



The Oregonian

Housing market defies national trend

Real estate - While prices keep going up, the supply of unsold homes has grown, which is bad news for sellers

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Portland-area homeowners can hear the housing market sucking wind across the nation, but home sales here continue to steam ahead.

The Portland region's median home sales hit \$300,000 in July, up a lively 9 percent from the same month a year before, according to figures released Friday.

Kathy Hall, a principal broker at The Hasson Co. in Lake Oswego, says the region continues to attract newcomers who like the region's livability -- clean air, hiking and biking -- and relative affordability.

"That's why our market has held its value," Hall says.

But not all the news was good.

The Regional Multiple Listing Service, the regional clearinghouse for home sales, reported that the supply of unsold homes is growing. In July, the region had enough home supply to last nearly six months, the highest figure since January. Homeowners needed an average of 52 days to sell in July compared to 38 days a year ago.

With more sellers competing for fewer buyers, homeowners who must sell quickly may be forced to drop their prices. The signs point to a market that's coming down from a heady three-year run to more normal price growth.

"I can easily see prices fall back a bit," said Jerry Johnson, a Portland economist who advises home builders. Johnson predicted that Portland's price growth may go flat but won't send prices into the red.

"It's going to be a muck," Johnson said, as sellers have to wait for buyers to eat up the extra supply.

The Regional Multiple Listing Service's information from July covered 14,800 new and existing houses and condominiums in Clackamas, Columbia, Multnomah, Washington and Yamhill counties.

July's \$300,000 sale figure followed a steady -- and at times exploding -- growth rate since the Oregon recession that started in 2000. Since February 1998, the region's median sale price has exactly doubled.

Portland's continued strong market has prompted out-of-state developers to call Johnson to figure out what's going on. The region benefits from relatively low rates of subprime loans, delinquencies and foreclosures that haven't dragged down home prices like in other states.

Hall was one of those people who came to Oregon for its livability. She was a California transplant in 1993. She liked Oregon's skiing and biking, shorter commute times and solid public schools.

And in California, "I got tired of rationing water all the time," Hall said.

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