

COMPREHENSIVE MARKET ANALYSIS REPORTS



Policy Development & Research

Analysis of the Boise, Idaho Housing Market

As of January 1, 2003



ECONOMIC RESEARCH

U.S. Department of Housing and Urban Development

Foreword

This analysis has been prepared for the assistance and guidance of the U.S. Department of Housing and Urban Development (HUD) in its operations. The factual information, findings, and conclusions may be useful also to builders, mortgagees, and others concerned with local housing conditions and trends. The analysis does not purport to make determinations with respect to the acceptability of any particular mortgage insurance proposals that may be under consideration in a particular locality or the housing market area.

The factual framework for this analysis was developed by HUD's Economic and Market Analysis Division as thoroughly as possible on the basis of information available on the "as-of" date from both local and national sources. As such, they may be modified by subsequent developments. We wish to express our appreciation to those industry sources and government officials who provided data and information on local economic and housing market conditions.

This analysis takes into consideration changes in the economic, demographic, and housing inventory characteristics of the market area during three periods: 1990 to 2000, 2000 to the as-of date of the analysis ("Current date"), and from the Current date to a "Forecast date." The analysis presents counts and estimates of employment, population, households, and housing inventory as of the 1990 and 2000 censuses, the Current date, and Forecast date. For the purposes of this analysis the forecast period is 24 months.

The prospective demand expressed in the analysis should not be construed as a forecast of building activity; rather, it presents the prospective housing production that would maintain a reasonable balance in demand-supply relationship given the market's condition on the as-of date of the analysis. This analysis was prepared by Mr. Thomas E. Aston, Field Economist in the Oregon State Office, based on fieldwork conducted in November 2002. If there are questions regarding the findings and conclusions of the analysis, he may be reached at (503) 326-2556 and at Tom_Aston@hud.gov.

Housing Market Area

For the purposes of this report, the Boise, Idaho Housing Market Area (HMA) is defined as Ada and Canyon Counties and is coterminous with the Boise, Idaho Metropolitan Statistical Area (MSA). For purposes of this analysis the HMA has been divided into three submarkets: the city of Boise, the remainder of Ada County outside the city limits of Boise (in this report referred to as Ada County), and Canyon County. A significant amount of daily commuting occurs from communities in Canyon County to the city of Boise and Ada County for purposes of employment, trade, services, and education.

The Boise metropolitan area is located in southwestern Idaho approximately 430 miles southeast of Portland, Oregon and 336 miles northeast of Salt Lake City. All of the major urban areas in the HMA are located along Interstate 5, the major east-west freeway in the northwestern United States. The city of Boise is located in Ada County. According to the Community Planning Association of Southwest Idaho, as of April 1, 2002 Boise's population was 193,085 persons, making it the largest urban area in the MSA and the state of Idaho. It is the state capital and Ada County seat. Meridian, Idaho's fifth largest city with a population of 39,744 persons, is located 8 miles to the west of Boise in Ada County. Nampa, Idaho's second largest city with a population of 58,952 persons, is the largest urban area in Canyon County and is located approximately 18 miles west of Boise. Caldwell, located to the west of Nampa, is the Canyon County seat with a population of 28,857 persons.

Summary

The Boise HMA registered 9 years of rapid job growth and a greatly diversified economic base through 2001. However, the impact of the downturn in the national economy hit the HMA in the late 2001 and resulted in a decline in jobs and an increase in the unemployment rate. Hardest hit have been manufacturers of computer hardware and transportation equipment. The onset of weakening economic market conditions starting in 2001 has resulted in slower population and household growth during 2002.

The rapid growth in the local economy over a decade combined with historically low interest rates has kept sales housing moving at a robust pace. Sales of new and existing homes for all of 2002 were 4 percent greater than 2001, according to the Intermountain Multiple Listing Service. Sales have been particularly strong in the Canyon County submarket where the median price of a new home is 30 percent less than in neighboring Ada County. The price advantage has made the area attractive to first-time homebuyers from throughout the Boise metropolitan area.

The rental market in the HMA has become very competitive during the past 12 months. Rental market conditions are expected to remain somewhat soft through 2003, showing no significant movement toward balanced market conditions until the latter half of 2004.

