have taken a toll on spending and consumer confidence. The rest of the US suffered a relatively short recession of perhaps three quarters, but was beginning to recover by early 2002. In the Puget Sound region, the recession continues a year later, as unemployment levels continue to grow. In April 2002, regional unemployment stands at 6.6%. The Seattle-Bellevue-Everett metro area lost 97,000 jobs in the 20 months between January 2001 and August 2002. That is the largest decline in jobs since 1982. King County alone has lost more than 60,000 jobs since January 2001, a major blow after several years of expected annual increases in jobs and unemployment near 3%. This has been a shock to a region which had not experienced a recession since 1982, because the 1991 downturn was buffered by counter-cyclical growth among high tech companies. In addition to 60,000 unemployed workers, additional thousands are too discouraged to seek jobs or are working at jobs which don't use their full skills.

However, despite this gloomy situation, there is much positive news about King County and the Puget Sound region:

- King County is a nationally important market, with the ninth largest number of jobs among the nation's 3,100 counties, and a year 2000 payroll of \$54 billion, ranking 8th in the nation.
- Although unemployment has increased to about 6.2%, many businesses continue to suffer from a labor shortage. Despite the decline of Microsoft stock to half its mid-2000 value, employment remains strong at Microsoft and the company continues to hire new personnel, although more slowly than before. Much of the computer services industry remains healthy in spite of stock declines.
- Boeing, traditional foundation of the region's economy, has reached its decade low and foresees a stable level of production next year.
- Residential and commercial construction in King County continues to coast upward. After several years with little office construction, several big office complexes are underway in Bellevue, Seattle and Redmond. Record numbers of new housing units were authorized in Seattle in 2000 and 2001 -- more than 6,500 new houses, apartments and condo units. After demolitions are subtracted, this should still add nearly 5,900 units to Seattle's housing stock.
- Bellevue, Seattle, Renton, and other downtown or urban center developments are exhibiting healthy growth.

The upshot of all these events is a King County economy that remains strong despite severe shocks. Unemployment has risen to 6.2 % as of June 2002, but that level is no worse than the historical average. Aerospace employment in the Puget Sound region now stands at 72,000, with about 47,000 of that in King County. Although well below its record employment levels, the aerospace sector continues to provide high wages to local workers. High tech continues to expand despite the shakeout of a few companies. Other services, wholesale, and retail lost employment before the recession hit aerospace, so they may be ready to grow again in the coming year.

The significant overall income growth in software and other sectors propelled King County into eighth place among all 3,100 counties in the United States in total payroll paid during 1998. Measured at \$41 billion by the Census Bureau, King County's total business payroll exceeded that of 26 states, including Oregon, which has twice as many people as King County. Among other issues raised by such large numbers is that of disparity of wealth and income between King County and the other parts of Washington State outside the Puget Sound region. In 1998, more than 52% of wages paid in the state were in King County, in contrast to our 29% share of the state's population. Some of that difference reflects high tech jobs in Seattle and the Eastside as well as high wage manufacturing jobs in South King County.

Long range prospects are mixed. Boeing forecasts production of around 250 airplanes this year and next. Sale of those planes will bring in billions of dollars, much of which will be re-spent in the Puget Sound economy. But with the move of Boeing headquarters to Chicago, long-term prospects for aerospace are less certain, although the company has continued to emphasize its investment in the Puget Sound region. Sales tax and other government revenues are declining at a time when public investment is needed. We are doing remarkably well so far, but if these underlying issues are not addressed, there could be lasting consequences to King County and the Puget Sound region.

Rank of 30 Largest US Counties

Rank, 2000	County and State	Population, 2000	% Change, 1990 - 2000	Rank, 2000	County and State	Population, 2000	% Change, 990 - 2000
1	Los Angeles, CA	9,519,300	7.4%	16	Riverside, CA	1,545,400	32.0%
2	Cook, IL	5,376,700	5.3%	17	New York, NY	1,537,200	3.3%
3	Harris, TX	3,400,600	20.7%	18	Philadelphia, PA	1,517,600	-4.3%
4	Maricopa, AZ	3,072,100	44.8%	19	Middlesex, MA	1,465,400	4.8%
5	Orange, CA	2,846,300	18.1%	20	Tarrant, TX	1,446,200	23.6%
6	San Diego, CA	2,813,800	12.6%	21	Alameda, CA	1,443,700	12.9%
7	Kings, NY	2,465,300	7.2%	22	Suffolk, NY	1,419,400	7.4%
8	Miami-Dade, FL	2,253,400	16.3%	23	Cuyahoga, OH	1,394,000	-1.3%
9	Queens, NY	2,229,400	14.2%	24	Bexar, TX	1,392,900	17.5%
10	Dallas, TX	2,218,900	19.8%	25	Clark, NV	1,375,800	85.5%
11	Wayne, MI	2,061,200	-2.4%	26	Nassau, NY	1,334,500	3.7%
12	KING, WA	1,737,000	15.2%	27	Bronx, NY	1,332,700	10.7%
13	San Bernardino, CA	1,709,400	20.5%	28	Allegheny, PA	1,281,700	-4.1%
14	Santa Clara, CA	1,682,600	12.4%	29	Sacramento, CA	1,223,500	17.5%
15	Broward, FL	1,623,000	29.3%	30	Oakland, MI	1,194,200	10.2%

