

BARRIERS TO HOUSING PRODUCTION IN OREGON

RESULTS OF A MULTI-STAKEHOLDER SURVEY, 2022

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OREGON

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CATEGORIES OF BARRIERS



Land Regulation
& Infrastructure



Construction
Costs



Industry
Structure



Demand

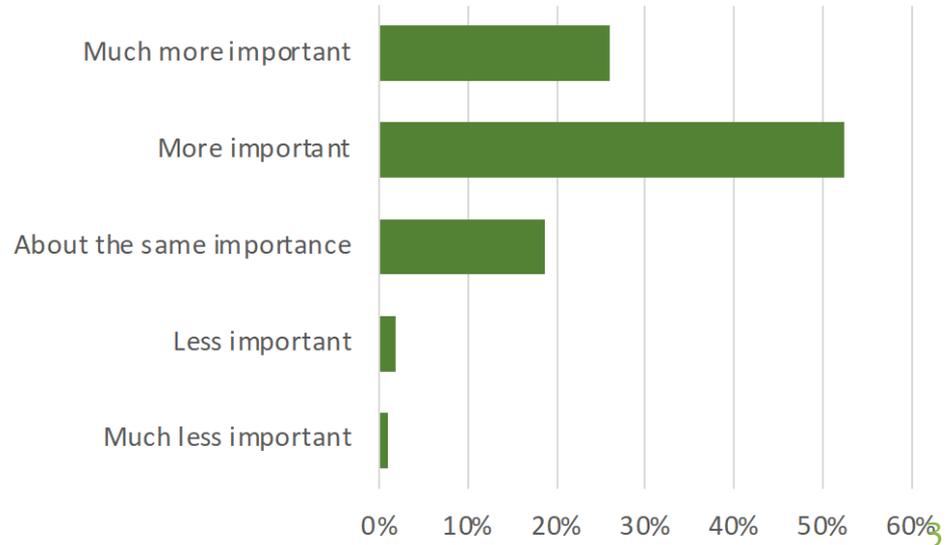


Process

HOW IMPORTANT IS HOUSING?

Please indicate the extent to which you perceive housing production to be important relative to other issues in your community or the communities you work in.

- 78% - more or much more
- Increase from our 2017 survey of cities



TOP BARRIERS



BARRIERS ARE VARIED AND INTERACT IN COMPLEX WAYS

- **National:** construction costs (materials and labor), financing, infrastructure, skilled labor, construction workers
- **Structural:** housing developers, contractor capacity, development not keeping pace with population growth, infrastructure development
- **Regulatory:** high cost of land, vacant buildable land, development ready tracts

SOME BARRIERS ARE COMMUNITY DEPENDENT

- Most barriers show consistency across city size and region, with a few exceptions:
 - Cost of System Development Charges: Portland Metro & inside metropolitan areas
 - Wetlands: Willamette Valley and South Coast
 - Land for Multi-unit housing: Portland Metro & Central Oregon
 - Public hearings & length of time for land use entitlements: Portland Metro

