

# Central Oregon Association of REALTORS

## 2018 Quarter 1 Report

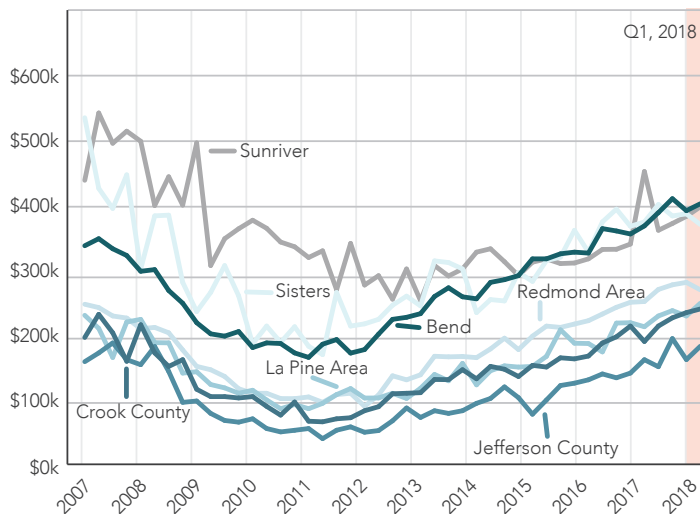
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The residential housing market of the Central Oregon region is off to a busy start in the first quarter of 2018—usually the quietest of quarters in residential real estate markets. In most areas, sales volumes and sales prices are above levels seen during the same quarter in 2017. Other data points—days on market and “sales price vs. listing price” remain steady from 2017 levels in most locations.

A few notable economic highlights that are influencing Central Oregon Housing markets include the following:

- Two years after completion, the City of Bend eagerly exploring options for allowing new development in Urban Growth Boundary expansion areas. Recently the Bend City Council reviewed the area in southeast Bend known as The Elbow (474 acres), the Bend Central District, and the Korpine site. At full build-out, these three areas are projected accommodate over 1,000 new units of housing an upwards of 5,000 new jobs.
- In March, the City of Redmond’s Urban Renewal Committee supported the Central Oregon Medical Specialist plan for a \$6.5 million dollar upgrade. The facility will increase the number of physicians in the area and lead to less trips to Bend for medical care. (Cont. on next page)

### 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.

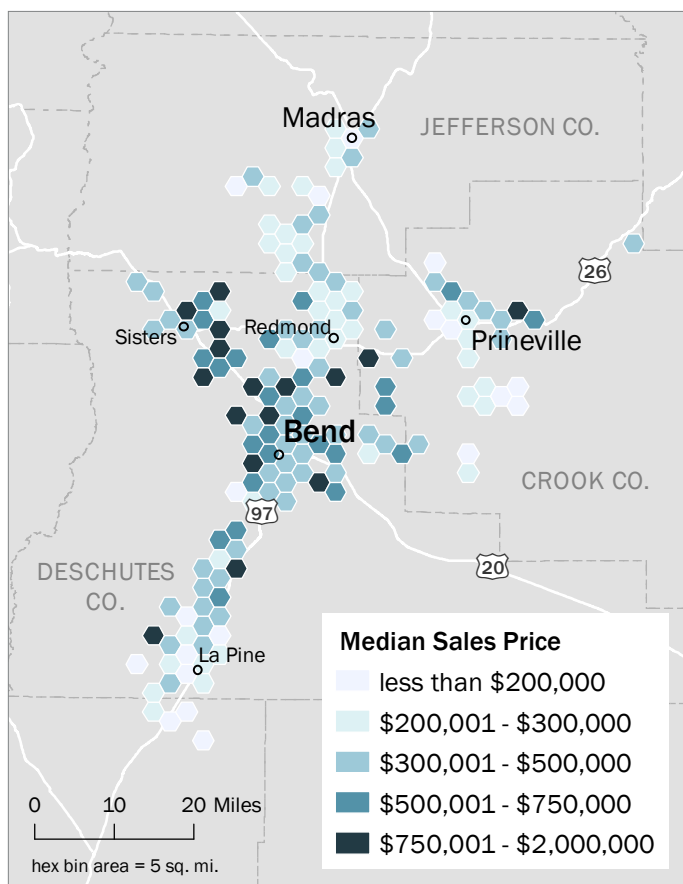
### Median Sales Price and Median Sales Volume by Submarket

	Price	Volume
Bend	\$407,000	697
Crook County	\$250,450	108
Jefferson County	\$195,000	53
La Pine/Three Rivers South	\$259,000	97
Redmond/Terrebonne/ Crooked River Ranch	\$278,900	269
Sisters	\$376,030	57
Sunriver	\$402,500	48

### For All Submarkets

	Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
Units Sold	↓	-16.10%	↑	17.82%
Med. Price	↓	-1.15%	↑	9.52%

