

RESIDENTIAL INFILL PROJECT

Year-One Report



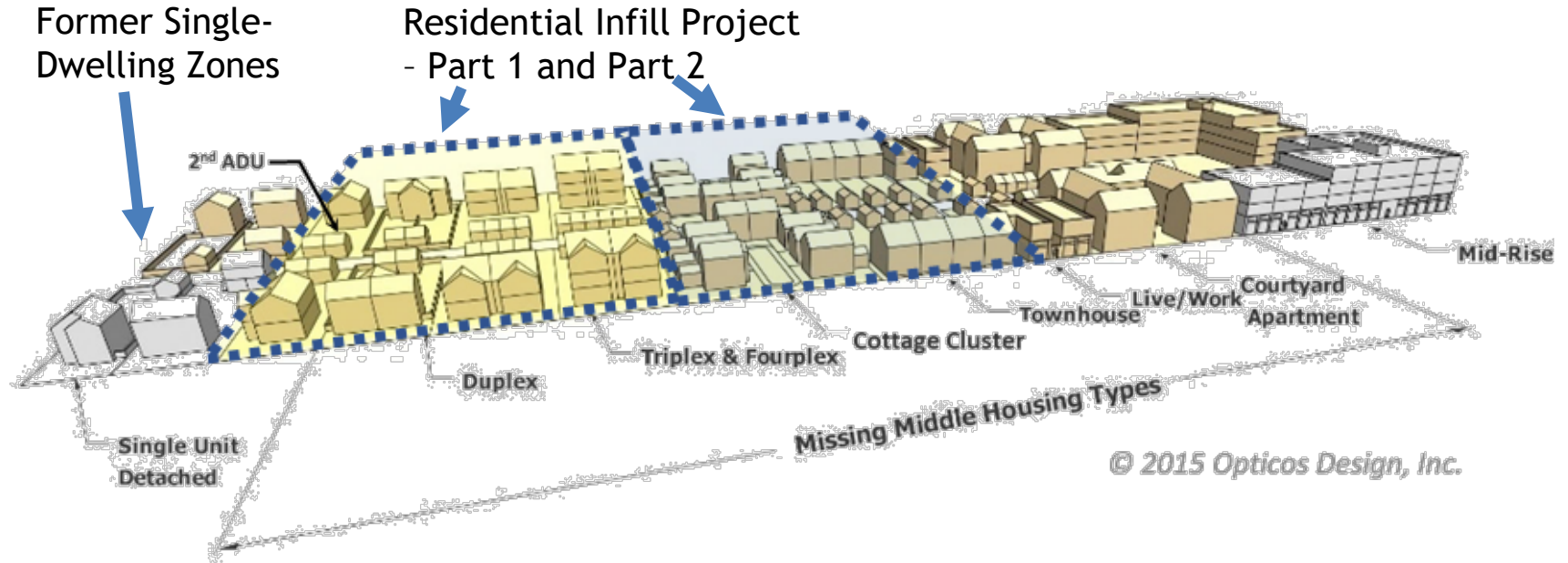
JUNE 2023

RIP - Top 5 Things To Know:

1. Rewrite of Portland's single-dwelling zones
2. Four units allowed on most lots
3. Six units allowed if half the units are regulated at affordable prices
4. Introduces a sliding floor-to-area ratio (FAR) scale to regulate size
5. RIP1 – Effective August 1, 2021

RIP2 – Effective July 1, 2022

Middle Housing



Expanded Housing Options

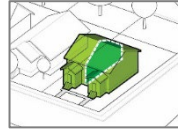
Before RIP



House

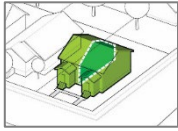


House + ADU



Corner duplex

RIP part 1



Duplex



House+2 ADUs



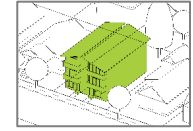
Duplex + ADU



Triplex

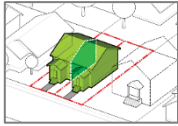


Fourplex

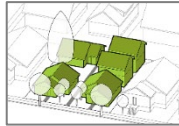


Affordable
sixplex

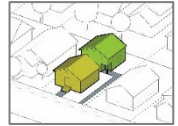
RIP part 2



Attached
Houses



Cottage Cluster



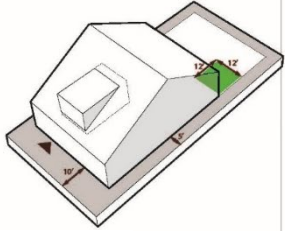
Detached
Duplex



Affordable
townhouses

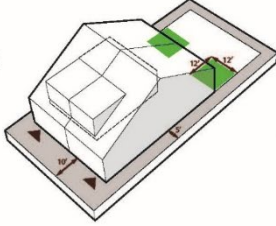
Limit Size of Structures

2,500 sf



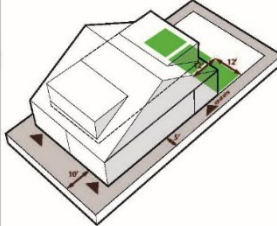
- House

3,000 sf



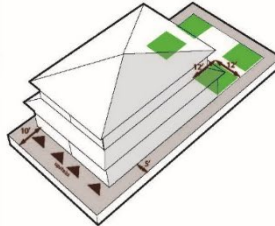
- House +ADU
- Duplex

3,500 sf



- House +2 ADUs
- Duplex +1 ADU
- Triplex

4,000 sf



- Fourplex

- Use floor-to-area ratio (FAR)
- Vary by number of units
- Bonus FAR for affordability or preserving house

