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Portland Market Lot Outlook

December 2011

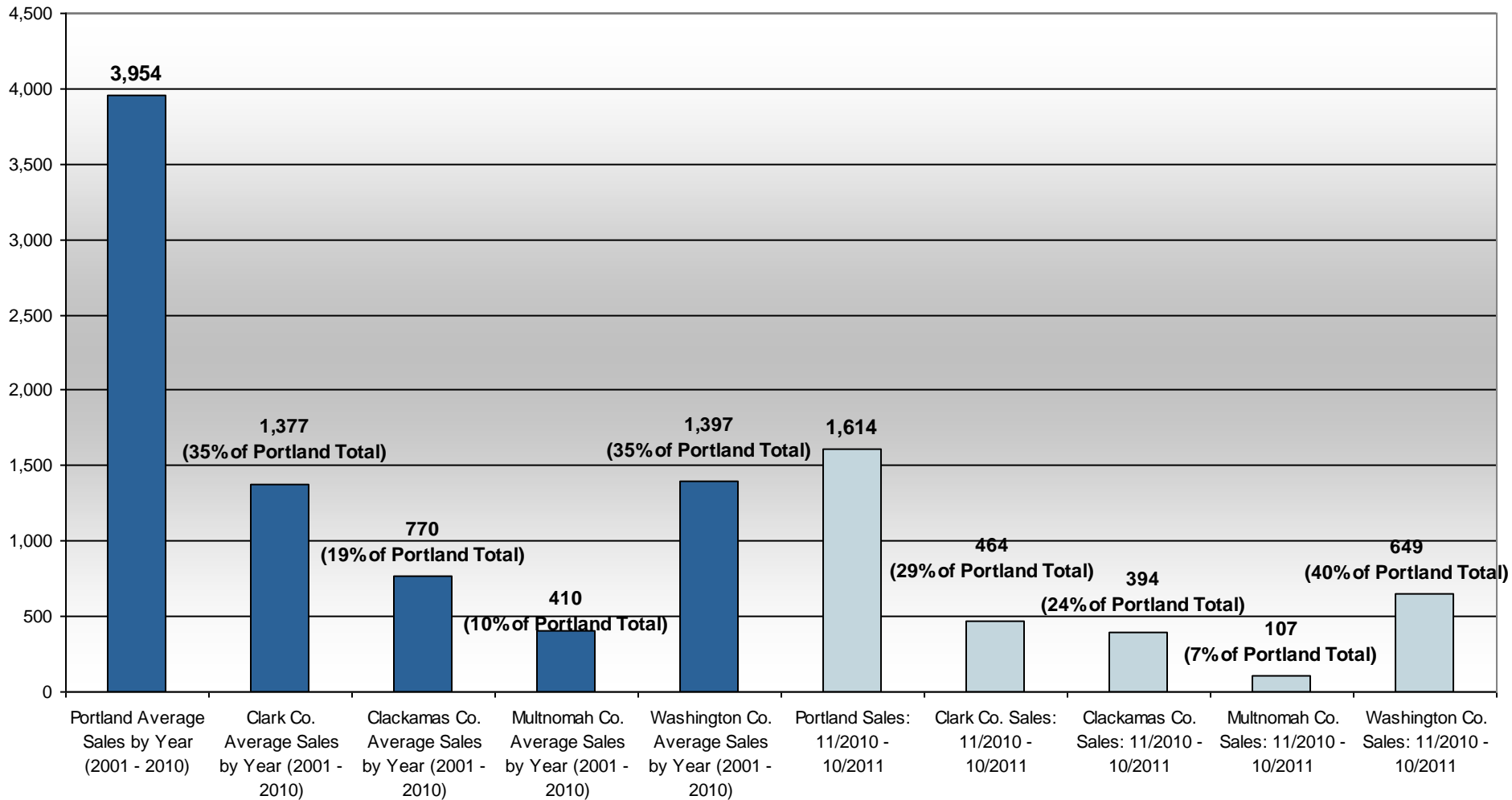
Presented by

Todd Britsch

