

Oregon's Housing Shortage & Outcomes of Policy Changes Elsewhere

Alex Horowitz, The Pew Charitable Trusts

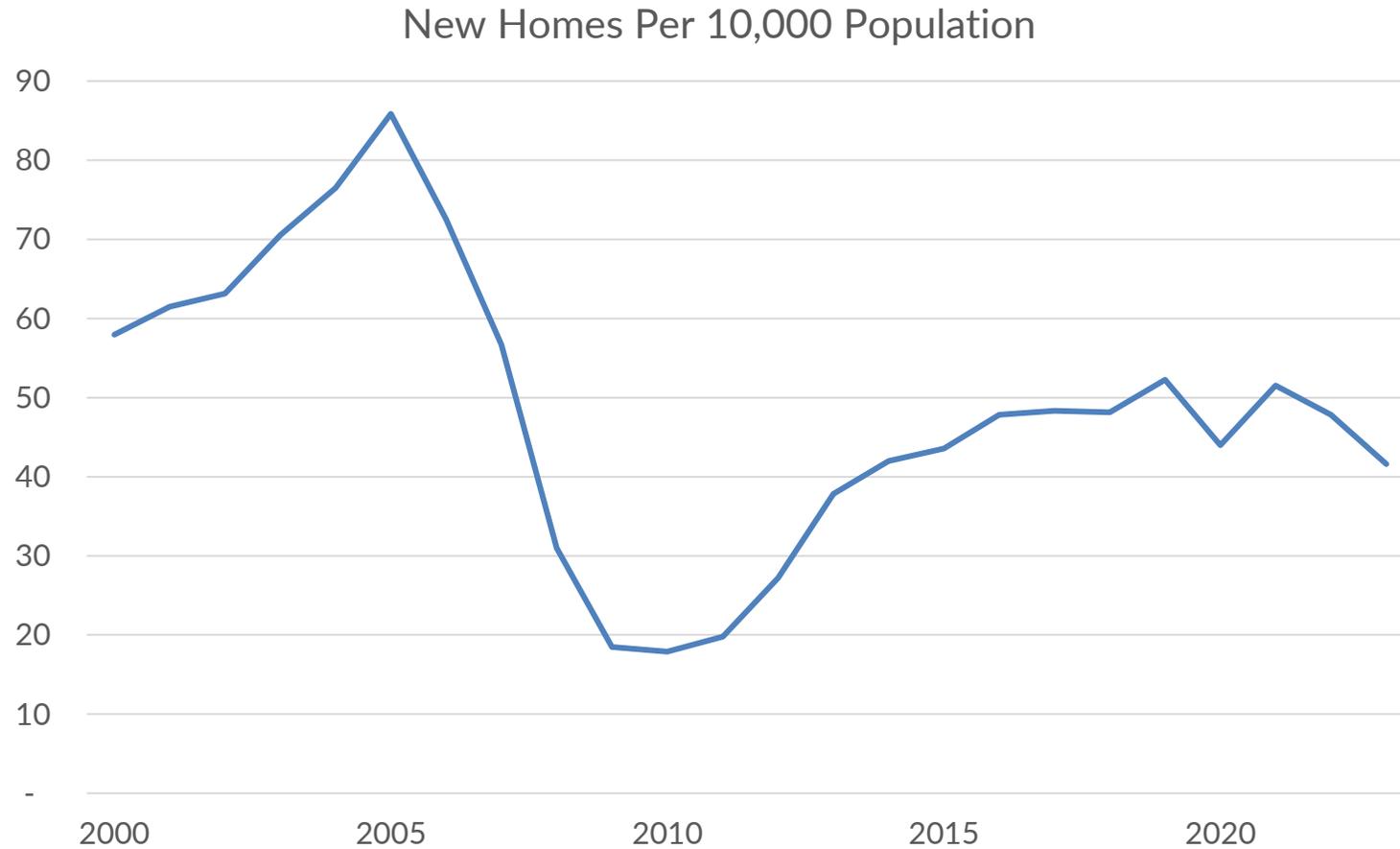
September 29, 2025

Pew

U.S. Housing Costs Have Reached an All-Time High in the Past Year

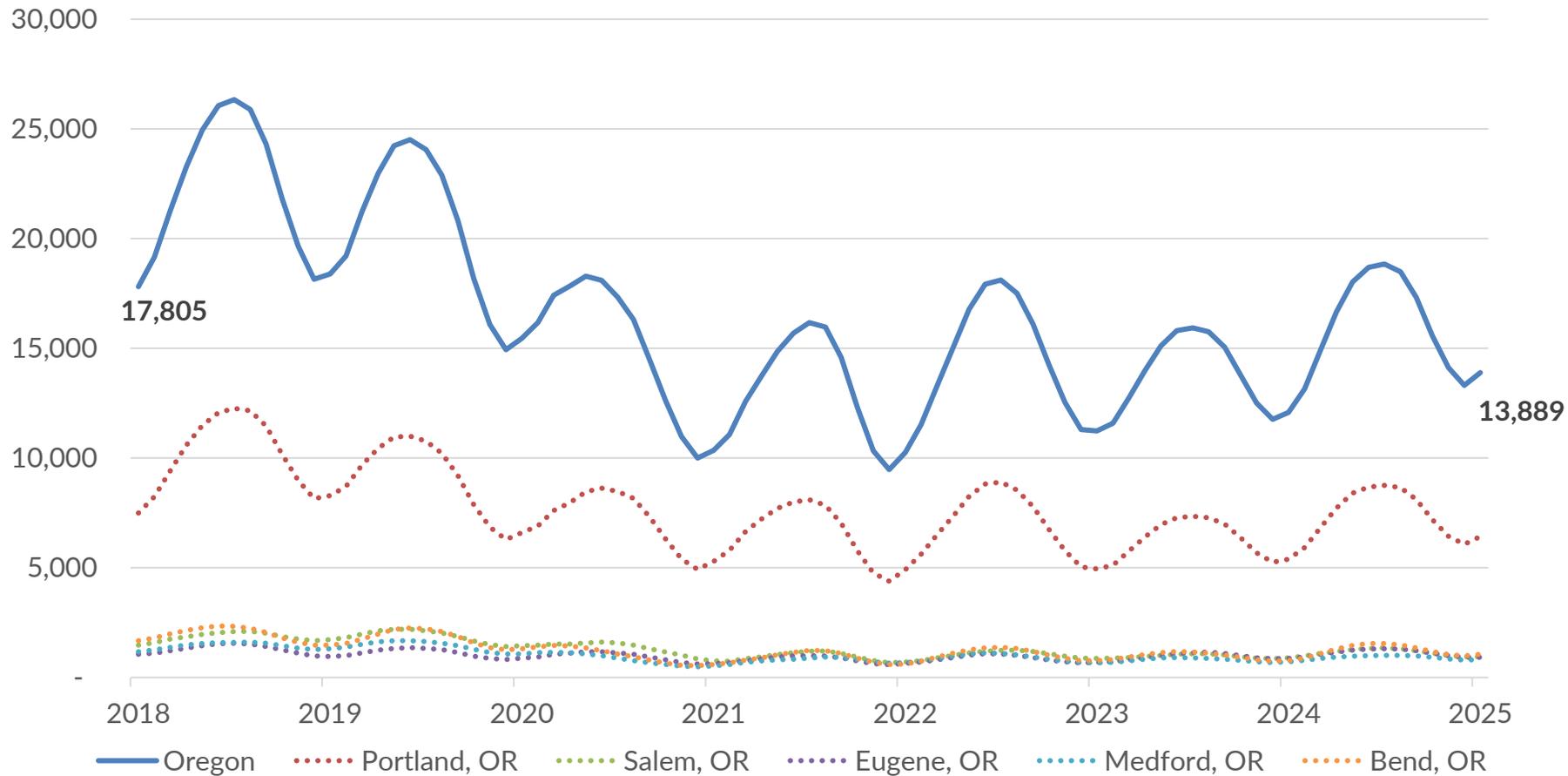
- Half of renters are spending more than 30% of income on rent (Oregon: 51%)
- One-quarter of renters are spending more than 50% of income on rent (Oregon: 26%)
- Housing shortage of 4-7 million homes is primary culprit
- U.S. inventory has been low (seller's market) for 5 years
- Household size has reached an all-time low of 2.49 (Oregon: 2.36)
- 63% of U.S. households have 1 or 2 people (Oregon: 66%)

