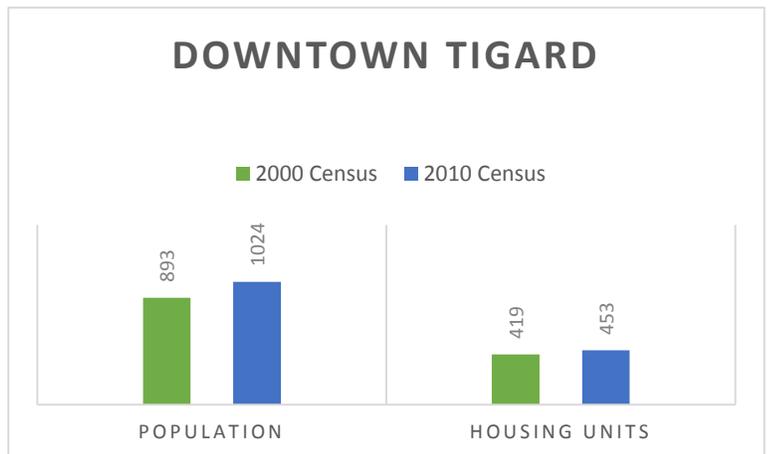


Housing and Demographics: Downtown, Tigard and the Region

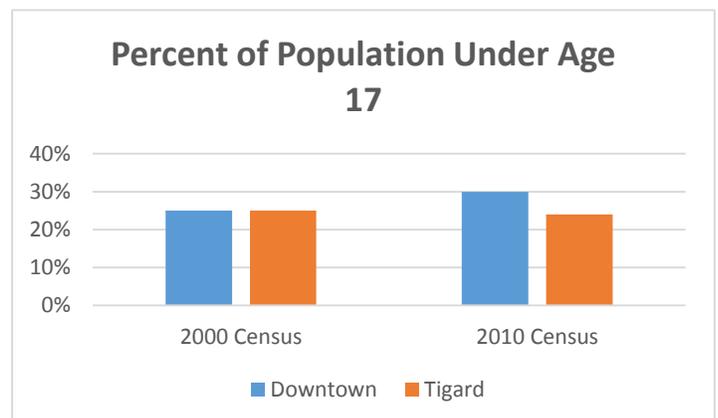
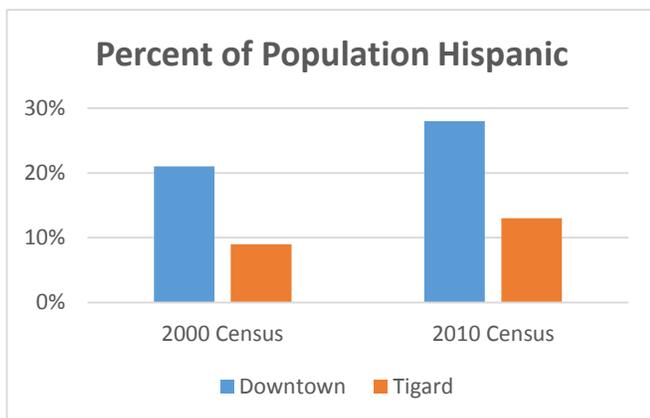
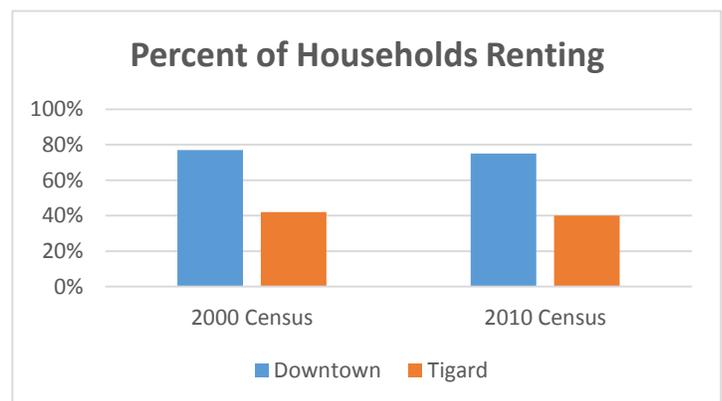
Downtown Tigard Housing and Demographics

The population of Downtown Tigard (defined here as the Urban Renewal District plus the Main Street Village Apartments) grew 14.7%, from 2000 to 2010. This is slightly behind the population growth of the overall city of Tigard in the same period, which was 16.5%. The number of housing units in the Downtown increased 8% (attributable to the construction of the Knoll at Tigard senior affordable housing project). Citywide, the number of housing units increased by 10% in the same time period.



