

Graphic Detail

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Recreation Counties and Available Housing in Rural Oregon

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Abstract

The term “recreation county” designates counties that meet certain metrics indicative of regions of high levels of tourism. In rural Oregon, there are seven recreation counties. This article reviews the qualities used to designate these counties as recreation counties, then compares metrics in non-metropolitan recreation counties versus other non-recreation non-metropolitan counties to analyze the relationship between recreation characteristics and long-term rental housing shortages. The impact on housing is particularly prevalent in the Northwest Coastal region of Oregon.

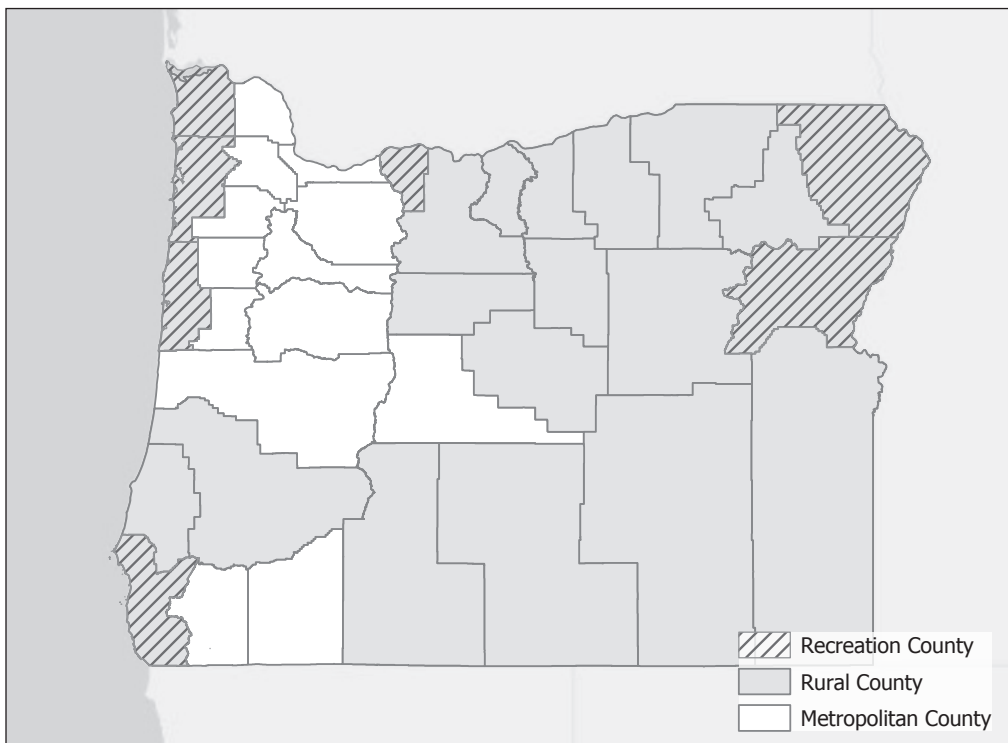
In counties throughout the United States, recreation and tourism play a role in influencing available housing. “Recreation county” is a term used to classify counties that possess certain criteria. The U.S. Department of Agriculture (USDA) designates a recreation county by analyzing employment rates, total tourism-based earnings, and the percentage of vacant housing units intended for seasonal or occasional use as reported in the 2010 Census of Population (USDA

Economic Research Service [ERS], 2015; Reeder and Brown, 2005).¹ In the United States, there are 333 total recreation counties, 229 of which are in rural areas. Oregon contains eight recreation counties, and seven are in rural Oregon (see exhibit 1). These rural recreation counties in Oregon are Baker, Clatsop, Curry, Hood River, Lincoln, Tillamook, and Wallowa counties.

In the 2010 Census, non-metropolitan areas in America comprised 46.2 million people, or 15 percent of the population.² Rural areas exhibit lower socioeconomic indicators than their urban counterparts. Over the past six decades, national poverty rates have remained consistently higher in rural areas than in urban areas (USDA ERS, 2021). In 2019, the poverty rate for rural areas was 15.4 percent, whereas the poverty rate for urban areas was 11.9 percent. This difference was influenced by various factors, including access to education, because education attainment in urban areas is higher than in rural areas (USDA ERS, 2021). These issues are compounded in rural areas, which create an environment in which residents do not experience the same socioeconomic indicators as in urban areas.

