

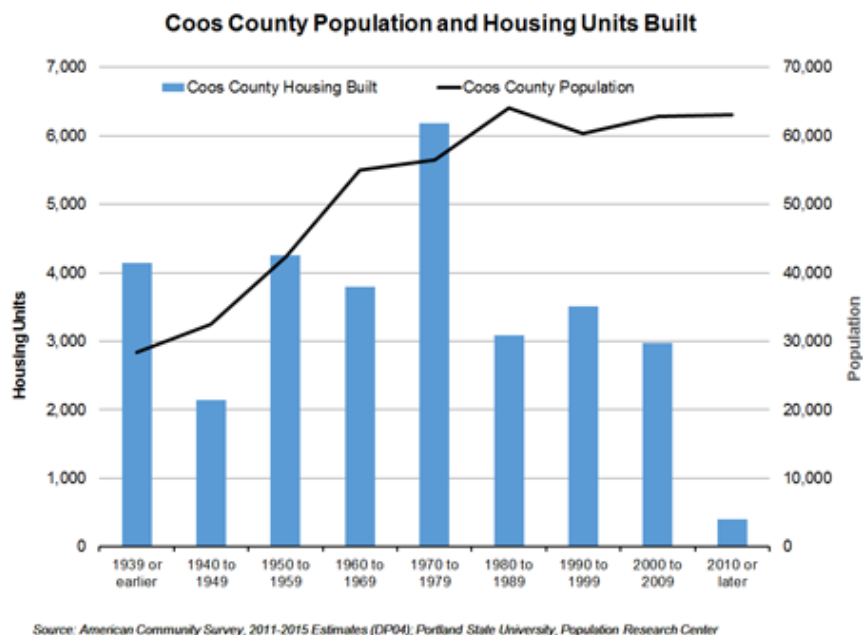
# Coos County and the Housing Crisis

by Annette Shelton-Tideman

April 11, 2017

Prospective homebuyers in Coos County report finding limited inventory, especially for homes within the buyer's budget range. State and national news also tell of limited inventory as well as bidding wars. What is behind the headlines and conversations when it comes to housing availability? Pivotal to the matter is the shrinkage in the number of new residential building permits in recent years and the associated decline in construction jobs. The U.S. Census Bureau's Residential Construction Branch studies new, privately owned residential construction by tracking the number and type of building permits issued.

Most telling in Coos County is the absence of permits for multi-family homes. Not only are single-family dwellings in short supply, but rental options are also extremely limited.



## Housing Shortages Building over Time

The relationship between population growth and housing demand is apparent in the graph highlighting both factors. Coos County's population climbed very quickly in the late 1800s only to dip during both the post-World War II and 1949 recessions. Housing development matched these shifts. As the overall economy recovered, population and housing again grew in the 1950s, although a short recession in early 1960 took a toll on both. The last time the county's population grew rapidly was the 1970s; this corresponded to a boom in housing. A recession in the 1980s and again in 1991, associated with the Savings and Loan Crisis, was a one-two punch. Two-thirds of the local housing inventory was built prior to 1980. Recent population growth has been somewhat subdued, and housing development has all but disappeared. Demographic changes and reduced construction, compounded by an aging inventory which presents maintenance and replacement needs, keeps today's homebuyers and renters scrambling for options.

## Type of Building Permit Has Long-Term Impacts

Since 2001, nearly three of every four permits issued for new privately owned residential construction in Coos County have been for single-unit dwellings. Apartments with five or more units account for one out of four permits, and smaller multi-family dwellings account for the rest. Building permits peaked in 2005 with permits for 159 total dwellings. Of these, 76 were for single-unit dwellings; two were for duplexes, and 81 as part of larger multi-family units. The next few years saw a decline in building permits.

Corresponding to the depths of Coos County's recession, building permits bottomed out in 2011 with only 16 issued, all for single-unit dwellings. Duplex permits have been issued in 10 of the last fifteen years; the last time a permit

was issued for a 3-4 unit structure was in 2006. Although permits for structures with five or more units were issued in seven of the last fifteen years, the last permit was in 2010.

The reduction in housing permits not only laid the groundwork for limiting current and future housing options, there was also a contraction in employment opportunities for construction workers. Construction employment increased between 2000 and 2004, reaching 780 jobs in 2004. The development of the nationwide housing bubble helped push Coos County construction employment to

930 by 2005 and 1,070 in 2006 and 2007. Although permits started dropping off as the overall economy slowed in 2006, construction employment slowed very little – likely reflecting the completion of housing projects already underway. Recessionary losses hit bedrock in 2012 after construction employment dropped more than 37 percent in just five years. By 2015, this sector had regained only 74 percent of its peak employment.

### Conclusion: Demand but no Supply

Declines in building permits issued since 2005, coupled with the decline in construction employment, have resulted in fewer residential structures built. Adding to this recipe for limiting options, is the overwhelming issuance of single-unit housing permits to the detriment of multi-family housing developments – particularly affecting younger or less affluent home-seekers. Additionally, the majority of the county's houses are at least 30 years old; 67 percent were built prior to 1980. Aging inventory, especially in coastal climates, often presents added maintenance issues and increased costs. These inventory and structural issues, near-decimation of the construction workforce, and modest population increase significantly contribute to the housing shortages experienced in rural Coos County.

