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single family home

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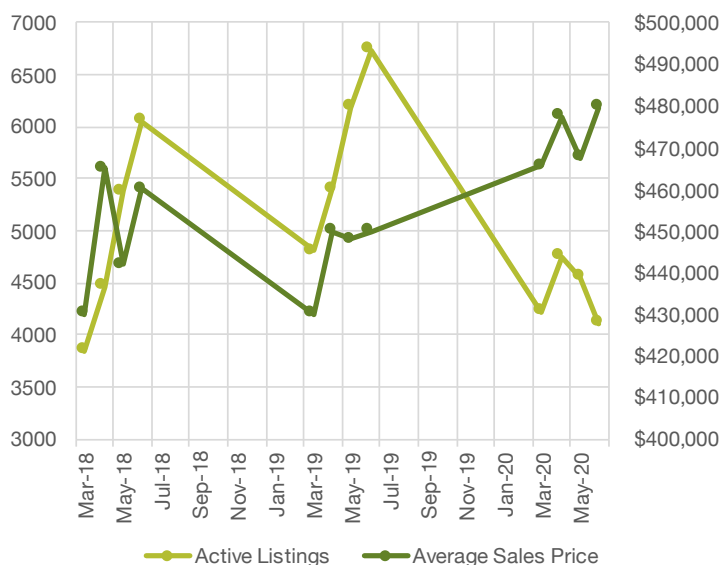
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The single-family housing market is typically known as one that is unpredictable with high risk levels. With that being said, the strength in sales and purchase numbers has allowed the market to be viewed as somewhat of a resilient sector in the economy. Aside from that, due to the unexpected global pandemic, COVID-19, that broke out in roughly March of 2020, the entire world experienced and continues to experience an economic downturn.

With the stay at home orders and halt of construction in Washington, home sales and inventory were largely affected. The housing market, in both Oregon and Washington, saw quite a consistent decrease in all aspects, sales, purchases, prices, and construction of new homes in Q1 2020. However, following those months, Q2 2020 reported what appeared to be an upward trend in new listings, closed sales, and average sales prices. A few credible sources have stated that mortgage rates haven't been this low in over thirty years, which could be the culprit behind this upward trend. These low rates have been serving as enticing tactics to potential home buyers and homeowners, inviting many of them to even refinance their homes. With that being said, the Portland metro area, Clark County, and Cowlitz County reported surprising numbers, given the economic condition, that seemed to be quite promising for the future of 2020's housing market.

**PORTLAND METRO AREA
ACTIVE LISTINGS AND AVERAGE SALE PRICE**



PORTLAND METRO AREA

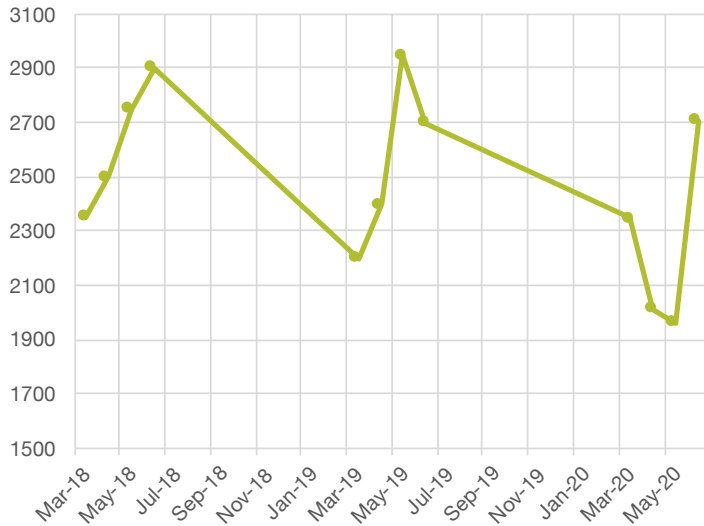
Oregon has commonly been referred to as one of the states in the U.S. with a substantial housing shortage. With the dramatic increases in population that the Portland metro area experiences yearly, the housing market has difficulty keeping up with the demand and average household sizes. According to RMLS, the Q1 and Q2 2020 reports showed decreases in listings, pending sales, and inventory. Surprisingly enough, closed sales increased in Q1 2020, but took a significant decline in April 2020 and then seemingly rose again in June 2020. New listings decreased by approximately 17.9% from March to April of 2020, more specifically from 3,468 listings in March to 2,847 listings in April.

Following these reports and a drop in pending sales, closed sales also seemingly decreased from 2,356 sales in March to 2,015 sales in April. With this 14.5% decline in closed sales, the housing market in the Portland metro area was clearly seeing the repercussions of COVID-19. Homeowners were pulling their houses off the market as a result of little to no offers coming in within the past couple months, and homebuyers weren't necessarily fond of the home sale prices considering they rose substantially.

