



**Susan Marthens**

# Moving to Portland™

## May 2006 Newsletter

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## Portland Home Market

### March Residential Highlights

Market activity in the Portland Metro Area seems to have slowed down when comparing March 2006 with March 2005. The number of new listings increased 6.2%. However, the number of accepted offers and closed sales both fell, 8.6% and 13.1% respectively.

At the end of March 2006, there were 5,645 active residential listings in the Portland Metro area. Given the month's rate of sales, they would take approximately 2.0 months to sell.

### First Quarter/Year To-Date

When comparing market activity through March 2006 to the same time period in 2005, the first quarter in 2006 seems to be off to a slow start. The number of closed sales decreased 6.7%. Pending sales also dropped 8.7%. However, new listings increased a slight 0.8%.

### Appreciation

To calculate sale price appreciation, prices for the 12 months that ended with March 2006 are compared to prices for the 12 months ending in March 2005. Using those time periods, the average sale price appreciated 16.4% (\$292,400 v. \$251,300). Using the same date range to compare median sale price, we see a 16.7% appreciation rate (\$245,000 v. \$209,900).

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

Area	March 2006 Average Sales Price	Year-to-Date For Period Ending March 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	\$307,400	\$304,600	\$258,600	16.4%
Portland				
North	\$246,900	\$239,700	\$229,500	20.6%
Northeast	293,500	289,200	250,000	18.1%
Southeast	248,700	248,800	219,500	15.9%
West (Includes SW and NW Portland and parts of eastern Washington County)	417,400	426,500	350,500	13.8%
Portland Metro Suburban Areas				
Corbett, Gresham, Sandy, Troutdale	\$252,600	\$248,400	\$237,800	14.5%
Clackamas, Milwaukie, Gladstone, Sunnyside	352,900	336,100	290,400	20.4%
Canby, Beavercreek, Molalla, Mulino, Oregon City	308,600	308,800	279,000	19.3%
Lake Oswego and West Linn	506,300	505,400	438,900	15.6%
Northwest Washington County & Sauvie Island	382,600	359,300	321,000	13.5%
Beaverton and Aloha	276,300	271,800	247,100	15.6%
Tigard, Tualatin, Sherwood, Wilsonville	360,700	344,700	314,000	27.1%
Hillsboro and Forest Grove	272,600	269,300	240,500	19.5%
Mt. Hood: Brightwood, Government Camp, Rhododendron, Welches, Wemme, ZigZag	284,900	287,400	280,100	37.0%
Columbia County	204,000	216,900	198,200	18.0%
Yamhill County	241,600	241,000	213,200	18.6%
Marion and Polk Counties	209,100	208,600	188,900	20.6%
North Coastal Counties	249,900	316,600	244,500	20.2%
Southwest Washington State				
Clark County (Battleground, Camas, Ridgefield, Vancouver, Woodland, etc.)	\$292,000	\$289,300	\$250,000	18.3%

<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 (4/1/05-3/31/06) with 12 months before (4/1/04-3/31/05).

Source: Regional Market Listing Service (RMLS™).

## Long-Term Mortgage Rates Rise For Fifth Straight Week

**April 27, 2006**

[Freddie Mac](#) released the results of its Primary Mortgage Market Survey<sup>SM</sup> (PMMSSM) in which the 30-year fixed-rate mortgage (FRM) averaged 6.58 percent, with an average 0.5 point, for the week ending April 27, 2006, up from last week's average of 6.53 percent. Last year at this time, the 30-year FRM averaged 5.78 percent. The 30-year FRM has not been higher since the week ending June 20, 2002, when it averaged 6.63 percent.

The average for the 15-year FRM this week is 6.21 percent, with an average 0.5 point, up from last week's average of 6.17 percent. A year ago, the 15-year FRM averaged 5.33 percent. The 15-year FRM has not been higher since the week ending May 31, 2002, when it averaged 6.22 percent.

Five-year Treasury-indexed hybrid adjustable-rate mortgages (ARMs) averaged 6.21 percent this week, with an average 0.6 point, up from last week when it averaged 6.16 percent. A year ago, the five-year ARM averaged 5.20 percent.

One-year Treasury-indexed ARMs averaged 5.68 percent this week, with an average 0.7 point, up from last week when it averaged 5.63 percent. At this time last year, the one-year ARM averaged 4.21 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

"Indications of a stronger economy gave rise to an increase in mortgage rates this week," said Frank Nothaft, Freddie Mac vice president and chief economist. "Consumer confidence and existing home sales unexpectedly rose. Much of this strength is attributed to a healthy labor market, which translates into greater consumer spending. This should support an active housing market over the next few months.

