



BOISE MSA 2024

BOISE MERIDIAN EAGLE KUNA NAMPA CALDWELL

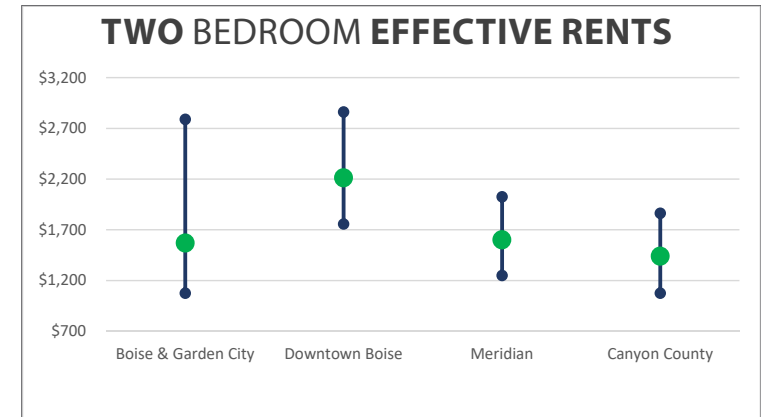
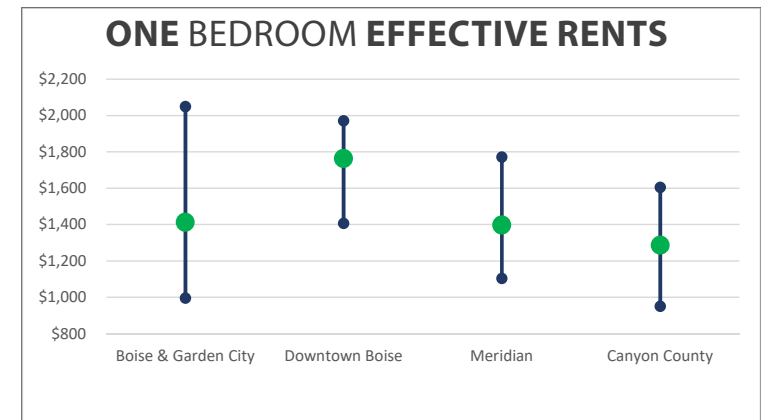
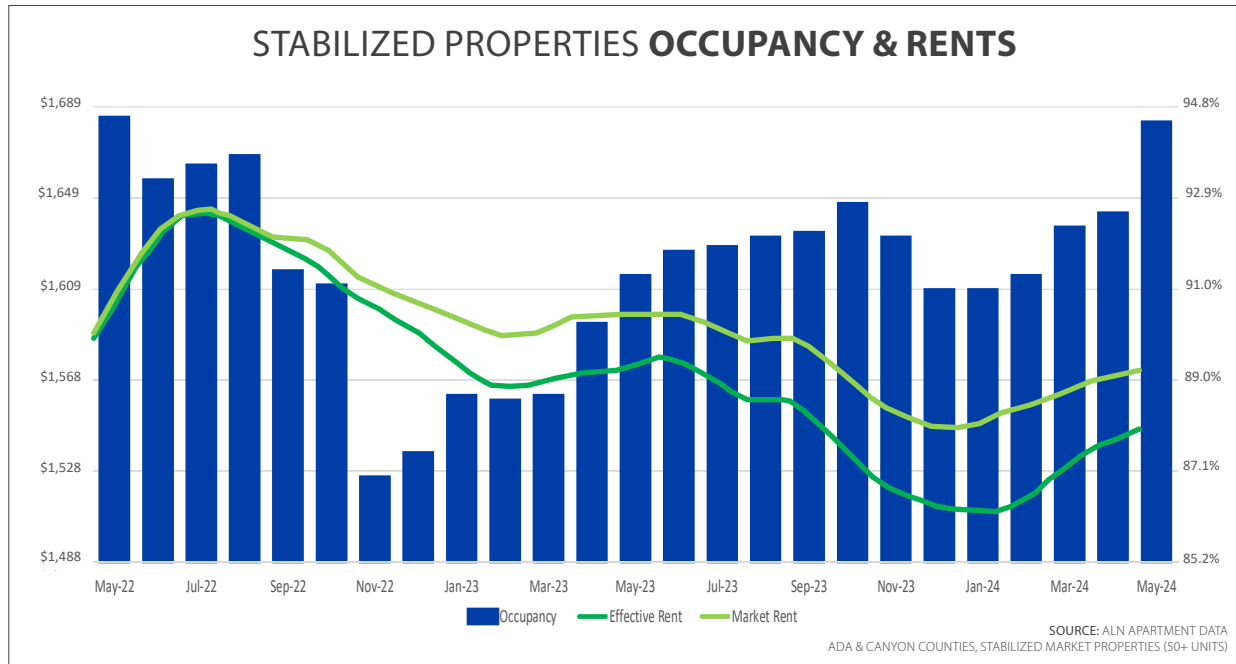
MULTIFAMILY MARKET OUTLOOK

