



**THANKSGIVING SALE** **2-DAY SPECIALS**  
 Tuesday & Wednesday  
 November 25 & 26

SPECIAL 99.99

[View Catalog](#) [Print Coupon](#)

the magic of **macy's**

Search OregonLive.com:  [Submit](#)

- [Home](#)
- [News](#)
- [Weather](#)
- [Sports](#)
- [Entertainment](#)
- [Living](#)
- [Interact](#)
- [Jobs](#)
- [Autos](#)
- [Real Estate](#)
- [Classifieds](#)
- [Place An Ad](#)



- About The Author
- [RSS](#)

**Latest Posts**

- Case-Shiller: PDX prices down 8.6 percent
- HUD's new good faith effort
- The Westery's falling condo prices
- Will KeyBank's bailout help aid Legend Homes?

**Categories**

- Archived stories (RSS)
- Ashforth Pacific (RSS)
- Bend (RSS)
- Breaking News (RSS)
- Business News (RSS)
- Central Eastside (RSS)
- Clackamas County (RSS)
- Commerical real estate (RSS)
- Condos (RSS)
- David Oringdulph (RSS)
- Design Commission (RSS)
- Downtown (RSS)
- Gerding Edlen (RSS)
- Greg Goodman (RSS)
- Guardian Management (RSS)
- Harsch (RSS)
- Holist Architecture (RSS)
- Home Builders (RSS)
- Homer Williams (RSS)
- Hotels (RSS)
- Housing economy (RSS)
- HQ Hotel (RSS)
- Joe Weston (RSS)
- Legend Homes (RSS)
- Lloyd District (RSS)
- Mark Edlen (RSS)
- MLK (RSS)
- Mortgage lending (RSS)
- Mortgage Reform (RSS)
- NE Portland (RSS)
- PDC (RSS)
- Pearl District (RSS)
- Randy Rapaport (RSS)
- Randy Sebastian (RSS)
- Reading List (RSS)
- Real estate marketing (RSS)
- Real estate news daily (RSS)
- RMLS report (RSS)
- Roger Pollock (RSS)
- South Waterfront (RSS)
- Spanning the blogs (RSS)
- Tom Moyer (RSS)
- Washington County (RSS)
- West End (RSS)
- ZGF (RSS)

**Favorite Links**

- Portland Metroblogs
- Portland Architecture
- AIA Portland
- Portland Modern
- DJC Blog
- Portland's Future Awesome
- Portland Business Journal
- Skyscraper Page Portland
- Big Builder
- altportland
- Bill Conerly: Businomics
- Bojack
- Bike Portland
- Eugene real estate blog
- Portland Housing Blog
- Curbed NYC

## Entries from Front Porch - Portland Real Estate News - OregonLive.com tagged with 'Clyde Hamstreet'

### A turnaround view on Oregon home builders

Posted by Ryan Frank, The Oregonian June 15, 2008 04:00AM  
 Categories: [Archived stories](#), [David Oringdulph](#), [Housing economy](#), [Legend Homes](#)  
 Here's a look at my Sunday interview with Portland turnaround guy Clyde Hamstreet. I met Hamstreet last week because he's a consultant to Legend Homes as it tries to emerge from Chapter 11 bankruptcy filed last Tuesday.

For a longer version of the interview, follow the link to the jump.

Specialist saves jobs by cutting them first  
 Sunday, June 15, 2008  
 RYAN FRANK  
 The Oregonian

For consumers, a sagging economy, soaring gas prices and flying pink slips lead to a bottle of Tums.

For Clyde Hamstreet, they lead to a spike in business.

Hamstreet is a Portland turnaround specialist. Sawmills, farmers and pension funds call him for help when they've run out of options.

"We started getting busier about six months ago, and I'd say it looks like we're likely to get busier rather than less busy for the next year," Hamstreet said. "I expect we're going to be pretty busy for the next couple of years."

Hamstreet, 63, is a developer-turned-turnaround guy. Last week, he was a key adviser to Legend Home's founder, David Oringdulph, as the company filed for Chapter 11 bankruptcy, one of Oregon's biggest home builder bankruptcies in a generation.

Legend and its parent company, Matrix Development, bought land in hot markets in California, Bend and Vancouver during the housing boom. But with the downturn, the land values have plummeted. The company owes more on its loans than the land is now worth.

Hamstreet politely declined to answer questions related to Legend Homes' bankruptcy. But he did talk about why a turnaround guy is headquartered in Portland, why home builders are now in a pinch and how he deals with being the guy who suggests layoffs. His answers were edited for brevity.

