
RESIDENTIAL MARKET ANALYSIS

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RMLS Student Fellow

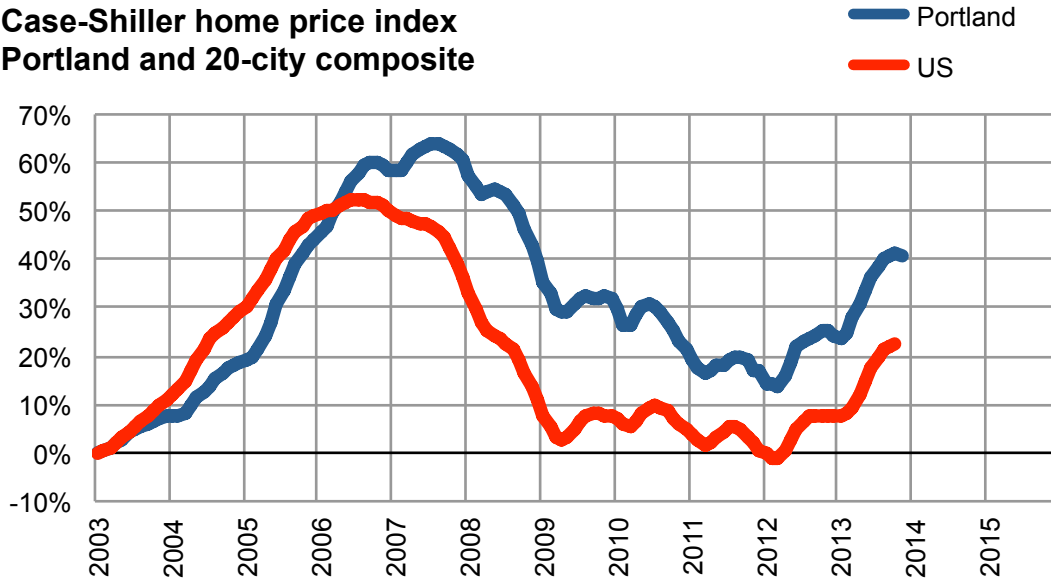
Master of Real Estate Development Graduate Student

Existing home sales in the United States edged up in December and median prices maintained strong growth, according to the National Association of Realtors. For all of 2013, there were 5.09 million sales, which is 9.1 percent higher than 2012. It was the strongest performance since 2006 when sales reached a high of 6.48 million at the close of the housing boom.

Lawrence Yun, NAR chief economist, said housing has experienced a healthy recovery over the past two years. “Existing home sales have risen nearly 20 percent since 2011, with job growth, record low mortgage interest rates and a large pent up demand driving the market,” he said. “We lost some momentum toward the end of 2013 from disappointing job growth and limited inventory, but we ended with a year that was close to normal given the size of our population.” Housing inventory fell to 1.86 million existing homes available for sale which is a 9.3 percent decline and a 4.6 month supply at current pace.

■ Scott Holden is a Senior Relationship Manager at First Republic Bank. He is currently working towards the Master of Real Estate Development degree through Portland State University’s School of Business where he is an RMLS Student Fellow. Any errors or omissions are the author’s responsibility. Any opinions expressed are those of the author solely and do not represent the opinions of any other person or entity.

**Case-Shiller home price index
Portland and 20-city composite**



Across the 20 metro areas included in the Standard & Poor’s/Case-Shiller Index prices were up 13.7 percent in November from a year earlier. In the Portland area, prices were up 12.5 percent from a year earlier but down 0.3 percent for the month. Nine of the 20 cities surveyed saw a monthly decline in prices in November, while nine others saw prices rise. Two showed no change. Every city surveyed showed prices rising year-over-year.

Regionally the west performed better in terms of increase in units sold and increase in median sales price followed by followed by the South. While the Northeast and Midwest both showed increases in median prices the number of units sold declined.

Inventory remains low at 3.2 months and Realtors continue to report a lack of quality inventory.

New construction and infill projects are competing for buildable land and lots driving prices up for both raw lots and finished product.

Table 1: Regional Home Sales and Prices, 2013 Fourth Quarter

Region	Sales	Year-Over-Year	
		Change	Median Price
Northeast	640,000	-1.5%	\$239,300
Midwest	1,110,000	-4.3%	\$150,700
South	2,030,000	3.0%	\$173,200
West	1,090,000	4.8%	\$285,000

Table 2: Median Home Values of Existing Detached Homes, 2013 Fourth Quarter

	U.S.	West	Portland Metro Area
December 2012 Median Sales Price	\$180,250	\$245,700	\$247,900
December 2013 Median Sales Price	\$197,900	\$285,000	\$267,300
% Change in Median Sales Price	9.8%	16.0%	12.8%
% Change in Number of Sales Dec 2012- Dec 2013	1.9%	4.8%	14.3%

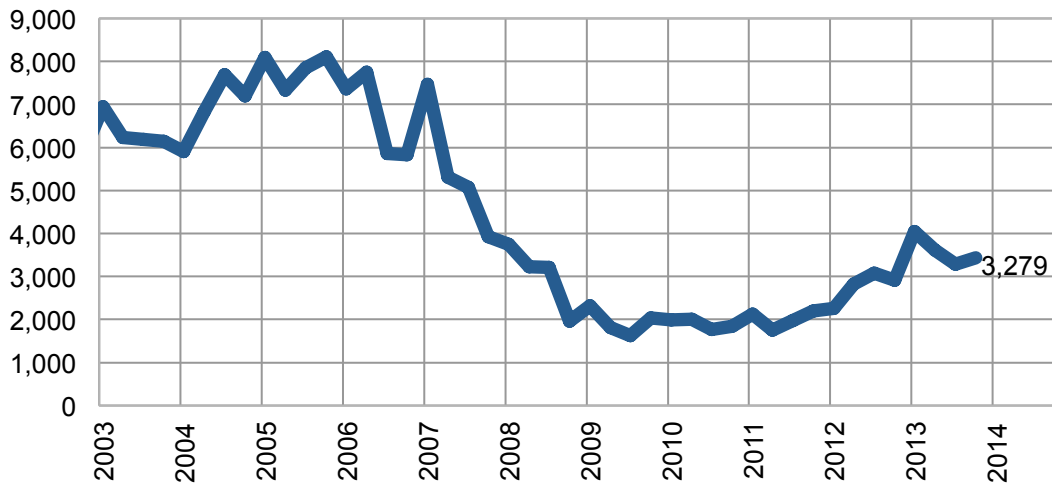
Table 3: Year-Over-Year Changes in Portland Market

	2012:4Q	2013:4Q	% Change
New			
Days on market	80	71	-11%
Median price	\$308,626	\$350,000	13%
Units sold	669	534	-20%
Existing			
Days on market	76	80	5%
Median price	\$242,000	\$271,500	12%
Units sold	4,659	4,725	1%

