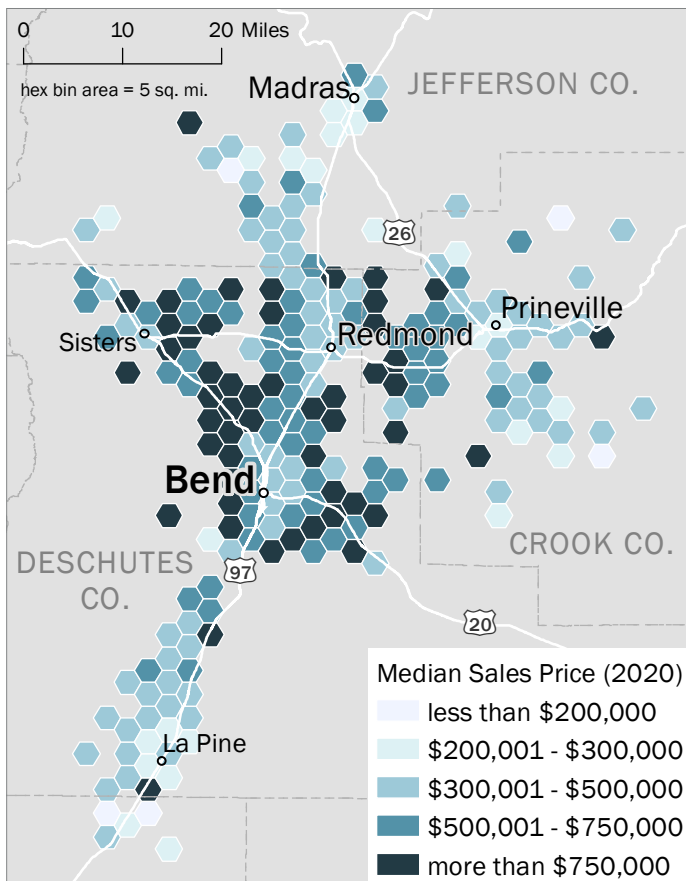


Fires, Elections, and a Pandemic. 2020 was quite the year. On a daily basis, we experience the unprecedented nature of what is becoming the new normal. The roller coaster began with the fastest rate of job loss on record, as the economy was shut down in attempt to save itself. In the two-month period of March and April, nearly 18% of jobs were lost in the Bend MSA. This was then followed by the fastest recovery of jobs on record, where through November, more than half the jobs were recovered and there were 7.3% fewer jobs compared to the pre-pandemic level. The recovery, began to slow, then in December, reversed course with 1,280 jobs lost in the Bend, MSA, almost entirely concentrated in the leisure and hospitality sector. At the end of the year, there were 6,360 fewer jobs in the region than at the beginning of the year. The unemployment rate in Bend is 8.3% in December, slightly better than the state average of 9.2%.

How are the broader economic conditions impacting the real estate market? If you look at the current data, it would be difficult to determine that we are in the midst of a pandemic and recession. This is due to a several factors,

*Continues on next page.*

### MEDIAN REGIONAL SALES PRICE (2020)



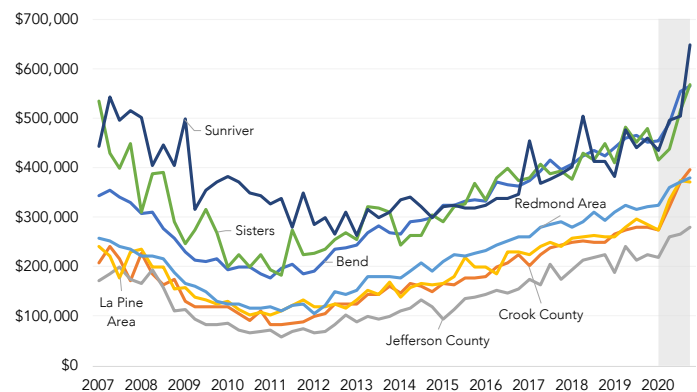
### MEDIAN SALES PRICE AND SALES VOLUME (2020)

Submarket	Price	Volume
Bend	\$528,000	3,262
Crook County	\$343,000	523
Jefferson County	\$262,500	274
La Pine/Three Rivers South	\$347,250	398
"Redmond/Terrebonne/Crooked River Ranch"	\$362,500	1,517
Sisters	\$474,500	288
Sunriver	\$514,500	272

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

	Amount	Change,
Units Sold	6,534	↑ 1.30%
Median Price	\$434,000	↑ 14.97%

### SUBMARKET COMPARISON – MEDIAN HOME SOLD PRICES (QUARTERLY, Q4 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.

primarily that Bend's location as the number one market for remote work prior to the pandemic has positioned it well to continue to attract the migration of well paid workers from other parts of the country. The second is that homeowners have been much less impacted than renters in the recession, with the majority of job losses concentrated in low wage industries.

Early in the pandemic (in March and April), the number of sales plummeted as people were adjusting to social distancing and changes in the real estate industry. By May, sales began recovering, and in July sales began to outpace the rates seen in 2018 and 2019. In aggregate, there were 2% more sales in 2020 than in 2019 in Central Oregon. In the 4th quarter, there were 11% more closed sales than in the 4th quarter of 2019.

While sales increased slightly in 2020, we have seen the number of listings decrease along with an increase in demand, aided through record low mortgage rates, limited job and income loss for homeowners, forbearance agreements helping homeowners avoid foreclosures, and Central Oregon continuing to be a desirable location for migrants from around the country. The result is record low market absorption, where there is currently slightly less than 1 month of supply of homes.

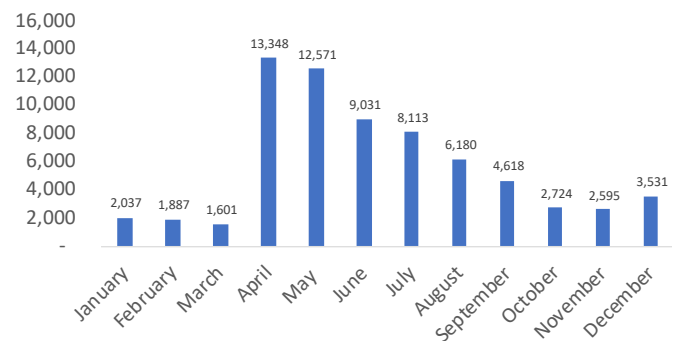
In addition to all these demand side pressures, we have seen a marked difference in the prices of homes listed for sale. This began early in the pandemic and has continued throughout 2020. In December 2020, there were 30% fewer homes listed for sale below the \$300,000 price point compared to 2019, while there was a more than doubling of listings above the \$400,000 price point, including a 150% increase above \$750,000. This change in the distribution of listings, and ultimately sales prices, has pushed up the median sales price in Central up 16% higher than it was at the end of the year in 2019.