The volume of housing production during the forecast period January 1, 2003 through January 1, 2005 that will satisfy anticipated household growth and result in reasonably

balanced demand-supply conditions is estimated to be 6,825 units of sales housing and 1,125 units of rental housing.

Economy of the Area

During most of the twentieth century the economy of the Boise HMA was dominated by agriculture and forest products industries. Production of potatoes, dairy products, and sugar beets were the mainstays of agricultural output while goods producing activities centered on wood products, food processing, and construction. During the latter part of the century the economic base of the HMA became diversified with the arrival of firms producing everything from computer memory chips to recreational vehicles to support services for satellite television subscribers.

Boise has also become the region's center for medical services in recent years as well. St. Alphonse Regional Medical Center and St. Luke's Regional Medical Center are the area's third and fifth largest employers. The Boise HMA is also the headquarters for Albertson's, one of the west coast's largest grocery and drugstore chains.

The emergence of Boise State University, the area's fourth largest employer, as one of the state's major institutions of higher learning expanded the HMA's regional significance in southwestern Idaho and northeastern Oregon. The university has an enrollment of nearly 18,000 students and slightly fewer than 1,000 faculty members. The university's economic impact on the state's economy was estimated at \$600 million in a 1996 study conducted by Professor Charles Skoro of the Boise State Economics Department.

By the 1990s the HMA's leading source of employment growth in the manufacturing sector was in the production of computers and their components such as semiconductors, wafers, circuit boards, and computer printers. During the 10-year period prior to the Current date employment at firms producing these types of products increased from 19 percent to 34 percent of manufacturing employment. Currently, two high technology companies located in the city of Boise—Micron Technology, Inc., and Hewlett-Packard Company—rank first and second as the HMA's largest employers.

In response to the rapid pace of economic expansion in the Boise area the labor force grew from 168,900 persons in 1992 to 259,300 in 2001, according to the Idaho Department of Labor. During that same period total employment grew from 160,600 to 249,400 jobholders, or an annual average of 4.4 percent. The unemployment rate declined from 5 percent in 1992 to 3.8 percent in 2001. Table 1 presents labor force, employment, and unemployment data since 1992 and Table 2 presents the trends in nonagricultural employment by industry sector since 1992.

By the end of 2002 the full impact of the national economic slowdown had reached the Boise HMA economy. During 2002 total employment declined by 11,150 jobs. Nonagricultural wage and salary employment totaled 147,200 workers in 1992. By 2001 employment had increased to 231,865 persons. Jobs in two of the HMA's former leading

industries, lumber products and food processing, declined during the period. Despite employment declines in the lumber industry, Boise Cascade Corporation remains one of the HMA's top employers.

Employment growth in the construction industry has also been strong over the past 10 years. Steady demand for commercial, office, and industrial space as well as ongoing public works projects in transportation and education have resulted in an 82-percent increase in construction jobs.

Job creation in the services producing sector averaged 6,400 jobs a year between 1992 and 2001. Much of the job growth occurred in trade, finance, and services in response to the area's steady population growth. U.S. Bank and Wells Fargo are among the area's largest employers. A major factor in the increase in services employment is establishment of some 30 call centers, which provide customer support ranging from computers to retail trade. DirectTV's call center is the area's eighth largest employer

For the 12-month period ending in December 2001 average annual nonagricultural employment grew by 3.9 percent. However, the rate of nonagricultural job growth in the Boise HMA began to slow in the fall of 2001. During 2002 average nonagricultural employment totaled 229,700, a decline of 1 percent. The unemployment rate averaged 5 percent in 2002 compared with 3.8 percent in 2001.

Hardest hit has been the computer-related industry group, which has suffered from continued weak demand for computer products at the national level. Industrial machinery and computer equipment employment was down 10 percent as was electronic equipment employment during 2002. Goods producing employment as a whole fell by 6 percent for this period. The city of Boise hopes to counter some of these job losses through development and promotion of a 370-acre industrial park in southeast Boise. The city is successfully marketing park space to startups and mid-sized manufacturing firms.

