

Housing Market Analysis

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Median Home Values of Existing Detached Homes

	U.S.	West	Portland Metro Area
	\$		
November 2008 Median Sales Price	179,900	\$ 246,700	\$ 278,500
	\$		
November 2009 Median Sales Price	171,900	\$ 235,000	\$ 249,000
% Change in Median Sales Price	-4.4%	-4.7%	-10.6%
% Change in Number of Sales Nov 2008-2009	42.1%	30.5%	78.5%

Source: National Association of Realtors (November 2009) and RMLS (November 2009)

Once again the housing market statistics reflect a decrease in value from the prior year. Median home prices were down 4.4% annually in November, and 4.7% for the western part of the nation.

According to the National Association of Realtors, the metropolitan areas with the greatest annual depreciation rates are Las Vegas (-34.5%), Phoenix (-22.9%), Chicago (-16.2%), and San Francisco (-12.6%).

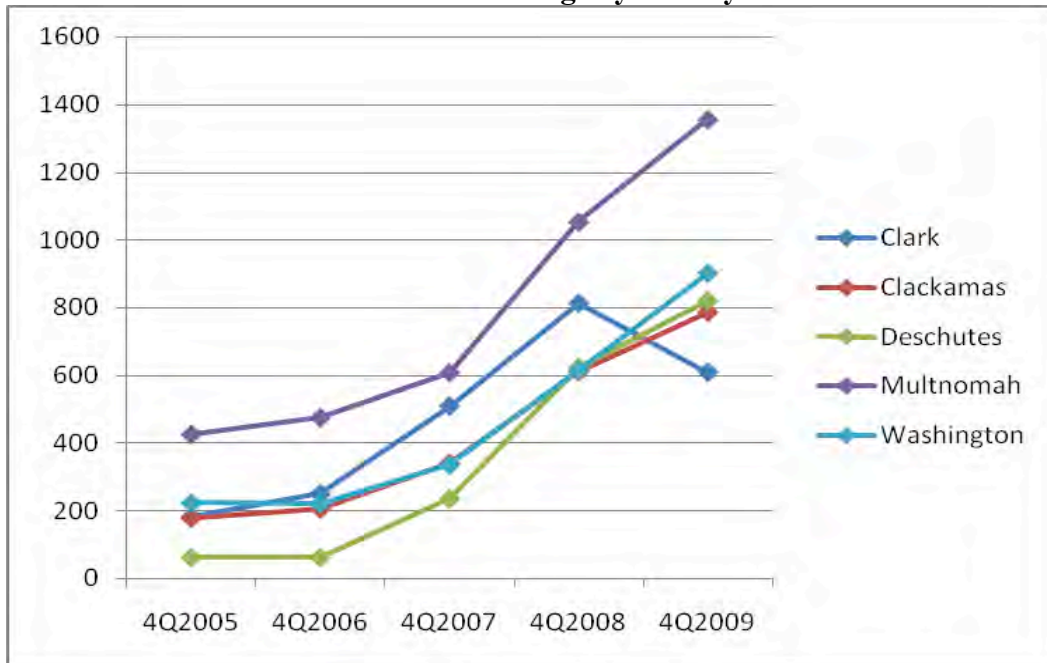
However, prices are still substantially higher than they were before the housing bubble. For Portland, according to the Standard and Poor's Case Schiller Index a home valued at \$100,000 in 2000 stood at \$150,380 at the end of November 2009.

The number of building permits issued was down 29% nationally, with a reduction of 33% in Oregon.

Foreclosures in the Portland metro area, including Clark County are up 20% annually and 120% since 2007.

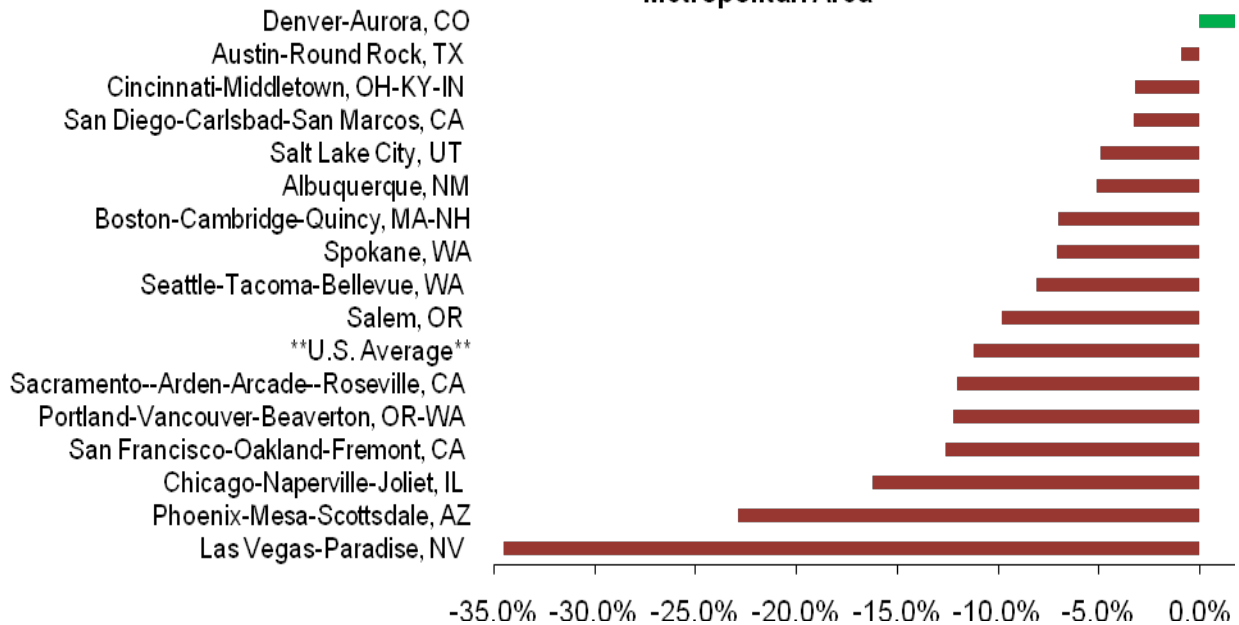
According to these various counties' recorders offices, Washington (46.2%), Deschutes (31.6%), Multnomah (28.7%) and Clackamas (28.6%) counties experienced increasing annual foreclosure rates, while Clark County (-25.1%) experienced a decrease in foreclosure filings from the previous year.

Foreclosure Filings by County



SOURCE: Clark, Clackamas, Deschutes, Multnomah and Washington county recorders' offices

Annual Change in Median Sales Prices of Existing Single Family Homes By Metropolitan Area



