

Annual Report for Gallatin County

RESIDENTIAL REAL ESTATE IN GALLATIN COUNTY



2019

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The 2019 housing market was fueled by the overall strength of the economy across most of the country. The stock markets reached new highs throughout the year, improving the asset bases of millions of Americans. Unemployment rates fell to 50-year lows, while wages increased, creating new home buyers. Mortgage rates also declined significantly from 2018, helping to offset affordability stresses caused by continued price appreciation nationally.

With a strong economy and low mortgage rates, buyer activity has been strong. However, most markets are being constrained by inventory levels that are still below historical norms. With supply and demand continuing to favor sellers, prices continue to rise.

With 10 years having now passed since the Great Recession, the U.S. has been on the longest period of continued economic expansion on record. The housing market has been along for much of the ride and continues to benefit greatly from the overall health of the economy. However, hot economies eventually cool and with that, hot housing markets move more towards balance.

Sales: Pending sales increased 2.5 percent, finishing 2019 at 2,492. Closed sales were down 1.4 percent to end the year at 2,456.

Listings: Comparing 2019 to the prior year, the number of homes available for sale was higher by 2.7 percent. There were 637 active listings at the end of 2019. New listings increased by 5.3 percent to finish the year at 3,097.

New Construction: Nationally, builder activity grew in 2019 versus levels seen in 2018, though the total units being built remains lower than needed for long-term supply. New Construction homes have seen months of supply increase from 4.4 to 5.1 months over the last five years, while Previously Owned supply has dropped from 4.5 to 2.5 months.

Prices: Home prices were up compared to last year. The overall median sales price increased 6.2 percent to \$397,750 for the year. Single Family home prices were up 5.1 percent compared to last year, and Townhouse-Condo home prices were up 8.0 percent.

List Price Received: Sellers received, on average, 98.4 percent of their original list price at sale, year-over-year original list price at sale was relatively unchanged.

While the Federal Reserve moved to temper the hot economy with four interest rate hikes in 2018, in 2019 they turned the heat back up, and reduced rates a total of three times during the year. The Fed's rate decreases were due in part to GDP growth in 2019 that came in notably lower than 2018, showing the Fed's alternating efforts to keep our economy at a steady simmer and not a full boil.

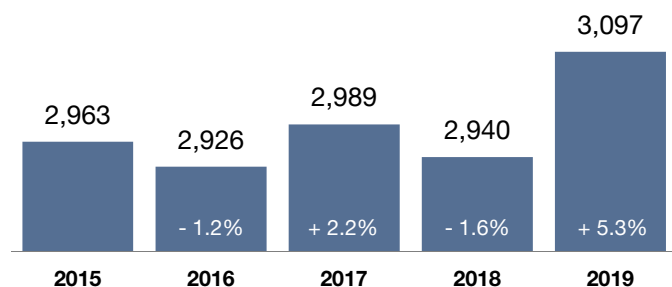
The housing market continues to remain healthy nationwide with price gains and limited inventory being the most common threads across markets. Tight inventory continues to constrain buyer activity in part of the country, while some areas are seeing increased seller inventory starting to improve buyers' choices. New construction activity continues to improve, but is still below levels required to fully supply the market's needs.

As we look at 2020, we see continued low mortgage rates and a healthy economy giving a great start to housing in the new year. But in election years, we sometimes see a softening of activity that may temper the market in the second half of the year.

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New Listings



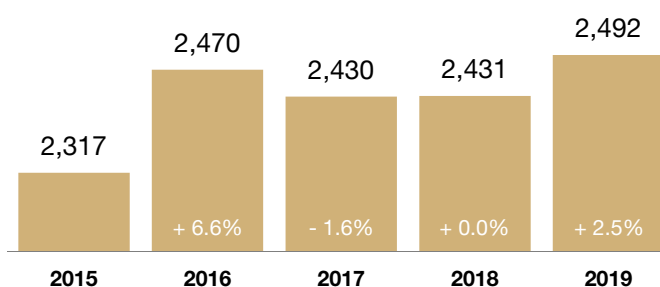
Top 5 Areas: Change in New Listings from 2018

Moonlight Basin	+ 31.9%
Greater Manhattan	+ 25.6%
Big Sky Meadow Village	+ 23.0%
Bozeman South of Kagy	+ 18.1%
Belgrade	+ 13.1%

