

Moving to Portland™

June 2010 Newsletter

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Portland Home Market

April 2010 Residential Highlights

Sales activity in the Portland metro area improved in April 2010 compared to the same month a year ago. Comparing April 2010 with April 2009 closed sales increased 49.1%. Pending sales also jumped 60.8%, and new listings rose 23.8%.

When comparing April 2010 with the month prior, March 2010, closed sales grew 7.9% (1,941 v. 1,799) and pending sales were up 24.5% (2,991 v. 2,402). New listings, on the other hand, dropped 5.5% (4,713 v. 4,987).

At the month's rate of sales, the 14,182 active residential listings would last approximately 7.3 months, the lowest of the year so far.

Sales Prices

The average sale price for April 2010 decreased 3.1% compared to April 2009, while the median sale price went down 4%. Month-to-month, there were minimal changes in prices.

The average sale price rose just 0.6% (\$282,100 v. \$280,300) and the median sale price went up 0.5% (\$240,000 v. \$238,900), when comparing April 2010 to March 2010.

Year-to-Date

Comparing January-April 2010 with the same period in 2009, closed sales increased 41.4%. Pending sales jumped 46.3%, and new listings also rose 15.4%.

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 (5/1/09-4/30/10) with 12 months before (5/1/08-4/30/09).

- Average Sale Price Percent Change: -10.4% (\$286,000 v. \$319,200)
- Median Sale Price Percent Change: -9.6% (\$244,000 v. \$270,000)

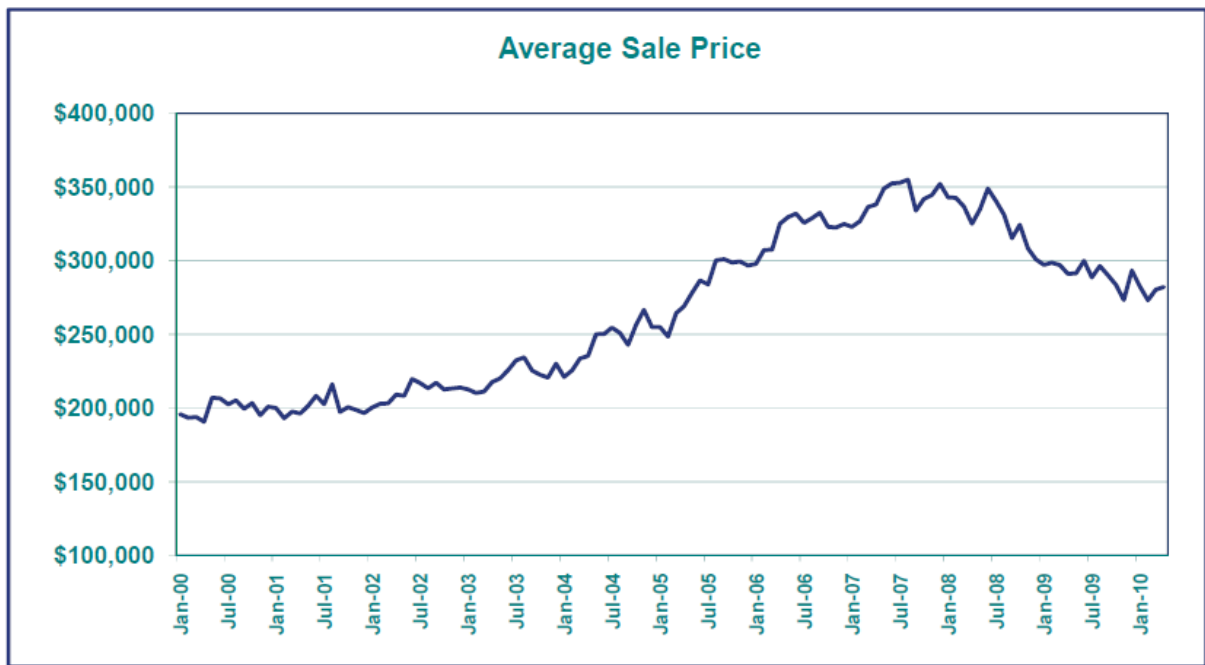
Average Sales Price Drops 23 Percent from Peak in 2007

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

- Average Sale Price Percent Change from Peak in August 2007: -23.0% (\$282,100 v. \$366,900).
- Median Sale Price Percent Change from Peak in July 2007: -21.0% (\$240,000 v. \$302,000).

