

# COMPREHENSIVE MARKET ANALYSIS REPORTS



Policy Development & Research

# Analysis of the Salem, Oregon Housing Market

As of January 1, 2004



ECONOMIC RESEARCH

U.S. Department of Housing and Urban Development

## **Foreword**

This analysis has been prepared for the assistance and guidance of the U.S. Department of Housing and Urban Development (HUD) in its operations. The factual information, findings, and conclusions also may be useful to builders, mortgagees, and others concerned with local housing conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any particular mortgage insurance proposals that may be under consideration in a particular locality or the housing market area.

The factual framework for this analysis follows the guidelines developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based upon information available on the "as-of" date from both local and national sources. As such, any findings or conclusions may be modified by subsequent developments. HUD wishes to express its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

This analysis takes into consideration changes in the economic, demographic, and housing inventory characteristics of the market area during three periods: from 1990 to 2000, from 2000 to the as-of date of the analysis (Current date), and from the Current date to a Forecast date. The analysis presents counts and estimates of employment, population, households, and housing inventory, as of the 1990 Census, 2000 Census, Current date, and Forecast date. For the purposes of this analysis the forecast period is 24 months.

The prospective demand expressed in the analysis should not be construed as a forecast of building activity; rather, it presents the prospective housing production that would maintain a reasonable balance in demand-supply relationship given the market's condition on the as-of date of the analysis. This analysis was prepared by Thomas E. Aston, the Division's Field Economist in the Portland, Oregon Field Office, based on fieldwork conducted in December 2003. Questions regarding the findings and conclusions of the analysis, may be addressed to Mr. Aston at 503-326-2556 and at [Tom\\_Aston@hud.gov](mailto:Tom_Aston@hud.gov)

## **Housing Market Area**

The Salem Housing Market Area (HMA), defined as Marion and Polk Counties, is coterminous with the Salem, Oregon Metropolitan Statistical Area. For the purposes of this analysis, the HMA has been divided into three submarkets: Salem and Keizer cities, the remainder of Marion County outside the city limits of Salem and Keizer referred to in this report as Marion County, and the remainder of Polk County outside the city limits of Salem referred to as Polk County.

The Salem-Keizer submarket is the largest urban area in the HMA, serving as the regional center for medical, educational, and retail services for the North Willamette Valley. Marion County consists of several small urban areas with a diverse economy, including food processing and storage. Polk County, located west of the Salem-Keizer area, consists of several small communities, each with a distinctive economic base, including circuit board maker Tyco International and Western Oregon University. Marion and Polk Counties are Oregon's most productive agricultural areas in terms of dollar value of output.

## **Summary**

Robust sales housing market conditions in the HMA during 2003 resulted in a 13-year record of increasing sales, steady house price appreciation, and housing construction. Since 1990 the homeownership rate in the HMA has increased from 63.5 percent to 65 percent. While the rental market was very active during the 1990s, it has slowed since 2000 due to more competitive market conditions and decline in growth of renter households due to the weakened labor market.

After growing at an average rate of 2.7 percent per year during the 1990s, nonagricultural employment has increased just 0.4 percent a year since 2000. From 2000 to the Current date, several manufacturing firms, including food products and high-technology companies, either closed operations or reduced their workforces.

Because of the slower job growth, the rate of population growth also fell from an annual average of 2.2 percent in the 1990s to 1.6 percent since 2000. In tandem, household growth fell from 2.1 percent to 1.5 percent. While net in-migration to the HMA has declined since 2000, an average 3,300 persons annually move to the area.

During the 2-year forecast period, job growth is expected to recover by 1.8 percent over the forecast period as the nation's economy improves and service-oriented jobs are created in support of an anticipated annual population growth of 1.7 percent. Population growth during the forecast period is expected to add 4,350 households to the HMA, which will result in an estimated demand for 3,400 new units. Demand for rental housing is forecast at approximately 1,350 units, resulting in a reduction of the rental vacancy rate to below 7 percent.

## **Economy of the Area**

Historically, the agricultural, wood products, and government have been the dominant sectors of the economy of the Salem HMA. The city of Salem has been the state capital since 1864. Agriculture and government have been stabilizing economic factors for the HMA. Marion County has a long history as one of Oregon's strongest agricultural regions and now is a leading producer of grass seed, nursery products, hazelnuts, wine, berries, and processed foods such as frozen dinners and potato chips. The lumber and wood products industry ranges from logging operations to hardwood products to production of manufactured homes. The public sector accounts for 28 percent of total nonagricultural employment in the HMA. Three of the top five employers in the HMA are in the public sector, including the Oregon state government with 16,000 employees, Western Oregon University in Monmouth employing 1,500 workers, and Chemeketa Community College in Salem with 1,700 employees. The largest employer in the HMA is Salem Hospital with 2,850 employees. May Trucking Company rounds out the top five with 1,200 employees.

