
RESIDENTIAL MARKET ANALYSIS

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Existing-home sales eased in March from inventory constraints, which continued to pressure home prices, according to the National Association of Realtors.

Total existing-home sales, which are completed transactions that include single-family homes, townhomes, condominiums and co-ops, declined 0.6 percent to a seasonally adjusted annual rate of 4.92 million in March from a downwardly revised 4.95 million in February, but remain 10.3 percent higher than the 4.46 million-unit pace in March 2012.

Sales have been above year-ago levels for 21 consecutive months, while prices show 13 consecutive months of year-over-year price increases.

Lawrence Yun, NAR chief economist, said there is more demand than supply in the current market. “Buyer traffic is 25 percent above a year ago when we were already seeing notable gains in shopping activity,” he said. “In the same timeframe housing inventories have trended much lower, which is continuing to pressure home prices. The good news is home construction is rising and low mortgage rates are con-

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tinuing to keep affordability conditions at historically favorable levels. The bad news is that underwriting standards remain excessively tight, while renters are getting squeezed by higher rents.”

The national median existing-home price for all housing types was \$184,300 in March, up 11.8 percent from March 2012. The March increase was the largest year-over-year since November 2005.

Single-family home sales decreased 0.2 percent to a seasonally adjusted annual rate of 4.32 million in March from 4.33 million in February, and are 9.1 percent higher than the 3.96 million-unit level in March 2012. The median existing single-family home price was \$185,100 in March, up 12.1 percent from a year ago.

Existing condominium and co-op sales decreased 3.2 percent to a seasonally adjusted annual rate of 600,000 in March, and are 20 percent above the 500,000-unit pace a year ago. The median existing condo price was \$178,900 in March, which is 10.4 percent higher than March 2012.

Regionally, existing-home sales in the Northeast were unchanged at an annual level of 630,000 in March and are 6.8 percent above March 2012. The median price in the Northeast was \$237,000, up 3.0 percent from a year ago.

Existing-home sales in the Midwest increased 1.8 percent in March to a pace of 1.16 million but are 14.9 percent higher than a year ago. The median price in the Midwest was \$141,800, up 7.8 percent from March 2012.

In the South, existing-home sales decreased 1.5 percent to an annual level of 1.95 million in March but are 12.7 percent above March 2012. The median price in the region was \$161,700, up 10.4 percent from a year ago.

Existing-home sales in the West declined 1.7 percent to an annual pace of 1.18 million in March but are 4.4 percent above a year ago. With continuing inventory shortages in the region, the median price in the West was \$258,100, which is 26.1 percent higher than March 2012.

Mortgage interest rates are still hovering at nearly 60-year lows. The national average commitment rate for a 30-year conventional, fixed-rate mortgage was 3.41 percent in April, up from 3.34 percent in January; the rate was 3.91 percent in April 2012.

First time homebuyers constituted 30 percent of homes in March, unchanged from February. They were 33 percent in March 2012. Investors purchased 19 percent of homes in March, which declined from 21 percent in March 2012.

The four counties in the Portland metro area have added 9,000 residential homes or apartment units since 2010.

Median Home Values of Existing Detached Homes

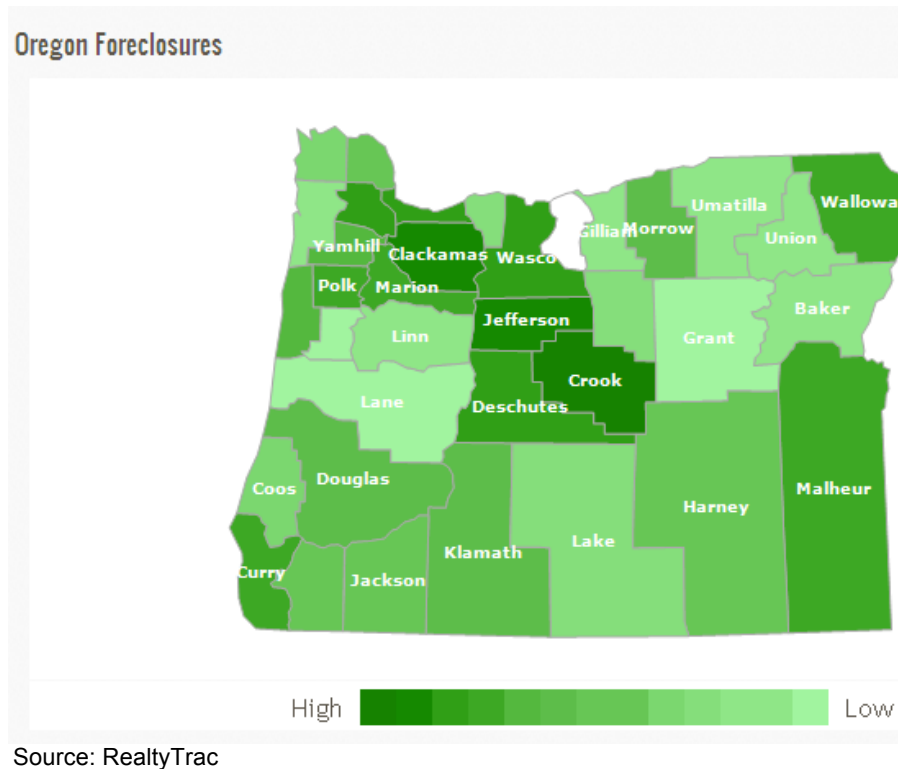
	U.S.	West	Portland Metro Area
March 2012 Median Sales Price	\$164,800	\$204,600	\$206,500
March 2013 Median Sales Price	\$184,300	\$258,100	\$242,000
% Change in Median Sales Price	11.8%	26.1%	14.7%
% Change in Number of Sales Mar 2012- Mar 2013	10.3%	4.4%	N/A

Standard & Poor's Case-Shiller Index for was 146.14 through January 2013. The represents an increase of 0.1 percent from December 2012, and a year-over-year increase of 8.1 percent. Portland was at 140.74 in January, which is an 0.4 percent decrease from December, and up 8.3 percent compared to the same time last year. The index data shows that in January 11 of the 20 major U.S. metropolitan cities, home prices increased from the previous month, 6 including Portland decreased, and three remained unchanged.

Foreclosure filings were reported on 442,117 U.S. properties during the first quarter, a decrease of 12 percent from the previous quarter and a decrease of 23 percent from the first quarter of 2012. Foreclosure activity is at the lowest level since the second quarter of 2007.

“Although the overall national foreclosure trend continues to head lower, late-blooming foreclosures are bolting higher in some local markets where aggressive foreclosure prevention efforts in previous years are wearing off,” said Daren Blomquist, vice president at RealtyTrac. “Meanwhile, more recent foreclosure prevention efforts in other states have drastically increased the average time to foreclose, which could result in a similar outbreak of delayed foreclosures down the road in those states.”

During the first quarter of 2013 Oregon reported 7,879 foreclosure fillings. Multnomah County had the state's highest level of activity in September 2012 with 275 homes.



According to RealtyTrac, the ten states that ranked the highest in foreclosure rates in March 2013 were Florida, Nevada, Illinois, Ohio, Georgia, Arizona, Washington, Maryland, South Carolina, and California. Of these states, Florida posted the nation's highest state foreclosure rate, with one in every 104 housing units receiving a foreclosure filing in the first quarter of 2013, more than three times the national average. In Nevada one in every 115 housing units and in Illinois one in every 147 housing units filed for foreclosure during the first quarter of 2013.

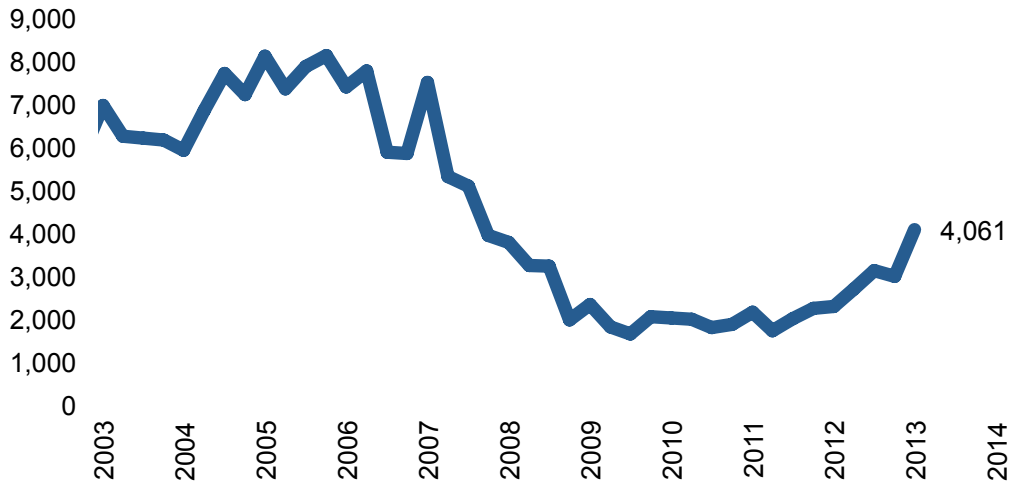
Single family building permits have increased sharply in the first quarter of 2013 in the US and Oregon. Statewide permitting activity is 79 percent higher than in the first quarter 2012. The Portland-Vancouver-Beaverton area has seen a 112 percent increase over last year's first quarter activity. The Portland area has not seen this level of permit activity since just before the market crash.

