

MARKET ANALYSIS

For the Cooper Mountain Community Plan | October 2020



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Acronyms and Abbreviations

MFI	Median Family Income (for evaluating housing affordability)
PMA	Primary Market Area (for demographic and residential analysis)
PTA	Primary Trade Area (for commercial analysis)
SCM	South Cooper Mountain
URA	Urban Reserve Area
UGB	Urban Growth Boundary



About this Report

Purpose

This market study was prepared in support of the Cooper Mountain Community Plan (Community Plan) for the City of Beaverton. It describes the factors and conditions that will drive new, market-rate construction in Cooper Mountain. It evaluates the market demand for various types of housing and neighborhood-serving businesses to inform land use planning and policy-making for the area. A market study typically focuses on factors that drive private-sector development decisions, providing insights into how private developers will look at this area and what types of development the market will produce unaided. The conclusions from this analysis describe what the market is likely to produce; it is not meant to suggest that the City should simply allow the private market to determine what gets built in this area. Rather, it provides the City with the information it needs to identify where policy intervention is needed to achieve the desired outcomes for this area, including creating an inclusive community, where those outcomes are different from what the market will produce on its own. It can also inform the limits of the City's ability to "nudge" the market through policy.

Translating Housing Need and Business Aspirations into Demand for New Construction

Market-rate housing and commercial development occurs when developers (and their lenders and investors) expect to achieve a sales price or value for the finished homes, apartments, or commercial space that is enough greater than the cost of development that they (and their lenders and investors) can earn a reasonable financial return given the risks. With no direct subsidies, market-rate development must appeal to buyers or tenants who can afford the rents or sales prices needed to make development feasible. As a result, developers (and lenders) tend to focus on the demographics and preferences of those most likely to both want to live or operate a business in that location and to be able to afford to do so. This report reflects that perspective, because that is the perspective that informs likely market-rate development.

To make decisions about investment, risk, and development feasibility, developers, lenders, and investors look to data about the demographics of surrounding areas and sales prices of comparable properties to determine whether there is sufficient demand for finished space at prices that feasibly cover the costs of development. It is likely that past exclusionary and discriminatory policies and development practices influenced who purchased nearby properties and at what price. However, it is these data points that most influence market decisions. The same data points are therefore evaluated in this analysis, to understand what the market is likely to produce and inform decisions about how the City might achieve goals that cannot be met by market development alone.

The goals for this area include a more inclusive community that provides opportunities for those across the income spectrum. There is need and demand for lower-cost housing and commercial space in this area and throughout the region. However,



providing space for those at lower incomes in new construction nearly always requires public or philanthropic support. The primary constraint on supply of affordable housing and commercial space is the availability of public subsidy to close the gaps between the cost of development and affordable rents or sales prices. This report notes the City's broader housing needs and includes a brief introduction to potential measures to support housing affordability for the area, which will be further explored in later phases of the Community Plan.

Equity Considerations

This report concludes with a range of potential outcomes and planning considerations for housing and neighborhood commercial development. These conclusions provide input to land use planning and assumptions for the Community Plan, along with policy goals and other factors. Further, the findings of this report identify areas where policy interventions are needed to achieve the City's goals for the area, including equity goals. The City's application of an equity lens does not negate the need for a market study. An equity lens should, however, inform how the market study is interpreted and used as an input to inform land use planning, the development program, and implementation measures.

Timing Considerations

One additional factor in interpreting and making use of this market study is related to timing. Market studies for areas that will develop over a 15- to 20-year period are always challenging because of the number of unknowns and the difficulty of projecting market trends more than a few years ahead. In this case, the additional uncertainties introduced by economic and societal disruptions related to COVID-19 make this a particularly challenging time to anticipate the future. At the time of preparing this report, the COVID-19 virus has created a global pandemic that resulted in entire sectors of the economy being put on hold or significantly disrupted, with large portions of the population now working entirely remotely to reduce viral spread.

Over the long-term horizon, as the study area is built out, prevailing demographic and economic trajectories will have greater influence than cyclical variations or economic shocks. As such, in this analysis we assume a return to long-term economic stabilization. However, we note the potential for several types of lasting impacts:

- Unemployment rates for those in lower-paying industry sectors are particularly high. Communities of color have been particularly hard hit, both by the pandemic and the accompanying recession. The magnitude of need for affordable housing will be affected by the strength of the recovery for these industry sectors.
- While some disruptions may end before the Community Plan is complete and adopted, it is possible that other shifts in how people live and work may persist for years or even decades.



Executive Summary

Context

The Cooper Mountain planning area is anticipated to provide at least 3,760 homes and support welcoming, walkable neighborhoods that honor the unique landscape and ensure a legacy of natural resource protection and connection. This report is one component of the background work to inform the Cooper Mountain Community Plan.

Demographics

Overall population growth will be a main driver of demand in Cooper Mountain. Beaverton has historically grown at a similar pace to the Portland Region, and while it is expected to grow at a slower rate in the future, the city will need roughly 12,300 new housing units within City limits to accommodate growth over the coming decades.

Compared to Washington County overall, residents living in the Primary Market Area (which includes southwest Beaverton, the western portions of Tigard, and adjacent areas in unincorporated Washington County) tend to have higher educational attainment, larger households, and more family households with children. Households in the market area also tend to earn more than \$100,000, with two thirds of households earning more than \$75,000 per year (2014-2018).

Housing

Based on the demographics of the surrounding area, its proximity to employment centers, and the demographics of new home buyers generally,¹ the likely buyers and renters for new, market-rate housing in Cooper Mountain include:

- Middle- to high-income families with children, some of whom may be first-time homebuyers, who will generally be looking for relatively large units (three or more bedrooms) but are often still cost-conscious. Access to schools and parks offering active recreation are likely to be top considerations for locations within Cooper Mountain.
- Middle- to high-income households with some accumulated home equity who may have grown children or have recently retired and are seeking to “move up” to a home with particular features or amenities that fit their lifestyle. Some may seek larger homes with high-end finishes and a quiet location, while others may seek low-maintenance homes (e.g., cottage clusters, townhomes, or condominiums) with access to parks, trails, or other community amenities.

¹ Nancy Robbers for Zillow, “Who’s Buying New Construction?,” November 5, 2019.
<https://www.zillow.com/resources/new-construction/whos-buying-new-construction/>



- Younger professionals and couples without children who are more likely to seek rental housing with some amenities or lower cost for-sale housing (e.g., townhomes). Access to jobs/commute routes and social destinations are likely to be priorities in considering locations.

There is likely to be demand for lower-cost or subsidized housing in the area as well, given the overall citywide (and regional) need. (As noted previously, this demand may not translate into new housing construction without public support.) The readily available data do not provide helpful evidence about housing preferences for housing that is affordable to lower-income households, because these households rarely have the opportunity to choose among a range of options, and it is clear that affordability is a top consideration.² However, without transit service the area will be challenging for lower-income (or any other) households that do not have a car.

These conditions, coupled with the topography of the area, suggest the following outlook for different housing types:

- There is strong demand for single-family detached housing on a range of lot sizes (roughly 2,000 to 5,500 square feet). There is some demand for larger lots, but in limited, prime locations. While home size will likely vary somewhat with lot size, most new homes are likely to have three or more bedrooms, regardless of lot size. There may be demand for some single-family homes with accessory dwelling units.
- While many developers prefer small-lot detached housing, townhomes could be successfully delivered by the private market where topography allows.
- Cottage cluster housing may make sense in some areas with resource constraints or on smaller properties east of SW 175th Avenue, though developers could push the upper limits of allowed unit size, and the units may not be more affordable than other detached housing of the same size and neighborhood amenities.
- Multifamily development (rental units unless legal issues related to condominiums are addressed in state law), would be viable in the area despite the terrain. Three to five multifamily developments, each with roughly 120-220 units, may be possible across the area based on topography and development patterns in similar areas.
- Small rental or condominium housing (duplex, triplex, and fourplex) is much less likely than other housing types to be delivered by private developers, particularly in a greenfield setting.

² Metro's 2014 Housing Preference survey found that over half of households making less than \$50,000 per year ranked cost as the most important housing feature. It also found somewhat lower preference for suburban living than among higher-income populations, though this is likely skewed by younger households. (DHM Research, *Metro Residential Preference Study*, May 2014)



Expected pricing (in 2020 dollars) for new, market-rate, for-sale housing would be similar to that in South Cooper Mountain and River Terrace, at roughly \$300,000-\$350,000 for attached single-family (townhomes) and \$400,000-\$600,000 for most single-family detached homes. Rents for market-rate multifamily may be similar to other new multifamily housing in the area, at \$1,600-\$2,200 per month for a 2-bedroom unit.

Cooper Mountain also presents an opportunity to meet the growing need for housing that is affordable to mid- to lower-income households through the provision of lower cost housing in mixed-income neighborhoods. The City's overall housing needs include a substantial number of rental and ownership units roughly priced for households earning 80% of Median Family Income or less.³ Finding ways to deliver housing at these prices will be a key challenge for this project to address, requiring proactive measures by the City and its partners.

While the appropriate housing mix for this area will be determined through the planning process, this analysis can offer an initial range of possibilities informed by the market conditions described above as well as the City's policy goals for the area. Those policy goals include creating inclusive neighborhoods and meeting citywide housing needs and regional housing targets.⁴ The possibilities summarized in Exhibit 1 represent "book-ends" for the housing mix—one is more closely aligned with the demographics and market conditions of the surrounding areas ("Market-Driven") while the other represents greater policy influence by the City ("Policy-Driven"). Both approaches seek to balance market and policy considerations. They are offered as a starting point for policy discussions and ultimately scenario building for the Community Plan. It is important to recognize that the actual housing mixes evaluated in the planning process will combine the market demand considerations described in this report with actual site conditions, land use context, serviceability, property owner desires, and community input.

³ Washington County's median family income (MFI), defined by HUD, is \$92,100 as of 2020 (note that this is for the seven-county Metro region). Without cost burdening themselves, a household earning 80% of MFI (\$74,000) could afford to spend about \$1,850 on housing. This translates to a home sale price between about \$245,000 and \$375,000 depending on available down-payment and credit score / interest rate.

⁴ Two key regional housing targets are the total number of units that Metro is requiring the City to plan for in this area (3,760) and the Metropolitan Housing Rule (OAR 660, Division 7), which generally requires that the City provide (1) the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing and (2) an overall density of 10 or more dwelling units per net buildable acre. While the Metropolitan Housing Rule targets apply to new housing development citywide in aggregate, Cooper Mountain will account for a large share of new housing development in the City.

**Exhibit 1: Housing Mix “Book-ends” for Consideration**

Housing Type	Market-Driven	Policy-Driven	Notes
Single Family Detached & Cottage Cluster	65-75%	45-55%	Most lots 2,000-5,500 sq. ft. Primarily ownership housing
Attached⁵	10-15%	25-30%	Primarily ownership housing, may be rental or condominium ownership
Multi-Family	10-15%	20-25%	Primarily rental housing

Neighborhood Center

A small, neighborhood-serving commercial node is likely to be viable in Cooper Mountain, based on an assessment of the expected concentration of households in the likely catchment area. Based on evaluation of comparable developments and the scale of demand, the commercial node could be between 0.5 and 2 acres in size with 15,000 to 30,000 sq. ft. of retail space. The tenant mix would include personal and experiential services (e.g., salons, fitness centers), restaurants and cafes, and small medical/dental offices. Because it will be small and neighborhood-serving, it will not draw the kind of crowds that a larger shopping area would; however, to succeed it will need a suitable site with the highest possible visibility and access (e.g., 175th Avenue at a key intersection). Co-locating the commercial node with a public use that serves as an attraction (e.g., a library branch or elementary school) will also help it succeed.

To ensure commercial success, build-out of some residential uses should occur first. While the existing market base is not yet sufficient to support new commercial development, early phasing of higher density residential development and/or public uses near the node will support a limited amount of commercial uses in the mid-term.

⁵ A category that may include duplexes, triplexes, and quadplexes; however, the anticipated number of units for these middle housing types are anticipated to be low (less than 5 percent) as private developers do not typically deliver these products in greenfield settings.



Background

Cooper Mountain, shown in Exhibit 2, is a 1,232-acre area at the western edge of the City of Beaverton. The area is bounded by North Cooper Mountain (in unincorporated Washington County) on the north, South Cooper Mountain (Beaverton's newest urbanizing area) to the south, established neighborhoods to the east, and rural reserve lands (which cannot be developed for roughly 50 years) in unincorporated Washington County to the west. Cooper Mountain is about five miles from downtown Beaverton, about six miles from Tigard, and about 15 miles from downtown Portland.

In 2014, the City of Beaverton developed the South Cooper Mountain Concept Plan. The Plan also included planning guidance for North Cooper Mountain and Cooper Mountain. Together, these three subareas totaled 2,300-acres. At that time, Cooper Mountain was still an Urban Reserve Area (URA).⁶ Then, in 2018, Metro voted to expand the urban growth boundary (UGB) to include what had been the Cooper Mountain URA. The South Cooper Mountain Concept Plan was integral in that decision as was a 2015 housing and land needs assessment that provided evidence to support Beaverton's need for additional residential land.

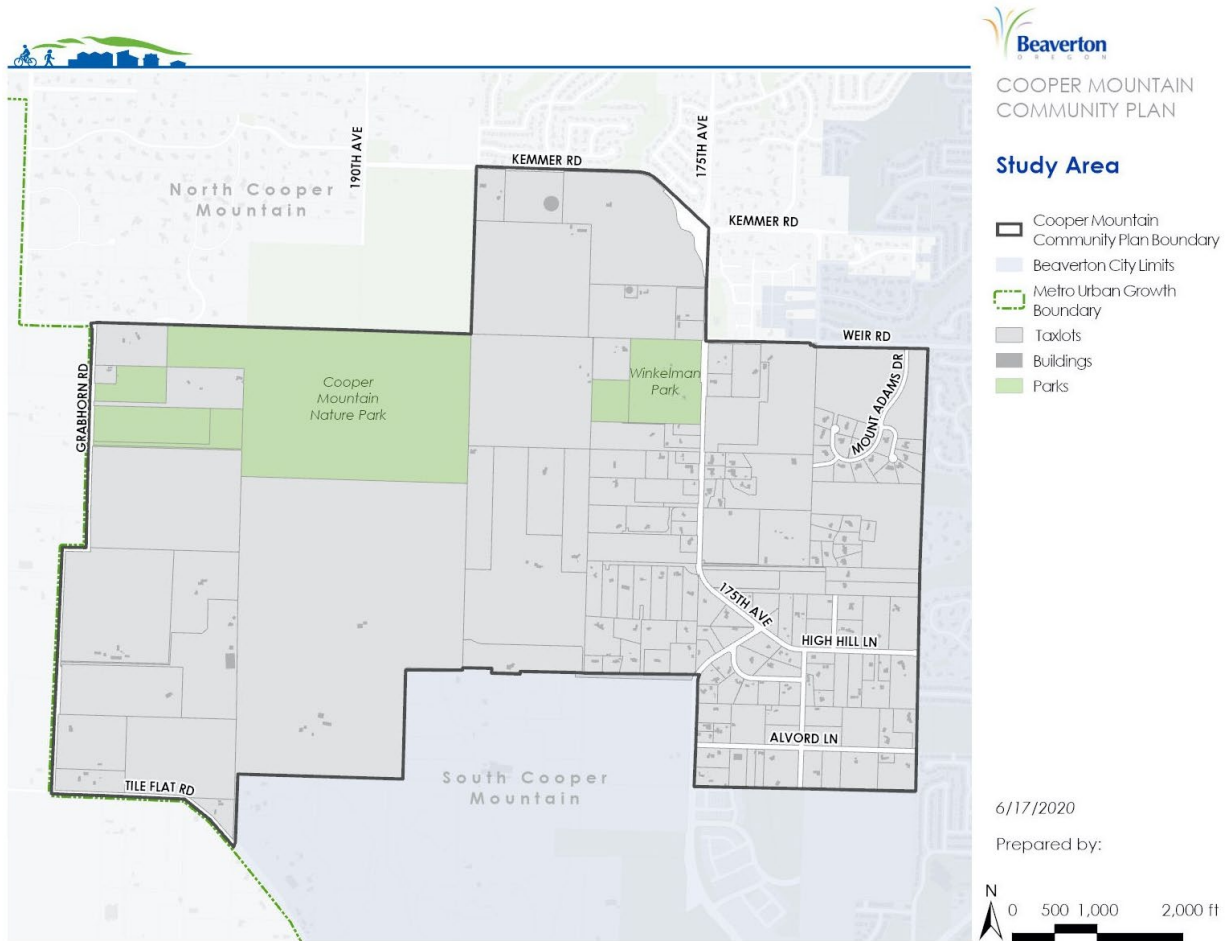
Before development can begin in Cooper Mountain, the City will develop a Community Plan. This report is one component of the background work to inform the Cooper Mountain Community Plan.

⁶ Urban Reserve Areas (URAs) are lands suitable for accommodating urban development within 50 years after their designation. Before these areas can be brought into a City's urban growth boundary or city limits, they must undergo planning to ensure compliance with Metro's planning requirements (Title 11).



Exhibit 2: Cooper Mountain Planning Area

Source: City of Beaverton.



