“A flower cannot blossom without sunshine”
The Business Cycle...
Home prices dropped by nearly 50 percent.
Unemployed skyrocketed
The Business Cycle...

Good Times
Home prices finally recovered
Employment outcomes as good as they get
But is it really all bad?...
Cost of borrowing low

Affordable housing

Labor force highly skilled and affordable
Is it really all good?

Good Times?
Housing poses a new challenge
Housing poses a new challenge

- 4,460 Housing Units Permitted in 2005
- 2,061 Housing Units Permitted in 2017
Employment Lands

2nd home buyers

Remote Workers

Residential Lands

Retirees

Short-term vacationers

Residential Lands

Employment Lands
Geographic mobility plays a major role in affordable housing. The chart shows the years of average annual wage and average household income required to pay for average housing in different locations.

- **Bend**: 6.0 years of average annual wage, 4.5 years of average household income
- **Redmond**: 6.1 years of average annual wage, 4.5 years of average household income
- **Prineville**: 4.5 years of average annual wage, 4.7 years of average household income
- **Madera**: 3.6 years of average annual wage, 4.5 years of average household income
iring the right person can be a struggle
If you find them you will have to pay up
And, jumping ship gets you paid in Oregon

14.9%
Continuously Employed
But, changed employer at least once...

10.6%
Continuously Employed
But, stayed with same employer
“The business cycle is like the ocean, neither good nor bad, but rather a reflection of how you respond to it. If you look at ships and how they navigate the currents of the ocean you see constant adaptation. This is how businesses need to navigate the economy.”

Jay Price
Economic Historian, Wichita State University
What will you have to navigate in 2018?

- Fewer job openings
- Ease the labor crunch
- Wage pressure will continue

- Slower population growth? (retirees excluded)
- Housing supply increasing, particularly rental market
- Rate of home price growth slowing
Questions?

Damon Runberg
(541) 706-0779
Damon.M.Runberg@Oreg