

Important information related to the impacts of the COVID-19 pandemic

At the time of the first quarter report, we were in the early stages of the COVID-19 pandemic with an increasing rate of unemployment, and with uncertainty about how quickly the virus would spread and how it would impact the real estate market. While much uncertainty remains, we now have a better understanding on current state of the economy and how the real estate market is being impacted.

This recession is playing out differently than anything we have seen before. Due largely to federal stimulus payments to individuals and businesses, we have not seen a drop in incomes despite an unprecedented amount of job loss. That is not to say that individual households have not been impacted, but in aggregate, incomes have not decreased during the recession, while consumer expenditures have recovered almost entirely

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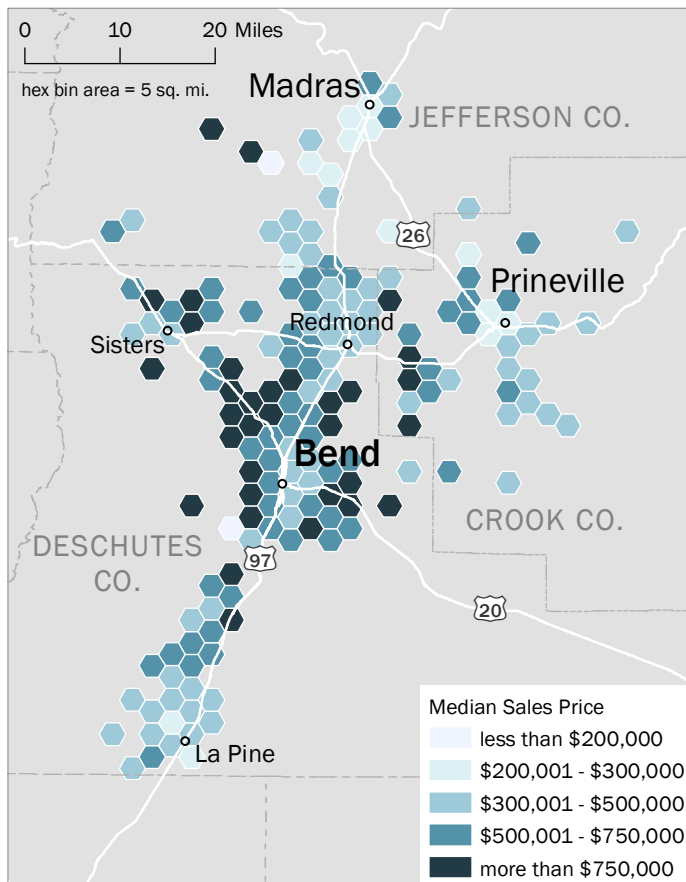
MEDIAN SALES PRICE AND SALES VOLUME (Q3 2020)

Submarket	Price	Volume
Bend	\$554,950	1,116
Crook County	\$370,500	172
Jefferson County	\$265,000	89
La Pine/Three Rivers South	\$375,000	145
Redmond/Terrebonne/Crooked River Ranch	\$369,950	447
Sisters	\$514,950	97
Sunriver	\$504,500	110

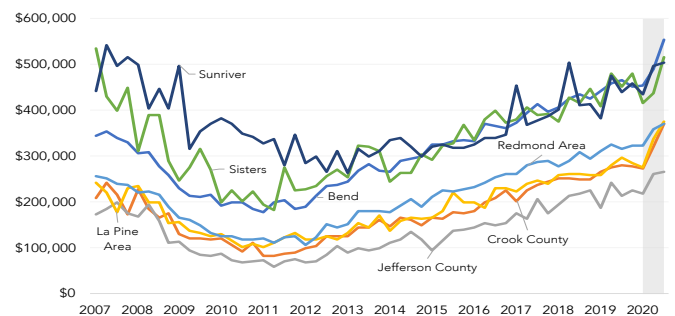
MEDIAN SALES PRICE AND SALES VOLUME BY SUBMARKET FOR ALL SUBMARKETS (Q3 2020)

	Change, 2020Q2 to 2020Q3	Change, 2019Q3 to 2020Q3
Units Sold	↑ 68.55%	↑ 13.22%
Median Price	↑ 10.44%	↑ 17.70%

MEDIAN REGIONAL SALES PRICE (Q3 2020)



SUBMARKET COMPARISON – MEDIAN HOME SOLD PRICES (QUARTERLY, Q3 2007-2020)



About the data used in this report:

To produce this report, ECONorthwest compiled and organized data from COAR's MLS database. All questions related to data accuracy and verification should be directed to COAR.

to pre-pandemic levels. While the ultimate pace of the economic recovery is unknown, jobs have recovered more quickly to date than originally predicted by the Oregon Office of Economic Analysis (OEA). This is good news, which is sorely needed in these challenging times. Unfortunately, as is typically the case during recessions, vulnerable populations are being disproportionately impacted with higher employment and income losses than the broader population.

In September, the unemployment rate decreased to about 8% statewide (165,000 continuing claims). In Central Oregon, unemployment rates have tracked the State average, while unemployment claims have dropped 65% to 4,600 in September from their peak of 13,300 in April.

Negative impacts to the residential real estate market in Central Oregon have been limited, other than a small decrease in sales in April and May. Since then, sales have rebounded and are at 99% of the rate seen last year through September. In fact, the volume of sales over the last two months has been higher than in 2018 and 2019. Typically sales volume peaks in late June, then decrease for the rest of the year. During the pandemic, we have seen sales volumes at their highest rate in recent weeks. It is unclear if this is pent-up demand for decreased activity earlier in the year, or indicative of increasing demand in the region for households looking for more rural housing options based on the ability to work remotely. Prior to the pandemic, Bend was the highest market in the county for share of remote workers (OEA).

