



January 2009 Newsletter

<http://www.movingtoportland.net>
Voice 503.497.2984 ♦ FAX 503.220.1131
susan@movingtoportland.net



In This Issue

- Portland Home Market
- Cost of Residential Homes by Community: November 2008
- Mortgages
- Portland Weather
- A Public Market for Portland

Portland Home Market

November 2008 Residential Highlights

Sales activity continued to slow in the Portland metro area during November.

The number of closed sales dropped 39.9% compared to last November. The 1,041 sold properties was the lowest sales total since February 1993. Pending sales also fell 31.7% compared to last November. New listings decreased 20.2%.

Comparing November 2008 to October 2008, new listings dropped 25.5% (2,687 v. 3,605). Pending sales declined 12.6% (1,108 v. 1,268) and closed sales were down 28.9% (1,041 v. 1,465).

The inventory of homes grew to a record 15 months, assuming that the 15,611 active residential listings are sold at the current rate of activity.

Year-To-Date

Comparing January-November of 2008 to the same time period in 2007 there have been 31.8% fewer closed sales and 30.5% fewer pending sales this year. Additionally, there was a 8.3% decrease in the number of new listings.

Sales Price

The average sale price for November 2008 was down 10.5% compared to November 2007, while the median sale price dropped 7%. Month-to-month, the average sale price and median sale price are both down when compared with October levels; the average sale price dropped 4.9% (\$308,300 v. \$324,300) and the median sale price was down 3.6% (\$265,000 v. \$275,000).

12-Month Sales Price Percent Change

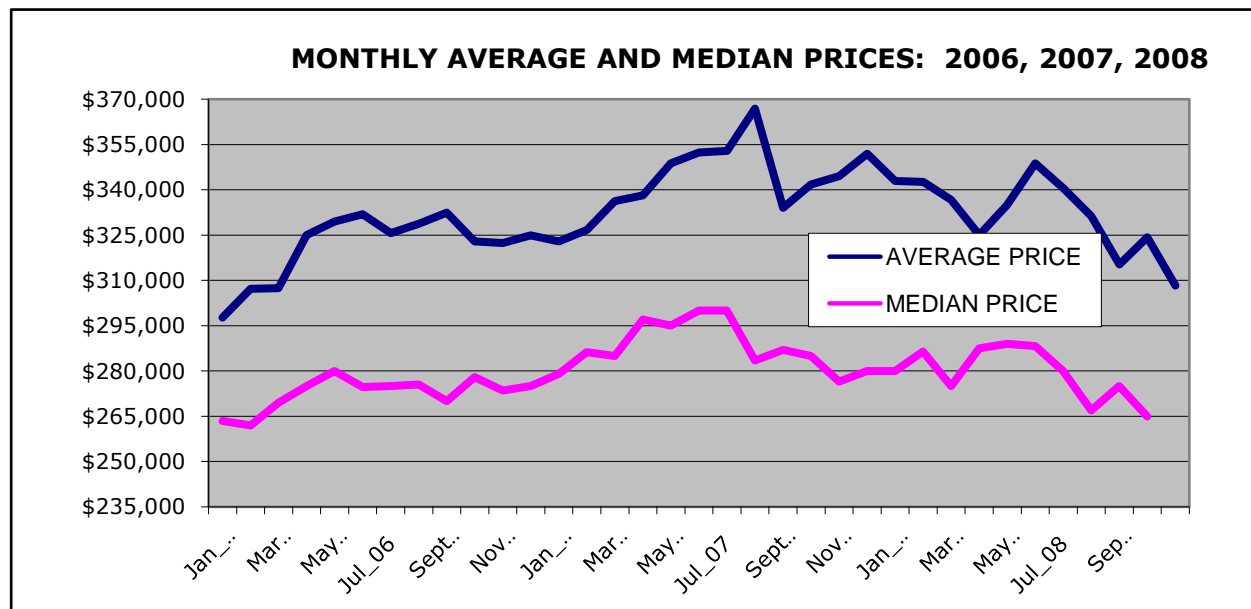
Figures for November 2008:

- Sale Price Percent Change: -2.2% (\$333,600 v. \$341,100)
- Median Sale Price Percent Change: -2.6% (\$279,900 v. \$287,500)

The 12-Month Sale Price Percent Change is based on a comparison of the rolling average/median price for the last 12 months (12/1/07-11/30/08) with the 12 months before (12/1/06-11/30/07).

November 2008: A Drop of \$36,200 in the Average Price from November 2007

Below is the MONTHLY AVERAGE AND MEDIAN PRICES: 2006, 2007, 2008 chart showing the home sales by month. The chart is for the Portland metro area - it does not include homes in southwestern Washington (Vancouver to include Clark County).



