

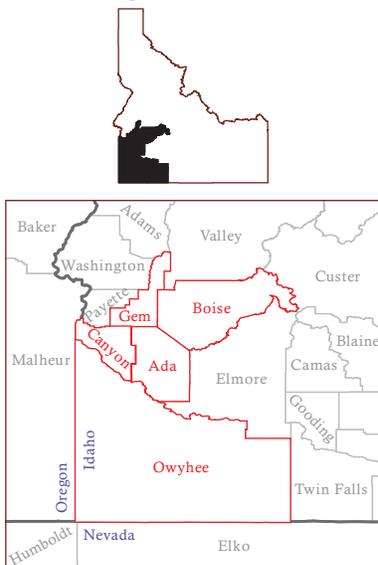


# Boise City-Nampa, Idaho

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of April 1, 2012



## Housing Market Area



The Boise City-Nampa Housing Market Area (HMA), locally referred to as the Treasure Valley, consists of five counties in southwestern Idaho—Ada, Boise, Canyon, Gem, and Owyhee. The principal counties of Ada and Canyon comprise 95 percent of the HMA population. Located in Ada County, the city of Boise is the state capital and home to Boise State University (BSU).

## Market Details

- Economic Conditions ..... 2
- Population and Households ..... 4
- Housing Market Trends ..... 6
- Data Profile ..... 9

## Summary

### Economy

Economic conditions in the Boise City-Nampa HMA have steadily improved since mid-2011 and, during the 12 months ending March 2012, nonfarm payrolls increased by 3,500 jobs, or 1.4 percent. During the same period, increased employment in the area decreased the average unemployment rate from 9.1 to 8.6 percent. The three largest private employers are St. Luke’s Health System, Wal-Mart Stores, Inc., and Micron Technology, Inc., with 8,000, 7,125, and 5,000 employees, respectively. Nonfarm payrolls are expected to continue growing during the 3-year forecast period at an average annual rate of 1.8 percent.

### Sales Market

Sales housing market conditions in the HMA are currently soft but are improving. During the first quarter of 2012, 2,075 new and existing homes sold, up 3 percent from the number sold during the first quarter of 2011, and the average home sales price increased 8 percent. Demand during the 3-year forecast period is expected for 7,725 new homes. The 430 homes currently under construction (Table 1) and some of the estimated 9,000

other vacant units that may return to the market will satisfy a portion of the demand.

### Rental Market

The rental housing market is balanced but tightening, with an estimated 5.5-percent vacancy rate as of April 1, 2012. According to Reis, Inc., the apartment vacancy rate declined from 6.4 percent during the first quarter of 2011 to 4.6 percent during the first quarter of 2012. During the next 3 years, demand is expected for 3,075 new rental units (Table 1). Approximately 650 units are currently under construction and will satisfy a portion of the forecast demand.

**Table 1. Housing Demand in the Boise City-Nampa HMA, 3-Year Forecast, April 1, 2012 to April 1, 2015**

	Boise City-Nampa HMA	
	Sales Units	Rental Units
Total Demand	7,725	3,075
Under Construction	430	650

*Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of April 1, 2012. A portion of the estimated 9,000 other vacant units in the HMA will likely satisfy some of the forecast demand.*

*Source: Estimates by analyst*

# Economic Conditions

Nonfarm payrolls in the Boise City-Nampa HMA declined 7 percent after peaking at 277,000 jobs in 2007; however, year-over-year job growth has been positive since mid-2011. During the 12 months ending March 2012, nonfarm payrolls increased by 3,500 jobs, or 1.4 percent, to a total of 257,500 (Table 2). This increase is a significant improvement from the previous 12 months, when nonfarm payrolls declined by 2,900 jobs, or 1.1 percent.

The education and health services sector, which accounts for more than 15 percent of total nonfarm payrolls, has

been the fastest growing sector in the HMA since 2000 (Figures 1 and 2). In response to rapid population growth experienced during the 2000s, sector payrolls increased by an average of 1,400 jobs, or 4.6 percent, a year from 2000 to 2010. During the current 12-month period, the education and health services sector added 1,000 jobs, an increase of 2.7 percent, due in part to the 860 workers hired by St. Luke's Health System in 2011. Growth in this sector is expected to remain strong as the increasing population creates more demand for healthcare services. In Canyon County, two medical facility expansions are under way, with a total investment of \$20 million and a planned \$33.5 million expansion of Saint Alphonsus Regional Medical Center, which is expected to be completed during the fall of 2012 and employ 85 medical professionals. In addition, Promontory Healthcare Management, LLC, began construction on a 30-bed transitional care unit in Boise, which is expected to open by the end of 2012 and employ 50 people.

