



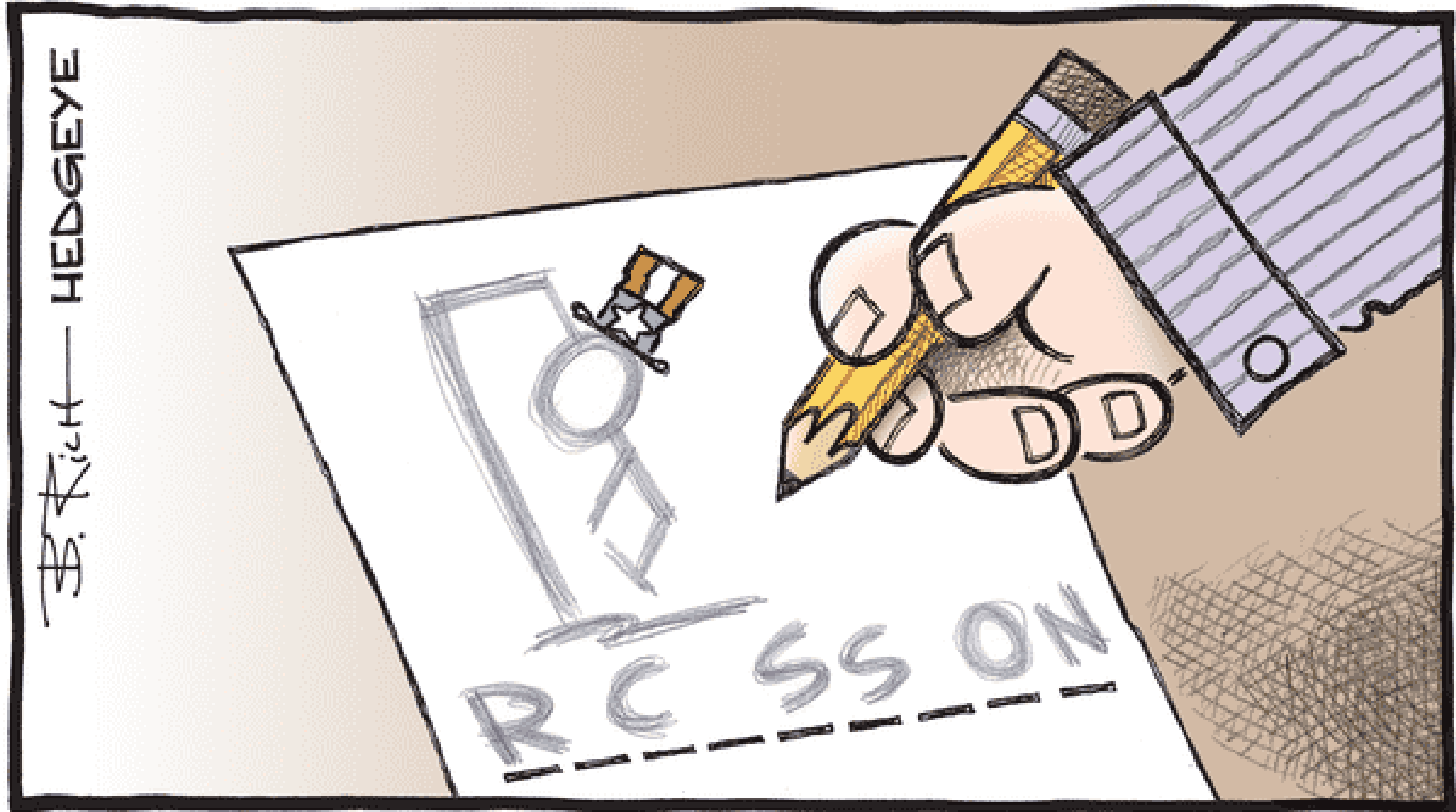
# Regional Economic Overview: 2026 HBA Housing Forecast

Michael Wilkerson, Ph.D.

October 23, 2025

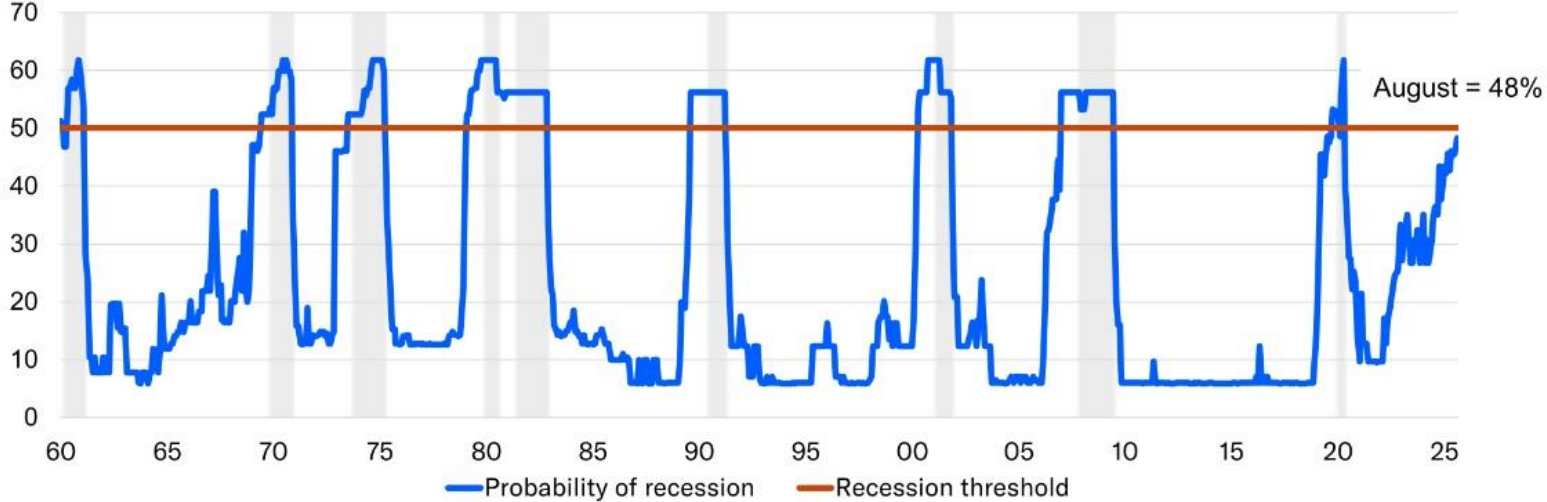


From doom/bloom loops to a new word of the year...



# Recession probability of 48%, this level has always predicted a recession

Probability of recession in the next 12 months, %, based on a machine learning model



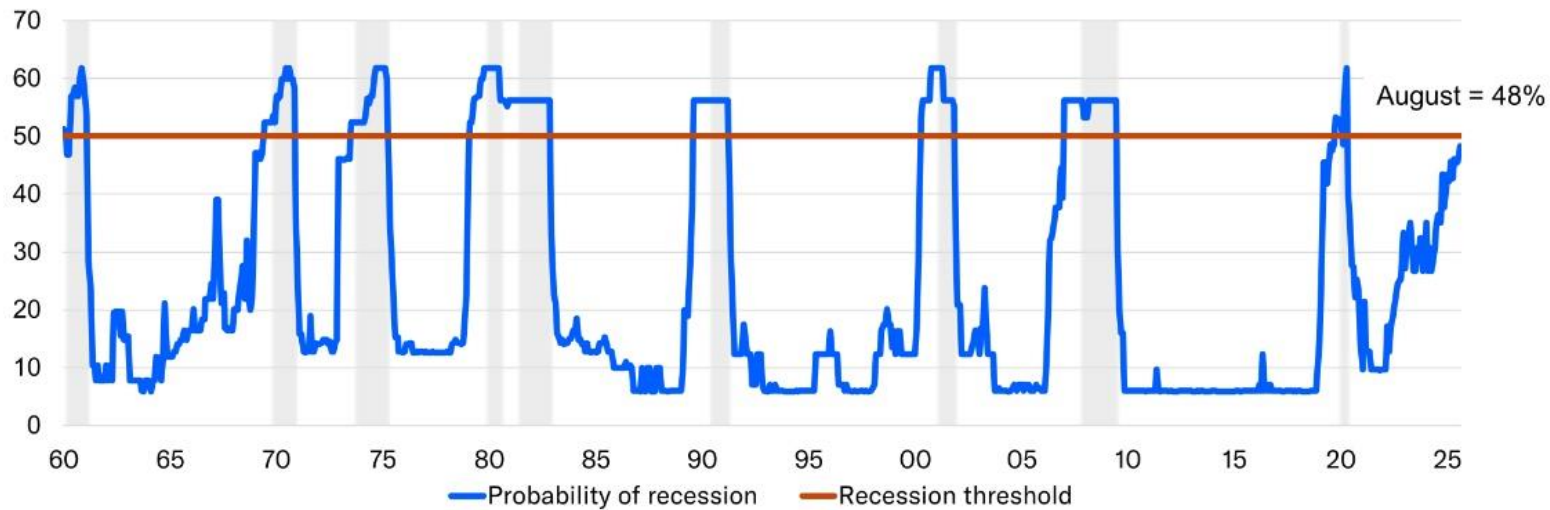
Source: Moody's Analytics

# How well do the models predict the rapidly changing new normal?

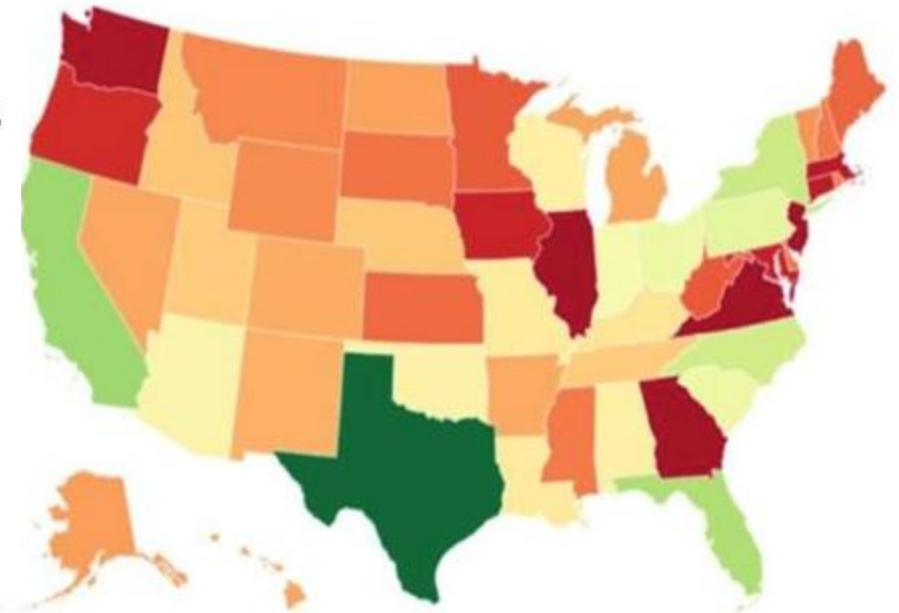
Moody's Analytics' coincident economic indicator for each state, weighted by share of US GDP

Recession  Expansion

Probability of recession in the next 12 months, %, based on a machine learning model



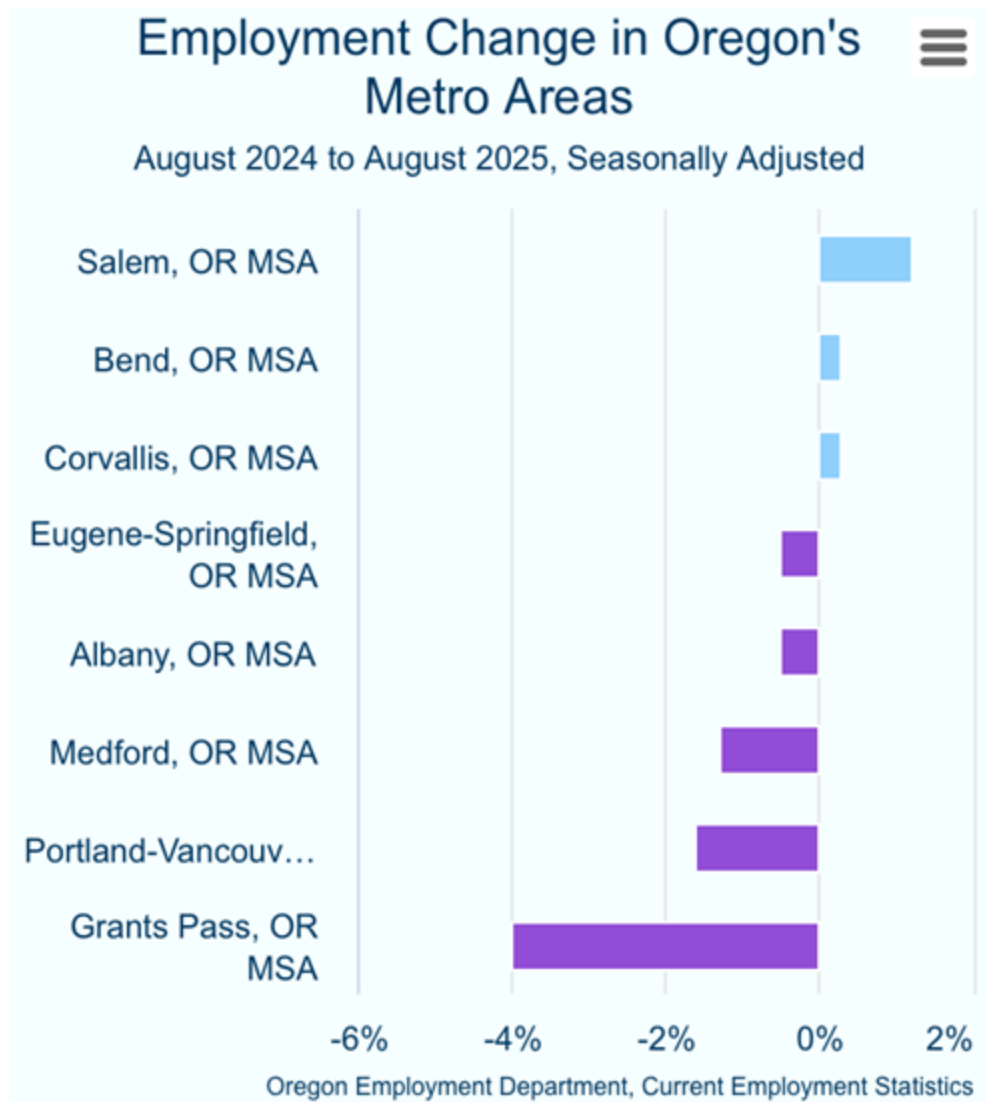
Source: Moody's Analytics



©FT Source: Moody's Analytics



# 3 county PDX metro lost 16,400 jobs, rest of state lost 1,900 in last year



## NEWS

FOR IMMEDIATE RELEASE: October 15, 2025

CONTACT INFORMATION:

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(971) 301-3771

[Video](#) and [Audio](#) available at 10 a.m. PT  
[David Cooke](#), Economist (971) 375-5288

### Federal Government Shutdown Pauses Employment Reports

The U.S. Bureau of Labor Statistics (BLS) suspended the monthly employment and unemployment reports for the nation, states, and metropolitan areas as of Oct. 1, 2025. Oregon's monthly jobs and unemployment rate for September are unavailable at this time.