Source: <http://www.realtor.org/Research.nsf/Pages/MetroPrice>

Building Permits Issued

Year to Date

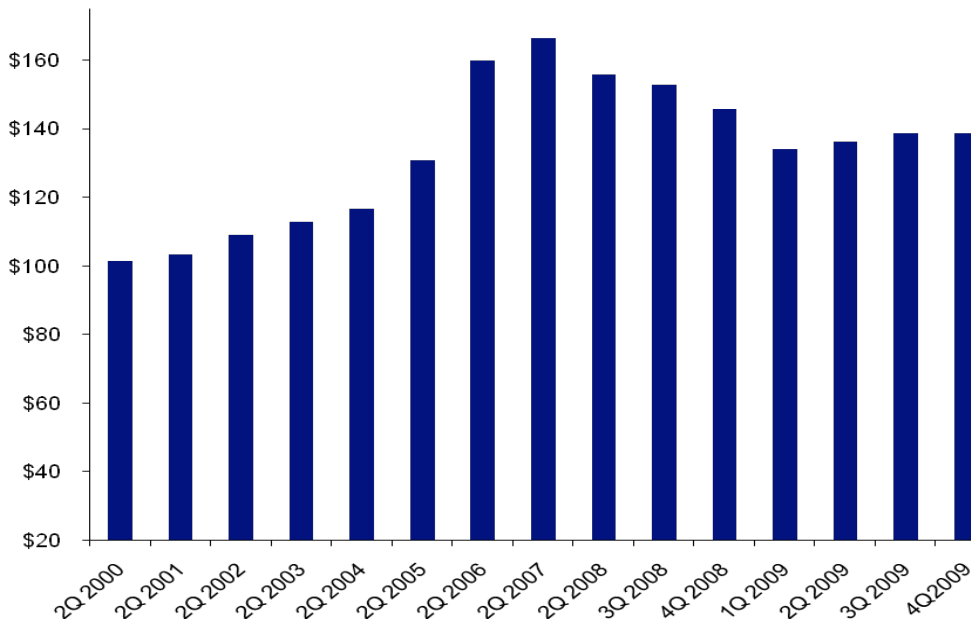
	SINGLE-FAMILY			MULTIFAMILY		
	Nov-09	Nov-08	PCT CHG	Nov-09	Nov-08	PCT CHG
UNITED STATES	400.7	545.7	-27%	123.6	306.8	-60%
OREGON	5.21	7.60	-31%	1.81	4.11	-56%
Bend OR	0.33	0.66	-50%	0.03	0.09	-68%
Corvallis OR	0.04	0.05	-19%	-	-	-
Eugene-Springfield OR	0.41	0.59	-31%	0.15	0.18	-15%
Medford OR	0.31	0.38	-18%	0.01	0.08	-92%
Portland-Vancouver-Beaverton OR-WA	2.73	4.06	-33%	0.86	3.36	-74%
Salem OR	0.36	0.50	-27%	0.11	0.23	-50%

Source: National Association of Home Builders (November 2009)

Portland

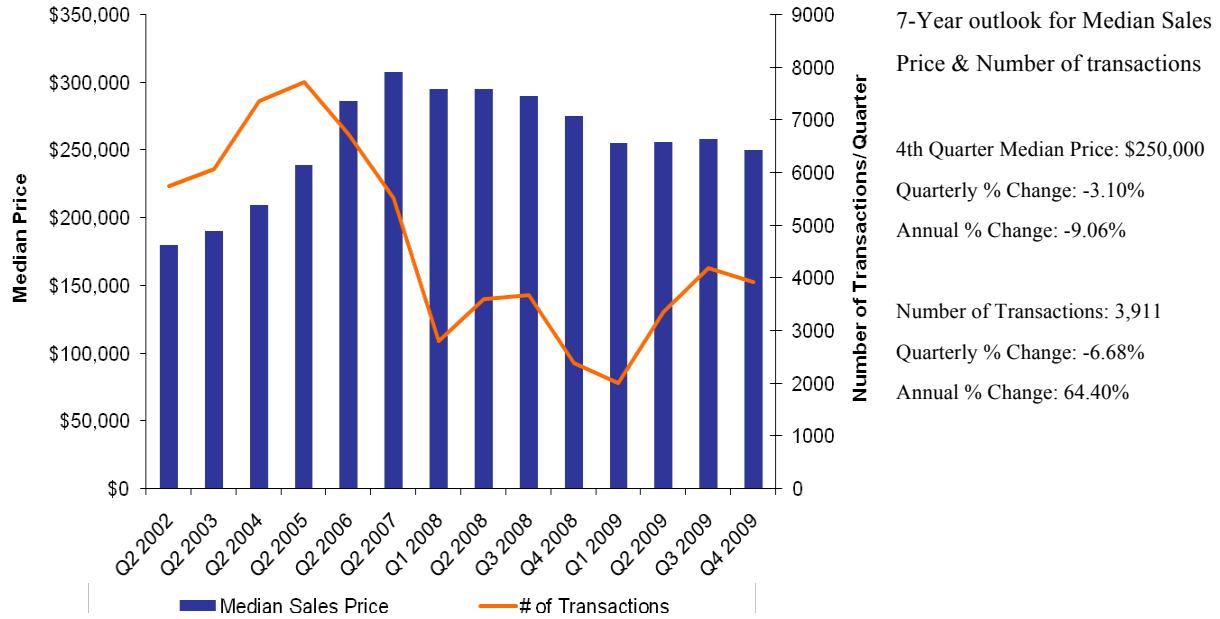
The number of Portland metropolitan area home sales increased by 25% over the third quarter, as buyers closed purchases on 4,191 existing homes. This is an increase of 14% over the previous year. Median prices for the third quarter were at \$258,000, a 1% increase over the previous quarter, but an 11% reduction annually. Prices are still being marked down, with average sales taking place at 91.68% of the original list price, 1.96% less than the previous year. Sellers in the Portland area, on average, have their homes on the market for 72 days before closing, reflecting a one-week increase from 2008. Price per-square-foot values increased slightly again to \$139, a 2% increase from the previous quarter. However, this reflects a 9% decrease annually.

Single Family Price/SqFt - Portland Metro



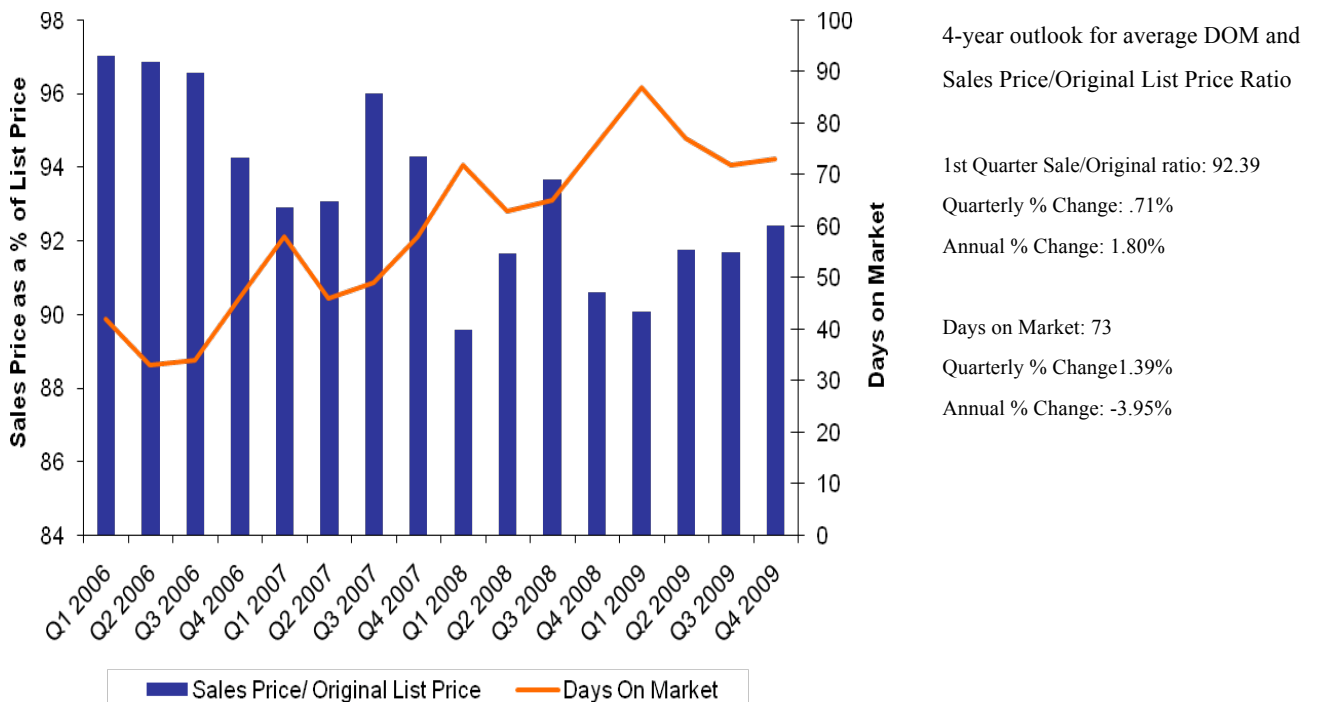
Median Sales Price & Number of Transactions – Existing Detached Homes