Building permits for new private housing, Oregon and selected areas

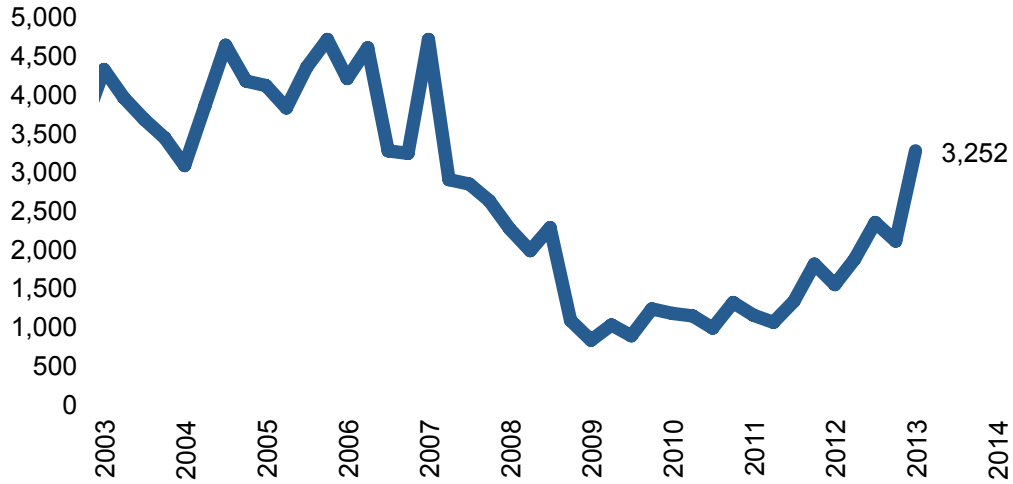
	This Quarter	Same Quarter Last Year	Percent Increase
Portland MSA	3,252	1,531	112%
Bend	250	140	79%
Eugene	262	146	79%
Medford	128	82	56%
Oregon	4,061	2,271	79%

With the exception of Corvallis, the state and all major Oregon markets increased more than the US average for single-family with Bend increasing 131 percent since February 2012. Multifamily new construction has increased sharply in the US and even more in Oregon.

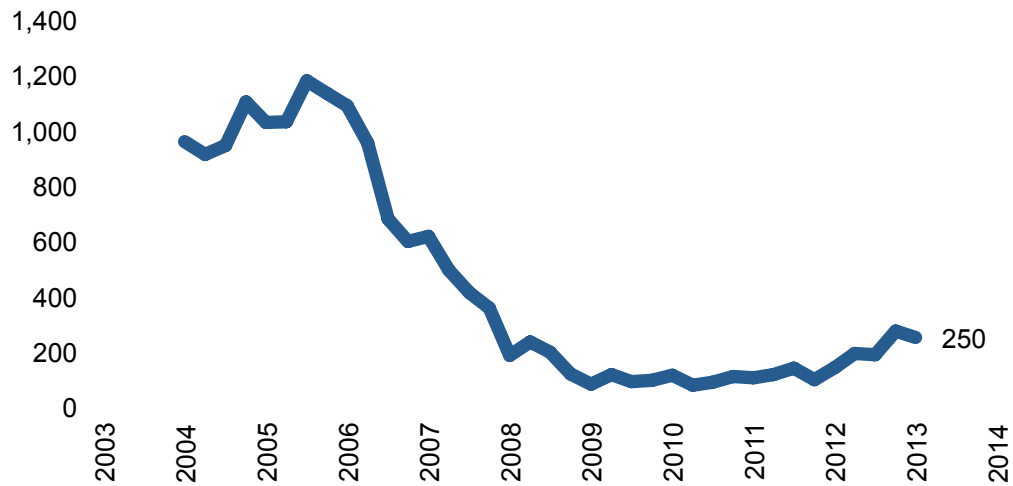
Building permits for new private housing Oregon, statewide



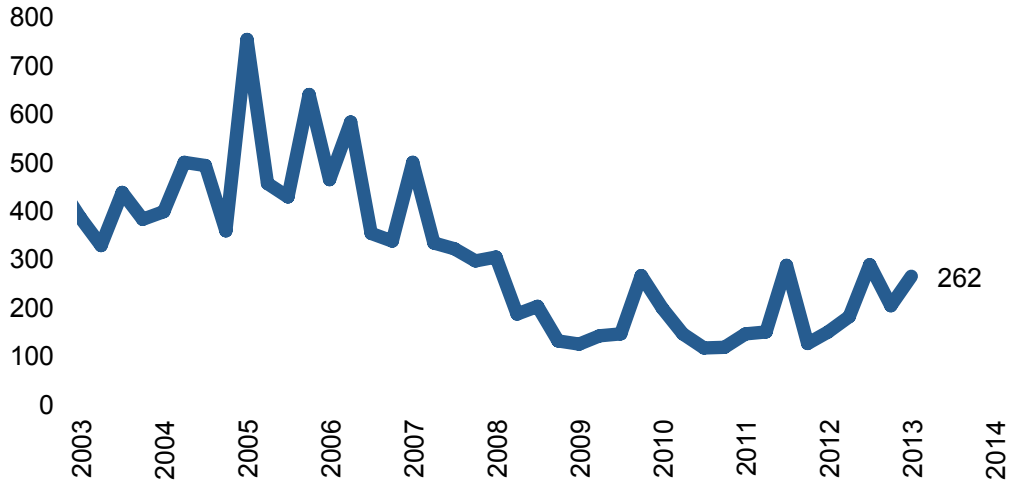
Building permits for new private housing Portland-Vancouver-Beaverton MSA



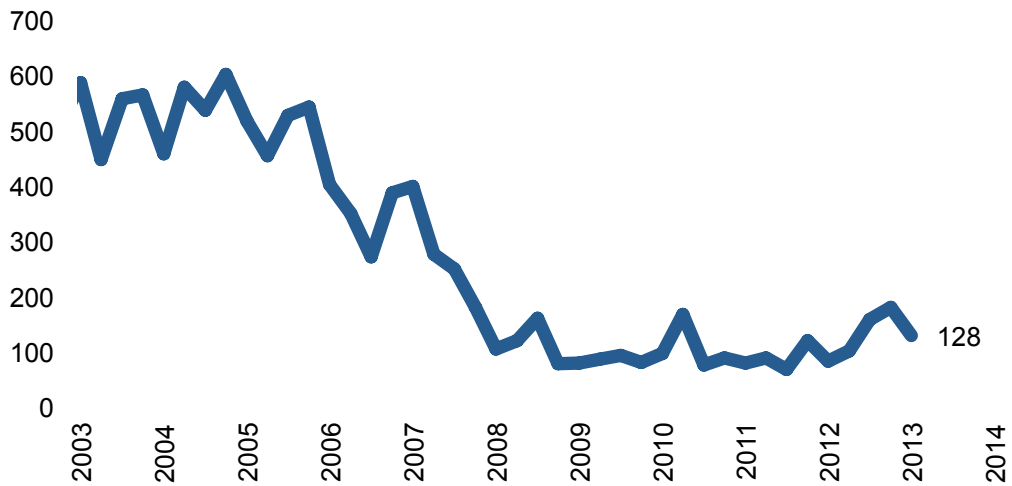
Building permits for new private housing Bend



**Building permits for new private housing
Eugene-Springfield**



**Building permits for new private housing
Medford**



PORTLAND

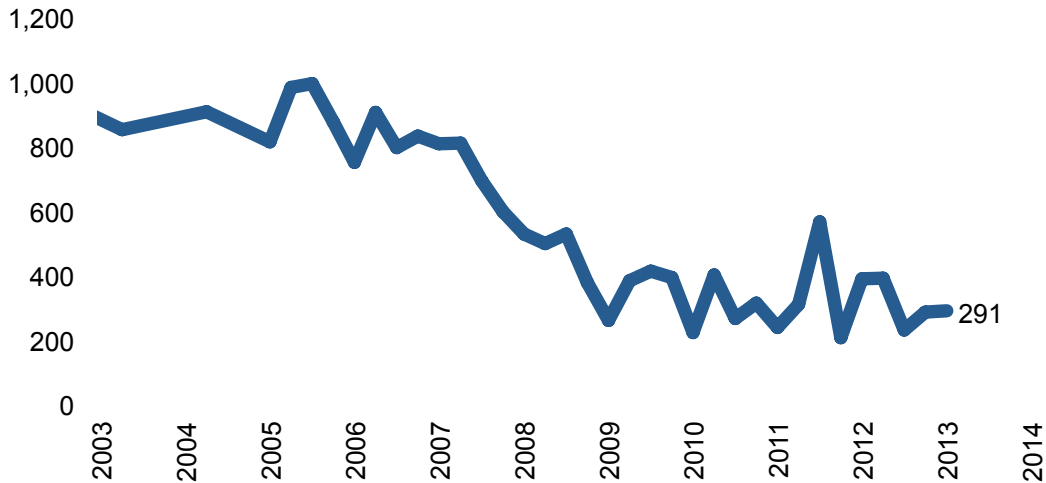
Buyers closed on purchases of 4,026 homes. The number of transactions in first quarter 2013 decreased 5.9 percent from last quarter, and decreased 17.6 percent

annually. Median prices for the first quarter were at \$291,250 which represents a 1.5 percent increase over the previous quarter and a 26 percent increase annually.