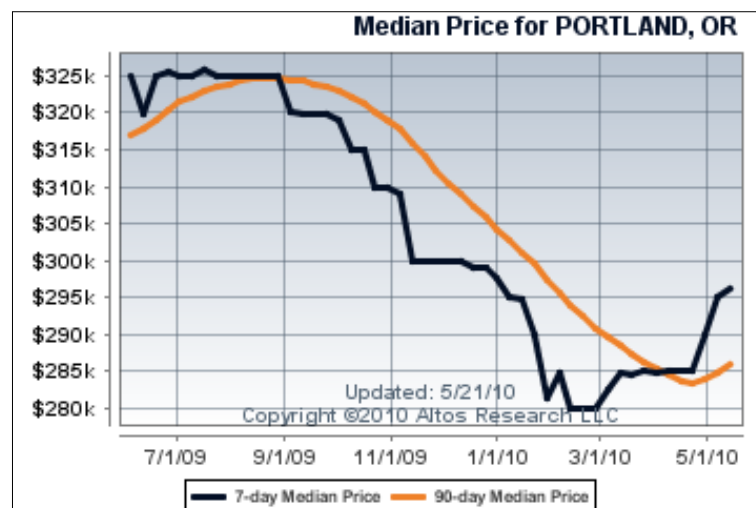
April 2010: Average Home Price Drops \$9,000 from April 2009

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 April 2010 with April 2009 shows a \$9,000 drop in the Portland region's average home price – down to \$282,100 from \$291,100 a year earlier. The median price decreased \$9,900 for the same period (\$240,000 v. \$249,900).

Median Price for Portland

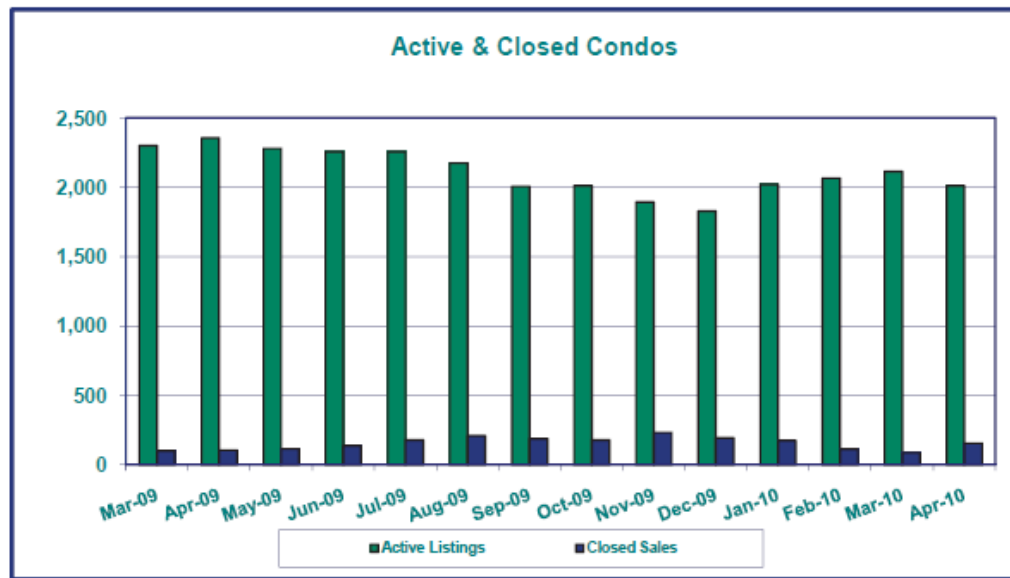


As we mentioned in the last couple of newsletters, we have added two charts on the Moving to Portland Web site. You can find them at www.movingtoportland.net.

One is the "Median Price for Portland, OR" and it shows the 7-day median price (black line) and the 30-day median price (orange line) for home prices within the city of Portland. The other chart is the "Average Days on Market for Portland, OR." Again, these charts are for just for the city of Portland. We posted a copy of the median price chart on the previous page. Both charts are updated often so you can view the trends.

The 7-day median price in Portland took off towards the end of April and jumped just over \$10,000 in a short time. The 30-day trend also moved upwards. Some of this price increase is the typical surge in spring home buying as demand increased. Do we see a end to the slow decline of prices in the area? Perhaps but time will tell.

Active and Closed Condos



The chart above shows active and closed condos for the period March 2009 to April 2010. You can look at this chart as one would look at a half glass of water: half empty or half full. You can see an opportunity to purchase a condo as prices have fallen up to 40% from the height of the market back in 2007. Or you may conclude that Portland has overbuilt condos. There are over 500 condos for sale in the Pearl, Northwest/Nob Hill, and Goose Hollow neighborhoods.

