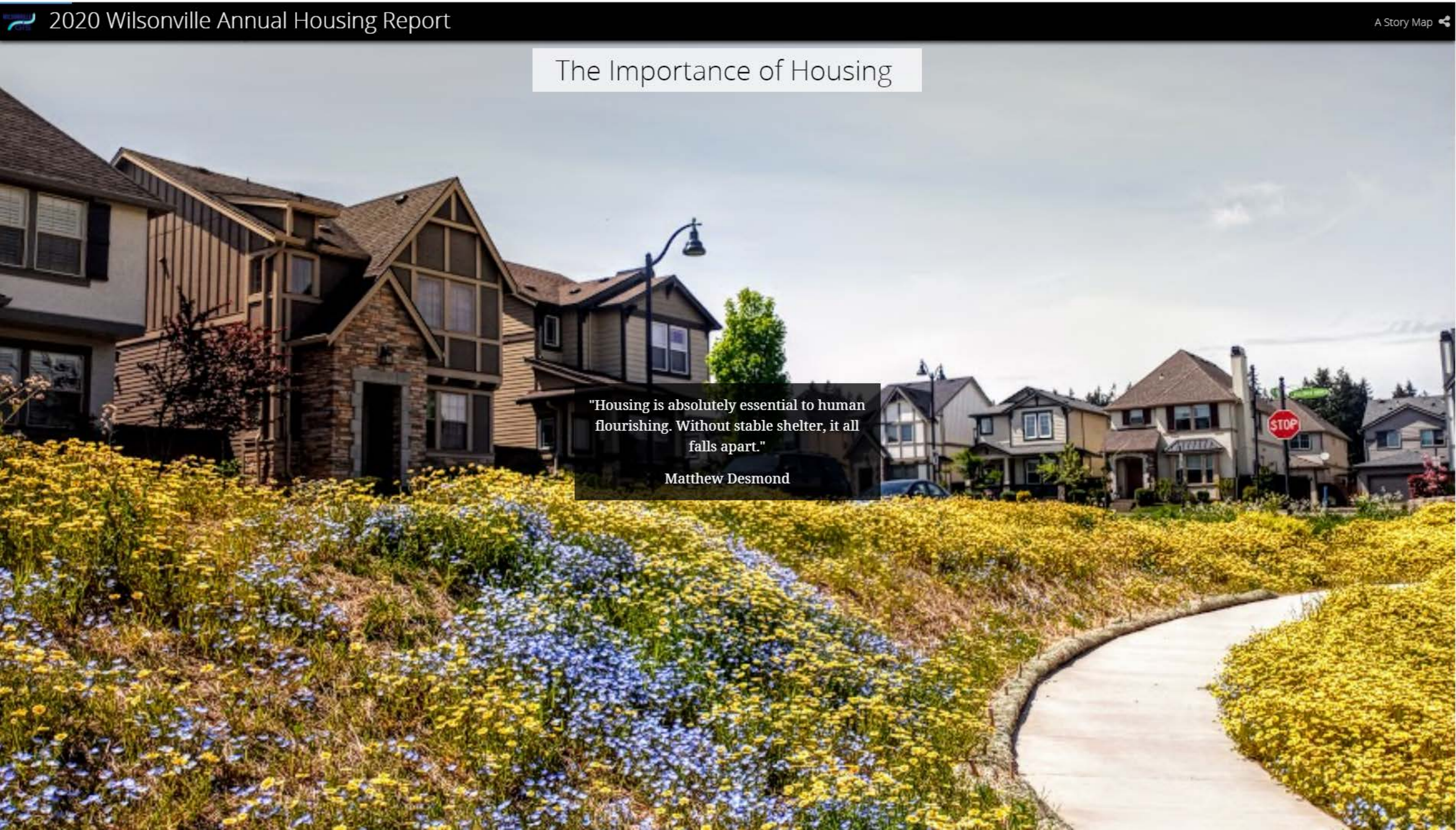


2020 Wilsonville Annual Housing Report

Published June 2nd 2020



The Importance of Housing



"Housing is absolutely essential to human flourishing. Without stable shelter, it all falls apart."
Matthew Desmond

What's Included?

City permit data and county property records provide information on the characteristics of housing units permitted for construction in 2020, such as lot size, home size, and density.

Information on housing affordability and future trends of regional growth is based on data from Metro, the U.S Census, Portland State University, [zillow.com](https://www.zillow.com), and [realtor.com](https://www.realtor.com)

State of Housing in 2020

New Homes Permitted for Construction

In 2020, the City permitted 84 homes for construction.

For a second year in a row no apartment type multi-family units were permitted for construction. 14 of the permitted units; two fiveplexes, one fourplex, met the definition of Middle Housing from House Bill 2001 passed in 2019. In addition one ADU was constructed.

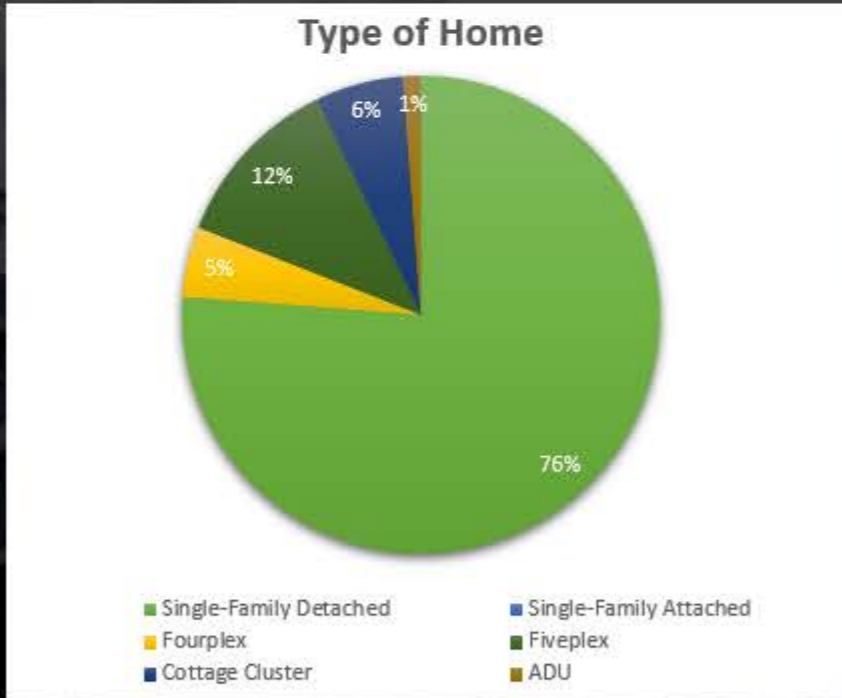
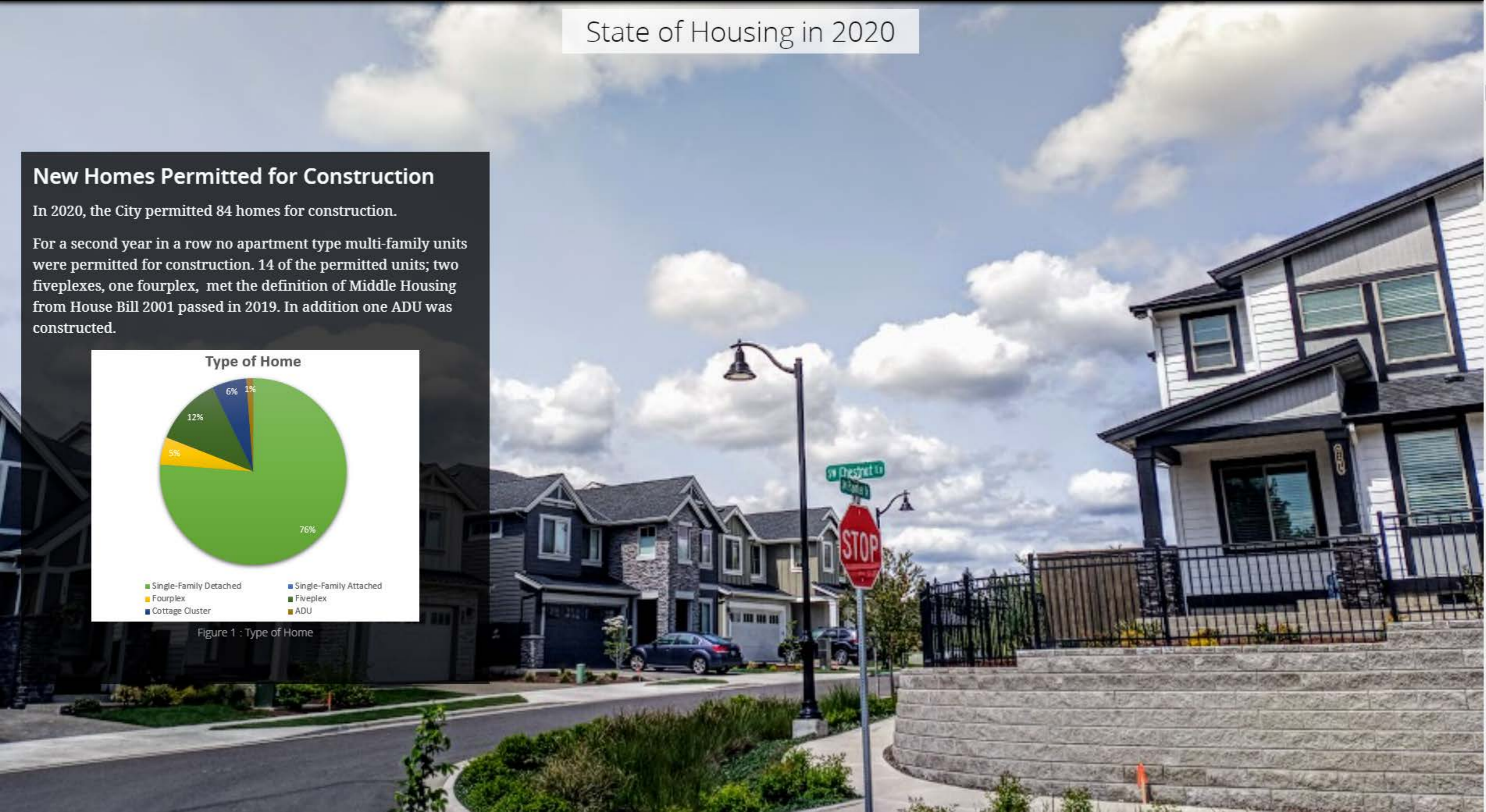


Figure 1 : Type of Home



State of Housing in 2020

Approved Housing Development Plans

The Development Review Board (DRB) approved one housing development plan in 2020, the 71 unit Frog Pond Ridge application. Wilsonville has seen consistent housing construction for years, with a peak occurring in 2016 at the height of construction in Villebois. In the last five years development has slowed as neighborhoods are completed.

Frog Pond West has been the center of housing development in the City since construction began in 2019 with the subdivisions Stafford Meadows and Morgan Farm. In 2020 construction in Frog Pond Meadows commenced, continuing to support Frog Ponds steady development.

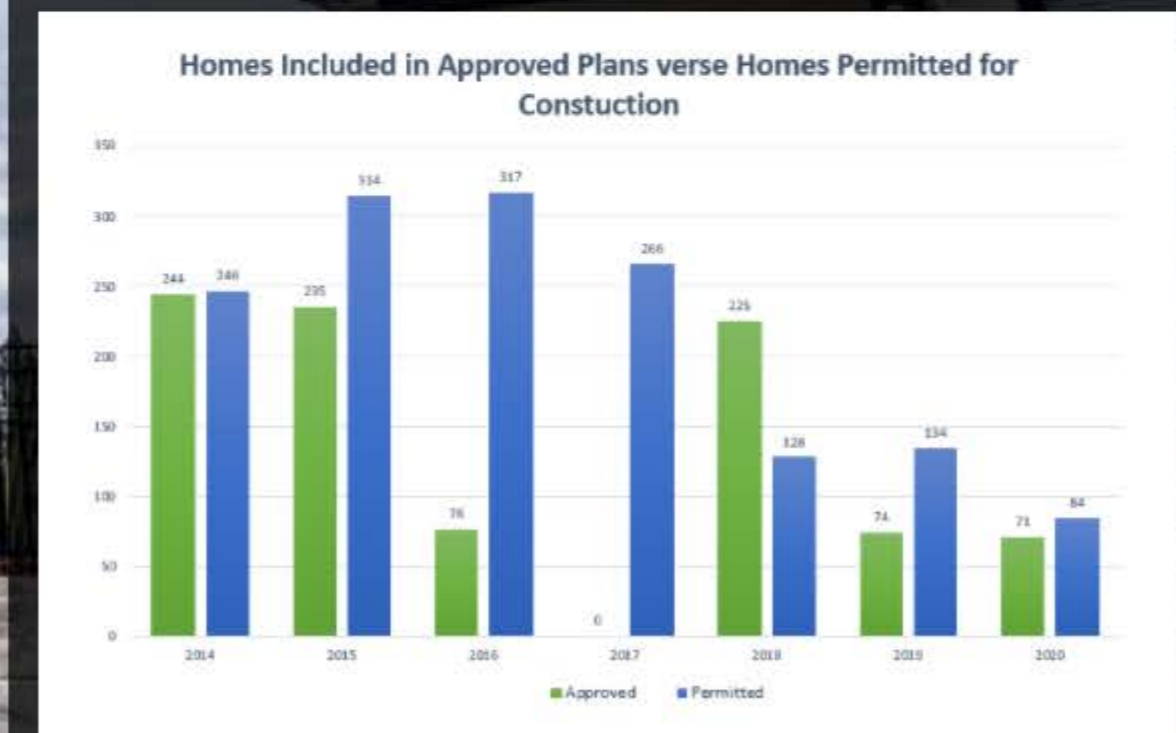


Figure 2: Approved Versus Permitted Housing Units

State of Housing in 2020

Housing and Population Growth in 2020

In 2020, the total number of homes increased by approximately 0.8%, about .4% less than the 1.2% growth rate in 2019. The decrease in housing produced correlates with slightly lower population growth over the last two years than previous years.

