



**Oregon
Zoo
Holiday Lights**

Moving to Portland™

December 2004 Newsletter

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Portland Home Market

October Residential Highlights

Once again pending sales are up, this time by 10.3% (compared to October 2003). Meanwhile, closed sales saw a marginal growth of 0.8%. However, new listings dropped 0.9%.

The inventory in the Portland metro area decreased slightly since September, with 7,514 active residential listings at the end of October, which would last only 2.7 months at the current rate of sales.

Year-to-Date Trends

The year 2004, compared to the same period in 2003, is the year for accepted offers with total pending sales up 7.1% and closed sales up 5.6%. However, new listings continued to drop this year compared to last year, falling 3.7%.

Affordability

The affordability index is on the rise with a median family income of \$67,900 in 2004 (according to HUD) and an interest rate of 5.72% for a 30-year fixed mortgage (per Freddie Mac). Therefore, Portland families are able to afford housing despite ever increasing median housing prices (\$212,000) with a 20% down payment.

Appreciation

Comparing the 12 months ending in October to the 12 months preceding them, the appreciation rate is up from last month at 8.9% (\$242,100 v. \$222,400).

Cost of Residential¹ Homes in the Portland Metro Area For Period October 2004

Area	Current Month	Year-to-Date For Period Ended October 2004		Percent Appreciation ²
	Average Sales Price	Average Sales Price	Median Sale Price	
Portland Metro Area				
Includes Portland, surrounding communities, and Vancouver, Washington area	\$256,500	\$244,600	\$202,400	8.9% ³
Portland				
North	\$180,900	\$174,600	\$163,300	11.1%
Northeast	234,000	224,700	195,600	8.0%
Southeast	207,800	199,900	174,600	7.9%
West (Includes SW and NW Portland and parts of eastern Washington County)	401,800	357,900	290,000	7.2%
Other Areas				
Corbett, Gresham, Sandy, Troutdale	218,600	202,200	183,900	8.3%
Clackamas, Milwaukie, Gladstone, Sunnyside	265,600	249,800	214,800	16.0%
Canby, Beavercreek, Molalla, Mulino, Oregon City	269,000	234,600	212,400	9.8%
Lake Oswego and West Linn	407,300	393,100	330,000	13.0%
Northwest Washington County & Sauvie Island	332,000	323,500	286,400	9.7%
Beaverton and Aloha	226,700	214,300	190,000	7.6%
Tigard, Tualatin, Sherwood, Wilsonville	268,800	262,400	239,000	7.6%
Hillsboro and Forest Grove	208,100	205,000	186,600	4.2%
Mt. Hood: Brightwood, Government Camp, Rhododendron, Welches, Wemme, ZigZag	171,800	166,600	159,000	8.3%
Clark County (Vancouver, Washington)	230,400	222,800	188,000	13.7% ⁴
¹ Residential includes detached single-family houses, townhomes, condos, and plexes with four (4) or less living units.				
² Appreciation percents based on a comparison of average price for the last 12 months (11/1/03-10/30/04) with 12 months before (11/1/02-10/30/03)				
³ As of October 2004.				
⁴ As of October 2004.				

Source: Regional Market Listing Service (RMLS™).

Signs of Stronger Economy Push Long-Term Rates Higher

December 2, 2004

In Freddie Mac's Primary Mortgage Market Survey, the 30-year fixed-rate mortgage (FRM) averaged 5.81 percent, with an average 0.6 points, for the week ending December 2, 2004, up from last week when it averaged 5.72 percent. Last year at this time, the 30-year FRM averaged 5.89 percent.

The average for the 15-year FRM this week is 5.23 percent, with an average 0.6 points, up from last week when it averaged 5.15 percent. A year ago, the 15-year FRM averaged 5.22 percent.

One-year Treasury-indexed adjustable-rate mortgages (ARMs) averaged 4.19 percent this week, with an average 0.6 point, down from last week when it averaged 4.27 percent. At this time last year, the one-year ARM averaged 3.77 percent.

Average commitment rates should be reported along with average fees and points to reflect the total cost of obtaining the mortgage.)

