



COMPREHENSIVE HOUSING MARKET ANALYSIS

Boise, Idaho

U.S. Department of Housing and Urban Development,
Office of Policy Development and Research

As of September 1, 2023



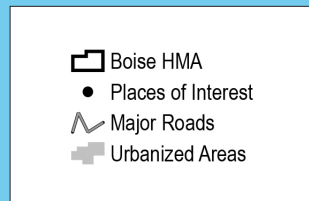
Share on: [f](#) [in](#) [X](#)

Executive Summary

Housing Market Area Description

The Boise Housing Market Area (HMA) in southwestern Idaho includes Ada, Boise, Canyon, Gem, and Owyhee Counties. The HMA is coterminous with the Boise City, ID Metropolitan Statistical Area, a region known as the Treasure Valley. Ada and Canyon Counties contain more than 95 percent of the HMA population, and in Ada County, the principal city of Boise is the state capital and the most populous city in Idaho.

The current population of the HMA is estimated at 832,100.



Tools and Resources

Find interim updates for this metropolitan area, and select geographies nationally, at PD&R's [Market-at-a-Glance tool](#).
 Additional data for the HMA can be found in this report's [supplemental tables](#).
 For information on HUD-supported activity in this area, see the [Community Assessment Reporting Tool](#).



Market Qualifiers

Economy



Strong: Nonfarm payroll jobs in the Boise HMA increased during the past 2 years and are currently 13.3 percent above the levels preceding the COVID-19 pandemic.

During the 12 months ending August 2023, nonfarm payrolls increased by 13,900, or 3.7 percent, to 391,200. All but two nonfarm payroll sectors grew during the 12 months ending August 2023, led by an increase of 2,900 jobs, or 5.1 percent, in the professional and business services sector. The unemployment rate increased slightly from 2.6 to 2.7 percent during the same period but is similar to prepandemic levels. Nonfarm payrolls are expected to continue increasing during the 3-year forecast period at an average annual rate of 3.1 percent.

Sales Market



Balanced: Increased mortgage interest rates caused the number of home sales and the average price of homes sold to decline during the 12 months ending August 2023, but also contributed to a limited supply of available homes for sale.

The sales vacancy rate in the HMA is estimated at 1.1 percent as of September 1, 2023, unchanged from April 2020. The HMA had a 2.1-month supply of homes for sale during August 2023, similar to the 2.0 months of supply during August 2019 before the pandemic and down from a 3.8-month supply during August 2022 (Redfin, a national real estate brokerage). During the 12 months ending August 2023, new and existing home sales decreased 26 percent, and home sales prices decreased 5 percent year over year (CoreLogic, Inc., with adjustments by the analyst). During the next 3 years, demand is expected for 18,650 additional homes. The 2,275 homes under construction are expected to meet a portion of that demand during the first year of the forecast period.

Rental Market



Slightly Soft: The rental vacancy rate is currently estimated at 7.8 percent, reflecting an increase from 5.4 percent in April 2020 when conditions were balanced.

The rental market softened during the past year because a historically high number of rental units came online. As of the third quarter of 2023, the apartment vacancy rate increased to 11.3 percent, up from 7.5 percent during the same period in 2022 (CoStar Group). Approximately 3,400 apartment units entered the market during the 12 months ending September 2023, the most in any corresponding 12-month period since 2010. As of the third quarter of 2023, the average monthly rent decreased 3 percent from a year earlier to \$1,512, following 5-percent annual rent growth as of the third quarter of 2022. During the forecast period, demand is expected for an additional 5,875 rental units. The 4,500 units under construction will meet all the demand during the first and second years of the forecast period.

TABLE OF CONTENTS

- Economic Conditions 4
- Population and Households 9
- Home Sales Market 12
- Rental Market 16
- Terminology Definitions and Notes 20

3-Year Housing Demand Forecast

	Sales Units	Rental Units
Boise HMA	Total Demand	18,650
	Under Construction	2,275

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of September 1, 2023. The forecast period is September 1, 2023, to September 1, 2026.
Source: Estimates by the analyst



Economic Conditions

Largest Sector: Wholesale and Retail Trade

The wholesale and retail trade sector in the Boise HMA accounts for 15 percent of nonfarm payrolls, a share approximately 2 percentage points higher than the national average.

Primary Local Economic Factors

The city of Boise is the capital of Idaho and is the home of Boise State University (BSU), which has the highest enrollment of any university in the state. As a result, the state government subsector, which includes jobs at BSU, is an important cornerstone of the HMA economy. BSU employs approximately 3,350 people and supports an additional 3,150 jobs in the HMA through university economic activity and by faculty, student, and visitor spending (BSU Economic Impact Report, 2018). In 2018, the annual economic impact of BSU in the HMA was estimated at \$589.5 million. The state of Idaho government, excluding BSU, is the largest employer in the HMA and supports approximately 13,350 jobs (Table 1).

Since 2010, the HMA has had one of the fastest growing populations among metropolitan areas in the nation. That population growth contributed to job gains in the mining, logging, and construction sector. Residential, commercial, and infrastructure building activity increased to accommodate new residents. From 2011 through 2022, the mining, logging, and construction sector led job growth in both numerical and percentage terms, adding an average of 1,700 jobs, or 8.1 percent, annually. The number of jobs in the sector has nearly tripled since 2010 when economic recovery began following the Great Recession. As a result, payrolls in the mining, logging, and construction sector account for nearly 9 percent of all nonfarm payrolls in the HMA compared with 6 percent nationally (Figure 1).

Current Conditions—Nonfarm Payrolls

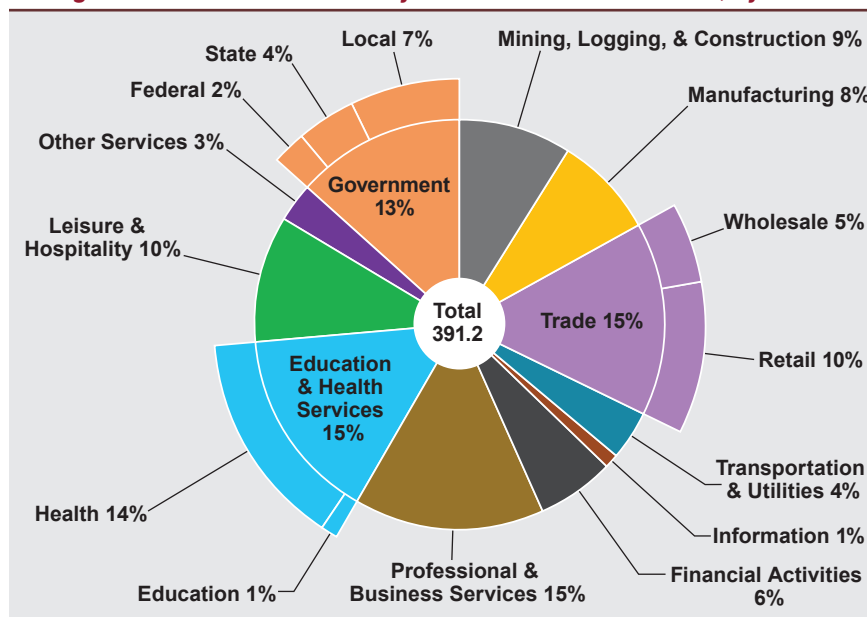
Job growth in the HMA has been rapid after nonfarm payrolls decreased with the onset of the COVID-19 pandemic in 2020. Total nonfarm payrolls in the

Table 1. Major Employers in the Boise HMA

Name of Employer	Nonfarm Payroll Sector	Number of Employees
State of Idaho	Government	13,350
St. Luke’s Health Systems	Education & Health Services	6,000–6,999
Micron Technology, Inc.	Manufacturing	5,000–5,999
Saint Alphonsus Health System	Education & Health Services	5,000–5,999
Albertsons Companies, Inc.	Professional & Business Services	3,000–3,999
Walmart Inc.	Wholesale & Retail Trade	3,000–3,999
Boise State University	Government	3,350
J.R. Simplot Company	Manufacturing	2,000–2,999
Fred Meyer	Wholesale & Retail Trade	1,500–1,599
HP Inc.	Professional & Business Services	1,400–1,499

Note: Excludes local school districts and governments.
Sources: Boise Valley Economic Partnership; estimates by the analyst.

