

DECEMBER 2015

the Missoula
**Residential Real Estate
 Market Update**

Williams & Associates – Windermere Missoula

SNAPSHOT

HOMES SOLD DECEMBER: 56

DAYS ON MARKET: 119

LIST-TO-SALE PRICE: 98%

AVERAGE SOLD PRICE: \$250,050

MEDIAN SOLD PRICE: \$224,750

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HOMES SOLD LAST 12 MONTHS:
 1,034

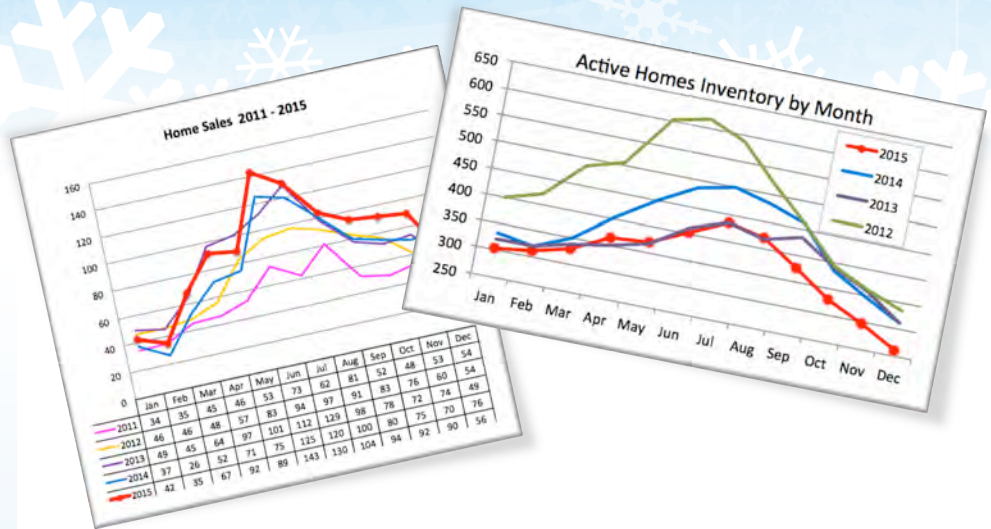
AVERAGE SOLD PRICE: \$284,225

MEDIAN SOLD PRICE: \$253,529

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HOMES LISTED FOR SALE AT
 END OF MONTH: 262

INVENTORY: 3.3 MONTHS



**Despite low inventory
 Missoula 2015 home sales grew 14%**

Residential home sales in Missoula were strong throughout 2015 despite the steady decrease in inventory and, although there was a dip in December volume, sales outpaced 2014 nearly each month of the year. The year ended with a total of 127 more sales than in 2014, a 14 percent increase. Homes continued to sell between 97 and 98 percent of asking price with homes selling, on average, in about three and a half months. There were 262 homes on the market at the end of the year.

Inventory, Homes Sold, Median Sold Price

**Inventory
 At Year-End**

2015: 262

2014: 312

2013: 313

**Homes Sold
 YTD December**

2015: 1,034

2014: 907

2013: 968

**Median Price
 YTD December**

2015: \$253,529

2014: \$240,455

2013: \$230,521



HIGHLIGHTS



Median Sold Price

Median sold price for the month of December was \$224,750. With low inventory and steady sales, median sold price grew slightly and averaged \$253,529 for the year, compared to \$240,455 in 2014, an increase of about 5.4 percent.

We anticipate median sold price will continue to increase until more, lower-priced inventory comes on the market.



Days on Market

Homes sold in December 2015 were on the market for an average of 119 days compared to 121 days in December 2014. Annually, homes sold faster in 2015 than in 2014, averaging 109 days on market in 2015 vs. 117 days in 2014.



