

ADA COUNTY

HOUSING MARKET REPORT

A Glance Back at 2021 &

A Look Forward to 2022

Presented by:

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Building Contractors Association of Southwestern Idaho

March 22, 2022

Boise, ID



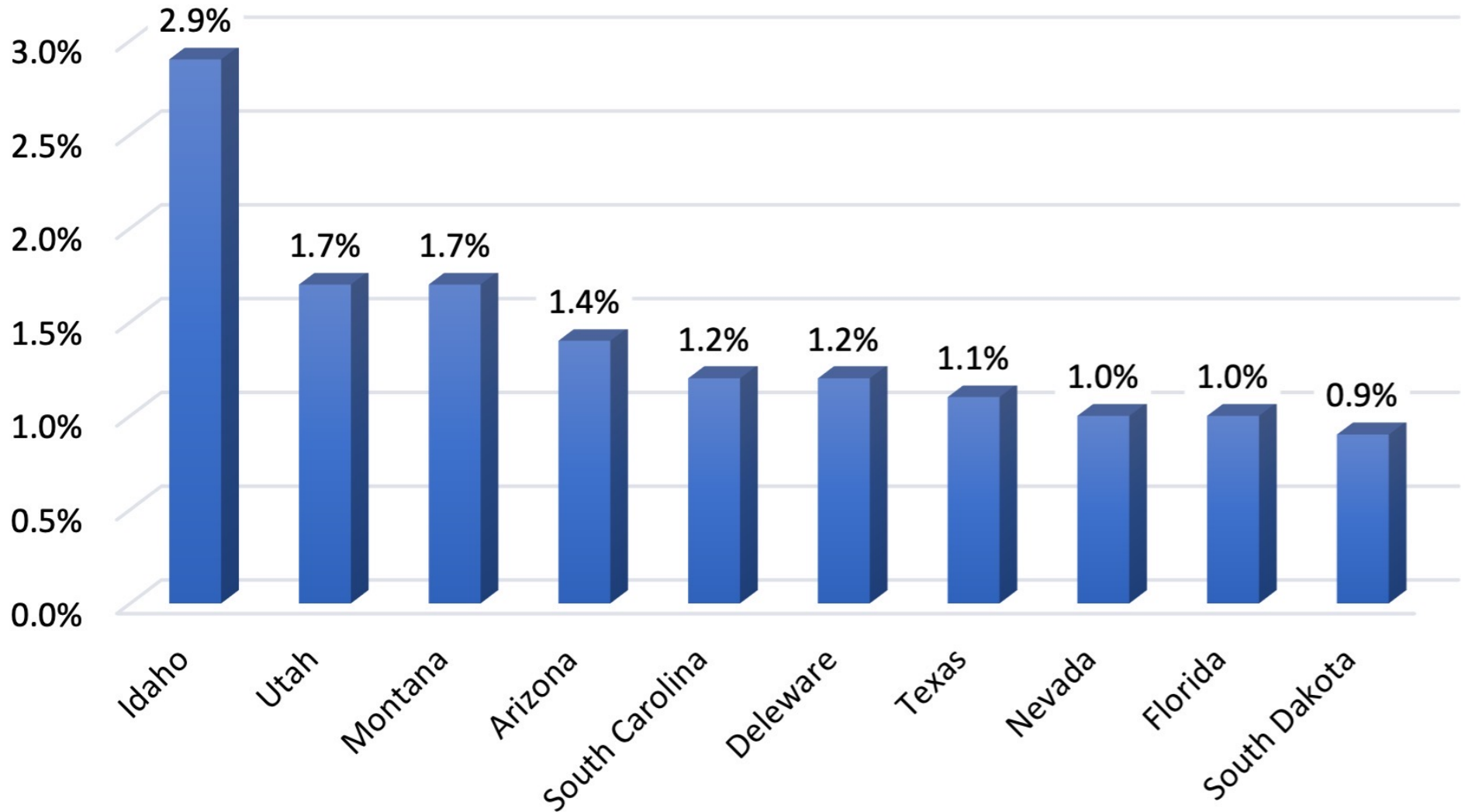
Are we in a bubble?

