

# Moving to Portland™

## August 2010 Newsletter

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### Portland Home Market

#### June 2010 Residential Highlights

While inventory continued to stay low in the Portland Metro area, sales activity saw both increases and declines. When comparing June 2010 with June 2009, closed sales increased 13.3%. Pending sales and new listings fell 25.2% and 4.9%, respectively.

Comparing June 2010 with the previous month, May 2010, closed sales dropped 1.9% (2,012 v. 2,050) and pending sales grew 8.4% (1,618 v. 1,493). New listings also rose 16.3% (4,049 v. 3,482).

At the month's rate of sales, the 14,752 active residential listings would last approximately 7.3 months.

#### Sales Prices

The average sale price for June 2010 declined 3.3% compared to June 2009. The median sale price also fell 4%. On a month-to-month basis, comparing June 2010 to May 2010, the average price went up 5.2% (\$289,800 v. \$275,500) and the median price grew a slight 0.4% (\$240,000 v. \$239,000).

#### Second Quarter Report

Comparing the second quarter of 2010 (April - June) with that of 2009, there are gains across the board. Closed sales rose 34% (6,191 v. 4,625). Pending sales and new listings also saw increases of 1% (5,842 v. 5,784) and 2.4% (12,456 v. 12,165), respectively.

#### Twelve-Month Sales Price Percent Change for Portland Metro Area

The 12-Month Sale Price Percent Change is based on a comparison of the rolling average/median price for the last 12 months (7/1/09-6/30/10) with 12 months before (7/1/08-6/30/09).

- Average Sale Price Percent Change: -8.2% (\$283,800 v. \$309,300)
- Median Sale Price Percent Change: -7.1% (\$241,500 v. \$260,000)

### Average Sales Price Drops 21 Percent from Peak in 2007

Here are the sales price percent change from their peak prices in 2007:

- Average Sale Price Percent Change from Peak in August 2007: -21.0% (\$289,800 v. \$366,900).
- Median Sale Price Percent Change from Peak in July 2007: -21.0% (\$240,000 v. \$302,000).

### May 2010: Average Home Price Drops \$15,900 from May 2009

Below is the Average Sales Price: 2000 - 2010 chart showing the home sales by 6-month intervals. The chart is for the five county Portland metro area. It does not include homes in southwestern Washington (Vancouver to include Clark County).



Comparing the average home price from June 2010 with June 2009 shows a \$10,000 drop in the Portland region's average home price – down to \$289,800 from \$299,800 a year earlier. The median price decreased \$9,900 for the same period (\$240,000 v. \$249,900).

### Closed Sales

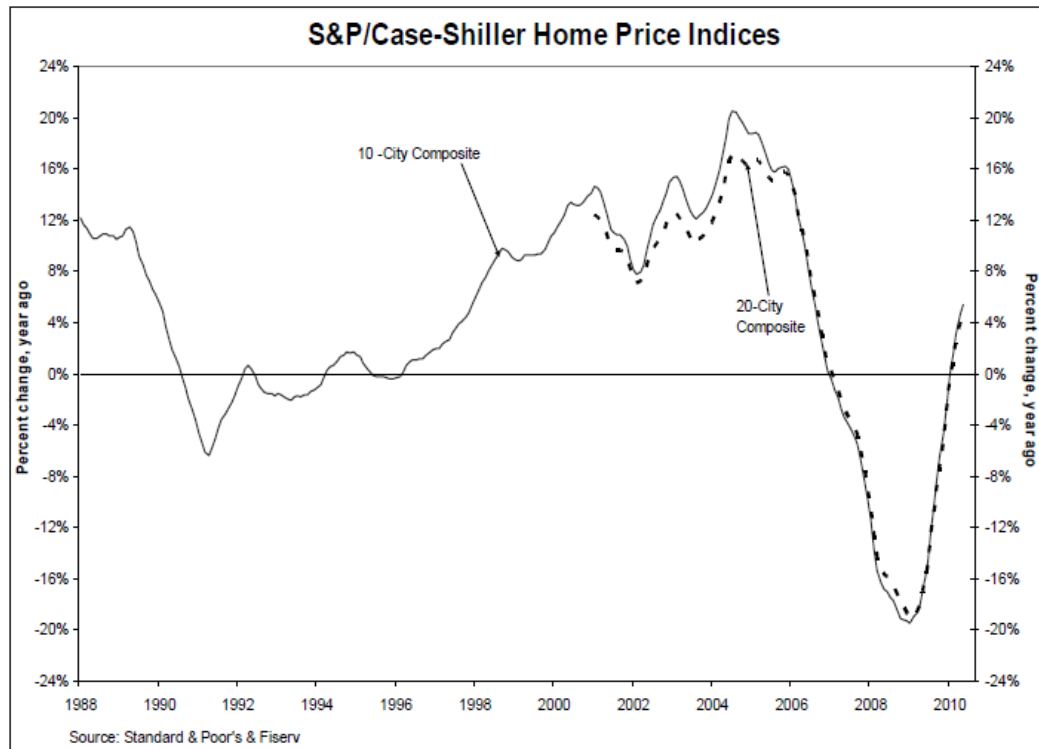
Below is a graph of the "Closed Sales" for the Portland metro area for the past three years (2008, 2009, and 2010). The red line shows 2010 sales through June of this year and the other two lines show (green and blue) show sales for 2008 and 2009.