Also contributing to the economic growth has been the quality of life in the HMA. The Willamette River, Oregon's second largest river, flows through the city of Salem providing a source of recreational activity and scenic beauty. The HMA stretches west to within 15 miles of the Oregon Coast, and the Cascade Mountains mark the eastern edge of the HMA, providing year-round outdoor sports such as skiing and hiking. The HMA has four institutions of higher education: Willamette University, Western Oregon University, Chemeketa Community College, and Western Oregon Baptist College. As the state capital and the location of the Oregon State Fair, the HMA draws many tourists.

In the 10-year period from 1990 to 2000, the labor force grew at an annual rate of 2.5 percent to 168,497 persons, and total resident employment increased annually at 2.4 percent, or 3,300 jobs, to 155,929. During the same period nonagricultural employment increased at an annual rate of 2.7 percent, or approximately 3,500 jobs annually. From 2000 to the Current date, labor market conditions have weakened and growth in the labor force and total employment have slowed to annual rates of 1.5 percent and 1.0 percent respectively. Nonagricultural employment declined by 1,500 jobs during the period, but as of the Current date had recovered to 139,000, the same level as the annual average for 2000. The trends in employment from 1990 through the Current date are presented in Tables 1, 2, and 2a.

Several factors lie behind the slower growth and weaker economic conditions since 2000. The manufacturing sector has lost more than 4,000 jobs, a 23-percent decline from the peak in 1998 of 18,300 jobs. In the food products industry, higher labor and energy costs have led to closures by the J. M. Smucker Company and AgriFrozen Foods in Woodburn, and Chiquita Brands International and Pictsweet in Salem. Wood products giant Weyerhaeuser, as part of restructuring, has laid off workers and closed some mills and logging operations in the HMA.

The national recession has hurt the local high-technology sector as well. Circuit board maker Tyco International has reduced its workforce, and silicon wafer manufacturer SUMCO, another major high-technology employer, has announced the closure of two plants that will result in the permanent loss of 620 jobs in 2004. Due to budget cuts, 700 state government jobs have been cut in the HMA since 2000.

During the 12 months ending as of the Current date, the labor market has improved slightly. Although job losses continue in the manufacturing sector, increases in the service producing sectors are offsetting those losses. Healthcare services, trade, and financial activities added 275 jobs each, while leisure and hospitality services added 600 jobs.

Despite recent setbacks, the economy is expected to resume a stable growth trend. The relatively healthy economy and quality-of-life factors will continue to attract new job seekers, as well as retirees.

Several future developments promise to boost the local economy. Construction has begun on a convention center in downtown Salem and on Keizer Station, a retail and office complex in Keizer. Mill Creek Industrial Park in southeast Salem is a proposed 700-acre industrial park that will be designed to attract firms engaged in manufacturing, warehousing, and distribution. Supreme Corp., a truck parts manufacturer, recently announced plans to locate in Woodburn and will employ 120 people when production begins in early 2004.

Employment is projected to grow by 1.8 percent a year during the forecast period to 141,500. While the manufacturing sector is expected to recover slightly, most of the job growth anticipated during the forecast period will occur in trade, healthcare services, and business services.

## **Household Incomes**

According to Census data, median family income in the HMA grew at an annual rate of 2.5 percent between 1989 and 1999, rising to \$47,009 in 1999. The Economic and Market Analysis Division of HUD estimated that the median family income for the HMA as of 2004 is \$55,400, or an annual increase of 3.3 percent since 1999.

## **Population**

As of January 1, 2004, the population for the Salem HMA was estimated to be 368,000 persons compared with a population of 347,218 in 2000. From 1990 to 2000 the population of the HMA grew at a relatively fast rate of 2.2 percent annually or an average of 6,925 persons. Between 2000 and the Current date, population growth slowed to an annual rate of 1.6 percent, or an average of approximately 5,550 persons

Population growth in the Salem-Keizer area has been the fastest of the three submarkets in the HMA, increasing by 2.7 percent annually, compared with 1.9 percent a year for

Polk County and 1.8 percent for Marion County during the 1990s. Between the 2000 Census and the Current date, the population in Salem-Keizer grew by 1.9 percent annually, while Polk County grew 1.5 percent a year and Marion County increased by 1.2 percent annually.

