



SPRING 2021

TREASURE VALLEY

MARKET DATA & BROKERAGE INSIGHTS

AMHERST MADISON
REAL ESTATE ADVISORS



READ ONLINE

AMHERST MADISON
MESSAGE FROM
THE CEO

♦
Nick Schlekeway



2020. What a wild ride. A year ago, the fear in the air was so thick you could hardly brush it away from your face like a pesky fly before it quickly returned. We were in the middle of a sudden economic shutdown the likes of which had not been seen in generations. Nobody could predict how, when, or even if we would ever come out of it. Little did we know last spring that the fallout from strict lockdowns in major west coast markets, along with the near-overnight shift from a physical to a digital workspace, would lead to a dramatic acceleration in the number of people relocating to the Treasure Valley and Idaho.

The word “acceleration” is a key aspect of explaining the massive and sudden number of relocations. What we have found in working with hundreds of these clients the last twelve months is that many of them were already planning on moving to Idaho at some point in the future, long before the lockdowns set in or COVID was on the radar. The dramatic changes to their lifestyle— coupled with what was suddenly a very open vacation calendar and perhaps a shift from in-person work to remote work— played a large role in moving up those timelines and opening the floodgates. Fundamentally, the reasons people come to Idaho and specifically to the Treasure Valley, have not changed.

Boise and the Treasure Valley makes dozens of “top 10” lists every single year. People move here because our community’s value proposition is the strongest in the Northwest (and one of the strongest in the country), especially for families, retirees, or people who telecommute and don’t need to live in a large metro area for their employment. Comparative freedom of movement, affordability, and access to health care as well as recreation make it an attraction to these groups. People dissatisfied with the politics in their current metro are another massive driver of population shifts and relocation (and one that doesn’t show up on quantitative market reports). When will that no longer be the case? When will the “music stop?” It will slow or reverse course when the area loses that robust value proposition. When congestion grows bad enough or crime increases dramatically or politics change or the comparative affordability vanishes, watch for a shift. Keep in mind, all of these factors exist on a spectrum and all of them are relative to other markets and other communities where someone could reside.

Supply is low, demand is high, and I don’t see that changing anytime soon. Our valley is currently locked into the production of a set number of new homes per year due to a limited subcontractor base, backlog of new community entitlement, and now backorders on raw materials. It is critical, as critical as it has ever been, that we step alongside our clients as true professional advisors. We must be proactive in anticipating market movement and providing wise council for the appropriate placement, marketing, and pricing of property listings. We must be proactive and creative with helping our buyers find as many options as possible (off-market or on-market) and putting together the very best offer they can deliver.

Buckle up. Work hard. It’s a wild ride



IDAHO'S ECONOMY & GROWTH

*Written By Robert Gehrke
for U.S. News*

After Sachi Weinkle's oldest daughter graduated from high school in 2018 and headed to college, Weinkle started thinking about her own future and eventually her retirement. Should she stay put in Sonoma County, California, where she worked in sales and marketing for a company that operates brain injury rehabilitation facilities, or relocate?

Weinkle ended up moving to Boise, Idaho, in 2019 where she was able to keep her job and had the bonus of a more affordable cost of living and a host of outdoor recreation opportunities that fit her lifestyle – biking along the Boise River Greenbelt, hiking in the nearby mountains, or tubing in the river.

"It's just such a rat race (in California). The traffic is bad, everyone is running around, no one takes time to talk to you, even your neighbors," Weinkle said. "I just felt a lighter energy here. The people are much more laid back, it's a slower pace, it's clean. I just felt happier when I was here, even though I didn't know a soul."

Weinkle is just one of thousands of people who have flocked to Idaho, driving a population increase of more than 2% in the past year, the largest net migration of any state in the country. Between 2010 and 2020, Idaho's population grew by 16.5%, or 259,331 people, according to the latest Census data.

In the process, it has helped fuel an economic boom, with Idaho taking the No. 1 spot for its economic growth, according to the 2021 U.S. News Best States rankings. The state also posted strong showings for its business environment, growth and employment.

Even as states saw their economies grinding to a halt during the COVID-19 pandemic, Idaho was one of a handful that saw continued growth.

"You would think it would be a major disruption but (in-migration) continued unabated," says Sam Wolkenhauer, an economist with the Idaho Department of Labor. "The conditions of living with social distancing and work from home, they made Idaho's quality-of-life advantages even stronger. If you're working from home and gyms are closed and parks are closed and restaurants are closed, suburban life is even more appealing."

