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Moving to Portland™

November 2006 Newsletter

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Portland Home Market: September 2006

September Residential Highlights: Inventory Jumps from 3.6 Months to 4.5 Months

When comparing September 2006 to September 2005, new listings are up 14.2%. However, closed sales fell 23.9% and pending sales dropped 18.6%. At September's rate of closed sales, the 11,299 active residential listings at month's end would last approximately 4.5 months. In August, the inventory would have lasted 3.6 months.

Appreciation

The average sale price increased 15.4% (\$315,600 v. \$273,400) when comparing October 2005 through September 2006 with October 2004 through September 2005. The median sale price increased 15.7% (\$265,000 v. \$229,000).

Year-to-Date

There was a 14.1% increase in new listings when comparing January-September 2006 with the same time period in 2005. However, pending sales decreased 14.3% and closed sales fell 12.3%. Further, when compared with January-September 2004, there were 1.6% more closed sales (25,185 v. 24,784). Pending sales are down 2% (26,589 v. 27,136) and new listings are up 20% (44,335 v. 36,945).

Condo Sales

In 2006 (January – October) the average price of a condo was \$246,800. This is a 14% increase in price over 2005 when the average price was \$216,300. In 2005 the average price increased by 13% over 2004 prices - the average price in 2004 was \$191,300 for a condo in the Portland metro area.

Cost of Residential¹ Homes in the Portland Metro Area September 2006

Area	September 2006 Average Sales Price	Year-to-Date For Period Ending September 2006		Average Price Appreciation ²
		Average Sales Price	Median Sale Price	
Portland Metro Area				
Includes these counties in Oregon: Clackamas, Columbia, Multnomah, Washington, & Yamhill	\$332,500	\$322,400	\$270,000	15.4%
Portland				
North	\$241,800	\$244,900	\$235,000	21.3%
Northeast	292,500	304,000	265,000	16.8%
Southeast	274,600	264,700	232,000	15.8%
West (Includes SW and NW Portland and parts of eastern Washington County)	440,300	450,500	378,600	12.1%
Portland Metro Suburban Areas				
Corbett, Gresham, Sandy, Troutdale	\$277,600	\$262,200	\$245,900	14.2%
Clackamas, Milwaukie, Gladstone, Sunnyside	375,300	350,500	305,000	20.0%
Canby, Beavercreek, Molalla, Mulino, Oregon City	346,300	321,100	281,000	16.3%
Lake Oswego and West Linn	596,600	539,400	450,500	18.3%
Northwest Washington County & Sauvie Island	410,500	404,200	365,000	12.2%
Beaverton and Aloha	271,900	279,900	250,000	15.1%
Tigard, Tualatin, Sherwood, Wilsonville	374,100	355,200	319,900	15.4%
Hillsboro and Forest Grove	288,900	278,000	255,000	16.7%
Mt. Hood: Brightwood, Government Camp, Rhododendron, Welches, Wemme, ZigZag	258,300	276,800	256,300	26.5%
Columbia County	247,200	226,300	215,000	15.1%
Yamhill County	290,700	261,500	229,000	22.2%
Marion and Polk Counties	264,700	231,000	204,200	19.5%
North Coastal Counties	384,300	340,200	260,000	15.8%
Southwest Washington State				
Clark County (Battleground, Camas, Ridgefield, Vancouver, Woodland, etc.)	\$291,400	\$291,600	\$255,800	15.2%

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 (10/1/05-9/30/06) with 12 months before (10/1/04-9/30/05). The average price for the metro area was \$315,600 vs. \$273,400.

Source: Regional Market Listing Service (RMLS™).

Long-Term Mortgages Rates Drop

November 2, 2006

[Freddie Mac](#) released the results of its Primary Mortgage Market Survey (PMMSSM) in which the 30-year fixed-rate mortgage (FRM) averaged 6.31 percent with an average 0.4 point for the week ending November 2, 2006, down from last week when it averaged 6.40 percent. Last year at this time, the 30-year FRM averaged 6.31 percent.

The 15-year FRM this week averaged 6.02 percent with an average 0.4 point, down from last week when it averaged 6.10 percent. A year ago, the 15-year FRM averaged 5.85 percent.