Bottom 5 Areas: Change in New Listings from 2018

Butte	- 19.8%
Park County	- 24.6%
Deer Lodge County	- 25.5%
Jefferson County	- 26.2%
Broadwater County	- 38.5%

Pending Sales



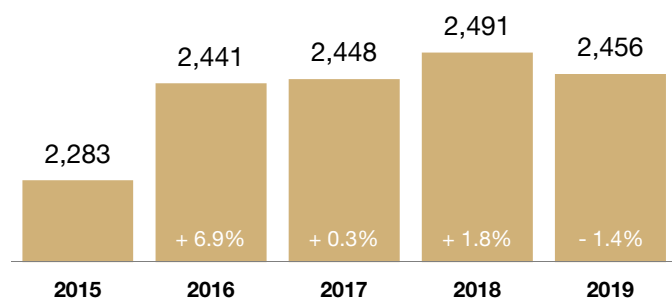
Top 5 Areas: Change in Pending Sales from 2018

Greater Manhattan	+ 71.4%
Bozeman South of Kagy	+ 29.0%
Moonlight Basin	+ 25.6%
Belgrade	+ 23.5%
West Yellowstone	+ 18.1%

Bottom 5 Areas: Change in Pending Sales from 2018

Bozeman Main to Kagy	- 12.2%
Broadwater County	- 19.6%
Gallatin County	- 20.0%
Gallatin County	- 20.0%
Park County	- 39.2%

Closed Sales



Top 5 Areas: Change in Closed Sales from 2018

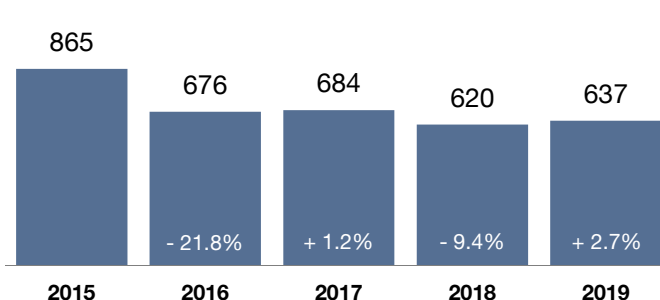
Greater Manhattan	+ 65.9%
Moonlight Basin	+ 40.5%
Bozeman South of Kagy	+ 25.9%
West Yellowstone	+ 23.2%
Belgrade	+ 18.9%

Bottom 5 Areas: Change in Closed Sales from 2018

Butte	- 17.1%
Deer Lodge County	- 19.4%
Park County	- 22.0%
Gallatin County	- 27.7%
Gallatin County	- 27.7%

Inventory of Homes for Sale

At the end of the year.



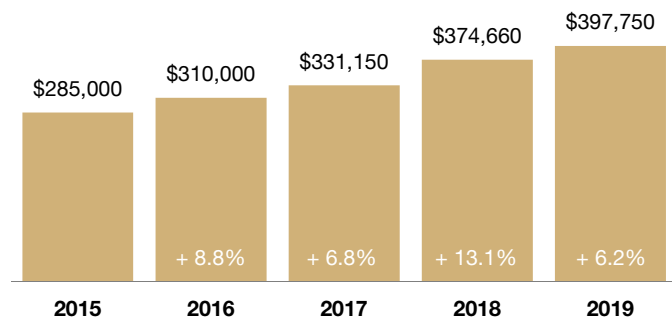
Top 5 Areas: Change in Inventory of Homes for Sale from 2018

Livingston City Limits	+ 34.8%
West Yellowstone	+ 33.8%
Sweet Grass County	+ 31.2%
Bozeman North of Main / West of 19th	+ 5.6%
Big Sky Mountain	- 1.4%

Bottom 5 Areas: Change in Homes for Sale from 2018

Bozeman South of Kagy	- 31.6%
Greater Manhattan	- 33.7%
Greater Big Sky	- 36.3%
Broadwater County	- 46.5%
Greater Three Forks	- 61.0%

