

# The Outlook for Real Estate and Construction

Brandon Bridge  
Economist and Director of Forecasting  
Bureau of Business and Economic Research  
University of Montana



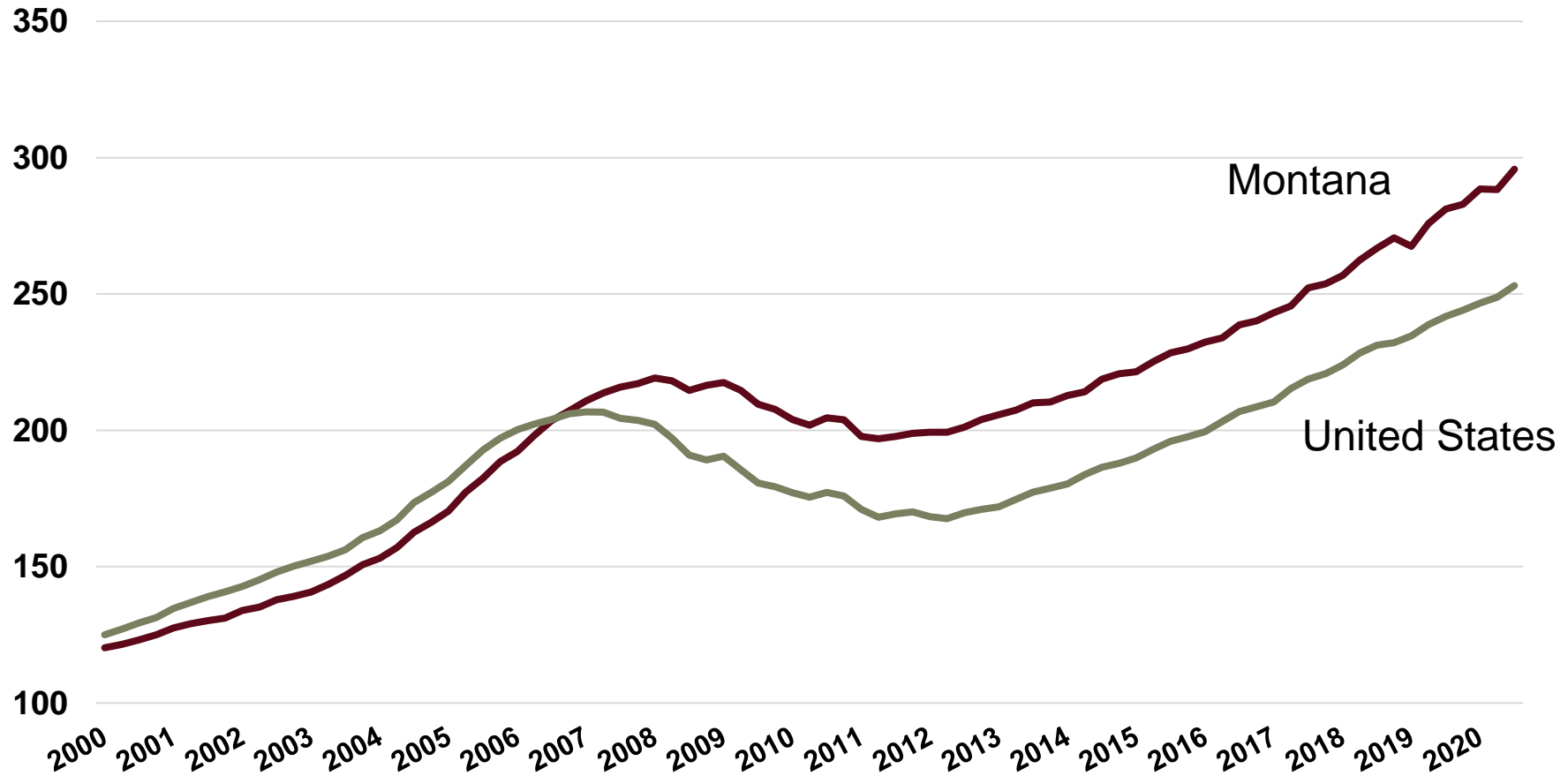
# Seller's Market Booms

- Strong volumes nationally
- Steady price increases
- Tight Inventories
- Fast moving
- Local markets booming
- Bifurcated market entrenches
- Affordability getting worse
- 2020 economic uncertainty



# Strong Housing Price Growth Since 2011

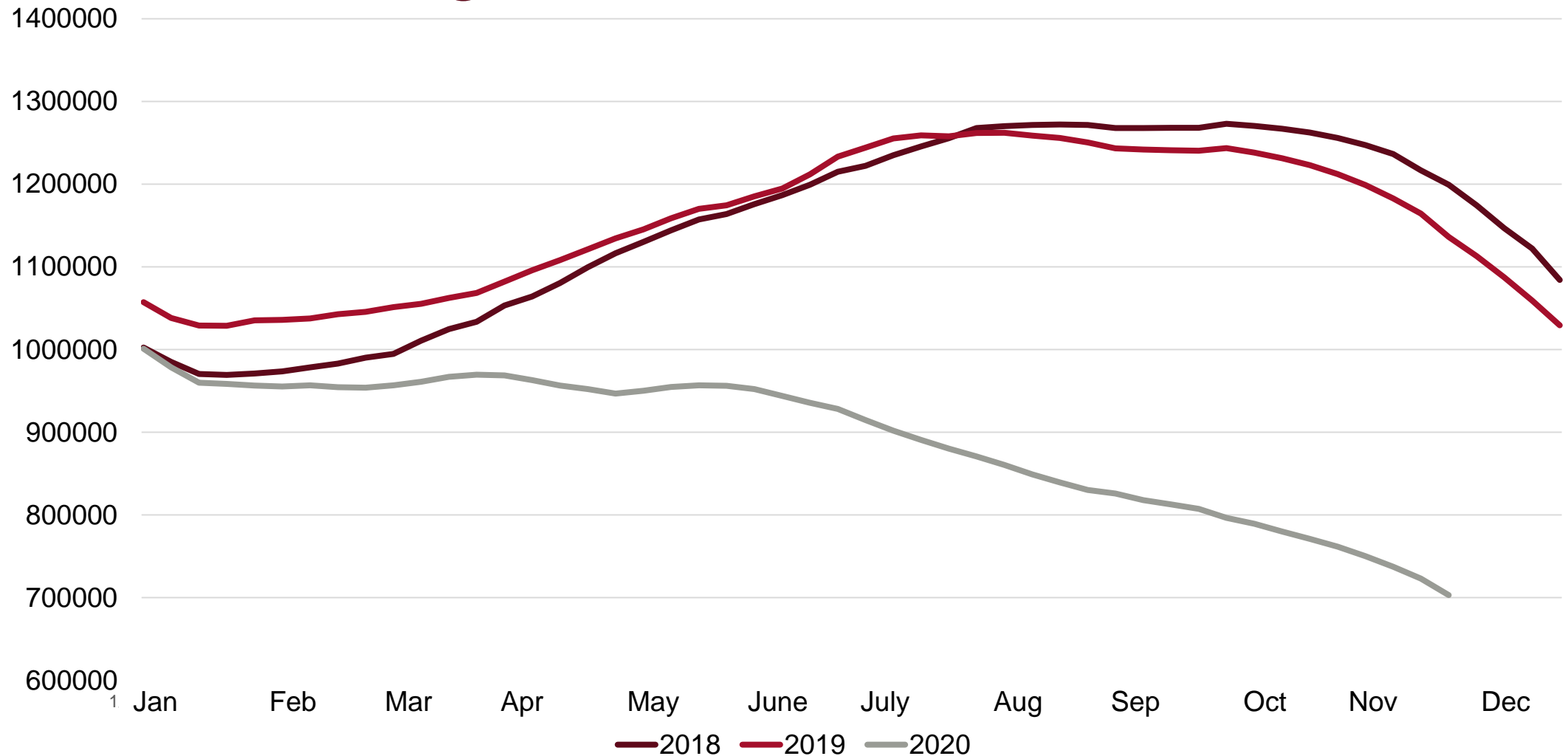
FHFA Housing Price Index, U.S., 1995=100



Source: Federal Housing Finance Agency



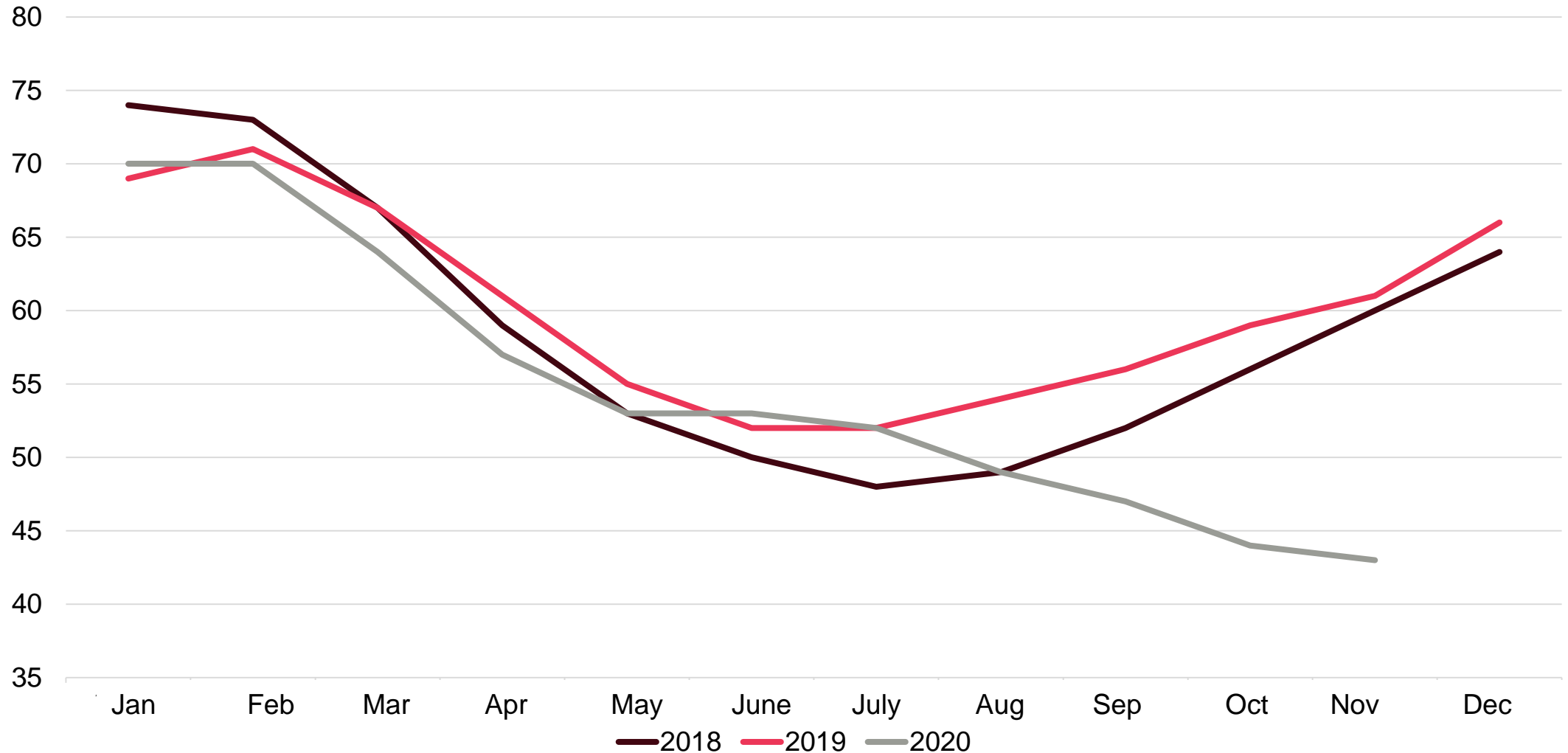
# Tight Inventories U.S.



