Annual Report for Gallatin County

RESIDENTIAL REAL ESTATE IN GALLATIN COUNTY

BIG SKY COUNTRY MLS

2018

2018 Annual Report for Gallatin County

RESIDENTIAL REAL ESTATE IN GALLATIN COUNTY

While the 2017 housing market was marked by renewed optimism fueled by stock market strength, higher wages and a competitive environment for home sales, 2018 delivered a more seasoned prudence toward residential real estate. Home buyers, now steeped in several years of rising prices and low inventory, became more selective in their purchase choices as housing affordability achieved a ten-year low.

Yet the appetite for home buying remained strong enough to drive prices upward in virtually all markets across the country. In fact, national home prices have risen 53 percent from February 2012 to September 2018. That mark is a less dramatic but still sizable 40 percent increase when inflation is factored in.

The national median household income was last reported with a year-over-year increase of 1.8 percent, while home prices have gone up 5.5 percent in roughly the same amount of time. That kind of gap can't be sustained indefinitely, but prices are still expected to rise in most areas, albeit at a much slower pace.

Sales: Pending sales increased 0.4 percent, closing 2018 at 2,439. Closed sales were up 1.6 percent to finish the year at 2,486.

Listings: Year-over-year, the number of homes available for sale was lower by 14.6 percent. There were 854 active listings at the end of 2018. New listings decreased by 2.5 percent to finish the year at 2,916.

New Construction: Nationally, builder confidence was up in the early part of the year but grew cautious amidst increasing interest rates and affordability concerns. Previously owned homes have seen months of supply drop from 3.1 to 2.7 months over the last five years, and new construction supply has dropped from 4.1 to 3.5 months.

Prices: Home prices were up compared to last year. The overall median sales price increased 13.2 percent to $374,750 for the year. Residential home prices were up 11.3 percent compared to last year, and Condominium home prices were up 13.3 percent.

List Price Received: Sellers received, on average, 98.4 percent of their original list price at sale, a year-over-year reduction of 0.1 percent. If demand shrinks in 2019, original list price received at sale could drop as well.

Consumer optimism has been tested by four interest rate hikes by the Federal Reserve in 2018. Meanwhile, GDP growth was at 4.2 percent in Q2 2018, dropped to 3.4 percent in Q3 2018 and is expected to be about 2.9 percent in Q4 2018 when figures are released.

Looking strictly at market fundamentals, recent Fed and GDP changes will not cause a dramatic shift away from the current state of the housing market. The booming sales at increased prices over the last several years may not be the same thrill ride to observe in 2019, but a long-awaited increase in inventory is something positive to consider, even if it arrives in the form of shrinking demand amidst rising mortgage rates.

The biggest potential problem for residential real estate in 2019 might be human psychology. A fear of buying at the height of the market could create home purchase delays by a large pool of potential first-time buyers, thus creating an environment of declining sales.

If the truth of a positive economic outlook coupled with responsible lending practices and more available homes for sale captures the collective American psyche, the most likely outcome for 2019 is market balance.

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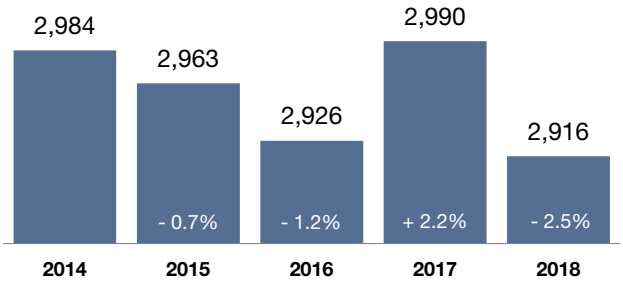
Quick Facts

New Listings



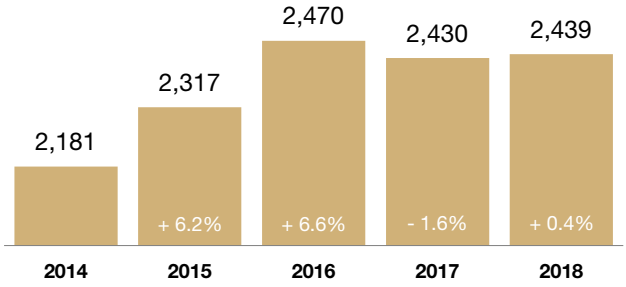
Top 5 Areas: Change in New Listings from 2017

