

# LOCAL HOUSING REPORT & HOME BUILDING ECONOMIC IMPACT ADA COUNTY

Presented by:

Dave Yorgason, MBA, CLC

Building Contractors Association of Southwest Idaho

January 29, 2015

Boise, ID



# Introduction & Welcome

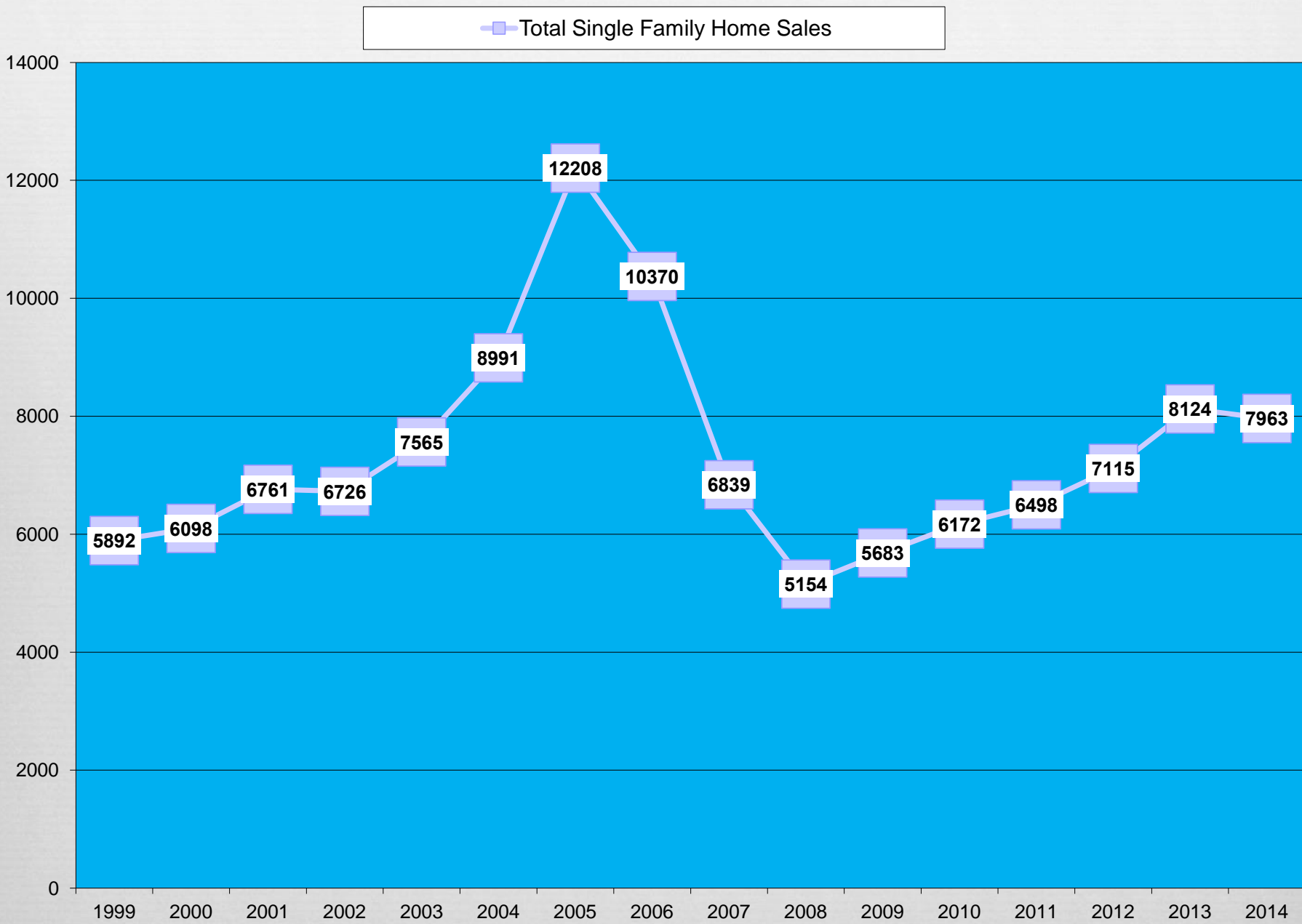


## Topics:

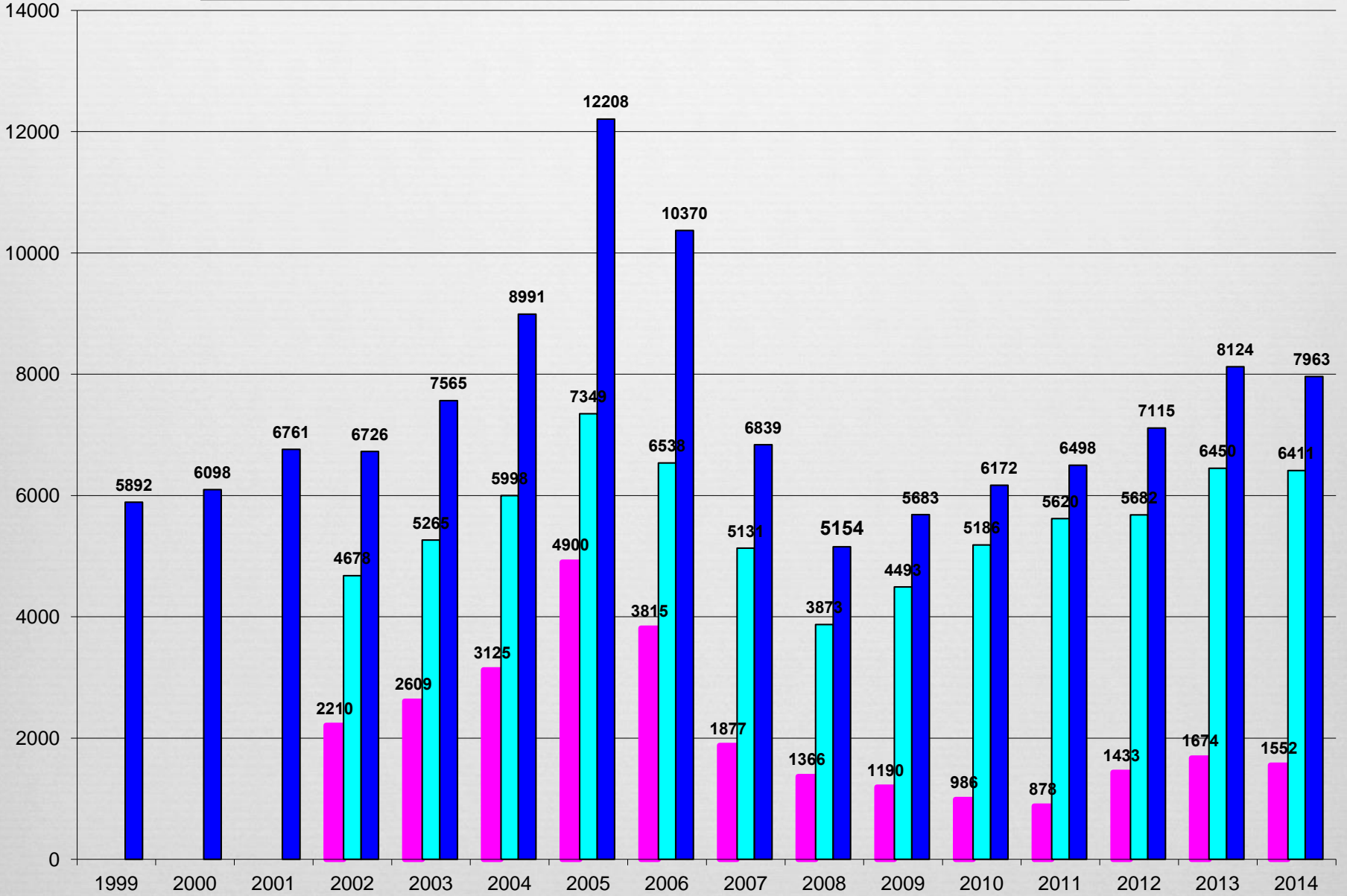
1. Local Housing Report & Forecast
2. Economic Impact of Local Home Building
3. Local Government Issues Addressed by BCA  
and Savings