Source: Zillow Real Estate Research



# Days to Pending Sale U.S.



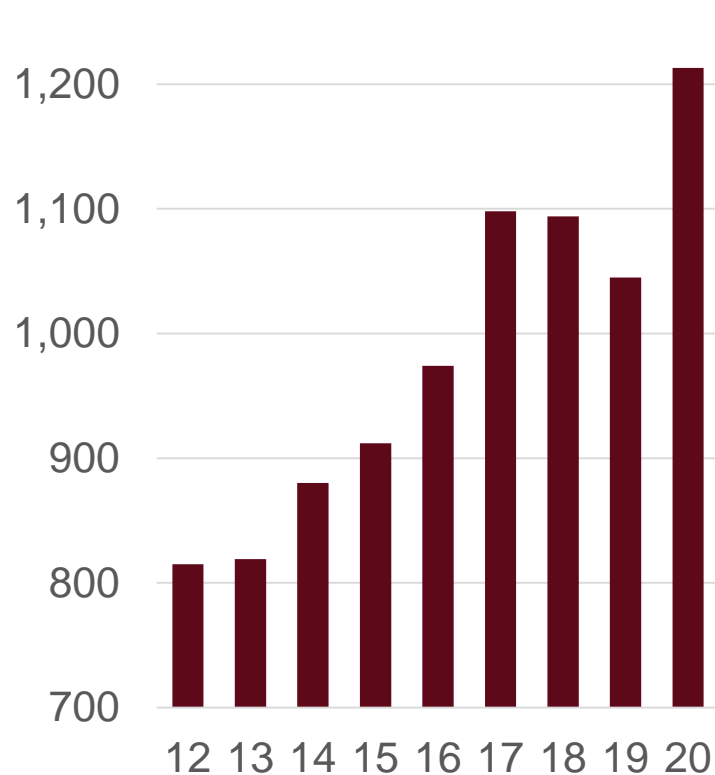
Source: Zillow Real Estate Research



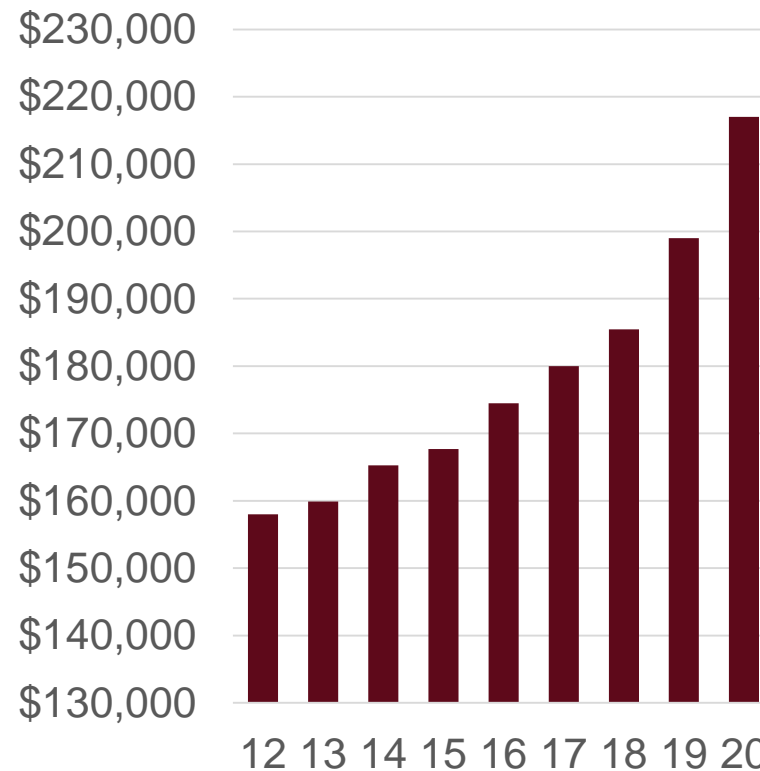
# Markets Booming

Cascade County Market Statistics for Single Family Homes

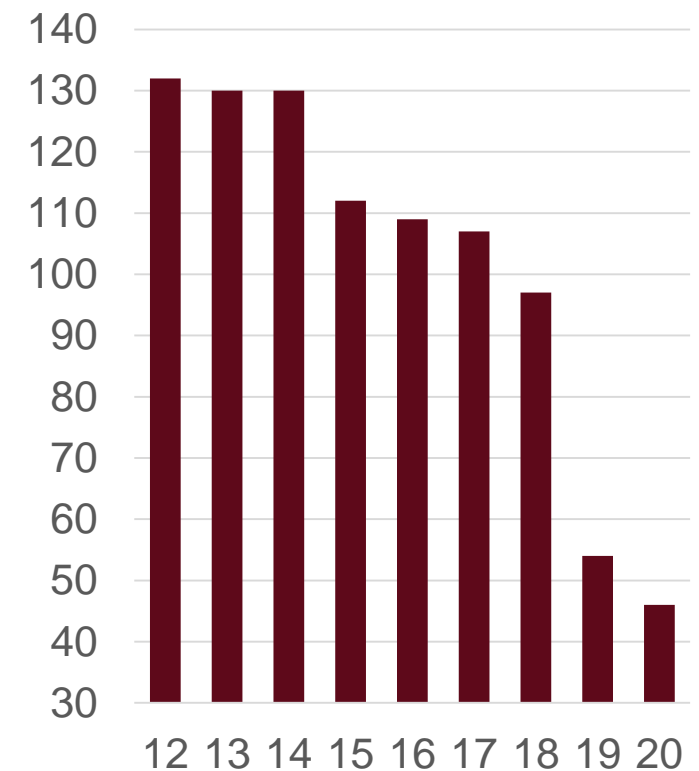
### Number of Sales



### Median Sale Price



### Days on Market



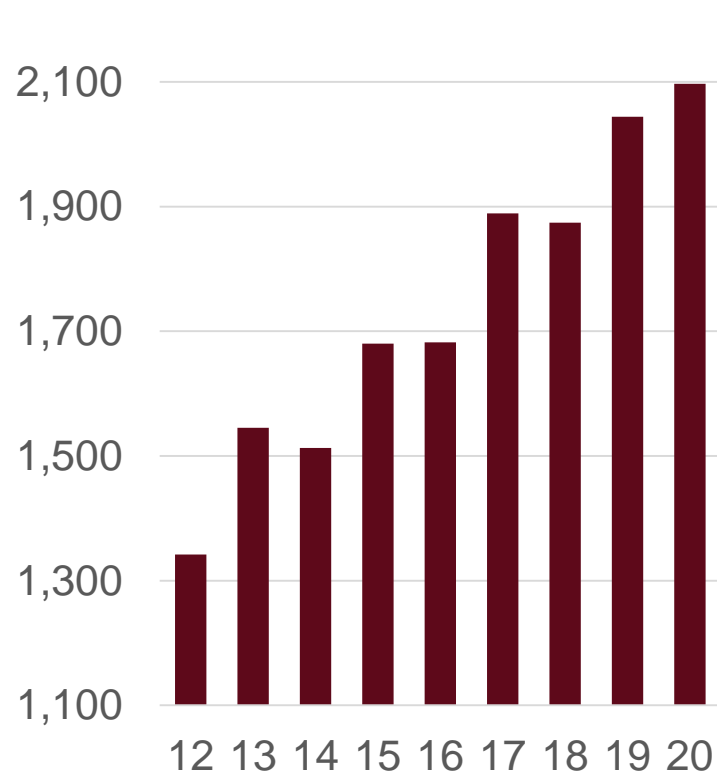
Source: Great Falls Association of Realtors.



