



BOZEMAN MONTANA REAL ESTATE MARKET REPORT

THIRD QUARTER 2017

SINGLE FAMILY HOMES PRICED \$500,000 AND ABOVE
AND 5+ ACRE VACANT LANDS FOR SINGLE FAMILY RESIDENCE

BOZEMAN AND GREATER BOZEMAN AREA
FROM JULY 1, 2017 TO SEPTEMBER 30, 2017

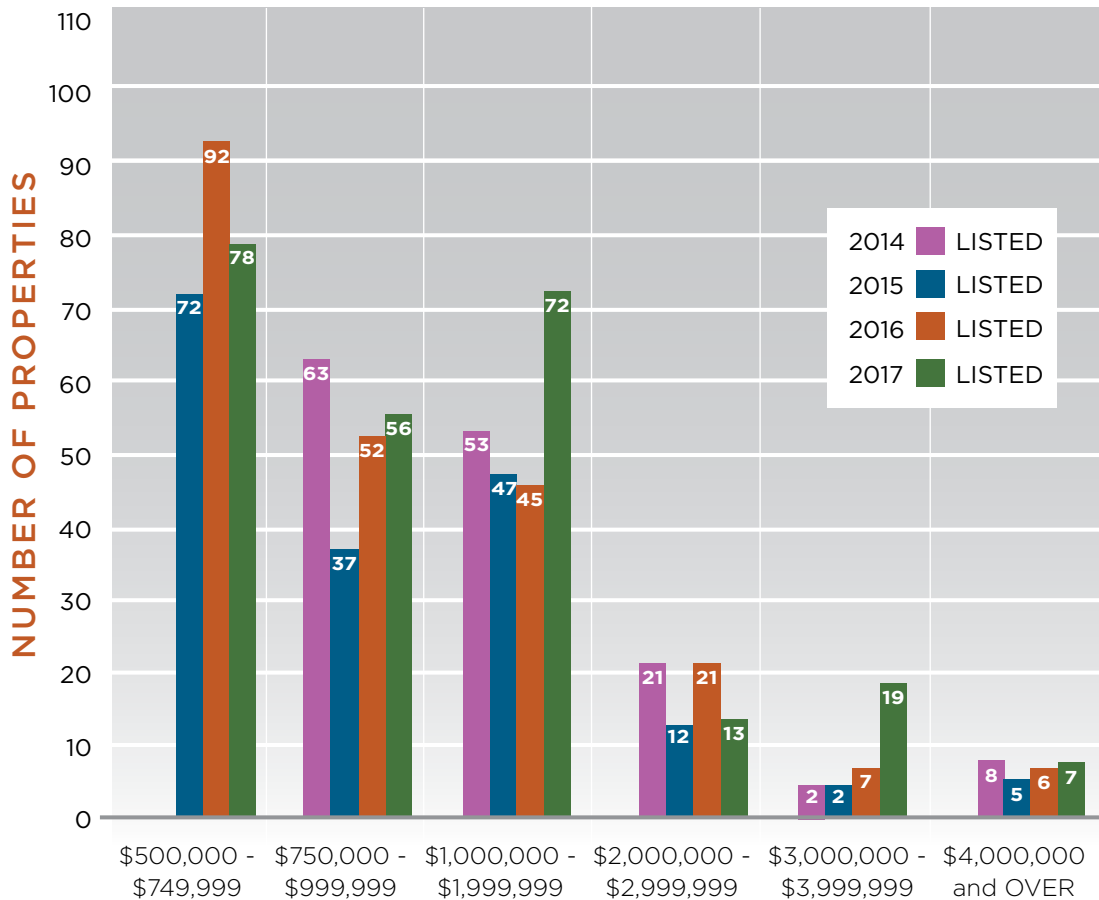


One of the benefits of preparing Bozeman, Montana, real estate market reports each quarter is the ability to confirm our sense of where the market is trending with actual hard core data. **Schlauch Uhlmann Platinum Properties at PureWest Christie's** specializes in single family homes priced \$500,000 and Above and vacant land for single families of five or more acres in the City of Bozeman and the Greater Bozeman Area. Over the years we have studied and closely watched the market fluctuations. The 3rd Quarter 2017 data indicates a shift in the market. We base our analysis on our own experiences and data drawn from MLS, which reflects only transactions recorded on MLS. We feel the information is accurate, but it is up to you to verify any facts further as we do not control the information, only our opinions.

