

# **U.S. SENATOR MIKE CRAPO**

## **2025 Idaho Housing Survey**

### **Executive Summary**



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U.S. SENATOR FOR IDAHO

# Executive Summary: 2025 Idaho Housing Survey Results

**Overview:** The 2025 Housing Survey gathered 5,014 valid responses from Idahoans and stakeholders with insight into Idaho's housing market. Respondents included homeowners, renters, bankers, insurance agents, state, tribal and local government officials, realtors and homebuilders. Across respondent groups, the survey points to a shared conclusion: Idaho's housing affordability challenges are driven by a combination of:

- High housing costs;
- Limited inventory;
- Rising interest rates;
- Property taxes;
- Construction and land costs;
- Regulatory barriers;
- Skilled labor shortages;
- Infrastructure constraints; and
- The growing effect of out-of-state or institutional investment in local housing markets.

Although each group views the issue(s) from a different position in the housing system, several consistent themes emerged. Renters and prospective buyers struggle to absorb rising monthly housing costs. Homeowners are concerned about long-term affordability, property taxes and whether younger generations can remain in their hometowns. Industry professionals report high costs, reduced affordability and limited supply are affecting lending, insurance, sales and construction. Government officials describe the housing shortage as a workforce, infrastructure and economic development issue requiring coordinated action among public, private and nonprofit sectors.

**Cross-Cutting Takeaways:** Across all respondent groups, survey responses point to five major findings:

1. **Affordability is the central challenge.** Rent, home prices, interest rates, property taxes, insurance and construction costs all contribute to housing strain.
2. **Supply is not keeping pace with demand.** Respondents consistently cited low inventory, limited entry-level housing, insufficient rental availability and a need for more diverse housing types.
3. **Local workers are being priced out.** Renters, first-time buyers, teachers, first responders, service workers and young families were repeatedly identified as groups most affected.
4. **External pressures are shaping the market.** Out-of-state buyers, institutional investors, cash buyers and short-term rentals were frequently identified as reducing housing availability for permanent Idaho residents.
5. **Solutions require coordination.** No single sector can resolve Idaho's housing challenges alone. Respondents called for collaboration among federal, state and local governments, private developers, lenders, insurers, realtors, builders, nonprofits and community organizations.

**Overall Conclusion:** The 2025 Housing Survey shows Idaho's housing crisis is broad, interconnected and experienced differently across roles and regions. Renters face immediate cost burdens. Homeowners fear long-term displacement and loss of opportunity for the next generation. Lenders see borrowers squeezed by debt and underwriting limits. Insurers see rising risk. Government officials see infrastructure and workforce challenges. Realtors see insufficient inventory. Homebuilders see mounting production barriers.

The most pertinent message across the survey is that Idaho needs more attainable housing options, supported by policies and partnerships that address costs, supply, infrastructure, workforce needs and market pressures while respecting the distinct needs of Idaho's regions and communities. Senator Crapo will continue to pursue collaborative working models with local, state, tribal and federal officials, as well as with public, private and public-private partners. He recognizes these complex issues will require thorough conversations from a variety of stakeholders. He will evaluate any housing policies through the lens of these challenges.

**1. Renters and Homeowners – Key Findings:** The largest share of survey respondents identified as homeowners or renters, representing 90.1 percent of total respondents. Within this group, 3,472 respondents identified as homeowners, 866 identified as renters, 159 reported living with family or friends and 21 reported being homeless. The bulk of the respondent pool was long-term residents and older homeowners, with the largest single subgroup consisting of homeowners age 65 or older living in two-person households.

Most homeowner and renter respondents reported some level of satisfaction with their current living situation, but affordability concerns were widespread. Overall, 75 percent of participating homeowners and renters reported being either somewhat satisfied or very satisfied with their current living situation. However, homeowners were much more likely to report being very satisfied, while renters were more likely to report being only somewhat satisfied or somewhat dissatisfied.

