

Real Estate Special Report

Housing affordability an issue in Sisters

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According to a news report last week, Deschutes County is again in the top 10 fastest growing counties in the country. It is no secret that housing, especially that priced under \$300,000, is difficult to find. Rentals are also hard to come by.

A look at the Central Oregon Multiple Listing Service (MLS) and the Beacon Report tells the story of single-family home inventory and sales. Currently in Sisters, the MLS shows 17 houses for sale in Sisters/Black Butte Ranch (BBR) for under \$300,000 and 12 of those are for partial ownership shares at BBR. Of the remaining five, one is a ranch cabin at BBR and the other four are in the Sisters city limits; two in The Pines, one on E. Jefferson, and the other in the Village at Cold Springs, which sold in 10 hours for more than the asking price.

In February 2016, there were five sales of single-family houses in Sisters with a median price of \$337,000. The median price equals the midpoint, with half the prices above it and half below. The only smaller city in Deschutes County with a higher median price is Sunriver, at \$435,000. Bend's median priced home last month was \$332,000, and Redmond's a much lower \$225,000.

An historical look back over the past five years in Sisters reveals consistently

increasing prices for residential properties. Perhaps the most telling figures are those regarding the sales of bare residential land and lots.

In 2011, 39 lots sold for \$4.2 million, with an average sale price of \$106,784 and a median sales amount of \$69,000. Those lots were on the market for an average of 431 days, more than a year. All of those figures, except for average days on the market, have increased every year.

In 2015, 66 parcels sold for \$10.6 million with an average sale price of \$161,133 and a median price of \$141,500. The average days on the market fell by over 200 days to 239.

The availability and price of raw land is part of what drives the eventual asking price for a home. When the average lot cost is \$161,133, it isn't difficult to see why constructing a home to sell for under \$300,000 is not viewed as feasible by most builders.

The average and median sales amounts for residential properties on less than an acre of land reflect those rising land costs in Sisters. In 2011 the average sale amount was \$249,000 and in 2015 it was \$377,000. The median sale amount in 2011 was \$198,500 and in 2015 \$330,000.

The same upward trends held true for residences on one acre or more, manufactured homes, and townhouses/condos.

The rental picture in Sisters isn't any better.

There are very few apartments in Sisters. Any that become available are filled from a waiting list. There are a few houses occasionally available, but one recently on the market rented for \$2,000 a month.

Tamarack Village apartments are the only subsidized units available in Sisters, with rents for a two-bedroom, two-bath flat starting at \$525 a month up to \$800 for three-bedroom, two-bath townhomes. Their waiting list is always long.

Additionally, Sisters has no transitional housing, shelters, or emergency short-term housing. Some families are forced to share homes and split expenses in order to live in Sisters.

City Council has made



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As bare lot costs increase in Sisters, home prices continue to climb.

bringing affordable housing to Sisters one of the goals for this year. Among other things, it will require some

public/private partnerships, creative financing, as well as the affordable-housing trust fund planned by Council.



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