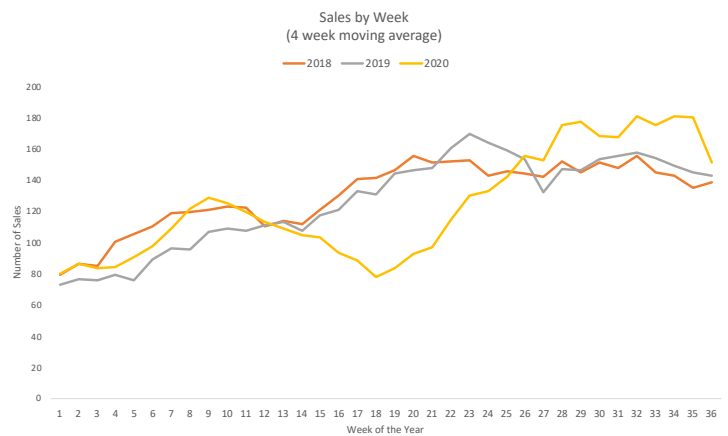
Increased sales volumes in Central Oregon are consistent with national trends, where the National Association of Realtors reports their Pending Home Sales Index reached an all-time high in August, growing 8.8% since July.

Median home prices jumped 17% since the third quarter in 2019, the highest increase since 2014. This is due to a change in distribution of prices of homes listed on the market. Compared to this time last year, there are fewer homes listed below \$399,000, and more homes listed above \$400,000. This is particularly the case above \$750,000 where there are more than double the number of listings.

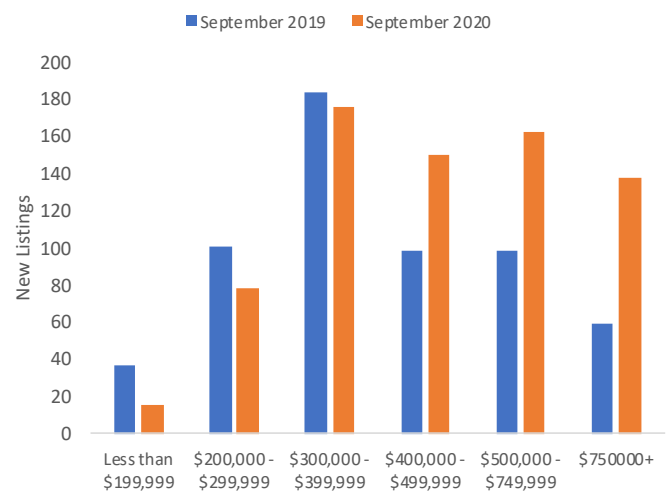
We have been tracking market absorption as a leading indicator of market demand in the past couple quarterly reports. The number of months of supply continues to drop in the region, now down to 1.5 months. As mortgage

rates hit new lows and market absorption continues to drop, the market is showing no signs of slowing down despite recent up ticks in the number of COVID-19 cases across the region.

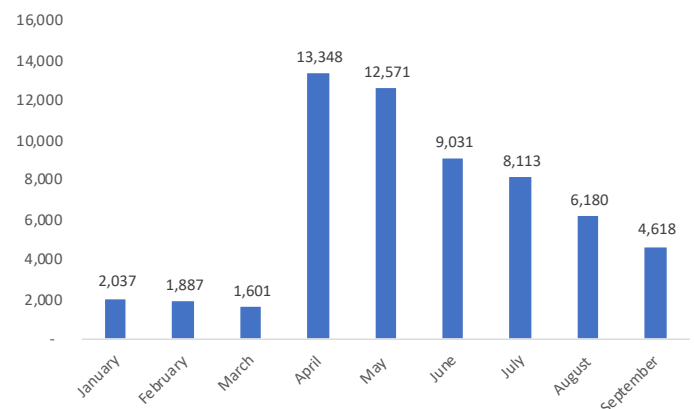
SALES BY WEEK – CENTRAL OREGON



LISTINGS BY PRICE RANGE – CENTRAL OREGON



UNEMPLOYMENT CLAIMS BY MONTH – CENTRAL OREGON



The price index for Central Oregon increased at an annual rate of 10.0% in the third quarter of 2020. The measure of the index is now 209, representing a 109% increase in market prices since 2012. Price growth using the index increased at a higher rate than the median sales price in the market through the first 4 months of the COVID-19 pandemic, however in the third quarter median sales price growth outpaced the index landing at 17.7% in the third quarter.

Price growth, measured by the index, peaked in early 2018 at 13.2% and has steadily slowed to the current rate of 10.0% — the price index up until the current quarter had outpaced the rate of the median sales price since 2018 however the median sales price more than doubled this past quarter while the price index remained relatively stable.

The median sales price increased by nearly 10 percentage points (on an annual basis) since the last quarter. This is fueled by a change in the mix of houses selling, rather than an across the board increase in house prices. Fewer lower-priced homes were listed, and more than double the number of homes over \$750,000 compared to last year. This atypical change in the mix of houses for sale demonstrates the advantage of using price index compared to the median or average price.

WHAT IS A PRICE INDEX?

A price index tracks repeat sales of the same property to measure the change in market price over time.

WHY A PRICE INDEX?

A price index uses repeat sales and is the most accurate way to track changes in price over time. Median or average sales prices are responsive to new construction prices that are generally higher than the market average, as well as trends in listings. In order to most accurately measure how prices in a market are changing over time, tracking individual properties that sell multiple times allows for an apple to apples comparison of change over time.

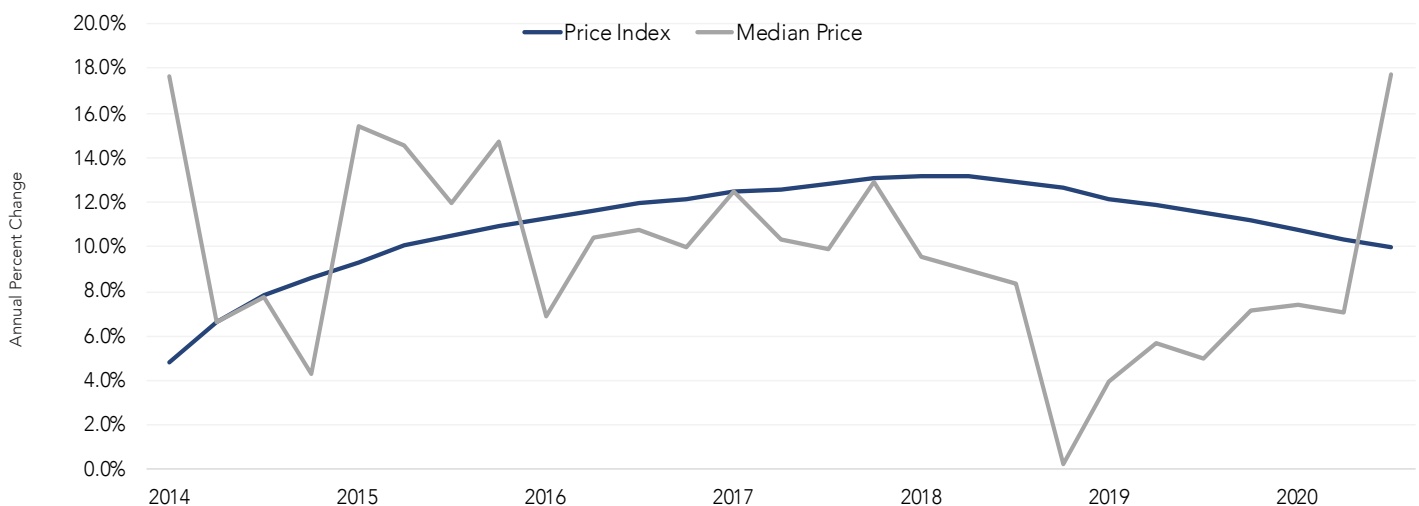
HOW DO WE CALCULATE A PRICE INDEX?