### Median Regional Sales Price



## Summary cont.

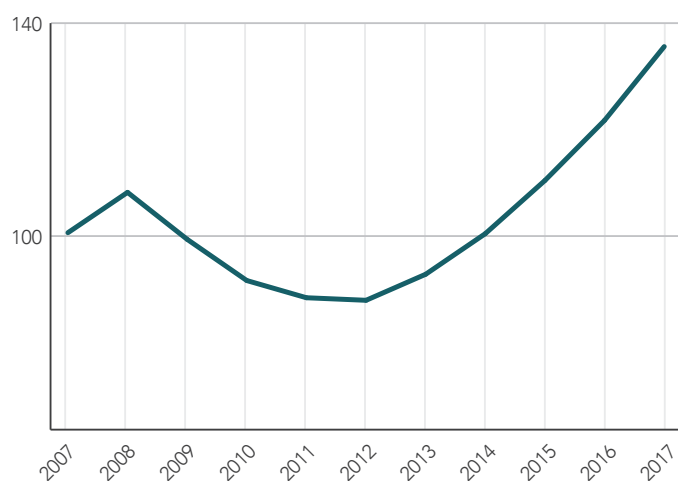
- In Madras, the Plateau Travel Plaza opened in early April, the largest full service truck and travel stop within a 120 radius. In addition to bringing 65 new jobs, it is an important component of economic growth for the community with parking for 70 trucks, a convenience store, fueling station and a variety of game options at an indoor casino.
- Prineville was recently awarded nearly \$1 million in Community Block Grant funding to renovate the Prineville Soroptimists Senior Center. The funding will help with safety and accessibility improvements. In 2017, the center provided 31,000 meals. The grant means they can continue their work and grow with the community.
- The City of Sisters is currently considering a land use application from Hayden Homes for 199 mixed income residential units. Ten percent of the units will be affordable housing as part of the annexation agreement. Additionally in Sisters, a new 39 room hotel is planning to open before the end of the year.
- The City of La Pine is working with the University of Oregon on the Sustainable City Year program for 2018. The students will spend time in the community and help provide a framework for the future of downtown to economic development.

## Price Index—2018 Quarter 1

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



As of 2017 prices are on average 40% greater than in 2007, with that 40% increase occurring since 2014.

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.

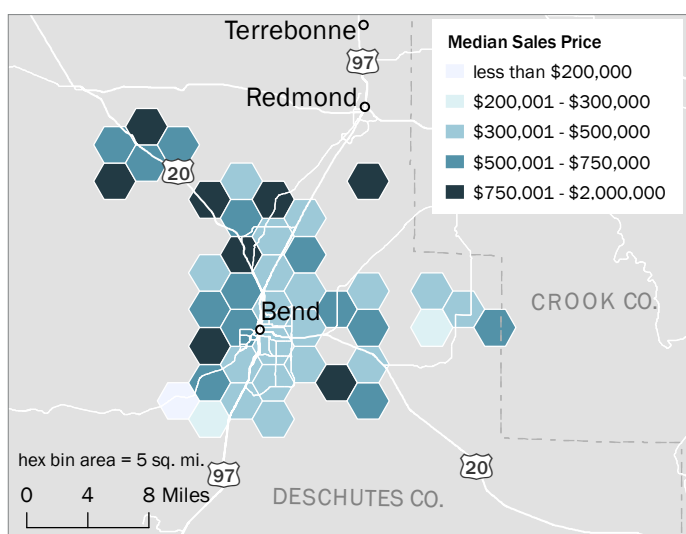
Figure 2



# Bend—2018 Quarter 1

The Bend home market is still quite active, even in the typically quiet first quarter of the year. Sales volume is up over 22 percent above the same quarter in 2017. However, home pricing has been stable over the past three quarters. Bend homes continue to fetch asking prices, with 100 percent of homes sold during the first quarter being at or above listing price. Days on market has crept up over the past few quarters, but is still below first quarter 2017 levels. Almost 25 percent of Bend homes sold during this quarter were new construction. These new homes did not have any associated price premium, and actually sold on average less than existing home—this illustrates the strength of the Bend home market.