Comparing the average home price from November 2008 with November 2007 shows a \$36,200 drop in the Portland region's average home price – down to \$308,300 from \$344,500 a year earlier. The median price decreased \$20,000 for the same periods - a drop of 7.0%.

Median Price Drop of \$35,000: November 2008 to Market Peak in August 2007

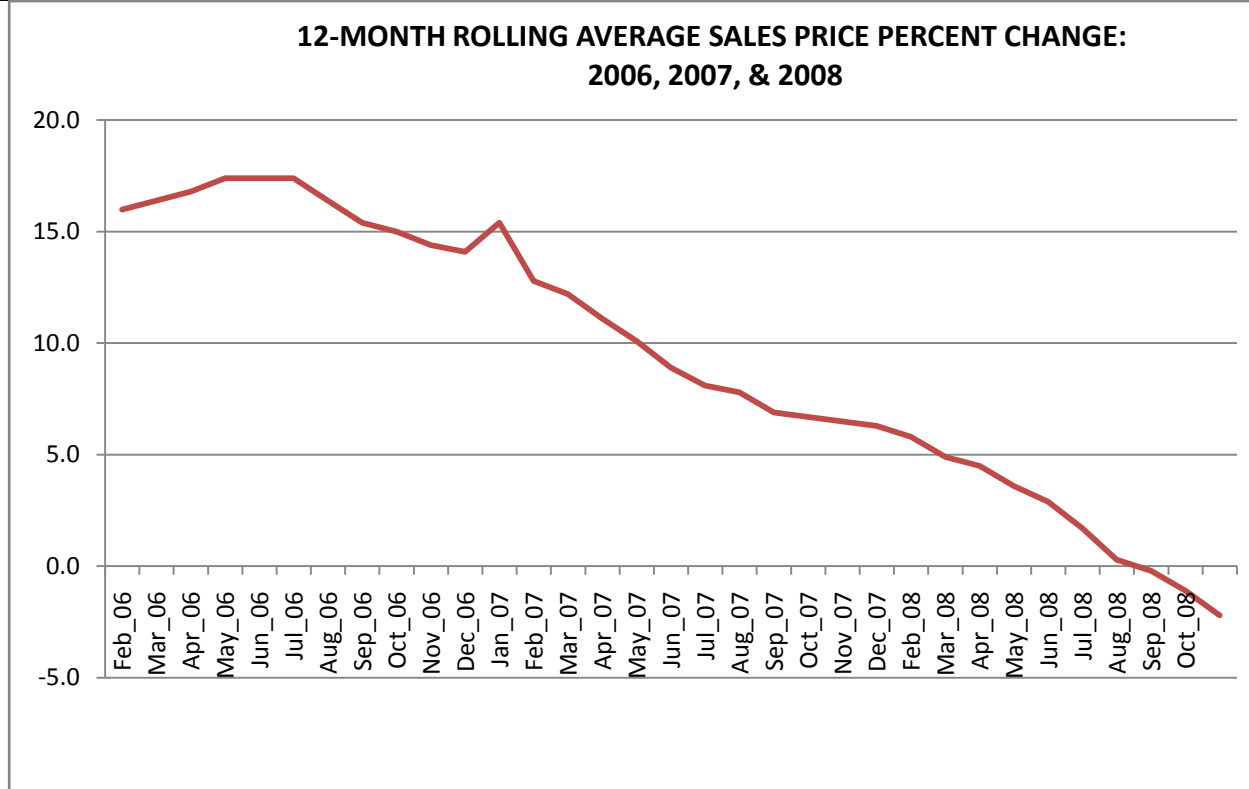
The market peaked in July 2007 and August 2007 when both of these months recorded a median price of \$300,000. From this high, the median price in November 2008 dropped \$35,000 (12.0%).

The highest average sales during the years 2006-2008 was \$366,900 in August 2007. This figure is the highest average sales price ever recorded for the Portland metro area. Since August 2007, the average price has been slowly declining. In November 2008, the average price declined \$58,600 (16.0%) from August 2007.

12-Month Average Sales Price Percent Change

Below is the 12-MONTH AVERAGE SALES PRICE PERCENT CHANGE: 2006, 2007, & 2008. This is the 12-month average sales price percent change from February 2006 to November 2008.

The 12-month sales price change percents are based on a comparison of the rolling average price for the last 12 months. For the last 12 months, the number has ranged from 8.1 to -2.2 percent. The -2.2% number for November 2008 is the third appearance of a negative number in the last three years. The two previous months (September and October) were also negative.