Cost was the dominant housing concern. When asked about important factors in choosing a place to live, respondents most frequently selected cost, followed by neighborhood safety and access to nature. If cost was not a factor, 85 percent of respondents said they would prefer to live in a single-family home, reinforcing that many housing preferences are constrained by affordability and availability rather than choice.

The survey shows a clear divide between homeowners and renters in housing cost burden. Homeowners, especially those with higher incomes or lower mortgage rates, were more likely to report housing costs below 30 percent of gross monthly income. Renters, particularly those earning less than \$7,000 per month, more often reported spending more than 30 percent of income on housing. Respondents living with family or friends also frequently reported financial strain, suggesting that shared living arrangements may reflect housing insecurity rather than preference.

Renters reported critical barriers in the rental market. Eighty-five percent reported trouble finding rental units that met their needs, and 89 percent reported high upfront costs such as first and last month's rent, security deposits and pet deposits. Sixty-four percent reported high application fees, often between \$50 and \$100 per application.

The most frequently-cited rental challenges were:

- Cost of rent;
- Lack of availability;
- Pet policies;
- Size of living space; and
- Long waiting lists.

Only five percent of participating renters reported using government rental assistance, and many who did, reported difficulty finding landlords willing to accept vouchers. Homeowners described a different but related set of pressures. Many cited property taxes, high interest rates, low inventory, homeowners' association (HOA) costs or rules, construction delays, permitting burdens and rising insurance costs as contributors to affordability concerns. Forty-five percent of homeowners said property taxes were a burden on their monthly household budget, with older respondents and those on fixed

incomes especially concerned. Forty percent of homeowners reported living in an HOA. Among them, 29 percent said HOA fees were burdensome, and 30 percent said covenant rules were burdensome.

**Major Themes:** Renters emphasized immediate monthly affordability issues such as:

- Rent increases;
- Application fees;
- Deposit requirements;
- Strict screening standards; and
- Voucher acceptance.

Homeowners focused more on long-term affordability issues:

- Property taxes;
- Interest rates;
- The ability to downsize or move; and
- Concerns that younger Idahoans can no longer buy homes in their own communities.

Both groups identified supply constraints as a central issue. Respondents repeatedly pointed to low housing inventory, out-of-state buyers, corporate or institutional investors and short-term rentals as factors reducing the availability of homes for permanent residents.

At the same time, many respondents supported more housing options, including:

- Smaller homes;
- Accessory dwelling units (ADUs);
- Townhomes;
- Duplexes;
- Senior housing; and
- Workforce housing.

Some respondents expressed concern about density, traffic, infrastructure and changes to community character.

**Conclusion:** Homeowners and renters agree that Idaho's housing market is increasingly unaffordable, but they experience the crisis differently. Renters face immediate pressure from high rents and upfront costs, while homeowners worry about taxes, insurance, interest rates and the next generation's ability to purchase a home. The shared concern is that housing costs are rising faster than incomes, while available housing options are not keeping pace with population growth or community needs.

**2. Bankers - Key Findings:** Results show mortgage lending has become more difficult for many borrowers, especially low- and middle-income households and first-time buyers.

- Seventy-seven percent of participating bankers cited debt-to-income limitations as the main barrier to loan qualifications. Respondents specifically mentioned student loans, credit card debt and auto loans as factors that make it harder for borrowers to meet underwriting standards. Other factors included lack of down payment, creditworthiness and income verification challenges.
- Home loan approvals have decreased while denials have increased from 2020-2025.
- Rising interest rates have reduced purchasing power and discouraged existing homeowners with low mortgage rates from selling.
- High home prices, stagnant wages, limited entry-level inventory and higher property taxes further reduce loan eligibility.
- Applications increasingly involve more than two borrowers, suggesting that families or unrelated individuals may be combining incomes to qualify for a mortgage.

**Regulatory and Policy Themes:** Respondents suggested a range of changes to State and Local policy to improve access to affordable housing finance. They also cited down-payment assistance partnerships, low down-payment products and access to capital as ways the banking industry can support affordability. Common recommendations included:

- Streamlining city and county permitting;
- Reducing development fees;
- Improving infrastructure;
- Supporting zoning changes for higher-density or affordable developments;
- Expanding state housing trust or grant programs;
- Simplifying federal loan processes; and
- Reducing burdensome documentation requirements for government-backed loans.

