



2018 RESIDENTIAL REAL ESTATE MARKET REPORT

Published January 30, 2019

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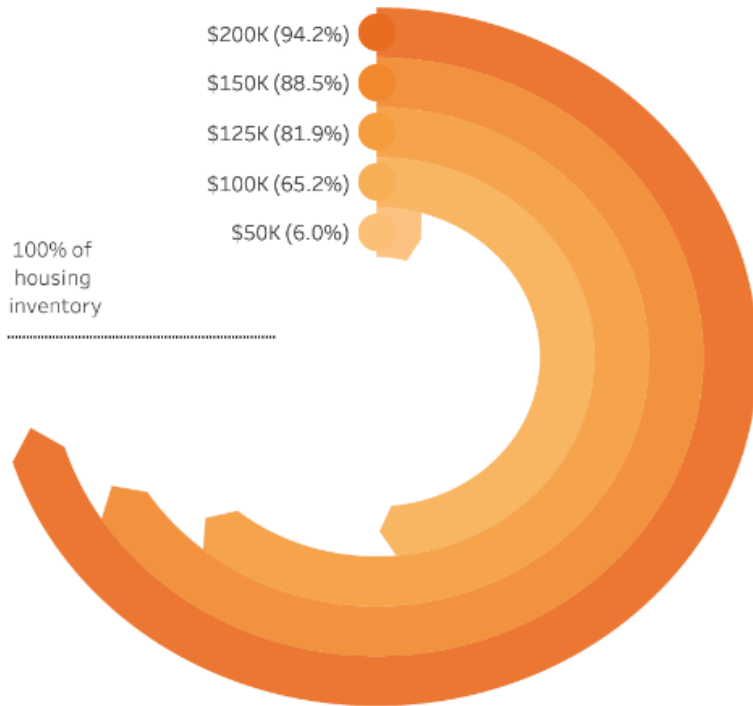
2018 was another year of record low inventory and record high median sales prices in Ada County – dropping to just 474 existing homes for sale in January and reaching \$334,400 overall in August.

While the price gains helped many homeowners regain equity lost during the Great Recession, they amplified concerns about affordability for many looking to buy now.

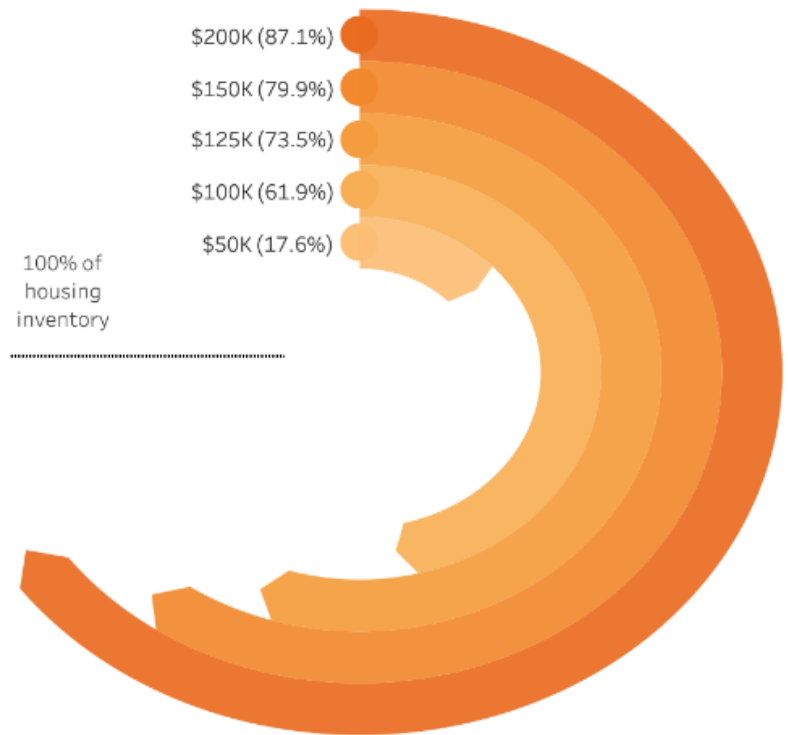
REALTORS® Affordability Distribution Curve, Boise City MSA and Idaho

