THE Q4 2019 | IDAHO

GARDNER REPORT

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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.

ECONOMIC OVERVIEW

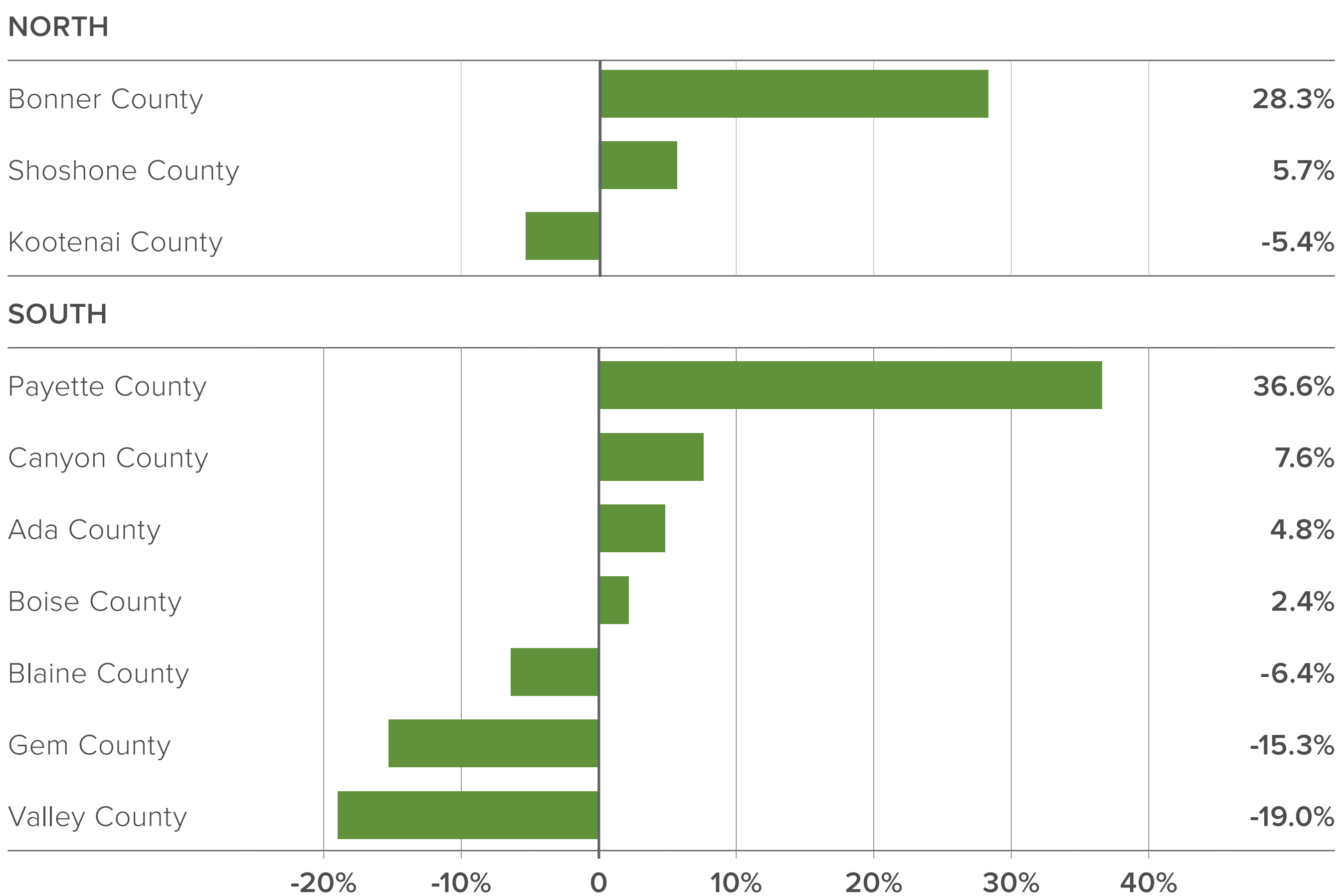
The job market in Idaho has picked up again, adding 19,700 new jobs over the past 12 months — an annual growth rate of an impressive 2.7%. That said, growth levels are still off the frenetic pace of 2018.