Freddie Mac Chief Economist

"Recent economic indicators came out better than had been anticipated, buoying financial markets this week, and reinvigorating confidence in financial markets that the last three months of the year will post a very positive rate of economic growth," said Frank Nothaft, Freddie Mac vice president and chief economist. "Of course, with the signs of strong growth come fears of inflation and that tends to push up long-term mortgage rates.

"Freddie Mac's survey on house price appreciation released earlier today continues to reflect a robust housing industry. Currently, our forecast is for sales of new and existing homes to top 7.88 million this year, which is an increase of nearly 10 percent over 2003's record sales."

Portland Area Mortgage Rates

In early December Washington Mutual was offering 6.00 percent for a 30-year FRM (APR of 6.021 percent) with zero points. Another lender's (US Bank) rate was 5.75 for a 30-year FRM (APR of 5.885 percent). Both of these rates are for a \$200,000 loan with 20% down. Many mortgage brokers in the area were advertising rates around 5.50%. To check on more Portland metro area mortgage rates visit the website for [Bankrate](#).

You can learn more about mortgages by visiting [Professor Guttentag Web site](#). Professor Guttentag is Finance Emeritus at the Wharton School of the University of Pennsylvania.

Portland Weather

Tracking the Moisture and Sun

November 8th Driest Month on Record

November 2004 was the 8th driest month in Portland since 1941. The driest November was in 1976 with only 0.77 inches of precipitation. The average monthly temperature was 45.8, and we had 29 days of cloudy or partly cloudy days.

Meteorologists have predicted a warm December and the oil futures traders must have been reading the long range forecasts as oil prices have been dropping.

Water Year (Oct 1 - Sep 30)	Average Precipitation In Inches	Actual Precipitation in Inches
Year-to-Date	8.49	5.74
October	2.88	3.36
November	5.61	2.38
December	5.71	
January	5.07	
February	4.32	
March	3.71	
April	2.64	
May	2.38	
June	1.59	
July	.70	
August	.89	
September	1.65	
Year Average	37.21	
Portland's rainfall is measured according to the "water year" which is from October 1 through the end of September. The average precipitation is about 37-38 inches in the metro area. Precipitation measured from the NOAA weather station at the Portland International Airport.		

Portland Fun Facts

The Voice in your GM Automobile



If you drive a GM car with the OnStar navigation system, the voice guiding you is Mary McDonald-Lewis, a voice actor who lives in North Portland. Like her much-removed cousin, famed pathfinder/explorer Meriwether Lewis (her great-great-great-great grandfather was Meriwether Lewis's uncle), Mary is your "friend in the cockpit" leading you to new territory.

She landed the job of leading the free world in 1995, at an L.A. cattle call. "No one had ever run casting for a speech-recognition job like a Hollywood audition," she says. GM hired two Grammy Award winning producers who were committed to finding the best voice in the land. They found Mary.

A native Californian, Mary spent part of her childhood in Portland, and returned here to live 11 years ago. It's the "best city in the world" she declares in private. Officially, Onstar has no position on the matter.

Visit [Mary's](#) Web site to learn more about her and listen to her voice (MPS).

Oregon Election 2004

You can view results of the Oregon statewide elections results at the Oregon Secretary of State Web site:

- <http://www.sos.state.or.us/elections/nov22004/nov22004.html>

We were very interested in one issue in the 2004 election: the repeal of Multnomah County's temporary income tax because it dealt with school funding for eight school districts of which the Portland School District was one. Quality education is usually the number one concern of most of my clients relocating to Portland so I consider it important to my livelihood.

History of Multnomah County 1.25 Percent Tax

On May 20, 2003, Multnomah County voters approved Measure 26-48 enacting a three year 1.25% income tax for county schools (eight districts to include the Portland School District), health and senior care and public safety. The tax is on income earned in 2003, 2004, and 2005. The Law created a citizens oversight committee to review how school districts spend county tax revenues and requires independent performance audits.

Multnomah County residents subsidize education statewide by exporting more tax money to state government than they get back in funds or services. When the state falls short, they have to tax themselves again to fund a full school year. Then the county gets criticized for trying to save its schools -- as if resigning in defeat were the only fair thing to do.