The housing stock in Downtown consists of ten apartment complexes (Main Street Village and the Knoll), approximately ten single family houses/duplexes, and the Cascade Mobile Villa with 30 mobile homes. The multi-family developments have a range of densities. Main Street Village, with 237 units on 15.15 acres has a density of about 15 units an acre. The older Tigard Manor Apartments on Ash Avenue are about 40-units an acre. The Knoll and the under construction Ash/Burnham project are closer to 50-units an acre.

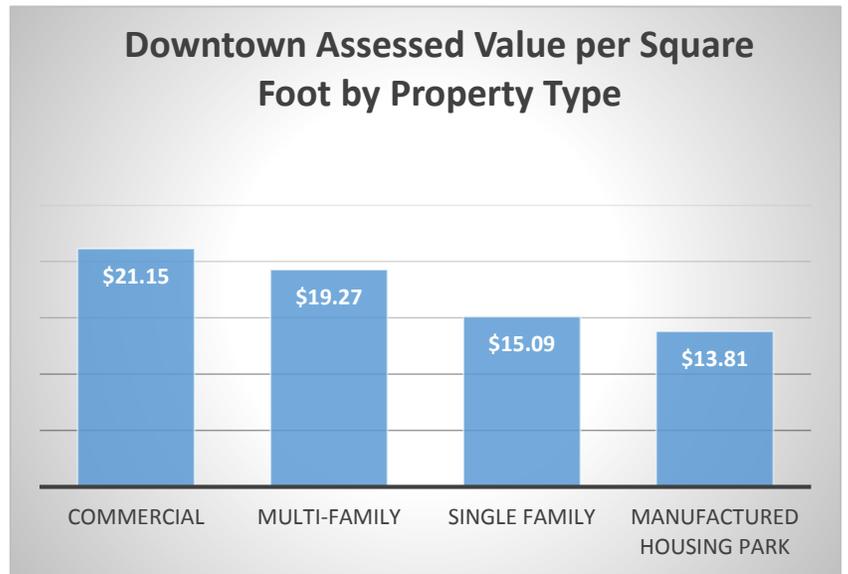
Downtown's demographics are distinct from Tigard as a whole. Downtown Tigard residents are more likely to be renters (75% vs. 42%) and Hispanic (28% vs. 13%). Downtown's population is trending younger - the percentage of residents under age 17 has grown since 2000 from 25% to 30%. Downtown Tigard's median household income is \$37,213 compared to \$69,304 for Tigard as a whole.



Urban Renewal District Property Values

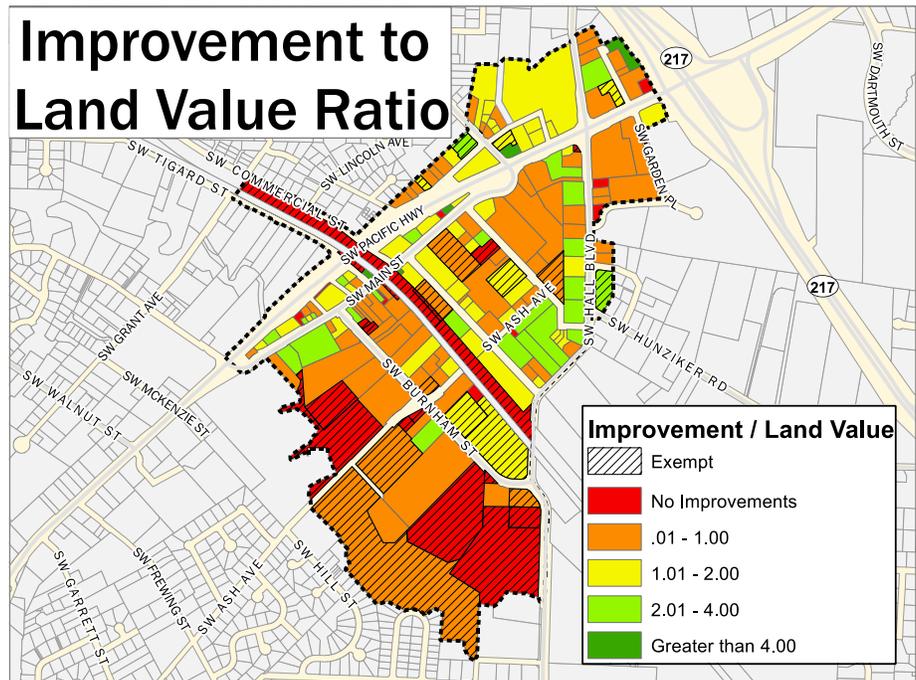
City Center Urban Renewal District 2015 property values were analyzed (not including Main Street Village, which sits just outside the urban renewal district boundaries). Public or exempt property (including right of way) comprises 54% of the land area of the district. Commercial development comprises 38% of the district's acreage and multi-family development comprises only 4.5%.

