

Market Update

How a Trump Presidency Could Impact the Real Estate Market in 2025

While we have been collectively holding our breath leading up to the general election, we can now do some forecasting knowing that Former President Donald Trump will be taking up residence at 1600 Pennsylvania Ave on January 20th. With President-elect Donald Trump's proposed policies, the U.S. real estate market could see some notable changes. Trump's economic platform centers on deregulation, tax cuts and increased tariffs—each with significant implications for housing.

Mortgage Rates and Interest Cuts

Within 48 hours of election night, the Federal Reserve reduced the interest rate by 0.25 percentage points, indicating that inflation has somewhat cooled. Although the unemployment rate has improved and the general market conditions are slightly more favorable, the reality is, the Federal Reserve acknowledges that the U.S. economy is not out of the woods yet. As of now, the Federal Reserve is expected to conduct another reduction of 0.25 percentage points in December 2024 and another in early 2025. Economic forecasters suggest that the

Interest Rates

(as of 11/8/2024)

Conventional: 6.75%

FHA: 6.0%

VA: 6.125%

RD: 6.0%

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peak of the improved interest rates will be May/June of next year with a full percentage point down, estimating the borrowing rates to be around 5.0-5.75%, which is more favorable than where we were 12 months ago.

Housing Supply and Deregulation

Nationally, Trump's inclination toward reducing regulations could benefit the real estate market by streamlining construction processes and potentially boosting housing inventory in underserved areas. This deregulation might spur new development in designated opportunity zones, which are areas targeted for economic rejuvenation, through tax incentives. Idaho's rural areas, like Lemhi County, could see ...

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Last 30 Days

22 New Listings

15 Properties Sold

11 Properties Under Contract

31 Average Days on Market

Sales Price = 95% of List Price

\$223,667= Average Price of Residential Home Listings

increased development interest as a result. However, with looser lending standards, more out-of-state investors might also enter the market, intensifying competition for available homes and affecting local affordability, which is already a problem for our area.

Tax Policies and Foreign Investment

Under a Trump administration, tax cuts are likely to continue from his previous administration. Experts at America Mortgages anticipate this could stimulate demand among investors and foreign buyers. Foreign investors seeking favorable tax treatment and lower regulatory barriers may drive up demand, particularly in markets with high investment appeal. For Idaho, which is experiencing a tight housing supply, this might lead to further price increases, particularly in desirable areas. Locally over the last 2 years, we've seen our housing market significantly slow for everything above \$450,000, causing the time on market to lengthen and sales prices lower. Conversely, the market for homes below \$350,000 is still very active and competitive. It is not uncommon to see multiple offers on homes below \$300,000 and the average time on market is less than 30 days (from listing to accepted offer). If demand increases, we can expect housing prices to increase as a result.

Local Market Outlook

Trump's anticipated economic policies combined with the Federal Reserves anticipated borrowing rate decreases could open opportunities for buyers to find an affordable property that suits their needs. However, an increase in demand due to competitive pressures from out of state buyers remains a concern since 2021. The reality is, we are still seeing the migration effect of new residents coming from Washington, Oregon, California, Texas, Utah and Colorado. If those pressures remain at bay, our local buyers have a better chance of securing properties at a more reasonable price.

LOCAL MARKET NEWS

As of this month, the real estate market in Lemhi County has seen some positive changes, with interest rates currently ranging from 6.0% to 6.75%. This is a significant improvement from November 2023, when rates were between 7.0% and 7.125%. With these lower borrowing rates, buyer interest has picked up, reflected in 22 new listings and 11 properties going under contract this month. In comparison, November 2023 saw just 17 new listings and 8 properties under contract. This upward shift is an encouraging sign for both buyers and sellers in our community.

Additionally, homes are selling at 95% of their list price, a noticeable increase from the 89% of list price seen in November 2023. This improvement suggests that sellers are receiving closer to their asking prices, likely due to the increased demand and interest rate drop. Buyer activity remains steady, with new buyers entering the market weekly, keeping our local outlook strong and the market cycle active. Overall, Lemhi County's real estate trends indicate a positive momentum for both current and prospective homeowners.