Portland Metro (Excluding Clark County)



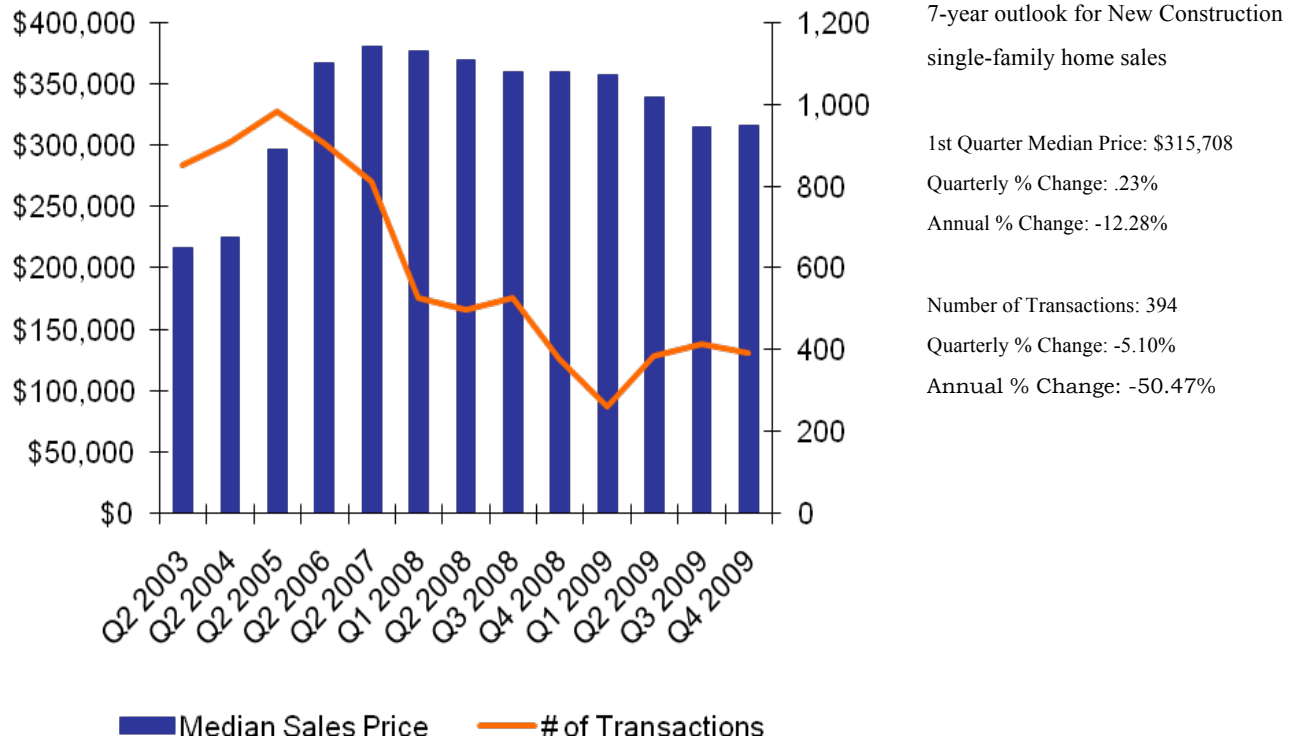
Sale Price/Original List Price & Average Days on Market – Existing Detached Homes

Portland Metro (Excluding Clark County)



Median Sales Price & Number of Transactions – New Detached Homes

Portland Metro (Excluding Clark County)



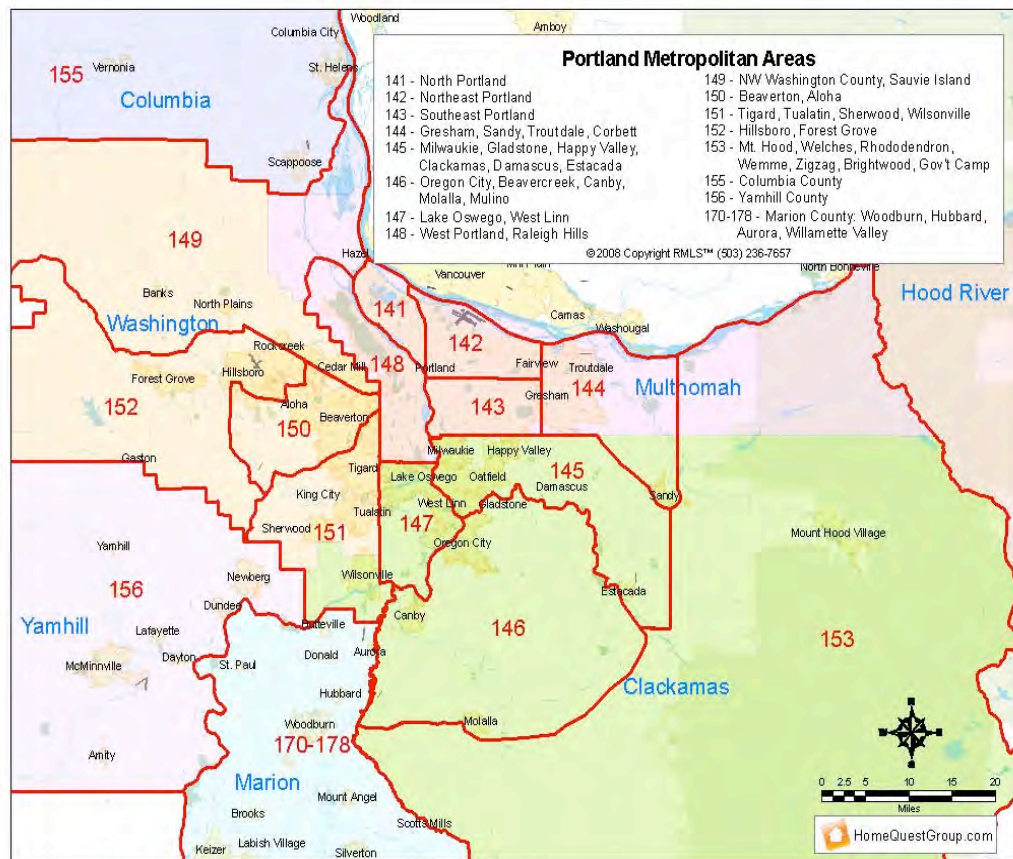
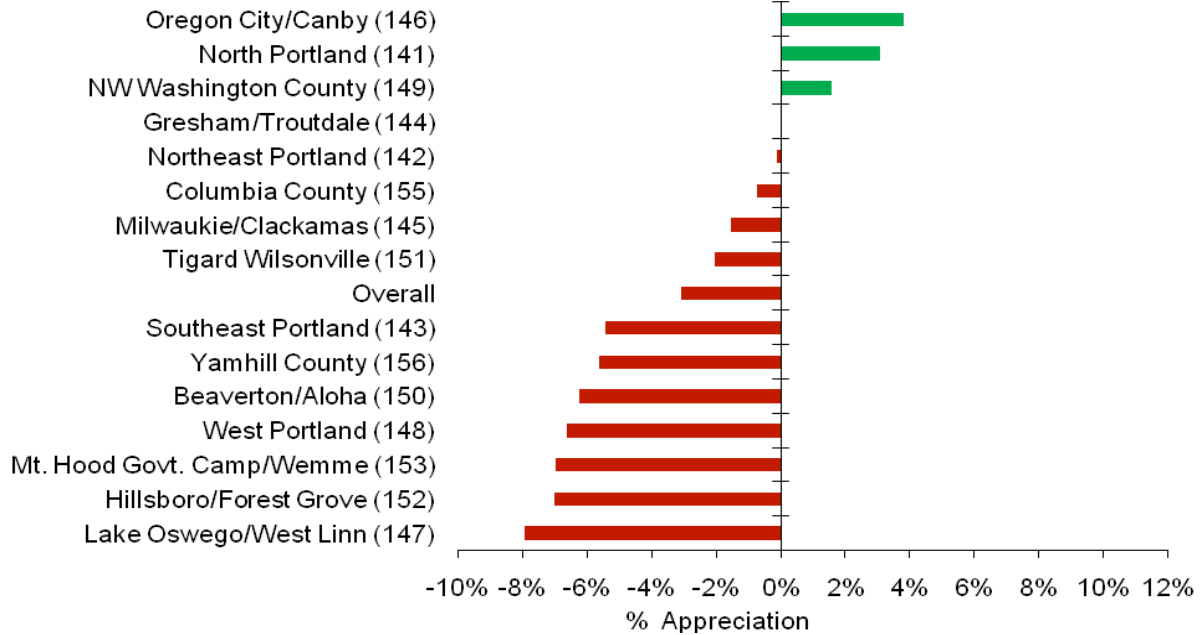
Three of the submarkets listed below experienced quarterly price appreciation. The other submarkets experienced a decline in value. Oregon City/Canby home prices increased the most at 3.82% followed by North Portland at 3.08% and NW Washington Count at 1.58%.

