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HOUSING
SUMMIT

BOISE REGIONAL REALTORS®

GEM COUNTY



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2022 President
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Association Update

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Boise Regional REALTORS®

2022 Mid-Year Residential Real Estate Update for Gem County

Presented by Cassie Zimmerman
Boise Regional REALTORS®

Released July 27, 2022, as part of the Gem County Housing Summit

Higher mortgage interest rates and home prices have cooled demand and increased inventory, slowing home sales.

This shift is moderating the market after demand for housing surged during the pandemic.

Here's what we're going to cover today:

Price and price growth

Supply and demand

Demand for larger lot sizes

Sales Trends

Impact of mortgage interest rates

Competition in the market

Equity and opportunity

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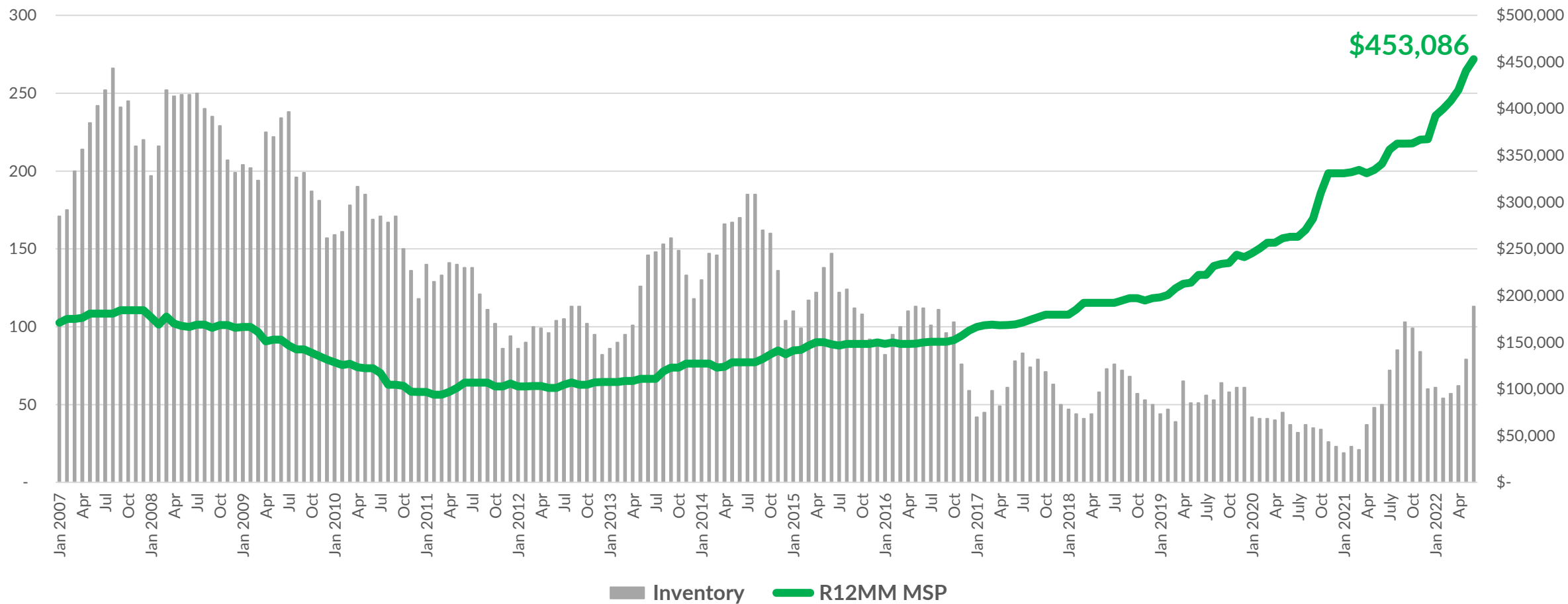
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Historical Monthly Inventory vs. Rolling 12-Month Median Sales Price for Gem County

Activity for existing/resale and new single-family homes combined between Jan 2007–Jun 2022. Inventory and median sales price rose and fell together until around mid 2014, when inventory began to decline, putting upward pressure on prices.



Year-Over-Year Percent Change in Rolling 12-Month Median Sales Price for Gem County, January 2007 – June 2022

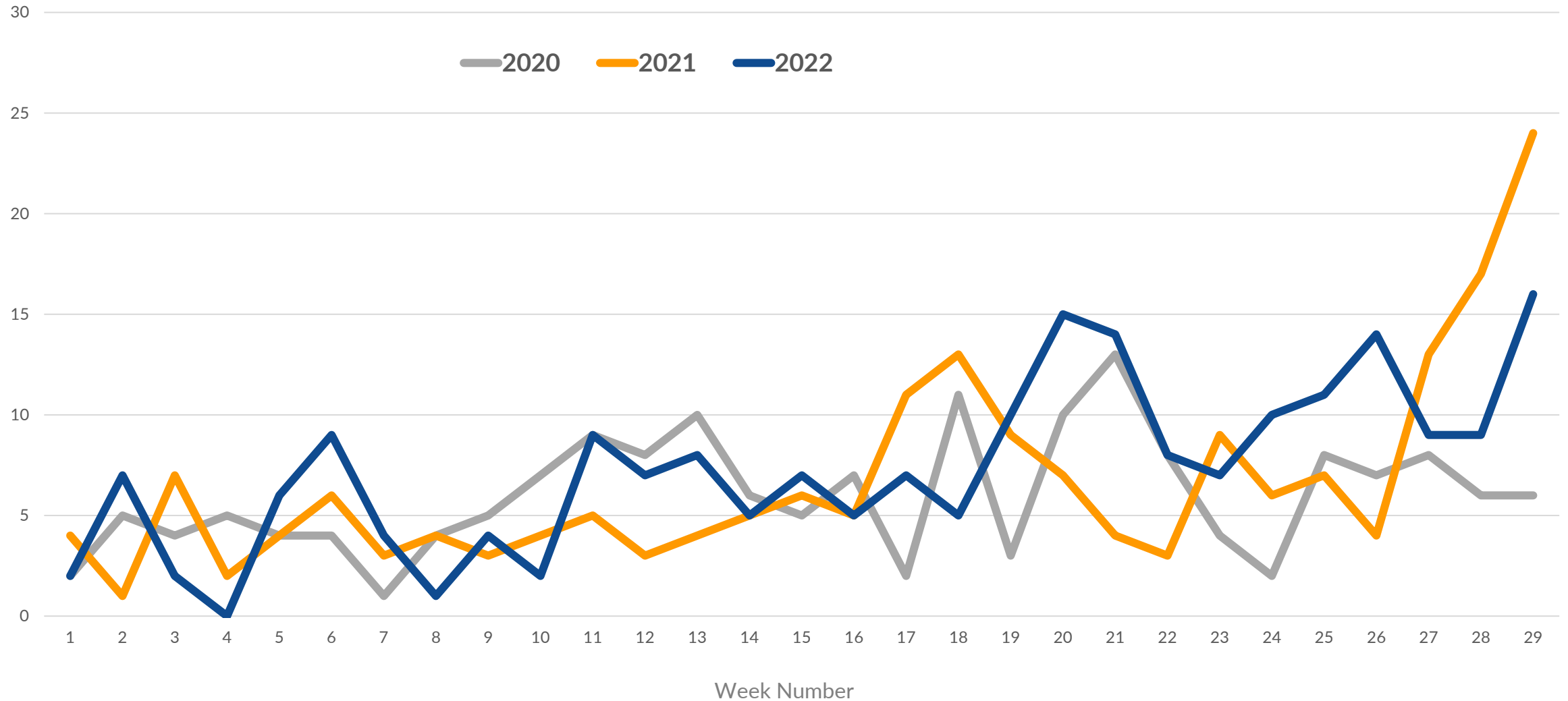
Activity for single-family homes with or without acreage, between January 2007 and June 2022. Since 2007, the average year-over-year percent change in home prices has been 7.8%. After reaching a peak of 33.5% year-over-year price growth in July 2021, growth slowed and reached 13.0% in December 2021. Since then, price growth increased again, reaching 31.9% June 2022, for a rolling 12-month median sales price of \$453,086, 31.9% higher than in June 2021.



