Growth by Sector

- Consumer
  - Through 2006q3
  - Through 2007q3
- Bus Invest.
- Residential
- Exports
- Gov't

4-quarter percent change

Most sectors will look about the same next year, but housing is a real problem.

Consumer Sentiment

Index

Source: University of Michigan

Non-Residential Construction

- Private
- Public

$ billions

2003 2004 2005 2006

Commercial building is off-setting some of the housing weakness.

Monthly Payment on Home

$ per month

1995 1997 1999 2001 2003 2005

Home value $100,000 in 1995, appreciation at national average.

Mortgage rate = national average on 30 year fixed rate loans.

Low interest rates rising prices

First time buyers priced out of the market
Oil Price

Still room for more decline.

Value of the Dollar vs $C

If oil prices do fall, then U.S. $ will up relative to Canadian $.

Interest Rates

Long rates staying low for a surprisingly long time.

Stock Market

If real estate does not pull economy into recession, then stocks should rise in 2007.
Home Price Appreciation through 3rd quarter 2006

- U.S.
- Oregon
- Bend
- Corvallis
- Eugene
- Medford
- Portland
- Salem

4-quarter %l percent change

Medford had been strong, but got overpriced.

Bend can't be stopped?

Most of the state doing very well.

Portland Vacancy Rates

- Office
- Industrial

Source: Grubb & Ellis

Seattle Vacancy Rates

- Office
- Industrial

Source: CB Richard Ellis

Eastside market tight.

Bill Conerly gives speeches to management teams, trade associations, and customer groups. For fees and availability, call 503-675-3138.