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.
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.

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

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

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

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

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

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

<table>
<thead>
<tr>
<th>Year</th>
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<th>Vacancy rate (percent)</th>
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<td>2.0</td>
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<tr>
<td>Q2 2012</td>
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</tr>
<tr>
<td>Q2 2013</td>
<td>-3.0</td>
<td>-1.0</td>
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</tbody>
</table>

Source: Reis, Inc.

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.

Developers responded to tightening rental market conditions by increasing apartment construction relative to 2009 and 2010 levels.
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 $960 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.