



**Susan Marthens**

# Moving to Portland™

## December 2006 Newsletter

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### Portland Home Market: October 2006

#### October Residential Highlights

Temperatures may be dropping outside, but the number of new listings continues climb when comparing October 2006 to October 2005. New listings increased 20.8%. On the other hand, the number of closed sales fell 14.3%. Further, pending sales decreased 12.6%. As a result, inventory also climbed. At the end of October, there were 11,533 listings in the Portland Metro area. Given the month's rate of sales, they would last approximately 4.6 months.

#### Appreciation

Comparing the average sale price of the 12 months ending in October 2006 to the 12 previous, the average sale price appreciated 15% (\$318,200 v. \$276,600). Using the same date range, median sale price increased 16.2% (267,900 v. 230,500).

#### Year-to-Date

New listings increased 14.9% when comparing January-October 2006 with January-October 2005. However, pending sales decreased 14.3% and closed sales fell 12.6%.

#### Affordability

Per a National Association of Realtors (NAR) formula, Portland homes are now affordable again thanks to a slight dip in median sales price and interest rates in the third quarter. A family making the area's median annual income (\$66,900 per HUD) made 1% more than required to afford a median priced home (\$275,500) with a 30-year fixed-rate mortgage at Freddie Mac's average rate (6.4%) and a 20% down payment.

## Cost of Residential<sup>1</sup> Homes in the Portland Metro Area October 2006

Area	October 2006 Average Sales Price	Year-to-Date For Period Ending October 2006		Average Price Appreciation <sup>2</sup>
		Average Sales Price	Median Sale Price	
Portland Metro Area				
Includes these counties in Oregon: Clackamas, Columbia, Multnomah, Washington, & Yamhill	\$322,900	\$322,600	\$270,000	15.0%
Portland				
North	\$245,300	\$244,800	\$234,900	19.7%
Northeast	305,700	304,200	265,000	16.9%
Southeast	272,700	265,400	233,000	15.5%
West (Includes SW and NW Portland and parts of eastern Washington County)	442,700	451,800	376,000	11.4%
Portland Metro Suburban Areas				
Corbett, Gresham, Sandy, Troutdale	\$273,100	\$263,200	\$245,900	14.3%
Clackamas, Milwaukie, Gladstone, Sunnyside	377,600	352,900	307,500	21.2%
Canby, Beavercreek, Molalla, Mulino, Oregon City	332,100	322,600	283,300	17.8%
Lake Oswego and West Linn	531,800	538,100	450,000	18.2%
Northwest Washington County & Sauvie Island	389,300	402,900	365,000	10.7%
Beaverton and Aloha	266,000	278,500	250,000	14.2%
Tigard, Tualatin, Sherwood, Wilsonville	349,900	354,900	320,000	12.5%
Hillsboro and Forest Grove	289,700	278,800	255,800	15.6%
Mt. Hood: Brightwood, Government Camp, Rhododendron, Welches, Wemme, ZigZag	220,300	272,300	248,500	25.1%
Columbia County	236,800	227,000	215,000	14.8%
Yamhill County	273,000	263,000	229,000	21.7%
Marion and Polk Counties	229,000	235,200	205,000	19.6%
North Coastal Counties	337,500	339,500	262,500	21.3%
Southwest Washington State				
Clark County (Battleground, Camas, Ridgefield, Vancouver, Woodland, etc.)	\$298,700	\$292,000	\$256,000	14.6%

<sup>1</sup> 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.

<sup>2</sup> Appreciation percents based on a comparison of average price for the last 12 months (11/1/05-10/31/06) with 12 months before (11/1/04-10/31/05). The average price for the metro area was \$315,600 vs. \$273,400.

Source: Regional Market Listing Service (RMLS™).

## Long-Term Mortgages Rates Drop for Fifth Week in a Row

### November 30, 2006

[Freddie Mac](#) released the results of its Primary Mortgage Market Survey (PMMSSM) in which the 30-year fixed-rate mortgage (FRM) averaged 6.14 percent with an average 0.4 point for the week ending November 30, 2006, down from last week when it averaged 6.18 percent. Last year at this time, the 30-year FRM averaged 6.26 percent. This is the lowest the 30-year FRM has been since the week ending January 26, 2006, when it averaged 6.12 percent.

The 15-year FRM this week averaged 5.87 percent with an average 0.4 point, down from last week when it averaged 5.91 percent. A year ago, the 15-year FRM averaged 5.81 percent. This is the lowest the 15-year FRM has been since the week ending February 2, 2006 when it averaged 5.81 percent

Five-year Treasury-indexed hybrid adjustable-rate mortgages (ARMs) averaged 5.95 percent this week, with an average 0.5 point, down from last week when it averaged 5.99 percent. A year ago, the five-year ARM averaged 5.76 percent. This is the lowest the 5-year ARM has been since the week ending March 16, 2006, when it averaged 5.93 percent.