**What will local housing
market look like
by the end of 2022?**

ADA County Housing Market Report

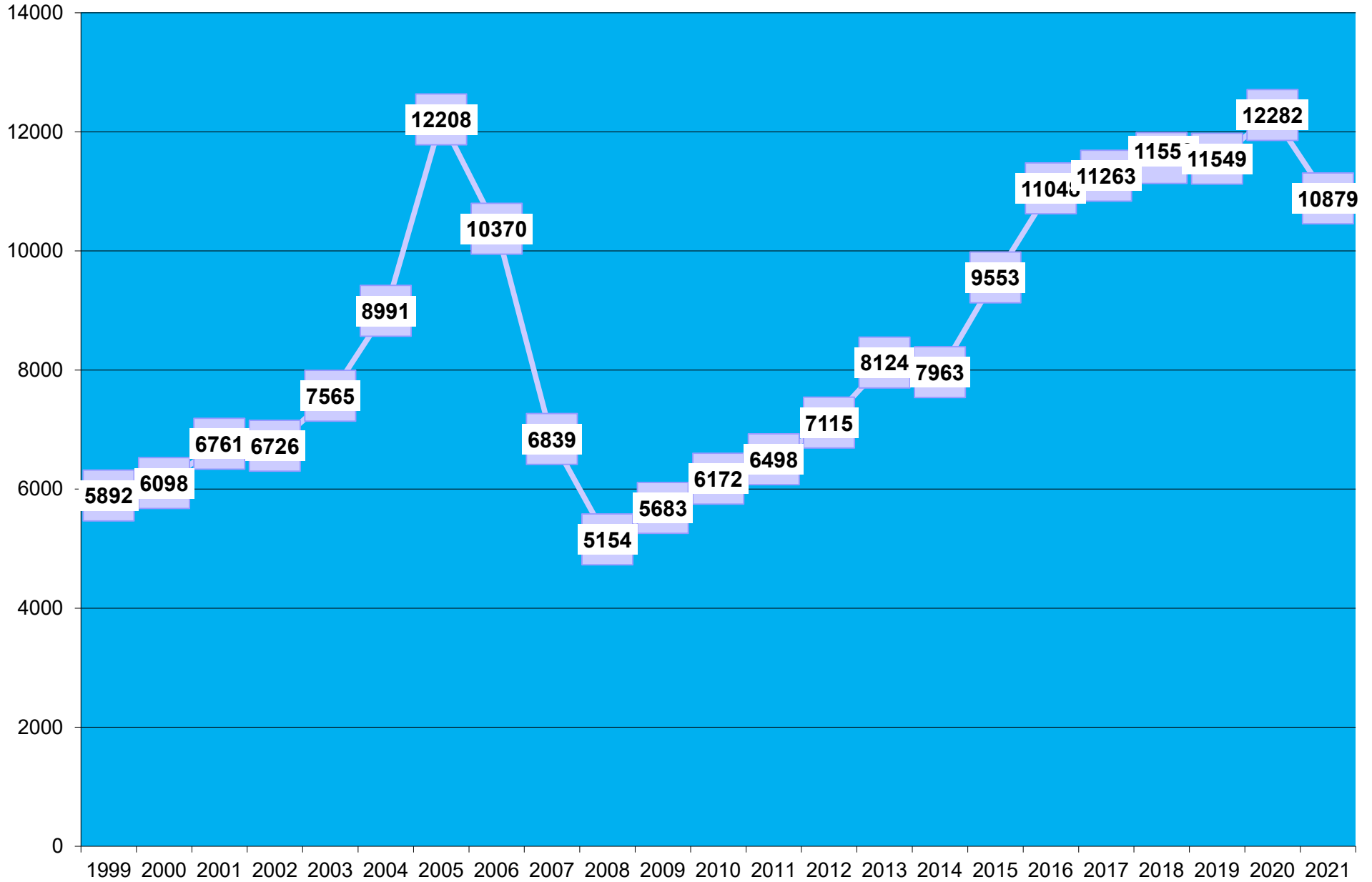
Year End 2021
& Feb 2022

Top 10 States in Percent Growth 2021



A1 - Ada County Yearly Sales HISTORY

Total Single Family Home Sales



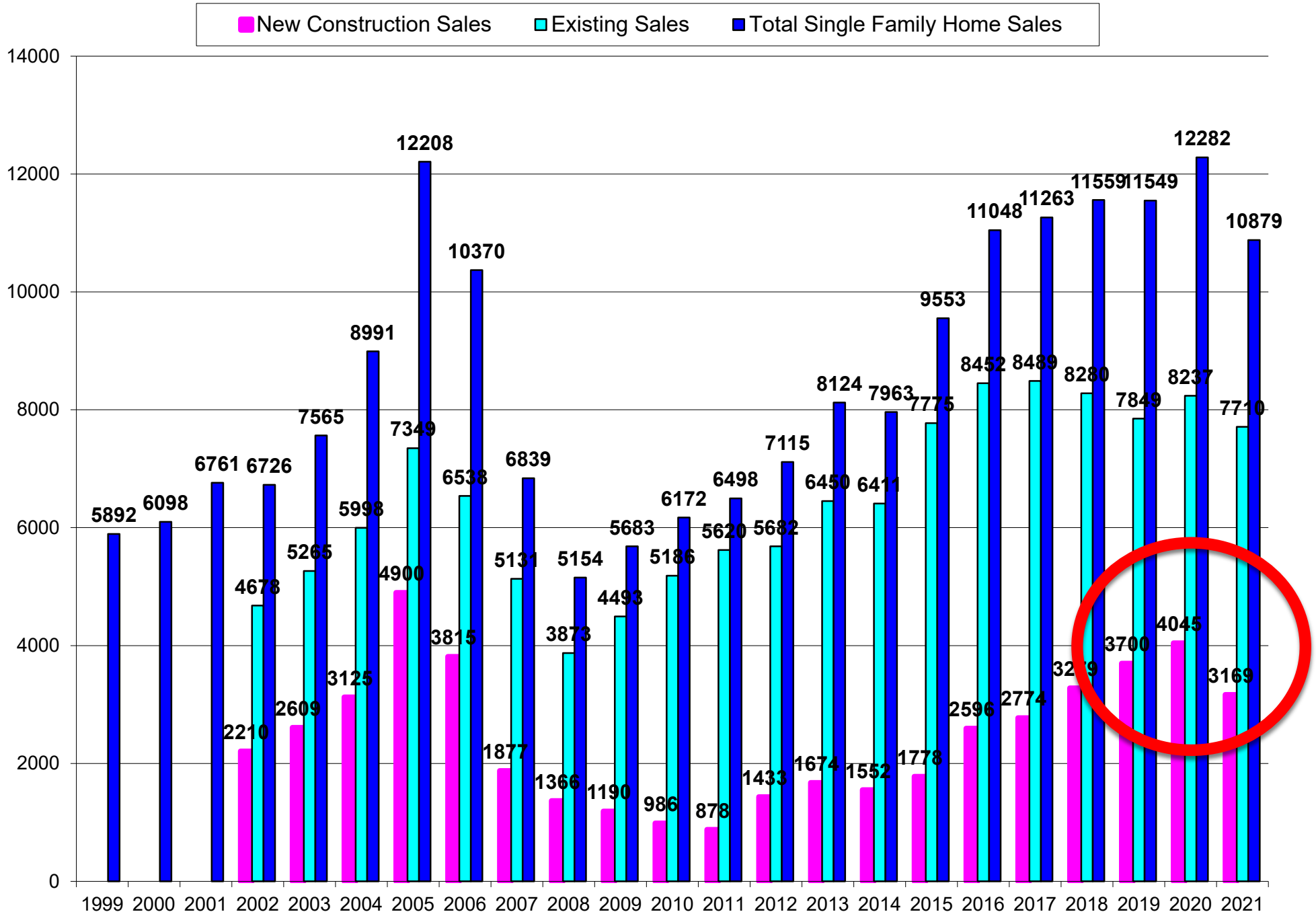
BOOM 2004-

BUST 2008-