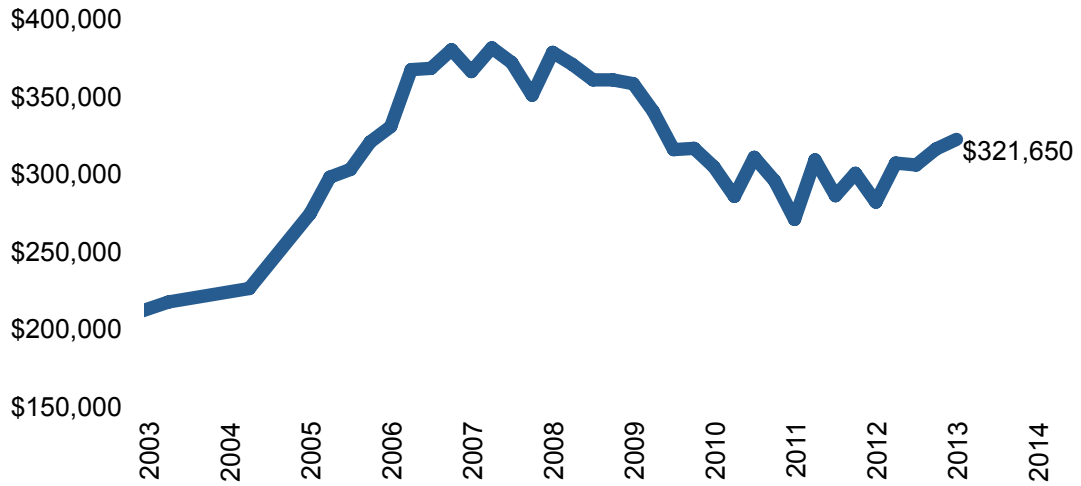
The data comparing sales price to list price cooled a bit from its red hot performance last quarter and number of days on the market increased slightly as well. Properties sold at an average price of 98.3 percent of the original list price. Sellers in the Portland area have had their homes on the market for an average of 41 days before closing, which one more than 40 in the previous quarter.

There were 291 new properties sold, compared to 287 in fourth quarter, and a 25.6 percent decrease from first quarter 2012. The new properties sold at a median price of \$321,650 which was a 2 percent increase from fourth quarter. New home prices increased from first quarter 2012 by 14.5 percent.

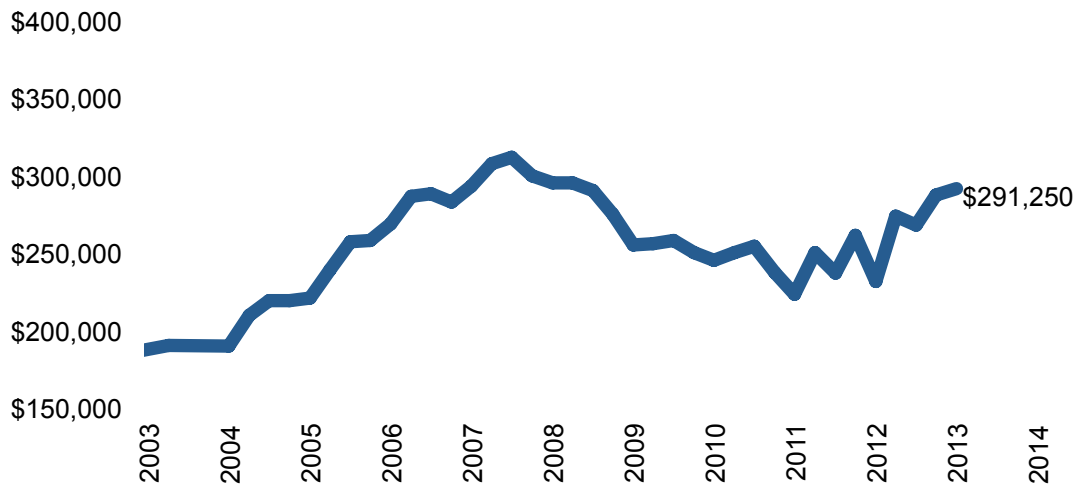
**Number of transactions
Portland metro, new detached homes**



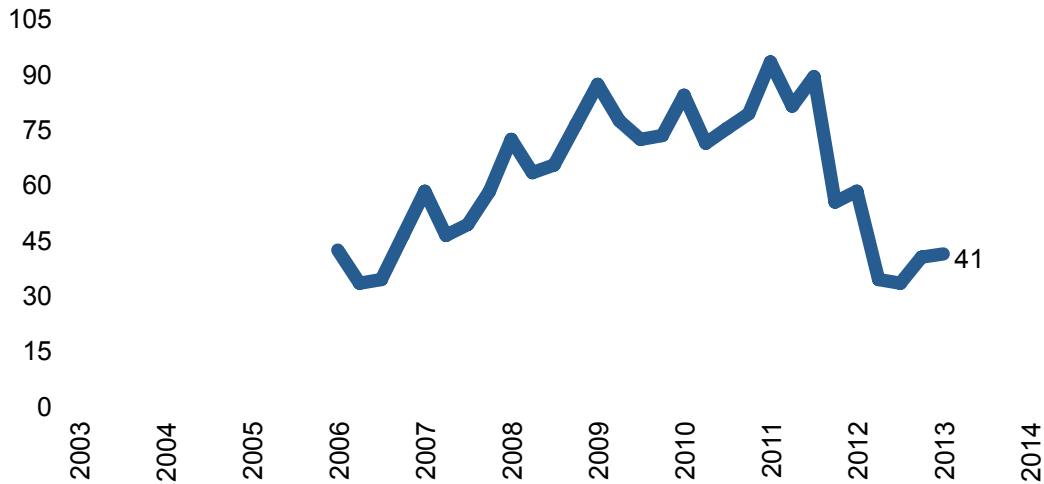
**Median sales price
Portland metro, new homes**



**Median sales price
Portland metro, existing homes**



Days on market Portland metro, existing homes

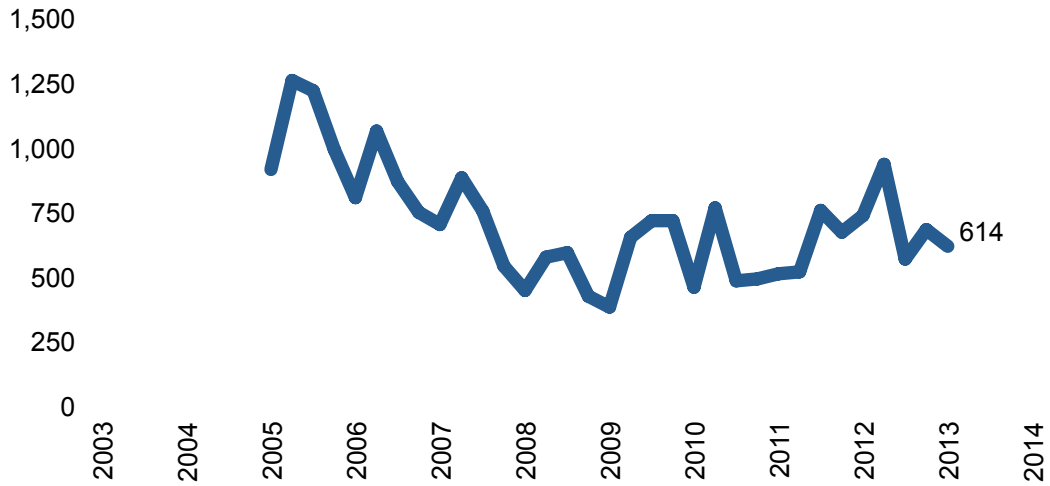


VANCOUVER

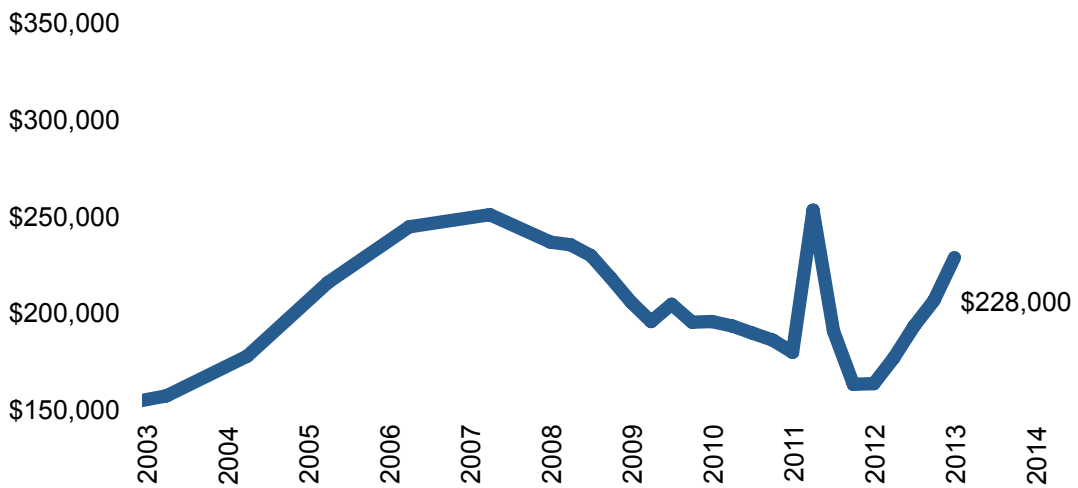
In Vancouver, the median home price in first quarter 2013 was \$228,000, which increased 40 percent year over year. This was a 10.7 percent increase from the previous quarter. The number of homes sold in first quarter decreased by over 9 percent from the previous quarter to 614, and by 16.2 percent annually. The number of days on market increased by 8.5 percent from the previous quarter to 51 but this was down from 63 last year at this time.

