

2020

State of Housing in Portland



**Portland
Housing Bureau**

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Foreword from Commissioner Dan Ryan

Dear Portlanders—

I am pleased to present the *2020 State of Housing* report. Since 2015, this report, published annually by the Portland Housing Bureau, has provided local leaders and policy-makers with the most comprehensive resource on housing and affordability in our city, offering us critical insights into who the housing market is serving and who is being left behind.

Over the last year, the COVID-19 pandemic has brought unprecedented challenges, exacerbating our housing and houselessness crisis, and deepening race and income disparities. This year's report examines these impacts on Portland's housing landscape and looks at how the City is responding.

A nimble and urgent pandemic response has called on us as local government to take on new roles. As part of our 2020 relief response, the City of Portland launched new programs to deploy emergency financial assistance, rent and mortgage assistance, and open new shelters. All of these programs led with a racial equity focus to ensure critical assistance was reaching Black, Indigenous, and People of Color (BIPOC) communities, who have been the hardest hit by the pandemic.

Yet with eviction and foreclosure moratoriums ending, and rent arrears mounting, we are at a critical juncture. Our resilience and recovery will all depend upon how we handle this crisis long-term. I believe using data to make decisions is how we get results. Now more than ever, we need accurate information about where we are and where we are headed to solve the complex challenges we face. We also need to understand which of our investments are working, and which are not.

This report also shows that we have set ambitious goals to meet our toughest challenges. In partnership with Multnomah County and the Joint Office of Homeless Services, we achieved significant progress with more than 1,000 new units of Permanent Supportive Housing (PSH) opened or in development at the end of last year. Portland's Housing Bond has contributed to this robust response. Twelve projects, totaling more than 1,490 units of permanently affordable housing, have either opened or are in progress across the city since voters overwhelmingly approved the city's first bond for affordable housing in 2016.

We are leveraging community partnerships and aligning with the homeless services system and culturally specific organizations to better serve those disproportionately impacted by the housing shortage, including Communities of Color, immigrant and refugee populations, and families facing houselessness.

My thanks to the Portland Housing Bureau for their work producing this exhaustive report and providing a valuable resource to guide us in our work to make Portland a city where we all have the opportunity to live, work, and thrive.

Sincerely,

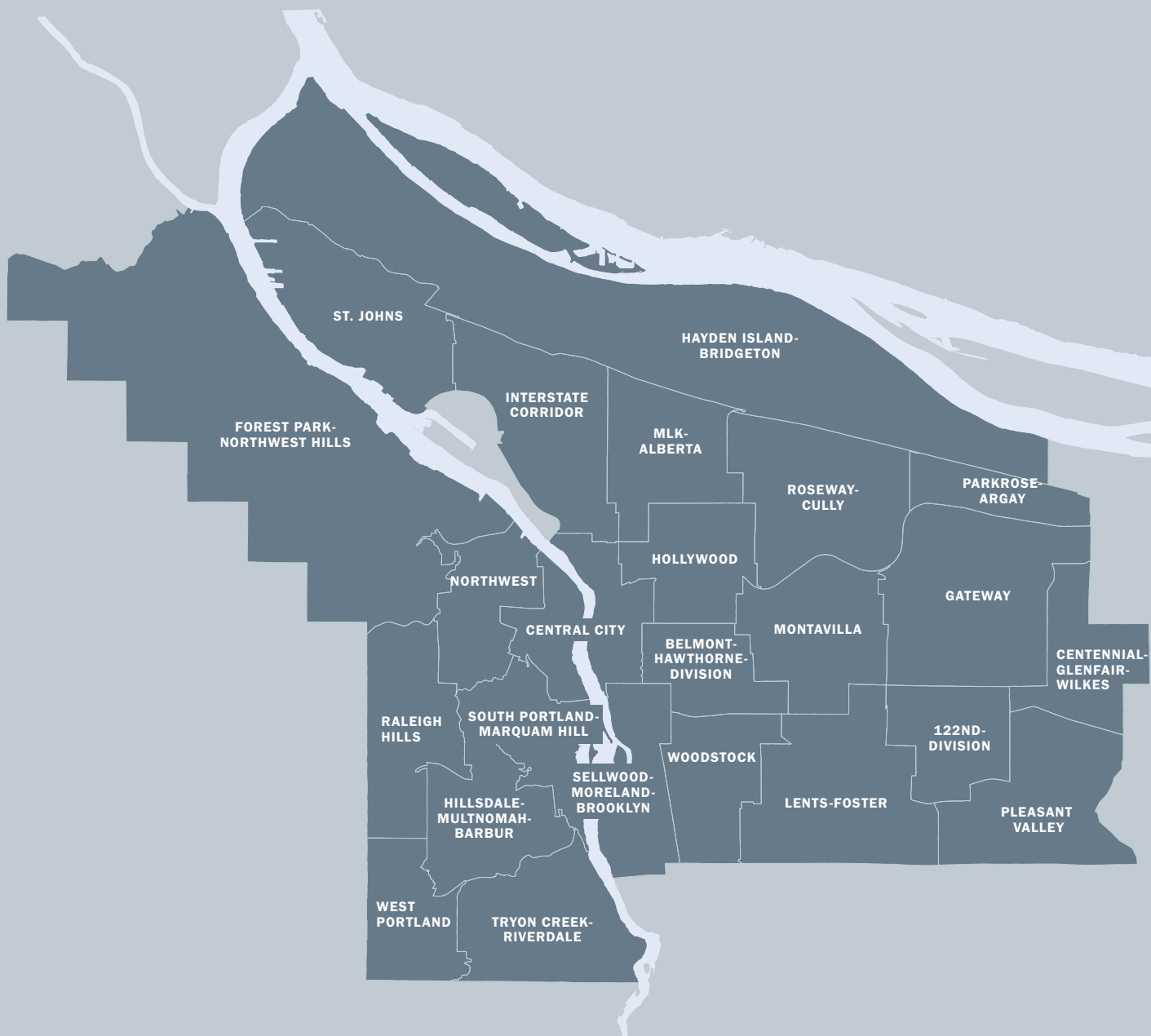


Commissioner Dan Ryan

Contents

7	Executive Summary
15	Special Section: COVID-19 Impacts on Housing
Part 1	Portland Demographics & Housing Stock
24	1.01 Population, Households & Income
33	1.02 Housing Stock & Production
Part 2	Housing Market Affordability
40	2.01 Rental Housing Affordability
56	2.02 Homeownership Affordability
Part 3	City & Neighborhood Profiles
75	Portland
76	122nd-Division
77	Belmont-Hawthorne-Division
78	Centennial-Glenfair-Wilkes
79	Central City
80	Forest Park-Northwest Hills
81	Gateway
82	Hayden Island
83	Hillsdale-Multnomah-Barbur
84	Hollywood
85	Interstate Corridor
86	Lents-Foster
87	MLK-Alberta
88	Montavilla
89	Northwest
90	Parkrose-Argay
91	Pleasant Valley
92	Raleigh Hills
93	Roseway-Cully
94	Sellwood-Moreland-Brooklyn
95	South Portland-Marquam Hill
96	St. Johns
97	Tryon Creek-Riverdale
98	West Portland
99	Woodstock
Part 4	City of Portland Policies & Programs
102	4.01 City Plans & Policies
107	4.02 Focus Areas
108	4.03 Bureau Plans
109	4.04 Renter Portfolio & Programs
115	4.05 Strategic Initiatives
127	4.06 Housing Production & Pipeline
Part 5	City of Portland Program Funding
Part 6	Definitions, Methodology & Sources