Conversely, the Lake Oswego/West Linn area experienced the highest depreciation rate at (-7.95%), followed by Hillsboro/Forest Grove at (-7.02%).

Annual results are negative for all but one Portland area submarket. North Portland (1.1%) is the only submarket that experienced an increase in value from the previous year.

Conversely, Lake Oswego/West Linn (-19.5%) and Mt. Hood/Government Camp/Wemme (-16.67%) home values depreciated the most since 2008.

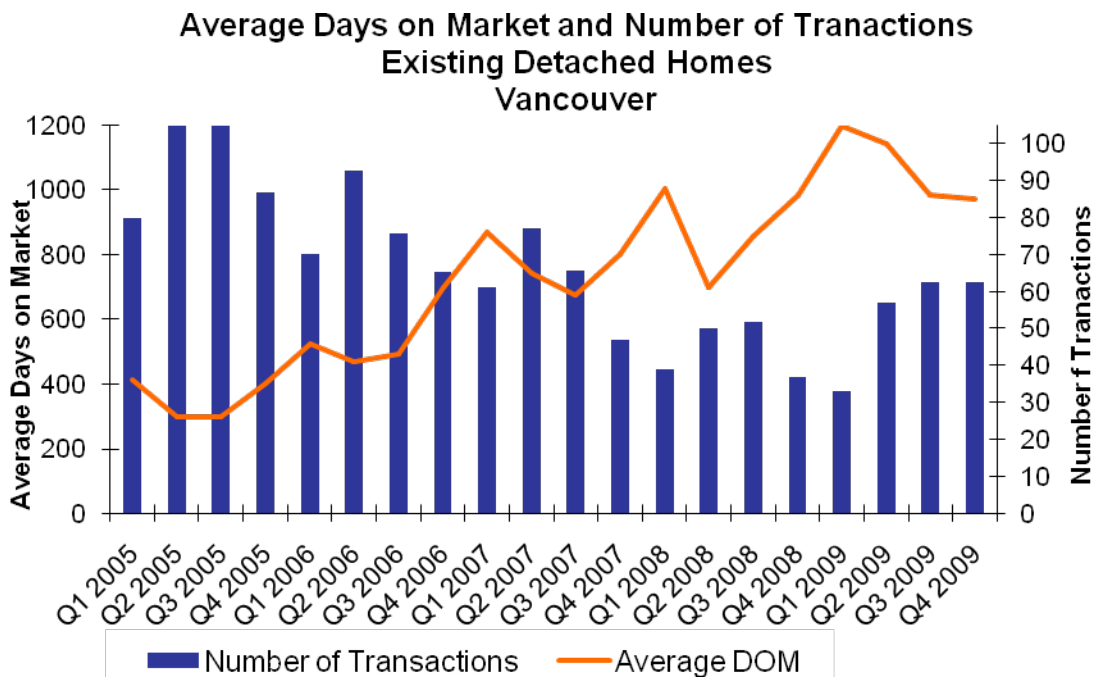
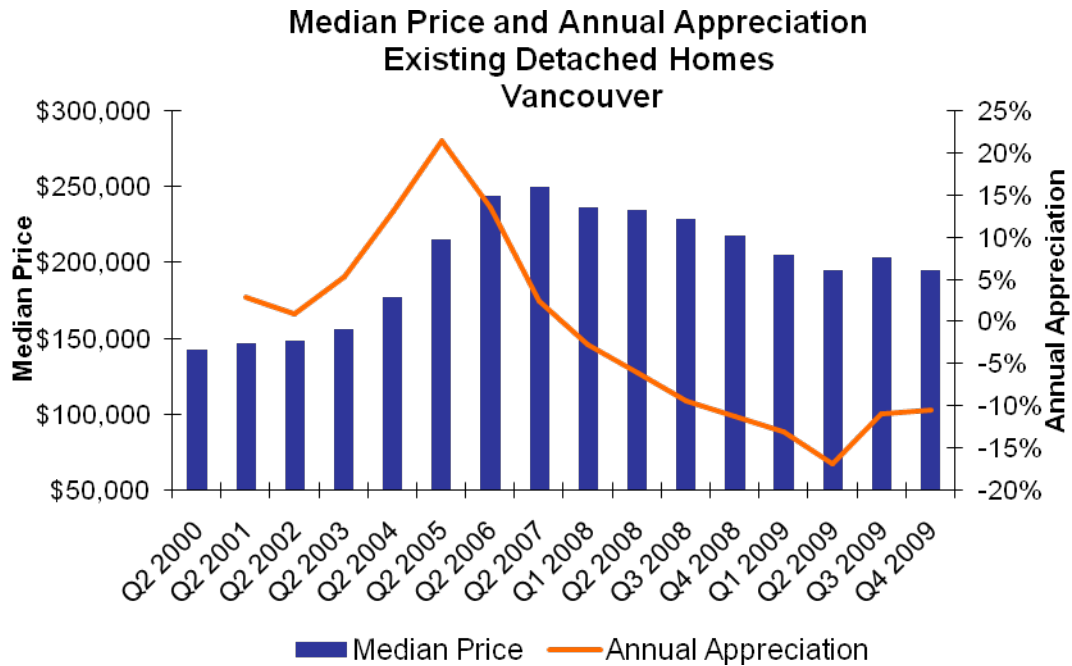
Appreciation Rates of Existing Detached Homes - Portland Sub-Market Q3 2009- Q4 2009