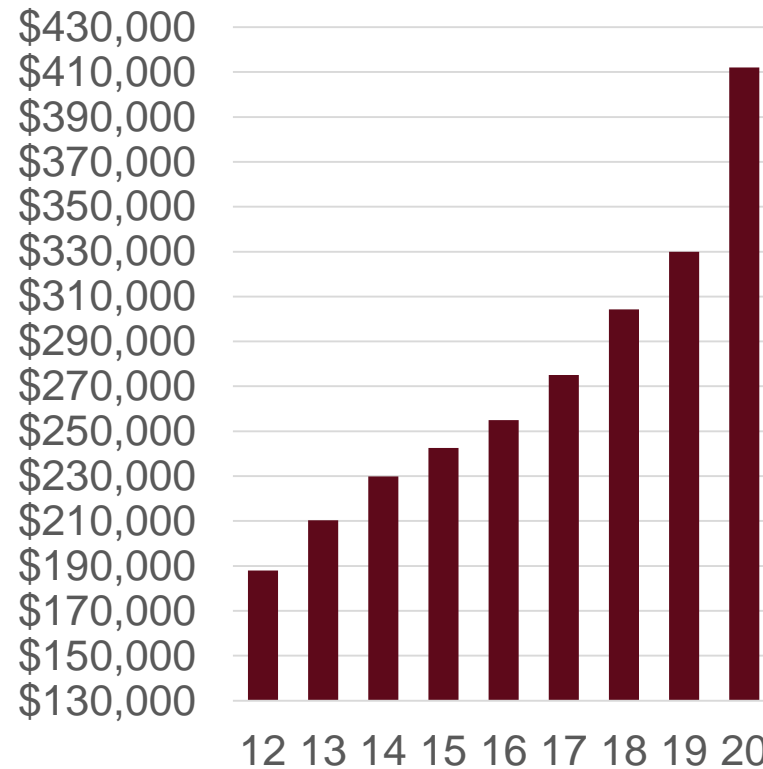
# Markets Booming

Flathead County Market Statistics for Single Family Homes

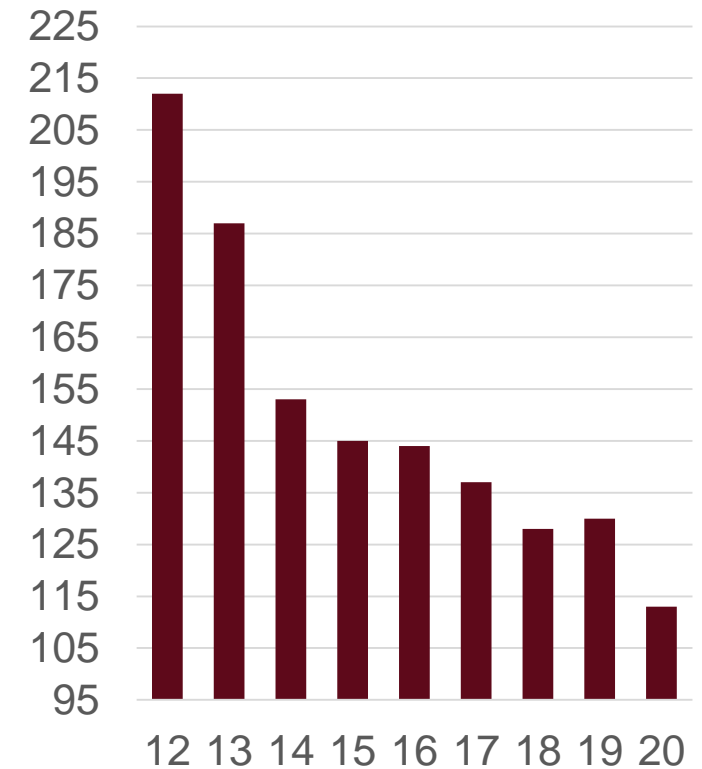
Number of Sales



Median Sale Price



Days on Market

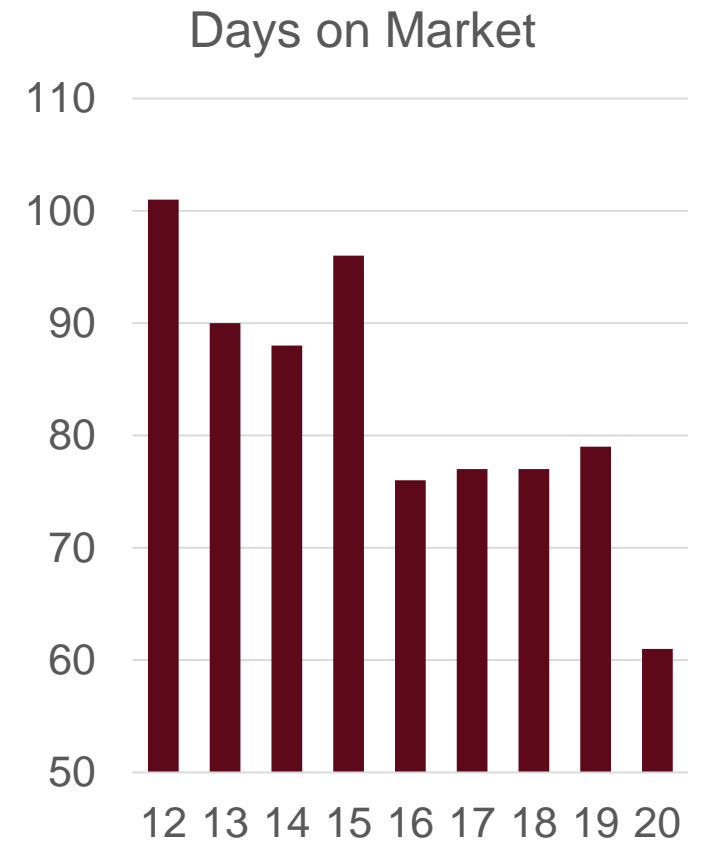
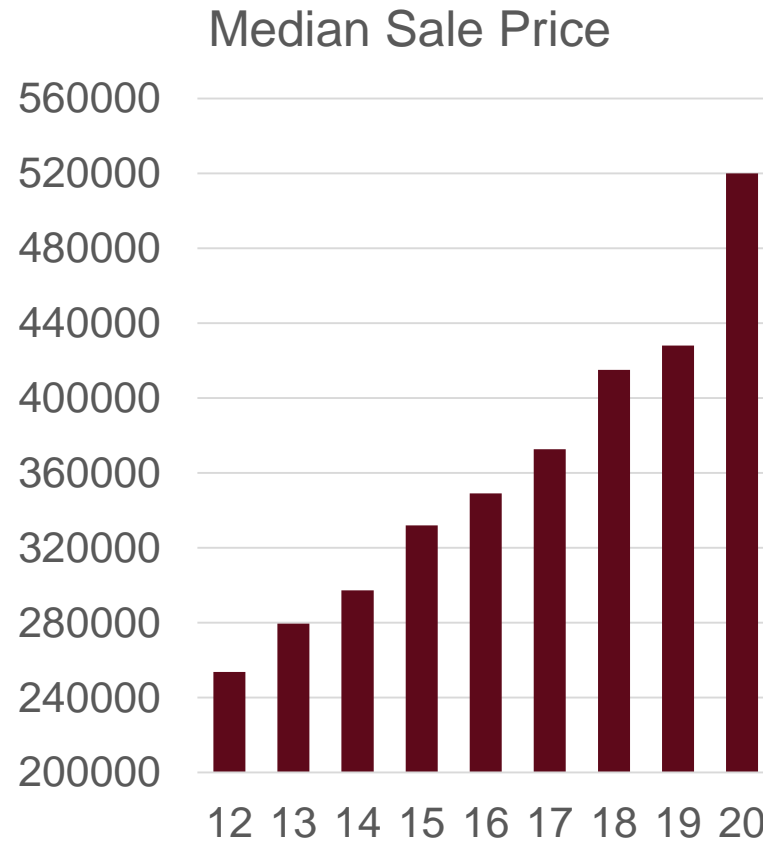
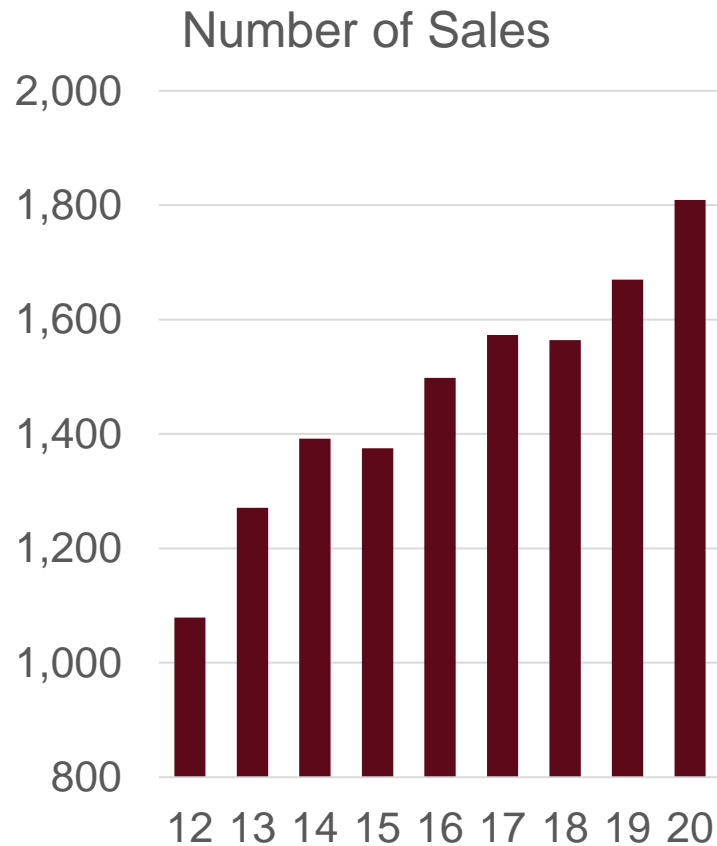


Source: Montana Regional MLS.



# Market Booming

Gallatin County Market Statistics for Single Family Homes



Source: Gallatin Association of Realtors.