In typical market conditions, changes in the median sales price are a good measure of the overall change in prices in the market. That is not holding true currently, with the change in median price being driven more by the higher price point of listing, rather than an overall appreciation rate for individual homes. A price index is a better measure of market appreciation, tracking individual repeat sales and the rate of price increases over time. The price index in Central Oregon is currently increasing at 9.8%, however, it is been slowly decreasing over the last 2 years. While the market is certainly performing well, the rate of price increases is slowing, despite large increases in the observed median sales price.

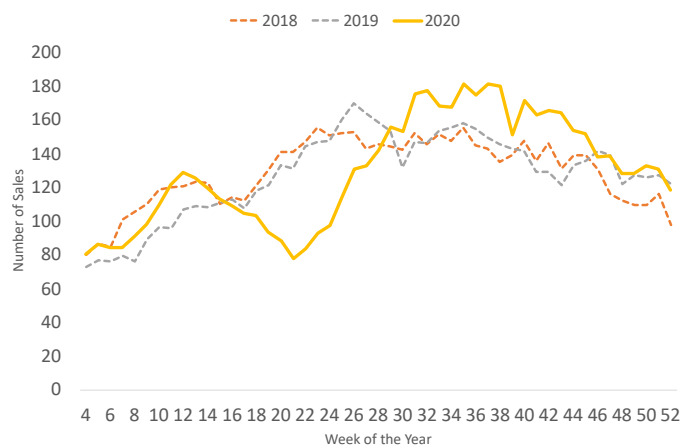
## LISTINGS BY PRICE RANGE – CENTRAL OREGON



## UNEMPLOYMENT CLAIMS BY MONTH – CENTRAL OREGON



## SALES BY WEEK – CENTRAL OREGON



Looking ahead to 2021, the market indicators are strong. There has been an increase in the past few months in the number of sales compared to what we typically see at the end of the year. Market absorption will continue to be the leading indicator of market demand as we head into the spring season. If months of supply stays near the historic lows along with a low interest rate environment, market performance is likely to continue on a similar trajectory.

## Price Index | Q4 2020

The price index for Central Oregon increased at an annual rate of 9.8% in the fourth quarter of 2020. The measure of the index is now 214, representing a 114% 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, and this continued in the 4th quarter. Price growth measured by the index peaked in early 2018 at 13.2% and has steadily slowed to the current rate of 9.8% — the price index up until the previous quarter had outpaced the rate of the median sales price since 2018. The increased sales of higher priced homes along with a decreased sales of lower priced homes has fueled a large increase in the median sales price, now 16% higher than at the end of 2019. This atypical change in the mix of houses for sale demonstrates the advantage of using price index compared to the median or average price. There was a large increase in the median sales price in the 2nd quarter of 2020, the median sales price is likely to increase at a similar rate in the first quarter of 2021, at which point it will stabilize. Price indices are always better measures of appreciation rates, this is more pronounced in current market conditions.

### 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 apples to apples comparison of change over time.

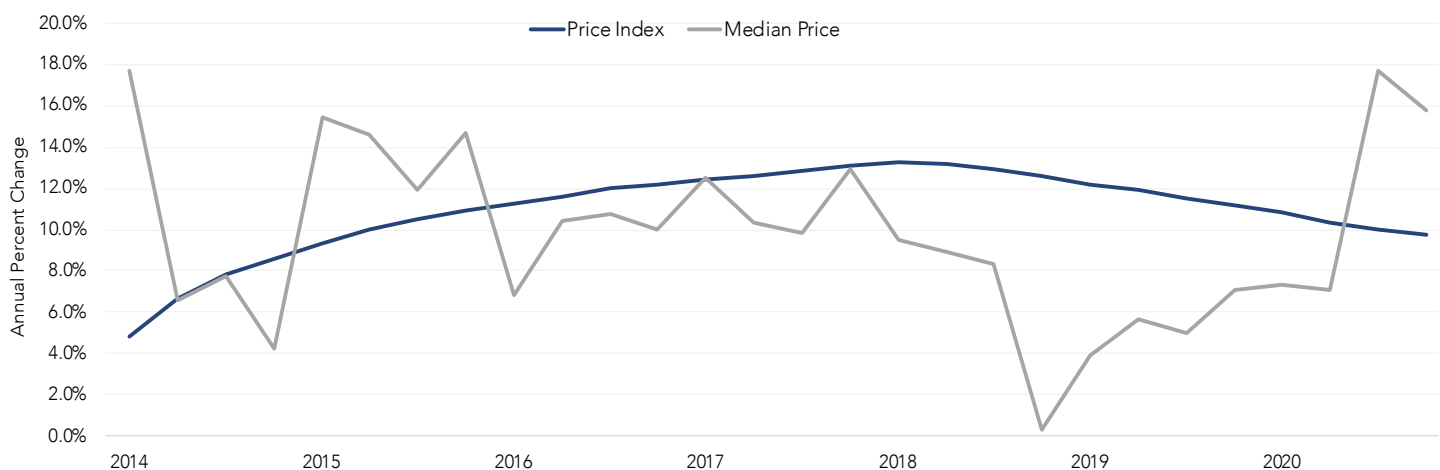
### HOW DO WE CALCULATE A PRICE INDEX?

The price index is calculated using home sales data from 2007 up to the last quarter (Q4 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.