Our business is all about YOU, whether you are a Buyer or Seller. Here, then, is the 3rd Quarter results for 2017.

SCHLAUCH UHLMANN
PLATINUM PROPERTIES

SINGLE FAMILY HOMES LISTED HOMES | THIRD QUARTER 2014 - 2017 (YEAR TO DATE)



There is no denying 2017 has been a very active year for real estate

with 1,100 single family homes priced \$100,000 and Above closed by September 30th, the end of the 3rd Quarter. Just over \$483 million dollars of single family transactions have taken place this year. **79% of the transactions are for homes priced under \$500,000.** The most active segment of Bozeman's market is for homes priced \$300,000 to \$400,000, accounting for 37% of the total sales, with 406 homes changing hands. Compare this to the total of 236 total transactions for homes priced \$500,000 and Above. When

Schlauch Uhlmann represents a Seller in the \$300,000 to \$400,000 price point, we have multiple offers on Day One. While we specialize in higher end properties, we conduct transactions in all segments of the market. Our core is to provide clients with the most professional services possible while representing properties with true value regardless of price points.

Homes priced \$500,000 and Above have experienced a **20% increase** over the 3rd Quarter of 2016, with \$188 million dollars in transactions and **236 recorded transactions.** There were 197 closings at the end of the 3rd Quarter 2016. However,

this increase is offset when you combine the closed transactions with the pending transactions. At the end of 3rd Quarter 2016, there were 284 combined closed and pending sales while today there are 297, which represents an **overall increase of only 4.5%**. There are, currently, **only four pending sales for properties priced \$1M and Above**, and all four are in the low \$1 million dollar range. There were 18 pending sales in this price point in 2016. This is a major market shift.

201 homes priced between \$500,000 to \$1M have sold this year, which is 85% of all sales \$500,000 and Above. Homes are enjoying an amazing average of **98% of Asking Price** to Closing Price. The majority of sales continue to be in the \$500,000 to \$750,000 range, with 163 closings to date this year, 84 of which are in the Bozeman City limits. **Bozeman City** continues to be the strongest market segment, with 105 transactions year-to-date, which is **44% of sales \$500,000 and Above**. Southside Bozeman has 45 transactions in 2017, which is 19% of the sales, with **Schlauch**

Uhlmann's sale of 390 Hayrake the highest recorded Southside sale of the year. We

also transacted a private Southside sale that is the highest we know of for the year. The Northside has 14% of the market share with **two homes closing for \$3,100,000.**

