



Susan Marthens

Moving to Portland™

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<http://www.movingtoportland.net>

Voice 503.497.2984 ♦ FAX 503.220.1131

susan@movingtoportland.net

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Portland Home Market

February Residential Highlights

The number of homes changing hands in the greater Portland Metro area is up again. When comparing February 2006 to the same month of the previous year, the number of closed sales increased 2.2%. Alternatively, the number of new listings dropped 6.9% and the number of accepted offers decreased a significant 11.3%.

At the end of February 2006, there were 5,503 active residential listings in the Portland Metro area. Given the month's rate of sales they would take approximately 2.7 months to sell.

Furthermore, the average time a listing remains on the market in the Portland Metro area continues to shrink—falling 19% from February 2006 (47 days versus 58 days).

Year To-Date Trends

When comparing market activity through February 2006 to the same time period in 2005, it appears that there has been a downward shift. The number of closed sales is down slightly—1.3%. New listings also decreased 1.7%. Pending sales dropped more considerably, falling 8%.

Appreciation

To calculate sale price appreciation, prices for the twelve months that ended with February 2006 are compared to prices for the twelve months ending in February 2005. Using those time periods, the average sale price appreciated 16% (\$288,500 v. \$248,700). Using the same date range to compare median sale price we see a 16.9% appreciation rate (\$242,000 v. \$207,000).

Cost of Residential¹ Homes in the Portland Metro Area February 2006

Area	February 2006 Average Sales Price	Year-to-Date For Period Ending February 2006		Average Price Appreciation ²
		Average Sales Price	Median Sale Price	
Portland Metro Area				
Includes these counties in Oregon: Clackamas, Columbia, Multnomah, Washington, & Yamhill	\$307,200	\$303,800	\$256,500	16.0%
Portland				
North	\$229,100	\$233,500	\$225,500	20.0%
Northeast	294,800	285,800	245,000	17.1%
Southeast	269,000	248,800	220,000	15.4%
West (Includes SW and NW Portland and parts of eastern Washington County)	434,100	432,700	358,000	15.9%
Portland Metro Suburban Areas				
Corbett, Gresham, Sandy, Troutdale	\$247,900	\$245,700	\$235,000	13.1%
Clackamas, Milwaukie, Gladstone, Sunnyside	325,900	327,300	290,500	17.9%
Canby, Beavercreek, Molalla, Mulino, Oregon City	308,300	311,200	282,000	19.6%
Lake Oswego and West Linn	492,000	514,100	455,000	15.2%
Northwest Washington County & Sauvie Island	367,500	346,800	307,500	14.1%
Beaverton and Aloha	263,600	268,400	247,500	13.6%
Tigard, Tualatin, Sherwood, Wilsonville	339,000	336,800	310,000	25.6%
Hillsboro and Forest Grove	263,400	269,100	234,800	18.7%
Mt. Hood: Brightwood, Government Camp, Rhododendron, Welches, Wemme, ZigZag	246,500	289,400	277,400	36.1%
Columbia County	225,200	228,100	205,500	17.2%
Yamhill County	237,100	242,300	206,000	15.1%
North Coastal Counties	389,100	360,400	299,000	22.0%
Southwest Washington State				
Clark County (Battleground, Camas, Ridgefield, Vancouver, Woodland, etc.)	\$277,900	\$287,500	\$245,000	17.2%

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 (3/1/05-2/28/06) with 12 months before (3/1/04-2/28/05).

Source: Regional Market Listing Service (RMLS™).

Long-Term Mortgage Rates Dip Slightly

March 23, 2006

[Freddie Mac](#) released the results of its Primary Mortgage Market SurveySM (PMMSM) in which the 30-year fixed-rate mortgage (FRM) averaged 6.32 percent, with an average 0.6 point, for the week ending March 23, 2006, down from last week's average of 6.34 percent. Last year at this time, the 30-year FRM averaged 6.01 percent.

The average for the 15-year FRM this week is 5.97 percent, with an average 0.6 point, down slightly from last week's average of 5.98 percent. A year ago, the 15-year FRM averaged 5.56 percent.