# **Local Housing Report**

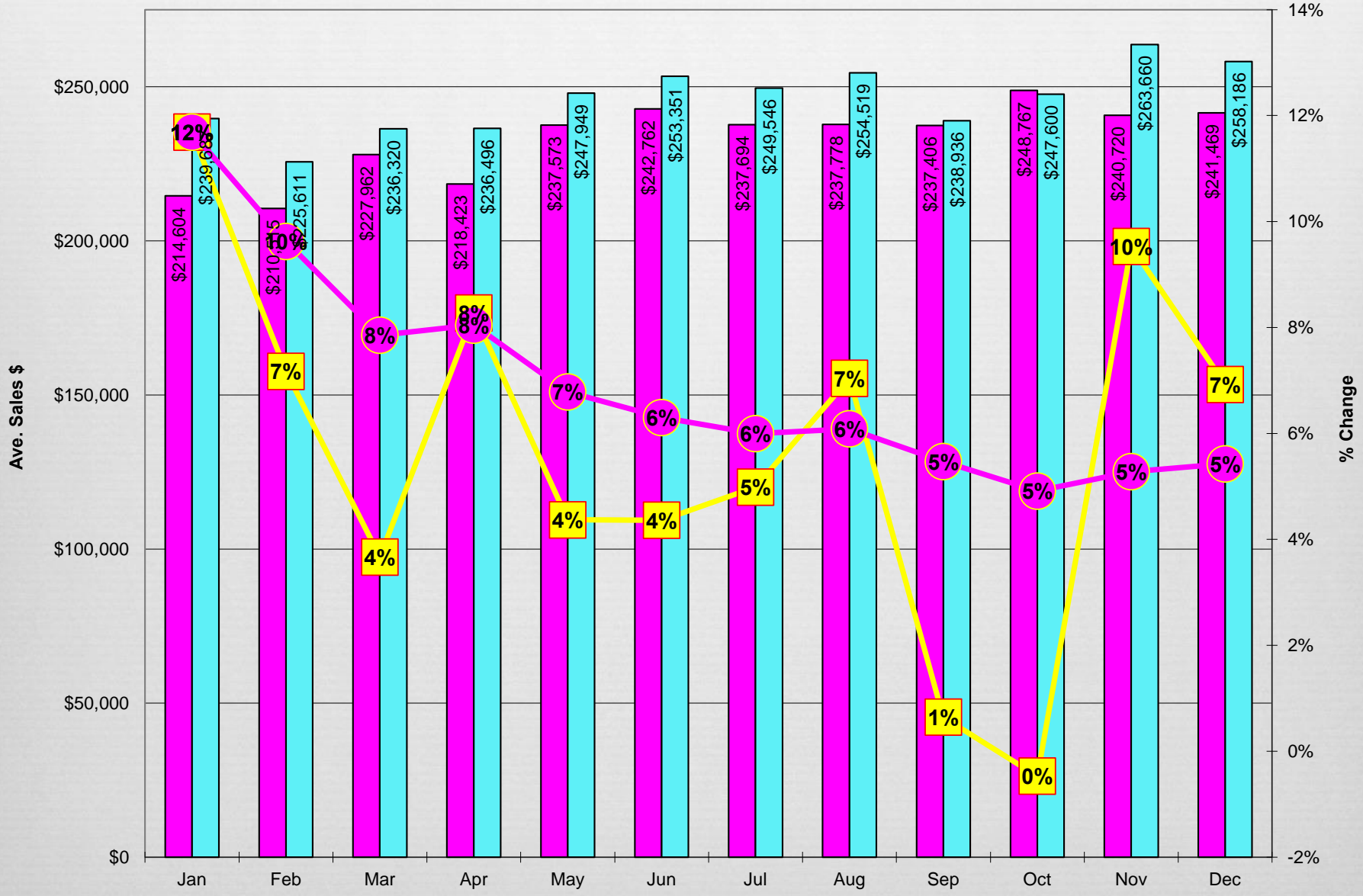
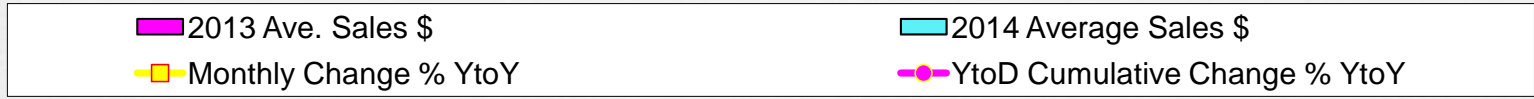
# A1 - Ada County Yearly Sales HISTORY



