

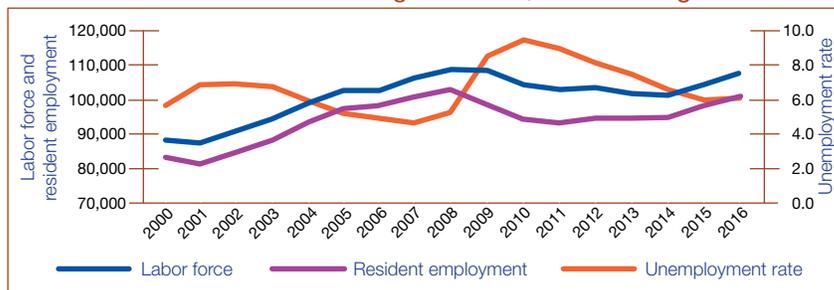
Economic Conditions

Economic conditions in the Bellingham HMA strengthened during the most recent 24 months as job growth accelerated to the fastest rate in a decade. After adding an average of 1,500 jobs, or 1.8 percent, annually, from 2011 through 2014, nonfarm payrolls in the HMA expanded by an average of 2,600 jobs, or 2.9 percent, a year during 2015 and 2016, representing the highest nonfarm growth rate for a 2-year period since 2004 and 2005. During the 12 months ending July 2017, nonfarm payrolls averaged 92,300 jobs, an increase of 2,600 jobs, or 2.9 percent, compared with the 12 months ending July 2016 and 8 percent higher than the peak before the downturn in 2008. Covered payroll growth mirrored nonfarm

payroll growth, adding an average of 1,500 jobs, or 1.8 percent, annually from 2011 through 2014 and 2,200 jobs, or 2.6 percent, annually during 2015 and 2016. Covered payrolls increased by 2,300 jobs, or 2.7 percent, during the 12 months ending March 2017 compared with the preceding 12 months. During the 12 months ending July 2017, the unemployment rate was 5.4 percent, down from 6.0 percent during the previous 12-month period. After peaking at 9.5 percent in 2010, the unemployment rate declined for 6 consecutive years and is currently near the 2005 through 2008 average of 5.0 percent, prior to the economic downturn in the late 2000s (Figure 1).

The goods-producing sectors, which combined to account for 23 percent of all covered payrolls in the HMA during the 12 months ending March 2017, contributed significantly to recent job growth. From 2011 through 2016, the manufacturing and the mining, logging, and construction sectors each added an average of 400 jobs, or 4.2 and 4.1 percent, respectively, annually, comprising 47 percent of all payroll growth. During the 12 months ending March 2017, the mining, logging, and construction and the manufacturing sectors led job growth, adding 600 jobs each, or 6.1 and 6.5 percent, to 10,400 and 9,900, respectively (Table 2). Within the former sector, the construction subsector contributed the majority of job growth, adding 500 payrolls, or 9 percent, because of the highest levels of single- and multifamily residential construction in the HMA since the national recession. Additionally, many construction firms in the HMA work on projects in the Seattle-Tacoma-Bellevue, WA MSA (hereafter, Seattle metropolitan area), which had

Figure 1. Trends in Labor Force, Resident Employment, and Unemployment Rate in the Bellingham HMA, 2000 Through 2016



Source: U.S. Bureau of Labor Statistics

Table 2. 12-Month Average Covered Payroll Jobs in the Bellingham HMA, by Sector

	12 Months Ending		Absolute Change	Percent Change
	March 2016	March 2017		
Total nonfarm payroll jobs	86,200	88,500	2,300	2.7
Goods-producing sectors	19,000	20,300	1,300	6.8
Mining, logging, & construction	9,800	10,400	600	6.1
Manufacturing	9,300	9,900	600	6.5
Service-providing sectors	67,200	68,200	1,000	1.5
Trade, transportation, & utilities	15,800	15,900	100	0.6
Information	1,300	1,200	-100	-7.7
Financial activities	3,100	3,100	0	0.0
Professional & business services	7,700	7,700	0	0.0
Education & health services	12,200	12,600	400	3.3
Leisure & hospitality	10,000	10,300	300	3.0
Other services	2,600	2,700	100	3.8
Government	14,600	14,800	200	1.4

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through March 2016 and March 2017.

