BOISE INVESTMENT PROPERTIES.NET

We Are Invested!

Inside the January Boise Investment Properties newsletter you will find:

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- Overall Market Trends - Looking into 2025
- Single Family Market Update
- Ada County Fourplex Update
- Mark your Calendar - AVID Investors' Club is 2/19/25

Paint! Type and Quality Matter

When it comes to giving your home or investment property a fresh look, or maintaining its longevity, the right paint is key, according to Natali Gilmette, Property Management Sales Representative at Sherwin-Williams who recently presented to IROMA (Idaho Renters Owners and Managers Association). Whether you're painting indoors or the exterior, choosing the right type and quality of paint can make a significant difference in both aesthetics and durability.

Interior Paint: Interior paints are designed to withstand the challenges of everyday life, such as cleaning, wear, and exposure to light. These paints typically have lower levels of volatile organic compounds (VOCs) for better air quality inside the home.

- **Finish Types:**
  - **Matte/Flat:** Offers a non-reflective finish and is ideal for hiding imperfections. However, it can be harder to clean.
  - **Eggshell:** Has a slight sheen that is easier to clean and is great for living rooms, bedrooms, and hallways.
  - **Satin:** Is more durable and washable, making it suitable for high-traffic areas like kitchens and bathrooms.

    - **Semi-Gloss and Gloss:** These finishes are best for trim, doors, and cabinets due to their high durability and ease of cleaning. Also, adding an “additive & extender” will help eliminate brush strokes and provides a smoother hard surface.

Exterior Paint: Exterior paints need to stand up to the elements, so they are formulated to resist fading, cracking, and mildew. These paints are more robust, as they need to endure sun exposure, rain, wind, and temperature fluctuations.

- **Finish Types:**
    - **Flat/Matte:** Good for hiding imperfections on rough or textured surfaces, but less durable in harsh weather.
    - **Satin/LowSheen:** Offers some shine and is more resistant to dirt and mildew, making it a popular choice for most exteriors.
    - **Glossy:** Provides the most protection and shine but is often used on trim, doors, or accents rather than large wall areas.

Quality Matters: Higher-quality paints often use better pigments and resins, which provide a richer color and better coverage. Exterior paints with high-quality acrylic or latex bases are more resistant to weather, fading, and moisture. Good-quality exterior paint also contains additives to prevent mildew and UV degradation. Both interior and exterior higher quality paints may cost more up front, but they last longer and require fewer coats.

Conclusion: Choosing the right paint for your home’s interior or exterior goes beyond just picking a color. The finish, type, and quality of paint can affect the longevity, appearance, and maintenance of your walls. Investing in higher-quality paint might cost a bit more initially, but the long-term benefits—such as better coverage, durability, and ease of maintenance—are well worth it.