Five-year Treasury-indexed hybrid adjustable-rate mortgages (ARMs) averaged 6.05 percent this week, with an average 0.5 point, down from last week when it averaged 6.14 percent. A year ago, the five-year ARM averaged 5.76 percent. One-year Treasury-indexed ARMs averaged 5.53 percent this week with an average 0.6 point, down from last week when it averaged 5.60 percent. At this time last year, the one-year ARM averaged 5.09 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 than expected third quarter Gross Domestic Product (GDP) figures helped to put a damper on rising rates this week," said Frank Nothaft, Freddie Mac vice president and chief economist. "With mortgage rates down this week, we may see a spurt of refinancing by those who want to get out of ARMs that are scheduled to reset in the next year while interest rates are still comparatively low.

"We are also seeing a higher number of homeowners who are taking cash out of their homes for home improvement or other needs rather than opting for a prime rate home equity loan now that the prime rate is over 8 percent."

Portland Area Mortgage Rates

The average APR for a 30-year fixed rate mortgage was 6.070% for the Portland metro area, the low was 5.600%, and the high was 6.850%. All rates are for a loan with 20% down. In late October the following lenders and mortgage brokers were offering these rates:

- [American Save](#): Rate of 5.625 for a 30-year FRM (APR of 5.902%) and zero points.
- [Washington Mutual](#): Rate of 6.5% for a 30-year FRM (APR of 6.564%) and .13 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

Do we Have a Drought?

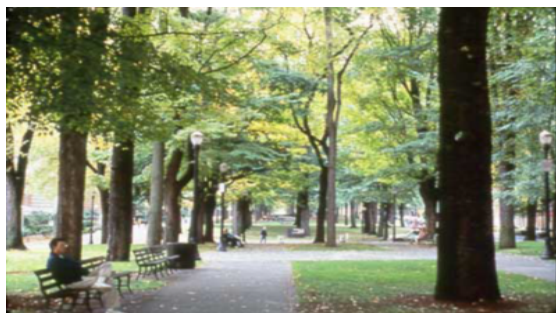
In the last four months we had just 3.78 inches of rain. October is the first month of the "Water Year" and already we are behind the average. But it appears that our sunny and cool days are numbered as the forecast calls for rain and warmer temperatures for the new few weeks. The planet Mercury will make an extraordinary trip across the face of the sun on November 8, when the planet passes between the Earth and the sun in a five-hour journey that will be visible from Oregon and Washington, weather permitting.

Water Year (October 1 - September 30)	Average Precipitation In Inches	Actual Precipitation in Inches	Water Year
Year-to-Date	37.07	1.40	Portland's rainfall is measured according to the "water year" which is from October 1 through the end of September. The average precipitation for Portland is 37-38 inches. Precipitation is measured from the NOAA Weather Station near the Portland International Airport.
October	2.88	1.40	
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 2006:

- Average Monthly Temperature: 53 or 0.3 degrees below normal.
- Average Maximum Temperature: 63.5.
- Average Minimum Temperature: 49.5.
- Highest Temperature: October 12 with 78.0.
- Lowest Temperature: October 31 with 30.
- Average Monthly Wind Speed: 5.3 MPH.
- Clear/Cloudy Days: 8 clear days, 12 partly cloudy days, and 11 cloudy days.

Friends of Trees



Trees are precious to Portlanders. Ask anyone who had to remove a large shade tree because the tree roots caused damage to their home. The neighbors gather to mourn the loss as the noise from the arborists' chain saws whine in the background.

The attempt to find a balance between urban scenery and urban greenery is a familiar struggle in most cities. Over the last 25-30 years, many major metro areas have lost much of the arboreal canopies to blacktop and concrete. It

means less shade and more energy expended on air conditioning in the summer. It means fewer trees to absorb storm water and thus more runoff flowing into local waterways.

Portland's Canopy Has Grown

A Portland State University [study](#) showed that while most urban areas in the United States have lost trees in the past three decades, land covered by trees in Portland has increased from 25.1 to 26.3 percent. The greatest increase in canopy has been in neighborhoods where [Friends of Trees](#) has planted trees. According to the study's co-author, Joe Poracsky, "The study would strongly support the idea that Friends of Trees is having an impact."

Armed with shovels, soil, and saplings, volunteers have planted more than 320,000 trees and shrubs along Portland's streets since 1989. This year, Friends of Trees hopes to grow that legacy by at least 16,000 trees and shrubs, including several more along the 30-block Ainsworth Arboretum.

