

H • O • U • S • I • N • G

Eight Reclaimed Portland Homes Available For Ownership At PDC's Homestead Open House

Eight homes in Portland neighborhoods will be offered to lower-income residents at the upcoming Homestead Open House on Sunday, May 23, 1993, from 1 to 4pm. The Portland Development Commission administers the Homestead Program, which provides home ownership opportunities to those who otherwise might not be able to afford their own home. The program provides a significant tool to help the city reclaim vacant and abandoned housing, while encouraging neighborhood preservation, revitalization and stability.

Through the Homestead Program, PDC acquires vacant homes in need of repair and transfers them to qualified Homesteaders. In turn, Homesteaders agree to make necessary repairs before moving in, accept a low-interest PDC home repair loan and live in the house for at least five years. There is no down payment involved in becoming a Homesteader. Homesteaders pay a one-time charge for taxes and insurance of \$500. Monthly payments on the home repair and acquisition loans average \$350, including taxes and insurance.

Each of the eight homes to be

offered May 23 will be open between 1 and 4pm. Potential homesteaders must visit each home in which they are interested to be considered for ownership. PDC will hold a random drawing for each home and will notify those whose names are selected. PDC advisors will be at each home to answer questions during the open house. The Addresses of the homes being offered are:

- 4916 N.E. 21st Ave., 2 bedrooms
- 9115 N. Bayard Ave., 3 bedrooms
- 6405 N.E. 7th Ave., 2 bedrooms
- 6445 N.E. 6th Ave., 3 bedrooms
- 5023 N. Minnesota Ave., 2 bedrooms
- 5128 N.E. 13th Ave., 2 bedrooms
- 944 N.E. Winona St., 3 bedrooms

Individuals interested in being added to the mailing list for Homestead Program offering should call PDC's Neighborhood Housing Preservation Office at 823-3422 between 8am and 5pm, Monday through Friday.

The Portland Development Commission is the City's agency for urban renewal, housing and economic development.

Habitat Home Building Center Parade Of Checks

Portland Habitat for Humanity announces plans to establish a community Home Building Center N.E. Portland!

On Saturday, May 15th, from 11:00 to 11:30am, Habitat will sponsor a Parade of Checks to announce and celebrate its plans to purchase and renovate a long-neglected building, formerly Shags' tavern, into the Habitat Home-Building Center. The Parade of Checks will take place at the future Home Building Center on the corner of N.E. 14th Place and Killingsworth Avenue.

The Center, located in the heart of a neighborhood troubled by drugs and gang activity, will be dedicated to community rejuvenation and the empowerment of low-income families through home ownership.

The Center will house a warehouse for building materials, a dormitory for work camps, and a carpentry shop for sponsoring "partnership" building programs. In partnership programs, Habitat will collaborate with youth-outreach programs to enable teams of youth to build new homes in their own neighborhoods.

Habitat will announce on Saturday that it has raised \$100,000.00 to purchase and begin renovation of the building. We express our profound appreciation to the following organizations:

- Collins Foundation \$10,000
 - Meyer Memorial Trust \$50,000
 - First Interstate \$7,500
 - Rose E. Tucker Charitable Trust \$7,500
 - Jackson Foundation \$5,000
 - U.S. Band \$5,000
 - Key Bank \$10,000
 - Wessinger Foundation \$5,000
- To complete renovation of the building, Habitat needs to raise \$100,000 more.

Habitat is a non-profit organization that builds and renovates homes in partnership with low-income families. The homes are built mostly with volunteer labor and donated materials. The families help to build and renovate the homes, investing 500 hours of "sweat equity." Habitat sells the homes to the families at-cost with a zero-interest loan.

The Parade of Checks on Saturday will be attended by walkers participating in Habitat's Walk for Humanity. The Walk will kick-off at Portland Community College, Cascade Campus, at 705 N. Killingsworth at 9:00am.

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ADVERTISE IN THE OBSERVER

Housing Affordability Improves For First-Time And Repeat Buyers

Purchasing power for both first-time and repeat buyers continued to show steady growth in the first quarter of 1993, according to the National Association of Realtors' Housing Affordability Indexes released today.

NAR's composite Housing Affordability Index, which measures affordability factors for all home buyers, was 131.7 in the first quarter of 1993, compared to 120.2 in last year's first quarter. In addition, the first-quarter index was the highest posted since the first quarter of 1974 when it measured 131.8.

