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in
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Moving to Portland™

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Portland Home Market

August Residential Highlights

August temperatures may have started to cool off toward the end of the month, but market activity in the Portland metro area did not appear to follow suit. In fact, closed sales climbed again this month, reaching a total 2.7% higher than in August 2003.

Meanwhile, pending sales increased 1.5% and new listings rose by 1.8%. Furthermore, inventory seems to have risen despite the weather. In fact, at the end of August, 8,249 residential listings were active in the Portland metro area's residential market. Given the month's rate of sales, they would last only 2.7 months—still down from August 2003.

Year-to-Date Trends

Closed sales continued to climb during the first half of 2004, up 8.0% compared to January-August 2003. Total pending sales soared 5.9% (compared to the same period in 2003). However new listings appear sparse this year, down 3.5%.

Appreciation

The average sale price of a home in the Portland metro area during the 12 months ending in August 2004 was \$237,800—evidence of a 8.0% appreciation from the average price of \$220,200 during the 12 months immediately prior. A median sale price of \$196,000 (twelve month period ending August 2004) in the Portland metro area showed a slightly less pronounced rise of 6.0% from \$184,000 in August 2003 (twelve month period ending August 2003).

Cost of Residential Homes in the Portland Metro Area

For Period August 2004

Area	Current Month	Year-to-Date For Period Ended August 2004		Percent Appreciation ²
	Average Sales Price	Average Sales Price	Median Sale Price	
Portland Metro Area				
Includes Portland, surrounding communities, and Vancouver, Washington area	\$250,900	\$243,200	\$200,000	8.0% ³
Portland				
North	\$184,500	\$172,800	\$162,100	11.2%
Northeast	233,600	222,500	194,000	7.3%
Southeast	212,100	198,400	173,000	7.5%
West (Includes SW and NW Portland and parts of eastern Washington County)	349,000	349,500	284,000	5.2%
Other Areas				
Corbett, Gresham, Sandy, Troutdale	\$198,100	\$199,800	\$181,000	6.1%
Clackamas, Milwaukie, Gladstone, Sunnyside	278,800	247,000	211,900	13.9%
Canby, Beavercreek, Molalla, Mulino, Oregon City	240,400	230,500	210,000	9.5%
Lake Oswego and West Linn	420,000	393,400	332,900	13.1%
Northwest Washington County & Sauvie Island	318,700	321,300	286,000	7.2%
Beaverton and Aloha	217,700	213,100	189,000	7.7%
Tigard, Tualatin, Sherwood, Wilsonville	265,100	262,500	237,500	6.9%
Hillsboro and Forest Grove	209,100	205,700	185,500	3.9%
Mt. Hood: Brightwood, Government Camp, Rhododendron, Welches, Wemme, ZigZag	163,900	164,500	157,800	5.9%
Clark County (Vancouver, Washington)	228,800	221,600	187,000	12.8% ³

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 (9/1/03-8/31/04) with 12 months before (9/1/02-8/31/03)

³ As of June 2004. This figure calculated each quarter.

Source: Regional Market Listing Service (RMLS™).

Mortgage Rates Flat as Housing Continues to Shine

September 30, 2004

In [Freddie Mac's](#) Primary Mortgage Market Survey, the 30-year fixed-rate mortgage (FRM) averaged 5.72 percent, with an average 0.6 points, for the week ending September 30, 2004, up slightly from last week when it averaged 5.70 percent. Last year at this time, the 30-year FRM averaged 5.98 percent.

The average for the 15-year FRM this week is 5.12 percent, with an average 0.6 points, also up slightly from last week when it averaged 5.10 percent. A year ago, the 15-year FRM averaged 5.30 percent.

One-year Treasury-indexed adjustable-rate mortgages (ARMs) averaged 3.97 percent this week, with an average 0.6 points, down from last week when it averaged 4.00 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

"Mortgage rates didn't move much this week, keeping us on target with industry forecasts for the year," said Frank Nothaft, Freddie Mac vice president and chief economist. "Our forecast is for the 30-year fixed-rate mortgage rate to remain below six percent for the rest of the year and not much higher than that for 2005."

"Low mortgage rates continue to keep the housing market vibrant. Indeed, the Mortgage Bankers Association figures show that applications for home purchase and refinancing – both of which had fallen off somewhat – have rebounded to the higher levels experienced earlier in the year."

Portland Area Mortgage Rates

In late September Washington Mutual, was offering 5.875 percent for a 30-year FRM (APR of 5.904 percent) with zero points. Another lender, US Bank's rate was 5.875 for a 30-year FRM (APR of 6.011 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

September Starts Wet and Ends Sunny

Early September weather continued with the cool and damp weather that late August brought us. Than the last two weeks of September turned into the kind of weather we are accustomed to in the September - warm sunny days and cool evenings.

