

A Realtor's ActiveKEY + Frozen Pizza + Peanut Butter Cup + GEO Metro in the Sun = ?

Short video shows why RMLS™ subscribers should keep their ActiveKEYs out of the heat this week

We're going to have some serious heat in most of Oregon & Southwest Washington this week. As you try to stay cool in the hot weather, keep in mind this friendly ActiveKEY battery tip from Supra:

"Temperature extremes can affect battery performance. If the ActiveKEY is below 0° C (32° F) or above 40 ° C (104° F), it will not charge. During very cold or hot times of the year, bring your ActiveKEY in from your car at night and between showings."

Also, watch this short video that poses the question – what happens when you leave an ActiveKEY, a frozen pizza and a frozen peanut butter cup in my 1997 Geo Metro that is parked in direct sunlight?

We filmed this a few weeks ago when it was up to about 94 degrees, so keep in mind that you might see more dramatic results in the next few days. Anyone have any other suggestions for things we should try to melt in my car?

PS: We really do recommend that you remove your key from your car if it's going to be parked in the sun for a long time – especially for agents that go to our Portland office – because we currently have a limited supply of ActiveKEYs due to a parts shortage at Supra. If you do need to get a new

ActiveKEY, please call ahead at 503-236-7657 to ensure that we have one available for you.

June 2009 RMLS Market Action Shows Positive Activity in Several Areas in Oregon & Southern Washington

The latest issue of the RMLS™ Market Action for June 2009 shows increases in accepted offers, closed sales and a decrease in inventory in several regions.

Accepted Offers

The five county Portland Metro Area saw a month-over-month increase in pending sales (8.4% comparing June 2009 with June 2008) for the first time since December 2006. Pending sales also increased for the third month in a row in Clark County, Washington. The following regions also saw an increase in pending listings in June 2009: Coos, Curry, Douglas, Lane, Mid-Columbia and Union.

Closed Sales

Closed sales in Clark County increased 14.8% comparing June 2009 with June 2008. This is the first increase since September 2008.



The following regions also experienced increases in closed sales: Columbia Basin, Curry, Douglas and Mid-Columbia.

Inventory

Inventory in all three of our largest service areas (Portland Metro, Clark County and Lane County) dipped to the lowest it's been since August 2007. In addition, the following counties experienced drops in inventory from the previous month: Columbia Basin, Coos, Curry and Douglas.

How Affordable Are Homes These Days?

Rumor has it that first time buyers (thanks to the \$8000 tax credit) and investors are making the bulk of home purchases these days. Like all savvy shoppers, I'm sure they want to make sure they are getting a good deal.

While, ultimately this is extremely personal calculation (because it depends on the buyer's income, mortgage rates, how well the house will meet their needs, etc.) there is one generic indicator that we can use to get a sense of where the market is at overall: the Affordability Index.



This graph shows the affordability index for the Portland Metro Area by quarter since Sept. 2003.

According to our calculations (which are based on a formula we got from the National Association of Realtors a while back) houses have been becoming increasingly more affordable since September 2008. But what does that mean?

Let's look at the index rating for April, which was 1.41 (see graph above). In theory, someone making the median family

income \$70,000 according to HUD (surprisingly it's up this year) would earn 41 percent more money than they would need to be able to afford the monthly payment on the median priced home in the Portland Market (\$246, 400 according to the April 2009 Portland Market Action—of course).

That is IF they got a loan at the 4.81 percent average interest rate per Freddie Mac in April AND they had a 20 percent down payment (which we all know isn't all that common for first time home buyers these days).

Question is: what will happen now that interest rates are starting to creep back up? We'll let you know in the July issue of Market Action—that's the next time we calculate and report affordability in the newsletter.

First-Time Homebuyers Making a Splash



Are first-time homebuyers making an impact on the real estate market?

I recently received a statistical request from a writer at the Oregonian who wanted to know if over the last year the percentage of buyers in lower-price ranges has risen. As it turned out, in Portland, those buying homes in the \$0 – \$499,999 range now make up nearly 4% more of the market of homes that sell compared to 2008, while those buying homes from \$500,000 – \$1+ million has dropped off about 3.6%.

This influx could be attributed in part to first-time

homebuyers who are jumping at the opportunity that is being presented to them, given the \$8,000 tax credit, historically low interest rates and significantly lower purchase prices.

You can count me among the many first-time homebuyers taking advantage of the opportunity and I am seeing friends taking advantage of the deal as well. If they have some money saved, jobs they feel secure at, and a desire to own – they are looking to buy.

Temper Expectations

You've probably dealt with first-time homebuyers who expect amazing homes for their money. Sure, maybe they'll get one, depending on their price range, but my experience was not as such.

In my price range (\$200k – \$230k), what I found in the areas that were attractive to me, was generally good, but older homes that may need some updating (and in fact, that's what we bought).

My point is, remember to manage the expectations of these buyers, as they may have grand ideas in their head due to some reports in mainstream media. Obviously they should buy a home that they'll be happy in, but also remind them that this is an amazing opportunity right now to make a sound investment for the future.

Image courtesy of bellemedia.