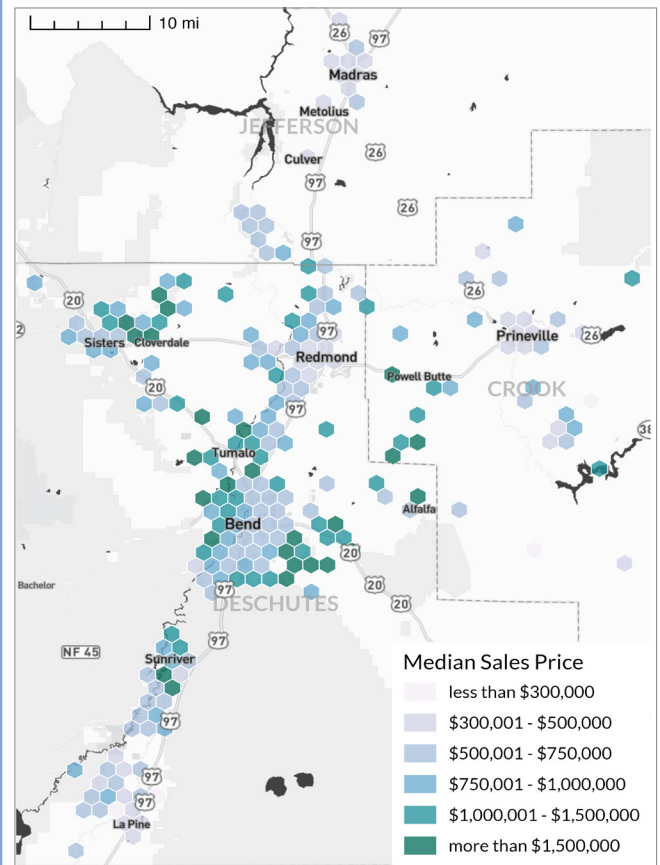


As of the second quarter report a few months ago, we had strong signals that market conditions were turning. But some uncertainty still remained about how quickly conditions would change, largely influenced by the federal reserve decisions around increasing interest rates. A few months later, we now have clarity around how continued federal reserve interest rate increases have caused mortgage rates to rise to their highest level in over 20 years, and how that is rippling through the real estate market.

As of the second quarter, the number of new listings was down 5% compared to the year prior; this was an early indicator of changing market conditions. As of the end of September, we now have 25% fewer new listings than in September 2021 in Central Oregon. On the transaction side, year-to-date sales through the end of the third quarter are down 14% from 2021 in the region. There has been a more drastic change in market conditions in the last quarter, so when comparing the third quarter of 2022 to the same quarter in 2021, sales volume is down 28%.

Continues on next page.

MEDIAN REGIONAL SALES PRICE (2022)



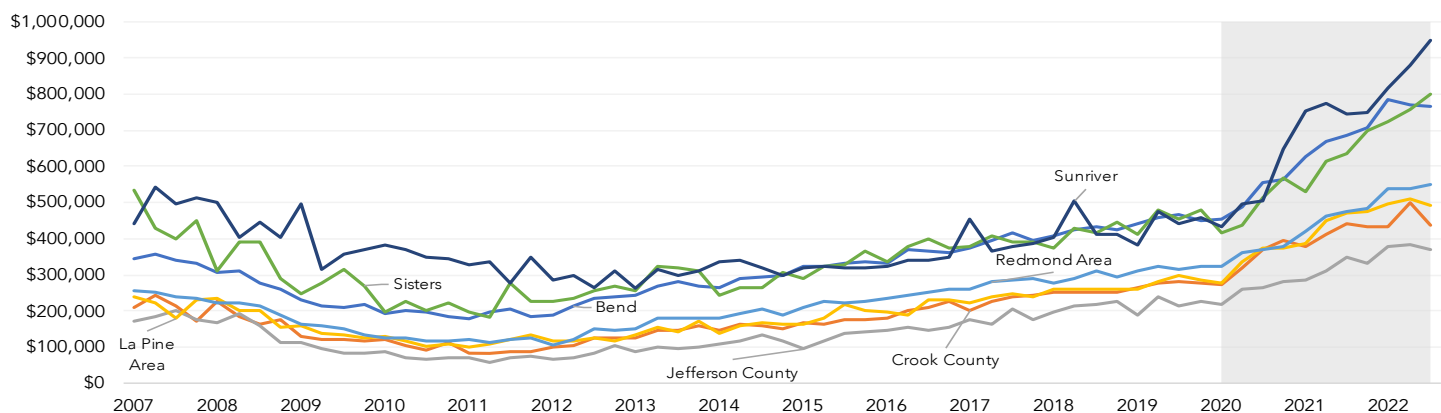
MEDIAN SALES PRICE AND SALES VOLUME (2022)

Submarket	Price	Volume
Bend	\$489,000	675
Crook County	\$437,500	91
Jefferson County	\$370,000	58
La Pine/Three Rivers South	\$490,000	90
"Redmond/Terrebonne/ Crooked River Ranch"	\$549,900	257
Sisters	\$800,000	59
Sunriver	\$949,000	53

MEDIAN SALES PRICE AND SALES VOLUME BY SUBMARKET FOR ALL SUBMARKETS

	Change, 2022 Q2 to 2022 Q3	Change, 2021 Q3 to 2022 Q3
Units Sold	↓ -11.9%	↓ -27.6%
Median Price	↑ 0.8%	↑ 11.0%