425-742-8040

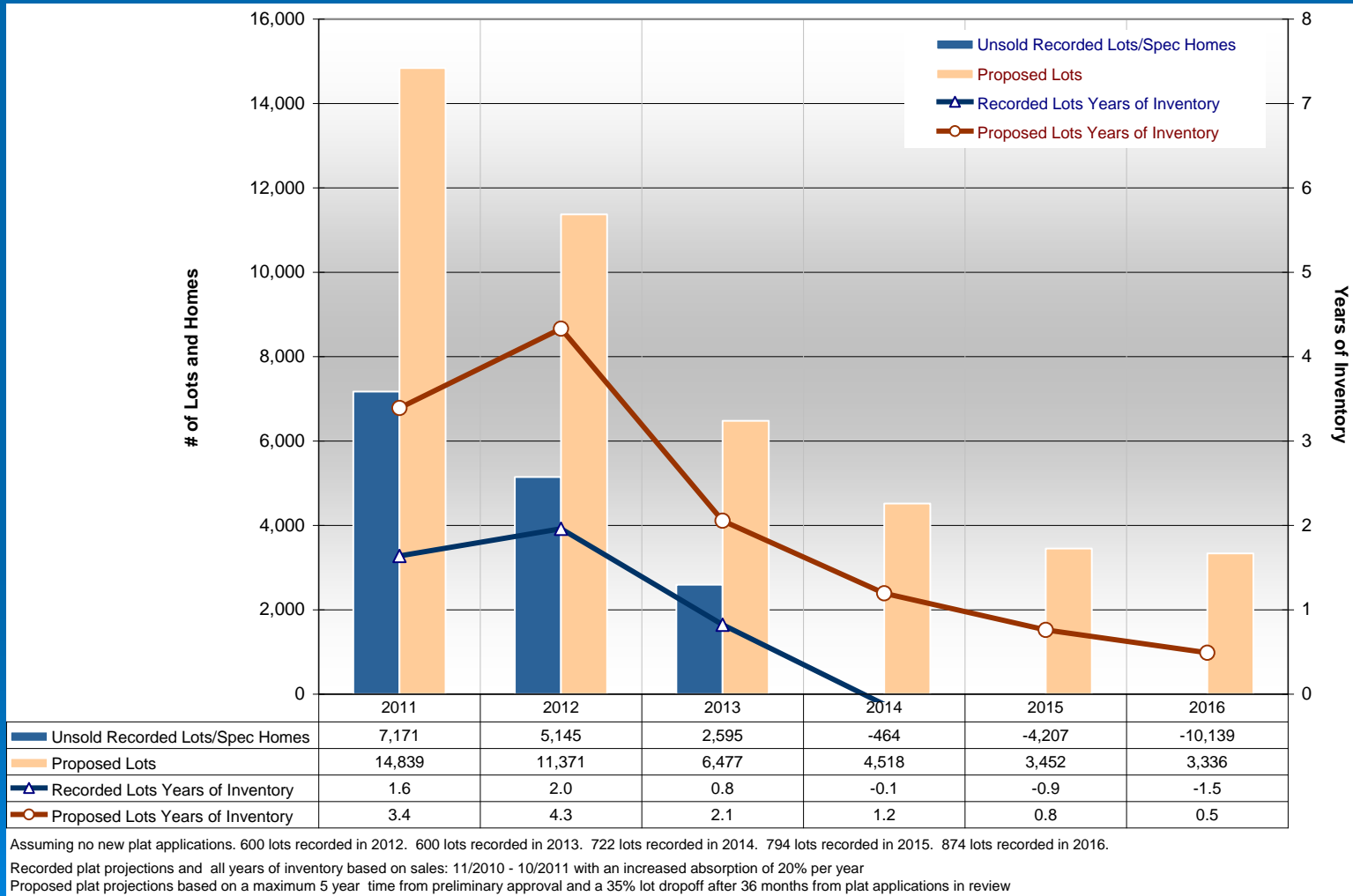
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Ten Year Running Sales Average Comparison