18,300 jobs lost statewide in past year

# What happened to the jobs?

WHAT  
HAPPENED  
TO THE JOBS  
NUMBERS?



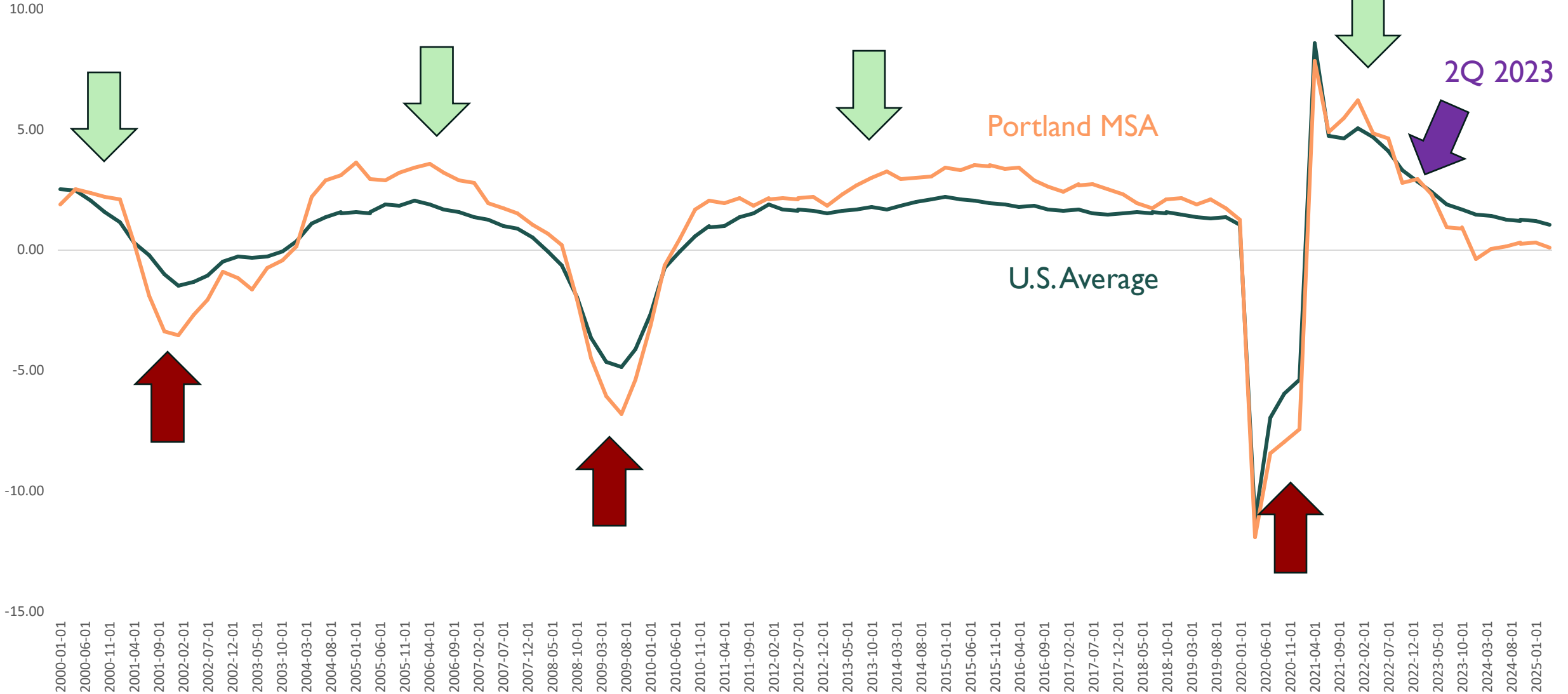
~~THE  
TRUTH.~~

KNOWN KNOWNs &  
KNOWN UNKNOWNs

B. K. H. — HEDGEYE

# Portland grows faster and falls harder.... Until the last 9 quarters

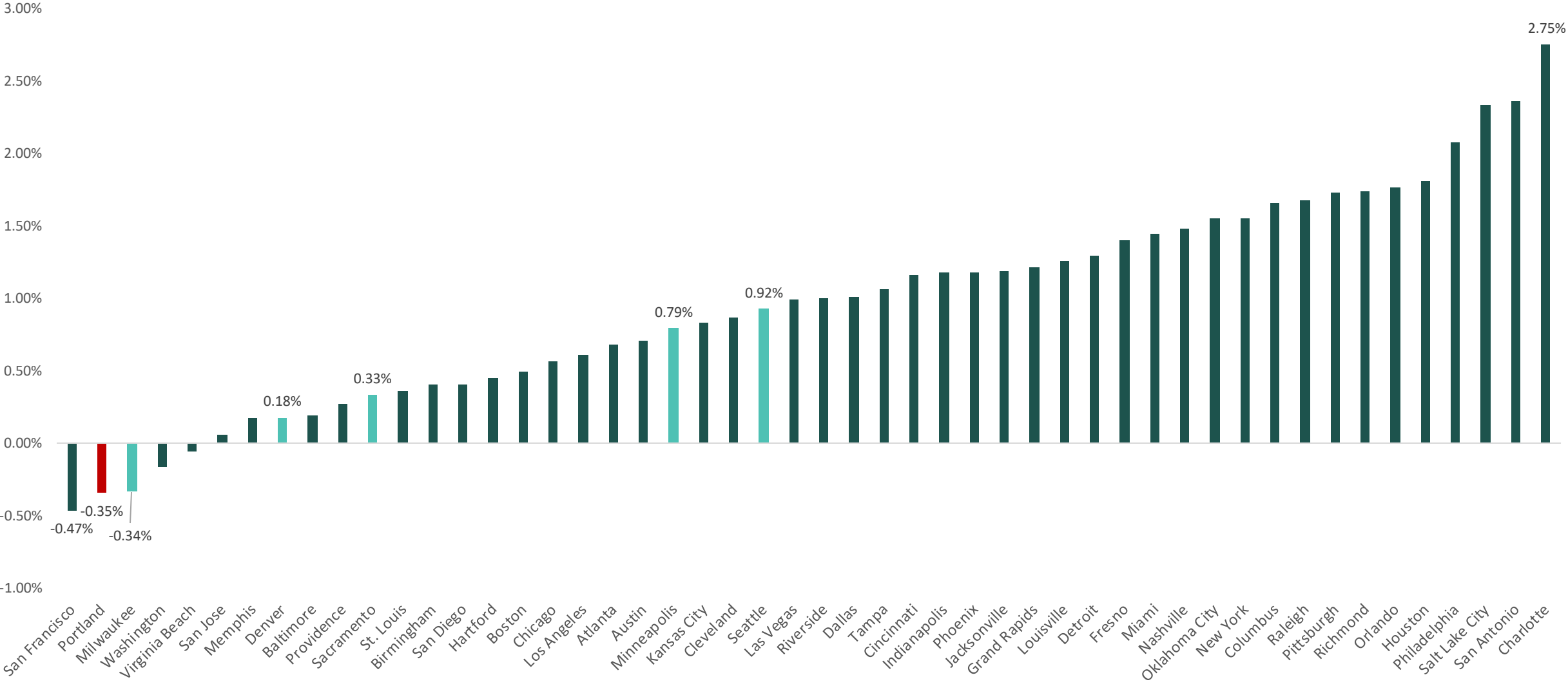
Annual Job Change – U.S. vs. Portland MSA



Source: BLS

# Only 5 of the top 50 metros have lost jobs over the past year

Metro Annual Change in Jobs - July 2025

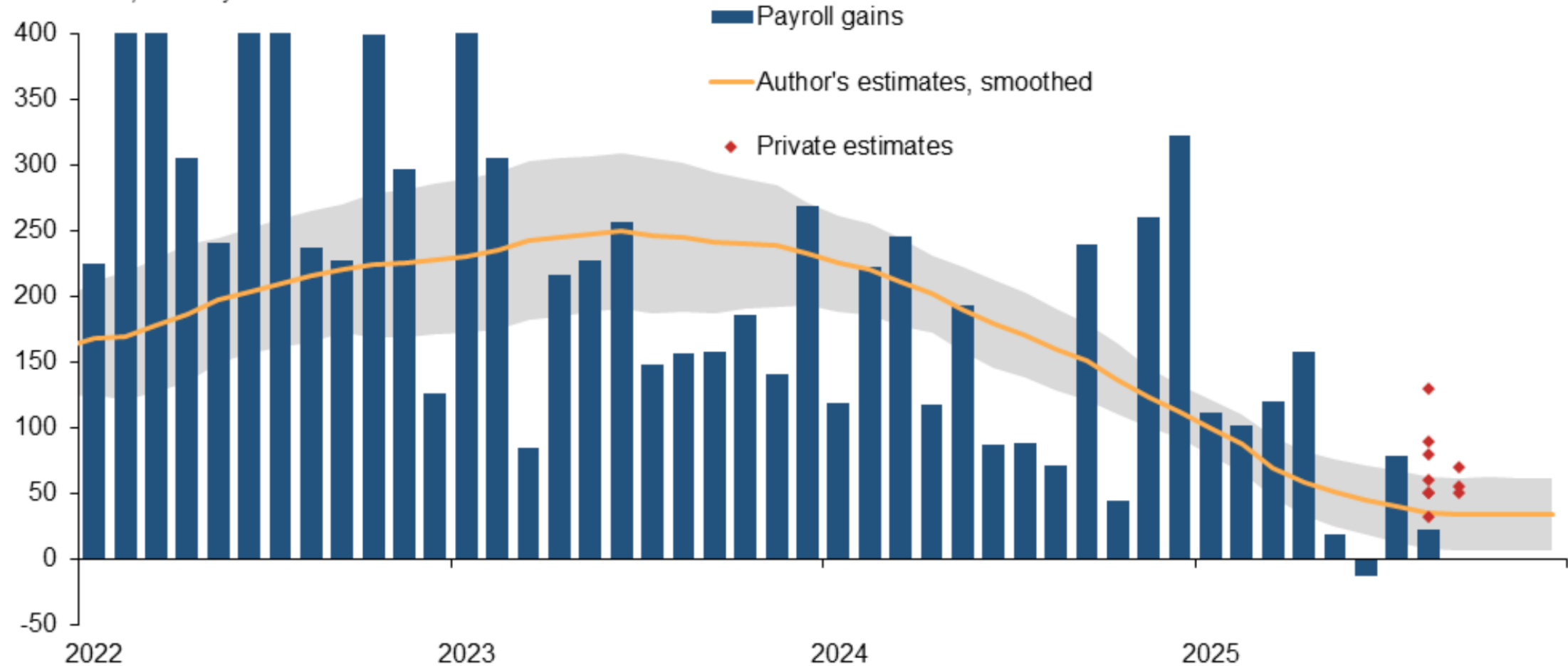


Source: BEA

# Current estimate of national breakeven employment is 30k annually

## Breakeven estimate and recent payrolls trend lower

Thousands, monthly



NOTE: Gray area illustrates estimate range.

SOURCES: Bureau of Labor Statistics; author's calculations.