RECOVER

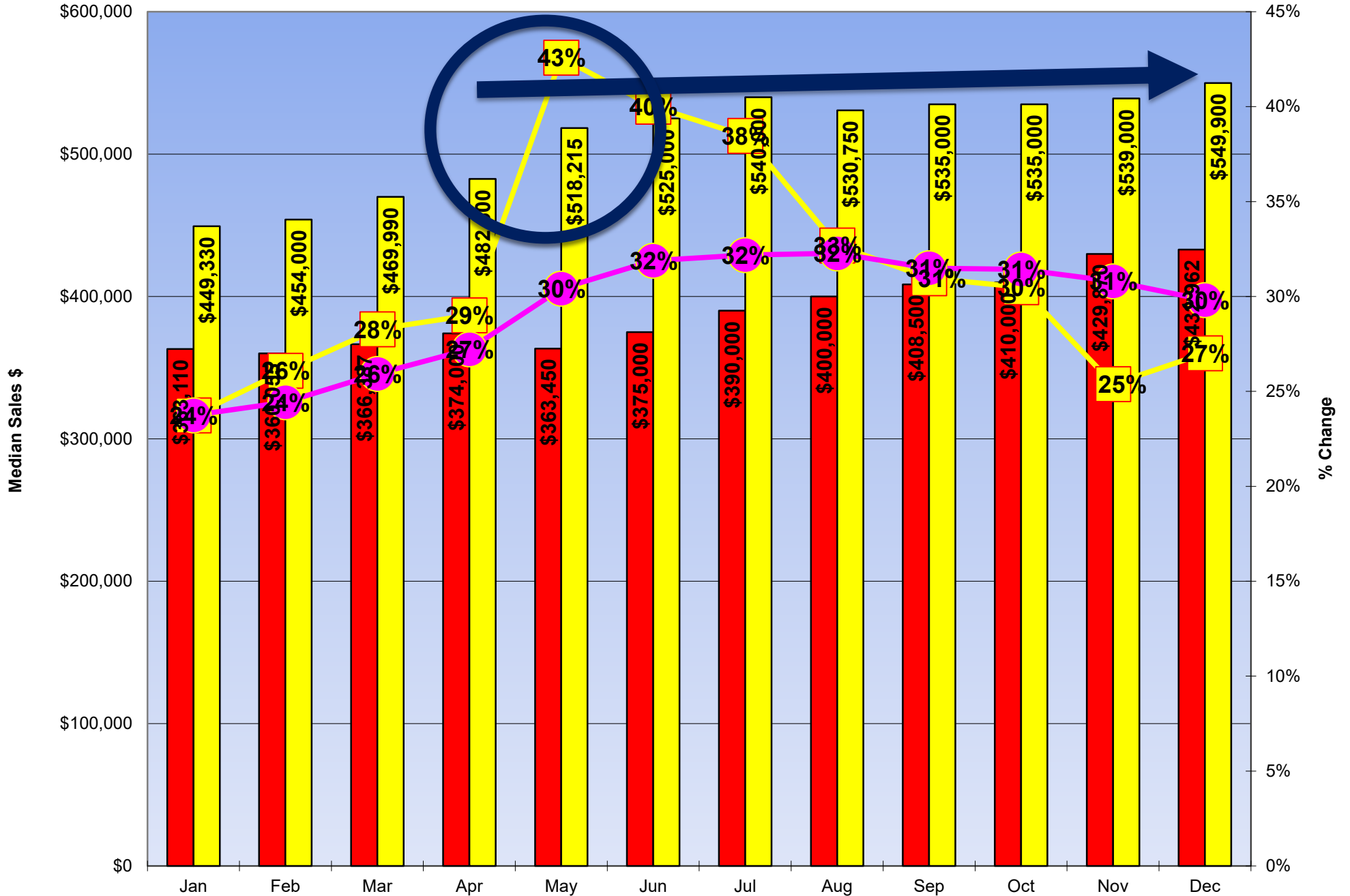
BOOM 2015-

A1A - Ada County Yearly Sales HISTORY

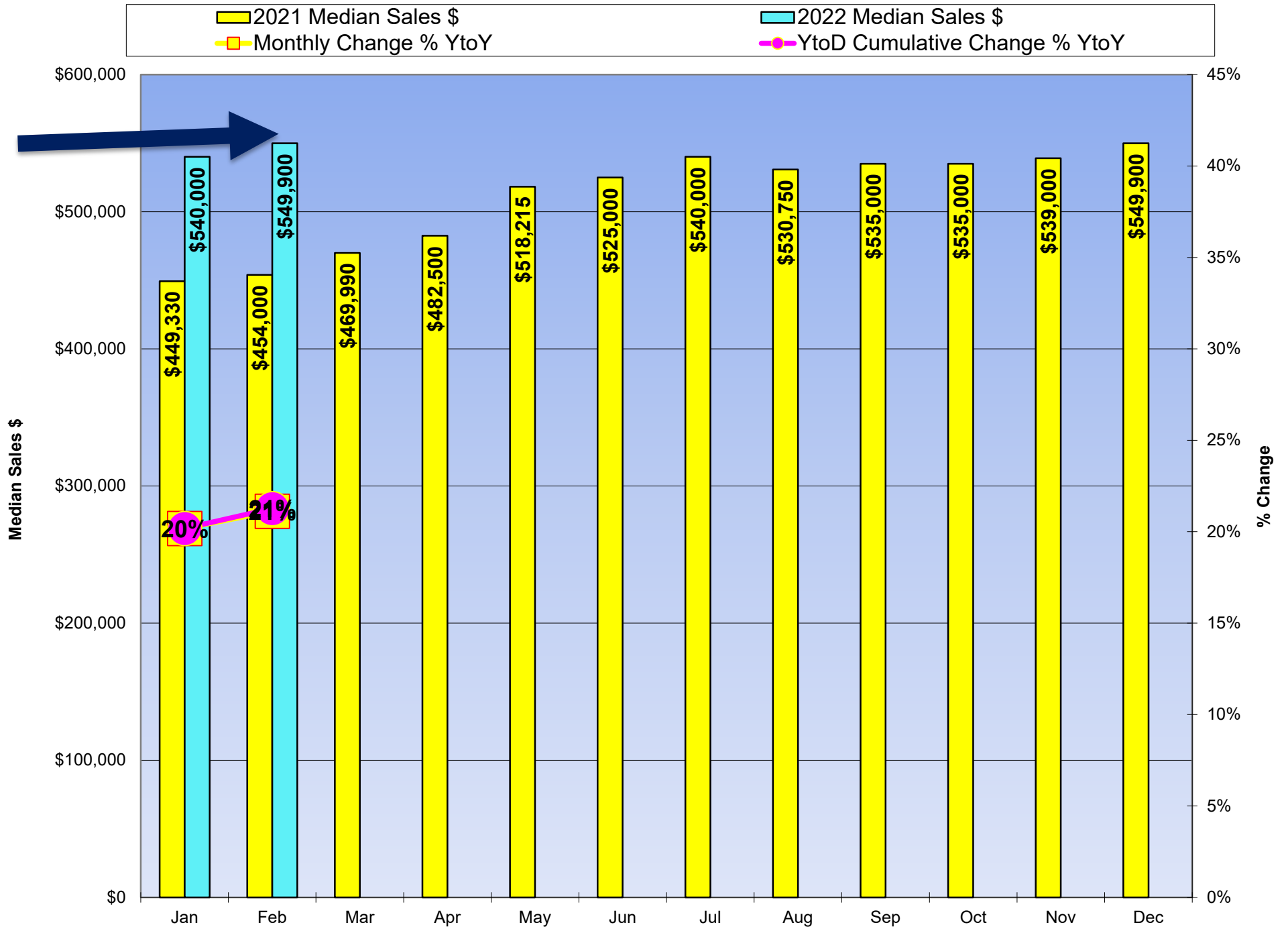


A10 - Ada County Monthly MEDIAN Sales Price

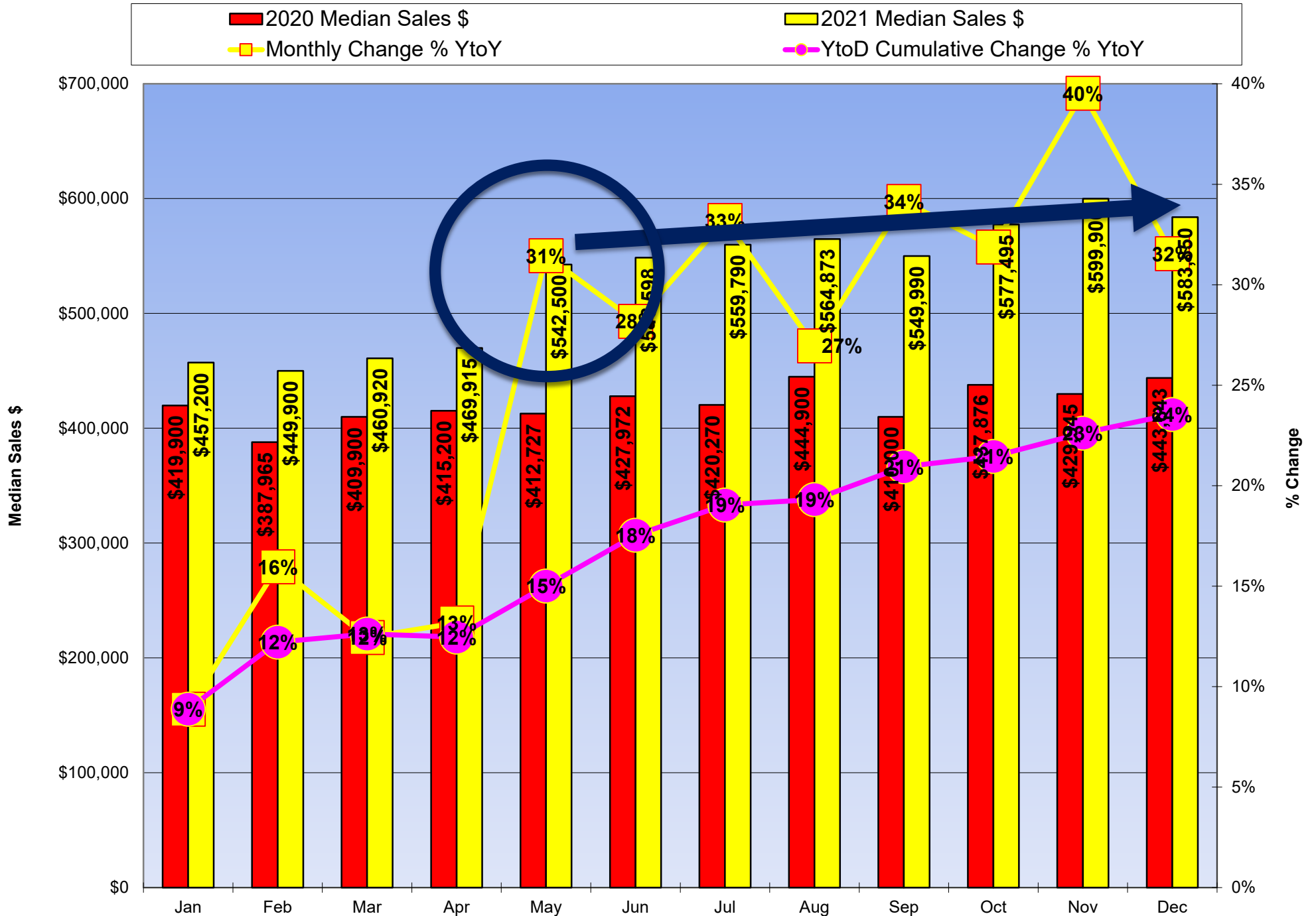
■ 2020 Median Sales \$
 ■ 2021 Median Sales \$
 □ Monthly Change % YtoY
 ● YtoD Cumulative Change % YtoY



