



A Decade of Data and Beyond...

People ask us daily about the Treasure Valley and Wood River Valley residential real estate markets. "It's good, right?" "Sounds like 2020 is off to a fast start?" "How long do you think it will last?" While real estate professionals are often asked, perhaps even expected to crystal ball and speculate about local markets, the Ralston Group will forever remain mindful, even humbled by the number of so-called "experts" who didn't see or heed the warning signs of the market crash of 2008. Experience has taught us to be appropriately cautious in giving a declarative position about our local real estate market. Those of you who know us well recognize that that we're cautious optimists, but also realists. You also know that we're deeply committed to helping our clients' manage risks — especially financial risks.

As we begin a new decade and reflect on the one just ended, how clear are your memories of the events leading up to and after the Recession of 2008? Do you remember how "hot" the housing markets were here in Idaho? Do you remember how fast the housing market crashed around the country including on average ~35% in Ada County and ~38% in Blaine County (Sun Valley, Ketchum & Hailey only for purposes of this cover story)? Do you remember short sales and foreclosures, and builders and contractors folding their companies? Do you remember an exodus of real estate agents from the industry and lenders going quiet? Do you remember seeing your investments like 401Ks and overall net worth substantially diminished? Do you remember or think about the events that contributed to the crash...predatory and foolish lending practices, most of the

country in an overbuild scenario, lack of adequate regulation and oversight, most of which can in one way or another be tied to greed and unrealistic financial management discipline?

What does a decade of data show us? How much have we forgotten and how far have we come?

The average Ada County single-family home sold price in 2019 was up 10.3% from 2018. Although this is a lofty increase it felt a little more reasonable than the 16.5% increase from 2017 to 2018. Average sold price per square foot in 2019 was \$187, compared to \$168 in 2018. Over the decade the average Ada County home price increased 110.0%. Home prices in 2019 increased 123.6%

The Ralston Report is distributed on a quarterly basis. It's intended to provide meaningful real estate information (focused in our core specialty areas). We hope that our quarterly cover story and Q&A from an expert lender and/or members of our community are both interesting and enjoyable for you. Ralston Group always welcomes suggestions, and will be happy to prepare an individual report specific to your area or need – just call 208-850-7638.

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Single-Family Homes - Ada County

Year	Average Sold Price	Total Volume	From Prior Year
2019	\$386,721	\$4.8B	+10.3%
2018	\$350,611	\$4.4B	+16.5%
2017	\$300,832	\$3.7B	+9.3%
2016	\$275,212	\$3.3B	+6.4%
2015	\$258,743	\$2.7	+7.0%
2014	\$241,724	\$2.1B	+5.4%
2013	\$229,267	\$2.0B	+16.1%
2012	\$197,477	\$1.5B	+14.2%
2011	\$172,969	\$1.2B	-6.1%
2010	\$184,172	\$1.2B	-8.2%
2009	\$200,690	\$1.2B	-18.1%
2008	\$245,042	\$1.4B	-8.2%
2007	\$266,957	\$2.0B	—

All single-family statistics include condos & townhouses

Single-Family Homes - Blaine County

Year	Average Sold Price	Total Volume	From Prior Year
2019	\$814,068	\$466.5M	+4.0%
2018	\$782,993	\$481.5M	+3.3%
2017	\$758,102	\$427.6M	+27.9%
2016	\$592,576	\$277.3M	-13.3%
2015	\$683,198	\$322.5M	-2.9%
2014	\$703,853	\$280.1M	+41.2%
2013	\$498,487	\$227.8M	+2.2%
2012	\$487,828	\$258.1M	-5.9%
2011	\$518,450	\$186.1M	-20.4%
2010	\$651,597	\$183.1M	-8.2%
2009	\$709,630	\$149.7M	-9.1%
2008	\$780,640	\$144.4M	-0.8%
2007	\$787,044	\$139.3M	—

since the low in 2011 (\$172,969), and are 44.9% higher than the high price in 2007 (\$266,967). In Blaine County, average single-family home sold prices were up 4.0% in 2019 from the prior year and up 24.9% over the decade. Average sold price square foot in Blaine County increased to \$372, as compared to \$350 in 2018. Since Blaine's low in 2012 (\$487,828) prices increased 66.9%, but 2019 prices were only 3.4% higher than the 2007 high (\$787,044) prior to the '08 recession.

Where are we heading? "All politics is local" and real estate is definitely local, and so are the observations that follow. Ada County and Blaine County home prices have recovered and homeowners have regained their equity. We're currently not in an "overbuild" situation, and new construction inventory is relatively low. At the end of the quarter, new construction inventory in Ada County was 2.9 months...and it's pretty subdued across all price points for new construction ranging from 0.5 to 3.2 months of inventory. The stock market remains robust – with the DOW over 29,000 this past week — a record high. Interest rates remain low. See rate chart on Page 10. The upcoming election, a decidedly divided electorate, and some mixed signals from the Administration regarding further economic, trade, and tax reform policies has introduced varying degrees of market uncertainty causing some people to pull back completely and others to be bold and move aggressively forward with great optimism – both of which can have consequences. It's unclear if prescribed safety nets are (still) in place and what effect student loan debt, car loan debt, and our increased national debt will have in the next 3-5 years.