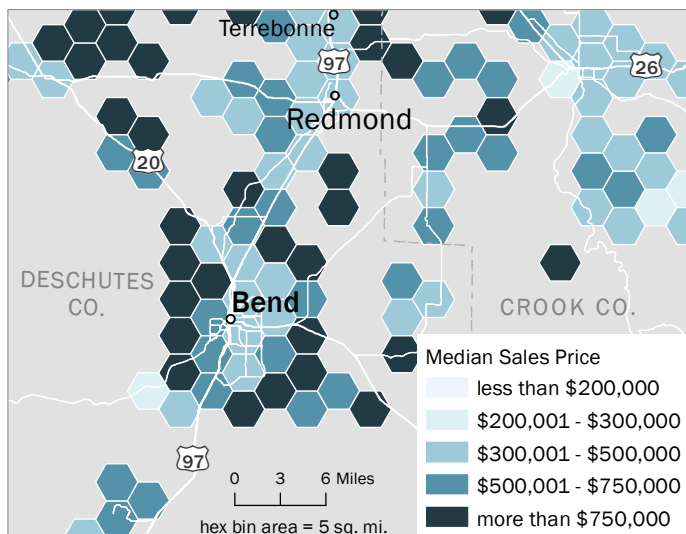
The repeat sale price index is calculated on a quarterly basis starting in the fourth quarter of 2012. Starting in the fourth quarter of 2012, the median sale price over the previous four quarters is calculated and used as the anchor price (100). For each following quarter, the median price appreciation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

### REPEAT SALES PRICE INDEX VS. MEDIAN PRICE CHANGE



Bend's housing market slowed down in the fourth quarter of 2020 relative to the third quarter. Home sales volume decreased nearly 21% from the previous quarter but remained over 12% higher than this same time last year. Homes sold more quickly than they did in the previous quarter and in this same time last year, with the median days on market (DOM) falling 8% and 38%, respectively. While the median home sales price in Bend rose only slightly from last quarter, increasing just under 2%, it grew 25% from the fourth quarter of 2019 from \$450,990 to \$565,450.

## MEDIAN SALES PRICE



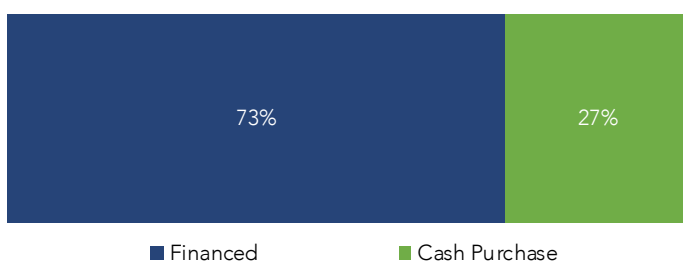
## HOME PRICING

Existing	New	New Construction Premium (per sf)
\$575,000	\$482,113	-19.88%

## NEW CONSTRUCTION SALES

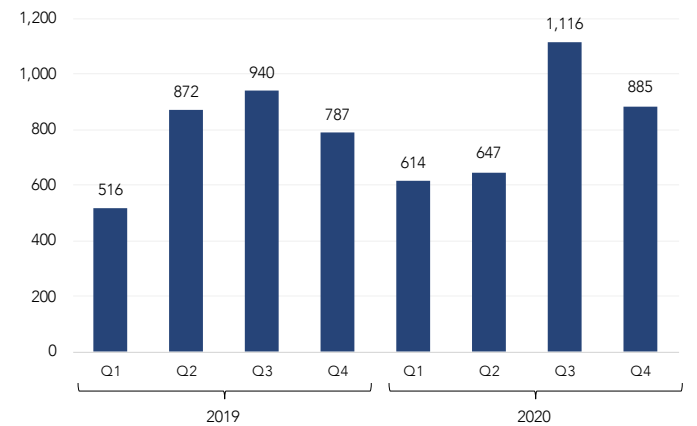
New Units Sold	New Units as a % of Total Units
128	14.46%

## HOME FINANCING



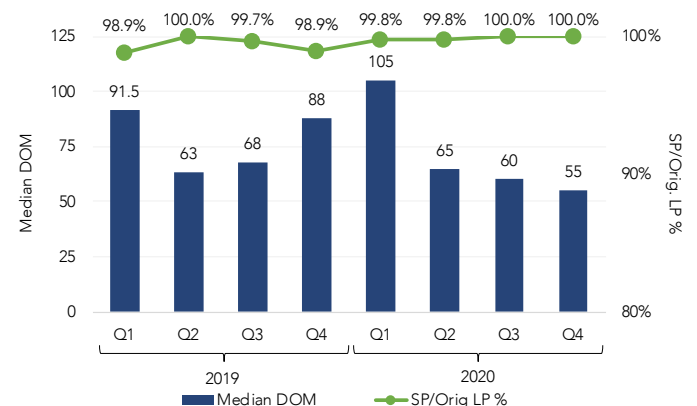
## SALES VOLUME

	Change, 2020Q3 to 2020Q4	Change, 2019Q4 to 2020Q4
Homes Sold	↓ -20.70%	↑ 12.45%



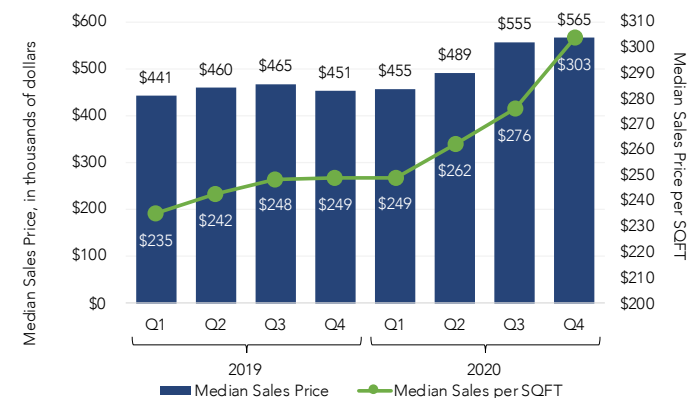
## MEDIAN DOM & SALES PRICE VS. LISTING PRICE

	Change, 2020Q3 to 2020Q4	Change, 2019Q4 to 2020Q4
DOM	↓ -8.33%	↓ -37.50%
Sold/Orig LP Diff. %	— 0.00%	↑ 1.12%



