

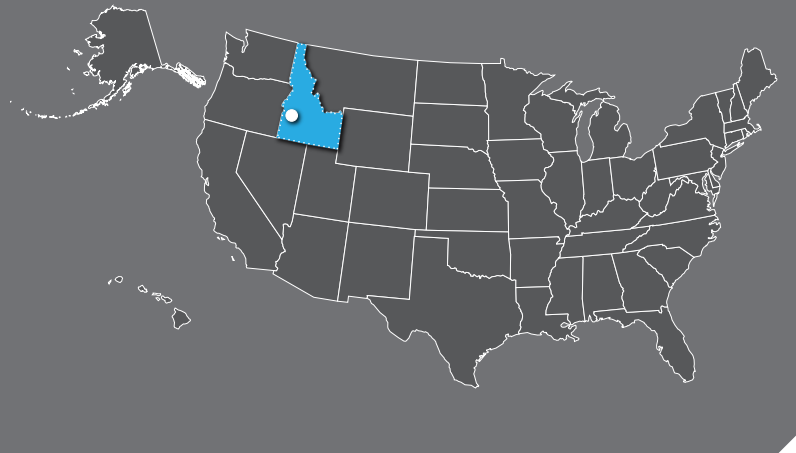
HUD PD&R Housing Market Profiles

Boise City, Idaho



Quick Facts About Boise City

- **Current sales market conditions: balanced**
- **Current apartment market conditions: soft**
- **The Boise City metropolitan area is near the confluence of the Snake and Boise Rivers and is part of the Treasure Valley, which includes an abundance of outdoor recreation and scenic areas.**



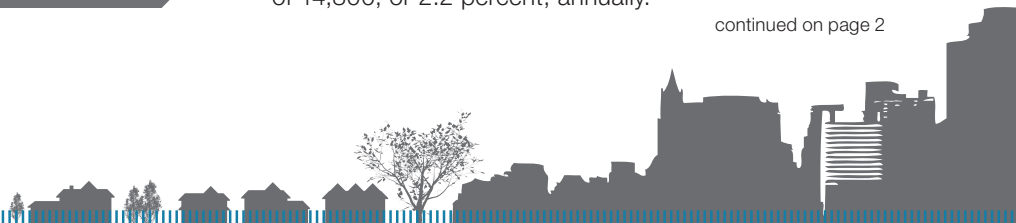
By [Adam Tubridy](#) | As of January 1, 2024

Overview

The Boise City metropolitan area (hereafter, Boise metropolitan area) in southwestern Idaho includes Ada, Boise, Canyon, Gem, and Owyhee Counties. The city of Boise in Ada County is the capital of Idaho and is home to Boise State University (BSU), the largest university in the state. From 2010 to 2020, the metropolitan area was the fifth fastest growing of the 100 most populous metropolitan areas in the nation and the overall fastest growing from 2020 to 2022 (U.S. Census Bureau decennial census counts and population estimates as of July 1). The rapidly growing population of the metropolitan area has contributed to high levels of both single-family and multifamily housing construction. In turn, elevated homebuilding activity has supported increasing numbers of jobs in the mining, logging, and construction sector.

- As of January 1, 2024, the population of the metropolitan area was estimated at 838,600, representing an average annual increase of 19,700, or 2.5 percent, since April 2020 (Census Bureau and estimates by the analyst). Population growth accelerated compared with the period from 2010 to 2020, when the population increased by an average of 14,800, or 2.2 percent, annually.

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- Ada County accounted for 64 percent of the population of the metropolitan area in 2022. Canyon County, which includes the cities of Caldwell and Nampa, accounted for 31 percent of the population. The three rural counties—Boise, Gem, and Owyhee—were home to the remaining 5 percent of the population. Ada County led population growth from 2010 to 2020, growing by an average of 10,250 people, or 2.4 percent, annually, but Canyon County had the highest rate of population growth from 2020 to 2022, increasing an average of 3.8 percent annually.

- From 2016 to 2020, domestic in-migration accounted for 96 percent of net in-migration to the metropolitan area. Residents from higher-cost metropolitan areas in California—particularly the Los Angeles-Long Beach-Anaheim, Sacramento-Roseville-Folsom, and Riverside-San Bernardino-Ontario metropolitan areas—made up the plurality of this in-migration (American Community Survey 5-year estimates; Census Bureau Metro-to-Metro Migration Flows).

