



STATE OF OREGON

Oregon's Housing Market and Outlook

September 22nd, 2016

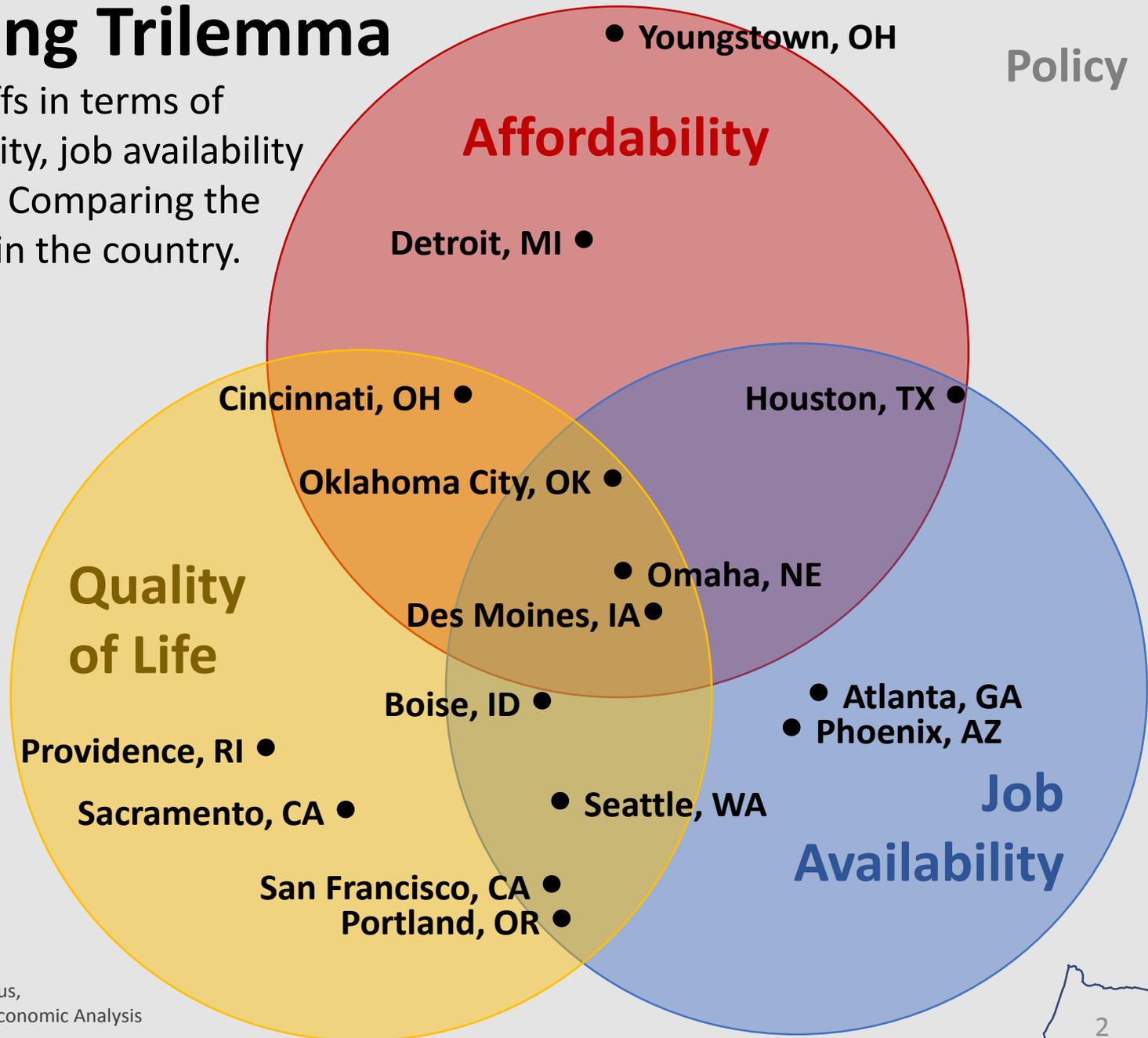
Oregon Office of Economic Analysis

Josh Lehner

Disclaimer: The views expressed here do not represent the State of Oregon, the Legislature, nor the Governor.

The Housing Trilemma

Cities face tradeoffs in terms of housing affordability, job availability and quality of life. Comparing the 100 largest MSAs in the country.



