



COMPREHENSIVE HOUSING MARKET ANALYSIS

# Eugene, Oregon

**U.S. Department of Housing and Urban Development,**  
Office of Policy Development and Research

As of January 1, 2024



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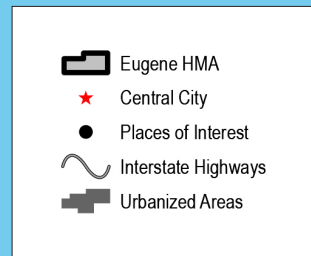
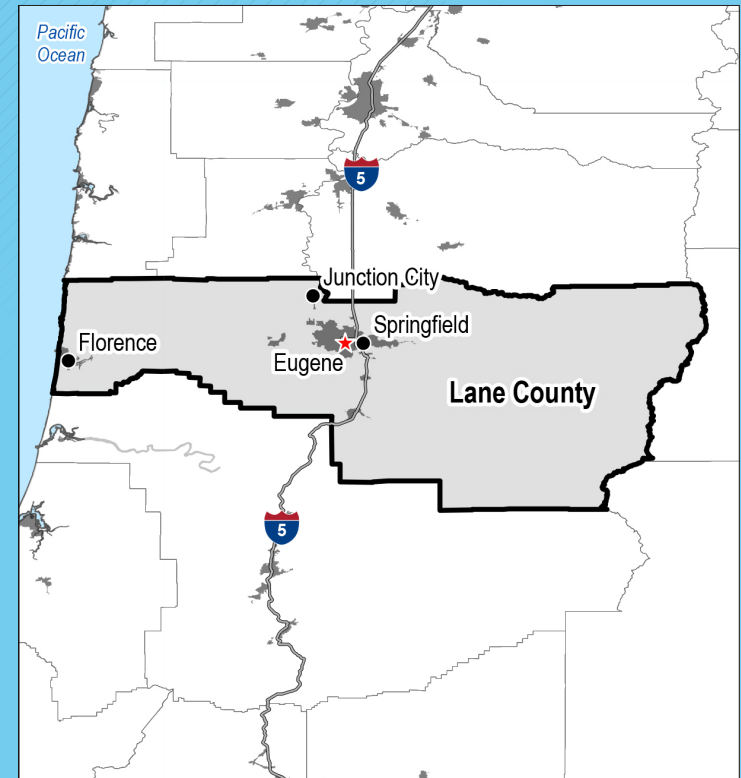
# Executive Summary

## Housing Market Area Description

The Eugene Housing Market Area (HMA) is coterminous with the Eugene-Springfield, OR Metropolitan Statistical Area and consists of Lane County, Oregon. The HMA is located approximately 110 miles south of Portland on Interstate 5 at the southern end of the Willamette Valley.

The current population of the HMA is estimated at 383,100.

The University of Oregon (UO) is located in the city of Eugene, which is the county seat and the largest city in the HMA. In addition to being the primary driver of the HMA economy, UO is the home of the U.S. Track and Field Olympics Trials and attracts an estimated 62,400 out-of-state visitors to sporting events annually (*The Economic Impact of the University of Oregon 2019*).



### Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#).  
 Additional data for the HMA can be found in this report's [supplemental tables](#).  
 For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).



## Market Qualifiers

### Economy



**Stable:** Nonfarm payroll jobs in the Eugene HMA increased during the past 2 years but are currently 0.9 percent below the 2019 level before the COVID-19 pandemic.

During 2023, nonfarm payrolls increased by 2,500, or 1.6 percent, to 163,000 jobs, compared with a 3.0-percent increase during the same period a year earlier. Six of the 11 nonfarm payroll sectors grew during 2023, led by an increase of 1,700 jobs, or 6.0 percent, in the government sector. The unemployment rate decreased from 4.6 to 4.0 percent during the same period and is similar to prepandemic levels. Nonfarm payrolls are expected to continue increasing during the 3-year forecast period at an average annual rate of 0.5 percent.

### Sales Market



**Balanced:** Increased mortgage interest rates caused the number of home sales to decline and price growth to slow during 2023.

The sales vacancy rate in the HMA is estimated at 1.2 percent as of January 1, 2024, up from 1.0 percent as of April 2020. The HMA had a 2.1-month supply of homes for sale during December 2023, up from 1.4 months of supply during December 2022 and a 1.4-month supply during December 2019 before the pandemic (Redfin, a national real estate brokerage). During 2023, new and existing home sales decreased 20 percent, and home sales prices increased less than 1 percent year over year (CoreLogic, Inc., with adjustments by the analyst). During the next 3 years, demand is expected for 2,175 additional homes. The 240 homes under construction are expected to meet a portion of that demand during the first year of the forecast period.

### Rental Market



**Balanced:** The rental vacancy rate is currently estimated at 5.4 percent, reflecting an increase from 4.4 percent in April 2020, when conditions were also balanced.

The apartment vacancy rate rose during the past 2 years because a historically high number of rental units came online. As of the fourth quarter of 2023, the apartment vacancy rate increased to 6.6 percent, up from 5.4 percent as of the fourth quarter of 2022 and significantly up from 1.9 percent as of the fourth quarter of 2021 (CoStar Group). Approximately 870 and 850 market-rate apartment units entered the market during 2022 and 2023, respectively, the most in any 2 years since 2010. As of the fourth quarter of 2023, the average monthly rent increased 1 percent from a year earlier to \$1,445, following average rent growth of 8 percent annually as measured in the fourth quarters of 2021 and 2022. During the forecast period, demand is expected for an additional 1,700 rental units. The 1,450 units under construction will meet all the demand during the first and second years of the forecast period.

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3-Year Housing Demand Forecast		
	Sales Units	Rental Units
Eugene HMA	Total Demand	2,175
	Under Construction	240
		1,450

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of January 1, 2024. The forecast period is January 1, 2024, to January 1, 2027.  
Source: Estimates by the analyst



# Economic Conditions

## Largest Sector: Government

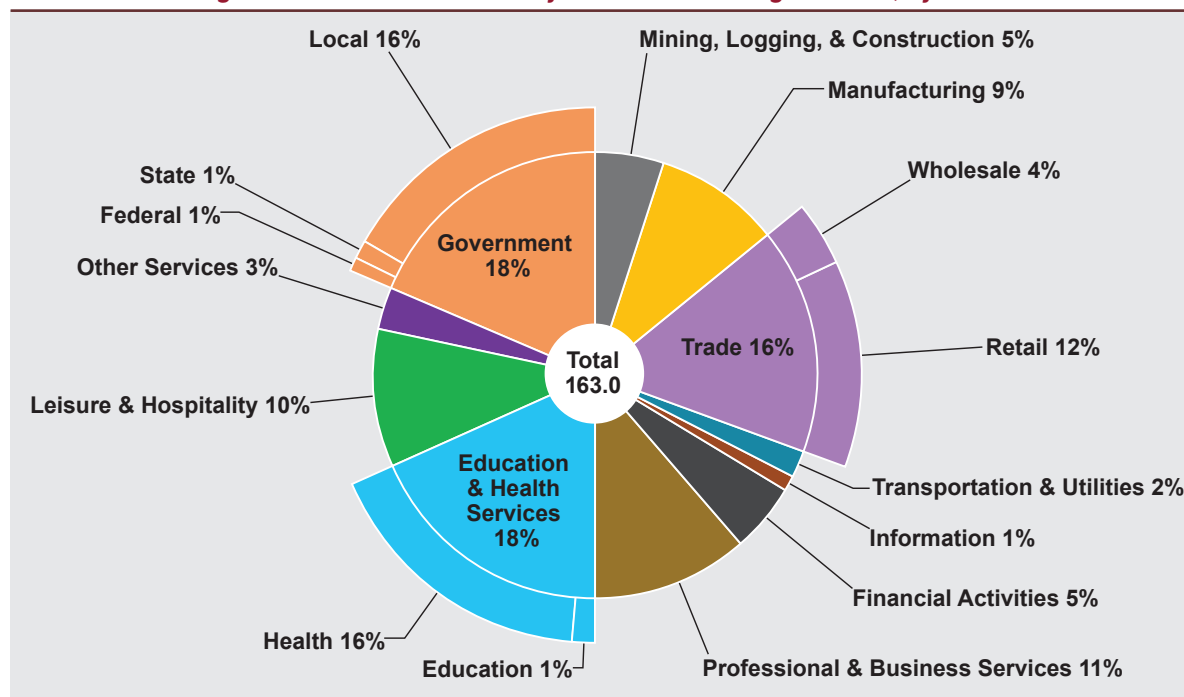
The government sector is the cornerstone of the Eugene HMA economy and has added more jobs than any other payroll sector since 2019.