One-year Treasury-indexed ARMs averaged 5.46 percent this week with an average 0.7 point, down from last week when it averaged 5.49 percent. At this time last year, the one-year ARM averaged 5.16 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

"Mortgage rates drifted lower this week, bringing long-term rates to levels below those of this time last year," said Frank Nothaft, Freddie Mac vice president and chief economist. "Mortgage applications for home purchase in November have remained healthy, due largely because of the drop in mortgage rates and a softening in home prices in some areas."

### Portland Area Mortgage Rates

The average APR for a 30-year fixed rate mortgage was 5.860% for the Portland metro area, the low was 5.470%, and the high was 6.790%. All rates are for a loan with 20% down. In early December the following lenders and mortgage brokers were offering these rates:

- [Virtual Bank](#): Rate of 5.25 for a 30-year FRM (APR of 5.704%) and zero points.
- [US Bank](#): Rate of 6.250% for a 30-year FRM (APR of 6.389%) and zero points.

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

### 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

### November 2006 Sets a Record for Rainfall

The National Weather Service announced on Sunday, November 26th that November set a record of 11.61 inches of rain recorded at Portland International Airport. The previous November record was set in 1942, with 11.57 inches. On Monday, an arctic front laden with snow showers hit Portland, dusting the hills above 500 feet. Then the last few days of November turned dry, and we have been without rain for 5-6 days.

Other records that were broken during November 2006 include:

- November 5<sup>th</sup> - daily maximum rainfall of 1.12 inches broke the old record of 1.01 inches set in 1999.
- November 6<sup>th</sup> - daily maximum rainfall of 2.53 inches broke the old record of 1.31 inches set in 1980.
- November 6<sup>th</sup> - Record high temperature of 68 degree broke the old record of 67 degrees set in 1980.
- November 7<sup>th</sup> - daily maximum rainfall of .94 inches broke the old record of .91 inches set in 1980.

The last two weeks of November brought tons of snow in the Cascades where 4-5 feet has fallen. Timberline Lodge, just below Mount Hood, has 66 inches of the white stuff already. Oregon's snowpack is already at 128 percent of average, and Washington's is 181 percent of average, the two highest snowpacks in the western United States.

Water Year (October 1 - September 30)	Average Precipitation In Inches	Actual Precipitation in Inches	Water Year
Year-to-Date	37.07	13.32	Portland's rainfall is measured according to the "water year" which is from October 1 through the end of September.
October	2.88	1.40	
November	5.61	11.92	
December	5.71		
January	5.07		The average precipitation for Portland is 37-38 inches.
February	4.18		
March	3.71		
April	2.64		
May	2.38		Precipitation is measured from the NOAA Weather Station near the Portland International Airport.
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 November 2006:

- Average Monthly Temperature: 47.4 or 1.6 degrees above normal.
- Average Maximum Temperature: 52.5.
- Average Minimum Temperature: 42.3.
- Highest Temperature: November 6 with 68.0.
- Lowest Temperature: November 27 with 29.
- Average Monthly Wind Speed: 9.9 MPH.
- Clear/Cloudy Days: 7 clear days, 12 partly cloudy days, and 11 cloudy days.

## Oregon Wines



The Oregon wine industry is comprised of over 300 wineries and 500 vineyards. Close to 200 of those are estate wineries - wineries who have their own vineyards and produce wines from those vineyards. Oregon's climate, as well as its location along the 45th North Latitude, models that of Burgundy, a region of France known for its Burgundy (Pinot Noir) wines.

Oregon has six officially recognized appellations, or growing regions. As defined by federal law, each appellation is host to a unique set of growing conditions, which include soil quality, mineral content, and precipitation levels.

The largest appellation is the Willamette Valley, a fertile river valley located in the northwest end of the state, and which is also home to two-thirds of Oregon's population. Wet and mild, with warm summer temperatures, varietals grown here include Pinot Noir, Pinot Gris, Chardonnay, and Riesling.

### International Pinot Noir Conference

Over the past twenty years, the [International Pinot Noir Conference](#) (IPNC) has grown from the brainchild of a group of Oregon winemakers and wine lovers into an event that was cited by The Wine Advocate's Pierre Rovani as "unquestionably the finest in the world." The event has inspired people to come from all corners of the earth for three days of seminars, tastings, tours, and one-of-a-kind meals with 60 international Pinot noir winemakers. Each year, a different group of winemakers are invited.

The IPNC is as well known for its food as for its wine. Chefs from the Pacific Northwest create food to accompany the wines on the campus of Linfield College in McMinnville, Oregon.

## Homes

### The Inventory of Homes Builds in Portland. Is this a Trend?

Many Realtors say that when the inventory of homes will last 5-6 months, it becomes a "buyer's market." Notice the gradual build up of homes for sale during the last few months. In July it was 3.5 months. In August, the number edged up slightly to 3.6 months. The big swing came in September's when the inventory jumped to 4.5 months. In October, the 11,299 active residential listings at month's end would last approximately 4.6 months. If November figures hit five months, we'll know for certain that the market has changed.

### Average and Median Prices are Slowly Decreasing

Both the average and median prices have been in a slow decline since June. The average price of a residential home was \$322,900 in October whereas it was \$331,900 in June. The average price for June, July, August, and September varied only by a few dollars. The large dip came in October when the price declined for almost \$10,000. In October, the median price dropped by \$4,500 from September.