Median Sales Price



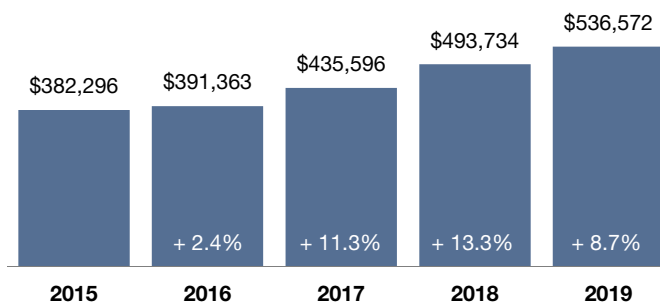
Top 5 Areas: Change in Median Sales Price from 2018

Broadwater County	+ 397.2%
Moonlight Basin	+ 32.4%
Butte	+ 15.8%
Greater Big Sky	+ 14.2%
Greater Three Forks	+ 11.5%

Bottom 5 Areas: Change in Median Sales Price from 2018

Jefferson County	- 9.2%
Big Sky Mountain	- 15.9%
Park County	- 17.9%
Deer Lodge County	- 20.3%
Greater Manhattan	- 33.7%

Average Sales Price



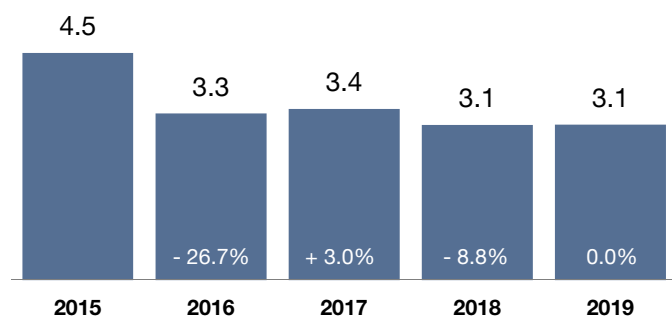
Top 5 Areas: Change in Avg. Sales Price from 2018

Broadwater County	+ 109.5%
Moonlight Basin	+ 25.8%
Greater Big Sky	+ 19.2%
Bozeman Areas Outside City Limits	+ 18.5%
Jefferson County	+ 18.1%

Bottom 5 Areas: Change in Avg. Sales Price from 2018

Bozeman North of Main / East of 19th	- 8.0%
Big Sky Meadow Village	- 8.2%
Big Sky Mountain	- 8.5%
Deer Lodge County	- 14.4%
Greater Manhattan	- 32.5%

Months Supply of Inventory



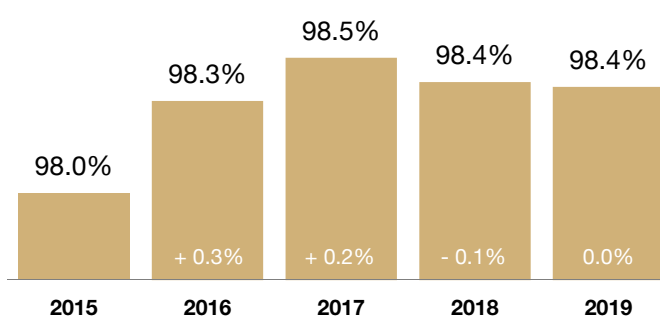
Top 5 Areas: Change in Months Supply from 2018

Big Sky Meadow Village	+ 40.4%
Park County	+ 24.0%
Spanish Peaks Mtn. Club	+ 11.2%
Livingston City Limits	+ 6.3%
Sweet Grass County	+ 4.3%

Bottom 5 Areas: Change in Months Supply from 2018

Belgrade	- 28.9%
Bozeman North of Main / East of 19th	- 30.8%
West Yellowstone	- 32.2%
Greater Manhattan	- 39.6%
Bozeman South of Kagy	- 50.0%

Percent of List Price Received



Top 5 Areas: Change in Pct. of List Price Received from 2018

Park County	+ 0.6%
Big Sky Meadow Village	+ 0.6%
Bozeman Main to Kagy	+ 0.6%
Sweet Grass County	+ 0.5%
Moonlight Basin	+ 0.5%

Bottom 5 Areas: Change in Pct. of List Price Received from 2018

Gallatin County	- 0.7%
Bozeman North of Main / East of 19th	- 0.8%
West Yellowstone	- 0.8%
Deer Lodge County	- 0.9%
Jefferson County	- 1.4%