Exhibit 1

Recreation Counties in Oregon by Urban/Rural Designation



Source: Office of Management and Budget definition of metropolitan statistical area (MSA) to define urban and non-metropolitan (rural)

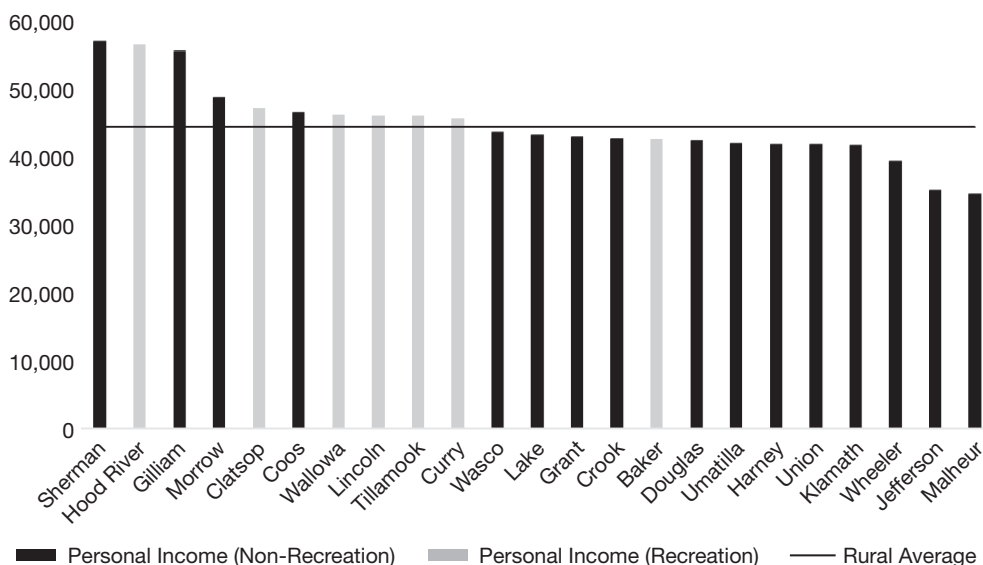
¹ Throughout this article, the use of “seasonal, recreational, and occasional homes” will be used interchangeably with the term “vacation homes.”

² This article uses the Office of Management and Budget’s definition of Metropolitan Statistical Area (MSA) to define urban and non-metropolitan (rural).

Paralleling national patterns of urban and rural areas, rural Oregonians experience higher poverty rates than their urban counterparts. In analyzing U.S. Department of Commerce Bureau of Economic Analysis (BEA) data, the average personal income in rural Oregon is \$44,155 per year, whereas the average personal income in urban Oregon is \$51,145 per year (BEA, 2020).³ Exhibit 2 compares the personal incomes from recreation counties with the rest of rural Oregon. Six of the seven recreation counties have a higher personal income than the average of rural Oregon, supporting extensive research that the tourism industry is a driving component of the economy of a region (Li, Jin, and Shi, 2018).

