

Is it Really the Age of the Incredible Shrinking Home?

Average square footage of sold homes increases in most RMLS areas

There's been a lot of talk lately about the size of homes being built and purchased getting smaller. The National Association of Home Builders reported that the "the average size of a new home that was completed in 2009 fell to 2,480 square feet from 2,520 square feet in 2008," according to the Wall Street Journal. The median home purchase shrank from 1,825 square feet in 2008 to 1,800 square feet in 2009, according to the National Association of Realtors®.

I wanted to find out if the same would hold true in RMLS™ coverage areas, though, and here's what I found:



As you can see, only three areas that we cover in Oregon & Washington dropped (Columbia Basin, Douglas County & Union County). In Portland it grew 1.52% and it was up 1.37% in Clark County. Coos County posted the largest increase at 4.85%.

I found our numbers a bit surprising. One school of thought is that the square footage would drop because first-time buyers have dominated the market in 2009, which you would think would mean smaller houses. That would make sense to me; I was a first-time buyer in 2009 and my house is 1,088 square feet.

On the other hand, what may have actually happened is that prices on homes with large square footage dropped so much that buyers have been snapping up more space for less money.

What do you think? Is the square footage of homes you're working with shrinking? Are buyers more interested in smaller

homes now? Or are they looking to grab more space while prices are low?

94.6% of Homes Sold for Below \$500k in Portland in November

RMLS Portland home sales by price range, November 2009

The original deadline for the homebuyer tax credit was November 30 and it appears that this may have had an effect on home sales in November. Homes that sold for \$250,000 or below (likely the price range for many first-time buyers) made up 55.3% of all sales in Portland this November, which is up 10.3% compared to November 2008.

Below is a breakdown of sales by price range:

