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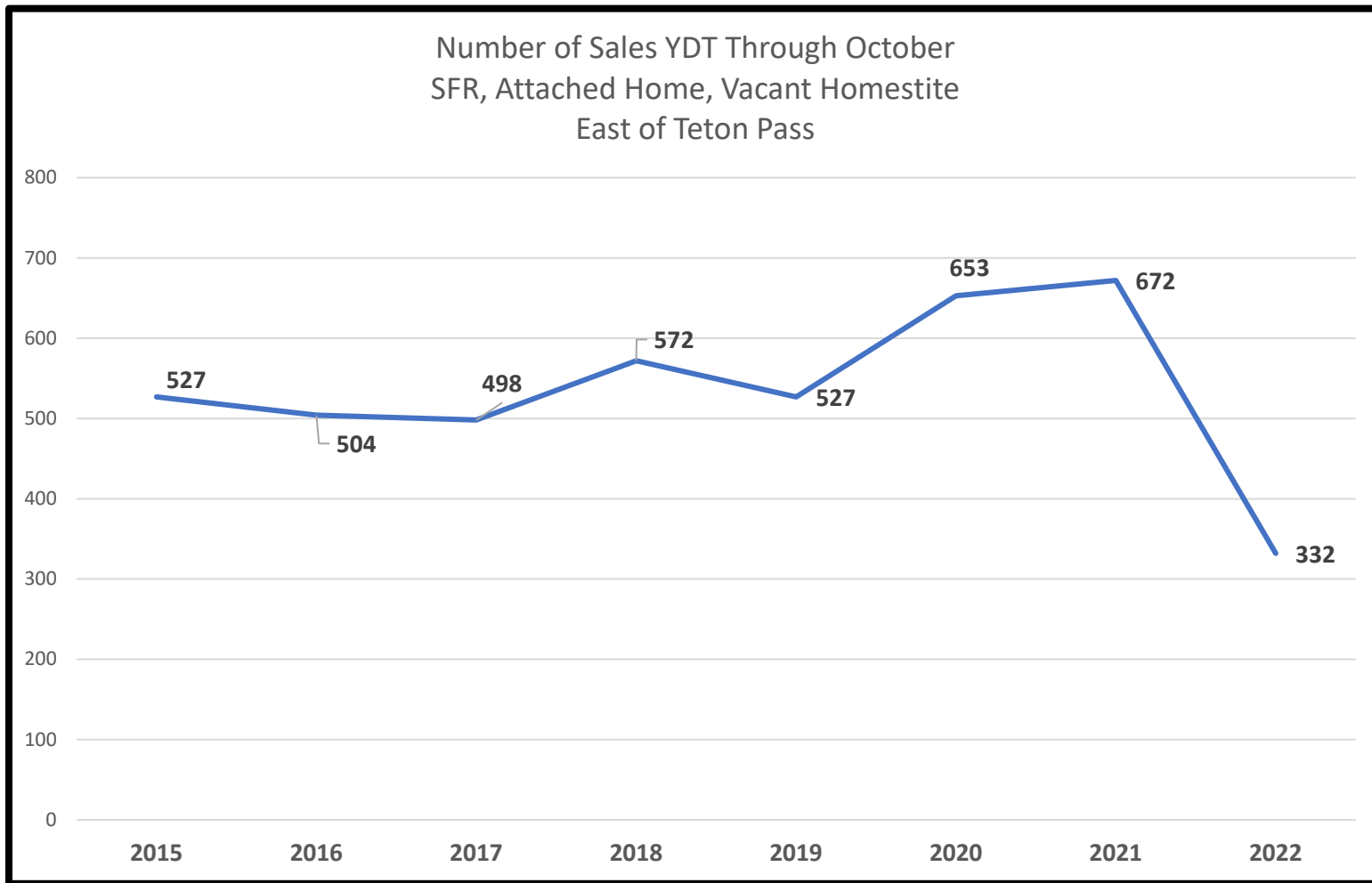
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LATE FALL UPDATE 2022 – Sales Volume Down – Luxury Home Prices Holding Value