Unemployment ticked up from 2.7% in March to 11.6% after the pandemic struck, but has since fallen back to 3.8% in December, the most recent numbers available, but Wolkenhauer said Idaho has recovered faster than most states and has benefited from the shift to telework.

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The growth in the state isn't limited to Boise. Coeur d'Alene, 40 minutes east of Spokane, Washington, in the Idaho panhandle has seen its population grow by 10% in the past five years. As most job markets were contracting during the pandemic, Idaho Falls, in the eastern part of the state, saw non-farm employment grow by nearly 5% in 2020, top in the nation among communities tracked by the U.S. Department of Labor. Twin Falls, in southern Idaho, was fifth with 1.9% job growth.

That is in large part due to basic quality-of-life factors, Wolkenhauer says. In the U.S. News rankings, Idaho finished with the 10th-best crime and corrections ranking and the 12th-highest rating for environmental quality – things like clean air and water.

Bill Connors of the Boise Metro Chamber says the Idaho Legislature has chipped away at the corporate income tax and individual income tax over the last dozen years, keeping rates attractive to businesses and workers. "Our state government is stable. It's not doing wild shifts politically," Connors says. "Yes, it's conservative and business-friendly, but it's stable."

Indeed, according to the U.S. News rankings, Idaho ranks fourth in the country in fiscal stability, based on the state's overall credit rating and its ability to balance its budget and fund its state pensions.

"It is not surprising Idaho is leading the nation in economic momentum," says Gov. Brad Little. "Years of fiscal conservatism and regulatory restraint, combined with quick action during the pandemic and the good actions of Idahoans to protect their neighbors, have positioned Idaho for future prosperity."

That rapid influx of new people – in the Boise area in particular – has put a squeeze on the housing market. Inventory is scarce, says Jennifer Horsley Stacey, who has sold homes for 16 years in the Boise market.

Today she sees bidding wars and cash offers with buyers from California, Washington and Oregon in fierce competition with 15 offers coming in \$60,000 or more over the asking price for that rare available home.

Last year, Stacey sold a town home in Boise for \$210,000;

this year, a town home nearby with the same floor plan went for \$400,000.

In December, the Boise Board of Realtors reported the average home price in Ada County, home to Boise and the rapidly growing suburb of Meridian, reached \$425,000, an 18.3% increase from just a year earlier.

For many of those moving into the region, that still might seem like a bargain. In the San Francisco Bay area, the average home costs more than \$1 million,

according to the California Association of Realtors. And in King County and the area surrounding Seattle, the average price is nearly \$750,000 according to data from the University of Washington.

Still, the sharp increase has put a pinch on some longtime Idaho homeowners who have seen their property taxes spike with values, prompting the Legislature to consider forms of property tax relief.

The rising prices haven't slowed demand, Stacey says. When a new home comes on the market, offers are immediate. And every person she helps find a home, she said, attracts four or five others – friends and family members looking for a new locale.

That was the case for Weinkle. About a year after she relocated to Idaho, her parents left California for the Gem State and she anticipates her oldest daughter will settle there once she finishes nursing school.

"It's just a different lifestyle," Weinkle says. "Everybody who comes to visit me wants to move here."

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- Governer Brad Little

Treasure Valley Market Stats

The Treasure Valley is the combined greater metropolitan area of Southwest Idaho. It encompasses the following cities: Boise, Meridian, Eagle, Garden City, Kuna, Nampa, Caldwell, and Star. This region is currently one of the strongest growth markets in the nation. The term "balanced market" really does not apply to this area in the conventional sense of supply equaling demand. Demand for housing has consistently exceeded supply in this market over the last three decades with the lone exception being the subprime collapse and subsequent fallout of 2007-2010. In both the rental and the sale markets, median and average prices are at all-time highs and supply is at all-time lows. As of March 2021, rents in Boise increased 1.8% month-over-month from February and were up by 13.5% year-over-year. Boise is the number one fastest increasing rent among the nation's 100 largest cities according to *Apartment List*.

\$422,490

MEDIAN SALE

\$235

PER SQUARE FOOT

2046

AVERAGE SQFT

3,577

HOMES SOLD

EXPECT TO PAY

101.2%

OF ASKING PRICE

15

AVERAGE DAYS
ON MARKET

69.3%

OWNER OCCUPIED
HOUSING RATE
(US CENSUS)

1.05%

RENTAL VACANCY
RATE

\$1,359

MEDIAN MONTHLY
HOME RENT

Treasure Valley Demographics

According to estimates and research by the United States Census and the Community Planning Association of Southwest Idaho (COMPASS), the Treasure Valley grew from an estimated 581,288 people in 2010 to approximately 761,680 residents in 2021. This growth rate of 31% makes the Valley one of the fastest growing in the US. The Treasure Valley is home to a significant number of long-distance commuters and telecommuters, whose place of employment is located outside the state of Idaho. This is an extremely important factor to consider when studying the underlying economic support of housing prices. These wages and income levels are typically not reported in local research on median and average income because the companies are not operating in Idaho.

