

The Moore Appraisal Firm is happy to release once again our summary of market statistics collected throughout the year in our annual Moore Report. The data revealed in this report is most specific to what happened in 2018, although a lot of comparisons will be made to previous years. We've been collecting this data officially since 2008, though some of our records are dated beyond that with statistical information available more than 30 years back — one of the many benefits of having well-established roots in the community.

There are always a few things to take care of before getting started, along with a few changes that need to be discussed this year.

There was one big event that could slightly impact the statistics this year. The sales I report; Helena Multiple Listing Service (MLS) provided by the Helena Realtors® Association. In mid-October, the Helena MLS joined the Montana Regional MLS. This conversion was a slow process and not without its share of difficulty. The change in systems comes with a change in reporting by the agents who supply the data. I know everyone has done their best to convert, but I don't know how much data might be missing from those who are behind getting up to speed with the new system. Along with the new system comes new search criteria for the sales data I research. I have adapted to a new criterion that is simpler than the past. It is simply Helena and a 15-mile radius surrounding it. I have compared the statistics from year to year in the new and old systems and am confident that the change is minimal, and the numbers are not skewed enough to have a drastic impact on this report or anything else we distribute.

Prices are still reported in medians in most cases. Sometimes it is necessary to use an average, though the median is usually deemed to be the most reliable.

We continued to see an extensive number of homes sold by owners in 2018 and these figures are not included in this report. This is data that is not easily

captured due to Montana's non-disclosure status. (Meaning sales data is not public information.) However, consistency is the key. Even if the numbers I used are only a snapshot of what has happened, it is a reasonable picture of the overall market. If I were to have access to those sales not reported by the Helena MLS, I doubt the numbers would change much, if at all – except the *number* of sales reported.

I always welcome any feedback. It's hearing from the users of these reports that allow me to change, grow, and keep the information fresh.

You can always contact me at shaun@mooreappraisalfirm.com.