LAND SUPPLY & INFRASTRUCTURE BARRIERS ARE NUANCED



Cost Of Land
70%



Lack of Vacant Buildable
Land
61%

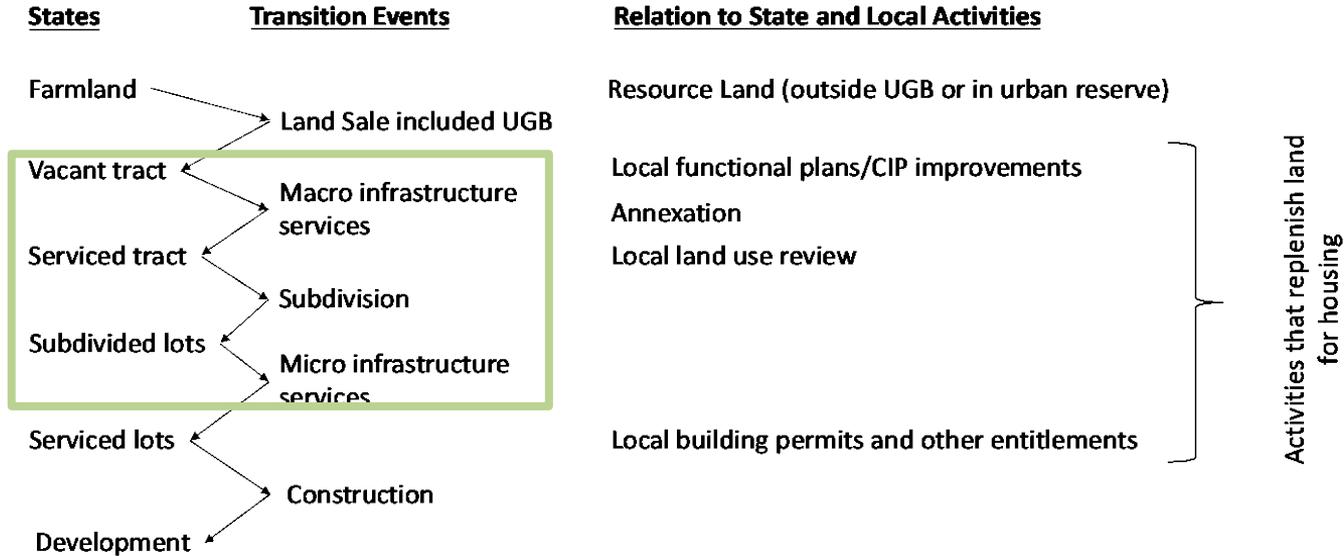


Lack of Larger(5+ acre)
Development Ready Tracts
54%

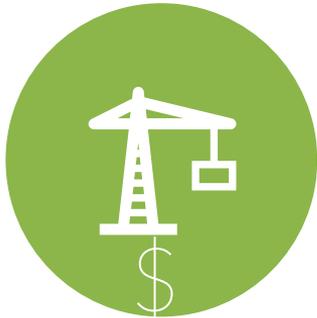


Inability to bring land to a
development Ready State
47%

INFRASTRUCTURE AND LAND READINESS



INDUSTRY BARRIERS



Construction Costs: Materials
75%



Construction Costs: Labor
66%



High Cost/Limited Supply of
Skilled Trades
62%

PROCESS BARRIERS VARY BY STAKEHOLDER

| Barrier | Government | Private | Nonprofit |
|----------------------------------|------------|---------|-----------|
| Time: Entitlements | 15% | 82% | 70% |
| Cost: System Development Charges | 11% | 75% | 38% |
| Time: Building Permits | 5% | 66% | 64% |
| Cost: Permits | 3% | 59% | 37% |
| Requirements: Permits | 2% | 43% | 45% |
| Lack of Political Will | 14% | 55% | 37% |
| Public Hearings | 10% | 45% | 36% |
| Uncertainty: Entitlements | 16% | 48% | 43% |
| Innovation: Building Codes | 13% | 35% | 45% |
| Opposition:Neighbors | 24% | 41% | 44% |

WHY AREN'T WE SEEING LOW COST HOUSING?

- *Oregon has a well-documented housing affordability crisis. Our research shows that most housing developers build larger and more expensive units regardless of unit type. In your view what are the biggest barriers to the private sector in building lower cost housing?*

“Developers focused on profitability of projects will naturally gravitate towards the projects with the easiest and cleanest returns. Lower cost housing comes with higher risk, which deters profit-driven entities from investing.”

“The combination of land, labor and material cost are a significant factor, in addition to the lack of adequate infrastructure previously discussed. Available parcels are often too small for developers to construct a meaningful number of units, even at higher densities.”

“Materials are very expensive regardless of house size, and small lower cost housing is not as profitable. Land costs are also rising so a cheap house on an expensive piece of land ends up being out the price range of low income families regardless.”

IN SUMMARY

- State has a well-acknowledged housing crisis
- Barriers to housing production are several and interact in complex ways
- Most highly ranked barriers: construction costs & land supply
- Variation across region: SDCs, wetlands, public hearings
- Disagreement between public, private & nonprofit: role of process & development sector not building needed housing