

THE Q3 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

The State of Oregon added 29,300 new jobs over the past 12 months, representing an annual growth rate of 1.5%. The current pace of job growth has slowed as we've moved through 2019. I anticipate this trend will continue.

The Southwest Washington market (Clark, Cowlitz, Skamania, and Klickitat counties) added 2,200 new jobs over the past 12 months, which represents an annual growth rate of 1.3%.

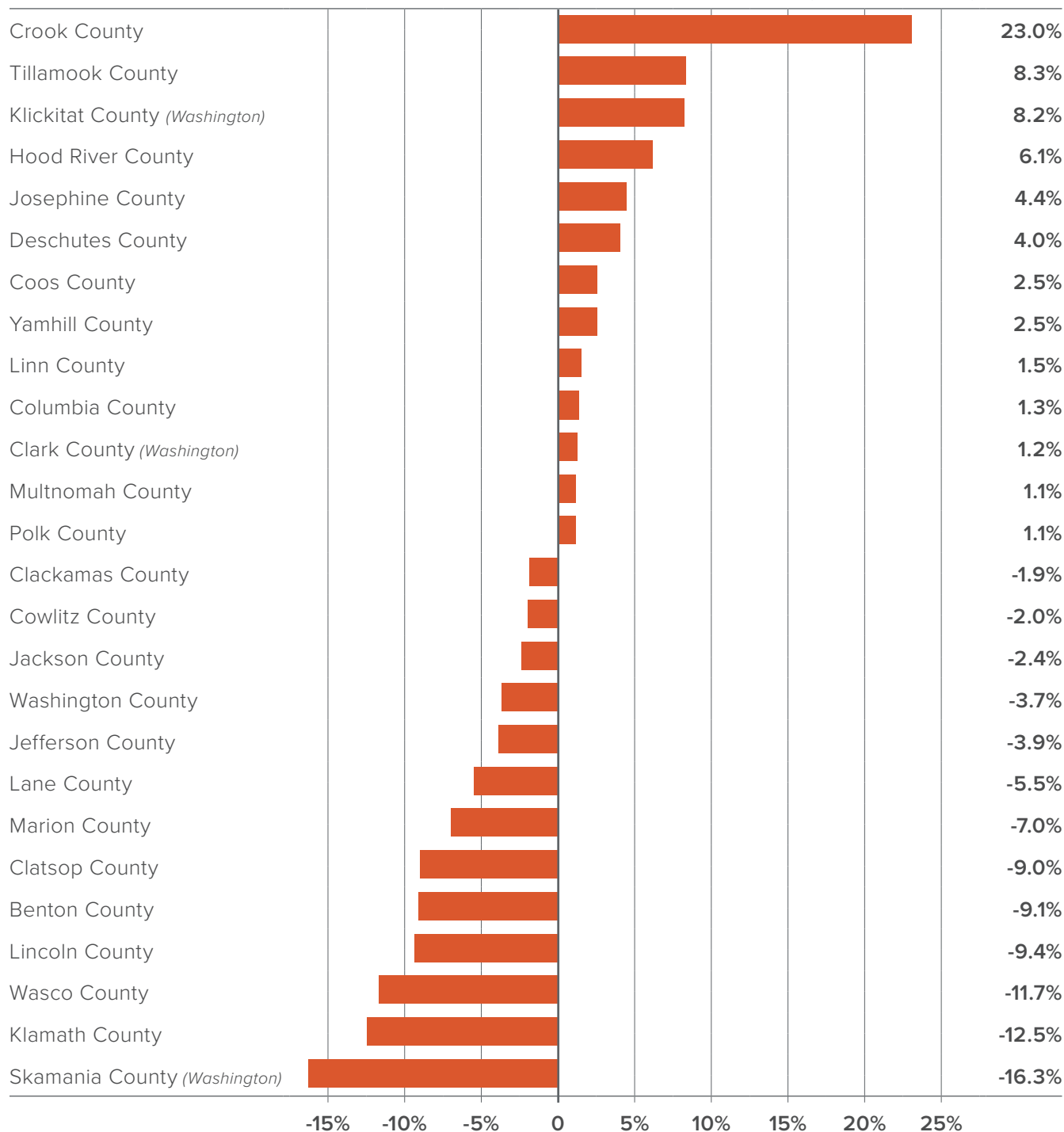
Oregon's unemployment rate was 4% in August, down from 4.1% a year ago. In Southwest Washington, the unemployment rate was 5.8%, up from 4.9% a year ago.

