

Top 5: Portland home prices to hit bottom in early 2011, return to peak level in late 2017

By Ryan Frank, The Oregonian

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Sorry for the late post. I got hung today on some other things.

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1. Portland home prices to hit bottom in early 2011, return to peak level in late 2017:

Research firm Fiserv forecasts Portland-area home prices will hit bottom in the first quarter of 2011, but they won't return to their boomtime levels again until the fourth quarter of 2017. (Check out a [recent post](#) for more on the report.) Since Portland peaked in 2007, this would mean a lost decade for the Portland region. In that period, the peak-to-trough drop will be 23.4 percent. The Bend market tracks a similar but deeper decline path with a 36 percent drop. Check out this [Fiserv spreadsheet](#) for more on 380 markets, including Salem, Eugene, Medford and Seattle.

2. Were John Ross auction prices low enough to cash flow as rentals?: Using one example the answer is no. John Ross unit 335 is [now for rent on Craigslist](#), the answer is no. It's advertised as a 700-square-foot studio for \$1,095 per month. Similar units at [the auction](#) were selling for around \$165,000. The mortgage, taxes, HOAs, insurance would run roughly \$1,270 on that unit. (I'm making assumptions of a 5.3% rate, 20 percent down, 30 year term.) That leaves you with a \$176 negative cash flow.

3. With transportation costs added, Portland's outlying burbs unaffordable: Large swaths of Washington and Clackamas counties are relatively affordable to home buyers at 30 percent of incomes. But with transportation costs added, those large swaths get cut down dramatically, especially around Hillsboro, according to an [index](#) developed by transit supporters and The Brookings Institution. Check out their [interactive map for Portland](#).

4. Portland's Mississippi Avenue bucks downturn: Laura Gunderson [explores](#) the retailers and restaurants who braved the recession to open storefronts on North Mississippi Avenue. The avenue, along with the nearby Alberta Street, seem to be drawing new tenants just as fast as they're losing them.

5. Mortgage delinquencies climb despite government's best efforts: HousingWire [reports](#) that the number of mortgages delinquent at the end of February 2010 is 21 percent higher than the same time last year despite government-led modification efforts, according to the latest monthly report from Lender Processing Services Oregon's 9 percent rate of non-current loans ranked it well below the national average of 13 percent. Washington state's rate was 9.1 percent