Source: David Albouy, BEA, BLS, Census, IHS Global Insight, Oregon Office of Economic Analysis

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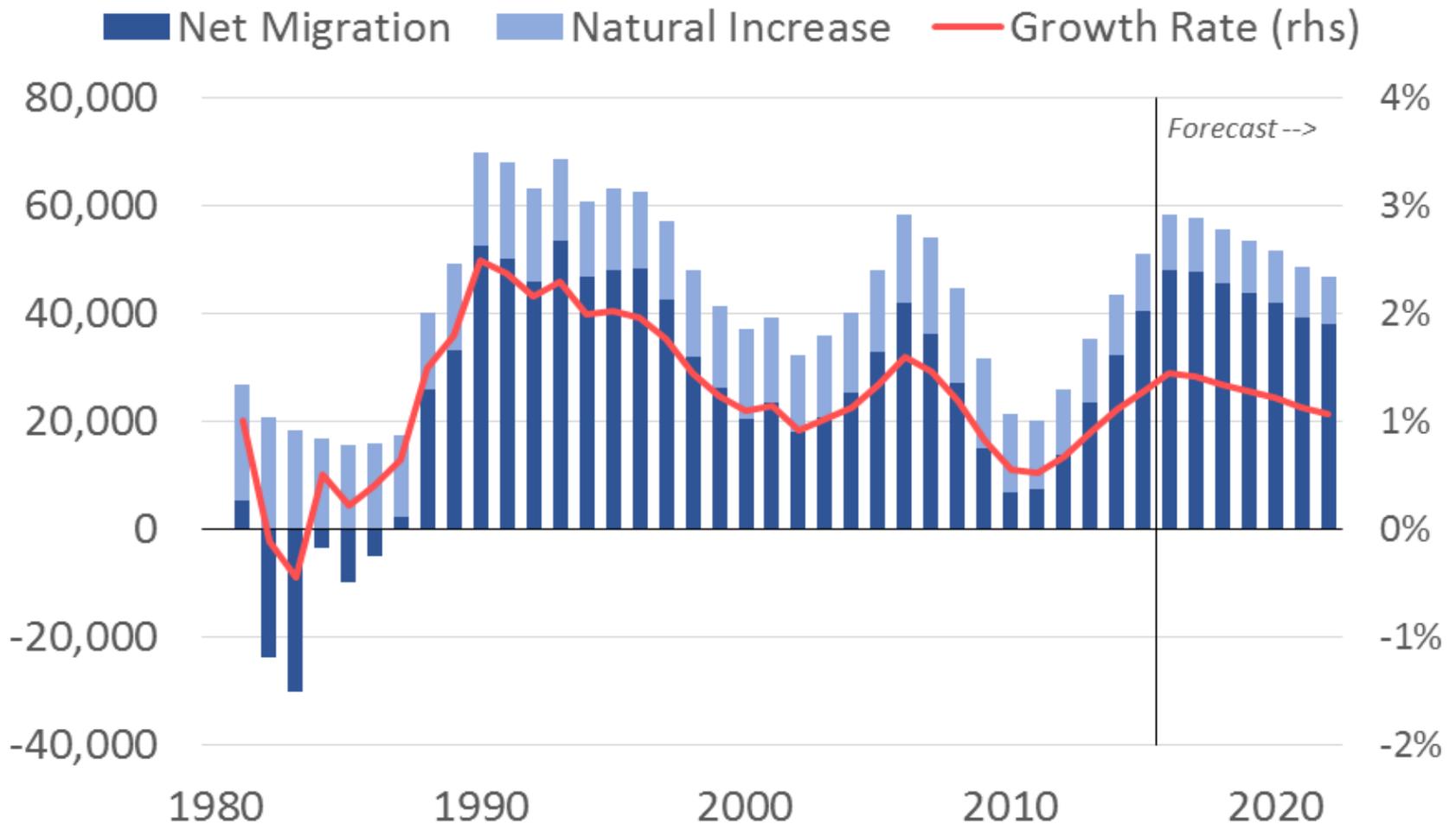
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Housing Demand