Bonus

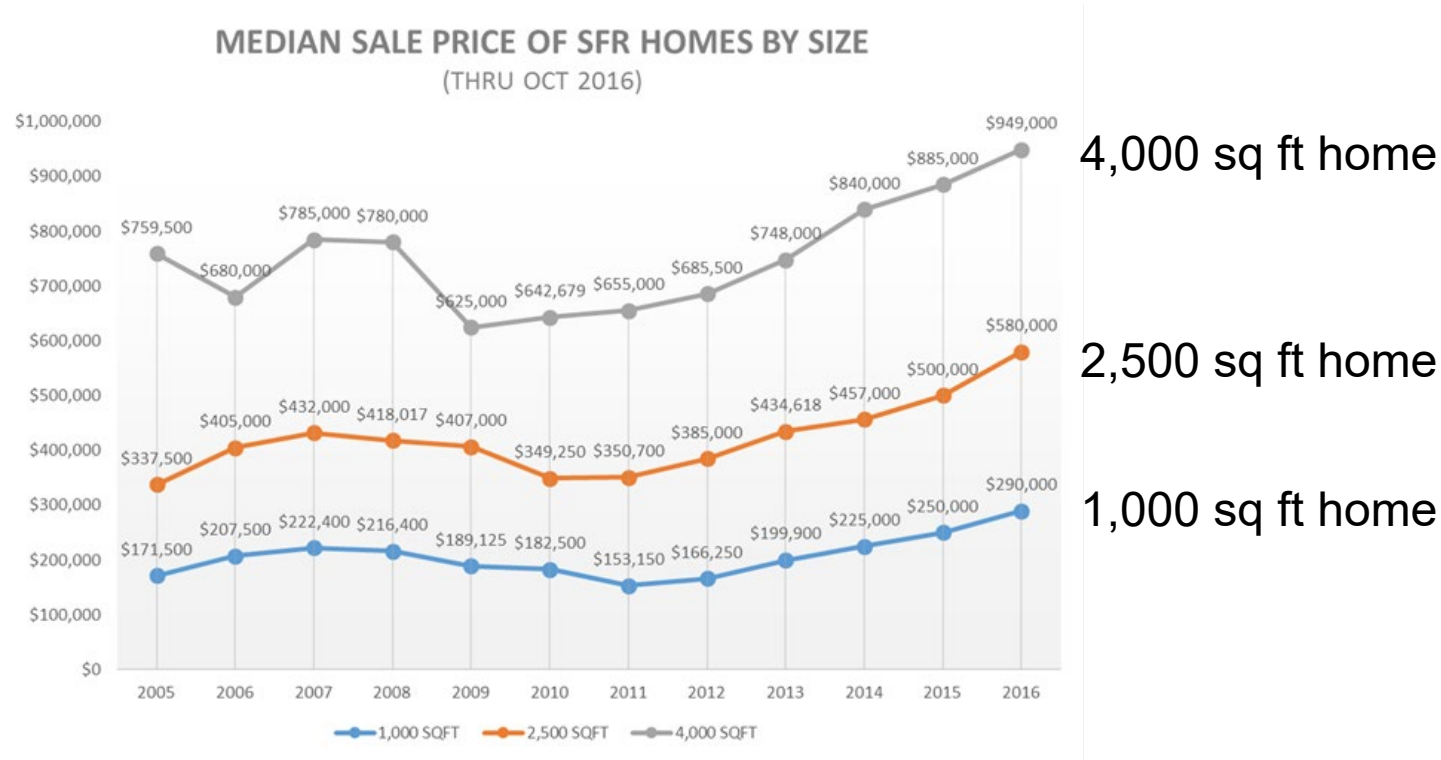
3,500 sf

4,000 sf

4,500 sf

Examples using a 5,000 square foot lot in the R5 zone

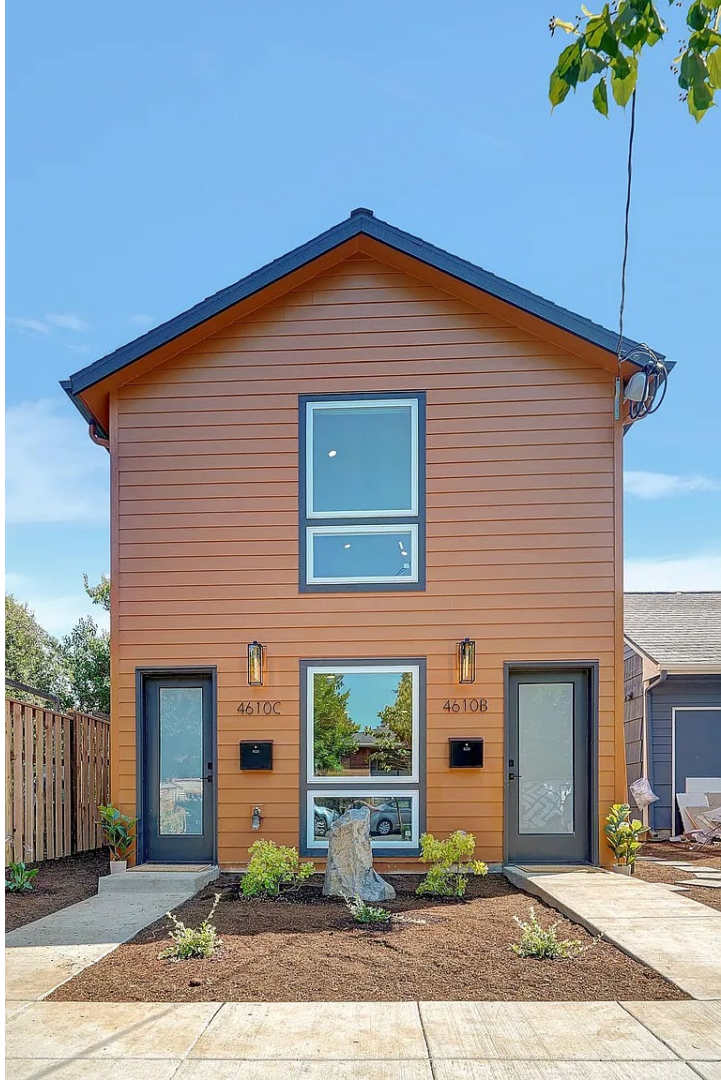
How does scale and housing cost relate?



RIP Year One Report

Caveats

- Total sample size: ~700 units
- Data only reflects R2.5, R5, R7 zones
- Numbers are for “permits issued” during the first year implementation period (August 2021 – July 2022)
- Development period is during COVID
- Data reflects a snapshot in time, will need more time to establish trends



RIP Year One - Key Takeaways

- Excluding ADUs, the **majority of housing units** permitted in the R2.5, R5, and R7 zones in the first year since adoption of RIP were in Middle Housing projects.
