

BANDON HOUSING NEEDS ASSESSMENT

A Study of the Current Housing Needs for the City of Bandon
South Coast Development Council, Inc. | January 2018





Executive Summary

- The South Coast Development Council, Inc. (SCDC) is a non-profit economic development organization who works for the economic growth, development, and prosperity of Oregon's South Coast region.
- This housing needs analysis was commissioned by the City of Bandon and the Wild Rivers Coast Alliance (WRCA) in order to assess the overall current housing needs of the city, especially as they relate to developing new residential and workforce housing units in the area.
- This report contains the projected housing needs for the City of Bandon over the next 8 years in the various housing ranges, with a focus on workforce housing.
- The information contained in this report is intended to be used by WRCA and the City of Bandon for the purpose of facilitating future housing development and economic growth.
- Key Findings:
 - i. Study area can absorb up to 40 additional owner-occupied home sales annually, including up to 29 homes in the \$140,000 – \$300,000 sales price range.
 - ii. Over 370+ acres of “shovel-ready” residential lots are currently listed for sale, and ready for housing developments within the City of Bandon and surrounding areas. There is potential for approx. 3,083 (.12 acres) housing lots or 1,480 (.25 acres) housing lots for new homes to be constructed within the acreage currently for sale.
 - iii. The study area can support an additional 90 market-rate rental units targeted to moderate and high-income households.
 - iv. There is a need for 423 additional affordable/subsidized rental units within the study area.

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Section I

A. Introduction

This housing analysis was commissioned by the City of Bandon and the Wild Rivers Coast Alliance (WRCA) in order to assess the overall current housing needs of the city, especially as they may relate to new residential and workforce housing development.

Accordingly, this analysis measures current shortages, future employment growth and population trends, in order to anticipate the amount and type of housing that is most in need, both now in 2017 and in the future.

The focus of this analysis is the 97411-zip code, (See Map 1-B on page 7).

This analysis does not address the causes of housing deficiencies (shortages) or what strategies or policies the City of Bandon and/or Coos County might employ to counteract these social issues and create a healthier housing market. Homelessness, housing quality, housing mobility (or lack thereof), and sub-standard housing are not addressed in this report, except in passing.

Instead, the emphasis is placed on providing a data base to estimate the current and future demand for new housing within the City of Bandon and the 97411-zip code area. City officials, as well as potential developers, need to know the estimated demand for various types of housing that might be constructed. The market area for this study is relatively small, so preferred locations for new development are not considered relevant. A notable exception to this is view housing, especially ocean view, for which there is considerable demand and substantial cost premiums.

This study attempts to anticipate the current and future demand for various types of housing, including single-family homes, multi-family dwelling units, and government subsidized housing. This study also considers the historic levels of housing demand and how those affect today's market.

For this review, SCDC is providing:

- Identification of the study area where we have analyzed the support potential for residential development of new for-sale and for-rent housing units.
- A demographic analysis of current and future population and household trends.
- An economic analysis of household income data, with relevant socioeconomic considerations.
- An in-person survey and analysis of the overall rental market conditions with the area.
- Analysis of renter- and owner-occupied dwelling units within the market area to evaluate occupancy rates, property values, and rental rates, as they relate to current and projected demand for dwelling unit sizes and features.
- The results of interviews with experienced realtors and property management companies within the study area.
- Determination of achievable market rents.
- Projected absorption rates for various development scenarios.

In evaluating demand, conceptual unit designs have been considered for development analysis purposes. These units will be utilized to assess meeting new housing construction needs. The rental and for-sale units being considered for potential development within the Bandon market will include multi-family apartment buildings, low income/ subsidized rental housing, duplexes, triplexes, and single-family homes.

These examples were created in order to provide specific information relative to the projected market prices associated with new construction housing. The information derived from this effort allows us to realistically project the price points of new housing for both rental and for-sale housing in the project area, and the likely absorption rates.

Our analysis does not attempt to identify the likely construction costs for the various types of development, as these costs will vary widely depending on land values and unknown costs associated with possibly extending road, water, sewer, and other infrastructure to and though the undeveloped (or underdeveloped) areas of the 97411-zip code.

Table A-1. Following is a summary of the proposed new construction “conceptual home” options considered later in this report:

Unit Size	Unit Style	Square Feet	Housing Type	Building Style
1-bed, 1-bath	Apartment	750	Rental	4 – 20 Units, One- or Multi-Story
2-bed, 1-bath	Apartment	900	Rental	4 – 20 Units, One- or Multi-Story
3-bed, 2-bath	Apartment	1,200	Rental	4 – 20 Units, One- or Multi-Story
2-bed, 2.5-bath	Condominium	1,000	For-Sale	4-Unit Two-Story
3-bed, 2-bath	Single-Family House	1,600	Fee-Simple/For-Sale	Single-Family
1-bed, 1.5-bath	Duplex	750	Rental	Duplex
2-bed, 2-bath	Duplex	1,000	Rental	Duplex
1-bed, 1.5-bath	Triplex	750	Rental	Triplex
2-bed, 2-bath	Triplex	1,000	Rental	Triplex
3-bed, 2-bath	Triplex	1,100	Rental	Triplex
Various	Gov't. Subsidized	500 – 1,100	Rental	20 – 50 Units

Source: SCDC

We will conclude our analysis by providing present-day demand estimates for potential development alternatives in the study area.

B. Establishment of the Primary Market Area

The Primary Market Area is defined as the smallest geographic area expected to generate most of the support for a possible housing development. The determined market area for this study includes the City of Bandon, as well as the urban growth boundary, and unincorporated communities in the surrounding areas within a reasonable commuting distance. For the purpose of this study, the extended market area incorporates the 97411-zip code, which covers approximately 134.21 square miles of land and 11.93 square miles of water. According to United States census data the 97411-area code has an estimated population of 7,365 with a population density of 54.9 people per square mile.

Within the 97411-zip code there are three distinct sections. The northern section of 97411-zip code, which is north of the Coquille River, is heavily dominated by the Bandon Dunes Golf Resort, Coos County Forest, private forest lands, residential properties, and State of Oregon and US park lands. The center section of the 97411-zip code consists of the primary population area, the City of Bandon, and the surrounding unincorporated areas of Cranberry Corners, Prosper Junction, and Winterville. The southern section of the 97411-zip code is sparsely populated and consists mostly of agricultural and ranching lands, as well as both federal and private forest lands. Although this section of the 97411-zip code is undeveloped, there are several tourism destinations along Highway 101, such as Bandon Crossings, an affordable competitor to Bandon Dunes Golf Resort, and the West Coast Game Park Safari.

We have evaluated the study area consisting of the 97411-zip code area from which support for new residential development is expected to originate. Housing demand in this area is greatly impacted by the influx of retirees from out

of state, primarily California, as well as the need for summer (seasonal) or recreational rentals marketed to travelers drawn to the area. Most home rentals tend to be second or third homes that have been converted to VRBO or Airbnb units geared towards golfers traveling to Bandon Dunes or Bandon Crossings, as well as those traveling through the area along Highway 101 and the Oregon Coast. Although this demand is usually seasonal, Bandon Dunes has seen an increase in stays to the resort over the last several winters, all of which have exceeded expectations. This influx of seasonal traffic primarily focused from the visitor economy has strained the housing and rental markets. Most of Bandon employers are focused within a seasonal visitor economy and need some form of workforce or affordable housing for their employees. Although, the area is known for its natural beauty and tourism destinations, traded sector businesses do exist in advanced manufacturing, timber, healthcare and value-added food production. These industries are also facing a major housing crisis and see the need for affordable workforce housing.

Workforce housing is largely driven by Bandon Dunes Golf Resort, which is a major employer within the study area. Bandon Dunes currently employs an estimated 550+ staff members and 280+ independent caddies, a small fraction of which live onsite. Bandon Dunes constructed a small complex dedicated to workforce housing which can accommodate approx. 58 employees, and plans are underway to expand the footprint of this campus with 5 duplexes accommodating approx. 15 additional bedrooms. The resort also owns approx. 14 offsite homes which house the remaining 18 employees within the Bandon Dunes workforce housing portfolio. The influx of shoulder season visitor traffic has slightly strained the housing and rental markets within the study area, in which affordable workforce housing is needed for resort staff and other employers.

Most Bandon employers are focused within a seasonal service-based economy; however, traded sector businesses do exist in advanced manufacturing, timber, healthcare and value-added food production. These entities range from 5 to 150+ employees, all of which have mentioned several occasions in which retaining and recruiting employees was hindered by housing costs in the study area. The study area also lacks subsidized or tax increment housing options for lower income individuals or families. Currently three facilities exist within the study area, which provide 97 units of various sizes and has a 100% occupancy for the last 12 months.

Map 1-B. Overview of 97411-zip code and significant areas:



Source: Google, SCD

Map 2-B. Northern section of 97411-zip code:



Source: Google, SCDC

Map 3-B. Central section of 97411-zip code:



Source: Google, SCDC

Map 4-B. Southern section of 97411-zip code:



Source: Google, SCDC

C. Research Methodology

Interviews were conducted with local area city and county officials, realtors, property managers, property owners, and community stakeholders who are familiar with the area's market and growth patterns. Interviews were conducted over the telephone, through email, and in person. Data was collected through Internet research from reliable sites and agencies including the U.S. Census Bureau, Coos County, State of Oregon, and Datafinder.

D. Analysis of Prior Housing Studies

SCDC contacted counties, cities, and municipalities within Oregon and northern California to establish the existence of any other similar study, dated after the year 2000. These studies were analyzed as part of this assessment, including those listed below. A copy of these studies obtained may be provided to the City of Bandon upon request.

- *Brookings Housing Needs Assessment*, South Coast Development Council, October 2017
- *Creswell Residential Buildable Land Inventory*, City of Creswell, April 2012
- *Florence Residential Buildable Land Update*, City of Florence, September 2005
- *City of Coburg, Chapter 4. Housing Needs Analysis*, City of Coburg, December 2003
- *Housing Overview for Humboldt County*, Employment Development Department, State of California, March 2015
- *Preliminary Housing Demand Analysis: Mesquite/Northeast Clark County, Nevada*, Vogt Strategic Insights, December 2016
- *Creating a Healthy Housing Market for Tillamook County*, CZB LLC, February 2017

Section II

E. Analysis of Demographic Data

i. Population Characteristics

Table E-1. Population and household trends, for Coos County and the Bandon 97411-zip code area:

	Coos Co. Population	Coos Co. Households	97411 Population	97411 Households
1990 Census	60,273	--	7,067	--
2000 Census	62,779	26,213	6,638	2,907
% Change 1990-2000	4.2%	--	-6.1%	--
2010 Census	63,043	27,133	6,953	3,212
% Change 2000-2010	0.4%	3.5%	4.7%	10.5%
2015 Estimated	62,775	25,888	7,365	3,363
% Change 2010-2015	-0.4%	-4.6%	5.9%	4.7%
2025 Projected	64,816	31,632	7,850	3,667
% Change 2015-2025	3.3%	22.1%	6.6%	9.0%

Source: US Census Bureau; American FactFinder 2015 American Community Survey

As indicated in the preceding table, in the years 1990-2000 Coos County experienced a population growth of about 4.2%, while the City of Bandon's population decreased by 6.1%. Then in the years 2000-2010, Bandon experienced a growth rate of 4.7%. However, this was still not enough to bring the population back to 1990 levels. Projections indicate a growth of 485 (or 6.6%) from 2015 to 2025, with an additional 304 households, or 9.0% growth.

The positive population and household growth trends indicate the need for additional housing to be developed in the study area. It should be noted that the number of persons per household will decrease from an estimated 2.15 in 2015, to 2.05 in 2025. Both of these are well below Oregon (2.51) and national (2.63) persons per household for 2015.

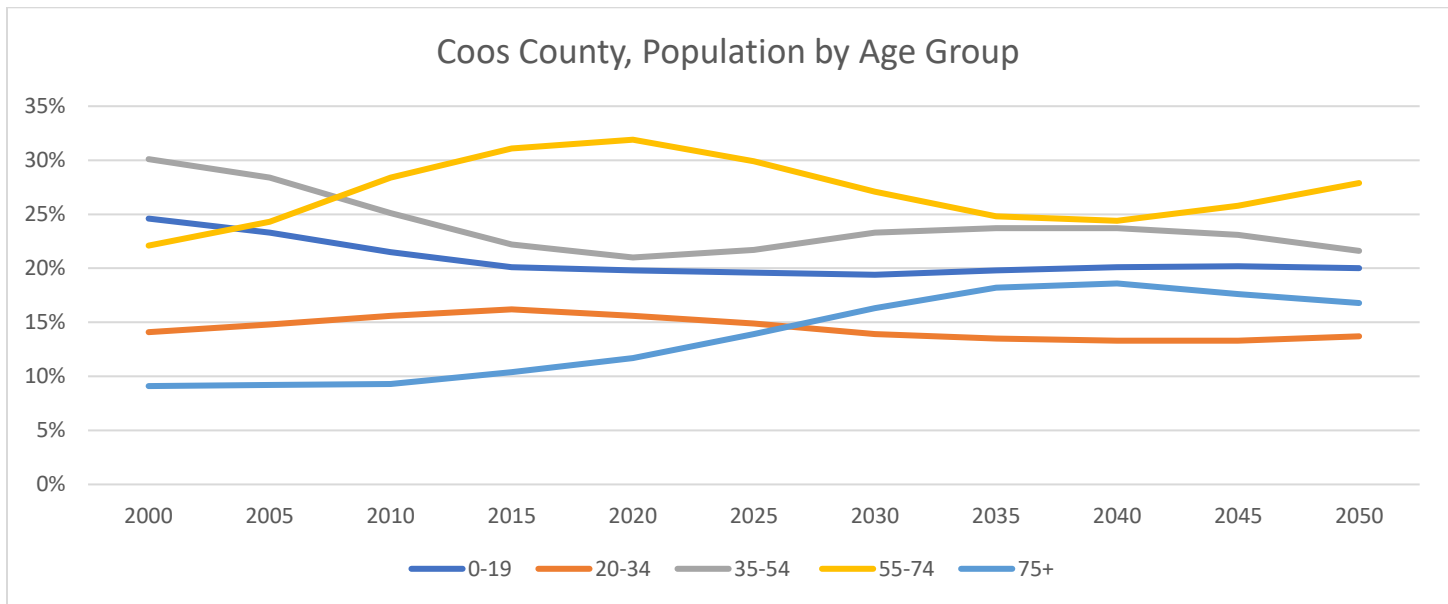
The cause of the decrease in the number of persons per household may be a direct result of the area seeing an influx of retirees. This area, like much of Oregon, is still seen as affordable by outsiders selling homes within the urban centers of surrounding states. As shown in Table E-2 on the following page, the population of elderly, those aged 60+, is projected to grow at a heightened rate.

Table E-2. Bandon 97411-Zip Code Population by Age Group:

	2000	%	2010	%	2015	%	2025	%
Under 5 years	245	3.7%	230	3.3%	344	4.7%	404	5.1%
5-9 years	326	4.9%	280	4.0%	378	5.1%	412	5.2%
10-14 years	409	6.2%	310	4.5%	243	3.3%	133	1.7%
15-19 years	393	5.9%	359	5.2%	155	2.1%	84	1.1%
20-24 years	187	2.8%	239	3.4%	227	3.1%	254	3.2%
25-34 years	490	7.4%	540	7.7%	612	8.3%	693	8.8%
35-44 years	790	11.9%	607	8.7%	579	7.9%	438	5.6%
45-54 years	1,207	18.2%	1,033	14.9%	932	12.7%	751	9.6%
55-59 years	470	7.1%	712	10.2%	801	10.9%	1,021	13.0%
60-64 years	468	7.1%	735	10.6%	734	10.0%	911	11.6%
65-74 years	859	12.9%	1,019	14.6%	1,328	18.0%	1,558	19.8%
75-84 years	584	8.8%	625	9.0%	746	10.1%	854	10.9%
85+ years	210	3.2%	264	3.8%	286	3.9%	337	4.3%
Total	6,638	100.1%	6,953	99.9%	7,365	100.1%	7,850	100.0%

Source: Office of Economic Analysis, State of Oregon

Graph E-3. Coos County Population by Age Group, 2000-2050:



Source: Office of Economic Analysis, State of Oregon

From 2000 to 2015, the senior population of Coos County (those aged 55 and older), has increased by 6,678 (or 34.1%). Projections for the age group of those under 19-years indicate that that population will remain stable; in 2015 making up 20.1% of the population, and by 2050 decreasing only slightly to 20.0%. For the age group of 20-34 year old's, in 2015 they make up 16.2% of the population and by 2050 they are projected to decrease to 13.7% of the population.