## Median Sales Price



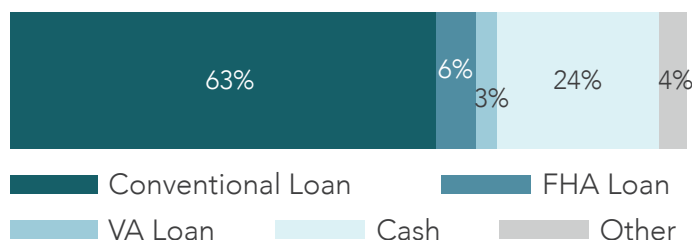
## Median Home Pricing

Existing	New	New Construction Premium (per sf)
\$415,000	\$396,540	-7.44%

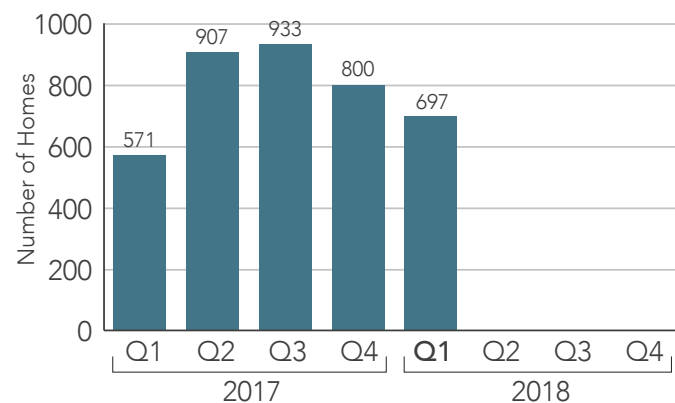
## New Construction Sales

New Units Sold	New Units as a % of Total Units
174	24.96%

## Home Financing

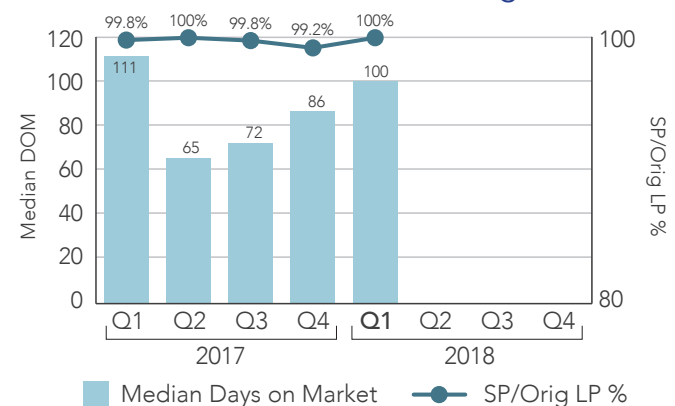


## Sales Volume



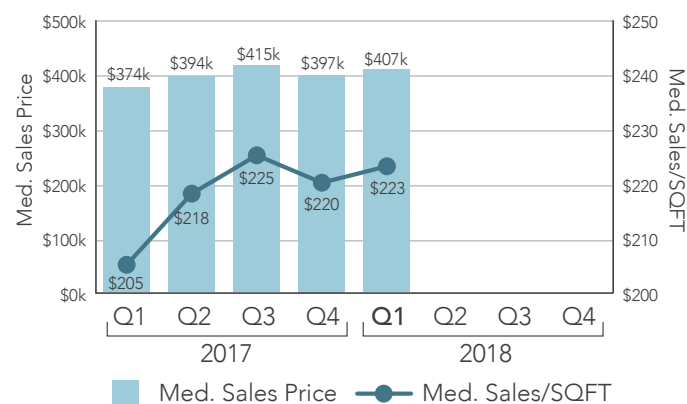
	Current vs. Prev. QTR	Current QTR vs. Same QTR Last Year
Sold	↓ -12.88%	↑ 22.07%

## Median DOM & Sales Price vs. Listing Price



	Current vs. Prev. QTR	Current QTR vs. Same QTR Last Year
DOM	↑ 16.96%	↓ -9.91%
Sold/Orig LP Diff. %	↑ 0.79%	↑ 0.18%

## Median Sales Price & Median Sales per SQFT

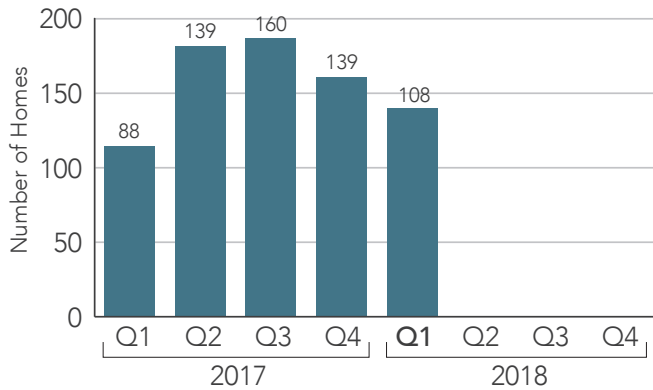


	Current vs. Prev. QTR	Current QTR vs. Same QTR Last Year
Med. Price	↑ 2.60%	↑ 8.82%

# Crook County—2018 Quarter 1

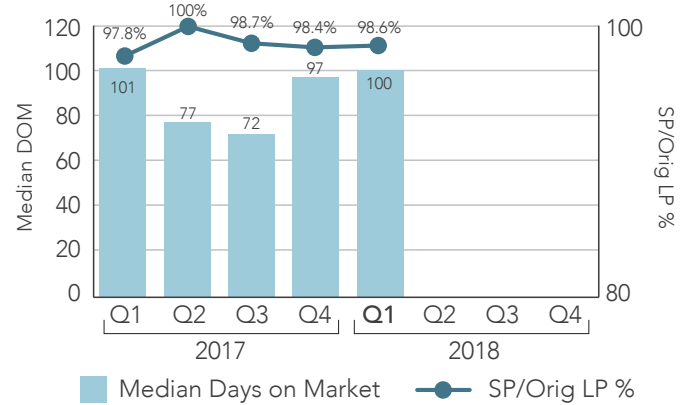
Crook County continues to have some of the most affordable homes in the Central Oregon region, however home prices have escalated consistently over the past five quarters. Median homes price for the County submarket is up almost 24 percent from the same quarter last year. Likewise, sales volume has increased by over 22 percent from Q1 2017. Like the Bend submarket, existing homes continue to hold their value—there was not price premium associated with newly constructed homes during the first quarter.

