

HOUSING MARKET DEMAND STUDY & STRATEGY

Tulsa, Oklahoma
Market Analysis Presentation

September 2019



STUDY BACKGROUND

THE 2010 STUDY

The City commissioned a **housing study in 2010**

Led to the creation of a revolving loan program—known as **Vision 2025 Downtown Housing Fund**—which has invested over \$20m

This **loan fund will be fully recouped by 2024**

\$20M

loan fund investment

\$1.4B

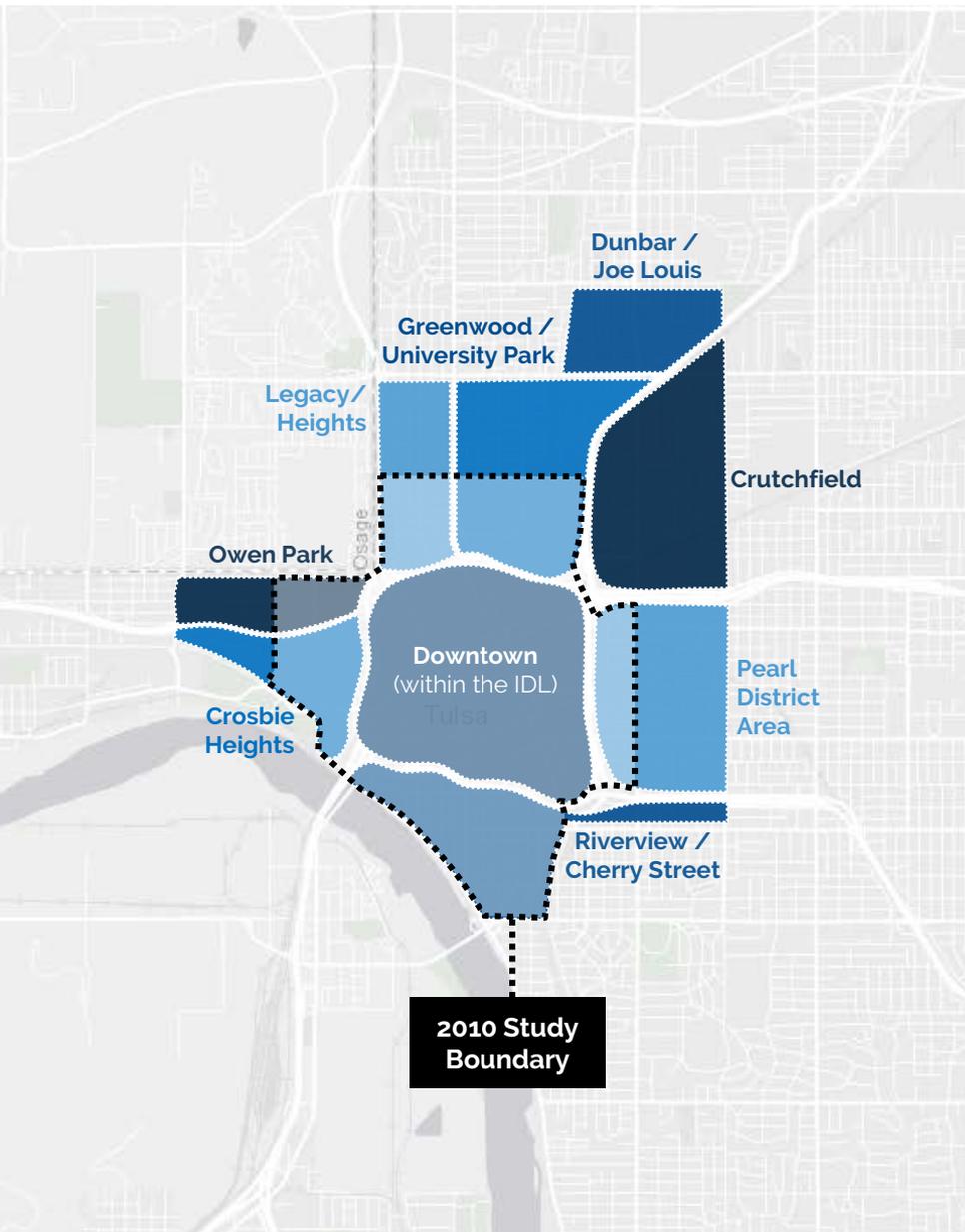
Downtown building permits since 2010

690

new multifamily units in the Study Area

STUDY BACKGROUND

THE 2010 STUDY—RESULTS



The goal of the current effort is to reassess the potential for residential development in the Study Area, with a new focus on:

- **Engaging communities** in and around Downtown;
- Identifying opportunities to **align investments with community priorities**; and
- Identifying tools that **address the housing needs of all residents.**

UNDERSTANDING STUDY PURPOSE

How can housing investments better serve the **needs of all residents?**

Tulsa Downtown Housing Strategy

NEIGHBORHOOD & EQUITY

MID-SIZED DOWNTOWN
DEVELOPMENT

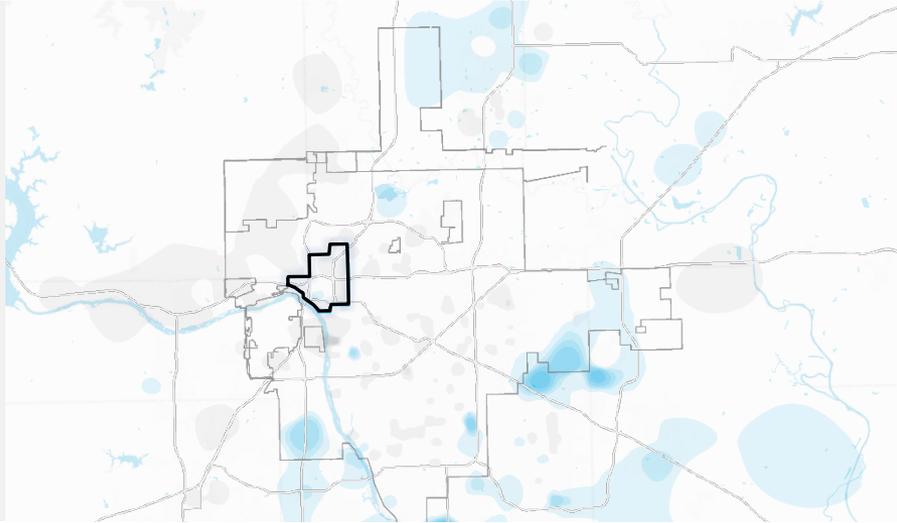
GROWTH &
COST OF HOUSING

How can housing support **economic development** and competitiveness?

How can we **prevent displacement** and cost burden that can result from investment?

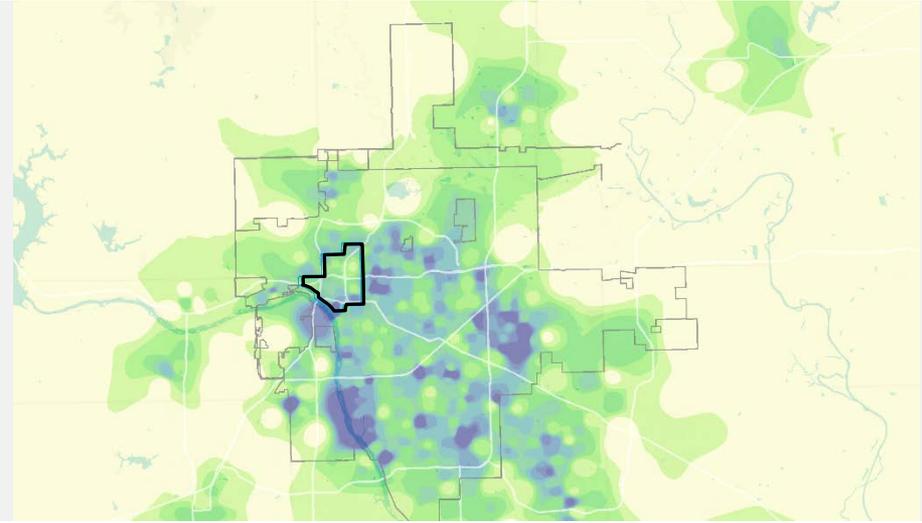
DEMOGRAPHIC ANALYSIS

STUDY AREA CONTEXT



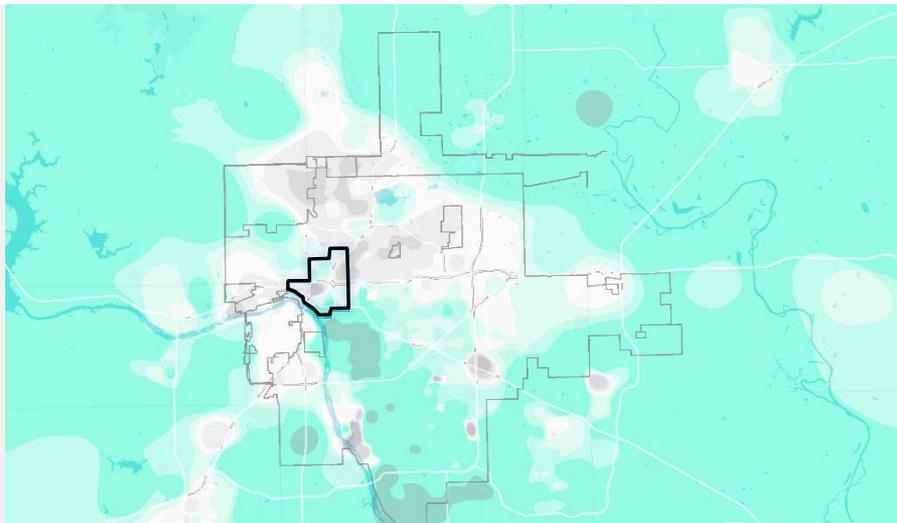
Population Change 2010-2019

▲ -40% ▲ 0 ▲ +100%



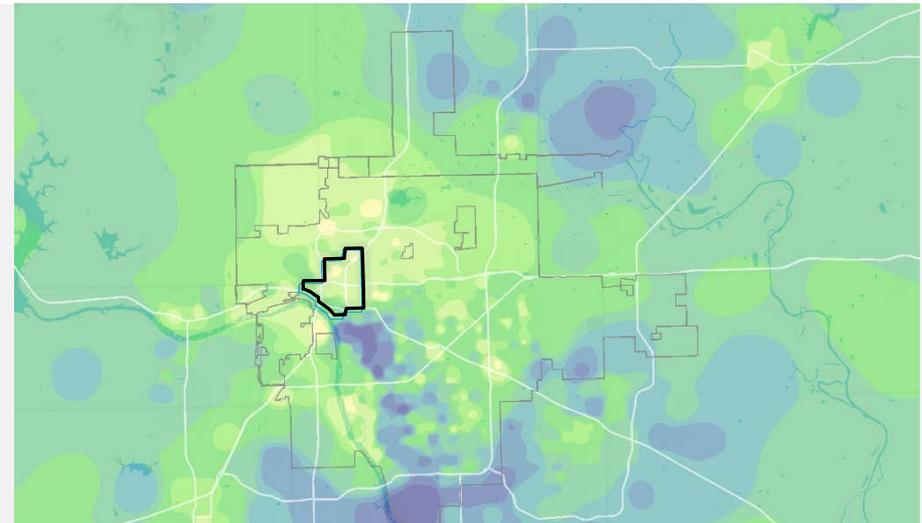
Population Density 2019

▲ 30 per sq. mile or less ▲ 6,400 per sq. mile or more



Median Home Value 2019

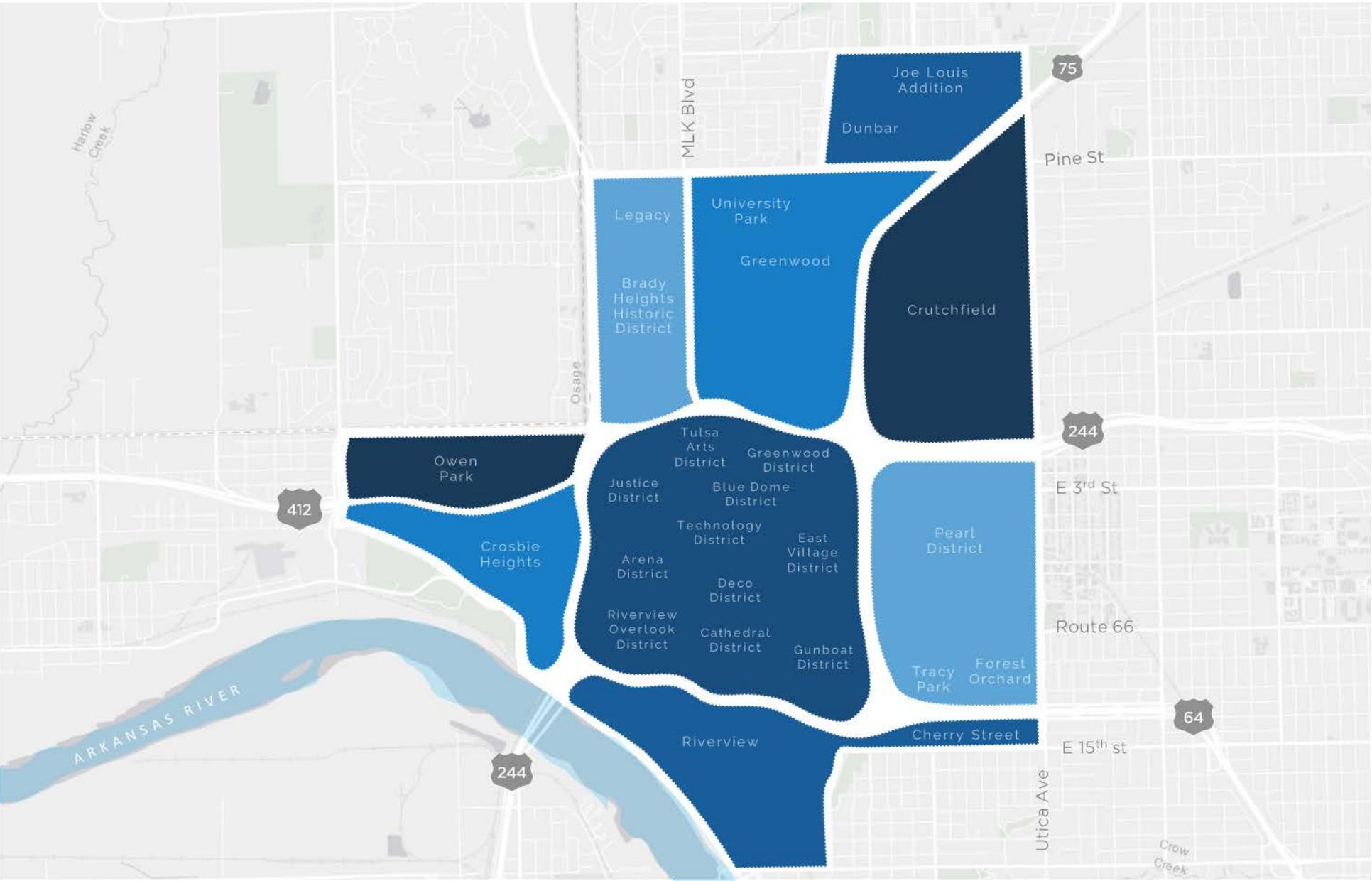
▲ \$25K or less ▲ \$100K ▲ \$350K or more



