

déjà vu

Bend's economy "booming" again?



Damon Runberg

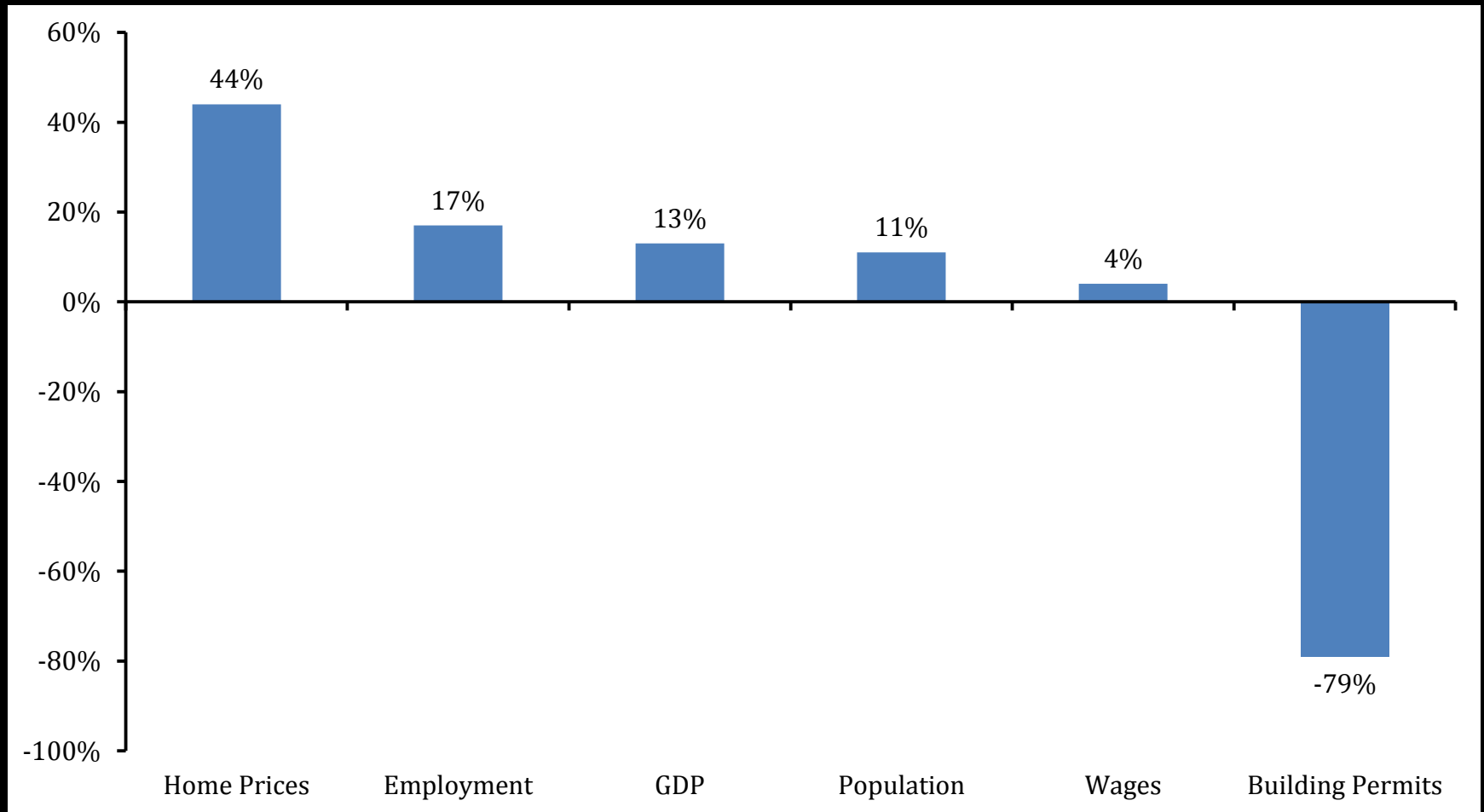
Economist

Oregon Employment Department

Let's take a trip back to the not so distant
past...



The “good olé days” (2005-2007)



*Special thanks to Donnie Montagner and the Beacon Appraisal Group

Real Estate Driven Expansion



Not very diverse and it effected...