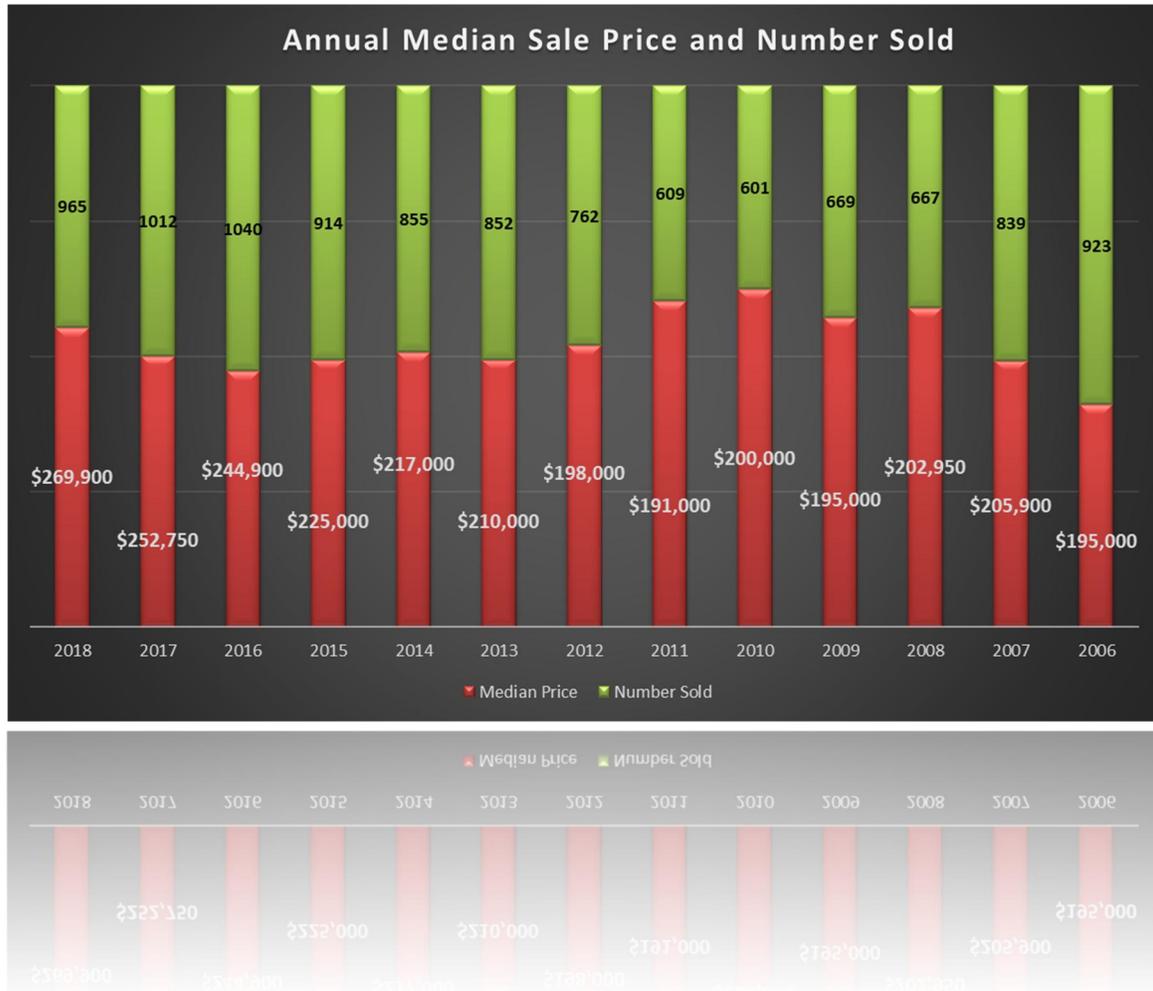
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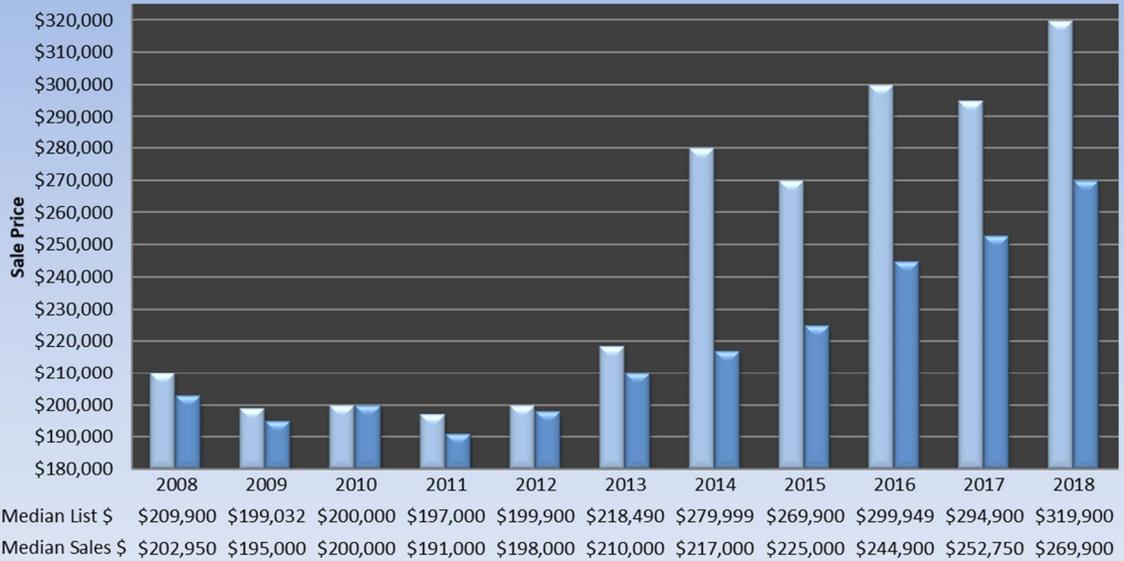
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Month to month the median home sale price ranged from \$235,000 to \$289,000. The overall annual median sales price was \$269,900 or 6.78% higher than the previous years \$252,750. The increase doubles that of what we experienced the previous year.