Figure 1. Share of Nonfarm Payroll Jobs in the Boise HMA, by Sector



Notes: Total nonfarm payroll is in thousands. Percentages may not add to 100 percent due to rounding. Based on 12-month averages through August 2023. Source: U.S. Bureau of Labor Statistics



HMA averaged 391,200 jobs during the 12 months ending August 2023, up by 13,900 jobs, or 3.7 percent, from the preceding 12 months when payrolls increased by 18,000, or 5.0 percent, from a year earlier (Table 2). The number of jobs in the HMA is now 13.3 percent higher than during 2019, before the pandemic, whereas payrolls in the nation are only 2.8 percent higher than 2019 levels. During the past year, payroll growth in the HMA occurred in all but two nonfarm sectors, and the number of jobs exceeded prepandemic levels in all sectors.

The professional and business services sector added the most jobs during the 12 months ending August 2023, increasing by 2,900 jobs, or 5.1 percent, following growth of 2,200 jobs, or 3.9 percent, during the preceding 12-month period. The number of payrolls in this sector is now 8,400 jobs higher than during 2019, representing a larger increase than any other sector. The second largest job gain during the 12 months ending August 2023 occurred in the

Table 2. 12-Month Average Nonfarm Payroll Jobs (1,000s) in the Boise HMA, by Sector

	12 Months Ending August 2022	12 Months Ending August 2023	Absolute Change	Percentage Change
Total Nonfarm Payroll Jobs	377.3	391.2	13.9	3.7
Goods-Producing Sectors	62.5	64.3	1.8	2.9
Mining, Logging, & Construction	32.3	34.4	2.1	6.5
Manufacturing	30.2	29.8	-0.4	-1.3
Service-Providing Sectors	314.8	327.0	12.2	3.9
Wholesale & Retail Trade	58.5	60.4	1.9	3.2
Transportation & Utilities	17.7	16.5	-1.2	-6.8
Information	4.3	4.8	0.5	11.6
Financial Activities	22.4	22.5	0.1	0.4
Professional & Business Services	57.2	60.1	2.9	5.1
Education & Health Services	55.5	58.3	2.8	5.0
Leisure & Hospitality	37.7	39.4	1.7	4.5
Other Services	12.8	13.6	0.8	6.3
Government	48.7	51.3	2.6	5.3

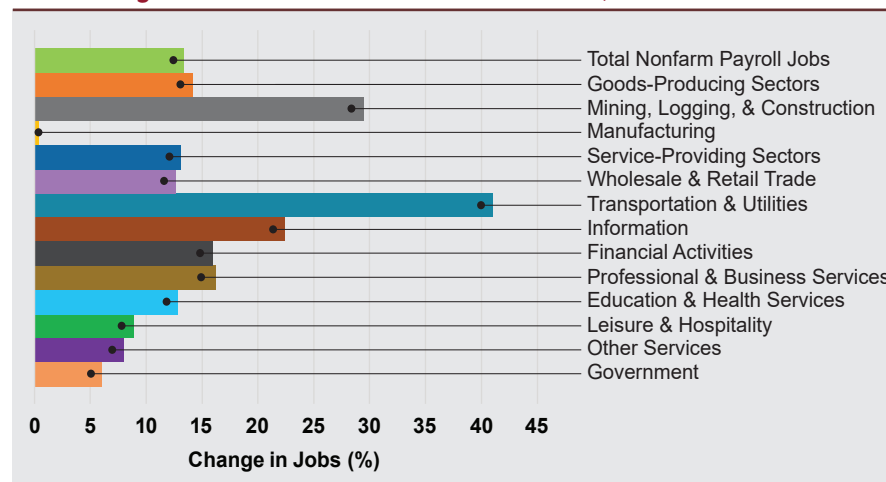
Notes: Based on 12-month averages through August 2022 and August 2023. Numbers may not add to totals due to rounding. Data are in thousands.
Source: U.S. Bureau of Labor Statistics

education and health services sector, which increased by 2,800 jobs, or 5.0 percent, to 58,300 jobs, following growth of 1,500 jobs, or 2.8 percent, during the previous 12-month period. The Saint Alphonsus Health System—the fourth largest employer in the HMA—opened a new 40,000-square-foot neurological, surgical, and trauma intensive care unit in 2023, contributing to sector job growth.

Since 2020, jobs in the transportation and utilities sector have expanded 41 percent, more than 10 percentage points higher than any other sector despite job losses in the past year (Figure 2). The 2021 opening of an Amazon.com fulfillment center in Nampa, employing 2,000 people, contributed to this job growth. During the 12 months ending August 2023, the transportation and utilities sector contracted by 1,200 jobs, or 6.8 percent, following year-over-year growth of 2,000 jobs, or 12.9 percent, during the previous 12 months.

The mining, logging, and construction sector had the second largest percentage increase in payrolls since 2020, expanding 29 percent. During the 12 months ending August 2023, payrolls in the sector increased by

Figure 2. Sector Growth in the Boise HMA, 2020 to Current



Note: Current data are based on the 12 month averages ending August 2023.
Source: U.S. Bureau of Labor Statistics

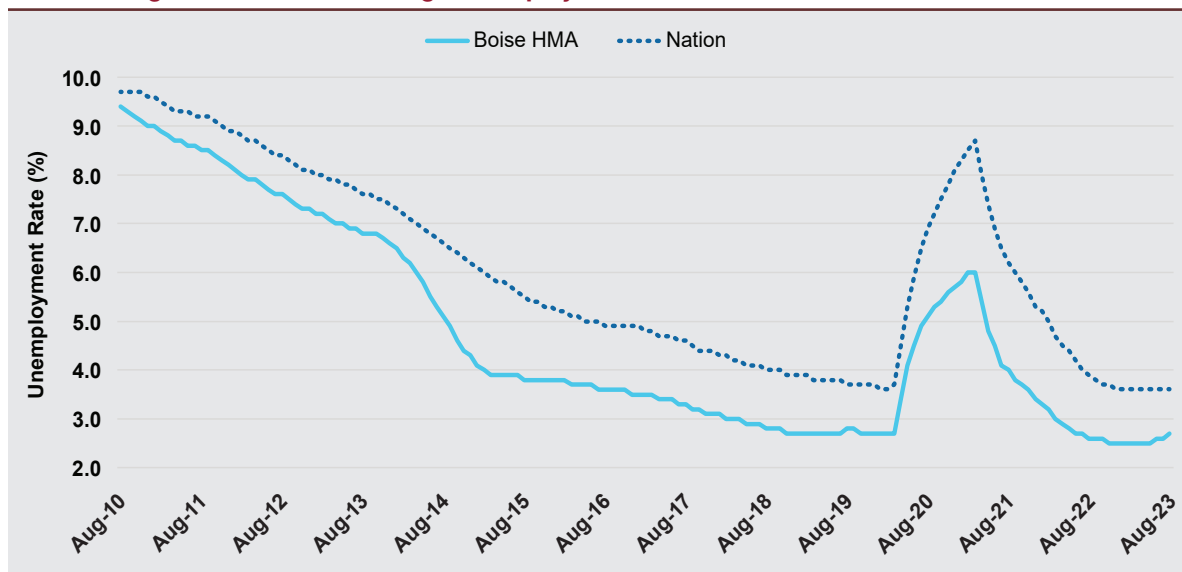


approximately 2,100 jobs, or 6.5 percent, compared with the previous 12-month period when the sector grew by 2,300 jobs, or 7.5 percent. High rates of residential and commercial construction activity since 2021 have supported job gains in this sector.

Unemployment Trends

The unemployment rate slightly increased during the past year, but it continues to be lower than the national average (Figure 3). The unemployment rate in the HMA averaged 2.7 percent during the 12 months ending August 2023, up from 2.6 percent during the 12 months ending August 2022. The unemployment rate reached a high of 5.7 percent during 2020 because of the COVID-19-related economic downturn. The rate then declined to 3.4 percent in 2021 and 2.5 percent in 2022. During the past 12 months, the unemployment rate in the HMA was lower than the 2.8-percent rate in Idaho and the 3.6-percent rate in the nation.

Figure 3. 12-Month Average Unemployment Rate in the Boise HMA and the Nation



Note: Based on the 12-month moving average.
 Source: U.S. Bureau of Labor Statistics

Before the 2020 economic downturn, the average unemployment rate in the HMA had declined throughout the 2010s. Due to job losses incurred during the Great Recession, the unemployment rate in the HMA was 9.0 percent in 2010. From 2011 through 2018, the unemployment rate decreased every year to 2.7 percent during both 2018 and 2019 and was below the national rate every year.



