

Buildable Lands Research Brief Thurston County Property Owner Survey Results

**Thurston Regional Planning Council
June 2019**

BACKGROUND

In 2018, Thurston County contracted with Thurston Regional Planning Council (TRPC) to update its population and employment forecast for Thurston County and the cities, towns, and tribal reservations within. Funding was provided as part of a 2017 Buildable Lands grant from the Washington State Dept. of Commerce. TRPC has provided forecasts for the Thurston Region since the 1960s to support local jurisdiction planning efforts and development of the Buildable Lands Report required under the Washington State Growth Management Act.

The foundation of TRPC's population and employment forecasts is a land capacity model. This model estimates residential capacity on each parcel in the county. Residential capacity is the number of dwellings likely to be built over a 20-year time period, plus a reasonable market factor, i.e. capacity that is not available due to market conditions. The land capacity model considers a variety of factors, including:

- Existing land use and development
- Vested subdivision plans
- Parcel size
- Zoning
- Average development densities
- Critical areas, as they are reflected in development code for various jurisdictions and zoning districts

Existing schools, churches, parks, open space, colleges, prisons, golf courses, commercial and industrial properties, are not considered developable for residential purposes.

As Thurston County's population increases, capacity on partially developed properties will become increasingly important. These are parcels with an existing home, but enough area to accommodate additional dwellings. The 2014 Buildable Lands Report for Thurston County estimated that 37 percent of residential capacity in the urban areas is on partially-used subdividable lands. The 2018 forecast estimates that percentage will increase to 42 percent of capacity. To understand how likely property owners are to develop these parcels, TRPC conducted a survey to gauge their likelihood of developing over a 20-year period.

SURVEY DESIGN

The survey consisted of a cover letter plus five questions. Questions included:

- How long the respondent has owned the property
- Does the respondent live on the property
- How likely it is that the property will develop over four five-year time periods
- What are barriers to the property developing
- What reasons make it likely the property will develop

The questions were based loosely on similar survey conducted for Snohomish County in 2005. Complete

survey text is found at the end of the document. Each survey included the parcel address and a code linking it to a record in TRPC’s land capacity database.

The survey was a direct-mailing survey in February 2019. 5,902 surveys were mailed, with some addresses receiving multiple surveys if they owned more than one property in Thurston County. Only owners with residential addresses were included. Surveys were only mailed to owners of property identified as being developable in TRPC’s land capacity model.

Since TRPC’s model is an estimate of capacity based on average trends and imprecise data (e.g. average zoning densities and wetland delineations), some of the model parameters were changed to provide a higher estimate of capacity to capture parcels on the cusp of being developable. These parameters included:

- Allowing development on parcels with buildings assessed over \$250,000. In general, there is rarely infill development on recently developed lots with higher-value homes.
- Eliminating the minimum subdividable lot size. This assumption is intended to account for some owners’ preference for larger lots in urban areas.
- Eliminating the set aside for existing homes. This assumption is intended to account for larger lot sizes around existing homes when a lot is subdivided. This is often because the existing home is not ideally sited or the owner prefers a larger lot size.

Comparing survey results on properties that were not developable in the base model but had capacity in the “looser” model allowed the validity of these assumptions to be tested.