Looking at the assessed values on a per square foot basis reveals that commercial properties have the highest values at \$21.15/square foot, with multi-family at \$19.27/square foot.



One indication of whether a property is a good candidate for redevelopment is to look at the property's Improvement to Land Ratio. This ratio compares the Tax Assessor's value assigned to a property's improvements (structures) to the value of the land. Generally, if the land is worth more than the improvement (an I:L ratio of less than 1), it is a sign the property is not being used to its highest

potential. In the downtown, 66 of the commercial properties (47.6 acres) had an Improvement to Land Ratio of less than 1. Most of the multi-family properties have Improvement to Land ratios between 2 and 4. The commercial properties with lower I:L ratios are likely to be more feasible to redevelop into the higher density residential and mixed use development that is envisioned in the City Center Urban Renewal Plan.

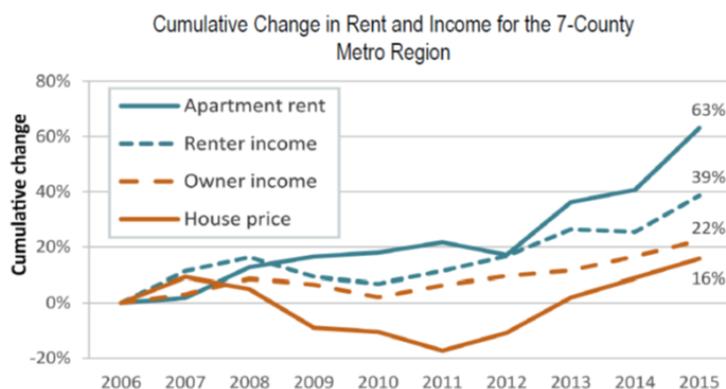


Regional Housing Market Facts

Residential rents in the Portland region have increased sharply between 2011 and 2015, with the largest increases in the city of Portland. The Beaverton-Tigard market saw increases of 28%, the third largest increase in the Portland suburban markets.

Rental Market	Rent Increase 2011-2015
North Portland	71%
Downtown Portland	40%
East Portland	34%
Southwest Portland	34%
Hillsboro-Forest Grove	34%
Tualatin-Wilsonville-Sherwood	29%
Beaverton-Tigard	28%
Lake Oswego-West Linn	22%
Vancouver	22%
Milwaukie-Gladstone-Oregon City	20%

Rents are rising faster than incomes



Regional housing market rents are rising faster than incomes. As shown in the chart, rents in the 7-County Portland Metro region have risen 63% between 2006 and 2015, while renter income has only risen 39%.



Source: Axiometrics, Multifamily NW, Johnson Economics

67% of the Portland region's housing is made up of single family homes.