"It's good, right?" Yes. "Sounds like 2020 is off to a fast start?" Yes. "How long do you think it will last?" Local economic indicators suggest it's likely to last for at least a couple more years in Ada and Blaine counties. The 2019 price increase (10.3%) feels a bit healthier than the prior year. It's probable we'll still see double digit increases in 2020 — we're hopeful we'll stay below 2018 increases, but doubtful we'll fall below 10% increases. There are still significant differences (at least locally) from the "pre-crash" era. Inventory remains low and new construction inventory is not insane. We still believe many people learned a very hard lesson and are hopefully less likely to repeat the excesses and other financial mistakes of the past. Most (including contractors and builders) are cautious, more thoughtful, and more fiscally responsible. We're seeing younger generations, especially Millennials, who are not buying homes unless they are well positioned – 10-20% down payments, good credit, and thoughtful budgets (not purchasing what they qualify for, but rather what they are comfortable spending).

People will continue to move here... and stay here. Our cautious optimism is just that... but we need and will continue to be vigilant in counseling and protecting the interest of our clients when, where, and how they purchase and sell properties. A few thoughts to consider as you enter or exit the real estate market in 2020...do your homework, don't over leverage, live within your means, don't forget the past, and have a backup plan for every property you purchase.

Market Update - Ada Co.

Residential Single-Family Homes - Ada County Statistics referenced herein are for single-family homes – unless otherwise noted – the numbers below do not include condominiums/townhouses. The statistics on Pages 5-8 do include condominiums & townhouses.		4Q2019 OCT-NOV-DEC
Average Sold Price		\$402,491
Average Sold Price Compared to Prior Year Same Quarter		up 11.4%
Average Days on Market (DOM)		43
Total Dollar Volume		\$1.1 Billion
Total Dollar Volume Compared to Prior Year Same Quarter		up 16.8%
New Construction Sold Based On # of Units		33.7%
Existing Homes Sold Based On # of Units		66.3%

Double Digit Average Price Increases Continue & DOM Up

The average sales (i.e., sold) price in Ada County increased 11.4% from a year ago (4Q2018) to \$402,491.

The number of homes sold was up 4.9% from a year ago; new homes sold up 17.3%. Total dollar volume of new construction was up 28.0%. New construction accounted for 33.7% of sales, and existing homes the remaining 66.3%. The average sold price of new construction was up 17.3% from a year ago.

The number of existing homes sold in the quarter was down 0.5% from this time last year. Total dollar volume of existing homes sold was up 11.0% from a year ago. Existing home sold price was up 11.5% from a year ago.

The quarter's dollar volume for single-family homes in Ada County was \$1.1 billion compared to \$922.4 million a year ago – a 16.8% increase. A total of 2,677 units sold (existing and new construction) in the quarter. Days on market was 43 compared to 34 days on market a year ago.

Lack of inventory continues to be a challenge for buyers. At the end of the quarter, average overall inventory in Ada County was at 1.8 months – 1.3 months for existing homes and 2.9 months

for new construction. Average inventory was 1.0 months for properties in the \$250,000 to \$299,000 price range and 1.9 months for properties \$300,000 to \$399,000. For properties \$400,000 to \$499,000 inventory was 2.2 months. Average inventory was 2.5 months in the \$500,000 to \$699,999 price range, and 3.1 months in the \$700,000 to \$999,999 price range. Inventory was 6.5 months for properties over a million dollars.

In our core coverage areas, the six-month average inventory of homes less than \$300,000 ranged from 0.0 (Northeast Boise) to 1.5 (Eagle) months. The six month average inventory of homes greater than \$300,000 in our core areas is shown in the column to the right.

Months of inventory indicates the amount of time it would take to sell all current listings at the current sales price if no new listings became available. It is widely accepted in the real estate industry that 0-4 months is a "Seller's Market;" 5-7 months is a "Balanced Market;" and 8-12+ months is a "Buyer's Market." Ada County has been (and is currently) in a "Seller's Market."

38 Boise downtown condos sold at avg. of \$425/SQFT

of res. lots sold & price

Boise: 6 (\$271,983)

NE Boise: 2 (\$300,00)

SE Boise: 4 (\$279,725)

The Bench: 0 (\$NA)

NW Boise: 8 (\$207,356)

Eagle: 17 (\$316,623)

N Meridian: 2 (\$289,900)

Avg. inventory over \$300K

N Boise: 2.2 months

NE Boise: 2.4 months

SE Boise: 1.3 months

The Bench: 1.7 months

NW Boise: 1.1 months

Eagle: 2.1 months

N Meridian: 2.2 months

Market Update - Blaine Co.