## Primary Local Economic Factors

The city of Eugene is home to UO, the flagship university of the state. As a result, the government sector, which includes jobs at UO, is an important foundation of the HMA economy. The government sector accounts for 18.4 percent of nonfarm payrolls, more than any other sector, and that share is 3.8 percentage points higher than the national share of government payrolls (Figure 1). UO employs approximately 9,675 people in the HMA, more than any other employer (Table 1), and supports an additional 15,400 indirect jobs in the HMA (*The Economic Impact of the University of Oregon 2019*). In 2019, the annual economic impact of UO was estimated at \$1.2 billion. The third largest employer in the HMA, Lane Community College, is also included in this sector.

The education and health services sector is the second largest payroll sector, accounting for a 17.7-percent share of payrolls, 1.5 percentage points higher than the national average. Almost 93 percent of education and health services jobs are in the health care and social assistance subsector, reflecting the role of the HMA as

Figure 1. Share of Nonfarm Payroll Jobs in the Eugene HMA, by Sector



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through December 2023. The Bureau of Labor Statistics classifies the University of Oregon in the local government sector. Source: U.S. Bureau of Labor Statistics

Table 1. Major Employers in the Eugene HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
University of Oregon	Government	9,675
PeaceHealth	Education & Health Services	5,350
Lane Community College	Government	1,650
Walmart Inc.	Wholesale & Retail Trade	1,050
Kendall Automotive Group	Wholesale & Retail Trade	1,000
Gen Digital Inc.	Professional & Business Services	900
McKenzie-Willamette Medical Center	Education & Health Services	900
Safeway Inc.	Wholesale & Retail Trade	760
Bi-Mart Corporation	Wholesale & Retail Trade	740

Notes: Excludes local governments and school districts. Employment figure for the University of Oregon includes student employees. Sources: Moody's Analytics and estimates by the analyst



a regional hub for services in the southern Willamette Valley. The number of payrolls in the sector has increased by 6,500, or 29 percent, since 2010, a numerical increase nearly twice as large as any other sector. The primary cause of job growth in this sector was an increasing number of people in the HMA aged 65 and older who typically demand more healthcare services.

### Current Conditions— Nonfarm Payrolls

Nonfarm payroll growth slowed during 2023, but the economy of the HMA continues to recover jobs lost from the national recession in 2020. Total nonfarm payrolls in the HMA averaged 163,000 jobs during 2023, up by 2,500 jobs, or 1.6 percent, from 2022, when payrolls increased by 4,700, or 3.0 percent, from a year earlier (Table 2). The number of jobs in the HMA is still 0.9 percent lower than pre-COVID-19 levels (Figure 2) before the pandemic, whereas payrolls in the nation are 3.4 percent higher than 2019 levels. During the past year, payroll growth occurred in 6 of 11 payroll sectors, and the number of jobs exceeded prepandemic levels in the mining, logging, and construction, the manufacturing, the financial activities, and the government sectors.

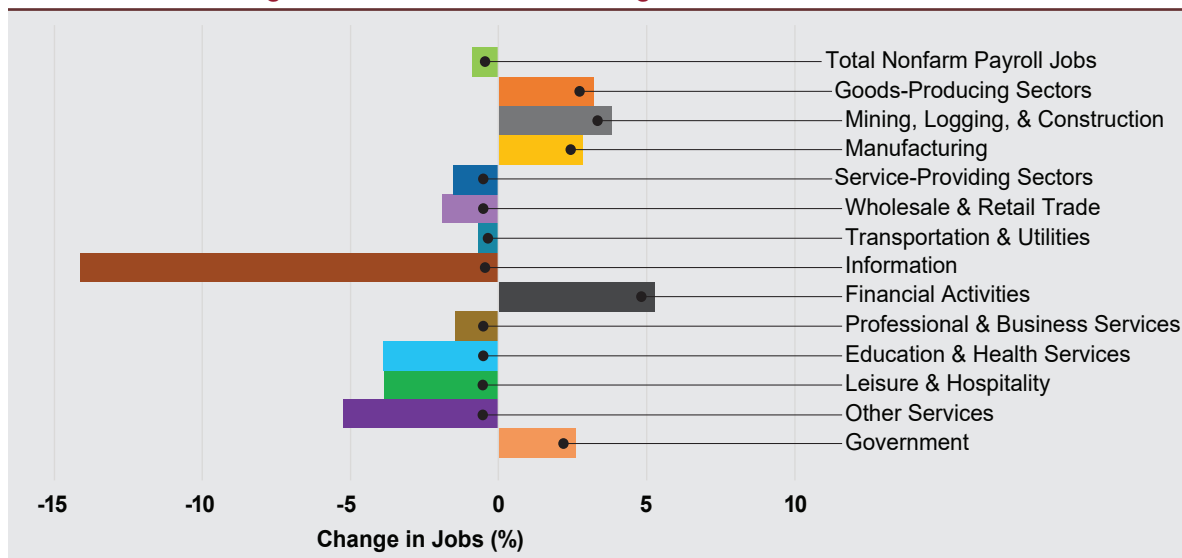
The government sector added the most jobs during 2023, increasing by 1,700 jobs, or 6.0 percent, to 30,100, following growth of 1,500 jobs, or 5.5 percent, during 2022. The local

**Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Eugene HMA, by Sector**

	12 Months Ending December 2022	12 Months Ending December 2023	Absolute Change	Percentage Change
<b>Total Nonfarm Payroll Jobs</b>	<b>160.5</b>	<b>163.0</b>	<b>2.5</b>	<b>1.6</b>
<b>Goods-Producing Sectors</b>	<b>23.4</b>	<b>23.5</b>	<b>0.1</b>	<b>0.4</b>
Mining, Logging, & Construction	8.6	8.8	0.2	2.3
Manufacturing	14.8	14.7	-0.1	-0.7
<b>Service-Providing Sectors</b>	<b>137.0</b>	<b>139.4</b>	<b>2.4</b>	<b>1.8</b>
Wholesale & Retail Trade	26.5	26.1	-0.4	-1.5
Transportation & Utilities	3.6	3.7	0.1	2.8
Information	2.0	2.0	0.0	0.0
Financial Activities	8.8	8.6	-0.2	-2.3
Professional & Business Services	18.3	17.9	-0.4	-2.2
Education & Health Services	27.7	28.8	1.1	4.0
Leisure & Hospitality	16.9	17.1	0.2	1.2
Other Services	4.9	5.1	0.2	4.1
Government	28.4	30.1	1.7	6.0

Notes: Based on 12-month averages through December 2022 and December 2023. Numbers may not add to totals due to rounding. Data are in thousands. Source: U.S. Bureau of Labor Statistics

**Figure 2. Sector Growth in the Eugene HMA, 2020 to Current**



Note: Current data are based on the 12-month averages ending December 2023. Source: U.S. Bureau of Labor Statistics



government educational services industry, which includes UO, was responsible for the majority of government job growth in the past 2 years, adding an average of 1,100 jobs, or 6.6 percent, annually during 2022 and 2023 to a total of 18,300 jobs. Job growth in the local government educational services industry was primarily in local public schools and UO, with payrolls now identical to 2019 levels before the COVID-19 pandemic.

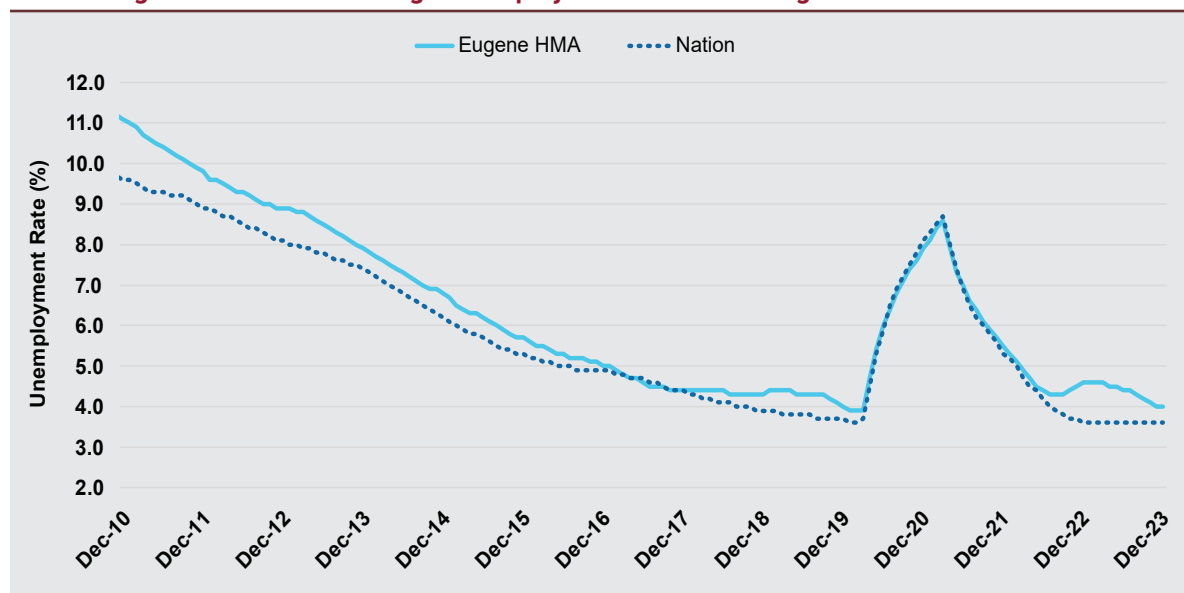
The second largest job gain during 2023 occurred in the education and health services sector, which increased by 1,100 jobs, or 4.0 percent, to 28,800, following a decline of 500 jobs, or 1.8 percent, during the previous year. Since 2020 and the onset of the COVID-19 pandemic, average job growth in this sector has slowed compared with the 2010-through-2019 period, when the education and health services sector consistently led job growth. Payrolls in this sector are 3.9 percent below levels during 2019. The leisure and hospitality sector added 200 jobs, or 1.2 percent, during 2023, down from growth of 2,000 jobs, or 13.4 percent, during 2022 as the sector continued to recover from pandemic-related losses. Despite strong job growth during 2022, the number of jobs in this sector is still 3.9 percent lower than the level during 2019.