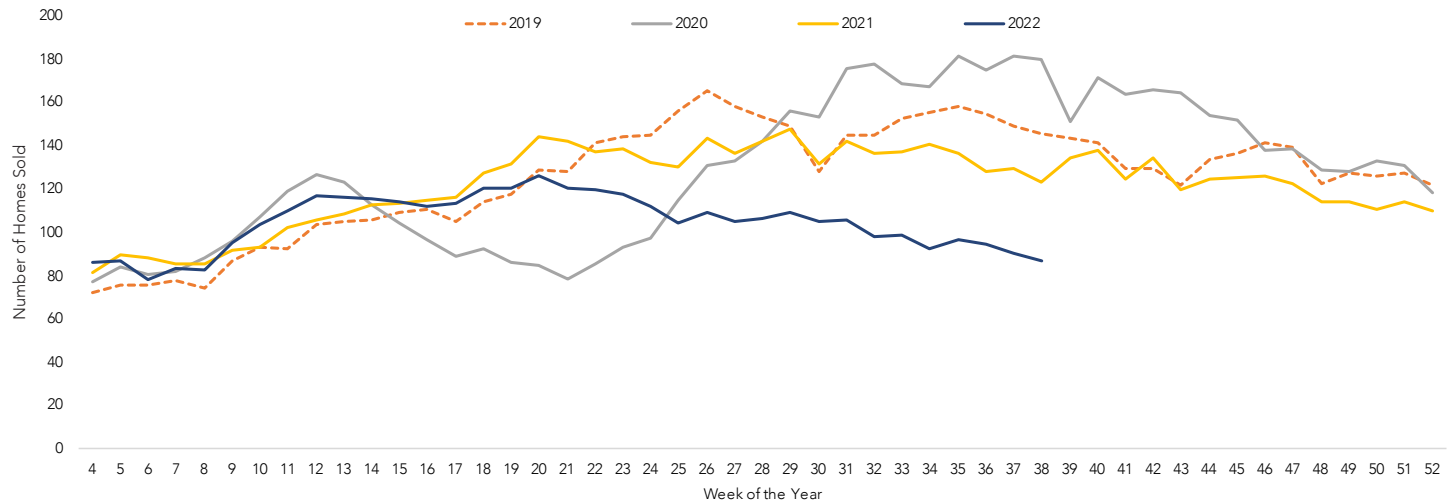
SUBMARKET COMPARISON—MEDIAN HOME SOLD PRICES, QUARTERLY, 2007-2022 Q3



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.

SALES BY WEEK – CENTRAL OREGON



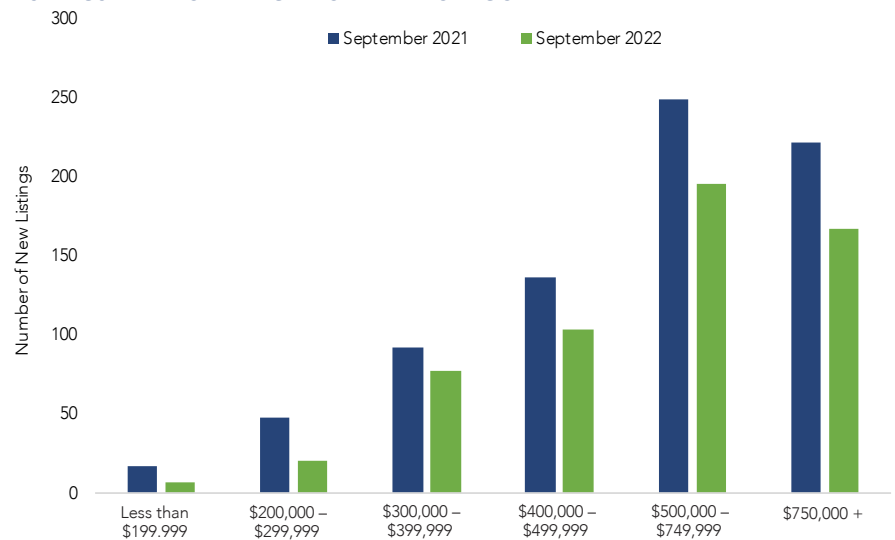
Relative to national markets, the Central Oregon market is performing better, largely due to the continued balance between the number of sellers and the number of buyers. Total inventory is up by about 30% compared to this time last year, but the number of months of supply has held steady during the 3rd quarter at about 2.5 months.

The most challenging indicator to accurately understand in the current market is: what is happening to prices? In the most straightforward measure, median price increased by 1% quarter-over-quarter—although the annualized rate of price increase dropped to 11.2%, the lowest annualized rate observed since early days of the pandemic in Q2 2020.

A better measure of how to track the general level of prices in a market is using a price index. Because of the limited observations in Central Oregon, we track this on an annualized basis, and by that measure, prices are still up 22% from the previous year. We anticipate that this measure will drop quickly over the coming few quarters.

The S & P Corelogic Case-Shiller National Home Price Index provides a better real-time gauge of the market conditions, providing month-over-month changes. The most recent two months of the price index show national price declines—most recently a 1.07% decrease from July to August, with the annualized rate now at 13%.

LISTINGS BY PRICE RANGE – CENTRAL OREGON



As we head into what is typically the slower transaction volume part of the year, there are not any indications that the fed is going to slow down on the rate hikes. Inflation remains well above the target rate, despite the record pace of interest rate increases. The risk of recession by many forecasters is now above 50%, with the trajectory of the housing market in tow. As long as mortgage rates continue to rise, the imbalance between the number of buyers and sellers will grow. We are now squarely in a downward price cycle; how far and for how long largely hang in the balance between a broader economic correction, and how quickly inflation returns to the targeted rate.

Price Summary | Q3 2022

The price index for Central Oregon increased at an annual rate of 20.9% in the second quarter of 2022. The measure of the index is now 275, representing a 175% increase in market prices since 2012. Price growth measured by the index originally peaked in early 2018 at 13.2% and steadily slowed to the rate of 9.8% in the 4th quarter of 2020. Since then, price growth has steadily increased to a rate of 20.9% in the 2nd quarter of 2022. In the last two years since the beginning of the pandemic (2Q2020), the price index has increased 35%, compared to median sales price increasing by 58%. The increased sales of higher priced homes along with the decreased sales of lower priced homes has fueled a large increase in the median sales price, now 19% higher than a year ago. While no methodology for measuring price changes is without flaws, the advantage of using of price index compared to the median price change is more pronounced in atypical market conditions. The high cost of new construction and the dwindling supply of lower priced homes is not as reflective of broad price changes in the market, which are better captured by a price index.

WHAT IS A PRICE INDEX?

A price index tracks repeat sales of the same property to measure the change in market price over time.

WHY A PRICE INDEX?

A price index uses repeat sales and is the most accurate way to track changes in price over time. Median or average sales prices are responsive to new construction prices that are generally higher than the market average, as well as trends in listings. In order to most accurately measure how prices in a market are changing over time, tracking individual properties that sell multiple times allows for an apples to apples comparison of change over time.