Price and price growth
Supply and demand
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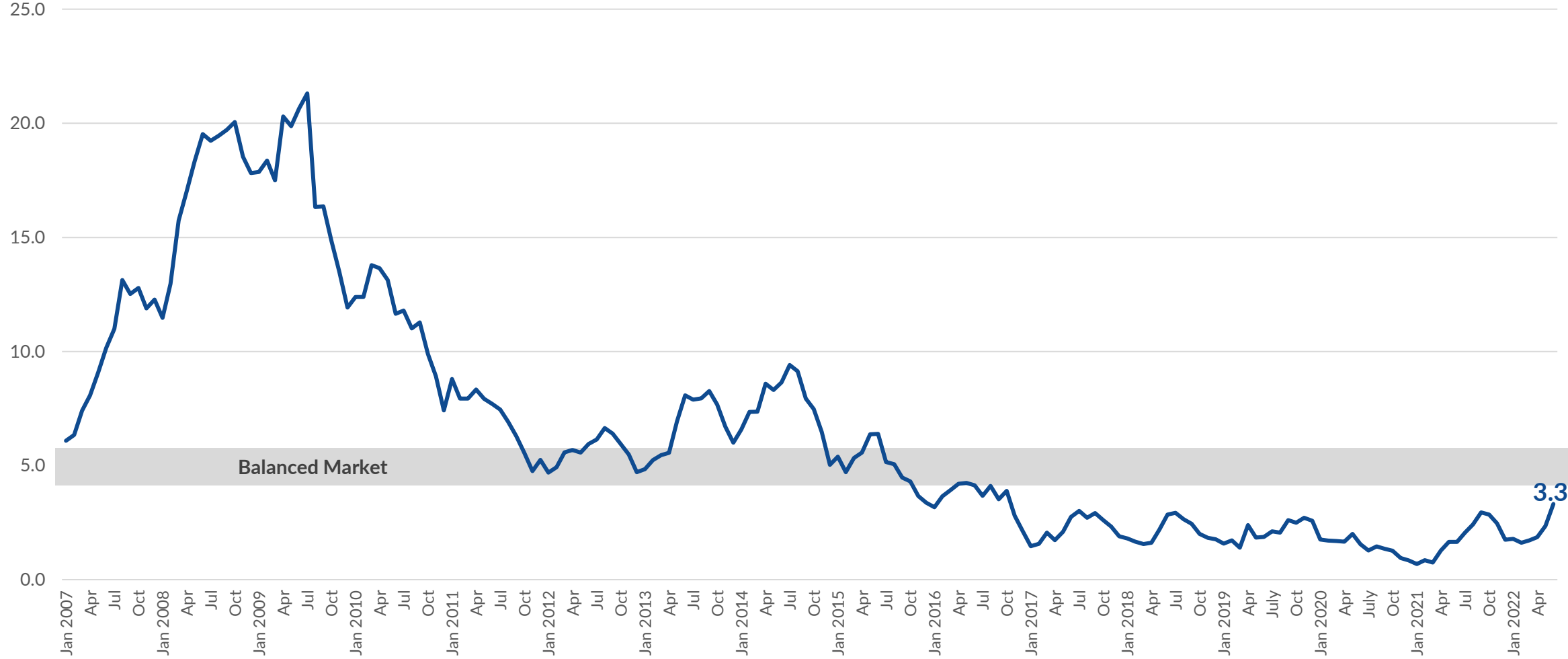
Weekly Listing Activity of Existing Homes in Gem County, YTD thru June

Weekly listing activity for existing/resale single-family homes in Gem County, between January and mid-July in 2020, 2021, and 2022. Listing activity has out-performed the last two years with 133 and 149 homes added through June in 2020 and 2021, respectively. So far in 2022, there have been 171 existing homes that have been listed for sale.



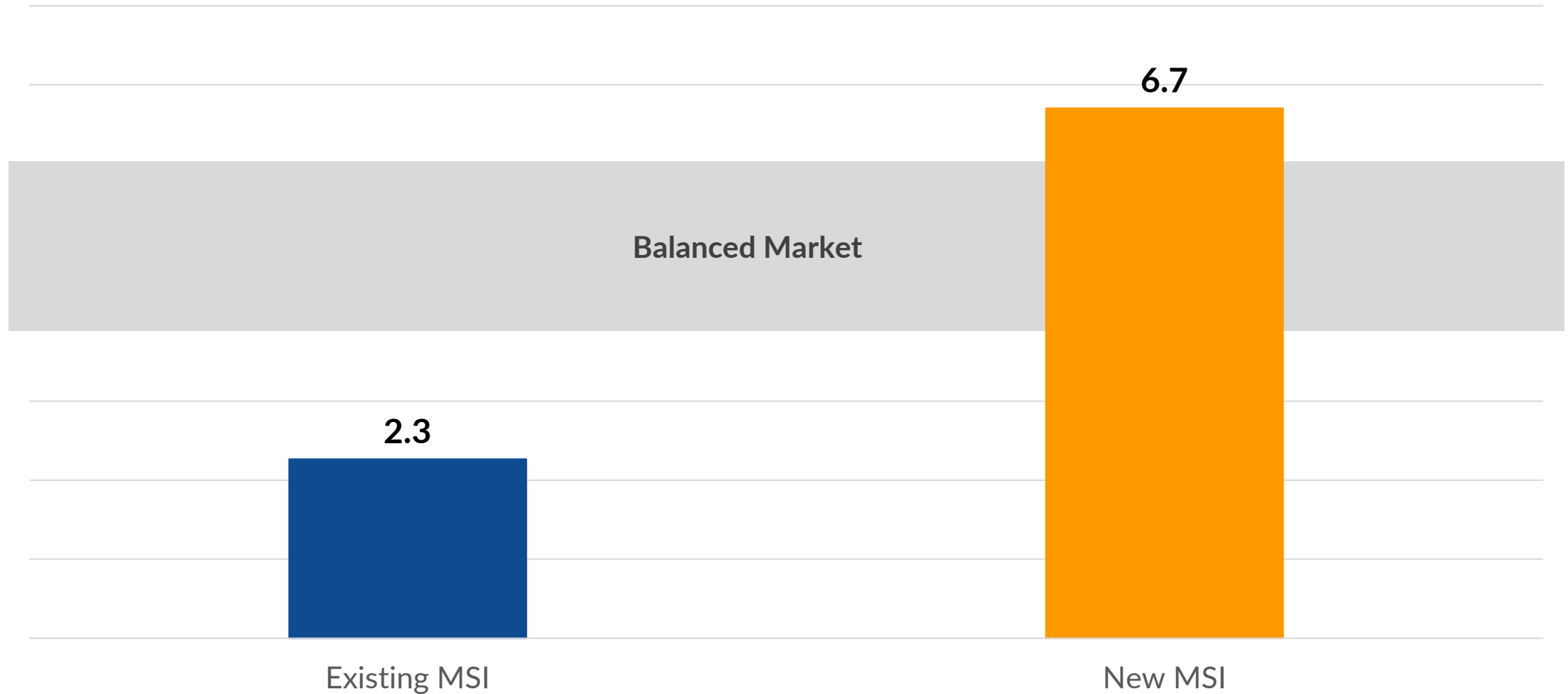
Historical Months Supply of Inventory for Gem County

Activity for existing and new single-family homes between Jan 2007–Jun 2022. Months Supply of Inventory (MSI) takes the number of homes for sale divided by the average number of sales by month for the preceding twelve months. A balanced market—not favoring buyers or sellers—is typically between 4-6 months of supply. As of June 2022, MSI for Gem County is at 3.3 months.



Months Supply of Inventory for Gem County by Segment, June 2022

Activity for existing and new single-family homes for Jun 2022. Months Supply of Inventory (MSI) takes the number of homes for sale divided by the average number of sales by month for the preceding twelve months. A balanced market—not favoring buyers or sellers—is typically between 4-6 months of supply. As of June 2022, existing MSI for Gem County was 2.3 months, and MSI for new construction was 6.7 months.



Some Factors Limiting *Existing* Housing Supply

- More people “aging in place.”
- Investors picked up SFHs during the Great Recession still holding many as rentals — although by absorbing the excess and distressed supply, it did help stop prices from continuing to fall.
- Surge in refis while mortgage interest rates were low have made current mortgage payments more affordable, deterring homeowners from listing.
- Despite historically high equity, some homeowners feel they cannot “trade up” due to increased prices and mortgage rates.

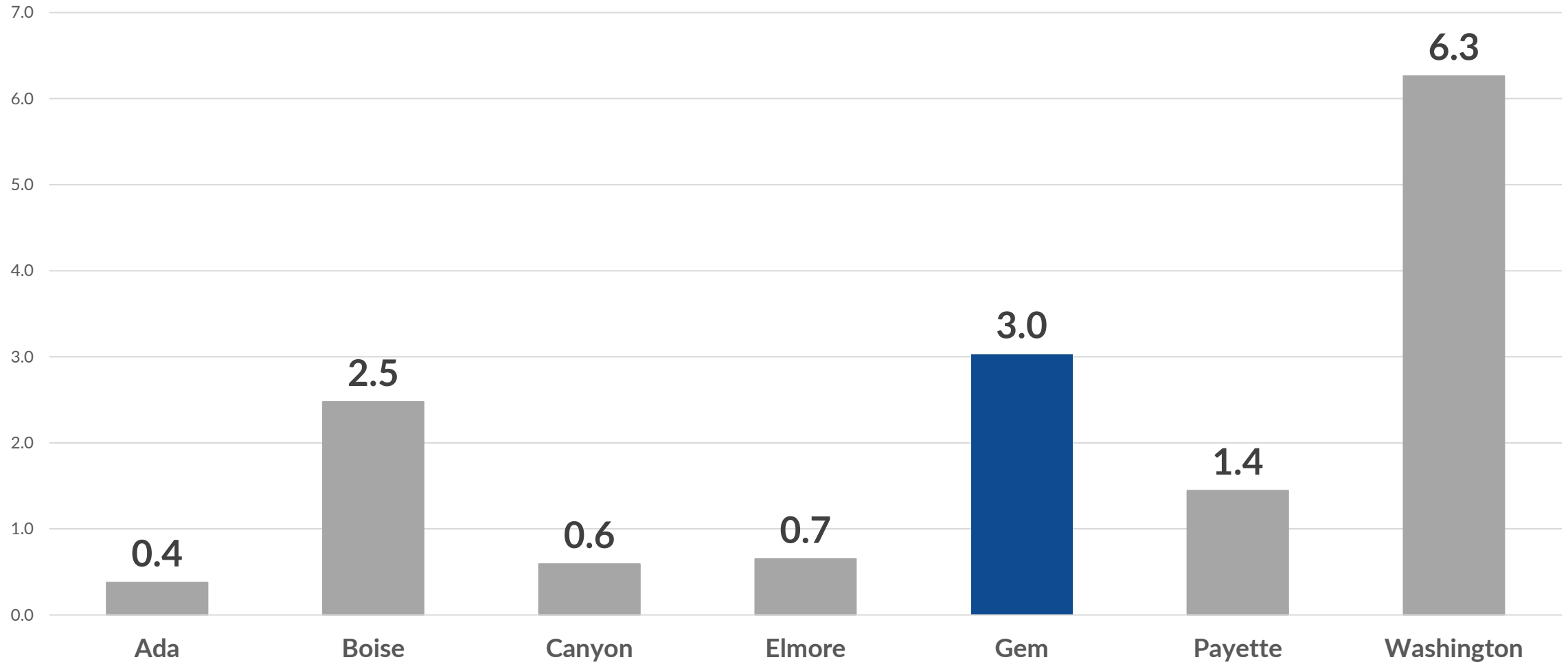
Some Factors Driving *Demand* for Housing