Population

Jobs

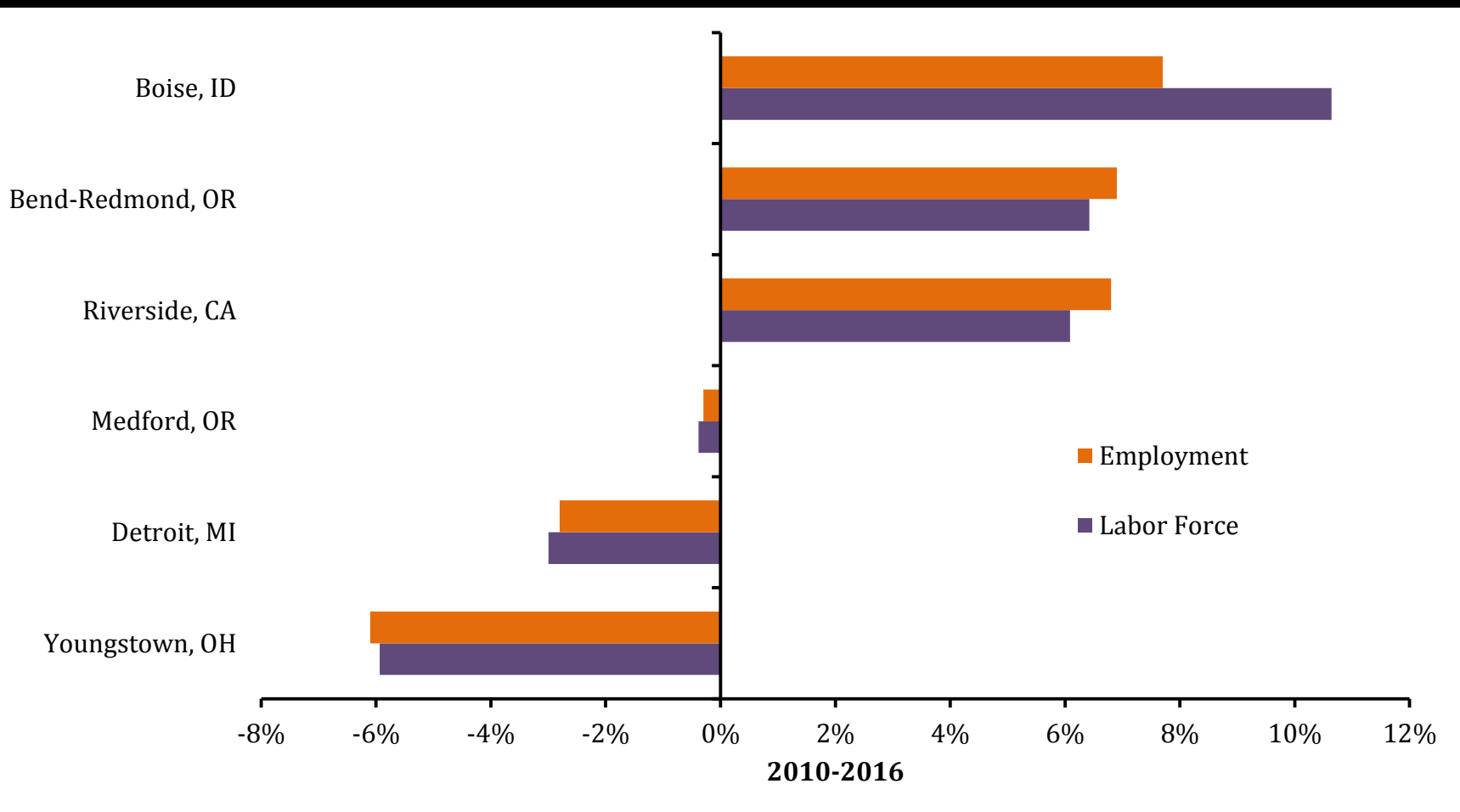
Home buyers

Speculative building