761,680

POPULATION
(COMPASS)

\$22.68

AVERAGE HOURLY WAGE
(BVEP, 2021)

\$47,170

AVERAGE ANNUAL WAGE
(BVEP, 2021)

66,293

MEDIAN HOUSEHOLD INCOME
(BVEP, 2021)

2.2%

UNEMPLOYMENT RATE
(BVEP, 2021)

COST OF LIVING

99.3%

OF NATIONAL AVERAGE
(BVEP, 2021)

COST OF HOUSING

96.5%

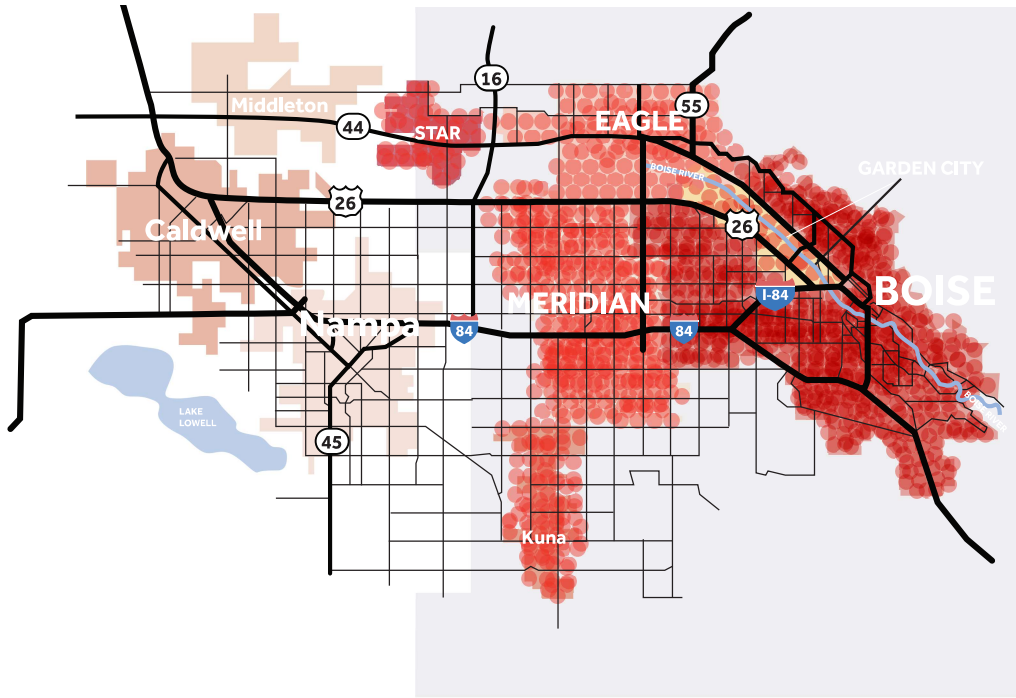
OF NATIONAL AVERAGE
(BVEP, 2021)

67%

WITH
HIGHER EDUCATION

22 min.

AVERAGE COMMUTE



● = 1 home sold

Ada COUNTY AT A GLANCE

Q1 2021

The Ada County real estate market continued its accelerated growth over the first quarter of 2021. Inventory remained low while demand has remained at an all-time high. According to the Boise Valley Economic Partnership (BVEP), and considering the current rate of growth, there is one new person moving to the Boise Metro every 31.5 minutes. This demand has pushed the average sales price of homes to 102% of the average listing price. Buyers must expect to pay more than asking price to get a property under contract. Setting proper expectations is critical to a successful client experience. With some homes gaining equity in the hundreds of thousands in only a year's time, this has been a record-breaking first quarter for Ada County real estate. Boise led the state in the first quarter with 925 homes sold, while Meridian was close behind with 760 sales. Historically speaking, the number of property listings was lower than we normally see in the first quarter, but the average median sale price and average price per square foot increased, reflecting the scarcity of the market. Strong growth in home values has become the norm lately with the median sales price for Ada County homes jumping by nearly \$40,000 in just three months (from Q4 2020 to Q1 2021).



— 956 NEW CONSTRUCTION
— 1419 EXISTING HOMES

MEDIAN SALE: \$450,000 USD

Exponential growth seems like an understatement with the median sales price for Ada County homes jumping by nearly 40,000 in just three months.