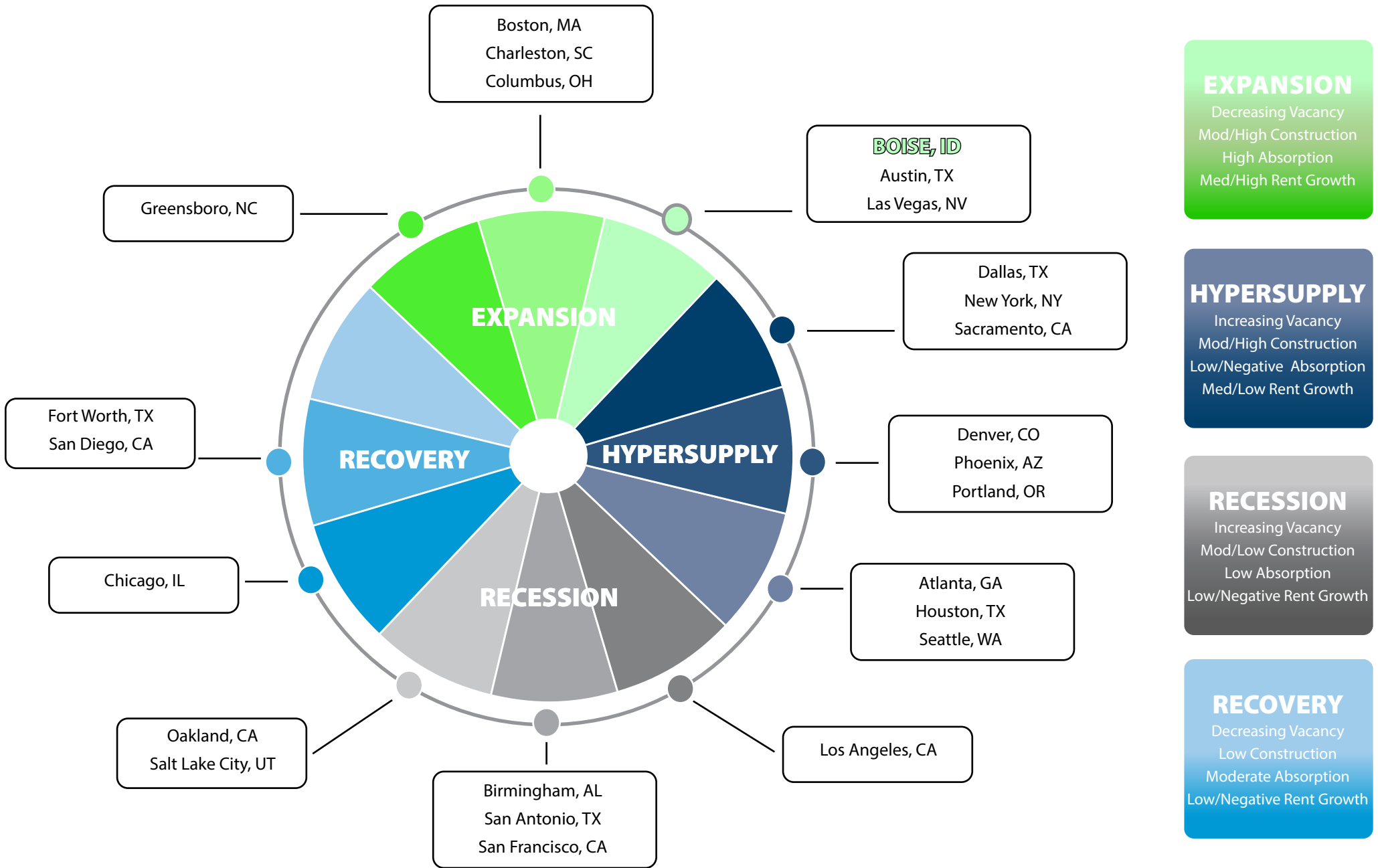
MULTIFAMILY RENTS & OCCUPANCY

Rents vary across the Boise MSA. Canyon County remains the most affordable, with rents averaging below \$1,700 across all bedroom types, according to ALN Apartment Data. Most luxury spaces are in Downtown Boise and Meridian where average effective rents for one and two bedrooms are ranging between \$1,400 to \$2,200 per month. Three bedroom units are limited with the majority of supply in the Boise & Garden City areas, excluding Downtown, with rates averaging \$1,896 per month.

Rental growth has slowed compared to the record high gains seen through 2021 and 2022. Effective average rents for 50 unit or larger stabilized complexes are averaging \$1,557 per month. This is down 2.1 percent over the past 12 months and nearly 5 percent in the past 24 months. With more units coming online, average rents saw their lowest point in two years at the end of 2023. In addition, nearly 30 percent of properties are offering concessions, which is up from 21 percent in 2023.

With most US markets in hypersupply, Integra Research reports that Boise remains in the expansion cycle. However, local market experts predict the Boise MSA is approaching hypersupply considering the significant supply coming online. The multifamily pipeline is slowing, but it is still high by historical standards with an estimated 4,767 units under construction as of the end of Q1. Despite the wave of new supply, occupancy and rents have risen in 2024 showing surprising resiliency. Seasonality appears to have returned to the market with falling occupancy and rents during the fall and winter, while both indicators have ticked up during the spring leasing season. The overall occupancy rate for all 50 plus market complexes is trending at 86.9 percent, while occupancy for stabilized properties is 94.2 percent as of the end May.