Exhibit 2

Personal Income in Rural Oregon by Recreation and Non-Recreation Counties, 2019



Source: Bureau of Economic Analysis, 2019

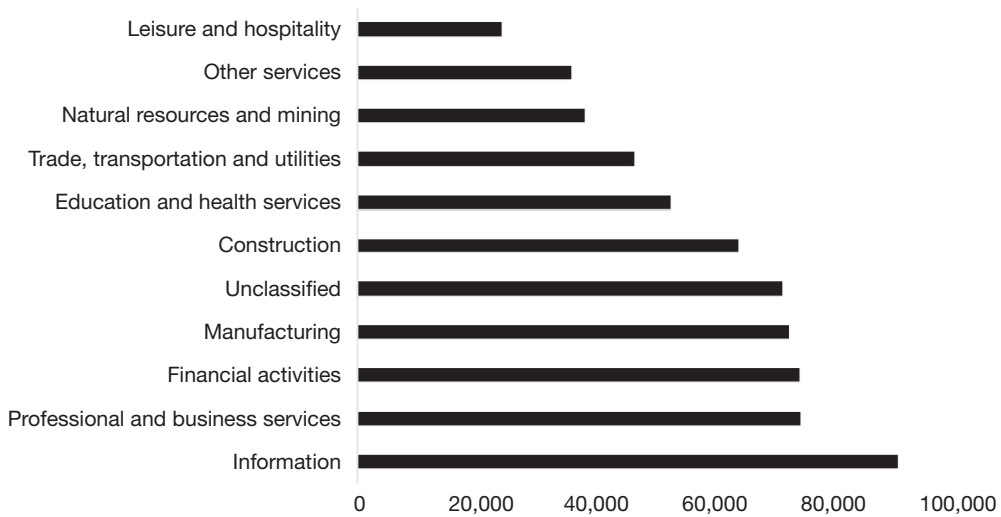
A unique component that distinguishes a recreation county from other counties is the high number of jobs that exist in the sectors of “entertainment, recreation, accommodations, eating and drinking places, and real estate, which are industries that provide lower wage jobs for employees in these sectors” (U.S. Bureau of Labor Statistics, 2021). In Oregon, the average wages for the leisure and hospitality sector are lower than any other private industry in the state (exhibit 3). This is reflected in the number of rent-burdened households in recreation counties. Exhibit 4 demonstrates the burden on housing costs that renters in recreation counties experience. The U.S. Department of Housing and Urban Development (HUD) defines “rent-burdened” as households that spend more than 30 percent of their income on housing (HUD, 2011). In rural Oregon, the average percentage of income that households spend on rent is 37.5 percent, which establishes the average rural renter in Oregon as rent-burdened. Recreation counties exhibit the highest incidence of rent burden, with

³ Personal income is defined as “Income that people get from wages, proprietors’ income, dividends, interest, rents, and government benefits. A person’s income is counted in the county ... where they live, even if they work elsewhere” (U.S. Bureau of Labor Statistics, 2020).

five of the seven counties above the rural Oregon average. Additionally, median rents are higher in counties with more vacation homes, with Hood River, Clatsop, Lincoln, Curry, and Tillamook counties exhibiting higher rents than any other rural county (exhibit 5).

Exhibit 3

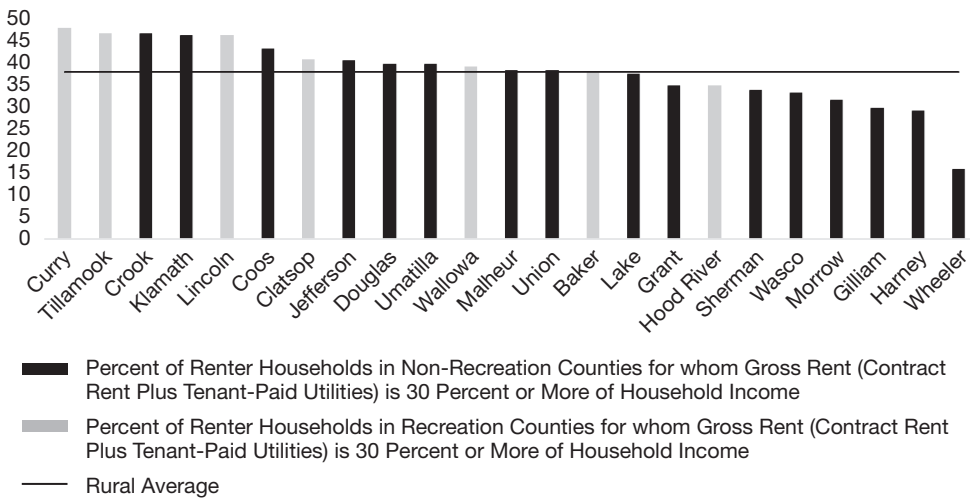
Annual Average Wages by Supersector Industry in Oregon, 2019