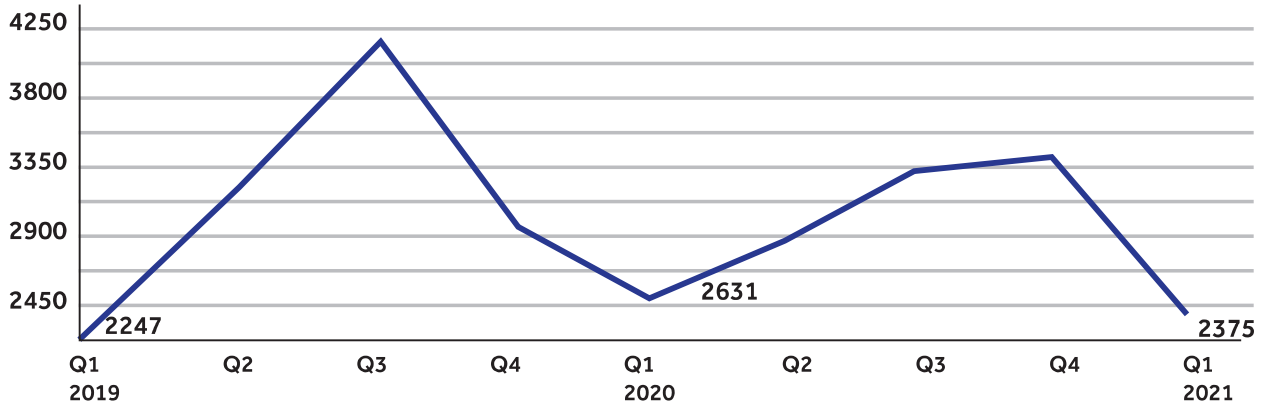
AVERAGE SALE PRICE **+21%** **EXPECT TO PAY** **102%**

Compared to Q1 2020. Data Sourced Intermountain MLS 4/2021

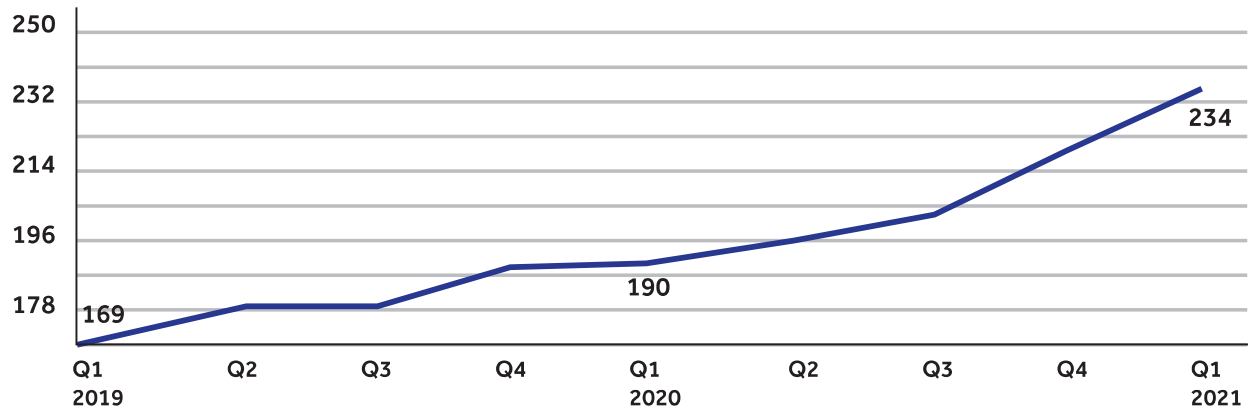
ADA COUNTY

The impact of the COVID virus upon real estate in the Treasure Valley has been akin to throwing "gas on the fire" of a market that was already growing rapidly. While inventory is limited, it is a common misnomer that there "is no inventory." Overall, we sold 968 more homes in 2020 than we did in 2019, a rate of +18.6 more homes sold every week. You cannot sell more homes than the year before if you have "no inventory." Sales in Q1 2021 were down slightly from Q1 2020 and the next few months will be critical to see if that trend continues or if, ultimately, we once again post higher year-over-year sales.