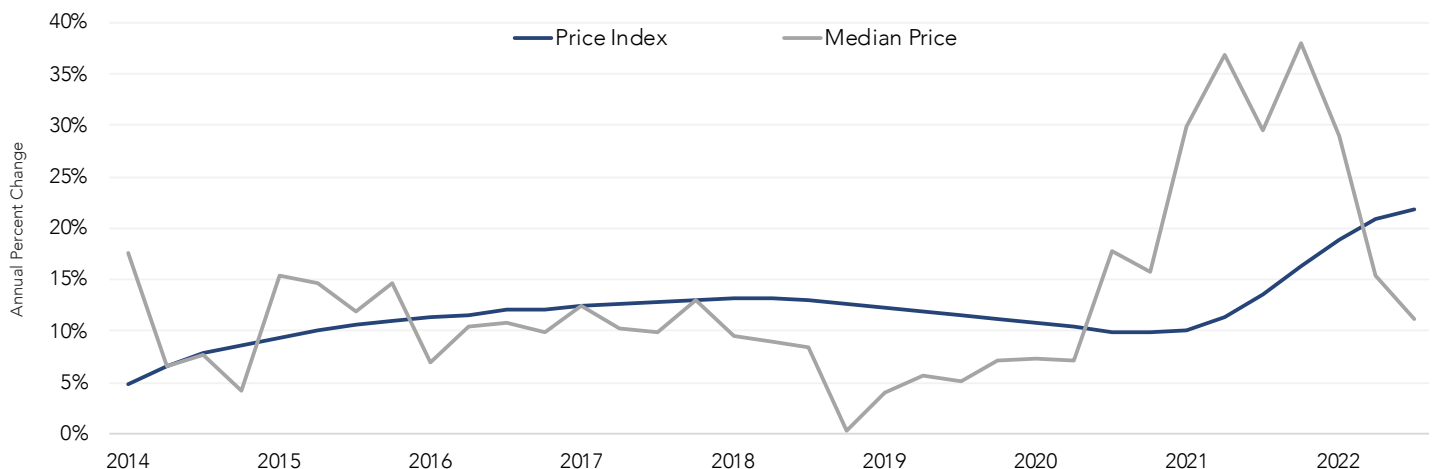
HOW DO WE CALCULATE A PRICE INDEX?

The price index is calculated using home sales data from 2007 up to the last quarter (Q2 2022). Repeat home sales are identified by matching sales based on addresses. Once homes that have been sold more than once are identified, the duration between the sales and the change in sale price are measured.

We have applied filters to the dataset to account for outliers and other transactions not representative of normal market conditions, such as flipping or substantial renovations.

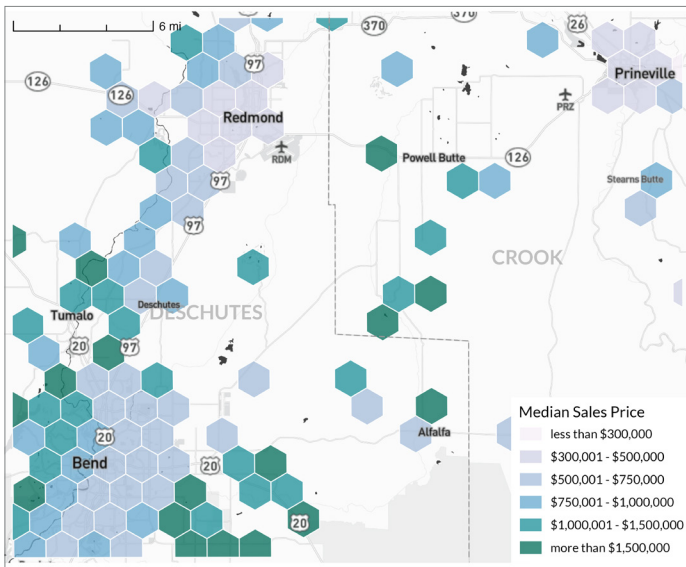
The repeat sale price index is calculated on a quarterly basis starting in the fourth quarter of 2012. Starting in the fourth quarter of 2012, the median sale price over the previous four quarters is calculated and used as the anchor price (100). For each following quarter, the median price appreciation for homes sold within the last four quarters is calculated, and this price appreciation is reflected in the change in the price index.

REPEAT SALES PRICE INDEX VS. MEDIAN PRICE CHANGE



Bend's housing market sales volume decreased in the third quarter of 2022 relative to quarter two of 2022. Home sales volume in quarter three decreased by about 7% from the previous quarter and were 25% lower than this same time last year. Homes sold less quickly than they did in the previous quarter than this same time last year, with the median days of market (DOM) increasing by 38% and 24%, respectively. The median home sales price in Bend dropped by 1% from last quarter and increased from the third quarter of 2021, from \$685,000 to \$764,500, or by about 12%.