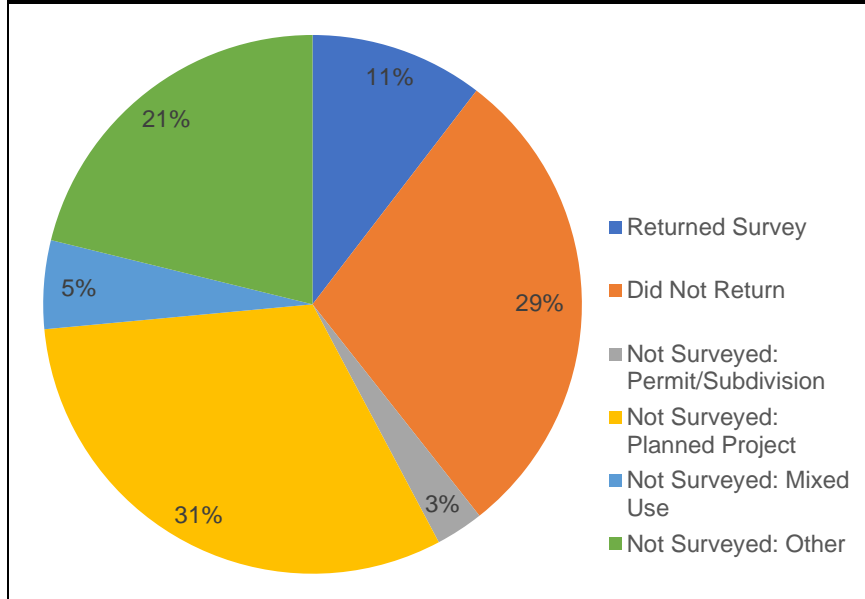
RESULTS

Over the 5,902 surveys mailed, 1,468 were returned by May 24, 2019 for a response rate of 25 percent. Response rates were highest for the City of Olympia and its UGA (Table 1).

Jurisdiction	Mailed	Returned	Response Rate
Bucoda & UGA	50	8	16%
Grand Mound UGA	68	10	15%
Lacey & UGA	1,819	438	24%
Olympia & UGA	2,072	598	29%
Rainier & UGA	224	40	18%
Tenino & UGA	101	13	13%
Tumwater & UGA	1,135	277	24%
Yelm & UGA	433	84	19%
Total	5,902	1,468	25%

Thurston County’s has an estimated residential capacity of 54,300 units in its incorporated and unincorporated urban areas. The owners of 40 percent of this capacity were mailed a survey. The returned surveys represent 11 percent of total capacity. Of the capacity not surveyed, the majority is in a planned residential development or recently permitted lot (Figure 1).

Figure 1: Percent of Capacity Surveyed



Question 1

Question 1 asked how long survey respondents had owned the property in question. On average, respondents had owned their property for 22.3 years. Properties in the Lacey UGA had been owned the longest and in Bucoda the shortest (Table 3).

Table 2: Years Property Owned		
Years	Number	Percent
0-4	264	18%
5-9	139	10%
10-14	136	9%
15-19	151	10%
20-24	151	10%
25-29	135	9%
30-34	133	9%
35-39	65	4%
40-44	127	9%
45-49	50	3%
50+	105	7%
Total	1,456	100%

Table 3: Average Years Owned by UGA	
Jurisdiction	Average Years
Bucoda & UGA	13.4
Lacey & UGA	23.8
Olympia & UGA	22.2
Rainier & UGA	18.7
Tenino & UGA	22.1
Tumwater & UGA	21.6
Yelm & UGA	20.6
Grand Mound UGA	20.2
Total	22.3

Question 2

Question 2 asked if the owner lived on the property. Three-quarters of respondents indicated that they live on the property (Table 4).

Jurisdiction	Number		Percent	
	Live on Property	Do Not Live on Property	Live on Property	Do Not Live on Property
Bucoda & UGA	0	8	0%	100%
Lacey & UGA	327	109	75%	25%
Olympia & UGA	457	136	77%	23%
Rainier & UGA	33	7	83%	18%
Tenino & UGA	12	1	92%	8%
Tumwater & UGA	196	74	73%	27%
Yelm & UGA	60	23	72%	28%
Grand Mound UGA	6	4	60%	40%
Total	1,091	362	75%	25%

