

Single family detached rental housing trends from 2015 to 2020 in the Portland Metro region

- The number of single family detached rental units in the City of Portland declined from 27,656 units in 2017 to 23,669 in 2020, a loss of 3,987 units.
 - *A 14% reduction in the stock of detached rental housing*
 - *The share of detached homes that were rental units decreased from 19% to 16%*
 - *From 2017 to 2020, 450 multifamily units with 3+ bedroom were built (Source: CoStar)*
- The number of single family detached rental units in the Portland Metro declined from 63,861 units in 2017 to 57,444 in 2020, a loss of 6,417 units.
 - *A 10% reduction in the stock of detached rental housing*
 - *The share of detached homes that were rental units decreased from 15% to 13%*
 - *From 2017 to 2020, 1,100 multifamily units with 3+ bedroom were built (Source: CoStar)*
- The rest of the Metro region's (excluding the City of Portland) stock of single family detached rental housing decreased by 7%, half the rate of the City of Portland

In an effort to communicate to policy makers the impact of recent regulatory changes on the stock of detached rental housing, the Oregon Realtors® and Multifamily Northwest have engaged ECONorthwest to conduct an independent analysis.

The report examines the inventory of single family detached rental homes in the Portland Metro region, covering Clackamas, Multnomah and Washington Counties, and the cities within those counties.

The purpose of the study is to identify trends in the supply of Oregon's single family detached rental housing over the same period of time as Oregon's recent rental housing laws were implemented.

Single family detached homes are a critical piece of Oregon's rental housing stock. They are a large share of the naturally occurring rental housing stock with three or more bedrooms.

- Data source was the Regional Land Information System (RLIS) produced by Metro, which provides parcel level data from 2015 to 2020
- Analysis focused on two study areas, the City of Portland, and the Portland Metro, which is the 3-county area inside Oregon
- Evaluated ownership characteristics (name, address, etc.) to determine which housing units appear to be renter occupied
- Repeated the analysis annually from 2015 to 2020 (the most recent available data) to track the change in the number of units that appear to be renter occupied

Why use RLIS instead of Census Data (ACS)?