MEDIAN SALES PRICE



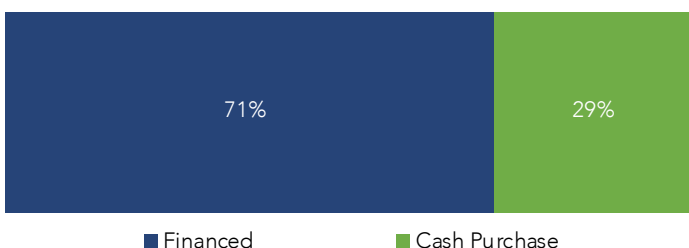
HOME PRICING

Existing	New	New Construction Premium (per sf)
\$750,000	\$795,000	-10.86%

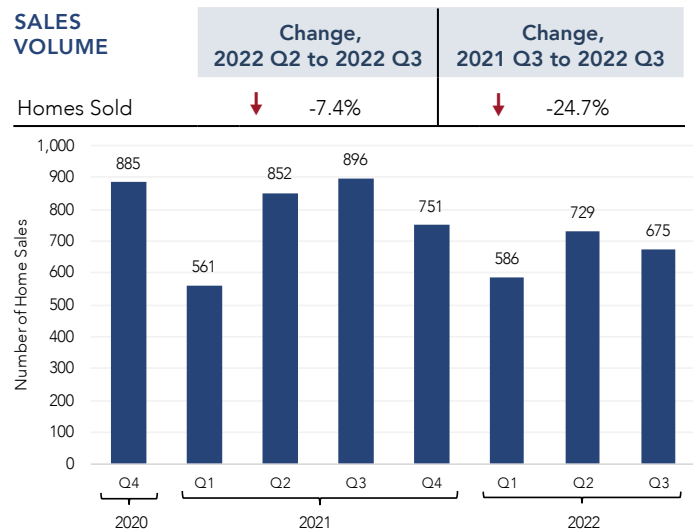
NEW CONSTRUCTION SALES

New Units Sold	New Units as a % of Total Units
127	18.81%

HOME FINANCING

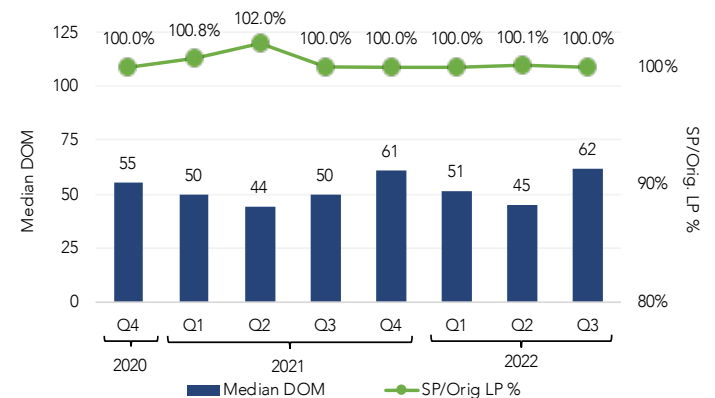


SALES VOLUME



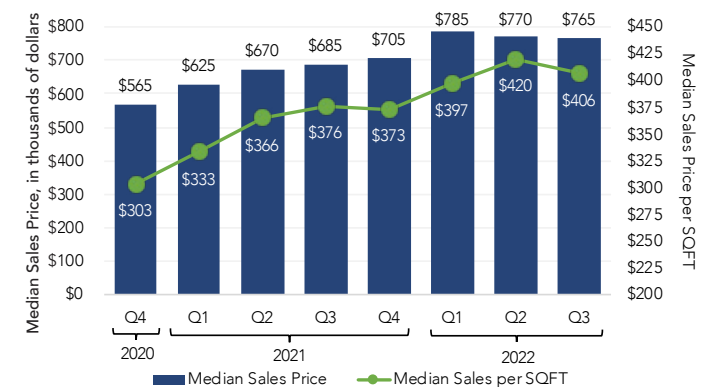
MEDIAN DOM & SALES PRICE VS. LISTING PRICE

	Change, 2022 Q2 to 2022 Q3	Change, 2021 Q3 to 2022 Q3
DOM	↑ 37.8%	↑ 24.0%
Sold/Orig LP Diff. %	↓ -0.1%	0.0%



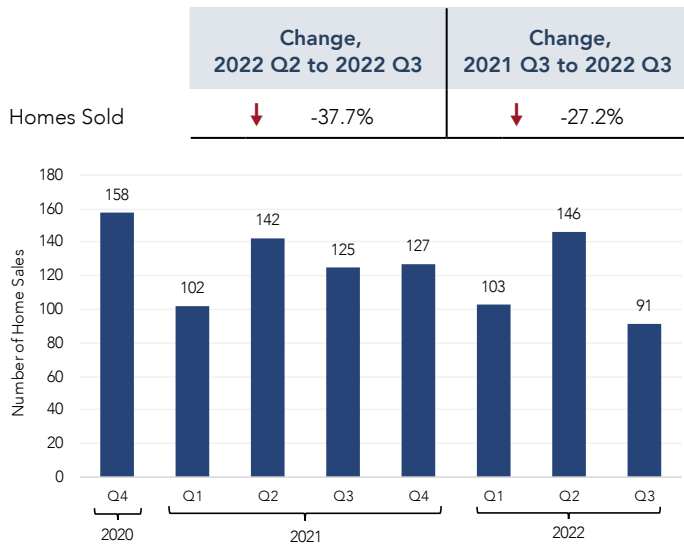
MEDIAN SALES PRICE & MEDIAN SALES PER SQFT

	Change, 2022 Q2 to 2022 Q3	Change, 2021 Q3 to 2022 Q3
Median Sales Price	↓ -0.7%	↑ 11.6%

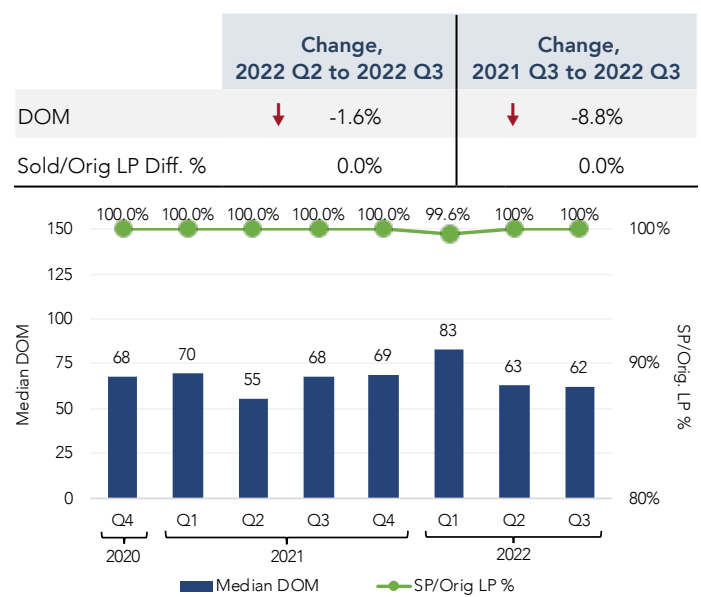


Home sales volume in Crook County decreased 38% relative to the previous quarter and were 27% lower relative to this same time last year. In the third quarter of 2022, 10 homes sold in Crook County. Homes in Crook County sold more quickly than the previous quarter, with the median days on market (DOM) decreasing 2% from the previous quarter and decreasing 9% from the third quarter of 2021. The median home sales price decreased in Crook County relative to the previous quarter and decreased relative to this same time last year, by 12% and 0.5%, respectively. In this same period last year, the median home sales price was \$439,900 compared to \$437,500 in the third quarter of 2022.