Map Courtesy of the RMLS

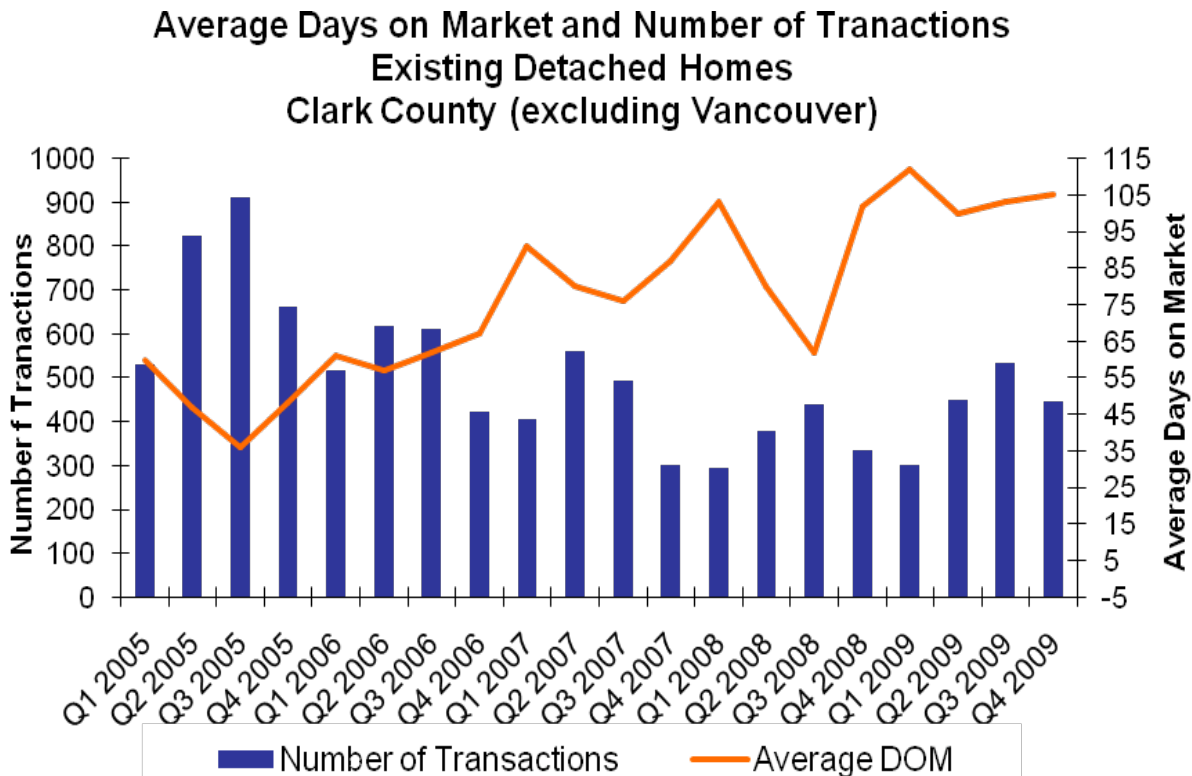
Vancouver

Vancouver’s median home price was \$194,750 resulting in a quarterly decrease (-4.5%) and an annual decrease (-10.5%) in home values. On a positive note, the number of home sales increased to 715, up 0.1% quarterly and 69% annually. The number of days on the market is down to 85, a 1% decrease from 2008.



In the suburbs of Clark County, home prices have dropped to \$238,000, a 1.1% drop from the previous quarter's median price. An annual outlook indicates that home prices are down 0.8% from 2008.

The number of home transactions in the Clark County suburbs is down 16.3% for the quarter but up 33.4% annually. The number of days on the market has increased 2.9% annually and is up to 105.



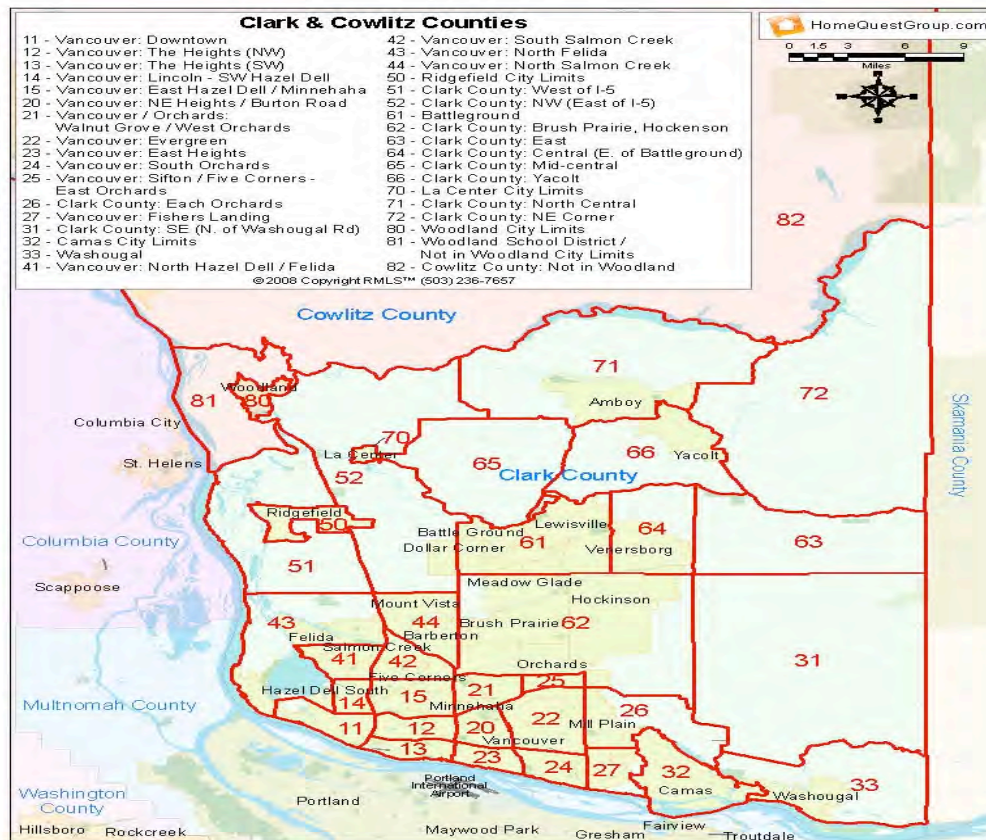
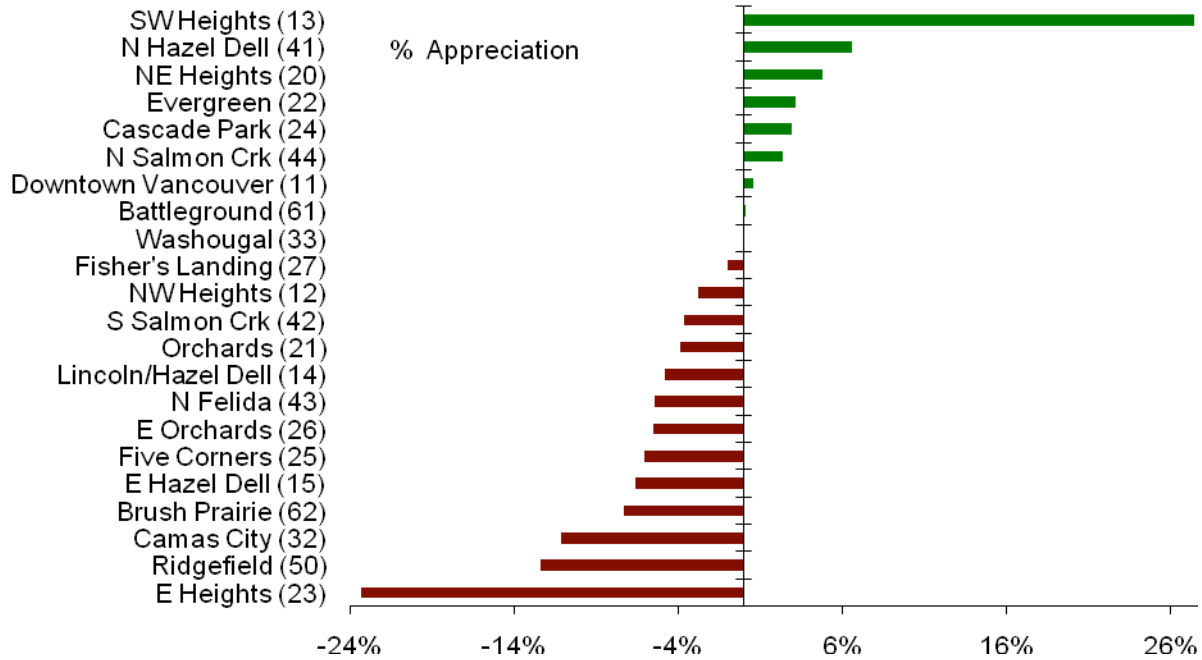
Eight Vancouver/Clark County submarkets experienced price appreciation for the quarter. The Southwest Heights area had the strongest quarter with an appreciation rate of 27.5% followed by North Hazel Dell (6.6%) and Northeast Heights (4.8%).