For the HMA as a whole, net in-migration accounted for 68 percent of the population growth between 1990 and 2000. Based on data from the Census and demographic trends, it is estimated that approximately 40 percent of the population growth in the HMA during the period was due to international in-migration, much of it from Central and South America. Among the three submarkets, in-migration accounted for 67 percent of the population growth in Salem and Keizer, 80 percent in Polk County, and 66 percent in Marion County. Net in-migration to the area during this period was driven by strong job gains of more than 2,000 jobs a year. Approximately one-third of the jobs created during this period were in the well-paying manufacturing or government sectors.

From 2000 to the Current date, migration trends were similar for both the Marion County and Polk County submarkets. In Salem-Keizer, the rate of in-migration slowed, mainly in response to reduced employment opportunities, but still accounted for an estimated 59 percent of total population growth. The population and household trends from 1990 to the Forecast date for the HMA and the three submarkets are presented in Table 3.

The HMA population is forecast to increase to 380,600 as of January 1, 2006. Net in-migration is expected to account for 63 percent of population growth during the forecast period and total approximately 8,000 persons.

## **Households**

As of the 2000 Census, 124,699 households were in the HMA. Between 1990 and 2000 the number of households increased by an average of 2,300 annually or a rate of 2.1 percent. The percentage of owner households increased from 63.5 percent to 64 percent. Between 2000 and the Current date, the total number of households rose to 132,000, an average annual increase of 1,950 or 1.5 percent. The tenure shift to owner occupancy accelerated during this period, and as of the Current date the ownership rate was estimated to be 65 percent. Historically low mortgage rates during the past 2 years, as well as the relatively affordable prices of both new and existing homes, have increased the prospects for homeownership among first-time buyers and enabled existing owners to move up.

Among the HMA submarkets, Salem-Keizer registered the most rapid household growth at an annual average rate of 2.4 percent between 1990 and 2000. During the same period, both Marion and Polk Counties recorded household growth at a rate of 1.7 percent annually. Due to the higher incidence of larger families moving to the HMA, average household size rose in all submarkets between 1990 and 2000. As a result, average household size in Marion County rose from 2.76 persons in 1990 to 2.81 persons in 2000 and in Polk County from 2.78 persons to 2.83 persons. Similarly, in the Salem-Keizer submarket, average household size increased from 2.44 in 1990 to 2.56 in 2000. Between

2000 and the Current date, household growth slowed by 15 percent to an average of 1,950 each year. The decline in household growth since 2000 reflects the slower population growth during period and the weaker local economy.

In response to anticipated population growth, the HMA's quality of life, and a moderately improving economy during the forecast period, annual household growth is forecast to increase at an annual rate of 2,175 households.

## **Housing Inventory**

From 1990 to 2000, the housing inventory of the HMA increased from 105,847 to 132,635 units, or approximately 2,700 units annually. As of the Current date the housing inventory in the HMA is estimated at 139,800 units, or an average annual increase of 1,910 units. Owner-occupied units totaled 86,000 units, or 65.1 percent of the occupied housing stock. Renter-occupied housing totaled 46,000 units, or 34.9 percent of the households. An estimated 7,800 units were vacant as of the Current date, including 1,750 vacant units available for sale and 3,500 units available for rent.

The inventory in the Salem-Keizer submarket increased to 66,591 units in 2000 and owner-occupied units increased from 56.5 to 58.4 percent of all households. In Marion and Polk Counties the percentage of owner-occupied housing units declined by approximately 0.5 and 1 percentage point, respectively, because of increased apartment construction in Marion County and annexations in Polk County by the city of Salem. Table 4 describes housing inventory and vacancy trends over the periods of 1990, 2000, and the Current date for the HMA and submarkets.

Because of the substantial growth in the local economy, the tight rental market conditions, and rapidly increasing demand, apartment multifamily developers were especially aggressive in the early 1990s. An estimated 3,800 units were permitted in the first 3 years of the decade, or 42 percent of the total multifamily permit activity for the decade. In the sales market, a robust local economy and steady population growth spurred a 21 percent increase in production of sales housing from 1996 through 1999. During the period, single-family permits averaged 1,670 annually, compared to 1,380 from 1992 to 1995. Table 5 presents the trends in residential building permit activity from 1992 to 2003 for the HMA and submarkets.

