

Central Oregon Association of REALTORS

2018 Quarter 3 Report

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The Central Oregon housing market continued to see home price appreciation across most of the region in the third quarter of 2018. Other data points—days on market, sales volume, etc.—varied from city to city. Altogether, the region continues on a stable path forward through 2018.

Here are some of the economic highlights from the third quarter of 2018:

- **Bend:** Bend recently updated the comprehensive and zoning plans to match, removing the need for property owners to pay for compliance. Bend has also approved planning funds for the UGB expansion area known as the Elbow in SE Bend.
- **La Pine:** In early 2019, La Pine will begin \$25 million in infrastructure improvements to connect two neighborhoods to the city's water system. The project will bring water and sewer to 275 developed homes and undeveloped lots.
- **Madras:** The Madras Municipal Airport has received more than \$2.5 million in federal grants to help with much needed repairs and upgrades. (Cont. on next page)

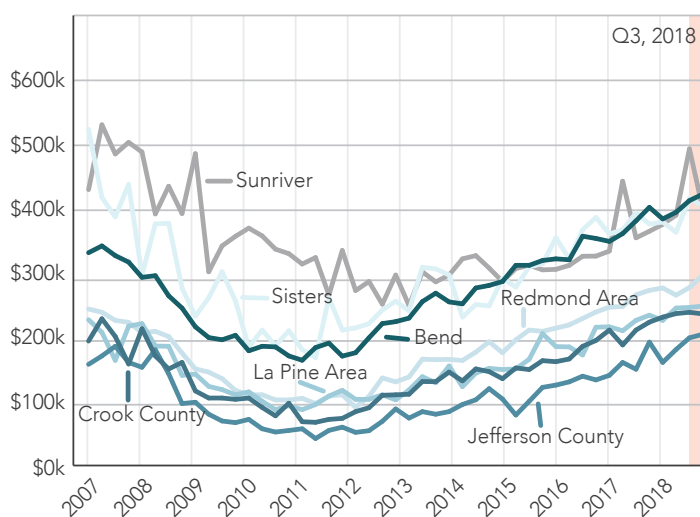
Median Sales Price and Median Sales Volume by Submarket

	Price	Volume
Bend	\$435,000	929
Crook County	\$249,950	126
Jefferson County	\$218,500	81
La Pine/Three Rivers South	\$262,000	176
Redmond/Terrebonne/Crooked River Ranch	\$309,701	402
Sisters	\$416,824	86
Sunriver	\$412,000	89

For All Submarkets

	Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
Units Sold	↑	8.44%	↓	-0.74%
Med. Price	↑	1.1%	↑	8.35%

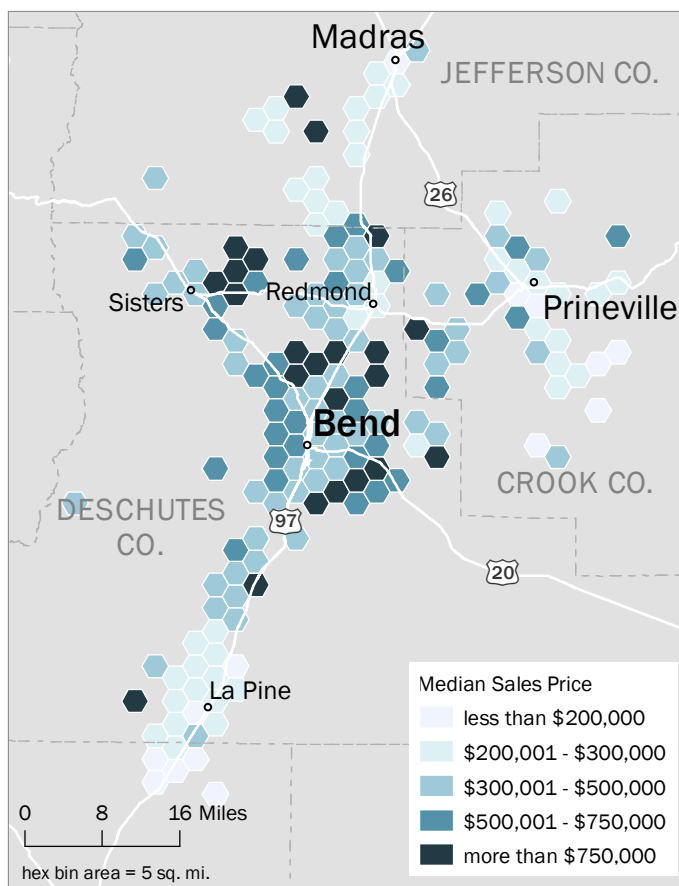
Submarket Comparison—Median Home Sold Prices, Quarterly, 2007–2018



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



Summary cont.

- **Prineville:** Facebook announced that two additional buildings will be constructed at its data center in Crook County. This represents a \$750 million investment and approximately 100 jobs.
- **Redmond:** A project in Redmond that aims to bring businesses, a fairgrounds expansion, and a new military readiness center moved forward

with state approval. This includes lands for large-lot industrial land, which has been seen as critical to growing central Oregon employment lands.