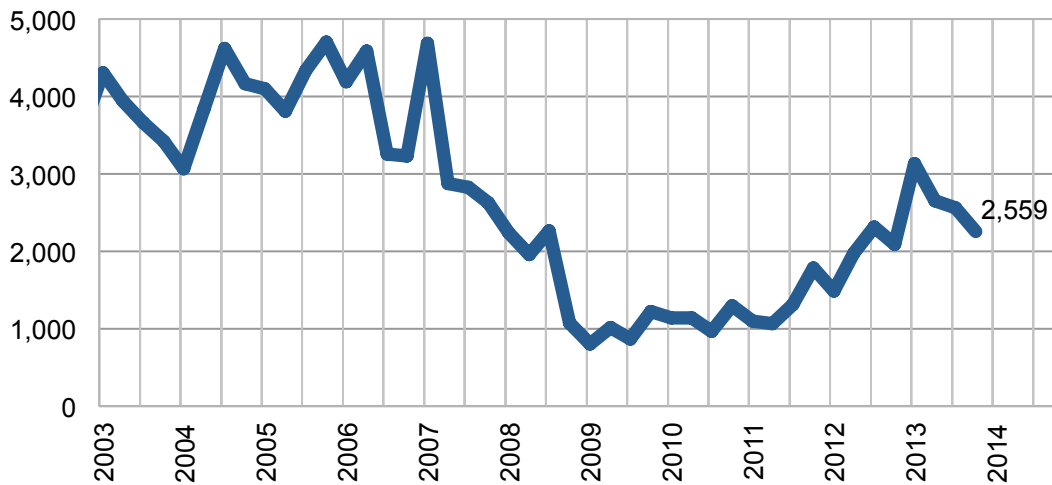
PERMITTING ACTIVITY

Residential building permit activity picked up in 2013. Statewide, permits were 30 percent higher in 2013 than in 2012. The Portland area saw an increase of 35 percent, while Bend experienced a 65 percent increase in permitting activity. Eugene and Medford saw increase of 20 percent to 25 percent.

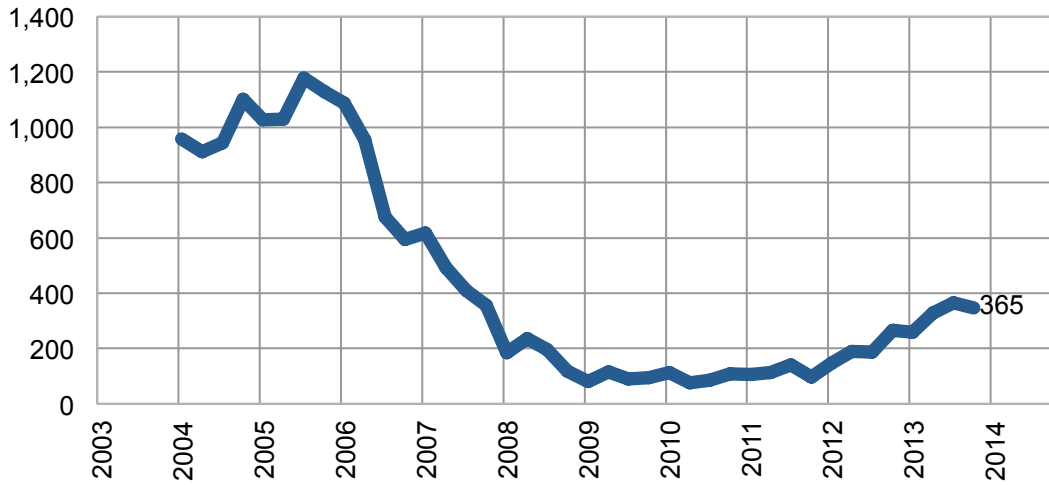
**Building permits for new private housing, quarterly
Oregon, statewide**



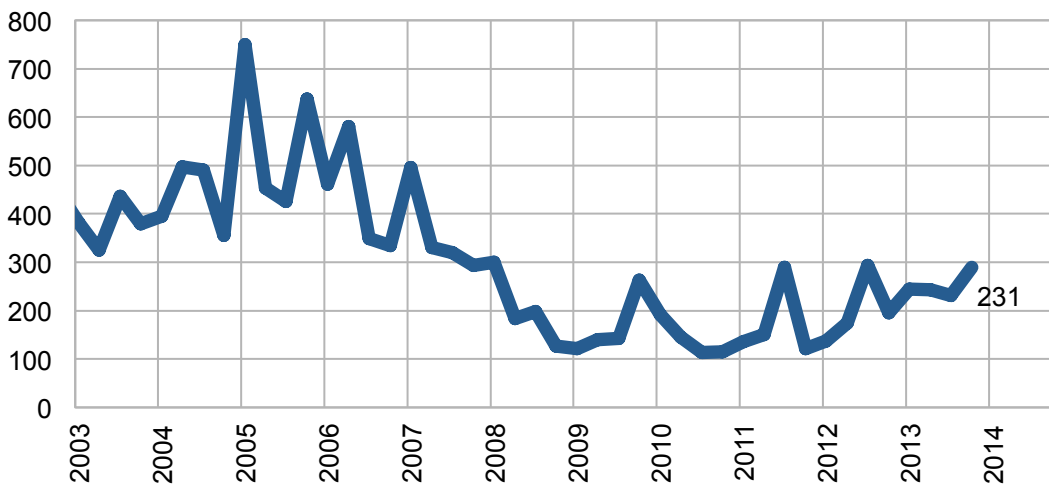
**Building permits for new private housing, quarterly
Portland-Vancouver-Beaverton MSA**



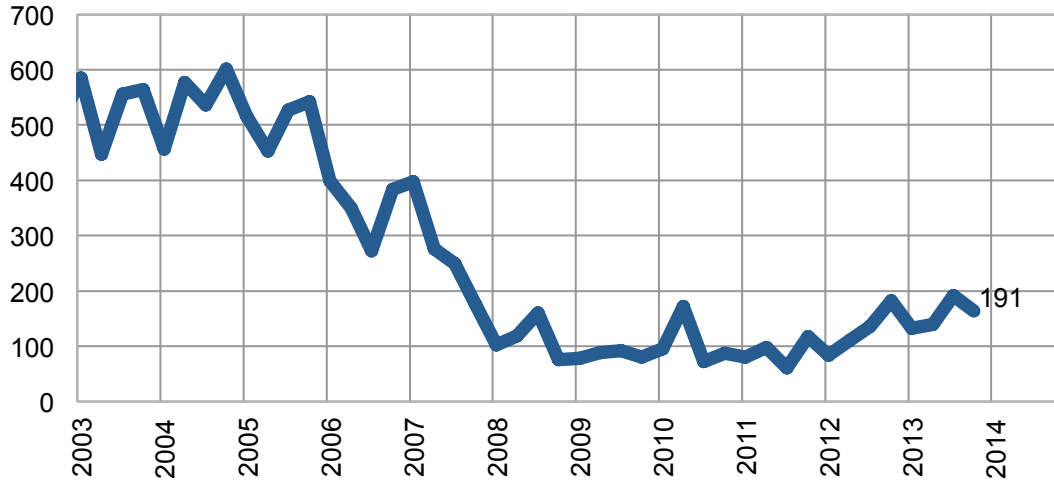
**Building permits for new private housing, quarterly
Bend**



