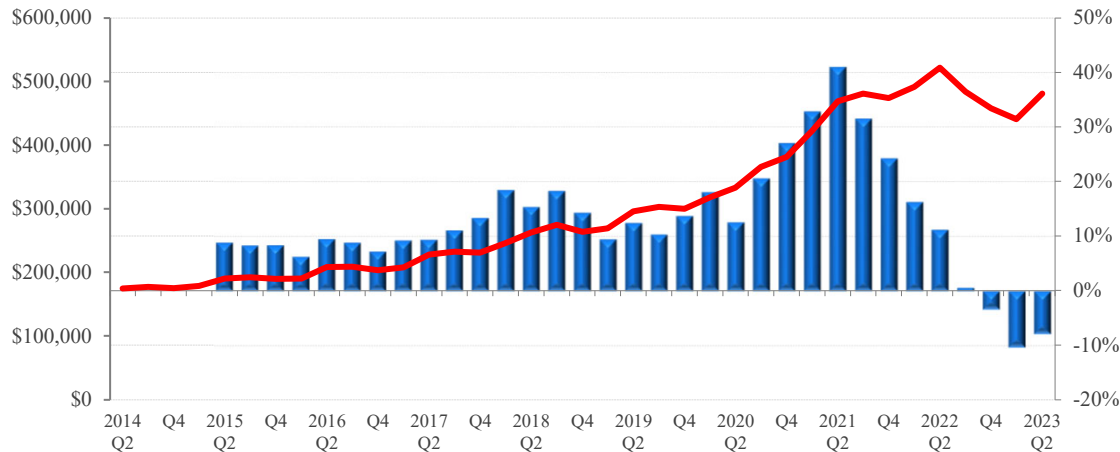


## Boise City Area

### Local Market Report, Second Quarter 2023

## Today's Market...

**Median Price (Red Line) and One-year Price Growth**



Local Price Trends			
Price Activity	Boise City	U.S.	Local Trend
Current Median Home Price (2023 Q2)	\$480,800	\$397,433	Prices are down compared to a year earlier and continue to weaken
1-year (4-quarter) Appreciation (2023 Q2)	-7.9%	-2.1%	
3-year (12-quarter) Appreciation (2023 Q2)	44.5%	37.9%	
3-year (12-quarter) Housing Equity Gain*	\$148,000	\$109,200	Gains in the last 3 years have extended the trend of positive price growth after the recession
7-year (28 quarters) Housing Equity Gain*	\$272,600	\$158,300	
9-year (36 quarters) Housing Equity Gain*	\$306,200	\$185,600	

\*Note: Equity gain reflects price appreciation only

	Boise City	U.S.	
<b>Conforming Loan Limit**</b>	\$726,200	\$1,089,300	Most buyers in this market have access to government-backed financing
<b>FHA Loan Limit</b>	\$472,030	\$1,089,300	
<b>Local Median to Conforming Limit Ratio</b>	66%	not comparable	

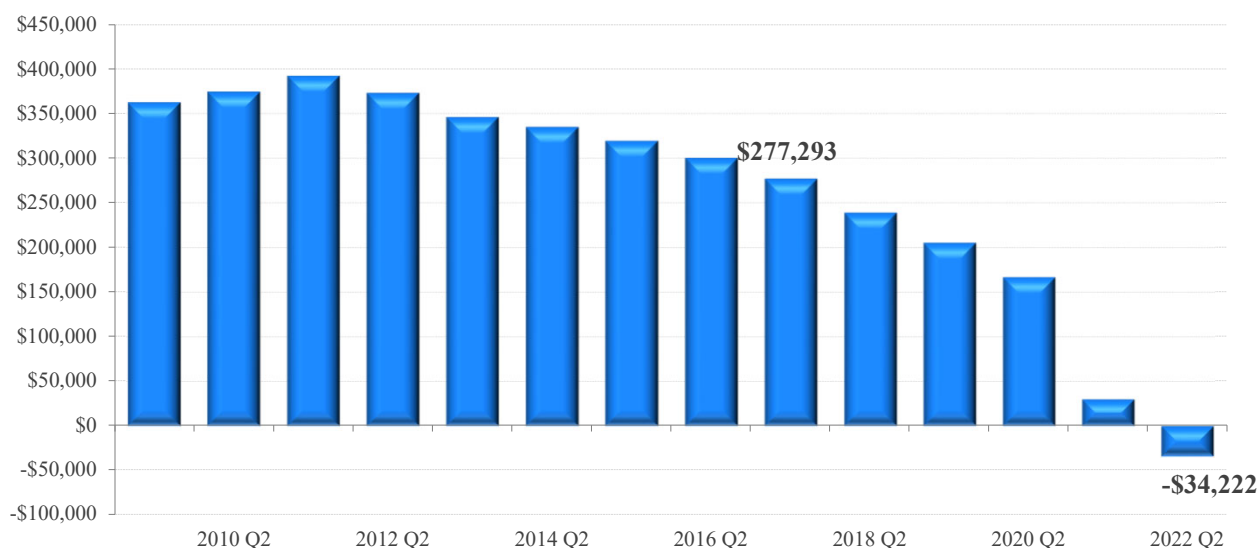
Note: limits are current and include the changes made on January 1st 2023.

#### Local NAR Leadership

The Boise City market is part of region 12 in the NAR governance system, which includes all of Montana, Idaho, Washington, Oregon, and Alaska. The 2023 NAR Regional Vice President representing region 12 is Connie Fogle.

## Benefits of Ownership: Total Equity Appreciation

### Total Equity Accrued to Owner by Year and Quarter of Purchase



#### Total Equity Gained\*\* through 2023 Q2 from quarter in which home was of purchased

Price Activity	BoiseCity	U.S.	Local Trend
1-year (4-quarter)	\$34,222	\$3,260	Price trends in the last three years have undercut the steady post-recession home equity growth despite owners paying down principle
3-year (12-quarter)*	\$166,778	\$125,464	
5-year (20-quarter)*	\$239,073	\$153,130	
7-year (28 quarters)*	\$300,485	\$190,329	
9-year (36 quarters)*	\$335,000	\$220,542	

\*Note: Equity gain reflects price and principle payments since purchase, prevailing 30-year fixed rate mortgage at time of purchase and a 10% downpayment. Downpayment is not included in total equity

# Drivers of Local Supply and Demand...

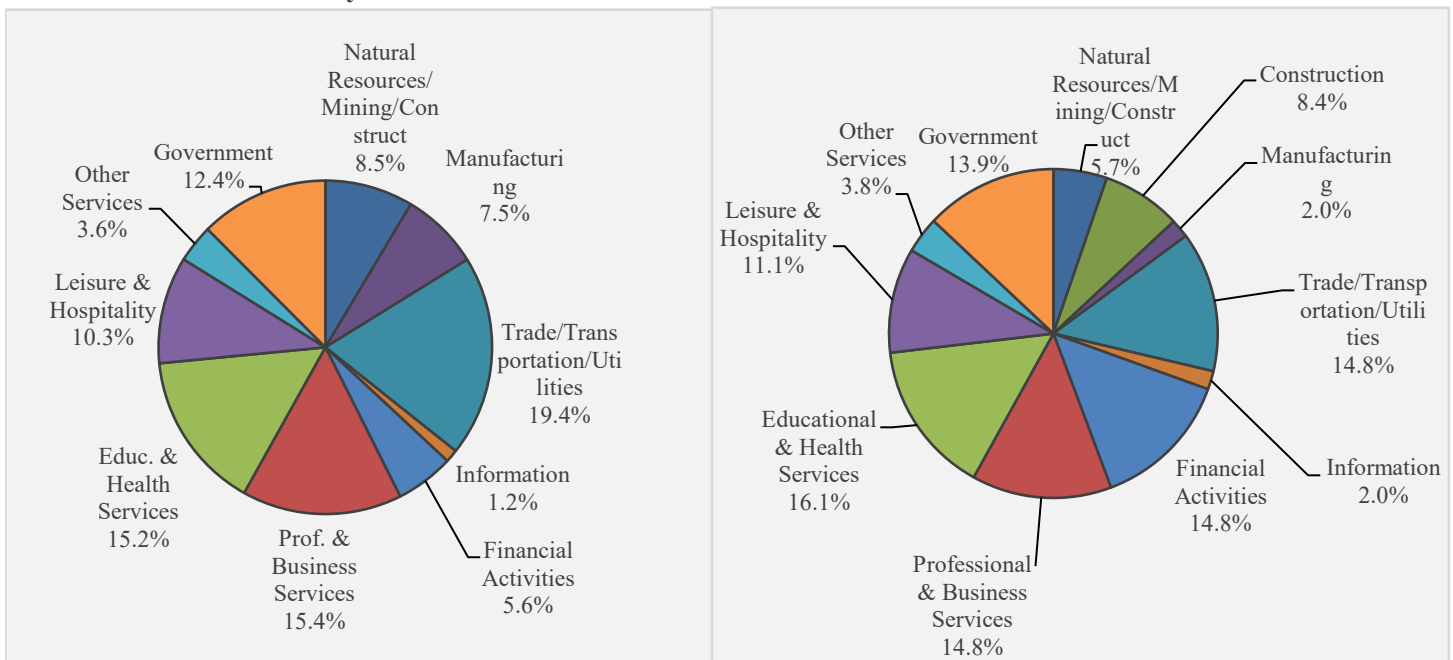


Local Economic Outlook	Boise City	U.S.	
12-month Job Change (Aug)	13,400	Not Comparable	Employment growth has eased, but remains positive
12-month Job Change (Jul)	15,900	Not Comparable	
36-month Job Change (Aug)	55,000	Not Comparable	Unemployment has risen since the same period last year, but Boise City's labor market has been more resilient than the national average
Current Unemployment Rate (Aug)	3.2%	3.8%	
Year-ago Unemployment Rate	2.6%	3.7%	Local employment growth is strong compared to other markets
1-year (12 month) Job Growth Rate	3.5%	2.9%	

## Share of Total Employment by Industry

Boise City Area

U.S.



### 12-month Employment Change by Industry (Aug - 2023)

Goods Producing	NA	Information	200
Natural Resources/Mining/Construction	2,300	Financial Activities	-100
Natural Resources and Mining	NA	Prof. & Business Services	2,700
Construction	NA	Educ. & Health Services	4,500
Manufacturing	-1,000	Leisure & Hospitality	2,100
Service Providing Excluding Government	NA	Other Services	1,200
Trade/Transportation/Utilities	1,200	Government	2,800

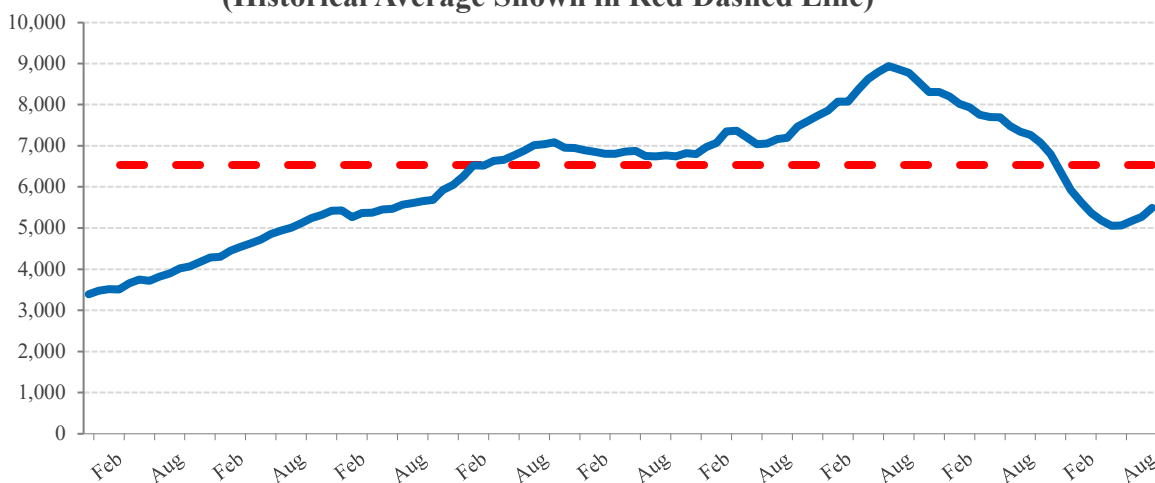
State Economic Activity Index	Idaho	U.S.	
12-month change (2023 - Aug)	3.3%	3.2%	Idaho's economy is stronger than the nation's, but slowed from last month's

36-month change (2023 - Aug)	17.2%	15.3%	3.58% change
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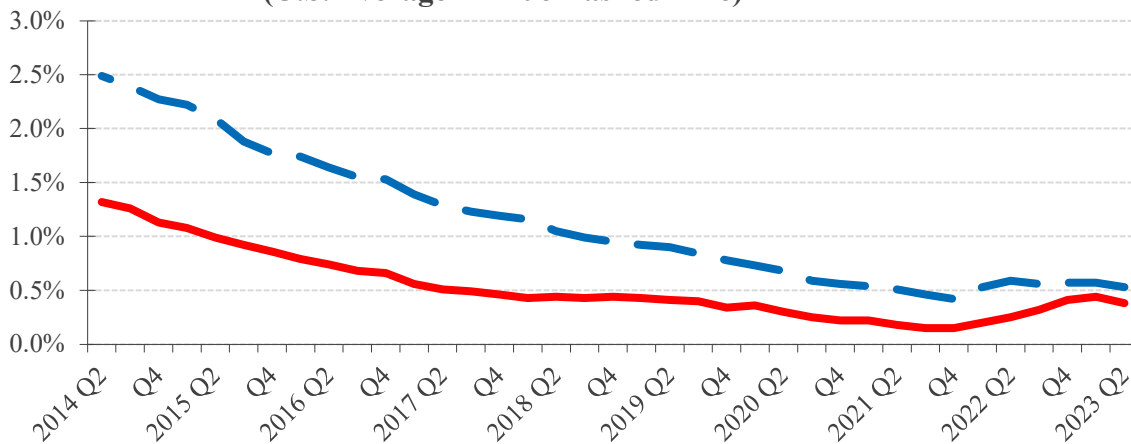


New Housing Construction			
Local Fundamentals	Boise City	U.S.	
12-month Sum of 1-unit Building Permits through Aug	5,493	not comparable	The current level of construction is 16.0% below the long-term average
8-year average for 12-month Sum of 1-Unit Building Permits	6,536	not comparable	Reduced construction will limit new supply to the market, allowing demand to catch up with inventory more quickly
Single-Family Housing Permits (Aug) 12-month sum vs. a year ago	-24.4%	-18.9%	Construction is down from last year, but appears to have bottomed.

**Construction: 12-month Sum of Local Housing Permits (Historical Average Shown in Red Dashed Line)**

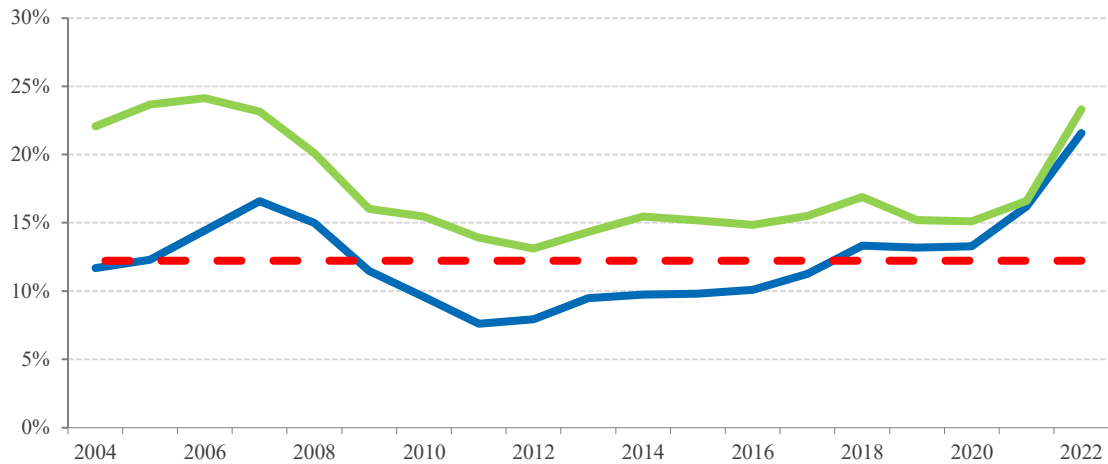


**State Total Foreclosure Rate vs. U.S Average (U.S. Average in Blue Dashed Line)**



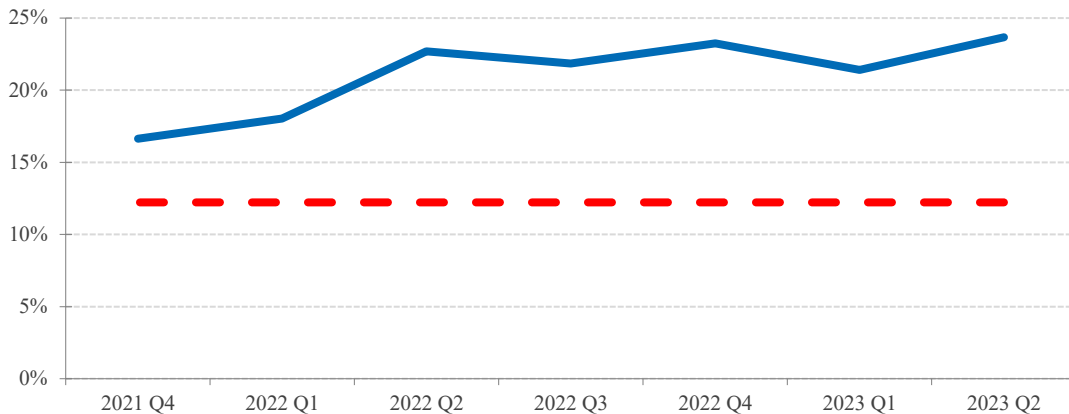
# Affordability

**Long-Term Trend: Ratio of Local Mortgage Servicing Cost to Income**  
(Local Historical Average Shown in Red, U.S. Average in Green)



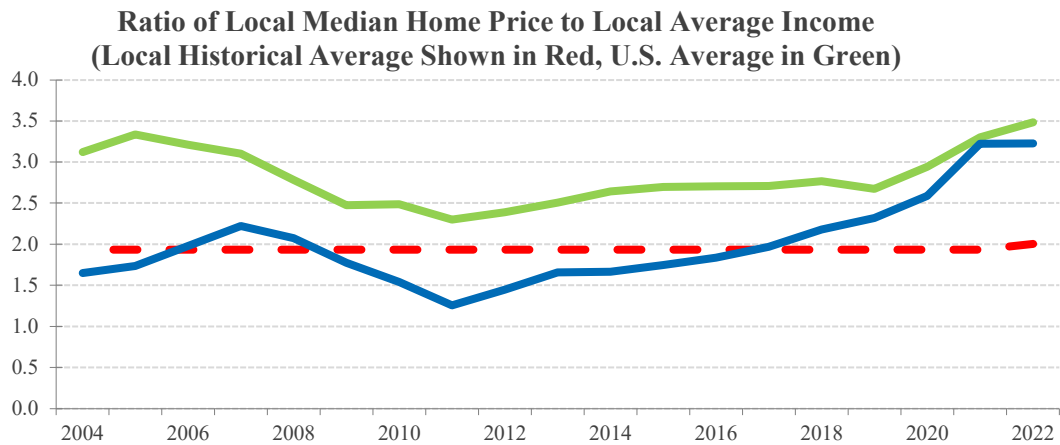
Monthly Mortgage Payment to Income	Boise City	U.S.	
Ratio for 2022	21.6%	23.3%	Weak by local standards and could weigh on demand
Ratio for 2023 Q2	23.7%	25.6%	
Historical Average	12.2%	17.8%	More affordable than most markets