Neighborhood Analysis Areas



Executive Summary

The *State of Housing in Portland* report is published annually to provide stakeholders and policy makers with a comprehensive look at Portland's housing market by neighborhood, housing type, and affordability using the latest available data. While primarily focused on the housing market and the people impacted by it, this report also examines City of Portland policies and programs that address housing affordability, tenant protections, and homelessness. Given the nature of the changes over the last year due to COVID-19, this year's report is split into two periods: one focusing on demographic and housing trends during the five-year period from 2013 to 2018 (Pre-COVID), and the changes seen in 2020 during the pandemic.

The *2020 State of Housing in Portland Report* shows housing affordability remains a challenge for Portlanders, as rents and home sales prices have continued to climb—outpacing incomes.

Portland ranks as the 26th most populous city in the United States and the sixth largest city on the West Coast. From 2013-2018, Portland added nearly 44,700 new residents, at an annual rate of 1.5 percent. This is higher than early 2000 when the population grew by 1.2 percent annually. The Interstate Corridor and the Central City have remained the major centers of population growth in the city.

Because of the impacts of population growth on housing demand, residential permitting and production data show sustained activity. In 2019, 2,889 new units were added to the city's housing stock and 5,294 permits were approved. While this represents a significant drop compared to 2017, it should be noted that 2017 production levels were unusually high as the market was reacting to legislative changes, particularly the implementation of Inclusionary Housing requirements. The 2018 and 2019 data are more in line with the sustained rate of housing production that will be needed to meet expected growth by 2035, as laid out in Portland's Comprehensive Plan.

As the city continues to grow, Portland's population is becoming wealthier and more educated overall. 31.5 percent of households were making more than \$100,000 per year in 2018 and nearly half of people over 18 had a bachelor's degrees or higher. Not all Portlanders have experienced the benefits of a robust economy, however. Disparities in income and educational attainment persist between white households and People of Color, as well as renters and homeowners.

The gap between household income and housing costs continues to burden many households and demands continued efforts by the City to address housing affordability. In 2019, the City of Portland produced 878 new affordable units—the highest ever recorded for one year. These units are housing an estimated 1,500 people. The COVID-19 pandemic has since slowed production of affordable units. Nevertheless, another 654 newly affordable units opened in 2020 with capacity to house an estimated 1,200 people.

Local revenue sources like Portland's Housing Bond and urban renewal funds have been critical for building new affordable housing. Impending changes to revenue sources like the expiration of several Urban Renewal Areas (URAs), however, will likely impact production of affordable housing. The Housing Bureau will continue to track and report on the production and preservation of affordable housing units under changing state and local legislation.

Demographic Drivers

Population & Households

Portland continues to add more residents than other cities in Oregon. Portland's population grew by 44,700 individuals (7.5 percent) and more than 14,295 households (5.7 percent) between 2013 and 2018, according to the latest available American Community Survey (ACS) estimates from the U.S. Census Bureau. In contrast to the 1.5 percent annual growth rate for the overall population, the number of households grew at a lower rate of 1.1 percent. Households without children have accounted for most of the growth. Portland's current population is over 639,387.

The Central City, North/Northeast, and East Portland neighborhoods continued to show the largest population increases, accounting for more than 50 percent of the city's population growth. In terms of household growth, the Central City, Interstate Corridor, Northwest, and South Portland-Marquam Hill gained the most households, the majority of which were households without children. Together, these four neighborhoods gained more than 6,900 households. The Parkrose-Argay neighborhood seems to be losing population, whereas Hayden Island saw decrease in number of households.

Income

Incomes began to rise overall in 2018, fueled by continued job growth and increases in minimum wage. The share of households making more than \$100,000 grew from 21.5 percent in 2013 to 31.5 percent. However, these gains have not been felt by everyone. A closer look reveals a different picture for many Portlanders depending upon race and household type. The income gains by Portlanders in the top 20 percent were remarkably higher than those in middle- and lower-income groups. Most People of Color showed smaller increases compared to white households.

While median income levels for renters and homeowners have grown since 2013, the median income for Portland homeowners of \$92,205 per year is more than double that of renters, whose median income is almost \$42,659 per year. Portland homeowners have surpassed income levels from before the 2007 recession.

Housing Stock & Production

In 2017, annual production and permitting levels peaked higher than at any point in the last 16 years. Multifamily permitting set a historic high at over 6,000 permits, and production peaked at 8,000 units. Although both permitting and production declined in 2018, permitting continued to exceed production levels, indicating there would be continued growth in the number of housing units added in 2019. However, multifamily production decreased further in 2019 to 2,343 units—a number consistent with production levels seen prior to the 2017 spike and prior to the recession. Similar declines were also seen in surrounding cities in Washington County and Clackamas County, indicating that the decrease is likely due in part to increasing construction and labor costs, and tariff uncertainties. Single-family permitting and production have remained consistent in recent years, but have not yet reached pre-recessionary levels. In 2019 there were 693 single-family permits approved and 546 units produced.

Most of the new multifamily production continues to be concentrated in the Hollywood, Interstate Corridor, and Northwest neighborhoods, while single-family production has been focused in the Interstate Corridor and Lents-Foster neighborhoods. In 2019, there was dramatic decrease in the units produced in the Central City. In 2019, single-family units are mostly focused in the Interstate Corridor and Lents-Foster neighborhoods.

In total, the city's housing stock consists of 294,853 units with 154,968 in single-family and 139,885 multifamily homes.

Rentership

Rentership increased from 46.6 percent in 2013 to 46.9 percent in 2018, indicating that Portland is heading toward an equal split between renter and homeowner households.

African American, Hawaiian-Pacific Islander, Hispanic-Latinx and Native Americans comprise the majority of renter households. Rentership rates have increased among African American households, while staying the same for white, Asian, and Hawaiian-Pacific Islanders, and decreasing among Hispanic-Latinx, and Native American households.

In 2018, eleven out of 24 neighborhoods showed increases in rentership with Hollywood, Hayden Island, and the Central City leading with increases above 3 percent.

Homeownership Rate

The homeownership rate has decreased overall in the last few years, from 53.4 percent in 2013 to 53.1 percent in 2018. All communities, except for Hispanic-Latinx and Native American communities, saw a decrease in homeownership rates from 2013 to 2018.

Pleasant Valley, Sellwood-Moreland-Brooklyn, Hillsdale-Multnomah-Barbur, West Portland, and St. Johns all showed increases in homeownership above 3 percent.