Economic Periods of Significance

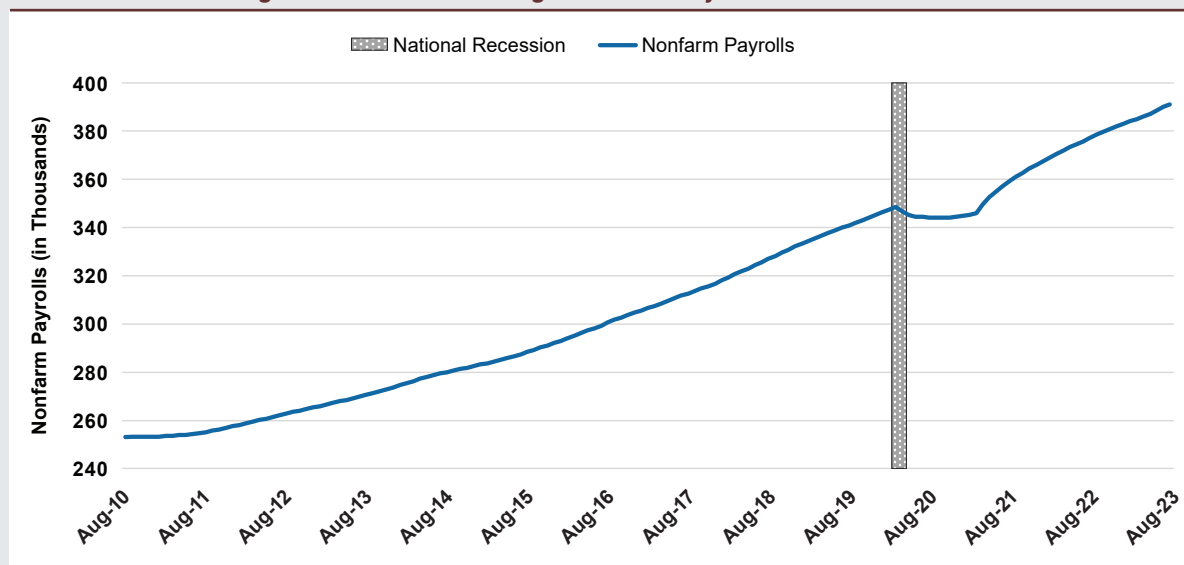
2011 Through 2014—Recovery

From 2011 through 2014, the number of jobs in the HMA increased by an average of 7,300, or 2.8 percent, annually and exceeded the 2007 pre-Great Recession peak of 276,800 jobs in 2014. During this period, the wholesale and retail trade sector, which added 1,400 jobs, or 3.3 percent, annually, led job growth. Despite the strong job growth in this sector, the number of payrolls recovered only to levels before the Great Recession in 2014 because of large job losses in the retail trade subsector in the late 2000s. From 2011 through 2014, the fastest job growth in percentage terms occurred in the mining, logging, and construction sector, which grew an average of 6.8 percent, or by 1,000 jobs, annually, but sector jobs were still 27 percent fewer in 2014 than before the Great Recession. The education and health services sector expanded the most, adding an average of 1,100 jobs, or 2.9 percent, annually from 2011 through 2014, reaching a number of jobs in 2014 that was 28 percent above the level before the Great Recession.

2015 Through 2019—Expansion

Job growth in the HMA accelerated in the second half of the 2010s (Figure 4). From 2015 through 2019, the number of nonfarm payrolls in the HMA increased by an average of 12,600, or 4.1 percent, annually. During this period, the professional and business services and the education and

Figure 4. 12-Month Average Nonfarm Payrolls in the Boise HMA



Note: 12-month moving average.

Sources: U.S. Bureau of Labor Statistics; National Bureau of Economic Research

health services sectors, which each expanded by an average of 2,000 jobs, or 4.3 percent, annually, led job growth. The education and health services sector has been one of the largest sources of job gains in every period of significance since 2011, supported by strong population growth and even higher rates of growth among people aged 62 and older who are more likely to require healthcare services. The mining, logging, and construction sector continued to have the highest job growth in percentage terms, increasing an average of 9.5 percent, or by 1,900 jobs, annually. However, it took until 2018 for payrolls to exceed pre-Great Recession levels because of severe job losses in the sector in the late 2000s.

2020 and 2021—Job Losses and Recovery During the COVID-19 Pandemic

During 2020, nonfarm payrolls in the HMA fell 0.2 percent, or by 700 jobs, as a result of public health measures to combat the COVID-19 pandemic. Job losses in the HMA during this period were less severe than in the nation, where nonfarm payrolls fell 5.8 percent. The leisure and hospitality sector had the most job losses, declining by 4,100 jobs, or 11.3 percent, because restaurants were forced to limit services or temporarily close, and tourism plummeted. The government sector had the second most job losses,

contracting by 900 jobs, or 1.9 percent. Nearly all the job losses in government occurred in the local government subsector, which fell by 1,000 jobs, or 3.8 percent. Temporary curtailment of in-person education and government services contributed to job losses in this subsector. Despite overall job losses during 2020, some sectors continued to grow. The mining, logging, and construction sector expanded by 1,900 jobs, or 7.1 percent, supported by high rates of residential and commercial construction. The professional and business services sector increased by 1,300 jobs, or 2.5 percent, partially because a high proportion of jobs in this sector can be performed remotely.

Commuting Patterns

Slightly more than three-quarters of jobs in the HMA are in Ada County. During 2020, Ada County had approximately 265,000 jobs, 18 percent higher than the number of workers who live there (U.S. Census Bureau OnTheMap), implying that approximately 40,650 workers commuted into Ada County for work. Conversely, Canyon County accounted for 73,500 jobs, and the rural counties of Boise, Gem, and Owyhee accounted for a combined 7,775 jobs, or 26 and 46 percent fewer than the 99,800 and 14,550 workers living in those areas, respectively.

The economy of the HMA recovered rapidly in 2021, adding 21,500 jobs, or 6.2 percent, with every sector adding jobs. The largest gain occurred in the transportation and utilities sector, which expanded by 4,800 jobs, or 38.7 percent, to accommodate the increased demand for online purchases and delivery services—a trend that had been increasing in the 2010s but accelerated during the pandemic. The leisure and hospitality sector grew by 3,600 jobs, or 11.2 percent, as restrictions on in-person dining ended and tourism recovered.

Forecast

During the 3-year forecast period, nonfarm payrolls are expected to increase at an average annual rate of 3.1 percent. The education and health services sector is expected to continue to be a large source of job gains in the HMA, supported by continued growth in the population aged 62 and older. Residential construction activity is expected to trend down compared with 2021 and 2022 levels, but several large nonresidential construction projects in the HMA will support jobs in the mining, logging, and construction sector. Micron Technology, Inc., a semiconductor manufacturer, is building a new \$15 billion chip fabrication plant in Boise. The first phase of this plant is expected to come online in 2025, and when built out in 2029, it is expected to employ 2,000 workers.



Population and Households

Current Population: 832,100

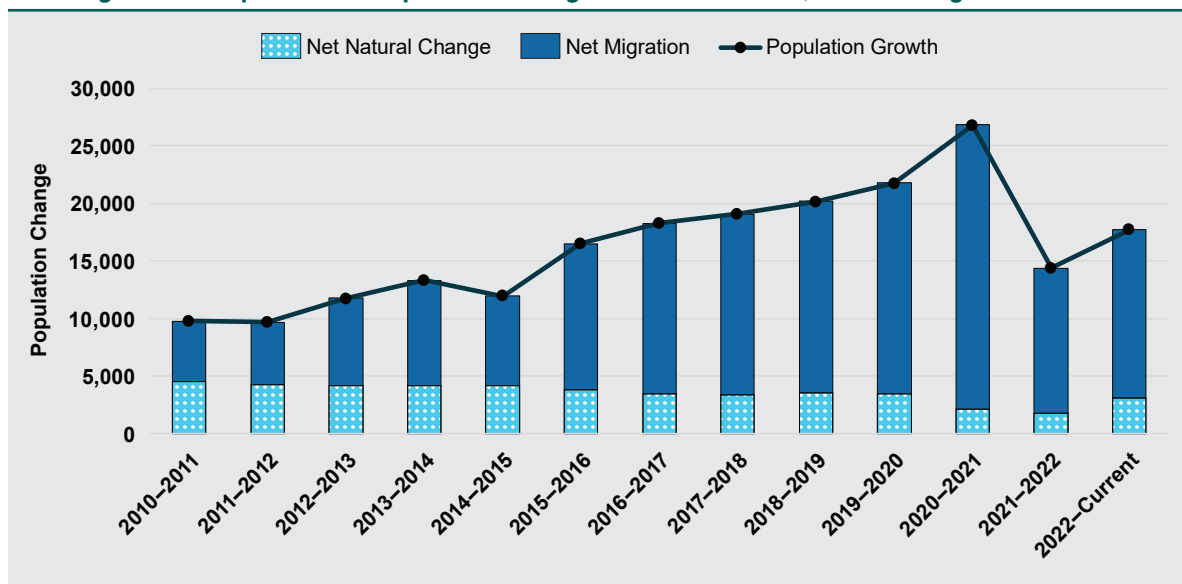
Supported by high domestic net in-migration, population growth in the Boise HMA has been one of the fastest among the nation’s metropolitan areas since 2010.