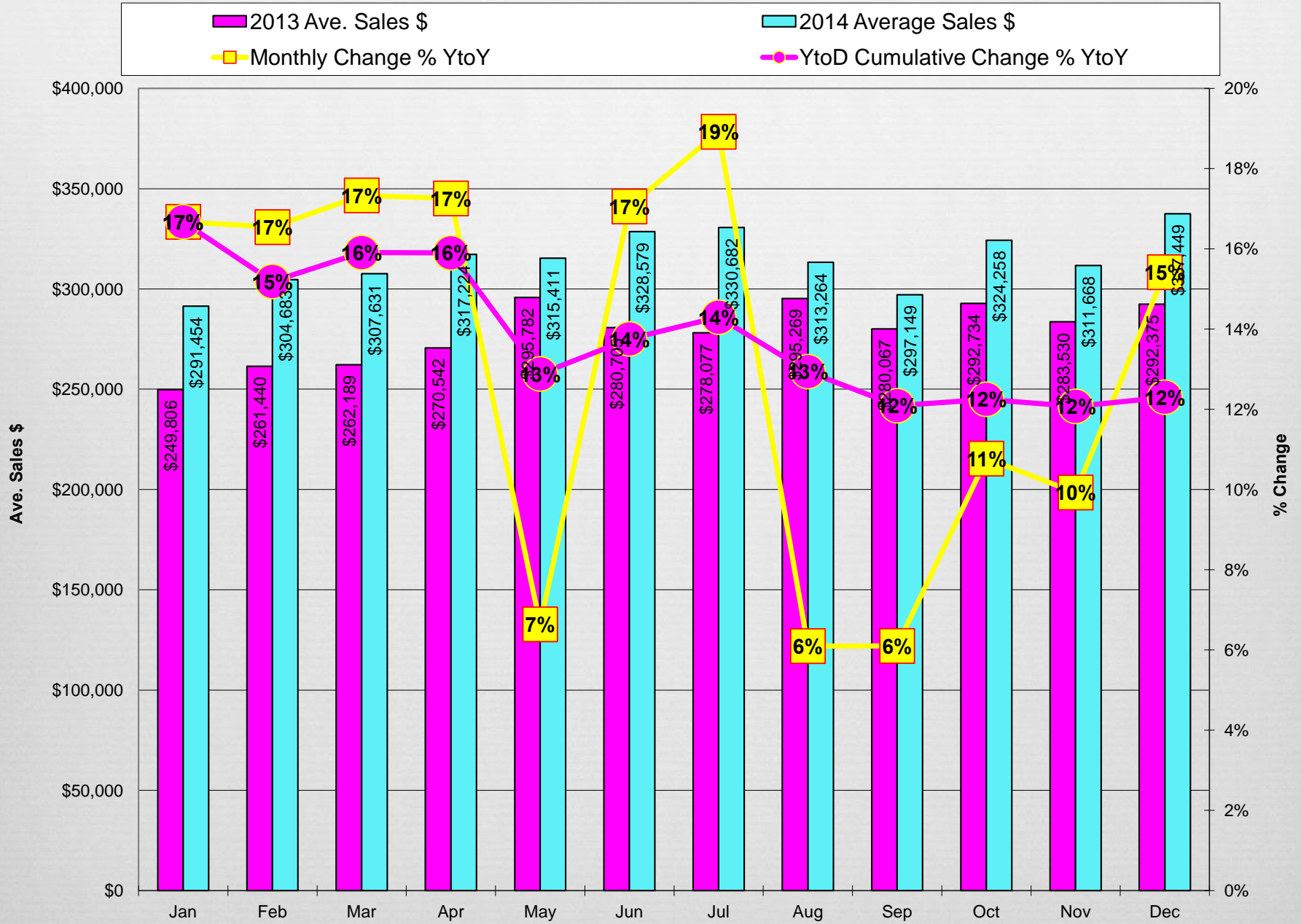
# A1A - Ada County Yearly Sales HISTORY



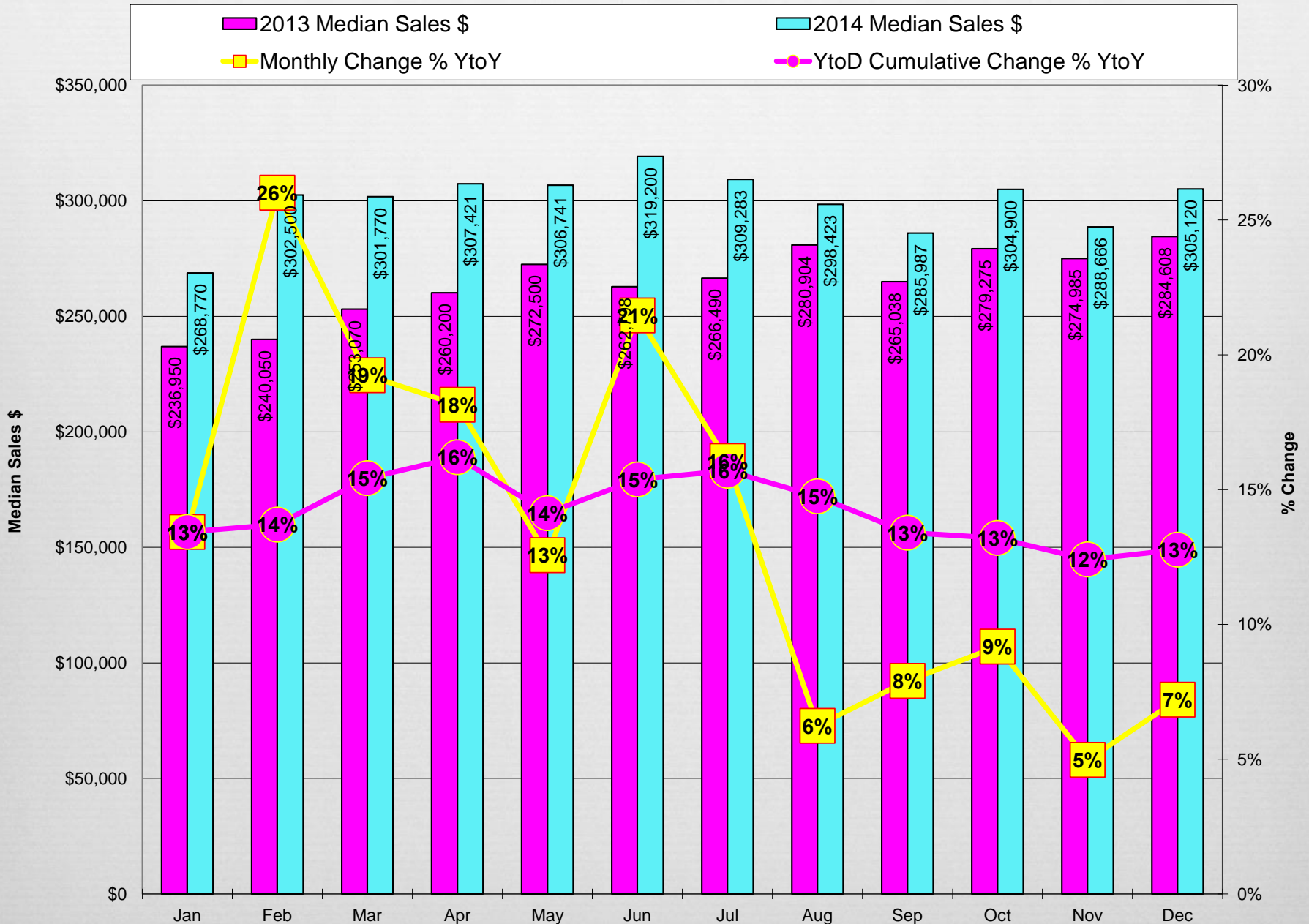
# A7 - Ada County Monthly AVERAGE Sales Price