Property Type Review

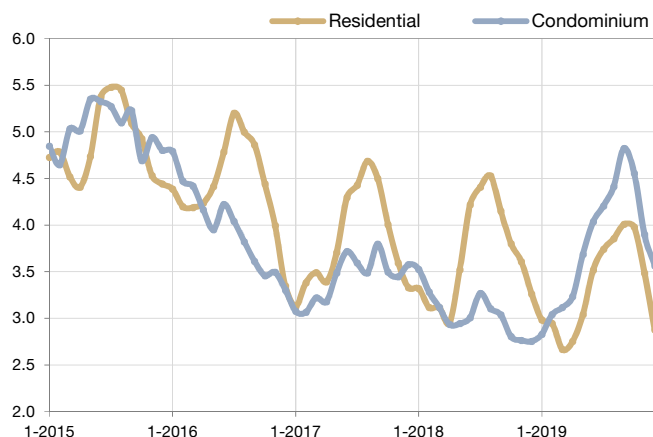
2.9

Average Months Supply
Residential

3.6

Average Months Supply
Condominium

Months Supply of Inventory



Top Areas: Condominium Market Share in 2019

Big Sky Mountain	73.9%
Big Sky Meadow Village	62.2%
Greater Big Sky	53.1%
Bozeman North of Main / West of 19th	43.3%
Moonlight Basin	40.4%
Bozeman City Limits	39.7%
Bozeman Main to Kagy	34.5%
Bozeman North of Main / East of 19th	34.2%
Bozeman South of Kagy	33.7%
Gallatin County	28.4%
Belgrade	19.9%
Livingston City Limits	16.1%
Park County	10.7%
Bozeman Areas Outside City Limits	10.5%
West Yellowstone	10.3%

