

# Lane County Housing and Economic Forum

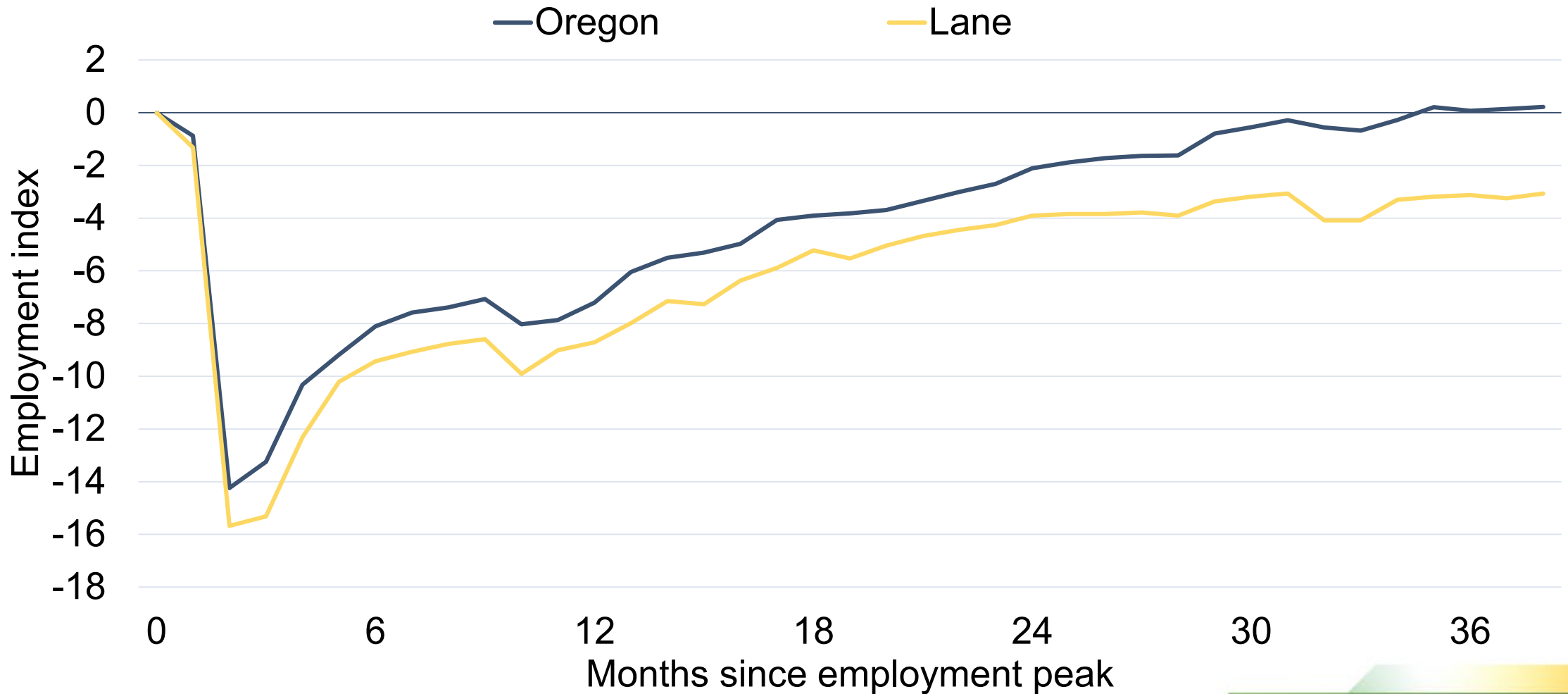
Henry Fields, Workforce Analyst at the Oregon Employment Department

Brandon Schrader, Housing Economist with Oregon Housing and Community Services

June 28<sup>th</sup>, 2023

# The state has recovered the jobs lost in 2020; Lane, not quite

## Job change since February 2020

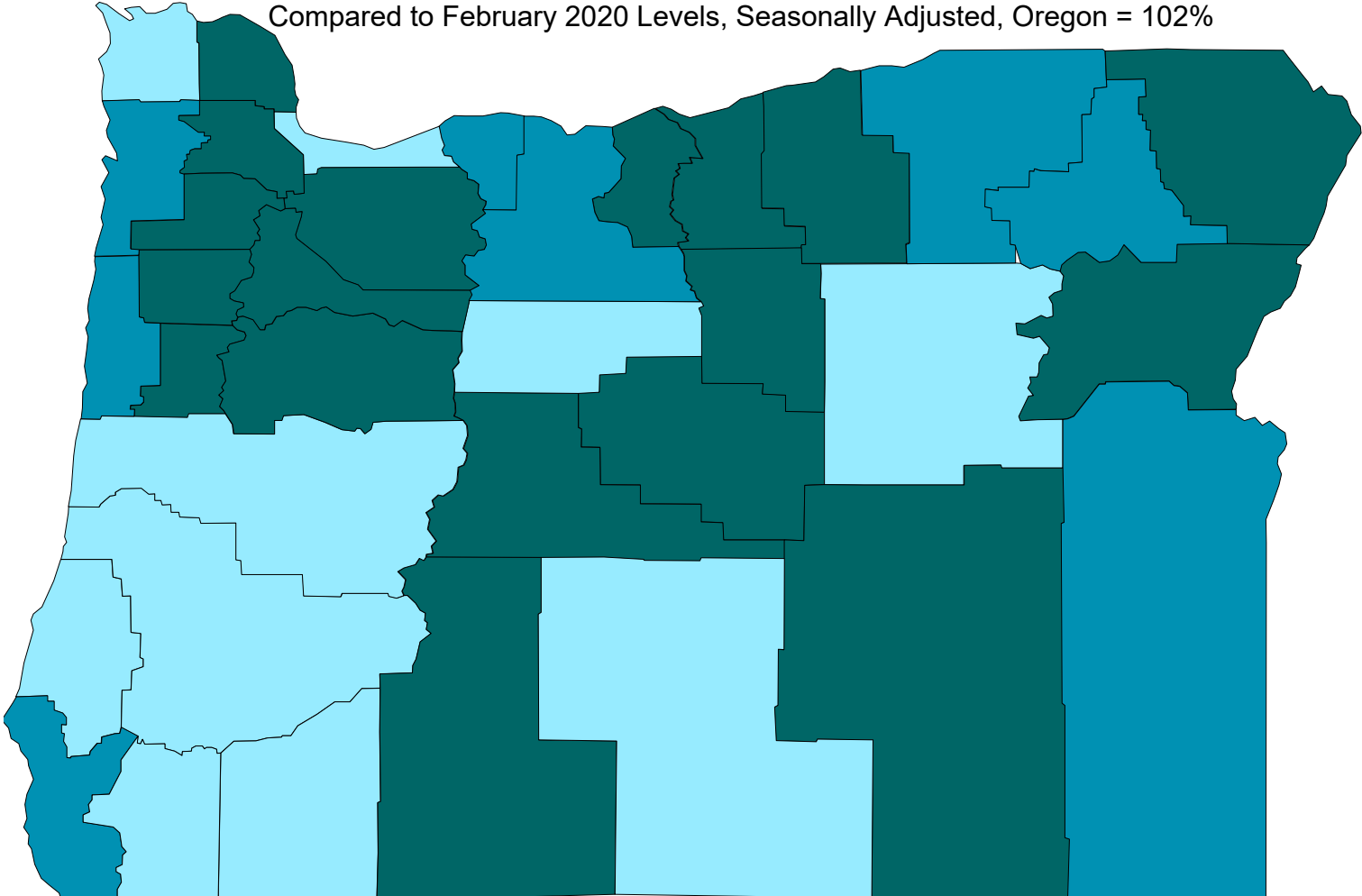


Source: Oregon Employment Department, Current Employment Statistics

# Oregon has more jobs now than before the pandemic recession

## Recovery of Total Nonfarm Employment as of April 2023

Compared to February 2020 Levels, Seasonally Adjusted, Oregon = 102%



Jobs recovery and expansion is widespread across the state:

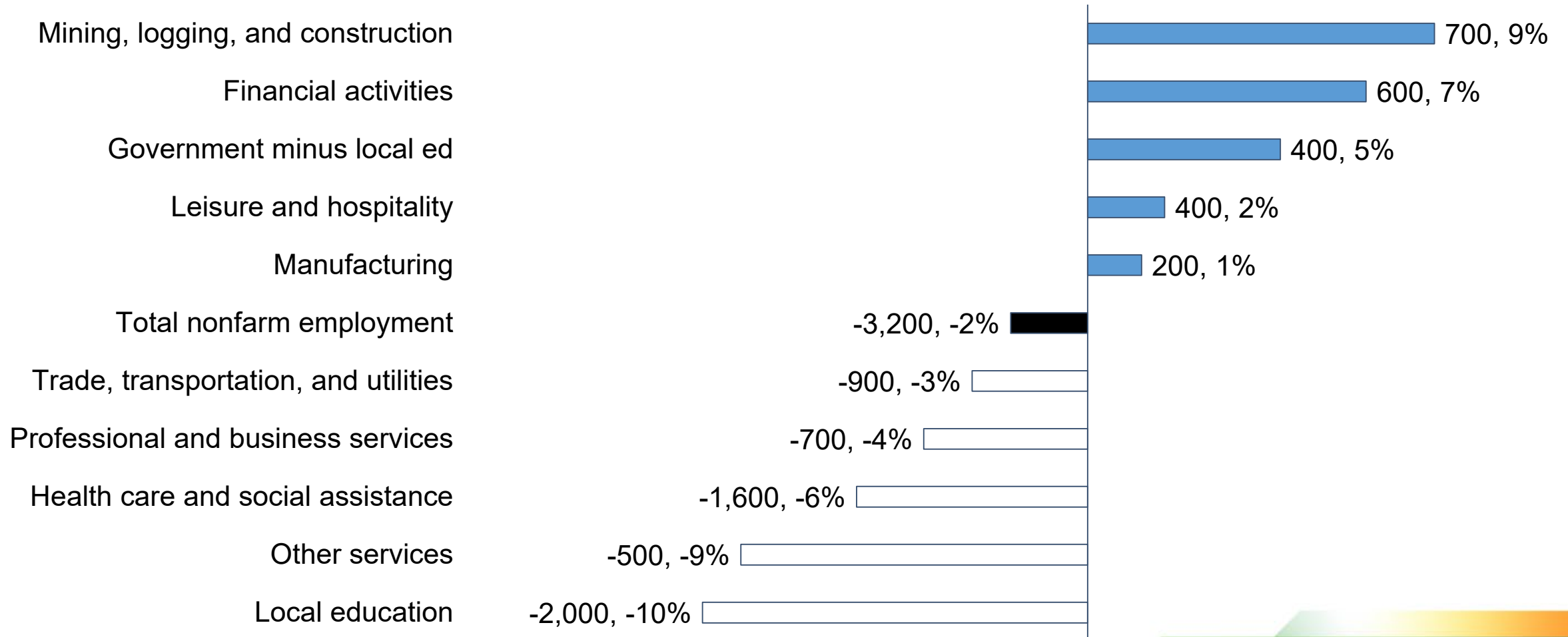
- Twenty-one counties have regained their total pandemic recession job losses.
- Recovery has been a bit slower in Southern Oregon.