Oregon Home Construction Has Not Recovered



Source: Pew's analysis of U.S. Department of Housing and Urban Development building permits data and Federal Reserve resident population data

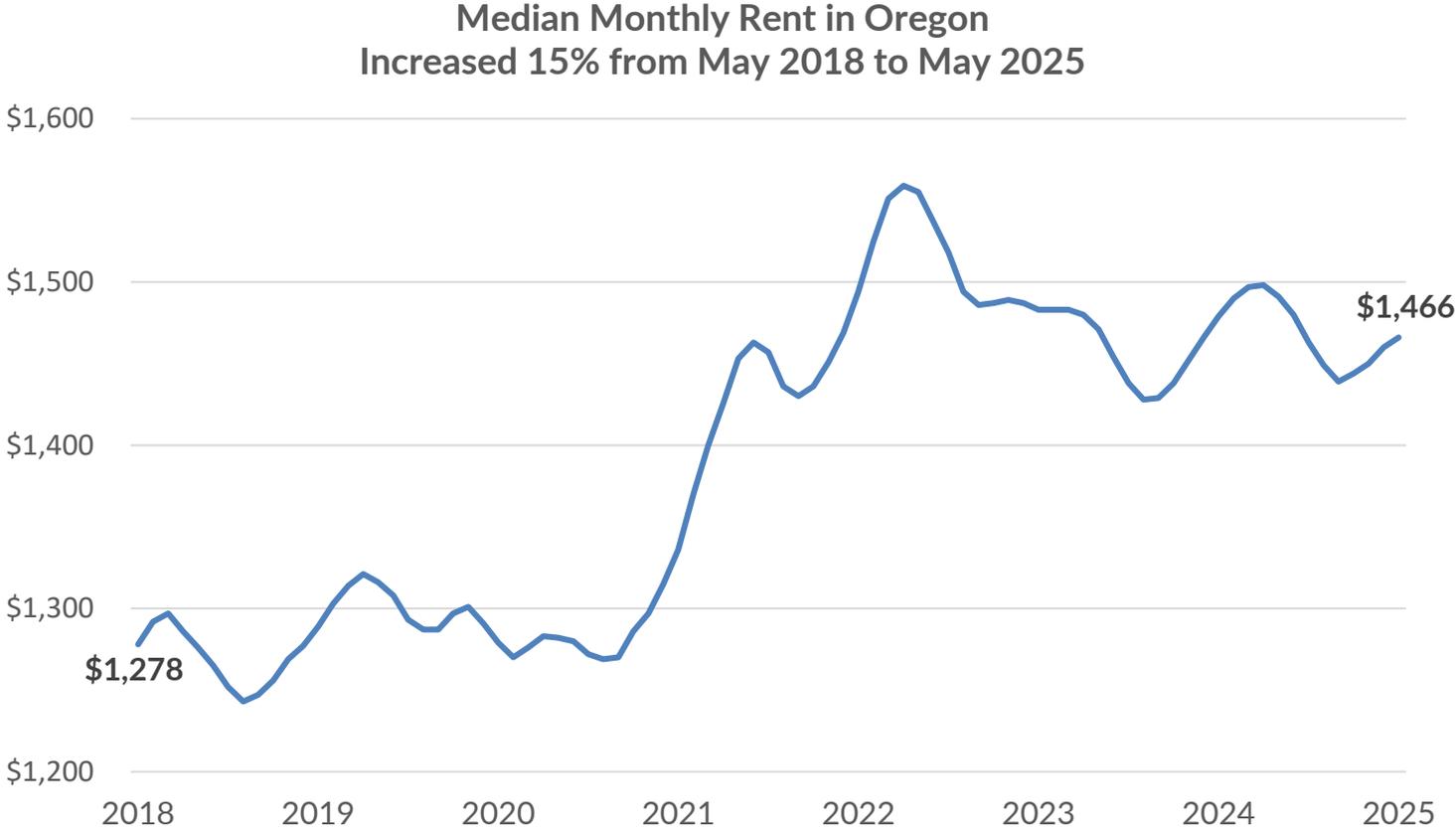
Oregon's Housing Inventory Down 22% Since 2018



Oregon median home cost up 33% in past 5 years:
April 2020: \$383k
April 2025: \$508K

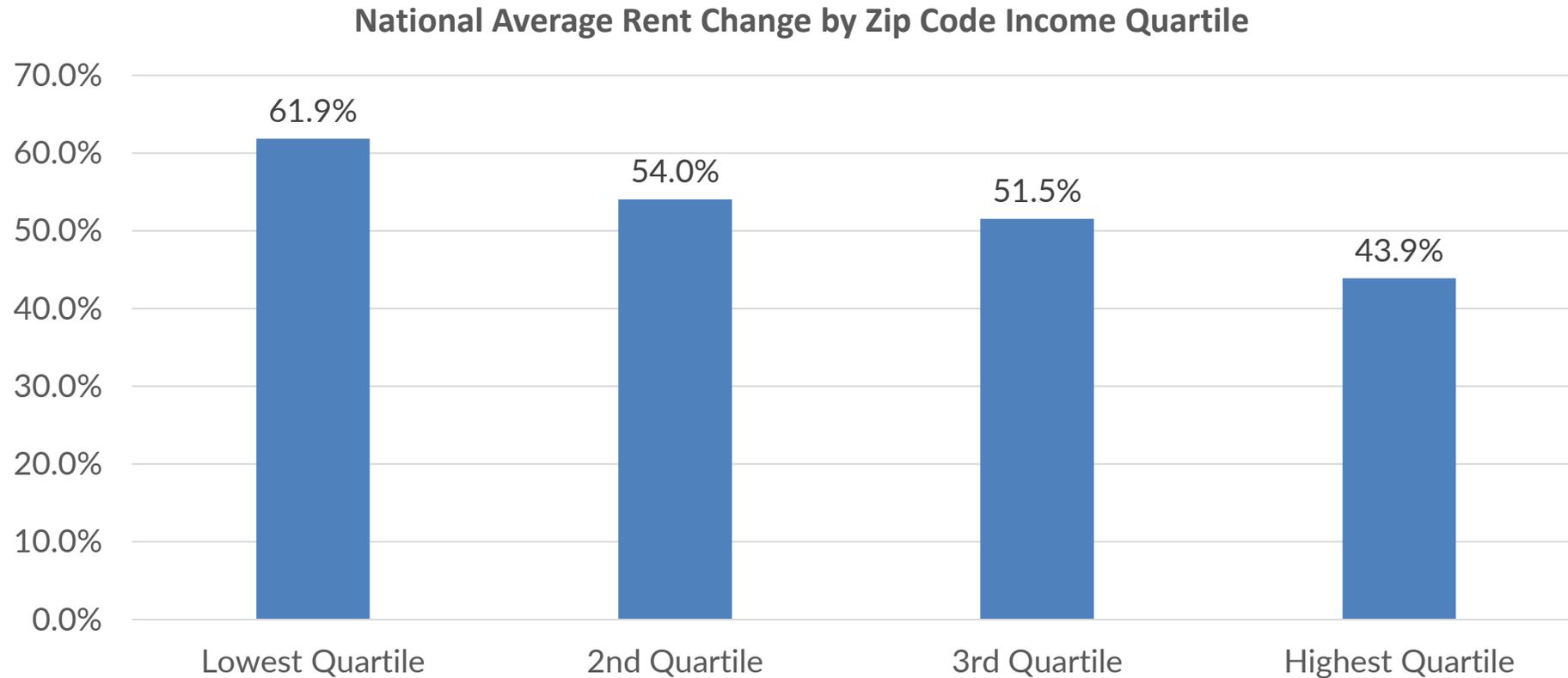
Source: Zillow.com

Oregon Rents Rise Amidst Shortage



Source: Apartment List Rent
Estimate data

Housing Shortage Hurts Low- and Moderate-Income Households Most



Source: Pew's analysis of Zillow rent estimate data (Sep. 2017-Sep. 2024) and IRS Income by ZIP Code data (2017)