Review of Past Work

This analysis builds on previously conducted studies and planning processes, as summarized below.

- South Cooper Mountain Concept Plan.**⁷ As noted above, the Concept Plan addressed three distinct subareas: South Cooper Mountain, North Cooper Mountain, and the central Urban Reserve Area (Cooper Mountain). The Concept Plan proposed land use designations and design concepts and identified needed transportation, civic uses, infrastructure, and natural resource priorities. The Plan concluded with implementation measures to guide comprehensive

⁷ City of Beaverton (December 2014). South Cooper Mountain Concept Plan.



plan and development code amendments, future urban growth boundary expansions, and infrastructure funding.

- **South Cooper Mountain Concept Plan - Market Study.**⁸ ECONorthwest developed a market analysis to inform the South Cooper Mountain Concept Plan. The study presented an analysis that culminated in a possible retail and residential development program for South Cooper Mountain. That development program projected capacity for 3,100 housing units (differentiated by housing type) and demand for up to 100,000 square feet of retail space. The study also suggested that development in South Cooper Mountain be coordinated with River Terrace in Tigard to ensure the success of both areas.⁹
- **City of Beaverton Housing Strategies Report.**¹⁰ Angelo Planning Group and Johnson Economics developed a Housing Strategies report for Beaverton in 2015. The report contained the City's **Housing and Residential Land Needs Assessment**¹¹ which documented existing housing and demographic data, future trends, and projections. In addition, the analysis inventoried the city's residential land supply, forecasted housing needs, and determined the sufficiency of residential lands to accommodate the housing forecast. The report also concluded with housing strategies to address housing needs, issues, and requirements. The findings of this report were documented in the **City's Comprehensive Plan Housing Element** (Chapter 4).
- **Proposal to Expand the Urban Growth Boundary to Include the Cooper Mountain Urban Reserve.**¹² This document was a request to add Cooper Mountain Urban Reserve to the Metro urban growth boundary. The document cited Metro's compliance requirements and demonstrated how requirements were met.

⁸ ECONorthwest. (May 29, 2013). *South Cooper Mountain Concept Plan – Market Study*, memo.

⁹ The analysis noted that planned development in River Terrace included 2,300 housing units and 25,000 square feet of neighborhood commercial space.

¹⁰ Angelo Planning Group and Johnson Economics (October 2015). *City of Beaverton Housing Strategies Report*.

¹¹ Johnson Economics. (October 2015). *City of Beaverton, OR and Urban Services Boundary Housing and Residential Land Needs Assessment (Oregon Statewide Planning Goal 10), 20-Year Housing Need*. Prepared for City of Beaverton, Oregon.

¹² City of Beaverton. (May 31, 2018). *Proposal to Expand the Urban Growth Boundary to Include the Cooper Mountain Urban Reserve*. Prepared for Metro.



Organization of the Report

The remainder of this report is organized as follows:

- **Market Area Existing and Expected Demographics** describes demographic and economic trends in the market area and larger region.
- **Residential Market Analysis: trends and Implications for the Plan Area** presents information about the local, residential housing market. It presents residential real estate market trends that will influence development in Cooper Mountain's primary, residential market area.
- **Neighborhood Commercial Market Assessment** summarizes the factors that influence commercial development and the competitive retail landscape for the primary commercial trade area. It also summarizes several comparative analyses about commercial centers to assess the relationship between the scale of retail development to catchment areas.
- **Conclusions** summarizes Cooper Mountain's competitive advantages and disadvantages and presents initial options and planning considerations about planning assumptions for the mix of land use and development types in Cooper Mountain.



Market Area Existing and Expected Demographics

This section describes demographic and economic trends in the Cooper Mountain residential primary market area and larger region.

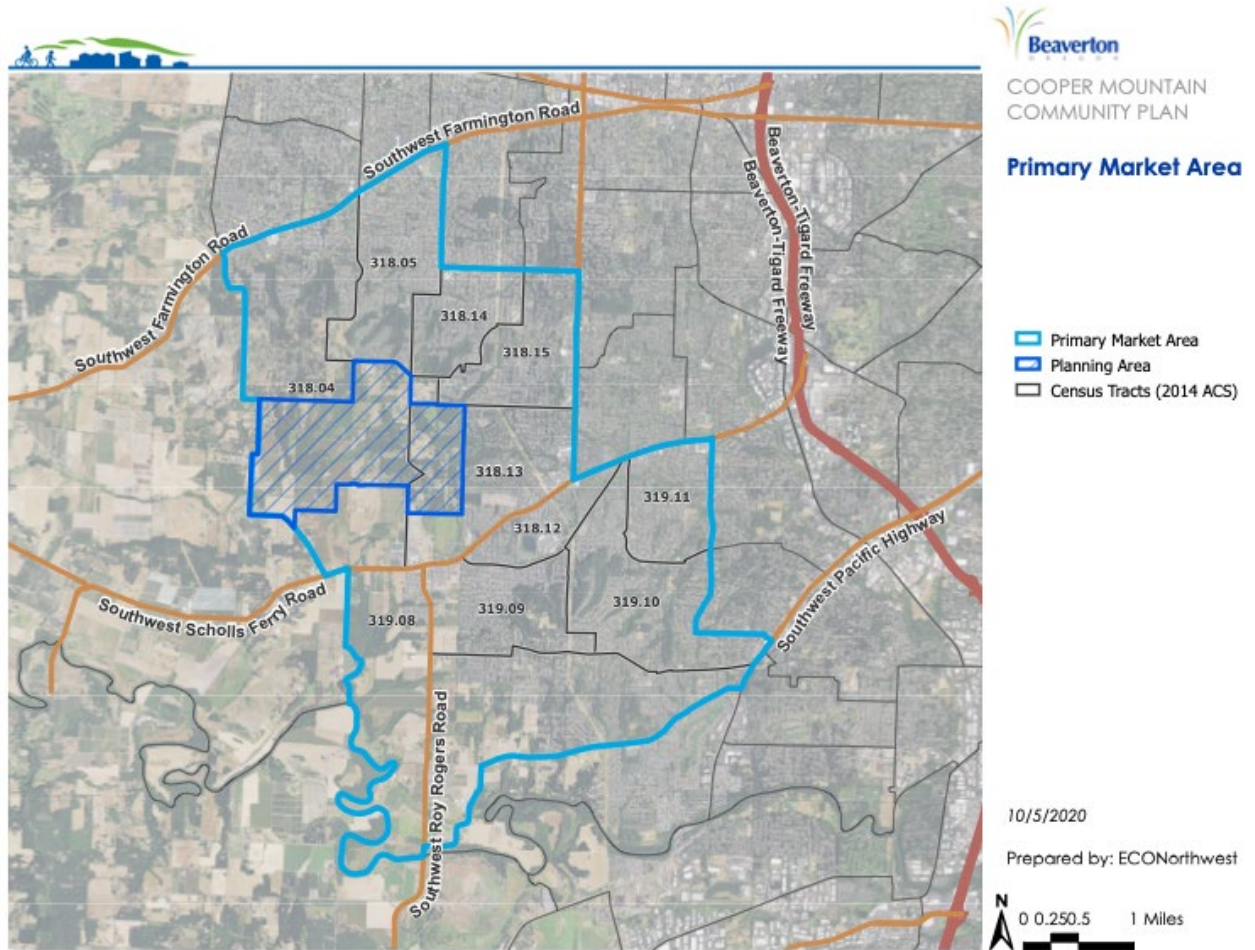
Defining the Primary Market Area

The primary market area (PMA) for this report's housing analysis is based on census tracts that generally align with the PMA used in the South Cooper Mountain Market Analysis. Some adjustments were made to ensure that the Cooper Mountain PMA encompassed similar neighborhoods to the relatively hilly Cooper Mountain planning area. Potential future residents of the Cooper Mountain planning area may come from across the region as well as outside the state or even outside the country in addition to from nearby neighborhoods. However, while new households in the Cooper Mountain planning area will not necessarily directly draw from the surrounding community, if the available housing options are similar, then those who choose to live in Cooper Mountain may be similar demographically to those living in surrounding areas. See page 23 for a discussion of factors beyond the adjacent area demographics considered in the anticipated demographics of the planning area.



Exhibit 3: Cooper Mountain Primary Market Area

Source: ECONorthwest.





Community Socio-Economic Trends

This section evaluates existing demographic trends and characteristics in the primary market area (see Exhibit 4), which has a population of 58,895.¹³ It compares the market area to larger geographies where appropriate. This analysis focuses on population growth and socio-economic characteristics that tend to drive housing choice and development investment decisions. Note that this section does not address race/ethnicity/national origin, as we lack data to fully understand how race/ethnicity/national origin affects housing preferences and needs after accounting for income, particularly given the demographic makeup of Washington County, which has a wide range of incomes among people of color. See page 23 for a discussion of other factors that inform the anticipated demographics of the planning area.

Population and Households

Beaverton's population grew by 29% between 2000 and 2019, adding over 22,000 new residents, at an average annual growth rate of 1.4%. Beaverton grew at a similar rate as the tri-county Portland Region, but faster than Oregon as a whole.

Exhibit 4. Historical Population Growth, Beaverton, Portland Region (tri-county), and Oregon, 2000 and 2019

Source: Portland State University, Population Research Center Estimates.

Geography	Population		Population Change (2000 to 2019)		
	2000	2019	Number	Percent	AAGR
Beaverton	76,129	98,255	22,126	29%	1.4%
PDX Region	1,444,219	1,858,560	414,341	29%	1.3%
Oregon	3,421,399	4,236,400	815,001	24%	1.1%

Exhibit 5 presents Metro's forecast for future growth in Beaverton. The city is forecasted to reach 112,651 people by 2040 (an increase of more than 14,000 new people between 2019 and 2040). While Beaverton is forecast to grow at a slower rate than in the past, its population growth will continue to drive future demand for housing and services in the city.

Exhibit 5. Population and Household Forecast, Beaverton, 2015 to 2040

Source: Metro 2040 Distributed Forecast, created July 12, 2016.

	Population	Households
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¹³ 2014-2018 ACS, table S010.



2015	94,215	37,808
2040	112,651	47,100
Change (2015 to 2040)		
Number	18,436	9,292
Percent	20%	25%
AAGR	0.72%	0.88%

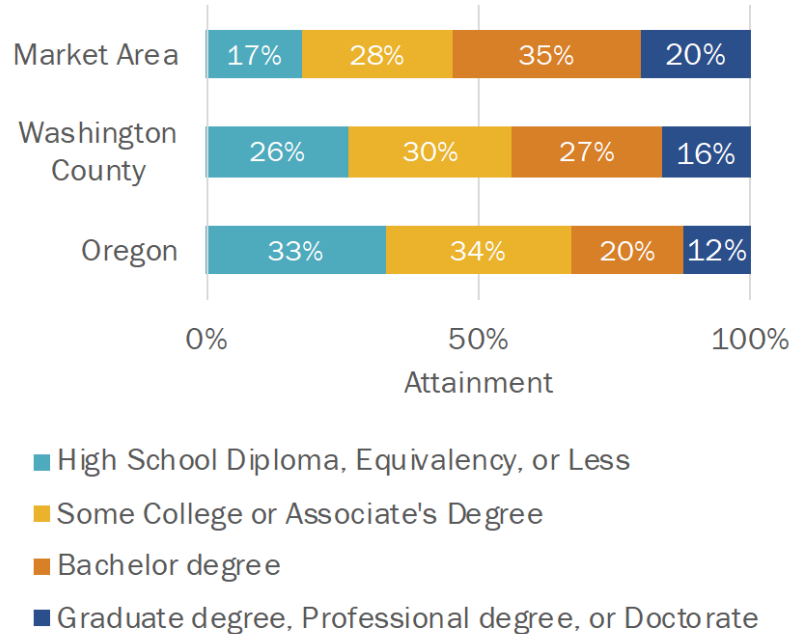
The charts on the following pages show how market area demographics compare to Washington County overall.



A larger share of the market area's residents have a bachelor's or advanced degree, compared to residents of Washington County or Oregon overall.

Exhibit 6. Educational Attainment, Population 25 Years or Older, Primary Market Area Washington County, and Oregon, 2014–2018

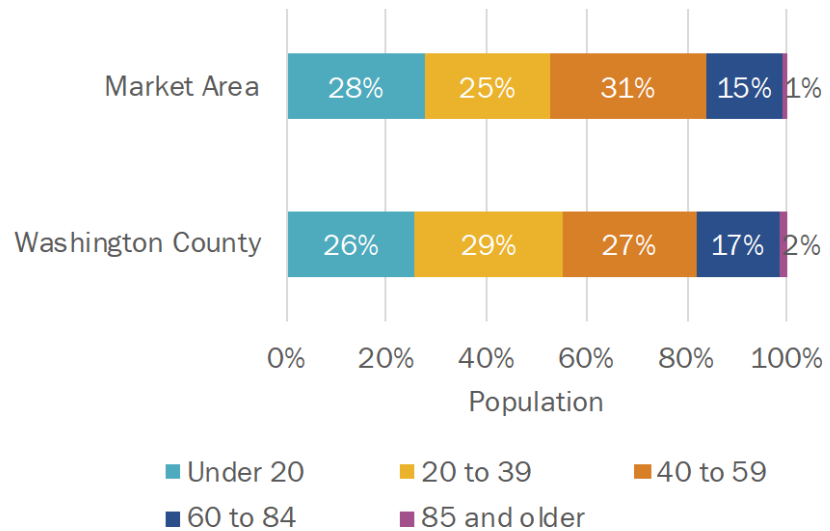
Source: U.S. Census Bureau, 2014–2018 ACS 5-year estimate, Table B15003.



The market area's population includes a larger share of persons under age 20 and between 40 and 59 than Washington County population as a whole.

Exhibit 7. Age Distribution, Primary Market Area and Washington County, 2014–2018

Source: U.S. Census Bureau, 2014–2018 ACS Table S0101.

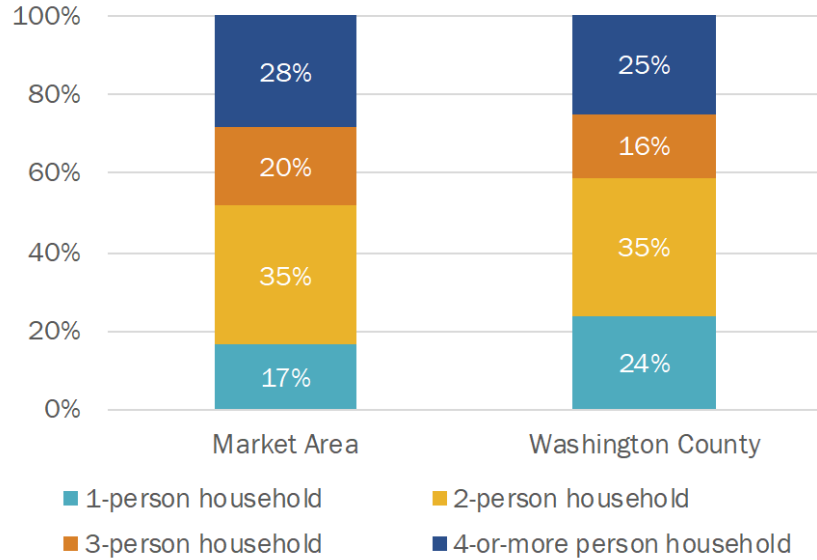




Households in the market area tend to be slightly larger than households in Washington County as a whole.

Exhibit 8. Household Size Distribution, Primary Market Area and Washington County, 2014–2018

Source: U.S. Census Bureau 2014–2018 ACS 5-year estimate, Table B25009.

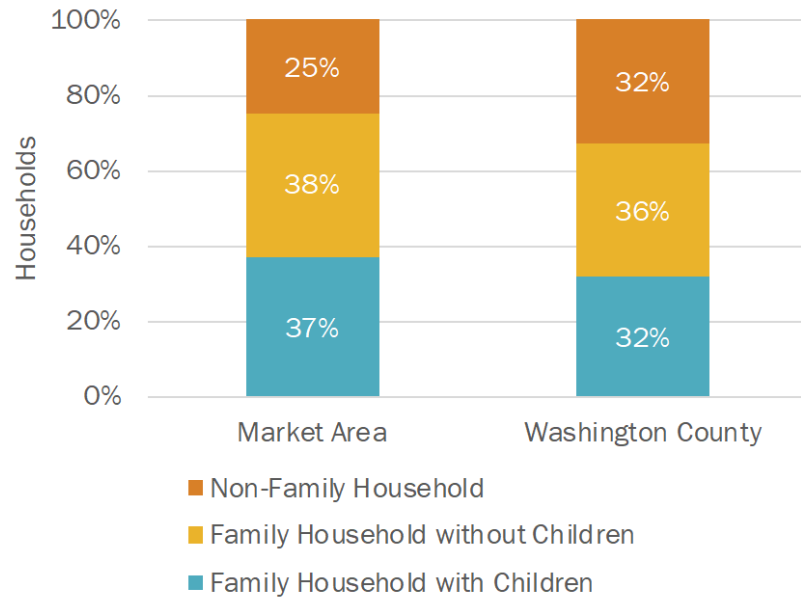


Consistent with age distribution and household size findings, the PMA comprises more family households with children than the county as a whole.