Portland = Clark, Clackamas, Multnomah, & Washington Counties

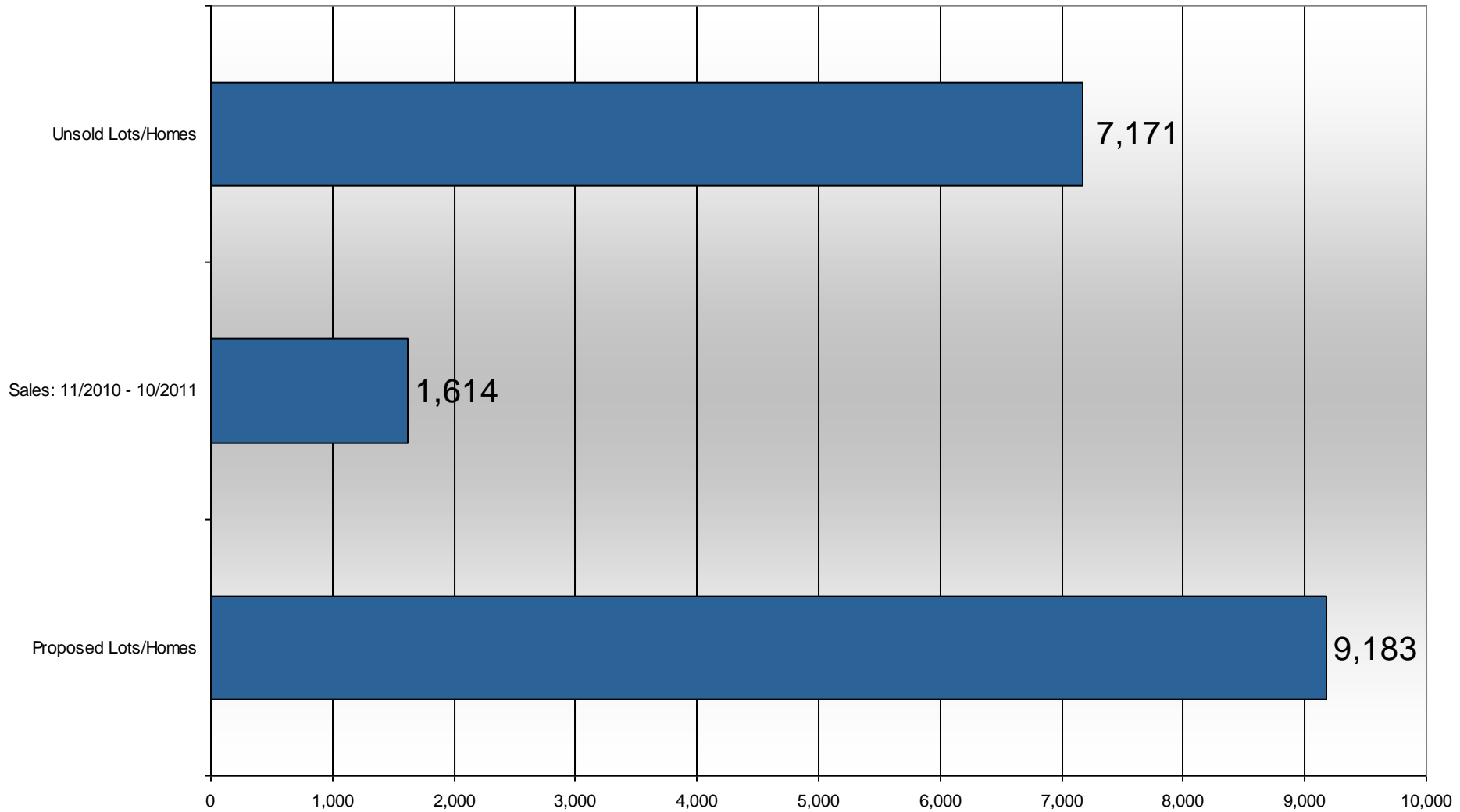
New Construction Currently Selling and Proposed Lot Inventory Portland Total



