



THE Q2 2019 | OREGON & SW WASHINGTON

GARDNER

REPORT

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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

Oregon added 46,100 new jobs over the past 12 months, representing an annual growth rate of 2.4%. The current pace of job growth was a refreshing reversal from the slowing growth that had been in place since mid-2018.

The Southwest Washington market (Clark, Cowlitz, Skamania, and Klickitat counties) added 3,600 new jobs over the past 12 months, which represents an annual growth rate of 1.7%.

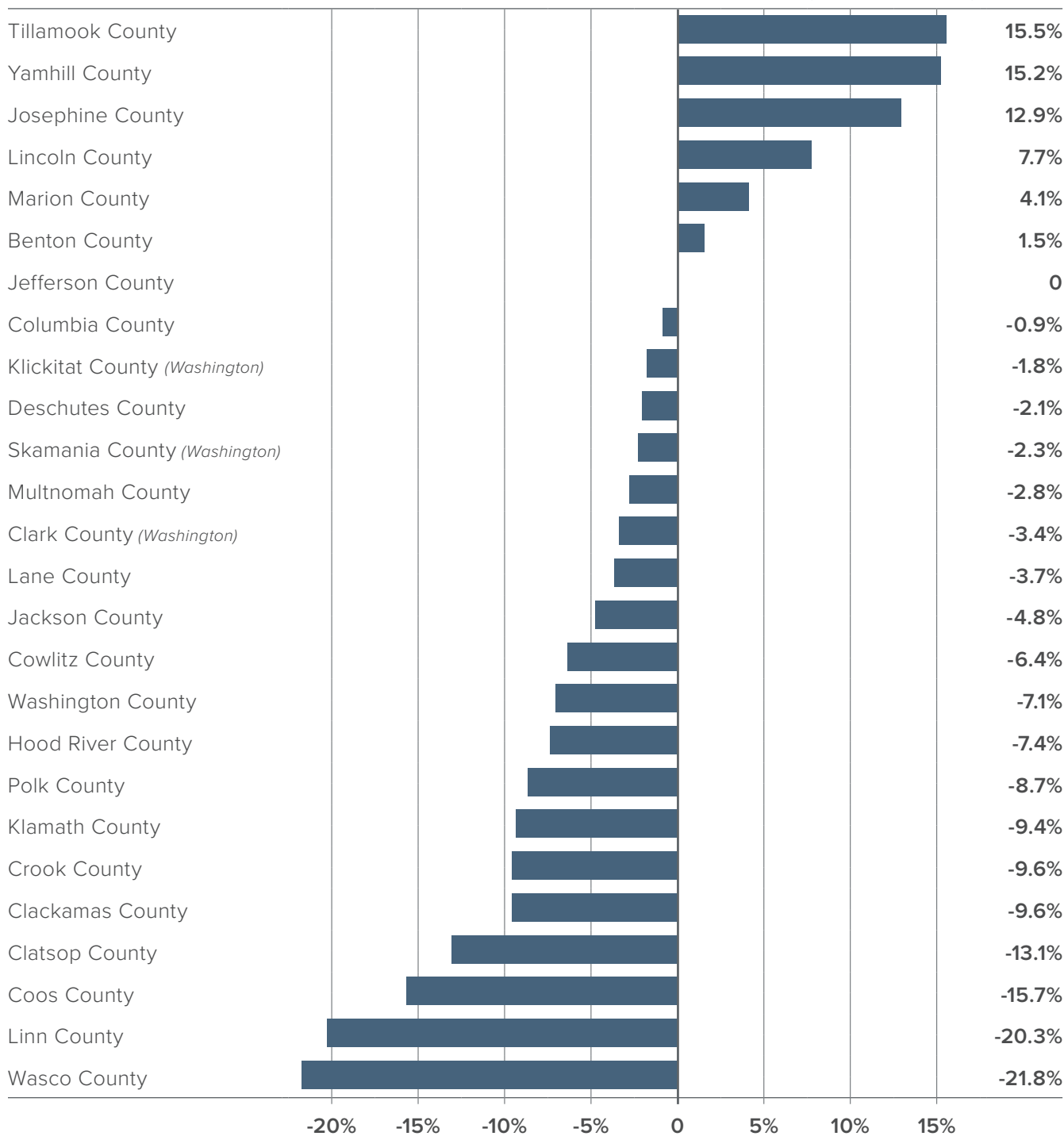
Oregon's unemployment rate was 4.1% in June, up from 4% a year ago. In Southwest Washington, the unemployment rate was 5%, up from 4.8% a year ago.

