

HBA Market Good News

The Market is Finally Turning Around (10/26/09)

Dear HBA Member,

While the weather outside is dark and stormy, there are several rays of sunshine bursting through for the housing industry.

-The National Association of Realtors recently announced that existing home sales jumped 9.4 percent in September. In seasonally adjusted numbers, home sales volumes hit their highest level since July 2007.

-Sales activity in the Portland metro area continues to show improvement over same-month sales from a year ago. Pending sales were up 34.1% and closed sales rose 9.8% compared to September 2008 (RLMS).

-Home resales are up nearly 24 percent from the bottom in January. This is the largest monthly increase in 26 years.

-At the month's rate of sales, it will take approximately 7.6 months to sell the area's existing inventory, down from 10.4 months last September. This is the lowest inventory level we've seen since March 2007.

-September housing starts fell 10.2% in September, and building permits, a leading indicator of future construction plans, also dropped down to 7.8%. This should remove pressure on future inventory levels.

One of the major factors influencing these positive numbers is the first-time home buyer tax credit, which is scheduled to expire Dec. 1, 2009. Please help the industry keep this ball rolling by lobbying your senators to extend the credit.

According to NAHB, doing so would generate nearly 350,000 jobs, \$28.2 billion in wages, salaries and business income and \$11.6 billion in additional tax revenues.

The first official vote takes place this week. Don't let your voice and the voice of the housing industry go unheard. [Click here](#) to contact your senator today!

Tom Skaar
2009 HBA President

Lots of Good News to Report (8/28/09)

Dear HBA Member,

For the first time since I started writing these emails, I had an extremely hard time summarizing the good news coming from the market. There are just so many positive things going on at present. Consequently, this email is a bit longer than normal...but I hope you agree with me that that's a good thing!

LOCAL

-The average supply of unsold inventory in the Portland Metro area is down to seven months, with numbers as low as four and five months in North, Northeast, and Southeast Portland and Aloha. Nationally, the average is holding steady at 9.4 months of supply. This is the sixth straight month that inventory numbers have gone down.

-14.4% of the Portland Metro area's unsold inventory sold in the thirty days according to a recent Market Action report.

NATIONAL

-Nationally, existing home sales rose 7% in July to the highest level in two years, marking the fourth straight monthly increase.

-New-home sales rose nearly 10% in July, according to a government report that bolstered signs of an improving housing market. Sales of new homes climbed to a seasonally adjusted annual rate of 433,000, the highest pace since last September. The sales rate has risen 31.6% from this year's lowest rate, which was set in January.

-Home prices recently posted their first quarterly increase in three years, adding to evidence that the housing slump is easing.

-Closed sales in July 2009 eclipsed last July's total by 8.6%, marking the first time same-month closed sales have increased in more than two years. Pending sales, those under contract but not yet sold, also grew 8.3%.

BUILDER AND CONSUMER CONFIDENCE

-The National Association of Home Builders (NAHB) Housing Market index rose to the highest level since June 2008, indicating an improvement in home builder confidence. The improvement in home builder confidence was reflected in a fifth consecutive month of increased single-family housing starts in July.

-Consumer sentiment rose more than expected in August and expectations hit the highest level since the recession began, indicating that Americans' pessimism about the economy may be lifting.

AFFORDABILITY

-Bolstered by affordable interest rates and low prices, nationwide housing affordability during the second quarter of 2009 continues to hover near its highest level since the series began 18 years ago, according to the National Association of Home Builders/Wells Fargo Housing Opportunity Index (HOI).

OTHER GOOD SIGNS

-The IHS Global Insight economic outlook index predicts GDP growth starting in September, the first increase since July 2008. The decline in real GDP, at a six-month annualized rate, slowed from -5.9% in March to -0.9% in August. It's expected to turn positive in September and increase progressively through the beginning of next year.

-Orders for durable goods rose in July by the largest amount in two years, as the manufacturing sector rebounded from the depths of the recession.

-53% of employers in a new poll say they plan to hire full-time employees in the next 12 months, according to research released this week that could spell relief for unemployed U.S. workers.