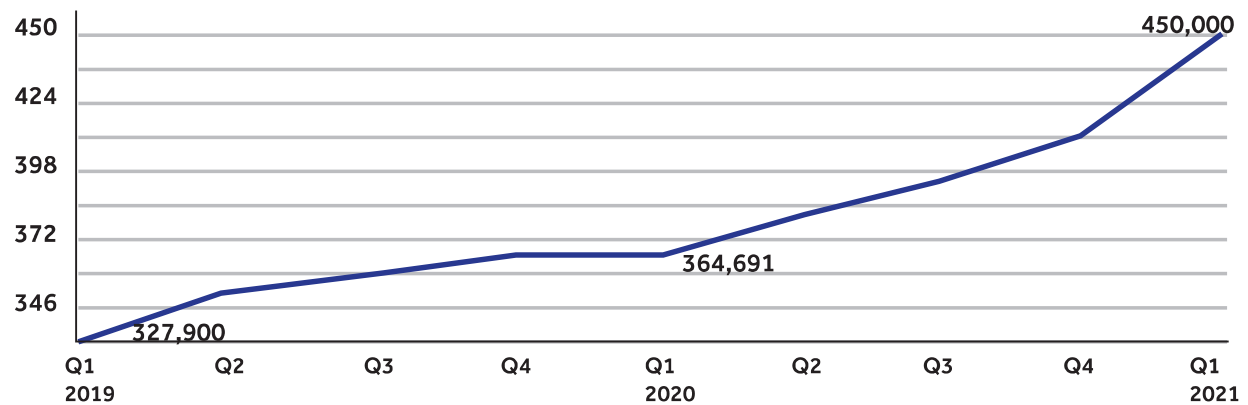
NUMBER OF HOMES SOLD

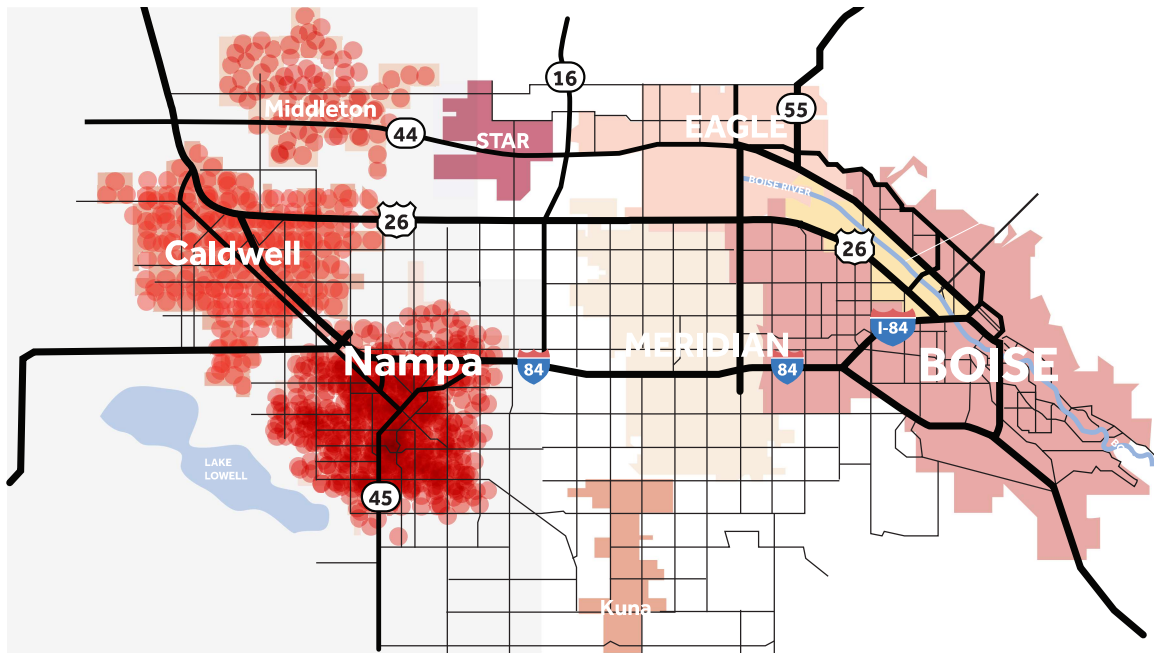


AVERAGE PRICE PER SQUARE FOOT



MEDIAN SALES PRICE





● = 1 home sold

CANYON COUNTY AT A GLANCE

Q1 2021

As the prices in Ada county climb and people begin to look for the next up-and-coming cities, Nampa and Caldwell are the first that come to mind for most in the Treasure Valley. There were 762 homes sold in Nampa during the first quarter and 288 in Caldwell, together comprising 87% of the Canyon County sold market. Whether it is spending time at the lake, relaxing in Idaho wine country, or enjoying a night out in downtown Nampa, many Treasure Valley residents have found a home in Canyon County. The numbers speak for themselves. With a 5% higher increase in average homes sold than Ada County YOY, many buyers are moving to where they can get more for their money. The median sales price in Canyon County has increased \$124,000 in just two years as demand has increased. With the 2020 introduction of the Amazon Fulfillment Center bringing 2,000 new jobs to the area, Canyon County is quickly becoming a hotbed of development as the growth and pressure of Ada County spills westward.