**Conclusion:** Bankers see strong demand for affordable housing financing but report many borrowers cannot qualify under current market conditions. Rising interest rates, high prices, debt burdens and limited inventory have made lending more difficult. Banks can help with education, products and partnerships, but respondents stressed that lending solutions alone cannot overcome the larger supply, cost and income challenges in Idaho's housing market.

**3. Insurance Agents – Key Findings:** Insurance agents noted that rising insurance costs add to the total cost of homeownership and become a barrier for households already stretched by mortgage payments, taxes and utilities. Responses also suggest insurance availability is not only a household-level concern but a community-level issue. Fire protection, defensible space, local mitigation efforts and infrastructure all affect insurance markets.

**Wildfire risk:** More than two-thirds of insurance agents identified wildfire as the most common risk when insuring homes and property in Idaho. Respondents reported wildfire exposure can cause insurers to view an area as “too risky” and can withdraw product offerings, restrict new policies in certain ZIP codes or increase premiums in higher-risk areas. Fireline scores and proximity to fire protection services were described as important factors in determining coverage availability and cost. Half of participating agents reported seeing an increase in customers requesting or purchasing policies for properties in the Wildland Urban Interface (WUI). This is significant because many Idaho homes are located in areas where development meets or intermingles with wildland vegetation, increasing exposure to wildfire risk. Respondents indicated homes in these areas may face higher premiums or reduced insurance options.

Other major factors influencing homeowners’ insurance premiums:

- Claim and credit history of the insured;
- Wildfire and extreme weather risk;
- Size, location, age or condition of the home; and
- Local crime rates, litigation costs and policy bundling.

Agents reported older homes, poorly maintained homes, homes with roof or water damage and homes needing updates can be more difficult or expensive to insure. This has particular implications for low- and middle-income households, which may have fewer financial resources to make repairs or risk-reduction improvements.

**Regulatory and Policy Themes:** Insurance agents generally described Idaho as a favorable regulatory state for insurance. Recommendations focused on:

- Risk mitigation and homeowner maintenance education;
- Incentives and investments in risk-reduction improvements such as defensible space;
- Improved community-level wildfire preparedness; and
- Stronger collaboration among insurers, regulators, local housing agencies, financial institutions and developers.

**Conclusion:** Insurance agents in Idaho view insurance affordability as increasingly tied to wildfire risk, property condition and location. While respondents generally did not describe Idaho’s insurance market as highly restricted, they warned wildfire exposure and older or poorly maintained housing can raise costs and limit options.

**4. State and Local Government Officials – Key Findings:** State, local and tribal officials from across Idaho identified housing affordability as a community-wide challenge affecting workforce stability, economic development, infrastructure planning and quality of life.

High land and construction costs were cited as the major drivers of unaffordability, with 37 percent pointing to rising land values, material costs, labor shortages and delays as key factors limiting new housing production. These pressures are especially acute in rural areas, where wages often do not support the cost of new development.

Workforce housing remains a critical concern, with teachers, first responders and service workers often unable to live in the communities they serve. Officials warned this shortage strains local economies through longer commutes, reduced services and workforce recruitment challenges.

Short-term rentals were also identified as reducing housing supply, particularly in tourism-driven areas such as Valley County, Ketchum, Driggs, Moscow and Sandpoint. Infrastructure limitations-- including insufficient water, sewer, roads and utilities—further constrain development and increase costs, often contributing to sprawl and cost increases passed onto buyers or renters.

**Current Government Initiatives:** Many jurisdictions are taking action. Seventy-five percent are updating zoning to allow higher density and a wider range of housing types, while 43 percent are permitting ADUs. Over half reported partnerships with housing authorities, developers and nonprofits. Some communities are offering fee reductions or deferrals to incentivize affordable housing and exploring alternatives such as manufactured or tiny homes.

