



CITY OF
Vancouver
WASHINGTON



2025 Housing Report

Economic Prosperity and Housing

March 2026



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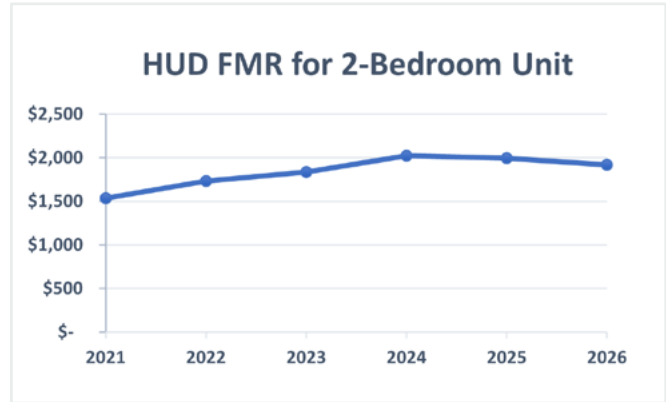
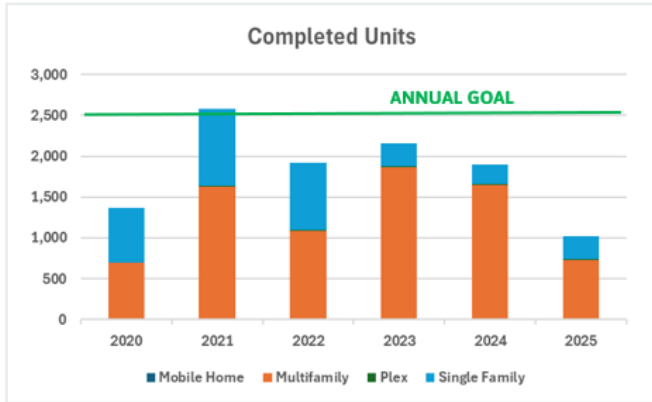
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Housing market summary

The City of Vancouver first developed its Housing Action Plan in 2023. Since then, significant progress has been made through coordinated, citywide efforts. The Plan now includes 70 actions focused on increasing housing supply in Vancouver. This annual report highlights implementation progress and early impacts on housing supply, with detailed strategy status provided in an addendum.



Housing development slowed

The City continued to fall short of annual housing goals. Fewer than half of the targeted housing units were completed in 2025. This outcome reflects both macro-economic and policy factors largely outside of local control. Elevated construction costs, impacts of tariffs, and sustained high interest rates significantly constrained both affordable and market-rate housing production while stagnating rent growth primarily impacted market-rate housing production. These pressures delayed planned developments and limited the ability of developers to secure financing.

State funding setbacks

Despite a strong pipeline of shovel ready projects, no Vancouver projects received Housing Trust Fund awards in 2025. While the application process for State funding is highly competitive, the lack of State funding despite significant population growth and documented need in Southwest Washington underscores the obstacles the region faces in addressing the ongoing affordable housing deficit. As a result, the City faces a bottleneck of viable projects that must wait or secure other resources before starting construction.