**Recent Trend - Local Mortgage Servicing Cost to Income**  
(Historical Average Shown in Red Dashed Line)

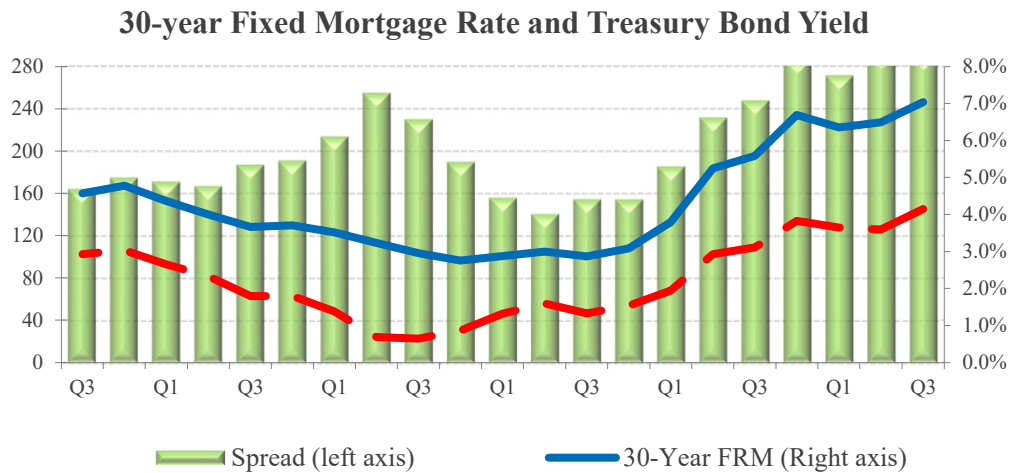


Median Home Price to Income	Boise City	U.S.	

Ratio for 2022	3.2	3.5	The price-to-income ratio is high by historic standards and getting worse
Ratio for 2023 Q2	3.1	3.4	
Historical Average	2.0	2.8	Affordable compared to most markets



## The Mortgage Market



With the Federal Reserve maintaining its tight monetary policy, mortgage rates rose in the second quarter of the year. According to the mortgage finance provider Freddie Mac, the 30-year fixed mortgage rate moved up to 6.49% in the second quarter of 2023 from 6.36% the previous quarter. While rates remain about 1.2 times higher than the previous year (5.24%), buyers' purchasing power and housing affordability continue to diminish. Affordability challenges may ease if the Federal Reserve will stop raising and start cutting interest rates next year. NAR forecasts the 30-year fixed mortgage rate to hover around 7% in the second half of the year.



## Geographic Coverage for this Report

The Boise City area referred to in this report covers the geographic area of the Boise City metro area as officially defined by the Office of Management and Budget of the U.S. Government. The official coverage area includes the following counties:

*Ada County, Boise County, Canyon County, Gem County, and Owyhee County*

More information on the OMB's geographic definitions can be found at [https://obamawhitehouse.archives.gov/omb/bulletins\\_default/](https://obamawhitehouse.archives.gov/omb/bulletins_default/)