Racial Diversity

The City of Portland continues to diversify racially. All neighborhoods have grown more than 10 percent in non-white populations, with seven neighborhoods at more than 25 percent.

Citywide, racial diversity as measured by the percent change in the share of Communities of Color, increased in nearly every neighborhood between 2013 and 2018 with the exception of Interstate Corridor, St. Johns, MLK-Alberta, Interstate Corridor, Roseway-Cully, Northwest, and Montavilla, where the proportional share of the Communities of Color showed slight decrease during this period.

Homelessness

In 2019, 4,015 people were counted as experiencing homelessness on a single night in winter. This Point-In-Time Count of Homelessness (PIT Count) is conducted every two years and is based on a federal definition of homelessness (“HUD homeless”) that includes people staying in emergency shelter, transitional housing, or living on the street. The overall number from 2019 is comparable to the number of people counted in both 2015 and 2017. However, the 2019 data showed a new trend in the distribution of people experiencing homelessness. There was a decline in the percentage of people living in transitional housing and also a decline from 2017 to 2019 in the share of people staying in shelter. Conversely, there was an increase in the share of people who were unsheltered for the same time period. From 2015 to 2019, the percentage of people experiencing chronic homelessness increased. Correspondingly, the percentage of unsheltered people who were chronically homeless also increased. People experiencing chronic homelessness reported having a range of disabling conditions, including mental health issues, substance abuse disorders, physical disabilities and chronic health conditions. The PIT count shows three

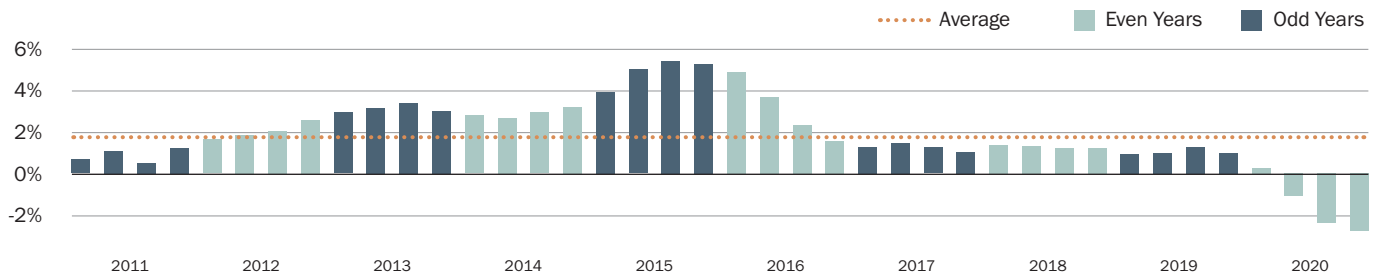
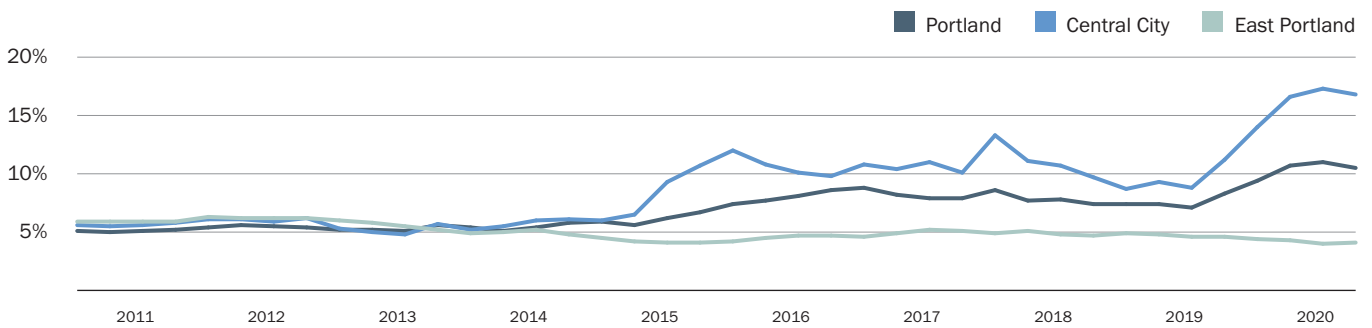
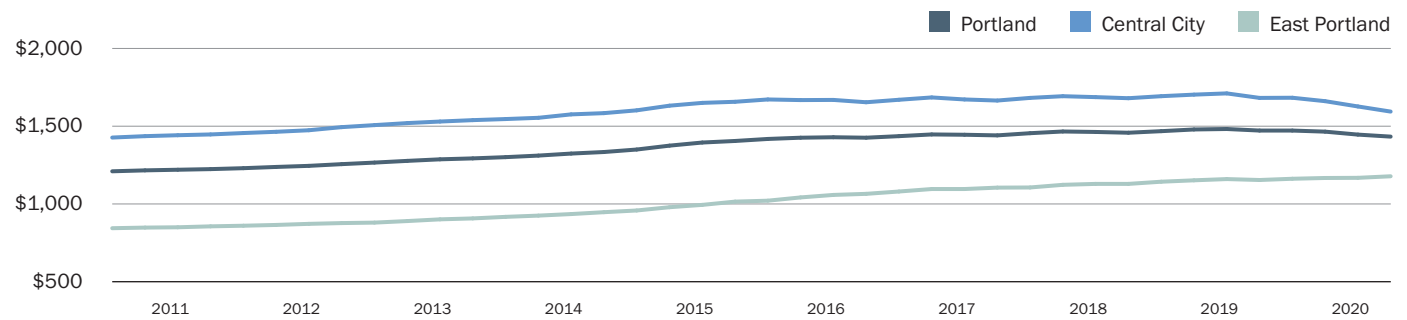
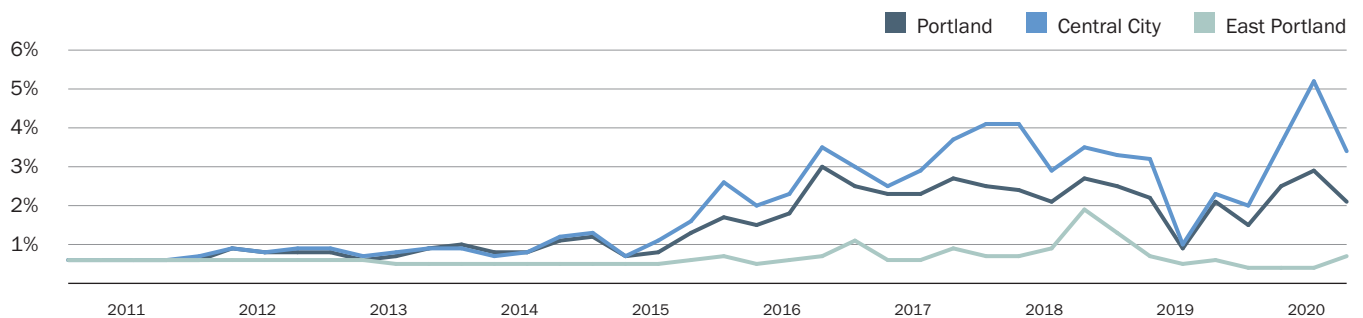
Communities of Color—American Indian-Alaska Native, Native Hawaiian-Pacific Islander, and African American communities—are overrepresented in the population experiencing homelessness in comparison to their representation in the general population.