The importance of the manufacturing sector to the Boise City-Nampa economy has declined steadily during the past decade, decreasing its share of total nonfarm payrolls from 16 percent in 2000 to 9 percent as of the current date. The manufacturing sector, however, reported strong growth during the past 12 months, increasing by 650 jobs, or 3 percent, a trend that is expected to slow during the forecast period. One of the HMA's largest employers, J.R. Simplot Company (Table 3), announced plans to consolidate its operations into a single plant that will be located in Canyon County. This consolidation will result in 800 layoffs by the time the new plant opens in the spring of 2014. Conversely,

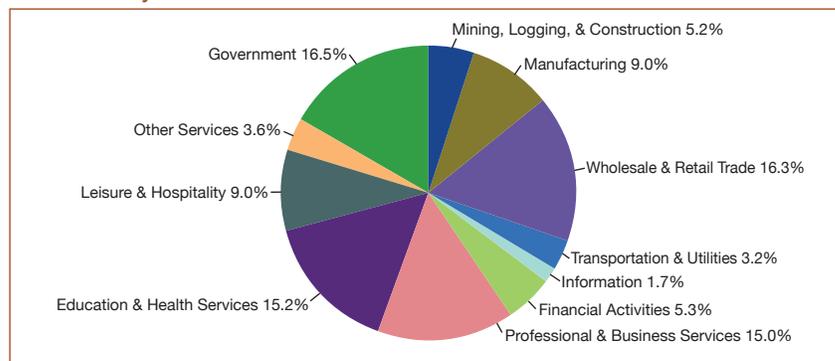
**Table 2. 12-Month Average Nonfarm Payroll Jobs in the Boise City-Nampa HMA, by Sector**

	12 Months Ending March 2011	12 Months Ending March 2012	Percent Change
Total Nonfarm Payroll Jobs	254,000	257,500	1.4
Goods Producing	35,200	36,550	3.9
Mining, Logging, & Construction	12,700	13,400	5.4
Manufacturing	22,500	23,150	3.0
Service Providing	218,800	221,000	1.0
Wholesale & Retail Trade	41,300	41,950	1.6
Transportation & Utilities	8,150	8,250	1.1
Information	4,375	4,325	-0.8
Financial Activities	13,650	13,750	0.7
Professional & Business Services	38,250	38,550	0.8
Education & Health Services	38,250	39,250	2.7
Leisure & Hospitality	22,700	23,150	2.0
Other Services	9,200	9,200	0.2
Government	42,950	42,550	-1.0

Notes: Based on 12-month averages through March 2011 and March 2012. Numbers may not add to totals because of rounding.