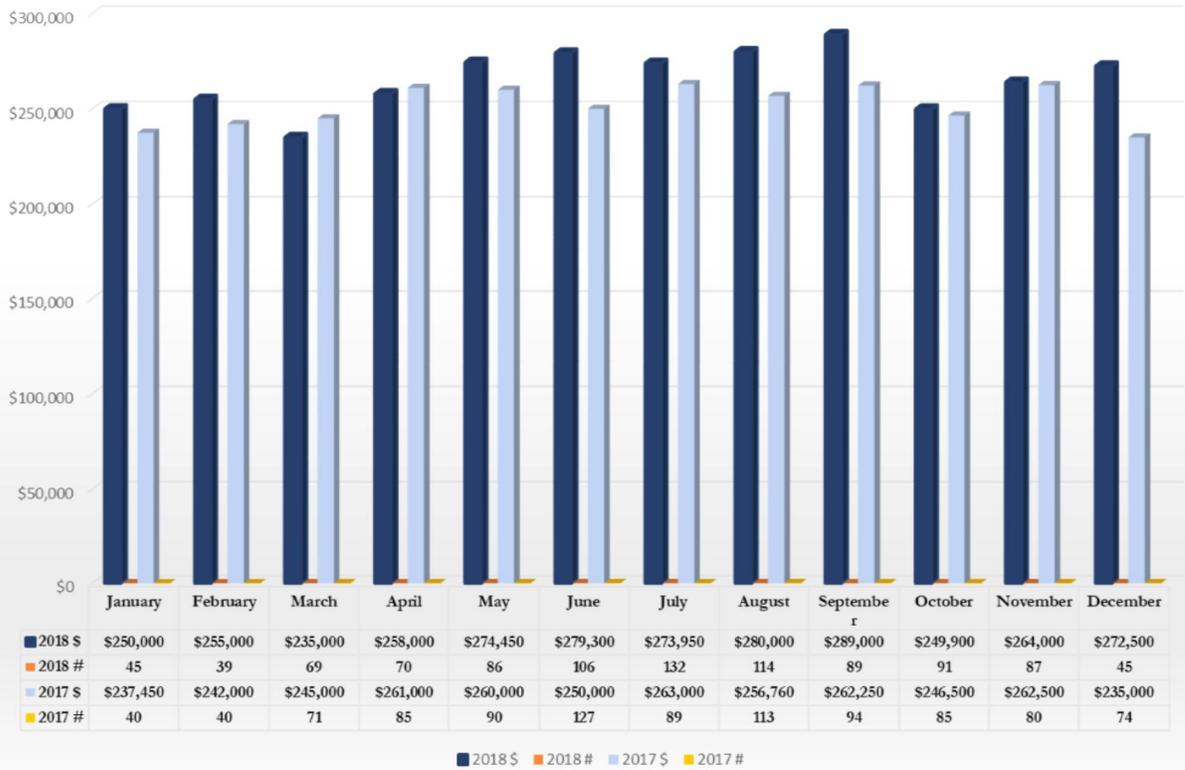


The number of sales declined again. 1,012 sales were reported in 2017, and 965 in 2018. This could be a combination of things: The number could reflect the change in MLSs as I previously discussed, but I do believe it is also reflective of the overall lack of inventory we had through 2018. Most agents that I've talked to give me the same message: "We could sell more houses if there were more inventory."