Conversely, the East Heights area had the highest depreciation rate at (-23.4%) followed by Ridgefield (-12.4%) and Camas City (-11.1%).

Annual changes show that only Southwest Heights (50.6%), Brush Prairie (6.7%) and North Salmon Creek (0.5%) increased in value.

The rest of the submarket depreciated led by Ridgefield (-26.9%) and Northeast Heights (22.6%).

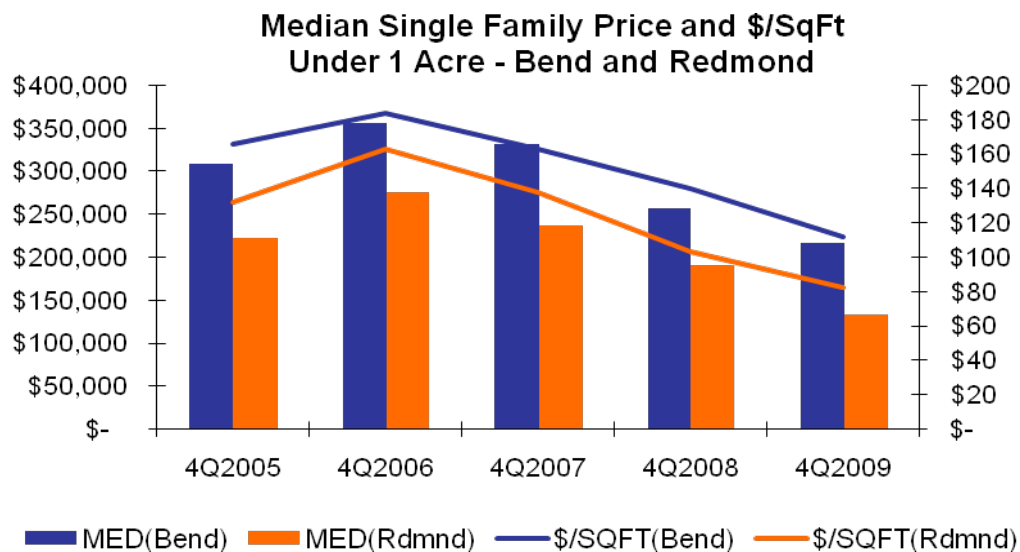
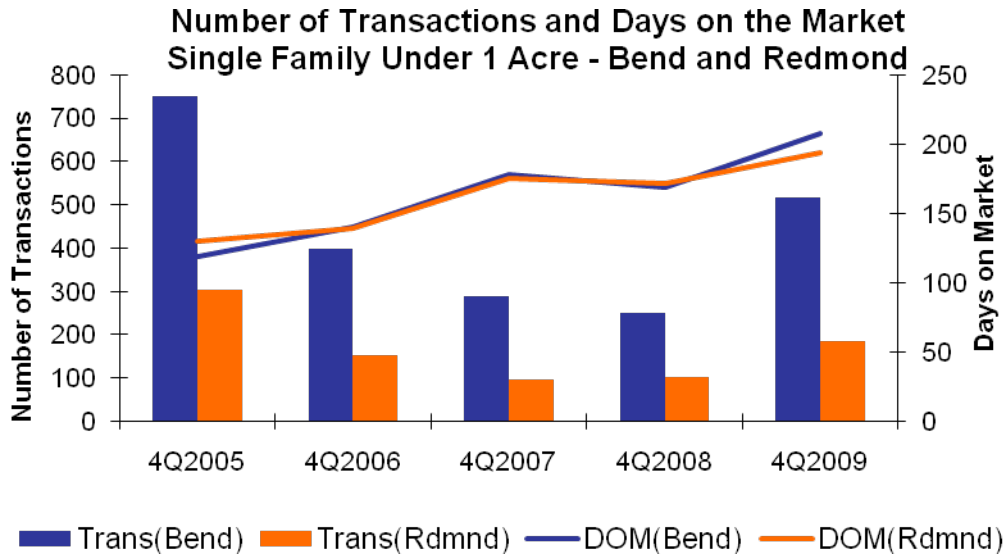
Appreciation Rates of Existing Detached Homes Vancouver and Clark County Sub Market - Q3 2009 - Q4 2009



Map Courtesy of the RMLS

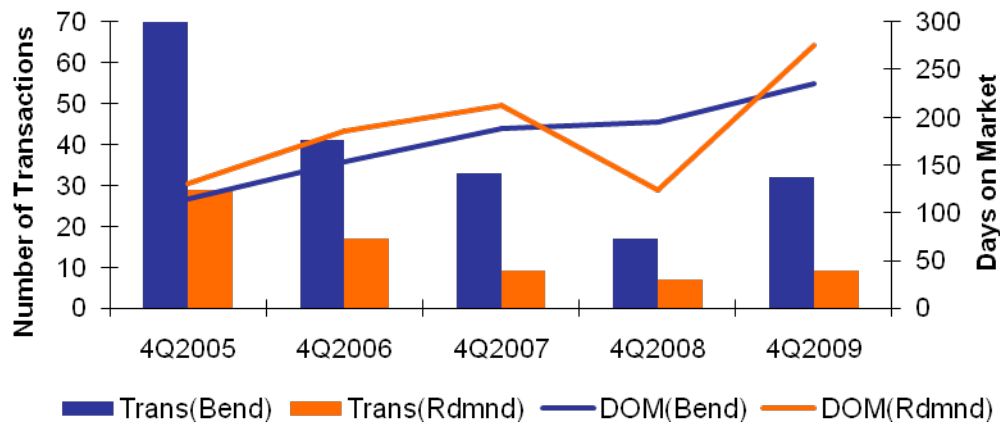
Central Oregon

Both Bend and Redmond experienced significant increases from the previous year with respect to the number of homes sold. Bend home sales are up 105% to 516 while Redmond's increased 80% to 187. The number of days on the market increased to 208 for Bend and 194 for Redmond. The median home prices declined significantly for both Central Oregon submarkets. Bend home prices plummeted (-15.7%) to \$215,750 while Redmond prices slipped (-29.8%) to \$133,000. Price-per-square-foot numbers also declined significantly for Bend and Redmond at \$112 and \$82.

