

RESIDENTIAL MARKET ANALYSIS

JENNIFER VOLBEDA
Portland State University

The third quarter in Oregon and Southwest Washington continue to show a strong but cooling market, remaining in favor of sellers. Portland and Vancouver have been feeling the pain of exaggerated sales price for some time now, but our neighboring cities are feeling the pressure now as well. Perhaps it's because we've priced ourselves out of the big cities like Portland and Vancouver, and that's why the focus is now being shifted.

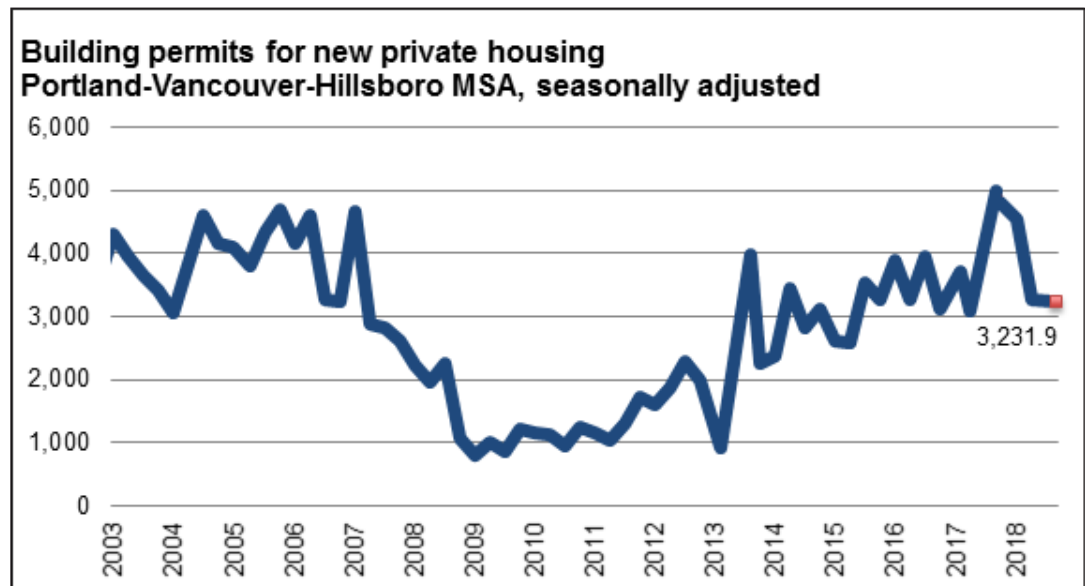
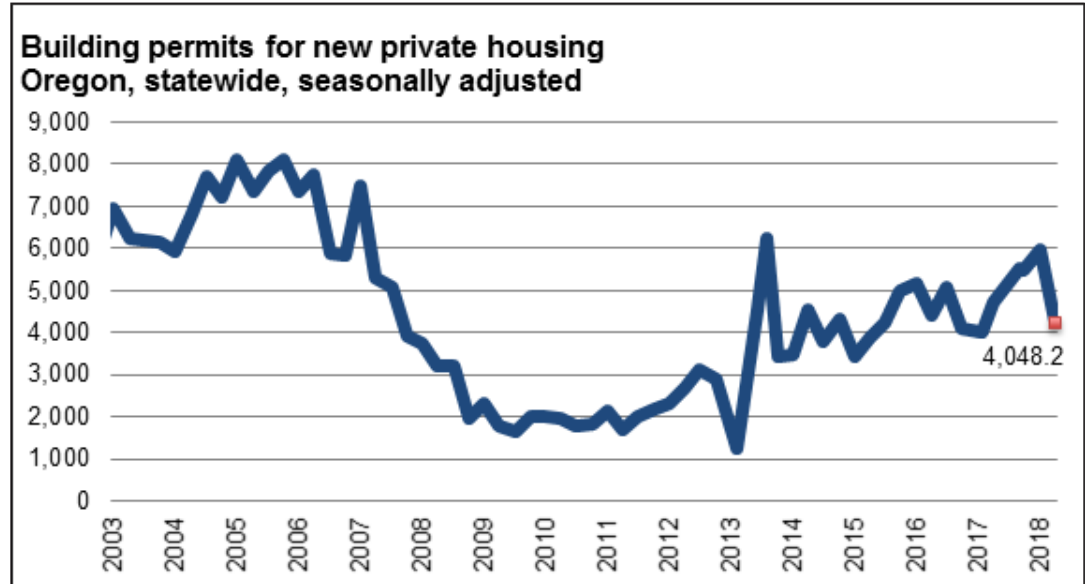
Places like Bend and Lane County are seeing slowing sales because of skyrocketing prices. Bend in particular has seen an increase in sale price by over 50 percent in just three years, which has been making it increasingly difficult to afford to live and work there. While the Bend market is tough for buyers, Redmond may be reaping the benefits from a market like this, offering a slightly cooler market much more easily attainable for buyers. Unlike most of the cities and counties this quarter, Redmond was the only market to have a decrease in sales price, and one of only two markets that had an increase in homes sold.

Permitting and construction have been decreasing state-wide over the past year, ending with nearly 27 percent fewer permits issues across Oregon. Whether it is because of the tough restrictions required to obtain a permit, rising construction costs for both labor and materials, or the rising increase in cost for land, it is unlikely that the supply of new homes in the market will be able to meet the demand in the foreseeable future, as discussed elsewhere in this issue of the Quarterly. With the market already so tight in the market for existing homes, and fewer permits being issued for new homes, along with our current supply and inability to meet demand from a growing population, it is unlikely that the prices will soften any time soon.

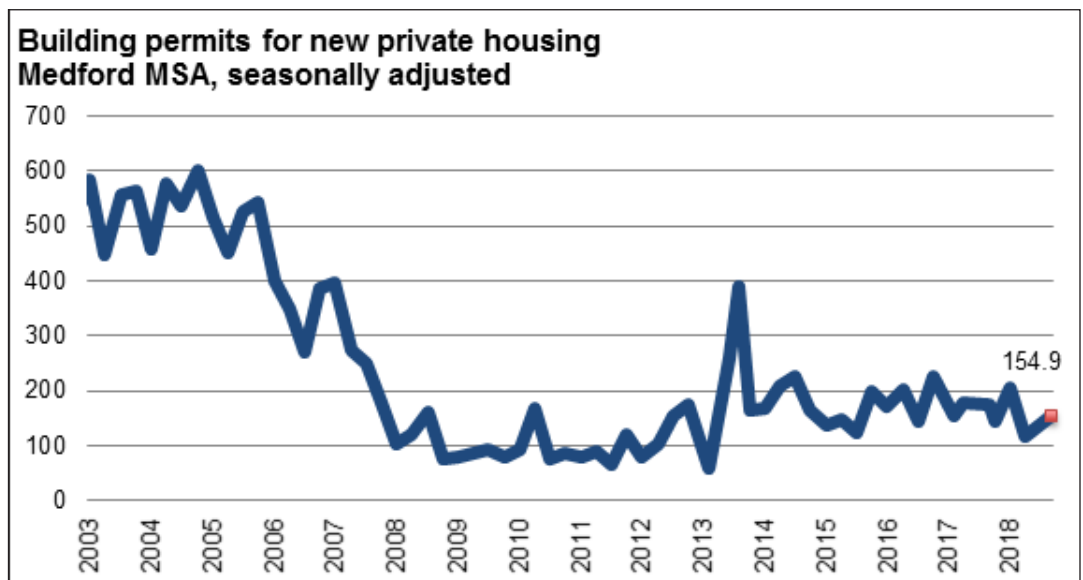
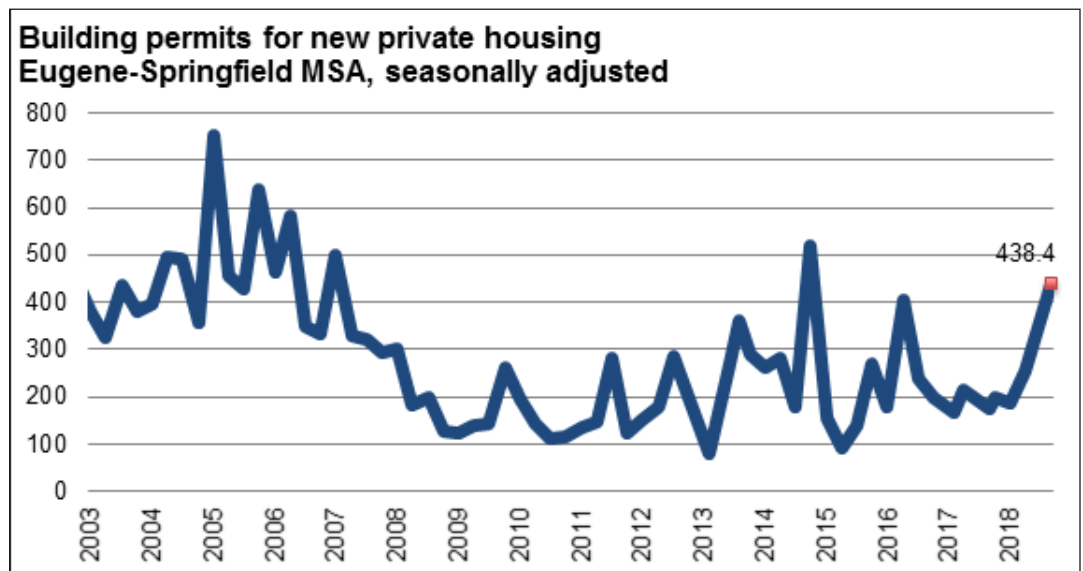
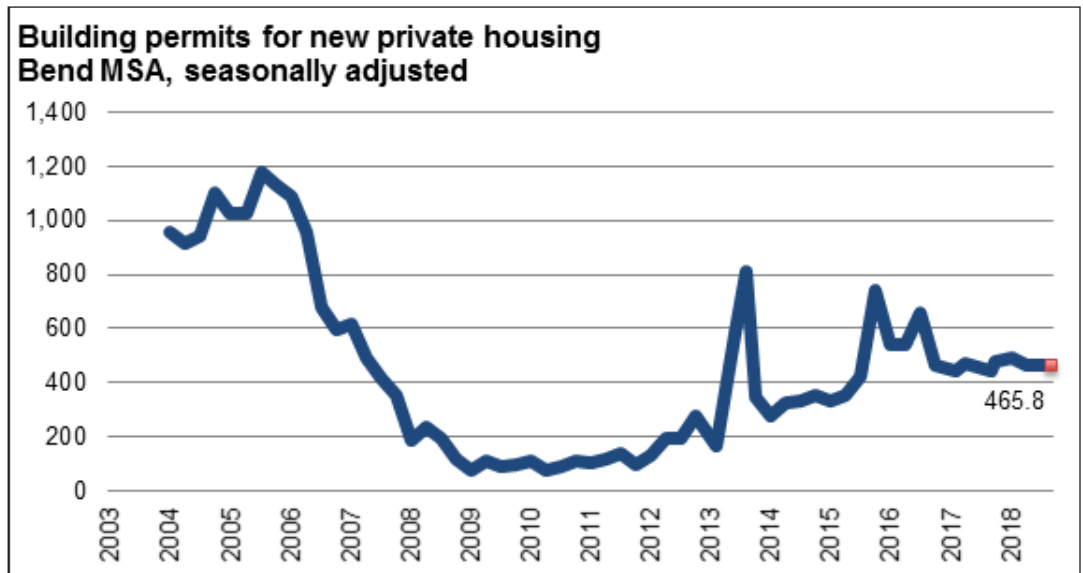
Jennifer Volbeda is a current Master of Real Estate Development candidate through a joint program of Portland State University's School of Business Administration and School of Urban Studies and Planning. She is the 2017 RMLS Student Fellow at PSU's Center for Real Estate.