In 2020, the population of Wilsonville grew by 1.1%, the second lowest rate of growth in the last decade. The average annual population growth rate in the City for the past 10 years is 3%.

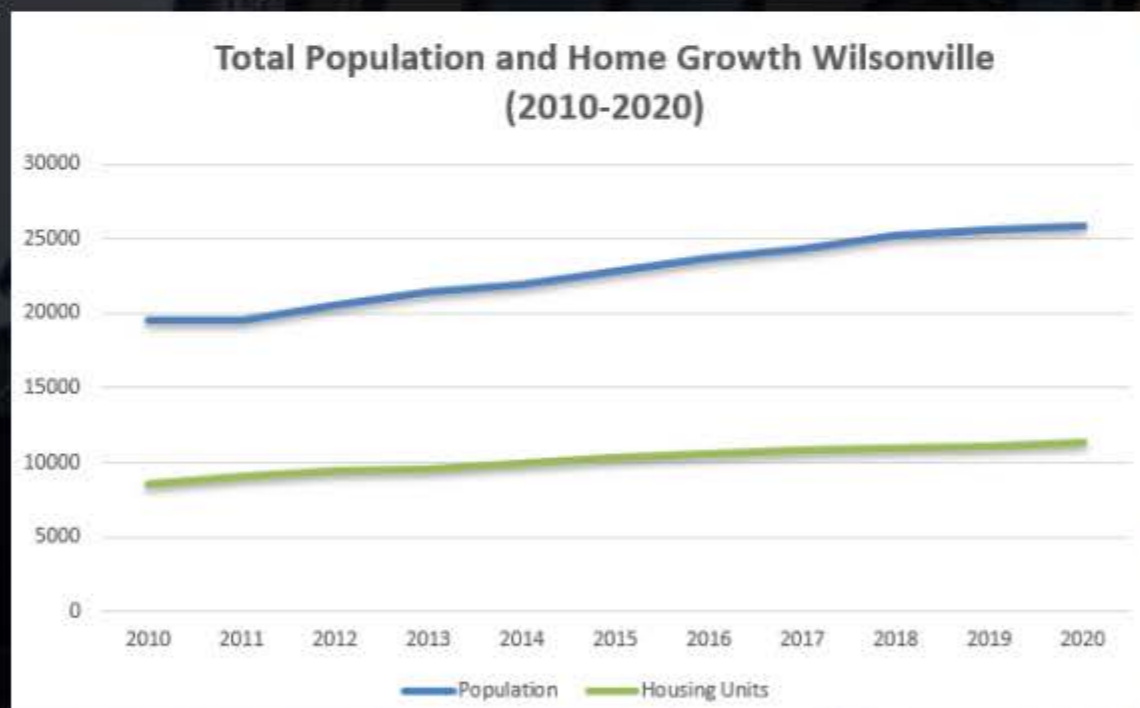


Figure 3: Population and Home Growth

The trendline in Figure 4 shows that the growth rate in housing has slowed since a peak in 2011. Population in Wilsonville has grown faster than housing in recent years. However, in 2019 and 2020 the growth rate matched more closely than previous years.

Percent Growth in Population and Housing in Wilsonville (2010-2020)





Figure 3: Population and Home Growth

The trendline in Figure 4 shows that the growth rate in housing has slowed since a peak in 2011. Population in Wilsonville has grown faster than housing in recent years. However, in 2019 and 2020 the growth rate matched more closely than previous years.

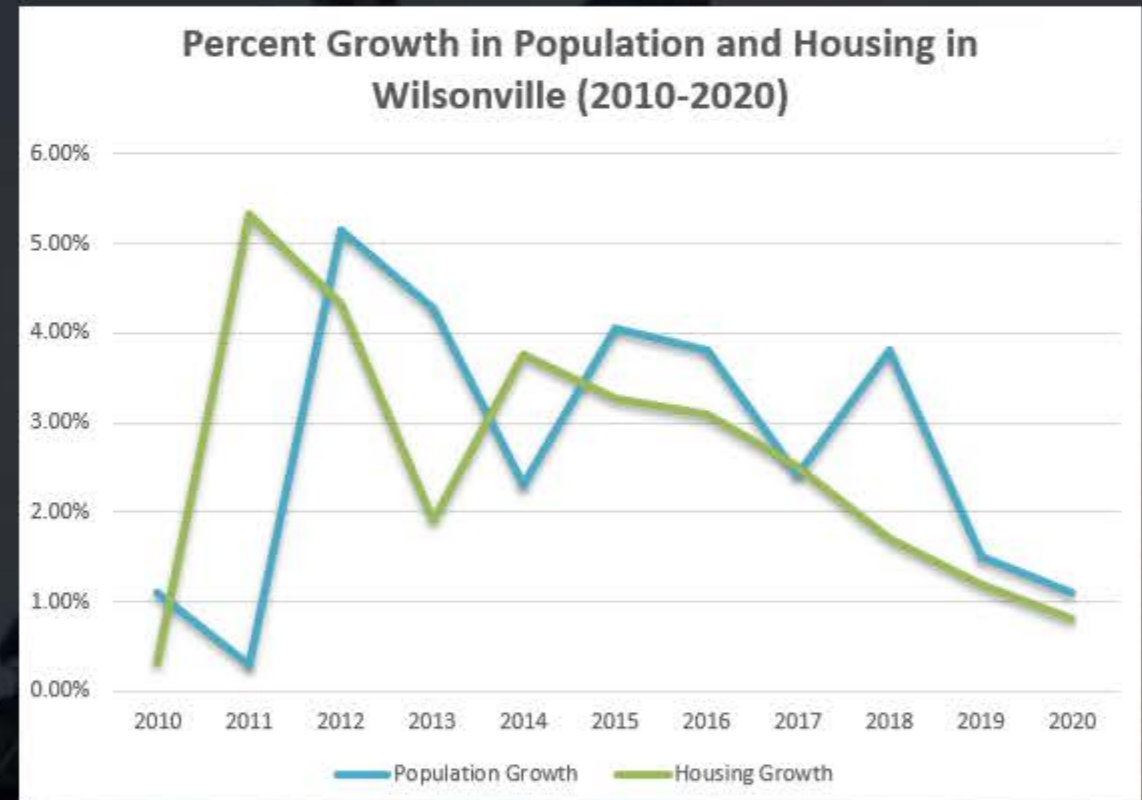


Figure 4: Percent Growth in Population and Housing in Wilsonville

State of Housing in 2020



A Focus on Middle Housing

“It is important to the City of Wilsonville that our community is well-planned. At the forefront of that planning is Middle Housing and Equitable Housing as set forth in the City Council’s unanimously adopted Equitable Housing Strategic Plan.

When we focus on how to implement more affordable housing and a variety of housing types, we are addressing major challenges affecting the region and the City, including housing cost, household changes, and exclusion. By planning to include more housing types, I believe that Wilsonville will build community and economic vitality”

Mayor Julie Fitzgerald

A Focus on Middle Housing

What is Middle Housing?

In 2019, the State of Oregon passed House Bill 2001 as a part of the ongoing effort to create more housing options and increase housing access through Middle Housing focused policy. House Bill 2001 requires that cities in Oregon plan for future housing development by implementing zoning code changes focused on making Middle Housing projects more feasible. Middle Housing is a term that describes multi-unit or clustered housing types comparable in scale with single-family homes and neighborhoods. Examples of Middle Housing include duplexes, triplexes, quadplexes, cottage clusters and townhomes.



Figure 5. Newly Constructed Duplex in Fern Bend



A Focus on Middle Housing

Why Middle Housing?

Housing affordability and availability has been a challenge across the region in recent years. Changes in household demographics and lifestyle have resulted in the need for a greater variety of housing unit types to meet a diverse set of needs. For example, duplex-style homes can accommodate multigenerational households. Attached housing is often a lower-priced option than detached, single-family homes. Encouraging Middle Housing results in developments that provide more opportunities for homeownership in the City at a variety of price points and to meet different needs.



Figure 6: Montblanc Townhomes in Villebois

A Focus on Middle Housing

Middle Housing in Wilsonville

Middle Housing has a long history in Wilsonville. One of the City's first developments, Charbonneau, is a prime example of mixed housing types coming together in a cohesive neighborhood. Today, the City's newest neighborhood, Frog Pond, includes a mix of single-family and duplex housing units. Below are examples of existing Middle Housing in Wilsonville.



Figure 7: Triplex in Villebois





Figure 8: Village at Main Condominiums



Figure 9: Frog Pond Duplex



A Focus on Middle Housing

What Does This Mean for Wilsonville's Future Development?

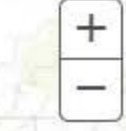
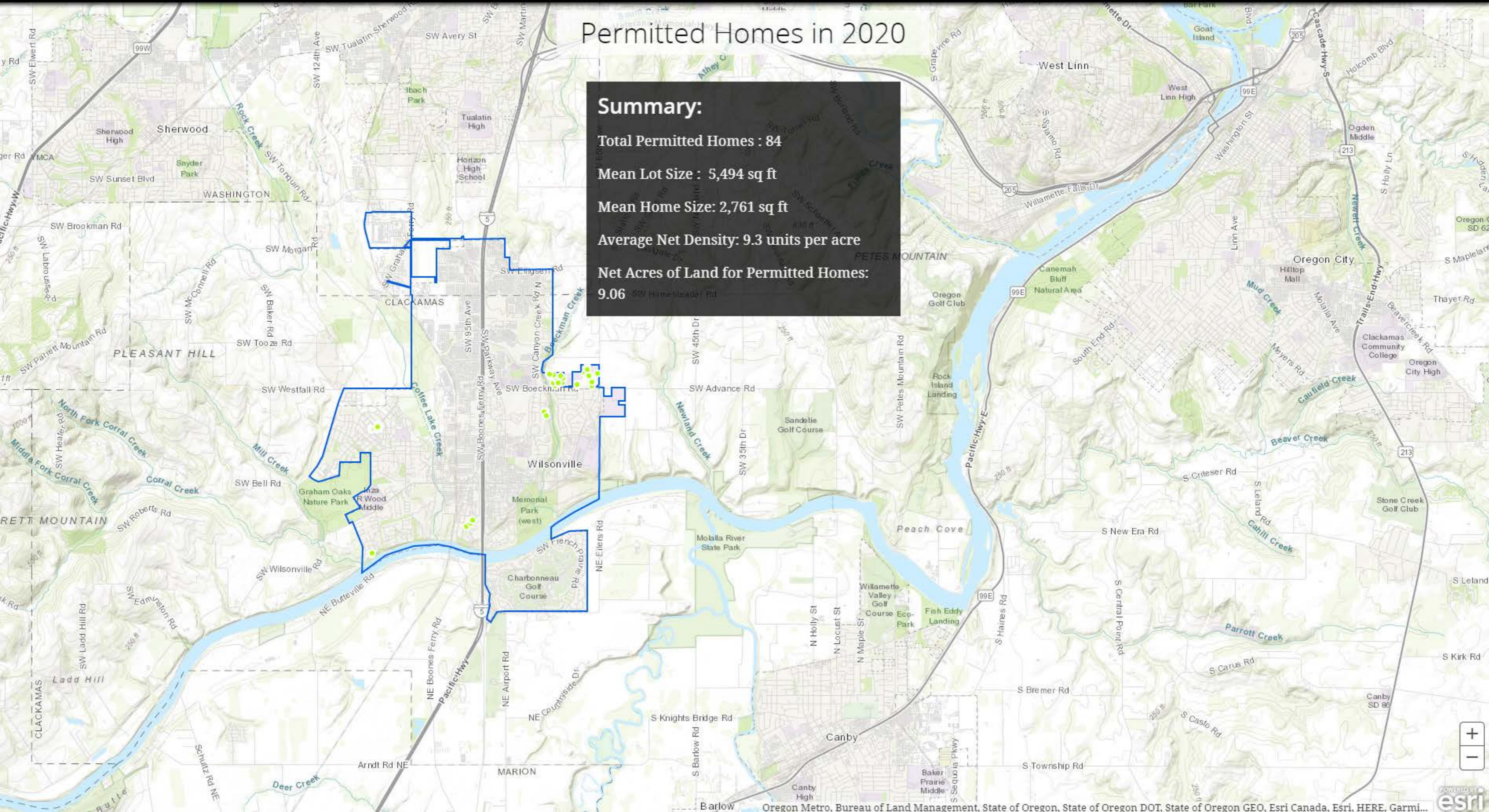
As a City already focused on creating neighborhoods that include a variety of housing, implementing HB2001 will not radically change development in the City. Changes as a result of implementing HB 2001 will include flexible lot size, the allowance of duplexes on any single family lot, and the opportunity for nontraditional development. Master planned communities still under construction such as Frog Pond West will not be impacted in a significant way. However, Frog Pond East and South will be master planned using the new guidelines and is expected to include a much greater variety of housing units and higher density than Frog Pond West. This will be the first opportunity for the City to collaborate with residents in creating Wilsonville's vision for Middle Housing.