Source: Oregon Employment Department



# Employment recovery is uneven by industry

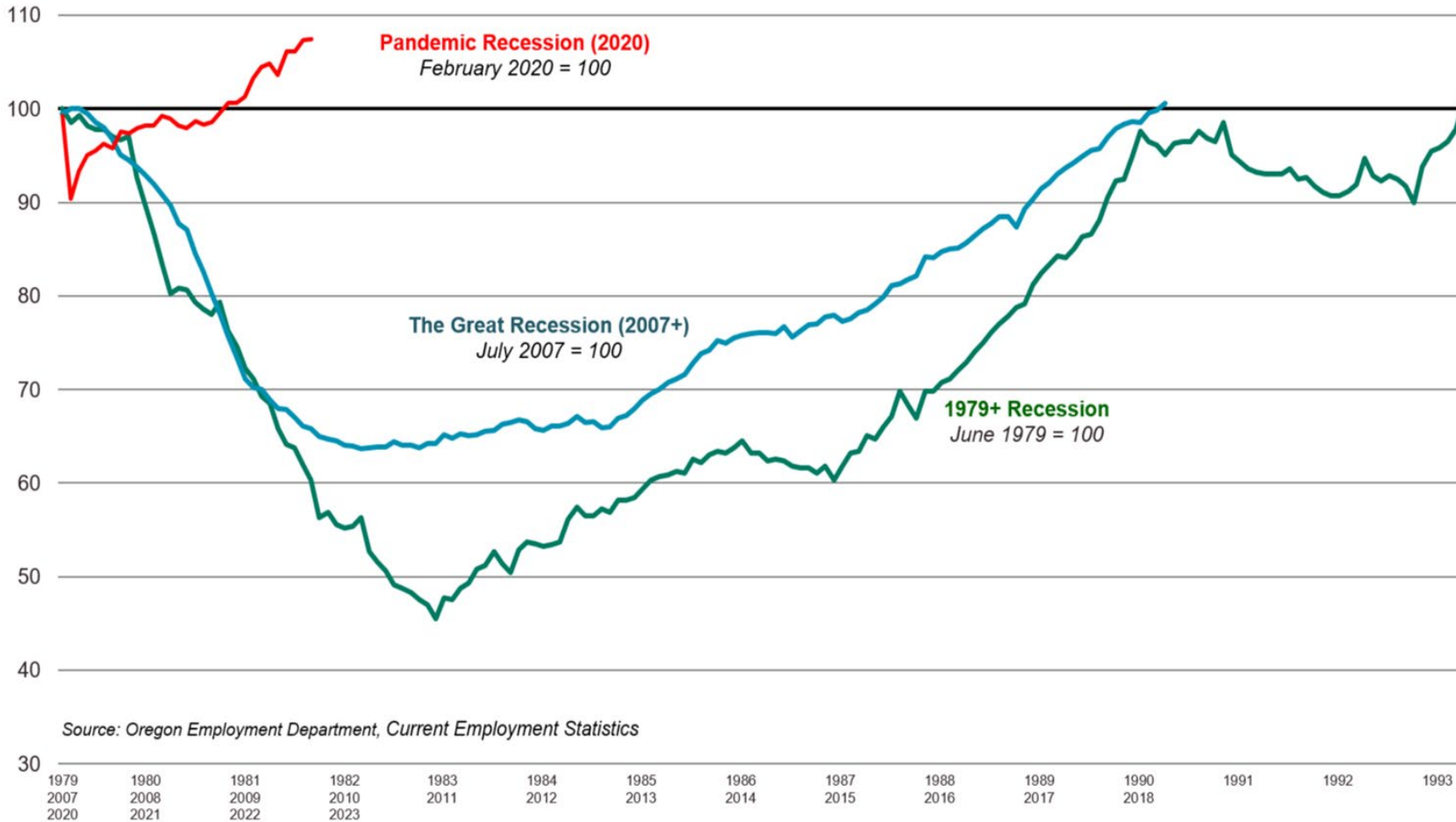
## Job Change, February 2020-May 2023 Lane County, Not Seasonally Adjusted



Source: Oregon Employment Department, Current Employment Statistics

# Construction employment was not severely impacted in 2020

Oregon Construction Employment Indices  
Select time periods, seasonally adjusted



Source: Oregon Employment Department, Current Employment Statistics

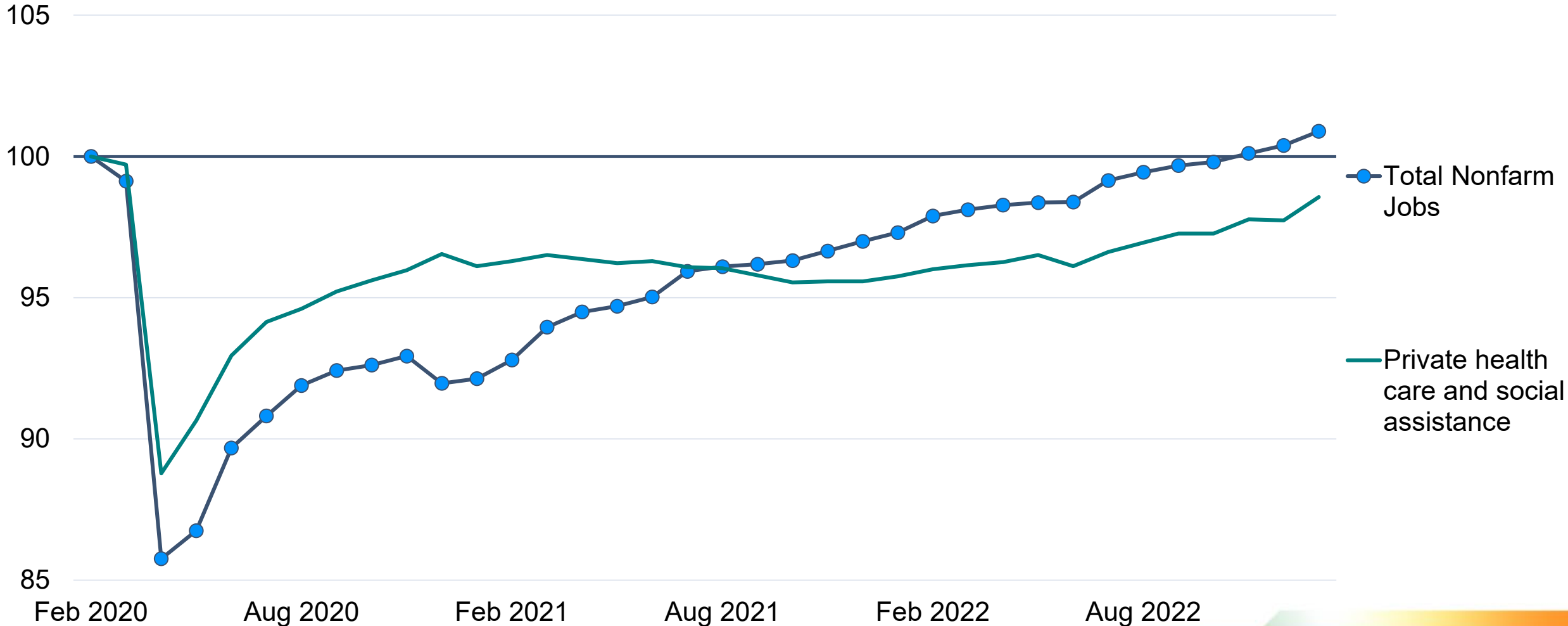
1979 Recession:  
55% job loss  
14 years until full recovery

2007 Recession  
35% job loss  
11 years until full recovery

2020 Recession  
10% job loss  
<2 years until full recovery

# Unlike in previous recessions, health care has struggled

## Oregon Indexed Employment, Seasonally Adjusted, February 2020 - January 2023

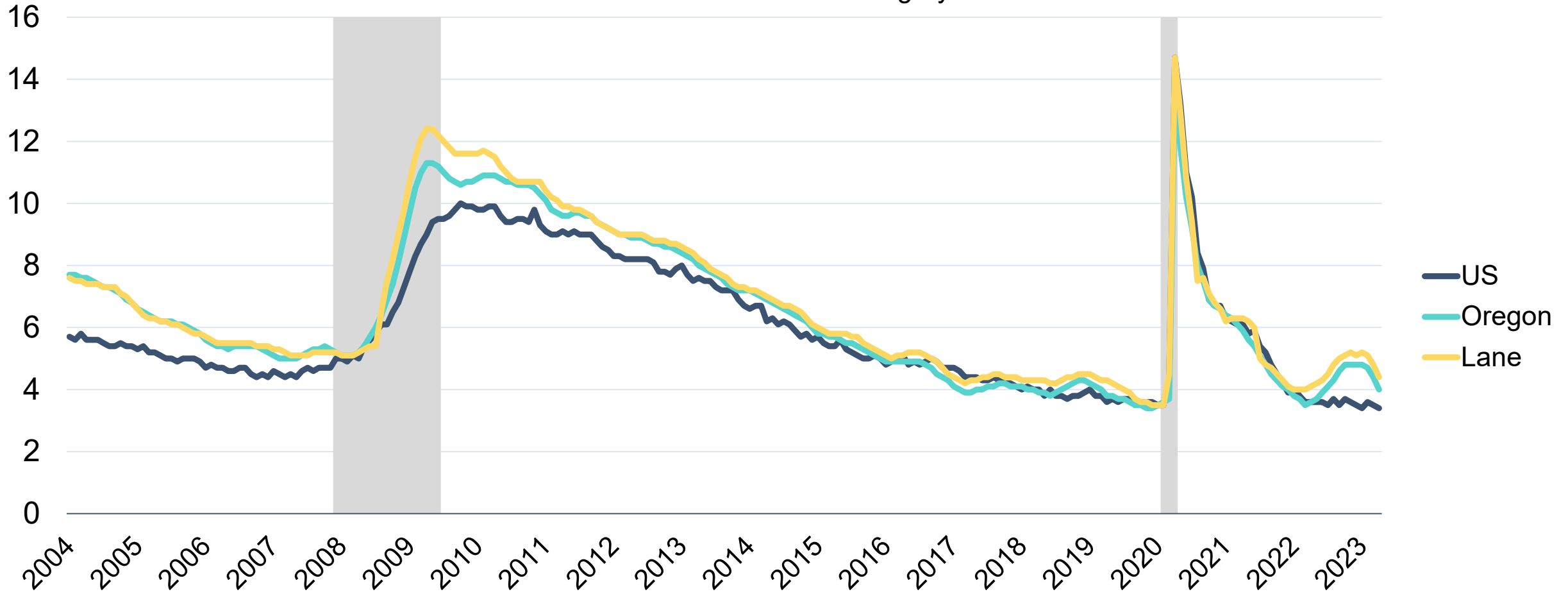


Source: Oregon Employment Department, Current Employment Statistics

# Unemployment is near historic lows

## Unemployment Rate, Seasonally Adjusted

Recessions shaded in grey



Source: Oregon Employment Department, Local Area Unemployment Statistics

### Oregon Job Vacancies, Winter 2023

<b>Vacancies</b>	<b>74,902</b>
Average Hourly Wage	\$24.41
Full-time Positions	80%
Permanent Positions	93%
Requiring Education Beyond High School	41%
Requiring Previous Experience	55%
Difficult to Fill	63%

Source: Oregon Employment Department

Vacancies decreased 13% from the fall and decreased 25% from winter 2022. Employers reported difficulty filling 63% of winter 2023 vacancies.

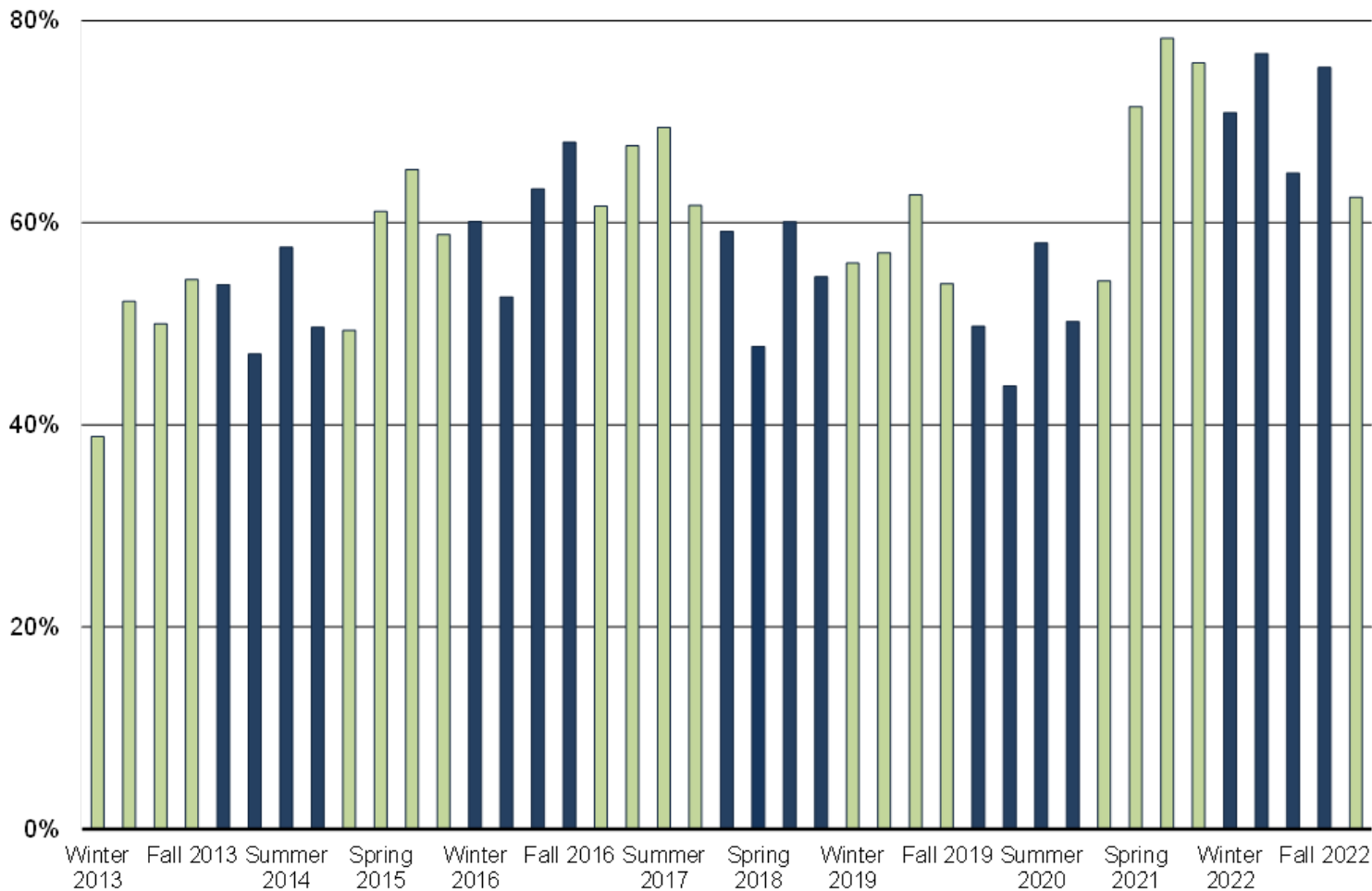
The average starting wage among this group of vacancies was \$24.41 per hour, an inflation-adjusted increase of 14.6% from winter 2022, but only 0.2% above fall 2022.