- **Fourplexes** accounted for more than $\frac{3}{4}$ of middle housing units in these zones.
- Middle housing uses land nearly **three times more efficiently** than single houses.
- **ADUs are still an important part of the housing mix**, producing an equal number of units as middle housing.
- But unlike ADU's, **over 99% of middle housing units had 2 or more bedrooms**, enabling growing or multigenerational households.
- Building size limits imposed by RIP have **prevented very large, and more expensive single dwelling homes** from being built.

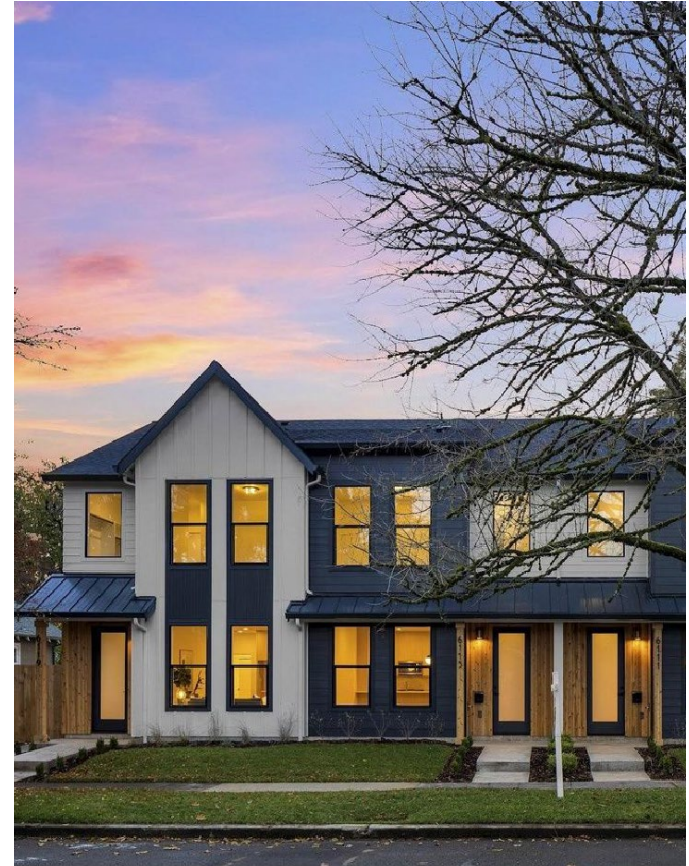
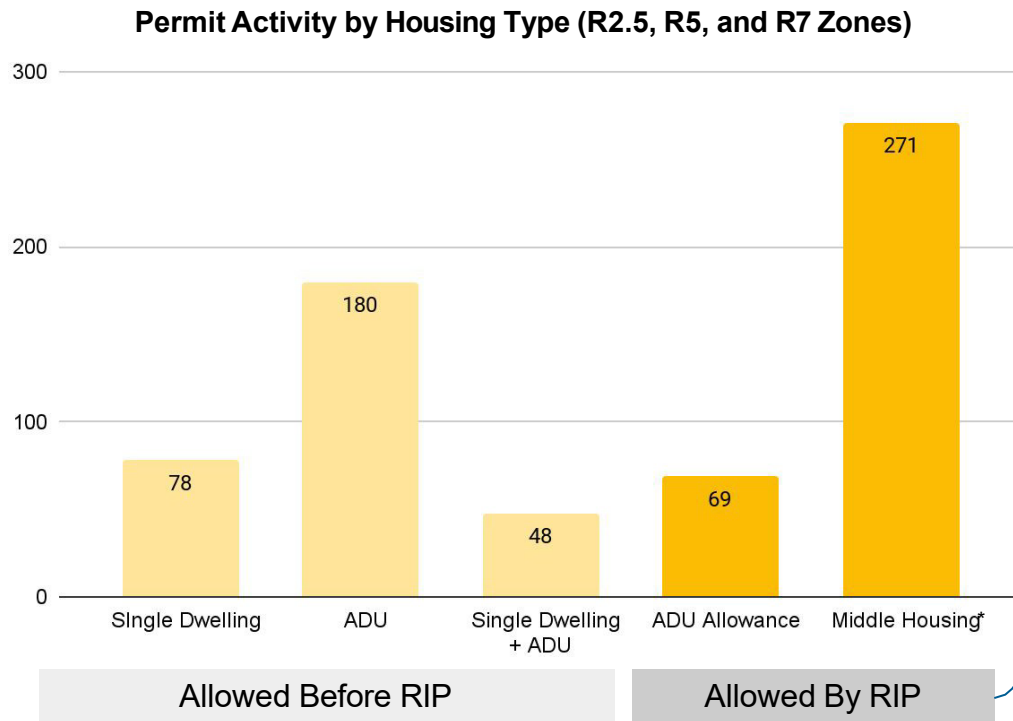


