



**Flanders, our
5-month old
Wirehaired Vizsla
and Susan**

Moving to Portland™

July 2004 Newsletter

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Portland Home Market

May Residential Highlights

The remains of May included an inventory measure lower than any previously recorded for the Portland metro area, breaking the record set the previous month. The 8,054 active residential listings at month's end could sustain the market for a mere 2.8 months.

What is to explain this ebb in inventory? Most directly, it is the closed sales for the month, which were 17.2% higher than in May 2003. But accepted offers also siphoned off the active listings, and they were up a similarly significant amount (19.7%). What might have countered the effects of those trends—the number of new listings—exhibited growth that was meager in comparison (4.7%).

Year-to-Date Trends

This year, so far, has generated remarkable growth in the number of pending sales. Compared to what had been reported by this time in 2003, they are up 12.5%. The number of closed sales also shows healthy growth, reaching a total 8.9% higher than at the end of May 2003. On the other hand, the number of new listings has changed only in that 0.3% fewer have been recorded.

Appreciation

The average sale price for residential property in the Portland metro area has appreciated 7.2% (\$231,400 for the last 12 months v. \$215,800 for the prior 12). Median sale price also shows appreciation, at 6.4% (\$191,500 v. \$180,000 for the same time periods as above).

Cost of Residential Homes¹ in the Portland Metro Area

For Period May 2004

Area	Current Month	Year-to-Date For Period Ended May 2004		
	Average Sales Price	Average Sales Price	Median Sale Price	Percent Appreciation ²
Portland Metro Area				
Includes Portland, surrounding communities, and Vancouver, Washington area	\$250,000	\$235,700	\$195,000	7.2%
Portland				
North	\$179,900	\$168,300	\$155,300	10.4%
Northeast	229,100	218,200	190,000	8.2%
Southeast	193,700	189,600	169,500	6.6%
West (Includes SW and NW Portland and parts of eastern Washington County)	364,200	333,700	270,000	4.5%
Other Areas				
Corbett, Gresham, Sandy, Troutdale	\$199,700	\$195,300	\$177,900	6.1%
Clackamas, Milwaukie, Gladstone, Sunnyside	240,000	237,300	201,000	9.5%
Canby, Beavercreek, Molalla, Mulino, Oregon City	244,400	228,600	207,500	9.2%
Lake Oswego and West Linn	414,700	365,300	307,000	11.5%
Northwest Washington County & Sauvie Island	356,000	329,700	284,500	8.8%
Beaverton and Aloha	217,200	209,900	185,000	7.1%
Tigard, Tualatin, Sherwood, Wilsonville	280,600	257,300	229,900	6.4%
Hillsboro and Forest Grove	214,700	203,400	184,600	3.8%
Mt. Hood: Brightwood, Government Camp, Rhododendron, Welches, Wemme, ZigZag	184,200	165,400	156,300	10.2%
Clark County (Vancouver, Washington)	235,900	218,000	184,000	11.2%
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 (6/1/03-5/31/04) with 12 months before (6/1/02-5/31/03)				

Source: Regional Market Listing Service (RMLS™).

Long-Term Mortgage Rates Inch Downwards Short-Term Head in Opposite Direction

July 1, 2004

In [Freddie Mac's](#) Primary Mortgage Market Survey, the 30-year fixed-rate mortgage (FRM) averaged 6.32 percent, with an average 0.6 point, for the week ending July 1, 2004, down from last week when it averaged 6.25 percent. Last year at this time, the 30-year FRM averaged 5.24 percent.

The average for the 15-year FRM this week is 5.62 percent, with an average 0.6 point, also down slightly from last week when it averaged 5.64 percent. A year ago, the 15-year FRM averaged 4.63 percent.

One-year Treasury-indexed adjustable-rate mortgages (ARMs) averaged 4.19 percent this week, with an average 0.7 point, up from last week when it averaged 4.13 percent. At this time last year, the one-year ARM averaged 3.45 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

"As expected, long-term mortgage rates were relatively unaffected by the Fed's recent actions to preempt any future inflationary trend. And, as also expected, short-term mortgage rates moved upward in response to those same actions," said Frank Nothaft, Freddie Mac vice president and chief economist.

"Although we anticipate a moderation in the housing sector at some future point, with the economy picking up steam and mortgage rates still low by historical standards, the housing market will remain buoyant for at least the rest of the year," added Nothaft.