Source: US Census 2000, March 2001

King County Geography

King County, covering 2,130 square miles, is the size of Delaware, but much more geographically diverse. It extends from Puget Sound in the west to 8,000-foot Mt Daniel at the Cascade crest to the east. King County contains a wide variety of landforms including saltwater coastline, river floodplains, plateaus, slopes and mountains, punctuated with lakes and salmon streams. Lake Washington, covering 35 square miles, and Lake Sammamish with 8 square miles are the two largest bodies of fresh water. Vashon Island in Puget Sound and Mercer Island in Lake Washington provide different island environments.

King County has a variety of land types or land uses including urban residential, intensive commercial and industrial areas, farms and woodlots, commercial forest, rock and glacier. Thousands of years ago, ice-age glaciers formed the north-south trending shapes of our lakes and hills, making east-west travel more difficult than north-south travel. Four major river basins with salmon-bearing streams are separated by steep-sided plateaus whose slopes are subject to landslides and erosion, complicating the construction of homes, businesses and roads.

King County Demographics

With more than 1,737,000 people, King County is the largest county in Washington State and the 12th largest in the nation. The County has more population than ten States including Montana and Nebraska. As a populous large

King County Population Exceeds 1.7 million

The 2000 US Census counted 1,737,034 persons in King County on April 1, 2000. This number is an increase of nearly 230,000 or 15 percent above the 1,507,319 counted a decade earlier.

King County, with nearly one third of the State's population, is Washington's growth and economic engine. The County added 230,000 people, or nearly one fourth of the State's growth, during the decade. Highlights about King County population and growth include:

- The rate of population change was slightly slower in the 1990s (15%) than in the 1980s (19%).
- More than 90 percent of the growth during the decade occurred in Urban-designated western King County, with the result that most of the population is still located in the western third of the county.
- Seattle continues to hold nearly one third of the County's total population, and Seattle gained more than one fifth of the Countywide growth during the decade.
- South King County had the biggest share of the County's growth, more than half, and the South remains the largest of three subareas with more than 630,000 residents. The South King County population growth was unexpected because housing construction had lagged behind the Eastside during the decade.
- The Eastside and South King County each grew at similar rates, about 20% over the decade.
- Seattle's growth rate increased during the 1990s after turning around a 30-year decline in the mid-80s; it seemed remarkable for a central city to gain after years of population loss.
- Urban centers in Seattle and Bellevue showed the most dramatic growth, while smaller centers in Renton, Kent, Auburn and Kirkland gained substantial numbers of new residents.
- Rural portions of King County mostly grew at a relatively slow rate. The Rural-designated areas gained only 20,000 persons to a 2000 population of about 137,000 or 8% of the county total. Communities such as Vashon Island, Hobart and the Snoqualmie Valley (outside the cities) grew more slowly than had been predicted early in the 1990s.

Race and Ethnicity: Beyond total growth numbers, the other major story of the 2000 Census is the increase in diversity in King County. The Census found that fully 27 percent of King County residents now are persons of color. Non-Hispanic whites are the slowest growing racial group, growing by 1.5%. Between 1990 and 2000, the Hispanic or Latino population more than doubled to 95,000 persons, now 5.5% of the population. The Asian population increased almost 70% to 187,000 persons. The African-American population grew less rapidly, about 23%. The Native American population remained about the same at about 15,000, although another 17,000 persons reported themselves as partly Native American, reporting more than one race.