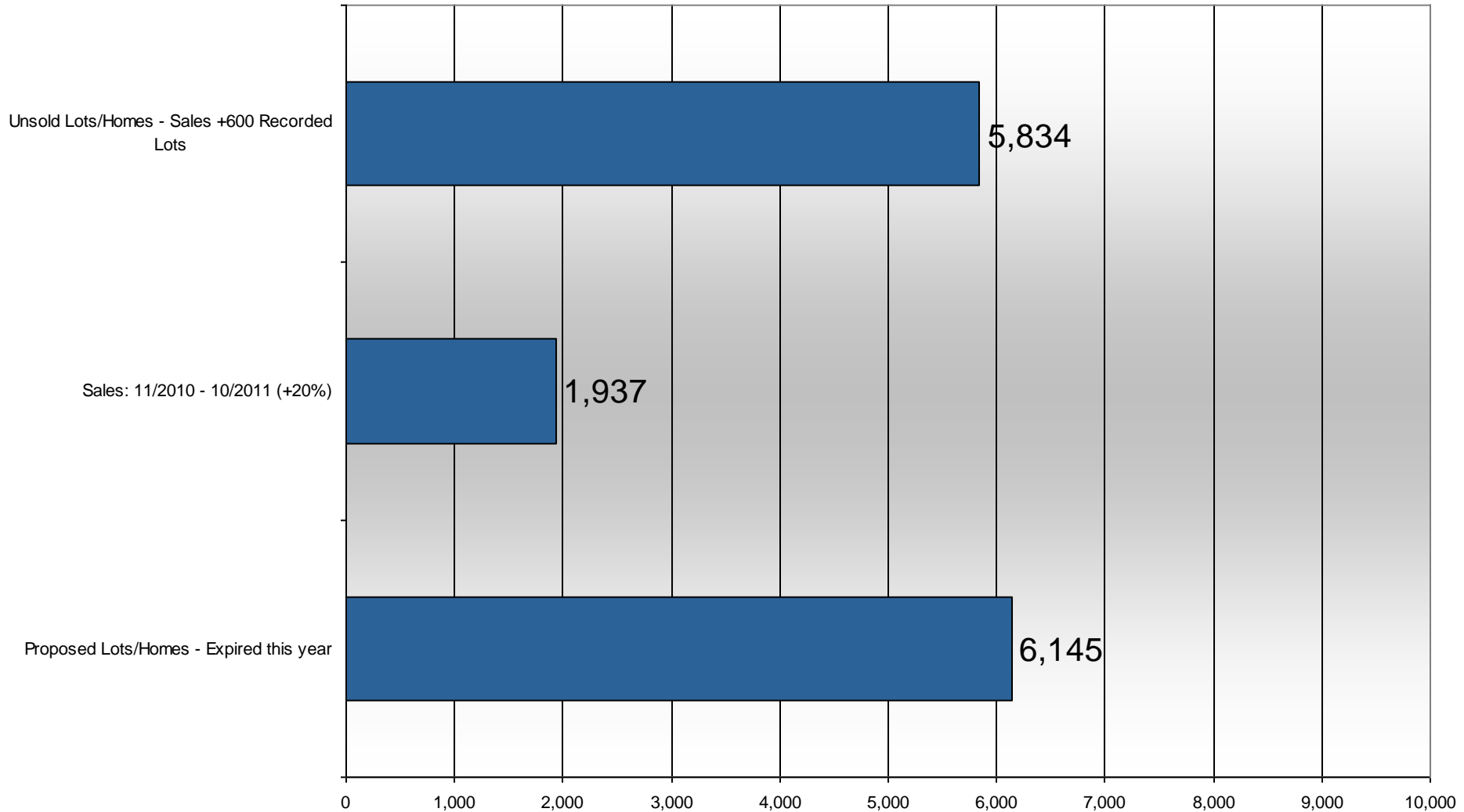
5 Year Lot Supply

Portland Metro				MF	SF	Over/Under Supply by 2015
Current recorded vacant lot count			7,171			
Current unrecorded lot count			8,755			
Number of estimated lots to fall out due to being under earnest money contracts.....	10%		876			
Historical fall out of remaining plats in the pipeline is.....	25%		2,189			
Assumed viable unrecorded lot Supply			5,691			
11/2010 - 10/2011 single family sales	135		1,614			4,792
Ten year running average	348.58	100%	4,183			-8,053
2011-2015 Population growth (Source ESRI)			146,569	35%	65%	
Projected new Housing Demand 2011-2015 (population/2.5 per household*60% home ownership)			35,177	12,312	22,865	-10,003
Assumed Years of total Inventory based on last 12 months of sales	1,614	annual sales	7.97	years of supply		
Assumed Years of total Inventory based on a ten year running average	4,183	annual sales	3.07	years of supply		
Assumed Years of total Inventory based on projected population growth	4,573	annual sales	2.81	years of supply		