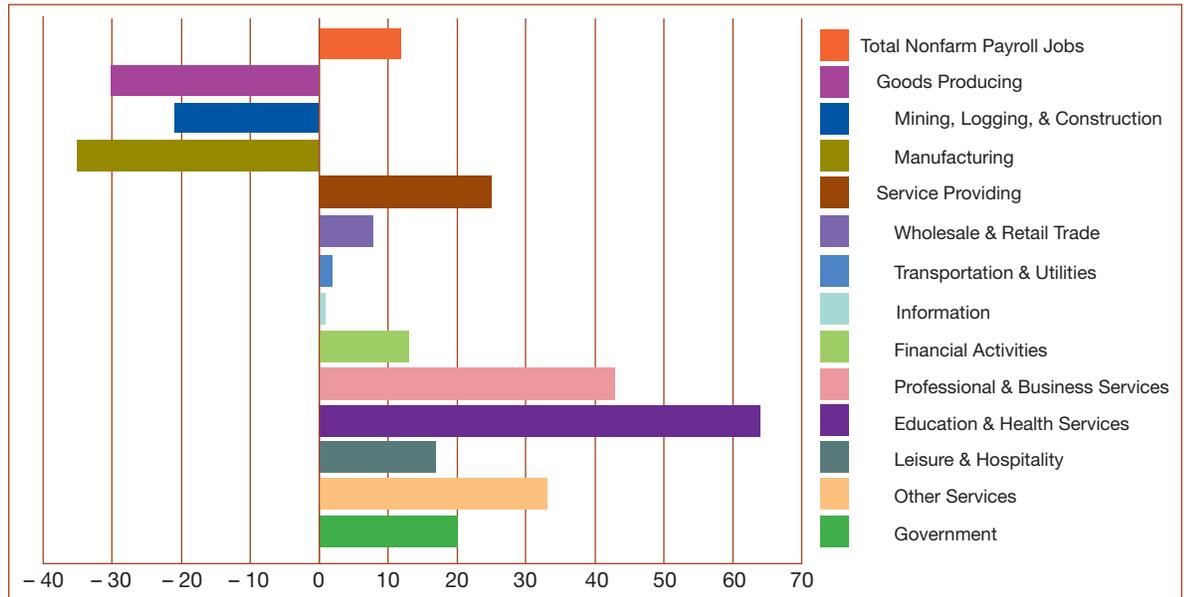
Source: U.S. Bureau of Labor Statistics

**Figure 1. Current Nonfarm Payroll Jobs in the Boise City-Nampa HMA, by Sector**



Note: Based on 12-month averages through March 2012.

Source: U.S. Bureau of Labor Statistics

**Figure 2. Sector Growth in the Boise City-Nampa HMA, Percentage Change, 2000 to Current**

Note: Current is based on 12-month averages through March 2012.

Source: U.S. Bureau of Labor Statistics

Canyon County cheese manufacturer Lactalis announced a \$40 million expansion, which will create an estimated 75 new jobs during the forecast period. In addition, electric bus manufacturer, Zonda USA, is moving its headquarters to Boise, which will create an estimated 1,000 jobs. During the 12 months ending March 2012, the wholesale and retail trade and the leisure and hospitality sectors improved, increasing by 600 workers, or 1.5 percent, and 500 workers, or 2 percent, respectively. Both sectors are anticipated to continue growing as several retail stores

and restaurant chains expand, including Fred Meyer, Rosauers, and Whole Foods, adding 100 to 150 employees each, and the fast-food restaurant Chick-fil-A, which is opening three new stores in Ada County that will each employ 50 people.

The economy of the Boise City-Nampa HMA, which is home to the state capital, is largely supported by government employment, which accounts for 42,500 jobs, nearly 17 percent of total nonfarm payrolls, up slightly from 15 percent in 2000. State and local government are the predominant subsectors, with 12,900 and 23,700 employees, respectively, including the 2,250 employees at BSU. The university, with 20,000 enrolled students and total expenses of nearly \$280 million in 2010, has a considerable impact on the local economy. An economic impact study commissioned by the university in 2010 estimated that students spend \$195 million a year on living expenses, with an additional \$17 million in indirect expenses.

**Table 3. Major Employers in the Boise City-Nampa HMA**

Name of Employer	Nonfarm Payroll Sector	Number of Employees
St. Luke's Health System	Education & Health Services	8,000
Wal-Mart Stores, Inc.	Wholesale & Retail Trade	7,125
Micron Technology, Inc.	Manufacturing	5,000
J.R. Simplot Company	Manufacturing	3,400
Hewlett-Packard Development Company	Manufacturing	3,000
Saint Alphonsus Regional Medical Center	Education & Health Services	2,950
Wells Fargo & Company	Financial Activities	2,275
Boise State University	Government	2,250
Idaho Power Company	Transportation & Utilities	2,025
Fred Meyer Stores, Inc.	Wholesale & Retail Trade	1,900

Note: Excludes local school districts.

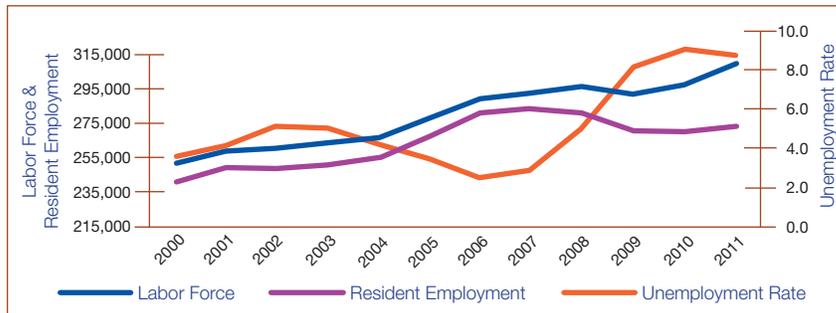
Source: Moody's Analytics

During the 12 months ending March 2012, the government sector declined by 400 jobs, or 1 percent, mainly because of losses in the federal government subsector. This trend is expected

to persist during the forecast period as government agencies continue to experience budget constraints.