## Unemployment Trends

The unemployment rate in the HMA was 4.0 percent during 2023, down from 4.6 percent in 2022, but it continues to be higher than the national average (Figure 3). Resident employment did not increase significantly during 2023, but the labor force contracted 0.6 percent, primarily because of demographic trends, including an increasing number of retirees in the HMA leaving the workforce. The unemployment rate reached a high of 7.9 percent during 2020 because of the COVID-19-related economic downturn and then fell to 5.5 percent in 2021.

Before the 2020 economic downturn, the unemployment rate in the HMA had declined throughout the 2010s. Due to job losses incurred during the Great Recession, the unemployment rate in the HMA was 11.1 percent in 2010. From 2011 through 2019, the unemployment rate decreased every year to 4.0 percent during 2019.

**Figure 3. 12-Month Average Unemployment Rate in the Eugene HMA and the Nation**



Note: Based on the 12-month moving average.  
Source: U.S. Bureau of Labor Statistics



## Economic Periods of Significance

### 2010 Through 2016—Recovery

After the Great Recession, job growth in the HMA was slow. From 2011 through 2013, nonfarm payrolls increased by an average of 1,000 jobs, or 0.7 percent, annually. During this period, the leisure and hospitality sector led job gains, adding 500 jobs, or 3.3 percent, annually. Government was the only sector that lost jobs, declining by 700 jobs, or 2.4 percent, annually, because budgetary constraints forced local governments to trim payrolls. Job growth accelerated from 2014 through 2016, with payrolls increasing by an average of 4,300 jobs, or 2.9 percent, annually to 157,600 jobs in 2016, nearly matching the pre-Great Recession high of 157,800 jobs in 2007. Every payroll sector except the transportation and utilities and the information sectors expanded during this period. The education and health services and the professional and business services sectors added the most jobs from 2014 through 2016, increasing by respective averages of 1,000 and 800 jobs, or 4.2 and 5.2 percent, annually. From 2014 through 2016, the fastest job growth in percentage terms occurred in the mining, logging, and construction sector, which grew an average of 6.0 percent, or by 400 jobs, annually, supported by increasing levels of residential and commercial construction.

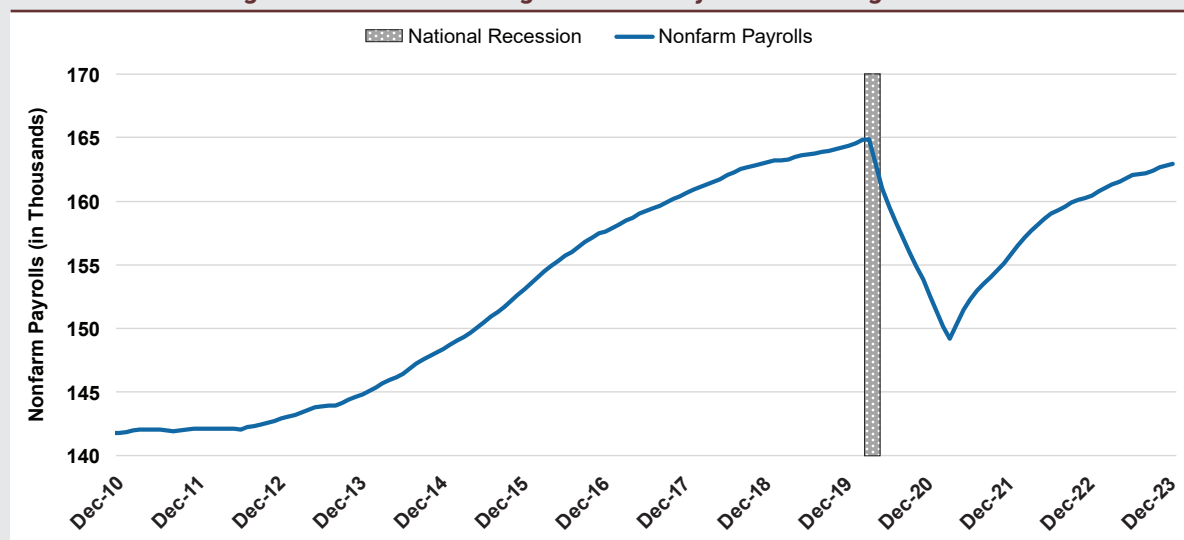
### 2017 Through 2019—Expansion

Job growth slowed as the economy of the HMA surpassed the pre-Great Recession peak of payrolls. From 2017 through 2019, the number of nonfarm payrolls in the HMA increased by an average of 2,300, or 1.4 percent, annually. During this period, the education and health services sector continued to lead job growth, expanding by an average of 1,300 jobs, or 4.9 percent, annually. The mining, logging, and construction sector continued to have a high rate of job growth from 2017 through 2019, increasing an average of 4.3 percent, or by 300 jobs, annually. Although jobs increased in this sector every year from 2012 through 2019, the number of payrolls was still below pre-Great Recession levels in 2019.

### 2020 and 2021—Job Losses and Recovery During the COVID-19 Pandemic

During 2020, nonfarm payrolls in the HMA fell 7.2 percent, or by 11,800 jobs, with every payroll sector contracting because of public health measures used to combat the COVID-19 pandemic (Figure 4). Job losses in the HMA during this period were more severe than in the nation, where nonfarm payrolls fell 5.8 percent.

Figure 4. 12-Month Average Nonfarm Payrolls in the Eugene HMA



Note: 12-month moving average.  
Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research



The leisure and hospitality sector had the most job losses, declining by 3,900 jobs, or 21.9 percent, with the food services and drinking places industry contracting by 2,700 jobs, or 19.6 percent, because restaurants were forced to limit services or temporarily close, and tourism plummeted. The government sector had the second most job losses, contracting by 2,200 jobs, or 7.5 percent. Nearly all the job losses in the government sector occurred in the local government educational services industry, which fell by 2,000 jobs, or 10.9 percent. Temporary curtailment of in-person classes, both at UO and local school districts, contributed to these job losses.

The economy of the HMA began to recover in 2021, adding 3,200 jobs, or 2.1 percent. The largest job gain was in the leisure and hospitality sector, up by 1,000 jobs, or 7.2 percent, with the food services and drinking places industry increasing by 800 jobs, or 7.2 percent, because restrictions on in-person dining ended, and tourism recovered. Payrolls in the education and health services sector were flat in 2021, and payrolls in the government sector decreased by 200, or 0.7 percent, partly offsetting the job gains.

## Forecast

During the 3-year forecast period, the economy in the HMA is expected to continue to grow as it transitions from recovery to expansion, with nonfarm payroll jobs increasing an average of 0.5 percent annually. Job growth in the government sector is expected to slow because enrollment at UO is stable, and

the jobs temporarily lost during 2020 and 2021 have already been regained. The education and health services sector is also expected to grow at a slower rate than the 2010-to-2019 period because the second largest employer in the HMA, PeaceHealth, plans to close its 120-bed University District hospital.