The price index is calculated using home sales data from 2007 up to the last quarter (Q3 2020). Repeat home sales are identified by matching sales based on addresses. Once homes that have been sold more than once are identified, the duration between the sales and the change in sale price are measured.

We have applied filters to the dataset to account for outliers and other transactions not representative of normal market conditions, such as flipping or substantial renovations.

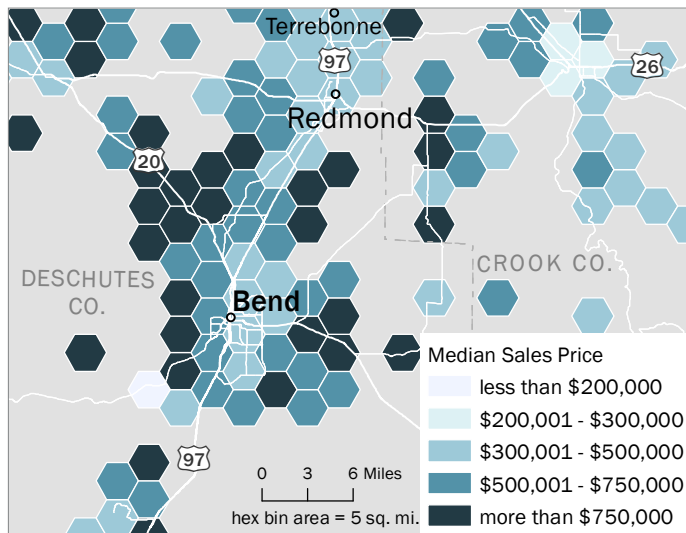
The repeat sale price index is calculated on a quarterly basis starting in the fourth quarter of 2012. Starting in the fourth quarter of 2012, the median sale price over the previous four quarters is calculated and used as the anchor price (100). For each following quarter, the median price appreciation for homes sold within the last four quarters is calculated, and this price appreciation is applied to the index.

REPEAT SALES PRICE INDEX VS. MEDIAN PRICE CHANGE



Bend's housing market performed substantially better in the third quarter of 2020 than the previous quarter. Home sales volume increased by just over 72% from the previous quarter with the days on market (DOM) falling nearly 8%. Compared to the same time last year, home sales volume increased by 19% and the median days on market (DOM) fell by about 11%. Additionally, the median home sales price in Bend continued to rise, increasing just over 13% from last quarter and about 19% from the third quarter of 2019.

MEDIAN SALES PRICE



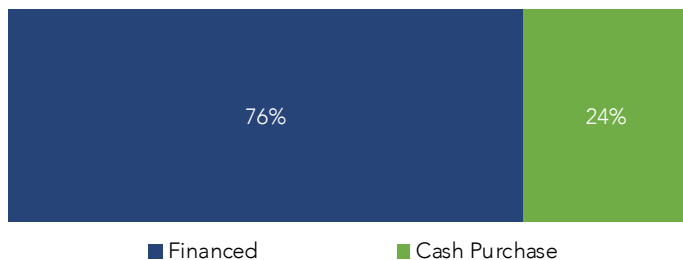
HOME PRICING

Existing	New	New Construction Premium (per sf)
\$552,000	\$579,000	-7.01%

NEW CONSTRUCTION SALES

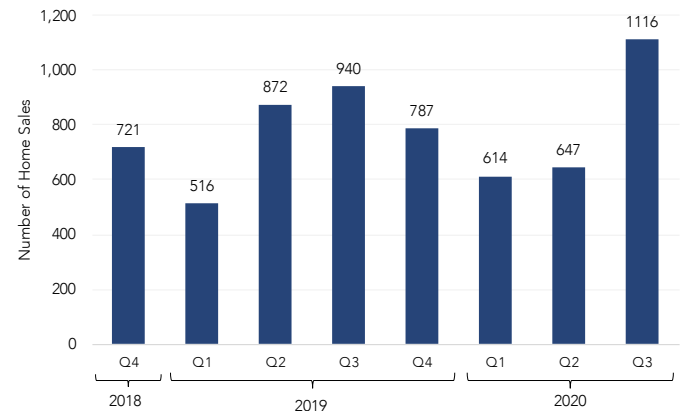
New Units Sold	New Units as a % of Total Units
157	14.07%