Again, the November figures will tell us if we are in a downward spiral. If so, this will authenticate all the prognosticators who kept claiming all during 2006 that the Portland market was overprice and due for an adjustment. There are advantages to a market adjustment, however, because more people will be able to buy a home.

## Oregon: Holiday Gift Shopping

You'll never go wrong giving Oregon food or Oregon wine. Pinot Noir and Pinot Gris have made Oregon famous for their wines.

### Ordering Oregon Wine



Please note that many states prohibit the sale of wine online. The states that do not allow the sale and shipping of wine are mainly in the east and south.

You have two choices for ordering Oregon wines: one is to order directly from the winery. You can visit The Oregon Winegrowers' Association (OWA) Web page of Oregon vineyards and wineries located at <http://www.oregonwine.org/owac/promem.php>. There are links to many of the wineries Web sites, and most will accept orders over the telephone.

The second choice is easier. You can order many Oregon wines online from Avalon in Corvallis, Oregon. Here is the link to their Web site for shopping: <http://northwest-wine.com>. Avalon began selling wine and gourmet products on the web in 1997 and continually updates the Avalon wine site with articles, interviews, columns, wine reviews, and more. This makes it easier to shop as the site is full of reviews and suggestions.

**Which Pinot to Purchase** Northwest Wine has a page called "Highest Rated Oregon Pinot Noir" on their Web site which was just updated in early December. Visit it at <http://www.northwest-wine.com/Oregon-Pinot-Noir.html>.

### Tillamook Creamery's Cheddar Cheese



One of our favorite for food is the Tillamook Special Reserve Extra Sharp Cheddar cheese. It is aged over 15 months to give it a robust, complex flavor. Serve as a gourmet side dish, as a complement to smoked salmon on a cheese board, and as an ingredient in homemade sauces.

It is produced by the Tillamook County Creamery Association, a cooperative of about 150 local producers who provide for the production of Tillamook's award-winning cheese, ice cream, butter, yogurt and sour cream. Tillamook is a small, rural community of farmers and loggers nestled in the lush mountains of the northern Oregon Coast.

You can order the cheddar as well as other Tillamook products online at Country Cupboard at <http://countrycupboardgifts.com>.

### Other Sources of Oregon Gift Shopping

- [Made in Oregon](#) Made in Oregon offers products from a myriad of small and large businesses throughout the state of Oregon. Originally established in 1975, their products are "made or grown" in Oregon. They offer everything from Trappist Abbey fruit cake to Pendleton blankets.
- [Moonstruck Chocolate](#) Recipients of the 77th Academy Awards received a gift bag of 15 Moonstruck truffles in a box wrapped in Thai silk and that same gift bag is available for purchase.
- [Oregon Gourmet Baskets](#) Food via gift baskets.



## Events

For a complete schedule of events in the Portland metro area, visit the Portland Oregon Visitors Association Web site at [http://www.travelportland.com/event\\_calendar](http://www.travelportland.com/event_calendar).

### All that glitters! Holiday light displays and more



- [ZooLights Festival](#) at the Oregon Zoo. November 25-December 31 (closed Dec. 24-25). Ride the illuminated zoo train. Telephone: 503.226.1561.
- The [Christmas Ships Parade](#) runs nightly on Portland's Columbia and Willamette rivers. December 7-20.
- The [Grotto's Christmas Festival of Lights](#). November 24-December 30 (closed Dec. 25). Telephone: 503.254.7371.
- [Holiday Ale Festival](#) under the 75-foot illuminated tree at Pioneer Courthouse Square. November 30-December 3. Telephone: 503.252.9899.
- [Oregon Ballet Theatre](#) presents George Balanchine's "The Nutcracker" December 8-24. Telephone: 503.222.5538.
- [Oregon Symphony](#) offers a festive holiday program. Telephone: 503.228.1353.
- [Pittcock Mansion](#) is lushly decorated with antique toys. Telephone: 503.823.3624

### Procrastinators Rejoice!

[Portland Saturday Market](#) comes to the rescue with its annual Festival of the Last Minute. Yes, the famous weekend art and craft market will be open the whole week before Christmas, December 18-24. All items are Oregon-made and sold by the artists themselves.

### Oh, Christmas Tree



Come visit where your Christmas tree was grown! Oregon's Mt. Hood Territory is a scenic, year-round destination. It also happens to be the largest Christmas tree-producing county in the United States. Check out [www.visitmytree.com](http://www.visitmytree.com).

### Portland Jazz Festival

Headliners for this fourth annual [Portland Jazz Festival](#) include Chick Corea & Gary Burton, the Branford Marsalis Quartet, Roy Hargrove, Kurt Elling & Patricia Barber and the Dave Douglas Quintet. Feb. 16-25. Hotel and ticket packages available.

### Portland Aerial Tram

There will soon be a new way to get around in the "City of Roses." The new [Portland Aerial Tram](#) is expected to open to the public in January. It will take passengers from downtown's South Waterfront District to the top of Marquam Hill. We're guessing the views will be spectacular, so we'll keep you posted as to the opening date.

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