While these projections are for Coos County as a whole, it seems likely based on prior US Census data, the 97411-zip code will follow similar, perhaps even slightly exaggerated trends. As the "pig in the python" model becomes more of a

reality, the 97411-zip code will see a heavy decline in this age range (20-34 years). However, there might be a certain percentage of “bounce back” of 20-34-year-old, as young medical professionals move back into the area to fill much needed healthcare positions as the population ages.

ii. Household Demographics and Housing Units

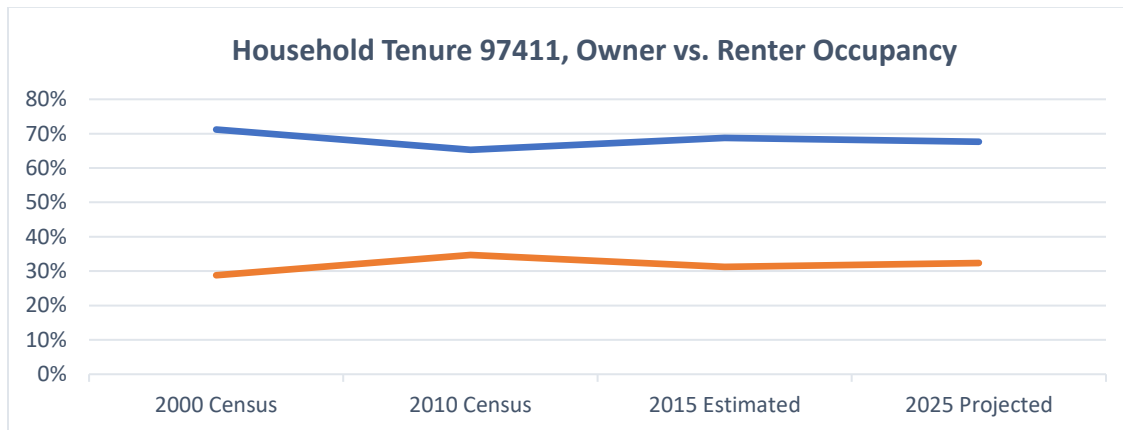
Table E-4. The following table summarizes the distribution of housing units within the Bandon 97411-zip code area:

	2000 Census		2010 Census		2015 Estimated		2025 Projected	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Total Housing Units	3,441	100.0%	3,915	100.0%	4,220	100.0%	4,739	100.0%
Total Occupied Housing Units	2,907	84.5%	3,212	82.0%	3,363	79.7%	3,667	77.4%
Owner-Occupied	2,069	71.2%	2,097	65.3%	2,315	68.8%	2,479	67.6%
Renter Occupied	838	28.8%	1,115	34.7%	1,048	31.2%	1,188	32.4%
Total Vacant Housing Units	534	15.5%	703	18.0%	857	20.3%	1,072	22.6%

Source: US Census Bureau; American FactFinder 2015 American Community Survey

According to 2010 Census data, nearly 45.7% of vacant units are for seasonal or recreational use, or as a second home. The market share occupied by vacation homes and short-term rentals is discussed further in Section III.F.v on page 36.

Graph E-5. The following graph details the Household Tenure for 97411, Owner vs. Renter Occupancy:



Source: US Census Bureau; American FactFinder 2015 American Community Survey

In 2015, renter households represented 31.2% of all occupied housing units, while the remaining 68.8% were occupied by homeowner households.

The number of both owner- and renter-occupied housing is projected to increase by 2025. There will also be a substantial jump in the number of vacant homes used for seasonal or recreational use, or as a second income property. This trend for occupied homes points to an increase in residents and travelers to the area. These residents will most likely be current out of the area homeowners who are renting homes with plans to move in once they retire to the area. These numbers also suggest a large number of homes, roughly 52 per year, will be built over the next ten years. Although this may seem unlikely, due to an average of only 24 homes being built per year the last two years, the City of Bandon has over 370+ acres of “shovel-ready” parcels listed for sale. These areas are ready for development, and according to research on RMLS.com approximately 41 residential parcels or 39.75 acres have sold this current year to individual homeowners, mostly retirees, which are hiring local contractors to build custom homes. This projection is also

drastically noted in the below Table E-6, in which the 2025 projected 1- and 2-person households increase, while 3- and 4-person households decrease.

The study area is ripe for large tract home developments; however, the lending markets are still reminded of the 2007/2008 housing crash and are shy to loan funds for spec homes building. Also, System Development Charges (SDCs) are slightly high in the study area. However, this is offset by the property tax in this area which is the lowest in Coos County at a frozen rate of \$0.86 per \$1000.

Table E-6. The following table details the tenure by household size, for owner-occupied households of all age groups in the Bandon 97411-zip code:

Owner Occupied Tenure	2000 Census		2010 Census		2015 Estimated		2025 Projected	
Total Housing Units	2,069		2,097		2,315		2,479	
Average Household Size	2.24		2.08		2.13		2.06	
1-person household	502	24.3%	590	28.1%	676	29.2%	791	31.9%
2-person household	1,024	49.5%	1,080	51.5%	1,283	55.4%	1,455	58.7%
3-person household	267	12.9%	229	10.9%	146	6.3%	66	2.7%
4-or-more-person household	276	13.4%	198	9.5%	211	9.1%	167	6.7%

Source: US Census Bureau; American FactFinder 2015 American Community Survey

Table E-7. The following table details the tenure by household size, for renter-occupied households of all age groups in the Bandon 97411-zip code:

Renter Occupied Tenure	2000 Census		2010 Census		2015 Estimate		2025 Projected	
Total Housing Units	838		1,115		1,048		1,188	
Average Household Size	2.18		2.15		2.18		2.18	
1-person household	335	40.0%	486	43.6%	563	53.7%	715	60.2%
2-person household	253	30.2%	286	25.7%	244	23.3%	237	19.9%
3-person household	114	13.6%	158	14.2%	123	11.7%	128	10.8%
4-or-more-person household	136	16.2%	185	16.6%	118	11.3%	108	9.1%

Source: US Census Bureau; American FactFinder 2015 American Community Survey

iii. Socioeconomic Considerations

Household median income levels were severely impacted by the economic recession and housing market crash of 2008-2013, much more so in rural communities. In the years since, unemployment rates have been dropping and income levels are gradually rising. Although unemployment levels are shown to be falling and income increasing, a majority of the households within the 97411-zip code currently make below \$25,000/yr. This number is projected to increase in 2025 by 59, or 4.6%, adding to the systemic poverty seen in much of Coos County. Projections also show that a major disparity will occur in the study area as households making \$75,000+ are expected to increase by 177, or 30.9%, over the next ten years.

Although both low- and high-income households are projected to increase within the study area, projections show that middle income households are going to stagnate and decrease. This trend seems to be following much of the nation as the American middle class continues to dissipate at a frightening rate.

Please see Graph E-14 on page 20 for detailed information regarding unemployment rates in Bandon, Coos County, and Oregon.

Table E-8. The distribution of households by income within the Bandon 97411-zip code study area is summarized in the following table:

Total Household Income + Benefits	2000 Census		2010 Census		2015 Estimated		2025 Projected	
	#	%	#	%	#	%	#	%
\$0 - 24,999	1,196	40.8%	995	31.3%	1,285	38.2%	1,344	36.9%
\$25,000 - 34,999	388	13.2%	394	12.4%	387	11.5%	386	10.6%
\$35,000 - 49,999	624	21.3%	649	20.4%	716	21.3%	777	21.3%
\$50,000 - 74,999	419	14.3%	572	18.0%	400	11.9%	387	10.6%
\$75,000 - 99,999	162	5.5%	318	10.0%	209	6.2%	240	6.6%
\$100,000 - 149,999	83	2.8%	153	4.8%	205	6.1%	286	7.9%
\$150,000 +	60	2.0%	99	3.1%	158	4.7%	223	6.1%
Total Households	2,932		3,180		3,363		3,643	
Median Household Income	\$30,714		\$37,041		\$35,317		\$38,386	
Mean Household Income	\$36,442		\$46,703		\$48,146		\$55,949	

Source: US Census Bureau; American FactFinder 2015 American Community Survey

Table E-9. The median income levels within the Bandon 97411-zip code study area:

Median Income 97411	2000 Census	2010 Census	2015 Estimated	2025 Projected
Per Capita Income	\$18,653	\$25,186	\$23,581	\$29,541
Homeowner Income	\$33,233	\$46,108	\$42,042	\$47,915
Renter Income	\$24,146	\$26,458	\$20,989	\$18,885

Source: US Census Bureau; American FactFinder 2015 American Community Survey

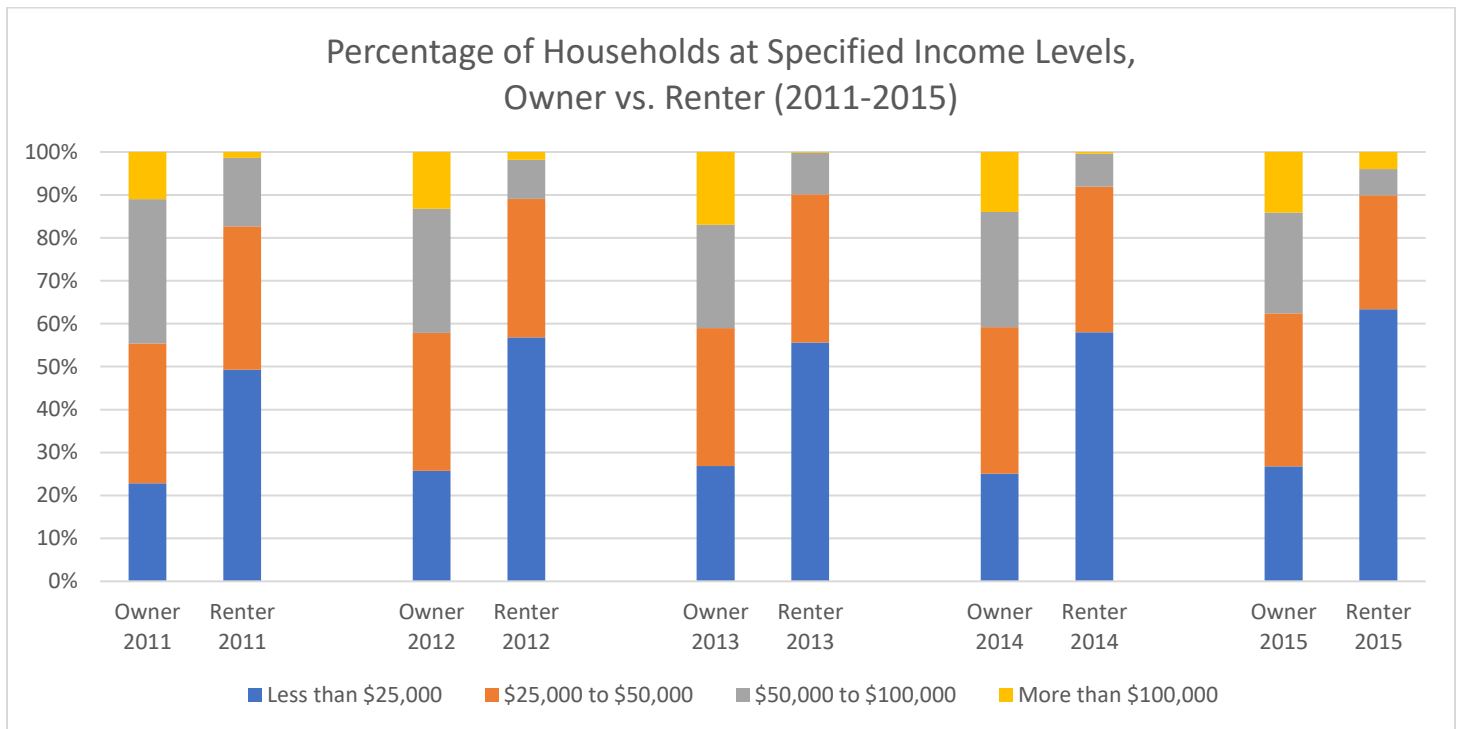
In 2010, the median household income in the Bandon 97411-zip code area was \$37,041. This was estimated to have decreased slightly in 2015, to \$35,317 (-4.9%). Projections indicate that the median household income (non-inflation adjusted dollars) will be \$38,386 in 2025, an increase of 8.7% compared to 2015.

Most of the household growth, however, will be among households with incomes from \$75,000 to \$150,000+. Area households with incomes less than \$35,000 are projected to increase by 3.5% between 2015 and 2025, and area households with incomes of \$35,000 or higher are projected to increase by 13.3% over the next eight years.

Median homeowner household income is typically higher than that of renter households. In 2015, the median homeowner income was \$42,042, more than double the median renter household income of \$20,898. This disparity trend is expected to continue and increase into 2025, where the projected homeowner household income will be \$47,915, and the renter household income will be \$18,885.

The study area has disproportionately high employment numbers within the retail and service (includes accommodation, food and beverage) industries, which historically pay less than traded sector or healthcare jobs. This income disparity is greatly exaggerating the need for local affordable and workforce housing, not just for current low-income employees, but fixed-income retirees moving to the area.

Graph E-10. Percentage of Households at Specified Income Levels, Owner and Renter Occupied, within the Bandon 97411-zip code area (2011-2015):



Source: American FactFinder 2015 American Community Survey

The current rental market in the study area is exceptionally tight. Each property management company that was contacted and interviewed for this report discussed that vacancies are not advertised, and waitlists are three to six months out. The rental market is further impacted by the lack of subsidized housing. Currently, there are three apartment complexes focused on subsidized affordable housing. These complexes consist of 97 units of varying size, which have been at 100% occupancy for the last 1.5 years.

Other factors contributing to the tight housing market relate to a lack of affordable single-family homes based on study area incomes. The first cause of this is related to the single-family housing market rebounding from the collapse of 2008, and the substantial amount of equity that many properties have both recovered and gained. Although, these numbers have not entirely reached the height of the 2007 market, most property owners who may have been “underwater” have taken the opportunity to benefit from a sellers-market.

Second, the study area has seen an increase in both retiree buyers and income-property purchases from out of area owners. Many retirees have moved to the area after selling homes in nearby urban centers, some of which were previously owned and rented, and others that are newly purchased. Realtors in the study area have noticed a sharp increase in the number of second or third homes that are being purchased as income-properties, which cater to local travelers or highly qualified renters.

Finally, the housing market is hindered by the lack of income data that many service industry professionals do not provide. Further in the report, needed market-rate housing is discussed; however, once data is tabulated versus population, it would seem that the area has too many market-rate housing options currently occupied than what the income levels in the area should be able to maintain. This could simply be a case of tenants spending more than the recommended 30% of income to live within the study area.

In addition, the visitor economy draw to the study area is hindering the availability of rental and owner-occupied dwellings as approx. 20.3% of current housing units are considered vacant with a prioritized use for seasonal or recreational use.

iv. Economic Conditions

Demographic trends are leading to rapid aging in many rural communities. Natural population growth tends to be lower, in-migration is slow, and young people tend to leave rural communities to seek education and job opportunities in more urban centers, only returning after families are created.

Although the population of Oregon's rural counties will continue to grow, it is the nature of that growth that is concerning for the long-term economic outlook. According to a QualityInfo.org report on *The Aging of Rural Oregon's Population and Workforce*, the retirement age population grew by about 24% from 2010 to 2015, while the working age population (-3%) and the youth populations (-2%) both declined. With the decline of the working age population group, as workers age out of the labor force there will be fewer individuals to replace them. This leads to employers with increasing difficulties attracting and retaining the workers they need to fill vacancies. A tight housing market only compounds this issue further.

Between 2014 and 2024, employment projections for statewide job growth is anticipated to be about 14%, with more rural areas seeing muted growth compared to the metro areas. The South Coast region, made up of Coos and Curry Counties, is projected at about 7% growth by 2024. The majority of job openings (80% or 7,200) will be due to replacement openings, while the other 20% (or 1,600) account for growth openings. The number of replacement openings is projected to be the greatest in education and health services, followed closely by the retail trade and leisure and hospitality industries – each of which is expected to have more than 1,100 replacement openings.

Occupations with the most total openings that are considered to be high-wage and high-demand, (that is, those that pay more than the median wage for the area under consideration and those that have more than the median total number of openings), for the South Coast region include production jobs tied to wood products and logging, health care, transportation, and education.

In today's economy, an increasing number of workers are drawn to lifestyle communities, areas that are known for their quality of life, recreation, and health. In an article entitled *Is Today's Labor Force Drawn to Lifestyle Communities?* Damon Runberg of the Oregon Employment Department notes that, "Lifestyle communities tend to be tourism destinations and they have a larger share of their workforce concentrated in tourism-related industries. However, these lifestyle communities are also experiencing significantly faster job growth than the average metro area."