Economic Conditions

Economic conditions in the Boise metropolitan area are strong, and job growth accelerated during the past year. As of the fourth quarter of 2023, nonfarm payrolls increased year over year by 15,600 jobs, or 4.0 percent, to 403,200, following growth of 13,500 jobs, or 3.6 percent, as of the fourth quarter of 2022. Strong job growth has supported a robust economic recovery in the metropolitan area following the recession in 2020. Payrolls are 14.5 percent higher than during the fourth quarter of 2019, before the COVID-19 pandemic, compared with 3.5 percent higher nationally. Job growth was also rapid before the COVID-19 pandemic, averaging 4.2 percent annually from 2016 through 2019.

As of the fourth quarter of 2023—

- The education and health services sector was the largest payroll sector, accounting for 15 percent of total payrolls,

and added 4,900 jobs, or 8.6 percent, compared with the fourth quarter of 2022, when the sector expanded by 2,200 jobs, or 4.0 percent, year over year. The Saint Alphonsus Health System, the fourth largest employer in the metropolitan area, opened a new 40,000-square-foot neurological, surgical, and trauma intensive care unit in 2023, contributing to sector job growth.

- The transportation and utilities sector increased by 400 jobs, or 2.4 percent, compared with a decline of 1,500 jobs, or 8.3 percent, a year earlier. Compared with the fourth quarter of 2019, jobs in the transportation and utilities sector are 41 percent higher, almost 10 percentage points more than any other sector, supported by a new Amazon.com fulfillment center opening in 2021 with 2,000 employees.

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As of the fourth quarter of 2023, every nonfarm payroll sector in the Boise metropolitan area added jobs.

	3 Months Ending		Year-Over-Year Change	
	December 2022 (Thousands)	December 2023 (Thousands)	Absolute (Thousands)	Percent
Total Nonfarm Payrolls	387.6	403.2	15.6	4.0
Goods-Producing Sectors	63.7	66.0	2.3	3.6
Mining, Logging, & Construction	33.6	35.9	2.3	6.8
Manufacturing	30.1	30.1	0.0	0.0
Service-Providing Sectors	324.0	337.2	13.2	4.1
Wholesale & Retail Trade	60.1	61.1	1.0	1.7
Transportation & Utilities	16.9	17.3	0.4	2.4
Information	4.7	4.9	0.2	4.3
Financial Activities	22.5	22.7	0.2	0.9
Professional & Business Services	59.2	61.4	2.2	3.7
Education & Health Services	56.9	61.8	4.9	8.6
Leisure & Hospitality	39.0	40.5	1.5	3.8
Other Services	13.2	13.8	0.6	4.5
Government	51.5	53.8	2.3	4.5
Unemployment Rate	2.3%	3.0%		

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



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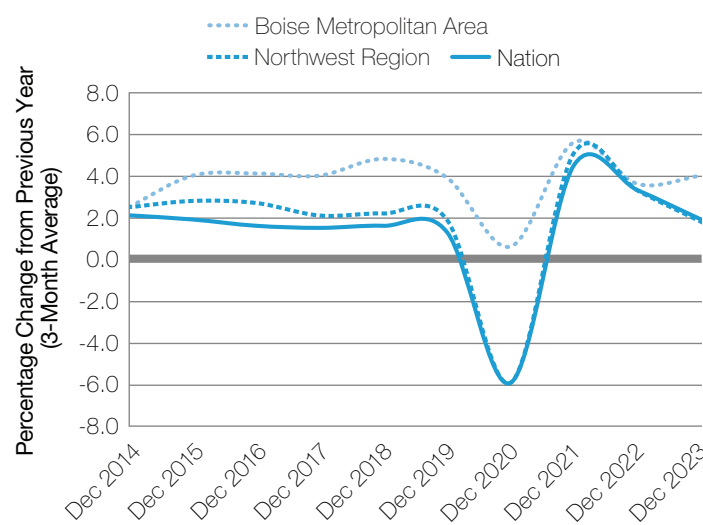
- The mining, logging, and construction sector added 2,300 jobs, or 6.8 percent, following year-over-year growth of 2,600 jobs, or 8.3 percent, as of the fourth quarter of 2022. The number of jobs in the mining, logging, and construction sector is now 32 percent higher than levels during the fourth quarter of 2019 because high rates of population growth have supported elevated levels of residential and commercial construction.
- The unemployment rate increased to 3.0 percent from 2.3 percent a year ago and 2.5 percent during the fourth quarter of 2019. The unemployment rate is below the national rate of 3.5 percent and has been below the national rate since 2010.