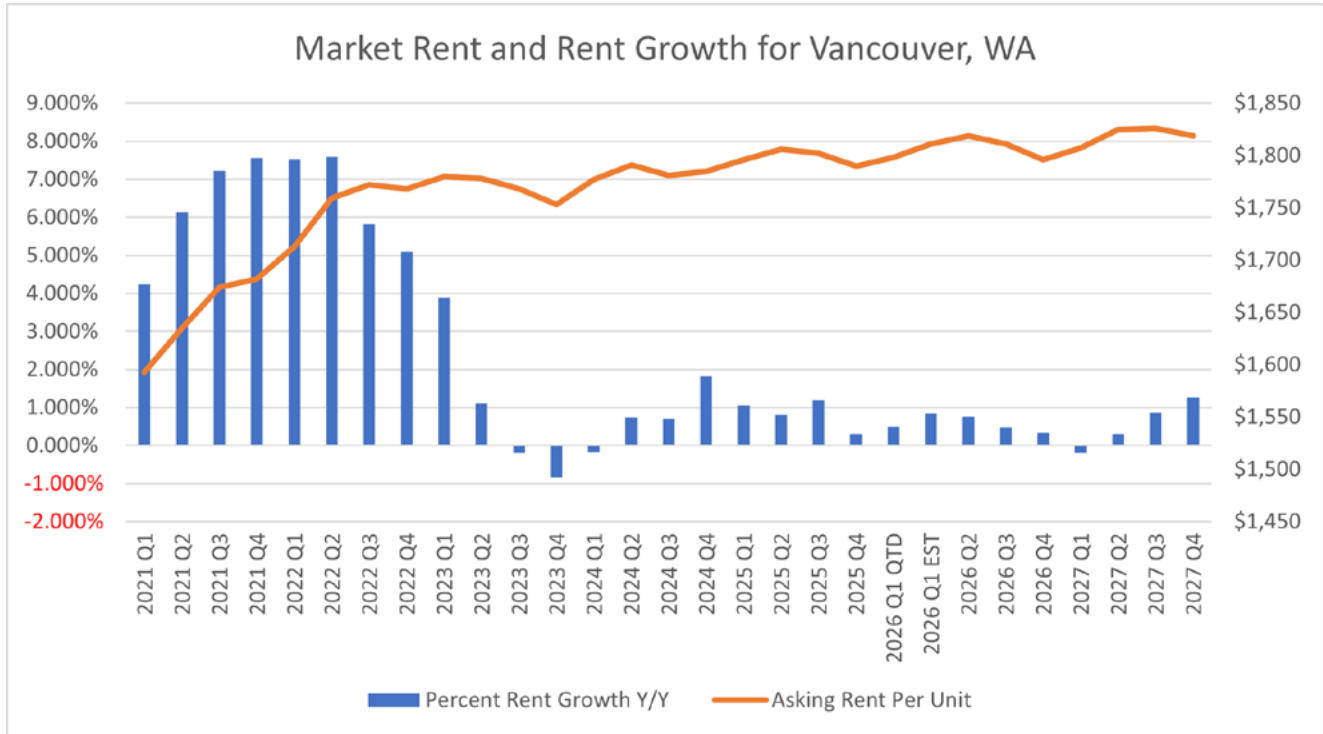
Fair Market Rents declined

Decreasing Fair Market Rents (FMR) improves affordability for renters and supports the City's housing stability goals. FMR trends also influence how lenders and investors assess long-term rent growth and project risk. Following years of sustained rent increases, a decline in FMR can create uncertainty in underwriting assumptions, leading to more conservative financing terms and slower multifamily development.

The City remains committed to advancing housing production and affordability and will continue to pursue state and federal funding, policy alignment and partnership strategies to unlock stalled projects and restore momentum to the development pipeline.

Housing production is likely to remain slow

Rent growth is expected to remain flat through 2026 and 2027. This trend is positive for renters, as it helps limit further increases in housing costs and supports affordability. However, flat rents also reduce the financial incentive for private developers to build new rental housing. In Vancouver, rents are forecast to grow at a rate well below inflation, meaning rental income is not keeping pace with rising construction and operating costs.



Diverging vacancy trends

Within the city, rental vacancy rates continue to decline, reflecting sustained demand for housing. At the same time, vacancies across the broader region have increased, creating an overall surplus of available units outside the city. This regional dynamic has contributed to rent growth remaining flat, even as local demand remains strong.

While stable rents may offer short-term relief for some renters, the prolonged flattening of rents is also associated with a continued slowdown in housing development following the decline observed in 2025. As fewer new rental projects move forward, the underlying gap between housing supply and demand is likely to persist—and may worsen over time.

These current conditions limit the City’s ability to meet housing production goals and effectively address the ongoing housing shortage and affordability crisis. Achieving these goals will likely require a major shift in regional market conditions or a significant increase in public investment, including an expanded role for publicly led and non-market rate housing development to help offset reduced private-sector activity.