Increased employment in the area brought the average unemployment rate down to 8.6 percent during the 12 months ending March 2012 compared with 9.1 percent a year ago. Figure 3 shows trends in the labor force, resident employment, and unemployment rates from 2000 to 2011. As the education and health services, trade, and leisure and hospitality sectors continue to expand, nonfarm payrolls are expected to increase during the 3-year forecast period at an average annual rate of 4,725 jobs, or 1.8 percent.

**Figure 3.** Trends in Labor Force, Resident Employment, and Unemployment Rate in the Boise City-Nampa HMA, 2000 Through 2011



Source: U.S. Bureau of Labor Statistics

## Population and Households

From 2000 through 2003, population growth in the Boise City-Nampa HMA averaged 2.9 percent annually, or 14,250 people, with net in-migration accounting for approximately 65 percent of the increase. As the economy expanded from 2004 through 2007, the population increased by an average of 3.9 percent, or 21,450, a year. During this period, relatively affordable living and increased employment opportunities boosted net in-migration to an average of 15,650 people a year. By 2008, the economy began to struggle and the population growth rate slowed to an average of 1.5 percent, or 9,275 people, a year to 2010. Since 2010, the population of the HMA has increased by an average of 9,075, or 1.5 percent, annually, to 634,700 as of April 1, 2012 (Table DP-1 at the end of the report). During this time, net in-migration averaged 4,200 people annually, accounting for 46 percent of total growth (Figure 4). As the

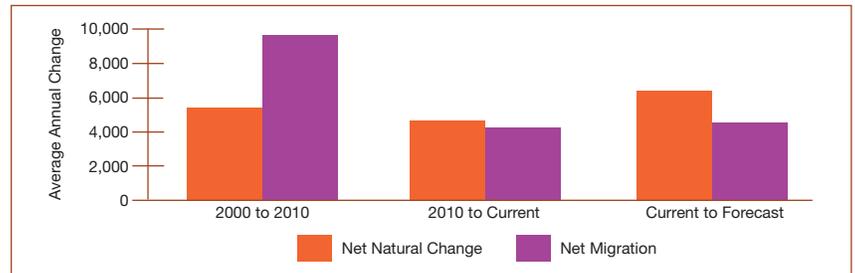
economy recovers, the population is expected to grow at an average annual rate of 1.7 percent, or by 11,250 people, with almost 60 percent resulting from net in-migration. The population of the HMA is expected to reach 668,500 by April 1, 2015.

An estimated 230,200 households reside in the HMA, reflecting an average annual increase of 2,300 households, or 1 percent, since 2010. By comparison, from 2000 to 2010, the number of households increased at an average annual rate of 5,525, or 2.9 percent. An estimated 157,300, or 68.3 percent, of current households are owner households and the remaining 72,950 are renter households. Since 2010, when 69.5 percent of households were homeowners, the homeownership rate has declined as a result of the weak sales housing market. Figure 5 shows the distribution of households by tenure for 2000, 2010, and the

current date. As employment conditions improve and net in-migration increases, household growth is expected to average 4,125 households, or 1.8 percent, a year during the

3-year forecast period. Figure 6 displays population and household growth trends from 2000 through the forecast period.

**Figure 4.** Components of Population Change in the Boise City-Nampa HMA, 2000 to Forecast



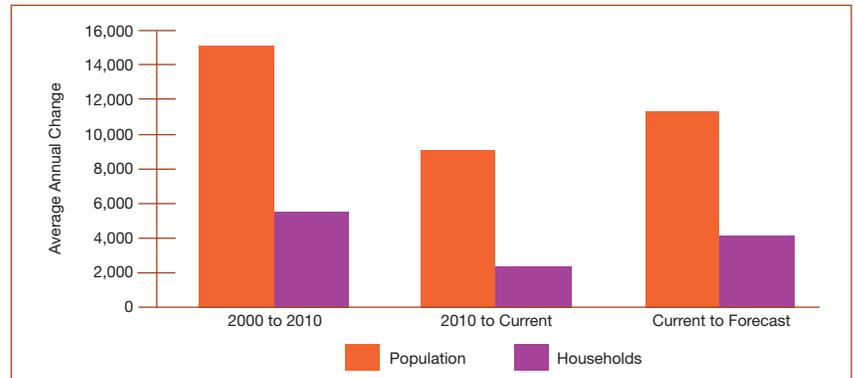
Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