In November, the state unemployment rate was 2.9%, marginally higher than the 2.8% rate of a year ago. It cannot be disputed that the state remains at full employment. It is also interesting to note that the employment rate remained below 3% even as the labor force rose 2.8%, suggesting that the economy remains very strong and new entrants to the labor force are finding jobs with relative ease.

HOME SALES

- 5,691 homes were sold during the final quarter of 2019, representing a 3.7% increase compared to the fourth quarter of 2018.
- In Northern Idaho, Bonner County experienced a significant increase in sales — up 28.3% over the third quarter of 2018. However, Bonner is a small county so significant swings are not unusual. In Southern Idaho, sales also jumped in Payette County. The declines in total sales in three counties are, again, a function of the small number of transactions that took place in those markets.
- Year-over-year sales growth was positive in two Northern Idaho counties and four Southern Idaho counties relative to the same period a year ago.
- Pending sales dropped 32.5% over the third quarter of 2019, suggesting that closed sales in the first quarter of 2020 are likely to be lower than current figures.

ANNUAL CHANGE IN HOME SALES Q4-2018 TO Q4-2019



HOME PRICES

- The average home price in the region rose 11.7% year-over-year to $377,011 and sale prices were 2.5% higher than in the third quarter of 2019.
- In Northern Idaho, Shoshone County led the market with the strongest annual price growth, but it is worth noting that the other two counties also saw double-digit price appreciation. In Southern Idaho, Boise County home prices leapt by more than 37%, and there were notable increases in Canyon, Gem, and Ada counties.
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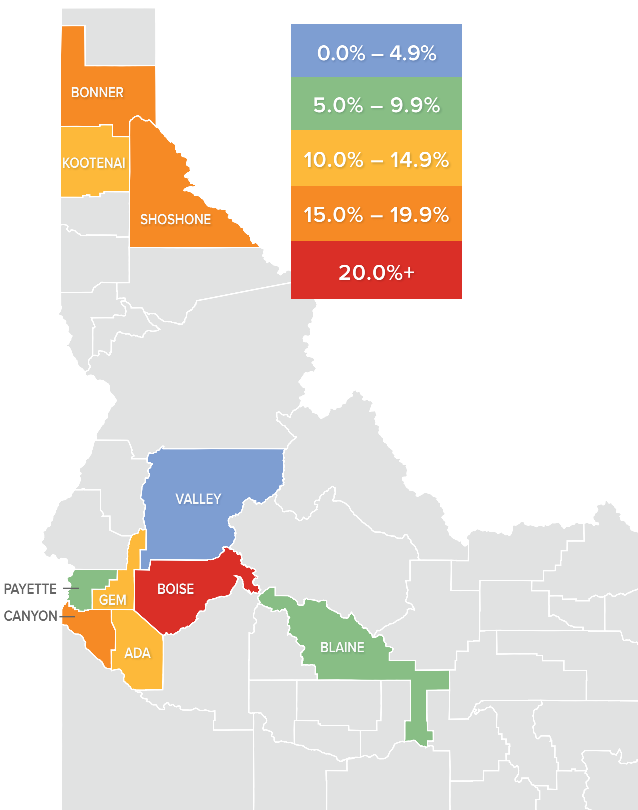
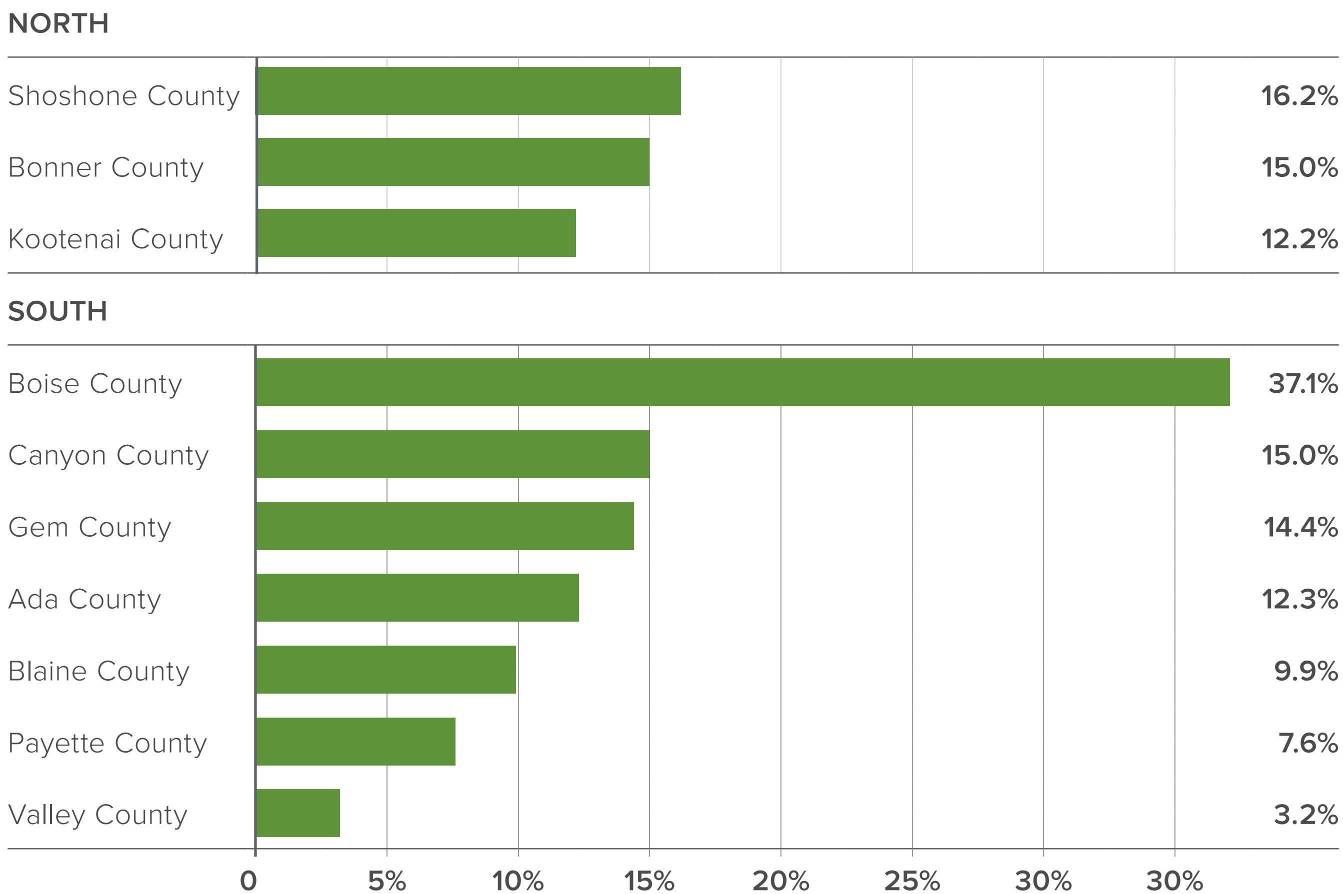