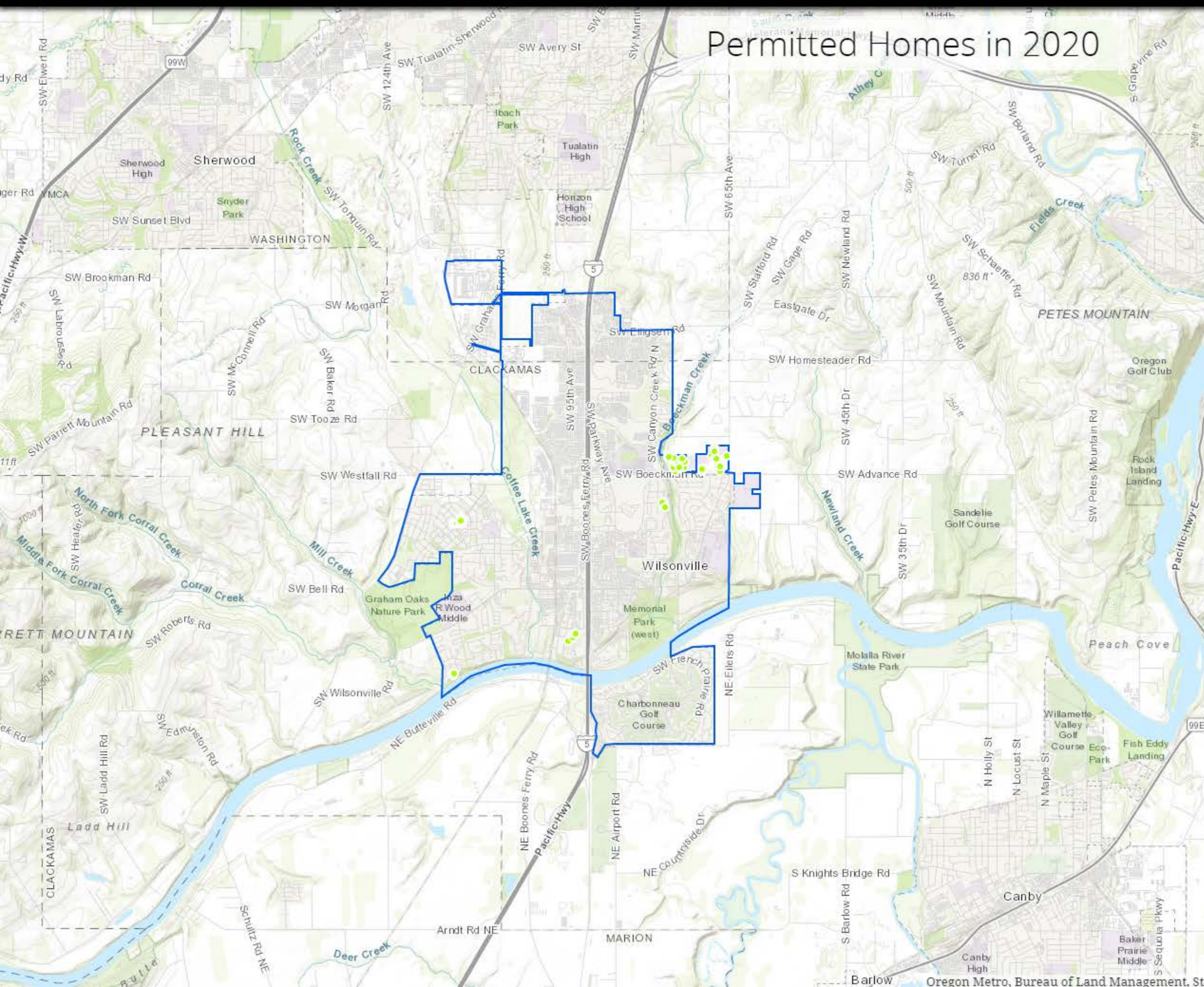
Figure 10: Frog Pond Area Plan

Permitted Homes in 2020

Summary:
Total Permitted Homes : 84
Mean Lot Size : 5,494 sq ft
Mean Home Size: 2,761 sq ft
Average Net Density: 9.3 units per acre
Net Acres of Land for Permitted Homes:
9.06



Permitted Homes in 2020



Permitted Housing

This map shows the location of all 84 permits issued in 2020. 50% (42 of 84) of the permitted housing units are in Frog Pond reflecting the shift in construction from Villebois to the City's newest urban growth areas. Other significant construction included the completion of the Mont Blanc rowhome subdivision in Villebois and the City's first cottage cluster-like development, Fir Avenue Commons.



Figure 11: Fir Avenue Commons

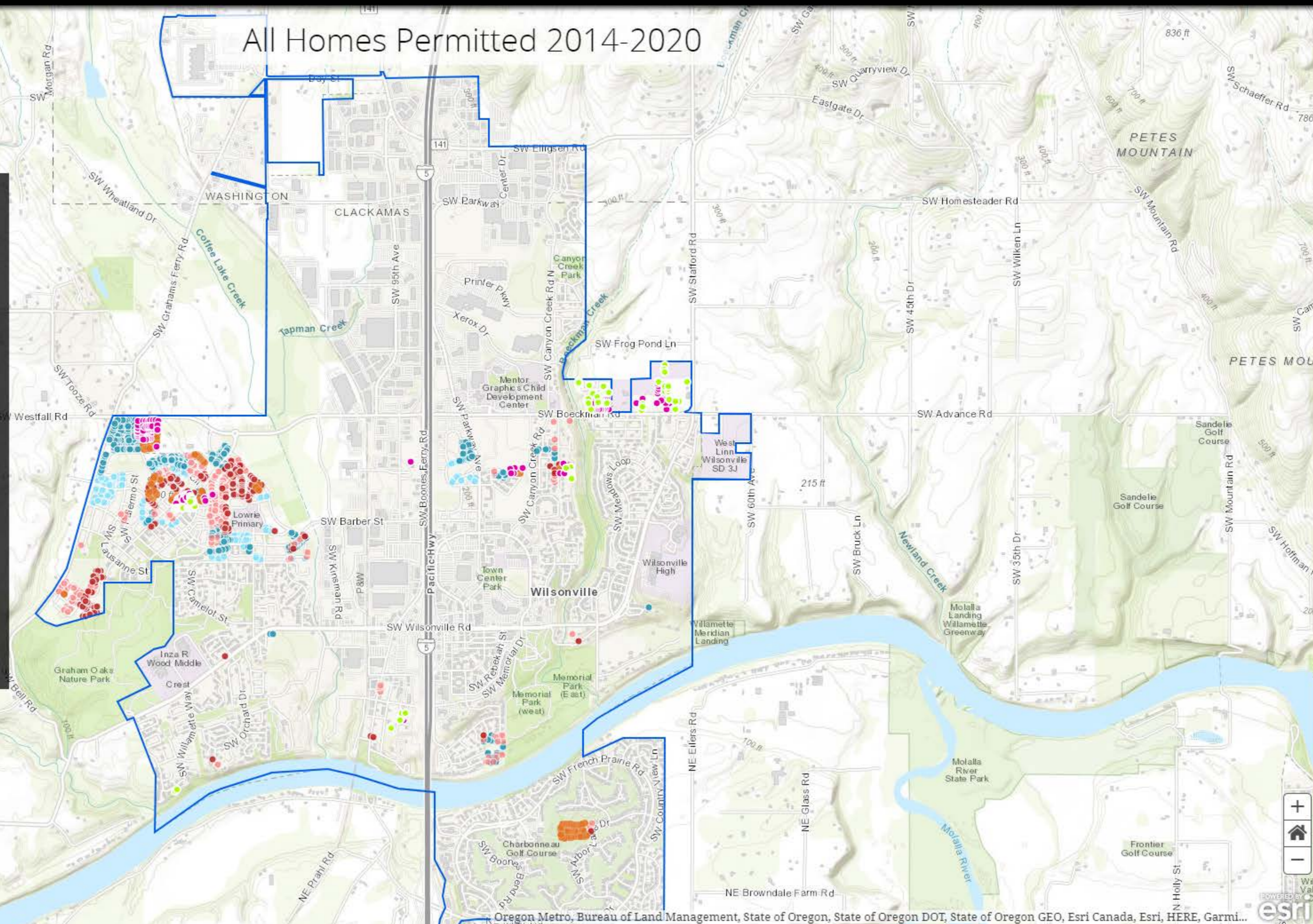
The new housing units vary in lot and home size. Lot size in 2020 had major variations ranging from 891 sq ft (Mont Blanc) to 13,193 sq ft (Rivergreen). The significant difference between the smallest lot and largest lot can be explained by the difference in housing type. The smallest lot for a fourplex and largest for five single family homes sharing one lot. Home size ranged from 600 sq ft to 5,359 sq ft. The mean lot size was 5,494 sq ft and the mean house size was 2,761 sq ft.

All Homes Permitted 2014-2020

This map shows all permitted units between 2014-2020.

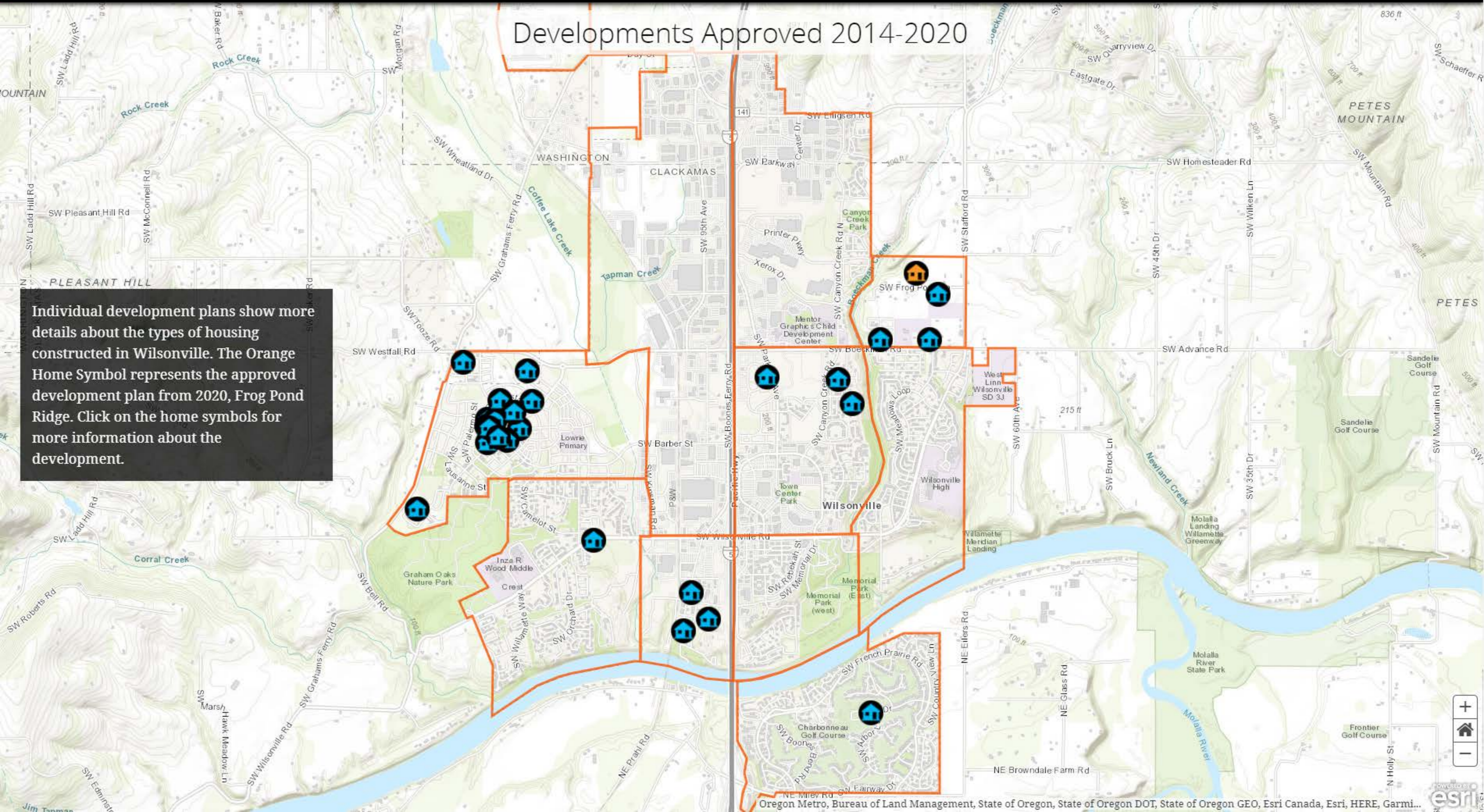
- Legend
- Permitted Homes (2020)
 - Permitted Homes (2019)
 - Permitted Homes (2018)
 - Permitted Homes (2017)
 - Permitted Homes (2016)
 - Permitted Homes (2015)
 - Permitted Homes (2014)

Figure 12: Legend



Developments Approved 2014-2020

Individual development plans show more details about the types of housing constructed in Wilsonville. The Orange Home Symbol represents the approved development plan from 2020, Frog Pond Ridge. Click on the home symbols for more information about the development.