**Figure 5.** Number of Households by Tenure in the Boise City-Nampa HMA, 2000 to Current



Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

**Figure 6.** Population and Household Growth in the Boise City-Nampa HMA, 2000 to Forecast



Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

# Housing Market Trends

## Sales Market

The sales housing market in the Boise City-Nampa HMA is soft, with an estimated vacancy rate of 3.5 percent because of slower population growth and stricter mortgage lending standards. According to data from the Intermountain Multiple Listing Service (IMLS), 1,775 existing homes sold during the first quarter of 2012, reflecting a 2-percent decrease from the first quarter of 2011; the average home sales price increased 7 percent to \$144,700. By comparison, existing home sales increased 15 percent from the first quarter of 2010 to the first quarter of 2011 but the average home sales price declined 20 percent. These conditions represent a significant improvement compared with the first quarters of 2008, 2009, and 2010, when the average home sales price declined by 6, 14, and 11 percent, respectively, and existing home sales fell by 36 and 14 percent before increasing 61 percent in 2010. Foreclosed properties continue to comprise a significant amount of the existing inventory, putting downward pressure on home sales prices; however, the rate is slowing. In March 2012, according to LPS Applied Analytics, 6 percent of all mortgages in the HMA were 90 or more days delinquent, in foreclosure, or Real Estate Owned (REO), down from 7.7 percent in March 2011 and 8.8 percent in March 2010.

The sales market for new homes improved in the first quarter of 2012 when 290 new homes sold; by comparison, 190 and 220 new homes sold in the first quarters of 2011 and 2010, respectively. The average sales price of a new home was \$206,700 in the first quarter of 2012, a 2-percent decrease from \$211,100 in the first quarter of

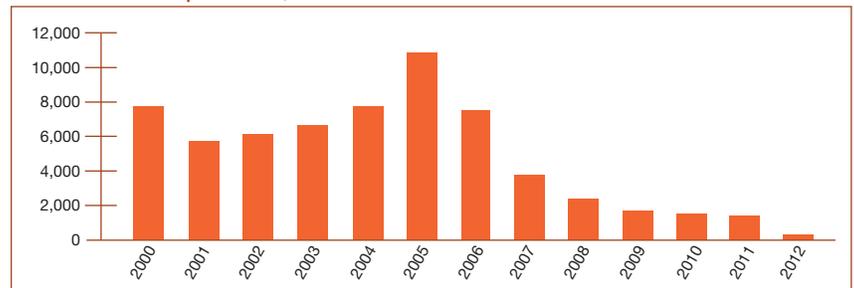
2011 but an 18-percent increase from \$174,800 in the first quarter of 2010. By comparison, the average new home sales price decreased by 15, 19, and 11 percent in the first quarters of 2008, 2009, and 2010, respectively, and new home sales fell by 15, 19, and 11 percent. The Harris Ranch subdivision in Boise had the most new home sales during 2011; 48 homes sold at an average price of \$343,700. SpurWing Greens in Meridian had the second most new home sales in 2011; 30 homes sold at an average price of \$332,700. Although condominiums do not typically represent a significant portion of the housing market, the 48-unit Crescent Rim Condominiums opened in Boise in July 2011, with units ranging in size from 1,000 to 3,000 square feet and prices starting in the mid-\$200,000s.

Home builders increased single-family construction activity in response to increased new home sales. During the 12 months ending March 2012, single-family home construction, as measured by the number of permits issued, increased to 1,750 homes, a 23-percent increase compared with the 1,425 permits issued during the previous 12 months, based on preliminary data. The previous 12-month period, however, was the lowest level of permitting in the past 20 years. Single-family construction peaked from 2003 through 2006, when an average of 8,250 homes were permitted annually. As economic conditions worsened and the housing market began to soften, single-family permits declined from 2007 through 2010, when an average of 2,375 permits was issued annually (Figure 7).