Three-quarters of households in the market area are family households, a higher proportion than in Washington County.

Exhibit 9. Household Composition, Primary Market Area and Washington County, 2014–2018

Source: U.S. Census Bureau, 2014–2018 ACS 5-year estimate, Table DP02.



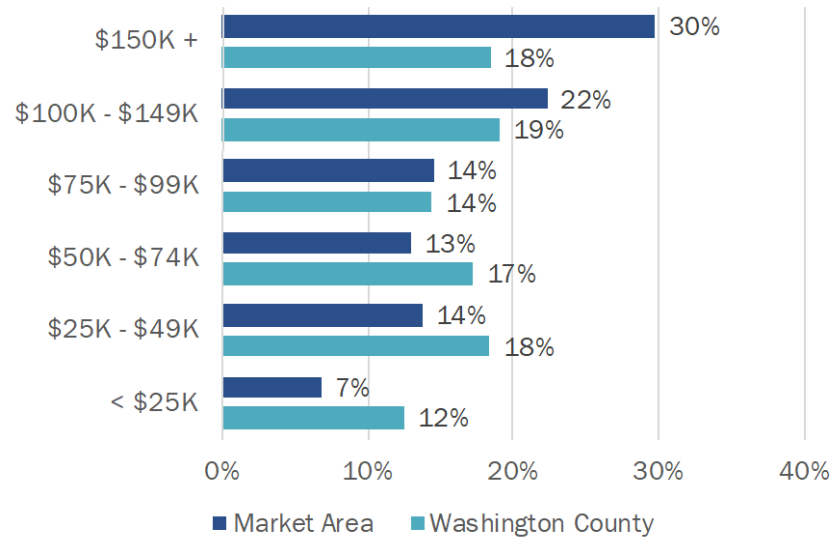


Income

About two-thirds of households in the PMA have incomes greater than \$75,000, compared to just over half of households in Washington County as a whole.

Exhibit 10. Household Income Distribution, Primary Market Area and Washington County, 2014–2018

Source: U.S. Census Bureau, 2014–2018 ACS 5-year estimate, Table B19001.



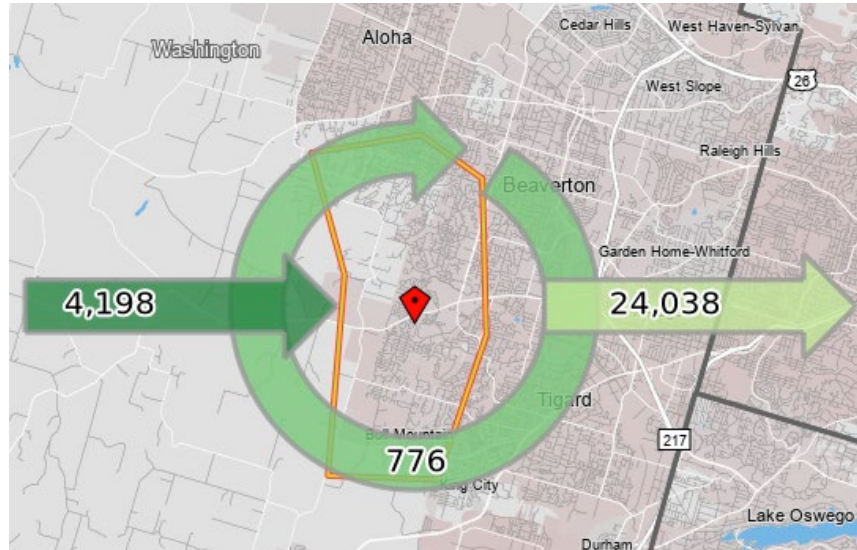
Employment and Commuting Patterns

Far more workers commute out of the PMA than into it.

Of the 24,038 commuters leaving the market area, most travel to Portland (6,748), Beaverton (4,718), or Hillsboro (2,942) for work.

Exhibit 11. Map of Commuting Patterns, Primary Market Area, 2017

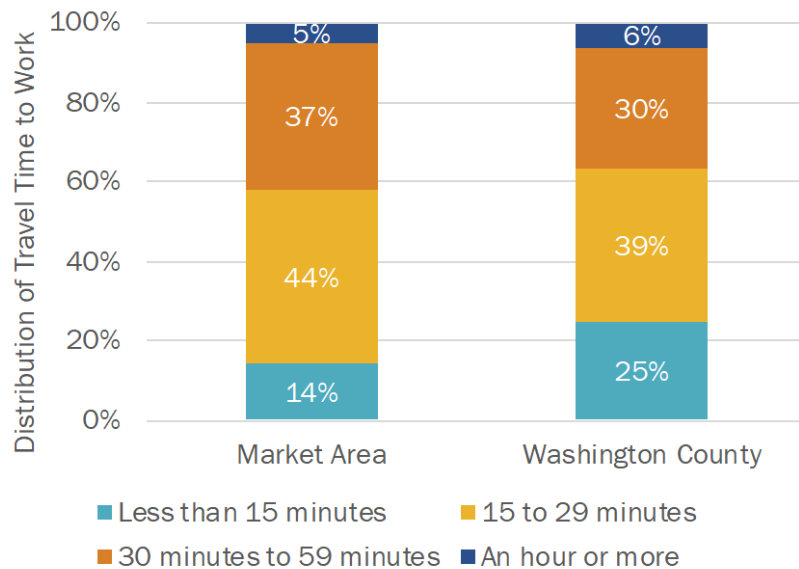
Source: U.S. Census Bureau, Census On the Map.



In general, residents of the PMA have longer commute times than the residents of Washington County as a whole.

Exhibit 12. Commute Times (Journey to Work), Primary Market Area and Washington County, 2014-2018

Source: U.S. Census Bureau, 2014–2018 ACS Table B08303.





Other Demographic Considerations

There are several factors that may lead to a demographic shift for new residents relative to the PMA:

- With little existing housing in the area today, most future households in Cooper Mountain will move there from elsewhere in the City/region or from other areas. Nationally, households that move in a given year are not representative of households overall because there are particular life stages and events that tend to be associated with a greater likelihood of moving. (For example, young adults—under age 35—are more likely to move than older adults, though mobility among this group has decreased in recent years.¹⁴) This may lead to more younger households moving to the area compared to households currently living in the surrounding neighborhoods.
- Nearly all homes in the area will be new construction. The buyers and renters of new construction can be somewhat different from those considering older housing. A recent national study of new construction homebuyers found that two demographic groups are most prominent among those buying new homes: “Millennials who are more likely to be experiencing life-changing events — graduation, marriage, new jobs and kids — that often trigger a new home purchase;” and “younger baby boomers who have already retired (or are approaching retirement) and are looking to buy newly built homes that suit their particular tastes.”¹⁵ This may lead to more first-time homebuyers and retirement-age adults moving to the area compared to households currently living in the surrounding neighborhoods.
- Past exclusionary development and discriminatory housing policies affect who lives in adjacent neighborhoods today, so the existing demographics of the PMA should be considered in that light. To the extent that the City succeeds in its goals of creating a more inclusive community and providing affordable housing choices, this will shift the balance of demographics in the community somewhat, potentially leading to a more socio-economically and racially diverse community.

¹⁴ William H. Frey, “For the first time on record, fewer than 10% of Americans moved in a year; Millennials are driving the trend,” November 22, 2019. <https://www.brookings.edu/blog/the-avenue/2019/11/22/for-the-first-time-on-record-fewer-than-10-of-americans-moved-in-a-year/>

¹⁵ Nancy Robbers for Zillow, “Who’s Buying New Construction?,” November 5, 2019. <https://www.zillow.com/resources/new-construction/whos-buying-new-construction/>



Prior Housing Needs Projections

The City of Beaverton's 2015 Housing and Residential Land Needs Assessment discusses Beaverton's current / future housing needs based on existing demographic and housing conditions, household growth trends, and housing projections by type and income. Exhibit 13 shows the distribution of needed units by housing type.

From 2015 to 2035 the city is forecast to need 12,295 units within its city limits and 15,744 units within its urban service area (a total of 28,038 units).

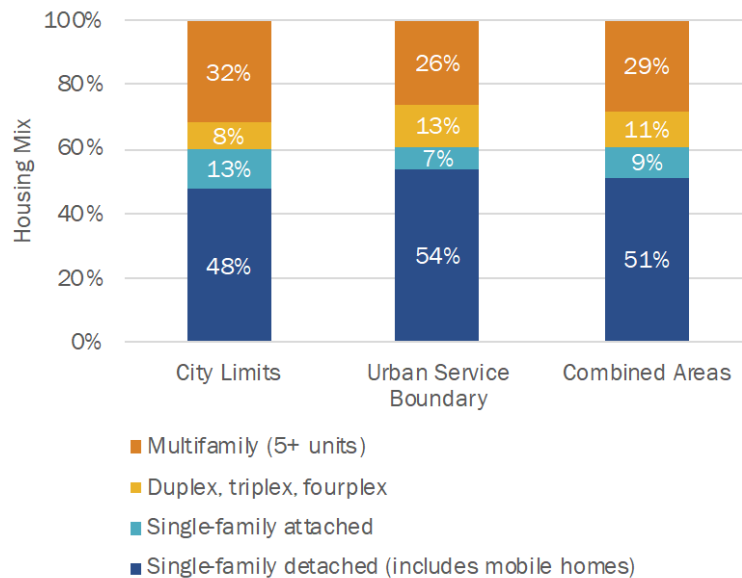
While previously prepared projections may be impacted by implementation of changes required by House Bill 2001,¹⁶ about half of all new units are planned to be single-family detached housing.¹⁷

Most attached housing is expected to be larger apartments and condominiums, rather than smaller multifamily developments with two to four units.

Beaverton's 2015 analysis also described housing need by price (in 2015 dollars). A large share of rental units was identified as needed at price points below \$620 per month (affordable to very low-income households earning less than about 35% of Median

Exhibit 13. Projected Dwelling Unit Need by Unit Type, 2015 to 2035

Source: Johnson Economics. (October 2015). City of Beaverton, OR and Urban Services Boundary Housing and Residential Land Needs Assessment (Oregon Statewide Planning Goal 10), 20-Year Housing Need. Prepared for City of Beaverton, Oregon. (Exhibit summary by ECONorthwest.)



¹⁶ This Oregon law requires cities over 25,000 to allow middle housing types, including duplexes, triplexes, fourplexes, cottage clusters, and townhomes in residential zones that allow single family detached housing.

¹⁷ As noted previously, the Metropolitan Housing Rule (OAR 660, Division 7) generally requires that the City provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing.



Family Income or MFI), followed by units priced between \$1,080 to \$1,730 per month (affordable to households earning roughly 60-95% of MFI). New ownership units were identified as needed across the income spectrum, but particularly at price points below \$180,000 (affordable to households earning less than 80% of MFI) and between \$250,000 to \$390,000 (affordable to households earning roughly 100-150% of MFI).

In addition to housing need by price per the City's 2015 analysis, the State of Oregon recently published a Regional Housing Needs Analysis technical report that highlighted needed new units by MFI (see Exhibit 14). For context, Exhibit 15 illustrates a range of price points achievable to a range of incomes and occupations.

Exhibit 14. Needed Units by Median Family Income, Beaverton UGB, 2020-2040

Source: ECONorthwest (2020). Implementing a Regional Housing Needs Analysis Methodology in Oregon: Approach, Results, and Initial Recommendations.

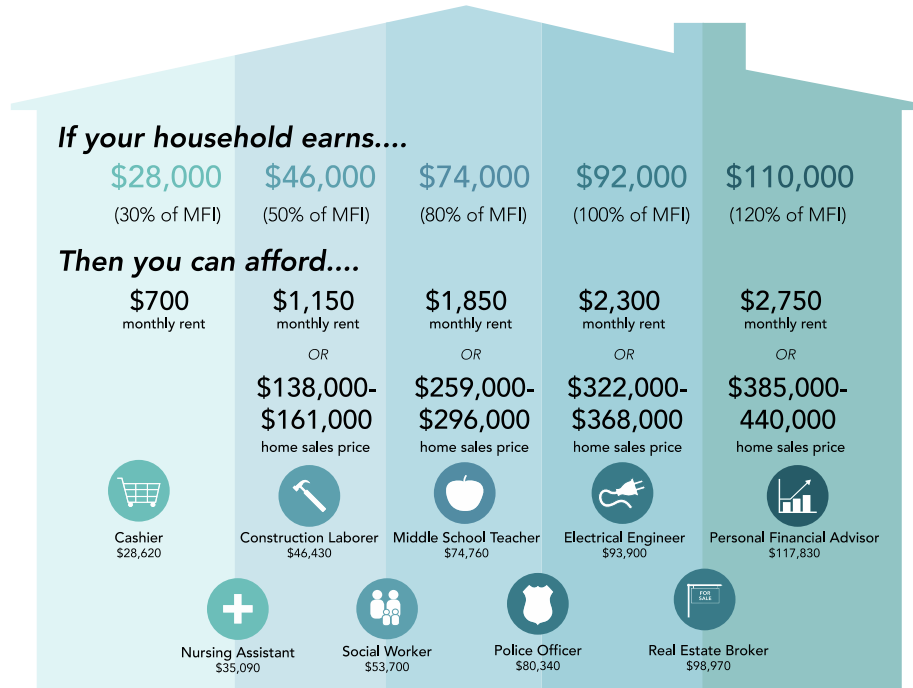
MFI:	0-30%	30-50%	50-80%	80-120%	+120%	Total
Single-Family Detached	429	324	482	741	3,250	5,226
Single-Family Attached	50	102	174	342	380	1,048
Manufactured and Other	14	138	63	22	30	268
Multifamily Housing	1,597	1,032	1,401	1,222	1,356	6,608
Total	2,091	1,596	2,121	2,327	5,016	13,150



Exhibit 15. Financially Attainable Housing, by Median Family for Washington County (\$92,100), 2020

Source: U.S. Department of Housing and Urban Development 2020. U.S. Census Bureau, 2014-2018 ACS Table 19001.

Note: MFI is Median Family Income; Washington County MFI is determined by HUD for the Portland MSA. Recognizing that housing markets are regional, and to describe housing affordability with a more equitable lens, this analysis uses Washington County's MFI as the income distribution scale.





Residential Market Analysis

This section presents information about the local housing market, including residential real estate market trends that will influence development in Cooper Mountain.

Market Conditions and Trends

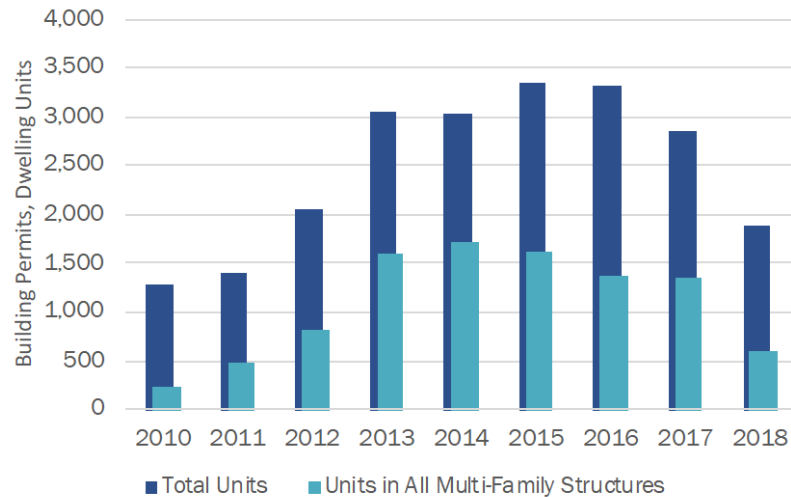
Residential Development Activity

Despite a recent slowdown in development activity in Washington County (Exhibit 16), South Cooper Mountain and River Terrace—two urbanizing areas in the county—are building out quickly (see Exhibit 17 and Exhibit 18).

Across Washington County, and since 2010, over 22,200 units were delivered. Construction peaked in 2015, with 2018 development representing a 44% drop from the peak of the cycle.

Exhibit 16. Residential Building Permits (Total and Multifamily Units), Washington County, 2010–2018

Source: Zillow.



The following exhibits present data for River Terrace and South Cooper Mountain urban areas. Planning for these areas was completed in 2014, allowing development to commence soon after. Exhibit 17 shows that as of July 2020, in River Terrace, 219 single-family were completed, and another 758 single-family units and 141 multifamily units (899 total) were under construction. In South Cooper Mountain, based on data provided by the City as of July 2020, no housing development was completed, but 502 single-family units and 429 multifamily units (931 total) were under construction. (Since that time, staff notes that the first units have been completed in the area.) Additional units are proposed or recently approved. Details of these developments are included in Appendix B.

