

Annual Report on the Northwestern Vermont Housing Market

FOR RESIDENTIAL REAL ESTATE ACTIVITY IN CHITTENDEN, FRANKLIN AND GRAND ISLE COUNTIES



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2017

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FRANKLIN AND GRAND ISLE COUNTIES



There is an ongoing and undeniable national housing shortage. Year-over-year inventory levels have been down in most markets for several years now, and that trend is expected to persist in 2018. Consumers are still purchasing for the first time and relocating to other, presumably more ideal homes.

Having the financial ability to make a move clearly seems feasible to many eager buyers amidst a healthy economy, whether life events such as marriage, children, employment change or desirable downsizing is the reason for moving.

There are further positive signs on the horizon, as builder confidence has improved and construction job gains are measurably higher. It will still take more effort than a lone year can provide for building activity to reach a needed level for inventory balance, but a step in the right direction is welcome.

More sellers should feel ready and willing to list in 2018. Economic indicators such as unemployment rates and consumer confidence are in an improved state, and sellers currently hold the keys in the buyer-seller relationship. This does not mean that sellers can set their price and watch the offers roll in. On the contrary, buyers will be poised to test prevailing price points, particularly in markets where home price increases are outpacing wage growth and in light of the fact that mortgage rates are expected to increase further in 2018.

Sales: Pending sales increased 0.5 percent, landing at 2,709 to close out the year. Closed sales were down 1.7 percent to finish 2017 at 2,676. Although there were fewer sales than last year, this cannot be pinned on low demand. Low inventory has been an ongoing issue, and fewer homes available for sale often equates to fewer sales.

Listings: Year-over-year, the number of homes available for sale was lower by 18.1 percent. There were 830 active listings at the end of 2017. New listings decreased by 4.1 percent to finish the year at 3,448. Home supply was once again lower than desired in 2017.

New Construction: New home building has improved across the country but is not yet at a level to help sustain a balanced market. Locally, months of supply finished 2017 at 11.4 months. While previously owned homes have seen months of supply drop from a 2014 high of 6.9 down to 3.0 months in 2017, new construction supply has seen less change over the last five years other than a 17.2 months spike in 2015.

Prices: Home prices were up compared to last year. The overall median sales price increased 5.1 percent to \$268,000 for the year. Prices are expected to rise at a slow rate in 2018. Single-Family home prices were up 4.3 percent compared to last year, and Townhouse-Condo home prices were up 2.7 percent.

List Price Received: Sellers received, on average, 96.3 percent of their original list price at sale, a mild year-over-year improvement of 0.3 percent. As sales prices are expected to increase further in 2018, this should bring original list price received at sale up as well.

The historic tax reforms due to make their mark in 2018 will have varying effects across the nation. High-priced coastal markets may feel the changes stronger than the middle of the country. And some potential buyers may see the changes as providing less of an investment benefit for homeowners.

Some observers warn that there might be enough lack of incentives to stifle homeownership, which is already near 50-year lows. Policymakers claim that the reforms will help boost economic activity and profitability. Whichever direction we ultimately turn, the next year appears to offer a dalliance with balance intended to intrigue both sides of the transaction toward a common middle ground.

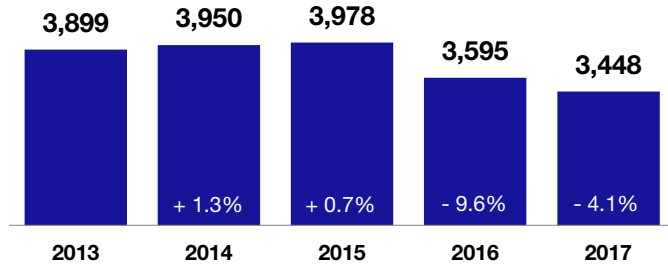
For those who have their minds made up to buy a home in 2018, it will likely be a competitive ride. The trend has widely been toward fewer days on market and fewer months of supply, indicating strong demand despite higher prices and low inventory. This could prove tricky for first-time home buyers, especially for those who are impacted by student loan debt, content to rent or among the more than 15 percent of adult children still living at home. In a landscape rife with new variables, residential real estate is certainly poised to offer an interesting and active year ahead.