HOME FINANCING



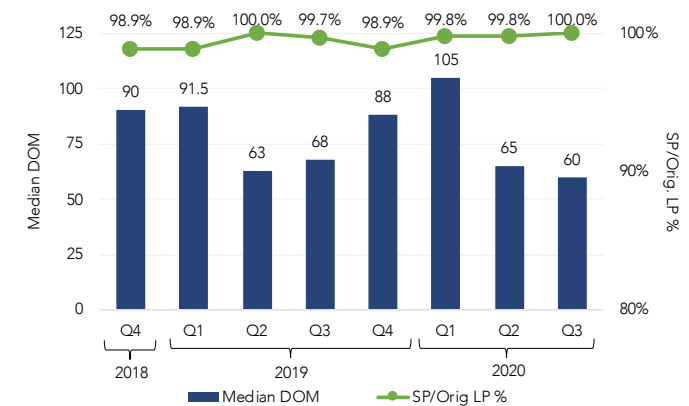
SALES VOLUME

	Change, 2020Q1 to 2020Q2	Change, 2019Q2 to 2020Q2
Homes Sold	↑ 72.49%	↑ 18.72%



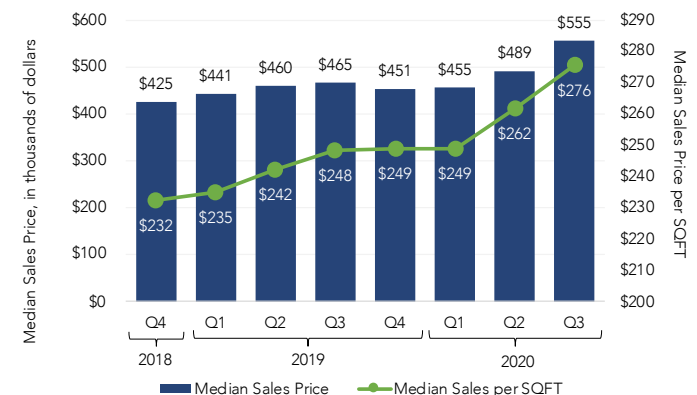
MEDIAN DOM & SALES PRICE VS. LISTING PRICE

	Change, 2020Q2 to 2020Q3	Change, 2019Q3 to 2020Q3
DOM	↓ -7.69%	↑ 11.11%
Sold/Orig LP Diff. %	↑ 0.21%	↑ 0.30%



MEDIAN SALES PRICE & MEDIAN SALES PER SQFT

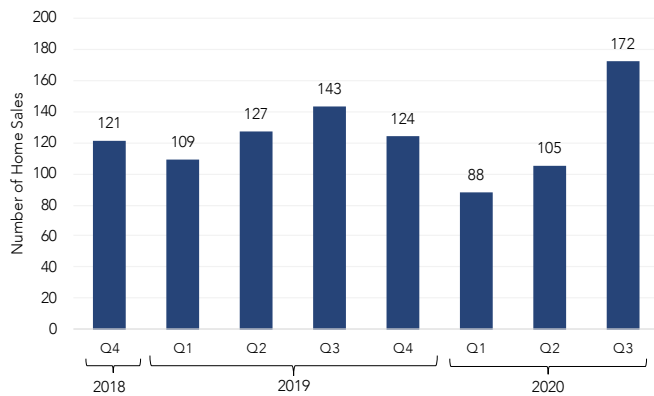
	Change, 2020Q1 to 2020Q2	Change, 2019Q2 to 2020Q2
Median Sales Price	↑ 13.49%	↑ 19.36%



Home sales volume in Crook County increased 64% relative to the previous quarter and 20% relative to this same time last year. In the third quarter of 2020, 172 homes sold in Crook County. However, unlike most of the other housing markets in this region, homes in Crook County sold more slowly than they did in the previous quarter. The median days on market (DOM) rose nearly 9% from the previous quarter and just over 18% from the third quarter of 2019. The median home sales price also rose in Crook County relative to the previous quarter and this same time last year, increasing by 16% and 32%, respectively. In this same period last year, the median home sales price was \$279,900 compared to the third quarter of 2020 median home sales price of \$370,500.

SALES VOLUME

	Change, 2020Q2 to 2020Q3	Change, 2019Q3 to 2020Q3
Homes Sold	↑ 63.81%	↑ 20.28%



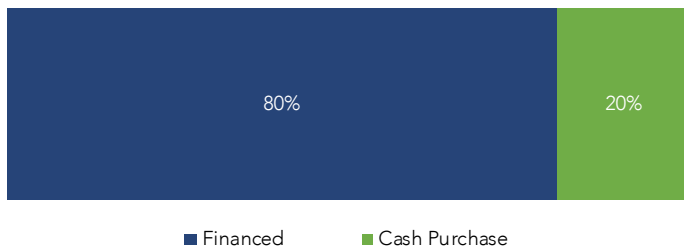
HOME PRICING

Existing	New	New Construction Premium (per sf)
\$360,000	\$411,585	-0.95%

NEW CONSTRUCTION SALES

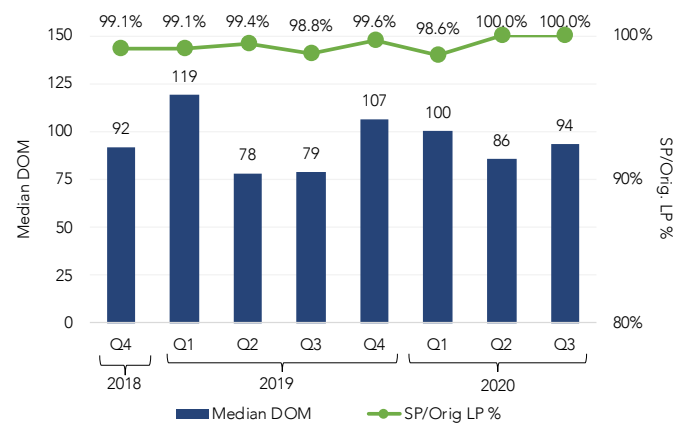
New Units Sold	New Units as a % of Total Units
12	6.98%

HOME FINANCING



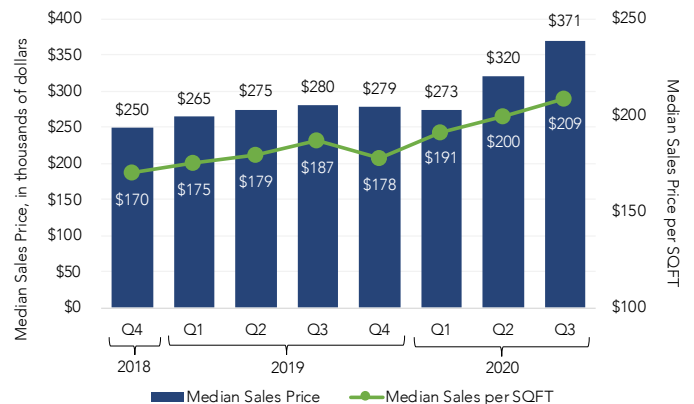
MEDIAN DOM & SALES PRICE VS. LISTING PRICE