Question 3

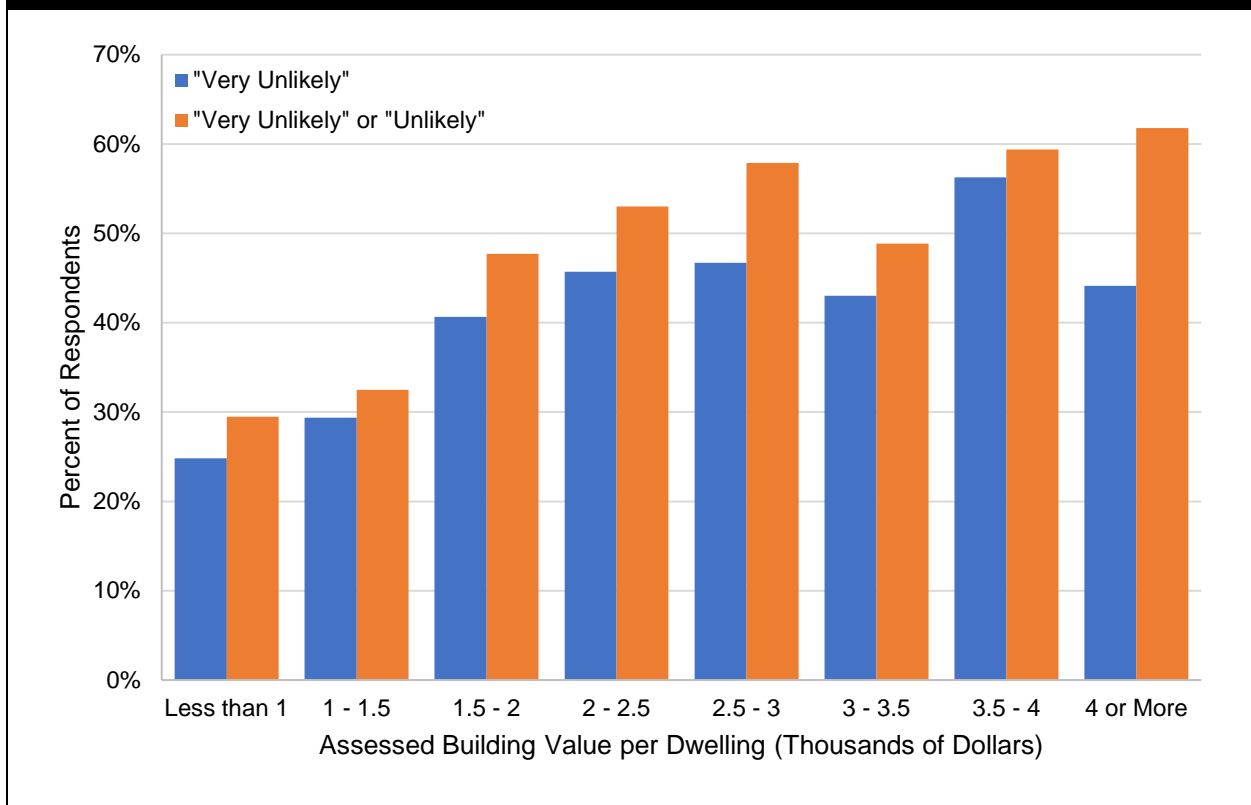
Question 3 asked about how likely that the property will be available for new development over the next 20 years.

Of the 5,902 surveys mailed, 2,019 were sent for parcels that were not developable according to TRPC's base model but were developable when the infill assumption discussed in Section 2 were eliminated. Owners of these parcels indicated they were less likely to develop their property further, strengthening the argument for including these assumptions.