The REALTORS® Affordability Distribution Curve from the National Association of REALTORS® and REALTOR.com shows how many houses are affordable to households ranked by income. For example, a household with an income of \$50,000 could afford approximately 6.0% of the housing inventory available in the Boise City MSA as of December 2018, compared to 17.6% of the housing inventory when looking statewide. This was down from 17.4% for the MSA and 27.6% for Idaho in December 2017. The Boise City Metropolitan Statistical Area (MSA) is a combination of Ada, Boise, Canyon, Gem, and Owyhee counties.

Boise City, ID

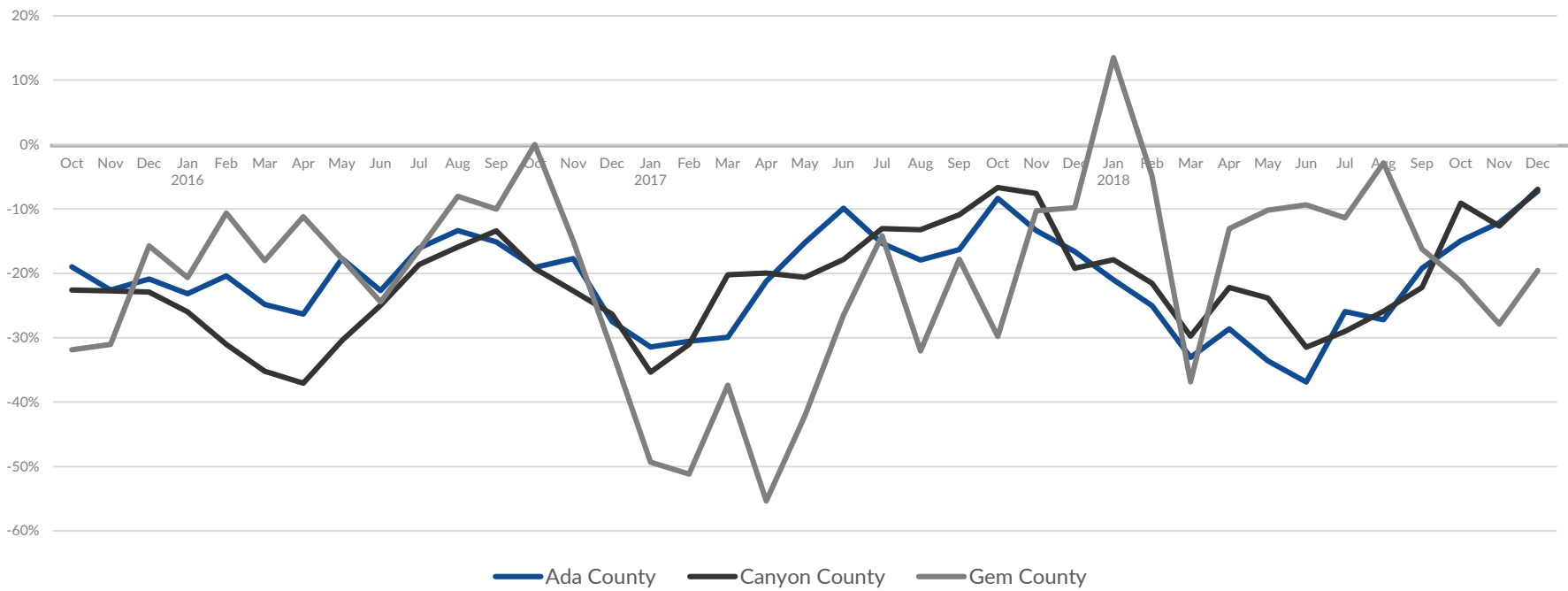


Idaho



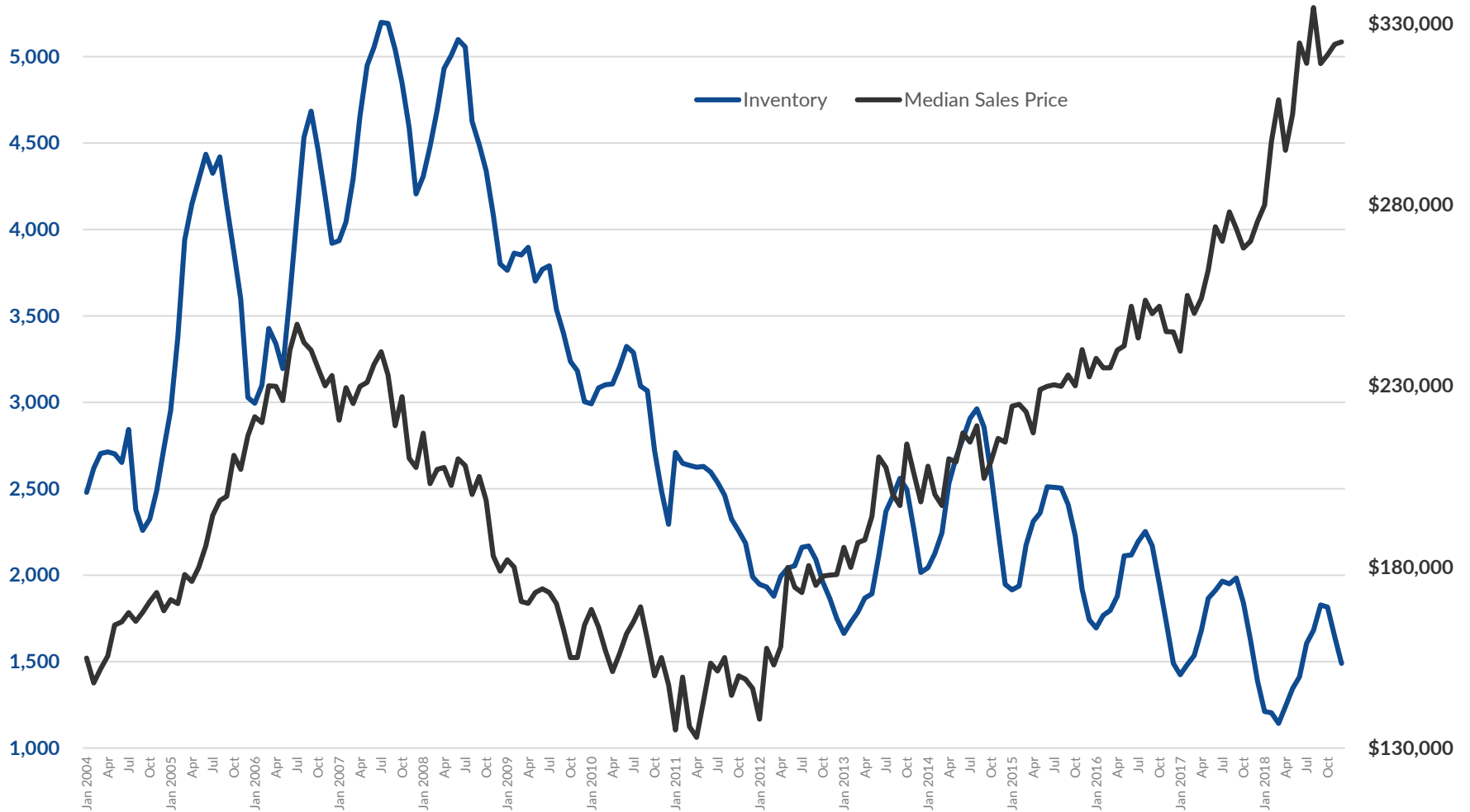
As inventory fell throughout 2018, it further reduced the percentage of homes available and considered affordable at each income level.

December 2018 marked **51 consecutive months** of year-over-year declines in the number of *existing* homes for sale, in Ada, Canyon, and Gem counties.