	Change, 2020Q2 to 2020Q3	Change, 2019Q3 to 2020Q3
DOM	↑ 8.72%	↑ 18.35%
Sold/Orig LP Diff. %	-- 0.00%	↑ 1.21%



MEDIAN SALES PRICE & MEDIAN SALES PER SQFT

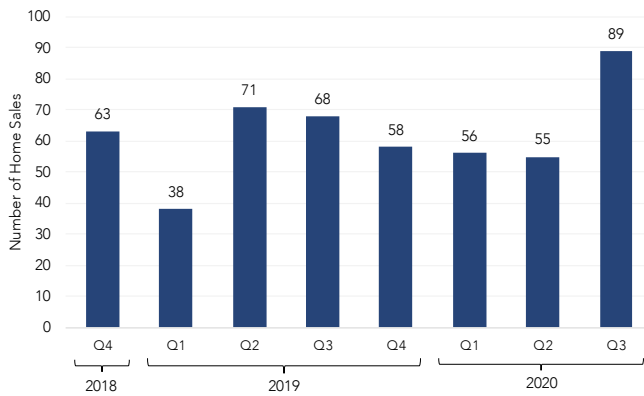
	Change, 2020Q2 to 2020Q3	Change, 2019Q3 to 2020Q3
Median Sales Price	↑ 15.78%	↑ 32.37%



Jefferson County's home sales volume rose dramatically relative to the last quarter and this same quarter last year, increasing by 62% and 31% respectively. Homes also sold more quickly. The median days on market (DOM) fell 37% from the previous quarter and 13% from the third quarter of 2019. The median home sales price in Jefferson County rose only slightly over last quarter by 2% and the median sales price per square foot remained steady at \$174. However, compared to this same time last year the median sales price rose nearly 25% from \$212,750 to \$265,000.

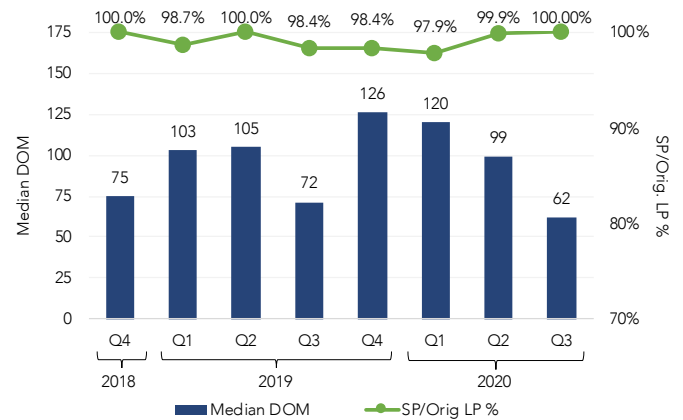
SALES VOLUME

	Change, 2020Q2 to 2020Q3	Change, 2019Q3 to 2020Q3
Homes Sold	↑ 61.82%	↑ 30.88%



MEDIAN DOM & SALES PRICE VS. LISTING PRICE

	Change, 2020Q2 to 2020Q3	Change, 2019Q3 to 2020Q3
DOM	↓ -37.37%	↓ -13.29%
Sold/Orig LP Diff. %	↑ 0.10%	↑ 1.63%

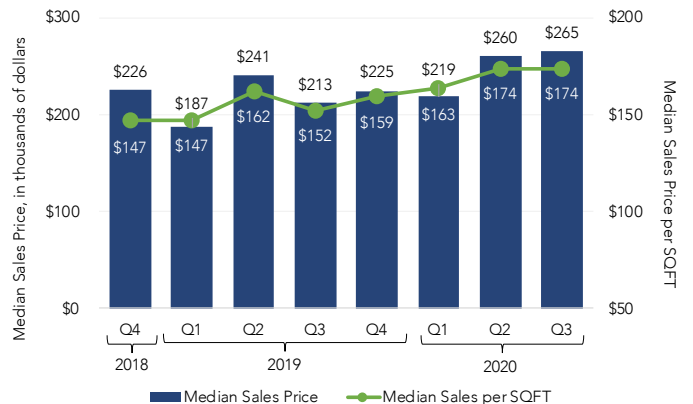


HOME PRICING

Existing	New	New Construction Premium (per sf)
\$256,000	\$266,400	-4.16%

MEDIAN SALES PRICE & MEDIAN SALES PER SQFT

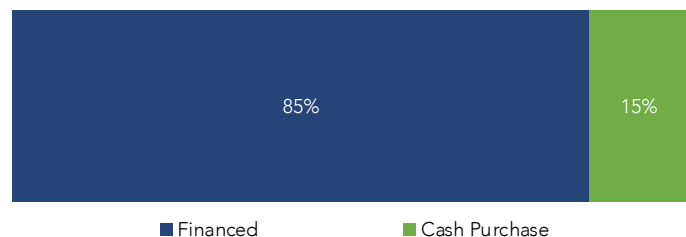
	Change, 2020Q2 to 2020Q3	Change, 2019Q3 to 2020Q3
Median Sales Price	↑ 1.92%	↑ 24.56%



NEW CONSTRUCTION SALES

New Units Sold	New Units as a % of Total Units
14	15.73%

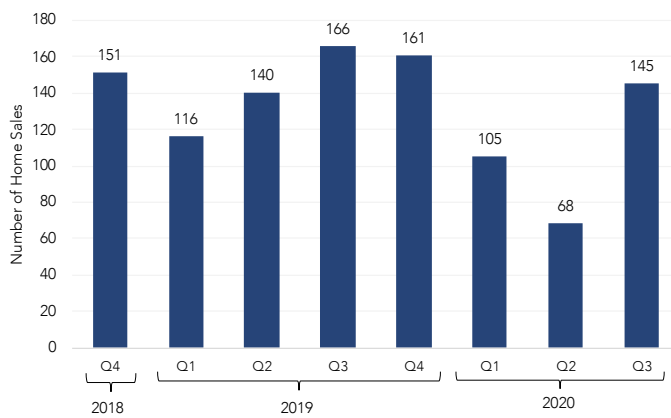
HOME FINANCING



Rebounding from last quarter, La Pine/Three Rivers South's home sales volume rose substantially increasing by 113%, from 68 homes sold in the second quarter of 2020 to 145 homes sold in the third quarter of 2020. However, La Pine/Three Rivers South's home sales volume was still nearly 13% lower compared to this same time last year. Homes continued to sell more quickly than they did in the previous quarter with the median days on market (DOM) falling 30% while the median home sales price grew by 11%. Compared to this time last year, homes also sold more quickly. The median days on market (DOM) fell 18% compared to the third quarter 2019 while the median home sales price increased by 27%.