Construction activity since 2000, as measured by building permits, has been dominated by single-family homes. From 2000 through 2003, single-family activity averaged 1,425. With the slower growth in households, demand and production declined in 2000 and 2001. Low rates and continued growth, however, have resulted in an increase in activity during 2002 and 2003, averaging 1,550 homes annually. At the same time, construction of multifamily rental housing declined significantly due to an increasingly competitive market in the rental market, the slowdown in the economy, and the decline in growth of renter households and subsequent renter demand for new units. From 2000 to the Current date, multifamily building permit activity has averaged 425 units annually compared to 910 a year from 1996 to 1999 and 835 annually from 1992 to 1995.

Residential construction activity since 2000 has been most active in the Salem-Keizer submarket, accounting for 52 percent of all new construction in the HMA. The trend of increasing homeownership continued with the addition of more than 2,200 homes to 59.8 percent as of the Current date

## **Housing Vacancy**

Very tight housing market conditions prevailed at the time of the 1990 Census. The owner vacancy rate was 1.2 percent and the rental vacancy rate was 3.7 percent. The robust local economy and strong steady population and household growth spurred production of both sales and rental housing during the 1990s. By 2000 the owner-occupied vacancy rate was 2.8 percent. In the rental market of the housing market, the rapid rate of apartment construction during the 1990s brought the market into balance, and by 2000 the vacancy rate had increased to 6.5 percent.

Because of the moderate decline in single-family construction activity between 2000 and the Current date, and the low mortgage interest rates creating a strong demand for sales, the owner vacancy rate has dropped to an estimated 2 percent as of January 1, 2004.

## **Sales Market Conditions**

The Salem HMA is one of the more affordable housing markets in the Willamette Valley. As of 2000, the median value in Salem was \$131,100, compared with \$152,000 in Eugene and \$150,600 in Corvallis.

The HMA sales market turned in a record year with the sale of 6,726 new and existing homes during 2003, according to the Willamette Valley Multiple Listing Service. Total sales of new and existing homes averaged 6,000 from 2000 through 2002. The median price of a home sold in 2003 was \$147,000, 3.2 percent higher than in 2002. From 2000 through 2003 the median price of a home increased 13 percent in the HMA. The greatest increases in prices were registered in east Salem (15 percent), Woodburn in the Marion County submarket (18 percent), and Dallas in the Polk County submarket (19 percent).

According to local realtors, local first-time buyers and move-up buyers provide the strength of the current market, while interest from retirees and other households moving to the HMA has weakened over the past year. Since 2000 there has been a slight shift in sales toward houses featuring four and five bedrooms. During 2000, 21 percent of all homes sold had four and five bedrooms, and by 2003, this percentage had risen to 23 percent.

Sales of newly constructed houses totaled 900 properties in 2003, up 26 percent from 2002. The average price of a new house sold was \$185,000, compared with \$173,950 in 2002. As a percentage of all homes sold, newly constructed houses accounted for 15 percent, compared with an average of 11 percent from 2000 through 2002. Three-bedroom homes averaging 1,750 square feet typified the market for new homes in the HMA during 2003. New entry-level homes are currently priced in the range of \$130,000

to \$150,000. Some rural communities, such as Dallas in the Polk County submarket and Stayton in the Marion County submarket, are attracting homebuyers from the Salem-Keizer submarket with prices 10 to 15 percent lower and lot sizes as much as 25 percent larger. Land available for subdivision development in Salem and many of the HMA's smaller communities is adequate, but land supplies remain tight in the communities of Keizer and Woodburn.

Owner-occupied multifamily housing is a very small part of the sales market, totaling only 300 units in 2000. According to local realtors, the average price of a unit in 2003 was \$160,000. No condominiums are under construction as of the Current date, but the future redevelopment of the 125-acre property formerly occupied by the Fairview Hospital and Training Center in southeast Salem is expected to include some condominiums. Manufactured housing is also a small part of the market, averaging approximately 250 homes a year for the past 3 years. Compared to the 1990s, sales have tapered off due to lack of land available for park development and competition from the affordable conventional housing market.