Current monetary policy has been enacted with the goal of quelling inflation. This has had the desired effect on the national housing market, with the number of sales decreasing significantly and many markets reporting price leveling or contraction. Through October of this year, Teton County mirrored this trend in some regards, with the number of overall residential sales east of Teton Pass being down by approximately 50%. However, in regard to pricing, the Teton County Sales Market provided no indications of market softening in its luxury market segments, while the signs of moderating prices in the lower-priced market segments really only becomes visible when looking at the data with the predisposition that the most dramatic run up of interest rates in four decades should be having an effect on the more interest-rate sensitive segments of the market. Looking at the supply half of the equation, the current indications are that some of Teton County's most sought-after locations will continue to hold their value (with areas west of the Snake River showing very little if any increase in inventory). Areas that were once considered housing targets for local residents (versus second homeowners), but "evolved" out of this market niche during the flight to the Intermountain West triggered by the Covid Pandemic, are most likely to see some price moderation as the demand for remote working likely lessens and these areas again become the realm of those tied to the local economy and the need for mortgage financing.

Year	2015	2016	2017	2018	2019	2020	2021	2022	%Δ 2021-2022
# of Sales Local Market	240	246	241	272	254	257	304	166	-45.39%
Dollar Volume Local Market	\$163,932,688.27	\$167,577,123.07	\$160,767,114.25	\$233,384,833.00	\$229,024,540.03	\$259,171,913.77	\$426,412,630.00	\$322,697,817.84	-24.32%
Average Price Local Market	\$745,148.58	\$813,481.18	\$761,929.45	\$993,126.95	\$1,041,020.64	\$1,188,861.99	\$1,698,855.10	\$2,444,680.44	43.90%
# of Sales Resort Market	287	258	257	300	273	396	368	166	-54.89%
Dollar Volume Local Market	\$566,614,479.25	\$378,153,309.47	\$410,205,503.00	\$602,791,752.07	\$604,973,786.34	\$1,261,543,154.56	\$1,314,945,012.31	\$572,954,619.34	-56.43%
Average Price Resort Market	\$2,380,733.11	\$1,959,343.57	\$2,040,823.40	\$2,501,210.59	\$2,574,356.54	\$3,834,477.67	\$4,999,790.92	\$5,115,666.24	2.32%
Total Number of Sales	527	504	498	572	527	653	672	332	-50.60%
Total Dollar Volume	\$730,547,167.52	\$545,730,432.54	\$570,972,617.25	\$836,176,585.07	\$833,998,326.37	\$1,520,715,068.33	\$1,741,357,642.31	\$895,652,437.18	-48.57%
Average Price	\$1,595,081.15	\$1,367,745.44	\$1,385,855.87	\$1,756,673.50	\$1,832,963.35	\$2,780,100.67	\$3,387,855.34	\$3,670,706.71	8.35%

Number of Sales YDT Through October
SFR, Attached Home, Vacant Homestite
East of Teton Pass



The preceding tables illustrate the above-mentioned decline in sales volume and indicates that this happened without a drop in pricing. While counterintuitive, examination of comparative sales and resales additionally shows this to be the case, with support for this including two sales of homes in the Shooting Star Development, one sale reflecting an over 42% increase in price between 2021 and 2022 (a gain over \$6.7M in 17 months) and one reflecting 37% increase in price (a gain of over \$2.5M in 14 months). Additional support for the continuation of rising price points during 2022 can be gleaned from the below table, which uses the sales and resale of attached homes to make this case:

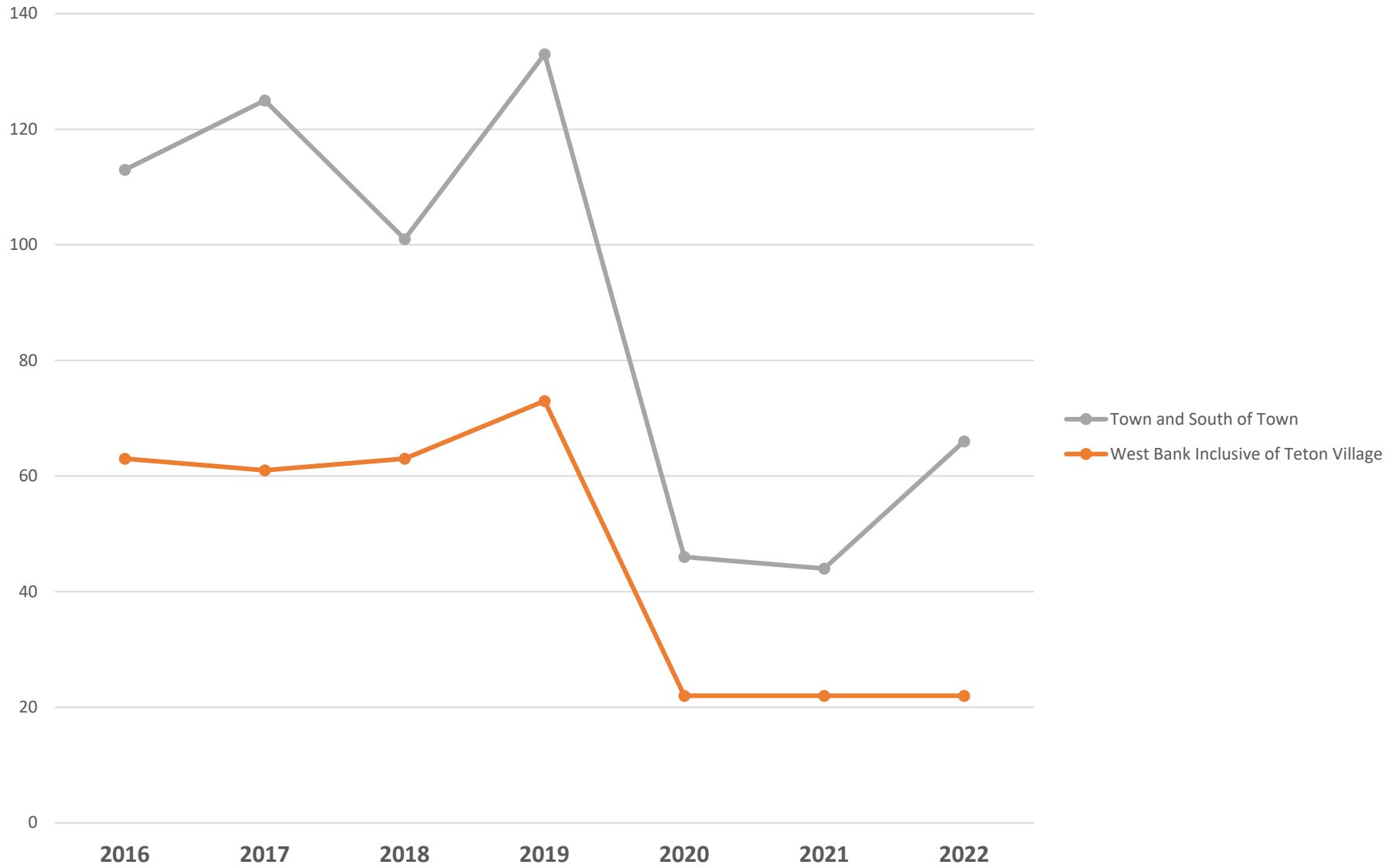
Comparison No.	Legal	Number	Address	Sales Date	Sale Price	%Δ	Months	% per Month
1	UNIT 9, HARVEST DANCE LODGES	1668 N	East Butte Road	9/14/2021	\$1,275,000.00			
	UNIT 12, HARVEST DANCE LODGES	1674 N	East Butte Road	3/17/2022	\$1,625,000.00	27.45%	6.05	4.54%
2	UNIT 35, HARVEST DANCE LODGES PHASE B	1663 N	Harvest Dance Road	4/2/2021	\$940,000.00			
	UNIT 35, HARVEST DANCE LODGES PHASE B	1663 N	Harvest Dance Road	4/5/2022	\$1,420,000.00	51.06%	12.10	4.22%
3	UNIT 4-2, STREAMSIDE CONDO ADDITION AMENDED	365 N	Glenwood Street #G	2/25/2021	\$615,000.00			
	UNIT 4-2, STREAMSIDE CONDO ADDITION AMENDED	365 N	Glenwood Street #G	4/29/2022	\$1,164,000.00	89.27%	14.07	6.34%
4	UNIT 5-3, BLDG. 5, PARK PLACE CONDOS	915	Smith Lane #B	12/27/2021	\$740,000.00			
