



our LOCAL EXPERTS

BEND

REAL ESTATE

ROUNDTABLE

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There was a great migration to Bend when the pandemic started. With more people moving to Central Oregon over the past few years, *Western Home Journal* wanted to learn more about what to expect when buying and selling in Bend's current market. DJ Quinney, *WHJ's* Regional Manager in Bend, is also a broker for Duke Warner.

DJ gathered his colleagues at a custom home in Brasada Ranch and moderated a roundtable discussion between real estate experts Rob Eggers, Principal Broker at Duke Warner Realty and host of Bend Oregon Real Estate podcast, Alan Cornelius, Director of Real Estate for Brasada Ranch, and Lindsay Kuzara, Caldera Springs Real Estate Team at Sunriver Realty. In the following pages, gain local insight into emerging communities and the current market conditions in Bend.

whj : WE'D LIKE TO SPOTLIGHT THE NEWEST AREAS OF GROWTH AROUND CENTRAL OREGON. PLEASE SHARE A LITTLE ABOUT THE COMMUNITY YOU'RE DEVELOPING AND WHAT MAKES IT UNIQUE.

ALAN: Brasada Ranch is located on 1,800 acres and offers expansive views over the high desert floor as well as up to eight different Cascade Mountain peaks. It is a destination resort and private club that blends a plethora of amenities from Brasada Canyons – our championship golf course – to the full-service Equestrian Club where you can board your horse and enjoy riding daily. Members enjoy a tremendous calendar of events provided by The Club at Brasada Ranch, which is a key catalyst to creating camaraderie and a long-standing sense of community here. Over 50% of our residents call “The Ranch” their full-time home.

ROB: The city of Bend has numerous developments that are being built right now by a variety of developers across many price ranges. For example, high-end Westside lots in the Tetherow development range in price from \$700,000 to \$1.3 million just for the price of the land. In contrast, Bend also offers much more affordable developments such as Hayden Homes Cranbrook development, where 3-bedroom, 2-bath homes start at \$489,000. All of these developments differ from one another and buyers can choose a development that best fits their specific needs.

LINDSAY: Caldera Springs is an anomaly when it comes to Central Oregon real estate ownership opportunities due to its high-desert-meets-wilderness setting, its access to privileges in neighboring Sunriver Resort, award-winning golf, including Crosswater Club, and its proximity to Bend and Mount Bachelor. Within the gates of Caldera Springs is a world unto itself. Far enough away, but close enough to it all, Caldera Springs is situated on over 1,000 acres of forests, lakes, streams, and trails – including the 220-acre Wildlife Forest Preserve, held perpetually to benefit the region's flora and fauna. Coveted amenities include the Lake House, Quarry Pool, Zeppa Bistro, Lake Obsidian, Discovery Park, sports courts (including pickleball), fitness center, trail system, far-reaching views of Paulina Peak, majestic Mount Bachelor, and the sights beyond, plus wildlife. In 2023 we will unveil Forestbrook, our newest homes and a distinctively new way to own at Caldera Springs, and Forest House, which we just broke ground on. Forest House is our most-anticipated amenity and will be home to a new aquatics complex with multiple swimming pools, a double-racer water slide, an expansive fitness center, family room, and restaurant. Also in the works are more parks, pickleball courts, miles of new paved and soft trails, and seven acres of community lakes and streams.

whj : OVER THE PAST TWO YEARS THERE HAS BEEN A BOOM IN REAL ESTATE IN CENTRAL OREGON, BUT WE'RE SEEING IT COOL OFF. IS THAT SLOW-DOWN TEMPORARY OR DO YOU THINK IT IS A PERMANENT CORRECTION?

ROB: Definitely temporary. From January 2022 to June 2022 we saw 30-year fixed interest rates double from 3% to 6%. This really put the brakes on our market. Then in the second half of 2022 rates slowly climbed from 6% to over 7%, which slowed our fall season of real estate activity even more. Today, rates are back down in the 6.5% to 6.8% range and we are seeing good demand from buyers. If rates drop down into the 5% range by the end of the year, as some experts predict, you can expect our market to be very busy again.

LINDSAY: Yes, the past two years have absolutely been a boom for Central Oregon real estate. What's especially great for Caldera Springs is that that timing coincided with the community's expansion from 600 acres to more than 1,000 and led to the sellout of our Mirror Rock homesite collection. Just recently, our real estate team celebrated 100 sales in 2022 alone. With the market more normalized now, we're still seeing buyers. Our newest developer-built homes, Forestbrook, just celebrated being 90% sold of its first release, and construction delivery of the first homes is set for this spring. Regardless of market conditions, I believe Caldera Springs will continue to see sustained demand and interest. Currently, we have 54 homes under construction and 19 homeowners under design review.