Market Expectations Vs. Reality



Median Sale Price Per Month

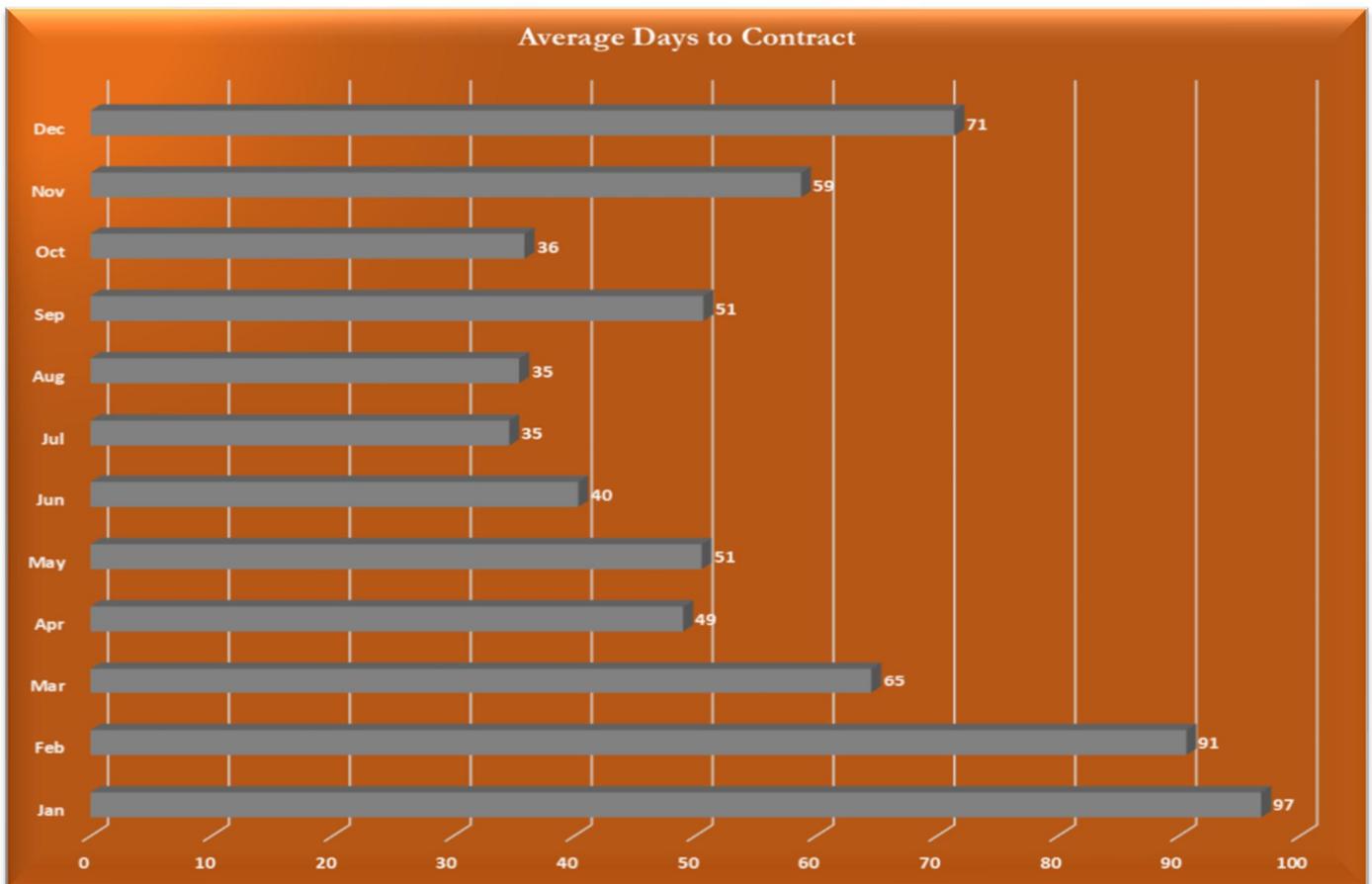


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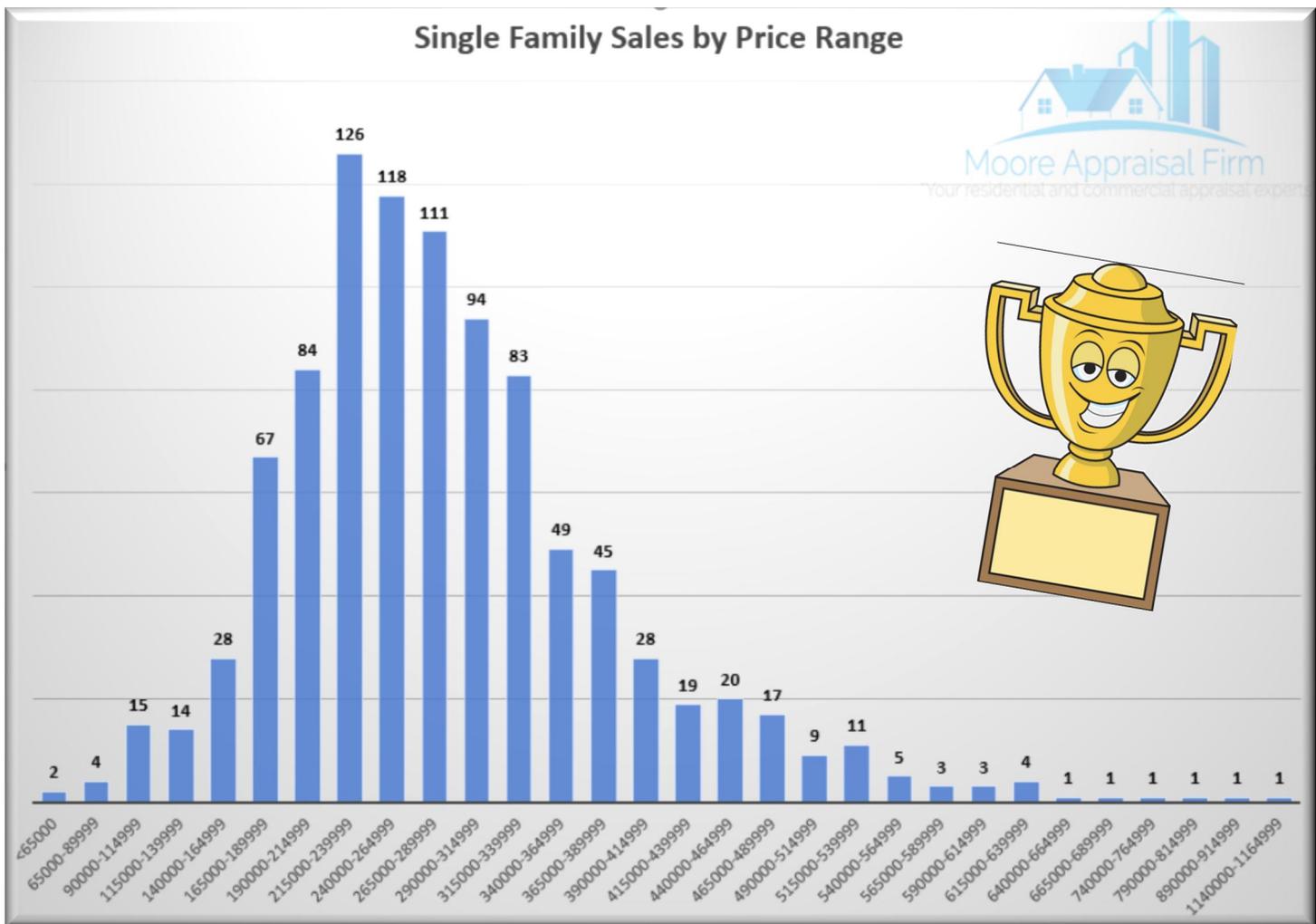
2018 Moore Report