Homes

Existing Homes Sales Records Largest Decline in Nearly Four Decades

Existing-home sales in the USA slid in September for a sixth month as the housing market continued to slow. The median home price also fell, to \$220,000—2.2% less than a year ago. This is the largest decline in records going back nearly four decades. But the fall was bigger in some regions—5.1% in the north-east for instance.

In the West, the median home price was \$332,000 for September 2006. In September 2005, the median price was \$347,000.

For more details about existing home prices, visit <http://www.realtor.org>.

New Home Sales Plunge by Most in 35 Years

New home prices in the USA fell in September by the largest amount in 35 years, and owners are being warned to brace for further declines, especially in formerly hot markets.

The Commerce Department reported that the median price for a new home sold in September was \$217,100, a decline of 9.7 percent from September 2005. That was the lowest median home price in two years and the sharpest year-over-year decline since December 1970, providing dramatic evidence of the slowdown in the once-booming housing market.

The price decline for new homes in September came while the sales pace picked up, rising by 5.3 percent to a seasonally adjusted annual rate 1.075 million homes. It was the second consecutive increase in sales following three months of declines. But even with the improvement, sales activity is down 14.2 percent from a year ago.

Inventories of both existing and new homes did drop slightly in September but remain close to all-time highs. The rise in new home sales last month reflected a 23.9 percent jump in the West and a 6.9 percent gain in the South. Sales plunged 34.5 percent in the Northeast and were down 6.3 percent in the Midwest.

Mark Zandi, chief economist at Moody's [Economy.com](#), is forecasting that prices would decline in 133 of the nation's 379 metropolitan areas.

Portland's Housing Market: Turning into a Buyer's Market

Many realtors say that when the inventory of homes will last 5-6 months, it's a "buyers market." September's 4.5 months means we are definitely heading that way. The number of home sales are decreasing, and the inventory is increasing. Buyers are now in a better bargaining position than they have been in for two years.

I've seen many signs of a change in the Portland metro area market place in the last few weeks. Most notably is that sellers are reducing their price for homes that they put on the market during the summer. For example, last week I showed a townhome in Northwest Portland in which the price started at \$639,000 in July. The price has been reduced twice and the new price is now \$599,000. The home was not overpriced when the seller put it on the market in July, according to sales of similar units in the complex during 2006. But the market changed, and the sellers are adjusting their price to meet the changing market.

It was in July when I observed that the Portland home market was shifting from a "Seller's Market" towards a "Buyer's Market." That is the month when the inventory jumped from 2.6 months to 3.5 months. Two months later, it is 4.5 months

More Condos Planned for Downtown Portland



Single-family home sales may be slowing in Portland, but developers are still planning to build more condo units in downtown Portland. Coming is a 16 story building with 354 units at 1700 SW Fourth Avenue (1700 Building) and a smaller building called the Delano.

The 1700 Building is a 16-story "entry-level" condominium near Portland State University. The building could become a catalyst for affordable housing on nearby blocks. Gerding/Edlen development would put 354 comparatively small condos in a 175-foot-tall slab tower, sitting above 5,700 square feet of ground-level retail space. The building had been in the planning stages for months, but now construction is ready to start.

The Delano is a 22 story sturture with 93 condo units in a skinny tower. It is to be built at SW 10th Avenue and SW Salmon Street. The Delano will stand behind the old Roosevelt Hotel, hence the name of Delano (the middle name

of Franklin Roosevelt).

Located near the Art Museum and Park Blocks, the Delano is a mixed-use project that includes ground floor retail/commercial. The design concept is a modern glass jewel box that incorporates a series of brick elements and an exquisite granite base, which echo historic buildings in the neighborhood. In response to its location near the Park Blocks, the Delano steps back at the east and south facades, providing abundant opportunities for terraces and balconies facing the park. At the second floor level, a community room opens out onto a large common terrace. All southeast corner units have corner window walls, linking the residents to the Park Blocks.

Google Maps and Google Earth

You are using the Moving to Portland Search for Homes Tool (www.search.movingtoportland.net) and you found a home that seems to meet the needs of your family. You want to know:

- The exact location of the home.
- The commuting distance between the home and work locations.
- The nearest food markets, coffee bars, restaurants, parks, schools, etc.

the address of the home as well as the address of the work locations.