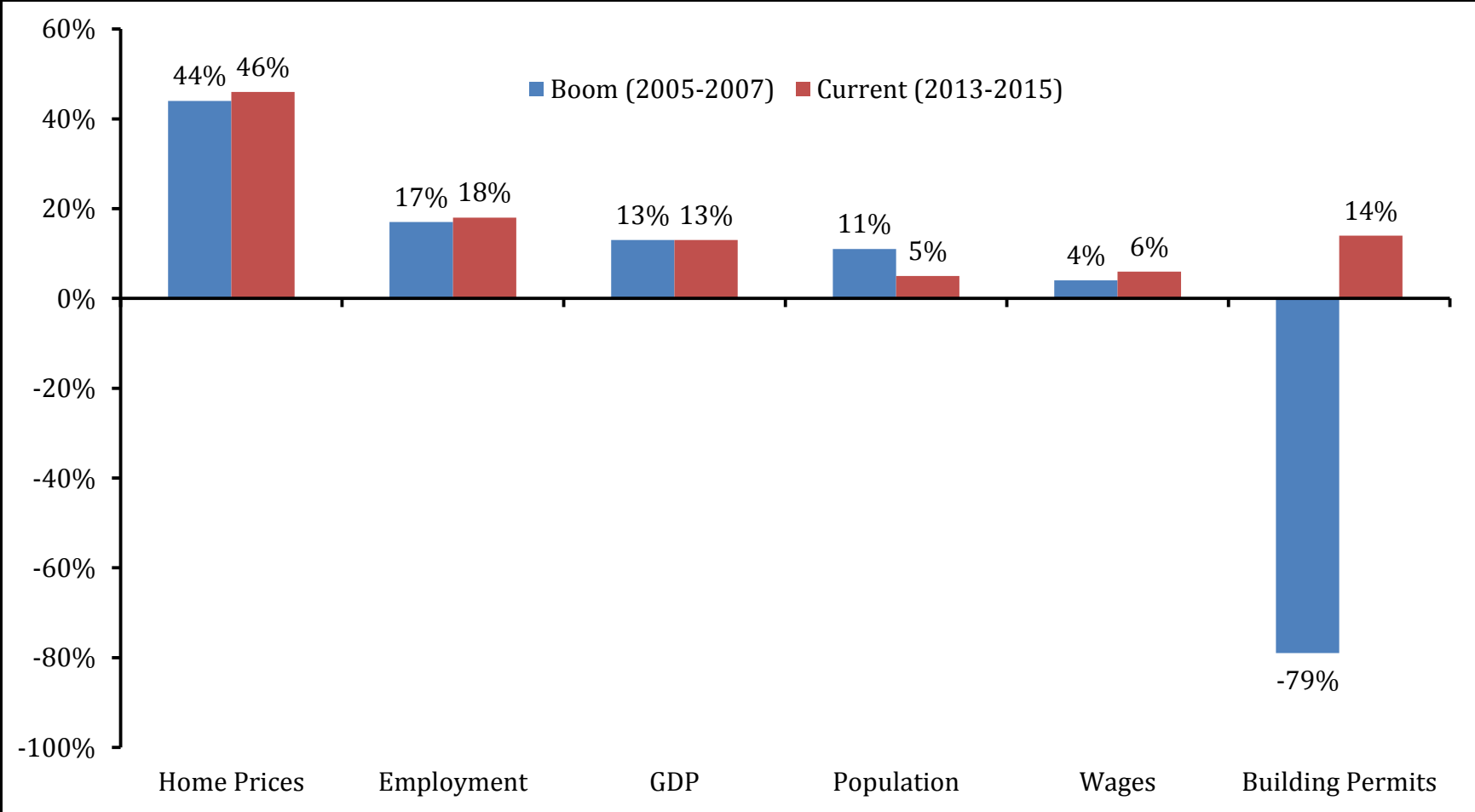
High debt load (consumer and mortgage)