Over the 2-year forecast period nonfarm employment is anticipated to increase by an average annual rate of 0.7 percent. According to the Idaho Department of Labor, job growth in the Boise MSA during 2003 will occur primarily in health care services, retail trade, and business support services. Though semiconductor sales started to recover at the national level during the latter half of 2002, the computer hardware manufacturing sector in the HMA is not expected to recover until late 2003 or early 2004. By 2004, assuming a national recovery is underway, modest employment gains are forecast for the HMA. Local economic development officials note that they continue to get a steady stream of inquiries from firms exploring possible relocation to the HMA.

Household Incomes

The rapid growth of the high-technology sector and increased employment from the creation of a new businesses resulted in a 4.1 percent annual average increase in the HMA's median family income from \$32,949 in 1989 to \$49,262 in 1999, according to the 2000 census. The median family income estimated by HUD for April 2003 for the Boise HMA was \$53,600.

Population

As of January 2003 the population for the Boise HMA was estimated to be 464,100 persons. The 2000 census reported a population of 432,335 persons for the metropolitan area, or an increase of 136,484 persons over the 1990 census count. Net in-migration accounted for three-fourths of the population increase and was primarily a result of the rapid rate of overall job creation in the Boise area. The average annual rate of population growth between 1990 and 2000 was 3.8 percent a year compared with 1.3 percent a year between 1980 and 1990.

Between the 2000 census and the Current date the population in HMA increased by 15,150 persons a year, or at an average annual rate of 3.4 percent, to 474,025 persons. The Ada County submarket led the HMA in population growth during the period, averaging 6,500 persons per year. Growth in the Canyon County submarket totaled an average of 5,600 persons annually. The population and household trends from 1990 to the Forecast date for the HMA and the three submarkets are presented in Table 3.

Between 1990 and 2000 there was a dramatic shift in population growth toward western Ada County and Canyon County. In Ada County Meridian grew 264 percent and Eagle by 233 percent. In Canyon County Nampa, which expanded its economic base during the 1990s by attracting high technology firms such as MicronPC and Zilog, grew by 83 percent based on both job creation and its proximity to Boise. Despite the slowdown in the HMA in the rate of population growth in recent years, the communities of Nampa and Caldwell continue to record significant rates of growth as a result of the affordability of new homes compared to the Boise and Meridian communities.

The household population in the HMA totaled 289,168 persons, according to the 1990 census. The nonhousehold population of persons living in college dormitories, nursing homes, hospitals, prisons, and other institutions in 1990 was 6,683 persons representing 2.3 percent of the total population. As of the 2000 census the household population had increased to 422,277 persons while the nonhousehold population increased to 10,058 persons. Nearly three-fourths of the increase in the nonhousehold population was due the 61.2-percent increase in the number of persons in correctional facilities. As of the Current date the household population was estimated to be 463,900 persons and forecast to grow to 484,800 persons by January 2005.

During the forecast period population growth is expected to slow to an annual rate of 2.3 percent, resulting in a total population of 495,565 as of January 2005. As a result of the

slower growth in the economy and job losses, the average annual net in-migration during the 2-year forecast period is anticipated to be significantly lower than during the two previous comparison periods. The annual rate of net in-migration is forecast to be approximately 6,000 persons, compared with 10,500 persons from 2000 to the Current date.

Households

The number of households in the HMA totaled 108,759 in 1990, increasing to 158,426 by the 2000 census. As of the Current date there were an estimated 174,000 households in the HMA, or an annual rate of household growth of 3.8 percent. From 2000 to the Current date the rate of household increase has declined slightly to 3.5 percent. By the end of the forecast period the number of households is expected to total 182,175, or 8,125 households annually for a growth rate of 2.3 percent. The decline in household growth parallels the expected lower population growth as a result of the downturn and recovery in the local economy during the forecast period. Due to the availability of affordable housing, the Canyon County submarket is forecast to lead the HMA in household growth, increasing by at least 1,600 households annually. Table 3 presents population and household trends from 1990 to the Forecast date for the HMA and three submarkets.

