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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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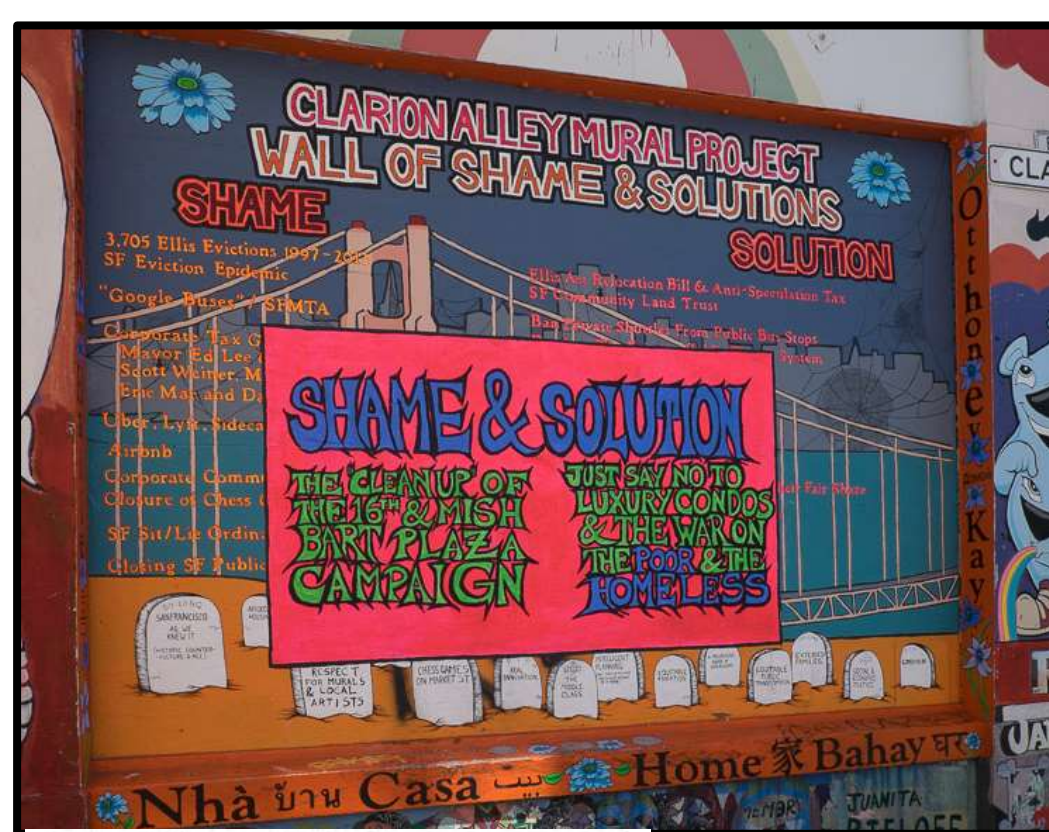
"Naturally Occurring" or *"Until Market Speculation Starts"*

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'



THE QLINE PROJECT IS A PRIME EXAMPLE OF TRANSIT GENTRIFICATION AND HIGHLIGHTS THE GROWING DISPARITY IN MOBILITY OPTIONS IN DETROIT.



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



PEOPLE'S RALLY FOR TRANSIT JUSTICE

SUNDAY, JANUARY 15, 2017

12:00 P.M.
Cathedral Church
Washington, DC 20005

...nd the country on Sunday, January 15
celebrate Dr. King and call on WMATA
affordable for all.

...nd our union are interwoven with the
at the dawn of the modern civil rights
y activists waged and won a battle to
orkforce.