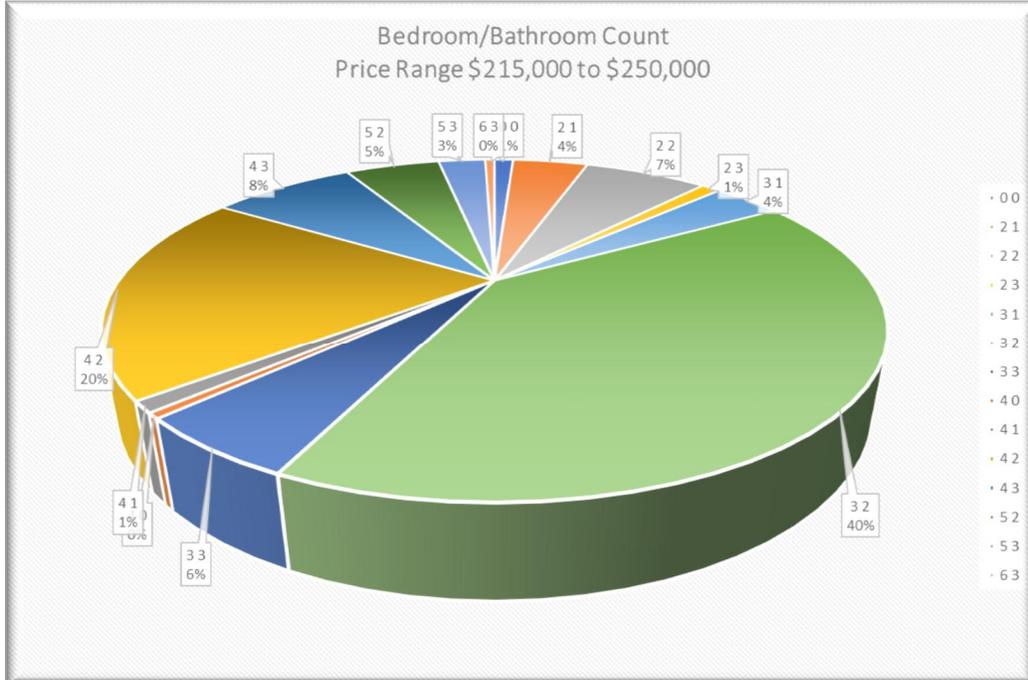


Homes took an average of 50 days to go under contract from listing date. This is 15 days quicker than in 2017. The quick timeframe is another reflection of the undersupplied market. Data shows that May is the quickest of the months with an average of 33 days to procure a contract, while December is the longest at 90 days. This is historically the case; winter months require longer and warmer temperatures spur buying.



The most popular homes were in the price range of \$215,000 to \$240,000 with the market producing 126 sales in the range. These numbers are somewhat manipulated by how we group them, but as you can see in the charts, this is definitely the “sweet spot” for the market. Homes of \$240,001 to \$265,000 were the next highest range with 118 sales, and when the two are combined, they make up ¼ of the total sales occurring throughout the year.

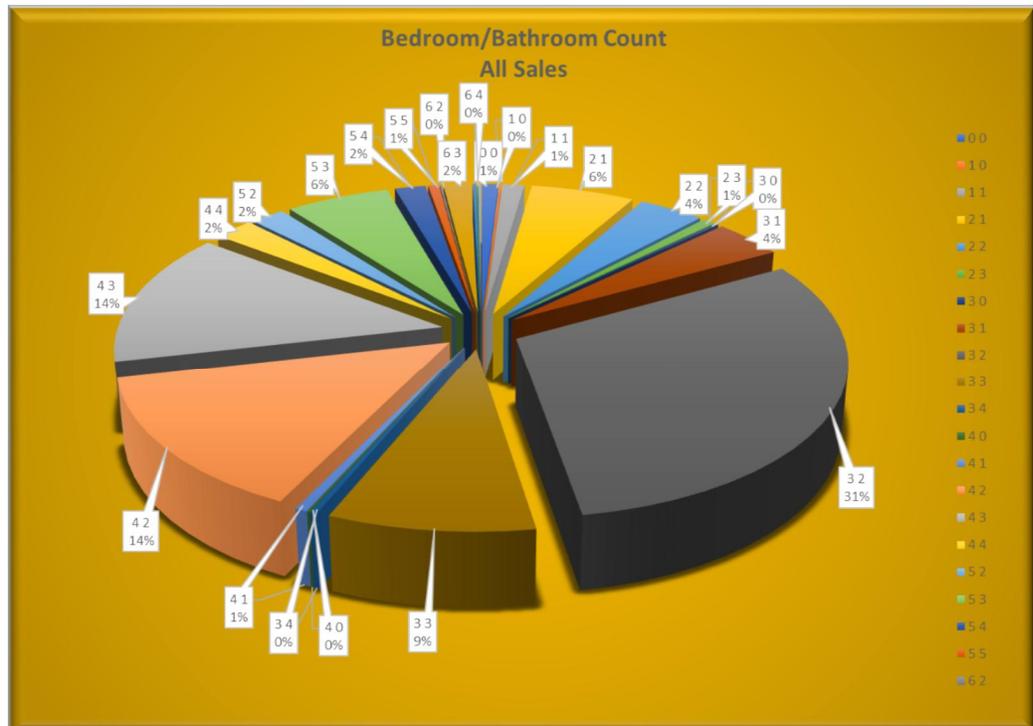




No surprise here, but the most popular type of home in this price range was a three-bedroom, two

