

WINDERMERE REAL ESTATE PRESENTS

THE GARDNER REPORT

IDAHO | SECOND QUARTER 2017

The following analysis of select counties of the Idaho real estate market is provided by Windermere Real Estate Chief Economist Matthew Gardner. We hope that this information may assist you with making better-informed real estate decisions. For further information about the housing market in your area, please don't hesitate to contact me.



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ABOUT MATTHEW GARDNER Mr. Gardner is the Chief Economist for Windermere Real Estate, specializing in residential market analysis, commercial/industrial market analysis, financial analysis, and land use and regional economics. He is the former Principal of Gardner Economics, and has more than 30 years of professional experience both in the U.S. and U.K.

ECONOMIC OVERVIEW

Idaho has added 16,800 new jobs over the past 12 months, representing an above-average growth rate of 2.4%. The *Education & Health Services* sector showed the largest annual job growth, up 4.8%. There were also strong employment gains in *Construction, Government Services, Leisure & Hospitality, and Manufacturing*.

In May, the state unemployment rate fell for the third consecutive month to 3.2%, underscoring the increased pressure among Idaho employers competing for workers. However, May's unemployment drop is the result of 2,200 Idahoans exiting the workforce or ending their work search. Additionally, the reduction in the unemployment rate was also affected by the state's labor force participation rate (the percentage of people 16 years and older with jobs or looking for work), which dropped to 63.4%—the lowest participation rate since July 1976.

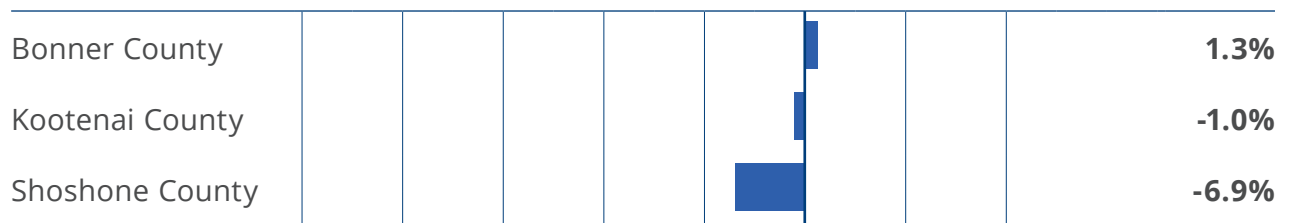
HOME SALES ACTIVITY

- Second quarter home sales rose by 0.5% compared to the same period last year. In total, 6,174 homes sold in the second quarter of this year.
- Sales rose the fastest in Payette County, which saw a 24.7% increase over the second quarter of 2016. There were also noticeable sales increases in Valley County. Home sales fell the most in Blaine County, but dramatic swings are common in small markets like this one.
- Year-over-year sales dropped in two of three Northern Idaho counties in this report, but rose in all but one county in the Southern Idaho market areas.
- Listing inventory rose in all the Northern Idaho counties in this report, but a majority of the Southern counties saw a decrease in listing activity, which will negatively impact sales.