SOURCE: INTEGRA REALTY RESOURCES, 2024 VIEWPOINT

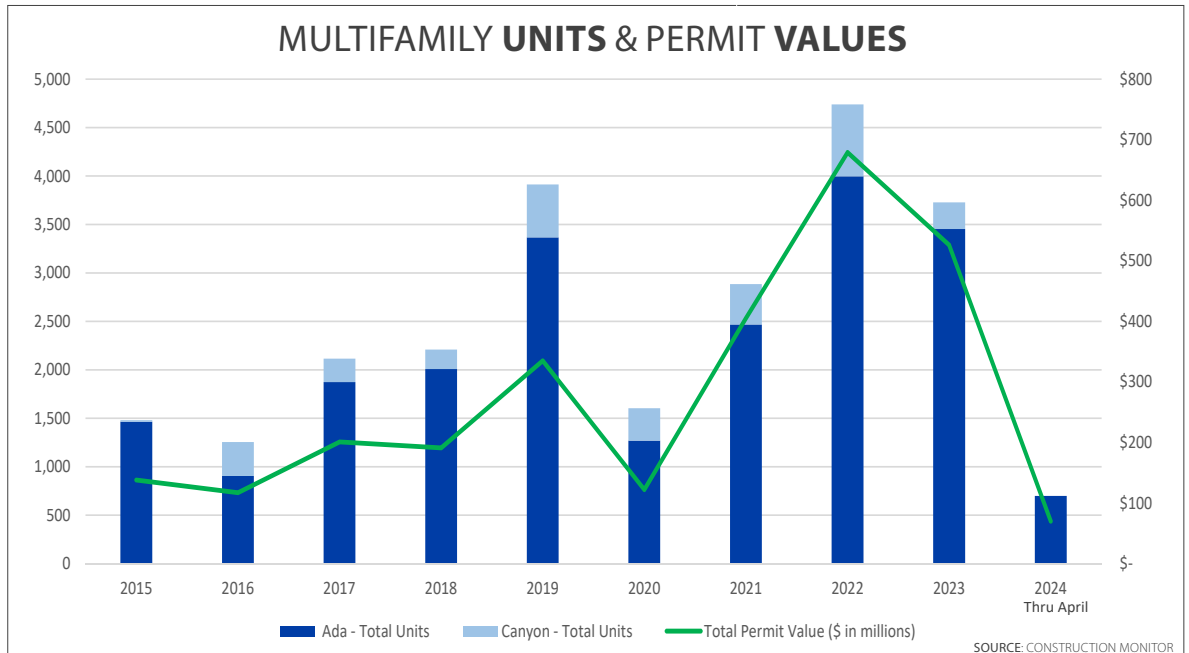
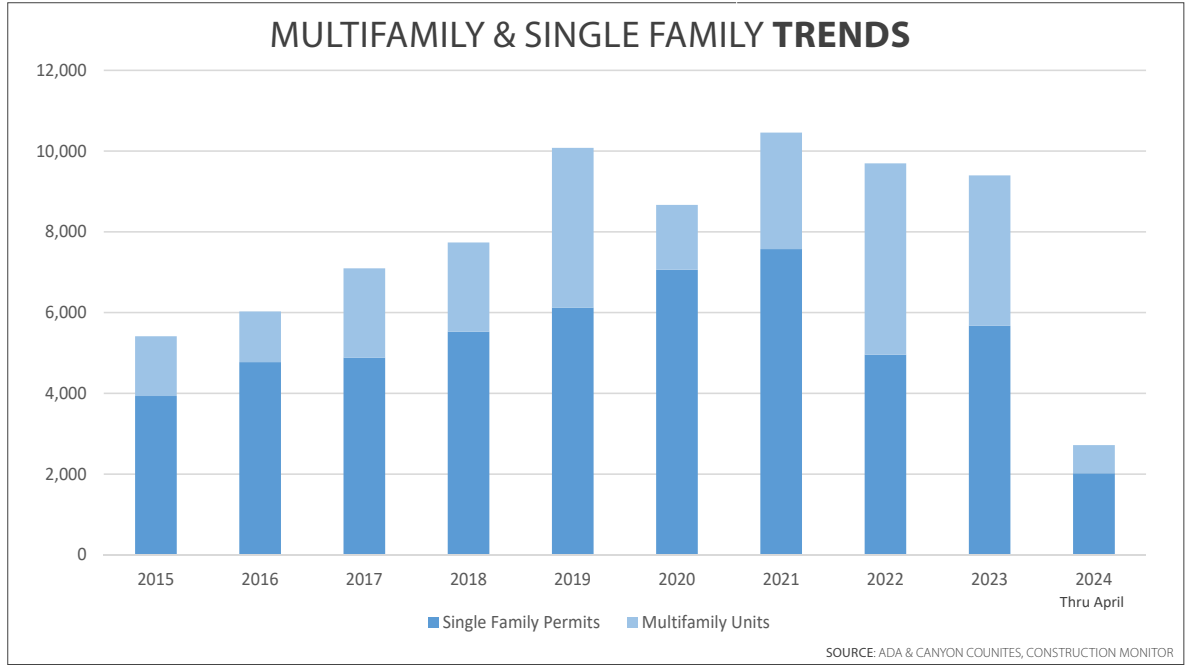
RESIDENTIAL DEVELOPMENT TRENDS

Multifamily construction remained strong in 2023 with over 3,000 units delivered. Over the past three years, most of the major cities in the Boise MSA have seen over a 13 percent population growth change according to the US Census. Meridian's population increased 14.5 percent since 2020, making it no surprise that the city was the top area for apartment development accounting for nearly 40 percent of the units delivered in 2023. Six of the seven projects completed in Meridian were above 100 units with notable deliveries including 240 units at Altair in Eagle View Landing and 240 Units at Dovetail off Webb Way.