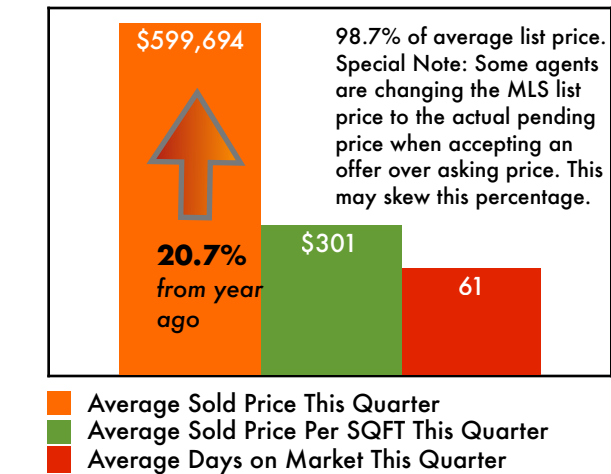
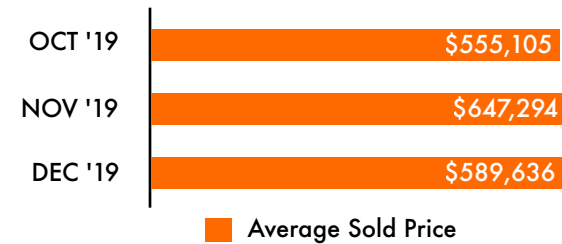
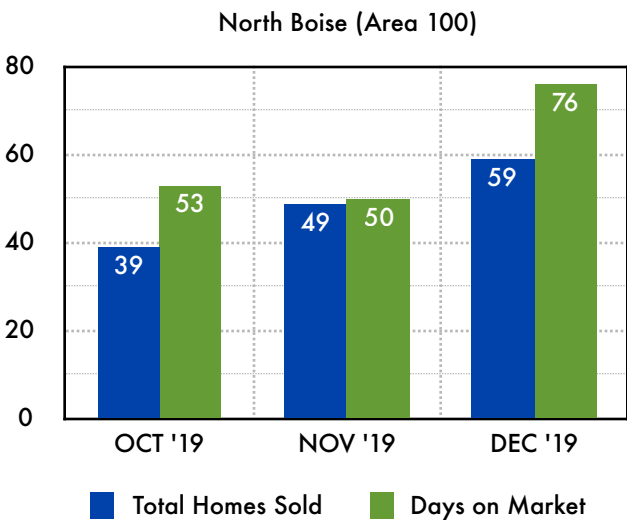
Residential & Commercial - Blaine County <small>NOTE: Blaine Co. is defined as Hailey, Ketchum & Sun Valley in the table below. Bellevue has not been included. Bellevue statistics are included on page 8</small>		4Q2019 OCT-NOV-DEC
Average Sold Price Single-Family Home (INCLUDES CONDOS & TOWNHOUSES)		\$1,010,716
Average Sold Price Single-Family Compared to Prior Year Same Quarter		up 7.9%
Average Days on Market Single-Family		127
Total Dollar Volume Single-Family		\$140.5M
Total Dollar Volume Single-Family Compared to Prior Year Same Quarter		up 9.5%
Average Sold Price Condominium/Townhouse (ONLY)		\$606,985
Average Days on Market Condominium/Townhouse		117
Total Dollar Volume Condominium/Townhouse		\$38.8M
Average Sold Price Condo/Townhouse Compared to Prior Year Same Quarter		up 11.9%
Average Sold Price Commercial		\$465,818
Average Days on Market Commercial		320
Total Dollar Volume Commercial		\$5.1M
Total Dollar Volume Commercial Compared to Prior Year Same Quarter		down 4.3%

Looking Up...3Q2012 Single-Family Average Sold Price Was \$483,095

This quarter's records indicate that 139 single-family homes sold at an average of \$389/SQFT – average sold price was up 7.9% from a year ago. Sixty-four of the 139 single-family homes were condominiums/townhouses, selling at an average of \$383/SQFT; dollar volume of condos and townhouses was up 2.3% – sold price up 11.9%. "Residential" land, which is not included in the data above or that follows, included 26 sold properties at an average sold price of \$360,904; the properties averaged 252 days on market. Total dollar volume of land was \$9.4M. Average sold price of "residential" land was down 33.4% from a year ago. Eleven commercial properties sold at an average of \$465,818. The average sold price for commercial properties was down 56.5%; days on market was 320 compared to 385 a year ago. The commercial data in the table above was gathered from the Sun Valley/Sawtooth MLS. Loopnet-only properties have not been included in the data above.

