



Susan and CB

Moving to Portland™

November 2005 Newsletter

<http://www.movingtoportland.net>

Voice 503.497.2984 ♦ FAX 503.220.1131

susan@movingtoportland.net

In This Issue

- Portland Home Market
- Cost of Residential Homes in the Portland Metro Area
- Long-Term Mortgage Rates
- Portland Weather
- Oregon People: Portland's Creative People
- Oregon Facts: Portland Story Project
- The Housing Market
- Part II: What to Live in When the Oil Runs Out
- Portland Events

Unsubscribe

Moving to Portland mailing list addresses are never sold, rented, leased, traded, swapped, exchanged, or bartered to anyone. We don't like to receive junk mail and know you don't either. To unsubscribe to the Moving to Portland newsletter, send an e-mail to webmaster@movingtoportland.net with the word "UNSUBSCRIBE" in the subject line or body.

Portland Home Market

September Residential Highlights

With the largest increase in new listings recorded in 2005, boasting a 21.3% increase when comparing September 2005 to the same time in 2004, inventory is on the rise in September. Meanwhile, closed and pending sales were both up, 17.7% and 5.1% respectively.

At the end of September, there were 6,231 active residential listings in the Portland Metro area's market. Given the month's rate of sales, they would last only 1.9 months

Appreciation

The Portland metro area's average sale price for the last twelve months was \$273,200—up 14.1% from the \$239,400 average for the twelve months prior. Using the same date range median sale price appreciated 15.7% (\$229,000 v. \$198,000).

Condos have appreciation 13% so far this year with an average selling price of \$216,300. The average sale price of condos in 2004 was \$191,300.

Year-to-Date Trends

Closed sales continue to show growth this year, up 15.9% when compared to the same time frame in 2004. The number of pending sales also increased 14.4%. New listings increased 5.2%.

Cost of Residential¹ Homes in the Portland Metro Area September 2005

Area	September 2005 Average Sales Price	Year-to-Date For Period Ending September 2005		Average Price Appreciation ²
		Average Sales Price	Median Sale Price	
Portland Metro Area				
Includes these counties in Oregon: Clackamas, Columbia, Multnomah, Washington, & Yamhill	\$301,000	\$278,700	\$233,800	14.1%
Portland				
North	\$209,100	\$202,900	\$192,800	16.2%
Northeast	266,400	258,800	229,000	15.0%
Southeast	244,500	226,900	195,000	14.2%
West (Includes SW and NW Portland and parts of eastern Washington County)	435,400	404,700	333,000	15.1%
Portland Metro Suburban Areas				
Corbett, Gresham, Sandy, Troutdale	\$235,000	\$226,500	\$209,000	13.2%
Clackamas, Milwaukie, Gladstone, Sunnyside	308,100	289,900	250,000	16.1%
Canby, Beavercreek, Molalla, Mulino, Oregon City	290,800	276,400	249,000	17.9%
Lake Oswego and West Linn	482,400	448,100	387,500	14.4%
Northwest Washington County & Sauvie Island	419,100	365,400	329,000	11.6%
Beaverton and Aloha	259,800	242,900	214,000	13.6%
Tigard, Tualatin, Sherwood, Wilsonville	384,600	318,300	280,000	19.0%
Hillsboro and Forest Grove	260,600	237,700	219,000	14.9%
Mt. Hood: Brightwood, Government Camp, Rhododendron, Welches, Wemme, ZigZag	251,500	221,100	219,000	29.2%
Columbia County	198,600	196,800	179,000	12.5%
Yamhill County	258,700	216,000	186,000	6.6%
Southwest Washington State				
Clark County (Battleground, Camas, Ridgefield, Vancouver, Woodland, etc.)	\$279,000	\$254,300	\$219,900	14.7%

¹ Residential includes detached single-family homes, condos, townhomes, manufactured homes, and multi-family (e.g., duplexes, triplexes, etc.) homes when one of the units is sold.

² Appreciation percents based on a comparison of average price for the last 12 months (10/01/2004-9/30/2005) with 12 months before (10/1/2003-9/30/2004).

Source: Regional Market Listing Service (RMLS™).