When the index measures 100, a family earning the median income has exactly the amount needed to purchase a median-priced resale home, using conventional financing and 20 percent down payment. Since the median price is the midpoint, the composite index shows that half the families in the nation and at least 131.1 percent for the income needed to qualify for the purchase of a home with a median price of \$104,200, and half did not.

In comparison, NAR's first-time home buyer index shows the ability of renters who are prime potential first-time buyers to qualify for a mortgage on a starter home. When this index equals 100, the typical first-time buyers can afford the typical starter home under existing financial conditions. The first-time buyer median income represents the typical income of a renter family with wage earners between the ages of 25 and 44 years.

The affordability index for first-time buyers, which also posted a gain for the first quarter of 1993, measured 86.2, compared to 79.6 during the same period the previous year.

"While more first-time buyers are finding it a little easier to purchase a starter home, there still remains many young families and renters, who want to own a home but are finding it difficult to come up with the necessary down payment to reach that goal," said NAR President William S. Chee.

"Affordability has continued to strengthen in part because of President Clinton's efforts to maintain low interest rates. However, there is a significant discrepancy between the ability for people to move up and the ability of people to make their first purchase. A major difference is that first-time buyers don't have equity to put into their purchase. The inability to come up with a down payment is the largest obstacle to home ownership for first-time buyers," Chee added.

During the first quarter of 1992, the affordability gap between the two groups measured 33.8 percent, compared to 1993's first-quarter gap of 34.6 percent. The 1993 first-quarter, first-time buyer index shows that the qualifying income needed for conventional financing covering 90 percent of an \$88,600 starter home was \$27,553. Yet the median income of prime first-time buyers was \$23,743, a difference of \$3,810.

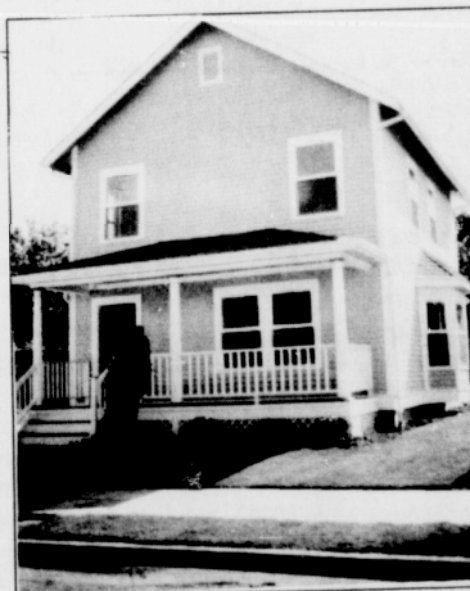
On the other hand, a continued rise in median incomes for both first-

time buyers and move-up buyers, in addition to the continued low interest rates, are helping to improve overall affordability, said NAR Chief Economist John A. Tuccillo. "In addition, sellers are pricing homes more reasonably. Together, these factors have lowered monthly payments and encouraged many who have been undecided to buy," he added.

The average effective rate for loans closed on existing homes, as reported by the Federal Housing Finance Board was 7.55 percent for the first quarter of 1993, down from 8.36 percent in the first quarter of 1992. Mortgage interest rates so far this year are the lowest since 1972, when they averaged 7.52 for the year.

Under current affordability conditions for all buyers during the first quarter of 1993, a family earning \$20,000 per year would have sufficient income to qualify for a \$74,000 home with a \$59,200 loan. A family earning \$30,000 would qualify for a \$111,000 home using a \$88,800 loan. For a family earning \$40,000, qualifying for a loan of \$118,400 would enable them to purchase a \$148,000 home. Finally, a family earning \$50,000 annually would be able to by a \$185,000 home after qualifying for a \$148,000 loan.

The National Association of Realtors, "The Voice for Real Estate," is the nation's largest trade association, representing nearly 750,000 members involved in all aspects of the real estate industry.



NECDC SUPPORTS FIRST-TIME HOME BUYERS

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Stop dreaming and start living in a house of your own. Just call the Northeast Community Development Corporation at 282-5482 and ask for more information on the Nehemiah first-time home buyers program and how we can help you afford the house of your dreams.

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