HOME SALES

- Second quarter home sales dropped 4.2% compared to the same period last year, with a total of 16,791 transactions.
- Sales rose fastest in Tillamook County, which saw a significant 15.5% increase over the second quarter of 2018. There were also solid increases in Yamhill and Josephine counties. Home sales fell most in the small Wasco, Linn, Coos, and Clatsop counties.
- Year-over-year sales rose in 6 counties, remained static in 1, and dropped in the other 19 counties contained in this report.
- Sales in the second quarter picked up from earlier in the year but are still lower than I would like to see. This is likely a function of limited inventory in concert with prices that continue to rise, suggesting that affordability may be slowing sales.

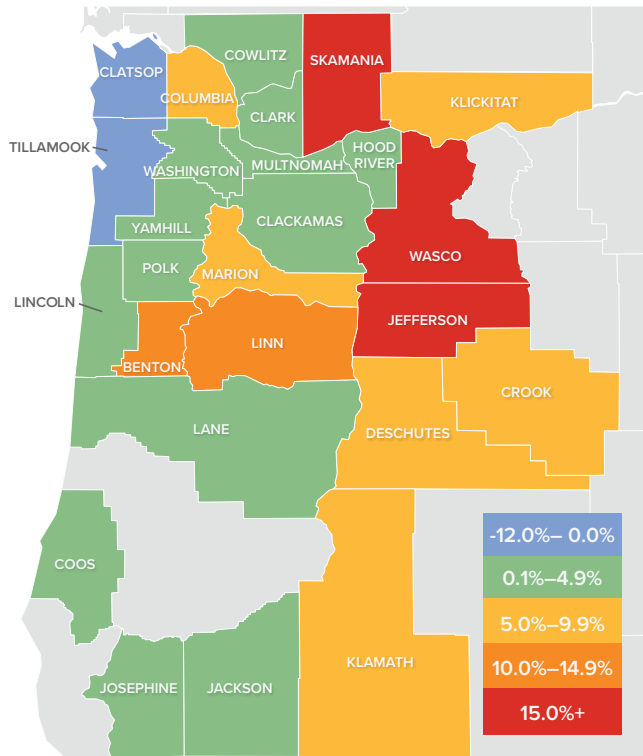
ANNUAL CHANGE IN HOME SALES

Q2-2018 TO Q2-2019



