

The Oregonian

Portland home prices fall, but not by much

Compared with the national slide, the city's 2 percent decline from a year ago looks relatively bright

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Portland once again experienced declining home prices in February, though it remains a gentle shift compared with the residential free-fall in some other metro markets.

Portland home prices dropped 1.4 percent in February from the month prior and retreated 2 percent from February 2007, according to the newly issued S&P/Case-Shiller Home Price Index. Once again, only Seattle and Charlotte, N.C., posted smaller annual price declines, according to the index.

Portland was one of the few relatively bright spots in the country, according to the Case-Shiller index. Of the 20 major U.S. cities included in the index, 10 suffered double-digit percentage price declines for the 12 months ended in February.

Las Vegas and Miami were once again the weakest residential markets in the country, dropping by 22.8 percent and 21.7 percent respectively.

"There is no sign of a bottom in the numbers," David M. Blitzer, chairman of the Index Committee at Standard & Poor's, said in a statement. "The monthly data show that every one of the (metro areas) has now declined every month since September 2007, marking six consecutive months."

David Oringdulph, of Portland-based Legend Homes, said his experience affirms the Case-Shiller numbers. Sales have held up well in the Portland area, particularly on the west side, he said. In contrast, Legend's forays into Bend, Vancouver, and San Bernardino, Calif., have gone less well, sometimes painfully so, he said.

John Taylor, of the Portland-based Taylor Real Estate Group, said it will take awhile to digest the number of unsold homes in the metro area. "We need to get that inventory down," he said.

Thanks to in-migration and a reasonably strong job market, demand for housing remains. "There are still buyers out there," Taylor said.

But earlier predictions that Portland's real estate market would snap out of its funk by midyear 2008 now seem overly optimistic. Now, Oringdulph is predicting it will be early 2009 before the market recovers.

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