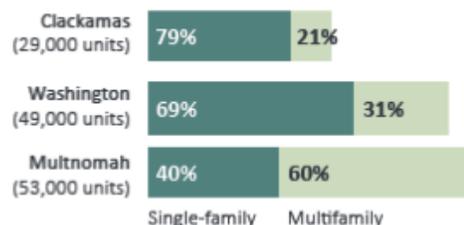
Portland Regional Housing



■ Single Family housing

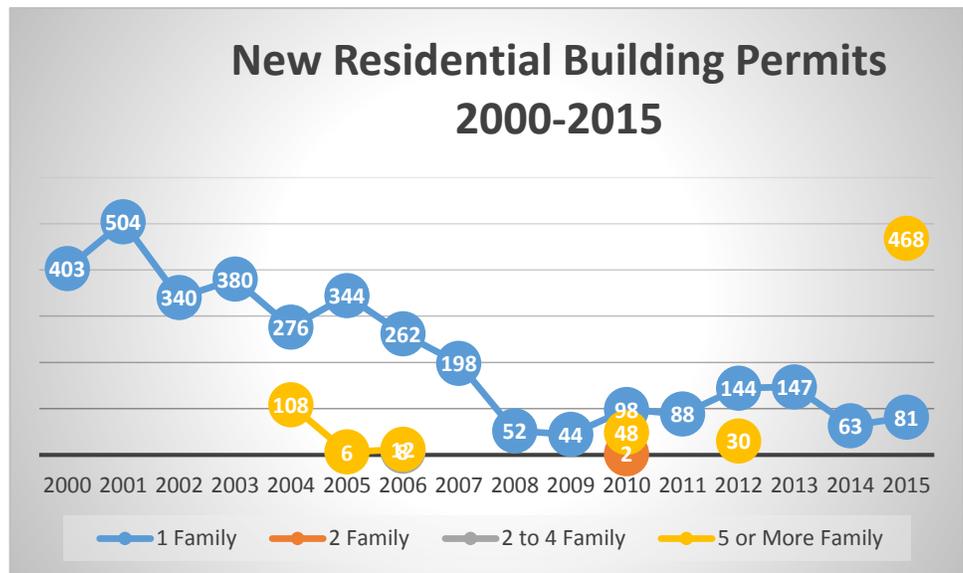
Other than in Multnomah County, single family residential construction has far outpaced multifamily development since 1998.

Units by type developed since 1998



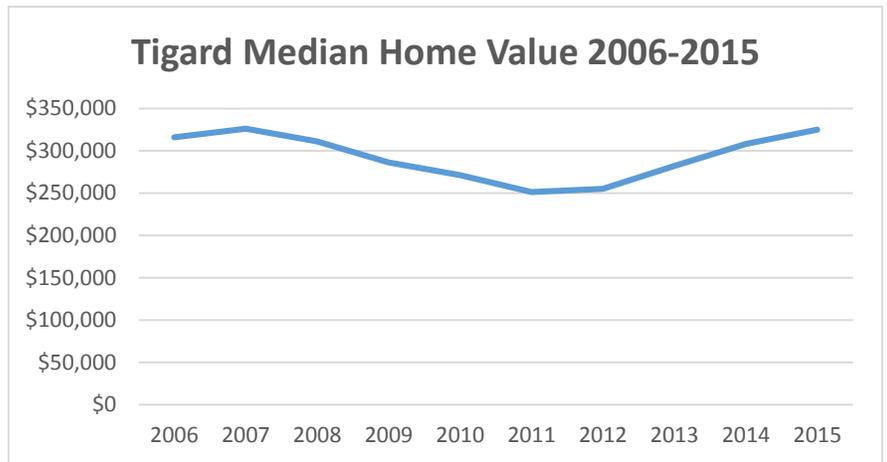
Tigard Citywide Housing Statistics

- Since the year 2000, a total of 4,106 housing units have been permitted in Tigard. Of these 3,424 were single family houses and 682 were multi-family (two or more family developments) units, about 16% of the total units permitted.