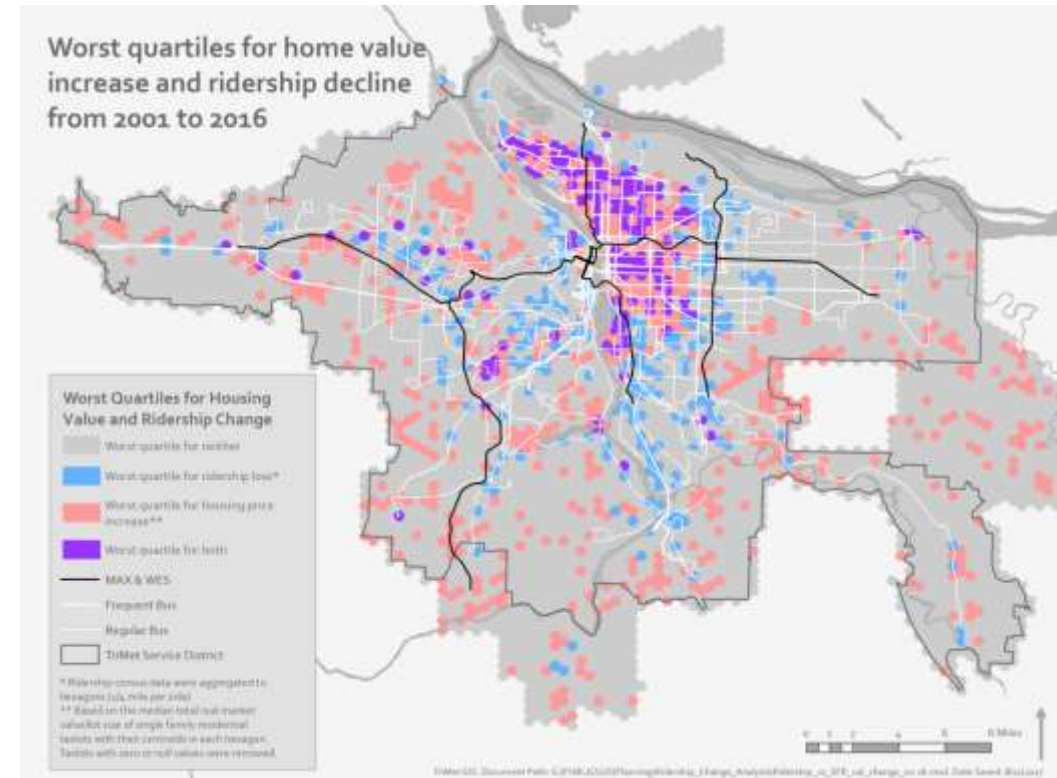
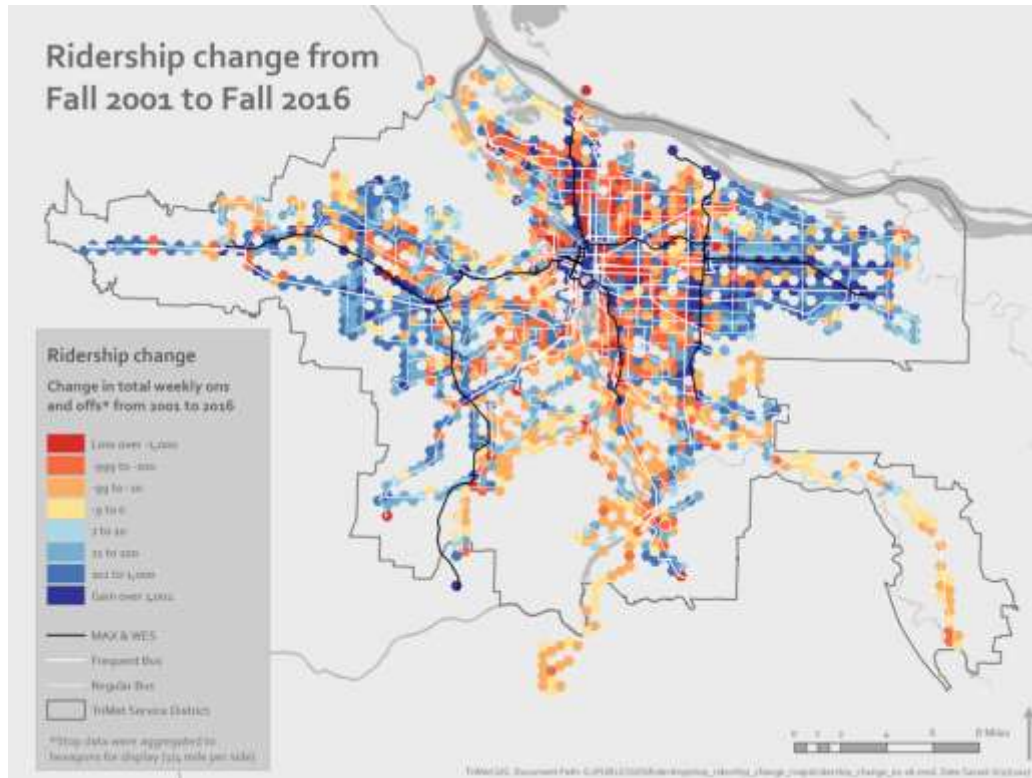
What does transit equity
IN NEIGHBORHOODS?
portation is: ① All have equal access
equity = No buses when we need
little or