SALES VOLUME

	Change, 2020Q2 to 2020Q3	Change, 2019Q3 to 2020Q3
Homes Sold	↑ 113.24%	↓ -12.65%



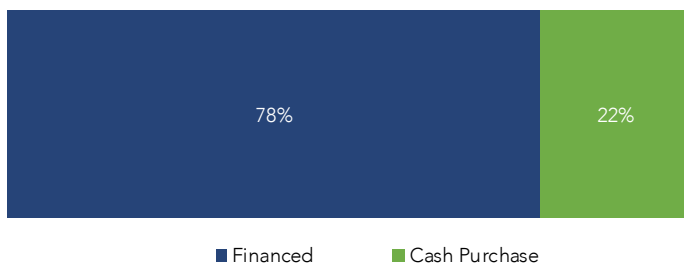
HOME PRICING

Existing	New	New Construction Premium (per sf)
\$376,000	\$322,900	-15.47%

NEW CONSTRUCTION SALES

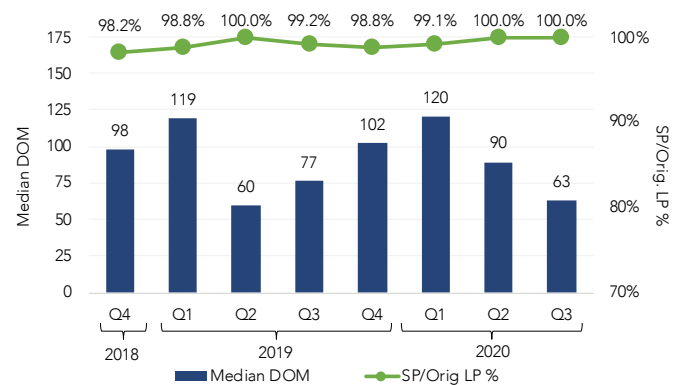
New Units Sold	New Units as a % of Total Units
15	10.34%

HOME FINANCING



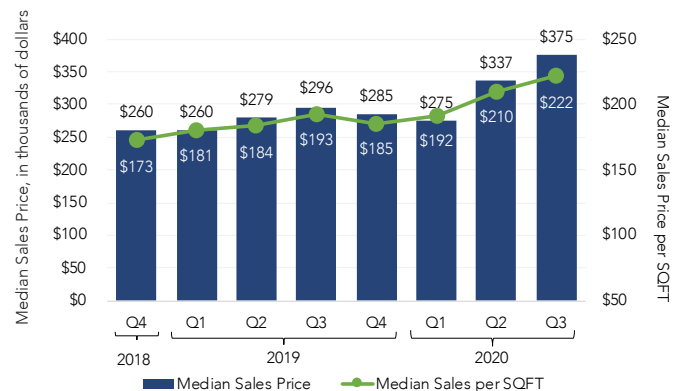
MEDIAN DOM & SALES PRICE VS. LISTING PRICE

	Change, 2020Q2 to 2020Q3	Change, 2019Q3 to 2020Q3
DOM	↓ -29.61%	↓ -17.65%
Sold/Orig LP Diff. %	— 0.00%	↑ 0.78%



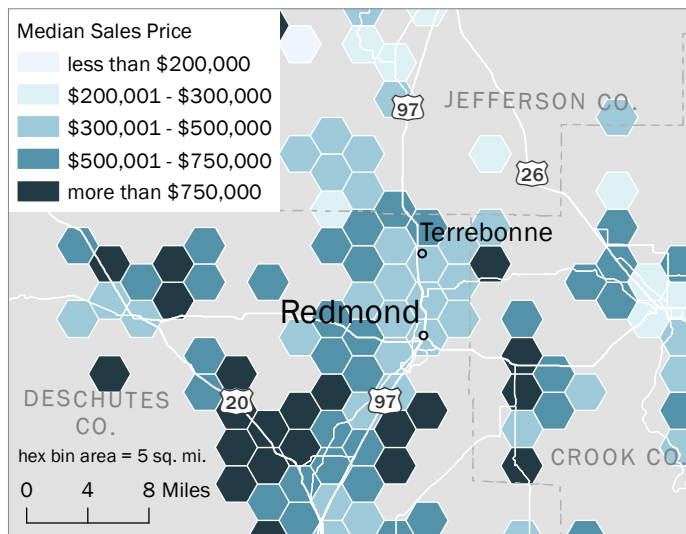
MEDIAN SALES PRICE & MEDIAN SALES PER SQFT

	Change, 2020Q1 to 2020Q2	Change, 2019Q2 to 2020Q2
Median Sales Price	↑ 11.44%	↑ 26.69%



The Redmond/Terrebonne/Crooked River Ranch housing market saw a 44% increase in home sales volume from the previous quarter, and its median days on market (DOM) decreased by about 9%. Compared to this same time last year, home sales volume grew more moderately, increasing by only 5% while the median days on market (DOM) remained flat. However, while the median sales price remained fairly stagnant when compared to the previous quarter, it grew by about 17% over the third quarter of 2019.