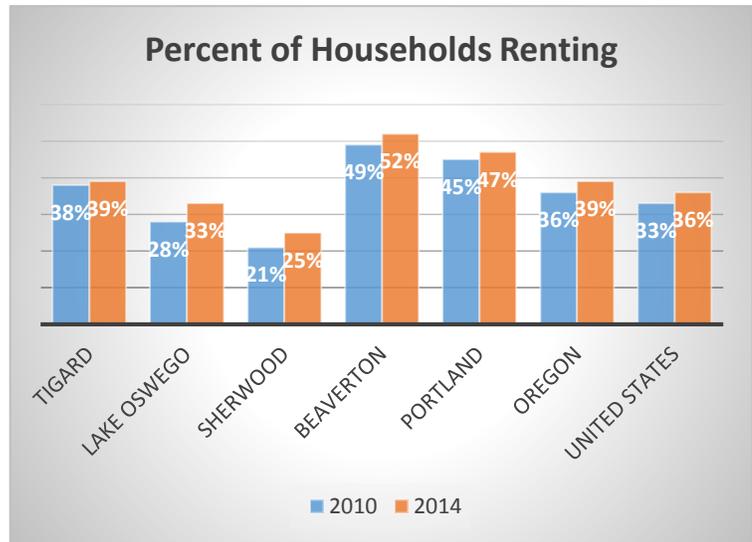
Several years saw no multi-family units built in Tigard. In 2015, there was a spike in multi-family unit permits – to 468 – including the 168-unit Ash/Burnham project, 60-unit Greenburg Apartments, and 240-unit Scholls Ferry Apartments.

- In Tigard, the median gross rent (which includes the costs of basic utilities) was reported as \$945 in the American Community Survey (note: when 2015 data becomes available, this median rent is expected to rise significantly.)
- Tigard's for sale housing market has recovered to pre-recession levels, with Tigard's 2015 median home value estimated at \$325,000. (Zillow)

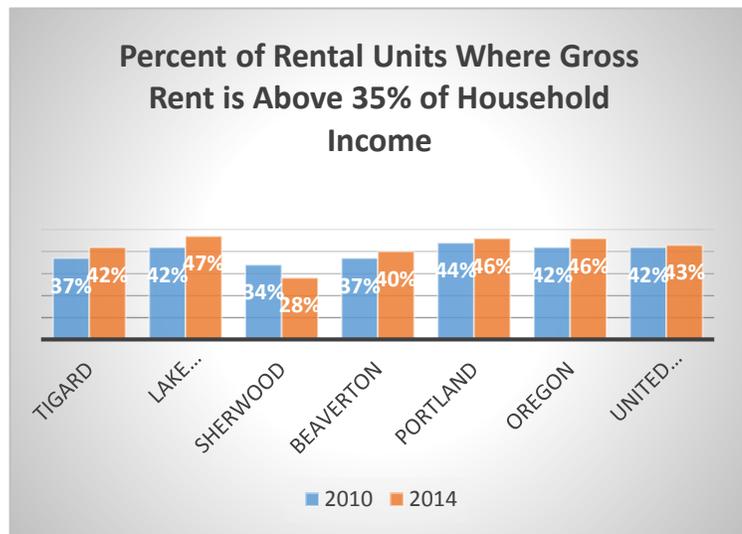


Tigard Housing Statistics and Demographics Compared to Select Neighboring Cities

Select housing statistics for Tigard were compared to neighboring cities with urban renewal districts (Beaverton, Lake Oswego, and Sherwood) as well as Portland. According to the American Community Survey between 2010 and 2014 all of these cities (and the state of Oregon and the U.S.) have had an increase in the percentage of households who are renting.

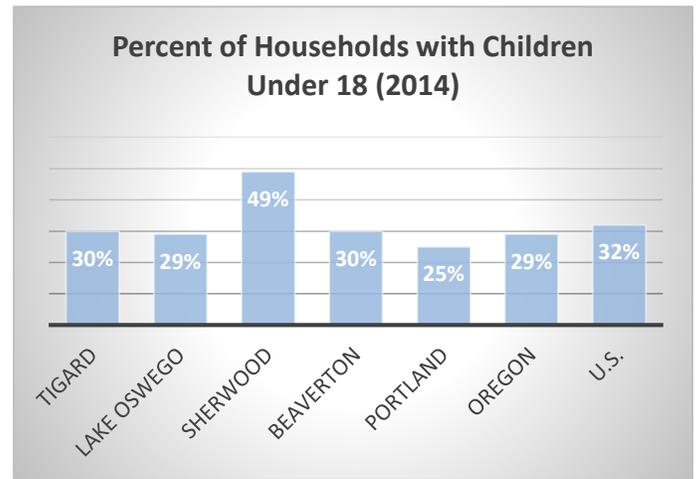
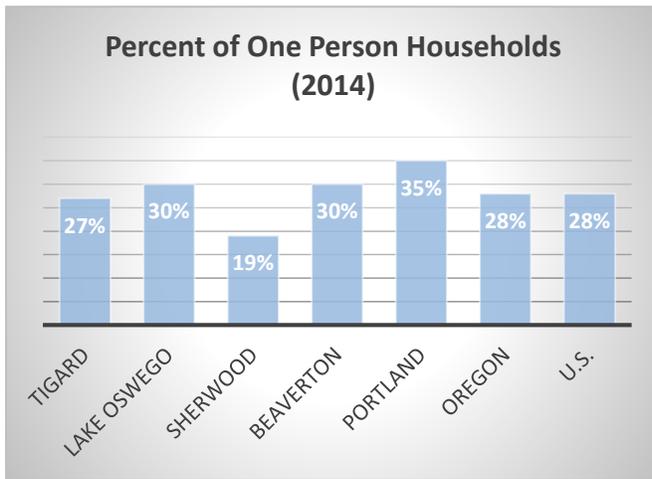