Housing Inventory

The 1990 census reported a total housing inventory of 113,986 units. Ten years later the 2000 census reported the housing inventory had increased to 166,481 units. Construction activity since 2000 has added 17,500 units to the HMA inventory. The average annual increase during this period was 6,370 units, 20 percent higher than the average annual increase to the housing inventory of 5,320 between 1990 and 2000.

Table 4 presents the housing inventory, occupancy, and vacancy characteristics for the HMA and the three submarkets from 1990 to the Current date. Of the 52,495 housing units added to the HMA inventory between 1990 and 2000, 24,679 or 46 percent were built in the city of Boise. In the Ada County and Canyon County submarkets there is ample, relatively affordable, readily developable land available for development.

In the Ada County submarket much of the new housing has been built in the communities of Meridian and Eagle. In these communities single-family detached homes comprise 95 and 81 percent, respectively, of the increase. During the 1990s the inventory in Meridian more than tripled to 12,288, the largest rate of increase of any municipality in the HMA.

In Canyon County construction was particularly active in Caldwell and Nampa. In Nampa the inventory increased by approximately 8,800, 76 percent of which was single-family detached housing. In the city of Caldwell 90 percent of the housing units added were single-family detached homes. Land prices are significantly lower in Nampa and Caldwell resulting in large-scale development of single-family detached houses that are affordable to first-time homebuyers.

Manufactured housing has been an important source of housing in the Boise HMA. Manufactured house placements totaled approximately 1,100 dwellings between January 2000 and December 2002. Manufactured housing accounted for 10 percent of all sales housing transactions during this period down from 33 percent during the 1990s. Approximately one-third of the total were placed in Ada County with the remaining 625 homes placed in Canyon County. In Ada County over the past several years manufactured home sales have slowed due to lack of new manufactured housing park development as a result of rising land costs and to very competitive prices for single-family new construction.

The trends in residential building permit activity by submarket from 1992 to 2002 are shown in Table 5. Recently, the pace of single-family homebuilding in the Boise submarket has slowed. Single-family building permit activity averaged 1,030 between 1997 and 1999 but declined to an average of 825 units annually from 2000 to the Current date. In the Ada County submarket permit activity for single-family construction averaged 2,475 for the period 1997 through 1999 compared to a slightly lower pace of 2,375 from 2000 through the end of 2002. In the Canyon County submarket single-family permit activity increased from an average of 1,775 homes annually from 1997 through 1999 to 2,175 from 2000 through 2002.

Multifamily building permit activity in the Boise submarket since 2000 has been the reverse of the trend in single-family construction. From 2000 through 2002 permit activity averaged 650 units annually compared with 350 units annually from 1997 through 1999. In the Ada County submarket multifamily activity has remained relatively low, averaging 200 units annually from 1997 through 1999 period and 50 units a year from 2000 through 2002. Multifamily permit activity in the Canyon County submarket has been steady at an average of 135 units per year during the 1997 through 2002 period.

Multifamily construction in the Boise HMA is almost exclusively rental apartments. Condominiums comprised slightly more than 1 percent of the owner-occupied housing inventory in 2000 census or 1,462 units, an increase of approximately 40 units annually since 1990. Since 2000 it is estimated that new construction and conversions have added approximately 100 units to the condominium inventory. A significant proportion of newly constructed condominiums are duplexes with a starting sales price of \$135,000. Entry-level existing condominiums sell for as low as \$60,000. Condominiums for sale as of January 2003 ranged in price from \$61,000 to \$145,000. Although several condominium developments are planned for downtown Boise and close-in neighborhoods, progress toward construction has been slowed by the recent trends in the local economy.

Housing Vacancy

Table 4 presents the housing inventory, occupancy, and vacancy characteristics for the HMA and the three submarkets from 1990 to the Current date. During the 1990s the vacancy rate for owner-occupied housing rose steadily to 2.2 percent as of the 2000 census. As of the 2000 census the rental vacancy rate was a reported 6 percent and conditions were balanced. However, the rate has increased since then. As of the Current date the HMA vacancy rate for rental units is estimated at 8 percent. Strong multifamily building activity and slower economic and renter household growth resulted in an increase starting in late 2001. The rental vacancy rate in the Boise submarket increased from 5.7 percent as reported in the 2000 census to 7.5 percent as of the Current date. The rental vacancy rates in the Ada and Canyon County submarkets have also risen during the period, due to slower renter household growth but primarily as a result of renters moving to homeownership.

