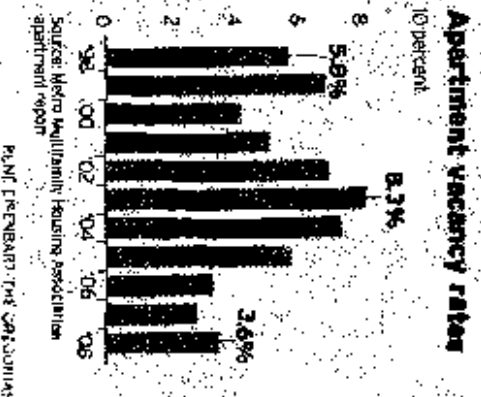
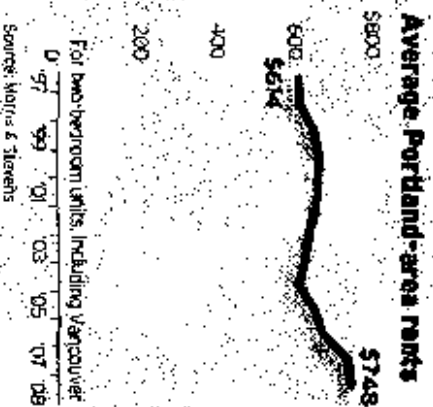


In tight market, would-be renters try new tactics



Housing | With higher costs and fewer vacancies,

“roommate wanted” and “room for rent” are common

BY ROBIN FRANZEN
THE OREGONIAN

Apartment hunters, already pinched by the shrinking economy, are getting squeezed further by one of the tightest rental markets in years in the Portland area, where it can take months to find an affordable place.

Rents are up more than 5 percent from last year, fewer than 3 percent of apartments are vacant, and construc-

tion of new units has slowed. That has left today's would-be renters — among them young adults just starting out, lower-income people, laid-off workers, those who have lost their home to foreclosure, anyone with spotty credit — at the mercy of landlords, some of whom can be picky about their tenants.

But the same financial foxes closing traditional doors are opening some opportunities: Financially strapped homeowners looking for extra income are renting spare rooms, and renters interested in sharing expenses are of-fering to double and triple up.

The upside: unexpected friendships, potentially lower rent, fewer deposits. Please see **RENTALS**, Page A13.

Rentals: Middle-class standards get costlier

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The downside: giving up space and privacy, and sometimes living with strangers.

During the past year, the number of "roommate wanted" classified ads on Craigslist's Portland-area Web site has jumped almost 50 percent, the company says. And at Ecumenical Ministries of Oregon's Shared Housing program, which matches lower-income people with those who have rooms to rent, requests for assistance are up.

"As the economy worsens, we are seeing more people who can't find an apartment to rent," program manager Barbara Stone said. "Our appointment book is pretty full right now."

Phil Haynes, a Pacific Northwesterner with one foot in Kennewick, Wash., and one in Portland, understands the trade-off: He has hunted for a room rental for weeks. But with only \$400 or so to spend a month on rent, and middle-class standards, finding a place he considers decent, affordable and reasonably private has proved tough.

For now, the 48-year-old taxicab driver and part-time insurance salesman lives in short-stay budget hotels.

"This isn't much fun," he lamented in an Oct. 11 online "room wanted" posting, as he faced a second week in sparse accommodations. Back in Kennewick, the condo he bought a year ago is about to be surrendered in bankruptcy.

Here in Portland, so far he's found only small, dingy rooms that don't fit his 6-foot-5 build and potential landlords he couldn't imagine as roommates.

By necessity, "I've become a minimalist," he said.

On one recent reconnaissance mission, he found a dirty bathroom and ratty carpet. On another, he discovered he would need to tiptoe through the landlord's master bedroom to take a shower.

"You hear about a room that sounds nice, but in reality the room is small or filthy dirty," he said, noting that he checks out new postings daily on his laptop and has responded to 50 or 60 ads seeking housemates. "Or they are people I don't think I'm going to get along with."

"It's partly my fault, and partly the economy's fault. If it wasn't quite so stagnant, if my business hadn't been so bad, I wouldn't be in the situation I'm in now."

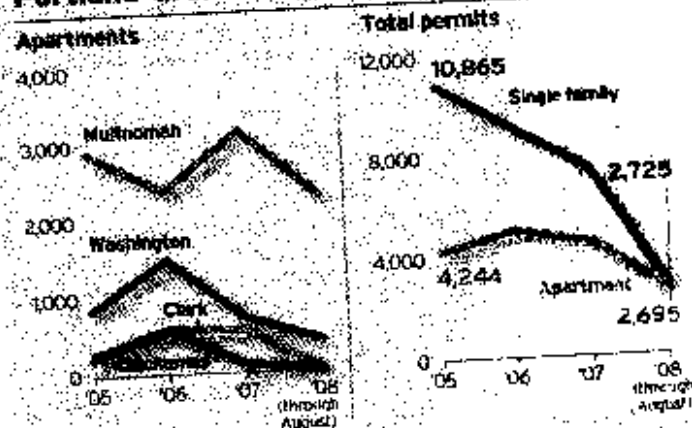
Supply and demand

Unfortunately for people like Haynes, the market isn't predicted to loosen up much until the end of 2009, and then, mainly because of a tougher economy.

Renters are "getting the squeeze," said Mark D. Barry, principal of the apartment appraisal firm Mark D. Barry & Associates. "The problem is, you've got that supply and demand, and Portland metro is not that different than what you've got going on nationwide."

Last month, only 3.6 percent

Portland-area building permits



Source: Mark D. Barry & Associates

BY NÉ EISENBART/THE OREGONIAN

story about his search for an affordable rental and find advice and tips on tightening your spending at oregonlive.com/money

of apartments in the Portland metro market were available, well below the decade-long average of 5.6 percent, according to the Metro Multifamily Housing Association. Landlords responding to the group's fall 2008 market survey anticipated it being only slightly harder to fill vacancies in the next six months — good news for them, especially in hot urban areas like downtown.

Most, facing higher costs themselves, expected to increase rents.

Five years ago, it was a different story. Apartment owners "were even taking people with bankruptcies, because we had to," said Brian Bjornson, managing director of Norris & Stevens Inc., one of Oregon's largest locally owned real estate and property management companies. But today, with a low vacancy rate just slightly above 2007's, the situation has reversed.

"The need for (move-in) incentives has dried up," Bjornson said, noting that a lag in new apartment construction during the past five years, in the face of a homeownership boom, has kept the market tight. "We seem to have a growing number of people coming from out of state, people coming here for the lifestyle, and we still have a reasonably good job market, particularly for young people with education."

searcher who posted his comments on Craigslist earlier this month, "even if you have a couch you can give up for a couple of hundred a month."

"We have some reptiles," another wrote, "and need someone who is open to that."

In other words, marginal renters need some understanding, and that, Stone said, is one of the benefits of shared housing. It typically offers fewer barriers than traditional apartment rentals, she said, though participants in her matching program are required to go through a criminal background check and an interview and can't join if convicted of a person-to-person crime or drug crime. They must agree to house rules.

"If someone has a pet, people are more willing to consider that as an individual," Stone said, noting her program has 120 to 160 people in shared housing at any given time. "When people hit it off, they are more willing to be flexible — there are no corporate rules there."

"Shadow" rentals

Even so, growing demand for single rooms, coupled with higher utility costs, has pushed some of these rents higher, too, some online searchers say, as the competition for cut-rate rentals stiffens. To gain an edge, those looking to score a new home describe themselves as tolerant and easygoing. "I'm 420-friendly" is a frequently used code that lets people know you don't object to pot-smoking.

"I'm respectful" is another common refrain.

More renters

Nationally, the number of renter households jumped by nearly 1 million last year — more than four times the pace of renter growth between 2003 and 2006, according to Harvard University's Joint Center for Housing Studies. That increases the competition for low-cost rentals. Average rents, despite growing economic jitters, reached a record high of \$775.

Perhaps as a result, the number of online ads posted by people priced out of the traditional Portland market has soared, written by folks desperate for a place to lay their heads.

Some renters need housing in the \$350- to \$400-per-month range, a significant cut below the average Portland-area rent for a traditional studio or one-bedroom apartment. Currently, those rents are \$537 and \$624, respectively.

Traditional apartment managers are watching. After all, if they set their rents too high in a weakening economy they risk pushing potential tenants into such "shadow" rentals, including unbold condos and townhomes that owners are now renting out. It's one reason experts are backing off earlier predictions of strong rent increases.

Barry now estimates increases of 1 to 3 percent in 2009.

Karylce Harrison, 56, of Southeast Portland understands the anxiety, from the opposite side of the fence.

A self-employed photographer and notary who has watched both of her businesses dwindle this year, she's in danger of losing the 1927 bungalow she bought 10 years ago unless she can find another room renter. She already rents out a basement studio, which backs onto her colorful private backyard; Southeast Holgate Boulevard; now she's looking online for a female renter to take over 400 square feet upstairs, at \$495 a month, and has moved her own