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Quick Facts

New Listings



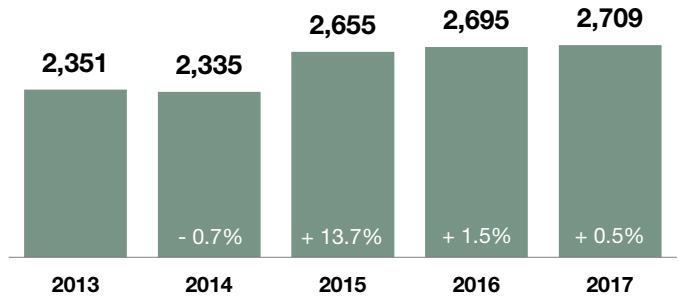
Top 5 Areas: Change in New Listings for Chittenden County

Winooski	+ 18.2%
Colchester	+ 10.9%
Burlington	+ 6.0%
South Burlington	+ 1.5%
Hinesburg	- 2.8%

Top 5 Areas: Change in New Listings for Grand Isle/Franklin County

Fairfield	+ 80.0%
Sheldon	+ 65.2%
Franklin	+ 56.3%
Enosburg	+ 32.3%
Berkshire	+ 15.0%

Pending Sales



Top 5 Areas: Change in Pending Sales for Chittenden County

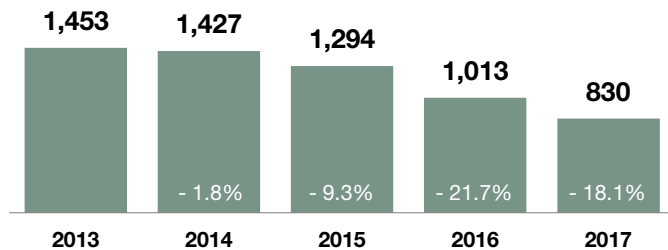
Hinesburg	+ 43.9%
Winooski	+ 21.3%
Huntington	+ 21.1%
Burlington	+ 10.4%
South Burlington	+ 9.8%

Top 5 Areas: Change in Pending Sales for Grand Isle/Franklin County

Montgomery	+ 83.3%
Sheldon	+ 82.4%
Richford	+ 60.0%
Enosburg	+ 40.9%
Franklin	+ 33.3%

Inventory of Homes for Sale

At the end of the year.



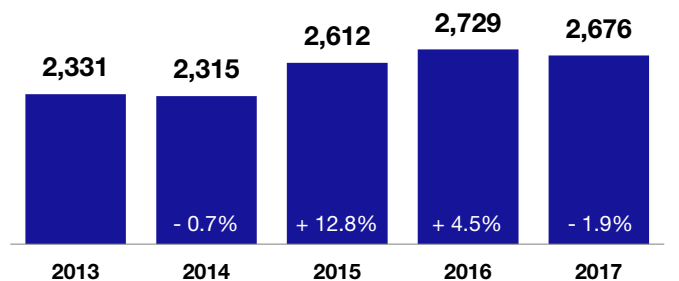
Top 5 Areas: Change in Homes for Sale for Chittenden County

Winooski	+ 100.0%
Bolton	0.0%
St. George	0.0%
Colchester	- 9.1%
Charlotte	- 13.5%

Top 5 Areas: Change in Homes for Sale for Grand Isle/Franklin County

Fletcher	+ 400.0%
Fairfield	+ 333.3%
Bakersfield	+ 40.0%
Berkshire	+ 7.1%
Averys Gore	0.0%

Closed Sales



Top 5 Areas: Change in Closed Sales for Chittenden County

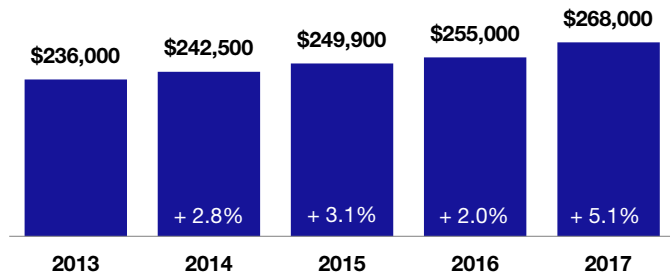
Hinesburg	+ 47.6%
Milton	+ 14.2%
Underhill	+ 11.1%
Huntington	+ 10.0%
Winooski	+ 9.8%

