



AUSTIN BUSKOHL
REAL ESTATE

HOUSING MARKET REPORT

BEND – 2024



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Disclaimer: The information presented in this report is based on data from FlexMLS and reflects market conditions as of 2024. While every effort has been made to ensure accuracy, this report is for informational purposes only and should not be considered financial or legal advice. Readers are encouraged to consult with a licensed real estate professional for guidance tailored to their specific needs and circumstances.

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Introduction

The year 2024 began with optimism in the housing market. Predictions suggested mortgage rates could drop to the low sixes or even high fives, raising expectations for increased transactions and a market recovery compared to what was experienced in 2023. However, by the end of the year, mortgage rates remained in the upper sixes to low sevens, reflecting the economy's uneven progress in controlling inflation.

Despite this, there were notable improvements and key trends seen in the Bend housing market that provide valuable insights for both buyers and sellers.

Market Activity and Inventory

Sellers/New Listings

Reflecting on 2024, the first half of the year experienced a surge in new listings. This surge was likely driven by a combination of factors, including early optimism for the year and delayed action by would-be sellers in 2023. Regardless of the cause, the increased inventory helped address the needs of active buyers.

In the first five months of the year, new listings coming to market did so at rates above seasonal expectations:

- **January:** +6% above seasonal expectations
- **February:** +12%
- **March:** +14.8%
- **April:** +8.4%
- **May:** +9.5%

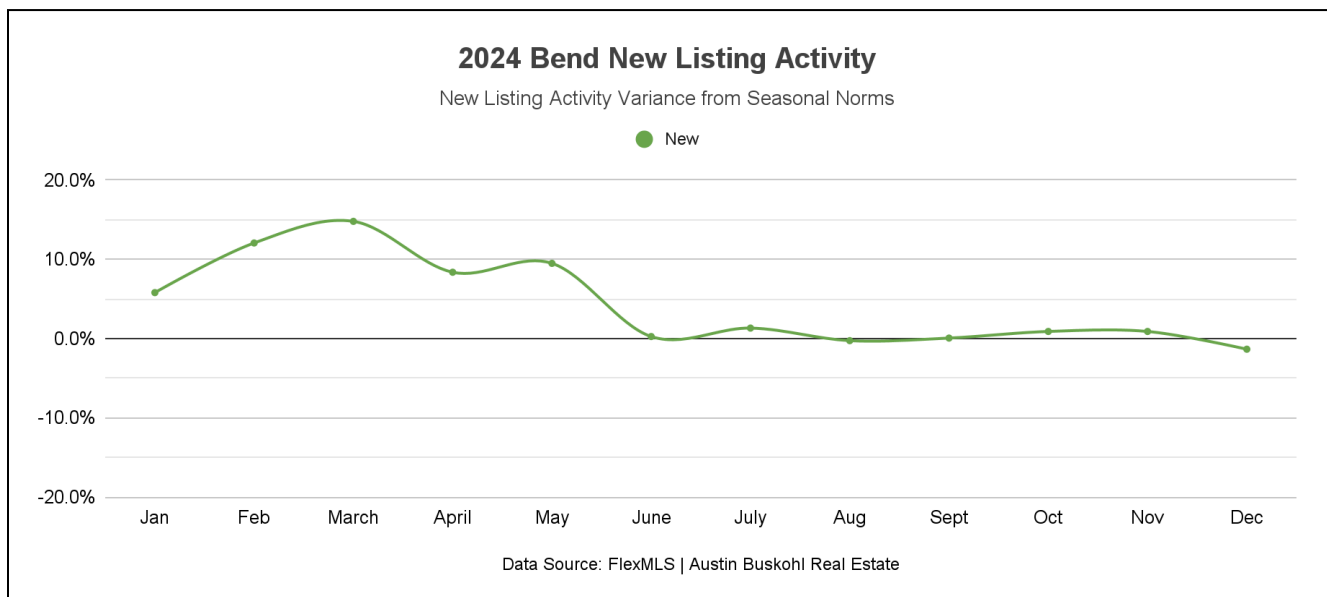


Figure 1: Deviation of new listing activity from seasonal expectations, highlighting a strong surge early in the year that peaked in March before stabilizing mid-year and maintaining consistency thereafter.

It wasn't until June that new listing activity stabilized, returning to more typical growth levels and maintaining that trend for the remainder of the year. This strong surge in seller activity, combined with the slower recovery of buyer activity—discussed later—led to a rapid increase in active listings during the first half of the year.