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



**Building permits for new private housing, quarterly
Medford**

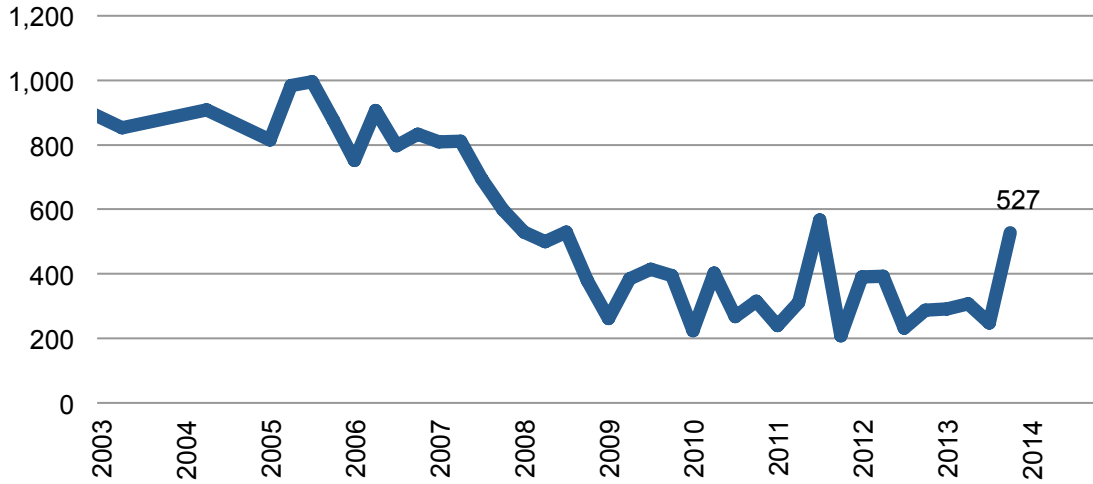


PORTLAND

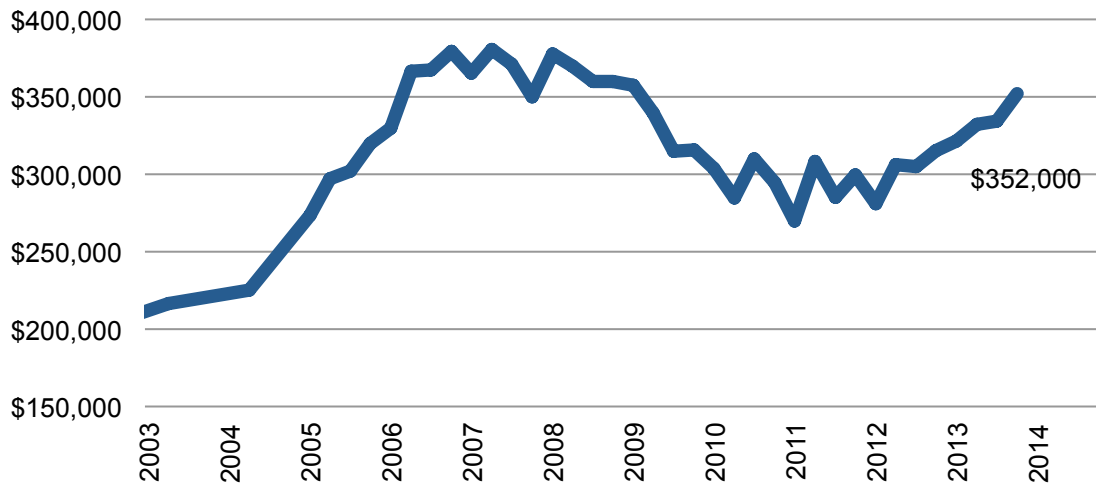
Buyers closed on purchases of 527 new detached homes and 4,719 existing homes. The number of transactions in are up 15 percent from the same quarter last year. Median prices were \$352,000 for new homes, up 11.6 percent from last year. The median price of existing homes was \$272,000, or 5 percent lower than the same quarter last year.

Sellers are obtaining 98.3 percent of their asking price and on average closing the transactions within 60 days of listing the house on the market.

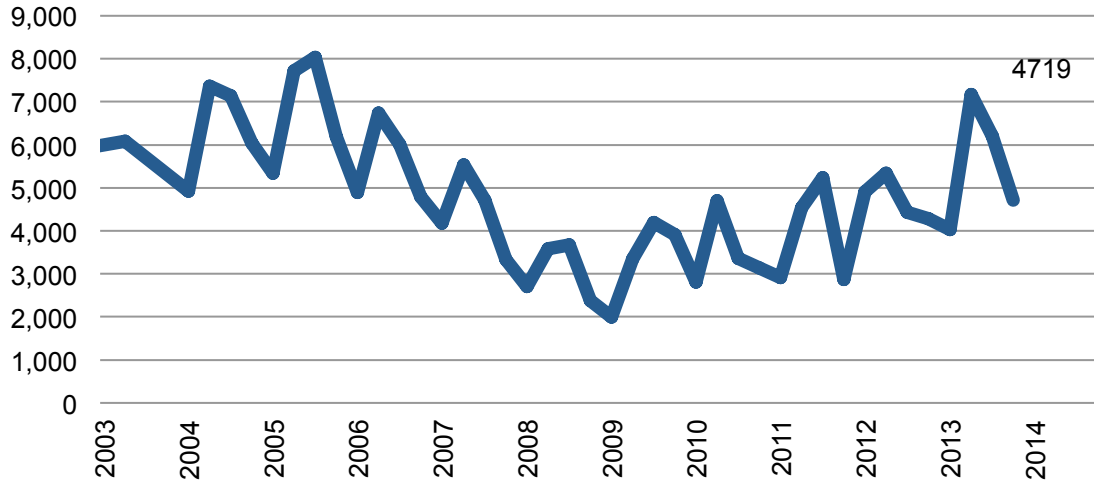
Number of transactions
Portland metro, new detached homes



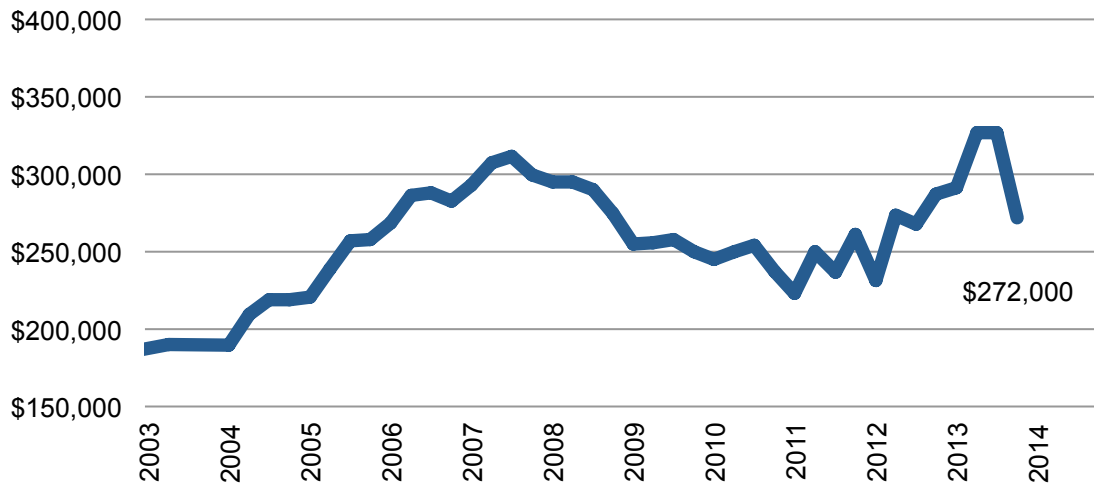
Median sales price
Portland metro, new homes