# A8 - Ada County NEW CONSTRUCTION Monthly AVERAGE Sales Price

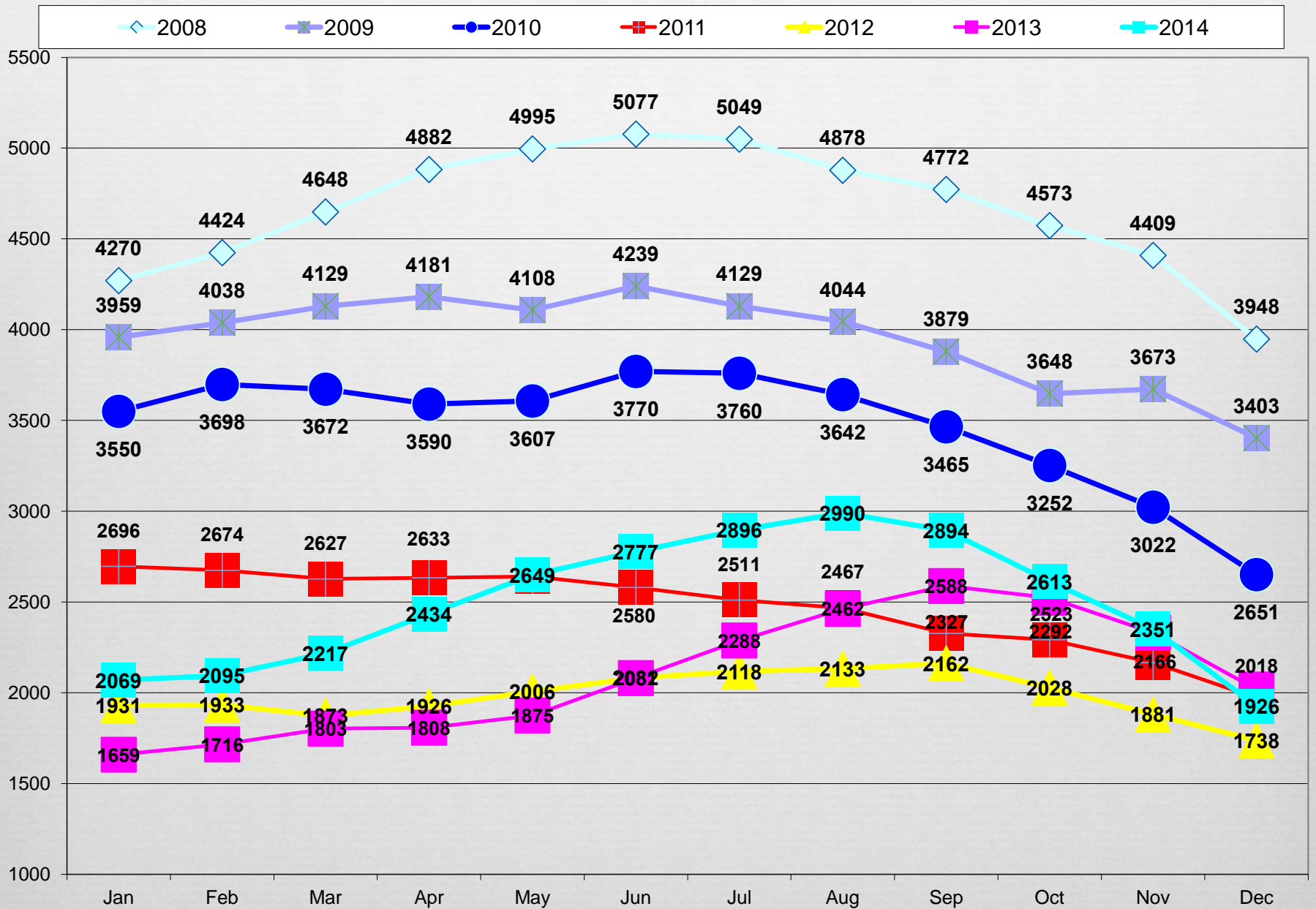


# A11 - Ada County NEW CONSTRUCTION Monthly MEDIAN Sales Price

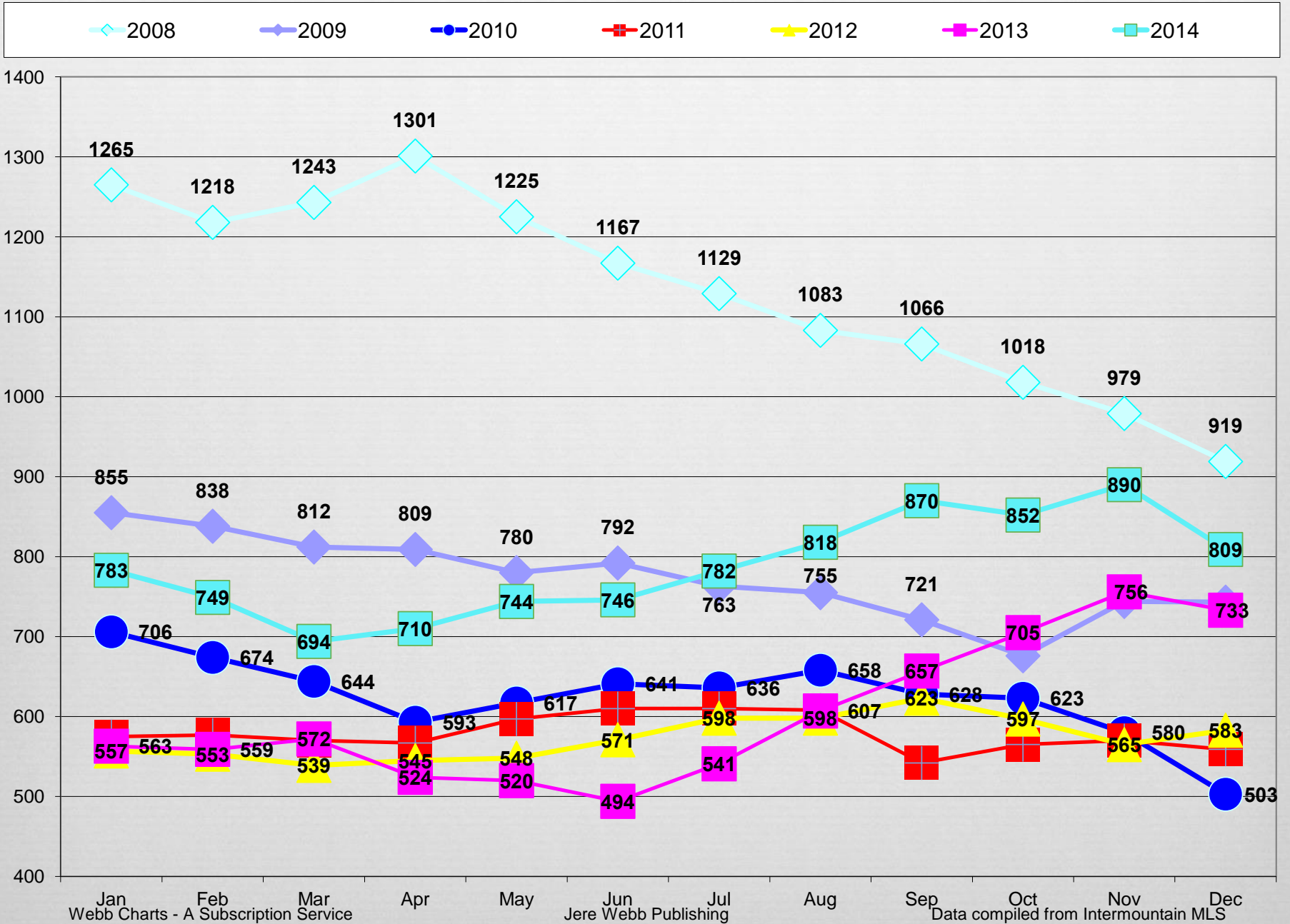




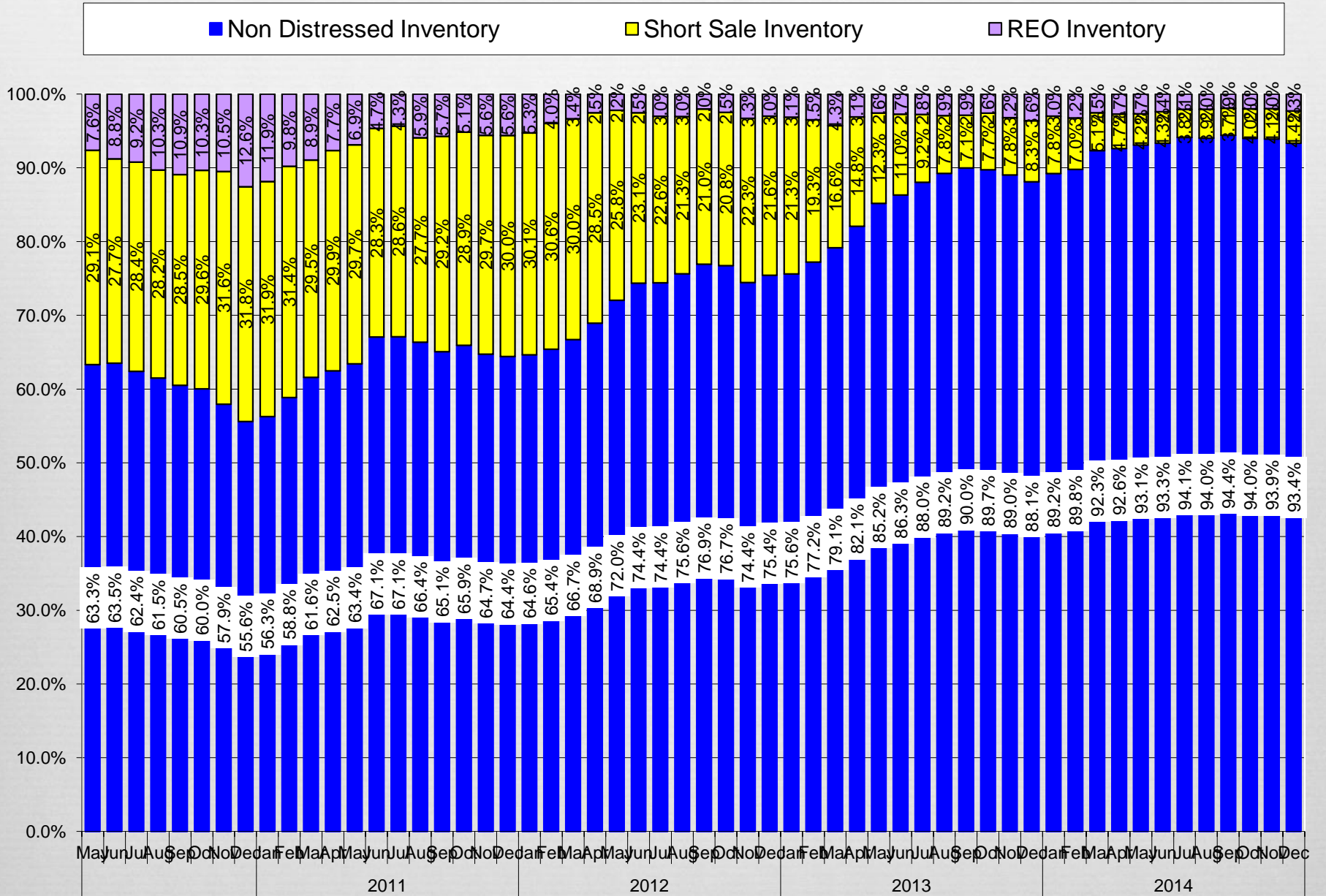
# A16 - Ada County Residential INVENTORY



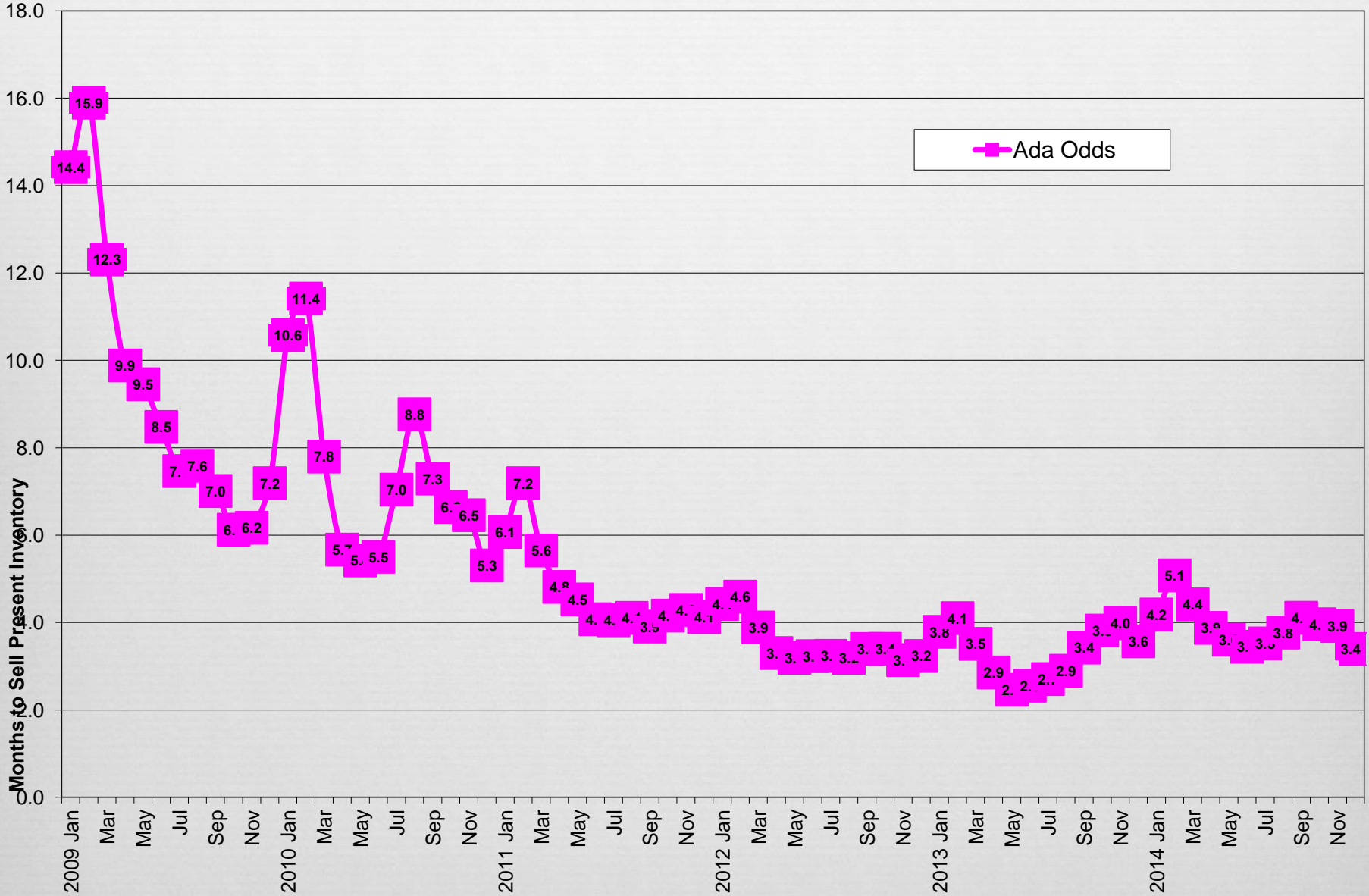
# A59- Ada County NEW CONSTRUCTION INVENTORY