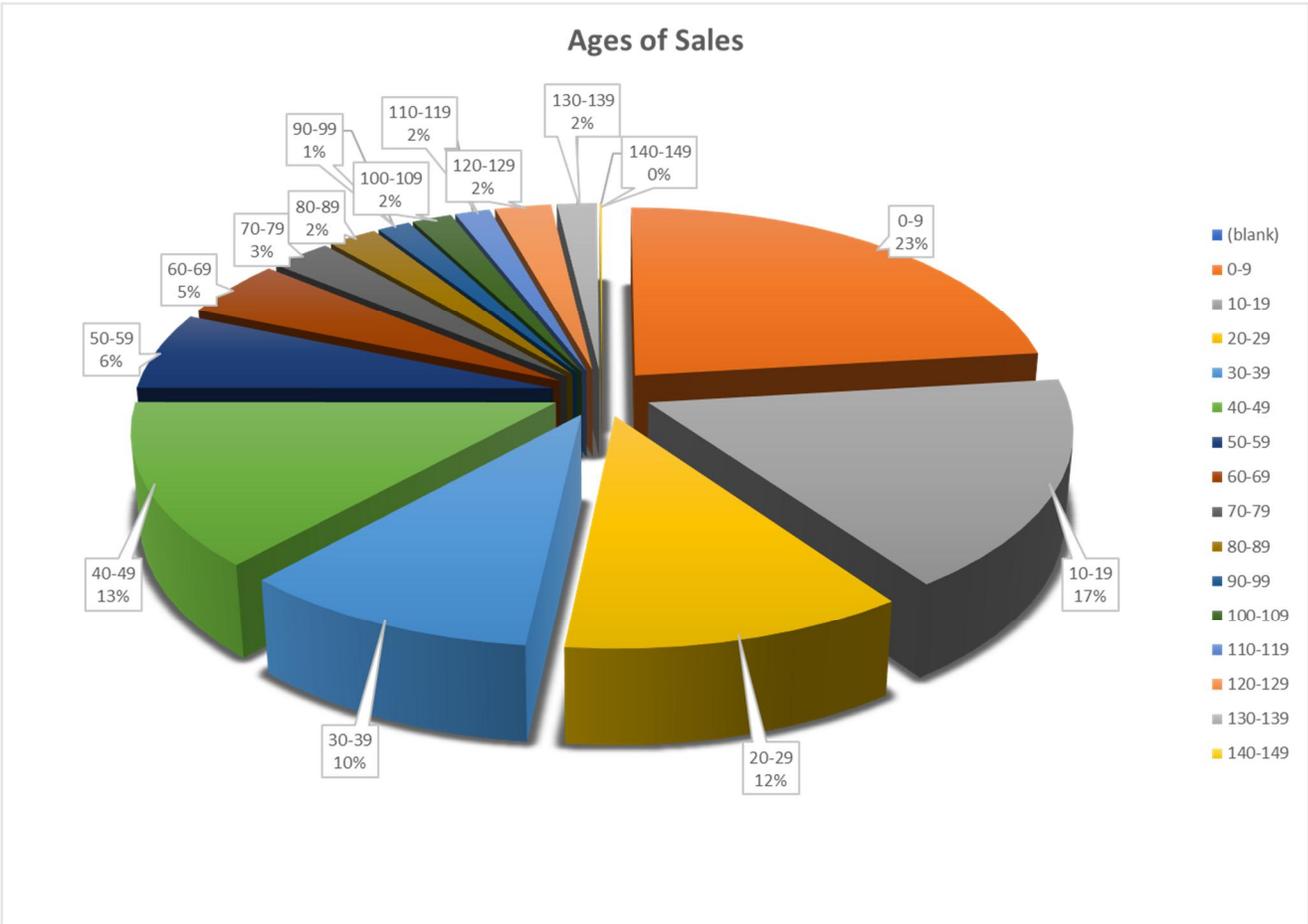
bathrooms. The category makes up 40% of homes sold in this price range.