We are now seeing the first signs of Fall with a few trees turning color. Yellow is by far the most prominent color of our Autumn leaves. Our Pacific Northwest deciduous trees do not give us the showy flash of New England or the Midwest, but the colors contrast nicely with the green pines, and firs.

Water Year (Oct 1 - Sep 30)	Average Precipitation In Inches	Actual Precipitation in Inches
Year-to-Date	35.52	31.53
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	.04
August	.89	2.68
September	1.65	1.03
Year Average	37.21	32.56
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

Largest Park and Smallest Park in USA

Located in Portland are two parks that are a paradox to each other. One is Forest Park, the largest forested city park in the USA. The other is Mill Ends Park, a 452 square inch park that is considered the smallest park in the USA.

Forest Park – 5,000 plus Acres



Portland's Forest Park is the largest forested city park in the United States. Covering 5,000 plus acres, it provides a hushed and peaceful environment of a varied and evolving forest ecosystem. Overlooking the Willamette River, the Park stretches for nearly eight miles along the northeast slope of the Tualatin Mountains between NW Skyline Boulevard and NW St. Helens Road (Hwy. 30).

In 1803, William Clark (of Lewis and Clark fame) paddled far enough up the Willamette River to see Forest Park's present location. He described this forest as having Douglas fir as its predominant tree, with trunks ranging from five to eight feet in diameter.

Forest Park is home to over 100 species of mammals and more than 100 kinds of birds have been seen in the Park. The Park offers enjoyment to hikers, bicyclists, runners, and others who just enjoy being outdoors in a forest atmosphere. The 30+ mile long Wildwood Trail (a National Recreational Trail) traverses the Park from the Vietnam Veterans Memorial in Hoyt Arboretum to Newberry Road. A total of more than 70 miles of interconnecting trails and lanes provide opportunities for circle hikes of varying lengths.

Mill Ends Park at 452 Square Inches



In 1946, Dick Fagan returned from World War II to resume his journalistic career with the *Oregon Journal*. His office, on the second floor above Front Street, gave him a view of not only the busy street, but also an unused hole in the median where a light pole was to be placed. When no pole arrived to fill in this hole, weeds took over the space. Fagan decided to take matters into his own hands and to plant flowers.

Fagan wrote a popular column called *Mill Ends*. He used this column to describe the park and the various "events" that occurred there. Fagan billed the space as the "World's Smallest Park." The park was dedicated on St. Patrick's Day in 1948 since Fagan was a good Irishman. He continued to write about activities in the park until he died in 1969. Many of his columns described the lives of a group of leprechauns, who established the "only leprechaun colony west of Ireland" in the park. Fagan claimed to be the only person who could see the head leprechaun, Patrick O'Toole. The park was often the site of St. Patrick's Day festivities.

Over the years, contributions have been made to the park, such as the small swimming pool and diving board for butterflies, many statues, a miniature Ferris wheel (which was brought in by a normal-sized crane), and the occasional flying saucer.

Schools

Will Voters Repeal Tax Surcharge?

In early 2003, voters in Multnomah County approved a 1.25 percent income tax surcharge by almost a 60/40 margin. Two-thirds of the money goes to support eight school districts in the county, including Portland's. Groups opposing this tax have gathered sufficient signatures to again have the item on the November ballot and it is called measure 26-64.

The amount of dollars the Portland district pays for teacher health insurance each year has become ammunition for activists who want to repeal Multnomah County's income tax. Most school districts in Oregon require employees to share insurance costs, but until now Portland has paid the entire amount for teachers. The district pays an average monthly rate of \$930 per teacher for health insurance. It is scheduled to go to \$984 in February.

It was reported in early October that negotiators for the Portland school district and its 3,600 teachers have reached a tentative agreement on a two-year contract that, for the first time, requires teachers to shoulder a share of health insurance costs. The settlement would bring that down by an unspecified amount. It is unclear if the agreement includes an absolute cap on the amount the district would pay per employee -- something the district had sought.

City of Portland Voters Favor Tax According to Poll

According to a poll conducted by the Portland Tribune and KOIN (Channel 6) in late September, Portland voters oppose repealing Multnomah County's temporary 1.25 percent income tax, approved last year. The poll showed 55 percent of Portland respondents against repeal, 38 percent in favor and 7 percent undecided. The survey didn't include voters outside the city of Portland; however, about 80 percent of Multnomah County voters live within the city limits.

The poll, conducted by Research 2000 of Rockville, Md., questioned 400 likely Portland voters by phone. The margin of error is plus or minus 5 percentage points.