# Population and Households

**Current Population: 383,100**

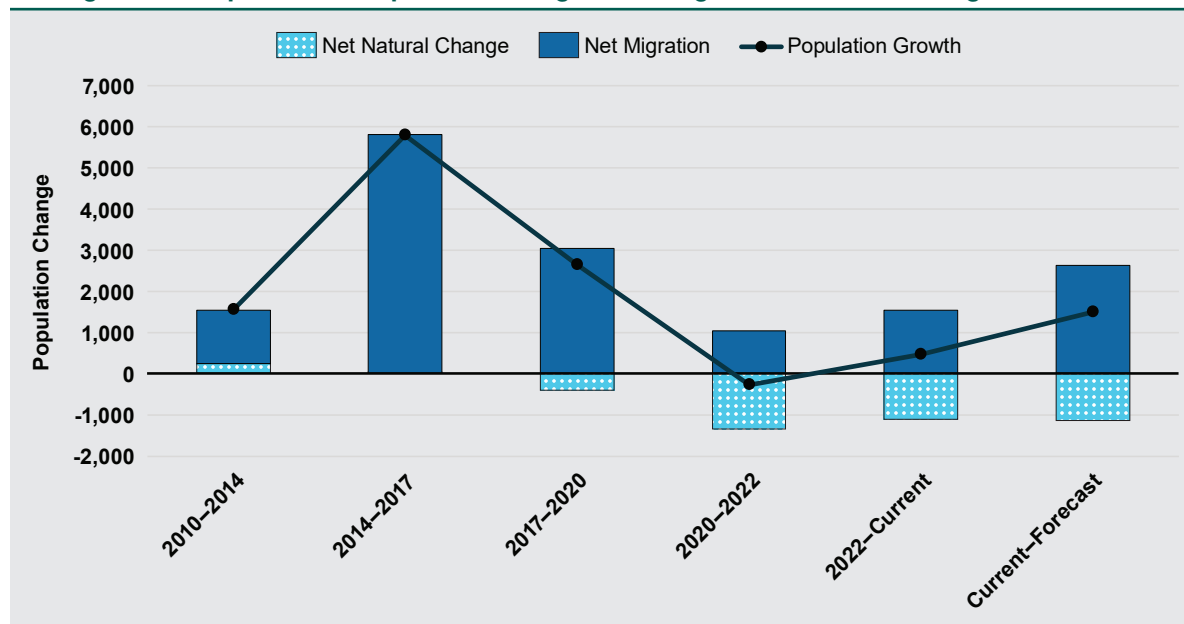
The population of the HMA has been relatively stable since 2020, compared with annual growth of 0.9 percent from 2010 to 2020.

## Population Trends

Population trends in the HMA mirrored job growth trends from 2010 to the onset of the COVID-19 pandemic. From 2010 to 2014, when the economy of the HMA was recovering from the Great Recession and the unemployment rate remained elevated, population growth averaged 1,550 people, or 0.4 percent, annually (Figure 5). During this period, net in-migration averaged 1,300 people annually, and net natural increase averaged 240 people each year. The economy strengthened from 2014 to 2017, and population growth accelerated to an average of 5,800 people, or 1.6 percent, from 2014 to 2017, with net in-migration accounting for all of the growth because of the higher rates of job growth in the HMA.

Population growth in the HMA decelerated following a slowdown in job growth that occurred from 2017 through 2019. From 2017 to April 2020, the population of the HMA increased by an average of 2,650, or 0.7 percent, annually. Long-term demographic trends, including an aging population

**Figure 5. Components of Population Change in the Eugene HMA, 2010 Through the Forecast**



Notes: Data displayed are average annual totals. The forecast period is the current date (January 1, 2024) to January 1, 2027. Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

and fewer births, contributed to net natural decline averaging 410 people annually during this period. Net in-migration slowed to an average of 3,050 people annually from 2017 to April 2020 because slower job growth led to fewer people moving to the HMA.

The population of the HMA declined by an average of 270, or 0.1 percent, from April 2020 to 2022, during the COVID-19 pandemic. During this period, net natural decrease accelerated to an average of 1,325 people a year because of increased mortality related to COVID-19. Net in-migration from 2020 to 2022 averaged 1,050 people annually because weak economic conditions reduced incentives for in-migration during much of the period. Since 2022, the population of the HMA has increased by an average of 470, or 0.1 percent, annually to 383,100 as of January 1, 2024. Net natural decrease has slowed to an average of 1,100 people because of a lower rate of excess mortality attributable to COVID-19. Net in-migration increased to an average of 1,575 people annually but was below the 2014-to-2020 rate because sluggish job growth has limited the number of people migrating to the area for economic opportunities.



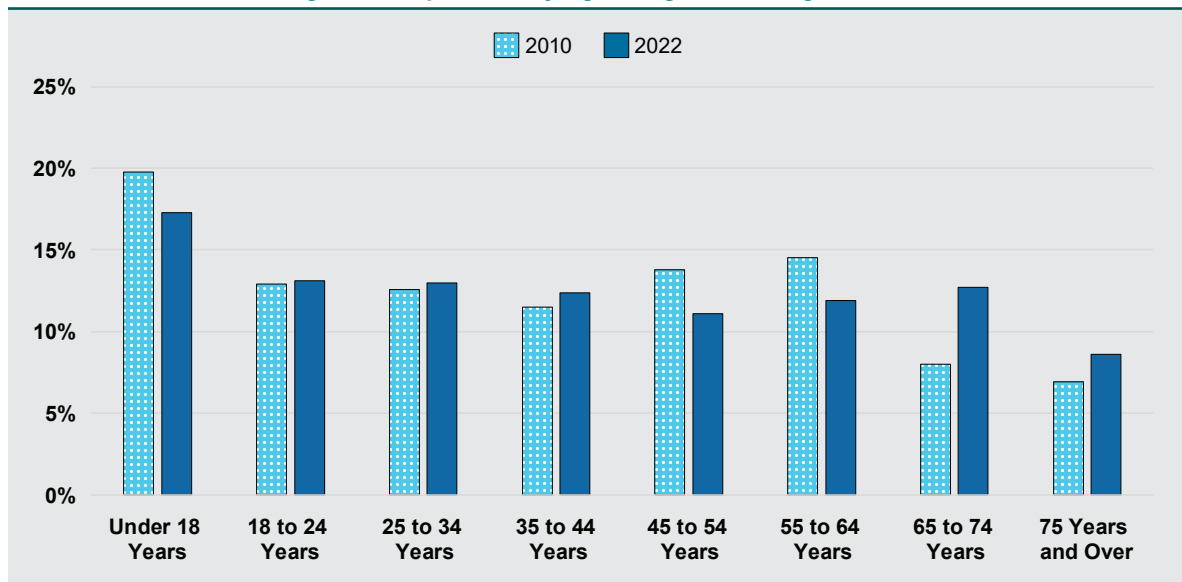
## Migration Trends

Domestic in-migration accounts for most of the net in-migration in the HMA. From 2010 to 2014, domestic in-migration accounted for 52 percent of all net in-migration to the HMA before rising to 87 percent from 2014 to 2017 (U.S. Census Bureau Population Estimates Program). International migration increased slightly between these two periods, but domestic net in-migration increased more than eightfold because the strong economy attracted jobseekers to the area. From 2017 to 2020, the domestic share of migration increased to 94 percent, primarily because the international share of migration fell by almost two-thirds, mostly because of decreased international enrollment at UO. From 2020 to 2022, the most recent data available, domestic migration fell to 67 percent of all net in-migration to the HMA. During this period, the rate of international migration remained steady, but domestic migration decreased substantially because of the sluggish economic recovery in the HMA.

## Age Cohort Trends

The median age of the HMA population increased from 39.1 years in 2010 to 40.7 in 2022, contributing to net natural decline and a decreasing number of households with children (2010 and 2022 American Community Survey 1-year data). The population aged 65 and older grew at a rate of 3.7 percent annually from 2010 to 2022, more than five times faster than the overall population growth, whereas the population aged 45 to 64 shrank an average of 1.0 percent annually (Figure 6). The cohort of

Figure 6. Population by Age Range in the Eugene HMA



Source: 2010 and 2022 American Community Survey 1-year data

Baby Boomers reaching retirement age, followed by the relatively less numerous Generation X, was partially responsible for these changes. In addition, people aged 45 to 64, including families with children, migrated to more affordable metropolitan areas in greater numbers during this period. The percentage of the population aged 18 to 44 has not changed significantly since 2010, whereas the share under the age of 18 has fallen 3 percentage points to 17 percent.

## Household Trends

As of January 1, 2024, the number of households in the HMA is estimated at 160,300, representing an average increase of 990 households, or 0.6 percent, annually since 2020 (Table 3). The number of households increased at a higher rate than the population, which has not increased significantly since 2020. Between 2019 and 2022 (the most recent available data), the share of one-person households increased from 30 to 35 percent, whereas the percentage of households with children under the age of 18 fell from 26 to 21 percent (2019 and 2022 American Community Survey 1-year data). The increasing cohort of elderly people in the HMA contributed to the rise in people living alone and the decline in households with children. By comparison, household growth averaged 1,075, or 0.7 percent, annually

from 2010 to 2020. An estimated 59.1 percent of households, or 94,700, are currently homeowners, down slightly from the homeownership rate of 59.2 percent in 2020 (Figure 7).