Top 5 Areas: Change in Closed Sales for Grand Isle/Franklin County

South Hero	+ 45.5%
Sheldon	+ 45.0%
Enosburg	+ 29.2%
Isle La Motte	+ 25.0%
Montgomery	+ 20.0%

Quick Facts

Median Sales Price



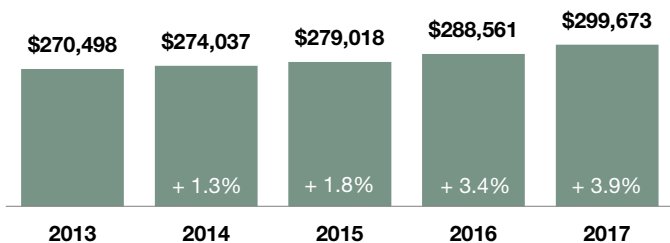
Top 5 Areas: Change in Median Sales Price for Chittenden County

Burlington	+ 9.0%
Underhill	+ 8.8%
Essex	+ 7.1%
South Burlington	+ 6.3%
Huntington	+ 6.0%

Top 5 Areas: Change in Median Sales Price for Grand Isle/Franklin County

Fairfield	+ 75.0%
South Hero	+ 41.7%
Montgomery	+ 13.9%
Bakersfield	+ 11.4%
North Hero	+ 10.9%

Average Sales Price



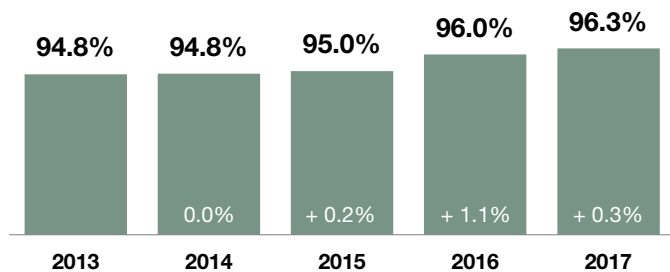
Top 5 Areas: Change in Avg. Sales Price for Chittenden County

Bolton	+ 30.4%
Burlington	+ 14.6%
Jericho	+ 13.6%
Underhill	+ 11.4%
Shelburne	+ 6.0%

Top 5 Areas: Change in Avg. Sales Price for Grand Isle/Franklin County

Fairfield	+ 74.1%
Montgomery	+ 32.5%
Alburgh	+ 22.3%
Bakersfield	+ 20.2%
South Hero	+ 18.6%

Percent of Original List Price Received



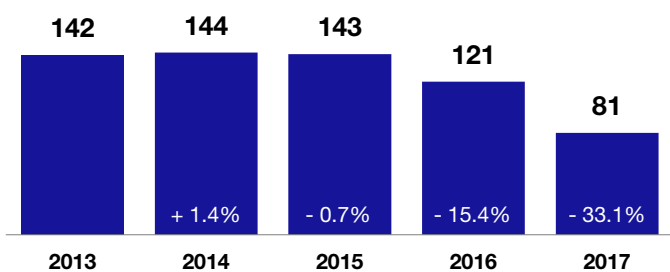
Top 5 Areas: Change in Percent of Original List Price Received for Chittenden County

St. George	+ 9.6%
Underhill	+ 3.1%
Bolton	+ 2.2%
Westford	+ 2.1%
Burlington	+ 1.2%

Top 5 Areas: Change in Percent of Original List Price Received for Grand Isle/Franklin County

Fairfield	+ 9.0%
Montgomery	+ 6.2%
Franklin	+ 6.0%
Bakersfield	+ 4.5%
North Hero	+ 4.0%

Days on Market Until Sale



Top 5 Areas: Change in Days on Market for Chittenden County

Charlotte	- 11.8%
Hinesburg	- 20.2%
Westford	- 21.3%
Bolton	- 21.4%
Richmond	- 25.7%

Top 5 Areas: Change in Days on Market for Grand Isle/Franklin County

Montgomery	+ 27.5%
Highgate	+ 17.6%
St. Albans City	- 10.7%
Enosburg	- 19.4%
Alburgh	- 23.3%

