

The Oregonian

Portland's home prices faring better than others' Las Vegas and Phoenix are more than 50% off of their housing bubble peak, while Portland's values are off about 21% - Page 2

Report - The area's real estate values have declined less compared with those of Las Vegas, Phoenix and Detroit

San Francisco home prices have flopped. Phoenix flounced. Las Vegas bet, then lost the house.

But if you own a home in the Portland area, your best comparison can't be found in one of those burned Sun Belt states. Instead, you can look to slower but steadier cities such as Seattle and Boston.

The Standard & Poor's Case-Shiller index, published Tuesday, shows that home values in Phoenix and Las Vegas have fallen more than 50 percent from their bubble peak in summer 2006. Miami, San Francisco and Detroit are down more than 40 percent.

What's worse, the housing markets in Detroit and Phoenix haven't been much of an investment for homeowners in the longer term, either.

Phoenix saw a price jump driven by speculators and loose lending. Home values rose 127 percent from 2000 to 2006. That was followed by a dramatic decline in which homeowners lost nearly all that equity gain. Since January 2000, Phoenix's home values are up just 7 percent.

Detroit, a city long in decline, has been battered by the auto industry's troubles, and home values are down 29 percent from 2000.

Nationally, the 20-city composite index grew 107 percent from 2000 to 2006. Since then, the index is down 32 percent.

Portland, Seattle and Boston saw prices rise quickly but not as high and fast as Phoenix, and their economies aren't as troubled as Detroit's.

In the three cities, prices grew between 82 percent and 92 percent from 2000 to the boom-time peak.

From those peaks, each city has seen declines of 20 percent to 23 percent.

But in the longer run, each city is still up between 45 percent and 50 percent since 2000.

Portland has seen the sixth smallest such drop since the peak among 20 cities tracked in the Case-Shiller index. Since January 2000, Portland prices are up about 48 percent, sixth best among the 20 markets.

Portland consultant Joe Cortright, who has studied regional economies, says Portland's and Seattle's markets tend to track California's with a bit of a lag. San Francisco, for example, peaked in May 2006 while Portland and Seattle peaked in July 2007.

As for Boston, Cortright said its similarities to Portland are probably just a coincidence.

The Case-Shiller report tracks individual home sales to compare price growth over time on single-family home sales in Clackamas, Columbia, Multnomah, Washington and Yamhill counties in Oregon and Clark and Skamania counties in Washington.

The report's figures are tied to an index that started at 100 in January 2000. In April, Portland's Regional Multiple Listing Service reported the median home value was \$249,900.

Portland's and Oregon's continuing job losses signal more declines are likely to come. In March, the Case-Shiller index showed Portland reported a record decline in home values for a 15th straight month.

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