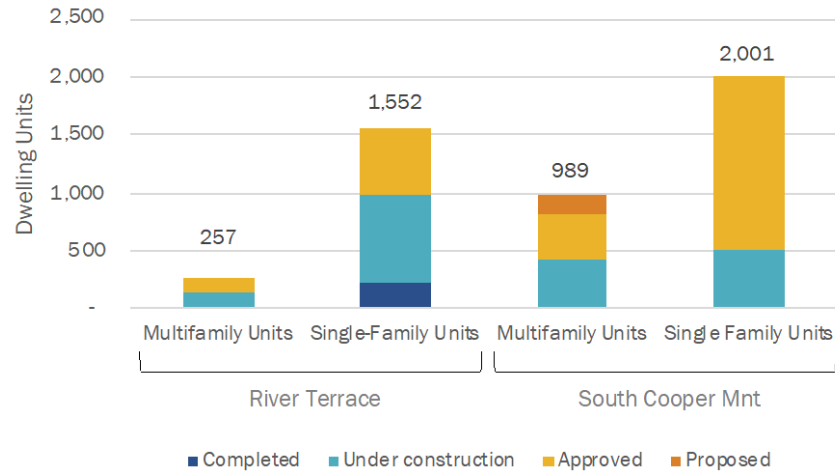


Activity in South Cooper Mountain and River Terrace suggest development of nearly 4,800 units.

Of these units, 74% are single-family (including single family attached or townhomes) and 26% are in multifamily buildings.

Exhibit 17. Housing Development Activity (# of units) and Status, South Cooper Mountain and River Terrace, as of July 2020

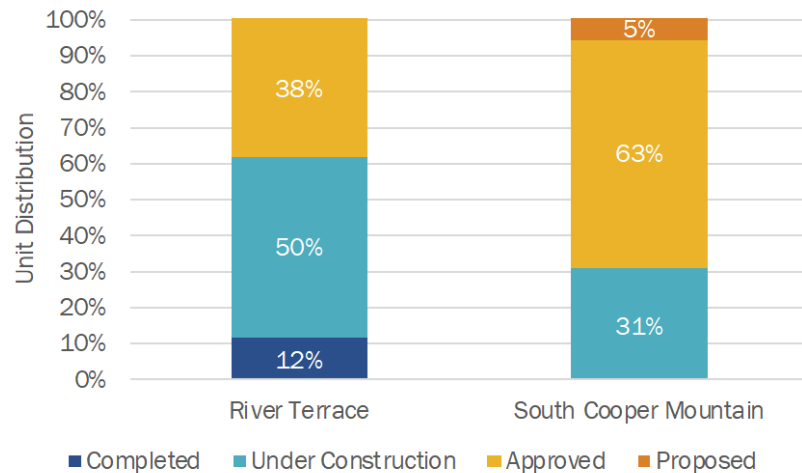
Source: City of Tigard and City of Beaverton staff.



Of the nearly 4,800 new units identified in South Cooper Mountain and River Terrace, 54% are approved for construction, 38% are under construction, 5% are completed, and 3% are proposed.

Exhibit 18. Housing Development Status, South Cooper Mountain and River Terrace, as of July 2020

Source: City of Tigard and City of Beaverton.



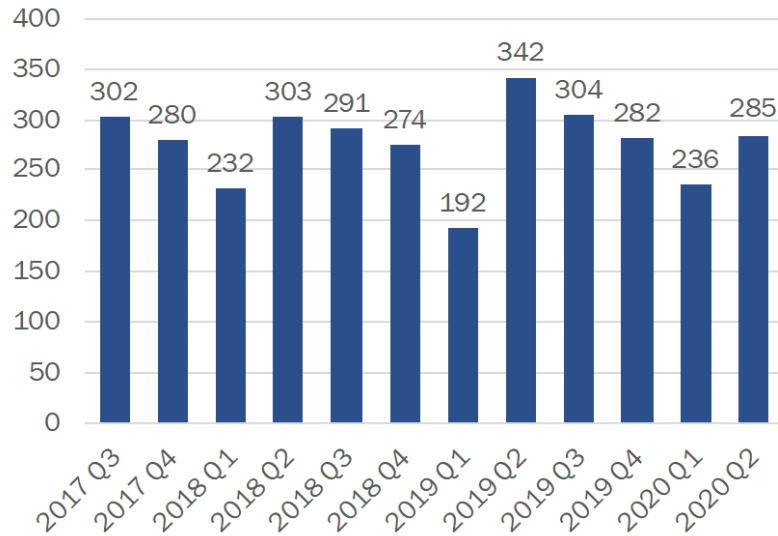


Single-family home sales and pricing

Between 200 and 300 homes typically sell in the Market Area each quarter. The second quarter of 2020 has been slower than the same quarter in recent years, but despite the COVID-19 pandemic, remains in line with this range.

Exhibit 19. Quarterly Home Sales Number, Market Area, 2017 Q3–2020 Q2

Source: Redfin.



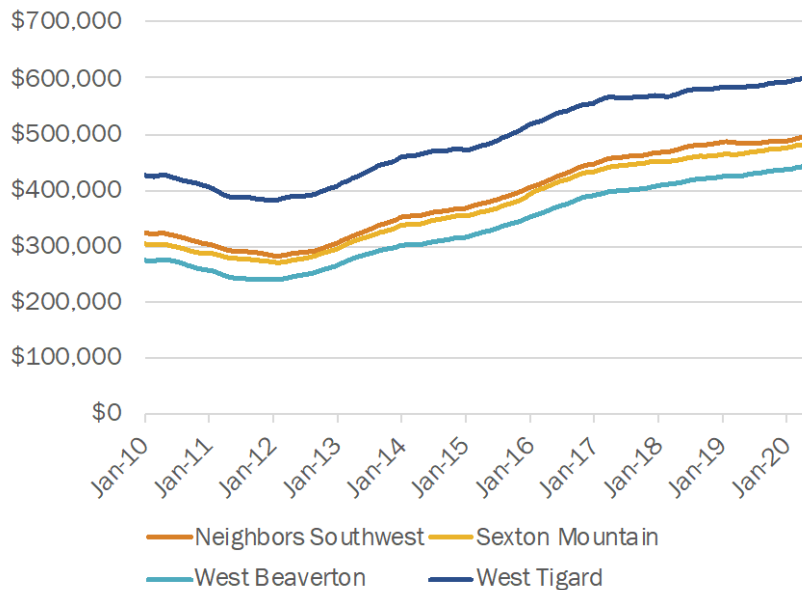
Over the last decade, home prices have risen substantially in all market area neighborhoods with available data.

As of February 2020, median home values ranged from \$444,000 in Neighbors Southwest to \$593,000 in West Tigard.

Note: The Zillow Home Value Index (ZHVI) is “a smoothed, seasonally adjusted measure of the typical home value and market changes across a given region and housing type” (Zillow).

Exhibit 20. Zillow Home Value Index (ZHVI), Market Area Neighborhoods 2010–2020

Source: Zillow.





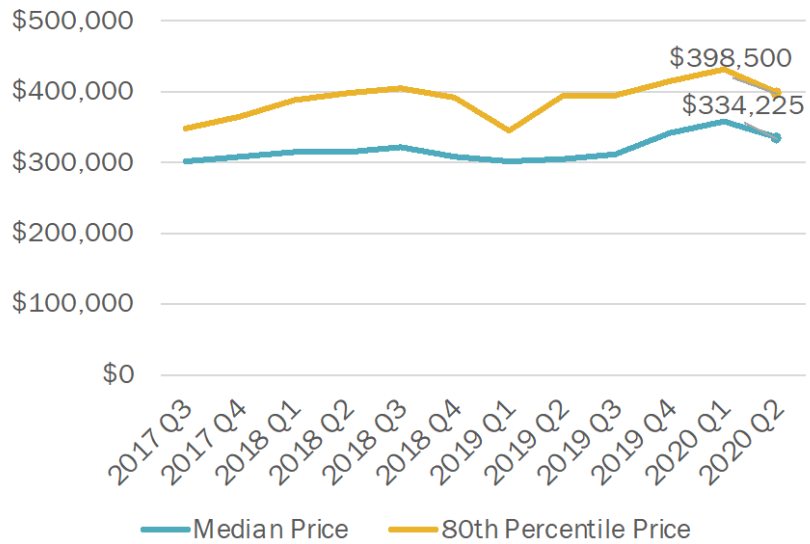
For-sale middle housing

Because data specific to middle housing types (e.g. townhomes, cottage clusters, and for-sale duplex, triplex, or fourplex) is scarce, this analysis uses small ownership units (condos with two or fewer bedrooms, townhomes, and homes under 1,800 sq. ft.) as a proxy. It excludes outliers selling for over \$1 million.

In the second quarter of 2020, the median small ownership unit (using the definition above) sold for roughly \$334,000. The 80th percentile of small home sales prices (which may be a better proxy for new development pricing) fell just under \$400,000.

Exhibit 21. Median Home Price and 80th Percentile Home Price, for Small Ownership Units built after 1990, Market Area, 2017 Q3–2020 Q2

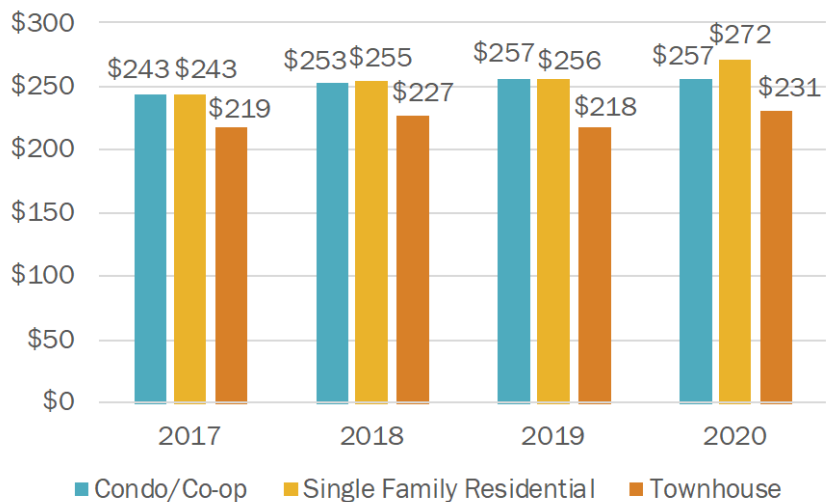
Source: Redfin.



In the market area, condominiums and small single-family homes had similar median prices per square foot in 2017 through 2020, at roughly \$260 to \$270 as of 2020. Townhouses had lower prices per square foot in comparison.

Exhibit 22. Median Price per Square Foot by Small Ownership Unit Type, Market Area 2017 Q3–2020 Q2

Source: Redfin





Rental housing

Middle Housing

While rent data for middle housing (e.g. duplex, triplex, fourplex) is extremely limited due to the small number and older age of existing properties, single-family rental housing offers one reference point in estimating the potential rents for middle housing (multifamily rents, presented below, offer another). Based on data from Zillow, most single-family homes in the Market Area have asking rents that range from \$2,000 and \$3,000 per month. Homes in this area tend to be larger—three to four bedrooms and 2,000 to 3,000 square feet of living space.

Multifamily Housing

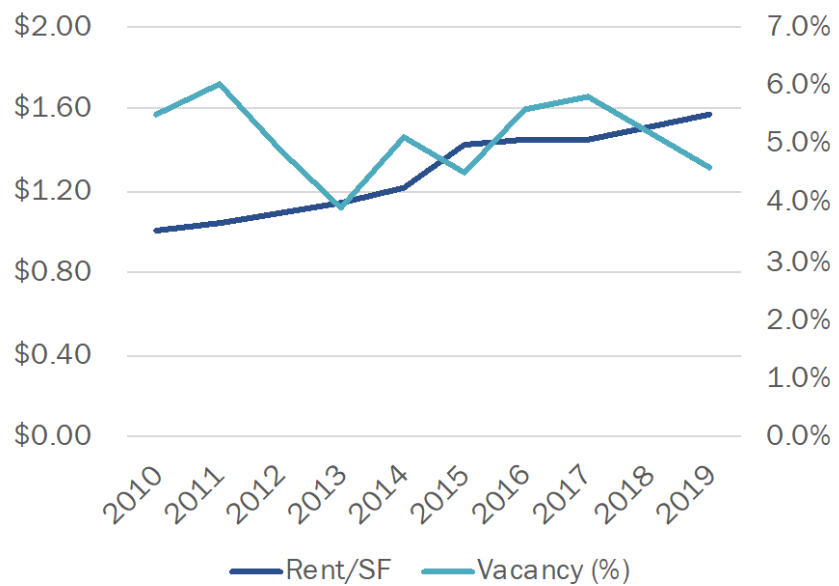
Exhibit 23 through Exhibit 25 present multifamily rental data in the Market Area. This analysis filtered out older and poorer quality properties to get a better sense of rents for new multifamily development.

Average effective multifamily rents have risen in the market area in the last decade, from \$1.00 per sq. ft. in 2010 to \$1.57 per sq. ft. in 2019.

In the same time, vacancy rates have generally ranged between 4 and 6 percent.

Exhibit 23. Average Effective Multifamily Rent/SF and Vacancy Percent, Buildings Rated Three Stars and Above, Market Area

Source: CoStar.



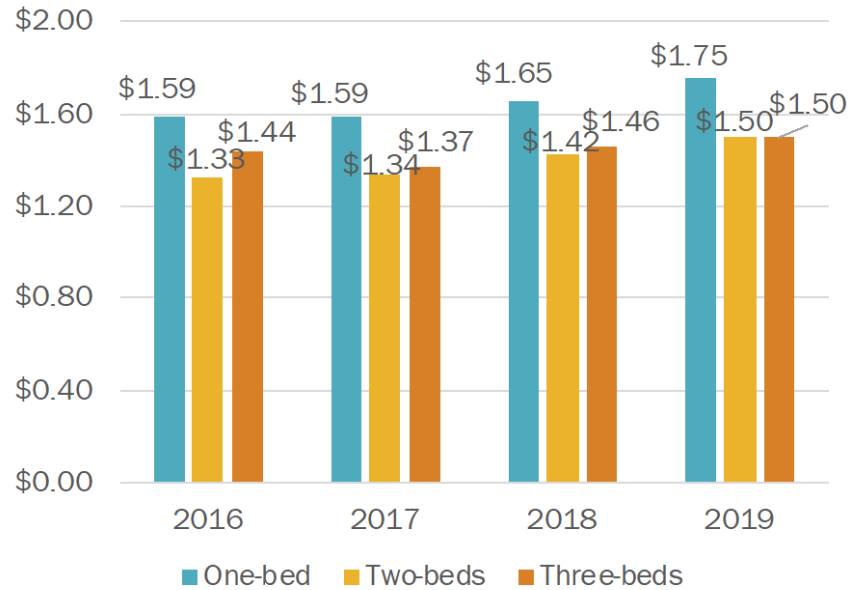


In the market area, one-bedroom units have consistently rented at higher average effective rents per square foot than two- and three-bedroom units.

Note: there are no studios or four-bedroom units in the Market Area.

Exhibit 24. Average Effective Multifamily Rent/SF, Buildings Rated Three Stars and Above, Market Area, 2016–2019

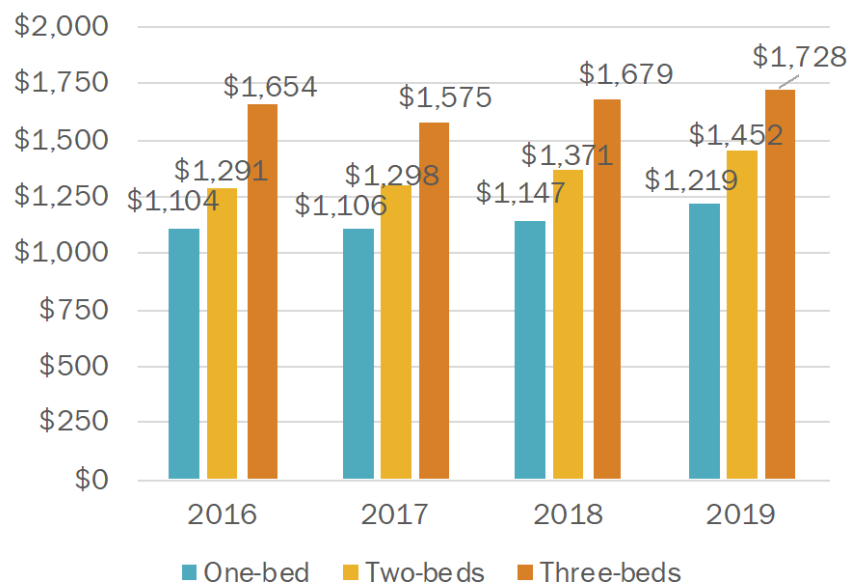
Source: CoStar.



Compared to one- and two-bedroom units in the Market Area, three-bedroom units have the highest average effective rents, but the lowest rents per square foot, compared to other unit types.

Exhibit 25. Average Effective Multifamily Rent/Unit, Buildings Rated Three Stars and Above, Market Area, 2016–2019

Source: CoStar.



One of the few multifamily developments completed in the last few years within the PMA is presented below as an example. This development illustrates the features and scale that might be desirable in the PMA under current / recent market conditions. This development, despite its size, leased up in under a year.¹⁸

Exhibit 26. Sample of Newer Multifamily Development in Market Area

Sources: Sygniiiving.com; Apartments.com; GlobeSt.com. Image credit: Sygnii.