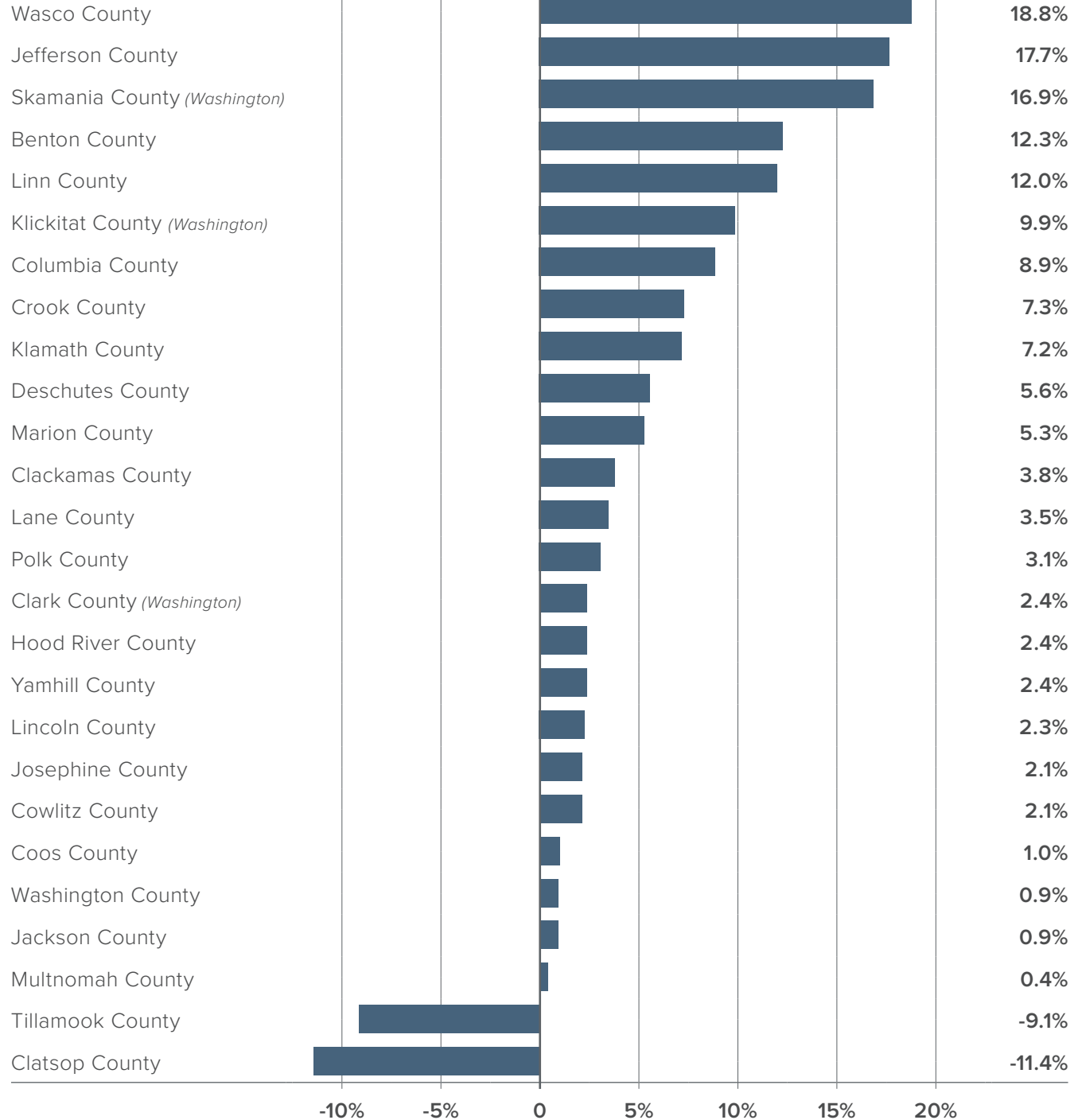
HOME PRICES

- The average home price in the region rose 2.8% year-over-year to \$401,175 and was 8.5% higher than in the first quarter of this year.
- Wasco County led the market with the strongest annual price growth. Homes there sold for 18.8% more than they did a year ago. The greatest price declines were in the small counties of Clatsop and Tillamook. However, smaller markets can be prone to significant swings, so I'm not overly concerned at this time.
- All but two of the counties contained in this report experienced price growth compared to the second quarter of 2018. Two had lower prices than in the same period a year ago.
- The takeaway from this section is that price growth continues to moderate. Given very attractive mortgage rates, I expect prices to continue trending higher but at slower rates than the past several years.