Source: U.S. Bureau of Labor Statistics

historically high levels of construction in 2015 and 2016. Itek Energy, a manufacturer of solar panels, opened a new facility in downtown Bellingham and expanded its workforce by 30 in 2017, contributing to growth in the manufacturing sector.

The manufacturing sector historically has been one of the economic engines of the HMA and currently comprises 11.1 percent of payrolls, compared with a national average of 8.6 percent. The location of the HMA provides unique advantages to local manufacturers. The HMA is home to the closest port in the continental United States to Alaska, and both the Seattle and the Vancouver, British Columbia metropolitan areas are within 90 miles. The two largest manufacturing firms in the HMA rely on this relative advantage. BP Cherry Point Refinery, which employs 820, is the largest oil refinery in Washington, with the majority of the crude oil it processes shipped from Alaska in oil tankers, and Zodiac Aerospace, an airline seat manufacturer that employs 610 (Table 3), is able to outfit The Boeing Company airliners built in the Seattle metropolitan area. The economic significance of the manufacturing sector to the HMA is outsized relative to the number of jobs because of the

high wages in the sector. During 2016, average annual pay was \$60,000 in the sector as whole and \$141,800 in the petroleum and coal product manufacturing industry compared with an overall average of \$43,200 in the HMA. The manufacturing sector in the HMA is concentrated on goods with global markets, and therefore, it is highly dependent on conditions in the world economy and contributed significantly to job losses in the HMA during the late 2000s.

During 2009 and 2010, covered payrolls in the HMA declined by an average of 2,700 jobs, or 3.3 percent, annually, following growth of 2,000 jobs, or 2.7 percent a year, from 2002 through 2008. Approximately 60 percent of the job losses in the HMA during this period occurred in the mining, logging, and construction and the manufacturing sectors, even though the two sectors combined account for only 23 percent of all payrolls in 2008. Declining residential and commercial construction and decreased global commodity demand, respectively, caused the concentration of job losses in these sectors. Payrolls in the manufacturing sector declined by an average of 500, or 5.5 percent, a year from 2008 through 2010, coinciding with the global and national recession. The contraction of existing firms adjusting output in response to changes in global demand primarily caused the decline in manufacturing employment. The closure of a Georgia-Pacific tissue mill in December 2007, which resulted in 200 layoffs, also contributed to job losses in the sector, however.

The trade, transportation, and utilities sector is the largest payroll sector in the HMA, and added an average of 200 jobs, or 1.7 percent, annually from

Table 3. Major Employers in the Bellingham HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
St. Joseph Hospital	Education & health services	2,125
Lummi Nation	Government	1,775
Western Washington University	Government	1,675
BP Cherry Point Refinery	Manufacturing	820
Fred Meyer, Inc.	Wholesale & retail trade	780
Haggen, Inc.	Wholesale & retail trade	750
Zodiac Aerospace	Manufacturing	610
Alcoa Intalco Works	Manufacturing	580
T-Mobile	Information	440
Bellingham Technical College	Government	430

Notes: Excludes local school districts and governments. Employees at the Silver Reef Hotel Casino Spa are included in Lummi Nation employment.