## Sales Volume



Sold	Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
	↓	-22.30%	↑	22.73%

## Median DOM & Sales Price vs. Listing Price



DOM	Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
	↑	3.09%	↓	-0.99%
Sold/Orig LP Diff. %	Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
	↑	0.15%	↑	0.81%

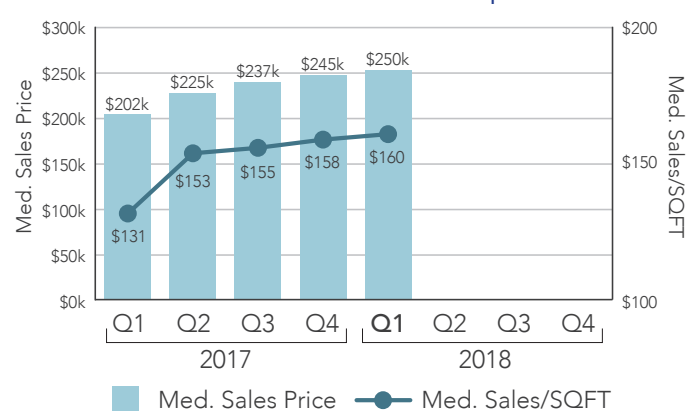
## Median Home Pricing

Existing	New	New Construction Premium (per sf)
\$250,450	\$269,900	-10.40%

## New Construction Sales

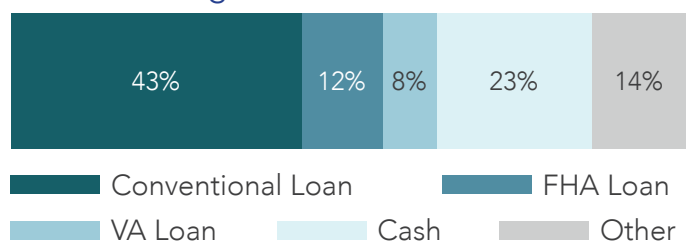
New Units Sold	New Units as a % of Total Units
14	12.96%

## Median Sales Price & Median Sales per SQFT



Med. Price	Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
	↑	2.22%	↑	23.99%

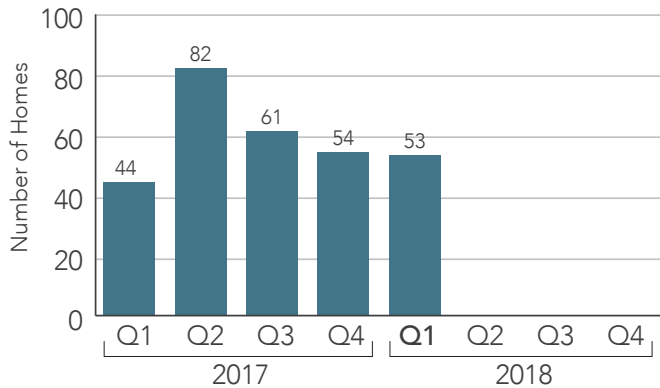
## Home Financing



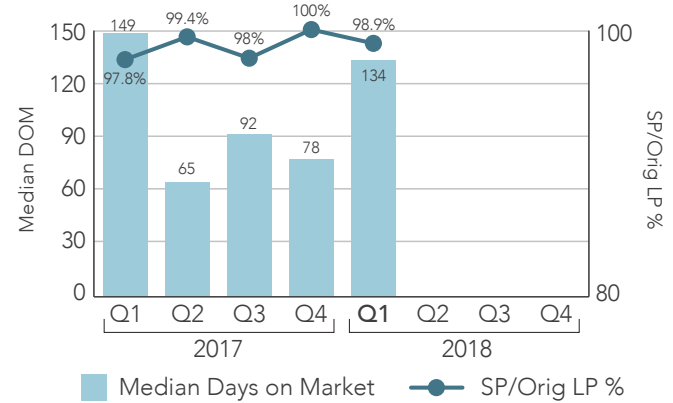
# Jefferson County—2018 Quarter 1

The Jefferson County submarket is one of the smallest in the Central Oregon area and homes in the submarket are generally the most affordable in the region. Comparing the first quarter of 2018 with the first quarter of 2017 shows increases in sales volume and home prices. Days on market has also dipped from the same quarter last year. Unlike most other Central Oregon submarkets, newly constructed homes showed a price premium this quarter with new homes selling almost 20 percent more than existing homes.