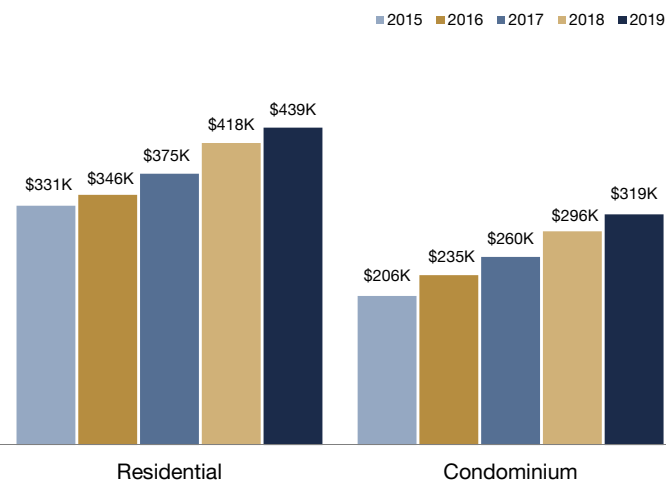
+ 5.1%

One-Year Change in Price
Residential

+ 8.0%

One-Year Change in Price
Condominium

Median Sales Price



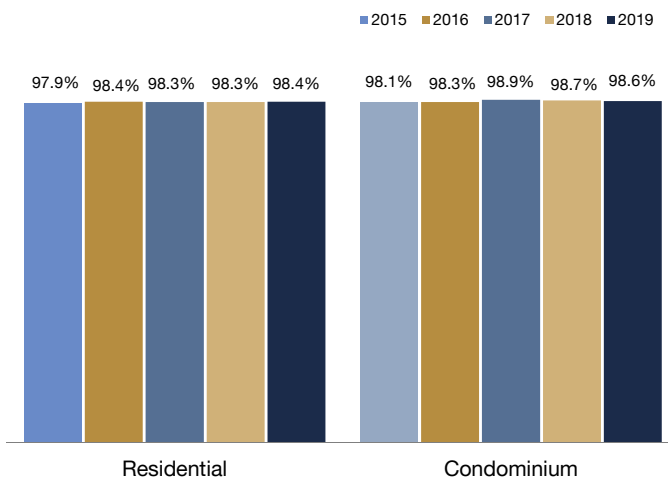
98.4%

Pct. of List Price Received
Residential

98.6%

Pct. of List Price Received
Condominium

Percent of List Price Received



New Construction Review

Oct '19

45

Peak of
New Construction Inventory

Drop in New Construction
Inventory from Peak

New Construction Homes for Sale



Top Areas: New Construction Market Share in 2019

Belgrade	31.3%
Bozeman South of Kagy	30.3%
Moonlight Basin	26.9%
Broadwater County	21.3%
Bozeman North of Main / West of 19th	21.2%
Spanish Peaks Mtn. Club	20.0%
Bozeman City Limits	18.9%
Gallatin County	18.8%
Big Sky Meadow Village	14.9%
Bozeman Areas Outside City Limits	13.4%
Greater Big Sky	13.1%
Greater Manhattan	11.1%
Livingston City Limits	10.9%
Park County	8.7%
Bozeman Main to Kagy	6.8%

