

The Central Oregon housing market continued to see increases in home prices and, to a lesser extent, sales volume in 2018. Across the region, median home prices grew almost six percent higher in 2018 compared to 2017. Sales volume increased by only a little more than one percent. However, these trends are unevenly distributed across the region. The Bend area continues to account for half of all home sales in the region. Sales price increases were most apparent in select areas—Bend, Sunriver, La Pine/Three Rivers South, and Jefferson County.

Here are some economic highlights from across 2018:

- **Bend:** Throughout 2018, the City of Bend was actively working on various planning efforts. The City began work on the urban growth boundary expansion area known as The Elbow in southeast Bend. The City also kicked off planning and analysis efforts for the opportunity area of the Bend Central District. In 2019, the City will work to finalize their Transportation System Plan.
- The Bend City Council approved a map alignment project to match the Comprehensive Plan to the updated land use zoning designations. The City Council also approved allowing triplexes and duplexes in single family zoned zones.

MEDIAN SALES PRICE AND SALES VOLUME (2018)

Submarket	Price	Volume
Bend	\$425,000	3,203
Crook County	\$250,000	485
Jefferson County	\$215,000	265
La Pine/Three Rivers South	\$260,000	581
Redmond/Terrebonne/ Crooked River Ranch	\$295,000	1,370
Sisters	\$419,900	317
Sunriver	\$428,250	288

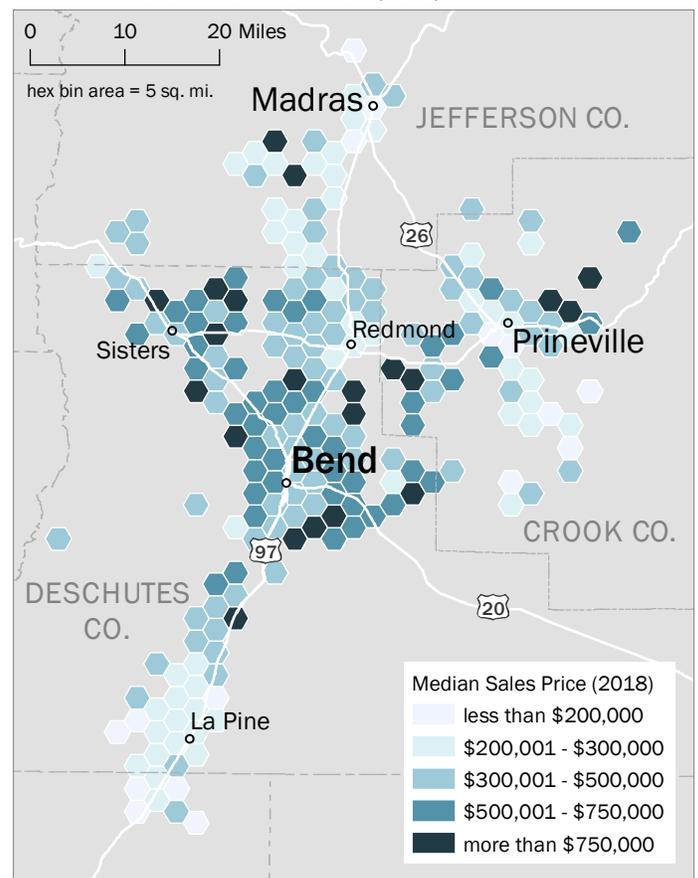
MEDIAN SALES PRICE AND SALES VOLUME BY SUBMARKET FOR ALL SUBMARKETS (2018)

	Amount	Change, 2017-2018
Volume (Units)	6,509	↑ 1.24%
Median Sales Price	\$358,000	↑ 5.92%

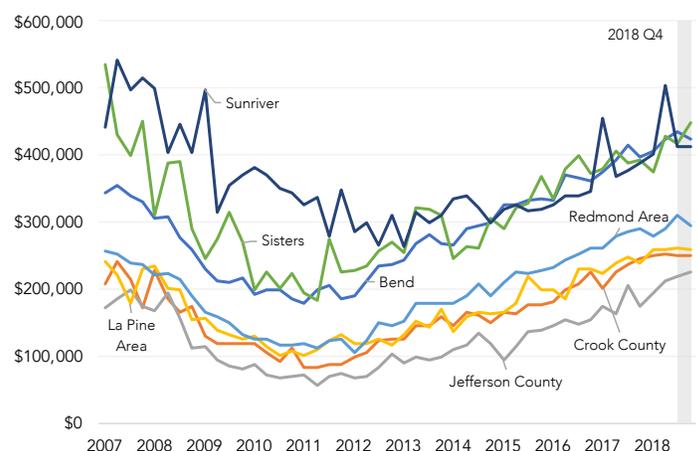
About the data used in this report:

To produce this report, ECONorthwest compiled and organized data from COAR's MLS database. All questions related to data accuracy and verification should be directed to COAR.