# Known demographic change plus unknown impact to international immigration

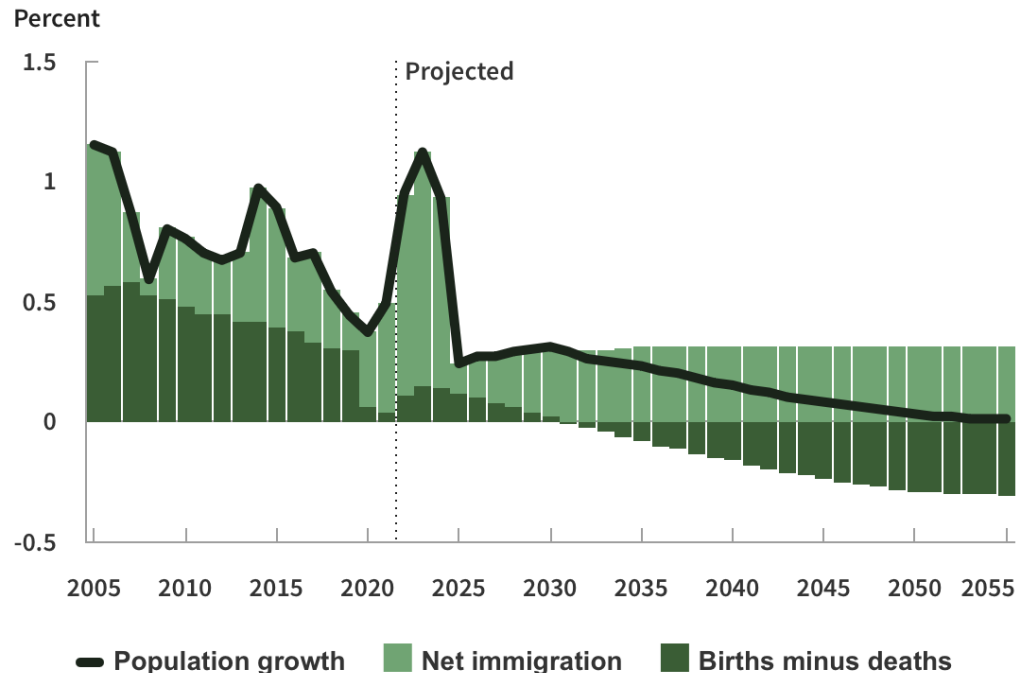
## The US Population Could Shrink in 2025, For the First Time Ever

It's a story with massive economic and political significance. But it's receiving strangely little attention.



DEREK THOMPSON  
SEP 02, 2025

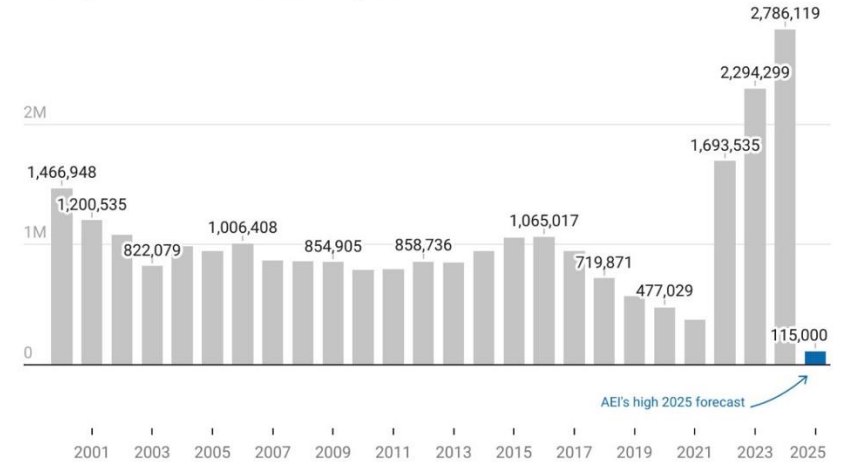
### Population Growth and Contributing Factors



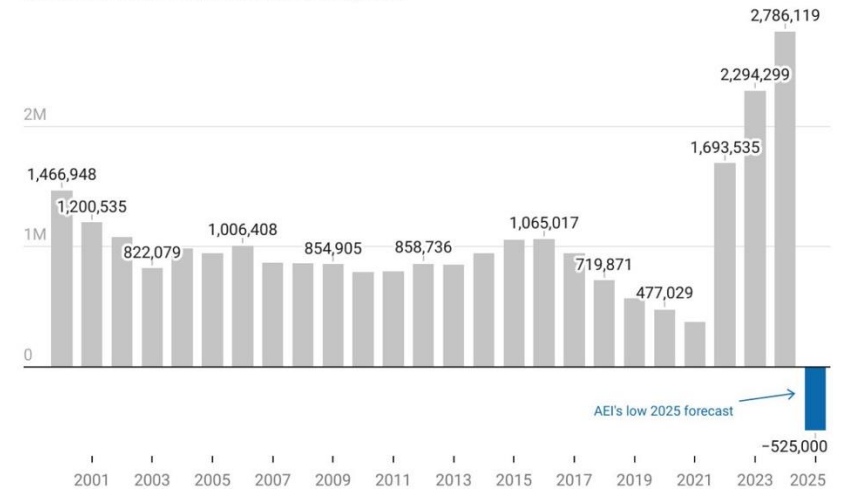
### AEI's forecast range for net international migration in 2025

The shifts are from July to July. For example, 2024 = shift between July 2023 and July 2024.

AEI's high forecast for net international migration



AEI's low forecast for net international migration



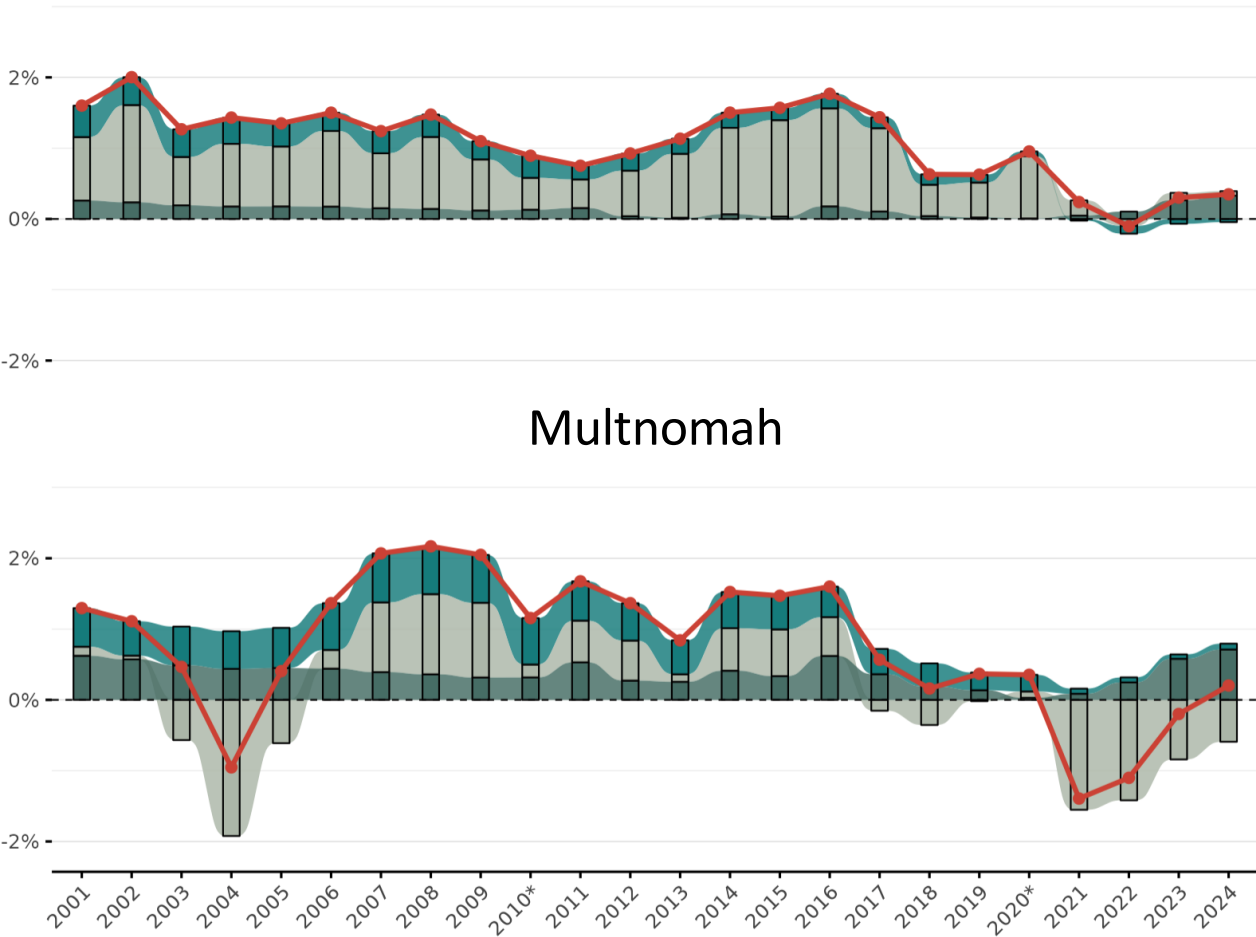
Net international migration is calculated as the difference between the number of people moving into the United States from abroad (in-migration) and the number of people leaving the United States to live in another country (out-migration) over a specific period.

Chart: Lance Lambert • Source: ResiClub analysis of U.S. Census Bureau data • Created with Datawrapper