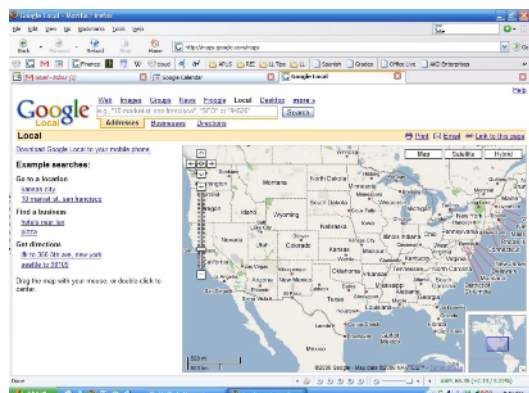
At their core, these applications provide mapping (Google Maps) and aerial photography (Google Earth) of many areas of the planet. In addition, Google Maps connects the location information with data about businesses and other sites in the local area, allowing you to find all the restaurants or coffee shops, or other type of business within a given area.

The Difference Between Maps and Earth Google Google Maps works with Web browsers such as Internet Explorer, Firefox, Mozilla, Opera, etc. Both Maps and Earth use the same satellite images. The difference is the way in which the information can be viewed and manipulated.

To use Google Earth, you will need to install Google Earth first (available at <http://earth.google.com>). Google Earth is a stand-alone application that is available for a number of platforms (i.e., operating systems). It is designed as an earth browser for showing satellite images of the earth's surface in an interactive, 3D environment.

Images for both systems are photographs taken by satellites and aircraft sometime in the last three years.

Google Maps



Google Maps features a map that can be navigated by dragging the mouse, or zoomed in (scrolling the mouse wheel up) and out (scrolling the mouse wheel down) to show detailed street information. The user can also control the map with the arrow keys to move to the desired location. To allow for quick movement, the "+" and "-" keys can be used to control the zoom level. Users may enter an address, intersection or general area to quickly find it on the map.

Search results can be restricted to a certain area, thanks to Google Local. For example, someone can enter a query such as "Halibut in Portland" to find restaurants serving halibut in Portland. This can be used to find a wide variety of

businesses, such as theatres, restaurants or hotels.

Like many other map services, Google Maps allows for the creation of driving directions. It gives the user a step-by-step list of how to get to their destination, along with an estimate of the time required to reach it and the distance between the two locations.

Google Maps offers three viewing modes by default: Map (Street map views), Satellite (satellite and high-resolution aerial photographs) and Hybrid (Street maps overlaid on satellite and high-resolution aerial photographs).

Google Earth

Google Earth streams the world over wired and wireless networks enabling users to virtually go anywhere on the planet and see places in photographic detail. This is not like any map you have ever seen. This is a 3D model of the real world, based on real satellite images combined with maps, guides to restaurants, hotels, entertainment, businesses and more. You can zoom from space to street level instantly and then pan or jump from place to place, city to city, and even country to country.

Google Earth has three versions:

- Google Earth is free for personal use and incorporates satellite images that cover the entire surface of the earth.
- Google Earth Plus is an optional (currently available for \$20) upgrade to the free client that extends the functionality of Earth to include interfaces to GPS devices, higher resolution for printed images,

extended annotation and drawing tools, and a data importer that will read files in CSV format (i.e., Comma Separated Values).

- Google Earth Pro is a professional product (current price of over \$300). It incorporates much faster download times and data streaming, extended layers and overlay support.

Portland Neighborhood Profiles: Google Maps and Google Earth Links

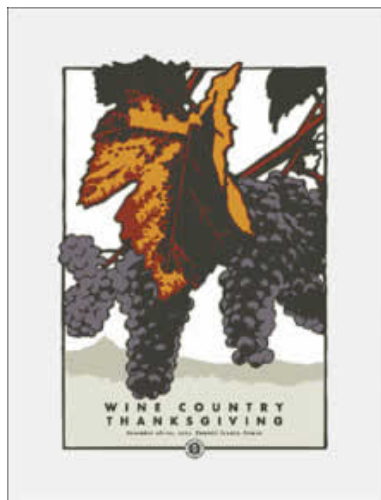
My webmaster has started the task of placing links for each neighborhood profile to Google Maps. By clicking on the link, you can view a map of the neighborhood in your Web browser, locate businesses, and get directions from the neighborhood to other locations. The West Hills neighborhoods are completed, and you may check them out at www.movingtoportland.net/living_westhills.htm. Others will be completed in the next 2-3 weeks.