Portland Schools to Offer Full Day of Kindergarten by 2007

Portland Public Schools are on the road to providing full-day kindergarten throughout the district by 2007, administrators told school board members in late September.

Six Portland elementary schools are pilot sites this year for free, full-day kindergarten: Lent and Kelly in Southeast Portland; Kenton, James John and Peninsula in North Portland, and Faubion in Northeast Portland.

Before this school year, Portland provided full-day kindergarten in 41 elementary schools. Eight schools in low-income areas of North and Northeast Portland offer free programs, but parents pay tuition at most. An additional 20 schools provided free half-day programs. Of the schools without full-day programs last year, 16 served large numbers of poor and immigrant children.

Portland Public Schools Again Show Decline in Enrollment

Enrollment across Portland Public Schools fell by 1,047 students this fall compared with last school year, according to a preliminary student count. Enrollment has fallen by 10 percent or more at 10 schools in North and Northeast Portland.

Portland Public Schools enrollment has steadily fallen since 1962, when it peaked at 81,000 students. Nearly 46,100 students were enrolled in the district as of last week. The count doesn't include students in some alternative and special education programs. There were about 1,700 such students last school year.

The federal No Child Left Behind law gives priority transfers to students at schools labeled inadequate, emptying some schools and filling others. A total of 1,132 Portland students transferred within the district under the law. Two middle schools -- Tubman and Whitaker, in North and Northeast Portland - are now the size of a small elementary, with enrollment at each hovering around 300 students.

The Chalkboard Project Release First Report

A report that examines the quality of education in Oregon was released in late September by the non-partisan [Chalkboard Project](http://www.chalkboardproject.org), and it charges Oregon schools with mediocre performance. The report is designed to give Oregonians an unbiased, unflinching account of how their schools stand, according to Chalkboard Project President Sue Hildick.

Other findings:

- Oregon students perform well in math and science, compared with national and international benchmarks.
- Oregon schools turn out students who are "average" in reading.
- Oregon student can't compete against the best from other states.
- Compared with the rest of the country, Oregon has opted to give teachers generous benefits - and give students huge class sizes.
- Spending on schools, as measured by the share of personal income that Oregonians devote to public education, has gone from well above the national average in 1990 to below average last year.

Download the Report

You can download the entire report at the Chalkboard Project Web site at this link: <http://www.chalkboardproject.org/media.php>.

Report Funded by Five Foundations

The five foundations that created the project and are paying much of its \$2.5 million cost are The

Collins Foundation, Meyer Memorial Trust, The Ford Family Foundation, Jeld-Wen Foundation, and the Oregon Community Foundation.

The research underlying the report was done by ECONorthwest, the largest economic consulting firm in the Northwest, and the University of Oregon's Center for Education Policy Research. It contains nine pages of findings, based largely on statistics from the National Center for Education Statistics, along with 32 pages of footnotes, tables and data.

Goal is to Upgrade Oregon Schools

The ultimate goal of the Chalkboard Project is to develop recommendations by fall 2005 of fresh, widely supported ways to upgrade Oregon schools. Chalkboard Project leaders say they want to concentrate improvements in three areas: quality, accountability and adequate, stable funding.

Hosford-Abernethy Neighborhood in Southeast Portland



How would you like to live in a neighborhood where you can shop at three quality food markets, walk to see a movie, and have an expanding choice of restaurants? And all within 10 minutes of downtown Portland. If so, you may want to consider living in the Hosford-Abernethy neighborhood of Southeast Portland.

Entrance to the neighborhood from the west can be via the Hawthorne bridge on the north boundary and the Ross Island bridge on the south boundary. The first few blocks are all industrial that slowly turns into a mix of residential, including apartments, and industrial as

you drive further east. Finally, about SE 13th Avenue you're in mainly a residential area with detached single-family homes.

A few years ago you would have been an "urban pioneer" if you decided to buy a home in Hosford-Abernethy, but this neighborhood has changed so much (for the better) that you can still catch the trend and find an affordable home. It may require some TLC, but you will have company as many of your neighbors will be doing the same thing.

Neighborhood Center

The heart of the neighborhood is located at SE 26th and SE Clinton which is a couple blocks south of SE Division. This is where a retail area has gradually grown so that it now contains 15 or so establishments to include restaurants, a food market, coffee shops, a record shop, movie theatre, a video store, and a gallery along with others. The businesses are spread over a 6-8 block area with two other quality food markets within a few blocks of each other. All it needs is a bookstore to make it a real Portland neighborhood.

The opening of a Starbucks and a New Seasons Market in 2004 aroused the social activists in the neighborhood, and they did their best to halt their construction. The two corporations won and now both businesses are doing well and frequented by the local residents. A [neighborhood cooperative market](#) has been in operation since the 70's and providing an alternative to corporate stores. All three markets offer organic foods. The People's Coop also has a year-around farmers' market on Wednesdays.

