



Medford



Ashland



Jacksonville

Reiling’s Real Estate Market Report – Year-End 2019

Happy New Year!

I hope your New Year is getting off to a good start. This time of year, my thoughts always turn to skiing. Looks like we have another good year going on Mt Ashland, with 119” of snowfall and a 58” skiing base of packed snow. Time to hop on the boards 😊



Thought it might also be time to do a little update on our local real estate market. Short version – home prices are still appreciating at a good clip – Jackson County median home prices rose 4.5% this past year. According to my records, that’s 8 straight years of gains. Median price of a home in Jackson County is now \$307,000.

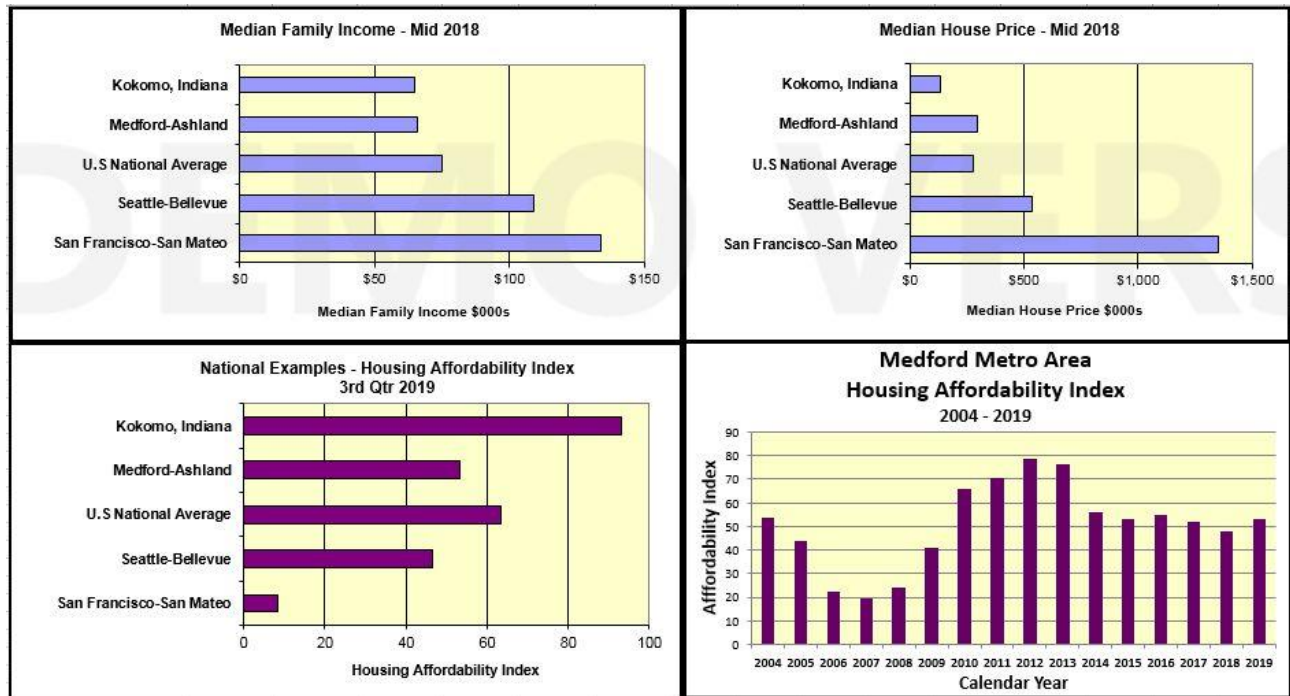
I have had a couple of requests for a bit more granularity on those home price gains in communities around the area, so here’s a chart of home price gains in several areas. West Medford really stands out at 78% gain in 5 years, showing the buying pressure on lower-priced homes; the median price in that area is only \$223,000. Ashland lags at 31% gain in 5 years, showing the pricing back pressure on their \$475,000 median price.



To put a little perspective on our home prices in this area, I’d like to share some data on housing affordability in some other well-known, and not-so-well-known, cities and for the US overall. The housing affordability index (HAFI) is calculated from median family income, prevailing mortgage interest rate, and median price of homes recently sold in the area. It represents the percentage of houses recently sold that a family with median income for the area could afford.

Here’s a set of charts showing Median Family Income, Median House Price, and Housing Affordability Index for some example cities. San Francisco stands out for its high median income,

even higher median house price, and its extraordinarily low affordability. Seattle looks almost as affordable as Medford, until you factor in the big difference in median family income.



As you can see, our median family income can still afford just over 50% of the homes on the market, and that's good. Of course if you lived in Kokomo Indiana, you could afford over 90% of the homes on the market, if you wanted to live there 😊

We still have a very healthy real estate market here in Southern Oregon, reflecting both the job growth of a healthy economy, and the influx of buyers from other states wanting their share of our moderate weather, natural beauty and low traffic. We are still way short of inventory of homes for sale to show those new buyers. Our supply of homes for sale in Jackson County is still near record lows in the lower and middle price ranges, which makes it tough for buyers to have many homes to choose from, and puts unfortunate pressure on them to make quicker decisions to keep their first-choice house from being snatched out from under them.

Anyone who puts their home on the market these days in the lower and middle price ranges will be warmly received, and I'd be delighted to help them 😊 If you know anyone who is thinking of buying or selling, please give them my name and a copy of this newsletter – I'd be delighted to talk with them.

Best Regards,

Chuck

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