Mortgage Rates Up Again

October 27, 2005

[Freddie Mac](#) released the results of its Primary Mortgage Market SurveySM (PMMSSM) in which the 30-year fixed-rate mortgage (FRM) averaged 6.15 percent, with an average 0.5 point, for the week ending October 27, 2005, up from last week's average of 6.10 percent. Last year at this time, the 30-year FRM averaged 5.64 percent.

The average for the 15-year FRM this week is 5.69 percent, with an average 0.5 point, up from last week when it averaged 5.65 percent. A year ago, the 15-year FRM averaged 5.01 percent. Five-year Treasury-indexed hybrid adjustable-rate mortgages (ARMs) averaged 5.63 percent this week, with an average 0.6 point, up from last week when it averaged 5.59 percent. There is no annual historical information for last year since Freddie Mac only began tracking this mortgage rate at the start of this year.

One-year Treasury-indexed ARMs averaged 4.91 percent this week, with an average 0.7 point, up from last week when it averaged 4.89 percent. At this time last year, the one-year ARM averaged 3.96 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

"Although home sales were still impressive in September, mortgage applications in October seem to be tapering off a bit, due in large part to slowly rising interest rates," said Frank Nothaft, Freddie Mac vice president and chief economist. "Obviously, refinancing is going to take the biggest hit as mortgage rates tick up. Refinancing comprised about 40 percent or more of the total volume of mortgage originations over the last 13 months. This share, however, will lessen as mortgage rates continue to rise.

"Going forward, homeowners wanting to use some of the equity in their homes for home improvement or other purposes will make up a larger portion of the refinance business.

Portland Area Mortgage Rates

In late October, US Bank's rate was 6.25% for a 30-year FRM (APR of 6.337%) and zero points. Washington Mutual was offering 6.375% and the APR was 6.405%. The average APR for a 30-year fixed rate mortgage was 5.950% for the Portland metro area; the low was 5.610%, and the high was 6.560%. All rates are for a loan of \$165,000 to \$359,650 with 20% down. To check on more Portland metro area mortgage rates visit the website for [Yahoo! Finance](#).

Portland Weather

October 2005

October begins the first month of the "water year" and by the 30th day of the month it looked like we were going to be short by an inch. Then we woke up on the 31st to a steady rain that lasted until late in the day giving us over an inch of rain. It made for a good night for the "trick or treaters" as dry conditions prevailed from late afternoon until early morning on November 1st. For the first 30 days of the month, it was full of pleasant temperatures and colorful trees shedding their leaves.

Water Year (Oct 1 - Sep 30)	Average Precipitation In Inches	Actual Precipitation in Inches	Water Year
Year-to-Date	37.07	3.38	<p>Portland's rainfall is measured according To the "water year" which is from October 1 through the end of September.</p> <p>The average precipitation is about 37-38 inches in the metro area.</p> <p>Precipitation is measured from the NOAA Weather Station at the Portland International Airport.</p>
October	2.88	3.38	
November	5.61		
December	5.71		
January	5.07		
February	4.18		
March	3.71		
April	2.64		
May	2.38		
June	1.59		
July	0.70		
August	0.89		
September	1.65		
Year Average	37.07		

Here is the [National Weather Service](#) data for the month of October, 2005:

- Average Monthly Temperature: 56.3 or 2.0 degrees above normal.
- Average Maximum Temperature: 62.7
- Average Minimum Temperature: 49.9
- Average Monthly Wind Speed: 5.7 MPH.
- Clear/Cloudy Days: 1 clear day, 5 partly cloudy days, and 25 cloudy days.
- Average minimum temperature of 49.9 degrees was the third warmest for October.

Oregon People: Portland's Creative People



Portland's reputation as a mecca for the "creative class" received some validity when the November issue of [Fast Company](#) magazine list Portland at number 7 of the 10 fastest cities in America. Portland came in behind Sacramento, Calif., Salt Lake City and San Diego, to name a few -- but ahead of Madison, Wis., Tucson, Ariz., and Colorado Springs, Colo.

The issue -- which credits a "crack research team at Carnegie Mellon" for help with the list -- is devoted to cities showing the highest rates of growth among the much-ballyhooed "creative class," a group that encompasses everything from scientists to managers to the undefined "cultural creatives."

