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○ VOL 2 | ○ ISSUE 3 | ○ FALL 2006

SIFF Real Estate Investment News



Advising Working Professionals on Investing in Real Estate the Right Way

Giving You Insight Into Market Changes

On August 30th we held our Second Annual SIFF Investment Services celebration. Once again, we enjoyed a warm summer evening in San Francisco, and the event was a success with more than 90 clients, friends, colleagues, and SIFF-Certified Partners in attendance. A warm thank you to all of you for attending and for showing us your continued support in the growth of our company.



As you know, we differentiate ourselves by focusing on the financial performance of your investment, not just the transaction of buying an income property. Because we've established a new market by blending income property investing with financial planning and portfolio management, we need a new approach to measuring success similar to how you measure stock performance.

The result: SIFF Investment Indicators. The purpose of these indicators is to give you a snapshot of how your investment is doing based on metro statistics and comparisons over time, and when used in conjunction with key personal financial factors, provide a more complete picture. By analyzing real estate statistics in conjunction with your personal plan, we can help recommend strategies and smart choices for you and your family. We will be introducing this concept in the SIFF Insight educational series titled *"Reacting to a Real Estate Correction."* See more below. We will be in a position to create a more complete, detailed assessment for you by the end of the year.

Our new educational series, SIFF Insight, will help you better interpret the current media and market signals and what investment tact you should consider taking – buy, sell, hold. At SIFF, we believe that real estate investing is for the long haul, but that doesn't mean you shouldn't change your real estate investment portfolio, or some aspect of it, such as financing. Factors such as your current and future income, cash flow, lifestyle, as well as actual and projected real estate market growth should all be closely monitored to ensure you're making the best bet with your money.

Real Estate Market Overview

With low inventory, limited land and affordable housing the Portland Metro Area appreciation remains strong at 16.4%. One key indicator that the market is still strong in the Portland Metro area is the inventory numbers. Although inventory has climbed to 3.6 months this is still very low when we compare to the National Average of more than 6 months. The average property is on the market for 39 days, which is virtually unchanged from last year. (Source: RMLS August 2006)

Key Indicators	Q3 05	Q3 06
Portland Metro Real Estate Market Growth	12.7%	16.4%
Inventory	1.6 months	3.6 months
DOM (Days on Market)	37 days	39 days

SIFF Viewpoint: *What Should I Do in this Market?*



The most frequently asked questions by far are: how do I make sense of the flurry of real estate news? And what should I do? There's no simple answer. Everywhere we turn the message has pointed to a softening of the real estate market. This is definitely true as a broad statement but how much softening where is the better question. Speaking in broad terms doesn't help the investor in different parts of the country. What is happening in the Bay Area has very little correlation to what is happening in Vancouver, Washington or Portland, Oregon. Our first piece of advice is to remember that most of the articles address real estate, mainly owner-occupied real estate, in the context of averages.

As we've said before, the intelligent approach to real estate investing involves knowing the facts down to the neighborhood level, and we believe our new performance metrics, strategy consultations and annual reviews will go a long way toward helping you make sense of the real estate climate and what course of action you should take. Second, we've developed Part 1 of our SIFF Insight titled "*Reacting to a Real Estate Correction.*" Part 1 takes a look at the current real estate trends and what's happening in the Pacific Northwest Corridor – our specialty. We'll also address our approach for helping you navigate through rough patches, specifically the data we view is most important, as well as some scenarios that you may relate to. Subsequent articles will focus on specific investment options. [CLICK HERE TO READ](#)



Case Study: Reaching Lifestyle Goals

A couple in their mid 30's bought a 4-plex in Portland for \$399,000. Given the market conditions over the last few years we estimated the property to be worth \$530-\$550,000. One of their goals was to move out of their condo and into a larger townhouse in the Bay Area. They wanted to increase their space while keeping their mortgage payments manageable. They sold their 4-plex in June of 2006 for \$535,000 and used the proceeds for their down payment.

SIFF Rental Market Overview

In a review of the rental markets in the Portland Metro Area, we definitely see a consistent positive trend. As we anticipated, our vacancies have continued to decline over the last quarter below the national average, and in many cases, we have initiated rent increases for our clients. As the interest rates still continue to be in a low period this indicator does not directly correlate to lower rents and vacancies.



Thank you for continuing to be an advocate for SIFF LLC and for sharing your experience and this newsletter with friends, family and colleagues.



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