ALAN: The pandemic fully put Central Oregon on the map, so the word is certainly out there. While the second half of 2022 yielded somewhat of a slowdown in the market due to financial transitions and geopolitics, I have seen quite an uptick in interest and transactions in the first quarter of 2023 at Brasada. From the data I have researched, this is in line with overall trends in Central Oregon and elsewhere in the PNW.

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*-Alan Cornelius,
Director of Real Estate,
Brasada Ranch*





“Last year in Bend we had approximately 2,377 residential homes (homes on one acre or less) sold. Of those homes, 502 sold for over one million dollars. These million-dollar homes averaged about 2,800 square feet and the median home price came in at \$1.3m with the most expensive home selling for \$6.5m.”

-Rob Eggers,
Principal Broker, Duke Warner Realty,
and Host of Bend Oregon
Real Estate podcast



whj : ARE BUYERS MOSTLY STILL FROM OUT OF STATE OR IS THERE MORE MOVEMENT ON THE LOCAL LEVEL TRADING UP/DOWNSIZING?

ROB: There is always a good number of people who already live in Bend who are either upsizing or downsizing, but I would say the majority of our buyers are still people who are transferring here from outside of Central Oregon. California has always been an area we see a lot of buyers transition from, but also Portland, Seattle, and anywhere along the West Coast. With the popularity of Bend increasing so much over the years, it's not at all uncommon to have buyers move here from the Midwest, East Coast, and all over the nation.

LINDSAY: Caldera Springs buyers are a mix of both out-of-state buyers and local buyers. Approximately half of the buyers are from the Portland area, while 25% are from California (both Northern and Southern) and the remaining buyers come from Seattle and other Northwest areas.

ALAN: Our three key feeder markets historically have been Portland, Seattle, and Northern California. While this still rings true, I am witnessing a good bit of local-level transactions from the Bend market as this area continues to grow. For some, Bend and its surrounds are perceived to now be “busy,” which is exactly what many folks initially moved to Central Oregon to avoid. They desire the expansiveness that Brasada affords while being located just 20 minutes from the city center of Bend.

whj : WHAT IS THE DOLLAR RANGE OF SALES FROM THE PAST YEAR AND THE UPCOMING YEAR?

LINDSAY: The 2022 sales volume totaled \$119.1m, which included \$44.9m in homesite sales, \$61.7m in home sales, and \$12.5m in Forestbrook sales. With the 100 homesites sold in 2022, the average price was \$463k. Of the 38 homes sold, the average price was \$1.95m. Currently, our homesites range from the upper \$200s to the \$600s on approximately 0.4 acres. Forestbrook vacation homes start at \$1.3m for 2,250-square-foot mountain-modern completed homes. New homes are coming this summer which will start under \$2m.

ROB: Last year in Bend we had approximately 2,377 residential homes (homes on one acre or less) sold. Of those homes, 502 sold for over one million dollars. These million-dollar homes averaged about 2,800 square feet and the median home price came in at \$1.3m with the most expensive home selling for \$6.5m. I would expect the number of sales over a million to be a little less in 2023.



ALAN: In Brasada Ranch the total real estate volume for 2022 was \$56m. This was comprised of 25 homes that sold for \$38m with an average price of \$1.56m, eight cabins for a total of \$6.3m, and 38 homesites with an average price of \$309k. Homesite sales were slower in 2022 as our new offering, The Eastside Highlands, was delayed in its release and was not offered until November of 2022. Homesite pricing ranges from \$175k to \$500k at present with the average acreage at just over .75 of an acre. Lot sales in 2023 are off to a very fast start as this new offering (Eastside Highlands) offers some of the best homesites ever released at Brasada with panoramic views of seven Cascade Mountain peaks.

whj : DO YOU THINK THE CORRECTION IS GOOD FOR CENTRAL OREGON ON THE LOCAL LEVEL?

LINDSAY: Yes. Pricing has leveled out and buyers now have more time and opportunity to research properties they are considering purchasing. This benefits sellers because buyers who have time to research properties are more likely to close their transactions.

ALAN: While I have seen prices level since the most recent apex in summer of 2022, I have not felt a downturn at Brasada Ranch as the entry level home is north of \$1m and interest rates do not have the same impact with our purchasers as with lower price points. Having said that, the appreciation gains through the pandemic are not sustainable year over year and if that level of appreciation continues, the only folks that can afford Central Oregon and Brasada Ranch would currently reside in Aspen or Bel Air. I'm obviously kidding but you get the idea.