Repeal of Income Tax Surcharge (Measure 26-64) in Multnomah County Fails

County voters agreed by a margin of 52.28% to 47.72% to retain the tax. In other words, the repeal of the tax surcharge failed. If passed, this initiative measure would have repealed the county's temporary income tax for 2004 and 2005, with tax on personal income earned during calendar year 2003 remaining due and payable.

Who Voted for the Repeal?

From reading the local papers, we knew that east county residents tended to oppose the tax whereas the voters on the westside were more apt to favor the tax. The Portland School District is located on the west edge (i.e., City of Portland) and other districts such as David Douglas, Gresham, Parkrose, and Reynolds are located on the east side of the county.

We wanted to see just what the different voting patterns were between the east and west so we went into the Multnomah County Web site (Elections) and downloaded the precinct map (there are 129 precincts in the county) and the voting results by precinct for Measure 26-64. What we found confirmed the newspaper reports. For example, in the Portland West Hills (precincts 1013 and 1156), voters rejected the repeal by almost a 2 to 1 margin. Voters in precinct 5846 (City of Gresham) voted in favor of the repeal by over a 2 to 1 margin. Even voters within the City of Portland such as North Portland, where household income is well below the metro average, favored keeping the tax.

Why are we telling you this? If you're considering purchasing a home in the Portland metro area and if schools are important, you should be aware of the perspective of the different communities.

You may want to look at the map and voting results so we provided the links:

- County Precinct Map: http://www.co.multnomah.or.us/dbcs/elections/map/precinct_maps.pdf
- 2004 Measure 26-64 Voting Results: <http://www.co.multnomah.or.us/dbcs/elections/2004-11/abstracts.shtml>

Oregon Voters Set Records in 2004 Election

Oregon voters set a couple of records in the 2004 elections when more than 2.1 million people registered to vote, the most in the state's history. More than 1.8 million people cast ballots, or 71.2 percent of eligible voters -- whether registered or not. That turnout put Oregon in third place nationally behind Minnesota and Wisconsin, Secretary of State Bradbury said in a statement in early

December 2004.

Of the people registered to vote, 86.5 percent participated, the most since the 1960 Nixon-Kennedy presidential race. Bradbury and U.S. Sen. Ron Wyden, both Democrats, became the first candidates in Oregon history to receive more than 1 million votes. Wyden received 1,128,728 votes and Bradbury took 1,002,052 in their re-election races.

In the official count in the presidential race, U.S. Sen. John Kerry, a Democrat, received 943,163 votes in Oregon to 866,831 for Republican President George W. Bush. Of the other candidates, Libertarian Michael Badnarik led with 7,260.

Beaverton

Beaverton is the fifth largest city in Oregon with a population of 76,129 (2000 U.S. Census) and a land area of 17.2 square miles. Beaverton is located in Washington County, one of the fastest developing areas in Oregon with a population of 445,342 in 2000. That represents an increase of 42.94% since 1990. Two events in the 90s turned this sleepy suburb into a sprawling city:

- The development of an electronics industry - mainly chip plants such as Intel.
- The building of the MAX Light Rail line through Beaverton.

Other Demographics

Size - 405 acres. Number of households - 30,821. Median household income of \$47,863 (metro area median household was \$46,789. Diversity - 21.7% non-Caucasian. Median house value - \$189,800. Percent of residents over 25 years of age holding a bachelor's degree or higher - 26.2%.

See [City Data](#) for more demographic information about Beaverton. Also the [City of Beaverton 2000 US Census Demographics](#) Profile of General Demographics Characteristics: 2000.

Location and Maps

Located about eight miles west of downtown Portland, you can approach Beaverton from the east on the Sunset Highway (US-26). It is the first suburb you reach driving west out of downtown Portland. Beaverton is located in Washington County, the second largest county in Oregon. Washington county covers 727 sq. mi. with a population of 445,342 (2000 U.S. Census).

This map of [Washington County](#) will show you that Beaverton is really comprised of numerous patches of land mixed in with parcels of unincorporated area. It must be a nightmare to administrate public services such as sewer, water, public safety, etc.