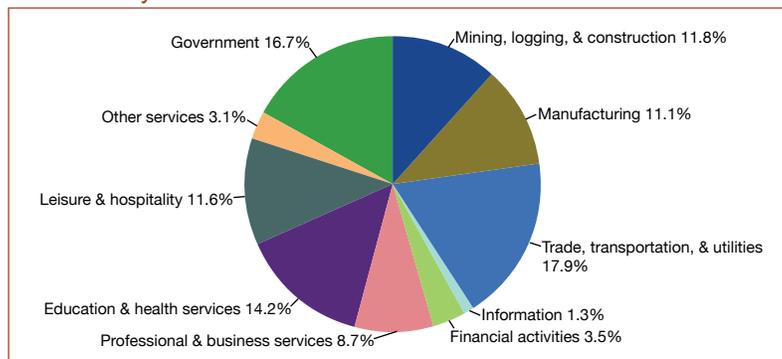
Source: Western Washington University

2011 through 2016. Approximately 85 percent of the payrolls in this sector are in the wholesale and retail trade sector, which added an average of 200 jobs, or 1.4 percent, annually during the same time period. A strengthening labor market and rising incomes in the HMA primarily supported job growth in the wholesale and retail trade sector, but it was constrained by decreased demand from Canadian consumers. In addition to local consumers, many Canadians visit the HMA to buy goods that are cheaper in the United States or otherwise unavailable in Canada. In 2016, Costco Wholesale Corporation opened a new 150,000-square-foot store in the city of Bellingham, in large part to target Canadian visitors. However, the Canadian dollar declined from approximate parity with the U.S. dollar in 2013 to around \$0.75 in 2016. During the same time period, a study by the Border Policy Research Institute at Western Washington University (WWU) found that the number of Canadian visitors to shopping centers in Bellingham had declined between 23 and 61 percent. During the 12 months ending March 2017, the trade, transportation, and utilities sector added 100 payrolls, or 0.6 percent, to 15,900 jobs.

The government sector is the second largest employment sector in the HMA and contains two of the three largest employers (Figure 2). Payroll growth in this sector has been slow but steady, adding an average of 100 jobs, or 0.5 percent, annually since 2011. WWU in downtown Bellingham is one of the largest employers in the HMA but has not added a substantial number of jobs since 2010. The Silver Reef Hotel Casino Spa, a gaming resort owned by the Lummi Nation, is included in the government sector and has added approximately 600 employees since opening in 2002. Like many retail trade establishments in the HMA, the weak Canadian dollar negatively affected the Silver Reef Hotel Casino Spa; the number of Canadian visitors to the casino declined 15 percent between 2013 and 2016 (WWU, Border Policy Research Institute). During the 12 months ending March 2017, the government sector added 200 payrolls, or 1.4 percent, to 14,800.

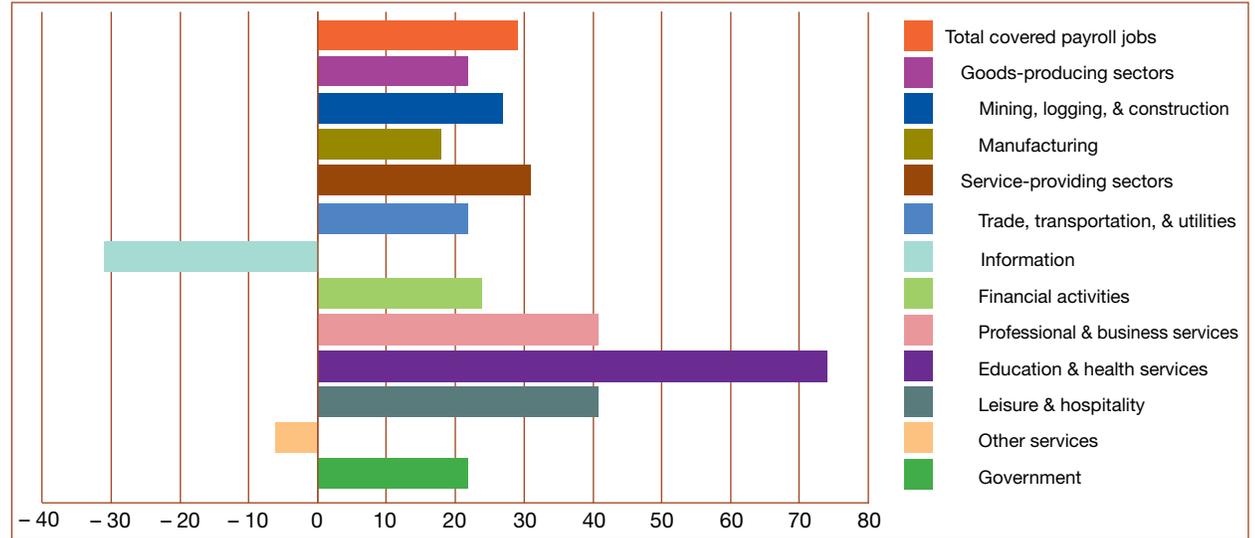
The education and health services sector has grown more than any other sector since 2001 and has added jobs in every year since 2002 (Figure 3). Since 2011, the number of payrolls in this sector has increased by an average of 400, or 3.2 percent, annually. Approximately 50 percent of the growth in this sector during this period occurred in the ambulatory health services industry, which includes outpatient clinics, doctors' offices, and medical laboratories. During the 12 months ending March 2017, the education and health services sector continued to expand, adding 400 payrolls, or 3.3 percent, to 12,600 jobs. The 10,000-square-foot expansion of Pacific Northwest Urology Specialists PLLC medical center in the city of

Figure 2. Current Covered Payroll Jobs in the Bellingham HMA, by Sector



Note: Current is based on 12-month averages through March 2017.