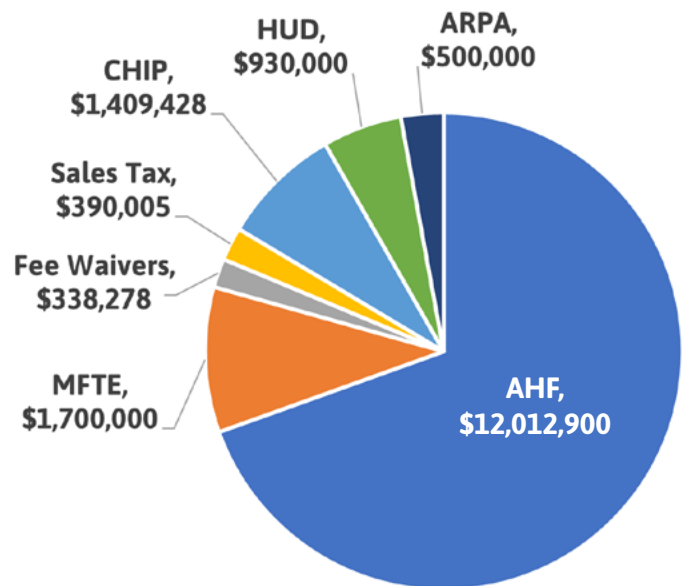
Overview of City housing assistance

In 2025, the City of Vancouver directed funding from an array of housing programs to expand housing opportunities and help stabilize the community. Awards supported projects proposing development of new affordable units or preservation of existing affordable units. These projects will begin construction within two years, and some receive funding from multiple programs. Direct rental assistance helped households avoid eviction or access rental housing after experiencing homelessness, while other programs provided support for homeowners and first-time homebuyers.

Number of units awarded

- **ARPA:** 14
- **HUD:** 42
- **CHIP:** 76
- **Sales Tax Deferral:** 95
- **Fee Waivers:** 95
- **Rent Assistance:** 214
- **MFTE:** 222
- **AHF:** 291

Amount of assistance awarded



Funding acronyms

ARPA: American Rescue Plan Act, funding for Fourth Plain area

HUD: Federal HOME Investment Partnerships Program funding allocated to the City annually

CHIP: Connecting Housing to Infrastructure Program competitive state funding

Fee Waivers: up to 80% waived for traffic and park fees for affordable housing

MFTE: Multifamily Tax Exemption program, exempts property tax

AHF: Affordable Housing Fund, local, voter-approved tax levy

Policy actions

In response to slowing housing production, the City is advancing a range of new housing initiatives. These actions represent sustained effort to support affordability, stabilize renters, and position the community for future housing production.

The City made substantial progress in updating its **Comprehensive Plan**. The updated Land Use Map for Vancouver was finalized in 2025, with adoption of the final Comprehensive Plan and Zoning Code incorporating community input, local priorities, and state requirements expected in mid-2026.

The City's Engineering Permit team modified its system processes resulting in **shorter subsequent review timelines**. In addition, an early permit submittal process was implemented, allowing single-family builders to receive approvals prior to final subdivision plat approval.

The City continued efforts to reduce development costs for new housing by **deferring impact fees and system development charges** until late in construction, and by offering Multifamily Tax Exemption (MFTE) incentives, including waived application fees and deferred fee in lieu payments for qualifying projects.

Vancouver **eliminated parking minimums** for new affordable housing developments where at least 50 percent of units serve households at or below area median income, reducing project costs and increasing the number of homes that can be built. While some community concerns were raised about potential parking impacts, the City will monitor outcomes and expects developers to continue providing parking where market demand exists.





Local and state funding

In 2025, the City used **Affordable Housing Fund** resources to support a range of housing projects and programs, from early-stage development to completed housing. Early AHF investments were made to help housing projects apply for state funding, as many state programs require a local funding commitment before an application can move forward. In the Heights redevelopment area, three projects received advanced commitments of 2027 AHF funding to support long-term planning and future construction.

Prior AHF investments reached important milestones, including the grand opening of VHA's **Lincoln Place 2**, a 40-unit permanent supportive housing development for tenants exiting homelessness with significant wrap-around service needs.

AHF funding also provided rental assistance, homeownership support, and emergency shelter funding, including money for the City's new **Bridge Shelter**, with up to 120 beds that will open at the end of 2026.