Building Name	Building Characteristics
<p>Sygnii Apartments 13285 SW Hawks Beard St, Tigard, OR 97223</p> 	<p>Asking rent per unit: 1 bed: \$1,339 – \$1,600 2 bed: \$1,599 – \$1,850 3 bed: Unavailable</p> <p>Year built: 2017 Number of units: 240 Site size: 9.88 acres Parking: surface lot available for free, assigned covered and garage spaces available for rent</p>

¹⁸ Lisa Brown, "As Population Soars, Multifamily Investors Pay Commensurately," GlobeSt.com, October 26, 2018. <https://www.globest.com/2018/10/26/as-population-soars-multifamily-investors-pay-commensurately/>



Case Studies: Residential Market Characteristics

This section highlights three case studies of residential development in master planned areas (Forest Heights, North Bethany, and Mountain Park). Exhibit 27 summarizes key details of each case study and highlights their similarities and differences relative to Cooper Mountain. Additional details and map locations for these case studies are presented in Appendix C.

Exhibit 27. Comparative Residential Market Analysis, Forest Heights and North Bethany to Cooper Mountain.

Source: Summarized by ECONorthwest. Note: SFD is single-family detached and SFA is single-family attached.

	Forest Heights	North Bethany	Mountain Park
Similarities, relative to Cooper Mountain	<ul style="list-style-type: none"> Greenfield development Hillside environment Remote / outlying area 	<ul style="list-style-type: none"> Greenfield development Public-led plan Remote / outlying area 	<ul style="list-style-type: none"> Greenfield development Set on the highest elevation in the City
Differences, relative to Cooper Mountain	<ul style="list-style-type: none"> Single, master developer Developer-led master plan Developed in a different era (1990s) Backed by foreign capital 	<ul style="list-style-type: none"> Flatter terrain Close proximity to Intel campus 	<ul style="list-style-type: none"> Developer-led master plan Developed in a different era (1960s)
Housing Unit Counts	Actual: 1,970 total <ul style="list-style-type: none"> SFD: 1,126 SFA: 684 Multifamily: 160 	Estimated (as of August 2020): ¹⁹ 2,829 total <ul style="list-style-type: none"> SFD: 1,215 SFA: 1,081 Multifamily: 469 apartment units; 146 condominium units 	Estimated (as of August 2020): ²⁰ 3,521 total <ul style="list-style-type: none"> SFD: 1,029 SFA, duplex, quadplex: 14 Multifamily: 1,073 apartment units; 1,405 condominium units

¹⁹ Based on tax lot data from Metro's Regional Land Information System (RLIS) for single family developed properties. Used building footprints in combination with taxlot data to identify single family attached housing. Used Metro's Multifamily Inventory from RLIS for condominium development and CoStar for multifamily rentals. All data collected in August 2020.

²⁰ Based on tax lot data from Metro's RLIS for single family developed properties. Used Metro's Multifamily Inventory from RLIS for condominium development and multifamily rentals. Many townhome-looking developments captured as condominiums. All data collected in August 2020.



	Forest Heights	North Bethany	Mountain Park
Housing Mix	Actual: <ul style="list-style-type: none"> • SFD: 57% • SFA: 35% • Multifamily: 8% 	Estimated (as of August 2020): ¹⁹ <ul style="list-style-type: none"> • SFD: 43% • SFA: 38% • Multifamily: 19% 	Estimated (as of August 2020): ²⁰ <ul style="list-style-type: none"> • SFD: 29% • SFA, duplex, fourplex: 0% • Multifamily: 70%

Findings from developer interviews

ECONorthwest conducted interviews with developers active in South Cooper Mountain and River Terrace in July 2020 to gather input on current market conditions and future development potential within the study area. Topics of discussion included:

- Optimal housing mix (single-family detached, attached, multifamily, etc.);
- Ideal lot sizes and densities;
- Impact of topography on costs, desirable housing types, density, etc.;
- Target price points; and
- Experience incorporating mixed-income or affordable housing into master-planned development or new neighborhoods with primarily for-sale housing.

Highlights from these interviews are summarized below. While developers offered their expectations on pricing, it is important to note that the market can shift significantly over the five- to ten-year timeline before housing is developed, especially as the impacts of COVID-19 unfold.

Absent City policy or intervention, the most common housing type that would be built by private developers in Cooper Mountain is single-family detached on a range of lot sizes (roughly 2,000 to 5,500 square feet). The majority of housing is anticipated to sell for between \$400,000 and \$600,000. There is some demand for larger lots, but in limited, prime locations. Amenity-rich sites may push prices into the \$700,000 to \$900,000 range. However, in a recent development in River Terrace, large lot homes (lot sizes ranging from 7,000 to 10,000 sq. ft.) priced between \$900,000 and \$1.2 million sold very slowly, indicating limited demand for the larger and more expensive “estate” homes. Hillside development tends to increase construction costs due to increased foundation costs and/or retaining walls (estimated at \$10,000 - \$12,000 per lot).

Small lot detached homes and townhomes are likely to be feasible in certain locations, though topography can be a challenge for this type of housing. Added costs from building the necessary retaining walls could drive prices beyond where there is demand. In addition, for attached housing (e.g., townhomes), some of the same liability concerns that affect condominiums can be an issue due to shared structures



and the presence of a Homeowners' Association.²¹ This housing type can be successfully delivered by the private market where topography allows, such as in the northern portion of the study area. Pricing for these types of housing is anticipated to be between \$325,000 and the low \$400,000s.

For multifamily housing, developers who build (or partner with others to build) apartments see continued demand. Those who only build for-sale housing noted that condominium development doesn't work financially right now, based on recent experience in other suburban contexts. The ideal site size for multifamily was noted as 5 to 10 acres, though a site as small as 1.5 or 2 acres may work. Developers also noted that apartments can work in a hilly setting.

Achieving density will be key to making development work in this area overall, and smaller lot sizes will increase overall yield. However, topography may prove challenging in achieving those densities. The hillier terrain and creek areas do, however, provide built-in open space. This reduces the need for individual yards which may improve the market viability of more dense housing types. Providing flexibility in zoning to mix a range of lot sizes and housing types will also help.

The cost of System Development Charges (SDCs) and permit fees was noted as an issue for reducing costs and providing affordable housing. One developer noted that North Bethany plans had aspired to include more affordable housing, but the high cost of infrastructure and land made that infeasible. Another noted that the total locally imposed fees (including SDCs and permit fees) in South Cooper Mountain and River Terrace (as well as Frog Pond in Wilsonville) are the highest for anywhere they have active development. With only so much that cities can extract from development, considering the trade-offs between affordable housing and funding infrastructure costs early will be important.

²¹ Construction defect liability laws in Oregon mean that homeowners' and condominium associations have an incentive to sue the developer and builder for even minor construction issues identified within 10 years of completion, increasing the cost and risk of development.



Neighborhood Commercial Market Assessment

This section summarizes the factors that influence the viability of commercial development in Cooper Mountain. The intention is to explain how these factors inform the type and scale of commercial development and, in particular, retail development in the area.

Factors Influencing Neighborhood Commercial Demand

Cooper Mountain is planned to contain a variety of land uses but will be primarily residential. During the Concept Plan process, a potential commercial site in the Hilltop area was discussed and ultimately not included in that plan. The land envisioned for commercial use was small and intended to provide space for shops and services frequented by neighborhood residents.

Neighborhood commercial development responds to factors that enable small businesses, or satellite offices of larger companies, to function efficiently and profitably. Factors that influence neighborhood commercial development include:

- Location relative to other competitive commercial centers
- The composition of trade area demographics
- Access and visibility from major streets or roads
- Site- and building-specific characteristics

In this section, we first address locational factors before we discuss trade area demographics. We then provide a high-level discussion of access, visibility, and site- and building-related factors that influence the viability of neighborhood commercial development to inform siting and planning related to the neighborhood commercial area.

Location Relative to Other Competitive Commercial Centers

Why do businesses locate where they do? There is no single answer—different businesses choose their locations for different reasons. Generally, for neighborhood commercial uses, determinants of location choice include access to their target consumers (market base); access to workers (labor); and access to leasable space that is both affordable for their business and meets their space needs.

The trade area for a neighborhood commercial development is generally quite small. Consumers that commonly frequent these types of shops and businesses are those that live within close proximity. For example, with the exception of a few types of unique specialty stores, most consumers will not travel past their local pharmacy or other locally serving store for everyday shopping or access to services.

For this analysis, we define the commercial primary trade area (PTA) as a one-mile radius around 175th Avenue and Kemmer Road (the area preliminarily identified for potential neighborhood commercial development in past plans).



Exhibit 28 displays notable existing and planned retail locations, within and just outside of the Cooper Mountain PTA. Retail locations within the PTA are described briefly below. It is followed by a discussion about how these locations may influence the retail landscape in Cooper Mountain.

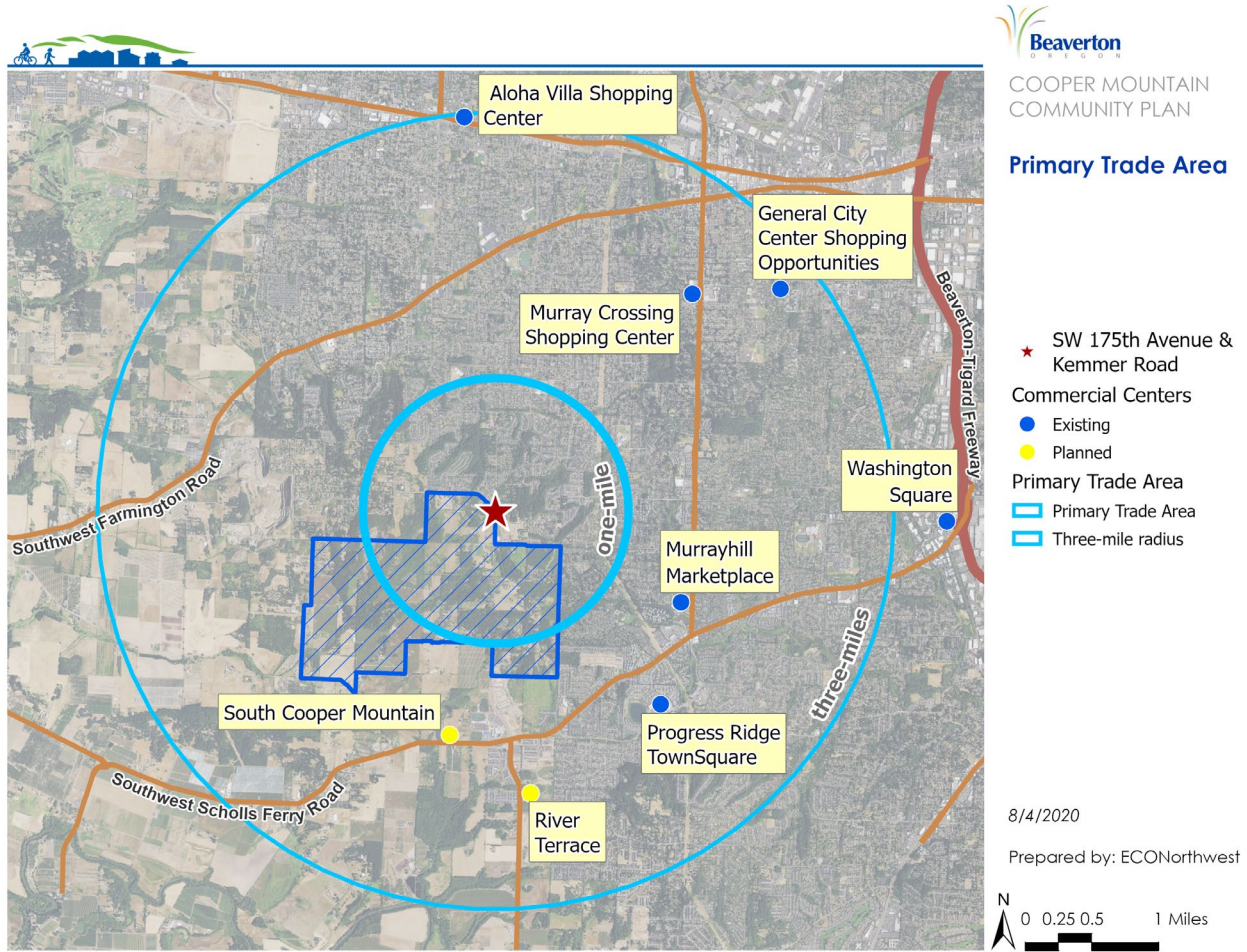
1. **South Cooper Mountain (SCM).** SCM is anticipated to accommodate future Main Street commercial development. While the SCM commercial site is still going through land use review, the proposal includes 164 affordable housing units and 30,000 sq. ft. of commercial/non-residential use.
2. **River Terrace.** River Terrace's commercial center is located at the intersection of two collector streets. The area will draw its consumer base from residential development currently underway in the planning area. It will also draw its base from the Bull Mountain Neighborhood and planned development to the north and south. The River Terrace Community Plan indicated that the Area was "sized and zoned to provide neighborhood-scale commercial goods and services... [in] a vibrant mixed-use center."
3. **Progress Ridge TownSquare.** This retail center was built between 2008 and 2011. Anchor tenants include New Seasons, Ace Hardware, AMC, and Big Al's. A number of office-based services and small eateries are located here too. Using the existing street network, the area is about 2.5 miles from the center of the Cooper Mountain PTA (about a seven-minute drive).
4. **Murrayhill Market Place and Murray-Scholls Town Center.** Another established commercial area, Murrayhill Market Place (including the adjacent Murray-Scholls Town Center) contains just over 150,000 square feet of commercial space and is anchored by Safeway and Planet Fitness. Smaller tenants include medical and veterinary service providers, financial and insurance service providers, other personal service providers (e.g., hair and nail salons). The center also includes food and beverage establishments and a fuel station. Using the existing street network, the area is about two miles from the center of the Cooper Mountain PTA (about a five-minute drive).
5. **Murray Crossing Shopping Center.** The Murray Crossing Shopping Center at the intersection of Murray and Allen Boulevards is anchored by Safeway and an Ace Hardware. The area also includes several restaurants, a drug store, a dental office, and a gas station. Using the existing street network, the area is about 3.2 miles from the center of the Cooper Mountain PTA (about a 10-minute drive).

These centers will provide a number of fairly convenient options for residents of Cooper Mountain. Residents in Cooper Mountain are likely to choose established, larger-scale commercial centers (e.g., Progress Ridge TownSquare, Murrayhill Market place, and Murray Crossing Shopping Center) for their more extensive shopping needs.



Exhibit 28. Primary Competitive Centers within and surrounding the Cooper Mountain Primary Trade Area

Source: Summarized by ECONorthwest based on Google Maps.





The Composition of Trade Area Demographics

Existing Consumer Base

Having a sufficient concentration of housing within close proximity to a neighborhood commercial center is essential for its viability. **There are currently 3,195 households within the PTA** (ESRI Business Analyst, 2020). Most of these households are concentrated to the north and east of where Cooper Mountain's commercial development might be located. These households will provide early market support for commercial development in Cooper Mountain; however, we would not expect the existing household base to provide sufficient market support for commercial development to thrive. Moreover, the location of these households and the existing neighborhood density is inadequate to support on-going operations of a neighborhood commercial center that has an anchor store such as a grocery store. To support new commercial development in Cooper Mountain, a foundation of new households adjacent to the commercial development is needed. Thus, we must consider the PTA's future consumer base, discussed next.

Future Consumer Base

Building upon the existing household base, new household growth within the PTA will further influence and support demand for neighborhood commercial space. The following are estimates of anticipated new households using housing capacity estimates in and around Cooper Mountain:²²

- **Cooper Mountain:** The plan will accommodate 3,760 housing units within Cooper Mountain in total; however, not all of these housing units will be located within the PTA, which includes approximately half of the buildable land within Cooper Mountain. If roughly half of the planned units are within the PTA, that would translate to 1,880 new housing units and **approximately 1,785 households** (at a 5% vacancy rate) in the PTA at buildout.
- **South Cooper Mountain:** The South Cooper Mountain area is anticipated to accommodate 2,900 to 3,530 housing units at buildout; however, these households will be outside the PTA unless the commercial area ends up in a different location within Cooper Mountain. While some households may visit a future commercial center in Cooper Mountain, for the sake of consistency, we do not count these future households as being within the PTA.
- **North Cooper Mountain:** Roughly 300 new housing units are planned for North Cooper Mountain over the long-term. Only about half of the buildable land

²² Capacity estimates for Cooper Mountain and North Cooper Mountain derive from the South Cooper Mountain Concept Plan. Capacity estimates for South Cooper Mountain and River Terrace derive from their respective Community Plan. Household estimates assume a 5% vacancy rate at full-build out.



within North Cooper Mountain is located within the PTA. If roughly half of the planned housing units are within the PTA, that would translate to 150 new housing units and **approximately 140-145 new households** within the PTA at buildout. While the other new housing units will likely be closer to a new commercial center in Cooper Mountain than to other existing or new commercial centers, for consistency, we count only those estimated to be located within the PTA.

In total, at buildout, the PTA could contain approximately 5,125 households. If the new households match the citywide average household size, this would increase the PTA population by roughly 4,710 for a total buildout population of approximately 14,555. The new housing units and households will help support increased commercial development. The additional new households outside the PTA may help as well, though not all will be located closer to a potential future neighborhood commercial area in the PTA than to other commercial development planned for South Cooper Mountain.