Lewis & Clark Started This

Oregon Population Growth





Lane Median Income: \$47,318

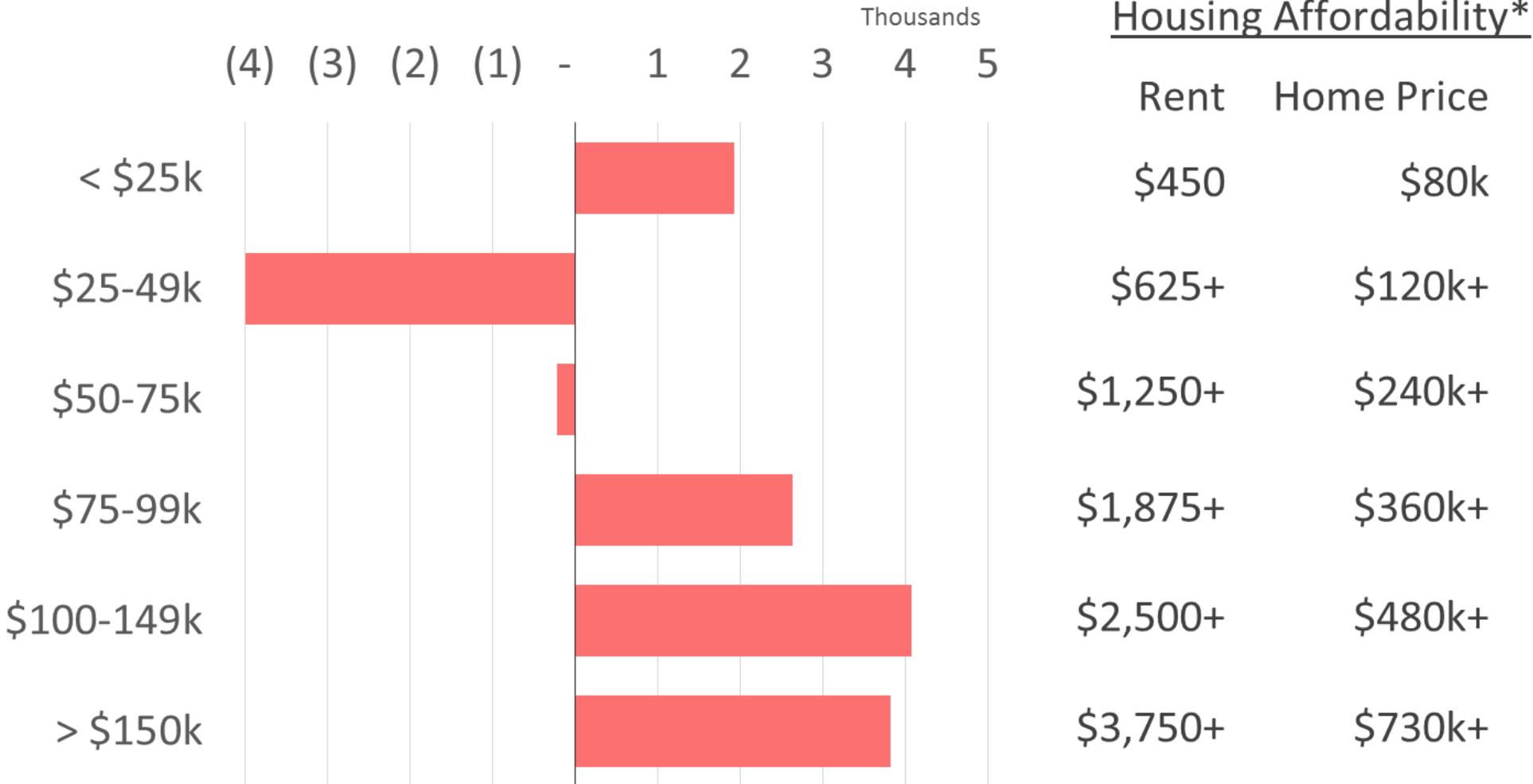
Eugene MSA Households by Income

2015 American Community Survey



Eugene MSA Households by Income

Change from 2007 to 2015



*Monthly housing costs equal to 30% of income. Home price assumes 20% down payment, 4% 30 year fixed mortgage, average property taxes and homeowners insurance. | Source: Census, Oregon Office of Economic Analysis





