

## September 2009 Portland-Metro real estate market conditions

August 2009 home sales continued to be stronger than at the same time a year ago. August 2009 closed sales had increased over August 2008 by 4% and pending sales by 13%. Unfortunately, new listings were down by 14.1%.

Compared to July 2009, closed home sales decreased by 7.4% and pending sales by 0.7%. New listings dropped from July 2009 by 3.3%. From January to May 2009, active listings had increased. In June, they had dropped 8.2% compared to May. It appears that monthly new listings have peaked for 2009 as the busiest season for real estate is coming to a close.

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, had increased for the first time in six months to 7.8 months. Active inventory compared to August 2008 is down by 21.2% at 9.9 months. This is explained due to a larger decline in new listings at the same time more homes are being sold and leave the market.

Comparing 2009 year-to-date with the same January-August period in 2008, closed home sales are down 15.6%, pending sales down 7.2%, and new listings down 22.4%. Though real estate sales activity has mostly improved since May 2009 over the same period last year, the first four months of 2009 had much lower activity than last year, dragging down all sales and activity statistics.

Both sale price indicators went down last month compared to August 2008. The average sale price was down 10.6% while the median sales price was down by 10.8%. Monthly indicators went in opposite directions from July 2009 with average sales prices up 2.7% (\$296,300 versus \$288,600) and median sales prices down 0.04% (\$249,900 versus \$250,000). The median price may be lower due to continuing purchases of first-time homes that have been aided by the first-time home buyer credit that expires on December 1, 2009. The federal tax credit maximum is 10% of the purchase price of a home, up to \$8,000. The vast majority of properties in this area would qualify to receive the maximum credit.

These trends continue to display that the outlook for buyers is still optimistic, especially considering lower interest rates and the first time home buyer credit. With fewer new listings available, properties that had been sitting on the market appear to be selling at higher average prices. The outlook for sellers, especially of those desiring to sell their first homes and upgrade to more expensive properties, continues to improve with fewer houses in competition. Demand is up for first homes but has only slightly increased for more expensive properties. This market improvement should continue to push more first time house hunters into the market, and along with improved economic reports, could help increase sales activity and encourage hesitant sellers to list their homes.

Would you like to receive more detailed information about?

- Your neighborhood or neighborhood of interest?
- The first time home buyer's tax credit?
- Realtor services?

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All statistics listed are quoted from the August 2009 issue of *RMLS Market Action*. The Regional Multiple Listing Service releases the previous month's statistics no earlier than the 15<sup>th</sup> of the current month.

Tax credit information provided by the IRS at

<http://www.irs.gov/newsroom/article/0,,id=206291,00.html>