Local shock in tandem with the crash of the global financial market

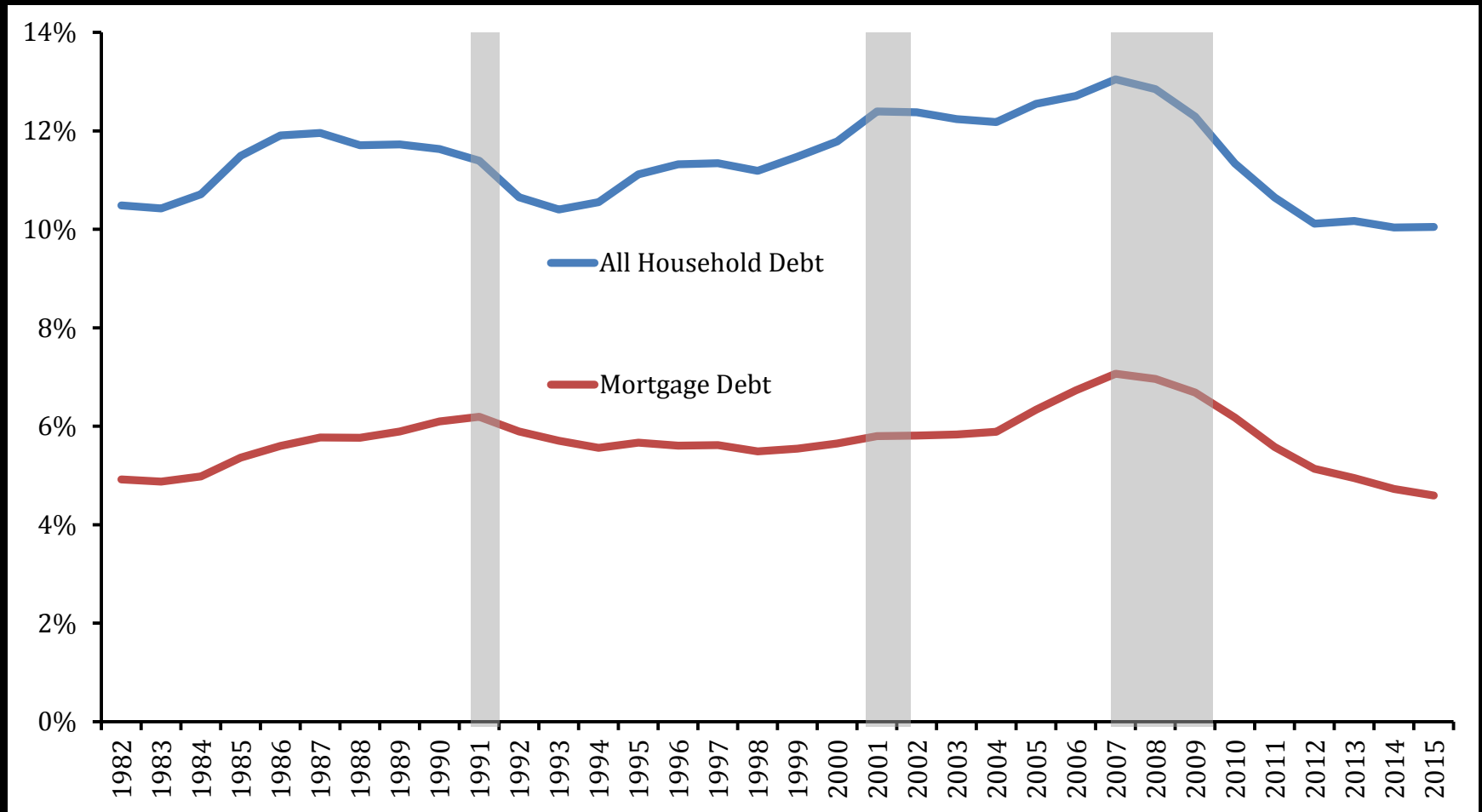
Labor force growth is essential to overcome local shocks



Today, similar trends with a few key differences



And consumers are in a safer place...



A more stable foundation

Career wage growth on track

Diversified economy

Pace of building & development very conservative

Home price growth based on supply & demand

Want to buy a house in Bend?

Buy a house?

Bend Median Sale Price	\$ 340,000
20% Down Payment	\$ 68,000
Loan Amount	\$ 272,000

30 year Fixed Rate loan at 3.875%

Principal and Interest (a month)	\$ 1,279
Taxes estimated at \$3,900 a year	\$ 325
Homeowners insurance	\$ 50
Total Monthly Payment	\$ 1,654
Total Monthly Payment w/ Mortgage Insurance @ 10% down	\$ 1,803