A typical job vacancy tends to be for a full-time, permanent position. Two out of five openings required education beyond high school.



Most winter job vacancies (63%) were reported as difficult to fill.

### Businesses Report Difficulty Filling 63% of Vacancies in Winter 2023

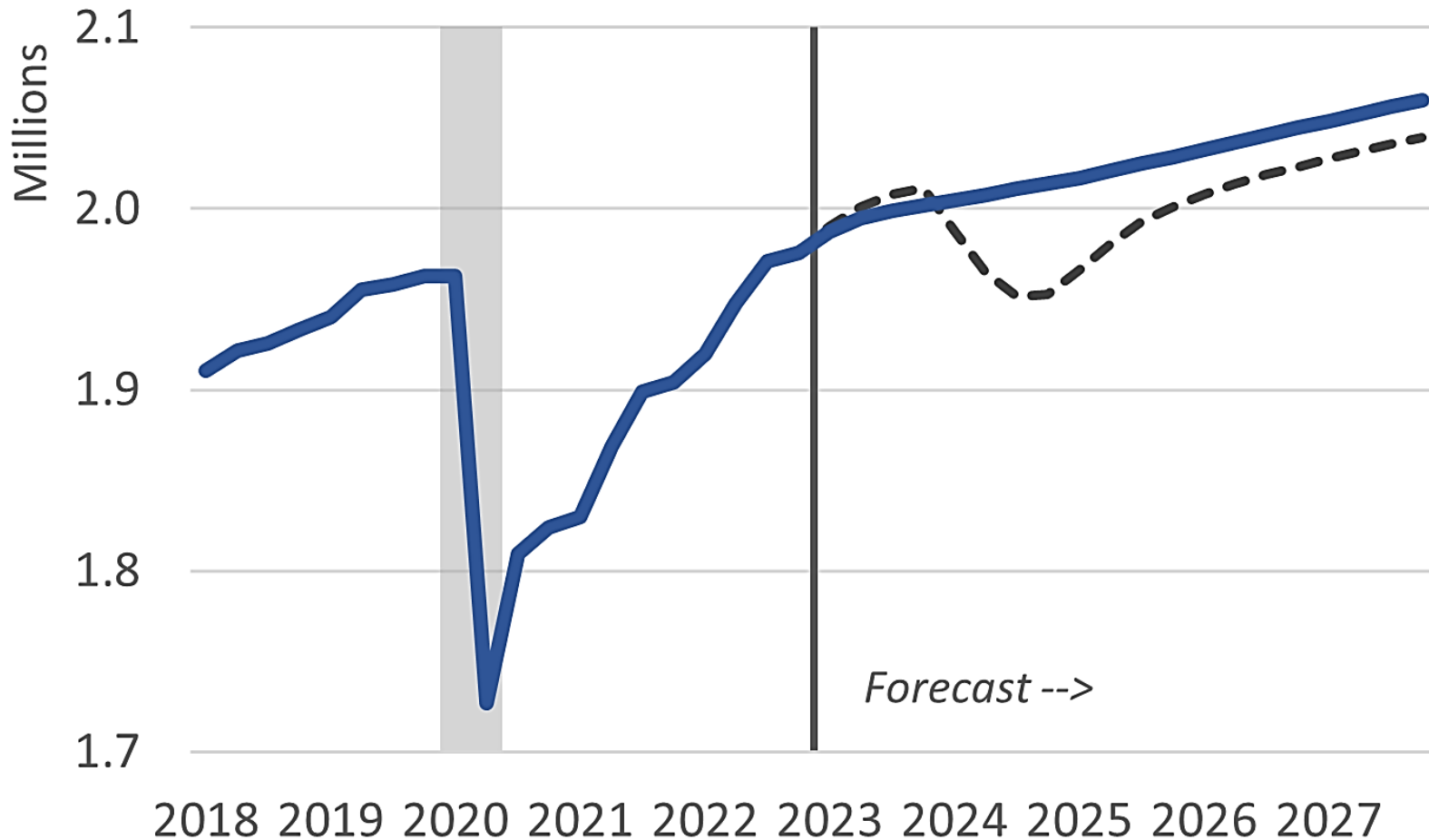


Source: Oregon Employment Department, Quarterly Job Vacancy

The occupations with the highest number of difficult-to-fill vacancies:

- Registered nurses (2,200)
- Truck drivers (2,000)
- Restaurant cooks (1,800)
- Nursing assistants (1,600)

## Baseline Soft Landing and Boom/Bust Alternative Scenario



Source: Oregon Office of Economic Analysis

### Bad News

Inflation remains too high, economy suffered a goods recession last year and banking turmoil this year, full force of interest rate increases yet to impact economy

### Good News

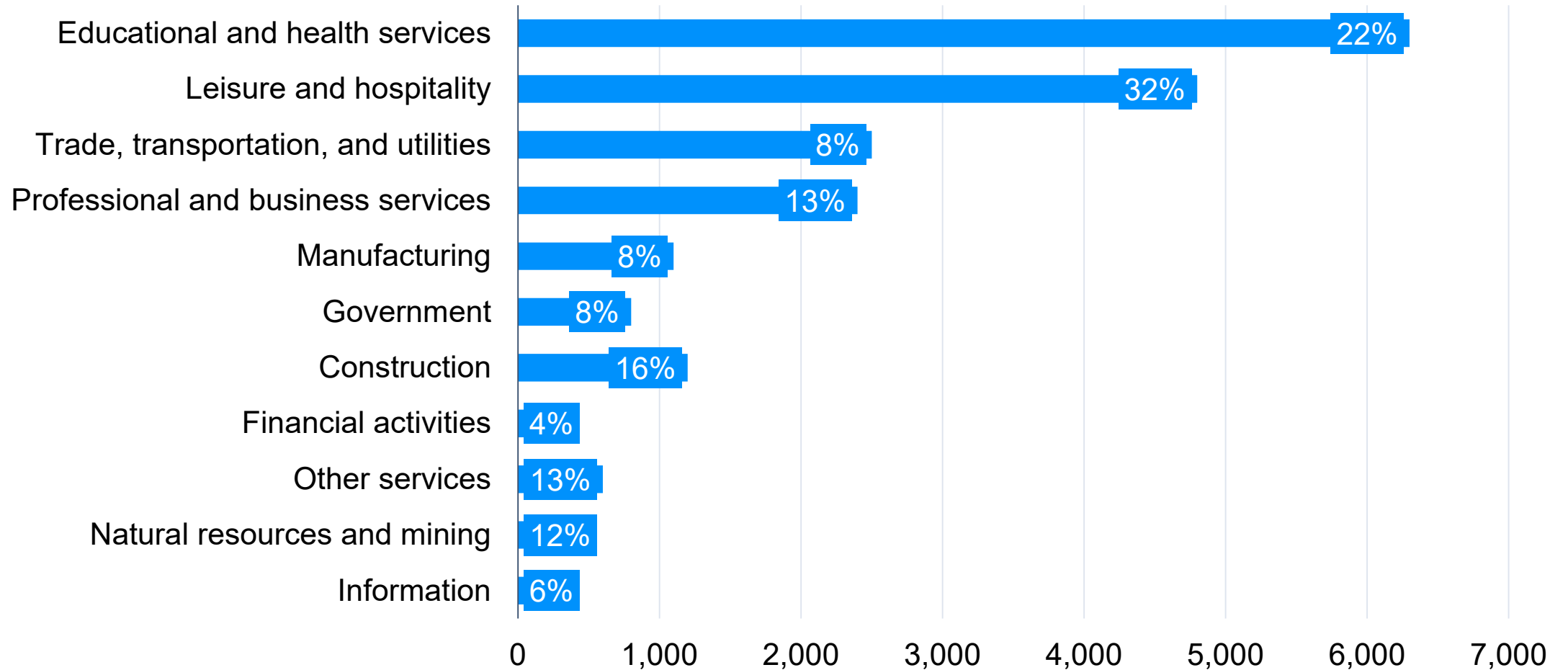
Inflation is slowing some, Fed is looking to pause rate hikes, housing and manufacturing are stabilizing, consumers on solid footing

### Alternative Boom/Bust Scenario

Moderate sized recession starting in 2024

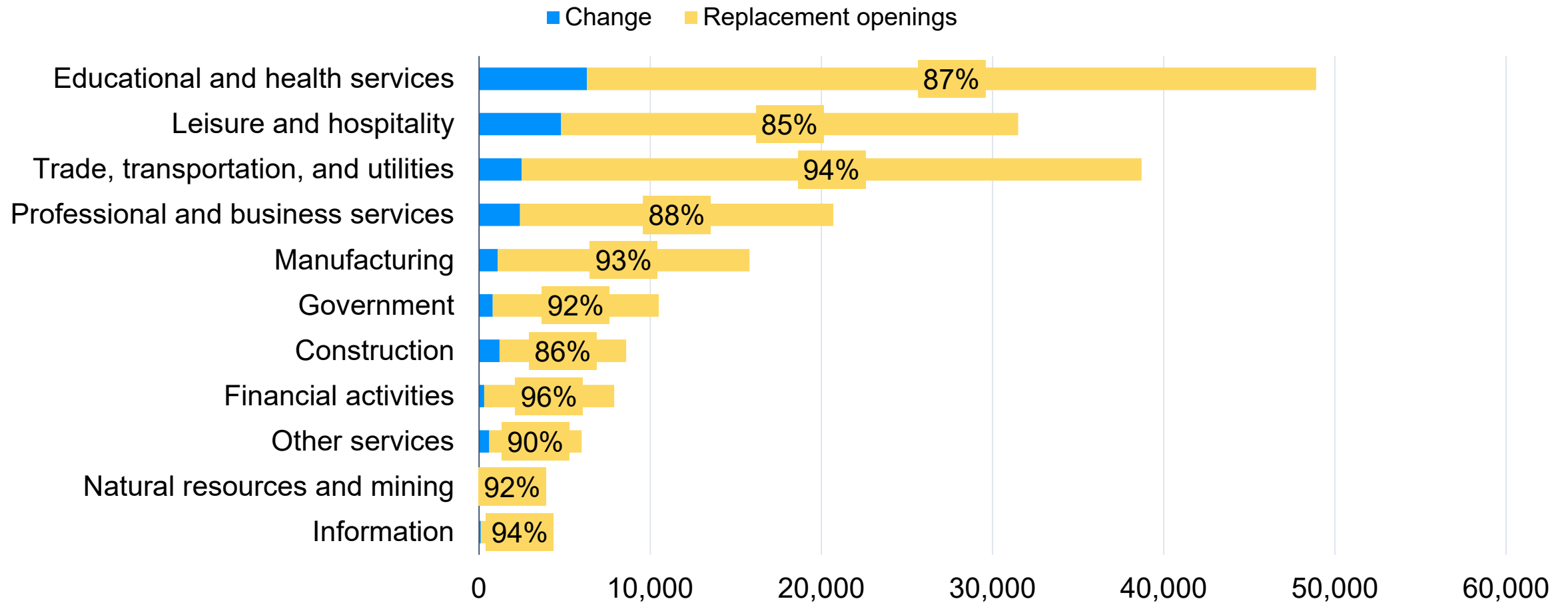
# All major industries are projected to add jobs over 10 years