Source: State of Oregon Employment Department, 2019

Exhibit 4

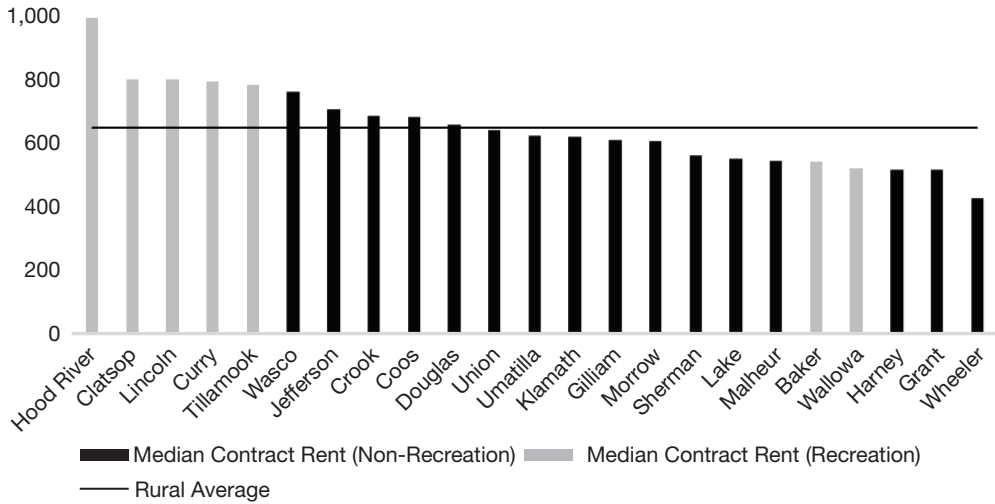
Housing Cost Burden in Rural Oregon by Recreation and Non-Recreation Counties, 2019