Affordability

Rental Affordability

The softening of rent increases seen in 2017 and 2018 began to slow in 2019. In 2019, the average rental unit charged \$1,491 per month, which is \$61 higher than the previous year. All unit types have increased in rents however the increases seem to be greater among the larger units. Two- and 3-bedroom units on average increased by 4.7 and 4.5 percent, respectively. The vacancy rates on average decreased from 7.1 percent in 2018 to 6.4 percent in 2019. The second quarter of 2020 shows rents decreasing from the previous year by 1.6 percent. In 2020, the average rental unit charged \$1,461 per month, which is \$14 lower than the previous year. Changes in average rent varied by unit type, with increases mostly seen among larger units. Rents for 2- and 3-bedroom units have increased on average by 1.0 and 4.5 percent respectively. On average, vacancy rates increased from 6.4 percent in 2019 to 11.1 percent in 2020, and were higher among studios and 1-bedroom units.

The following neighborhoods across the city saw decreases in average rents: Belmont-Hawthorne-Division, Central City, Forest Park, Northwest, South Portland and Woodstock. Four neighborhoods had rent increases above 5 percent: Hayden Island, Parkrose, Raleigh Hills and West Portland. On average, rent for 3-bedroom units increased the most (more than 5 percent) in Belmont, Parkrose, Pleasant Valley, Raleigh Hills and St. Johns. Woodstock was the only neighborhood to see a significant decline in this category (by 10 percent).

Fig. 0.01 Percent Change in Rent per Year, 2011-2020 (Quarterly Data)**Fig. 0.02 Vacancy Rates, 2011-2020** (Quarterly Data)**Fig. 0.03 Asking Rents, 2011-2020** (Quarterly Data)**Fig. 0.04 Rent Concession Rates, 2011-2020** (Quarterly Data)

Source: CoStar 2021

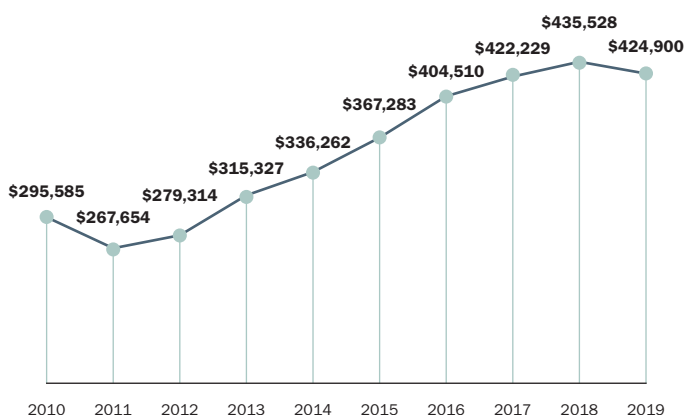
Homeownership Affordability

The median home sales price exceeded \$400,000 in nearly two-thirds of neighborhoods in the city in 2019, compared to less than half of neighborhoods in 2016 (when measured in 2019 dollars). A homebuyer looking to buy a home for less than \$300,000 in 2019 would have only one neighborhood to buy in: Hayden Island-Bridgeton (whereas the buyer would have found two neighborhoods in East Portland in 2018).

Between 2014 and 2019, the median home sales price citywide increased 26 percent—over \$88,638. As in 2018, the neighborhoods in East Portland and Inner East: 122nd-Division, Centennial-Glenfair-Wilkes, Gateway, and Lents-Foster showed the most significant increases in median home sales price (between 43 and 57 percent). Hayden Island, Parkrose-Argay, Pleasant Valley, and St. Johns neighborhoods also showed significant increases.

Increases in home prices in the last five years in many East Portland neighborhoods raises serious concerns about Shapedisplacement and housing stability. Most of the home prices increased by more than 32 percent in the last five years. Three neighborhoods with already high home prices—Central City, Forest Park-Northwest Hills, and Northwest—showed slower increases, having increased by 3, 7, and 6 percent, respectively.

Fig. 0.05 Increase in Home Prices (2019\$)



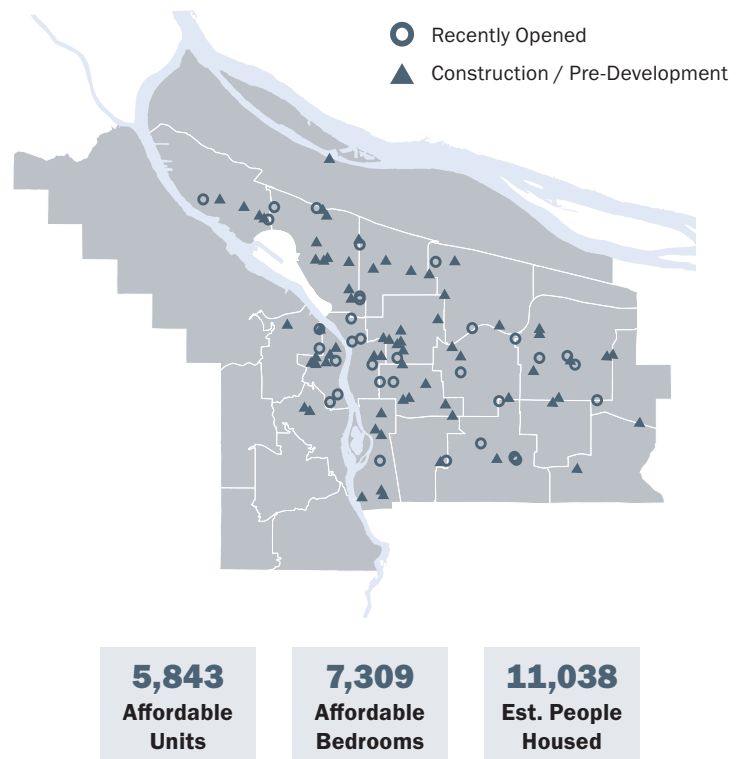
Source: RMLS 2021

City of Portland: Since Housing Emergency Declaration in 2015

On October 7, 2015, Portland City Council declared a housing emergency to help address the city's growing homeless and affordable housing crisis. The declaration by Council allowed for the expedited development of affordable housing projects and made it easier to provide service locations to people experiencing homelessness. This has allowed the Portland Housing Bureau to pursue several strategic initiatives; the foremost being Portland's Housing Bond, which is a \$258.4 million voter-backed initiative to create more permanently affordable housing in Portland. Other strategies are the North/Northeast Neighborhood Housing Strategy for addressing displacement, Inclusionary Housing to develop affordable units through the private market, development of the Supportive Housing plan to create 2,000 new supportive housing units by 2028, opening of the Rental Services office, and the creation of the Joint office of Homeless Services, which is a City-County venture to solve homelessness in Multnomah County.

