



CITY OF BEND

# **Bend Development Sentiment Survey**

**Survey responses collected March 14-28 (Quarter 1) 2024**

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# Survey Process



Survey is completely anonymous



City distributed the survey to approximately 65 development professionals. One reminder was sent out after a week.



Bend Chamber sent survey to 129 members within the construction, architecture, and engineering fields.

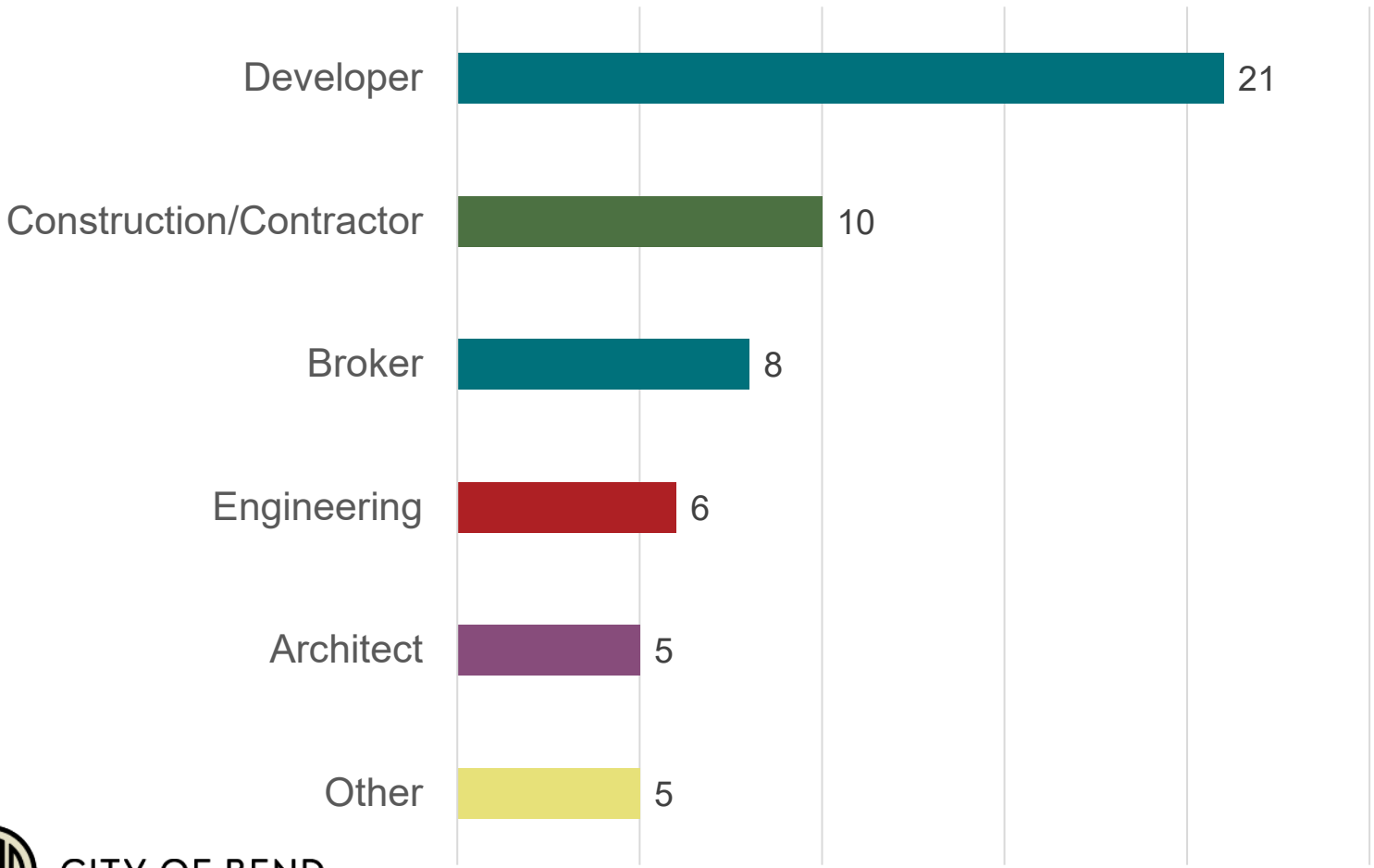


Central Oregon Builder's Association (COBA) also shared the survey



# Who participated in the survey?

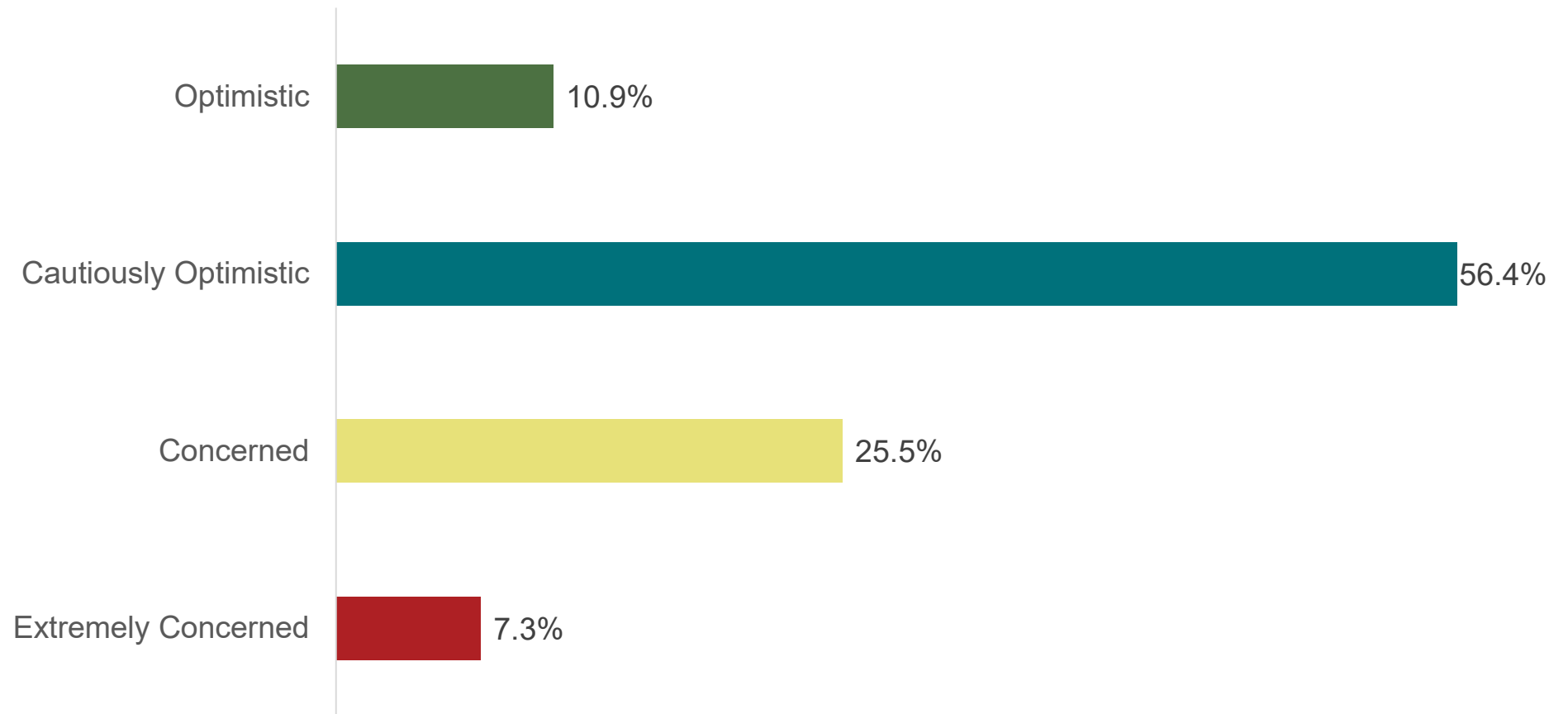
Developers and Construction Contractors made up the majority of the **55 total survey responses** with participation from a variety of development professionals.



Other responders included legal representatives, property owners, and consulting firms for planning and commercial/public projects.

# How did they feel about the Bend market?

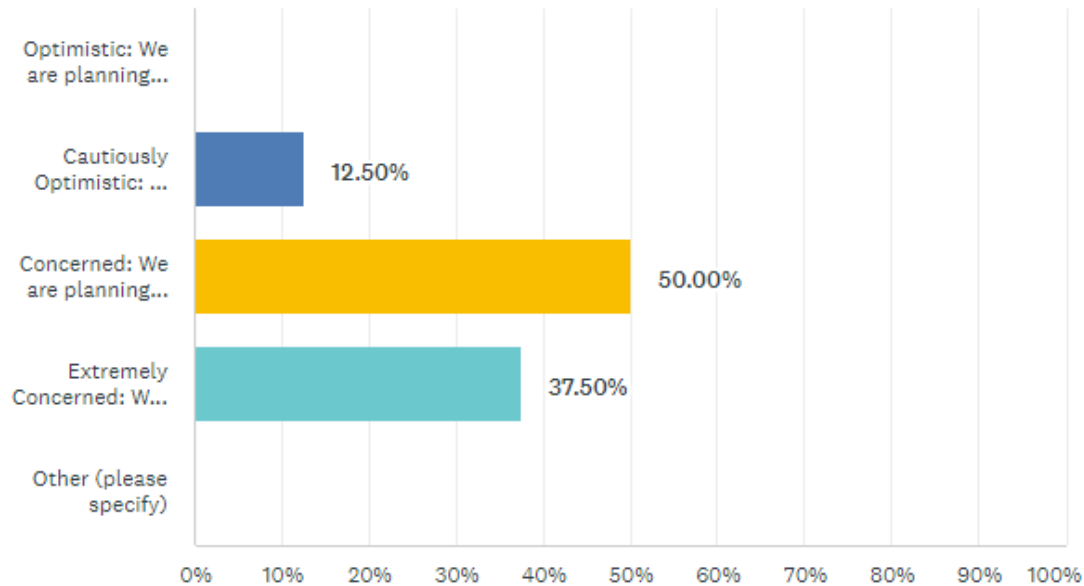
Most respondents feel **cautiously optimistic** about the opportunity for their business in the Bend market within the next 1-2 years indicating they are maintaining operations and/or planning for minimal expansions.



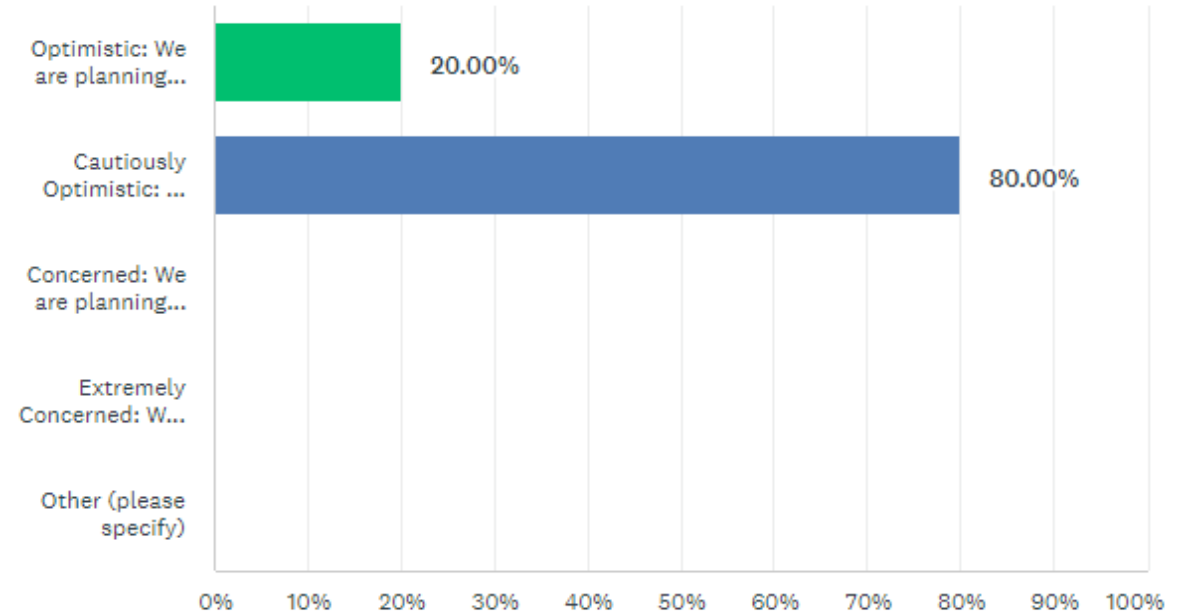
# How did sentiment vary by industry?

Brokers are the most concerned about the Bend market. Architects are the most optimistic about the Bend market.

*Broker Sentiment*



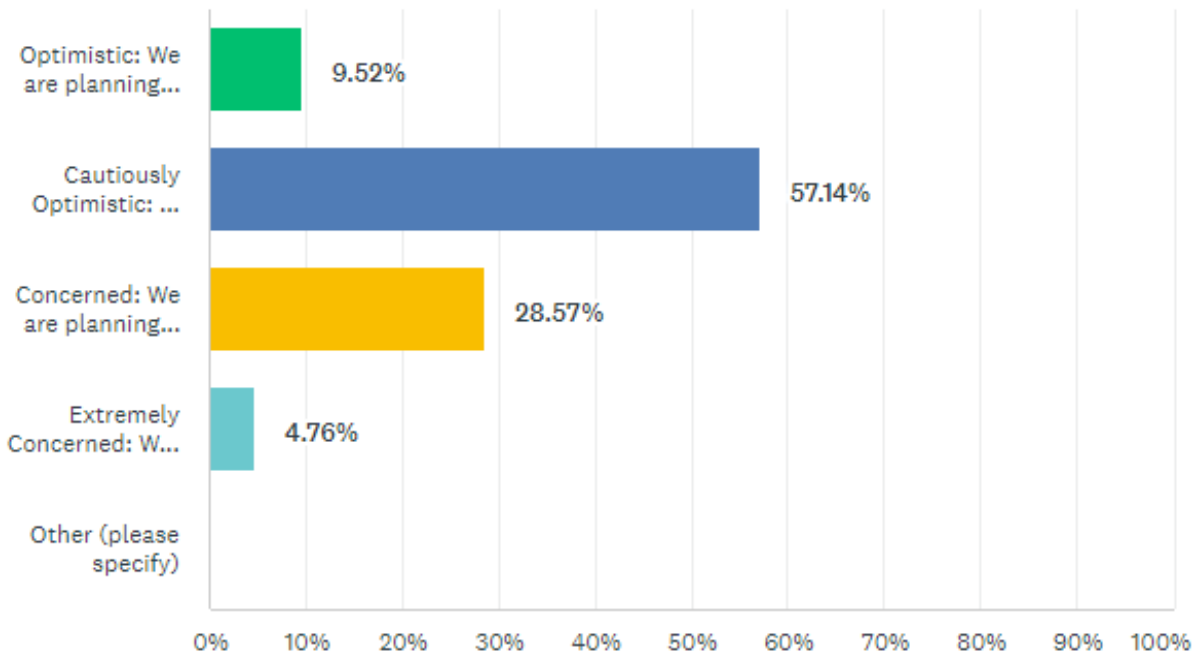
*Architect Sentiment*



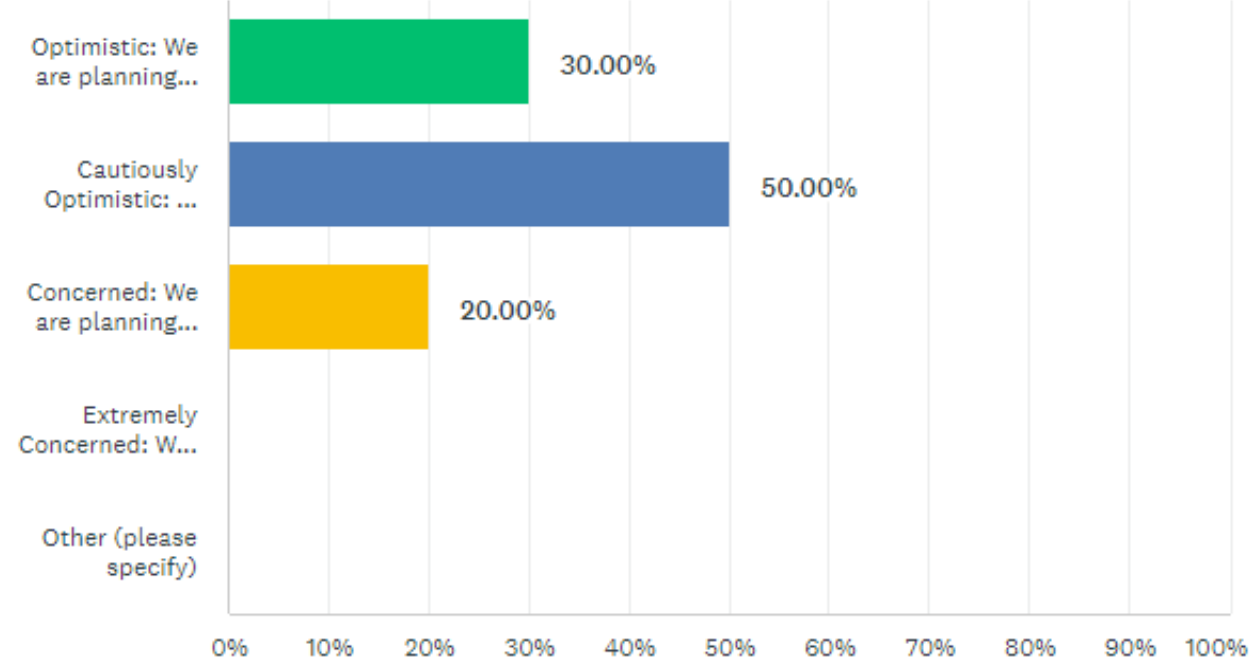
# Developer Sentiment

Developers and Construction/Contractor sentiment varies however Construction industry sentiment is more optimistic.

*Developer Sentiment*



*Construction/Contractor Sentiment*



# Sentiment varies.

*“Our feelings vary by sector. We are optimistic over industrial and single-family residential lands, cautious over multifamily and commercial development. Oversupply in multi-family is concerning. Office/Commercial is still sluggish due to remote work.”*

-Developer

*“We have ceased all real estate acquisition activities in Bend. The new building fees, SDC’s, requirements, and delays make it unlikely we will build anything else in Bend until the environment changes.”*

-Property Owner

*“We have a 2-year backlog of work and if successful may secure an additional 2 years of backlog”*

-Consulting firm for commercial and public projects



# Those that were cautiously optimistic often cited concerns about macro-economic conditions

*"Uncertainty with the economy  
-Developer*

*"The results of the upcoming election could have an impact on the economic outlook heading into 2025."  
-Construction/Contractor*

*"Mostly the Macro economic environment, otherwise I would be optimistic. And the for-rent pool in Bend make me wonder if a lot of the people that moved here during Covid had to go back to their metros."  
-Developer*





# Concern about the housing market.

*“Sales are extremely slow and homes are sitting on the market for several months before a sale happens.”*

*-Construction/Contractor*

*“With the interest rate hikes of recent, we are seeing less traffic on potential clients for home sales.”*

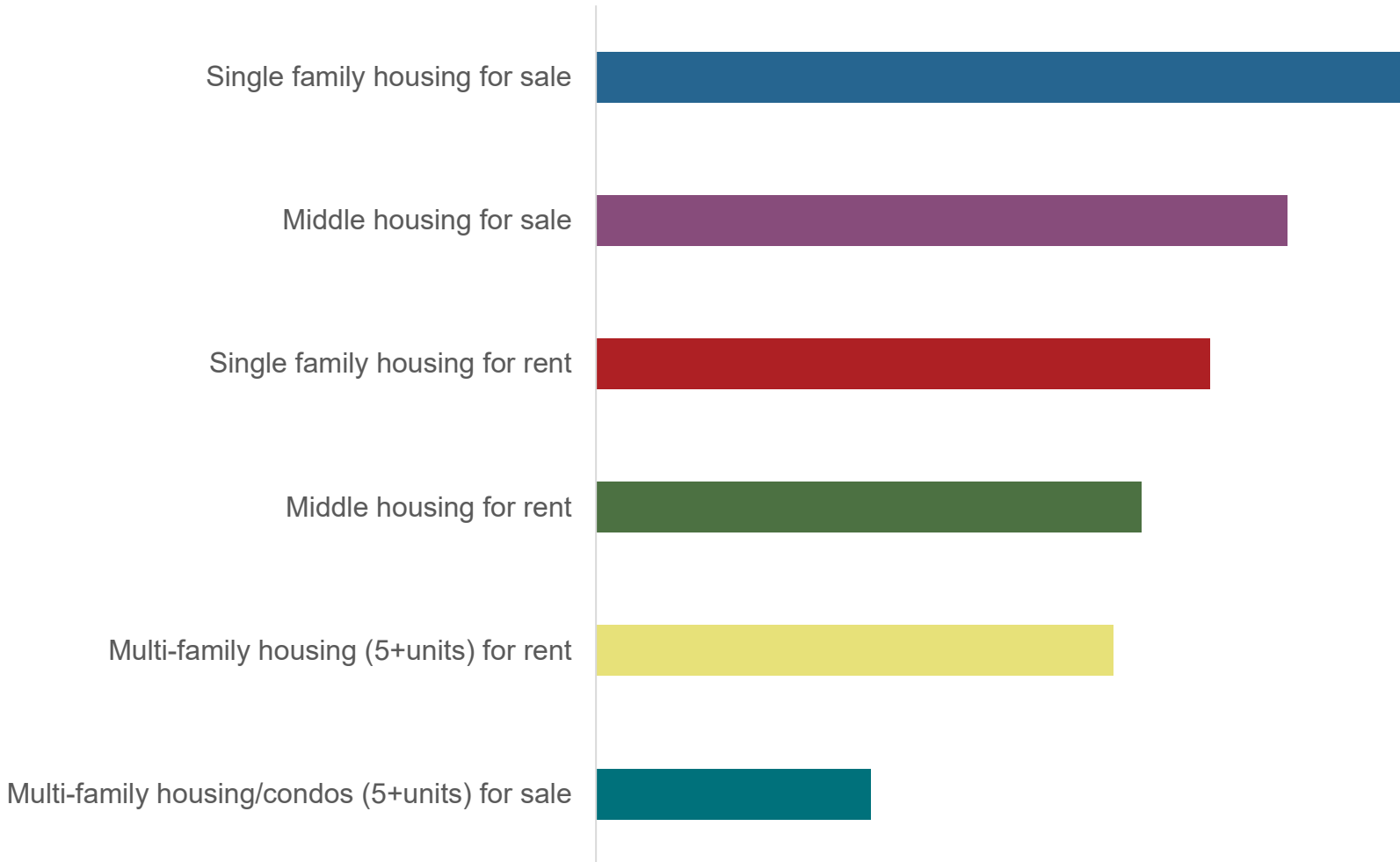
*-Construction/Contractor*

*“High costs related to construction, finance and city fees are presenting a lot of challenges to new construction of housing. Until we can find some relief in these areas, we will maintain a conservative stance relative to new housing developments.”*

*-Developer*



# Which housing market type has the highest demand in Bend?

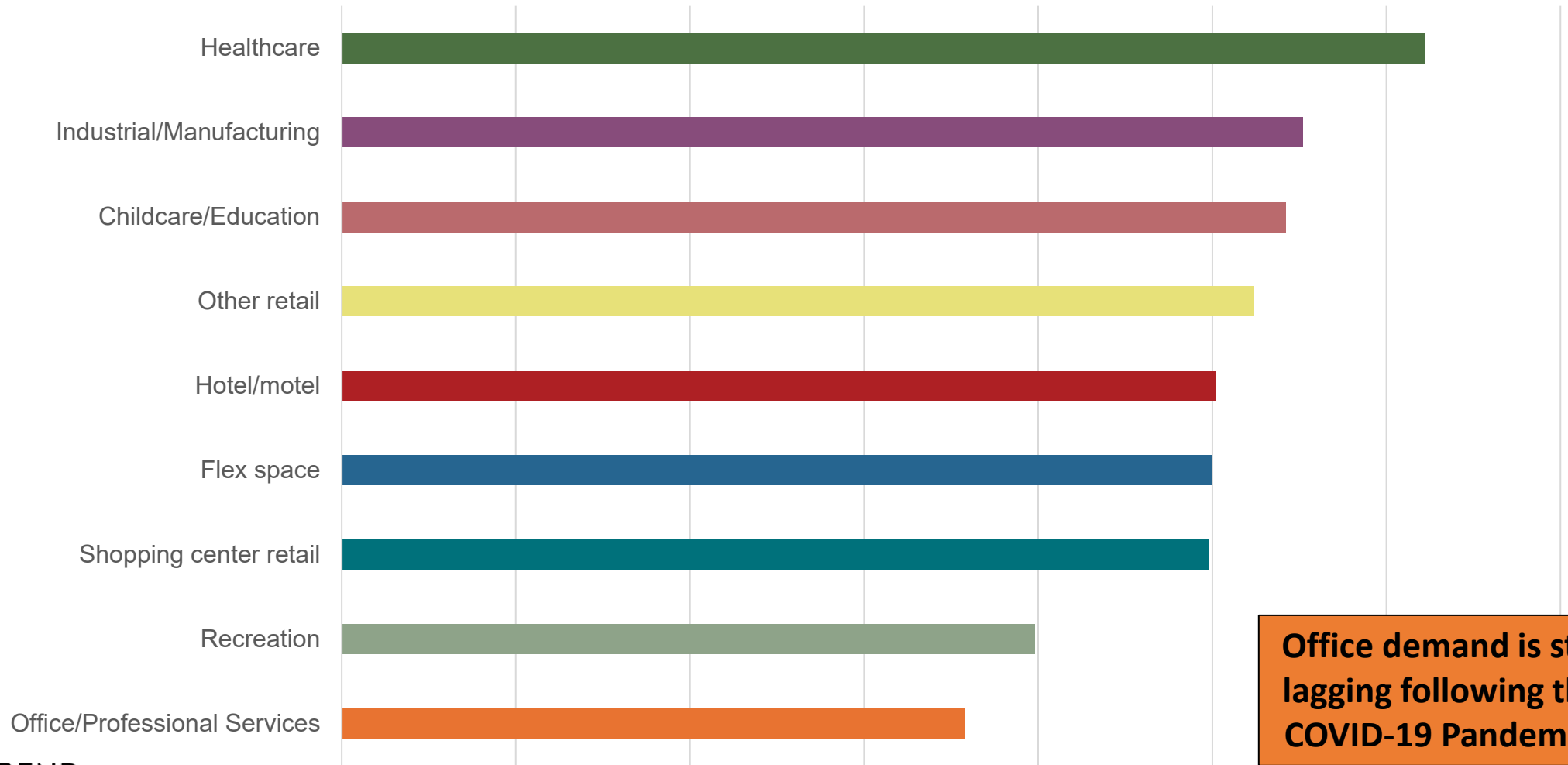


Respondents feel that **single family & middle housing units that are for sale** are in the highest demand in Bend currently while multifamily units have the least demand.

**Middle housing** includes cottage clusters, duplexes, triplexes, quadplexes and townhomes.

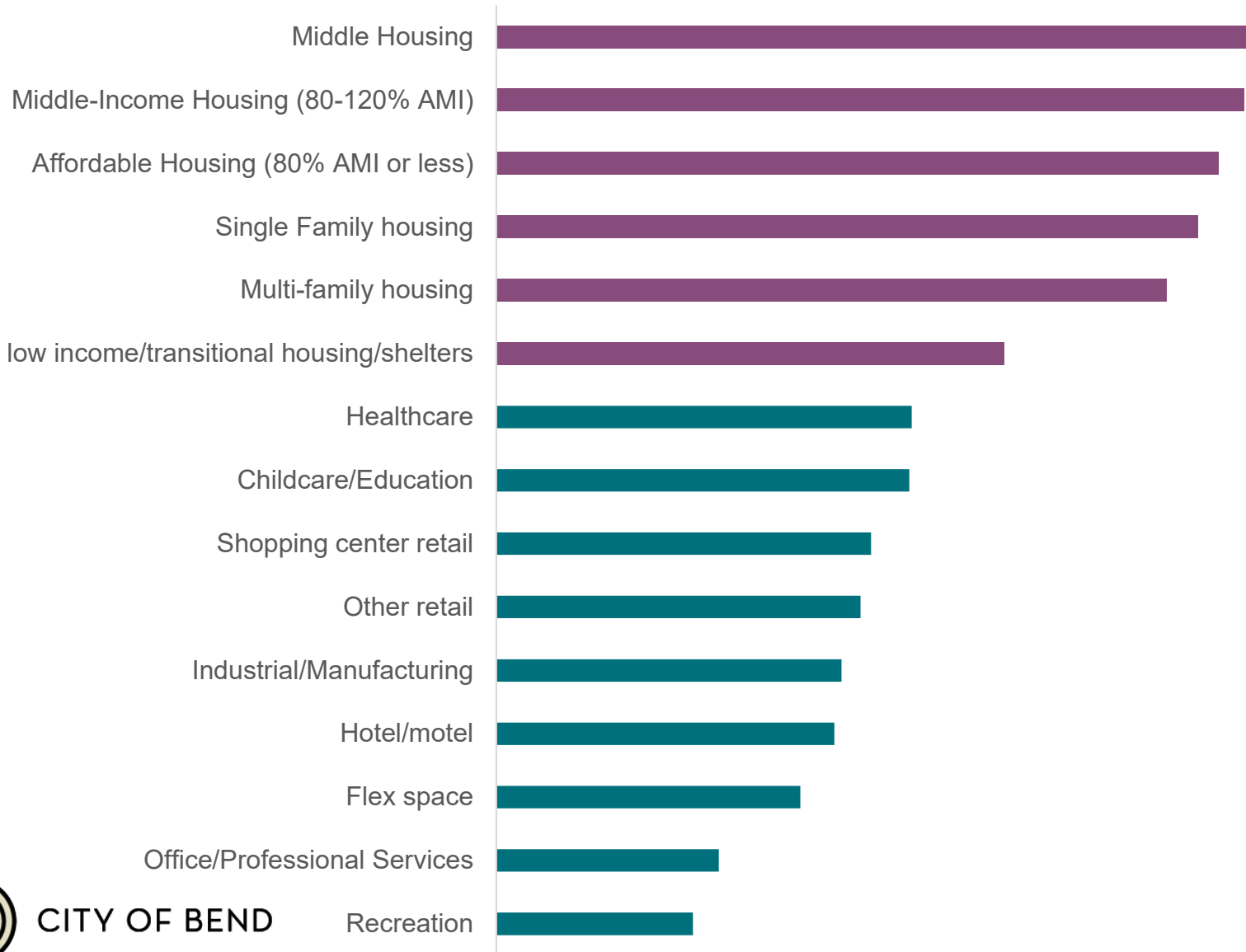
# Which non-residential market type has the highest demand?

Healthcare, Industrial/Manufacturing, and Childcare/Education were identified as the **top 3 non-residential markets** with the highest demand in Bend.



**Office demand is still lagging following the COVID-19 Pandemic.**

# What should the city support and prioritize?



Housing (of all types) was identified as the priority focus areas for the City with the highest priority for **both middle housing *and* middle-income housing.**

**Healthcare and Childcare** were identified as the priority non-residential development for City prioritization.



# Why the City should focus on those priorities

*“80% AMI and under is subsidized through various federal & state programs. 120% AMI product can be dictated by the market rather than the municipality however, no subsidies at a state or federal level currently exist. This market has the thinnest margins with the greatest target audience.”*

*-Developer*

*“Affordable and available childcare and education are the cornerstone of ensuring workers can work, economic growth, and the future of Bend is optimized.”*

*-Developer*

*“Housing has the most significant need to general population. Other areas listed will be provided based on demand and the private sector being able to develop them.”*

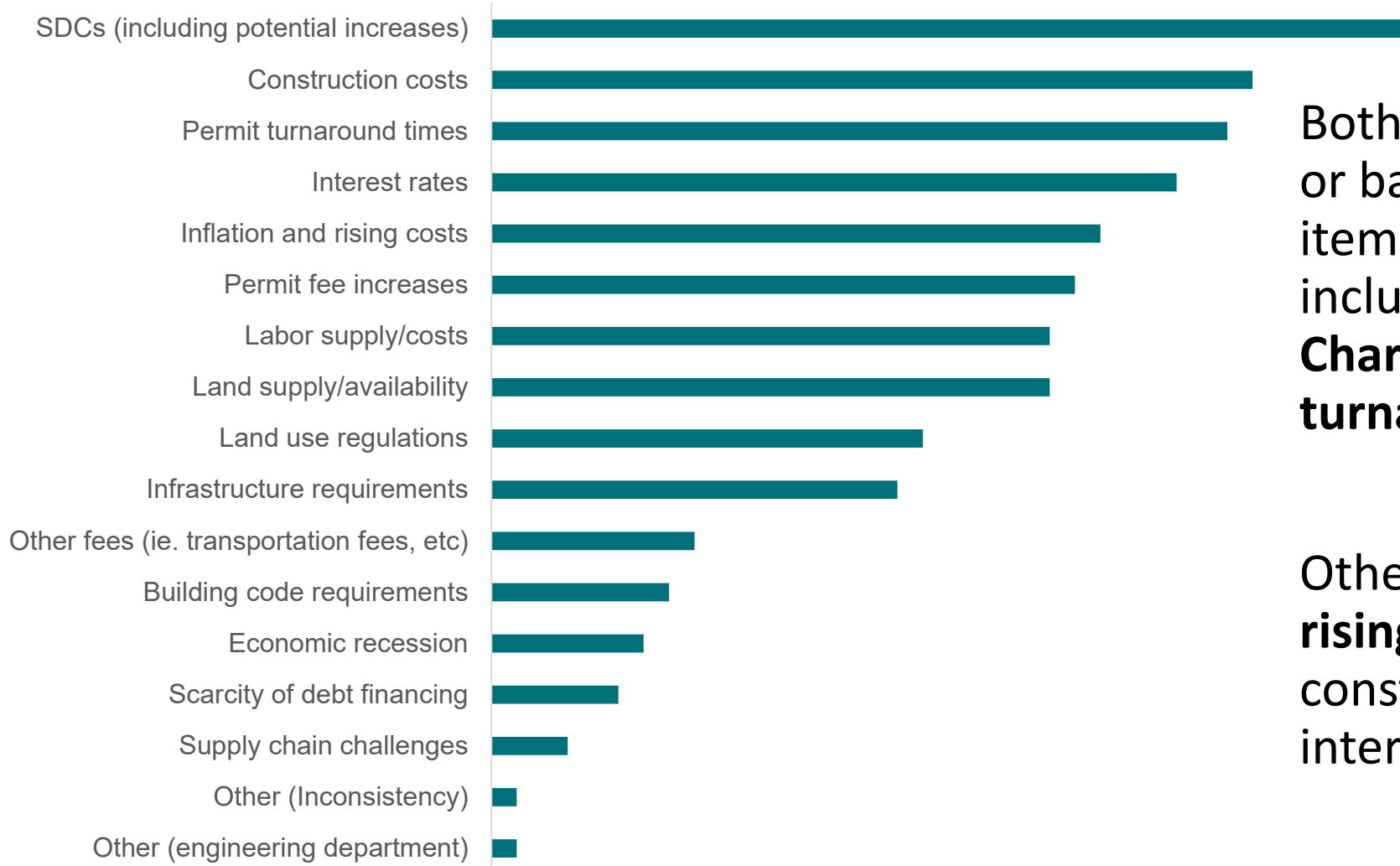
*-Architect*

*“Middle-Income housing no longer exists in Bend.”*

*-Engineer*



# What are the obstacles & concerns?

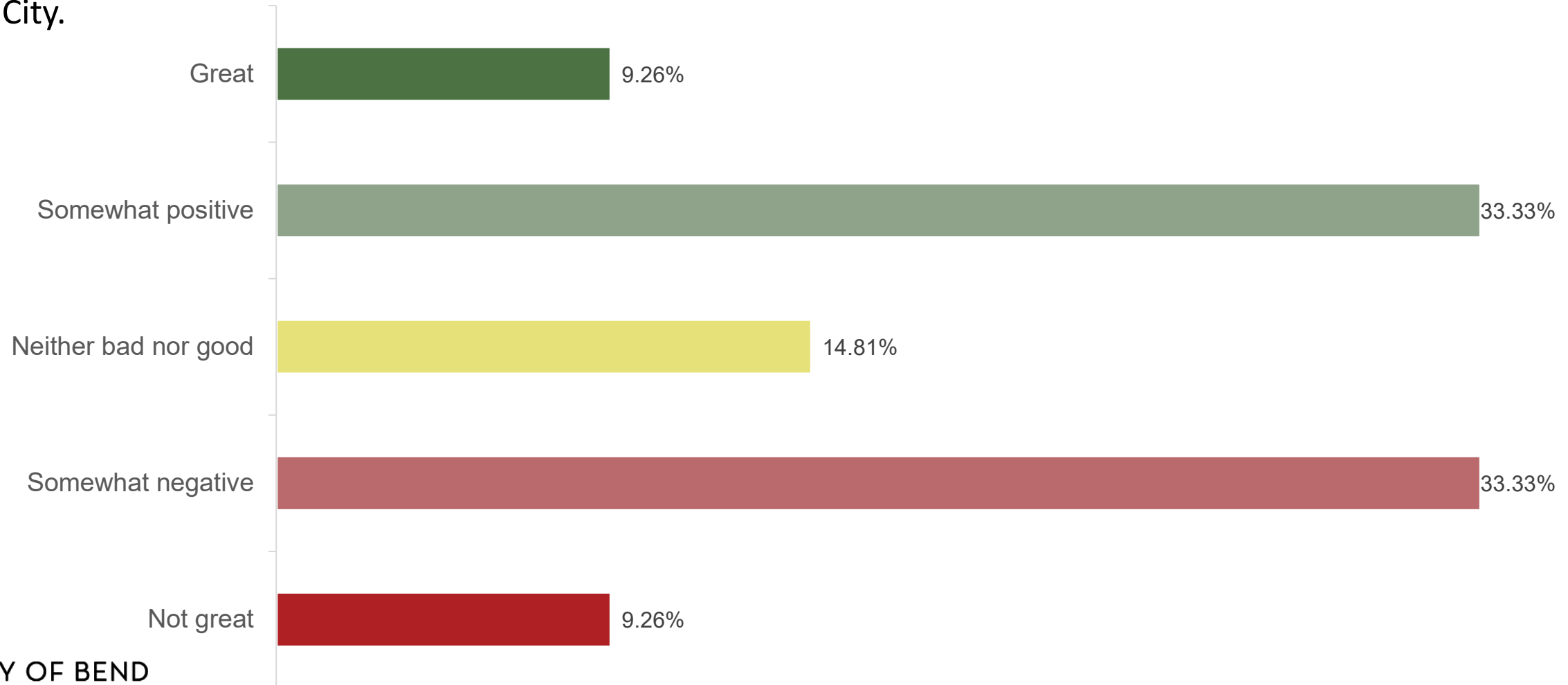


Both the 1st and 3rd top concerns or barriers to development are items within the City's control including **System Development Charge (SDC) rates** and **permit turnaround times**.

Other primary concerns include **rising costs** particularly of construction costs as well as interest rates.

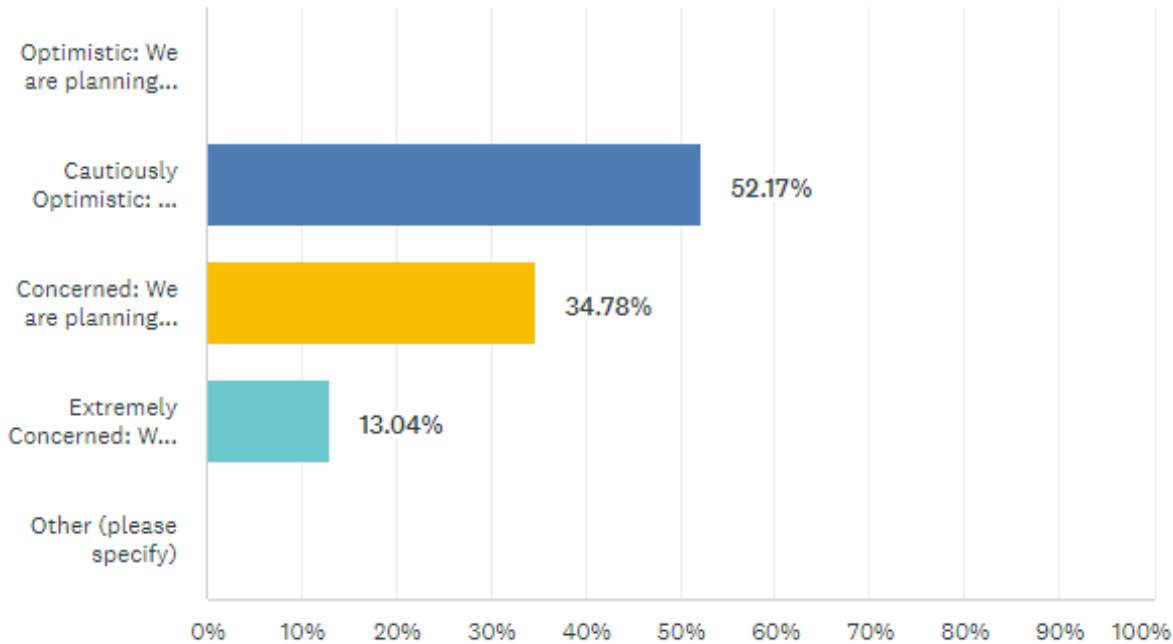
# How is your experience working with the City?

Less than half of respondents (43%) have a great or somewhat positive experience working with the City. Nearly one half (43%) have a somewhat negative or not great experience working with the City.

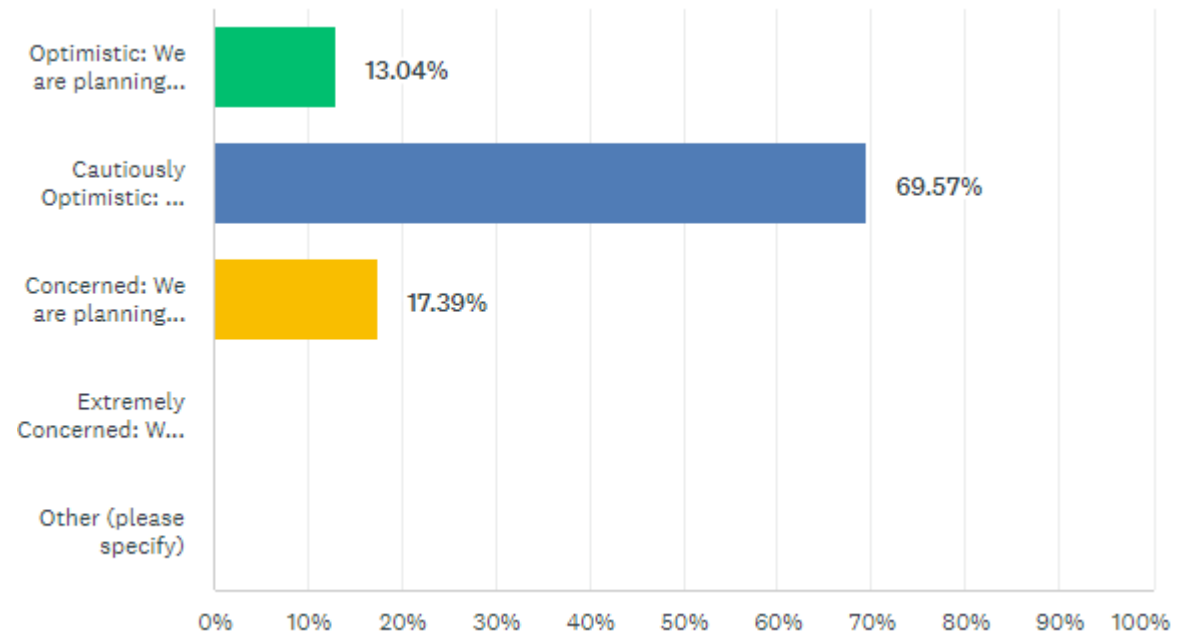


# Developer experience working with the City impacts development sentiment

The 23 respondents who had a **somewhat negative or not great experience working with the City** were more likely to feel **concerned about the Bend market**.



The 23 respondents who had a **somewhat positive or great experience working with the City** were more likely to feel **optimistic about the Bend market**.





# Additional Survey Responses

*Raw text responses*

# Why do you feel optimistic or cautiously optimistic about the Bend market?

## Optimistic

- Our company is steadily growing. We are on track to need another office, and many more vehicles for our technicians in the next two years.
- We believe the City of Bend will continue to grow and prosper as a great place to live and a great place to recreate.
- Bend continues to be a sought after for relocation and more people are still moving to Bend. With that, all types of development services are needed. Currently there are great opportunities for redevelopment of blighted areas for commercial and also green field development land for light industrial. These will all be expanding over the next few years as they catch up with the housing that was developed over the past several years.

## Cautiously Optimistic

- Bend is continuing to face a larger gap between supply and demand of housing than many other markets, making the conditions more favorable for delivery of housing. However, the resident constituents do not seem broadly supportive of development.
- Unsure of economy
- Still need our Building Permits and Approvals to stay on time.
- High costs related to construction, finance and city fees are presenting a lot of challenges to new construction of housing. Until we can find some relief in these areas, we will maintain a conservative stance relative to new housing developments.
- Rents going down, but a great town.
- Optimistic because of population growth, very good governance, and very good planning. Cautious about the nation's political stability.
- the larger economy, is a question
- Our feelings vary by sector. We are optimistic over industrial and single-family residential lands, cautious over multifamily and commercial development. Oversupply in multi-family is concerning. Office/Commercial is still sluggish due to remote work.
- Our company is steadily growing. We are on track to need another office, and many more vehicles for our technicians in the next two years.
- High interest rates have killed some large projects and are delaying others. All projects are being impacted and projects are financially fragile.
- Mostly the Macro economic environment, otherwise I would be optimistic. And the for-rent pool in Bend make me wonder if a lot of the people that moved here during Covid
- Uncertainty with economy had to go back to their metros.
- Bend continues to be a desirable place to live and start a business, I would expect growth to continue.
- The results of the upcoming election could have an impact on the economic outlook heading into 2025.
- Workloads / demands consistent with prior years.
- Our firm has been fortunate enough to work on great City projects.



# Why do you feel concerned about the Bend market?

- I feel the city isn't doing enough to provide for affordable single family dwellings. Most of the additional costs that the city has implemented on the building side is being passed on to the consumer. There are a lot of money and tax incentives being given to apartments or multi family units but not all people want to rent. We also need help to reduce building costs for single family dwellings as well so families can start to build long term stability and wealth.
- Because of how many fees the city of Bend is imposing on businesses, parking issues and so much more!
- The Golden child is wearing off and now we are getting deeper in big city problems and lack of strategic and smart planning.
- We have ceased all real estate acquisition activities in Bend. The new building fees, SDC's, requirements, and delays make it unlikely we will build anything else in Bend until the environment changes.
- reduced amount of capital available to build.
- Long-term planning, we feel as though the city is hesitant to take a lead role on transportation SDC's in the southeast area plan. Additional challenges during development, such as encumbrances, within right of way in a franchise agreement, lead to extended timelines of carrying projects through development, and result in increased cost per lot. In addition, timelines for Engineering review inhibit development throughout the city.
- sales are extremely slow and homes are sitting on the market for several months before a sale happens.
- Concerned as the market has made new development very difficult. Not Bend specific. A lot of supply which is hurting rents. Construction costs still very high. And with interest rates high, the cost of debt & equity is very high and not a lot of availability, it makes it very difficult to make a deal pencil given the risks involved.
- The cost to develop in the City of Bend is becoming prohibitive due to a number of key factors including but not limited to: Land Costs, Permit Fees and Timelines.
- For exactly the reasons stated above. If the cost of developing projects can be reduced by shorting the amount of time to entitle, etc. then it would be worth the risk to continue to move forward...
- The City of Bend is pricing builders/developers out of the market. Permit and SDC fees are \$30,000-\$60000. Land is outrageously expensive. You can be in \$400,000 before you even pour a foundation.
- It is becoming too expensive and requires too much time and red tape to invest in real estate in Bend. It is hurting returns and becoming less rewarding fiscally and emotionally. Seems everyone is saying the right thing but then when rubber meets the road the town, staff, and others show their true colors. development is getting hard, not easier. This will further constrain supply.
- Too many jurisdictional hurdles and it's only getting harder. People that don't understand development are forcing council to create codes and regulations that are delaying housing and increasing the cost of housing.



# Why do you feel extremely concerned about the Bend market?

- Business taxes, transportation taxes, high cost of land, SDC/permit costs
- Our city is spending too much money with zero concern for citizens. The city is raising the costs at every turn without asking the citizens what they want. The city is completely out of touch with the citizens. This is the worst city council I have ever seen. I am extremely disappointed in their actions.
- The amount of land currently available within the UGB is not even close to meeting a 20 year land supply as required by law. Supply and demand works, as a result, pricing on developable land has skyrocketed and very few developers have the financial wherewithal to take on projects. Almost all of the developers that do have the financial ability only develop for their own use. This essentially eliminates most of the small builders ability to compete. The rising costs of permits and SDC's further exacerbate the affordability situation to a non-sustainable rate.
- Costs, political environment

# Which development types do you think need the most city focus and prioritization?

- Again, a lot of families would like to purchase a home. Stability and the opportunity to build equity and long term wealth is the American dream and what most people are striving towards. Most don't want to rent long term. Affordable rentals is important but should be a short term plan for most, therefore, helping builders build affordable single family units should be a priority. Childcare and education should be a priority as well. Most families are paying a large portion of their pay checks towards child care. We need more childcare facilities so that we can lower the cost.
- Affordable and available childcare and education are the cornerstone of ensuring workers can work, economic growth, and the future of Bend is optimized.
- On-line shopping affects many businesses besides housing and travel, health and child-care
- Bend is a tourism destination and should work to attract more people at medium to high income to live there as well as more tourism attractions in the city to support the businesses.
- I tried to prioritize high need areas with areas that felt the city could have an impact.
- Locals at that make an average wage can't afford to buy a house
- Incredibly difficult to find affordable housing. The homeless/extremely low-income population is constantly growing.
- Largest demand and need is single family detached homes.
- Growth patterns
- More market rate rental units are needed in this market as well as subsidized rental housing tied to median incomes.
- Housing is still priority but not just affordable housing. We can't lose site on the idea that ALL HOUSING decrease the cost of housing, not just adding affordable. We need to make sure priority is given to middle housing for sale, and standard single family for sale, so people have something to move up to, thus opening opportunities for the first time buyer. Home ownership is a key to financial stability. Recreation is needed and wanted so badly in town. Then services to support.
- While interest rates have gone up recently, the rental market continues to be extremely competitive and very expensive for lower income families.
- Questions 4, 5 & 6 are too vague.



# Which development types do you think need the most city focus and prioritization?

- Bend is pricing people out whether it's housing, restaurants, hotels, schools.
- Supply and demand should have a weighing impact on projects. What benefits the community as a whole, not a segment.
- Middle-Income housing no longer exists in Bend.
- People want single-family housing. They do not wish to have cluster housing.
- Single family housing is more important than all the rest combined. It is how people want to live.
- Folks can't afford to live in Bend
- Focus on revenue (taxes) generating developments. Middle income families do not want to live in MF complexes. Add land to the UGB. Stop pouring money into low income and serve the people who make the average to top end incomes in town and keep the talent and lateral home buying and selling in tact. Keep highly educated and skilled talent and labor in town and help companies attract it- or they will continue to leave and relocate. Build more industrial for owner users so they can plan roots and grow our trades sector.
- There are not facilities for growth/expansion for industrial and manufacturing. These jobs are moving out of Bend. Healthcare and child care also face discrepancies between supply and demand in Bend. The city should focus on market rate, single-family homes. This is what people want, not high density, high rise neighborhoods. People who move to Bend move away from high density. Stop trying to work against the desire of the population by following a green agenda that promotes high-density, urban growth and makes traditional single-family housing unaffordable.
- Middle housing is not supported by major housing programs. Needs support to happen here.
- 80% AMI and under is subsidized through various federal states programs. 120% AMI product can be dictated by the market rather than the municipality however, no subsidies at a state or federal level currently exist. This market has the thinnest margins with the greatest target audience.
- The cost of housing in Bend is extremely high and much of the workforce can't afford to live in or near Bend. This will hurt Bend long term as other cities around it will thrive because of that workforce locating there and also will hurt Bend as companies and blue collar workforce won't move to Bend because of the lack of affordable housing.
- It is evident that we need more affordable housing for both rent and sale to bring in more young people wanting to live in one of the best places in the county but also need employment.
- Because you can't find a house for sale for less than \$500,000. Most people can't afford a \$500,000 house.



# Do you have additional information you would like to share with City staff?

- City staff are intelligent, collaborative (with a couple exceptions), and informed. The permitting process has opportunity for improvement that has more to do with process and infrastructure than to do with the ability of the staff itself.
- The City should earmark sites for developers to construct affordable housing. Do not require affordable housing within each community, rather allow a developer that specializes in affordable housing to construct communities that are sufficiently integrated within the overall community.
- I feel market conditions are good, demand is there, but the barrier is financing. Once rates come down, there should be a tsunami of development. I would say the City needs to take a bit more proactive approach in partnering to finance and develop the expansion areas. The costs now are too great (land & infrastructure) for only one developer to bare, and at time codes were written back when, these costs could be overcome so developers were not pleading as much. We need stronger partnerships and more financial assistance from the city. This could be direct offsets, SDC reimbursements, LIDs, and even financing at low interest on infrastructure already given to the city... Thanks for considering all options and appreciate the survey. GO BEND!
- The city seems to approach the citizens as an over-flowing piggy bank in which they can reach in and take however much they want whenever they want. The city's spending has more than doubled over the last three budget cycles while population has only grown 22%
- Our most recent project sat incomplete at the City for months because the City employee failed to send a required notice specifying an item that was needed. The general attitude of the City regarding costs and how they get shared is not favorable to businesses and discourages investment in Bend.
- There's been a shift to say yes, with key city staff opting to look for solutions rather than just pointing out conflicts. It's important for the city to take some ownership and work in tandem to ensure success in the development of the community.
- It takes longer to entitle projects in Bend than it does to build them. The City wants affordability but the pathways aren't there to promote it.
- The City has to participate in infrastructure financing. Other states are more creative and developers have to pay way too much for private equity or debt to finance this infrastructure for the city. It's breaking projects.
- Too many jurisdictional hurdles and it's only getting harder. People that don't understand development are forcing council to create codes and regulations that are delaying housing and increasing the cost of housing.



# Accommodation Information for People with Disabilities



To obtain this information in an alternate format such as Braille, large print, electronic formats, etc. please contact Allison Platt at [aplatt@bendoregon.gov](mailto:aplatt@bendoregon.gov) or 541-213-7387; Relay Users Dial 7-1-1.