Source: U.S. Bureau of Labor Statistics

Figure 3. Sector Growth in the Bellingham HMA, Percentage Change, 2001 to Current

Note: Current is based on 12-month averages through March 2017.

Source: U.S. Bureau of Labor Statistics

Bellingham and the 7,800-square-foot expansion of Plastic Surgery Bellingham contributed to this growth.

During the 3-year forecast period, nonfarm payroll growth is expected to remain strong at an average of 2,600 jobs, or 2.9 percent, annually. The

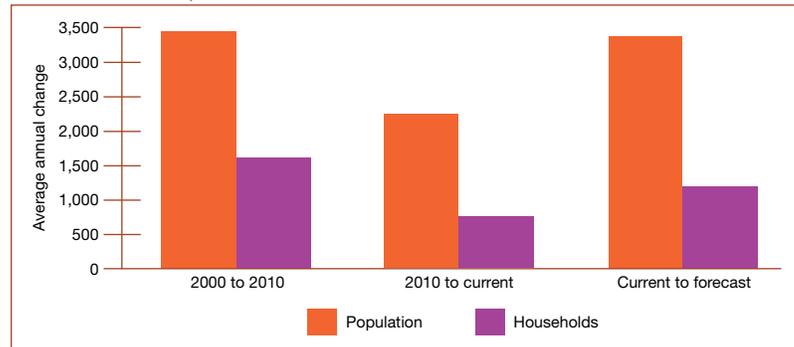
port and city of Bellingham began to redevelop the 237-acre Georgia-Pacific mill site near downtown Bellingham. This project is expected to increase construction employment in the next several years and expand payrolls in the wholesale and retail trade sector when complete.

Population and Households

The population of the Bellingham HMA has grown at an accelerating rate since 2010 as job growth and relatively lower-priced housing compared with the nearby Seattle metropolitan area have attracted new residents. As of August 1, 2017, the population of the HMA is estimated at 217,500, reflecting an average annual growth rate of 1.1 percent, or 2,225 people, since 2010 (Figure 4). From 2011 to 2014, population growth averaged 0.9 percent, or 1,900 people, annually before increasing to an average of 1.5 percent, or

3,075 people, a year from 2015 to 2017. Net in-migration averaged 1,150 and 2,375, a year respectively during the two periods. Since 2011, migrants from the Seattle metropolitan area have accounted for one-third of all migrants to the HMA, more than 7 times as many as any other metropolitan area (2011–2015 American Community Survey 5-year data).

Population growth peaked from 2003 to 2007, averaging 5,050 people, or 2.7 percent, annually, with average net in-migration of 4,250 people, comprising almost 85 percent of

Figure 4. Population and Household Growth in the Bellingham HMA, 2000 to Forecast

Notes: The current date is August 1, 2017. The forecast date is August 1, 2020.
Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

overall population growth. During this period, job growth in the HMA and housing costs approximately 40 percent lower than the nearby Seattle metropolitan area supported high levels of net in-migration. The effects of the housing crisis and recession of the late 2000s, both locally and nationally, caused population growth to decline, however. From 2007 to 2009, population growth averaged 1,800 people, or 0.9 percent, annually then declined further to an average of only 1,050, or 0.5 percent, a year from 2009 to 2011. A decline in annual net in-migration, which averaged 990 from 2007 to 2009 and 190 from 2009 to 2011, caused all of the decrease in population growth.

The 14,750 students at WWU account for 7 percent of the population of the HMA but have not been a major source of population growth. Since 2010, enrollment at WWU has increased by approximately 400, accounting for less than 3 percent of total population growth in the HMA.