- **Sisters:** Although the company only opened in 2016, Laird Superfood is expanding rapidly. Their five-year expansion plan calls for adding over 250 new employees.

Price Index—2018 Quarter 3

What is a price index? A price index is an alternative measure to average sales price, utilized to measure price changes over time in a market. Our price index uses a repeat sales methodology (similar to the S&P/Case-Shiller Index) to track the sales price of a home at two points in time to see how much the price changed. This approach controls for the changing quality and sizes of homes over time that are sold in a market. One drawback is that one cannot track new construction in a price index, so it is helpful to use multiple metrics to track market performance.

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 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 fell after 2007 and on average didn't recover in value until 2014.

Figure 1

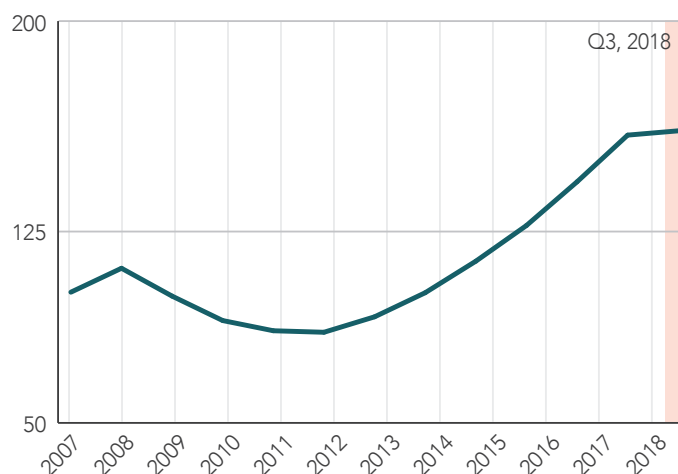


Figure 2 compares the repeated sales price index approach to that of an average price change approach. The repeated sales price index is a preferable method of calculating the change in the average market value of homes. This is because it is not biased by the higher sales price of new construction and 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 decreases of more than 20% in 2009, along with a 20% increase in 2013. This is in contrast to the repeated sales index methodology, where there was a 9% decrease in prices in 2009 and a 6% increase in prices in 2013. It is interesting to note that in the last three years the two methodologies have produced very similar estimates of annual price changes.

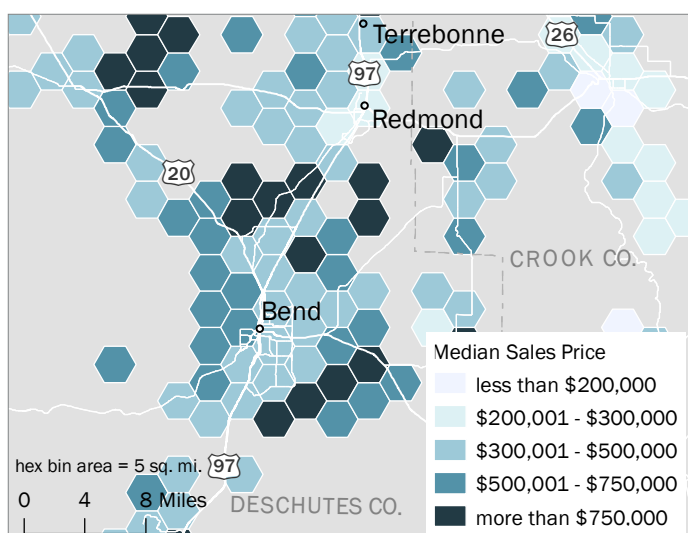
Figure 2



Bend—2018 Quarter 3

Bend showed consistency across most data points in the third quarter of 2018. Home sales volume, days-on-market, sales price to listing price all were practically unchanged from the same quarter this time last year. Bend homes do continue to see price appreciation—the median home price in Bend is up almost five percent from the third quarter of 2017. Bend stands out from other home markets in the region in several ways. In addition to having some of the highest priced homes in the area, there is also more new home construction in Bend than in any other city in the region.

Median Sales Price



Home Pricing

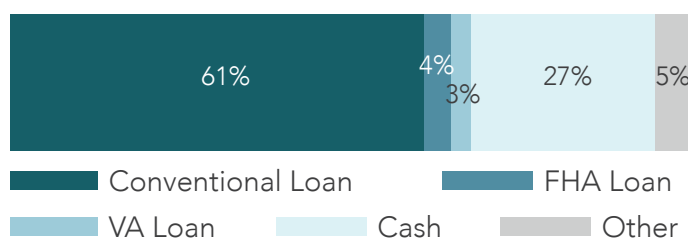
Existing	New	New Construction Premium
\$429,900	\$439,925	-6.66%

The new construction premium is calculated on a Per Square Foot basis.

