



## Publisher's Notebook

Matt Winters • February 2022

# These '20s are roaring, but will it last?

**A**re these the new “Roaring '20s”? Despite the lingering pandemic — and in some ways because of it — this is a strangely upward time in our communities within 30 miles or so of the mouth of the Columbia River.

The Astorian reported one data point on Feb. 1: The important Dungeness crab fishery is having an extraordinary year. Prices are high, the catch is high, demand is high and, so far, it has been a relatively safe season. This is the sort of basic industry that floods outside money into the local economy — perhaps the most important variety of wealth and job creation.

Wood products and other local commodities also are in high demand.

Intangible local products including scenery and lifestyle also are having a heyday, as reflected in real estate prices and expressions of joy

from new residents. These long-undervalued assets are being given a boost by factors like the ability to work remotely, which itself is made more feasible by impressive increases in broadband availability and speed.

As a result, housing — one of my biggest interests and concerns — is continuing in 2022 to soar upward into new heights.

As December ended, Clatsop County residential prices were up more than 24% for the year, finishing at an average of \$566,700 and a median of \$472,500. There were enormous variations within the county, with northwest Seaside going up the most in percentage terms last year — 65% to an average of \$598,800. Already pricey Cannon Beach went up the least — 8.2% to an average of \$930,600. Astoria home prices rose 30% to an average of \$486,900 in 2021, and also had the most annual sales — 221. Warrenton/Hammond saw the second highest number of sales — 146 — with a 12% annual gain to \$455,100.

In Pacific County, the average home price was \$356,273 in December. Despite this low average compared to Clatsop, it reflects a continuation of record increases for the mainly rural county. High-season summer prices rose 54% between 2019 and 2021.

In addition to being the most important financial asset for most of us, I carefully follow home prices as a barometer of our area's overall economic condition. It's a positive indicator in the sense of increasing family wealth. And it stands to reason that upward prices are a sign of community popularity.

“On the other hand” — which is the most notorious phrase in economics — if you don't already own a house, it's getting lots harder to afford one. Expected interest rate hikes this year will make affordability even trickier, and could start eating away at sales. Only time will tell.

So are these the Roaring '20s? Yeah, kind of. But how long will they keep roaring?



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