Foreclosure/Bank Owned (REO)

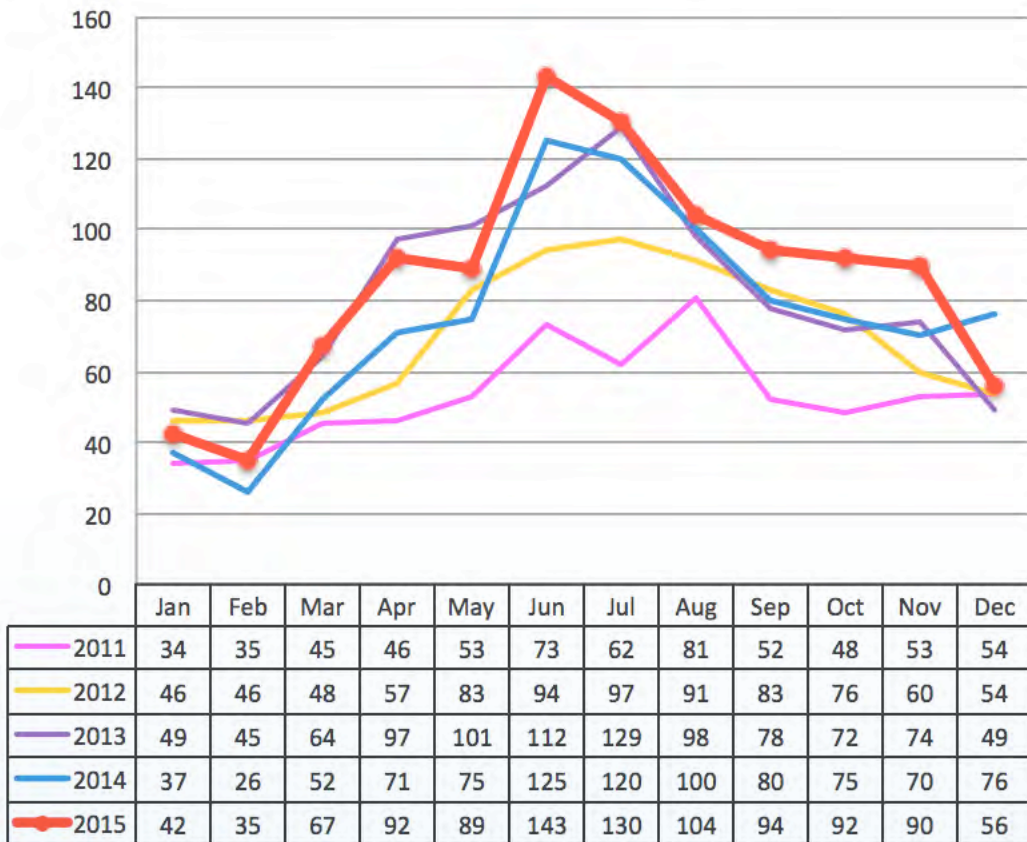
Short sale and bank owned (REO) properties accounted for about 3 percent of the active residential listings in December. At the end of the year, the Missoula MLS was reporting one active short sale and REO properties out of a total of 262 single-family listings.





5-Year Home Sales Trend by Month

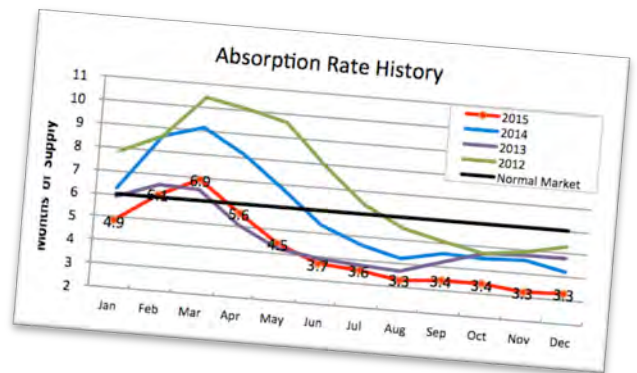
Home Sales 2011 - 2015



Absorption Rate

Absorption rate is an indicator for how fast our market is turning over. If the number of homes coming on the market is proportional to the number sold, the market will continue to strengthen. Conversely, a substantial increase in homes that are not absorbed by buyers will weaken the market.