MEDIAN REGIONAL SALES PRICE (2018)



SUBMARKET COMPARISON—MEDIAN HOME SOLD PRICES (QUARTERLY, 2007–2018)



Summary cont.

- **La Pine:** In May, St. Charles Family Care opened in La Pine bringing much needed medical services to the community. The City is working on an update to their Comprehensive Plan.
- **Madras:** The Madras commercial real estate market was quite active in 2018 with the opening of the Plateau Travel Plaza and new restaurants like Madras Brewing. Starting in 2019, the Madras Aquatic Center and Recreation District (MACRD) is planning a multimillion dollar expansion of its Juniper Hills Park facilities. The plans include indoor/outdoor soccer fields, additional basketball courts, volleyball and badminton tournaments, a weight room, a wellness center, and possibly an ice skating rink.
- **Redmond:** The City of Redmond continues to actively plan and manage its population growth and promote new development. The City has been working on urban area reserves and continues its focus on revitalizing the city's downtown. In 2019, Redmond will begin work on their new Comprehensive Plan.
- **Prineville:** Prineville continues to attract data center investment. In late 2018, Facebook announced plans for two new data centers, a projected \$750 million investment. Apple, another data center owner, has agreed to help fund the City's underground storage facilities.
- **Sisters:** In 2018, several community partners came together to launch a community visioning project called Sisters Horizons. This effort lays the groundwork for economic, cultural, transportation, and housing plans.
- **Sunriver:** In November, the Sunriver Nature Center and Observatory announced a five million expansion to accommodate its increasing number of annual visitors.

Price Index—2018 Quarter 4

Figure 1 is a repeat sales price index. This shows the relative value of a home through time. This index is created by comparing the difference in the sale price of the same home between two sales. That price change is then divided by the number of years between sales to create an annualized change in value. As shown in the index, prices have steadily risen since 2012 signaling a strong performance since the Great Recession.

Figure 2 compares year over year change of the repeated sales price index to that of an average price change approach. The repeated sales price index is a preferable method of calculating the change in the average market value of homes. This is because it is not biased by the higher sales price of new construction and is comparing the actual change in market value of the same homes through time. As shown on the chart, the average price change approach has more dramatic estimates, with increases as high as 20% in 2013, followed by increases of 6.5% in 2014. This is in contrast to the repeated sales index methodology, where there was an 8% increase in prices in 2013 and a 11% increase in prices in 2014. It is interesting to note that in the last three years the repeated sales index has reported larger price increases than the average price change approach.

Since our previous report, we have updated our price index methodology. Our new methodology allows us to track more properties but requires us to begin our index at a later year than previous reports.

Figure 1

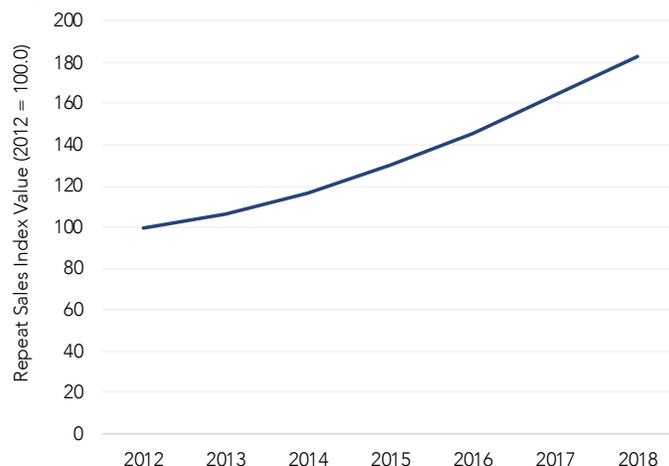


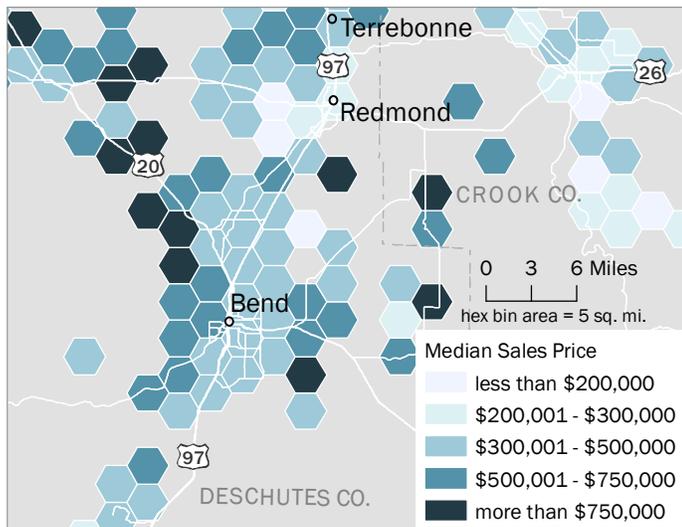
Figure 2



Bend—2018 Quarter 4

The Bend housing market showed consistent, if slightly decreasing, trends in the fourth quarter of 2018. There was a usual decrease in home sale volume from the third quarter to the fourth quarter of the year. Of note however is that home sale volume is down almost 10 percent from the same quarter in 2017. Home prices in Bend do appear to be stable. Across 2018, median home sale prices in the Bend market stayed about \$400,000, ending the year at a median sales price of \$425,000—over seven percent higher than the same quarter last year.