Seattle became somewhat more diverse, but the dispersion of persons of color outside Seattle was the more interesting trend. At 17 percent Asian, Bellevue had the highest Asian percentage. South King County experienced the most dramatic increase in diversity, with minority populations doubling and tripling in several

county with a major central city, King County comprises the majority of its metropolitan area, the "Seattle-Bellevue-Everett" metro area of more than 2.4 million persons. King County exhibits growing diversity: 73% of the population is non-Hispanic white, 11% Asian or Pacific Islander, 5% African-American, 1% Native American and 5.5% Latino. We also have an aging population with a median age near 36. More than 181,000 persons, 11% of the population, are now over age 65.

King County's population has grown by 15% since 1990, a modest rate compared with Sunbelt metro areas and nearby Puget Sound counties. However, given the large population already here, the growth numbers are significant. The increase in County population since 1990 – 230,000 -- is equivalent to the total current population of the cities of Bellevue, Federal Way and Sammamish together. King County is forecasted to grow by an additional 140,000 persons (8%) to about 1,875,000 in 2012.

The number of housing units in King County is growing as fast as our population. The Census counted 742,000 houses, apartment and condo units and mobile homes, an increase of 95,000 units (15%) since 1990. The increase in housing since 1990 is almost evenly divided between single family including mobile homes (+49,000) and multi-family (+46,000 new units). Household size has stabilized after declining in the 1970s and 1980s, and is now estimated at 2.39 persons per household. Slight declines in household size are anticipated in coming years, to about 2.30 by 2020. Housing

communities. Tukwila has the largest percentage of minorities, 46%. Burien, SeaTac and Federal Way have large Pacific Island communities as well as black, Latino and Asian populations. Data from the 2000 Census on the foreign-born population reveal that much of the increase in diversity is due to immigration, especially from Asia. Countywide, the foreign-born population nearly doubled from 140,000 to 268,000. School district data on languages confirm the sense that South King County communities have large immigrant populations.

Age: The baby boom is maturing into middle years with the age category 45-54 growing the most rapidly at 59%. The senior population as a whole is not growing rapidly, although the over-85 population increased by 44%.

The number of preschoolers is stable at 105,000, hardly growing during the decade. Population of children (under 18) remained at about one fourth of the total, with most of the decade increase among older children.

Households: King County gained 95,000 households during the decade to a Census total of 710,900. As in 1990, King County has more single person households than family households consisting of a married couple with children. The number of married couples without children exceeds the number with children. Single parent households are a smaller percentage of the population in King County than nationally – and smaller in Seattle than in the suburbs. After decades of decline, average household size has stabilized at 2.39, essentially the same as the 2.40 in 1990. Average household size continued to decline in many Eastside communities, while remaining stable in Seattle and actually increasing in several South King County cities.

Housing: The 2000 Census reported 95,000 more housing units than existed in 1990 – a total of 742,200. About 447,000 units or 60% of the housing stock consists of single family, including both detached houses and attached townhouses. The number of multifamily units, apartments and condominiums, increased to 275,000 or 37% of the housing stock, up from 35% in 1990. Between 1990 and 2000, the home ownership rate increased one percentage point to 59.8% from the 58.8% of 1990. Fully 425,000 households in the County own their home, an increase of 63,000 from 1990. The increase is encouraging, although the national and State rates went up more – about three percentage points. Increasing house prices and immigration of many low-income persons during the decade dampened the rate of increase here. Median value of single family houses increased 69% from \$140,000 to \$236,900 in 2000. The increase far outstripped inflation and the growth of income, and means that many households are paying a large share of their income for housing. Median rents increased 49% to \$758 including utilities. In Seattle, with almost half the County's rental units, median rent went up 56% to \$721.

Educational attainment: King County is a highly educated community in which more than 90% of the adult population have graduated from high school, and 40%, or 475,000 people, have a college education. An additional 280,000 have attended college but do not have a degree. Educational levels are even higher in Seattle, where 47% of adults have a college degree.

♦ Married with children	150,60
♦ Married, no children	179,20
♦ Single Parents, other family	90,20
♦ Single-person households	217,20
♦ Other Households	73,80

prices, both rents and purchase prices, trended upward in the 1990s: median house price rose 69% from \$140,100 to \$236,900 in 2000, and median rent increased from \$509 to \$758.

King County Economy

Employment growth is a driver of King County's population and housing growth. More than 1.1 million workers are employed within the borders of King County, at nearly 65,000 business establishments. With more than 40% of Washington State's jobs and payroll, the County is truly the economic engine of Washington and the Pacific Northwest. With a 1998 payroll exceeding \$41 billion, the King County economy is larger than that of several US states. The US Census reported King County's median household income at \$53,157 in 1999, well above the state and national medians.