In the Vancouver suburbs median home price during the first quarter of 2013 was \$258,800, a 2.5 percent increase from fourth quarter 2012 when it was \$252,600. The number of homes sold in first quarter was up 3.1 percent increase from the fourth quarter of 2012 at 531, but it decreased by 2.4 percent year over year. However, the number of days on the market increased to 74 from 62 in the previous quarter and 73 in first quarter 2012.

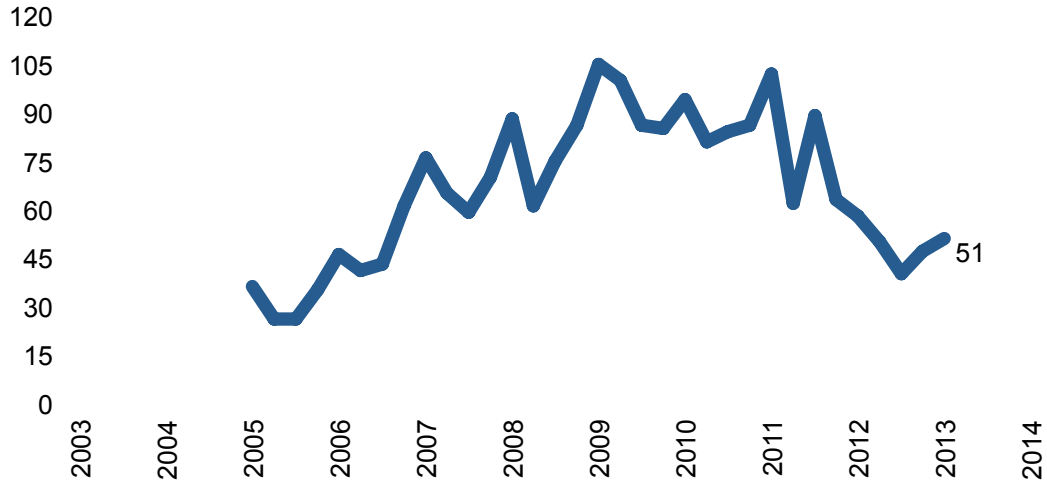
**Number of transactions
Vancouver, existing homes**



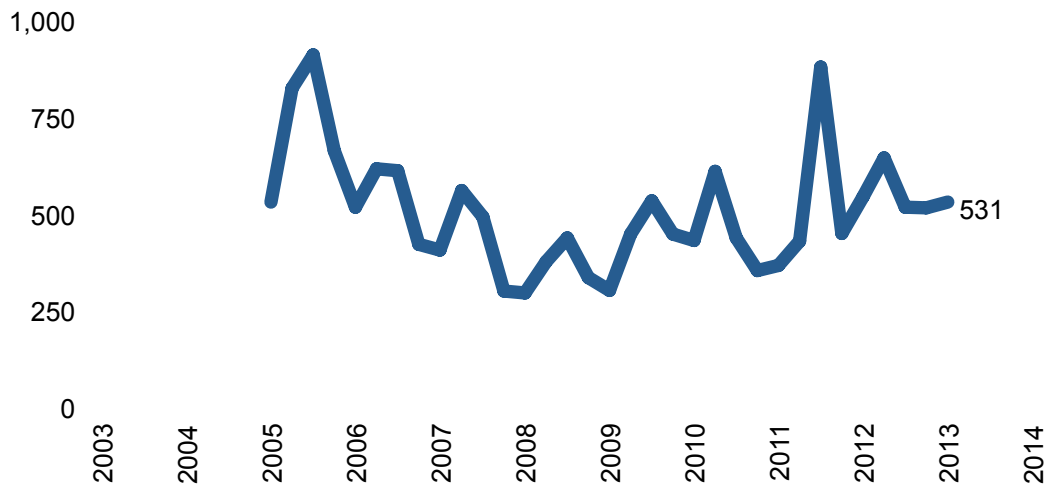
**Median sales price
Vancouver, existing homes**



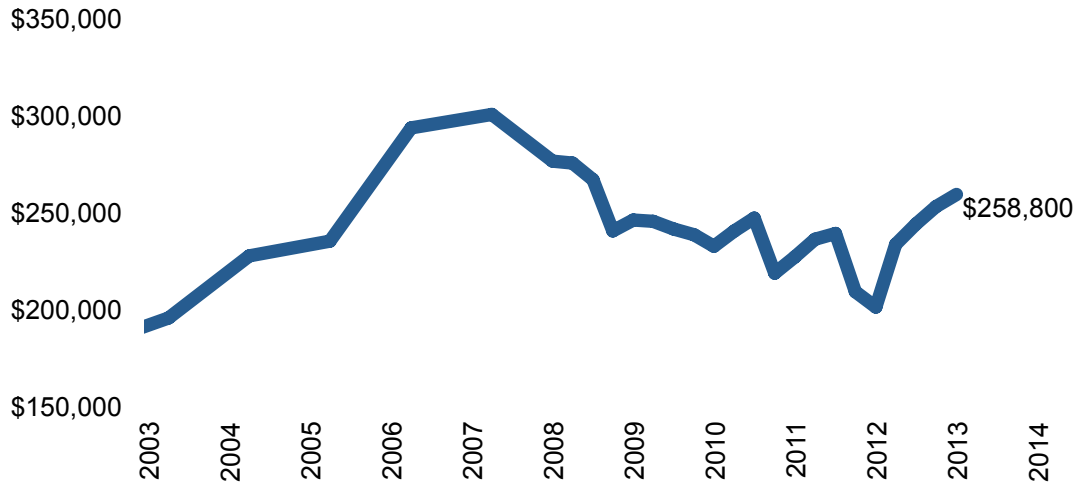
Days on market
Vancouver, existing homes



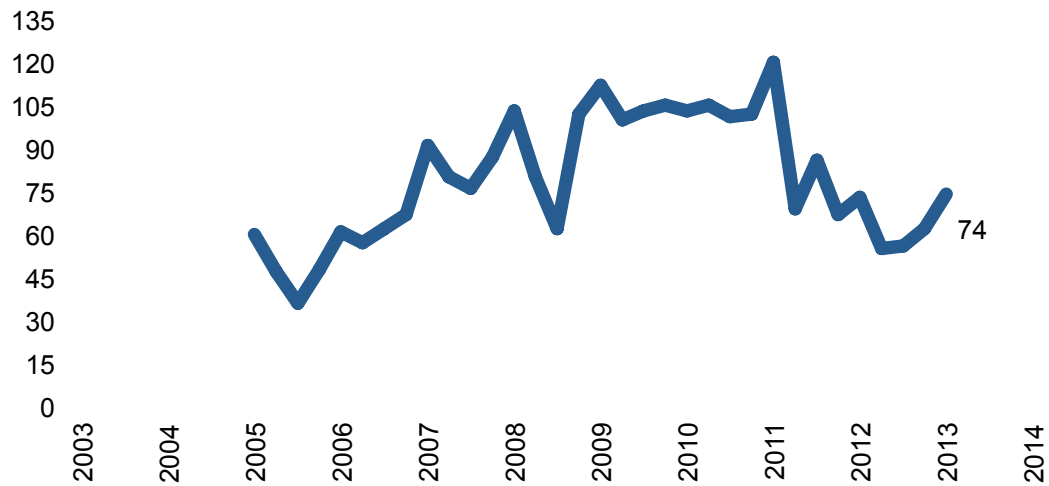
Number of transactions
Clark County, excluding Vancouver, existing homes



**Median sales price
Clark County, excluding Vancouver, existing homes**



**Days on market
Clark County, excluding Vancouver, existing homes**



CENTRAL OREGON

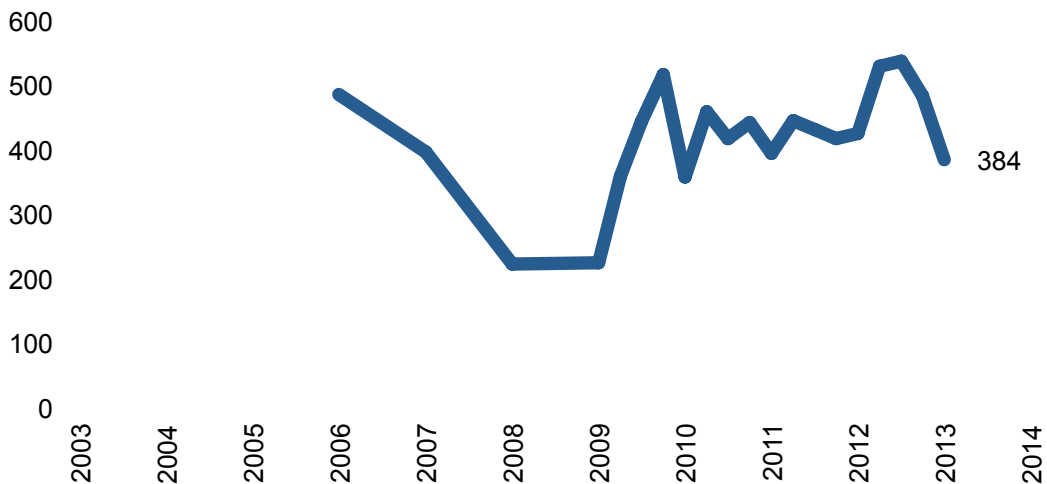
At 384 transactions, first quarter Bend home sales of less than one acre are down 9.4 percent since the same period last year. At 113 transactions of less than one acre, Redmond is down 17.5 percent over last year. For larger properties—homes on

1-5 acres—transactions are up 15.8 percent in Bend and down 21.1 percent in Redmond.