*"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



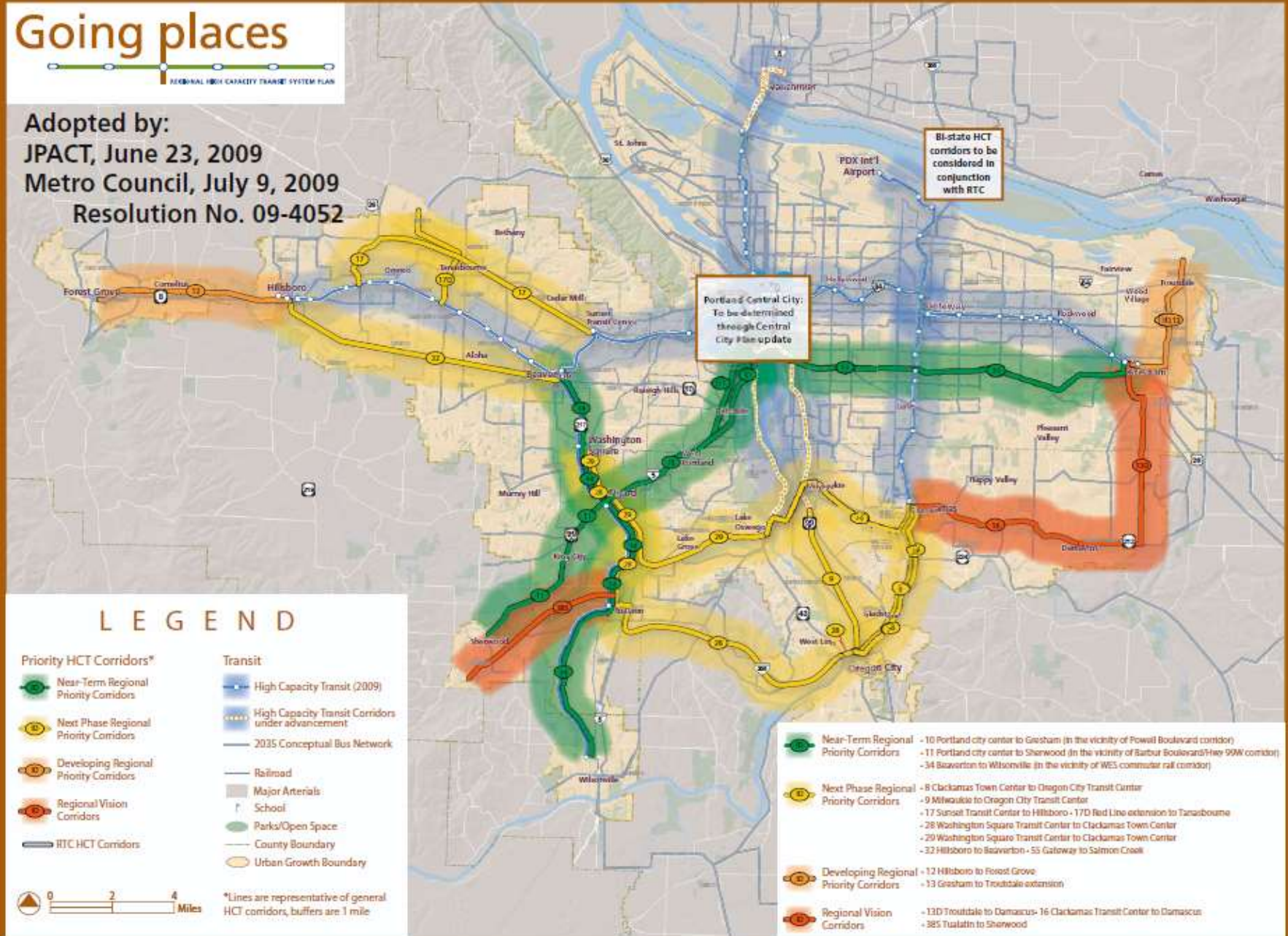
In Portland, economic displacement may be a driver of transit ridership loss

