A Discussion on Urban Housing in Portland

~ “It’s all about Place, not the Project”
ECONOMIC UPDATE
THREE CASE STUDIES
SUMMARY – BRAND, NEIGHBORHOOD & PLACE
A FEW INTERESTING ECONOMIC TIDBITS ~ Complied from a number of sources including a 2014 Q2-2014 report from Johnson Economics, Portland
AGE  Portland is getting younger. 18-34 year old sector grew 4% in 5 years….and 2/3rds are Renters who emphasis Urban Living. This trend is expected to last beyond the decade with Portland becoming similar to San Francisco in it’s age demographic

OWN VS. RENT  Although we see Condominium projects slowly returning….there has been a strong and definite shift from Ownership to Renter Households – due to a number of economic, regulatory and sociological factors. Renters have remained renters despite the relative affordability of ownership. This will continue….except in the retiring Baby Boomers sector- who will likely demand ownership units.

SUPPLY & DEMAND  70% of Portland’s Apartments were built in the 1970’s. Tenants are leaving old, dated projects choosing newer projects. 5,000-7,000 units planned for each of the next 3 years exceeds the average absorption pace of 2,900 units per year. Actually built?- We will see.
OCCUPANCY, RENTAL & SALES

Occupancy is very high at 95-96.5%....depending on unit types.

Rents are 5% higher than a year ago....and 32% higher than 10 years ago. Downtown rental rates have grown much faster than suburban rates. 0-3% expected rent escalation expected in the next few years. Renters have gone from spending 32% of their income to 42% on rent in the last 5 years.

Average Downtown rent in 2010 was $1.15/SF...and $1.65/SF in 2014. Prime districts of Downtown are achieving $2.50-$3.00 / SF rents.

Downtown renters tolerate rent increase better than suburban renters....but Lease-up Concessions are not uncommon now after many years of absence.

Condo Sales are slowly coming back (05%) of today’s market with prices at $300-400/ SF in the downtown area. Newer, smaller units will achieve $450 / SF.
1 Urban Multi-Family Housing in Portland is Red Hot….with Developers trying to hit this Window of Opportunity. Expected to continue, but Cool off.

2 Huge Majority of the new Projects are Apartments with select discussions starting on Condominiums

3 In the Back of their minds….Developers have “Apartment to Condominium Conversion” as a goal….which opens Pandora’s Box from an initial construction point.
THREE CASE STUDIES ~ Each with a Different Brand...a Different Story
CASE STUDY 1
Infill Apartment Projects on Small Urban Sites
Understand the Market and Brand
Compact Efficient Units
Automated Parking
LEED Platinum / Gold
CASE STUDY 1
Compact Efficient Units...Studios @ 435 SF and 1BRs @ 575 SF
CASE STUDY 1

Automated Parking
CASE STUDY 1

Sustainable with a Sense of Place
CASE STUDY 2

Infill Apartment Project on Small Urban Site
Understand the Market and Brand
Compact Efficient Units
No Parking Stalls
Built to Passive House Standards
CASE STUDY 2
Understand the Market and Brand. Embrace the House Standards with a goal to make this the most efficient mixed-use Apartment Project in the US.
CASE STUDY 2
Compact Efficient Units ...all 1BRs @ 490-650 SF
CASE STUDY 2

Passive House Standards - Built to 3-4 times better Portland’s aggressive energy requirements which are 65-75% better than code.
HASSALO on 8th

657
For-rent housing units

592,616
GSF of housing

50,557
GSF of retail

26,400
GSF of grocery anchor

238,000
GSF of office

1,200
Underground parking stalls

CASE STUDY 3

Large Multi-Block Urban Re-Development

Determine the Market and Brand – Design The Neighborhood
Incorporate Market Rate Units
Large Underground Parking Plates
Embrace Eco-District Goals
WHO WOULD CALL THIS NEIGHBORHOOD HOME?

The level of density and diversity of uses that we are proposing have a potential to attract a wide range of potential people. This diverse mix offers opportunities to attract businesses that cater to different needs.

Below, we provide a series of hypothetical profiles that begin to discuss the needs of a potential resident in this neighborhood and how their different lifestyles and day-to-day needs affect the architecture of the neighborhood.

THE EMPTY MESTERS
There is an incredible residential density in the neighborhoods that surround our site. Long-time residents of these neighborhoods could see this project as an opportunity to change up their lifestyle without leaving their neighborhood. They’ll be attracted to a familiar urban character, views, a front-desk concierge, good restaurants, and open space.

THE URBAN FAMILY
An urban family could be attracted to the proximity of this neighborhood to downtown and to nearby services such as grocery stores and shopping. They’ll be looking for something that feels like a home, with a front door. Play areas and open space are critical for the urban family, as well as access to schools and parks.

THE YOUNG PROFESSIONALS
This type of resident is design savvy, environmentally conscious, and looking for a connection to a neighborhood. They’re attracted to local businesses, exterior gathering spaces, rooftop decks, transportation and bike infrastructure.
CASE STUDY 3

Design the Neighborhood- Our Initial Charter

1. MAKE MOVES FOR A REASON.
2. CREATE DIVERSITY IN THE ARCHITECTURE.
3. FOCUS ON ECO-DISTRICT SOLUTIONS.
4. CREATE A SENSE OF PLACE.
5. BASE OF BUILDINGS SHOULD BE HUMAN-SCALED.
6. ENCOURAGE SUSTAINABLE CULTURE.
7. BUILDING GEOMETRY SHOULD BE SIMPLE & WELL COMPOSED.
8. CREATE ACTIVE COMMON AREAS & LOBBIES THAT ARE MULTI-FUNCTIONAL.
9. DEVELOP STRONG INDOOR/OUTDOOR CONNECTIVITY.
10. CREATE OPPORTUNITIES FOR SMALL, ECLECTIC, AND NEIGHBORHOOD-FOCUSED RETAIL.
CASE STUDY 3

Variety of Market Rate Apartments

Studios @ 500-580 SF, 1 BRs @ 670 SF, 2 BRs @ 1050 SF, 3 BRs @ 1550 SF
CASE STUDY 3
Pedestrian Level: Experience the Eco-District Moves
CASE STUDY 3

Embracing the Eco-District Goals

WATER
$2.3 SYST. DEV. CHARGES

GREY WATER TREATMENT
44%

LIVING MACHINE
100%

WATER TREATMENT SYSTEM

ENERGY

ENERGY

HEAT

WINTER DEMAND

EQUIL

SPRING / FALL

COOL

SUMMER DEMAND

NORM: NATURAL ORGANIC RECYCLING
WASTEWATER TREATMENT THROUGH A CONSTRUCTED WETLAND SYSTEM

BLACK AND GREY WATER

EXCESS WATER DRYWELLS

IRRIGATION

TOILETS

COOLING

STORAGE

LIVABILITY

TRANSPORT ACCESS

SOLAR SHADING

MATERIALS

SOLAR ENERGY

NATURAL VENTILATION

INFRASTRUCTURE

NEIGHBORHOOD REUSE

Bike STORAGE

COMMUNITY SPACES

LIVING MACHINE

NO WASTE

FUTURE MANUFACTURING

INTEGRATION

ANALYTICAL STRATEGIES

COMPUTED ALLOCATIONS
CASE STUDY 3

1,200 Underground Parking Stalls
THE CHALLENGE

Not to simply plan, design and develop Projects……but rather embrace our Market, our Brand….and create Neighborhoods, create Homes…create Place.