MEDIAN SALES PRICE



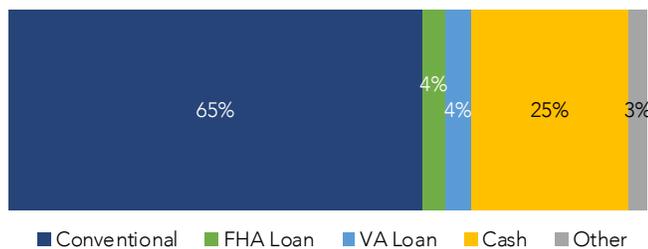
HOME PRICING

Existing	New	New Construction Premium
\$417,000	\$477,175	-0.28%

NEW CONSTRUCTION SALES

New Units Sold	New Units as a % of Total Units
126	17.48%

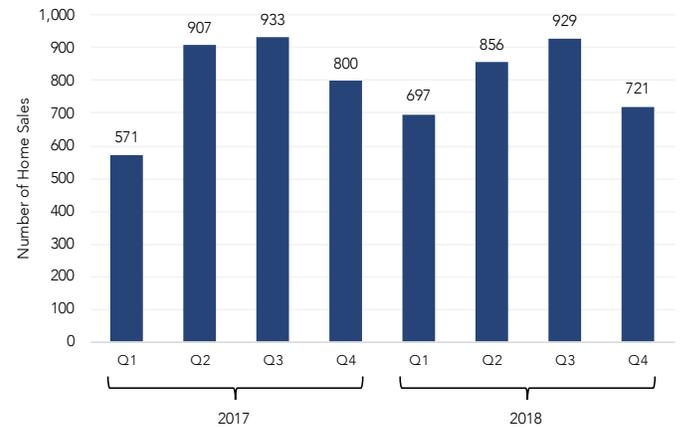
HOME FINANCING



Data includes all residential sales, including sales of single family homes, manufactured homes, mobile homes, condos, deeded share, townhomes, and timeshares.

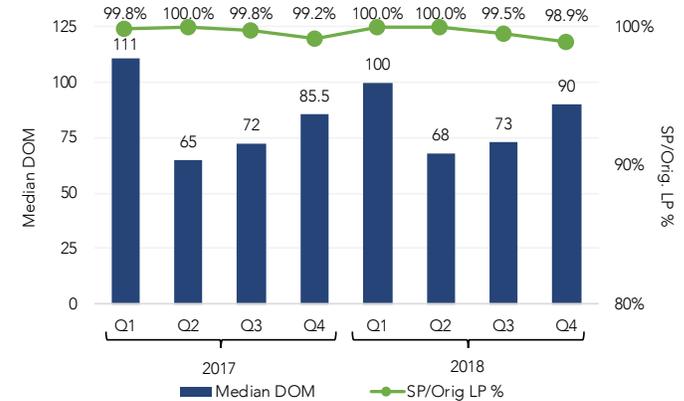
SALES VOLUME

	Change, 2018Q3 to 2018Q4	Change, 2017Q4 to 2018Q4
Homes Sold	↓ -22.39%	↓ -9.88%



MEDIAN DOM & SALES PRICE VS. LISTING PRICE

	Change, 2018Q3 to 2018Q4	Change, 2017Q4 to 2018Q4
DOM	↑ 23.29%	↑ 5.26%
Sold/Orig LP Diff. %	↓ -0.55%	↓ -0.30%



MEDIAN SALES PRICE & MEDIAN SALES PER SQFT

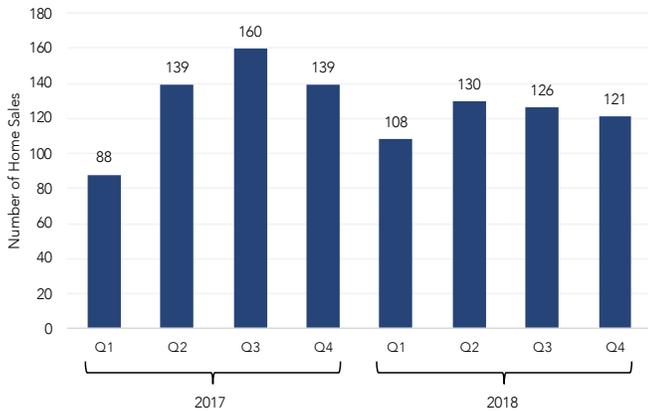
	Change, 2018Q3 to 2018Q4	Change, 2017Q4 to 2018Q4
Median Sales Price	↓ -2.30%	↑ 7.13%



Home sales volume in Crook County is down almost 13 percent from the same quarter in 2017. However, this is a small change as most other data points appear to be stable. Median sales price in this submarket remained almost unchanged throughout the year.