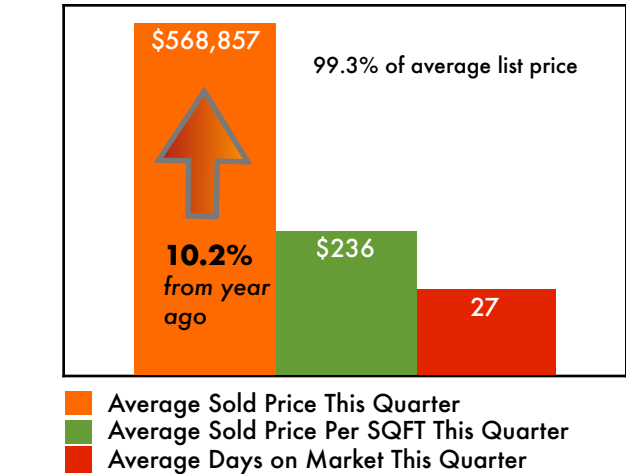
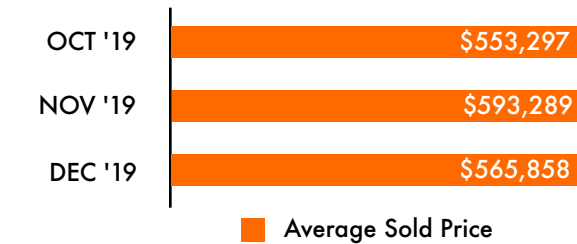
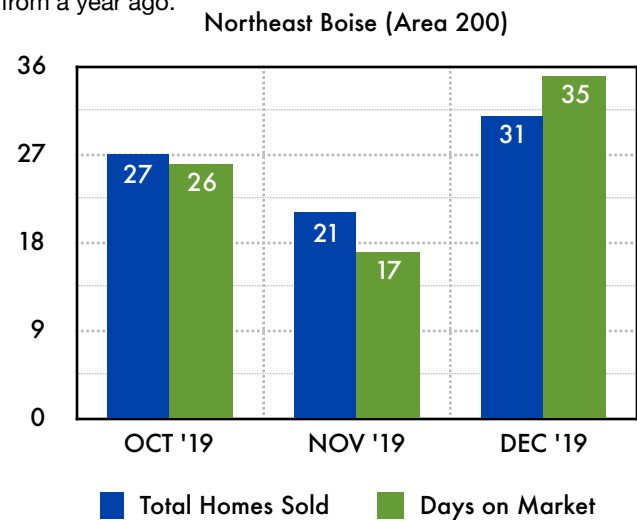
North Boise

In October, 39 single-family homes sold in North Boise with an average days on market of 53 and at an average price of \$555,105. Forty-nine homes sold in November at an average sales price of \$647,294 (50 days on market), and 59 homes sold in December at 76 days on market (average sold price \$589,636). The highest sold price recorded in North Boise was \$2,250,000, with a lowest recorded sale of \$187,400. During the quarter, 147 properties sold averaging 61 days on market. Sold price in North Boise was up 20.7% from a year ago to \$599,694 (\$301/SQFT).



Northeast Boise

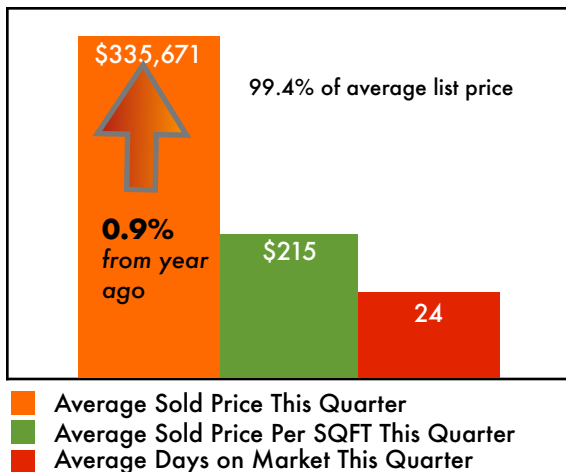
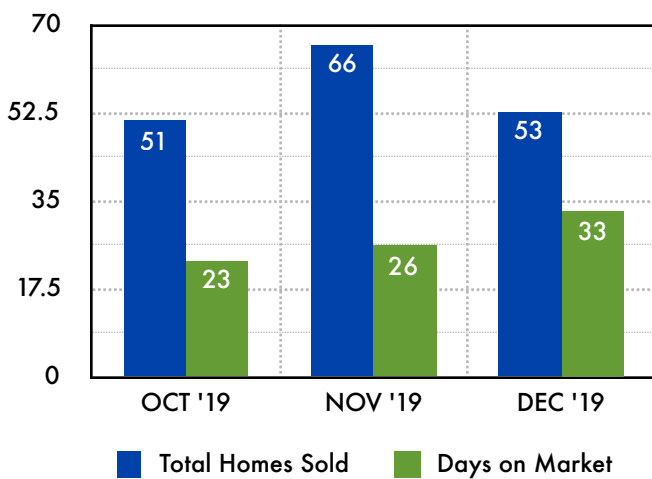
In October, 27 single-family homes sold in Northeast Boise with an average days on market of 26 and at an average price of \$553,297. November included the sale of 21 homes at an average sales price of \$593,289 (17 days on market), and 31 homes sold in December at 35 days on market. Average sold price in December was \$565,858. The highest sold price recorded in Northeast Boise was \$1,395,000, with a lowest recorded sale of \$160,000. During the quarter, Northeast Boise recorded 79 home sales at an average of 27 days on market. Sold price in Northeast Boise was \$568,857 (\$236/SQFT) – up 10.2% from a year ago.