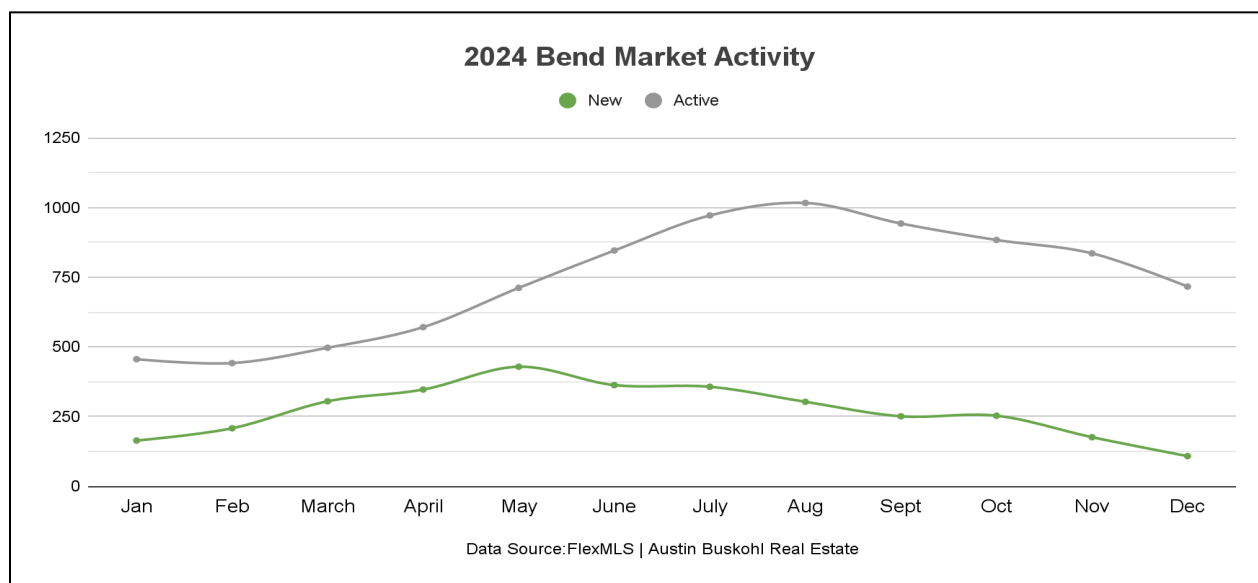


Figure 2: The trends in new listings (green line) and active inventory (gray line) throughout the year. New listings surged in the first half of the year, peaking in May, while active inventory steadily increased until mid-summer before tapering off toward the end of the year

Median Home Prices of Active Market

Since prices stabilized after the COVID boom, the active market in Bend has followed a seasonal trend driven by higher-priced homes. The \$1–\$2 million price range consistently holds the highest market share, with the \$600,000–\$699,999 range in a distant second. In May and June, the median active home price peaked around \$900,000 but declined into the \$700,000 range by year-end as market activity slowed.

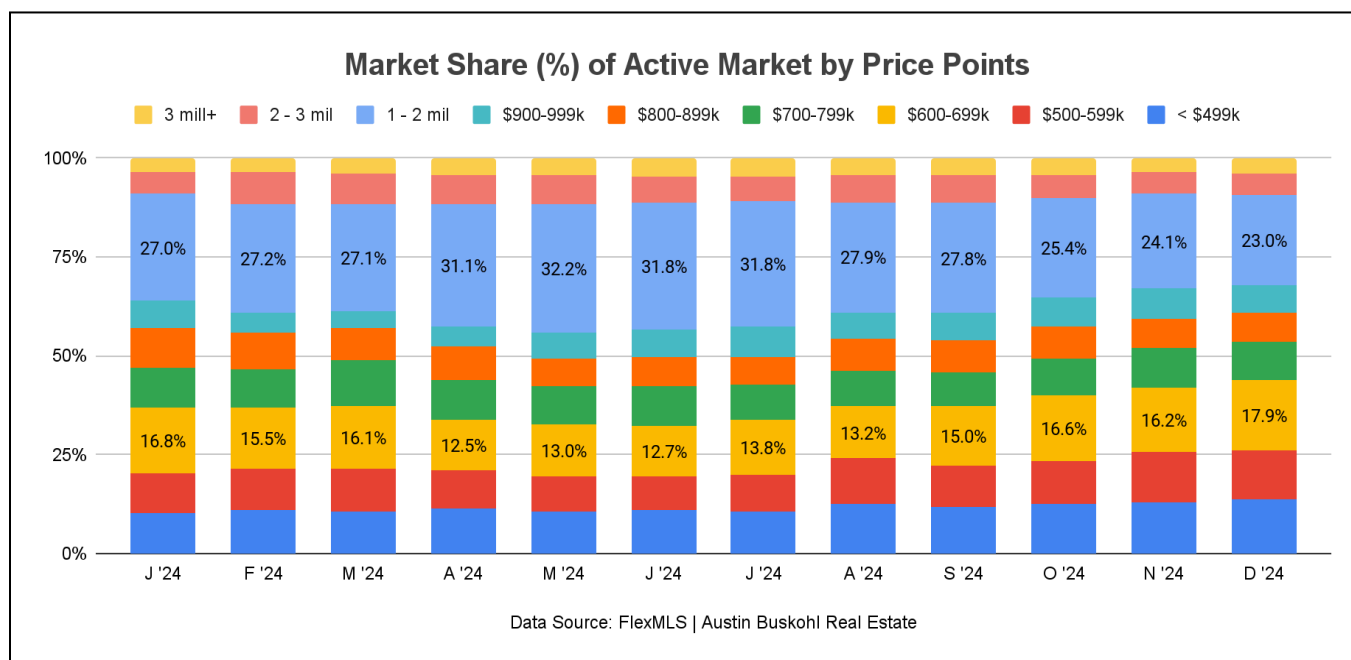


Figure 3: The median price range (50% line) of the active market increased as higher-priced homes gained market share during the summer months.