During the 1990s, the number of jobs grew faster than population and housing, from 900,000 in 1990 to nearly 1,200,000 in 2000. Most workers at these jobs live in King County, but an increasing number commute in from Snohomish, Pierce, and other counties. Manufacturing employment has remained strong despite the ups and downs of aerospace, our largest sector. The composition of the economy is shifting from the traditional manufacturing and resources bases to high tech, services and trade, both local and international. The computer services industry now employs as many as aerospace, although it, too has lost ground. Unemployment was at historic lows near 3% for several years, but the King County economy

Languages and Country of Origin: The Census reported 63,000 persons over age five (3.9% of the population) who do not speak English well or at all. This number is more than twice the corresponding number in 1990, reflecting the significant amount of immigration that occurred in the last decade. Almost half of this linguistically isolated population speak Asian or Pacific Island languages, including Chinese with 37,300 speakers; Vietnamese with 24,100 – triple the 1990 number; Tagalog with 21,200; and Korean with 16,300 speakers. The diversity of European languages also increased greatly, especially Russian which multiplied six-fold to 11,300, and Spanish which now has more than 69,000 speakers.

Between 1990 and 2000, the foreign-born population nearly doubled to 268,300 – 15% of the King County population. Immigrants to King County came from literally all over the world, with Mexico (29,300), China (26,800), Vietnam (25,900), and the Philippines (24,300) sending the most people. King County has 7,200 residents from the Ukraine and 5,500 from Russia – both big increases from the 1990 Census.

Income: Median household income is the most [comprehensive] single measure of income. The 2000 Census reported that median household income was \$53,157 in 1999, up 47% from the 1990 Census. Inflation reduced the “real” increase to about 3%. The median, however, does not portray the breadth of the income distribution. More than one third of King County households reported more than \$75,000 income, and almost one third reported incomes under \$35,000. Every community and every ethnic group has households with high and low incomes. However, there is still an income disparity by race. The median for African-American households is \$35,172, a third less than the overall median; Native American and Hispanic households reported similar incomes.

Poverty: King County’s population below the poverty level increased even as the overall income increased. The 2000 Census reported that 142,500 persons or 8.4% of the population were below poverty thresholds in 1999, a slight increase from the 8.0% of the 1990 Census. An additional 192,000 persons reported incomes below 200% of the official poverty thresholds, still very low income. In the recession that has occurred since the 2000 Census was taken, the numbers of poor persons have undoubtedly gone up, but no more recent measure is available.

Commute data: More than 900,000 King County residents reported commuting to work in 2000, 106,000 more than a decade ago. Two-thirds of these commuters drove to work alone, a smaller share but a larger number than in 1990. Almost 10% took public transportation, a larger share than in 1990. Bus ridership increased nearly 25%. Nevertheless, average commute time went up by two minutes to 26.5 minutes. The majority of King County households had two or more vehicles, but 66,000 households or 9.3% had no vehicle available.

The Washington State Employment Security Department reports average (not the more meaningful median) wages paid to employees covered by unemployment insurance. The average King County wage for 2000 was \$47,709, up 5.7% from 1999. However, it is instructive to separate the approximately 50,000 software employees in King County from the remaining 1,140,000 workers. This five percent of all King County workers, at Microsoft and 300 other packaged-software companies, took home 19 percent of the County’s total payroll, nearly \$10 billion

remains quite cyclical and has declined by 7% from its January 2001 high.

King County Jurisdictions

Governmentally, King County is divided into 40 jurisdictions. As of 2000, there are 39 cities ranging in size from Seattle with 563,000 and Bellevue with 110,000 to Skykomish and Beaux Arts with fewer than 400. Since the 1990 Census when Federal Way and SeaTac were new, eight new cities have incorporated, shifting 160,000 people into city limits. Several older cities have annexed large communities. King County’s 39 cities cover 376 square miles or 18% of the County’s total land area. Each city has a mayor and city council.