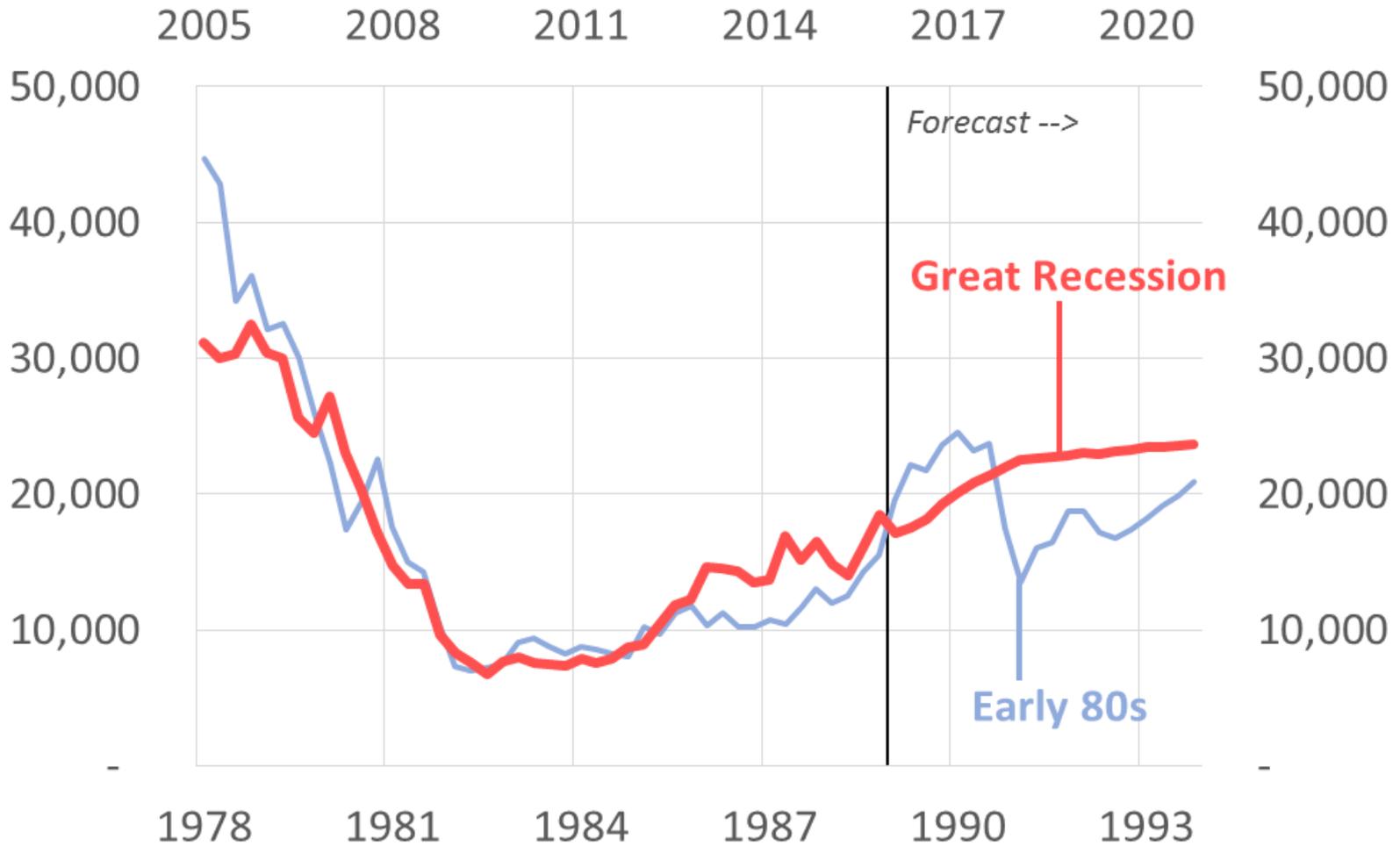
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Housing Supply