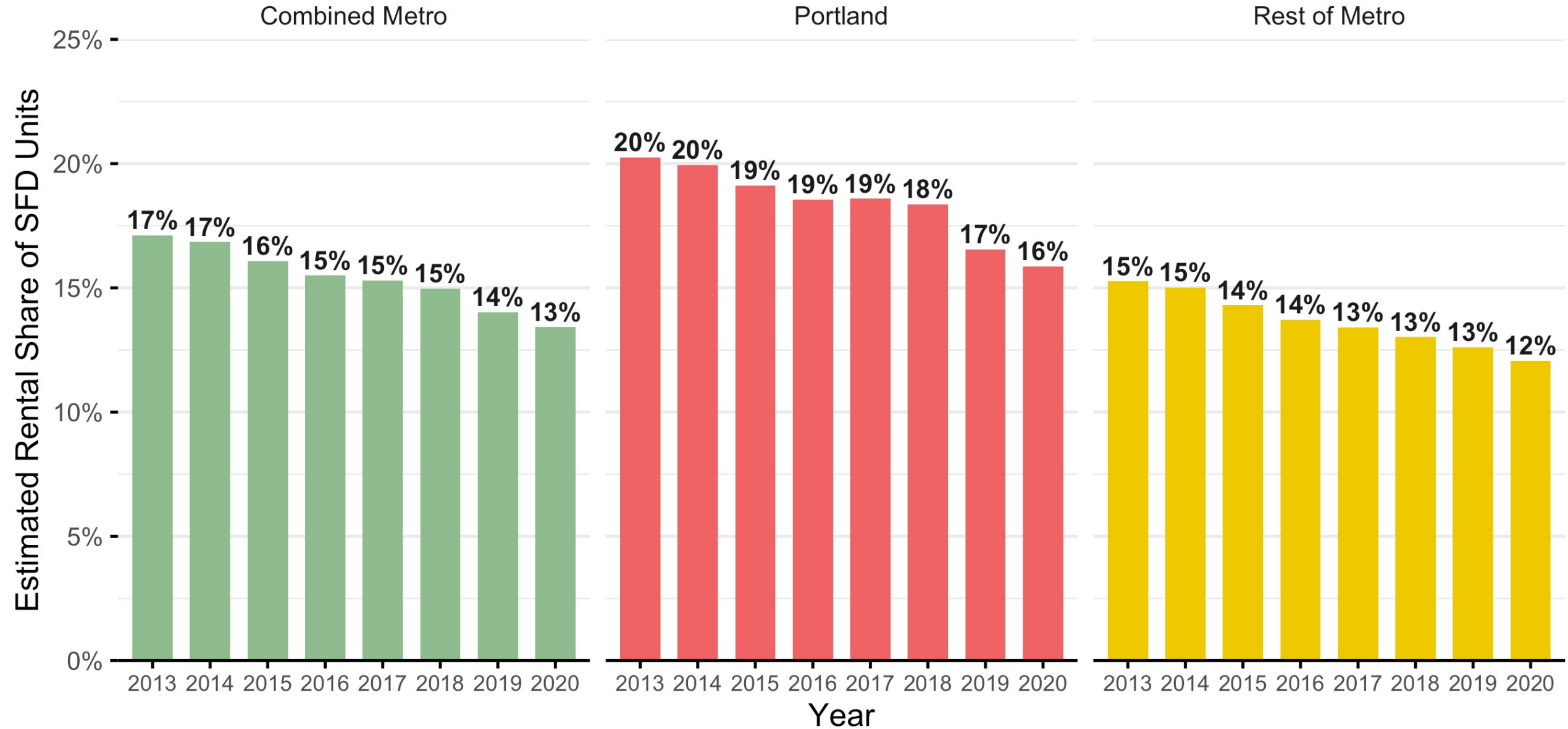
- 1 year ACS data has a large margin of error (see bars on chart on following page)
- Estimated values jump from year to year making it hard to determine an accurate baseline value (likely as result of the margin of error)
- ACS can't track changes at the neighborhood level other than during decennial census (5-year samples aren't suitable for doing annual rate of change analysis)
- Census 1 year ACS data at the city level is not available in 2020 (COVID data reliability), so it isn't possible to track recent market changes
- Applying a consistent methodology to parcel level data annually yields more reliable results than a 1% sample of the population (ACS)

RLIS estimation approach falls within in the ACS margin of error range

Number of single family detached rental units by data source (ACS vs. RLIS ECONorthwest Method)