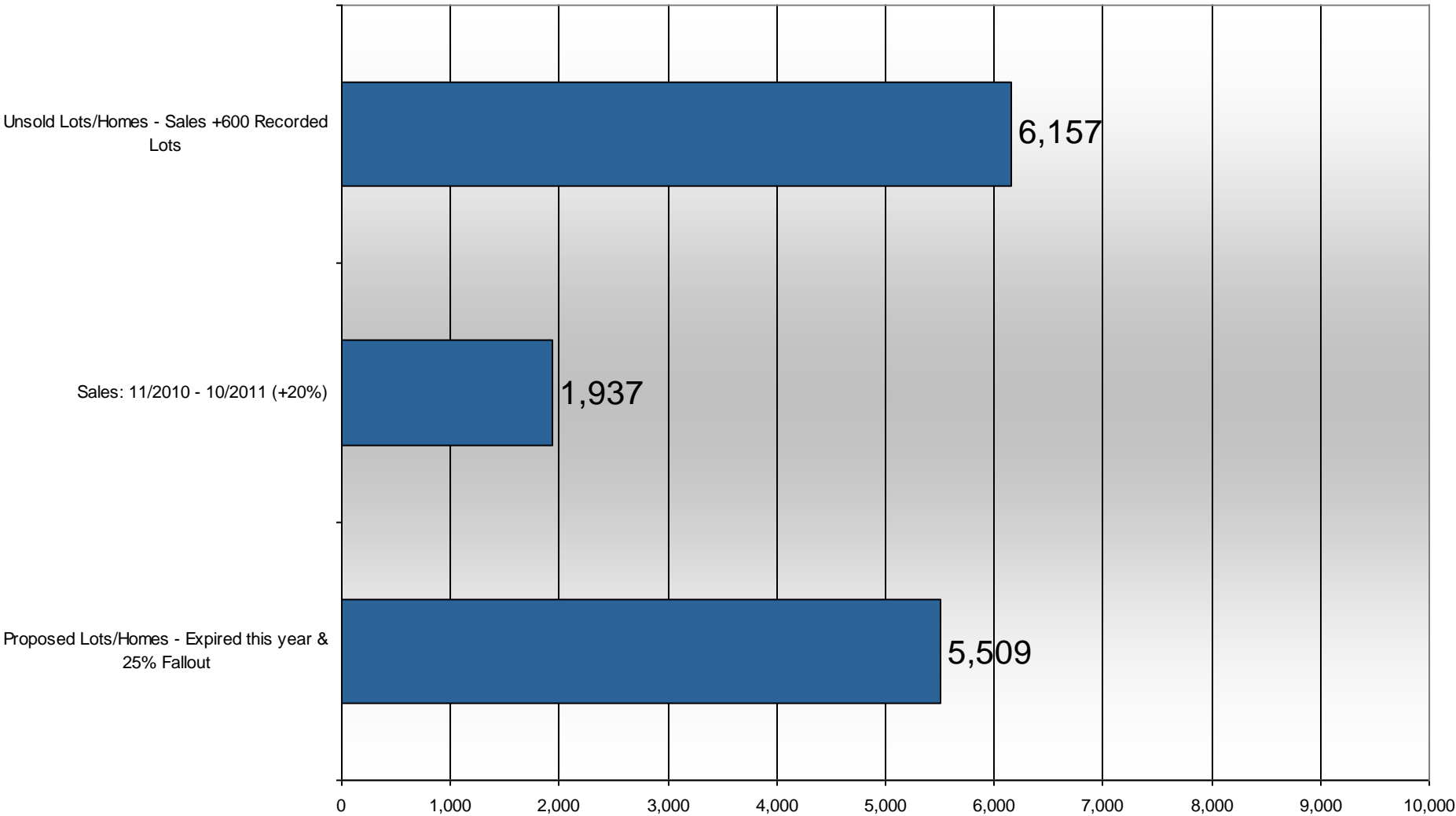
Current Inventory & Sales, Portland



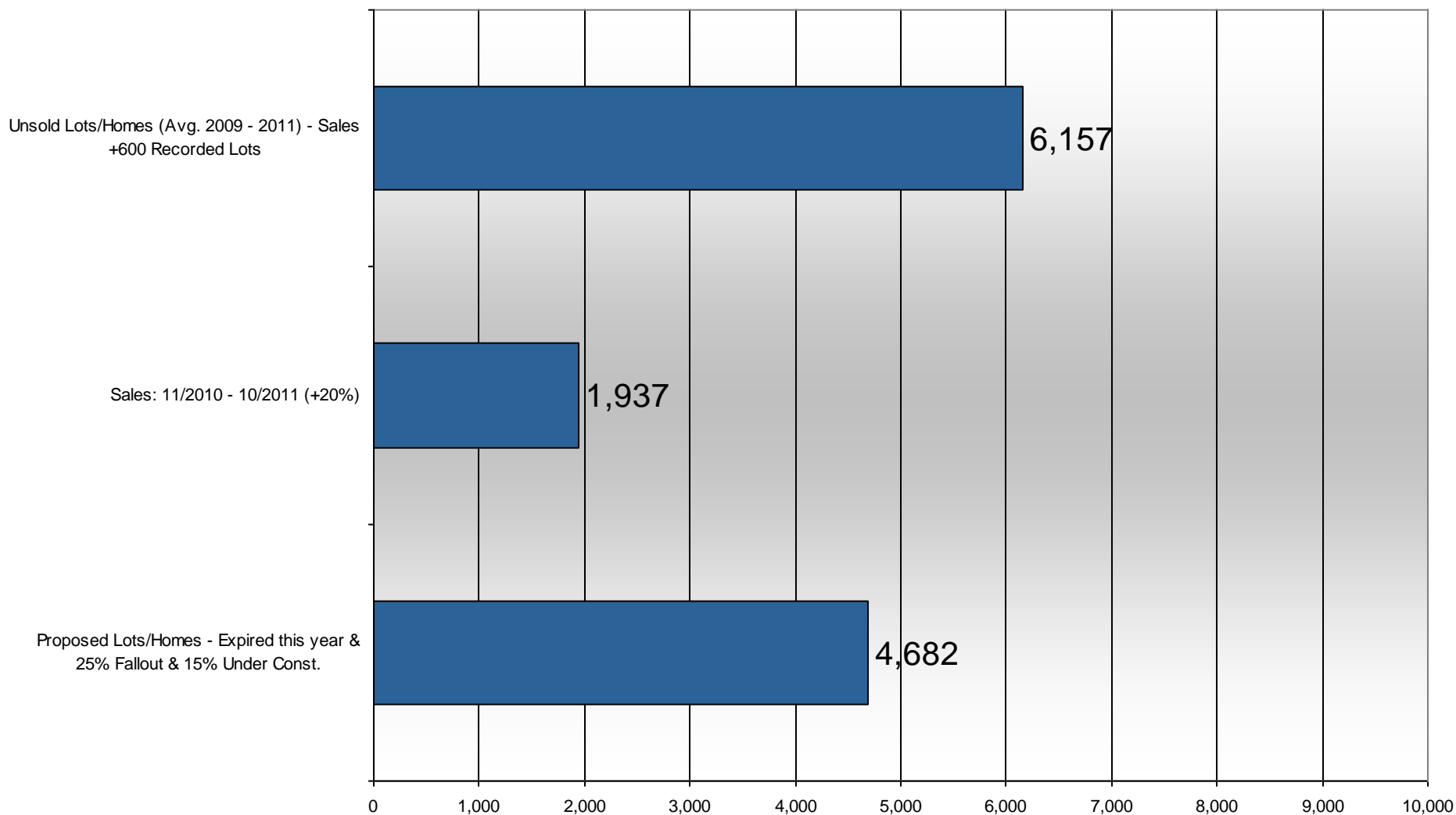
December 2012 Inventory & Sales, Portland



