

WINDERMERE REAL ESTATE PRESENTS

# THE GARDNER REPORT

OREGON & SOUTHWEST WASHINGTON | FIRST QUARTER 2018





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 has added 43,700 new jobs over the past 12 months, representing a robust annual growth rate of 2.3%. Job growth picked up in the first quarter of 2018, with significant annual gains in Education & Health Services (+26,000), Leisure & Hospitality (+9,700), and Construction (+7,400).

Oregon's unemployment rate was 4.1%, matching the number seen a year ago and remaining in record low territory.

## HOME SALES ACTIVITY

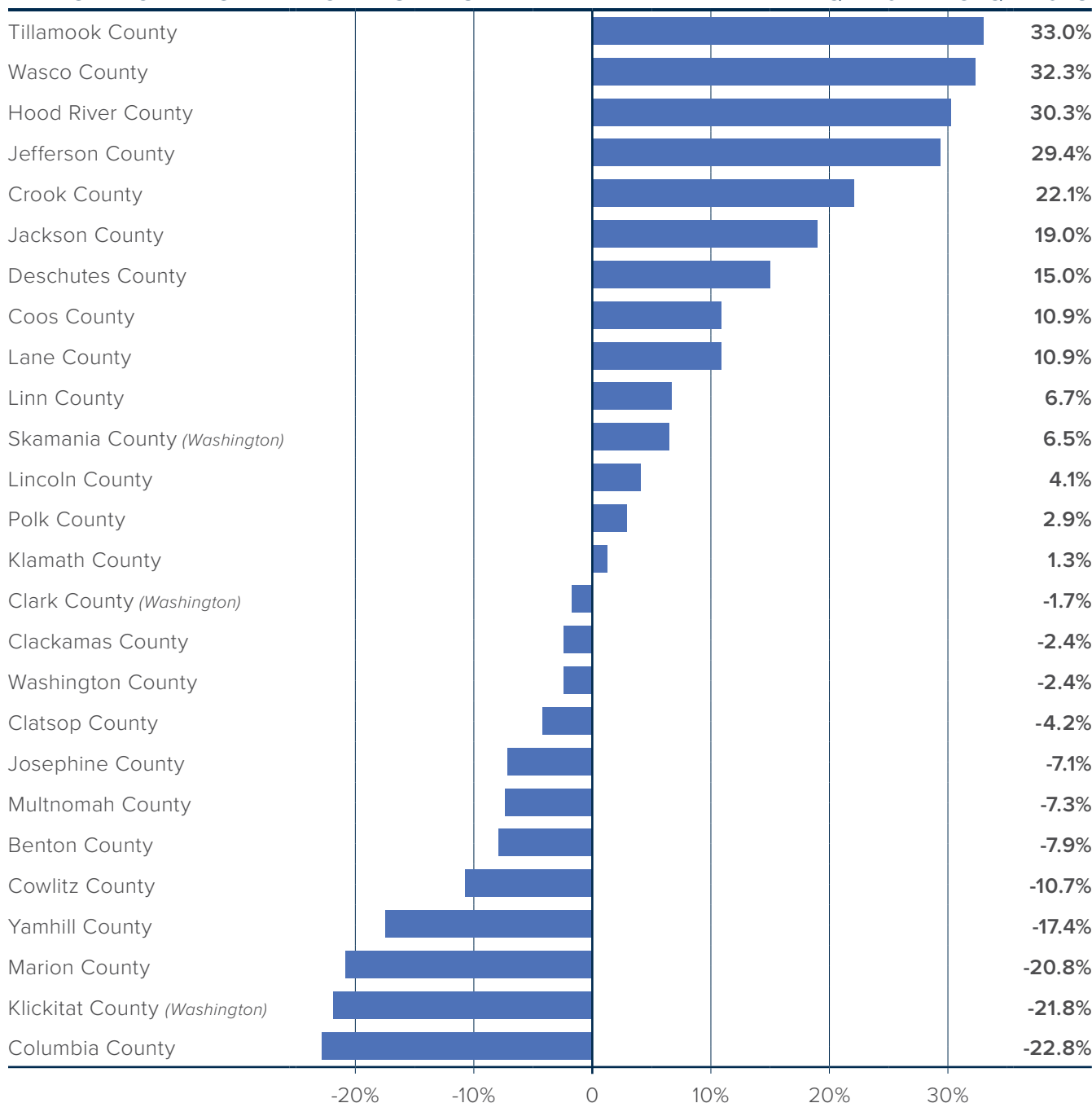
- First quarter home sales dropped by a modest 0.8% compared to the same period last year, with a total of 12,775 sales.
- Sales rose the most in Tillamook County, which saw a 33% increase compared to the first quarter of 2017. There were also noticeable increases in Wasco, Hood River, Jefferson, and Crook Counties. Home sales fell the most in Columbia, Klickitat, Marion, and Yamhill Counties.
- Year-over-year sales rose in 14 counties and dropped in the other 12 counties contained in this report.
- Sales were a bit of a mixed bag in first quarter, but I still believe that lower sales velocities are due to extremely low levels of inventory in the region and not a decline in 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.