The multiple listing service for Portland and its suburbs showed home sales through June were 26 percent higher in the five-county metro area than they had been a year earlier.

For January through June, 10,183 sold throughout the region, compared to 7,499 during the same period in 2009, 9,844 in the first six months of 2008. During the housing boom, the metro area had 15,001 closed sales the first half of the 2007.

### Case-Schiller: Portland Home Prices Show Improvement



On both a year-over-year and month-to-month basis, Portland showed improvement, according to S&P/Case-Shiller. The Portland index improved 0.7 percent from May 2009 to May 2010, and 1.2 percent in May compared to April.

The S&P/Case-Shiller's 20-city index showed considerably more robust activity, posting a 4.6 improvement in May 2010 over May 2009. San Francisco, San Diego and Minneapolis all showed double-digit percentage improvements in May.

Officials warned against reading too much into the numbers, saying national housing prices moved mainly sideways over the last 12 months. Plus, the May numbers may be skewed somewhat by a residual impact from the homebuyers' tax credit. The tax credit has since expired, but remained in effect for any purchase that closed before June 30.

"While May's report on its own looks somewhat positive, a broader look at home price levels over the past year still does not indicate that the housing market is in any form of sustained recovery," said David M. Blitzer, chairman of the index committee at Standard & Poor's.

Note: The Case-Shiller index covers sales of existing single-family homes in Oregon's Clackamas, Columbia, Multnomah, Washington and Yamhill counties and Washington's Clark and Skamania counties. This accounts for some of the differences in numbers that we report each month via RMLS since RMLS does not include statistics on homes in the state of Washington in the metro area.

Source: *The Oregonian*, "Case-Shiller Numbers Show Improvement in Portland" by Jeff Manning, July 27, 2010.