Household Income

The mix of households by income will influence the mix and type of neighborhood commercial businesses that will be attracted to Cooper Mountain and the viability of those businesses once they have located there. Households with higher incomes generally have more disposable income, and by extension, they have different spending patterns than those with less income. Usually this means expenditures on higher priced consumer goods or specialty items. However, it does not always mean that these households purchase more goods than those with less income. As a result, the income of households adjacent to a neighborhood commercial center drives the type of businesses that are likely to succeed at that location, but does not necessarily determine whether a neighborhood commercial center is viable.

The median household income in the PTA is \$141,924; a high median income level for areas in Washington County (ESRI Business Analyst, 2020). The existing base of high-income households in the PTA will signal to developers and businesses considering the area that Cooper Mountain might be a suitable location for specialty stores or more up-market brands. However, the existing households may represent roughly half of the total households within the PTA at full buildout. The Cooper Mountain community plan seeks to provide a range of housing types to make the area accessible to households with a range of incomes. For commercial development tenanting, this laudable goal for inclusive growth (if successful) means that developers will need to seek commercial tenants that appeal to households across a wide range of incomes. Examples of these types of businesses include pharmacies, cafes, fast-service restaurants, or small medical offices or clinics.

Access and Visibility from Major Streets and Roads

Locally serving neighborhood commercial space, and retail space in particular, relies on locations that are easy for consumers to see and access. Locations visible from major streets, or that receive a lot of foot traffic, are preferable for these business types because they offer natural marketing to passersby. Accessibility by foot and by car is also important. Accessibly refers to the ease with which a consumer can get to a



business. Inadequate parking, unclear access points, and setback storefronts can all inhibit consumers' ability to access certain businesses and deter them from shopping there. At this planning stage, consideration should be given to where commercial land is located within the Planning Area. Areas with superior visibility and potential for easy access through multiple modes of transportation should be prioritized, though allowing flexibility for small commercial uses, home occupations, and live/work spaces in a range of locations throughout the planning area may be appropriate.

Site and Building Characteristics

Site and building characteristics that affect the viability of neighborhood commercial include features like the amount of available parking, tenant space size and configuration, access routes to buildings within the site, and use of individual/shared building entrances. These factors are too specific for a detailed review at this point in the planning stage. However, during later refinement and implementation stages, a "test fit" of modern commercial buildings within proposed commercial areas can help refine the size of those areas. In addition, a review of commercial development standards can help align those regulations with the needs of development.



Retail Trends, E-Commerce, and Neighborhood Commercial Areas

The historical shift in retail businesses, starting in the early 1960s, was the movement from 'mom and pop shops' toward superstores and the clustering of retail into centers or hubs. The more recent shift in retail began in the late 1990s, where technological advances gave consumers the option to buy goods through e-commerce channels.

The trend toward e-commerce has become increasingly preferential to millennials and Generation X, who are easier to reach online and are more responsive to digital ads than older generations. It is reasonable to expect the trend toward e-commerce to continue.

E-commerce and other structural shifts in the retail real estate market (such as the rise of wholesale stores) are leading to the closure of retail outlets and the reduction of physical space that many retail stores occupy. For institutional retailers, advances in logistics are allowing for less on-site inventory. For all users, even independent retailers, the ability to sell goods through e-commerce is making brick-and-mortar retail more "experiential," further reinforcing lower on-site inventory needs. Even in the restaurant business, the proliferation of food delivery services is driving an increasing share of restaurant sales outside of restaurants. (In addition, the devastating impact of COVID-19 closures on the restaurant industry could have impacts on demand for traditional restaurant space for years to come.)

Due in part to the rise of e-commerce, the retail landscape will continue to change in the coming decades. However, neighborhood commercial uses provide something that e-commerce can't— a human experience. Small neighborhood commercial uses that will continue to make sense in the long term include small-format grocery stores, restaurants and cafes, specialty retailers, and personal services with a retail component.



Comparable Neighborhood Commercial Development

While there are few local, built examples of small-scale commercial development within a hilly residential area, Forest Heights again provides a useful example. While the residential development in Forest Heights was mostly completed in the 1990s, in 2005, developers added a small commercial node. This area's commercial node ("Village Center") gives us an idea about the scale and type of commercial uses that may be achievable in a small commercial node within Cooper Mountain. In addition, the planned Main Street in North Bethany, while not yet built, is far enough along in the pre-development process to offer another point of comparison. Key factors for each area are summarized in Exhibit 29. Additional information about these developments is included in the case studies in Appendix C. The commercial development in Mountain Park is not included due to its size (it includes over 120,000 square feet of commercial space). As another reference point, the Reed's Crossing Town Center development in South Hillsboro is not yet built, but is planned to offer grocery, restaurants, and services²³ for a future neighborhood of close to 4,000 households. The area devoted to the planned mixed use Town Center has been reduced over time, but is still planned for close to 36 acres (some of which will be residential) out of the area's 463 total acres.²⁴ The future services and commercial development are already being marketed to potential residents, illustrating the value that access to businesses and services can create.

Exhibit 29. Demographic Characteristics within the Cooper Mountain PTA and Forest Heights²⁵

Source: ECONorthwest analysis of ESRI Business Analyst Data (Cooper Mountain and Forest Heights); land development flyer for North Bethany Main Street.

	Cooper Mountain PTA	Forest Heights	North Bethany Main Street
Population	9,845 (2020) 14,555 (estimated at buildout)	12,768 (2020)	10,636 (2018)
Households (HH)	3,195 (2020) 5,125 (estimated at buildout)	4,643 (2020)	Not available
Tenure Split	89% homeowners (2020)	89% homeowners (2020)	Not available
Median HH Income	\$141,924 (2020)	\$170,198 (2020)	\$129,065 (2018)

²³ <https://www.reedscrossing.com/life-at-reeds/town-center/>

²⁴ Jon Bell, "After 15 years of planning, South Hillsboro is coming to life," Portland Business Journal, May 23, 2019, <https://www.bizjournals.com/portland/news/2019/05/23/after-15-years-of-planning-south-hillsboro-is.html>

²⁵ Note: this analysis pulls data within a one-mile radius from 175th Street and Kemmer Road for the PTA and a one-mile radius from 2061 NW Miller Road.



The Forest Heights Village Center occupies 1.79 acres with a gross leasable floor area of roughly 19,000 sq. ft (CoStar) and contains a mix of personal and experiential services, restaurants and cafes, and some small offices. The portion of the North Bethany Main Street that is currently in pre-development would occupy roughly 2.9 acres with roughly 40,000 sq. ft. of commercial space (LoopNet).

Potential Uses and Business Types

Exhibit 30 lists a range of commercial uses that may be viable in Cooper Mountain given the area’s location within Washington County and its existing and future consumer base.

Exhibit 30. Opportunities for Commercial Development

Source: Summarized by ECONorthwest.

Type	Potential Uses	Typical Form
Non-retail Sector		
Medical and Health Services	Dental Office, Neighborhood Clinic, Optometrist, Veterinary Clinic	Standalone Pad, Retail/Mixed-Use Tenant, Single/Multi-story Medical Office Building
Financial Services	Neighborhood Bank/Credit Union, Financial Advisory Services, Real Estate Brokerage, Insurance	Standalone Pad, Retail/Mixed-Use Tenant, low-rise campus
Personal Care	Salons, Fitness Centers, Nail Salon	Standalone Pad, Retail/Mixed Use Tenant
Household and Other Services	Childcare Facilities, Education, Co-working Spaces	Standalone Pad, Retail/Mixed Use Tenant
Retail Sector		
Household Goods	Small-format Grocery, Convenience Stores	Standalone Pad, Retail/Mixed-Use Tenant, Single/Multi-story
Food Services	Café, Tavern, Restaurant	Standalone Pad, Retail/Mixed-Use Tenant, Single/Multi-story
Local, Specialty Goods	Florist, Bookstore	Standalone Pad, Retail/Mixed-Use Tenant, Single/Multi-story

The kinds of businesses that locate in new neighborhood commercial areas can vary widely. Established, existing businesses are the expected candidates. These businesses can range from local companies looking to move to a new emerging area or start a new satellite location to national "credit-tenant" businesses like franchises that want a foothold in a new market. Startups and new businesses (including some minority-owned and culturally-specific businesses) face obstacles leasing space in new commercial developments. Their lack of proven business experience and a financial track-record makes it difficult for them to secure business loans and the rents offered by new



development are typically more than they can afford. Overcoming these obstacles would require targeted small-business support from the public or philanthropic sectors.

Non-market uses, especially public uses that generate a lot of activity or foot traffic can be a huge support for neighborhood commercial spaces. Uses like libraries and schools draw people to a location multiple times per day and across the week. Parks and trails similarly have this affect and Cooper Mountain is in proximity to both the Cooper Mountain Nature Park and the Winkelman Park. People looking to combine trips or get a snack or a meal after an event or day trip will look for commercial businesses near these uses. These non-market uses also create opportunities for partnerships that foster new businesses, like a library that is paired with a daycare center or preschool.



Conclusions

Housing

Competitive Advantages and Disadvantages

Cooper Mountain's primary competitive advantages for residential development are its proximity to recreation opportunities and natural resources (including the Cooper Mountain Nature Park and planned trails and natural areas within Cooper Mountain), views, accessibility to Washington County employment opportunities (including Nike and Intel), connection to new neighborhoods in South Cooper Mountain, and the potential for new schools in the area or in South Cooper Mountain, which are appealing to families with children.

Cooper Mountain's disadvantages include the need for substantial investments in infrastructure to enable development in the area, the increased costs of hillside development, and the somewhat fragmented nature of Cooper Mountain, with creek corridors and SW 175th Avenue dividing the area, and some smaller properties to the east with limited near-term development potential.

Market Potential and Implications

The kinds of housing units delivered in the area may attract a range of prospective residents, including:

- **Middle- to high-income families with children**, some of whom may be first-time homebuyers, who will generally be looking for relatively large units (three or more bedrooms) but are often still cost-conscious. Access to schools and parks offering active recreation are likely to be top considerations for locations within Cooper Mountain.
- **Middle- to high-income households with some accumulated home equity** who may have grown children or have recently retired and are seeking to “move up” to a home with particular features or amenities that fit their lifestyle. Some may seek larger homes with high-end finishes and a quiet location, while others may seek low-maintenance homes (e.g., cottage clusters, townhomes, or condominiums) with access to parks, trails, or other community amenities.
- **Households comprised of young professionals and couples without children.** Cooper Mountain's proximity to outdoor recreational activities and job centers may appeal households interested in a blend of urban and rural/exurban amenities. Townhomes, multifamily units (apartments/condominiums), and small lot single-family detached units / cottage clusters may appeal to these households. Access to jobs/commute routes and social destinations are likely to be priorities in considering locations.
- **Households which more closely resemble the demographic makeup of Washington County as a whole.** As Cooper Mountain develops, households across Washington County may look to relocate to the area as an opportunity to live in new development and/or live closer to jobs, outdoor recreation, or new



schools. For lower-income households, the availability of housing at price points that are achievable to them will influence their ability to locate here, and is likely to be the primary consideration in selecting housing.²⁶ However, without transit service the area will be challenging for lower-income households that do not have a car.

Expected pricing for new for-sale housing will be similar to that in South Cooper Mountain and River Terrace, at roughly \$300,000-\$350,000 for attached single-family (townhomes) and \$400,000-\$600,000 for most single-family detached homes. Rents for market-rate multifamily may be similar to other new multifamily housing in the area, at \$1,600-\$2,200 per month for a 2-bedroom.²⁷ For households similar to the Market Area's existing resident base (with a median household income of \$141,924, which translates to up to about \$3,550 per month in housing costs at 30% of income), these prices are comparatively achievable.

However, previous discussions point to the City's overall housing needs which includes a substantial need for rental and ownership units roughly priced for households earning 80% of the region's MFI or less. To plan for a wider demographic base, the City will need to be proactive in supporting development of lower cost and subsidized housing in mixed-income neighborhoods to accommodate the housing needs for the City as a whole.

Options and Considerations for the Community Plan

Housing Mix

While the appropriate housing mix for this area will be determined through the planning process, this analysis can offer an initial range of possibilities informed by the market conditions described above as well as the City's policy goals for the area. Those policy goals include creating inclusive neighborhoods and meeting citywide housing needs and regional housing targets.²⁸ The possibilities summarized in Exhibit 1 are intended to

²⁶ Metro's 2014 Housing Preference survey found that over half of households making less than \$50,000 per year ranked cost as the most important housing feature. It also found somewhat lower preference for suburban living than among higher-income populations, though this is likely skewed by younger households. (DHM Research, *Metro Residential Preference Study*, May 2014)

²⁷ The U.S. Department of Housing and Urban Development cited the Fair Market Rent for a two-bedroom unit in Washington County at \$1,495 (2020).

²⁸ Two key regional housing targets are the total number of units that Metro is requiring the City to plan for in this area (3,760) and the Metropolitan Housing Rule (OAR 660, Division 7), which generally requires that the City provide (1) the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing and (2) an overall density of 10 or more dwelling units per net buildable acre. While the Metropolitan Housing Rule



represent “book-ends” for the housing mix—one is more closely aligned with the demographics and market conditions of the surrounding areas (“Market-Driven”) while the other represents greater policy influence by the City (“Policy-Driven”). However, both seek to balance market and policy considerations. They are offered as a starting point for policy discussions and ultimately scenario building for the Community Plan. It is important to recognize that the actual housing mixes evaluated in the planning process will combine the market demand considerations described in this report with actual site conditions, land use context, serviceability, property owner desires, and community input.

Exhibit 31: Housing Mix “Book-ends” for Consideration

Source: ECONorthwest

Housing Type	Market-Driven	Policy-Driven	Notes
Single Family Detached & Cottage Cluster	65-75%	45-55%	Most lots 2,000-5,500 sq. ft. Primarily ownership housing
Attached²⁹	10-15%	25-30%	Primarily ownership housing
Multi-Family	10-15%	20-25%	Primarily rental housing

Proactive Measures for Housing Affordability

A challenge in planning for Cooper Mountain will be balancing the area’s desirability for higher-income households and fairly high infrastructure and development costs with the city’s goals to provide for a variety of housing types and price points and an inclusive community. As a complement to the housing mix, the City should consider measures to support development of affordable and mixed-income housing, such as:

- Covering the cost of System Development Charges and other infrastructure costs for affordable housing units and developments
- Land acquisition to reserve space for affordable housing development
- Directing local funding for affordable housing towards projects in Cooper Mountain
- Density bonuses for affordable housing (though the value of these will depend on the base density allowed through zoning entitlements)

targets apply to new housing development Citywide in aggregate, Cooper Mountain will account for a large share of new housing development in the City.

²⁹ A category that may include duplexes, triplexes, and quadplexes; however, the anticipated number of units for these middle housing types are anticipated to be low (less than 5 percent) as private developers do not typically deliver these products in greenfield settings.



- Annexation agreements or other measures to negotiate affordable housing commitments from development

Given likely high infrastructure costs, the City should consider any potential incentives or requirements for affordable housing alongside infrastructure funding plans. There is a risk of imposing so much cost on market-rate housing development (through infrastructure funding obligations and/or affordable housing obligations) that it becomes infeasible, which would limit future housing supply.

Commercial

Competitive Advantages and Disadvantages

For commercial development the primary advantages are the presence of SW 175th Avenue, which is an important commute route, and the potential to master plan neighborhood commercial as an amenity to the residential development and site the commercial adjacent to future higher density housing and parks and/or civic uses.

Disadvantages for commercial development include the area's location at the fringe of the region, relatively low current densities, lack of transit, and lack of major destinations (aside from the Nature Park) to draw visitors from outside Cooper Mountain.

Market Potential and Implications

The future concentration of housing, when added to the existing consumer base, along with the presence of an important arterial road (SW 175th Avenue) suggest the potential for a small-scale, neighborhood-serving commercial node in Cooper Mountain, especially if supported by a non-market use such as a library branch. This development could be between 0.5 and 2 acres in size with roughly 15,000 to 30,000 sq. ft. of commercial space. It will likely provide a mix of retail, personal services, and medical/dental offices. Even with some existing housing in the area, development of a commercial node is likely to lag residential development.

Options and Considerations for the Community Plan

A commercial node in this area can further improve its chances for success if it:

- Is easily visible and accessible from larger roads (e.g., SW 175th Avenue), and
- Is co-located near high density residential uses and public uses (such as a new school or library) and/or a parks frequented by residents and visitors.

If a neighborhood node is a priority, the City could be proactive in identifying and planning for potential public uses that could be co-located with it to create a destination. The City may also want to consider zoning strategies that create flexibility for additional commercial development or small businesses to locate within the planning area. For example, the City could designate a larger area around a planned commercial node for mixed use and allow the market to determine the balance between housing and commercial development (potentially with a minimum commercial requirement). The City could also allow live/work space in certain areas



(including within a mixed use designation) and allow for home-based businesses to create opportunities for small businesses to emerge within the planning area. However, providing a concentrated area of activity helps support the success of a local-serving commercial node, and the City should be cautious not to spread the commercial uses too thinly within the area.