## Sales Volume



## Median DOM & Sales Price vs. Listing Price



Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
Sold	↓ -1.85%	↑ 20.45%	

Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
DOM	↑ 72.90%	↓ -10.07%	
Sold/Orig LP Diff. %	↓ -1.06%	↑ 1.28%	

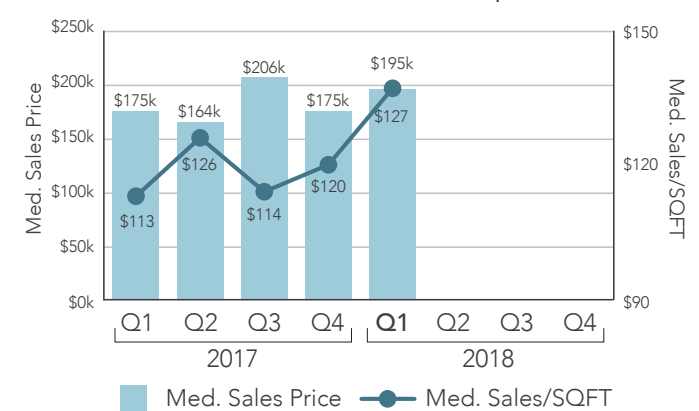
## Median Home Pricing

Existing	New	New Construction Premium (per sf)
\$187,500	\$222,120	19.87%

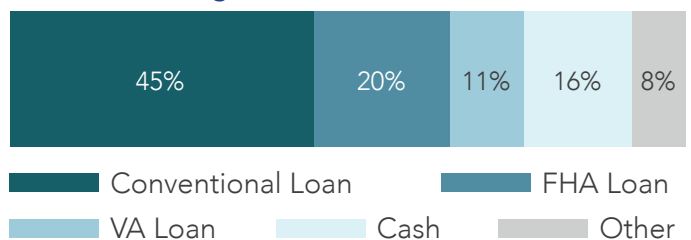
## New Construction Sales

New Units Sold	New Units as a % of Total Units
9	16.98%

## Median Sales Price & Median Sales per SQFT



## Home Financing

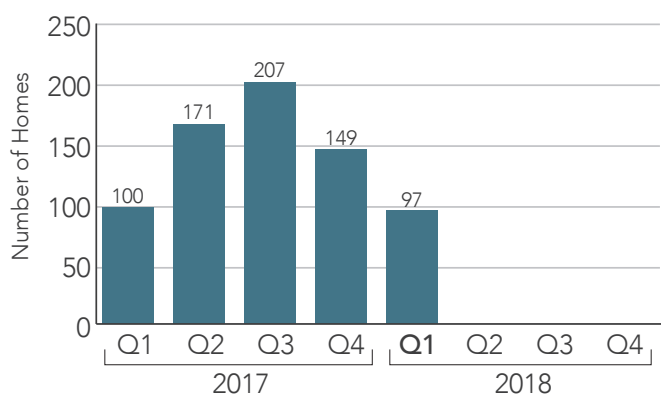


Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
Med. Price	↑ 11.40%	↑ 11.46%	

# La Pine/Three Rivers South—2018 Quarter 1

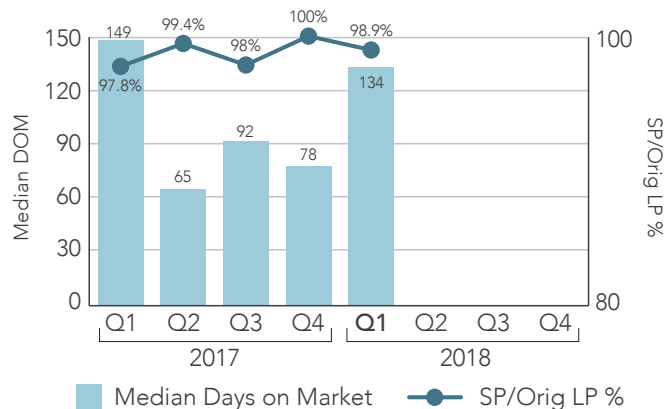
More than other Central Oregon home submarkets, the La Pine/Three Rivers South area showed stability on most indicators when compared to data from 2017. There was a similar level of homes sold in the first quarter of 2018 to the same quarter in 2017. Home pricing, while up on a per square foot basis, is in line with pricing from the last few quarters. There was no price premium associated with new home construction during the first quarter of 2018.

## Sales Volume



	Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
Sold	↓	-34.90%	↓	-3%

## Median DOM & Sales Price vs. Listing Price



	Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
DOM	↑	30.10%	-	0%
Sold/Orig LP Diff. %	↑	1.25%	↑	1.67%

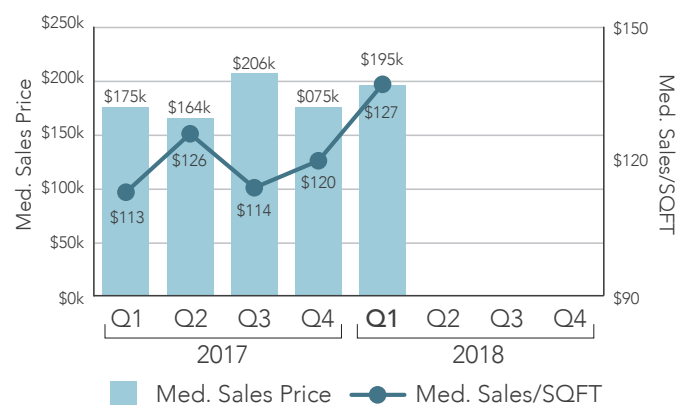
## Median Home Pricing

Existing	New	New Construction Premium (per sf)
\$258,500	\$289,950	-6.31%

## New Construction Sales

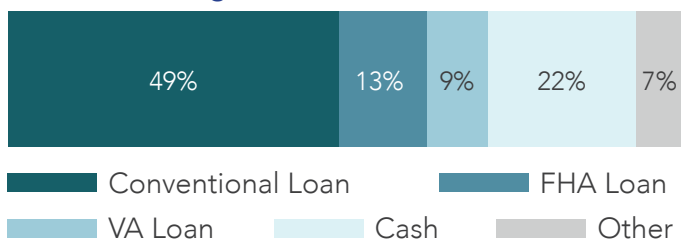
New Units Sold	New Units as a % of Total Units
9	9.28%