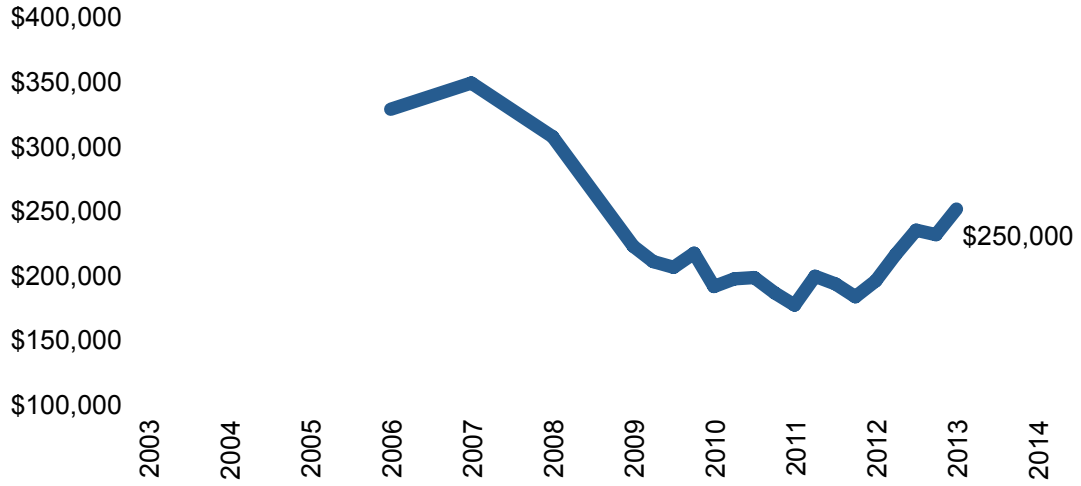
Although transaction volume is up, so is the number of days on the market for every market in Central Oregon. Properties less than an acre spend nearly five months on the market before sale. Larger properties average eight months in Bend and nearly one year in Redmond.

For sales under an acre, the median home prices for Bend and Redmond both increased since the fourth quarter of the previous year. The median price in Bend market increased 28.4 percent to \$250,000, while Redmond increased 27.1 percent to \$162,000. Results are mixed in the market for larger properties: the median price in Bend is down 5.8 percent, but the median price is up 6.4 percent in Redmond. Measured on a price-per-square-foot basis, the median price of properties of 1-5 acres is up 5.3 percent in Bend, and up 5.4 percent in Redmond.

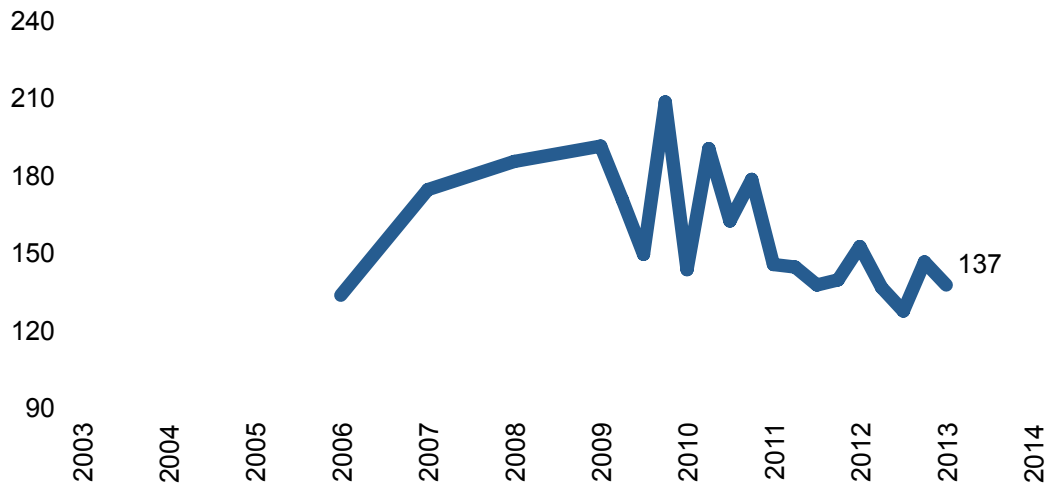
**Number of transactions
Bend, under 1 acre**



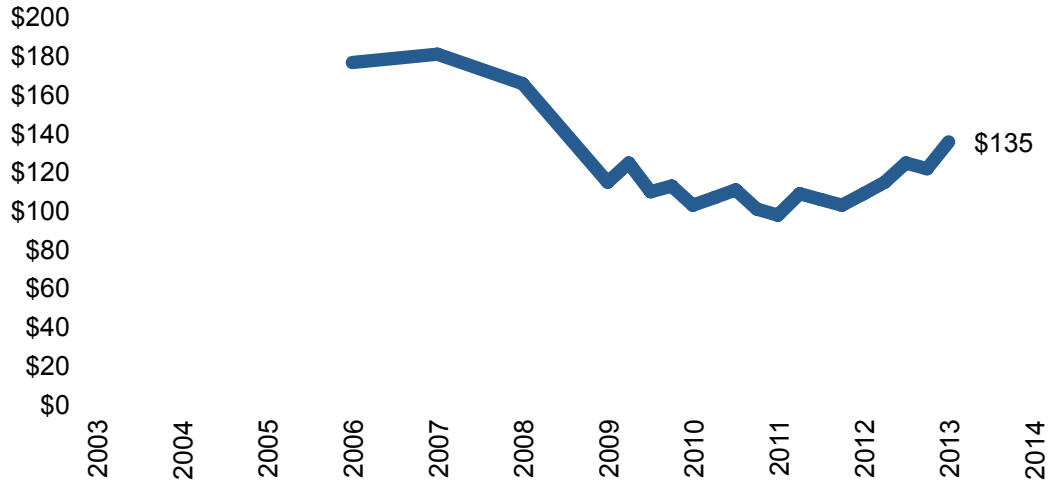
**Median sales price
Bend, under 1 acre**



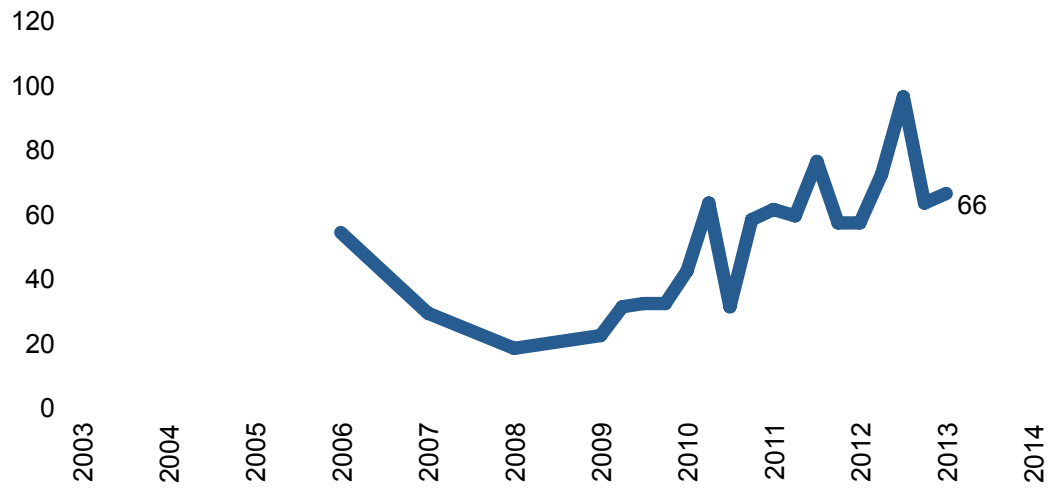
**Days on market
Bend, under 1 acre**



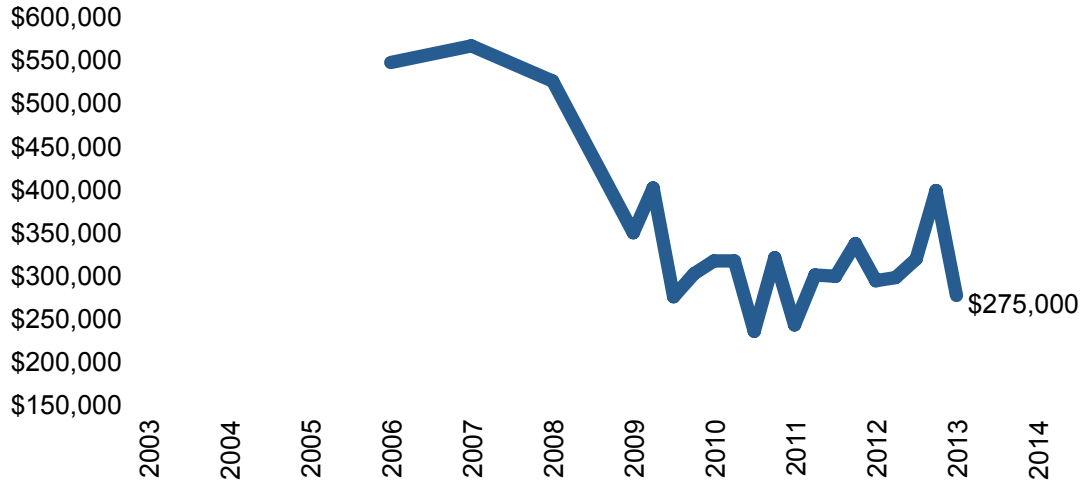
**Median sales price, \$ per square foot
Bend, under 1 acre**