Property Type Review

84

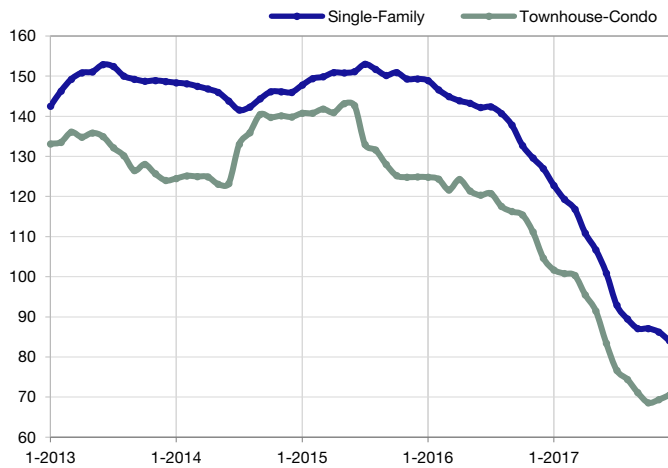
Average Days on Market
Single-Family

71

Average Days on Market
Townhouse-Condo

Days on Market Until Sale

This chart uses a rolling 12-month average for each data point.



Top Areas: Townhouse-Condo Market Share for Chittenden County in 2017

Bolton	53.8%
South Burlington	53.3%
Essex	40.4%
Williston	39.1%
Burlington	35.9%
Colchester	33.5%
Chittenden County	33.2%
Winooski	23.2%
Richmond	10.8%
Jericho	19.6%

Top Areas: Townhouse-Condo Market Share for Grand Isle/Franklin County in 2017

St. Albans Town	19.8%
Fairfax	13.4%
St. Albans City	7.8%
Franklin County	6.9%
Grand Isle	6.1%
Georgia	3.6%
Swanton	2.8%
Grand Isle County	1.3%