Lane County Projected Job Change, 2021-2031

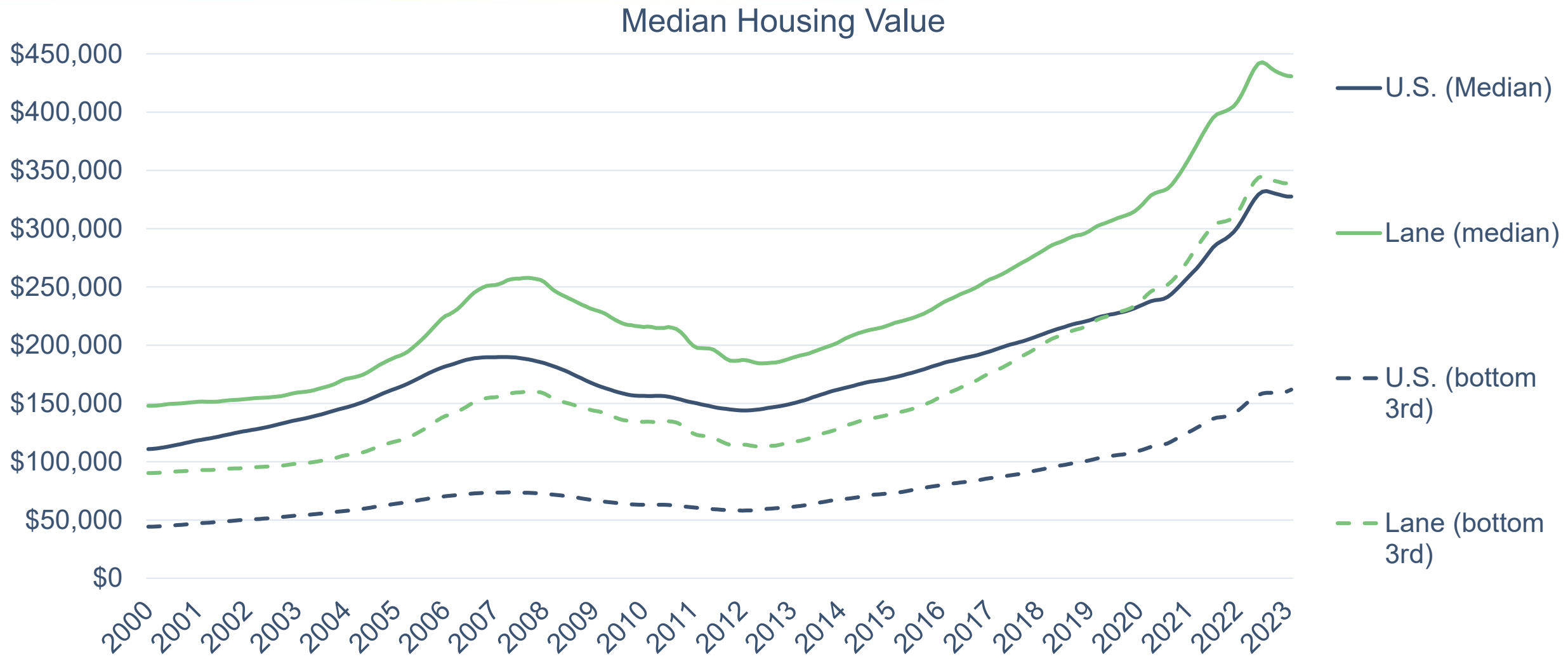


# The vast majority of job openings are due to replacement

## Lane County Projected Job Change, 2021-2031



# Housing costs have risen, particularly on the affordable end



Source: Zillow Research

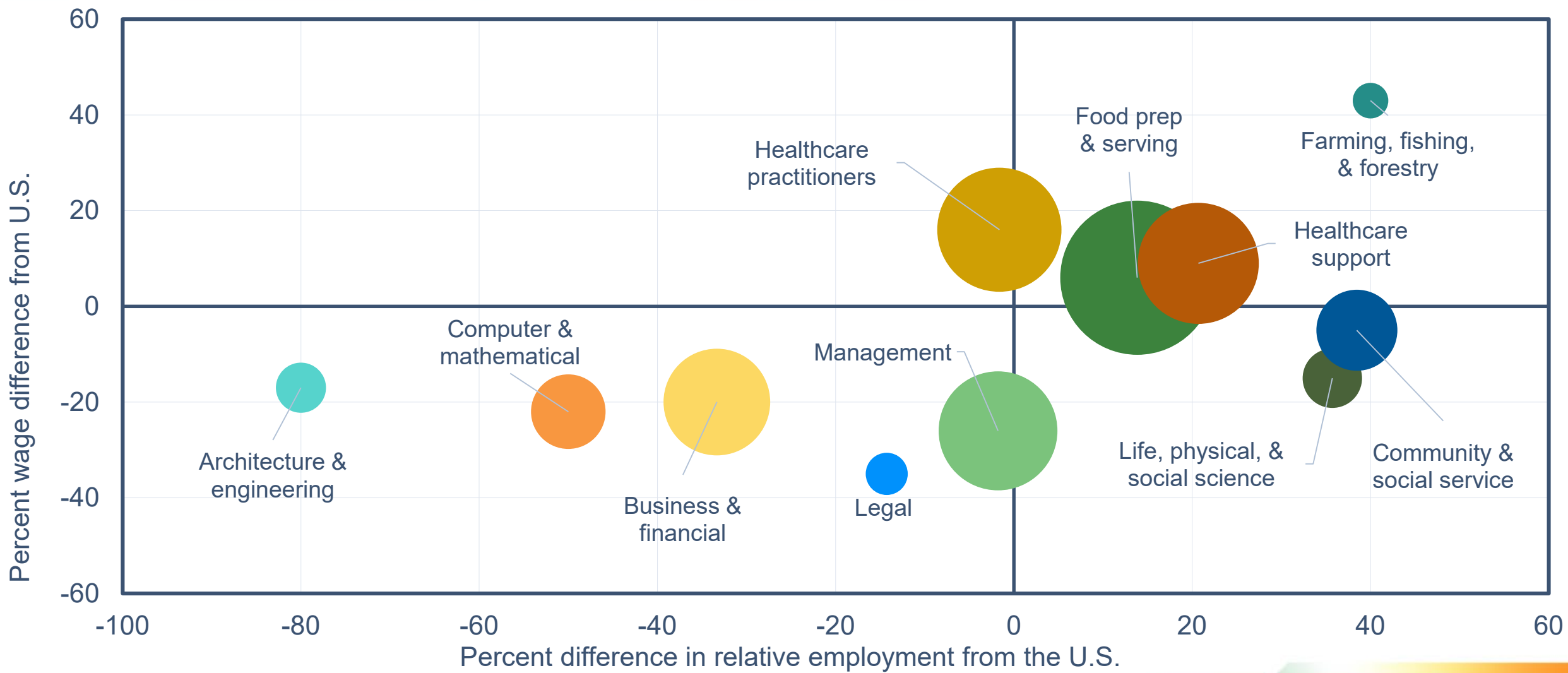
# Average wages are lower in Lane County

## Annual average wage per worker



Source: U.S. Bureau of Labor Statistics and Oregon Employment Department, Quarterly Census of Employment and Wages

# Much of the wage gap comes from differences in job type



Source: Oregon Employment Department, Bureau of Labor Statistics, Occupational Employment and Wage Statistics

# Our workforce is less diverse than the nation...

## 2021 Workforce (private industry)

## Lane County

## United States

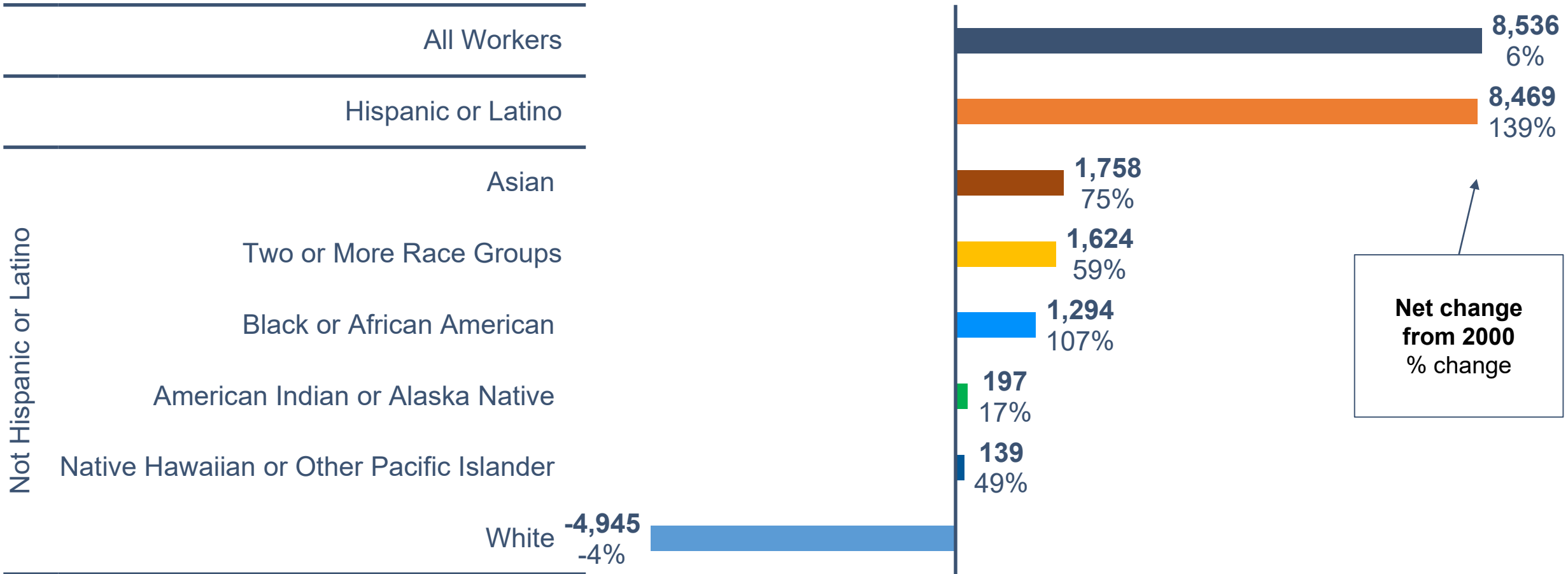
White	81%	62%
Black or African American	2%	12%
American Indian or Alaska Native	1%	1%
Asian	3%	7%
Native Hawaiian or Pacific Islander	0.3%	0.2%
Two or More Race Groups	3%	2%
Hispanic or Latino (of any race)	10%	17%