Case-Schiller: Portland Home Prices Still Dropping

Home prices in Portland and seven other U.S. cities reached new "index-lows" in March, according to the [S&P/Case-Shiller Index](http://www.spglobal.com/casestiller). Nationally, home prices in the first quarter fell 3.2 percent from the prior quarter. Authorities blamed the wave of home foreclosures. As lenders repossess homes and attempt to dump them on the market, it keeps downward pressure on prices. Portland home prices fell 0.1 percent in March compared to February. That's on top of the 2.4 decline in February from January.

In the Case-Shiller report, a handful of cities bucked the trend. San Diego and San Francisco, for example, have seen home sales increase 10.9 percent and 16.2 percent, respectively, since bottoming out.

Note: The Case-Shiller index is an average of three months. The report 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. Case-Shiller tracks the prices of typical single-family homes located in each metropolitan area. Source: *The Oregonian*, May 25, 2010, by Jeff Manning.

Cost of Residential¹ Homes by Area/Community for April 2010

Area	April 2010 Closed Sales	April 2010 Average Sales Price	Year-to-Date For Period Ending April 2010		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	1,941	\$282,100	\$279,700	\$239,900	-10.4%
Portland					
North	88	\$231,200	\$232,400	\$229,000	-7.9%
Northeast	201	284,800	276,200	244,300	-10.4%
Southeast	283	240,300	234,200	210,000	-10.5%
West (Includes SW and NW Portland and parts of eastern Washington County)	198	386,900	406,900	335,000	-11.4%
Portland Metro Suburban Areas					
Corbett, Gresham, Sandy, Troutdale	133	\$216,800	\$218,700	\$202,800	-12.5%
Clackamas, Milwaukie, Gladstone, Sunnyside	133	251,700	252,500	236,900	-9.6%
Canby, Beavercreek, Molalla, Mulino, Oregon City	89	268,500	257,900	222,500	-11.7%
Lake Oswego and West Linn	101	502,800	461,200	383,000	-8.1%
Northwest Washington County & Sauvie Island	101	345,700	358,600	343,000	-7.6%
Beaverton and Aloha	191	256,700	241,000	220,000	-10.0%
Tigard, Tualatin, Sherwood, Wilsonville	147	289,400	306,000	281,300	-8.2%
Hillsboro and Forest Grove	146	222,300	239,000	215,500	-9.7%
Mt. Hood: Brightwood, Government Camp, Rhododendron, Welches, Wemme, ZigZag	10	233,100	221,600	216,600	-7.4%
Counties Outside the Metro Area					
Columbia County	41	\$181,200	\$185,500	\$185,000	-12.5%
Yamhill County	79	247,900	217,300	193,000	-13.6%
Marion and Polk Counties	65	201,200	215,200	194,000	-10.9%
North Coastal Counties	71	277,500	280,900	214,000	-14.4%
Southwest Washington State					
Clark County (Battleground, Camas, Ridgefield, Vancouver, Woodland, etc.)	525	\$229,800	\$238,400	\$207,900	-10.4%

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 The 12-month sales price change percents are based on a comparison of the rolling average price for the last 12 months (5/1/09-4/30/10) with 12 months before (5/1/08-4/30/2009).

Mortgages

Primary Mortgage Market Survey: 30-Year Fixed Rate 4.78 Percent

Freddie Mac released its Primary Mortgage Market Survey (PMMS) in which the 30-year fixed-rate mortgage (FRM) averaged was 4.78 percent with an average 0.7 point for the week ending May 27, 2010, down from last week when it averaged 4.84 percent. Last year at this time, the 30-year FRM averaged 4.91 percent. The 30-year FRM has not been lower since the week ending December 3, 2009, when it averaged 4.71 percent.

The 15-year FRM this week averaged 4.21 percent with an average 0.7 point, down from last week when it averaged 4.24 percent. A year ago at this time, the 15-year FRM averaged 4.53 percent. The 15-year FRM has not been lower since Freddie Mac started tracking the 15-year FRM in August of 1991.

The 5-year Treasury-indexed hybrid adjustable-rate mortgage (ARM) averaged 3.97 percent this week, with an average 0.7 point, up from last week when it averaged 3.91 percent. A year ago, the 5-year ARM averaged 4.82 percent. The 1-year Treasury-indexed ARM averaged 3.95 percent this week with an average 0.6 point, down from last week when it averaged 4.00 percent. At this time last year, the 1-year ARM averaged 4.69 percent. The 1-year ARM has not been lower since the week ending May 27, 2004 when it averaged 3.87 percent.

(Average commitment rates should be reported along with average fees and points to reflect the total cost of obtaining the mortgage.)

"These low rates will help to elevate home-buyer affordability and soften the effects of the sunset of the home-buyer tax credit," said Frank Nothaft, Freddie Mac vice president and chief economist. "The credit substantially propelled home sales, as reflected in the strength of the April existing and new home sales, which were up 7.6 percent and 14.8 percent, respectively.