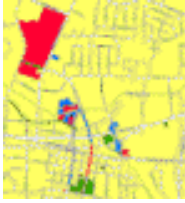
History of Beaverton

The Tualatin Valley and Beaverton area was originally the home of native people who referred to themselves as "Atfalati." Westerners later mispronounced the name as Tualatin. The tribe was a hunter-gatherer group that relied more on plants than animals for their food. In the spring of 1847, the first land claim located in what is now Beaverton was taken up by Lawrence Hall. He and his brother built a grist mill near present-day Walker Road.

Spurred on by a railroad into town built in 1868, the small farming community west of Portland began to grow. By 1893 the City of Beaverton was formally incorporated with a population of 400.

Beaverton received its name because of the existence nearby of a large body of beaverdam land. Soil of this character was sought for by pioneer settlers because of its productivity.

Old Downtown Beaverton



The area just west of Highway 217 along Canyon Road and the Beaverton-Hillsdale Highway was the heart of old downtown. Finding the original downtown is almost impossible because for blocks (more accurately miles) around the area, one-story retail outlets have sprung up. Car dealerships combined with numerous mini-malls have erased any sign of historic Beaverton. The Cedar Hills Mall (just north of old downtown) and the area around old downtown have melted together so it is very difficult to tell where one starts and the other begins.

But for all the complaints about the landscape of the area, it attracts shoppers. Within a mile one can buy a new automobile, scout out the latest in electronics equipment, shop for the week's supply of food, complete one's wardrobe, and have lunch at any fast food outfit. Of course, you can also attend a movie and sip a latte.

Beaverton Neighborhoods

It's difficult to get your "arms around" Beaverton because it really is numerous villages within a city. The City of Beaverton has thirteen recognized [Neighborhood Association Committees](#) (NACs). Each has its own distinct character.

The fact that 52.3 percent of the housing units in Beaverton are occupied by renters means that many parts of the city have numerous apartment houses whereas many neighborhoods are almost exclusively detached single-family homes occupied by the owners.

Beaverton Schools

The school system is generally well regarded and supported by the Beaverton residents. The quality of schools varies considerably within the Beaverton school district. I recommend that prospective Beaverton home buyers research the schools within a neighborhood. Visit the Beaverton school Web site at <http://www.beavton.k12.or.us/>

Websites

- [City of Beaverton](#)
- [Beaverton Chamber of Commerce](#)
- [Beaverton Valley Times](#) Weekly newspaper
- [Washington County Elections Division](#)

Events

Fun Fact

Oregon is the only state to have an official nut - the hazelnut, also known as the filbert. Actually Oregon is the largest producer of hazelnuts in the U.S.A.. Read more about hazelnuts at [Oregon Hazelnuts](#).

Chocolate: Tree to Truffle



Catch the last month of this delicious exhibit. Explore the story of chocolate from bean to bar at the [Forest Discovery Center](#) (next to the Oregon Zoo) through Dec. 31. Samples included! 503.228.1367.

Holiday Decorations at Pittock Mansion

Each year, Portland's historic [Pittock Mansion](#) is elaborately decorated for the holidays. This year's theme, A Christmas Wish Book, is evident in the elegant rooms decorated by area retailers including REI, Tiffany & Co. and Powell's City of Books. Nov. 22-Dec 31. 503.823.3624.

Holiday Light Displays and Events

- [ZooLights Festival](#) at the Oregon Zoo. Dec. 3-Jan. 1 (closed Dec. 24-25). Ride the illuminated zoo train. 503.226.1561.
- The [Christmas Ship Parade](#) runs nightly on Portland's rivers. Dec. 9-21.
- The [Grotto's Christmas Festival of Lights](#). Nov. 26-Dec. 30 (closed Dec. 25). 503.254.7371.
- [Holiday Ale Festival](#) under the 75-foot illuminated tree at Pioneer Courthouse Square. Dec. 5-7. 503.252.9899.
- [Oregon Ballet Theatre](#) presents George Balanchine's "The Nutcracker" Dec. 10-24. 503.222.5538.
- [Oregon Symphony](#) offers a festive holiday program. 503.228.1353.
- [Tuba Christmas](#) features 200+ tubas in harmony! Dec. 11 at 1:30 p.m.

OMSI Opens Science Playground



The Oregon Museum of Science and Industry's (OMSI) [Science Playground](#) is a new 7,000-square-foot wonderland. It's tailor-made for the eight-and-under crowd.

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