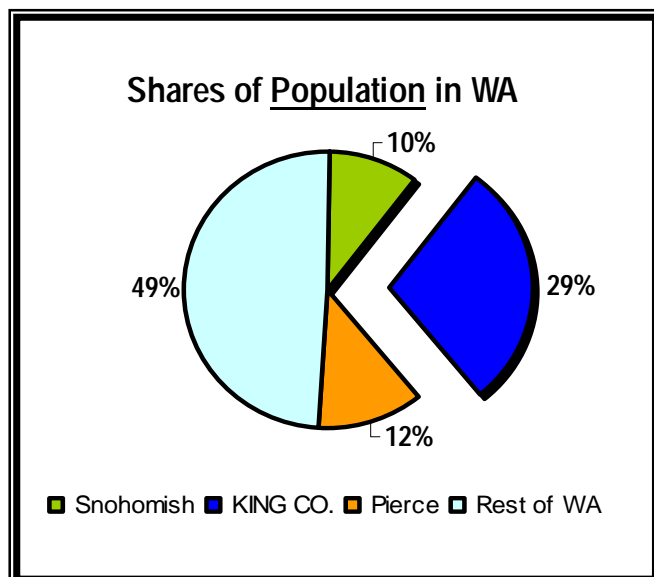
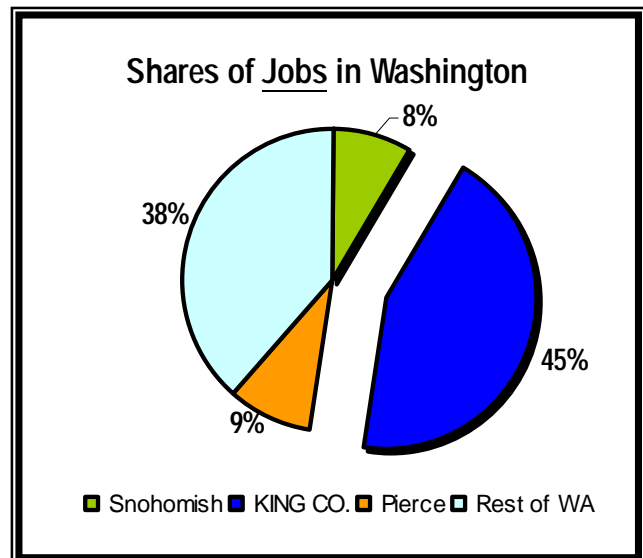
Unincorporated King County, the territory outside any city, now has about 353,000 people or 20% of the County’s population, on 82% of its land area. Most of that population resides on the Seattle-sized portion within the Urban Growth Area designated by Growth Management. The unincorporated population is 237,000 smaller than it was at its peak in 1989 before the current spate of incorporations began. A very diverse area, unincorporated King County ranges from urban communities such as White Center, Kingsgate and Fairwood to tiny rural communities, to farmland, commercial forest, national forest and wilderness area with almost no residents. The County is governed by a home rule charter providing for a County Executive and 13-member Council.

including stock options. That is an average of \$187,000 each. The remaining 95 percent of workers average \$40,200, still up a healthy 5.8% from \$38,000 in 1999.

Growth of jobs and population in King and adjoining counties

Planning policies and current issue discussions speak of balancing job growth and population or housing growth in the Puget Sound region. This issue is subject to over-simplification, but is actually complex and many-faceted. Some facts:

1. King County, the economic engine of Washington State, had 43 percent of Washington jobs in 2000, but only 29 percent of the population and 30 percent of the housing units. Although it contains only three percent of the state's land area, King County is large and diverse, with many different job centers. Manufacturing and warehousing dominate in South Seattle and South King County. High tech industries are found mostly in Seattle and the Eastside. Services and retail are located all around the county.
2. King County has garnered almost two-thirds of Washington State job growth since 1995. Job growth within the county during the four years from 1995 to 2000 was a stunning 212,000 or 22% over the period. This was 58 percent of the entire State's increase in jobs during the same period. Much of the remaining job growth went to adjoining Snohomish and Pierce Counties, with only 27 percent in the remaining 36 counties.
3. In contrast, King County gained only a quarter of the State's population and housing growth from 1995 to 2000. The amount of growth – more than 43,000 housing units – is actually in line with forecasts but has occurred at a slower pace than job growth.
4. Pierce and Snohomish Counties each have less than ten percent of the state's jobs, but more than ten percent of the state's population. Although Pierce is defined as a one-county metropolitan area, it is less than half of King County's size. Larger households and military populations contribute to the larger share of population in these counties.



5. Pierce and Snohomish may have gained only modest job numbers in the 1990s, but together they built more new housing than King County. These two counties increasingly act as bedroom communities for King County job centers. So it is useful to examine the three county region as a unit.
6. The Puget Sound region has added almost three times as many jobs (+223,000) since 1995 as housing units (+82,000). In fact, during that period the region added more jobs than people.

In interpreting all this information, it is important to remember the cyclical nature of the Puget Sound economy.