Portland Area Mortgage Rates



To check on Portland metro area mortgage rates visit Professor Guttenberg's Web site at 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 Portland of \$282,100 for April, 2010 and with 20 percent down payment (\$56,420) and a mortgage of \$225,680, the payment for a 30-year fixed loan is \$1,093.76 per month (excluding property taxes and insurance) in Portland, Oregon. The interest rate is 4.125%, and the APR is 4.521%.

Total closing costs are \$11,755.49 – guaranteed lender fees are \$9,659.99 – the lender fees are guaranteed not to change from the time they lock your rate (30 days) to closing. Closing attorney/agent, appraiser, title insurance, and credit reporting \$2,095.50. The markup fees are \$3,234.23. 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

May 2010 Weather Summary

Water Year (October 1 - September 30)	Average Precipitation In Inches	Actual Precipitation in Inches	Water Year
Year-to-Date	32.18	29.49	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		
July	0.70		
August	0.89		
September	1.65		
Yearly Average	37.07		

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

- Average Monthly Temperature: 55.0 (-2.1 degree below normal)
- Days with 0.01 Precipitation or More: 22
- Highest Temperature: May 14 at 76.
- Lowest Temperature: May 5-6 at 41.
- Clear/Cloudy Days: 2 fair days, 12 partly cloudy days, and 17 cloudy days.

May was more like February or March. What started out to be a warm and sunny month turned into days of rain and cloudy skies. Portland has had only one day without measurable rainfall since May 15 and the forecast for the next few days is more of the same.

On my morning walk, I met a man walking his King Charles Spaniel. He suggested that we hire new weather people. In his words, "The weather people say it going to rain, and it rains." He figures that if they have a more positive outlook, things would improve.

Raising Vegetables in Your Back Yard



We have been trying to figure out a simple way to raise some vegetables in our back yard. Greens and tomatoes are two plants to our liking. But with a steep back sloping yard along with half a dozen 80-90 foot Douglas Fir trees that doesn't allow much sun, we conclude that buying these things at local farmer markets was the solution.

We are not amateurs at gardening as we had a vegetable garden in our first home in New England, and we shared the produce with the local woodchucks although they got the majority of the bounty. Both my husband and I grew up in homes where

vegetable gardens were common and the kids were expected to help with the work.

We recently visited friends up in the Seattle area, and our long-time friend Annie took us around the corner from their home to visit a community garden. Although there are a few individual plots, much of the area was devoted to raising vegetables for the local food bank. Annie is one of the volunteers that plants, waters, and weeds in the food bank gardens. Beside the simple raised beds that allows one to work without having to bend over that much, we observed a couple of other ideas: plastic coverings to create a 'hot house' for raising tomatoes. Volunteers had also assembled a sizable green house kit that was donated to the community garden so they could garden year around.

Upside-Down Gardening

After our Seattle visit, we started to rethink the backyard garden idea. Just a few tomatoes would satisfy us. One again, we looked at the back yard with the thought of building a 4" by 8" raised bed. We decided we didn't want to give up the few level feet of ground that our two Wirehaired Vizslas claim as theirs.



Then we read about upside-down gardening where you grow crops that dangle upside down from homemade or commercially available planters. We could hang the planters off the deck railing or just dig in a couple of posts and string a two by four between the posts and we'll have a garden.

The advantages of upside-down gardening are many: it saves space; there is no need for stakes or cages; it foils pests and fungus; there are fewer, if any, weeds; there is efficient delivery of water and nutrients thanks to gravity; and it allows for greater air circulation and sunlight exposure. Upside-down gardeners swear they'll never come back down to earth. Our friend Annie doesn't think much of upside-down gardening (a fad), but she encouraged us to give it a try.

Tomatoes Planters

Gardening blogs are full of information about whether to build your own planters fashioned out of milk jugs, plastic buckets, and soda bottles or use commercial ones like the Topsy Turvy planters, which are advertised on television and have prominent placement at retailers like Wal-Mart and Walgreens. We plan on building our own.

In addition to plastic soda bottles, milk jugs and five-gallon buckets, upside-down planters can be made out of thick heavy-duty plastic trash bags, plastic reusable shopping totes, kitty litter containers, laundry hampers and even used tires. Web sites like Instructables.com and UpsideDownTomatoPlant.com show how it can be done, and YouTube has several how-to videos.

Shawn Verrall, a Microsoft software tester who blogs about gardening at Cheapvegetablegardener.com is a good source of information. Shawn turned to upside-down gardening last summer as an experiment.

Let us know about your vegetable gardening adventures!

Susan Marthens

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