## **Rental Market Conditions**

In 1990 the rental market in the Salem HMA was relatively tight. With the addition of approximately 10,150 new rental units, or a 27 percent increase in the rental stock, however, between 1990 and 2000, conditions changed significantly to more balanced, but competitive, conditions. Rental market conditions since 2000 have remained competitive despite slowed multifamily construction activity. Competition from the sales market and a sluggish local economy resulting in slower population growth relative to the 1990s have sustained competitive rental market conditions since 2000.

Approximately half of the increase in the rental stock was in developments of 50 or more units, raising the share of large projects in the inventory to 12 percent, compared with 4 percent in 1990. Approximately 10 percent of the new rental units that entered the market during the 1990s were financed through the Low Income Housing Tax Credit program, significantly improving the availability of affordable housing for renters. In addition, several upscale apartment complexes, offering amenities such as clubhouses with fitness centers, business centers, and swimming pools, arrived on the market.

The slower population and household growth since 2000 has resulted in a decline in the growth of renter households and demand, contributing to an increase in the rental vacancy rate. The rate has been in the range of 6 to 9 percent since 2000 compared with 4 to 5 percent throughout much of the 1990s. According to data from the Miles Report, rents in the Salem-Keizer submarket have been steady during the 2 years prior to the Current date and are currently averaging \$456 for a studio, \$521 for a one-bedroom/one-bath unit, \$625 for a two-bedroom/two-bath unit, and \$695 three-bedroom/one-and-a-half-bath unit. As of the Current date, approximately 230 units in two multifamily rental developments are under construction. No large-scale apartment complexes are under review by permit offices in the HMA as of the Current date.

Currently 1,460 units of project-based Section 8 and public housing are in the HMA. The inventory consists of 793 units for families and 695 units for seniors. Currently, waiting lists exist for both public housing units and the Section 8 program. In addition, an estimated 4,719 Section 8 vouchers are assisting households, and 520 units of rental housing are assisted through programs of the Rural Housing Service. Approximately 190 units are direct rental assistance for 55 elderly persons and 135 families. The remaining 330 units are restricted to households with incomes of 80 percent or less of the local median family income.

Currently, approximately 1,700 rental units in the HMA are financed by low-income housing tax credits, with 154 apartments for seniors, 646 units for families, 282 units for farm workers, and approximately 600 units for specialized populations. Rents in these developments are generally lower than the prevailing rents in conventionally financed developments in the market. As of the Current date, vacancy rates in these rent-restricted developments are below the 7 percent typical in the market overall.

## **Forecast Housing Demand**

As a result of the improving economy and continued in-migration, it is estimated that there will be a demand for 1,700 new sales units and 675 new market-rate rental units annually. Taking into account sales and rental housing units under construction, as well as the continued tenure shift toward homeownership, a corresponding level of production would achieve an acceptable demand-supply relationship at the end of the forecast period.

The demand for new sales housing is expected to be met primarily through construction of single-family detached housing. Developers active in the city of Salem currently have several applications requesting land-use zone changes for developing subdivisions with lots in the 6,000- to 7,000-square-foot range. Several existing subdivisions in Marion County, from Woodburn in the north to Stayton in the south, are currently in the built-out phase, as is Dallas, 15 miles west of Salem in Polk County. Rental demand is expected to be lower in the first year of the forecast period due to continued competition from the sales market. Based on current construction and pipeline activity, a demand of approximately 550 units would result in a lower rental vacancy rate at the end of 2004 and less competitive conditions. In the second year of the forecast period, demand is expected to increase to 800 units in response to a growing economy and a less-competitive sales market. Table 6 presents the average annual demand by rent and unit size.

Table 1  
Labor Force and Total Employment  
Salem HMA  
1992 to January 1, 2004

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Labor Force	146,800	154,600	158,700	158,700	164,500	164,200	169,500	171,150	175,450	172,400	179,100	181,550
Employment	136,900	143,600	150,200	151,400	155,100	154,600	159,800	160,750	165,950	161,550	166,700	168,300
Unemployment	9,900	11,000	8,500	7,300	9,400	9,600	9,700	10,350	9,500	10,900	12,367	13,300
Rate (%)	6.7	7.1	5.4	4.6	5.7	5.8	5.7	6.1	5.4	6.3	6.3	7.3