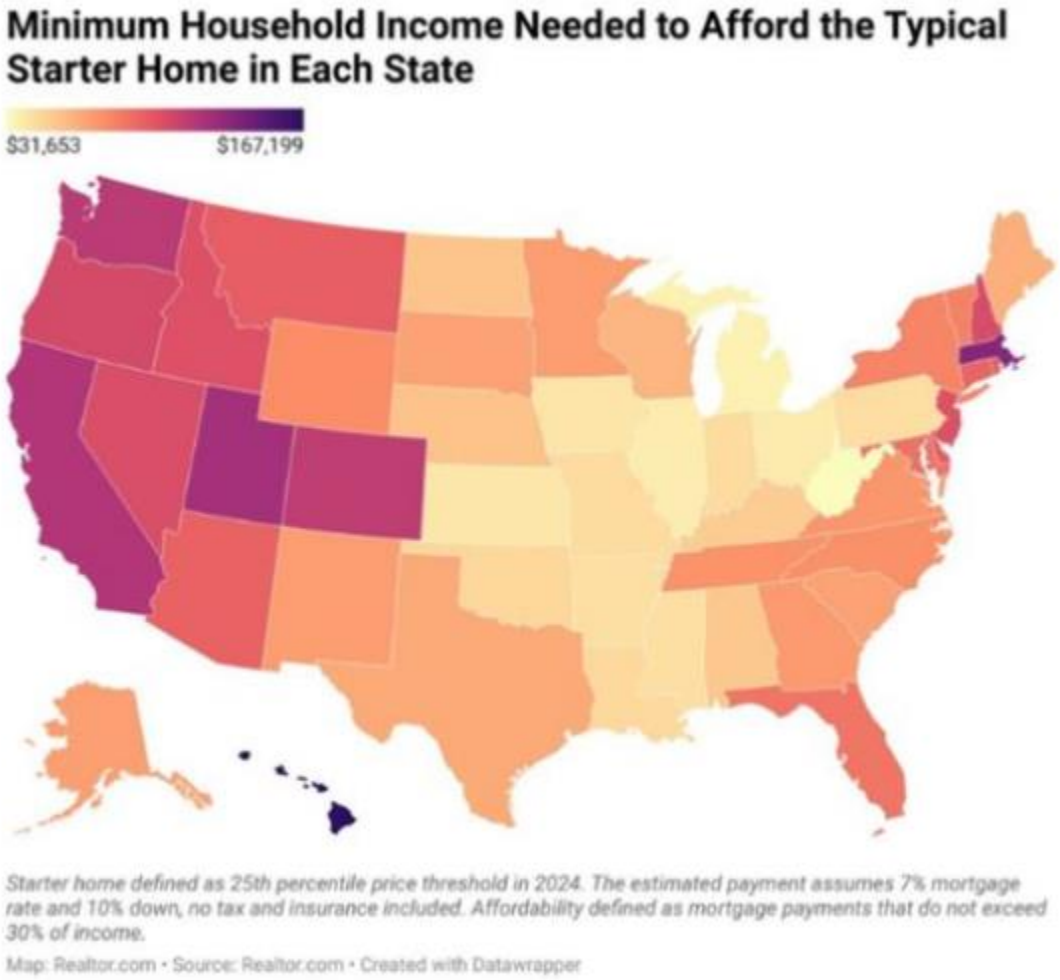
by Leslie Halvorson

Overall Market Trends - Looking into 2025

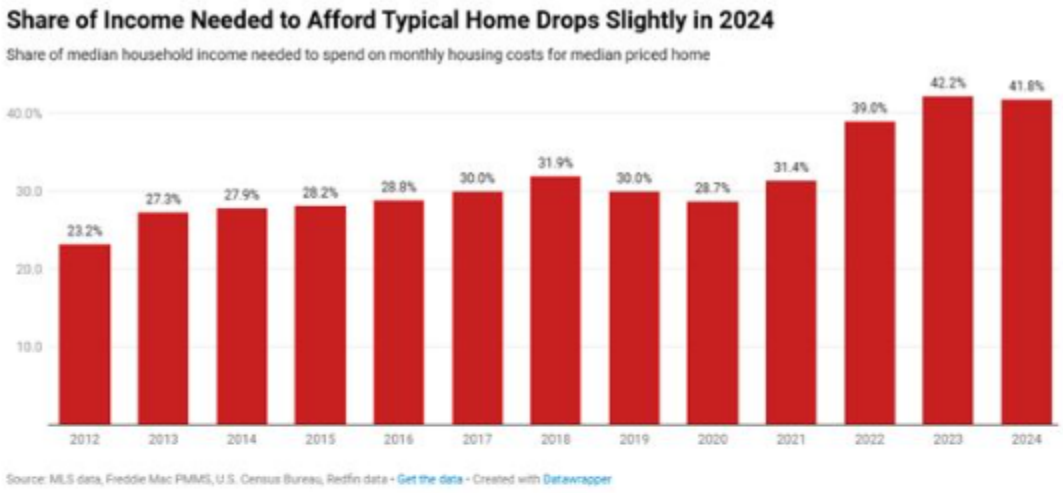
Mortgage rates ended the year just below 7%. Nationally, it means the household income now required to purchase the typical starter home is $70,164. This is up more than 100% from the $32,357 required in 2019 (Starter home is defined as a home with an available list price in the 25th percentile of all homes available). This decrease in affordability is caused when increasing incomes are unable to keep up with increasing home prices:

- Typical incomes have risen 17% from 2019 to 2023 (without adjusting for inflation)
- Starter home prices have increased nationally from $190,559 in 2019 to $292,950 in 2024
- Starter homes were around $426,000 in Idaho in 2024
- Idaho ranks 1st for income growth nationwide. Specifically, Idaho had the highest percentage growth in median household income (2019-2023)*
- Idaho median income grew about $10,000, compared to about $5,000 nationwide."
- Idaho's population growth ranked 7th in the nation. We grew by 30,497 people or 1.4% in 2024.*

In addition, mortgage rates were below 4% for the majority of 2019 which helped significantly with affordability.



People in the United States have long followed the financial guideline that no more than 30% of monthly income should be spent on housing. In 2024, housing affordability remained at levels seen in 2023 which were the worst in the past decade. In 2024, a household earning the median U.S. income would have to spend 41.8% of their earnings on monthly housing costs to afford the median priced U.S. home. This is assuming the average 2024 mortgage rate of 6.72% and a 15% down payment.



To keep mortgage payments within 30% of income, the table below shows what an Idahoan would have needed to earn in order to afford a starter home in 2024. The increase in starter prices and monthly payments have driven up the income required to afford these homes without dedicating more than 30% of monthly income towards housing costs. This may contribute to individuals being reluctant to purchase these homes or households putting themselves in more hazardous financial situations in order to purchase a home in 2025.

Starter Home (25th Percentile) 5-Year Fluctuations

Example of financial requirement for income to Starter Home pricing, per Redfin 2024 data.

	2024 Starter Home Price *(Home priced in 25th percentile)*	Monthly Payment	Minimum Required Income	5-Year Change in Starter Home Price	5-Year Change in Monthly Payment
Idaho	$426,130	$2,552	$102,062	+62%	+128%

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Source: Redfin 2024

In 2024 we saw some decline in existing home inventory which may indicate the reluctance of individuals to sell their homes due to increasing prices and mortgage rates. This is keeping many would-be sellers “locked in” and could continue to hinder total inventory recovery. Of outstanding mortgages, 83% are still below a 6% rate and 21.3% are below a 3% rate. We will continue to monitor inflation and interest rates in the new year to see if this results in any inventory changes among existing homes.

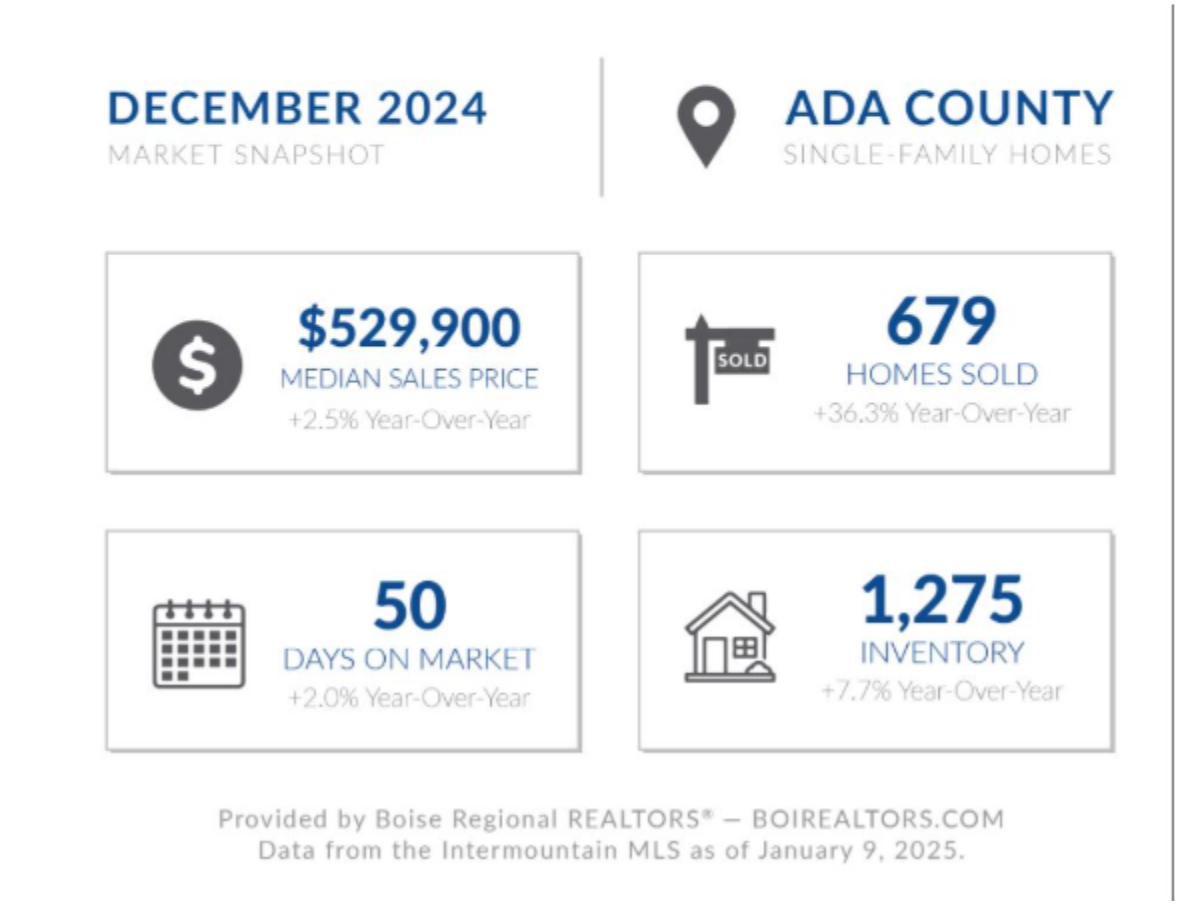
*Data is from new estimates released by the U.S. Census Bureau on 12/19/2024

This is an abridged article is from the December 2024 Year End Market Report - Boise Regional Realtors

Single Family Market Update

Ada County

The median sale price (MSP) of new homes sold in November decreased by $52,000, the lowest MSP for new builds since March 2023. New homes sold continue to be more affordable for buyers than existing homes.