Source: U.S. Census Bureau, Quarterly Workforce Indicators



# ..but workforce change is happening quickly

## Change in Workforce by Race and Ethnicity Lane County 2000-2021

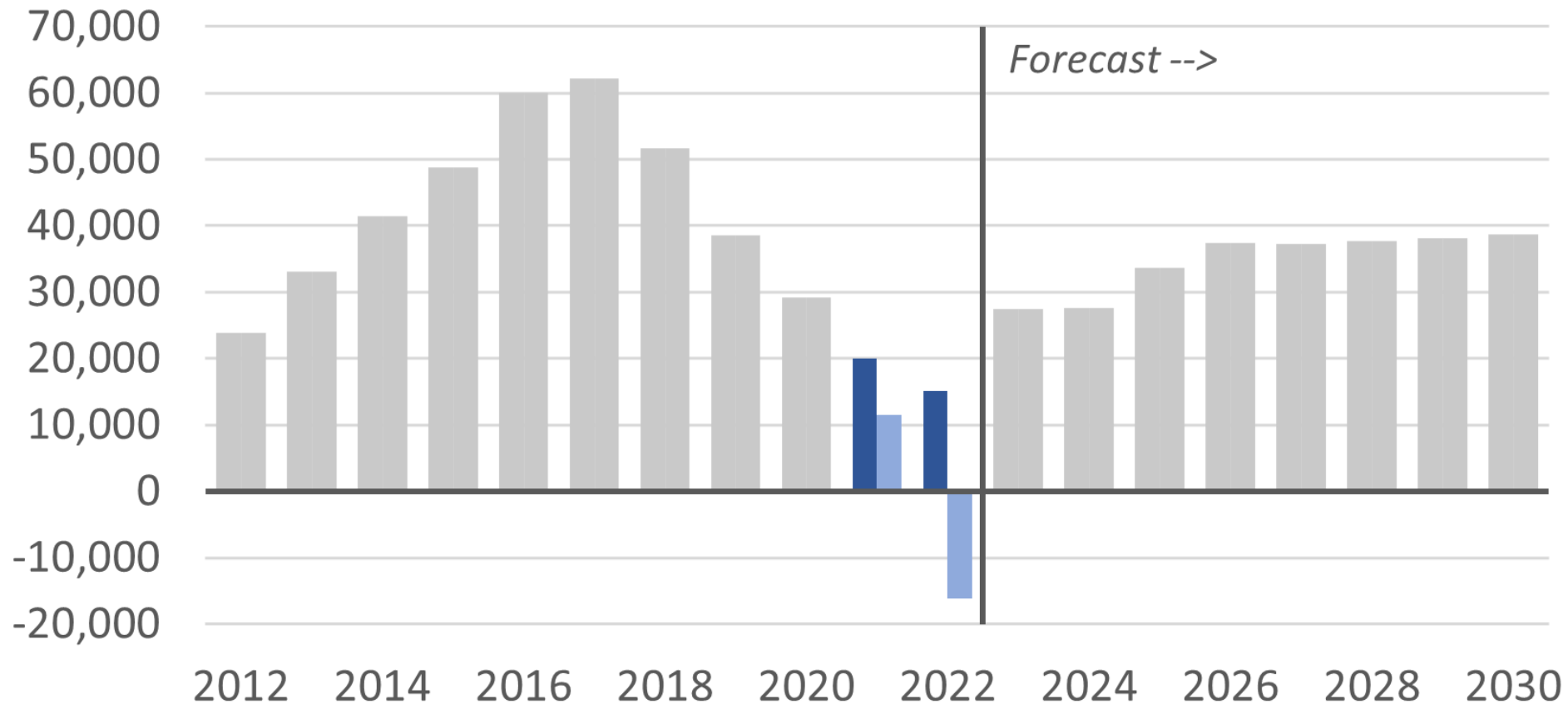


Source: U.S. Census Bureau, Quarterly Workforce Indicators

# Population (may be) growing slowly, or declining

*Annual change in total state population*

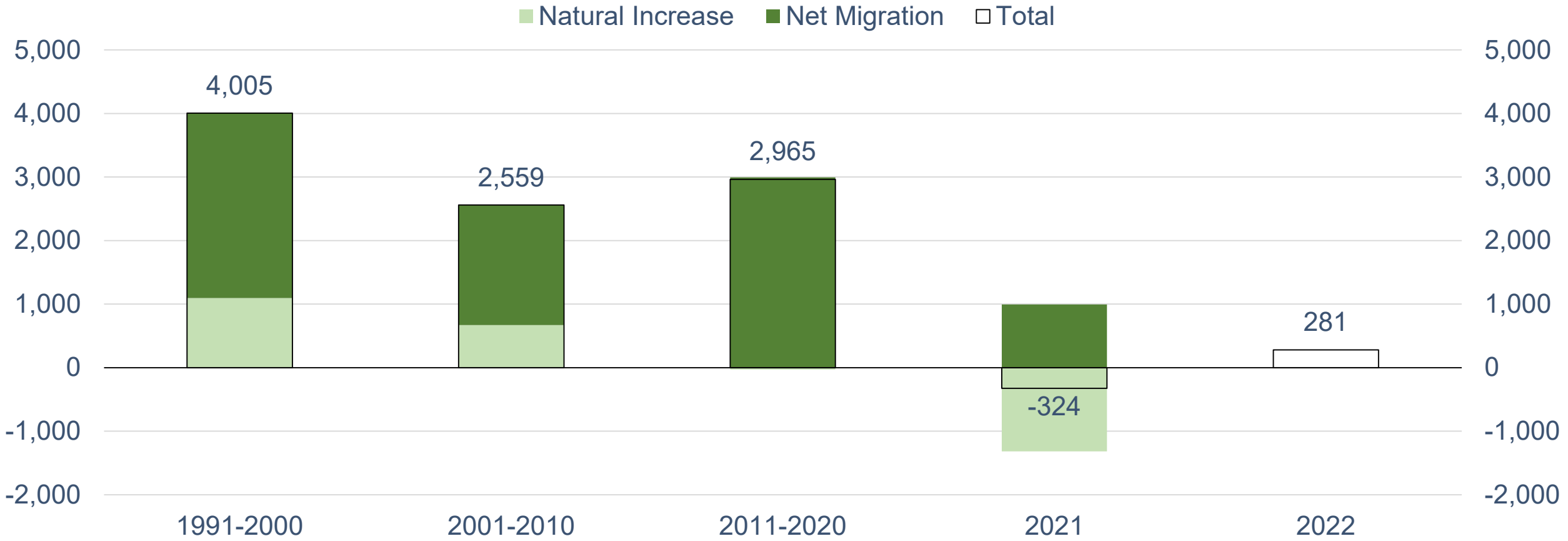
OEA History and Forecast, **Portland State Estimates**, **Census Bureau Estimates**



Source: Census, Portland State Population Research Center, Oregon Office of Economic Analysis

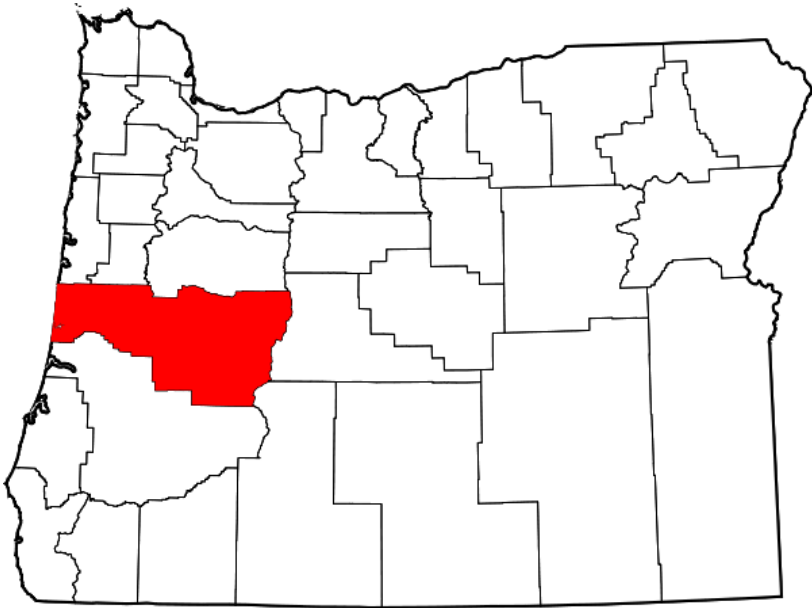
# Is our strategic advantage as an attractor waning?

Lane County Annual Population Change  
1991-2020 Average over decades



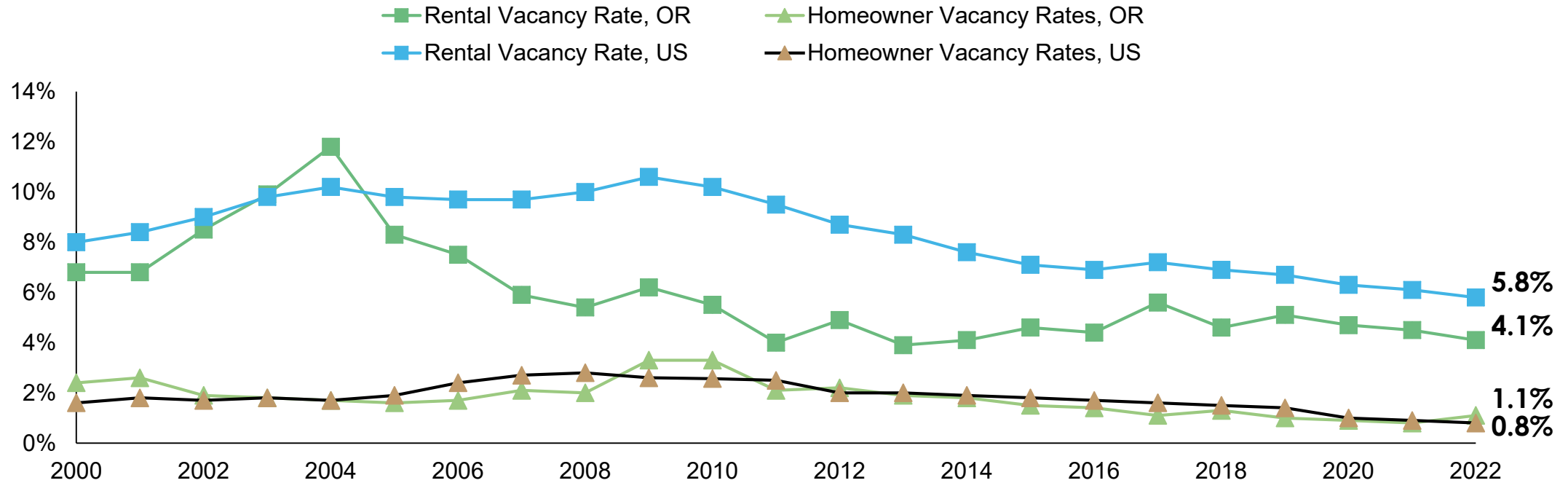
Source: Portland State University Population Research Center, U.S. Census Bureau

# Lane County Housing Indicators



# Vacancy Rates Remain Low in Oregon

## Vacancy Rate by Ownership, Oregon & United States

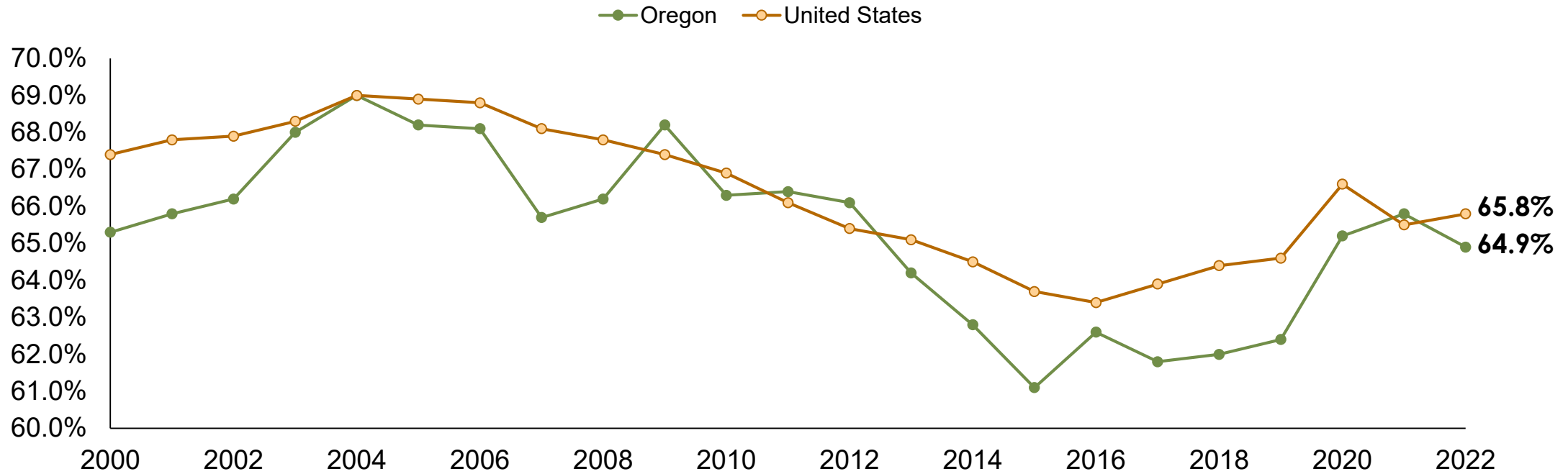


U.S. Census, Housing Vacancy Survey, 2000 - 2022



# Homeownership Remains Essentially Unchanged in 2022

## Homeownership Rate by Area

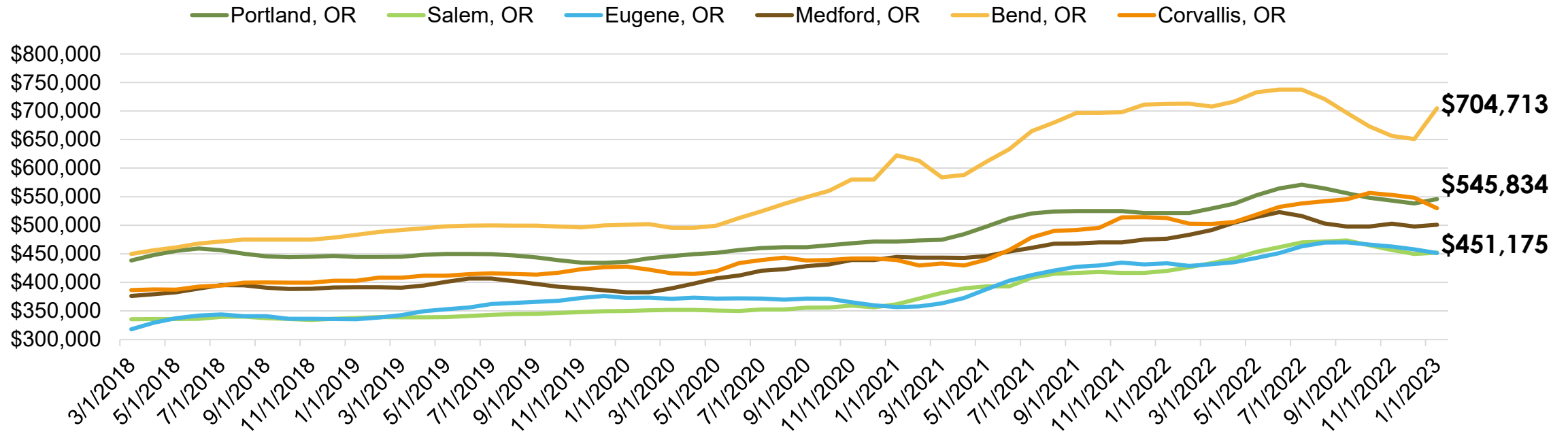


U.S. Census, Housing Vacancy Survey, 2000 - 2022



# Median Home Sales Increased by 4.1% YOY, More Affordable Than Other Parts of Oregon

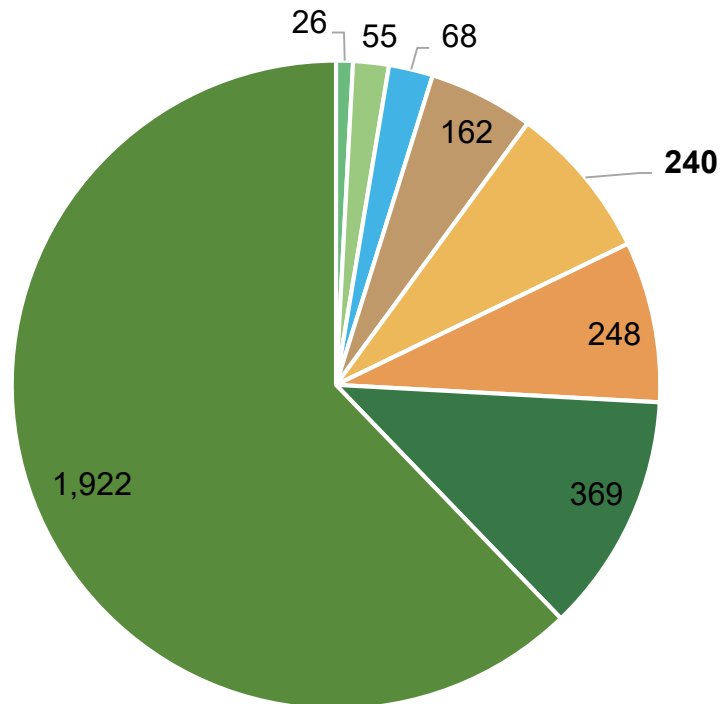
## Median Home Sales Price by Area



# Building Permits (SF) in Eugene for 2023 YTD Fall Behind 2022 Trends

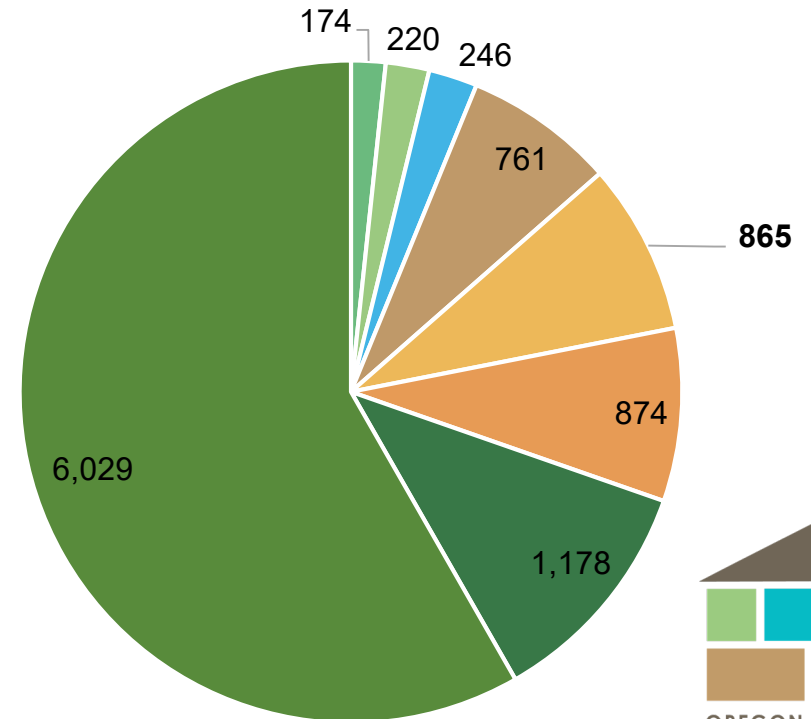
Single Family, 23 YTD

- Corvallis
- Albany
- Eugene
- Bend-Redmond
- Grants Pass \*
- Medford
- Salem
- Portland-Vancouver-Hillsboro-WA



Single Family, 22 Total

- Corvallis
- Grants Pass \*
- Eugene
- Bend-Redmond
- Albany
- Medford
- Salem
- Portland-Vancouver-Hillsboro-WA

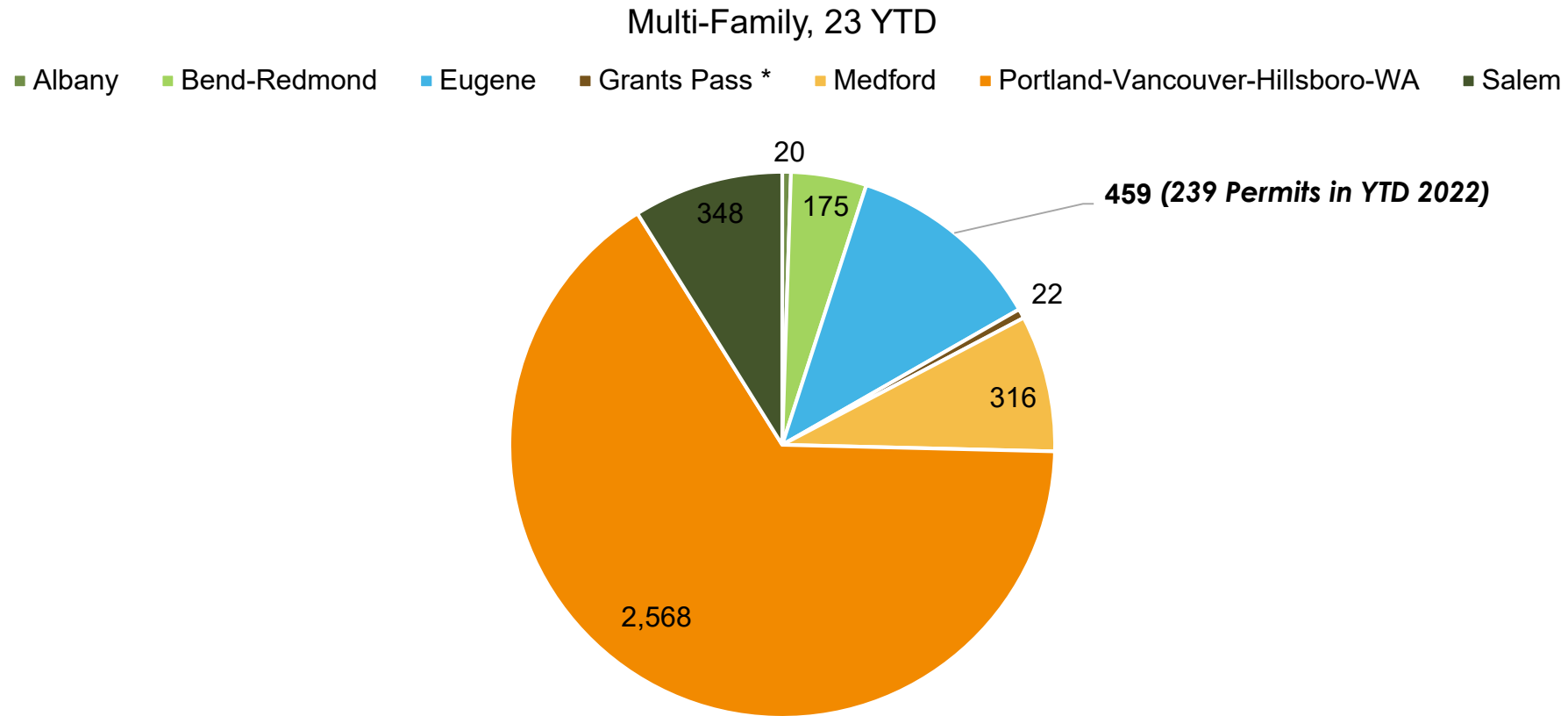


U.S. Census, Building Permit Survey, 2023





# However, 2023 YTD Multi-Family Permits are Nearly Double 2022 Levels



U.S. Census, Building Permits Survey, 2023



# Oregon Housing Needs Analysis

- However, Every Region in Oregon Needs Additional Housing to Address underproduction, homelessness, population growth, and other trends

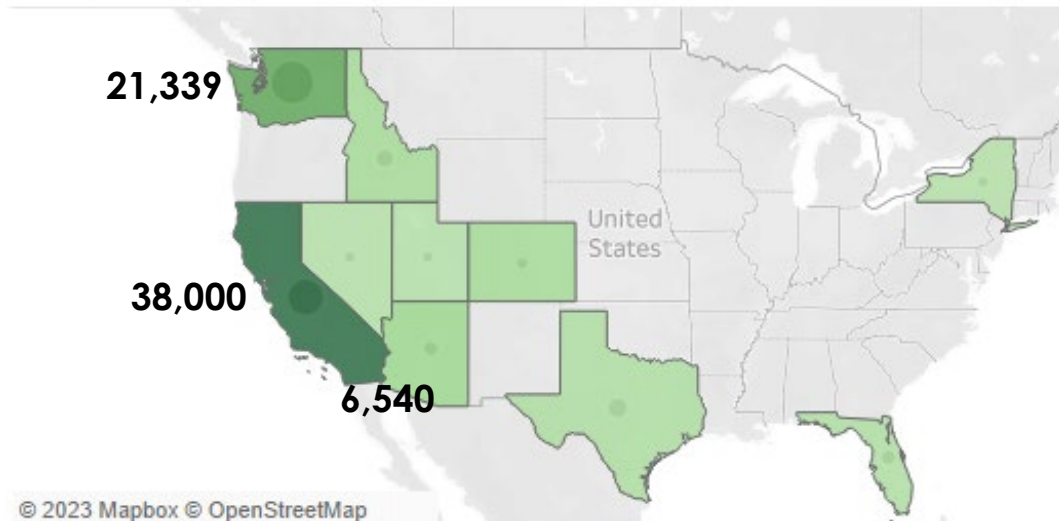
**Figure 5. Total Housing Need Allocated to Revised Methodology Income Bins**

Income Level	20-year Projected Need	Units lost to 2nd and vacation homes	Under-production	Units to Address Homelessness	Total Units	% Of Total Units
0-30%	42,948	-	16,660	25,965	85,572	15%
30-60%	65,632	-	22,775	2,334	90,742	16%
60-80%	44,292	-	10,719	875	55,885	10%
80-120%	79,547	21,287	11,052	-	111,887	20%
120%+	193,744	12,248	4,613	-	210,606	38%
<b>Total</b>	<b>426,163</b>	<b>33,535</b>	<b>65,819</b>	<b>29,174</b>	<b>554,691</b>	
<b>% Of Total</b>	<b>77%</b>	<b>6%</b>	<b>12%</b>	<b>5%</b>		