## Cost of Residential<sup>1</sup> Homes by Area/Community for June 2010

Area	June 2010 Closed Sales	June 2010 Average Sales Price	Year-to-Date For Period Ending June 2010		12-Month Average Sales Price Change <sup>2</sup>
			Average Sales Price	Median Sale Price	
Portland Metro Area					
Includes these counties in Oregon: Clackamas, Columbia, Multnomah, Washington, & Yamhill	2,012	\$289,800	\$280,700	\$239,900	-8.2%
Portland					
North	78	\$226,700	\$232,900	\$227,000	-4.9%
Northeast	202	294,700	282,700	245,000	-7.3%
Southeast	237	243,100	237,200	210,000	-8.5%
West (Includes SW and NW Portland and parts of eastern Washington County)	239	413,100	401,700	335,000	-10.2%
Portland Metro Suburban Areas					
Corbett, Gresham, Sandy, Troutdale	151	\$209,900	\$216,500	\$205,000	-8.8%
Clackamas, Milwaukie, Gladstone, Sunnyside	165	266,000	261,200	243,000	-7.6%
Canby, Beavercreek, Molalla, Mulino, Oregon City	95	245,400	255,700	228,800	-10.0%
Lake Oswego and West Linn	115	441,400	442,000	380,000	-5.6%
Northwest Washington County & Sauvie Island	105	374,800	362,800	335,000	-7.5%
Beaverton and Aloha	160	256,200	240,800	219,900	-7.5%
Tigard, Tualatin, Sherwood, Wilsonville	185	311,000	303,800	277,000	-7.9%
Hillsboro and Forest Grove	140	230,100	233,200	211,000	-10.1%
Mt. Hood: Brightwood, Government Camp, Rhododendron, Welches, Wemme, ZigZag	15	200,800	213,300	191,000	-8.6%
Counties Outside the Metro Area					
Columbia County	42	\$179,900	\$186,100	\$184,000	-10.3%
Yamhill County	83	230,800	216,700	192,500	-11.1%
Marion and Polk Counties	92	178,300	204,800	181,200	-25.0%
North Coastal Counties	76	287,100	279,700	220,000	-25.0%
Southwest Washington State					
Clark County (Battleground, Camas, Ridgefield, Vancouver, Woodland, etc.)	528	\$249,600	\$238,300	\$210,000	-7.8%

<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> The 12-month sales price change percents are based on a comparison of the rolling average price for the last 12 months (7/1/09-6/30/10) with 12 months before (7/1/08-6/30/2009).

Source: Regional Market Listing Service (RMLS™)

## Mortgages

### Primary Mortgage Market Survey: 30-Year Fixed Rate 4.58 Percent

Freddie Mac released its Primary Mortgage Market Survey (PMMS) on July 29, in which 30-year and 15-year fixed-rate mortgages reached record lows for this survey. The 30-year fixed-rate survey began in 1971, and the 15-year began in 1991.

- 30-year fixed-rate mortgage (FRM) averaged 4.54 percent with an average 0.7 point for the week ending July 29, 2010, down from last week when it averaged 4.56 percent. Last year at this time, the 30-year FRM averaged 5.25 percent.
- 15-year FRM this week averaged a record low of 4.00 percent with an average 0.7 point, down from last week when it averaged 4.03 percent. A year ago at this time, the 15-year FRM averaged 4.69 percent.
- 5-year Treasury-indexed hybrid adjustable-rate mortgage (ARM) averaged 3.76 percent this week, with an average 0.7 point, down from last week when it averaged 3.79 percent. A year ago, the 5-year ARM averaged 4.75 percent.
- 1-year Treasury-indexed ARM averaged 3.64 percent this week with an average 0.7 point, down from last week when it averaged 3.70 percent. At this time last year, the 1-year ARM averaged 4.80 percent.

For the sixth week in a row, interest rates on fixed-rate mortgages eased to all-time record lows during a week of mixed housing data reports. The number of local markets experiencing annual increases in home prices appears to be growing. However, existing home sales in June slowed to an annualized pace of 4.37 million units, the fewest since March. Moreover, although new home sales jumped by almost 24 percent to 330,000 dwellings, it represented the second slowest rate since 1963.

### Portland Area Mortgage Rates



To check on Portland metro area mortgage rates visit Professor Guttenberg's Web site at [mtgprofessor.com](http://mtgprofessor.com) – click on "Fixed-Markup Lender." Jack M. Guttentag is Professor of Finance Emeritus at the Wharton School of the University of Pennsylvania.

Taking the average home price in the Portland metro area of \$289,800 for June, 2010 and with 20 percent down payment (\$57,960) and a mortgage of \$231,840, the payment for a 30-year fixed loan is \$1,073.69 per month (excluding property taxes and insurance) in Portland, Oregon. The interest rate is 3.75%, and the APR is 4.025%.