Five-year Treasury-indexed hybrid adjustable-rate mortgages (ARMs) averaged 5.96 percent this week, with an average 0.7 point, up from last week when it averaged 5.93 percent. A year ago, the five-year ARM averaged 5.35 percent.

One-year Treasury-indexed ARMs averaged 5.41 percent this week, with an average 0.7 point, up from last week when it averaged 5.37 percent. At this time last year, the one-year ARM averaged 4.24 percent.

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

Freddie Mac Economist

The most recent economic indicators released this week showed that inflation is, indeed, being held in check, said Frank Nothaft, Freddie Mac vice president and chief economist. That news allowed long-term mortgage rates to drift a little lower for the second week in a row. Shorter-term rates, however, rose in reaction to a recent speech by Chairman Bernanke, of the Federal Reserve Board, that hinted at even further rate hikes this year.

Meanwhile, existing home sales for February were unexpectedly high, but experts think that this may be due to an unseasonably warm January when those contracts were closed. Nonetheless, the housing industry remains fundamentally fit as we move into the spring buying season.

Portland Area Mortgage Rates

The average APR for a 30-year fixed rate mortgage was 6.100% for the Portland metro area; the low was 5.680%, and the high was 6.870%. All rates are for a loan with 20% down. In late December the following lenders and mortgage brokers were offering these rates:

- [Absolute Mortgage](#) : Rate of 5.625 for a 30-year FRM (APR of 5.799%) and zero points.
- [Amerisave](#): Rate of 5.500% for a 30-year FRM (APR of 5.755%) and zero points.

To check on more Portland metro area mortgage rates visit the website for [Yahoo! Finance](#).

Recommended Mortgage Solutions

- [Windermere Mortgage Services](#) Telephone: (503) 464-9215 or (800) 867-1337. Office: 636 NW 21st Avenue, Portland, OR 97209. [Ms. Bertha Ferran](#) is the contact.
- [Washington Mutual](#) One of the largest home mortgage lenders in the Pacific Northwest with numerous offices in the Portland area.

Portland Weather

March 2006: Dry Weather Continues

Oregon's snowpack is the highest in all the Western states at 136 percent of average. It also the region's highest water content -- the true measure of its value to the water supply. The end of March has historically been when Oregon's and Washington's snowpacks reach their peak. And while this year's snowpack is not a record (1999 and 2000 were bigger), it's a vast improvement over last year, when Oregon was 38 percent of average, and Washington was 31 percent of average. As of March 27, Oregon's was followed by Nevada at 130 percent of average, California at 126 percent of average and Washington at 122 percent of average.

Please note that the "Precipitation" table below for March does not include the last two days of the month.

Water Year (Oct 1 - Sep 30)	Average Precipitation In Inches	Actual Precipitation in Inches	Water Year
Year-to-Date	27.16	31.52	Portland's rainfall is measured according to the "water year" which is from October 1 through the end of September.
October	2.88	3.38	
November	5.61	4.98	
December	5.71	7.52	
January	5.07	10.92	
February	4.18	2.15	The average precipitation is about 37-38 inches in the metro area.
March	3.71	2.57	
April	2.64		Precipitation is measured from the NOAA Weather Station near the Portland International Airport.
May	2.38		
June	1.59		
July	0.70		
August	0.89		
September	1.65		
Year Average	37.07		

Oregon People: Young Oon Kim and the Unification Church

Oregon has a reputation for attracting different religious bodies, cults, as well as communal-type groups. Remember Bhagwan Shree Rajneesh? In 1981 Rajneesh's cult purchased a dilapidated ranch near Antelope, Oregon, which became the site of Rajneeshpuram, a community of several thousand orange-robed disciples. In 1985 Rajneesh pleaded guilty to immigration fraud and was deported from the United States. Shiloh, a communal movement that had their headquarters in Oregon, at one point had thousands of members, but eventually went into bankruptcy. According to Marion S. Goldman, Professor of Sociology and Religious Studies at the University of Oregon, the Church of Scientology has a large presence in Oregon.