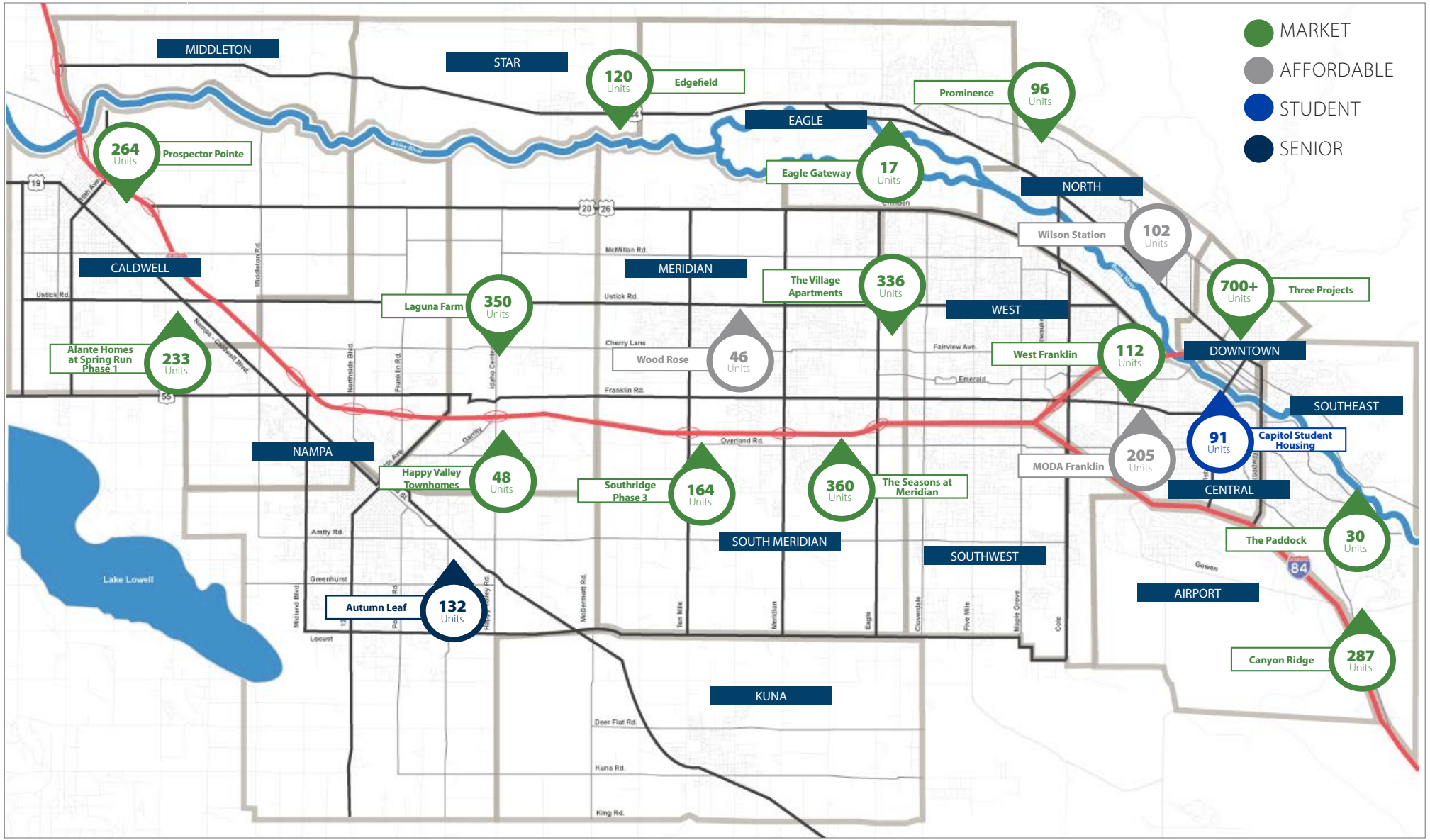
Over 1,500 units began leasing in the first quarter of 2024 with an estimated 4,767 units currently under construction. Market rate properties account for approximately 4,000 of these units. With leasing activity beginning to slow there are growing concerns regarding the absorption of these units, but the need for housing remains persistent. A 2023 study conducted by The U.S. Department of Housing and Urban Development estimates that 18,650 new homes are needed within the next 3 years in order to meet the area's growth. In addition, many individuals will continue to rent considering mortgage rates and median homes prices remain high. In Ada County, the median home price in April reached \$556,500, while the median home price in Canyon County was \$429,995.