Sales Market Conditions

Historically low interest rates and a diverse economic base have kept sales in Ada County moving at a steady pace. For all of 2002, according to the Ada County Association of Realtors[®], sales activity for new and existing homes equaled 6,726 transactions in Ada County, virtually unchanged from 2001's record pace. The median price of all homes sold in Ada County was \$141,000, up 4.5 percent compared to 2001. The 2,235 new houses sold in 2002 represents a 2-percent increase compared with 2001. The median price of a new house in Ada County was \$160,050, up 1 percent compared with 2001. Rising prices and strong demand in Ada County have reduced the availability of homes priced under \$100,000. In 2002, 11 percent of all homes sold were priced below \$100,000 compared with 21 percent in 2000. Homes priced at \$200,000 or more comprised 24 percent of all sales 2002. Half of all homes sold during 2002 were in the price range \$100,000 to \$150,000 in Ada County, unchanged from 1 year ago.

In Canyon County 3,325 new and existing homes were sold in 2002, up 15 percent compared with 2001. The median price of all homes sold was \$96,400, 1.5 percent higher than in 2001. New home sales totaled 1,604 homes, up 26 percent compared with 2001. The median price of a new home in Canyon County was \$98,175, up 1.8 percent compared with 2001.

The approximately \$50,000 to \$60,000 price difference in new homes in Ada and Canyon Counties is due largely to substantially lower land prices and development costs. Realtors have commented that buyers can purchase virtually the same new house in Nampa or Caldwell as in Boise or west Ada County but at 70 percent of the price. Typically, these are three-bedroom, two-bath houses in the 1,200–1,600-square-foot range aimed at the first-time homebuyer. The substantial difference in prices and the willingness of buyers to accept a longer commute is largely responsible for the population growth in Nampa and Caldwell in Canyon County. More than 50 percent of new homes in Canyon County in 2002 sold for under \$100,000.

Rental Market Conditions

As of the Current date conditions in much of the rental market are somewhat soft. The market-rate apartment segment of the HMA's rental market is very competitive. Throughout the past 12 months managers of single-family rental properties have also reported increases of vacant units. At the end of December 2002 the overall rental vacancy rate was estimated to be 8 percent for the HMA, 7.5 percent for Boise, 7 percent for Ada County, and 9.5 percent for Canyon County. The competitive rental market conditions in the Ada County and Canyon County submarkets are the result of decline in rental demand due to households moving to homeownership as well as the decline in the local economy. In the city of Boise these factors as well as continued new supplies of units entering the market have caused rental market conditions to weaken.

Conditions are highly competitive throughout the HMA in the upper end of the rental market, especially among the larger apartment complexes and in larger bedroom sizes. These apartments are usually located in newer amenity rich apartment complexes. These developments typically contain a clubhouse, swimming pool, in-unit laundry facilities, storage space, Internet hook-up, outdoor play areas, a business center, and sport courts. As of the current data aggressive marketing and substantial concessions have not appeared to be as successful as hoped at raising occupancy. Managers at some of these developments cite intense competition from homebuilders promoting affordable ownership.

In addition to losing tenants to the sales market, developments are faced with a decline in renter household growth as a result of increased out-migration from the HMA. Average monthly absorption experience in a newly constructed apartment development in 2002 was approximately half that of the 20 units a month 1 year earlier. Rents for newly constructed one-bedroom apartments are typically \$600 to \$650, two-bedroom apartments are offered in the \$700 to \$750 range, and three-bedroom units range from \$850 to \$925, excluding utilities. By comparison, the average rent for all apartment units in the HMA was \$525 for a one-bedroom unit, \$650 for a two-bedroom unit, and \$725 for a three-bedroom unit. Rents in the Canyon County submarket are on average approximately \$75 lower than those for the HMA and the rents in the city of Boise are approximately \$25 higher than the average.