New Construction Sales

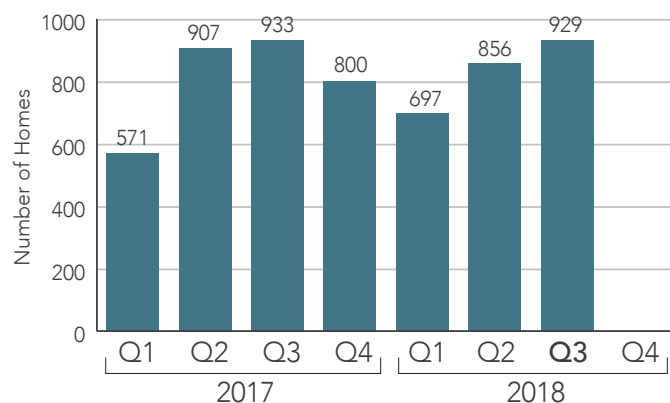
New Units Sold	New Units as a % of Total Units
164	17.65%

Home Financing



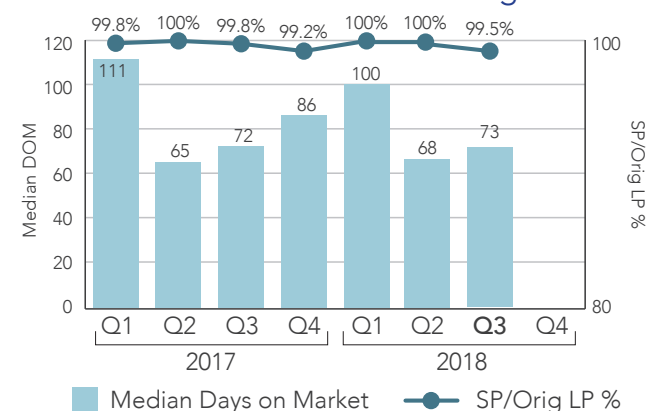
Data includes all residential sales, including sales of single family homes, manufactured homes, mobile homes, condos, deeded share, townhomes, and timeshares.

Sales Volume



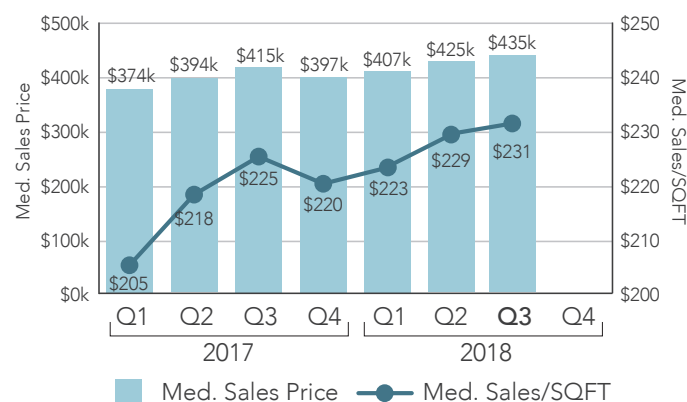
	Current QTR vs. Prev. QTR	Current QTR vs. Same QTR Last Year
Sold	↑ 8.53%	↓ -0.43%

Median DOM & Sales Price vs. Listing Price



	Current QTR vs. Prev. QTR	Current QTR vs. Same QTR Last Year
DOM	↑ 7.35%	↑ 1.39%
Sold/Orig LP Diff. %	↓ -0.53%	↓ -0.31%

Median Sales Price & Median Sales per SQFT

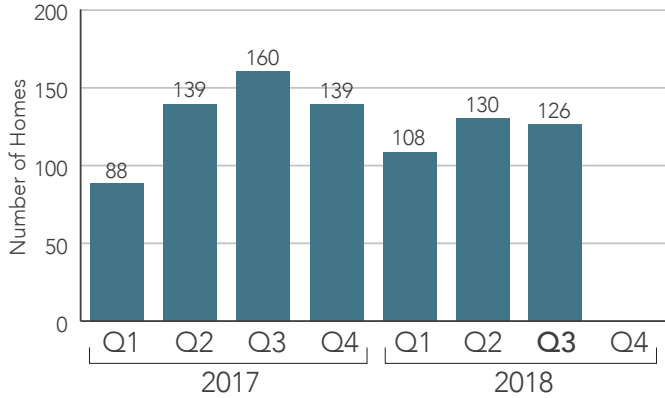


	Current QTR vs. Prev. QTR	Current QTR vs. Same QTR Last Year
Med. Price	↑ 2.35%	↑ 4.93%

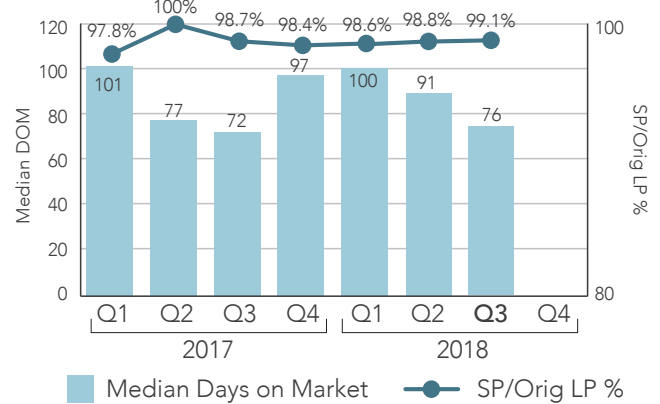
Crook County—2018 Quarter 3

Crook County is one of the residential markets in the Central Oregon region where home pricing appears to be stable. Median home price in this market has been consistent across all quarters of 2018. One notable change for the third quarter of 2018—sales volume is down over 20 percent from this quarter last year.