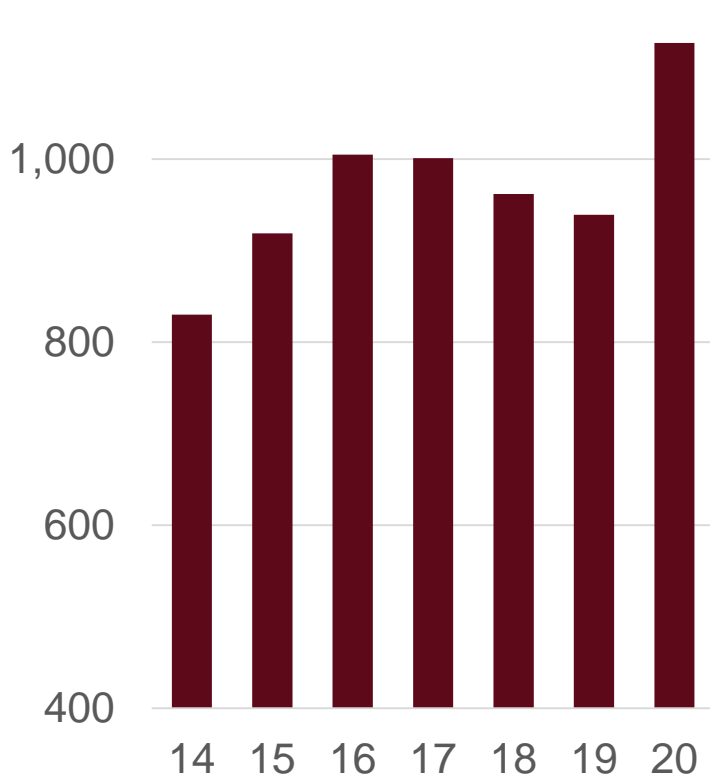




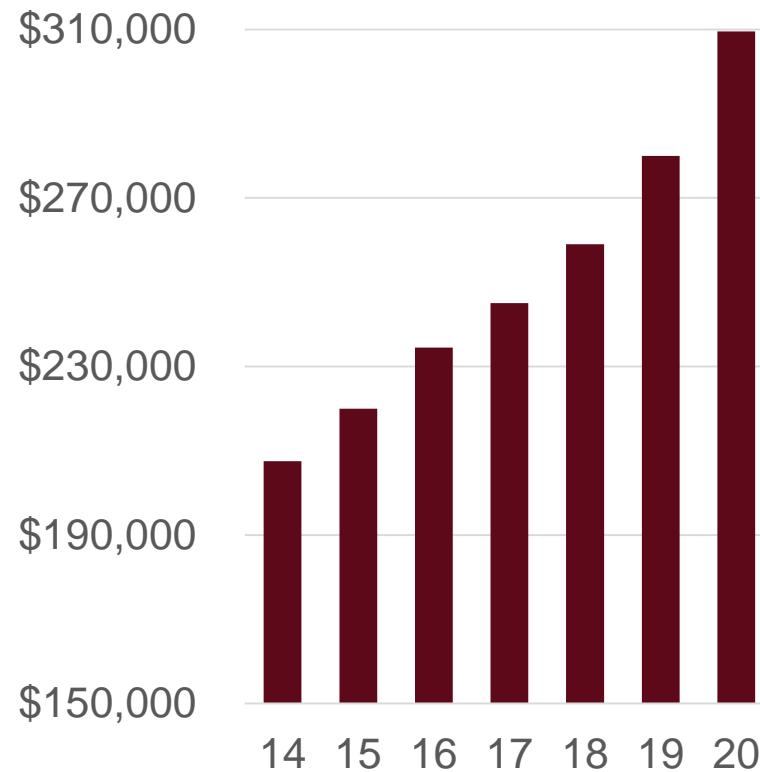
# Markets Booming

Lewis & Clark County Market Statistics for Single Family Homes

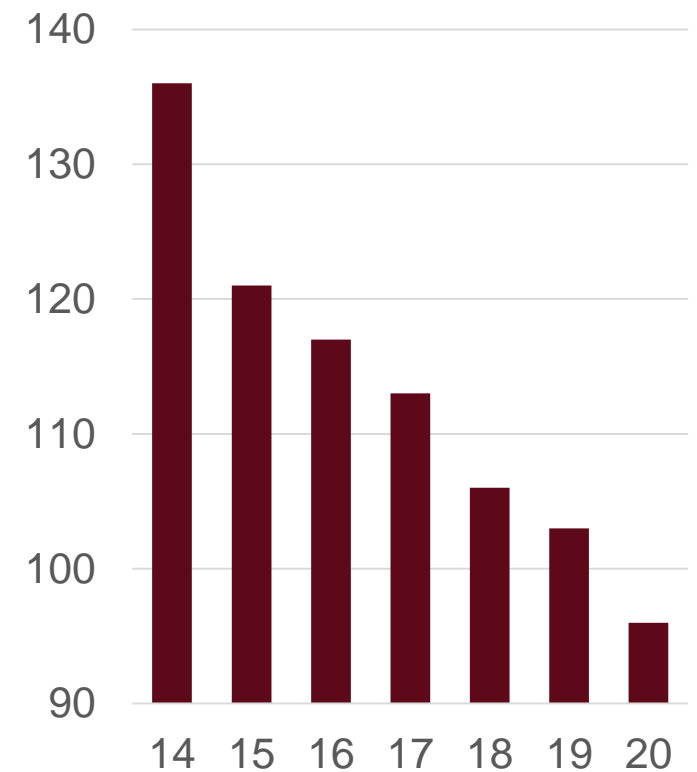
Number of Sales



Median Sale Price



Days on Market

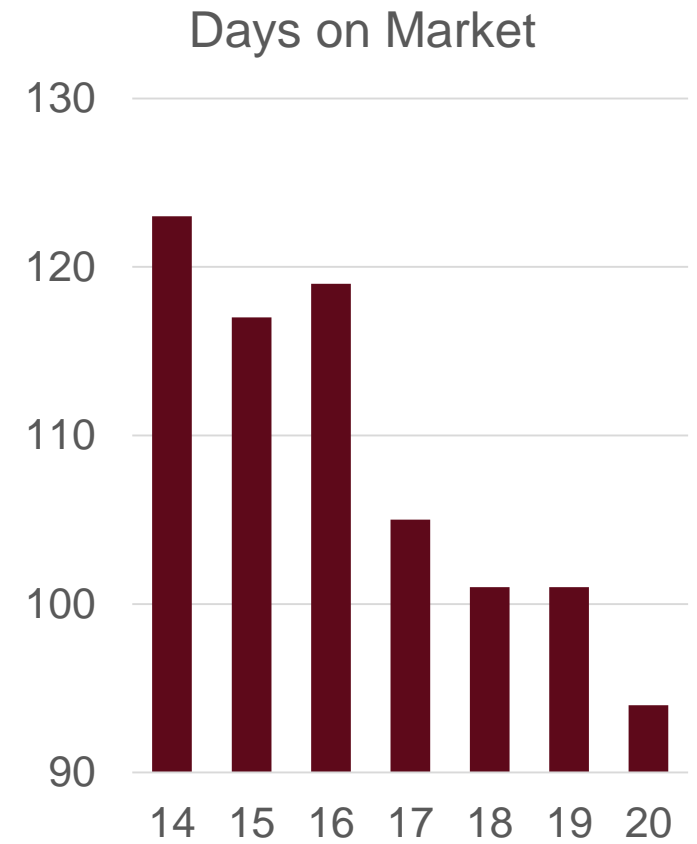
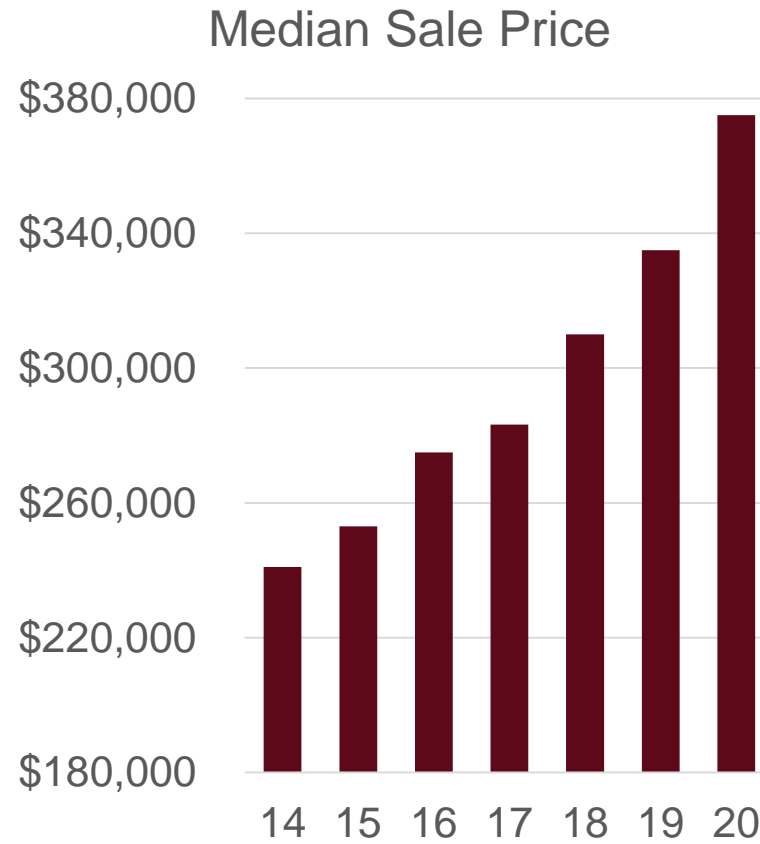
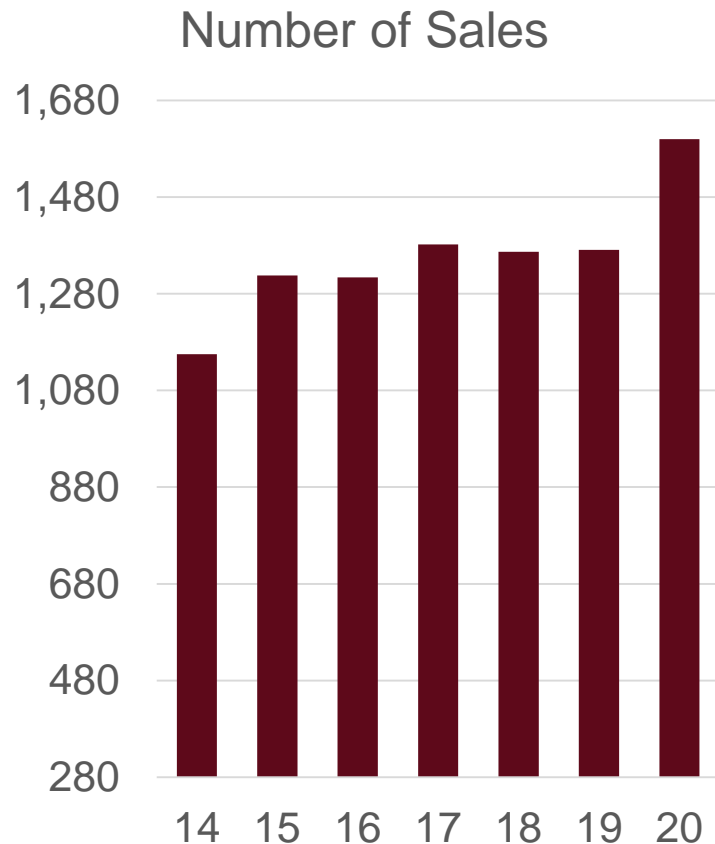


Source: Montana Regional MLS.



# Markets Booming

Missoula County Market Statistics for Single Family Homes

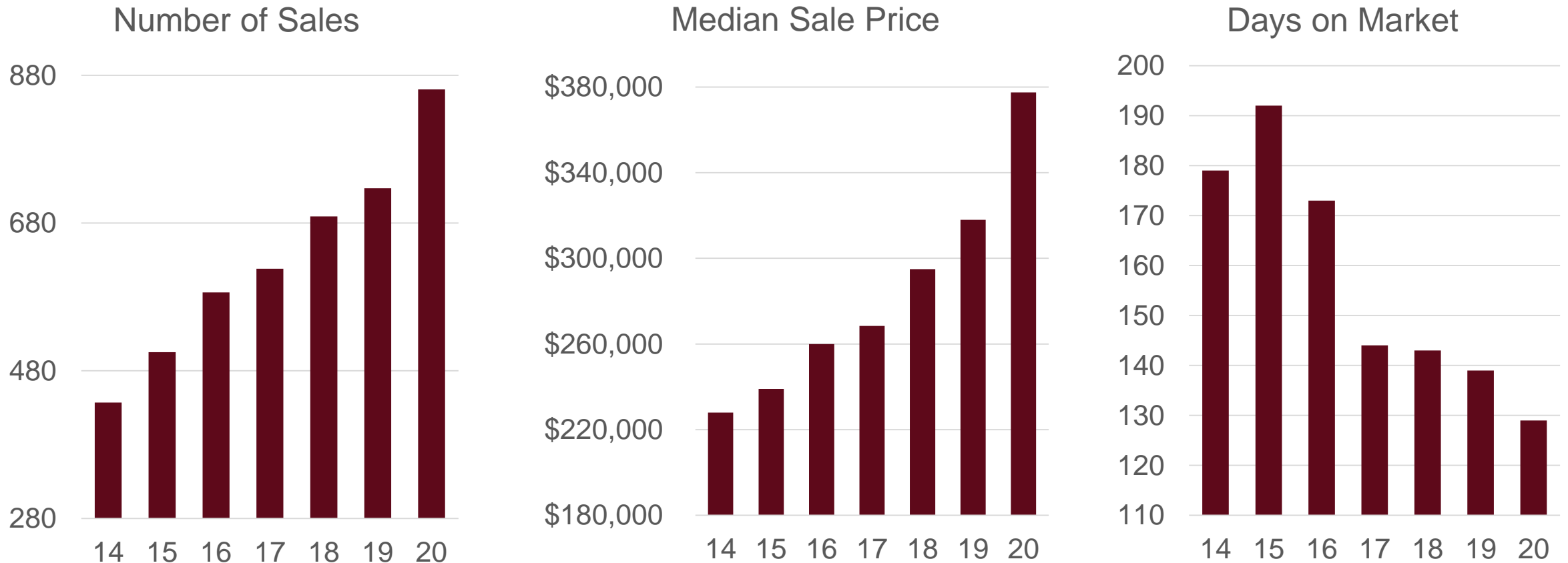


Source: Montana Regional MLS.