State and local legislative changes, such as limitations on rent increases and zoning changes, have expanded renter protections and opportunities for small-scale housing development. Also, Metro recently allocated \$211 million for the development of affordable housing within the City of Portland, which will add to the City's ongoing efforts. These initiatives along with new policies, programs, and revenue sources will support the creation of thousands of new units of affordable housing and tenant protections for Portlanders in coming years. The Housing Bureau will track and report on the production and preservation of affordable housing units developed by direct financing to nonprofit providers as well as property tax and development fee exemptions to for-profit developers under the above-mentioned Council approved initiatives.

City Regulated Units by Location Since 2015



COVID-19 Impacts on Housing & Beyond

Since March 12, 2020 when the City of Portland declared the COVID-19 emergency, the city has seen major economic and social disruptions. The COVID-19 pandemic has changed—and will continue to change—the future of work, transit, and social equity. More importantly, it has deepened income, housing, and health disparities, all of which in turn affect the City’s response to the pandemic. This section provides a snapshot of the impacts of the COVID-19 pandemic on the state of housing in Portland, comparing data from December 2019 and 2020 (shown as observations and not causal statements). More research is needed to understand the relative severity of the issues raised by the pandemic.

The lockdown and closing of many businesses and institutions have affected all Portlanders but low-income Portlanders and the BIPOC community have been most severely impacted as they tend to comprise much of the workforce in retail, hospitality, and other service sectors. As such, they were more

likely to be exposed to the virus, and impacted by underemployment, and unemployment.

The pandemic affected all aspects of housing in Portland, particularly the rental market (especially multifamily) as seen in the rising vacancy rates, decreasing asking rents, and concession rates, etc. These changes varied geographically—Central City was more affected than East Portland. Neighboring cities such as Beaverton, Hillsboro, and Vancouver showed similar rates as East Portland than City of Portland as a whole.

Housing stability remains a concern for renters and homeowners experiencing unemployment or income loss due to the pandemic—with a disproportionate impact on BIPOC communities. While renters are protected from eviction for non-payment of rent through mid-2021, non-payment and rent deferrals are between 12-15 percent per month, adding to rent arrears and impacting renters, landlords, and property owners alike. The long-term impacts on rental housing will depend on many factors such as a return to office space, business re-opening, economic resilience, and government policy.

The homeownership market remained stable throughout the year, and the median home price remained higher in 2020 compared to 2019. Factors such as low inventory, low mortgage rates, and possibly demands for the privacy and office space contributed to a strong residential home market.

Fig. 0.06 Vacancy Rate in Portland

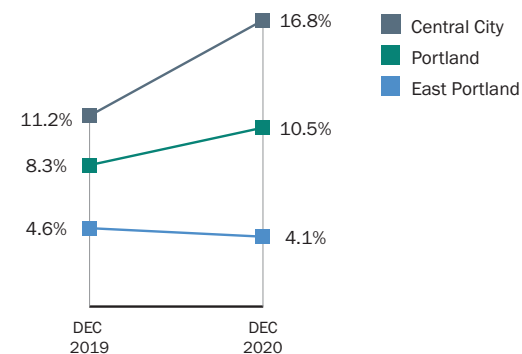


Fig. 0.07 Asking Rent in Portland

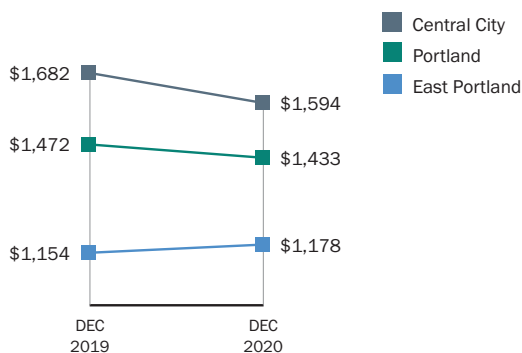
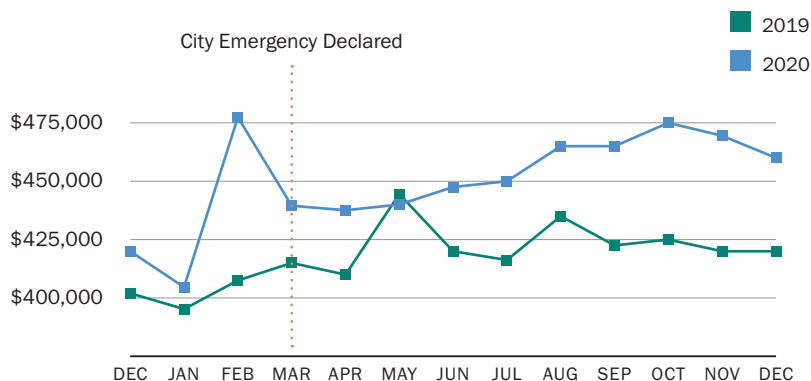


Fig. 0.08 Residential Median Sale Price by Month (Dec 1, 2019–Dec 31, 2020)



Housing Policy & Initiatives

During the pandemic and resulting economic disruption, multiple levels of government have stepped in with a myriad of relief policies aimed at stabilizing the economy and housing—payroll protection, economic disaster loans, unemployment assistance, emergency and rental assistance, eviction and foreclosure prevention, and more.

Federal

In March 2020, the federal government took unprecedented steps to fight COVID-19 and the resulting economic turmoil. The Coronavirus Aid, Relief, and Economy Security (CARES Act) provided economic stimulus payments, an expansion of unemployment insurance benefits, and an eviction and forbearance moratorium. This initiative provided liquidity to the financial market and has largely kept people housed and the housing financial market functioning. However, CARES Act funding was not enough to meet the needs of the community for the duration of the pandemic. In December, nine months later, an additional federal stimulus package came as a relief bill. The package includes additional rental assistance (the Emergency Rent Assistance Program, with Portland estimated to receive \$19 million), and the eviction moratorium was extended.

State

Oregon, as well as many other states, implemented statewide eviction and foreclosure moratoria. Three separate special legislative sessions were convened throughout 2020 to authorize additional emergency assistance spending. A statewide Landlord Compensation Fund was established to help struggling landlords with rent arrears. The \$35 million fund prioritizes total arrears and smaller portfolios.

Local (City)

Local governments are filling new roles. As a part of PDX-CARES Relief Program, the City of Portland has rolled out \$114 million, which includes \$22.4 million in household assistance, \$16.7 million for housing stability, and \$20.6 million in homeless response. Most of these programs led with racial equity and targeted BIPOC communities.

The Portland Housing Bureau has facilitated the distribution of \$38 million in rental and emergency cash assistance to provide relief to vulnerable households affected by the pandemic. The City's three main programs are in the areas of Renter Stabilization (\$19.5 million), Emergency Household Assistance (\$16.9 million), and Homeowner Stabilization (\$1.6 million). All of the programs have been provided through a network of community-based organizations. The City will continue providing housing assistance in 2021 with additional funding from the American Rescue Plan.