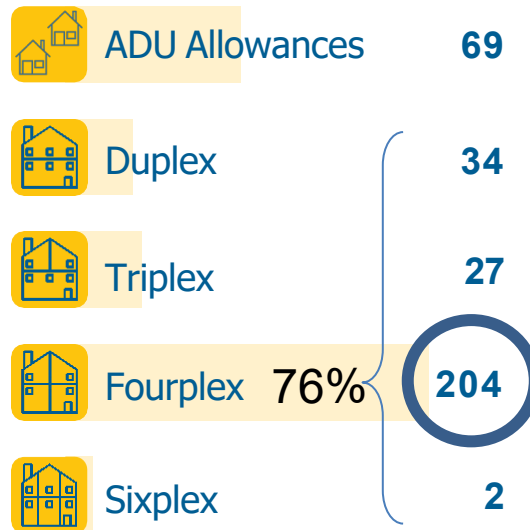
Image Source: Zillow

Permit Activity Overview



RIP-Enabled Units Permitted by Housing Type

Aug 1, 2021- July 31, 2022













*Middle Housing category includes 4 corner duplexes
Source: City of Portland Building Permit Data R2.5-R7 Zones, 8/21-7/22

RIP Y1 Middle Housing Permits, Centers, Corridors

Legend

Permit Type

-  ADU Allowance
-  Duplex or Duplex on Corner
-  Triplex
-  Fourplex
-  Sixplex
-  Centers
-  Centers 1/4 Mile Buffer
-  Corridors
-  Corridors 1/4 Mile Buffer
-  Highway/Freeway

86% of middle housing units were built within a 1/4 mile of a Center or Corridor compared to 60% of new houses



Pre-RIP house remodel



Post RIP duplex

PRE-RIP CONTEXT ANALYSIS

Summary of Findings

Sales trends for new detached single-family homes in the years leading up to RIP adoption suggest that **RIP's impact is not just in what it allows, but also in what it does not.**



Key Finding #1

Nearly half of the new detached single-family homes built and sold from Q1 2018 to Q2 2022 are not possible to build under RIP. This means that RIP not only altered the nature of housing production, it also **truncated the most expensive segment of the detached single-family housing market.**

Pre-RIP Context Analysis Snapshot

1,178

Total new (built since 2018) detached single dwelling homes sold 2018 - 2022

44%

Percent of new detached single dwelling homes sold over FAR threshold

\$117k

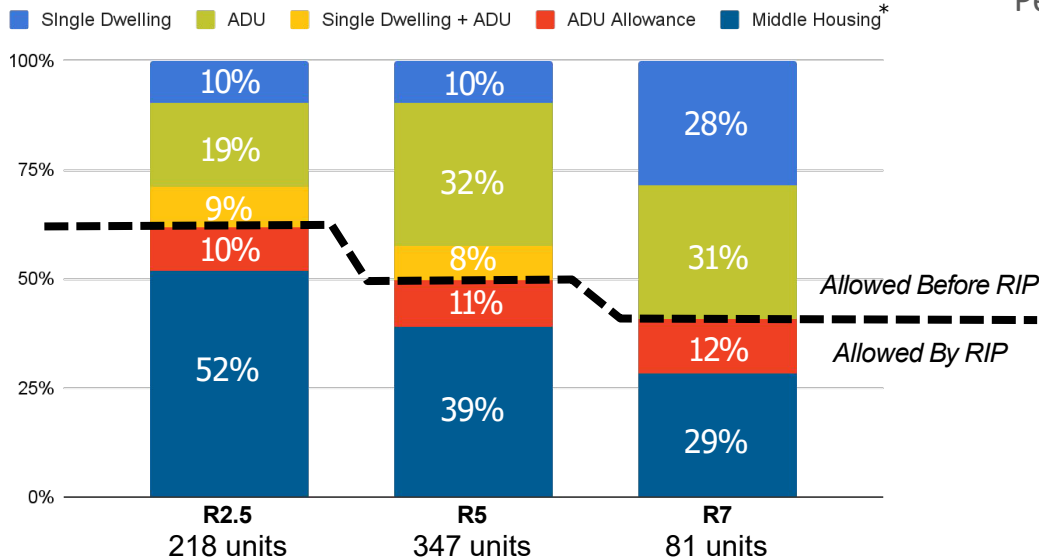
Average sale price difference between homes above and below FAR limits set by RIP