Table 5: Comparison of Survey Responses by Model Assumptions				
Survey Model <i>Excludes limits on infill</i>	Base Model <i>Includes limits on infill</i>	Very Unlikely	Unlikely or Very Unlikely	Total
Developable	Developable	32%	38%	945
Developable	Not Developable	45%	53%	482

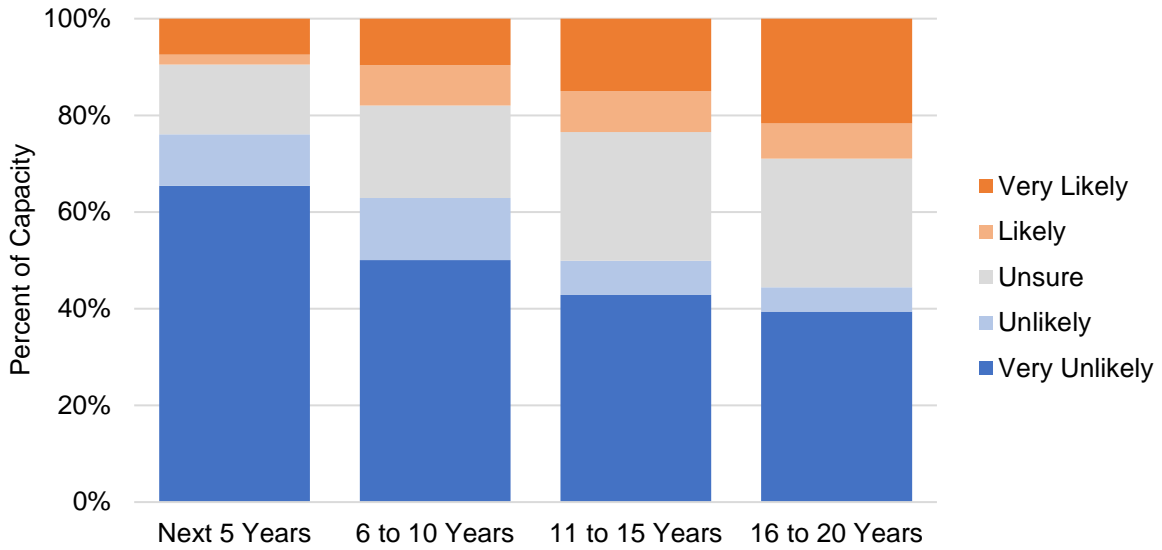
For parcels with existing dwellings, likelihood of developing decreased as the assessed building value increased. 24 percent of owners of properties assessed at less than \$100,000 said their property was "very unlikely" to develop compared to over 40 percent for properties over \$150,000 (Figure 2).

Figure 2: Likelihood of Parcel Being Available for Development by Assessed Building Value



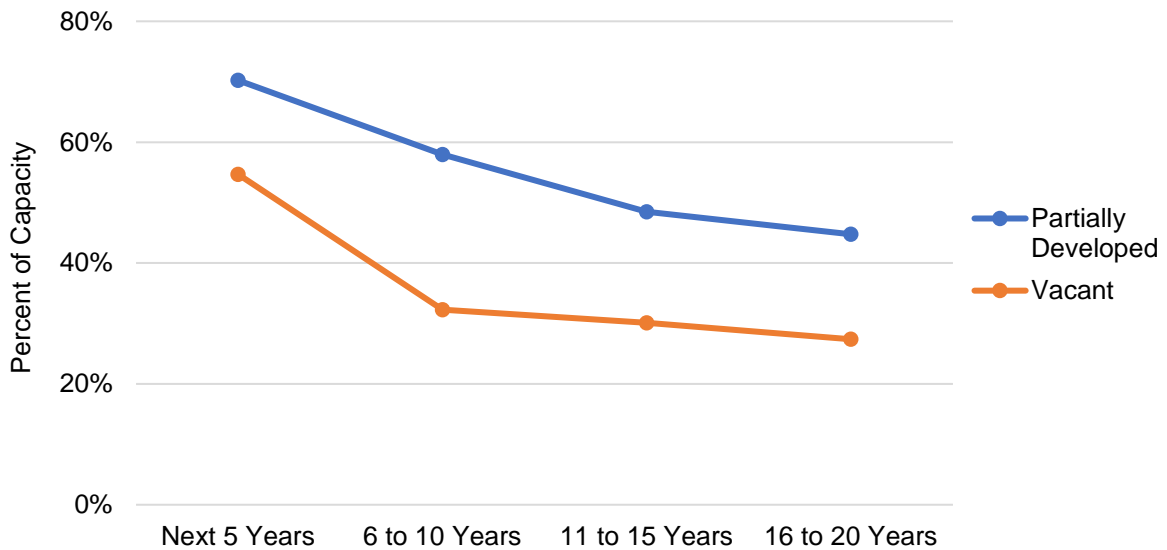
Overall, 30 percent of capacity is on property is “very unlikely” to be developed over the next 20 years according to respondents. Likelihood to develop increased with time. Of the respondents who completed all parts of Question 3, 66 percent of capacity was on properties “very unlikely” to develop in the next 5 years, while 39 percent was “very unlikely” to develop in 16 to 20 years (Figure 3).