From 1990 through 2000 approximately 25 percent of all rental units in structures with five or more units were financed through the Low Income Housing Tax Credit (LIHTC) program. There are currently 2,247 units in the HMA of which 230 are specifically for the elderly. Approximately 87 percent of the LIHTC rentals in the HMA are targeted to households with incomes of 60 percent or less of the HMA median family income. As of January 2003 occupancy levels at these projects were only slightly higher than those in conventionally financed market-rate apartment developments.

The very competitive conditions in the rental market are expected to continue through the first year of forecast period. With a pipeline of 560 units currently under construction and a current excess of vacancies, conditions in the Boise HMA are not expected to become balanced until some time in the second year.

The market for assisted rental housing targeted to low- and very-low-income renters is very tight. The inventory of rental housing federally assisted through HUD programs totals 1,469 units and consists of 695 units for families, 679 units for elderly persons, and 95 units specifically for persons with disabilities. Currently, most all developments are fully occupied and report long waiting lists. In addition, Section 8 vouchers are fully leased. There are also 835 units of assisted housing funded by the U. S. Department of Agriculture's Rural Housing Service (RHS) programs. Approximately 710 of these units offer direct rental assistance for 157 elderly and 543 families with very low incomes. The remaining 125 units are rentals for households with incomes of 80 percent or less of the HMA's HUD-determined current median family income. Occupancy at all of the RHS-funded developments is also high.

Forecast Housing Demand

Household growth is the main factor in housing demand. During the 2-year forecast period additional housing will need to be built to meet this new demand and to replace housing units expected to be lost due to demolitions, conversions, and other causes. Approximately 8,125 additional households are forecast for the Boise HMA during the 2-year forecast period. Taking into account sales and rental housing units under construction as well as continued tenure shift toward homeownership, production of 6,825 new houses or condominiums for sale and 1,125 new rental houses or apartments will best achieve an acceptable housing demand-supply relationship at the end of the forecast period.

Nearly all sales housing demands will be met through construction of single-family houses or manufactured housing while condominium construction is expected to be minimal. Sales housing activity is expected to slow during the first year of the forecast. As of the Current date job losses in the HMA have slowed sales activity in the mid- to upper end of the sales market and this trend is expected continue through the first year of the forecast. For houses selling below \$160,000 the outlook is for continued strength in sales as long as interest rates remain low and builders can continue to supply homes at affordable prices. As the local economy moves into a recovery phase during the second year of the forecast, demand for sales housing selling for \$160,000 and above is expected to improve.

The distribution of forecast demand for market rate rental units by bedroom size was based on the distribution of rental households by size, the distribution of the rental inventory as of the 2000 census, the trends in production since the census, and the current pipeline and market conditions. Table 5 presents the distribution of annual rental demand for new housing by rent range. Annual demand is estimated at 200, 1-bedroom units; 285, 2-bedroom units; and 85, 3-bedroom units.

Table 1

Labor Force and Total Employment

Boise HMA

1992 to 2002

Year	1992*	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Labor Force	168,900	176,700	192,200	197,800	208,000	216,550	226,800	229,300	238,100	259,300	250,900
Total Employment	160,600	168,400	184,300	189,800	199,950	208,250	218,500	220,900	230,100	249,440	238,300
Unemployment	8,375	8,350	7,900	8,100	8,050	8,300	8,250	8,450	8,000	9,400	12,650
Rate	5.0%	4.7%	4.1%	4.1%	3.9%	3.8%	3.6%	3.7%	3.4%	3.8%	5.0%

Note: *Data prior to 1992 not comparable.