So there you have it, folks. Good signs are all around and we are finally coming out of this slump. Why not celebrate by coming down to the Pearl District for the last weekend of the 2009 NW Natural Street of Dreams (which also, by the way, has been a smashing success)? Bring a few friends, grab a cold beer, try one of the delicious restaurants downtown, and check out the gorgeous condo penthouses on display. It's time to get excited about housing again!

-Tom Skaar

Summer Heats Up the Housing Market (7/30/09)

Dear HBA Member,

As nature turns up the heat outside, things are also starting to heat up in the housing market.

-The value of U.S. homes grew on a monthly basis in May for the first time in nearly three years, according to 20-city index released this week.

-The Commerce Department said that new home sales rose 11 percent in June, marking the largest jump in more than eight years. In Portland, they increased almost 12 percent. Economists say this is a clear sign that the real estate market may finally be turning around.

-According to the recent Existing Home Sales report, sales rose for the third straight month, climbing 4 percent in June. The National Association of Realtors (NAR) said that

home sales were helped by the first-time homebuyer tax credit and "historically high affordability conditions."

-The inventory of unsold homes -- the key measure of supply and demand -- improved more than last month. The inventory's dropped from 19 months in January to eight months in June.

-Interest rates remain low, with the 30-year mortgage rate staying near the 5 percent mark, which encouraged buyers and drove up demand.

-Real estate brokers in Portland and elsewhere report that buyers have been enticed to get back in the game by reduced prices on bank-owned homes, relatively low interest rates and a federal tax-credit for first-time buyers.

-According to Economy.com, Oregon is one of the five states forecasted to pull out of this recession first. Job growth is expected to return starting in the last quarter of 09.

With the tough times we've seen, news like the above is cause for celebration. It's been a long journey, but the end is finally in sight.

Don't forget to support your association, industry and community by attending the A Midsummer Night's Dream Charity Benefit and the NW Natural Street of Dreams. I can't think of a better way to celebrate the good news than by enjoying an evening in the Pearl District looking at some of the most unique and luxurious penthouses the industry has to offer. I'll see you there!

-Tom Skaar
2009 HBA President

P.S. An archive of all my "Good News" pieces is available on the HBA website (www.homebuildersportland.org) under "HBA Headlines."

Housing Market is Perking Up (5/20/2009)

Dear HBA Members,

As we enter the beginning of the traditional "home buying season," reports from the first quarter of the year continue to show positive signs. Home buyers are gaining confidence and beginning to get off the sidelines.

Here are some of the good numbers we've seen:

- According to a story by the Associated Press, an index of builders' confidence released earlier this month posted its biggest one-month jump in five years as many homebuyers seized on lower prices and incentives and took advantage of lower interest rates and tax credits.

- According to New Home Trends, unsold available spec homes reduced by 43.5 percent between April 2008 and 2009. Remaining months of unsold spec inventory (a key indicator of the balance between supply and demand) reduced by 12.5 percent and is now down to 6.7 months. Also, according to the National Association of Realtors, the number of homes under contract rose 3.2 percent last month.

- The National Association of Home Builders is reporting that through April, over 600,000 people have taken advantage of the new home buyer tax credit.

- A Gallup Poll from mid-April found that 71 percent of Americans said that it is a "good time" to buy a house, which is an increase of 18 percent from a year ago and marks the HIGHEST LEVEL in four years!

-The HBA's Third Annual Ultimate Open House New Home Tour turned out fantastic results. 81 percent reported at least double the traffic of an average open house, 56 percent reported at least triple the traffic of an average open house, and almost 20 percent sold a home during or as a result of the UOH (so far!).

-Also, this was the first year high-rise condo homes were included in the UOH and the public response was terrific. These condo homes had over 1,000 visitors each weekend and developers made several sales as a result of the traffic. This bodes well for the HBA's first ever Urban Street of Dreams, which features five buildings and 10 luxury condos in the Pearl District.

- Friday's Oregonian reported that April home sales in the Portland-area were up to about 1,300, a sharp increase from just 732 homes sold in January.

- Finally, NAHB and HBA Past President Jim Irvine gave a very interesting presentation at our last all-member luncheon explaining what the economic indicators are saying and how they show positive signs. Irvine explained that factors like low mortgage rates, pent up demand and falling material prices, among other things, help explain why the housing market will recover. If you missed the presentation, you can download the slides at www.HomeBuildersPortland.org.