ROB: Of course! Pricing got pretty inflated during the pandemic and it's nice to have our market normalize again and have pricing come down a bit as well. Bend and Central Oregon is generally a pretty expensive place to buy real estate so anytime our prices become affordable I'm all for that. We don't want to see home prices collapse like they did during the housing crisis of 2008 through 2011 but making home pricing affordable allows for a wider range of people to own real estate here.

whj : WHAT ARE BUYERS SEEKING IN THE CURRENT MARKET?

LINDSAY: Homes set in lower density settings, a connection to the outdoors and nature. We're seeing buyers interested in both completed homes and a desire to select a homesite to build their dream home.

ROB: Right now, buyers are looking for good values and the homes that are listed at good prices are the ones that are getting sold right away. If a home comes on the market that is in good condition, is clean and well-staged for showings, and is priced competitively and in line with recent comparable sales, it will sell. In contrast, if a home comes on that is clearly overpriced, it will sit and sellers will be looking at doing price reductions until they get it down where it needs to be in order to sell.

ALAN: Presently there is not the extreme urgency in most places of "just get in," therefore buyers want to feel as if they have a bit of leverage with an offer to create a value-add proposition. Additionally, in most cases, they can be more selective and purchase a home they truly desire.

whj : WHAT ARE THE CHALLENGES SELLERS ARE FACING NOW?

ROB: The biggest challenge sellers are facing right now is how to price their homes correctly. Pricing dropped a lot in the second half of 2022 and knowing the market and where to correctly price your home has become very important. I went to a recent listing presentation last week and the seller told me that they received several price recommendations from agents and they ranged from \$1.1m to \$1.8 m. That is a huge difference in price! So, my advice is to find a good agent who knows the current market very well who can guide you on the correct pricing of your home.

ALAN: Depending on the price point in the market, interest rates are certainly playing a role in the overall purchasing power that buyers possess and therefore have an impact on market price. Some sellers grew accustomed to the pandemic blitz of the past two years and have a similar expectation in today's market. Brasada Ranch sales prices haven't really come down and are holding solid across the board, but there are now more buyer concessions made to get transactions to close and have all parties feel that they are getting a "good deal" – it's a pretty good space to operate in overall.

LINDSAY: Time on market is the only real challenge. For the past two years, most homes were sold immediately when they hit the market, many with multiple offers. Now, it's more normalized and back to the three to six months.

whj : IS THE LANDSCAPE OF CENTRAL OREGON CHANGING FOR DESIGN AND ARCHITECTURE?

ROB: Yes, I believe trends in design and architecture are always changing but those changes can appear to develop slowly. When I first started in real estate in Bend in 2002, craftsman homes were all the rage along with warm colors and finishes like travertine tile, granite countertops, and knotty alder cabinetry. Today, contemporary home designs are the most popular with white walls and sleek finishes such as quartz countertops and slab-style cabinets. Also popular today is a home's energy efficiency. Today's buyers are more concerned about energy efficiency and environmental impact and they want their homes to be extremely efficient and environmentally conscious.

LINDSAY: We have many talented designers and architects in our community. Our design guidelines have recently been enhanced to encourage more modern expressions of mountain designs, which have been very well received.

ALAN: It has been changing for years and is, quite frankly, always changing. Mountain-modern, agrarian architecture has been the heavy trend for the past five years plus or minus but I still see quite a bit of our owners who desire the more traditional stately western ranch style here at Brasada. Thankfully we can now accommodate either style of architecture in certain areas of Brasada Ranch.

whj : WHAT GOOD NEWS IS THERE FOR PEOPLE LOOKING TO BUY OR SELL PROPERTIES IN BEND?

LINDSAY: For sellers, the good news is that inventory is still low, and buyers are still excited about living in our community. For buyers, there is less competition and opportunity to find a home here without getting into a bidding war.

ROB: The good news for buyers is that today's pricing has come down from the peak of early 2022 and there is less buyer competition and easier negotiations. The good news for sellers is that there are still a good number of active buyers in the marketplace but they are looking for best values so keep that in mind when pricing your home.

ALAN: The market is still strong and following the pandemic mass exodus, the secrets of Bend and Central Oregon are on many radars and the desire to experience the Central Oregon lifestyle is greater than ever. To me this bodes rather well for both buyers and sellers.



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-Lindsay Kuzara,
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whj : IS INVENTORY LOW FOR BEND OR IS THERE STILL LAND IN CENTRAL OREGON?

ROB: Inventory in Bend is extremely low right now. Last month, our inventory levels were at only one month, which is very, very low. Over the past 10 years inventory has consistently been around two to three months. During the housing crisis of 2008 to 2011 we saw inventory reach as high as 18 months so that gives a perspective on how low one month really is.

ALAN: There is a saying that they are not making any more land and that is true as there is a finite amount of land to be purchased in any area. The good news is that there still is land in Central Oregon but it is not inexpensive. I strongly feel, and the data easily supports my opinion, that Brasada Ranch offers the best value-add proposition, as it relates to land, in all of Central Oregon.