### Forecast

During the next 3 years, the population of the HMA is expected to increase by an average of 1,500, or 0.4 percent, a year—a higher rate than the growth from 2022 to the current date but below the prepandemic average population growth rate. Net natural change is expected to remain similar to current levels, whereas net in-migration is expected to increase because of the strengthening economy. The number of households is expected to reach 163,300 by the end of the 3-year forecast period, representing average growth of 0.6 percent annually.

**Table 3. Eugene HMA Population and Household Quick Facts**

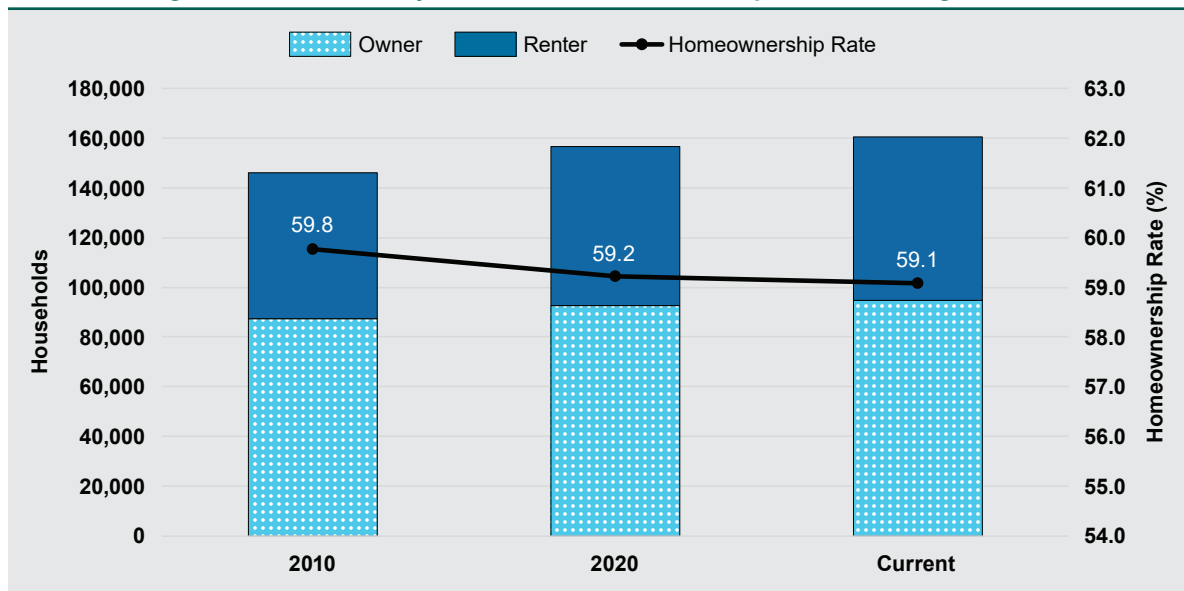
Population Quick Facts	2020	Current	Forecast	
	Population	382,971	383,100	387,500
	Average Annual Change	3,125	20	1,500
	Percentage Change	0.9	0.0	0.4

Household Quick Facts	2020	Current	Forecast	
	Households	156,594	160,300	163,300
	Average Annual Change	1,075	990	1,000
	Percentage Change	0.7	0.6	0.6

Notes: Average annual changes and percentage changes are based on averages from 2010 to 2020, 2020 to current, and current to forecast. The forecast period is the current date (January 1, 2024) to January 1, 2027.  
 Sources: 2010 and 2020—2010 Census and 2020 Census; current and forecast—estimates by the analyst

**Figure 7. Households by Tenure and Homeownership Rate in the Eugene HMA**



Note: The current date is January 1, 2024.  
 Sources: 2010 and 2020—2010 Census and 2020 Census; current—estimates by the analyst

# Home Sales Market

## Market Conditions: Balanced

During 2023, home sales decreased, and home price growth slowed as market conditions eased compared with tight conditions during the pandemic.

## Current Conditions

The sales market in the Eugene HMA is balanced, with an overall sales vacancy rate of 1.2 percent as of January 1, 2024 (Table 4), up from 1.0 percent in 2020. The volume of home sales declined during the past 3 years, and the average home price remained stable during 2023 after 11 consecutive years of year-over-year price growth. Higher mortgage interest rates since 2021 reduced demand and contributed to falling home sales during the past 2 years. The 30-year fixed-rate mortgage averaged 6.6 percent in December 2023, up 0.2 percentage point year over year and 3.5 percentage points higher than the rate in December 2021 (Freddie Mac). For an average-priced home in the HMA purchased with a 20-percent down payment, the rise in rates increased the monthly mortgage payment by \$51 compared with December 2022 and by \$946 compared with December 2021. As a result, the number of home sales

decreased 20 percent to 4,500 during 2023, following a decrease of 16 percent during 2022 (CoreLogic, Inc., with adjustments by the analyst).

Slowing home sales have contributed to a larger supply of homes for sale. The HMA had an inventory of approximately 580 single-family homes, condominiums, and townhomes for sale during December 2023, representing a 2.1-month supply at the current sales rate, up from 500 homes for sale, or a 1.4-month supply, during December 2022 and 290 homes for sale, or a 0.7-month supply, during December 2021 (Redfin, a national real estate brokerage). By comparison, the HMA had 530 homes for sale, or a 1.4-month supply, during December 2019. Although market conditions eased during 2022 and 2023, the inventory of available homes has been below a 3-month supply since 2015, contributing to home sales price growth in the HMA. Recently, increased financing costs and constrained demand for homes caused the average home price to remain relatively stable, at \$455,600 during 2023, compared with the previous year, when home prices increased 13 percent (CoreLogic, Inc., with adjustments by the analyst). Figure 8 shows the distribution of new and existing sales by price range during 2023.

**Table 4. Home Sales Quick Facts in the Eugene HMA**

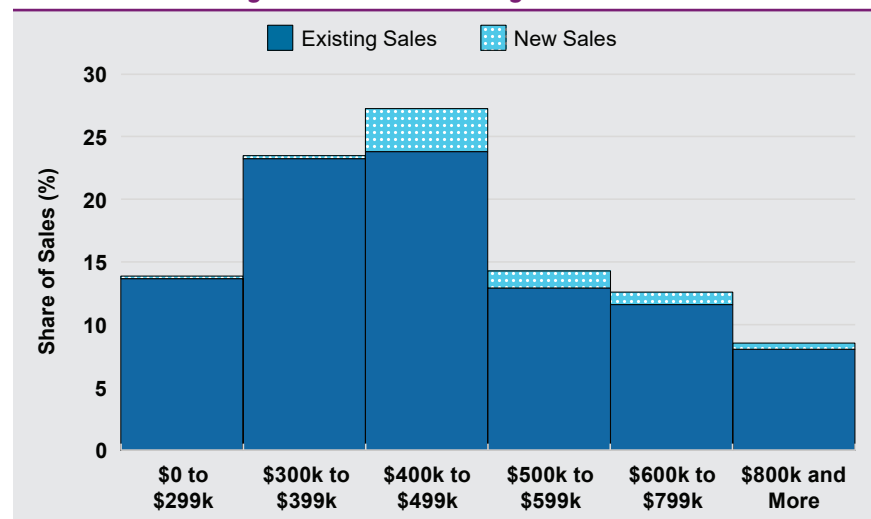
	Eugene HMA	Nation
<b>Vacancy Rate</b>	1.2%	NA
<b>Months of Inventory</b>	2.1	2.7
<b>Total Home Sales</b>	4,500	5,073,000
1-Year Change	-20%	-23%
<b>New Home Sales Price</b>	\$515,200	\$490,100
1-Year Change	-1%	0%
<b>Existing Home Sales Price</b>	\$451,500	\$399,700
1-Year Change	0%	1%
<b>Mortgage Delinquency Rate</b>	0.7%	1.0%

NA = data not available.

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending December 2023; and months of inventory and mortgage delinquency data are as of December 2023. The current date is January 1, 2024.