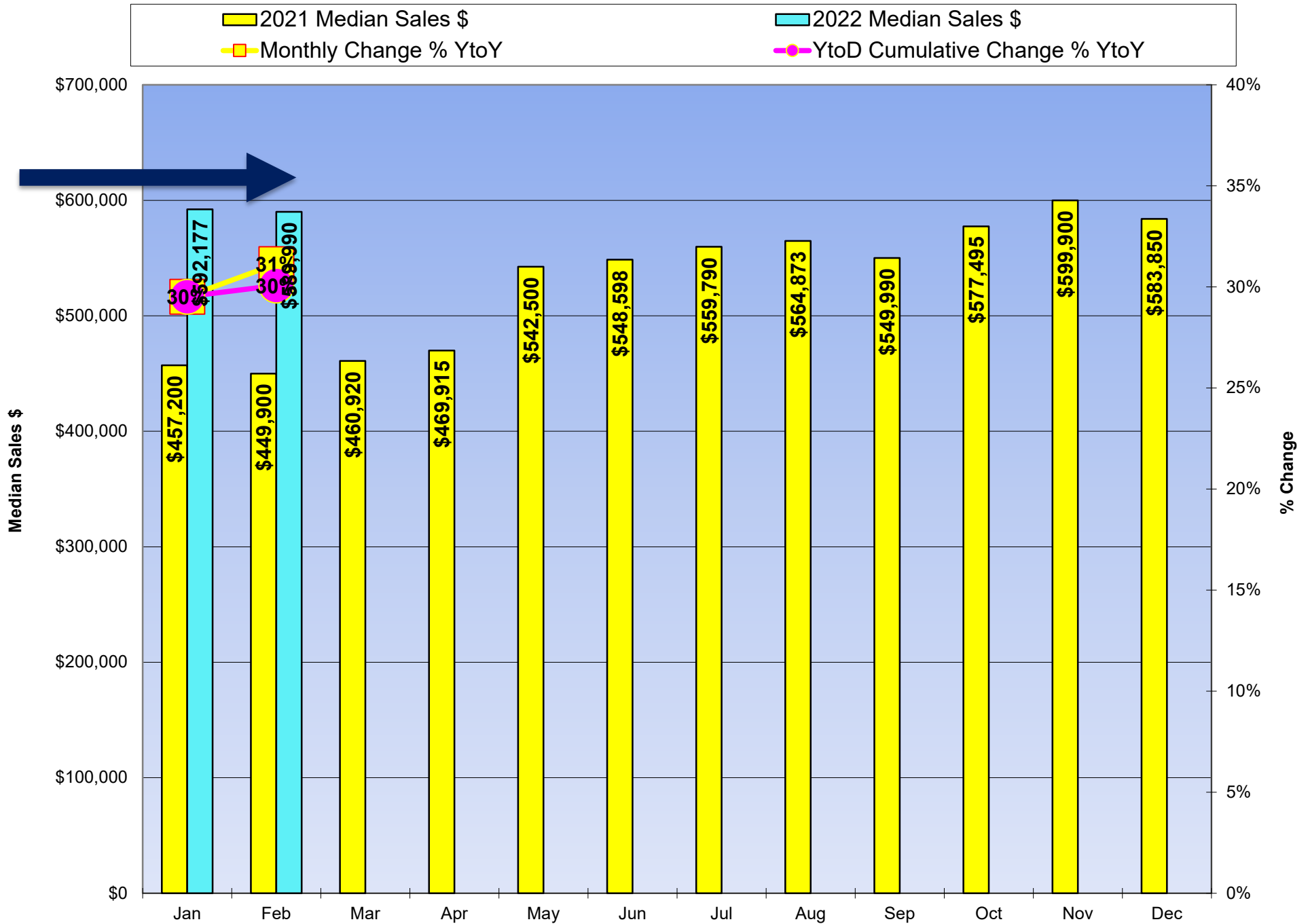
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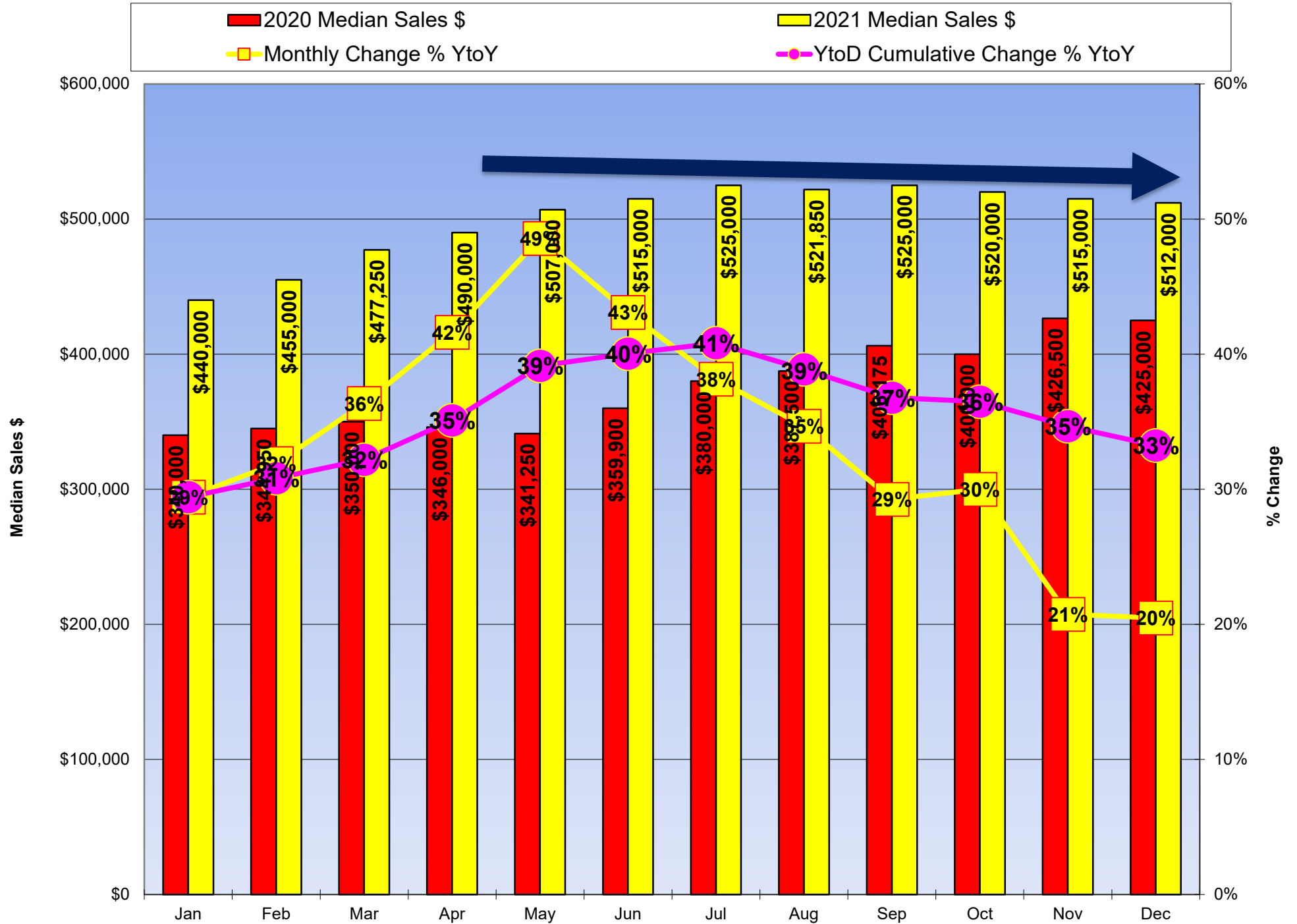
A11 - Ada County NEW CONSTRUCTION Monthly MEDIAN Sales Price



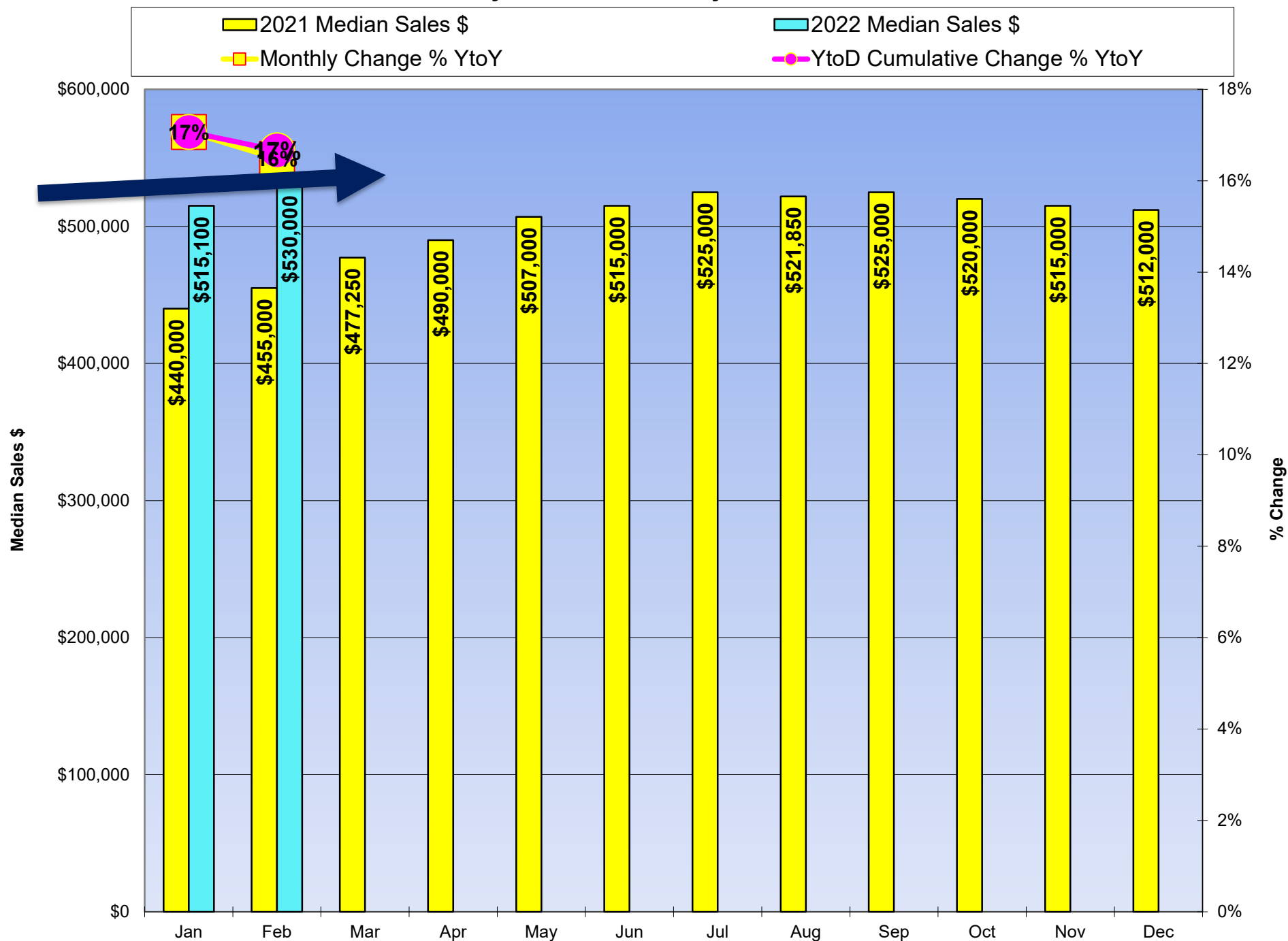
A11 - Ada County NEW CONSTRUCTION Monthly MEDIAN Sales Price



A12 - Ada County EXISTING Monthly MEDIAN Sales Price



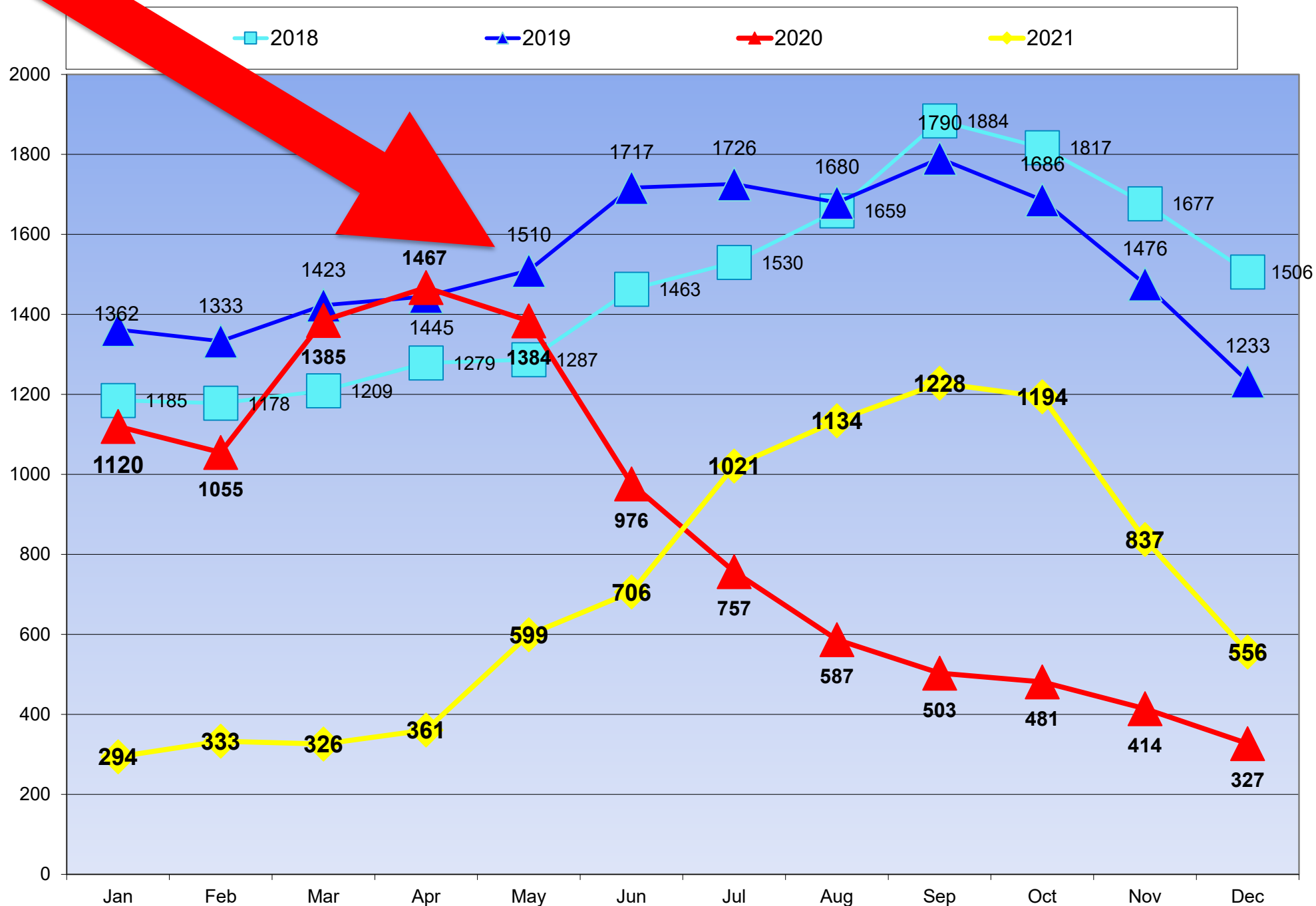
A12 - Ada County EXISTING Monthly MEDIAN Sales Price



