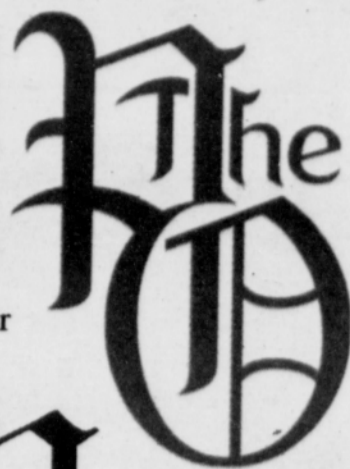




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'City of Roses'



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## Move Over for Luxury

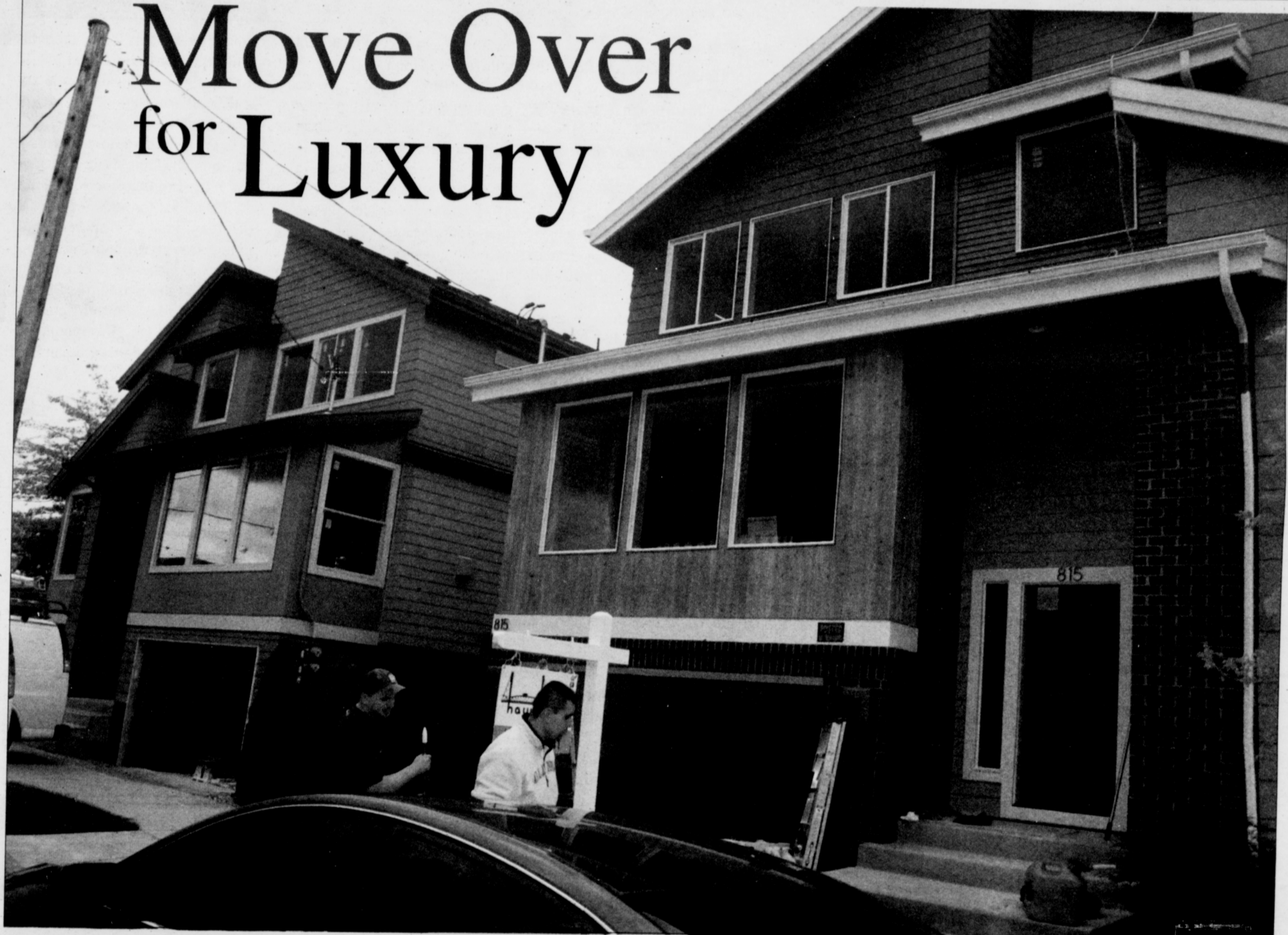


PHOTO BY MARK WASHINGTON/THE PORTLAND OBSERVER

Two new homes are advertised for luxury living in the Humboldt neighborhood of north Portland. With 4 bedrooms, 3 and 1-half baths, custom cabinets, granite counters and other amenities like accessory dwelling units with kitchens on the ground floor, the sellers are asking for more than \$550,000 each. The construction was made possible by demolishing a modest 1908 single family home and dividing the property into two parcels.

### Trend sees older housing stock leveled for higher-cost living

BY COLIN STAUB  
THE PORTLAND OBSERVER

North and northeast Portland have experienced a number of changes in the past few years adding to the gentrification of local neighborhoods. It's easy to see the increased density, the changing neighborhood demographics, and, perhaps most apparent for the average resident, rising housing costs.

While there are many components to each of these changes, a recent development trend of demolishing older single-family housing properties and splitting them up to make

room for multiple luxury homes and condos has contributed to all of them and more.

Records from recent real estate transactions in the relatively low and medium income Humboldt Neighborhood of north and northeast Portland, for example, show homes on single family lots that were assessed in the \$200,000 range being divided into two or more lots and replaced with luxury homes in excess of \$500,000 each.

"We used to do probably 95 percent restorations, 5 percent new construction," says Mike Hubbell, founder and managing mem-

ber of Portland Development Group, a residential real-estate development company. "Now it's probably about 70 percent new constructions, 30 percent restorations."

There are several factors at work in the demolition and infill increase, and cost is a major player. Hubbell cites the Urban Growth Boundary as one factor in the rising demolitions.

"When you're not allowed to move out, to push the city limits out, [it's] driving up the prices," says Hubbell. "It's a less viable option to restore a house, versus remove it

and put two homes on it."

However, finances are not the only factor in the increase in new construction.

"Restoration is a very hard, very highly expertise-driven business," says Hubbell. "What makes new construction so attractive is that a lot of contractors can do it. It's easy, it doesn't take a lot of expertise."

Regardless of the reasons behind the trend, the demolition increase has some Portland residents worried.

"People are concerned with demolitions about a wide variety of issues," says

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