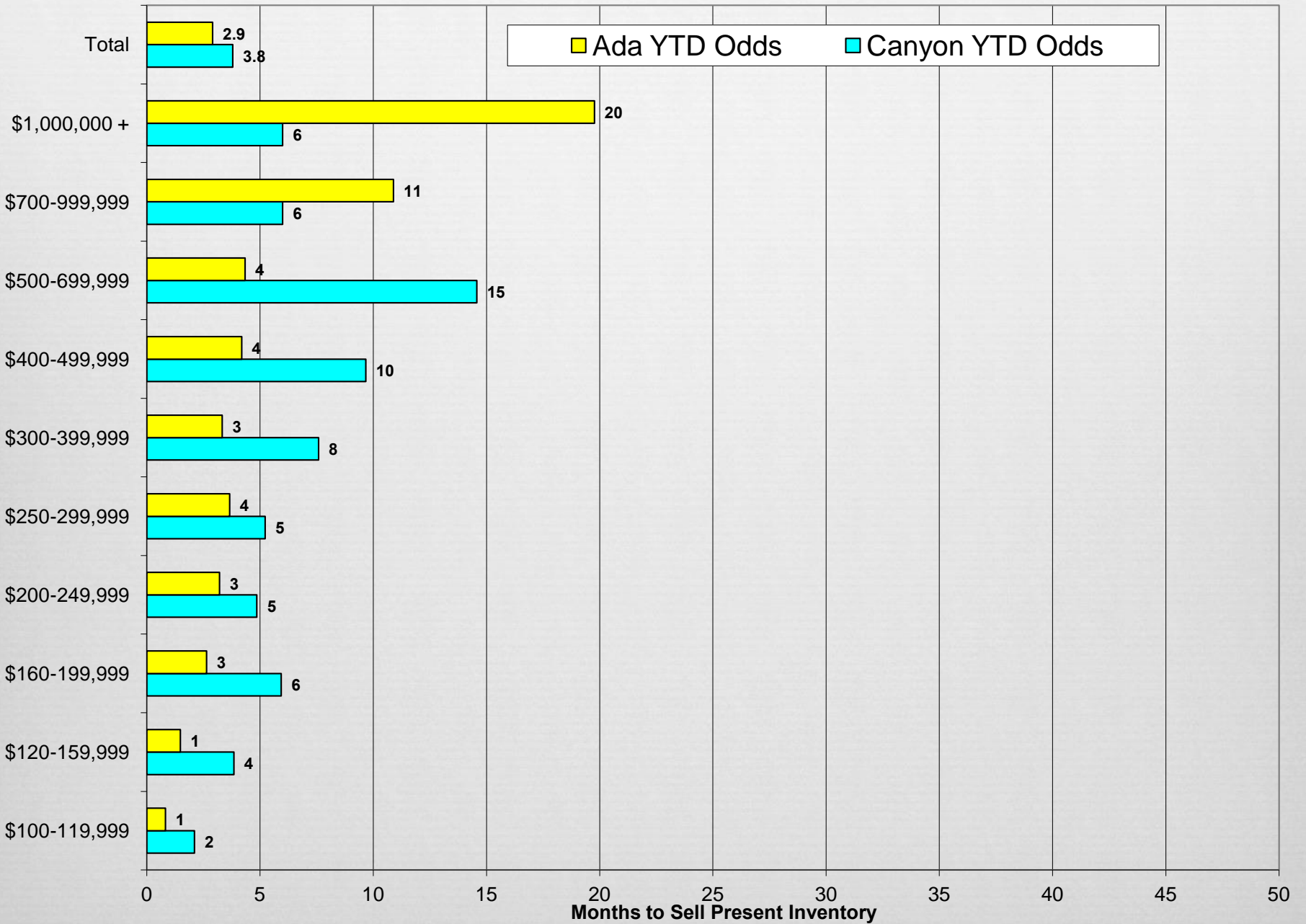
# A52 - Ada County Inventory Analysis - %



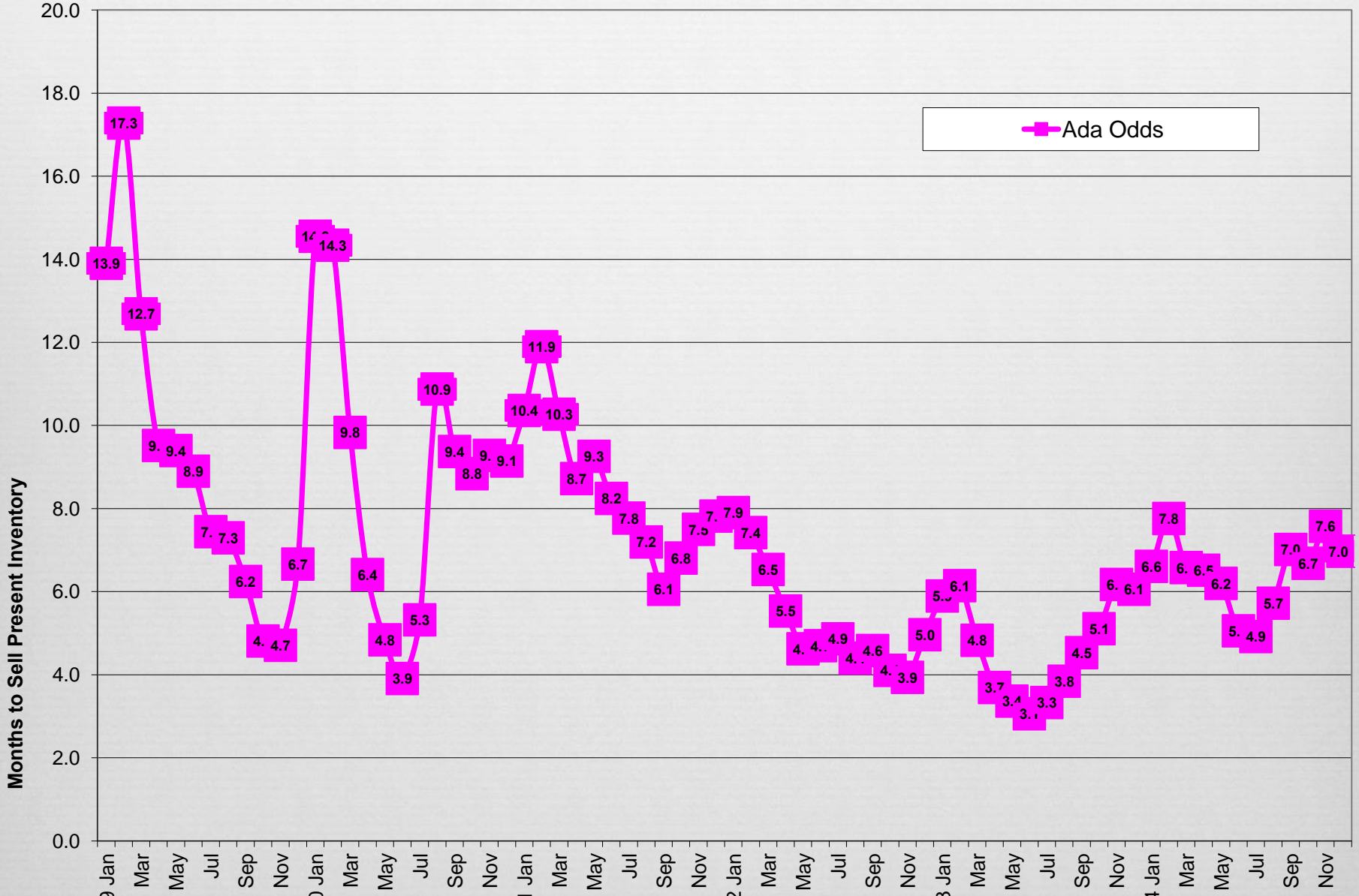
## A28 - Ada Odds Progression w 2 Month Rolling Sales Ave.