Housing Starts: Back to the Future

Oregon Housing Starts





Lack of Building Everywhere

Mid-Valley Isn't Building

12 Month Sum of Permits, January 2004 - July 2016

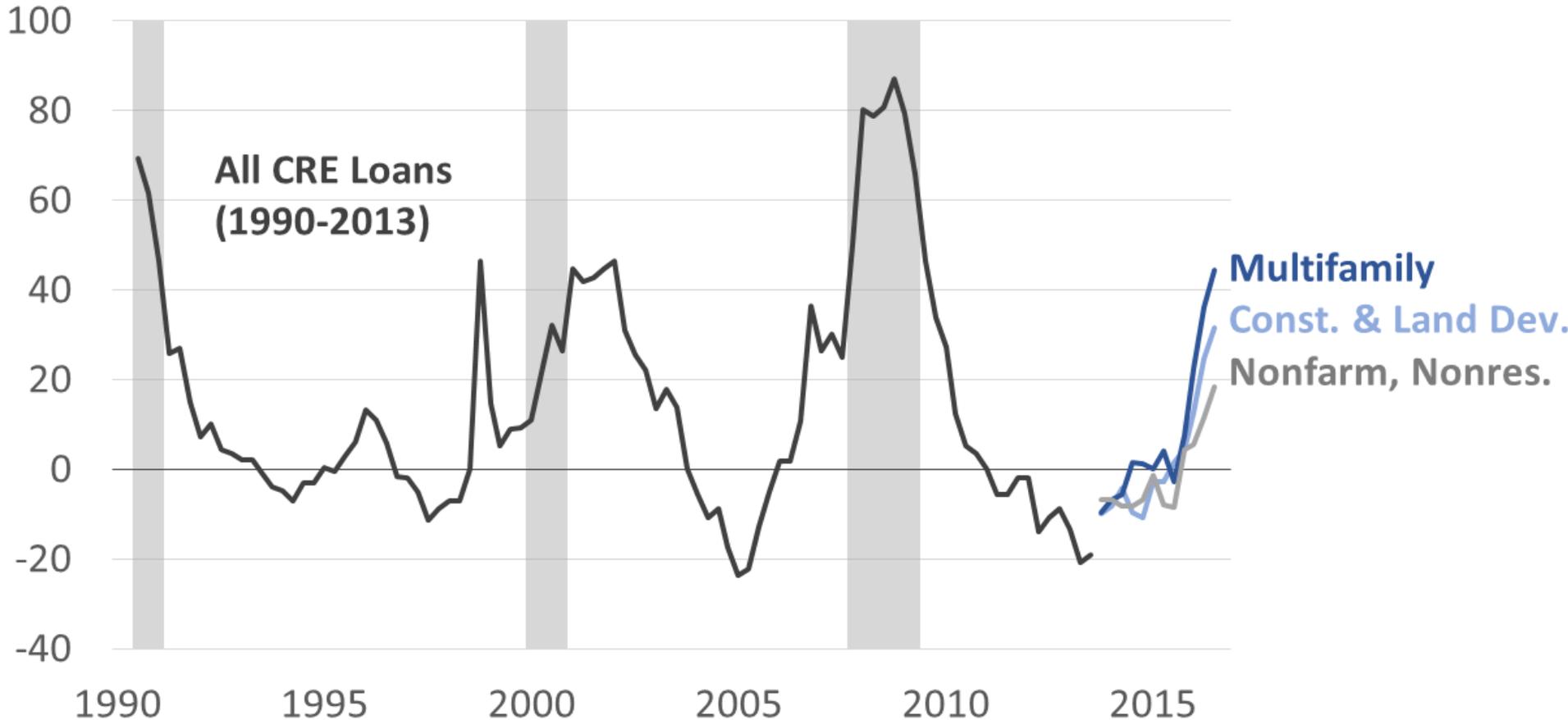




Supply Constraints

Commercial Real Estate Lending Standards