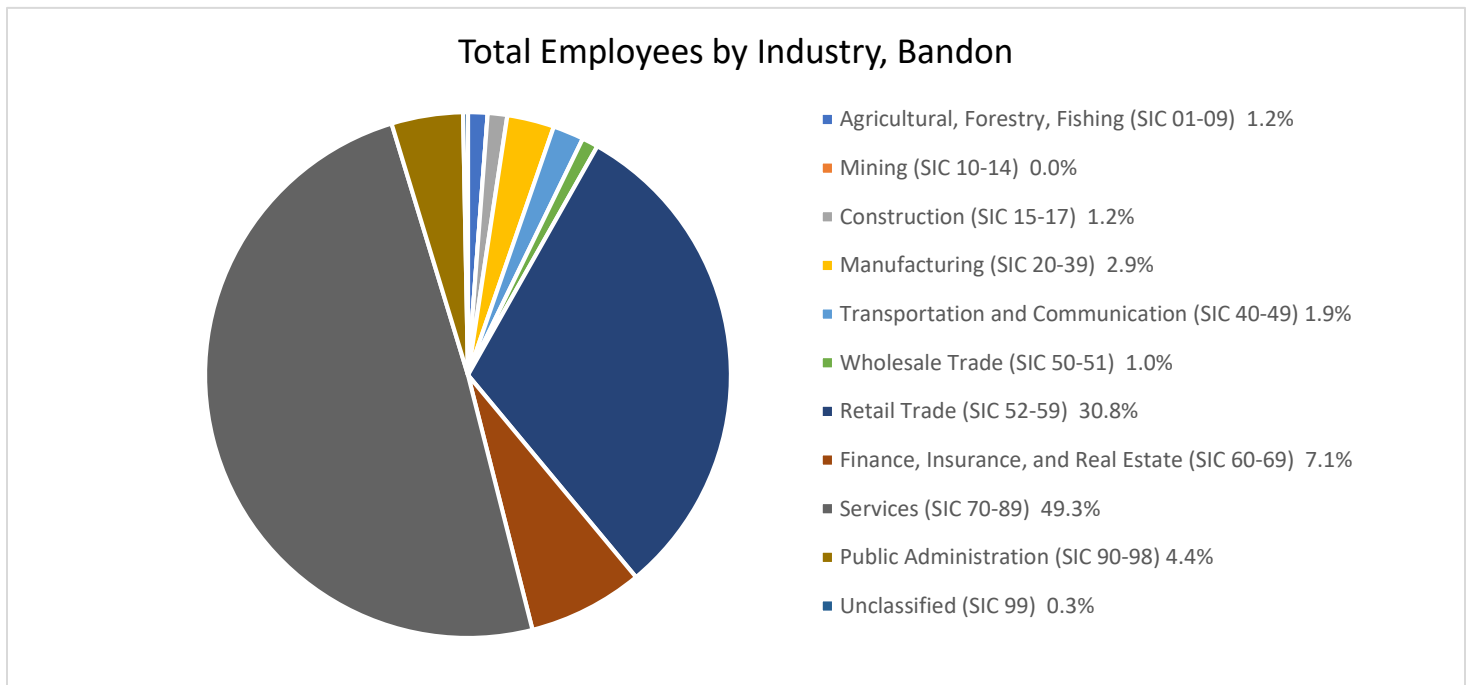
The tendency is to see a dependence on tourism as a negative, since these jobs tend to be part-time, seasonal, and pay relatively lower wages. This perception is changing, as more workers, particularly millennials, are prioritizing their work/life balance over career opportunities. Tourism introduces visitors to a community, some of which will stay and become residents, some even moving their businesses with them. Capitalizing on lifestyle amenities within a rural community is one way to dissuade young people from leaving, while also attracting young families to the community.

Bandon is a well-known destination on the Oregon Coast, especially to golfers who are drawn to the world-renowned Bandon Dunes Golf Resort and competing courses such as Bandon Crossings. Bandon is also a major draw to cyclists along Highway 101, many of which purposefully avoid the larger coastal cities of Coos Bay and North Bend. Bandon's Old Town draws foodies looking for value-added niche products, such as cheese from Face Rock Creamery or artisan chocolates from Coastal Mist or local candies from Cranberry Sweets. The Port of Bandon is also a major recreational fishing hub on the Oregon South Coast, and draws travelers to crab and fish in the Coquille River and Pacific Ocean. Bandon has also cultivated its natural beauty and open beach spaces, capitalizing on Face Rock and the surrounding rock

formations. In short, Bandon is doing all the right things to attract both tourists and long-term residents; however, the cost of housing and limited supply is severely hindering its ability to retain a qualified workforce, which may stall the communities' economy if a solution is not realized.

As shown in the chart below the job market is dominated by the service industry, which is comprised of hospitality and accommodations employment as well as healthcare, essentially pointing to the rapid age growth of the population and the destination and tourism based opportunities. The retail industry as well as finance, insurance and real estate are also large contributors to employment, all of which coattail an area seeing a reliance on a visitor economy and high home sales.

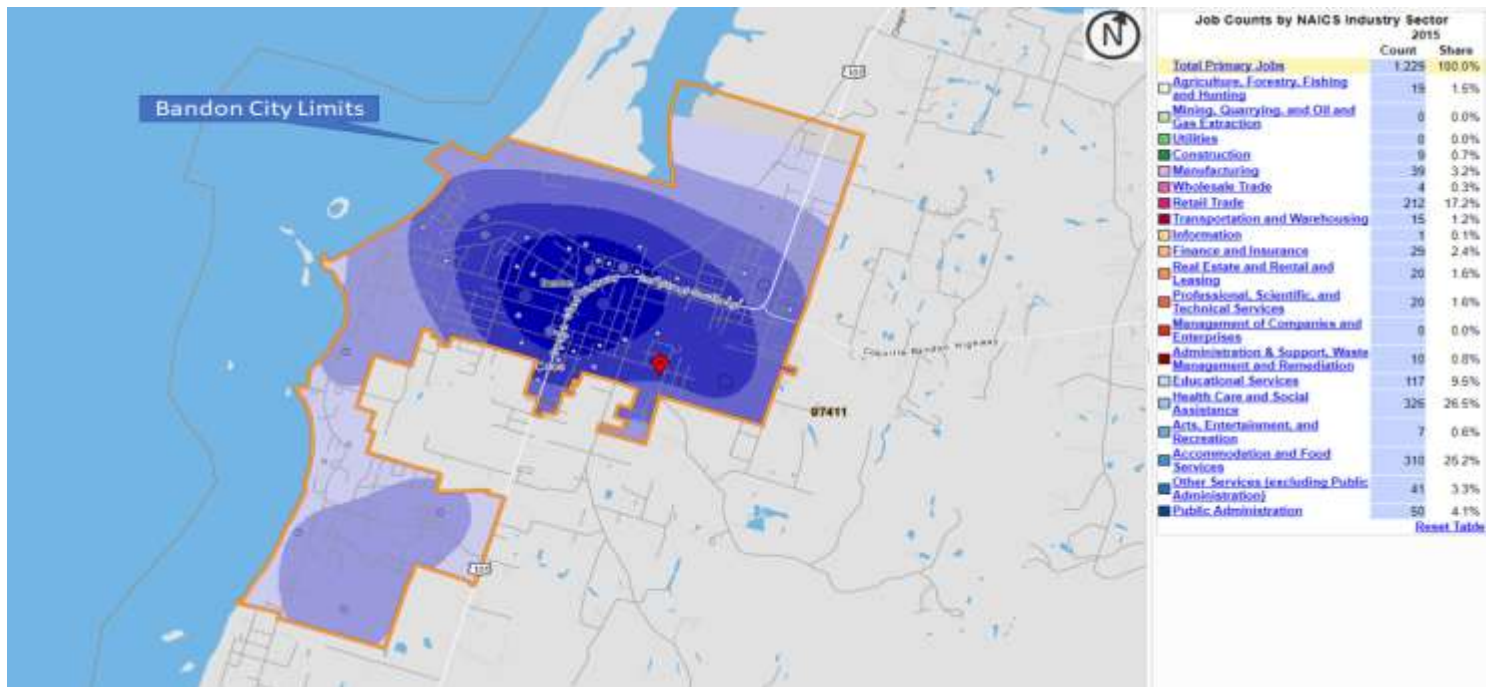
Graph E-11. The following graph shows the total numbers of employees by industry for the City of Bandon:



Source: Oregon.zoomprospector.com

- a) Primary employers for the Bandon area include (estimated employment numbers are noted in parentheses):**
- a. Bandon Dunes Golf Resort (500+)
 - b. Southern Coos Health District (150+)
 - c. Bandon School District #54C (120+)
 - d. Hardin Optical (115+)
 - e. City of Bandon (45+)
 - f. Oregon Overseas Timber (30+)
 - g. Face Rock Creamery (30+)

Map 1-E. The following map shows primary employers within the Bandon city limits:



Source: OnTheMap.ces.census.gov

Map 2-E. The following map shows primary employers within the 97411-zip code:



Source: OnTheMap.ces.census.gov

Table E-12. The following table summarizes the total population available to the workforce, and the participation and unemployment rates for that population, within the Bandon 97411-zip code area:

	Total Population		Labor Force Participation Rate		Unemployment Rate	
	#	%	#	%	#	%
16 to 19 years	108	1.7%	88	81.5%	0	0.0%
20 to 24 years	227	3.6%	202	89.0%	16	6.9%
25 to 29 years	296	4.7%	165	55.7%	0	0.0%
30 to 34 years	316	5.0%	308	97.5%	0	0.0%
35 to 44 years	579	9.1%	480	82.9%	30	5.2%
45 to 54 years	932	14.7%	707	75.9%	13	1.4%
55 to 59 years	801	12.6%	594	74.2%	53	6.6%
60 to 64 years	734	11.6%	293	39.9%	70	9.6%
65 to 74 years	1,328	20.9%	305	23.0%	157	11.8%
75 years and over	1,032	16.2%	35	3.4%	0	0.0%
Total Population Age 16 and Over	6,353	100.0%	3,178	50.0%	339	4.8%
Labor Force Participation Rate						
Unemployment Rate						

Source: US Census Bureau; American FactFinder 2015 American Community Survey

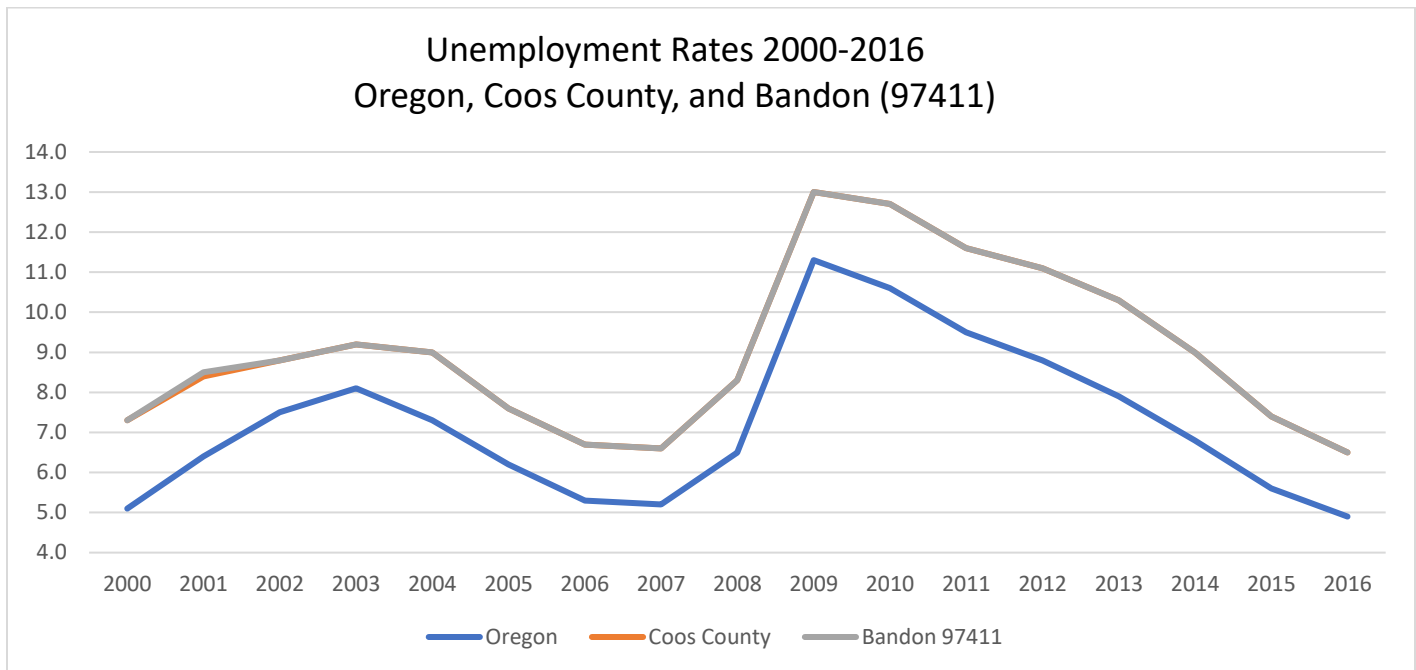
According to QualityInfo.org, Coos County's labor force participation rate in 2015 ranks #34 out of Oregon's 36 counties. Neighboring counties did not fare any better: Curry County was #36 at 44.0%, Josephine County was #35 at 47.4%, and Douglas County came in at #33 with a participation rate of 49.7%. Statewide average is 61.1%.

Table E-13. The following table summarizes the educational attainment of the workforce population, and the participation and unemployment rates for that population, within the Bandon 97411-zip code area:

	Total Population		Labor Force Participation Rate		Unemployment Rate	
	#	%	#	%	#	%
Less Than High School	548	15.0%	407	74.3%	16	2.9%
High School Graduate, or Equivalent	1,157	31.6%	765	66.1%	58	5.0%
Some College or Associate's Degree	1,378	37.7%	973	70.6%	73	5.3%
Bachelor's Degree or Higher	575	15.7%	402	69.9%	0	0.0%
Total Population Age 25 to 64 Years	3,658	100.0%	2,547	69.6%	147	4.0%
Participation/Unemployment Rates						

Source: US Census Bureau; American FactFinder 2015 American Community Survey

Graph E-14. The following graph shows the unemployment rates for Bandon and Coos County, as compared to the State of Oregon:



Source: State of Oregon Employment Department (qualityinfo.org); Homefacts.com

In the above graph, you can see that the unemployment rate for the Bandon 97411-zip code area is nearly identical to that of Coos County, which is typically higher than the statewide average.

Table E-15. The following table compares noteworthy statistics regarding the unemployment rates for Bandon, Coos County, and Oregon. Data considered for this table is dated Jan. 2000 – Jul. 2017:

	Highest Rate / Month(s) Recorded	Consecutive Months 10.0% or Higher		Total Months 10.0% or Higher	Last Recorded Month 10.0% or Higher	Current Rate Jul. 2017
		#	Duration			
Bandon	14.8% / Mar. 2009	54	Nov. 2008 – Apr. 2013	65	Mar. 2014	5.8%
Coos County	13.8% / Apr. & May 2009	59	Nov. 2008 – Sept. 2013	59	Sept. 2013	5.1%
Oregon	11.9% / Apr. & May 2009	24	Jan. 2009 – Dec. 2010	24	Dec. 2010	4.1%

Source: State of Oregon Employment Department (qualityinfo.org); Homefacts.com

The preceding table illustrates a much slower recovery of Bandon and Coos County area after the economic recession that began in 2008, than that of the State of Oregon.

The tables on the following page address the commuting patterns of workers within the Bandon 97411-zip code area. The majority of workers (72.1%) drive alone to work, with a mean travel time of 19.0 minutes.