Total closing costs are \$8,960.02 – guaranteed lender fees are \$6,919.52 – the lender fees are guaranteed not to change from the time they lock your rate (45 days) to closing. Closing attorney/agent, appraiser, title insurance, and credit reporting \$2,040.50. The markup fees are \$3,269.71. Escrow fees are not waived. FICO credit score 800.

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

### July 2010 Weather Summary

Water Year (October 1 - September 30)	Average Precipitation In Inches	Actual Precipitation in Inches	Water Year
Year-to-Date	34.49	34.36	Portland's rainfall is measured according to the "water year" which is from October 1 through the end of September.  Precipitation is measured from the NOAA Weather Station near the Portland International Airport.
October	2.88	3.05	
November	5.61	5.13	
December	5.71	3.76	
January	5.07	4.94	
February	4.18	1.36	
March	3.71	3.58	
April	2.64	2.92	
May	2.38	4.75	
June	1.59	4.28	
July	0.72	0.59	
August	0.89		
September	1.65		
Yearly Average	37.09		

Above is the [National Weather Service](#) precipitation data for the month of June 2010. Below is the weather summary for the month:

- Average Monthly Temperature: 67.5 (-0.6 degree below normal).
- Average Maximum Temperature: 79.0 (average is 79.3).
- Average Minimum Temperature: 55.9 (average is 55.9).
- Precipitation: One day with a thunderstorm and 13 days with light rain.
- Highest Temperature: July 29 at 97.
- Lowest Temperature: July 1 at 48.
- Average Wind Speed: 6.1 mile per hour.
- Clear/Cloudy Days: 9 fair days, 20 partly cloudy days, and 2 cloudy days.

## Weird Oregon Including Portland

A couple of months ago a friend gave us a copy of Chuck Palahniuk's book entitled *Fugitives and Refugees: A Walk in Portland, Oregon* which is full of strange things and events in Portland. After reading a few pages, I didn't doubt for a second that the author was making anything in the book up as it seems like almost every day I witness something unusual in Portland. It's one of the reasons I love getting out and waiting for something weird to happen in this strange and exciting city.

Here's a review of Palahniuk's book by John Moe at [Amazon.com](#):

Palahniuk goes beyond the AAA handbooks to reveal the places, people, and legends of Portland that have long been known only to locals. The reader learns the location of the legendary Self Cleaning House, where to find the restless ghost of the founder of Powell's Books, and why feral cats are such an important part of Portland baseball. Portland, it seems, is also a highly sexual city and Palahniuk dutifully dissects the specialties of each strip joint as well as discussing Mochika, a zoo penguin with a real fetish for black boots.



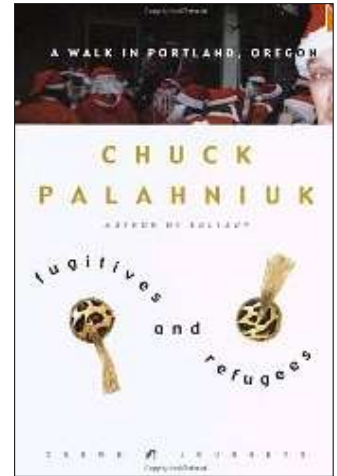
*Fugitives and Refugees* is a must for anyone who may, in their lives, go to Portland. But its appeal should reach beyond Oregonians. Palahniuk's love of the city is so great, and his stories so weirdly wonderful, it makes one want to get out of the house, get in the car, and drive to Portland right away. Just remember to pack the book.

You would expect that the state would be a bit goofy since it's the only state flag to carry two separate designs. The Oregon's state flag pictures a beaver on its reverse side. Oh yes, we are a bit nutty as Oregon is the only state that has an official state nut, the hazelnut. It doesn't stop with the flag or the nuts! A local resident in the Gorge has amassed the world's largest rosary collection that is now exhibited at The Columbia Gorge Interpretive Center.

