

WINDERMERE REAL ESTATE PRESENTS

THE GARDNER REPORT

OREGON & SOUTHWEST WASHINGTON | FOURTH QUARTER 2017



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The following analysis of the Oregon and Southwest Washington real estate market is provided by Windermere Real Estate Chief Economist Matthew Gardner. We hope that this information may assist you with making better-informed real estate decisions. For further information about the housing market in your area, please don't hesitate to contact me.

ECONOMIC OVERVIEW

The State of Oregon added 30,600 new jobs over the past 12 months, representing an annual growth rate of 1.7%. Although job growth continues to slow, solid gains were still seen in the Construction (+7,400), Education & Health Services (+6,400), and Leisure & Hospitality (+5,200) sectors.

Oregon's unemployment rate was in record low territory for all of 2017, diving to 3.6% in May of 2017, before drifting up to 4.2% by November. It is clear that the annual average unemployment rate for the whole of 2017 will be the lowest on record.

HOME SALES ACTIVITY

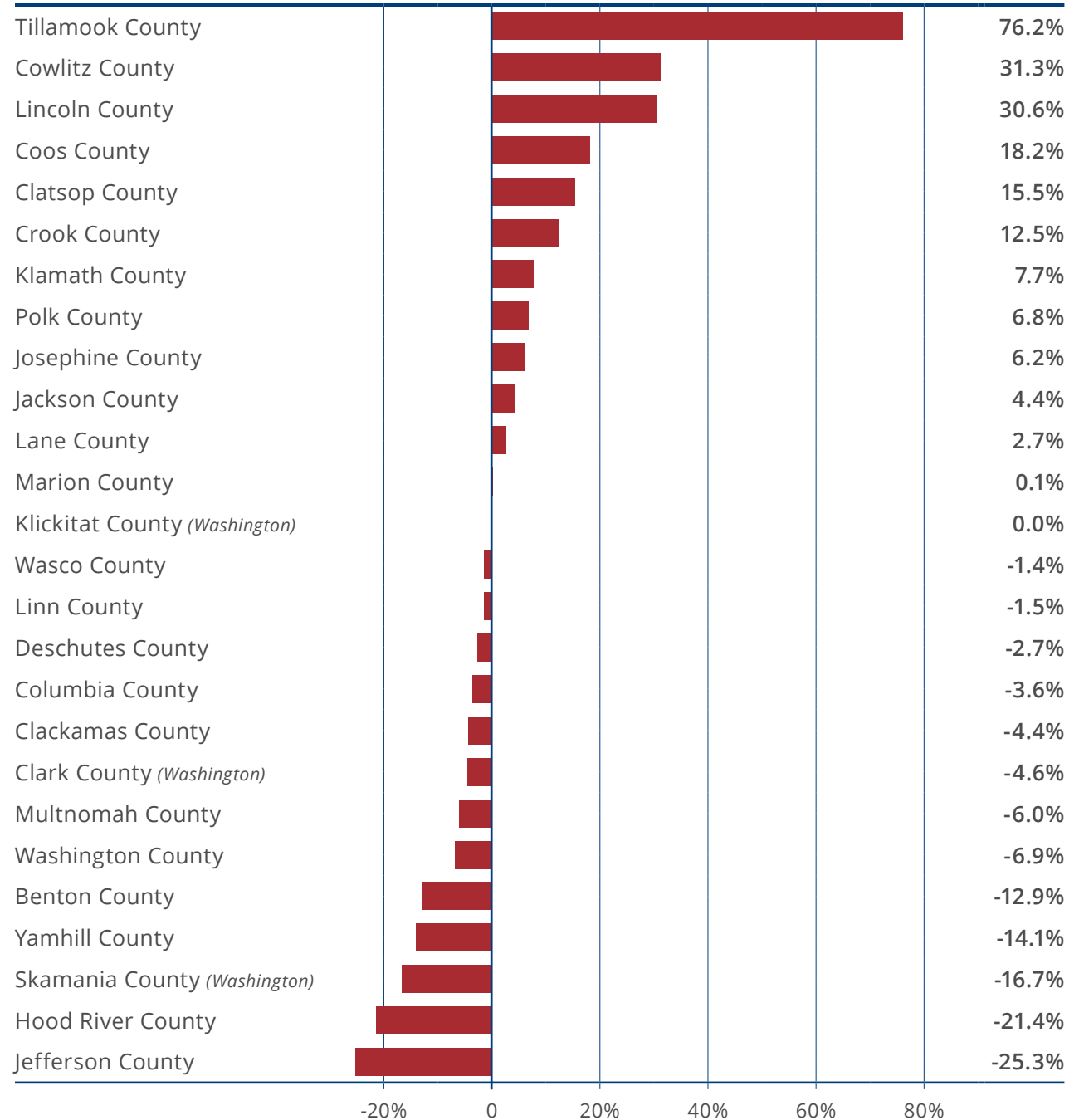
- Fourth quarter home sales dropped by a very modest 1.5% compared to the same period last year, with a total of 15,314 homes sold.
- Sales rose the fastest in Tillamook County, which saw a 76.2% increase over the fourth quarter of 2016. There were also noticeable sales increases in Cowlitz, Lincoln, Coos, Clatsop, and Crook Counties. Home sales fell the most in Jefferson, Hood River, Skamania, and Yamhill Counties.
- Year-over-year sales rose in 12 counties, remained static in one, and dropped in the other 13.
- Although sales were a mixed bag, I still contend that any drop in sales was due to low levels of available inventory rather than declining demand.