The bottom line is that the frozen housing market appears to be thawing as more buyers are finding the current historically low interest rates, stabilizing prices and tax credit refund incentives irresistible. The finish line is finally coming into view, so don't give up hope.

Sincerely,

Tom Skaar (2009 HBA President)

Housing Market Showing Signs of Life (4/7/2009)

Dear HBA Members,

As we enter the ever-important spring home buying season, there are a several exciting indications that the market may be coming back to life:

*In February, new-home sales rose for the first time in seven months, and existing home sales rose 5.1 percent, which marks the largest increase in nearly six years.

*Also in February, pending sales for previously occupied homes, which act as a barometer for future home sales, rose by 2.1 percent

*According to the National Association of Realtors, homeownership is now more affordable than it's been since 1970 due to falling mortgage rates and less expensive home prices, which should spur on sales.

*Home sales are expected to gain momentum by the second half of the year as more and more first-time buyers take advantage of the new \$8,000 tax credit, thus absorbing a great deal of the current excess inventory. The National Association of Home Builders predicts that the credit should spur on about 160,000 additional home sales between now and Dec. 1. Consequently, NAR economists predict that most markets will achieve price stabilization by the end of 2009.

*In a survey recently conducted by Century 21 Real Estate among prospective first-time home buyers, 78 percent indicated that now is a good time to buy a home. Adding to this, Move, Inc. found that nearly 20 percent of home buyers plan to purchase a home this year to take advantage of the tax credit.

*Inventory is being whittled away as mortgage rates continue to fall. The average 30-year home loan rate fell to a record 4.78 percent this week, which is the lowest rate Freddie Mac's seen since it started tracking weekly changes in 1971.

* Freddie Mac also said the average interest rate on a 15-year loan dropped to 4.52 percent, down from 5.42 percent a year ago. This rate is the lowest Freddie Mac's had since it started tracking the 15-year loan in 1991.

*The new tax credits for energy-efficient homes are expected to generate \$6 billion in the remodeling arena by 2010.

What does this all mean to you? People are buying houses again. Inventory is moving. Consumer confidence is returning. Remodeling is more attractive than ever. The light at the end of this seemingly never-ending tunnel is finally in sight. So don't give up hope. Our industry is resilient and will make it through these trying times. Remember, what doesn't kill you makes you stronger

Sincerely,

Tom Skaar (2009 HBA President)

Housing Stimulus Update (2/27/2009)

Dear HBA Members,

First, one piece of good news that came across my desk is that the latest S&P / Case-Schiller Home Price Index ranks Portland as the 4th best housing market in the country. While I realize everything is relative, and that still doesn't mean our region is a "strong" market by normal standards, it is important to remember that we continue to do better than most other parts of the U.S., and that this bodes well for our housing market's quicker recovery. The more stabilized the market is, the more likely people are to feel confident buying again.

Second, I wanted to make sure you all are updated on a few key things HBA is working on regarding housing and economic stimulus.

1) In case you weren't aware, the federal tax credit for new home purchasers can be claimed by eligible home buyers on their '08 tax returns, even though they are making the purchase in '09. This is one of several provisions that might help spur home sales this year, since people can get their credit much quicker than waiting to file their '09 returns next year. For more information on the tax credit provisions, go to

www.federalhousingtaxcredit.com.

2) To make the tax credit even more valuable, we still need to push for options for it to be used at the time of closing towards a buyer's down payment. HBA is working with our state and national associations to find ways that allow this monetization to happen, either through funding from state housing finance agencies or through private lenders. Our CEO, Dave Nielsen, was on a conference call with NAHB leaders two days ago about this issue. He and our state association CEO, Jon Chandler, spoke today about respective efforts to help make this a reality. We're making a hard court press to help ensure this monetization happens. More info to come.

3) Some of you may have heard that President Obama's proposed budget unveiled yesterday includes a phase-out of the mortgage interest deduction. This is one of the "Holy Grails" of our industry, and NAHB immediately began efforts to get this pulled. The National Association of Realtors (NAR) is also lock step with us on this effort, too. It's unlikely to get far, but it's important that the mortgage interest deduction not be jeopardized in any way.