The Unification Church Sends Their First Missionary to Oregon



Miss Young Oon Kim became the first missionary of the Unification Church (often referred to as Moonies because their founders name was Reverend Moon) to the United States in 1959, settling in Eugene, Oregon. She had to be a student at the University of Oregon in order to stay in the United States. With her spare time, she proselytized and began translating the church's Divine Principle into English. She did manage to gain a few converts in this time. After a short time in Oregon, the group decided that the San Francisco Bay area had more possibilities for converts so they relocated.

One of the early convert to the Unification Church while in Korea, Miss Kim was tremendously influential in the spread of Unificationism in America. Her background included five years of training at a Methodist seminary in Japan and later more training in Canada. In 1954, she met Reverend Moon and converted to Unificationism.

Information about the Unification Church as well as other religious movements can be found at the University of Virginia Web site <http://religiousmovements.lib.virginia.edu>

Oregon Places: Tillamook Forest Center



On April 1, the new Tillamook Forest Center (www.tillamookforest.org) will open in the middle of the area known as the Tillamook Burn.

Longtime Oregonians will remember the devastating fire in 1933 that ravaged nearly 240,000 acres of prime forest land, mostly in Tillamook County. Smaller fires in 1939 and 1945 damaged only one-tenth of the timber lost in the 1933 fire also are considered part of the Tillamook Burn. A massive reforestation effort included thousands of Oregonian volunteers who helped plant more than 72 million Douglas fir seedlings in the area.

The Tillamook Forest Center will be a place of public experience, dialogue, and learning about forests and about the ways our lives have been, are, and will always be connected with our forests. Through innovative programs, exhibits and opportunities in the center and outdoors on two adjacent 40-acre parcels of forest, meadow and riverside, visitors will gain a greater understanding about what a forest is and how it works; about how humans have shaped, and in turn been shaped by the Tillamook Forest.

Building Permits

Ask any Realtor about the need for obtaining a building permit when doing a remodeling project and you may get a full university lecture about the subject. I'm certain that I have a few strands of grey hair as a result of dealing with homes that have been remodeled without the owner obtaining a building permit.

I am certain that the reason most people didn't get a permit is they just didn't want the hassle of dealing with a bureaucratic organization such as a city or county. They knew better but didn't want to take the time and effort. Sometimes people think they don't need a permit because they are replacing existing work. This is a bad assumption! When in doubt, get a permit.

Even if you don't decide to sell the house and because the bathroom was constructed illegally (no permit), anything that happens as a result of that construction may have consequences for you.

For example, suppose there are problems with the electrical wiring and a fire occurs. When your insurance company finds out about the remodel -- and it will -- it may be within its rights to deny coverage of the claim. Even if the claim is covered, the insurer may be able to take legal action against the contractor to recover its money. So, make the bathroom legal. It will make it much easier to sell your house, you'll probably get a higher price for it, and most importantly, you'll sleep better at night.

Legal Disclosure When Selling Your Home

When you sell a home, you are legally required to disclose anything you know about the house that may

affect the new buyer. This would include new bathrooms, electrical work, etc. If you do not disclose this, the buyer could easily have grounds for legal action. Also, any reputable real estate agent will not take the listing if you are not honest about the condition of the home because the agent could also be held liable.

Purpose of a Building Permit

The purpose of a building permit is simply to ensure that a project is constructed safely. Permits ensure that a certified inspector inspects the construction project or installation. Inspections help make sure work is done safely and to code. When a city or county inspector approves work, you can ask questions from an expert and know that the work has been checked for safety violations. This is of particular value to the do-it-yourselfer who doesn't make installations every day. Incorrect installations can result in house fires, flood damage, and/or structural problems.

When do You Need a Building Permit

The [Oregon Building Codes Division](#) (BCD) has an excellent Web site that fully explains when a building permit is needed. Here is a good example of when a electrical permit is required:

- Install or alter any permanent wiring or electrical device.
- Run additional wiring, put in an electrical outlet or light fixture, install a receptacle for a garage-door opener, or convert from fuse box to circuit breakers.
- Install or alter low-voltage systems such as security alarms or stereo or computer systems.