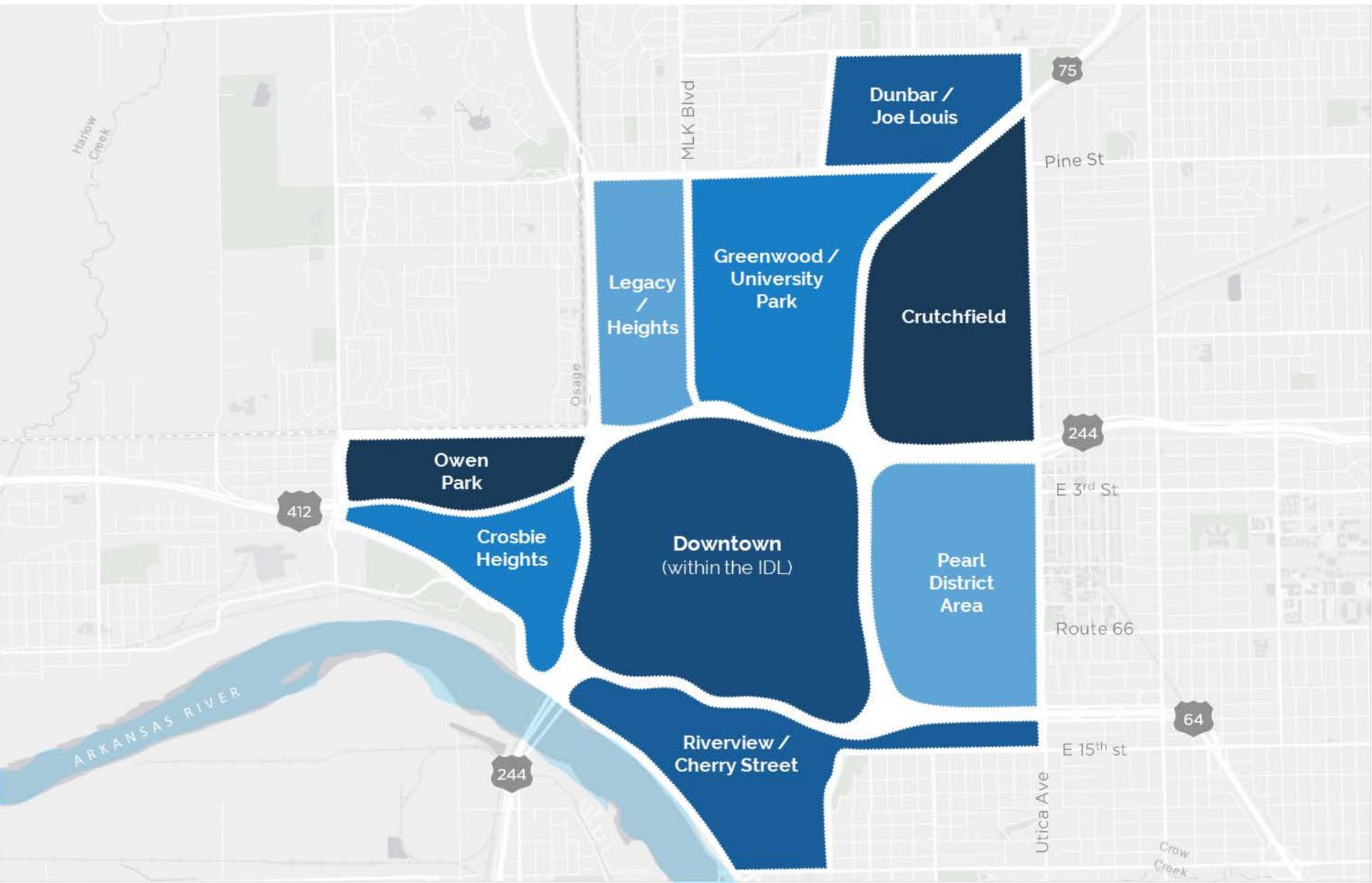
Median Household Income 2019

▲ \$20k or less ▲ \$140k or more

UNDERSTANDING CONTEXT



UNDERSTANDING CONTEXT



PROCESS & SCHEDULE



KICKOFF



UNDERSTAND



QUANTIFY



STRATEGIZE



ALIGN



REPORT

GETTING STARTED

MARKET AND ANALYSIS

FEASIBILITY TESTING

STRATEGY

REFINE AND ALIGN

DOCUMENT

Who should we speak with?
What information do we need?

What are the conditions?
What are the needs?

What will housing investments cost?

What needs to be done? Where?

What resources and partners can be aligned?

Pulling it all together

1 MONTH
JUNE

3 MONTHS
JULY – SEPTEMBER

2 MONTHS
OCTOBER – NOVEMBER



KICK-OFF CONVERSATIONS

WHO DID WE TALK TO?



KICK-OFF CONVERSATIONS

WHAT WE HEARD

HISTORY

We need to make sure that what is left is **preserved** and what once was is **honored**.

BALANCE

We need a strategy that stimulates **growth** while **preventing displacement**.

CHOICE

We need a diversity of housing **price points** and housing **types** in the area.

OPPORTUNITY

Housing access and stability are foundational to **child and family wellbeing**, including schools.

HOMEOWNERSHIP

Reducing **barriers to homebuying** would support neighborhood and household stability.

INVESTMENT

This study can help inform which types of projects do and don't need **subsidy** to work.

HOUSING GOALS

WHAT WE HEARD

1. Expand quality and accessibility of **affordable housing**
2. Support **economic development & competitiveness**
3. Lower barriers to **homeownership**
4. Improve housing stability — **housing as opportunity**
5. Leverage housing investment for neighborhood **stabilization and quality of life**

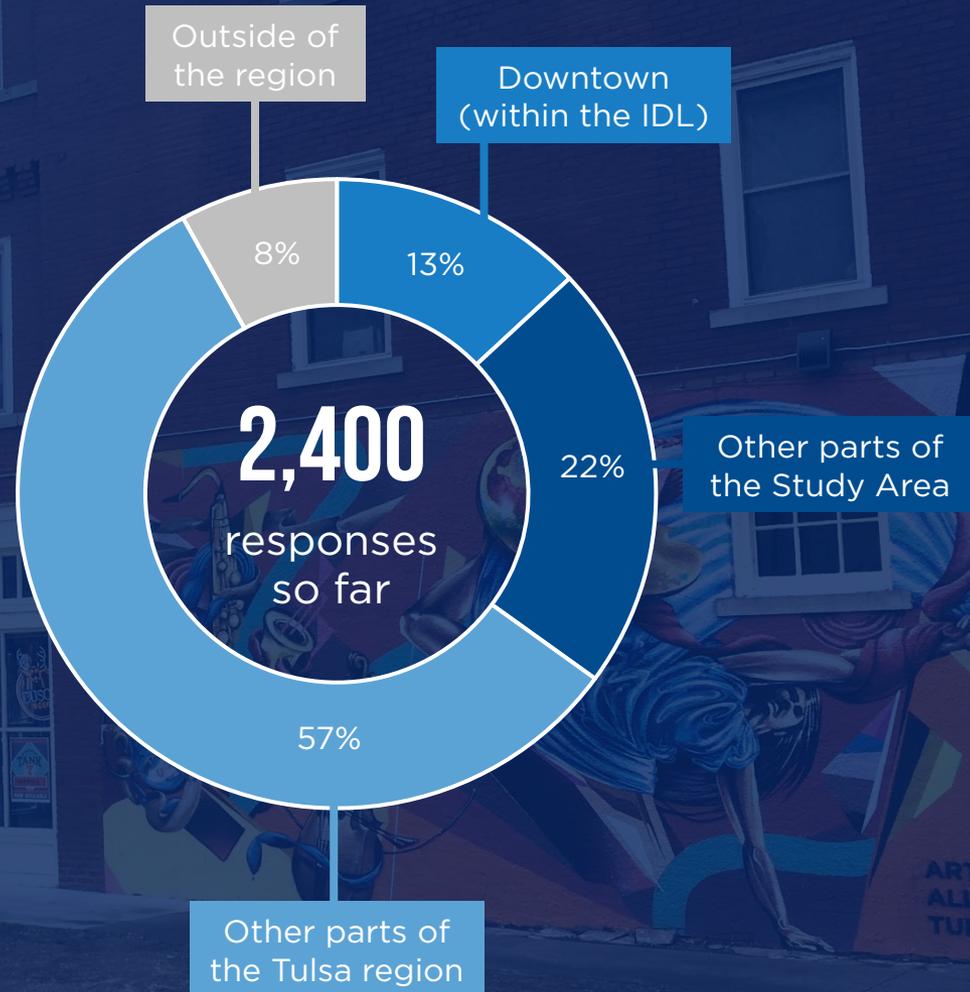
HOUSING SURVEY

SHARING PRELIMINARY RESULTS

Understanding **preferences** in housing types, neighborhood amenities, location, as well as **barriers**.

A few **preliminary results today**.

Will help us **refine the market analysis**—what we're sharing today— and **inform the strategy phase**.



Housing Affordability

What is it?

What does it look like in Tulsa today?

How will economic trends impact it?

Market Analysis

What's in the market today?

What are future needs?

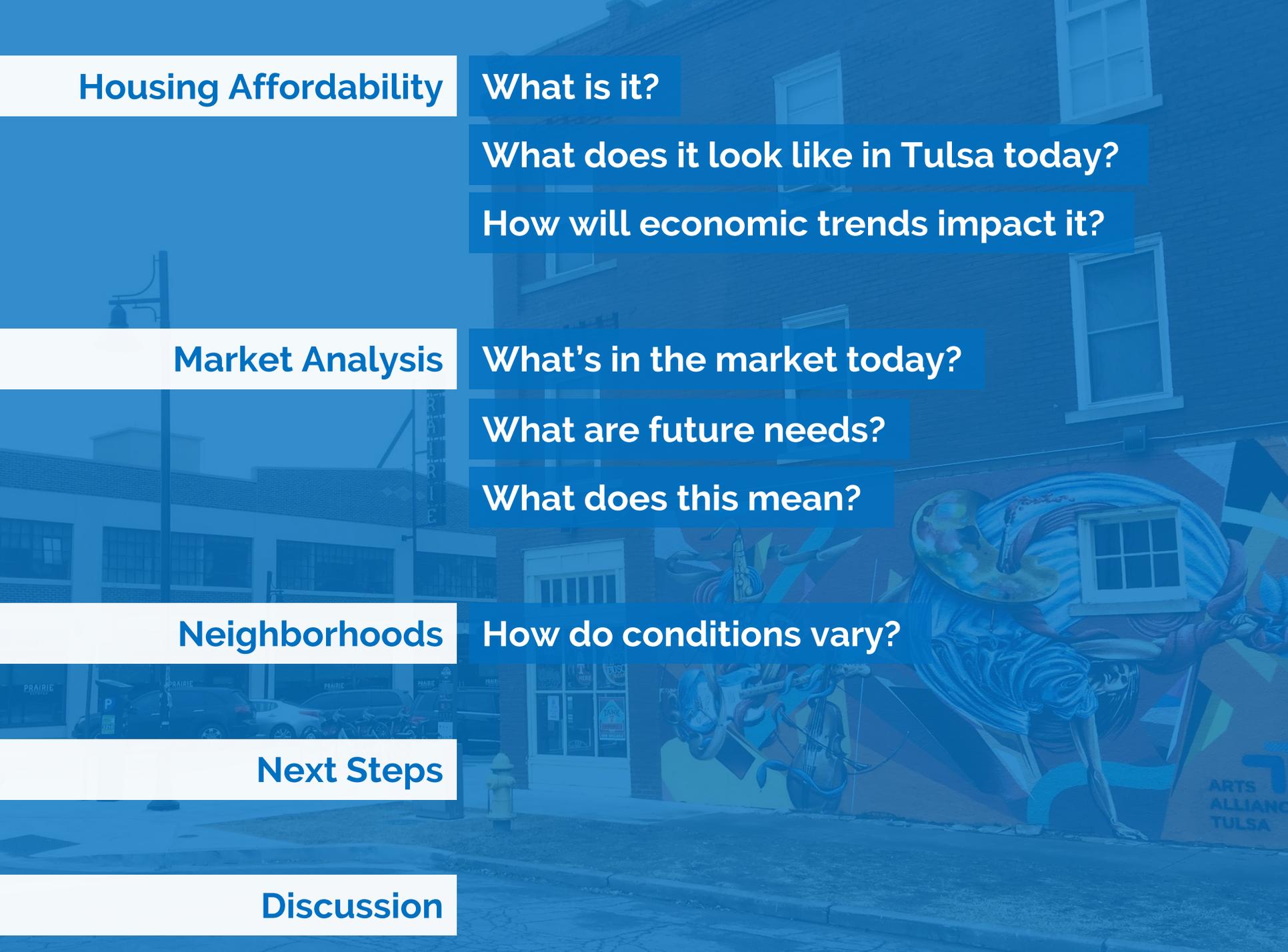
What does this mean?

Neighborhoods

How do conditions vary?

Next Steps

Discussion



Housing Affordability

What is it?

What does it look
like in Tulsa today?