HOME SALES

- Third quarter home sales dropped a very modest 1.5% compared to the same period last year, with a total of 17,885 transactions occurring.
- Sales rose fastest in Crook County, which saw a significant 23% increase compared to the third quarter of 2018. There were also solid increases in Tillamook and Klickitat counties. Home sales fell the most in Skamania, Klamath and Wasco counties, but they are relatively small markets so I am not overly concerned.
- Year-over-year sales rose in 13 counties and dropped in the other 13 counties contained in this report.
- Sales in the third quarter rose 7% compared to the second quarter of this year, which suggests that the region's housing market remains quite buoyant.

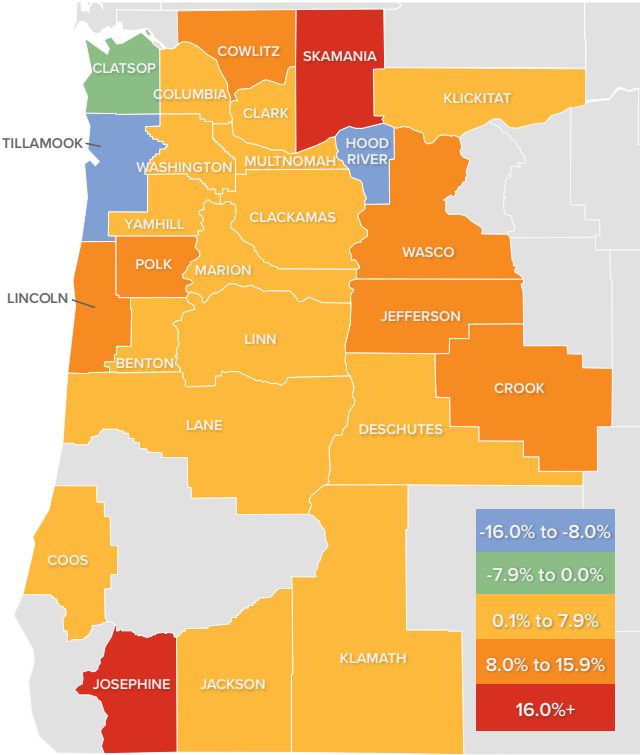
ANNUAL CHANGE IN HOME SALES

Q3-2018 TO Q3-2019



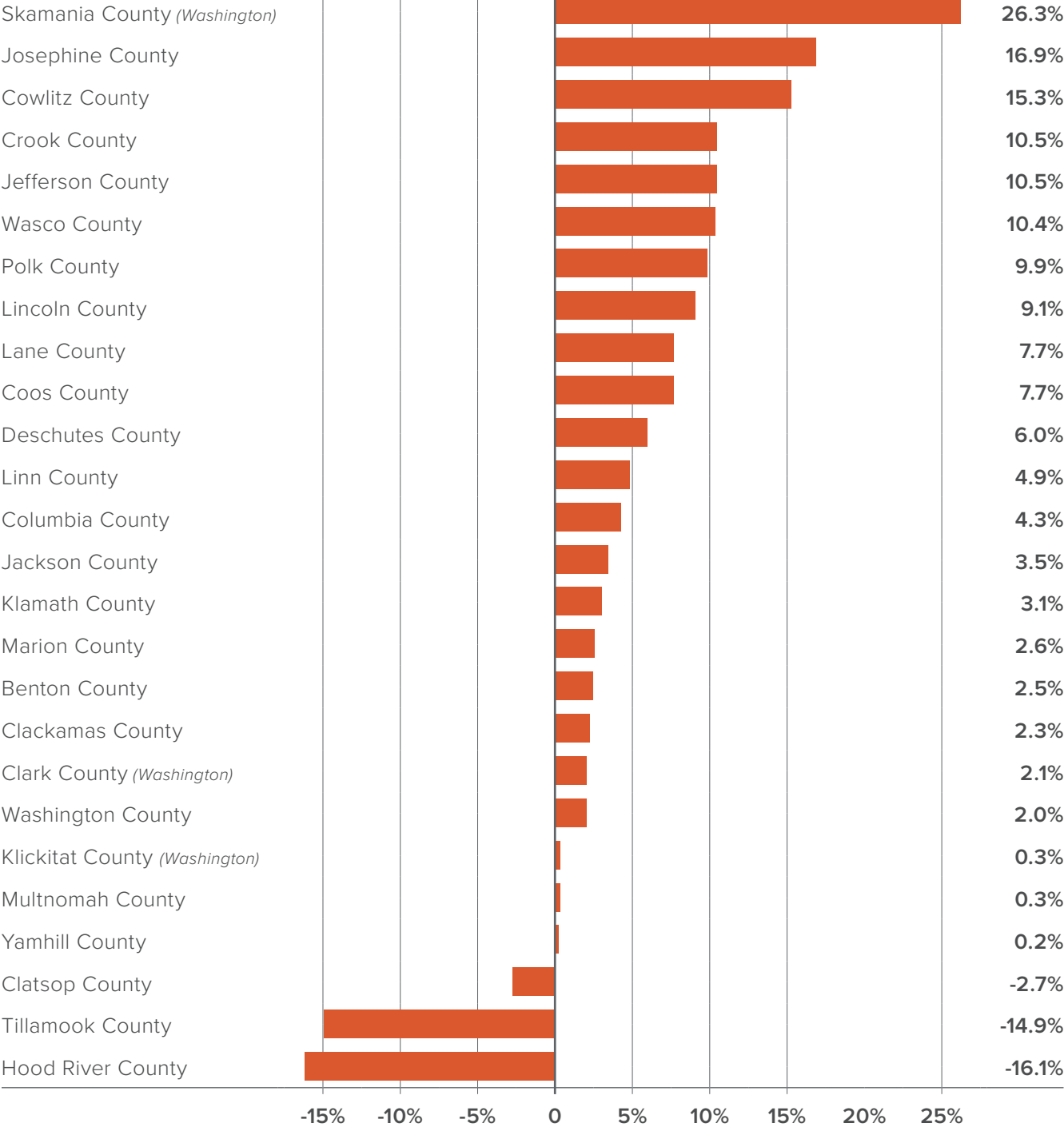
HOME PRICES

- The average home price in the region rose 3.5% year-over-year to \$403,584. Sale prices were 0.6% higher compared to the second quarter of this year.
- Skamania County led the market with the strongest annual price growth. Homes there sold for 26.3% more than a year ago. The greatest contraction in sale prices was in small Hood River and Tillamook counties. Smaller markets can be prone to significant swings, though, so I see no cause for concern.
- All but three of the counties contained in this report experienced price growth compared to the third quarter of 2018. Although prices continue to appreciate, we are seeing some softening in appreciation in many markets.
- The takeaway from this section is that price growth continues to moderate. Pervasively low mortgage rates will allow prices to continue rising, but at slower rates than over the past several years.