Sales Volume



Median DOM & Sales Price vs. Listing Price



	Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
Sold	↓	-3.08%	↓	-21.25%

	Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
DOM	↓	-16.48%	↑	4.83%
Sold/Orig LP Diff. %	↑	0.36%	↑	0.4%

Home Pricing

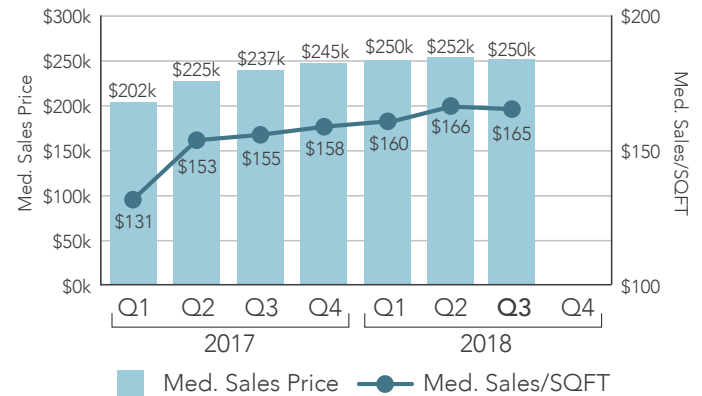
Existing	New	New Construction Premium
\$243,000	\$333,025	19.45%

The new construction premium is calculated on a Per Square Foot basis.

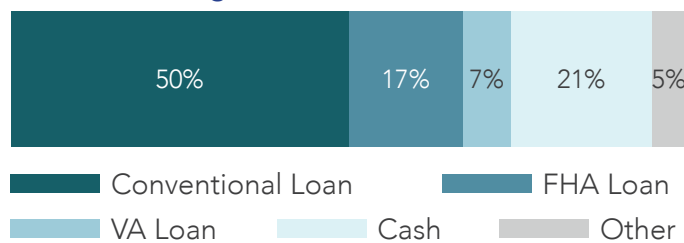
New Construction Sales

New Units Sold	New Units as a % of Total Units
14	11.11%

Median Sales Price & Median Sales per SQFT



Home Financing

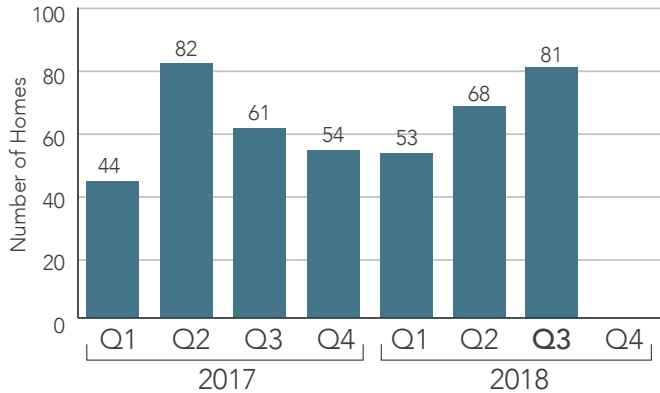


	Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
Med. Price	↓	-1%	↑	5.35%

Jefferson County—2018 Quarter 3

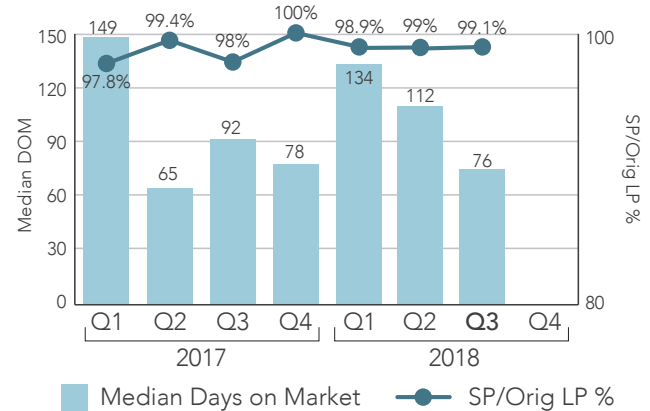
The demand for homes continues to build in Jefferson County. The County's home market saw an increase in sales volume and activity over the same quarter last year. Quarterly sales volume is up over 30 percent from the third quarter last year, and days-on-market has decreased by more than 17 percent. Home prices, both on a nominal level and on a per-square foot basis continue to increase.