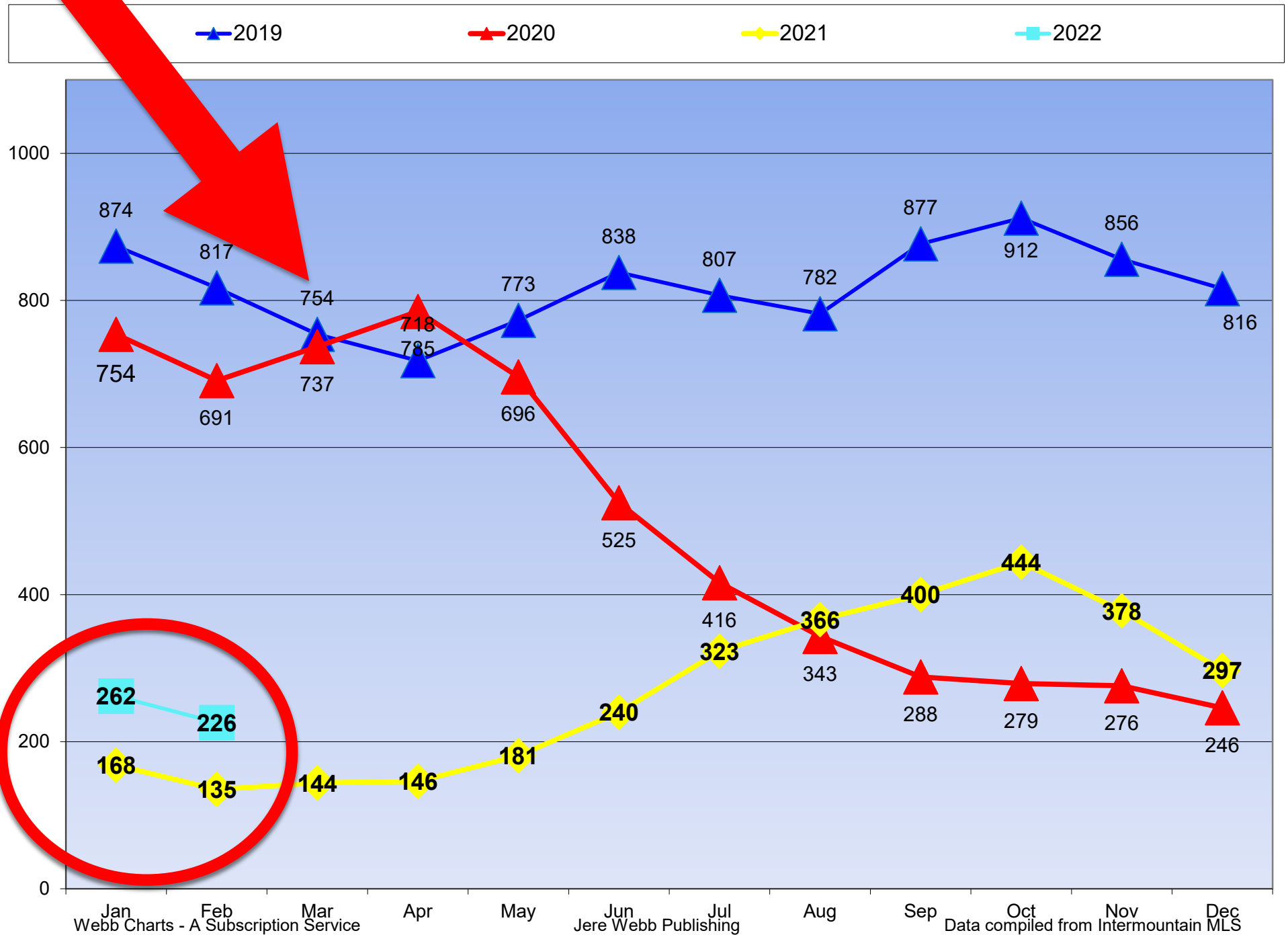
Inventory

- What is normal inventory level?
- 2021: Playing Catch up

A16 - Ada County Residential INVENTORY

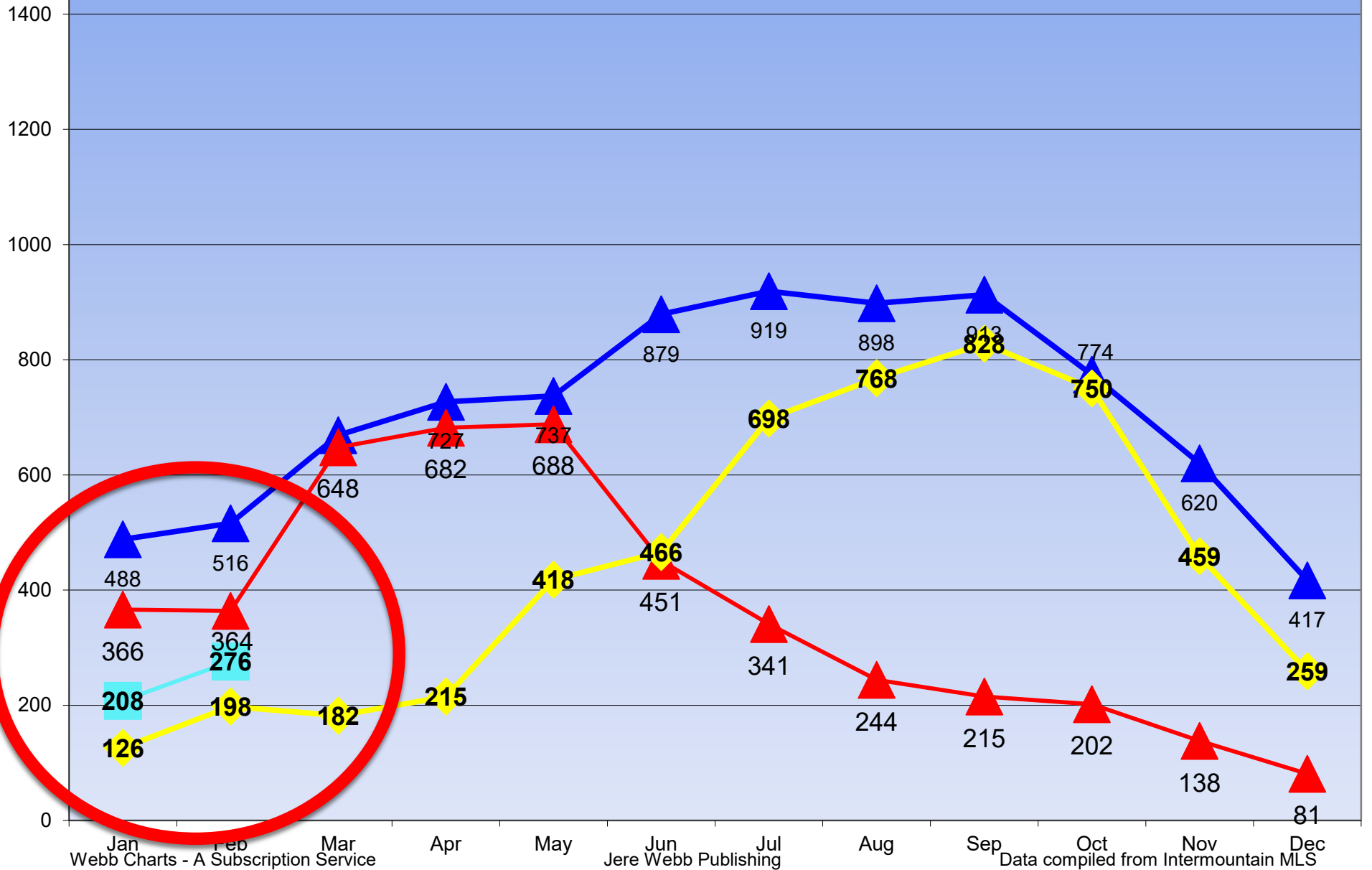


A59- Ada County NEW CONSTRUCTION INVENTORY



A60 - Ada County RESALE INVENTORY

2019 2020 2021 2022

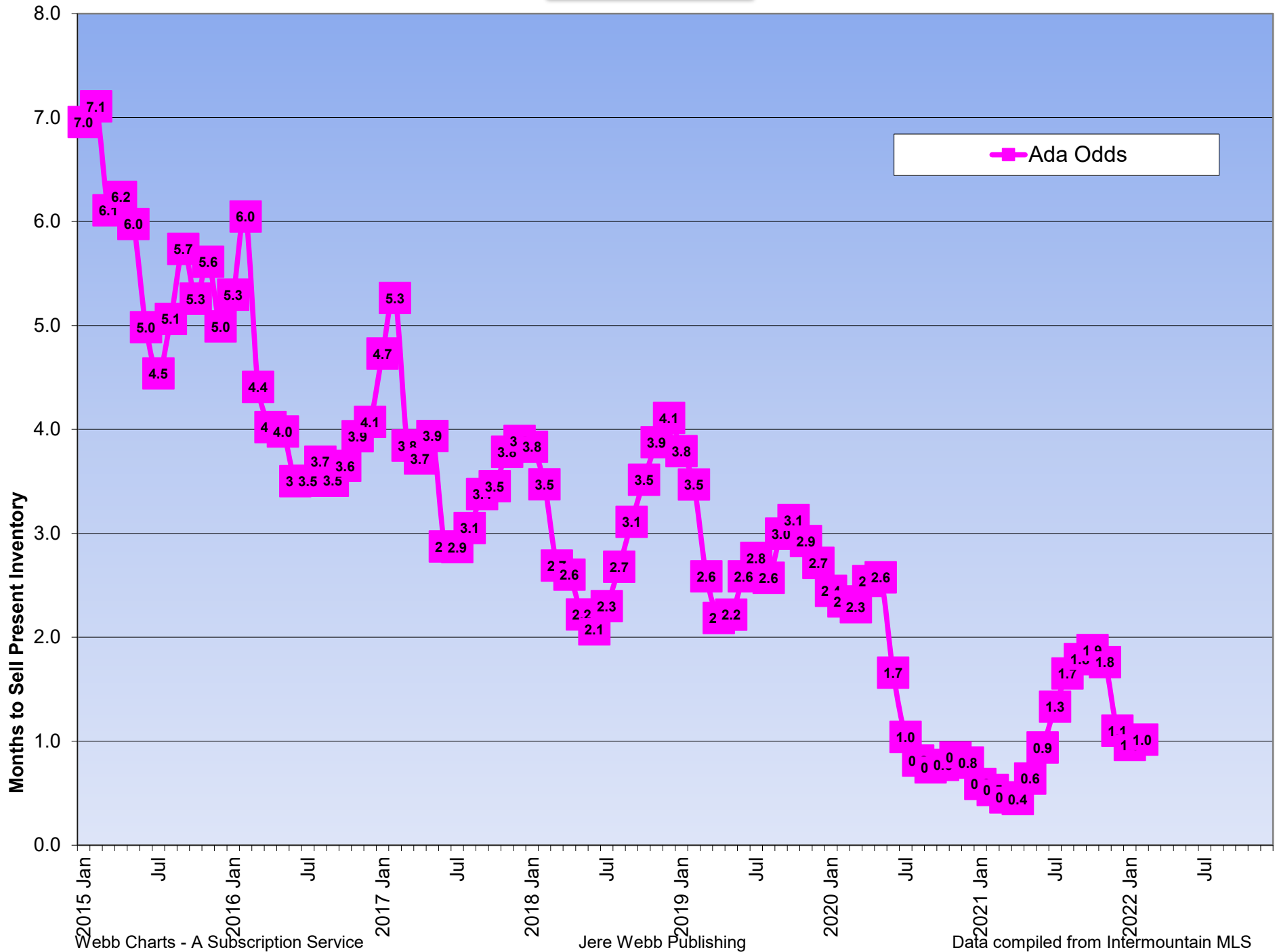


Jan Webb Charts - A Subscription Service

Jun Jere Webb Publishing

Oct Data compiled from Intermountain MLS

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



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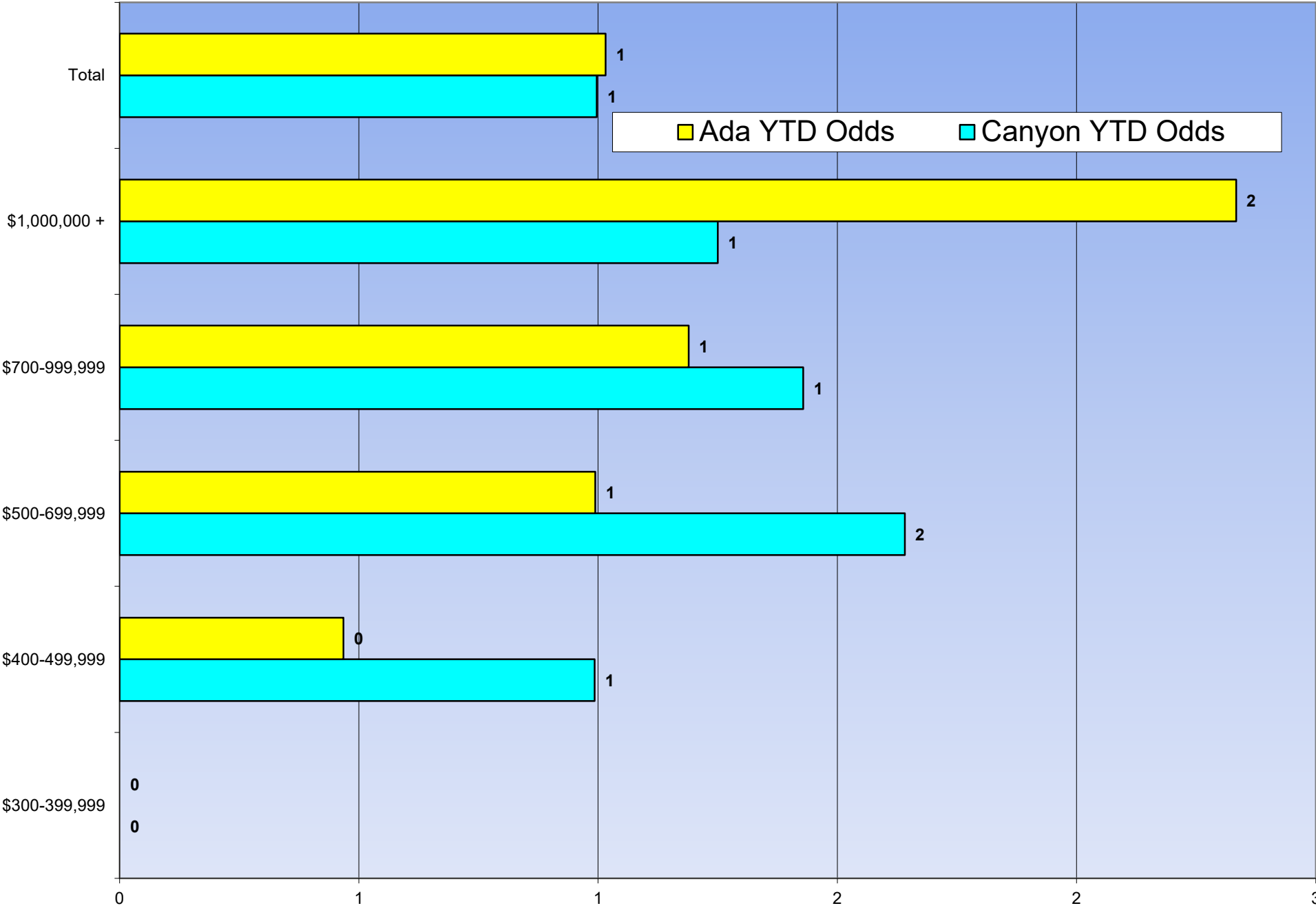
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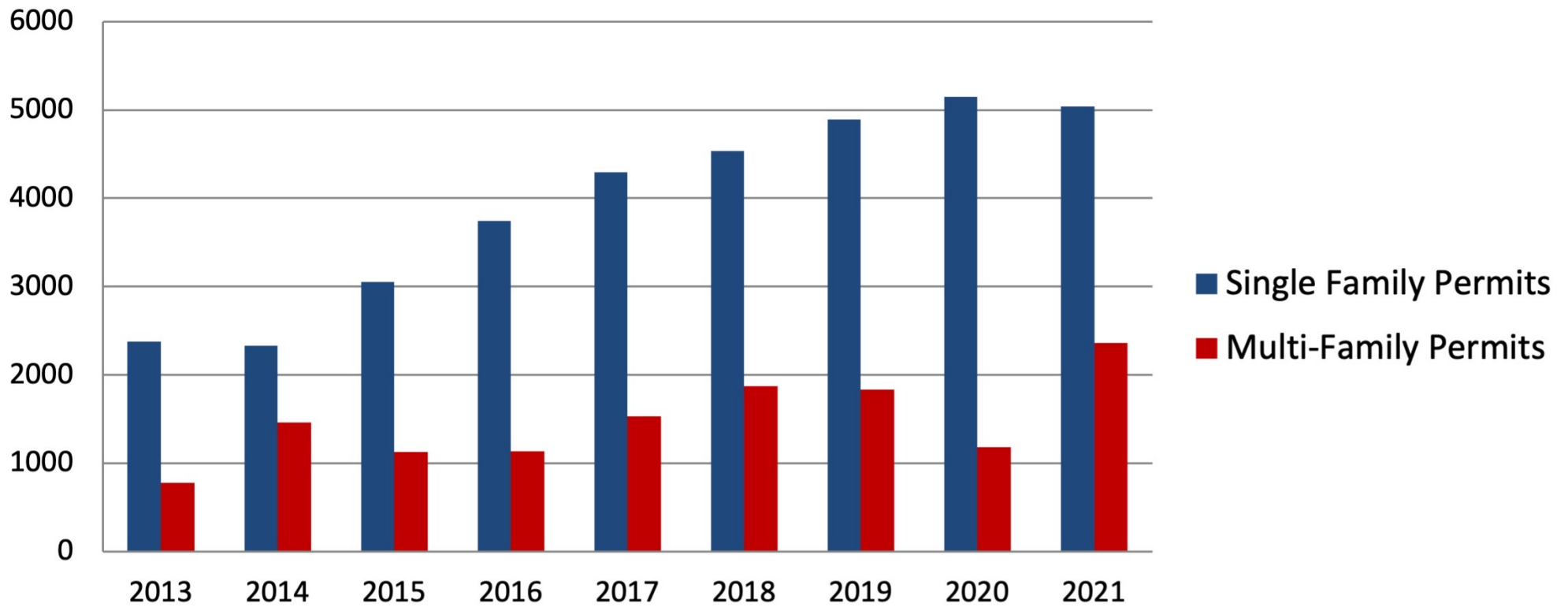


