

LOCAL HOUSING MARKET REPORT

&

HOME BUILDING ECONOMIC IMPACT

ADA COUNTY

Presented by:

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Building Contractors Association of Southwestern Idaho

January 24, 2017

Boise, ID



Introduction & Welcome



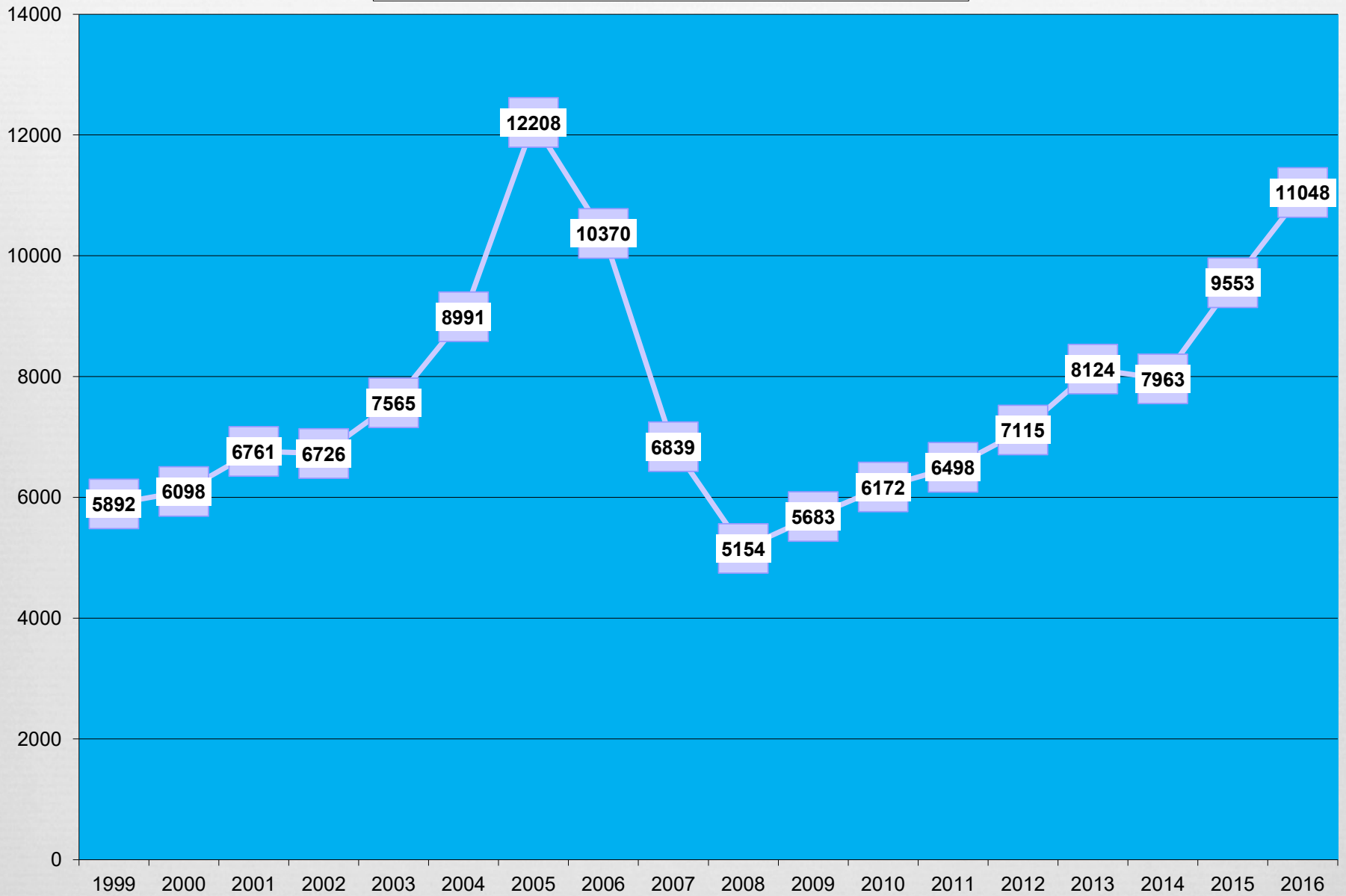
Topics:

1. 2016 Local Housing Report & 2017 Forecast
2. Economic Impact of Local Home Building
3. Local Government Issues Addressed by BCA
and Savings