Figure 3: Likelihood of Capacity Available for Development by Time Period.



Note: Only includes surveys where responded completed all four time periods.

Figure 4: Percent of Capacity "Very Unlikely" to Develop by Time Interval.



Note: Only includes surveys where responded completed all four time periods.

Likelihood to develop varied somewhat by jurisdiction. In Bucoda where significant flood hazard exist, 84 percent of capacity was on parcels “very unlikely” to develop. Lacey, Tumwater, and Tenino had the lowest rates with less than 25 percent of capacity on parcels “very unlikely” to develop.

Table 6: Percent of Capacity Unlikely to Develop by UGA			
Jurisdiction	Very Unlikely	Unlikely or Very Unlikely	Total Capacity
Bucoda & UGA	84%	89%	19
Lacey & UGA	23%	24%	1,646
Olympia & UGA	38%	43%	1,810
Rainier & UGA	33%	33%	144
Tenino & UGA	14%	14%	37
Tumwater & UGA	20%	24%	1,096
Yelm & UGA	38%	43%	633
Grand Mound UGA	61%	61%	31
Total	30%	33%	5,416

Owners of partially-developed parcels – those with at least one existing dwelling – were less likely to indicate that their property was “very unlikely” to develop across all time periods (Figure 4). Likelihood to develop was also highly dependent on the estimated number of units that the parcel could accommodate. Only eleven percent of owners with lots accommodating an estimated ten or more units (long plat) indicated they were “very unlikely” to develop their property over the next 20 years (Table 7).

Table 7: Percent of Capacity Unlikely to Develop by Type of Capacity			
Capacity Type	Very Unlikely	Unlikely or Very Unlikely	Total Capacity
Partially Developed			
... One Unit	41%	47%	215
... Short Plat	35%	41%	1,643
... Long Plat	38%	42%	1,721
... Mixed Use	13%	13%	110
Vacant Lots			
... One Unit	28%	31%	120
... Short Plat	27%	29%	447
... Long Plat	11%	11%	1,159
Total	30%	33%	5,415

Zoning was an additional factor that influenced the likelihood of developing. Owners of property in higher density, multifamily zones were more likely to indicate their property was “likely” or “very likely” to develop (Table 8).

Table 8: Percent of Capacity Unlikely to Develop by Zoning

Density Category	Very Unlikely	Unlikely or Very Unlikely	Total Capacity
High Multifamily	8%	8%	249
Med. Multifamily	12%	16%	546
Mixed Residential	26%	28%	1,318
Medium	34%	39%	2,366
Low / Sensitive	39%	44%	937
Total	30%	33%	5,416

Where the property owner lived was one of the biggest determinants of whether a parcel was likely to develop. 41 percent of parcels where the owner lived on the property were “very unlikely” to develop, compared to 11 percent of parcels where the owner did not live on the property (Table 9)

Table 9: Percent of Capacity Unlikely to Develop by Residence of Owner

Property Owner Residence	Very Unlikely	Unlikely or Very Unlikely	Total Capacity
On Property	41%	46%	3,425
Off Property	11%	12%	1,962
Total	30%	34%	5,387

Question 4

Question 4 asked respondents what barriers they perceived towards their property developing. Of respondents with developable property, 52 percent indicated that the privacy and open space the property offered was the number one reason their property was unlikely to develop. Permitting fees, including impact fees and utility hookup fees, was the second most cited reason, with 28 percent of respondents indicating it was an issue (Table 10).