Southeast Boise

In October, 51 single-family homes sold in Southeast Boise with an average days on market of 23 and at an average price of \$378,205. In November, 66 homes sold at an average sales price of \$355,781 (26 days on market), and 53 homes sold in December at 33 days on market. Average sold price was \$395,808. The highest sold price recorded in Southeast Boise was \$496,470, with a lowest recorded sale of \$169,960. During the quarter, Southeast Boise recorded the sale of 170 homes. Sold price in Southeast Boise was up 0.9% from the prior year to \$335,671 (\$215/SQFT), and homes averaged 24 days on market.

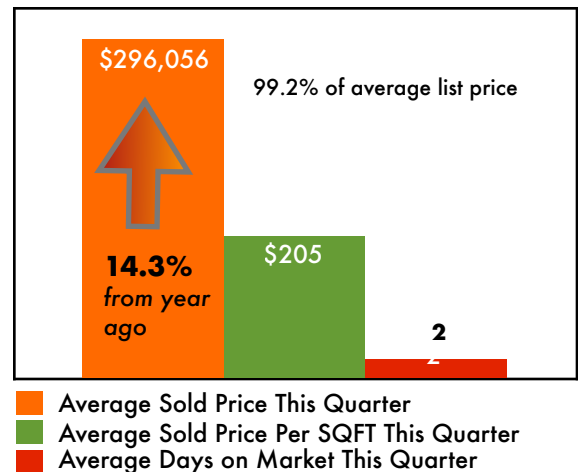
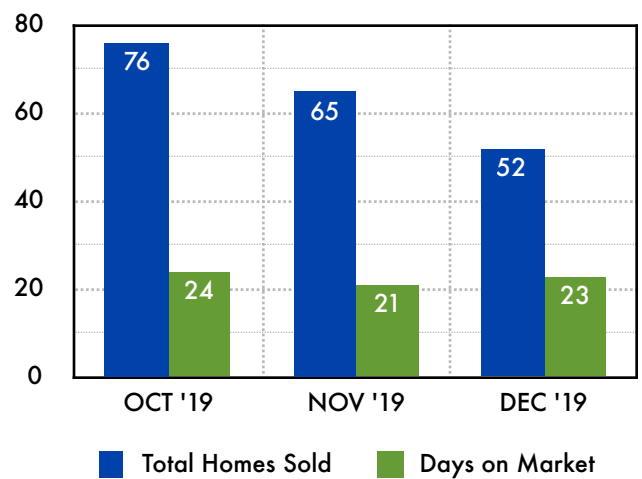
Southeast Boise (Area 300)



Boise Bench

In October, 76 single-family homes sold on the Boise Bench with an average days on market of 24 and at an average price of \$305,270. Sixty-five homes sold in November at an average sales price of \$287,363 (21 days on market), and 52 homes sold in December at 23 days on market. Average price was \$292,224. The highest sold price recorded on the Boise Bench was \$935,036, with a lowest recorded sale of \$134,900. During the quarter, the Bench recorded the sale of 193 homes. Average sold price was up 14.3% from the previous year. Average sold price was \$296,056 (\$205/SQFT), at 2 days on market.

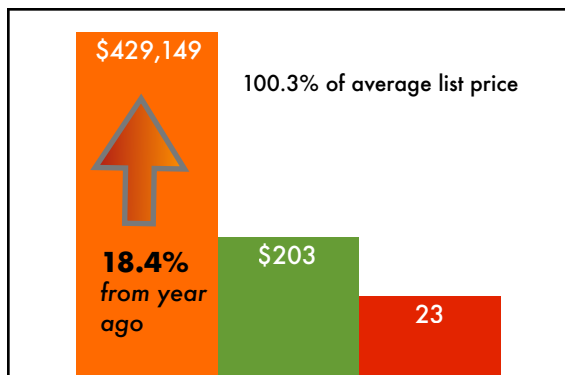
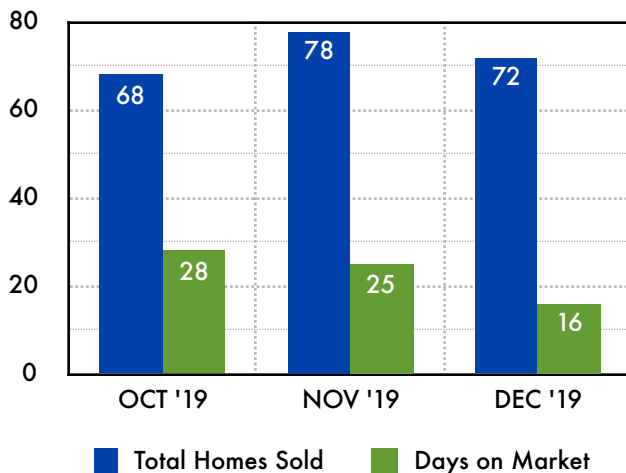
Boise Bench (Area 400)



Northwest Boise

In October, 68 single-family homes sold in Northwest Boise with an average days on market of 28 and at an average price of \$433,786. Seventy-eight homes sold in November at an average sales price of \$423,870 (25 days on market), and 72 homes sold in December at 16 days on market, with an average price of \$430,489. The highest sold price recorded in Northwest Boise was \$961,500, with a lowest recorded sale of \$171,350. During the quarter, 218 homes sold. Average sold price was up 18.4% from the previous year in Northwest Boise. Average sold price was \$429,149 (\$203/SQFT). Homes averaged 23 days on market.