Source: RMLS data (Q1 2018 - Q2 2022)

RIP PERMIT DATA ANALYSIS

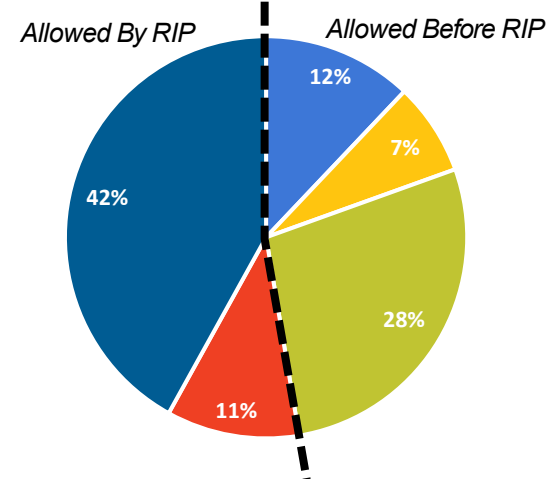
RIP Permits at a Glance

Percent of Units Permitted by Housing Type in RIP Zones



*Middle Housing category includes corner duplexes

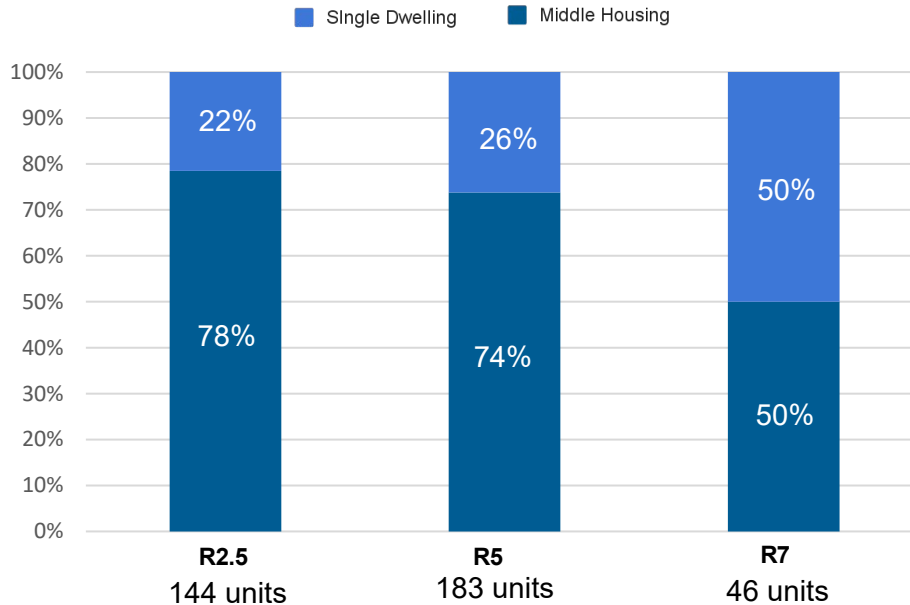
Percent of Units Permitted by Housing Type (R2.5, R5, R7 combined)