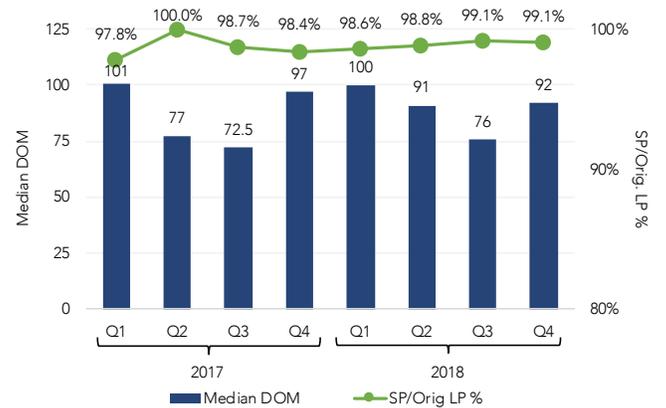
SALES VOLUME

	Change, 2018Q3 to 2018Q4	Change, 2017Q4 to 2018Q4
Homes Sold	↓ -3.97%	↓ -12.95%



MEDIAN DOM & SALES PRICE VS. LISTING PRICE

	Change, 2018Q3 to 2018Q4	Change, 2017Q4 to 2018Q4
DOM	↑ 21.05%	↓ -5.15%
Sold/Orig LP Diff. %	↓ -0.04%	↑ 0.68%



HOME PRICING

Existing	New	New Construction Premium
\$249,900	\$292,000	4.71%

MEDIAN SALES PRICE & MEDIAN SALES PER SQFT

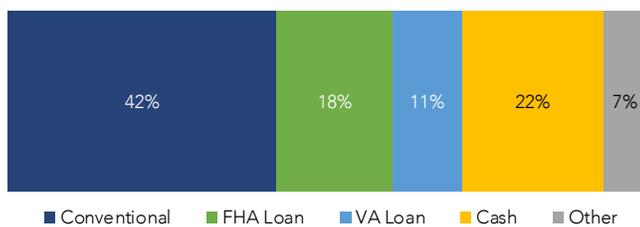
	Change, 2018Q3 to 2018Q4	Change, 2017Q4 to 2018Q4
Median Sales Price	↑ 0.02%	↑ 2.04%



NEW CONSTRUCTION SALES

New Units Sold	New Units as a % of Total Units
14	11.57%

HOME FINANCING

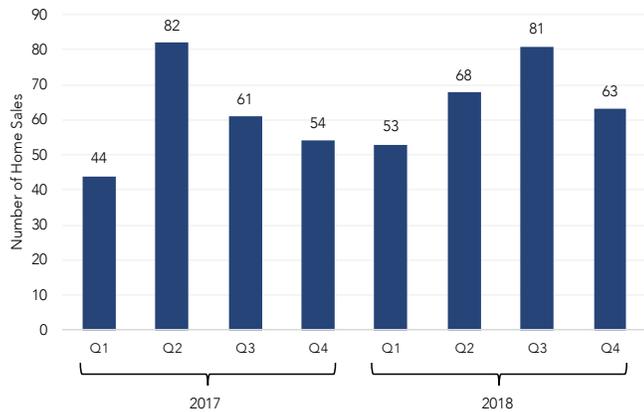


Data includes all residential sales, including sales of single family homes, manufactured homes, mobile homes, condos, deeded share, townhomes, and timeshares.

Jefferson County is one of the few Central Oregon submarkets that continues to see upward data trends in late 2018. Sale volume was up over 16 percent in the last quarter of the year when compared to the same quarter in 2017. Unlike most other markets, Jefferson County saw quarter-to-quarter growth in median sales prices. In the final quarter of 2018, the median sales price was \$226,000.