Net Percentage of Domestic Banks Tightening

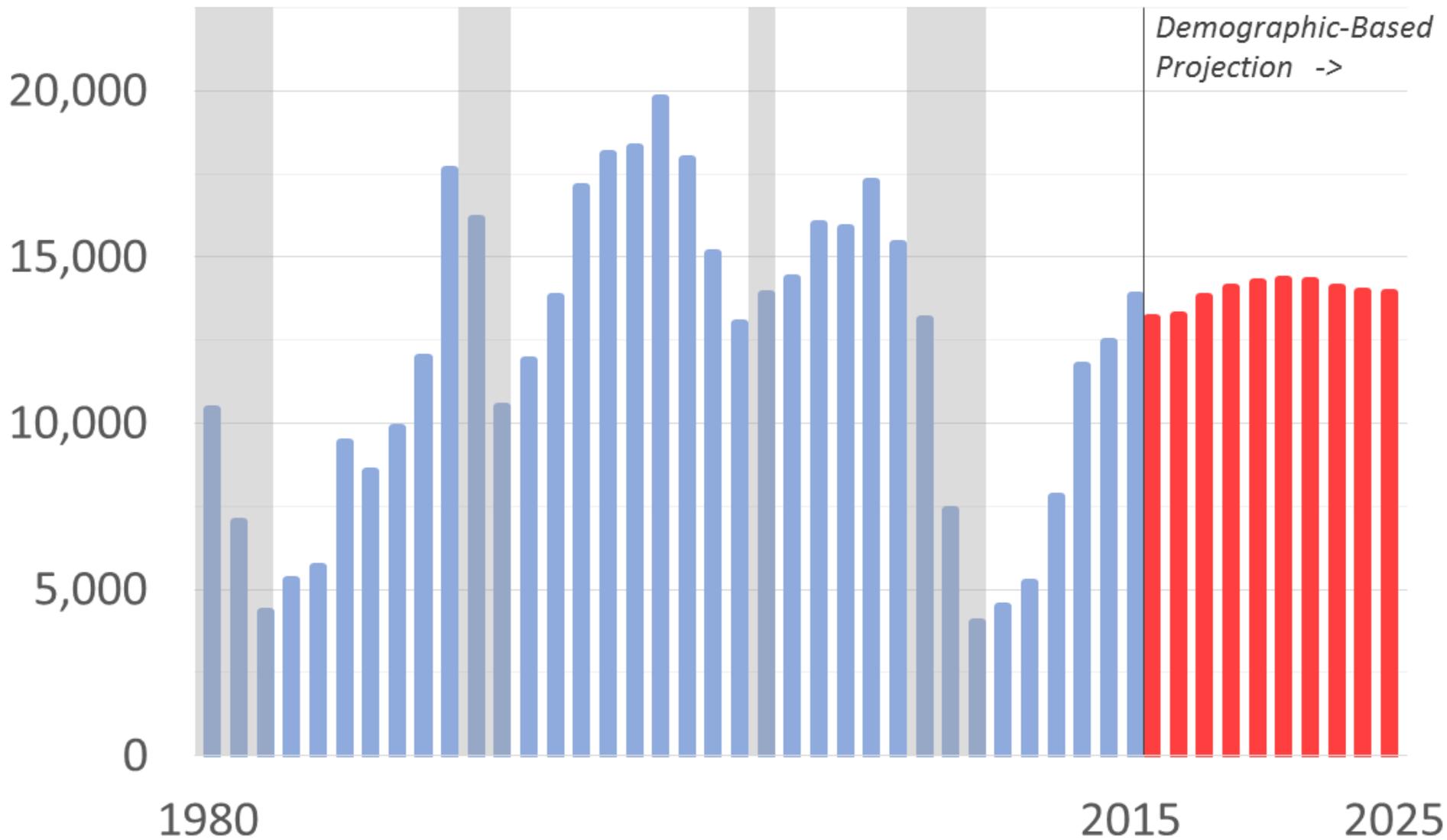




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Outlook

Portland Metro Housing Starts Outlook

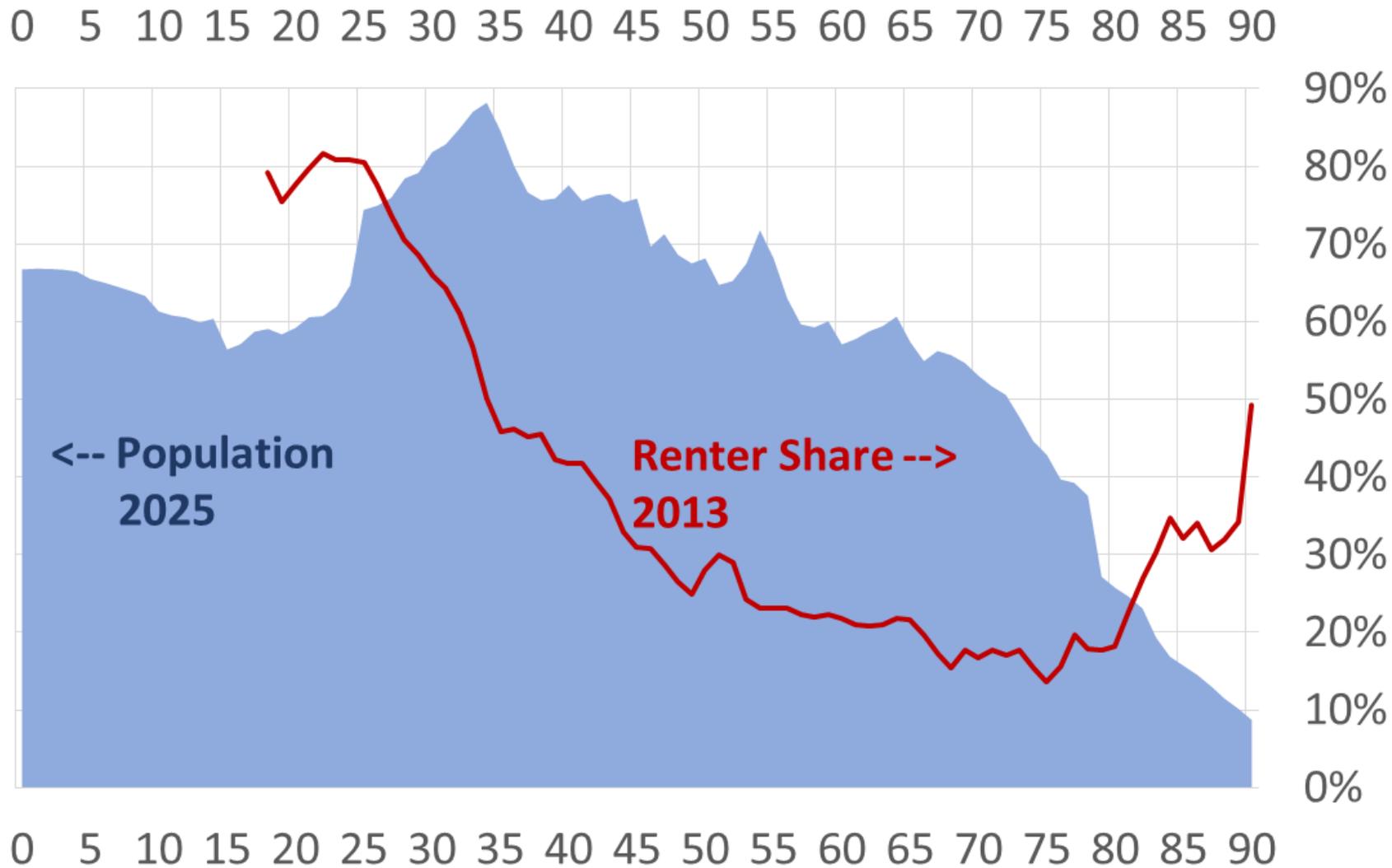