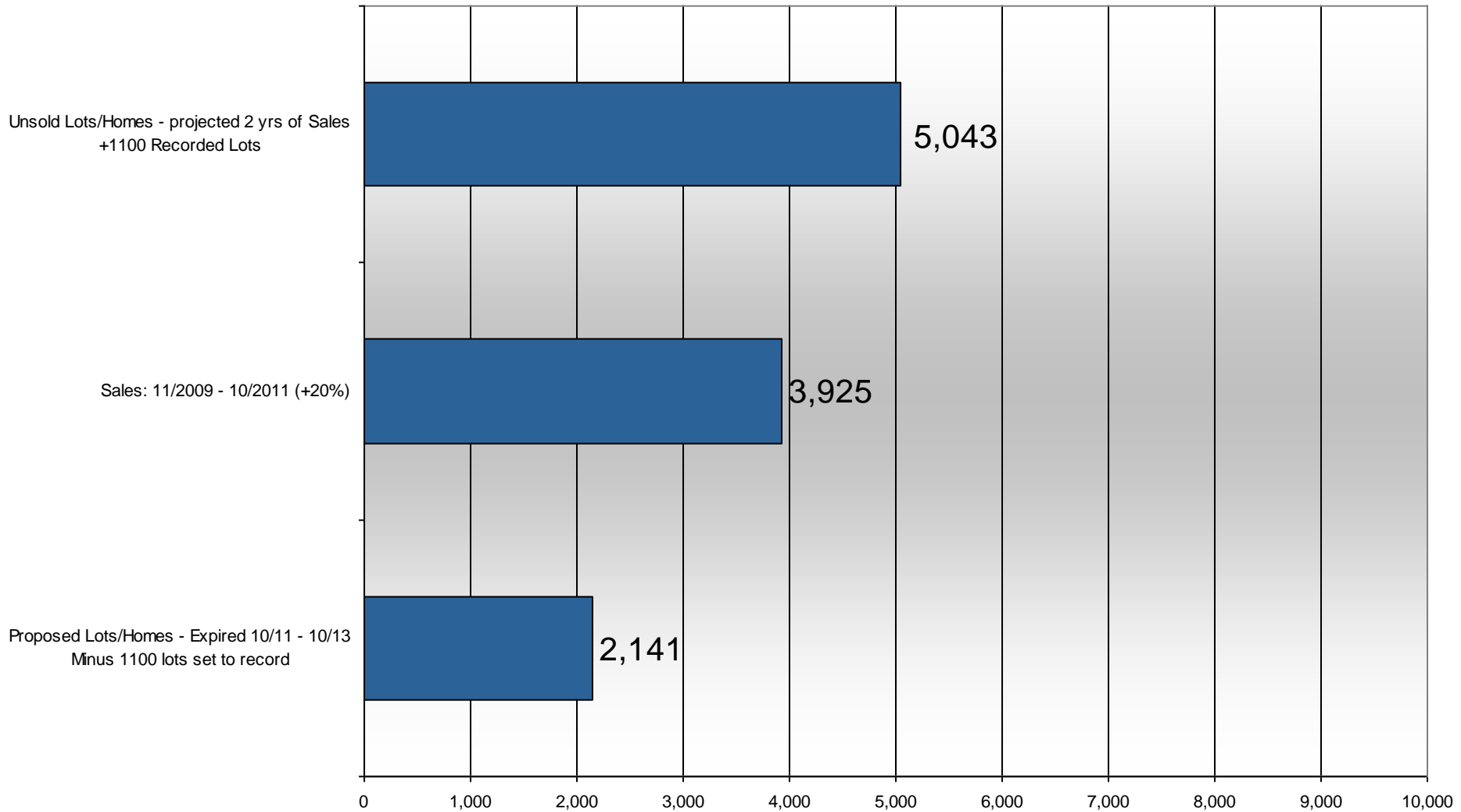
December 2012 Scenario II, Inventory & Sales Portland