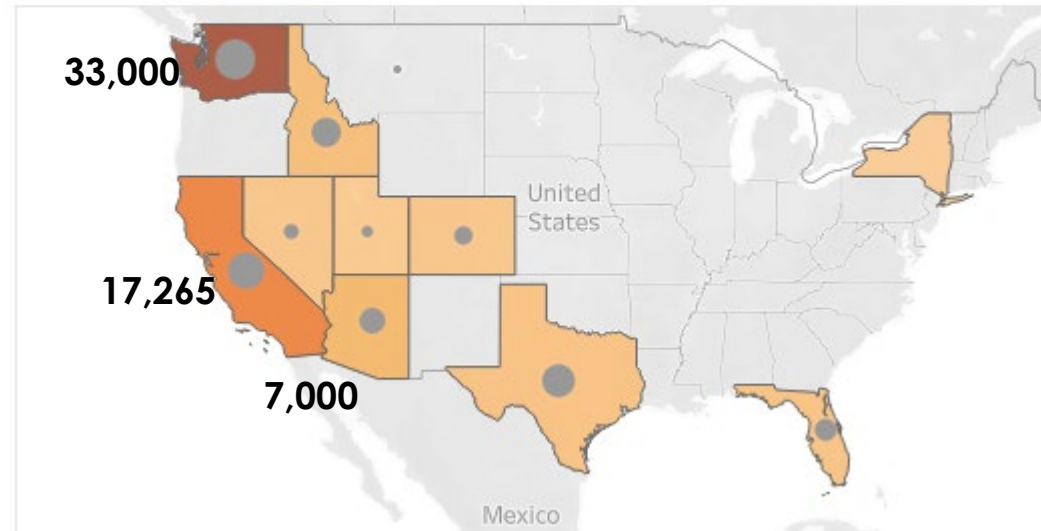
# Demographic Drivers and Looking Ahead

# Oregon is Trading Population with Other States, Slight Net Gain for Top-10 Areas

In-Migration Trends by All Reasons and Employment



Out-Migration Trends by All Reasons and Employment



U.S. Census, J2J and State2State Flows, 2021 - 2023

# Total Homeownership Forecasted to Decline for Oregon, Improve for Black and Hispanic Populations

Oregon Homeownership Rates, by Race or Ethnicity						
	1990	2000	2010	2020	2030	2040
<b>Total</b>	63.0%	64.3%	62.2%	63.5%	62.5%	60.9%
<b>White</b>	64.6%	66.9%	65.2%	66.9%	66.3%	65.0%
<b>Black</b>	37.9%	37.0%	33.0%	37.4%	39.3%	41.2%
<b>Hispanic</b>	37.3%	36.7%	40.1%	42.9%	44.4%	45.8%
<b>Other</b>	47.1%	51.7%	54.2%	58.7%	57.5%	56.1%

National Homeownership Rates, by Race or Ethnicity						
	1990	2000	2010	2020	2030	2040
<b>Total</b>	65.3%	66.2%	65.1%	64.7%	63.6%	62.2%
<b>White</b>	70.1%	72.4%	72.2%	73.0%	72.5%	71.4%
<b>Black</b>	45.2%	46.3%	44.3%	41.9%	41.1%	40.6%
<b>Hispanic</b>	43.3%	45.7%	47.3%	49.0%	50.2%	51.3%
<b>Other</b>	53.7%	53.0%	56.3%	58.1%	57.9%	57.4%

Sources: Decennial censuses, the American Community Survey, and Urban Institute projections.

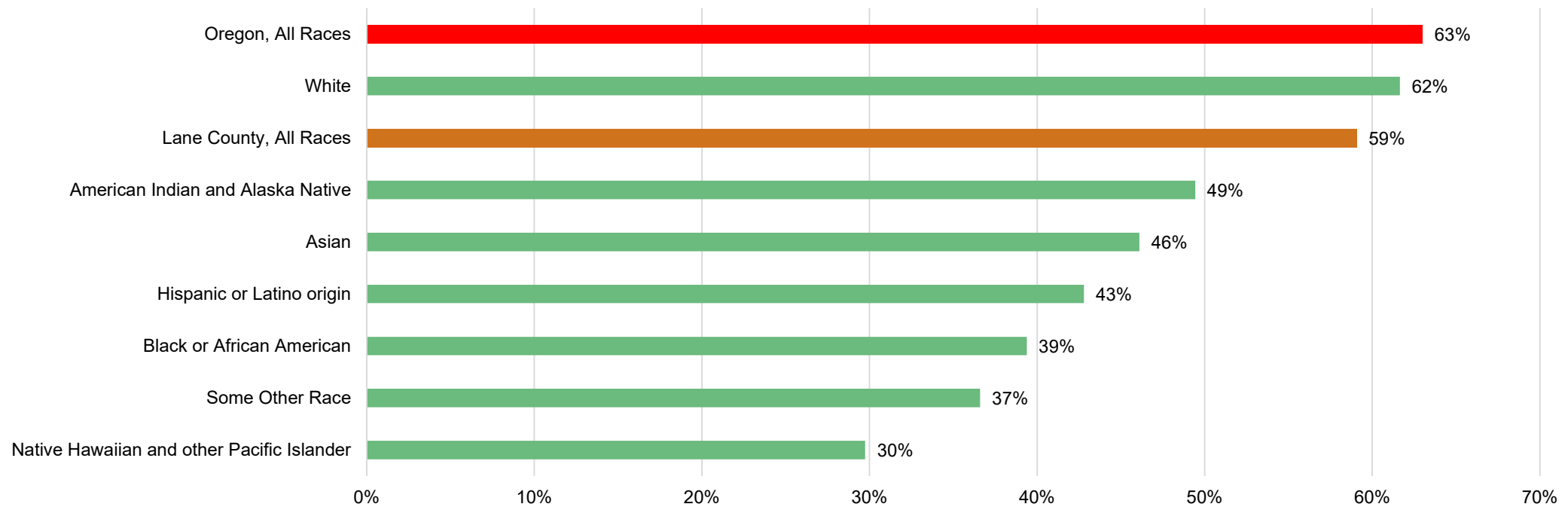
Notes: Values for 2020, 2030, and 2040 are projected values. The "Other" category includes Asians, American Indians, Alaska Natives, Native Hawaiians, other Pacific Islanders, and multiracial people.

American Community Survey and Urban Institute, 2023



# Homeownership in Lane County is Below the Statewide Average, Significant Variance by Race and Ethnicity

Homeownership by Race and Ethnicity



U.S. Census, Housing Demographics, 5-Year Estimates, 2021

OREGON HOUSING *and*  
COMMUNITY SERVICES

# Despite that, Household Formations Projected to Grow in Oregon and Outpace National Rates

## Number of Households and Household Growth

Number of Households in Oregon, by Race or Ethnicity						
	1990	2000	2010	2020	2030	2040
<b>Total</b>	1,099,870	1,334,413	1,518,880	1,689,513	1,912,893	2,106,393
<b>White</b>	1,026,103	1,179,274	1,289,400	1,369,938	1,481,392	1,558,170
<b>Black</b>	14,857	18,376	23,640	29,223	37,809	47,641
<b>Hispanic</b>	26,981	62,674	109,840	158,884	220,090	283,484
<b>Other</b>	31,929	74,089	96,000	131,468	173,602	217,098

	Household Growth: Oregon			Household Growth: Nationwide		
	2010-2020	2020-2030	2030-2040	2010-2020	2020-2030	2030-2040
<b>Total</b>	11.2%	13.2%	10.1%	5.9%	6.4%	5.4%
<b>White</b>	6.2%	8.1%	5.2%	0.1%	0.5%	-1.3%
<b>Black</b>	23.6%	29.4%	26.0%	9.9%	10.1%	8.8%
<b>Hispanic</b>	44.7%	38.5%	28.8%	22.1%	19.2%	17.3%
<b>Other</b>	36.9%	32.0%	25.1%	20.9%	20.0%	18.4%

Sources: Decennial censuses, the American Community Survey, and Urban Institute projections.

Notes: Values for 2020, 2030, and 2040 are projected values. The "Other" category includes Asians, American Indians, Alaska Natives, Native Hawaiians, other Pacific Islanders, and multiracial people.

American Community Survey and Urban Institute, 2023



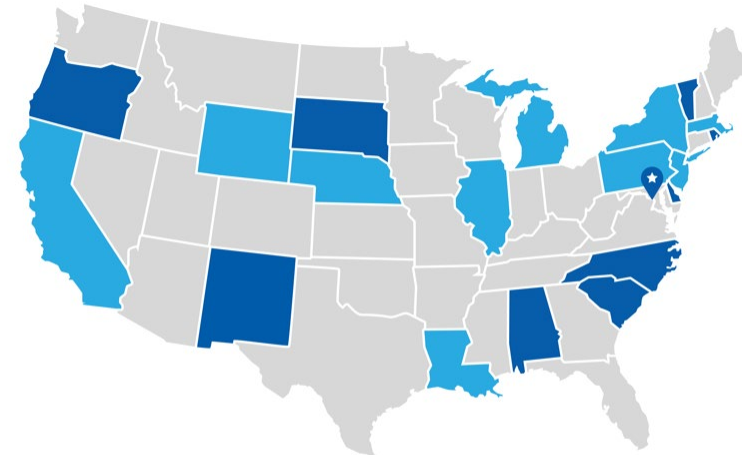
# Oregon Ranks 2<sup>nd</sup> in the Nation for Inbound Moves, Eugene-Springfield 9<sup>th</sup> by MSA

2022 United Van Lines National Movers Study – by State

	State	Total Shipments	Inbound Shipments	Inbound %	Outbound Shipments	Outbound %
1	Vermont	277	213	77%	64	23%
2	Oregon	3166	2123	67%	1043	33%
3	Rhode Island	702	460	66%	242	34%
4	South Carolina	4377	2668	61%	1709	39%
5	Delaware	512	311	61%	201	39%
6	North Carolina	8242	4991	61%	3251	39%
7	District of Columbia	1049	621	59%	428	41%
8	South Dakota	407	238	58%	169	42%
9	New Mexico	1808	1055	58%	753	42%
10	Alabama	2251	1306	58%	945	42%

2022 United Van Lines National Movers Study – by MSA

TOP INBOUND MSAs			
Rank Based on Inbound %	Metropolitan Statistical Area	Inbound %	Outbound %
1	Wilmington, NC	81%	19%
2	Bellingham, WA	73%	27%
3	Santa Fe, NM	73%	27%
4	Myrtle Beach, SC	72%	28%
5	Punta Gorda, FL	72%	28%
6	Flagstaff, AZ	71%	29%
7	Sarasota-Bradenton, FL	71%	29%
8	State College, PA	71%	29%
9	Eugene-Springfield, OR	69%	31%
10	Fort Myers-Cape Coral, FL	69%	31%