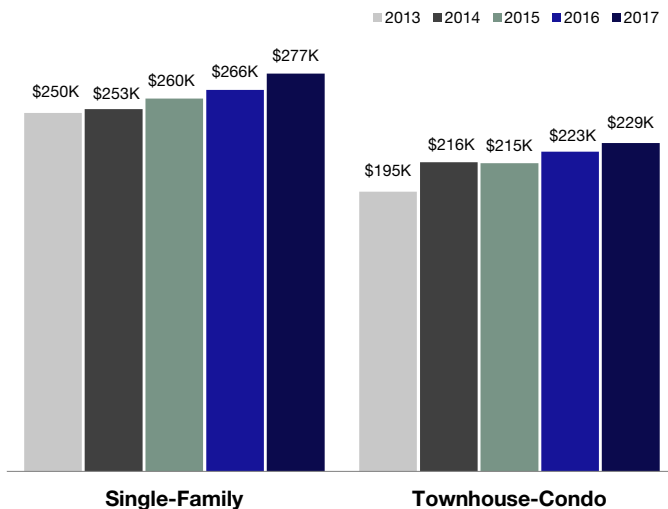
+ 4.3%

One-Year Change in Price
Single-Family

+ 2.7%

One-Year Change in Price
Townhouse-Condo

Median Sales Price



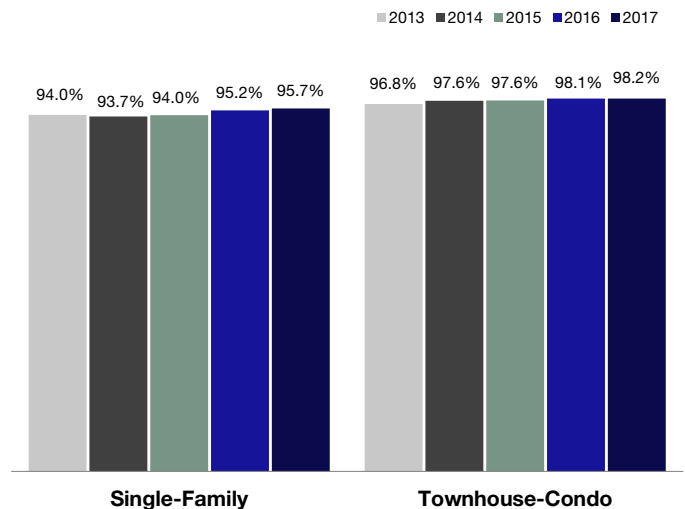
95.7%

Pct. of Orig. Price Received
Single-Family

98.2%

Pct. of Orig. Price Received
Townhouse-Condo

Percent of Original List Price Received



New Construction Review

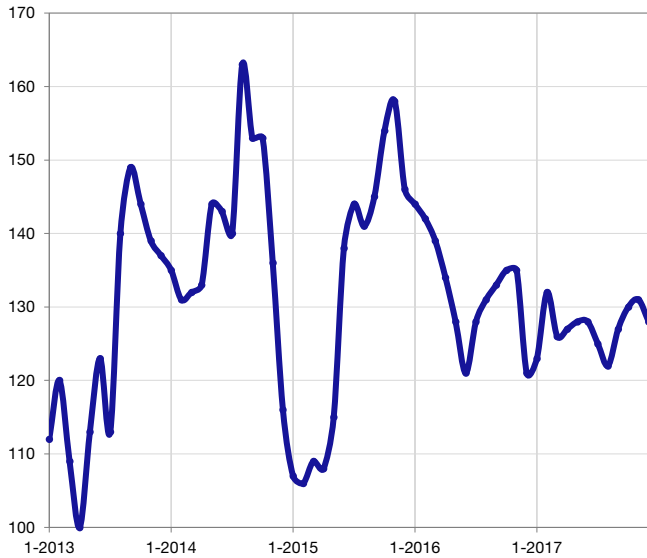
Aug '14

35

Peak of New Construction Inventory

Drop in New Construction Inventory from Peak

New Construction Homes for Sale



Top Areas: New Construction Market Share for Chittenden County in 2017

Williston	13.6%
South Burlington	6.9%
Essex	5.4%
Richmond	5.4%
Jericho	5.4%
Chittenden County	5.2%
Westford	4.5%
Shelburne	3.9%
Milton	2.5%
Charlotte	2.1%

Top Areas: New Construction Market Share for Grand Isle/Franklin County in 2017

St. Albans Town	19.8%
Georgia	12.5%
Franklin	10.0%
Fairfax	9.0%
Highgate	8.3%
Franklin County	7.0%
Fletcher	6.7%
Grand Isle	3.0%
Grand Isle County	1.9%
Swanton	1.9%

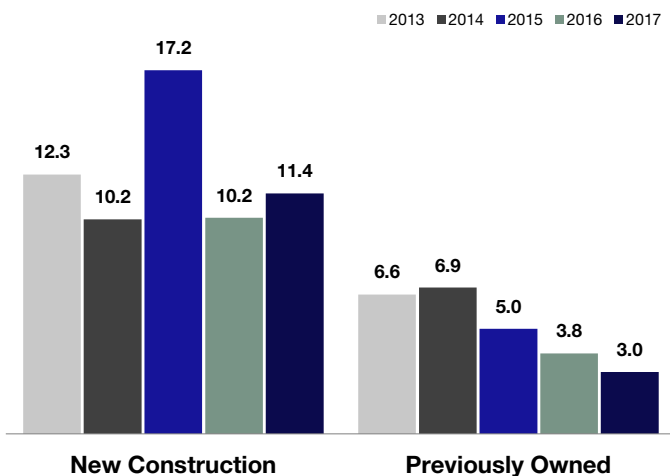
11.4

3.0

Year-End Months Supply New Construction

Year-End Months Supply Previously Owned

Months Supply of Inventory



102.4%

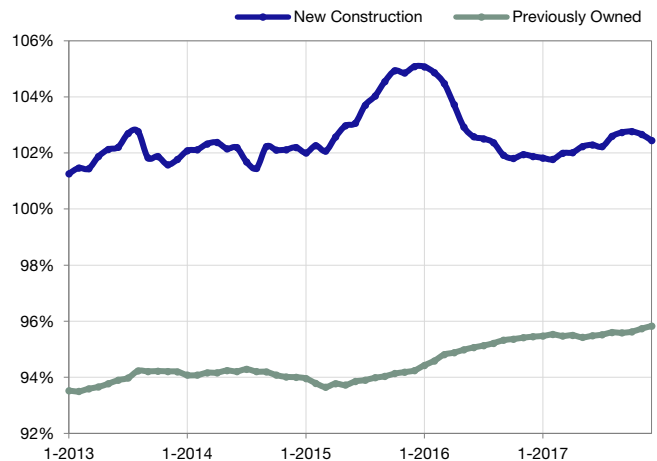
95.8%

Pct. of Orig. Price Received New Construction

Pct. of Orig. Price Received Previously Owned

Percent of Original List Price Received

This chart uses a rolling 12-month average for each data point.