One year or even four years is a short part of the business cycle. During a different four-year period, the region or King County may add more housing than jobs. There have even been years of net job losses, such as 1991 and 2001. There is rough equilibrium over the ten-year Puget Sound cycle that is not apparent during the current growth boom. Finally, although King County's housing growth may not seem to balance job growth in the short term, the housing growth rate does match growth targets set in 1994 – about 10,000 added housing units each year. Even larger numbers of housing units were built in 1998 and 1999. It's not so much a matter of slow housing growth as it is rapid job growth. To the extent that housing growth lags, it is affordable housing for people with lower-paying jobs that come up short. Job creation has now slowed down, so housing numbers should start to catch up.

Growth Targets and Land Capacity

The Countywide Planning Policies (CPPs), adopted to implement the State Growth Management Act in 1994, set "growth targets" for households and jobs. Each target is the amount of growth to be accommodated by a jurisdiction during the 20-year Growth Management planning period. The residential targets were expressed as a range of households for each jurisdiction to accommodate between 1992 and 2012. Cities with designated Urban Centers including Seattle, Bellevue, Redmond, Renton, Tukwila, SeaTac, Kent and Federal Way established high target numbers to encourage growth. Current growth target ranges are displayed on page 68. A set of new growth target extensions to 2022 are now being prepared.

In 1997, the Washington State legislature adopted the Buildable Lands amendment to the Growth Management Act, (RCW 36.70A.215). The amendment requires six Washington counties and their cities to determine the amount of land suitable for urban development, and evaluate its capacity for growth, based upon measurement of five years of actual development activity. All 40 jurisdictions collaborated to compile and analyze their data on development, land supply and capacity. King County submitted its first five-year Buildable Lands evaluation report in September 2002.

Key findings:

- King County has achieved 38% of its household target in 40% of the twenty-year planning period (i.e. the first 8 years) King County has housed more than 50% of the population forecast for that period.
- King County has capacity for 263,000 more housing units - more than twice the capacity needed to accommodate the remaining household growth target.
- King County has the capacity for over 600,000 more jobs - several times the remaining target of 110,000 jobs.
- Densities being achieved in four urban sub-areas are sufficient to accommodate targeted growth. Overall residential urban densities exceed 7 dwelling units per acre.

Residential Densities: Jurisdictions calculated achieved densities zone by zone for the five-year period. The sub-area averages were calculated by dividing the total net land acres that were developed by the total net number of units permitted. Net land acres excluded critical areas such as wetlands and landslide hazards.

Sub-Area	1996-2000 Residential Permit Densities		Densities in Subdivisions
	Single Family Zones	Multifamily Zones	Recorded Plats in Residential Zones
	dwelling units per acre	dwelling units per acre	dwelling units per acre
EAST COUNTY	3.4	20.4	3.9
SEA-SHORE	6.6	52.2	6.0
SOUTH COUNTY	4.2	17.4	5.4
RURAL CITIES	1.8	8.8	4.4
KING COUNTY URBAN AREA	3.8	22.0	4.6

Single family densities based on building permits averaged 3.8 dwelling units per acre (du/acre) in the Urban Growth Area (UGA). Densities in single family subdivisions were somewhat higher, 4.6 units per acre. Multifamily densities averaged 22 du/acre in the UGA.

Sea-Shore had the highest average densities, 52.2 du/acre in its multifamily zones, and 6.6 du / acre in its single family zones. In all zones combined, development in Urban King County achieved a density of 7.3 du/acre. In the three urban sub-areas, the average density for all zones ranged from 6.4 on the Eastside to 20.0 in SeaShore.

Land Supply: The King County UGA contains almost 27,000 acres of vacant or potentially redevelopable residential land. The largest acreages of land supply are in South King County (11,500 acres) and the Eastside (7,300 acres).

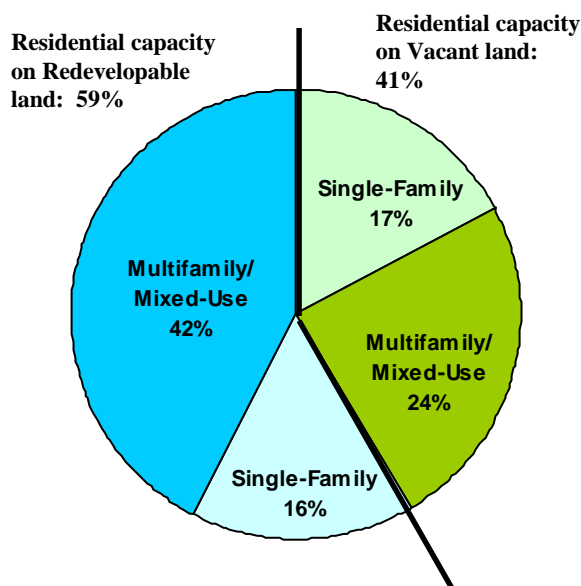
Additional observations about the land supply are in the Buildable Lands report. For example, vacant land accounts for 43% of the land supply in Urban King County while 57% of the land supply is potentially redevelopable land. More than 84% of the residential *land supply* is in single family zones, but more than two-thirds of the *capacity* on residential land is in mixed use and multifamily zones.