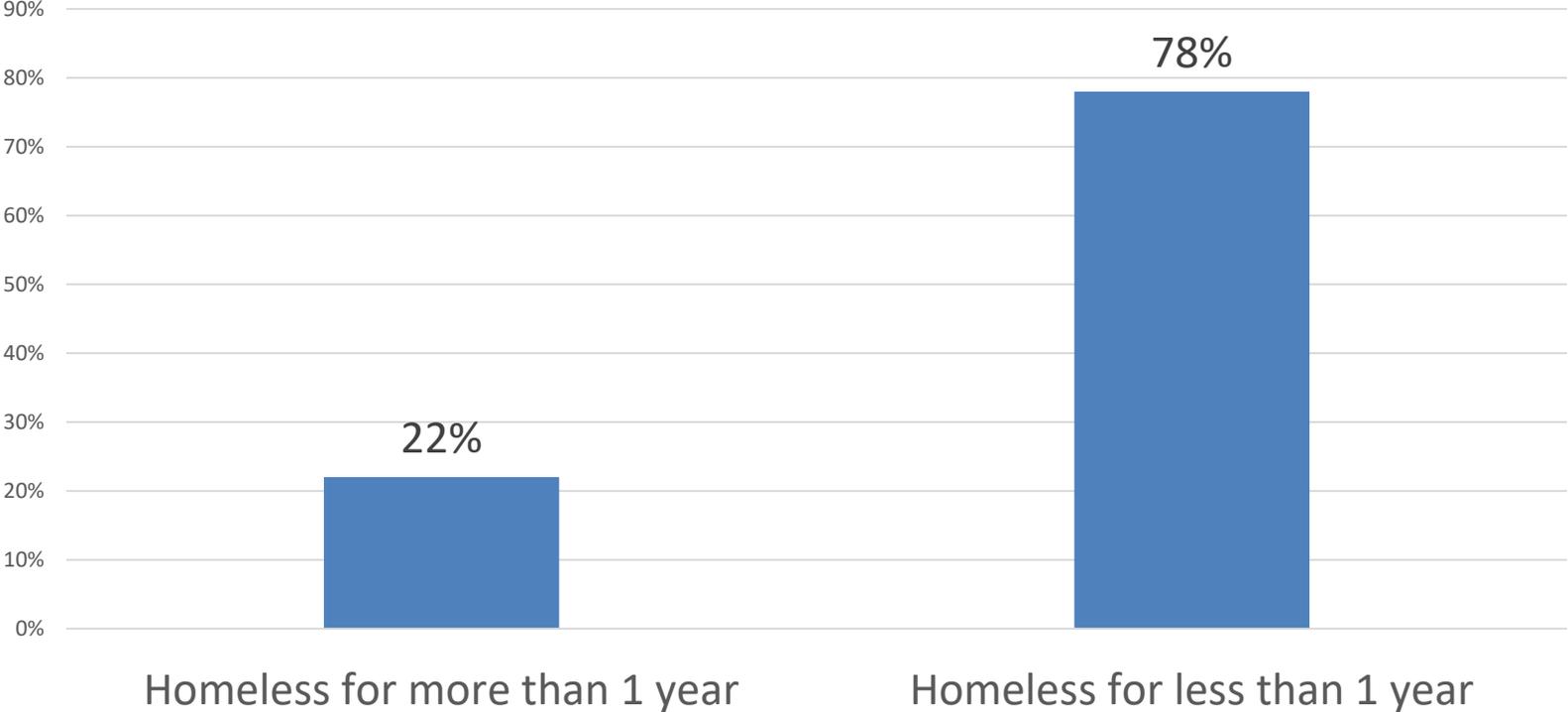
Supply Boost Has Driven Down Rents in Lower-Cost Apartments

Market	Effective Rent Change in 2023			
	Market Average	Class A	Class B	Class C
Austin	-6.0%	-4.4%	-5.7%	-7.9%
Dallas	-1.4%	-0.4%	-1.9%	-1.5%
Orlando	-4.0%	-2.9%	-5.1%	-3.1%
Phoenix	-4.3%	-1.9%	-3.9%	-7.2%
Salt Lake City	-3.4%	-1.9%	-3.9%	-3.6%
San Antonio	-2.9%	-1.7%	-3.6%	-2.8%

Source: RealPage rent data

Homelessness Driven by Inflows & Outflows, Not a Static Group

Data from 2024 point-in-time count for U.S.

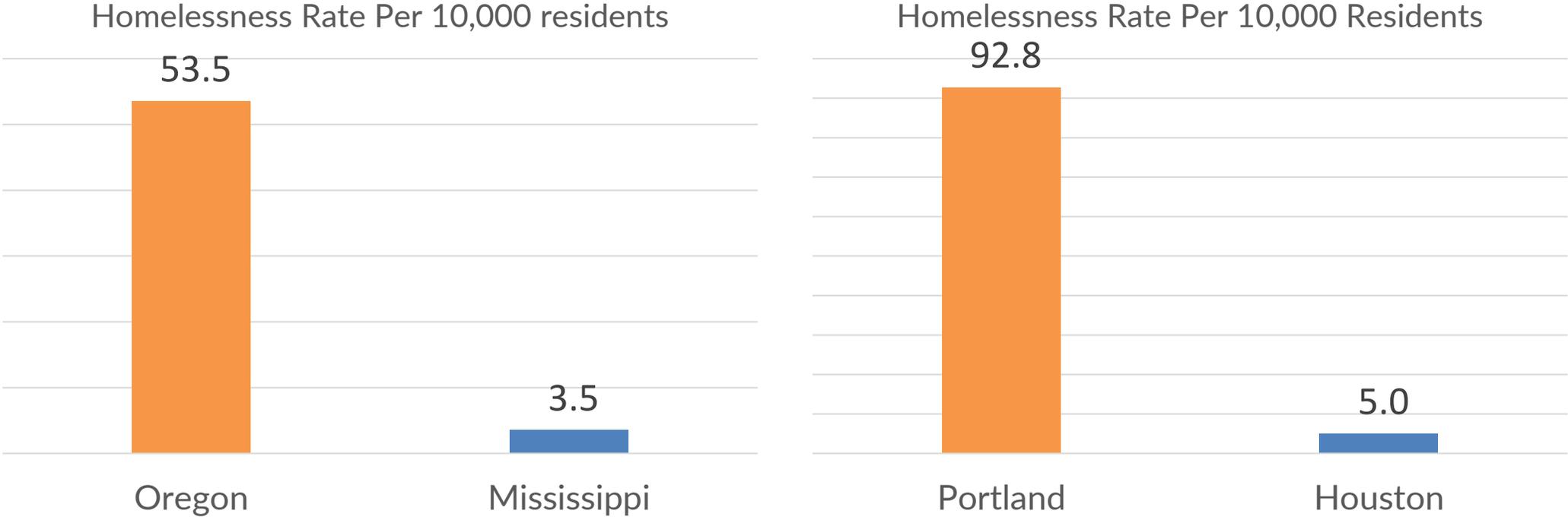


771,480 people identified in 2024 homelessness count in United States (all-time high)