Ladd's Addition Geometric Plat and Neighborhood Homes

The map on the previous page reveals an uncommon street pattern just south of SE Hawthorne in an area known to the locals as Ladd's Addition. The streets are in an orderly geometric form – a rectangle crossed by two diagonals, which divide the plat into four isosceles triangles. These are further divided into smaller triangles, quadrilaterals, parallelograms, and trapezoids. It looks like a British Flag from the air layered against the grid pattern of the rest of the area.

William S. Ladd platted this subdivision in 1891 and he named all but two of the streets after trees. He named one street after himself (Ladd Avenue) and another after his wife, Elliot Avenue. Two streets were later renamed because they were continuations of the grid of streets surrounding the subdivision, and some others were changed because of duplication in other parts of Portland.

Most of the houses in Ladd's Addition as well as the rest of the area were built between 1905 and 1920. The neighborhood architectural styles can be described as "assorted" and the quality of maintenance varies from "needs work" to pleasantly preserved.

In the late 90s, eastside builder Loren Waxman built four craftsman townhomes on SE 26th and others have been built since. A small condo development is now under construction at 21st and Clinton. Alternatives to detached homes means that a new type of resident is attracted to the neighborhood.



Hosford-Abernethy Demographics

The 2000 USA Census states that the neighborhood has 6,932 people living in an area of 831 acres. Renters and home owners are split evenly – actually homeowners comprise 51 percent of the 3,243 households which is a slight up tick from the 1990 census when area homeowners were at 45 percent. Most of the renters live on the westside of the neighborhoods where the apartment buildings are located.

Chris Eykamp, the chairperson of the Hansford-Abernethy Neighborhood Development Association (HAND), has observed in his ten years of residency in the area he now sees more walkers and bikers in the neighborhood. Chris attributes this change to the desirable business establishments that have sprouted up the last few years. Chris says, "People have a place to go, a destination in mind."

Neighborhood Boundaries

Boundaries of Hosford-Abernethy include the entire area located within each of the specified borders:

- West is the Willamette River
- North is SE Hawthorne Boulevard
- South is SE Powell Boulevard
- East is roughly SE 29th Avenue

Neighborhood Issues and Trends

Chris feels that the number one issue in the neighborhood is traffic. The Portland Department of Transportation awarded a grant to study traffic on Division Street, the primary route through the center of the neighborhood. The goal of the grant is to plan for a pedestrian-oriented street and encourage more local business establishments.

Trends that Chris identified over the next few years include creating a climate where the residents can shop in the neighborhood thereby bringing in more business establishments. He is happy to see more community-minded business owners, and he is confident there will be more as the neighborhood grows.

Events

Fun Fact

With 33 breweries and brewpubs in the metro area, Portland now has more breweries than any other city on the planet (Source: Oregon Brewers Guild, 2004).

U2's Bono to Speak in Portland



Irish rocker Bono will open the [World Affairs Council's](#) 2004-05 International Speaker Series Oct. 20 at Portland's Rose Garden arena. Bono is recognized worldwide for his passionate advocacy of debt relief for developing countries and his work to fight AIDS in Africa. Click [here](#) for more on this special event.

Open Door Policy

October brings another chance for rare behind-the-scenes access to professional artists at work with [Portland Open Studios](#). Enjoy a self-guided tour of 94 Portland-area artists' studios including printmakers, sculptors, photographers, ceramic artists, fiber artists, metal smiths, glass blowers and painters. Oct. 9-10 and 16-17. Pass required; purchase [online](#) or at area Art Media stores.

Theater Season Sizzles



As the 2004-2005 season begins, Portland's performing arts scene sizzles. Don't miss the West Coast debut of Ballet Biarritz presented by [White Bird Dance](#); a contemporary *King Lear* at [Portland Center Stage](#); *Mercy Seat* at [Artists Repertory Theatre](#); and the [Portland Opera's Broadway](#) in Portland series offering *Little Shop of Horrors*.

Autumnal Delights for the Senses

Don't be fooled by autumn's shorter days and cooler nights. Produce from farms and orchards in and around Portland is still available in abundance at the [Portland Farmers Market](#). Seasonal delights from pears and apples to hazelnuts and corn are purveyed amid fresh baked goods, organic cheeses, seafood and flowers. Saturdays through Nov. 20; Wednesdays through Oct. 27.

2005 U.S. Figure Skating Championships in Portland

Portland is proud to be the host city for the 2005 U.S. Figure Skating Championships Jan. 9-16. National titles will be awarded in men's singles, ladies singles, pairs and dance at Portland's Rose Garden arena. Click [here](#) for event and ticketing information.

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