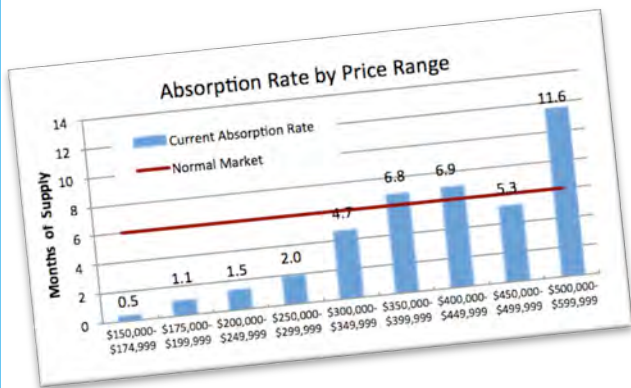
According to the National Association of Realtors, a normal market is six months of inventory. The Missoula market had about 3.3 months of inventory available at the end of the year.



Absorption Rate by Price Range

Overall, homes in Missoula are being absorbed at a faster pace than in a normal market; lower priced homes are selling at a much faster pace than higher priced homes. Most price ranges in Missoula have about 6 months or less of inventory and homes priced \$500,000 and higher are running with about twelve months of inventory or more.

About 30.3 percent of inventory turned over in December, most of the sales activity (roughly 86 percent) was in the under \$350,000 price range.



TOTAL SINGLE FAMILY HOMES	SOLD Last 3 Months	Average SOLD per Month	% SOLD Every 30 Days	SOLD This Month	UNDER CONTRACT	ACTIVE Homes	CURRENT SUPPLY # of months
under \$125,000	1	0.3	33.3%	0	1	1	3.0
\$125,000-\$149,999	3	1.0	20.0%	0	4	5	5.0
\$150,000-\$174,999	19	6.3	211.1%	7	5	3	0.5
\$175,000-\$199,999	33	11.0	91.7%	11	6	12	1.1
\$200,000-\$249,999	62	20.7	66.7%	18	22	31	1.5
\$250,000-\$299,999	48	16.0	50.0%	10	16	32	2.0
\$300,000-\$349,999	25	8.3	21.4%	2	9	39	4.7
\$350,000-\$399,999	15	5.0	14.7%	4	9	34	6.8
\$400,000-\$449,999	10	3.3	14.5%	0	4	23	6.9
\$450,000-\$499,999	8	2.7	19.0%	2	4	14	5.3
\$500,000-\$599,999	7	2.3	8.6%	2	1	27	11.6
\$600,000-\$999,999	6	2.0	8.3%	0	5	24	12.0
\$1,000,000 and over	1	0.3	2.0%	0	0	17	51.0
Total	238	79.3	30.3%	56	86	262	3.3

2015 Home Sales by Neighborhood

Of the 22 Missoula neighborhoods in our analysis, as defined by the Missoula MLS, the South Hills, Central Missoula, and Hellgate Meadows/Pleasant View/Flynn Ln/44 Ranch neighborhoods had the highest number of sales in 2015. Median prices were highest in the Upper Miller Creek, Big Flat and Grant Creek areas and homes sold the fastest in the Downtown Missoula, McCormick Park and Rose Park/Slant Street areas. These figures are presented in the following table.

Area	# Sold	Sold Volume	Median Price	Average DOM
10B-DOWNTOWN MISSOULA	18	\$3,824,500	\$213,000	67
10C-NORTH MISSOULA	17	\$3,089,550	\$186,400	77
20B-LEWIS & CLARK/RUSSELL	64	\$16,102,520	\$251,500	104
20C-PATTEE CANYN/FARVIEWS	46	\$16,330,700	\$320,000	128
30C-E MSLA/W RIVERSIDE	46	\$11,600,550	\$217,000	128
40A-SOUTH HILLS	108	\$25,642,430	\$227,250	89
40B-LINDA VISTA	78	\$26,485,420	\$334,950	131
40C-UPPER MILLER CREEK	28	\$11,165,100	\$375,000	141
50A-TARGET RANGE/ORCHARD	53	\$16,090,101	\$282,838	88
50B-BIG FLAT	18	\$9,858,900	\$496,000	186
50C-BLUE MOUNTAIN	5	\$1,821,900	\$287,000	156
50D-MULLAN RD WEST	59	\$18,139,827	\$277,500	102
10A-CENTRAL MISSOULA	134	\$25,523,106	\$188,250	93
20A-UNIVERSITY DISTRICT	42	\$16,782,666	\$370,500	100
20E-MCCORMICK PARK AREA	18	\$4,175,797	\$212,617	67
20D-ROSE PARK/SLANT ST	46	\$11,961,950	\$245,000	70
30A-LOWER RATTLESNAKE	32	\$11,265,700	\$302,500	86
30B-UPPER RATTLESNAKE	32	\$14,266,472	\$365,750	141
30D-BONNER/TURAH/CLINTON	23	\$5,674,825	\$250,000	127
50E-GRANT CREEK	32	\$13,646,848	\$405,000	138
50F-EXPRESS WAY-N of BROADWAY/S of I90	53	\$9,880,378	\$182,000	111
50G-HELLGATE MDWS/PLEASANT VIEW/FLYNN LN/44 RANCH	82	\$20,523,358	\$243,750	85