Portland Area Mortgage Rates

In late June [Washington Mutual Bank](#) was offering 6.38 percent for a 30-year FRM (APR of 6.41 percent) with zero points. Another lender, US Bank's rate was 6.25 for a 30-year FRM (APR OF 6.39 percent). Both of these rates are for a \$200,000 loan with 20% down. Many mortgage brokers in the area were advertising rates around 6%. To check on more Portland metro area mortgage rates visit the website for [Bankrate](#).

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

Portland Weather

Tracking the Moisture and Sun

June Continues Dry Spell

During the first half of June, we felt for sure that we would set a record for rainfall. We were 40-50 percent above normal precipitation and then the dry summer weather arrived.

Water Year (Oct 1 - Sep 30)	Average Precipitation In Inches	Actual Precipitation in Inches
Year-to-Date	33.91	28.81
October	2.88	3.02
November	5.61	4.09
December	5.71	7.44
January	5.07	4.78
February	4.32	3.71
March	3.71	1.53
April	2.64	1.44
May	2.38	1.76
June	1.59	1.12
July	.70	
August	.89	
September	1.65	
Year Average	37.15	
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 inches in the metro area.		

Summer Arrives on June 15

Just like clockwork, summer arrived in Portland exactly in mid June. The day was clear and warm and it had all the earmarks of a hot spell. By the 17th, we were in the 90s. After a week of low 90 temperatures, we got some relief. The early hot weather got us thinking about how to get a good night's sleep.

Swamp Coolers and Humidity

We don't have central air conditioning in our home as both I and my husband suffer as much with A/C as we do without it. We just wanted our bedroom cooler so we could get a solid night of sleep. So we purchased a "Swamp Cooler." Actually, the technical name is "Portable Evaporative Coolers" or "Air & Water Coolers." They are free standing and require filling with water every few days. Not the most attractive piece of equipment and they do take up space.

So how do they work in Portland? They work best in areas with low humidity. According to the [Oregon Climate Service](#), in Portland relative humidity is highest during early morning hours (70s) during the summer months. During the afternoon, humidity is at the lowest point during the day, ranging from 30-50 percent. The cooler is a blessing as our sleepless nights are over. We look at it with deep admiration.

The Young and the Restless

The influx of young, educated adults holds enviable potential for future job growth

A study released in late June 2004 reports that young people are flocking to Portland for its natural setting and close proximity to the mountains and the ocean, its "liberal and open-minded" culture, and its "independent and entrepreneurial" business climate.



According to "The Young and the Restless: How Portland Competes for Talent," a study that was co-sponsored by the Portland Development Commission and the Westside Economic Alliance, Portland's population of college-educated people ages 25 to 34 is growing at five times the national rate. The Rose City ranks fourth in terms of the recent growth of this population behind Las Vegas, Atlanta and Austin, Texas. The study was done by Portland economist Joe Cortright and Memphis, Tennessee, urban consultant Carol Coletta.

That segment of the population is a crucial ingredient in determining the economic vitality of a metropolitan region, economic development officials said Tuesday.

According to an article in THE OREGONIAN, Betty Atteberry, executive Director of the Westside Economic Alliance stated that, "Educated young people in the work force are pretty significant on the Washington County campuses of Intel and Nike and attracting such young talent helps guarantee future job growth, as those people start companies on their own."

Download the Report

You can [download the 62-page study](#) from the Portland Development Commission website. If you are considering moving to Portland, I would urge you do read the entire report. It is not all "hype" about Portland as it presents a fairly accurate picture of life in Portland. It is also very readable in that the format and writing are well done. I loved reading the quotes.