Many homeowners think that they don't need a permit when they are doing replacement work. For example in plumbing, you need a permit to replace a water heater and to replace a piece of pipe longer than three feet. If you plan to alter, add, or replace piping inside a wall or ceiling, or beneath a floor, you need a permit.

Where to Obtain a Permit in Oregon and SW Washington

Homeowners must apply for a permit at the building department that has jurisdiction over their city or county. To find your jurisdiction, call your nearest city hall and ask what building jurisdiction you should contact for your permit.

This is the Web page where you can find information about where to obtain building permits in Clackamas, Multnomah, and Washington counties; all building departments in Oregon; and all building departments in SW Washington: <http://www.permitsprotect.info/wherepermit.html>

You are Selling Your Home and You Didn't Have a Permit for a Remodeling Project

Most buyers and their Realtors ask if any remodeling work has been done on the home, and then to ask for copies of any relevant building permits for the project. Even if the buyer fails to ask and the seller or the seller's Realtor fail to disclose, most home inspectors can spot the remodel and make it part of their report on the home's condition.

If you did a remodeling project and you did not obtain a permit, your best bet is simply to fess up and get things legal. You need to contact your local building department, explain the situation, and request the necessary building, plumbing, electrical and mechanical permits.

Know that building inspectors have the right to make you open up concealed parts of the project -- a wall, for example -- if they feel that something has been done incorrectly and might be unsafe. In my experience, if you are honest, open and courteous, inspectors will only make you do what's absolutely necessary.

As for fines and penalties, that's up to the local jurisdiction. It's not unusual to have to pay twice the standard permit fees, but that's cheap in comparison to the potential legal liability you now have.

You also should be aware that the building department will probably ask who did the work, and if a contractor was involved. That may mean that there are some consequences for the builder, but that's the

unfortunate result of trying to skirt a legal obligation. If this was indeed a "well-respected contractor," he or she should have known better, advised you of what permits were required and never have agreed to do the work without a permit.

Events

For a complete schedule of events in the Portland metro area, visit the Portland Oregon Visitors Association (POVA), Web site at http://www.pova.com/event_calendar.

Spring Beer and Wine Fest

Portland's springtime premier beverage event celebrates its 12th anniversary with over 140 exhibitors. Talk to the vintners, brewers and distillers and learn how to knowledgeably understand what you are sampling while you are watching renowned chefs on the culinary stage. Great music, food court, non-alcoholic vendors, arts and crafts suitable for all ages. Friday and Saturday, April 14 and 15 at the Oregon Convention Center. Hours are noon to 11 pm. Call 503.246.4503 for more details.

Hood River Valley Blossom Festival

Nearly 15,000 acres of pear, apple and cherry orchards blanket Oregon's scenic Hood River Valley which equates to beautiful blossoms. Included in the Festival is the 2006 Blossom Craft Show that promises something for everyone in the family including many vendors from the Northwest. Saturday and Sunday, April 15 and 16: 10 a.m. to 5 p.m. Hood River County Fair Grounds, south of Hood River, I-84 to Hood River, Exit 64, then travel South on Hwy 35 to Odell junction, Follow signs Odell, OR. Call 541.354.2865.



Just for Kids: Animation and Animals Secrets

Explore the hidden habitats and secret lives of forest animals in Animal Secrets. Designed especially for kids 3-8 and their families; text in both English and Spanish.

April also brings your last chance to explore how art, math, science and technology come together in the exciting world of animation with OMSI's featured exhibit Animation (featuring Cartoon Network) through April 23. [Oregon Museum of Science and Industry](http://www.omsionline.org). 503.797.6674.

Wordstock Returns

[Wordstock](http://www.wordstock.com), Portland's annual Festival of the Book returns April 21-23. Enjoy readings by bestselling authors, poets and Northwest writing legends, panels on every conceivable subject, workshops, dinners with your favorite authors, a two-day book fair, children's readings and more. Featured authors include Ira Glass, Joyce Carol Oates, Gore Vidal, Dave Eggers & Vendela Vida, R.L. Stine, and David James Duncan. 503.546.1013.

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