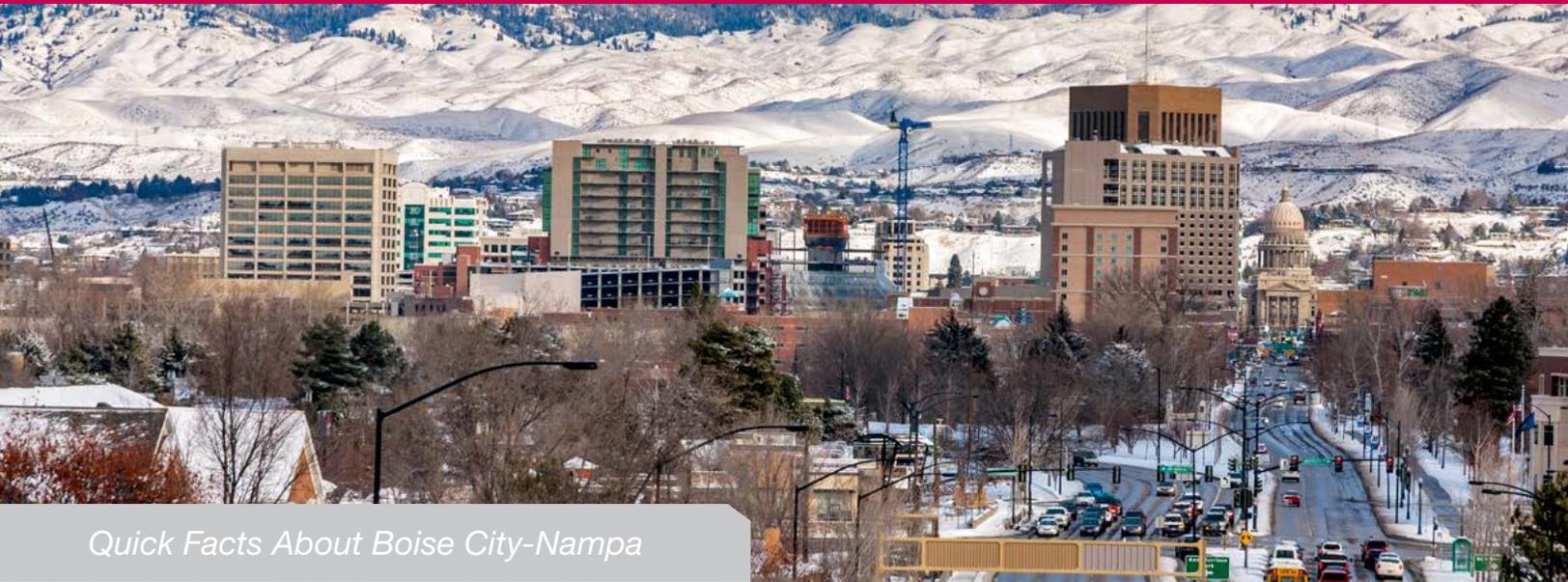


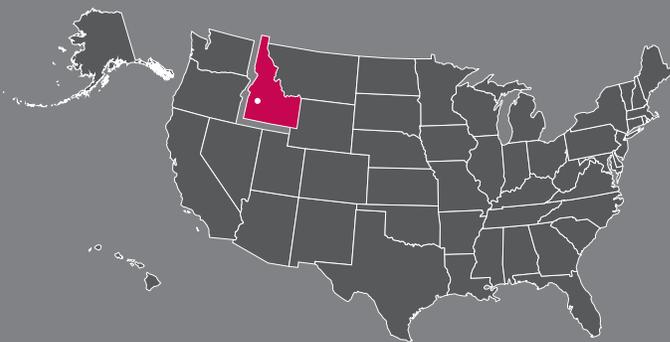
# HUD PD&R Housing Market Profiles

## Boise City-Nampa, Idaho



### Quick Facts About Boise City-Nampa

- **Current sales market conditions: balanced.**
- **Current apartment market conditions: tight.**
- **New home sales were up 44 percent, to 2,200 homes sold, and existing home sales were up 6 percent, to 15,525 homes sold, during the 12 months ending July 2013.**



By Holli M. Weaver | As of August 1, 2013

## Overview

The Boise City-Nampa metropolitan area, in the Treasure Valley of southwestern Idaho, consists of Ada, Boise, Canyon, Gem, and Owyhee Counties. The principal counties of Ada and Canyon comprise 95 percent of the metropolitan area's population. The city of Boise, in Ada County, is the state capital and home to Boise State University, which enrolled an estimated 22,700 students in the fall of 2012.