The trend follows into the whole sales inventory, though it is slightly slower at only 31%. 3/3 and 4/3 make up the difference. The 3/3 category was noted to be

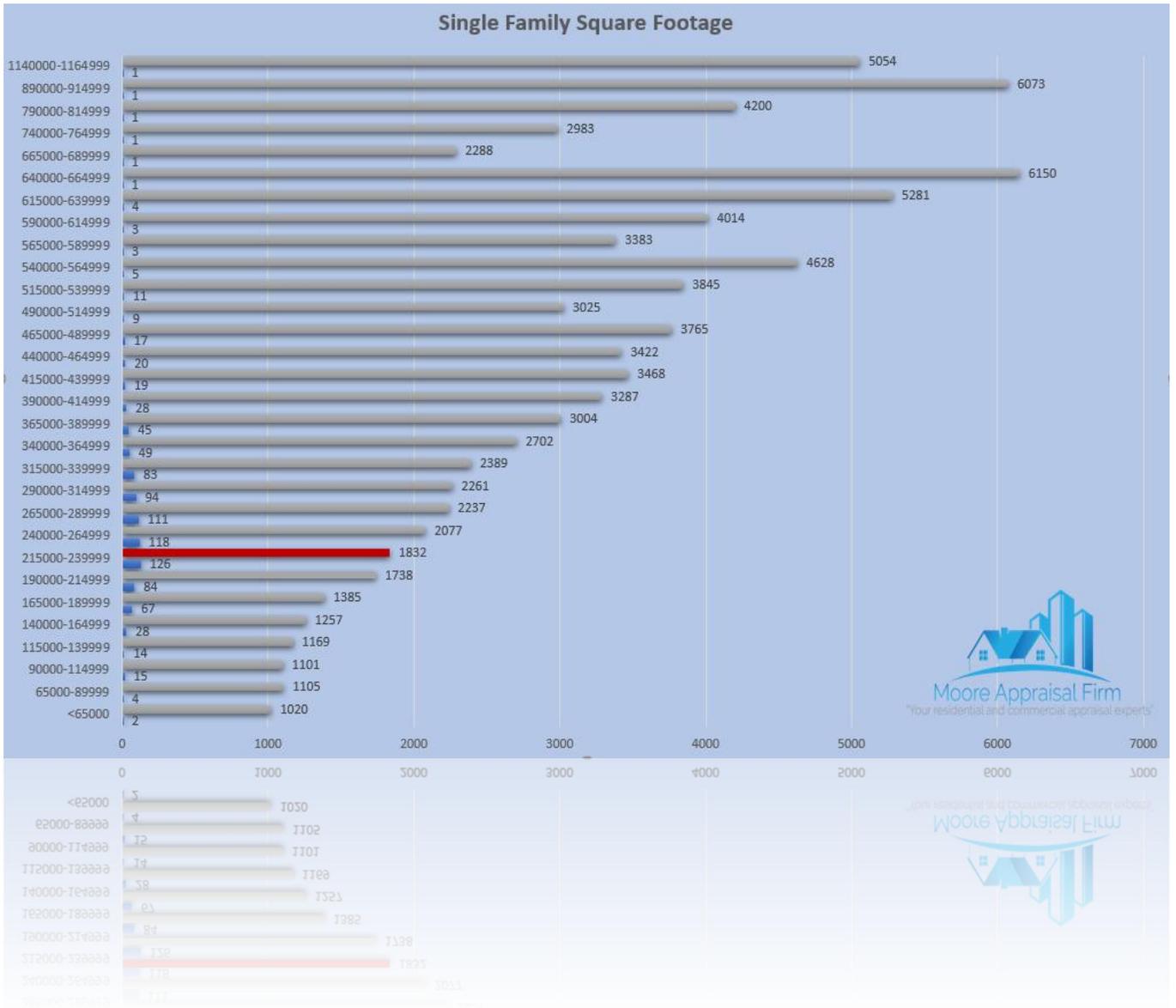


growing in both the segmented price range and the entire year sales inventory.