You can now link to Google Earth for the neighborhood of Arlington Heights in the West Hills also. This is the first neighborhood for which a placemark (a Google term) has been created. The placemark is a large compressed file so you will have to unzip it. A simpler way is to open Google Earth and use the location: "45 31 07.09 N, 122 42 37.23 W" (longitude/latitude of the neighborhood). Just copy and paste it into the "Fly To" tab and you will fly to the Arlington Heights neighborhood.

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.

Thanksgiving Wine Country



More than 100 wineries are open to the public during this special weekend; many of which are not open to the public at any other time of the year. Festivities include tasting of new releases, older vintages, barrel tastings, specialty foods and sales of limited quantity wines. Some wineries have live music and some charge a tasting fee with winemakers personally greeting their guests. More information about the tours at <http://www.willamettewines.com>. Days: 11/24/06 - 11/26/06.

To receive a mailer that includes a list of activities at each winery and a touring map, contact the Willamette Valley Wineries Association at 503-646-2985, or email us: info@willamettewines.com.

Ansel Adams Exhibit

A collection of 48 spectacular signed black-and-white photographs by famed photographer Ansel Adams include such landmark pieces as Monolith, the Face of Half Dome, Yosemite National Park, California, and Moonrise, Hernandez, New Mexico. It is through Adams's photographs that America knows many of these places. The exhibit is held at the [World Forestry Center](http://www.worldforestrycenter.org), 4033 SW Canyon Road, Portland. Telephone: 503.228.1367.

Ski Swap

This year's lineup includes Ski Reps with the latest gear, the Northwest's Largest Ski Swap, exciting entertainment, vacation ski resorts and nearly all of Portland's major winter sports retailers with endless opportunities to Save Up To 70% on Ski and Snowboard gear! The event is November 3-5 and held at the Expo Center, 2060 N. Marine Drive, Portland. Telephone 503.736.5200.

Star Wars Exhibit at OMSI

The force is with us! The Oregon Museum of Science and Industry (OMSI) presents the West Coast debut of [Star Wars: Where Science Meets Imagination](#) October 11, 2006-January 1, 2007. Developed by the Boston Museum of Science in collaboration with Lucasfilm Ltd., the 10,000-square-foot exhibit explores the fantasy technologies depicted in the Star Wars film saga, the actual science behind them, and possible real-life applications. Timed tickets now on sale.



Treasures of Ancient Egypt

The [Portland Art Museum](#) will host the largest selection of antiquities ever loaned by the Egyptian government for exhibition in North America beginning November 5. The Quest for Immortality: Treasures of Ancient Egypt encompasses more than 100 magnificent artifacts, including many that have never before traveled beyond Egypt's borders. Telephone 503.226.2811.

West Side Story

[Portland Center Stage](#) has raised the curtain at the Gerding Theater, their new home in the freshly renovated, historic Armory Building. West Side Story kicks off the season Oct. 3-Nov.5. Rich in history and atmosphere, the building might just be the star of the show. See it for yourself as you explore the Pearl District. The dramatic lobby will be open to the public. 503.274.6588.

Annual Tree Lighting at Pioneer Square

On the evening after Thanksgiving, Portland gathers at the Square to celebrate the official start of the season by lighting the spectacular 70-foot Tree. The hour-long program engages professional and amateur talent, a community chorus sing-a-long, a tree lighting countdown, state-wide dignitaries, and of course, the arrival of Santa. Big, bright and beautiful, this event unites the community in an evening of celebration and sharing for the whole family. Date: 1/24/06. Time: 5:30 pm. Location: Pioneer Courthouse Square, 701 SW 6th Street, Portland.

A Few of our Favorite Things: Toys



For nearly 40 years the [Pittock Mansion](#) has been a haven for grown-ups and kids to enjoy all the magic of Christmas. While Santa and his elves become more active to gear up for the holidays, Pittock Mansion has curated a lush Christmas exhibit of antique toys and decorations to lavishly adorn the 23-roomed mansion in an amazing, festive display. The enlivened and illuminated Pittock Mansion with rainbows of lights, poinsettias, wreaths, and artifacts is one of Portland's most decadent displays and holiday destinations. Dates: 11/20/06 - 12/31/06. Time: Noon to 4 pm. Location: Pittock Mansion, 3229 NW Pittock Drive, Portland. Telephone 503.823.3624.

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