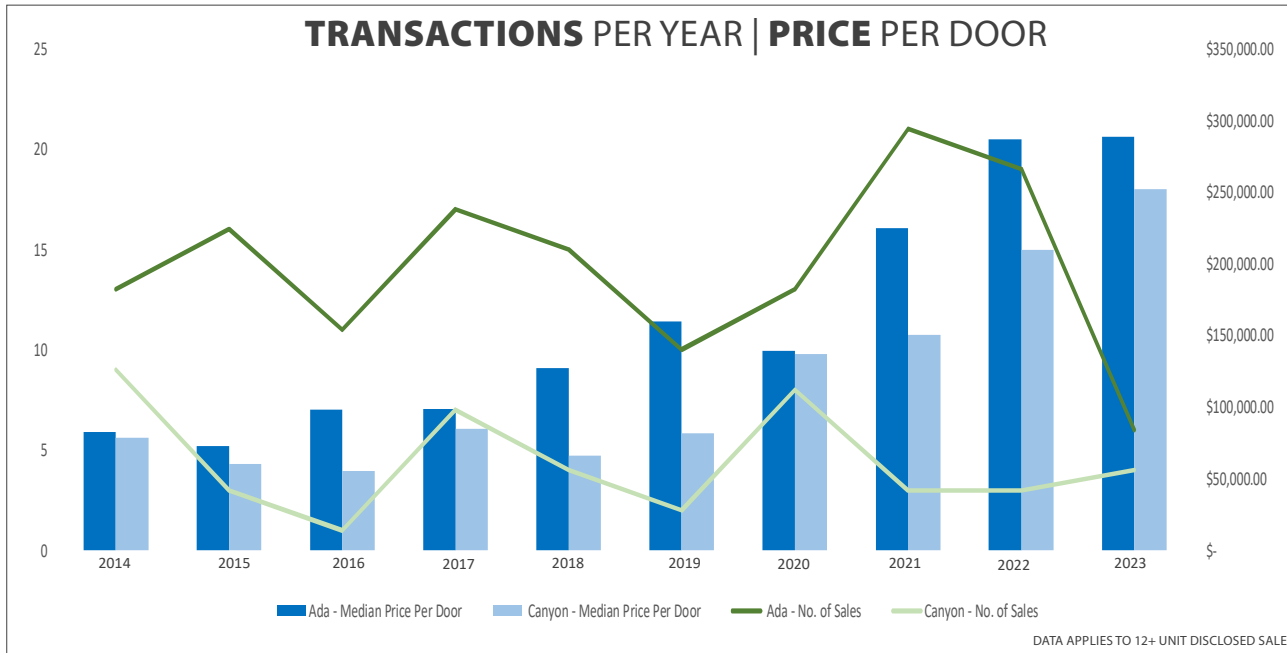
Rising interest rates kept many existing homeowners from selling throughout 2023 resulting in new construction becoming a top choice for buyers. According to the Intermountain MLS, at the end of 2023 there were 712 new construction homes on the market compared to 472 existing homes in Ada County. While in Canyon County there were 146 more newly constructed homes listed than existing. The start of 2024 has seen a rise in available existing homes with these listings increasing 27 percent in the past 12 months. Single family development has also continued with new construction residential permits up 12 percent through the end of April compared to this same timeframe in 2023.

The number of multifamily permits slowed from 2022 but remained higher than previous years with over 3,700 units. As of the end of April, nearly 700 unit permits were filed which is slightly higher compared to the first four months of 2023. Construction starts are slowing though as many developers evaluate current economic conditions as well as rising construction costs. In addition, with mega-projects such as Meta and Micron's expansion breaking ground, the construction industry will begin to see labor shortages grow even more across the valley.