Appendix A. Notes on Data Sources

Data sources used to inform this study are listed and briefly described below.

- **US Decennial Census:** Completed every ten years, it is a survey of all households in the U.S. which is considered the best available data for information such as demographics, household characteristics, and housing occupancy characteristics. The analysis uses the 2000 and 2010 Decennial Census to better understand the socio-economic factors influencing the Market Area and the larger region.
- **American Community Survey (ACS):** Completed every year, it is a sample of households in the U.S. The ACS collects detailed information about households, including demographics, household characteristics, housing, income and housing costs, and other characteristics. The analysis uses the 2014–2018 ACS to better understand the socio-economic factors influencing the Market Area and the larger region.
- **Portland State University's (PSU) Population Research Center (PRC):** The PRC prepares population forecasts for cities and counties outside of Metro's UGB and population estimates for all cities and counties across the state. The analysis uses PSU's official population estimates for Beaverton and larger regions.
- **Metro 2040 Distributed Forecast:** This is the Metro region's official population, household, and employment forecast for cities and portions of counties within the Metro Urban Growth Boundary. We use Metro's projections where applicable to describe growth expectations in the Market Area and the region.
- **ESRI Business Analyst:** A GIS-enabled program that provides market data for site-specific trade areas. We use Business Analyst to inform our demographic analysis and commercial retail trends analysis for the Market Area.
- **CoStar:** An online platform that provides proprietary real estate data. We use CoStar data to analyze commercial retail and multifamily residential market trends, but are restricted in publishing certain details for specific properties.
- **Redfin and Zillow:** Private real estate databases that provide data on individual home sales and on sales and rental trends. We used this data to better understand the local housing market in the Market Area and the region for single-family homes and townhomes.
- **LoopNet:** An online platform that provides information about for-lease and for-sale commercial property listings, as well as businesses-for-sale listings in the United States and Canada. Data feeds into CoStar but is publicly available with less detail provided.
- **Apartments.com:** An online platform for rental housing listings. Data feeds into CoStar but is publicly available with less detail provided.



Appendix B. South Cooper Mountain and River Terrace Development Activity

Exhibit 32 delineates development activity in Beaverton's South Cooper Mountain and Tigard's River Terrace. To provide context for the map (i.e., development type and pipeline status), this appendix outlines development activity details by subarea and by project IDs. Note that IDs are displayed in Exhibit 32. Data, provided by the City of Beaverton and derived from the River Terrace project website, is current as of July 2020.

Development in South Cooper Mountain:

- **B-1. South Cooper Mountain Heights:** 391 single-family and 310 multifamily units (under construction, some development has been completed since July 2020)
- **B-2. Mountainside High School:** Beaverton School District High School (complete)
- **B-3. THPRD:** no development activity
- **B-4. Vineyard Property:** approximately 297 single-family units (approved, in permitting)
- **B-5. Fox Hollow:** 281 single-family and 180 multifamily units (approved, in permitting)
- **B-6. Scholls Heights:** 676 single-family and 216 multifamily units (approved, in permitting)
- **B-7. Scholls Valley Heights:** 245 single-family units (approved, in permitting)
- **B-8. The Ridge:** 111 single-family and 119 multifamily units (under construction)
- **B-9. Main Street:** 164 multifamily, affordable units and 30,000 square feet of commercial space (proposed)
- **B-10. Blackbird:** no development activity

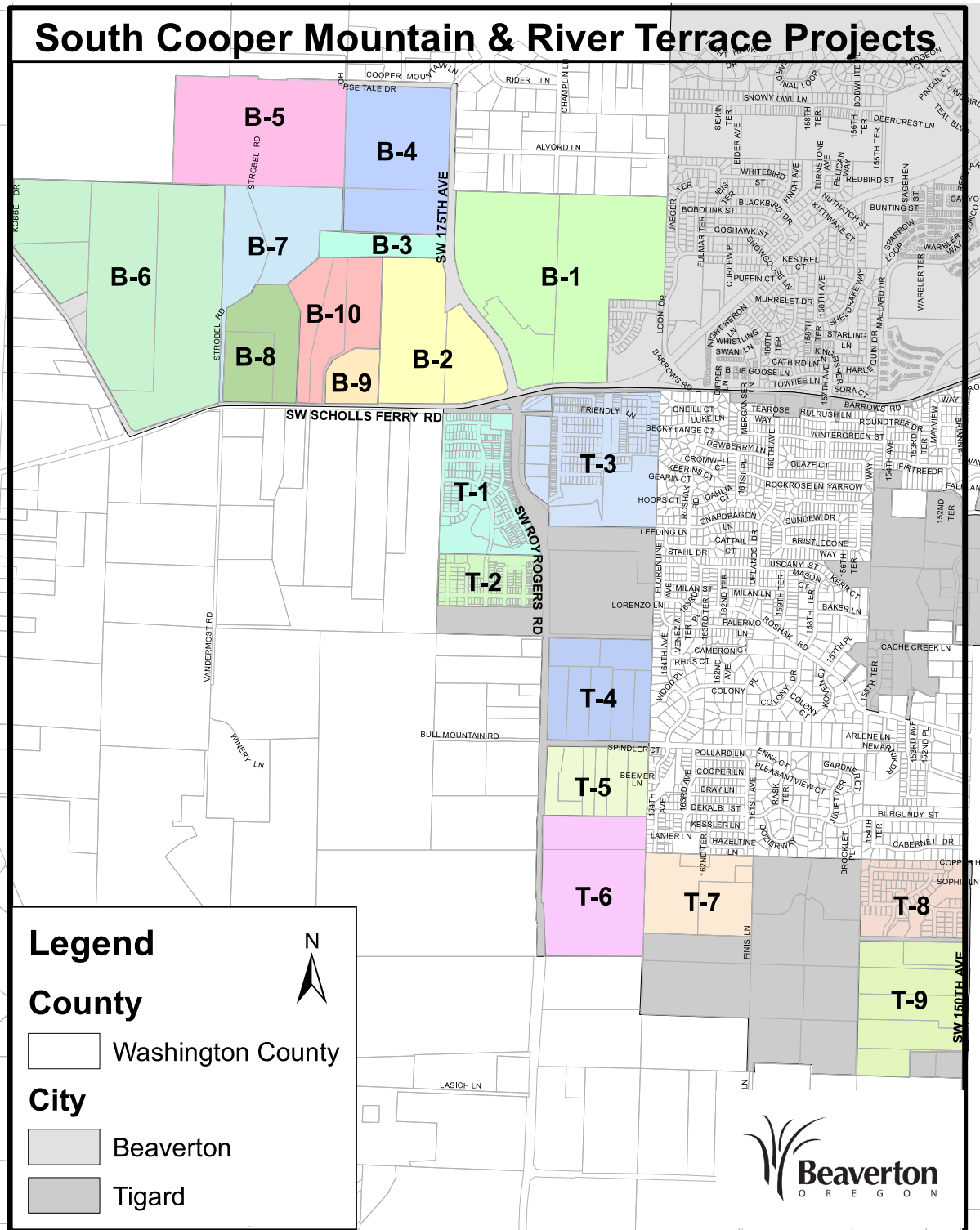
Development in River Terrace:

- **T-1. River Terrace Northwest:** 215 single-family units (under construction)
- **T-2. West River Terrace:** 137 single-family units (complete)
- **T-3. River Terrace East:** 299 single-family and 141 multifamily units (under construction)
- **T-4. Roshak Ridge:** 244 single-family units (under construction)
- **T-5 & T-6. South River Terrace:** 219 single-family and 116 multifamily units (subdivision approved)
- **T-7. River Terrace Park:** 158 single-family units (subdivision approved)
- **T-8. Bull Mountain:** 82 single-family units (complete)
- **T-9. River Terrace Crossing:** 180 single-family units (subdivision approved)



Exhibit 32. Delineation of Development Projects, South Cooper Mountain and River Terrace

Source: City of Beaverton.





Appendix C: Case Study Details

Forest Heights

Forest Heights, which built out in the 1990s, is a 600-acre area comprising single-family homes, condominiums, and apartments (in one building), with a small retail center.³⁰

Housing

The Zillow Home Value Index (ZHVI)³¹ for Northwest Heights Neighborhood (an area that contains Forest Heights) has risen steadily in the last decade. From January 2017 through May 2020, the area's ZHVI ranged from \$742,000 to \$767,000. The one apartment building in Forest Park is presented as an example in Exhibit 33, below.

Exhibit 33. Apartment Development in Forest Heights

Source: Apartments.com, Sofi at Forest Heights, PortlandMaps.com.

Building Name	Building Characteristics
<p>Sofi at Forest Heights 1940 NW Miller Rd</p> 	<p>Asking rent per month, 1-bdrm unit: \$1,277 to \$1,455 Asking rent per month, 2-bdrm unit: \$1,736 to \$1,786</p> <p>Year built: 2004 Number of units: 160 Stories: 4 Site size: 8.21 acres</p> <p>Parking: surface, covered, and garage parking available</p>

Commercial

In 2005, developers added a small commercial node in the southwest portion of the neighborhood near Mill Pond Park and higher-density housing. Forest Heights' Village Center contains a mix of personal and experiential services, restaurants and cafes, and some small offices. Specifically, it includes Starbucks, Heroes American Café, Pizzicato Pizza, Natural Market, XStream Learning Center, Forest Heights Cleaners, Luxury Nails &

³⁰ Forest Heights Homeowners Association. History of Forest Heights.
<https://www.fhhoa.com/page/40965~845859/History-of-Forest-Heights>

³¹ The Zillow Home Value Index (ZHVI) is "a smoothed, seasonally adjusted measure of the typical home value and market changes across a given region and housing type" (Zillow).



Foot Massage, Rivière Med Spa, World Champion Taekwondo studio, Coldwell Banker Property Group, and Kaer Property Group. The Homeowners Association office is also located here. About a half mile away from the Village Center is the Forest Park Elementary School.

The Village Center occupies 1.79 acres with a gross leasable floor area of roughly 19,000 sq. ft (Costar). It is accessible to vehicular traffic from NW Miller Road and NW Mill Ridge Road. Both routes have sidewalks for pedestrian access. Several bicycle trails are located west of Village Center (in an around Mill Pond Park) which leads to NW Village Circle (Village Center's internal access road). While the area is highly landscaped, the businesses and primary site access points are visible from the street (including those businesses that are setback from the street behind a surface parking lot). (See photos on next page.)

Exhibit 34. Forest Heights' Village Center and Surrounding Vicinity

Source: ECONorthwest

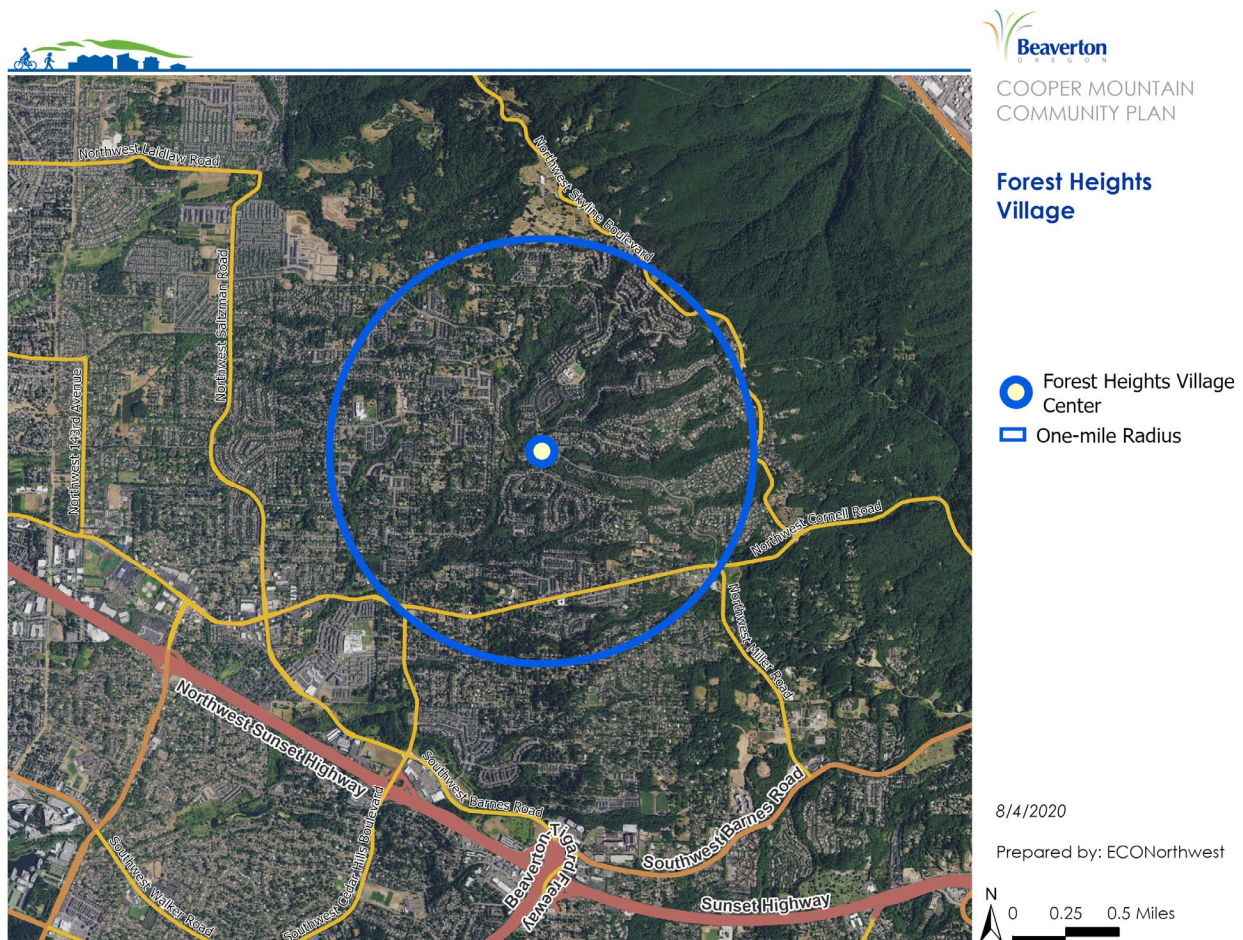


Exhibit 35. Access and Visibility, Forest Heights Village Center

Source: Google.



Exhibit 36. Site and Building Design, Forest Heights Village Center

Source: Google Images.





North Bethany

The 800-acre North Bethany area in unincorporated Washington County was added to the urban growth boundary (UGB) in 2002.³² A concept plan was adopted in 2009, with implementing regulations initially adopted in 2010 (though they were updated several times over the following years).³³ The plan for North Bethany calls for “variety and affordability of housing options, mix of uses, walkable streets, nearby schools, community gathering places and focal points, multi-modal transportation connections, variety of green spaces, and family-friendly character.”³⁴

Housing

A map of the housing built to date in North Bethany is shown in Exhibit 38; an estimated count of existing housing units is provided in Exhibit 37.

Exhibit 37: Housing Unit Count by Housing Type, August 2020

Source: ECONorthwest calculations based on RLIS taxlot data, Metro multifamily inventory, and CoStar

Housing Type	Housing Units
Single Family Detached	1,215
Single Family Attached	1,081
Apartments	469
Condominiums	146
Total	2,911

³² Washington County, “North Bethany Background,” [https://www.co.washington.or.us/lut/planningprojects/bethany/nb_background.cfm#:~:text=North%20Bethany%20Planning,boundary%20\(UGB\)%20in%202002](https://www.co.washington.or.us/lut/planningprojects/bethany/nb_background.cfm#:~:text=North%20Bethany%20Planning,boundary%20(UGB)%20in%202002).