Sales Volume



	Current QTR vs. Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
Sold	↑	19.12%	↑	32.79%

Median DOM & Sales Price vs. Listing Price



	Current QTR vs. Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
DOM	↓	-32.44%	↓	-17.39%
Sold/Orig LP Diff. %	↑	0.19%	↑	1.4%

Home Pricing

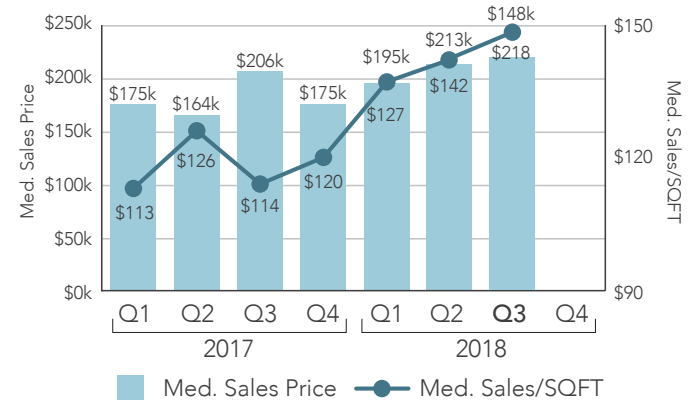
Existing	New	New Construction Premium
\$214,500	\$229,520	16.86%

The new construction premium is calculated on a Per Square Foot basis.

New Construction Sales

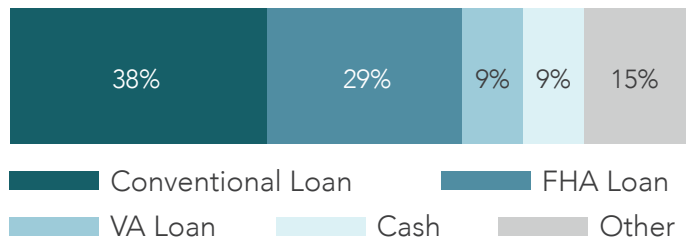
New Units Sold	New Units as a % of Total Units
9	11.11%

Median Sales Price & Median Sales per SQFT



	Current QTR vs. Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
Med. Price	↑	2.58%	↑	5.86%

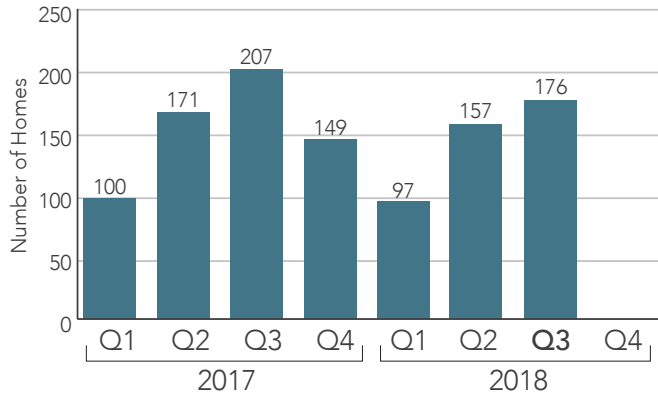
Home Financing



La Pine/Three Rivers South—2018 Quarter 3

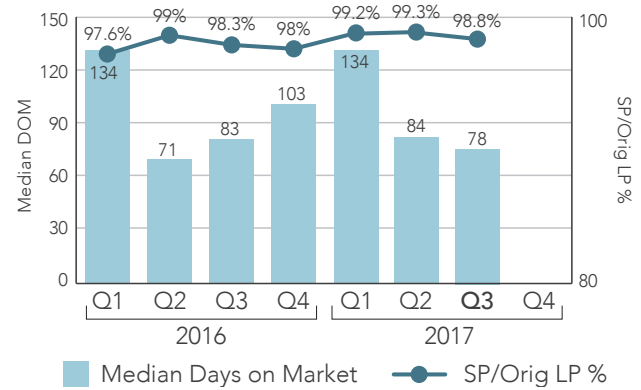
La Pine/Three Rivers South is another Central Oregon home market with consistent data trends. Days-on-market is on par with this time last year, and prices continue their incremental quarter over quarter increases. One change from this time last year; sales volume is down by almost 14 percent.

Sales Volume



	Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
Sold	↑	12.1%	↓	-14.98%

Median DOM & Sales Price vs. Listing Price



	Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
DOM	↓	-6.55%	↓	-5.42%
Sold/Orig LP Diff. %	↓	-0.51%	↑	0.55%

Home Pricing

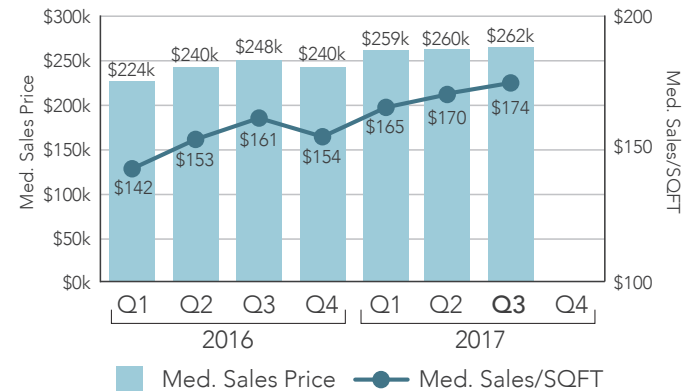
Existing	New	New Construction Premium
\$259,275	\$342,400	-0.15%

The new construction premium is calculated on a Per Square Foot basis.