ABOUT MATTHEW GARDNER

Mr. Gardner is the Chief Economist for Windermere Real Estate, specializing in residential market analysis, commercial/industrial market analysis, financial analysis, and land use and regional economics. He is the former Principal of Gardner Economics, and has more than 30 years of professional experience both in the U.S. and U.K.

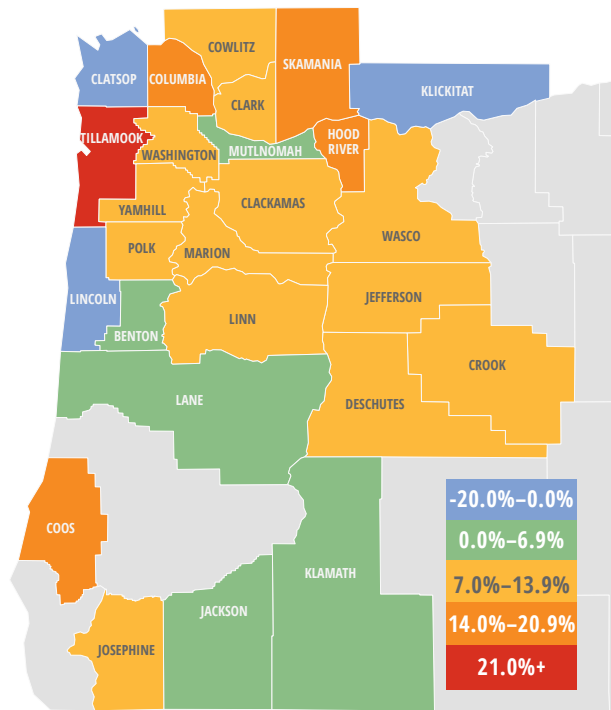
ANNUAL CHANGE IN HOME SALES

Q4-2016 TO Q4-2017



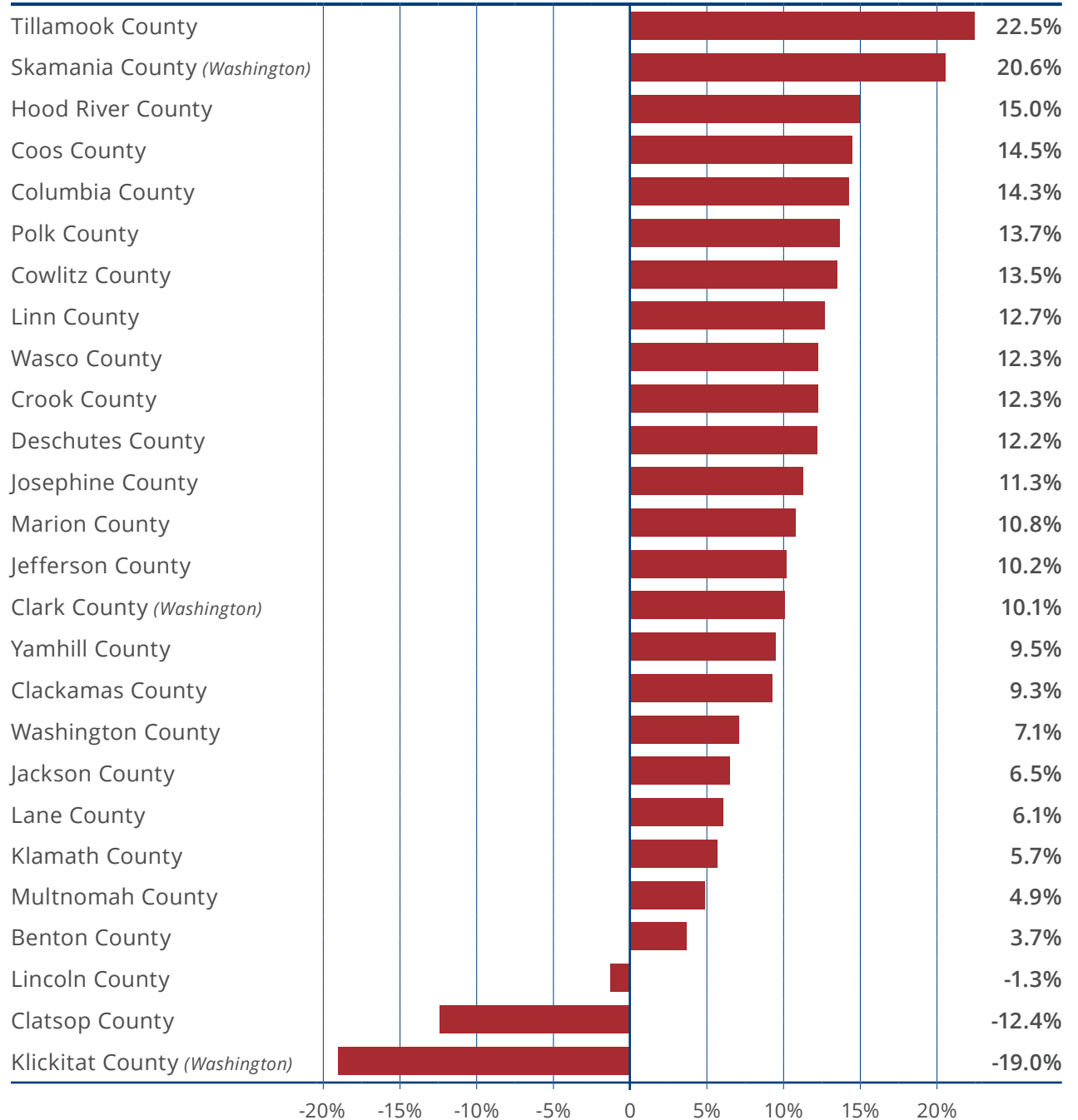
HOME PRICES

- The average home price in the region rose 7% year-over-year to \$363,110. This is down 1.4% from the third quarter of 2017.
- Tillamook County led the market with the strongest annual price growth. Homes there sold for 22.5% more than a year ago.
- All counties other than Klickitat, Clatsop, and Lincoln experienced rising prices when compared to the fourth quarter of 2016. The majority of counties saw significant, double-digit increases.
- This slowdown in price growth is likely due to buyers feeling priced out of the market.