Table E-16. The following table details the different means of transportation available to workers age 16 and older in the Bandon 97411-zip code area:

Means of Transportation	Workers Age 16 and Older	
	#	%
Car, truck, or van	2,269	80.2%
Drove alone	2,040	72.1%
2-Person Carpool	192	6.8%
3-Person Carpool	37	1.3%
4-or-More Person Carpool	0	0.0%
Public transportation (excluding taxicab)	0	0.0%
Walked	277	9.8%
Bicycle	0	0.0%
Taxicab, motorcycle, or other means	34	1.2%
Worked at home	246	8.7%
Total Workers Age 16 and over	2,829	100.0%

Source: American FactFinder 2015 American Community Survey

Table E-17. The following table details the place of work for workers age 16 and older in the Bandon 97411-zip code area:

Place of Work	#	%
Worked in State of Residence	2,798	98.9%
Worked in County of Residence	2,758	97.5%
Worked Outside of County of Residence	40	1.4%
Worked Outside State of Residence	31	1.1%
Total Workers Age 16 and over	2,829	--

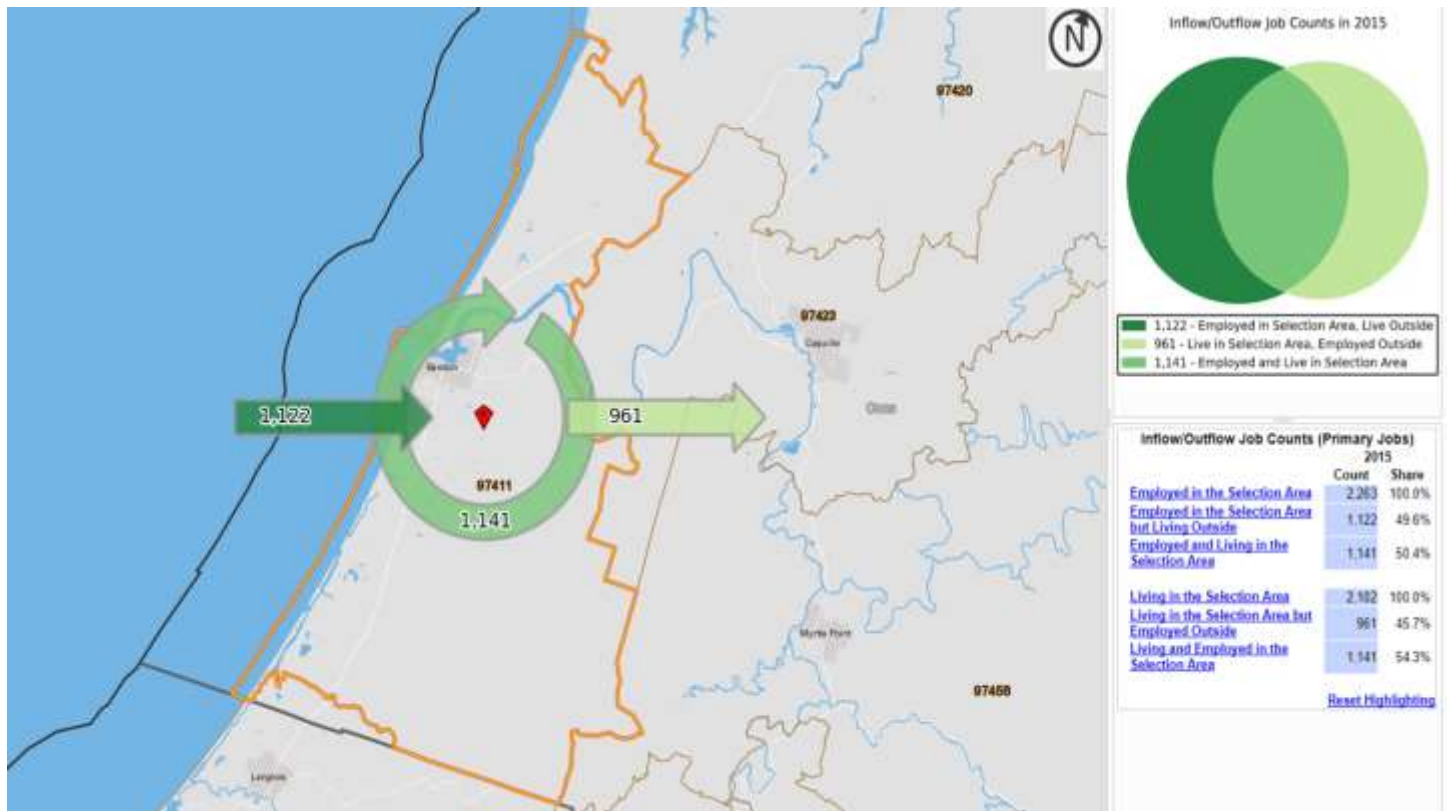
Source: American FactFinder 2015 American Community Survey

Table E-18. The following table details the travel time to work for workers age 16 and older, who did not work at home, in the Bandon 97411-zip code area:

Travel Time to Work	#	%
Less than 10 minutes	1,128	43.7%
10 to 14 minutes	408	15.8%
15 to 19 minutes	269	10.4%
20 to 24 minutes	209	8.1%
25 to 29 minutes	39	1.5%
30 to 34 minutes	98	3.8%
35 to 44 minutes	90	3.5%
45 to 59 minutes	93	3.6%
60 or more minutes	245	9.5%
Workers 16 years and over (who did not work at home)	2,582	99.9%
Mean travel time to work (minutes)	19.0	

Source: American FactFinder 2015 American Community Survey

Map 3-E. The following map shows the inflow and outflow of job counts in 2015, in the Bandon 97411-zip code area:



Source: OnTheMap.ces.census.gov

Through our research, we have discovered several plans for increased development of accommodations and food services related industries, as well as some expansion of food-based traded sector businesses. There are also plans focused on increasing the size of Bandon’s Old Town, with addition of an “Uptown” area where the Woolen Mill development has been planned by the City of Bandon. These expansions will inevitably increase the number of visitors to the study area, and thus increase the need for new employees and affordable workforce housing.

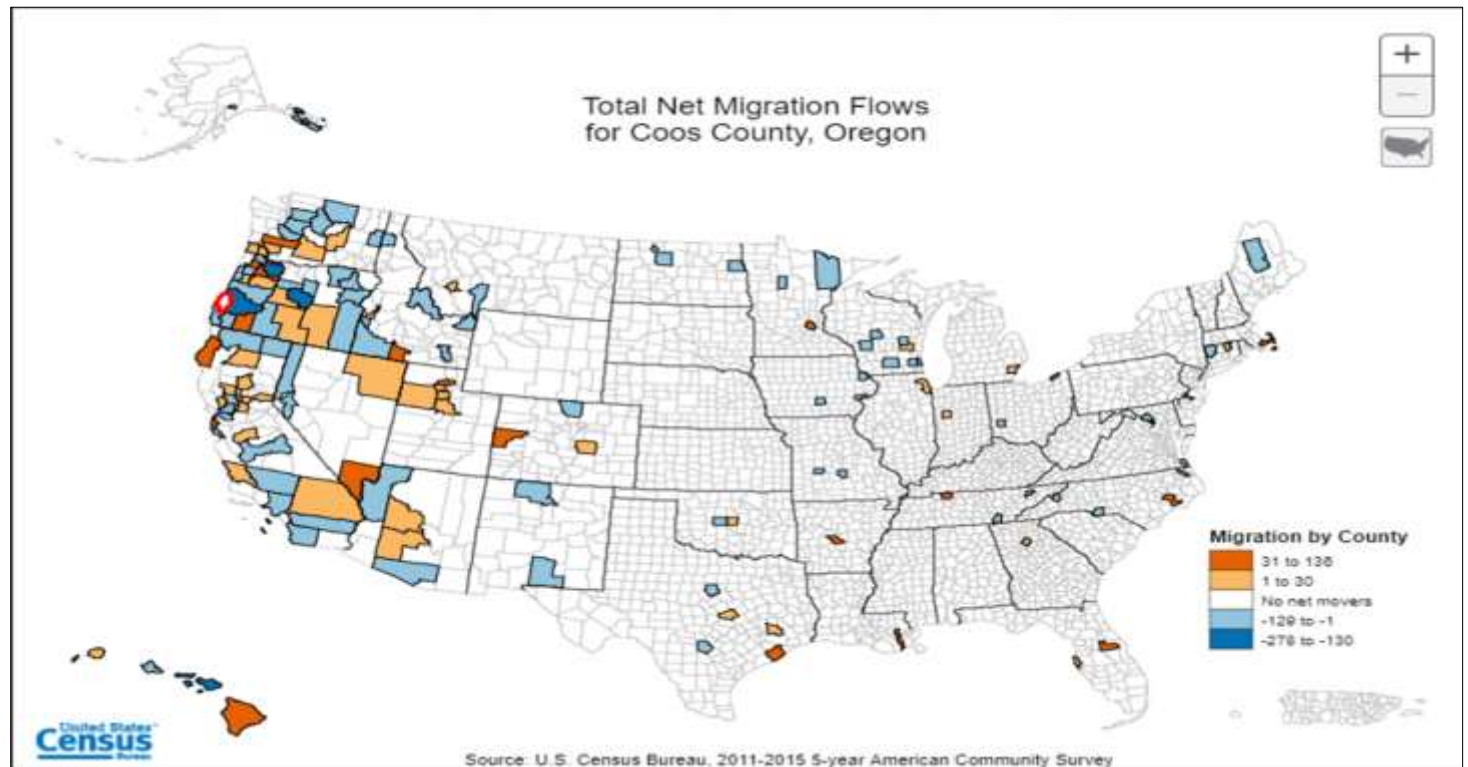
v. Migration Evaluation

Table E-19. Coos County Vital Statistics – Birth, Death, and Net Migration Rates 1980-2050:

	Number of Births	Average Annual Birth Rates per 1,000 population	Number of Deaths	Average Annual Death Rates per 1,000 population	Net Migration	Average Annual Net Migration Rates per 1,000 population
1980-1985	4,585	15	2,931	9	-5,657	-18
1985-1990	3,856	13	3,227	11	-129	0
1990-1995	3,511	11	3,617	12	3,215	10
1995-2000	3,194	10	4,026	13	83	0
2000-2005	3,099	10	4,311	14	1,163	4
2005-2010	3,219	10	4,212	13	1,289	4
2010-2015	3,142	10	4,032	13	1,155	4
2015-2020	3,219	10	4,263	13	1,843	6
2020-2025	3,195	10	4,560	14	2,083	6
2025-2030	3,161	10	4,878	15	2,111	6
2030-2035	3,151	10	5,296	16	2,107	6
2035-2040	3,122	10	5,463	17	2,104	6
2040-2045	3,112	10	5,454	17	2,102	6
2045-2050	3,095	10	5,236	16	2,100	6

Source: Office of Economic Analysis, State of Oregon

Map 4-E. The following map shows the total net migration flows for Coos County:



Source: US Census Bureau; American FactFinder 2015 American Community Survey

Section III

F. Evaluation of Existing Housing Market

i. Overview of the Study Area For-Sale and For-Rent Housing

Table F-1. The distribution of housing stock within the Bandon 97411-zip code area is summarized in the following table:

Housing Unit Status	2000 Census		2010 Census		2015 Estimated		2025 Projections	
Total Occupied	2,907	84.5%	3,212	82.0%	3,363	79.7%	3,667	77.4%
Owner-Occupied	2,069	71.2%	2,097	65.3%	2,315	68.8%	2,479	67.6%
Renter-Occupied	838	28.8%	1,115	34.7%	1,048	31.2%	1,188	32.4%
Total Vacant	534	15.5%	703	18.0%	857	20.3%	1,072	22.6%
For Rent or For Sale	152	28.5%	204	29.0%	247	28.8%	310	28.9%
Rented or Sold, Not Occupied	39	7.3%	34	4.9%	49	5.7%	56	5.2%
Seasonal, Recreational Use	262	49.1%	321	45.7%	368	42.9%	438	40.9%
Other Vacancy	81	15.2%	144	20.4%	193	22.5%	268	25.0%
Total Housing Units	3,441	100.0%	3,915	100.0%	4,220	100.0%	4,739	100.0%

Source: US Census Bureau; American FactFinder 2015 American Community Survey

There are an estimated 4,220 total housing units within the study area in 2015. This includes an estimated 1,048 renter-occupied units, or 31.2% of the occupied housing stock. The balance of the housing stock in the study area (2,315) is owner-occupied, which represents 68.8% of the occupied housing units in the study area.

It is estimated that there are 857 vacant housing units within the study area in 2015, representing an apparent vacancy rate of 20.3%. This number includes vacant homes, mobile homes, and condominiums that are both for sale or rent, those rented or sold but not occupied, seasonal and vacation homes, and possibly functionally obsolete or non-viable units. However, the great bulk of these vacant housing units are not being actively marketed either for rent or for sale. It is more likely that these units are being rented for seasonal and recreational use outside of the controlled development area within the City of Bandon limits.

Table F-2. Based on the American Community Survey (2011-2015), the following is a distribution of all housing units in the Bandon 97411-zip code area and Coos County, by year of construction:

Year Structure Built	97411-Zip Code		Coos County	
Built 2014 or later	0	0.0%	0	0.0%
Built 2010 to 2013	58	1.4%	397	1.3%
Built 2000 to 2009	726	17.2%	2,978	9.8%
Built 1990 to 1999	828	19.6%	3,511	11.5%
Built 1980 to 1989	522	12.4%	3,088	10.1%
Built 1970 to 1979	655	15.5%	6,177	20.3%
Built 1960 to 1969	468	11.1%	3,794	12.4%
Built 1950 to 1959	383	9.1%	4,252	13.9%
Built 1940 to 1949	165	3.9%	2,147	7.0%
Built 1939 or earlier	415	9.8%	4,138	13.6%
Total Housing Units	4,220	100.0%	30,482	99.9%

Source: American FactFinder 2015 American Community Survey

Most of the area's housing units were built before 2000. There has been a dramatic decrease in building activity since 2010, with only 1.4% of all housing units in the study area and 1.3% in Coos County built after 2010. A large part of this slowdown is due to the national recession, which slowed housing construction throughout many areas of the state and the nation.

The median and average age for 97411 housing stock is over 35 years. Therefore, over half of the housing stock is well into functional obsolescence, and/or noticeable deterioration. Post-2000 housing stock represents only about 18.6% of all housing in the study area. Nearly one-half (49.4%) of the Bandon area housing stock was built prior to 1980.

Most of these older homes face maintenance issues, both from deferred maintenance and general neglect. This is a major problem within Coos County and has been exasperated after the financial crisis of 2008, due to the underwater nature of many homeowners' mortgages. This area also has an issue with vacant owners, some of which own multiple income properties and do not maintain them to livable standards.

Table F-3. The owner- and renter-occupied household by household size within the Bandon 97411-zip code area, based on the 2010 Census, are distributed as follows:

Household Size	Owner-Occupied		Renter-Occupied	
	Households	Percent	Households	Percent
1-person household	590	28.1%	486	43.6%
2-person household	1,080	51.5%	286	25.7%
3-person household	229	10.9%	158	14.2%
4-person household	117	5.6%	106	9.5%
5-person household	46	2.2%	49	4.4%
6-person household	21	1.0%	21	1.9%
7-or-more-person household	14	0.7%	9	0.8%
Total	2,097	100.0%	1,115	100.1%

Source: US Census Bureau

Within the study area, the rental housing market has a higher share (16.6%) of large-family households (4-or-more persons), when compared with the owner-occupied housing having just 9.5% with a large household size.

Table F-4. The following table summarizes the estimated number of rental housing units by gross rent levels for the Bandon 97411-zip code area, based on the 2015 American Community Survey:

Gross Rent Paid	Rental Units	Percent
No Rent Paid	106	--
Less Than \$500	309	32.8%
\$500 to \$999	504	53.5%
\$1,000 to \$1,499	96	10.2%
\$1,500 to \$1,999	0	0.0%
\$2,000 to \$2,499	0	0.0%
\$2,500 to \$2,999	3	0.3%
\$3,000 or more	30	3.2%
Occupied Units Paying Rent	942	100.0%

Source: American FactFinder 2015 American Community Survey

The median gross rent in the study area in 2015 was \$633. The weighted average gross rent in 2015 was \$693. Gross rent includes all utilities. For analysis of the housing cost burden for both renter- and homeowner-occupied household, please see Table F-13 on page 31.

ii. Conventional Apartments

In the study area, we are not aware of any conventional market-rate or government subsidized rental housing units under construction or planned. Of the eight rental properties surveyed for this report, none currently had any units available for rent. All reported waiting lists, and estimated the average wait time for a rental at 30-180 days or more. The current rental occupancy rate is effectively 100%.

Table F-5. The following table summarizes the breakdown of conventional housing units surveyed within the study area:

Project Type	Projects Surveyed	Total Units	Vacant Units	Percent Occupied	Under Construction
Market-Rate	7	45	0	100%	0
Tax-Credit/Government-Subsidized	3	97	0	100%	0
Total	10	142	0	100%	0

Source: SCDC

iii. Single-Family Homes and For-Sale Alternatives

Census data identified an estimated 25,888 (84.9%) occupied housing units in 2015 within Coos County and 3,363 (79.7%) occupied housing units within the Bandon 97411-zip code area. Unoccupied residential structures, mostly second homes and vacation rentals, are noted elsewhere in this report.