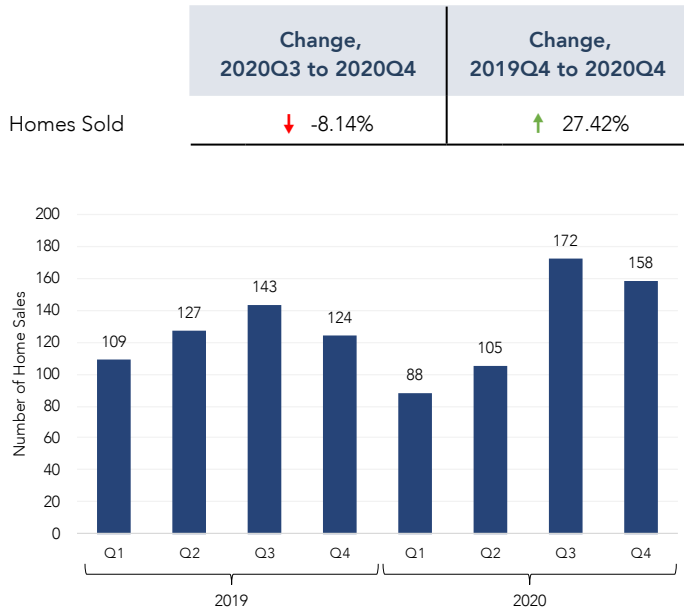
## MEDIAN SALES PRICE & MEDIAN SALES PER SQFT

	Change, 2020Q3 to 2020Q4	Change, 2019Q4 to 2020Q4
Median Sales Price	↑ 1.89%	↑ 25.38%

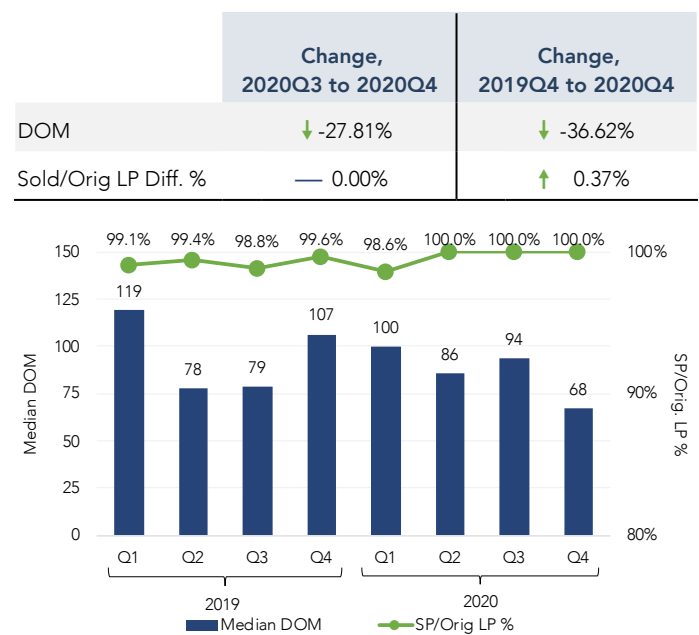


Home sales volume in Crook County decreased 8% relative to the previous quarter which was still a 27% increase relative to this same time last year. In the fourth quarter of 2020, 158 homes sold in Crook County. Unlike the previous quarter, homes in Crook County sold more quickly with the median days on market (DOM) decreasing nearly 28% from the previous quarter and 37% from the fourth quarter of 2019. The median home sales price continued to rise in Crook County relative to the previous quarter and this same time last year, increasing by nearly 7% and 42%, respectively. In this same period last year, the median home sales price was \$278,550 compared to \$395,000 in the fourth quarter of 2020.

## SALES VOLUME



## MEDIAN DOM & SALES PRICE VS. LISTING PRICE



## HOME PRICING

Existing	New	New Construction Premium (per sf)
\$401,000	\$384,000	-4.95%

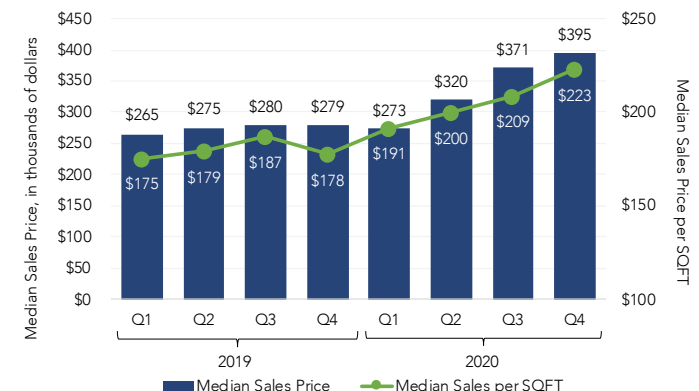
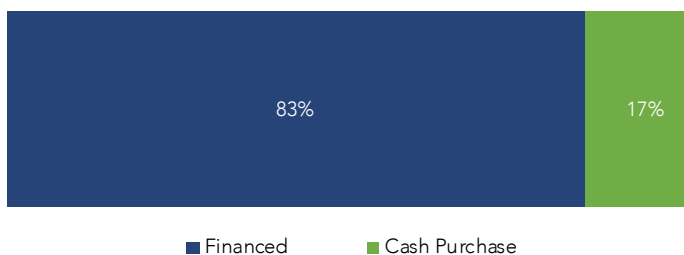
## MEDIAN SALES PRICE & MEDIAN SALES PER SQFT



## NEW CONSTRUCTION SALES

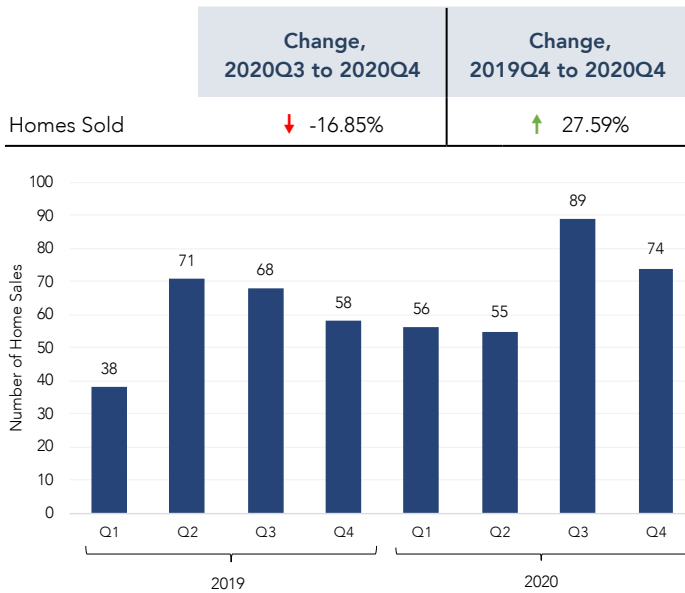
New Units Sold	New Units as a % of Total Units
19	12.03%