The **Connecting Housing to Infrastructure Program (CHIP)** program, administered by the Washington State Department of Commerce, funds system development charges and the cost of water, storm, and sewer utility improvements associated with affordable housing projects. The City partners with local affordable housing developers to apply for CHIP grant funds. Each application is specific to an individual affordable housing project.

In 2025, the City received three CHIP awards for new projects, totaling \$1.4M and supporting 76 affordable units. These awards include funding for 32 new homeownership units that will be constructed by Evergreen Habitat for Humanity on 132nd Avenue, Habitat's largest project to date.

Federal funding

Federal funding continues to play an important role in supporting housing and community development in Vancouver. Through U.S. Department of Housing and Urban Development (HUD) programs, including **Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME)** funds and HOME-ARP for homeless services through the American Rescue Plan, the City supports affordable housing, homeownership, and a range of housing services for City residents with low to moderate income. These funds are used to address housing needs, including new housing development, homeowner rehabilitation, first-time homebuyer programs, rapid rehousing rental assistance, street outreach and landlord-tenant mediation.

The City awards HUD funding each year through a competitive process for nonprofit organizations with programs that align with HUD requirements and the City's Consolidated Plan goals. Total funding of \$3,018,142 was awarded in May 2025 and will support the outcomes highlighted below.



2,941 people will receive services to assist with homelessness, landlord mediation services and youth programs



120 low-moderate income Microenterprise Business owners will receive technical assistance



240 experiencing homelessness will be assisted with outreach and housing services in partnership with Safe Stays/Parks



52 households experiencing homelessness will access housing and rental assistance and case management



5 community based organizations will be supported to grow service capacity



18 low-moderate income homeowners will receive housing rehabilitation

In addition, the City is using **American Rescue Plan Act (ARPA)** funding to advance Fourth Plain Forward initiatives, including investments to help stabilize housing and support longtime residents of the area. 2025 ARPA funding of \$500,000 will help 8 first-time homebuyers, and repair 6 mobile homes in the Fourth Plain area, helping improve housing conditions and prevent displacement. Together, HUD and ARPA funding allow the City to address immediate housing needs as well as longer-term neighborhood investment goals.



Mural by Michael J Feliz

Tax exemptions

Multifamily Tax Exemption (MFTE)

Demand for new MFTE projects declined in 2025, reflecting broader conditions in the housing market. One project was approved by City Council: the Ellison Ridge Apartments, located on SE 192nd Avenue. The development will include 222 units across four two-story and five three-story wood-framed apartment buildings. Planned amenities include a clubhouse with a pool, trash enclosures, a mail shelter, a maintenance building, and carports.

Project details

- **222 total units**
- **45 income-base units**
- **1-bed, 2-bed, 3-bed units**
- **419 parking spaces**
- **2-3 story buildings**
- **Community building**



Waterfront Gateway construction

The City also adopted a new **Construction Sales Tax Deferral (CSTD)** program as part of a state-authorized pilot to support affordable housing development on underutilized land. This program allows a property owner to defer sales and use taxes for construction of affordable housing. If the project maintains the affordability requirements for 10 years, the taxes are forgiven. The program allows both rental and homeownership if at least 50% of the new units are affordable. Rental units must be affordable to households up to 80% of the area median income (AMI) and homeownership units may be sold to households up to 115% AMI. To date, the City has approved one CSTD project, a 95-unit affordable housing building currently under construction on a parking lot next to City Hall.



Before home rehabilitation

After home rehabilitation

Housing preservation

Each year, the City sets aside federal funding to operate the **Homeowner Rehabilitation Program** that helps homeowners make critical repairs. Eligible homeowners must earn less than 80% of area median income and have limited assets or access to private financing. The program serves approximately 10 homeowners annually, and demand continues to exceed available funding, resulting in a lengthy waitlist. Assistance is limited to health and safety repairs and is provided as a low-interest loan, with repayment deferred until the property is sold or refinanced.

In 2025, the City received funding from the State’s **Home Electricity and Appliance Rebate (HEAR)** program to expand rehabilitation efforts by providing high-efficiency electric equipment and appliances for income-qualified homeowners. These upgrades help homeowners lower their energy bills while making their homes safer and more comfortable to live in. This program also supports the City’s climate goals by lowering emissions from residential buildings.