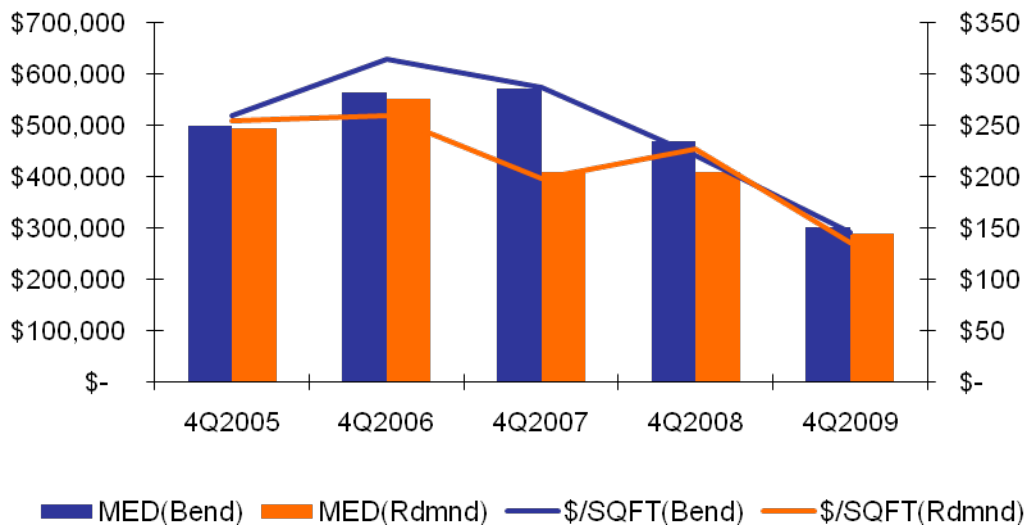


As it is commonly reported in Central Oregon’s reports, the housing stock is separated by lot size, properties under one acre and those between one and five acres. Price per square foot is provided to control for lot size between both categories. Fourth quarter statistics are mostly negative for Central Oregon homes lying on acreage. Bend transactions increased 88.2% from 2008 while Redmond experienced an increase of 28.6%. However, Bend home prices plummeted (-35.9%) to \$300,050 while Redmond prices slipped (-29.5%) to \$289,000. Price per square foot is down to \$146 for Bend and \$136 for Redmond. The number of days on the market increased for both areas as Bend is at 235 and Redmond is at 275.

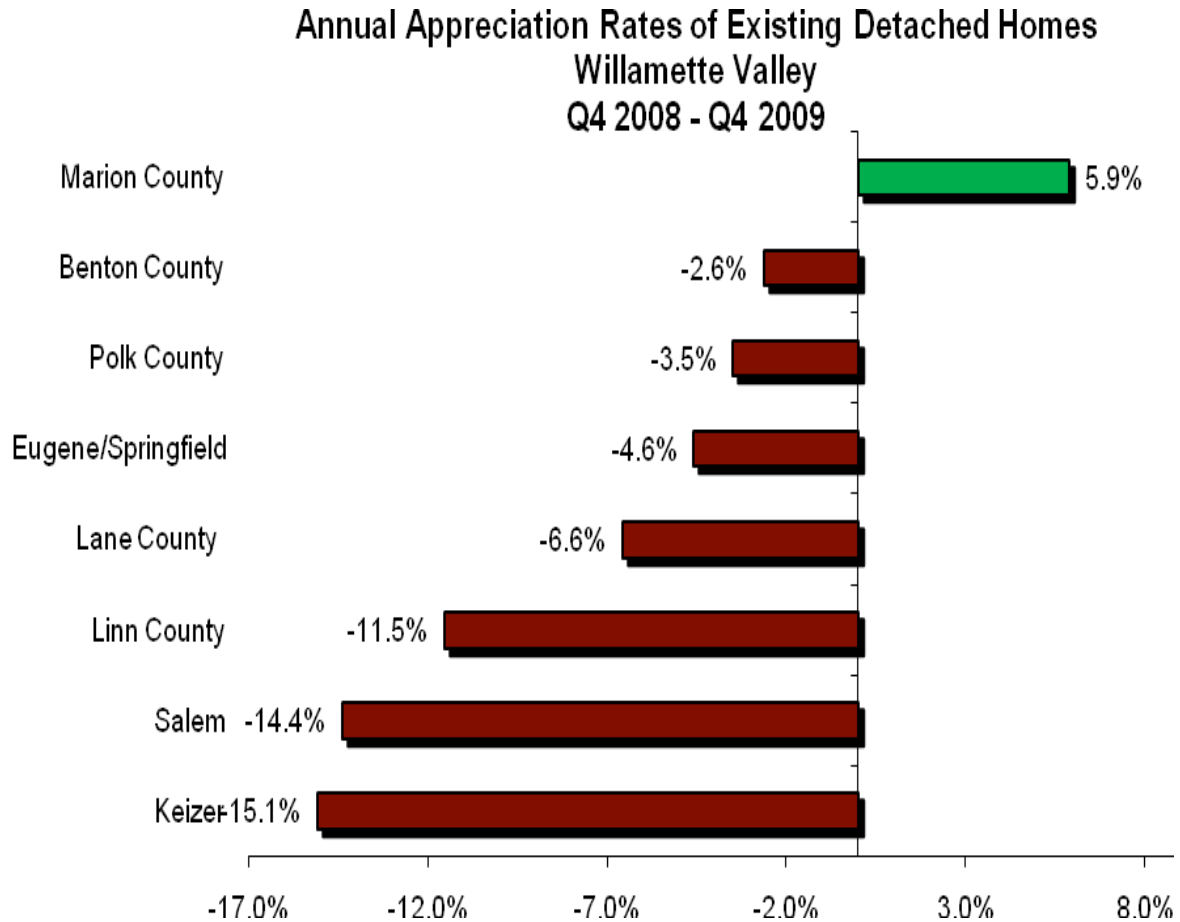
**Number of Transactions and Days on the Market
Single Family 1-5 Acres -Bend and Redmond**