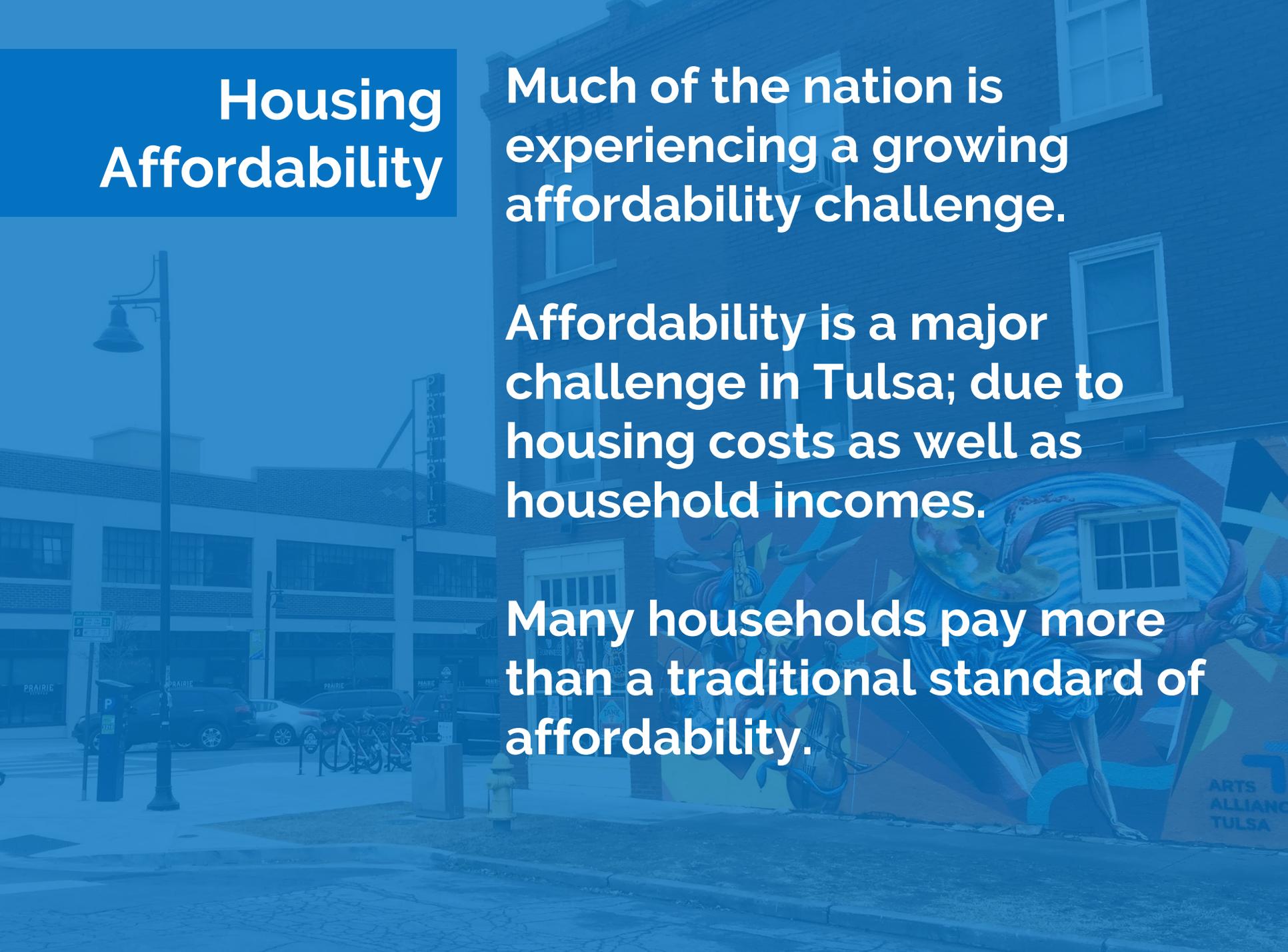


Housing Affordability

Much of the nation is experiencing a growing affordability challenge.

Affordability is a major challenge in Tulsa; due to housing costs as well as household incomes.

Many households pay more than a traditional standard of affordability.



DOWNTOWN HOUSING TRENDS

RENTERS



31%

Increase in renter-occupied housing for households earning more than \$50,000 from 2009-2015

DEMOGRAPHICS



72%

Non-family households by 2025

PREFERENCES



66%

Prefer attached or small lot housing*

** If it puts them closer to work, mix of uses, etc.
Source: National Association of Realtors*

NATIONAL HOUSING CHALLENGES

COST BURDEN



47%

Of renter households are burdened by housing costs

SINGLE-FAMILY RENTAL



\$36 billion

Spent by large investors 2010-2017 to acquire single-family homes as rental property

BARRIERS



85%

Of potential buyers lack the savings for a 3.5% downpayment on a median-priced home

HOUSING AFFORDABILITY

WHAT IS IT?



Subsidized

Quality

Workforce Housing

Affordable

Public Housing

Living Wage

HOUSING AFFORDABILITY

SOME SIMPLE DEFINITIONS

rent or
mortgage+expenses

housing costs \leq **30%** x household income

income from anybody in the home
contributing to housing expenses
(e.g., family, roommates, etc.)

HOUSING AFFORDABILITY

SOME SIMPLE DEFINITIONS

\$700

per month

to rent a 2-bedroom unit
of safe and decent quality

Calculated based on FY19 HUD Fair Market Rent for Tulsa County (\$865), excluding estimated tenant-paid utilities including heating, cooking, water heating, and electricity

\$14/HR

housing wage

bare minimum to afford a 2-
bedroom unit of safe and
decent quality

Calculated based on a \$700 rent, assuming 30% of income toward rent, full-time employment

HOUSING AFFORDABILITY
WHAT'S THE PICTURE OF AFFORDABILITY IN TULSA?

Many households **cannot afford** that \$700 rent...

30%

City of Tulsa

45%

Study Area

Calculated based on a \$13 per hour housing wage, assuming 40 hours per week, 52 weeks per year

HOUSING AFFORDABILITY

THE EXPERIENCE

>700 respondents (40%) have struggled to find safe, decent, and affordable housing.

Rent/mortgage payment was too high

Could not find a home in my price range

Crime

Home was not in good condition

Home was not a healthy place

Lost job and couldn't afford rent

Property taxes were too high

Couldn't get a loan to improve my home

Discrimination

HOUSING AFFORDABILITY

THE EXPERIENCE

11TH

highest eviction rate
in the nation

1 OF EVERY 13

renter households
evicted in 2016

**EVICITION
HOMELESSNESS**

>5,600

Tulsans experienced
homelessness last year

Housing Affordability

How will economic
trends affect it in
the future?



Housing Affordability

As Tulsa's economy grows, workforce and affordable housing will continue to be critical.

Some new jobs will pay much higher wages.

Tulsa's economy is growing...

+10%

Tulsa MSA

+8%

Oklahoma

+13%

U.S.

**...but at a lower
rate than the U.S.**

Based on projected job growth...

60%

of new jobs will pay <\$35k

rents <\$850

prices <\$160k

40%

of new jobs requiring a high school diploma will pay \$35k - \$75k

rents \$850-\$1,850

prices \$160k-\$280k

...affordable and workforce housing will be critical.

ECONOMIC SELECT OCCUPATIONS WITH HIGH PROJECTED NEAR-TERM GROWTH

Food Preparation



Home Health Aides



Personal Care Aides



Registered Nurses



Medical Assistants



Jobs at WPX Energy



400 jobs retained
Potential to add up to 150 jobs

Jobs at American Airlines



400 new jobs
Recently announced

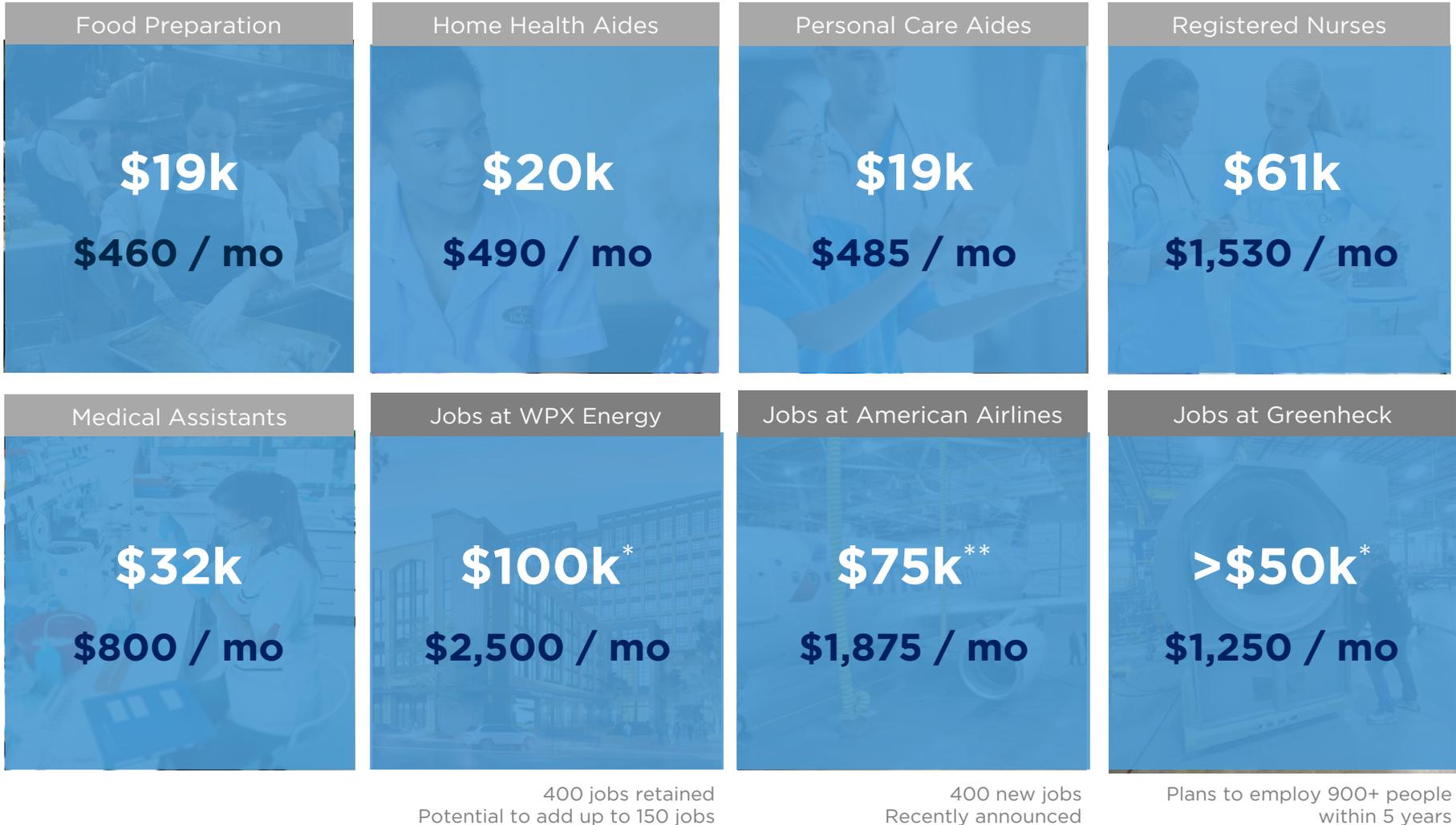
Jobs at Greenheck



Plans to employ 900+ people
within 5 years

ECONOMIC

MEDIAN ANNUAL WAGES OF OCCUPATIONS WITH HIGH PROJECTED NEAR-TERM GROWTH



Source: Oklahoma Employment Security Commission, Research & Analysis Division, City of Tulsa Mayor's Office

*: average wages; **: entry-level wages

Market Analysis

A market-based look
at conditions on the
ground...

...not yet ideas for
solutions, though this
understanding is an
essential foundation.

Housing Affordability

Market
Analysis

Supply | What's in the
market today?

ARTS
ALLIANCE
TULSA



Rental

Market-rate

Affordable

For-Sale

Condos

Single-Family

RENTING PREFERENCES

WHAT THE SURVEY TELLS US

27% of respondents interested in moving to the Study Area **prefer to rent** their next home, and for a **variety of reasons...**

Advantages like property management and maintenance

76%

Flexibility

72%

Affordability

54%

Downpayment too high

40%

Credit

27%

Not enough savings to buy yet

19%

Still getting to know the area

10%

Other

5%

Of respondents who say they are likely or very likely to consider moving to the Study Area. Current owners were also over-represented among respondents

HOUSING SUPPLY

MARKET-RATE RENTAL SUMMARY METRICS



City of Tulsa

CLASS A

CLASS B

57,300

HOUSING
UNITS

9.5%

VACANCY
RATE

\$690

AVERAGE
RENT/MO

2,530

7%
\$1,014

HOUSING UNITS
VACANCY RATE
AVERAGE RENT/MO

18,530

9%
\$797



Study Area

CLASS A

CLASS B

4,400

HOUSING
UNITS

12.0%

VACANCY
RATE

\$975

AVERAGE
RENT/MO

225

6%
\$1,450

HOUSING UNITS
VACANCY RATE
AVERAGE RENT/MO

1,550

9%
\$1,130

MULTIFAMILY SUPPLY

OLDER LOW/MID-TIER MULTIFAMILY



Parkwood
Built 1965 (49 units)
1br: \$500 2br: \$625
\$1.37 PSF



1634 Apartments
Built 1960 (8 units)
88% occupied
1br: \$625



Waterside Apartments
Built 1983 (682 units)
92% occupied
1br: \$742
2br: \$1,040

MULTIFAMILY SUPPLY "FIRST-WAVE" DOWNTOWN



Tribune Lofts
Rehabbed 2000 (35 units)
94% occupied
\$1.29 avg PSF



Green Arch Apartments
Built 2013 (70 units)
97% occupied
\$1.04 avg PSF



Metro at Brady
Built 2012 (75 units)
92% occupied
\$1.68 avg PSF



Renaissance Uptown
Built 2000 (159 units)
94% occupied
\$1.25 avg PSF



MULTIFAMILY SUPPLY

RECENT DOWNTOWN



The Flats on Archer
Built 2019 (62 units)
95% occupied
\$1.66 avg PSF

Edge
Built 2016 (161 units)
93% occupied
\$1.75 avg PSF

The Meridia
Built 2017 (93 units)
94% occupied
\$1.62 avg PSF

The Coliseum
Rehabbed 2015 (36 units)
89% occupied
450 SF avg unit size
\$665 avg rent: \$1.48 PSF

SUPPLY SURVEY

PROPOSED & UNDER CONSTRUCTION



The View (102 units)
1br: <\$1,000
2br: \$2,000
3br: \$3,000



The Cosmopolitan
(264 units) under construction
\$1.66 avg PSF



111 Greenwood
(55 units) 590sf avg
1brs & 2brs
\$850-\$1,200: \$1.73 PSF



RENTAL: COMPETITIVE SUPPLY

MULTIFAMILY - MARKET RATE



Enclave at Brookside
Built 2014 (240 units)
92% occupied
1 BR & 2 BR
725 SF—1,510 SF
\$1.69 avg PSF