Northwest Boise (Area 800)

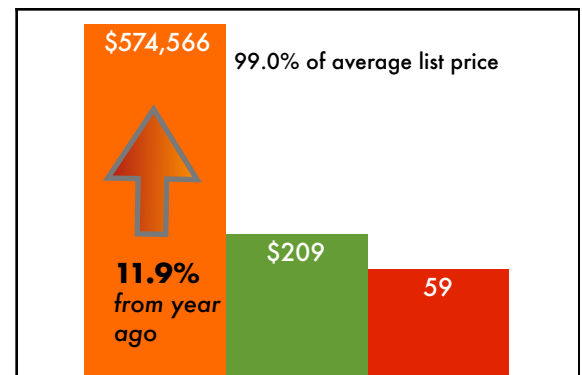
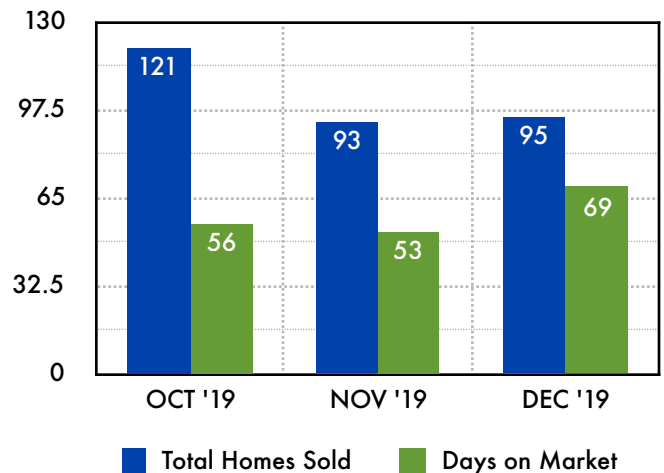


- Average Sold Price This Quarter
- Average Sold Price Per SQFT This Quarter
- Average Days on Market This Quarter

Eagle

In October, 121 single-family homes sold in Eagle with an average days on market of 56 and at an average price of \$563,459. Ninety-three homes sold in November at an average price of \$604,069 (53 days on market), and 95 homes sold in December at 69 days on market. Average sold price in December was \$559,832. The highest sold price recorded in Eagle was \$1,736,093, with a lowest recorded sale of \$183,000. During the quarter, 309 homes sold. Average sold price in Eagle was \$574,566 – up 11.9% from a year ago. Price per square foot price was \$209, with properties averaging 59 days on market.

Eagle (Area 900)

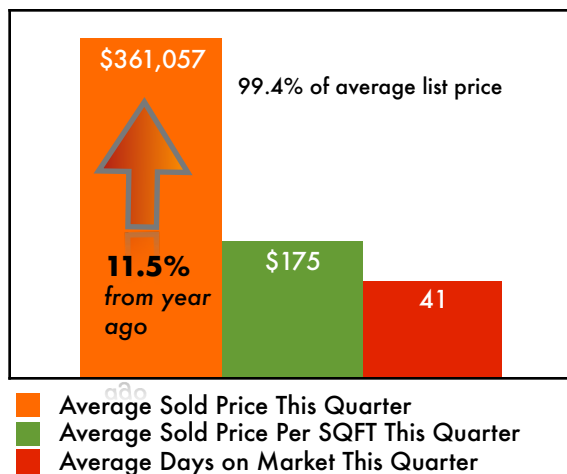
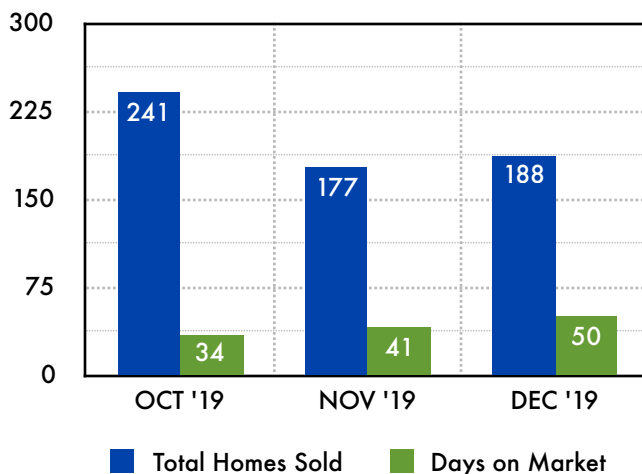