- Millennials “aging into” homeownership and driving the growth in household formation.
- The “Great Resignation” has led to more early retirements, while the “Great Migration” continues to be fueled by people who can WFH, allowing both groups to move... anywhere.
- Historically high levels of equity, savings, and high employment rate.
- Gem County offers “more space” for buyers with larger lot sizes compared to other areas.
- With expectation that mortgage interest rates may go up more, some buyers want to purchase before that happens again.
- Potential buyers may see a monthly mortgage payment with a fixed interest rate as a hedge against inflation.

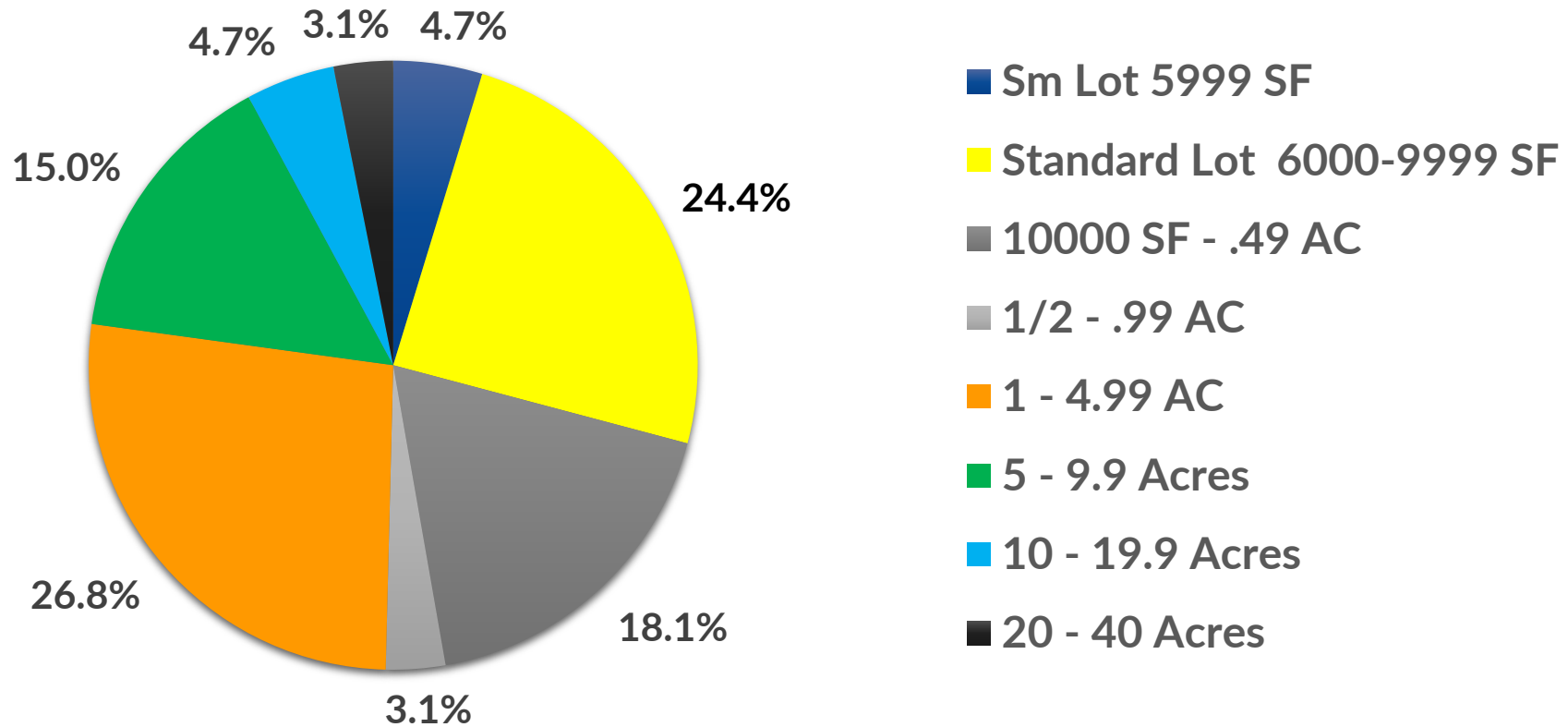
Price and price growth
Supply and demand
Demand for larger lot sizes
Sales Trends
Impact of mortgage interest rates
Competition in the market
Equity and opportunity

Average Acreage for Existing Homes Sold by County, January – June 2022

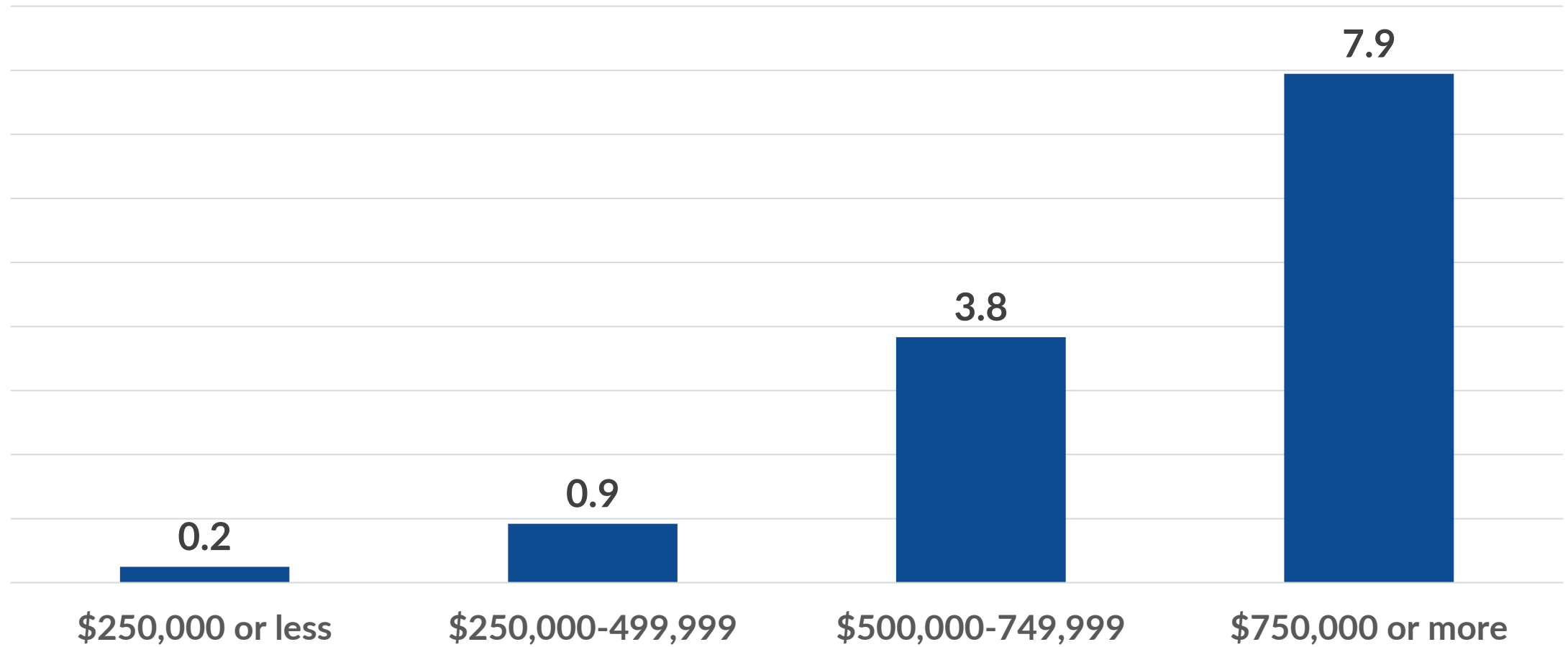
The increase in Gem County prices has been driven in large part by properties with acreage. Except for Boise County, lot sizes in Gem County are much bigger than adjacent counties and obviously those found in the Boise metro area. For the buyers seeking land, whether for a ranch, farm, or recreation, Gem County is the best option for those who still want to be relatively close to the Boise metro, in addition to having access to local services like those available in Emmett.