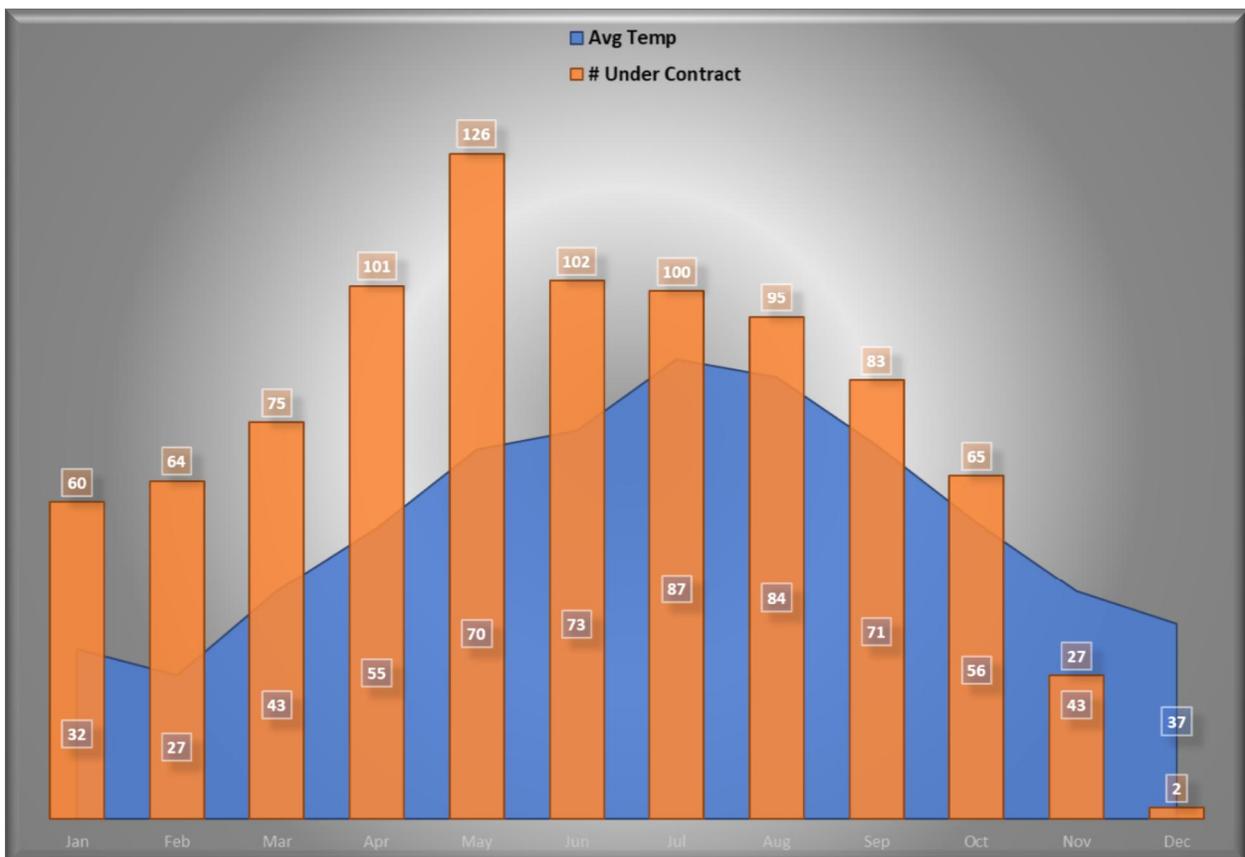
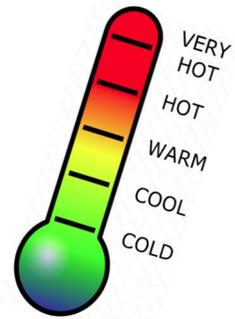
The predominant age of sales fell into the range of 0 to 9 years. This is a trend that we've seen for several years now. 10 to 19 years is the next highest, followed by 20 to 29. Homes under 29 years old made up just over 50% of the sales in 2018.



Interestingly enough, the most common home size fell slightly last year. In 2017 homes of 2,000 and 2,199 square feet in size were the most common showing 126 sales. In 2018 the range dropped to 1,725 to 1,924 square feet (average 1,832) with 114 total sales. The average price of home in this range was \$251,443.



A side note about listing time and timing. This year we took a look at the relationship between temperature and listing activity. The results were somewhat predictable as far as the listing activity. AS you can see in the chart listing activity picked up as soon as the temperature started to warm up. In last year's case, that was March. The number of sales had been in a steady decline, same as the temperatures until March came around, and an increase in temperatures. The increase in activity continued right up until July – the hottest month of the year, which then steadily declined through the end of 2018, along with the number of sales in a month. I understand that time of year can have a lot to do with this, but it always seems like the first warm spell of the spring is what kicks off the first buying frenzy. We'll continue to watch this one.



Last year I predicted a steady year with moderate growth. The year was steady – steadily busy. The moderate growth could be an under-exaggeration. 6.78% appreciation in the median sales price is a fairly significant amount. The biggest impact that was overlooked on my part was how the Bozeman market was going to influence ours. We have seen some people moving away from the area or choosing Helena as an alternative because of the high prices they are experiencing. Many micro markets between here and Bozeman have experienced the same influences, if not to an even greater extent.



So, what for 2019? That's the million-dollar question. I believe that what we are experiencing and have experienced the last couple years cannot be sustainable for a long term. There a lot of signs out there that a market correction is coming. I'll try to

update you on these signs in the coming months with my newsletter. If you are not signed up for it yet, you can do so at www.mooreappraisalfirm.com. That being said though, it would not be good not to consider the current conditions and the impact that Bozeman is still having on us. The current low supply of inventory will likely continue until prices reach a reasonable enough rate that sellers can find a satisfactory replacement and can have the incentive to sell. It's hard to rely on builders for this, given the lack of desirable lots to build on and the ever-rising costs of construction materials.

So, my prediction for 2019 is a steady year with values somewhat stabilizing. Take that for whatever it's worth. I've been close in past years but never hit it right on the head. So many unpredictable factors can change things in an instant.

That's all for now. If you have questions or comments, please let us know. You can contact us in various ways including through our website.

Thanks for another great year and thank you for letting Moore Appraisals be your residential and commercial appraisal experts!

Sincerely,

The Moore Appraisal Firm

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