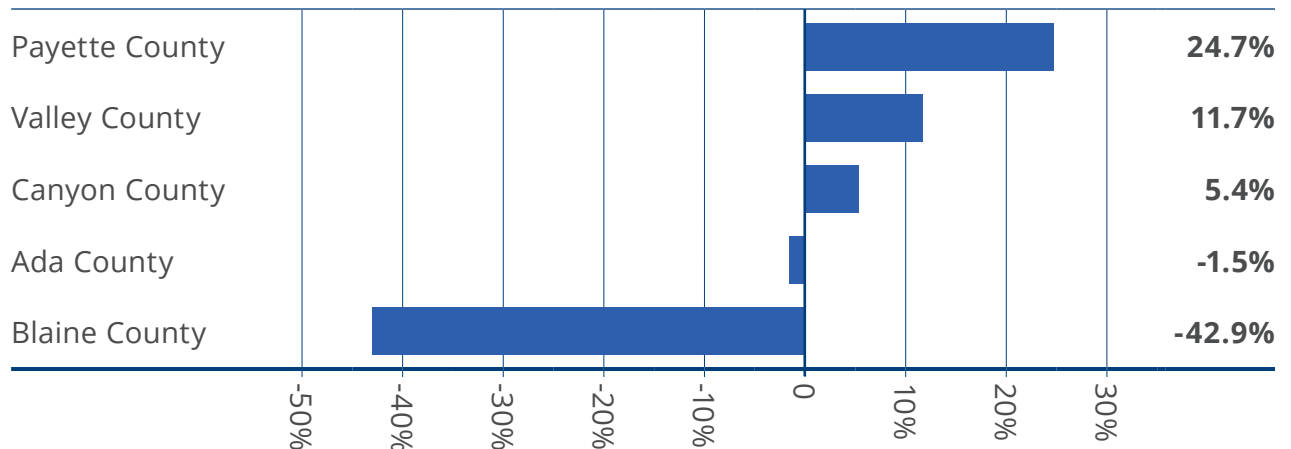
ANNUAL CHANGE IN HOME SALES

Q2-2016 TO Q2-2017

NORTH



SOUTH

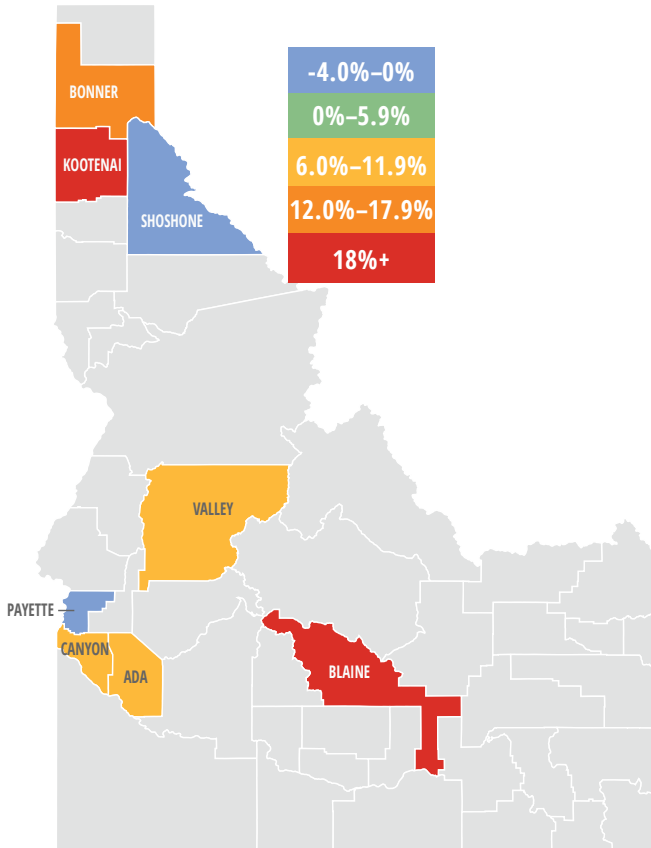


HOME PRICES

- The average home price in the region rose 11.1% year-over-year to \$276,943.
- Blaine County led the market with the strongest annual price growth. Homes there sold for 29.5% more than a year ago.

- A majority of the counties in this report experienced prices rising substantially when compared to the second quarter of 2016, with several seeing significant, double-digit increases.

- Home prices in Shoshone and Payette Counties decreased modestly last quarter, but I do not believe this will be an ongoing trend.



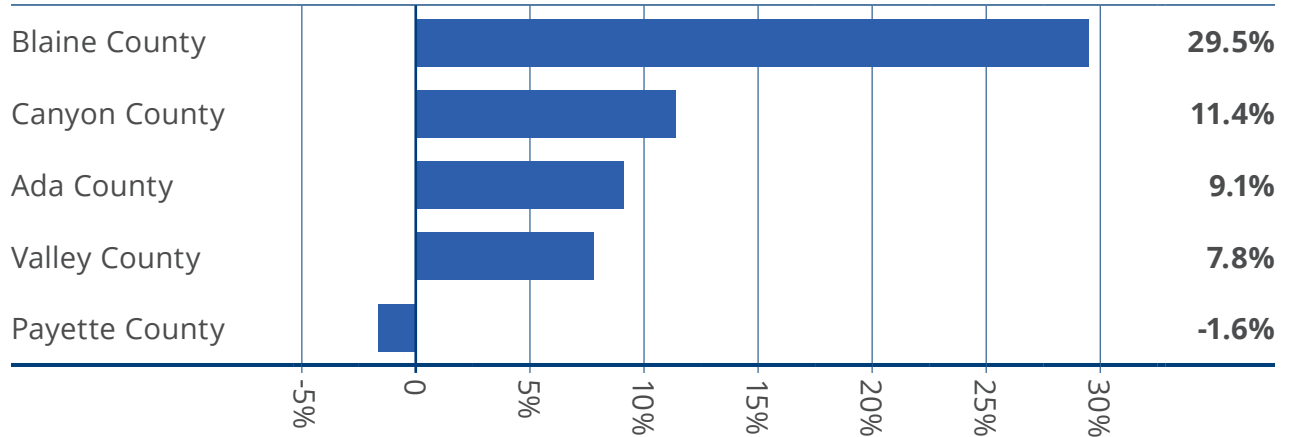
ANNUAL CHANGE IN HOME SALE PRICES

Q2-2016 TO Q2-2017

NORTH



SOUTH



DAYS ON MARKET

- The average number of days it took to sell a home in the region dropped 33 days when compared to the second quarter of 2016.
- It took an average of 116 days to sell a home in Northern Idaho and 68 days in the Southern part of the state.
- Homes in two of three Northern Idaho counties took less time to sell than they did in the same quarter of 2016. All of the Southern counties saw a drop in the time it took a home to sell.
- Homes sold the fastest in Ada and Canyon Counties, where it took an average of 34 and 35 days, respectively, for homes to sell.

AVERAGE DAYS ON MARKET

Q2-2016 TO Q2-2017

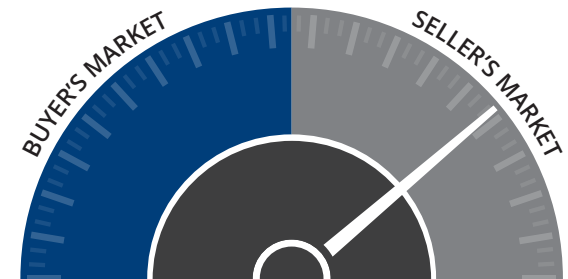
NORTH

Kootenai County	89
Shoshone County	124
Bonner County	134

SOUTH

Ada County	34
Canyon County	35
Payette County	60
Blaine County	72
Valley County	137

CONCLUSIONS



The speedometer reflects the state of the region's housing market using housing inventory, price gains, home sales, interest rates, and larger economic factors. Consumer confidence in the housing market seems to have returned, causing the markets in this report to perform well overall and for home prices to continue trending upward.

Even as home sales have slowed in some counties, the market is tight and will likely remain that way for the balance of the year. As such, I have put the needle well in favor of sellers. While I expect mortgage rates to rise modestly through the end of this year and into 2018, they are still very low compared to historic averages. This, in concert with Idaho's expanding economy, will continue to result in a healthy housing market.