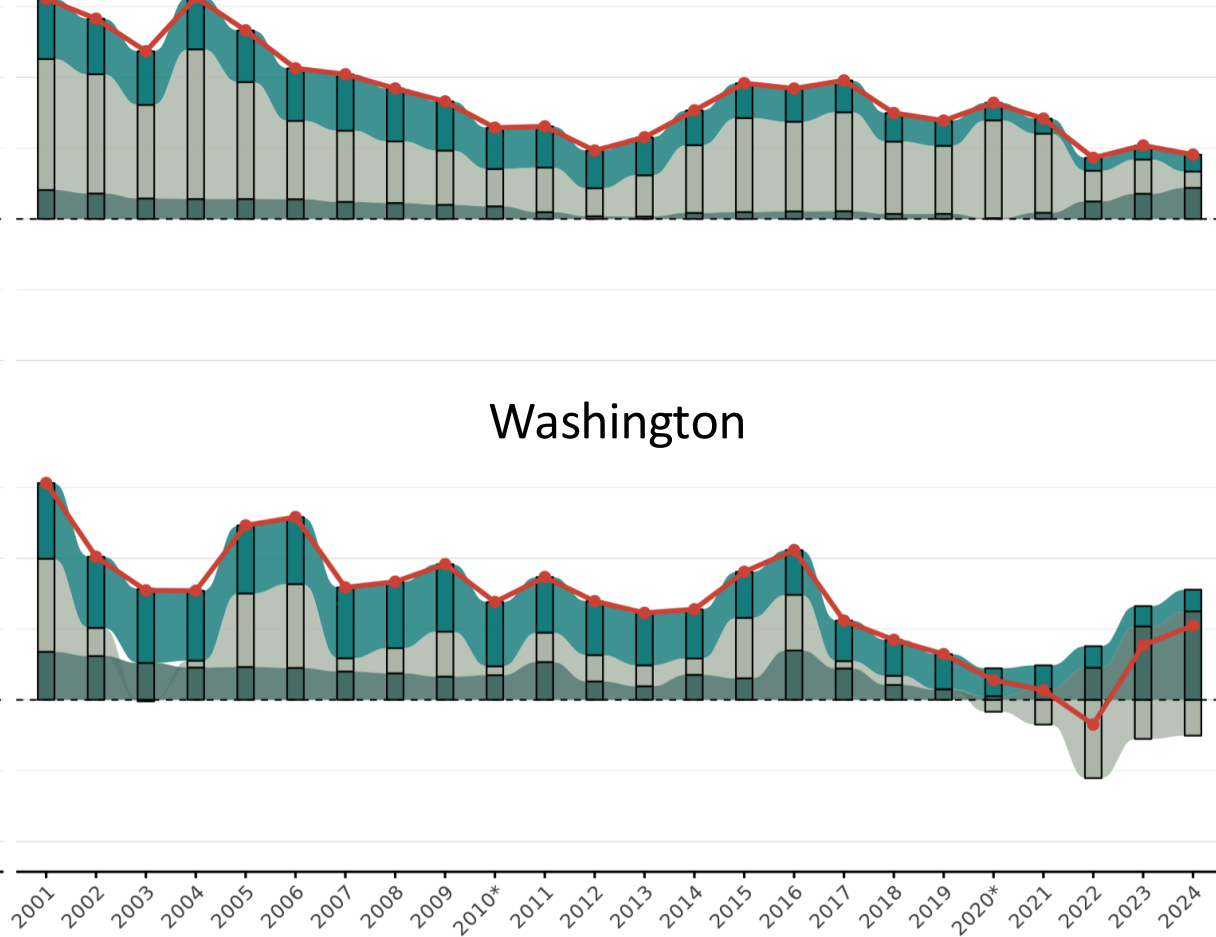


# Without international immigration, population is decreasing except in Clark

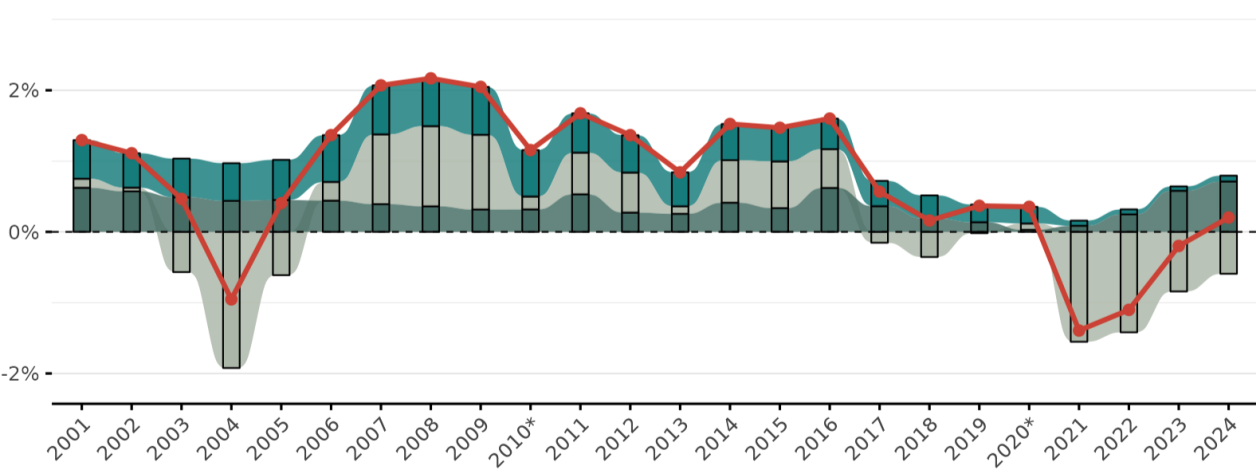
## Clackamas



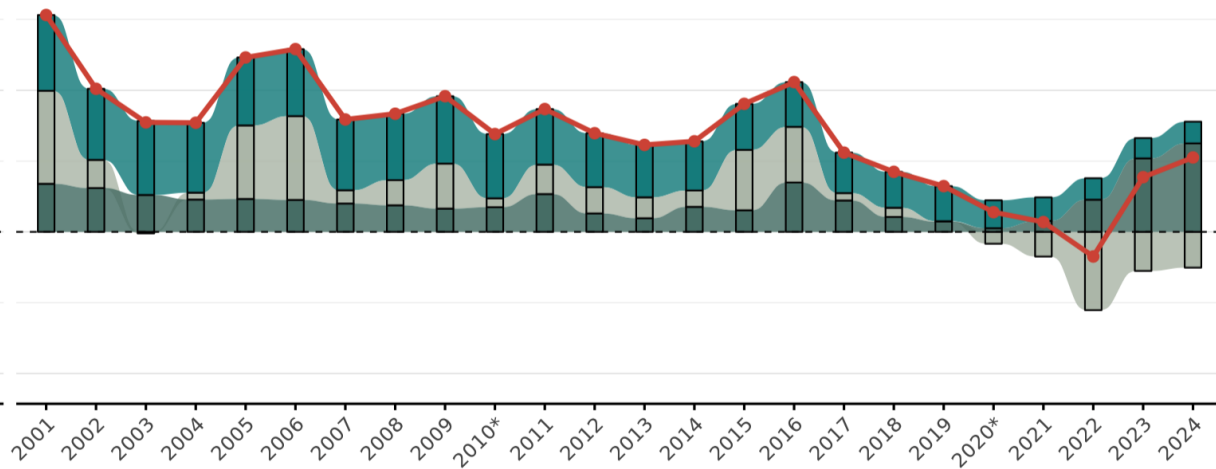
## Clark



## Multnomah



## Washington

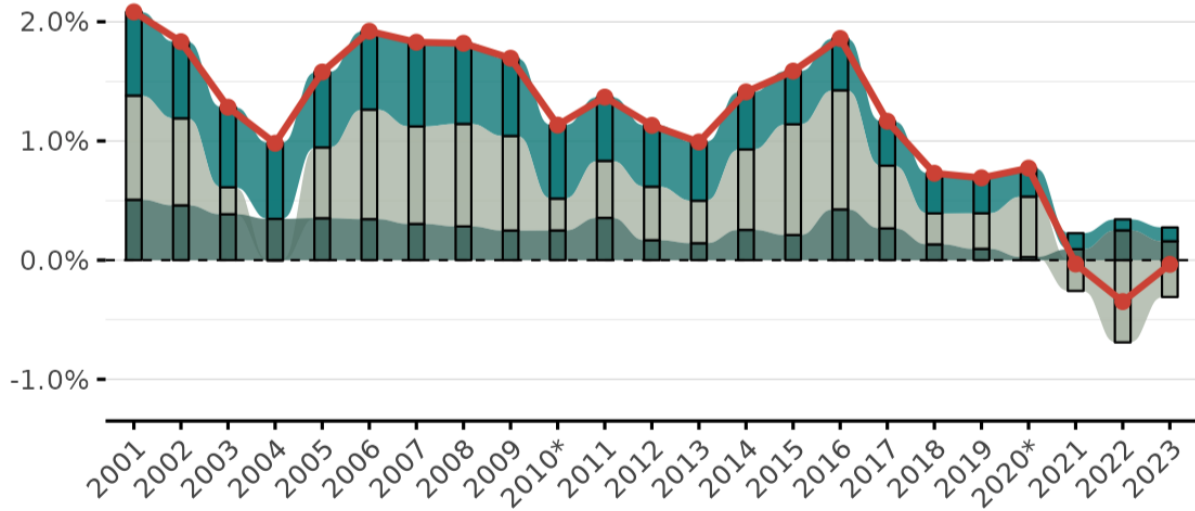


● Total net change    
 ■ Natural increase    
 ■ Net domestic migration    
 ■ Net international migration

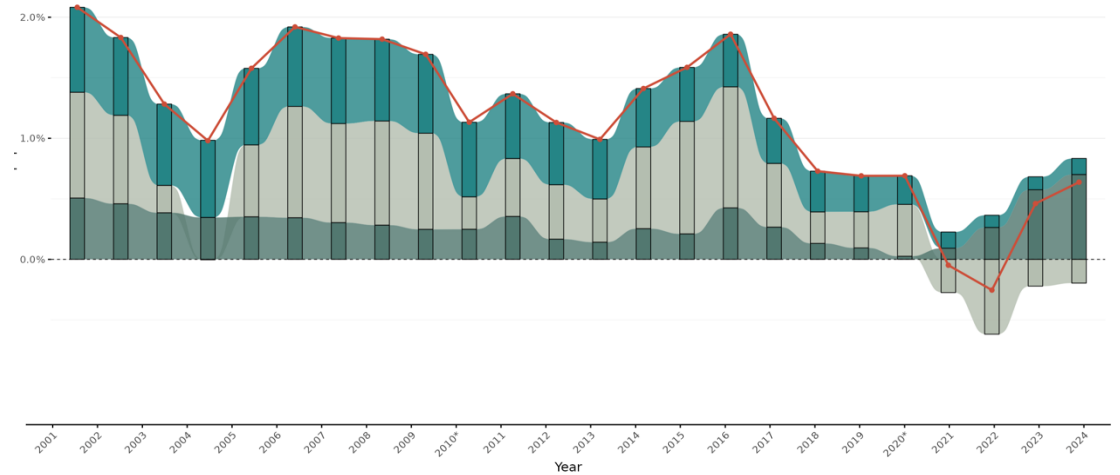
# Census changed methodology that more than doubled count of immigrants

## Portland Metro

### 2023 Vintage



### 2024 Vintage

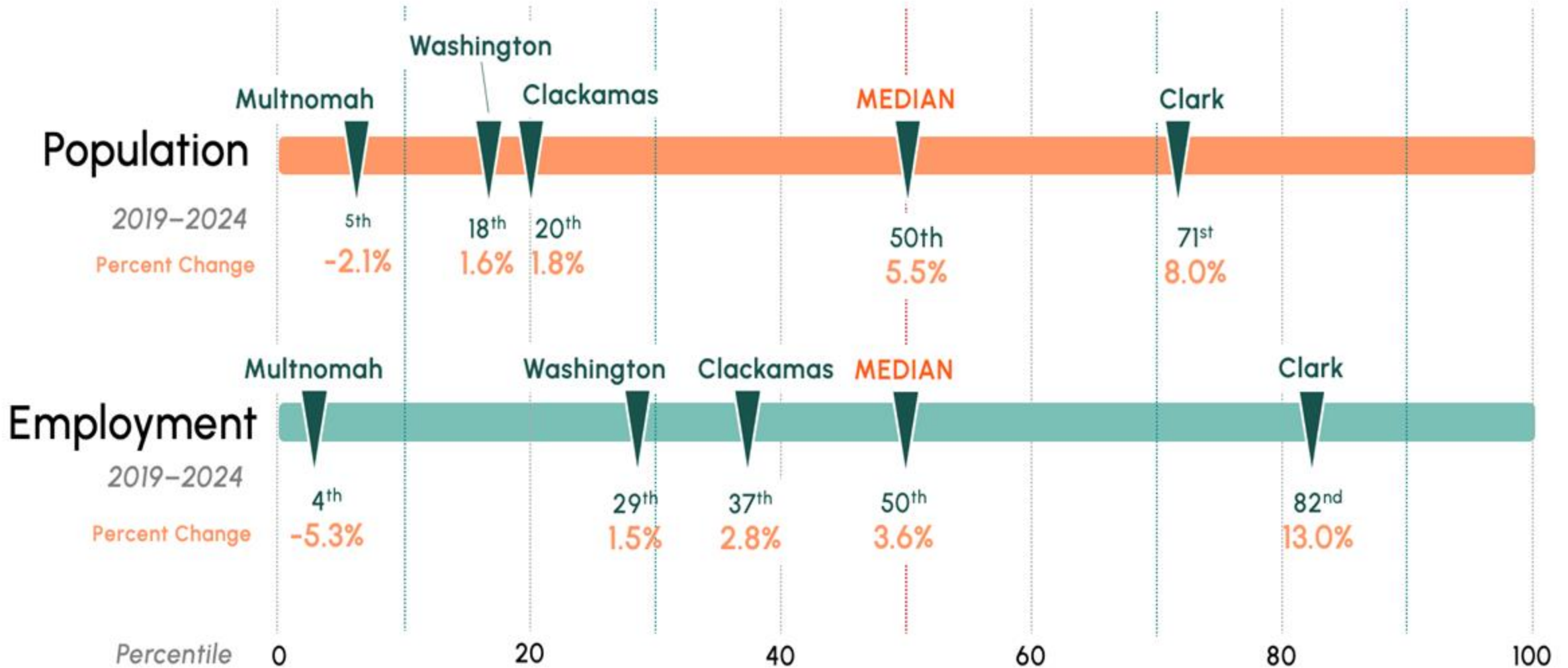


Average annual international immigration from 2001 to 2022 = 6k  
Average annual international immigration from 2023 to 2024 = 16k

● Total net change    ■ Natural increase    ■ Net domestic migration    ■ Net international migration

# Disparity within the region is unlike other metro areas

## Rank of Portland Metro within all Counties in top 50 Metros (220 Counties)



# This weird market moment

# Why do we care about supply?

FOUNDATIONS

## More Building Won't Make Housing Affordable

America's housing crisis has reached unfathomable proportions. But new construction isn't enough to solve it.



JUSTIN SULLIVAN/GETTY IMAGES

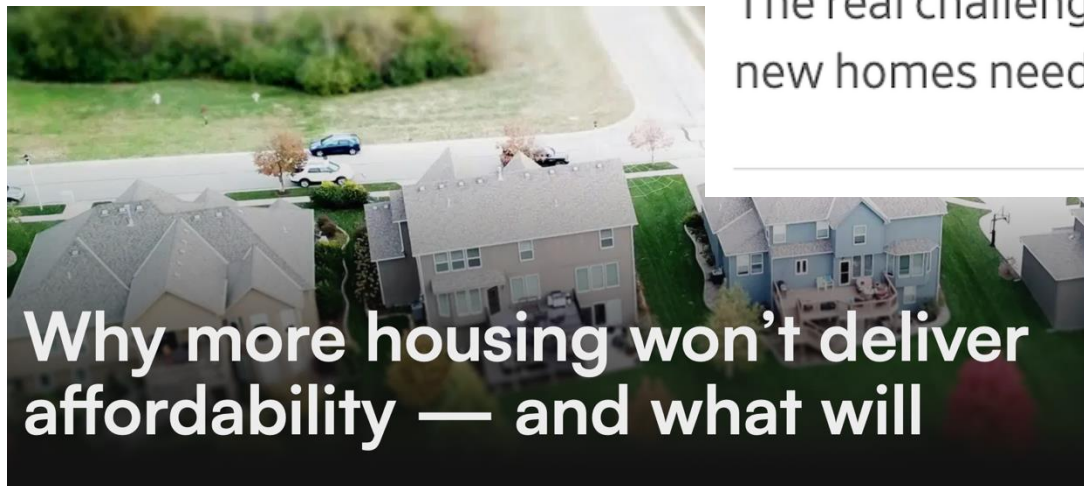
ARTICLES AND INSIGHTS

## What Caused the Housing Supply Crisis? And What Could Solve It?

Policy Summit panelists say zoning reform, housing preservation, and modular homes could boost affordable housing supply.