# Markets Booming

Ravalli County Market Statistics for Single Family Homes

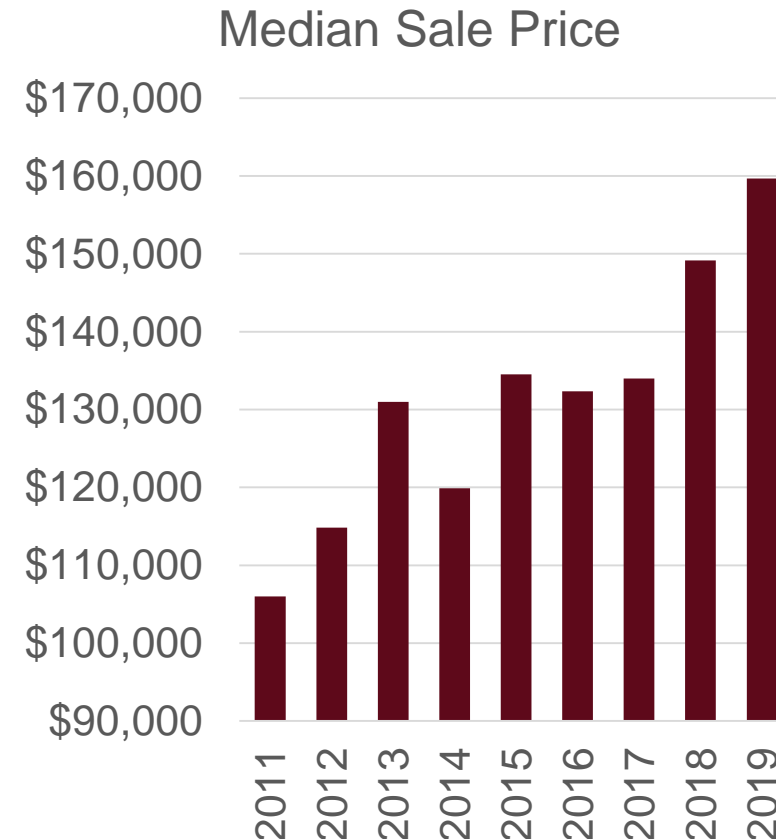
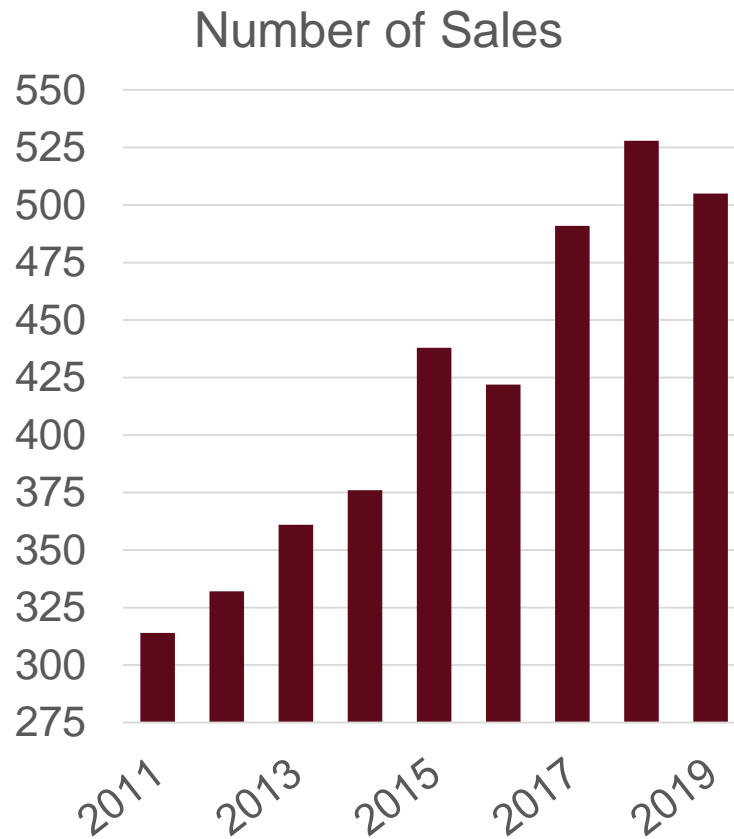


Source: Montana Regional MLS.



# Markets Looking Healthier

Silver Bow County Market Statistics

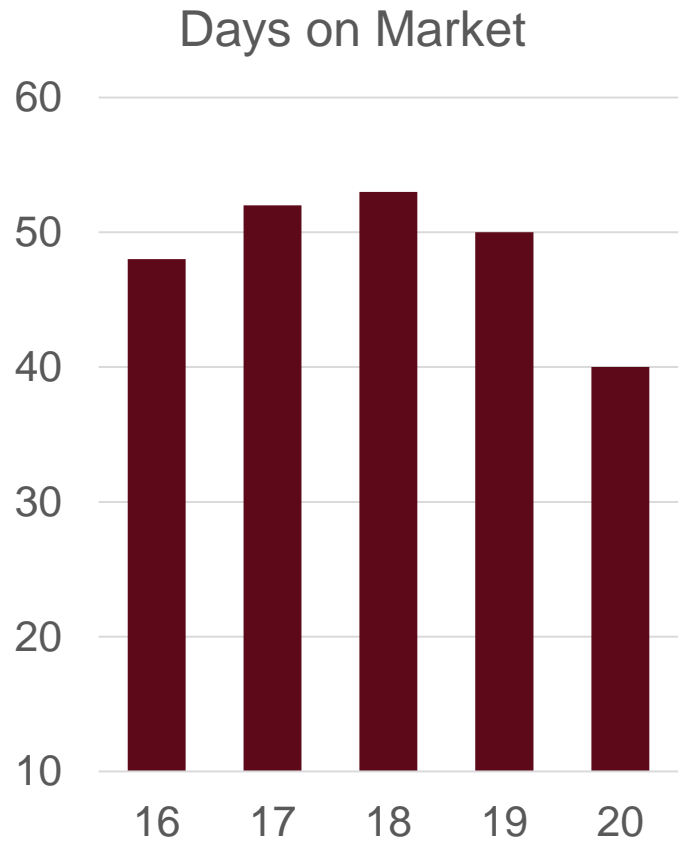
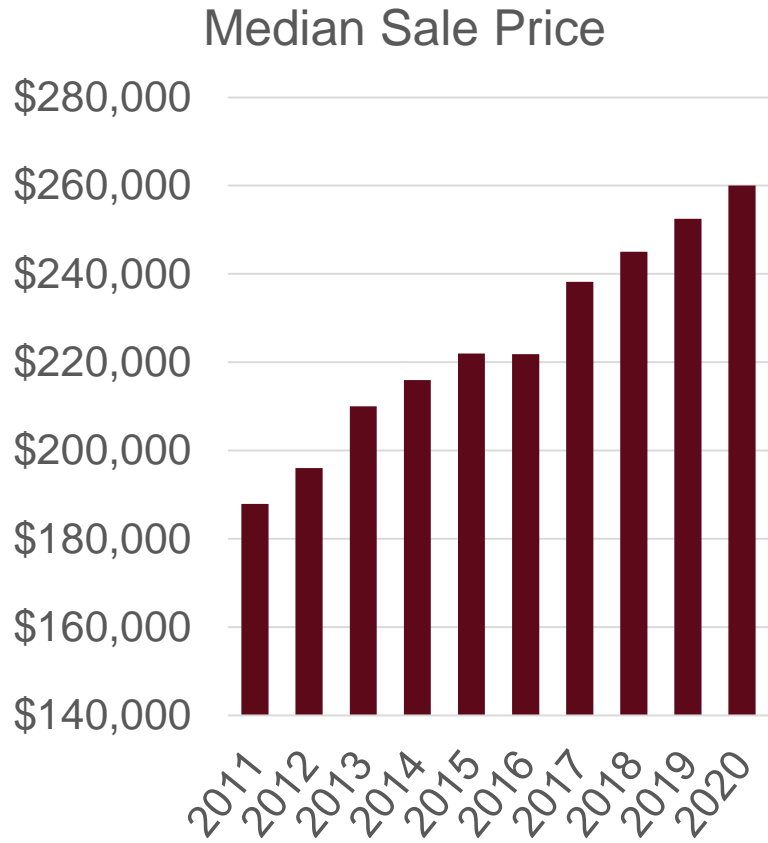
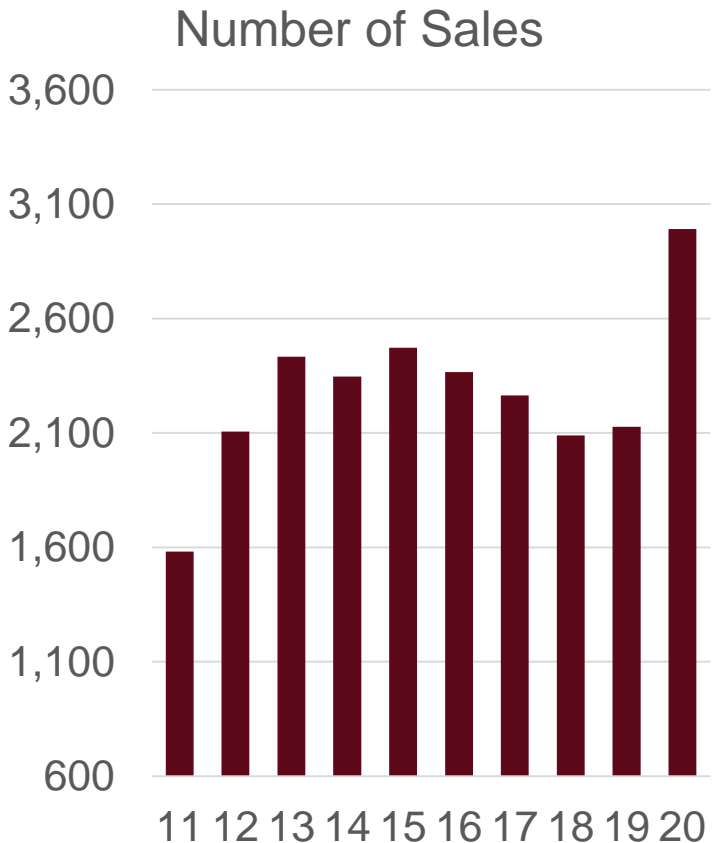


Source: Montana Department of Revenue.



