



TO: Senate Committee on Human Services and Early Childhood
FROM: Jon Chandler (jchandler@oregonhba.com)
RE: Housing related bills
DATE: 1 February 2016

As this committee and others start to tackle the important problem of housing affordability, a bit of context might be helpful.

On the reverse of this page is a chart showing building permit activity in Oregon over the last several years. The data is not mine, but is taken from the US Census Bureau's website, where they have permits broken down by state and MSA. Their data breaks down permits into several multi-family categories, but what this shows is the total number of building permits, with the single family permits broken out separately.

It is offered for your consideration with just one interpretative note and one editorial comment:

The interpretative note is that the Portland MSA is actually the Portland - Hillsboro - Vancouver MSA, which means that some of the permits shown are actually being pulled in Washington, making the total numbers shown for Portland somewhat overstated.

The editorial comment is that we have, at root, a huge supply and demand problem. According to the state economist's calculations, in a normal year we should be building somewhere in the neighborhood of 21,000 units a year total - single, multi, for-sale, for-rent – statewide. Given that we have had several years of underbuilding, we probably should be closer to 25,000 units/year to catch up, and we aren't, by quite a large margin. And the delta between housing need and housing supply is increasing cumulatively by tens of thousands of units per year, every year, and that in turn means that housing prices and rents are going to continue to go up to reflect that disconnect.

This is why we have been and will continue to be so adamant that something needs to be done to increase the raw numbers of units being built, not as a stand-alone strategy but as a necessary part of any set of programs aimed at reducing housing costs. Whether it comes through adding additional land for development or making it easier and less expensive to build on the land already identified, we simply have to increase housing production if we are going to get supply to match with demand.

It is also why we have so strenuously opposed mandatory inclusionary zoning, as it won't do anything meaningful to significantly close this gap and could easily, if done poorly, make it considerably worse.

US Census Data - Building Permits For Oregon MSAs

	Oregon		Bend		Corvallis		Eugene		Medford		Portland		Salem	
	Total	SF	Total	SF	Total	SF	Total	SF	Total	SF	Total	SF	Total	SF
Jan-15	796	625	106	100	9	5	40	40	25	25	604	486	62	20
Feb-15	1319	684	91	87	1	1	34	34	43	39	1295	474	34	34
Mar-15	974	821	95	89	3	3	57	47	34	34	713	584	77	41
Apr-15	1146	964	153	153	10	10	44	44	54	54	866	671	37	37
May-15	1233	976	123	121	9	9	33	33	60	50	946	694	52	23
Jun-15	1765	1076	180	171	31	31	89	42	54	52	1407	735	45	45
Jul-15	1449	920	139	137	37	8	42	42	48	46	1143	631	32	32
Aug-15	1426	902	149	142	6	6	61	37	43	43	1085	571	31	31
Sep-15	1674	922	169	141	3	3	41	33	58	38	1399	658	90	30
Oct-15	1863	807	387	145	6	6	49	42	35	35	1456	613	35	33
Nov-15	1371	708	220	101	6	6	121	38	109	37	947	509	31	31
YTD-15	15335	9600	1808	1383	121	67	611	432	581	475	12245	6670	526	357
Total-14	16645	8573	1330	1274	451	119	1316	506	747	590	12356	5462	944	712
Total-13	14969	8850	1317	1204	256	86	939	478	645	556	11512	5640	832	534
Total-12	10608	6342	727	667	348	51	740	349	482	342	7277	4203	546	290
Total-11	7663	4854	457	455	328	30	716	384	361	253	5190	3133	360	248
Total -05	31024	23840	4460	3893	388	220	2261	1492	2036	1707	17175	12728	1671	1384