



July 2023 - BRR Market Report

CONSUMERS WAIT-OUT MARKET FOR ADA COUNTY

The median sales price in Ada County got a slight reprieve in July 2023 at \$540,000 — which eased by \$5,000 compared to the previous month. This marks the first slide in MSP since March 2023. New construction cooled by approximately \$12,000 in July where existing/resale eased by \$1.

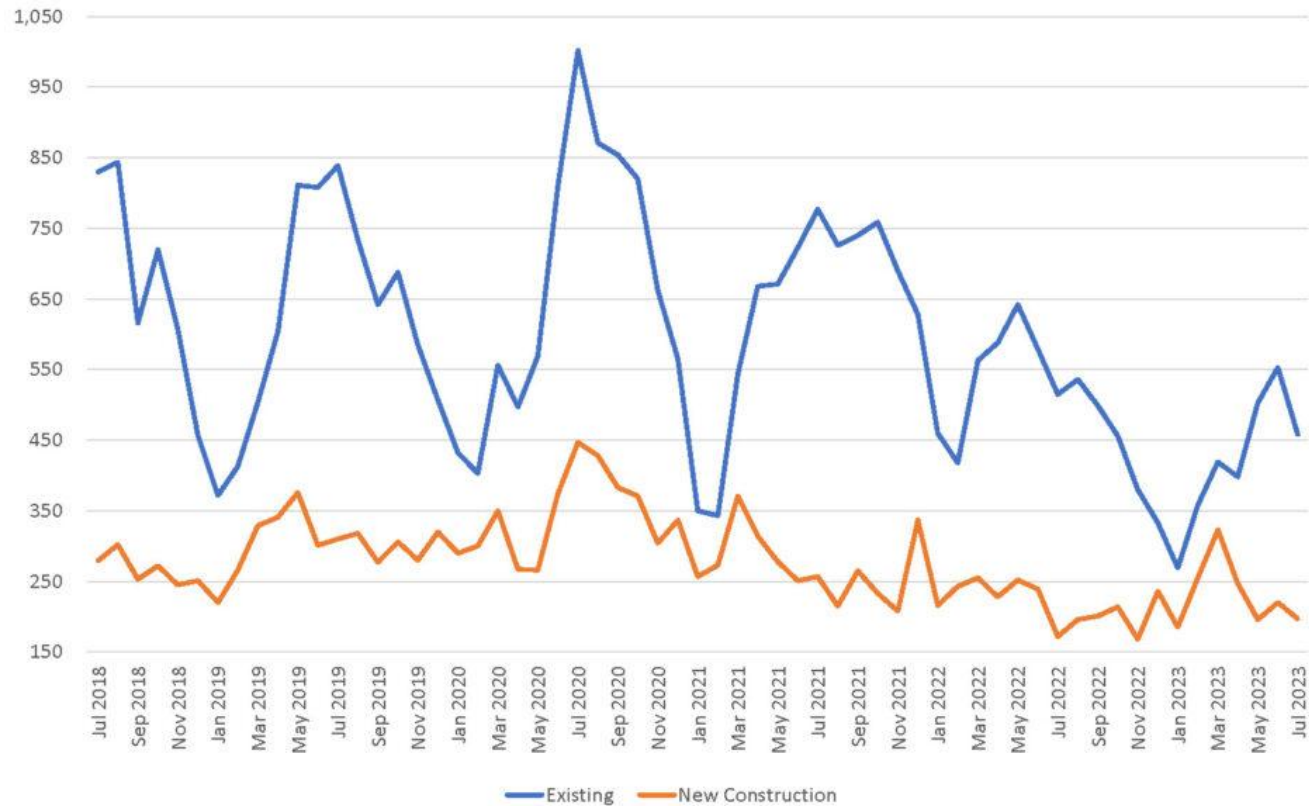
The glacial effects on new construction's median sales price were likely affected by the sector's increase in inventory. New builds saw a month-over-month boost of 8.9% — reaching a total of 601 homes for July 2023 — taking the lead over existing home inventory accumulation which landed at 7.0% more than the previous month. A [2.5% month-over-month increase in mortgage rates](#) may have also contributed to ebbed pricing.

With recent dips in pricing, affordability remains out of reach for many. Programs by the [Idaho Housing and Finance Association](#), [LEAP Housing](#), and other affordability programs have become instrumental for many low-income and first time homebuyers. Education programs like IHFA's "[Finally Home!](#)" and NAR's "[Real \[Estate\] Talk](#)" can prepare buyers for the market. Some homeowners who are looking to relocate or add to their portfolio are able to navigate the choppy waters by using cash equity to buy down interest rates.

As consumers tread carefully, sales for single-family homes have slowed to 655 this month after three months of consecutive increases — split by 458 existing homes and 197 new construction sales. Newly built homes were the only sector to experience positive growth compared to the same month last year at 14.5%.

Sales in Ada County — Existing/Resale and New Construction

Comparison of Ada County single-family home sales between July 2018 and July 2023.



Copyright © 2023 Boise Regional REALTORS®

Source: Intermountain MLS as of August 10, 2023.

Market options continue to remain elusive where homes last an average of 23 days on market and the months' supply of inventory is currently 2.3. This could look up in future months as pending sales have slipped in July by 5.7% compared to June 2023. Resale saw the slimmest shift, down 0.4% month-over-month and 6.3% year-over-year. New construction experienced a more significant dip at 10.7% when comparing consecutive months and 33.7% compared to the previous year.

Mortgage applications have also [decreased this month by 3.1%](#), nationally, according to the Mortgage Bankers Association (MBA) which may result in further shifts next month.

Mortgage rate hikes aim to tame inflation but have simultaneously pinched housing affordability, making sellers hesitant to uproot for higher rates. A hunger for lower prices to counteract the current mortgage payment strain is a large factor in why we're seeing some homes come down in cost. We hope to see this continue to invite more first-time buyers into the market.