NOTABLE PROJECTS UNDER CONSTRUCTION





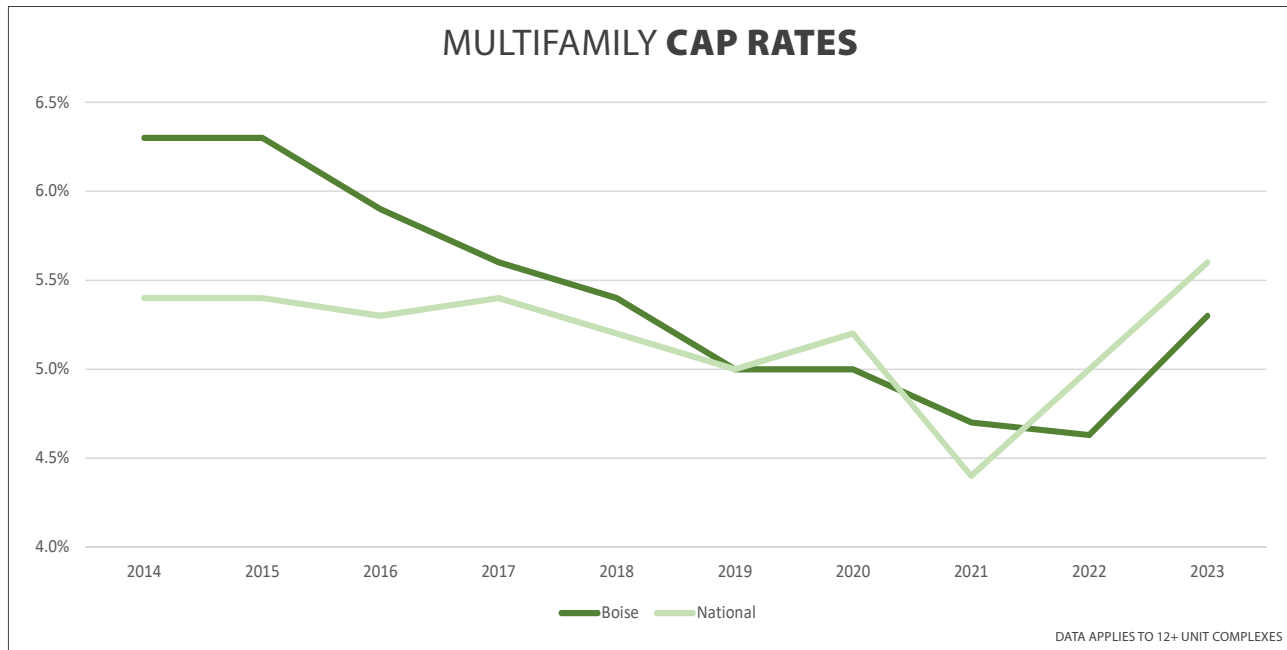
SALES ACTIVITY & OUTLOOK

High economic uncertainty resulted in the multifamily investment market seeing a major shift in 2023 compared to previous record breaking years. Based on disclosed transactions, only 10 multifamily properties traded in 2023 which is down 55 percent from 2022. Prices were up slightly from 2022, with the median price per door in Ada County reaching \$288,798 and \$251,902 in Canyon County. Three of the six transactions in Ada County sold above \$300,000 per door. Two of these deals went under contract during the peak of 2022, but extended due diligence pushed the closings into 2023. Based on available listings, the start of 2024 has seen a significant decline in pricing with the median price per door in both Ada and Canyon County at \$200,000.

Cap rates hit a historical low in 2022 with the majority of deals trading below a 5 percent cap. However rising interest rates resulted in an upward momentum for cap rates in 2023, ending the year at an average of 5.3 percent. National cap rates also increased from 5 percent in 2022 to 5.6 percent in 2023. Current cap rates remain difficult to predict considering only three multifamily transactions (12+ units) traded in the first quarter of 2024. However based on current market listings, cap rates are continuing to rise averaging 5.4 percent in the Boise MSA.

The Federal funds rate has remained unchanged since July 2023 with the benchmark interest rate range currently between 5.25 and 5.5 percent. Inflation was 3.4 percent in April which is still well above the Fed's two percent target, however rates are anticipated to stay steady for now, with many predicting a cut may be coming before the end of the year. Until interest rates decline, investment activity is anticipated to stay slow. In addition, with this year being an election year, there is an added likelihood of volatility in the overall economy.

Buyers will ultimately remain cautious when deciding where to place their capital, but the Boise MSA's strong market fundamentals such as rapid job and wage growth will keep the area top of mind for investors. Most notably the City of Boise was ranked #5 best-performing large city economy by Milken Institute in 2023. By comparison, the city was ranked #15 in 2022.