## *How We Can Make Housing Affordable Again*

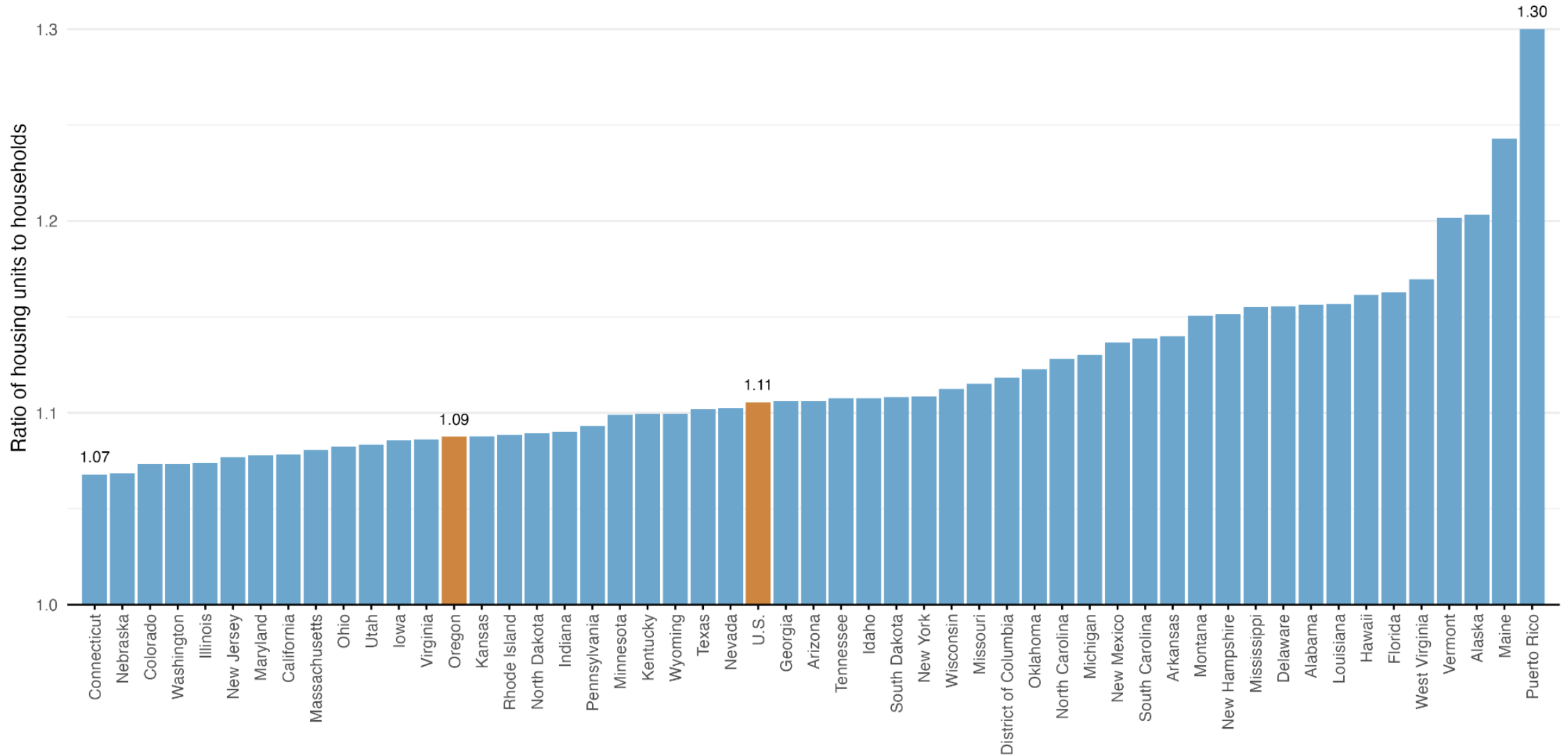
The real challenge is how to allow the market to build the millions of new homes needed.



**Why more housing won't deliver affordability — and what will**

The ratio of housing units to households improved from 2<sup>nd</sup> worst to 14<sup>th</sup> in past year

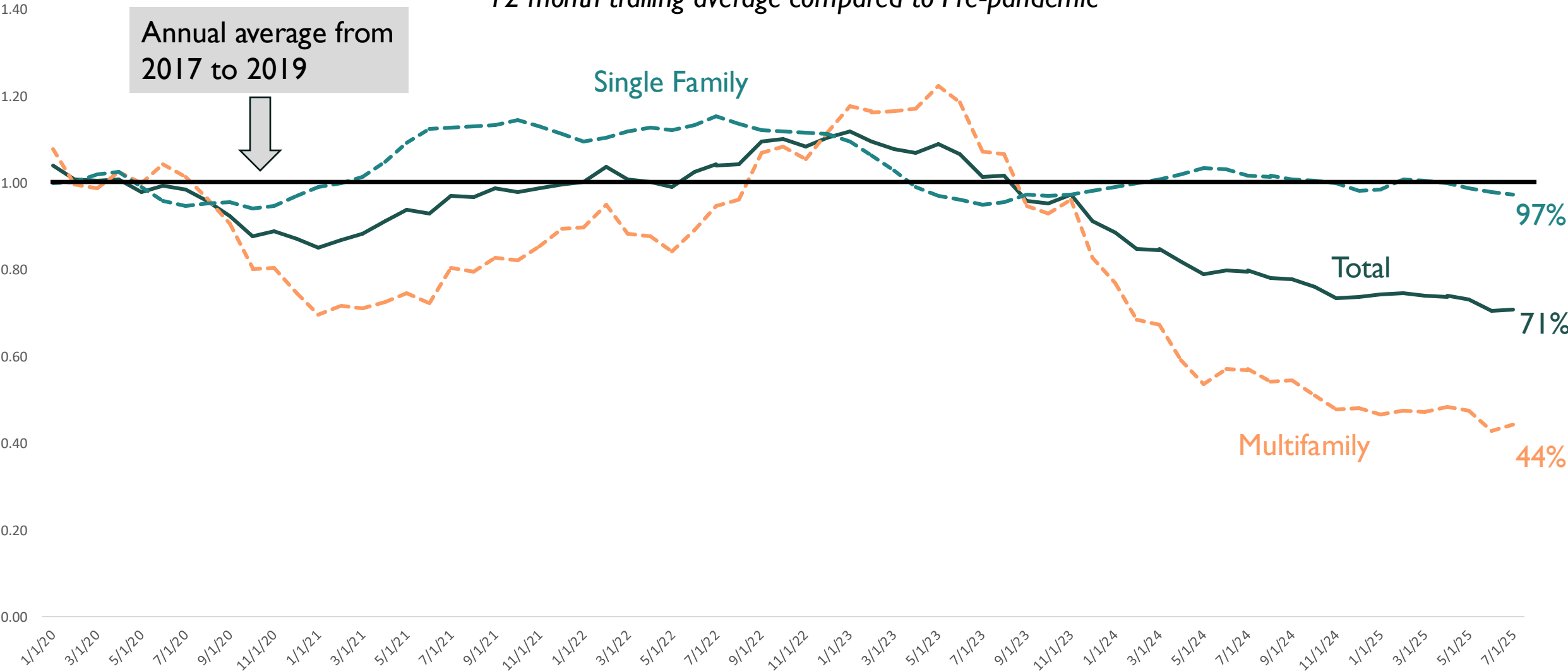
## Ratio of housing units per household in 2024