Planning ahead

Going places

REGIONAL HIGH CAPACITY TRANSIT SYSTEM PLAN

Adopted by:
 JPACT, June 23, 2009
 Metro Council, July 9, 2009
 Resolution No. 09-4052

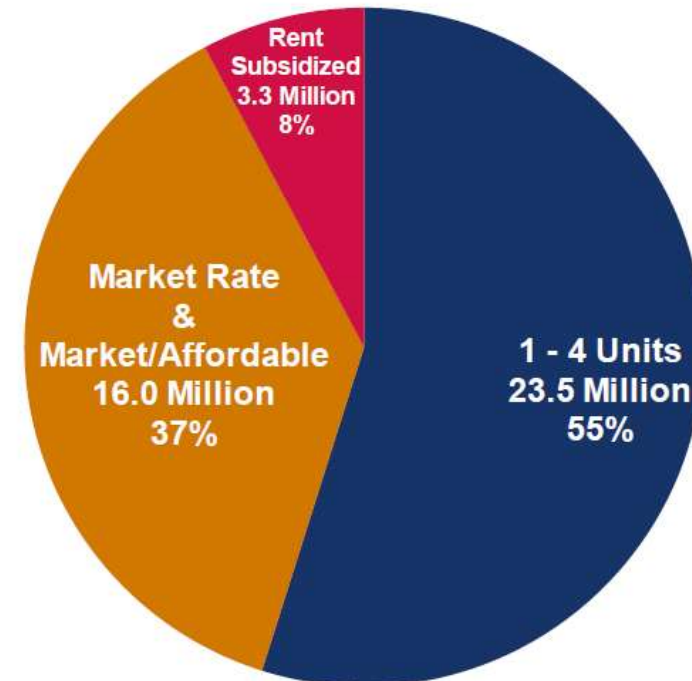


Most affordable housing is 'naturally occurring'

Slicing And Dicing Rental Housing



U.S. Rental Housing Inventory By Units



Sources: U.S. Census Bureau; CoStar Portfolio Strategy

As of August 2016

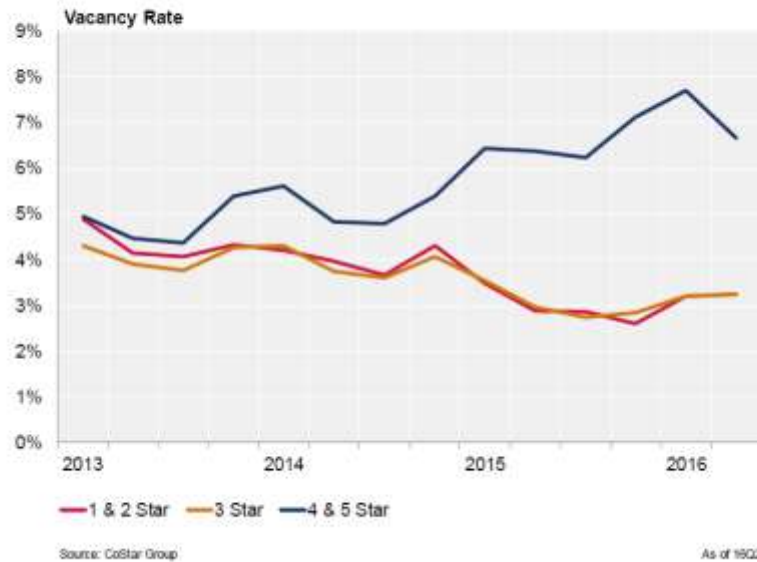
Filtering ... eventually

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

	NOAH	High quality
Vacancy rate	4.4%	7.8%
Studio asking rent	\$903	\$1,229
1 bed asking rent	\$1,020	\$1,405
2 bed asking rent	\$1,198	\$1,644
3+ bed asking rent	\$1,368	\$1,724
Concessions	0.9%	2.3%

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.