JUST LISTED



Nestled in the heart of Idaho's storied Tower Creek drainage, this 4-acre parcel on E Tower Creek Rd in Carmen offers a fusion of natural beauty, historical significance and endless outdoor adventure. With Tower Creek meandering through the northeast corner, you'll be serenaded by the gentle sounds of the creek from nearly every vantage point on the property. This land is steeped in history, set amid the landscapes once traversed by Lewis and Clark. The famed "Pirramids" that

captivated the explorers on August 31, 1805, stand proudly in view, just as they did in the expedition's journals. The valley itself played a crucial role in the journey west, marking a pivotal point for Lewis and Clark as they navigated the rugged terrain in search of passage to the Pacific. The property's diverse terrain offers a variety of ideal building sites, with panoramic views of the Continental Divide to the east and Napoleon Ridge to the west. Here, you'll have the perfect backdrop for your dream home, with endless vistas that shift and inspire with every season. Wildlife thrives in this valley. Outdoor enthusiasts will find endless options nearby. From hiking and horseback riding to mountain biking, fishing, and hunting, this property places you at the gateway of Idaho's rugged wilderness. **MLS#LA2171951 | \$125,000**



Ready to build 1 acre lot complete with well and excavated building pad that takes in the incredible views of the Beaverhead Mountains! Located at the top of the Smedley Estates Subdivision you take in the expansive views while the surrounding terrain offers seclusion and privacy from your neighbors. This property includes a well with a depth of 220ft, pumping at 25gpm at the time of installation. While power is nearby, the new owner will need to bring in power but all easements are in place to do so. Additionally, the well pump is capable of being plugged into a generator. The building pad is

1 ACRE WITH WELL FOR SALE
 NKN OLIVER DR. SALMON, ID 83467

The building pad is approximately 204ft by 69ft and sits above Oliver Dr which further enhances the view and privacy at this location. The lot was surveyed, and the corners were marked in February 2022. Access to the Salmon National Forest, BLM and Salmon River boat launch are all nearby maximizing the ease to recreate in this beautiful part of our Country. **MLS# LA2168413A | \$127,000**



FOR SALE

Log Cabin w/ acreage

4 BED | 3 BATH | 3144SQFT | 3 ACRES
 \$530,000 | MLS#2168888 OR 2168889



NIKKI SCHULER
 208-756-7548
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Nestled on 3 acres with panoramic views of the Bitterroot Mountains and the town of Salmon, this charming whole round log home blends rustic character & modern comfort w/ 4 beds & 3 baths. The primary bedroom is in the loft space & includes an ensuite bathroom. Big picture windows and several skylights bring natural sunlight into the main living room, creating a warm and bright atmosphere. The kitchen offers granite countertops, a breakfast bar, and an eat-in dining area—ideal for casual meals & gatherings. Two additional bedrooms are located at the back of the house, along w/ a 4-piece bath complete w/ an antique clawfoot tub. The partially finished basement offers extra living space, a bedroom, bathroom, and living area. The laundry room is also located in the basement, along with extra storage space for food and gear. Outside, approx 2.5 acres are dedicated to 4 horse paddocks, with water rights & reliable sprinkler irrigation system. A lean-to and gear/tack storage room w/ power provide additional convenience. The property also includes fruit trees. Water is sourced from Jesse Creek Spring, with affordable annual costs of \$240 for domestic water and \$120 for irrigation water. Currently the owner resides in the basement and successfully rents the upstairs as a STR. The Seller is also offering this property on 1/2 an acre at a reduced price.

MLS# RR2168888A | \$530,000

“ Recently my husband and I had real estate dealings with Nikki Schuler of Mountain West Real Estate, Inc. She is incredibly talented and kind. She is an asset to her trade. She found the perfect property for us. She is professional but also funny. She was a joy to work with. We look forward to meeting with her in the future. ”



Referrals are the heart of my business. If I can help you, a friend or a family member, please helps us to get connected.

Happy Thanksgiving!

Nikki Schuler

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