"We expect mortgage rates to gradually rise throughout the year. A stronger labor market, coupled with moderation in house price growth, means our outlook for overall housing conditions remains upbeat."

### Portland Area Mortgage Rates

The average APR for a 30-year fixed rate mortgage was 6.36% for the Portland metro area; the low was 5.780%, and the high was 7.120%. All rates are for a loan with 20% down. In late April the following lenders and mortgage brokers were offering these rates:

- [Virtual Bank](#) : Rate of 5.75 for a 30-year FRM (APR of 6.307%) and zero points.
- [Amerisave](#): Rate of 5.875 for a 30-year FRM (APR of 6.212%) 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

### April 2006: Is This Really April?

After Easter the weather changed. Day after day of sunny, warm, and dry weather. We kept looking at the calendar as we were certain that it was June instead of April. Shorts and sandals came out, and we began to search for the sunscreen.

Water Year (Oct 1 - Sep 30)	Average Precipitation In Inches	Actual Precipitation in Inches	Water Year
Year-to-Date	29.80	34.37	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	The average precipitation is about 37-38 inches in the metro area.
February	4.18	2.15	
March	3.71	2.96	
April	2.64	2.46	
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 April 2006:

- Average Monthly Temperature: 53.1 or 1.9 degrees above normal.
- Average Maximum Temperature: 62.9.
- Average Minimum Temperature: 43.3.
- Highest Temperature: April 28 with 81.
- Average Monthly Wind Speed: 7.5 MPH.
- Clear/Cloudy Days: 3 clear day, 14 partly cloudy days, and 13 cloudy days.
- Greatest 24 hour Rainfall: April 14-15 with .50 inches.

## Oregon People: Richard Kohnstamm



Richard L. Kohnstamm, the man who resurrected Timberline Lodge and turned it into a nationally known ski resort and Oregon showplace, died in April. He had just turned 80.

The photo of Timberline Lodge at left was taken by Richard. He loved Timberline and any visitor to the ski area can tell you that the operation is one of the best-run ski areas in the world. We think he would want you to remember what he made Timberline into rather than have of photo of himself as a tribute.

Not only to skiers but to mountain lovers, Kohnstamm was best known as the brains and vision behind the restoration of Timberline Lodge, the first ski area in the country to be designated a National Historic Landmark. Kohnstamm took over management of the lodge in 1955. Built as a public works project during the Depression in 1937, the large timber and stone building had been neglected. The road was bad and rarely plowed.

Born and educated in New York, at 27, he came West looking for social work and took a job at Neighborhood House in Portland. He also liked to ski -- and Timberline captured his imagination. When Timberline closed in the early 1950s, Kohnstamm won a bid to take over running the place, with the U.S. Forest Service as landlord.

At the resort in 1956, he pioneered the nation's first summer skiing. He built new chairlifts, and he persuaded the federal government to build the Wy'East Day Lodge to take the wear and tear of daily skiers off the historic main lodge.

## Oregon Places: Steen Mountains Wild Mustangs

In 1971 the Wild Free-Roaming Horse and Burro Act was passed by Congress to protect all wild horses and burros on public lands. The Bureau of Land Management (BLM) was given the responsibility to protect, manage, and control these wild populations.

Kiger Mustangs were discovered in the mid-70's during what was to be a routine gathering by the BLM. This took place on public lands in Southeastern Oregon. During the roundup of an isolated band of horses on the high desert of Burns, Oregon, government officials agreed that they had happened upon a very different and special kind of horse. Knowing this, they introduced the small band into another isolated area on the north end of the Steens Mountain near Kiger Gorge, hence the name of Kiger they currently bear.

### Mesteño: The Foundation Stallion



Many of today's Kigers can be traced back to the legendary foundation stallion named Mesteño, meaning "wild" or "unclaimed" horse in Spanish. Mesteño was captured along with his mares in the original roundup. Upon seeing this stallion BLM officials knew this stallion would never be put up for adoption, but would become the lead sire for the Kiger Mustang. Mesteño was released onto the Kiger and was last seen alive in 1996 at the approximate age of 27. At that time, Mesteño did not possess his own mare band, as he was no longer able to defend them. Mesteño's fate is not known, but for all that know the Kigers, Mesteño will always roam free and watch over the Kigers on Steens Mountain.