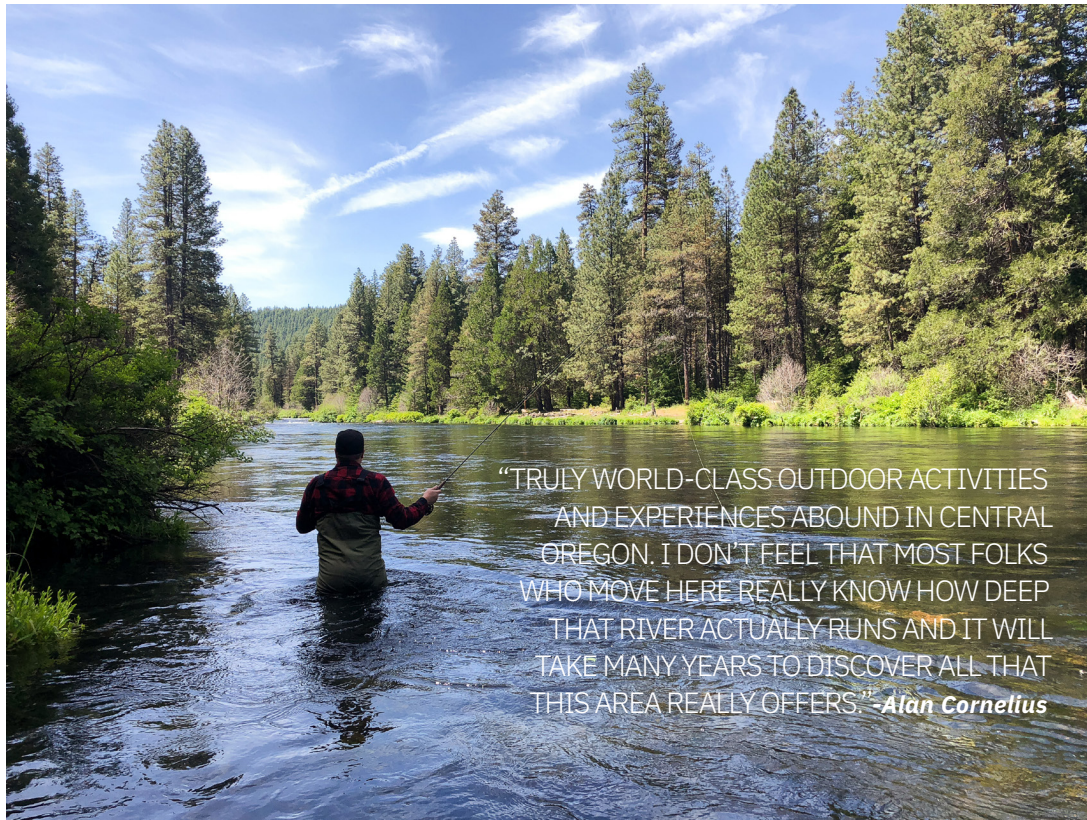
LINDSAY: The inventory is still very low. We are fortunate to have homesites available, and many builders who have the capacity to start a new home this year.

whj : WHAT’S THE MOST UNEXPECTED THING ABOUT LIVING IN CENTRAL OREGON THAT NEW RESIDENTS FIND SURPRISING WHEN THEY MOVE?

ROB: I think the one thing that people discover is the convenience of everything that is important to them. Especially if they are moving in from a big city. Yes, traffic in Bend has increased a lot over the last 22 years since I moved here, but it’s still a far cry from the traffic of Portland, Seattle, and the Bay Area. In one day in Bend you can ski or golf, do a bike ride, and still have plenty of time to make a Costco run or head to the hardware store at the end of the day. Bend seems to have it all and it’s all right there at your fingertips.

LINDSAY: In Sunriver and Caldera Springs, we enjoy a sunny four-season climate with nearly endless winter and summer activities and amenities. Proximity to Bend, plus Mount Bachelor and nearby attractions like Crater Lake National Park are part of what makes living here so attractive.

ALAN: Well, I never thought that you would be able to ski 12 inches of powder at Mount Bachelor in the morning and play golf at Brasada in the afternoon! The climate and precipitation diversity in the 60-mile radius around Bend is astounding. Truly world-class outdoor activities and experiences abound in Central Oregon. I don’t feel that most folks who move here really know how deep that river actually runs and it will take many years to discover all that this area really offers. ■ whj FEATURE



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This WHJ 2023 roundtable was hosted in a beautiful custom home located in Brasada Ranch.

*Builder: Palaside Homes
Interior Designer: Legum Design
House Designer: Rozewski & Co, Designers*