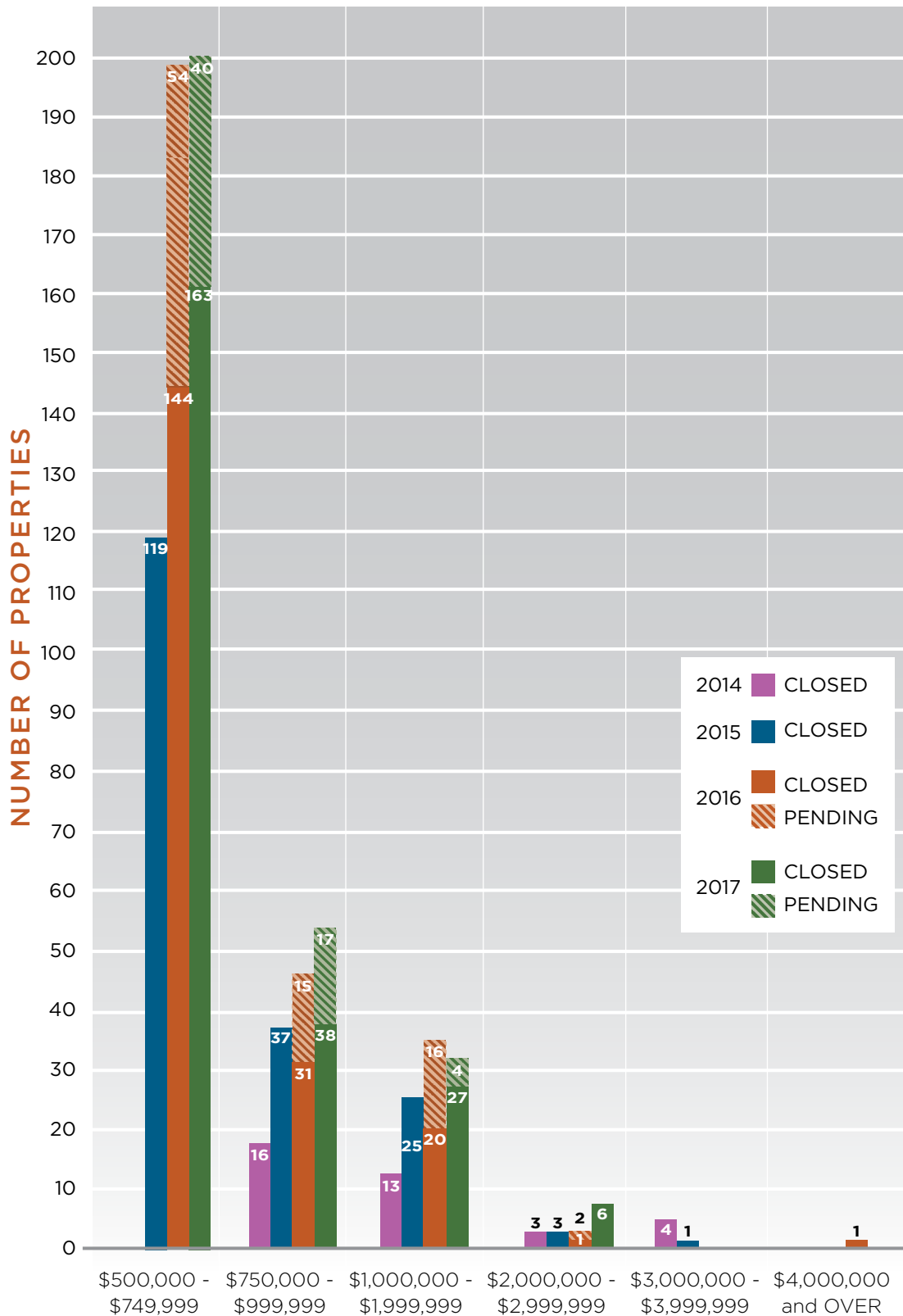
Schlauch Uhlmann represented one of these properties. Four Corners has 31 transactions—13% of market share—due to new subdivisions coming onto the market. A home on 4.4 acres on the Gallatin River closed at \$1,550,000, which the highest sale of the year, while a \$1,250,000 home on 20 acres in Gallatin Gateway is the top sale in that area for the year. Only five transactions—or 2% of total sales—have taken place in Bridger Canyon this year, with **Schlauch Uhlmann listing three of the five.**

The Days on Market (DOM) for homes \$500,000 and Above averaged 84 Days, while in the month of September it dropped to 50 Days. However, as price points increase, DOM increase, with homes priced \$2 M and Above averaging 420 DOM. Many homes in the \$500,000 to \$750,000 bracket continue to go under

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SINGLE FAMILY HOMES

PENDING AND CLOSED HOMES | THIRD QUARTER 2014 - 2017 (YEAR TO DATE)



contract within the first week of being listed. **Homes priced between \$1.2M and \$1.5M are facing the most competition in the market.** They account for 2.5% of sales for homes \$500,000 and Above, with six closings in 2017—two taking place in the 3rd Quarter. There is only one pending sale in this price point and it is for a home downtown. There are currently 28 homes actively listed between \$1.2 M and \$1.5 M, with 19 of them on 1 or more acres and 11 of them on 20 acres or more.