The City partnered with the Northwest Native Chamber to administer \$1.4 million and achieved the following outcomes:

- **43** heat pumps
- **23** water heaters
- **16** induction stovetops
- **14** dryers
- **7** electric panels
- **24** gas appliances replaced



City Council authorized a new **rental registration and habitability program** to help preserve existing housing stock and improve long-term housing stability. Program planning and code development were completed in 2025, and the registration program was successfully launched in January 2026.

The program will create an inventory of rental units, increase communication with property owners, and support proactive maintenance to address health and safety issues before they result in housing loss. By improving data on its rental housing stock, the City will better target resources, monitor housing condition over time, and support policies that help maintain existing homes as safe, healthy and livable for the community.

Data tracking

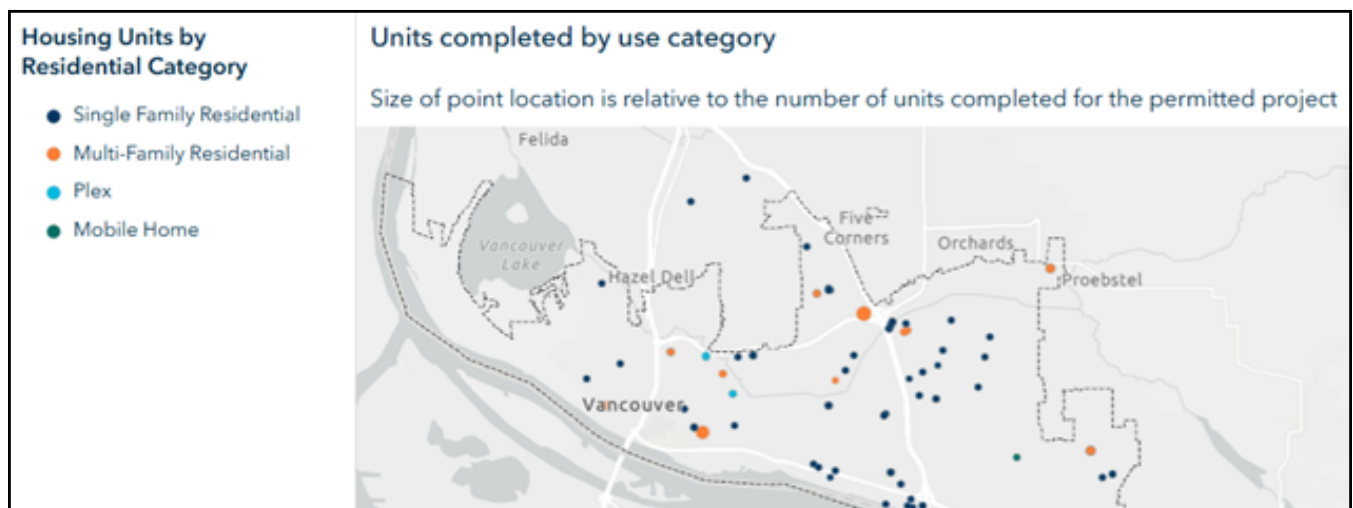
In 2025, the City launched an online **Housing Units Development Dashboard** to provide real-time updates on progress under the Housing Action Plan. This interactive online tool displays multiple data visualizations together on one screen, including maps and housing unit activity that can be filtered by:

- Date range
- Housing type (mobile homes, multifamily, single-family, etc.)
- Permit stage

The dashboard allows City staff and the public to see where development is happening, how many units of each type have been completed, and how that activity is distributed geographically.

This dashboard promotes the following objectives:

- **Transparency and accountability:** Makes housing data publicly accessible and easy to understand, helping residents and stakeholders see real-time trends in housing development.
- **Informed decision-making:** Provides data to monitor progress on housing goals, understand gaps in housing supply, and allocate resources where they are needed most.
- **Community engagement:** Allows users to explore data relevant to their neighborhoods, building trust and supporting community involvement in housing planning.
- **Citywide policy support:** Complements broader planning efforts, especially Comprehensive Plan, and provides the data foundation needed to target incentives and track outcomes over time.



Visit the [Housing Units Development Dashboard](#)