Population Trends

The HMA is one of the fastest growing metropolitan areas in the country. From 2010 to 2020, the HMA was the fifth fastest growing of the 100 most populous metropolitan areas in the nation, and it was the fastest growing from 2020 to 2022 (Census Bureau decennial census counts and population estimates as of July 1). Population growth in the HMA averaged 11,000 people, or 1.7 percent, annually from 2010 to 2015, when the HMA recovered from the housing crisis and Great Recession. During this period, net natural change and net in-migration accounted for respective averages of 4,325 and 6,675 people annually. Population growth accelerated to an average of 19,050 from 2015 to 2020 as job growth rates increased (Figure 5). Net in-migration increased to an average of 15,500 people annually during this period, whereas net natural change slowed to an average of 3,550 people annually.

Population growth accelerated further during the COVID-19 pandemic. From 2020 to 2021,

Figure 5. Components of Population Change in the Boise HMA, 2010 Through the Forecast



Notes: Data displayed are average annual totals. The forecast period is from the current date (September 1, 2023) to September 1, 2026. Sources: U.S. Census Bureau; current to forecast—estimates by the analyst

the population of the HMA increased by 25,800, or 3.4 percent, supported by net in-migration of 23,450 people a year. Net migration increased after the onset of the COVID-19 pandemic, supported by strong job growth relative to the rest of the nation and because many remote workers moved to the HMA from areas with higher housing costs. During this period, net natural change slowed further, averaging 2,350 people a year, primarily because of increased COVID-19-related mortality. Since 2021, the population of the HMA has increased by an average of 16,200, or 2.0 percent, annually to 832,100 as of September 1, 2023. Net natural change increased to an average of 2,450 people annually as COVID-19-related mortality declined, but net in-migration slowed to an average of 13,750 people annually.

Population by Geography

Ada County, which includes the cities of Boise and Meridian, accounted for approximately 64 percent of the population of the HMA in 2022, while 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—are home to the remaining 5 percent of the population of the HMA. Population growth in the HMA from



2010 to 2020 was broadly distributed, but growth was greatest in Ada County. Population increases averaged 2.4, 2.0, and 0.9 percent annually in Ada, Canyon, and the combined remaining rural counties, respectively. From 2020 to 2022, population growth shifted out of Ada County and toward suburban and rural areas, supported by low mortgage interest rates that made homeownership more affordable. During this period, annual population growth averaged 2.1, 3.8, and 3.1 percent in Ada, Canyon, and the three rural counties, respectively.

Migration Flows

Domestic in-migration accounts for most of the net in-migration in the HMA. From 2010 to 2015, domestic migration accounted for 88 percent of all net in-migration to the HMA before rising to 96 percent of net in-migration from 2015 to 2020. Migration from metropolitan areas in California with higher costs of living makes up a plurality of this migration. The U.S. Census Bureau estimated that net in-migration from metropolitan areas in California was 7,600 people annually from 2016 through 2020 (American Community Survey [ACS] 5-year data; Census Bureau Metro-to-Metro Migration Flows). During the same period, an estimated net of 3,925 people moved to the HMA annually from metropolitan areas outside California. Of the top five sources of domestic in-migration

Table 3. Metro-to-Metro Migration Flows in the Boise HMA, 2016–2020

Into the HMA	
Los Angeles-Long Beach-Anaheim, CA	1,843
Sacramento-Roseville-Folsom, CA	1,089
Riverside-San Bernardino-Ontario, CA	909
San Francisco-Oakland-Berkeley, CA	875
Lubbock, TX	557
Out of the HMA	
Flagstaff, AZ	367
Chicago-Naperville-Elgin, IL-IN-WI	295
Dallas-Fort Worth-Arlington, TX	273
Crestview-Fort Walton Beach-Destin, FL	269
Urban Honolulu, HI	202

Source: U.S. Census Bureau Migration Flows, 2016–2020 American Community Survey 5-year data

to the HMA, four are large metropolitan areas in California (Table 3). Average home prices in the HMA range from 12 to 60 percent less than in the four California metropolitan areas.

Age Cohort Trends

The HMA has a relatively young population, with a median age of 37.8 years compared with 39.0 years nationally, and a high percentage of children, with 23.4 percent of the population younger than age 18 compared with 21.7 percent nationally (2022 ACS 1-year data). Despite the relative youthfulness of the HMA population, the cohort of residents aged 62 and older grew at a faster average rate of 5.0 percent annually from 2010 to 2022 compared with the average annual overall population growth of 2.3 percent. As a result, the cohort of residents aged 62 and older increased from 14 to 19 percent of the HMA population. During the same period, the median age increased by more than 3 years. The increasing age of the population contributed to the declining rate of net natural change, supported job growth in the education and health services sector, and incentivized age-restricted housing development.

Household Trends

As of September 1, 2023, the number of households in the HMA is estimated at 310,500, representing an average increase of 8,900 households, or 3.1 percent, annually since 2020 (Table 4). Household

growth has outpaced the 2.5-percent annual population growth since 2020. An aging population and more people preferring to live alone or with fewer roommates, including many remote workers, led to a decline in the average household size. In addition, strong economic conditions led to increased household formation. By comparison, household growth averaged 5,450, or 2.2 percent, annually from 2010 to 2020. An estimated 71.2 percent of households, or 221,100, are currently homeowners compared with a homeownership rate of 70.7 percent in 2020 (Figure 6).

Forecast

During the next 3 years, the population of the HMA is expected to increase by an average of 18,400, or 2.2 percent, a year—a higher rate than the growth from 2021 to the current date but below the averages from 2015 to 2020 and 2020 to 2021. Net natural change is expected to continue to trend upward due to COVID-19-related mortality declines, while net in-migration is expected to increase marginally because of continued strong economic growth. The number of households is expected to reach 333,400 by the end of the 3-year forecast period, with average growth of 2.4 percent annually.

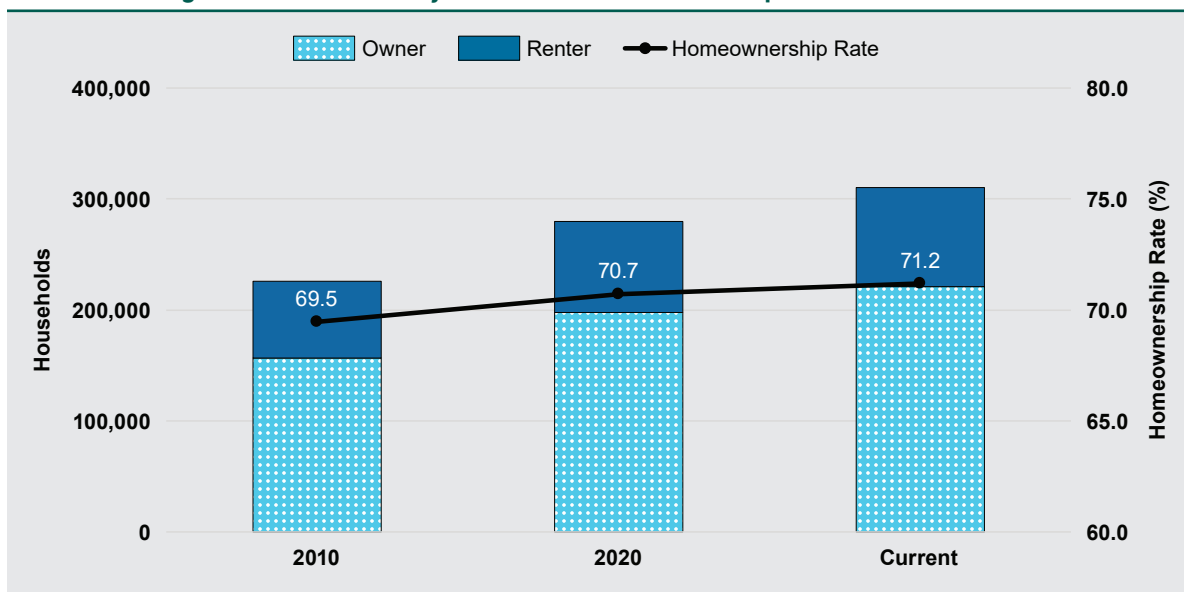
Table 4. Boise HMA Population and Household Quick Facts

Population Quick Facts	2020	Current	Forecast	
	Population	764,718	832,100	887,200
	Average Annual Change	14,800	19,700	18,400
	Percentage Change	2.2	2.5	2.2

Household Quick Facts	2020	Current	Forecast	
	Households	280,112	310,500	333,400
	Average Annual Change	5,450	8,900	7,625
	Percentage Change	2.2	3.1	2.4

Notes: Average annual changes and percentage changes are based on averages from 2010 to 2020, 2020 to current, and current to forecast. The forecast period is from the current date (September 1, 2023) to September 1, 2026. Sources: 2010 and 2020—2010 Census and 2020 Census; current and forecast—estimates by the analyst

Figure 6. Households by Tenure and Homeownership Rate in the Boise HMA



Note: The current date is September 1, 2023. Sources: 2010 and 2020—2010 Census and 2020 Census; current—estimates by the analyst

Home Sales Market

Market Conditions: Balanced

During the 12 months ending August 2023, the average home sales price decreased year over year for the first time in more than a decade.