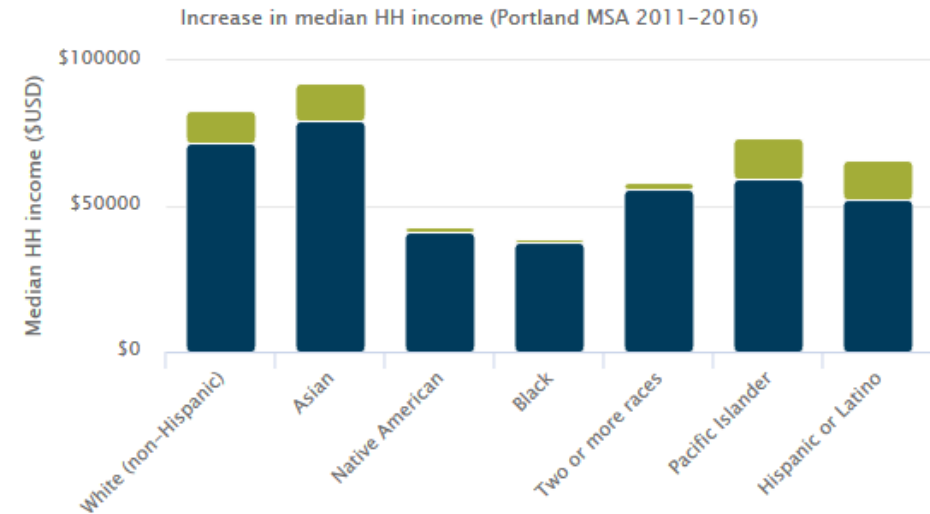
	Multnomah	Portland
AMI<30	28,324 (76.7%)	23,722 (75.2%)
30≤AMI<50	21,799 (85.6%)	17,391 (85.7%)
50≤AMI<80	13,728 (46.8%)	11,432 (48.8%)
80≤AMI<100	2,574 (18.7%)	2,176 (19.5%)
100≤AMI	1,642 (5.1%)	1,432 (5.1%)

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

Greater Portland's median household income increased by nearly \$11K in the past five years, but Black and Native American households saw only one-tenth of that.



Source: US American Community Survey 1-yr estimates, 2011 and 2016. 2011 incomes adjusted for inflation to 2016.

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



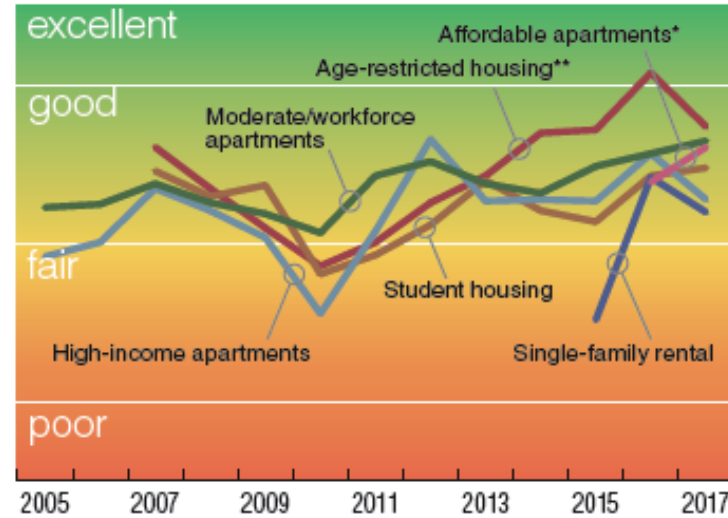
Source: CoStar Multi-Family Property database

National trends in real estate: 'hot' urban markets

Emerging trends in real estate US and Canada 2017

Pwc and ULI report

Exhibit 4-7 Apartment Investment Prospect Trends

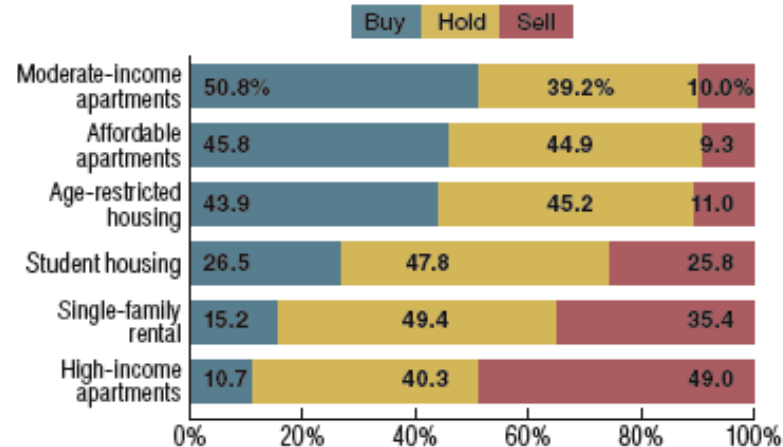


Source: *Emerging Trends in Real Estate* surveys.