Responses to Question 4 were compared to Question 3 to see how different barriers correlate with the likelihood of developing. While some responses were intuitive (e.g. owners who indicated access problems also tended to indicate their property was less likely to develop), some were not. 31 percent of owners who said their property was “likely” or “very likely” to develop indicated that fees were a barrier to development. This rate was more than double that of owners who said their property was “unlikely” or “very unlikely” to develop. A similar trend was found for owners who indicated that access to utilities was an issue.

Table 10: Barriers to Developing

	Percent of Survey Responses				Total
	[Very] Unlikely	Unsure	[Very] Likely	N/A	
There is no room on the property for additional development	33%	15%	10%	11%	20%
Property values are too low, or financing is not available	1%	3%	5%	7%	4%
Fees, such as impact fees or sewer hookup fees, are too high	13%	33%	31%	41%	28%
The property lacks sewer, septic, water, or other utilities	10%	18%	27%	24%	18%
There is no access to the property (it lacks a driveway or right-of-way)	7%	5%	4%	5%	6%
Environmental constraints, such as wetlands or steep slopes, limit development	19%	14%	17%	13%	16%
An easement or covenant restricts development	9%	6%	4%	4%	6%
I value the privacy and open space the property provides	66%	60%	56%	28%	52%
Other	13%	19%	21%	10%	15%

Several hundred respondents selected “Other” or provided a comment. Many of the comments reiterated the barriers listed. Some other barriers mentioned included:

- Uncertainty around the property’s future after the owner retires or what their heirs will do with the property after they die.
- Existing non-residential uses on the property such as a garage, workshop, or power lines limited development.
- Specific mentions of environmental constraints such as pocket gophers.
- The developable area on the parcel would only be able to accommodate an ADU or a tiny home, or a zoning change would be required for additional development.

Question 5

Question 5 asked what reasons the property was “likely” or “very likely” to be available for new development if the respondent indicated so in Question 3. Of those properties, 42 percent indicated that being able to sell for a profit was a reason the property was likely to be developed. Selling the property for retirement income was the second most common response (36 percent).

Table 11: Reasons for Developing

	Percent of Survey Responses				Total
	[Very] Unlikely	Unsure	[Very] Likely	N/A	
I can sell the property to a developer for a profit	3%	9%	42%	36%	20%
Developers or real estate brokers have expressed interest in the property	2%	10%	28%	24%	14%
I plan to sell the property for retirement income	5%	14%	36%	27%	18%
I would like to build a rental unit to provide extra income	5%	12%	20%	22%	13%
I would like to build additional housing for a family member	7%	10%	17%	11%	11%
Other	13%	14%	25%	12%	15%

Question 5 also received many comments for “Other.” Some other reasons included:

- Upcoming plans to sell the property or develop it for their own use.
- Selling the property because maintenance costs or taxes are too high.
- The location being ideally sited for new development (e.g. close to parks or schools).

MARKET FACTOR

Results from the survey were used to develop market factors for the 2018 Population Forecast Allocations for Thurston County. The “market factor” is the percent of residential capacity that is not available within the 20-year planning period because the market conditions do not favor the owner developing their property. In other words, the cost of developing the property does not exceed the value the owner places on living on the property, the privacy the property provides, or its open space value for example. Building the market factor into the forecast allocation model ensure that the housing projections do not exceed the supply in any area.

Based on survey results, the market factor was varied on the amount of capacity and whether the parcel is vacant or partially developed. Parcels with recent permits, recently subdivided parcels, or parcels with planned development projects were not given a market factor since all these parcels are expected to develop in the short-term. Table 12 shows the market factors used in the forecast allocation model.