Here is what the magazine has to say about Portland:

Cornerstones: The Pearl District, an 80-year-old warehouse area, has seen more than 50 residential and commercial projects in just over a decade, transforming it into a hip place to live. It's a mix of 19th-century industrial buildings and modern condos and art galleries. Home to the largest wooded city park (Forest Park) in the country, the Portland area is lush with outdoor opportunities.

Caveats: As real-estate prices continue to rise, residents have been fleeing to the suburbs. Big-box stores such as Pier One have been cropping up on the fringes, drawing shoppers from inside the city and stalling development of the downtown shopping district.

Portland Story Project



When it comes to telling people about your hometown, often an anecdote means more than all the maps and guidebooks put together. The [Portland Story Project](http://www.portlandstoryproject.com) is an online collection of written tales about what it's like to live in Portland. Here is their full Web address: <http://www.portlandstoryproject.com>.

It was started in early 2005 by a couple who prefer to remain anonymous. He goes by the name "M" and is from New York whereas she is "C" from Florida. They get five or six submissions a week, including a lot of pictures. Most of the stories are not just anecdotes but also the sort of prose one reserves for love letters. Here is a sample of a recent story from their Web site:

My husband and I, recent transplants from NYC last year, were on our way to a party in SE. We decided to walk instead of taking the bus. The walk was a lot longer than we thought and we were looking for a market to buy beer to bring to the party. When we were in what we now know as Ladd's Addition, we decided to ask the next person we saw where the nearest market was. We saw a woman outside her garage and walked up to her. She directed us but then said she had all this foreign beer in her fridge that she wasn't drinking and did we want it. We were shocked! She invited us into her house, we met her daughter, we chatted for a little and she gave us a box full of beer! We were so taken back by her hospitality, her trustfulness in us and her generosity. That kind of gesture is indicative of Portland and the people who live here. It's one of the reasons why I like living here so much. ~ Vicki

By all means visit the [Portland Story Project Web site](http://www.portlandstoryproject.com) and read some of the stories. You will begin to understand the spirit of Portland by doing so.

Housing Market: Growth Rate and Buildable Land

People are flocking to the Portland area faster than ever. More than 2 million people now live in the metropolitan region, about 300,000 more than [Metro](#) (the regional government charged with managing growth) predicted 10 years ago. According to Metro's most recent projections, the region's population could approach 3 million by 2030, over 500,000 more than previously predicted.

Even though many more people are moving to the Portland area than expected previously, regional planners, home builders and real estate agents are worried that land already designated for residential development is insufficient.

Land Must be Planned and Zoned



Land has to be planned, zoned, and services installed. Home prices are increasing fast, and if Portland runs out of land which to build homes, this may push the prices even higher. Metro administers the urban growth boundary that separates urban from rural land.

Although the elected Metro Council repeatedly has expanded the boundary to allow for more housing, it typically takes several years of planning and infrastructure work before construction can begin.

Metro's Expansion Area Planning Fund Committee

In early October Metro appointed an Expansion Area Planning Fund Committee to study one part of the problem — helping local government pay to plan and zone the new parcels brought within the boundary. The committee was proposed by Metro Councilor Brian Newman, who believes Metro has an obligation to help the governments that have jurisdiction over the parcels.

The committee includes elected officials, planners and representatives of both the real estate and building industries. It is expected to report back to Metro by December 15. It was reported in the Portland Tribune (October 21, 2005) that both Newman and Metro Council president David Bragdon said they expect it to focus on levying a fee on building permits to fund new planning efforts.

Infrastructure Improvements

A solution to the second part of the problem — paying for infrastructure improvements — may be further off. Most local governments cannot afford to build the roads, water lines and sewers needed to serve new developments. Builder Don Morissette proposed that Metro consider forming "Local Improvement Districts" in the expansion areas to finance bonds that can fund infrastructure improvements.

Oregon law allows such bonds to finance work such as storm and sanitary sewers, street paving, curbs, sidewalks, water lines, recreational facilities, street lighting and off-street parking. The property owners are charged an assessment to pay off the bonds.

Prep Work Takes Years

In mid-October, a number of elected officials, home builders, and real estate agents gathered to discuss the problem at an informal event called Home Building 101. It was sponsored by the Home Builders Association of Metropolitan Portland and held at Summit Ridge, a 135-home subdivision under construction by builder Don Morissette, on Bull Mountain in Tigard.