Residential Capacity: Capacity refers to the number of additional housing units that can be accommodated on vacant and redevelopable land. Land capacity was calculated by each jurisdiction on a zone by zone basis, and then summarized into single family and multifamily categories. Each jurisdiction studied its recent development history, and determined the densities likely to be actually achieved in each zone classification in the future.

Altogether the Urban Growth Area of King County has the capacity for more than 263,000 additional residential units. King County jurisdictions have the capacity for 79,700 new units in single-family zones, 63,000 new units in multifamily residential zones, and another 102,000 units in mixed-use or multiple use zones. The not yet completed portions of urban planned developments (UPDs) constitute another 12,500 units of capacity, and another 5,800 units of capacity are in the Rural Cities' Urban Growth Areas. Almost half of this housing capacity is in the Sea-Shore sub-area, which can accommodate more than 122,000 units.

The graph shows the proportions of development capacity on vacant and redevelopable land in single-family and multifamily zones. In single-family zones, shares of vacant vs. redevelopable capacity are nearly equal. Capacity in multifamily and mixed-use zones is significantly dependent on redevelopment, with nearly two-thirds of the potential units expected on currently under-utilized parcels.

Capacity on Vacant and Redevelopable Land*



Countywide Residential Development Capacity		
	Units	Percent of Total
Capacity on Vacant Land		
Single-Family	43,982	17%
Multifamily/Mixed-Use	62,058	24%
All Unit Types	106,040	41%
Capacity on Redevelopable Land		
Single-Family	41,810	16%
Multifamily/Mixed-Use	108,681	42%
All Unit Types	150,491	59%
Total Capacity in UGA	256,531	100%

Capacity totals exclude housing units in the pipeline.

Capacity in Relation to Target: King County jurisdictions have permitted more than 68,000 housing units in Urban areas in the first eight years of the planning period. That amount is 36% of the Urban growth target of 188,000 households. As of 2001, the King County UGA has 263,000 units of residential capacity. This is more than twice the capacity needed to accommodate the remaining 2012 housing target of 120,000 units. There is a surplus of 143,000 units of capacity over and above the units needed to accommodate the 2012 target.

Capacity in King County is somewhat unevenly distributed among sub-areas, with Sea-Shore having the largest share (more than 122,000 units). The capacity in Sea-Shore is the result of a fairly limited amount of land that is zoned for high multifamily densities. The development history of the sub-area indicates that it can achieve high densities in the future, even with the smallest land supply of the three urban sub-areas.

Although South King County has more housing capacity numerically than the Eastside, the Eastside has a larger surplus of capacity over its current 2012 target. The South County has more of its current target still to achieve, and thus less surplus capacity (18,200) beyond that target. But sub-area differences in household size play a role. Although the South County achieved less of its housing target, it has accommodated much more than its share of population growth, because it is housing more people per housing unit. The original target allocation did not take this differential into consideration.

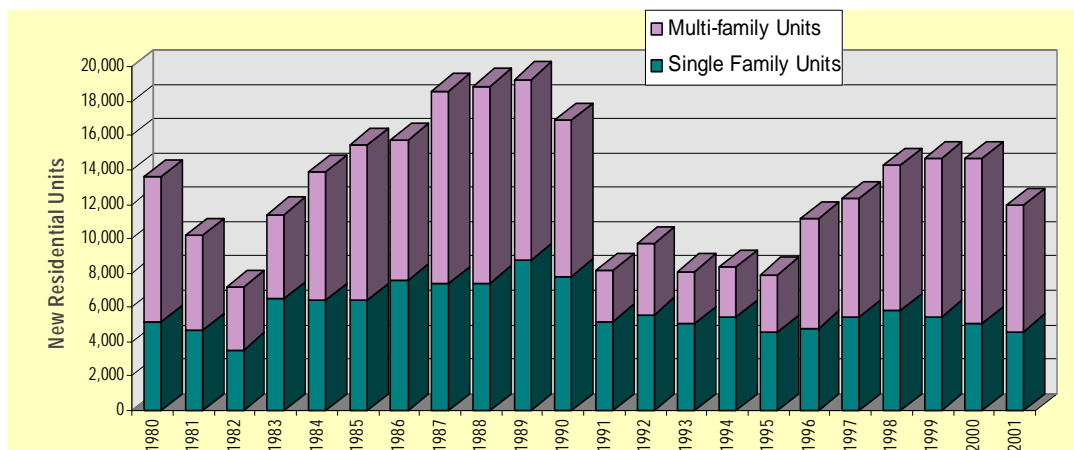
In comparing the actual growth to targets, it is important to remember the cyclical nature of Puget Sound growth. Recent permits have exceeded the annualized targets all over King County. In the next few years, slower growth may balance this rapid growth period and bring us back to the 20-year forecasted trend.

