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"Naturally Occurring" or "Until Market Speculation Starts": Investigating the Precarity of Affordable Rental Housing and the Potential for Displacement Along Planned Transit Lines

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“Naturally Occurring” or “Until Market Speculation Starts”

INVESTIGATING THE PRECARITY OF AFFORDABLE RENTAL HOUSING AND THE POTENTIAL FOR DISPLACEMENT ALONG PLANNED TRANSIT LINES
This presentation is based on two reports conducted in partnership with the City of Portland’s Bureau of Planning and Sustainability (BPS). The first, Planning ahead for livable communities along the Powell-Division BRT: neighborhood conditions and change, was supported in part by a the National institute for Transportation and Communities (NITC) under grant number RR-912, and is co-authored with Aaron Golub. Our BPS staff partner is Radcliffe Dacanay, with additional support from Alex Howard and Uma Krishnan. The second, Preserving Housing Choice and Opportunity: A Study of Apartment Building Sales and Rents, is co-authored with Seyoung Sung and completed with collaboration from BPS’ Ryan Curren and his Southwest Corridor Equity + Housing Advisory Group.

RESEARCH IN PARTNERSHIP

TO ‘LET KNOWLEDGE SERVE THE CITY’
Our purpose is to increase the power of low-income residents and residents of color in the Interstate neighborhoods to demand real change and to win concrete victories in order to prevent further forced housing displacement and to preserve affordable housing.
Transit for All

Achieving Equity in Transit-Oriented Development

People’s Rally for Transit Justice

Sunday, January 15, 2017

MTA

Church

Washington, DC 20005

Together across the country on Sunday, January 15 we celebrate Dr. King and call on WMATA to make public transit affordable for all.

“Urban transit systems in most American cities have become a genuine civil rights issue.”

— Rev. Dr. Martin Luther King, Jr.
TriMet ridership and housing prices

In Portland, economic displacement may be a driver of transit ridership loss.
Planning ahead
Most affordable housing is ‘naturally occurring’
Filtering ... eventually

NATIONAL

Vacancies Show The Effect Of Construction
Average Vacancy By Star Rating

LOCAL

Table 2 – NOAH (1,2,3 stars) and high quality (4,5 stars) housing in Metro, as of 08/17/17

<table>
<thead>
<tr>
<th></th>
<th>NOAH</th>
<th>High quality</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacancy rate</td>
<td>4.4%</td>
<td>7.8%</td>
</tr>
<tr>
<td>Studio asking rent</td>
<td>$903</td>
<td>$1,229</td>
</tr>
<tr>
<td>1 bed asking rent</td>
<td>$1,020</td>
<td>$1,405</td>
</tr>
<tr>
<td>2 bed asking rent</td>
<td>$1,198</td>
<td>$1,644</td>
</tr>
<tr>
<td>3+ bed asking rent</td>
<td>$1,368</td>
<td>$1,724</td>
</tr>
<tr>
<td>Concessions</td>
<td>0.9%</td>
<td>2.3%</td>
</tr>
</tbody>
</table>

Source: CoStar Multi-Family Property Database (Note: The table was generated by CoStar as of 08/17/17)
“Naturally occurring affordable housing” or just a HAUTMSS?

*HOUSING AFFORDABLE UNTIL THE MARKET SPECULATION STARTS

THOUGHTS ON THE UNNATURAL OCCURRENCE OF CHEAP HOUSING, STEVE KING OF OAKLAND COMMUNITY LAND TRUST
Vulnerable people in precarious housing

Cost Burdened Households by income level

Housing cost burden means paying more than 30% of income on housing.

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Multnomah</th>
<th>Portland</th>
</tr>
</thead>
<tbody>
<tr>
<td>AMI &lt; 30</td>
<td>28,324 (76.7%)</td>
<td>23,722 (75.2%)</td>
</tr>
<tr>
<td>30 ≤ AMI &lt; 50</td>
<td>21,799 (85.6%)</td>
<td>17,391 (85.7%)</td>
</tr>
<tr>
<td>50 ≤ AMI &lt; 80</td>
<td>13,728 (46.8%)</td>
<td>11,432 (48.8%)</td>
</tr>
<tr>
<td>80 ≤ AMI &lt; 100</td>
<td>2,574 (18.7%)</td>
<td>2,176 (19.5%)</td>
</tr>
<tr>
<td>100 ≤ AMI</td>
<td>1,642 (5.1%)</td>
<td>1,432 (5.1%)</td>
</tr>
</tbody>
</table>

Source: 2008-2012 CHAS
Vulnerable people in precarious housing

There is a much greater incidence of housing cost burden for people of color in the Portland Metro region.

METRO: YOU ARE HERE
Rents are going up

Fig. 12 – Asking rent per unit by star rating in Metro, 2006–17 as of 6/22/17

Source: CoStar Multi-Family Property database
National trends in real estate: ‘hot’ urban markets

Emerging trends in real estate US and Canada 2017

PwC and ULI report
Small rental housing along Powell-Division planned BRT

About 1:5 rental units are in small buildings, duplex, single family

Most are in “fair” condition

Individual, non-LLC owners most likely to be in poor condition

....but without a regulatory framework we don’t know enough
Multifamily property sales are robust

21% of the decade’s sales occurred in the last 18 months
Potential impacts for communities of color

40% of units sold are in racially diverse areas that are high volume sales tracts
“Preservation is the new construction”