Study Insights

- Metropolitan Portland--the federally designated Portland-Salem Consolidated Metropolitan Area- has proportionately more young adults than most large metropolitan areas in the U.S.—about 15.2 percent of Portland's population was between 25 and 34, compared to the average for U.S. metropolitan areas of 14.5 percent.
- Portland is about average in college attainment, ranking 27th in the percent of 25 to 34 year-olds with college education (29.0 percent), but its college-educated young adult population grew five times faster than the average for U.S. metropolitan areas in the 1990s.
- Portland has 37,400 more 25 to 34 year-olds than in 1990, an increase of 12 percent, in sharp contrast to a national decline of 8 percent.
- Portland's young adult population is less diverse than the typical U.S. metro. Portland ranks 12th of the 50 largest U.S. metros in the percentage of the population that is white and 49th in the proportion of young adult African-Americans.
- Metropolitan Portland is experiencing net domestic in-migration among 25 to 34 year-olds, gaining a net of 35,000 people in this category from the rest of the U.S. in the past five years. Additionally, Portland attracted about 20,700 international migrants in this age group. Portland has a particularly high rate of in-migration relative to out-migration; for every ten 25 to 34 year-olds who moved into the region, six left.
- Portland's aggregate migration flows are primarily from other places in the West, which account for 70 percent of Portland's 25 to 34 year-old in-migrants and out-migrants. Portland gains net new young adult residents primarily from California, Seattle, and other cities in Oregon, and loses them only to a few fast-growing cities in the West (Las Vegas, Phoenix) and South (Charlotte). The region receives net migration from 43 of the other 49 largest U.S. metropolitan areas.
- The growth of the region's young adult population has been fueled by the attractiveness of the central city and Washington County. Young adults generally and college-educated 25 to 34 year olds in particular are disproportionately represented in close-in Portland neighborhoods—residents within 3 miles of the city center are 50 percent more likely to be 25 to 34 years old.

Opportunities

- Among the five cities where focus groups were conducted, Portland elicited the most positive views. Its urban fabric has special appeal, with participants citing the city's size, walkability,

public transportation, bike-friendliness, distinctive neighborhoods and independent businesses as contributing to a feeling of community, manageability and safety. Portland has much to sell.

- But young people feel that Portland is not sufficiently selling its assets to people like them. Nor do they feel that Portland is aggressively pursuing obvious economic opportunities that would generate additional income and career opportunities.
- Though they may not yet have children of school age, the condition of Portland's public schools was a serious concern. Young people viewed the school system as a fundamental component of Portland's success.
- Metropolitan Portland's lack of diversity, particularly the lack of African-Americans, was noted. Diversity conveys vibrancy and sophistication in a city, and while Portland's urban fabric works greatly in the city's favor, its lack of diversity works against it.

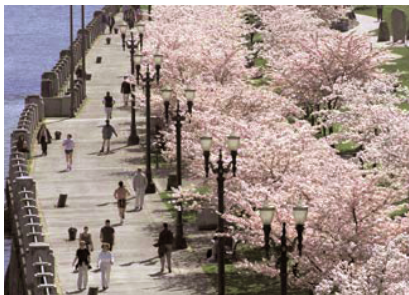
The Young and Restless Seek the Central City

Besides that fact that the researchers found that Portland's population that is college-educated and ages 25 to 34 is growing at five times the national rate, they also found that Portland's proportion of young educated residents is much higher in the city's central areas than in other cities with similar geography. In Portland, the percentage of young people with a college education is twice as high in the central city as it is outside.

In Las Vegas, for example, where that segment of the population is also growing rapidly, much of the growth is in the suburbs. Portland's growth of college-education young people is more similar to New York, Chicago and San Francisco than to Phoenix, Denver, or San Diego.

Boston Couple Picks Portland – Rejects San Francisco

In a late June edition of THE OREGONIAN, they reported on the Portland's qualities that were a draw to Tom Bikales and his wife, Lauren Kim. The couple will move with their two young children in July from Boston to a house they bought in close-in Northwest Portland.



Bikales, 36, holds degrees in cultural anthropology from Harvard, the University of Chicago and New York University and a law degree from Yale. He will become the director of legal affairs for ODS Health Plans, and his wife will join the staff at OHSU Hospital as a rheumatologist.

"We were looking for an actual city where we could have decent space, not a huge mortgage and not fight lots of traffic."

Bikales said. The couple considered San Francisco but decided it would have been too similar to the life they were leaving in Boston. They settled on Portland for reasons that include a less-competitive local attitudes about grade-school education and the relative ease of getting around town.

Study Data

"The Young and the Restless" study combines data from the 1990 Census and 2000 Census, the 2002 American Community survey, and driver's license surrender lists. The researchers also conducted a series of focused interviews with young, educated people in five cities, including Portland.

Their findings reinforce the data about the influx of young educated people that emerged from the 2000 Census. Despite Portland's economic difficulties over the past few years, "we're pretty confident that these trends are continuing," Cortright said.

The study was paid for by the Westside Economic Alliance, a trade group, and the Portland Development Commission, a public economic development agency. Additional financing came from Nike and the cities of Hillsboro, Beaverton and Tualatin.

Lack of Fortune 500 Companies

Cortright said his study's findings should comfort those who lament Oregon's scarcity of Fortune 500 companies.