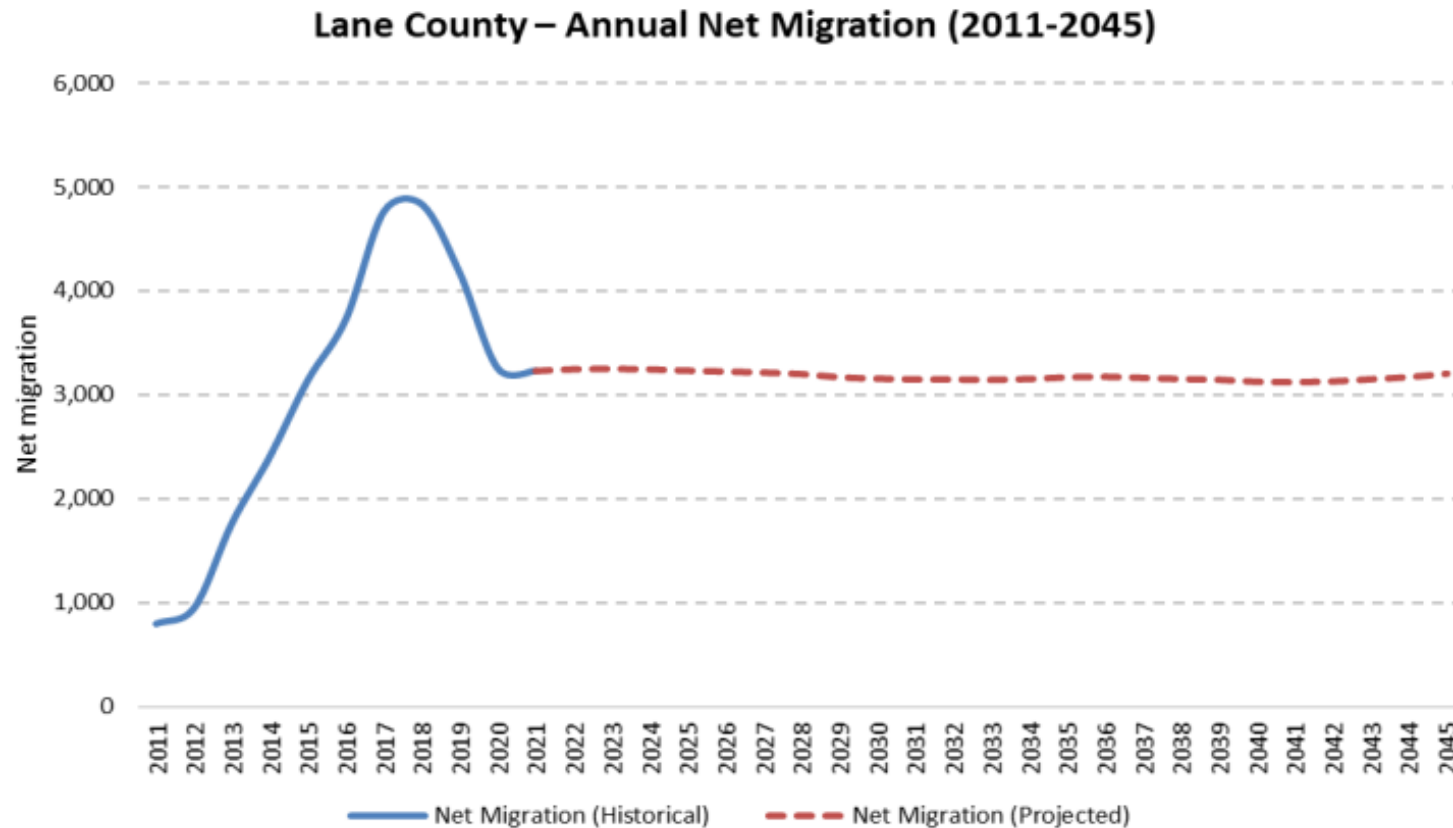


Highest Inbound Moves

Highest Outbound Moves



# Net Migration Peaked in the Late 2010's but will Continue to be Strong into the 2040's

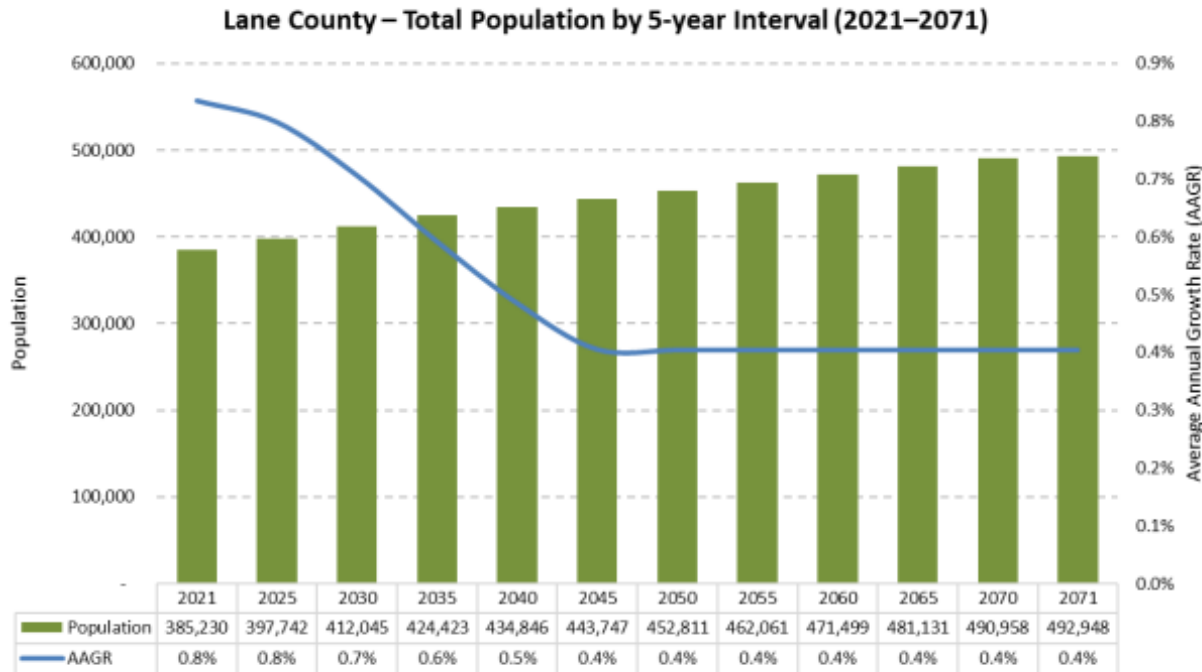


Sources: PRC Estimates. Calculated by Population Research Center (PRC).

Portland State University, Population Research Center, 2023



# Lane County Projected to Steadily Add Population Over Next Decades

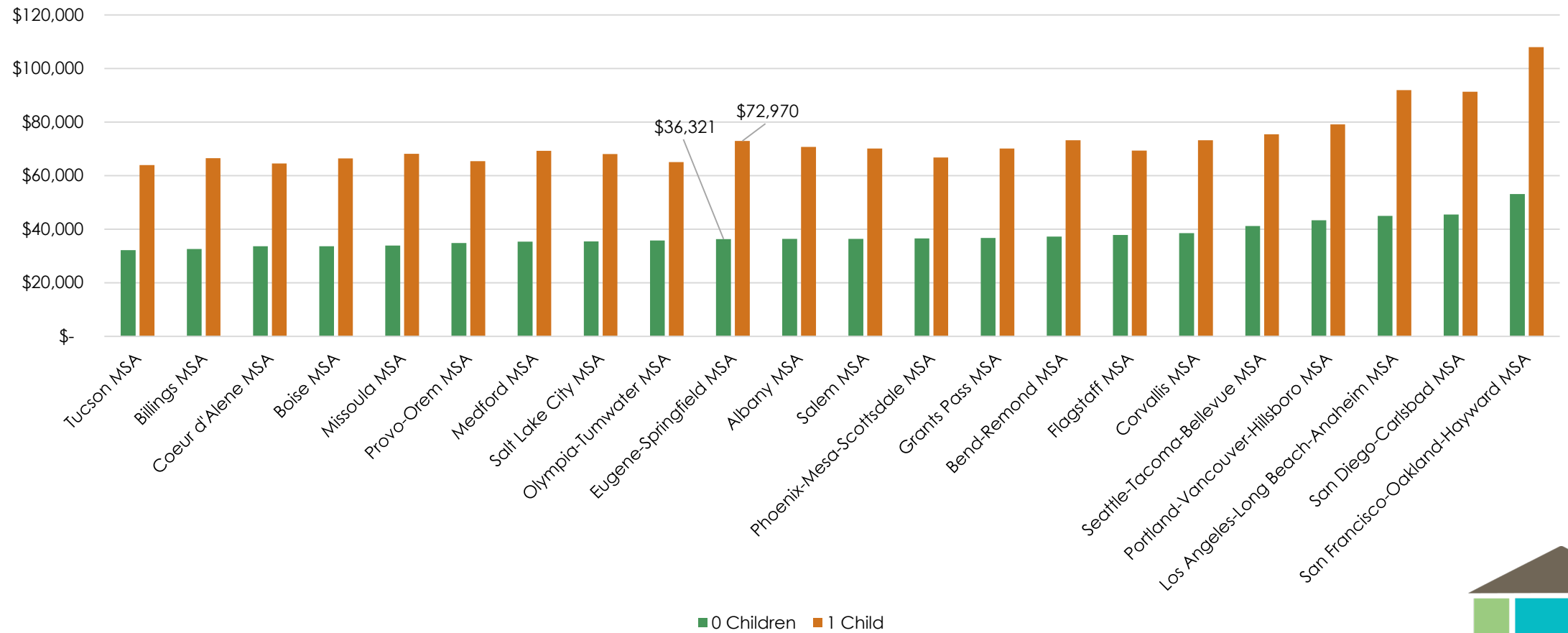


Source: Forecast by Population Research Center (PRC).

- Population projected to grow by approximately 107,000 over five decades
- Similar Trends to statewide projections

# Housing Affordability and Investment: Income and Home Prices

# What's a Living Wage in Eugene and How Does it Compare With Other West Coast Cities?



# The Gap Between Income and Home Prices in Eugene is Similar to Statewide Levels

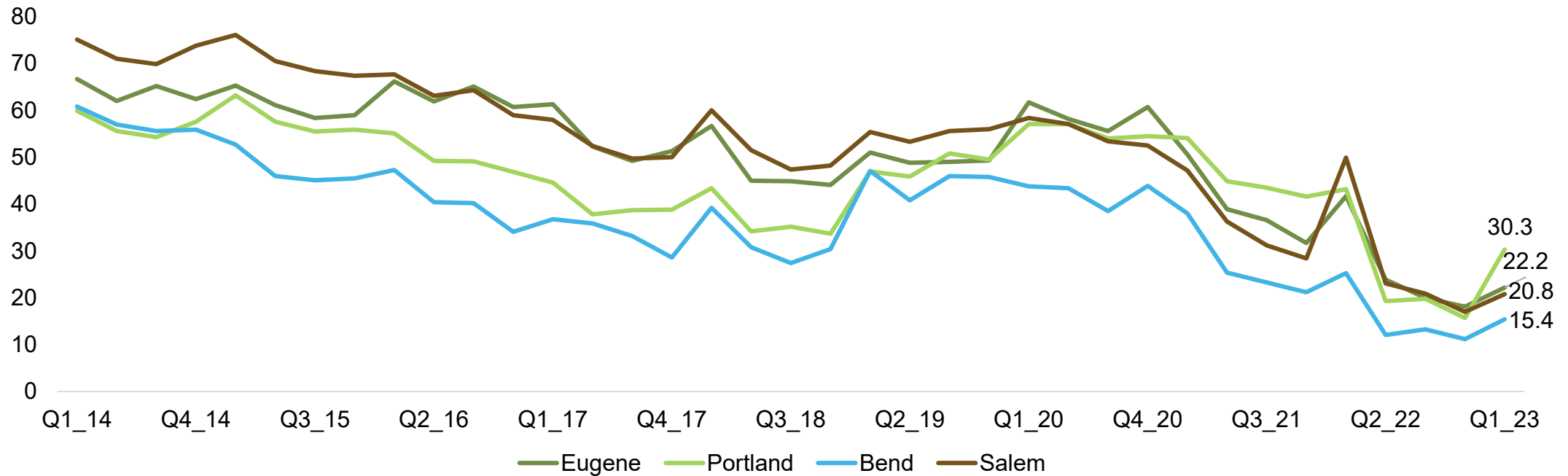


American Community Survey, 2021 and Zillow Research, Median Home Sales, 2022



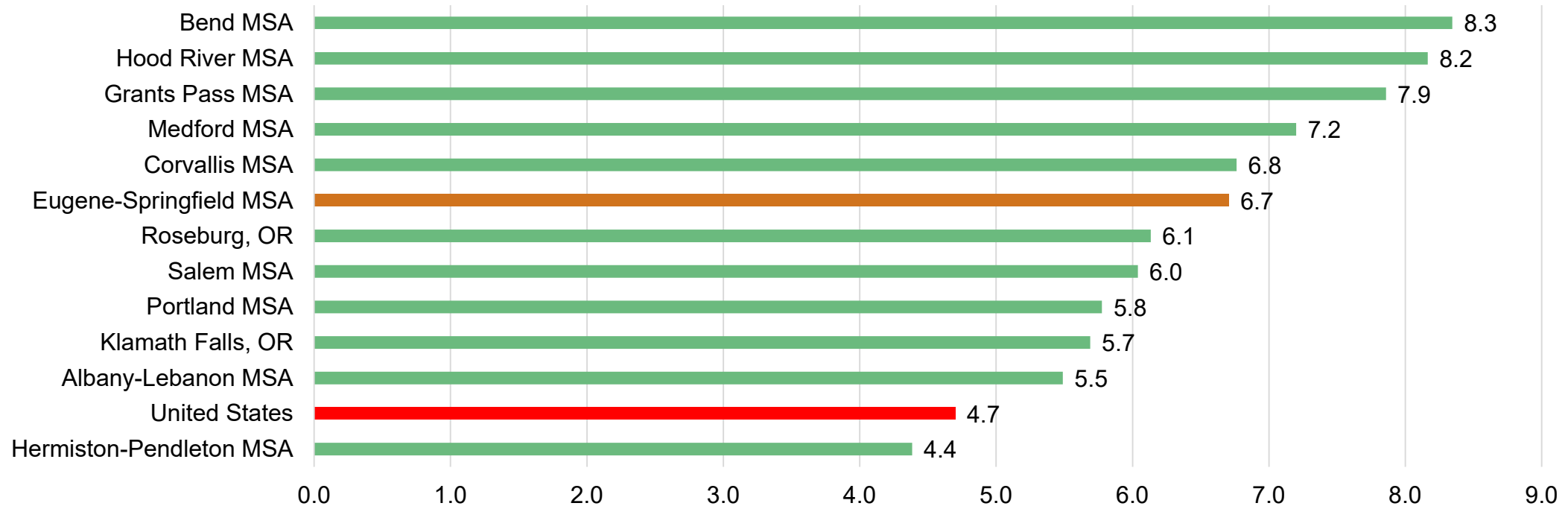
# Housing Opportunity Index Improves Slightly but Remains Low Across Oregon

## Housing Opportunity Index



# How Many Years of Annual Median Income Would it Take to Purchase a Home?

Home Cost-to-Income Ratio, 2022 (By MSA)



American Community Survey, 2021 and Zillow Research,  
Median Home Sales, 2022



# Questions? Please Reach Out!

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