## Median Sales Price & Median Sales per SQFT



	Current vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
Med. Price	↑	7.92%	↑	15.64%

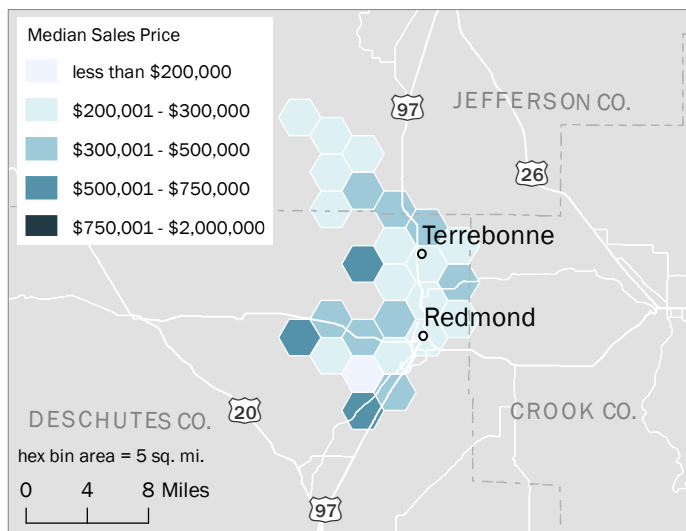
## Home Financing



# Redmond/Terrebonne/Crooked River Ranch—2018 Quarter 1

Like the Bend submarket, the Redmond/Terrebonne submarket continues to see a lot of sales activity even in the typically quietest quarter of the year. Sale volume in the submarket is up by over 15 percent from the same quarter last year. One notable difference between this submarket and the Bend submarket is that prices appear to have leveled off—median home prices are stable over the past five quarters. Existing homes continue to retain their value, as there was no price premium associated with newly constructed homes during this quarter.