Share of Sales by Lot Size for Existing Homes Sold by County, January – June 2022



Average Acres of Existing Sales by Price Range in Gem County, January - June 2022



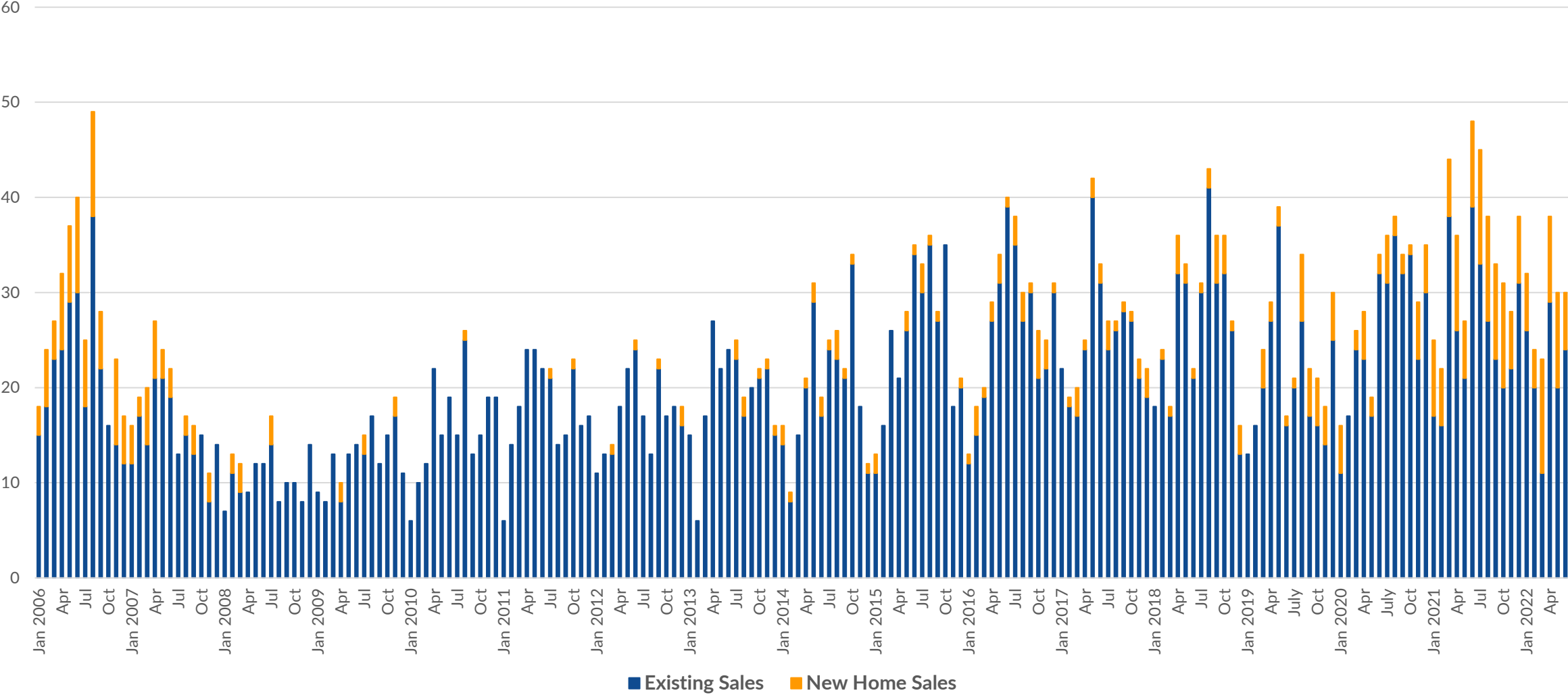
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Supply and demand
Demand for larger lot sizes

Sales Trends

Impact of mortgage interest rates
Competition in the market
Equity and opportunity

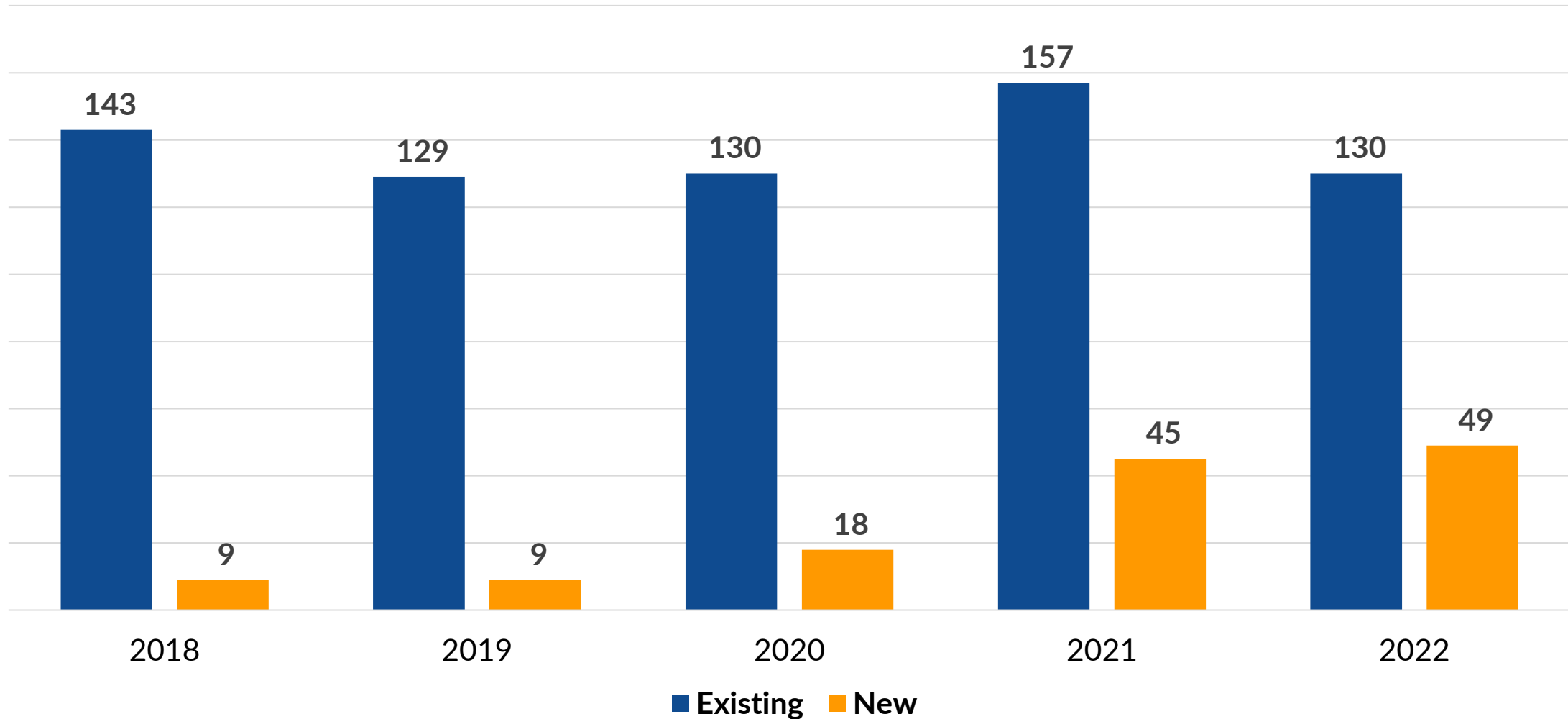
Historical Sales by Segment for Gem County, Jan 2006 – Jun 2022

Activity for existing/resale and new single-family homes between Jan 2006–Jun 2022. In June 2022, sales were down 37.5% compared to last year. Sales have likely slowed recently due to higher mortgage interest rates and home prices.



