CONTINUED FROM PAGE 11

The metro-area ZIP code with the biggest price drop was 98664 in Vancouver Heights, Wash., where sale prices were 25% below list prices, followed by 98606 in Brush Prairie, Wash. (-23.5%), 97035 in Lake Oswego and Lake Grove (-19.3%), 97210 in Northwest Portland's Nob Hill (-19.3%) and 97009 in Boring (-16.5%)

Among the 26 ZIP codes that had higher sale prices than list prices, the pack was led by 97201 in downtown around Portland State University, where final prices averaged 43.4% above list price. This was followed by 97008 in South Beaverton/ Washington Square (21.3%), 97217 in Northeast Portland's Kenton neighborhood (7.6%), 98661 around Fort Vancouver, Wash. (7.3%) and 97013 in Canby (7%).

As the year progresses among continued economic uncertainty, buyers may be more reluctant to making perhaps the biggest purchase of their life, potentially leading to more price drops in the real estate market.

THE METHODOLOGY

The Business Journals' Hottest Housing Markets rankings were derived from listing and sales data provided by Intercontinental Exchange Inc. The rankings emphasized sales and pricing momentum in a given market, with overweighting on pricing metrics as well as sales and pricing momentum within the most-recent, trailing 12-month period. Only ZIP codes with complete data in all categories measured were included in the final ranks.

Step 1: Calculated changes in key data points Percentage changes were calculated for four metrics - listings-to-sales ratio, average list price, average sale price and days on the market – within guarter-to-quarter, year-over-year and

Step 2: Applied weighting

five-year periods.

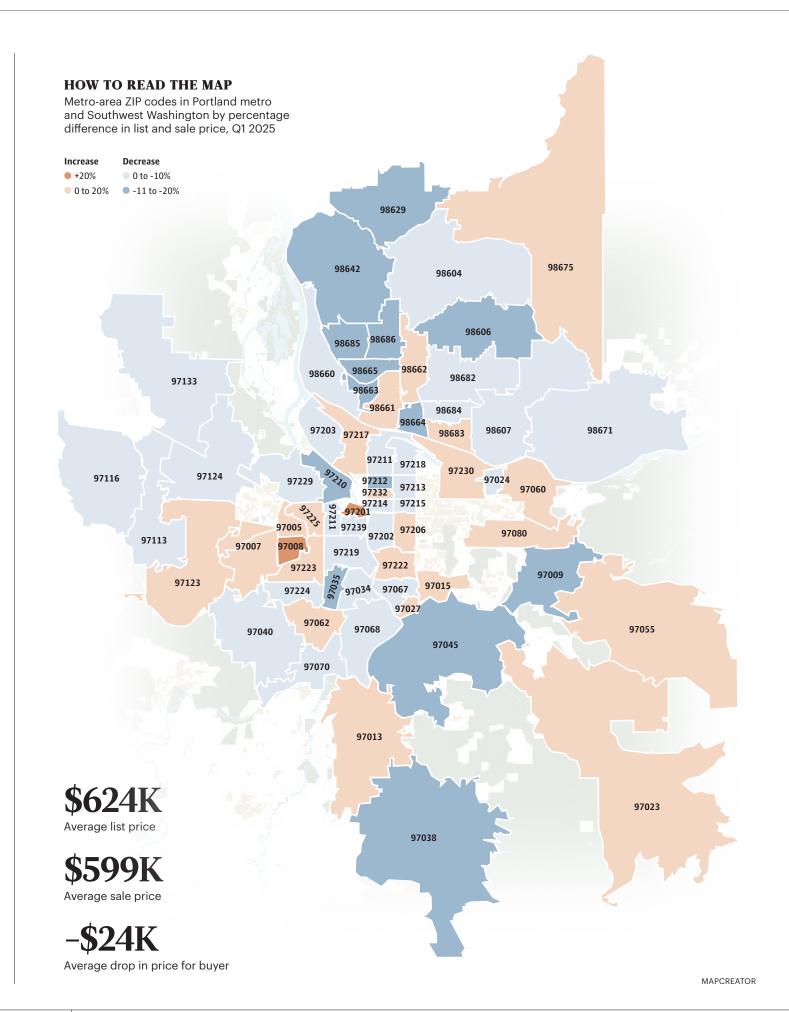
to determine momentun A weighted scale was applied to all growth outcomes, with heavier emphasis applied to list price

and sale price categories as growth measures recorded in the most recent guarter and one-year time spans.

Step 3: Calculated a composite score per ZIP code

Weighted scores were combined to determine a single composite score per ZIP code. ZIP codes lacking complete data for all measures and time periods were removed from the analysis.

