

# 'A ripple-effect' of housing challenges – mortgage rates and real estate trends

BY ALX STEVENS

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Low housing inventory, climbing home prices and a shortage of workers and supplies are just a few not-so-secret challenges facing stakeholders in the mortgage lending and residential real estate industries statewide, so, Idaho Business Review asked

five industry stakeholders to lend their expertise during an Aug. 3 Breakfast Series panel discussion.

Panelists agreed that while these challenges were taking place well before the COVID-19 pandemic, it can be said 2020 accelerated those challenges. Panelists shared their current solutions to addressing some of the above problems, and fur-

thered discussion on challenges where they need the community's help.

Idaho Business Review thanks Hawley Troxell for helping sponsor and moderating the event, the Grove Hotel for hosting and the panelists for taking time to share their experiences and some advice.

## Housing inventory

**Black:** I just learned recently at Boise Regional Realtors mid-year symposium... through their research and analysis estimate that we need about 19,425 (roof)tops by 2023 to have a balanced market.

**Moderator Steve Frinsko:** Is that from in-migration, or just first-time homebuyers? Is it everything?

Most panelists said "all of the above."

Something unique, though, is Idahoans and other residents are purchasing housing as new primary, secondary or semi-permanent living spaces, according to Jared Cook and Scott Turlington.

**Audience member:** Do you see a decrease in the influx of people moving here yet?

**Comstock:** I've heard both ways: I'm considering it; (and) No, I'm not considering it any longer because (of) cost. But I've also heard the others. So I think last year, 46% of the moves were just Ada County, moving in Ada County, taking advantage of their great equity downsizing, upsizing, new location, better floorplan.

rently are right in the range where the rolls were last year. And a lot of that is because of this spike in COVID-19 and the Delta variant. So a lot of the market got scared, it pushed rates down. The interesting part this time around is our 15-year mortgage is actually lower than the 15-year mortgage was last year. As far as inflation affecting the interest rates, I think until the federal government or the Fed stops their accommodation, we're not going to see that move too much. And right now they don't seem too concerned...

**Frinsko:** So if someone, interest rates aside...(is) looking to buy a home, what should they be doing?

**Cook:** Very little debt load would be ideal right now because your debt to income is going to be stretched. The second option is making sure you sit down with a mortgage professional and go through your options to make sure you know how much you qualify for.

**Black:** In a lot of ways, we are thankful; we should be thankful for tougher lending requirements, restrictions; backtrack years ago, we don't want that again. When you look at numbers from 2020 to 2021, I think the smallest amount of increase in price was at 15%, all the way up to 40% really in this area; (like as mentioned recently in the New York Times). That being said, just recently in the last probably 30 to 45 days, we have started to see some price reductions...there is a feeling that the frenzy may

## Affordable homes

**Cook:** Our 30 year-mortgage rates cur-

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## The expert panel included:

### Jared Cook, Western Idaho Region Manager of Zions Bank's Home Finance Division

Jared Cook is a regional manager for Zions Bank's Home Finance Division, responsible for overseeing business development and customer service for residential construction and mortgage lending throughout Idaho. He earned his bachelor's degree in business administration from Weber State University and has worked in the mortgage lending industry for more than 19 years, starting as a real estate agent and later becoming dual-licensed as a mortgage loan officer.



Cook

### Abby Black, Chief Brand Ambassador, TitleOne

Abby Black has been with TitleOne since 2001. She is a University of Kansas and Washington State graduate. Black has 20 years of experience in title and escrow, is a past director for First Tee of Idaho and Children's Home Society of Idaho, and is on the board for Make a Wish Foundation. She has received Idaho Business Review awards for Accomplished Under 40 and "Women of the Year."



Black

### M. Jerome Mapp, Director, Planning & Zoning, City of Caldwell

Jerome Mapp has over 48 years of experience in land use planning and public policy in the public and private sector. From 1993 to 2006, he served as a member of the Boise City Council, serving as Council President for two years and Council Pro-Tem for two years. Since 2019, he has held the position of Planning and Zoning Director for the city of Caldwell.



