

## **Improving Bandwidth in Kitsap County Impacts Economic Growth:**

One of the evolving issues impacting Kitsap County's growth is access to high speed internet service. (See "Business Climate" section, written by Zoltan Szigethy, and the "Telecommunications Trends" section, written by James Kendall.) The first level of improvement, DS-1 (or T-1 lines) provides bandwidth capability that is 24 times faster than "plain old telephone service" (POTS). Improved service is, however, subject to constraints such as local phone connections ("the last mile link") and the user's modem connection.

Various efforts are underway to improve bandwidth in Kitsap County. These include AT&T's use of cable company connections to provide better internet service and U.S. West and Sprint's upgrading of bandwidth capacity. One of the more exciting developments is the use (by the Northwest Open Access Network) of an existing Bonneville Power super high speed cable to bring substantially improved internet service to many rural areas in Washington State, including Kitsap County.

## **Home Prices and Rents Continue to be Affordable:**

The "Housing Market & Affordability" section, written by Glenn Crellin of the Washington Center for Real Estate Research, provides an updated picture of the relative affordability of housing in Kitsap County. For a family with income equal to our county median, Kitsap County continues to be significantly more affordable than King and Snohomish counties and, in fact, has slightly widened its lead over those two counties in comparison to the same time last year. Interestingly, Kitsap County's affordability as of the second quarter of 2000 was virtually identical to Pierce County's affordability — a substantial change from second quarter 1999 when the Pierce County index showed it was 6% more affordable than Kitsap.

Unfortunately, the overall trend shows that "housing affordability" in the county, and the state as a whole, has dropped significantly in the past year. This year, a median income family in Kitsap County had 16.4% more income than the bare minimum necessary to buy a home. A year before, the amount of cushion was 26.6%. What is really mind boggling is the fact that on Bainbridge Island, home prices are roughly twice those of the county average — meaning that a median income family would have very few homes to choose from in that part of the county.

This tightening of single family home affordability is not, however, reflected in apartment rents and vacancies. The "Apartment Vacancies/ Average Rent" section, written by Dupre & Scott Apartment Advisors, reports that between September 1999 and September 2000, the average vacancy rate crept up 0.1% to 5.6%, and average apartment rents in Kitsap County increased only 1.6% to \$622/month.

## **School Enrollment:**

One surprising statistic that TRENDS reported last year was the 6.0% drop in Kitsap County school enrollment between 1998 and 1999. The latest numbers show a continued 2-3% decline in North Kitsap, a reversal of the decline in Central and South Kitsap (albeit only a very modest increase in Central Kitsap) and a very large reported increase in Bremerton. The latter increase seems to be due to an under-reporting of enrollment in 1999. Overall, however, enrollment this year, though up 3.4% from 1999, is still 1,174 students (2.8%) below the 1998 enrollment level. Only the Bainbridge Island District has shown growth in the two-year period, with Bremerton showing no change, and the other three Districts experiencing declines ranging between 216 and 734 students from 1998 to 2000.

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