Source: HUD PIT count

Market Factors, Rather than Individual Ones, Drive Homelessness

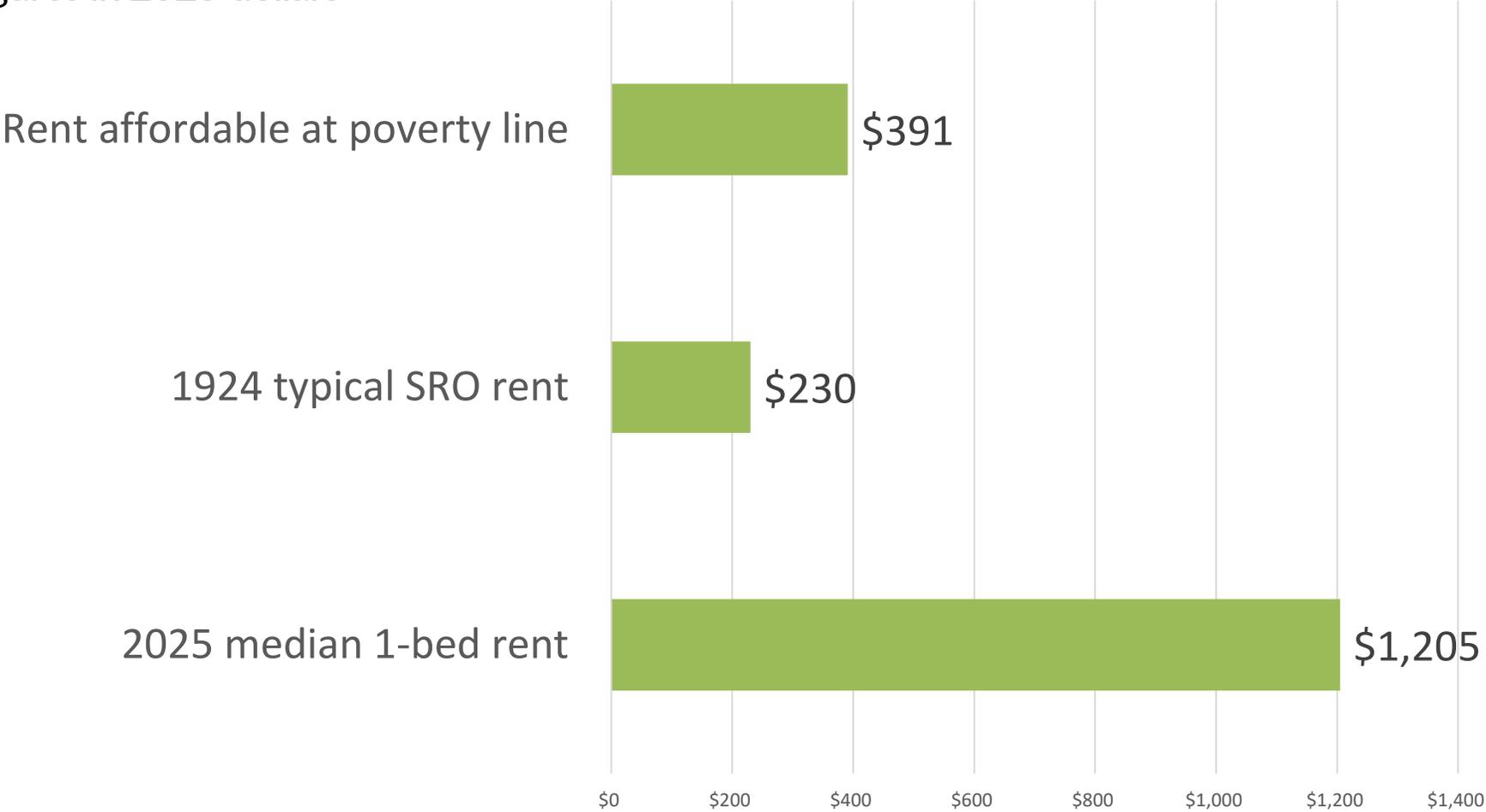
Oregon's homelessness rate is 15 times Mississippi's; Portland's is 18 times Houston's



Source: HUD PIT count, Census Population Count

20th-century SROs Had Rents Affordable to Those Below Poverty Line

All figures in 2025 dollars



Sources: SRO rent from Paul Groth, "Living Downtown;" 2025 rent from Apt. List

Co-living Study Design

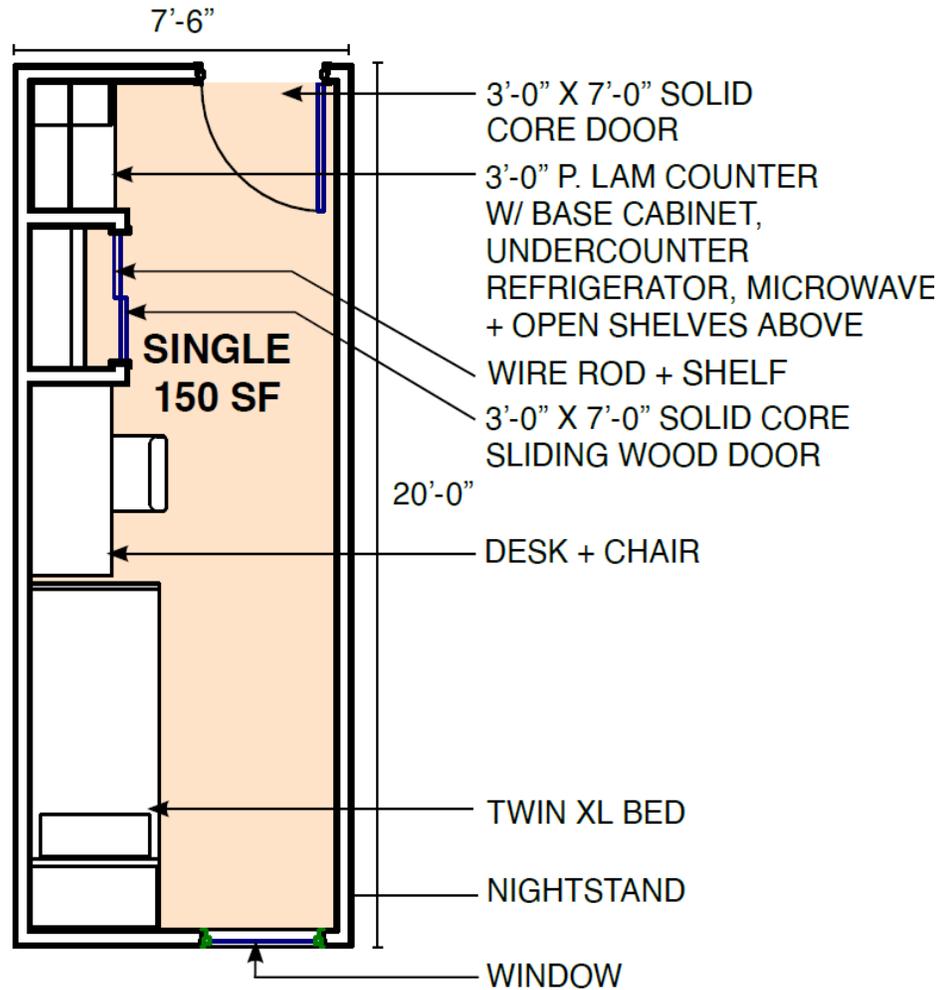
- Develop proof of concept in partnership with Gensler
- Select cities where office to co-living is viable under current regulations
- Identify common building types that would work for such conversions
- Design floorplan for converted building
- Estimate construction costs and all other costs of such a conversion
- Compare development costs and outcomes with other similarly affordable housing in these markets

Reviving Low-Cost Housing: Safe, Modern Office to Co-Living

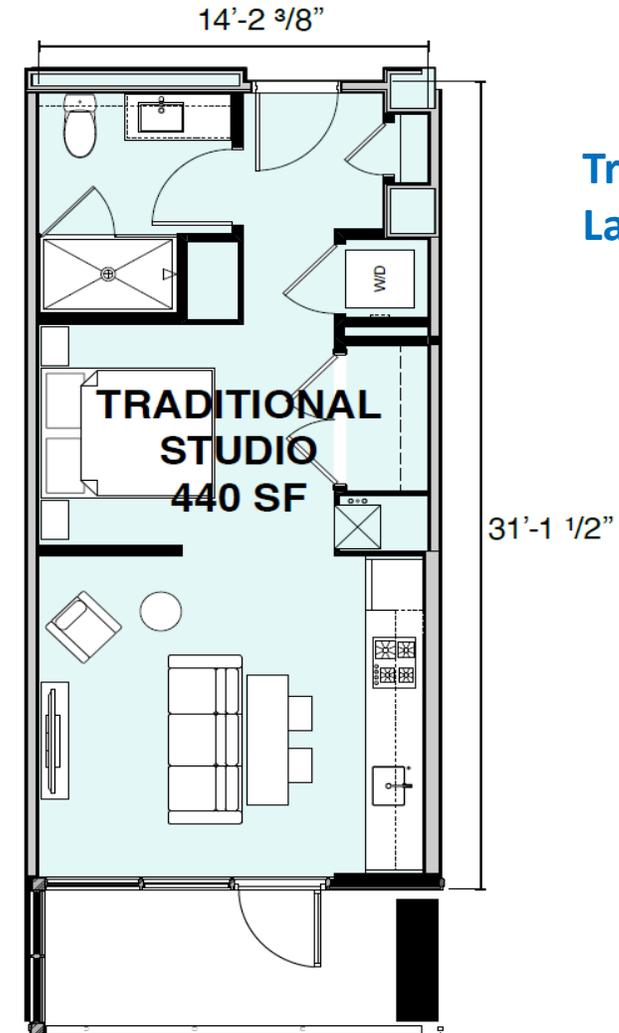
- 40% of U.S. renter households have 1 person
- 86% of homeless households have 1 person (comprising 66% of people)
- Cost per unit 2x-4x lower than either new build or office to conventional apartment.
- Centralizing plumbing reduces costs by avoiding the expensive construction of kitchens and bathrooms in each unit.
- Construction costs are 25-35% lower per square foot than office to conventional apartments.