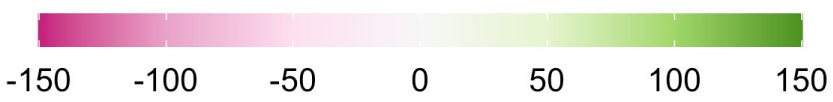
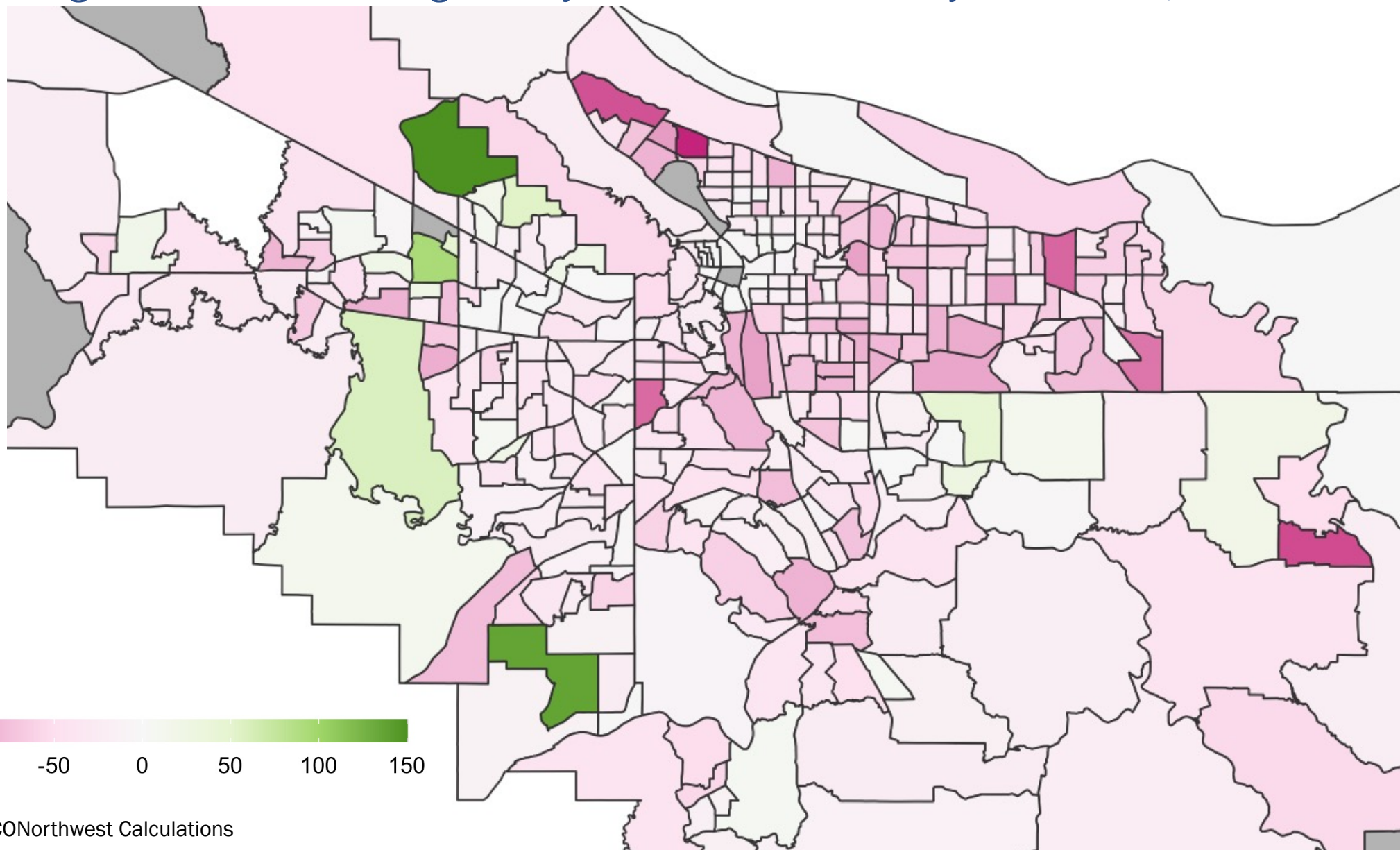


The share of detached units that are rentals decreased by 4% across the region since 2014



90% of census tracts have fewer detached rental units than in 2014

Change in the number of single family detached rental units by census tract, 2014 to 2020



Source: RLIS, ECONorthwest Calculations

Takeaways

- The number of single family detached rental units has been decreasing since 2014 in the Portland Metro, but the rate of the loss of units has increased since 2017.
- Since 2017, the share of single family detached rental unit loss was twice as large in the City of Portland compared to the rest of the metro (14% vs. 7% of the stock).
- Single family detached rentals make up a large share of the family sized rental units. Since 2017 there are 6,400 fewer detached rental units in the Metro area, while 1,100 multifamily units with 3+ bedrooms were built. That represents a net loss of 5,300 family sized units in the Portland Metro.
- In the City of Portland, there are 3,987 fewer detached rental units since 2017, while 450 multifamily units with 3+ bedrooms were built, a loss of 3,537 family sized units.
- The loss of the detached rental stock is widespread across the region, with 90% of tracts having fewer units today than in 2014. The number of units lost was more heavily concentrated in neighborhoods with lower home prices across the region.

Note on March 15th retracted report

We take pride in the accuracy and clarity of our work. On rare occasions, we miss the mark. An error was discovered in the first version of this report, which was released on March 15, 2022. We appreciate the important feedback we received, and as a result have provided more detailed findings. We apologize for any confusion caused by the initial release.

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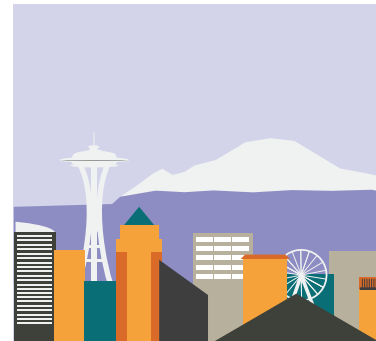
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