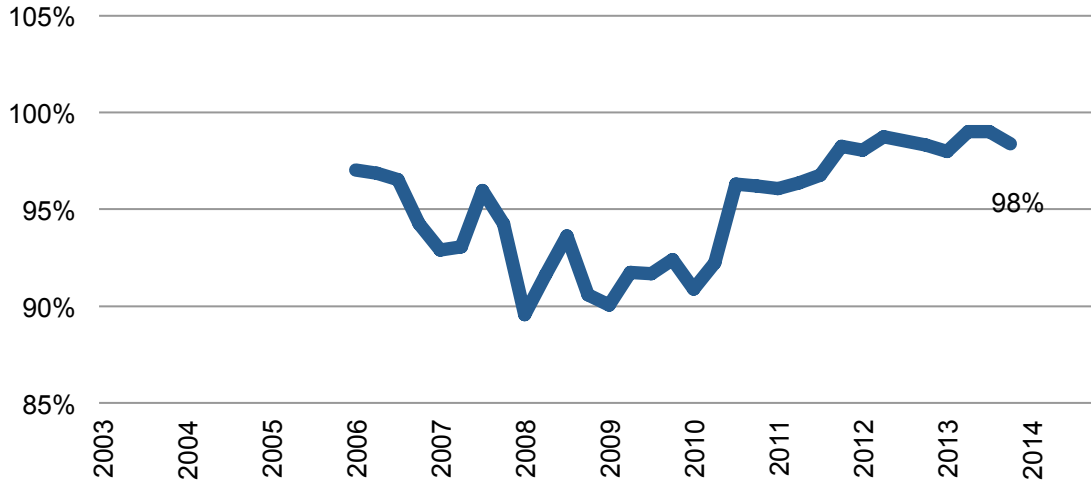
Number of transactions
Portland metro, existing homes



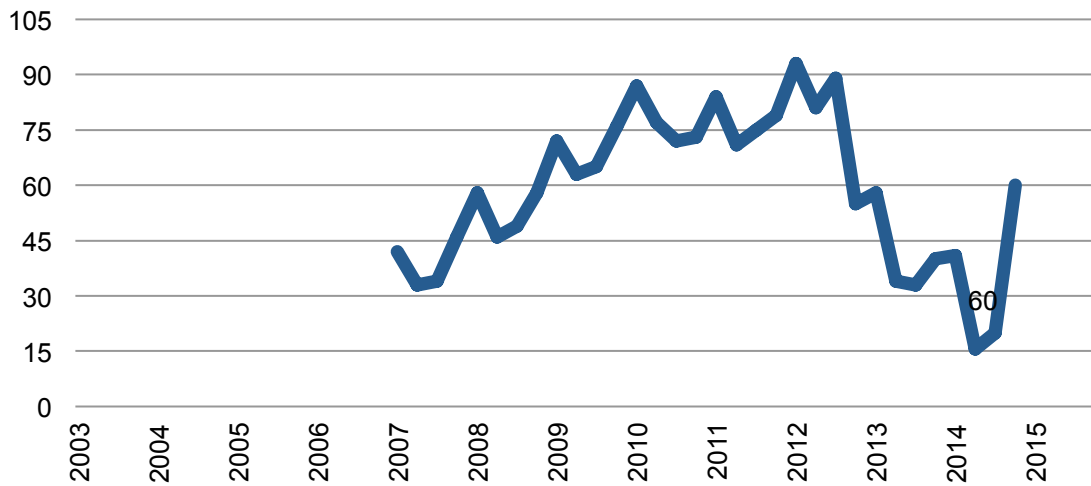
Median sales price
Portland metro, existing homes



**Ratio of sales price to list price
Portland metro, existing homes**



**Days on market
Portland metro, existing homes**

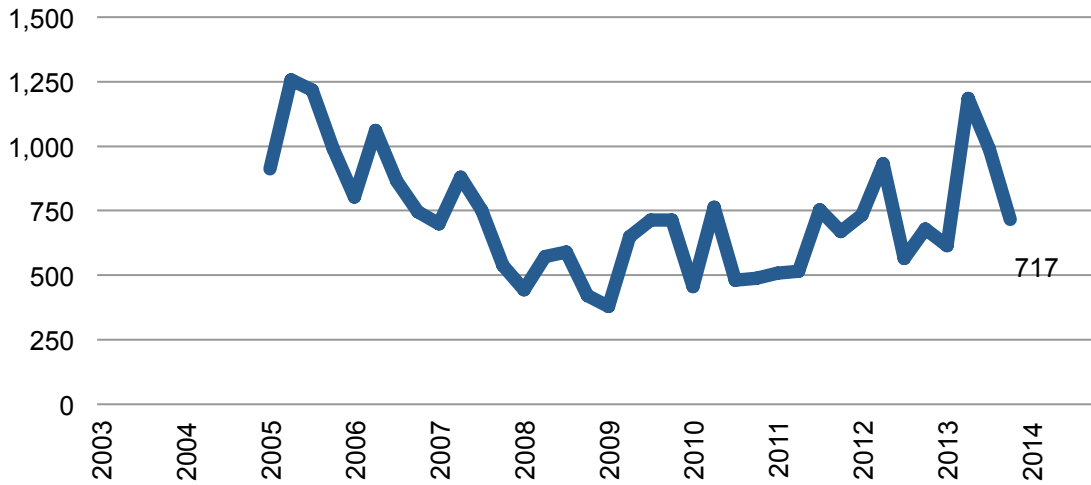


VANCOUVER

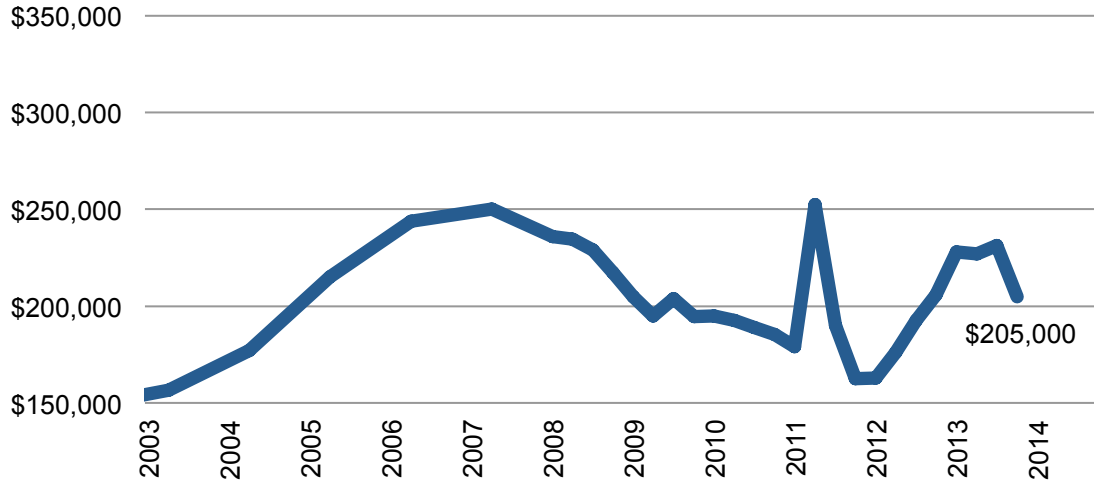
In Vancouver, the median home price in fourth quarter 2013 was \$205,000, which is virtually unchanged from the same quarter last year. The number of transactions are up but increased by 5.8 percent over last year, but the number of days on the market are up 40 percent to 66 days.