Sources: Vacancy rate—estimates by the analyst; months of inventory—Redfin, a national real estate brokerage; mortgage delinquency rate—CoreLogic, Inc.; sales and prices—CoreLogic, Inc., with adjustments by the analyst

**Figure 8. Share of Overall Sales by Price Range in the Eugene HMA During the 12 Months Ending December 2023**



Note: New and existing sales include single-family homes, townhomes, and condominiums. Source: Zonda

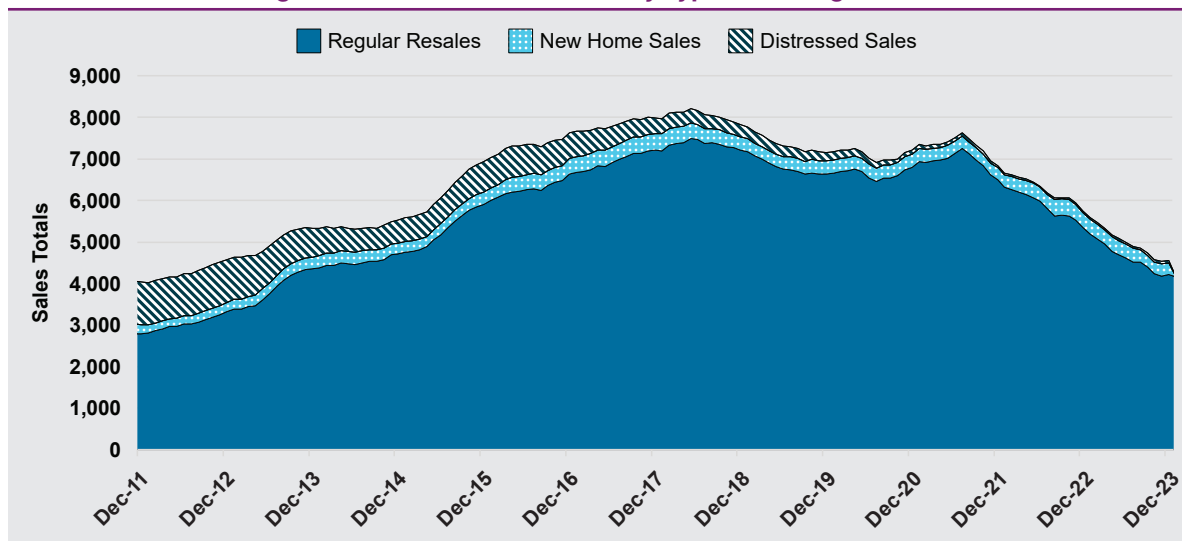


## Existing Home Sales and Price Trends

Existing home sales and prices increased during the early 2010s when the HMA was recovering from the Great Recession. After reaching a low of 3,825 sales in 2011, existing home sales increased an average of 12 percent annually from 2012 through 2017 to a peak of 7,575 (Figure 9). During this period, distressed home sales were a large portion of existing home sales, but they decreased rapidly as the supply of distressed properties was depleted. Distressed sales represented 27 percent of existing home sales in 2011, but the share fell to only 5 percent by 2017. The average existing home price decreased 2 percent year over year in 2012 to \$193,000 and then grew an average of 7 percent annually from 2013 through 2017 (Figure 10) as the number of relatively lower-priced distressed home sales declined. The price growth for existing homes outpaced the nation at large, where the average existing home price increased an average of 5 percent annually from 2013 through 2017. During 2018 and 2019, existing home sales fell an average of 5 percent annually. Existing home sales prices continued to increase, rising an average of 6 percent annually during this period, compared with 3 percent nationally.

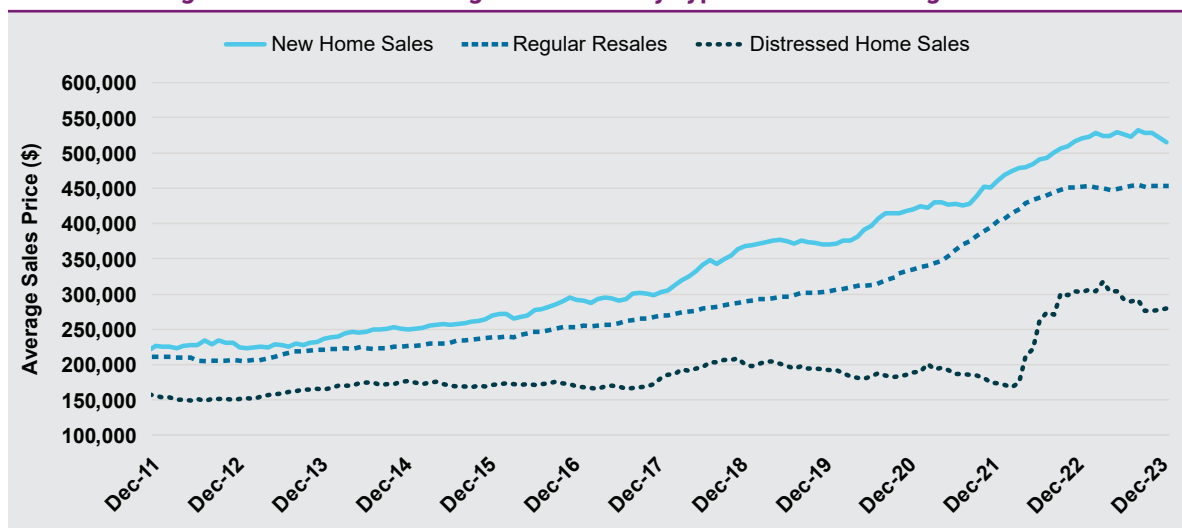
The home sales market tightened during the COVID-19 pandemic. Existing home sales increased 3 percent during 2020, then fell 10 percent during 2021 because the limited inventory of homes for

Figure 9. 12-Month Sales Totals by Type in the Eugene HMA



Source: CoreLogic, Inc., with adjustments by the analyst

Figure 10. 12-Month Average Sales Price by Type of Sale in the Eugene HMA



Source: CoreLogic, Inc., with adjustments by the analyst



sale constrained home sales. The average price of an existing home increased an average of 16 percent annually during 2020 and 2021. Low mortgage rates made homebuying more attainable, and the proliferation of remote work contributed to a shift in demand away from rental units—such as apartments, which are typically smaller—as remote workers sought more space. Existing home price growth in the HMA continued to outpace the national rate of growth, which averaged 13 percent annually during 2020 and 2021. During 2022, the number of existing home sales in the HMA fell 18 percent in response to rising interest rates, and existing home price growth slowed to 12 percent. The number of existing home sales in the HMA continued to decline during 2023, falling 20 percent year over year to 4,200 sales, and the average price of an existing home was nearly unchanged at \$451,500.

## Home Sales by Geography

During 2023, the cities of Eugene and Springfield accounted for approximately 44 and 18 percent of all home sales in the HMA, respectively, whereas no other municipality constituted more than 5 percent of total home sales (Redfin, a national real estate brokerage). The median home price in Eugene was 8 percent higher than in the HMA at large, partly because many of the neighborhoods with the shortest commutes to the main employers of the HMA are located in the city. In Springfield, by comparison, the median home price was 8 percent lower than the HMA average. Trends in the number of home sales did not differ significantly between jurisdictions in the HMA.

## New Home Sales and Price Trends

Growth in the number of new home sales trailed the rate of existing home sales growth during the 2010s, when moderate population growth limited the demand for new homes, which are priced relatively higher. The number of new home sales fell 33 percent in 2011 and then increased an average of 5 percent annually from 2012 through 2019, compared with an average of 8-percent growth annually of existing home sales. New home prices, however, increased faster than those of existing homes from 2011 through 2019, rising an average of 6 percent annually, compared with 4 percent for existing home prices.

Since 2020, the number of new home sales has fluctuated but remained fairly strong, whereas existing home sales have fallen sharply. Rising mortgage interest rates have contributed to a limited supply of existing homes for sale. Many current owners are reluctant to list their homes if a subsequent purchase would require financing at a much higher rate. The limited supply has supported the demand for new homes. An average of 310 new homes were sold annually in 2020 and 2021. New home sales spiked to 360 sales in 2022 before falling 22 percent to 280 sales in 2023. New home price growth accelerated to an average of 12 percent annually from 2020 through 2022 but trailed existing home price growth, which averaged 14 percent annually during the same period. The average price of a new home in the HMA averaged \$515,200 during 2023, down 1 percent from 2022.

## Sales Construction

Homebuilding activity, as measured by the number of single-family homes, townhomes, and condominium units permitted (building permits), generally increased in the HMA from 2012 through 2017. Homebuilding was low in the aftermath of the Great Recession and housing crisis, averaging 420 homes permitted annually during 2010 and 2011. However, improving economic conditions and rising population growth supported greater residential construction activity, which increased an average of 15 percent annually from 2012 through 2016 (Figure 11). Homebuilding stabilized at an average of 810 units permitted annually from 2017 through 2019, when both job and population growth slowed.

After the onset of the COVID-19 pandemic, when public health countermeasures and supply chain issues constrained builders, construction was initially flat, but permitting increased during 2021 and 2022. Rapid home price growth and robust demand supported an average of 930 homes permitted annually during 2021 and 2022, compared with 780 homes permitted during 2020. New home construction fell 22 percent in 2023, when 740 homes were permitted, because rising interest rates increased costs for homebuilders and caused demand for new homes to decrease significantly.