— 476 NEW CONSTRUCTION
— 726 EXISTING HOMES

MEDIAN SALE: \$355,000 USD

Canyon county has recently become a hot spot for new housing developments and the county has been doing a good job of expanding the infrastructure to accommodate the influx of residents.

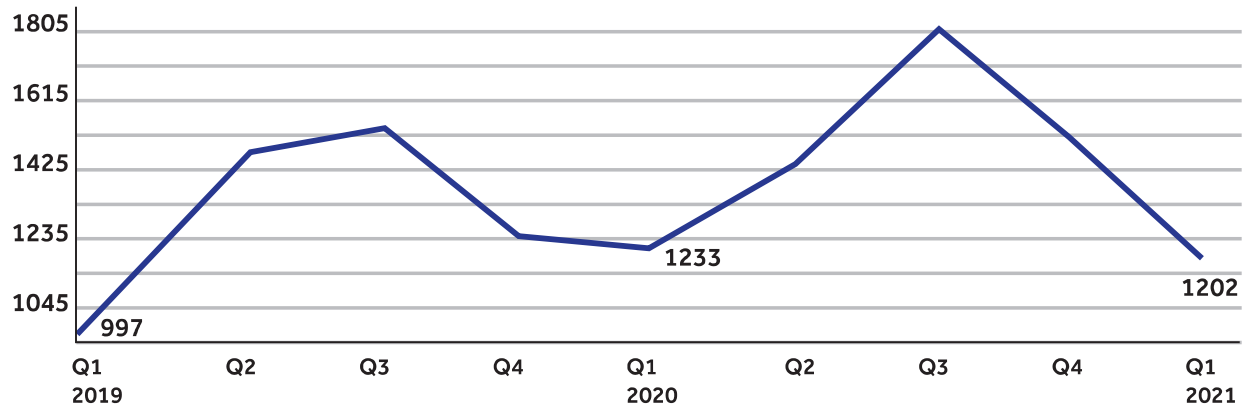
AVERAGE SALE PRICE **+27%** EXPECT TO PAY **101%**

Compared to Q1 2020. Data Sourced Intermountain MLS 4/2021

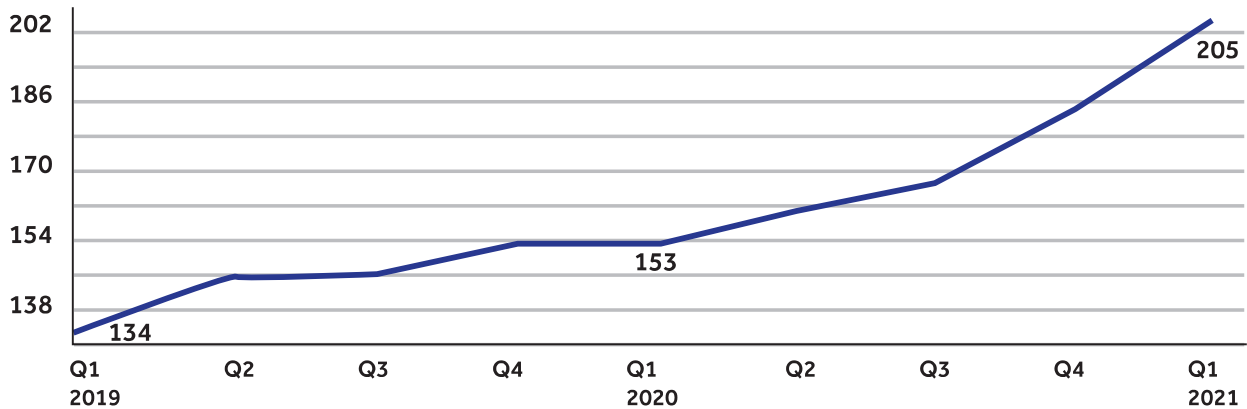
CANYON COUNTY

The market in Canyon County has responded very similarly to Ada County to recent market forces. Supply is far outpaced by demand and prices are on the rise with the average home selling for 101% of the list price. The growth rate in Canyon County is higher than Ada due to the comparative availability of land as well as relative affordability of the same. Canyon County total sales in 2020 far outpaced 2019. While sales were down slightly in the first quarter, we expect them to pick up headed into the second quarter and post another year over year gain in homes sold. There are a large number of new construction developments coming online in 2021, especially in North Nampa, South Nampa, and SW Caldwell.