Broadwater County	+ 115.3%
Jefferson County	+ 85.7%
West Yellowstone	+ 76.1%
Livingston City Limits	+ 45.1%
Livingston City Limits	+ 45.1%

Bottom 5 Areas: Change in New Listings from 2017

Gallatin County	- 12.2%
Gallatin County	- 12.2%
Greater Manhattan	- 12.6%
Big Sky Meadow Village	- 20.4%
Park County	- 30.3%

Pending Sales



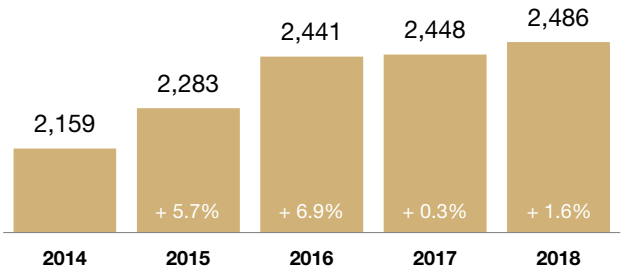
Top 5 Areas: Change in Pending Sales from 2017

West Yellowstone	+ 53.2%
Jefferson County	+ 36.0%
Broadwater County	+ 30.4%
Livingston City Limits	+ 20.3%
Livingston City Limits	+ 20.3%

Bottom 5 Areas: Change in Pending Sales from 2017

Bozeman South of Kagy	- 16.7%
Greater Big Sky	- 20.8%
Greater Three Forks	- 22.4%
Moonlight Basin	- 25.0%
Greater Manhattan	- 25.9%

Closed Sales



Top 5 Areas: Change in Closed Sales from 2017

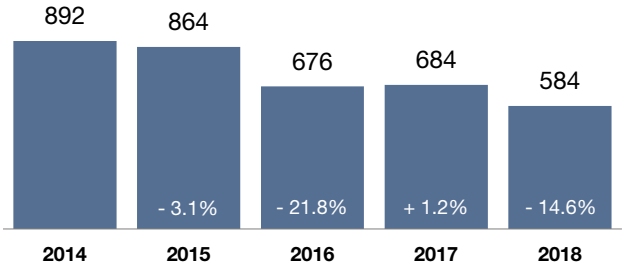
West Yellowstone	+ 37.0%
Broadwater County	+ 28.7%
Jefferson County	+ 24.0%
Big Sky Mountain	+ 18.3%
Livingston City Limits	+ 17.3%

Bottom 5 Areas: Change in Closed Sales from 2017

Bozeman South of Kagy	- 14.2%
Greater Big Sky	- 16.0%
Greater Three Forks	- 19.1%
Moonlight Basin	- 22.9%
Greater Manhattan	- 32.8%

Inventory of Homes for Sale

At the end of the year.



Top 5 Areas: Change in Inventory of Homes for Sale from 2017

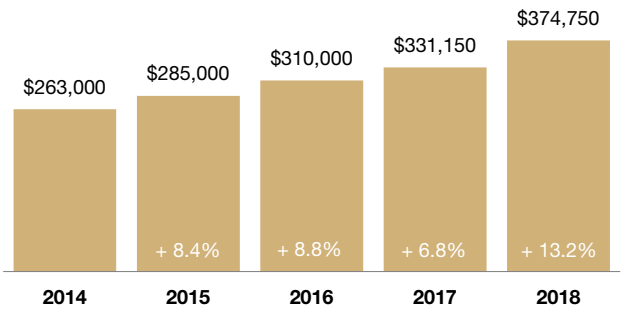
Livingston City Limits	+ 34.1%
West Yellowstone	+ 33.3%
Sweet Grass County	+ 30.4%
Bozeman North of Main / West of 19th	+ 5.6%
Big Sky Mountain	- 1.4%