The [Portland Tribune](#) reported on the meeting in their October 21st issue. Highlights from some of the story:

The group toured several of Morissette's homes as he explained the lengthy planning and permitting steps that preceded the project. Although construction on the first home began six months ago, Morissette purchased the hillside site in 2002. The intervening 2 1/2 years were consumed with legally dividing and recording the tax lots, acquiring the required permits, wrangling with neighbors over access to the property, and arranging for the water and sewer lines and countless other details.

Despite the delays, construction at Summit Ridge started much more quickly than many other potential home sites around the region. That is because it always has been included in the growth boundary. In construction, it can take six or more years for preliminary planning to even begin on lands that have been brought within the boundary more recently. In many cases, that is because many local governments do not have the money or staff to plan for them, let alone build the streets, water lines and sewers to support them.

Cases Where Planning is Still in Progress

The [Portland Tribune](#) reported in their October 21st article the following cases where delays have occurred:

- **Pleasant Valley** A 1,532-acre parcel between Portland and Gresham that Metro brought within the boundary in 1988. The city of Portland agreed to lead the planning process, which took more than six years to complete. The Pleasant Valley Plan District — the formal name of the finished plan — was adopted by the City Council on December 2004. It envisions a new, urban community of approximately 12,000 residents and 5,000 jobs. But serious construction has yet to begin in the area.
- **Area 93** One example is Area 93, a 159-acre parcel in unincorporated Multnomah County between Portland and Hillsboro. Metro voted to bring it and 19 other parcels within the boundary in 2002. But planning has yet to begin on Area 93 because Multnomah County does not have the staff or budget to do it.
- **Damascus** An even greater challenge is confronting the city of Damascus in southeast Clackamas County. Metro expanded the boundary to include 12,000 mostly rural acres in the area in December 2002. Regional planners hope it will become a model community of the future, a pedestrian-friendly urban center with housing built close to employment and retail centers. But, at this time, Damascus does not have enough money to build the roads, water lines and sewers necessary to serve such a

community.

- **20 Parcels** Planning has yet to start on most of the 20 parcels Metro brought into the boundary in 2002.

Part III: What to Live in When the Oil Runs Out



In the September issue of The Moving to Portland newsletter, we tackled the energy world by presenting some basic facts about the supply of oil. In October, we addressed whether Portland is the place to live as the oil slowly depletes. We also talked about what kind of a neighborhood one may want to live in when the energy picture changes from cheap fossil fuels to other alternatives.

This month, we will be directing you to resources about home energy conservation and technology. Most of the information about this article was obtained from our tour of Green Homes that we attended in early September. We were amazed and impressed with the homes we visited on the tour and the pride of ownership that the homeowners (as well as builders and designers) displayed.

Three items stood out from our conversations with homeowners (as well as builders) on the tour:

- It takes time to research the green solutions.
- Green technology is improving rapidly and more useable products are coming on the market every day.
- The praise that the [City of Portland Office of Sustainable Development](#) received.

This means you will have to do a considerable amount of reading and research to “get educated” about “green” technology. It is our intent to get you started by sharing some of the resources we have found recently.

Later in the newsletter, we will discuss the city’s Office of Sustainable Development’s Green-Rated Web site.

U.S. Department of Energy Numbers

In our daily lives, we use enormous amounts of energy. The United States uses about 97 quadrillion British Thermal Units (quads) of energy each year. The residential building sector accounts for about 21% (20.1 quads) of that use. And, about 86% of total annual energy use in the United States comes from burning fossil fuels — coal, oil, and natural gas. See http://www.eere.energy.gov/solar_decathlon/purpose.html for more details.

From this picture you can see that homeowners (residential users) take surprisingly little of the energy use in the U.S.A. Our vehicles, those 18-wheelers you see rolling down the freeways, industry, and agricultural are the big users of fossil fuels. But, residential users want to save money so we keep on searching for better solutions.

What is a Green Home?

Green homes are a matter of degree since there are no standards for “green homes.” You can start with the Earth Advantage® and go all the way to a Net-Zero-Energy home. These two labels apply to detached single-family homes. When you get into large condo projects, the LEED Green Building Rating System prevails.