Sources: Workforce and Economic Research  
Oregon Employment Department

Table 2

Nonagricultural Employment

Salem HMA

January 1, 1992 to December 31, 2001

Employment Sector	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
Nonagricultural	112,200	116,100	120,800	124,500	128,400	131,400	134,400	136,600	139,000	137,500
Goods Producing	20,300	21,200	23,300	24,200	25,000	25,700	26,100	25,900	25,600	23,900
Construction	4,800	5,100	5,800	6,300	6,900	7,500	7,500	7,600	7,400	6,700
Manufacturing	15,500	15,900	17,300	17,800	17,900	17,900	18,300	17,900	17,800	16,700
Durables	8,100	8,700	9,500	10,000	10,200	10,400	10,700	10,200	10,200	9,500
Lumber and Wood Products	3,600	3,800	4,100	4,200	4,000	4,000	4,400	4,300	4,000	3,600
Manufactured Housing	1,100	1,300	1,700	1,700	1,500	1,500	1,500	1,300	1,100	800
Nondurables	7,400	7,200	7,800	7,800	7,600	7,600	7,600	7,700	7,700	7,300
Food Products	4,900	4,900	5,300	5,300	5,200	5,100	5,100	5,200	5,100	4,700
Service Producing	91,900	94,900	97,500	100,300	103,400	105,700	108,300	110,700	113,400	113,600
Transportation & Public Utilities	3,200	3,300	3,500	3,500	3,600	3,600	3,900	4,000	4,500	5,000
Wholesale and Retail	24,800	25,800	26,400	27,400	27,600	27,800	28,400	29,000	29,700	29,200
Finance, Insurance, & Real Estate	6,100	6,500	6,700	6,500	6,500	6,600	6,800	7,000	6,800	6,600
Other Services	25,400	26,400	27,700	29,000	30,100	31,000	31,800	32,200	33,400	32,100
Business Services	4,400	4,600	5,300	6,400	6,800	6,800	6,700	6,800	6,900	6,200
Healthcare Services	8,400	8,800	8,800	8,900	9,200	9,700	9,800	9,700	9,900	10,000
Government	32,400	32,800	33,200	33,900	35,700	36,700	37,500	38,600	39,000	39,000
Federal Government	1,700	1,700	1,600	1,600	1,600	1,600	1,600	1,600	1,700	1,500
State Government	17,700	17,500	17,300	17,700	18,200	18,800	19,100	19,600	19,400	19,200
Local Government	13,100	13,600	14,000	14,600	16,000	16,300	17,300	17,300	17,800	18,300

Note: Standard Industrial Categories.

Source: Oregon Department of Employment

Table 2a  
 Nonagricultural Employment  
 Salem HMA

January 1, 2002 to January 1, 2004

Employment Segment	2002	2003
Total Nonagricultural	138,200	139,000
Construction	6,575	6,475
Manufacturing	14,300	14,150
Durables	7,325	7,125
Lumber and Wood Products	2,275	2,275
Nondurables	6,975	7,050
Food Products	4,400	4,250
Trade, Transportation, & Utilities	22,225	22,675
Transportation & Public Utilities	3,225	3,400
Wholesale & Retail	19,000	19,275
Information	1,750	1,700
Financial Activities	6,775	6,950
Professional/Business Services	11,400	11,275
Educational Services	17,675	17,950
Healthcare Services	13,125	13,475
Leisure and Hospitality	12,050	12,650
Other Services	5,300	5,450
Government	39,350	38,500
Federal	1,575	1,500
State	19,200	18,625
Local	18,600	18,375

Note: North American Industrial Categories. Source: Oregon Department of Employment

Table 3  
 Population and Household Trends  
 Salem HMA  
 April 1, 1990 to January 1, 2006

	April 1, 1990	April 1, 2000	Current Date	Forecast Date	Average Annual Change					
					1990 to 2000		2000 to Current		Current to Forecast	
					Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
<b>Population</b>										
Salem HMA	278,014	347,218	368,000	380,600	6,925	2.2	5,550	1.6	6,300	1.7
Salem-Keizer	129,667	169,127	181,500	188,675	3,950	2.7	3,300	1.9	3,575	2.0
Marion County	111,609	133,595	139,600	143,525	2,200	1.8	1,600	1.2	1,975	1.4
Polk County	36,738	44,496	47,000	48,500	775	1.9	650	1.5	750	1.6
<b>Households</b>										
Salem HMA	101,661	124,699	132,000	136,375	2,300	2.1	1,950	1.5	2,175	1.6
Salem-Keizer	49,268	62,604	66,700	69,175	1,325	2.4	1,100	1.7	1,225	1.8
Marion County	39,606	46,862	49,150	50,500	725	1.7	600	1.3	675	1.3
Polk County	12,787	15,233	16,150	16,700	245	1.8	245	1.6	275	1.7