Overall Short-Term Market Outlook

Missoula's residential real estate market performance throughout 2015 demonstrated that it is still a seller's market and unless something drastic happens with inventory or interest rates over the next couple of months, it appears it will continue to be a seller's market into the first part of 2016.

2015 inventory levels were lower than 2014 levels and year-to-date sales outpaced 2014 by about 14 percent. Both inventory and sales typically decrease during the winter months but based on the sales data we have seen over the last several months, we believe homeowners who list their homes while there is still snow on the ground will see that there are plenty of qualified buyers out there looking to purchase, especially in the under \$350,000 price range.



Seller Recommendation:

As is typical for the winter months, many homeowners have taken their homes off the market. With inventory at the lowest levels we've experienced in years, 262 active listings at the end of December, there are many buyers out in the market who are unable to find a home that suits their needs and wants. We strongly recommend to sellers that they either keep their home listed or put it on the market now while there is minimal competition. Homeowners who are competitively priced may entertain multiple offers; sellers are currently getting between 97 and 98 percent of asking price.

Buyer Recommendation:

With the lowest inventory levels we've seen in years buyers are having a difficult time finding homes to purchase - so be prepared to pay between 97 and 98 percent of asking price, on average, for a reasonably priced home. Prior to beginning your search we recommend that you be prepared with a loan pre-approval letter and ready to make an offer immediately to avoid a possible multiple offer scenario. Your choice of Realtor will also be extremely important, as a proactive agent will not limit their search to the active listings on the MLS and will likely be more creative in finding homes for their buyers.

SOLD HOME HISTORY

Total Homes Sold					
MONTH	2015	% change (LM)	% change (LY)	2014	2013
Feb	35	(16.7%)	34.6%	26	45
Mar	67	91.4%	28.8%	52	64
Apr	92	37.3%	29.6%	71	97
May	89	(3.3%)	18.7%	75	101
Jun	143	60.7%	14.4%	125	112
Jul	130	(9.1%)	8.3%	120	129
Aug	104	(20.0%)	4.0%	100	98
Sep	94	(9.6%)	17.5%	80	78
Oct	92	(2.1%)	22.7%	75	72
Nov	90	(2.2%)	28.6%	70	74
Dec	56	(37.8%)	(26.3%)	76	49
YTD	1,034			907	968

% change from prior year

14.0%

-6.3%

Median Sold Price				
2015	% change (LM)	% change (LY)	2014	2013
\$230,000	(8.7%)	7.0%	\$215,000	\$199,000
\$240,000	4.3%	0.0%	\$239,950	\$214,500
\$244,000	1.7%	5.7%	\$230,900	\$242,900
\$272,500	11.7%	18.5%	\$230,000	\$220,000
\$251,700	(7.6%)	2.7%	\$245,000	\$241,250
\$258,000	2.5%	2.8%	\$251,000	\$244,000
\$261,845	1.5%	2.7%	\$254,862	\$238,930
\$256,000	(2.2%)	4.7%	\$244,500	\$227,100
\$263,950	3.1%	16.0%	\$227,450	\$246,000
\$256,000	(3.0%)	6.4%	\$240,550	\$231,500
\$224,750	(12.2%)	(6.1%)	\$239,250	\$212,500
\$253,529			\$240,455	\$230,521