LOCAL PERMITTING

Permitting in the state of Oregon has continued a downward trend over the past four quarters, according to information published by the Federal Reserve Bank of St. Louis. The quarter ended with 4,048 permits issued, nearly 27 percent fewer than in the third quarter of 2017. This overall shift is exaggerated mostly due to the shift away from building in Portland. Portland saw more than 35 percent fewer permits than the third quarter of last year, driven largely by a decline in multifamily permits. While Medford also saw a downward shift, both Bend and Eugene issued more permits this quarter.



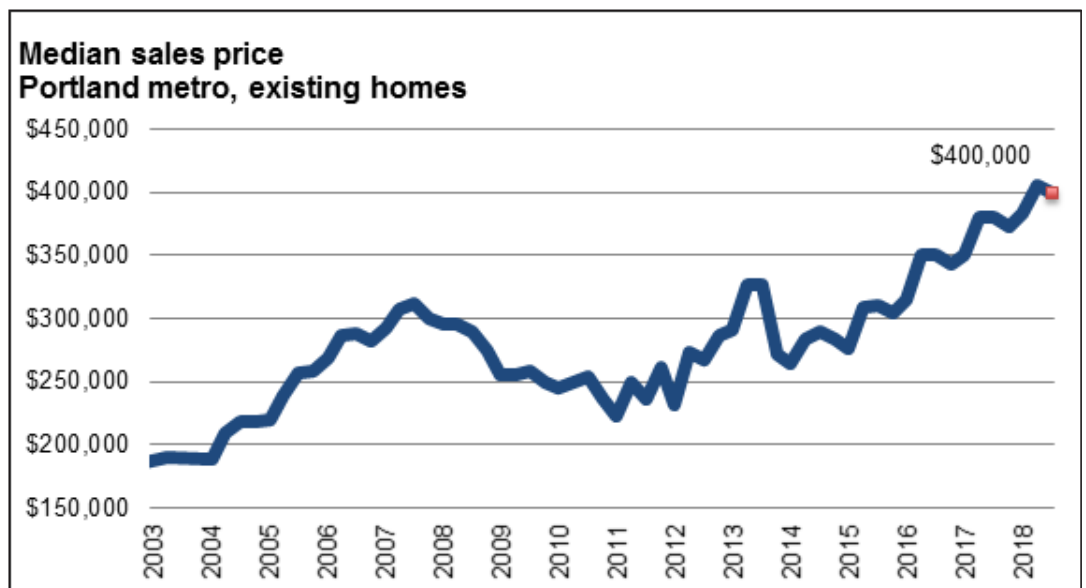
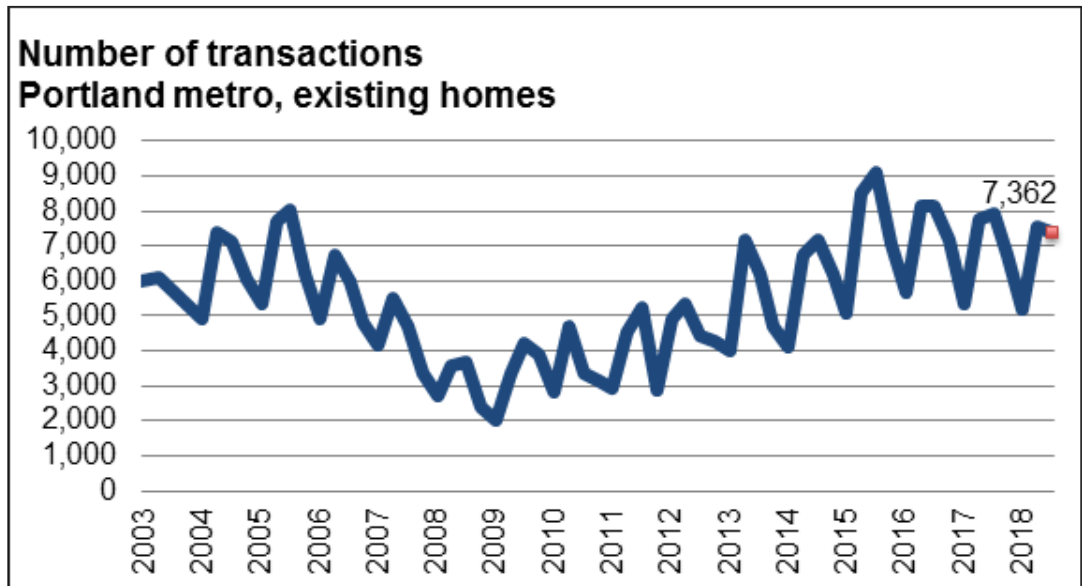
LOCAL PERMITTING



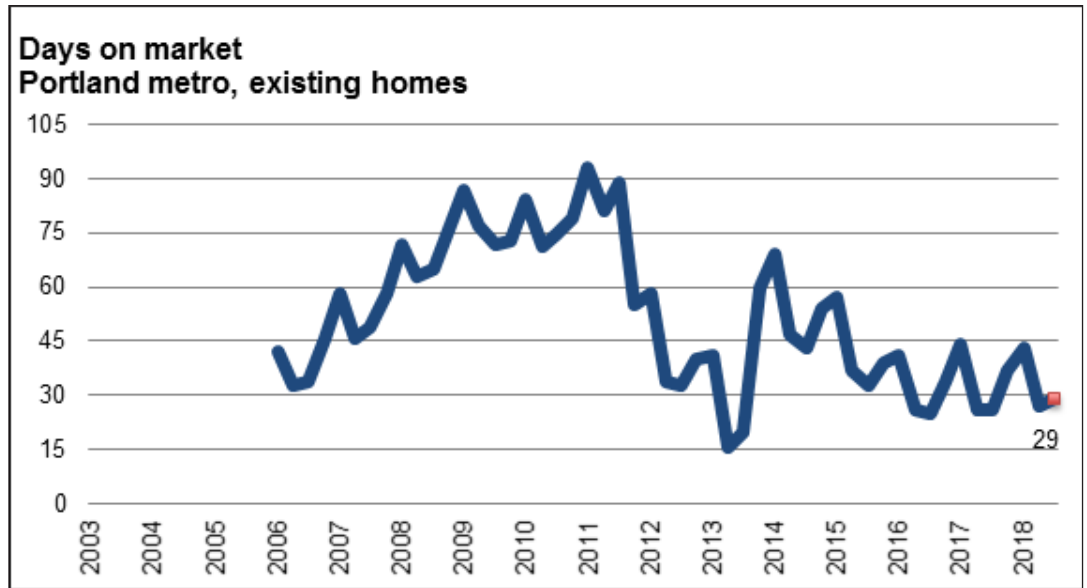
**PORTLAND
TRANSACTIONS**

The market for existing homes within the City of Portland has continued its trend downward for the third year in a row, according to RMLS. The third quarter saw 196 fewer houses sold, or a 2.5 percent decrease from the prior quarter, and 580 fewer houses than the same quarter of last year. In addition to the fewer number of houses sold, the median sales price and sales price to list price both decreased as well.