MEDIAN SALES PRICE



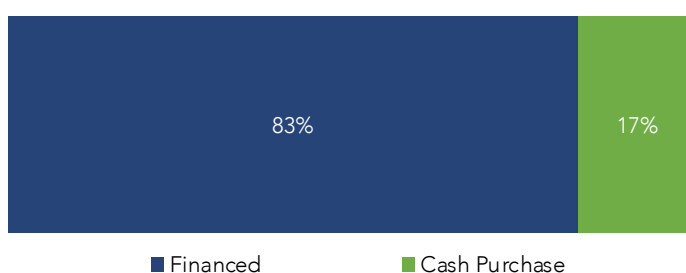
HOME PRICING

Existing	New	New Construction Premium (per sf)
\$369,000	\$378,444	-0.73%

NEW CONSTRUCTION SALES

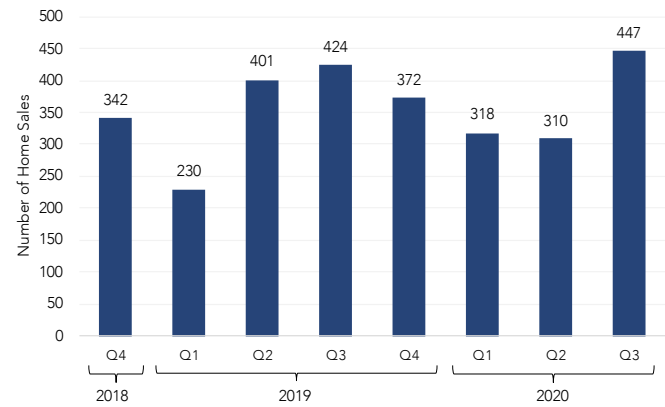
New Units Sold	New Units as a % of Total Units
116	25.95%

HOME FINANCING



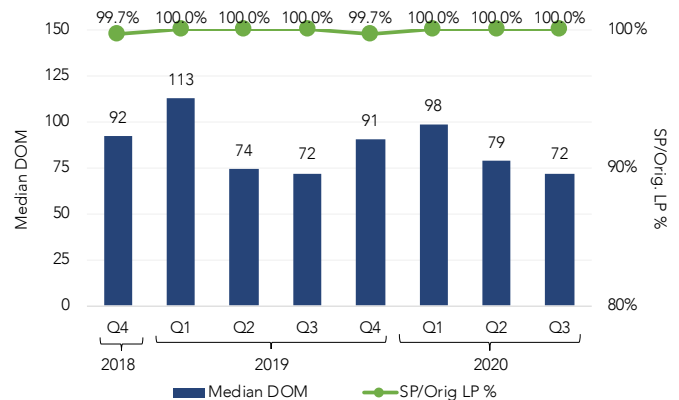
SALES VOLUME

	Change, 2020Q2 to 2020Q3	Change, 2019Q3 to 2020Q3
Homes Sold	↑ 44.19%	↑ 5.42%



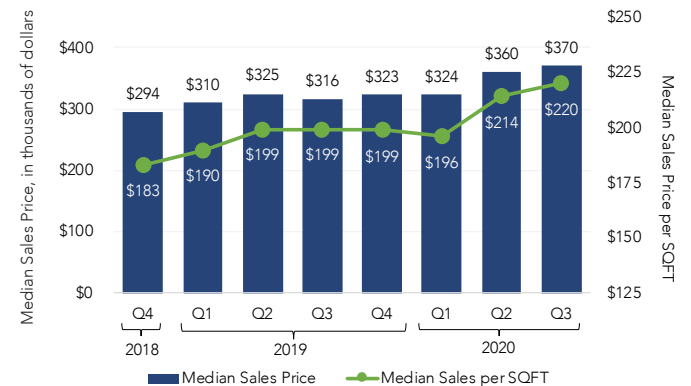
MEDIAN DOM & SALES PRICE VS. LISTING PRICE

	Change, 2020Q2 to 2020Q3	Change, 2019Q3 to 2020Q3
DOM	↓ -8.86%	— 0.00%
Sold/Orig LP Diff. %	— 0.00%	— 0.00%



MEDIAN SALES PRICE & MEDIAN SALES PER SQFT

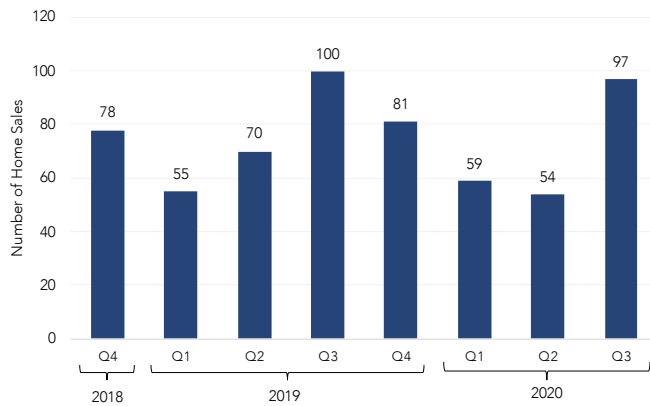
	Change, 2020Q2 to 2020Q3	Change, 2019Q3 to 2020Q3
Median Sales Price	↑ 2.78%	↑ 17.26%



The Sisters housing market picked up in the third quarter of 2020 with home sales volume increasing nearly 80% from the previous quarter while the median days on market (DOM) declined by 17% and the median sales price increased by 18%. However, compared to the same time last year sales volume actually decreased by 3% even as the median days on market (DOM) decreased by almost 11%. The median sales price also increased by about 14% compared to this same time last year. The median sales price rose from \$437,250 in the previous quarter to \$514,950 in the third quarter with the median price per square foot also increasing from \$240 to \$272.

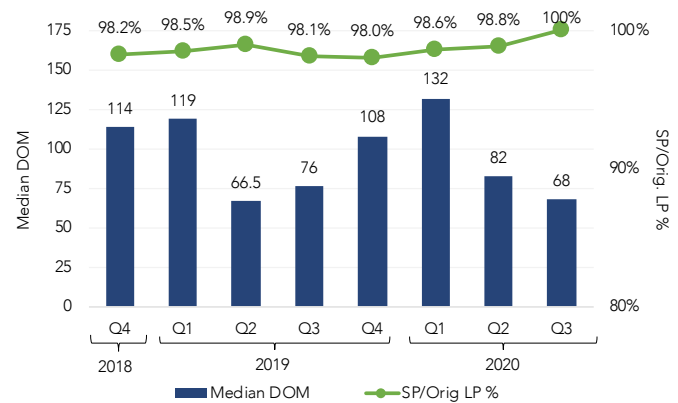
SALES VOLUME

	Change, 2020Q2 to 2020Q3	Change, 2019Q3 to 2020Q3
Homes Sold	↑ 79.63%	↓ -3.00%



MEDIAN DOM & SALES PRICE VS. LISTING PRICE

	Change, 2020Q2 to 2020Q3	Change, 2019Q3 to 2020Q3
DOM	↓ -17.07%	↓ -10.53%
Sold/Orig LP Diff. %	↑ 1.18%	↑ 1.93%