Table F-6. The following table details the estimates for housing units by housing type (units in structure), for the Bandon 97411-zip code area, and is then further distributed by tenure:

Units in Structure, Bandon 97411	Total Occupied		Owner-Occupied		Renter-Occupied	
	Estimate	Percent	Estimate	Percent	Estimate	Percent
1, detached	2,421	72.0%	1,882	81.3%	542	51.7%
1, attached	121	3.6%	100	4.3%	23	2.2%
2 apartments	135	4.0%	0	0.0%	134	12.8%
3 or 4 apartments	27	0.8%	0	0.0%	28	2.7%
5 to 9 apartments	0	0.0%	0	0.0%	0	0.0%
10 or more apartments	202	6.0%	0	0.0%	203	19.4%
Mobile home or other type of housing	454	13.5%	336	14.5%	118	11.3%
Occupied Housing Units	3,363	99.9%	2,315	100.1%	1,048	100.1%

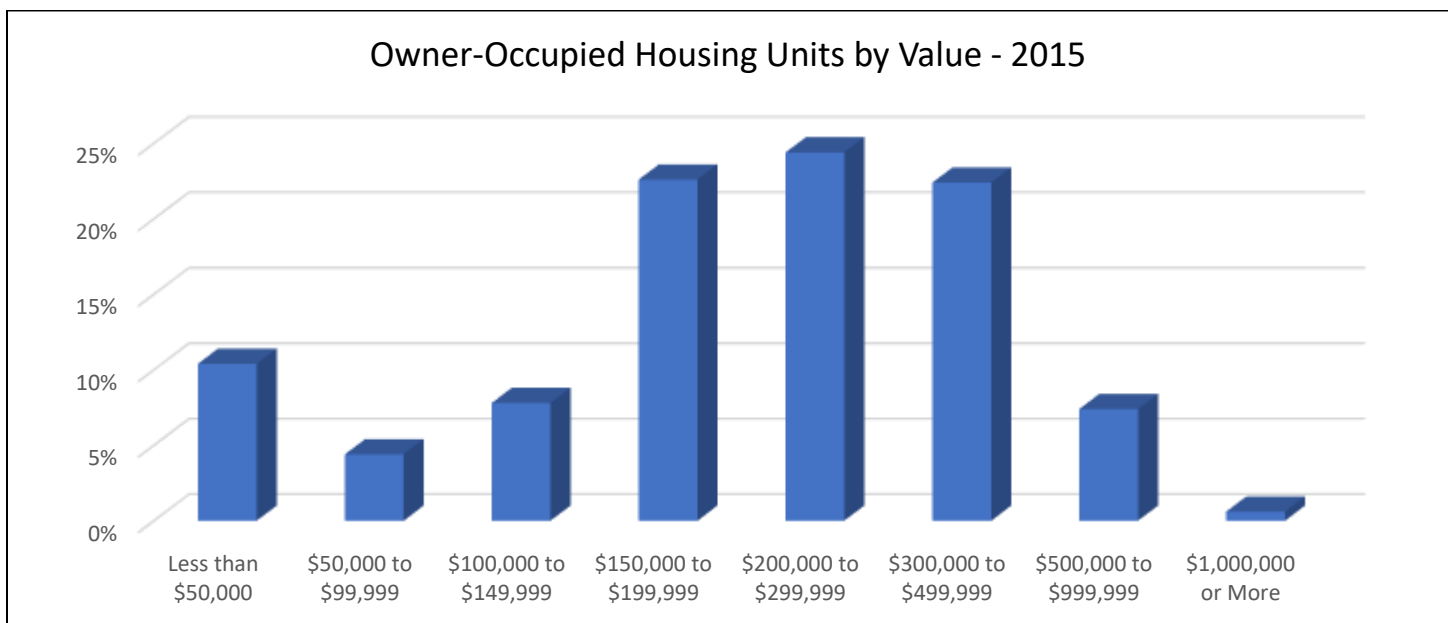
Source: American FactFinder 2015 American Community Survey

Table F-7. The following table details the estimates for housing units by housing type (units in structure), for Coos County, and is then further distributed by tenure:

Units in Structure, Coos County	Total Occupied		Owner-Occupied		Renter-Occupied	
	Estimate	Percent	Estimate	Percent	Estimate	Percent
1, detached	18,225	70.4%	13,869	82.4%	4,365	48.2%
1, attached	647	2.5%	219	1.3%	426	4.7%
2 apartments	699	2.7%	34	0.2%	652	7.2%
3 or 4 apartments	570	2.2%	0	0.0%	562	6.2%
5 to 9 apartments	828	3.2%	0	0.0%	824	9.1%
10 or more apartments	1,217	4.7%	0	0.0%	1,223	13.5%
Mobile home or other type of housing	3,702	14.3%	2,693	16.0%	1,014	11.2%
Occupied Housing Units	25,888	100.0%	16,831	99.9%	9,057	100.1%

Source US Census Bureau; American FactFinder 2015 American Community Survey

Graph F-8. The following graphs illustrate the estimated housing values within the Bandon 97411-zip code area, based on the 2015 Census:



Source: 2015 US Census

In 2015, just over 85.2% of owner-occupied housing structures were valued at more than \$100,000. This is up from about 82.3% of owner-occupied housing being valued at over \$100,000 in 2010, and reflects improvement to the area housing market following the recent national recession. The median owner-occupied home value in 2015 is \$217,800, which is down 12.5% from the median housing value in 2010, about \$249,000.

Although median home value in 2015 seems to have fallen from 2010, the median sold home prices from 2015 to 2017 have jumped 12.6%. Barring another financial crisis and the high demand and low supply currently available within the study area, it is safe to assume that homes prices will continue to rise.

Table F-9. Summary of RMLS current listings, within the Bandon 97411-zip code:

Housing Unit Type	Number	Asking Price		Bedrooms	Median Unit Square Footage	Median Price Per Square Foot
		Range	Median			
Single-Family Home	90	\$130,000 to \$2.95M	\$436,750	1 to 6	1,860	\$234.81/sf
Condominium	3	\$250,000 to \$439,000	\$295,000	2 to 3	1,248	\$236.37/sf
Manufactured/ Non-Fee Simple	13	\$179,000 to \$445,000	\$279,000	2 to 4	1,508	\$185.01/sf

Source: RMLS (September 2017)

Table F-10. Summary of RMLS current listings, for Coos County:

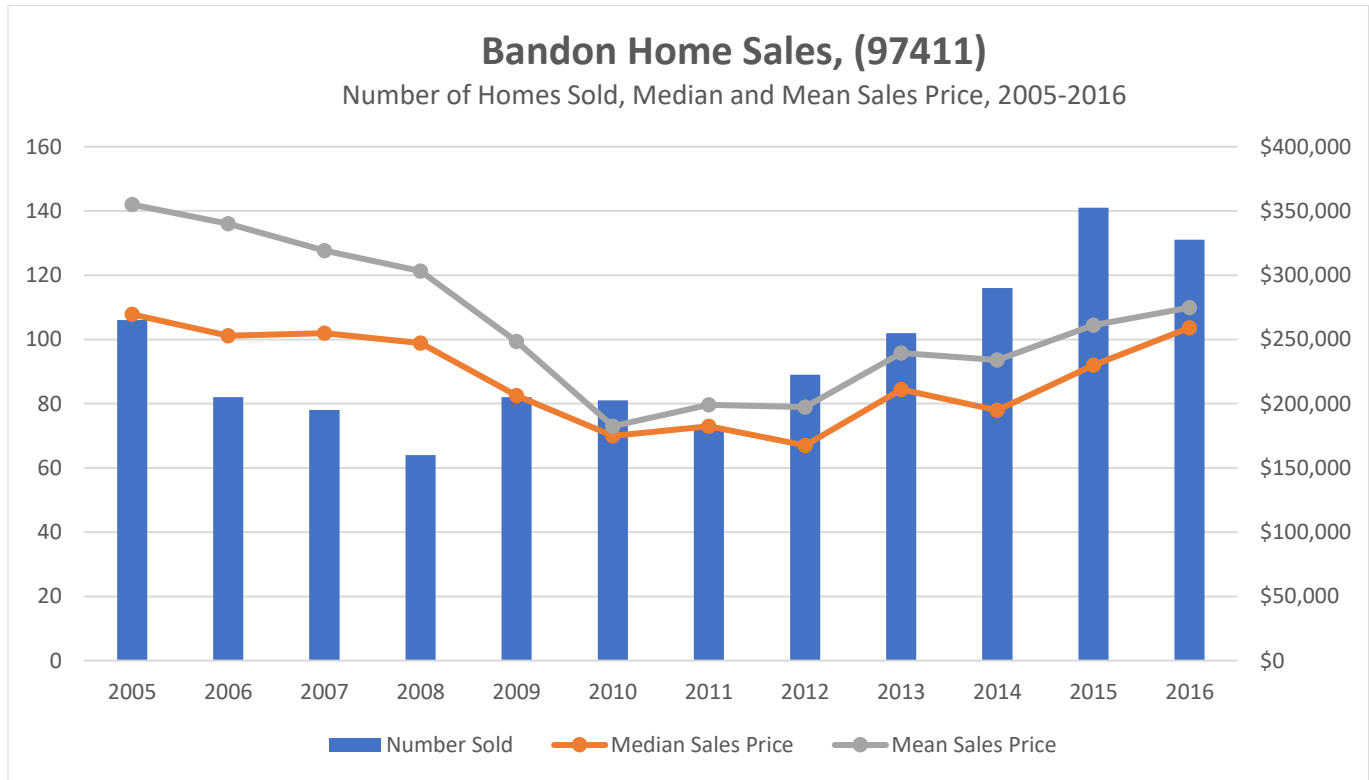
Housing Unit Type	Number	Asking Price		Bedrooms	Median Unit Square Footage	Median Price Per Square Foot
		Range	Median			
Single-Family Home	360	\$49,000 to \$2.95M	\$279,000	1 to 6	1,773	\$157.36/sf
Condominium	3	\$250,000 to \$439,000	\$295,000	2 to 3	1,248	\$236.37/sf
Manufactured/ Non-Fee Simple	61	\$31,200 to \$445,000	\$195,000	1 to 4	1,404	\$138.39/sf

Source: RMLS (September 2017)

Currently there are 106 residential listings on the Regional Multi Listing Service (RMLS) for the 97411-zip code.

The average year built for single-family homes on the RMLS is 1983 for homes in the Bandon 97411-zip code. For homes in Coos County, the average year built is 1967. Homes located within the 97411-zip code have a median asking price of 63.8% higher than that of Coos County.

Graph F-11. The following graph illustrates the number of annual home sales, and the median and mean sales prices, within the 97411-zip code area, from 2005 – 2016:



Source: RMLS (September 2017)

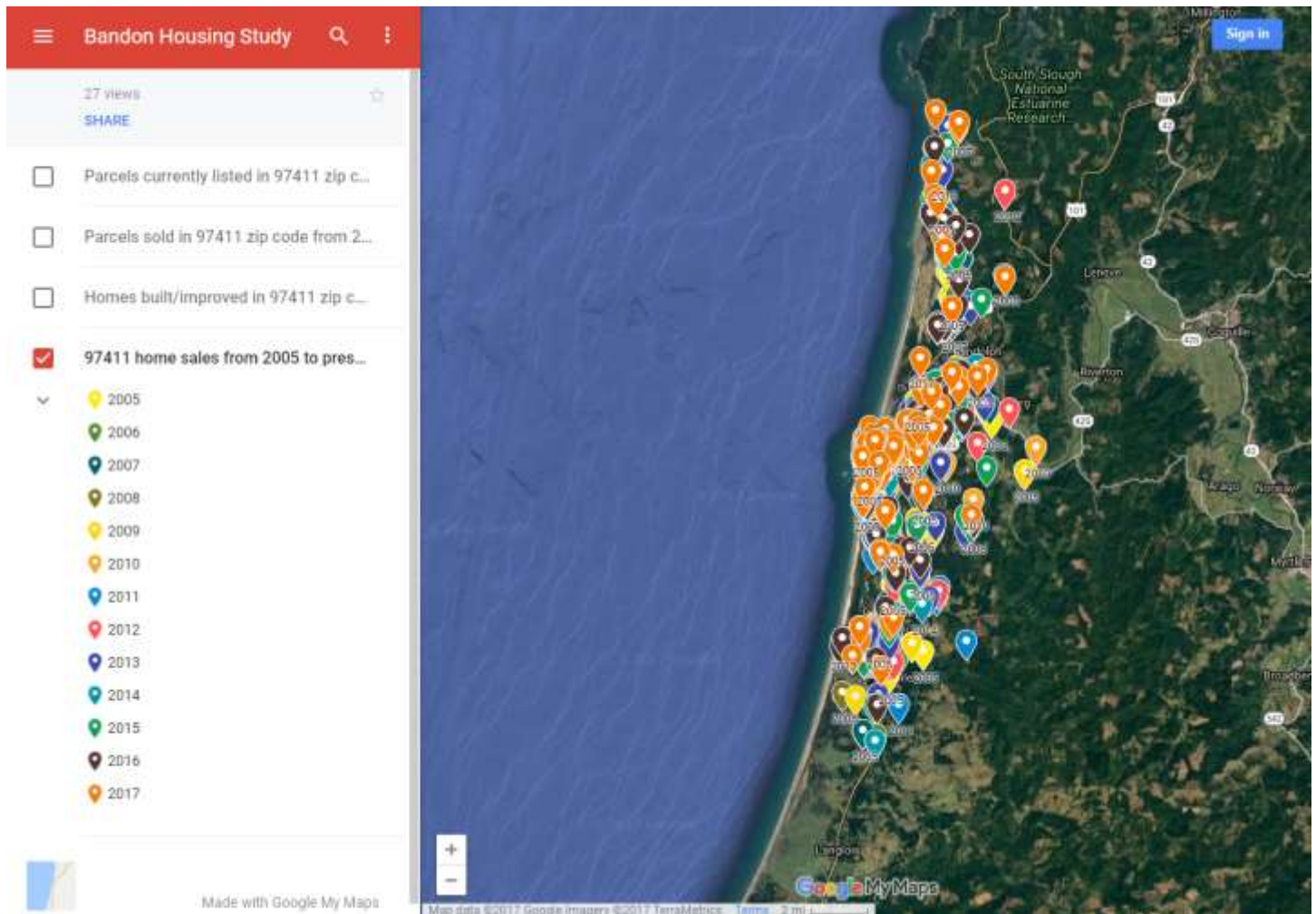
So far in 2017, through 9/19/17, there have been 115 home sales, with a median price of \$249,500 and a mean price of \$302,607.

Table F-12. The following table details the total number of sold listing on the RMLS, with average home listing and sales prices, and number of days on the market for Bandon 97411-zip code:

Year	Total Sold Listings	Days on Market		Avg. Sq. Ft.	List Price		Sales Price	
		Average	Median		Average	Per Sq. Ft.	Average	Per Sq. Ft.
2005	106	128	78	1,627	\$382,637	\$235	\$354,963	\$218
2006	82	163	137	1,505	\$362,137	\$241	\$340,054	\$226
2007	78	152	121	1,547	\$344,526	\$223	\$319,098	\$206
2008	64	185	110	1,662	\$360,458	\$217	\$303,221	\$182
2009	82	220	138	1,691	\$276,980	\$164	\$248,392	\$147
2010	81	183	101	1,556	\$203,656	\$131	\$182,511	\$117
2011	72	284	186	1,603	\$228,299	\$142	\$199,152	\$124
2012	89	203	117	1,762	\$219,908	\$125	\$197,441	\$112
2013	102	228	142	1,831	\$259,936	\$142	\$239,338	\$131
2014	116	193	96	1,695	\$245,646	\$145	\$234,083	\$138
2015	141	142	96	1,775	\$279,382	\$158	\$261,197	\$148
2016	131	187	85	1,772	\$289,652	\$165	\$274,834	\$156

Source: RMLS (September 2017)

Map 1-F. Below is a screenshot of an interactive Google map, showing all homes sold within the Bandon 97411-zip code, 2005 to present:



Source: Google, RMLS, SCDC

Link: https://www.google.com/maps/d/viewer?mid=1mk0rz2dljvcAnp_X7fQablyS-Is&ll=43.112703446766965%2C-124.37281641176759&z=11

Detailed information for each parcel is available by year sold, including the property type and address, number of bedrooms and bathrooms, approximate square footage, price, and year built.

Table F-13. The following table details the monthly housing cost burden as a percentage of income for homeowners and renters in the Bandon 97411-zip code area, (then further illustrated in the graphs on the following page):

Household Income Range	Monthly Housing Cost Burden	Owner-Occupied		Renter-Occupied	
		#	%	#	%
Less Than \$20,000	Less than 20%	125	5.4%	3	0.3%
	20 - 29%	74	3.2%	49	4.7%
	30% or More	292	12.6%	394	37.6%
\$20,000 to \$34,999	Less than 20%	134	5.8%	23	2.2%
	20 - 29%	76	3.3%	90	8.6%
	30% or More	185	8.0%	126	12.0%
\$35,000 to \$49,999	Less than 20%	213	9.2%	17	1.6%
	20 - 29%	130	5.6%	93	8.9%
	30% or More	176	7.6%	37	3.5%
\$50,000 to \$74,999	Less than 20%	192	8.3%	47	4.5%
	20 - 29%	86	3.7%	0	0.0%
	30% or More	63	2.7%	13	1.2%
\$75,000 or More	Less than 20%	484	20.9%	38	3.6%
	20 - 29%	32	1.4%	2	0.2%
	30% or More	14	0.6%	6	0.6%
Zero or Negative Income		44	1.9%	4	0.4%
No Cash Rent Paid		--	--	106	10.1%
Total		2,315	100.2%	1,048	100.0%

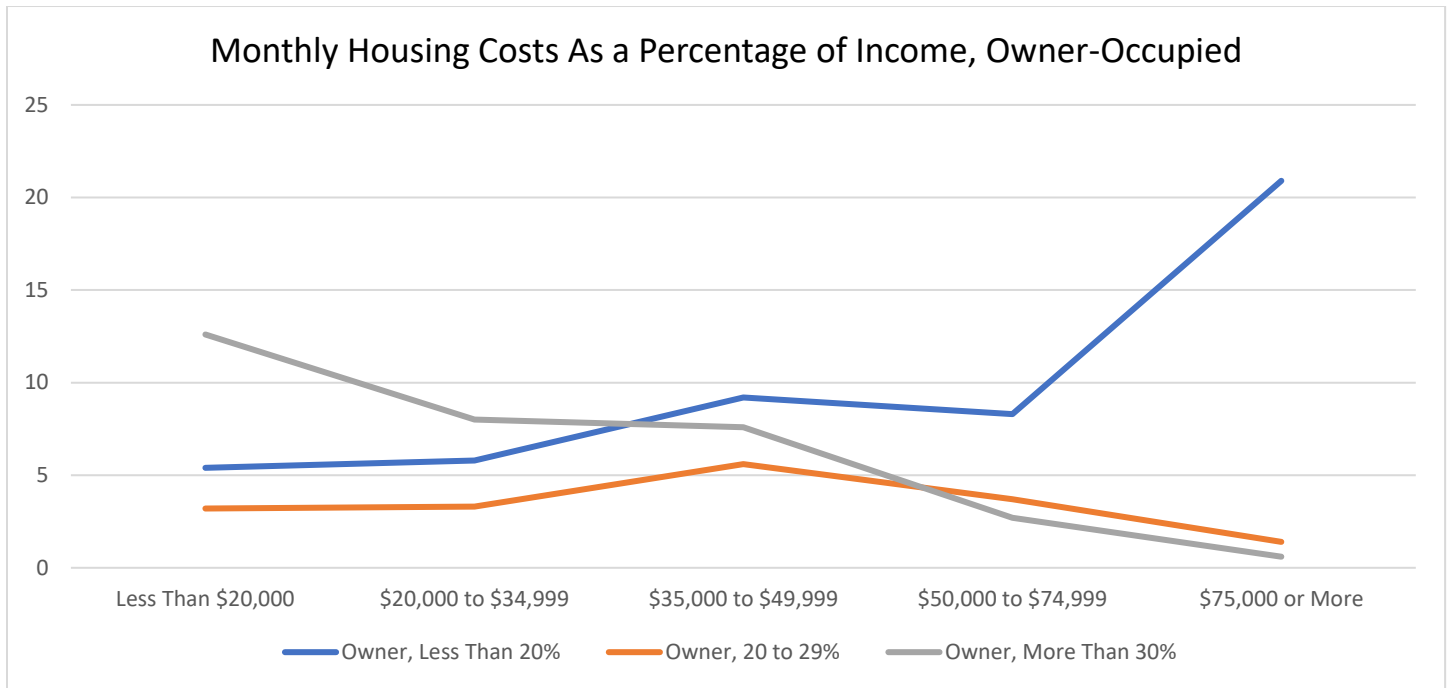
Source: American FactFinder2015 American Community Survey

The above table shows that a significant number of renters are paying more than 30% of their income for housing costs, especially those with lower income. It is possible that most of these households work within the service and retail industries, and could also potentially be made up of retirees in the area who are on a fixed-income.

Approximately 55.0%, or 576 households, of the total renter-occupied units are filled by households paying 30% or more of their income towards housing, including a majority with an income less than \$35,000 (520 households, or 49.6%). This extra burden on the low-income workforce may have a negative impact on the local economy during slow shoulder seasons as the economic base of the study area will not be able to support current businesses. This cost may also severely hinder the quality of life of these individuals and families, and potentially force some of them to move out of the study area to find better cost of living and quality of life.

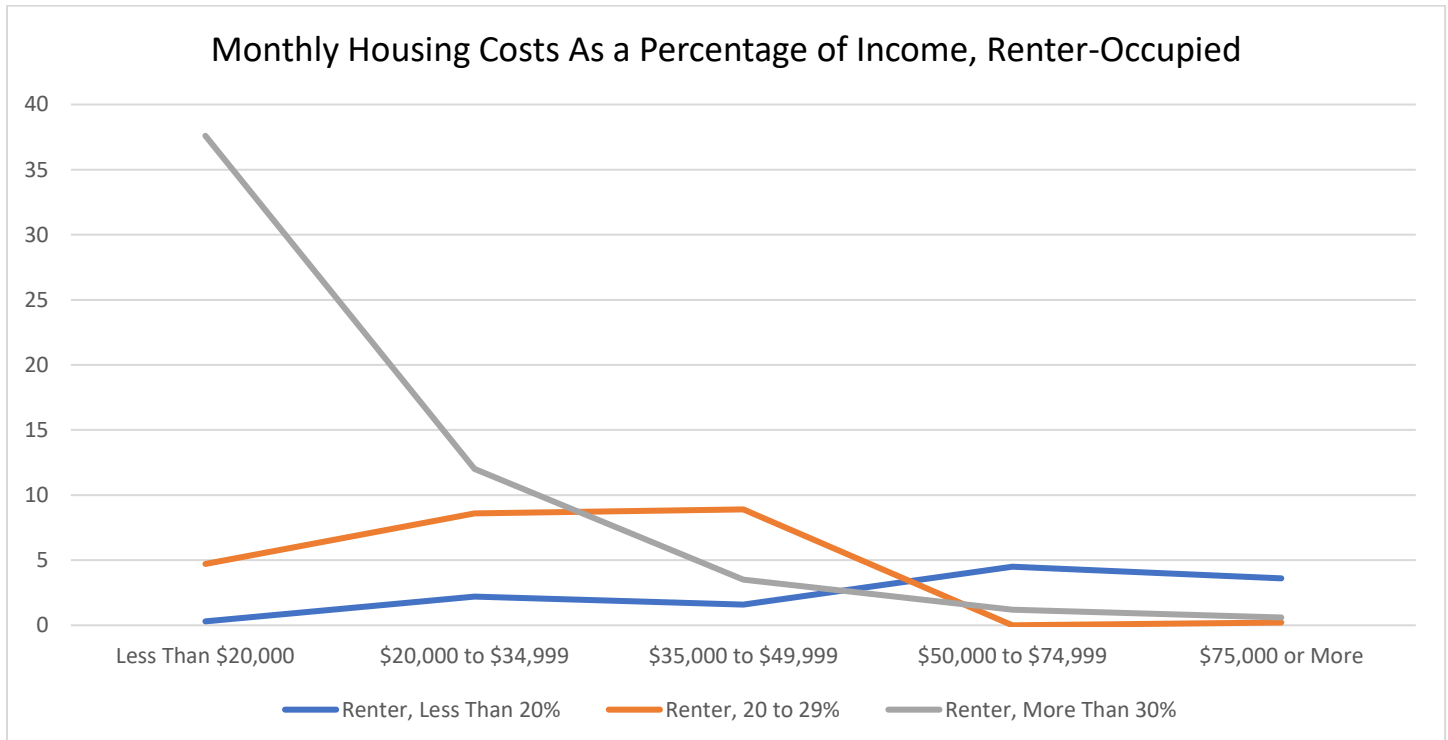
A potential labor drain from the study area could cause the local economy to slow as workforce leaves current positions, and current and new employment opportunities cannot be filled. This is already occurring with several local businesses within the study area, some of whom stated they are always hiring for the same positions and cannot retain employees, some of which currently live outside of the 97411-zip code.

Graph F-14. The following graph illustrates the monthly housing cost burden as a percentage of income for homeowners in the Bandon 97411-zip code area:



Source: 2015 American Community Survey

Graph F-15. The following graph illustrates the monthly housing cost burden as a percentage of income for renters in the Bandon 97411-zip code area:



Source: 2015 American Community Survey

iv. Vacant Land Available for Residential Development

Table F-16. The following table details vacant parcels currently listed on RMLS available for residential development in the 97411-zip code:

	Parcels Available	List Price			Days on Market		
		Median	Average	Range	Median	Average	1000+ DOM
Acreage Unknown	11	\$42,500	\$52,845	\$23,000 - \$89,000	135	199	0
Less Than 1 Acre	83	\$79,900	\$144,940	\$21,500 - \$699,000	158	670	13
1- 5 Acres	21	\$102,000	\$204,567	\$59,000 - \$995,000	416	738	4
More than 5 Acres	18	\$187,000	\$566,608	\$100,000 - \$4,000,000	181	296	0
Total Available Parcels	133	\$95,000	\$203,806	\$23,000 - \$4,000,000	158	594	17

Source: RMLS (September 2017)

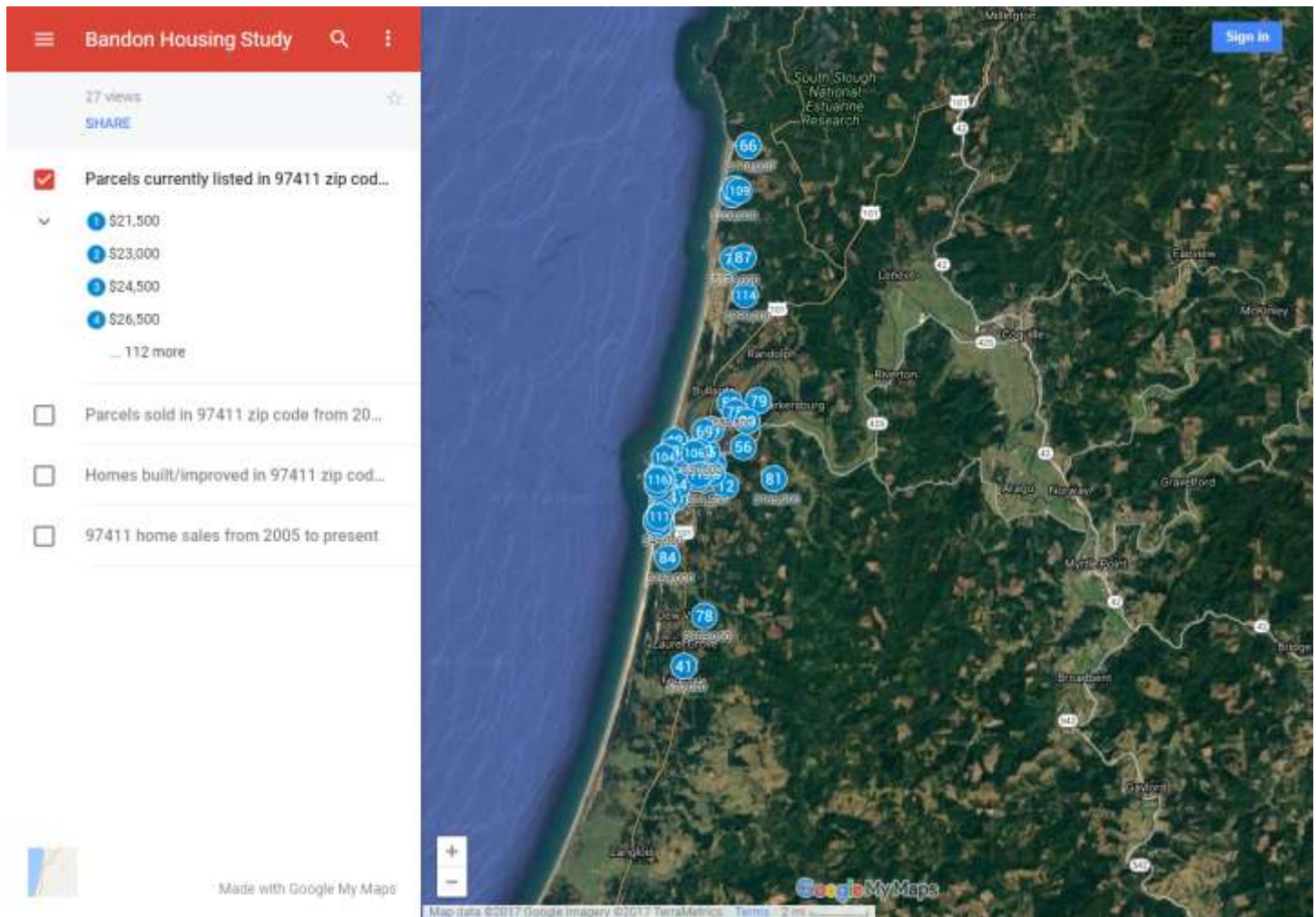
Table F-17. The following table details the 17 vacant parcels that have been on the market for more than 1,000 days, (sorted by days on market, low to high), as shown in the previous table, in the Bandon 97411-zip code:

MLS#	Address	Acres	Price	DOM	Zoning	Lot Description and Topography	Utilities Available
14545571	Seacrest Dr. #14	0.34	\$130,000	1,199	CD-1	Cleared, BCH<1/4, Level	P, S, W, UG, TV
14352824	O Pacific Surf Ln.	1.74	\$110,000	1,249	F	Secluded, Wooded, Private Rd., Gated, Sloped	P, W, UG
13030088	Jetty Rd.	0.31	\$39,000	1,442	CD-1	Wooded, Floodpl/Sloped	P, S, W
13067781	Edna Ln.	3.00	\$95,000	1,520	RR-2	Cleared, Pasture, Pond, Private, Trees, Level	P
10094895	3113 Lincoln Ave. #4	0.22	\$62,500	2,458	R-1	Cleared, Level	P, S, W, UG
10062813	Sacchi Ln.	1.73	\$174,000	2,620	F	Trees, BCH<1/4, Level/Sloped	P, Sep.
10056462	3185 Lincoln Ave. #11	0.21	\$79,500	2,632	R-1	Cleared, Corner, Level	P, S, W, UG, TV
10056372	3161 Lincoln Ave. #9	0.28	\$82,500	2,632	R-1	Cleared, Level	P, S, W, UG
10056451	3173 Lincoln Ave. #10	0.29	\$82,500	2,632	R-1	Cleared, Level	P, S, W, UG, TV
10041268	Polaris Ave.	0.31	\$118,000	2,686	CD-10	Brush, Cleared, Cul-de-sac, Level/Sloped	P, W, UG, Sep.
9089282	Third ST	0.36	\$45,000	2,914	RR-5	Wooded, BCH<1/4, Level	P
9067077	Suna Dr.	0.20	\$40,000	2,950	F	Wooded, Level/Sloped	None
9067081	Suna Dr.	0.20	\$40,000	2,950	F	Wooded, Level/Sloped	None
6003130	Harlem Ave. SE	0.62	\$24,500	4,282	RR-2	Private, Wooded, Level	P, W
6003150	Park St.	1.23	\$79,500	4,282	RR-2	Wooded, Cleared homesite, Level	P, Sep.
6006683	First St.	0.20	\$359,000	4,282	CD-3	Cleared, Level	P, S, W
4034817	Beach Loop Dr.	0.32	\$134,500	4,864	CD-10	Cleared, Level	P, W, UG, Sep.

Utilities Key: P-power, S-sewer, W-water, UG-underground utilities, Sep.-Septic Approved, TV-Cable TV and/or Phone

Source: RMLS (September 2017)

Map 2-F. Below is a screenshot of an interactive Google map, showing vacant parcels currently listed on RMLS available for residential development within the Bandon 97411-zip code, as detailed in the preceding tables:



Source: Google, RMLS, SCDC

Link: https://www.google.com/maps/d/viewer?mid=1mk0rz2dljvcAnp_X7fQabYs-Is&ll=43.112703446766965%2C-124.37281641176759&z=11

Detailed information for each parcel is available, including the price, MLS #, property type and address, acres, days on market, and zoning.