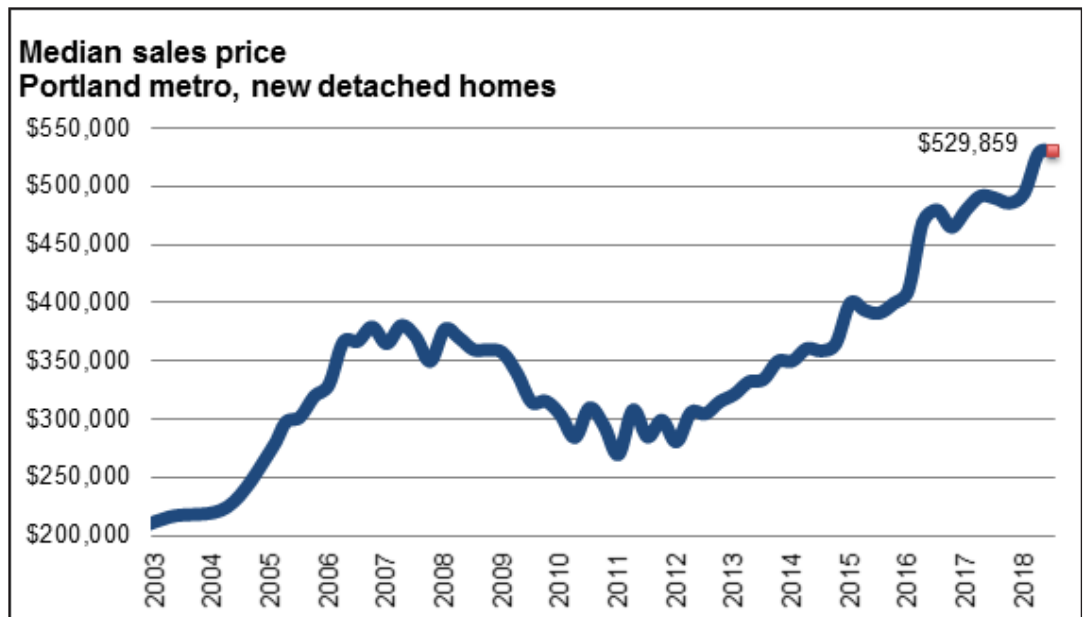
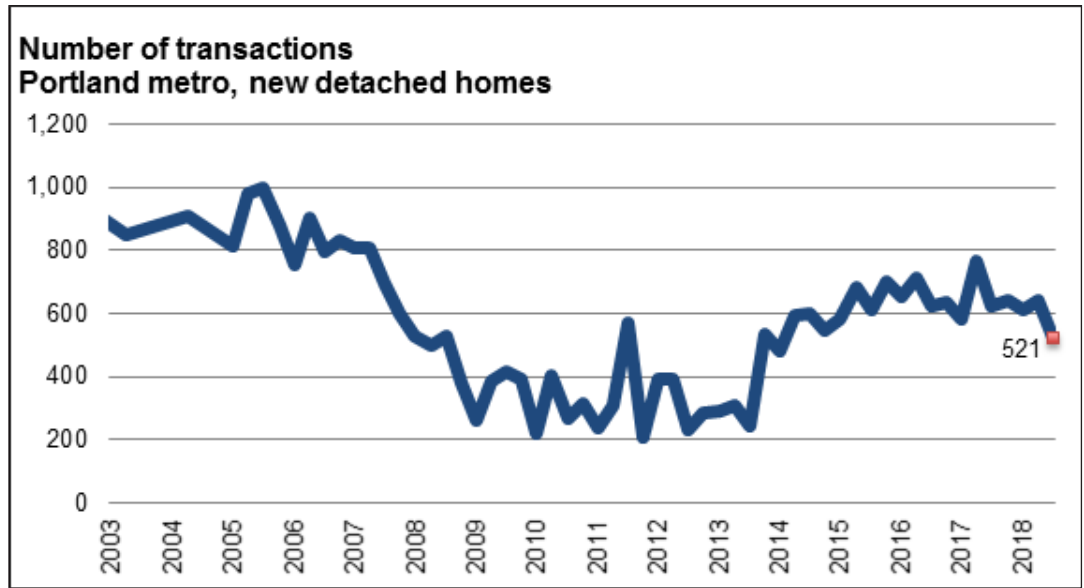
On the other hand, while the market for existing single family homes appears to be cooling, transaction count and median sales price for new single family homes within the City of Portland tell a very different story. The third quarter saw a drop in transaction count of over 16 percent from the same quarter of last year as well as an 8 percent increase in median sale price.



PORTLAND
TRANSACTIONS



**PORTLAND
TRANSACTIONS**



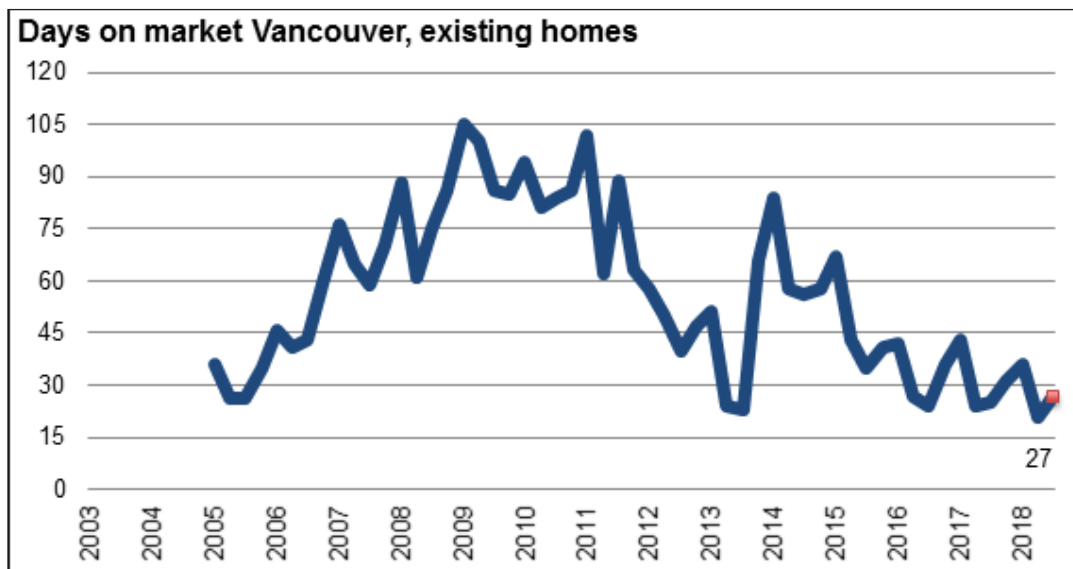
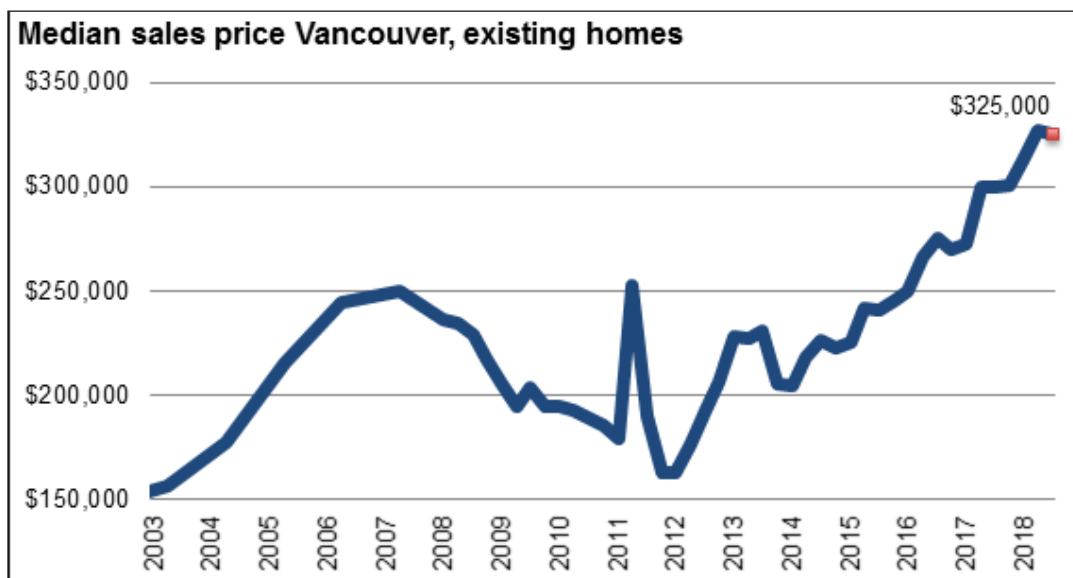
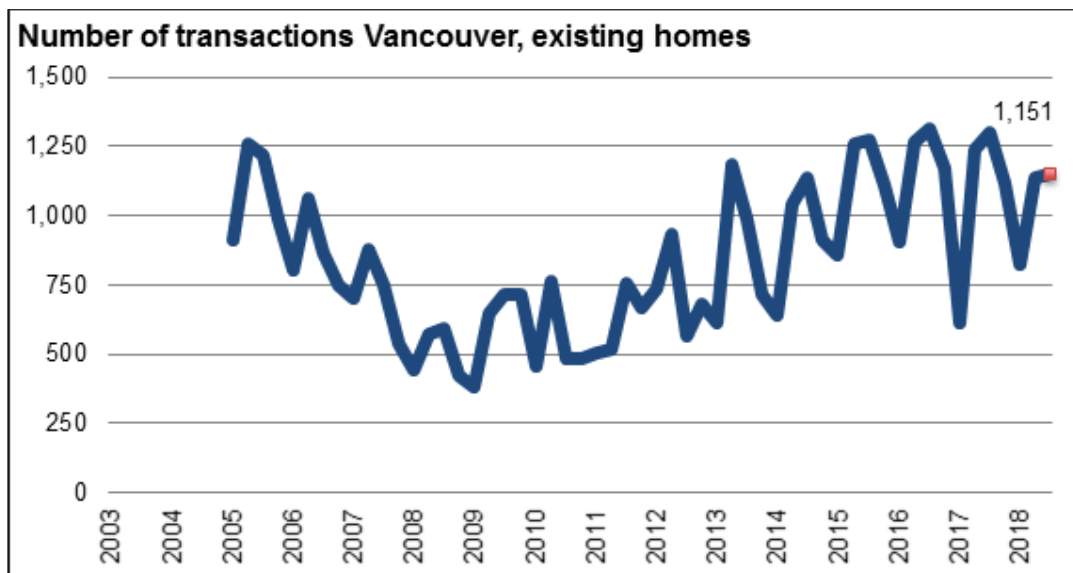
**VANCOUVER AND
CLARK COUNTY**

The third quarter in Vancouver brought in the fewest number of transactions seen in a third quarter since 2014. While transaction count is appearing to begin stabilizing, median sales price continues on up which is represented by nearly an 8.5 percent increase from the third quarter of last year. Sales price over list price dropped over 66 percent from the third quarter of last year, with last year being the all time high at over 299 percent in 2017, and now coming in at just over 99.5 percent.