Canyon County

ADA COUNTY FOURPLEXES

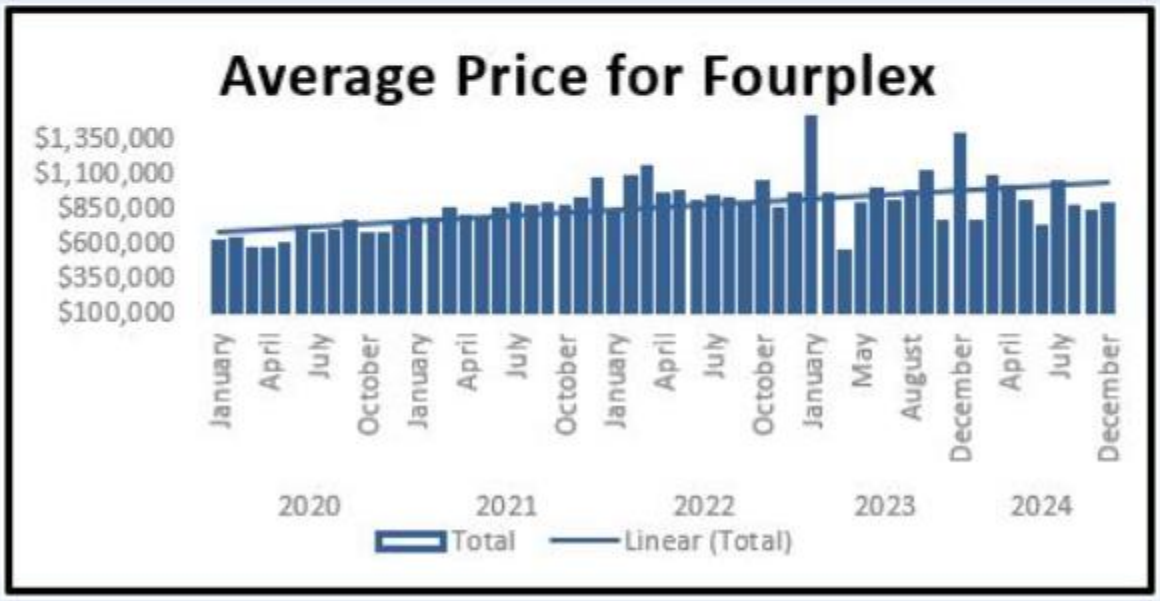
Please see the attached graphs that have been updated with December's Ada County fourplex sales data, which included a mix of properties in age and location. There were not any fourplexes that sold in November and there are not any currently pending either.

GRM: The current trailing 6-month average is $170. In 2024, we saw GRM decrease by about 5%.

Cap Rates: The current trailing 6-month average is 4.86% which is down from the 4 year high that we saw in October of 2024. The cap rates shows a very slow and minimal increase throughout 2024. I like slow and steady.

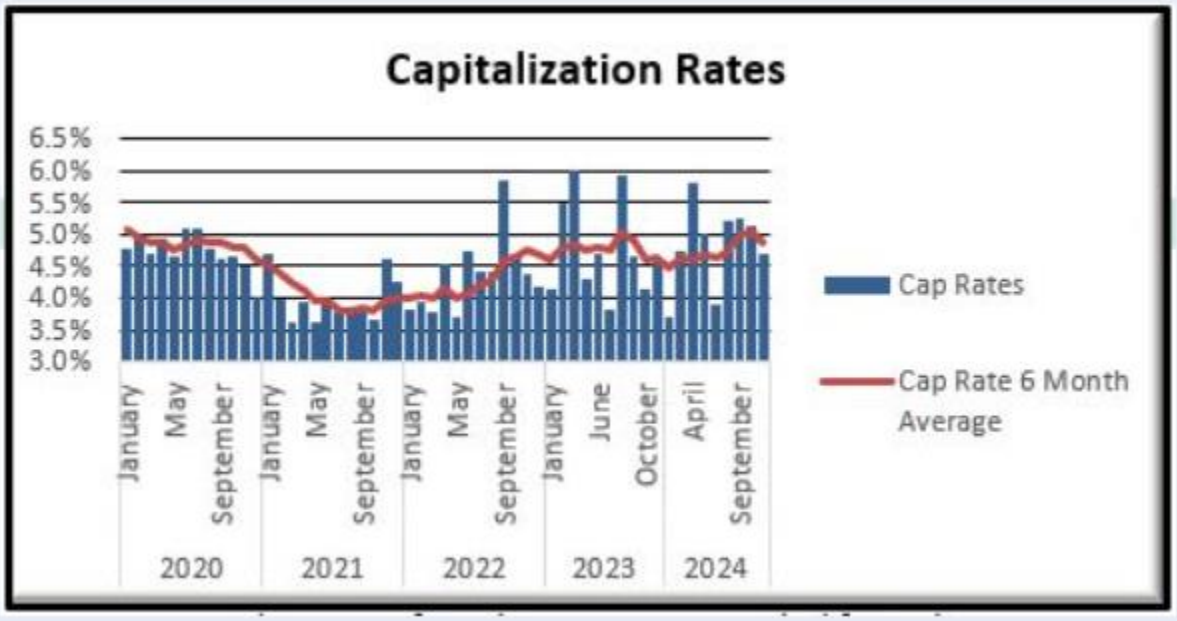
Average Price: In December, the average Ada County 4 plex sold price was $862,980.