Bottom 5 Areas: Change in Homes for Sale from 2017

Bozeman South of Kagy	- 31.6%
Greater Manhattan	- 33.7%
Greater Big Sky	- 36.8%
Broadwater County	- 46.9%
Greater Three Forks	- 61.5%

Quick Facts

Median Sales Price



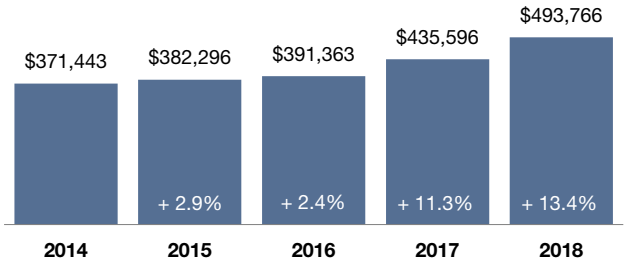
Top 5 Areas: Change in Median Sales Price from 2017

Butte	+ 242.3%
Big Sky Mountain	+ 59.2%
Greater Manhattan	+ 48.2%
Jefferson County	+ 47.0%
Greater Three Forks	+ 36.5%

Bottom 5 Areas: Change in Median Sales Price from 2017

Bozeman Main to Kagy	+ 10.9%
Belgrade	+ 8.7%
Bozeman Areas Outside City Limits	+ 8.5%
Beaverhead County	+ 7.8%
Broadwater County	- 12.2%

Average Sales Price



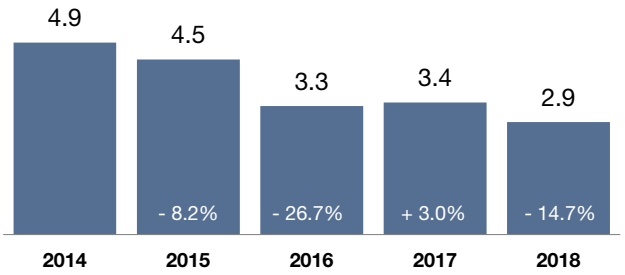
Top 5 Areas: Change in Avg. Sales Price from 2017

Greater Three Forks	+ 38.2%
Butte	+ 27.0%
Greater Manhattan	+ 25.4%
Bozeman South of Kagy	+ 25.4%
Bozeman North of Main / West of 19th	+ 24.5%

Bottom 5 Areas: Change in Avg. Sales Price from 2017

Gallatin County	+ 6.8%
Gallatin County	+ 6.8%
Deer Lodge County	- 4.5%
Park County	- 8.1%
Broadwater County	- 21.8%

Months Supply of Inventory



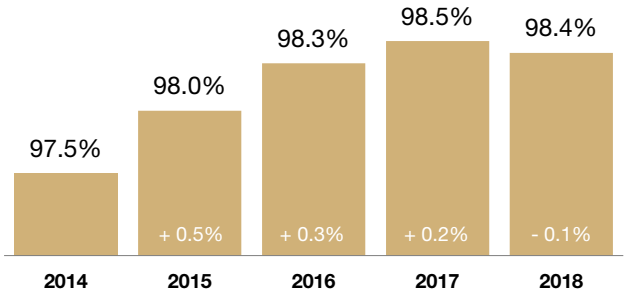
Top 5 Areas: Change in Months Supply from 2017

Greater Three Forks	+ 81.0%
Broadwater County	+ 33.9%
Belgrade	+ 29.6%
Deer Lodge County	+ 27.4%
Jefferson County	+ 18.6%

Bottom 5 Areas: Change in Months Supply from 2017

Bozeman Main to Kagy	- 26.9%
Spanish Peaks Mtn. Club	- 28.2%
West Yellowstone	- 32.5%
Big Sky Meadow Village	- 43.4%
Big Sky Mountain	- 44.2%

Percent of List Price Received



Top 5 Areas: Change in Pct. of List Price Received from 2017

Deer Lodge County	+ 3.0%
West Yellowstone	+ 1.6%
Beaverhead County	+ 1.6%
Big Sky Meadow Village	+ 1.5%
Spanish Peaks Mtn. Club	+ 1.4%