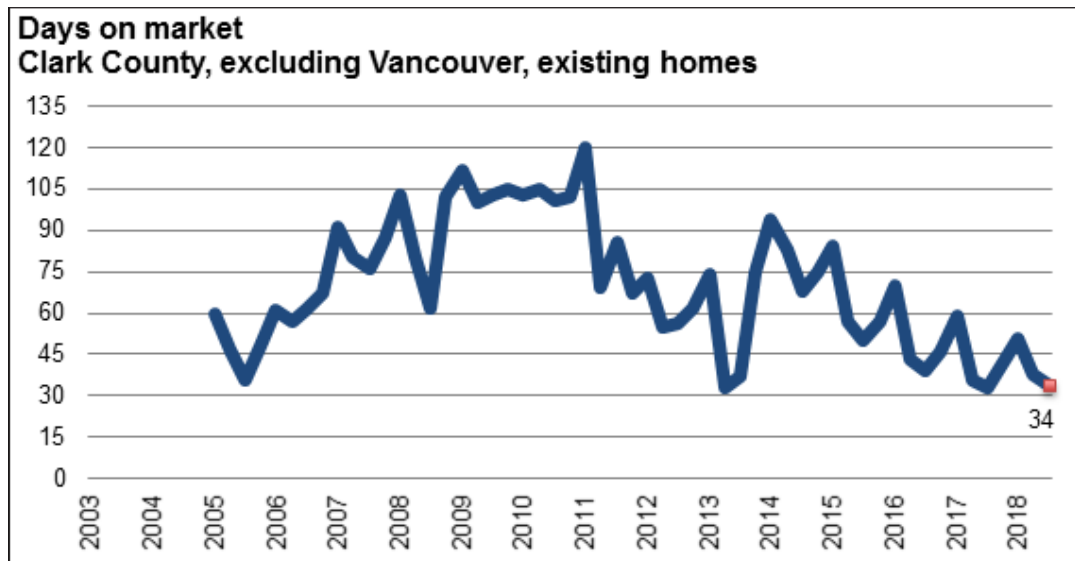
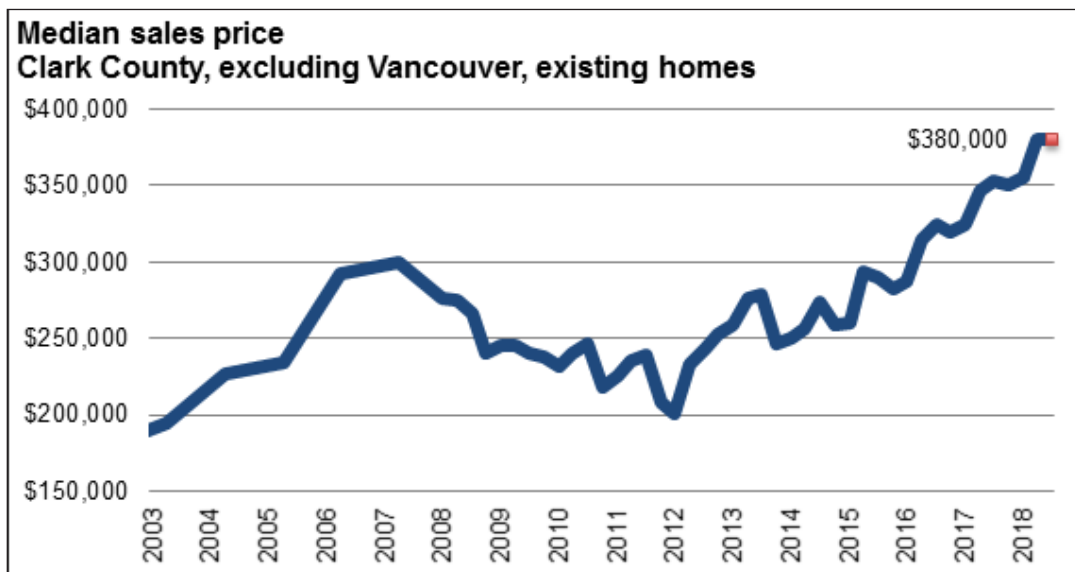
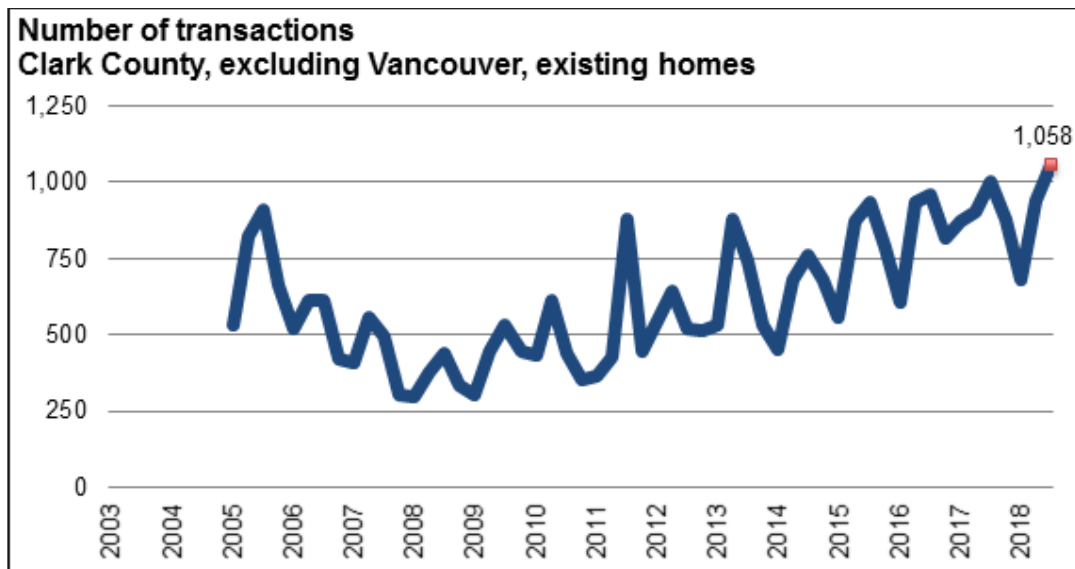
Clark County continues trending upwards with the highest number of transactions in a quarter since publication of the Quarterly, and a tie for the highest median sales price as well. Similar to Vancouver, the ratio between sales price and listing price has decreased dramatically from last year, to just over 99 percent.