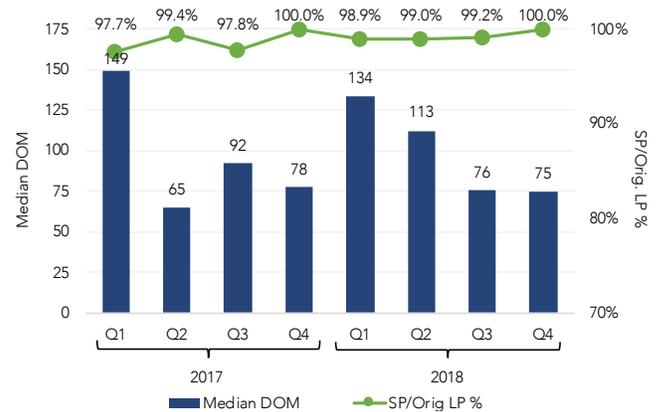
SALES VOLUME

	Change, 2018Q3 to 2018Q4	Change, 2017Q4 to 2018Q4
Homes Sold	↓ -22.22%	↑ 16.67%



MEDIAN DOM & SALES PRICE VS. LISTING PRICE

	Change, 2018Q3 to 2018Q4	Change, 2017Q4 to 2018Q4
DOM	↓ -1.32%	↓ -3.23%
Sold/Orig LP Diff. %	↑ 0.84%	- 0.00%



HOME PRICING

Existing	New	New Construction Premium
\$219,000	\$262,500	12.67%

MEDIAN SALES PRICE & MEDIAN SALES PER SQFT

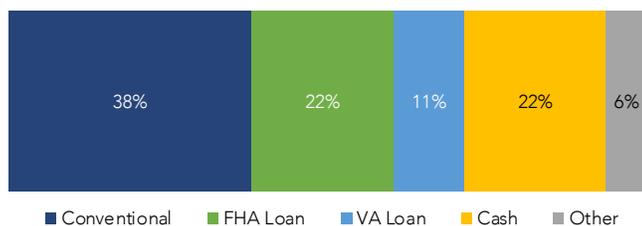
	Change, 2018Q3 to 2018Q4	Change, 2017Q4 to 2018Q4
Median Sales Price	↑ 3.20%	↑ 28.82%



NEW CONSTRUCTION SALES

New Units Sold	New Units as a % of Total Units
8	12.70%

HOME FINANCING



La Pine/Three Rivers South—2018 Quarter 4

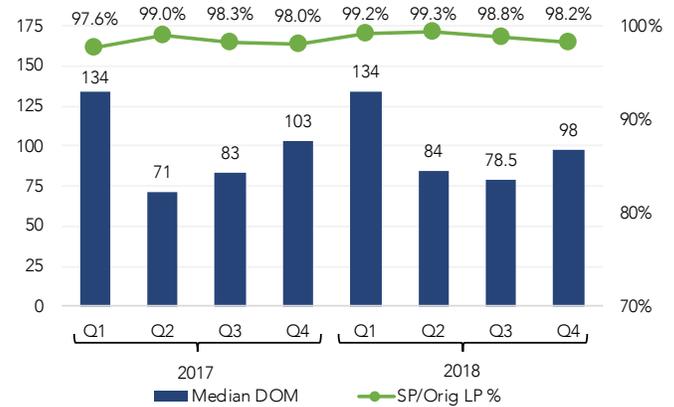
La Pine/Three Rivers South continues its stable trends seen in previous quarters of 2018. Sales volume, days-on-market, and median sales price all remain fairly consistent across all quarters of 2018.

SALES VOLUME



MEDIAN DOM & SALES PRICE VS. LISTING PRICE

	Change, 2018Q3 to 2018Q4	Change, 2017Q4 to 2018Q4
DOM	↑ 24.84%	↓ -4.85%
Sold/Orig LP Diff. %	↓ -0.61%	↑ 0.24%

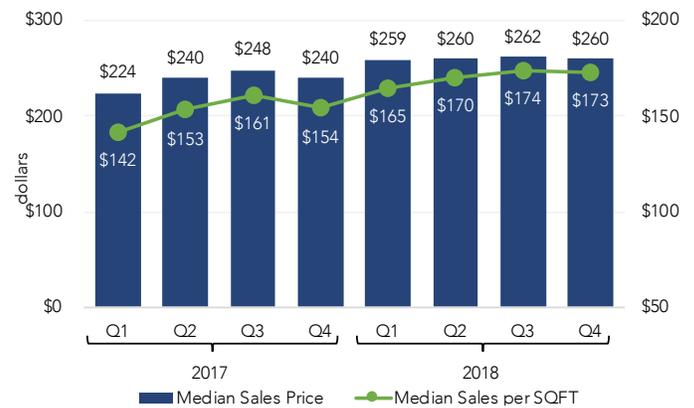


HOME PRICING

Existing	New	New Construction Premium
\$259,500	\$273,900	-6.65%

MEDIAN SALES PRICE & MEDIAN SALES PER SQFT

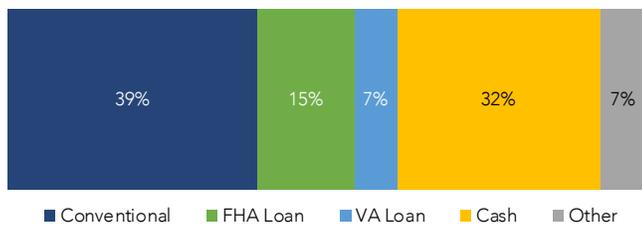
	Change, 2018Q3 to 2018Q4	Change, 2017Q4 to 2018Q4
Median Sales Price	↓ -0.80%	↑ 8.29%