## Median Sales Price



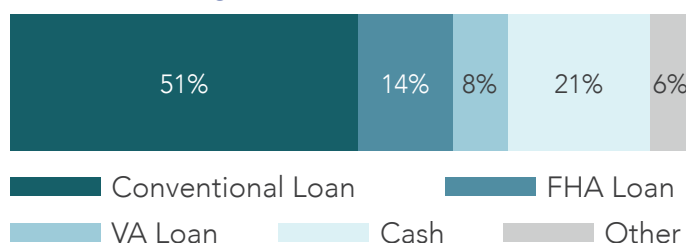
## Median Home Pricing

Existing	New	New Construction Premium (per sf)
\$269,500	\$302,360	-3.76%

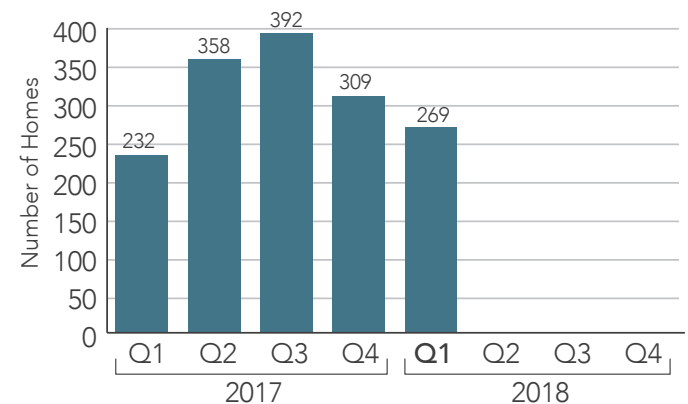
## New Construction Sales

New Units Sold	New Units as a % of Total Units
49	18.22%

## Home Financing

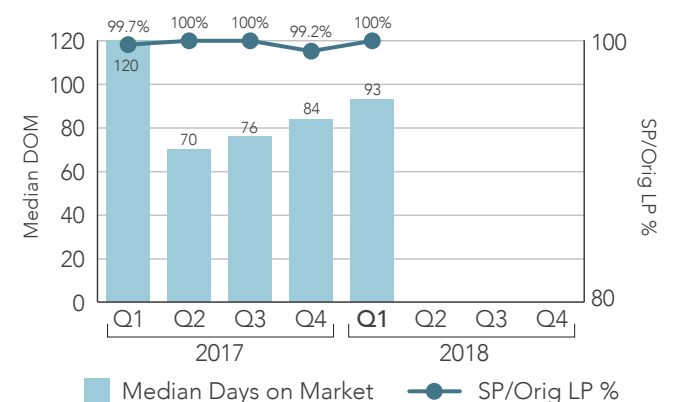


## Sales Volume



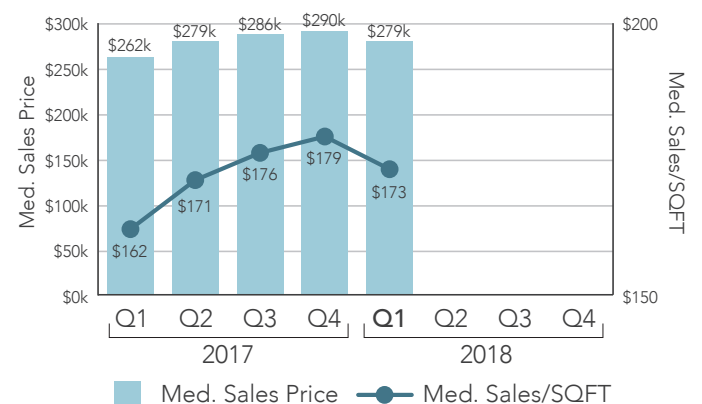
	Current vs. Prev. QTR	Current QTR vs. Same QTR Last Year
Sold	↓ -12.94%	↑ 15.95%

## Median DOM & Sales Price vs. Listing Price



	Current vs. Prev. QTR	Current QTR vs. Same QTR Last Year
DOM	↑ 10.71%	↓ -22.18%
Sold/Orig LP Diff. %	↑ 0.82%	↑ 0.30%

## Median Sales Price & Median Sales per SQFT



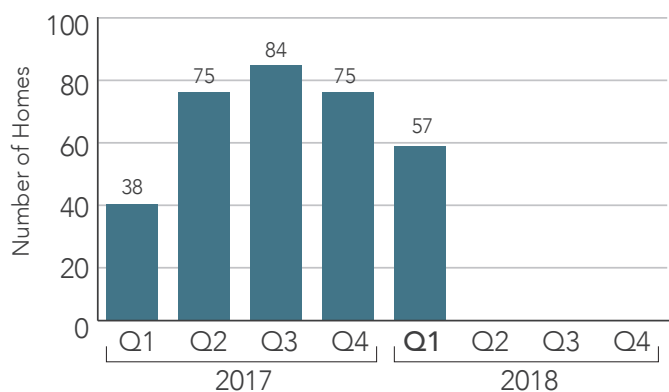
	Current vs. Prev. QTR	Current QTR vs. Same QTR Last Year
Med. Price	↓ -3.82%	↑ 6.65%



# Sisters—2018 Quarter 1

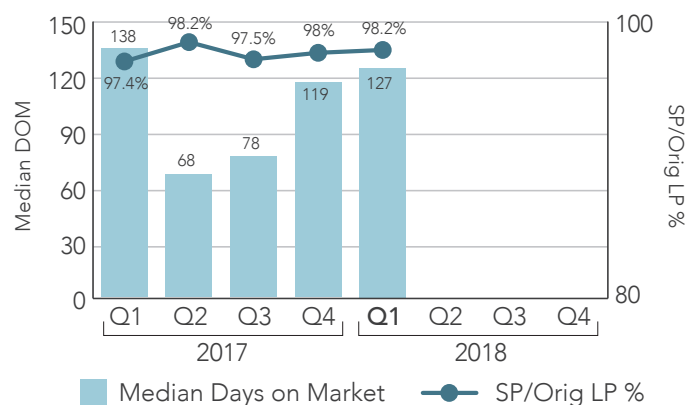
The Sisters submarket continues to have some of the highest priced homes in the Central Oregon region. In the fourth quarter of 2017, the median sales price in the Sisters submarket was approximately \$376,000. However, sales pricing appears stable over the past five quarters. Sales volume is up from levels seen in the first quarter of 2017 and days on market has decreased from the same quarter last year. There was no price premium for newly constructed homes in the first quarter of 2018.

## Sales Volume



Sold	Current QTR vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
	↓	-17.24%	↓	-12.73%

## Median DOM & Sales Price vs. Listing Price



DOM	Current QTR vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
	↑	6.72%	↓	-7.97%
Sold/Orig LP Diff. %	Current QTR vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
	↑	0.21%	↑	0.88%