4) President Obama also unveiled a \$75 billion foreclosure prevention plan last week which may help up to 9 million home owners stay in their homes. It involves better refinancing and mortgage modification options for borrowers as well as the expansion of

mortgage support capacity for Fannie Mae and Freddie Mac. For more details on this plan, [click here](#).

5) Finally, at a local level, all of you should be aware that HBA has been working with cities and counties on ways they can help the housing industry survive this recession and get back on our feet. One of those is to provide lengthy extensions on plat and permit approvals. While some jurisdictions have responded positively, others have either not responded or have stated they see no need to provide this kind of help. As a result, our state association (OHBA) dropped a bill in the legislature yesterday that would create a statewide extension process that all jurisdictions would have to follow. Again, more updates to come.

Look for further and more detailed updates in the March issue of the Home Building News, which should hit your mailboxes early next week, as well as online at www.homebuildersportland.org/HBAindustryupdate.htm.

Sincerely,

Tom Skaar (2009 HBA President)

Important Economic Stimulus Update (2/13/2009)

Dear HBA Members,

As most of you know, HBA has been working hand-in-hand with the National Association of Home Builders (NAHB) to support their efforts to ensure some much needed provisions were included in the major Federal Economic Stimulus package you've all been hearing so much about in the press over the last week or two.

We have been keeping up with the latest efforts, coordinating grassroots support among our members to make sure our Senators and Congressmen heard from our industry, and have been providing feedback on what we felt were the key provisions needed to help get our economy, and especially housing, back on track.

Some of you may have heard about the fact that the House and Senate have reached agreement on the final elements of a \$789 billion compromise package that will be voted on today and likely go before President Obama on Monday, Feb. 16. We would like to provide you with a brief overview of what is in the final legislative package, particularly as it relates to the housing community.

There are several provisions in the overall stimulus package that will be beneficial for many of our members - and help stimulate demand for housing. Key ones include a true home buyer tax credit, extending Fannie Mae and Freddie Mac loan limits through the end of the year, extending existing home remodeling credits through the end of the year,

and allowing for a five year loss carryback provision for small businesses.

Chief among these is an \$8,000 home buyer tax credit for new home buyers. While we are disappointed and would have preferred a more enhanced tax credit like the Senate version, the conferees did retain some key elements from the Senate and made other modifications that are beneficial to home buyers and home builders. For qualified home purchases in 2009, the legislation:

- *Stipulates that the \$8,000 tax credit does not have to be repaid, unlike the tax credit passed last summer;
- *Keeps the tax credit refundable, or claimable regardless of tax liability;
- *Extends the sunset date from July 1, 2009 until Dec. 1, 2009 so that consumers can utilize it during the critical summer and fall buying months;
- *Allows tax credit home buyers to participate in the mortgage revenue bond program;
- and
- *Permits state housing finance agencies to help buyers at closing by advancing the credit amount as a loan using tax-exempt bond proceeds.

While much of the industry's focus was on the home buyer tax credit, there are several other important components in the legislation that will help small businesses and bolster the housing market. H.R. 1, the American Recovery and Reinvestment Act of 2009, will:

- *Help home borrowers in high-cost markets by extending the 2008 FHA, Fannie Mae and Freddie Mac loan limits of \$729,750 through the end of this year;
- *Temporarily allow exchange of Low-Income Housing Tax Credit allocating authority for tax-exempt grants and appropriates \$2 billion in HOME funding for affordable housing projects;
- *Provide up to a 10-year deferral of tax due to business debt restructuring;
- *Expand the net operating loss carry back period from two years to five years for small businesses (businesses with average gross receipts of no more than \$15 million over the prior 3 years) for losses arising in tax year 2008;
- *Extend the 25C existing home remodeler credit through the end of 2010, increase the credit rate from 10 percent to 30 percent, raise the lifetime cap from \$500 to \$1,500, and expand the set of qualifying property;
- *Provide an Alternative Minimum Tax patch for tax year 2009;
- *Increase bonus depreciation and Section 179 small business expensing for business investment in 2009;
- *Increase New Markets Tax Credit allocating authority for 2008 and 2009; and
- *Delay for one year the start of the 3 percent government contractor withholding requirement (from 2011 to 2012).

