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Moving to Portland™

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Portland Home Market

November Residential Highlights

The month of November 2005 ushered in the holiday season and frigid temperatures, but neither event seem to have any impact on diminishing the impressive activity in Portland's metro area. Both new listings and closed sales increased when compared to November 2004. New listings grew by 7.9% in November 2005. November 2005's closed sales also outpaced those of November 2004 by 8.1%. All the while, pending sales decreased by a slight 0.3%. At November's rate of sales the 5,852 active residential listings at the end of the month, the Portland metro area's inventory, would last approximately 2.2 months

Year-to-Date Trends

With only a month left in 2005, the year's trends continue to remain positive. New listings are up 6.4% from their total at this time in 2004. Pending sales exhibit a similar rate of growth, growing by 12.1%. Closed sales went slightly further, increasing by 14.3% when comparing January-November 2005 to January-November 2004.

Appreciation

When we compare the average sale price for December 1, 2004 through November 30, 2005, to the 12 months prior the appreciation rate is up 14.6% (\$282,000 v. \$244,300). Using the same date ranges and formula, median sale price appreciated 16.0% (\$234,900 v. \$202,500).

Cost of Residential¹ Homes in the Portland Metro Area November 2005

Area	November 2005 Average Sales Price	Year-to-Date For Period Ending November 2005		Average Price Appreciation ²
		Average Sales Price	Median Sale Price	
Portland Metro Area				
Includes these counties in Oregon: Clackamas, Columbia, Multnomah, Washington, & Yamhill	\$299,400	\$282,000	\$235,000	14.6%
Portland				
North	\$228,500	\$207,400	\$195,700	17.7%
Northeast	275,500	260,700	230,000	15.2%
Southeast	245,500	230,000	199,300	14.8%
West (Includes SW and NW Portland and parts of eastern Washington County)	432,700	409,500	338,000	14.1%
Portland Metro Suburban Areas				
Corbett, Gresham, Sandy, Troutdale	\$238100	\$229,200	\$212,000	13.0%
Clackamas, Milwaukie, Gladstone, Sunnyside	322,700	292,900	255,000	16.0%
Canby, Beavercreek, Molalla, Mulino, Oregon City	319,700	279,500	250,000	17.6%
Lake Oswego and West Linn	465,400	451,800	370,300	12.9%
Northwest Washington County & Sauvie Island	398,100	370,500	335,000	13.4%
Beaverton and Aloha	260,800	245,200	218,100	13.6%
Tigard, Tualatin, Sherwood, Wilsonville	357,100	327,000	289,000	22.9%
Hillsboro and Forest Grove	263,300	242,500	222,600	17.2%
Mt. Hood: Brightwood, Government Camp, Rhododendron, Welches, Wemme, ZigZag	265,200	225,200	219,900	28.6%
Columbia County	209,100	198,100	182,000	14.4%
Yamhill County	249,700	220,900	190,800	11.3%
Southwest Washington State				
Clark County (Battleground, Camas, Ridgefield, Vancouver, Woodland, etc.)	\$280,500	\$258,500	\$223,900	15.4%

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 (12/1/04-11/30/05) with 12 months before (12/1/03-11/30/04).

Source: Regional Market Listing Service (RMLS™).

Long-Term Mortgage Rates at Lowest Level in Two Months

December 29, 2005

[Freddie Mac](#) released the results of its Primary Mortgage Market Surveysm (PMMSSM) in which the 30-year fixed-rate mortgage (FRM) averaged 6.22 percent, with an average 0.5 point, for the week ending December 29, 2005, down from last week's average of 6.26 percent. Last year at this time, the 30-year FRM averaged 5.81 percent.

The average for the 15-year FRM this week is 5.76 percent, with an average 0.6 point, down from last week's average of 5.79 percent. A year ago, the 15-year FRM averaged 5.23 percent.

Five-year Treasury-indexed hybrid adjustable-rate mortgages (ARMs) averaged 5.79 percent this week, with an average 0.6 point, down from last week when it averaged 5.82 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 5.15 percent this week, with an average 0.7 point, down from last week when it averaged 5.22 percent. At this time last year, the one-year ARM averaged 4.19 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

"Lower figures for the recently released Producer Price Index and Consumer Price Index and lower, but still strong, Gross Domestic Product combined with the seasonal slowdown in the housing market led to another decline in mortgage rates this week," said Amy Crews Cutts, Freddie Mac deputy chief economist. "For the year, the 30-year mortgage rate averaged 5.87 percent, slightly above 5.84 percent set in 2004.

