

VALUING NEIGHBORHOODS – THURSTON COUNTY



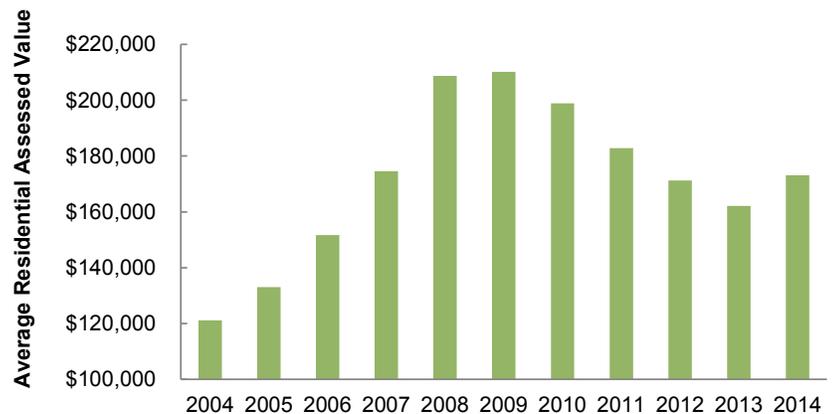
Residential Properties Near Frequent Transit Service Hold Value Better than Other Urban Neighborhoods, Suburbs, and Rural Areas

Home Values

Local housing prices took a nose dive after the national housing market crash in 2009 and are just starting to recover. While every part of Thurston County was hit hard, homes closest to major transit corridors in northern Thurston County fared better than those in other areas – experiencing a 17 percent dip between 2009 and 2013. Older neighborhoods and urban suburbs fared a little less well, taking a 21 percent dip during the same period. South County towns and cities and rural areas were hardest hit – dropping 30 percent and 26 percent, respectively. In part, this was due to assessed property values in rural areas increasing more rapidly than other parts of the county in the years leading up to the 2006-2009 housing boom.

Trends remain similar during the entire 10-year housing boom–recession–recovery cycle. The greatest increase in home values was seen in properties near urban transit corridors, followed by other urban neighborhoods, suburban neighborhoods, rural areas, and South County towns and cities.

Average Assessed Value Residential Properties (66,500 units county-wide)



Note: Properties that were built prior to 2004.

National Trends

In short, our housing market is paralleling national trends.

Three interwoven factors contribute:

- Shift to Rentals:** With the recession came a shift away from home ownership to rentals, as home-owners caught in the housing bust and new home buyers are still finding it hard to establish or re-establish credit. The inventory of rental units is changing in the face of demand, with investors buying single-family homes, renovating them, and placing high-quality rentals on the market.
Source: The New Growth Business: Becoming a Landlord, Steve Yoder, The Fiscal Times <http://www.thefiscaltimes.com/Articles/2012/03/07/The-New-Growth-Business-Becoming-a-Landlord>, 2012
- Shift in Demographics:** As the baby boomers themselves become empty nesters, many are looking to downsize. Those just graduating from school, the Millennials, are marrying and having children later, and a larger share are choosing to live in urban areas, than their parents' generation. Add in an aging population requiring senior housing near medical services, and the nation is experiencing a major shift from living in rural areas to urban areas.
Source: The Demographic Shift From Single-Family to Multifamily Housing, *Jordan Rappaport*. 2013 *Economic Review*; *Multifamily Demand Forecast*, Freddie Mac. 2012.
- Shift to Convenience:** Even within urban areas, neighborhoods convenient to frequent transit service and access to jobs, goods, and services are in hotter demand than suburban counterparts. Yard and home maintenance are considered inconveniences, especially when high-quality rentals are available increasingly.

Change in Average Assessed Value for Residential Properties in Thurston County

Thurston County	Change in Total Assessed Value: Time Period	
	2004-2014	2009-2013
Lacey-Olympia-Tumwater		
Urban Corridors	52%	-17%
Other Infill Neighborhoods	47%	-21%
Remaining Urban Areas	42%	-21%
South County Towns and Cities	27%	-30%
Rural	41%	-26%

Source: Thurston Regional Planning Council; Thurston County Assessor's data.