5.4%

4.3%

Month	Avg DOM - Sold			Avg List to Sale Price		
	2015	2014	2013	2015	2014	2013
Jan	143	113	121	96%	97%	96%
Feb	137	192	132	96%	97%	97%
Mar	110	98	145	98%	97%	97%
Apr	97	150	119	96%	98%	95%
May	96	102	106	98%	98%	96%
Jun	99	104	90	98%	98%	98%
Jul	96	86	98	98%	98%	98%
Aug	87	101	85	98%	97%	98%
Sep	101	99	92	98%	97%	97%
Oct	104	113	108	97%	97%	96%
Nov	120	119	110	97%	97%	98%
Dec	119	121	146	98%	96%	97%



ACTIVE and UNDER CONTRACT HISTORY

Month	TOTAL ACTIVE HOMES					TOTAL UNDER CONTRACT		
	2015	% change (LM)	% change (LY)	2014	2013	2015	2014	2013
Jan	304	(2.6%)	(9.0%)	333	322	74	85	128
Feb	313	3.0%	(2.8%)	322	322	129	110	133
Mar	331	5.8%	(5.6%)	350	339	163	131	178
Apr	364	10.0%	(10.9%)	402	349	203	155	208
May	370	1.6%	(21.5%)	449	368	220	203	228
Jun	402	8.6%	(20.7%)	487	411	206	189	195
Jul	434	8.0%	(15.7%)	502	433	174	150	155
Aug	419	(3.5%)	(15.6%)	484	418	169	159	134
Sep	376	(10.3%)	(19.1%)	459	434	184	135	128
Oct	331	(12.0%)	(13.8%)	385	391	153	141	116
Nov	299	(9.7%)	(13.1%)	346	360	99	120	84
Dec	262	(12.4%)	(16.0%)	312	313	86	101	76

Month	ACTIVE SHORT SALE			ACTIVE REO			% of Active Homes		
	2015	2014	2013	2015	2014	2013	2015	2014	2013
Jan	2	15	15	6	9	8	3%	7%	7%
Feb	1	12	14	0	6	8	0%	6%	7%
Mar	0	6	29	3	2	8	1%	2%	11%
Apr	3	5	28	7	4	6	3%	2%	10%
May	3	5	6	4	5	7	2%	2%	4%
Jun	4	6	7	6	5	8	2%	2%	4%
Jul	3	10	10	6	8	7	2%	4%	4%
Aug	2	11	15	7	9	6	2%	4%	5%
Sep	1	4	9	7	4	5	2%	2%	3%
Oct	2	4	9	8	3	3	3%	2%	3%
Nov	2	4	7	7	3	5	3%	2%	3%
Dec	1	3	8	7	3	6	3%	2%	4%

DISCLAIMER

For the purposes of this report, the Missoula market area is comprised of the following MLS areas: Central Missoula, Downtown Missoula, North Missoula, University District, Lewis & Clark/Russell, Pattee Canyon/Farviews, Rose Park/Slant Street, McCormick Park Area, Lower Rattlesnake, Upper Rattlesnake, East Missoula/West Riverside, Bonner/Turah/Clinton, South Hills, Linda Vista, Upper Miller Creek, Target Range/Orchard, Big Flat, Blue Mountain, Mullan Road West, Grant Creek, Expressway N of I-90/S of Broadway, and Hellgate Mdws/Pleasant View/Flynn Ln/44 Ranch.

This report was prepared based on information obtained from the Missoula MLS, combined with assumptions and other information developed by Williams & Associates from its independent research effort and general knowledge of the Missoula real estate market. We make no guarantee to the accuracy of the MLS data and shall not be responsible for any anomalies or inaccuracies in any data source used in the preparation of this report. Williams & Associates has made every reasonable effort to ensure that the data and information contained in this report reflect the most accurate and timely information possible.

It is important to note that this is a snapshot of information, where/how/when various realtors enter information into the system can affect the overall results, albeit only slightly. Other factors which influence the results of this report are primarily related to factors that are unquantifiable and unpredictable – including, but not limited to, economic, governmental, managerial and regulatory changes, and acts of nature – which are qualitative by nature, and cannot be readily used in any quantitative projections. This report is qualified in its entirety by, and should be considered in light of, these limitations, conditions and considerations.

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