SALES VOLUME



MEDIAN DOM & SALES PRICE VS. LISTING PRICE



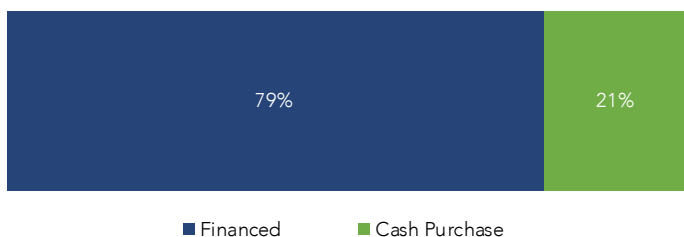
HOME PRICING

Existing	New	New Construction Premium (per sf)
\$425,000	\$649,450	0.2%

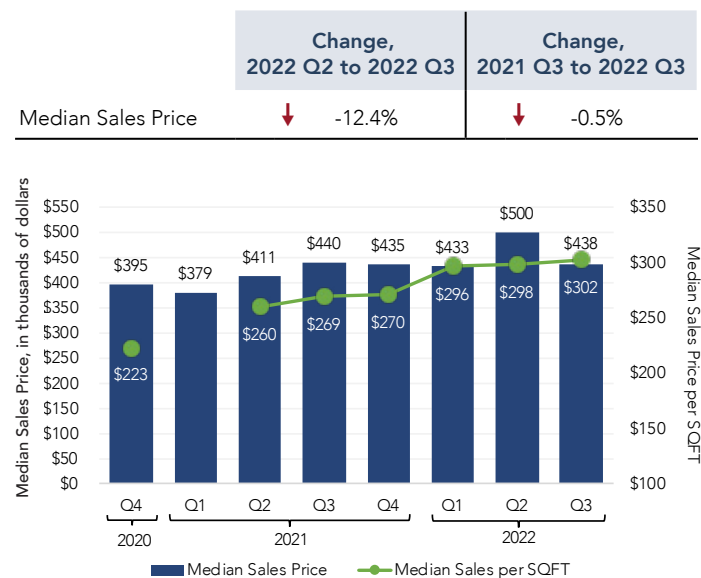
NEW CONSTRUCTION SALES

New Units Sold	New Units as a % of Total Units
10	11.0%

HOME FINANCING

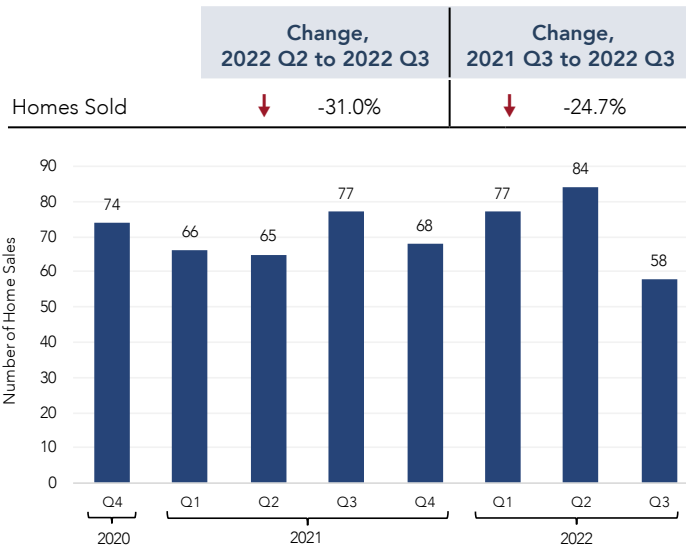


MEDIAN SALES PRICE & MEDIAN SALES PER SQFT

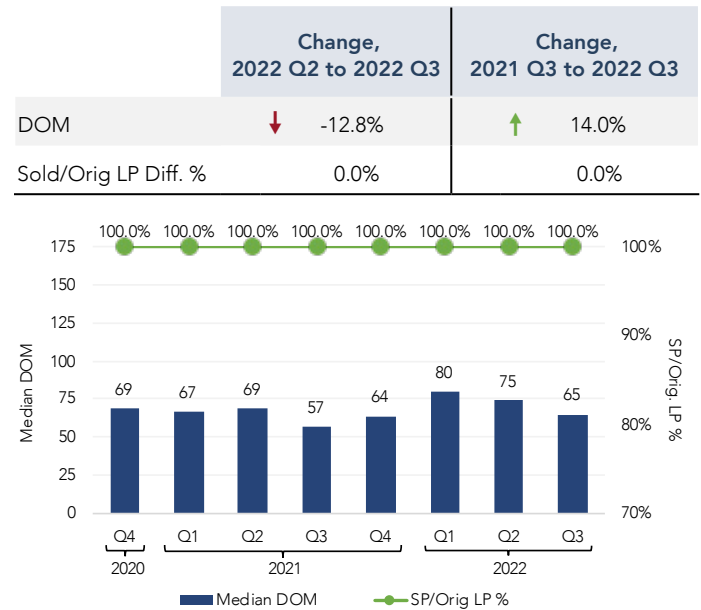


Jefferson County's third quarter home sales volume decreased relative to the second quarter of 2022, decreasing by about 31%. Compared to this same quarter last year, the County's sales volume decreased by almost 25%. Homes sold faster this quarter compared to last quarter with the median days on market (DOM) falling 13%. Compared to this same time last year, homes sold 14% slower in quarter three of 2022. The median home sales price in Jefferson County decreased 4% compared to last quarter, and the median sales price per square foot increased from \$229 to \$244. Relative to this same time last year, the median sales price rose by about 6%, from \$349,900,000 to \$370,000.

SALES VOLUME



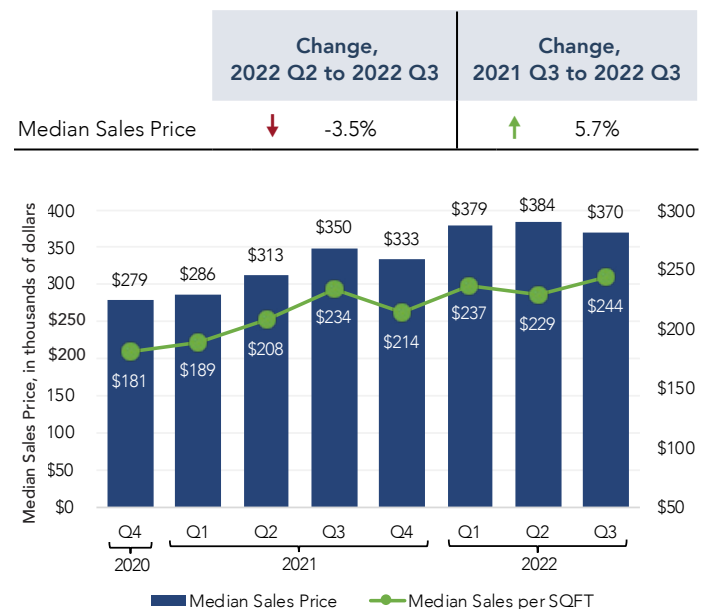
MEDIAN DOM & SALES PRICE VS. LISTING PRICE



HOME PRICING

Existing	New	New Construction Premium (per sf)
\$350,800	\$429,000	-0.1%

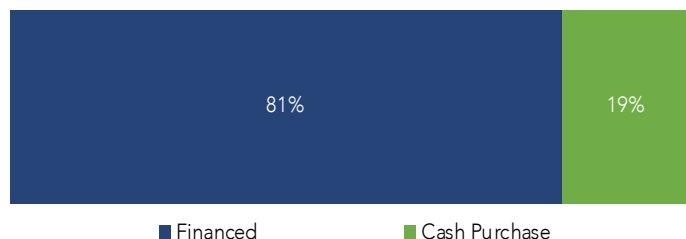
MEDIAN SALES PRICE & MEDIAN SALES PER SQFT



NEW CONSTRUCTION SALES

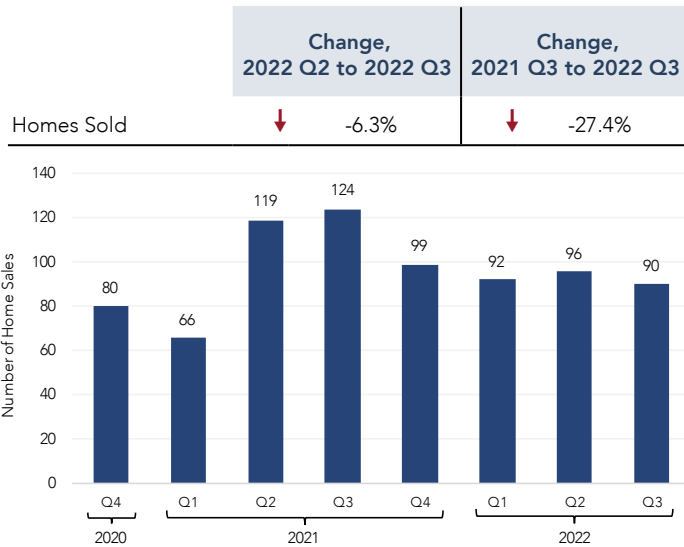
New Units Sold	New Units as a % of Total Units
15	25.9%