# Markets Booming

Yellowstone County Market Statistics

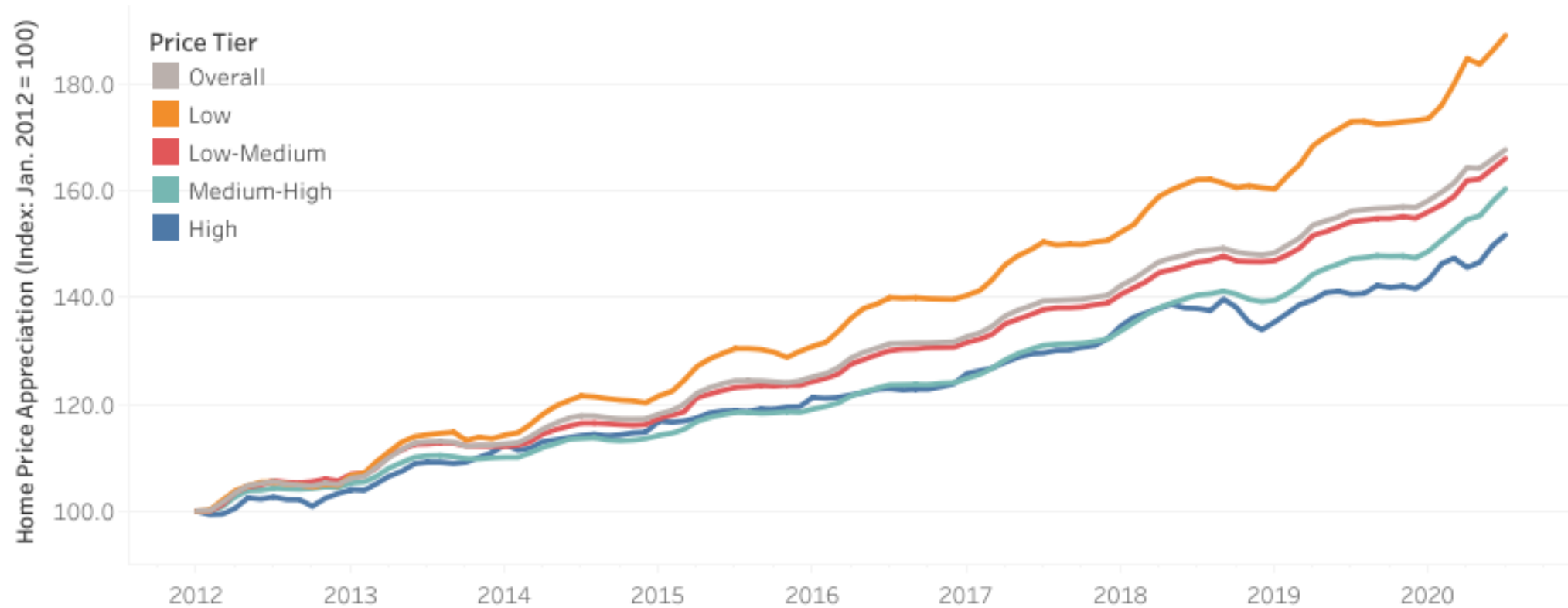


Source: Billings Association of Realtors

# AFFORDABILITY



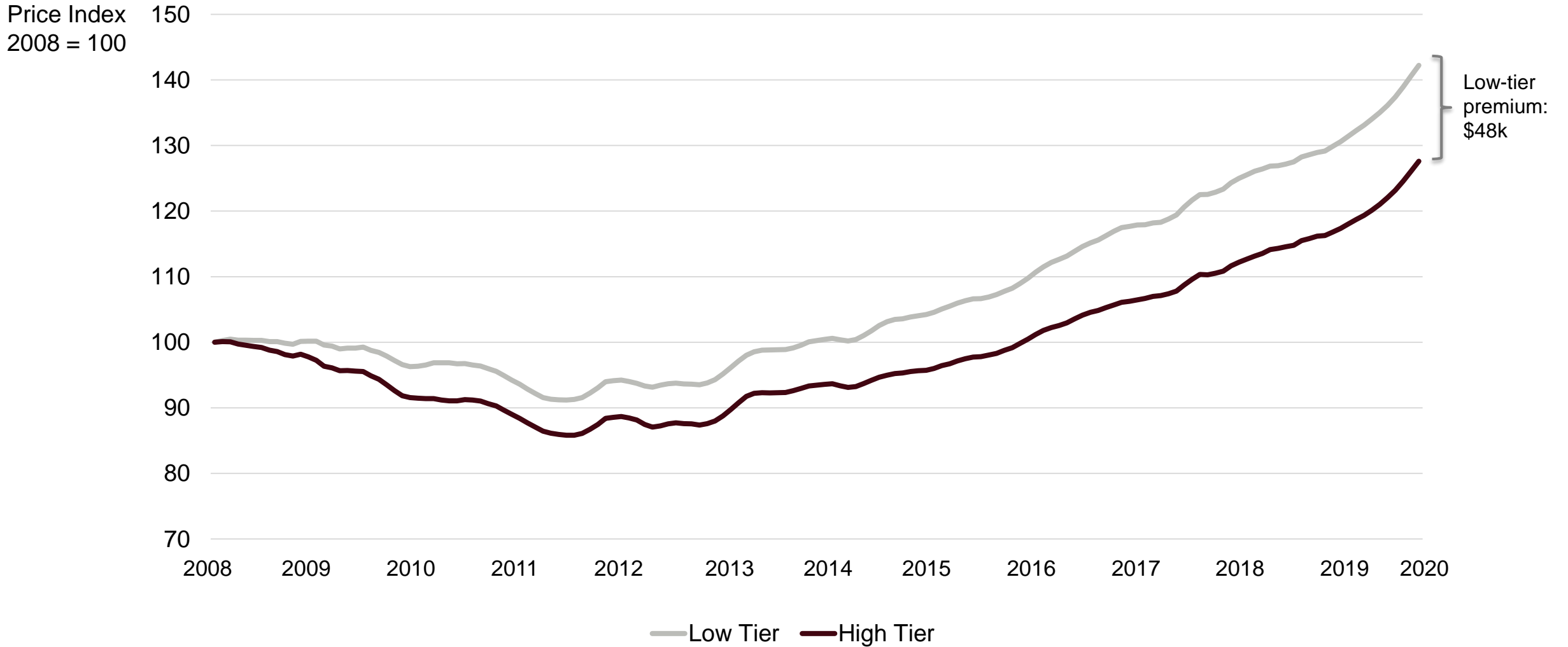
## National Price Growth Not Evenly Distributed Across Price Tiers



Source: AEI Center on Housing Markets and Finance



# Missoula County HPI Since 2008 by Market Segment

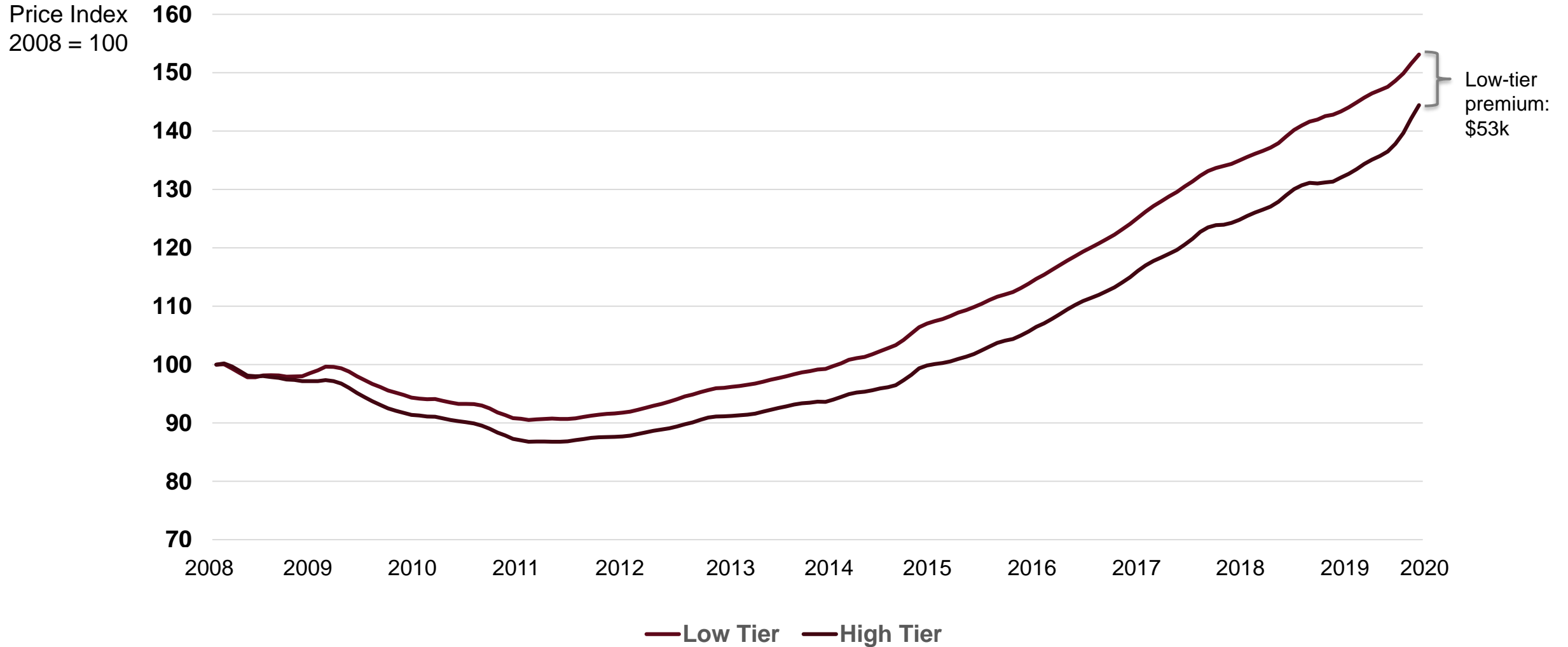


Source: Zillow Real Estate Research





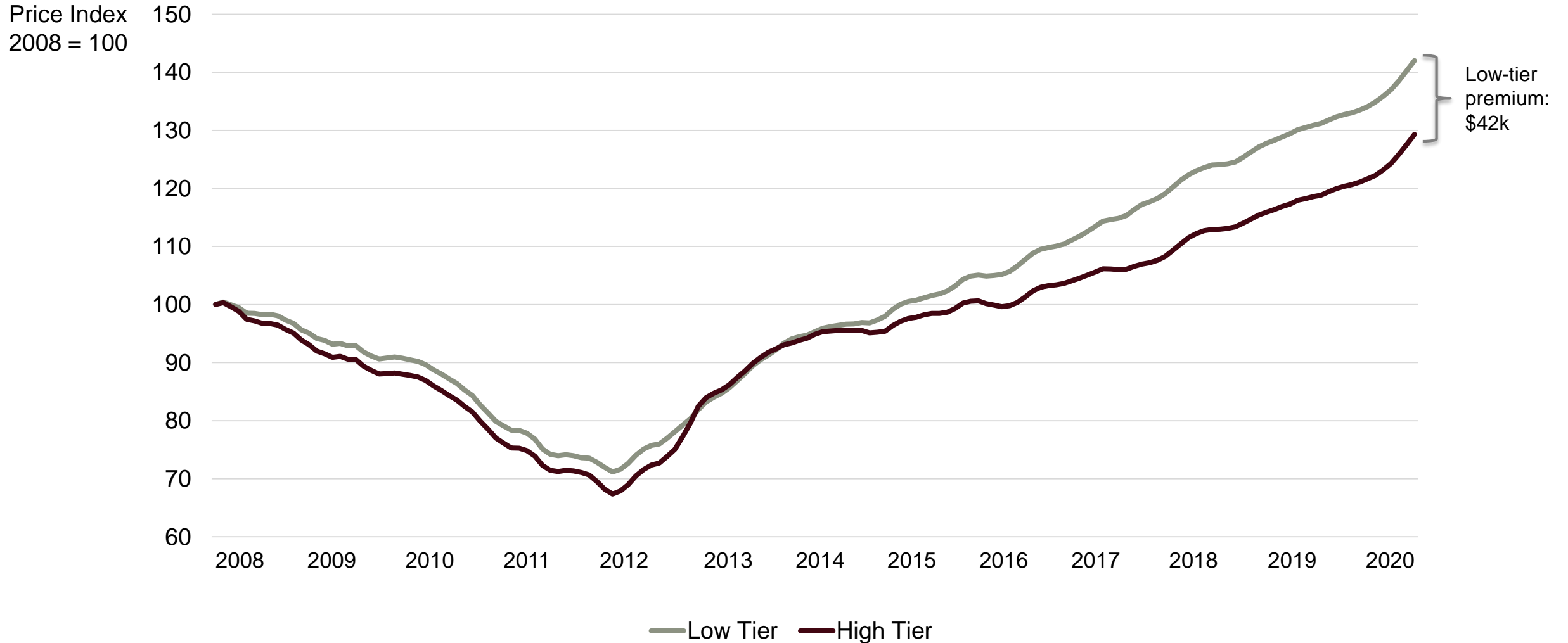
# Gallatin County HPI Since 2008 by Market Segment