Bend Resident Average Debt Load

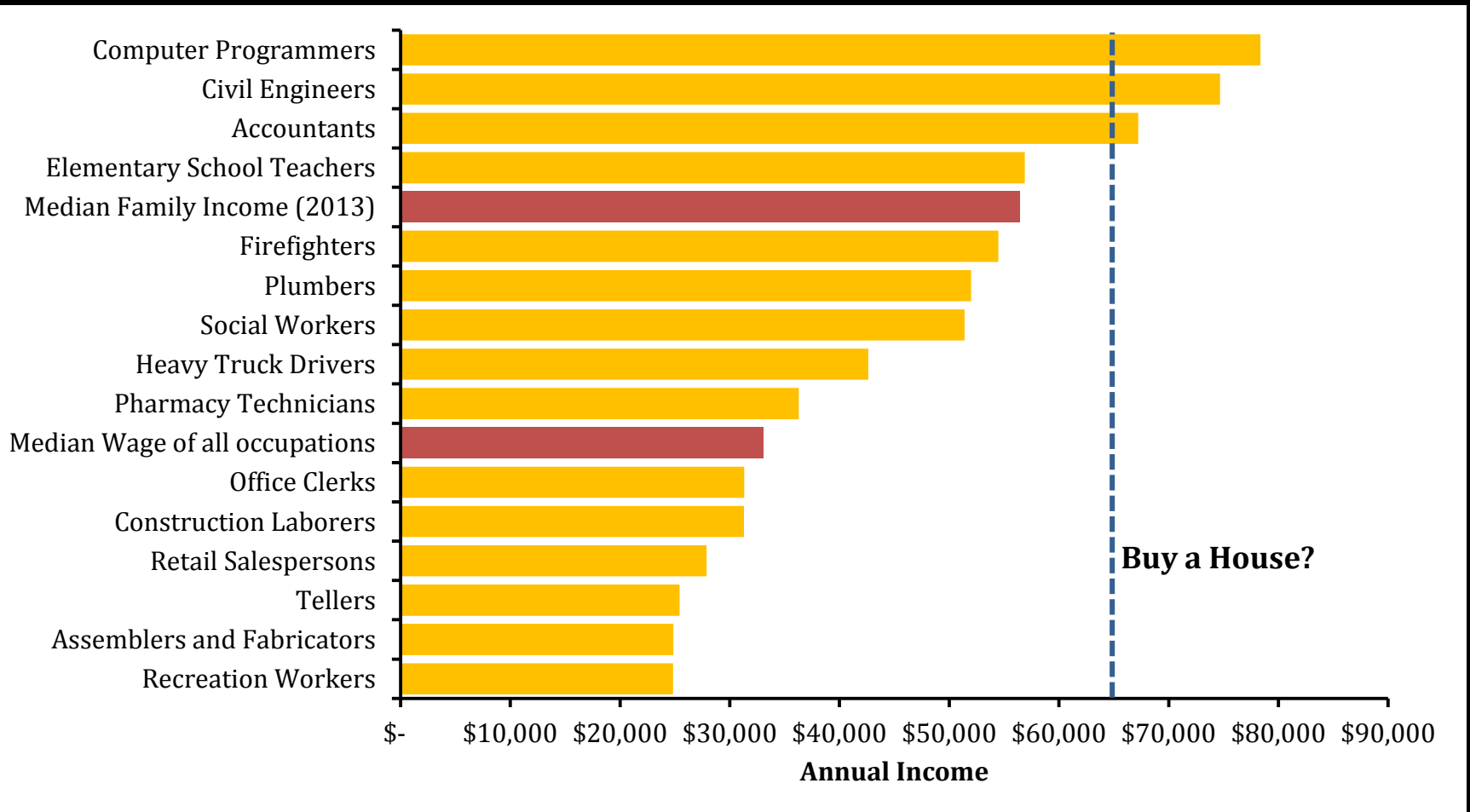
Average of 2.2 Credit Cards with a balance of...	\$ 5,249
Average Consumer Debt (cars, school, etc)	\$ 26,670
Monthly Credit Card Payments	\$ 77
Monthly Consumer Debt Payments	\$ 385

Tally it up...

Assumed debt-to-income ratio of 42% to qualify for loan

Buy a house	\$ 60,500
Buy a house with Mortgage Insurance	\$ 68,200

Who can afford housing in Bend?



*Special thanks to Carl Salvo with Mid Oregon Lending

A more diverse employment base