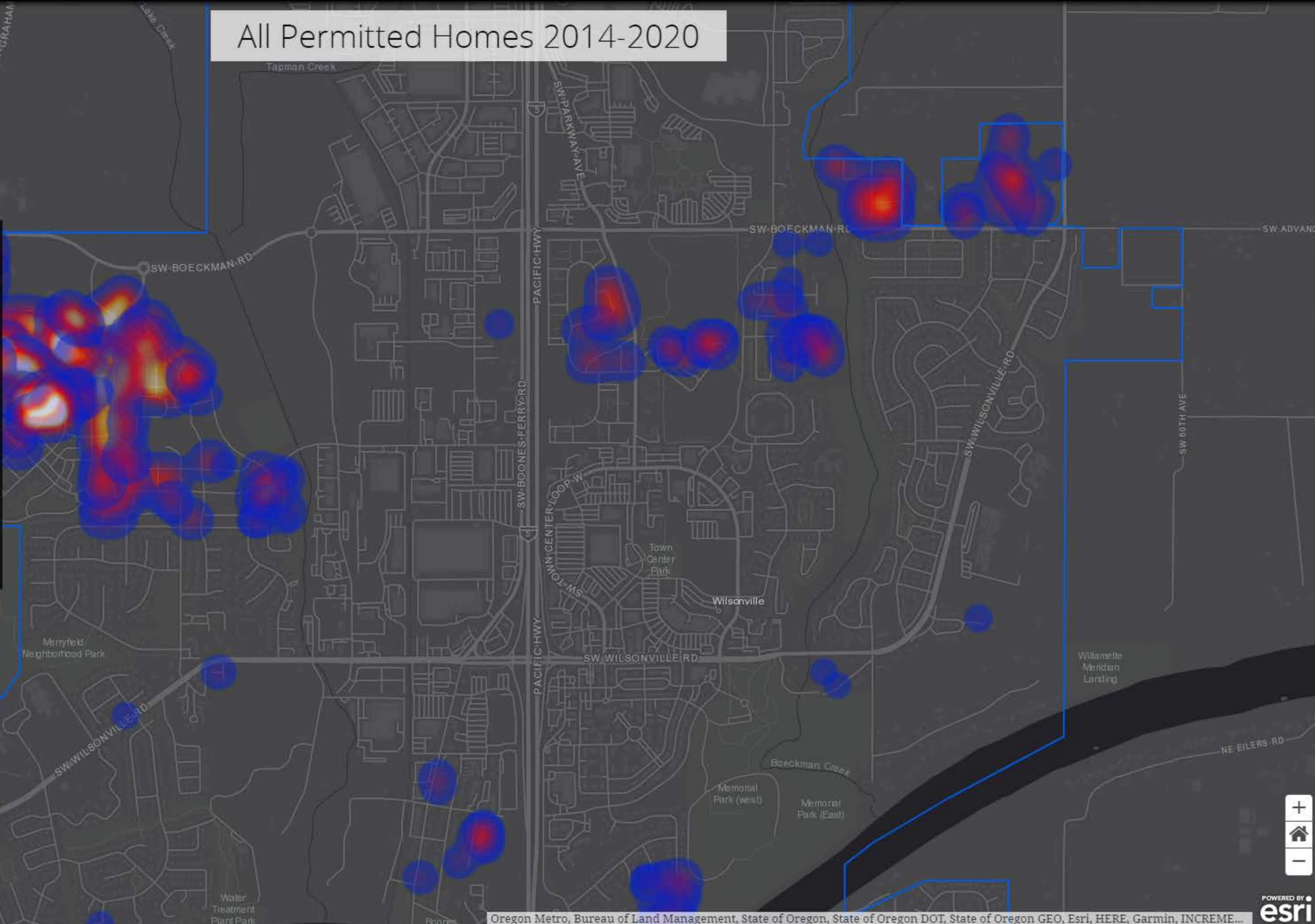


All Permitted Homes 2014-2020

This page shows a heat map of all permitted units between 2014-2020. The light areas indicate heavy development in these six years.

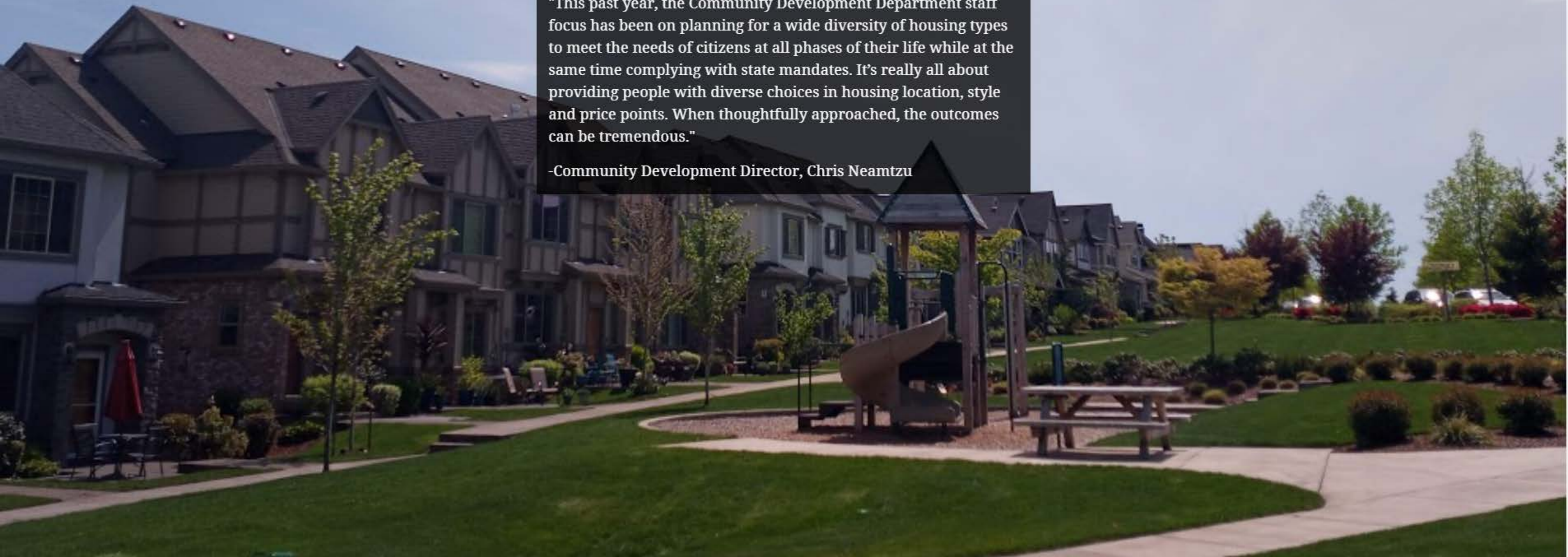


Figure 13: Legend



"This past year, the Community Development Department staff focus has been on planning for a wide diversity of housing types to meet the needs of citizens at all phases of their life while at the same time complying with state mandates. It's really all about providing people with diverse choices in housing location, style and price points. When thoughtfully approached, the outcomes can be tremendous."

-Community Development Director, Chris Neamtzu



Affordability and Growth Trends

The Cost of Owning a Home

In 2020, the median sale price of a home in Wilsonville was \$478,476 a 3.6% rise since the previous year. For a household earning the area median income*, the affordable home price cannot be above \$413,000 if we assume a 20% down-payment, a 3.7% interest rate, the average rate at the time of publication, 30 year term, and paying no more than 30% of the household's monthly income on a mortgage. As a result, the average home in Wilsonville costs 16% more than what a household making the median income can reasonably afford.

Year	Affordable Home Price	Median Home Price
2013	\$320,000	\$320,000
2014	\$315,000	\$350,000
2015	\$315,000	\$375,000
2016	\$330,000	\$390,000
2017	\$360,000	\$430,000
2018	\$340,000	\$445,000
2019	\$390,000	\$470,000
2020	\$413,000	\$478,476

Figure 14: Affordable Median Home Price Verse Actual Median Home Price



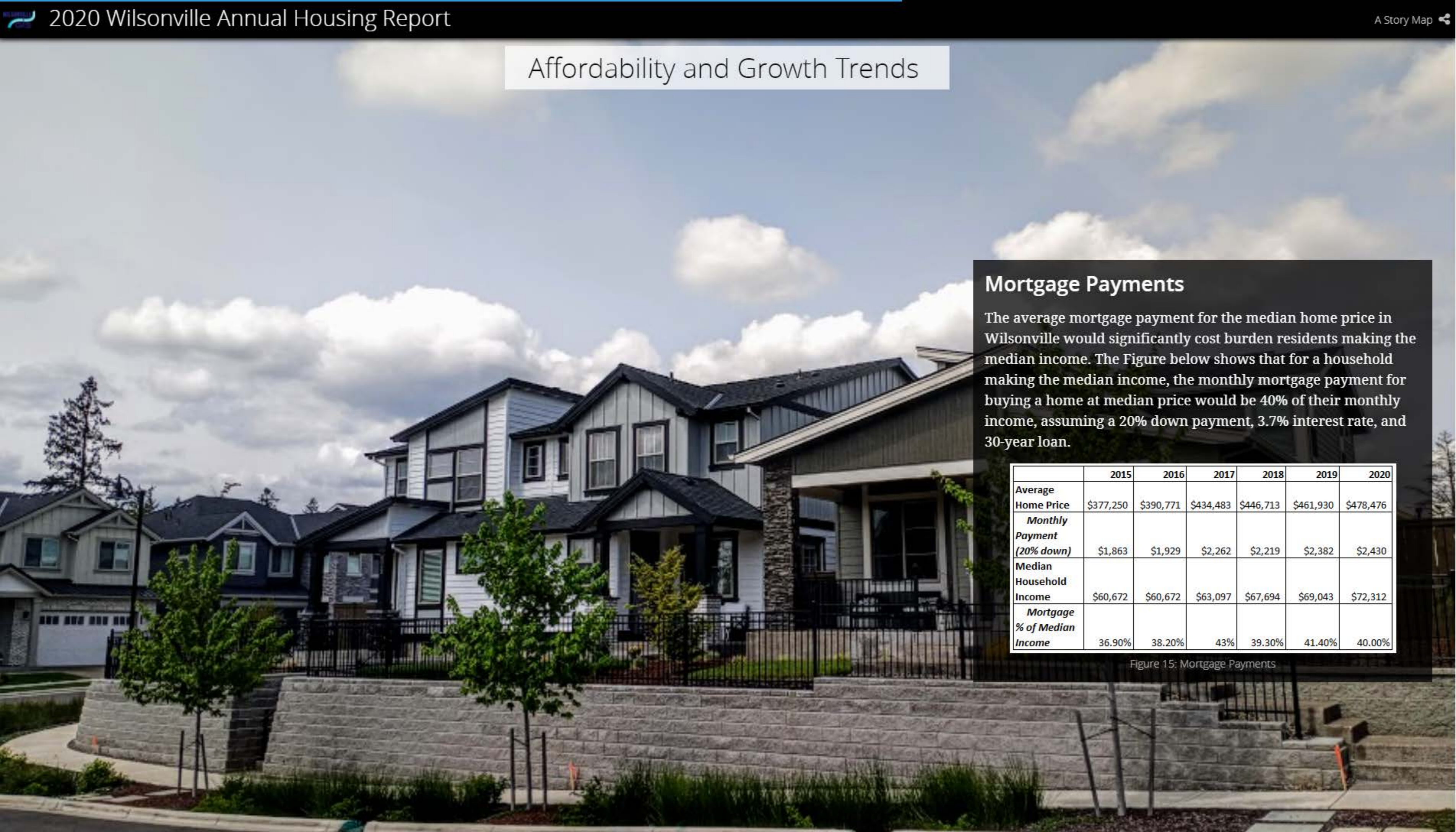
Affordability and Growth Trends

Mortgage Payments

The average mortgage payment for the median home price in Wilsonville would significantly cost burden residents making the median income. The Figure below shows that for a household making the median income, the monthly mortgage payment for buying a home at median price would be 40% of their monthly income, assuming a 20% down payment, 3.7% interest rate, and 30-year loan.