Source: Zillow Real Estate Research



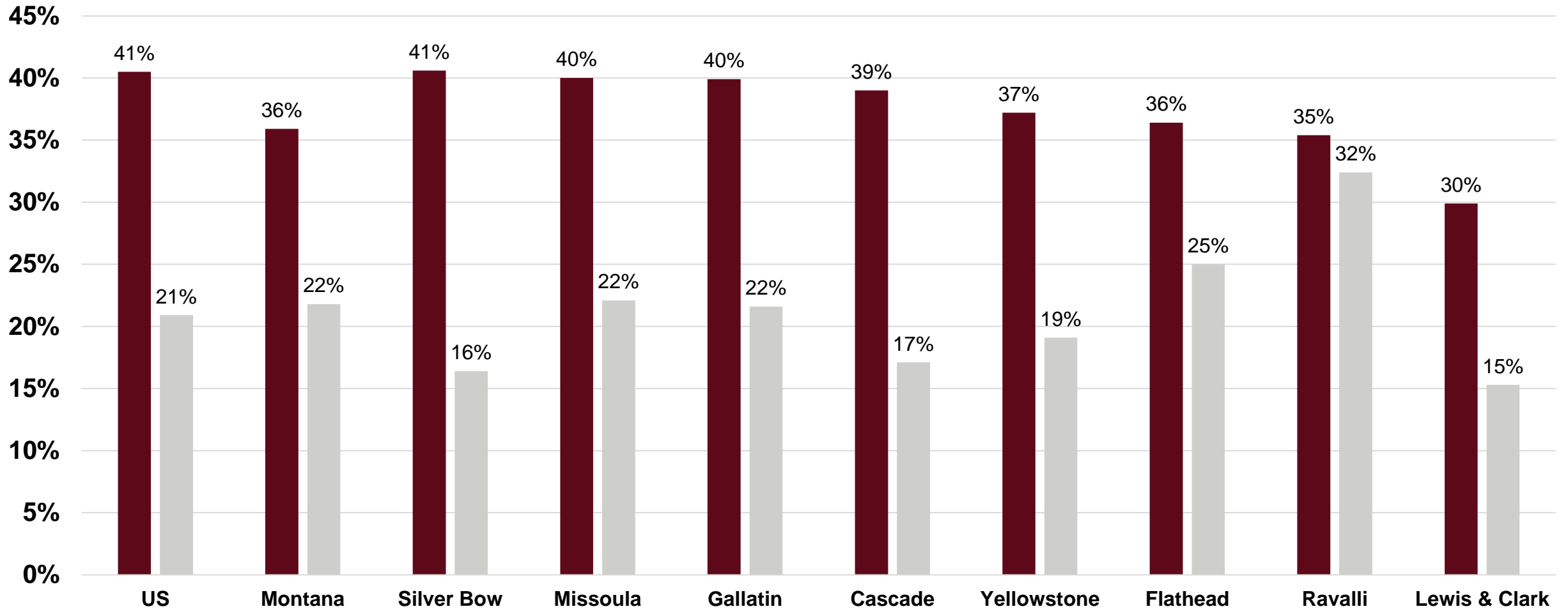
# Flathead County HPI Since 2011 by Market Segment



Source: Zillow Real Estate Research



# Percent of Households That Are Cost Burdened

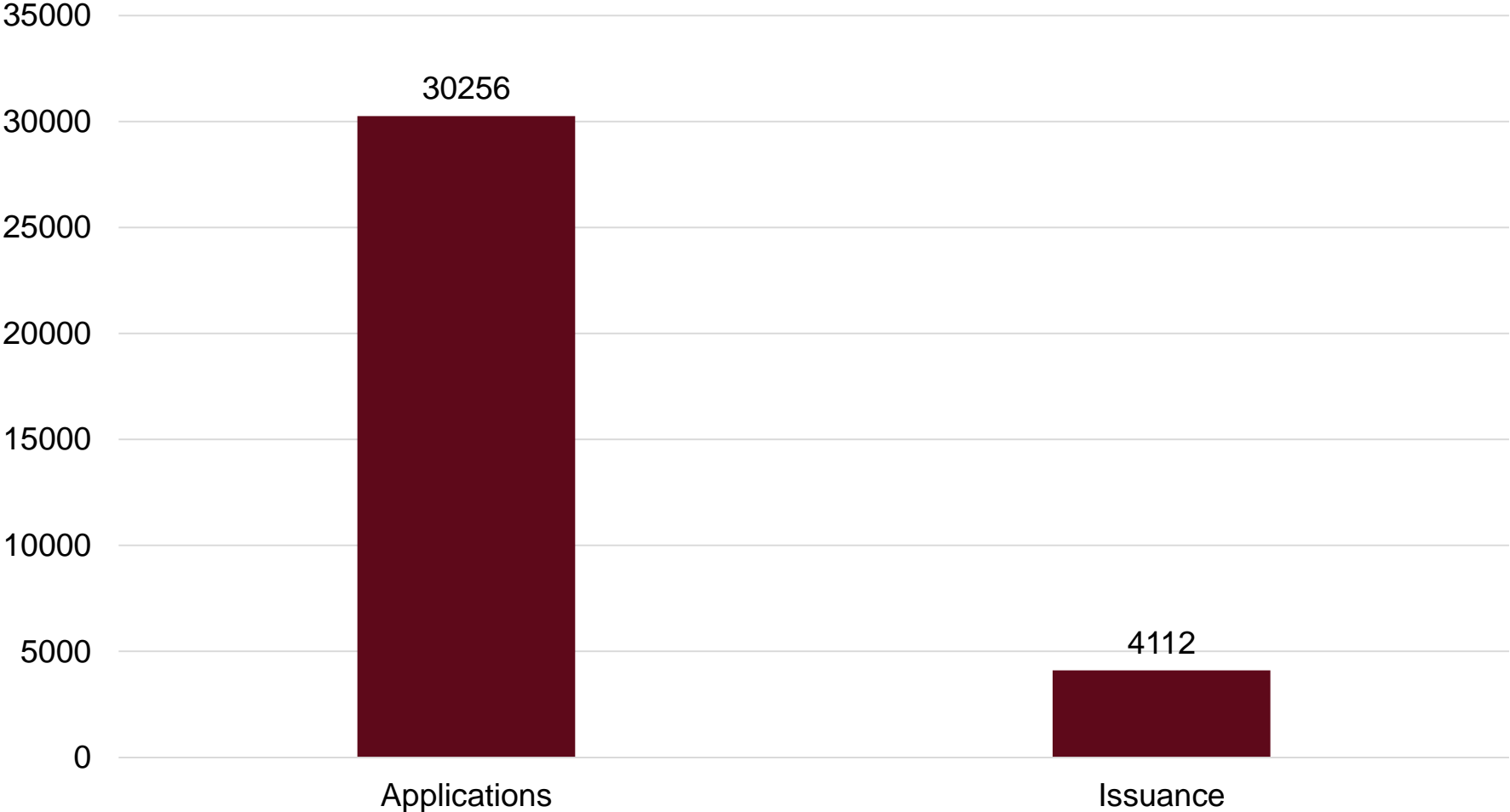


Source: U.S. Census Bureau.

