

Understanding Yamhill County vs. Portland

March 2013

Real estate is local; it is about location, location, location. National news is often just averages - which may actually reflect **nowhere!** The reason real estate will always be 'boots on the ground' is that the ground here and the ground 1000' away may be very different when it comes to value. Local real estate professionals need to know their towns, neighborhoods, streets, and demographics. One block away and it might be a different market.

Our **Market Action Reports** are produced by the Regional Multiple Listing Service which covers all of Oregon and about half of Washington at this time. There is no market that spans that territory; there are many markets. In fact, RMLS produces 14 statistical reports about this territory. Even then, our report, the Portland Metro report, covers an area including all of Multnomah County, Clackamas County, Washington County, Columbia County and Yamhill County. That covers Mt Hood to the Coast Range; from the Columbia River to rural Salem. That is many, many markets...

While we are licensed to sell real estate anywhere in Oregon, we focus our expertise in the greater Yamhill County area. This includes The West Valley, The Yamhill Valley, and The Chehalem Valley. There are 2 cities, 10 towns, and numerous unincorporated or historically known areas like Ballston, St Joseph, Grand Island, and Bald Peak and many more. We often work in Rural Hillsboro, which comes down to the doorway to Newberg, and rural Sherwood, which shares Parrett Mt with Newberg as well as the look and lay of the land with Yamhill County.

What happens in the Pearl District of Portland often has little to do with Amity. Tigard and Gaston have few comparisons. Grand Ronde and Portland may share the glamour found at Spirit Mountain Casino but not much else. So it is with our real estate markets; they can be as different as Beaverton and Yamhill.

Why is this important?

In the fall of 2011 we noticed signs of improvement in Portland close-in markets. Our Portland buyers were going up against multiple offers and experiencing tougher negotiations. By the beginning of 2012, properties closer-in to Portland were disappearing quickly and the statistics were now showing impressive recovery. The news reports multiplied about how well Portland was doing. Multiple offers became common; prices were on the rise.

In Yamhill County at the same time nothing showed significant promise except that something good was happening in Portland! We saw our first increase of sales in June/July of 2012 and had a nice run of sales through the fall. However, while Portland truly appreciated values by about 5% in 2012, and we in Yamhill County continued to sell faster, our prices were continuing

to go down! Sellers at that time were still somewhat desperate to sell and negotiated down, and the buyers were still brutal demanding lower prices. Was there good news? Yes, buyers are buying and properties are moving; that was the improvement.

In the first quarter of 2013, our valuations were still down because the only comparables available were from the latter half of 2012 which were discouraging. Meanwhile the word is spreading to everyone in Yamhill County that Portland is hot and appreciating at a good pace. We wanted that also to be true about Yamhill County; it wasn't. The truth is that our markets lag behind Portland, right now by about a year.

In the second quarter, we are more hopeful, even re-evaluating our values quoted in the first quarter, because we now have 4 months of much better comparables. We expect a better year than last and higher prices to be a reality in our area as well. Some markets correct suddenly; most markets have started the steady road to price appreciation. Rural acreage properties still languish but mostly our out-of-state buyers fuel these sales and that season is just beginning. We have seen more out-of-state buyers already than in all of the past 5 years. We are entering the best season of the year for sales as optimists.

The future is bright for Yamhill County. The wine and tourism industry is contributing many reasons why we are a destination. We are rich with B&B's, fine restaurants; we have a 5-star hotel and the Evergreen complex of museums and entertainment, and so much more. Our rural setting is naturally gorgeous and interesting. We have two universities and many fine schools.

Let us know how we can help you, your friends and family, and others you know. Stay realistic about our markets and optimistic for our future; that is good enough!

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