

The background of the slide features a large, faint, light blue seal of the State of Oregon. The seal is circular and contains an eagle with spread wings perched on a shield. Above the eagle, the words "OFFICE OF" are visible, and below it, "OREGON" is written in a semi-circle. At the bottom of the seal, the year "1859" is inscribed. The seal also includes the motto "THE UNION" and various symbols representing the state's history and industry.

Addressing Oregon's Housing Shortage

September 21st, 2022

Oregon Office of Economic Analysis
Josh Lehner



Oregon has a housing shortage. It impacts middle- and low-income households the most.

Exhibit 30. Housing Need by Income Category, State of Oregon, 2020-2040

Source(s): ECONorthwest analysis; PSU, 2020-2070 Coordinated Population Forecasts; HUD, FY 2018 Income Limits; U.S. Census Bureau, 2018 ACS 1-year PUMS estimates; HUD, 2019 PIT count; ODE, SY 2018-2019 McKinney Vento data

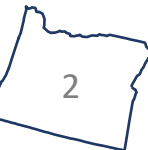
Median Family Income	New units for each of the following...				
	Projected Need	Underproduction	Housing for the Homeless	Total Units	% of Units
120%	201,656	7,725	-	209,381	36%
80-120%	82,796	18,326	-	101,121	17%
50-80%	70,013	30,574	875	101,462	17%
30-50%	44,400	26,119	2,334	72,852	12%
0-30%	44,701	28,076	25,965	98,742	17%
Oregon	443,566	110,819	29,174	583,559	100%
% of Units	76%	19%	5%	100%	

Source: Implementing a Region Housing Needs Analysis Methodology in Oregon

<https://www.oregon.gov/ohcs/about-us/Documents/RHNA/RHNA-Technical-Report.pdf>

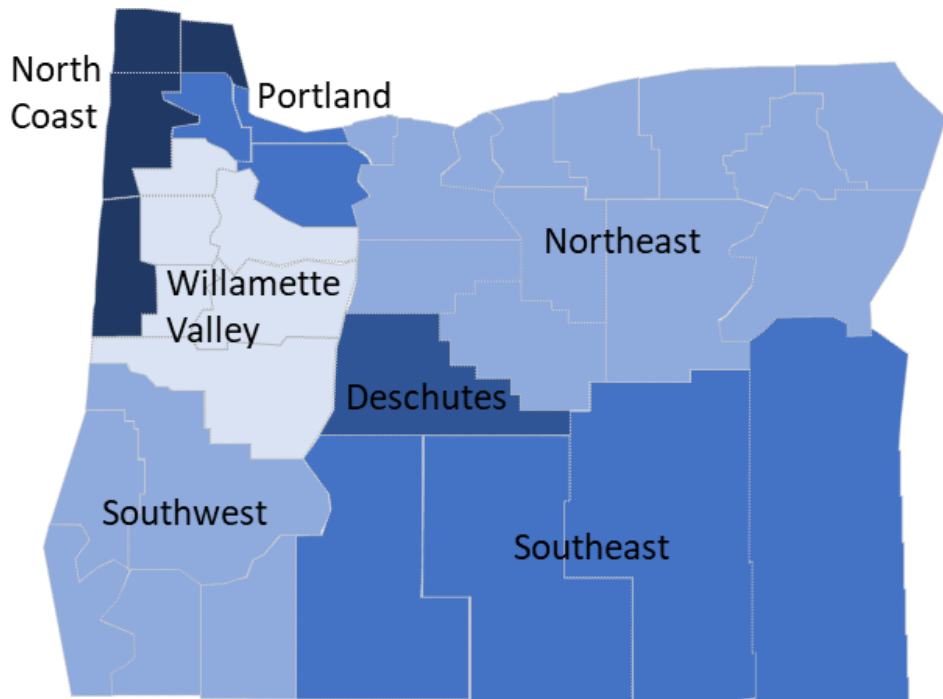


Oregon Office of
Economic Analysis





What is workforce housing?



Median Family Income	Portland Region	Southwest Oregon	North Coast	Deschutes	Willamette Valley
120%+	>\$98,000	>\$66,000	>\$77,000	>\$84,000	>\$82,000
80-120%	\$65-98,000	\$44-66,000	\$51-77,000	\$56-84,000	\$55-82,000
50-80%	\$41-65,000	\$28-44,000	\$32-51,000	\$35-56,000	\$34-55,000
30-50%	\$24-41,000	\$17-28,000	\$19-32,000	\$21-35,000	\$20-34,000
0-30%	\$0-24,000	\$0-17,000	\$0-19,000	\$0-21,000	\$0-20,000

Data: 2018 American Community Survey, rounded to nearest thousand

Source: Implementing a Region Housing Needs Analysis Methodology in Oregon

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Oregon Household Formation Boomed During the Pandemic

Change from 2019 to 2021

	Housing Units	No. of Households
2019	1,808,500	1,649,400
2021	1,837,000	1,702,600
Change	28,500	53,200
Difference	-24,700	