Historical Monthly Median Sales Price vs. Inventory for Ada County

Activity for existing and new single-family homes combined between Jan 2004–Dec 2018. The median sales price and inventory rose and fell together between Jan 2004 and Sep 2012. Since then, inventory has not kept up with demand, contributing to prices being pushed upwards – in addition to the increased costs of new construction. Keep in mind, that 2011-2012 prices were severely depressed as more than half of all homes sold were considered “distressed” (foreclosure, short sale, REO/bank-owned, or HUD-owned).



Area home prices are being driven up by the persistent and historically low inventory of *existing* homes compared to demand, as well as *more new* homes selling at overall higher prices, primarily due to rising construction costs.

Case in point — based on past data, when new construction sales made up more than 24% or 25% of the total sales in a given month, the overall median sales price was 12-14% higher than the previous year, on average.

Share of Total Home Sales that were New Construction Compared to the Overall Median Sales Price Ada County, 2018

Whenever new construction sales made up more than 24% or 25% of the total sales in a given month, the overall median sales price was 12-14% higher than the previous year, on average. The YOY % Change column indicates the increase in the median sales price from the same month the previous year.

Month	Share of Sales that were New Homes	Overall Median Sales Price	YOY % Change
Mar 2018	30.7%	\$308,950	+23.6%
Apr 2018	24.4%	\$295,000	+16.1%
May 2018	28.0%	\$305,000	+16.4%
Jun 2018	26.7%	\$324,647	+18.5%
Jul 2018	25.2%	\$319,000	+18.2%
Aug 2018	26.8%	\$334,400	+20.3%
Sep 2018	29.1%	\$318,990	+16.7%
Oct 2018	27.7%	\$321,398	+19.9%
Nov 2018	28.6%	\$324,250	+20.1%
Dec 2018	35.5%	\$324,950	+18.0%

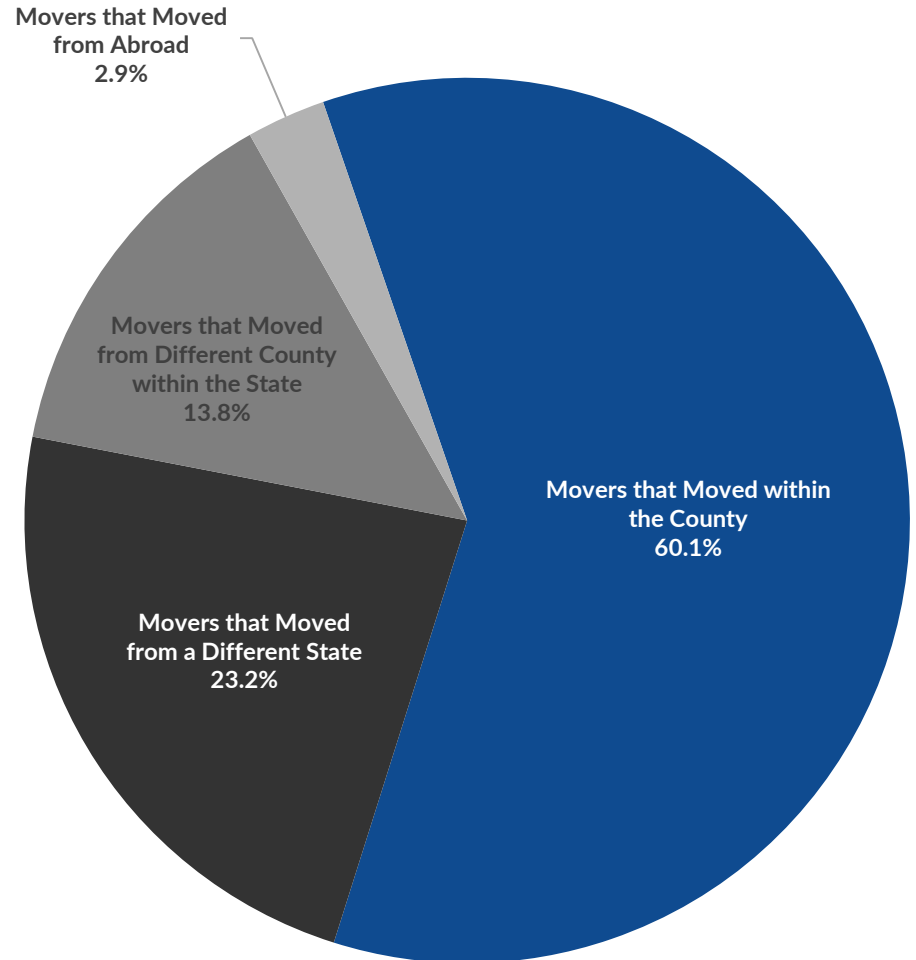
Despite the effects of low inventory and more new home sales, out-of-state buyers continue to be pointed to as the primary driver of rising prices by many local commentators.