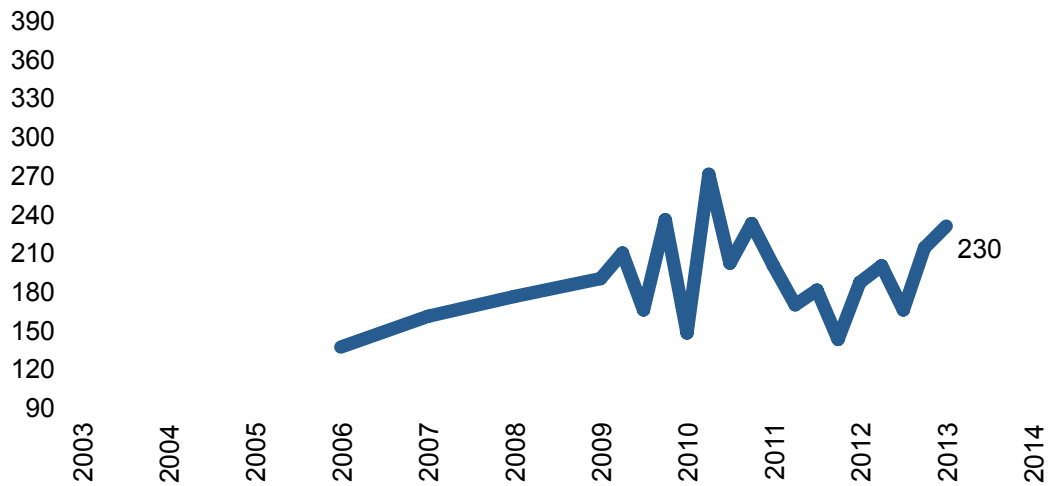
**Number of transactions
Bend, 1-5 acres**



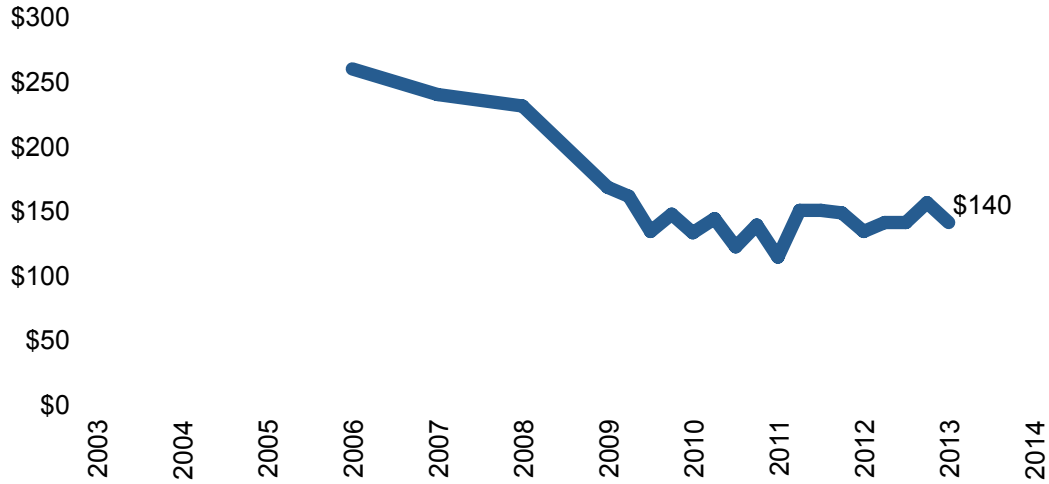
**Median sales price
Bend, 1-5 acres**



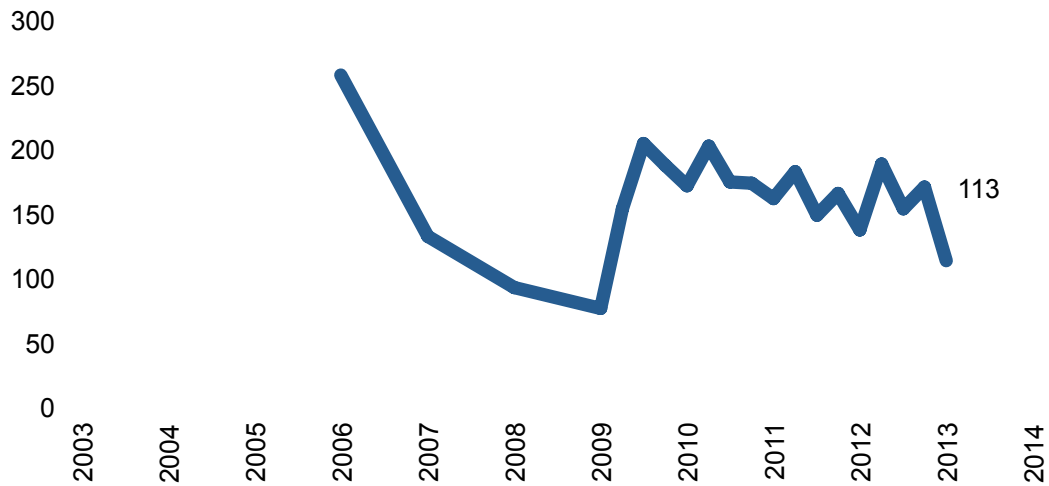
**Days on market
Bend, 1-5 acres**



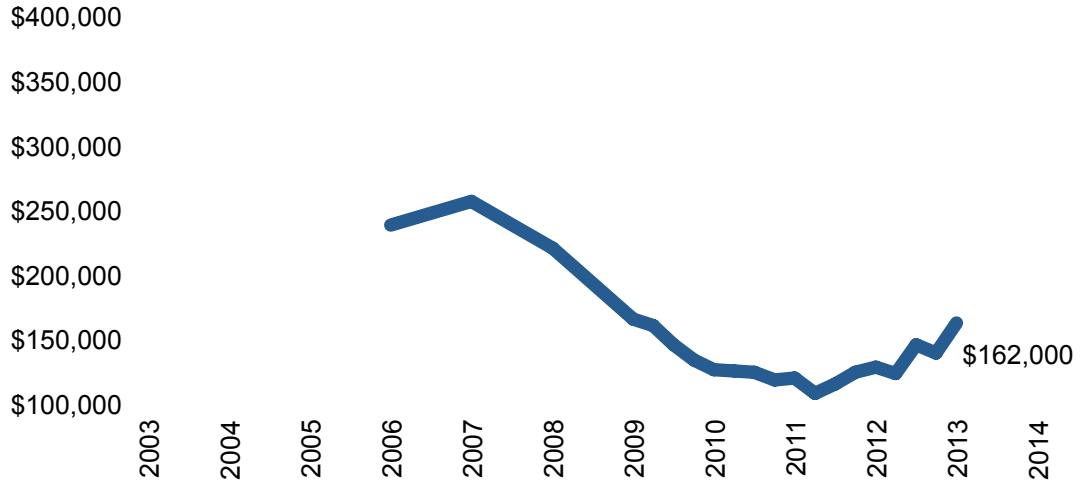
**Median sales price, \$ per square foot
Bend, 1-5 acres**



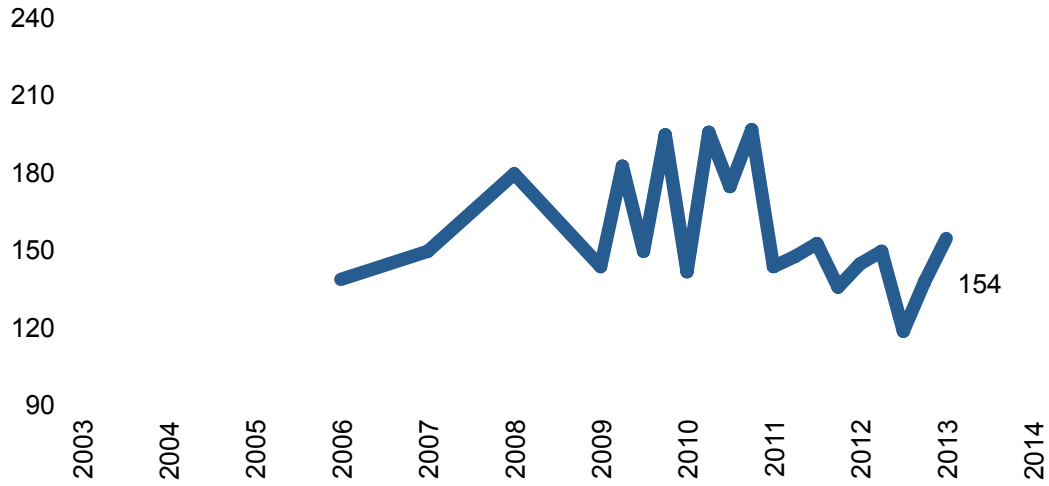
**Number of transactions
Redmond, under 1 acre**



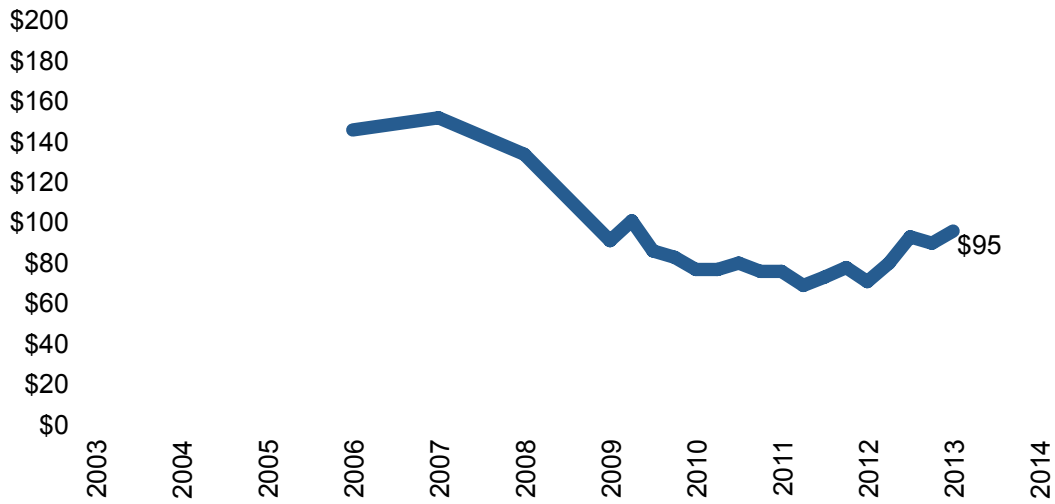
**Median sales price
Redmond, under 1 acre**



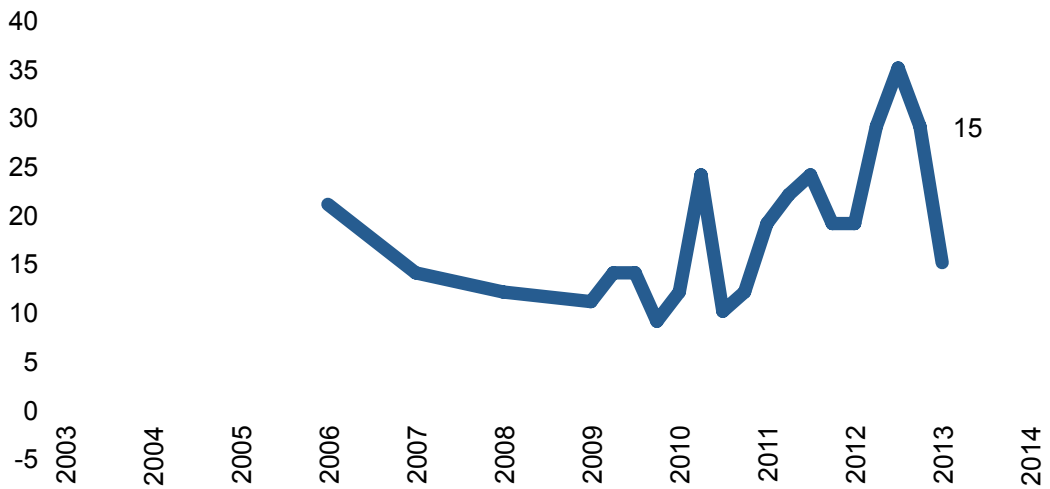
**Days on market
Redmond, under 1 acre**



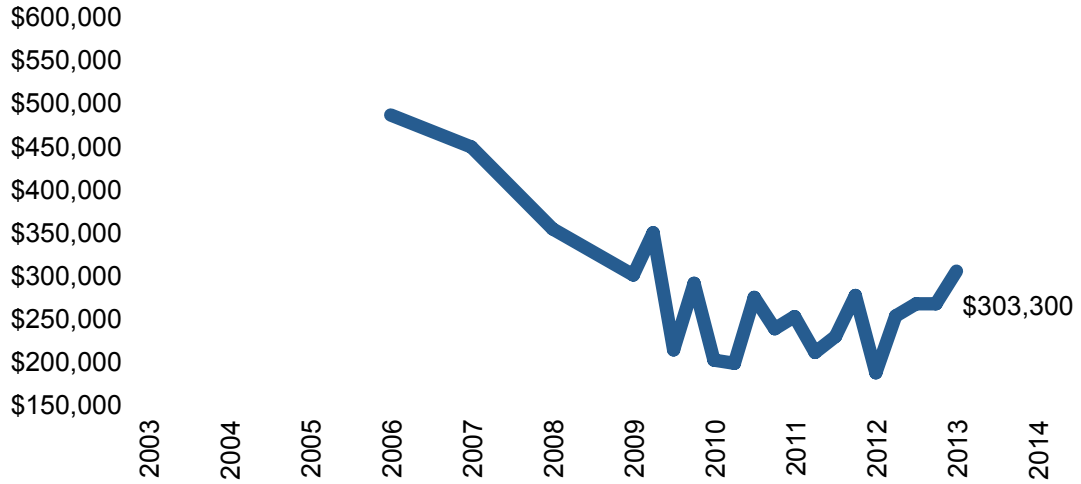
**Median sales price, \$ per square foot
Redmond, under 1 acre**



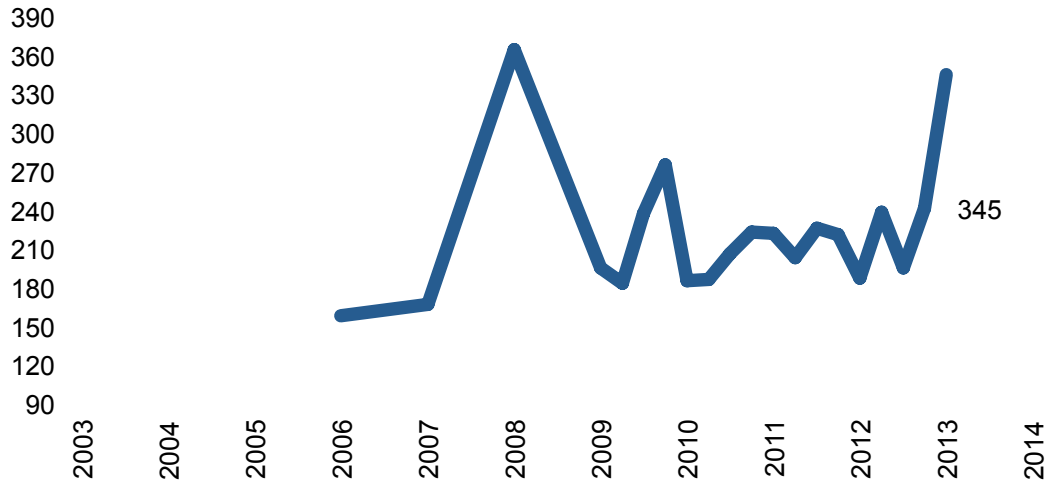
**Number of transactions
Redmond, 1-5 acres**



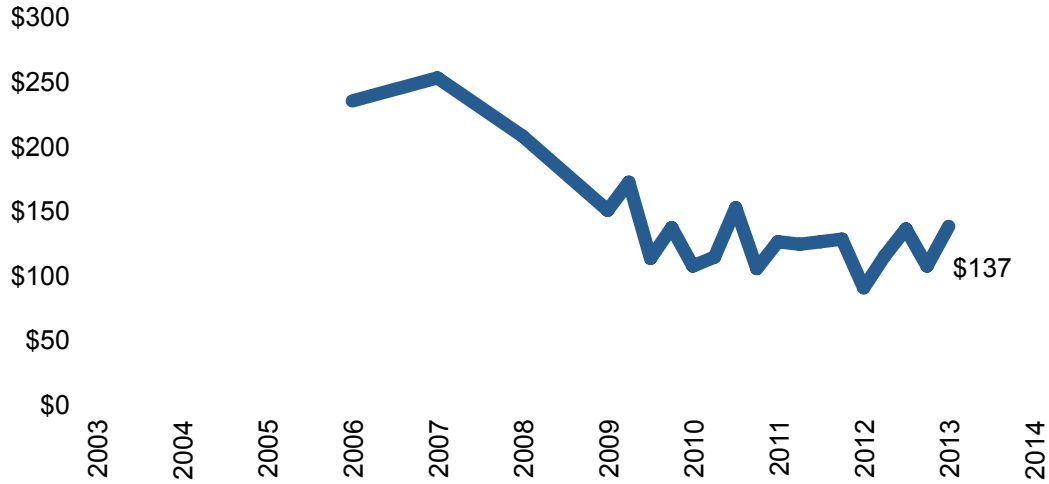
**Median sales price
Redmond, 1-5 acres**



**Days on market
Redmond, 1-5 acres**



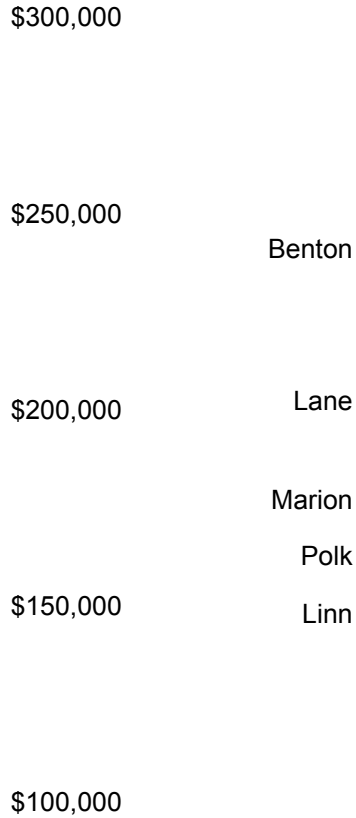
**Median sales price, \$ per square foot
Redmond, 1-5 acres**



WILLAMETTE VALLEY

Marion County increased 10 percent from the previous quarter to a median sold price of \$155,900. Polk County decreased year over year by 8.2 percent. Benton County increased 7.3 percent over the past year to a median price of \$250,000.