RESIDENTIAL MARKET ANALYSIS

VANCOUVER AND CLARK COUNTY



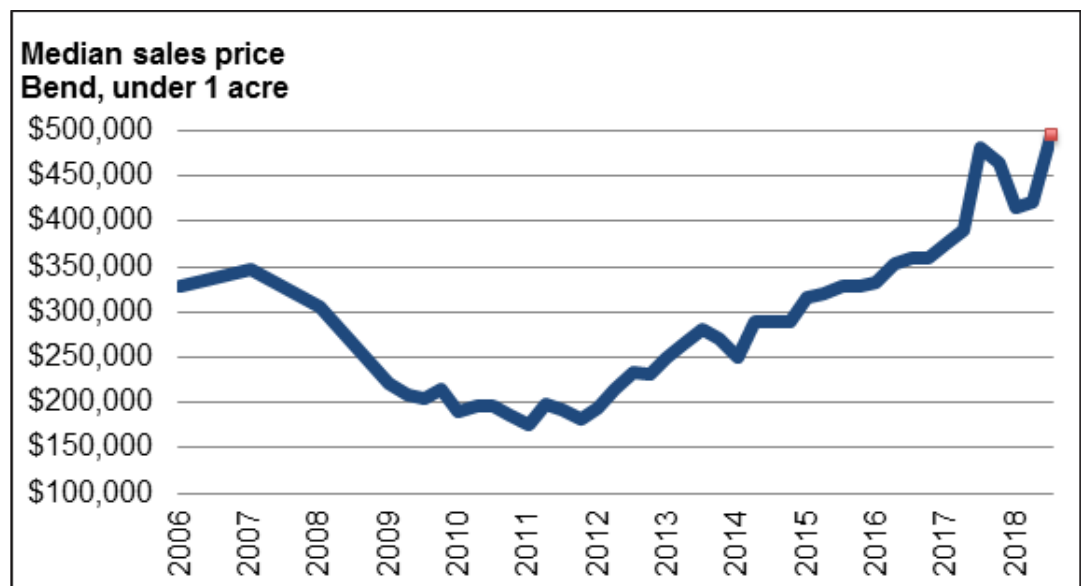
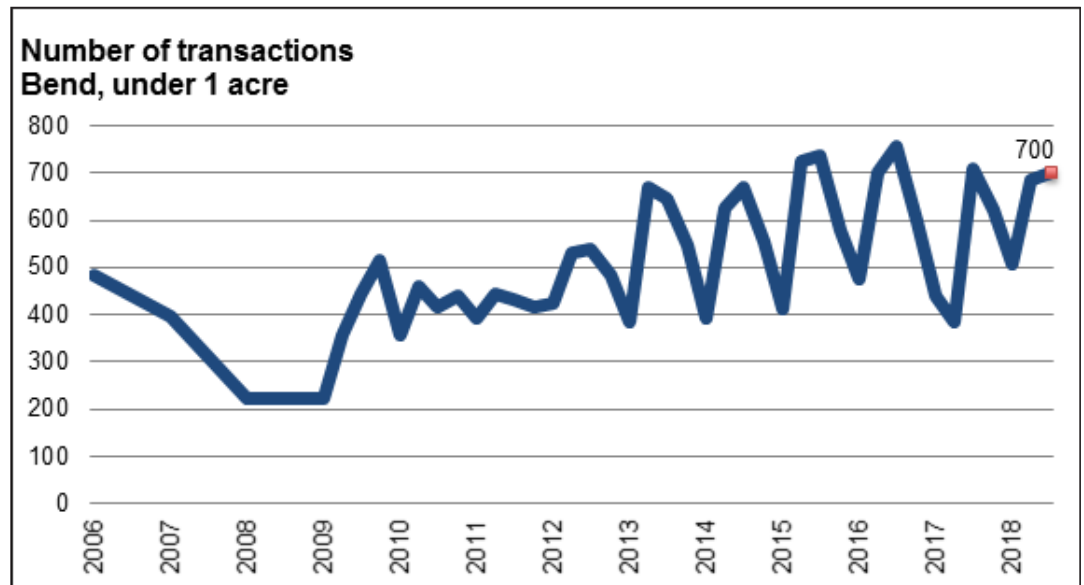
VANCOUVER AND CLARK COUNTY



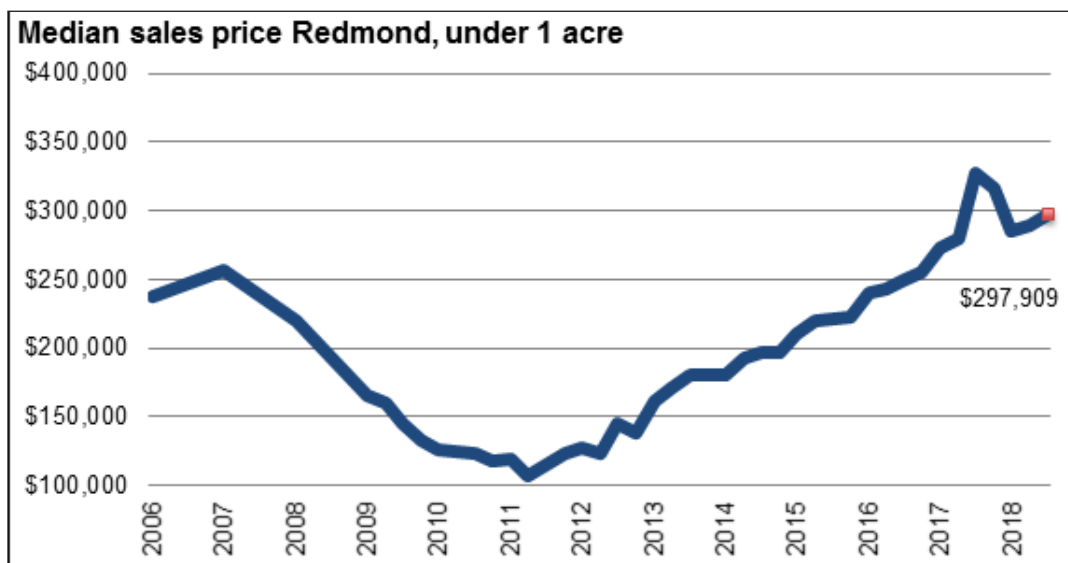
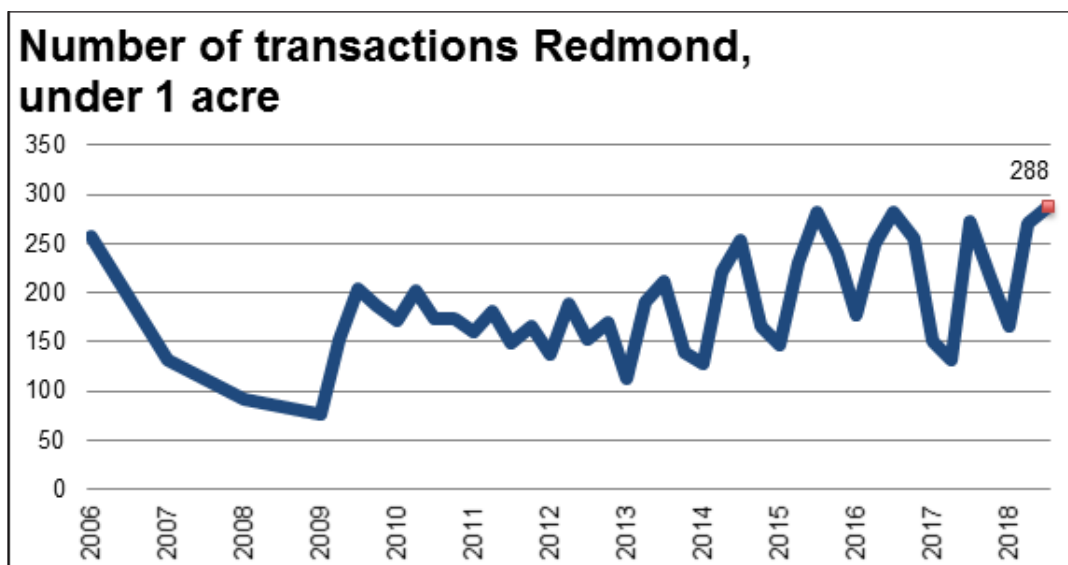
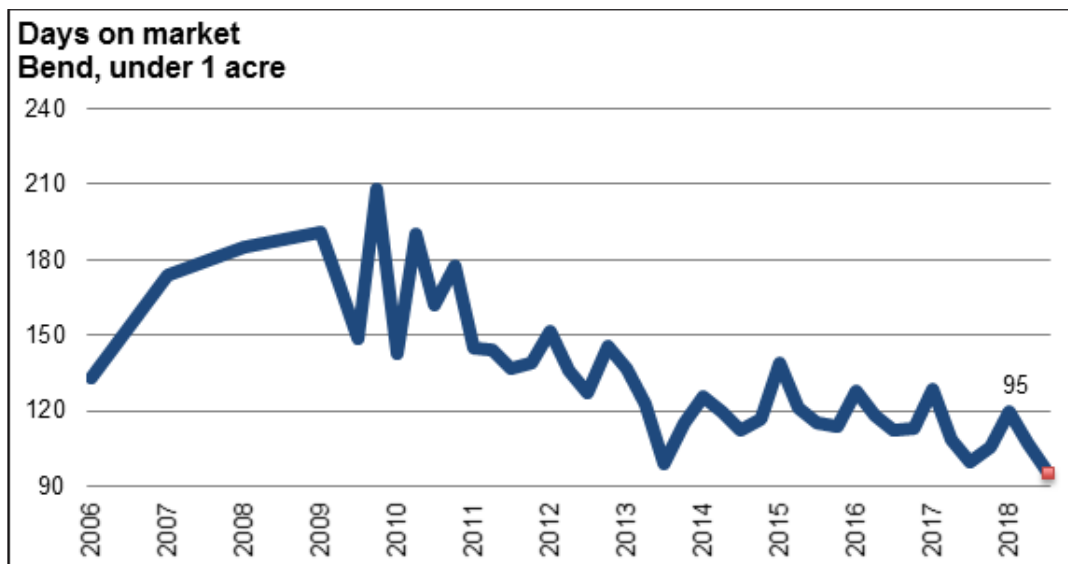
CENTRAL OREGON

Bend, much like Vancouver, had the fewest number of transactions in a third quarter since 2014 with a count of 700 homes sold, according to the Central Oregon Association of Realtors. In addition to fewer transactions, the median sales price for homes increased by over three percent, to end as the highest median price ever recorded in Bend since publication of the Quarterly. Days on market also hit a record, coming in at an average of 95 days, which means houses are staying on the market for a record-setting short amount of time.