Metro Area	Housing Units	No. of Households	Difference
Albany	1,450	1,950	-500
Bend	4,150	7,250	-3,100
Corvallis	1,500	1,950	-450
Eugene	3,000	4,450	-1,450
Grants Pass	-500	1,550	-2,050
Medford	-700	3,000	-3,700
Portland	29,250	37,450	-8,200
Salem	3,250	5,850	-2,600

Data: 2019 and 2021 American Community Survey, 1 year estimates
 Source: Census, Oregon Office of Economic Analysis





Increasing Oregon's housing production

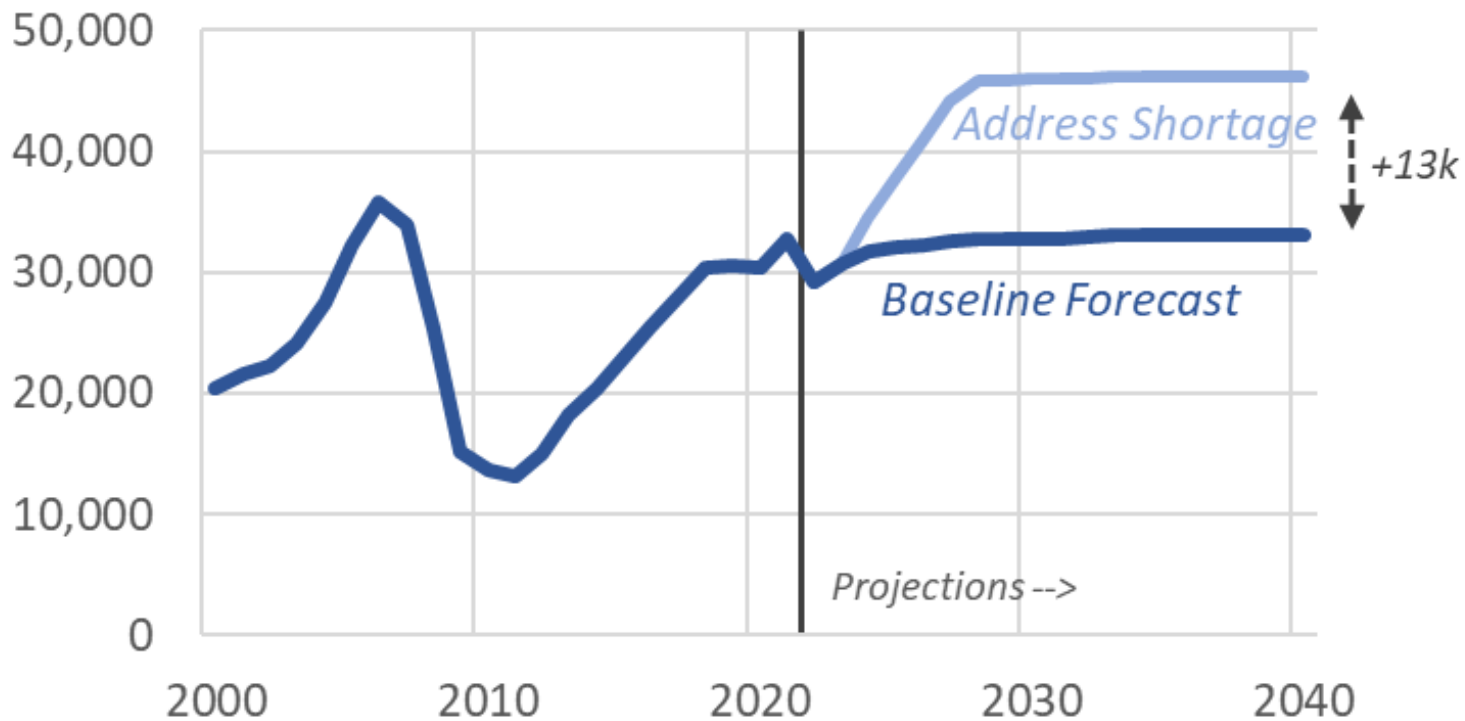
- Increase land availability
- Turn land into buildable lots faster (the *effective* land supply)
- Allow more units to be built
- Decrease, or at least stabilize development costs per unit
- Increase the construction workforce
 - Private sector builders and developers
 - Public sector building and planning departments





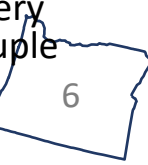
Increasing the construction workforce

Oregon Residential Construction Employment Needs



Source: Oregon Office of Economic Analysis

- To build more housing, Oregon needs more workers
- 13,000 more construction workers per year to build more units
 - Challenge: Labor market is tight, and residential pay is 15% below average
 - Increase number of construction firms
- 400-500 more public sector workers per year to approve, permit, and inspect more units
 - Based on current staffing ratios of 0.04-0.05 FTE per housing permit
 - Larger increases likely needed to improve timeliness
 - Challenge: Decentralized need; every city and county needs to hire a couple to a couple dozen such workers





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