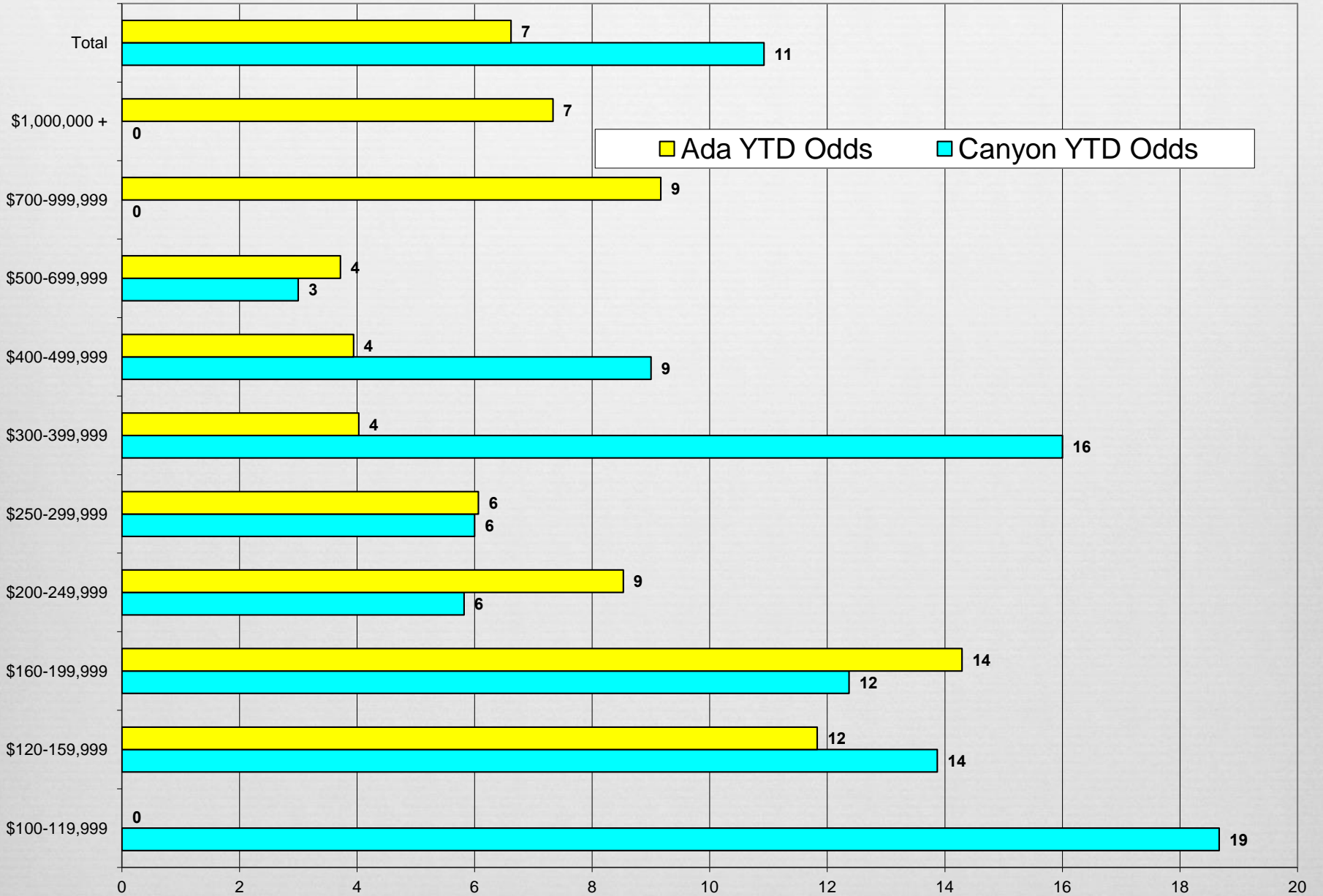
# AC23 December 2014 YTD **SELLING ODDS**