Source: U.S. Bureau of Labor Statistics, Idaho Department of Labor

Table 2
 Nonagricultural Employment
 Boise HMA
 1992 to 2002

Year	1992*	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Nonagricultural	147,200	158,900	171,300	179,400	186,300	193,800	202,700	211,200	223,200	231,865	229,700
Goods producing	35,000	38,800	43,000	45,000	46,600	48,350	50,150	51,600	54,200	53,350	50,150
Construction	9,100	10,300	12,700	13,250	13,000	13,600	13,800	15,200	16,050	16,600	15,800
Manufacturing	26,000	28,500	30,300	31,750	33,600	34,750	36,400	36,400	37,150	36,800	34,350
Durables	17,300	19,600	21,200	22,850	24,600	26,000	27,750	27,800	28,600	28,325	26,025
Lumber and wood	3,000	3,300	3,750	3,750	3,700	3,700	3,800	33,800	3,400	3,150	3,075
Fabricated metals	700	700	1,150	1,225	1,150	1,225	1,175	1,250	1,250	1,200	1,175
Industrial/computer machinery	6,300	7,400	7,550	7,150	7,850	8,400	8,600	7,900	8,100	7,925	7,125
Electronic & electrical equipment	5,000	5,400	5,900	7,150	8,450	9,150	10,450	11,050	12,000	12,525	11,250
Transportation equipment	1,300	1,335	1,375	1,800	1,850	1,850	1,975	1,925	1,900	1,725	1,675
Nondurables	8,600	8,900	9,050	9,150	8,975	8,725	8,625	8,600	8,550	8,450	8,250
Food and kindred products	5,900	6,200	6,175	6,400	6,300	6,045	5,850	5,800	5,700	5,675	5,625
Other nondurable goods	2,700	2,700	2,875	2,750	2,675	2,680	2,775	2,800	2,850	2,775	2,650
Service products	112,200	120,100	128,300	134,450	139,700	145,450	152,500	159,600	170,050	177,300	179,575
Transportation & power utilities	7,700	7,700	8,325	8,525	8,925	9,575	10,350	11,000	11,900	12,300	12,225
Wholesale & retail	34,400	38,200	41,350	43,050	45,050	46,550	48,600	51,000	55,350	56,425	56,275
Finance, insurance, & real estate	10,100	10,700	11,475	11,625	11,225	11,350	11,025	11,275	11,150	11,500	11,725
Other services	33,800	36,700	39,750	42,950	46,000	48,800	51,450	54,000	58,300	62,050	63,250
Government	26,200	26,900	27,450	28,050	28,500	29,500	31,150	32,350	33,400	35,100	36,150
Federal	4,800	4,900	4,900	4,925	4,775	4,775	4,850	4,900	5,175	5,175	5,350
State	10,300	10,400	10,600	10,750	10,450	10,850	11,650	12,000	12,250	13,175	13,250
Local	11,000	11,500	11,950	12,600	13,250	13,900	14,650	15,425	15,950	16,725	17,550

Note: *Data prior to 1992 not comparable.

Source: U.S. Bureau of Labor Statistics, Idaho Department of Labor

Table 3
 Population and Household Trends
 Boise HMA
 April 1990 to January 1, 2005

	April 1, 1990	April 1, 2000	Current Date*	Forecast Date	Average Annual Change					
					1990 to 2000		2000 to Current		Current to Forecast	
					Number	Rate	Number	Rate	Number	Rate
<u>Population</u>										
Boise HMA	295,851	432,335	474,025	495,575	13,648	3.8	15,160	3.4	10,775	2.3
Boise Submarket	125,738	185,787	194,200	200,000	6,005	4.0	3,059	1.6	2,900	1.5
Ada County Submarket	80,037	115,137	133,000	140,100	3,510	3.7	6,496	5.4	3,550	2.6
Canyon County Submarket	90,076	131,411	146,800	154,650	4,134	3.9	5,596	4.1	3,925	2.8
<u>Households</u>										
Boise HMA	108,759	158,426	174,000	182,175	4,967	3.8	5,663	3.5	4,088	2.3
Boise Submarket	50,852	74,501	77,575	79,900	2,365	3.9	1,118	1.5	1,163	1.5
Ada County Submarket	26,619	38,907	45,625	48,225	1,229	3.9	2,443	6.0	1,300	2.8
Canyon County Submarket	31,288	45,018	50,825	54,050	1,373	3.7	2,112	4.5	1,613	3.1

Note: * As of January 1, 2003.
 Rate of change calculated on a compound basis.