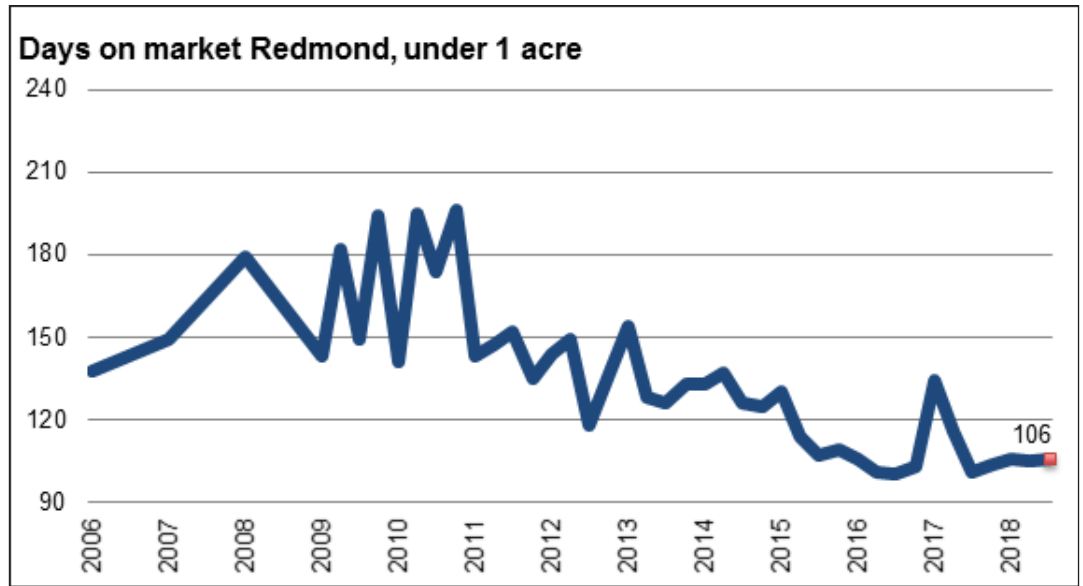
Redmond had a five and a half percent increase in transactions from 2017, coming in at 288 houses sold in the third quarter. The median sales price cooled by nearly nine percent from the same quarter last year with average days on market increasing five days, from 101 average days on market in the third quarter of 2017 to 106 in 2018.



CENTRAL OREGON

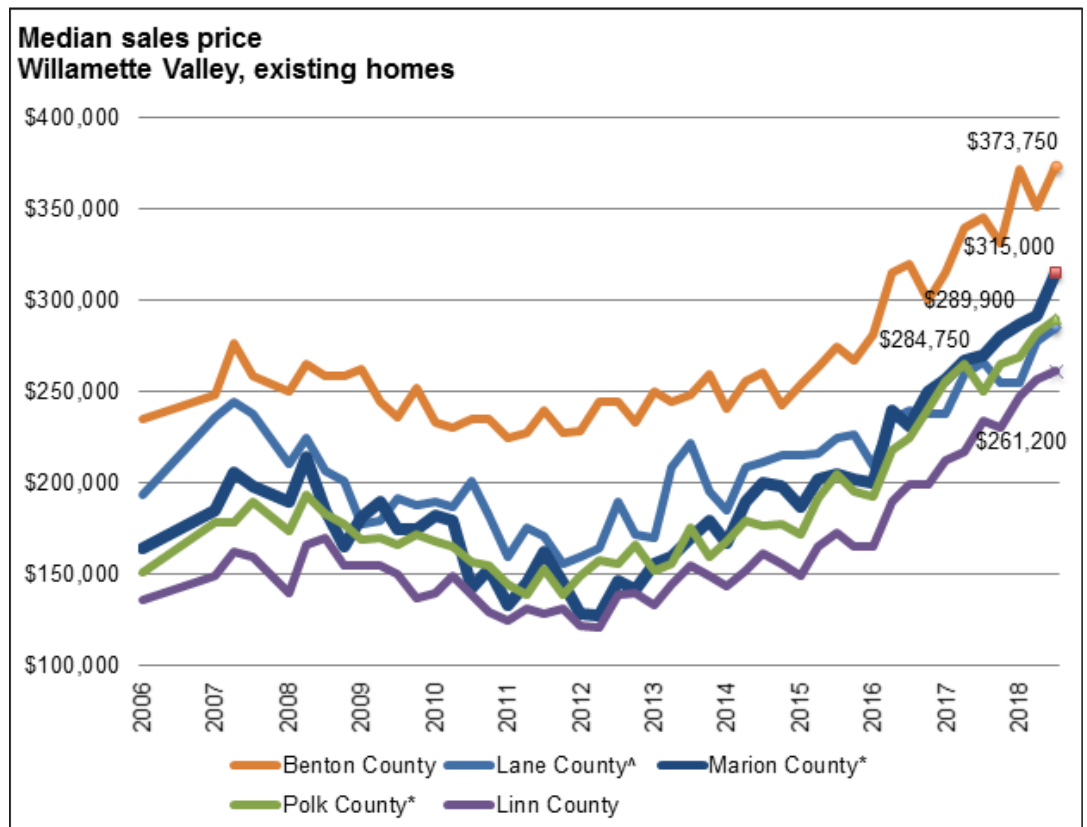


CENTRAL OREGON



WILLAMETTE VALLEY

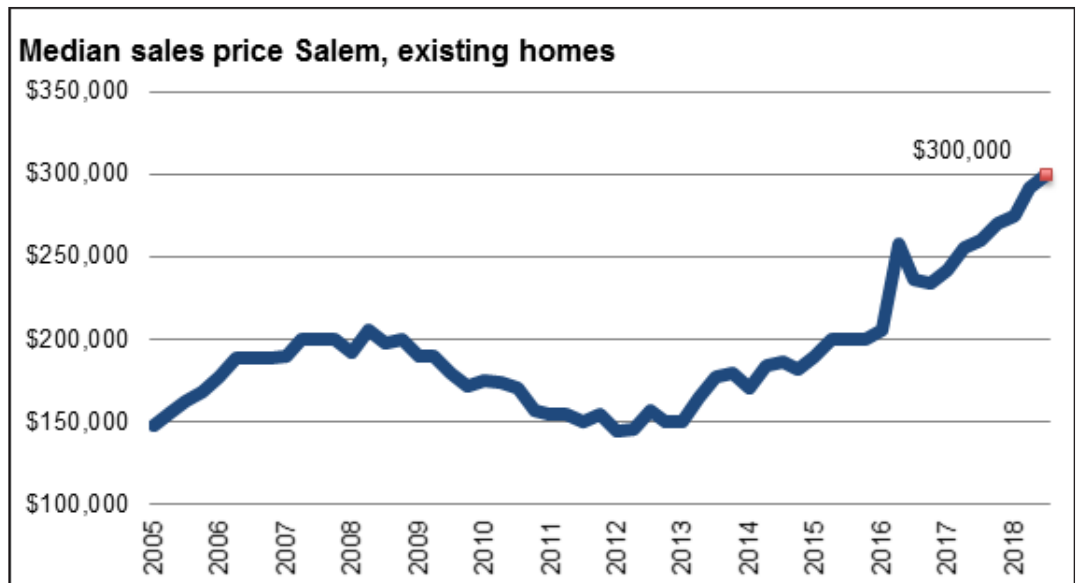
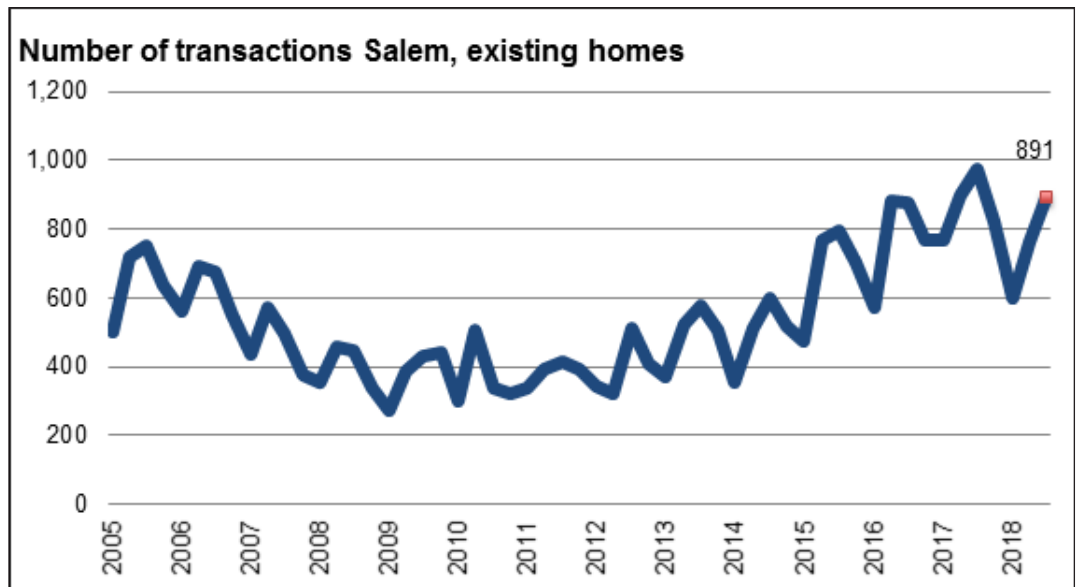
The third quarter within the Willamette Valley saw sizable increases to the median sales price all around from the same quarter last year, according to the Willamette Valley Multiple Listing Services. Lane County had the smallest increase at seven percent, ending at a median price of \$284,750. Benton County was slightly higher at just over an eight percent increase, ending at \$373,750 for the median sales price. Linn County, with a median sales price of \$261,200 is an increase of over 11 percent from last year. Polk and Marion County had the steepest increases year over year with just under 16 percent (Polk County) and 16.5 percent (Marion County).