New Construction Sales

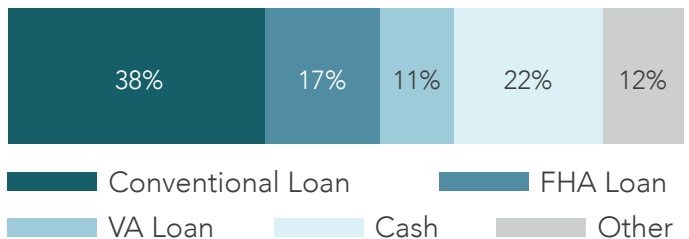
New Units Sold	New Units as a % of Total Units
18	10.23%

Median Sales Price & Median Sales per SQFT



	Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
Med. Price	↑	0.77%	↑	5.65%

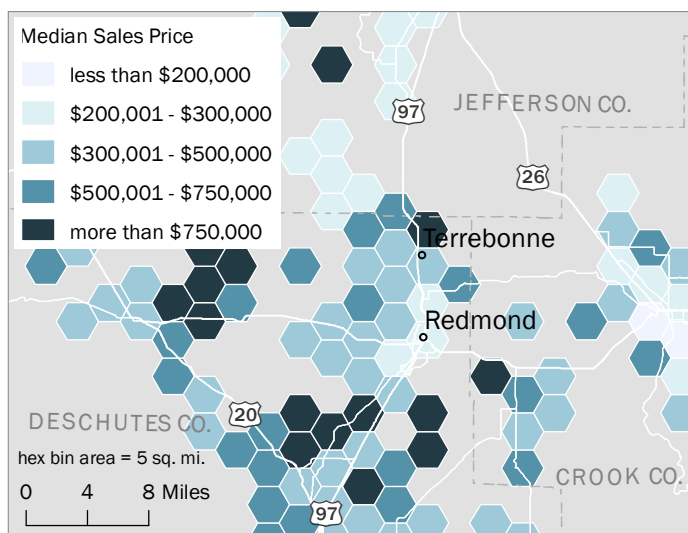
Home Financing



Redmond/Terrebonne/Crooked River Ranch—2018 Quarter 3

After Bend, the Redmond area is the second largest home market in Central Oregon region. During the third quarter of 2018 most data points are consistent with this time last year. Sales volume is on par; days-on-market saw a 13 percent increase. Home prices in this submarket continue to appreciate at steady levels. Like Bend, the Redmond market has a large portion of new homes being constructed and sold—this quarter almost 25 percent of homes sold were new construction.

Median Sales Price



Home Pricing

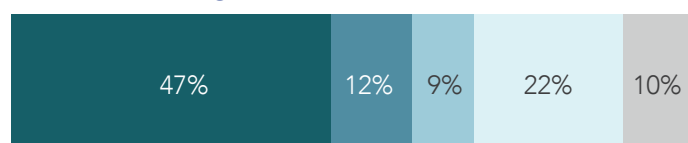
Existing	New	New Construction Premium
\$299,900	\$315,610	-3.96%

The new construction premium is calculated on a Per Square Foot basis.

New Construction Sales

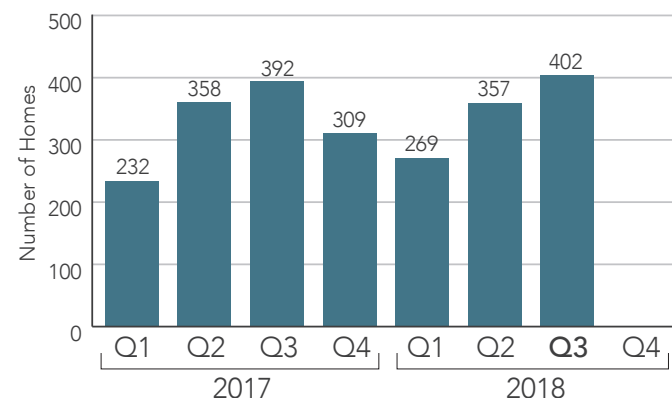
New Units Sold	New Units as a % of Total Units
98	24.38%

Home Financing



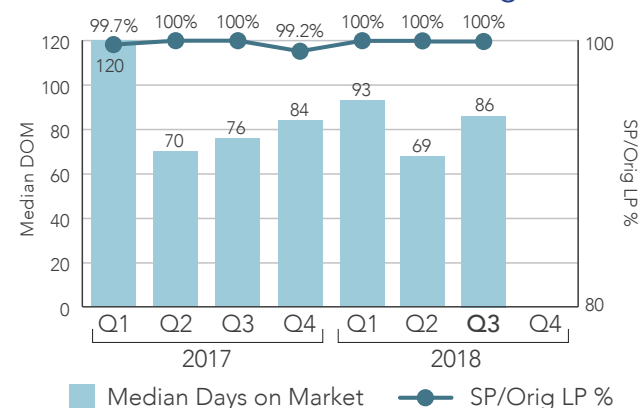
Conventional Loan VA Loan Cash FHA Loan Other