HOME FINANCING



La Pine/Three Rivers South experienced a home sales volume decrease of 6% relative to quarter two of 2022. Similarly, compared to this same time last year, sales volume is down 27%. Homes also sold more slowly than they did in the previous quarter with the median days on market (DOM) increasing 75% while the median home sales price decreased by about 4%. At this time last year, homes spent 47% fewer median days on market while the median home sales price increased by 4%, from \$471,850 in quarter three of 2021 to \$490,000 in quarter three of 2022.

SALES VOLUME



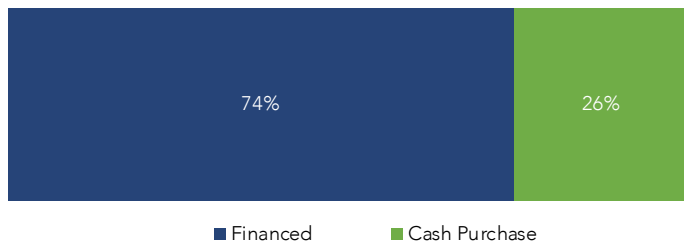
HOME PRICING

Existing	New	New Construction Premium (per sf)
\$510,000	\$479,900	-19.2%

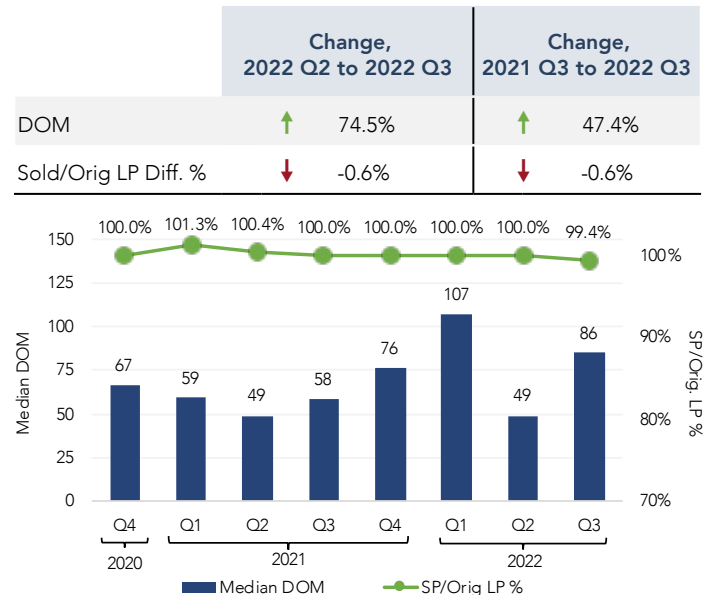
NEW CONSTRUCTION SALES

New Units Sold	New Units as a % of Total Units
25	27.8%

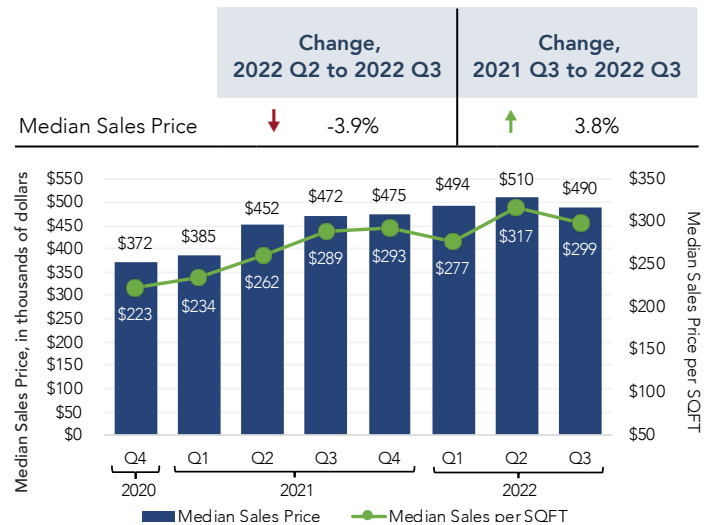
HOME FINANCING



MEDIAN DOM & SALES PRICE VS. LISTING PRICE

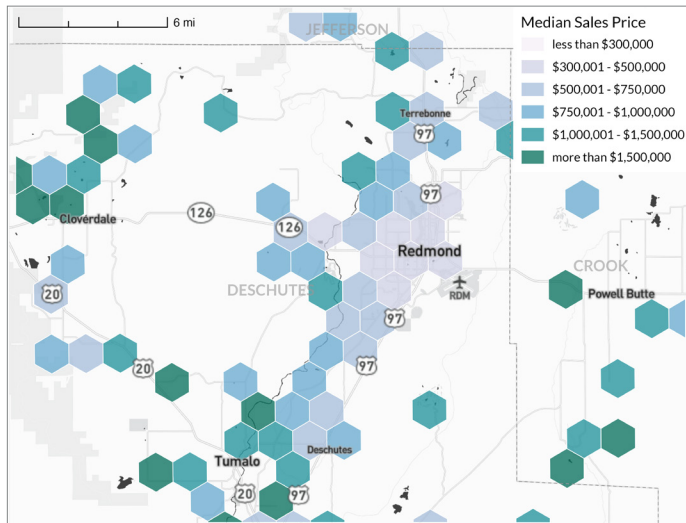


MEDIAN SALES PRICE & MEDIAN SALES PER SQFT



The Redmond/Terrebonne/Crooked River Ranch housing market decreased in its home sales volume from the previous quarter by 13%, and its median days on market (DOM) increased by 37%. Compared to this same time last year, home sales volume decreased by about 35%, and the median days on market (DOM) increased by 27%. While the median sales price grew by 2% compared to the previous quarter, it grew about 16% compared to the third quarter of 2021.