## HOME FINANCING

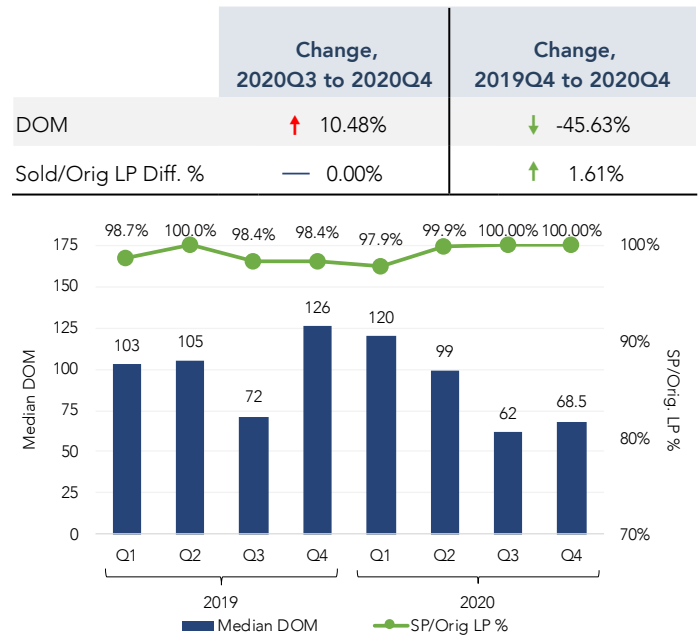


Like many other submarkets in the region, Jefferson County's home sales volume decreased relative to last quarter, declining by nearly 17%, but increased relative to this same quarter last year by nearly 28%. Homes sold more slowly this quarter compared to last quarter with the median days on market (DOM) rising 10% but fell nearly 46% compared to the fourth quarter of 2019. The median home sales price in Jefferson County increased 5% over last quarter, and the median sales price per square foot increased from \$174 to \$181 after remaining stagnant last quarter. Compared to this same time last year the median sales price rose nearly 24% from \$224,950 to \$279,450.

## SALES VOLUME



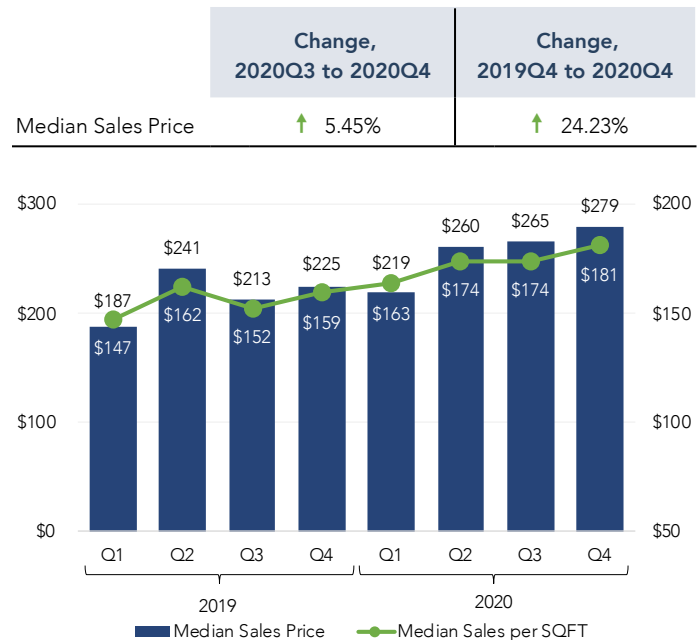
## MEDIAN DOM & SALES PRICE VS. LISTING PRICE



## HOME PRICING

Existing	New	New Construction Premium (per sf)
\$277,000	\$279,900	-5.53%

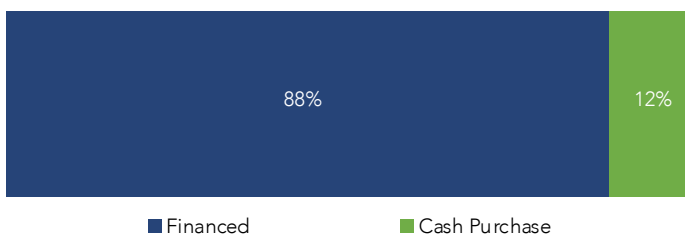
## MEDIAN SALES PRICE & MEDIAN SALES PER SQFT



## NEW CONSTRUCTION SALES

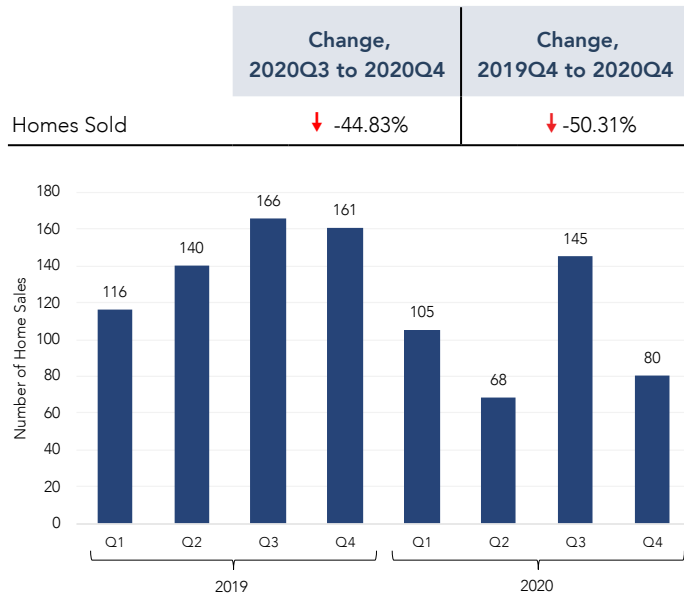
New Units Sold	New Units as a % of Total Units
13	17.57%

