

Housing: 'I have never seen it as tight as it is this year'

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"I have never seen it as tight as it is this year," said Kent Easom, who has managed properties through Easom Property Management in Astoria for more than 20 years. He put the vacancy rate at below 1 percent.

Unique driver

A unique driver of demand is the U.S. Coast Guard, which has more than 100 housing units near Niagara Avenue, 12 more under construction and another 12 planned for 2016 and 2017. The city's report said the units will still fall 60 short of what the Coast Guard needs, driving servicemen and their families into the region's housing market.

The units at Yacht Club go between \$840 and \$940 a month for one bedroom, Willey said, and \$940 and \$1,040 for two, with Coast Guardsmen and health care professionals common tenants. Willey said her phone is ringing 20 times a day with prospective tenants wanting apartments, and she receives daily visitors.

Charity Havens, who works at Aaron's rent-to-own store in Warrenton, stopped by Tuesday and inquired about a two-bedroom unit for her, a partner and their two children. They are all sharing a room in her father's house.

"You go online, and there's nothing, or you're paying someone else's mortgage," Havens said.

What people want

DeLores Richards, co-owner of KD Properties with husband Ken, said her company is an often-overlooked provider of inexpensive, market-rate housing, from \$485 a month for a studio to \$800 for a three-bedroom duplex.

"We've got a lot of working people coming in, and there's no place to put them," Richards said. "They've got the jobs. They don't have the place to live. We're down to about one vacancy right now."

Michael Claussen, manager of the Norblad Hotel, said he gets about five calls a day from people wanting to live in the 150-square-foot suites rented out for \$495 a month, including Internet and a communal kitchen and bathrooms.

When the economy was slow, Claussen said, owners Paul Caruana and Brian Faherty switched some hotel rooms to monthly rentals. But with the economy and tourism on the upswing, he said, the Norblad is converting those apartments back into hotel rooms.

"We have plenty of people who want to move in," Claussen said. "It's just that we can make more money selling them as hotel rooms."

At the higher end of the affordability spectrum is Sean Fitzpatrick and Wecoma Partners, which operates the Illahee Apartments. Fitzpatrick said he operates 68 apartments around Astoria, mostly two-bedroom units, with the lowest rent starting at \$995 a month.

"There seems to be a shortage of studios and small one-bedrooms," Fitzpatrick said. "We used to get a lot of calls for three bedrooms, and we don't get those calls anymore."

The other shortage is upscale housing, Fitzpatrick said, a niche he focuses on.

Making it affordable

The definition of cost-burdened is misleading, Fitzpatrick said, because it does not take into account utility savings in



Photos by Joshua Bessex/The Daily Astorian
ABOVE: Omancio Martinez moves a beam in the rafters of the new Yacht Club Apartments under construction. **BELOW:** The second phase of the newer Yacht Club Apartments, overlooking Youngs River, are slated to open in the spring.



An affordable housing study by the city concluded the new U.S. Coast Guard housing under construction near Niagara will still fall short of what is needed. The Coast Guard is a big driver behind the demand for market-rate housing in Astoria.

nicer units and whether people prioritize higher quality, centralized housing over commuting, eating out or other expenses.

"Unless there's subsidies, you can't build new and make it affordable," Fitzpatrick said.

He said developers, such as Krueger who offer some subsidized housing in Edgewater at Mill Pond, have figured out how to navigate those systems.

Easom said zoning and land scarcity also make building new apartments in Astoria difficult, adding the city could help by easing stringent zoning requirements. Another challenge, he said, is the tapped-out federally subsidized rental housing program — known as Section 8 — which has three-year waiting lists.

Richards said part of KD Property's ability to offer inexpensive housing is by owning the units it manages. The city's affordable housing study reported the monthly costs for owners providing housing. Owners without a mortgage faced on average a third of the costs of those still paying down their properties.

Morgan, the former mayor of Cannon Beach, said the communal concept of the Norblad is being recreated in the expensive beach resort town, where Martin Hospitality is building communal workforce housing across from City Hall. That concept, Morgan said, could be a good one for a place like the dilapidated former Waldorf Hotel next to Astoria City Hall.

The city is also exploring a mixed-use project at Heritage

Square that could include a new public library and workforce housing.

"Building on top of the new library is an exciting concept," Morgan said. "There's a lot of interest in downtown in general. There are vacant spots here and there for housing."

Fitzpatrick and Morgan both said building more apartments could help stunt the growth in rent, and the city is researching areas for growth. The only major apartment project under construction in Astoria is the Yacht Club. Property managers like Fitzpatrick and Richards said they are trying to expand their stock of rental housing.

Krueger would not provide details on his next apartment project. But Morgan said Krueger is interested in building a new apartment complex on the vacant city blocks along Irving Avenue between Eighth and 10th streets.

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