Co-living Unit vs Traditional Studio Layout

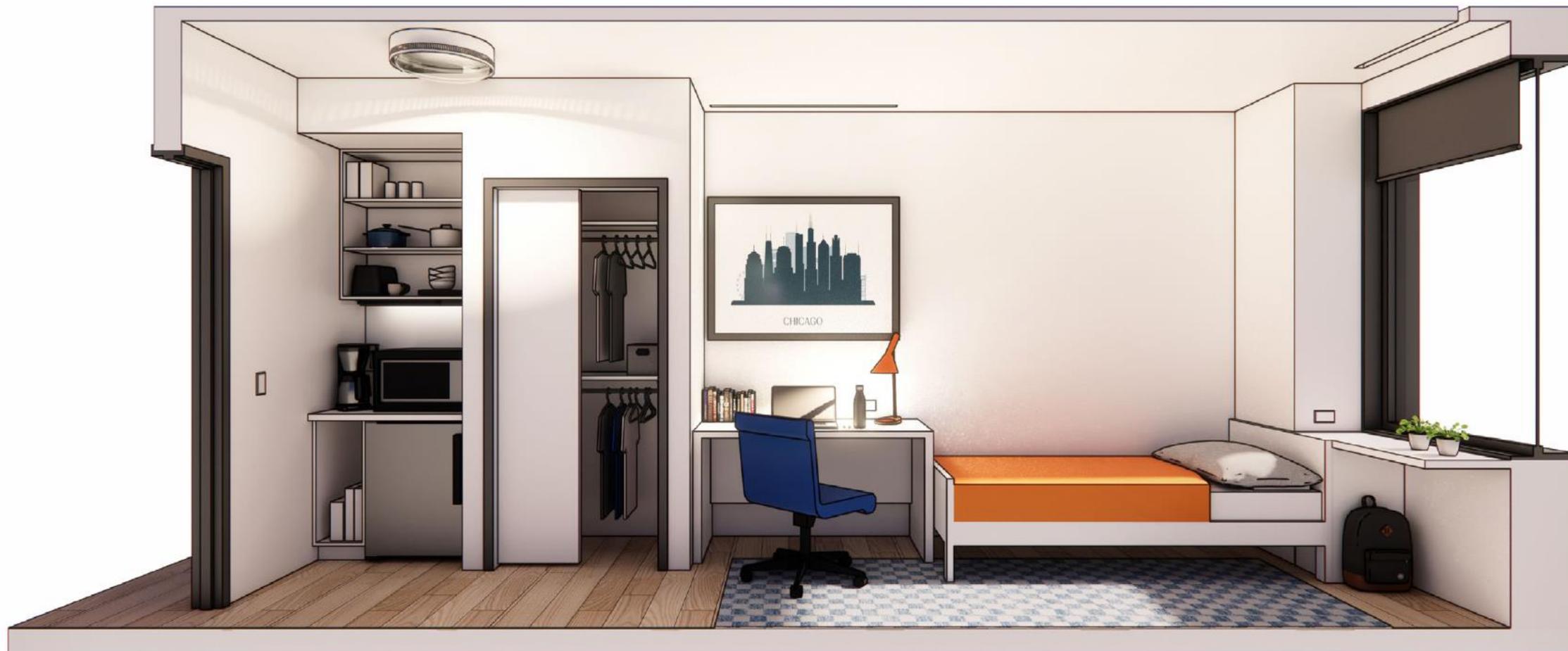
Co-living Unit Model



Traditional Studio Layout

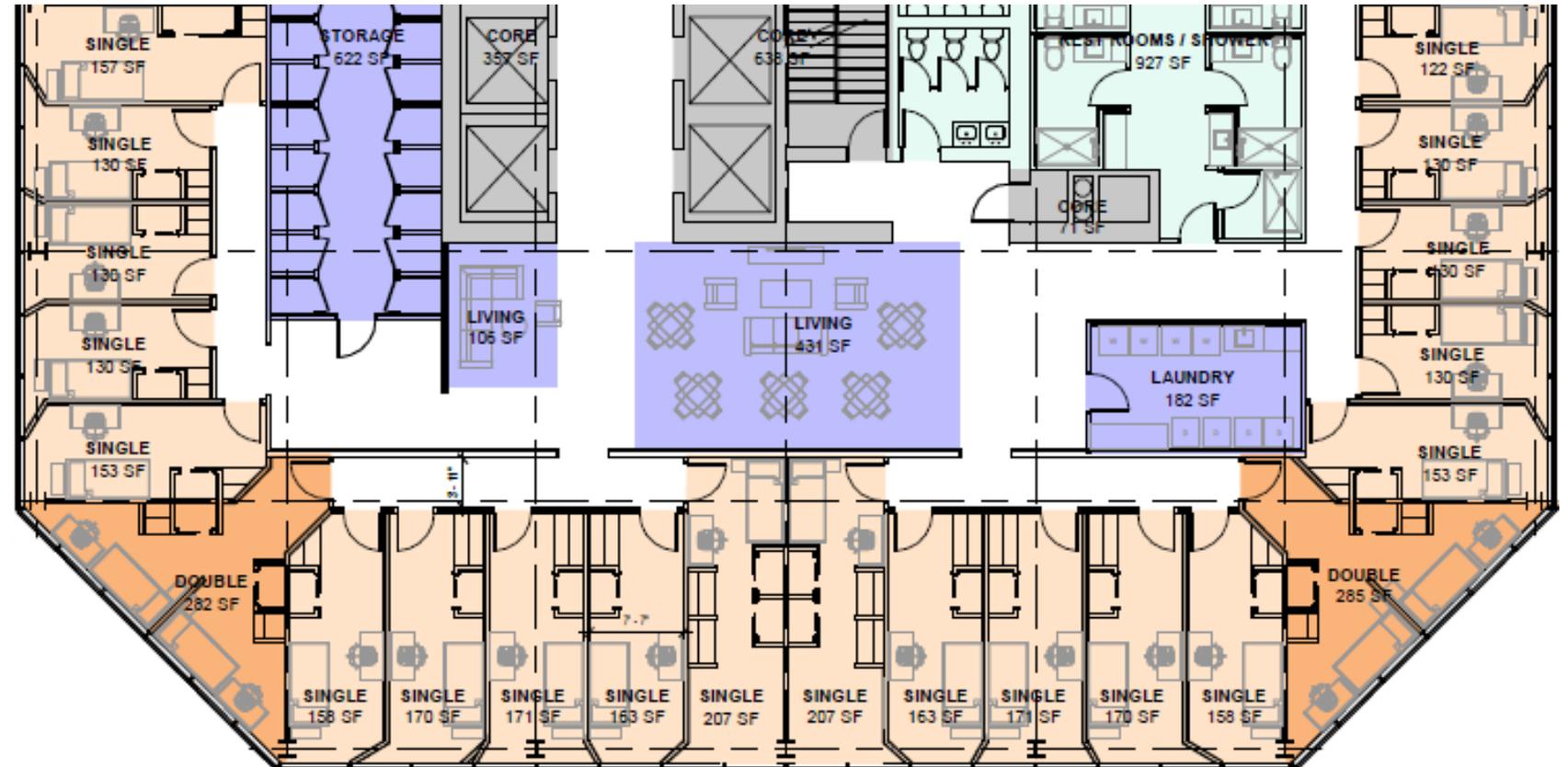
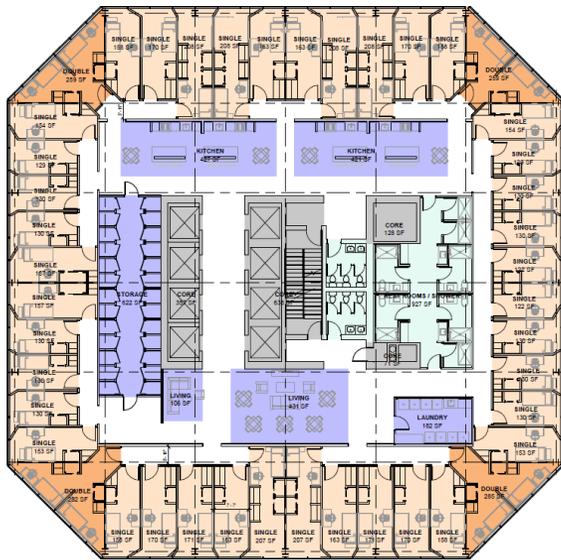