AC24 FEBRUARY 2022 YTD SELLING ODDS New Construction

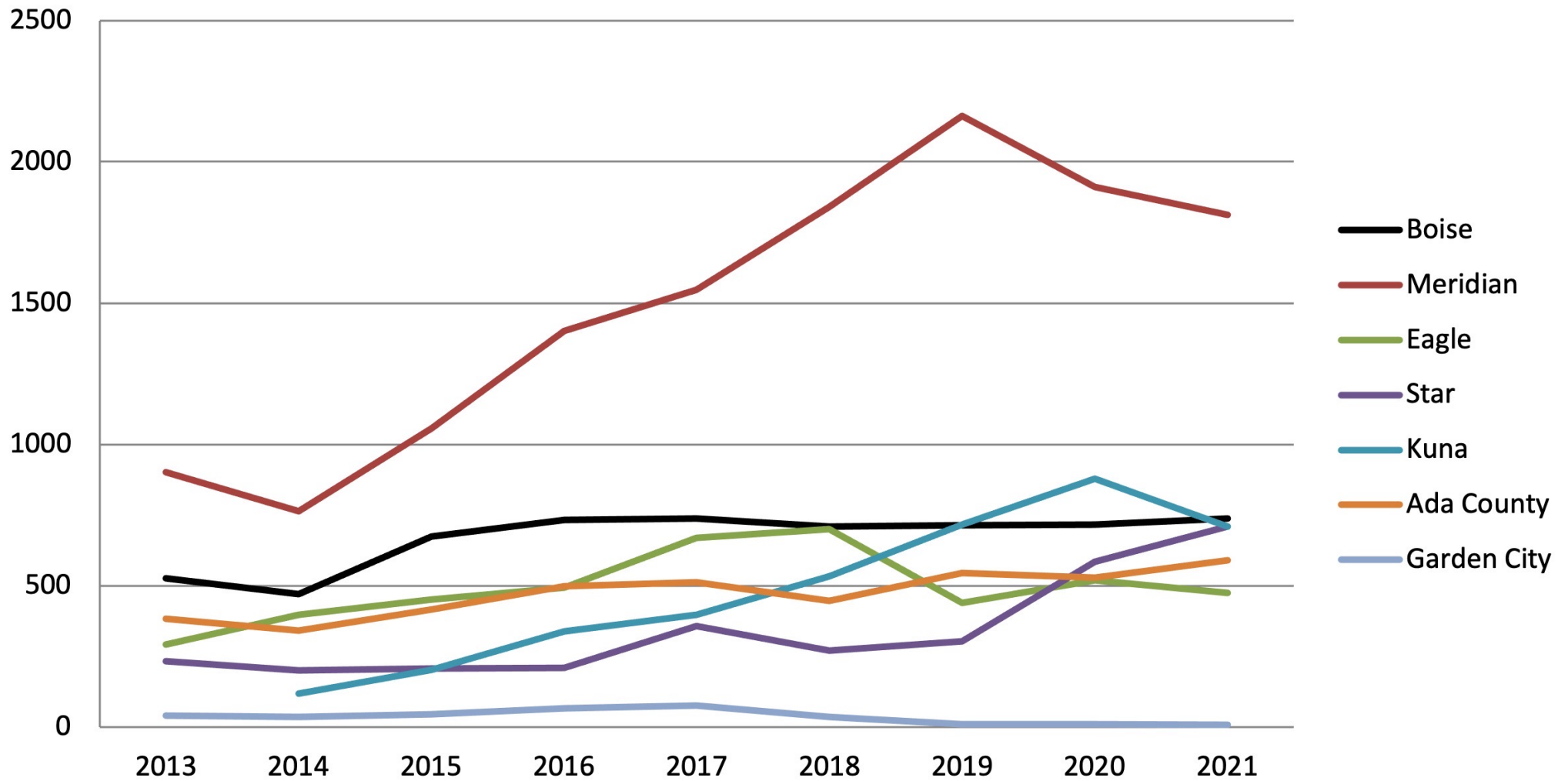


Months to Sell Present Inventory

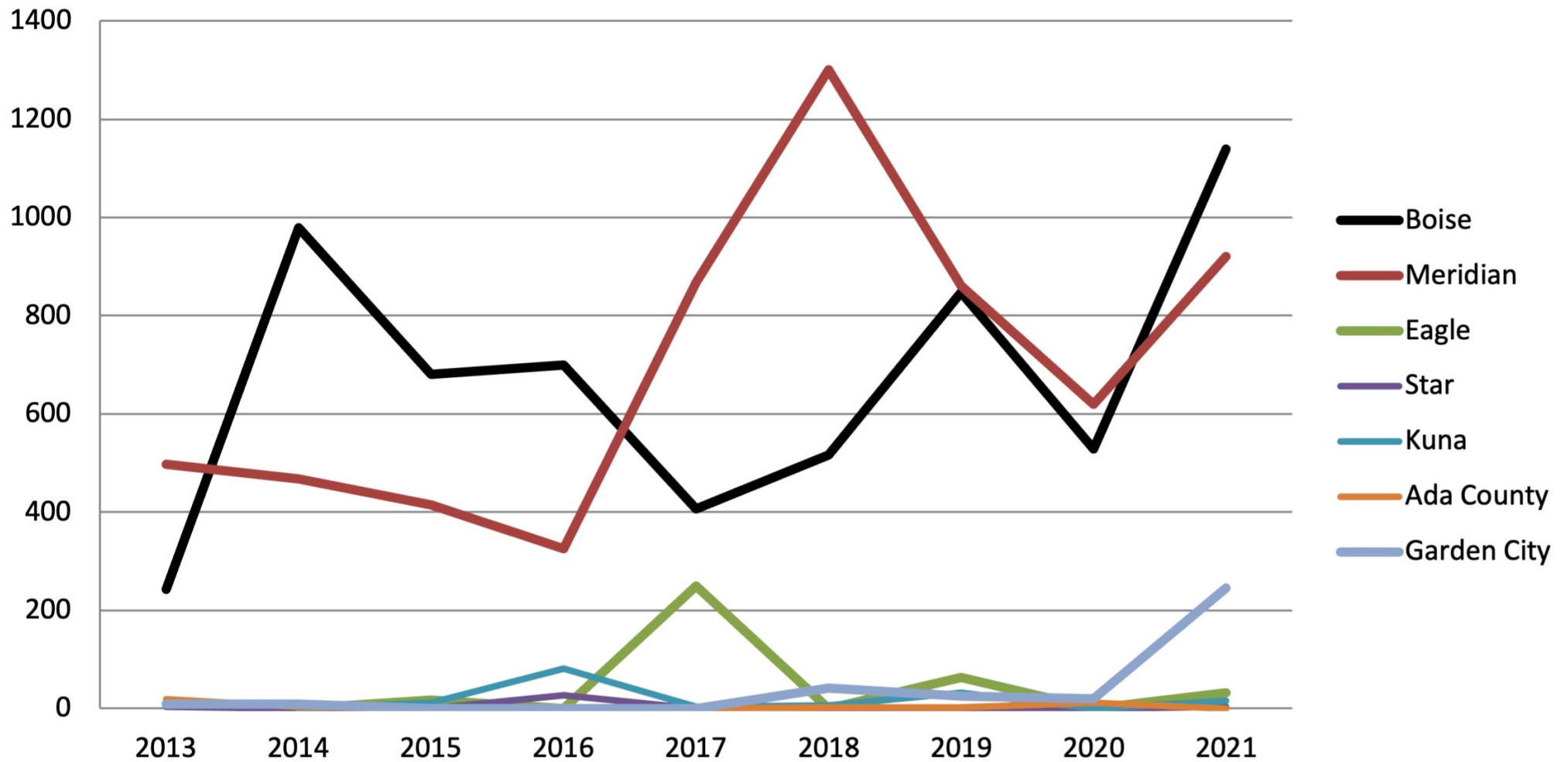
Ada County Permits



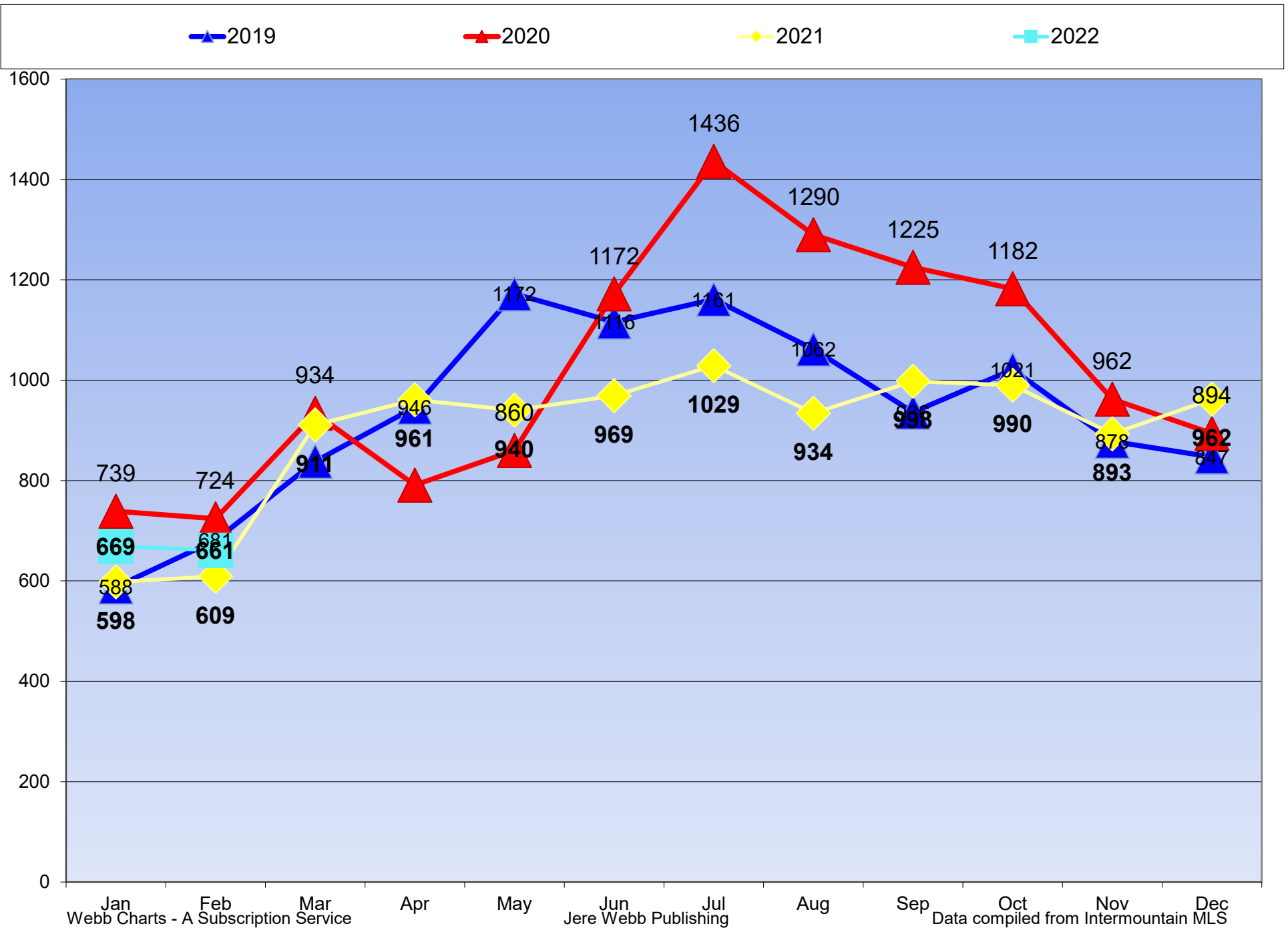
Single Family Permits



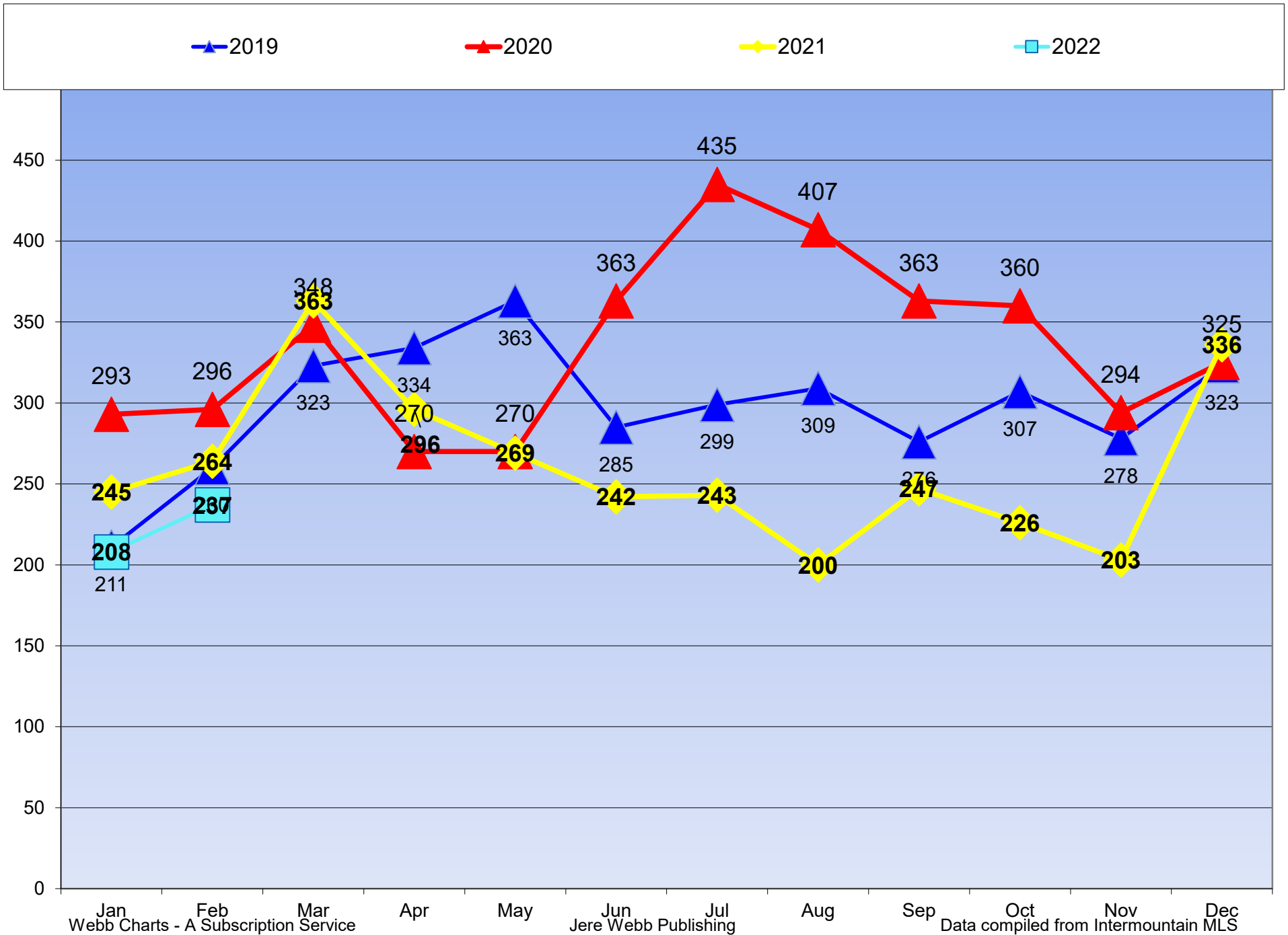
Multi-Family Permits



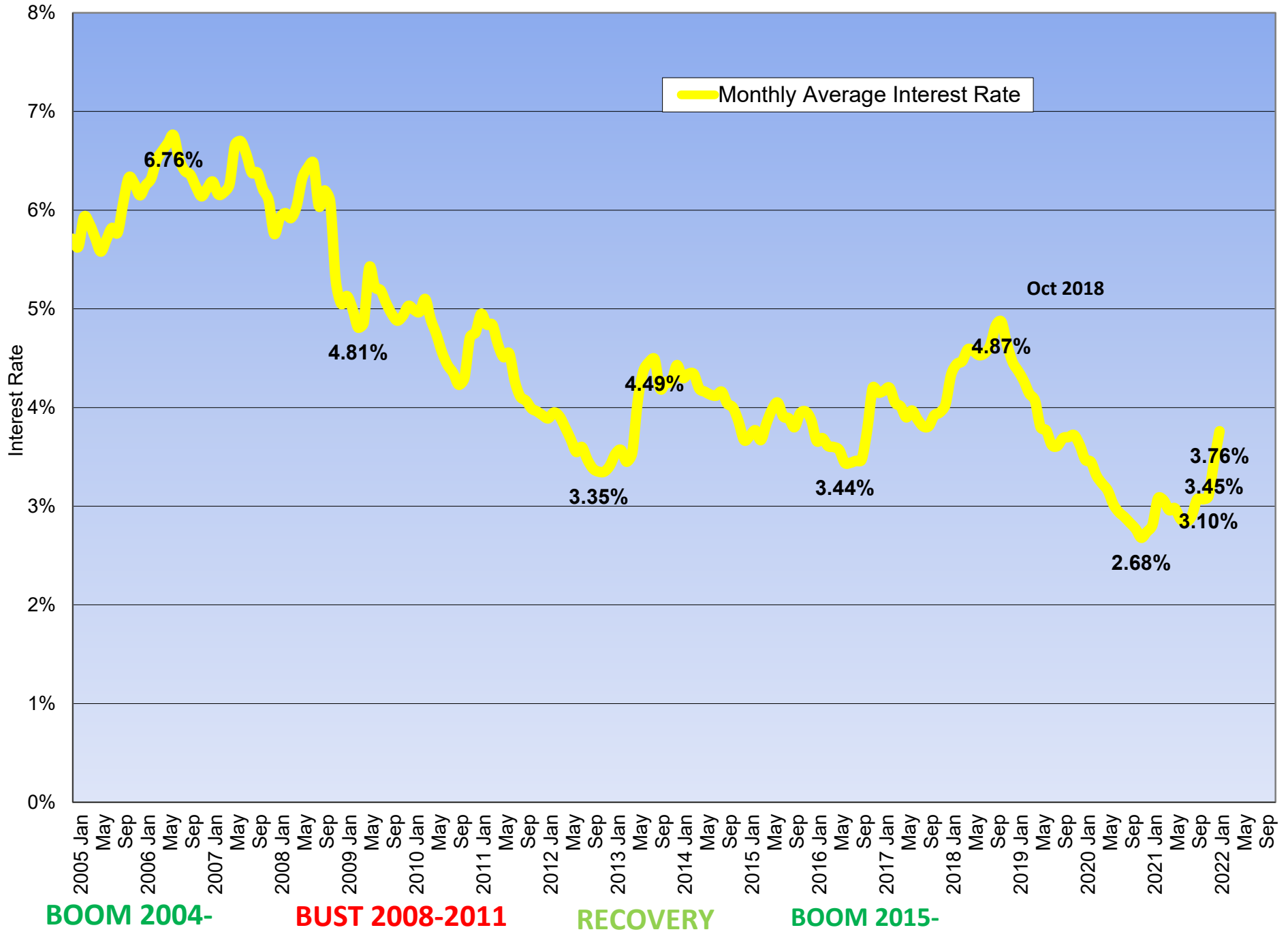
A62 - Ada County Residential SALES



A63- Ada County NEW CONSTRUCTION SALES



AC77 - Freddie Mac 30 Year Fixed Rate Mortgage Interest Rates



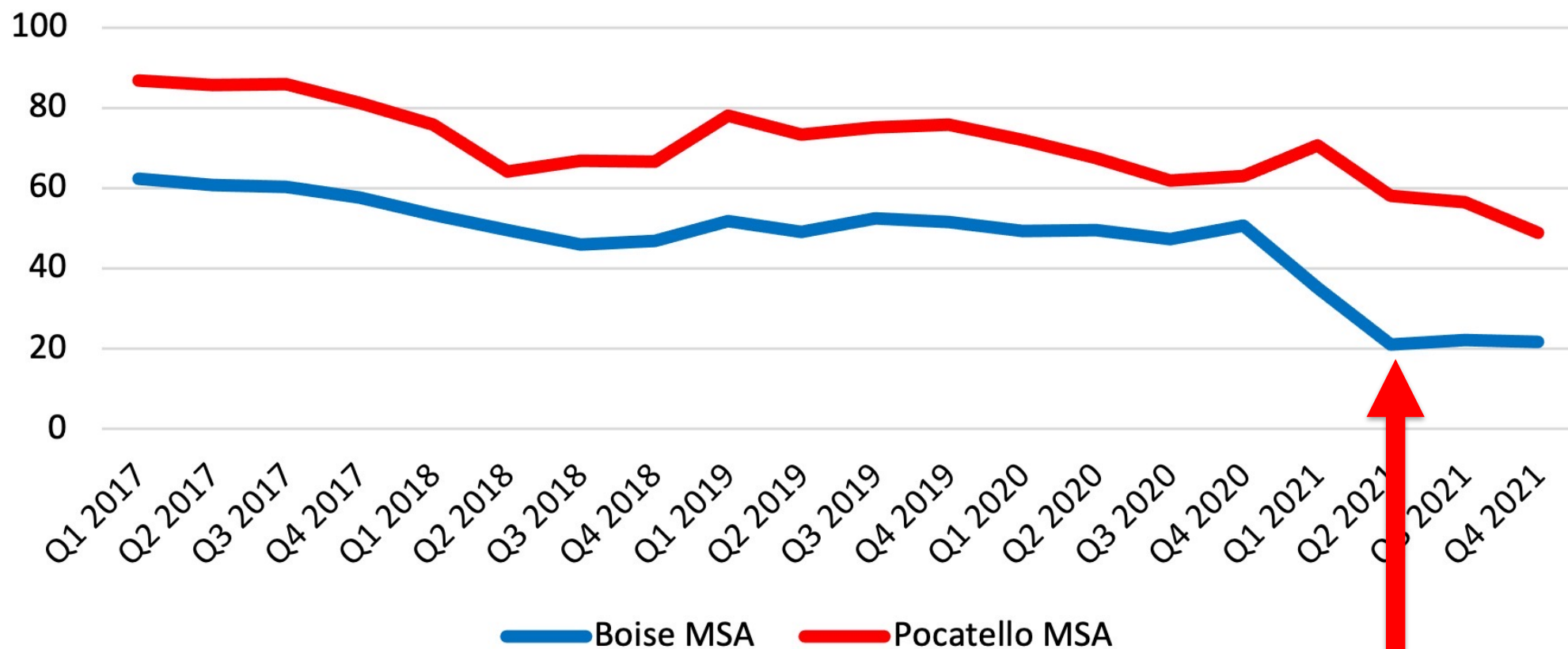
BOOM 2004-

BUST 2008-2011

RECOVERY

BOOM 2015-

NAHB Housing Opportunity Index (affordability)



Source: National Association of Home Builders February 2022

Least Affordable Cities Q4 2021

Areas with Population of 500,000 or more

<u>Rank</u>	<u>Metro Area</u>	<u>Percent Affordable*</u>
1.	Los Angeles, CA	8%
2.	Anaheim, CA	12%
3.	San Francisco, CA	13%
4.	San Diego, CA	14%
5.	Oxnard, CA	17%
6.	Stockton, CA	19%
7.	Modesto, CA	20%
8.	San Jose, CA	20%
9.	Boise City, ID	22%
10.	Riverside, CA	22%

*Percent of homes for sale can be bought with median income (Source: NAHB)

Least Affordable Cities Q4 2021

All 237 MSAs in US

<u>Rank</u>	<u>Metro Area</u>	<u>Percent Affordable*</u>
1.	Los Angeles, CA	8%
4.	San Francisco, CA	13%
5.	San Diego, CA	14%
12.	San Jose, CA	20%
16.	Boise City, ID	22%
22.	New York, NY	27%
26.	Sacramento, CA	27%
32.	Seattle, WA	31%
35.	Miami, FL	32%
39.	Reno, NV	34%
53.	Portland, OR	42%
55.	Las Vegas, NV	42%
62.	Phoenix, AZ	45%
77.	Salt Lake City, UT	48%
79.	Pocatello, ID	49%
80.	Denver, CO	49%
86.	Spokane, WA	51%

*Percent of homes for sale can be bought with median income (Source: NAHB)

ADA Housing Summary

2021 New SF Construction

- Sales: **DOWN 21%**
- Price: **UP almost 30%**
- Permits: **SF DOWN 2%**
- Inventory: **UP 20%**
(still 64% below 2019) = LOW
- Months Supply: **LOW (about 1 mo. supply)**
- Affordability: **DOWN (Boise MSA is #16)**

Single-Family New Construction Forecast

SF Housing Forecast

- ✓ 2021 Prediction: Sales, Price & Inventory = UP
 - ✓ Sales will continue to be strong
 - ✓ Less Price Resistance compared to 2020
 - ✓ New Home inventory may be lower in the short term not the whole year

SF Housing Forecast

✓ 2022 Prediction:

- ✓ **HEADWINDS** starting to have an impact
- ✓ Inventory will increase
(and days on market and months supply)
- ✓ More Price Resistance compared to 2021
- ✓ Sales will continue to be strong

SF Housing Forecast

✓ 2022 Prediction: **HEADWINDS** starting to have an impact

- ✓ Inventory will increase
- ✓ More Price Resistance compared to 2021
- ✓ Sales will continue to be strong

✓ 2022 Wild Cards:

1. Resale Inventory
2. Interest Rates ... will rise... by how much?
3. Inflation: Materials, Labor, Land & Lot Prices
4. Supply Chain disruptions and Time Delays
5. Inventories (Homes and Lots) ... how much will they rise?
6. Government Regulations - Local and National
7. ~~COVID Pandemic~~ War in Ukraine

More Trends & Impacts

- ✓ Price spread between New & Existing in December
 - ✓ 2019 = 21% gap
 - ✓ 2020 = 5% gap
 - ✓ 2021 = 14% gap
- ✓ Millennials and Boomers will dominate market
