

Portland-Metro real estate market conditions for January 2010

I hope you had a great holiday season. We had a great visit with our families back East in a whirlwind of a trip. You know things will be hectic when you start Christmas morning driving out to PDX. We were on a full flight, toddler in lap, which was delayed due to de-icing the plane. Our flight crew was made up entirely of on-call employees, since everyone that was regularly scheduled came down mysteriously ill and could not make it in to work. About five hours after boarding, we arrived in Houston. Our layover was just long enough to make it across the airport. My wife Jessica had the genius to grab a couple of gourmet sandwiches when we first stepped off the plane. Good thing, since every restaurant in the airport was busy closing at 5:30 pm local time. My wonderful, just turned two years old daughter Mackenzie helped us with our luggage, by holding a handle and staying close, and walked the full distance across the airport and insisted on standing on a rough-riding monorail. Fortunately, the flight to Knoxville, Tennessee was a comfortable express jet that was only at half capacity. Mackenzie had her own seat. We learned the meaning of “extra time for boarding” as my wife Jessica was hard at work installing our child’s car seat. She did it again in my father’s truck before the 90 minute drive to their home.

A week later, we loaded up a mini-van and left for New Jersey. It was Mackenzie’s first drive farther than Lincoln City. We left at 8:30 am to arrive just before 11:00 pm on a rare day of snow in the South. Actually, as we discovered during the drive, was that it snowed or was snowing along our entire route. I was never more grateful for the DVD player, Max and Ruby, and the Wonder Pets to help Mackenzie endure so much time in her car seat. We tried to make the drive easier with about two and half hours of stops.

After a day and a half in New Jersey, we went to stay with my in-laws in Connecticut for the rest of the week. Mackenzie appreciated the snow much more once we were playing in it. Our last day of vacation, they graciously drove us back down to Newark, where we arrived 3 hours before our evening flight, spending over two of those hours getting through heightened security and trying to occupy a bored toddler in a very busy airport. I was never more relieved to get on a plane. With one runway closed due to an emergency landing earlier in the day, we taxied for another hour before take-off. Fortunately, the moment the lights were out, so was Mackenzie. We arrived back home around 1:00 am. Six hours later, I was getting ready to return to work.

After all of the travel, working in real estate is looking good to me! Market activity for December 2009 was much stronger than at the same time one year ago. Closed sales were up 52.6% over December 2008, pending sales were up 40.9%, and listings had increased by 11.9%.

Compared to November 2009, market activity was down. Closed sales fell 16.1%, pending sales decreased by 14.1%, and listings were down by 15.8%. Active inventory, which is calculated by dividing the total number of active listings for a month and dividing it by the number of closed sales, increased again last month, now up to 7.7 months. In October, active inventory was at its lowest since August 2007 at 6.5 months. November 2009 sales activity was markedly higher due to at-time expectations that the first time home buyer credit was about to expire. On November 6th, 2009, the home buyer tax

credit program was extended and expanded to include buyers that enter contract on or before April 30, 2010 and close by July 1, 2010.

Sale prices went in opposite directions for the two time periods above when compared with their activity. The average sale price for December 2009 was down 2.5% and the median price dropped by 4.2% when compared to December 2008. Evaluating December 2009 to November 2009, the average price increased by 7.3% (\$293,300 v. \$273,300) and the median price went up by 1.3% (\$242,200 v. \$239,000).

For all of 2009, the average sale price dropped 12.2% from 2008. The median price also decreased by 11.2%.

January is traditionally a slow month for real estate. It will be interesting to see if the home buyer's tax credit can spur market activity before the typical increase that arrives in the spring.

Would you like to receive more detailed information about?

- Your neighborhood or neighborhood of interest?
- The extended and expanded home buyer's tax credit?
- Realtor services?

Please contact me at:

dannyshepard@oregonfirst.com
www.dannyleeshepard.com
503-267-8370

All statistics listed are quoted from the December 2009 issue of *RMLS Market Action*. The Regional Multiple Listing Service releases the previous month's statistics near the 15th of the current month.

Tax credit information provided by the IRS at <http://www.irs.gov/newsroom/article/0,,id=215791,00.html?portlet=7>

Additional tax credit information provided by the National Association of Realtors FAQ on Homebuyer Tax Credit Changes, available on request.