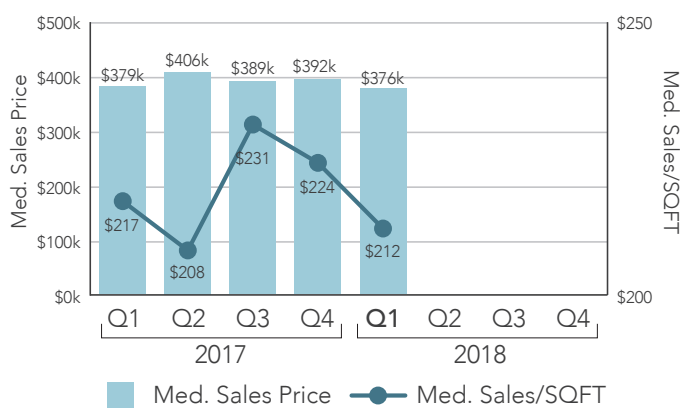
## Median Home Pricing

Existing	New	New Construction Premium (per sf)
\$383,500	\$365,719	-2.51%

## New Construction Sales

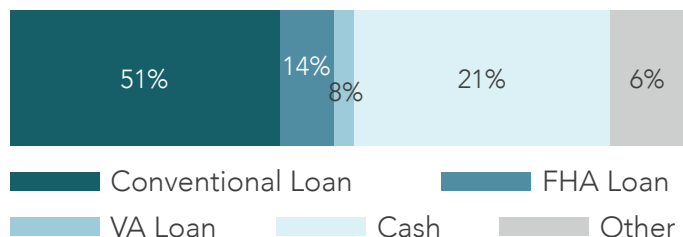
New Units Sold	New Units as a % of Total Units
11	19.30%

## Median Sales Price & Median Sales per SQFT



Med. Price	Current QTR vs. Prev. QTR		Current QTR vs. Same QTR Last Year	
	↓	-4.07%	↓	-1.01%

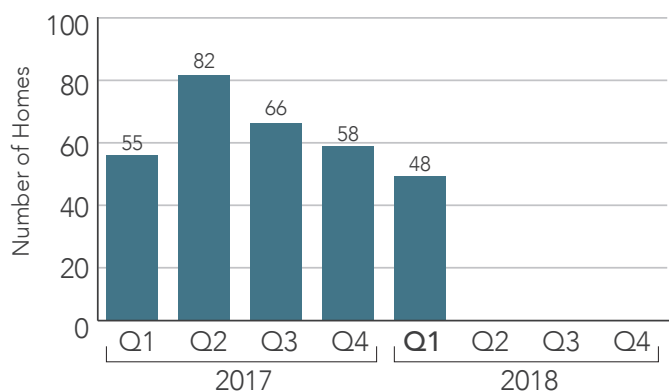
## Home Financing



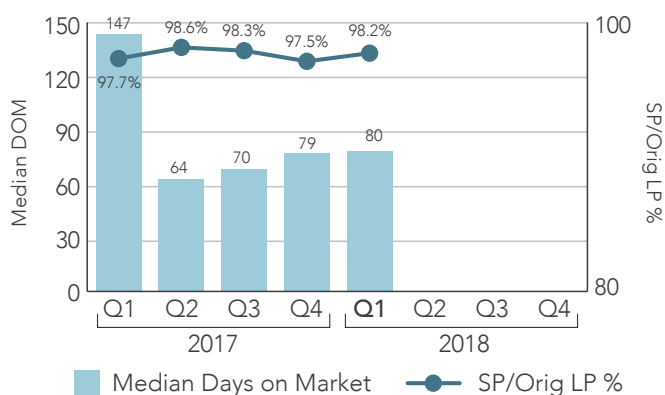


Unlike all other submarkets in the Central Oregon region, the Sunriver submarket saw no newly constructed homes sold in the first quarter of 2018. Existing homes saw a decrease in home pricing of over 11 percent from the first quarter of 2017. The most notable change from this time last year in the Sunriver submarket, is the large decrease in days on market (DOM)—from this time last year DOM has dropped by over 50 percent from a median 147 days to 80 days in the first quarter of 2018.

## Sales Volume



## Median DOM & Sales Price vs. Listing Price



		Current QTR vs. Current vs. Prev. QTR	Current QTR vs. Same QTR Last Year
Sold	↓	-17.24%	↓ -12.73%

		Current QTR vs. Current vs. Prev. QTR	Current QTR vs. Same QTR Last Year
DOM	↑	1.27%	↓ -45.58%
Sold/Orig LP Diff. %	↑	0.64%	↑ 0.42%

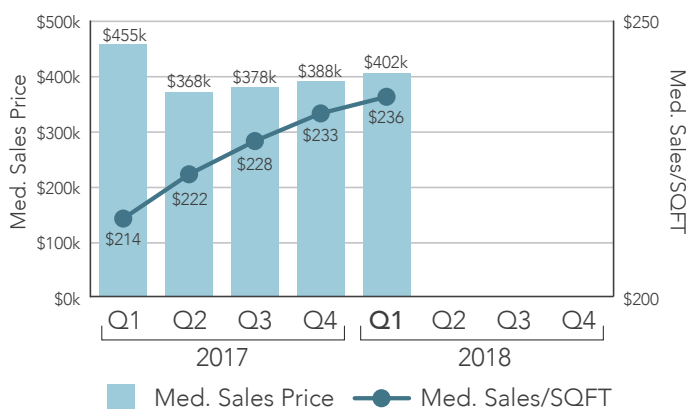
## Median Home Pricing

Existing	New	New Construction Premium (per sf)
\$402,500	-	-

## New Construction Sales

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

## Median Sales Price & Median Sales per SQFT



		Current QTR vs. Current vs. Prev. QTR	Current QTR vs. Same QTR Last Year
Med. Price	↑	3.67%	↓ -11.54%