5.1

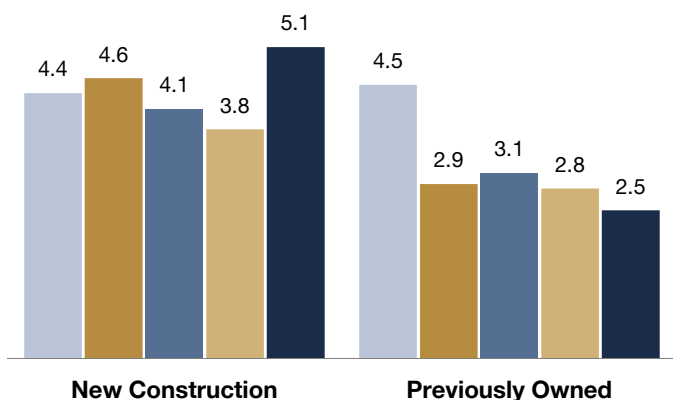
2.5

Year-End Months Supply
New Construction

Year-End Months Supply
Previously Owned

Months Supply of Inventory

■ 2015 ■ 2016 ■ 2017 ■ 2018 ■ 2019



100.1%

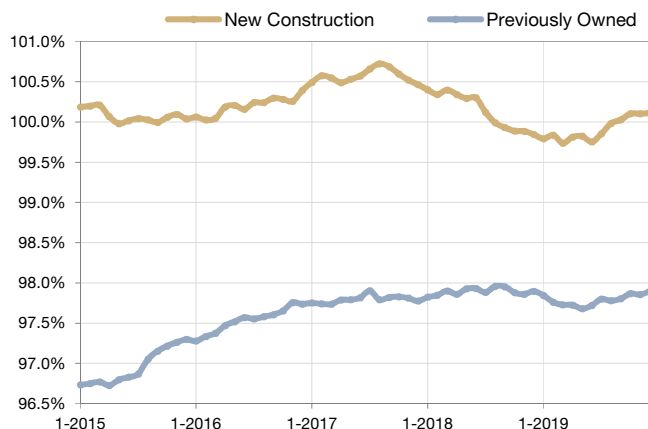
97.9%

Pct. of Orig. Price Received
New Construction

Pct. of Orig. Price Received
Previously Owned

Percent of List Price Received

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



Price Range Review

**\$199,000 to
\$288,999**

Price Range with
Shortest Average
Days on Market

**\$449,000 or
More**

Price Range with
Longest Average
Days on Market

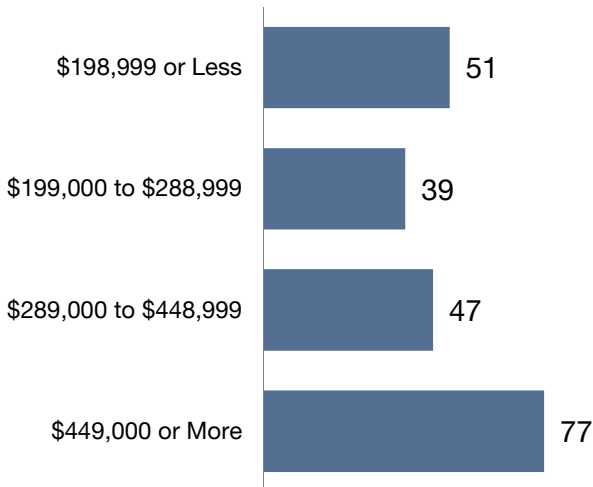
2.2%

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

- 22.2%

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

Average Days on Market by Price Range



Share of Homes for Sale \$198,999 or Less



**\$289,000 to
\$448,999**

Price Range with the
Most Closed Sales

+ 9.9%

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

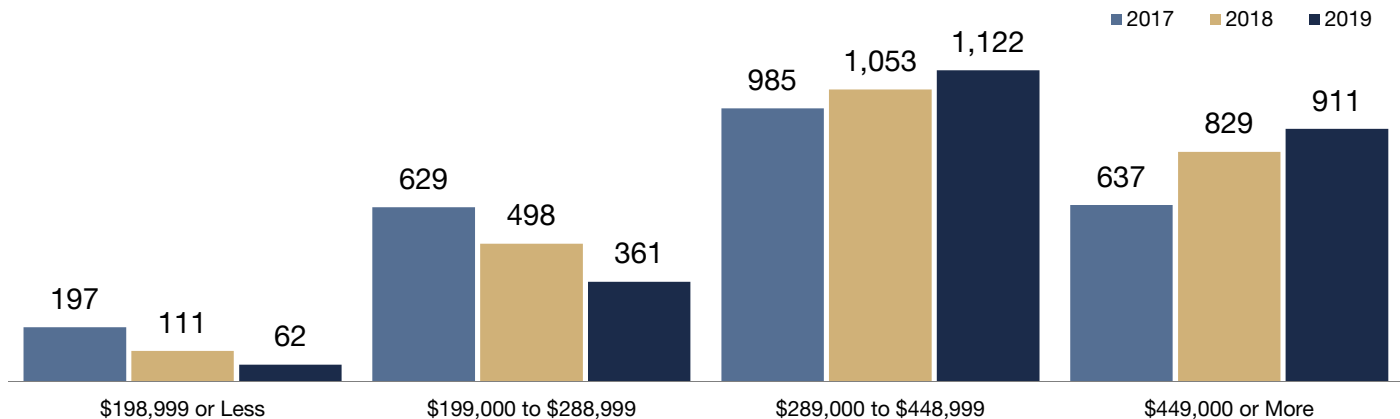
**\$198,999 or
Less**

Price Range with the
Fewest Closed Sales

- 44.1%

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 2018	Percent New Construction	Percent Townhouse/Condo	New Listings	Months Supply	Pct. of List Price Received
Beaverhead County	97	- 4.0%	6.2%	0.0%	138	6.0	95.7%
Belgrade	514	+ 20.4%	31.3%	22.8%	636	2.7	99.0%
Big Sky Meadow Village	116	- 6.5%	14.9%	79.3%	150	4.9	97.8%
Big Sky Mountain	85	- 17.5%	4.5%	62.2%	112	9.0	95.9%
Bozeman Areas Outside City Limits	473	- 4.1%	13.4%	73.9%	633	9.0	95.9%
Bozeman City Limits	1,031	- 3.1%	18.9%	10.5%	1,247	2.1	99.0%
Bozeman Main to Kagy	147	- 16.5%	6.8%	39.7%	182	2.1	99.0%
Bozeman North of Main / East of 19th	107	- 1.8%	3.5%	34.5%	150	3.5	97.3%
Bozeman North of Main / West of 19th	609	- 5.9%	21.2%	34.2%	721	3.5	97.3%
Bozeman South of Kagy	168	+ 27.3%	30.3%	43.3%	194	1.2	99.2%
Broadwater County	80	+ 81.8%	21.3%	33.7%	100	1.2	99.2%
Greater Big Sky	269	- 9.4%	13.1%	0.0%	371	8.2	96.9%
Greater Manhattan	57	- 25.0%	11.1%	53.1%	89	8.2	96.9%
Greater Three Forks	49	- 22.2%	5.2%	4.9%	66	2.4	97.2%
Jefferson County	33	- 26.7%	1.7%	1.0%	59	2.4	97.2%
Livingston City Limits	172	- 3.9%	10.9%	0.0%	214	1.7	97.0%
Madison County	125	+ 11.6%	3.2%	16.1%	204	1.7	97.0%
Park County	231	- 3.3%	8.7%	1.0%	318	3.1	96.1%
Sweet Grass County	46	+ 53.3%	1.5%	10.7%	63	3.1	96.1%
West Yellowstone	24	- 27.3%	0.0%	5.9%	28	10.0	95.8%
Moonlight Basin	41	+ 28.1%	26.9%	10.3%	49	10.0	95.8%
Spanish Peaks Mtn. Club	15	- 6.3%	20.0%	40.4%	26	12.9	96.0%
Deer Lodge County	124	+ 6.9%	0.0%	0.0%	164	12.9	96.0%
Butte	445	+ 8.5%	3.4%	0.0%	621	3.2	96.5%
Silver Bow County	464	+ 7.4%	3.5%	0.9%	652	3.2	96.5%
Gallatin County	2,408	- 1.5%	18.8%	0.9%	3,045	3.1	98.4%