	UNIT 1-2, BLDG. 1, PARK PLACE CONDOS	955	Smith Lane #C	6/14/2022	\$740,000.00	0.00%	5.56	0.00%
5	UNIT 201, ONE TOWN HILL CONDOMINIUMS ADDITION (Plat 01396)	680 S	Cache Street #201	12/2/2021	\$2,840,000.00			
	UNIT 201, ONE TOWN HILL CONDOMINIUMS ADDITION (Plat 01396)	680 S	Cache Street #201	5/3/2022	\$3,100,000.00	9.15%	5.00	1.83%
6	UNIT 11-1-2, INDIAN PAINTBRUSH BLDG. JACKSON HOLE RACQUET CLUB	3890 S	Lake Creek Drive #11-1	3/16/2021	\$812,112.00			
	UNIT 11-1-2, INDIAN PAINTBRUSH BLDG. JACKSON HOLE RACQUET CLUB	3890 S	Lake Creek Drive #11-1	7/22/2022	\$1,090,000.00	34.22%	16.21	2.11%
8	LODGE LOT at Shooting Star	3293	Sheridan Road	6/28/2021	\$6,950,000.00			
	LODGE LOT at Shooting Star	3293	Sheridan Road	9/6/2022	\$9,500,000.00	36.69%	14.30	2.57%