Once the bill is signed into law, NAHB will be reaching out to HBAMP and other local associations to provide information and marketing tools to make home buyers aware of the tax credit and to help builders utilize other aspects of the legislation in order to maintain and/or grow their businesses.

Keep in mind this stimulus legislation is just a first step and we know it is far from

perfect. Rest assured, we will continue to work with NAHB to leave no stone unturned until the housing market gets back on track. In the days, weeks and months ahead, NAHB plans to work closely with the Congress and the Administration on a host of issues to achieve these aims. Our primary focus will be on efforts to:

- *End the credit crunch, particularly as it relates to acquisition, land development and home construction lending;
- *Mitigate foreclosures; and
- *Further reduce mortgage interest rates to stimulate home buying.

We will make every effort to keep you informed on these developments over the coming days and weeks.

Sincerely,

Dave Nielsen (HBA CEO) and Tom Skaar (2009 HBA President)

Economic Stimulus Bill (2/11/2009)

Dear HBA Members,

At both the local and national level, elected officials are recognizing the importance of getting housing back on track. Here are two recent examples:

1. On the local level, the City of Portland released its Economic Stimulus Initiative and a key component of that is housing. Specifically, the goal is to "keep qualified home buyers on the homeownership track and at-risk mortgage holders in their homes."

2. At the national level, thanks to the efforts of HBA members across the country and our representation of NAHB on Capitol Hill, the US Senate passed a version of the economic stimulus that includes an expanded home buyer tax credit of \$15,000 for anyone buying a principal residence. It is a true tax credit and will be available for one year following the signing of the legislation. Other key components of the Senate plan include:

- Increase bonus depreciation and Section 179 small business expensing;
- Allow a five-year carry back for net operating losses and for general business credits, including the Low Income Housing Tax Credit and the \$2,000 new energy efficient home credit;
- Provide \$2 billion in gap financing for the Low Income Housing Tax Credit;
- Extend the New Markets Tax Credit; and
- Provide an Alternative Minimum Tax patch for tax year 2009.

We all understand the economic engine the housing industry provides, and it is gratifying to see politicians recognizing that as well.

Finally, check out the positive things that Senators across the country, and from both parties, are saying about the importance of "fixing housing first:"

Quotes from Senators on Need for Housing Stimulus

Mitch McConnell, Senate Minority leader (R-Ky.): "We're going to recommend, for example, you go right at the housing problem. We have a four-percent mortgage proposal where creditworthy homebuyers could buy down their mortgages or save them on the average fifty-six hundred dollars a year. Let's fix housing first. That's what started all of this." (Face the Nation, CBS, Feb. 1, 2009)

Charles Schumer (D-N.Y.): "I think we can do more for housing. One of the Republican proposals is to raise the seventy-five hundred tax credit we give to new homebuyers, raise it to up to fifteen thousand, do it for all homebuyers. That's something that we look favorably upon. Getting mortgages down to four and a half percent as Senator McConnell mentioned. That's a good idea." (Face the Nation, CBS, Feb. 1, 2009)

Lamar Alexander (R-Tenn.) "If you had a combination of a 4-percent mortgage and a \$15,000 tax credit for the next year, maybe we could get housing stabilized, maybe we could get demand stirring, and maybe we could get people confidence that there is liquidity in the market. That might not solve every problem, but it is the place to start. We would say first, fix housing. That is the way to restart the economy.(Senate floor remarks on economic stimulus, Jan. 30, 2009)

John Kerry (D-Mass.): "Housing has to be a component of this... Just this package will not fix this if we don't also do something about housing..." (Meet the Press, NBC, Feb. 1, 2009)

Jon Ensign (R-Nev.): "Regardless of the jobs you are going to create you are not going to treat the cancer that is affecting our economy, and that is the housing problem ... We have a plan that we're introducing that will actually fix the housing industry to a great degree. It will allow everybody to refinance their home mortgages at 4 percent, right around 4 percent. What that does is not only help the housing industry, but it also puts about \$400 in every American's pocket that owns a home an average of \$400 per month. That is a huge boost to the economy. That would be very stimulative." (State of the Union with John King, CNN, Feb. 1, 2009)

Kent Conrad (D-ND): "Too little is being done about housing, which is central to the crisis." (Fox News, Feb. 1, 2009)