**Conclusion:** Officials emphasized the difficulty of balancing housing needs with infrastructure limits, public input and competing community priorities. There was broad agreement that local governments cannot solve this issue alone. Respondents called for stronger coordination across federal, state and local partners, along with expanded funding, infrastructure investment and flexible policies.

Idaho's housing challenges are both a housing and economic issue. While local efforts are underway, officials stressed that meaningful progress will require sustained collaboration and additional resources.

**5. Realtors – Key Findings:** Realtors reported homes often sell relatively quickly, but affordability is a major barrier for local buyers, especially for first-time buyers.

- Seventy-nine percent of realtors said buyer demand exceeds property availability in their market areas, and hundreds or even more than 1,000 additional affordable units are needed to meet demand.
- Despite high prices and elevated interest rates, homes are still moving relatively quickly in many areas, typically selling within 31 to 60 days or 11 to 30 days.
- Single-family homes are the most sought-after and most commonly-listed property type.
- Major obstacles for first-time buyers include high prices, interest rates, insufficient wages, property taxes, limited entry-level inventory and competition from cash buyers. Local buyers relying on traditional financing also have challenges competing with out-of-state buyers with higher incomes, substantial equity or cash reserves.
- Homeowners with low mortgage rates are reluctant to sell affecting inventory.

**Market and Development Challenges:** Realtors commonly cited:

- Lack of inventory;
- Local zoning and land-use regulations;
- Large minimum lot sizes;
- Limits on ADUs;
- Long approval timelines;
- Permitting costs;
- Impact fees;
- Construction costs;
- Affordable homes located farther from jobs, especially in tourist areas; and
- Labor shortages.

Many realtors emphasized that solving affordability will require more housing supply, more diverse housing types and better coordination among government, developers, lenders, nonprofits and community stakeholders. They also suggested realtors can help by educating buyers, connecting clients with assistance programs and advocating for policies that support attainable housing.

**Conclusion:** Realtors see Idaho's housing market as active but increasingly inaccessible for many local buyers. Inventory shortages, high prices, interest rates and competition from cash or out-of-state buyers limit opportunities for first-time and middle-income households. Realtors broadly support strategies that increase supply, reduce development barriers and expand attainable housing options while maintaining market stability.

**6. Homebuilders – Key Findings:** These responses identify the primary cost drivers, regulatory inefficiencies and skilled labor shortages that make it difficult to build homes at prices Idaho households can afford and pass costs onto future buyers. Homebuilders also reported interest in innovative construction techniques such as modular and prefabricated options but had practical concerns. Respondents noted that shipping, manufacturing costs, financing considerations and durability concerns may limit the affordability advantage of these approaches in some cases.

**Leading Cost Drivers:**

- Land;
- Materials;
- High-interest rate financing; and
- Community opposition delaying construction.

**Regulatory inefficiency:**

- Prolonged permitting processes;
- High impact fees;
- Inconsistent code interpretation across jurisdictions; and
- Infrastructure related requirements such as wider streets, sidewalks or lighting.

**Skilled labor shortages:**

- Electricians;
- Plumbers;
- Heating, ventilation and air conditioning (HVAC) technicians;
- Framers;
- Masons;
- Carpenters; and
- General laborers.

**Policy and Process Themes:** Homebuilders most often recommended:

- Streamlining permitting;
- Making regulations more consistent;
- Reducing fees;
- Revising zoning codes;
- Allowing smaller lots and higher-density housing;
- Expediting approvals;
- Creating incentives for affordable or workforce housing projects;
- Allowing more diverse housing types;
- Strengthening the skilled trades pipeline; and
- Continuing to explore cost-saving construction methods.

**Conclusion:** Homebuilders view Idaho’s housing affordability challenge as a production-cost problem as much as a demand problem. Land, materials, financing, permitting, fees, labor shortages and community opposition all make it difficult to build attainable homes. Builders believe streamlining development processes, expanding the skilled workforce and allowing more varied housing types would help increase supply and reduce costs over time.