The HMA is home to an estimated 85,700 households, an increase of 730 households, or 0.9 percent, annually, since 2010. By comparison, household growth averaged 1,600, or 2.2 percent,

annually, from 2000 to 2010. Since 2010, the rate of household growth has been below the rate of population growth, because weak labor markets during the early years of the decade and increased housing costs have slowed household formation and encouraged doubling up with roommates. The homeownership rate currently is estimated at 62.3 percent, up from 62.1 percent in 2010 (Table DP-1 at the end of this report). The homeownership rate in the HMA remained stable, even as the national homeownership rate declined from 66.9 to 63.7 (American Housing Survey), because of the attraction of migrants from elsewhere in the Puget Sound area to the HMA due to the relatively lower cost of homeownership. Figure 5 shows the number of households in the HMA by tenure for 2000, 2010, and the current date.

The population of the HMA is expected to increase at an average annual rate of 3,325, or 1.5 percent, during the 3-year forecast period, as continued economic growth generates in-migration to the HMA (Figure 6). The number of households in the HMA is expected to grow by 1,175, or 1.4 percent, annually during the next 3 years to 239,700 households.

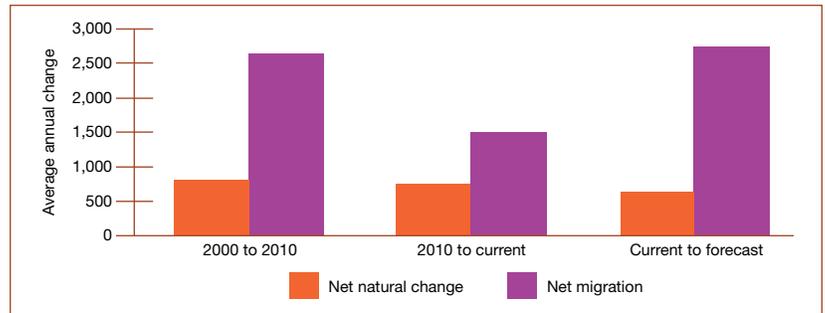
Figure 5. Number of Households by Tenure in the Bellingham HMA, 2000 to Current



Note: The current date is August 1, 2017.

Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

Figure 6. Components of Population Change in the Bellingham HMA, 2000 to Forecast



Notes: The current date is August 1, 2017. The forecast date is August 1, 2020.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

Housing Market Trends

Sales Market

Sales housing market conditions in the Bellingham HMA are currently slightly tight, with an estimated vacancy rate of 1.8 percent, down from 2.2 percent in 2010. Increased net in-migration and strengthening labor market conditions supported increasing home sales demand and a significant decline in the volume of available inventory. As of July 2017, the HMA had 2.4 months of unsold, available home inventory, down from 2.7 months in July 2016. During the same period, the number of active residential listings declined from 900 to 790 homes (Redfin).

By comparison, the HMA had 12.2 months of supply and 1,900 listings available in July 2010.

Since 2011, the demand for homes has increased faster than the available supply, lowering the sales vacancy rate and putting upward pressure on home prices. As job growth resumed and population growth increased, the number of existing homes sold increased but remained relatively stable at an average 3,675 sales from 2011 through 2014. From 2012 through 2014, existing home prices increased an average of 3 percent annually,

Housing Market Trends

Sales Market *Continued*

and the real estate owned (REO) and short sales share of all existing home sales fell by an average of 2 percentage points annually. Existing home sales grew an average of 21 percent a year in 2015 and 2016, as population growth accelerated and the labor market strengthened. Conventional resales, which increased an average annual 21 percent during the period, caused all of this increase.

Existing home sales (including single-family homes, townhomes, and condominiums) peaked from 2003 through 2005, averaging 7,250 homes sold annually during the period, but declined by an average of 1,300 home sales, or 23 percent, annually from 2006 through 2008 to an average low of 3,050 during 2009 and 2010. (CoreLogic, Inc., with adjustments by the analyst). As existing home sales declined, the volume of REO and short sales increased. From 2003 through 2005, REO sales and short sales averaged 50 a year, or 1 percent of existing home sales, a figure that rose to an average of 480 a year, or 14 percent of existing home sales from 2009 through 2011. Worsening economic conditions and increased REO sales caused existing home prices to decrease an average of 4 percent, annually, from a peak of \$270,000 during 2007 and 2008 to a low of \$232,700 in 2011. During 2011, prices for conventional resales averaged \$244,800, while REO and short sales averaged \$183,300 and \$219,000, respectively.