Johnny Isakson (R-Ga.) "It may not make that [stimulus] bill perfect, but it is the single best thing we can do to begin the comeback. It will work, and I'm convinced it will be the beginning of putting a bottom under the housing market." (Remarks to the Atlanta Rotary Club on his proposed \$15,000 home buyer tax credit to be included in the stimulus package now being considered by the Senate, Feb. 2, 2009)

Jon Kyl (R-Ariz.): "So I think you have to start from scratch and reconstruct [the stimulus package] to start with the problem that created the entire cascade of events that have occurred here, the housing collapse." (Fox News Sunday, Fox News Channel, Feb. 1, 2009)

Sincerely,

Tom Skaar
2009 HBA President

Pending Home Sales Up; Housing Stimulus Rolling (2/3/2009)

Dear HBA Members,

While our industry is still struggling, there are continued signs of potential turnaround. One such sign is that the National Association of Realtors' (NAR) seasonally adjusted index of pending home sales for pre-owned homes for December showed a 6.3% rise over November's figures (and was 2.1 % higher than at this time in 2007). As we all know, getting movement in the pre-owned market is good for both new home sales and remodeling activity, so our whole industry benefits when these pending sales increase.

But there's still work to be done. The National Association of Home Builders (NAHB) is working hard with two U.S. Senators to modify the stimulus bill that is currently before the Senate. And their efforts are gaining traction. In fact, Senate Minority Leader Mitch McConnell said yesterday that the stimulus package needs to be refocused and that "We need to fix housing first." Not coincidentally, this is exactly the message theme NAHB has been pushing the last several weeks.

The possible amendments being considered include:

- Giving \$40 billion to the FDIC to deal with foreclosures
- A \$15,000 tax credit for all home buyers- (no repayment if you stay in the house for three or more years)
- Monetizing the credit
- Buying down the interest rate to 4%, which would be good for 18 months for home owners to refinance and make new purchases

HBA encourages members to contact Sen. Merkley and Sen. Wyden and to urge them to support these possible amendments. As the newest member of the Budget Committee, Sen. Merkley would be a good person to share your views with - especially since we all hope he is ready to fill Sen. Smith's big pro-housing shoes.

Sen. Wyden, as a member of the Finance Committee, can go straight to Sen. Baucus (one of the Senators supporting NAHB's amendments) with his concerns for the housing industry. Additionally, Sen. Conrad (another supporter) is also a member of the Finance

Committee, so Wyden has the opportunity to put his weighty support behind any amendments offered by Conrad.

I can't emphasize enough how important this is. If you are wondering what can be done to help turn this around, or if you are one of those whose job and livelihood have been hurt by the housing downturn, don't sit back and just expect others to do all the work for you. Your calls, your emails and your visits CAN make a difference. I would love to see Oregon, and especially Portland, play a major role in helping push through these much needed housing stimulus amendments.

And NAHB/HBA is making it easy for you to take part in this effort. Just follow the instructions below, and in less than 3-5 minutes, you will have made a call that can help get housing and our economy back on track.

Call to Action

Please call your Senators today at 1-866-924-NAHB (6242) and ask them to support any proposed amendments to the Senate version of the economic stimulus bill that would create a mortgage interest buy down and enhance the housing tax credit.

Senators should enhance the credit by:

- Extending the eligibility period from September 1, 2009 to December 31, 2009
- Increasing the credit amount
- Extending the credit to include all home-buyers
- Allowing the credit to be used at the time of closing

Less than two weeks remain before Congress sends an economic stimulus package to President Obama. We must impress upon the Senate that only robust housing stimulus actions will restore consumer confidence in the housing market and boost the economy.

After your call, please take a moment to email NAHB with your feedback at builderlink@nahb.com. NAHB needs to hear what your Senators are saying.

Sincerely,

Tom Skaar
2009 HBA President

Fix Housing First Proposal (1/20/09)

Dear HBA Members,

There is much excitement in Washington DC this week and across the country as a new

president takes over the leadership of our country. There are many challenges ahead. Foremost among them is how to get our economy back on track.

For the housing industry, we are fortunate to have an active presence in the nation's capitol in the form of the National Association of Home Builders (NAHB).