Of all places for a turnaround guy to be, why are you based here?

Well, 'cause I like Portland. In our work, normally the central part of it is the Midwest or East Coast. I spend a lot of time back there in New York and Chicago. I kind of enjoy the work, but I'd rather live here on the West Coast, the Northwest particularly.

What's the most common mistake businesses make that sends them into your hands?

In my business we focus on two things: the balance sheet and operations. In the past, it's been more operational problems where management hasn't understood its costs or it's making things inefficiently and competition is forcing it out of business. We have to go in there and work on improving operations. Right now I would say more of it is related to the balance sheet side of it where they're just illiquid. Maybe they still have good assets -- like we talked about the other day with Matrix Development -- but limited liquidity. You're seeing asset depreciation, and that affects the ability to fund ordinary operations.

As you're working on these turnarounds, what's your expectation of when the market will turn around for home builders, and when it does turn around, how will



- » Check out the BRAND NEW ShopOregon!
- » NW Dodge Dealers Present the Ultimate Civil War!
- » HS Football Playoffs Coverage

**FROM OUR ADVERTISERS**

- Free Moving Quotes from Relocation.com, the smart way to start your move
- First Class Comfort, Coach Fare! Portland - Seattle

**THANKSGIVING SALE**

**2-DAY SPECIALS**  
 Tuesday & Wednesday  
 November 25 & 26

SPECIAL 50% OFF

[View Catalog](#) [Print Coupon](#)

Shop early and save NOW!

the magic of **macy's**

- Merc Blog Town
- Wwire
- Portland Real Estate Outsider

#### Archived Posts

-----



the market have changed?

The big difference between real estate and dot-com is there's some real tangible things that people need. Population is continuing to grow. The Northwest is a desirable area, Portland in particular. So we're going to reach bottom on the real estate markets. I think we're looking at some more depreciation.

I don't know how much that's going to be, 8 percent maybe 15 percent. It's going to settle out, and then we're going to see the markets stabilize. Then we'll start to see some normalcy return to the credit markets as far as home mortgages go. As far as real estate prices go, we'll see some recovery on it. I think 2010, 2011 is going to be more typical of what we saw in 2003, 2004. We won't have the boom, but we'll have more stability. And think the Northwest in general will be fine.

Legend's problems were tied to its land holdings. Is that a common problem for home builders today?

We've had a lot of run-up in real estate prices over the last three years. Home builders had to replenish their land inventory. As they replenished it, they paid high prices for it. Now, we're seeing deflation in home values, a whole lot less homes being bought. Every home builder who has land has got an asset that's become illiquid, where before it was very liquid because they could turn these lots over very quickly.

That's not the case now so it's going to cause all of them to have some demands on their liquidity. It's just brought things to a standstill. Last couple years, it was hard not to make money in this business. That's not the case any more.

I imagine you have to make some tough suggestions to your clients that have a real affect on people's lives. Some, I assume, are laid off. How do you deal with that? Do you lose sleep over that?

Sometimes I wake up at 2 o'clock in the morning and wonder, yeah. But my job is to save as many jobs as I can, not to put people out of business. Sometimes you have to make some tough choices, but in the process, maybe you save more jobs in the long run. If it gets to be that I can't do that anymore, then I'm in the wrong business.

Ryan Frank: 503-221-8519 ; ryanfrank@news.oregonian.com;  
blog.oregonlive.com/frontporch

[Continue reading the entry...](#)

Tags: [Clyde Hamstreet](#), [David Oringdulph](#), [Legend Homes](#)

 [Post a comment](#) | [View comments \(0\)](#)

 [Permalink \(Learn More\)](#)

Share: [Reddit](#) | [Digg](#) | [del.icio.us](#) | [Google](#) | [Yahoo](#) | [What is this?](#)



[The Oregonian](#) - [The Oregonian Business Center](#) | [Hillsboro Argus](#)

[Home](#) | [News](#) | [Sports](#) | [Forums](#) | [Blogs](#) | [Multimedia](#) | [Entertainment](#) | [Jobs](#) | [Autos](#) | [Real Estate](#) | [Classifieds](#)  
[Complete Forecast](#) | [Site Index](#) | [RSS Feeds](#) | [RSS Terms & Conditions](#) | [About Us](#) | [Contact Us](#) | [Advertise](#) | [Help/Feedback](#)

© 2008 Oregon Live LLC. All Rights Reserved. Use of this site constitutes acceptance of our [User Agreement](#). Please read our [Privacy Policy](#). Community Rules apply to all content you upload or otherwise submit to this site. Contact [interactivity management](#).