In Clark County suburbs, the median home price during the fourth quarter of 2013 was \$246,950 or down 2.2 percent over last year. At the same time, the number of transactions increased by 2.9 percent to 530 sales, while days on the market stood increased 21 percent to 75 days.

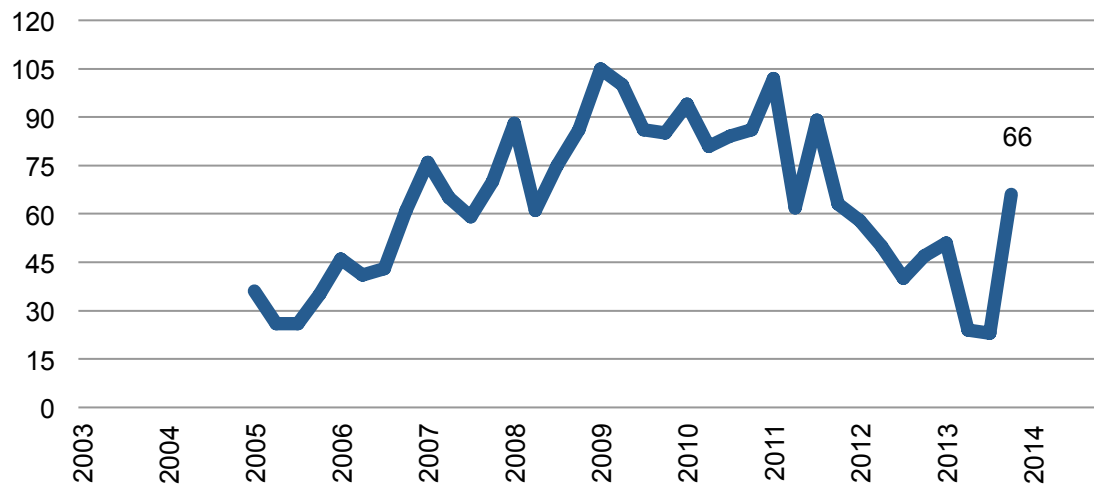
**Number of transactions
Vancouver, existing homes**



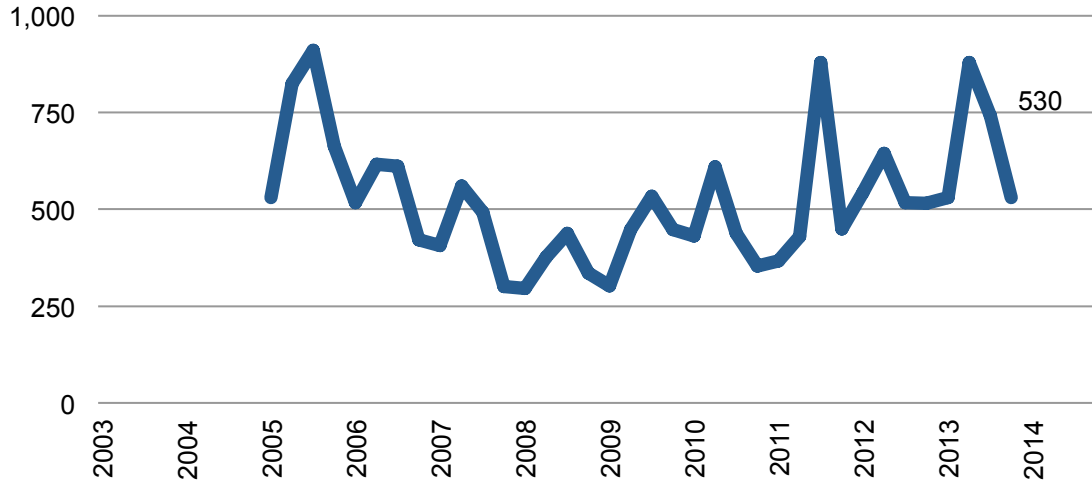
**Median sales price
Vancouver, existing homes**



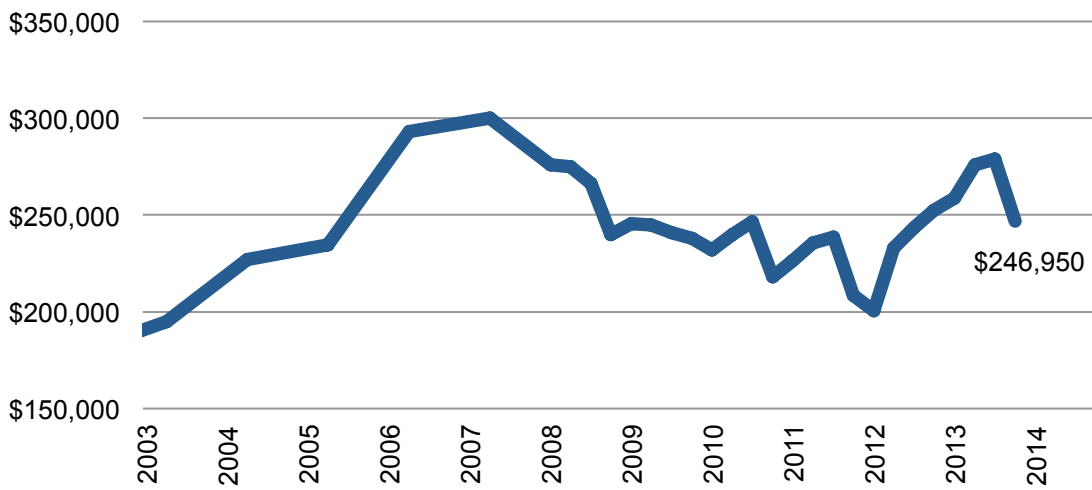
**Days on market
Vancouver, existing homes**



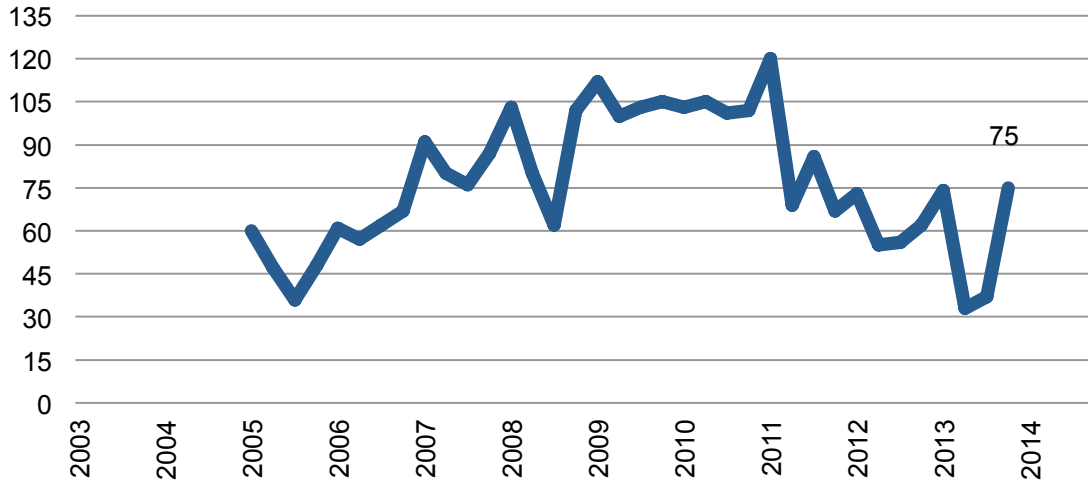
Number of transactions
Clark County, excluding Vancouver, existing homes