Here is a brief explanation of the three:

- [Earth Advantage](#) At minimum, an Earth Advantage® home is designed to improve energy efficiency by 15 percent over a conventionally built home. The incorporation of products such as energy-efficient windows, appliances, mechanical systems and light fixtures can add up to lower energy usage and greater comfort year round.
- [Net-Zero-Energy](#) A "Net-Zero-Energy" house is designed to produce as much energy as it consumes on an annual basis.
- [LEED™](#) - Leadership in Energy and Environmental Design: LEED™ is a voluntary, consensus-based national standard for developing high-performance, sustainable buildings.

Since "green" is in, you will find many products that claim to be green but you have to be careful. Just because they put a "green" label on the product or service, that doesn't mean much. Remember how the term "organic" was misused until the [U.S. Department of Agriculture](#) issued guidelines in the early 90s? Google the term "green homes" and see what a hodgepodge of results you get.

Earth Advantage®

Earth Advantage® offers many resources to acquaint you with various aspects of the Earth Advantage® program. They frequently participate in events targeted to the home buyer, builder and industry professional. They also host open houses and organize tours of Earth Advantage® homes.

According to Earth Advantage®, "No matter how old your home is you still may be able to make changes that will reduce your energy and resource consumption, improve your indoor air quality and protect the environment around you." This means that the Earth Advantage® standard can be applied to both new construction as well as remodeling projects.

Earth Advantage® has over [30 builders and remodelers](#) listed in the Portland metro area that are Earth Advantage® certified.

Net-Zero Energy

Net-Zero Energy is a term we encountered when we attended a meeting in late October about the Blueberry Lane project in Northeast Portland. We also found it on the [National Renewable Energy Laboratory](#) (NREL) Web site. The definition is so easy to understand: A Net-Zero Energy home is designed to produce as much energy as it consumes on an annual basis.



Zero Net Impact Community on Blueberry Lane in NE Portland

Developer and restaurant owner Billy Reed along with Lily Lilly is developing the first Net-Zero Energy community of single family homes in Portland, the yet-to-be-built Blueberry Lane development. It will look very much like the Craftsman-style homes that dot the neighboring Eliot area of Northeast Portland. But on the inside, the homes will be smack in the middle of the 21st century - especially when it comes to conserving energy.

The four-home development 65 NE Graham Street will mirror the Craftsman style of existing neighborhood homes. Features like basements, attics, high ceilings and wide front porches all play a role - but so do solar panels, hydronic heat, rainwater harvesting with a reverse osmosis system, certified wood, and an air purification system.

The main access to the underground structure is shared. Each individually owned secure four car garage is part of the fee simple home and is accessed by the shared underground driveway.

This is the first project for Village Green, but two more are in the works. Billy Reed said that, "Blueberry Lane will test what people think of the project and future plans will go from there." They expect to break ground in March 2006 and have the homes occupied by Fall 2006.

A community planning meeting about Blueberry Lane is scheduled for 6 to 8 p.m. November 30th at Billy Reed's Restaurant, 2808 N.E. Martin Luther King Jr. Blvd. RSVP 503.603.9901 for the meeting.

The Blueberry Lane Development Web site – www.villagegreenhomes.org – should be up by November 15th.

LEED™

The U.S. Green Building Council (USGBC) is the organization that supports LEED™ certification. LEED™ provides a complete framework for assessing building performance and meeting sustainability goals. Based on well-founded scientific standards, LEED™ emphasizes state of the art strategies for sustainable site development, water savings, energy efficiency, materials selection, and indoor environmental quality.

The [Cascadia Region Green Building Council](http://www.cascadia.org) is one of three original chapters of the U.S. Green Building Council. Incorporated in Oregon in December 1999, the chapter covers Oregon, Washington, and British Columbia but also includes members from as far away as Idaho and Montana. By January 2002, the chapter had 175 members, mostly companies or agencies that in turn represented dozens or even thousands of individuals interested in a better way of building.

Portland has its own version of LEED called [PDX LEED™](http://www.pdxleed.org) that is based on New Construction (NC 2.1) standard. It is the country's first supplemental guide to the USGBC national LEED™ standards. PDX LEED™ enhances USGBC's LEED™ certification in several ways. First, it makes it easier to achieve credits by 'localizing' LEED™ standards – Portland's erosion control, stormwater management, and energy regulations.