However, towards the end of Q2 2020 the housing market started to see some positive outcomes. New listings had gone from 3,419 in May 2020 to 3,658 in June 2020, a 7% increase, and an even larger increase since April 2020. June pending sales followed suit of this increase, with a 17.4% increase, as did closed sales. There were 2,709 closed sales in June, which was a 38% jump from the 1,963 closed sales reported in May. This recent spike in closed sales could largely in part be due to mortgage rates being extremely low, therefore drawing in more and more homebuyers to take advantage of the opportunity while they still can.

With the current economic condition, average home sale prices haven't seen a dip much at all, but rather continue to gradually rise. For instance, in March 2020 the average sales price was recorded at \$465,500, and in April 2020 it rose by 2.6% to an average sales price of \$477,400.

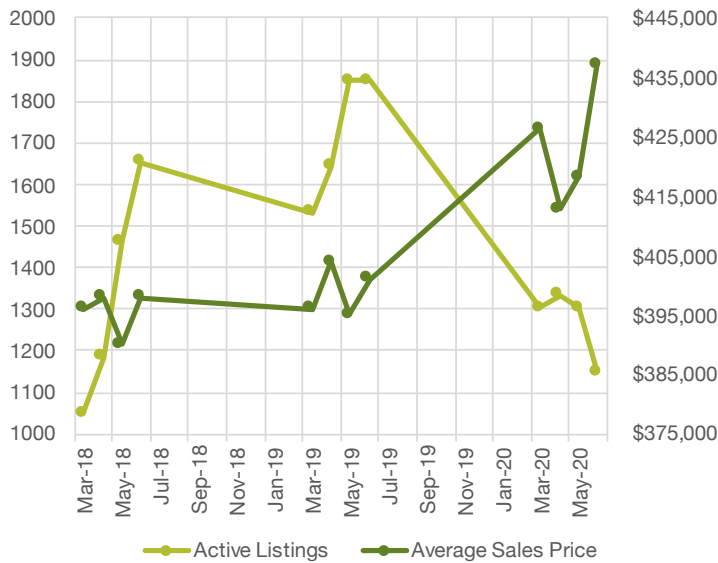
**PORTLAND METRO AREA
CLOSED SALES**



Following these months, the average sales price was \$479,700 in June 2020, which was also a 2.6% increase from the previous month of May. A rough price increase of \$14,000 is sizeable in a mere three months, especially in the middle of the pandemic. There are several speculations with regard to this increase. According to the article 'Can Portland's Housing Market Survive the Pandemic and the Protests?', one real estate agent stated "Our inventory is so low, and has been so low for long, and money is so cheap, neither the virus nor the uprising has had much of an impact on the market," (James). Mortgage interest rates being lower than 3% coupled with Portland's housing shortage and low inventory has resulted in the rise in home sale prices because homebuyers are still willing to pay.

In terms of active residential listings, the year over year numbers (2019 to 2020) have decreased, but the month to month numbers for 2020 have increased. For example, from January to June of 2019 the active listings ranged from 4,500 to 6,800, but from January to June of 2020 the active listings were relatively much lower as they ranged from 3,500 to 4,800 which is likely a result of COVID-19. Typically, the summer months have proven to have the highest numbers for active residential listings, which is important to take into consideration when reviewing the numbers above, as the numbers normally range from 6,000 to 7,000 listings. Overall, the Portland metro area has seen a slight uptick in the housing market for the end of Q2 2020, and it will be intriguing to see what Q3 2020 does as the unpredictability of the pandemic and the market are difficult to gauge.