The Rural area forecast or cap was set at less than four percent of Countywide growth, an average of under 400 units per year. In the years since the target was set actual building construction in Rural and Resource designated areas has been two to three times this annualized average. As a percentage of Countywide construction, Rural activity remains small: less than eight percent of new housing units, and down to 4% in 2000. This percentage is well below the 13 to 15% of earlier decades, and far less than Rural growth in other Puget Sound counties. Further, the 2000 Census found fewer than 137,000 persons in Rural areas, only 8% of the Countywide population and 9% of the 1990-2000 population growth. Nevertheless, in the five years 1995 - 1999, new housing construction is more than halfway (52%) to the 20-year target of up to 8,200 units in Rural areas. Much of this growth is due to the large number of pre-existing lots in rural areas.

Rate of residential construction remains stable

Despite the slowing population growth, residential construction continued strongly in 2001, demonstrated by construction of nearly 12,000 new residential units. Construction of single family homes was down slightly to 4,600 new houses and mobile homes. Permits for single family construction have stayed remarkably consistent each year since 1991, at about 5,000 new houses in King County. Only one third of the new houses were permitted in unincorporated areas.

Multifamily construction is often much more volatile, responding to changes in the regional economy. This year, multifamily construction decreased to about 7,300 new apartments and condominium units (double the 1993-95 average). Total new construction is comparable to the mid-1990s, but well below levels of the late 1980s and late 1990s.



Total New Residential Units Permitted Single Family and Multifamily 1980 - 2001

Residential growth focuses in cities

More than 80% of the new construction in 2001 occurred within city limits, in marked contrast to trends of the 1970s and 1980s. Seattle maintained a remarkable 40 percent share of the County's new residential units, more than 4,800. The 38 suburban cities together permitted 5,150 new units, 43 percent of the Countywide total. The city of Redmond permitted 733 units, and Bellevue and Issaquah each had more than 500. Sammamish, Kent, Kirkland and Renton also issued large numbers of permits. Half of the new housing units in the suburban cities were apartments and condominiums. Building permits by city are reported on pages 70-72.

Unincorporated King County permitted 1,975 new units, the lowest number since recordkeeping began in the 1970s. This number was less than 20 percent of Countywide new residential growth. The Soos Creek area had the largest share within unincorporated King County, 577 new units. Building permits by unincorporated area are reported on pages 131-132. Urban portions of unincorporated King County accounted for 1,462 new units, about 12 percent of the Countywide growth. In Rural and Resource areas, only 513 new units were permitted – about four percent of the Countywide total, and very close to the annualized target. This number continued a steady decline from around 800 new units during the mid 1990s.

Subdivision activity also focused on the cities of King County. The number of new lots jumped 43% from last year to 4,768 new lots in recorded formal plats, the largest number since 1989. Sammamish, Maple Valley, Renton and Kent each created more than 300 new lots. Unincorporated new lots also increased to 1,844, with the largest numbers in Soos Creek and Bear Creek.

The effect of incorporation and annexation on the location of new growth is becoming apparent. The suburban cities are acquiring the majority of King County's growth, both through annexation and through new construction within their boundaries. For instance, Issaquah and Sammamish together issued permits for more new residential units than were issued on the Eastside in unincorporated King County. In 1989, unincorporated King County had 590,000 people – 41% of the County population – and the 28 suburban cities together had about 350,000. In the succeeding eleven years, ten new cities have formed with more than 250,000 people. Other cities have annexed about 73,000 of the existing unincorporated population. The 38 suburban cities, from Bellevue to Skykomish, now have more than 850,000 residents. By 2012, the entire Urban area, with 90% of the King County population, is planned to be within city limits.

A Decade of Population Change by Jurisdiction