*Second year in survey.

**2005–2016 data reflect the previous category of "senior/elderly housing"; 2017 data reflect the new category of "age-restricted housing."

Apartment Buy/Hold/Sell Recommendations



Source: *Emerging Trends in Real Estate 2017* survey.

Note: Based on U.S. respondents only.

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

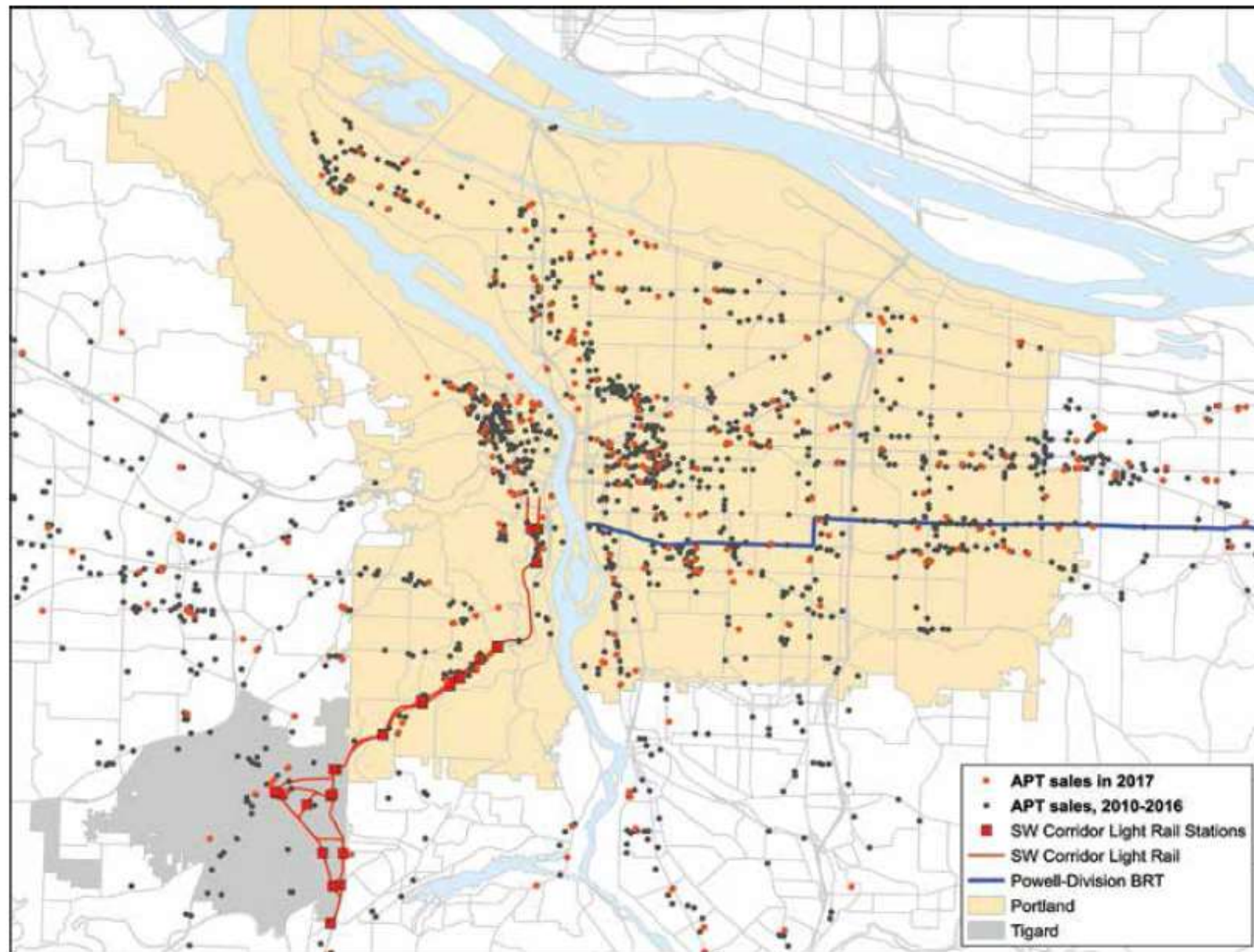
Individual, non-LLC owners most likely to be in poor condition