- As of August 1, 2013, the estimated population was 649,900, reflecting an average annual increase of 11,050, or 1.7 percent, since July 2012.
- Net in-migration has averaged 6,150 people annually since July 2012, accounting for approximately 57 percent of the total population growth. By comparison, from July 2004 to July 2007, when economic conditions were strongest, net in-migration averaged 15,650 people annually. Net in-migration accounted for nearly 75 percent of the total population growth during that period, which averaged 21,450 people, or 3.9 percent, annually.
- From July 2008 to July 2010, the population increased at an average annual rate of 1.2 percent, the slowest annual increase in the past 15 years, mainly because of weak economic conditions.



The professional and business services sector led job growth in the Boise City-Nampa area followed by the education and health services sector.

	3 Months Ending		Year-Over-Year Change	
	July 2012 (thousands)	July 2013 (thousands)	Absolute (thousands)	Percent
Total nonfarm payrolls	266.3	274.1	7.8	2.9
Goods-producing sectors	38.4	39.0	0.5	1.3
Mining, logging, and construction	14.2	14.5	0.4	2.8
Manufacturing	24.3	24.4	0.2	0.8
Service-providing sectors	227.9	235.2	7.3	3.2
Wholesale and retail trade	43.8	43.8	0.0	0.0
Transportation and utilities	8.2	8.5	0.3	3.7
Information	4.3	4.3	0.0	0.0
Financial activities	14.3	15.5	1.2	8.4
Professional and business services	40.0	42.7	2.7	6.8
Education and health services	40.0	41.7	1.7	4.3
Leisure and hospitality	25.4	26.4	1.0	3.9
Other services	9.5	9.8	0.2	2.1
Government	42.3	42.4	0.2	0.5
	<b>(percent)</b>	<b>(percent)</b>		
Unemployment rate	6.8	6.0		

Note: Numbers may not add to totals because of rounding.  
Source: U.S. Bureau of Labor Statistics

## Economic Conditions

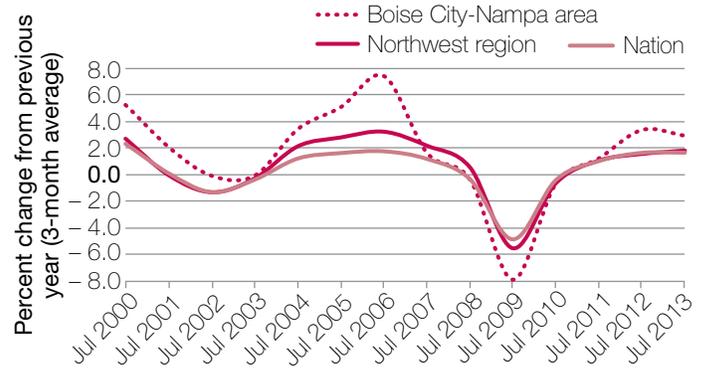
Economic conditions in the Boise City-Nampa metropolitan area have improved steadily since the beginning of 2011, after losing 23,400 jobs, or an average of 7,800 jobs annually, from 2007 through 2010.

