

Estimated New Housing Units Based on Current Market Conditions

This is an estimate of the number of housing units that will be built in Washington state from 2022 to 2030. The “underproduction” of housing outlined by “Up For Growth” is not addressed in this estimate. This estimate does not get into the dynamics of the housing stock needed, rather it’s a prediction of actual new units constructed. Future housing production might not keep pace with the gap described by “Up For Growth”, and we felt estimates of the gap is best left up to them. Population growth will fuel demand for housing, but it’s an open question whether construction will keep pace or if the gap will expand.

We assume that there are no new policies that might promote more housing construction. Uncertainty grows with each outyear because unknown factors could influence the number of new constructed homes (large home price changes, interest rate changes, unforeseen migration, etc.).

Estimated new housing units in Washington			
Year	Forecasted number of housing unit permits ¹	Housing units built per permit ²	Estimated new housing units
2022	46,244	0.952	44,024
2023	44,255	0.952	42,131
2024	44,243	0.952	42,119
2025	43,682	0.952	41,585
2026			41,585
2027			41,585
2028			41,585
2029			41,585
2030			41,585

¹ Source: The Washington State Economic Forecast and Revenue Council, September 2021 Economic Forecast.

² This is the number of new units built per permit from 2018-2021 and is used to adjust the forecast of permits to number of constructed housing units.

Building permits are a leading indicator of the number of newly constructed housing units. This estimate leans on the expertise of the Washington State Economic Forecast and Revenue Council and uses their forecast of building permits as a proxy for forecasted new housing units. Population growth is implicitly assumed because the number of permits historically issued was driven by demand for new housing, and that demand is in part driven by population growth.

Since building permits and actual new units are not a perfect match, the average number of new housing units per permit is used to forecast new housing units. The forecast council only forecasts up to 2025. Given uncertainty of market conditions more than five years out, the number of new units assumed is constant from 2025 through 2030.

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