....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

Fig. 27 – Map of rental housing property sales in Metro, 2010–17, as of 8/10/17

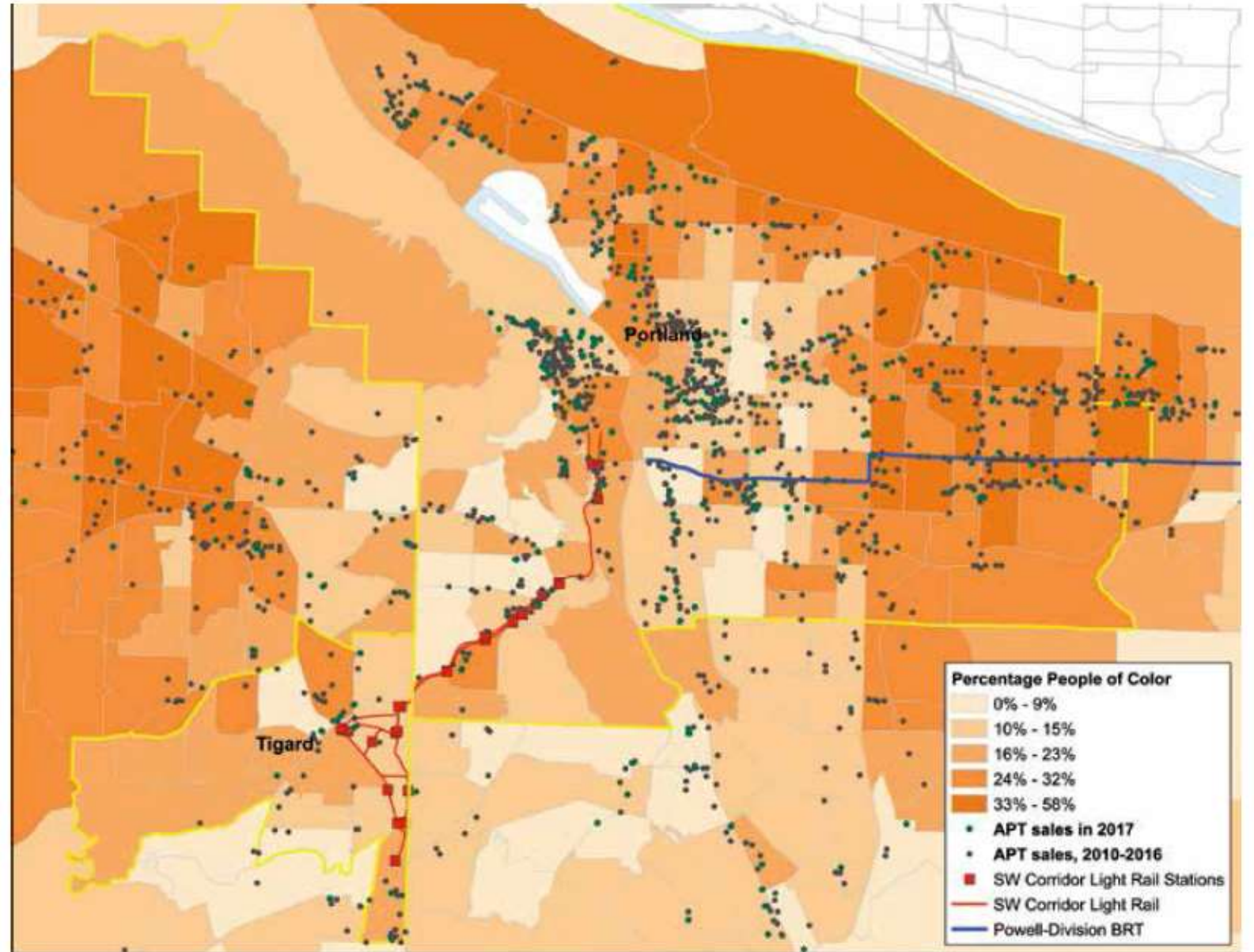


Source: CoStar Sales COMPS database

Potential impacts for communities of color

40% of units sold are in racially diverse areas that are high volume sales tracts

Fig. 34 – Metro: Map of rental housing property sales (2010–17) and percentage of people of color by census tract in 2015



Sources: CoStar Sales COMPS database, 2011-2015 ACS

“Preservation is the
new construction”