Buyers/Pending Activity

Buyer activity in 2024 remained steady but relatively unremarkable compared to seller activity. From January through April, buyer activity hovered at or below seasonal expectations. It wasn't until May that the market showed any significant signs of life from buyers. Unfortunately, this uptick proved to be a brief, one-month blip. Sporadic periods of stronger buyer activity occurred again in August, September, and December.

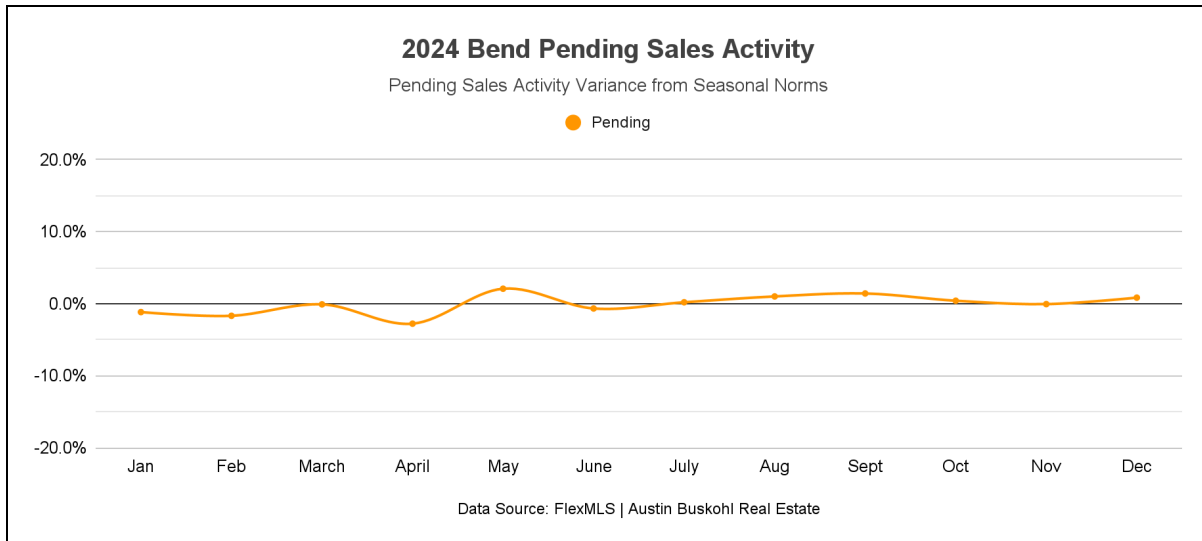


Figure 4: The deviation of pending sales activity from seasonal expectations. Activity remained relatively stable, with short-lived increases in buyer engagement in May, August, September, and December, before returning to expected levels

Stronger buyer activity during these months was primarily driven by mortgage rate fluctuations.

- **May:** Rates improved by 0.5% (from roughly 7.5% to 7%) during the first half of the month, encouraging more buyer engagement.
- **August to September:** starting in late July, rates trended down to the low 6% by mid September.

December experienced an increase in buyer activity, despite mortgage rates worsening from the high 6% range back into the low 7%. The driver behind this growth is less clear but may reflect speculative buying influenced by expectations surrounding new presidential policies and their potential impact on interest rates in 2025.

Despite a year of growing inventory, driven by strong new listings and only average buyer activity, home prices experienced only slight softening. This trend was primarily supported by the strategic use of seller credits during transactions—a topic explored in more detail later in the report.

Median Home Prices of Pending Market

One notable trend in buyer activity is the relative consistency in the price points where offers are being written each month. Even as the median active market price increases with the addition of higher-priced homes, the share of homes going under contract in the \$500,000–\$699,999 range each month, keeps the overall median price of pending sales consistently anchored in the \$700,000–\$799,999 range.