Inventory for homes \$500,000 and Above at the end of 3rd Quarter 2017 is 5% greater than the end of 3rd Quarter 2016, with **235 homes listed** compared to 223. There is just under \$328 million dollars in listed inventory for homes priced \$500,000 and Above, with \$188 million dollars in sales for the year in homes \$500,000 and Above. The inventory level is nearly 10% greater going into the 4th Quarter 2017 than it was at the beginning of the 3rd Quarter 2017. However, there is a **15% decrease in homes listed between \$500,000 to \$750,000.** Of the 235 listings \$500,000 and Above, 134 are for homes under \$1M, which is 57% of listings in the market segment that accounts for 85% of the sales. Inventory levels for homes \$500,000 to \$1M are tight, while 17% of currently listings are homes \$2M and Above, with \$2M and Above

homes having 8 closing (3% of the sales) and no current pending sales. **The largest increase in inventory is for homes priced \$3M to \$4M,** with 19 current listings, which is 172% increase over the seven properties listed at the end of the 3rd Quarter 2016.

The largest concentrated area for inventory is the 76 listings in Bozeman City limits. Bozeman City limits has 32% of listings and 44% of closings in 2017. City inventory is moving quickly and is limited. There are 60 listings on the Northside, which is 25% of active listings, with 12 priced in the \$1.2M to \$1.5M range. three homes on the Northside are listed over \$3M. The Southside has 45 listings, with a \$12.9 million dollar Eagle Rock home the highest listed property in the Valley. **Bridger Canyon, with 2% of the sales this year, has 10.6% of the listings.** Of the 25 Bridger Canyon listings, 14 properties are in the \$1M to \$2M range, with a \$7.8 million dollar home the highest listing. It has been actively listed for 798 DOM.

In summation, September has seen a slowdown in sales, with 26 closings in September compared to 36 in July and 34 in August. Pending sales are down 16.5% overall from the levels at the beginning of this year's 3rd Quarter, and **down 30% compared to the 3rd Quarter 2016.** There is a **55% decrease in pending sales over**

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\$1M. While sales have been 20% higher this year than a year ago at this time, there is a definite readjustment taking place in the market between inventory, sales and pending sales. There was a dip in August of Asking Price to Closing Price, dropping from 98% from 96%, while average DOM increased from 50 to 85 DOM. The market for homes over \$1M is experiencing the greatest slowdown and price adjustment.

Homes over \$1M were averaging 94% of Asking to Closing up until September when they dropped to 81%. The biggest indicator of a slowdown is Pending Sales.

We at Schlauch Uhlmann sense the slowdown, but remain optimistic knowing this is a small market that changes rapidly with a few solid transactions. We are ready!

SINGLE FAMILY HOMES

INVENTORY/SALES MARKET TOTALS

THIRD QUARTER 2014 - 2017 (YEAR TO DATE)