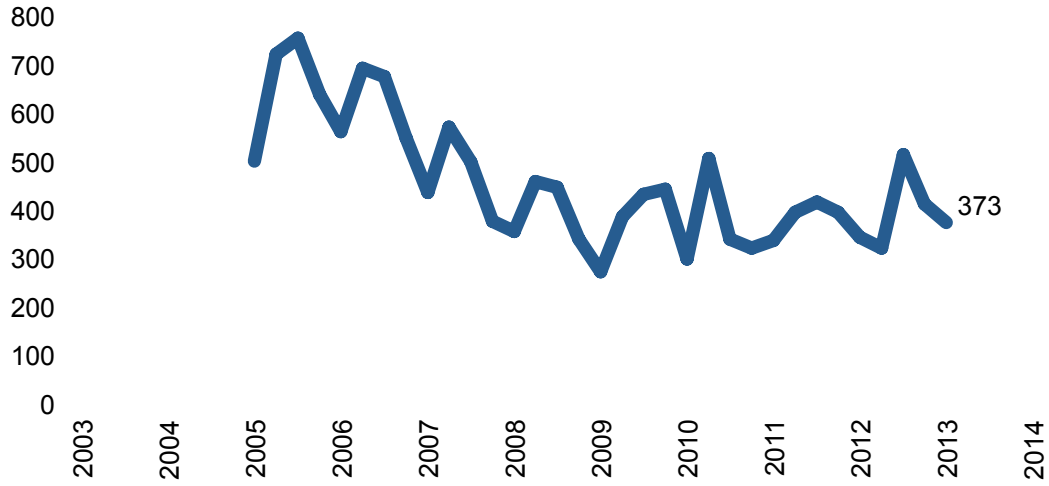
**Median sales price
Willamette Valley, existing detached homes**



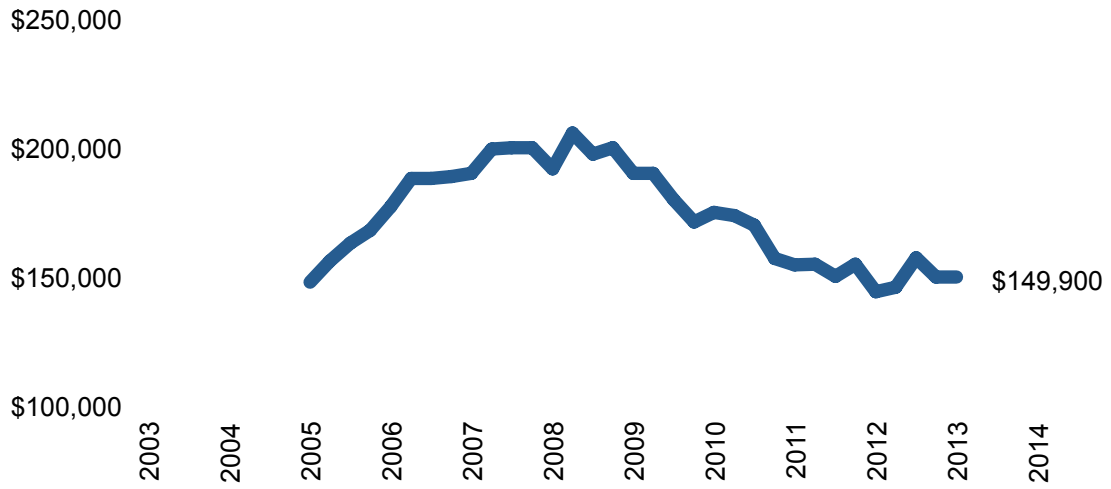
SALEM

Salem's housing market was unchanged since the fourth quarter of the previous year with a median sold price of \$149,900. At the same time, the number of transactions are down 9.2 percent, and the number of days on the market has dropped from 123 days in the fourth quarter of 2012 to 116 in the first quarter of 2013.

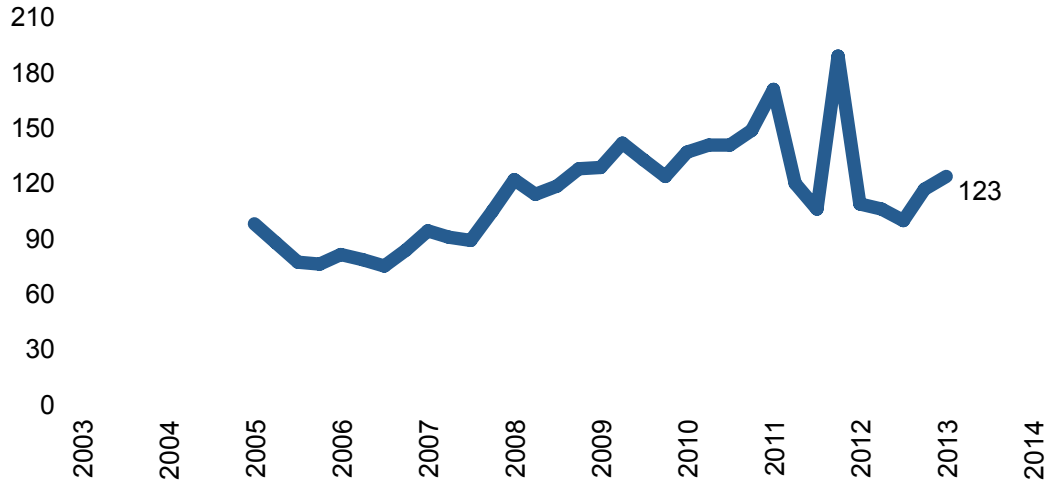
**Number of transactions
Salem, existing homes**



**Median sales price
Salem, existing homes**



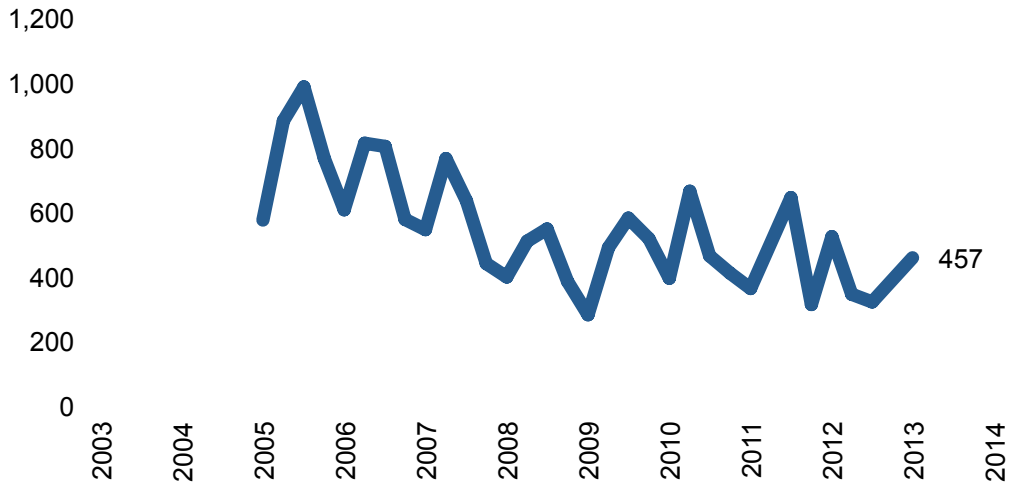
**Days on market
Salem, existing homes**



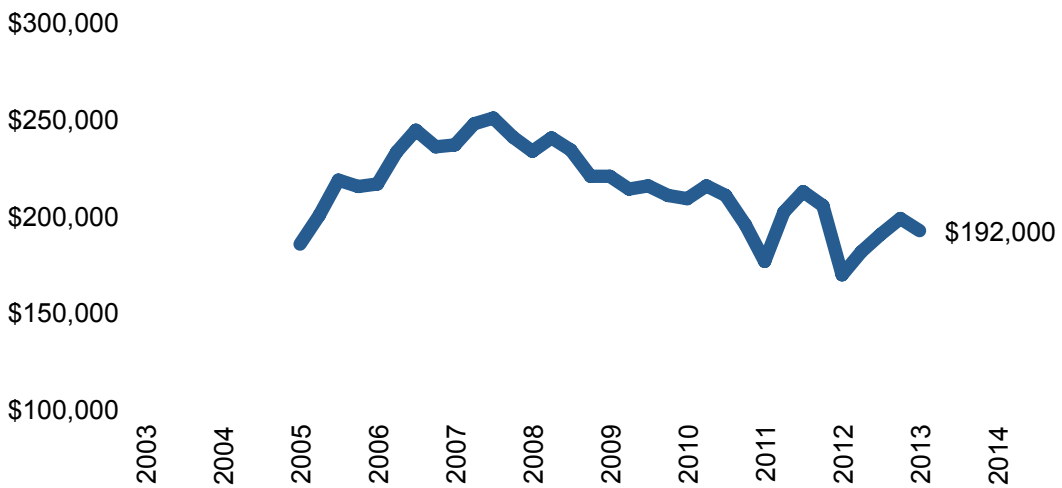
EUGENE/SPRINGFIELD

Home prices in the Eugene/Springfield area were down 3 percent since the previous quarter. However, at a median price of \$192,000, the year-over-year median price is up 13.7 percent. There were 457 transactions in the first quarter of 2013. The median number of days on the market for sold transaction was 53.

Number of transactions
Eugene-Springfield, existing homes



Median sales price
Eugene-Springfield, existing homes



Days on market
Eugene-Springfield, existing homes