Source: U.S. Census Bureau, 2019 American Community Survey

Exhibit 5

Median Rents in Rural Oregon by Recreation and Non-Recreation Counties, 2019

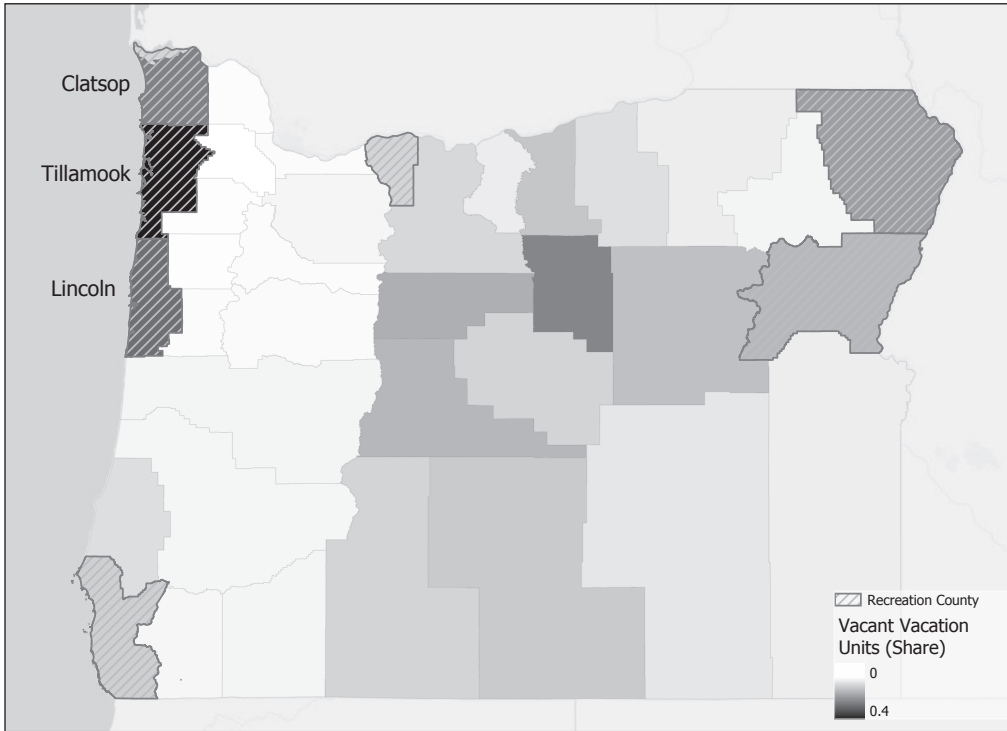


Source: U.S. Census Bureau, 2019 American Community Survey

Another qualifying metric that designates a recreation county is having a high “percentage of vacant housing units intended for seasonal or occasional use reported in the 2010 Census of Population” (USDA ERS, 2015). Exhibit 6 illustrates the counties with the highest vacancy of units intended for seasonal, recreational, or occasional use, normalized by the total number of housing units. Specifically, Clatsop, Tillamook, and Lincoln Counties have the highest vacancy rates in Oregon as a percentage of their total housing stock. In analyzing these three counties more closely, removing the total number of vacant seasonal, recreational, or occasional homes from the total number of vacant homes reveals that seasonal, recreational, or occasional homes play a significant role in the number of available housing units (see exhibit 7).

Exhibit 6

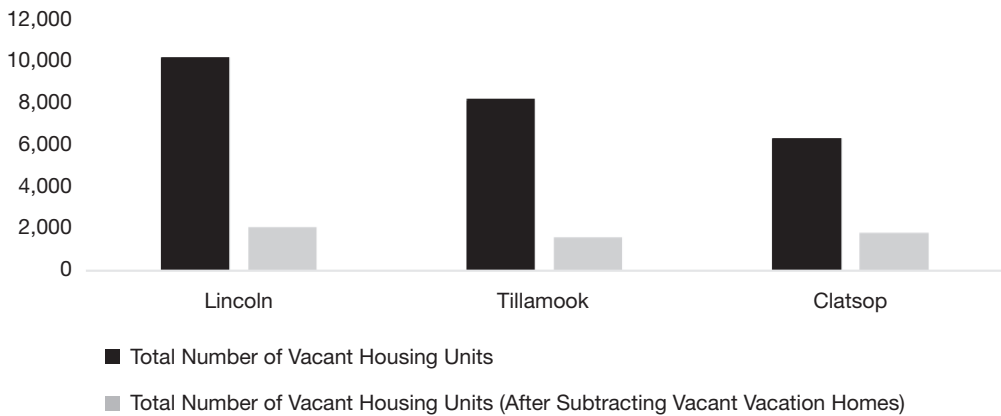
Percentage of Total Housing Units that are Vacation Homes, Oregon, 2019



Source: U.S. Census Bureau, 2019 American Community Survey

Exhibit 7

Impact of Vacation Homes on Housing Availability in Counties with Highest Number of Vacation Homes in Oregon



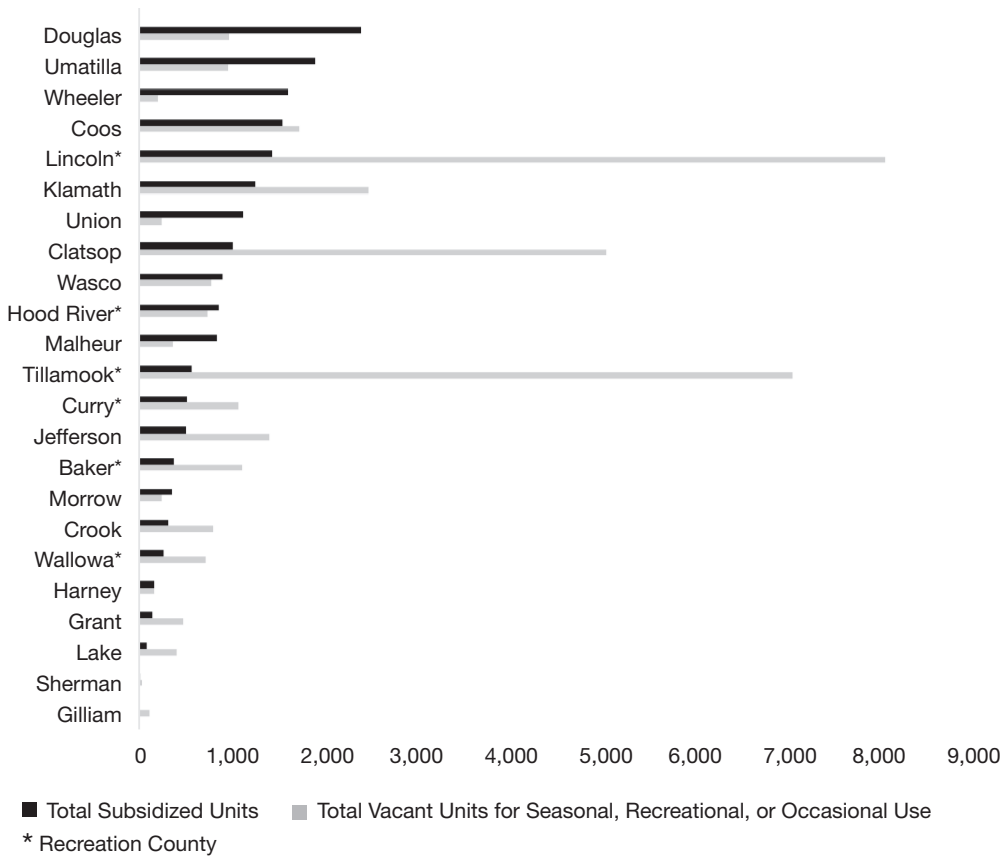
Source: U.S. Census Bureau, 2019 American Community Survey