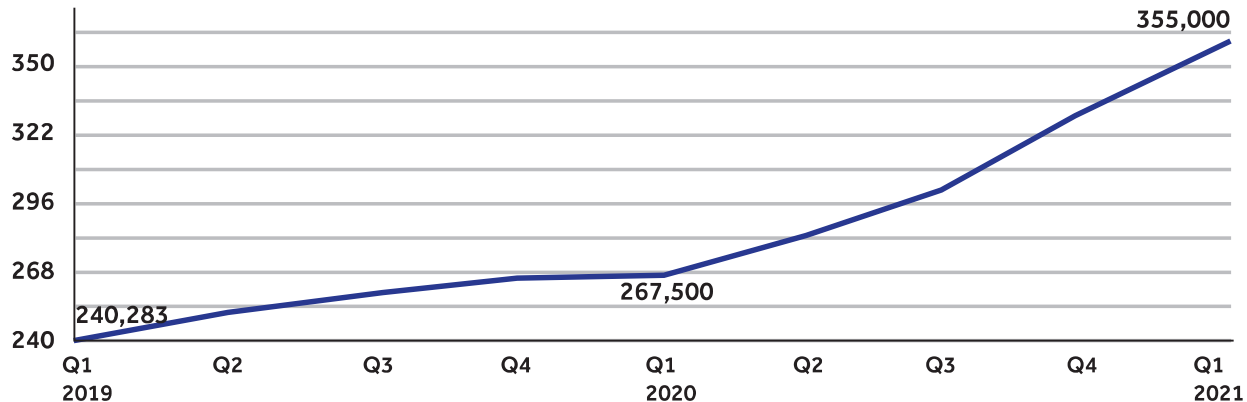
NUMBER OF HOMES SOLD



AVERAGE PRICE PER SQUARE FOOT



MEDIAN SALES PRICE



ADA NEW CONSTRUCTION

New home sales in the county represented about 40% of the total home sales in the first quarter of 2021 with 956 sales. This percentage of total sales has developed as a seasonal phenomenon, especially in Ada County where the development of new homes is relatively constricted and tends to remain flat throughout the year (between 900-1,200 sales per quarter). The resale market, on the other hand, fluctuates from as little as 55%-65% of total market in the first quarter to as much as 75%-85% of the total market in the peak season of May—November. An interesting trend to observe in the bottom graph is the recent development of price per square foot in existing homes surpassing the same number in new home sales.