Because Boise is the capital of Idaho and the home of BSU, the government sector, which includes jobs at BSU, is an important cornerstone of the local economy. BSU has a full-time equivalent enrollment of approximately 18,150 students, employs 3,350 people, and supports an additional 3,150 jobs in the metropolitan area through university economic activity and by faculty, student, and visitor spending (BSU Economic Impact Report, 2018). Jobs in the government sector averaged 53,800 during the fourth quarter of 2023, up by 2,300 jobs, or 4.5 percent, from a year earlier, when the number of government jobs increased by 2,000, or 4.1 percent. The state government educational services industry, which includes BSU, increased by 1,300 jobs, or 16.5 percent, as of the fourth quarter of 2023 after growing by 900 jobs, or 13.3 percent, a year earlier.

Sales Market Conditions

The sales market in the Boise metropolitan area is balanced, with an overall sales vacancy rate of 1.1 percent as of January 1, 2024, unchanged from 1.1 percent in 2020. Increased mortgage rates contributed to the volume of home sales declining during the past 24 months and the average home price decreasing during the past year. In addition to reducing demand for homeownership, higher mortgage interest rates have also discouraged homeowners with low-interest mortgages from selling, contributing to a low inventory of homes for sale. The metropolitan area had approximately 2,050 single-family homes, townhomes, and condominiums for sale as of December 2023, representing a 2.1-month supply, down from 3,675 homes for sale, or a 3.2-month supply, during December 2022. By comparison, 3,325 homes were for sale, or a 2.4-month supply, during December 2019, before the COVID-19 pandemic (Redfin, a national real estate brokerage).

Nonfarm payroll growth in the Boise metropolitan area has consistently exceeded national and regional growth since 2014.



Source: U.S. Bureau of Labor Statistics

Largest Employers in the Boise Metropolitan Area

Name of Employer	Nonfarm Payroll Sector	Number of Employees
State of Idaho	Government	13,350
St. Luke's Health System	Education & Health Services	6,000–6,999
Micron Technology, Inc.	Manufacturing	5,000–5,999

Note: Excludes local governments and school districts.

Sources: Boise Valley Economic Partnership; estimates by the analyst

During the 12 months ending November 2023—

- The average existing home sales price was \$489,400, down 4 percent from a year earlier when existing home prices increased 9 percent year over year. From 2017 through 2021, existing home prices increased an average of 15 percent annually, and the current average existing home sales price is more than twice the 2016 average price (CoreLogic, Inc., with adjustments by the analyst).
- Approximately 14,500 existing homes were sold in the metropolitan area, down 23 percent from a year ago, when existing home sales declined 24 percent year over year. The volume of existing home sales in the metropolitan area is at the lowest level since the Great Recession because higher mortgage interest rates are constraining both demand and supply.