Median sales price
Clark County, excluding Vancouver, existing homes



Days on market
Clark County, excluding Vancouver, existing homes



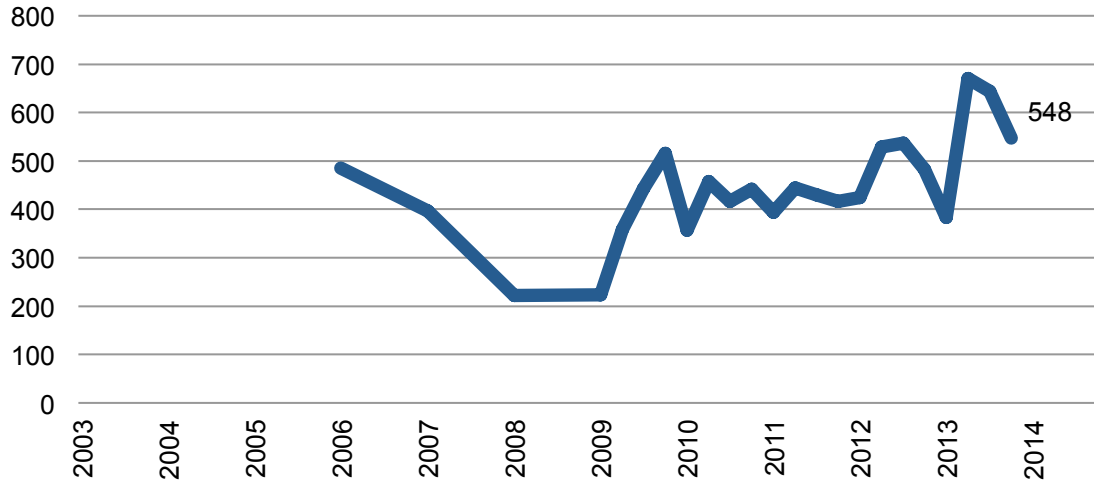
CENTRAL OREGON

At 548 transactions, fourth quarter Bend home sales of less than one acre are up 13.0 percent since the same period last year. At 139 transactions of less than one acre, Redmond is down 18 percent over last year.

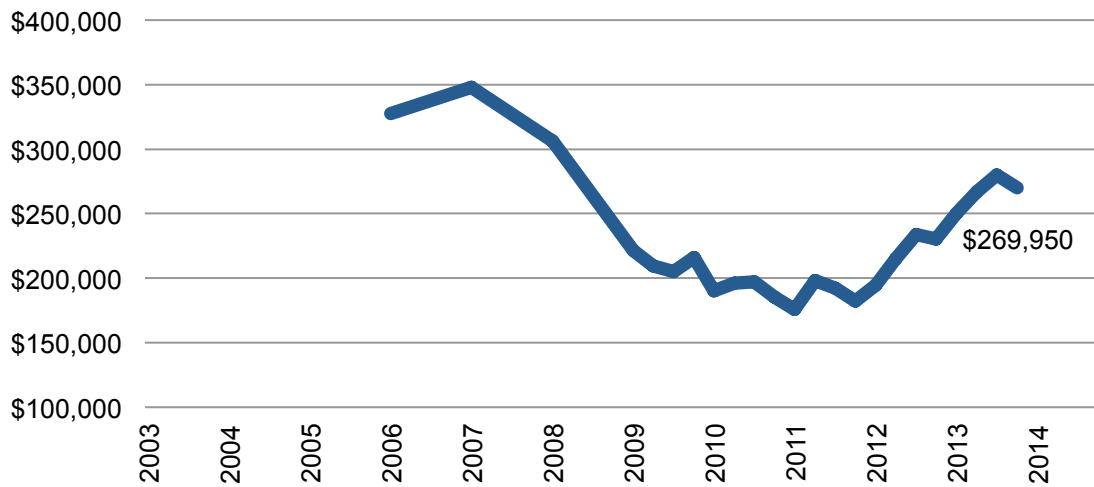
The number of days on the market for Bend increased from 99 days in the third quarter to 115 days in the fourth quarter. The fourth quarter of 2012 days on market was 146. Days on market in Redmond dropped from 128 to 126 from third to fourth quarter. The fourth quarter of 2012 days on marker stood at 137.

For sales under an acre, the median home prices for Bend and Redmond both decreased since the third quarter of 2013. Year over year both Bend showed increase in median price to 269,950 and Redmond to \$180,000. This is an increase of 17 percent and 30 percent respectively

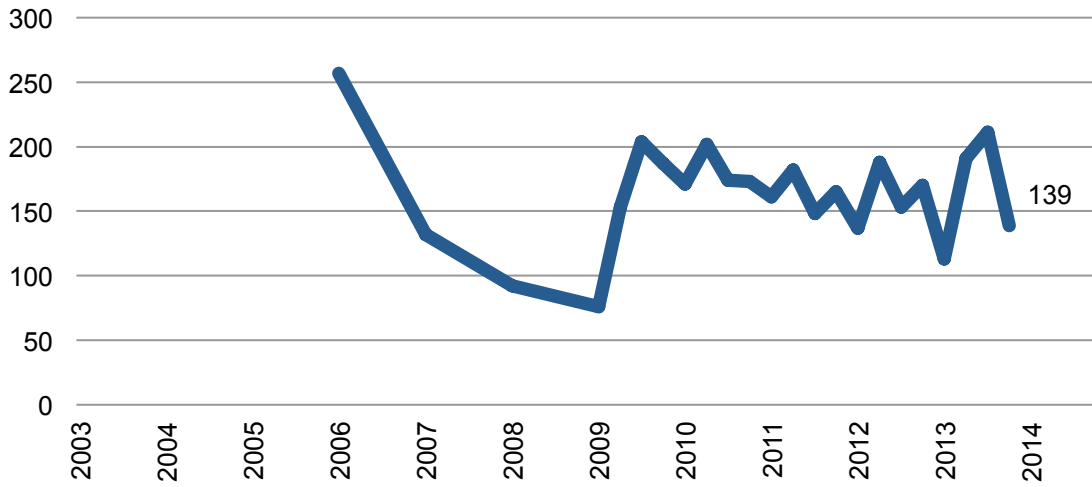
**Number of transactions
Bend, under 1 acre**



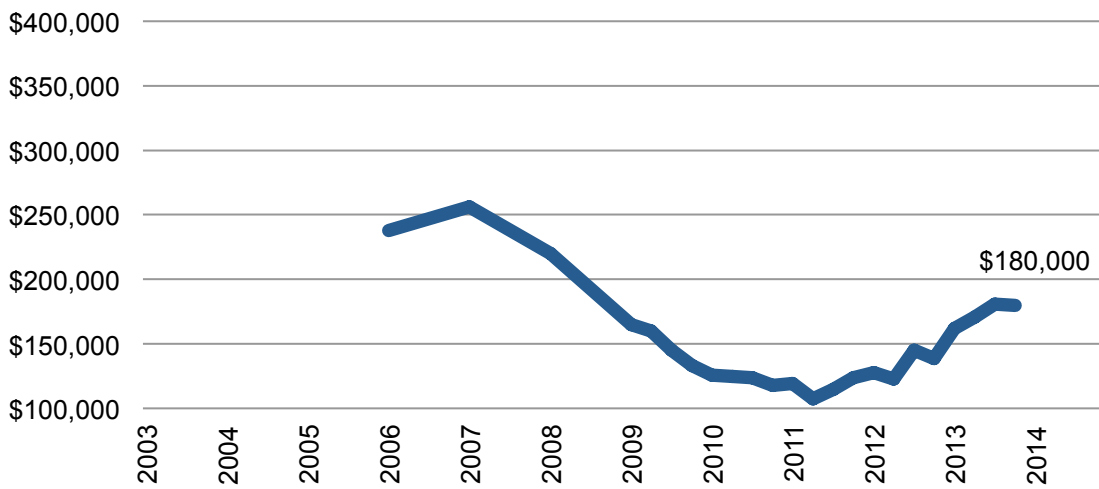
**Median sales price
Bend, under 1 acre**



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



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

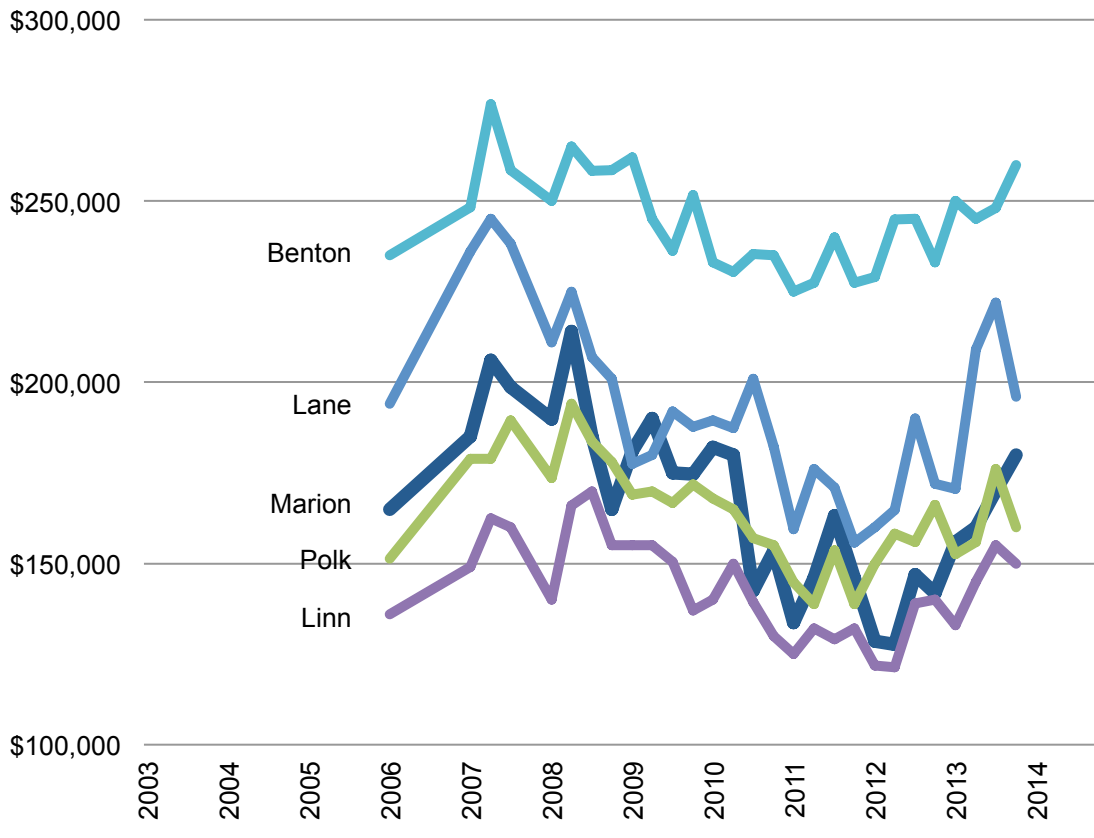


WILLAMETTE VALLEY

With the exception of Polk County, the Willamette Valley experienced year-over-year increases in median sales prices:

- Marion County: Up 27 percent.
- Lane County: Up 14 percent.
- Linn County: Up 7 percent.
- Benton County: Up 12 percent.
- Polk County: Down 4 percent.

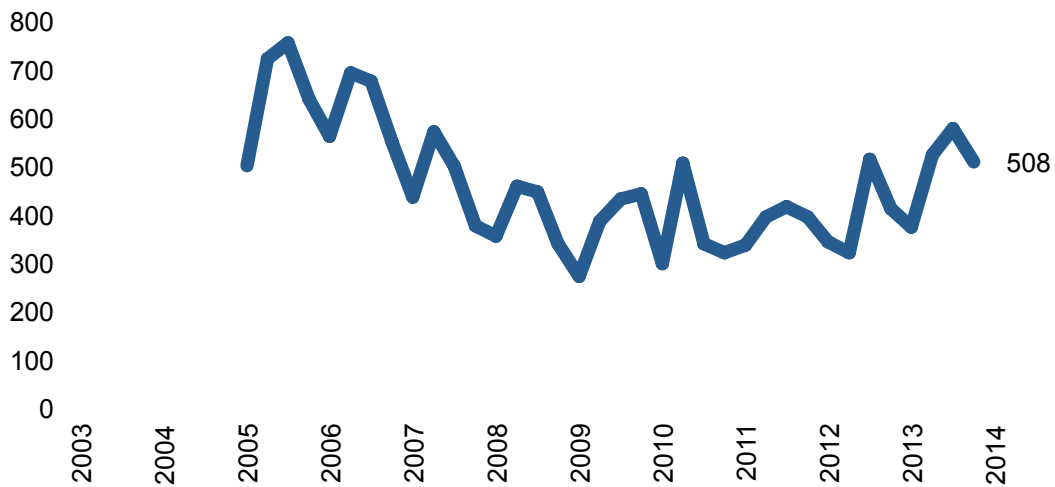
Median sales price
Willamette Valley, existing detached homes