# Peak housing permitting in 2023—single family rate unchanged from pre-pandemic

## Oregon Statewide Permitting

*12 month trailing average compared to Pre-pandemic*

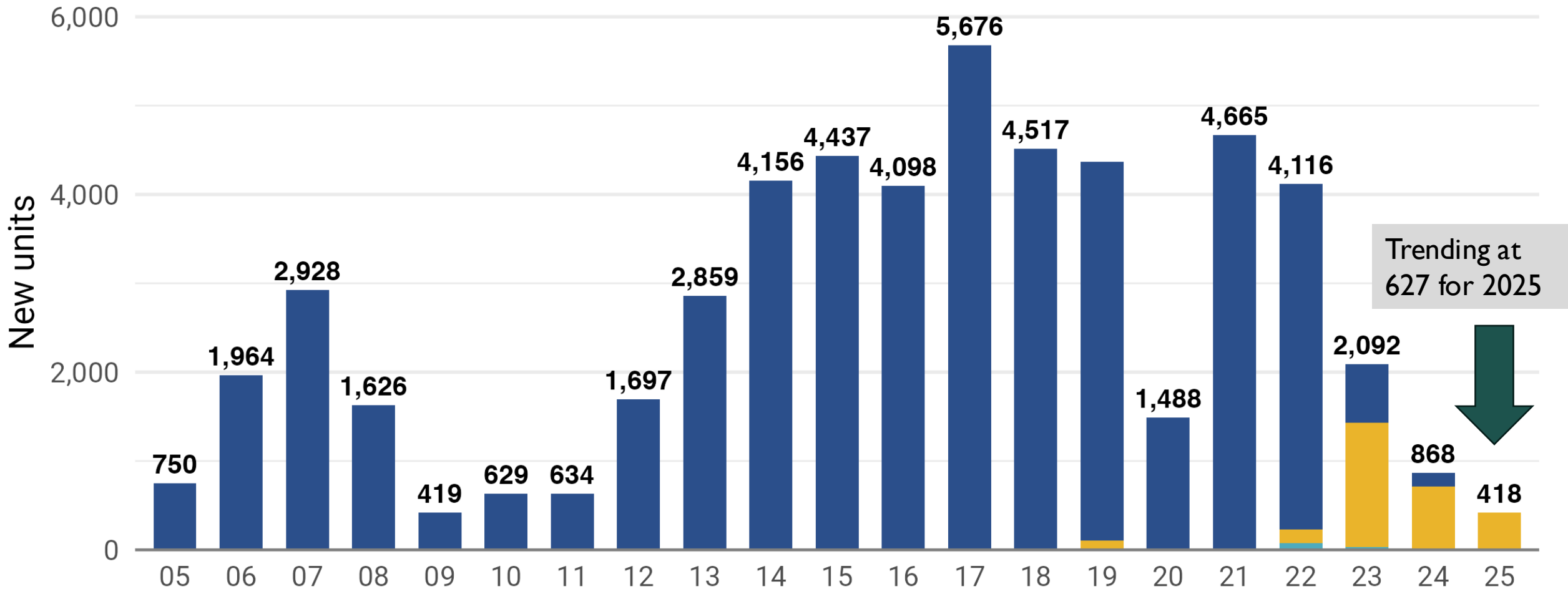


# City of Portland trending to lowest apartment permitting since 2009

## Multifamily housing permit activity, 2005-2025

New unit issued permit activity only - Through end of August 2025

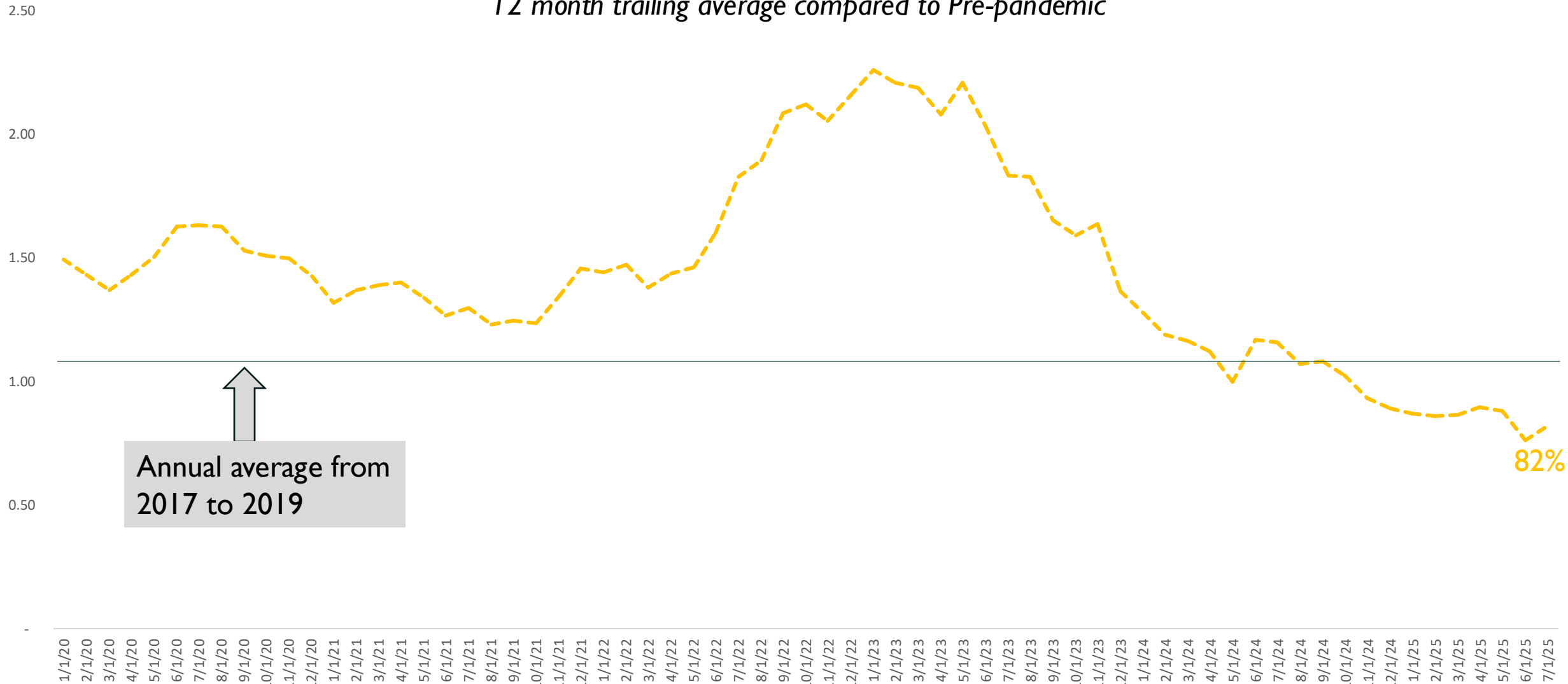
Final Under Inspection



# Removing Portland from multifamily trends paints a different picture

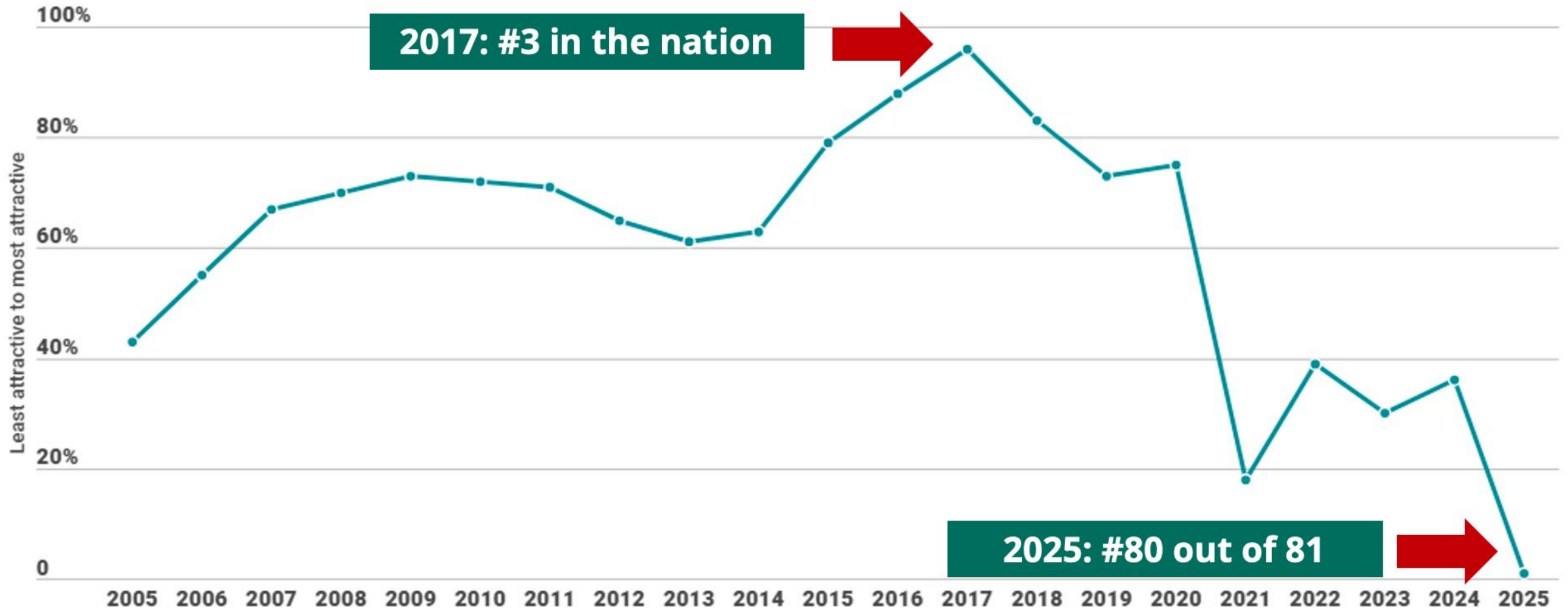
## Oregon Statewide (without Portland) Multifamily Permitting

*12 month trailing average compared to Pre-pandemic*



# Many reasons why multifamily construction is anemic... This is at the top of the list

## ULI Emerging Trends – Development Opportunity Ranking for Portland



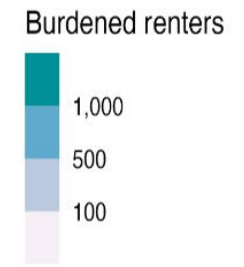
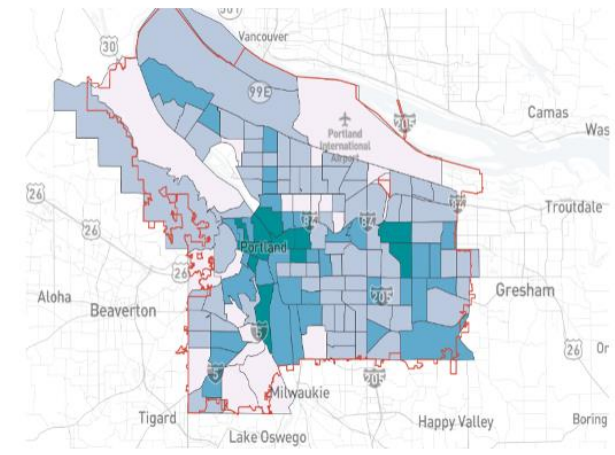
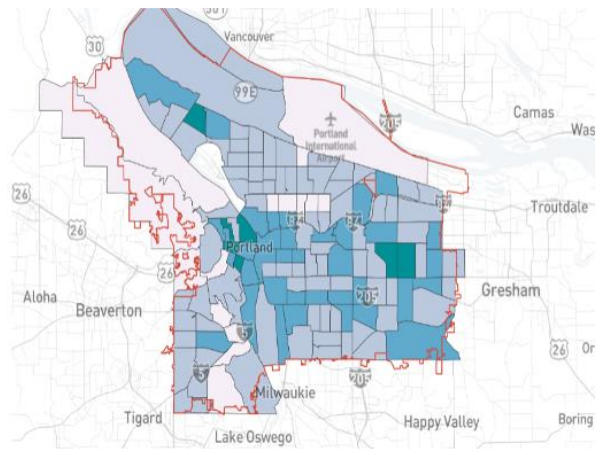
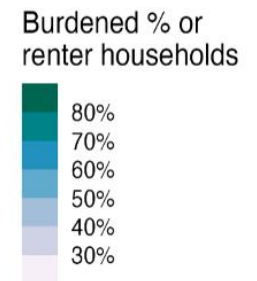
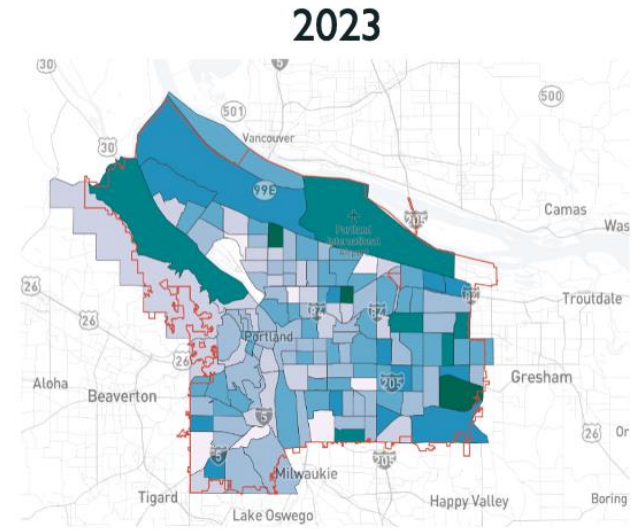
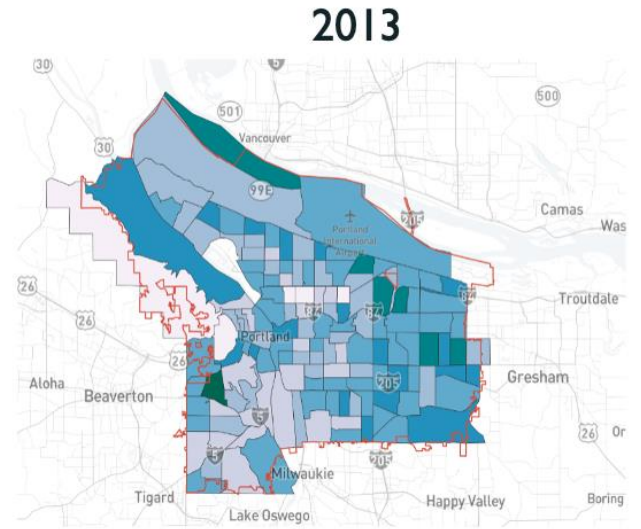
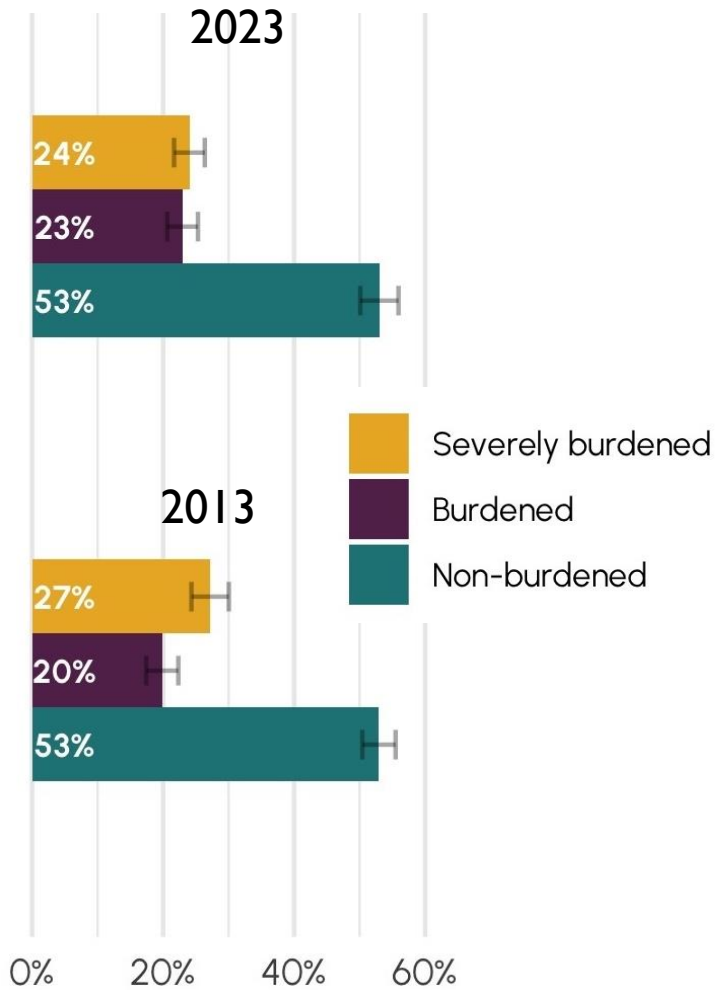
Urban Land Institute (ranking in Emerging Trends in Real Estate), Oregon Office of Economic Analysis.

# Affordability Landscape



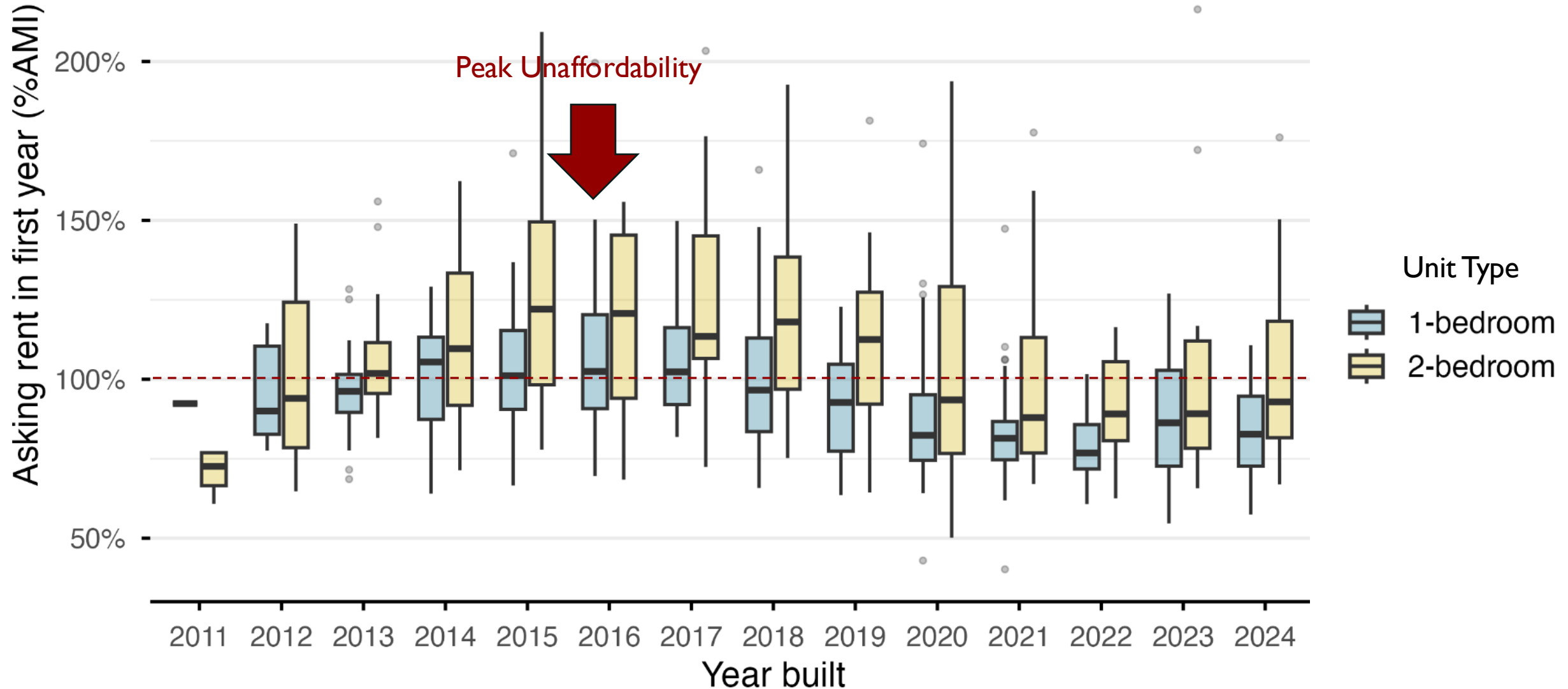
# No change in renter cost burdening rate, but change in location concentration