"Not surprisingly, existing home sales fell 1.7 percent in November when the 30-year FRM averaged 6.33 percent, the highest monthly average of this year."

Portland Area Mortgage Rates

The average APR for a 30-year fixed rate mortgage was 6.060% for the Portland metro area; the low was 5.610%, and the high was 6.607%. All rates are for a loan with 20% down.

In late December the following lenders and mortgage brokers were offering these rates:

- Bank of America's rate was 6.125% for a 30-year FRM (APR of 6.302%) and .094 points.
- Wells Fargo's rate was 6.250% for a 30-year FRM (APR of 6.540%) and 1.00 points.
- Absolute Mortgage's rate was 5.750% for a 30-year FRM (APR of 5.772%) and zero points.
- Lowe's Mortgage was offering 5.625%, and the APR was 5.844% and zero points.

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

Portland Weather

November 2005

Early December was very cold and dry along with high winds (December 2005 average wind speed of 11.9 tied for the third windiest month on record). We were waiting for the warm rains to come back but instead of our typical mist, we got a downpour. For example, on December 29-30 every community in the Portland metro area received over an inch of rain – it is a rare event to receive this amount of rain in 24 hours.

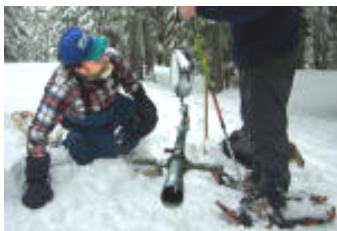
The beginning of January brings more storms and rain. The Oregon ski areas are all reporting close to a foot of new snow every day.

Water Year (Oct 1 - Sep 30)	Average Precipitation In Inches	Actual Precipitation in Inches	Water Year
Year-to-Date	14.20	15.88	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		The average precipitation is about 37-38 inches in the metro area.
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 December 2005:

- Average Monthly Temperature: 39.8 or 0.4 degrees below normal.
- Average Maximum Temperature: 44.2
- Average Minimum Temperature: 35.3
- Average Monthly Wind Speed: 11.9 MPH.
- Clear/Cloudy Days: 5 clear day, 5 partly cloudy days, and 21 cloudy days.
- Greatest 24 hour Rainfall: December 29-30 with 1.75 inches.

Snowpack Heavier Than Last Year



The first snowpack measurement was conducted in late December on Mt. Hood and it came in below average – it was 82 percent of average at several test sites. Last year, the average was just 46 percent at the end of December. Statewide, the snowpack has fallen from 100 percent of average in mid-December, when it was the highest in the west, to about 90 percent throughout the state. Late December storms have delivered more snow so the pack is well above 90 percent now. The manual measurement is conducted by the [National Resources Conservation Service](#) during the winter season.

Snowpack is the lifeblood of Oregon because it is necessary for agriculture, recreation, and fish. Snowpack provides its own storage system of water – no expensive reservoirs to build. The mountains hold the snow in reserve and during the warm summer days, it slowly melts and turns the snow into water. Ready for the crops, fish, and humans. Oregonians referred to the snowpack as “money in the bank.”

Oregon People: New Orleans Musicians



In the wake of Hurricane Katrina, countless musicians in New Orleans and the surrounding Gulf region were left devastated. Miles away in Portland, Oregon, prominent businessman Sho Dozono, owner of Azumano Travel joined forces with the Portland Jazz Festival and its presenting sponsor Qwest, Portland Business Alliance, Mercy Corps, and

other Portland businesses and organizations, including the Portland Oregon Visitors Association, to help them rebuild their lives.

Since September 2005, [NOLA2PDX](#) has provided travel, housing, donated instruments and work opportunities to musicians from New Orleans. Fifty musicians have come to Portland, some for a temporary refuge before returning to New Orleans and others who have chosen to make Portland, Oregon, their new home. The heart of our effort is to provide these individuals an opportunity to work.

Steamboat Willie is one of about 20 New Orleans musicians who have moved to Portland thanks to NOLA2PDX. After several other gigs, he made his way to Portland, where NOLA2PDX had arranged for the Park Place Hotel to house New Orleans musicians. Because Willie was accompanied by his dog Rudy, he could not stay at the hotel, so he moved in with Mia and Jon Taylor, who opened their Southwest Portland home.

They are a talented and eclectic group performing various music styles including modern and Dixieland jazz, funk, R&B, blues and rock. Check the musicians' section at the [NOLA2PDX Web site](#) for details on each one and to hear [music samples](#).