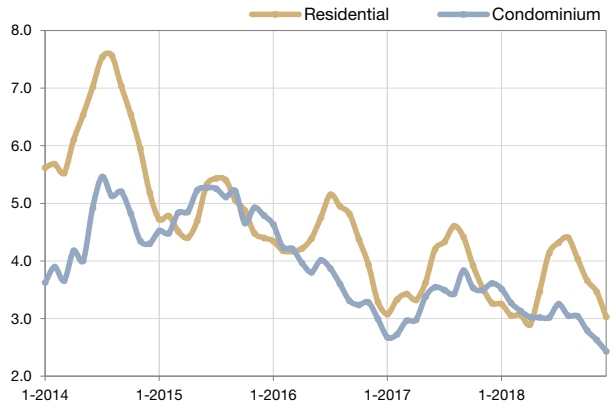
Bottom 5 Areas: Change in Pct. of List Price Received from 2017

Bozeman North of Main / West of 19th	- 0.2%
Bozeman City Limits	- 0.2%
Belgrade	- 0.2%
Moonlight Basin	- 0.2%
Park County	- 0.5%

Property Type Review

3.0	2.4
Average Months Supply Residential	Average Months Supply Condominium

Months Supply of Inventory

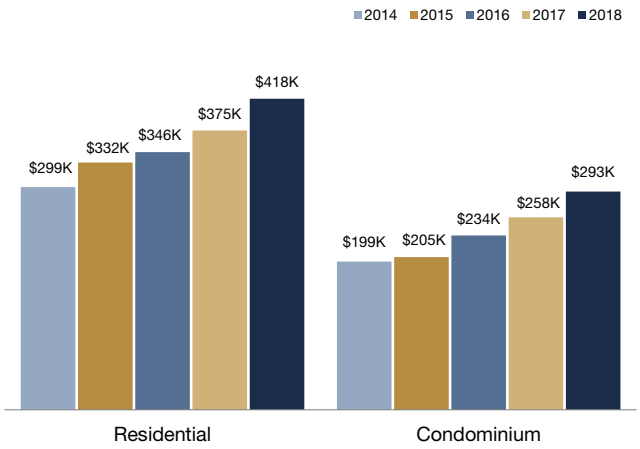


Top Areas: Condominium Market Share in 2018

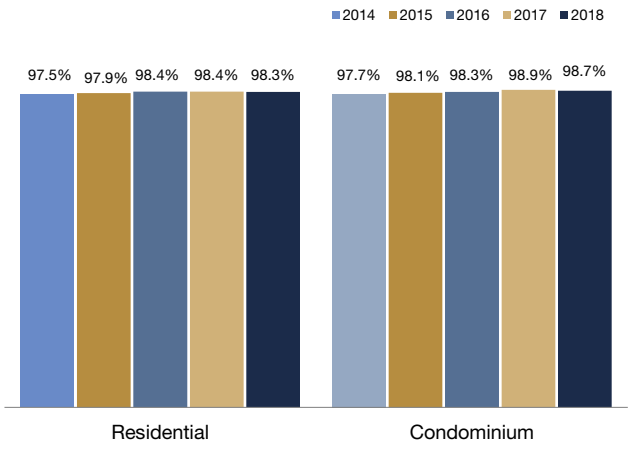
Big Sky Mountain	64.2%
Big Sky Meadow Village	53.6%
Greater Big Sky	46.4%
Bozeman North of Main / East of 19th	44.4%
Bozeman North of Main / West of 19th	42.3%
Bozeman City Limits	38.4%
Bozeman Main to Kagy	30.5%
Moonlight Basin	27.0%
Gallatin County	26.9%
Bozeman South of Kagy	23.0%
Belgrade	19.0%
Livingston City Limits	17.3%
Park County	11.5%
Bozeman Areas Outside City Limits	10.4%
Spanish Peaks Mtn. Club	9.7%

+ 11.3%	+ 13.3%	98.3%	98.7%
One-Year Change in Price Residential	One-Year Change in Price Condominium	Pct. of List Price Received Residential	Pct. of List Price Received Condominium