Sales Volume



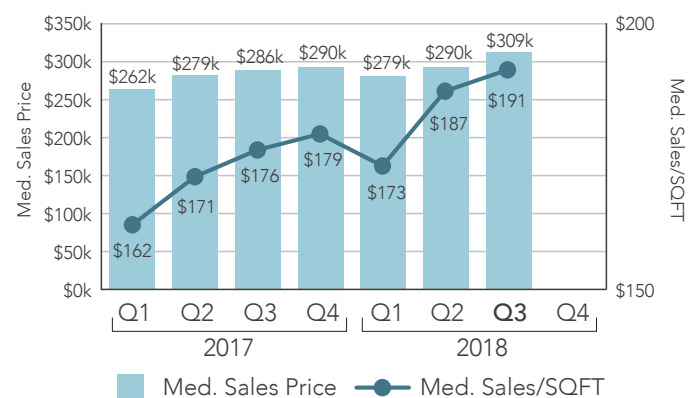
Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
Sold	↑ 12.61%	↑ 2.55%	

Median DOM & Sales Price vs. Listing Price



Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
DOM	↑ 24.64%	↑ 13.16%	
Sold/Orig LP Diff. %	- 0%	- 0%	

Median Sales Price & Median Sales per SQFT

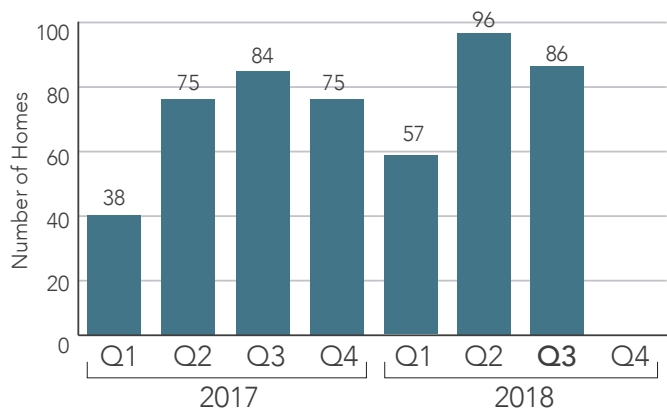


Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
Med. Price	↑ 6.52%	↑ 8.14%	

Sisters—2018 Quarter 3

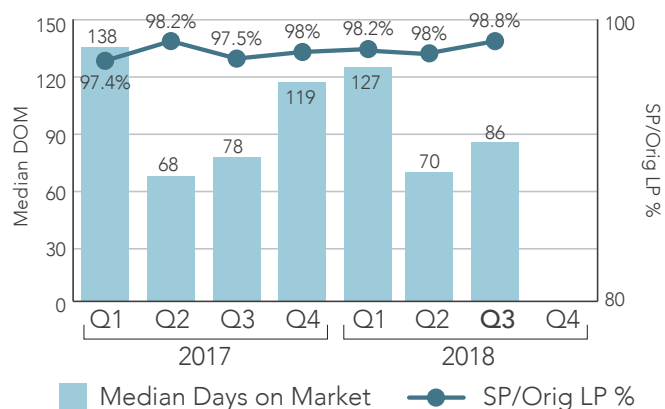
Sisters continues to feature some of the highest priced homes on average in the Central Oregon region. Most indicators in the Sisters market are close to levels seen this time last year. Sales volume is up slightly; days-on-market is also up. Home prices in Sisters are up over seven percent from this time last year. However, home pricing in Sisters has kept to a fairly even level since early 2017. Another notable data point unique to the Sisters home market: there were zero homes financed through FHA loans this quarter.

Sales Volume



	Current QTR vs. Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
Sold	↓	-10.42%	↑	2.38%

Median DOM & Sales Price vs. Listing Price



	Current QTR vs. Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
DOM	↑	23.02%	↑	9.62%
Sold/Orig LP Diff. %	↑	0.88%	↑	1.31%

Home Pricing

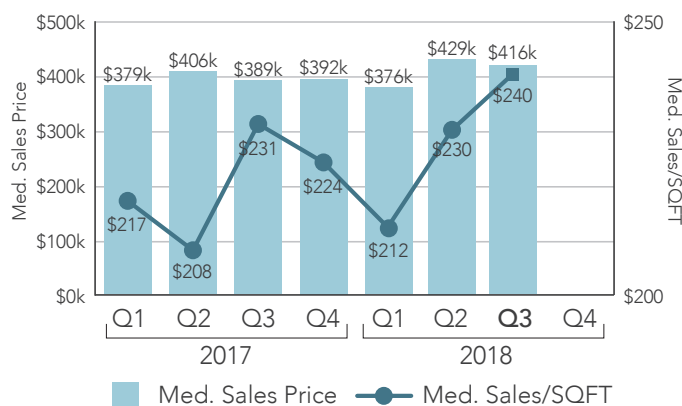
Existing	New	New Construction Premium
\$422,450	\$395,525	-19.2%

The new construction premium is calculated on a Per Square Foot basis.