VACANT LAND SALES

BOZEMAN & GREATER BOZEMAN, 5 ACRES AND ABOVE

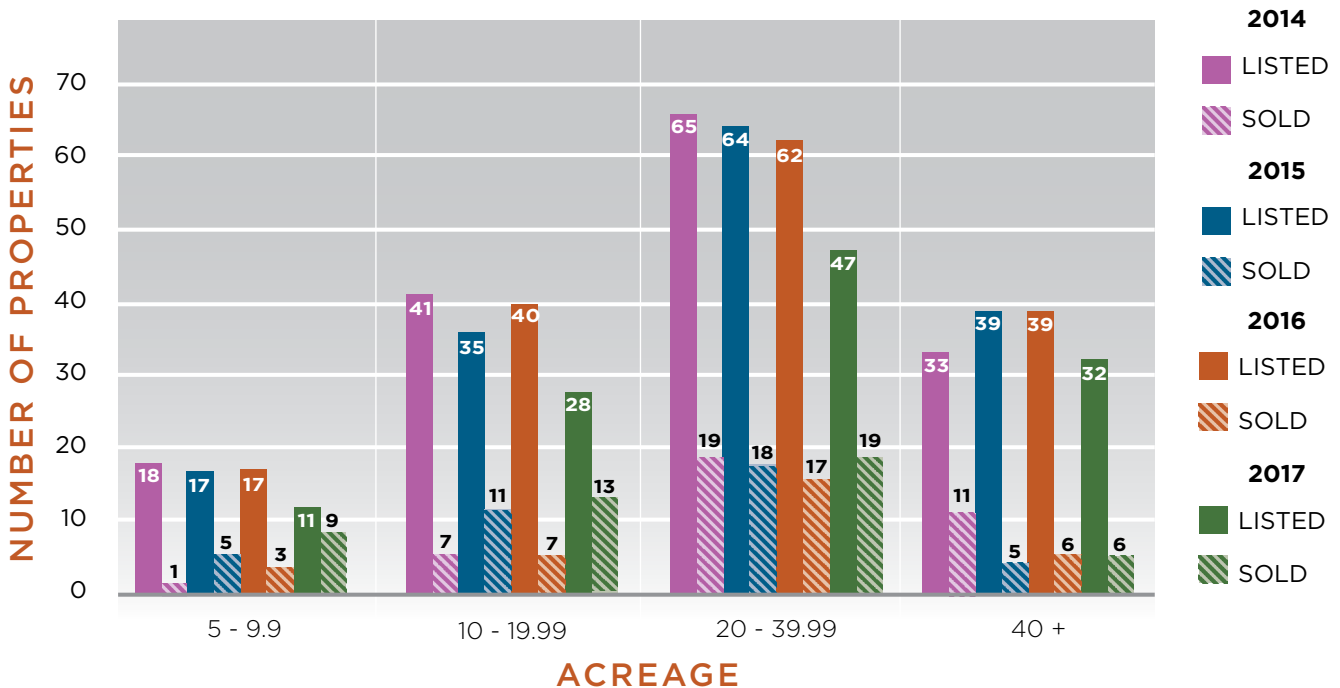
Vacant land sales for single families on 5 Acres and Above has increased by 45% at the end of 3rd Quarter 2017 compared to 3rd Quarter results in 2016. At the same time, there is a 24% decrease in inventory. **48 parcels of 5 or more acres have closed in 2017** compared to 33 closings at the end of the 3rd Quarter 2016. Sale prices ranged from \$80,000 to \$2.55M paid for 58 acres on Dunston Road and Love Lane with commercial and development potential. Prices per acre are equally across the board with 20 acre parcels on the Southside coming in at an average of \$47,000 an

acre while a 5-acre parcel in a new Bridger Canyon subdivision sold for \$78,657 an acre. Of the 48 closed transactions, 35 closed for under \$500,000. Just over \$31 million dollars has been recorded for 2017 transactions of 5 or more acres.

Trail Creek continues to be the area with the most land sales and the best buys per acre. Trail Creek has 13 closed transactions for 2017, with \$250,000 for 10 acres the highest sale. Prices per acre in Trail Creek for closings ranged from \$14,000 to \$30,000 and eight of the transactions were parcels 10 to 19.9 acres. Smaller acreage is very difficult to find. There are 11 listings for