Local Housing Report

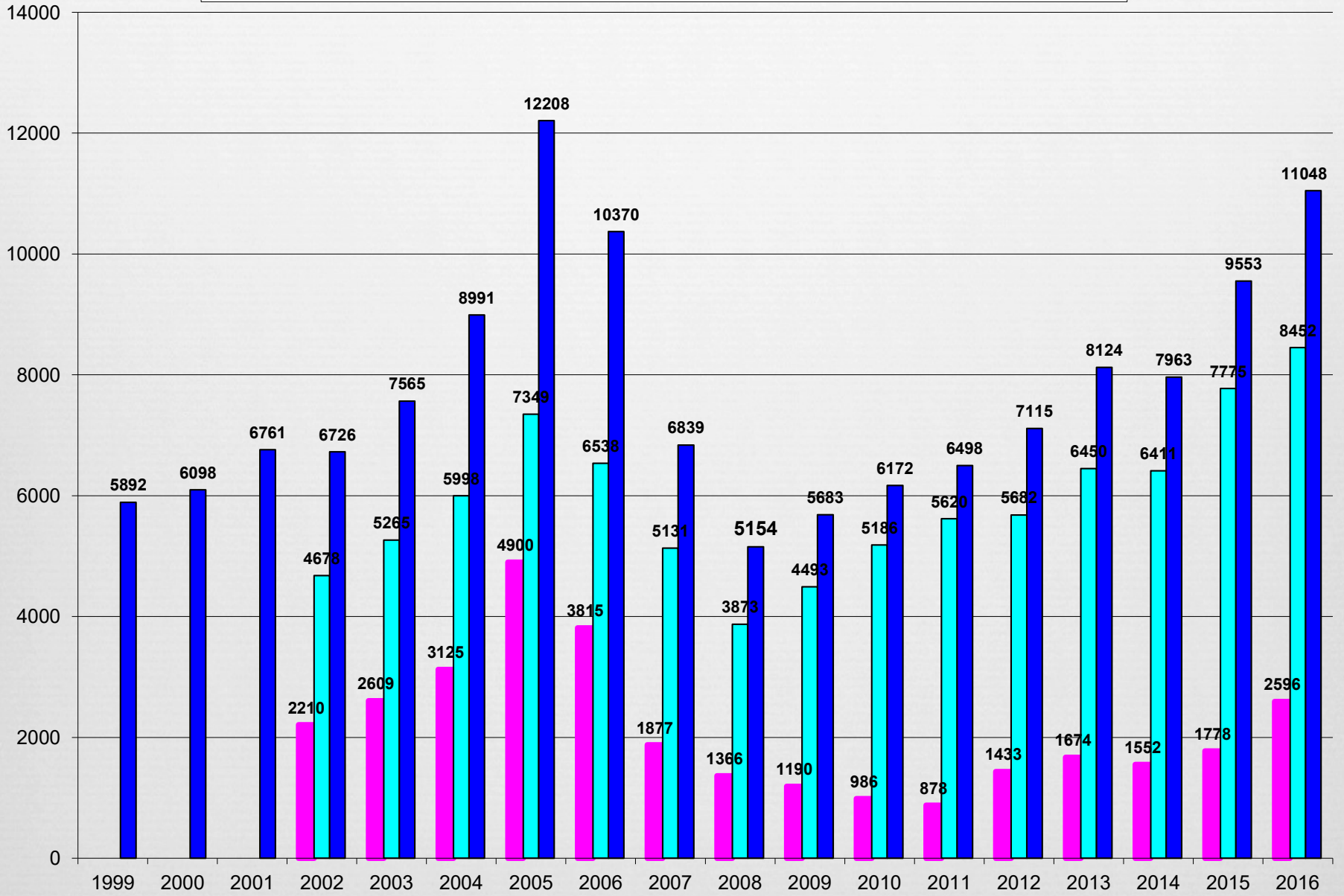
A1 - Ada County Yearly Sales HISTORY

Total Single Family Home Sales

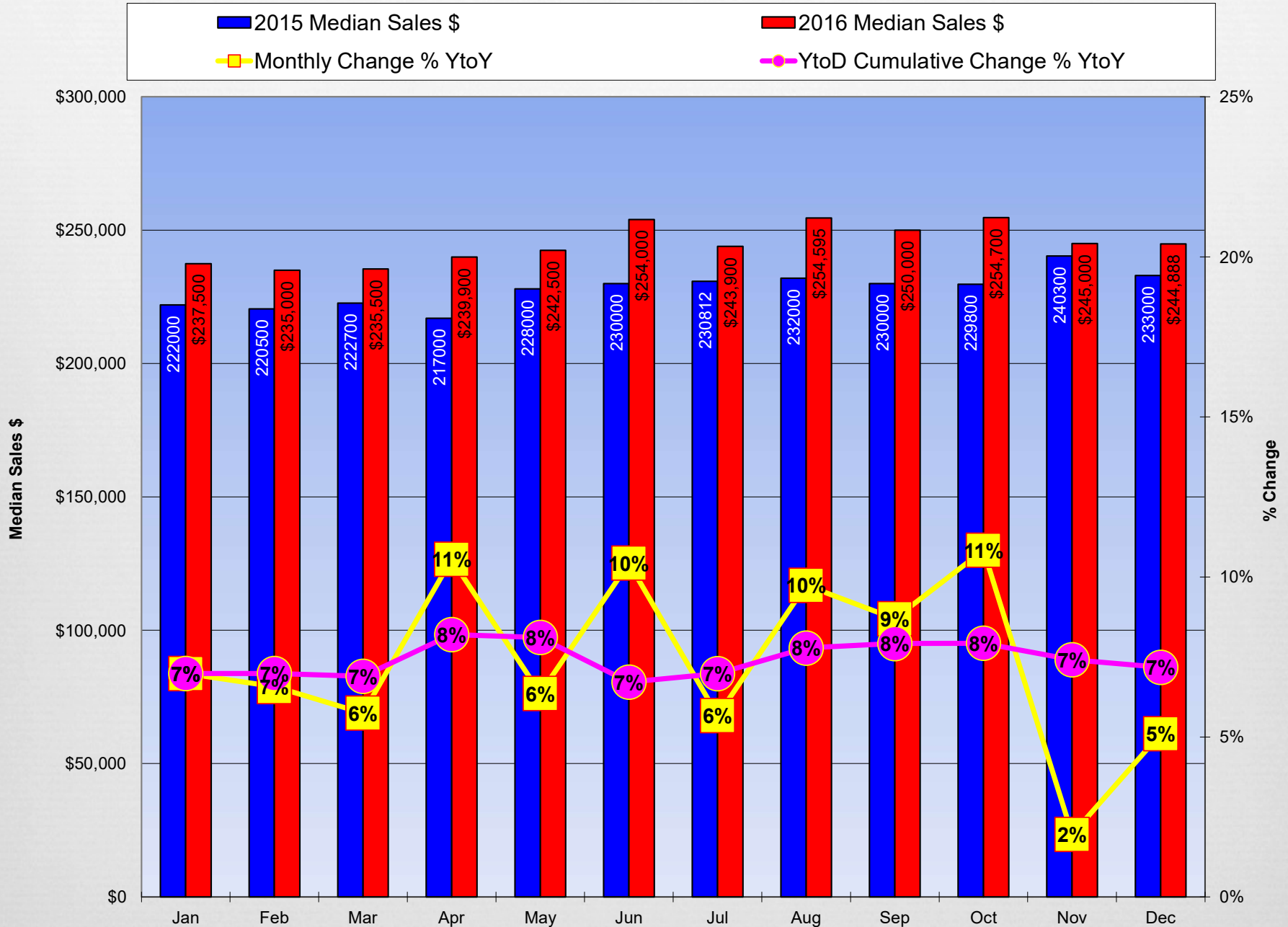


A1A - Ada County Yearly Sales HISTORY

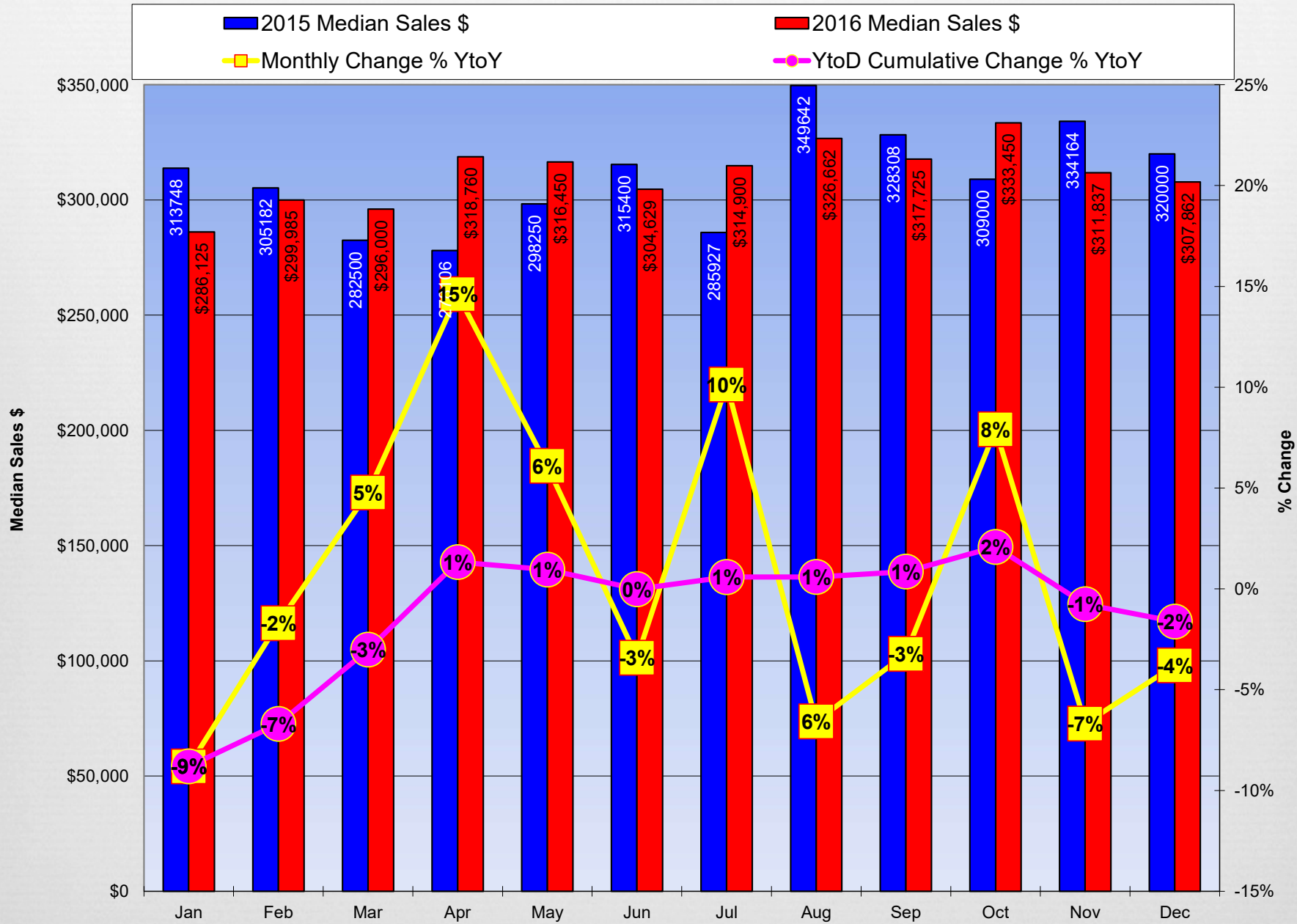
■ New Construction Sales
 ■ Existing Sales
 ■ Total Single Family Home Sales



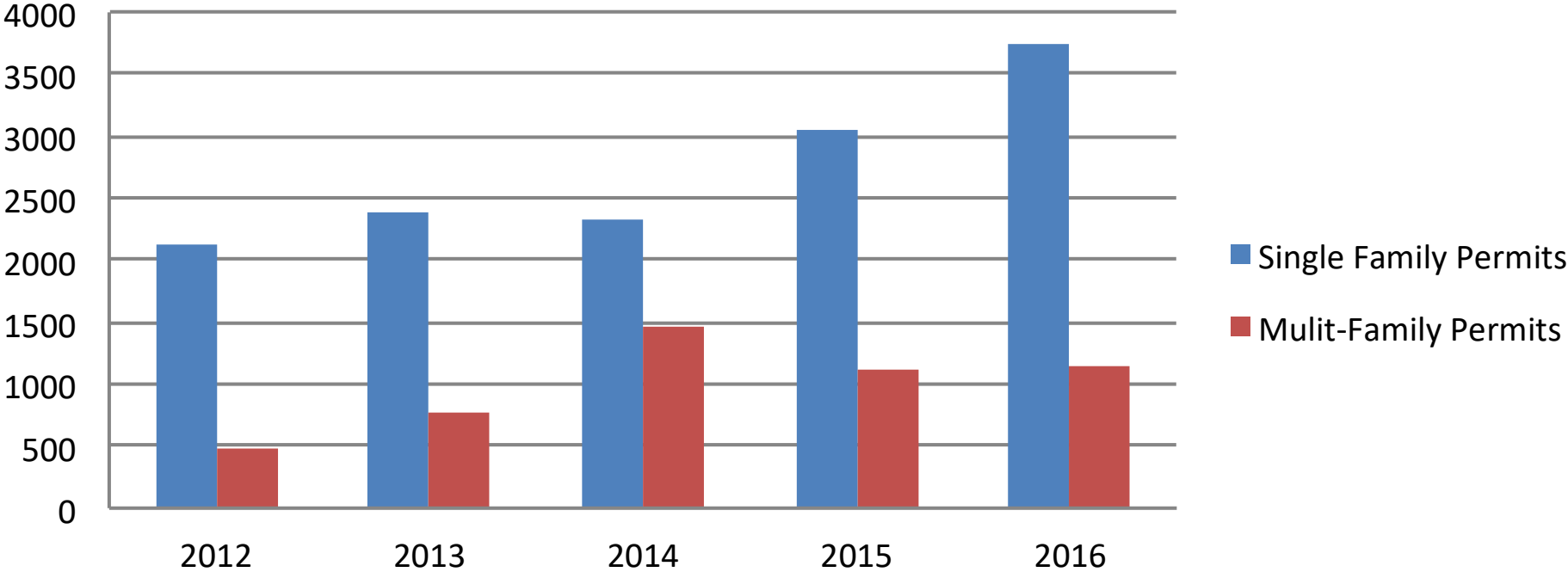
A10 - Ada County Monthly MEDIAN Sales Price