## Renter Household Cost Burdening in the City of Portland



# Market rate apartments are competing with affordable rent regulated

Asking rent for newly constructed apartments in the City of Portland in first year of delivery



# 2019 Housing Affordability in Vancouver and Gresham

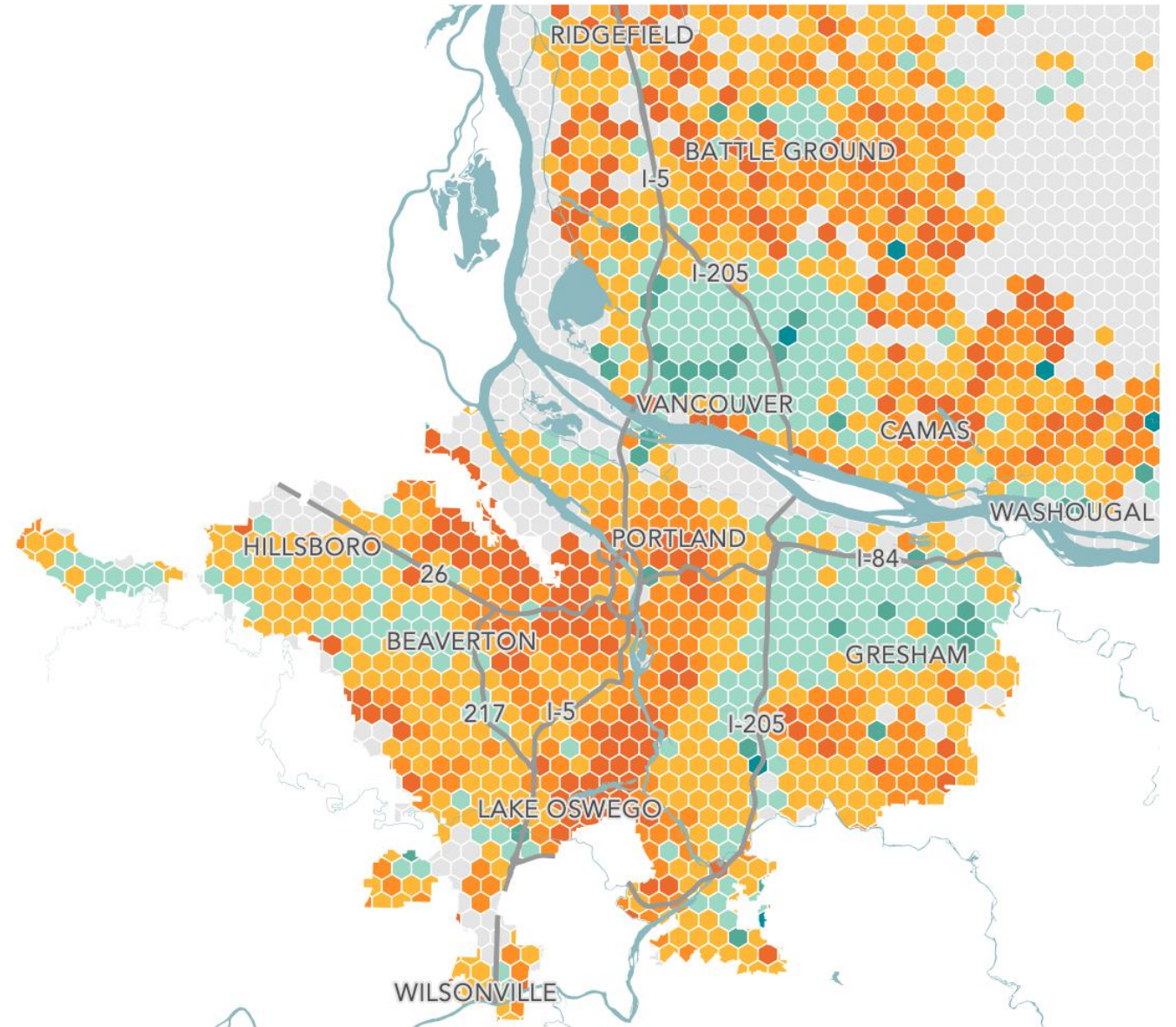
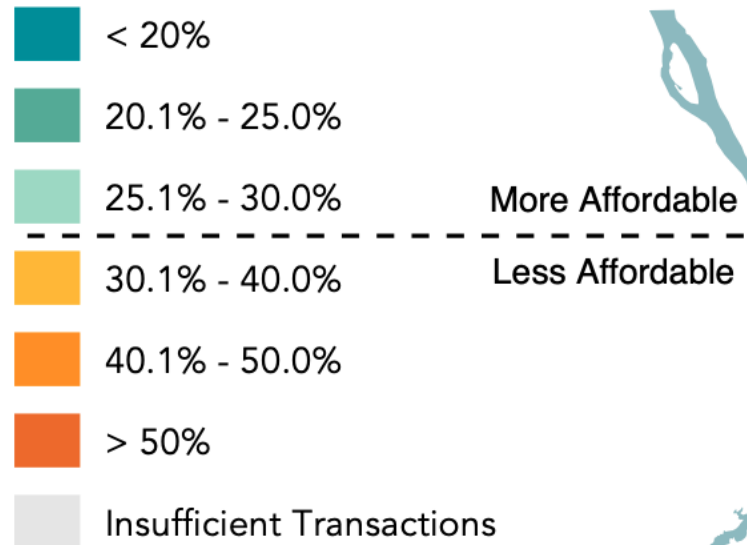
## Assuming:

20% down payment

4% mortgage rates

Median Family Income of \$89,700

## Percent of Income Spent on Housing



# Housing unaffordable to purchase in most of the region

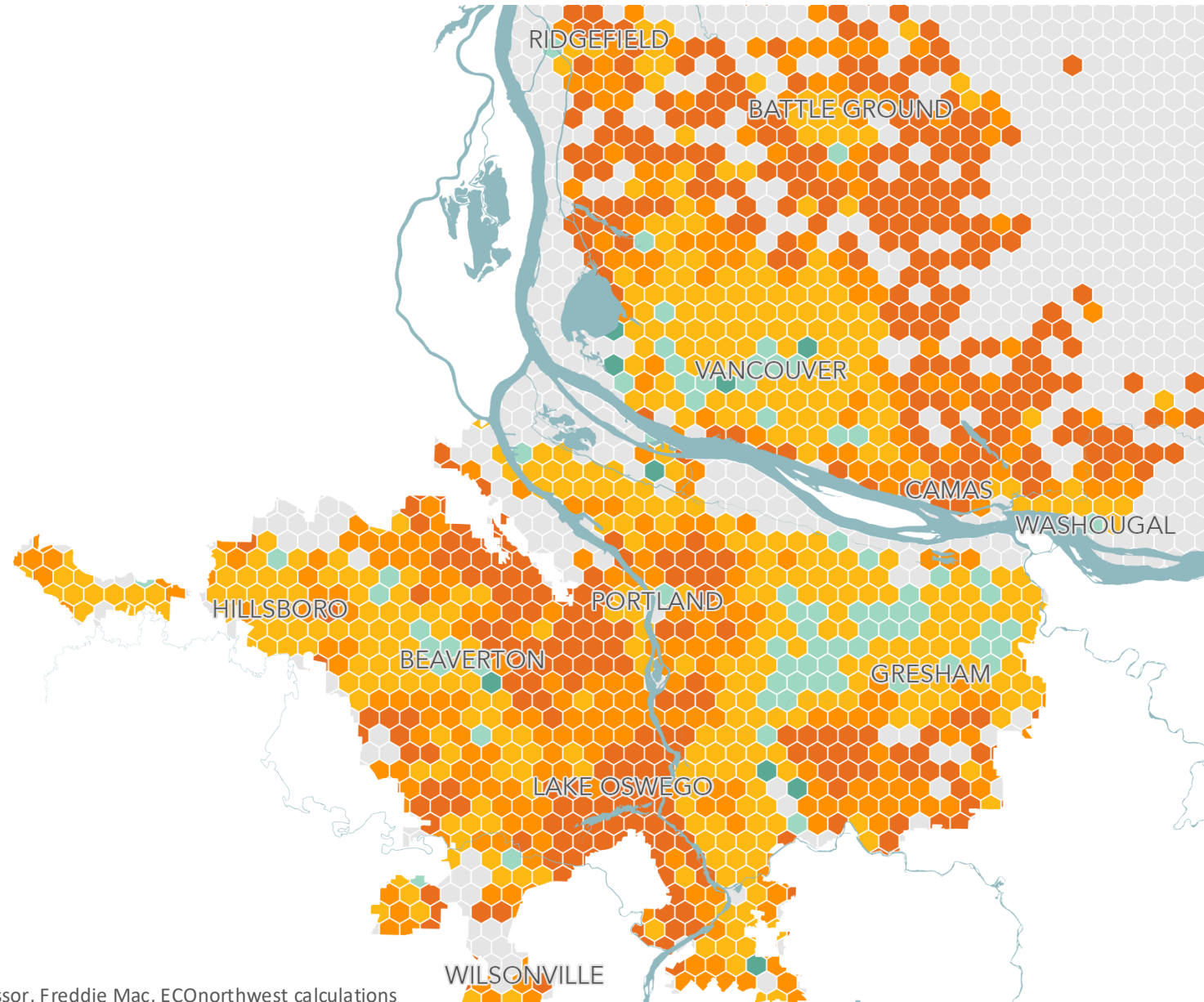
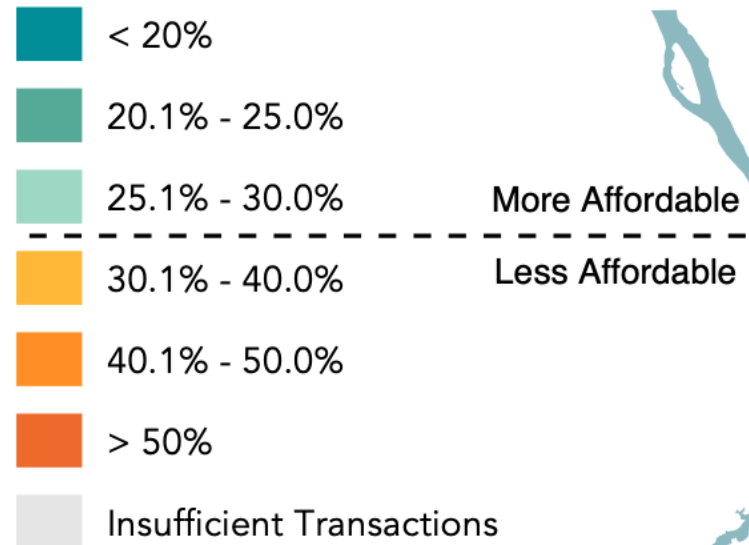
## Assuming:

20% down payment

6.5% mortgage rates

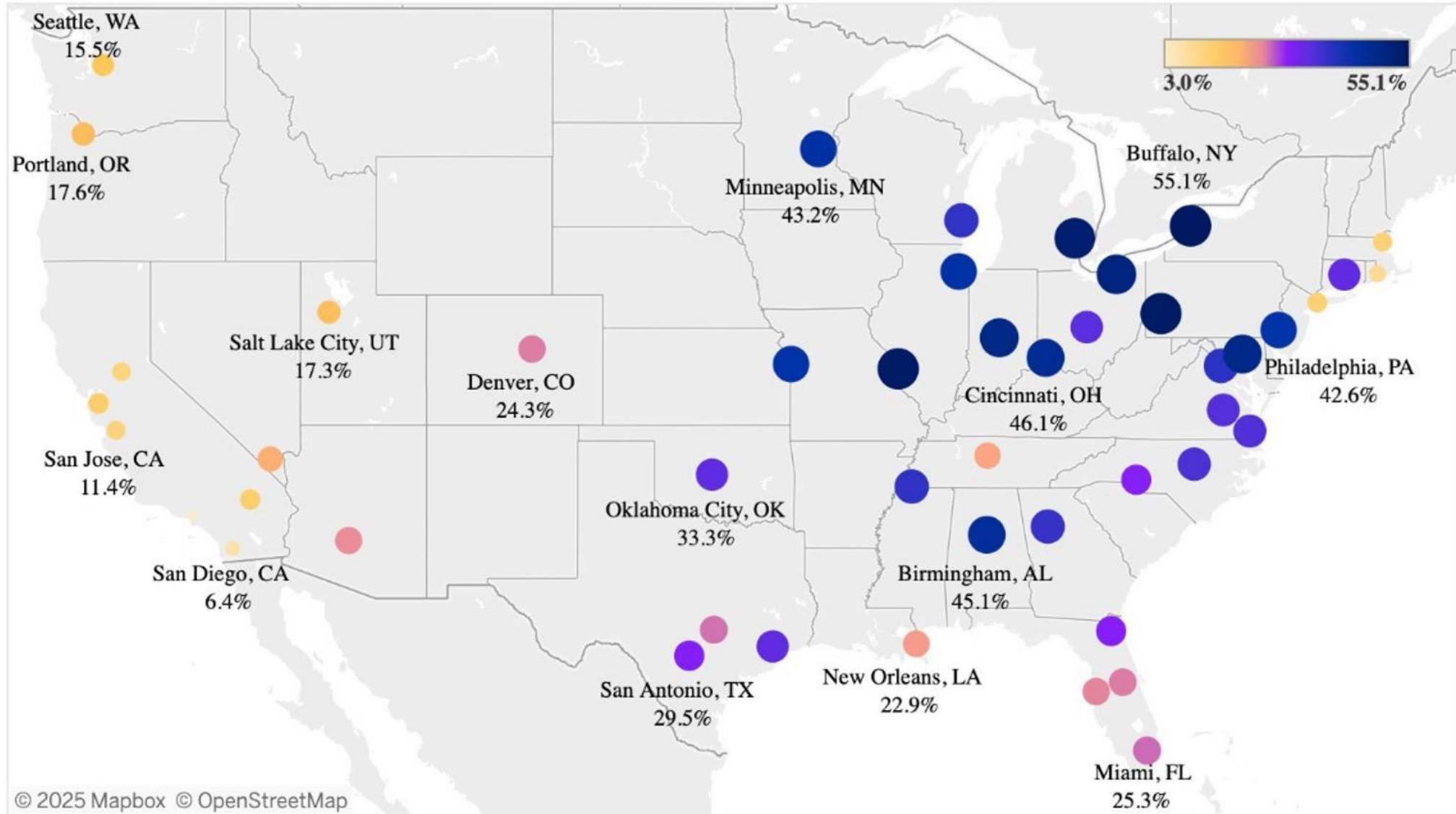
Median Family Income of **\$116,900**

## Percent of Income Spent on Housing



Less than 20% of listings are affordable to a household earning the median income