MEDIAN SALES PRICE



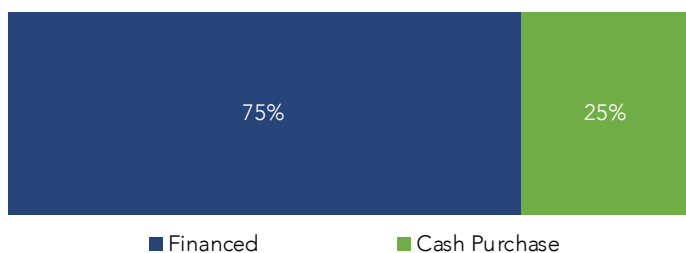
HOME PRICING

Existing	New	New Construction Premium (per sf)
\$550,000	\$543,275	-6.9%

NEW CONSTRUCTION SALES

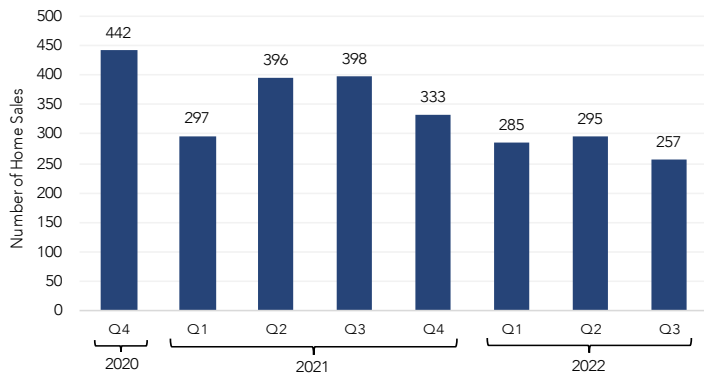
New Units Sold	New Units as a % of Total Units
54	21.0%

HOME FINANCING



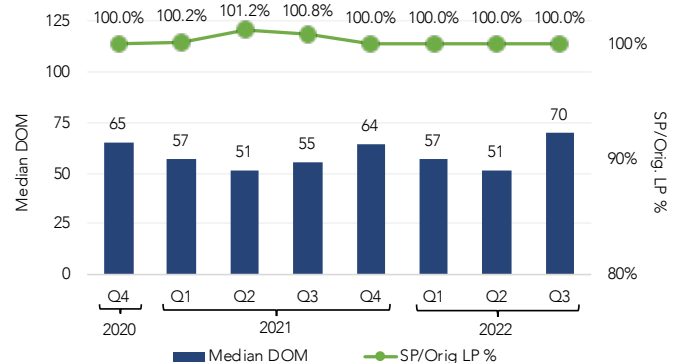
SALES VOLUME

	Change, 2022 Q2 to 2022 Q3	Change, 2021 Q3 to 2022 Q3
Homes Sold	↓ -12.9%	↓ -35.4%



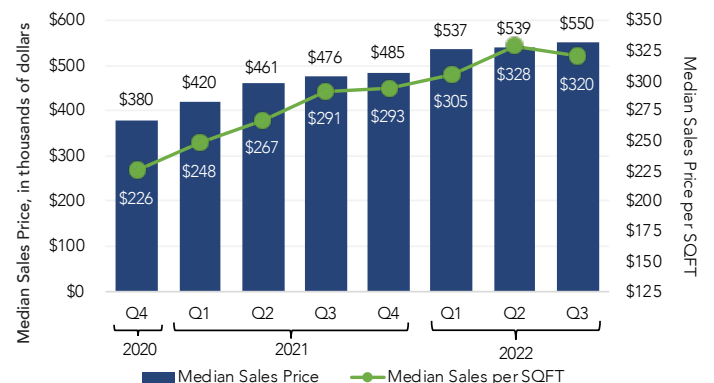
MEDIAN DOM & SALES PRICE VS. LISTING PRICE

	Change, 2022 Q2 to 2022 Q3	Change, 2021 Q3 to 2022 Q3
DOM	↑ 37.3%	↑ 27.3%
Sold/Orig LP Diff. %	0.0%	↓ -0.8%



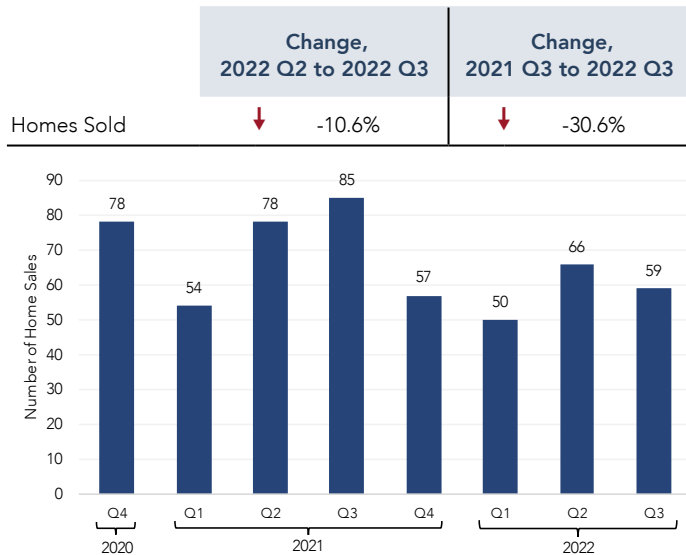
MEDIAN SALES PRICE & MEDIAN SALES PER SQFT

	Change, 2022 Q2 to 2022 Q3	Change, 2021 Q3 to 2022 Q3
Median Sales Price	↑ 2.0%	↑ 15.5%

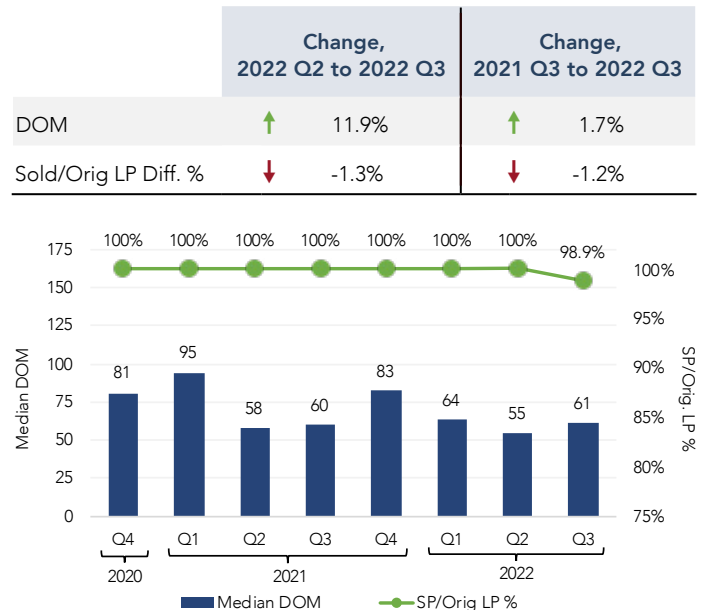


Home sales volume decreased in the Sisters housing market by 11% compared to last quarter and decreased by 31% this same time last year. The median days on market (DOM) increased by 12% from last quarter and the median sales price increased by about 6%. Compared to the same time last year, the median days on market (DOM) increased by 2% and the median sales price increased by 26%. The median sales price rose from \$757,500 in the previous quarter to \$800,000 in the third quarter of 2022.