RESIDENTIAL MARKET ANALYSIS

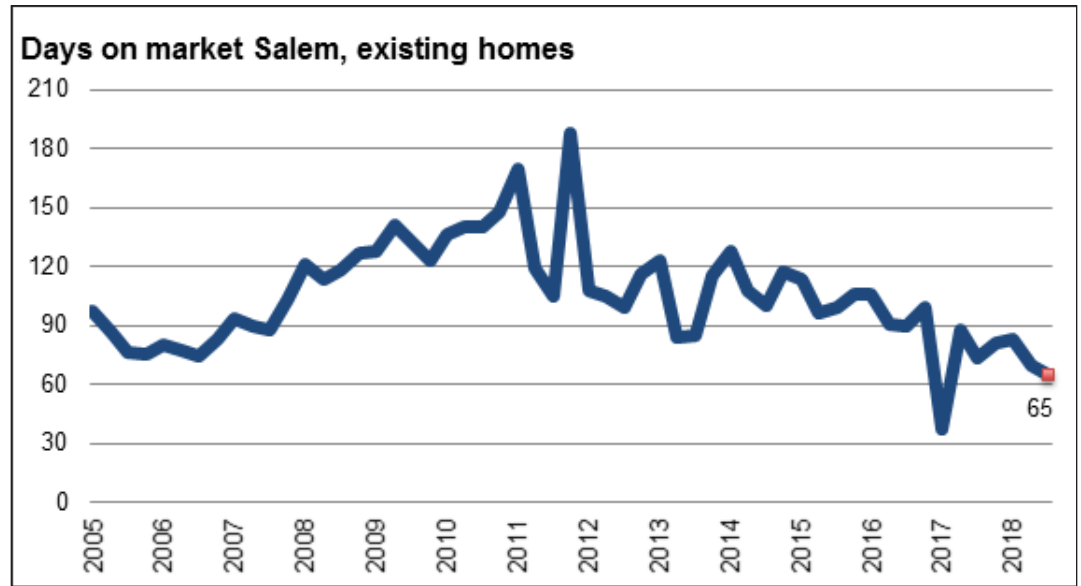
SALEM

The third quarter shows Salem continuing to be a hot market, with increased median sales price, increased number of transactions and fewer days on market, according to RMLS. Median sales price increased over 15 percent from the same quarter last year, a \$40,000 increase over the past year. While transaction count increased from last quarter by nearly 17 percent, there were 8 percent fewer transactions year over year. Average days on market decreased by over 11 percent from the same quarter last year, at 65 days.



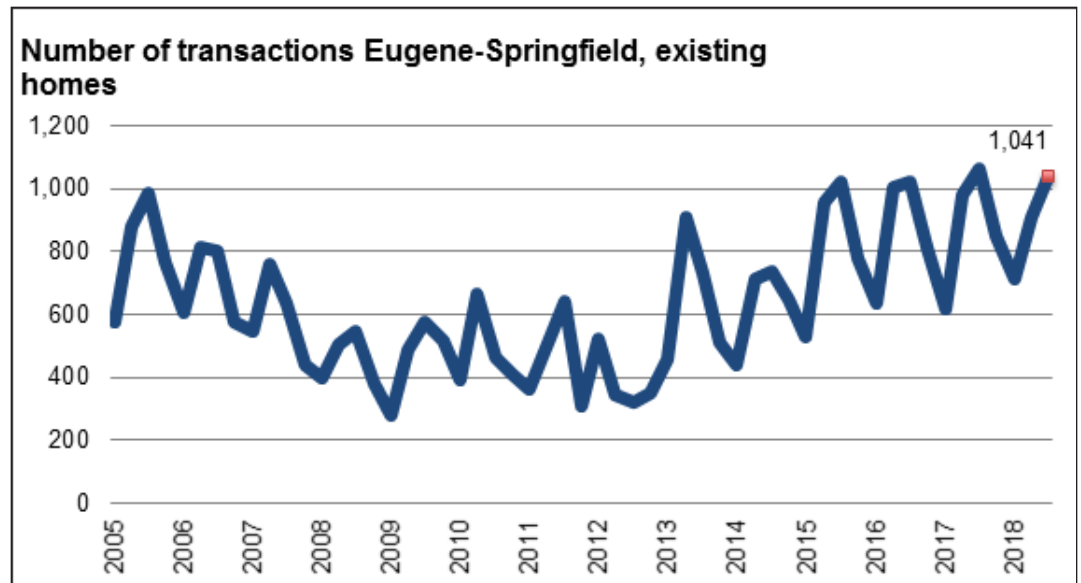
RESIDENTIAL MARKET ANALYSIS

SALEM

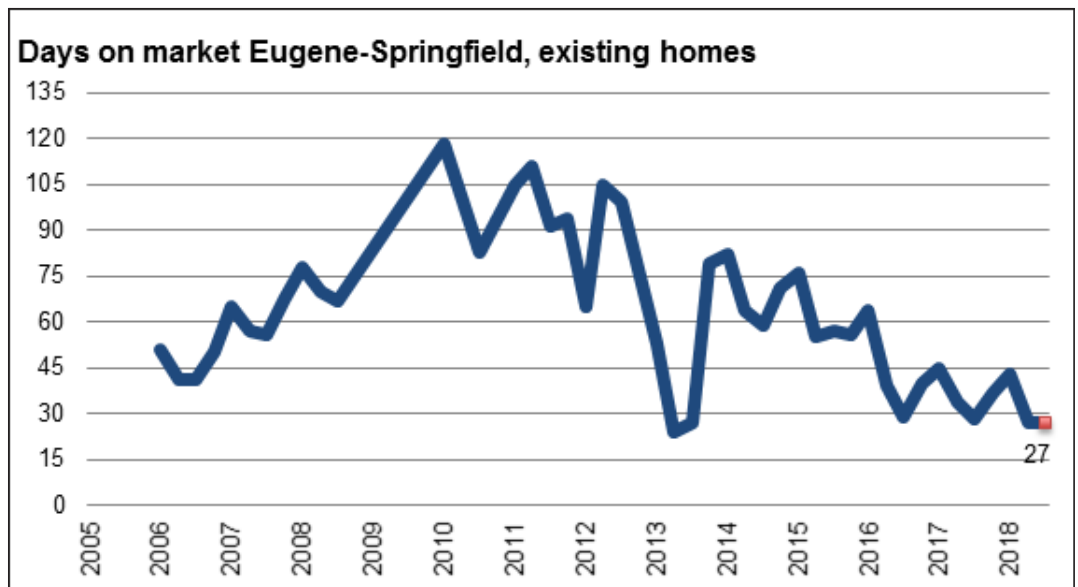
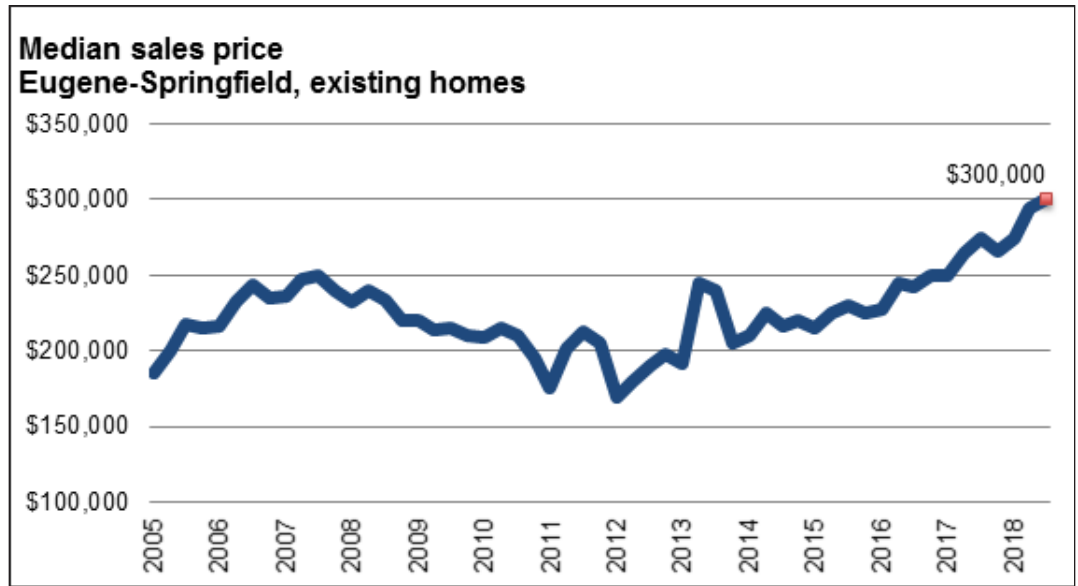


EUGENE

The third quarter saw an increase in median sales price by over nine percent from the same quarter of last year, ending at \$300,000, according to RMLS. Along with the higher median sales price, there were 1,041 transactions of existing homes sold in the Eugene-Springfield area this past quarter, a two percent decrease from the same quarter of last year. Both days on market as well as the ratio between sales price over list price had very little change from last year.