During the next 3 years, demand is anticipated for 7,725 new homes. The 430 homes currently under construction (Table 1) and some of the estimated 9,000 other vacant units that may return to the market will satisfy a portion of the forecast demand.

Demand for new homes is expected to be strongest for homes priced between \$100,000 and \$199,999. Table 4 presents the estimated demand for new housing by price range during the 3-year forecast period.

**Figure 7.** Single-Family Building Permits Issued in the Boise City-Nampa HMA, 2000 to 2012



Notes: Includes townhomes. Includes data through March 2012.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

**Table 4.** Estimated Demand for New Market-Rate Sales Housing in the Boise City-Nampa HMA, April 1, 2012 to April 1, 2015

Price Range (\$)		Units of Demand	Percent of Total
From	To		
50,000	99,999	230	3.0
100,000	149,999	2,325	30.0
150,000	199,999	3,100	40.0
200,000	249,999	770	10.0
250,000	299,999	700	9.0
300,000	349,999	390	5.0
350,000	399,999	150	2.0
400,000	and higher	75	1.0

Note: The 430 homes currently under construction and a portion of the estimated 9,000 other vacant units in the HMA will likely satisfy some of the forecast demand.

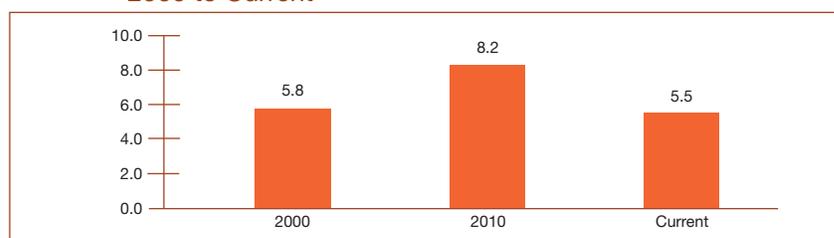
Source: Estimates by analyst

## Rental Market

Rental housing market conditions in the Boise City-Nampa HMA are balanced but tightening because of a

shift in household preferences toward renting. The rental vacancy rate is estimated at 5.5 percent as of April 1, 2012, down from 8.2 percent as of the 2010 Census (Figure 8). According to Reis, Inc., the apartment vacancy rate declined from 6.4 percent during the first quarter of 2011 to 4.6 percent during the first quarter of 2012. During the same period, the average market rent increased 3 percent to \$718 and

**Figure 8.** Rental Vacancy Rates in the Boise City-Nampa HMA, 2000 to Current



Sources: 2000 and 2010–2000 Census and 2010 Census; current—estimates by analyst

## Housing Market Trends

### Rental Market *Continued*

averaged \$646 for a one-bedroom unit, \$745 for a two-bedroom unit, and \$874 for a three-bedroom unit.

Data from Mountain States Appraisal indicate that the apartment market in Ada County, the HMA's most populous county, is tighter than the overall metropolitan area, with a vacancy rate of 4.5 percent in January 2012, down from 5.7 percent in January 2011 and 9.4 percent in January 2010. In January 2012, the average rent was \$618 for a one-bedroom unit, \$707 for a two-bedroom unit, and \$809 for a three-bedroom unit, representing 2-, 3-, and 1-percent increases, respectively, since January 2011.

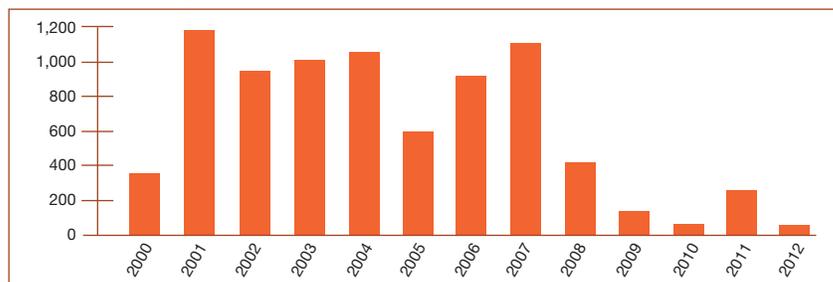
The newest market-rate apartment complex in the HMA is Gramercy Villas in Meridian, which began leasing at the end of February 2012 and is fully occupied. The complex has 48 units and rents are \$795 for a one-bedroom unit, \$895 for a two-bedroom unit, and \$995 for a three-bedroom unit. More than 17,000 BSU students reside off campus in privately owned housing, comprising more than 23 percent of renter households in the HMA and contributing to the tight rental housing market in Ada County. A new 90-unit project on the BSU campus,

Lincoln Townhomes, will begin leasing in August 2012. Each unit will have four bedrooms and three bathrooms with rents ranging from \$500 to \$600 per bedroom.