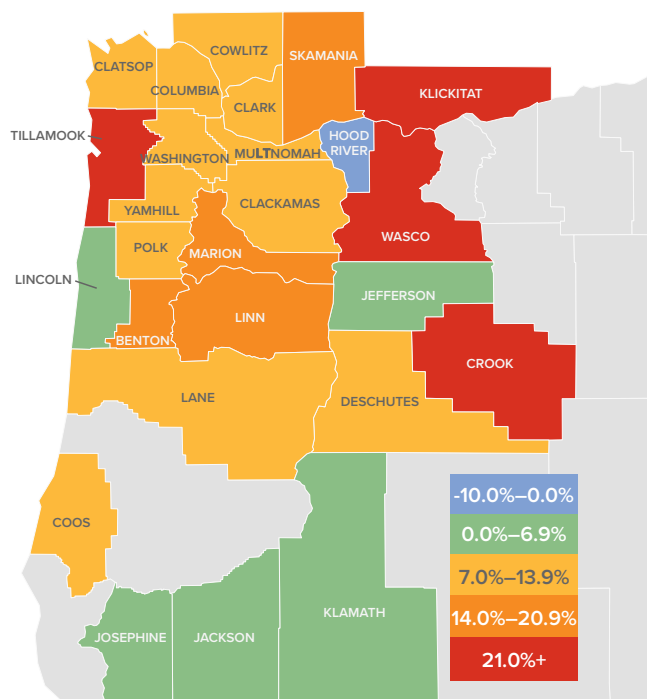
## ANNUAL CHANGE IN HOME SALES

Q1-2017 TO Q1-2018



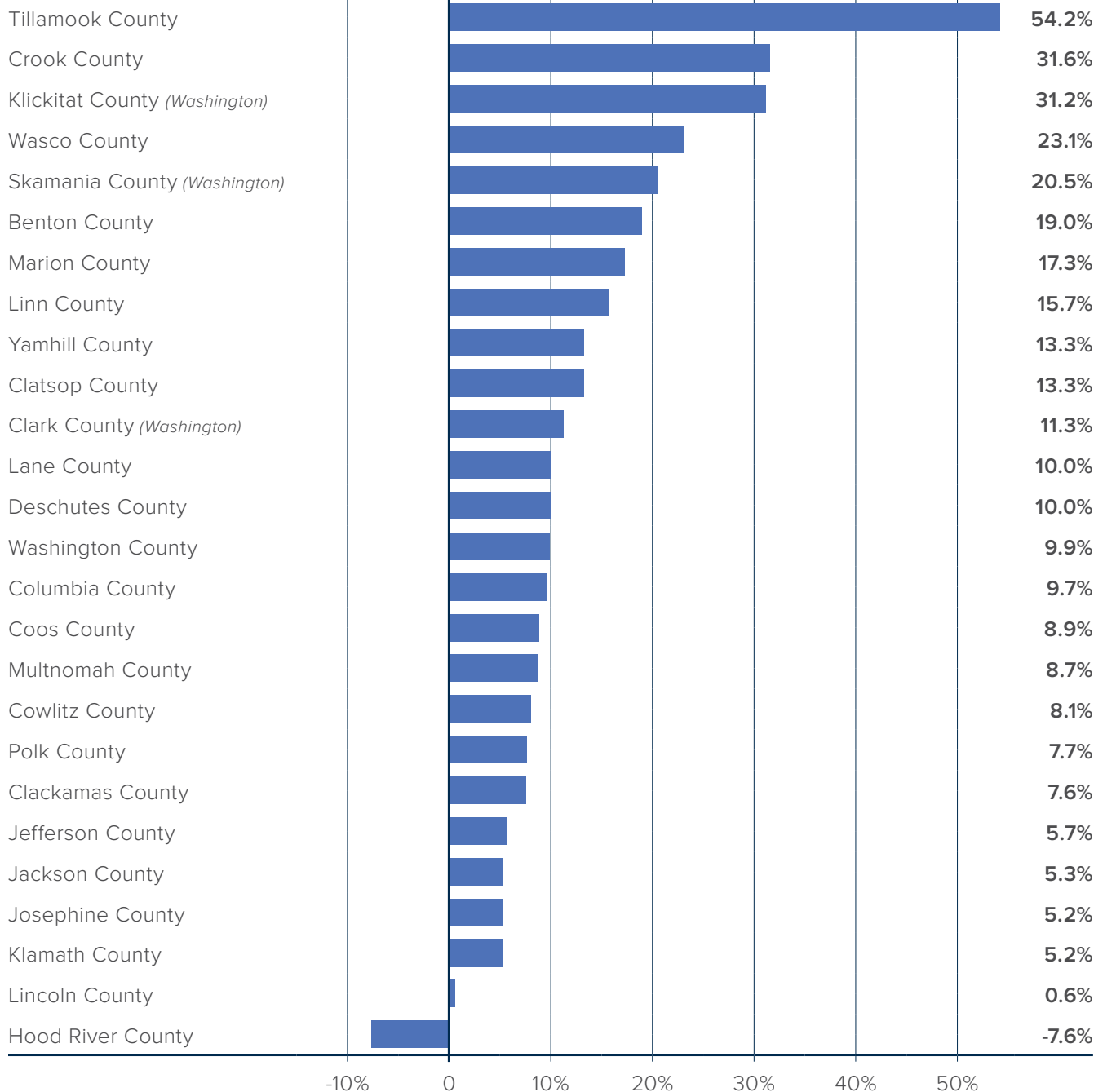
## HOME PRICES

- ▶ The average home price in the region rose 9.9% year-over-year to \$367,316. That number is 1.2% higher than the fourth quarter of 2017.
- ▶ Tillamook County again led the market with the strongest annual price growth. Homes there sold for 54.2% more than a year ago. That said, it's worth noting that it is a very small market, making it prone to substantial swings in average sale prices.
- ▶ All counties other than Hood River saw price growth over the first quarter of 2017. Half experienced significant, double-digit increases.
- ▶ The takeaway from this report is that, in aggregate, price growth continues to trend well above historic averages.