Rendering of a Micro-Unit



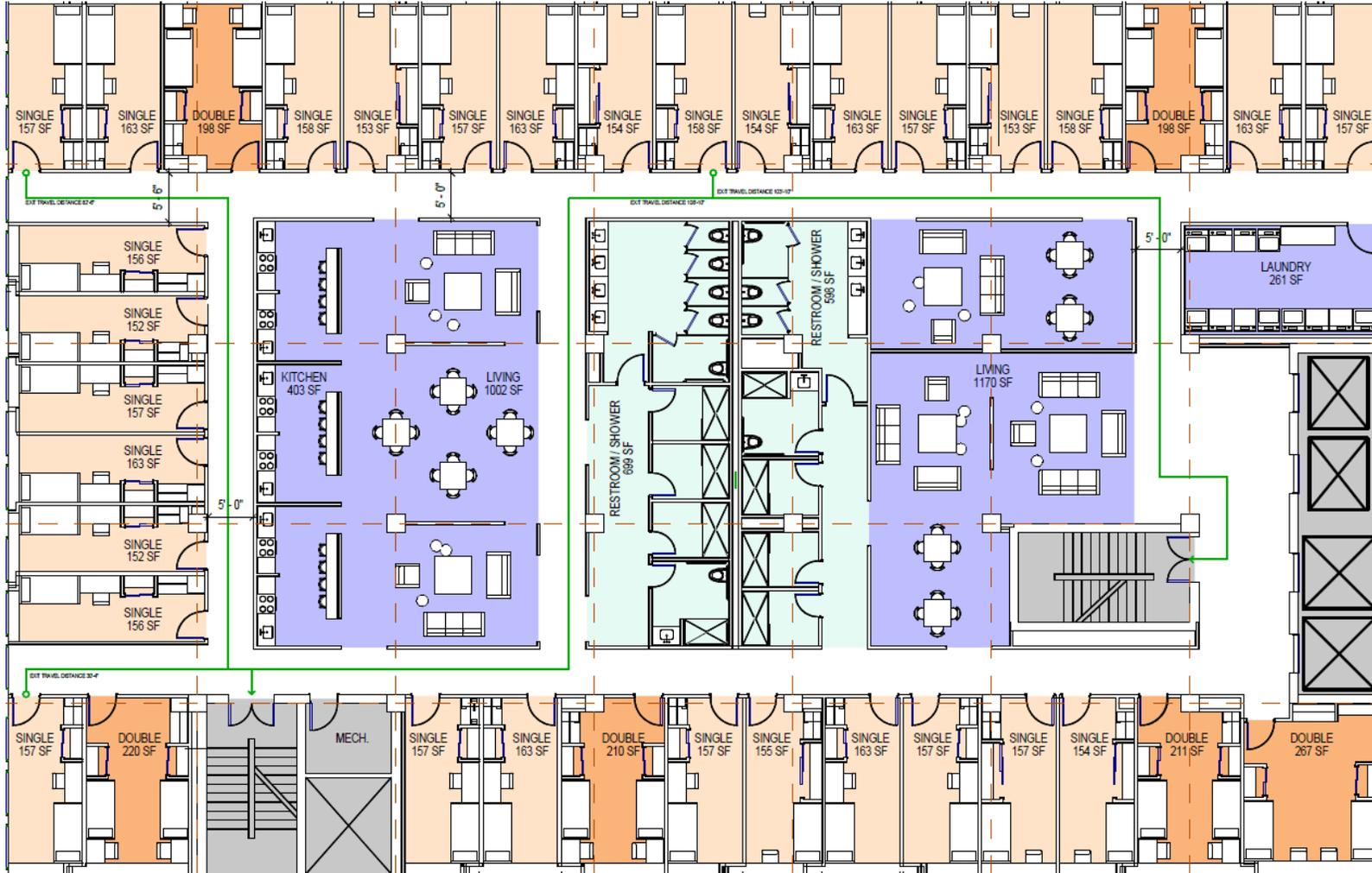
Source: Gensler

Denver Building Floor Plan



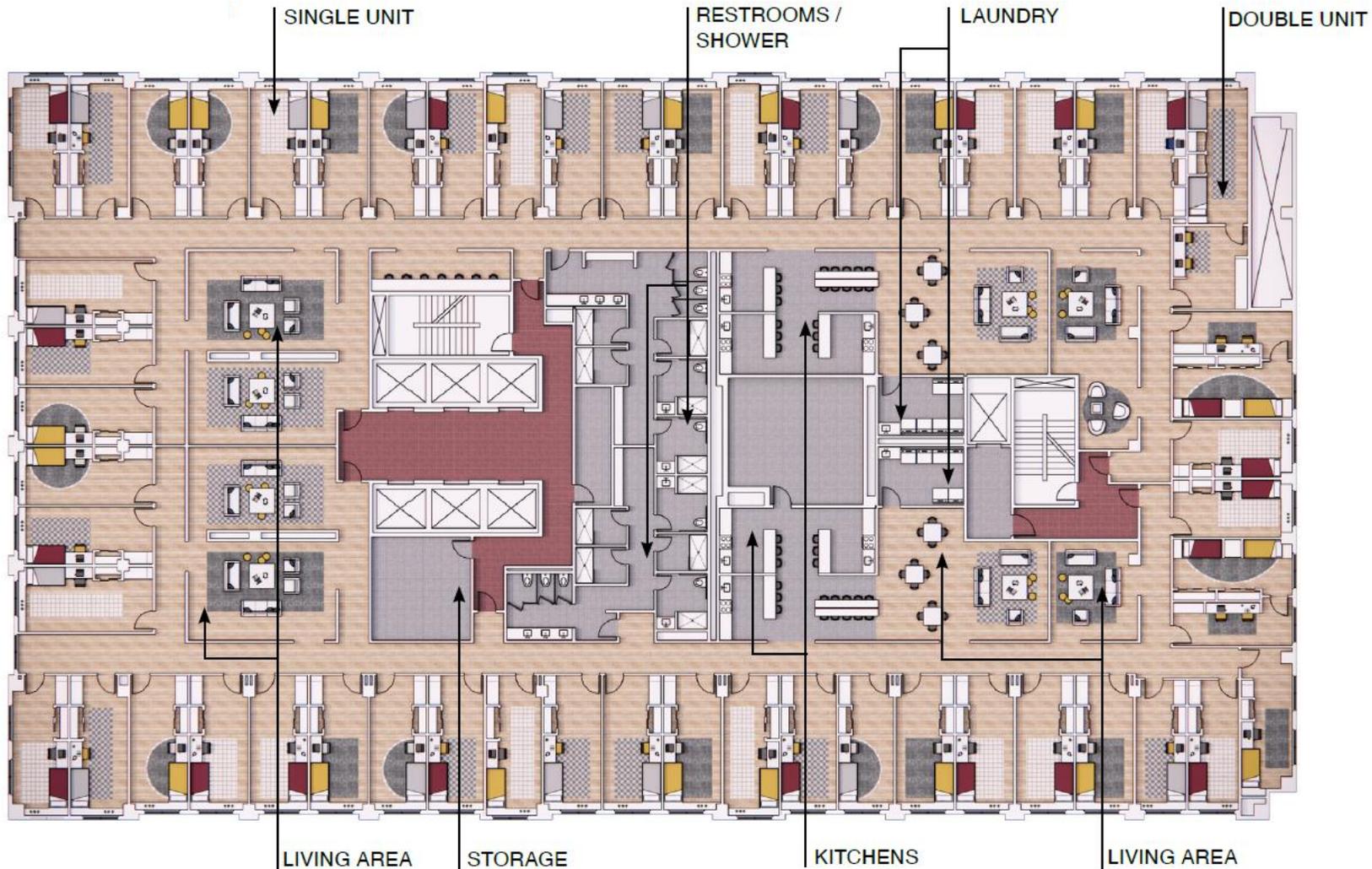
- 28 residential floors
- 44 units (inc. 4 doubles)
- Total of 1,232 units (1,344 residents)