Source: Census, HUD, Oregon Office of Economic Analysis

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Portland MSA: Demographics and Renting



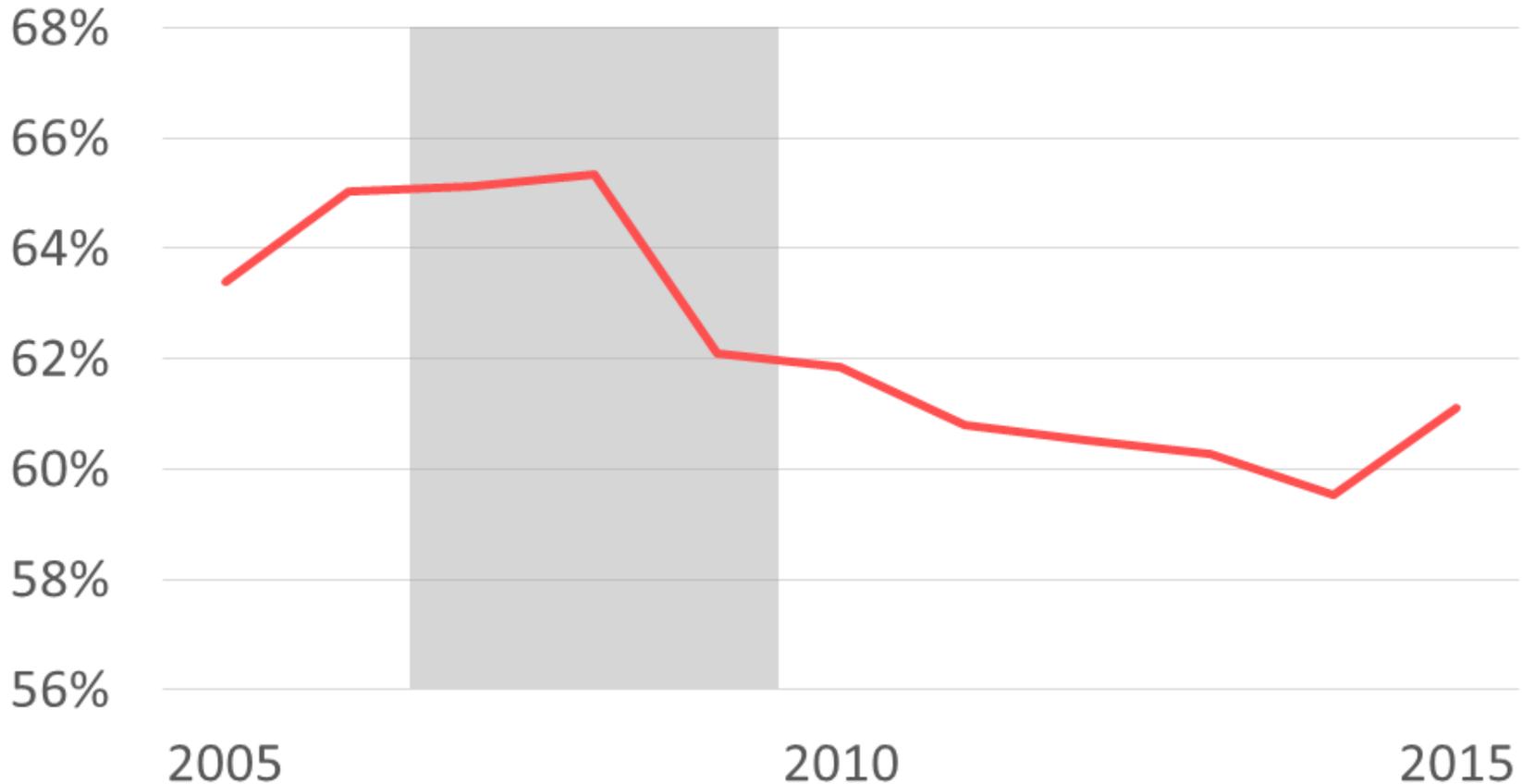
Source: Census, IPUMS-USA, Oregon Office of Economic Analysis