- The American Community Survey found that in 2014, 42% of occupied rental units in Tigard have gross rent (rent plus basic utilities) that is 35% or greater than household income. (35% of household income is a commonly accepted benchmark of housing affordability.) This percentage increased between 2010 and 2014 in all of the cities studied, except for Sherwood, which saw a decrease (from 34% to 28%). Tigard's percentage is on par with the U.S. average of 42.6%.

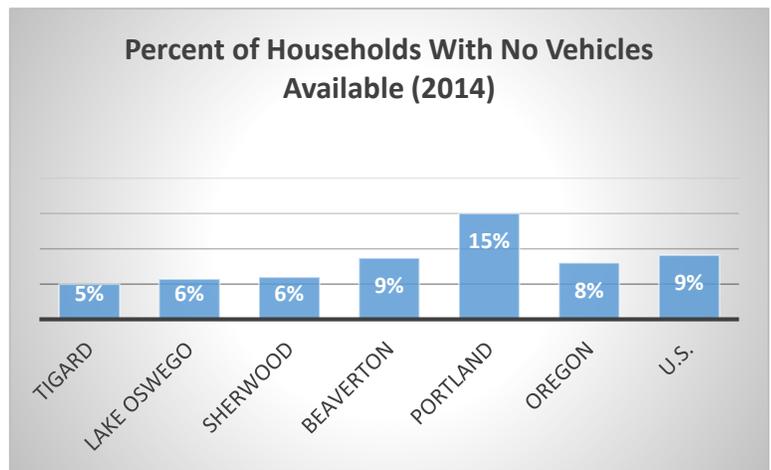


- Tigard permitted 468 multi-family units in 2015 (Burnham and Ash). Among Tigard's peer cities, Beaverton permitted 410 multi-family units, while Sherwood permitted 10, and Lake Oswego issued 6. The city of Portland permitted 3,377 multi-family units.





- 29% of Tigard households are made up of one person, which is slightly lower than the Oregon and U.S. portion of 28% and significantly higher than Sherwood (19%).
- 30% of Tigard households have children under 18 present, on par with Beaverton and Lake Oswego, and significantly lower than Sherwood (49%).
- Tigard's percentage of households with no vehicles available is 5%, compared with Beaverton's 8.7% and Portland's 15%. Tigard is below the U.S. average of 9%. This could be attributable to the fact that some areas of Tigard were developed without pedestrian facilities and commercial services within walking distance, so an automobile is considered essential.
- The U.S. Department of Transportation estimates that the average yearly cost to own and operate a car (including gas, insurance, and maintenance) is \$8,698. For lower income households that are struggling to pay for housing this is an added burden. Many housing experts advocate for including the costs of transportation to determine the true cost of housing. In the Metro region, 20% of households are spending more than 45% of their income on housing and transportation.



These statistics indicate that there may be unmet demand in Tigard for housing in more walkable and transit friendly areas. Market trends indicate that both millennial and downsizing baby boomer households have a preference for this type of housing. Tigard's Vertical Housing Development Zone, which allows a partial property tax exemption for mixed use development, can help encourage this type of mixed use residential development. The zone includes Downtown and the Tigard Triangle, where the first two projects have qualified for the exemption – the Burnham and Ash development and the Adrienne mixed use building in the Triangle.