SALES VOLUME



MEDIAN DOM & SALES PRICE VS. LISTING PRICE



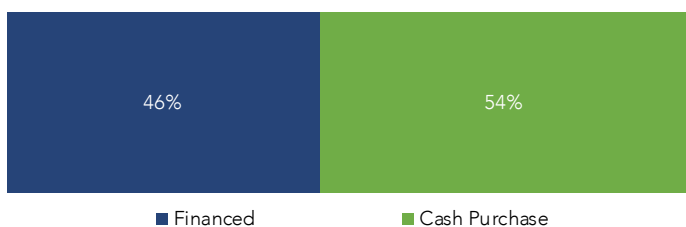
HOME PRICING

Existing	New	New Construction Premium (per sf)
\$850,000	\$604,354	-21.4%

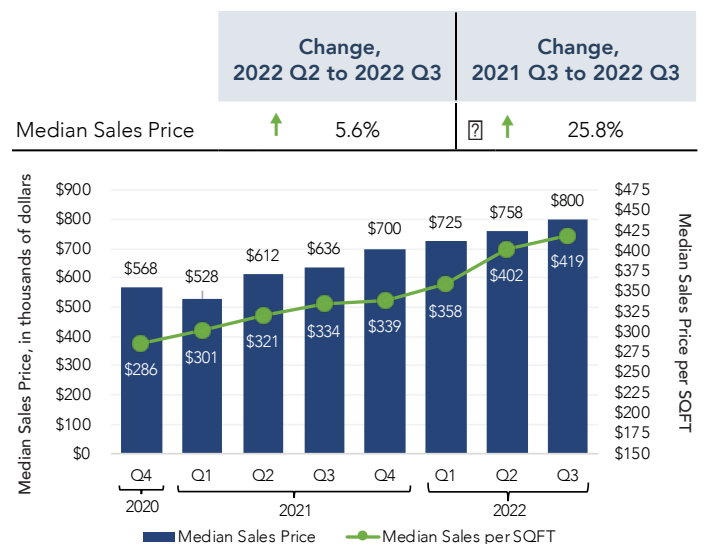
NEW CONSTRUCTION SALES

New Units Sold	New Units as a % of Total Units
10	16.9%

HOME FINANCING

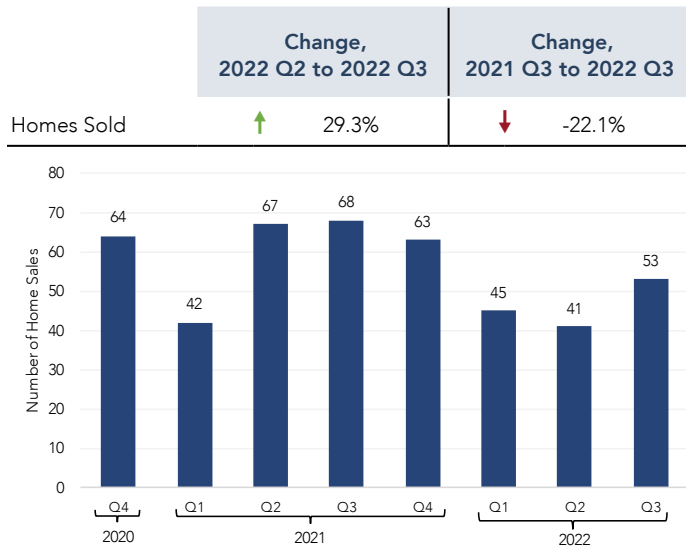


MEDIAN SALES PRICE & MEDIAN SALES PER SQFT



Sunriver saw an increase in its home sales volume from last quarter of about 30%. The median days on market (DOM) increased by about 19%. Compared to this same time last year, home sales volume decreased by 22% with the median days on market (DOM) increasing by 6%. The median home sales price in Sunriver increased by about 27% relative to the third quarter of 2021, from \$746,750 to \$949,000 in the third quarter of 2022.

SALES VOLUME



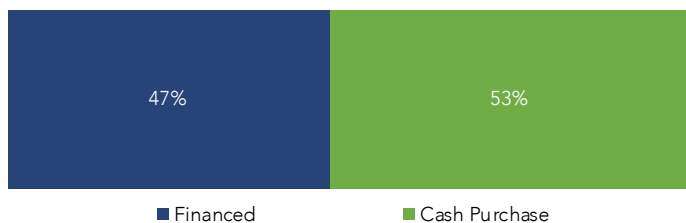
HOME PRICING

Existing	New	New Construction Premium (per sf)
\$949,000	N/A	N/A

NEW CONSTRUCTION SALES

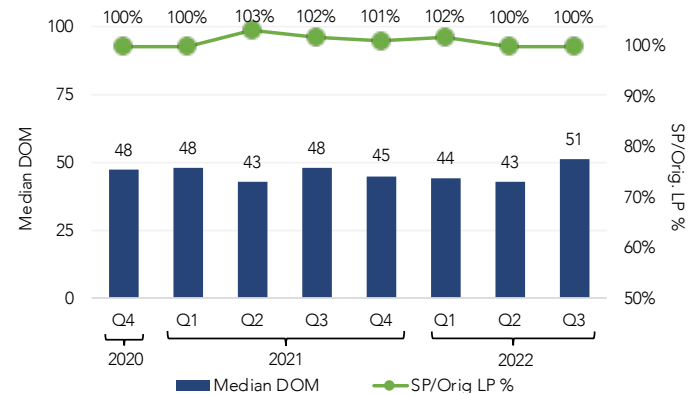
New Units Sold	New Units as a % of Total Units
0	0.0%

HOME FINANCING



MEDIAN DOM & SALES PRICE VS. LISTING PRICE

	Change, 2022 Q2 to 2022 Q3	Change, 2021 Q3 to 2022 Q3
DOM	↑ 18.6%	↑ 6.3%
Sold/Orig LP Diff. %	0.0%	↓ -1.9%



MEDIAN SALES PRICE & MEDIAN SALES PER SQFT

	Change, 2022 Q2 to 2022 Q3	Change, 2021 Q3 to 2022 Q3
Median Sales Price	↑ 8.0%	↑ 27.1%