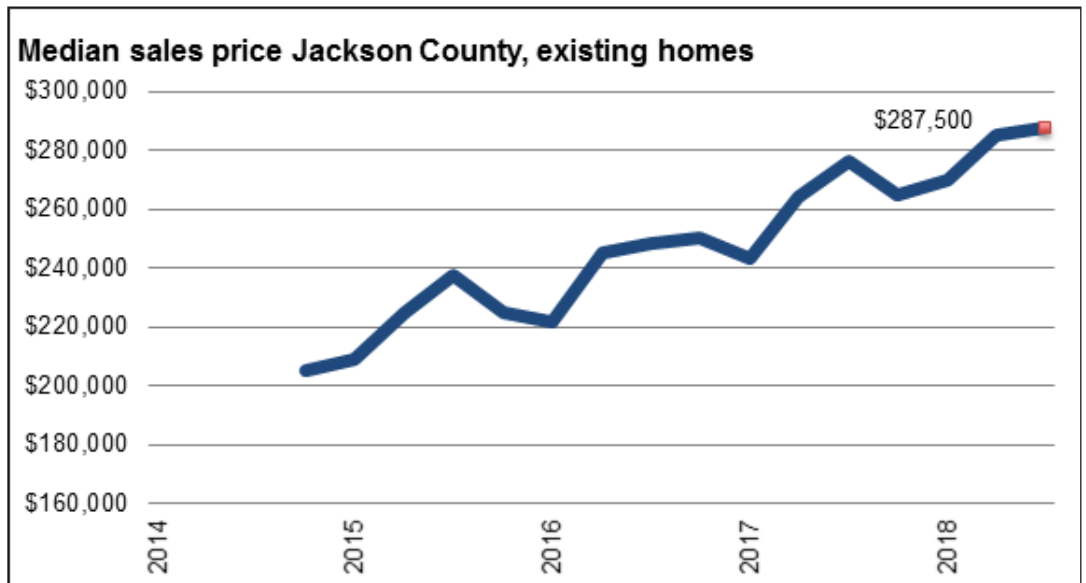
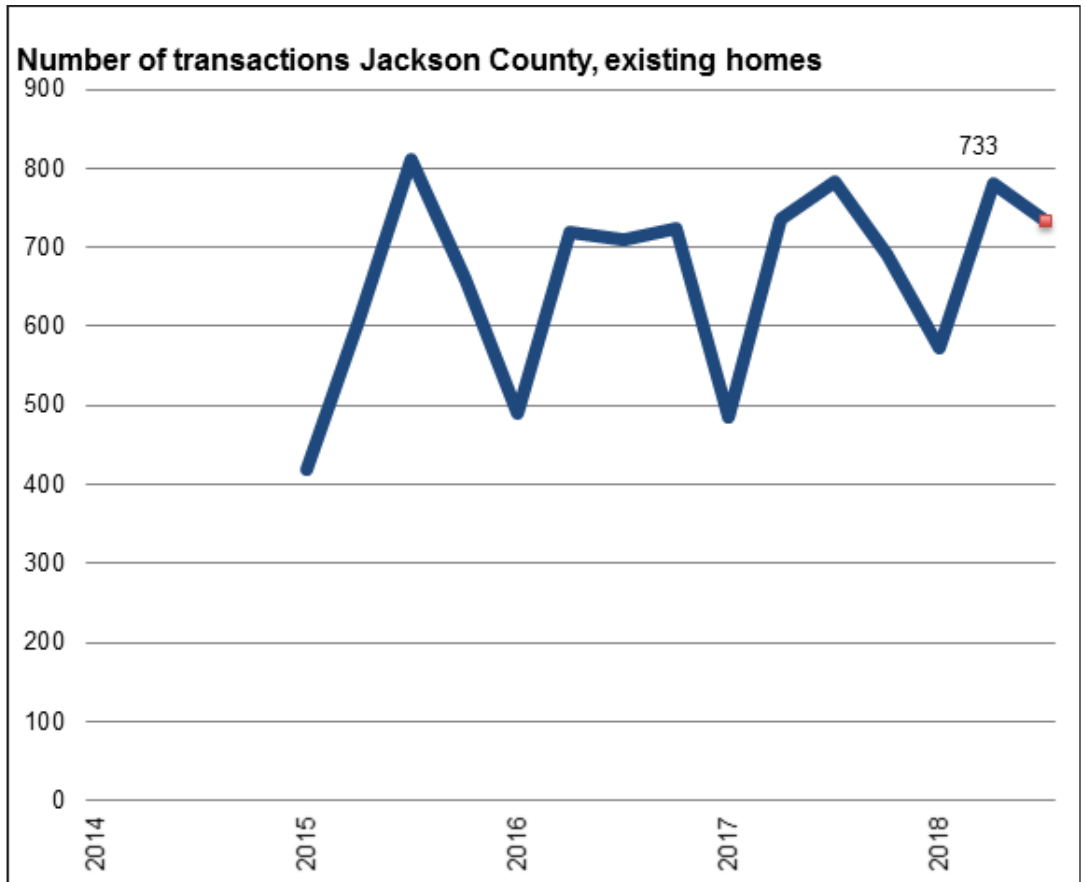
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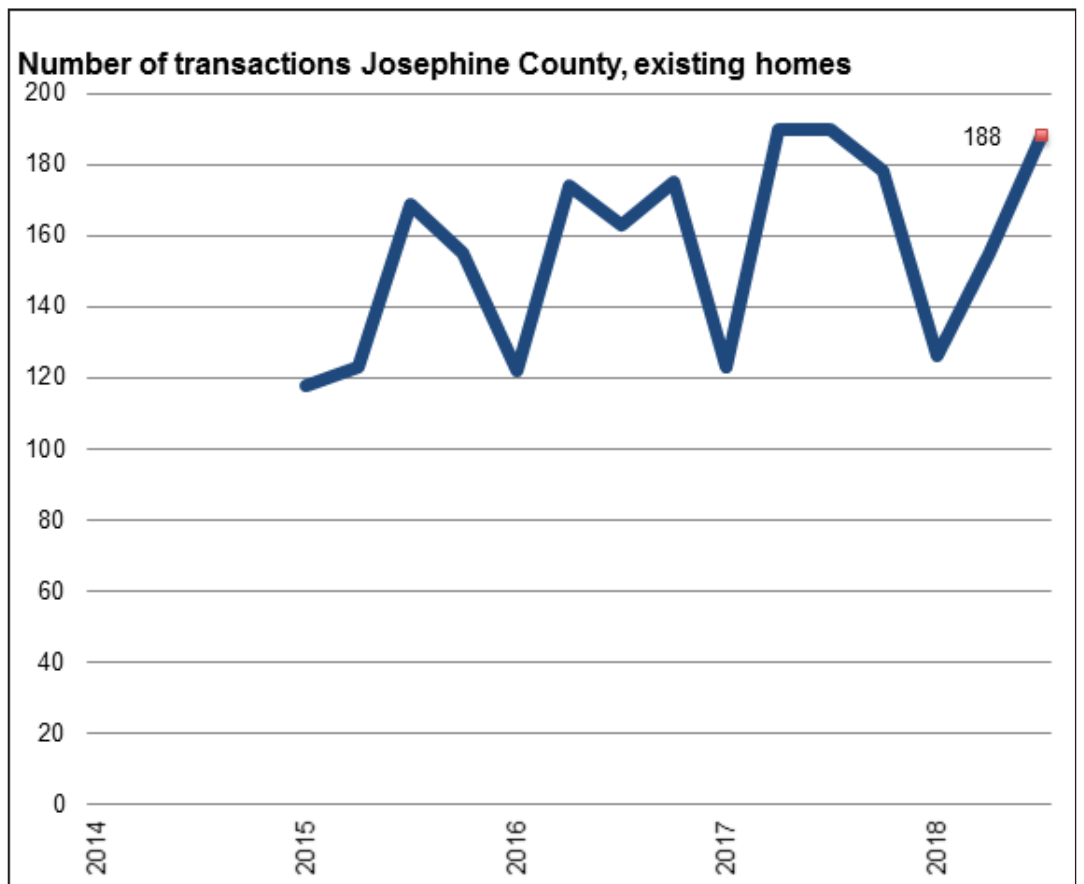
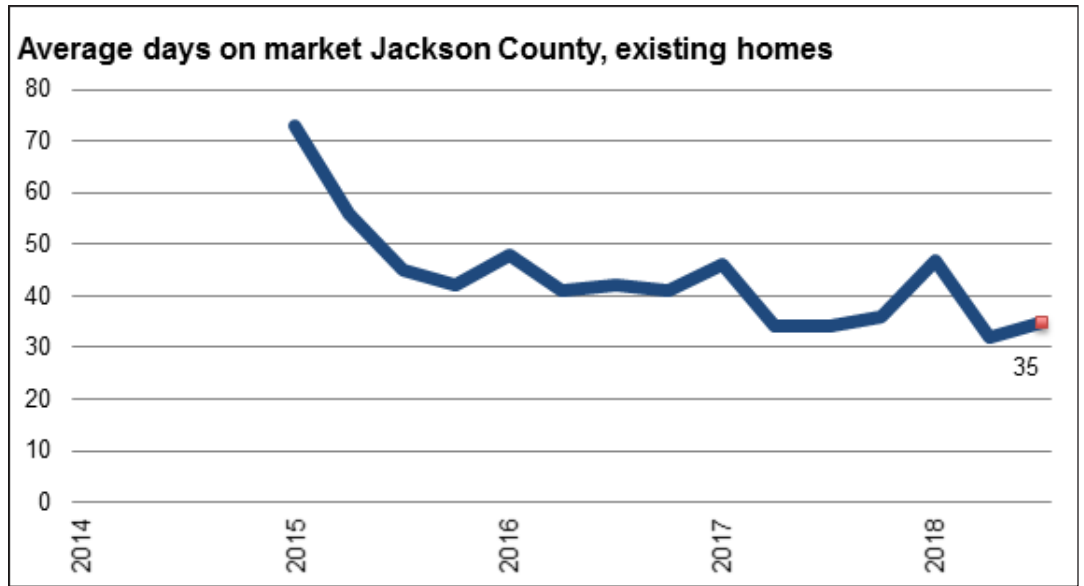
SOUTHERN OREGON

The markets for both Jackson County and Josephine County paralleled each other for the third quarter; higher median sales pricing, fewer transactions with a higher count of days on market, according to Rogue Valley Realtors. Jackson County, with an increase of four percent from last year, had a median sales price of \$287,500. There were 49 fewer homes sold this quarter as well as a one day increase in average days on market. Josephine County prices increased by 10 percent from the past year, resulting in a median sales price of \$260,000 for the third quarter. There were only two fewer transactions than last year, but faced a 22 percent increase in days on market. ■

SOUTHERN OREGON



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