Case-Schiller: October show home Prices Down 18% From Last Year

A grim assessment underscored numbers released in late December shows that home prices in 20 metropolitan areas across the country dropped at a record rate of 18 percent in October from a year earlier as the fallout from the financial collapse reverberated through the housing market.

According to the measure, the Standard & Poor's/Case Shiller Home Price Index, all 20 cities surveyed reported one-year price declines in October. Prices in 14 of the 20 metropolitan areas fell at a record rate. Prices in every metropolitan area in Case-Shiller's 20-city index dropped from September to October, and six of them — Atlanta, Detroit, Minneapolis, Washington, Charlotte, N.C., and Tampa, Fla. — posted record one-month declines. The index excludes many midsize metropolitan areas and some large cities, like Houston and Philadelphia.

Fourteen of the 20 cities in the Case-Shiller survey posted double-digit declines for the year. The relative winner was Dallas, which had the smallest decline, 3 percent. Portland's -10.1% decline placed it 7th out of the 20 markets. See the chart below.

CITY	PERCENT	CITY	PERCENT
Dallas	-3.1%	Minneapolis	-16.3%
Charlotte	-4.4%	Washington	-18.7%
Denver	-5.2%	Tampa	-19.8%
Boston	-6.0%	Detroit	-20.4%
Cleveland	-6.2%	San Diego	-26.7%
New York	-7.5%	Los Angeles	-27.9%
Portland	-10.1%	Miami	-29.0%
Seattle	-10.2%	San Francisco	-31.0%
Atlanta	-10.5%	Las Vegas	-31.7%
Chicago	-10.8%	Phoenix	-32.7%

Cost of Residential¹ Homes by Neighborhood/Community November 2008

Area	November 2008 Average Sales Price	Year-to-Date For Period Ending November 2008		12-Month Average Sales Price Change ²
		Average Sales Price	Median Sale Price	
Portland Metro Area				
Includes these counties in Oregon: Clackamas, Columbia, Multnomah, Washington, & Yamhill	\$308,300	\$332,000	\$280,000	-2.2%
Portland				
North	\$229,800	\$266,100	\$250,000	0.1%
Northeast	286,200	322,000	282,000	0.5%
Southeast	256,300	276,800	245,000	-3.1%
West (Includes SW and NW Portland and parts of eastern Washington County)	447,000	480,700	395,000	4.2%
Portland Metro Suburban Areas				
Corbett, Gresham, Sandy, Troutdale	\$260,900	\$260,700	\$245,000	-6.4%
Clackamas, Milwaukie, Gladstone, Sunnyside	311,100	322,200	287,900	-4.6%
Canby, Beavercreek, Molalla, Mulino, Oregon City	317,800	316,300	282,300	-5.6%
Lake Oswego and West Linn	410,600	543,300	450,000	0.4%
Northwest Washington County & Sauvie Island	406,900	404,900	376,000	-1.7%
Beaverton and Aloha	266,800	274,900	250,000	-4.8%
Tigard, Tualatin, Sherwood, Wilsonville	319,500	354,200	324,900	-4.8%
Hillsboro and Forest Grove	256,900	280,300	257,800	-5.9%
Mt. Hood: Brightwood, Government Camp, Rhododendron, Welches, Wemme, ZigZag	297,400	253,800	234,000	-13.4%
Columbia County	241,600	229,400	214,000	-9.9%
Yamhill County	253,800	268,600	225,000	-4.6%
Marion and Polk Counties	224,600	254,300	200,500	-5.4%
North Coastal Counties	371,100	362,800	287,500	-7.1%
Southwest Washington State				
Clark County (Battleground, Camas, Ridgefield, Vancouver, Woodland, etc.)	\$252,400	\$279,900	\$243,000	-6.3%

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 The 12-month sales price change percents are based on a comparison of the rolling average price for the last 12 months (12/1/07-11/30/08) with the 12 months before (12/1/06-11/30/07).

Source: Regional Market Listing Service (RMLS™).

Mortgages

Primary Mortgage Market Survey: 5.10 % for 30-Year Fixed

Freddie Mac released its Primary Mortgage Market Survey (PMMSSM) on December 31 in which the 30-year fixed-rate mortgage (FRM) was 5.10 percent with an average 0.7 point for the week ending December 31, 2008, down from last week when it averaged 5.14 percent. Last year at this time, the 30-year FRM averaged 6.07 percent. The 30-year FRM has not been lower since Freddie Mac started the Primary Mortgage Market Survey in 1971.

The 15-year FRM this week averaged 4.83 percent with an average 0.7 point, down from last week when it averaged 4.91 percent. A year ago at this time, the 15-year FRM averaged 5.68 percent. The 15-year FRM has not been lower since March 25, 2004, when it averaged 4.70 percent.