Price Range Review

\$200,001 to \$300,000

Price Range with Shortest Average Days on Market Until Sale

\$150,000 and Below

Price Range with Longest Average Days on Market Until Sale

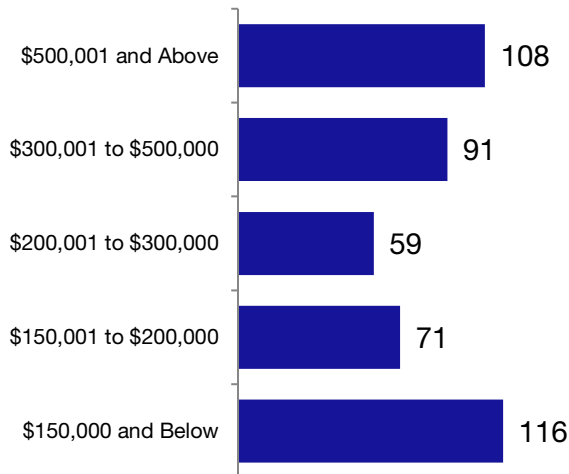
15.1%

of Homes for Sale at Year End Priced \$150,000 and Below

- 34.2%

One-Year Change in Homes for Sale Priced \$150,000 and Below

Days on Market Until Sale by Price Range



Share of Homes for Sale \$150,000 and Below



\$200,001 to \$300,000

Price Range with the Most Closed Sales

+ 11.1%

Price Range with Strongest One-Year Change in Sales: \$300,001 to \$500,000

\$500,001 and Above

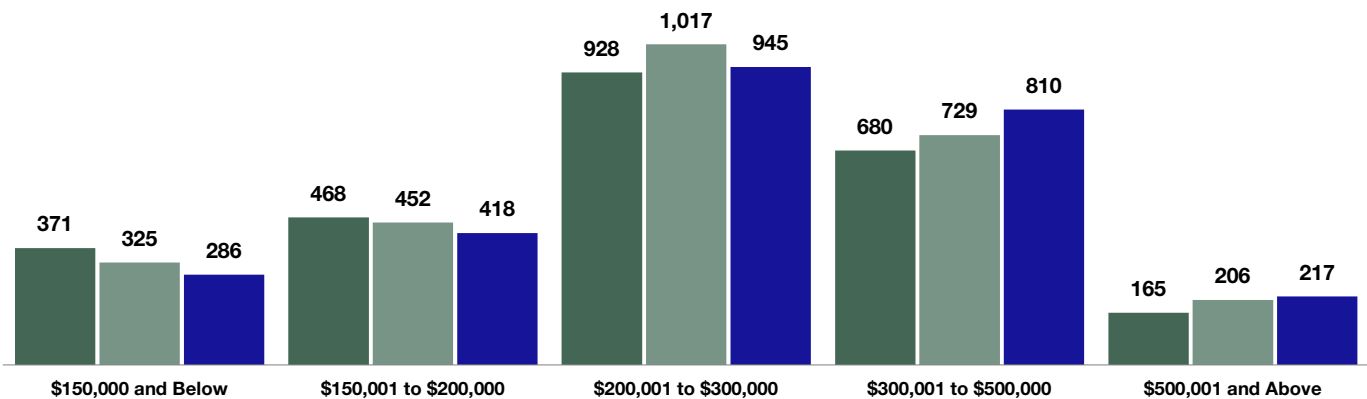
Price Range with the Fewest Closed Sales