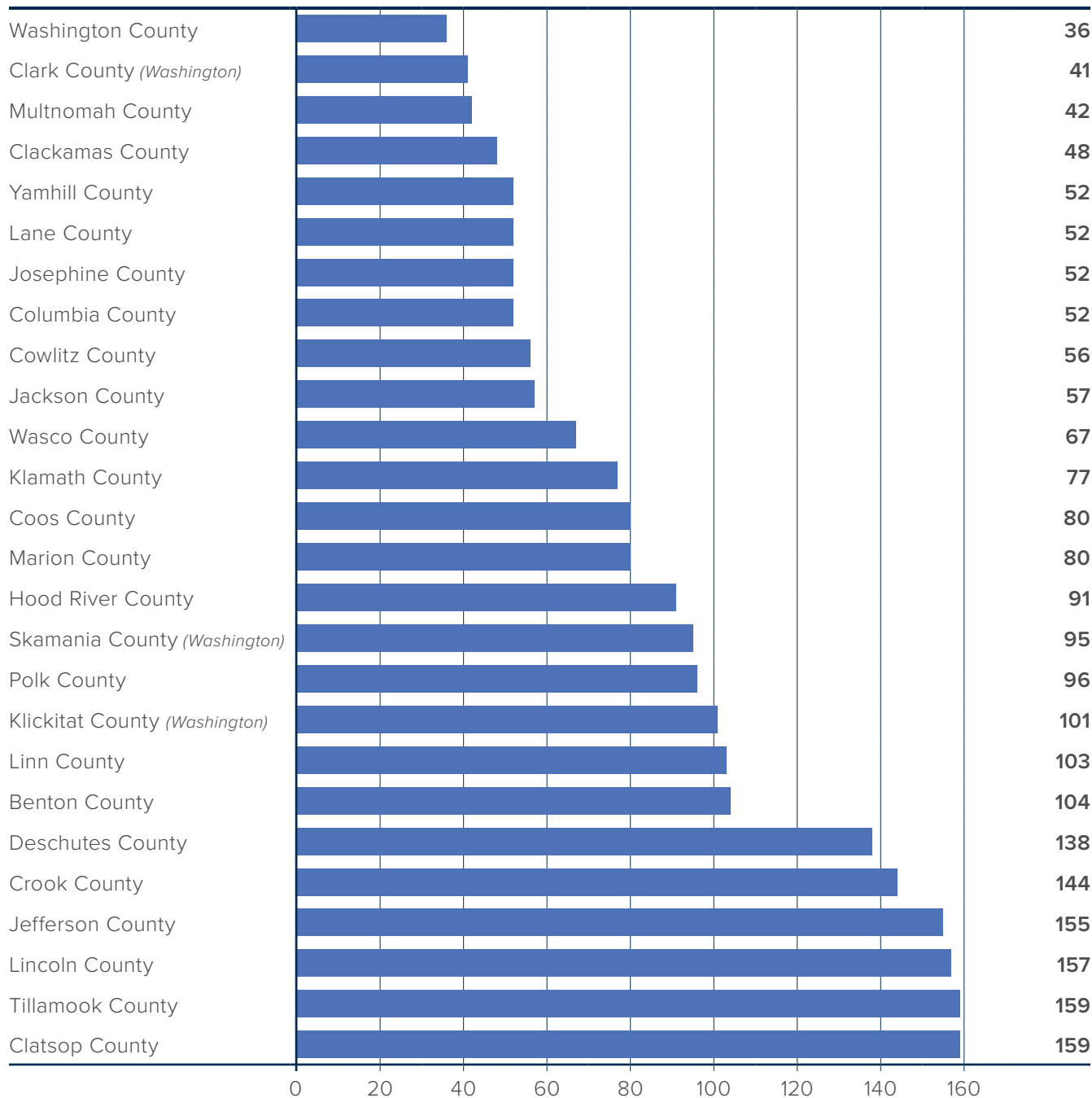


## ANNUAL CHANGE IN HOME SALE PRICES

Q1-2017 TO Q1-2018



## AVERAGE DAYS ON MARKET

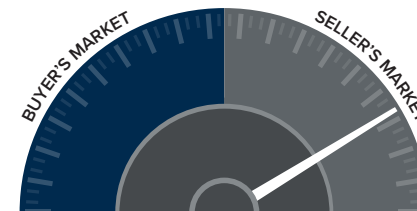


Q1-2018

## DAYS ON MARKET

- ▶ The average number of days it took to sell a home in the region dropped by 12 days when compared to the first quarter of 2017, but was up 9 days from the fourth quarter of 2017.
- ▶ The average time it took to sell a home in the region last quarter was 88 days.
- ▶ Twenty-one counties saw the length of time it took to sell a home drop when compared to a year ago. One remained the same while four saw market time rise.
- ▶ Homes sold the fastest in Washington (36 days), Clark (41 days), and Multnomah (42 days) Counties.

## 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 and Southwest Washington continue to benefit greatly from the healthy regional economy. Home sales remain very strong and, given that inventory levels are unlikely to increase substantially in the near term, sellers remain firmly in the driver's seat. Even with rising interest rates, demand continues to outstrip supply, so I have moved the needle a little more in favor of sellers.