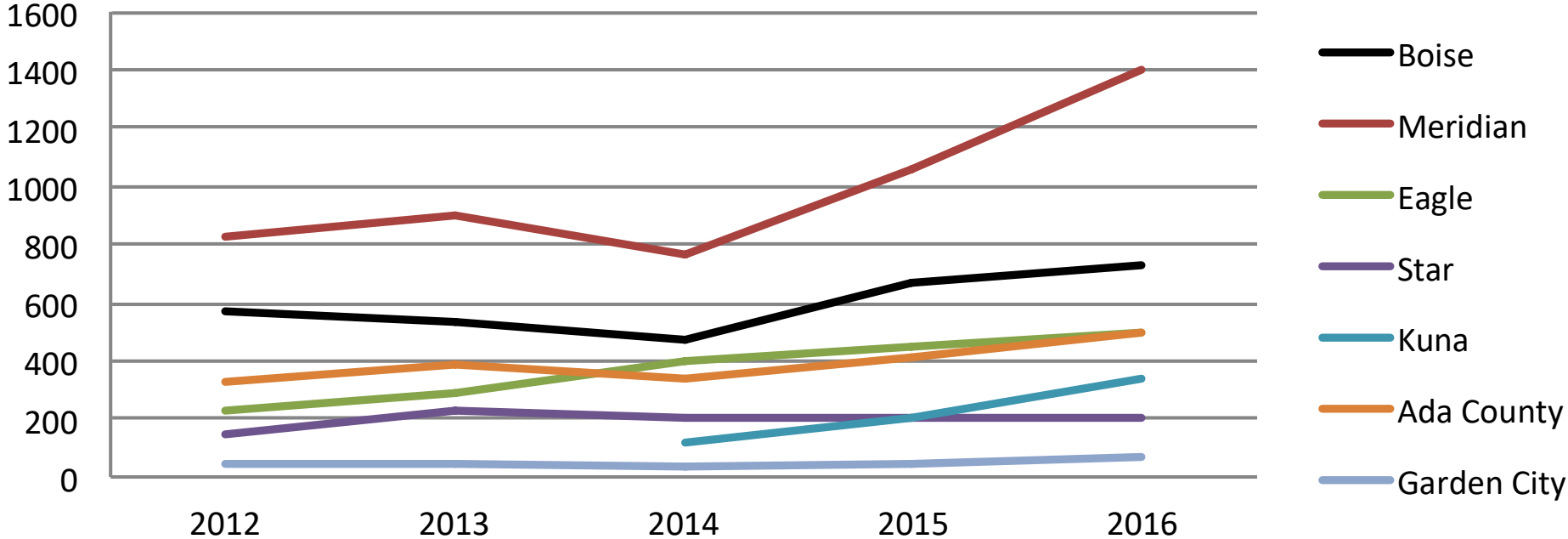
A11 - Ada County NEW CONSTRUCTION Monthly MEDIAN Sales Price



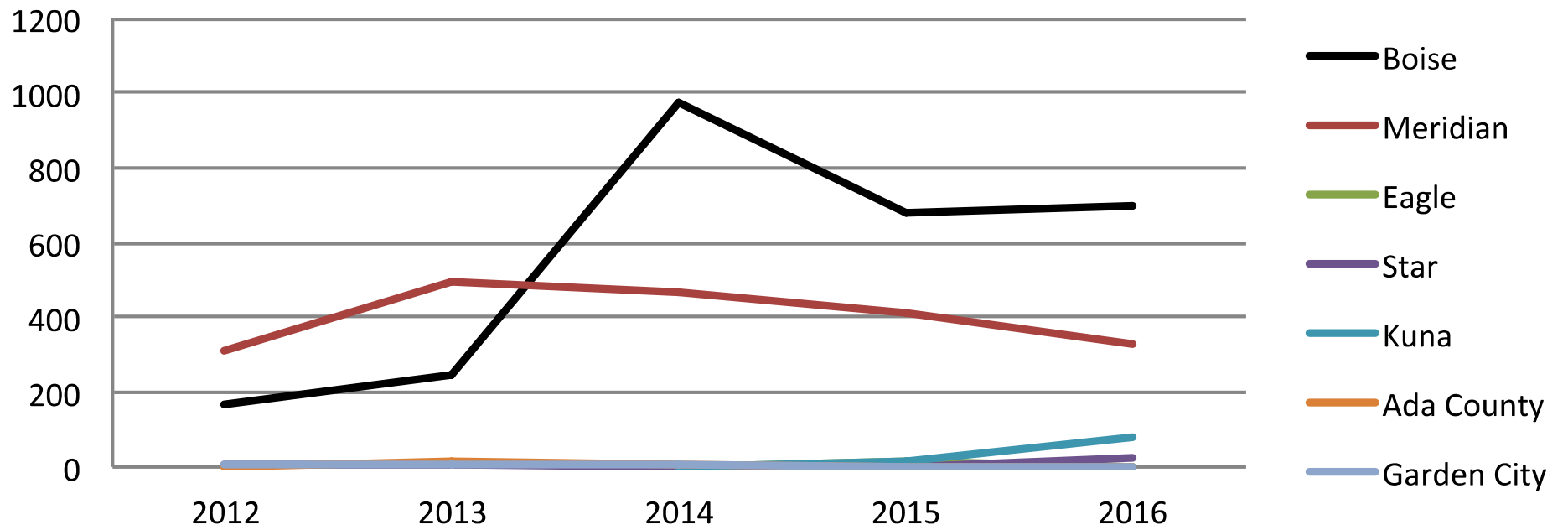
Ada County Permits



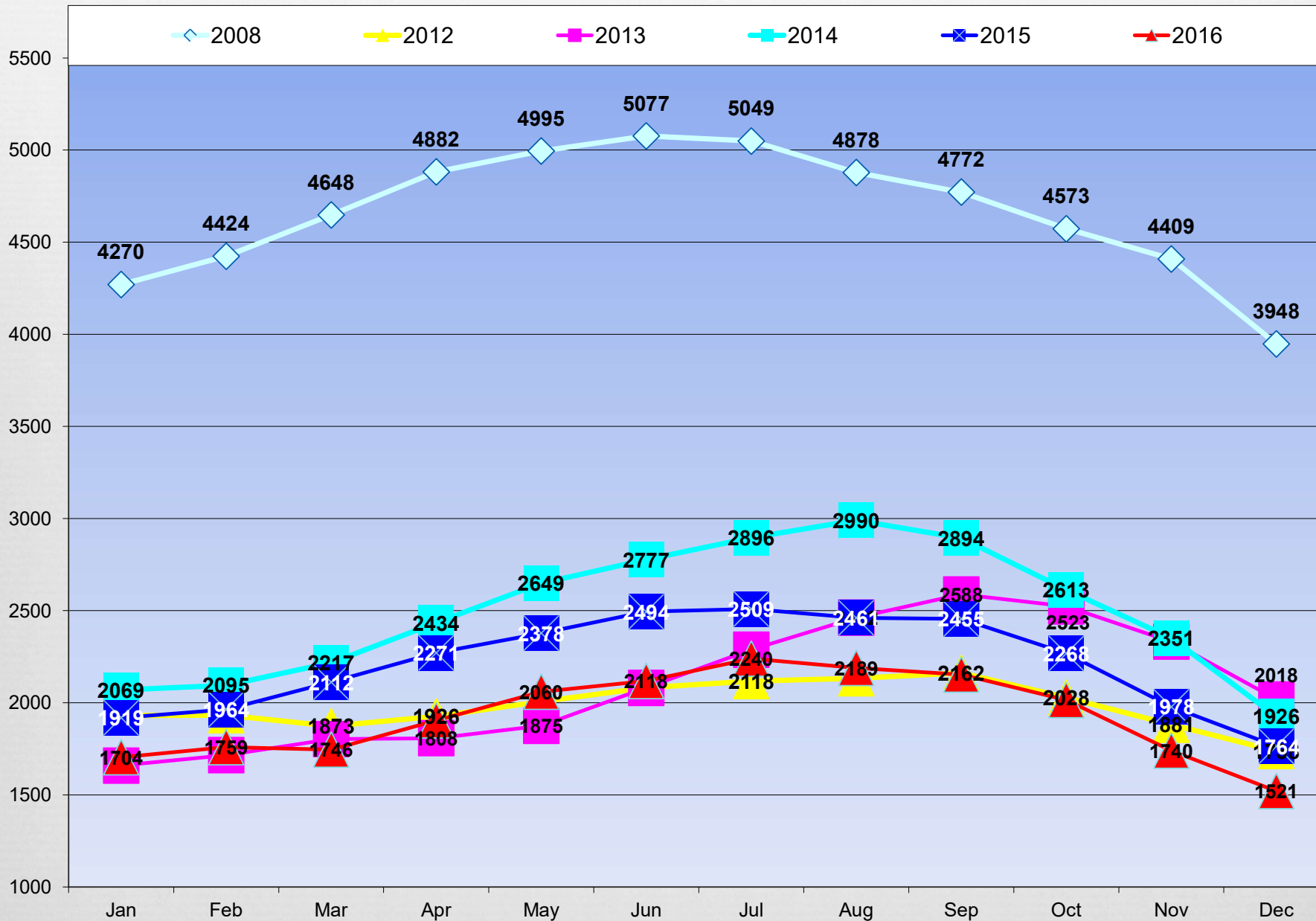
Single Family Permits



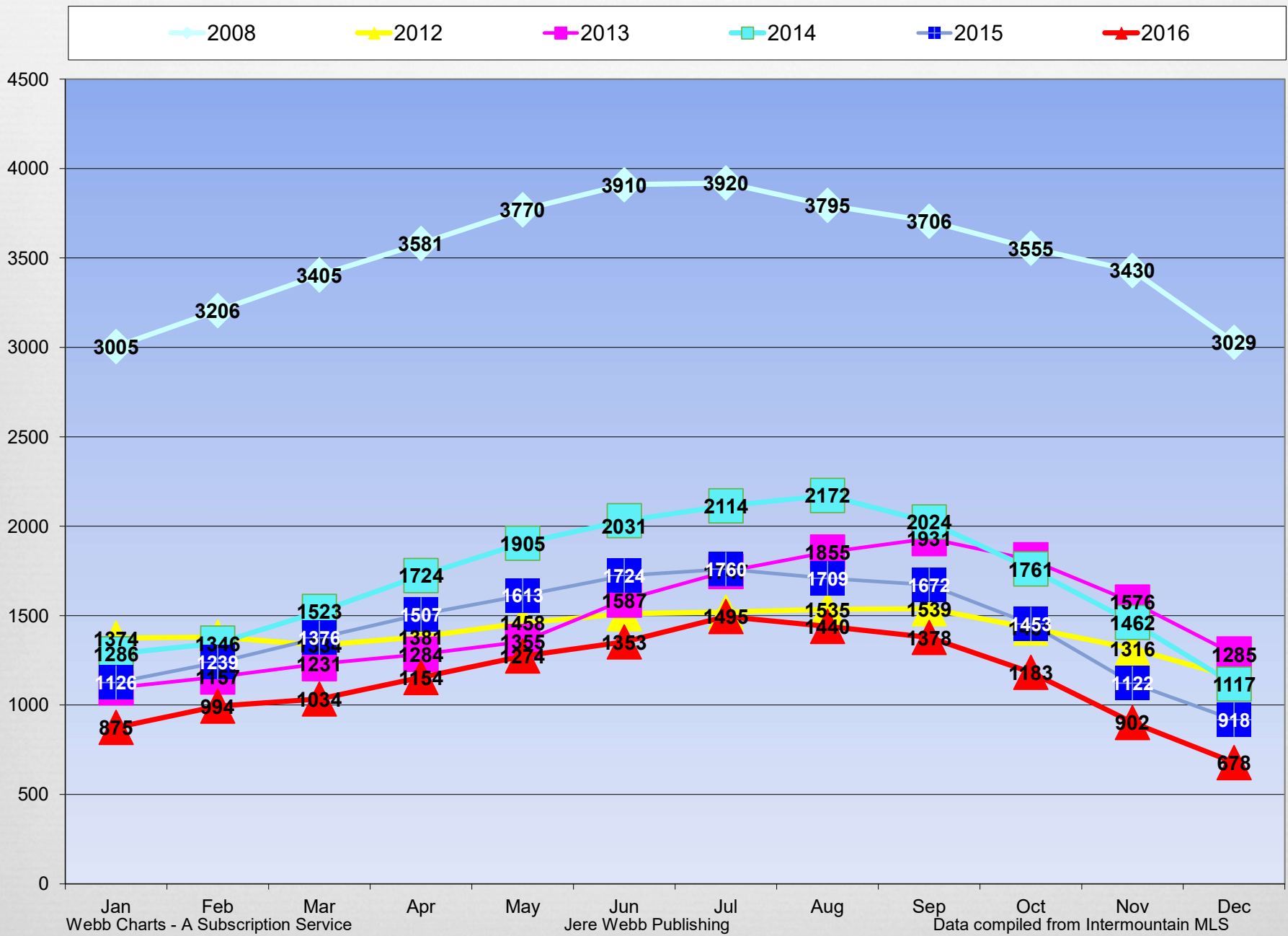
Multi-Family Permits



A16 - Ada County Residential INVENTORY



A60 - Ada County RESALE INVENTORY

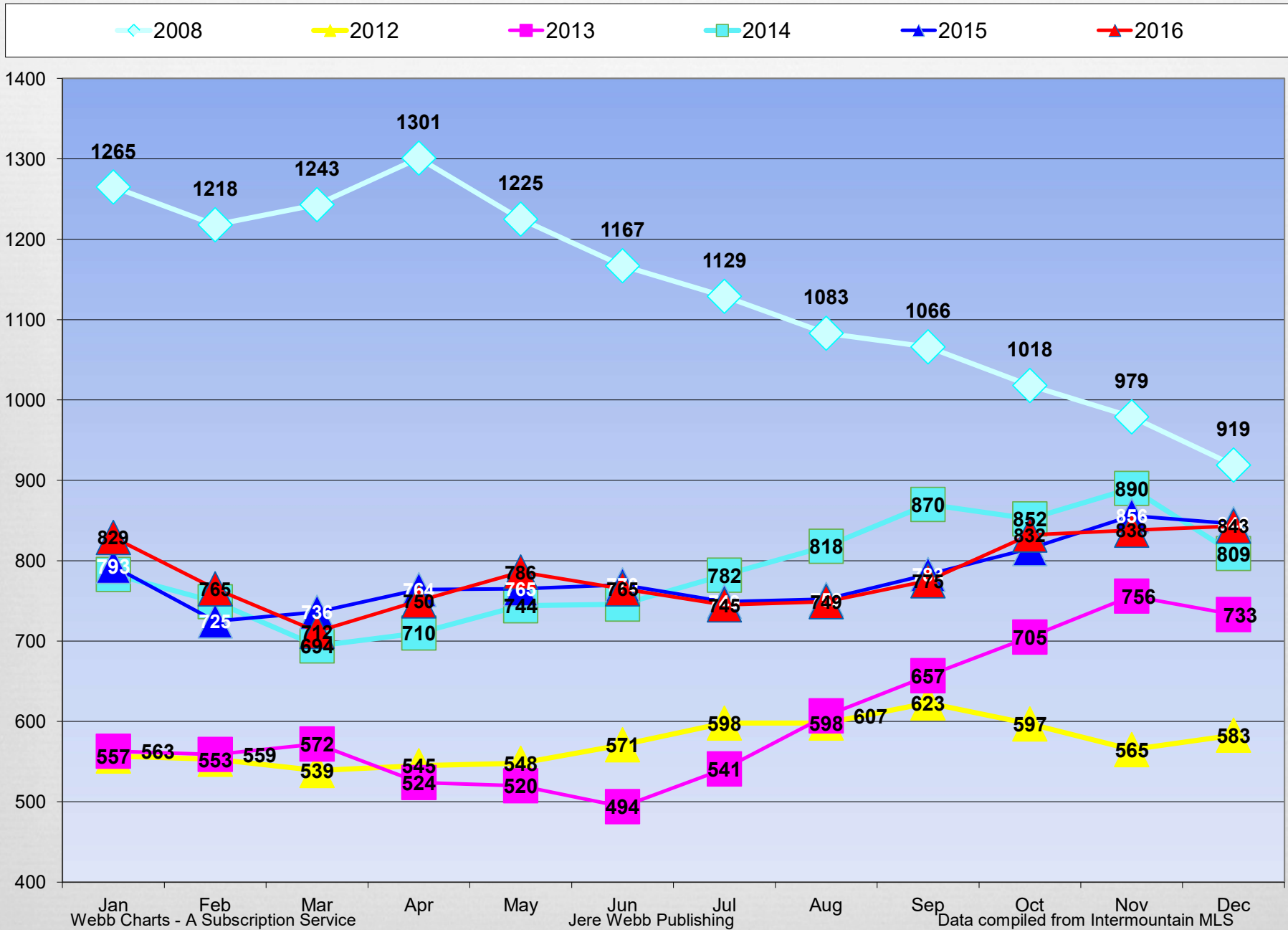


Webb Charts - A Subscription Service

Jere Webb Publishing

Data compiled from Intermountain MLS

A59- Ada County NEW CONSTRUCTION INVENTORY



Jan
Webb Charts - A Subscription

Feb
Subscription

Mar
Service

Apr

May

Jun
Jere Webb Publishing

Jul

Aug