Median Sales Price



Percent of List Price Received



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New Construction Review

Oct '17

Peak of
New Construction Inventory

75

Drop in New Construction
Inventory from Peak

New Construction Homes for Sale

Top Areas: New Construction Market Share in 2018

Bozeman North of Main / West of 19th	33.3%
Bozeman South of Kagy	33.1%
Moonlight Basin	32.4%
Spanish Peaks Mtn. Club	29.0%
Bozeman City Limits	27.6%
Belgrade	24.2%
Gallatin County	21.8%
Greater Manhattan	17.9%
Greater Big Sky	17.7%
Bozeman Areas Outside City Limits	15.7%
Big Sky Meadow Village	15.7%
Big Sky Mountain	14.6%
Bozeman North of Main / East of 19th	13.7%
Livingston City Limits	12.5%
Greater Three Forks	12.0%

3.5

Year-End Months Supply
New Construction

2.7

Year-End Months Supply
Previously Owned

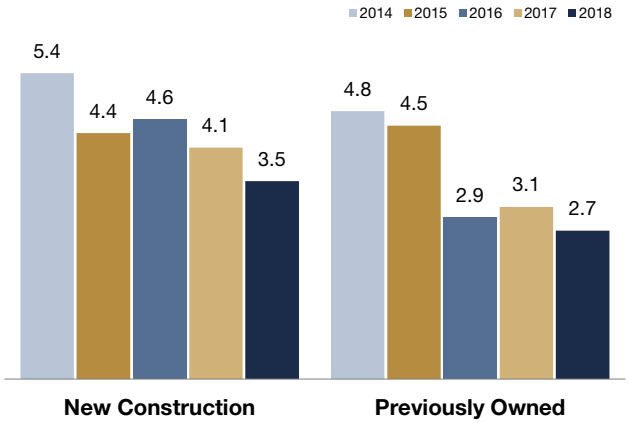
99.9%

Pct. of Orig. Price Received
New Construction

97.9%

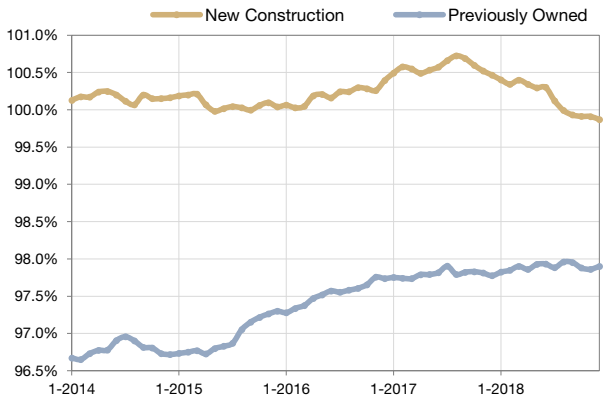
Pct. of Orig. Price Received
Previously Owned

Months Supply of Inventory



Percent of List Price Received

This chart uses a rolling 12-month average for each data point.