Five-year Treasury-indexed hybrid adjustable-rate mortgages (ARMs) averaged 5.57 percent this week, with an average 0.7 point, up from last week when it averaged 5.49 percent. A year ago, the 5-year ARM averaged 5.78 percent.

One-year Treasury-indexed ARMs averaged 4.85 percent this week with an average 0.5 point, down from last week when it averaged 4.95 percent. At this time last year, the 1-year ARM averaged 5.47 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

"Interest rates for 30-year fixed-rate mortgages fell for the ninth straight week and represented a third consecutive all time record low since Freddie Mac's survey began in April 1971," said Frank Nothaft, Freddie Mac vice president and chief economist. "Since the end of October of this year, these rates have declined by about 1-1/3 percentage points, or payment savings of approximately \$173 a month for a \$200,000 loan. As a result, the number of refinance applications for conventional mortgages jumped over 500 percent between the weeks ending on October 31st and December 26th.

Portland Area Mortgage Rates



To check on more Portland metro area mortgage rates visit Professor Guttenberg's Web site at <http://www.mtgprofessor.com> – click on "Fixed-Markup Lender." Taking the average home price in Portland of \$308,300 for November, 2008 and with 20 percent down payment (\$61,660) and a mortgage of \$246,640, the payment for a 30-year fixed loan is \$1,213.32 per month (excluding property taxes and insurance) in Portland, Oregon. The interest rate is 4.250%, and the APR is 4.634%. Total lender fees are \$10,901 to include \$3,448.03 discount points. This fee covers everything and is guaranteed not to change from the time they lock your rate (30 days) to closing. Escrow fees are waived. FICO credit score 760 (excellent).

According to the professor: "In using an on-line lender monitored by the mortgage professor, a borrower enjoys competitive wholesale prices, which are disclosed and passed through by the on-line lender; and a standardized and reasonable markup over the wholesale price, which is guaranteed by the professor. This eliminates all potential sources of abuse."

*My advice, "Find a home you can enjoy and afford.
By all means, get a fixed-rate mortgage. "*

Susan Marthens

Portland Weather

December 2008 Weather Summary

Water Year (October 1 - September 30)	Average Precipitation In Inches	Actual Precipitation in Inches	Water Year
Year-to-Date	14.20	8.62	<p>Portland's rainfall is measured according to the "water year" which is from October 1 through the end of September.</p> <p>The average precipitation for Portland is 37-38 inches.</p> <p>Precipitation is measured from the NOAA Weather Station near the Portland International Airport.</p>
October	2.88	1.77	
November	5.61	4.15	
December	5.71	2.70	
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		

Above is the [National Weather Service](#) precipitation data for the month of December 2008. Below is the weather summary for the month:

- Average Monthly Temperature: 37.5 or 2.7 degrees below normal.
- Average Maximum Temperature: 42.8
- Average Minimum Temperature: 32.1
- Highest Temperature: December 1st at 57 degrees.
- Lowest Temperature: December 20th at 20 degrees.
- Average Monthly Wind Speed: 6.9 MPH.
- Clear/Cloudy Days: 2 clear days, 7 partly cloudy days, and 22 cloudy days.
- Snow: 22 inches for the month of December 2008.



A car buried under the snow at SW Fairview and SW Canterbury.
Photograph courtesy of Pat Fitzgerald.

What a December! The month marked the second-snowiest month in Portland's recorded history – the remarkable 41 inches of snow that fell on the Rose City in January, 1950, is a tough record to beat. The Arctic Blast also brought the Metro area the whitest Christmas ever. Portland easily topped its previous record of one inch of snow on the ground on Christmas Day.

The people who keep track of storms say that the 2008 storm ranks among the top 10 for the area since the state started keeping records in 1880. It wasn't the severity of the storm but the duration as day after day of snow flurries and cold weather begin to take its toll.

It the metro area, the storm stranded motorists, disrupted bus and train service, canceled flights and led to power outages across the region. By Monday, the snow and ice had forced TriMet to cancel all but its busiest bus routes. At one point, more than 100 buses were stalled in the snow. U.S. 26 and

Oregon Highway 6 were closed from western Washington County to the coast. And all lanes of Interstate 84 from Troutdale to Hood River were closed. Trucks idled around the Flying J Travel Plaza in Troutdale, where some drivers had been stranded for over ten days.

Truckers weren't the only ones who were stuck. Most schools were closed several days during the last week (December 15-19) before the two-week winter break. Parents breathed a sigh of relief as the snow finally started melting away the weekend before the New Year.