- Average Sold Price This Quarter
- Average Sold Price Per SQFT This Quarter
- Average Days on Market This Quarter

North Meridian

In October, 241 single-family homes sold in North Meridian with an average days on market of 34 and at an average price of \$353,928. One hundred seventy-seven homes sold in November at an average price of \$366,253 (41 days on market), and 188 homes sold in December at 50 days on market; average sold price was \$365,305. The highest sold price recorded in North Meridian was \$1,310,000; lowest recorded sale was \$175,000. During the quarter, 606 homes sold. Average sold price in North Meridian was \$361,057 – up 11.5% from a year ago. Price per square foot price was \$175, with properties averaging 41 days on market.

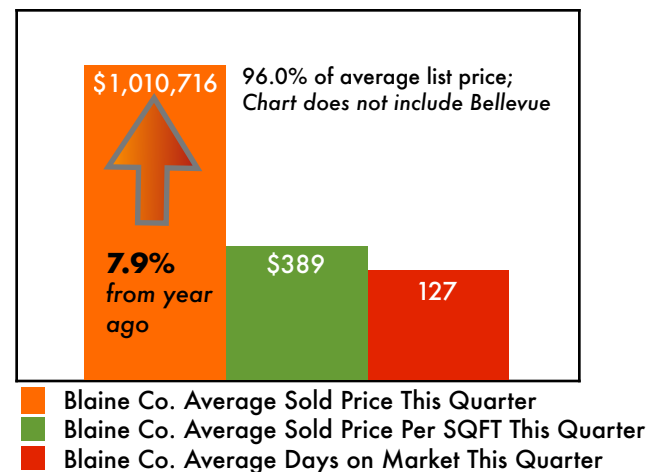
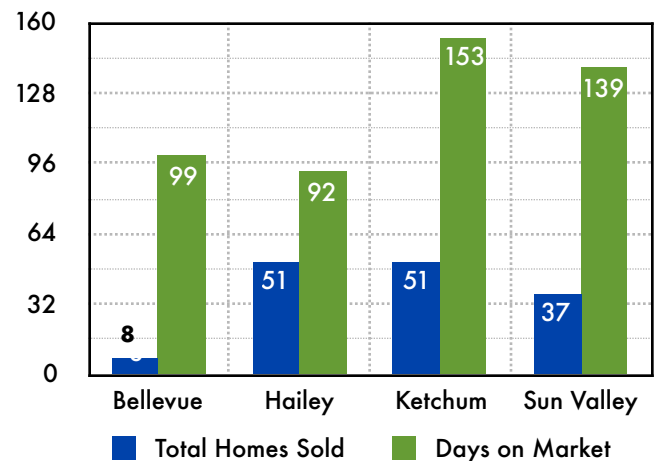
North Meridian (Areas 1020+1030)



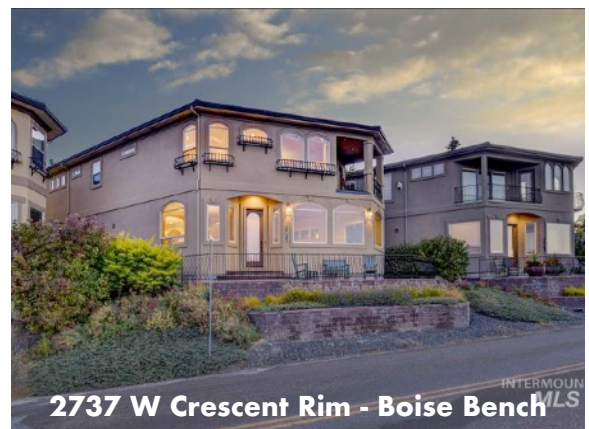
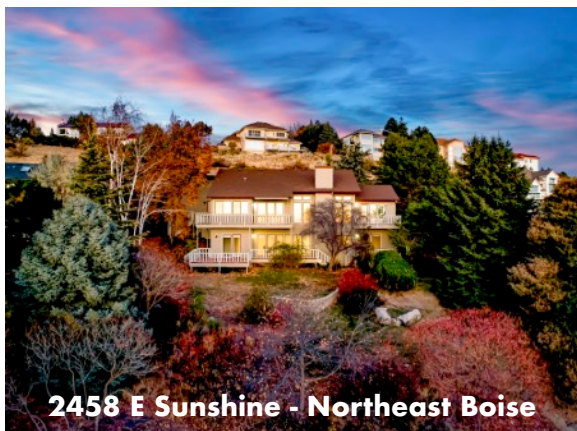
Bellevue, Hailey, Ketchum & Sun Valley

Eight single-family homes sold in Bellevue at an average of 99 days on market and a price of \$419,375 (\$229/SQFT). Hailey recorded the sale of 51 homes – average days on market 92 and an average price \$456,104 (\$247/SQFT). In Ketchum, 51 homes sold at an average of \$1,524,926 (\$508/SQFT). Average days on market was 153. Sun Valley records indicated 37 homes sold – average price \$1,066,405 (\$420/SQFT) and 139 days on market. In the quarter, 139 properties sold in the County (excluding Bellevue). Average sold price was \$1,010,716 (up 7.9% from a year ago). Homes averaged \$389/SQFT and 127 days on market. Highest sold price was \$13,250,000.