Sep

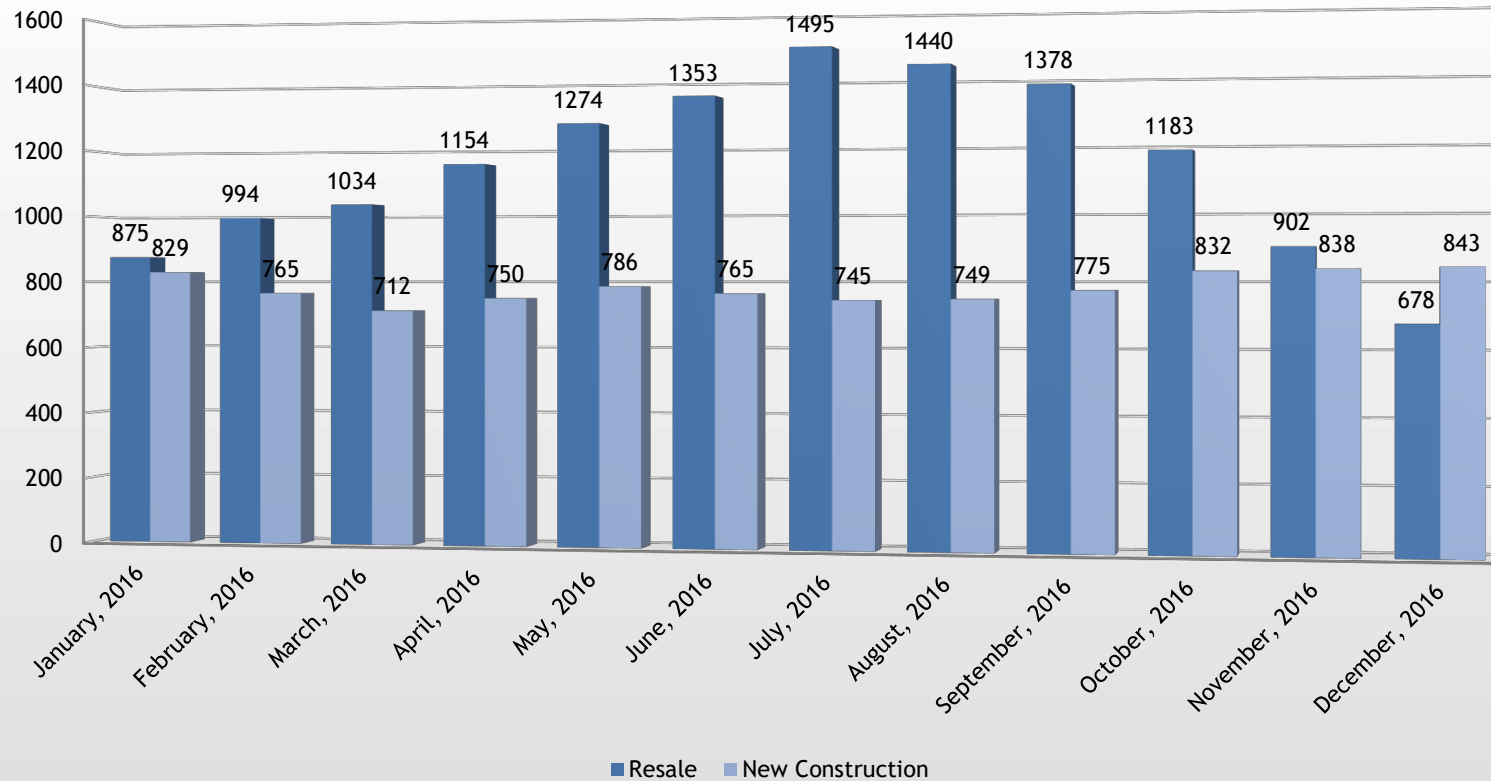
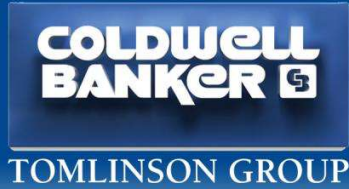
Oct

Nov
Data compiled from Intermountain MLS

Dec

Resale vs. New Construction Inventory

Ada County



2016

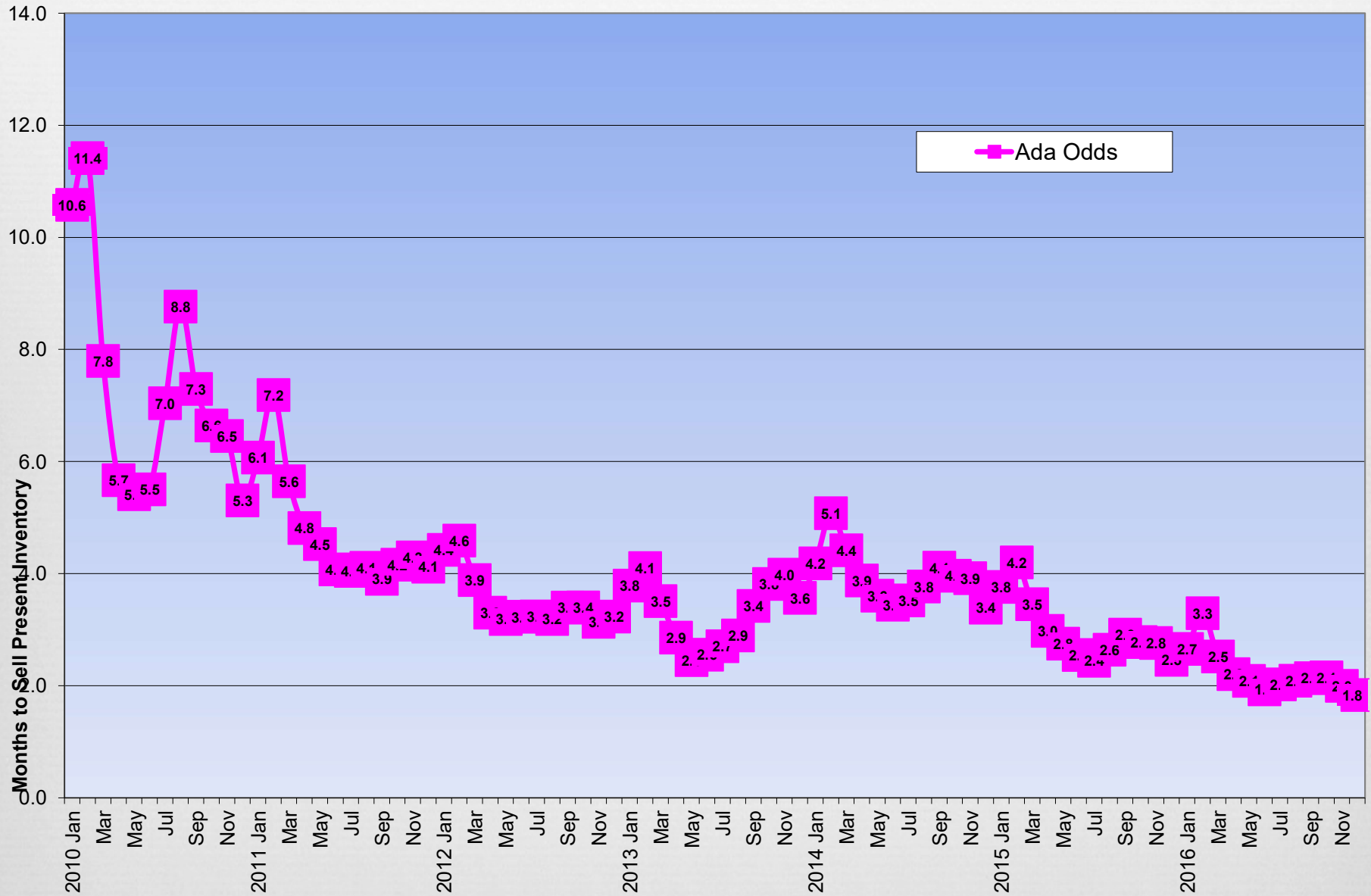
The information in this report is compiled from the Intermountain Multiple Listing Service and to the best of our knowledge is accurate and current.

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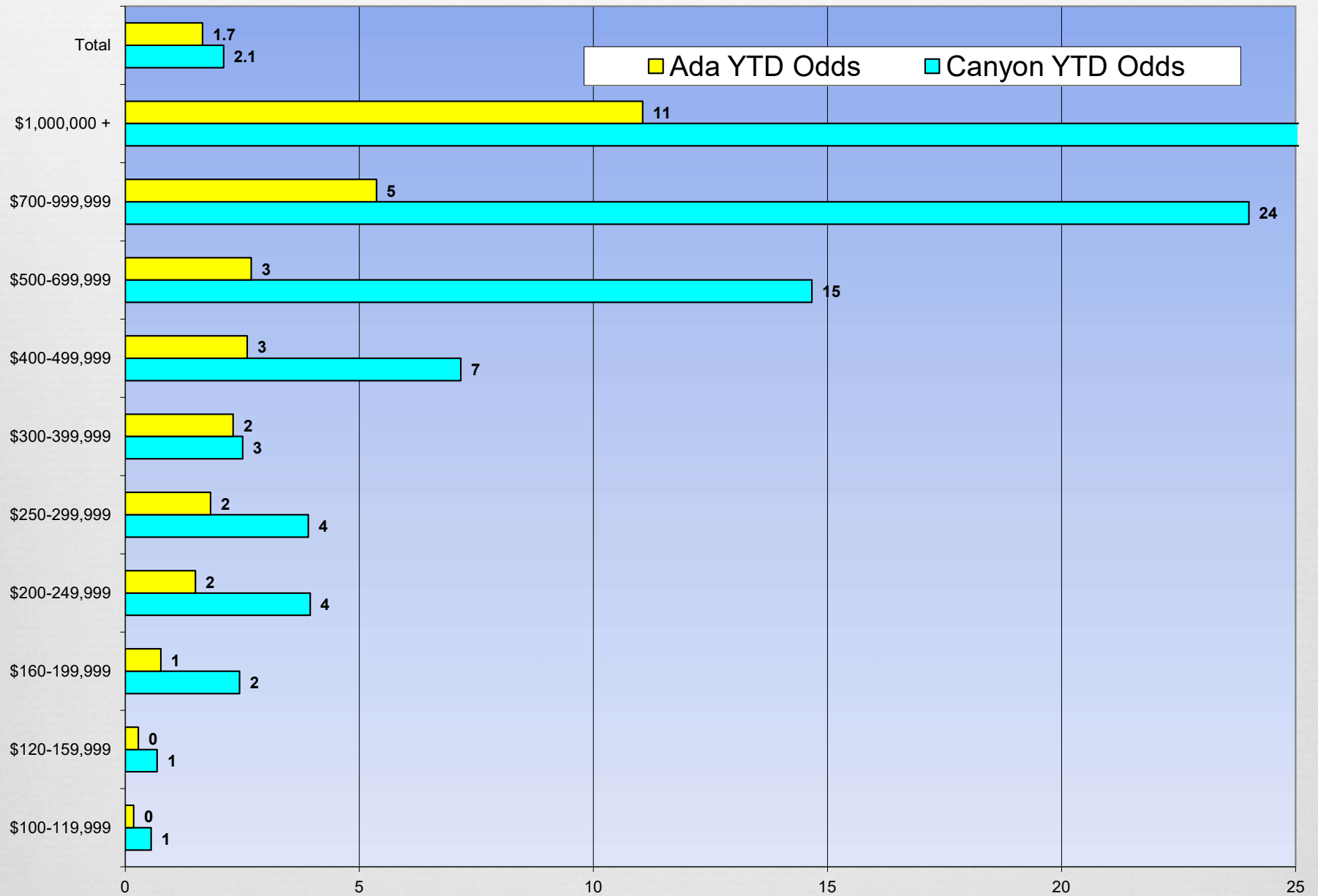
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Information pulled on 1/12/17