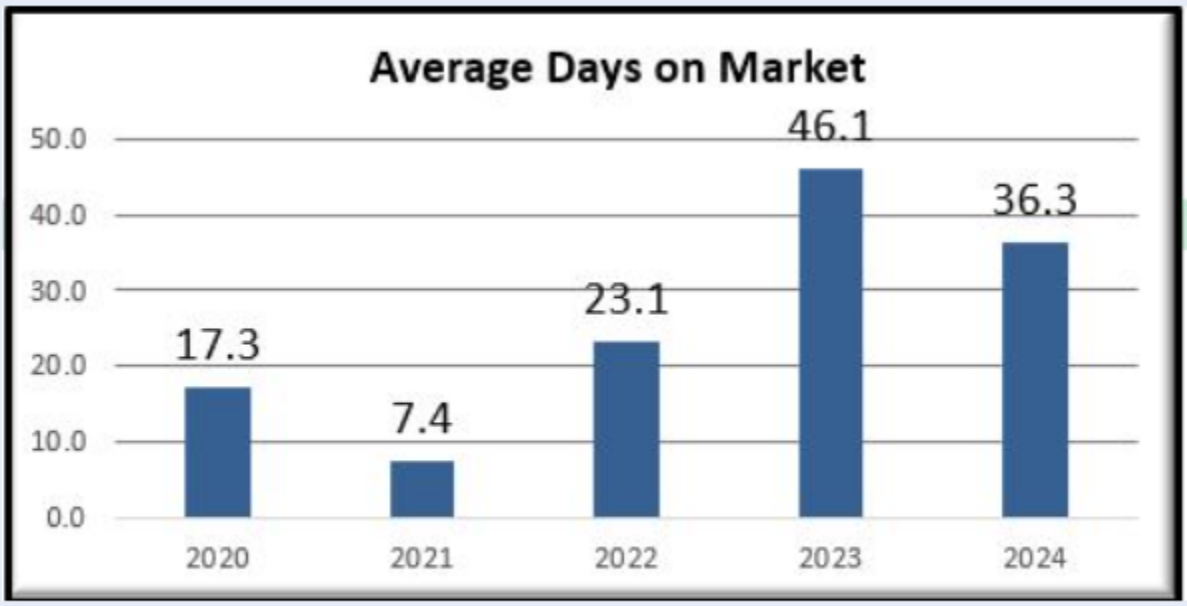
Average Price Per square foot: There is an observed increase in rents per square foot, which does not accurately reflect the rental market. There are a number of factors, such as bedroom count and location that can skew this number, in addition to being a really small sample size, as we are only looking at the rents of fourplexes that sold.



Price Per Square Foot
$340.00
$290.00
$240.00
$190.00
$140.00
$90.00
January
April
July
October
January
April
July
October
January
April
July
October
January
May
August
December
April
July
December
2020
2021
2022
2023
2024

GRM Trend
250
200
150
100
January
April
July
October
January
April
July
October
January
April
July
October
January
May
August
December
April
July
December
2020
2021
2022
2023
2024
Sum of GRM
GRM 6 Month Average


Capitalization Rates
6.5%
6.0%
5.5%
5.0%
4.5%
4.0%
3.5%
3.0%
January
May
September
January
May
September
January
May
September
January
June
October
April
September
2020
2021
2022
2023
2024
Cap Rates
Cap Rate 6 Month Average



Data analyzed by Tony Drost, referencing the Intermountain Multiple Listing and Ada County Fourplex activity.

AVID Investors' Club

February AVID meeting is sure to bring impressive data and answers to commercial real estate questions. Join us!

WE HOPE YOU STAY IN TOUCH!

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