During the 3 months ending July 2013—

- Nonfarm payrolls averaged 274,100 jobs, an increase of 2.9 percent, or 7,800 jobs, compared with nonfarm payrolls during the 3 months ending July 2012.
- The professional and business services sector led job growth, adding 2,700 jobs, a 6.8-percent increase, partially because WDS, a Xerox Company, hired 700 people and T-Mobile USA, Inc., added 125 new call-center jobs.
- Hiring at hospitals and healthcare clinics contributed to a gain of 1,700 jobs, or 4.3 percent, in the education and health services sector.
- Job gains led to a decrease in the unemployment rate, which averaged 6.0 percent, down from 6.8 percent a year ago.

continued on page 3

The economy expanded faster in the Boise City-Nampa area than in the Northwest region and the nation.



Note: Nonfarm payroll jobs.  
Source: U.S. Bureau of Labor Statistics

## Largest employers in the Boise City-Nampa area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
St. Luke's Health System	Education and health services	8,000
Wal-Mart Stores, Inc.	Wholesale and retail trade	7,125
Micron Technology, Inc.	Manufacturing	5,000

Note: Excludes local school districts.  
Source: Moody's Analytics (2011)



continued from page 2

A new 18-story commercial building is slated to open in January 2014 in downtown Boise. The confirmed tenants include Babcock Design Group; Beck Advisory Group; CTA Architects and Engineers; D.B. Fitzpatrick & Co., Inc.; First American Title Insurance Company;

Flatbread Neapolitan Pizzeria, Inc.; Gardner Company; Holland & Hart LLP; Idaho Technology Council; Ruth's Chris Steak House; The Grill at 8th and Main; and Zions Bancorporation.

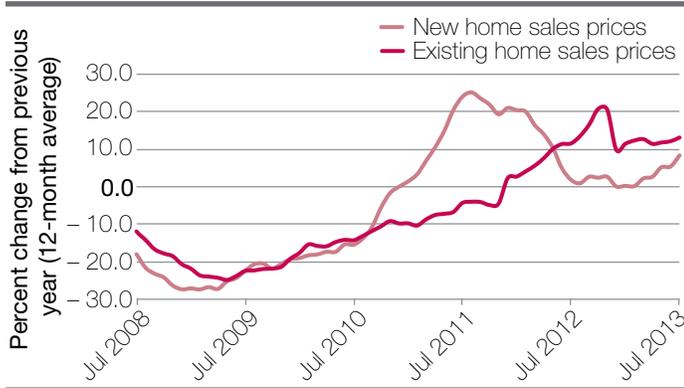
## Sales Market Conditions

Sales housing market conditions in the Boise City-Nampa metropolitan area are currently balanced compared with the soft conditions of a year ago. During the 12 months ending July 2013, 15,525 existing homes (including single-family homes and townhomes, but excluding condominiums) sold, up 6 percent from a year ago, and the average sales price increased 13 percent, to \$202,300. By comparison, during the 12 months ending July 2011 and July 2012, an

average of 14,150 existing homes sold annually, and the average sales price was \$169,500. New home sales increased 44 percent, to 2,200 homes sold, and the average sales price was up 8 percent, to \$234,900 during the 12 months ending July 2013. By comparison, an average of 1,275 new homes sold annually at an average price of \$219,300 during the 12 months ending July 2011 and July 2012. During the 12 months ending July 2013, REO (Real Estate Owned) sales declined 43 percent, to 2,950 homes sold, the fewest REO sales since 2010, and the average sales price of an REO home increased 20 percent, to \$160,400 (Metrostudy, A Hanley Wood Company).

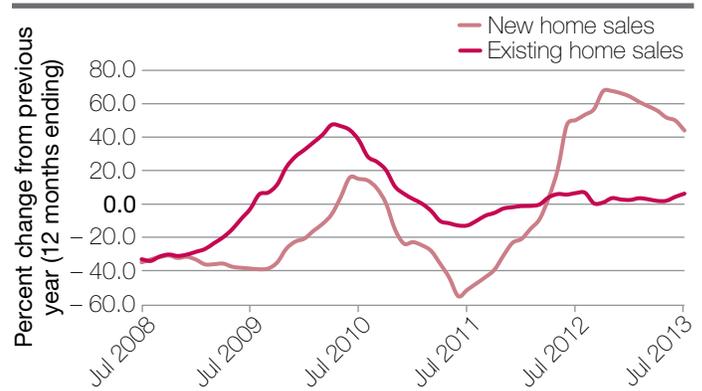
continued on page 4

**The average existing home sales price increased faster than the average new home sales price in the Boise City-Nampa area.**