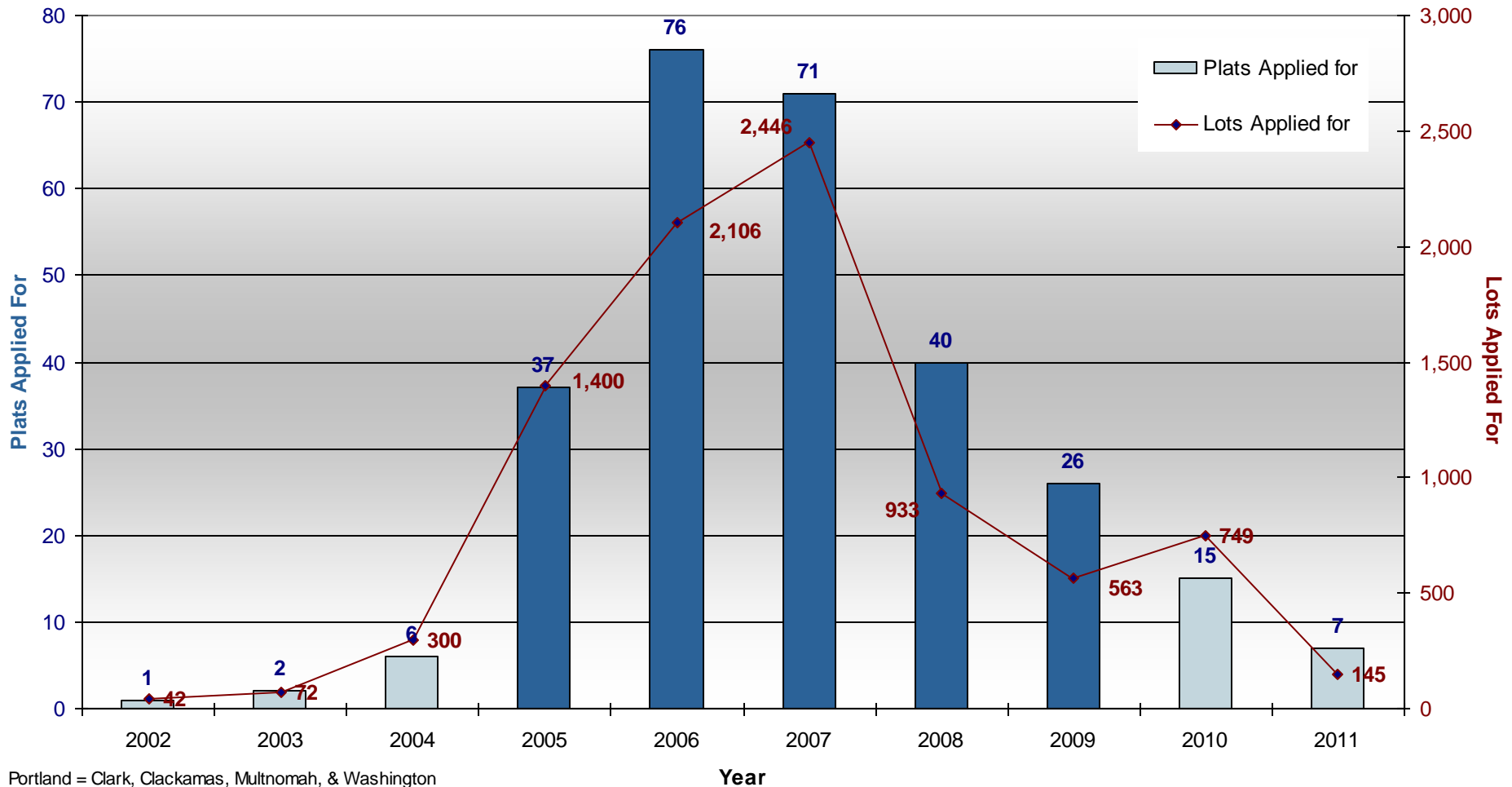
December 2012 Scenario III, Inventory & Sales Portland