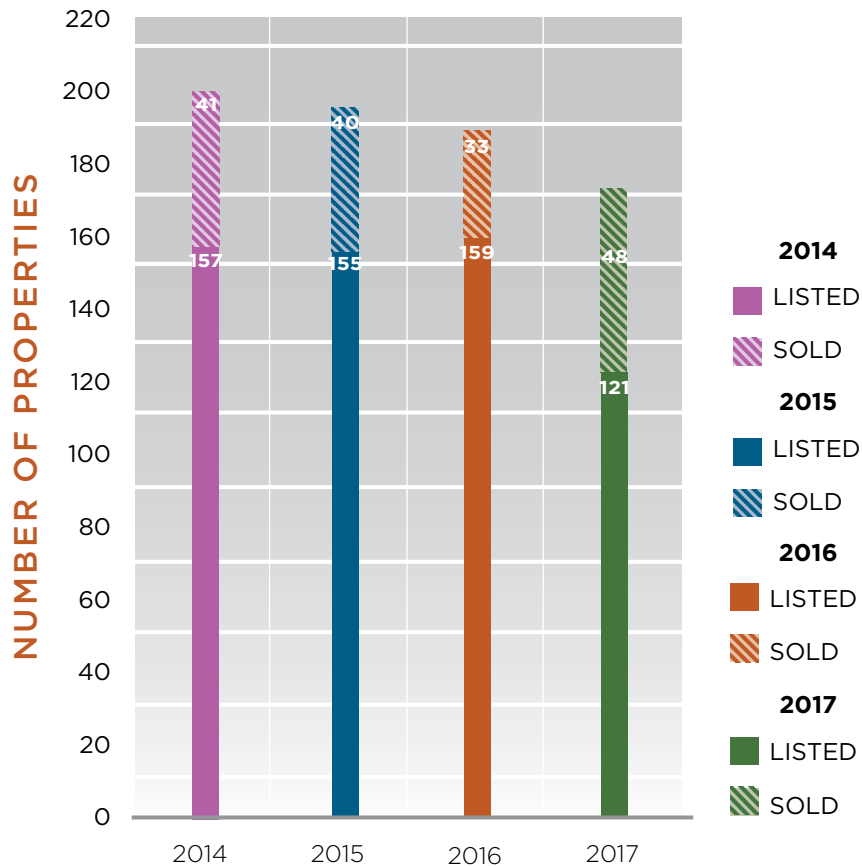
VACANT LAND

LISTED AND SOLD LAND | THIRD QUARTER 2014 - 2017 (YEAR TO DATE)



VACANT LAND

TOTAL LAND | THIRD QUARTER 2014 - 2017 (YEAR TO DATE)



5 to 9.9 tracts, with nine sales to date, while there are 79 listings of 20 or more acres.

Both the Northside and the Southside have 10 closings for the year. There have been seven closings in Bridger Canyon and six in Gallatin Gateway. Two 160-acre tracts of land closed in Montana Ranch, in Gallatin Gateway, this year, with **Schlauch Uhlmann representing one of the parcels.** Property in the Bozeman City continues to be basically non-existent. There was one closing on a 5-acre parcel that

is commercial and went for \$150,000 an acre. There are no listings of single family land of 5 or more acres in Bozeman City.

There are currently **121 listings for vacant land of 5 or more acres.** A total of just over \$118 million dollars of vacant single family land, 5 or more acres, is on the market, while there is over \$311 million dollars of 5 or more acres listed that includes commercial properties. The highest concentration is **20 to 39.9 acre**

tracts, with 47 listings. Both the Northside and Southside have 16 active listings, while there are no listings for land in Four Corners below 40 acres. There are five pending land sales, with four of them priced under \$500,000.

Land will continue to rise in value and become increasingly difficult to find. Schlauch Uhlmann is proud to represent both Buyers and Sellers of choice vacant land suitable for high end single family homes.

*There's Always a Reason
to Call Mike and Sally,
and our Associates
Torrey and Brett,
if you have questions,
comments, or real
estate needs.*

We are focused on YOU.

SCHLAUCH UHLMANN PLATINUM PROPERTIES

has four Team Members, working together, and ensuring that YOU, the Client, always comes first. There's a reason to call us with any real estate questions, needs, or concerns.

We hope your transaction is part of our next Quarterly Report.



CHRISTIE'S
INTERNATIONAL REAL ESTATE

MEET THE PLATINUM PROPERTIES TEAM



MIKE SCHLAUCH
Agent | Owner

406.580.8380
mike@suplatinum.com

SALLY UHLMANN
Agent | Owner

406.223.5964
sally@suplatinum.com



TORREY BENSON
Agent | Associate

720.284.8045
torrey@suplatinum.com



BRETT EVJE
Agent | Associate

406.223.8332
brett@suplatinum.com