**CLARK COUNTY
ACTIVE LISTINGS AND AVERAGE SALE PRICE**



**CLARK COUNTY
CLOSED SALES**

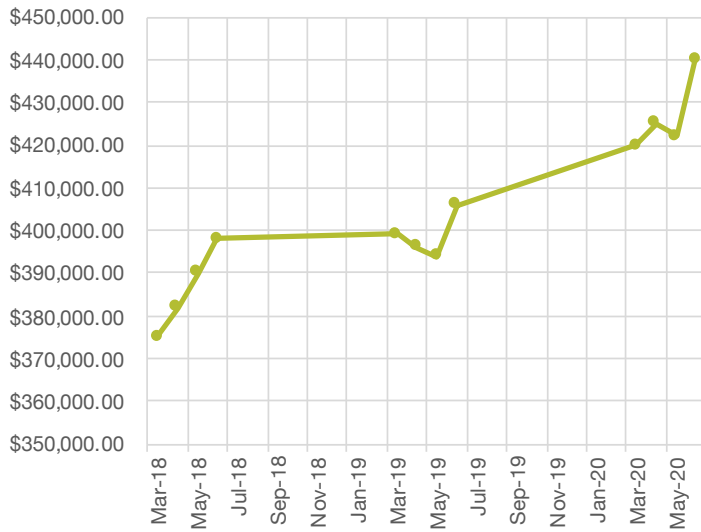


CLARK COUNTY

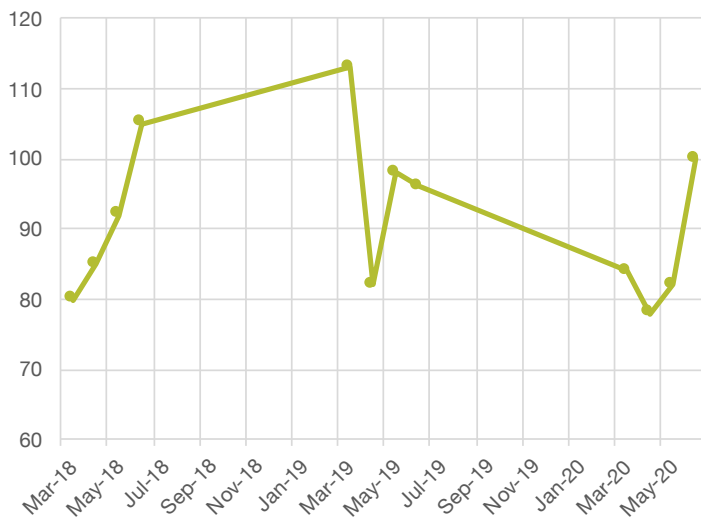
Southwest Washington has been known to follow housing market trends seen in the Portland metro area, simply due to the close proximity of the areas. Clark County has experienced both increases and decreases in closed sales, new listings, active listings and so forth. According to the RMLS report, in April 2020 there were 675 new listings, which was a significant decline from the 1,022 new listings reported in March 2020. This 34% drop was almost double the decrease that the Portland metro area experienced, which seems rather concerning. However, in relation to the population size of each area it does seem fairly reasonable. Similar to Portland in other respects, the end of Q2 2020 proved to be somewhat of a 'light at the end of the tunnel', if you will, in terms of an increase in new listings, pending sales, and closed sales. There were 979 new listing reported in June 2020, a notable increase from the 675 listings reported just a few months prior. With that being said, the inventory in months that Clark County reported was remarkably lower than what the area is used to normally seeing.

Contrary to the housing shortage that Portland experiences, Clark County typically maintains a decent inventory, as the demand is high and there's much more available land in the Southwest Washington area as a whole. Yet, with construction being halted due to the pandemic and state orders, the inventory saw a significant decline. As a result of this decline in inventory, the home sale prices went up. According to an article in the Columbian titled 'Clark County housing market continues rebound', a broker with Windermere Stellar stated, "With the strong demand and lack of inventory, it was no surprise that average prices climbed dramatically in June," (Macuk). Simply put, when there are less houses available on the market, home prices typically rise. In June 2020 the average sale price of a home was reported at \$437,100, which was over a 4.5% increase from March 2020, as the average sale price was \$412,800. Clearly, the lack of inventory is apparent with the price increases. In general, it's relieving to see the housing market trend upward, especially Clark County, as this area experiences numerous increases and hopefully continues to through the upcoming months of 2020.

**COWLITZ COUNTY
ACTIVE LISTINGS AND AVERAGE SALE PRICE**



**COWLITZ COUNTY
CLOSED SALES**



COWLITZ COUNTY

Cowlitz County, which is located slightly Northwest of Clark County, has also seen quite a fluctuation in their housing market. This area has a much smaller population than both Clark County and the Portland metro area, and typically has lower home sale prices as well. Nevertheless, new listings, pending sales, closed sales, and average sale prices began to increase throughout Q2 2020. In April 2020 there was a large dip in new listings reported in Cowlitz County, a mere 90 listings. However, it has picked back up since then as there were 125 listings reported in June 2020. Following this increase, pending sales skyrocketed to 135 in June 2020, the highest number the area has seen in the last three years. Closed sales therefore followed suit, as they went from 75 closed sales in April 2020 to 100 closed sales in June 2020. Surprisingly enough, the number of sales in June of this year surmounted the number of sales reported in June of 2019. Mallory Gruben, author of the article, 'Cowlitz housing market steady despite COVID-19, new realty rules', shed light on the housing market in Cowlitz County by quoting credible realtors who stated, "Despite new limitations for showing homes and growing job losses, Cowlitz County's housing market has remained relatively strong during the COVID-19 pandemic." (Gruben).

In conclusion, the single family-housing market has proven to be extremely sporadic and inconsistent for the first half of the year 2020. The early downward trends of new listings, pending sales, closed sales, and average sale prices were reliable amongst most counties between Washington and Oregon, as were the latter upward trends in late Q2 2020. As the nation still struggles through the COVID-19 pandemic and unforeseen economic conditions, it's difficult to speculate what Q3 & Q4 2020 will do. Overall, the housing market has and always will be an unpredictable aspect of the economy, but the hope is that it eventually corrects itself as it has done time and time again in the past.

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