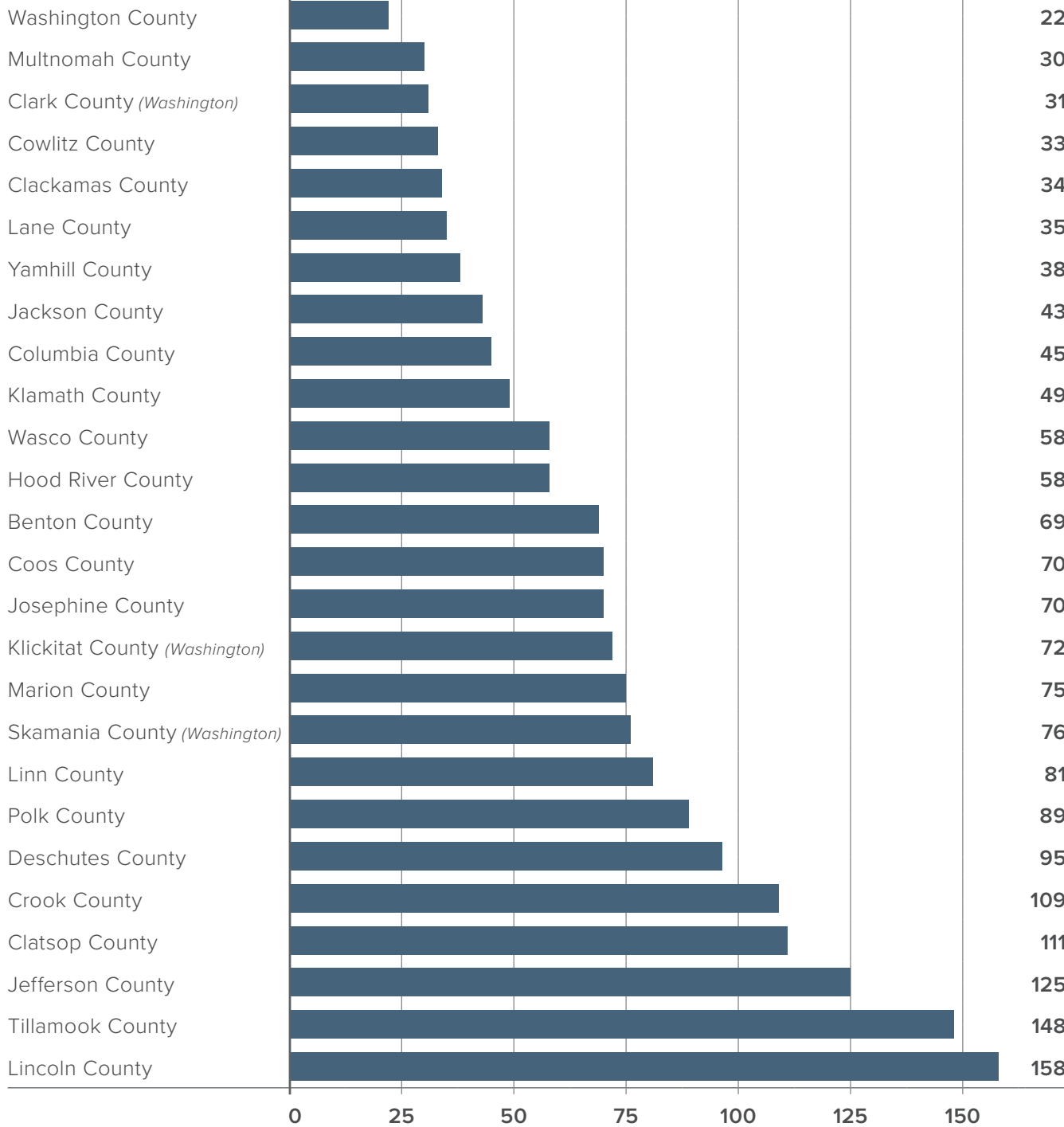


ANNUAL CHANGE IN HOME SALE PRICES

Q2-2018 TO Q2-2019



DAYS ON MARKET

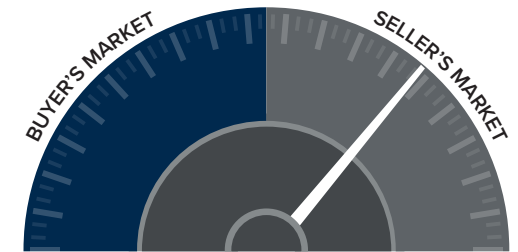


Q2-2019

DAYS ON MARKET

- 22 The average number of days it took to sell a home in the region rose by 2 days compared to the second quarter of 2018 but was down 20 days compared to the first quarter of 2018.
- 30
- 31
- 33 The average time it took to sell a home last quarter was 70 days.
- 34 Compared to a year ago, 10 counties saw the length of time it took to sell a home drop, 1 remained static, and 15 counties saw market time rise.
- 35
- 38 Homes again sold the fastest in Washington (22 days) and Multnomah (30 days) counties.

CONCLUSIONS



The speedometer reflects the state of the region's real estate market using housing inventory, price gains, home sales, interest rates, and larger economic factors. Inventory levels, although rising, are still lower than I would like to see. With the region's economic vitality and low mortgage rates, I expect to see more buyers starting their search for a new home. Because of these factors, I have moved the needle a little more in favor of home sellers.

ABOUT MATTHEW GARDNER

As Chief Economist for Windermere Real Estate, Matthew Gardner is responsible for analyzing and interpreting economic data and its impact on the real estate market on both a local and national level. Matthew has over 30 years of professional experience both in the U.S. and U.K.

Matthew also sits on the Washington State Governors Council of Economic Advisors; chairs the Board of Trustees at the Washington Center for Real Estate Research at the University of Washington; and is an Advisory Board Member at the Runstad Center for Real Estate Studies at the University of Washington.