### Purest Herds of Spanish Mustangs

The Kiger Mustangs, thought to be one of the purest herds of Spanish mustangs existing in the wild today, may be the direct descendants of the Spanish horses brought to North America in the late 16th Century. Among their unique physical characteristics are dun and buckskin colored coats, zebra stripes on knees and hocks, hooked ear tips, and fine muzzles.

### Steen Mountain

Located 60 miles south of Burns in southeastern Oregon: In summer, you can drive to the top of this 9,670-foot-high fault block mountain to look over the Alvord Desert more than 5,000 feet below. Because of its unique geology and ecological diversity, Steen Mountains was designated a National Monument in 2000.

Frenchglen is the most commonly used gateway to the Steens. From this small town, the Steens look unimpressive and belies its 9,670 feet elevation. The western slopes of the Steens rise in what looks like a series of gently tilted grassy slopes. The highest ridges are 20 miles east of Frenchglen and 4,500 feet higher.

## Links

- [Kiger Mustangs Association](#) The Web site is full of information about these magnificent animals and includes some great photos of the mustangs.
- [Phil Kessinger, Educational Media Consulting](#) Phil, who resides in Eugene, Oregon, has created some pages on his EMC Web site that are packed full of information and photos about the Steen Mountain area.
- [Bureau of Land Management – Oregon](#) This Web site provides information on how to adopt a mustang.

## How Safe is Portland in a Natural Disaster



The 100 year anniversary of the San Francisco earthquake along with Katrina got us wondering about how Portland would survive a natural disaster. So we started doing some research and concluded we are better off than most cities in the U.S.A.

The location of Portland is no accident. In its early days, what is now downtown was one of the highest and driest places along the lower Willamette River. Historians say it had a natural wharf and was the farthest point upriver that could accommodate large ships. Over the years, Portland's natural landscape has been modified to accommodate growth and development. Some hills were flattened and low-lying areas were filled in. For example, the Northwest

Industrial District was once a body of water called Guild Lake.

Students of urban studies know that what Portland did – flatten out the city – was common in most cities. Gullies, low places, and marshlands were filled in. Hills were curved down to make them easier to build on.

### Earthquakes, Flooding, Ice Storms, Blizzards, and Volcanic Eruption

Earthquakes, flooding, ice storms, blizzards, and a volcanic eruption (Mount St. Helens) - the Pacific Northwest has experienced them all in the last two decades. What's left? Tsunamis on the coast and wildfires similar like parts of Southern California frequently experiences. Another: an avian flu that kills a large number of its human victims, one that experts fear could evolve into a highly contagious worldwide pandemic.

A tsunami would probably not affect the city much since we are located 40-50 water miles from the ocean. Portland has had small wildfires in the past but nothing beyond a few hours of firefighting. But, wildfires still are a major concern to city officials and residents as the amount of timber (fuel) is large in many sections of the metro area, especially in the heavily wooded West Hills. All it would take is a dry winter combined with a hot summer.

Portland's topography, the presence of streams, and its proximity to the Cascade Range and the Columbia Gorge play a large role in determining which natural hazards affect the city.

### Carl Abbot on Natural Disasters

Carl Abbot, professor of Urban Studies and Planning at Portland State University, has a lot to say on this subject. Visitors to my Web site will recognize Dr. Abbott's name as he is quoted frequently. He has published extensively on the history of city planning, the evolution of U.S. urban policy, and the relationships between urban growth and regional development. He is the author of several books; *The Metropolitan Frontier: Cities in the Modern American West* received the best-book award of the Urban History Association. Among his works is a book entitled, *Greater Portland: Urban Life and Landscape in the Pacific Northwest*.

In an interview in the *Northwest Senior and Boomer News* (April 2006), Dr. Abbott says that one of the lessons learned from New Orleans is not to place an over reliance on engineered solutions like levees. "Apart from the social and political question of disaster coordination is the danger of relying exclusively on engineering solutions" without land-use controls that restrict building in particularly vulnerable areas, Abbott said of the city, where dikes and pumps failed to control flooding as Hurricane Katrina came ashore.

"Earthquakes and flooding aside, Portland is not especially vulnerable to natural disasters," Abbott said. It has taken steps to prepare for quakes by strengthening its building codes and retrofitting older buildings vulnerable to tremblers. If you're a Portland metro area homeowner (or if you could be one in the future), you should consider seismic retrofitting your home.

"Portland is in a pretty good situation in terms of flood potential," Abbott said. The 1996 floods exposed vulnerabilities and caused millions of dollars in damage. But much of the developed land along the Willamette and Columbia rivers rises rapidly from the water's edge, helping to prevent disastrous flooding. In addition, Abbott pointed out that when it comes to the Columbia River flood plain, there is little residential development between the river and the Columbia Slough, although there are big-box retailers and industrial development.