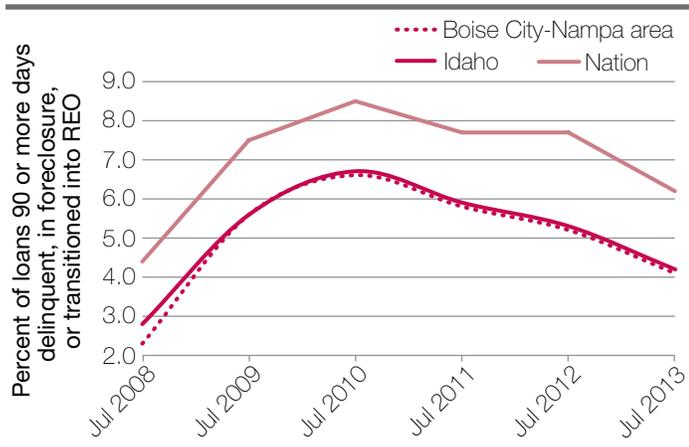
Note: Includes single-family homes and townhomes. Source: Metrostudy, A Hanley Wood Company

**Existing home sales stabilized in the Boise City-Nampa area.**



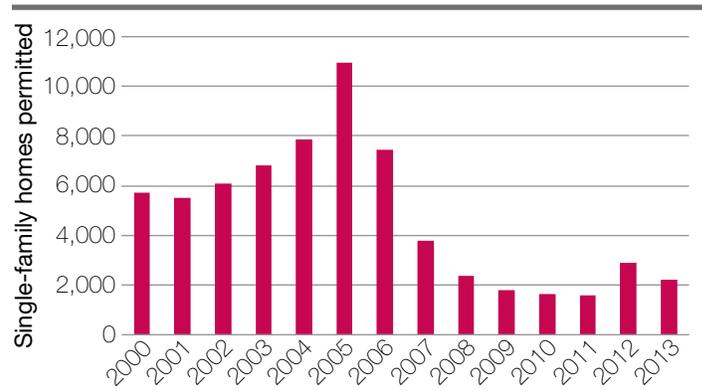
Note: Includes single-family homes and townhomes. Source: Metrostudy, A Hanley Wood Company

**The rate of distressed loans in the Boise City-Nampa area has mirrored the rate for Idaho since July 2008.**



REO = Real Estate Owned. Source: LPS Applied Analytics

**Single-family permitting in the Boise City-Nampa area was on pace to exceed the level in 2012, the highest since 2007.**



Note: Includes preliminary data from January 2013 through July 2013. Source: U.S. Census Bureau, Building Permits Survey



continued from page 3

- During the 12 months ending July 2013, REO sales comprised 16 percent of existing home sales compared with 31 percent of existing home sales during the previous 12-month period (Metrostudy, A Hanley Wood Company).
- In Ada County, the most populous county in the metropolitan area, 1,800 existing homes were listed for sale as of July 2013, an increase of 16 percent from July 2012, and the average number of days a home remained on the market declined from 51 to 43 days (Intermountain Multiple Listing Service).
- Conversely, the number of new homes listed for sale declined 6 percent, to 570, as of July 2013, and the average number of days a home remained on the market fell from 68 to 52 days (Intermountain Multiple Listing Service).

Since 2011, an increase in single-family home construction, as measured by the number of single-family homes permitted, is the result of increasing new home sales and the steadily improving economy.

During the 3 months ending July 2013—

- Permits were issued in the metropolitan area for 1,100 single-family homes, an increase of 32 percent compared with the 840 single-family homes permitted during the 3 months ending July 2012 (preliminary data).
- Approximately 75 percent of single-family permitting activity was in Ada County, with 23 percent in Canyon County and the remaining 2 percent spread throughout Boise, Gem, and Owyhee Counties.
- The largest percentage increase in single-family home construction was 49 percent in Canyon County, as compared with an increase of 28 percent in Ada County.
- An estimated 1,450 single-family homes are currently under construction in the metropolitan area.