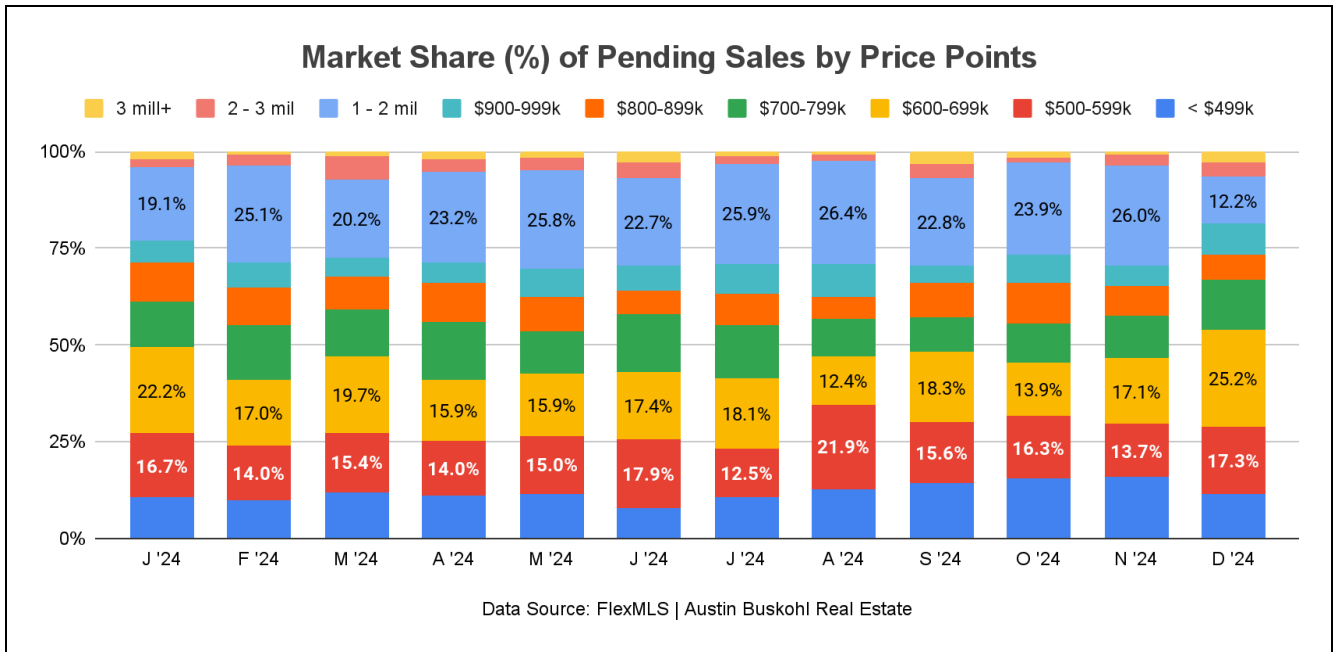


Figure 5: The \$700,000–\$799,000 price range consistently intersects the 50% line, marking the median of the market despite fluctuations in higher and lower price segments throughout the year

Sold Home Prices & Days on Market Impact

Let's briefly discuss median sale prices throughout the year. Similar to 2023, a couple months (June and October) saw median sale prices reach or exceed record highs in Bend. Was it noteworthy? Sure. Was it meaningful? Not really. With Bend's average escrow duration at 32 days and 71% of escrows closing in under 40 days, one can generally estimate the median sale price based on the previous month's pending sales. However, occasional months with higher-than-expected closings in the upper price ranges—like those seen this year—do happen and are more of a blip than a trend.

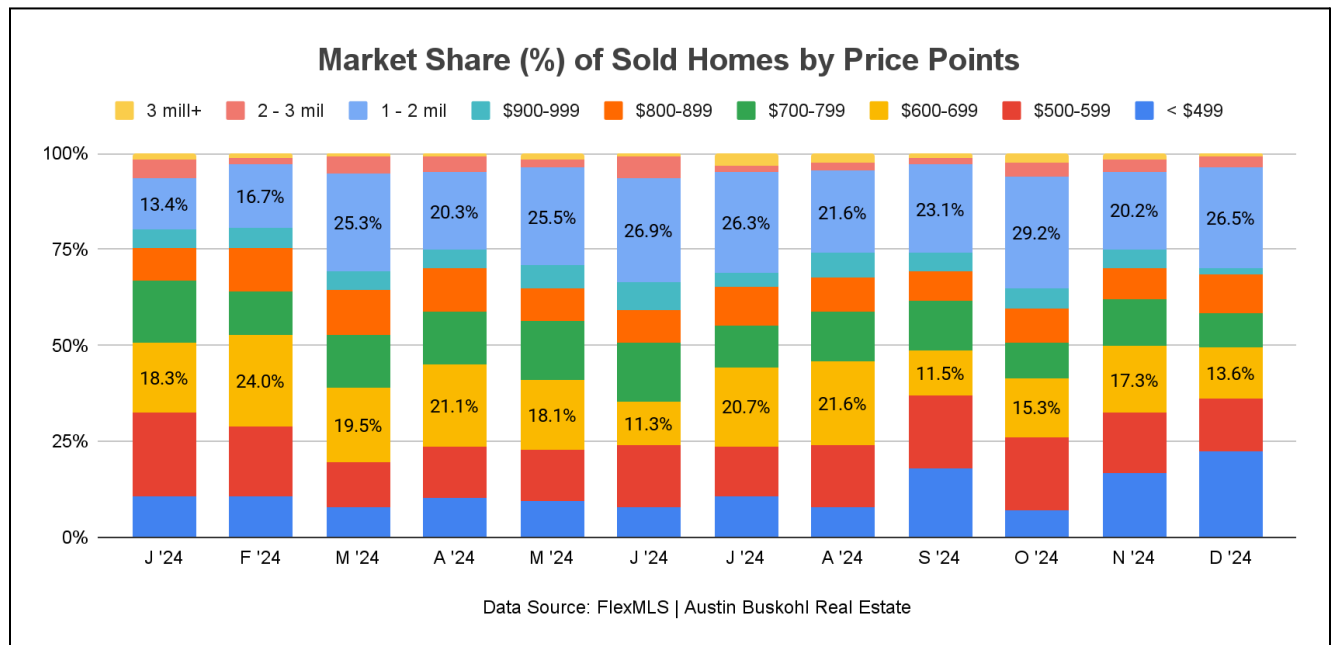


Figure 6: Market share growth in higher-priced homes during June and October pushed the median sale price upward. July saw balanced growth across higher and mid-range price points, maintaining greater market stability.