City CARES Funding

Household Assistance Program

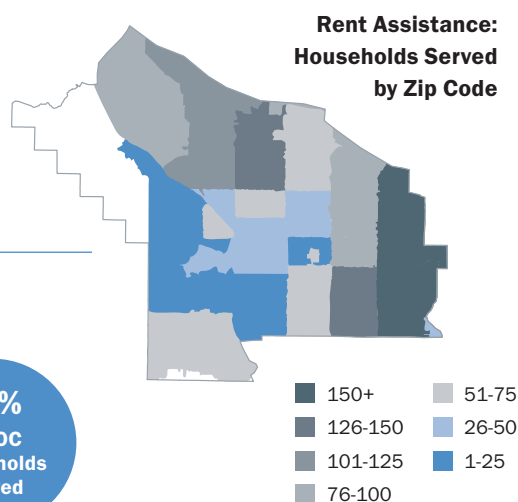
provided through expanded partner network

34,053
Individuals Served

Rent Assistance

3,200
Households Served

74%
BIPOC Households Served



Preliminary Data January PHB 2021

Impacts of the COVID-19 Pandemic on Housing in Portland

Since March 12, 2020 when the City of Portland declared the COVID-19 emergency, the city has seen major economic and social disruptions. The COVID-19 pandemic has changed—and will continue to change—the future of work, transit, and social equity. More importantly, it has deepened income, housing, and health disparities, all of which affect the City's response to the pandemic. This section provides a snapshot of the impacts of the COVID-19 pandemic on the state of housing in Portland, comparing data from December 2019 and 2020 (shown as observations and not causal statements). More research is needed to understand the relative severity of the issues raised by the pandemic.

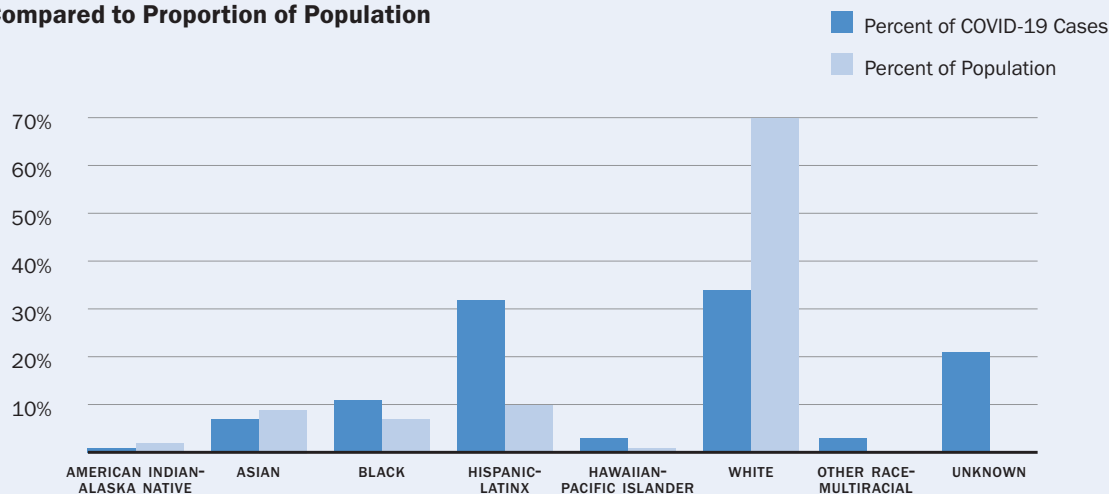
Disproportionate Impact on BIPOC Communities

Since the first incidence of COVID-19 in Oregon in February 2020, nearly 24,705 cases with 10 percent hospitalization and 389 deaths have been reported (as of December 2020). Although most Oregonians have been affected by the pandemic in some way, data shows that BIPOC (Black, Indigenous, and People of Color) communities have been disproportionately impacted.

BIPOC communities represent 40 percent of COVID-19 cases, but comprise only 30 percent of the total population. The figure below shows disparities between infection rates and proportion of population in Multnomah County by race and ethnicity.

BIPOC communities represent 40 percent of COVID-19 cases, but comprise only 30 percent of the total population.

Percentage of COVID-19 Cases Compared to Proportion of Population



Source: Multnomah County Regional COVID-19 Data Dashboard, November 2020

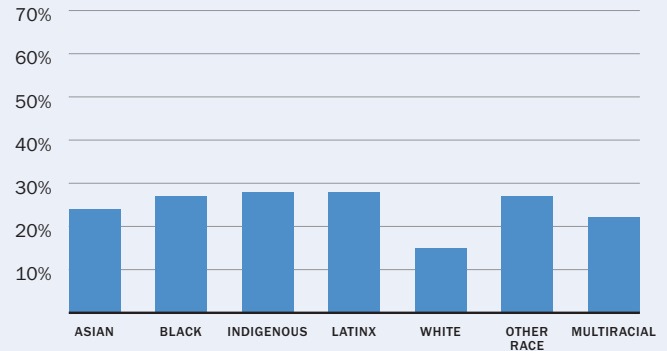
Economy

While all aspects of the economy were affected by the pandemic and subsequent lock down, retail and other service industries such as hospitality and tourism were most affected. Forced lockdown led to loss of income with a dramatic increase in unemployment or under employment for all Portlanders, but BIPOC communities were more deeply affected as they represent a greater proportion of workers in the lower- paying frontline and service-related industries. As such, many low-income renters and homeowners in the city have struggled to make mortgage and rent payments.

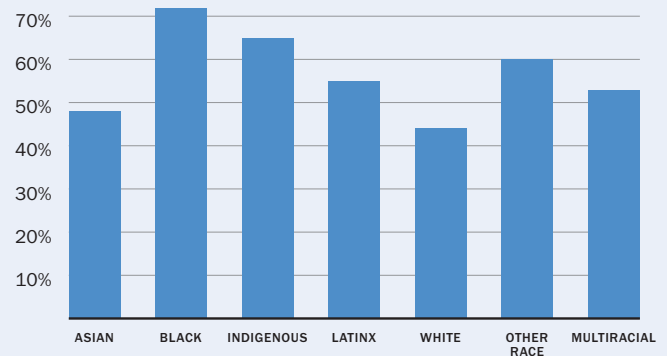
Housing

A major concern during the COVID-19 crisis has been the impact on housing markets, both rental and homeowner (although at different levels). Housing stability remains a concern for renters and homeowners who continue to experience unemployment or income loss due to the pandemic—again, with a disproportionate impact on BIPOC communities. The long-term impacts on housing are unpredictable, and depend on many factors, such as a return to office space, business re-opening, economic resilience, and government policy. So far, renters and homeowners are protected from evictions and foreclosures through mid-2021.