Since 2011, multifamily developers have responded to the tightening rental housing market by increasing apartment construction, as measured by the number of multifamily units permitted (Figure 9). Based on preliminary data, 320 multifamily units were permitted during the 12 months ending March 2012, up sharply from 65 in 2011 and 35 in 2010. Multifamily construction peaked as the economy expanded from 2004 through 2007, with an average of 920 multifamily units permitted annually. Developments currently under construction include a 53-unit subsidized senior apartment complex in Boise that is scheduled for completion in June 2012 and two other market-rate senior apartment projects: The Traditions at Boise, with 150 units scheduled for completion in June 2012, and Touchmark at Meadow Lake Village in Meridian, a 70-unit expansion expected to be finished in 2013. Two market-rate general occupancy projects under construction in Meridian will be completed during the forecast period: Crossfields Apartments, with 80 units, and Re-gency at River Valley, with 240 units.

During the next 3 years, demand is estimated for 3,075 new rental units in the HMA (Table 1). The 650 units currently under construction will meet a portion of that demand. Table 5 illustrates estimated demand for new market-rate rental housing in the HMA by number of bedrooms and rent levels.

**Figure 9.** Multifamily Building Permits Issued in the Boise City-Nampa HMA, 2000 to 2012



Notes: Excludes townhomes. Includes data through March 2012.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

**Table 5.** Estimated Demand for New Market-Rate Rental Housing in the Boise City-Nampa HMA, April 1, 2012 to April 1, 2015

One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
795 to 994	1,050	895 to 1,094	1,300	995 to 1,194	260
995 to 1,194	120	1,095 to 1,294	150	1,195 to 1,394	30
1,195 or more	60	1,295 or more	75	1,395 or more	15
<b>Total</b>	<b>1,225</b>	<b>Total</b>	<b>1,525</b>	<b>Total</b>	<b>310</b>

*Notes: Numbers may not add to totals because of rounding. The 650 units currently under construction will satisfy some of the estimated demand.*

*Source: Estimates by analyst*

## Data Profile

**Table DP-1.** Boise City-Nampa HMA Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total Resident Employment	242,887	270,206	252,600	1.1	- 5.2
Unemployment Rate	3.7%	9.1%	8.6%		
Nonfarm Payroll Jobs	229,000	253,600	257,500	1.0	1.2
Total Population	464,840	616,561	634,700	2.9	1.5
Total Households	170,291	225,594	230,250	2.9	1.0
Owner Households	122,323	156,740	157,300	2.5	0.2
Percent Owner	71.8%	69.5%	68.3%		
Renter Households	47,968	68,854	72,950	3.7	2.9
Percent Renter	28.2%	30.5%	31.7%		
Total Housing Units	181,170	246,052	249,200	3.1	0.6
Owner Vacancy Rate	2.1%	3.4%	3.5%		
Rental Vacancy Rate	5.8%	8.2%	5.5%		
Median Family Income	NA	\$62,500	\$61,900	NA	- 1.0

*NA = data not available.*

*Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through March 2012. Median family incomes are for 2009 and 2010.*

*Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst*

## Data Definitions and Sources

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2000: 4/1/2000—U.S. Decennial Census  
2010: 4/1/2010—U.S. Decennial Census  
Current date: 4/1/2012—Analyst’s estimates  
Forecast period: 4/1/2012–4/1/2015—Analyst’s estimates

**Demand:** The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

**Other Vacant Units:** In the U.S. Department of Housing and Urban Development’s (HUD’s) analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as “other” vacant by the Census Bureau.

**Building Permits:** Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to [www.huduser.org/publications/pdf/CMARtables\\_BoiseCity-NampaID\\_12.pdf](http://www.huduser.org/publications/pdf/CMARtables_BoiseCity-NampaID_12.pdf).

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This analysis has been prepared for the assistance and guidance of the HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD’s Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to [www.huduser.org/publications/econdev/mkt\\_analysis.html](http://www.huduser.org/publications/econdev/mkt_analysis.html).