Days on Market Impact

In real estate, a fundamental rule applies: the longer a home sits on the market, the greater the impact on its final sales price relative to the original asking price. This holds true for the local Bend market.

- **Week 1 (days 0-7):** Over 50% of homes under contract within their first month sell in the first week. On average, sellers receive 100% of their asking price.
- **Week 2 (8-15):** 19–20% more homes go under contract, and 100% of their asking price on average.
- **Weeks 3 & 4 (16-30):** The remaining 28% of homes that sell in the first month go under contract during this period. However, sellers typically accept offers averaging 3% below the original asking price.

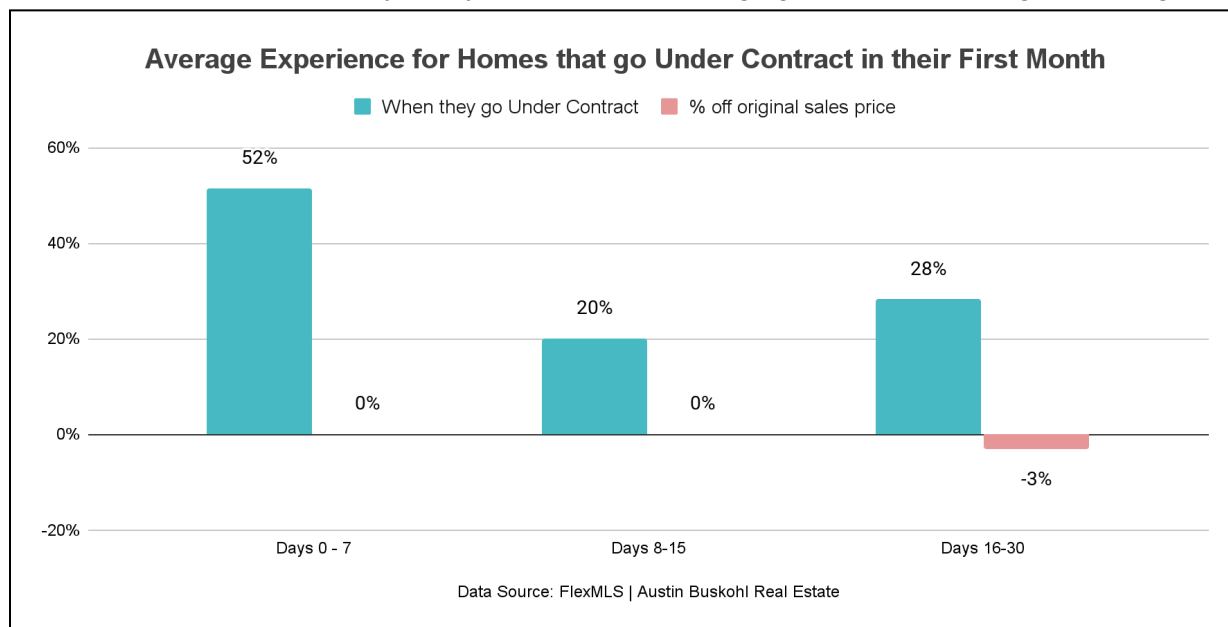


Figure 7: Those homes that go under contract in their first month, over 50% accept an offer in the first 7 days and on average receive their asking price

Beyond the first month, the impact of days on market becomes more pronounced:

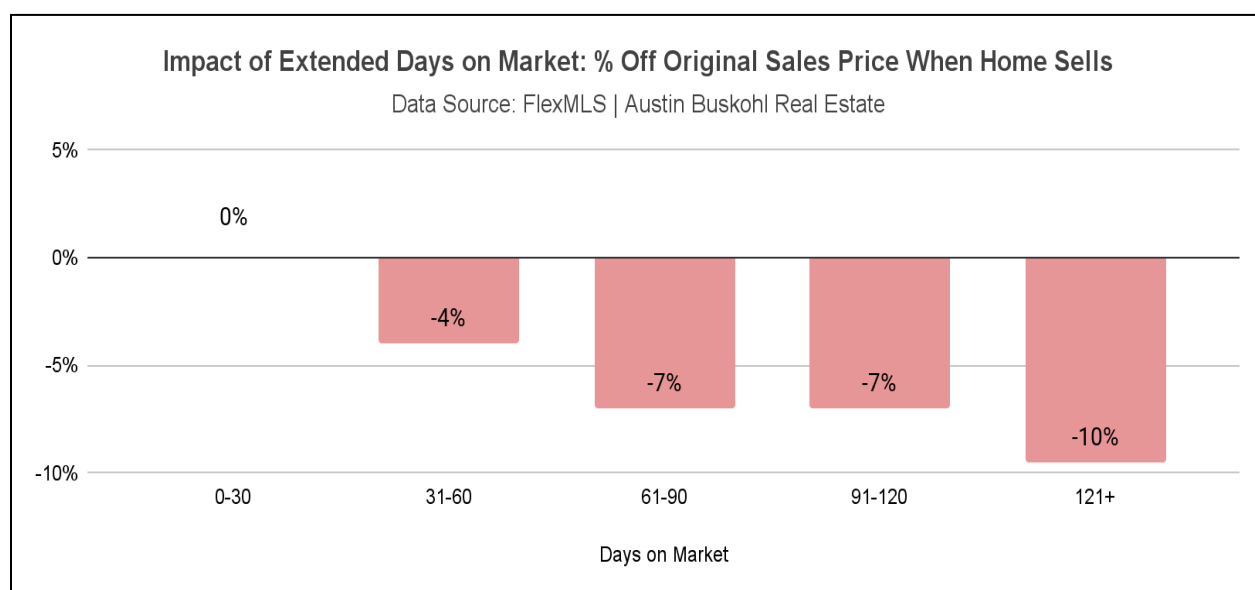


Figure 8: Long-term trend extended days on market can have on a home's original asking price

None of this accounts for any seller credits often provided to buyers as part of the transaction. Instead of, or alongside price reductions, sellers use credits to help buyers overcome affordability challenges and complete the purchase. These credits are commonly applied to cover closing costs or buy down mortgage rates—temporarily or permanently—reducing monthly payments and making the transaction more attainable.

Seasonality in Sales Price Trends

Lastly, sellers need to consider not only the impact of days on market but also the overall time of year. Data from 2023 and 2024 reveals clear seasonality in the share of homes sold under, at, and above their original asking price (OP).

- **Spring and Early Summer:** This period sees peak buyer activity, with over half of the homes selling at or above their asking price. This is often the best time for sellers to achieve favorable outcomes, provided the home is priced appropriately.
- **Late Summer:** Buyer activity slows, and the share of homes selling at or above their asking price begins to decline.
- **Fall and Winter:** By this time of year, around 70% of homes are selling below their original asking price, reflecting the typical slowdown in buyer activity.

For sellers, understanding both the timing and duration of a listing on the market is essential to achieving the best possible sales outcome.

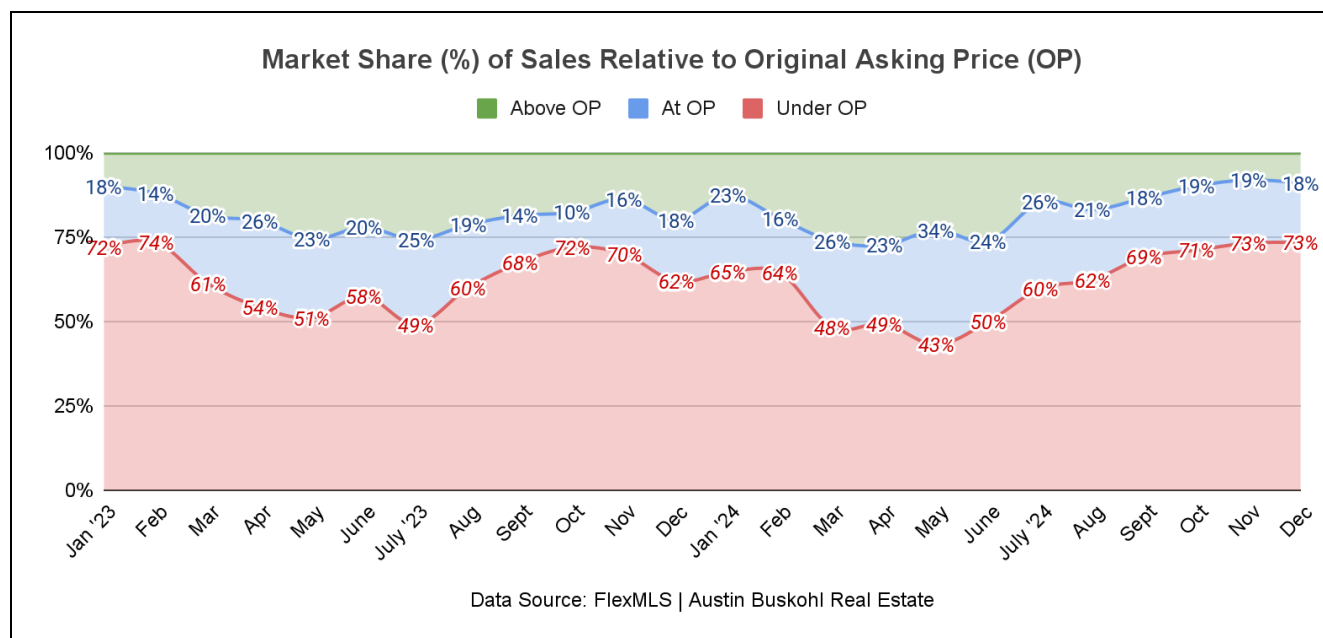


Figure 9: The percentage of homes selling below, at, or above their original asking price fluctuates throughout the year, with the best opportunities for sellers typically occurring in spring and early summer when fewer homes sell below asking.