Mapp

### Christine Comstock, Sales Coach Director, CBH Homes

Christine Comstock oversees the four CBH Sales Centers located throughout the Treasure Valley including four sales coaches and 22 sales team members. She started as a salesperson 15 years ago with CBH Homes. In 2020, she directed the sales team that sold 1,800 homes and made \$625 million in sales volume. Recently, she served as past president of Women's Council of Realtors-Boise Metro and IMLS Board of Directors. She is currently a 2020 Boise Regional Realtors Circle of Excellence Lifetime Recipient and was awarded the National Association of Home Builder's Sales Manager of the Year in 2019 as well as Professional Builder Magazine's 40 Under 40.



Comstock

### Scott Turlington, President, Tamarack Resort

Turlington oversees all resort operations, completion of The Village and further expansion of the resort's terrain. He began his career as a senior policy advisor to the US Senate and Idaho Governor Dirk Kempthorne, served as an executive at Tamarack when the resort opened in 2004 and, most recently, owned a government-affairs consulting business in Idaho.



Turlington

### Moderator: Steve Frinsko, Partner, Hawley Troxell

Frinsko is a transactional attorney in the firm's business and real estate law departments. His practice focuses on business and real estate law, including mergers and acquisitions (M&A), corporate compliance, entity formation and governance, commercial transactions, antitrust compliance and insurance. His M&A experience includes transactions involving both public and private companies, and his current client base covers the gamut from startups to long-established national companies. Before joining Hawley Troxell, he spent five years as in-house counsel for Packaging Corporation of America, a Fortune 500 manufacturer of corrugated containers, office paper and other paper and protective packaging products.



Frinsko

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be kind of dying down a little bit.

**Where to?**

While the sentiment was that almost nowhere in Idaho is spared from these challenges, Jerome Mapp acknowledged some particularly small towns in Canyon County haven't seen much growth yet, but factors like affordability and shrinking location options may cause that to change. Already, some are moving to smaller cities and commuting, which may pose future challenges.

He said it is the responsibility of planning boards to not only responsibly plan and create zoning ordinances (in the city and county), but the community must look at affordable and sometimes more-dense housing options.

**Mapp:** About three years ago (Canyon County and Kuna had the) least expensive housing in the valley. That's no more. Those communities that received growth at this time, will be challenging for them for a number of reasons, like some recent changes in legislation last year such as with House Bill 389 — which (poses) a 3% cap on tax increases.

This poses a challenge for growth paying for itself, he added.

**Solutions**

**Audience member:** I know a lot of younger, first-time buyers have left the market because they just can't get a house...So, are they going to be able to come back into the market at any time?

**Comstock:** I think that if they've already left, then they (are) probably just fed up,



Jerome Mapp speaks at the Idaho Business Review Aug. 6 Breakfast Series panel discussion hosted at the Grove Hotel. PHOTO BY ALX STEVENS

you know, but at the same time, I think they should persist...I think the quality of living here is great...hopefully they can be patient.

**Cook:** We've seen several where mothers and fathers added themselves to the application... And then I'd say...we're seeing wage increases.

(Prior to the question) **Turlington:** Jerome talked about growth paying for itself. Instead of doing a traditional way with impact fees, there are tools that allow (places) like Avimor and other areas that are large master plan to create what are called Community Infrastructure

Districts to fund a lot of that infrastructure upfront...When that statute (was created) 13 years ago (it was) confined really to city limits or within areas of a city's (comprehensive) plan. Today, a good plan would be to look at expanding that out into the county.

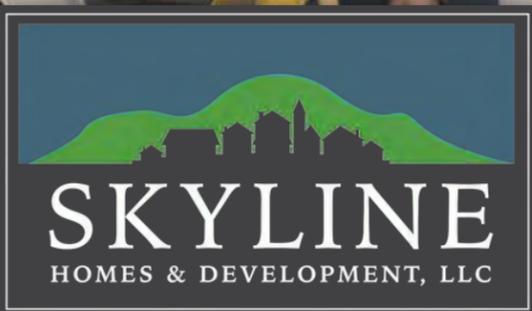
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