



**FOR IMMEDIATE RELEASE - March 15, 2006**

**Legislative inaction pushes home prices up.**

**OLYMPIA, Wash.** — The Legislature’s failure to act on key housing legislation virtually guarantees that home prices in Washington state will continue their dizzying spiral upward, Washington Realtors said today.

“The state’s growing population is increasing the demand for homes beyond the supply — and that spells price increases,” said Terry Sullivan, the 2006 president of The Washington Realtors. “We proposed four measures to release some of the pressure on the housing market, but these bills — and Washington homeowners — weren’t a priority for enough legislators this year.”

According to the Washington Center for Real Estate Research at WSU, many counties experienced dramatic increases in home prices last year: Clark County, 26.8 percent; King County, 17.8 percent; Pierce County, 21.4 percent; Spokane County, 21.5 percent; and Thurston County, 29.2 percent. Across the state, home prices increased by an average of 19 percent last year.

Sullivan said those increases were not likely to slow, since the Legislature did nothing to relieve pressure on the housing market.

“The law of supply and demand is the reason for these huge price jumps: the supply of housing simply can’t meet the demand. But it’s not just home buyers who suffer,” explained Sullivan. “When home prices shoot up, so do property values and property taxes. And, people have to buy homes further and further from where they work, which clogs freeways and pressures already-strapped government to build more roads.”

Although the state’s Growth Management Act requires state and local governments to plan for growth, many have not. The result is a loss of affordable housing, which affects the entire community.

Washington Realtors encouraged the Legislature to take four simple steps to ease the state’s housing crunch:

- **No Net Housing Loss:** HB 2217, which died in the House Appropriations committee, would have required that local Growth Management plans result in no net loss of housing; balance job-

creation with homes employees would need locally; and include performance measures to ensure progress toward managing growth.

- **Accessory Dwelling Units:** HB 2323, which died in the House Rules committee, would have required local government to increase affordable rental housing by allowing “accessory dwelling units,” such as apartments over garages and “mother-in-law” apartments.
  
- **Lot size averaging:** HB 2325, which died in Senate Governmental Operations committee, would have made fuller use of existing land by allowing a single building lot to be divided into two or more lots, as long as the averaged area of all resulting lots were not less than the legally required minimum lot size.
  
- **Housing Tax Incentives:** HB 1742 died in the Senate Financial Institutions, Housing & Consumer Protection committee. The bill would have allowed all cities and towns, not just those with populations over 30,000, to establish a property tax exemption program for multi-unit housing.

“Ignoring growth doesn’t prevent it, anymore than ignoring traffic will make it go away,” said Sullivan. “By not addressing the challenges that population growth brings, legislators are consigning Washington residents to sprawl, leap-frog development, more traffic congestion, and higher property taxes.”

Between 1980 and 2000, the total state population grew to 5.9 million, a 30-percent increase over 20 years. State demographers predict Washington’s population will continue to grow by 1 percent per year, increasing to 8.3 million by 2030.

The Washington Realtors represent about 170,000 homebuyers each year, and the interests of more than 2 million homeowners throughout the state. The Washington Realtors’ membership numbers about 24,000 statewide, making it the largest professional organization in the state. The organization’s top public policy priority is building communities that have a strong economy, attractive housing choices, excellent schools and parks, safe neighborhoods, and good transportation choices.

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