	2015	2016	2017	2018	2019	2020
Average Home Price	\$377,250	\$390,771	\$434,483	\$446,713	\$461,930	\$478,476
Monthly Payment (20% down)	\$1,863	\$1,929	\$2,262	\$2,219	\$2,382	\$2,430
Median Household Income	\$60,672	\$60,672	\$63,097	\$67,694	\$69,043	\$72,312
Mortgage % of Median Income	36.90%	38.20%	43%	39.30%	41.40%	40.00%

Figure 15: Mortgage Payments



Affordability and Growth Trends

The affordability gap between the market price and the affordable price of a home are influenced by two major factors: (1) home value; and (2) household income. The Figure below shows how the income and home cost have changed over the years. Between 2013 and 2020 home cost increased by almost \$161,616 while income increased by only \$15,822. That is a 50% increase in the median home value and only a 28% increase in median income.

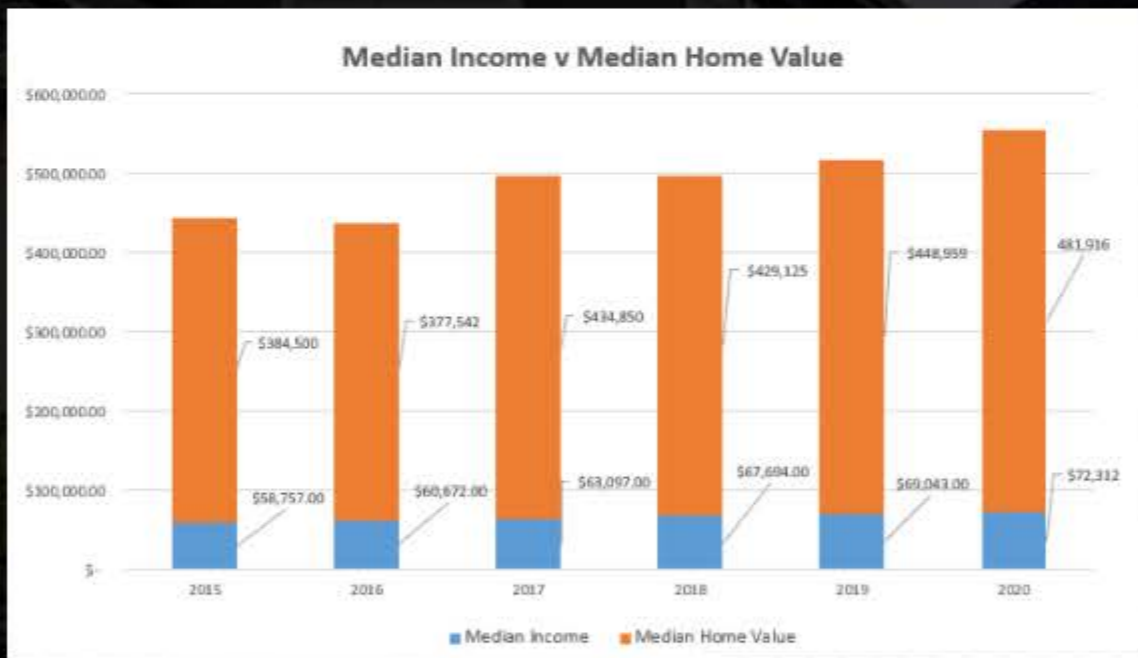


Figure 16: Median Income Verse Median Home Value

Figure 17 shows that until 2018, median income was increasing at a lower rate than homes were appreciating value. A switch occurred in 2018, with the increase in income higher than the increase in home cost for the first time. However, the trend from previous years returned in 2019 with income increasing by only 2% and home value increasing by 11%. The gap in percent increase was significantly smaller in 2020 with an income increase of 3% and home value increase of 5%.



Affordability and Growth Trends

Percent Increase in Median Income and Median Home Sale Price

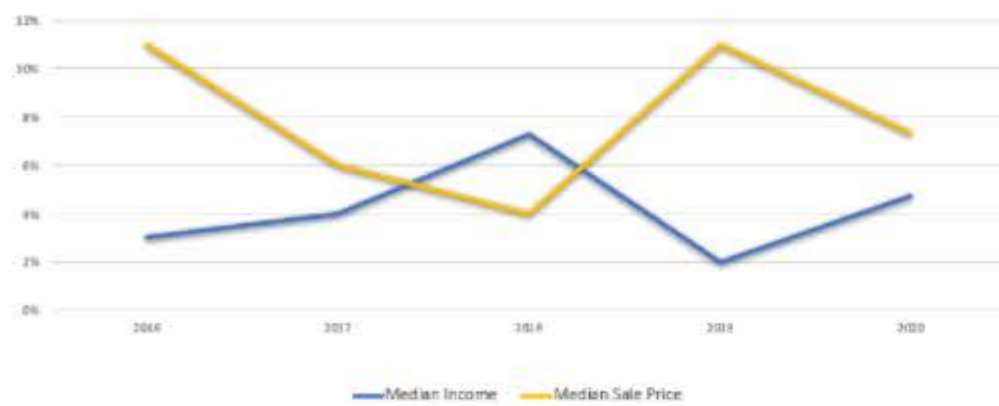


Figure 17: Percent Increase in Median Income and Median Home Sale Price

The rise in median income is nuanced and can be attributed to two potential causes: (1) Wilsonville residents are earning more money and/or (2) higher income households replacing lower income households due to rising housing costs. Without conducting an in-depth and statistically rigorous study, we cannot know for sure the degree to which each cause is influencing this outcome. Furthermore, an analysis of this kind would be static – a single snapshot in time.

Affordability and Growth Trends

Cost of Renting a Home

In 2020, the median rent was \$1,377, according to analysis conducted by ECO Northwest using Costar Data, a 1.5% increase from the previous year. The median rent is just below the affordable rent threshold. The rent calculations include subsidized rent and likely reflects a lower rate as a result.

	2016	2017	2018	2019	2020
Median Rent Price - Multi-Family	\$ 1,256.75	\$ 1,277.75	\$ 1,320.75	\$ 1,354.00	\$ 1,377.50
Affordable Median Rent	\$ 1,153.00	\$ 1,260.00	\$ 1,360.00	\$ 1,430.00	\$ 1,397.65

Between 2016 and 2020 the median rent price for apartments increased sharply by 10%. When we look at rental affordability, it is important we look at the median household income for renter households, separate from that of all households in the City. The median income of renters is 29% lower than the median income of all households in Wilsonville. The gap between renter median household income and homeowner median household income is even greater with the median income of homeowners more than twice that of renters at 54% higher. It should be noted this data includes subsidized housing which leads to a lower median income than the median income for residents in market rate rental housing.

	2016	2017	2018	2019	2020
Median Household					



Median Household Income	\$ 60,672.00	\$ 63,097.00	\$ 67,694.00	\$ 69,043.00	\$ 72,312.00
Median Home Owner Income	\$ 107,612	\$ 105,036	\$ 107,455	\$ 114,208	\$121,440.00
Median Renter Income	\$ 46,131	\$ 50,406	\$ 52,229	\$ 57,206	\$ 55,906.00

Figure 20 : Median Household Income

The average renter household* earns \$55,906 a year, which means any rental unit that costs more than \$1,398 a month is considered unaffordable to them. The current median rent price for all multi family units is barely affordable at just \$20 less a month than the affordability threshold.

*Average Households as used in this report refers to households that closely represent the median income in Wilsonville

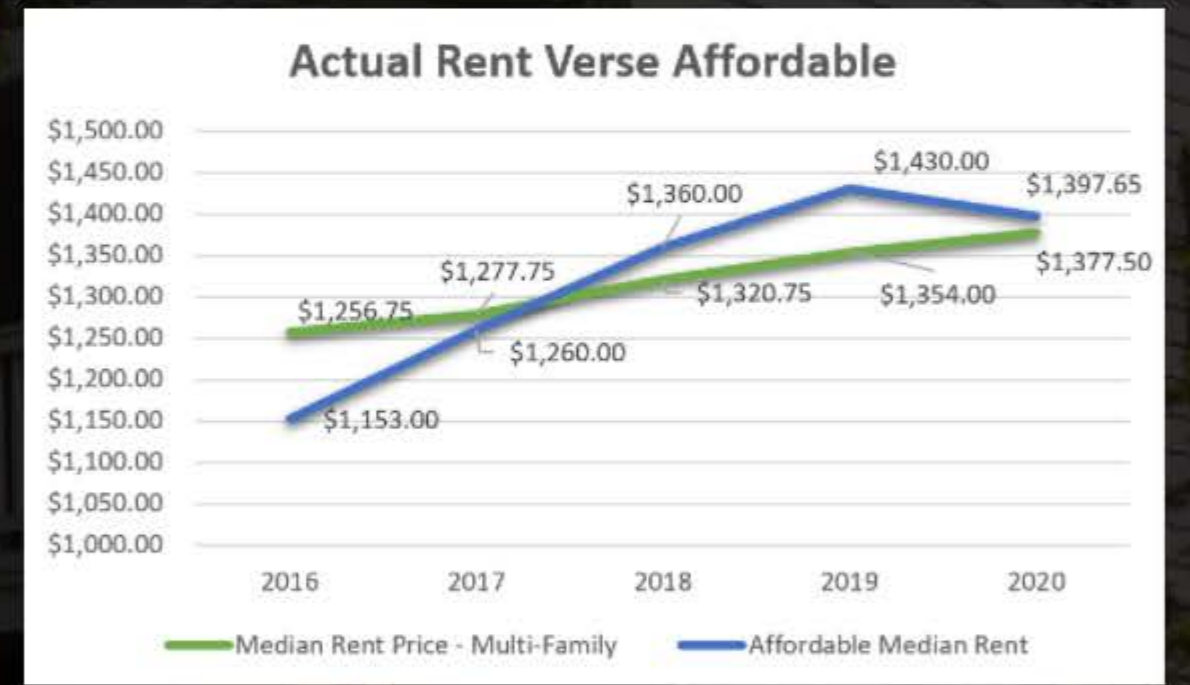


As shown in the Figure below, the average renter households in Wilsonville not rent burdened. This means that they are putting less than 30% of their monthly income towards rent. However, the rent rate is very close to unaffordable as is demonstrated in the graphic below. The declining income of renters is closing the gap between affordable rent and actual.

Actual Rent Verse Affordable

Affordability and Growth Trends

As shown in the Figure below, the average renter households in Wilsonville not rent burdened. This means that they are putting less than 30% of their monthly income towards rent. However, the rent rate is very close to unaffordable as is demonstrated in the graphic below. The declining income of renters is closing the gap between affordable rent and actual.



Affordability and Growth Trends

Overall Housing Cost Burden

At least 9 out of 10 of households earning below \$20,000 a year spend over 30% of their monthly income on housing. If we look at all households earning below \$50,000, 7 out of 10 spend over 30% of their monthly income on housing costs.

	Less than \$20,000	\$20,000 to \$34,999	\$35,000 to \$49,000	\$50,000 to \$74,000	\$75,000 or more
Total HH	783	765	614	1399	1623
Monthly Housing Costs > 30% of Income	700	729	445	466	46
Percentage	89%	95%	72%	33%	3%

Figure 22: Cost Burden

While the median rent is considered affordable for much of the community, the lower and lower-middle-income household are disproportionately burdened by rent.



Affordability and Growth Trends



Housing Mix

Besides measuring whether homes in Wilsonville are reasonably affordable to residents based on income, understanding the extent to which the City's housing stock is meeting the needs of different individuals and families is equally important. Using data from the American Community Survey 5 year Estimates, we can compare the share of households of different sizes with the share of homes with different numbers of bedrooms.

	2016	2017	2018	2019	2020
Studio	1%	1%	1.70%	2%	2.80%
1 Bedroom	15.20%	16.90%	16.60%	15.50%	16.70%
2-3 Bedrooms	70%	68.20%	64.90%	64.70%	61.20%
4 or more Bedrooms	13.90%	13.80%	16.70%	17.90%	19.30%

Figure 23: Number of Bedrooms

	2016	2017	2018	2019	2020

Affordability and Growth Trends

4 or more Bedrooms	13.90%	13.80%	16.70%	17.90%	19.30%
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Figure 23: Number of Bedrooms

	2016	2017	2018	2019	2020
1-person household	30.4%	28.8%	30.50%	30.2%	30.10%
2-person household	38.90%	40.00%	38.00%	37.80%	38.30%
3-person household	12.5%	13.40%	12.70%	12.10%	14.20%
4 or more-person household	18.10%	17.80%	18.90%	19.90%	17.40%

Figure 24: Household Size

As Figures 23 and 24 show, the share of 1-person and 2-person households exceeds the share of 1 bedroom or studio homes by a large degree. Not every household needs a bedroom per person. Expanding the studio and 1 bedroom housing stock could create more affordable options for smaller households. As of 2018, 2-3 bedroom homes dominate Wilsonville's current stock at 65%. This reflects the fact that 70% of households are 2-4 person. Another interesting trend to note is although household size has shrunk since 2014, 4 bedroom homes grew by 4%.