Chicago Building Floor Plan



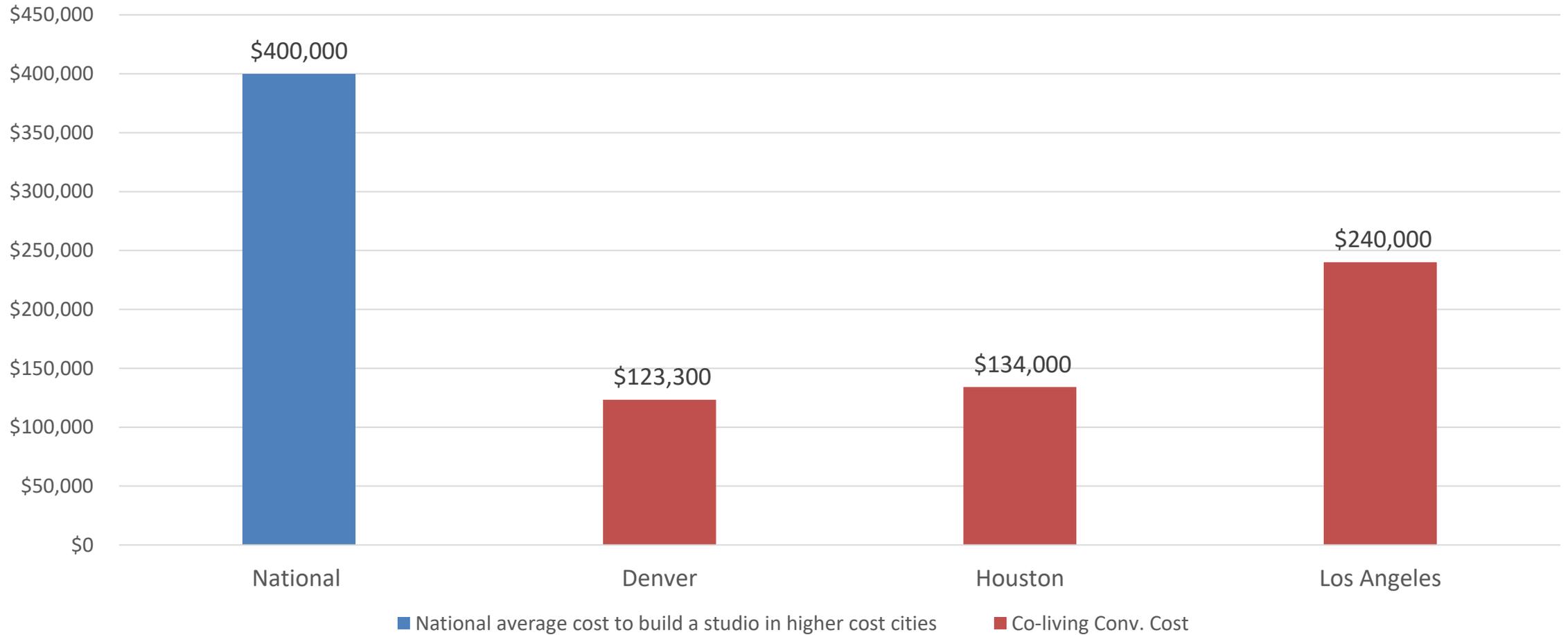
- 10 residential floors
- 42 beds per floor
- Total of 360 units (420 residents)

Washington, D.C. Building Floor Plan



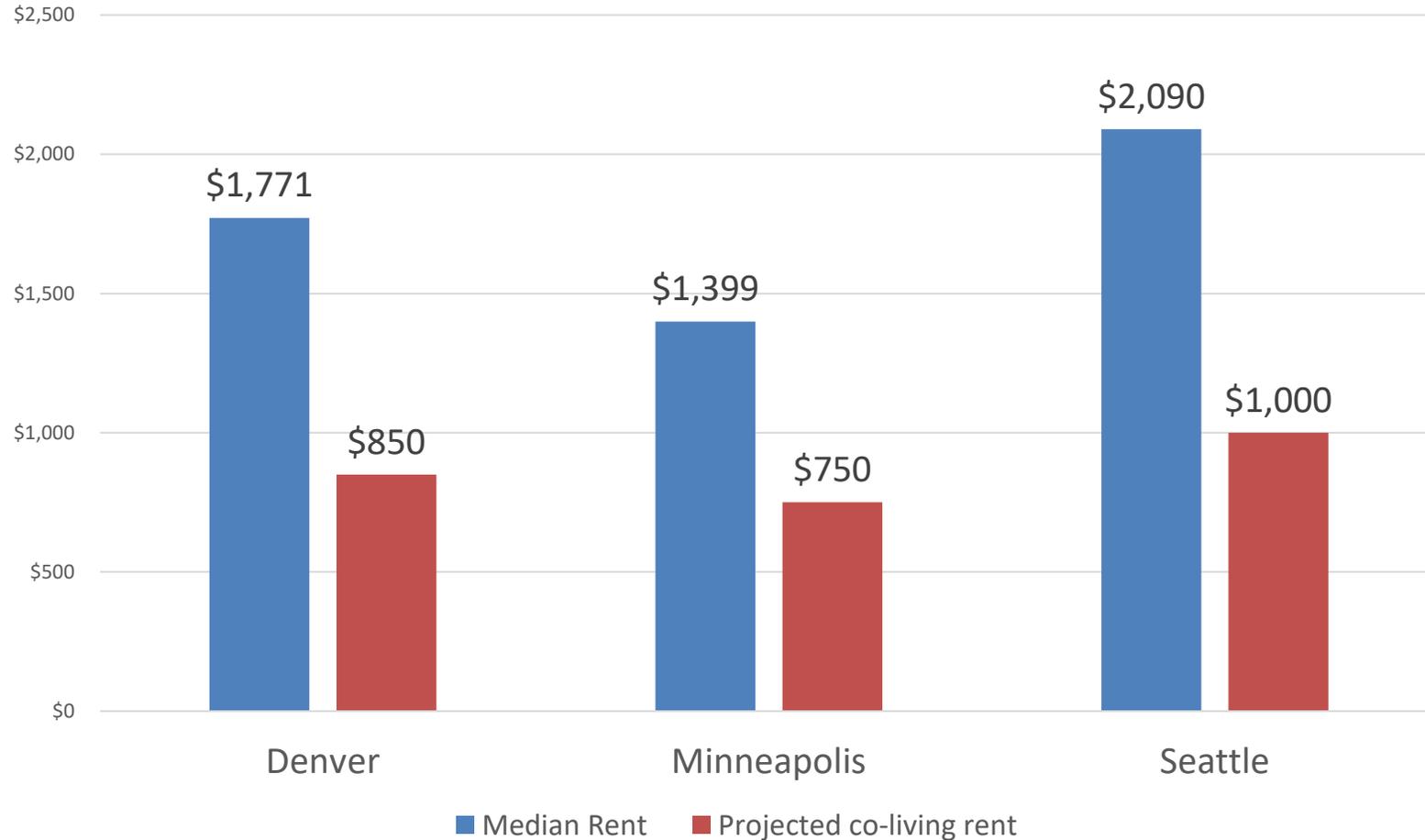
- 10 residential floors
- 56 beds per floor
- Total of 530 units (560 residents)

Co-living Conversions Cost Far Less Than New-Build Studios



Source: Studio costs from Gensler and Turner Construction; co-living development costs estimated by Gensler and The Pew Charitable Trusts, 2024

Office to Co-Living Conversions Can Produce Low-Cost Housing, but Often Blocked by Decades-Old Local Regulations