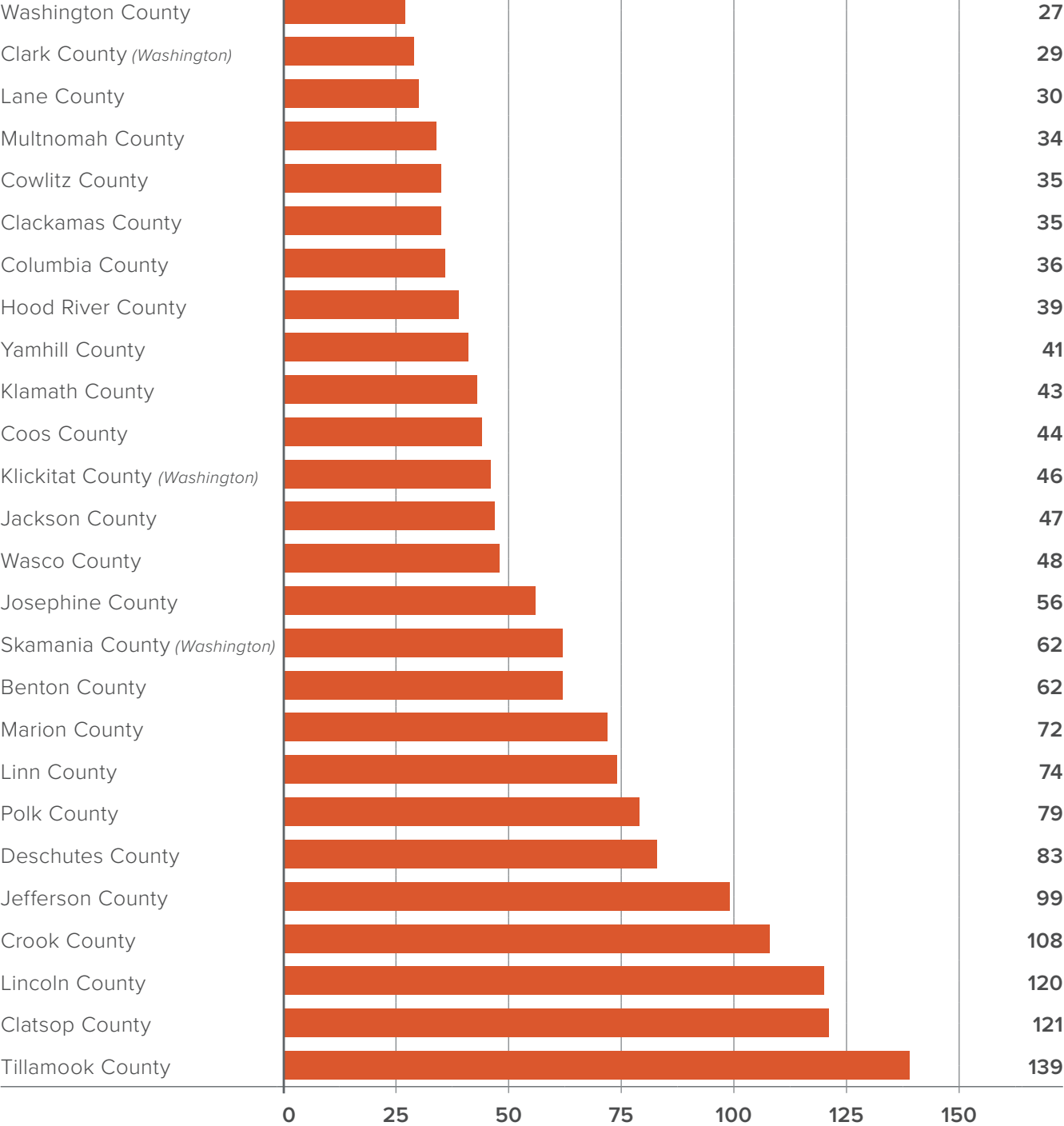


ANNUAL CHANGE IN HOME SALE PRICES

Q3-2018 TO Q3-2019



DAYS ON MARKET

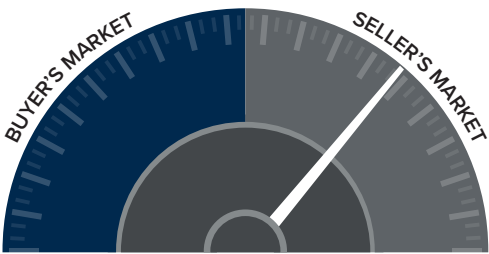


Q3-2019

DAYS ON MARKET

- » The average number of days it took to sell a home in the region dropped two days compared to the third quarter of 2018 and was down eight days compared to the second quarter of 2019.
- » The average time it took to sell a home last quarter was 62 days.
- » Compared to a year ago, 12 counties saw the length of time it took to sell a home drop , 1 remained static, and 13 saw market time rise.
- » Homes again sold fastest in Washington (27 days) and Clark (29 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.

Although sales activity moderated in the quarter, there appears to still be significant demand for housing in the region. Inventory levels, although rising, are still lower than I would like. Given economic vitality in the state and low mortgage rates, I expect to see more home buyers start 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.