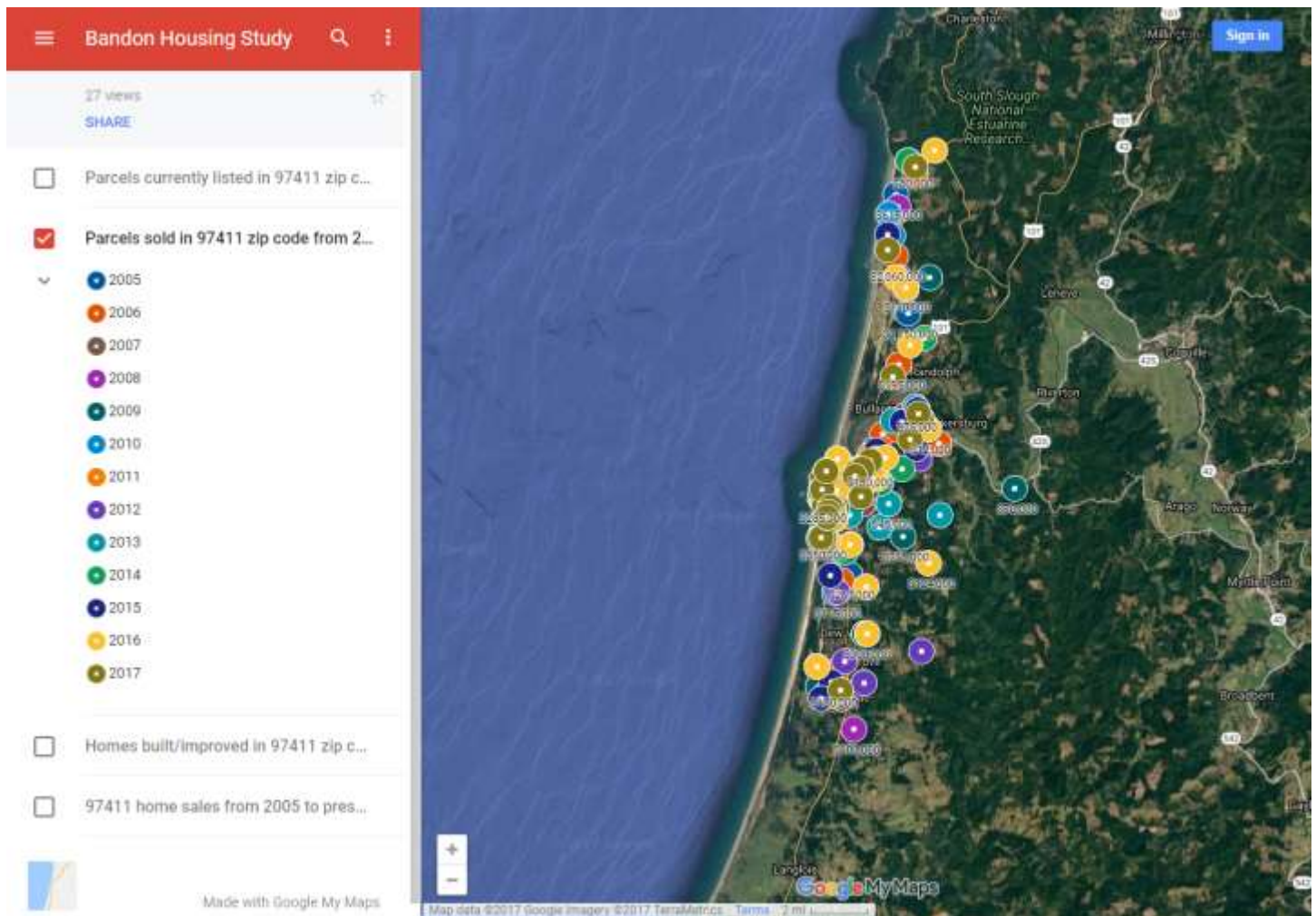
As the above map and tables indicate, there is an excessive supply of existing undeveloped lots, ranging from small single-home lots to larger subdivisions. The majority of lots available for purchase for residential development are considered to be “shovel ready” and have sat vacant for several years. There is also a trend within the study area that correlates to wealthy individuals and families who control a large portion of acreage in and around the City of Bandon. Some of these individuals are willing to sell property at reasonable prices and see the need for new housing development, however, many of them are unwilling to finance the construction of a “spec” home development privately, thus adding to the woes of affordable housing.

Some developers, realtors and property owners feel there are several factors limiting their development potential:

1. High SDC fees within the Bandon city limits.
2. The difficulty for many would-be individual developers to secure bank funding for buying a lot and then coming up with more money during the construction phase.

3. The reluctance of some lenders to lend for the purchase of bare land, and/or construction loans for large tract home development.
4. The lack of full services at many potentially developable parcels outside the UGB of the City of Bandon.
5. A very limited number of local general contractors.
6. Underlying anti-growth culture.
7. Market saturation and high prices for available developable land.

Map 3-F. Below is a screenshot of an interactive Google map, showing vacant parcels sold from 2005 to present, within the 97411-zip code:



Source: Google, RMLS, SCDC

Link: https://www.google.com/maps/d/viewer?mid=1mk0rz2dljvcAnp_X7fQablyS-Is&ll=43.112703446766965%2C-124.37281641176759&z=11

Detailed information for each parcel is available by year sold, including the MLS #, property type and address, acres, price and date sold, days on market, and zoning.

The City of Bandon and 97411 study area has approx. 373 acres of available parcels listed on RMLS. Most new home lots and parcels are approx. 0.12 acres per lot. It is plausible that an estimated 3,108 home sites are available for development just from the current acreage listed on the RMLS within the 97411-zip code. In addition, it is estimated that an additional 300 to 500+ acres are available for development of homes with the study area, some of which are within large shovel ready developments that sit empty and devoid of homes. These shovel ready developments are located within the southwestern corner of the city limits and many have been vacant for the better part of the decade.

Although parcels are for sale and many have sold in the last six to nine months, as Tables F-16 and F-17 on page 33 show, there are currently 17 listings that have been on the market for 1,000 to 4,900 days. Several of these listings are within former large housing developments, and the majority of the listings provide all needed utilities to the site.

To spur development, it may be pertinent for the City of Bandon to either eliminate or reduce the system development charges of \$13,750 per home and even create an incentives program for large developers. Although, the City of Bandon has one of the lowest property tax rates within Coos County, temporary tax abatement programs might generate the sale and developments of large tracts of residential land.

v. Vacation Rental Market Share

Table F-18. The following table summarizes the number of total vacant housing units, including the market share occupied by short-term seasonal/recreational or vacation rentals within the 97411-zip code area:

	2000 Census		2010 Census		2015 Estimated		2025 Projected	
	#	%	#	%	#	%	#	%
Total Vacant Housing Units	534	100.0%	703	100.0%	857	100.0%	1,072	100.0%
For Sale	57	10.7%	113	16.1%	150	17.5%	212	19.8%
For Rent	95	17.8%	91	12.9%	97	11.3%	98	9.1%
Rented or Sold, Not Occupied	39	7.3%	34	4.9%	49	5.7%	56	5.2%
Seasonal or Recreational Use	262	49.1%	321	45.7%	365	42.6%	438	40.9%
Other Vacancy	81	15.2%	144	20.4%	193	22.5%	268	25.0%

Source: US Census Bureau

The vast majority of the vacant housing units in the study area are identified as seasonal or for recreational use, a total of 365 units in 2015, or 42.6% of all vacant units. This number is projected to increase by 2025 to 438 dwelling units, or 40.9% of all vacant units.

Table F-19. The following table details the high, low, mean, and median vacation rentals found on VRBO.com for the Bandon area, comparing their size and price per night, as well as anticipated annual revenue at specified occupancy levels:

Property Details							Annual Revenue Generated at Occupancy			
VRBO House #	Square Footage	Bed	Bath	Avg. Price Per Night		Min. Night Stay	25%	50%	75%	100%
484421	7000	11	7	High	\$800	3	\$73,000.00	\$146,000.00	\$219,000.00	\$292,000.00
781656	2500	3	2	Mean	\$242	2-4	\$22,082.50	\$44,165.00	\$66,247.50	\$88,330.00
351952	--	2	2	Median	\$210	2	\$19,162.50	\$38,325.00	\$57,487.50	\$76,650.00
469745	1420	3	2	Low	\$62	30	\$5,657.50	\$11,315.00	\$16,972.50	\$22,630.00

Source: VRBO.com

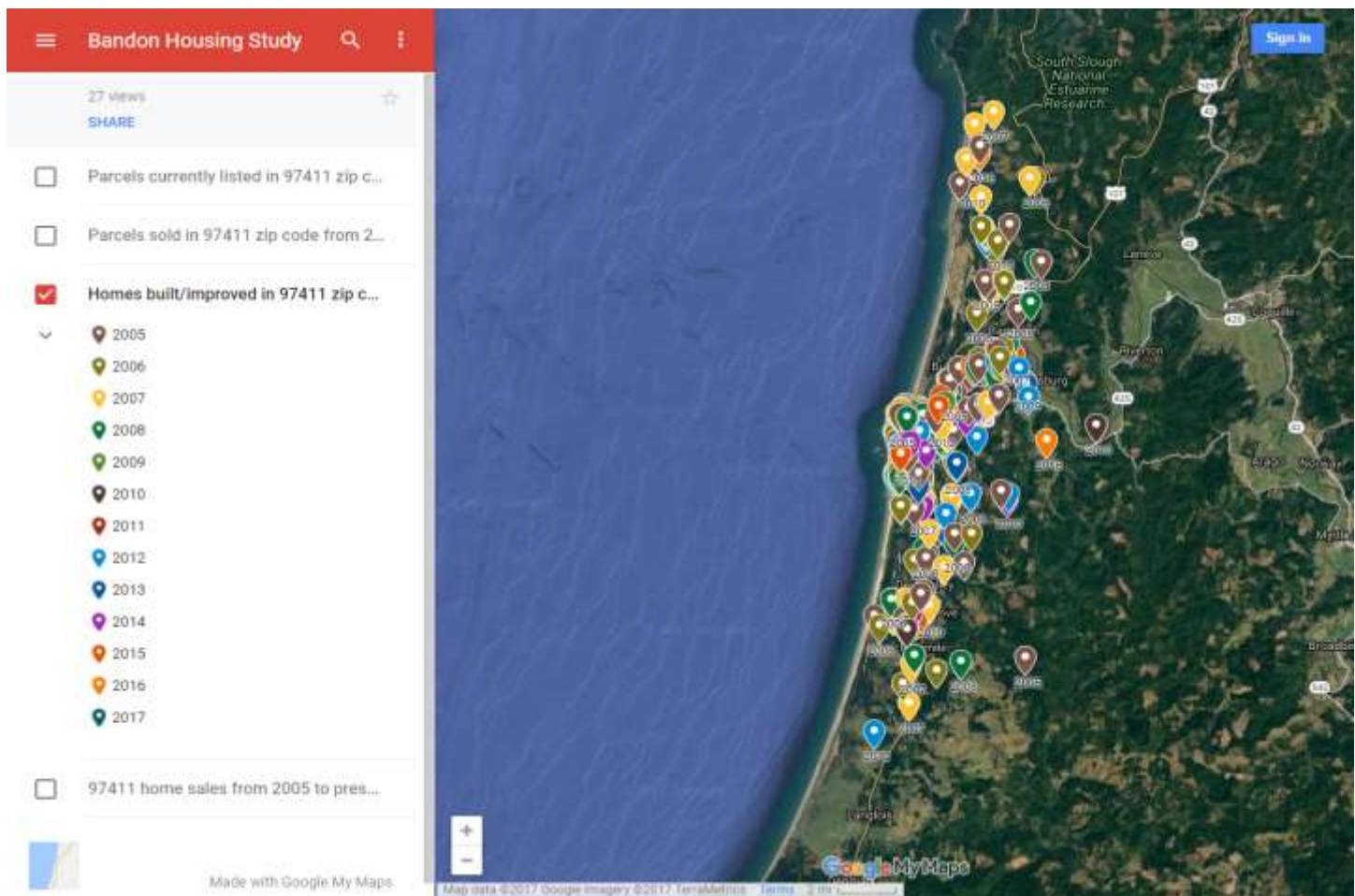
A VRBO.com (Vacation Rentals by Owner) search was conducted on 9/14/2017, which yielded 119 properties available for a short-term rental within the Bandon area. Of those properties, 30 were located outside of Bandon, (mostly Port Orford), and were not considered for this analysis.

Of the 89 properties considered for Table F-19 on the preceding page, 74 were houses, 5 were cabins, and the remaining were varied among cottages, condos, bungalows, townhomes and estates. The average advertised price per night was \$244.21 with an average 2 or 3 minimum night stay.

Many of these properties are geared towards golfers from out of the area, here to vacation and play golf at the Bandon Dunes Golf Resort and Bandon Crossings. Within the search filters there is the option for location type “golf rental,” of which returns 87 of the original 119 results.

vi. Residential Development Since 2006

Map 4-F. Below is a screenshot of an interactive Google map, showing all residential development since 2006, within the 97411-zip code area:



Source: Google, RMLS, SCDC

Link: https://www.google.com/maps/d/viewer?mid=1mk0rz2dljvcAnp_X7fQablyS-Is&ll=43.112703446766965%2C-124.37281641176759&z=11

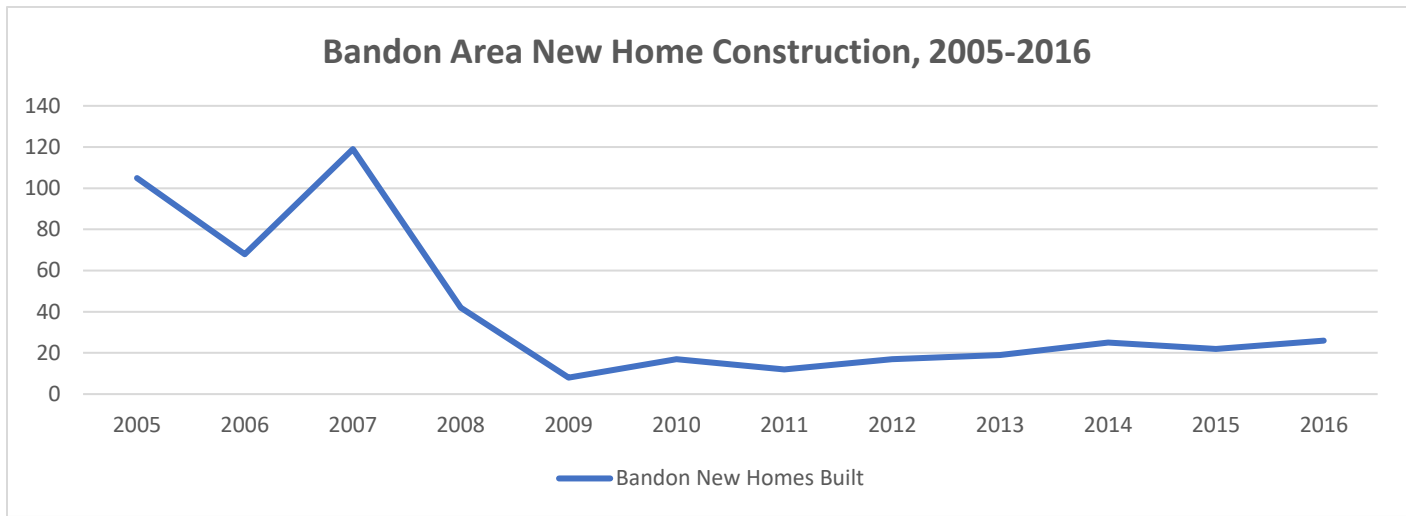
Detailed information for each parcel is available by year, including the property and improvement type, address, year built and sold, number of rooms, acres, and zoning.

As illustrated in both the interactive map and the graph on the following page, the number of homes built within the 97411-zip code drastically declined from 105 in 2005, to 24 in 2016. In the five-year period leading up to the economic recession, approx. 340 homes were built within the study area, while in the last seven years since the bottom of the recession in 2009, only approx. 128 homes have been built. The average number of homes built per year from 2005 to

2008 was approx. 83 homes. If that average had continued through the bottom of the recession in 2009, in which only 8 homes were constructed, 664 homes would have been built in the last eight years. The lack of construction constitutes a 79.5% loss of potential home growth within the 97411-study area, which has severely hampered the available supply and demand ratios, thus pushing up housing prices.

Although construction has been steady since 2014, with an average of 22 homes being constructed each year, much of the new construction is based on individual lot sales and custom homes built by individual home owners. This construction is slow and expensive and out of reach for much of the study area population.

Graph F-20. Bandon Area New Home Construction, 2005-2016:



Source: Coos County

Table F-21. Following is a summary of the residential building permits issued for the City of Bandon, for single-family and multi-family residential units:

Year	Single-Family	Multi-Family
2006	17	3
2007	23	0
2008	13	0
2009	13	0
2010	9	0
2011	9	0
2012	4	0
2013	12	0
2014	17	0
2015	17	0
2016	19	1
2017	31	0

Source: City of Bandon

The above table quantifies the dramatic swing in the number of single- and multi-family residential building permits issued by the City of Bandon. Although permits have increased since the collapse in 2009/2010, there is still a severe lack of multi-family permits and construction within the study area.