## HOME FINANCING

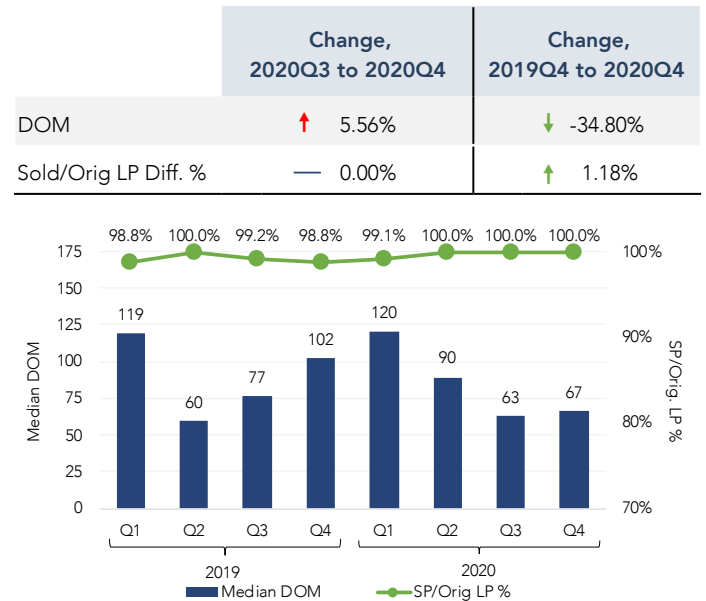


La Pine/Three Rivers South experienced the greatest drop in home sales volume of all the subareas decreasing by 45% compared to last quarter and 50% from the fourth quarter of 2019. Homes also sold more slowly than they did in the previous quarter with the median days on market (DOM) increasing nearly 6% while the median home sales price remained relatively stagnant. Compared to this time last year however, homes sold more quickly. The median days on market (DOM) fell 35% compared to the fourth quarter of 2019, while the median home sales price increased by 30% from \$285,300 at this time last year to \$372,000 in the fourth quarter of 2020.

## SALES VOLUME



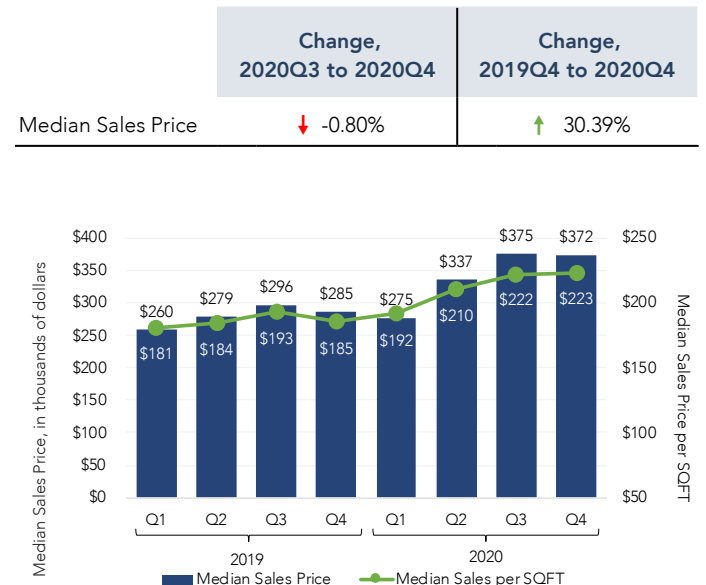
## MEDIAN DOM & SALES PRICE VS. LISTING PRICE



## HOME PRICING

Existing	New	New Construction Premium (per sf)
\$384,500	\$294,458	-13.86%

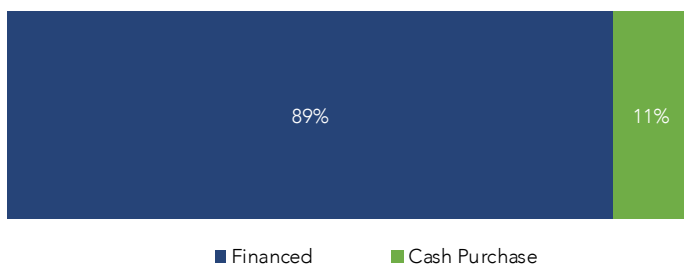
## MEDIAN SALES PRICE & MEDIAN SALES PER SQFT



## NEW CONSTRUCTION SALES

New Units Sold	New Units as a % of Total Units
10	12.50%

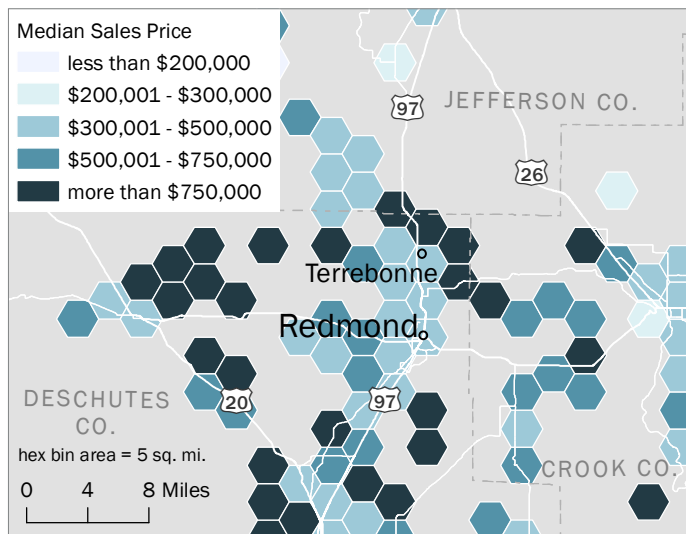
## HOME FINANCING





The Redmond/Terrebonne/Crooked River Ranch housing market experienced the least change in home sales volume from the previous quarter compared to the other submarkets, declining only 1%, while its median days on market (DOM) decreased by 10%. Compared to this same time last year, home sales volume increased by nearly 19%, and the median days on market (DOM) fell 28%. While the median sales price grew slightly (3%) when compared to the previous quarter, it grew about 17% over the third quarter of 2019.