# A30 - Ada Odds Progression New Construction w 2 Month Rolling Sales Ave.

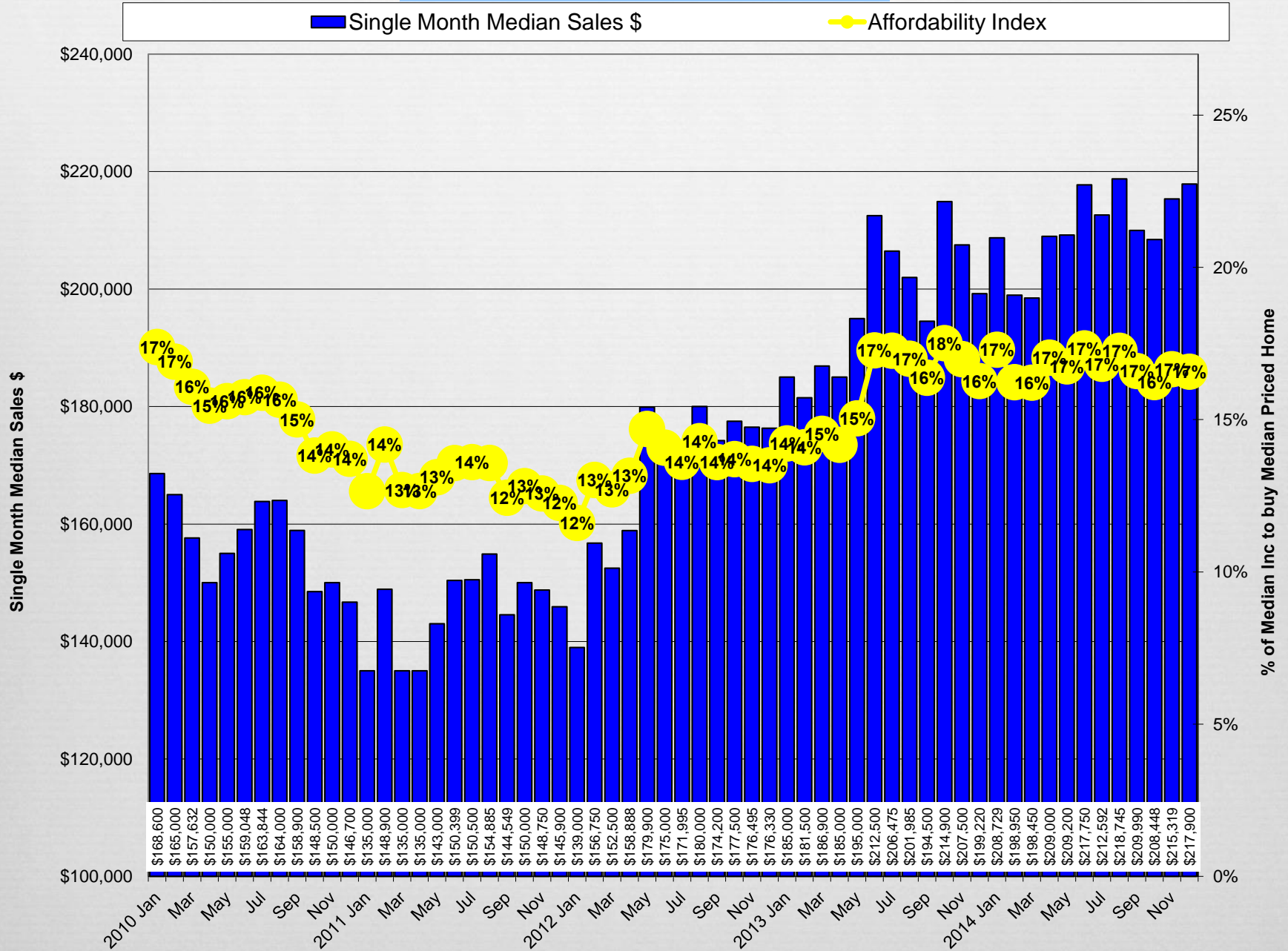


# AC24 December 2014 YTD SELLING ODDS New Construction



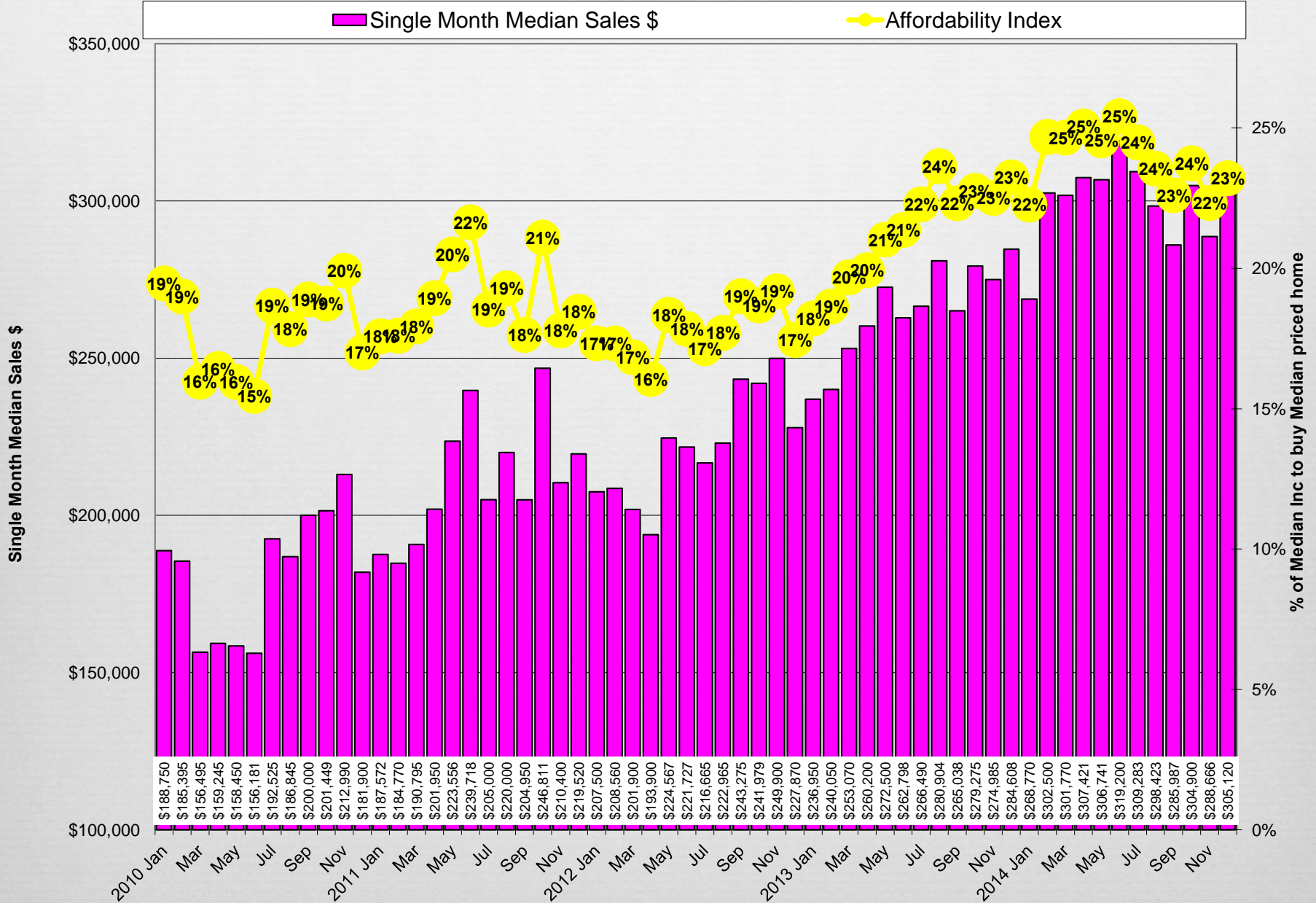
Months to Sell Present Inventory

# A39 - Ada County AFFORDABILITY Index



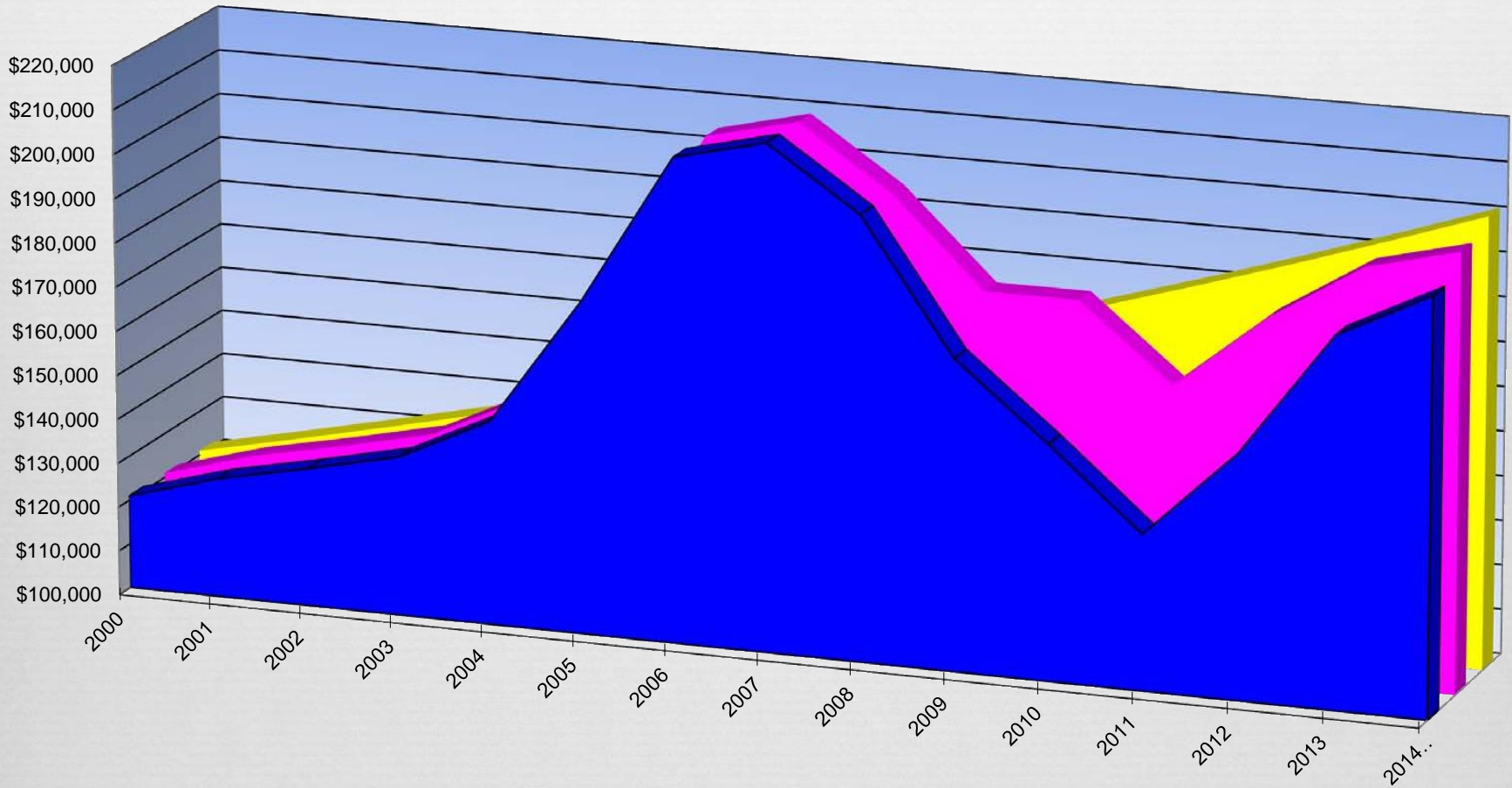


# A40 - Ada County NEW CONSTRUCTION AFFORDABILITY Index



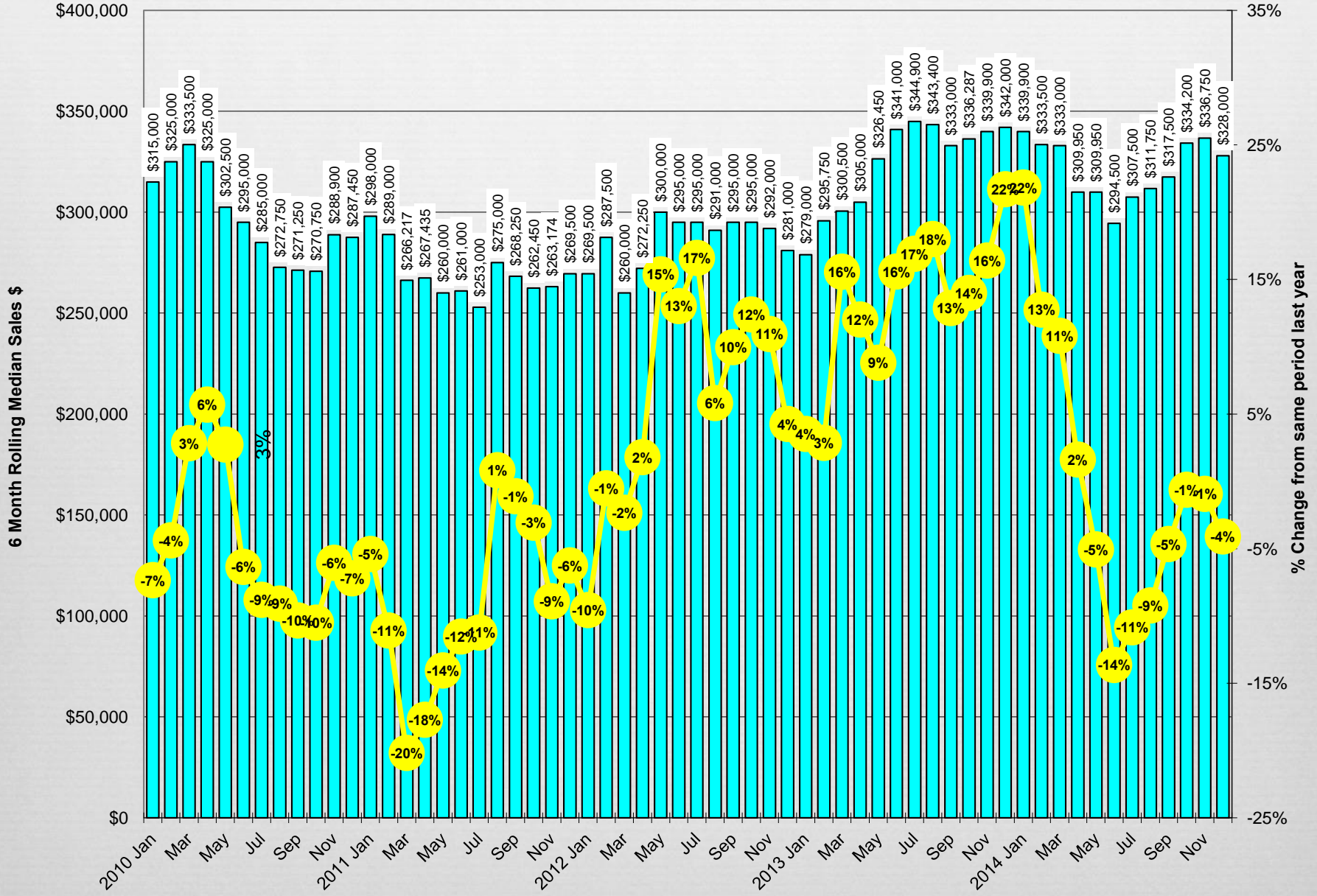
# A57 - Ada County Market Correction - December 2014