Section IV

G. Competitive Market/Housing Demand Analysis – 2017

This section projects the current and future housing needs for Bandon 97411-zip code area residents. It focuses on:

- Low-Income renters who will continue to rent
- Renters who want to buy
- Owners who want or need to change where they live, either now or in the future
- Young and middle-aged adults
- New households in the study area

The analysis in this section examines housing needs across all income levels, except low-income assisted housing, to identify mismatches in supply and demand for all households in the Bandon 97411-zip code study area. It reports on the results of a modeling effort, which compares the demand for and supply of housing by income level.

The analysis uses the following data sources:

- Households estimates and household income ranges from the 2015 American Community Survey (ACS)
- Rental data from the ACS, and an in-person survey of the rental management companies and realtors within the 97411-zip code area.
- For-Sale/Sold housing data

The United States Department of Housing and Urban Development (HUD) has defined reasonable housing affordability as payment for monthly housing expenses that do not exceed 30% of a household's monthly gross income. The housing expense may be the monthly rent payment or the monthly mortgage payment including the principal, interest, and monthly cost for taxes and insurance (PITI).

It should be noted here that City of Bandon property taxes are exceptionally low and are not a significant factor affecting housing affordability. The current median home sales price of \$259,000 in 2016, even if assessed at real market value (RMV), amounts to less than \$223 per month in property taxes.

According to HUD, households that are paying 31% to 49% of their monthly gross income towards housing expenses are considered high-cost burdened households (overburdened). Households that are paying more than 50% of their monthly gross income for housing are considered severely cost burdened households.

i. Determination of Income Eligibility

Using the area median family income (which is adjusted annually) as a basis point, HUD computes Section 8 housing income guidelines. These guidelines, adjusted for family size, are used to determine eligibility for all HUD housing programs.

The HUD eligibility income level for a four-person household in the 97411-zip code is approximately \$32,700 for 2016.

ii. Demand Evaluation

We have evaluated the housing market and have estimated the housing support levels based upon current housing conditions, historical market trends, and current household growth patterns. This section identifies the potential to support housing based upon the amount and condition of the existing supply, price points, the income ranges of area households, and population and employment growth projections.

A series of assumptions have been established to guide this analysis.

Monthly housing costs include utility payments for both renters and homeowners. A homeowner's housing burden must also include the principal and interest payments, as well as the taxes and all required insurance. The mortgage is assumed as a 30-year fixed product with 25% down and a 5% interest rate.

For this evaluation, 2010 Census data, updated and estimated for 2015, household income and occupied residential units with specified monthly costs for the study area were used as the basis for comparison.

Table G-1. The following table demonstrates the income required to afford purchased housing at different price points in the study area, and also evaluates the proportional amount of housing that these numbers represent:

Household Income Range	Current Households Able to Afford Monthly Housing Cost	Maximum Affordable Monthly Housing Costs	Maximum Price Affordability
Less than \$10,000	357	\$250	\$58,213
\$10,000 to \$19,999	626	\$500	\$121,083
\$20,000 to \$34,999	689	\$875	\$203,745
\$35,000 to \$49,999	716	\$1,250	\$291,065
\$50,000 to \$74,999	400	\$1,875	\$436,597
\$75,000 to \$99,999	209	\$2,450	\$570,487
\$100,000 to \$149,999	205	\$3,750	\$873,195
\$150,000 +	161	\$4,500	\$1,047,834

Source: SCDC

Household income figures from US census data were grouped into 8 ranges of income, and affordable monthly housing costs were computed for each reporting category using HUD's 30% index. This provides monthly housing costs for each income category.

Among area homeowners by household income category, there are an estimated 366 households within the study area in 2015 with earnings of \$100,000 or more.

The demand/supply matrix details the income limits for each of the income categories in column one. The second column includes the estimated 2015 households in each income category for the study area. The third column has the maximum affordable monthly housing costs for each income band. Using HUD's affordability index, those households with income less than \$10,000 should be paying no more than \$250 per month for housing expenses.
 $(\$9,999 / 12 \times 30\% = \$249.98)$

The fourth column lists the estimated maximum housing price that existing homeowners could afford, based on the assumption above.

iii. Workforce/Affordable Rental Housing

As mentioned at the beginning of this report, workforce housing is largely driven by Bandon Dunes Golf Resort, which is a major employer within the study area. Bandon Dunes currently employs an estimated 550+ staff members and 280+ independent contractor caddies, a small fraction of which live onsite. A small complex dedicated to workforce housing was constructed by Bandon Dunes in 2007/2008, which can accommodate approx. 58 employees. Expansion plans are underway to increase the footprint of this campus, with 5 duplexes accommodating approx. 15 additional bedrooms. The resort also owns approx. 14 offsite homes which house the remaining 18 employees within the Bandon Dunes workforce housing portfolio. The influx of shoulder season visitor traffic has slightly strained the housing and rental markets within the study area, in which affordable workforce housing is needed for resort staff and other employers.

Most Bandon employers are focused within a seasonal service based economy, however, traded sector businesses do exist in advanced manufacturing, timber, healthcare and value-added food production. These entities range from 5 to 150+ employees, all of which have mentioned several occasions in which retaining and recruiting employees was hindered by housing costs in the study area. The study area also lacks subsidized or tax increment housing options for lower income individuals or families. Currently, three facilities exist within the study area, which provides 97 units of various sizes and has a 100% occupancy for the last 12 months.

Average market rate for rentals range from \$675/mo for a 1 bedroom/1 bath unit without utilities, to upwards of \$1300/mo for a 3 bedroom/2 bath unit. The average home sales price for 2017 is \$302,607 within the study area and is increasing. In a 2015 University of Oregon study based on Bandon Dunes Golf Resort the average yearly compensation, includes benefits, meals, etc., was \$33,351. According to Bandon Dunes, they currently employ 290 staffers who make an average of \$10.50/hr, roughly \$21,840/yr before taxes. If values are calculated for an annual housing cost for a 1 bedroom/1 bath unit at \$675 without the addition of utilities, the annual cost is approx. \$8,100/yr. If a conservative estimate of an additional \$200 is added to the unit cost for utilities and connectivity, the annual cost for a 1 bedroom/1 bath unit jumps to \$10,500/yr. This amount is approx. one third of the net earnings of the average Bandon Dunes employee listed within the UO report, and almost half of the net income without tips for a majority of service staff within the study area.

This trend occurs throughout the study area and is impacting a great deal of both service and traded sector employees. After surveying other service and accommodation based employers, approx. 77%-80% of staff live outside of the study area due to housing costs. Non-subsidized workforce/affordable housing is targeted to households with low to moderate incomes and needs to be drastically increased. We were able to locate three housing facilities targeted to this income group that was not dedicated to senior housing within the study area. These apartment complexes have approx. 97 units, serving only a small fraction of the need within the study area.

Interviews with local area employers, realtors and property managers indicate an increasing need for workforce housing. As was shown earlier in this report, (Table F-13 on page 31), there are 520 renter-occupied households making less than \$35,000/yr and paying 30% or more of their income to afford housing within the study area. Similarly, there are 477 homeowner households making less than \$35,000/yr who pay 30% or more of their income for housing. Furthermore, when considering all income ranges for both homeowner and renter-occupied housing, a total of 1,306 households pay more than 30% of their income to housing expenses. This represents 38.8% of all households in the study area. By HUD definition these households are overburdened.

The need is great for adequate and affordable housing that is available to workforce, and is necessary to support a healthy and diversified economy. Lack of affordable housing will slow future economic growth.

iv. Market-Rate Rental Housing

In order to evaluate demand potential for a new market-rate apartment property, we have assumed unit rents starting at the proposed collected rent of \$700 for a one-bedroom unit. This is higher than the collected one-bedroom rents of \$675 currently achieved in the market.

Assuming management will qualify households using a 27% rent-to-income ratio for the market-rate units, the general occupancy yields a minimum income requirement of approximately \$31,000 based on the estimated collected rent and a typical market-rate rent and rent-to-income ratio.

Table G-2. Following is a summary of the estimated need for market-rate units, considering the existing base of comparable units and currently vacant units within the study area:

Market-Rate Housing (Income \$31,000 and Higher)	
Income-Eligible Renter Households – 2016	588
Estimated Existing Units	950
Underserved Income-Eligible and Age-Appropriate Renters	56
Market-Rate Housing Capture Rate	161%
Comparable Units Currently Vacant	0
Potential Market-Rate Units Needed:	90

Source: SCDC

Based on this demand evaluation, the study area can currently support approx. 90 additional market-rate units targeted to moderate- and high-income renter households, earning \$31,000 or more per year. This market support level does not include or allow for population growth since 2015, or the notable rent increases since then.

Currently the study area has captured approx. 161% of renter-occupied households into market-rate units. This means that an estimated 362 renter-occupied households experience a 30% or more monthly housing cost burden within the study area. Although, there is currently 97 units of subsidized apartments within three facilities, and another approx. 30-unit senior age-restrictive complex, there are an estimated 790 individuals living in the area that experience financial difficulties with affordable housing.

With limited market-rate units currently targeted to older adults and the area projecting a 20.1% population growth through 2025 among older adult households, an age-restricted project represents an excellent opportunity for market-rate development. With a 17% age-restricted capture, we estimate present-day demand for up to 183 new market-rate units targeted to older adults.

It is important to note that there is an increasing share of renters by choice in today's market regardless of income, making a maximum income less restrictive. This market characteristic is reflected within the renter household projections. Among senior households, support from only renters is not typical and older individuals are often transitioning to a maintenance-free unit rather than pursuing homeownership. Based on our interviews with realtors in the market area, we anticipate 10% to 15% of the market-rate project's initial residents will be former homeowners, increasing area development potential by another 10-15 units.

We recommend that market-rate units targeted to older adults should include a single-story ranch design with an attached garage. This product type is well accepted among older adult renters. Another rental product often mentioned by property managers as in high demand are duplexes offering one 1-bedroom unit and one 2- or 3-bedroom unit, with two single car garages between them.

v. Subsidized Rental Housing Market Demand

Table G-3. Following is a summary of the estimated need for subsidized units, considering the existing base of comparable units and currently vacant units within the study area:

Subsidized Rental Market Demand	
Income-Eligible Renter Households – 2016	461
Estimated Existing Units	164
Underserved Income-Appropriate Renters	647
Subsidized Housing Capture Rate	36%
Currently on Waiting Lists	194
Comparable Units Currently Vacant	0
Potential Subsidized Units Needed:	423

Source: SCDC

Currently, there is need for an estimated 423 additional subsidized rental units within the Bandon 97411-zip code area.

vi. For-Sale Housing

Support for detached single-family homes, which we consider to be approximately 1,400 to 1,650 square feet with 3-bedrooms, 2-bathrooms and a 2-car garage on one-quarter acre or smaller lots, is based upon a market's ability to capture the component of buyers seeking this housing type.

We anticipate most demand for market-rate units will originate from employment growth, existing households increasing their income, out-of-market workers relocating to the area or gaining new employment, and in-migration primarily consisting of seniors from Oregon and California urban centers.

The affordable and subsidized demand will primarily originate from among existing area households and employees.

Table G-4. Following is a summary of the 2015 demand evaluation for new for-sale housing in the study area:

Income Range	Home Sales Price	2015 Households	Capture Rate	Estimated Annual Demand	
				Units	% Distribution
\$25,000 to \$49,999	\$140,000 to \$199,999	1,103	0.0145	16	53.3%
\$50,000 to \$74,999	\$200,000 to \$299,999	400	0.015	6	20%
\$75,000 to \$99,999	\$300,000 to \$399,999	209	0.014	3	10%
\$100,000 to \$149,999	\$400,000 to \$499,999	205	0.014	3	10%
\$150,000+	\$500,000 to \$1,000,000+	158	0.013	2	6.7%
Total				30	100%

Source: SCDC

The calculated figure of 30 new housing units per year ignores the likely pent-up demand of the 450+ units not built since 2006 and the Bandon area (alone) historic average of over 14 new single-family dwelling (SFD) permits per year. Based on these factors, it seems likely that an annual market SFD absorption rate, at least for many years, will be closer to approximately 40 units per year.

By evaluating the current and anticipated for-sale housing market, a projection of the likelihood that a hypothetical site can capture a portion of the market support can be made. Numerous factors influence new home sales within an area. The desirability of the area as a residential location has a significant impact on a given site's ability to attract buyers.

Area perceptions, demographics, mobility patterns, and the active participation of local and/or regional homebuilders play a role in generating new home sales. These include, among others: view-scapes, proximity to amenities such as Old Town and medical center, robust employment growth, and the appeal of lower taxes and lower comparable housing costs to residents.

Overall, we estimate that the study area can absorb up to 40 additional owner-occupied home sales annually, including up to 29 homes in the \$140,000 – \$300,000 sales price range.

It should be noted that annual support levels are generally not cumulative. In most markets, if there is support for new single-family homes at a particular price point or concept and they are not offered in a specific area, households may leave the area seeking this housing alternative, defer their purchase decision, or seek another housing alternative. We anticipate many potential buyers attracted to a for-sale product have either delayed their purchase (reflecting pent-up demand) or opted for an existing single-family home alternative offered in the market.

The development of new single-family homes should be a function of market factors and not speculative. We anticipate these homes will be available at prices ranging from \$225,000 – \$300,000 for the proposed basic concept homes, which range from 1,450 to 1,650 square feet and include three bedrooms and two bathrooms, and a 2-car garage. However, the basic concept home would offer no view-scape, reside on a small lot, and offer no “upscale” amenities.

These projections invoke some degree of caution with respect to providing adequate supply and meeting potential demand throughout the housing market in general. It is important to note that this demand can be met as homebuyers are in contract, and does not need to be speculative.

Another important consideration is that future financing resources supporting the new housing development in the area will require that projected new household growth be determined sustainable based on local employment growth and population growth trends.

One of the points of emphasis in our discussions with local area real estate professionals is that future development should not saturate a market and potentially create a situation of overbuilding. It is in the best interest of all parties involved in rural communities (local government officials, lending institutions, developers, and state agencies) that local housing needs be met without creating market issues by adding too many units to an area quicker than area households can purchase or rent the new homes and apartments as they are brought online.

Any new product will capture only a fraction of the overall potential “un-met” housing need. The ability of any specific project to draw support from within a community is determined by numerous factors, such as design type (garden vs. townhouse), unit mix and bedroom types, amenities, rents, targeted AMHI, targeted household type (senior vs. family), location (proximity to services), employment opportunities, visibility, access and surrounding land uses. Other factors that will also contribute to a project's ability to draw support include characteristics of the existing supply and any planned rental projects, as well as the economic and demographic trends and characteristics of the market.

Our demand projections assume that any new project will be well designed, offer competitive rents and sales-prices, be within a good location and will have the ability to draw from the study area. The site-specific Primary Market Area will depend on the location, size, and features of the proposed project, and will rarely coincide with the boundaries of a community or county.

Section V

H. Conclusions and Recommendations

The 97411-zip code is not typical in many ways. An unusually high percentage of its housing stock is ‘reserved’ for use as second homes and vacation rentals. In addition, the Coos County population is mostly older than the Oregon average, but also far more likely to have relocated into the zip code from elsewhere.

Like many other areas, construction activity was substantially slowed by the recession of 2008-2013. But unlike most, the area has seen 2013-2017 residential building activity still well below that of 2000-2005, as well as earlier periods.

At the same time, unemployment has dropped sharply, jobs and pay have gradually increased, and the population has grown at a rate far exceeding that of Coos County. The recommendations can only lead to development of significant new residential housing and affordable workforce housing for the 97411-zip code area. It would be ideal to construct high-density housing developments that offer both affordable and middle-income homes.

If homes of these sizes and features can be built (with total development costs included), for \$140,000 to \$199,000 they will likely find a significant number of buyers.

Related to this is another demand point for duplexes and perhaps triplexes of 1-3 bedrooms, 900 – 1,300 square feet, with a small yard and a 2-car garage. These would likely command a monthly rent of \$800 – \$1,200 per dwelling unit.

Finally, there is a strong demand for the development of new multi-family residential units, especially government-subsidized. The market could easily absorb 350 or more government supported dwelling units.

Non-subsidized multi-family units, especially studios, one- and two-bedrooms units, are likely to be quickly rented and maintained at or near 100% occupancy, if rents can come in at \$550, \$650 and \$850 respectively, per month.

These recommendations assume average build quality, and do not include any upgraded features.

The market demand for new residential development is right now, and only growing in the future.