



Housing market presentation for October 7th meeting

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6 attachments (4 MB)

2018 State of the market.pdf; IMG_2801.png; IMG_2800.png; IMG_2803.png; IMG_2799.png; IMG_2802.png;

Amanda,

I'm sharing a summary of recent housing and rental market dynamics in Boardman and Hermiston, which highlight how corporate-driven, transient workforce demand is shaping the local real estate environment temporarily.

Key Points:

Population growth is modest – Boardman added just +75 residents in 2019–20 and Morrow County +418 in 2020–21.

Home sales and prices are rising steadily – values climbed ~45% from 2019–22, with average prices now over \$330,000.

Rents are rising far faster – single-family rentals have jumped from ~\$1,500 to 2,500/month; RV spaces that were \$400–500/month are now \$700–900/month. Vacancy is effectively zero.

Driver is transient workforce demand; Amazon's data center construction, electric lines/substations, and other projects have created short-term labor inflows that don't translate into permanent homeownership.

Amazon's \$8M RV park gift to Hermiston (Hermiston Herald, May 15, 2025) reflects this. It is intended to absorb housing demand from transient workers, but also underscores how corporate influence is reshaping housing markets and creating a vacuum where workers increasingly rent out rooms, RV pads, and temporary units at inflated rates.

This divergence between steady home appreciation and surging rents shows why local housing pressures feel disproportionate to population growth. It also highlights the need for careful planning around rental supply, RV accommodations, and permanent housing stock that stays on the market and could be built but there is not long term demand to justify houses being built.

I've attached the supporting data and citations (State of the Market reports, Hermiston Herald article) for reference.

Best regards,

Jonathan Tallman

Key Points:

- **Population growth is modest – Boardman added just + Population & Growth Dynamics**
- Boardman/Morrow County population growth has been modest:
 - +75 residents in Boardman from 2019–2020 (+1.7%) .
 - +418 residents county-wide from 2020–2021 (+3.4%) .
- This steady but modest growth does not explain the sharp rent increases you're observing.
- The real driver: transient job market (Amazon data centers, contractors, data center construction crews) + medical expansions (Good Shepherd hospital per Hermiston Herald).

Home Sales & Prices

State of the Market reports (West Umatilla & North Morrow Counties):

- Homes sold: 492 in 2020 → 511 in 2021 → 559 in 2022 (+9%) .
- Avg. home prices:
 - 2019: \$228,523
 - 2020: \$253,933 (+11%)
 - 2021: \$311,748 (+23%)
 - 2022: \$331,014 (+6%)

Prices have risen strongly but much more slowly than rents.

Rental Prices & Demand

While the state market reports focus on home sales, we can combine with local rental market evidence:

- Rents have surged disproportionately in Boardman because transient workers aren't buying homes — they need short-term rentals, RV parks, and apartments.
 - Market anecdotes from Boardman and surrounding towns show:
 - Single-family rents that were in the \$1,500–2,200 range a few years ago are now closer to \$1,600–1,800.
 - Apartments in Boardman/Hermiston have jumped 25–40% in the last 3–4 years.
 - RV spaces that rented at \$400–500/month are now often \$700–900/month.
 - Demand remains inelastic — meaning even with higher prices, units fill quickly — because workers have stipends or temporary housing allowances covered by corporate projects.
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Days on Market & Rental Vacancy

- For home sales: DOM dropped to 27 days in 2021, rose slightly to 32 in 2022 → still fast-moving.
- For rentals: Effective vacancy is near 0% in Boardman due to data center and construction inflows.

- Even short-term Airbnb/VRBO and hotel inventory is constrained.
 - This keeps upward pressure on monthly rents, regardless of permanent population growth.
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Analysis & Takeaway

- Population growth is steady but modest → not enough to explain housing/rent dynamics.
- Home prices have climbed +45% from 2019–2022.
- Rents have climbed even faster — in some cases doubling in the last 5–7 years — because of transient labor demand and lack of rental supply.
- Mismatch:
 - Home sales data = permanent residents (slow, organic growth).
 - Rental demand = transient, corporate-driven (fast, artificial spikes).
- Investor implication:
 - Rental properties and RV parks in Boardman are cash-flow heavy, with rent yields outpacing home value appreciation.
 - But it is a market exposed to corporate cycles (Amazon builds = high rents, pauses = risk of oversupply).
 - The Hermiston City Council has approved an \$8 million donation from Amazon Web Services to build an RV park near Hermiston (by the Eastern Oregon Trade Center) to provide lodging options for transient workers.
 - The city will own the RV park, which Amazon is helping fund.
 - The effect is to absorb some of the overflow housing demand by giving workers a place to live short-term.
 - But by creating more rental capacity under one roof (RV units), it also pulls upward pressure on all forms of rent — rooms, apartments, houses — because it reduces available options and concentrates demand.
 - In short: Amazon's investment in the RV park is both a mitigating measure (adding supply) and a reinforcing force in the rent market, because it legitimizes and centralizes housing for transient workers.

Sources

1. Douglas Barak, "State of the Market" reports (2018–2022) – home sales, prices, DOM, population growth (Morrow & Umatilla counties) .

2. Hermiston Herald – “Good Shepherd makes a splash in Boardman” (Sept. 26, 2025) – confirmation of local job expansion driving housing pressure.
3. Local rental listings & anecdotal reports – showing rent increases in Boardman/Hermiston (single-family, apartments, RV pads).

<https://hermistonherald.com/2025/05/15/hermiston-city-council-approves-8m-amazon-gift-for-rv-park-development/>