Affordability and Growth Trends

Wilsonville's housing stock consists of: 5,097 (45.2%) apartments; 541 (4.6%) condominiums; 50 (0.4%) duplexes; 141 (1.3%) mobile homes; 4,594 (40.7%) detached single-family homes, 837 (7.4%) attached single-family homes, 10 (0.001%) ADU's, and 5 (0.0004%) cottage-style homes (detached units on common lot).

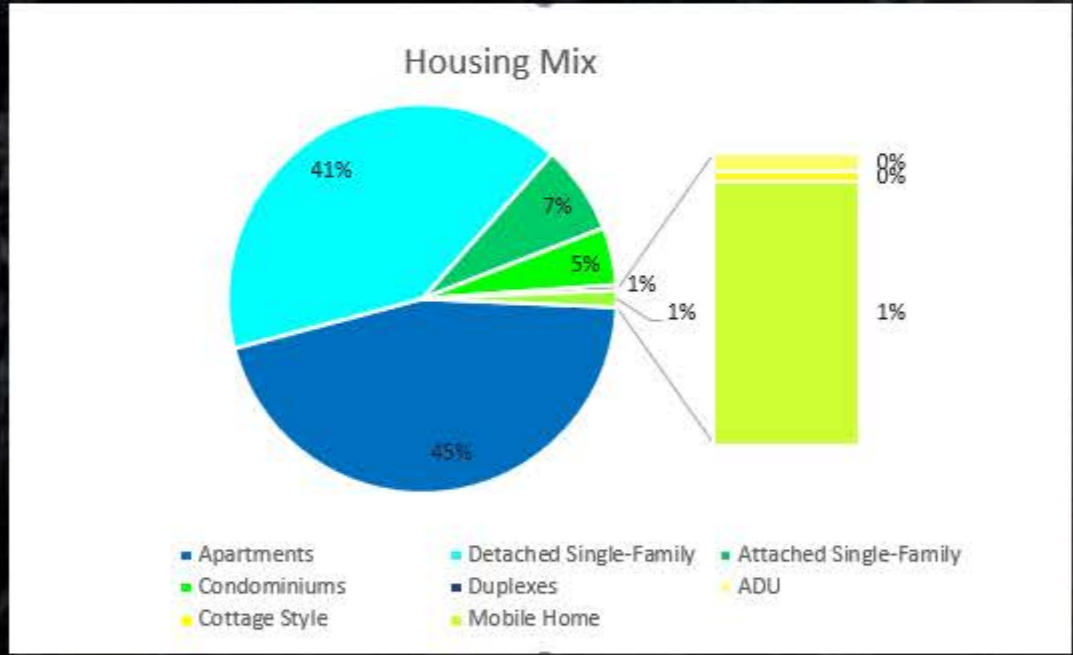
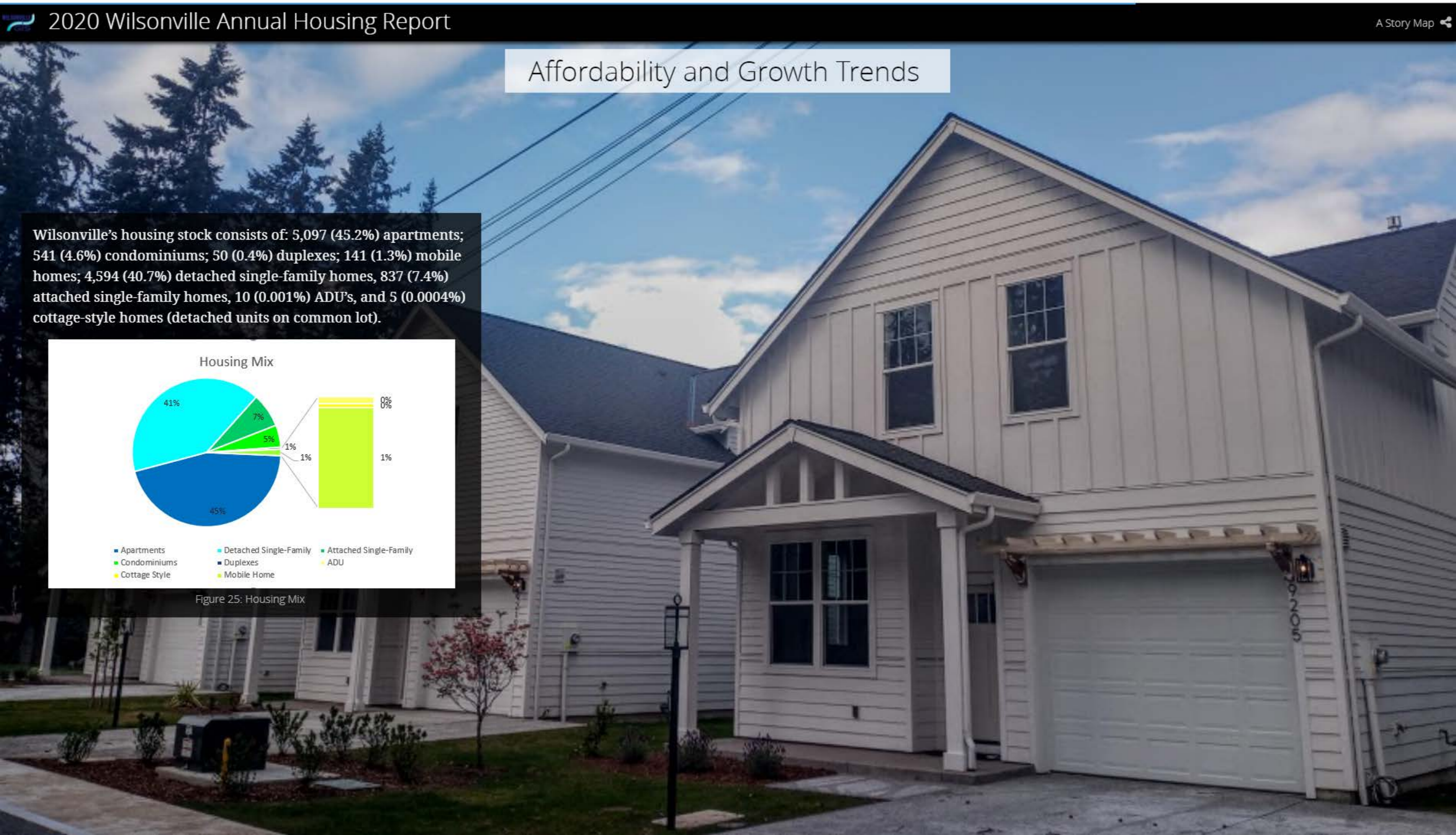
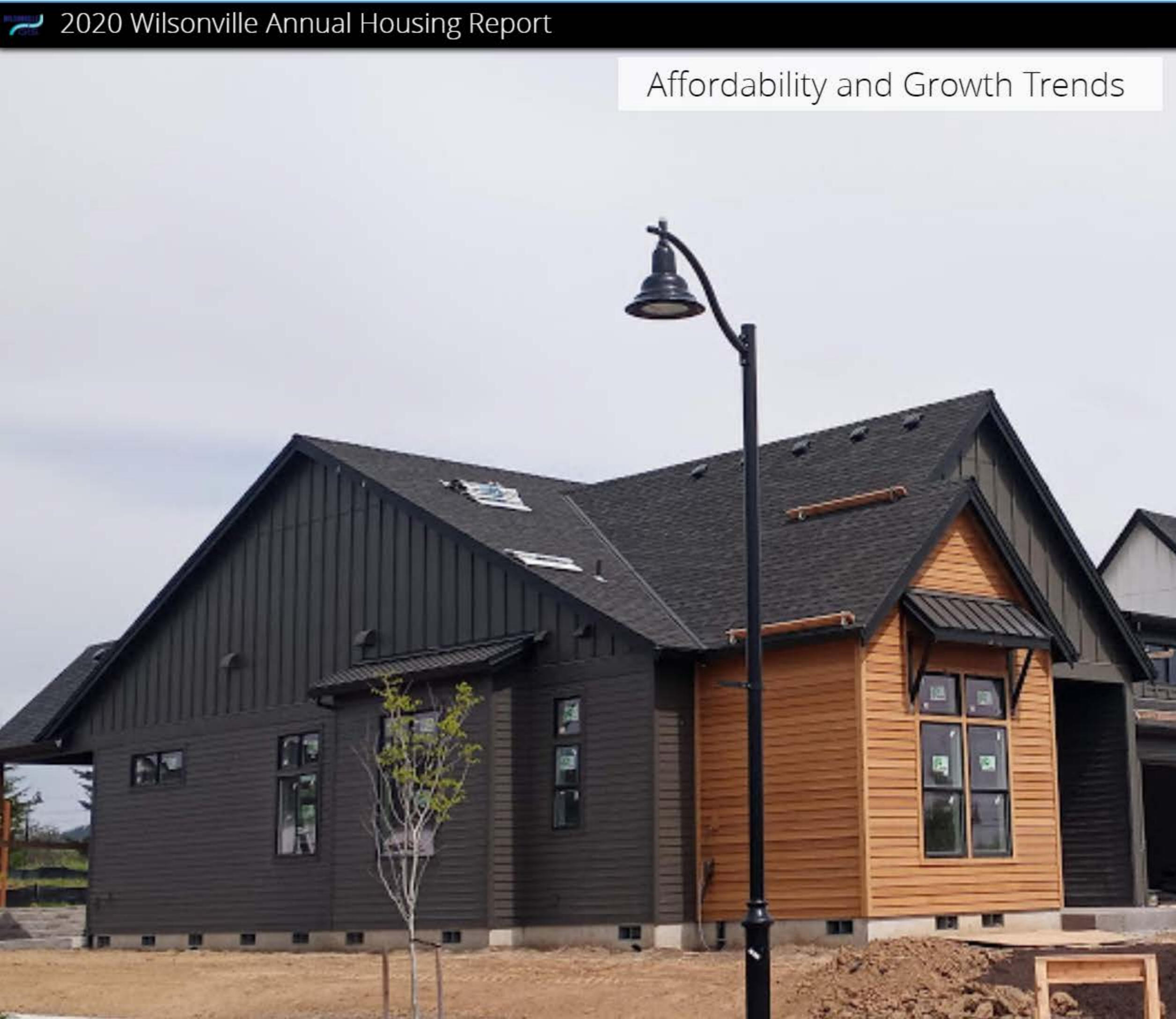


Figure 25: Housing Mix



Affordability and Growth Trends



Comparative Affordability to Cohorts

When looking at affordability it is important to understand the regional context. The chart below compares the median home price of cities in Metro Portland near to Wilsonville. Understanding housing prices in nearby cities is helpful in tracking how Wilsonville aligns with housing costs in the Metro region. The median home price in Wilsonville is consistent with its cohorts. This indicates that other communities are dealing with the same issues.