When viewing the above comparisons, an even more robust view of appreciation than shown by the aggregated data is observed. And, as previously indicated, there is data in viewing Comparison No.4 to support the intuition that interest rates have impacted the more moderately priced segment of the market more markedly than the higher-end segment of the market. However, as was also alluded to previously, the interpretation of the data in this manner arguably requires a predisposition to look for this outcome, as Comparison No.3 is in the same market niche as Comparison No.4 and does not provide the indication of moderating pricing. More solid support for a greater likelihood of price moderation in the local-oriented housing market (versus second home) can be gleaned from examination of the supply side of the equation:

		2016		2017		2018		2019		2020		2021		2022		Δ
Type	Area	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	
SFR	Teton Village	3	\$6,496,667	10	\$8,579,000	9	\$7,649,444	10	\$9,634,000	7	\$10,092,143	2	\$6,950,000	1	\$4,995,000	-1
SFR	West Bank	60	\$5,518,125	51	\$4,805,098	54	\$4,506,198	63	\$4,375,995	15	\$4,646,667	20	\$8,143,750	21	\$12,456,667	1
SFR	Buttes and North	51	\$4,555,802	49	\$4,405,133	40	\$5,203,275	52	\$7,824,096	24	\$9,903,542	17	\$10,007,941	23	\$8,640,000	6
SFR	Town and South Park	50	\$2,215,380	64	\$2,489,374	38	\$5,402,882	60	\$3,059,158	24	\$3,783,667	22	\$3,837,182	44	\$5,008,091	22
		2016		2017		2018		2019		2020		2021		2022		
Type	Area	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	
COTH	Teton Village	23	\$1,372,674	10	\$1,246,100	3	\$2,695,000	7	\$1,782,143	2	\$2,850,000	1	\$2,400,000	4	\$3,566,250	3
COTH	West Bank	8	\$808,375	13	\$589,385	5	\$974,000	3	\$664,667	3	\$722,667	1	\$1,650,000	5	\$1,117,600	4
COTH	Buttes and North	6	\$683,167	1	\$659,000	3	\$795,000	6	\$1,080,000	3	\$955,000	1	\$1,595,000	2	\$2,295,000	1
COTH	Town and South Park	32	\$511,306	33	\$1,049,073	30	\$998,717	32	\$1,413,953	23	\$1,670,522	7	\$2,049,857	18	\$2,126,050	11
		2016		2017		2018		2019		2020		2021		2022		
Type	Area	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	Number	Avg. Price	
Land	Teton Village	5	\$3,373,000	4	\$4,487,500	4	\$3,787,500	3	\$3,433,333	2	\$3,675,000	0	0	2	\$4,972,500	2
Land	West Bank	29	\$3,623,586	27	\$3,210,519	29	\$3,630,052	26	\$2,816,981	13	\$4,110,000	9	\$8,832,222	10	\$15,477,500	1
Land	Buttes and North	90	\$3,689,778	73	\$3,624,918	70	\$3,613,829	51	\$2,974,431	28	\$4,484,071	29	\$3,596,034	24	\$7,410,625	-5
Land	Town and South Park	40	\$1,332,650	19	\$1,103,184	18	\$2,949,361	16	\$1,210,875	14	\$2,060,571	15	\$6,505,200	17	\$3,792,529	2
Total		397		354		303		329		158		124		171		47

Reviewing the above table, it can be noted in the blue cell that, as of the end of October, real estate market participants in Teton County had 47 more opportunities in inventory then they did the preceding year. Three important takeaways from this data are: (1) The inventory of October 2022 (171) is more than 2021 and 2020, but these are two of the most inventory-starved years in Teton County history, and the 2022 tally of active inventory is still less than the four years preceding 2020; (2) The net increase from the preceding year in listings of single-family homes located west of the Snake River as of October is zero (orange cells). This offers an indication that price softening in Teton County’s most valuable areas is not necessarily imminent; and (3) While the comparative sale and resale data arrayed earlier in this report did not offer conclusive evidence of Teton County’s more interest rate sensitive market segments experiencing price moderation, the increase in inventory in this segment (green cell) provides for the likelihood that the areas that have historically catered more to local market participants (versus second home buyers) will have a greater propensity for price moderation.

Inventory of SFR, Attached Homes, and Homesites as of October End



In Summary (with added speculation)

The lack of supply of Teton County real estate has historically provided some insulation to price fluctuations that were more prevalent in other markets. As the past seven years have seen a cash-dominated market in the higher end of the Teton County Real Estate Market, it is opined that this segment will be less affected (if at all in the highest price echelons) by the increase in financing costs now being experienced. In consideration of this, shoppers for Teton County's most valuable homes are likely to have far less negotiating power than they would believe if they relied on nationally based real estate news to make their case with prospective sellers. Conversely, the more moderately-price segments of the Teton County Real Estate Market are likely to be less insulated. An influx of people to the Intermountain West during the Pandemic (with additional fuel provided by historically low interest rates) caused a rapid escalation in price in some market areas that previously had been the domain of more price conscious market participants. Considering the current interest rate environment and the abatement of the Pandemic influx, these market segments are likely to experience some price moderation. And while this is a reasonable forecast, the Teton County Real Estate Market has approximated a compound rate of value growth of over 8% over a longer than 20-year period, and efforts to try to time the Teton County Real Estate Market could simply cause a would-be homeowner the lost opportunity of owning an asset that is opined by many to be more resilient and is certainly more personally useful than many alternative investments.

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