Key Pricing Trend

While we did observe some softening in home prices, the overall stability in median home prices can largely be attributed to the strategic use of seller credits. Instead of requesting seller credits, many potential buyers instinctively lean toward offering a lower price in an equivalent amount. While this may seem logical at first, using seller credits for a temporary rate buydown—especially during the first two years—often provides a greater reduction in monthly payments than simply lowering the sales price. This is one reason why builders will often offer credits to buyers as a first resort, and marketing tool, rather than simply lowering the price.

These credits, while advantageous for buyers, do not affect recorded sale prices. This contributes to the "stickiness" of home prices, maintaining a level of stability in the market despite evolving buyer-seller dynamics.

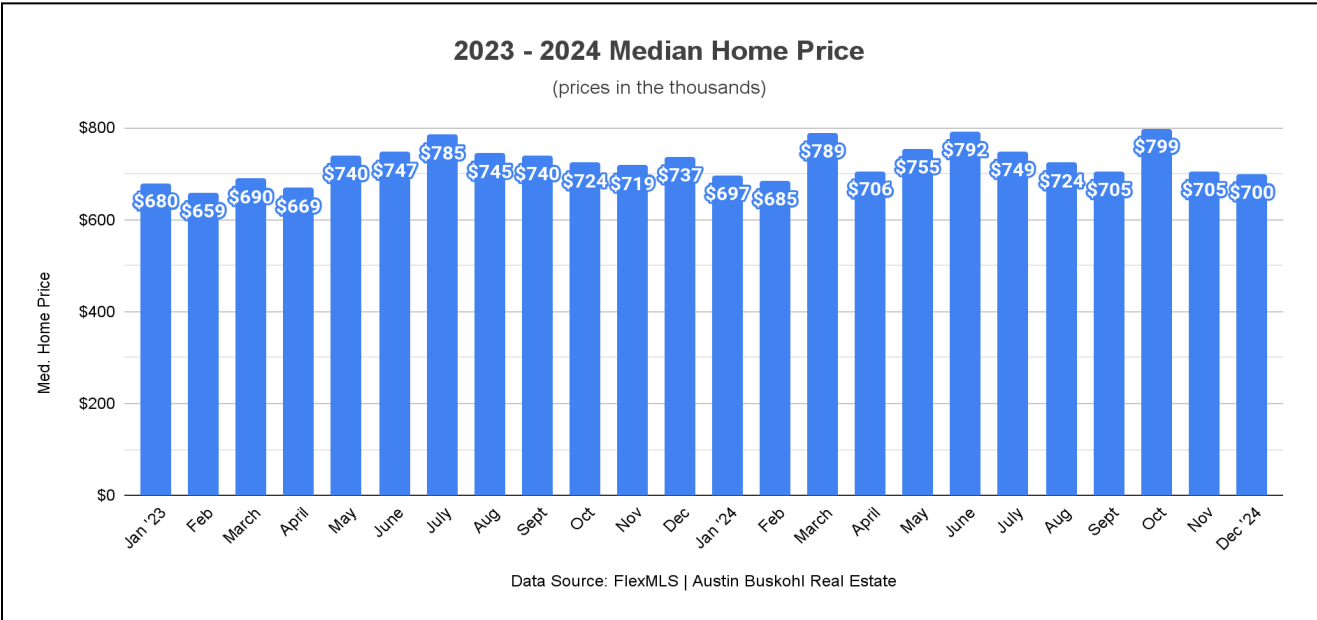


Figure 10: While it's easy to get lost in the month-to-month numbers, overall median home prices have been 'sticky'

Sold Inventory Type

While the majority (84%) of Bend's sold market consists of 'traditional' single-family homes, they are not the only type of single-family property sold with a Bend address. The market also includes six other property types for buyers to consider. In Figure 11 below, the market share and median sold price for each property type sold in 2024 are presented for comparison.