During the 12 months ending July 2017, approximately 4,700 existing homes sold, a decrease of 7 percent from the preceding 12-month period. The low level of available inventory, in part, caused the decline in the

number of existing home sales. The HMA has had less than 3 months of unsold, available inventory since March 2016. The average sales price of existing homes has increased at a fairly consistent rate since 2012, growing at an average rate of 4 percent from 2012 through 2016. During the 12 months ending July 2017, the average sales price of existing homes increased 5 percent to \$290,700.

As of July 2017, 1.0 percent of home loans in the HMA were seriously delinquent (90 or more days delinquent or in foreclosure) or had transitioned into REO status, down from 1.4 percent in July 2016 and less than one-half of the national rate of 2.3 percent (CoreLogic, Inc.). The current percentage of seriously delinquent loans and REO properties represents a significant improvement from a high of 4.5 percent in February 2011.

New home sales in the HMA have increased since the past national recession but are below the peak levels of the mid-2000s due, in part, to the increasing price of land that can be easily developed within the urban growth boundaries of municipalities in the HMA. From 2013 through 2016, the number of new home sales remained relatively stable at 280 homes sold annually, after declining an average of 25 percent annually from 2007 through 2011 because of job losses in the HMA, decreased access to credit, and increasing inventories of lower-priced existing homes. By comparison, the number of new home sales averaged 830 from 2004 through 2006, a period of job growth in the HMA. During the 12 months ending July 2017, the number of new home sales increased 18 percent to 310. A limited inventory of new homes for

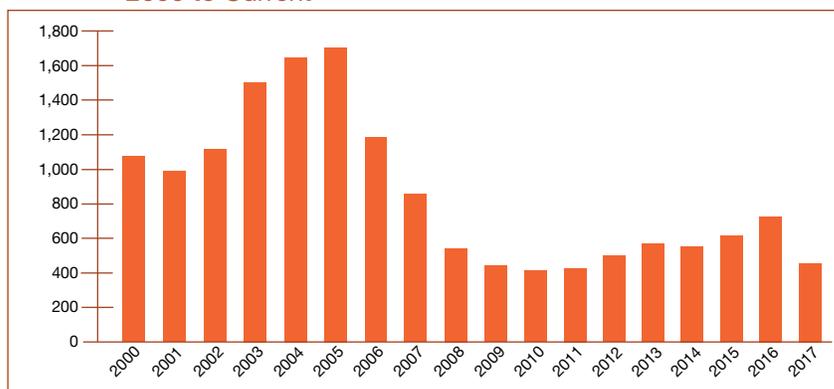
sale resulted in increased sales prices. The average new home sales price increased 7 percent annually, from 2012 through 2016, after declining from a high of \$289,300 during 2006 to \$239,900 in 2011. During the 12 months ending July 2017, the number of new home sales increased 18 percent to 310, and the average price of a new home increased 5 percent to \$345,100.

Single-family home construction, as measured by the number of homes permitted, has increased since the end of 2011 but is below the historically high levels reached during the housing boom in the mid-2000s (Figure 7).

Single-family homebuilding peaked from 2003 through 2005 at an average of 1,625 homes permitted annually, then declined by an average of 320 homes, or 29 percent, annually from 2006 through 2009, as demand for new homes fell. After reaching a low of 420 homes permitted on average from 2009 through 2011, single-family home construction increased to an average of 570 annually from 2013 through 2015 because of strengthening economic conditions. New home construction accelerated, increasing 20 percent to 660 homes in 2016 and 15 percent to 750 homes, during the 12 months ending July 2017, compared with the preceding 12-month period (preliminary data). The majority of new home construction is occurring in unincorporated Whatcom County and in small cities to the north of the city of Bellingham. The Meadows, a 157-lot subdivision in the city of Ferndale, a northern suburb of the city of Bellingham, is a typical example of new home development in the HMA, with single-family homes priced between \$400,000 and \$650,000.

During the 3-year forecast period, demand is expected for an estimated 2,475 new homes in the HMA, with steady demand throughout the forecast period (Table 1). The 510 homes currently under construction will satisfy some of the demand. Demand is expected to be greatest in the \$300,000-to-\$399,999 price range. Table 4 shows the estimated demand for market-rate sales housing by price range.