Current Conditions

The sales market in the Boise HMA is balanced, with an overall sales vacancy rate of 1.1 percent as of September 1, 2023 (Table 5), unchanged from 1.1 percent in 2020. The volume of home sales declined during the past 2 years, and the average home price decreased during the 12 months ending August 2023 compared with the previous 12-month period. Rising mortgage interest rates reduced demand and contributed to falling home sales during the past 24 months, with the 30-year fixed-rate mortgage averaging more than 7.0 percent in August 2023, up nearly 1.9 percentage points year over year and 4.2 percentage points higher than August 2021 rates (Freddie Mac). Assuming a 20-percent down payment, the rate rise effectively increased the monthly mortgage payment by \$392 for an average-priced home in the HMA compared with August 2022 and by \$1,528 compared with August 2021. In addition to the effect of the increased cost of home ownership on demand, high mortgage interest rates are discouraging homeowners with low-interest mortgages from

selling, contributing to a low inventory of homes for sale and fewer home sales. As a result, the number of home sales decreased 26 percent to 19,450 during the 12 months ending August 2023, following a decrease of 18 percent during the previous 12 months (CoreLogic, Inc., with adjustments by the analyst).

Although home sales decreased during the past 24 months, the inventory of homes for sale remains limited. The HMA had an inventory of approximately 3,325 single-family homes, condominiums, and townhomes for sale during August 2023, representing a 2.1-month supply, down from 6,225 homes for sale, or a 3.8-month supply, during August 2022 and 5,250 homes for sale, or a 2.0-month supply, during August 2021 (Redfin, a national real estate brokerage). Although the supply of homes for sale in the HMA tightened during the past year, the average home price decreased 5 percent to approximately \$489,200 during the 12 months ending August 2023 compared with the previous 12-month period when home prices increased 16 percent (CoreLogic, Inc., with adjustments by the analyst). Figure 7 shows the share of overall sales by price range during the 12 months ending August 2023.

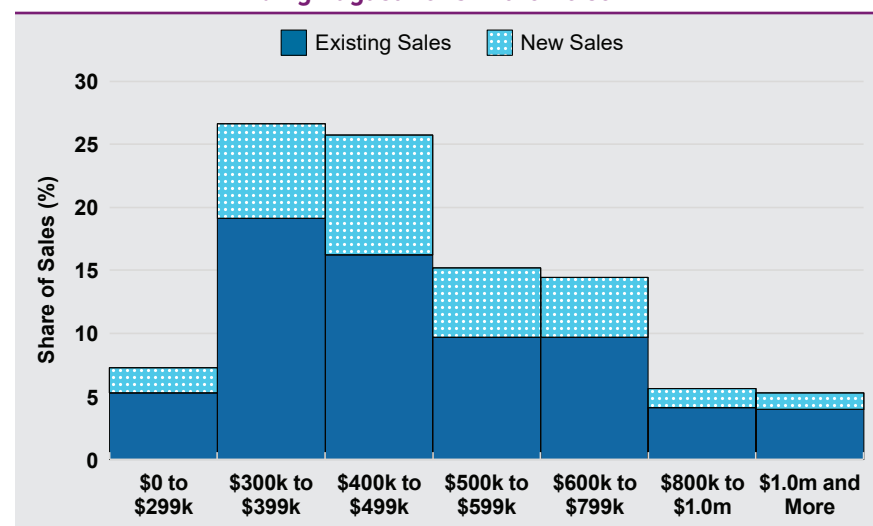
Table 5. Home Sales Quick Facts in the Boise HMA

	Boise HMA	Nation
Vacancy Rate	1.1%	NA
Months of Inventory	2.1	2.1
Total Home Sales	19,550	5,262,000
1-Year Change	-28%	-28%
New Home Sales Price	\$491,400	\$495,900
1-Year Change	-8%	5%
Existing Home Sales Price	\$491,300	\$388,200
1-Year Change	-4%	0%
Mortgage Delinquency Rate	0.4%	1.0%

NA = data not available.

Notes: The vacancy rate is as of the current date; home sales and prices are for the 12 months ending July 2023; and months of inventory and mortgage delinquency data are as of July 2023. The current date is September 1, 2023. Sources: Vacancy rate—estimates by the analyst; months of inventory and mortgage delinquency rate—CoreLogic, Inc.; home sales and prices—CoreLogic, Inc., with adjustments by the analyst

Figure 7. Share of Overall Sales by Price Range During the 12 Months Ending August 2023 in the Boise HMA



Note: New and existing sales include single-family homes, townhomes, and condominium units. Source: Zonda

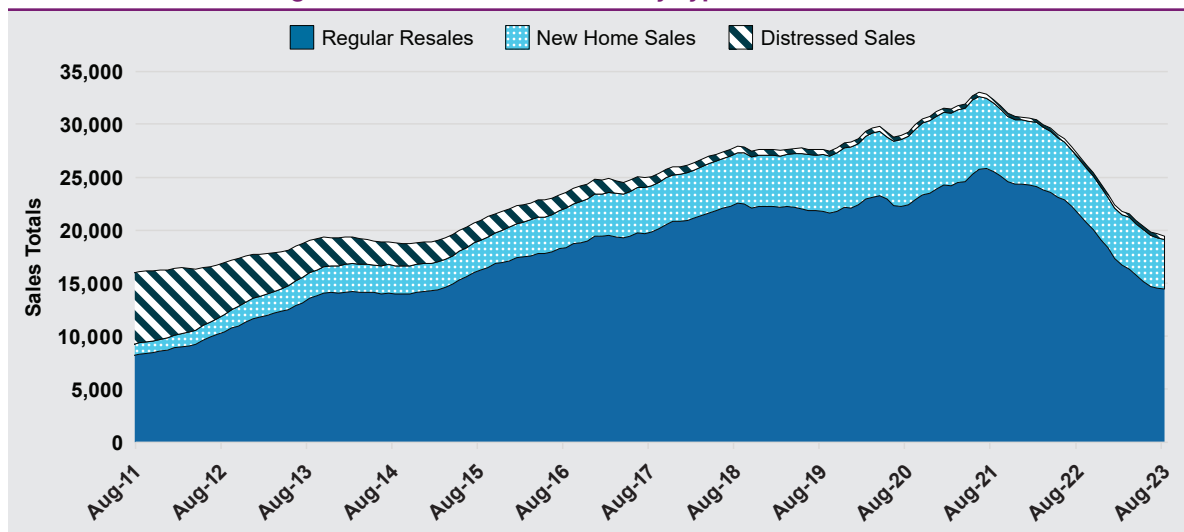


Existing Home Sales Trends

Existing home sales and prices increased during the early 2010s when the HMA recovered from the Great Recession and housing crisis in the late 2000s. From 2011 through 2013, the number of existing home sales increased an average of 4 percent annually (Figure 8). During this period, distressed home sales were a large portion of existing home sales, but they decreased rapidly as the stock of distressed properties depleted. Distressed sales represented 42 percent of existing home sales in 2010 but only 16 percent in 2013. The average existing home price decreased 5 percent in 2011 and then grew an average of 14 percent annually during 2012 and 2013 (Figure 9), supported by declining numbers of relatively lower priced distressed home sales. In 2014, the market for existing home sales stabilized. The number of existing home sales fell 3 percent, and the average price increased 3 percent.