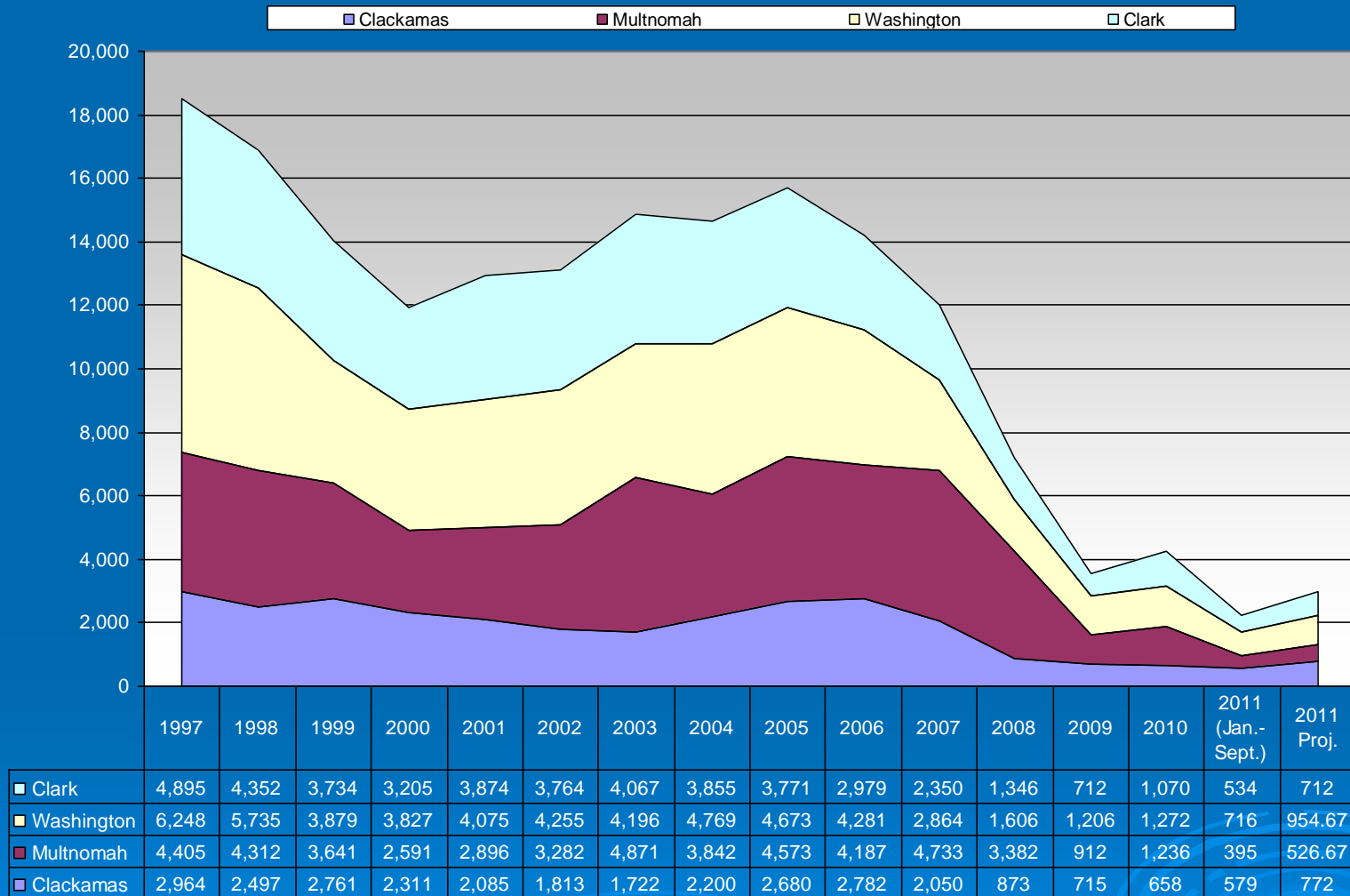
December 2013 Inventory and Sales



Currently Active Proposed Year Plats and Lots Applied for



Portland Building Permits Detached & Attached Product



Source: U.S. Census Bureau

2010 Projection Source: New Home Trends

2011 Projection based on Jan. – Sept. 2011 Permits

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12/2011

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Shadow Inventory

County	*Foreclosures (11/2010 - 10/2011)	Bank Held Avail Listings (RMLS)	Bank Held Sold 11/2010 - 10/2011 (RMLS)	Total Shadow Inventory
Clark	4,027	150	1,195	2,682
Clackamas	3,704	171	953	2,580
Multnomah	5,300	236	1,729	3,335
Washington	3,991	136	1,093	2,762
Total	17,020	693	4,970	11,357

* Foreclosure data source: Realty Trac

Unemployment Rate / Employment

County		Sep-10	Sep-11
Clark	Unemployment Rate	12.4	9.3
	Employment	188,700	186,080
Clackamas	Unemployment Rate	10	8.3
	Employment	182,951	189,814
Multnomah	Unemployment Rate	10	8.6
	Employment	354,291	368,513
Washington	Unemployment Rate	9	7.5
	Employment	265,599	275,748

Source: Washington State Employment Security Department, Oregon Employment Department

The New Home Trends Crystal Ball



Why and when it will improve!

2013-2015

- Job growth and in migration has already begun
- Affordability due to smaller homes less amenities
- Decreased lot Inventory
- Little to no new applications
- Banks are still tight on lending until 2012
- 2012- 2013 highly likely we will have a shortage of lots
- Under supplied, high demand areas could see ## appreciation
- Vacancy rates decrease and rising rent will fuel housing

Thank You!

*For a copy of the presentation look
under presentations at*

www.newhometrends.com

Or call Doyle Beekley @

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