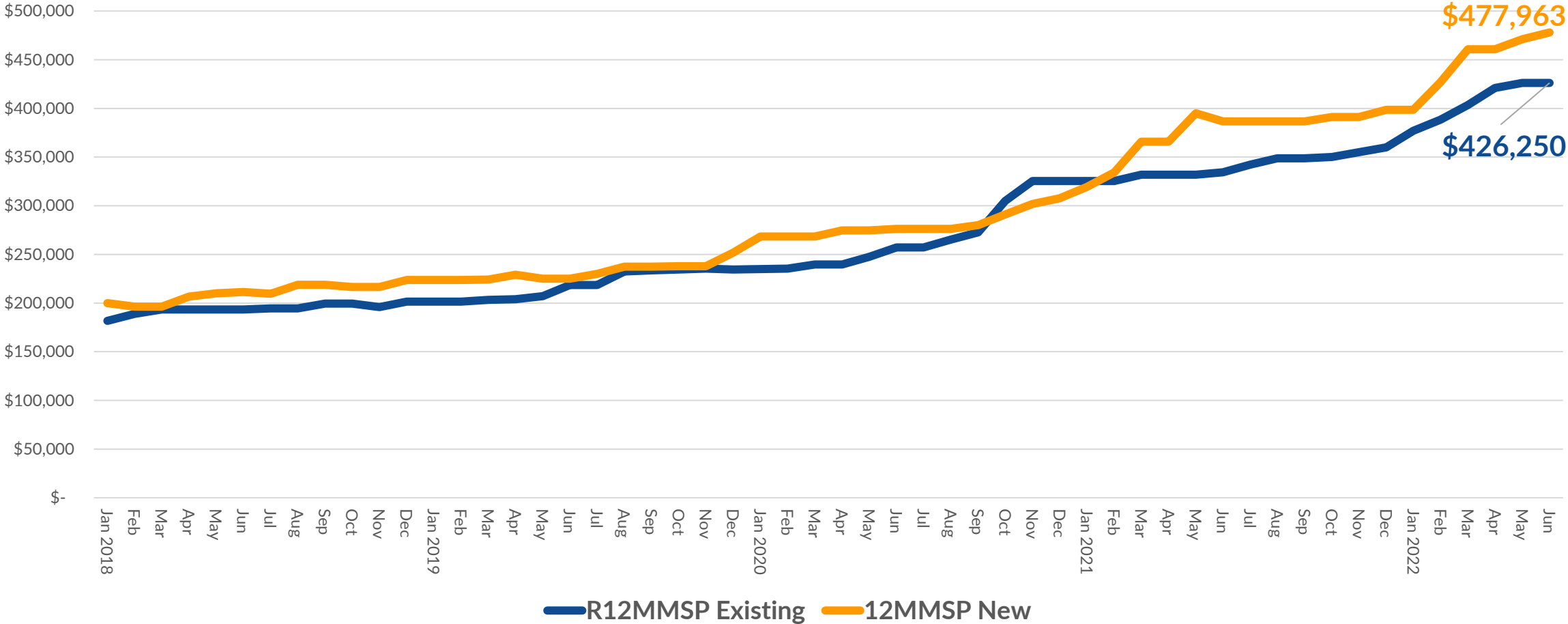
Year-to-Date Sales Through June by Segment for Gem County, 2018 - 2022

Activity for existing/resale and new single-family homes.



Rolling 12-Month Median Sales Price for Existing/Resale vs. New Home Sales for Gem County, Jan 2018 – Jun 2022

Activity for existing/resale and new single-family homes.



Price and price growth
Supply and demand
Demand for larger lot sizes
Sales Trends

Impact of mortgage interest rates

Competition in the market
Equity and opportunity



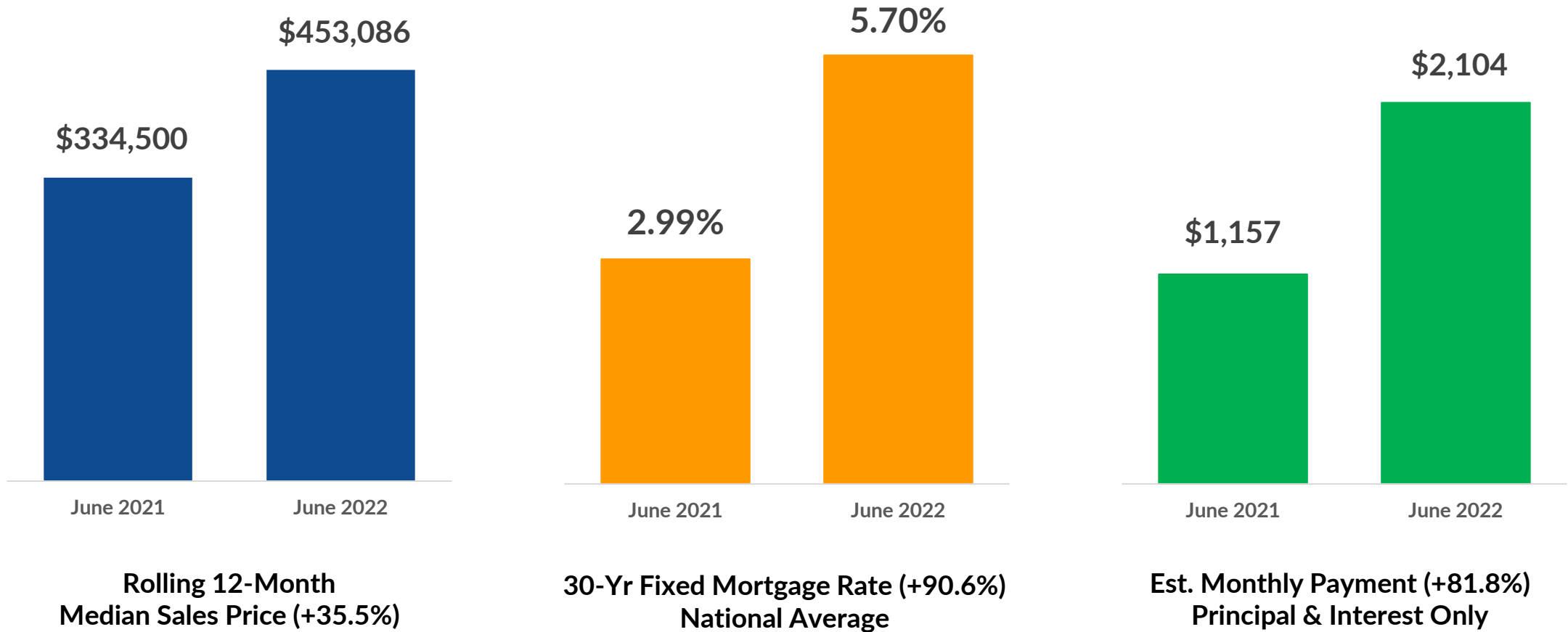
Dr. Lawrence Yun

*Chief Economist for the National
Association of REALTORS®*

“ The high consumer price inflation forced the Federal Reserve to aggressively raise interest rates. As a result, a homebuyer today compared to just one year ago has to fork over an approximately 50% higher monthly payment for a typical home. That is why the buyers have disappeared. Nonetheless, the good news for the Boise region is the fast job creating conditions which means there are new residents arriving from elsewhere. They will need homes. After some market transition this year, home sales are likely to pick up once more in 2023. ”

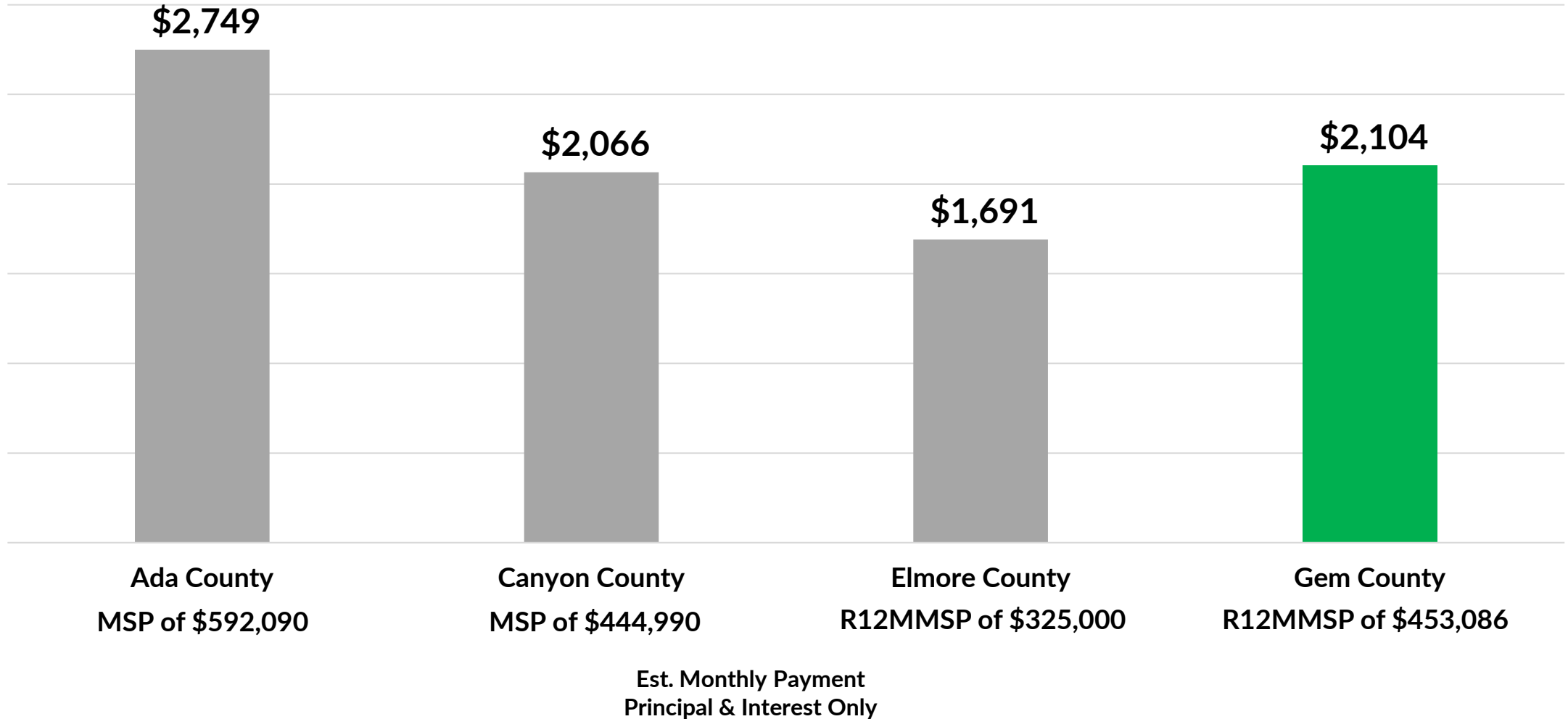
Impact of Gem County Home Prices and Rates on Monthly Payments