New Construction Sales

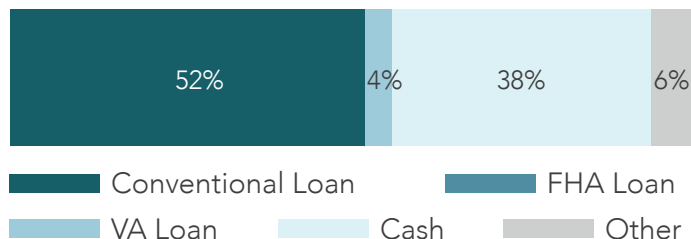
New Units Sold	New Units as a % of Total Units
10	11.63%

Median Sales Price & Median Sales per SQFT



	Current QTR vs. Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
Med. Price	↓	-2.72%	↑	7.19%

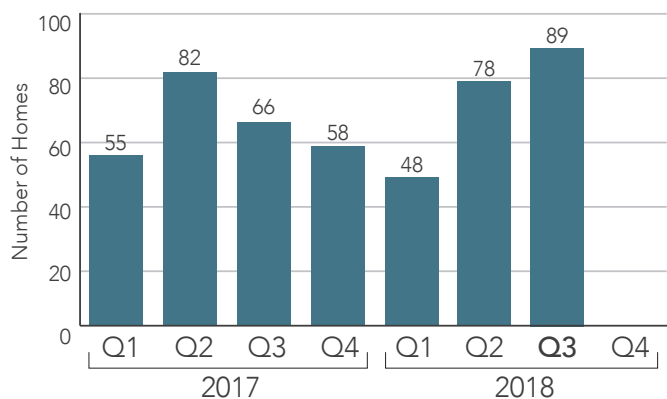
Home Financing



Sunriver—2018 Quarter 3

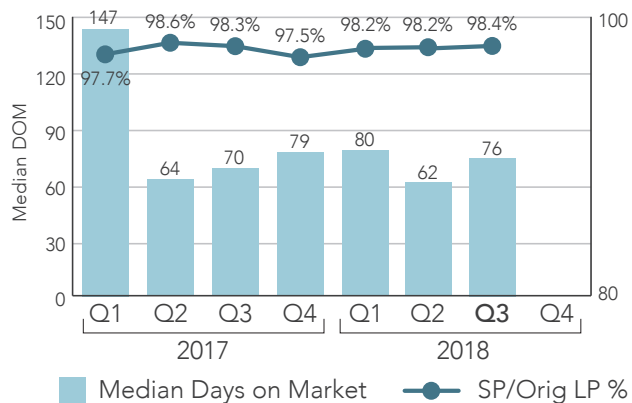
Last quarter the median home price in Sunriver broke the \$500,000 mark for the first time in years. This quarter the median home price has dropped back to \$412,000—a level more in line with prices seen over the past year. The most notable data point change from this time last year is the almost 35 percent increase in sales volume. More homes were sold during the third quarter of 2018 than any other quarter since the beginning of 2017.

Sales Volume



Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
Sold	↑	14.1%	↑ 34.85%

Median DOM & Sales Price vs. Listing Price



Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
DOM	↑	21.6%	↑ 7.8%
Sold/Orig LP Diff. %	↑	0.19%	↑ 0.07%

Home Pricing

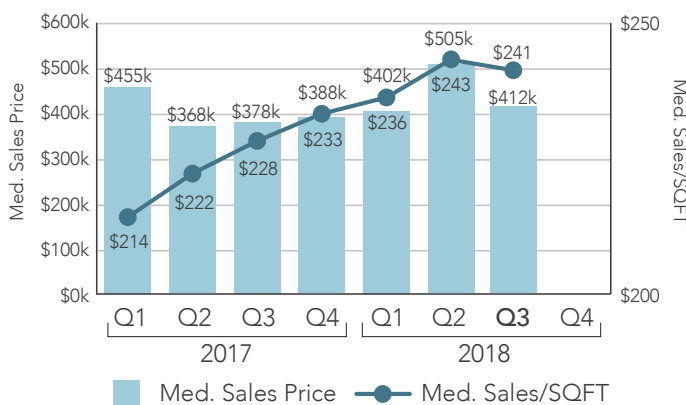
Existing	New	New Construction Premium
\$412,000	-	-

The new construction premium is calculated on a Per Square Foot basis.

New Construction Sales

New Units Sold	New Units as a % of Total Units
0	0%

Median Sales Price & Median Sales per SQFT



Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
Med. Price	↓	-18.42%	↑ 9.1%

Home Financing