An Indoor Year-Around Public Market in Portland

The Historic Portland Public Market Foundation has been looking for a home for a year-round, indoor public market since 2000. They have held fund raisers and solicited donations. In addition, they have acquired the right, in perpetuity, to the name "The James Beard Public Market." The group is now closer to their goal as they have identified a piece of property that would be ideal for the Portland public market.

Developers of the James Beard Public Market hope to secure the west end parking lot under the Morrison Bridge when the Multnomah County-owned property goes up for sale next month. This County-owned property sits along the waterfront, central to downtown workers and shoppers, with abundant nearby parking and easy access by MAX from all parts of the region. The foundation has enlisted private developer Melvin Mark Development Co., which proposes building a high-rise at the base.

James Beard was a chef and food writer and many recognized him as the father of American gastronomy. He was born in Portland and growing up in Oregon was exposed to the foods of the Pacific Northwest.

Models for Public Markets

Portland's long history of public markets began in 1870, but the city now has been without a central market for two generations. Reestablishing a public market could improve the quality of life in Portland and the surrounding region.

The [Seattle Pike Place Market](#) and Vancouver, B.C.'s, [Granville Island Public Market](#) provide valuable models for a public market in Portland. The foundation wants to match their vitality, while keeping the primary focus on connecting local growers and food producers to local customers. Others include Philadelphia's [Reading Terminal Market](#).

We have visited all these markets and enjoyed the local foods and the fact that most are a family-operated business. We think that the two best models are the Reading Terminal Market and [La Boqueria](#) in Barcelona, Spain. Both of these markets are housed in large rectangular structures with high ceilings and several aisles crisscrossing from one delectable section to another – thus facilitating looking and shopping. Pike Place Market is located in a long, narrow 2-story building.



Enter La Boqueria from La Rambla and you are plunged into a cornucopia of fruits, vegetables and fancy candied sweets, nuts. To the left you'll find cheeses and all sorts of sausages, cured ham, and other cold meats. Maintain a direct course into the elliptical heart of the market and you arrive at the Fish Block, a series of stands containing fresh seafood of every possible description. You will find wine shops sheltered beneath the pillars of the portico on the northern flank. At lunchtime, market workers and visitors jostle for a stool at several bars in the market.

What is a Public Market

A public market is not a farmers' market, though they have many things in common; a farmers' market is seasonal, while a public market is permanent and year-round; both focus on fresh foods but a public market

may also offer a wider range of prepared local foods and restaurants; and a permanent public market can showcase local agriculture for residents and tourists seven days a week.

Benefits of a Public Market

From an economic point of view, a public market is an outstanding small business incubator. Farmers sell produce at retail rather than wholesale, and improve their cash flow by diversifying into crops they can harvest in several seasons. For example, New York's Greenmarket, which is open year-round, has created a whole new market in greenhouse-grown vegetables for winter consumption. A public market allows small farmers to conveniently sell to restaurants and institutional markets by providing a central location, cooler space and loading docks. These lucrative markets are difficult for small farmers to pursue because of logistical problems with storage and delivery.

Design of the James Beard Public Market



James Beard, October 1973.
(Associated Press)

Ron Paul, former restaurant owner and city employee, is behind the project and in an interview with the Daily Journal of Commerce on January 2, 2008 Paul has definite ideas about the design. The western entrance of the proposed development, which would feature a high rise tower and piazzas, would also include a statue of Beard. Paul admits the design is one of his many "inspirational flights of fancy" when it comes to his vision for the James Beard Public Market.

The rest of the market's design would feature what Paul describes as "two graceful pavilions nestled into the arcs of the cloverleaf ramps, connected by a market hall under the bridge."

As always planned, the final design, which [Sera Architects](#) has been commissioned to complete, would allow for a large number of permanent vendor stalls as well as seasonal day tables.

Market board member Amelia Hard wants to move the trident-welding [Portlandia](#) statue from its current location over the entrance of the Portland Building to the eastern entrance of the proposed public market building.

But there are still questions concerning the cost of the project and where, precisely, that money will come from. Melvin Mark is working to secure the financing "in large measure," Paul said, but the market will be responsible for raising private capital that would go toward the purchase price of the property.

To learn more about the proposed James Bear Public Market and to donate to the foundation, go to www.portlandpublicmarket.com.

Susan Marthens

Principal Real Estate Broker/GRI

Windermere/Cronin & Caplan Realty Group, Inc.

6443 SW Beaverton-Hillsdale Hwy, Suite 100

Portland, Oregon 97221

Telephone: 503.497.2984

Email: smarthens@movingtoportland.net