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

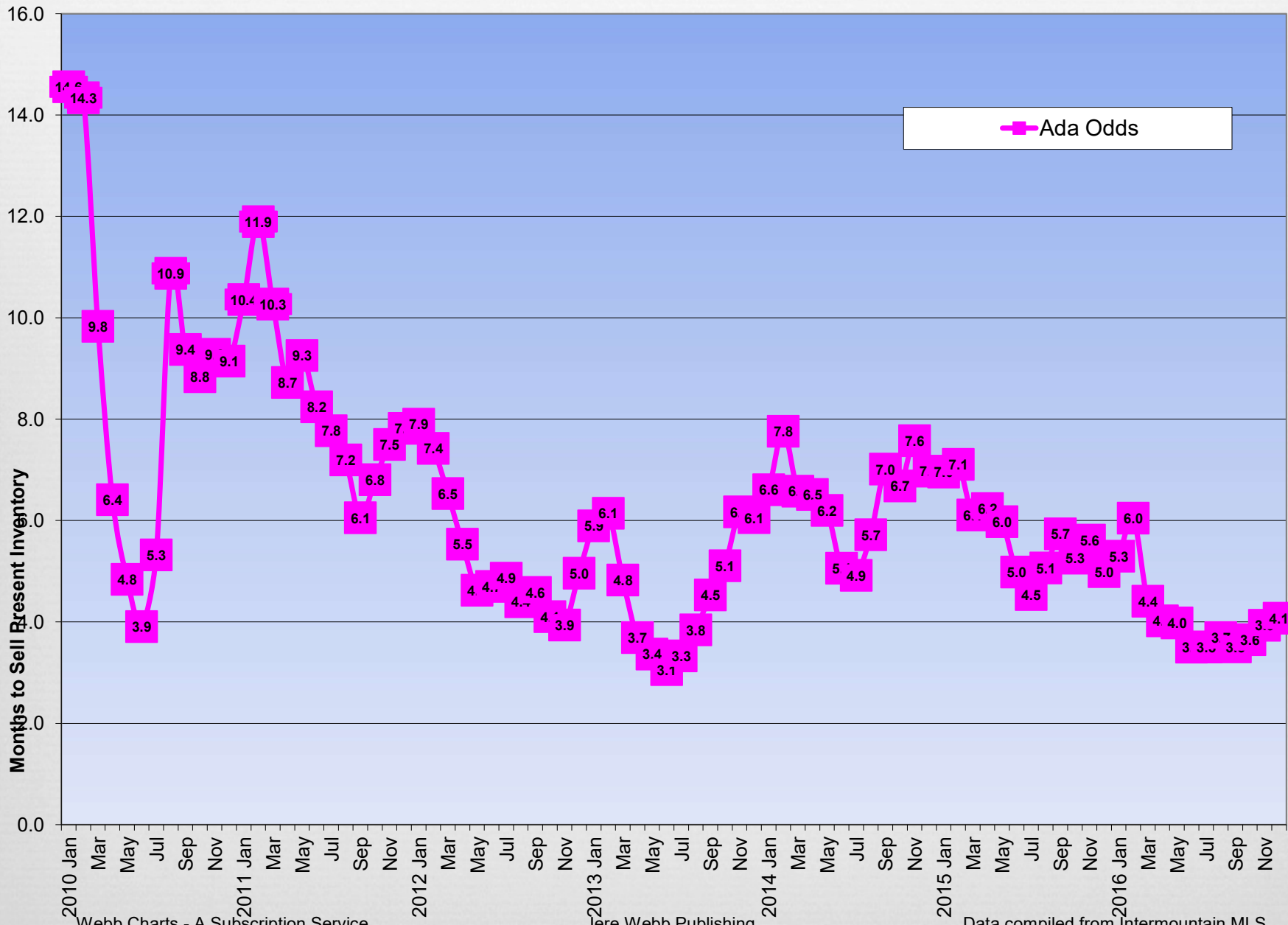


AC23 December 2016 YTD SELLING ODDS



Months to Sell Present Inventory
Jere Webb Publishing

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

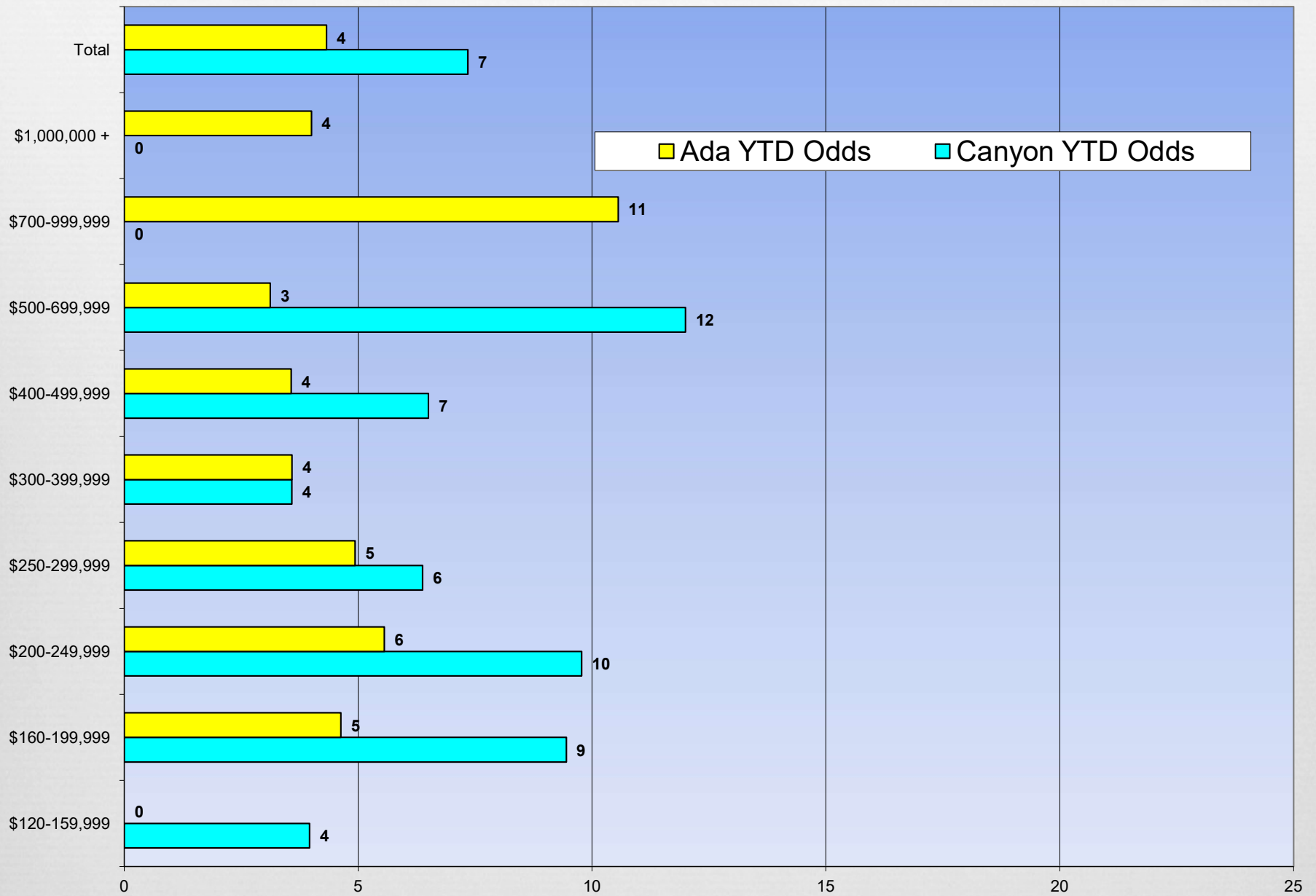


Webb Charts - A Subscription Service

Jere Webb Publishing

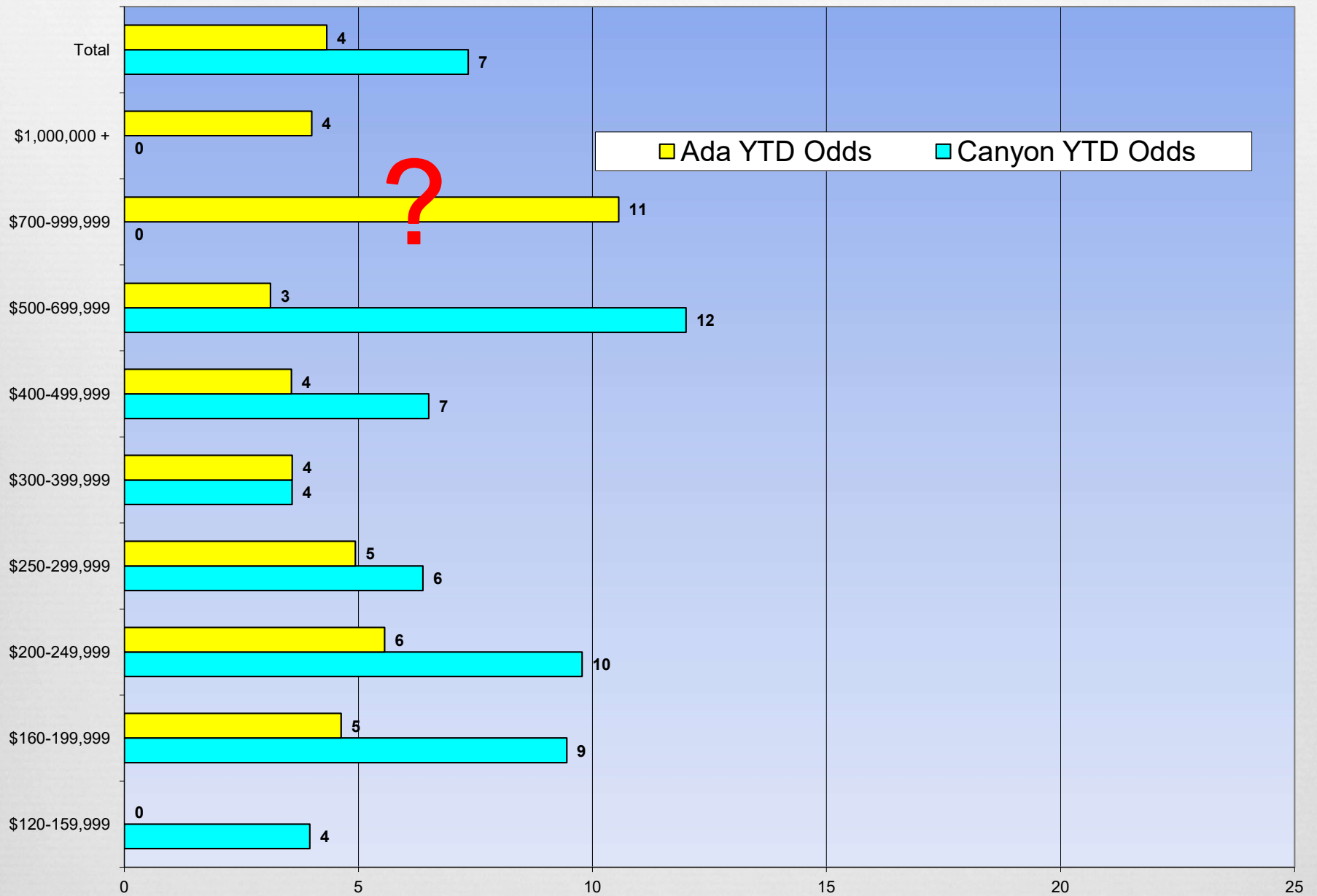
Data compiled from Intermountain MLS

AC24 December 2016 YTDSELLING ODDS New Construction



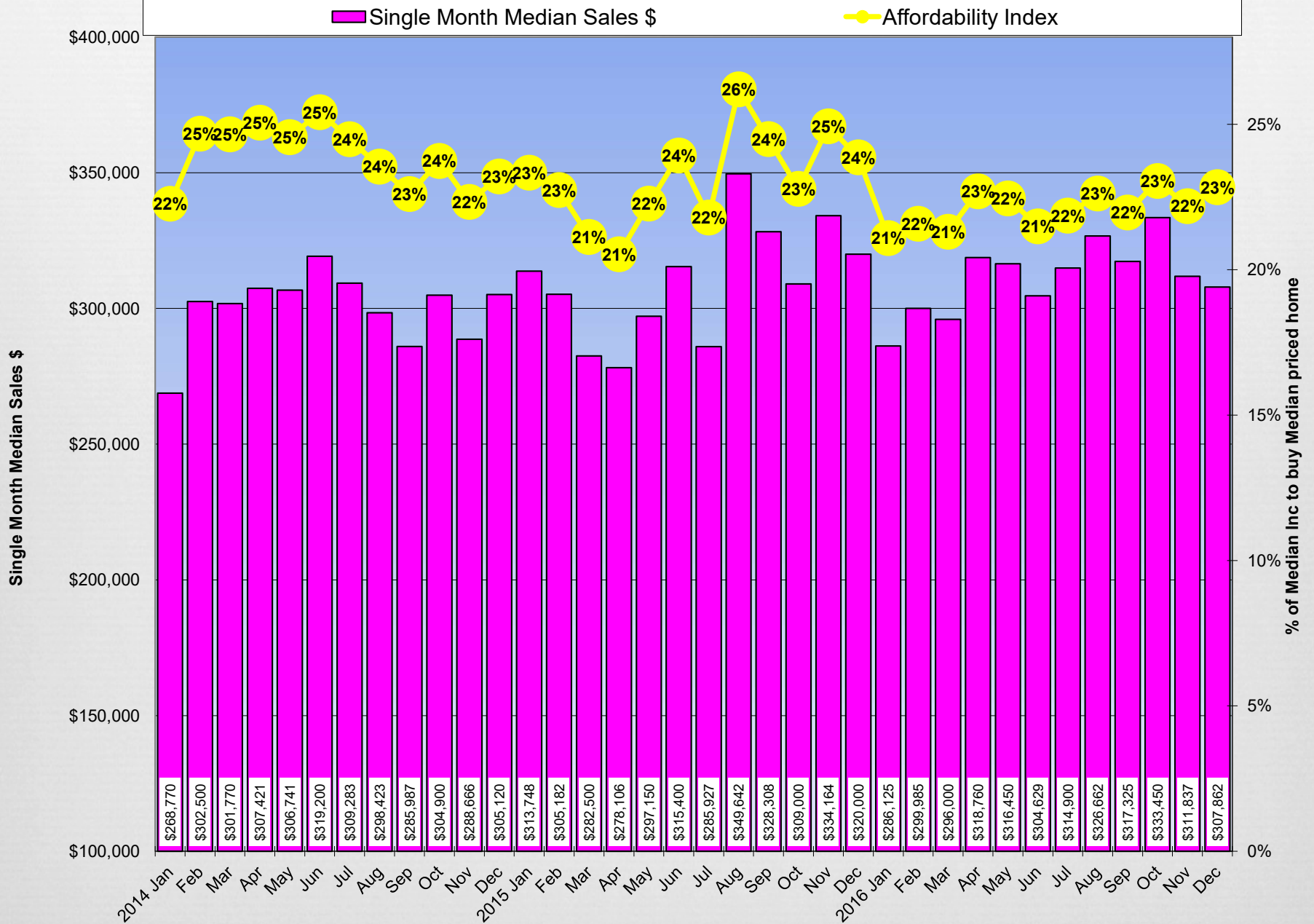
Months to Sell Present Inventory

AC24 December 2016 YTDSELLING ODDS New Construction



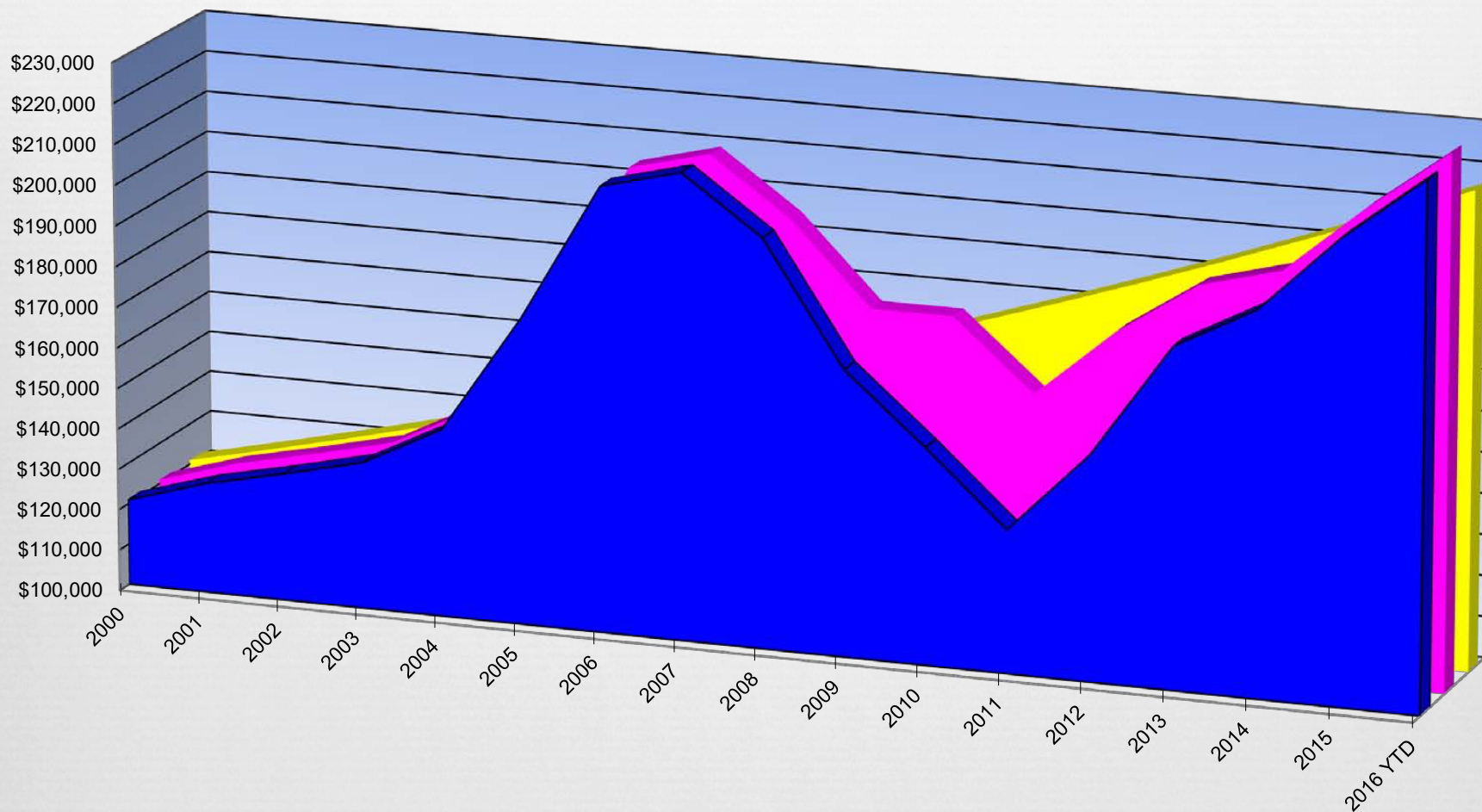
Months to Sell Present Inventory

A40 - Ada County NEW CONSTRUCTION AFFORDABILITY Index

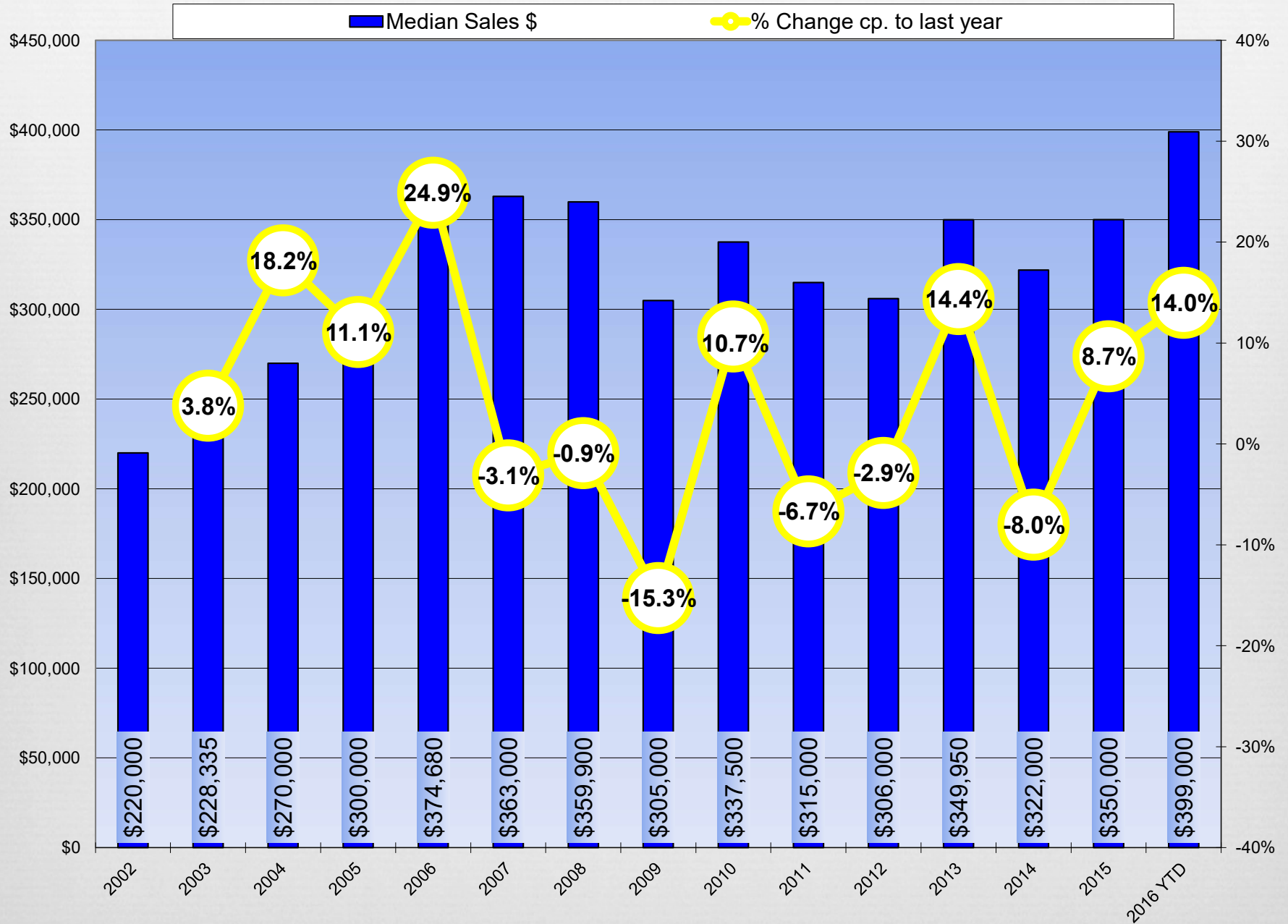


A57 - Ada County Market Correction - December 2016

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



A55E- Eagle 0900 EXISTING EQUITY YEARLY MEDIAN Sales Price - December 2016



Local Housing Report

2016 New Construction Summary

- **Sales:** **UP (46%)**
- **Price:** **DOWN (3.8%)**
- **Permits:** **UP (22%)**
- **Inventory:** **FLAT**
- **Distressed Inventory:** **VERY LOW**
- **Months Supply:** **DOWN (4.1)**
- **Affordability:** **FLAT**

New Construction Forecast

New Construction Forecast



- ✓ 2015 Prediction: **BUILDING CONFIDENCE**
- ✓ 2016 Prediction: **More of the same (use caution)**
 - ✓ Sales should be strong, expect price resistance if inventory rises
- ✓ 2016 Wild Cards:
 - ✓ Housing Inventories
 - ✓ Multi-family activity Will it slow down further?
 - ✓ Interest Rates