Table 12: Market Factors Applied to Land Capacity Model

Capacity Type	Market Factor	
	Partially Developed	Vacant
One Unit	40%	20%
Short Plat	30%	15%
Long Plat	20%	10%
Mixed Use	10%	10%

For more information contact:

Michael Ambrogio
Senior GIS Analyst
Thurston Regional Planning Council
ambrogim@trpc.org



Property Location
«SitusAddress1»
«SitusCity», «SitusState» «SitusZip»

Thurston County Property Owner
«OwnerAddress»
«OwnerCity», «OwnerState» «OwnerZip»-

Dear Thurston County Property Owner,

Thurston Regional Planning Council, in partnership with Thurston County and the Washington State Dept. of Commerce, is working to estimate where new population growth is likely to occur. This information will help the County and cities better plan for population growth over the next 20 years.

As part of this process, we'd like to hear from property owners like you. On the reverse of this letter is a survey asking about how likely your property (listed at the top-right of this page) is to develop over the next 20 years. Your responses will be used to improve estimates of where growth is likely to occur. Your responses will not be used by the County or cities for any specific zoning or project decisions concerning your property, or be used by the County Assessor to determine your property valuation. Please return the survey in the enclosed postage-paid envelope. If you own more than one parcel, you may receive an additional survey for each property.

In the next 20 years, Thurston County's population is projected to increase by over 100,000 new residents. Creating affordable housing for our new neighbors while preserving the quality of life of current residents is a challenge our County and cities are committed to solve. Your responses will help us meet that goal.

For more information, please visit: www.trpc.org/forecast or email info@trpc.org.

Sincerely,

Marc Daily
Executive Director

MEMBERS

- City of Lacey
- City of Olympia
- City of Rainier
- City of Tenino
- City of Tumwater
- City of Yelm
- Confederated Tribes of the Chehalis Reservation
- Nisqually Indian Tribe
- Town of Bucoda
- Thurston County
- North Thurston Public Schools
- Olympia School District
- Tumwater School District
- Intercity Transit
- LOTT Clean Water Alliance
- Port of Olympia
- PUD No. 1 of Thurston County

ASSOCIATE MEMBERS

- Lacey Fire District #3
- Puget Sound Regional Council
- The Evergreen State College
- Thurston Economic Development Council
- Timberland Regional Library



Marc Daily
Executive Director

2424 Heritage Court SW
Suite A
Olympia, WA 98502-6031
360-956-7575
360-956-7815 Fax
www.trpc.org

1. How many years have you owned this property? _____

2. Do you live at this address? Yes No

Questions 3 – 5 ask about how likely this property is to develop. This could include subdividing the property, adding an additional home or accessory dwelling or rental unit, or selling the property to a developer.

3. How likely is it that this property will be available for new development within the following time periods?

	Very Unlikely	Unlikely	Unsure	Likely	Very Likely
Next 5 years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
In 6 to 10 years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
In 11 to 15 years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
In 16 to 20 years	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. What are the barriers to this property developing? (Choose all that apply)

- There is no room on the property for additional development
- Property values are too low, or financing is not available
- Fees, such as impact fees or sewer hookup fees, are too high
- The property lacks sewer, septic, water, or other utilities
- There is no access to the property (it lacks a driveway or right-of-way)
- Environmental constraints, such as wetlands or steep slopes, limit development
- An easement or covenant restricts development
- I value the privacy and open space the property provides
- Other

Please describe:

5. If applicable, what reasons make it “likely” or “very likely” that this property will be available for new development? (Choose all that apply)

- I can sell the property to a developer for a profit
- Developers or real estate brokers have expressed interest in the property
- I plan to sell the property for retirement income
- I would like to build a rental unit to provide extra income
- I would like to build additional housing for a family member
- Other

Please describe: