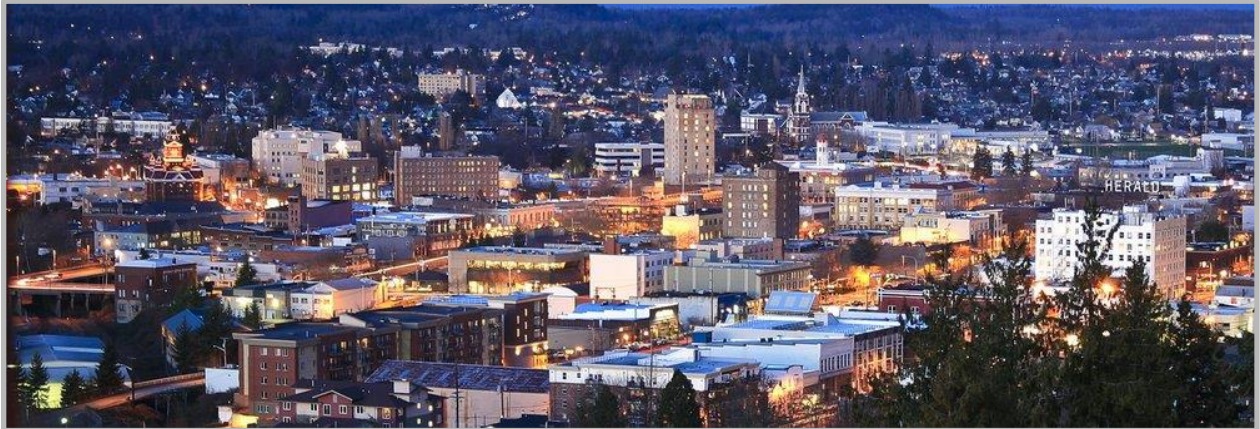


Bellingham, Washington  
Central Business District Rental Housing Market Analysis



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**Executive Summary**

Whatcom County is ranked in the top 200 fastest growing areas in the nation (Bellingham Herald). Bellingham, WA is growing at a rate of 2.2% from 2015-2016 (U.S. American Census). The housing analysis project provides an updated set of data for use by the City of Bellingham (COB) and the Downtown Bellingham Partnership (DBP) to assist in development and policy decisions in the Central Business District (CBD). The purpose of this project is to provide the

COB with a tool to collect data on the CBD rental market. That data is processed and organized to be analyzed to understand the current state of rental housing and the markets served by that housing.

The data will also be utilized in a comparative analysis using a city similar to Bellingham to understand strengths and weaknesses in the housing market. Our final goal is to be able to create a useable and repeatable process for the research to be conducted as often as needed. It is our hope that future analysts will be using our project as a model, while continuing to improve it with better data. More questions will come as the projects develop and we will be able to assess what groups are being underserved in the CBD of Bellingham, WA.

### **Timeline**

April:

- Begin outreach to survey participants
- Complete preliminary timeline and project deadlines
- Begin research on comparative cities

May:

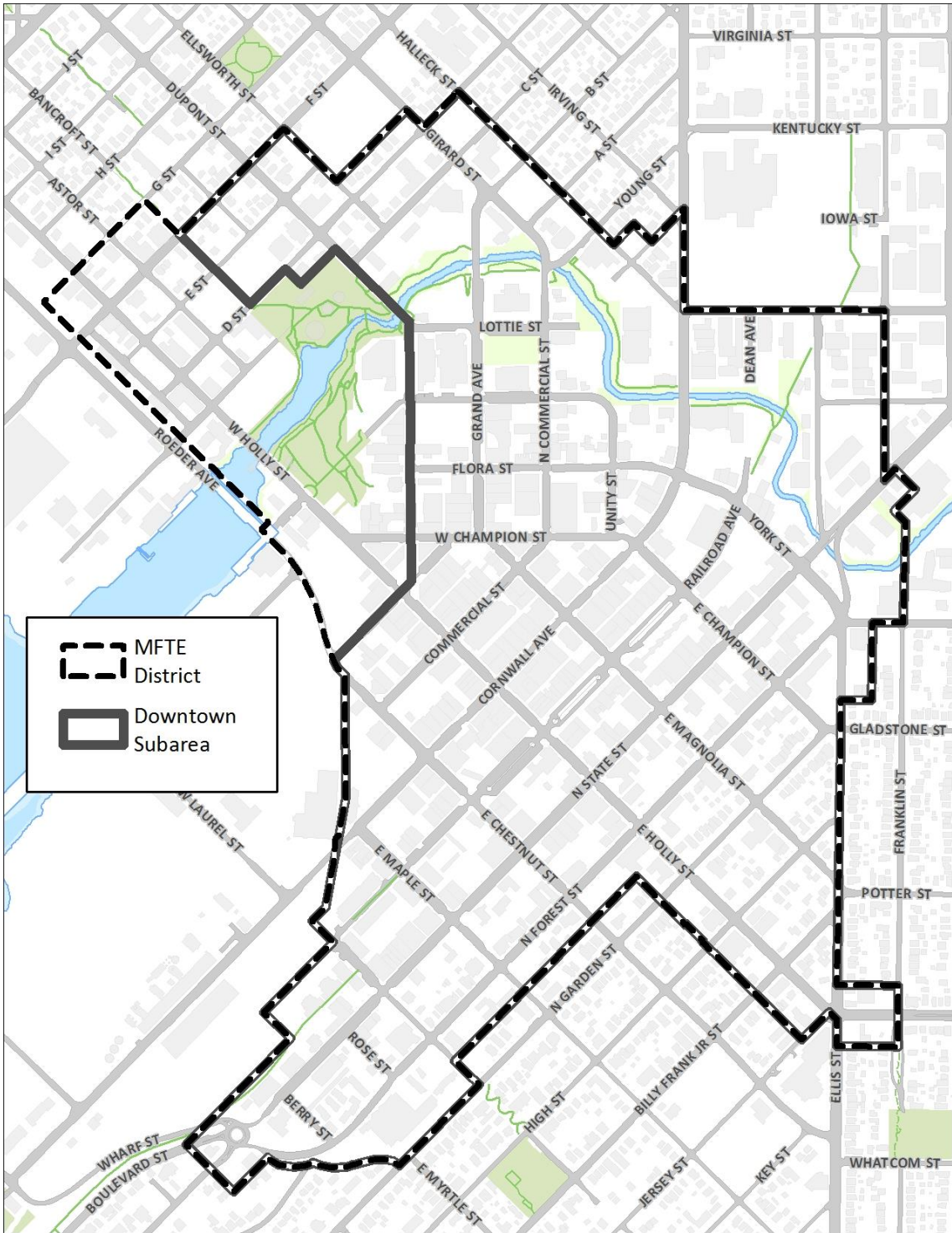
- Collect data from surveys
- Begin and complete analysis
- Begin and complete comparative analysis
- Present to Downtown Bellingham Partnership Board 05/25

June:

- Complete report with final analysis of survey data and comparative cities
- Final presentation to class
- Submit findings to C.O.B

### **Study Area Location**

Central Business District of Bellingham, WA



Introduction

Statement Of Need:

Currently there is no context or data beyond personal observation when it comes to understanding the current rental market of the Central Business District. Stakeholders, City of Bellingham and Downtown Bellingham Partnership (DBP) and DBP Board members need data to make policy and development decisions that better serve the current rental market in Bellingham. Our data shows that the underserved market is those that are in need of 2 or more bedroom options in the CBD.

### **Relevant Background:**

This study is a continuation of a the housing study conducted in 2011. The Housing Analysis of 2011 was conducted with similar goals however the results of the data were skewed and did not reflect housing in the study area. Units that are rent controlled or are under market value do not give an accurate understanding of the general rental market as those are not of market value. The study included low-income housing prices with market priced units which skews the data and provided an incomplete analysis of the housing in the CBD. This in conjunction with a confusing survey that resulted in incomplete data caused the The goal with the 2018 survey is to accurately analyze housing in the CBD, streamline the survey, draw comparative analysis and build a strong foundation for future surveys. Our goals remain the same with the hope that the data collected will help to provide the COB and stakeholders with a contextual and data driven understanding of the CBD's housing market.

In order to create an equitable CBD there will need to be mixed income development. This is a sustainability issue as well as a social justice concern. By avoiding concentrating poverty, like we currently see in Birchwood, Bellingham will benefit socially and economically. Socially, neighborhood bonding can be incentivized through community events in the CBD. Low income community members benefit from living in a mixed income neighborhood when interactions between socioeconomic groups are encouraged (Levy).

### **Project Goals:**

Understand shortcomings of the past survey and streamline surveys for future use.

Collect data through survey outreach and assess what types of housing already exist within the CBD and what rental housing is needed. Secondly, the data will be used in a comparative analysis between Bellingham and another city that is similar to Bellingham. Lastly, through this project we align with the COB's goal and BDP's goals to preserve historic feel, accommodate growing population and avoid urban sprawl. The CBD, the study area, is apart of the Downtown District Urban Village. According to the working definition COB has defined an urban village as follows:

“Urban Villages are activity centers that provide pleasant living, shopping, and working environments; strong pedestrian accessibility; adequate, well located open spaces; an alternative, well connected street system; and a balance of retail, office, residential and public spaces.”

Key principles to an urban village according to COB include: Mixed Housing, Quality Architecture & Urban Design, Increased Density and Sustainability. All of these key principles need data to support the understanding of current conditions in order to inform next steps. Our goal is to gather data for the Downtown District but also to create a repeatable process that can be applied to other urban villages in Bellingham.

### **Methodology:**

- Creation of survey (see Appendix 2.0)
- Contact participants and distribute survey (see Appendix 1.0)
- Analyze survey data
- Interpret survey results for the CBD and the constituents in Bellingham
- Identify the served market and underserved market
- Draw conclusions from our Bellingham comparative analysis to understand Bellingham's current state compared to other areas
- Create graphs, presentation and final report to relay to DBP and C.O.B
- Provide a project model to be replicated for future use

**Survey Participants:** Chuckanut, Landmark, Apex, Daylight, Westview, Kevin Moore, Windermere *Pending: Leopold (90 units) and Son Rise (86 units)*

**Total of: 532 Units (not including pending)**

### **Stakeholders:**

The stakeholders for this project are the City of Bellingham, Downtown Bellingham Partnership (DBP) and residents of Bellingham. The City of Bellingham will work with the DBP to create a plan to accommodate a growing population in the CBD. The stakeholders will use the data we collect to better understand the housing needs.

### **Outcomes & Results:**

Our data supports the belief that there is an underserved market due to a lack of unit type. Unit types that are in short supply are 3-4 bedroom apartments, with the majority of units surveyed being Studios. The initial hypothesis is supported by the data. Through our interviews we've come across a common theme. It is wise to approach development at all angles with context, data and proof to make informed decisions.

### **Rent Prices & Comparisons**

**Current Rental Prices (2018):**

0	Studio	<ul style="list-style-type: none"><li>• Average Rent: \$755</li><li>• Rent Per Sq Ft: \$1.81</li></ul>
1	1-Bedroom	<ul style="list-style-type: none"><li>• Average Rent: \$945</li><li>• Rent Per Sq Ft: \$1.64</li></ul>
2	2-Bedroom	<ul style="list-style-type: none"><li>• Average Rent: \$1,266</li><li>• Rent Per Sq Ft: \$1.58</li></ul>
3	3-Bedroom	<ul style="list-style-type: none"><li>• Average Rent: \$1,338</li><li>• Rent Per Sq Ft: \$1.11</li></ul>

**Adjusted Rental Prices (2011):**

0	Studio	<ul style="list-style-type: none"> <li>• Average Rent: \$564</li> <li>• Rent Per Sq Ft: \$1.24</li> </ul>
1	1-Bedroom	<ul style="list-style-type: none"> <li>• Average Rent: \$723</li> <li>• Rent Per Sq Ft: \$1.14</li> </ul>
2	2-Bedroom	<ul style="list-style-type: none"> <li>• Average Rent: \$995</li> <li>• Rent Per Sq Ft: \$1.11</li> </ul>
3	3-Bedroom	<ul style="list-style-type: none"> <li>• Average Rent: \$1,072</li> <li>• Rent Per Sq Ft: \$0.91</li> </ul>

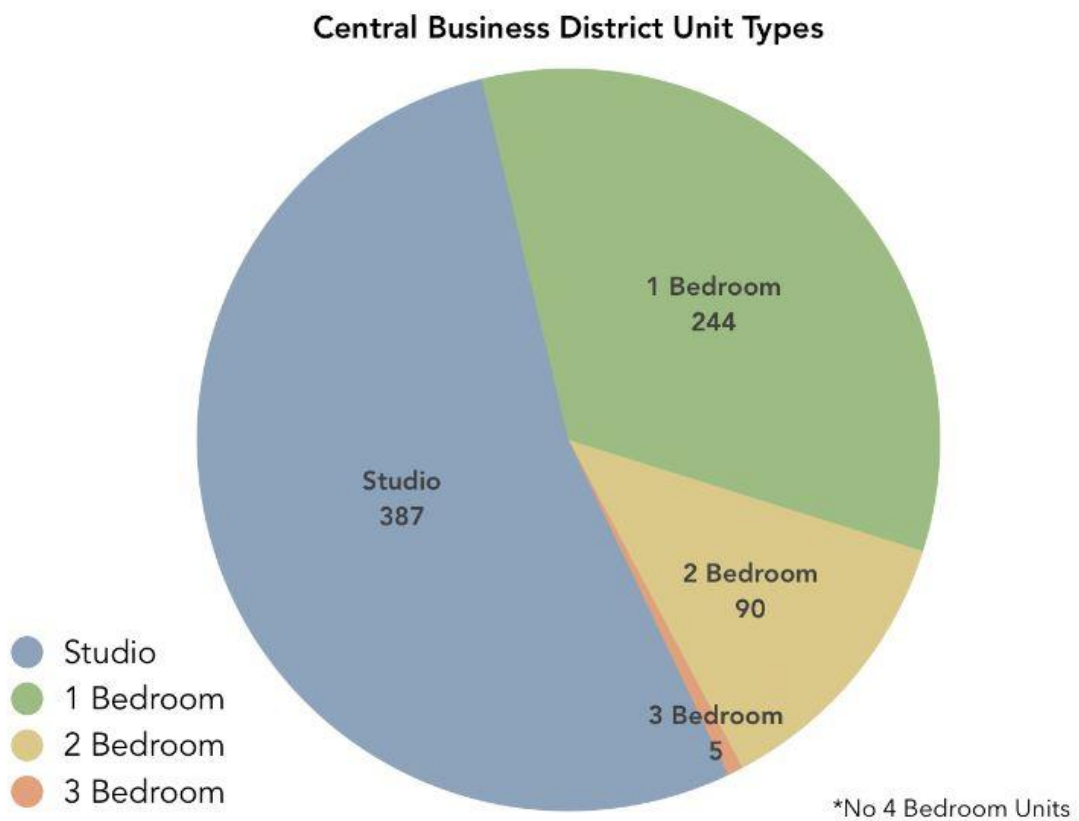
**Adjusted Rental Prices for Inflation (2011):**

0	Studio	<ul style="list-style-type: none"> <li>• Average Rent: \$628</li> <li>• Rent Per Sq Ft: \$1.38</li> </ul>
1	1-Bedroom	<ul style="list-style-type: none"> <li>• Average Rent: \$805</li> <li>• Rent Per Sq Ft: \$1.27</li> </ul>
2	2-Bedroom	<ul style="list-style-type: none"> <li>• Average Rent: \$1,108</li> <li>• Rent Per Sq Ft: \$1.24</li> </ul>
3	3-Bedroom	<ul style="list-style-type: none"> <li>• Average Rent: \$1,194</li> <li>• Rent Per Sq Ft: \$1.01</li> </ul>



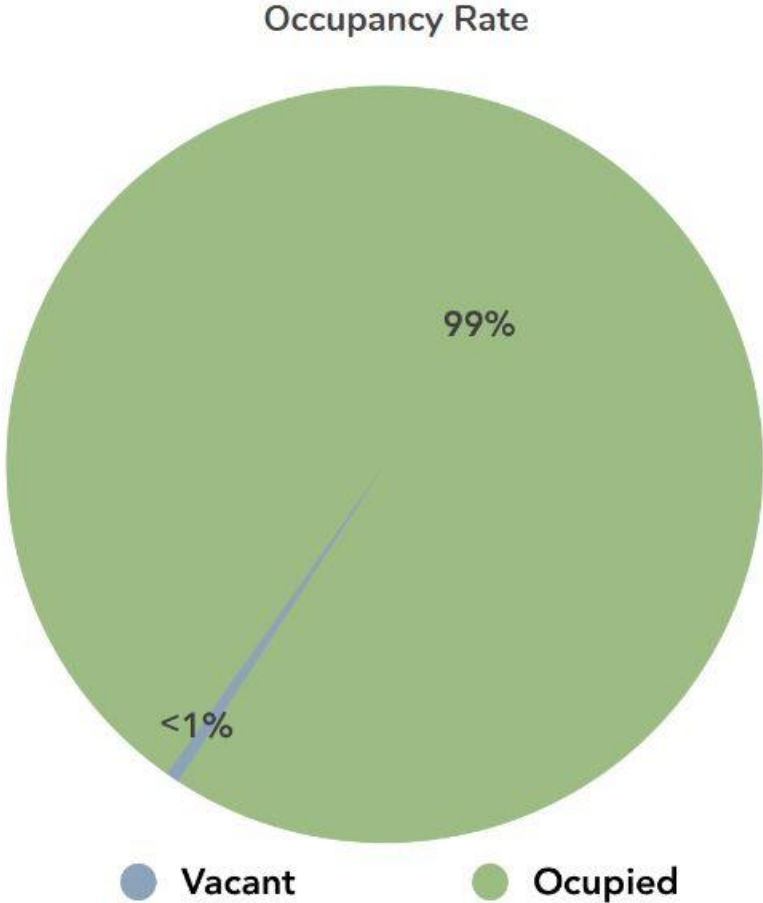
## Number Of Units Per Unit Type

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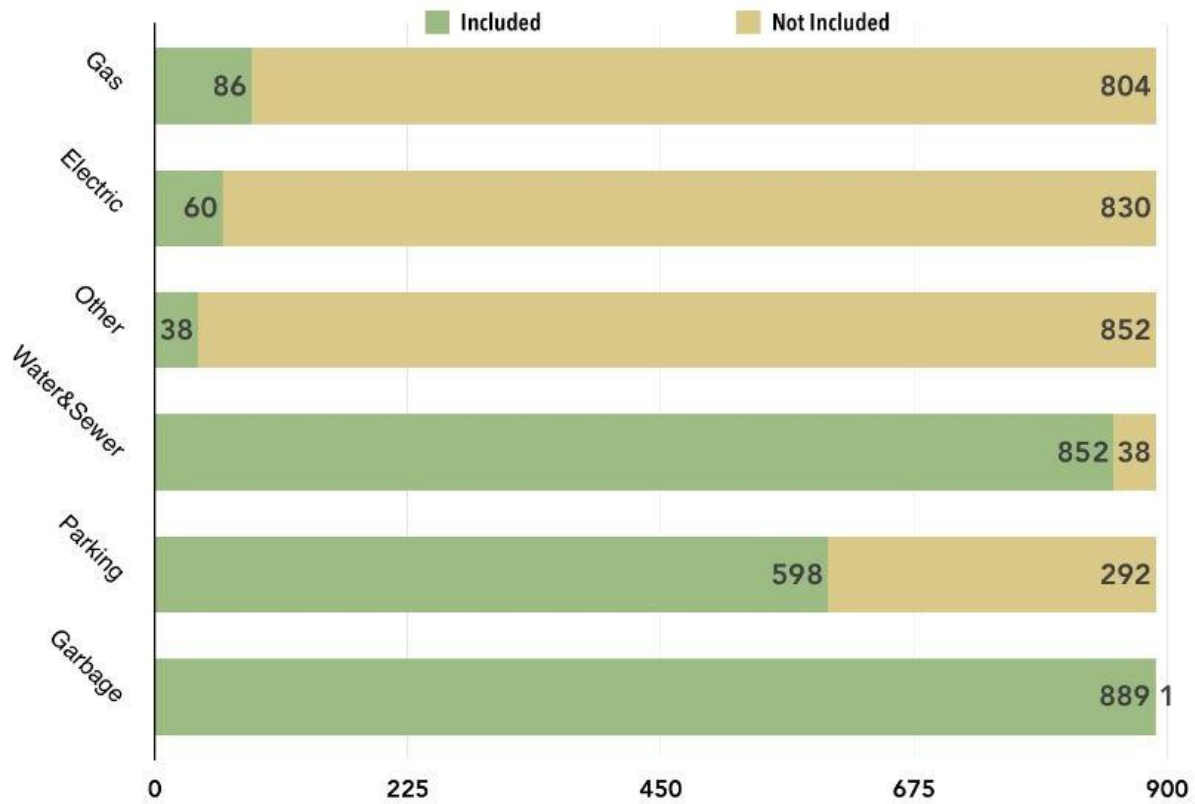
**Description:** Here it can be observed that the majority of units surveyed were indeed studios and 1 bedrooms. There is a large difference between the next three unit types, 3 bedrooms only make up 1% of the surveyed units. There were *no* 4 bedroom units surveyed.

**Occupancy Rate**



**Description:** Less than 1% of units are vacant. 4 units are currently vacant in the study area which is .04%. 2 of those units are currently undergoing remodeling and will soon no longer be vacant. Vacancy was higher in 2011 with 11 units out of 666 units being reported as vacant.

**Number Of Managed Units that Include Listed Utilities**



**Description:** Displayed here are the survey units' the exact numbers of how many units provide a specific utility within the rent. Unsurprisingly electricity wasn't included in many, while water

and sewage was. 38 units reported “other”, but did not specify. The surprising discovery was that while parking was in fact reserved for residents 598 units reported that parking was an included fee within rent.

### **Recommendations**

To continue growing their understanding of the CBD rental market the COB should survey the respondents on a yearly basis.

- **Timeline**
  - Creating of initial documents
    - Outreach email
    - Survey
  - Outreach to participants
  - Collection of data
  - Organization of data
  - Data analysis
  - Research on cities for comparison
  - Continued analysis and beginning of comparison analysis
  - Report preliminary findings to DBP Board
  - Finalize report
  - Submit report findings to COB DBP and class
- **Stakeholder Considerations**
  - Want updated report with comparison with adjusted 2011 prices

### **Next Steps**

It is our recommendation that this survey be continued for up to date data on the rental market. With this in mind we believe that updating the survey method to be done through a Google Survey to receive the most complete responses as possible. Data in the 2018 and 2011 survey were weakened by misunderstood questions or incomplete surveys. The rental market should also include group housing in the future. Efforts to contact *Gather* proved unsuccessful in the 2018 outreach, with more buildings like this appearing in the future it is important to gather that data. It is also important to determine which single family homes are being rented out. Many homes in the study area are actually rented out. Grouping single family development into one is

not an accurate snapshot of the rental market. Continued analysis to include comparison cities would also prove to be beneficial to understanding how Bellingham is handling the rental market. Unfortunately, we were unable due to time constraints to complete this in our 2018 report. This analysis may also provide insight to increasing rent prices.

### **Concerns**

Future considerations should be made about the formatting of the survey. To avoid receiving incomplete survey from respondents in the future we suggest using a Google Survey. This would be a better method than emailing a document to fill out because it doesn't allow the respondent to complete the survey until they've filled out all the necessary information.

Special attention should also be made towards preserving the historic feel of the CBD and avoiding gentrification. Gentrification is when development is catered to middle class tastes and long time residents are priced out of their homes. To avoid this it is key that the CBD provides an array of housing prices. Mixed income development will be positive socially and economically.

### **Conclusion:**

Bellingham has taken an important step towards creating an equitable downtown by completing a comprehensive study of the CBD rental market. Now that they have the data they are able to make an informed decision about what type of housing they'd like to incentivize. Wise and seasoned City Planner, Judy Surber states, "Cheap, fast and good, now choose 2." An effective way for Bellingham to take steps towards sustainability within the community is by addressing the needs of people of many different socioeconomic backgrounds.

The City of Bellingham can produce useful mapping tools through their GIS department and provide the board with useful spatial analytics. The City of Bellingham and the board can identify the financial incentives needed for developers to create housing for the underserved market. The COB can incentivize sustainable development by making sure there is a mix of incomes living in the CBD. COB can alleviate some of the challenges the Birchwood neighborhood is facing because it's a food desert by providing more housing in the CBD. This can be done by utilizing the available infrastructure for housing and incentivizing the development of mixed income housing. This means there will be a need for everything from luxury condominiums to affordable apartments. Mixing incomes in the CBD is a way to alleviate the poverty concentration Bellingham is seeing in the Birchwood neighborhood. Studies have shown that for low-income community members moving to a mixed income neighborhood benefit psychologically (Levy). This is beneficial for Bellingham socially, economically and culturally.

## Sources:

### City of Bellingham

2011 Rental Market Report & Data  
Survey  
Outreach Email

**City of Bellingham.** *Bellingham Urban Villages...A Working Definition.* City Of Bellingham, [www.cob.org/documents/planning/urban-villages/what-is-an-urban-village-summary.pdf](http://www.cob.org/documents/planning/urban-villages/what-is-an-urban-village-summary.pdf).

**Gallagher, David.** “How Fast Is Bellingham Moving up the Metro Population List?” *Bellingham Herald: News*, Bellingham Herald, 4 Apr. 2018, [www.bellinghamherald.com/news/local/article142658404.html](http://www.bellinghamherald.com/news/local/article142658404.html)

**Levy, Diane,** et al. “Mixed-Income's Anticipated and Realized Benefits.” *How Housing Matters*, [howhousingmatters.org/articles/anticipated-realized-benefits-mixed-income-living/](http://howhousingmatters.org/articles/anticipated-realized-benefits-mixed-income-living/).

**United States Census Bureau.** “2016 Population Estimates.” *Estimates of Resident Population Change and Rankings: July 1, 2015 to July 1, 2016 - United States -- Metropolitan Statistical Area; and for Puerto Rico* , [factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=PEP\\_2016\\_PEPANNCHG.US24PR&prodType=table](http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=PEP_2016_PEPANNCHG.US24PR&prodType=table).

## APPENDIX 1.0 Outreach Email:

Subject: Downtown Bellingham Housing Study

Dear \_\_\_\_\_,

Thank you very much for agreeing to participate in our Downtown Multi-family Residential Housing study. You may remember speaking to Kate Bartholomew at the City of Bellingham last week. Your participation in this study will help us to get an updated understanding of the residential housing market in our downtown.

My name is \_\_\_\_\_ and I am a student at Western Washington University. I am following up now with a short survey, which we would like you to complete for each individual building you own or manage in the Downtown area. It is our understanding that you (own/manage) the following properties:

- Property address (building name)
- Property address (building name)
- Property address (building name)

Are there any other properties you own or manage in Downtown Bellingham? If so, please complete a survey for each property, even if it is not on this list.

This study will be similar to one that was conducted in 2011, a summary of which can be found here. As with the former study, we will be aggregating all the data you provide. We will not be reporting out information about any individual properties or companies. After the study is complete, we will email you a copy of our final report which you may find useful.

If you have any questions, or would prefer to share the information over the phone, please don't hesitate to reach out to me at: \_\_\_\_\_.

We hope you will have a chance to complete the survey by date. Thank you in advance!

Sincerely,

Name

Contact details

## **APPENDIX 2.0 Survey:**

### **Downtown Housing Survey**

Property address:

Property Name (if applicable):

Building Type:                      Apartment                       Condominiums

1. Total units in building:
2. Total building square feet:
3. Number of units in building by bedroom:

Studio	1 BR	2 BR	3 BR	4 BR

4. Number of units currently vacant: Click or tap here to enter text.
5. Rent by type of unit:

	Studio	1 BR	2 BR	3 BR	4 BR
Lowest rent	\$	\$	\$	\$	\$
Highest rent	\$	\$	\$	\$	\$

6. Average square feet per type of unit:

Studio	1 BR	2 BR	3 BR	4 BR

7. Utilities included in rent: Water/Sewer, Garbage, Electric, Gas, Other
8. Number of parking spaces:
9. How is parking provided for this building?
  - On-site                       Off-site (other than street parking)
  - Reserved                       Unreserved
  - Included in rent     Extra fee for parking

THANK YOU!

Please return this survey to: [clairesurber@gmail.com](mailto:clairesurber@gmail.com) or [Megmurphy799@gmail.com](mailto:Megmurphy799@gmail.com)