 - ✓ Land / Lot Inventory & Prices
 - ✓ Building Costs (Labor shortages)
 - ✓ Jobs & Wages (local and national)
 - ✓ Oil Prices and Stock Market
 - ✓ Government Regulations - Local and National

New Construction Forecast



- ✓ 2017 Prediction: **More of the same (use caution)**
 - ✓ Sales should be strong, but not the same % increase as last year
 - ✓ “Later innings”
- ✓ Wild Cards:
 - ✓ Interest Rates will rise how much?
 - ✓ Inventories (Homes and Lots) ... continue as a disciplined recovery?
 - ✓ Inflation: Building Costs, Land & Lot Prices
 - ✓ Labor shortages impacts inventory production and costs
 - ✓ Commercial construction Will it absorb more trades / labor?
 - ✓ Jobs & Wages (local and national)
 - ✓ Government Regulations - Local and National
 - ✓ Trump Effect ???

“Trump Effect”

by Lawrence Yun, NAR



- ✓ Short term stimulus to economy
 - ✓ Tax cuts, government spending on infrastructure
- ✓ Changes to Tax Code
 - ✓ Not all good news (tax rates, deductions, etc.)
- ✓ Changes to regulations
 - ✓ Can't list them all: Financial (Dodd-Frank) & other departments
 - ✓ Don't expect elimination, hope for relief
- ✓ More stock market gyrations

Top National Housing Trends 2017

by Realtor.com



- ✓ Millennials and boomers will dominate market
- ✓ Midwestern cities will continue to be tops for millennials
- ✓ Slowing price appreciation
- ✓ Fewer homes on the market & fast moving markets
- ✓ Western cities will continue to lead nation in prices and sales

Local Housing Economic Impact

Economic Impact

2016 SF Residential Construction



<u>Ada County</u>	<u>2016</u>