Crown Win River
Built 2017 (157 units)
90% occupied
1 BR & 2 BR
855 SF—1,072 SF
\$0.97 avg PSF



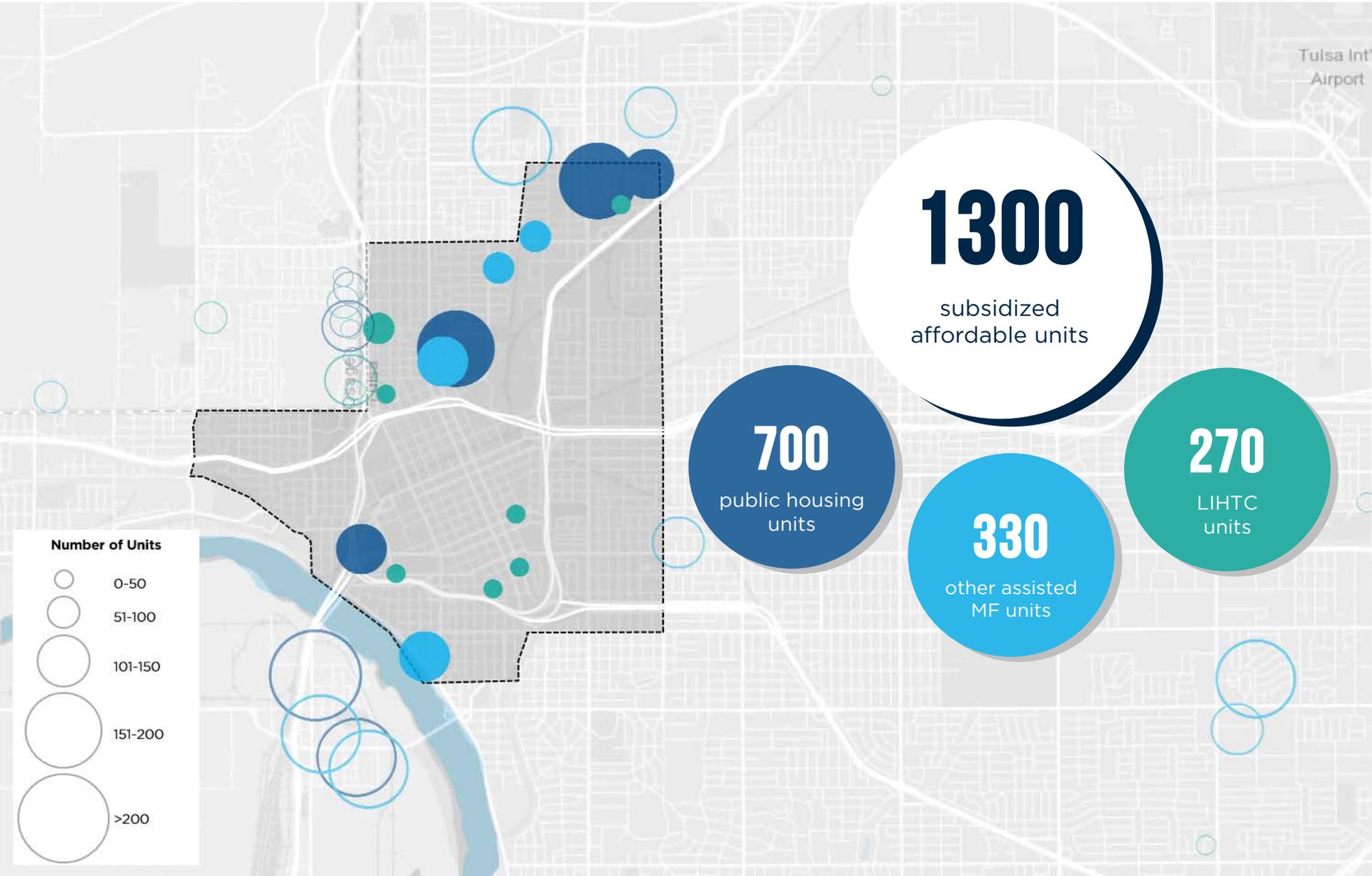
Woodland Oaks
Built 1983 (428 units)
95% occupied
1 BR & 2 BR
700 SF—1,013 SF
\$0.93 avg PSF



Lincoln Villas
Built 1996 (360 units)
94% occupied
1 BR—3 BR
558 SF—1,370 SF
\$0.92 avg PSF

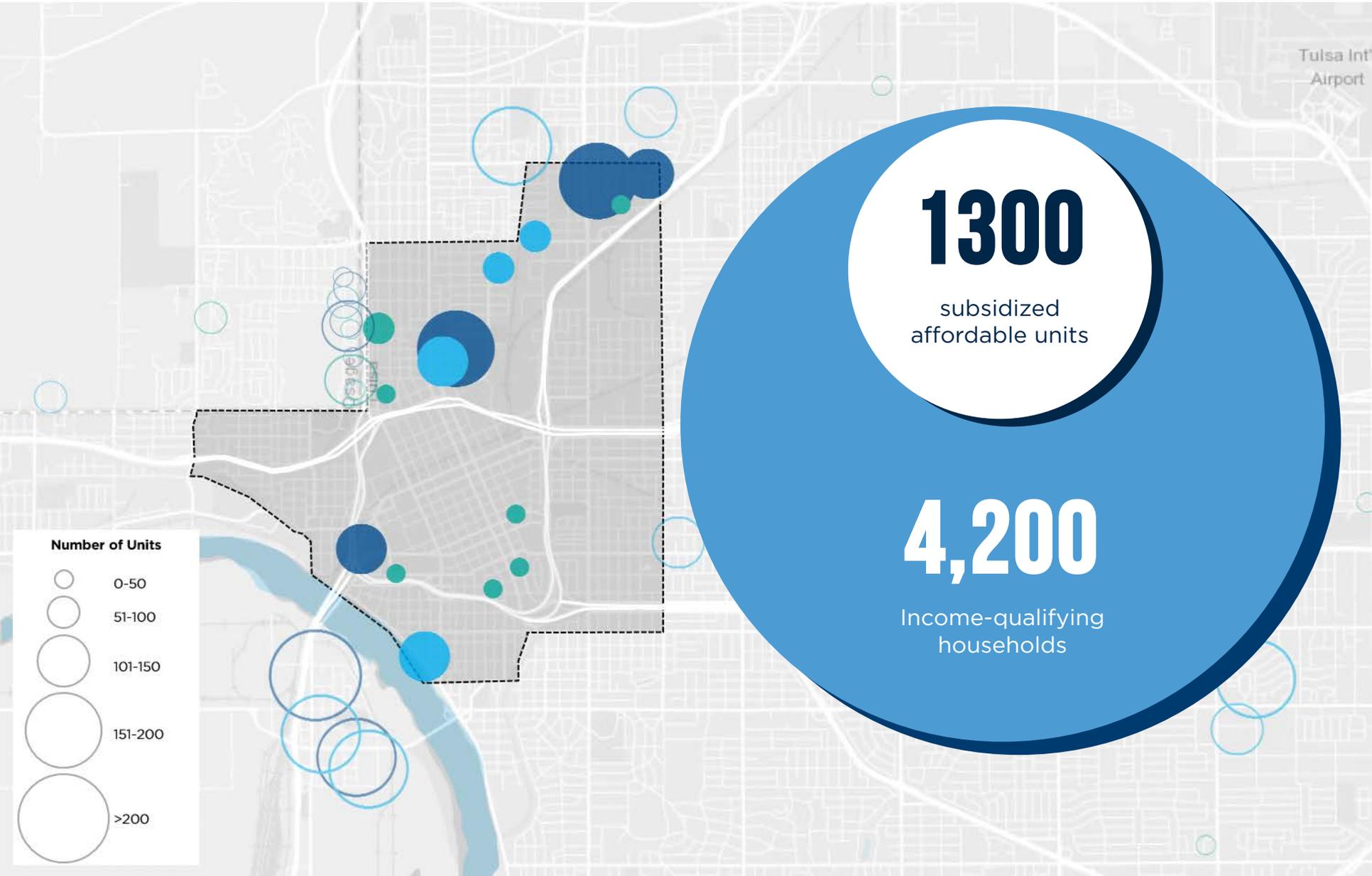
EXISTING SUPPLY

SUBSIDIZED AFFORDABLE HOUSING



EXISTING SUPPLY

SUBSIDIZED AFFORDABLE HOUSING



RENTAL (RECENT/NEW)
MULTIFAMILY / SENIOR - LIHTC



Cherokee Meadows
Built 2017 (48 units)
100% occupied
Waitlist: Yes
1BR avg: \$610
2BR avg: \$730



West Park Apartments
Built 2013 (128 units)
92% occupied
Waitlist: Yes
1BR avg: \$500
2BR avg: \$595
3BR avg: \$880



RENTAL (OLDER/EXISTING)
MULTIFAMILY / SENIOR – LIHTC/SECTION 8

Country Club Gardens

Built 2003–2005 (353 units)
97% occupied
Waitlist: Yes
750 SF–1,394 SF
1BR avg: \$435
2BR avg: \$585
3BR avg: \$800



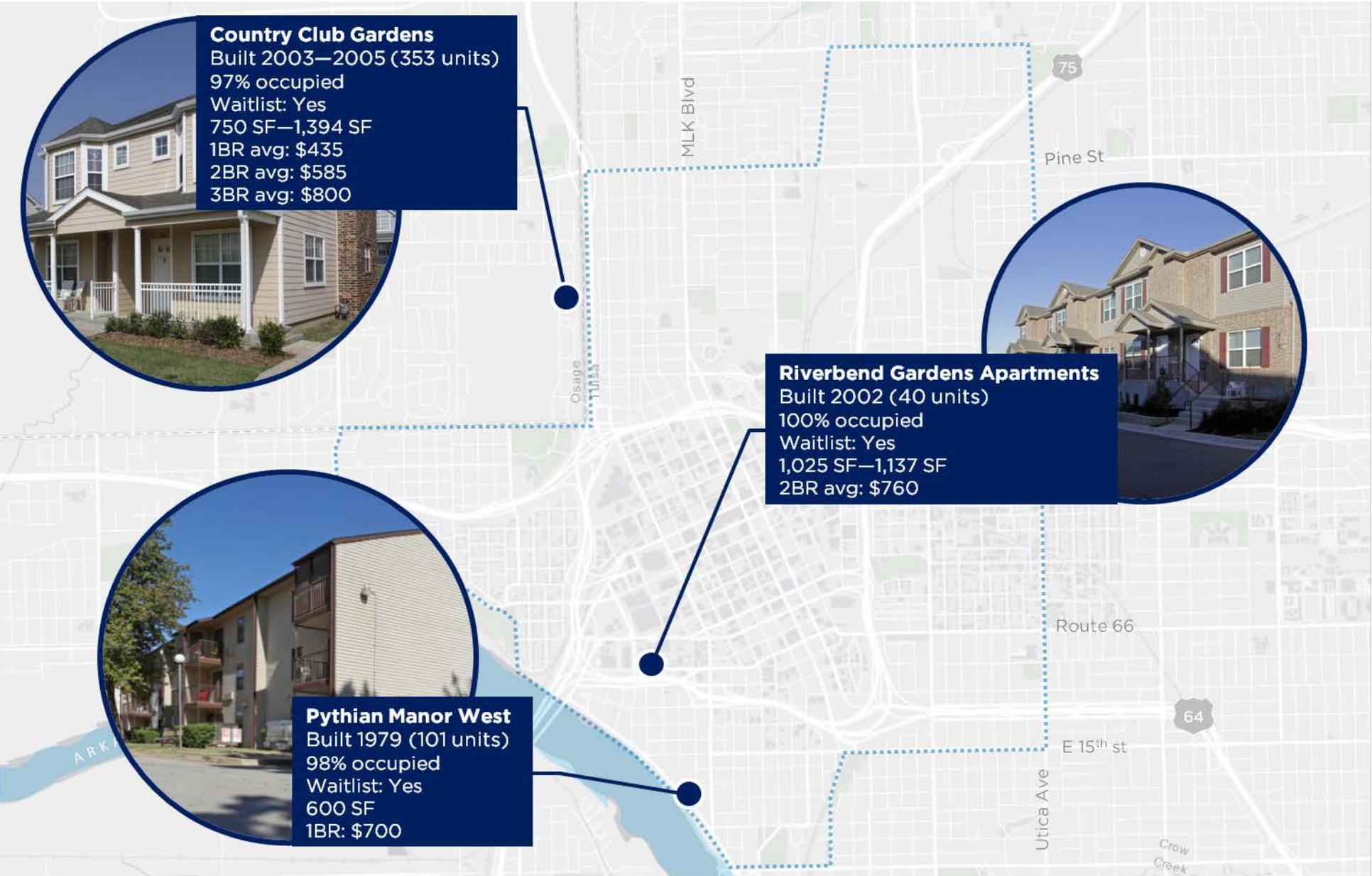
Riverbend Gardens Apartments

Built 2002 (40 units)
100% occupied
Waitlist: Yes
1,025 SF–1,137 SF
2BR avg: \$760



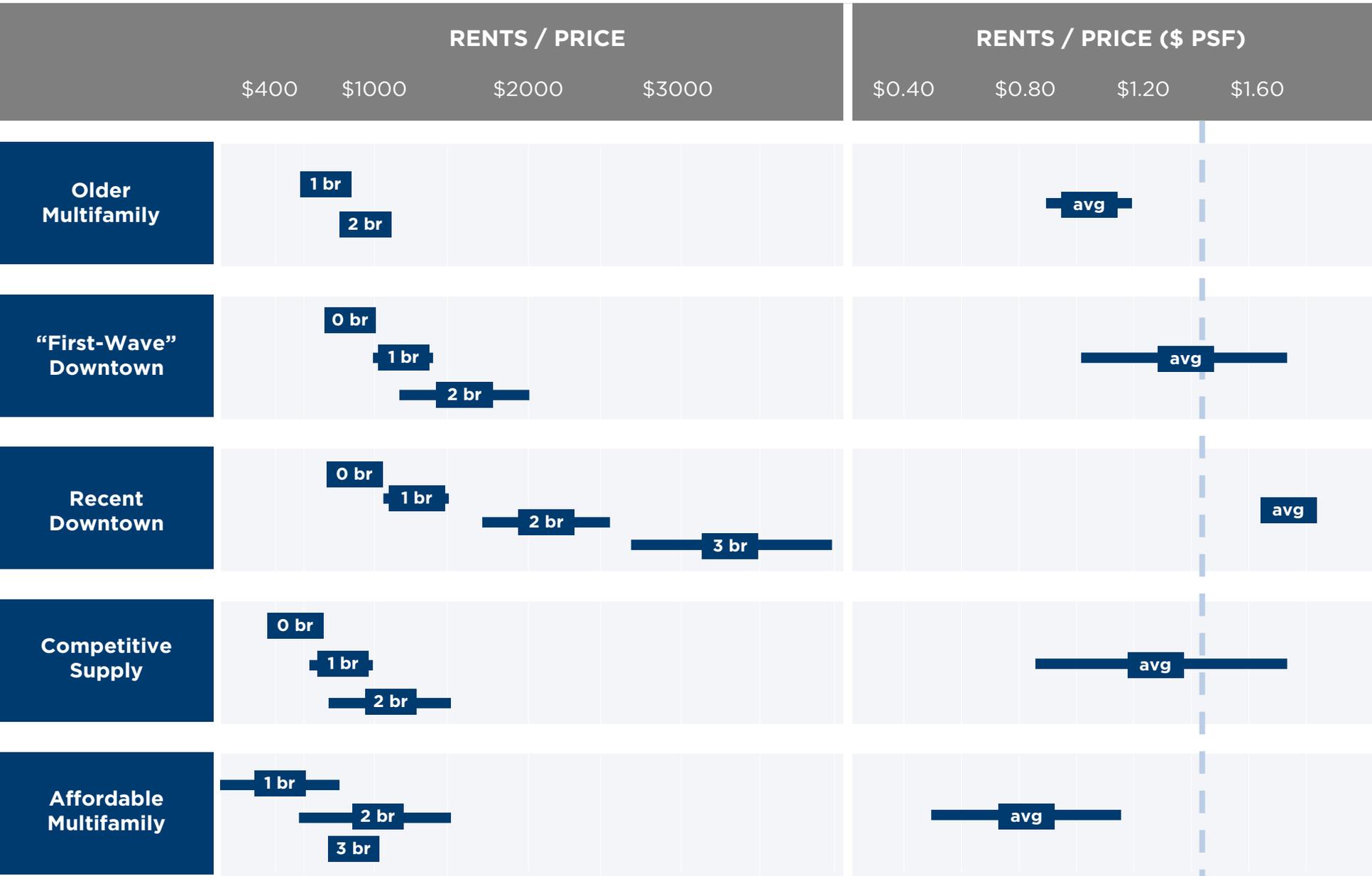
Pythian Manor West

Built 1979 (101 units)
98% occupied
Waitlist: Yes
600 SF
1BR: \$700



SUPPLY SUMMARY

RENTAL HOUSING





Rental

Market-rate

Affordable

For-Sale

Condos

Single-Family

CONDO SALES

MARKET-RATE



708 S Norfolk Ave
Built 2003 (3br, 2.5br)
\$370k (2,400sf)
\$154/sf, \$50 / mo HOA fee



1416 S Troost Ave.
Built 2006
3 BR/3 Ba
2,284 SF
\$275,000



410 W 7th St.
(Central Park Residences)
Built 1970, renovated
1 BR/1 Ba
720 SF
\$81,000, \$545 / mo HOA fee

SINGLE-FAMILY MARKET

RECENTLY SOLD



832 N Owasso Ave

Built 1920

880 SF
\$21 PSF

1BR 1Bath:
\$18,500



820 S Quincy Ave

Built 1920

1,250 SF
\$56 PSF

3BR 1Bath:
\$69,500



1328 S Indian Ave

Built 1930

2,790 SF
\$39 PSF

3BR 3.5Bath:
\$110,000



1819 W Cameron St

Built 1920

1,376 SF
\$164 PSF

3BR 3Bath:
\$225,000



1175 N Denver Ave

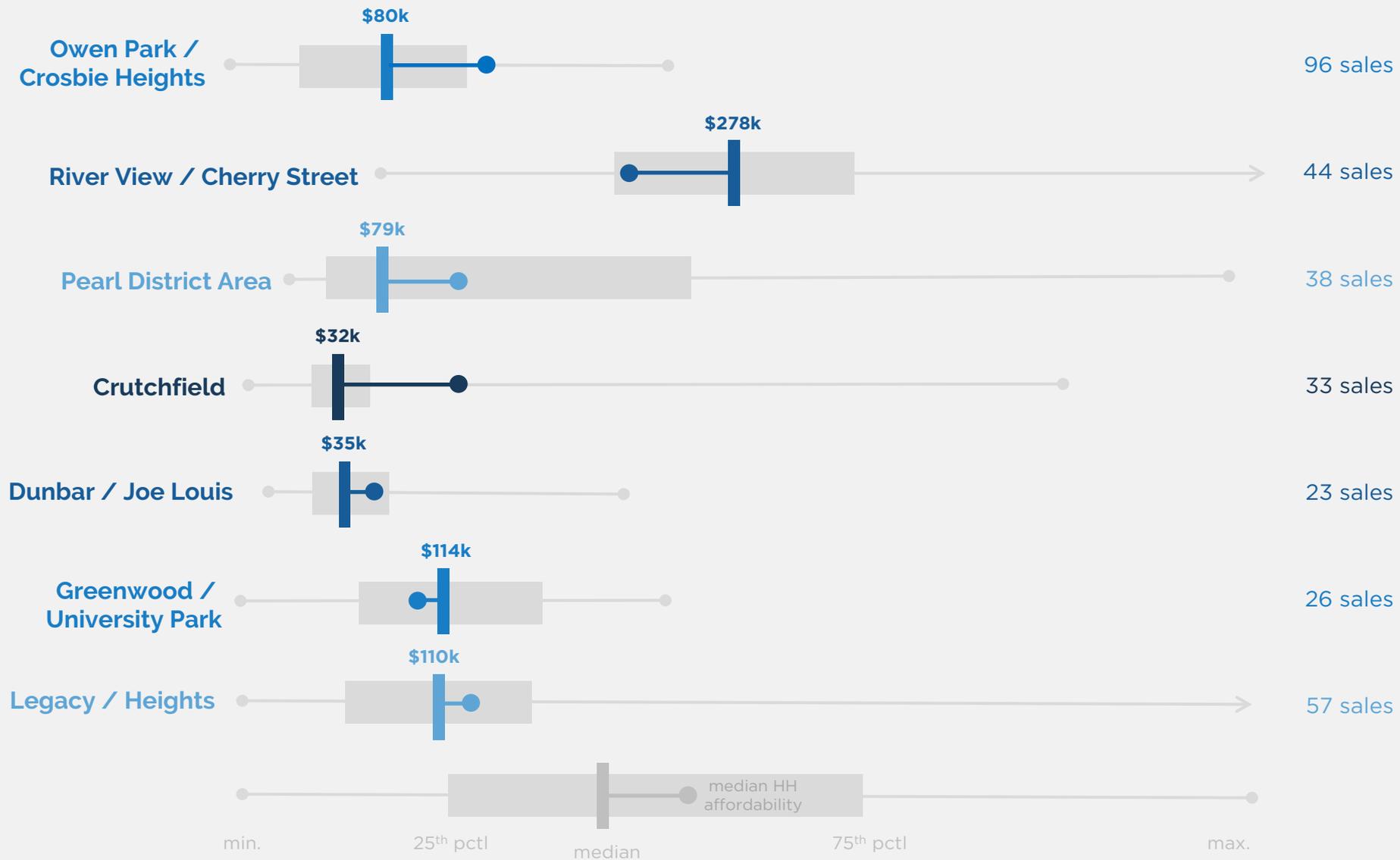
Built 1925

2,496 SF
\$130 PSF

4BR 2.5Bath:
\$325,000

SINGLE-FAMILY MARKET

LAST TWO YEARS OF SALES



Housing Affordability

Market Analysis

Demand | What are future needs?



HOUSING DEMAND

OUR METHODOLOGIES



Affordability



What can current and nearby residents afford?



Target Market



**Who are common market segments for Downtown living?
What are their housing needs?**



In-Migration



How many people might move Downtown from other cities?



Peer Cities



How do housing & development in Downtown Tulsa compare to other cities?



What can current and nearby residents afford?

A deep need for **affordable rental housing** in all neighborhoods.

Many households can afford **“workforce” affordable for-sale housing**.

Residents near the Study Area express an **interest in moving closer to Downtown**.



MARKET ANALYSIS

TYPES OF SUPPLY - AFFORDABILITY

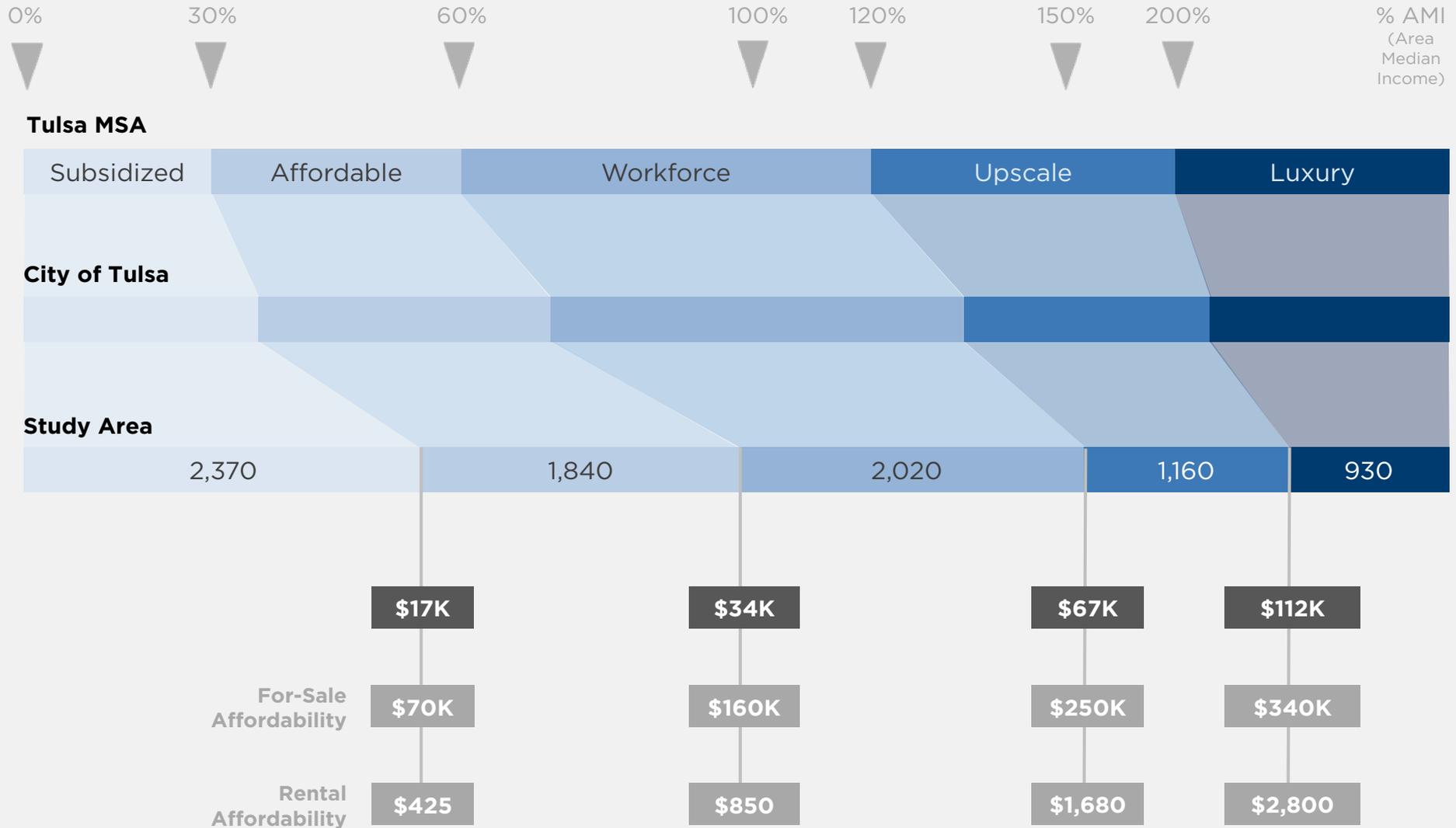


Subsidized Affordable Workforce Upscale Luxury



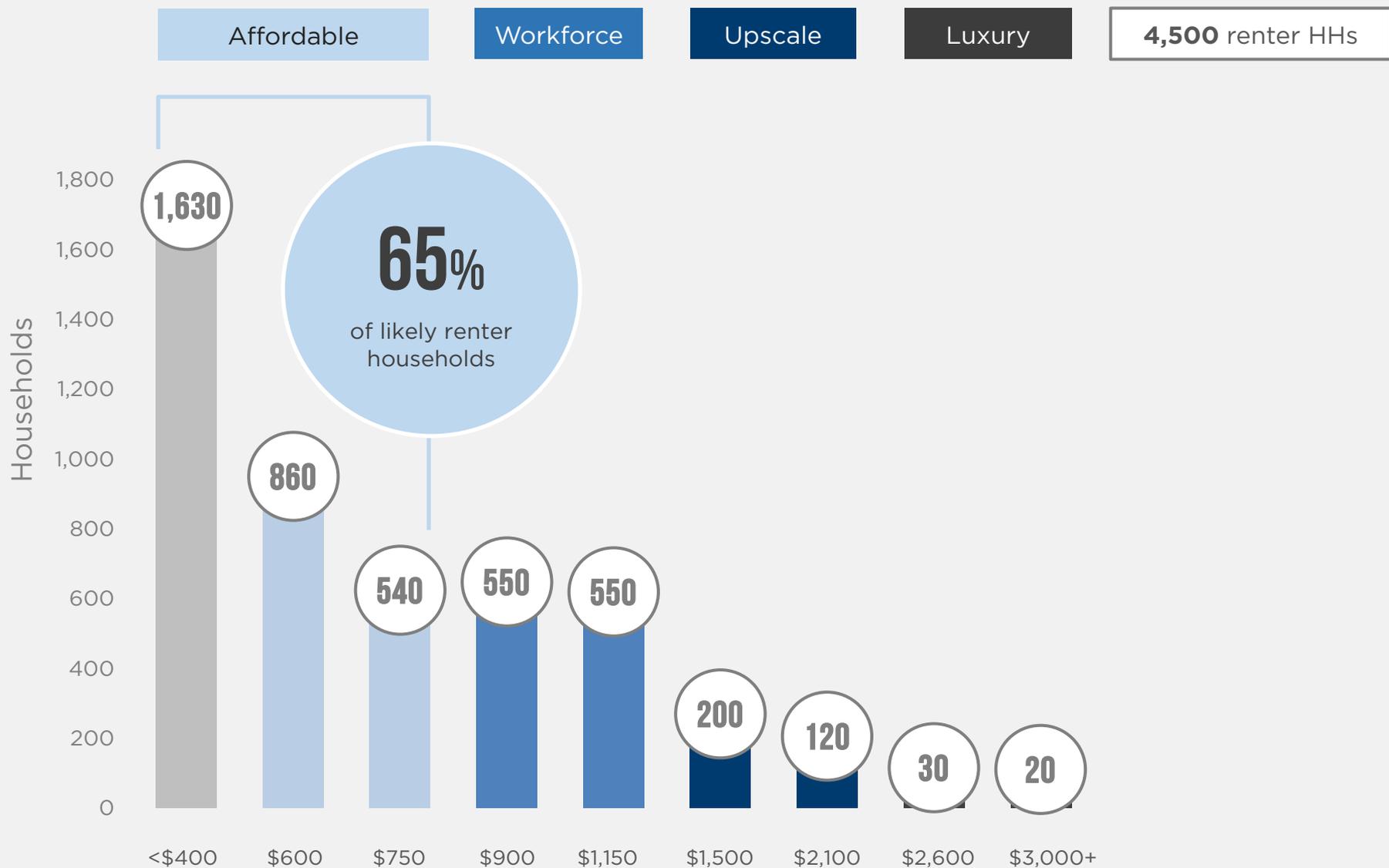
COST OF HOUSING

AFFORDABILITY METRICS AND INCOME DISTRIBUTION



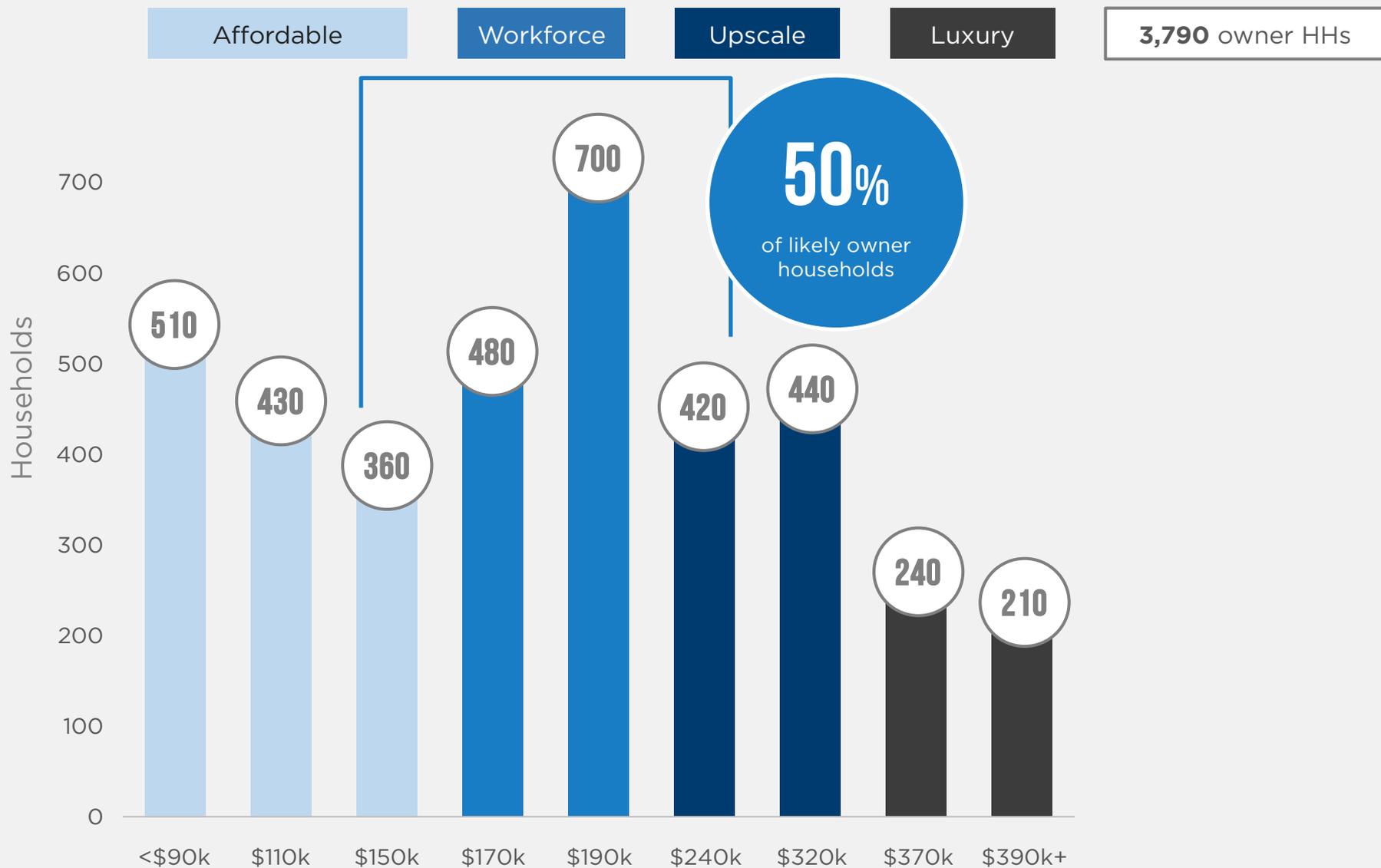
HOUSEHOLD HOUSING AFFORDABILITY

STUDY AREA - RENTAL



HOUSEHOLD HOUSING AFFORDABILITY

STUDY AREA - FOR-SALE





amenities most important to **Study Area residents**

Grocery Store (86%)

Dining Options (60%)

A Nice Park (57%)

Entertainment (47%)

Gym/Rec. Center (32%)

n=630

amenities most important to **Study Area residents w/ children**

Grocery Store (83%)

A Nice Park (65%)

Quality Schools (65%)

Dining Options (46%)

Entertainment (37%)

n=123



Households interested in moving to Downtowns (e.g., within the IDL) are commonly younger, smaller, have fewer kids, and typically rent.



Who are common market segments for Downtown living? What are their housing needs?

In Tulsa, many households in **these “market segments”** are currently living **outside of Downtown.**



These groups have a **wide range in affordability**—from under \$1000 to \$2200 and even more.



Over 10 years, if housing was built to target these market segments in the region, there could be **demand for as many as 1,800 units.**



**in Midwestern
Downtowns, generally...**

48% are 18 to 34 years old

35% are 35 to 54

17% are 55 and over

92% have no kids

84% have a Bachelor's degree

51% rent their residence

**Survey respondents interested
in moving to the Study Area..**

38% are 18 to 34 years old

43% are 35 to 54

19% are 55 and over

64% have no kids

70% have a Bachelor's degree

40% rent their residence



Top 5 reasons Tulsans interested in moving to the Study Area visit Downtown for...

Dining (87%)

Entertainment (76%)

Cultural Institutions (65%)

Parks / Recreation (50%)

Work (40%)

n=467

Top 5 reasons Tulsans interested in moving to the Study Area want to move Downtown

Accessibility to Amenities (75%)

The atmosphere (66%)

Walkability (65%)

Diversity (56%)

The architecture (56%)

n=467

HOUSING DEMAND

OUR METHODOLOGIES



How many people might
move Downtown from
other cities?



The region is experiencing population **growth due to migration**, with much of it from other major metro areas.

Some of these **new households are likely to consider Downtown** as a first place to live.

Over 10 years, **migration could be a significant source for housing demand** in the Study Area.

HOUSING DEMAND

OUR METHODOLOGIES



On the basis of home values and rents alone, **Tulsa is less expensive than some of its peer cities.**

Tulsa's **homeownership rate is lower** than its peers', and **rents have been rising faster.**

Central Tulsa has **added a lot of new housing** over the past several years, **but not as much as some of its peers**, especially if measured as a share of new housing in the region. However, Tulsa is **quickly catching up.**

How do housing & development in Downtown Tulsa compare to other cities?

TRENDS

PEER CITIES ANALYSIS



OMAHA



TULSA



LOUISVILLE



OKLAHOMA CITY



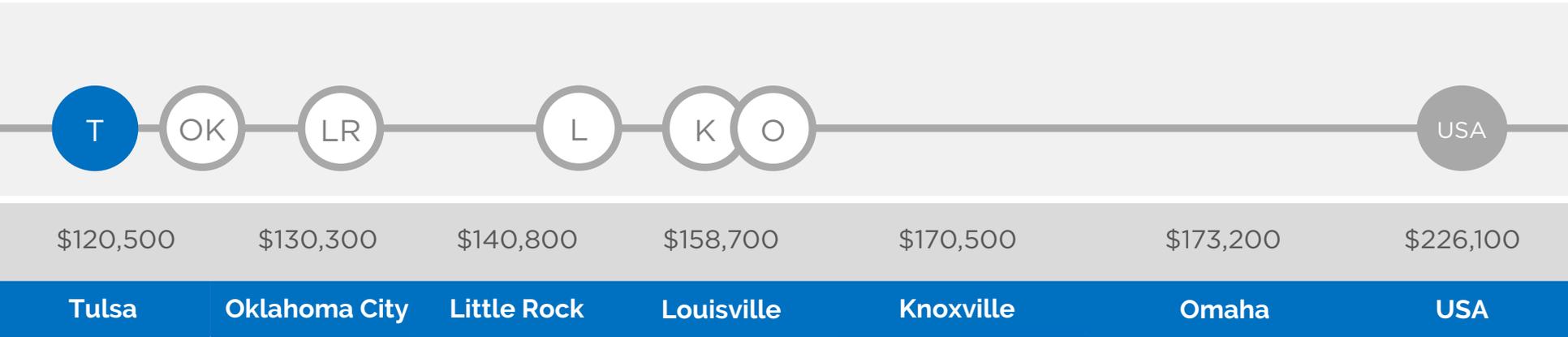
LITTLE ROCK



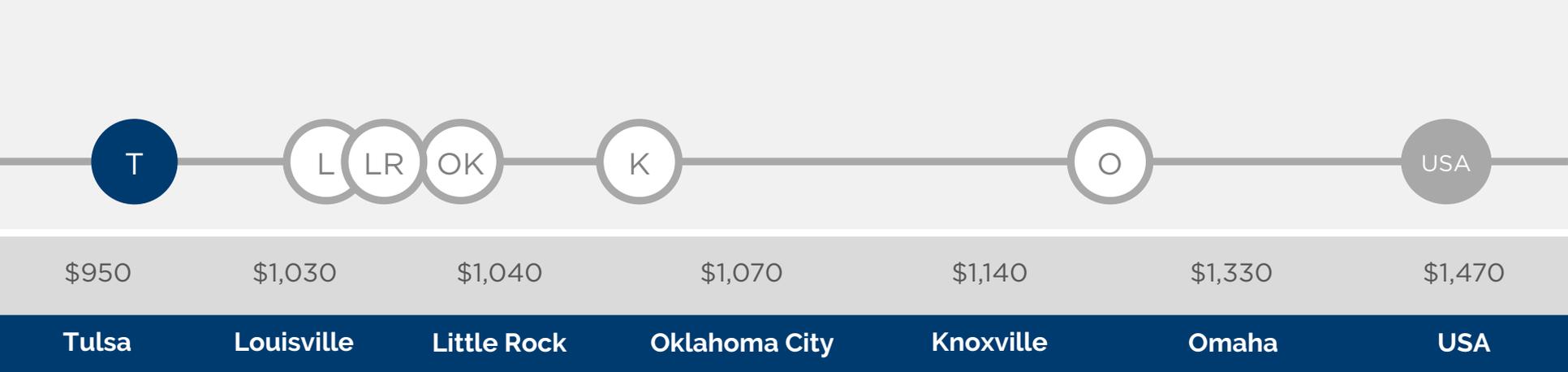
KNOXVILLE

TRENDS

PEER CITY RENTS & HOUSING VALUES (MSA)



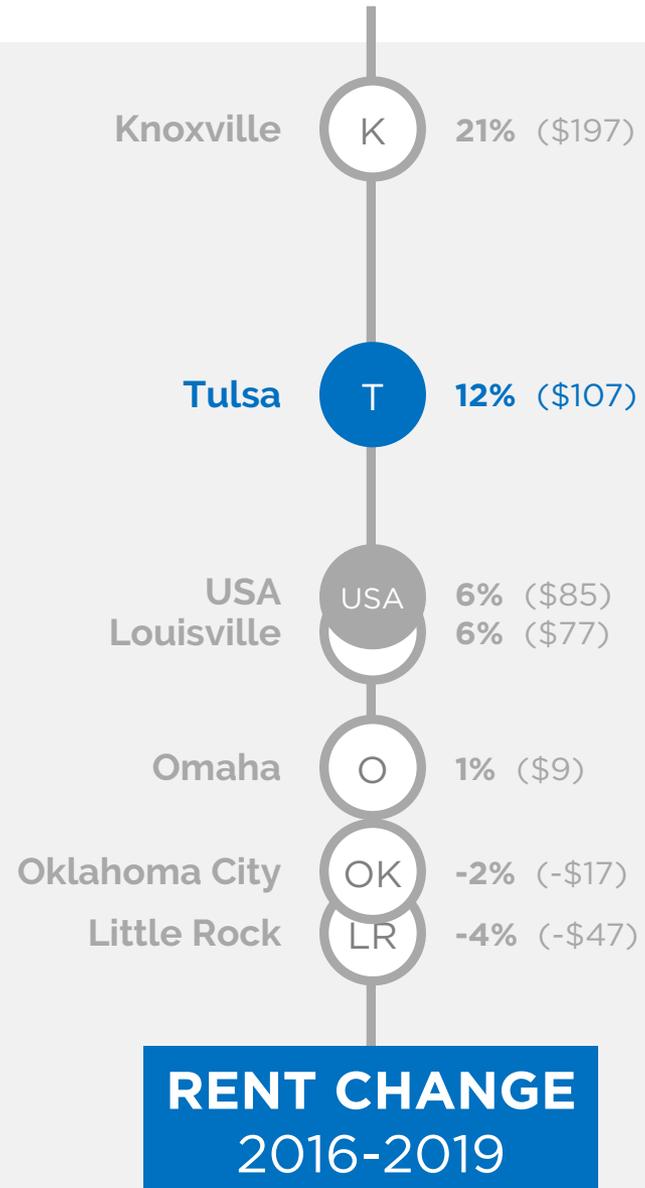
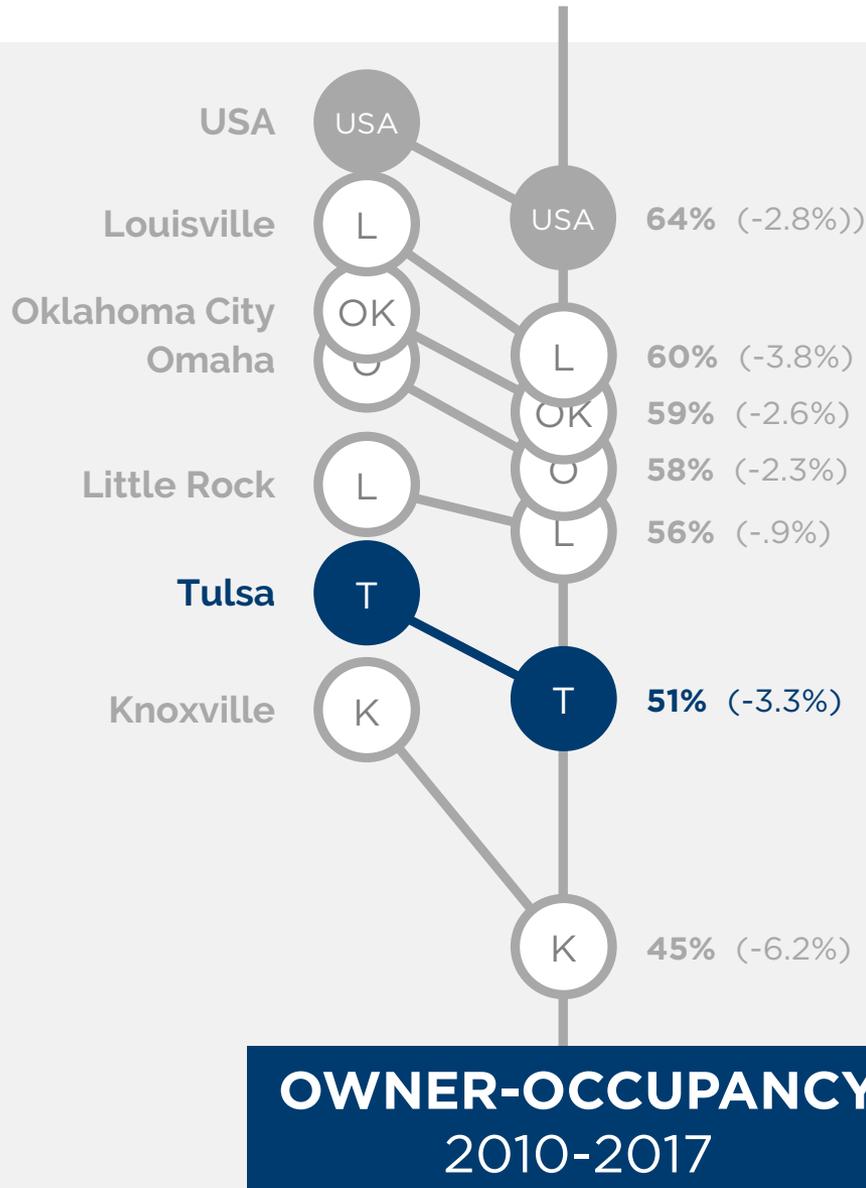
Home values in the region



Rents in the region

TRENDS

RENT AND HOMEOWNERSHIP TRENDS



Introduction

Study Area Overview

Housing Affordability

Market Analysis

Market Implications

What does this
mean in terms of
future housing
development?

ARTS
ALLIANCE
TULSA

DEMAND SUMMARY

STUDY AREA

AFFORDABLE	WORKFORCE	MODERATE	UPSCALE	LUXURY
< 60% AMI	60 - 120% AMI	120 - 150% AMI	150 - 200% AMI	> 200% AMI
< \$34K/YR	\$34K - \$67K/YR	\$67K - \$84K/YR	\$84K - \$112K/YR	> \$112K/YR

FOR-RENT	< \$840/MO	\$840-\$1,700/MO	\$1,700-\$2,100/MO	\$2,100-\$2,800/MO	> \$2,800/MO
	500-600 UNITS	400-600 UNITS	400-600 UNITS	200-300 UNITS	50-100 UNITS

10-YEAR DEMAND: **1600-2200 RENTAL UNITS**

FOR-SALE	< \$160K	\$160K-\$250K	\$250K-320K	\$320K-\$400K	> \$400K
	150-250 UNITS	300-400 UNITS	200-300 UNITS	100-200 UNITS	50-100 UNITS

10-YEAR DEMAND: **800-1250 FOR-SALE UNITS**

TOTAL 10-YEAR DEMAND: **2400-3450 UNITS**

HOUSING GOALS

WHAT WE HEARD

1. Expand quality and accessibility of **affordable housing**
2. Support **economic development & competitiveness**
3. Lower barriers to **homeownership**
4. Improve housing stability — **housing as opportunity**
5. Leverage housing investment for neighborhood **stabilization and quality of life**

Housing Affordability

Market Analysis

Market Implications

Neighborhoods

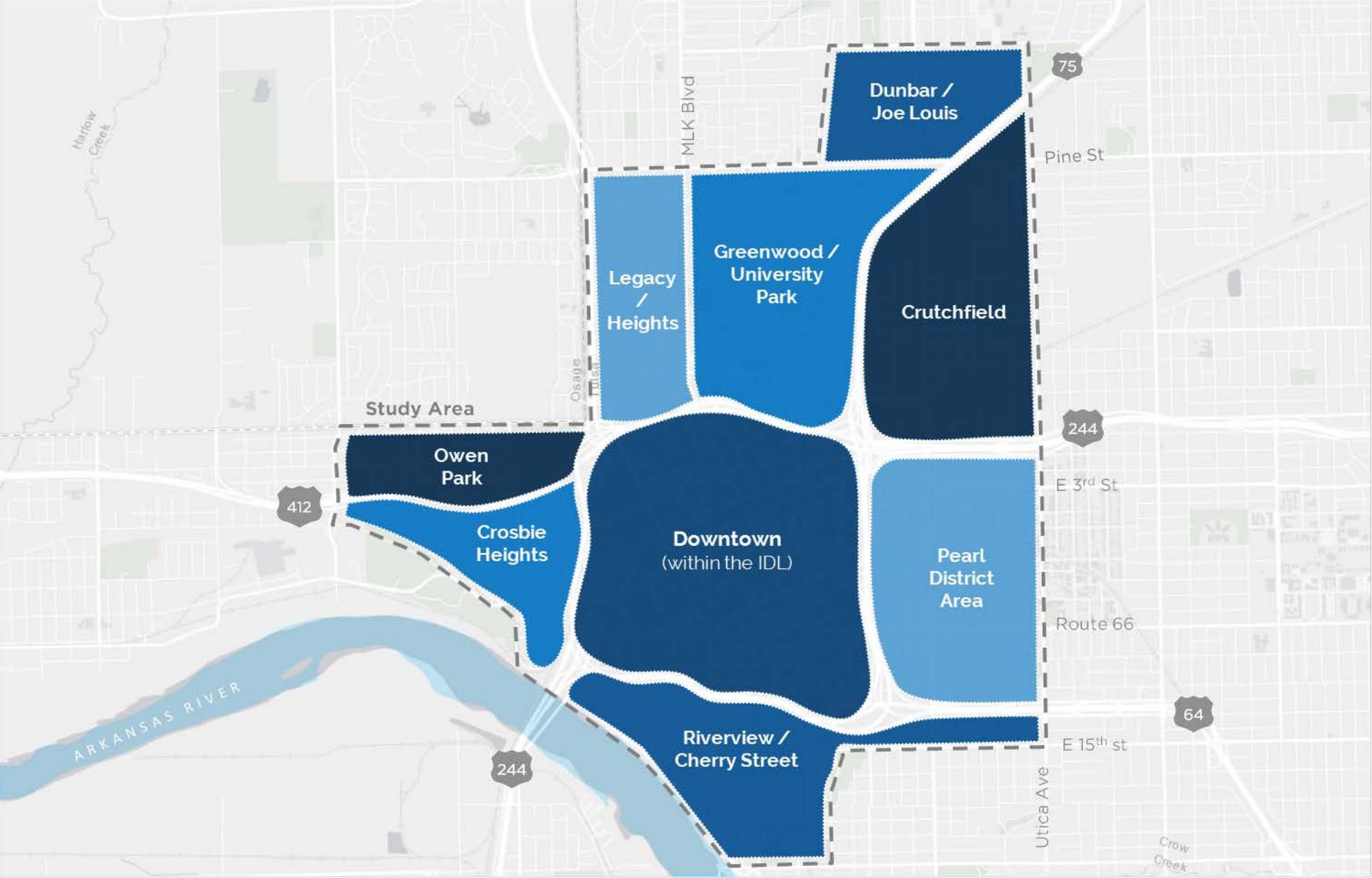
What could this mean
for each neighborhood?



ARTS ALLIANCE
TULSA

NEIGHBORHOODS

HOW CONDITIONS VARY

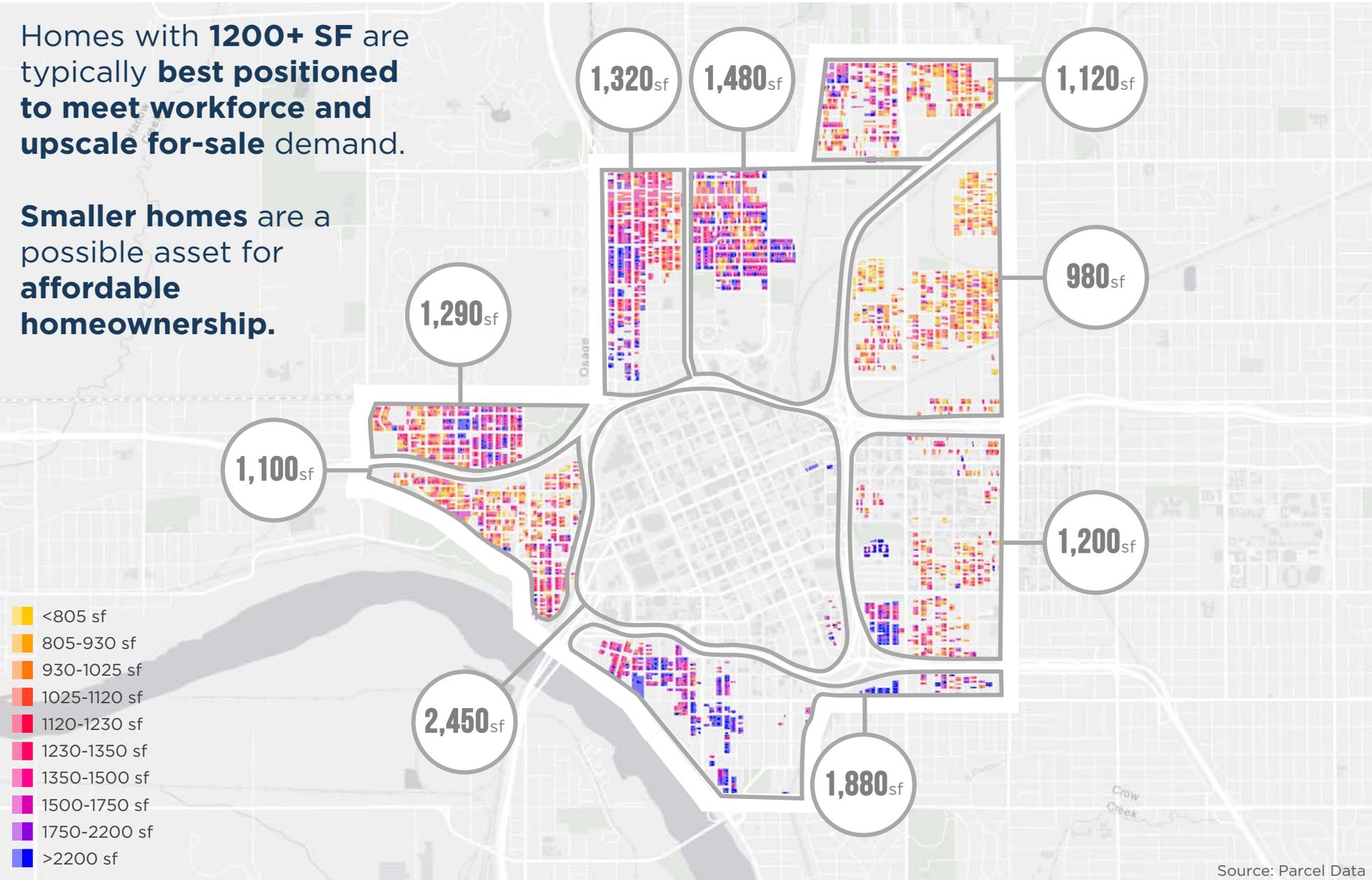


NEIGHBORHOODS ANALYSIS

MEDIAN SINGLE-FAMILY HOME SIZE

Homes with **1200+ SF** are typically **best positioned to meet workforce and upscale for-sale** demand.

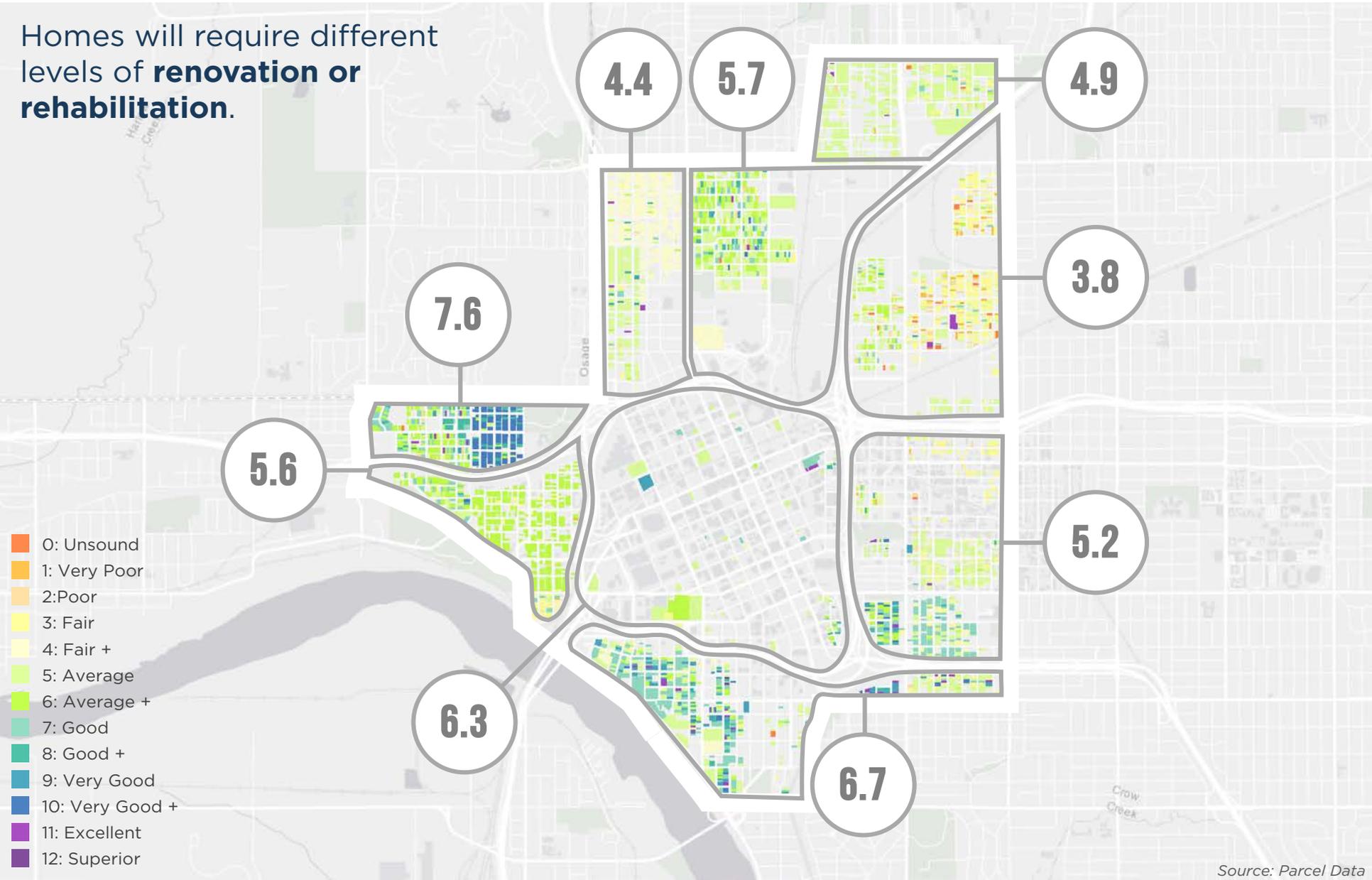
Smaller homes are a possible asset for **affordable homeownership**.



NEIGHBORHOODS ANALYSIS

MEDIAN CONDITION OF SINGLE-FAMILY HOMES

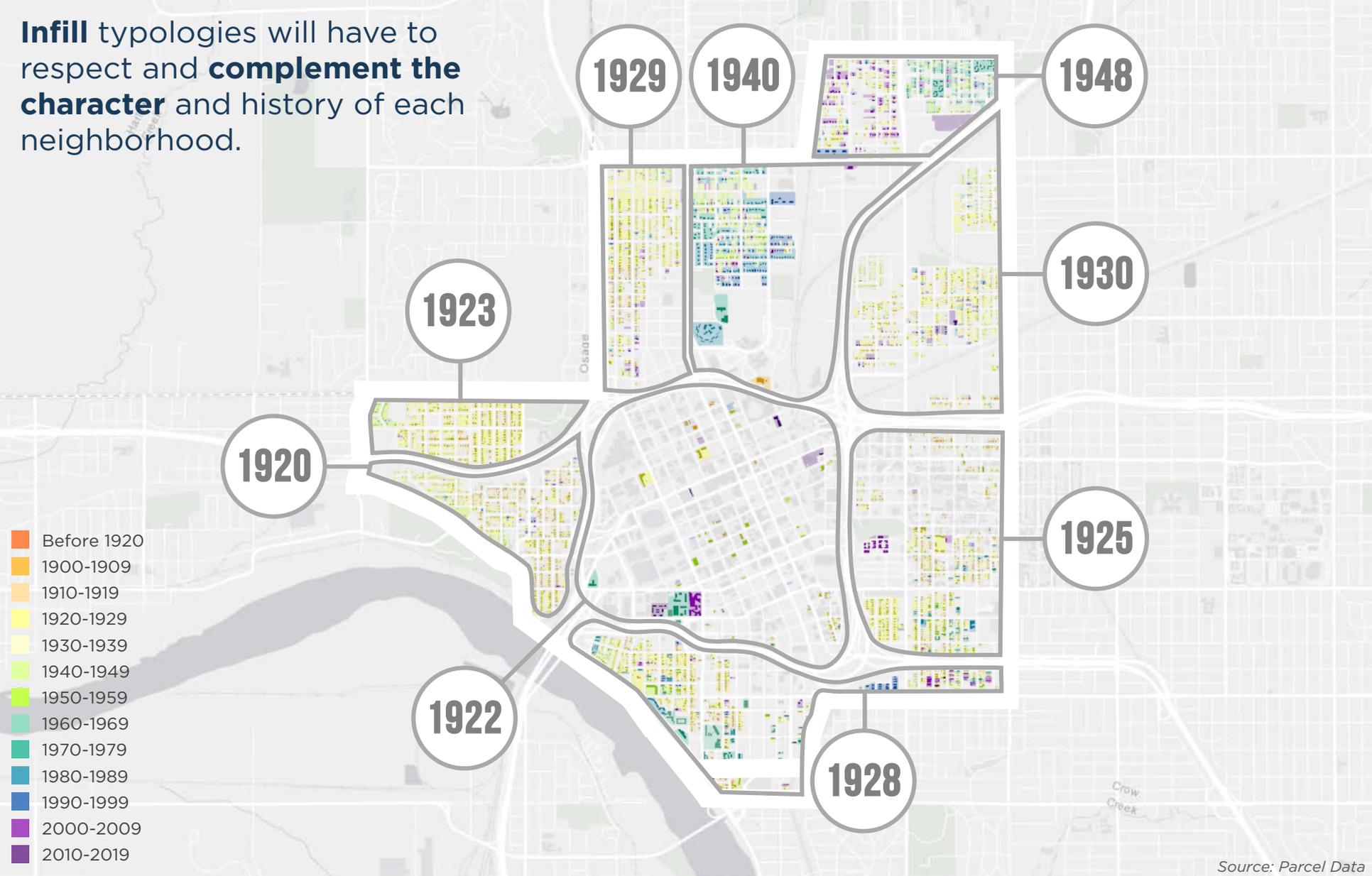
Homes will require different levels of **renovation or rehabilitation.**



NEIGHBORHOODS ANALYSIS

MEDIAN YEAR BUILT

Infill typologies will have to respect and **complement the character** and history of each neighborhood.

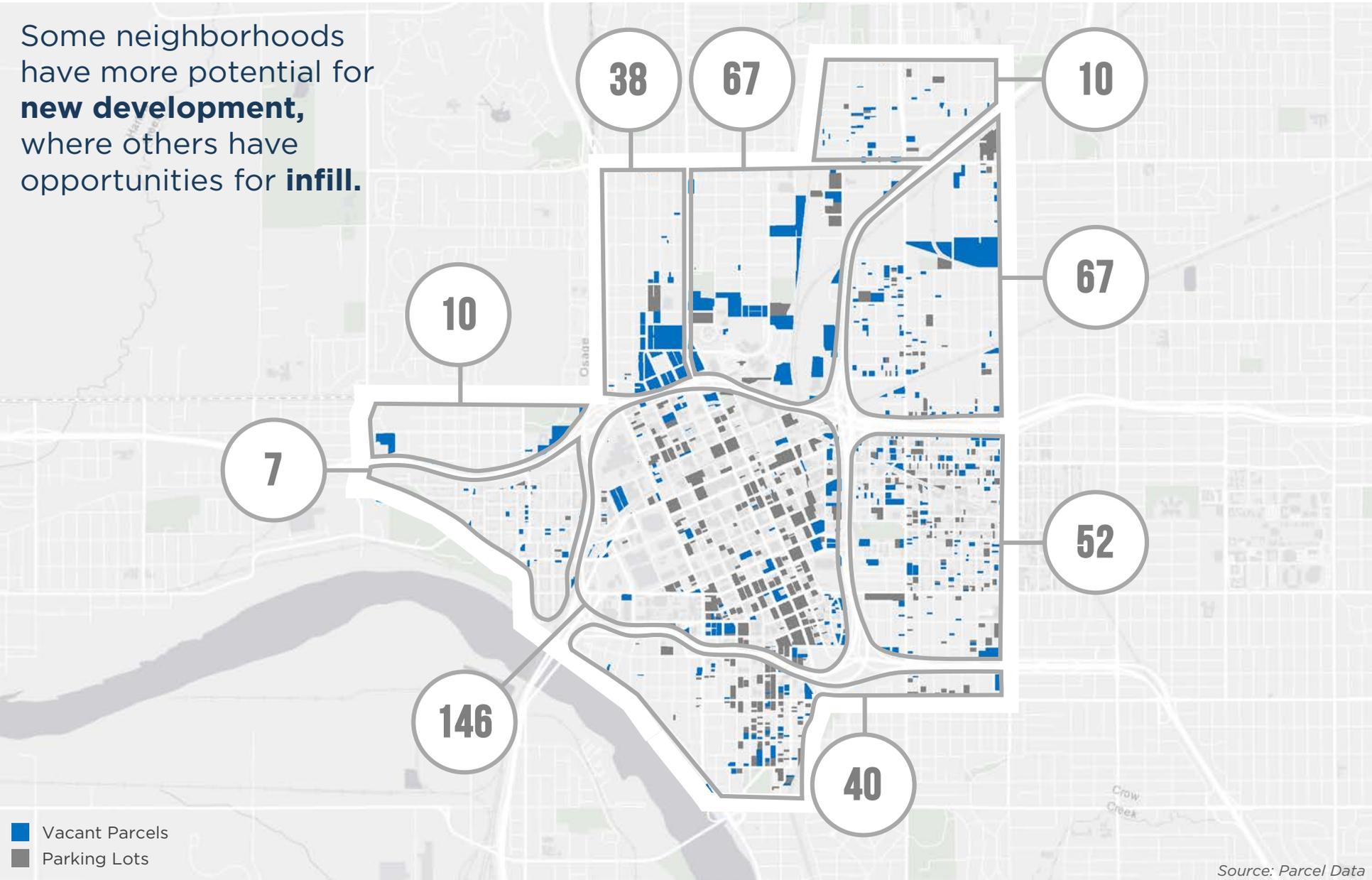


Source: Parcel Data

NEIGHBORHOODS ANALYSIS

ACREAGE OF VACANT PARCELS AND PARKING LOTS

Some neighborhoods have more potential for **new development**, where others have opportunities for **infill**.

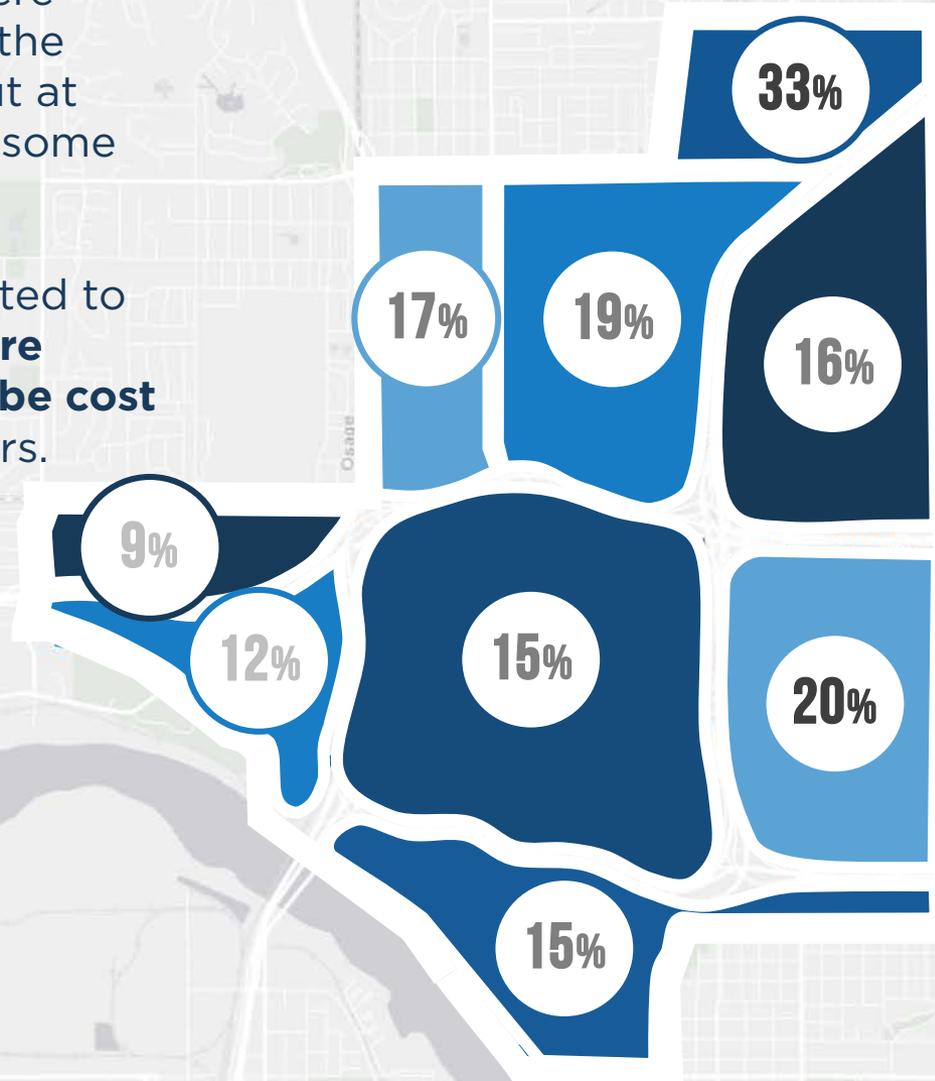


NEIGHBORHOODS ANALYSIS

SEVERE COST BURDEN—SHARE PAYING MORE THAN 50% OF INCOME TOWARD HOUSING COSTS

Households face severe **cost burdens** across the entire study area—but at much higher rates in some neighborhoods.

These trends are related to rentership—**renters are much more likely to be cost burdened** than owners.



Housing Affordability

Market Analysis

Market Implications

Neighborhoods

Next Steps

What's next in
this process?

ARTS ALLIANCE
TULSA

NEXT STEPS
WHAT'S COMING UP

Analyze **survey results** in greater detail

Identify specific **housing types** for each neighborhood

Quantify the costs of different housing investments

Develop **strategies** for meeting housing needs



Housing Affordability

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Market Implications

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Next Steps

Discussion