"One of the biggest challenges in the Portland area is accommodating growth and protecting and enhancing natural systems," Abbott said. "You have to balance increased density with environmental protection and flooding. It becomes a tradeoff of different goals of building a compact city and preventing environment degradation. You are always trying to balance the pluses and minuses of each option."

### **Portland Office of Emergency Management**

The Portland Office of Emergency Management (POEM) was created in the fiscal year 2003-04. It centralizes leadership and coordination responsibilities for emergency management into a single organization under the direction of the mayor.

POEM provides planning, training, exercises and educational outreach programs related to natural and man-made disasters to assist and prepare citizens, government agencies, and private/nonprofit organizations prior to, during, and after a local emergency or disaster. The office also manages the City's Emergency Operations Center (EOC) during any major emergency or disaster and activates emergency warning systems. POEM works as an interagency coordinator in partnership with local, state, federal, and private entities to provide comprehensive planning, response, mitigation, and recovery capabilities for all hazard potentials facing the City of Portland.

Last June, Mayor Tom Potter removed POEM managers following a consultant's report alleging "serious management deficiencies." Potter has since made disaster preparedness a priority. In early April, Potter appointed Shawn Graff as Portland's bureau director of POEM. Shawn has unusual qualifications. In the last six years, Graff has gone from being a firefighter rappelling off helicopters to battle wildfires to a U.S. Army intelligence officer in Iraq, then to Washington, D.C., where he tracked potential terrorist threats for the Department of Homeland Security. Then he became a rookie cop in Salem — before Mayor Potter dangled an \$84,000-a-year salary to lure him to the Rose City.

### **Portland Natural Disaster Plan**

In August 2005, the City of Portland released a 316-page Natural Hazard Mitigation Action Plan with a focus to reduce future loss of life and property resulting from natural disasters.

Pointing out it is impossible to predict exactly when these disasters will occur, or the extent to which they will affect the city, the city says that with careful planning and collaboration among public agencies, private-sector organizations, and citizens within the community, it is possible to minimize the losses that can result from natural disasters.

You can download the document at <http://www.portlandonline.com/oem/index.cfm?a=69318&c=36870> (PDF format).

### **72-Hour Natural Disaster Kit**



You may want to prepare a 72-hour emergency kit. It does take some work and a trip to 3-4 stores to purchase all the items. Make it a Saturday adventure and get the entire family involved. Here are some sources of what you should have in a kit:

- [City of Portland Office of Emergency Management](http://www.portlandonline.com/oem/) – If you have problems with the link got to <http://www.portlandonline.com/oem/> and under the heading of GET PREPARED you will see the link to the kit.
- The U.S. Department of Homeland Security The Ready America Web site offers all kinds of ideas for kits as well as "Creating a Family Plan."

## 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](http://www.pova.com/event_calendar).

### Cinco de Mayo Fiesta

Portland's [Cinco de Mayo Fiesta](#) brings fun and fanfare to Waterfront Park May 4-7. Presented by the Portland-Guadalajara Sister City Association, features include a family carnival, live music, Plaza de Artisanos, Plaza de Niños, Southwestern and Mexican cuisine, and the annual opening night Fireworks Spectacular. Telephone: 503.232.7550.

### Culinary Crescendo!



Swirl, sip and savor a taste of Oregon's best boutique wines at the Portland [Indie Wine Festival](#) May 6-7. Think Sundance meets wine tasting. Discover the rising stars of Oregon's craft winery scene (those producing under 2,000 cases per year). Sample the best juried wines, meet the winemakers, and enjoy the work of some of Oregon's top chefs. Hotel and ticket [package](#) available.

### Wine Country

Taste and tour your way through the nearby wineries of the scenic Willamette Valley during the annual [Memorial Day Weekend](#) in Wine Country. More than 100 wineries open their doors for this special weekend May 27-29. Many are not open any other time of year. Festivities include tastings of new releases and older vintages, barrel tastings, and sales of limited quantity wines. Telephone: 503.646.2985.

### Rose Festival Coming – 99 Years of Fun

A Portland tradition for nearly a century, the [Rose Festival](#) fills the month of June with three parades, a family friendly waterfront carnival, dragon boat races, concerts, fireworks, Champ Car races, an arts festival and, well folks, that's just the tip of the rosebud. The excitement begins June 1.

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