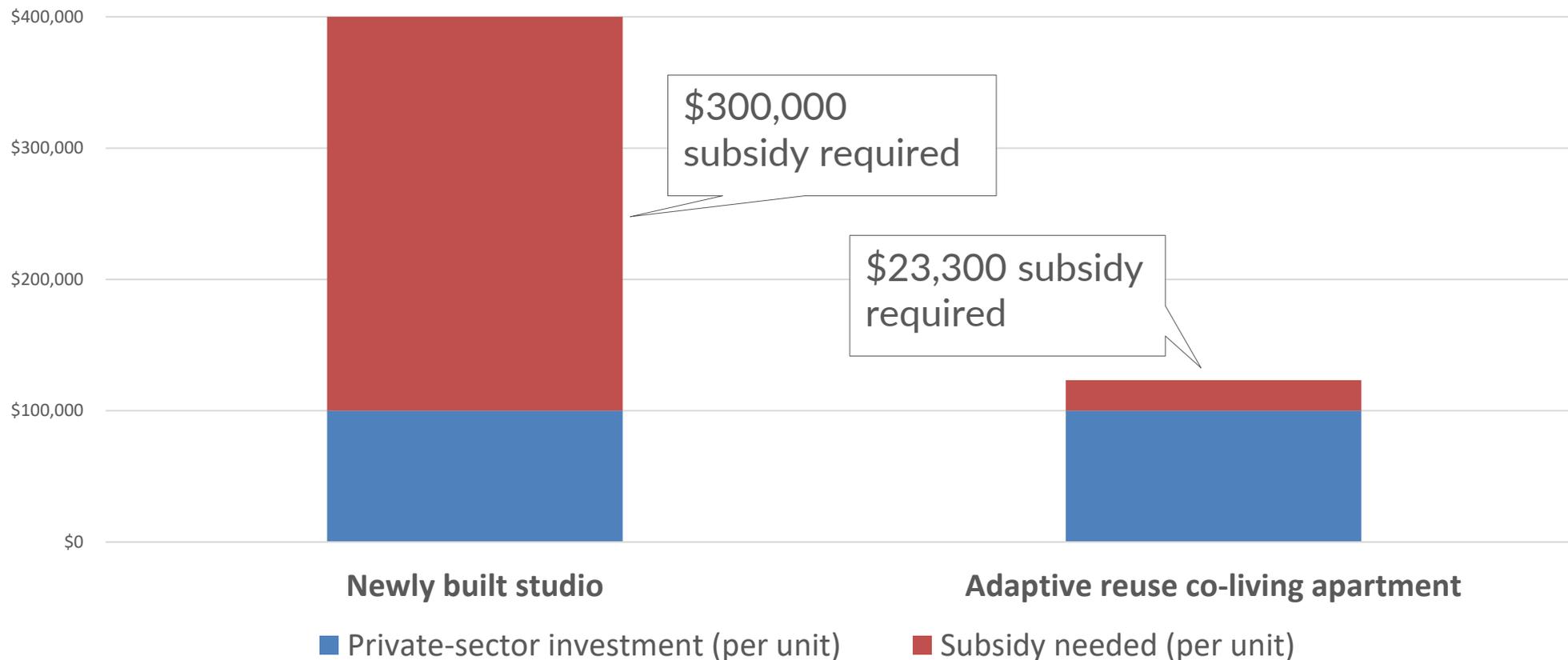


Source: median rents from Apt. List; projected rents estimated by Gensler and The Pew Charitable Trusts, 2024

Co-Living Conversions Are Far More Cost Effective

Denver subsidy and private costs by unit type, affordable at 35% of area median income

Co-living stretches scarce subsidy dollars



Source: estimates from Gensler and The Pew Charitable Trusts, 2024

Office to Co-Living: Common Regulatory Barriers

- Need for re-zoning
- Parking mandates
- Window operability mandate
- Minimum unit size
- Incompatibility in residential/commercial building codes
- Prohibition on sharing kitchens or bathrooms

Overcoming Barriers:

State Laws to Allow Residential Use in Commercial Areas

- California AB2011 (2022)
- Hawaii HB2090 (2024)
- Montana SB245 (2023) and SB243 (2025)
- Florida SB102 (2023)
- Texas SB840 (2025)
- New Hampshire HB631 (2025)

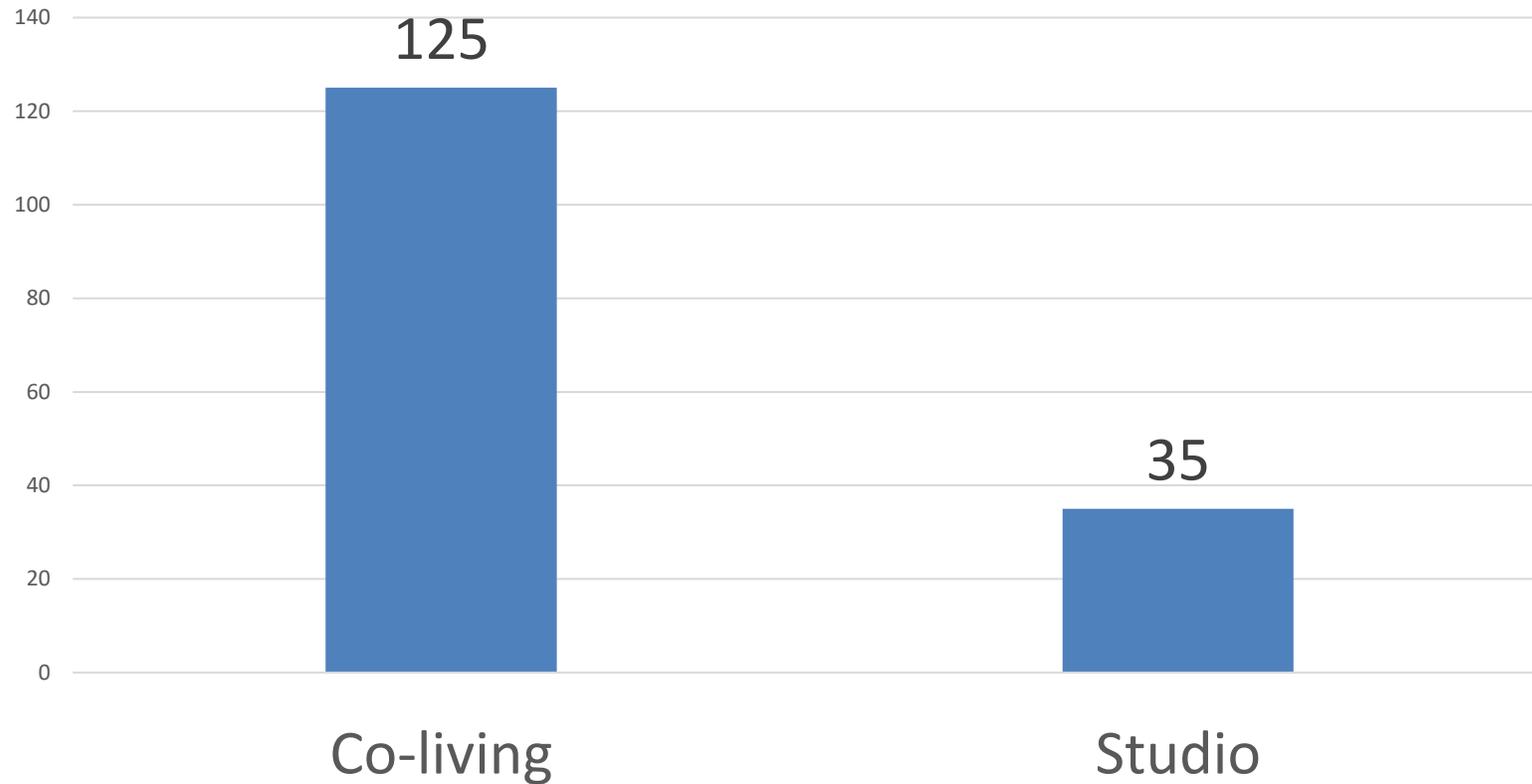
Overcoming Barriers:

State Laws to Enable Adaptive Reuse or Micro-Units

- Adaptive Reuse, including for micro-units
 - Texas SB2477 (2025)
 - Hawaii HB2090 (2024)
- Micro-units
 - Oregon HB3395, Sec. 17 (2023)
 - Washington HB1998 (2024)

Office to Co-Living Conversions Can Produce More Homes with Same Spending

50% AMI homes that would be created with \$10 million in subsidies, Chicago



Source: Gensler and The Pew Charitable Trusts, 2025

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