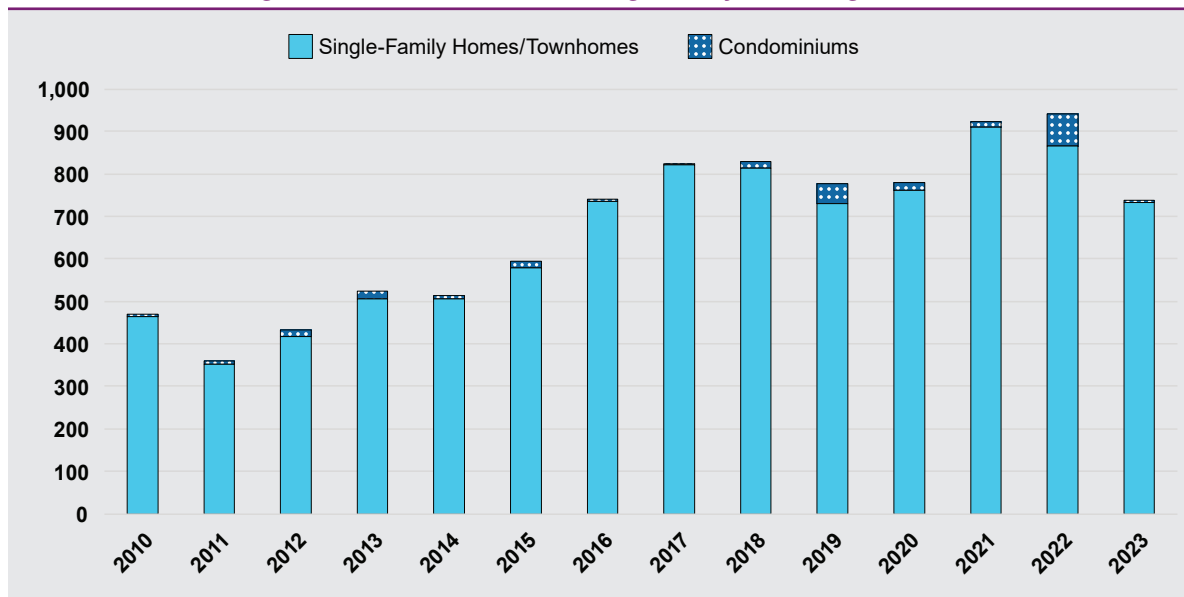


As of 2022, the cities of Eugene and Springfield accounted for approximately 34 and 23 percent of homebuilding in the HMA, respectively, and the smaller cities and unincorporated areas accounted for the remaining 43 percent. The geographic distribution of home construction has not significantly changed since 2010. Marcola Meadows, a 446-lot subdivision in northern Springfield, is one of the most active subdivisions in the HMA; it sold 87 homes during 2023 and is expected to be built out by the end of 2024. Starting prices for single-family homes at Marcola Meadows begin at approximately \$400,000.

### Forecast

Demand is estimated for 2,175 new homes during the next 3 years (Table 5). Demand for new homes is expected to be geographically distributed similarly to recent homebuilding patterns. The 240 homes under construction are expected to meet a portion of demand during the first year of the 3-year forecast period.

Figure 11. Annual Sales Permitting Activity in the Eugene HMA



Sources: U.S. Census Bureau, Building Permits Survey; 2010–22—final data and estimates by the analyst; 2023—preliminary data and estimates by the analyst

Table 5. Demand for New Sales Units in the Eugene HMA During the Forecast Period

Sales Units	
<b>Demand</b>	2,175 Units
<b>Under Construction</b>	240 Units

Note: The forecast period is January 1, 2024, to January 1, 2027.  
Source: Estimates by the analyst

# Rental Market

## Market Conditions: Balanced

Rental market conditions softened slightly during the past 2 years because a large number of new apartments were completed and rental unit absorption slowed.

## Current Conditions and Recent Trends

The overall rental market in the Eugene HMA—including apartments, single-family homes, and other housing units available for rent—is balanced but easing. The current estimated 5.4-percent vacancy rate is up from 4.4 percent in April 2020, when rental conditions were also balanced (Table 6). Many new apartments have come online during the past 2 years, contributing to the increase in the rental vacancy rate.

## Apartment Market Conditions

The apartment market is slightly soft. As of the fourth quarter of 2023, the average apartment vacancy rate in the HMA was 6.6 percent, up from 5.4 percent as of the fourth quarter of 2022 (CoStar Group; Figure 12). Conditions in the apartment market ranged from balanced to slightly soft from 2015 to 2019, with apartment vacancy rates ranging from 3.6 to 6.7 percent. Conditions tightened after the onset of COVID-19, and the apartment vacancy rate declined to 2.9 percent by the fourth quarter of 2020 and 1.9 percent as of the fourth quarter of 2021.

Table 6. Rental and Apartment Market Quick Facts in the Eugene HMA

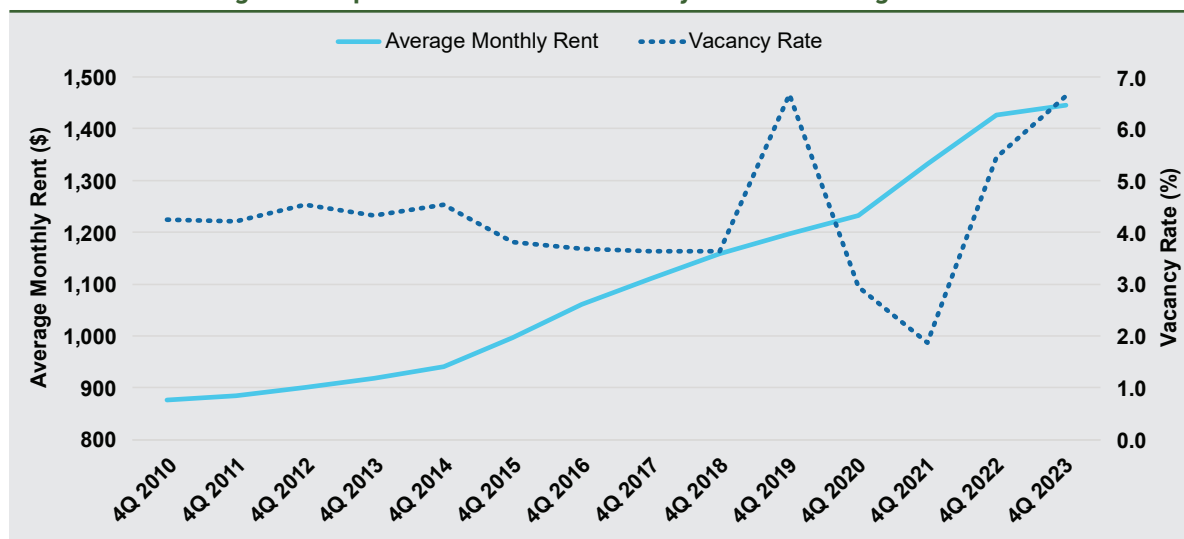
Rental Market Quick Facts	2020 (%)	Current (%)	
	<b>Rental Vacancy Rate</b>	4.4	5.4
	2010 (%)	2022 (%)	
Occupied Rental Units by Structure	Single-Family Attached & Detached	41	37
	Multifamily (2–4 Units)	19	15
	Multifamily (5+ Units)	35	43
	Other (Including Mobile Homes)	4	4

Apartment Market Quick Facts	4Q 2023	YoY Change	
	<b>Apartment Vacancy Rate</b>	6.6	1.2
	<b>Average Rent</b>	\$1,445	1%
	Studio	\$1,093	1%
	One-Bedroom	\$1,259	0%
	Two-Bedroom	\$1,478	1%
Three-Bedroom	\$1,894	2%	

4Q = fourth quarter. YoY= year-over-year.  
 Notes: The current date is January 1, 2024. Percentages may not add to 100 due to rounding.  
 Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2010 and 2022 American Community Survey 1-year data; apartment data—CoStar Group

Figure 12. Apartment Rents and Vacancy Rates in the Eugene HMA



4Q = fourth quarter.  
 Source: CoStar Group





A historically large number of apartments were completed during the past 2 years, causing the apartment vacancy rate in the HMA to increase. During 2022 and 2023, an average of 860 market-rate apartments a year were completed (CoStar Group), the highest number of completions since at least 2010. By comparison, an average of 170 market-rate apartments were completed annually during 2020 and 2021. Annual apartment absorption averaged 300 units during 2022 and 2023 compared with an average of 680 from 2020 through 2021. Apartment absorption surged during 2020 and 2021 after the onset of the COVID-19 pandemic, leading to historically low vacancy rates and attracting developer interest and increased apartment construction. However, by the time apartment properties that began construction during this period were completed during 2022 and 2023, absorption had significantly decreased, leading to increased apartment vacancy rates. The large number of new apartments entering the market during the past 2 years, including units still in lease-up during the fourth quarter of 2023, also contributed to the stabilized apartment vacancy rate increasing 1.1 percentage points year over year to 4.5 percent, the highest rate since 2010. By comparison, the stabilized vacancy rate was 1.9 percent as of the fourth quarter of 2021, the lowest rate since at least 2010.