# of SF Building Permits:	3,740
Median house price:	\$310,000
Permit/Impact fees:	\$13,200
Annual property taxes (1 st year):	\$2,077

Economic Impact

2016 SF Residential Construction



Total Taxes & Fees paid to local governments:

Total Fees Paid: \$49,368,000

1st Yr. Property Taxes: \$ 7,767,980

TOTAL **\$57,135,980**

Note: Total Fees Paid = total permits x permit fees

Property Taxes = 1/2 of total permits x home value x avg. levy

Economic Impact

2016 SF Residential Construction



Taxes & Fees paid to local governments:

- **1st Year:** **\$57,135,980**
- **Prop. Taxes Future:** **\$15,535,960**
(each year)

Top Regulatory Issues Addressed by BCA in 2016



<u>Top BCA issues in 2016</u>	<u>Est. Savings / home</u>
1.State Building Codes (Res, Energy, etc.)	\$4,800
2.Meridian Building Permit Fees & Dev't Codes (Planning & Public Works)	\$3,000
3.ACHD Impact Fees & Dev't Surety	\$1,000
4.Boise Impact Fees & Bldg. Permit Fees	\$900

Current Local Regulatory Issues



1. State Building Codes

Residential, Energy, Electrical, etc.

2. ACHD:

- Storm Water Policy
- Subdivision Plan Review

3. All Agencies: Subdivision Final Plat Process

Top Regulatory Issues

Estimated Savings in 2015 - 2016



\$18,000 per home

... 10 homes = \$180,000

... 100 homes = \$1,800,000

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

QUESTIONS?

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DATA SOURCES

LOCAL HOUSING REPORT – YEAR END 2016

- Intermountain MLS, Webb Charts, National Association of Relators

HOUSING ECONOMIC IMPACT – DEC. 2016

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