I suppose every city has its quarks but why does Portland seem to be in a class by itself? Especially when it comes to sexually displays. My husband came home last summer saying he either needed to get his eyes checked or his imagination under control. He reported seeing a naked female riding her bike in the North Park Blocks. A few days later, *The Oregonian* reported that indeed she was creating quite a show around town. The police were powerless to stop her, and here is the explanation. Oregon is where speech is freer than anywhere else in the nation – or for that matter, perhaps the world. Written in 1857, Oregon's free-speech guarantee in an article of the state constitution. This jurisprudence has made Oregon's free-speech law the most protective in the nation. Nude dancing, for example, is a form of expression and under current reasoning can't be banned. It explains why Portland is the city with the highest number of nude dancing establishments.

Some Oregonians get upset by the wide-open market in images and words this law has spawned. Three times that minority has asked voters to change the state constitution to make an exception for sex and three times the voters have refused.

We have included some "fugitives and refugees" stories from Palahniuk's book and thrown in one about Bigfooting that recently appeared in the *Willamette Week*.



## Shanghai Tunnels



The Shanghai Tunnels, less commonly known as the Portland Underground, are a group of passages running underneath Old Town/Chinatown down to the central downtown section of Portland. The tunnels connected the basements of many downtown hotels and bars, to the waterfront of the Willamette River. They were built to move goods from the ships docked on the Willamette to the basement storage areas, which allowed businesses to avoid streetcar and train traffic on the streets when delivering their goods.

According to a popular, but historically questionable legend, from the 1850s to the early 20th century, they were used to kidnap or "shanghai" unsuspecting laborers and sell them as slaves to waiting ships at the waterfront. Allegedly, victims were drugged or knocked out, taken through one of the trap doors (or *deadfalls*), and held in a prison cell while they waited to be shipped off.

Today tours of the tunnels are available through the local tourist vendors.

## Oscar

At first we weren't allowed to discuss it," says Janet Mahoney, the room division manager for the Columbia Gorge Hotel. "The official policy was: Oscar does not exist. Now it's: Document every occurrence." And document they do, starting from the early 1980s, when the hotel's third floor was

renovated and opened to guests for the first time in fifty years.

Built in 1921, the forty-room Columbia Gorge Hotel was an isolated three-hour drive from Portland. That made it a favorite love nest for Hollywood types from noted sex maniacs Clara Bow and Rudolph Valentino to Jane Powell, Myrna Loy, and Shirley Temple. The hotel was dubbed "the Waldorf of the West" but was eventually forgotten and neglected as a retirement home. Restoration started in 1978, and the hotel again became a lovely clifftop retreat for guests including Burt Reynolds, Kevin Costner, Olivia Newton-John, and Terri Garr.

Trouble started a few years after the 1978 restoration, when they reopened the third-floor honeymoon suite. One day, in the few moments the third-floor hallway was empty, something turned every wall sconce upside down. On another day, she says, "A guest comes in from the parking lot. She slaps her hands down on the counter and demands, 'Is there something I should know about? I just saw a woman with dark hair, in a white gown, throw herself from the tower and disappear.'"

According to Janet, a honeymoon bride in the 1930s killed her husband in the third-floor suite, then jumped from the hotel's tower, landing in the parking lot. Just recently, another honeymoon couple sat in bed and watched a woman in white emerge from their bathroom, stand looking at them for two minutes, and disappear.

All over the third floor, water starts running in the bathrooms while the maids clean. Fires start by themselves in fireplaces. In empty rooms heavy furniture moves up against the door so no one can enter from the hallway.

"Nobody's ever gotten hurt," Janet says. "Nobody's ever had more than the wits scared out of them."

One bartender, Michael, stays over some nights and reports the television turning itself on and off and a phantom hand being placed on her face.

A hotel maid, Millie, nicknamed the spirit or spirits "Oscar" after she started finding flowers left every day in the exact same place on the attic stairs. In the attic, marbles roll out of the shadows. They roll uphill against the slanted floor.

## Gracie Hansen



Before 1961, Gracie Hansen was a housewife in Washington, who dreamed of chucking the small town life in central Washington State and moving to the big city. It was in Centralia, Washington that young Gracie learned to love show business. As a kid, she converted her family garage into a theater and began producing shows with her new neighborhood pals. After high school, her mother refused to let her follow her dream of studying acting in New York City, and so Gracie eloped with a logger named Leo Hansen. They moved to the tiny rough-and-tumble logging town of Morton, Washington.