■ Yearly Existing Median Sales Price   ■ Equity Existing Median Sales Price   ■ 3.7% Appreciation Line - 2000 Base Year

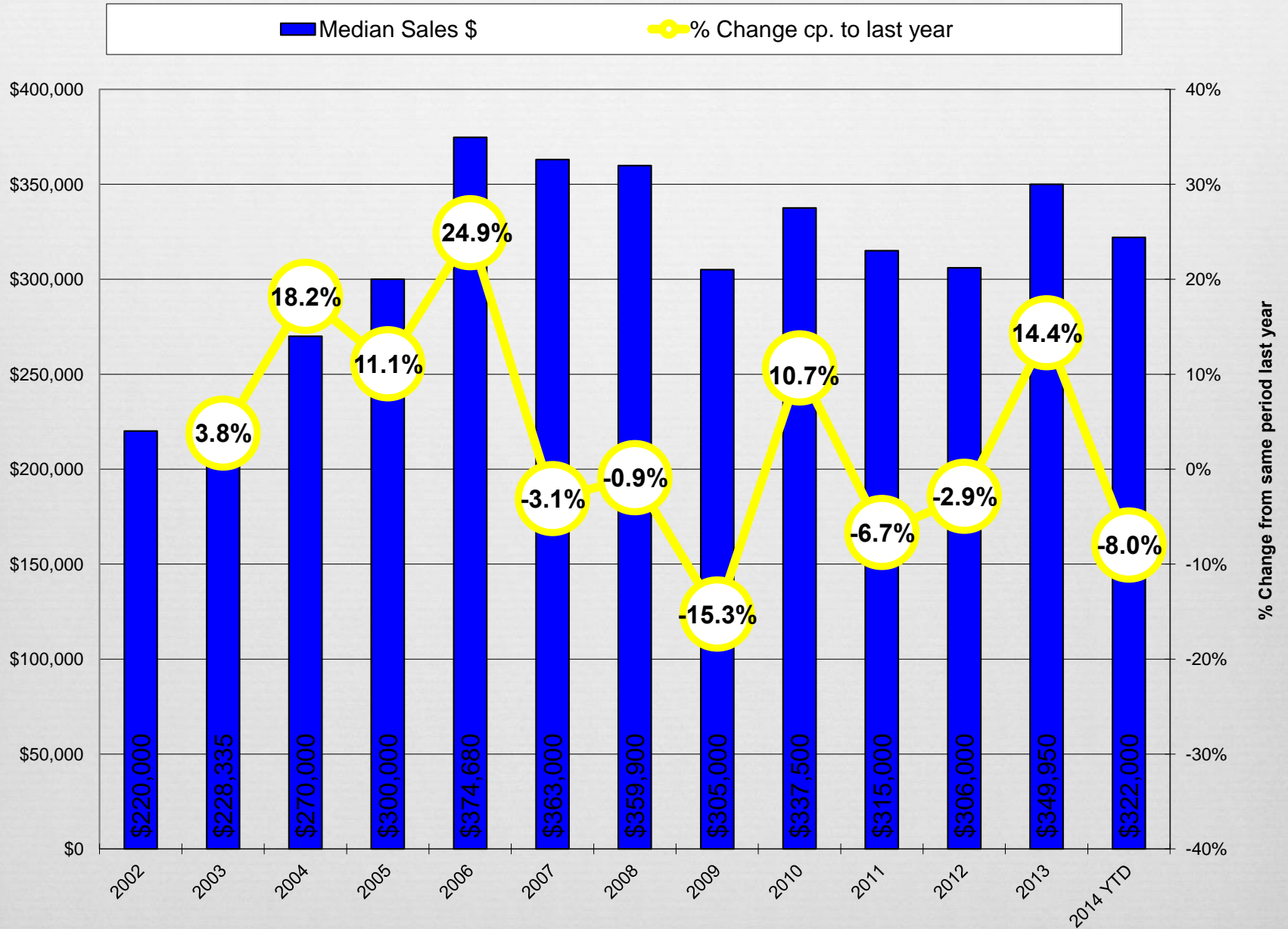


# A15 - Eagle 0900 EXISTING Last 6 Months MEDIAN Sales Price

■ Last 6 Months Median Sales \$
 ● % Change cp. to same month last year



# A55E- Eagle 0900 EXISTING EQUITY YEARLY MEDIAN Sales Price December 2014



# Local Housing Report

## 2014 New Construction Summary

- Sales: **DOWN**
- Price: **UP**
- Inventory: **UP**
- Distressed Inventory: **FLAT**
- Months Supply: **FLAT**
- Affordability: **FLAT**

# **New Construction Forecast**

# New Construction 2014 Forecast



- ✓ Sales will be ... Prices will be ...
  - ✓ Key for the year is STABILIZATION.
  - ✓ If prices up too much, could be concerning.
  - ✓ Forecast: sales and prices up slightly, but sales will be softer if prices rise too much.
  
- ✓ Wild Cards: Affordability and Uncertainty
  - ✓ Lot inventory
  - ✓ Interest rates
  - ✓ Jobs
  - ✓ Continuous price increases (materials & wages)
  - ✓ Government Regulations - Local and National

# New Construction 2015 Forecast



- ✓ Sales will be ... Prices will be ...
  - ✓ BUILDING CONFIDENCE
  
- ✓ Wild Cards: Affordability and Uncertainty
  - ✓ Finished Lot Inventory & Lot Prices
  - ✓ Vacant land prices
  - ✓ Multi-family activity ..... When will it end?
  - ✓ Commercial and Retail .... Will it continue to improve?
  - ✓ Interest rates ..... When will they rise?
  - ✓ Jobs & Wages
  - ✓ Government Regulations - Local and National



# **Local Housing Economic Impact**

# Economic Impact

## 2014 SF Residential Construction



Ada County

2014

# of SF Building Permits:	2,342
Median house price:	\$305,000
Permit/Impact fees:	\$12,500
Annual property taxes (1 <sup>st</sup> year):	\$2,502

# Economic Impact

## 2014 SF Residential Construction



Total Taxes & Fees paid to local governments:

Total Fees Paid:	\$29,275,500
1 <sup>st</sup> Yr. Property Taxes:	<u>\$ 5,859,684</u>
<b>TOTAL</b>	<b>\$35,135,184</b>

Note: Total Fees Paid = total permits x permit fees

Property Taxes =  $\frac{1}{2}$  of total permits x home value x avg. levy

# **Economic Impact**

## **2014 SF Residential Construction**



### **Taxes & Fees paid to local governments:**

- **1<sup>st</sup> Year:** **\$35,135,184**
- **Prop. Taxes Future:** **\$11,719,368**  
**(each year)**

# Top Regulatory Issues Addressed by BCA in 2014



<u>Top BCA issues in 2014</u>	<u>Savings</u>
1. State Codes (Energy & Radon)	\$1,800
2. Meridian Public Works Inspections	\$1,500
3. Meridian Impact Fees	\$250
4. Eagle Final Plat Process	\$200 + 2 months
5. ACHD Plan Reviews	\$150 + 6 weeks

# Current Local Regulatory Issues



1. ACHD Policy Changes
  - Development Standards
  - New Storm Water Policy
  
2. Impact Fees
  - Boise City and Meridian City
  
3. State Building Codes
  - Residential and Energy

# Top Regulatory Issues Addressed by BCA in 2014



✓ Total Estimated Savings in 2014

**\$4,300 per home**

✓ For every \$1,000 increase in home = 500 people priced out of the local housing market

# QUESTIONS?

**Dave Yorgason, MBA, CLC**

**Call: 208-850-1070**

**Email: [dyorgason6@gmail.com](mailto:dyorgason6@gmail.com)**





# DATA SOURCES

## LOCAL HOUSING REPORT – YEAR END 2014

- Intermountain MLS, Webb Charts, National Association of Relators

## HOUSING ECONOMIC IMPACT – DEC. 2014

- Building Costs & Sales Price: Local Builders, Developers & IMLS
- Permits: Ada County and Cities
- Local Gov't Revenue (impact & connection fees, prop. taxes, etc.):  
Ada County and City Building Depts & Ada County Assessor