## MEDIAN SALES PRICE



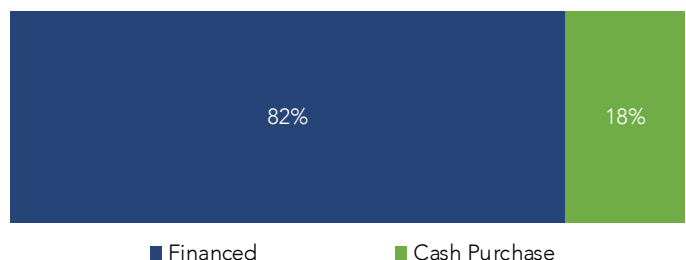
## HOME PRICING

Existing	New	New Construction Premium (per sf)
\$387,500	\$369,264	-3.52%

## NEW CONSTRUCTION SALES

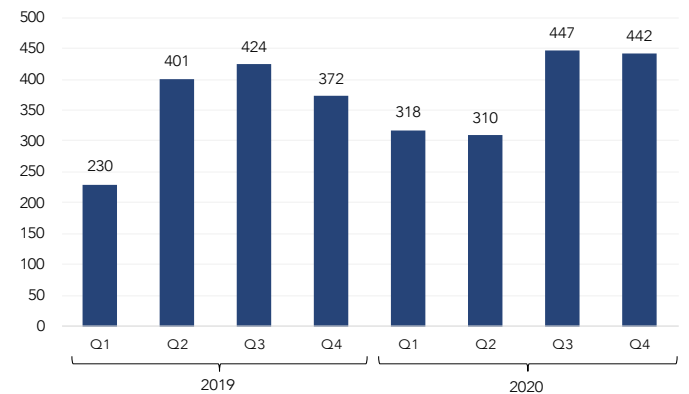
New Units Sold	New Units as a % of Total Units
110	24.89%

## HOME FINANCING



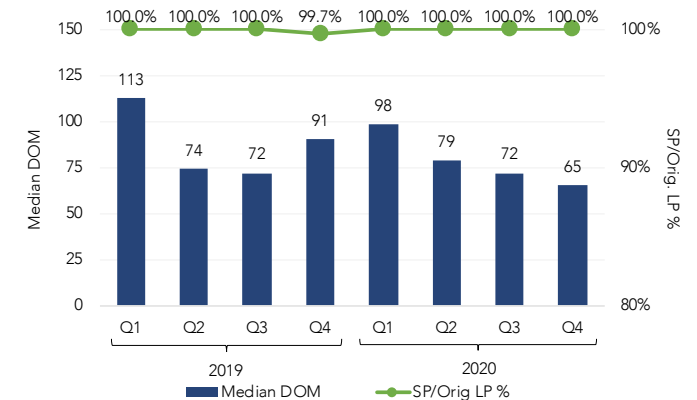
## SALES VOLUME

	Change, 2020Q3 to 2020Q4	Change, 2019Q4 to 2020Q4
Homes Sold	↓ -1.12%	↑ 18.82%



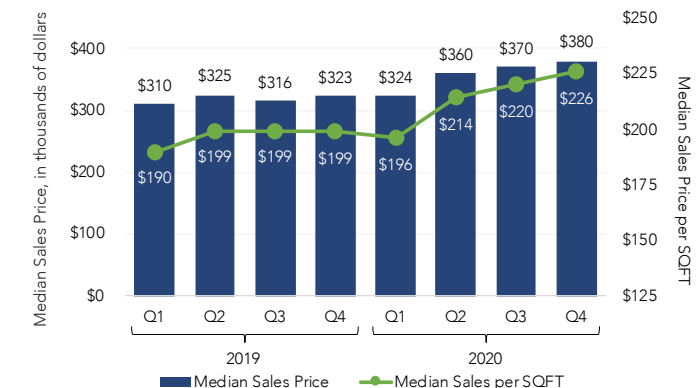
## MEDIAN DOM & SALES PRICE VS. LISTING PRICE

	Change, 2020Q3 to 2020Q4	Change, 2019Q4 to 2020Q4
DOM	↓ -9.72%	↓ -28.18%
Sold/Orig LP Diff. %	— 0.00%	↑ 0.30%



## MEDIAN SALES PRICE & MEDIAN SALES PER SQFT

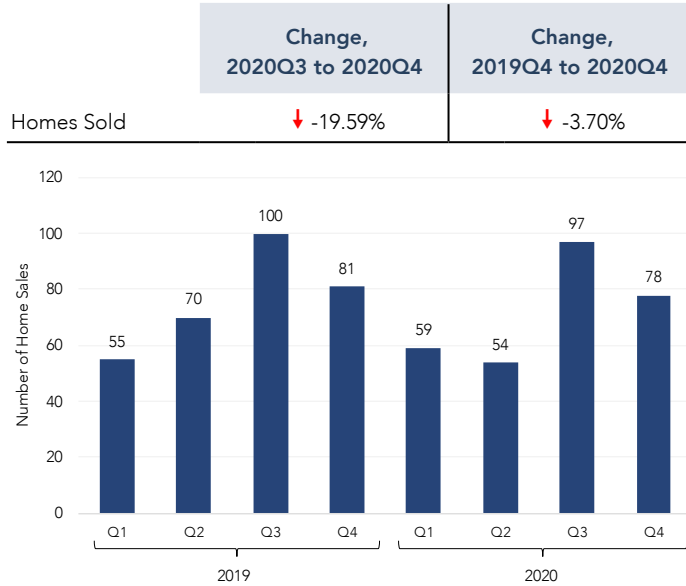
	Change, 2020Q3 to 2020Q4	Change, 2019Q4 to 2020Q4
Median Sales Price	↑ 2.69%	↑ 17.26%



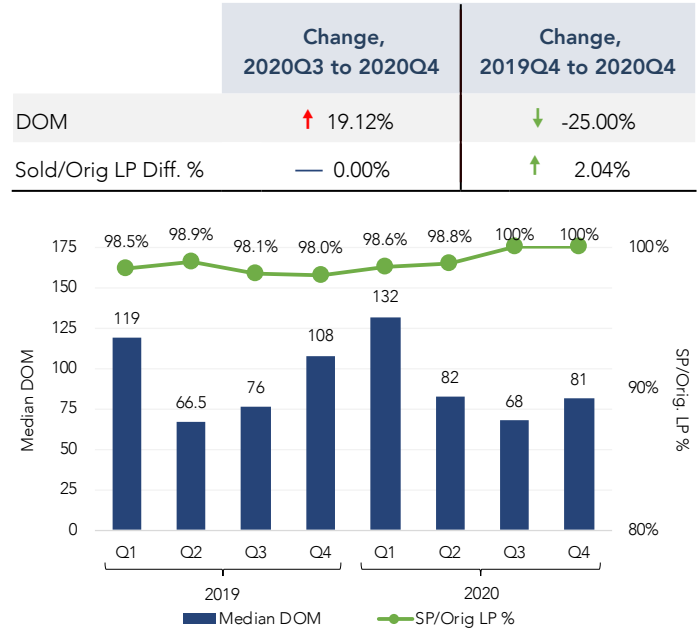


Home sales volume decreased in the Sisters housing market by nearly 20% compared to last quarter and 4% relative to this same time last year. The median days on market (DOM) increased by 19% from last quarter and the median sales price increased by 10%. However, compared to the same time last year the median days on market (DOM) actually decreased by 25% with an 18% increase in median sales price. The median sales price rose from \$514,950 in the previous quarter to \$568,250 in the fourth quarter with the median price per square foot also increasing from \$272 to \$286.