Price Range Review

$198,999 or Less

Price Range with Shortest Average Days on Market

$449,000 or More

Price Range with Longest Average Days on Market

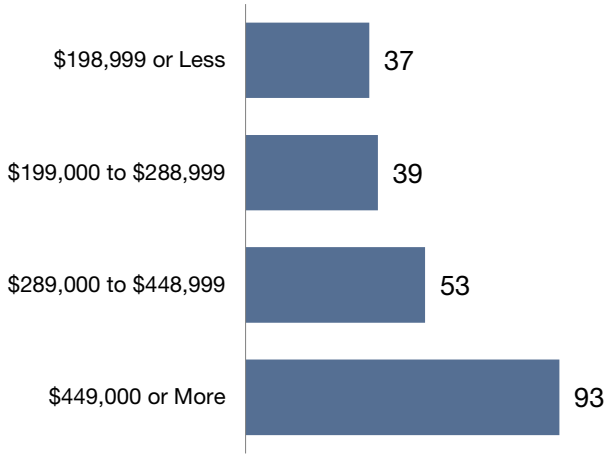
2.9%

of Homes for Sale at Year End Priced $198,999 or Less

- 10.5%

One-Year Change in Homes for Sale Priced $198,999 or Less

Days on Market Until Sale by Price Range



Share of Homes for Sale $198,999 or Less

$289,000 to $448,999

Price Range with the Most Closed Sales

+ 30.0%

Price Range with Strongest One-Year Change in Sales: $449,000 or More

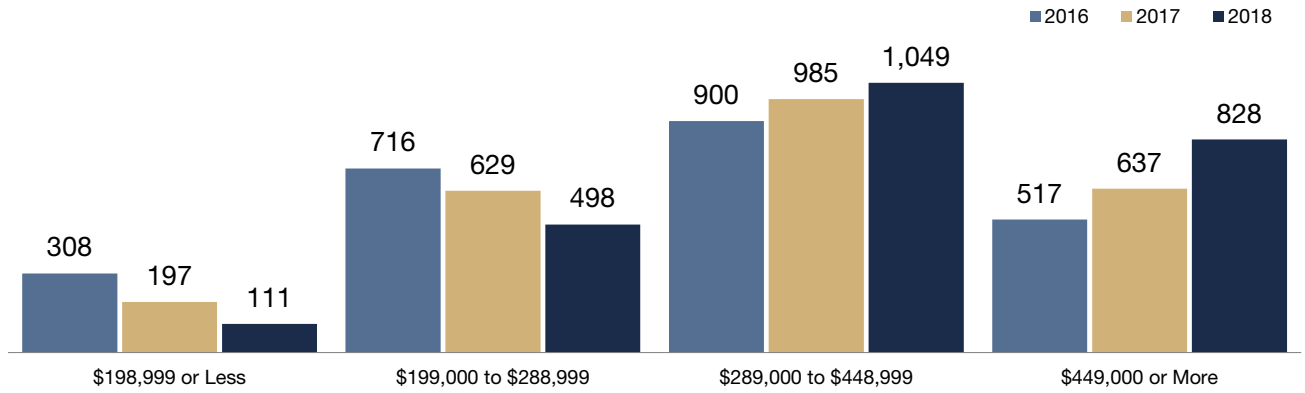
$198,999 or Less

Price Range with the Fewest Closed Sales

- 43.7%

Price Range with Weakest One-Year Change in Sales: $198,999 or Less

Closed Sales by Price Range



Area Overviews

	Total Closed Sales	Change from 2017	Percent New Construction	Percent Townhouse/Condo	New Listings	Months Supply	Pct. of List Price Received
Beaverhead County	98	+ 6.5%	3.1%	1.8%	145	5.6	95.8%
Belgrade	425	- 4.7%	24.2%	21.8%	530	2.4	99.0%
Big Sky Meadow Village	122	+ 2.5%	15.7%	71.8%	117	2.6	97.4%
Big Sky Mountain	87	+ 20.8%	14.6%	53.6%	80	7.0	95.2%
Bozeman Areas Outside City Limits	481	- 2.6%	15.7%	64.2%	626	7.0	95.2%
Bozeman City Limits	1,053	+ 3.6%	27.6%	10.4%	1,164	2.1	99.1%
Bozeman Main to Kagy	176	+ 16.6%	9.0%	38.4%	189	2.1	99.1%
Bozeman North of Main / East of 19th	108	+ 8.0%	13.7%	30.5%	134	3.6	98.0%
Bozeman North of Main / West of 19th	637	+ 4.1%	33.3%	44.4%	689	3.6	98.0%
Bozeman South of Kagy	132	- 13.7%	33.1%	42.3%	152	1.9	98.9%
Broadwater County	44	- 6.4%	8.7%	23.0%	90	1.9	98.9%
Greater Big Sky	273	+ 10.5%	17.7%	0.0%	283	5.4	96.5%
Greater Manhattan	76	+ 11.8%	17.9%	46.4%	96	5.4	96.5%
Greater Three Forks	63	+ 50.0%	12.0%	6.3%	83	3.5	97.4%
Jefferson County	45	+ 21.6%	4.2%	5.1%	64	3.5	97.4%
Livingston City Limits	180	+ 3.4%	12.5%	0.0%	205	2.3	97.3%
Madison County	112	- 3.4%	3.1%	17.3%	186	2.3	97.3%
Park County	238	- 0.8%	9.6%	0.4%	277	3.2	96.7%
Sweet Grass County	30	- 25.0%	0.0%	11.5%	59	3.2	96.7%
West Yellowstone	33	- 8.3%	0.0%	0.0%	31	4.5	95.1%
Moonlight Basin	27	- 12.9%	32.4%	6.0%	37	4.5	95.1%
Spanish Peaks Mtn. Club	16	+ 77.8%	29.0%	27.0%	25	5.8	97.0%
Deer Lodge County	113	+ 34.5%	0.0%	9.7%	156	5.8	97.0%
Butte	409	+ 8.8%	4.5%	0.0%	557	2.9	96.1%
Silver Bow County	431	+ 12.2%	4.2%	2.0%	589	2.9	96.1%
Gallatin County	2,396	+ 2.4%	21.8%	2.0%	2,798	2.8	98.4%