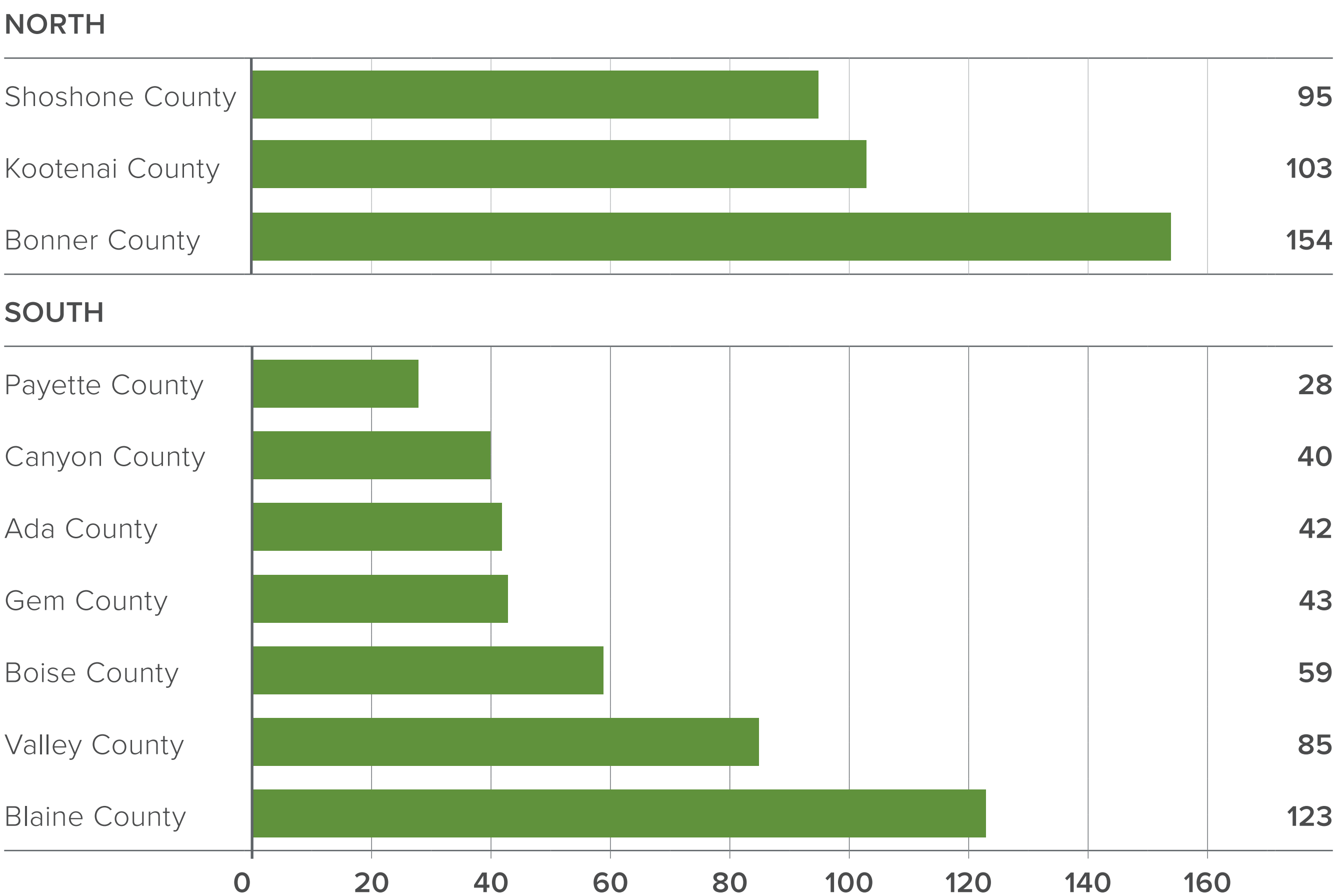
ANNUAL CHANGE IN HOME SALE PRICES — Q4-2018 TO Q4-2019