Oregon's Covered Bridges



The Hannah Bridge is the youngest of the five covered spans on Thomas Creek in Linn County. The 105-foot housed Howe truss is exposed through the large side openings on the bridge. Very attractive in appearance, the characteristic Linn County covered bridge design includes segmental portal arches, exposed beams at the gable ends, and white board-and-batten cladding.

Oregon has the Largest Number of Covered Bridges in the West

Oregon has 51 covered bridges, the largest number this side of the Mississippi River. Most of the bridges are located in the Willamette Valley south of Portland and in the coastal counties. The [Oregon Covered Bridge Festival](#) is an annual event and the only one in the West.

Rugged pioneers armed with only hand tools, sweat and ambition began building covered bridges in Oregon during the mid-1850's. They often camped out at remote sites, living off the land or contracting with local farmers for food. Early covered bridge owners often financed construction by charging tolls: 3 cents for a sheep, 5 cents for a horse and rider.

In the early 20th century, the state provided standard bridge designs to each county - most of these structures incorporated the Howe truss. The abundance of Douglas Fir and the shortage of steel during the world wars continued construction of covered spans well into the 1950's.

A wooden bridge was covered to keep the huge truss timbers dry. A covered bridge could last 80 years or more, while an uncovered span would deteriorate in about nine years. In Oregon, legislation was established in 1987 to help fund preservation of these rich links to our past and heritage.

Oregon Population Grows



New Mexico's loss is Oregon's gain, as the Beaver State replaced the Land of Enchantment on the U.S. Census Bureau's list of the top 10 fastest growing states this year. The Census Bureau said Thursday that Oregon's population grew 1.4 percent in 2005, from 3,591,363 to 3,641,056 -- a gain of 49,693. Oregon now ranks as the country's 27th most populated state. Nevada is the fastest growing state, with a population increase of 3.5 percent between July 1, 2004 and July 1, 2005. Arizona is second, followed by Idaho, Florida, Utah, Georgia, Texas, North Carolina, Delaware and Oregon.

The nation overall grew 0.9 percent (2.8 million people) to 296.4 million. More than half of the people in the United States now live in the South and the West.

The South now accounts for 36 percent of the nation's total population, with the West comprising 23 percent, the Midwest 22 percent and the Northeast 18 percent.

Are the Natives Getting Resentful?

We frequently get inquiries about whether Oregonians feel resentful of outsiders coming into the state to live. Many have heard the famous 1970s statement of former Oregon Governor Tom McCall's, "Come visit our state but for heavens' sake, don't come here to live." My standard reply is that, "Such thoughts are rare and I hope it will always remain that way." Now, with the Oregon population growing (see above story), housing prices increasing rapidly, and traffic getting more congested, I may have to change my standard reply - although I have not yet personally heard resentment expressed.

The Massachusetts Miracle

Some of you may recall the presidential election of 1984 when Massachusetts Governor Michael Dukakis was running for the office of President on the Democratic ticket. He used the phrase the "Massachusetts Miracle" to describe the economic boom of the state of Massachusetts. Right or wrong, he took credit for the good times in the state and he inferred that if he was elected President, he could create a "USA Miracle." He lost the election so we'll never know if he could have lived up to his campaign promises.

We happened to be living in Massachusetts in the early 80s on Cape Cod and home prices were soaring on the Cape. Numerous people were buying second homes on the Cape along with retirees selecting the Cape as their retirement haven (of the eight family homes on our street, we were one of two couples that went to work every day). The newcomers had money to spend on homes as they had sold expensive homes in the Boston area as well as other parts of the Atlantic Seaboard. Prices on the Cape were pale in comparison to where the Cape newcomers had left.

Many of the lifetime residents of the Cape were upset about the traffic problems and home prices. My husband and I both remember talking to a gentleman at a social function (a native Cape Codder) and he expressed a wish that the two bridges to the mainland would collapse. His main complaint was the traffic along with the fact that his children were of the age when they were leaving home and wanted to buy homes. But home prices were too high for their income levels as the increased demand has pushed the prices up.

Oregon Affordability Index

Many Oregon residents do not have the income to purchase homes that are increasing in value by double digit figures. With soaring home prices in most areas of Oregon, many life-long residents are being priced

out of the home market.

Oregon is not a wealthy state in terms of income – the per capita income was \$20,940 in 1999 (national per capita was \$21,587 ranking Oregonians in the bottom 50 percent of the nation).

[Moody's Economy.com](#) reported in their Housing Market Monitor that the Oregon home market was one of the least affordable in the nation (along with most of Washington, most of California, and all of Nevada). The Affordability Index measures the percentage of income required to purchase a typical home. Moody's reported that in many areas of the country (Midwest, near west, and south), buying a home is easier than 20 years ago.