"Over the next five to 10 years, the creativity and entrepreneurship of people in this age group will create companies that we can no more imagine than the timber barons could imagine a shoe company being in the Fortune 500," he said, referring to Beaverton-based Nike, which is the only Oregon company on the magazine's list of largest public companies.

The Portland area, Cortright said, is relatively wealthy in "location-specific human capital."

40-Mile Loop



David, my webmaster, does a freebie website for a non-profit each year. This year he signed on to create a web for an organization called the [40-Mile Loop](#). The 40 Mile Loop Land Trust is an advocacy group promoting a system of connected recreational trails in the Portland metro area.

The Trust also pursues completion of the 40 mile trail around the Portland metro area. The interesting part of the story is that The 40-Mile Loop was originally proposed in 1904 by the nationally recognized Olmsted Brothers who were brought to Portland from Boston to propose a park system as part of the planning for the Lewis and Clark Centennial Exposition and World's Fair.

Parks should be connected and approached by boulevards and parkways...They should be located and improved to take advantages of the beautiful natural scenery. The above system of scenic reservations, parks and park-ways and connecting boulevards would...from an admirable park system for such an important city as Portland is bound to become.

Olmsted Brothers - Landscape Architects – 1904 - Portland, Oregon

It was a remarkable, visionary concept then when the area was still largely woodlands and meadows. Fortunately, city leaders of the time had the foresight to recognize the importance of parks to a liveable community. Though many outstanding park lands were acquired, linking them was always put off to the future.

In 1904 the desired linking parkways were to be for the recreation craze of the time. Sunday drives in carriages or the newfangled motorized touring car. As times and tastes changed, pathways replaced parkways. That connected system was to be a 40-Mile Loop encircling the city. The name, 40-Mile Loop stuck, even as the planned loop trail has lengthened to more than 140 miles to include all of Multnomah County and to connect more than 30 parks.

Now, a century later the 40-Mile Loop is nearly complete. The trail connects parks along the Columbia, Sandy, and Willamette Rivers and Johnson Creek in an almost continuous loop. There is something somewhere along the route for everyone, whether it is hiking or biking, whether you're in a stroller or a wheel chair, whether you are skating or boarding or even horse-back riding or canoeing. The loop includes accessible trails and nature trails along forest hillsides and overlooking wetlands and wildlife.

Operations of the 40-Mile Loop Land Trust are financed by interested individuals, foundations, and businesses. All contributions are tax-deductible. The Trust remains independent of any governmental body and is managed by a volunteer citizen board of directors. Although the website is a "work in progress," visit it at www.40mileloop.org to learn more about the loop.

Summer Events

Waterfront Blue Festival

They come by bicycle, on foot and even under sail. They come for sights and sounds of the second-largest blues fest in the nation: Portland's 17th annual Waterfront Blues Festival. Set for July 2-5, headliners include Keb' Mo', the Holmes Brothers, plus Canned Heat and Jonny Lang. Fireworks on July 4. Suggested daily donation (\$5 and two cans of food) benefits the Oregon Food Bank.

Fireworks over Fort Vancouver

Catch one of the largest fireworks displays west of the Mississippi. Enjoy live music from noon to 10 p.m. Explore the fort and enjoy living history exhibits. Located just over the Columbia River in Vancouver, Wash. Vancouver National Historic Trust. 360.693.5481.



Brewers Festival

Returning to the west bank of the Willamette River, the [Oregon Brewers Festival](#) is set for July 23-25. This year, North America's largest gathering of independent brewers highlights the Northeastern U.S., bringing an assembly of breweries from the likes of Massachusetts, Maine and New York. Choose from 72 breweries under the tents at Gov. Tom McCall Waterfront Park. 503.778.5917.

Summer Music

One of the many pleasures of summer in Portland is taking in an outdoor concert. Here are a few of our favorites:

[Tuesdays by Twilight](#) a popular series set in the peaceful Portland Classical Chinese Garden; through Aug. 10; 503.228.8131.

[Oregon Zoo Summer Concerts](#) in July and August; 503.226.1561.

[Kruger's Farm Concert Series](#) offers live bluegrass and more; Thursdays July 8-Sept 2; free admission; 503.621.3489.

[Oregon Symphony in the Neighborhoods](#) in August and September; free admission; 503.228.4294.
[Chamber Music Northwest](#) through July 25; 503.294.6400.

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