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Area Historical Median Prices

	2014	2015	2016	2017	2018	Change From 2017	Change From 2014
Beaverhead County	$168,000	$155,000	$145,750	$163,250	$188,000	+ 15.2%	+ 11.9%
Belgrade	$207,500	$218,275	$241,000	$270,225	$295,000	+ 9.2%	+ 42.2%
Big Sky Meadow Village	$352,500	$363,450	$350,650	$425,000	$528,000	+ 24.2%	+ 49.8%
Big Sky Mountain	$557,000	$700,750	$440,000	$272,500	$421,000	+ 54.5%	- 24.4%
Bozeman Areas Outside City Limits	$350,000	$357,000	$384,900	$434,689	$470,588	+ 8.3%	+ 34.5%
Bozeman City Limits	$259,000	$285,000	$309,900	$330,000	$376,070	+ 14.0%	+ 45.2%
Bozeman Main to Kagy	$299,000	$373,500	$361,900	$420,000	$451,450	+ 7.5%	+ 51.0%
Bozeman North of Main / East of 19th	$288,000	$366,000	$365,000	$427,500	$479,500	+ 12.2%	+ 66.5%
Bozeman North of Main / West of 19th	$236,950	$245,500	$280,500	$312,950	$340,000	+ 8.6%	+ 43.5%
Bozeman South of Kagy	$389,500	$419,975	$424,790	$423,600	$497,000	+ 17.3%	+ 27.6%
Broadwater County	$284,500	$239,500	$265,400	$269,000	$290,000	+ 7.8%	+ 1.9%
Greater Big Sky	$456,964	$475,000	$415,000	$485,225	$630,000	+ 29.8%	+ 37.9%
Greater Manhattan	$194,950	$234,265	$254,500	$295,500	$379,350	+ 28.4%	+ 94.6%
Greater Three Forks	$139,500	$183,950	$200,000	$242,245	$240,000	- 0.9%	+ 72.0%
Jefferson County	$136,500	$173,000	$190,000	$214,000	$274,300	+ 28.2%	+ 101.0%
Livingston City Limits	$162,500	$185,500	$186,500	$223,500	$259,050	+ 15.9%	+ 59.4%
Madison County	$211,000	$261,000	$255,000	$249,900	$306,250	+ 22.5%	+ 45.1%
Park County	$177,450	$200,000	$224,950	$251,500	$276,500	+ 9.9%	+ 55.8%
Sweet Grass County	$170,000	$198,000	$192,500	$182,500	$237,500	+ 30.1%	+ 39.7%
West Yellowstone	$188,500	$270,000	$287,750	$306,000	$335,000	+ 9.5%	+ 77.7%
Moonlight Basin	$0	$3,175,000	$625,000	$1,450,000	$1,550,000	+ 6.9%	--
Spanish Peaks Mtn. Club	$1,975,687	$0	$0	$2,445,500	$2,560,500	+ 4.7%	+ 29.6%
Deer Lodge County	$185,000	$0	$85,950	$107,500	$128,000	+ 19.1%	- 30.8%
Butte	$0	$70,000	$131,900	$130,000	$153,100	+ 17.8%	--
Silver Bow County	$0	$70,000	$133,450	$130,000	$154,000	+ 18.5%	--
Gallatin County	$267,045	$289,400	$312,000	$336,635	$377,542	+ 12.2%	+ 41.4%