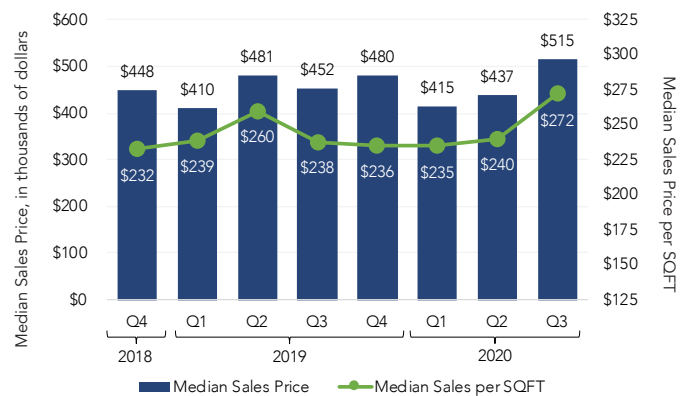


HOME PRICING

Existing	New	New Construction Premium (per sf)
\$569,500	\$429,335	-3.95%

MEDIAN SALES PRICE & MEDIAN SALES PER SQFT

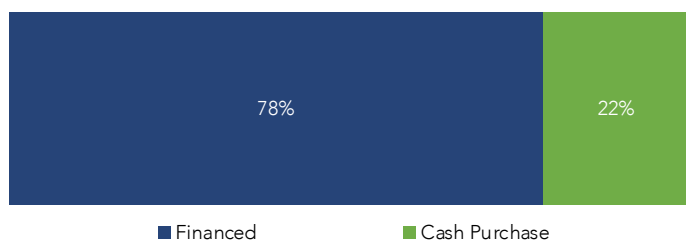
	Change, 2020Q2 to 2020Q3	Change, 2019Q3 to 2020Q3
Median Sales Price	↑ 17.77%	↑ 13.93%



NEW CONSTRUCTION SALES

New Units Sold	New Units as a % of Total Units
24	24.74%

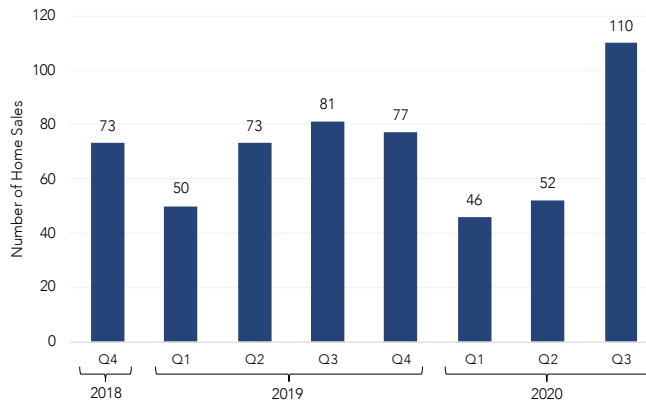
HOME FINANCING



Sunriver, like many housing submarkets in the region, saw a substantial increase in its home sales volume from last quarter. Home sales volume increased about 112% relative to last quarter while the median days on market (DOM) decreased by 20%. Compared to this same time last year home sales volume increased by 36% however homes sold more slowly. The median days on market (DOM) increased by nearly 15% compared to the third quarter of 2019. Relative to last quarter, the median home sales price increased modestly by about 2%, however, relative to this same time last year, the median home sales price increased more significantly by nearly 15%.

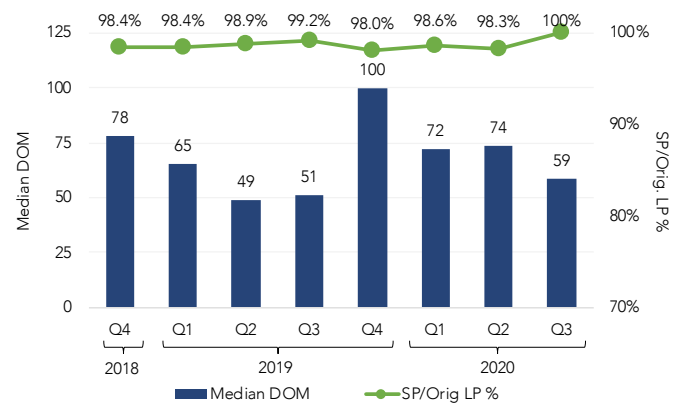
SALES VOLUME

	Change, 2020Q2 to 2020Q3	Change, 2019Q3 to 2020Q3
Homes Sold	↑ 111.54%	↑ 35.80%



MEDIAN DOM & SALES PRICE VS. LISTING PRICE

	Change, 2020Q2 to 2020Q3	Change, 2019Q3 to 2020Q3
DOM	↓ -20.41%	↑ 14.71%
Sold/Orig LP Diff. %	↑ 1.76%	↑ 0.80%

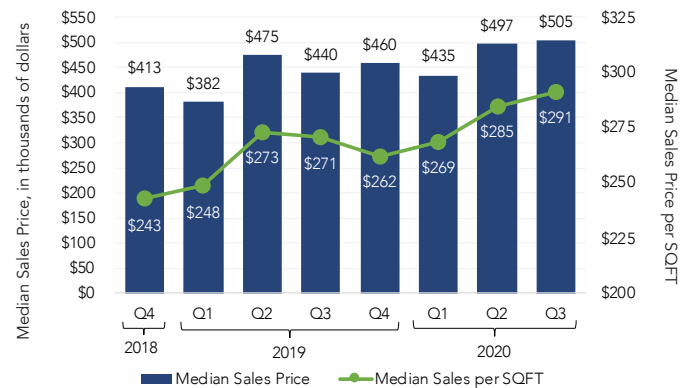


HOME PRICING

Existing	New	New Construction Premium (per sf)
\$504,500	NA	NA

MEDIAN SALES PRICE & MEDIAN SALES PER SQFT

	Change, 2020Q2 to 2020Q3	Change, 2019Q3 to 2020Q3
Median Sales Price	↑ 1.53%	↑ 14.66%



NEW CONSTRUCTION SALES

New Units Sold	New Units as a % of Total Units
0	0.00%

HOME FINANCING