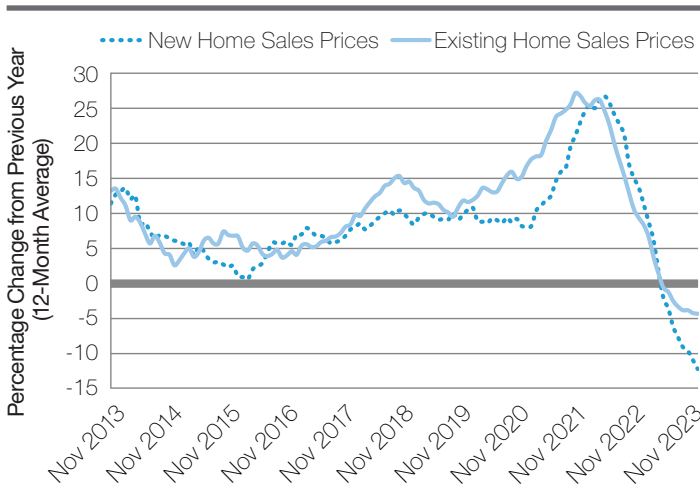
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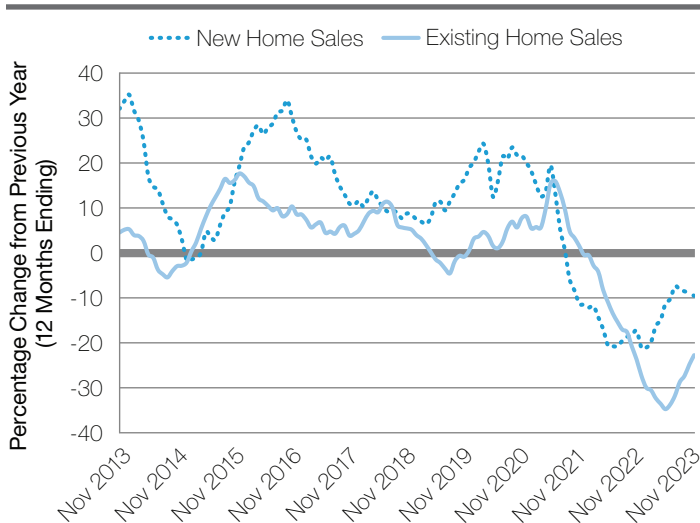
- The number of new homes sold fell 10 percent to 4,525 homes, following a 17-percent decrease during the previous 12-month period. Rising mortgage interest rates have affected new home sales less, partly because the limited supply of existing homes for sale has supported demand for new homes.
- New home sales prices decreased 12 percent to an average of \$473,800 during the 12 months ending November 2023, nearly reversing a 14-percent gain a year earlier. New home price growth trailed existing homes from 2017 through 2021, growing 12 percent annually.

Average new and existing home sales prices decreased during the past year in the Boise metropolitan area for the first time in a decade.



Note: Data are for single-family homes, townhomes, and condominiums. Source: CoreLogic, Inc., with adjustments by the analyst

New and existing home sales in the Boise metropolitan area have fallen sharply since a recent high in 2021.



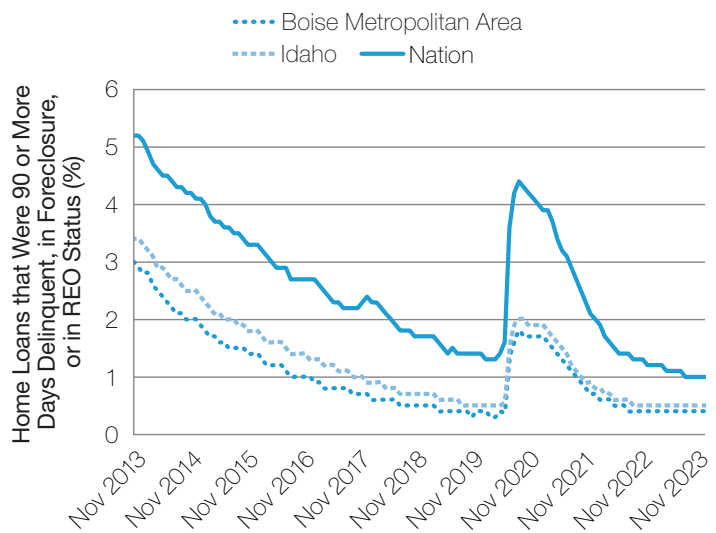
Note: Data are for single-family homes, townhomes, and condominiums. Source: CoreLogic, Inc., with adjustments by the analyst

Single-family home construction, as measured by the number of homes permitted, increased during the most recent 12 months because strong population growth and the limited inventory of homes for sale supported demand for new homes.

- During 2023, 6,500 single-family homes were permitted, up 10 percent from 2022 (preliminary data). Approximately 58 and 38 percent of single-family home construction in 2023 occurred in Ada and Canyon Counties, respectively.