The good news is that NAHB is promoting a plan called Fix Housing First which, if passed by Congress and signed into law, will provide significant incentives to people buying homes:

- A tax credit of \$10,000 to \$22,000 (depending on location) to anyone closing on a home purchase by December 31, 2009. This credit does not have to be repaid and is thus a major improvement over the one passed last summer;
- A federally-subsidized 30-year fixed rate mortgage of 2.99 percent for all home purchases that close by June 30, 2009. After that, the rate would be 3.99 percent if closed by December 31, 2009.

How can you help get this passed by Congress? First, visit www.FixHousingFirst.com and learn more about the proposal. Then, contact your Congress members and ask them to support this proposal. The website makes it really easy-you can find your Congressional representatives and contact them right from the site.

Good things are happening and significant effort is being put into turning this economy around. Can you help us in this effort?

Sincerely,

Tom Skaar
2009 HBA President

Major Businesses Moving to Portland Area (1/16/2009)

Dear HBA Members,

Oregon continues to attract new businesses, which means more jobs and potentially more Oregon residents. In particular, Governor Kulongoski's efforts to attract "green jobs" are paying dividends.

Specifically, German solar manufacturer, SolarWorld, recently completed a \$440 million factory in Hillsboro, and Sanyo broke ground on an \$80 million plant in Salem. Finally, new Portland Mayor Sam Adams is confident that existing Portland business, Vestas-American Wind Technology, will expand and create at least 850 new jobs.

These new jobs will be good for Oregon's unemployment rate and will also attract new residents to the state. Both of these bode well for the home building industry.

Are you prepared? One of the reasons HBA exists is to help our members do business. We do this through classes, networking and our home shows. Have you looked into a course at the NW College of Construction that will help you and your employees build better homes? Are you attending our new monthly membership lunches to network with other HBA members? Have you signed up for the Ultimate Open House or the Street of Dreams?

The economy will improve and those members of the industry who are prepared when it does are the ones who will succeed.

Are you ready?

Sincerely,

Tom Skaar
2009 HBA President

Population Growth in Oregon (1/7/2009)

Dear HBA Members,

Oregon and other western states continue to see population growth, while states in the Northeast and Midwest are seeing declines according to a recent report on KATU. This bodes well for the home building industry and Oregon economy. Those people need someplace to live and that means buying homes, which will help soak up the inventory of homes for sale.

Since 2000, Oregon's population has grown 11 percent to 3.8 million people. And the growth was still occurring in 2008, according to the Portland State University Population Research Center. Through their July 1 population estimates (their last one conducted), Oregon added over 45,000 new residents.

Finally, looking even further out, the Oregon census projects a doubling of our population by 2025.

These are good signs for our industry. Oregon remains a popular place to live for a variety of reasons. Are you ready to showcase your homes to these new Oregon residents? Don't miss out on the chance to show off your work, get your homes noticed and create interest at the HBA's Ultimate Open House. We've knocked \$1,000 off the entry price to make this opportunity more affordable than ever. And if you turn in your entry by Jan. 15, you'll save another \$200 off this already reduced price. Contact Hallie at the HBA for more information.

Sincerely,

Tom Skaar
2009 HBA President

Signs of Economic Recovery in Sight (12/30/2008)

Dear HBA Members,

In a recent issue of the Oregonian, Oregon's State Economist Tom Potiowsky said that early indicators of the economy's recovery include a bottoming of the housing market, limited loosening of lending standards, slight increases in building permits and increased hiring of temporary workers.

We are currently seeing the first two of these begin to happen. In his article in today's Oregonian, housing market reporter Ryan Frank wrote that home prices in the Portland metro area have now fallen back to their January 2006 levels. Additionally, mortgage rates have now dropped to their lowest levels in 37 years and the Feds have cut target Fed Funds to the 0-.25% range as part of their commitment to employ "all available tools" to stimulate economic growth.

With more affordable real-estate prices locally and better mortgage rates nationally, excess housing inventory will be soaked up more quickly, which is necessary for our industry's recovery.

Things are happening, my friends. The balls are in motion and gaining speed. We are seeing signs that the end of this all may be right around the corner.