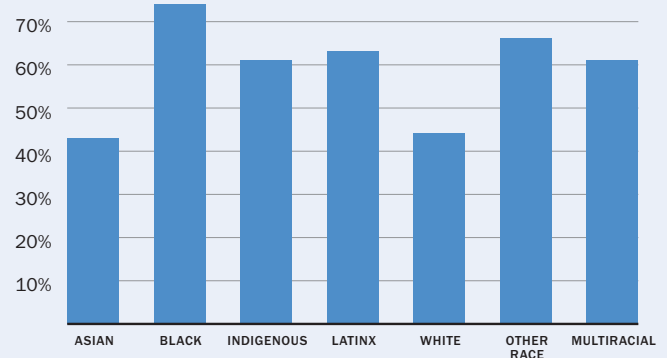
Percentage Working in Service Occupations



Percentage Earning Below \$60,000



Percentage Renting



Rental Market

Prior to the pandemic, Portland's rental market was stabilizing with increased production of units due to City policies and developer efforts. In 2020, the rental market showed following trends:

Vacancy & Leasing

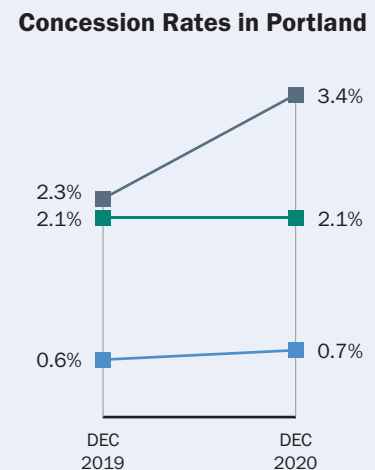
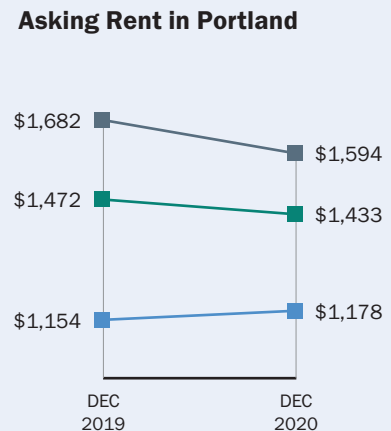
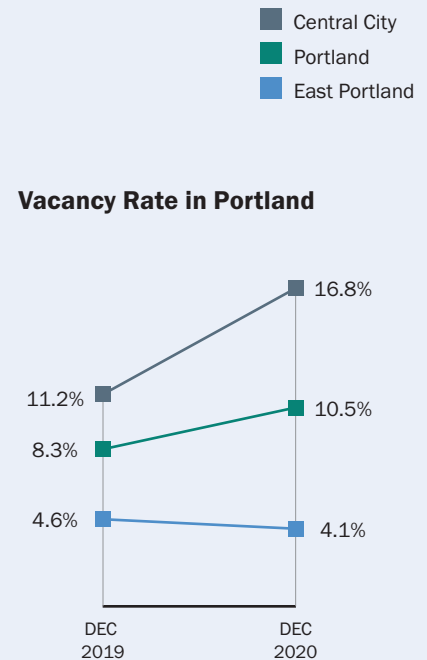
CoStar data from multifamily properties show a continued trend of declining rents and increasing vacancies. Overall vacancies increased by 2.2 percent, from 8.3 percent in December 2019 to 10.5 percent in December 2020, over the same time the previous year. Vacancies for high-quality 4- and 5-Star properties have increased over 6 percent over the same period, and CoStar estimates that 16.8 percent of apartments are vacant in Portland's Central City. Vacancy rates have held steady or decreased in the suburbs, as seen by the decrease in East Portland where the vacancy rate was 4.1 percent in December 2020.

Asking Rent

Before the pandemic, the average asking rent had been stabilizing in Portland. The cost of renting an apartment began decreasing in the last three quarters of 2020 with asking rents 5 percent lower overall than the same point the previous year (December 2019). This was a reverse of the steep increases that contributed to the city's housing crisis earlier in the decade. The decrease varied geographically, with the Central City seeing the largest since the start of the pandemic while in East Portland, rent has been stable and actually increased somewhat in December 2020.

As with other comparable cities on the West Coast, Portland is one of the largest cities to see a decrease in asking rent. However, Portland seems to have weathered the pandemic somewhat better than other West Coast cities.

Source: CoStar 2021

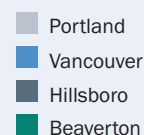


Non-Payment or Deferral

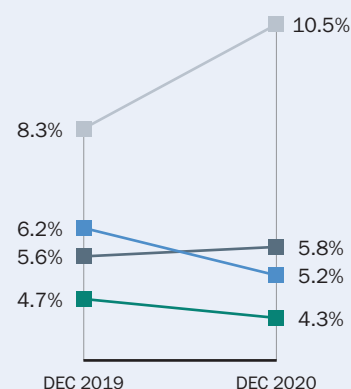
Nationally, end-of-month payment data show that renters have been making payments at a rate higher than 94 percent during each month 2020. Even with loss of employment, many renters have prioritized paying rent. The CARES Act and flexible payment plans have helped households continue to pay. However, there is concern among property managers about decreasing payments, with eviction moratoriums set to expire in mid-2021. Both property owners and renters are relying on the possibility of continued relief packages from the federal government. Portland has been comparable to national trends, with non-payment rates holding at 12 to 15 percent since May of 2020. PHB estimates rent arrears per month to be \$20 to \$25 million.

People Moving to the Suburbs

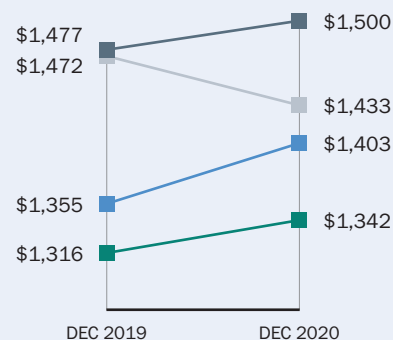
Working from home during COVID-19 created a national trend of urban cores losing renters to lower-cost suburbs that offer more housing for the money. Suburbs are seeing rising demand while the Central City continues to struggle to fill units. We cannot answer the question of whether Portland's Central City is losing renters to the suburbs and neighboring cities, however, recent CoStar data shows that there is an increasing preference for neighboring suburbs. The vacancy rate changes from December 2019 to December 2020 in Portland was much higher than in neighboring cities—such as Beaverton, Hillsboro, and Vancouver—which saw their vacancy rates decrease or remain steady during the same period. Rents in Beaverton, Hillsboro, and Vancouver held steady during the fourth quarter of 2020.



Vacancy Rates in the Portland-Metro Area



Asking Rent in the Portland-Metro Area



Source: CoStar 2021

Homeownership Market

With historic low mortgage rates, home sales in Portland showed a robust launch in the first two months of 2020. On March 12, the City declared the COVID-19 emergency, and April to June sales indicate an initial slowdown. However, in July, despite the economic downturn, the number of home sales started rising and stayed strong through December.