Figure 7. Single-Family Homes Permitted in the Bellingham HMA, 2000 to Current



Notes: Includes townhomes. Current includes data through July 2017.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

Table 4. Estimated Demand for New Market-Rate Sales Housing in the Bellingham HMA During the Forecast Period

Price Range (\$)		Units of Demand	Percent of Total
From	To		
200,000	299,999	800	32.0
300,000	399,999	990	40.0
400,000	499,999	320	13.0
500,000	599,999	200	8.0
600,000	749,999	75	3.0
750,000	and higher	100	4.0

Notes: The 510 homes currently under construction in the HMA will likely satisfy some of the forecast demand. The forecast period is August 1, 2017, to August 1, 2020.

Source: Estimates by analyst

Rental Market

Rental housing market conditions in the Bellingham HMA are currently slightly tight, with consistently low levels of vacant inventory since 2010. The overall rental vacancy rate is estimated at 4.5 percent, down from 5.2 percent in 2010 (Figure 8). The rental market has tightened since 2010, because increased rental demand outpaced low levels of apartment construction during the early years of the decade. Multifamily permitting has been at relatively high levels since 2013, however.

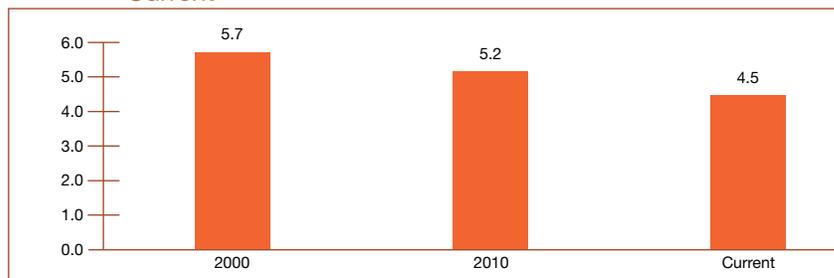
The apartment market, which makes up approximately 60 percent of renter-occupied units in the HMA, is tight, with an average vacancy rate of 3.4 percent during the second quarter of 2017, up from 2.9 percent a year

earlier (Reis, Inc.). The apartment vacancy rate has been below 5.0 percent since 2010. During the second quarter of 2017, the average rent in the HMA increased 4 percent from the second quarter of 2016 to \$895, with average rents of \$779, \$956, and \$1,199 for one-, two-, and three-bedroom apartments, respectively. Rent growth has been steady since 2011, averaging 3 percent annually from 2011 through 2016.

Students at WWU have a significant effect on the rental market in the HMA. Approximately 70 percent of the students at WWU reside off campus, comprising about 10,300 people. Rental vacancy rates near WWU and in downtown Bellingham are lower than elsewhere in the HMA, attracting recent apartment development and causing the conversion of many single-family homes and condominium units into rental occupancy. Apartment properties within 2 miles of WWU have an average vacancy rate of 0.7 percent and an average rent of \$992 (Reis, Inc.).

Builders responded to low vacancy rates, consistent rent growth, and increased population growth with relatively higher levels of multifamily construction since 2013 (Figure 9). An average of 480 units were permitted annually from 2013 through 2016, up from an average of only 110 units from 2008 through 2012, the lowest figure for a 5-year period since 2000. During the 12 months ending July 2017, 600 multifamily units were permitted, up from 380 units during the 12 months ending July 2016 (preliminary data). Production of condominiums accounted for approximately 30 percent of all multifamily units permitted from 2000 to 2009 but has not comprised

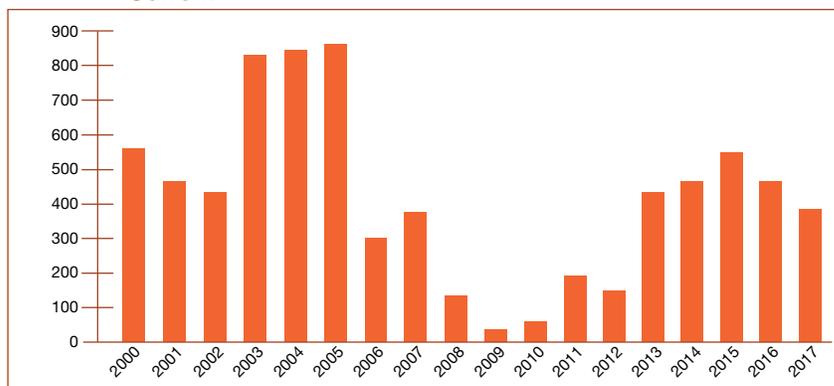
Figure 8. Rental Vacancy Rates in the Bellingham HMA, 2000 to Current



Note: The current date is August 1, 2017.

Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

Figure 9. Multifamily Units Permitted in the Bellingham HMA, 2000 to Current



Notes: Excludes townhomes. Current includes data through July 2017.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

a significant source of multifamily construction since 2010. High occupancy and rising rents at apartment properties reduced the incentive for developers to build condominiums as apartment development has become more lucrative.

An estimated 680 apartments currently are under construction in the HMA. Almost all of the apartment properties under construction are in the city of Bellingham. Gather Bellingham is a 145-unit, market-rate apartment complex near downtown Bellingham targeted to WWU students. When open in fall 2017, rooms in two- and four-bedroom units will be available for rent starting at approximately

\$700. In addition to the market-rate developments under construction, the 22 North Housing Development will offer 40 subsidized apartment units to formerly homeless individuals when it opens in fall 2018.

During the 3-year forecast period, demand is expected for 1,475 new market-rate rental units in the HMA, with constant demand throughout the forecast period (Table 1). The 680 units currently under construction will meet a portion of that demand. Table 5 shows the forecast demand for new market-rate rental housing in the HMA by rent level and number of bedrooms.

Table 5. Estimated Demand for New Market-Rate Rental Housing in the Bellingham HMA During the Forecast Period

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
750 to 949	75	900 to 1,099	230	1,200 to 1,399	210	1,600 to 1,799	45
950 to 1,149	45	1,100 to 1,299	180	1,400 to 1,599	210	1,800 to 1,999	60
1,150 or more	30	1,300 to 1,499	120	1,600 to 1,799	120	2,000 to 2,199	30
		1,500 or more	60	1,800 or more	60	2,200 or more	15
Total	150	Total	590	Total	590	Total	150

Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 680 units currently under construction will likely satisfy some of the estimated demand. The forecast period is August 1, 2017, to August 1, 2020.

Source: Estimates by analyst

Table DP-1. Bellingham HMA Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	83,181	94,467	103,400	1.3	1.4
Unemployment rate	5.7%	9.5%	5.3%		
Covered payroll jobs	NA	79,900	92,300	NA	2.2
Total population	166,814	201,140	217,500	1.9	1.1
Total households	64,446	80,370	85,700	2.2	0.9
Owner households	40,876	49,905	53,350	2.0	0.9
Percent owner	63.4%	62.1%	62.3%		
Renter households	23,570	30,465	32,350	2.6	0.8
Percent renter	36.6%	37.9%	37.7%		
Total housing units	73,893	90,665	95,950	2.1	0.8
Owner vacancy rate	2.2%	2.2%	1.8%		
Rental vacancy rate	5.7%	5.2%	4.5%		
Median Family Income	\$48,100	\$64,400	\$69,900	3.0	1.2

NA = data not available.

Notes: Numbers may not add to totals because of rounding. Total resident employment data and the unemployment rate represent annual averages for 2000, 2010, and the 12 months through July 2017. Total covered payroll jobs represent annual averages for 2000, 2010, and the 12 months through March 2017. Median Family Incomes are for 1999, 2009, and 2016. The current date is August 1, 2017.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census
 2010: 4/1/2010—U.S. Decennial Census
 Current date: 8/1/2017—Estimates by the analyst
 Forecast period: 8/1/2017–8/1/2020—Estimates
 by the analyst

The metropolitan statistical area definitions in this report are based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

Nonfarm data were not available for all sectors during the periods of analysis so QCEW data (covered payrolls) were used in order to provide a more complete discussion of economic activity in the HMA.

Demand: The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

Other Vacant Units: In this analysis conducted by the U.S. Department of Housing and Urban Development (HUD), other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as “other” vacant by the Census Bureau.

Building Permits: Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued

a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to huduser.gov/publications/pdf/CMARtables_BellinghamWA_17.pdf.

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This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to huduser.gov/portal/ushmc/chma_archive.html.