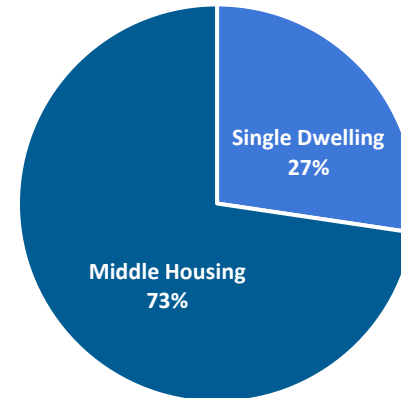
RIP PERMIT DATA ANALYSIS

RIP Permits at a Glance

**Percent of Units Permitted by Housing Type in RIP Zones
(excl ADUs)**



**Percent of Units Permitted by Housing Type
(R2.5, R5, R7 combined, excl ADUs)**

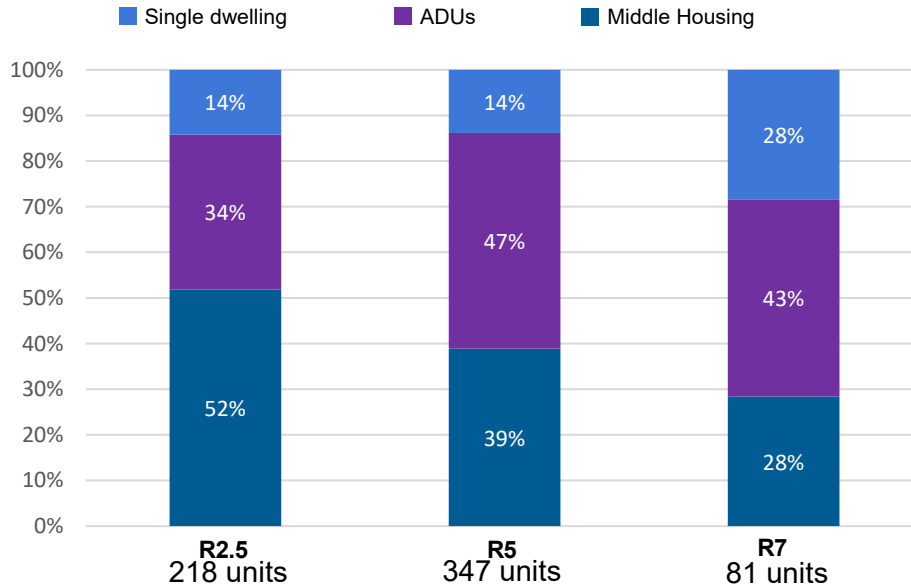


**Middle Housing category includes corner duplexes*

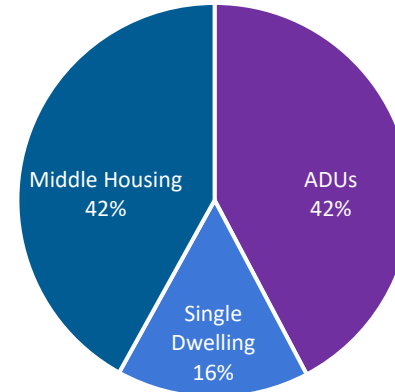
RIP PERMIT DATA ANALYSIS

RIP Permits at a Glance

**Percent of Units Permitted by Housing Type in RIP Zones
(House, ADU, Middle Housing)**



**Percent of Units Permitted (SD, ADU, MH)
R2.5, R5, R7**



**Middle Housing category includes corner duplexes. ADUs includes ADU, ADU w/house and ADU allowances*

DEVELOPMENT CHARACTERISTICS

Number of Bedrooms by Housing Type

More units per building tends to produce less bedrooms per unit.

Developers tend to build smaller units with fewer bedrooms in fourplexes than they do in duplexes and triplexes.

Nevertheless, 99% of middle housing units were 2+ bedrooms. 24% were 3+ bedrooms.

**Does not include 2 unit conversion into sixplex*

Source: City of Portland Building Permit Data R2.5-R7 Zones, 8/21-7/22

Units Permitted by Housing Type and Bedroom Count*

Housing Type	1 Bedroom	2 Bedroom	3 Bedroom	4+ Bedroom
Duplex	1	13	20	2
Triplex	0	13	11	3
Fourplex	0	176	21	7



Key Finding #7

2 bedroom appears to be the “sweet spot” for fourplexes

DEVELOPMENT CHARACTERISTICS

Demolitions and Replacements

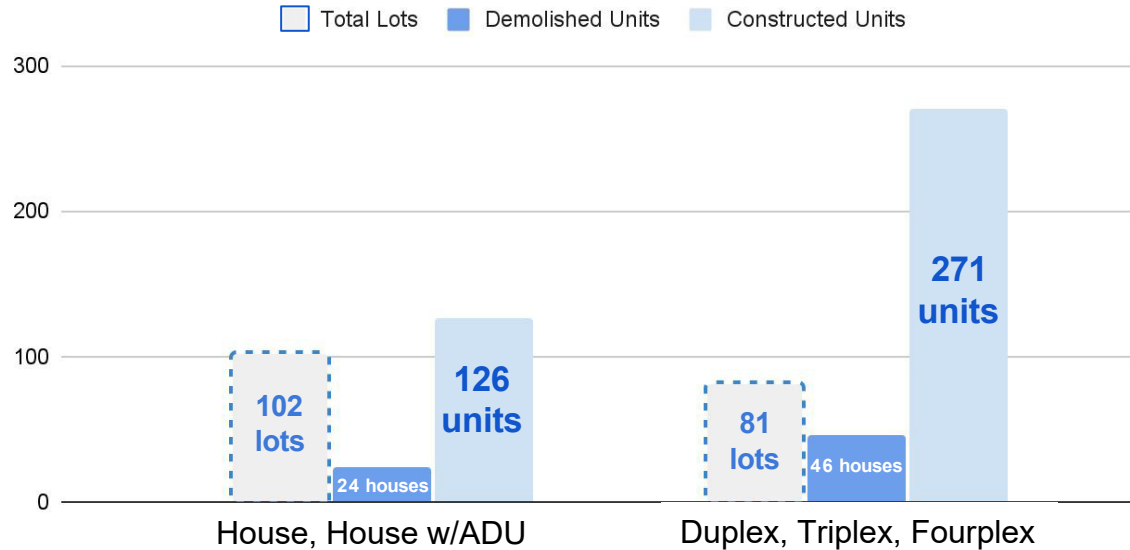
The housing unit replacement rate is the ratio of new units built to units demolished.



Key Finding #9

The net number of units added for Middle Housing has been substantially higher than for single dwellings.