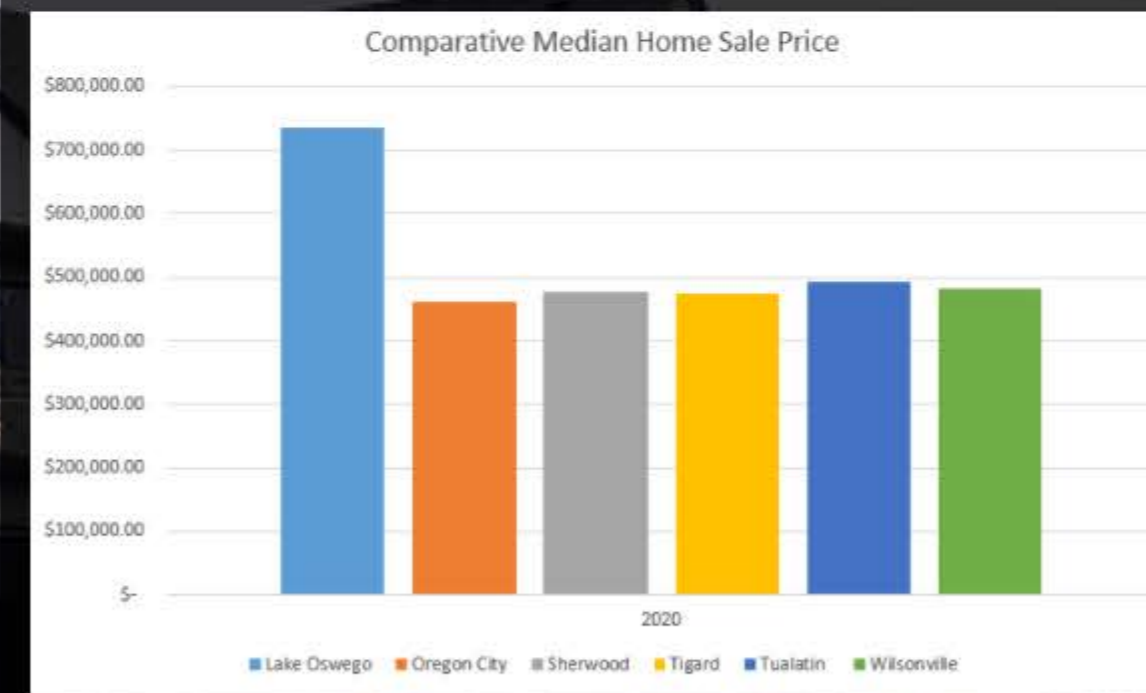


Figure 26: Comparative Median Home Sale Price

Another important indicator of affordability is rent burden. The chart below compares the percent of households rent burdened in Wilsonville with its cohorts. In 2019 Wilsonville had the lowest percent of rent-burdened households by a small margin. In 2020 the the rate of rent burden was the second lowest with 46% of renters paying more that 20% of their income in rent. This

Affordability and Growth Trends

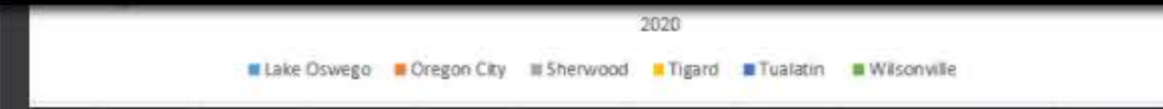


Figure 26: Comparative Median Home Sale Price

Another important indicator of affordability is rent burden. The chart below compares the percent of households rent burdened in Wilsonville with its cohorts. In 2019 Wilsonville had the lowest percent of rent-burdened households by a small margin. In 2020 the the rate of rent burden was the second lowest with 46% of renters paying more that 30% of their income in rent. This change is likely related to the decrease in median income for renters in Wilsonville coupled with rising rent cost. This means that while the ACS estimated median income is considered affordable the reality is almost half of Wilsonville renters are experiencing rent burden. In Oregon City, Tualatin and Tigard more than 50% of renters are rent burdened. This indicates affordable housing is an issue throughout the Metro region.

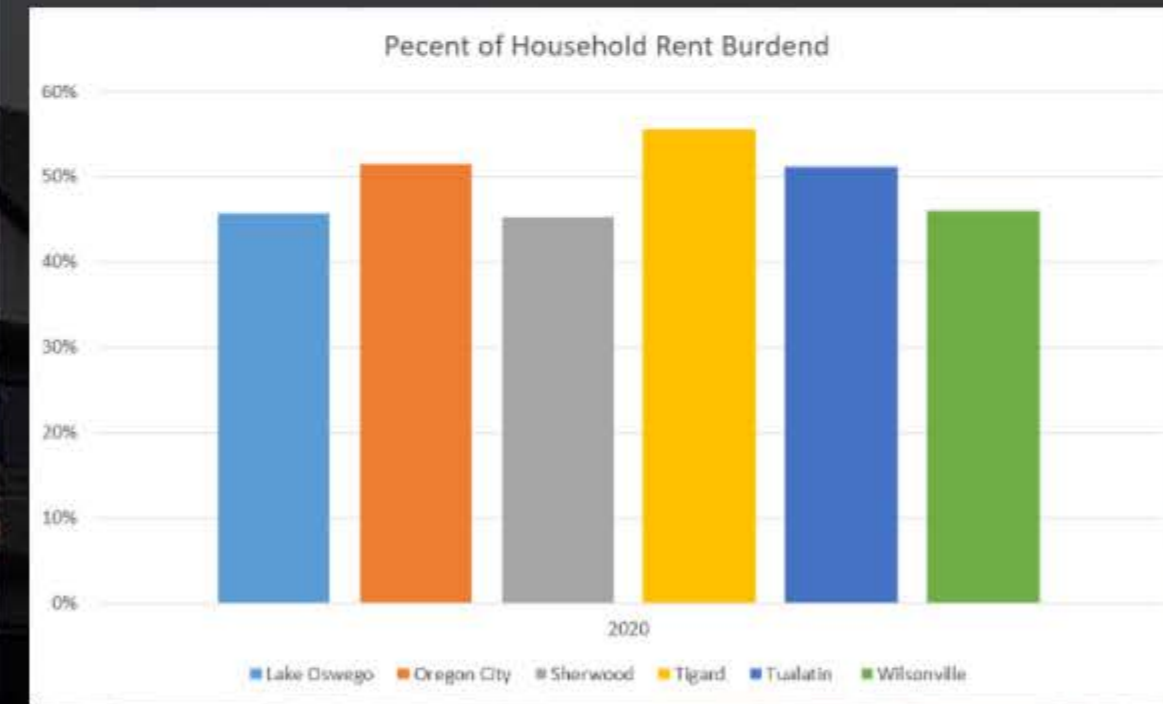
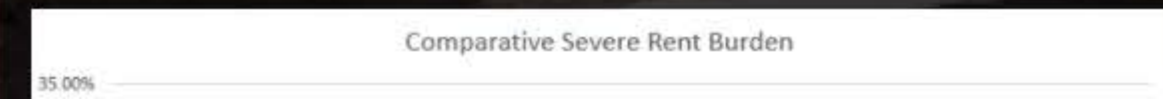


Figure 27: Comparative Rent Burden

As a response to the housing crisis in 2018 the State began collecting information on residents experiencing severe rent burden. Severe rent burden is defined as households spending 50% or more of their income on rent. Wilsonville has the second lowest percent of severely rent burdened residents at 21.6%.



Affordability and Growth Trends



Figure 27: Comparative Rent Burden

As a response to the housing crisis in 2018 the State began collecting information on residents experiencing severe rent burden. Severe rent burden is defined as households spending 50% or more of their income on rent. Wilsonville has the second lowest percent of severely rent burdened residents at 21.6%.

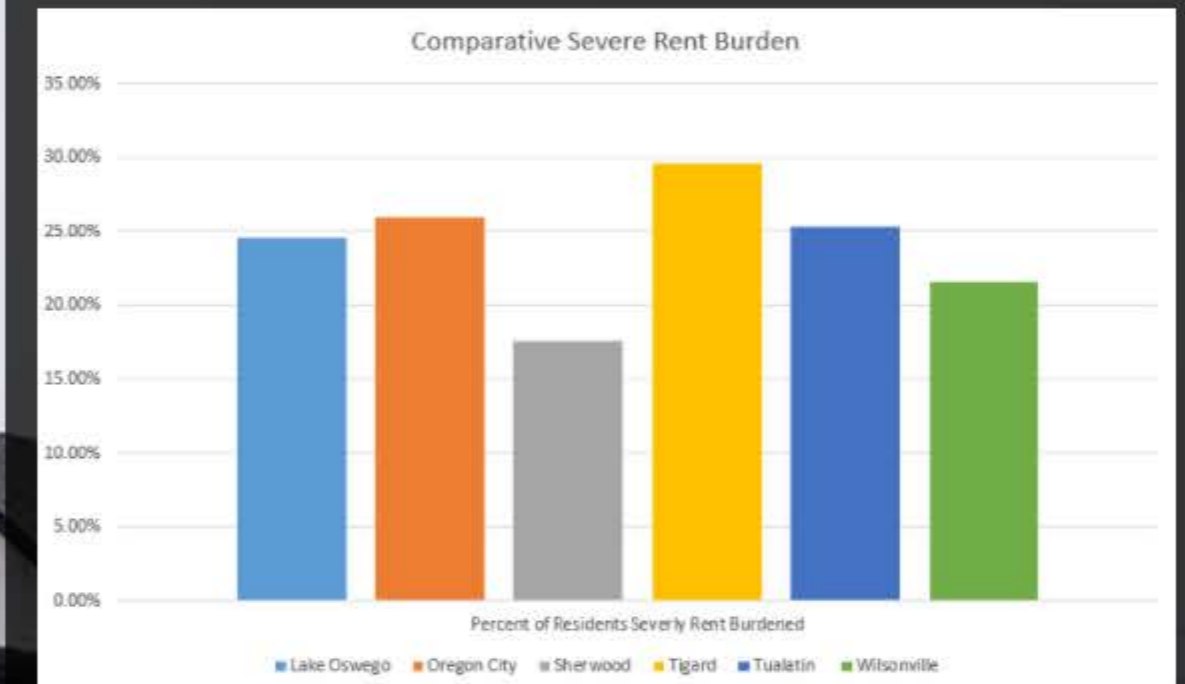


Figure 28: Comparative Severe Rent Burden

Affordability and Growth Trends

Comparative Growth to Cohorts

The City of Wilsonville continues to experience residential growth, keeping it among the fastest growing cities in the Portland Metropolitan area. The charts below compares growth in Wilsonville with nearby cities.

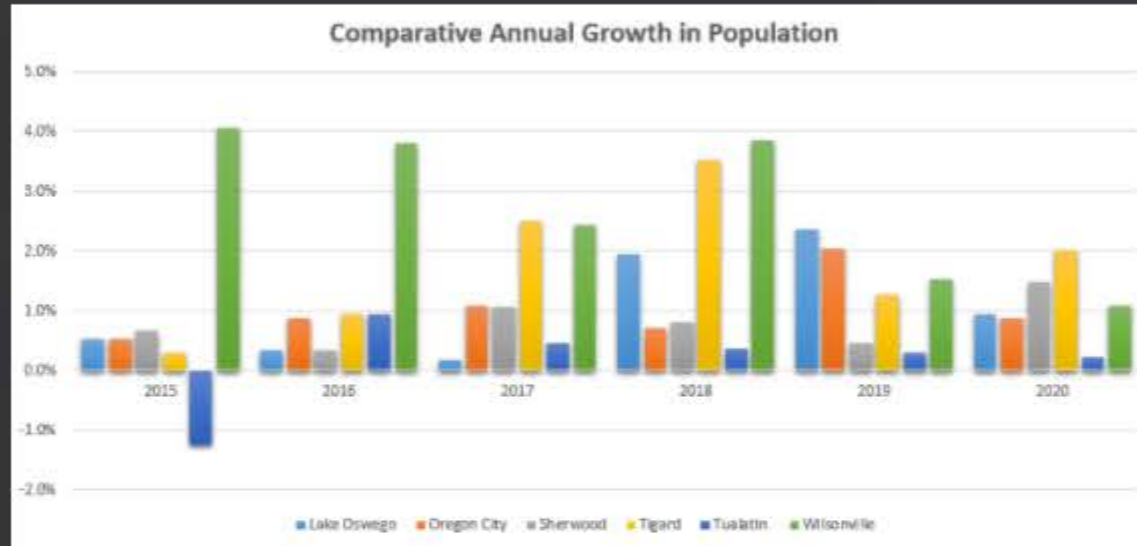


Figure 29 : Comparative Annual Growth

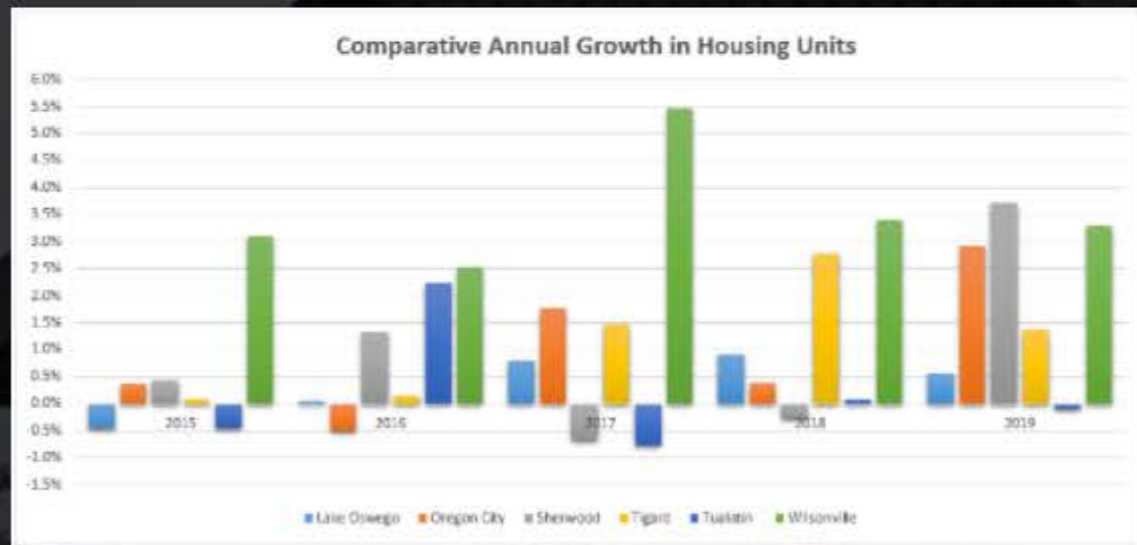


Figure 30: Comparative Annual Growth in Housing Units

Negative housing growth in a city may be indicative of changes to housing stock such as the removal of blighted properties or redevelopment.