NOTABLE ACTIVITY | MULTIFAMILY MARKET - 2023 SALES



TOWNE POINTE CROSSING
BOISE

24 UNITS
SOLD



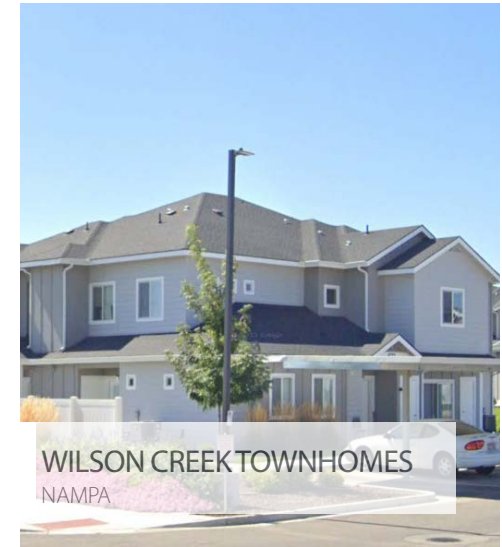
THE LOFTS AT THE VILLAGE
MERIDIAN

36 UNITS
SOLD



WOODSIDE VILLAS
EAGLE

65 UNITS
SOLD



WILSON CREEK TOWNHOMES
NAMPA

74 UNITS
SOLD



ARBOR CROSSING
BOISE

229 UNITS
SOLD



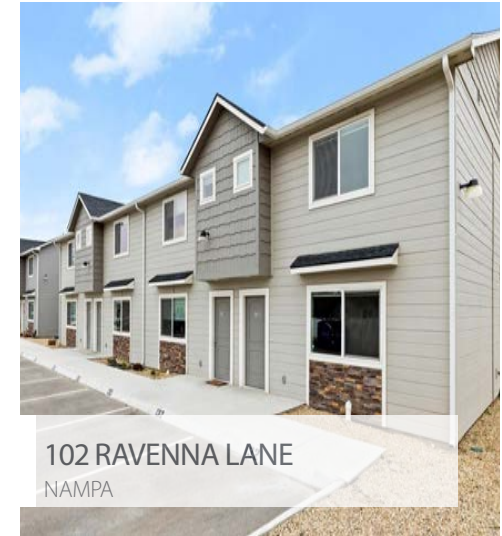
COLORADO COMMONS
NAMPA

36 UNITS
SOLD



THATCHER APARTMENTS
BOISE

22 UNITS
SOLD



102 RAVENNA LANE
NAMPA

12 UNITS
SOLD



KEY FACTS

788,231

Population



Average Household Size

35.9

Median Age

\$78,862

Median Household Income

EDUCATION

7%

No High School Diploma



High School Graduate



Some College



Bachelor's/Grad/Prof Degree

BUSINESS



26,333

Total Businesses



333,555

Total Employees

EMPLOYMENT



White Collar

66%



Blue Collar

21%



Services

13%

1.8%

Unemployment Rate

INCOME



\$78,862

Median Household Income



\$39,248

Per Capita Income



\$192,965

Median Net Worth

2023 Households by income (Esri)

The largest group: \$100,000 - \$149,999 (19.7%)

The smallest group: \$25,000 - \$34,999 (5.7%)

Indicator ▲	Value	Diff	
<\$15,000	6.7%	-1.2%	<div style="width: 6.7%;"></div>
\$15,000 - \$24,999	6.0%	-1.2%	<div style="width: 6.0%;"></div>
\$25,000 - \$34,999	5.7%	-1.7%	<div style="width: 5.7%;"></div>
\$35,000 - \$49,999	9.9%	-1.5%	<div style="width: 9.9%;"></div>
\$50,000 - \$74,999	18.6%	-0.8%	<div style="width: 18.6%;"></div>
\$75,000 - \$99,999	15.1%	+0.6%	<div style="width: 15.1%;"></div>
\$100,000 - \$149,999	19.7%	+2.1%	<div style="width: 19.7%;"></div>
\$150,000 - \$199,999	8.9%	+1.5%	<div style="width: 8.9%;"></div>
\$200,000+	9.4%	+2.1%	<div style="width: 9.4%;"></div>

Bars show deviation from Idaho



TOK

COMMERCIAL



MARKET INSIGHT

+157 MILLION SQUARE FEET TRACKED REAL TIME ACROSS IDAHO MARKETS



RESULTS

24,000 SQUARE FEET LEASED OR SOLD PER BUSINESS DAY (2023)



REACH

AS IDAHO'S LARGEST CRE FIRM, WE CAN COVER REQUIREMENTS ACROSS THE STATE

BOISE VALLEY OFFICES

OUR EXPERTISE IS YOUR ADVANTAGE



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