Consequently, this news sets up a great buying environment for next spring and summer, and the HBA has two home shows positioned to help builders take advantage of the changing climate. The Ultimate Open House is set for April and the Street of Dreams for August. If you're interested in participating in these shows, call Hallie Gentry (UOH) and Eric Stride (SOD)-503.684.1880. Don't miss out on these important opportunities!

Sincerely,

Tom Skaar
2009 HBA President

Fixed Loan Rates and Gas Prices Drop (12/16/2008)

Dear HBA Members,

Today's Oregonian Business Section headlines focused on the rise in home sales inventory in November. While this is certainly concerning, it's also a seasonal pattern that happens at the end of every year - home sales always slow in November and December and then pick up again after the new year.

What missed this morning's headlines was the fact that later in the day the Federal Reserve cut its target for a key interest rate by 3/4 of a point to the lowest level on record and pledged to use "all available tools" to help the economy recover. Thirty year fixed loan rates are now at historic lows, falling below 5 percent, and that certainly will be a big help to the housing market.

The decline in gas prices is another good sign for our industry, and not just because it will cost all of us less to fill our tanks. Rather, it is one more positive signal to consumers and frees up disposable income. In fact, I have heard it said that the decline in gas prices is the equivalent of a 100 billion dollar economic stimulus each six months. I believe the public's economic outlook is a combination of a range of factors from gas prices to the stock market to news they hear on the radio or read in the newspaper. So, good news on gas prices (and much lower mortgage rates) means good news for our industry's outlook as well.

These are some of the reasons that I've been sending you positive news over the past few weeks as it has come across my desk. Like I said last time, we've all got to be ready to take advantage of the market when it comes back. And it will come back.

Call Hallie Gentry to find out how the Ultimate Open House can help your company this April and call Eric Stride about August's Street of Dreams.

Both shows are opportunities for you to get off the sidelines and take advantage of the rebounding market in 2009.

And don't forget about the HBA's new all member luncheons. The first one is Jan. 8 and features a special guest speaker and a short presentation about the exciting new benefits programs the HBA has available for members. You should have received an email complete with all the details yesterday. Contact Patti White for more information.

Sincerely,

Tom Skaar
2009 HBA President

Consumer Confidence Is Up (12/11/2008)

HBA Members -

According to the Conference Board Consumer Research Center, the Consumer Confidence Index showed positive gains for the first time since August. After dropping sharply in September and October, the month of November saw an eight point gain in Consumer Confidence.

In addition, people are becoming more optimistic about the business climate. The monthly survey of 5,000 households showed a two point increase in those who expect conditions to improve and an eight point decline in those anticipating business conditions to worsen over the next six months.

As you know, the home building industry needs to be prepared to capitalize on the market when it returns. The Ultimate Open House is one way the HBA can help you do this, and I hope you are registered to participate this year. If not, call Hallie Gentry today. We've cut prices by almost 50 percent to make participating more affordable. For our luxury home builders, the Street of Dreams in August is going to be a great way to showcase your work. Call Eric Stride to learn more.

Don't be tempted to sit on the sidelines too long! Begin preparing today for the market turnaround.

Sincerely,

Tom Skaar
2009 HBA President

Mortgage Rates Are Dropping (12/9/2008)

HBA Members -

Some great news for new home construction and sales came across my desk this morning and I wanted to share it with you. Mortgage rates for fixed-rate loans recently plummeted.

According to the Wall Street Journal's MarketWatch.com, "The 30-year fixed-rate mortgage averaged 5.53% for the week ending Dec. 5, down from 5.97% last week and 5.96% a year ago, according to Freddie Mac's weekly survey. The rate hasn't been lower since Jan. 24, when it averaged 5.48%." (<http://tinyurl.com/5rncg4>)

This is going to help set up a great buying environment for next spring and summer, and HBA's two main home shows are positioned perfectly to help builders take advantage. The Ultimate Open House is set for April and the Street of Dreams for August. If you're interested in participating in those shows, call Hallie Gentry for the Ultimate Open House and Eric Stride for the Street of Dreams - 503.684.1880.

Remember: The HBA is working hard for you. Now's the time to get involved and take advantage of all the opportunities the association provides.

Be on the lookout for other positive news tidbits from me in the upcoming weeks.

Sincerely,

Tom Skaar
2009 HBA President