NEW CONSTRUCTION SALES

New Units Sold	New Units as a % of Total Units
14	9.27%

HOME FINANCING

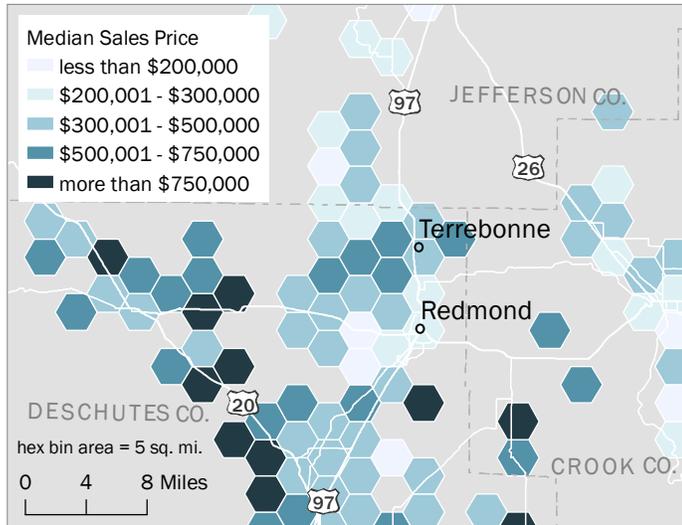


Data includes all residential sales, including sales of single family homes, manufactured homes, mobile homes, condos, deeded share, townhomes, and timeshares.

Redmond/Terrebonne/Crooked River Ranch—2018 Quarter 4

The Redmond area saw an increase in sales volume in the final quarter of 2018 when compared to the same quarter in 2017. Most other data points were consistent across all quarters of the year.

MEDIAN SALES PRICE



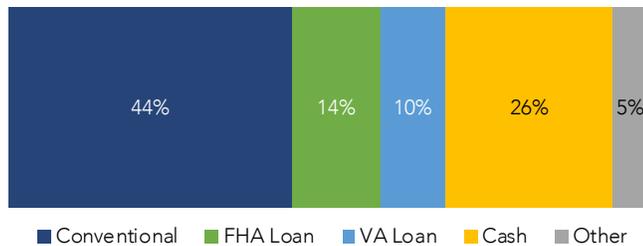
HOME PRICING

Existing	New	New Construction Premium
\$285,250	\$315,450	3.58%

NEW CONSTRUCTION SALES

New Units Sold	New Units as a % of Total Units
82	23.98%

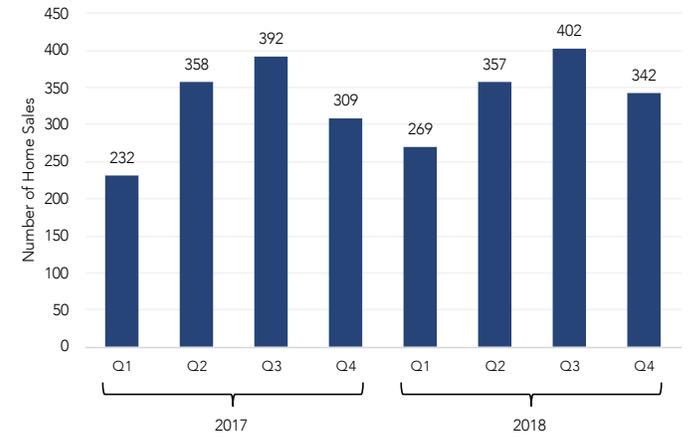
HOME FINANCING



Data includes all residential sales, including sales of single family homes, manufactured homes, mobile homes, condos, deeded share, townhomes, and timeshares.

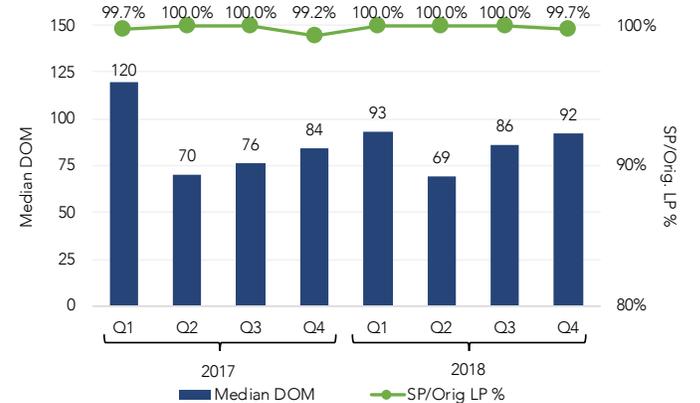
SALES VOLUME

	Change, 2018Q3 to 2018Q4	Change, 2017Q4 to 2018Q4
Homes Sold	↓ -14.93%	↑ 10.68%



MEDIAN DOM & SALES PRICE VS. LISTING PRICE

	Change, 2018Q3 to 2018Q4	Change, 2017Q4 to 2018Q4
DOM	↑ 6.98%	↑ 9.52%
Sold/Orig LP Diff. %	↓ -0.31%	↑ 0.50%



