MARKETBEAT
BOISE
MULTIFAMILY Q3 2024



CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
13.8% Vacancy Rate	▲	▼
1,937 YTD Net Absorption, units	▼	▼
$1.68 Effective Rent, PSF	▲	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
406.8K Boise Employment	▲	▲
3.5% Boise Unemployment Rate	▲	▼
3.9% Boise Household Growth Rate	▲	▲

Source: BLS

ECONOMY: SUPERLATIVE GROWTH

Boise and the Treasure Valley continued to exhibit an impressive economic performance in the third quarter of 2024. Boise secured the top spot nationwide for annual population growth, boasting a robust 3.8% increase with further growth projected. Boise's economy was very strong. Real gross product grew 190 basis points (bps) to 5.7% year-over-year (YOY), new nonfarm jobs surged by 100% to 13,400 YOY, and nonfarm jobs climbed 3.4% to 406,800 YOY with further growth projected. Healthcare employment levels surged 6.7% YOY to 57,100 with further growth projected and new healthcare jobs grew an impressive 94.4% YOY to 3,500. The median household income in Boise swelled by 2.2% YOY to $89,800, with expectations of continued growth.

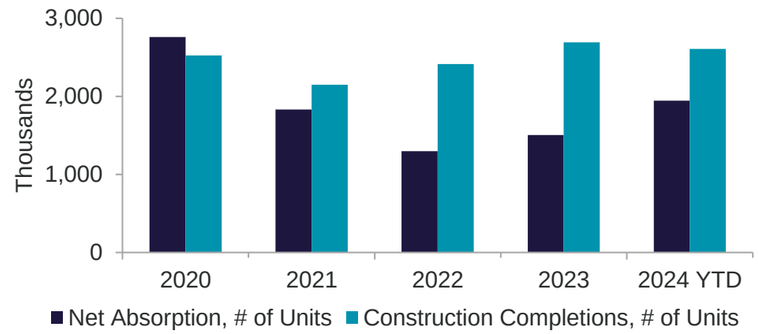
DEMAND: EXPLOSIVE

In Q3, the Boise market saw a 40 bps increase in stabilized vacancy, reaching 8.2%, nearly double the 10-year average of 4.4%. The market delivered 832 units in Q3, bringing the year-to-date (YTD) total to 2,610 units. With fewer projects in the pipeline for early to late 2025, quarterly deliveries are expected to decrease. The Meridian submarket experienced the highest YOY increase in overall vacancy, climbing 420 bps. Throughout 2024, the Idaho capital has maintained positive absorption figures, with 562 units absorbed in Q3. The Meridian submarket led YTD 2024 positive absorption with 866 units, followed by North Boise (277 units), Caldwell (263 units), and Nampa (277 units), with remaining submarkets making up the balance.

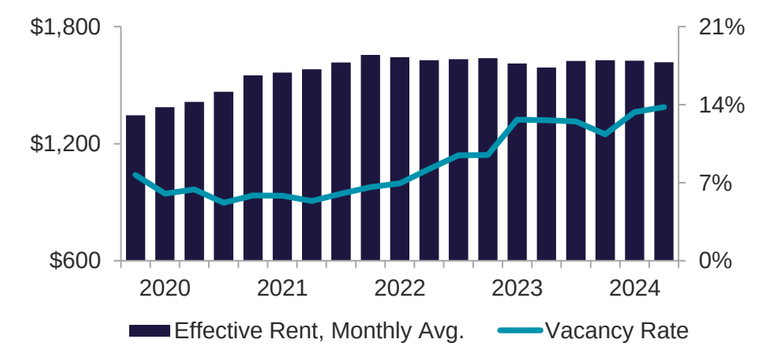
PRICING: STAY CALM, CHIVE ON

After peaking in Q2 2022 at $1,648, the effective rent per unit fell 0.4% quarter-over-quarter (QOQ) and climbed 0.5% YOY to $1,599 per unit. While average per-square-foot rents were flat in Q3 at $1.68, we expect rents to gradually increase into 2025 and the foreseeable future. The Federal Reserve's recent 50 bps interest rate cut and projected cuts in Q4 may encourage more investment activity in 2025.

DEMAND / DELIVERIES



OVERALL VACANCY & EFFECTIVE RENT



Source: Costar

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MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD % INVENTORY GROWTH	UNDER CNSTR (UNITS)	YTD NET ABSORPTION (UNITS)	VACANCY RATE	YOY VACANCY RATE CHANGE (BPS)	AVG EFFECTIVE RENT / UNIT	AVG EFFECTIVE RENT PSF	YOY % EFFECTIVE RENT GROWTH
Caldwell	1,379	316	29.7%	419	263	25.3%	62	$1,509	$1.56	0.7%
Downtown Boise	1,828	0	0.0%	599	17	7.5%	-180	$1,668	$2.50	0.4%
Meridian	10,482	1,584	17.8%	350	866	20.7%	420	$1,654	$1.63	-0.4%
Nampa	4,307	60	1.4%	431	227	10.0%	-510	$1,508	$1.45	1.3%
North Boise	4,906	238	5.1%	70	277	11.5%	-40	$1,664	$1.76	2.2%
Outlying Ada County	1,514	287	23.4%	138	183	23.0%	280	$1,862	$1.85	4.8%
South Boise	8,855	125	1.4%	0	103	6.6%	-10	$1,501	$1.69	1.1%
MARKET	**33,271**	**2,610**	**8.5%**	**1,743**	**1,937**	**13.8%**	**120**	**$1,626**	**$1.68**	0.9%

All statistics are based on properties containing 50+ units.
Source: Costar

KEY SALE TRANSACTIONS 12-MONTH ROLLING

PROPERTY	SUBMARKET	BUYER	UNITS	PRICE / $ UNIT
15680 N Draycot	Nampa	Providence Holdings LLC	304	Inquire
5122 W Stoker Ln	North Boise	Avenue5 Residential	230	Inquire
1010 Southside Blvd	Nampa	Brinkman Real Estate	188	Inquire
10890 Blue River Ln	Nampa	Bible Pentecostal Church	160	Inquire
2631 Sunny Ridge Rd	Nampa	Vincent Dimeglio	74	Inquire

Source: Costar

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