There are a growing number of Pacific Northwest buildings that have obtained LEED certification and you can find them on the [Cascadia Region Green Building Council](http://www.cascadia.org) Web site. The new Casey Condo building in the Pearl District of Portland may be the first Platinum LEED building in Portland – it is just short by a point or two of earning this distinguished mark. Gerding/Edlen, the developer of the South Waterfront and the Brewery Blocks, is LEED™ certifying all their buildings.

City of Portland Office of Sustainable Development

What a resource! Start with the "[Begin Here](#)" under the RESIDENTIAL BUILDING heading on the [G/Rated](#) Web site. It covers the basics. Then proceed to the "Discover ten simple things you can do to be greener." These two sections will give you solid information in which to build on. It's like attending a Green 101 class.

The RESOURCE CENTER has loads of information which you may want to consider reading. Click on the "Technologies" link and note the items (Building Integrated Photovoltaics, Daylighting, Ecoroofs, Fiberglass Windows, Fuel Cells, Natural Ventilation, Rainwater Harvesting, Recycled Paint, Solar Tubes, and Sun Tempering) on the left menu.

We purchased their publication called "Designing and Building a More Sustainable Home" when we attended the September Green Homes Tour and have found it an excellent book. Not too complicated and full of illustrations and photos.

Other Resources

- Green Roofs at <http://www.greenroofs.com>: Greenroofs.com is an international greenroof industry's resource and online information portal. Their goal is to inform, promote and inspire the earth-friendly technology of organic greenroof architecture.
- Oregon Natural Step Network at <http://www.ortns.org>: This organization supports Oregon business, governmental, and educational organizations interested in using The Natural Step (TNS) framework for sustainability.
- Renewable Energy World at <http://www.earthscan.co.uk>: Formed by the coming together of two of the publishers in environment science, technology and sustainable development, James & James/Earthscan is becoming recognized as an important specialist source of information for all those around the world with a keen interest in a sustainable future.
- Sustainable Journal at <http://www.sijournal.com>: A Portland-based publisher of Sustainable Industries, their Web site is also a solid resource. Sign up for their newsletter.

Events



Visit the [Portland Visitors Association](#) for a complete schedule of events in Portland.

A Royal Blockbuster

"[Behind Castle Doors: Treasures from the Princes of Hesse](#)" is the Portland Art Museum's new blockbuster exhibition. Hesse is the first – and only – exhibition ever devoted to the great artistic wealth of the House of Hesse, a princely German dynasty. More than 400 exquisite antiquities, decorative arts and paintings are on view October 29, 2005, through March 19, 2006. Telephone: 503.226.2811.

Wine Country Thanksgiving Weekend – November 25-27

Scenic, rolling hills dressed in autumn colors set the stage for the [Willamette Valley's 23rd annual Wine Country Thanksgiving](#). Choose from 137 wineries and tasting rooms. Festivities include tastings of new releases and older vintages, barrel tastings, specialty foods and sales of limited quantity wines. Telephone: 503.646.2985.

Lewis & Clark Exclusive!

Portland hosts the only West Coast appearance of [Lewis & Clark: The National Bicentennial Exhibition](#) at the Oregon Historical Society (Nov. 11, 2005 - March 11, 2006). Don't miss this once-in-a-lifetime opportunity to view the most significant, priceless treasures of the Corps of Discovery. Telephone: 503.222.1741.



Bounty Hunting -- Oregon Style

On the hunt for the fall harvest's freshest flavors? Throughout November, Oregon Bounty lets you sample the flavors of fine Oregon cheeses, pears, hazelnuts and wines at more than 60 wineries, 70 lodging establishments and 50 restaurants statewide. Special tastings, menus and experiences abound. Book your hotel stay on [Portland Visitors Association](#) Web site.

Northwest Film & Video Festival

Celebrating its 32nd anniversary, this popular festival presents 30-45 juried short films, features and documentaries from independent Pacific Northwest artists. Catch a film or two Nov. 5-13. For details visit the [Northwest Film Center Web site](#). Telephone: 503.221.1156.

Susan Marthens

Real Estate Broker/GRI

Windermere/Cronin & Caplan Realty Group, Inc.

6443 SW Beaverton-Hillsdale Hwy, Suite 100

Portland, Oregon 97221

503.497.2984

smarthens@movingtoportland.net