- 12.0%

Price Range with Weakest One-Year Change in Sales: \$150,000 and Below

Closed Sales by Price Range

■ 2015 ■ 2016 ■ 2017



Area Overviews

	Total Closed Sales	Change from 2016	Percent Condominium	Percent New Construction	Months Supply of Inventory	Days on Market Until Sale	Pct. of Orig. Price Received
Northwestern Vermont	2,676	- 1.9%	25.6%	5.4%	3.7	81	96.3%
Chittenden County	1,937	- 2.4%	33.2%	5.2%	2.4	67	97.2%
Bolton	26	- 3.7%	53.8%	--	2.7	103	95.0%
Burlington	276	+ 2.2%	35.9%	0.7%	1.1	50	97.5%
Charlotte	48	- 12.7%	--	2.1%	7.3	164	91.8%
Colchester	236	+ 1.7%	33.5%	6.8%	3.1	64	98.0%
Essex	312	- 14.8%	40.4%	5.4%	1.8	56	97.8%
Hinesburg	62	+ 47.6%	16.1%	1.6%	4.5	75	94.0%
Huntington	22	+ 10.0%	--	4.5%	3.5	96	92.5%
Jericho	56	- 3.4%	19.6%	5.4%	2.6	66	96.6%
Milton	161	+ 14.2%	14.9%	2.5%	2.1	74	96.4%
Richmond	37	- 36.2%	10.8%	5.4%	2.8	104	96.9%
Shelburne	77	- 30.6%	22.1%	3.9%	2.1	76	94.8%
South Burlington	332	+ 1.8%	53.3%	6.9%	2.5	61	98.3%
St. George	4	- 66.7%	--	--	2.0	59	98.6%
Underhill	40	+ 11.1%	5.0%	7.5%	1.9	70	98.5%
Westford	22	- 12.0%	4.5%	4.5%	2.5	85	95.4%
Williston	169	+ 9.7%	39.1%	13.6%	1.9	78	97.4%
Winooski	56	+ 9.8%	23.2%	--	1.7	32	97.6%
Grand Isle County	156	+ 16.4%	1.3%	1.9%	9.5	149	90.6%
Alburgh	49	+ 28.9%	--	--	10.1	174	88.4%
Grand Isle	33	+ 6.5%	6.1%	3.0%	10.7	146	95.9%
Isle La Motte	15	+ 25.0%	--	--	4.8	179	82.8%
North Hero	27	- 10.0%	--	--	8.1	146	90.0%
South Hero	32	+ 45.5%	--	6.3%	7.1	103	92.8%
Franklin County	583	- 4.6%	6.9%	7.0%	6.5	108	95.1%
Bakersfield	12	0.0%	--	--	4.0	51	97.4%
Berkshire	10	- 9.1%	--	--	10.0	102	86.7%
Enosburg	31	+ 29.2%	--	--	6.6	183	87.9%
Fairfax	67	- 6.9%	13.4%	9.0%	4.9	87	98.2%
Fairfield	13	+ 18.2%	--	--	8.3	64	98.0%
Fletcher	15	0.0%	--	6.7%	2.5	49	97.7%
Franklin	10	- 9.1%	--	10.0%	4.7	158	97.5%
Georgia	56	- 18.8%	3.6%	12.5%	4.6	55	97.6%
Highgate	24	- 36.8%	--	8.3%	10.1	154	95.8%
Montgomery	18	+ 20.0%	--	--	11.5	315	87.6%
Richford	20	+ 42.9%	--	--	12.8	209	86.6%
Sheldon	29	+ 45.0%	--	--	3.9	102	95.2%
St. Albans City	64	- 11.1%	7.8%	1.6%	6.4	109	94.6%
St. Albans Town	106	- 7.0%	19.8%	19.8%	5.5	93	97.6%
Swanton	108	- 3.6%	2.8%	1.9%	4.7	98	93.9%