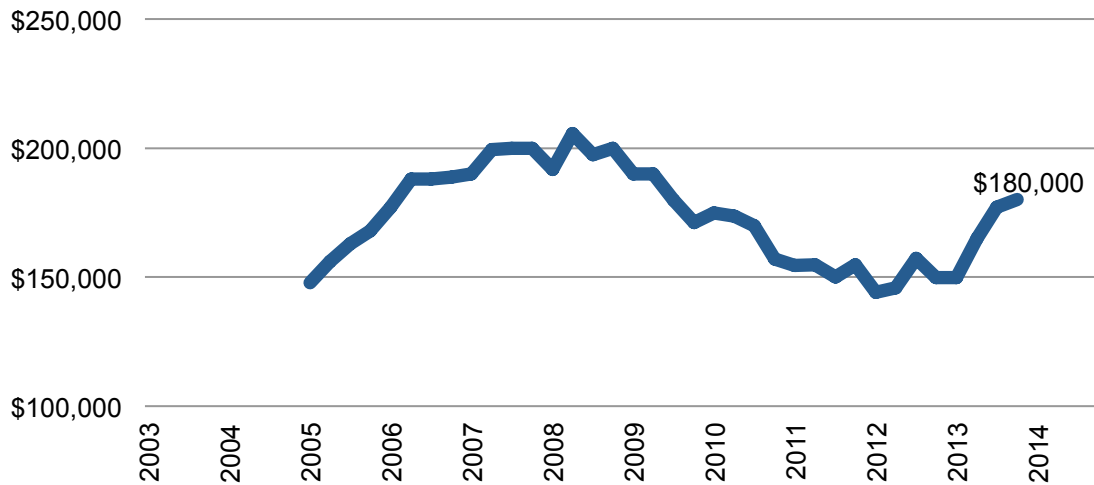
SALEM

The median home price in is up 20 percent since the same quarter last year, with a median price of \$180,000. At the same time, the number of transactions are up 24 percent over last year, while the number of days on the market are virtually unchanged since last year at 115 days.

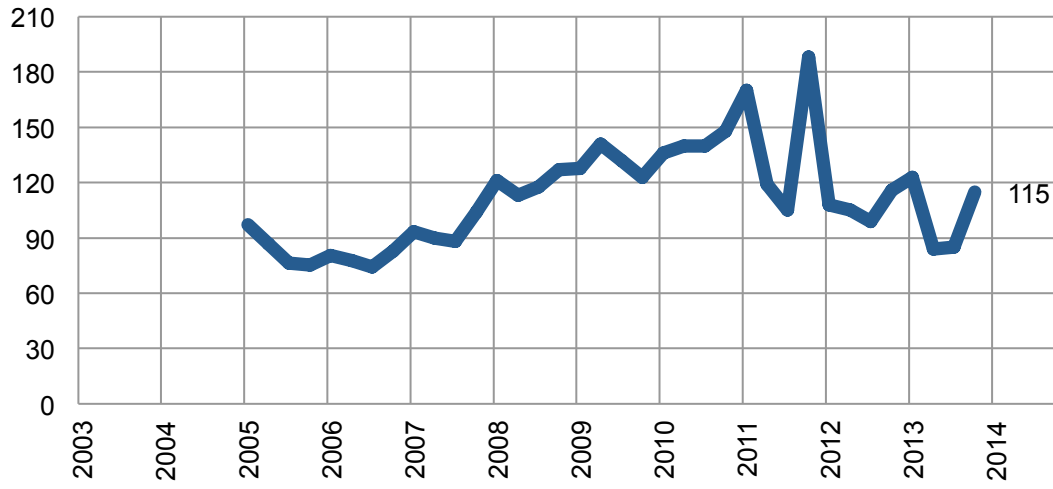
**Number of transactions
Salem, existing homes**



**Median sales price
Salem, existing homes**



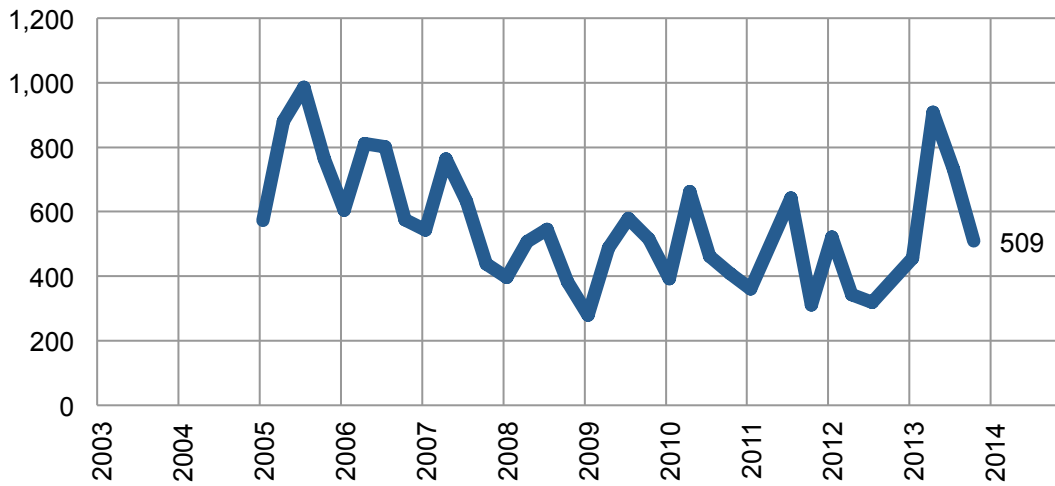
Days on market
Salem, existing homes



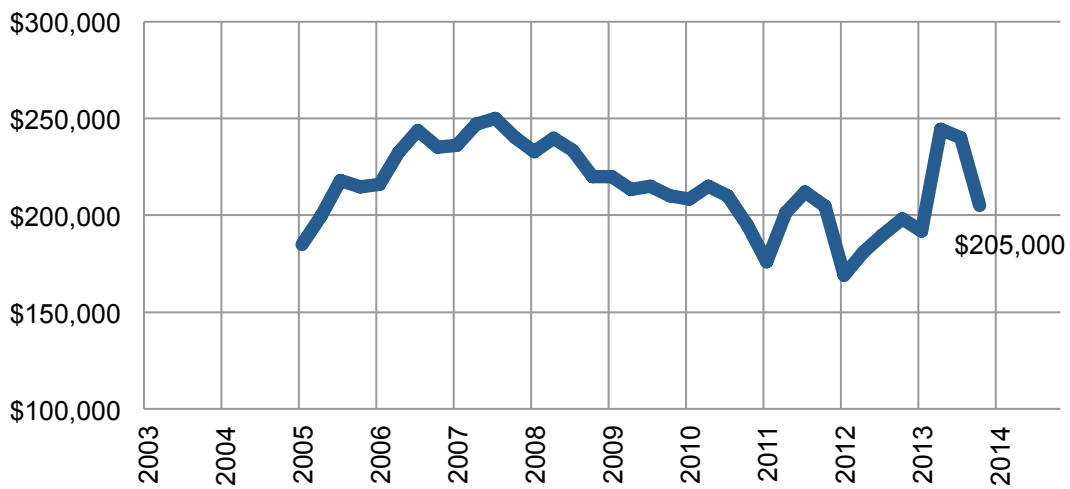
EUGENE/SPRINGFIELD

Median home prices in the Eugene/Springfield area increased 3.5 percent since the same quarter last year to \$205,000. There were 509 transactions in the fourth quarter of 2013 with the median number of days on the market of 79.

Number of transactions
Eugene-Springfield, existing homes



Median sales price
Eugene-Springfield, existing homes



Days on market
Eugene-Springfield, existing homes