Total Lots and Demolitions vs Number of Units Permitted



* Count of primary single dwellings and ADUs on lots where single dwellings or single dwellings + ADU were permitted. Excludes sites where only ADUs were constructed.

** Excludes ADU allowances, includes corner duplexes

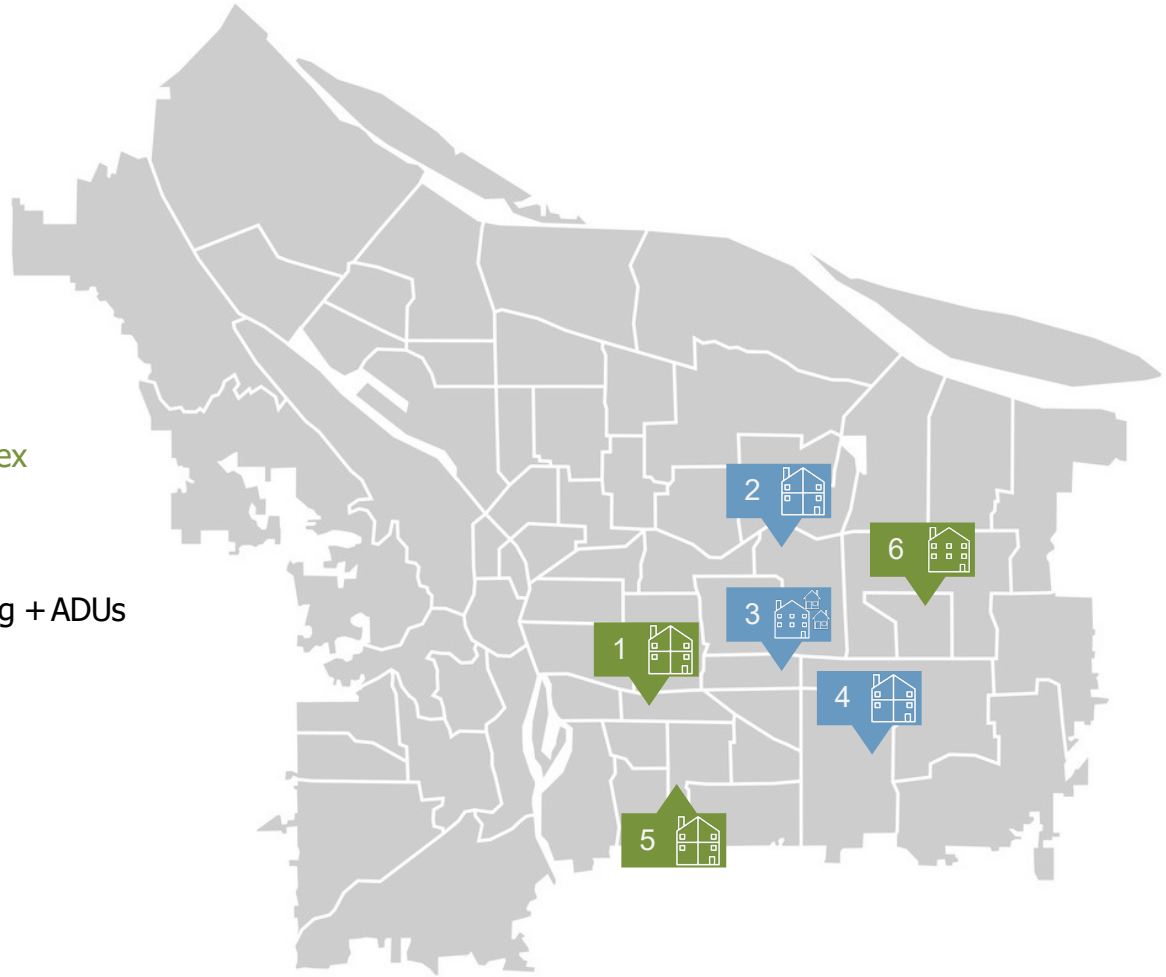
CASE STUDIES

Six case studies are highlighted to represent the range of project types being developed and includes key characteristics.*

**Due to a lack of completed projects at the time this report was developed, no duplex or triplex case studies were included.*

CASE STUDIES

- 1 Creston-Kenilworth | Fourplex
- 2 Montavilla | Fourplex
- 3 South Tabor | Single Dwelling + ADUs
- 4 Lents | Fourplex
- 5 Woodstock | Fourplex
- 6 Mill Park | Single Dwelling



CASE STUDIES



*Price retrieved Apr 2023

**Sales price inflation-adjusted to 2023 dollars

Image Source: Redfin

Fourplex

Three four-unit townhomes on vacant lots

Case Study Overview

Zone	R2.5
Avg Unit Size	1,008
FAR	0.8
Avg Price / Unit*	\$419,900
Avg Bedrooms / Unit	2
Parking	Not included
HOA	\$80
Lot Size	4,750 sq ft
Tenure	Ownership
Previous Lot Sale Price**	\$1,232,000 – price for 3 lots

CASE STUDIES

Image Source: Zillow



Fourplex

Four-unit townhomes replaced a single-family home

Case Study Overview

Zone	R2.5
Avg Unit Size	1,395 sqft
FAR	0.6
Avg Price / Unit*	\$518,099
Avg Bedrooms / Unit	4
Parking	Not Included
HOA	\$40/month
Lot Size	10,000 sqft
Tenure	Ownership (Condo/Co-op)
Previous Lot Sale Price**	\$572,270