However, between 2015 and 2016, 82.9% of Ada County residents *did not* move. Of the 17.1% of residents who did move, 60.1% did so *within* Ada County.

County-to-County Migration Flows for Ada County, 2015-2016

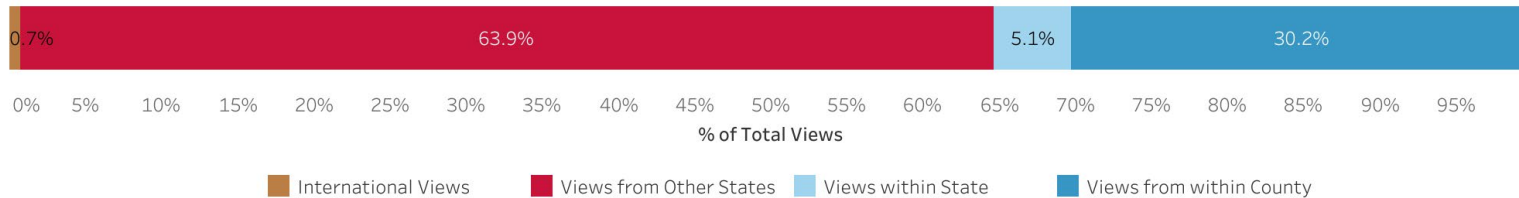
According to U.S. Census Data, between 2015 and 2016 (most current numbers available), 82.9% of Ada County residents did not move, leaving 17.1% who moved into or within the county. Of those who did move, 60.1% did so within the county while 23.2% moved from another state. The remaining movers were from another county in Idaho or from abroad.

Previous Counties of Out-of-State Movers	
Utah County, UT	896
Orange County, CA	655
Riverside County, CA	500
Maricopa County, AZ	453
San Diego County, CA	420
Previous Counties of In-State Movers	
Canyon County, ID	3,407
Twin Falls County, ID	901
Bannock County, ID	741
Latah County, ID	593
Bonneville County, ID	540



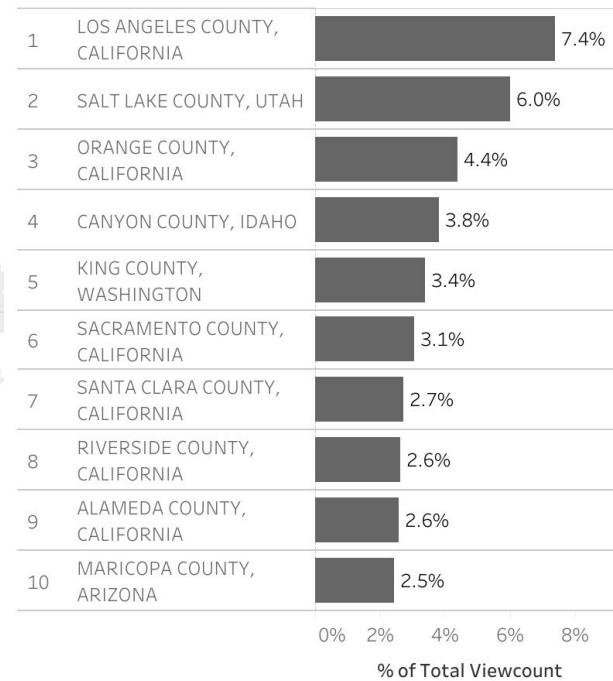
Q3-2018 Cross-Market Interest in Ada County Real Estate

Based on listing views on REALTOR.com for properties in Ada County from other states, within Idaho, within Ada County, and internationally.