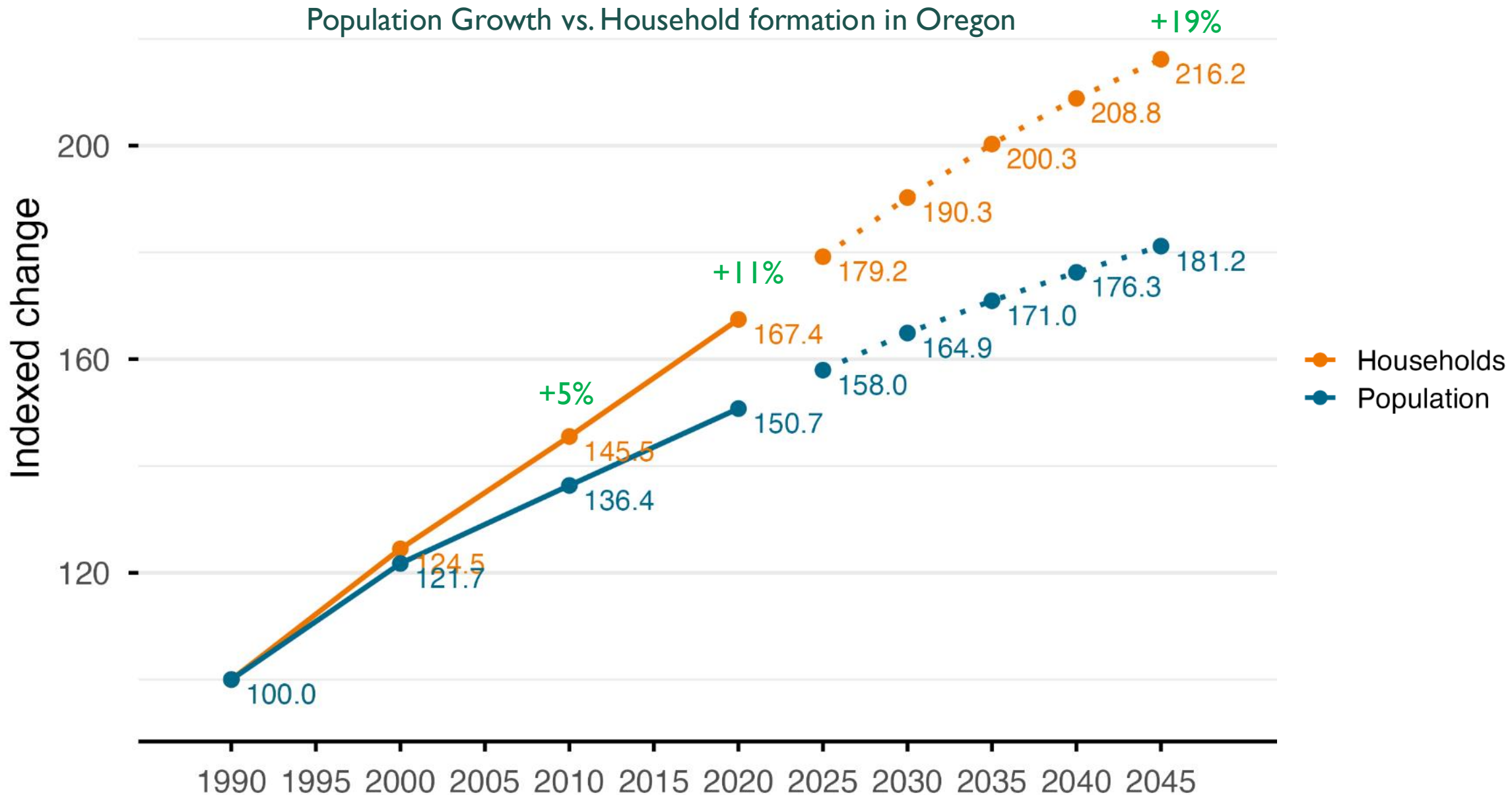
### Share of listings that are affordable to the median-income household



© 2025 Mapbox © OpenStreetMap

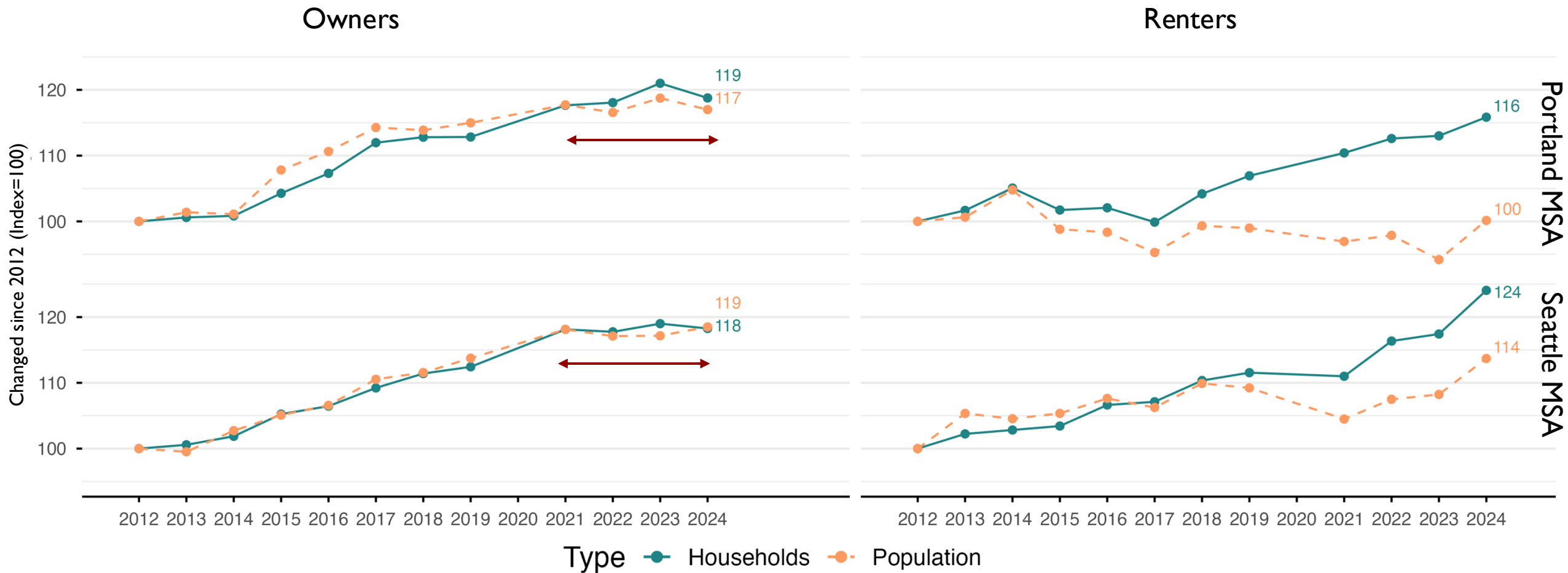
# Takeaways

# Population growth and household formation are now decoupled



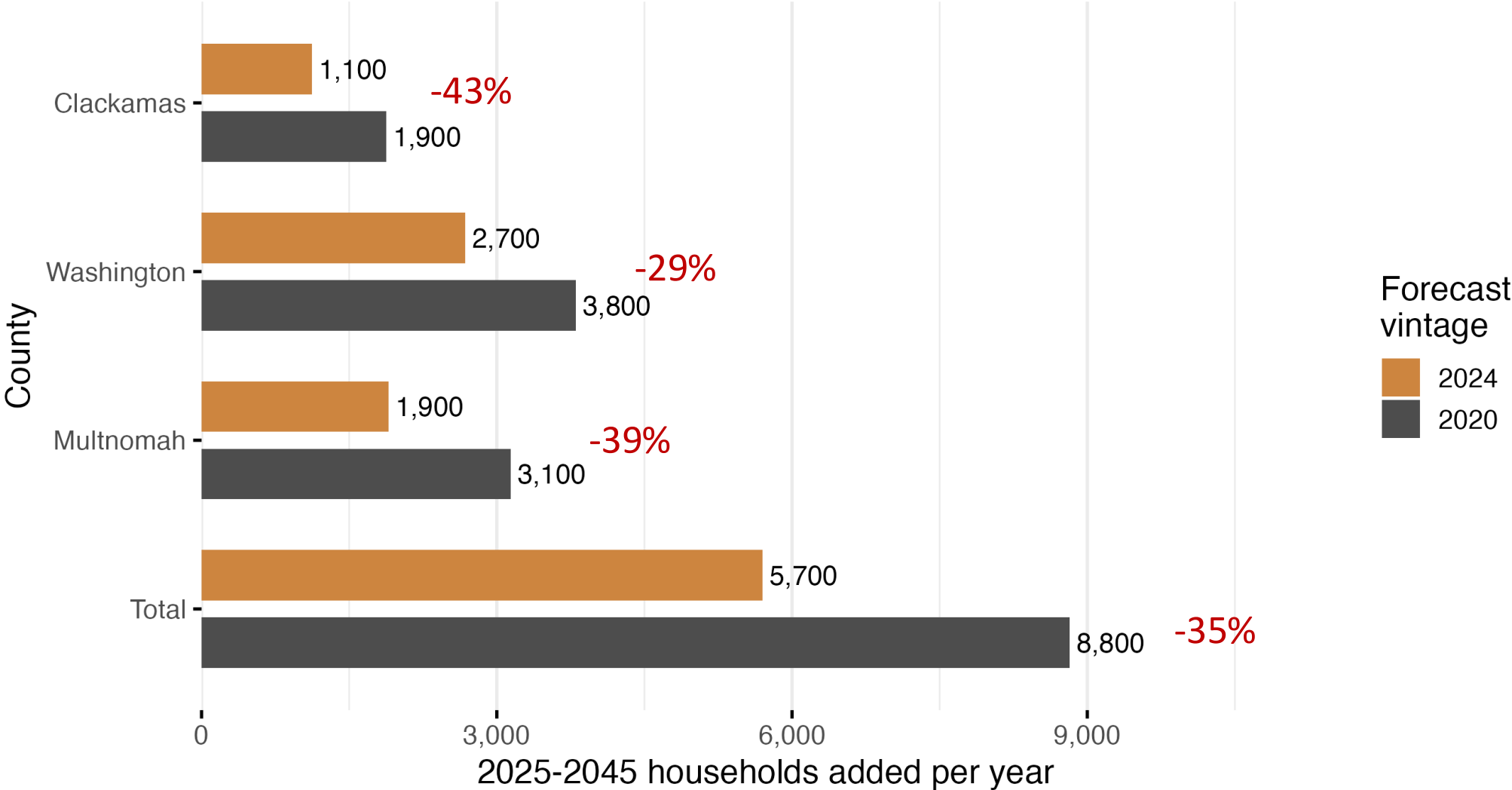
# Owner household formation has stalled, steady renter HH formation

## Annual Change in Population vs. Household Formation



# In last 4 years, PRC has reduced household forecast by 35%

## PSU PRC Household Forecast through 2045




2025-2045 households added per year

Assumes 2.39 regional average household size

# How much housing needs to be built in the Metro without any population growth?

30k units of underproduction needed as of 2023

2025 People per Household = 2.39  2045 People per Household = 2.25

We will need 6% more housing units to accommodate demographic change over 20 years

Currently about 1 million households in the Metro x 6% = 60k units over 20 years

Demographic change requires building 3,000 units annually (plus solving underproduction)

# Population growth is not a sustainable economic development strategy... now what?

IT'S THE ECONOMY

## Will Portland Always Be a Retirement Community for the Young?

Share full article 537

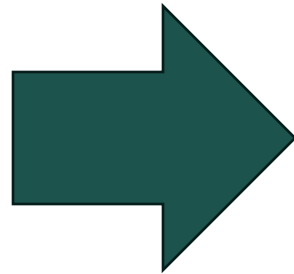


Illustration by Kelsey Dake

By Claire Cain Miller

Sept. 16, 2014

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