*Price retrieved Feb 2023

**Sales price inflation-adjusted to 2023 dollars

CASE STUDIES



*Price retrieved Apr 2023

**Sales price inflation-adjusted to 2023 dollars

Image Source: Redfin

Single Dwelling

One single dwelling (SD) home on two lots was demolished and replaced with a SD home on each lot

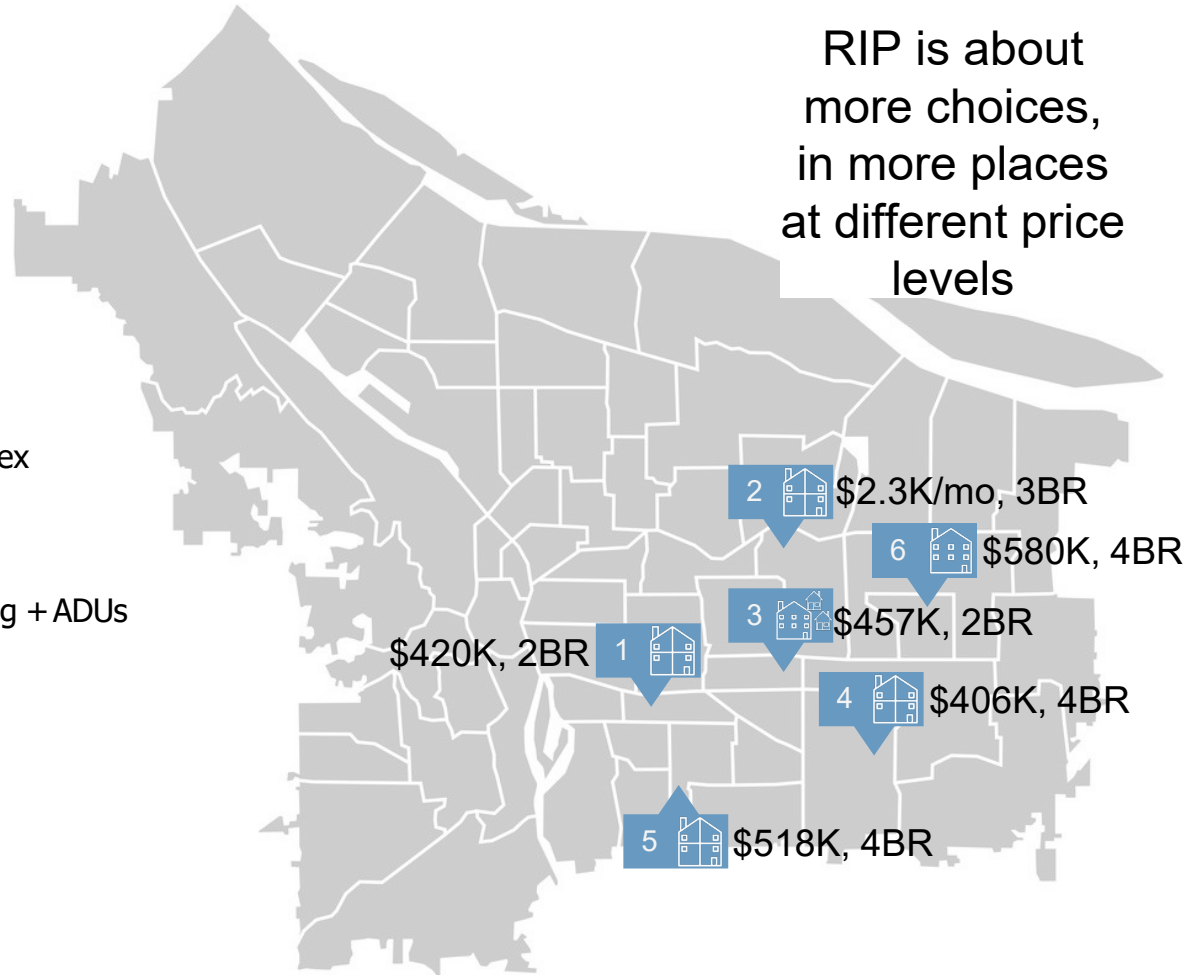
Case Study Overview

Zone	R5
Unit Size	2,076
FAR	0.4
Avg Price / Unit*	\$579,900
Avg Bedrooms / Unit	4
Parking	1 Car Garage
HOA	N/A
Lot Size	5,227 sq ft
Tenure	Ownership
Previous Lot Sale Price**	\$220,335

CASE STUDIES

RIP is about
more choices,
in more places
at different price
levels

- 1 [Creston-Kenilworth](#) | Fourplex
- 2 [Montavilla](#) | Fourplex
- 3 [South Tabor](#) | Single Dwelling + ADUs
- 4 [Lents](#) | Fourplex
- 5 [Woodstock](#) | Fourplex
- 6 [Mill Park](#) | Single Dwelling



Summary (slide from August 2019 presentation to council)

More housing types
+ smaller size, scaled by number of units
+ allowed everywhere
=
More units
smaller units
less-expensive units
and less displacement overall