**Median Single Family Price and \$/SqFt
1-5 Acres - Bend and Redmond**



Willamette Valley

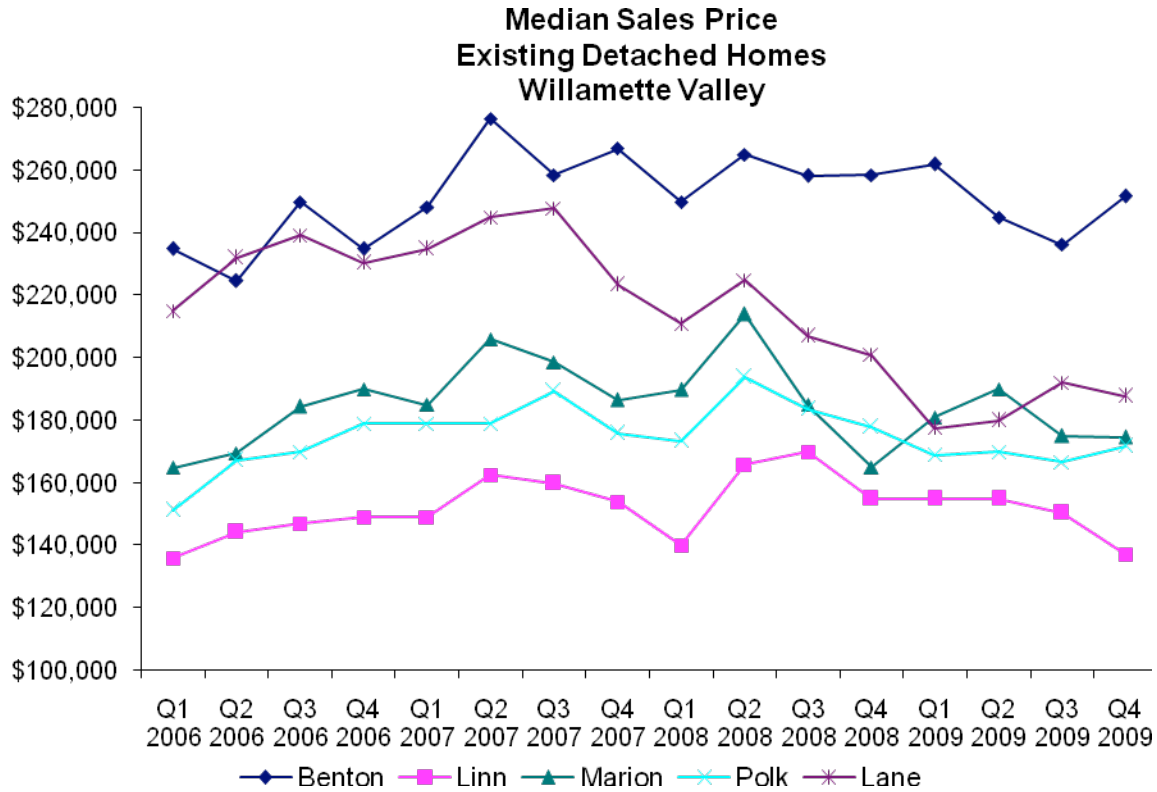


With the exception of Marion County (5.9%), all Willamette Valley submarkets experienced annual depreciation on existing home prices.

Keizer suffered the worst quarter in the valley with declining prices of (-15.1%) followed closely by Salem at (-14.4%).

The number of transactions over the past year increased for all of these areas with Marion County increasing the most (68%).

The number of days on the market increased for all of these submarkets with the exception of Linn County.

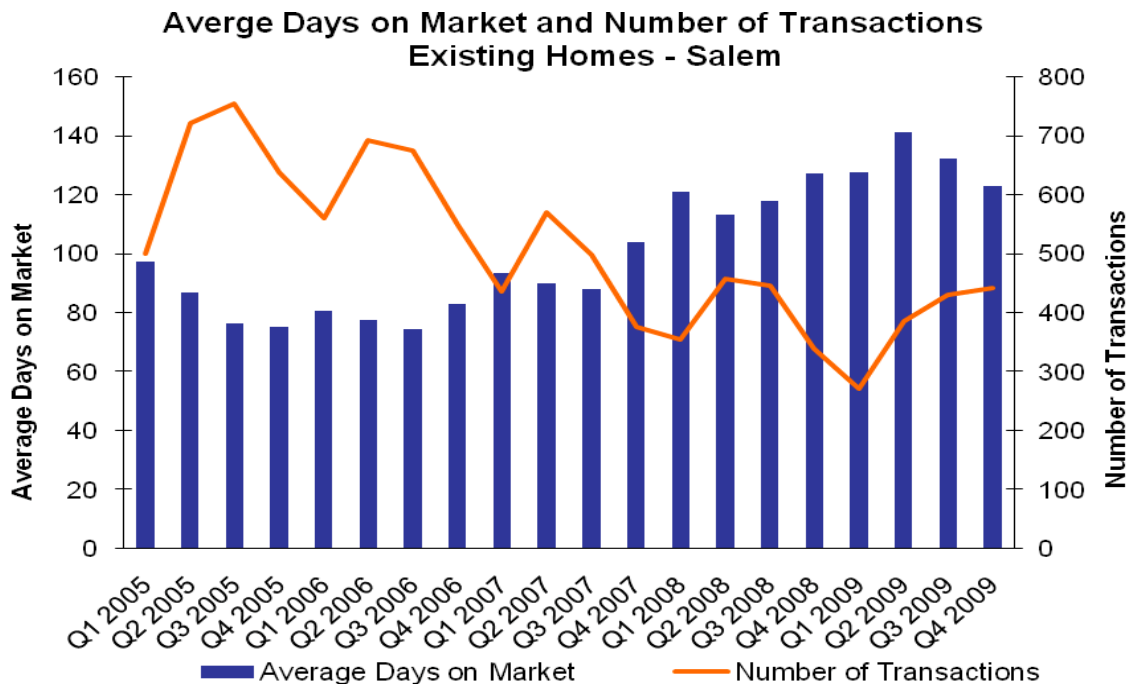
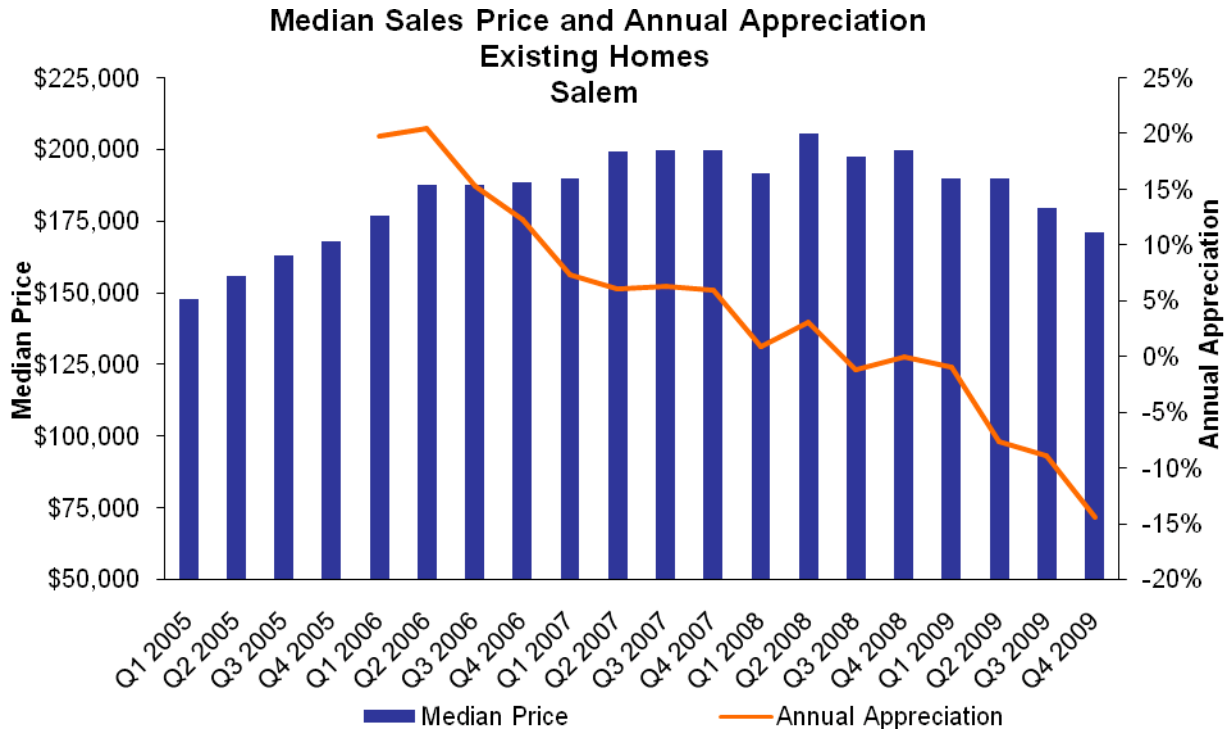


Salem

Salem’s housing market continues to suffer annual depreciation of home prices. However, the number of transactions has increased annually and the number of days on the market has decreased.

Prices declined (-14.4%) from the previous year to \$171,225. Meanwhile, the number of days on the market decreased to 123, approximately four months.

The number of transactions increased (30.4%) from the previous year to 442.



Eugene/Springfield

The Eugene/Springfield area experienced declining home prices relative to the fourth quarter of 2008. However, the number of transactions rose 34.5% annually to 515. The median price was down 4.6% to \$209,900. Sellers currently have their houses on the market for 78 days before closing and are realizing 92.15% of their original listing price on the sale.

