



## The Oregonian

### Portland real estate goes own way -- up

Homes - Metro-area prices slow in October but continue to climb, something many parts of the nation can't say

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Yes, the Portland-area housing market has seen better days.

As recently as June, the area's median home price climbed 17 percent higher than 2005 levels. New figures released Friday by the Regional Multiple Listing Service show the median home price in October was \$270,000, about \$5,500 lower than in September and just 8.4 percent higher than October 2005.

The number of homes for sale is growing, and the pace of sales is falling.

But those results show a stronger and far more robust market than the national average and some of the California regions that led the nation during the recent boom. As the housing markets in bigger cities suffer, the Portland area's market continues to chug along, fueled by the basics of job and population growth.

Local housing economists and real estate veterans say that as the housing market enters its seasonally slow winter months, the latest price and sales figures showed relatively robust housing appreciation. While nationwide figures from the National Association of Realtors show existing home sale prices declining recently and new home production lagging, the Portland area has experienced a moderate slowdown.

The region's robust job growth, population growth and restrictions on development have combined to produce a housing market that moves more moderately than more volatile regions, economists said.

"There is a national housing downturn, and Oregon is participating in it," said Bill Conerly, an economist with Conerly Consulting in Lake Oswego. "But we are having a milder cycle at this point."

The National Association of Realtors forecast earlier this year that the Portland area would outperform the nation's housing market, and that forecast has been borne out.

"Oregon and Washington and Idaho are doing much better than the rest of the country in terms of jobs," said Lawrence Yun, the organization's senior economist.

Consistent with the seasonal slowing of home sales and appreciation each fall, October's median price was lower than the \$275,500 recorded in September. And the appreciation gain was the smallest year-over-year median price gain since September 2004, when prices rose 7.9 percent over the prior year.

The RMLS data cover sales of new and existing houses and some condominiums in Clackamas, Columbia, Multnomah, Washington and Yamhill counties. Many condo sales are handled in-house by agents who don't list them.

Similar figures for other metro areas showed a starkly different picture, according to La Jolla, Calif.-based DataQuick Information Systems.

The San Diego area's median home price of \$485,000 was down 5.5 percent compared with October 2005. The San Francisco area's median home price was \$767,000 in October, up less than 1 percent; the Los Angeles area median was \$514,000, up 4.5 percent in the same period.

Seattle and Portland recorded dramatically different results than the California cities.

The Seattle-area median price of \$337,000 was 12.3 percent higher than October 2005. DataQuick said the Portland median was \$268,000, or 9.4 percent higher for the same period.

The positive results for the Portland area feed arguments by local real estate agents and builders that the restrictive Urban Growth Boundary and the area's ability to attract new residents shield it from the national housing slump.

"If I were a praying man, I'd say thank God for Californians and the UGB," quipped Rob Levy, a top producing agent for Prudential Northwest Properties.

"Yeah, it's slowed down, but to me 8 percent is very healthy," he added.

There's no question that appreciation, sales volumes and sales pace in the Portland area have slowed compared with the boom years of 2004 and 2005.

The October RMLS report showed the market has 4.6 months of inventory, about double the amount in the fall of 2004 and 2005. By the end of the month, there were 11,533 homes on the market -- 82.8 percent more than a year ago.

Closed sales fell 14.3 percent in October, compared with October 2005, the RMLS report said.

That's no surprise to Dave Hrabal, an agent with the Hasson Co. A year ago, he had two houses for sale and yearned for more, knowing they would fly out the door.

Today he has 28.

"The offers I'm seeing are just low," Hrabal said. "It's definitely a buyer's market. There's just hoards of supply out there, and there's just not that many buyers."

Southwest Washington's Clark, Cowlitz and Pacific counties had an October median sales price of \$260,000, which was 9.7 percent higher than October 2005, according to the RMLS report.

This was the first month the RMLS included Pacific County figures, which it added to the 2005 figures for annual comparisons.

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