Tired of the small town Gracie divorced and decided to stage a burlesque show at the 1962 Seattle World's Fair. She needed \$50,000 so she found 49 Chinese men with a \$1,000 each and one Greek with a \$1,000. Her Paradise International Club on the fairgrounds packed in crowds — in good part because of Hansen's knack for generating newspaper headlines in the mildly scandalized town — while rumors of police raids, lawsuits, and Hansen's own background as a Madam (untrue), kept gossips chattering endlessly.

After the fair closed, Harvey Dick was renovating Portland's old Hoyt Hotel so Gracie opened Gracie's Roaring Twenties nightclub in the hotel complex. Gaining notoriety there — one easily imagines that she soon became the most-talked-about woman in Portland — Hansen just could not stay out of the limelight and ran unsuccessfully for that city's mayoral office on a pro-entertainment ticket. Along the way Hansen married a metalworker, Tom Cooper, raised some kids, and worked for three years as a solo act in a pizza joint. Having gotten a taste of the political realm, Hansen then raised her sights and declared for Oregon's 1970 gubernatorial race, saying naughtily, "I've had my eye on [Governor] Tom McCall's seat for a long time." Running on the ticket, her campaign's tongue-in-cheek bumper sticker slogan was: "Gracie Hansen For Governor — The Best



Governor Money Can Buy." She didn't prevail but did place third in the Democratic primary. She died in 1985.

### Self-Cleaning House

What could be stranger than building a self-cleaning house? Frances Gabe was one of Oregon's most renowned inventors, and she realized that the constant maintenance of the home is boring so Frances crammed roughly 68 timesaving measures into her concrete house in Newberg to keep things tidy. These include ceiling spigots that hose down entire rooms, which are in turn covered with waterproof resin; high-powered blowers, which dry everything afterwards; a closet/washing machine; a cupboard/dishwasher and many other oddly endearing ideas.



Frances was born in 1915 so she is now in her 90s and has taken up residence in a local senior home. After some searching, I found an online video of an interview with Frances and it shows many features of the house which I'm sure you will enjoy viewing by clicking [here](#).

### Bigfooting



Many Portlanders like to spend their weekends doing something recreational in the outdoors—like fishing. Cliff Barackman prefers to spend his on a less conventional pastime: Bigfooting. Bigfooting, is actually a lot like fishing: It requires a lot of baiting and waiting, and one must be in the right place with the right tools. Barackman, though, isn't searching for something simple like steelhead. No, he is after much more elusive prey—the North American Bigfoot.

Barackman isn't your average Bigfoot believer. Although he admits to being a bit eccentric, the 39-year-old schoolteacher describes himself as "intelligent and well-rounded." He isn't zany or crazy. He isn't a hack like the two Georgia men who perpetuated a worldwide hoax when they tried to fabricate a Bigfoot corpse back in 2008. No, Barackman relies only on the facts—facts he says leave no doubt that Sasquatches are real.

For the past 16 years Barackman, a member of the Bigfoot Field Researchers Organization, has spent much of his free time collecting evidence from the field and interviewing Bigfoot witnesses. His research can be found on his website, [NorthAmericanBigfoot.com](http://NorthAmericanBigfoot.com), where he stockpiles photos of footprint casts, possible audio recordings and an interview with Jane Goodall saying she's sure an undiscovered species like Bigfoot exists.

Although Barackman has not yet seen a Sasquatch, he is positive that he will run into one someday—and hopefully he can record the evidence, even if it means risking his life. It wouldn't, he muses, be such a bad way to go: "If a 'squatch picked me up with one hand and threw me 80 feet—yeah, that's a great way to go," he said. "When you find my corpse, just make sure you uncurl my hands so you can get the hair samples out of it."

Source: *Willamette Week*, "Best People" by Editorial Staff, July 21, 2010.

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