Looking Forward

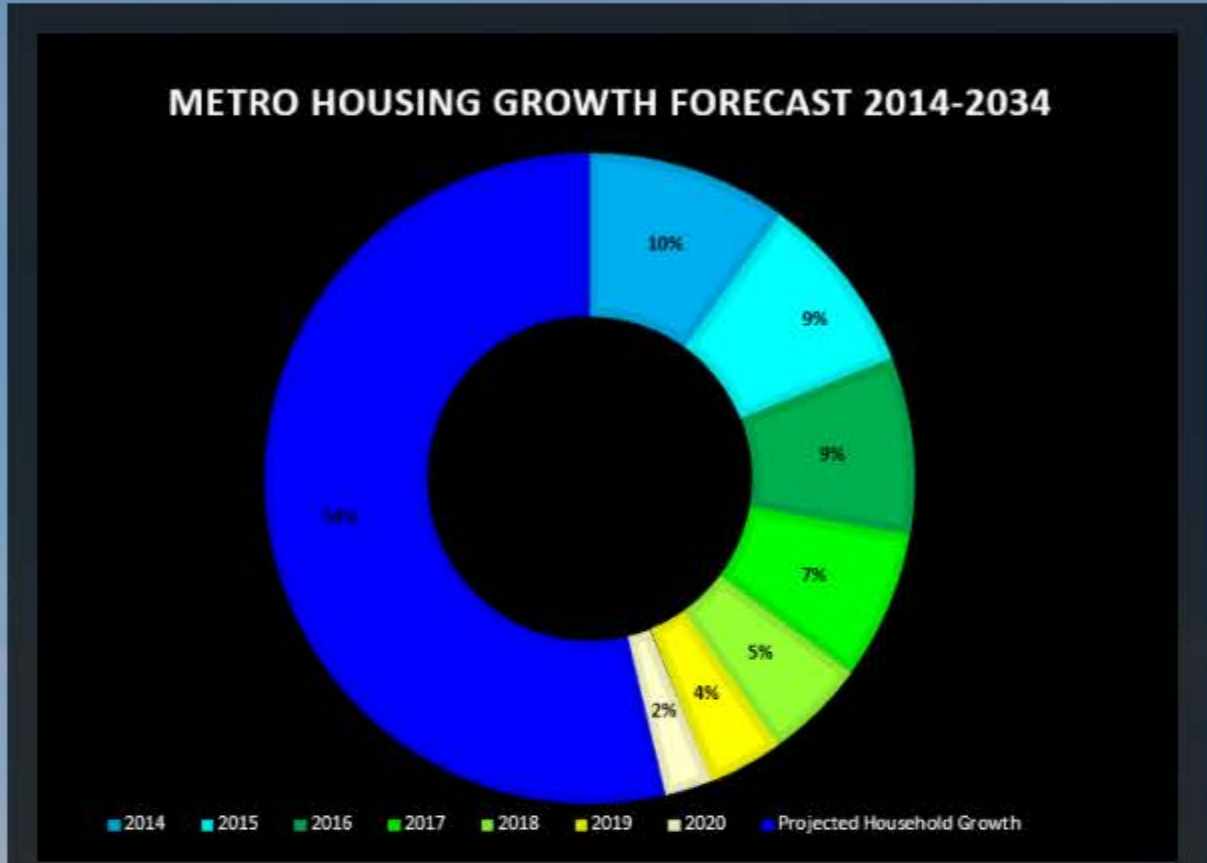


Figure 31: Metro Housing Growth Forecast

In 2020, 2.5% of the 20- year forecasted homes were permitted for construction. In total, approximately 44% the household growth projected has been accounted for since 2014. At the current household growth rate, Wilsonville will surpass Metro's regional housing unit growth projection. This means that the City will have more demand for housing as more families, students, workers, and jobs locate to Wilsonville.

Looking Forward

52% or 245 acres of the 20 year land supply inventoried in 2014 is dedicated to approved plans. This calculation and assessment is based on the Buildable Land Inventory as part of the 2014 Housing Needs Analysis. It is worth noting, the 477 acres does not include the 2018 275-acre UGB expansion for Wilsonville's Frog Pond East and South neighborhoods. Including the recent UGB expansion, 26.7% of Wilsonville residential land inventory has approved development plans.

RESIDENTIAL BUILDABLE LAND IN THE CITY

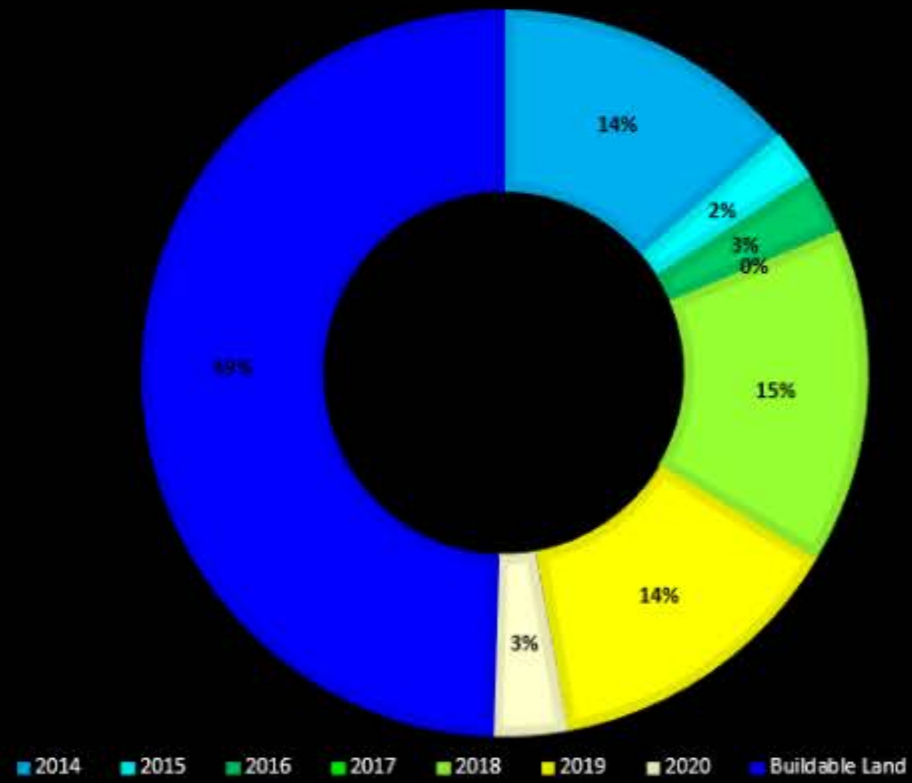
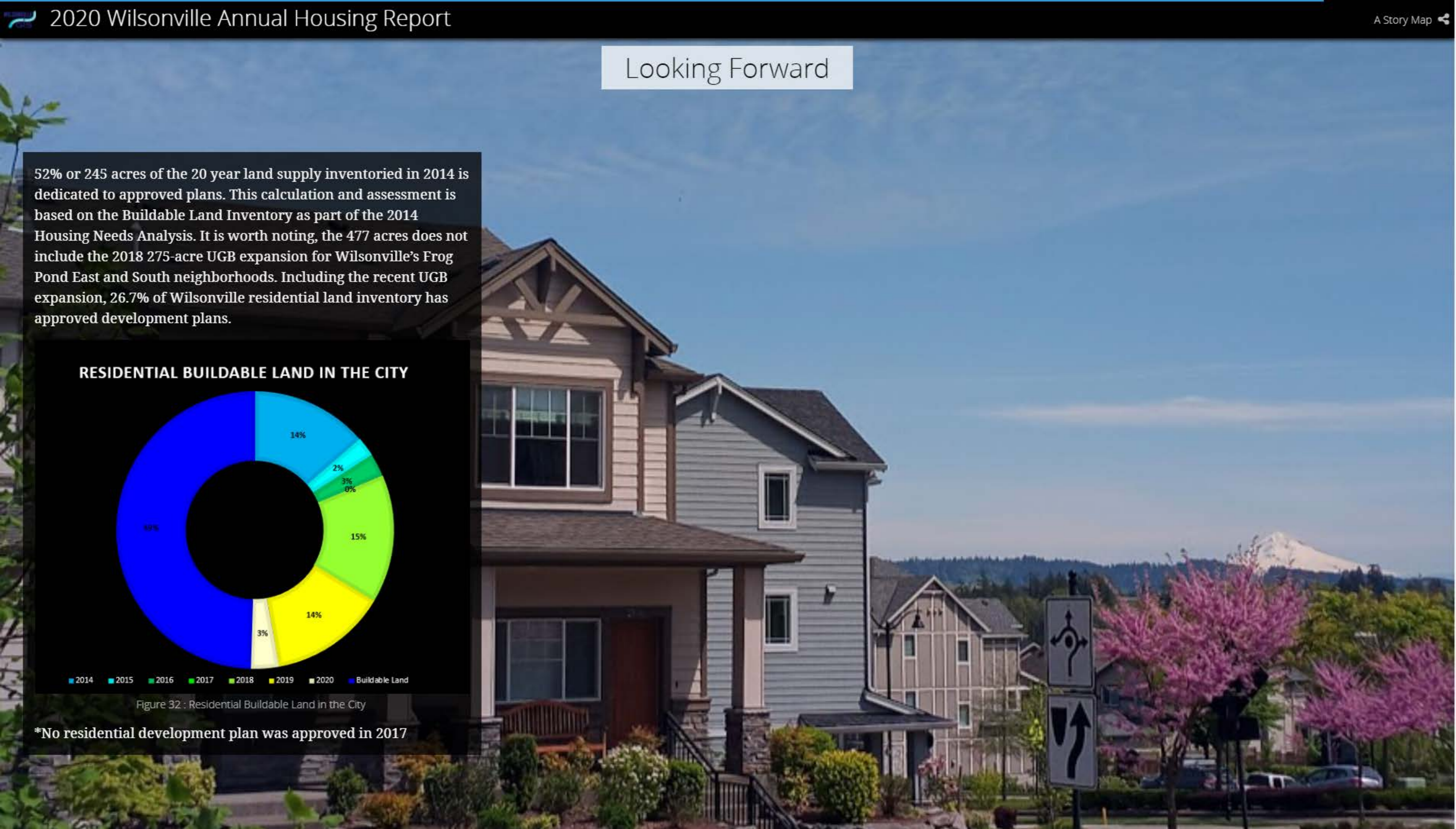


Figure 32 : Residential Buildable Land in the City

*No residential development plan was approved in 2017



Looking Forward

Looking Forward

Housing Affordability and availability is currently a challenge across the region. It is extra challenging in rapidly growing communities such as Wilsonville. Since 2015 the City's population has increased by 16%. With limited land available it is essential that development shifts to accommodate the changing market and high demand. At this time we are seeing a trend of homeowners income steadily increasing, which could be a result of a lack of affordable homes in the City. At the same time the median income for renters has decreased. This would indicate that homeownership in Wilsonville is largely out of reach for many of the renting residents. Without the opportunity for ownership many longtime residents will have to continue to rent or look for homes outside of the community.

Since 2015, one of Council's goals is to "Complete the equitable housing study and develop affordable housing strategies". To reach this Council goal the City must make consistent steps towards affordability in all planning work. Wilsonville has taken action towards creating a path to more affordable housing through the implementation of House Bill 2001 and spearheading an Equitable Housing Strategic Plan. Continuing these efforts will be an upcoming Transportation Oriented Development as well as the Master Planning of Frog Pond East and South .

The goal of these combined efforts is to provide housing that meets the needs and demands of the community and help us slow or stop the increasing gap between housing costs and affordability in the City of Wilsonville.

Looking Forward

This report discusses trends in housing and population growth that help to create a picture of Wilsonville's future. However, development can be influenced by many factors that cannot be predicted, and regional growth models assume the likelihood of a recession in the 20-year growth projection

When the 2019 Housing Report was published the Covid19 crisis was impacting communities across the world. In Oregon policies to slow the spread of the virus included limiting traffic to nonessential business, social distancing guidelines, and mask requirements in public spaces. The social and economic impact of the shut down was unknown in June of 2020, with the most devastating days of the crisis still ahead in the United States.

It is still not known how the pandemic will ultimately affect the housing market or population growth. However, throughout 2020 the City remained open and operating. Development and construction continued at a steady pace despite the challenges presented. Wilsonville was committed to supporting the residents and business owners. In April 2020, a Small Business Grant Relief program was launched with \$400,000 in funds to help small businesses through the crisis. When outdoor dining became an option for restaurants again the City worked to expedite a free temporary use permit procedure for outdoor seating. The Community Development team used tools such as Zoom and Let's Talk to continue to engage with residents and developers about the future of the City.

Looking Forward

In 2021 the City expects to see continued steady development in Frog Pond and the final neighborhoods of Villebois. The City will continue efforts to enable the provision of a variety of housing options, including new residential development in Frog Pond and infill in Town Center. The Equitable Housing Strategic Plan will provide additional support for housing and position the City well to respond to needs that may emerge from the health crisis.

Wilsonville remains a resilient community with a thoughtful, forward-looking approach to growth and sustainability, which will enable us to weather this storm and look to a bright future together.