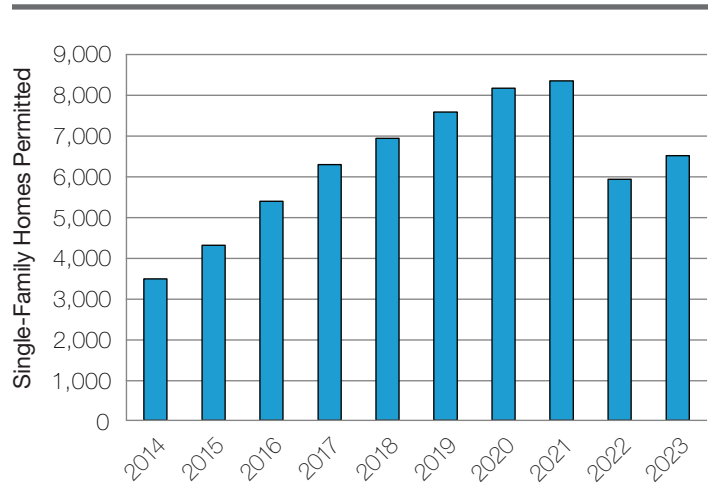
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The rate of seriously delinquent home loans and REO properties in the Boise metropolitan area has been consistently below both the state and national shares.



REO = real estate owned. Source: CoreLogic, Inc.

Single-family homebuilding in the Boise metropolitan area increased during 2023 but remained below the average level from 2018 through 2021.



Sources: U.S. Census Bureau, Building Permits Survey; 2014–22—final data and estimates by the analyst; 2023—preliminary data and estimates by the analyst



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- Single-family homebuilding in the metropolitan area increased an average of 15 percent annually from 2015 through 2020 and peaked at an average of 8,250 homes permitted annually during 2020 and 2021. By comparison, single-family homebuilding increased an average of 7 percent annually in the nation from 2015 through 2020.

- Since 2015, an increasing share of suburban development has been in Canyon County, where a large supply of developable land is available within commuting distance to the city of Boise. Homebuilding increased an average of 18 percent annually from 2015 through 2020 in the county compared with an annual average increase of 13 percent in Ada County.

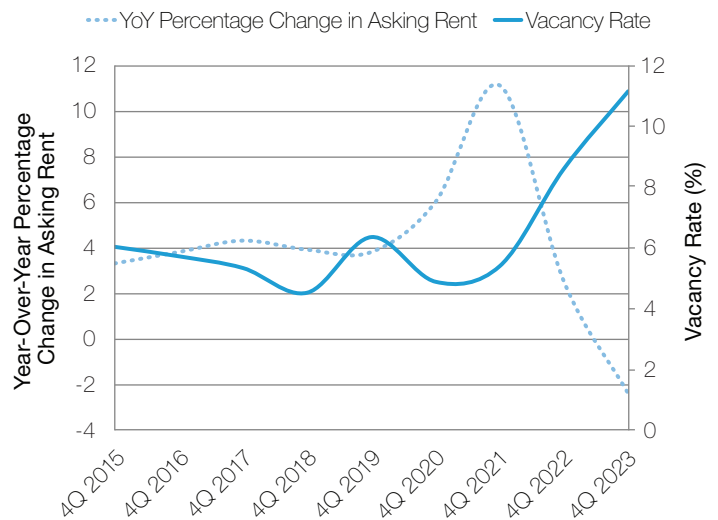
Apartment Market Conditions

Apartment market conditions are currently soft in the Boise metropolitan area compared with slightly soft as of the fourth quarter of 2022 and balanced as of the fourth quarter of 2021. High rates of population growth and balanced apartment market conditions from 2018 through 2021 led developers to increase apartment production. In the past 2 years, a historically high number of new apartments have entered the market, causing the apartment vacancy rate in the metropolitan area to increase. During 2023, approximately 3,100 apartments were completed (CoStar Group), up from 2,600 apartments during 2022 and an average of 2,325 apartments annually from 2018 through 2021. Absorption of new apartments did not keep pace with the increase in completions, averaging 1,850 and 1,350 units in 2023 and 2022, respectively, down from an average of 2,200 units annually from 2018 through 2021.