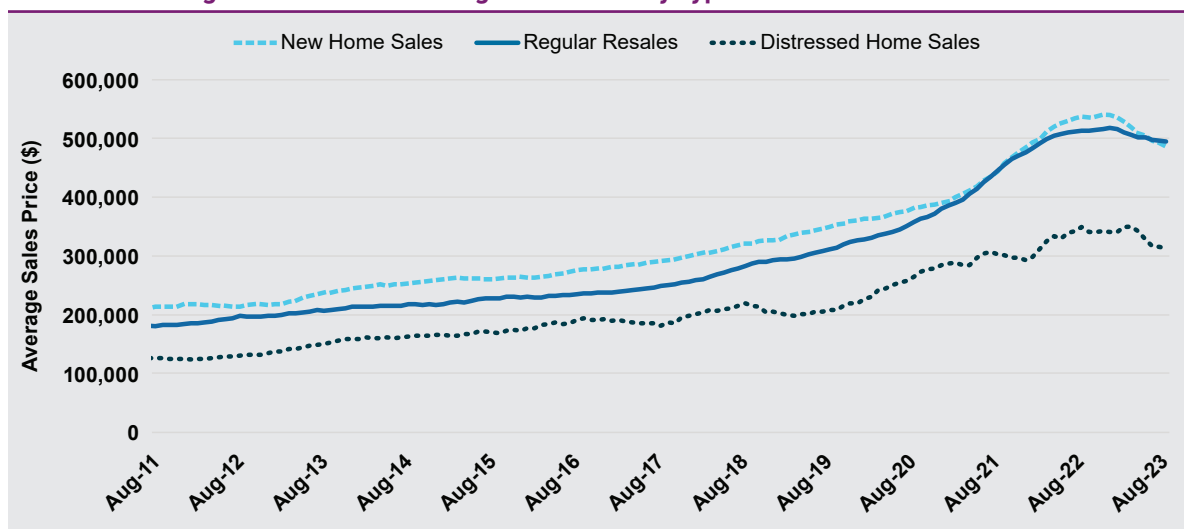
Accelerating population growth and strong economic conditions supported existing home price increases well above the national average during the second half of the 2010s. From 2015 through 2017, the number of existing home sales increased an average of 10 percent annually, and the average existing home price increased an average of 6 percent annually, surpassing the annual 4-percent nationwide increase in the average price of existing homes. During 2018 and 2019, average existing home price growth accelerated to an average of 13 percent annually compared with annual price

Figure 8. 12-Month Sales Totals by Type in the Boise HMA



Source: CoreLogic, Inc., with adjustments by the analyst

Figure 9. 12-Month Average Sales Price by Type of Sale in the Boise HMA



Source: CoreLogic, Inc., with adjustments by the analyst



growth of 3 percent nationally. Growth in the number of existing home sales slowed to 3 percent during this period, partly due to a limited inventory of available homes for sale.

The home sales market tightened further during the COVID-19 pandemic. During 2020 and 2021, existing home sales and prices increased respective averages of 4 and 21 percent annually due to rising demand. Low mortgage rates during this period encouraged homebuying, and the proliferation of remote work contributed to increased migration from California and a shift in demand away from apartments as many people, including remote workers, sought more space. Existing home price growth in the HMA continued to outpace the nation at large, where existing home prices grew an average of 13 percent annually during the same period. During 2022, the number of existing home sales in the HMA fell 28 percent in response to rising interest rates, and existing home price growth slowed to 8 percent. The number of existing home sales in the HMA continued to decline during the 12 months ending August 2023, falling 29 percent year over year to 14,850 sales, and the average price of an existing home fell 4 percent to \$490,100.

New Home Sales and Price Trends

Growth in the number of new home sales outpaced the rate of existing home sales growth during the 2010s, and high rates of population growth led to demand for additional homes. Although both new home sales and average prices fluctuated

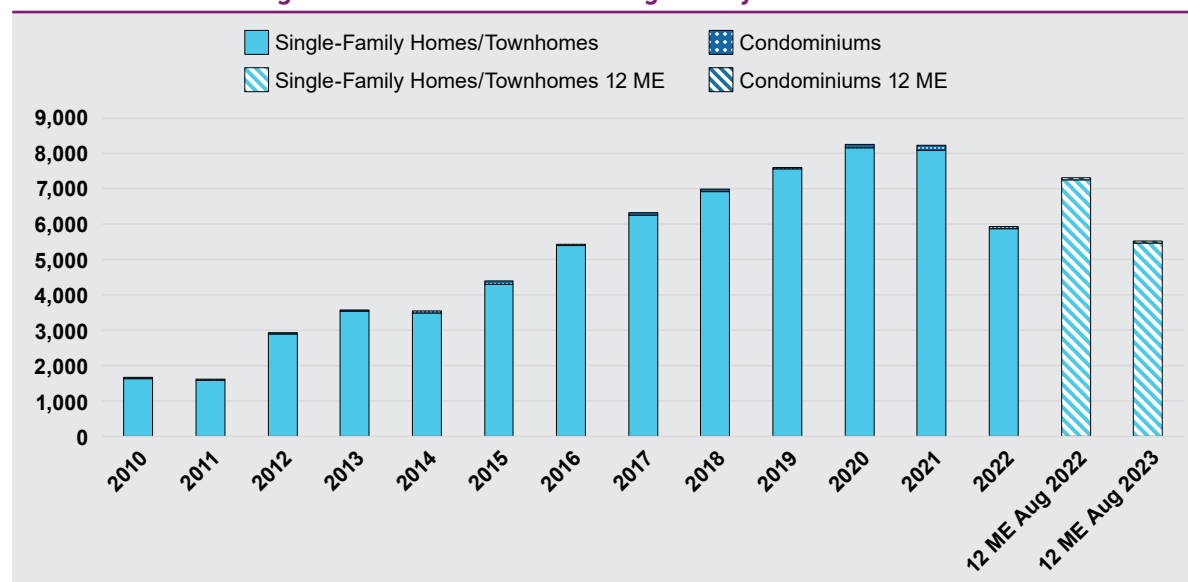
from year to year, both tended to increase strongly during the 2010s, rising respective averages of 17 and 8 percent annually from 2011 through 2019. During 2020 and 2021, new home sales peaked at an annual average of 6,450, and new home prices increased an average of 16 percent annually.

Since 2021, the number of new home sales has decreased but to a lesser extent than existing home sales. Rising mortgage interest rates have contributed to a limited supply of existing homes for sale, which, in turn, has supported the demand for new homes. During 2022, the number of new home sales fell 21 percent compared with 28 percent for existing homes, whereas average new home prices increased 11 percent. The average price of a new home fell 9 percent year over year to \$486,300 during the 12 months ending August 2023, when the number of new home sales declined 11 percent to 4,675.

Sales Construction

As measured by the number of single-family homes, townhomes, and condominium units permitted (building permits), homebuilding activity generally increased in the HMA from 2012 through 2021. Homebuilding was low in the aftermath of the Great Recession and housing crisis, averaging 1,600 homes permitted annually during 2010 and 2011. However, high levels of population and economic growth supported homebuilding, which increased an average of 20 percent annually from 2012 through 2020 (Figure 10). Homebuilding in

Figure 10. Annual Sales Permitting Activity in the Boise HMA



12 ME = 12 months ending.

Sources: U.S. Census Bureau, Building Permits Survey; 2010–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst



the HMA increased at twice the national average of 10 percent annually during this period. During 2020 and 2021, homebuilding peaked at an average of 8,250 homes annually. Rapid home price growth and robust demand led home builders to increase construction. For the first time since the housing crisis in the 2000s, new home construction fell significantly in 2022, when 5,925 homes were permitted, because rising mortgage interest rates increased the cost of homebuilding and caused demand for new homes to decrease significantly. This trend continued during the 12 months ending August 2023, when 5,500 homes were permitted, down 25 percent from the preceding 12-month period.

As of 2022, Ada County accounted for approximately 57 percent of homebuilding in the HMA, Canyon County accounted for 37 percent, and the three rural counties accounted for the remaining 6 percent. Since 2012, Canyon County, where a large supply of developable land is available within commuting distance to the city of Boise, has had an increasing share of suburban development. Homebuilding increased an average of 35 percent annually from 2012 through 2020 in Canyon County. By comparison, homebuilding in Ada County and the three rural counties increased 16 and 21 percent annually during the same period, respectively. In Canyon County, the largest increases in homebuilding occurred in the Caldwell and Nampa suburbs, where homebuilding increased by averages of 43 and 37 percent annually from 2012 through 2020. In Ada County, the highest increases in

homebuilding occurred in Kuna, where the number of homes permitted increased an average of 32 percent annually during this period.

