Affordability Worse Than 1990?

June 2026

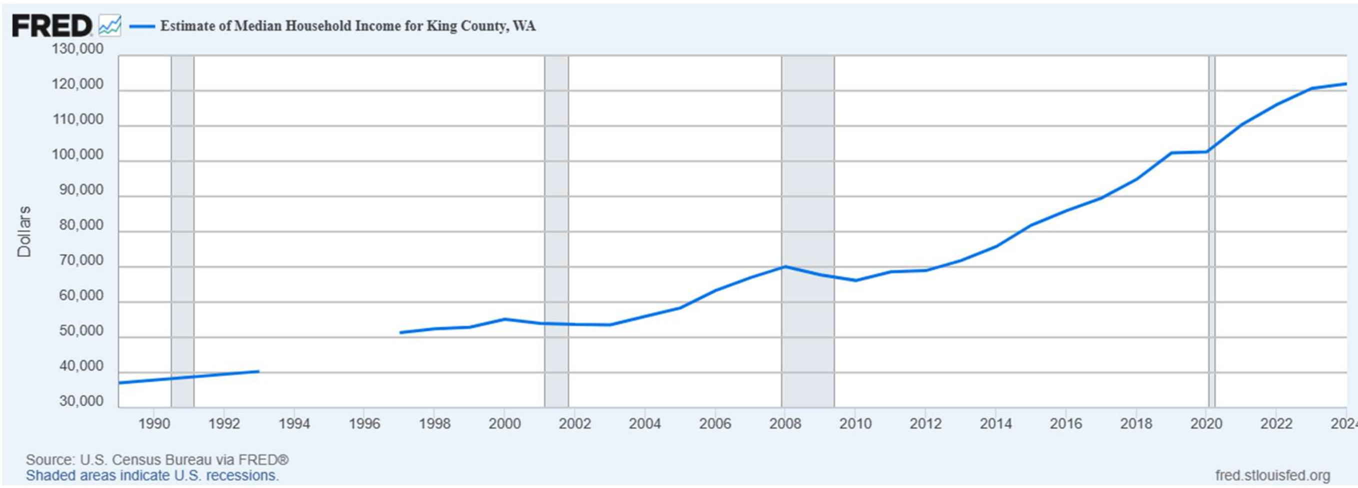
Lack of affordability is a favorite complaint of Seattleites. Gas is high, rent is high, interest rates are high, and if you want to take your family out to dinner… well, you'll pay steak prices, get burgers, and have to buy the fries separately. Then they'll take your card and the tip options are 20% (ok) 25% (good) 33% (great!). And you're ordering at a counter.

But how do we stack up historically? Here's the Case-Schiller Seattle Home Price Index

Think of the index like this: a house was built in 1980. That same house's value would have grown as follows:

Year	Index	House Price
1990	58.2	164,000
2000	100	282,000
2010	145.1	409,000
2020	256.2	722,000
2026	383.5	1,080,000

Here’s Median Household income in King County:



Now, most economists stop here and give the ratio of home prices vs income. And that would be their measure of affordability. So, here’s that:

Year	Case-Schiller Index	House Price	Household Income	House Prices to Income
1990	58.2	164,000	37,500	4.4
2000	100.0	282,000	55,100	5.1
2010	145.1	409,000	66,100	6.2
2020	256.2	722,000	102,600	7.0
2026	383.5	1,080,000	122,000	8.9

This is good info. I mean, wow, homes are 2x more expensive relative to income since 1990. But I’m dissatisfied with this calculation as it doesn’t seem to capture the affordability cliff we fell off in 2022 when rates shot up. Interest rates are a huge component of affordability of houses. So, I’ve come up with something new: Lucas Roth’s Triumphal, Big, Beautiful, All-In-One Affordability Golden Number.

First, here's 30 Yr mortgage rates:

Here's the calculation for Lucas Roth's Triumphal, Big, Beautiful, All-In-One Affordability Golden Number: take the house value, assume 90% is borrowed at the prevailing interest rate. Then take that resulting mortgage payment and divide it into the Household Income. So, the higher the number, the more affordable. Low number = unaffordable.

Here's the Payoff:

Year	Case-Schiller Index	House Price	Household Income	House Prices to Income	30 Yr Mortgage Rate	Mortgage Payment	Lucas Roth's Triumphal, Big Beautiful, All-In-One Affordability Golden Number
1990	58.2	164,000	37,500	4.4	9.83%	1,277	29
2000	100.0	282,000	55,100	5.1	8.15%	1,889	29
2010	145.1	409,000	66,100	6.2	5.06%	1,990	33
2020	256.2	722,000	102,600	7.0	3.64%	2,969	35
2026	383.5	1,080,000	122,000	8.9	6.51%	6,150	20

I think my Golden Number is pretty accurate. From 1990 to 2021, rates were trending down. In those circumstances, house prices can rise even as houses become more affordable. But since then, rates doubled, and prices have maintained and even continued to grow slowly.

It is tempting to say, “Hey, rates are 6.5% now… that’s not a big deal. Historically, that’s pretty normal. My parents would’ve killed for a 6.5% rate when they were buying in 1990.” BUT… house prices in 1990 were 50% lower compared to wages. So, if the entry level home in West Seattle today was $400,000, then even with rates of 9 or 10% buying would still be way more affordable than today, where the entry level home in West Seattle is $800,000.

In conclusion, it isn’t just you. Housing in Seattle (and most of the country) is less affordable now than it has been in many decades. But don’t despair. Real estate is a slow and steady endeavor. There are various levers to pull that can make buying more affordable. You can buy down the rate, take on a roommate, buy a home with a basement apartment, etc. I still would not bet against real estate. Over the long haul, real estate is a great place to put money.

Interested in buying or selling? Refinancing or rethinking your real estate strategies?

Give us a call! We’re doing sales and lending!

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