- ✓ Fewer homes on the market is the new normal
- ✓ Opposition to new housing will continue

Impacts of War in Ukraine

- ✓ “Russia is a gas station with nuclear weapons”
- ✓ Moved past the short war scenario....
- ✓ Depending on length of war and Russia wins....
 - ✓ Inflation up about 1.0%
 - ✓ GDP down about 0.5 – 1.0% (no recession in US yet)
 - ✓ More Interest rate hikes
- ✓ Risks: Cyber attack

Source: Rob Dietz (NAHB Chief Economist)

Recent quotes in the news....

Experts predict what the 2022 housing market will bring

Annual Price Growth

Zillow	16%
Goldman Sachs	16%
Fannie Mae	11%
Redfin	7%
*National Assoc. Realtors	5.7%
NAHB	5%
Realtor.com	2.9%

*Summary of 20 experts

Recent quotes in the news....

Idaho Statesman

Headline: Coping with affordable housing..... 3/6/2022

Recent quotes in the news....

Realtor.com

Home prices have reached an all-time high
How long can this go on?

Buyers today are feeling a sense of urgency brought on
by both rising home prices and rising mortgage rates.....

.....There's this fear that if they don't buy today, they may
never be able to.

Buyers can expect to see improvement in the number of
homes for sale this spring

Recent quotes in the news....

National Association of Home Builders

Building materials prices increased 20.3% year over year (Jan 2022)

Nationally, expecting sales up 1% and prices up 5%..... Areas with higher population growth should do better than national average

Higher rates and increasing home prices will continue to reduce housing affordability in 2022.

.... a drawn out conflict in Ukraine will increase inflation pressures.. NAHB is expecting FIVE 0.25% rate increases this year (combined with a tightening labor market)

..... demand will continue to grow for multifamily construction

Recent quotes in the news....

Realtor.com: Boise a hot housing market in 2021

Boise landed No. 4 on the list

Recent quotes in the news....

Realtor.com: Boise a hot housing market in ~~2021~~

Boise landed No. ~~4~~ on the list

Recent quotes in the news....

Realtor.com: Boise a hot housing market in **2022**

Boise landed No. **2** on the list

	Sales '22	Price '22	Combined
1. Salt Lake City, UT	15.2%	8.5%	23.7%
2. Boise, ID	12.9%	7.9%	20.8%
3. Spokane, WA	12.8%	7.7%	20.5%
4. Indianapolis, Ind.	14.8%	5.5%	20.4%
5. Columbus, Ohio	13.7%	6.3%	20.0%
8. Seattle, WA	9.6%	7.5%	17.1%
US Average	7.0%	5.7%	12.7%

Source: Danielle Hale, Realtor.com®'s Chief Economist Dec. 7, 2021

Recent quotes in the news....

Why Boise continues top 5....

- ✓ Healthy local economies
- ✓ Low unemployment
- ✓ Higher share of STEM jobs
- ✓ Substantial job growth
- ✓ “Remote Work”
- ✓ Smaller/Medium sized Metros

Recent quotes in the news....

Why Boise is No. 2 on Realtor.com®'s top markets list.

- “.....driven by a combination of remote work and a
- desire for outdoor activities
- Boise has become a relocation destination for CA transplants.
- booming job market
- Great restaurants, bars, and shops line its vibrant downtown
- Boise River Greenbelt runs through the east side of the city and includes a series of tree-dotted trails and parks hugging the water's edge.”