Top Viewing Counties

Select Geographic Filter:
All



Migration Flows (2016) vs. Cross-Market Interest (2018) for Ada County

Interest in Ada County from people in Orange County, CA remained high over the two year stretch, likely due to their median sales price (at \$785,000 in December 2018 compared to \$324,950 in Ada County) and a 20% higher cost of living. The other markets from the 2016 data have seen supply move back towards balance, improving relative affordability and potentially reducing the push to look elsewhere. This could be why there are fewer searches from those areas, but new interest from low inventory and/or higher priced areas.

Previous Counties of Out-of-State Movers (2016)	
Utah County, UT	5.4%
Orange County, CA	3.9%
Riverside County, CA	3.0%
Maricopa County, AZ	2.7%
San Diego County, CA	2.5%

Counties with Top Page Views of Ada County (2018)	
Los Angeles County, CA	8.0%
Salt Lake City, UT	6.5%
Orange County, CA	4.8%
King County, WA	3.7%
Sacramento County, CA	3.3%

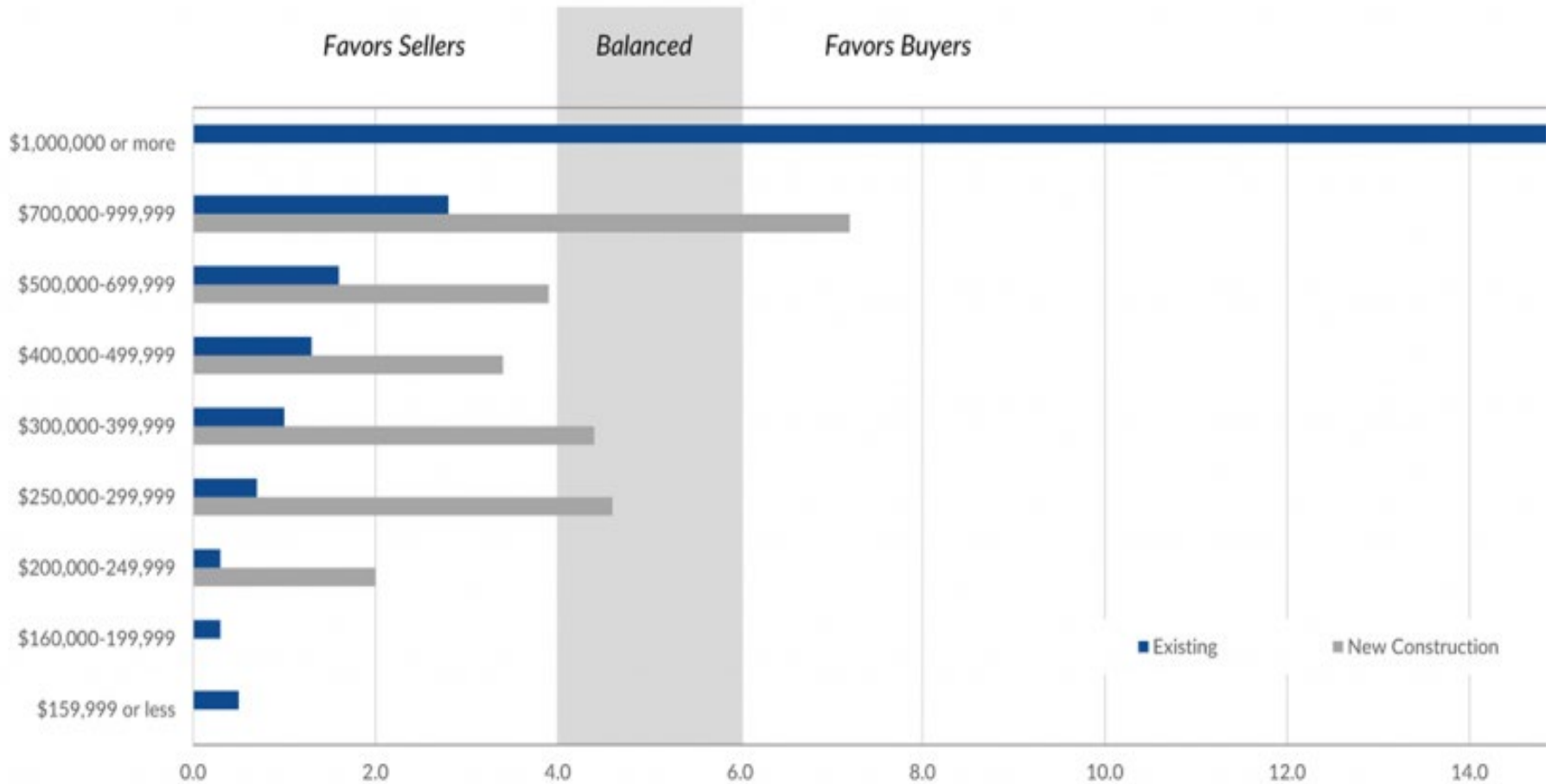
December 2018	Median Sales Price	Cost-of-Living vs. Ada Cty	Months of Inventory
Ada County, ID	\$324k	--	1.9