Increasing levels of vacancy and competition from new apartments caused property managers to slow rent increases during the past year. As of the fourth quarter of 2023, average asking rents increased 1 percent year over year to \$1,445, the slowest rate of rent growth since 2011. By comparison, average asking rents increased an average of 8 percent year over year as of the fourth quarters of 2021 and 2022. The rising price of homes contributed to increased demand for rental units, allowing property managers to raise rents during 2021 and 2022. By comparison, year-over-year average asking rent growth averaged 4 percent as of the fourth quarters of 2016 through 2020.

## Student Housing

Student households account for an estimated 10 percent of all renter households in the HMA and are predominantly located in the city of Eugene. UO has a large impact on rental market conditions near the university. As

of the fall of 2023, the university had 23,850 undergraduate and graduate degree-seeking students enrolled. Approximately 5,800 students reside in on-campus dormitories. Most of the remaining 17,650 students reside in rental housing near the campus, and many student apartments have been built to serve this market. Approximately 3,750 of these units, with a total of 9,750 beds, are within 2 miles of UO. Of these, approximately 2,975 student apartments have been built since 2010, accounting for almost one-third of rental construction in the HMA. The average vacancy rate of student apartments was 7.1 percent as of the fourth quarter of 2023, up from 4.0 percent as of the fourth quarter of 2022 and higher than the HMA average (CoStar Group). Rent growth among these properties was much higher than in conventional apartment communities, increasing 9 percent year over year to an average rent of \$900 per bed as of the fourth quarter of 2023.

## Rental Construction

Rental construction was low following the Great Recession, with 280 rental units permitted in 2010. As economic conditions improved, rental permitting increased an average of 56 percent, or by 270 units, annually from 2011 through 2013 to 1,075 units in 2013 (Figure 13). However, despite a strengthening economy, rental construction activity slowed, declining 37 percent, or by 230 units, annually from 2014 through 2017 to a low of 170 units in 2017. Rental construction recovered, with 1,075 units permitted in 2018 and an average of 630 units permitted annually in 2019 and 2020, because developers responded to stable rent growth and to market conditions that ranged from balanced to tight.

Rental construction increased after 2020, supported by high rates of rent growth, low apartment vacancy rates, and low interest rates. Approximately 1,300 rental units were permitted in 2021, the highest annual level of rental construction since at least 2000, and 1,075 units were permitted in 2022. During 2023, 990 rental units were permitted, down 8 percent from the previous year. Although rental construction has decreased recently because of softening rental market conditions and increased borrowing costs, the

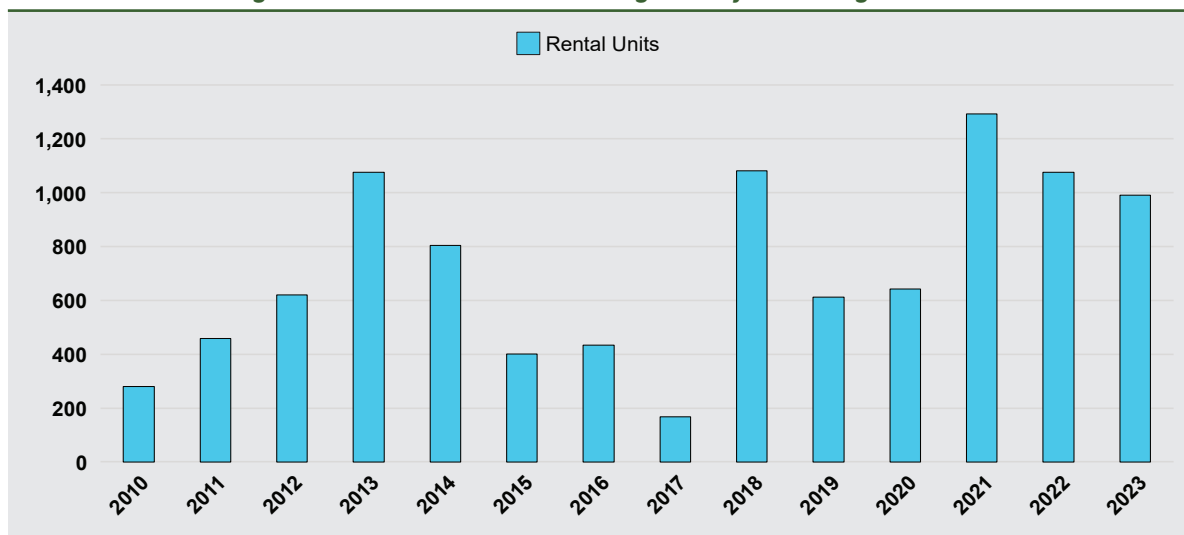


level of rental construction is still well above the average from 2010 through 2020.

## Current Rental Construction Activity

An estimated 1,450 apartments are under construction in the HMA, with approximately 70 percent of them in the city of Eugene and most of the remainder in the city of Springfield. The Ponds on Alexander in the city of Eugene, a 94-unit apartment complex, will be complete in mid-2024. Rents announced for studio and one-, two-, and three-bedroom units at the development start at approximately \$1,400, \$1,600, \$1,800, and \$2,900, respectively. The Standard at Eugene, a 247-unit student apartment complex with 705 bedrooms, is under construction and expected to open during the summer of 2024. When complete, rents will range from \$1,000 to \$1,800 per bed, depending on the number of bedrooms per unit. Oak Manor Apartments, an income-restricted apartment community for families, is under construction in the city of Florence. When complete in early 2024, the development will offer 18 and 6 apartments to households with incomes at or below 60 and 30 percent of the Area Median Income, respectively.

Figure 13. Annual Rental Permitting Activity in the Eugene HMA



Note: Includes apartments and units intended for rental occupancy.  
Sources: U.S. Census Bureau, Building Permits Survey; 2010–22—final data and estimates by the analyst; 2023—preliminary data and estimates by the analyst

## Forecast

During the 3-year forecast period, demand is estimated for 1,700 rental units in the HMA (Table 7). Demand for new rental units in the HMA is expected to be relatively stable during the forecast period. The 1,450 units under construction are expected to meet all demand during the first and second years of the forecast period.

Table 7. Demand for New Rental Units in the Eugene HMA During the Forecast Period

Rental Units	
Demand	1,700 Units
Under Construction	1,450 Units

Note: The forecast period is January 1, 2024, to January 1, 2027.  
Source: Estimates by the analyst

# Terminology Definitions and Notes

## A. Definitions

<b>Absorption</b>	The net change, positive or negative, in the number of occupied units in a given geographic range.
<b>Apartment Vacancy Rate/ Average Monthly Rent</b>	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
<b>Baby Boomer</b>	A person born from 1946 to 1964.
<b>Building Permits</b>	Building permits do not necessarily reflect all residential building activity. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.
<b>Demand</b>	The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.
<b>Distressed Sales</b>	Short sales and real estate owned (REO) sales.
<b>Existing Home Sales</b>	Includes resales, short sales, and REO sales.
<b>Forecast Period</b>	January 1, 2024–January 1, 2027—Estimates by the analyst.



<b>Generation X</b>	A generation that includes people born from 1965 to 1980.
<b>Home Sales/ Home Sales Prices</b>	Includes single-family home, townhome, and condominium sales.
<b>Net Natural Change</b>	Resident births minus resident deaths.
<b>Net Natural Decline</b>	Resident deaths are greater than resident births.
<b>Net Natural Increase</b>	Resident births are greater than resident deaths.
<b>Rental Market/ Rental Vacancy Rate</b>	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
<b>Resales</b>	These are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party.
<b>Stabilized</b>	A property is stabilized once a 90 percent or above occupancy rate is reached, or at least 18 months pass since the property was changed from under construction to existing on the CoStar Group website.
<b>Student Apartments</b>	Privately owned and operated apartments targeted at college students. These apartments are rented by the bedroom instead of by the unit.

## B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
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2.	Urbanized areas are defined using the U.S. Census Bureau 2020 Census Urban and Rural Classification and the Urban Area Criteria.
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**C. Additional Notes**

1.	This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.
2.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

**D. Photo/Map Credits**

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