Activity for existing and new construction single-family homes combined, YTD for the years noted. In this example, the increase in sales prices and mortgage interest rates has increased monthly mortgage payments by \$947, on average, compared to 2021. Estimated monthly mortgage payment is based on the median sales price and mortgage rate noted, assumes a 20% down payment, and represents principal and interest payments only. A mortgagee's actual payment will depend on credit, mortgage rate received, down payment, purchase price, etc.



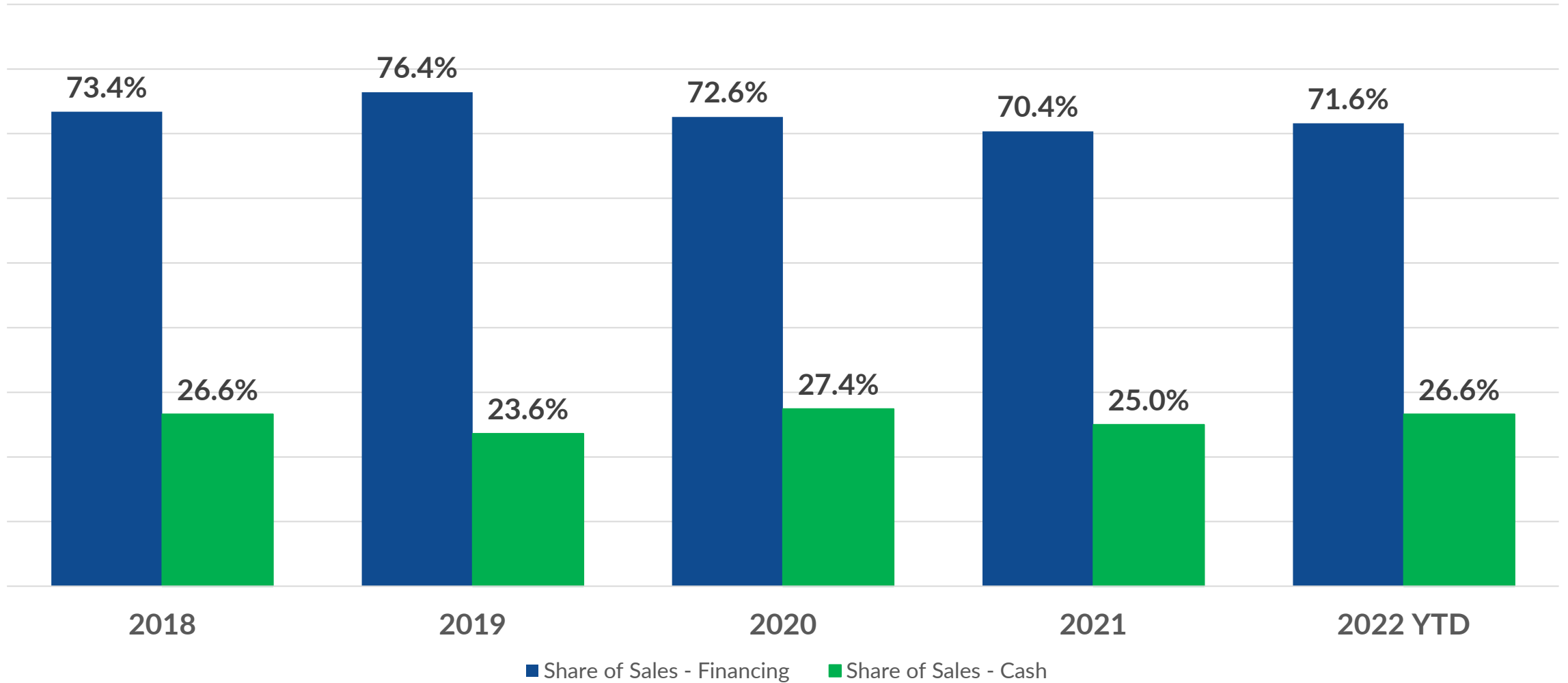
Estimated Monthly Payments by County, June 2022

Activity for existing and new construction single-family homes combined, in the counties noted for June 2022. The increase in sales prices and mortgage interest rates has increased monthly mortgage payments in all counties, year-over-year. Estimated monthly mortgage payment is based on the median sales price for Ada and Canyon and rolling 12-month median sales price for Elmore and Gem, and the average mortgage rate of 5.7% in June 2022, assumes a 20% down payment, and represents principal and interest payments only. A mortgagee's actual payment will depend on credit, mortgage rate received, down payment, purchase price, etc.



Share of Closed Sales by Financing or Cash in Gem County, 2018-2022 YTD

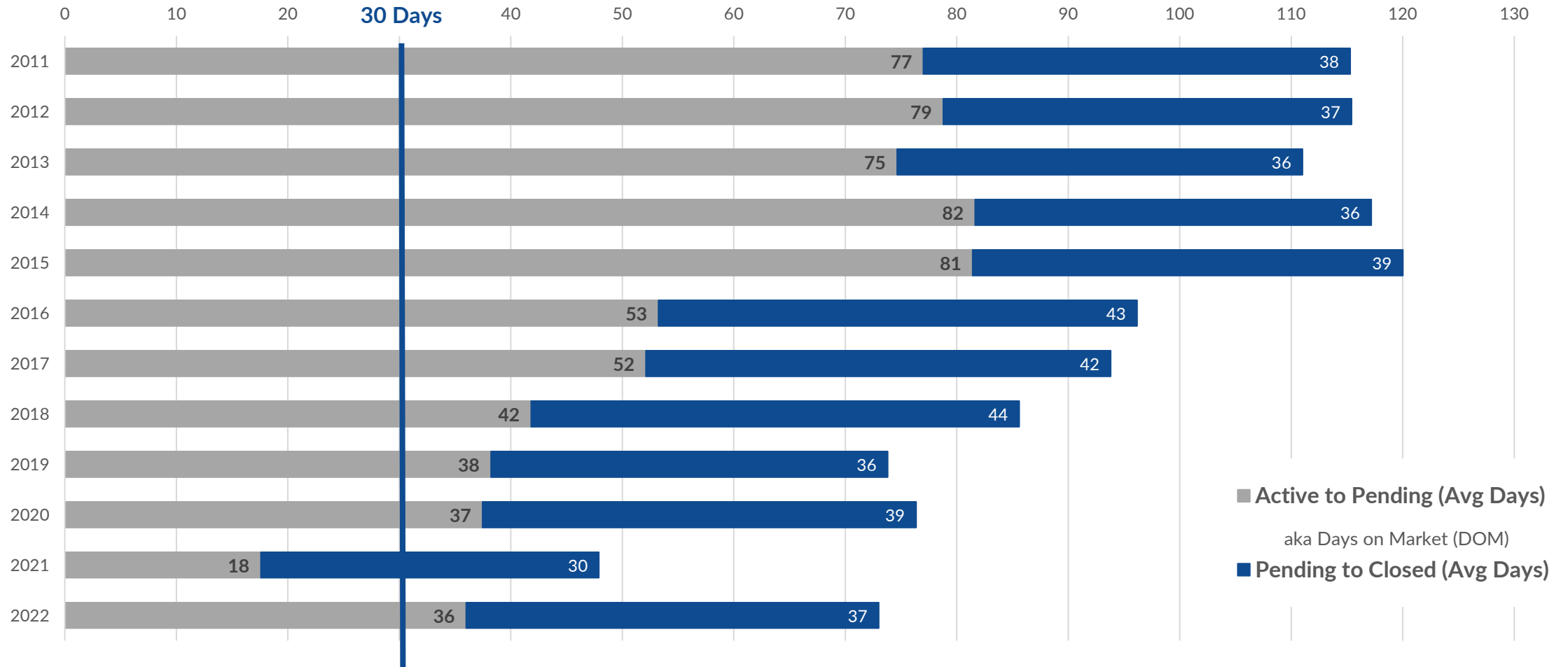
2022 figures based on six months of activity (Jan-Jun) while all others are full years. Analysis based on the "How Sold" field in IMLS, with financing comprised of those marked as "Conventional," "FHA," or "VA." In 2018 through 2022, cash sales made up roughly a quarter of all sales in Gem County.



Price and price growth
Supply and demand
Demand for larger lot sizes
Sales Trends
Impact of mortgage interest rates
Competition in the market
Equity and opportunity

Average Market Times for Existing Homes in Gem County, YTD thru June

Activity for existing/resale single-family homes between Jan-Jun in the years noted. The “Active to Pending” columns represent the Days on Market (DOM) metric, which is the average number of days a home has been listed in an active status in IMLS. During “Pending to Closed” phase of the transaction, the REALTORS®, lenders, escrow officers, etc., are working through any inspections, repairs, appraisals, and title work to facilitate the transfer of property between the buyer and seller.



Percent of Original List Price Received and the Amount Over/Under by Price Range for Existing Homes in Gem County, YTD through June

Activity for existing/resale single-family homes that closed between January–June in 2021 and 2022. So far in 2022, buyers are less willing to pay the full original list price and have more room for negotiation. Watch this metric for any changes to buyers' willingness or ability to continue competing on price.

Price Range	Average of % OLP		Average of \$ OLP	
	YTD 2021	YTD 2022	YTD 2021	YTD 2022
\$250,000 or less	99.9%	95.4%	(\$806)	(\$14,100)
\$250,000-499,999	100.9%	98.3%	\$1,690	(\$7,951)
\$500,000-749,999	102.0%	96.8%	\$7,215	(\$22,702)
\$750,000 or more	97.4%	95.2%	(\$55,604)	(\$58,381)
All Price Ranges Combined	100.4%	97.1%	(\$7,249)	(\$21,568)

Percent of Original List Price Received and the Amount Over/Under by Average DOM for Existing Homes in Gem County, YTD through June

Activity for existing/resale single-family homes that closed between January–June 2022. Competition has slowed since last year, and on average buyers have paid less than asking through price reductions and seller concessions. With rising prices and mortgage rates, buyers' willingness or ability to compete on price has waned.

Days on Market	Average % OLP	Average \$ OLP
	YTD 2022	YTD 2022
0	97.9%	(\$10,364)
1 - 5	102.0%	\$7,194
6 - 10	99.4%	(\$1,901)
11- 15	97.6%	(\$7,240)
16 - 30	96.6%	(\$20,600)
31 +	93.1%	(\$53,505)

Monthly Average List Price and Percent of Original List Price Received for Existing Homes in Elmore County, Jan 2019–Jun 2022

Activity for existing/resale single-family homes that closed between January 2019–June 2022. The lack of housing compared to demand continues to drive home prices up, which in turn, increased the average list price for new listings. For the first half of 2021, buyers were willing to pay those higher list prices and more, and the percent paid over the original list price peaked at 102.9% in February 2021. Then in June of last year, bidding wars and paying over list became less common.

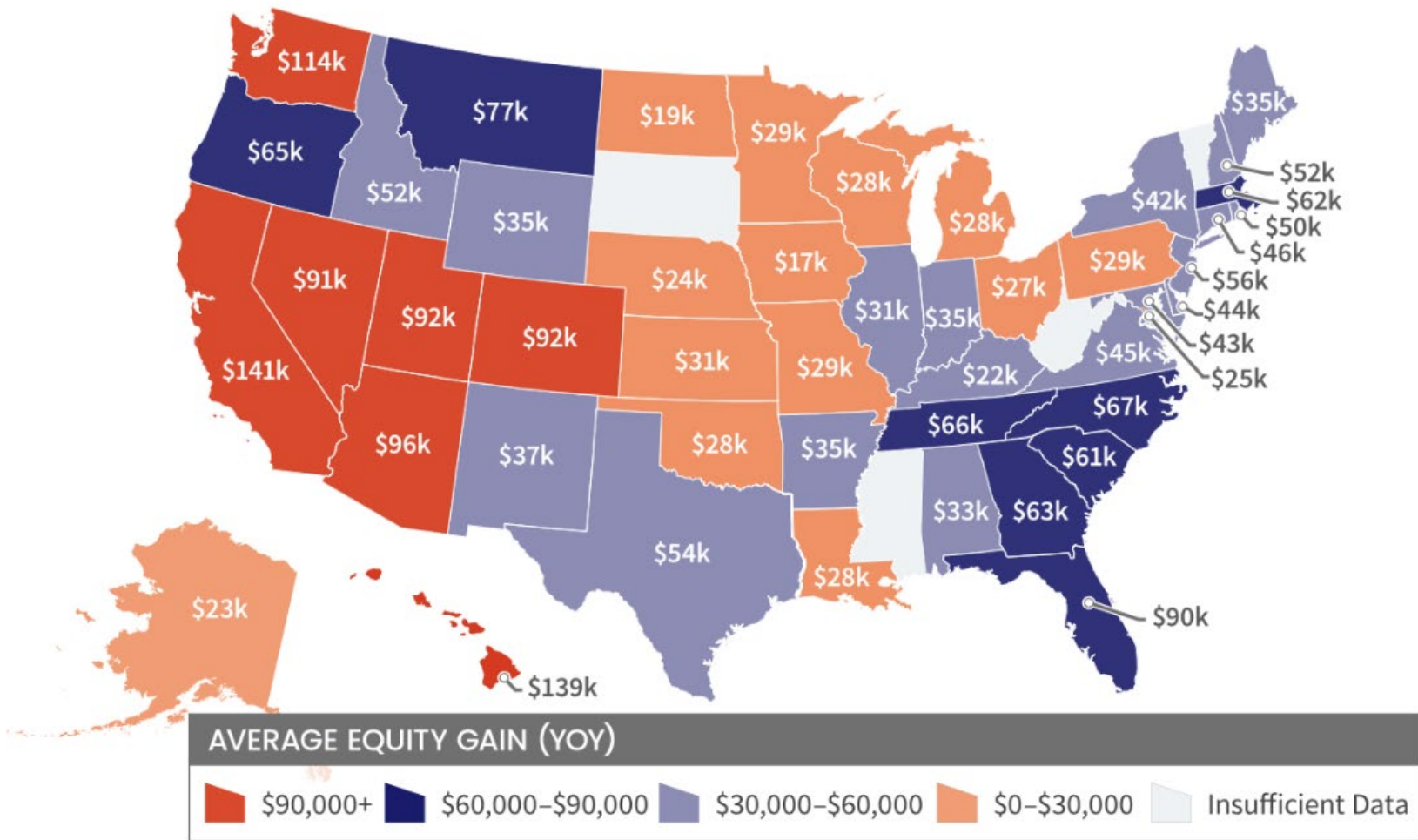


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Average Gain in Homeowner Equity, Year-Over-Year through Q1-2022

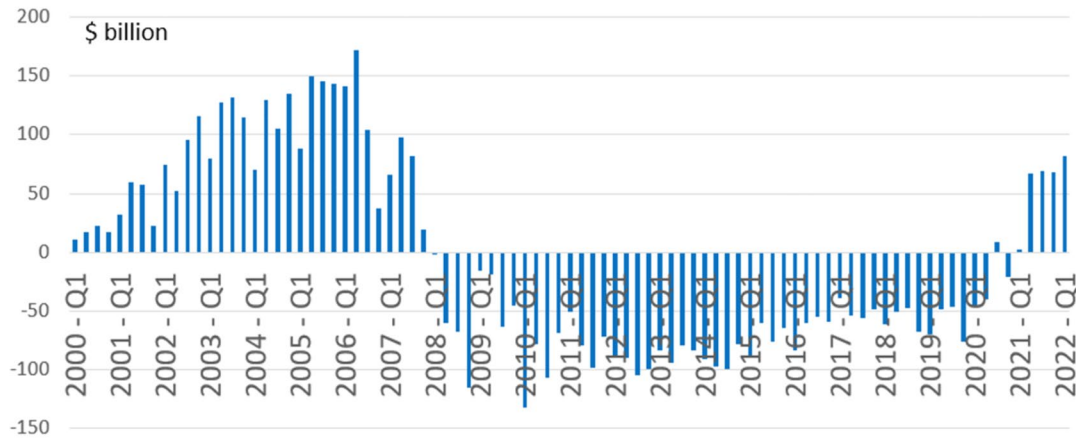


“Home prices were up by 20% in March compared to one year earlier in CoreLogic’s national Home Price Index. This has led to the largest one-year gain in average home equity wealth for owners and is expected to spur a record amount of home-improvement spending this year.”

Patrick Dodd
President and CEO, CoreLogic

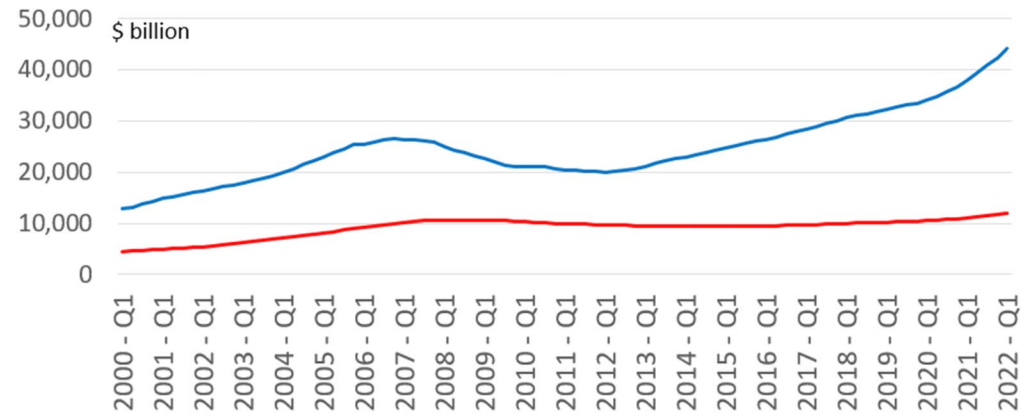
Homeowners are Tapping into their Equity

Mortgage Equity Withdrawal ... \$82 billion in Q1



Source: Haver Analytics estimation based on Federal Reserve data

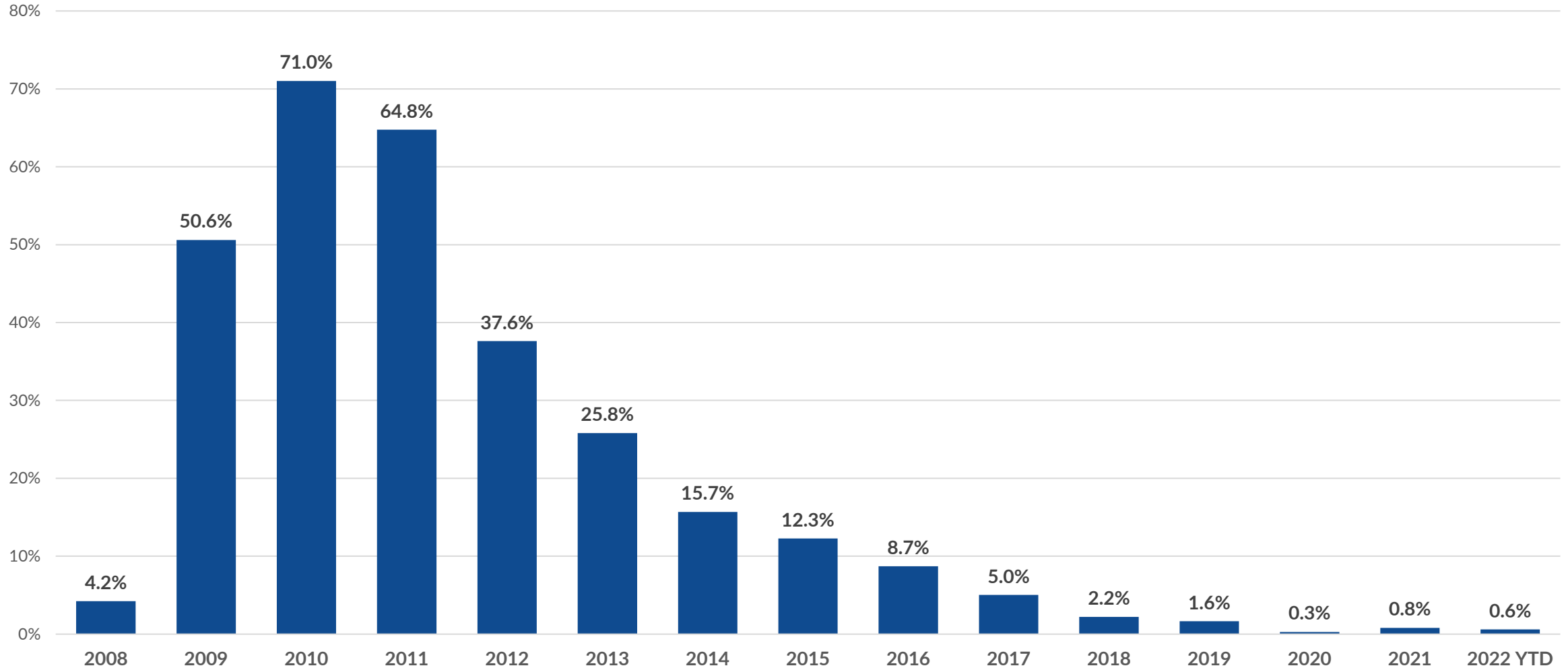
Housing Asset Valuation and Mortgage Debt



Source: Federal Reserve

Share of Closed Sales that were Distressed in Gem County, 2008–2022 YTD

2021 figures based on six months of activity (Jan-Jun) while all others are full years. Distressed properties are those listed in IMLS as “HUD Owned,” “In Foreclosure,” “REO/Bank Owned,” or “Potential Short Sale.” Distressed activity peaked in 2010 and has been dropping ever since.



Continue to work on *your business* during a shift:

- Educate sellers on the current market and set realistic expectations.
- Pricing and marketing are key.
 - Recommend appropriate pricing strategies as a tool to market the property.
 - Encourage sellers to make needed repairs and suggest buyer incentives to stand out.
 - Market the property on the MLS, as well as with open houses, pre-listing preparation, professional photography, staging, etc.
- Reevaluate your business plan and pursue training to gain knowledge and hone your skills.
- Foster relationships with clients and potential clients by offering expertise and market knowledge so they look to you for assistance with their next move.
- Learn about down payment assistance programs and financing options.


Down Payment Assistance Search Tool – realtor.com/foreveryone

Property Information | Household Information | Special Circumstances

Enter the **Street Address** and **Zip Code** of a specific property – *OR* – Start typing in the **General Search** field and pick a neighborhood, city or county from the menu.

Street Address (e.g. 123 Main Street) **Zip Code**

General Search (start typing for a menu of options)

 Please enter a **Street Address** and **Zip Code** or choose a **General Search** area

Estimated sales price

Is this a Multi-Family Home? Single-Family Multi-Family

Is the home in foreclosure? Yes No

Matched Programs

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JUNE 2022 >>>

MARKET REPORT



Market Reports are delivered to members via email monthly and past are always accessible on our website at boirealtors.com/market-statistics. Reports include analysis, snapshot graphics of key metrics, printable PDF reports for Ada, Canyon, Elmore, and Gem counties, and a report for condo/townhome activity.

Gem County – Single-Family Homes
June 2022 Market Statistics

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Data from the Intermountain MLS as of July 8, 2022

Key Metrics	Jun 2021	Jun 2022	% Chg	YTD 2021	YTD 2022	% Chg
Closed Sales	48	30	-37.5%	202	179	-11.4%
Median Sales Price*	\$343,500	\$453,086	+31.9%	\$360,633	\$520,000	+44.2%
Days on Market	23	33	+43.5%	25	44	+76.0%
Pending Sales	78	52	-33.3%	---	---	---
Inventory	50	113	+126.0%	---	---	---
Months Supply of Inventory	1.5	3.3	+119.0%	---	---	---

Closed Sales High: 48 in Aug 2006 (chart only goes back to 2010) | Low: 6 in Feb 2013 | Current Month: 30

Rolling 12-Month Median Sales Price
High: \$453,086 in June 2022 | Low: \$194,000 in Feb 2011 | Current Month: \$453,086

Inventory of Homes for Sale High: 266 in Aug 2007 | Low: 19 in Jan 2021 | Current Month: 113

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GEM COUNTY HOUSING MARKET UPDATE

The rolling 12-month median sales price for Gem County home sales was \$453,086 in June 2022, a 31.9% increase from the year before. Due to the smaller number of transactions that occur in the area, we use a rolling 12-month median sales price to get a better idea of the overall trends.

With 30 closings last month, the number of home sales decreased 37.5% compared to the same month a year ago. Of those, 24 were existing/resale homes and six were newly constructed homes. There were 52 pending sales, properties with an accepted offer that are expected to close within 30-60 days, a decrease of 33.3% compared to July 2021.

We've seen the buyer pool shrink due to higher mortgage rates and home prices. Cooling demand has given inventory a chance to catch up a bit, giving the remaining buyers more options.

There were 113 available homes for purchase at the end of the month, an increase of 126.0% compared to June 2021. Of those, 56 were existing/resale listings and 57 were new homes.

The recent inventory gains have moved the Gem County housing market closer to a "balanced" market, or one that has between 4-6 months of supply does not favor buyers and sellers. Months Supply of Inventory (MSI) was at 3.3 months in June, the highest level we've seen since October 2016.

As the market shifts, sellers may have to adjust their expectations slightly. Offers may not fly in within the hour or first day you list, and your home may not sell for over list price. This isn't necessarily a bad thing – in fact, it may make your experience less stressful, and sellers are still receiving great values for their homes. Your best bet for selling in today's market is to price your home appropriately, based on the relevant data, comparables, and expertise offered by your real estate agent, and then allow your agent to market your home on the multiple listing service to reach the widest audience possible.

GEM COUNTY SINGLE-FAMILY HOMES
Boise Regional REALTORS® Market Snapshot: June 2022

\$453,086
Rolling 12-Month Median Sales Price
+31.9% Year-Over-Year

30 Homes Sold
-37.5% Year-Over-Year

33 Days on Market
+43.5% Year-Over-Year

113 Inventory
+126.0% Year-Over-Year

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Provided by Boise Regional REALTORS® • BOIREALTORS.COM
Data from the Intermountain MLS as of July 8, 2022





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