Top Regulatory Issues Addressed by BCA in 2021

Top BCA issues in 2021

1. COVID: Home Building is an essential business
2. Positive PR Campaign
3. SUEZ Water CIAC Fee
4. Meridian City Open Space
5. All Agency Review delays

Current Local Regulatory Issues

1. Legislative Issues: Monitoring

- Property Taxes, School Impact Fees, Building & Energy Codes

2. Agency delays

- Process applications, Public hearings, Plan reviews

3. Positive Public Relations Outreach

- Increase member involvement

Top Regulatory Issues

Estimated Savings in 2020 - 2021

\$16,000 per home

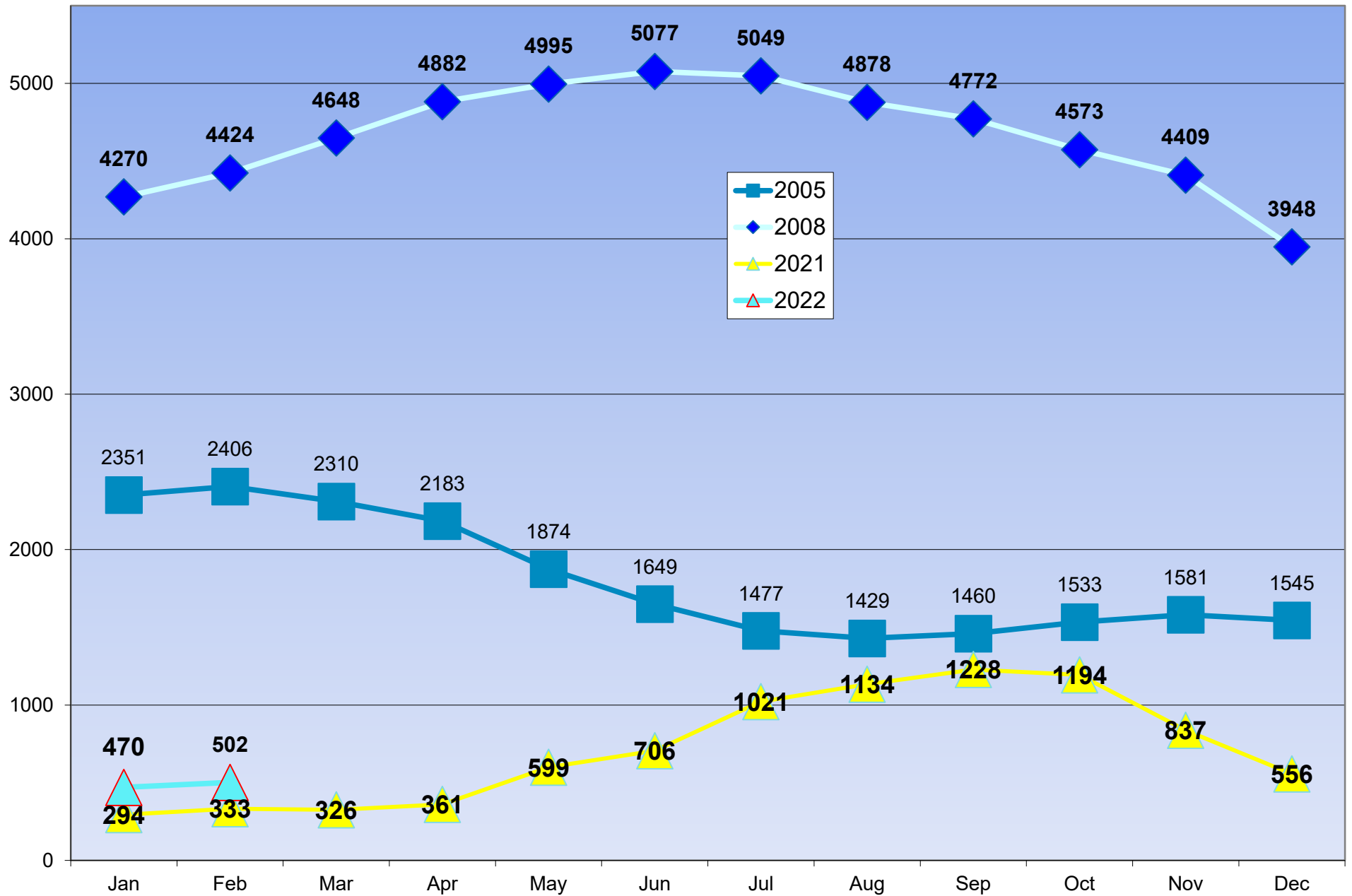
... 10 homes = \$160,000

... 100 homes = \$1,600,000

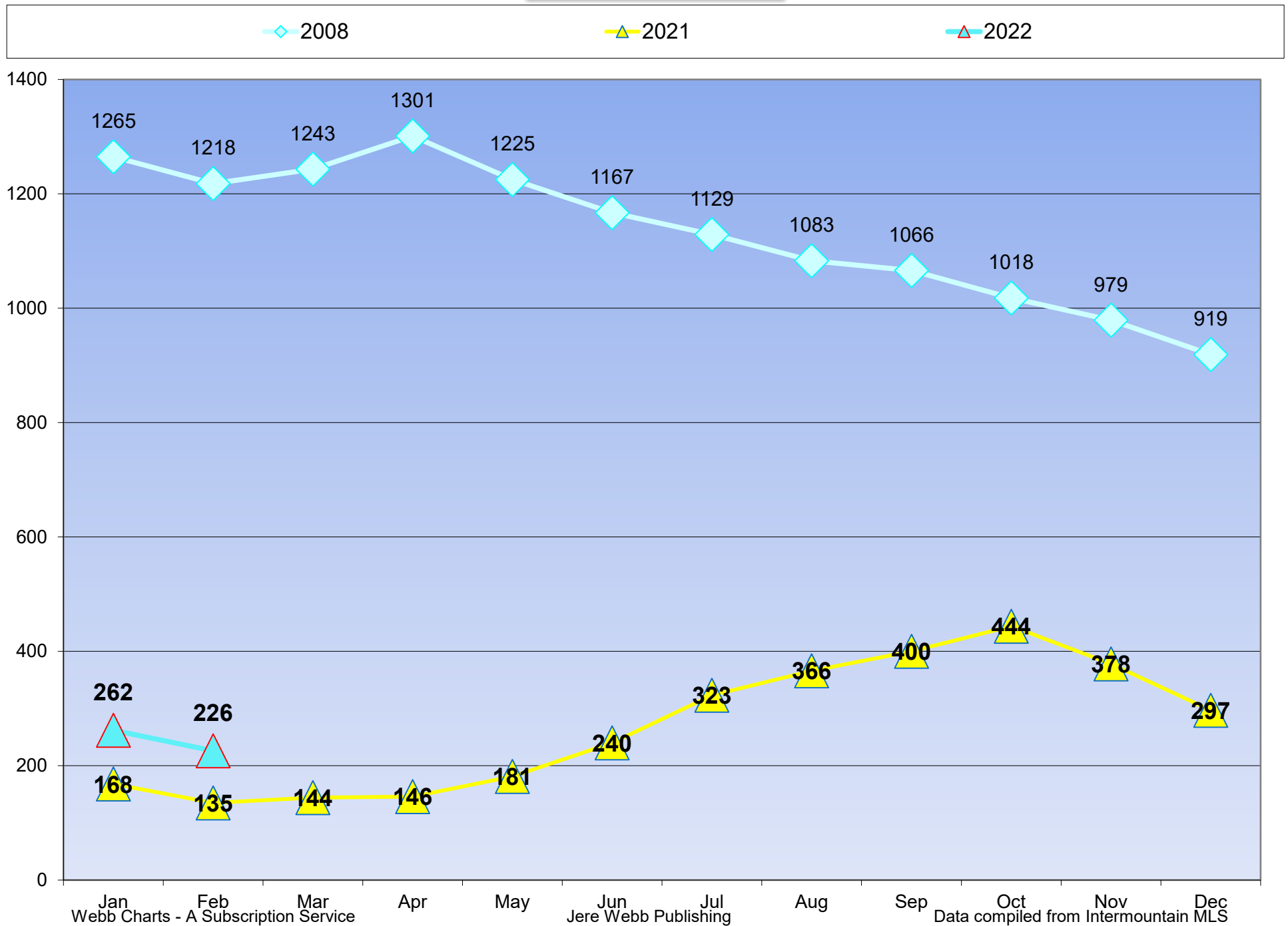
- ✓ **\$1,000 increase** in home =
 - ✓ **954 Idahoans** priced out of the housing market
 - ✓ **277 locals** priced out of the housing market in Boise MSA

Are we in a bubble?

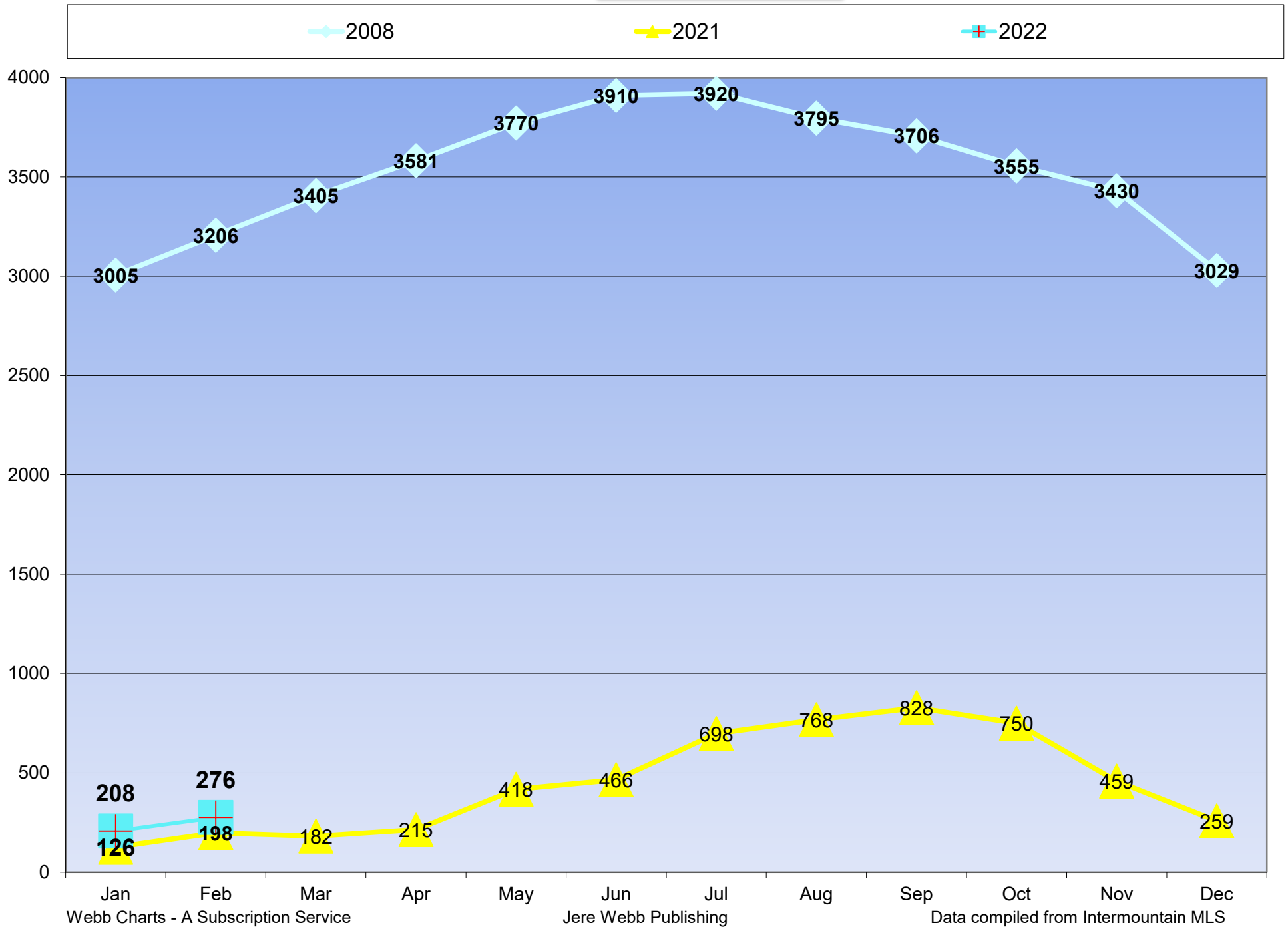
A16L - Ada County Residential INVENTORY



A59L - Ada County NEW CONSTRUCTION INVENTORY



A60L - Ada County RESALE INVENTORY



QUESTIONS?

Dave Yorgason, MBA, CLC

Call: 208-850-1070

Email: dyorgason6@gmail.com



DATA SOURCES

LOCAL HOUSING REPORT – YEAR END 2021

- Intermountain MLS, Webb Charts, National Association of Realtors

LOCAL HOUSING ECONOMIC IMPACT – DEC. 2021

- Building Costs & Sales Price: Local Builders, Developers & IMLS
- Permits: Ada County and Cities, other BCAs
- Local Gov't Revenue (building permit, impact & connection fees, prop. taxes, etc.): Ada County and City Building Depts & Ada County Assessor
- Local Government Costs (spending): U.S. Census Bureaus' Census of Governments (based on inputs from local agencies), NAHB
- Economic Impacts: NAHB, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics & U.S. Census Bureaus' Census of Governments (based on inputs from local agencies)
- Jobs: Idaho Dept. of Labor & Idaho Dept. of Commerce