Traffic Problems and Building Infrastructure

A growing population brings increased traffic and related problems such as building infrastructure (e.g., roads, bridges, sewer, water, etc.). Planning officials in the Portland metro area are seriously looking at charging tolls on some of the major roads.

An article in *The Oregonian* in late November brought out these facts about roads. In 1970, Oregonians paid 2.3 cents in state gas taxes for every mile of driving. They pay half that now, and show no inclination to pay more. In 2000, voters buried a gas-tax increase, 88 percent to 12 percent.

But if people won't pay for new public roads, will they pay to drive on private roads? It may be the only way new highways can be built in the state. As revenues fall, costs rise, and congestion strangles cities and towns, transportation officials are turning to private industry to finance, build and operate new roads for profit. The Oregon Department of Transportation has opened talks with Australian toll road giant Macquarie Infrastructure Group on three projects: a bypass around Dundee and Newberg, an expansion of Interstate 205, and a highway to serve the new city of Damascus.

[Macquarie Infrastructure Group](#), with \$9.4 billion in assets, is one of the world's biggest toll road companies, with operations in six countries and an average of 1.3 million road customers each workday. The company, a subsidiary of Macquarie Bank Limited of Australia, is at least part owner of every private toll road in the United States.

Carl Abbott: Oregon's Relationship with California

Just to let you know our sentiments, we will end this story with some quotes from urban studies teacher, Carl Abbott at Portland State University.

Carl Abbot is a teacher of urban studies and planning at Portland State University. He is the author of a number of studies of the changing patterns of regional growth in the United States, including *The Metropolitan Frontier: Cities in the Modern American West*. Dr. Abbot had this to say in mid-October 2005 in an article in *The Oregonian* entitled, *Caught in California's Orbit*. Here are some excerpts from the article:

- Well, let's get over it. For the foreseeable future, Oregon is the little state between two bigger states. We should happily look for the benefits that spill over the borders. California, like it or not, provides us with brains, capital, customers and a shove into the fast lane.
- Without Silicon Valley, the Silicon Forest would be the Silicon Woods. Oregon did develop a homegrown electronics industry in Tektronix and its progeny, such as Mentor Graphics and Floating Point Systems, but Tek reached the top of its growth curve in the 1970s. Since then we've depended on Hewlett Packard (from California) and Intel (from . . . you know the answer.)
- Without California's universities, less brain power would be available to tackle Oregon problems. This state's higher education system doesn't match California's. Given our chronic under funding of higher education, Oregon depends on recruiting highly credentialed workers from California universities to compete in a brain-powered world.

You can read more of *The Oregonian* article at my Web page about Oregon

(<http://www.movingtoportland.net/oregon.htm>).

As a side note, the state of Oregon's population grew 25% during Governor McCall's eight years in office.

Events

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

Fun Facts

Nearby Mount Hood has enjoyed great snowfall already this season. Check out the winter wonderland of options at [Timberline Ski Area](#), [Mt. Hood SkiBowl](#) and [Mt. Hood Meadows](#). Hit the slopes then return to Portland for dinner and entertainment.

Songs of the Silver Screen

The [Northwest Film Center's Reel Music Festival](#) returns January 6-Feb. 12. A celebration of music on film, Reel Music offers documentaries and concert films featuring some of the music world's most intriguing artists (both celebrated and little-known) from bossa nova to indie rock. Telephone: 503.221.1156.

Chinese New Year Celebration

Throughout the 15-day span of the traditional [Chinese New Year](#), the Portland Classical Chinese Garden hosts a number of activities, performances, exhibits and special events. Festivities abound from January 29 through February 12. Telephone: 503.228.8131.



Oregon Seafood & Wine Festival

A new tradition is in the works with the inaugural [Oregon Seafood & Wine Festival](#) set for February 3-4 at the Oregon Convention Center. Sample fine Oregon wines and the freshest seafood from more than 60 wineries and restaurants.

Portland Jazz Festival



The internationally acclaimed [Portland Jazz Festival](#) celebrates its third year February 17-19. Headliners include McCoy Tyner (pictured), DeeDee Bridgewater, Bill Frisell and Eddie Palmier. The full festival line-up dazzles with more than 90 jazz performances at multiple downtown venues.

Exclusive [hotel packages](#) are available with ticket options ranging from the Jazz Passport and Gold Circle VIP passes to individual show tickets. Telephone: 503.228.5299.

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