Ownership Coming Back

Portland Peak Renter

Ownership Rate by Household Age, Portland MSA



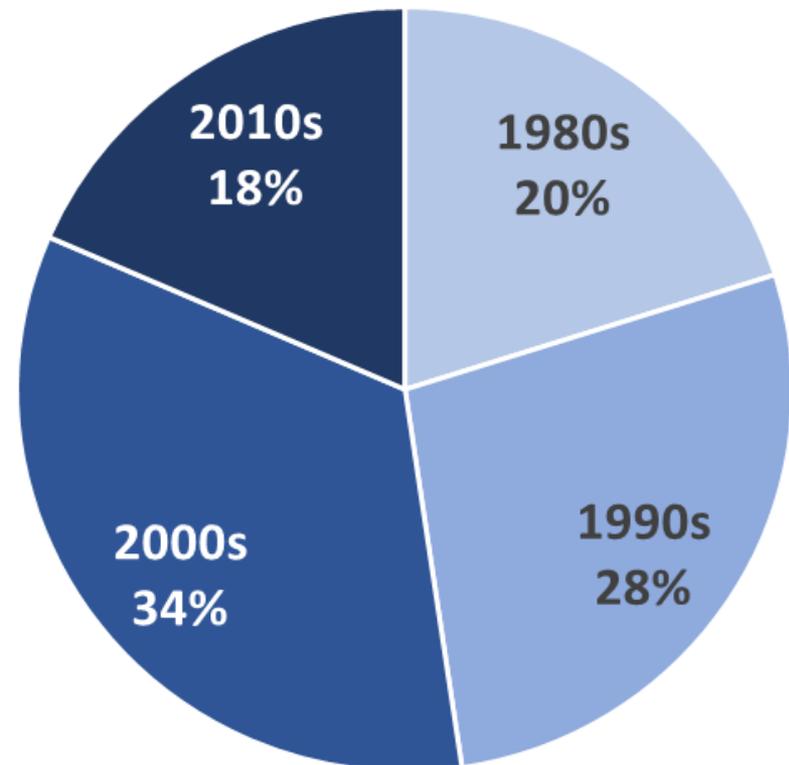


Affordability Challenges

- Housing assistance demand is much stronger than housing assistance supply
 - Programs not fully funded to meet demand
 - New construction is expensive
- Filtering plays key role
 - Take a long time

Newly Filtering Housing in 2016

Estimates of Housing Units Filtering into the Bottom Quartile in the Portland MSA, Based on New Construction Since 1980



Source: Census, IPUMS-USA, Oregon Office of Economic Analysis



For More Information

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