Tillamook County experiences the highest percentage of total housing units that are vacation homes in Oregon (exhibit 6). Because of this, Tillamook County can be examined as a case study to further understand the connection between vacation homes and housing shortages. A housing study created for Tillamook County establishes two zones in the county—a strong coastal market in which more expensive homes are purchased mainly with cash, and a weaker, interior market in which less expensive homes are often purchased with the assistance of conventional or subsidized loans (czb, 2017). The more expensive, seasonal homes on the coast support a tourism industry that creates low-paying jobs. In turn, this leads to a more challenging housing market in the interior regions of the county where low-wage workers can afford housing. The more affordable interior market is saturated to the point that 56 percent of low-wage workers who work in Tillamook County live outside the county. Of the low-wage workers who live in Tillamook County, 55 percent work outside the county. This mismatch is partly due to housing availability and the cost of housing (czb, 2017). The housing study establishes that the large number of vacation homes on the coastal market are a leading cause for the housing shortage, creating stress on the more affordable interior market. Although this housing study focuses on Tillamook County, the other recreation counties in Oregon experience similar patterns as Tillamook County, such as having a large number of vacation homes compounded with low wages of people who work there. This suggests that the housing landscape that Tillamook County is experiencing, including that of lower-income individuals traveling farther to find available and affordable housing, is one that could reasonably mirror the housing market of Oregon's other recreation counties.

Recreation counties contain fewer available housing units and large numbers of renters who are rent-burdened. When considering the impact on renters in recreation counties, it is important to consider the availability of affordable housing units. Exhibit 8 displays an aggregate of HUD, Low Income Housing Tax Credit, and USDA subsidized units per county. Recreation counties are marked with an asterisk. Recreation counties experience a clear disparity between vacation homes and total subsidized housing units because there are many times more vacation homes than there are affordable units in recreation counties. As the number of vacation homes contributes to the housing shortage and creates substantial impacts on the community, it is important that the number of affordable housing units corresponds to the needs for housing.

Exhibit 8

Total Number of Subsidized Units Compared with Total Number of Vacant Units for Seasonal, Recreational, or Occasional Use in Rural Oregon Counties



Sources: U.S. Census Bureau, 2019; Housing and Urban Development, 2021; Aggregate of Low Income Housing Tax Credit and USDA asset layers on ArcGIS Pro

Renters in rural recreation counties experience unique challenges compared with their non-recreation county neighbors. They are more rent-burdened than other non-recreation rural county residents, partly because the same industry that the recreation counties rely on creates lower-paying jobs for its citizens. Renters in recreation counties encounter fewer available units, which may be because of the prevalence of seasonal, recreational, and occasional use homes, as well as low numbers of subsidized units. A greater investment in housing is needed, particularly in recreation communities that have a higher concentration of vacation homes, such as Tillamook, Clatsop, and Lincoln Counties. In recreation counties, policymakers should consider innovative solutions to housing and take into account the unique indicators that recreation counties possess.

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