



Bend's Shrinking Middle Market Housing

An update to an article originally appearing in The Key, published by The Bulletin December, 10, 2016.

By the Central Oregon Association of REALTORS®

Last fall, the Central Oregon Association of REALTORS® and Bend2030 launched the Bend Collaborative Housing Workgroup to focus on creating more opportunities in Bend for middle market housing. The steering committee for the workgroup also includes the American Institute of Architects, the City of Bend, the Central Oregon Builders Association, a retired land use attorney, Brooks Resources, Housing Works and OSU-Cascades. Additionally, over 25 members from the community are participating in the workgroup. The group defined the middle market as 80-175 percent of area median income (AMI) or for individuals and families making between \$45,000 and \$90,000 annually. This market segment is important for the local economy, the stability of our residents and also relieving downward housing pressure on those earning below 80 percent of AMI.

The workgroup contracted with ECONorthwest and Cogen Owens to prepare a landscape report to understand the market in Bend, the factors leading to the lack of middle market housing and possible tools to help housing development in this market.

THE ECONORTHWEST RESEARCH CONCLUDED:

- The Bend housing market has seen rapid price increases that affect renters and homeowners at all but the highest income brackets.
- Price increases affect mid-market housing in both direct and indirect ways. Middle-income households in Bend are being squeezed in the housing market from above and below.
- Unless trends change, multi-family and single-family unit production will not be sufficient to meet future demand, placing further pressure on mid-market housing availability.
- The costs of construction and financing are driving new construction prices above what is affordable for mid-market homebuyers, even for townhomes.
- New multi-family supply is limited, and is not serving the full rental market.

(ECONorthwest Landscape Report February 2017)

GOING FORWARD THE WORKGROUP IS FOCUSING ON THREE AREAS TO RECOMMEND POLICIES:

1. More housing development is needed at all price levels, both multi-family and single family — for rent and for sale — to meet demand from current residents and in-migration.
2. Bend specifically needs more for-sale development aimed at middle-income residents between 80-125 percent AMI.
3. Add new housing typologies to the Bend market that can provide an entry-point for new homeowners.

(ECONorthwest Landscape Report February 2017).

LAST WEEK THE WORKGROUP MET AND EVALUATED OVER 40 POSSIBLE TOOLS IN THE AREAS OF:

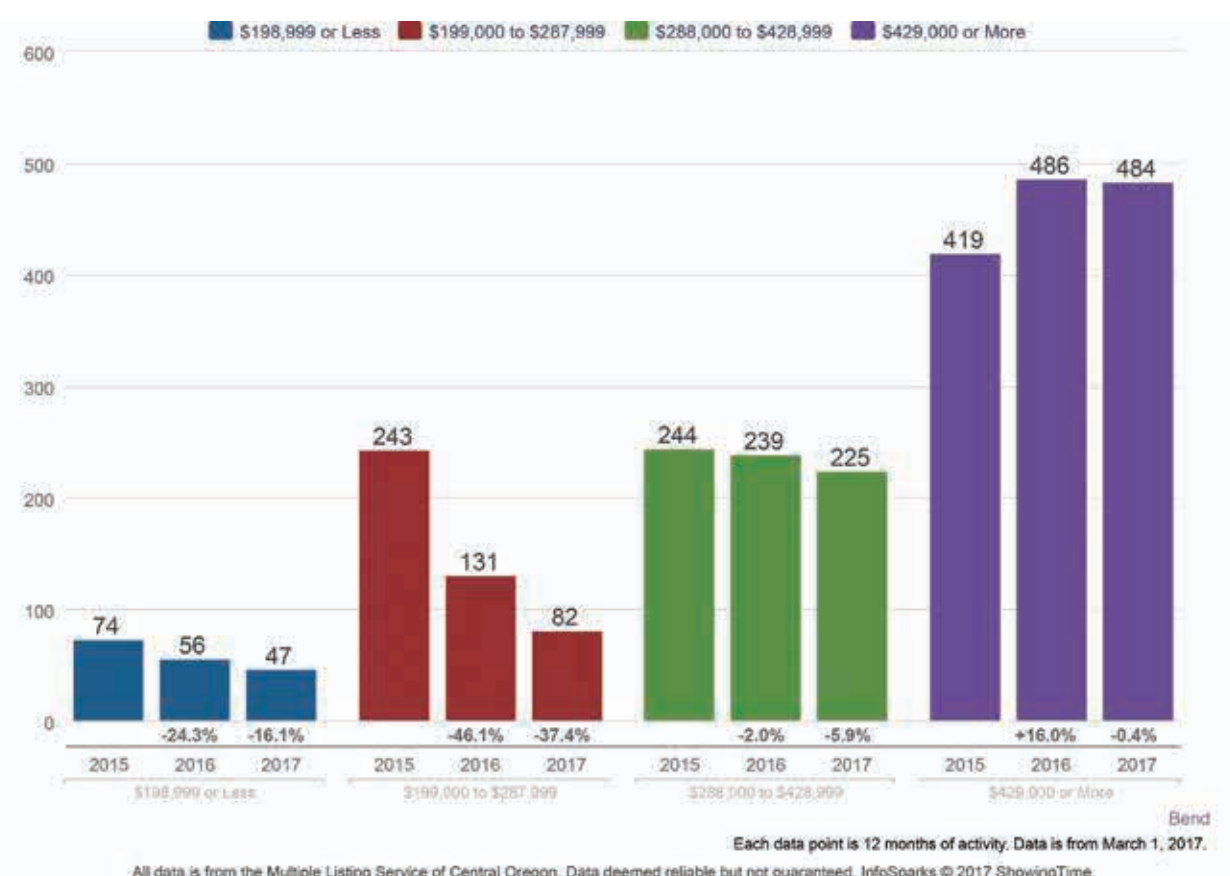
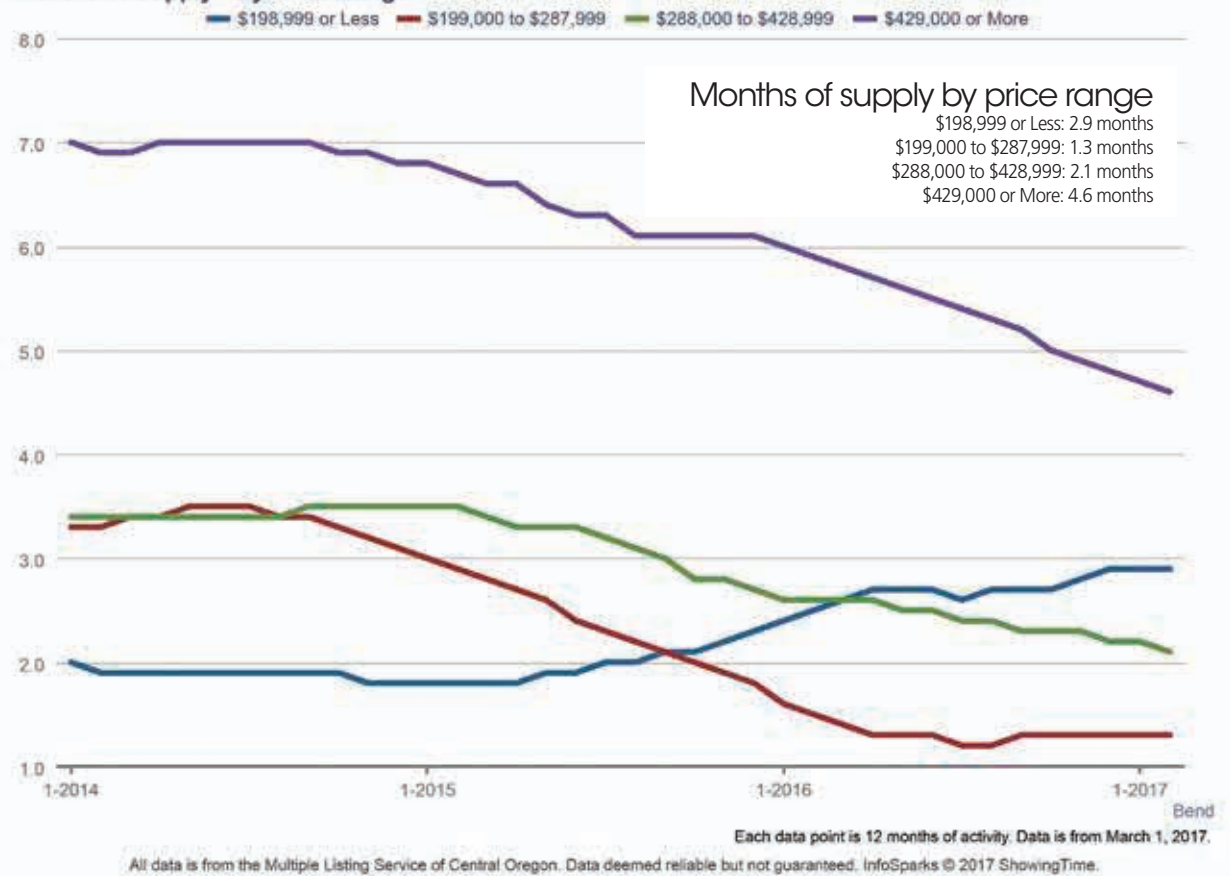
- Incentives
- Development Code, Ordinances and Planning
- Funding Infrastructure
- Increasing Supply

The top few tools in each category will now be evaluated by the workgroup to determine their feasibility. The steering committee will present the proposals at a summit to community leaders and citizens for further feedback in May. It is important to note that these solutions will represent a compromise across the groups involved in the project with the goal of getting more of Bend into stable and midmarket priced housing.

To learn more about this type of housing please join Building a Better Bend for a free event on April 10th for "Solving Bend's Missing Middle Housing Puzzle" at the Tower Interiors (www.buildingabetterbend.org/lectures).

For more information on the workgroup please visit bend2030.org.

Months of Supply - By Price Range



Number of single family homes for sale annually by price range. While inventory is shrinking across all markets, it is most rapidly decreasing below \$288,000.