Bellevue, Hailey, Ketchum & Sun Valley



Representative Ralston Group client homes or land sold in the quarter...



Multi-Family Housing

North Boise (Area 0100)

Average Sold Price: \$511,364
Average Sold Price/SQFT: \$197
11 Sold; Average DOM 21
Price Prior Yr: **Up 9.2%**

Northeast Boise (Area 0200)

Average Sold Price: \$640,500
Average Sold Price/SQFT: \$211
2 Sold; Average DOM 47
Price Prior Yr: **Up 60.4%**

Southeast Boise (Area 0300)

Average Sold Price: \$526,213
Average Sold Price/SQFT: \$165
8 Sold; Average DOM 33
Price Prior Yr: **Up 96.3%**

Near Downtown Boise

Boise Bench (Area 0400)

Average Sold Price: \$440,750
Average Sold Price/SQFT: \$157
10 Sold; Average DOM 16
Price Prior Yr: **Up 9.7%**

The information provided in the Ralston Report was compiled from multiple sources including: Idaho's Intermountain Multiple Listing Service (MLS) and Sun Valley/Sawtooth MLS. The data is believed to be accurate and reliable, but cannot be warranted by Ralston Group Properties. The multi-family/residential income data (i.e., 2-plex, 3-plex, 4-plex, & apartments) provided in the table above was collected from the Intermountain MLS. Statistics for this quarter's Ralston Report were current at publication. Commercial data for Blaine County can be found on page 4 of this report. Multi-family/residential income data is not provided for Blaine County.

Community Q&A

Melinda McCaslin

Q: Melinda — Any thoughts on interest rates in 2020...happy 2020?

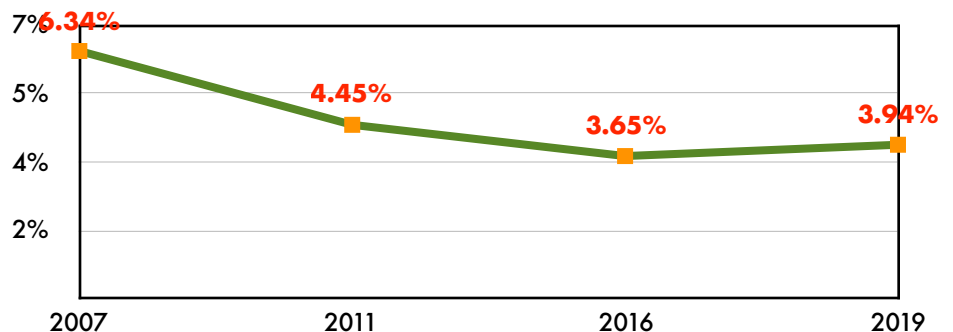
Yes, Happy 2020! Rates are starting the year lower than expected, thanks to the geopolitical turmoil in the Middle East. The first week of January saw rates match lows from 2019, and rates are almost a full point lower than this time a year ago! In fact, many buyers that purchased in late 2018/early 2019, are benefitting from refinances already.

Given that 2020 is an election year, I expect rates to stay low as both parties want to keep the housing market nice and strong. This said, I do believe we'll continue to see week-to-week volatility, driven by tweets, tariffs and impeachment turmoil more than economic fundamentals.



Melinda McCaslin is a leading Idaho lending expert. Melinda earned her MBA from Harvard Business School and BS degrees in Finance and Marketing from the University of Utah. [More about Melinda...](#)

Average 30-Year Fixed Mortgage Interest Rates



"Bogey" Ralston



Did You Know?

Our total national debt in 2007 was just north of \$9 trillion dollars. Today it's north of \$23 trillion dollars.

A TRADITION OF TRUST

Independent and locally owned/operated, Ralston Group Properties (Ralston Group) challenges the status quo within the real estate industry. This vibrant, "boutique" brokerage is grounded in the belief that creating long-term, trust-based relationships and always serving the client's needs first, is both good business and the right thing to do. Five words define this residential and commercial real estate firm:

Trust + Heart + Experience + Advocates + Thinkers.

In Boise, Ralston Group specializes in and around the downtown including the North End, Highlands, Foothills, East Side (North & South), West End, and the Bench. Ralston Group also has significant expertise in Eagle and Meridian, and is often asked to partner on unique projects including investment properties, remote ranches, vineyards and sustainable design/builds. Ralston Group serves both residential and commercial real estate markets in the Wood River Valley. With offices in downtown Boise and Ketchum, their agents are handpicked and represent the very best in the industry and in the community. Ralston Group doesn't aspire to be the biggest – it does aspire to be the best. Ralston Group... A Tradition of Trust.

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