## SALES VOLUME



## MEDIAN DOM & SALES PRICE VS. LISTING PRICE



## HOME PRICING

Existing	New	New Construction Premium (per sf)
\$629,000	\$394,000	-2.45%

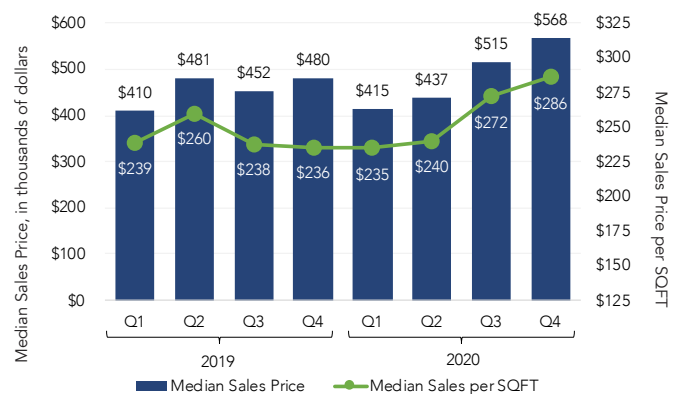
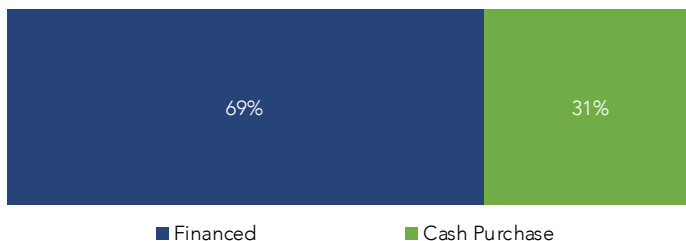
## MEDIAN SALES PRICE & MEDIAN SALES PER SQFT



## NEW CONSTRUCTION SALES

New Units Sold	New Units as a % of Total Units
21	26.92%

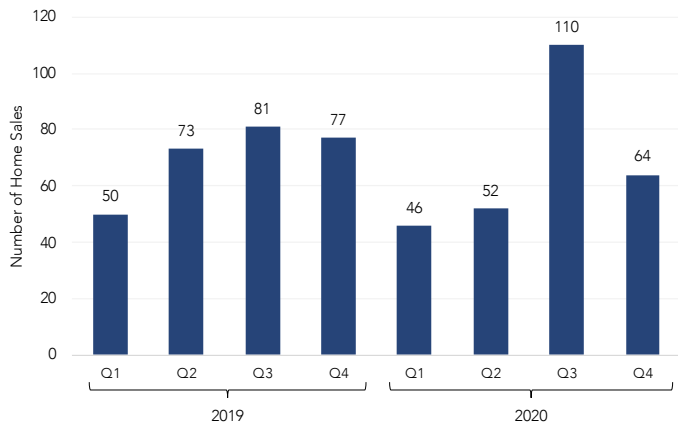
## HOME FINANCING



Sunriver, like housing markets in Sisters and La Pine/Three Rivers South, saw a decrease in its home sales volume from last quarter and from the fourth quarter of 2019. Home sales volume decreased 42% relative to last quarter and the median days on market (DOM) decreased by 19%. Compared to this same time last year home sales volume decreased by 17% with the median days on market (DOM) decreasing by nearly 53%. Relative to last quarter and last year at this time, the median home sales price increased substantially, by about 28% and 41%, respectively, from \$459,500 in the fourth quarter of 2019 to \$647,950 in the fourth quarter of 2020.

## SALES VOLUME

	Change, 2020Q3 to 2020Q4	Change, 2019Q4 to 2020Q4
Homes Sold	↓ -41.82%	↓ -16.88%



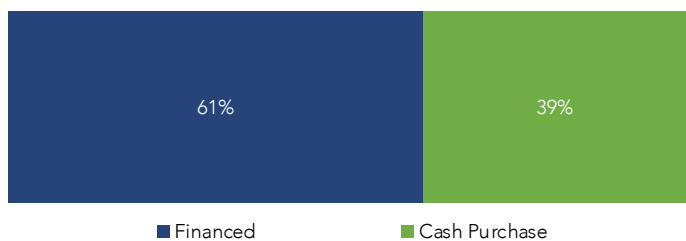
## HOME PRICING

Existing	New	New Construction Premium (per sf)
\$635,500	\$737,450	-1.63%

## NEW CONSTRUCTION SALES

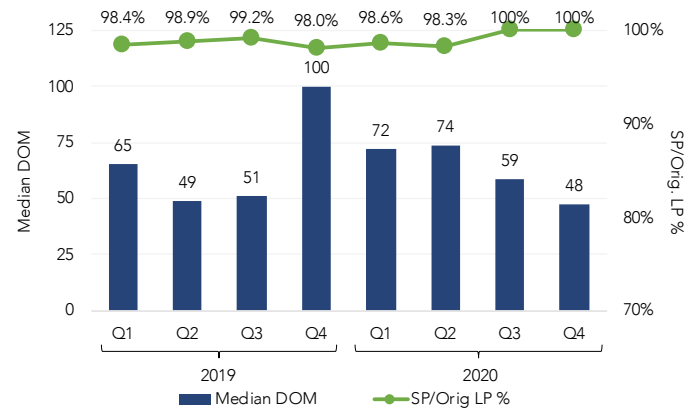
New Units Sold	New Units as a % of Total Units
2	3.13%

## HOME FINANCING



## MEDIAN DOM & SALES PRICE VS. LISTING PRICE

	Change, 2020Q3 to 2020Q4	Change, 2019Q4 to 2020Q4
DOM	↓ -18.80%	↓ -52.50%
Sold/Orig LP Diff. %	↑ 0.00%	↑ 2.00%



## MEDIAN SALES PRICE & MEDIAN SALES PER SQFT

	Change, 2020Q3 to 2020Q4	Change, 2019Q4 to 2020Q4
Median Sales Price	↑ 28.43%	↑ 41.01%