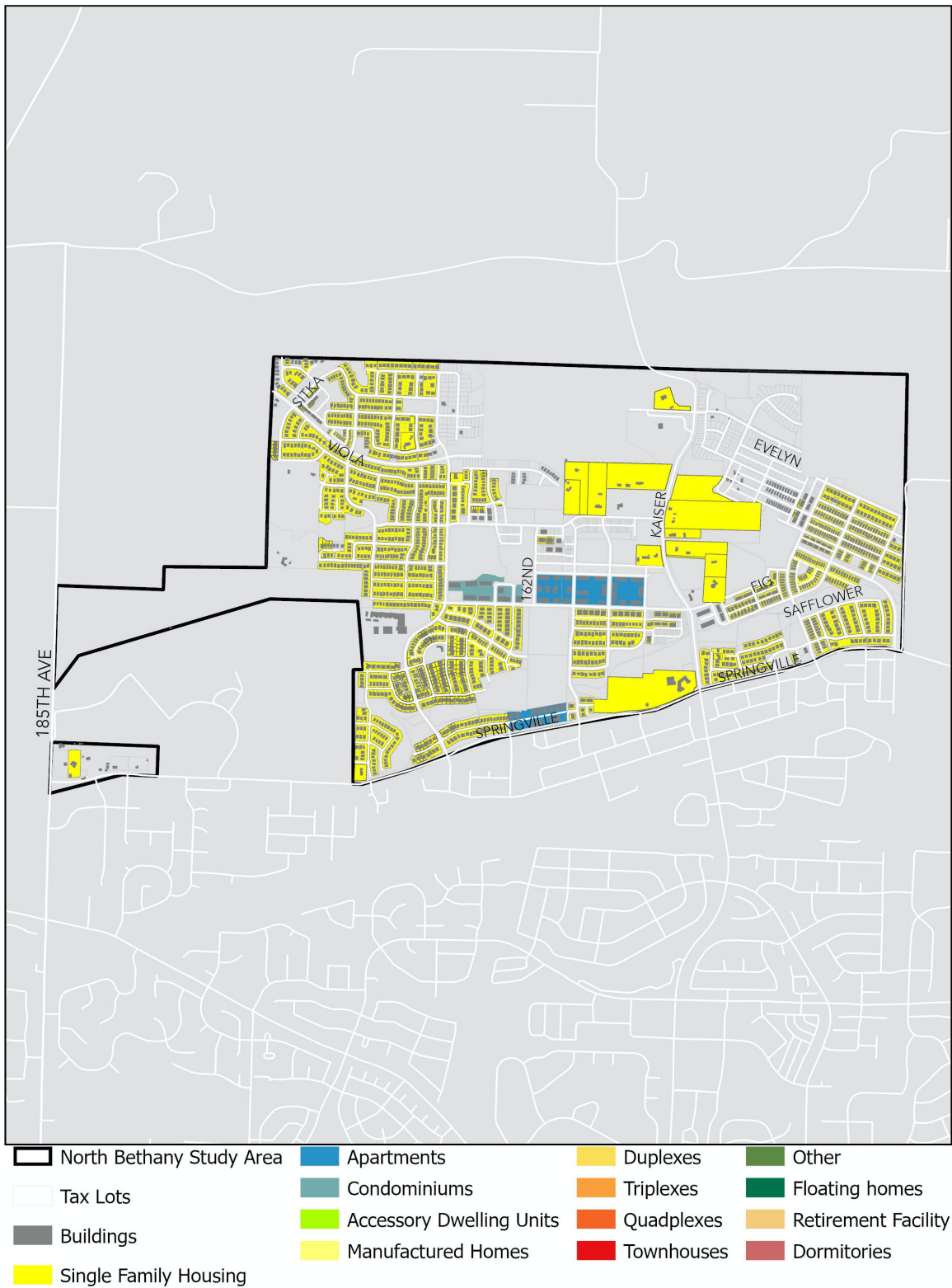
³³ Washington County, “North Bethany Subarea Plan,” <https://www.co.washington.or.us/LUT/PlanningProjects/Bethany/index.cfm>

³⁴ Washington County. Bethany Community Plan, Chapter 2, North Bethany Subarea Plan.



Exhibit 38: Existing Housing in North Bethany, August 2020

Source: ECONorthwest based on RLIS taxlot data and Metro multifamily inventory



Sales prices for new housing in North Bethany are summarized below:³⁵

- Single family detached homes: \$400,000 (for smaller detached housing on small lots) to \$950,000 (for large, luxury homes)
- Townhomes: \$350,000 to \$450,000
- Condominiums: \$200,000 to \$300,000



Exhibit 39 presents market characteristics, including rental price points, for several multifamily developments in North Bethany.

Exhibit 39. Sample of Multifamily Developments in North Bethany

Source: Google images, the respective property websites, mynewplace.com, apartments.com, and Washington County and Multnomah County (assessment and taxation reports).

Building Name	Building Characteristics
<p>North Bethany Ridge Apartments 15921 NW Brugger Rd</p> 	<p>Asking rent per month, 1-bdrm unit: \$1,425 Asking rent per month, 2-bdrm unit: \$1,840-\$1,935 Asking rent per month, 3-bdrm unit: \$2,085-\$2,257</p> <p>Year built: 2016 Number of units: 208 Stories: 3 Site size: 3.18 acres</p> <p>Parking: individual garages and carports available</p>
<p>Bethany 5 Apartments 15420 NW Marianna St</p> 	<p>Asking rent per month, 2-bdrm unit: \$1,585-\$1,840 Asking rent per month, 3-bdrm unit: \$2,070</p> <p>Year built: 2018 Number of units: 67 Stories: 3 Site size: 2.24 acres</p> <p>Parking: detached garages, carports, and open parking lot</p>

³⁵ Based on data from Zillow.com (units sold in last three years) in August 2020.

Building Name	Building Characteristics
<p>Springville Oaks 16320 NW Canton St</p> 	<p>Asking rent per month, 1-bdrm unit: \$1,403-\$1,644 Asking rent per month, 2-bdrm unit: \$1,776-\$2,092 Asking rent per month, 3-bdrm unit: \$2,082-\$2,366</p> <p>Year built: 2014 Number of units: 112 Stories: 3 Site size: 3.89 acres</p> <p>Parking: unassigned covered and garage parking</p>
<p>Bethany West Apartments 16107 NW Brugger Rd</p> 	<p>Asking rent per month, 1-bdrm unit: \$1,449 Asking rent per month, 2-bdrm unit: \$1,600-\$1,849 Asking rent per month, 2-bdrm unit: \$2,150-\$2,299</p> <p>Year built: 2019 Number of units: 82 Stories: 3 Site size: 2.57 acres</p> <p>Parking: assigned garage parking</p>

Commercial

The planned North Bethany Main Street will span roughly 13 acres near the center of the North Bethany community along NW Kaiser Road. The Main Street is intended to provide a mixed-use commercial area within easy walking distance from surrounding homes and is planned to connect to future parks and civic uses. Plans and development regulations for the area were refined in 2017-2018.³⁶ While development has not yet begun, a portion of the land (roughly 2.9 acres) is currently for sale and

³⁶ Washington County, "Urban Design Plan for the North Bethany Main Street," <https://www.co.washington.or.us/LUT/Divisions/LongRangePlanning/PlanningPrograms/CommunityPlanning/urban-design-plan-for-the-north-bethany-main-street.cfm>

commercial pre-leasing (since late 2018). Conceptual plans show an anchored retail center with a total of roughly 40,000 square feet of commercial space.³⁷

Exhibit 40: North Bethany Main Street Location

Source: Land development flyer for North Bethany Main Street, via LoopNet.



³⁷ LoopNet.com, "North Bethany Pre-Leasing,"
https://images2.loopnet.com/d2/DBioaGk1aX5XY6CCTf_s-42tpX_A_8ZHWPgaoBd0S4E/document.pdf



Exhibit 41: North Bethany Main Conceptual Plans

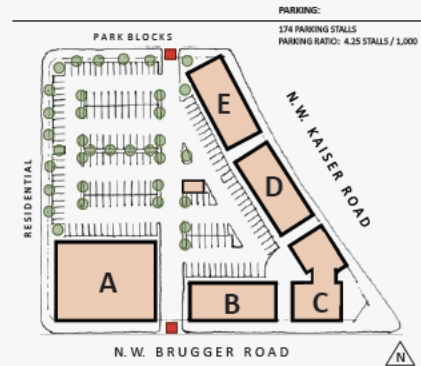
Source: Land development flyer for North Bethany Main Street, via LoopNet.

COMMERCIAL / MIXED-USE MAIN STREET OPPORTUNITY
N. BETHANY DEVELOPMENT LAND
 NW KAISER & NW BRUGGER RD, PORTLAND OR

Conceptual Plan for Anchored Retail Center

OPTION A:

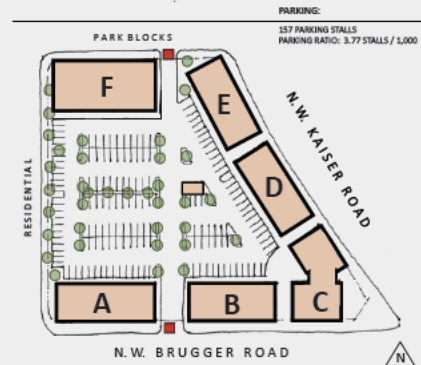
A:	115'x140' = 16,000 s.f.	Anchor Tenant
B:	~50'x120' = 6,000 s.f.	Retail / Restaurant
C:	~50'x120' = 6,750 s.f.	Retail / Restaurant
D:	~50'x120' = 6,000 s.f.	Retail / Restaurant
E:	~50'x120' = 6,000 s.f.	Office
TOTAL:		40,750 s.f.



Conceptual Plan for Anchored Retail Center

OPTION B:

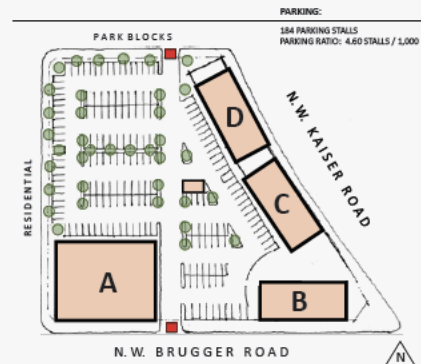
A:	50'x140' = 7,000 s.f.	Office
B:	~50'x120' = 6,000 s.f.	Retail / Restaurant
C:	~50'x120' = 6,750 s.f.	Retail / Restaurant
D:	~50'x120' = 6,000 s.f.	Retail / Restaurant
E:	~50'x120' = 6,000 s.f.	Office
F:	~70'x140' = 9,800 s.f.	Anchor Tenant
TOTAL:		41,550 s.f.



Conceptual Plan for Anchored Retail Center

OPTION C:

A:	115'x140' = 16,000 s.f.	Anchor Tenant
B:	~50'x120' = 6,000 s.f.	Retail / Restaurant
C:	~50'x120' = 6,000 s.f.	Retail / Restaurant
D:	~50'x120' = 12,000 s.f.	2-Story Medical Office
TOTAL:		40,000 s.f.





Mountain Park

Mountain Park in Lake Oswego is a planned unit development envisioned by Carl Halvorson in the 1960s. With a mix of single-family detached homes, apartments, condominiums, and townhomes, the area is now home to roughly 8,500 residents.³⁸

Housing

A map of the housing by type in Mountain Park is shown in Exhibit 43; an estimated count of existing housing units is provided in Exhibit 42.

Exhibit 42: Housing Unit Count by Housing Type, August 2020

Source: ECONorthwest calculations based on RLIS taxlot data and Metro multifamily inventory

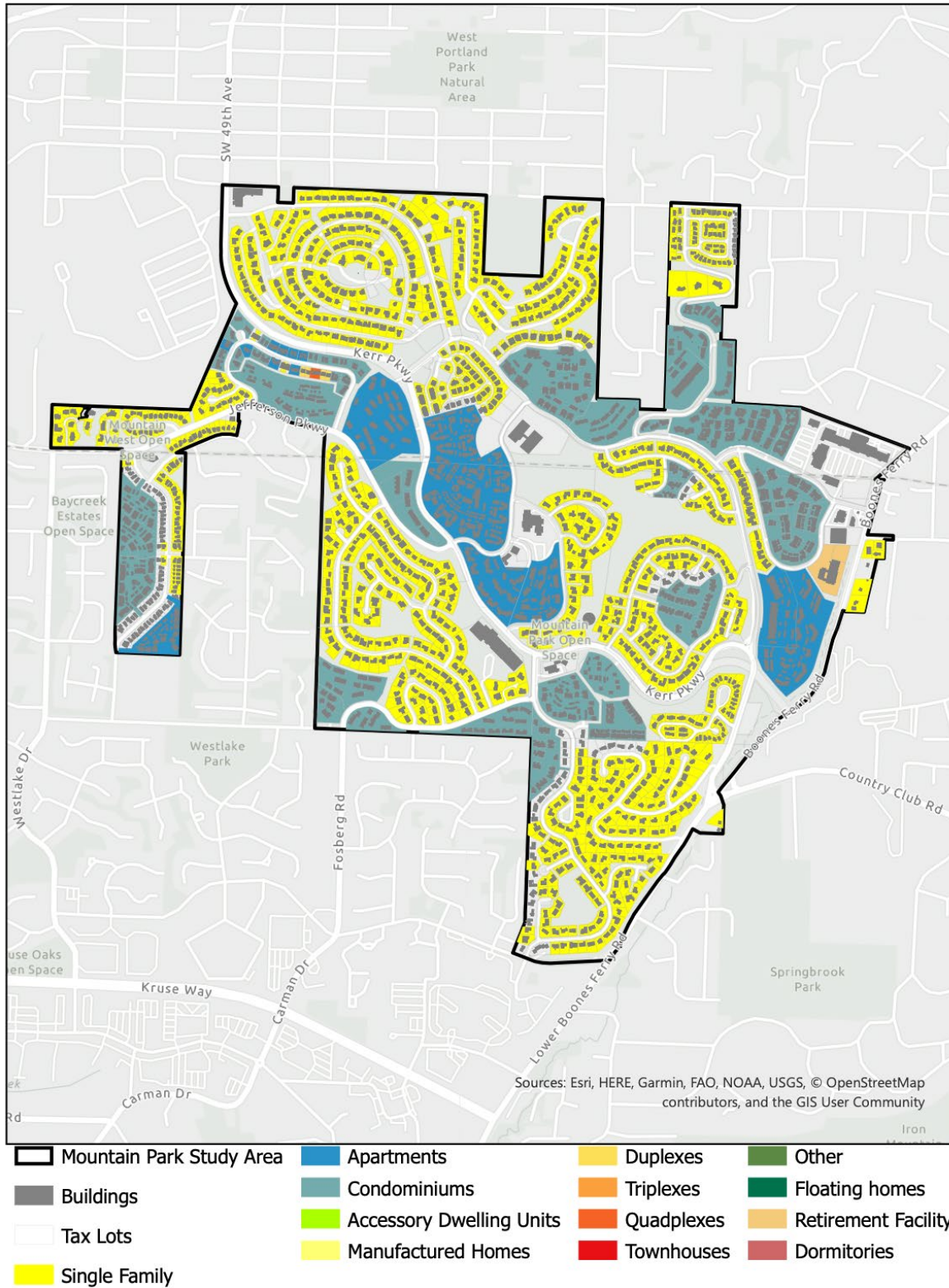
Housing Type	Housing Units
Single Family Detached	1,029
Single Family Attached	2
Apartments	1,073
Condominiums	1,405
Duplexes	8
Quadplexes	4
Total	3,521

³⁸ Mountain Park HOA, "History," <https://mtparkhoa.com/history/>



Exhibit 43: Mountain Park Housing by Type, August 2020

Source: ECONorthwest based on RLIS taxlot data and Metro multifamily inventory



The Zillow Home Value Index (ZHVI) for Mountain Park has risen in the last decade. From January 2017 through May 2020, the area's ZHVI ranged from \$377,000 to \$420,000. Several multifamily units in the area provide an indication of rental price points (see Exhibit 44).

Exhibit 44. Sample of Multifamily Developments in Mountain Park

Source: Google images, apartments.com, and Clackamas County (assessment and taxation reports).

Building Name	Building Characteristics
<p>The Bluffs at Mountain Park 50 Kerr Pkwy</p> 	<p>Asking rent per month, 1-bdrm unit: \$1,650-\$1,665 Asking rent per month, 2-bdrm unit: \$1,975-\$2,005 Asking rent per month, 3-bdrm unit: \$2,570</p> <p>Year built: 1974 Number of units: 128 Stories: 2 Site size: unknown</p> <p>Parking: assigned parking in surface parking lot</p>
<p>MiLO at Mountain Park 2 Jefferson Pkwy</p> 	<p>Asking rent per month, 1-bdrm unit: \$1,262-\$1,772 Asking rent per month, 2-bdrm unit: \$1,535-\$2,147</p> <p>Year built: 1991 Number of units: 129 Stories: 3 Site size: 6.04 acres</p> <p>Parking: surface parking lot, covered parking (carport), private garages</p>
<p>Ridge at Mountain Park Apts. 12375 Mt Jefferson Terrace</p> 	<p>Asking rent per month, 1-bdrm unit: \$1,399-\$1,499 Asking rent per month, 2-bdrm unit: \$1,545</p> <p>Year built: 1997 Number of units: 136 Stories: 3 Site size: 5.67 acres</p> <p>Parking: assigned covered parking and garage</p>



Commercial

Halvorson envisioned a Towne Center set within European-style village, which shifted slightly as the area built out in the 1970s. The commercial Towne Center was never established, but the Oswego Towne Square shopping center was built at the edge of the development, along SW Boones Ferry Road.³⁹ The Oswego Towne Square now includes a grocery store, restaurants, retail, and a variety of services (e.g., medical/dental offices, nail salons, fitness, and childcare).⁴⁰ The site totals 124,465 square feet of commercial space⁴¹ and is just under 10 acres.⁴² In addition, there is a clubhouse operated by the Homeowners Association (HOA) that offers an indoor aquatics center, gym, community room, childcare, and more.⁴³

³⁹ Lake Oswego Preservation Society, "Mountain Park, Nature's Neighborhood," <https://lakeoswegopreservationsociety.org/nh-1968-mountain-park/>

⁴⁰ JLL, "Oswego Towne Square: Directory," <https://www.oswegotownesquare.com/directory/>

⁴¹ City of Lake Oswego, "Mountain Park Business District," <https://www.ci.oswego.or.us/business/mountain-park-business-district>

⁴² Measurement approximated based on Google Maps.

⁴³ Mountain Park HOA, "Clubhouse," <https://mtparkhoa.com/clubhouse/>