Area Historical Median Prices

	2013	2014	2015	2016	2017	Change From 2016	Change From 2013
Northwestern Vermont	\$236,000	\$242,500	\$249,900	\$255,000	\$268,000	+ 5.1%	+ 13.6%
Chittenden County	\$255,500	\$262,000	\$269,950	\$278,000	\$292,000	+ 5.0%	+ 14.3%
Bolton	\$160,000	\$173,500	\$175,000	\$167,000	\$173,750	+ 4.0%	+ 8.6%
Burlington	\$247,000	\$266,000	\$261,000	\$266,000	\$289,950	+ 9.0%	+ 17.4%
Charlotte	\$531,500	\$440,000	\$420,000	\$485,000	\$472,200	- 2.6%	- 11.2%
Colchester	\$253,500	\$252,500	\$264,900	\$280,000	\$295,000	+ 5.4%	+ 16.4%
Essex	\$249,900	\$255,000	\$269,000	\$269,950	\$289,000	+ 7.1%	+ 15.6%
Hinesburg	\$319,000	\$290,000	\$242,500	\$307,200	\$303,000	- 1.4%	- 5.0%
Huntington	\$242,000	\$222,500	\$218,900	\$243,013	\$257,500	+ 6.0%	+ 6.4%
Jericho	\$274,000	\$264,250	\$309,000	\$301,000	\$300,500	- 0.2%	+ 9.7%
Milton	\$242,000	\$220,000	\$240,000	\$247,000	\$249,900	+ 1.2%	+ 3.3%
Richmond	\$319,450	\$290,000	\$300,000	\$269,300	\$273,000	+ 1.4%	- 14.5%
Shelburne	\$344,550	\$447,000	\$365,500	\$420,000	\$382,500	- 8.9%	+ 11.0%
South Burlington	\$242,000	\$235,000	\$265,500	\$282,000	\$299,825	+ 6.3%	+ 23.9%
St. George	\$238,950	\$260,150	\$273,000	\$331,750	\$292,000	- 12.0%	+ 22.2%
Underhill	\$245,000	\$254,000	\$300,000	\$308,500	\$335,750	+ 8.8%	+ 37.0%
Westford	\$277,000	\$302,500	\$310,000	\$315,000	\$276,000	- 12.4%	- 0.4%
Williston	\$289,900	\$314,950	\$312,500	\$318,000	\$330,000	+ 3.8%	+ 13.8%
Winooski	\$195,000	\$219,500	\$210,000	\$223,000	\$234,000	+ 4.9%	+ 20.0%
Grand Isle County	\$219,250	\$234,000	\$200,000	\$227,500	\$250,000	+ 9.9%	+ 14.0%
Alburgh	\$167,500	\$128,500	\$129,500	\$173,000	\$184,500	+ 6.6%	+ 10.1%
Grand Isle	\$219,000	\$231,950	\$222,143	\$250,000	\$239,000	- 4.4%	+ 9.1%
Isle La Motte	\$183,750	\$211,500	\$111,250	\$242,300	\$211,750	- 12.6%	+ 15.2%
North Hero	\$209,000	\$246,500	\$249,500	\$234,250	\$259,900	+ 10.9%	+ 24.4%
South Hero	\$329,950	\$400,000	\$279,000	\$273,500	\$387,500	+ 41.7%	+ 17.4%
Franklin County	\$190,000	\$184,900	\$189,850	\$202,000	\$210,000	+ 4.0%	+ 10.5%
Bakersfield	\$174,950	\$174,750	\$174,000	\$170,000	\$189,450	+ 11.4%	+ 8.3%
Berkshire	\$179,000	\$135,900	\$118,000	\$161,000	\$150,000	- 6.8%	- 16.2%
Enosburg	\$158,000	\$142,666	\$143,250	\$147,500	\$160,000	+ 8.5%	+ 1.3%
Fairfax	\$215,000	\$235,900	\$255,000	\$246,000	\$268,000	+ 8.9%	+ 24.7%
Fairfield	\$244,950	\$226,750	\$224,000	\$164,000	\$287,000	+ 75.0%	+ 17.2%
Fletcher	\$210,000	\$188,000	\$233,000	\$239,000	\$210,000	- 12.1%	0.0%
Franklin	\$71,500	\$149,900	\$137,500	\$162,700	\$152,000	- 6.6%	+ 112.6%
Georgia	\$236,950	\$236,500	\$232,250	\$251,000	\$259,303	+ 3.3%	+ 9.4%
Highgate	\$175,000	\$159,000	\$162,250	\$189,500	\$208,200	+ 9.9%	+ 19.0%
Montgomery	\$130,000	\$170,000	\$169,000	\$155,000	\$176,500	+ 13.9%	+ 35.8%
Richford	\$63,000	\$53,000	\$110,180	\$122,900	\$86,000	- 30.0%	+ 36.5%
Sheldon	\$202,000	\$179,700	\$180,000	\$207,500	\$185,000	- 10.8%	- 8.4%
St. Albans City	\$164,000	\$161,950	\$167,500	\$168,000	\$180,500	+ 7.4%	+ 10.1%
St. Albans Town	\$220,000	\$218,000	\$200,000	\$228,250	\$225,000	- 1.4%	+ 2.3%
Swanton	\$170,000	\$173,500	\$176,750	\$190,000	\$185,000	- 2.6%	+ 8.8%