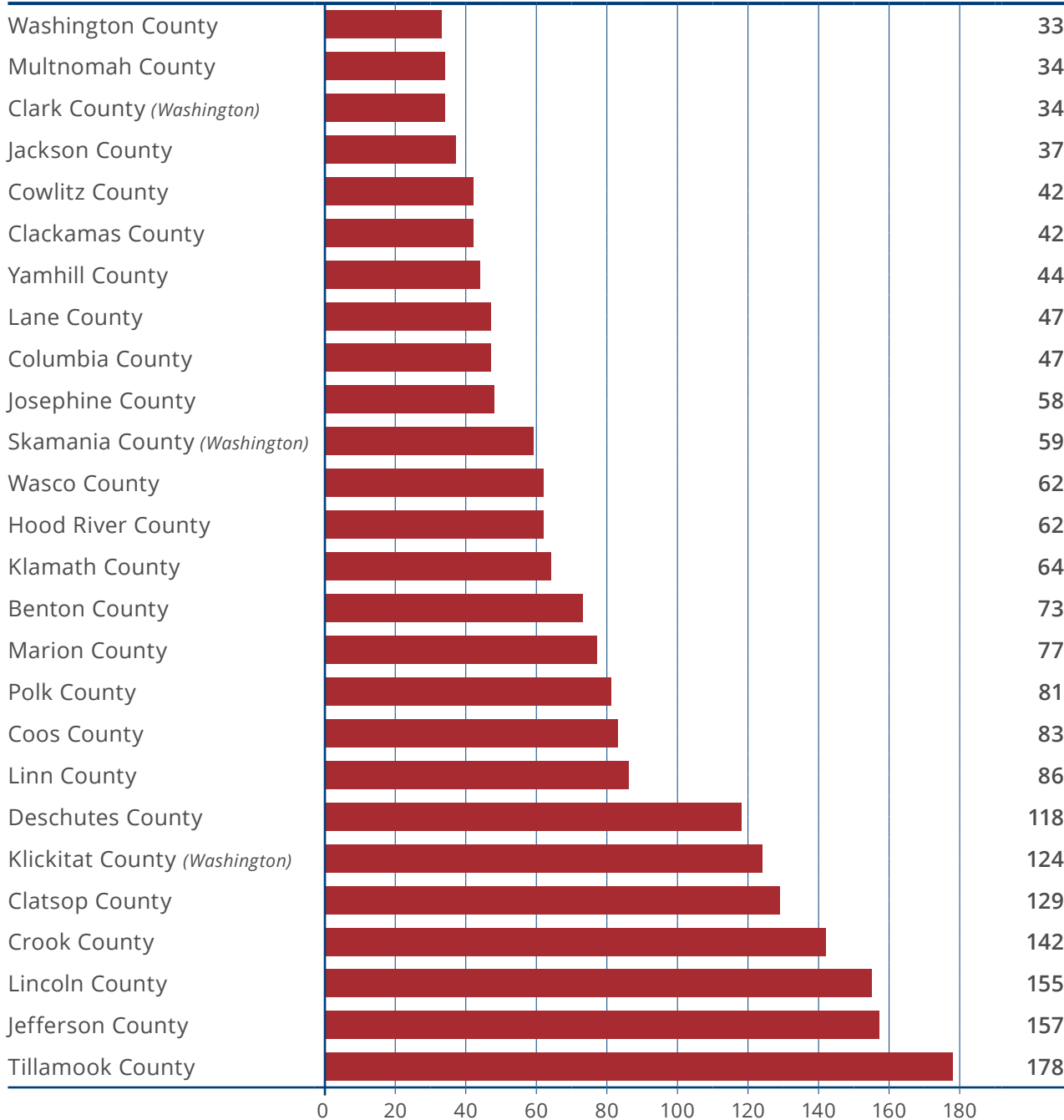


ANNUAL CHANGE IN HOME SALE PRICES

Q4-2016 TO Q4-2017



AVERAGE DAYS ON MARKET

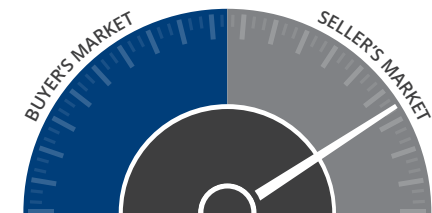


Q4-2017

DAYS ON MARKET

- The average number of days it took to sell a home in the region dropped by 7 days from the fourth quarter of 2016, but was up 13 days from the third quarter of this year.
- The average time it took to sell a home in the region last quarter was 80 days.
- Eight counties saw the length of time it took to sell a home rise compared to a year ago, but I still do not see this as troublesome. Listings are scarce during the winter months, and it's not unusual for buyers to wait until spring in anticipation of more choices in the market.
- Once again, homes sold the fastest in Washington and Multnomah Counties, where it took an average of 33 and 34 days, respectively, for homes to sell.

CONCLUSIONS



The speedometer reflects the state of the region's housing market using housing inventory, price gains, home sales, interest rates, and larger economic factors. Housing markets throughout Oregon continue to benefit greatly from the healthy regional economy.

The Oregon/Southwest Washington housing market remains fairly strong and, given that inventory levels are unlikely to increase as we head toward the traditionally busier spring market, sellers remain firmly in the driver's seat. That said, price growth and home sales have slowed, so I am leaving the needle in the same position as last quarter.