Carriage Hill West, a 245-lot subdivision in Nampa, is typical of the subdivisions being built across suburban Ada and Canyon Counties. During 2023, Carriage Hill West sold 50 homes and is currently nearly at buildout. Single-family homes at Carriage Hill West start at approximately \$400,000 and range up to \$700,000.

Forecast

Demand is estimated for 18,650 new homes during the next 3 years (Table 6). Demand for new homes is expected to be geographically distributed similarly to recent homebuilding patterns. The 2,275 homes under construction are expected to meet a portion of demand during the first year of the 3-year forecast period. Demand for sales housing is expected to increase throughout the forecast period because mortgage interest rates are expected to stabilize.

Table 6. Demand for New Sales Units in the Boise HMA During the Forecast Period

Sales Units	
Demand	18,650 Units
Under Construction	2,275 Units

Note: The forecast period is from September 1, 2023, to September 1, 2026.
Source: Estimates by the analyst

Rental Market

Market Conditions: Slightly Soft

Rental market conditions eased during the past year because a large number of new apartments were completed, and rental unit absorption slowed.

Current Conditions and Recent Trends

The overall rental market in the Boise HMA—including apartments, single-family homes, and other housing options available for rent—is slightly soft. The estimated 7.8-percent vacancy rate is up from 5.4 percent in April 2020, when rental conditions were balanced (Table 7). In the past year, many new apartments have come online, contributing to an increase in the rental vacancy rate.

Apartment Market Conditions

The apartment market is soft. As of the third quarter of 2023, the average apartment vacancy rate in the HMA was 11.3 percent, up from 7.5 percent as of the third quarter of 2022 and 4.9 percent as of the third quarter of 2021 (CoStar Group; Figure 11). By comparison, the apartment vacancy rate ranged between 4.0 and 6.0 percent as of the third quarters of 2017 through 2020, when market conditions ranged from tight to balanced.

Table 7. Rental and Apartment Market Quick Facts in the Boise HMA

Rental Market Quick Facts	2020 (%)	Current (%)	
	Rental Vacancy Rate	5.4	7.8
	2021 (%)	2022 (%)	
Occupied Rental Units by Structure			
	Single-Family Attached & Detached	45	44
	Multifamily (2–4 Units)	20	22
	Multifamily (5+ Units)	30	29
	Other (Including Mobile Homes)	5	5

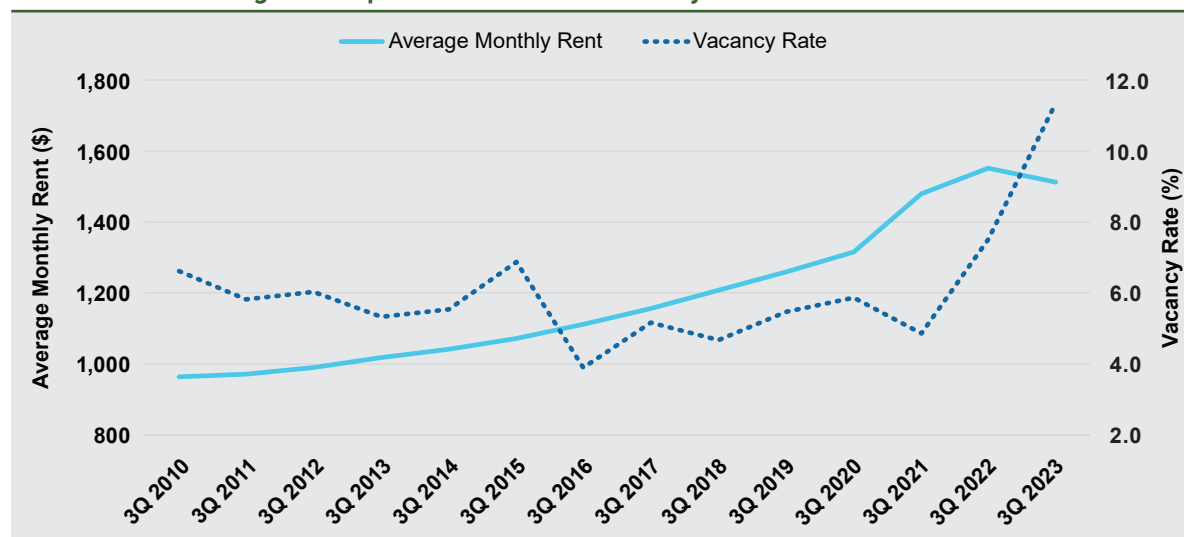
Apartment Market Quick Facts	3Q 2023	YoY Change	
	Apartment Vacancy Rate	11.3	3.8
	Average Rent	\$1,512	-3%
	Studio	\$1,252	-1%
	One-Bedroom	\$1,356	-3%
	Two-Bedroom	\$1,518	-3%
Three-Bedroom	\$1,761	-2%	

3Q = third quarter. YoY = year-over-year.

Notes: The current date is September 1, 2023. Percentages may not add to 100 due to rounding.

Sources: 2020 vacancy rate—2020 Census; current vacancy rate—estimate by the analyst; occupied rental units by structure—2021 and 2022 American Community Survey 1-year data; apartment data—CoStar Group

Figure 11. Apartment Rents and Vacancy Rates in the Boise HMA



3Q = third quarter.

Source: CoStar Group



A historically large number of apartments were completed during the past year, causing the apartment vacancy rate in the HMA to increase. During the 12 months ending September 2023, approximately 3,400 apartments were completed (CoStar Group), the most of any comparable period since 2010. By comparison, an average of 2,450 apartments were completed annually from 2020 through 2022, up from an annual average of 1,725 apartment completions from 2017 through 2019. Despite strong economic and population growth, only about 1,700 apartment units were absorbed in the HMA during the 12 months ending September 2023. By comparison, approximately 2,075 and 1,500 apartments were absorbed annually, respectively, from 2020 through 2022 and 2017 through 2019. The large number of new apartments entering the market during the past 12 months, including units still in lease-up during the third quarter of 2023, also contributed to the stabilized apartment vacancy rate increasing 2.1 percentage points year over year to 6.8 percent, the highest rate since 2010.

Increasing levels of vacancy and competition from new apartments caused property managers to reduce rents during the past year. As of the third quarter of 2023, average asking rents decreased 3 percent year over year to \$1,512, the first time rents as measured in the third quarter had declined in the HMA since 2010. Average asking rents increased an average of 9 percent year over year as of the third quarters of 2021 and 2022, supported by high rates of household formation. The rising price of homes contributed to increased demand for rental units, allowing property managers to raise rents. By comparison, year-over-year average asking rent growth averaged 4 percent as of the third quarters of 2016 through 2020.

Market Conditions by Geography

Approximately 81 and 19 percent of apartment units in the HMA are in Ada and Canyon Counties, respectively. Very few apartments are in the three rural counties in the HMA. As of the third quarter of 2023, the apartment vacancy rate in Ada County was 11.2 percent, up from 6.6 percent a year earlier, and the rate in Canyon County was 11.8 percent, up from 11.5 percent

a year earlier. Recent apartment absorption in Canyon County has outpaced Ada County. During the 12 months ending September 2023, approximately 780 apartment units were absorbed in Canyon County, or 12 percent of the apartment inventory, the most in a similar period since 2010. By comparison, 910 units were absorbed in Ada County, or 3 percent of the apartment inventory, down from an average of 1,600 units, or 7 percent of the apartment inventory, annually during the preceding 5 years.

Among the market areas within Ada County, apartment vacancy rates were highly correlated with apartment completions. Approximately 39 percent of all apartments completed during the 12 months ending September 2023 were in the CoStar-defined Meridian market area. That market area also had the highest vacancy rate among all five CoStar-defined market areas that make up the county, at 18.0 percent as of the third quarter of 2023, up from 7.9 percent a year earlier. Competition from apartment properties in lease-up caused the vacancy rate at established apartments to increase as well. The stabilized vacancy rate in the Meridian market area increased from 4.7 percent during the third quarter of 2022 to 11.5 percent during the third quarter of 2023. Conversely, the fewest apartment deliveries occurred in the Downtown Boise market area, where the apartment vacancy rate was 8.6 percent, the second lowest among all market areas in Ada County. The highest rents in the HMA were in the Outlying Ada County, Meridian, and Downtown Boise market areas at \$1,678, \$1,644, and \$1,582, respectively, as of the third quarter of 2023. Rents were lower in the Nampa and Caldwell market areas in Canyon County at \$1,436 and \$1,394, respectively.