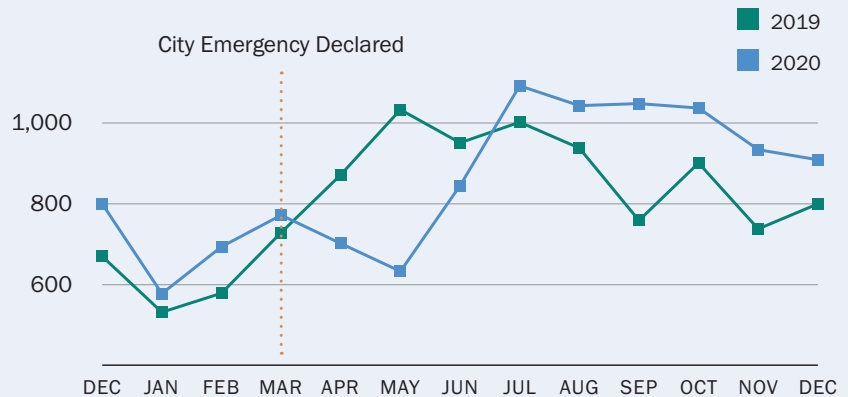
In December 2020, 909 units were sold at a median sale price of \$460,000—much higher than in December 2019 with 800 units sold at a median sale price of \$420,000. The median sale price has been consistently higher in 2020 compared to the same period in 2019, except for a slight dip in May. Despite early dismal forecasts, the condominium market also remained stable in 2020. The number of sales remained strong, except for a noticeable dip during the early months of the pandemic (March to May).

Due to the low inventory of available homes for sale in Portland, the impact of COVID-19 on median home sale price will not be obvious for quite a while.

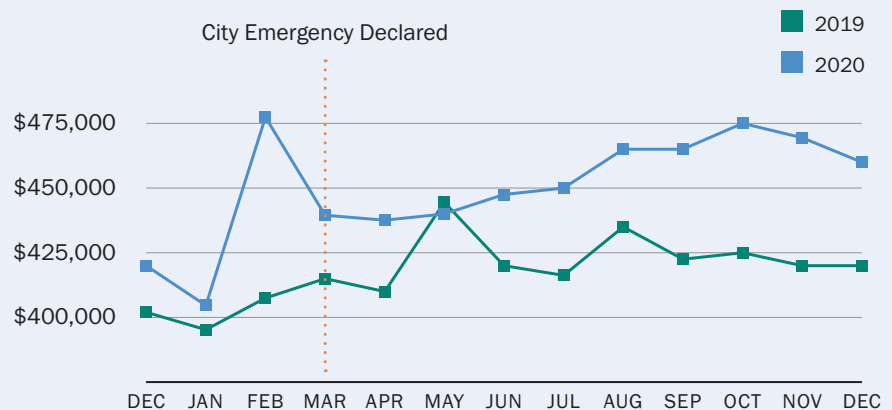
Foreclosure Prevention & Forbearance Programs

At the beginning of the pandemic, the government initiated 12-month forbearance plans, offered by government-enterprise-backed mortgages. Initially, there was an uptick in homeowners with FHA, Fannie Mae and Freddie Mac in forbearance plans. Nationally these started dwindling in the latter part of 2020, and this trend is assumed to be similar in Portland.

Residential Unit Sales by Month (Dec 1, 2019–Dec 31, 2020)



Residential Median Sale Price by Month (Dec 1, 2019–Dec 31, 2020)



Housing Policy & Initiatives

Multiple levels of government have stepped in with a myriad of relief policies aimed at stabilizing the economy and housing—payroll protection, economic disaster loans, unemployment assistance, emergency and rental assistance, eviction and foreclosure prevention, and more.

Federal

In March 2020, the federal government took unprecedented steps to fight COVID-19 and the resulting economic turmoil. The Coronavirus Aid, Relief, and Economy Security (CARES Act) provided economic stimulus payments, an expansion of unemployment insurance benefits, and eviction and forbearance moratoriums. This provided liquidity to the financial market, and has largely kept people housed and the housing financial market functioning. However, CARES Act funding was not enough to meet the country's needs for the duration of the pandemic. In December, nine months later, an additional federal stimulus package came as a relief bill. The package included additional rental assistance—the Emergency Rent Assistance Program, with Portland estimated to receive \$19 million—and the eviction moratorium was extended.

State

Oregon, as well as many other states, implemented statewide eviction and foreclosure moratoria. Three separate special legislative sessions were convened in 2020 to authorize additional emergency assistance spending. A statewide Landlord Compensation Fund was established to help struggling landlords with rent arrears. The \$35 million fund prioritizes total rent arrears and landlords with smaller portfolios.

Local (City)

Local governments are filling new roles. As a part of the PDX-CARES Relief Program, the City of Portland has rolled out \$114 million, which includes \$22.4 million in household assistance, \$16.7 million in housing stability, and \$20.6 million in homeless response. Most of these programs led with racial equity and targeted BIPOC communities.

The Portland Housing Bureau has facilitated the distribution of \$38 million in rental and emergency cash assistance to provide housing relief to vulnerable Portland households affected by the pandemic. The City's three main programs are in the areas of Renter Stabilization (\$19.5 million), Emergency Household Assistance (\$16.9 million), and Homeowner Stabilization (\$1.6 million). All of the programs have been provided through a network of community-based organizations. The City will continue providing housing assistance in 2021 with additional funding from the American Rescue Plan.

City CARES Funding

Household Assistance Program

provided through expanded partner network

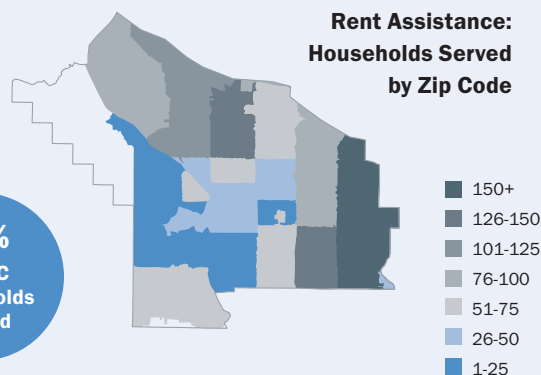
34,053
Individuals Served

Rent Assistance

3,200
Households Served

74%
BIPOC Households Served

Rent Assistance: Households Served by Zip Code



Preliminary Data January PHB 2021

Beyond 2020: The Long Shadow of the Pandemic

The pandemic continues. Unemployment claims remain high, businesses are not fully open, and the economic future is uncertain. There is uncertainty as to what will happen when local, state, and national moratoriums on evictions and foreclosures end in mid-2021. The short-term provision of rental and legal assistance by various levels of government have helped, but they are not a permanent solution. The availability of vaccination brings optimism.

Economic hardships wrought by the COVID-19 pandemic will be long-term and many renters and homeowners in Portland alike could still take a serious hit in coming months. It will all depend upon how the governments at state and local levels handle this crisis long-term.

Recent changes in political leadership at the federal level will affect the course of economic recovery. Time will tell what the impact of a \$1.9 trillion stimulus plan—which includes \$37 billion dollars earmarked for renters, homeowners, and those experiencing homelessness—looks like. The extent and impact of these new initiatives will be the subject of the next report.