MEDIAN SALES PRICE & MEDIAN SALES PER SQFT

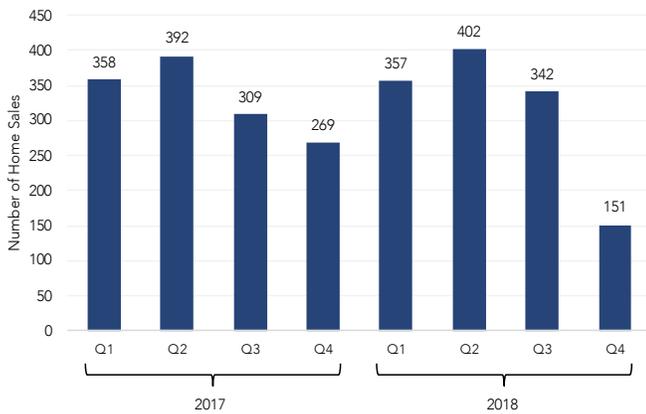
	Change, 2018Q3 to 2018Q4	Change, 2017Q4 to 2018Q4
Median Sales Price	↓ -4.94%	↑ 1.52%



Like most Central Oregon markets, the Sisters home market was fairly consistent in the fourth quarter of the year when compared to other quarters. One standout data point—home sales volume—plummeted in the final quarter of the year when compared to the same quarter in 2017. Between those time periods, sales volume is down by over 40 percent.

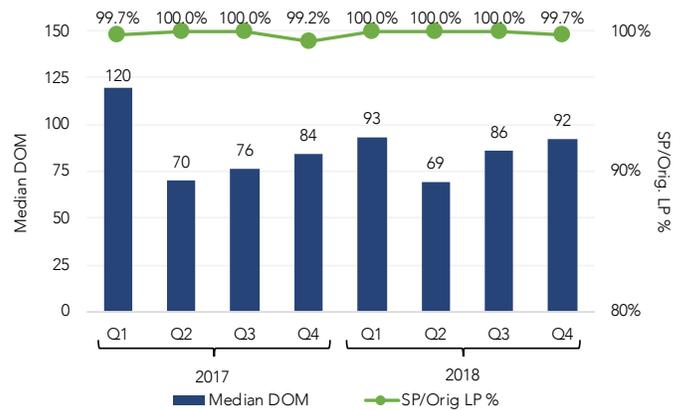
SALES VOLUME

	Change, 2018Q3 to 2018Q4	Change, 2017Q4 to 2018Q4
Homes Sold	↓ -55.85%	↓ -43.87%



MEDIAN DOM & SALES PRICE VS. LISTING PRICE

	Change, 2018Q3 to 2018Q4	Change, 2017Q4 to 2018Q4
DOM	↑ 6.98%	↑ 9.52%
Sold/Orig LP Diff. %	↓ -0.31%	↑ 0.50%

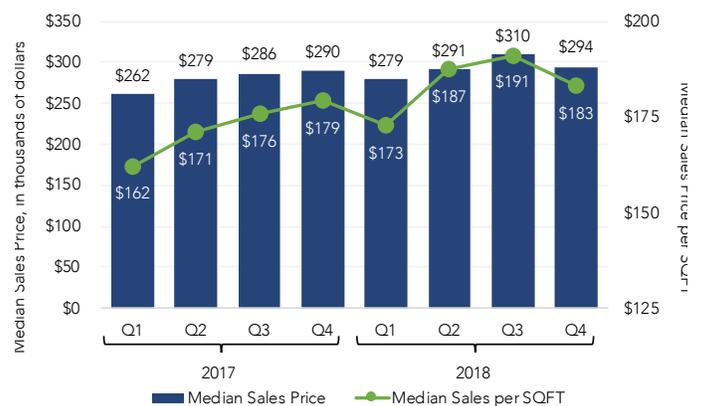


HOME PRICING

Existing	New	New Construction Premium
\$460,000	\$370,336	11.31%

MEDIAN SALES PRICE & MEDIAN SALES PER SQFT

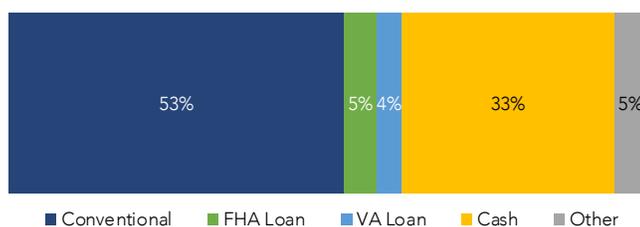
	Change, 2018Q3 to 2018Q4	Change, 2017Q4 to 2018Q4
Median Sales Price	↓ -4.94%	↑ 1.52%