Source: 1990 and 2000—U.S. Census Bureau
 Current and Forecast—Estimates by Analyst

Table 4
 Housing Inventory Tenure and Vacancy
 Boise HMA
 April 1990 to January 2003

	Boise HMA			Boise Submarket			Ada County Submarket			Canyon County Submarket		
	1990	2000	Current	1990	2000	Current	1990	2000	Current	1990	2000	Current
Total housing inventory	113,986	166,481	184,000	53,271	77,950	81,685	27,578	40,566	47,527	33,137	47,965	54,350
Occupied units	108,759	158,426	174,025	50,852	74,501	77,575	26,619	38,907	45,625	31,288	45,018	50,825
Owners	75,031	113,140	127,750	32,104	47,643	49,850	21,434	32,492	39,100	21,493	33,005	38,800
%	69.0	71.4	73.0	63	64	64	81	84	86	69	73	76
Renters	33,728	45,286	46,275	18,748	26,858	27,725	5,185	6,415	6,525	9,795	12,013	12,025
%	31.0	28.6	27.0	37	36	36	19	16	14	31	27	24
Vacant units	5,227	8,055	9,525	2,419	3,449	4,100	959	1,659	1,900	1,849	2,947	3,525
Available units	3,200	5,431	6,700	1,666	2,434	3,000	547	1,157	1,375	987	1,840	2,325
For sale	1,204	2,545	2,700	531	817	750	271	804	875	402	924	1,075
Rate	1.6	2.2	2.4	2	2	2	1	2	2	2	3	3
For rent	1,996	2,886	4,025	1,135	1,617	2,250	276	353	500	585	916	1,275
Rate	6	6	11	6	6	8	5	5	7	6	7	10
Other vacant	2,027	2,624	2,825	753	1,015	1,100	412	502	525	862	1,107	1,200

Source: 1990 and 2000—U.S. Census Bureau
 Current—Estimates by Analyst

Table 5
Residential Building Permit Activity
Boise HMA
1992 to 2002

Year	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Boise HMA											
Total	4,749	6,103	6,543	4,675	4,538	5,174	6,240	6,597	6,042	6,517	6,143
Single-family	3,816	4,531	4,241	3,752	4,237	4,538	5,545	5,794	5,520	5,364	5,268
Multifamily	933	1,572	2,302	923	301	636	695	803	522	1,153	875
Boise Submarket											
Total	1,946	2,768	3,119	1,231	1,099	1,438	1,283	1,391	1,288	1,792	1,393
Single-family	1,220	1,480	1,130	776	923	985	1,103	992	988	797	718
Multifamily	726	1,288	1,989	455	173	453	180	399	300	995	675
Ada County Submarket											
Total	1,789	2,172	2,147	2,229	2,052	2,147	2,820	3,089	2,711	2,448	2,151
Single-family	1,774	2,076	2,009	1,953	2,020	2,091	2,596	2,774	2,637	2,384	2,121
Multifamily	15	96	138	276	35	56	224	315	74	64	30
Canyon County Submarket											
Total	1,014	1,163	1,277	1,215	1,387	1,589	2,137	2,117	2,043	2,277	2,599
Single-family	822	975	1,102	1,023	1,294	1,462	1,846	2,028	1,895	2,183	2,429
Multifamily	192	188	175	192	93	127	291	89	148	94	170

Source: U.S. Census Bureau, C-40 Series

Table 6

Estimated Qualitative Annual Demand for
New Market Rate Rental Housing

Boise HMA

January 1, 2003 to January 1, 2005

One Bedroom		Two Bedroom		Three Bedroom	
Monthly Gross Rent	Units of Demand	Monthly Gross Rent	Units of Demand	Monthly Gross Rent	Units of Demand
\$635	200	\$770	285	\$980	85
\$685	170	\$820	235	\$1,030	70
\$735	155	\$870	210	\$1,080	65
\$785	140	\$920	180	\$1,130	60
\$835	115	\$970	150	\$1,180	50
\$885	95	\$1,020	120	\$1,230	44
\$935	75	\$1,070	95	\$1,280	40
\$1,035	55	\$1,170	75	\$1,380	35
\$1,135	45	\$1,270	55	\$1,480	28
\$1,235	35	\$1,370	45	\$1,580	20
\$1,335	56	\$1,470	35	\$1,680	0

Note: Distribution above is noncumulative. Demand of fewer than 10 units is shown as 0.

Source: Estimates by Analyst