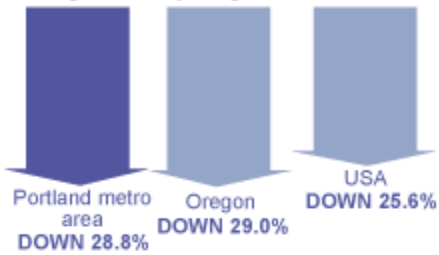


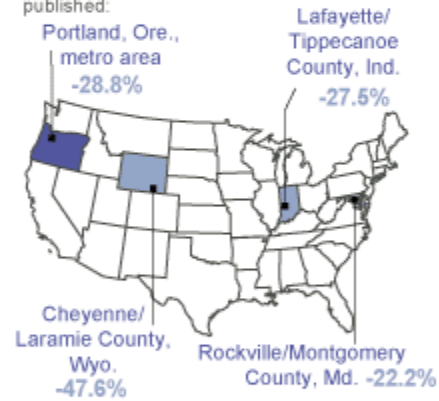
■ **Location**
Portland, Oregon

■ **Monthly sales volume**
Change from one year ago:



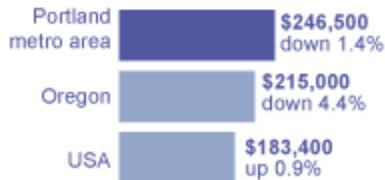
■ **Comparing sales volume**

The four most-recent cities in the USA TODAY Close to Home series and their one-year change in monthly sales volume when originally published:



■ **Median home price**

Change from one year ago:



Sources: Portland Metropolitan Association of Realtors, MDA DataQuick, National Association of Realtors.

Portland, Ore.: Housing market still copes with tough economy

USA Today September 21, 2010

By [Christine Dugas](#), USA TODAY

[Portland](#), Ore., known for drizzly weather, had a sunny July. But the local housing market didn't look nearly as bright.

The market is still coping with a tough local economy.

Portland, located close to the ocean, [Mount Hood](#) and [Mount St. Helens](#), is such a desirable place to live that many laid-off workers don't want to seek new jobs elsewhere, which keeps unemployment higher, says Tim Duy, director of the [Oregon Economic Forum](#) at the University of Oregon.

CLOSE TO HOME: [Real estate markets across the USA](#)

HOUSING MARKET: [Track the rise, fall and ... rebound?](#)

The housing market is also hurt by underemployment.

"People have taken jobs that pay significantly less than what they used to make and don't support the lifestyle they had," says Jeff Wiren, president of the Portland Metropolitan Association of Realtors.

•**Sales status.** The expiration of the federal tax credit also pushed home sales into a tailspin. "When it was in full swing, it was pretty common to see properties receive multiple offers," Wiren says.

But after the tax credit ended, there were fewer home buyers, and those still shopping for a home had no reason to rush. "We have some stagnation in the market," Wiren says.

Lenders are holding back on short sales (houses that borrowers and lenders agree to sell for less than the mortgage loan balance), leaving buyers for them in limbo. And even though mortgage rates are low, many other buyers are moving cautiously.

July home sales in Portland were 29% lower than one year earlier.

•**Price points.** The tax credit didn't drive up prices, because many buyers were first-timers at the low end of the market. Since the tax credit expired, prices have stayed down.

"We still have a disconnect between buyers and sellers," Wiren says.

The seller might be offering a fair market price, but the buyer still wants a significant discount.

In July, the median sales price — \$246,500 — was 1.4% below July 2009's.

•**Local economy.** "Like the rest of the nation, Portland's economy is still challenged," says Duy. "It seems that we have hit a stagnation point. It's neither getting perceptively worse, nor is it getting perceptively better."

The unemployment rate of the Portland-Vancouver-Hillsboro metro area was 10.4% in July, above the U.S. rate of 9.5% that month.

There are signs that the professional and business services sector — which includes lawyers, architects and management companies — is gaining strength, Duy says.

[Intel](#) is the largest employer. It ended production at one factory in June, but it has found positions for most of the 900 displaced employees, the company says. Intel employs about 15,000 people in the area.

There are rumors that it may open a new plant in the metro area, but Intel declined to comment on that.

Courtesy of JB Goodwin