Student Housing

Student households account for an estimated 4 percent of all renter households in the HMA. BSU, in downtown Boise, has a large effect on rental market conditions near the university. As of the fall of 2022, the university had 17,000 undergraduate degree-seeking students enrolled. Approximately 3,050 students reside in on-campus dormitories. Most of the remaining 13,950 students reside in rental housing near campus, and many student



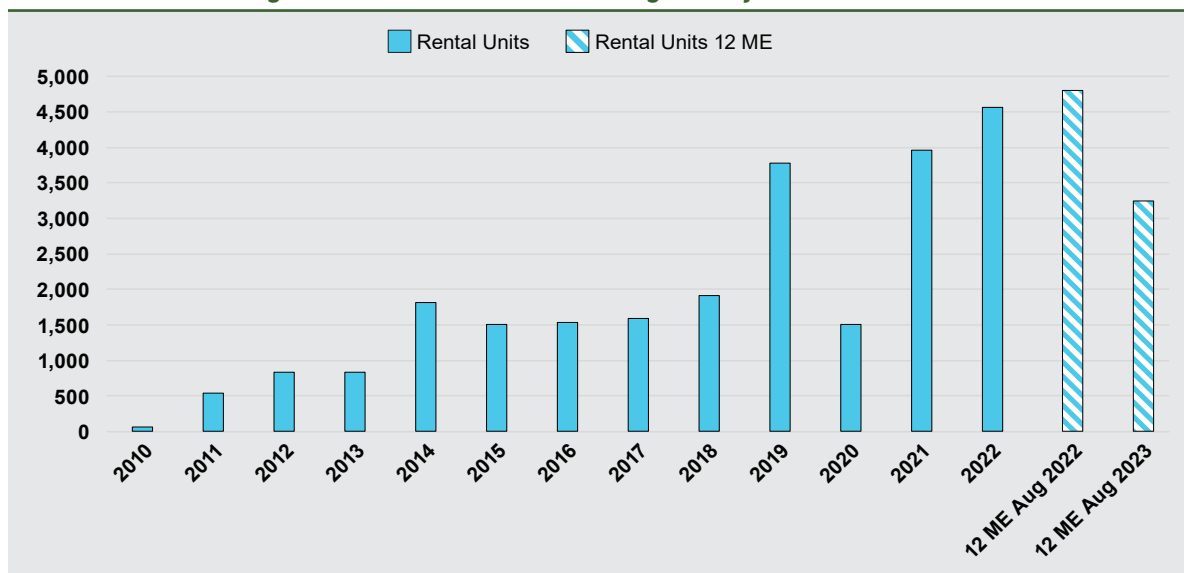
apartments have been built to serve this market. Approximately 1,725 of these units, with a total 3,675 beds, are within a mile of BSU. The average vacancy rate of student apartments was 8.1 percent during the third quarter of 2023, up from 6.9 during the third quarter of 2022 but lower than the HMA average (CoStar Group). Rent growth among these properties was much higher than in conventional apartment communities, increasing 5 percent to an average rent of \$740 per bed as of the third quarter of 2023.

Rental Construction

During the 2010s, builders increased rental construction in response to improving economic conditions, strong population growth, and generally balanced rental market conditions. Only 60 rental units were permitted during 2010 when rental market conditions were soft. Rental unit permitting increased to an average of 740 units annually from 2011 through 2013 as apartment vacancy rates declined and average asking rents increased (Figure 12). As economic conditions improved and apartment market conditions remained balanced, rental construction rose to an average of 1,675 units annually from 2014 through 2018, supported by higher rates of population growth during the latter part of the period. During 2019, rental construction spiked to 3,775 units.

After the onset of the COVID-19 pandemic, rental construction initially declined to 1,500 units in 2020, because builders faced uncertainty during

Figure 12. Annual Rental Permitting Activity in the Boise HMA



12 ME = 12 months ending.
 Note: Includes apartments and units intended for rental occupancy.
 Sources: U.S. Census Bureau, Building Permits Survey; 2010–22—final data and estimates by the analyst; past 24 months of data—preliminary data and estimates by the analyst

the onset of the COVID-19 pandemic and supply chain constraints. However, rental construction recovered strongly to an average of 4,250 units annually during 2021 and 2022 as builders responded to high rates of rent growth, low apartment vacancy, and low interest rates, and construction was at the highest level in at least 4 decades. During the 12 months ending August 2023, an average of 3,250 rental units were permitted, down 32 percent from the previous 12 months. Although rental construction decreased as a result of softening rental market conditions and increased borrowing costs, the level of rental construction is still well above pre-2019 levels.

Current Rental Construction Activity

An estimated 4,500 apartments are under construction in the HMA, with approximately 75 and 25 percent of them in Ada and Canyon Counties, respectively. The city of Boise in Ada County accounts for about two-thirds of current rental construction, and the suburb of Meridian accounts for the remaining one-third. The Timbers at Harris Ranch apartments, a 274-unit market-rate apartment property in east Boise, will be

complete in late 2023. Rents announced for one-, two-, and three-bedroom units at The Timbers at Harris Ranch apartments start at approximately \$1,500, \$1,900, and \$2,350, respectively. The Franklin, an income-restricted apartment community for families, is under construction in the Central Bench neighborhood of Boise. When complete in 2024, The Franklin will offer 205 apartments to households with incomes less than 60 percent of the Area Median Income (\$53,460 for a family of four). Sky Ridge Apartments, an affordable, age-restricted apartment property, recently opened in Nampa to serve the HMA’s growing senior population. Sky Ridge Apartments offers 70 apartments for residents aged 55 or older with incomes less than 60 percent of Area Median Income.

Forecast

During the 3-year forecast period, demand is estimated for 5,875 rental units in the HMA (Table 8). Demand for new rental units in the HMA is expected to be relatively stable during the forecast period. The 4,500 units under construction are expected to meet all demand during the first and second years of the forecast period. Demand is expected to continue to be strongest in Ada County, but with a significant and increasing share of demand occurring in Canyon County.

Table 8. Demand for New Rental Units in the Boise HMA During the Forecast Period

Rental Units	
Demand	5,875 Units
Under Construction	4,500 Units

Note: The forecast period is September 1, 2023, to September 1, 2026.

Source: Estimates by the analyst



Terminology Definitions and Notes

A. Definitions

Absorption	The change in occupancy over a given time period. Lease renewals are not factored into absorption unless the renewal includes the occupancy of additional space. (In that case, the additional space would be counted in absorption.) Preleasing of space in nonexisting buildings (e.g., Proposed, Under Construction, Under Renovation) is not counted in absorption until the actual move-in date.
Apartment Vacancy Rate/ Average Rent	Apartment vacancy rates and average rents are for market-rate and mixed market-rate/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 that occurs in a housing market area (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.
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.
Distressed Sales	Short sales and real estate owned (REO) sales.
Existing Home Sales	Includes resale sales, short sales, and REO sales.
Forecast Period	9/1/2023–9/1/2026—Estimates by the analyst.



Home Sales/ Home Sales Prices	Includes single-family home, townhome, and condominium sales.
Net Natural Change	Resident births minus resident deaths.
Rental Market/ Rental Vacancy Rate	Includes apartments and other rental units such as single-family, multifamily, and mobile homes.
Resales	These are home closings that have no ties to either new home closings (builders) or foreclosures. They are homes that were previously constructed and sold to an unaffiliated third party.
Rural Counties	Boise, Gem, and Owyhee Counties, which together account for about 5 percent of the population of the HMA.
Seriously Delinquent Mortgages	Mortgages 90 or more days delinquent or in foreclosure.
Stabilized	A property is stabilized once a 90 percent or above occupancy rate is reached, or at least 18 months pass since the property was changed from under construction to existing on the CoStar Group website.
Student Apartments	Privately owned and operated apartments targeted at college students. These apartments are rented by the bedroom instead of by the unit.

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.
2.	Urbanized areas are defined using the U.S. Census Bureau 2020 Census Urban and Rural Classification and the Urban Area Criteria.
3.	The census tracts referenced in this report are from the 2020 Census.



C. Additional Notes

1.	The NAHB/Wells Fargo Housing Opportunity Index represents the share of homes sold in the HMA that would have been affordable to a family earning the local median income, based on standard mortgage underwriting criteria.
2.	This analysis has been prepared for the assistance and guidance of 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.
3.	The factual framework for this analysis follows the guidelines and methods developed by the Economic and Market Analysis Division within HUD. 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.

D. Photo/Map Credits

Cover Photo	Adobe Stock
-------------	-------------

Contact Information

Adam Tubridy, Economist
 Seattle HUD Regional Office
 206-220-5339
 adam.b.tubridy@hud.gov