Area Historical Median Prices

	2015	2016	2017	2018	2019	Change From 2018	Change From 2015
Beaverhead County	\$170,000	\$145,750	\$163,250	\$176,000	\$207,500	+ 17.9%	+ 22.1%
Belgrade	\$218,275	\$241,000	\$270,225	\$293,000	\$320,000	+ 9.2%	+ 46.6%
Big Sky Meadow Village	\$375,950	\$351,000	\$425,000	\$525,500	\$506,000	- 3.7%	+ 34.6%
Big Sky Mountain	\$554,000	\$437,500	\$288,000	\$570,000	\$517,000	- 9.3%	- 6.7%
Bozeman Areas Outside City Limits	\$355,800	\$384,900	\$427,000	\$466,038	\$508,000	+ 9.0%	+ 42.8%
Bozeman City Limits	\$285,000	\$309,900	\$329,900	\$375,000	\$400,000	+ 6.7%	+ 40.4%
Bozeman Main to Kagy	\$378,000	\$363,000	\$429,000	\$451,450	\$458,600	+ 1.6%	+ 21.3%
Bozeman North of Main / East of 19th	\$365,500	\$365,000	\$427,500	\$479,000	\$495,000	+ 3.3%	+ 35.4%
Bozeman North of Main / West of 19th	\$244,250	\$280,000	\$309,991	\$340,000	\$369,000	+ 8.5%	+ 51.1%
Bozeman South of Kagy	\$419,975	\$424,790	\$423,300	\$497,000	\$483,750	- 2.7%	+ 15.2%
Broadwater County	\$239,500	\$265,400	\$269,000	\$290,000	\$312,450	+ 7.7%	+ 30.5%
Greater Big Sky	\$475,000	\$415,000	\$517,000	\$690,000	\$699,000	+ 1.3%	+ 47.2%
Greater Manhattan	\$234,265	\$252,000	\$295,500	\$379,350	\$415,000	+ 9.4%	+ 77.1%
Greater Three Forks	\$183,950	\$197,750	\$241,735	\$240,000	\$290,000	+ 20.8%	+ 57.7%
Jefferson County	\$173,000	\$189,000	\$229,000	\$274,300	\$220,000	- 19.8%	+ 27.2%
Livingston City Limits	\$185,500	\$186,500	\$223,500	\$258,200	\$284,500	+ 10.2%	+ 53.4%
Madison County	\$260,000	\$255,000	\$249,900	\$306,250	\$330,000	+ 7.8%	+ 26.9%
Park County	\$200,000	\$225,000	\$254,950	\$278,000	\$297,000	+ 6.8%	+ 48.5%
Sweet Grass County	\$205,250	\$210,000	\$194,500	\$237,500	\$191,250	- 19.5%	- 6.8%
West Yellowstone	\$270,000	\$287,750	\$307,000	\$335,000	\$386,000	+ 15.2%	+ 43.0%
Moonlight Basin	\$1,311,875	\$1,037,500	\$1,187,500	\$1,392,405	\$1,925,000	+ 38.3%	+ 46.7%
Spanish Peaks Mtn. Club	\$0	\$0	\$2,445,500	\$2,560,500	\$3,400,000	+ 32.8%	--
Deer Lodge County	\$0	\$85,950	\$111,250	\$129,000	\$142,500	+ 10.5%	--
Butte	\$70,000	\$131,900	\$130,000	\$153,000	\$150,000	- 2.0%	+ 114.3%
Silver Bow County	\$70,000	\$133,450	\$130,000	\$154,000	\$154,500	+ 0.3%	+ 120.7%
Gallatin County	\$289,000	\$312,000	\$335,000	\$377,500	\$400,000	+ 6.0%	+ 38.4%