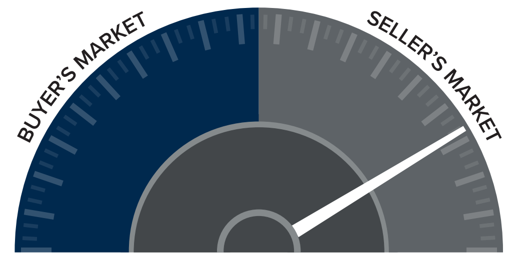
DAYS ON MARKET

- It took an average of 117 days to sell a home in Northern Idaho and 60 days in the southern part of the state.
- The average number of days it took to sell a home in the region dropped 9 days compared to the fourth quarter of 2018, but it took 11 days longer to sell a home compared to the third quarter of 2019.
- In Northern Idaho, days on market rose in Bonner and Kootenai counties, but dropped in Shoshone County. In Southern Idaho, market time dropped in Payette, Gem, Boise, and Blaine counties, but rose in Valley, Canyon, and Ada counties.
- Homes sold the fastest in Payette, Canyon, and Ada counties.

DAYS ON MARKET Q4-2019



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.

Job growth is impressive and, as we all know, economic/job growth drives demand for housing, which continues to bode well for the Idaho market. Price growth remains impressive, but one must wonder how long this rapid trend in price growth can continue.

Even though I do expect to see slower price appreciation at some point in the future, it is unlikely to happen any time soon. As such, it remains staunchly a seller's market so I have moved the needle a little more in their direction.

ABOUT MATTHEW GARDNER

As Chief Economist for Windermere Real Estate, Matthew Gardner is responsible for analyzing and interpreting economic data and its impact on the real estate market on both a local and national level. Matthew has over 30 years of professional experience both in the U.S. and U.K.

Matthew also sits on the Washington State Governors Council of Economic Advisors; chairs the Board of Trustees at the WA Center for Real Estate Research; and is an Advisory Board Member at the Runstad Center for Real Estate Studies at the University of Washington where he also lectures in real estate economics.