NEW CONSTRUCTION SALES

New Units Sold	New Units as a % of Total Units
11	14.10%

HOME FINANCING

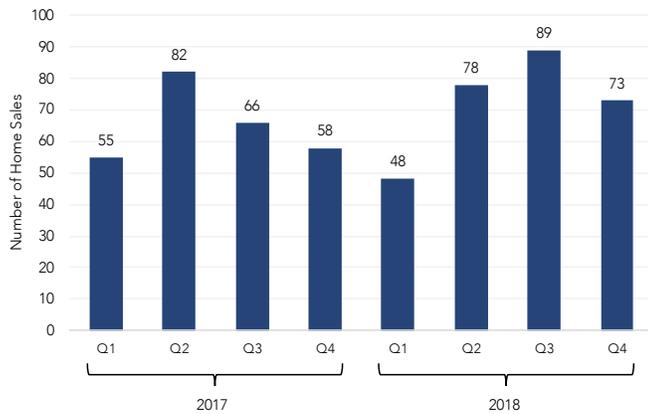


Data includes all residential sales, including sales of single family homes, manufactured homes, mobile homes, condos, deeded share, townhomes, and timeshares.

Sunriver saw an uptick in home sales volume in the final quarter of 2018, when compared to the same quarter in 2017. Median sales prices has shown incremental, but consistent growth over the past few quarters.

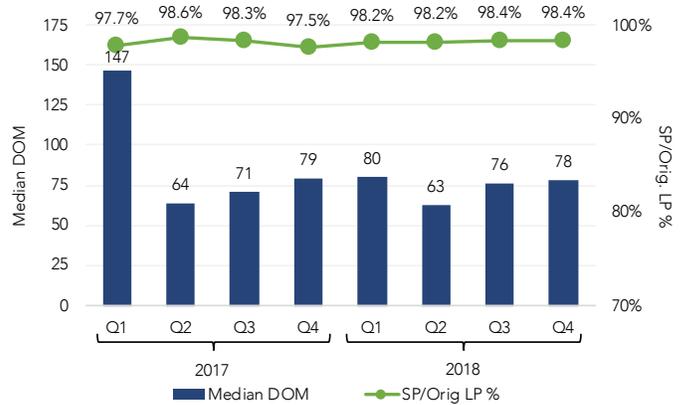
SALES VOLUME

	Change, 2018Q3 to 2018Q4	Change, 2017Q4 to 2018Q4
Homes Sold	↓ -17.98%	↑ 25.86%



MEDIAN DOM & SALES PRICE VS. LISTING PRICE

	Change, 2018Q3 to 2018Q4	Change, 2017Q4 to 2018Q4
DOM	↑ 2.63%	↓ -1.27%
Sold/Orig LP Diff. %	↓ -0.01%	↑ 0.89%

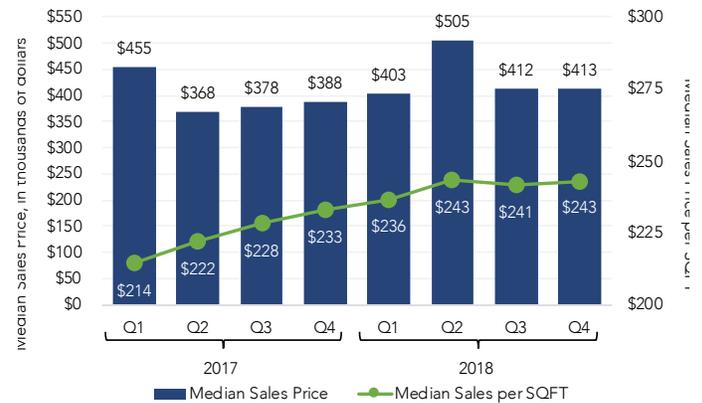


HOME PRICING

Existing	New	New Construction Premium
\$412,500	-	-

MEDIAN SALES PRICE & MEDIAN SALES PER SQFT

	Change, 2018Q3 to 2018Q4	Change, 2017Q4 to 2018Q4
Median Sales Price	↑ 0.12%	↑ 6.25%



NEW CONSTRUCTION SALES

New Units Sold	New Units as a % of Total Units
-	-

HOME FINANCING