## Apartment Market Conditions

The apartment market in the Boise City-Nampa metropolitan area was tight in the second quarter of 2013, with a vacancy rate of 3.3 percent, down from 4.9 percent a year earlier (Reis, Inc.).

- The apartment vacancy rate has declined steadily since the second quarter of 2010 because of a shift in household preferences toward renting and historically low levels of multifamily building activity.
- An estimated 17,500 Boise State University students live off campus in privately owned housing, comprising approximately 8 percent of all renter households in the metropolitan area and providing a stable source of rental demand.

- The average asking rent was \$735 in the second quarter of 2013, a 2.4-percent increase from the same period a year earlier; rents averaged \$533 for a studio unit, \$661 for a one-bedroom unit, \$761 for a two-bedroom unit, and \$887 for a three-bedroom unit (Reis, Inc.).
- The market is tightest for units built before 1970, which have a 1.0-percent vacancy rate. Units built after 2009 have the highest vacancy rate, 8.3 percent, but this rate includes units still in the lease-up stage (Reis, Inc.).

Developers responded to tightening rental market conditions by increasing apartment construction relative to 2009 and 2010 levels.

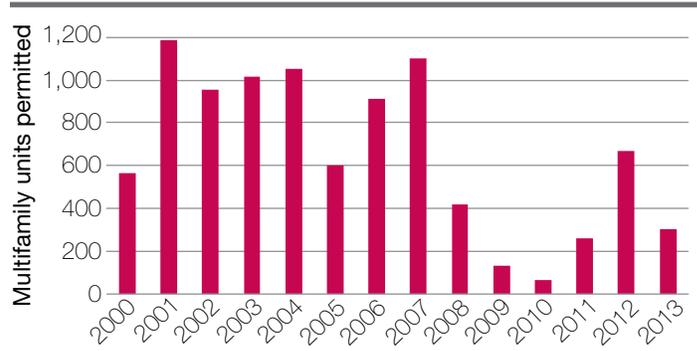
continued on page 5

### Beginning in 2010, vacancies declined and rents increased in the Boise City-Nampa area.



Source: Reis, Inc.

### Multifamily construction in the Boise City-Nampa area began increasing in 2011 because of tightening rental market conditions.



Note: Includes preliminary data from January 2013 through July 2013.

Source: U.S. Census Bureau, Building Permits Survey



continued from page 4

During the 12 months ending July 2013—

- Building permits were issued for 500 multifamily units in the metropolitan area, a 16-percent decrease compared with the 600 units permitted during the 12 months ending July 2012 (preliminary data).
- By comparison, an average of 100 multifamily units were permitted annually in 2009 and 2010, with approximately 95 percent of the units being apartments.
- Approximately 75 percent of apartment construction occurred in Ada County, with the remainder in Canyon County.
- The 126-unit Retreat at Union Square, which opened in mid-February 2013 in downtown Boise, is currently 99 percent occupied, reflecting an average monthly absorption of 25 units. Rents range from \$700 to \$855 for one-bedroom units, from \$870 to \$965 for two-bedroom/two-bathroom units, and from \$1,050 to \$1,090 for three-bedroom/two-bathroom units.
- The 240-unit The Regency at River Valley, in Meridian, began opening in phases in mid-June 2013. Rents range from \$730 to \$820 for one-bedroom units and from \$845 to \$950 for two-bedroom units.
- The most recently completed apartment complexes in Canyon County both opened in the summer of 2012 in Nampa. Brassy Cove, which has 280 two-bedroom/two-bathroom units with rents ranging from \$675 to \$725, and Avondale, with 192 two-bedroom/two-bathroom units with rents ranging from \$695 to \$725, both reported a 1-percent vacancy rate as of July 2013.
- Approximately 500 apartment units are currently under construction in the metropolitan area.