Step 4: Filtered for Hottest Housing thresholds Established a minimum threshold of \$412,300 per average sale price (the most recent median price per U.S. Federal Reserve) as well as a minimum threshold of 10 listings sold per quarter



The housing market is shifting. These are now hottest ZIP codes

BY JOANNE DRILLING AND ANDY GIEGERICH The Business Journals

West Linn was the hottest housing market in the Portland metro in the first quarter. That's according to The Business Journals' first-quarter analysis of the country's hottest housing markets based on quarterly listing and sales data from Intercontinental Exchange.

The ranking is intended to emphasize sales and pricing momentum in each ZIP code, using a weighted formula that includes quarterly and yearover-year data. Only ZIP codes with complete data were included in the analysis, which meant they had an average sale price of at least \$416,900 and 10 listings sold in the quarter.

America's hottest housing markets

While home sales have sagged in recent months, listings have ticked up, giving buyers more leverage in several markets - especially some once high-growth

But there are still plenty of hot housing markets both locally and across the nation.

Nationally, ZIP code 84526 in Helper, Utah, was the nation's hottest market for the quarter. In the last five years, sales price momentum has surged 473% in 84526. Between the fourth quarter of 2024 and the first quarter of 2025, it rose 131%. The average list price for the first quarter was \$301,638, while the average sale price was \$679,889.

Shift to buyer's market takes shape in several metros

Large scale economic uncertainty, especially surrounding tariffs and a potential recession, have also impacted home sales.

Recent research from Zillow shows that 375,000 homes were newly listed on the market in March. which represents an increase of 9% from the same time last year.

In fact, listings are up approximately 10% nationally, according to The Business Journals' research, but newly pending sales were flat in comparison, despite slightly lower interest rates in March 2025 compared to the previous year.

While the longtime lock-in effect looks to be lessening – Zillow reports an increase of 19% in inventory for March, the highest March levels since 2020 - inventory is still 24% below 2018 and 2019 for the spring housing market.

That said, price cuts have hit their peak in at least seven years, meaning a true shift to a buyer's market could be in the cards.

Of further concern, new home sales aren't expected to meet demand either. According to real estate analytics firm Zonda, new home sales in March were down 3.2% from February as builders braced for higher materials costs and labor shortages driven by changing tariff and trade policies.

HIGHEST PRICE METRO ZIP CODES, Q1 2025 These were the top five housing ZIP codes by average sale price in the Portland metro area:

\$1.6M \$919K \$839K \$830K

LOWEST PRICE METRO ZIP CODES, Q1 2025

West Linn

97201

Portland

97221

Lake Oswego

These were the bottom five housing ZIP codes by average sale price in the Portland metro area:



PRICIEST ZIP CODES IN THE U.S., Q1 2025

These were the top five housing ZIP codes by average sale price in the nation:



SOURCE: INTERCONTINENTAL EXCHANGE INC.

CONSTRUCTION

Gov., mayor move to boost housing

BY SUZANNE STEVENS

sstevens@bizjournals.com

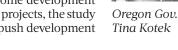
Oregon Gov. Tina Kotek and Portland Mayor Keith Wilson want to pause certain infrastructure fees for new development in an effort to spur housing construction.

The pause on System Development Charges, announced at a recent press conference, would remain in effect until 5,000 new housing units are built in Portland or three years have passed.

Portland City Council must approve the plan.

SDCs are one-time impact fees charged on new development to help cover the cost of infrastructure.

A 2022 state study on Oregon System Development Charges found that the average total SDC is \$15,000, and can be as high as \$50,000, amounting to 3% to 6% of single-family home development costs. For multifamily projects, the study found that SDCs can push development costs up 4% to 10%.



Portland

Wilson

Mayor Keith

"By temporarily waiving these fees, we can make the numbers work and turn stalled plans into real homes for real people," Wilson said in a release. "Right now, developers are ready to build over 4,000 homes in Portland. But too many projects stall because of costs. Waiving SDCs can cut thousands of dollars of the cost of building a home and can make the difference in someone being able to make the decision to build homes in our city."

"We are in a crisis when it comes to multifamily housing development in Portland. I see firsthand how challenging it has become to make projects financially feasible," added Sarah Zahn, a member of the Oregon Smart Growth Board, who attended the press conference. "Portland is serious about jumpstarting housing production. It's not a silver bullet, but it's a critical first step."

According to the governor's office, there are thousands of housing units in the development queue in Portland, many that aren't moving forward because they don't pencil out.

"Portlanders are impatient for more progress on the city's housing supply crisis. So am I, and so is the Mayor. Even in tight budget times, we need to get creative and try new things," Kotek said in a press release. "We have to put our whole weight behind building Portland into the vibrant, safe, and prosperous city we know it can be. Things are getting better all the time, and the Mayor and I are ready to double down."

The proposal to pause SDCs is one of the first recommendations to emerge from the Multifamily Housing Development Workgroup convened by the Gov. Kotek and Mayor Wilson to kickstart housing production.