Utah County, UT	\$275k	+1%	--
Riverside County, CA	\$398k	+10%	4.7
Maricopa County, AZ	\$265k	+12%	--
San Diego County, CA	\$685k	+14%	3.5

Los Angeles County, CA	\$588k	+15%	2.5
Salt Lake City, UT	\$394k	+4%	2.2
Orange County, CA	\$785k	+20%	4.0
King County, WA	\$610k	+10%	--
Sacramento County, CA	\$364k	+9%	2.5

Months Supply of Inventory in Ada County, December 2018

Activity for existing and new single-family homes. Months Supply of Inventory (MSI) measures the relationship between inventory and buyer demand. A balanced market – not favoring buyers or sellers – is typically between 4.0 and 6.0 months. Less than 4.0 months tends to favor sellers, and more than 6.0 months tends to favor buyers. Based on current demand, Ada County needs more existing inventory across nearly all price points, and more new construction below \$250,000.



As long as demand continues to outpace existing supply, and new home sales claim a larger share of total sales, our market is expected to be one of the few nationwide to grow in 2019.

REALTOR.com estimates the Boise City Metropolitan Statistical Area (Ada, Boise, Canyon, Gem, and Owyhee counties) will see 6.9% price growth and 1.5% sales growth.

Want more stats?

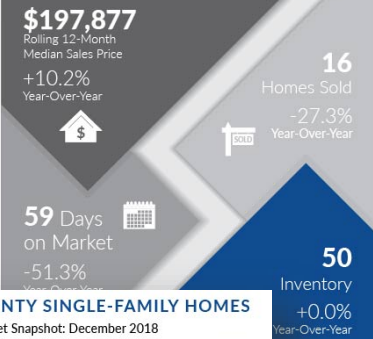
Visit boirealtors.com/market-statistics for our reports and analysis released around the 12th calendar day of the month.

Have Questions?

Contact Boise Regional REALTORS®
Chief Executive Officer, Breanna Vanstrom,
at 208-947-7228 or breanna@boirealtors.com.

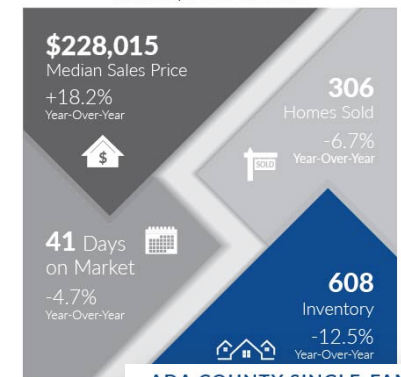
GEM COUNTY SINGLE-FAMILY HOMES

Market Snapshot: December 2018



CANYON COUNTY SINGLE-FAMILY HOMES

Market Snapshot: December 2018



ADA COUNTY SINGLE-FAMILY HOMES

Market Snapshot: December 2018