Sources: U.S. Census Bureau, 1990 and 2000 Censuses  
 Current and Forecast: Estimates by analyst

Table 4  
 Housing Inventory Tenure and Vacancy  
 Salem HMA  
 1990 to January 1, 2004

	Salem HMA			Salem-Keizer			Marion County			Polk County		
	1990	2000	Current	1990	2000	Current	1990	2000	Current	1990	2000	Current
<b>Total Housing Inventory</b>	105,847	132,635	139,800	51,177	66,591	70,150	41,262	49,865	52,500	13,408	16,179	17,150
Occupied Units	101,661	124,699	132,000	49,268	62,604	66,700	39,606	46,862	49,150	12,787	15,233	16,150
Owners	64,574	79,746	86,000	27,814	36,575	39,900	27,865	32,739	34,900	8,895	10,432	11,200
%	63.5	64.0	65.1	56.5	58.4	59.8	70.4	69.9	70.9	69.6	68.5	69.4
Renters	37,087	44,953	46,000	21,454	26,029	26,800	11,741	14,123	14,300	3,892	4,801	4,950
%	36.5	36.0	34.9	43.5	41.6	40.2	29.6	30.1	29.1	30.4	31.5	30.6
Vacant Units	4,186	7,936	7,800	1,909	3,987	3,400	1,656	3,003	3,350	621	946	950
Available Units	2,203	5,655	5,250	1,275	3,007	2,600	636	2,054	2,000	292	594	650
For Sale	780	2,289	1,750	413	1,020	650	241	1,001	850	126	268	250
Rate (%)	1.2	2.8	2.0	1.5	2.7	1.6	0.9	3	2.4	1.4	2.5	2.1
For Rent	1,423	3,366	3,500	862	1,987	1,950	395	1,053	1,150	166	326	400
Rate (%)	3.7	7	7.1	3.9	7.1	6.8	3.3	6.9	7.4	4.1	6.4	7.4
Other Vacant	1,983	2,281	2,550	634	980	825	1,020	949	1,350	329	352	350

Sources: U.S. Census Bureau, 1990 and 2000 Censuses  
 Current and Forecast: Estimates by analyst

Table 5  
Residential Building Permit Activity  
Salem HMA  
1992 to January 1, 2004

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>Salem HMA</b>												
Total	2,160	2,412	1,876	2,411	3,373	2,571	2,362	2,018	1,684	1,790	1,960	1,970
Single-family	1,406	1,362	1,425	1,325	1,696	1,737	1,625	1,619	1,360	1,241	1,552	1,549
Multifamily	754	1,050	451	1,086	1,677	834	737	399	324	549	408	421
<b>Salem-Keizer</b>												
Total	1,280	1,441	1,107	1,568	1,935	1,479	1,351	1,009	974	947	1,078	847
Single-family	789	809	836	814	950	888	842	814	773	628	834	766
Multifamily	491	632	271	754	985	591	509	195	201	319	244	81
<b>Marion County</b>												
Total	642	664	517	563	935	671	602	767	450	623	622	732
Single-family	469	396	397	356	425	509	500	581	420	465	518	501
Multifamily	173	268	120	207	510	162	102	186	30	158	104	231
<b>Polk County</b>												
Total	238	307	252	280	503	421	409	242	260	220	260	391
Single-family	148	157	192	155	321	340	283	224	167	148	200	282
Multifamily	90	150	60	125	182	81	126	18	93	72	60	109

Source: U.S. Census Bureau, C-40 Construction Series

Table 6  
 Estimated Qualitative Annual Demand for New Market-Rate Rental Housing  
 Salem HMA  
 January 1, 2004 to January 1, 2006

One Bedroom		Two Bedrooms		Three Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
575	175	725	325	850	135
625	150	775	270	900	110
675	140	825	240	950	100
725	122	875	205	1,000	90
775	100	925	170	1,050	80
825	85	925	135	1,100	70
875	65	975	105	1,150	60
975	50	1,025	85	1,250	50
1,075	40	1,125	65	1,350	45
1,175	30	1,225	50	1,450	25
1,275	20	1,325	40	1,550	15
1,375	15	1,425	0	1,650	10
1,475	10	1,525	0	1,750	10

Note: Distribution above is noncumulative; values less than 10 are shown as 0.  
 Source: Estimates by analyst