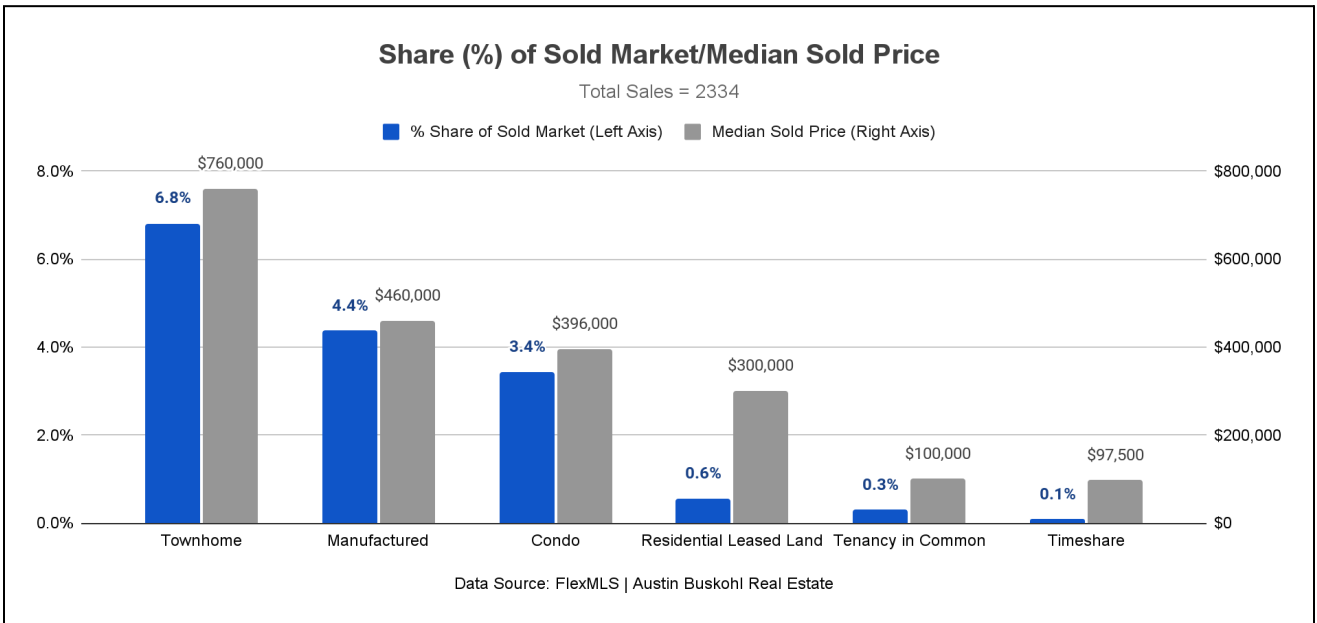


Figure 11: Breakdown of non-traditional build single-family homes property types sold in 2024 and the median sold price of each

Looking Ahead to 2025

As we look ahead to 2025, speculation abounds, with many of the biggest questions centered on the new presidential administration and the potential impact of its policy goals on overall inflation. While inflation generally trended downward throughout 2024, the economy continues to show resilience and strength. However, some argue that any further loosening of the Federal Funds Rate could stimulate demand across industries, potentially reversing recent improvements in inflation.

While this might sound promising for prospective homebuyers hoping for lower mortgage rates, the reality is more complex. If inflation worsens and the Federal Reserve even considers raising the Federal Funds Rate again, mortgage rates would likely climb higher as a result.

If inflation continues to improve gradually and the broader economy remains strong, 2025 could resemble 2024 in many ways. We could expect continued strong seller activity, cautious yet improving buyer confidence, and mortgage rates likely hovering in the 6% range. Home prices would remain relatively stable, with seller credits continuing to play a critical role in helping buyers achieve homeownership.

F.A.Q's

1. What's the scope of this report?

This report's parameters align with MLS data, which defines activity by address rather than strict city boundaries. For Bend, 71% of 2024 sales occurred within city limits, while the remaining 29% took place in the surrounding community. The property types included in this analysis are single-family homes, manufactured homes, townhomes, condominiums, timeshares, and residential leased land.

2. Where do you get your data from?

The raw data used in this report is sourced directly from the local MLS (FlexMLS). After exporting the data, I process and analyze it further to extract the insights and information presented throughout the report.

3. The Active Listing count seems high, is that accurate?

The MLS categorizes active inventory using two labels: **Active Inventory** and **Current Active**.

- **Active Inventory** is measured consistently on the 15th of each month and reflects the total number of homes actively listed for sale during that month.
- **Current Active** represents the number of homes available on the market at the exact moment a user views the MLS.

Due to daily fluctuations, this report relies on **Active Inventory** for consistency when referencing the number of homes for sale. Notably, **Current Active** counts are typically lower than **Active Inventory** due to these variations.

4. Why didn't you emphasize metrics like Median Sale Price?

In my opinion, the best way to understand a housing market is by analyzing three key metrics: seller activity (new listings), buyer activity (pending sales), and the final sales price of sold homes. The first two provide real-time insights into market dynamics, while the third offers valuable context for what prospective buyers and sellers can expect.

5. What about stats like price reductions or homes coming back to market?

While these statistics can be helpful, I don't place a strong focus on them because the reasons behind such events—like price reductions or a property returning to the market—can vary widely and often depend on subjective or objective factors unique to each situation. For instance, a home may undergo price reductions due to a slowing market or simply because it was overpriced. Similarly, a property might return to the market due to issues uncovered during due diligence, such as a home inspection or title problem, or because the buyer no longer qualified for a loan or decided to back out. These individual circumstances may not accurately reflect the broader market trends.

6. This is great information about Bend, but what about some of the other cities here in Central Oregon?

I chose to focus this report specifically on Bend to keep it concise and manageable for readers. If you're interested in the Redmond market, I have a dedicated report available. For insights into other surrounding areas, feel free to reach out—I'd be happy to provide similar information tailored to the area of your choice.