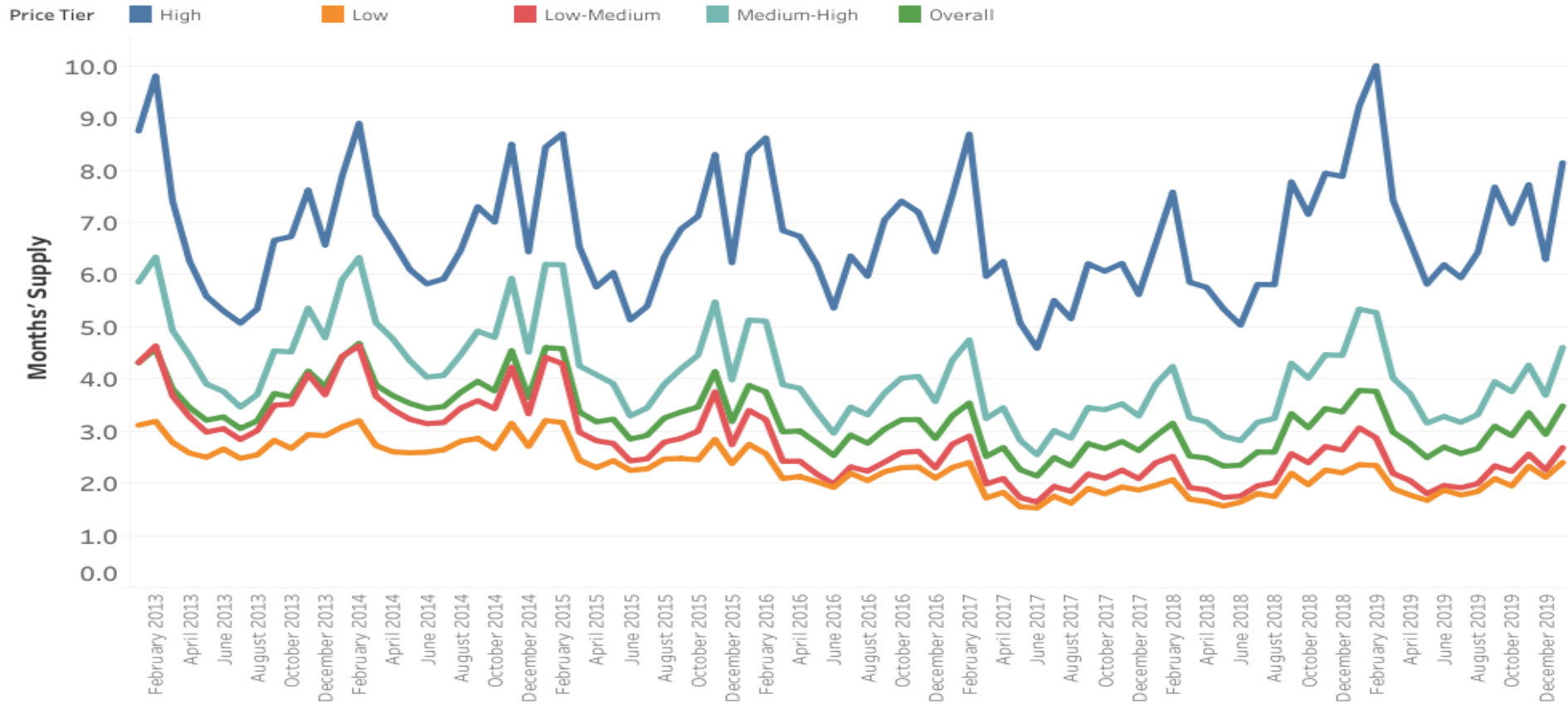
■ Renters ■ Owners



# Montana Housing Choice Vouchers Since 2016



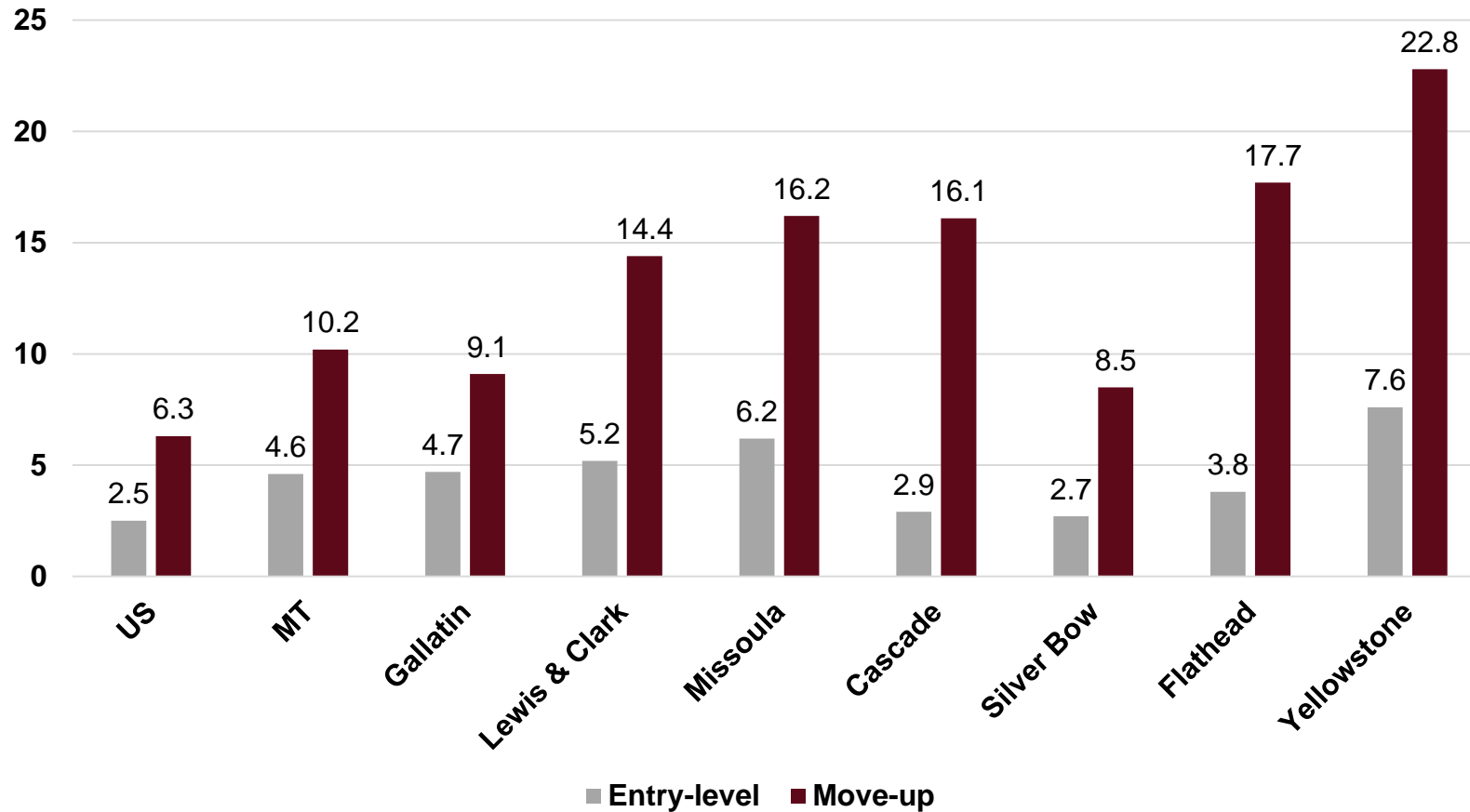
# Months Supply of Homes by Market Segment: US Time Series



Source: AEI Center on Housing Markets and Finance



# Months Supply of Homes by Market Segment

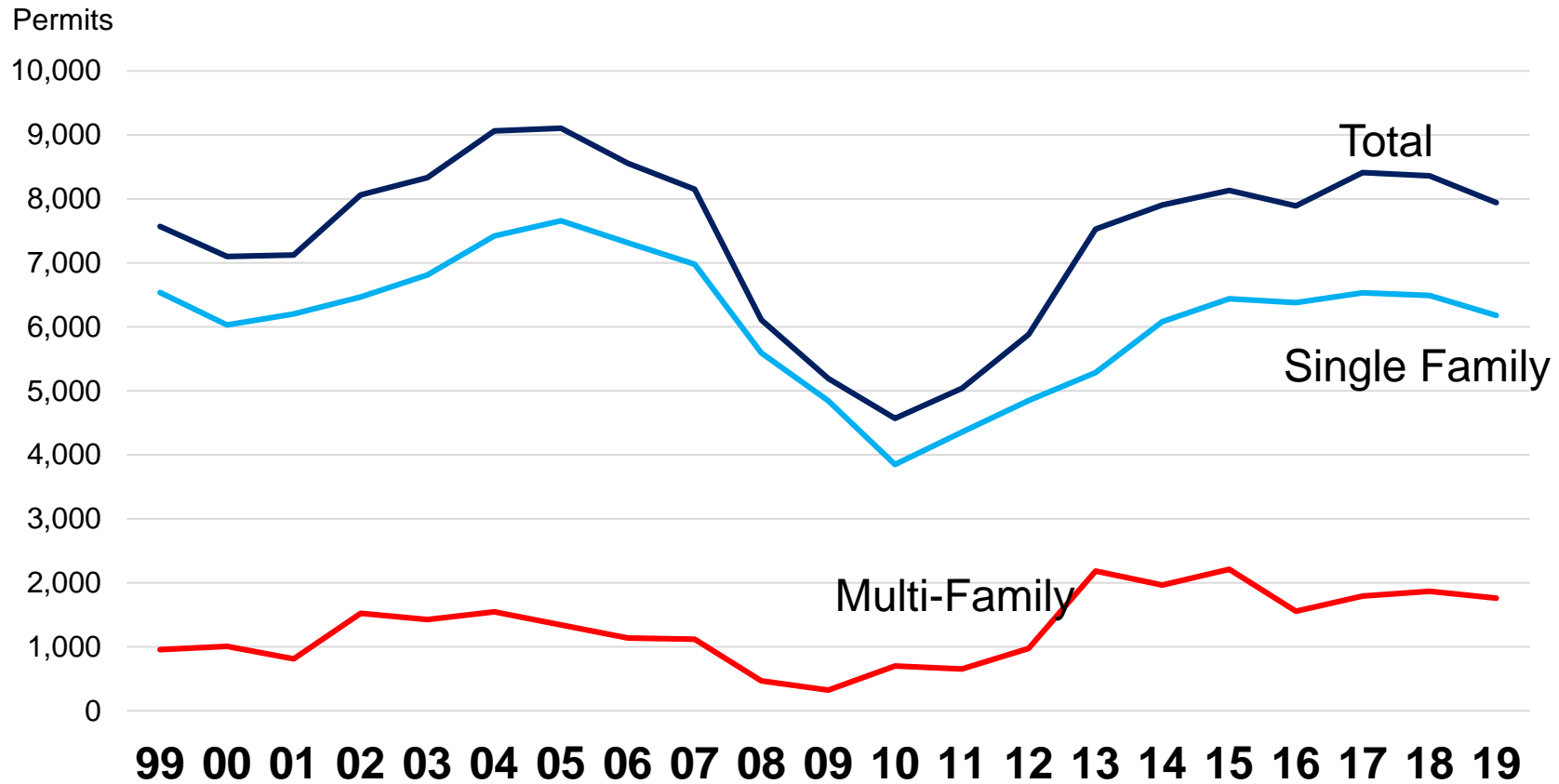


Source: American Enterprise Institute

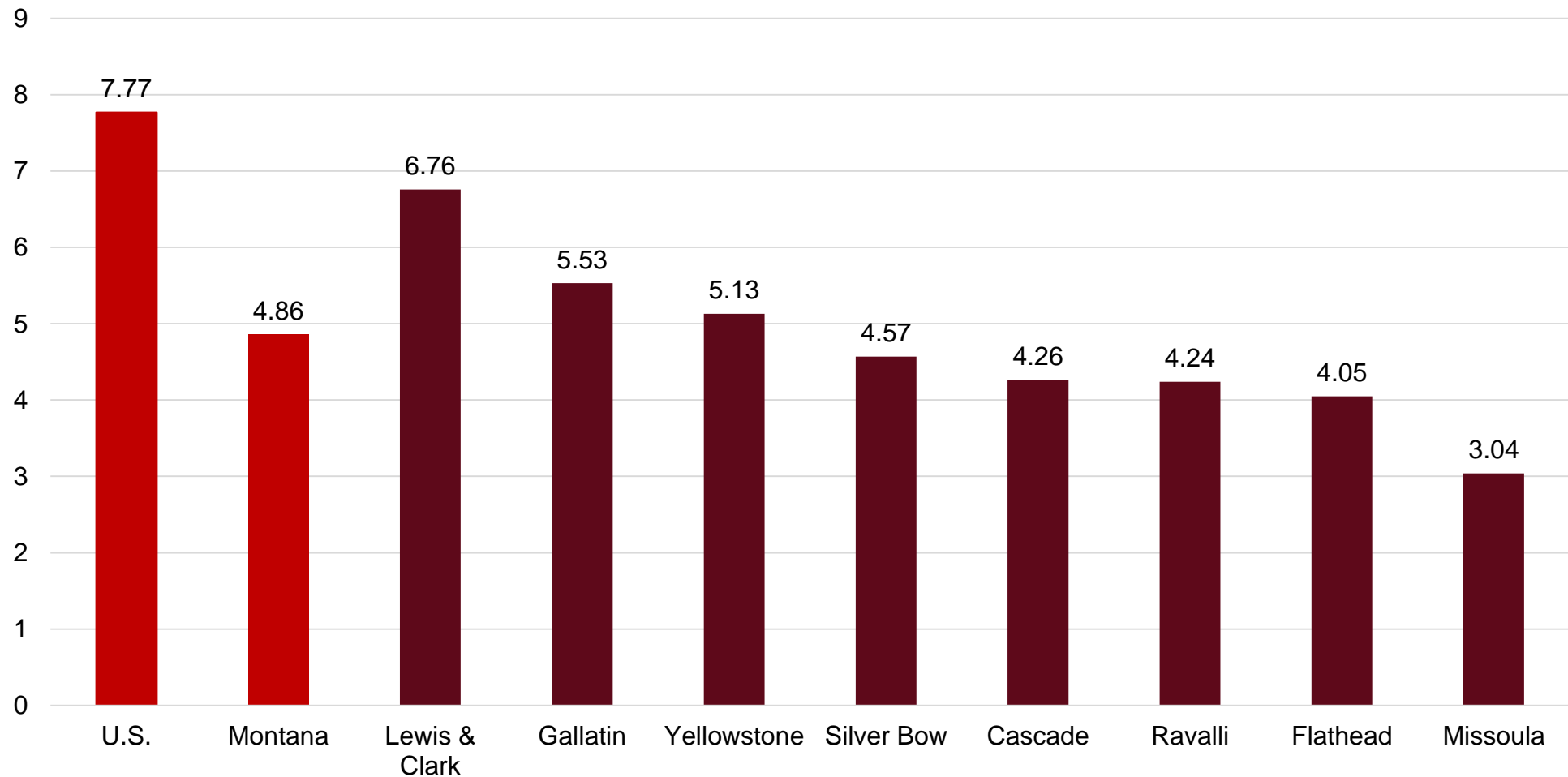


# New Home Construction Trending Down

## Housing Permits, Montana



# FHA Loans: Percent Seriously Delinquent





# Looking Ahead to 2020

- Interest rates will stay low
- Real estate risk may increase
- Remote work will continue to spur Montana housing markets
- Affordability will get worse