As of the fourth quarter of 2023—

- The apartment vacancy rate was 11.1 percent, up from 8.6 percent a year earlier. By comparison, the fourth quarter apartment vacancy rate averaged 5.3 percent from 2018 through 2021.
- The average apartment rent decreased 2 percent year over year to \$1,515, following a 3-percent increase as of the fourth quarter of 2022. Average apartment rents increased an average of 6 percent annually from 2018 through 2021.
- In Canyon County, the apartment vacancy rate increased 4.3 percentage points year over year to 13.9 percent, whereas in Ada County, the apartment vacancy rate rose 2.2 percentage points to 10.6 percent. The remaining three counties have negligible numbers of apartments. During the past 2 years, Canyon County accounted for 34 percent of new apartments coming online, representing only 16 percent of existing apartments and contributing to the relatively high apartment vacancy rate in the county.
- The apartment vacancy rate was 8.0 percent among apartment properties within a mile of BSU, up from 7.6 percent a year earlier. Approximately 7,975 privately owned and operated apartment units are near BSU that primarily serve the approximately 13,950 students who live off campus.

The apartment vacancy rate in the Boise metropolitan area increased, and average asking rents decreased as of the fourth quarter of 2023.



4Q = fourth quarter. YoY = year-over-year. Source: CoStar Group

Builders responded to easing apartment market conditions by reducing multifamily construction—as measured by the number of multifamily units permitted. During 2023, multifamily permitting declined 25 percent from a year earlier to 3,375 units (preliminary data). The 2 highest years of multifamily construction on record were 2022 and 2021, with 4,450 and 3,850 units permitted, respectively.

- The current level of multifamily construction is above prepandemic levels. An average of 1,575 multifamily units were permitted annually from 2014 through 2018 before rising to 3,050 units permitted in 2019.
- During the fourth quarter of 2023, approximately 4,200 apartment units were under construction in the metropolitan area. Approximately 85 percent of the units under construction were in Ada County, with the remaining 15 percent in Canyon County.
- Nearly one-half of all apartments under construction are in the CoStar Group-defined Meridian market area (CoStar

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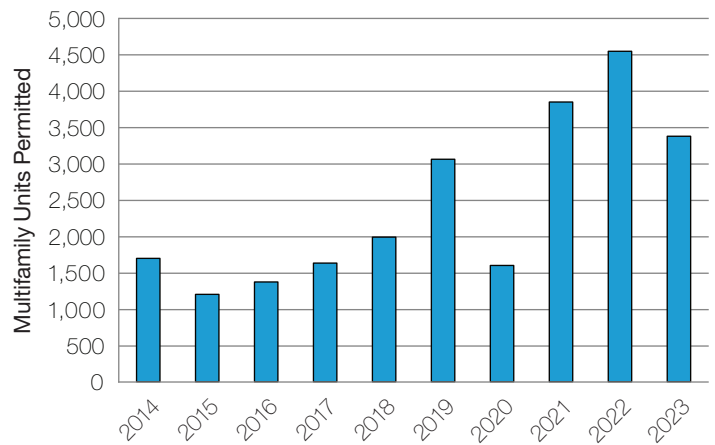


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Group), a suburban area to the west of Boise in Ada County, where the units under construction will represent a 22-percent increase to the apartment inventory.

- Three apartment complexes with a combined 396 units are under construction within a mile of the BSU campus. Two of these projects, Uncommon Boise and the District at Parkcenter, will offer leases by the bedroom, primarily intended for students.
- The Franklin, an income-restricted apartment community for families, is under construction in the Central Bench neighborhood southwest of downtown Boise. When complete in 2024, The Franklin will offer 205 apartments to households with incomes at or below 60 percent of the Area Median Income (\$53,460 for a family of four in 2023).

Multifamily construction in the Boise metropolitan area decreased during 2023 but remains higher than in any year prior to 2021.



Sources: U.S. Census Bureau, Building Permits Survey; 2014–22—final data and estimates by the analyst; 2023—preliminary data and estimates by the analyst



Terminology Definitions and Notes

A. Definitions

Absorption	The net change, positive or negative, in the number of occupied units in a given geographic range.
Apartment Vacancy Rate/Average Monthly Rent	Data are for market-rate and mixed market-rate and affordable general occupancy apartment properties with five or more units, including those that are stabilized and in lease up.
Building Permits	Building permits do not necessarily reflect all residential building activity. 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.
Existing Home Sales	Include resales, short sales, and real estate owned sales.
Home Sales/Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Rental Market/Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.

B. Notes on Geography

1.	The metropolitan statistical area definition noted in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated April 10, 2018.
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