\$455,425

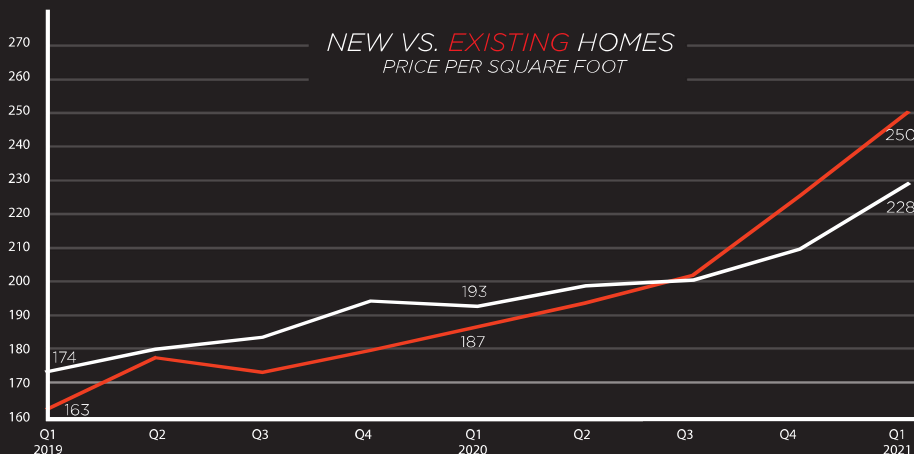
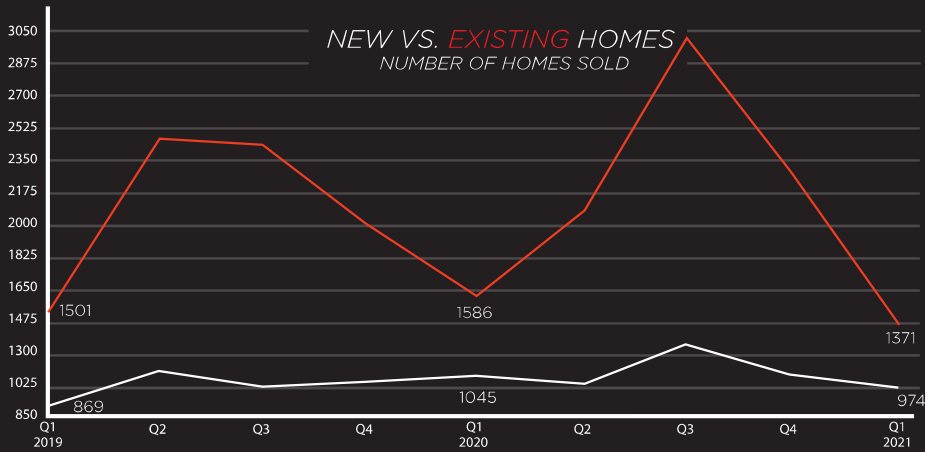
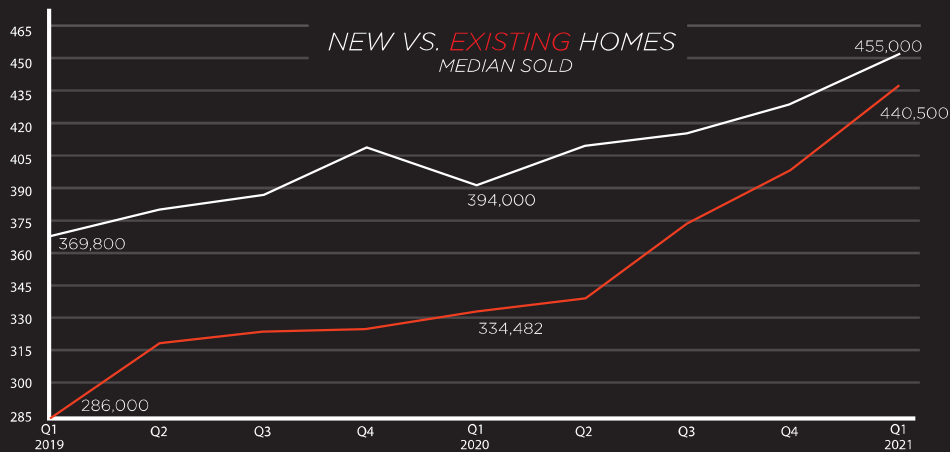
MEDIAN SOLD PRICE

956

NUMBER OF HOMES SOLD

\$228

PRICE PER SQUARE FOOT



CANYON NEW CONSTRUCTION

The new construction market in Canyon County is more robust and exciting now than at any other time in history. There were 2,205 new home sales in 2020, the biggest year ever for the county. New home sales in the first quarter are up compared to the first quarter of 2020, setting up another record-setting year in 2021. While new home construction is still robust in North Nampa, the hotbed for new housing developments in Canyon County is currently SW Nampa and West Caldwell— especially in the HWY 55 corridor. Access to arterials and vacant land as well as inflow from the growing Snake River Valley Wine Region will keep new development strong in this area.

\$387,995

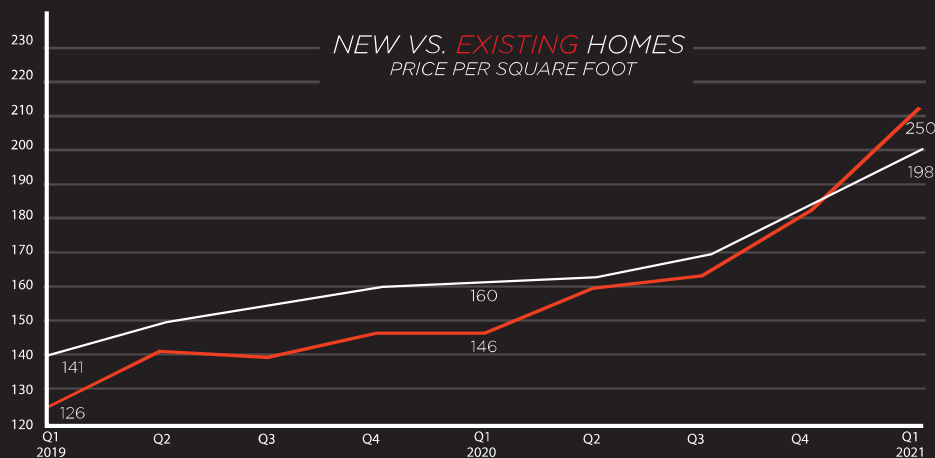
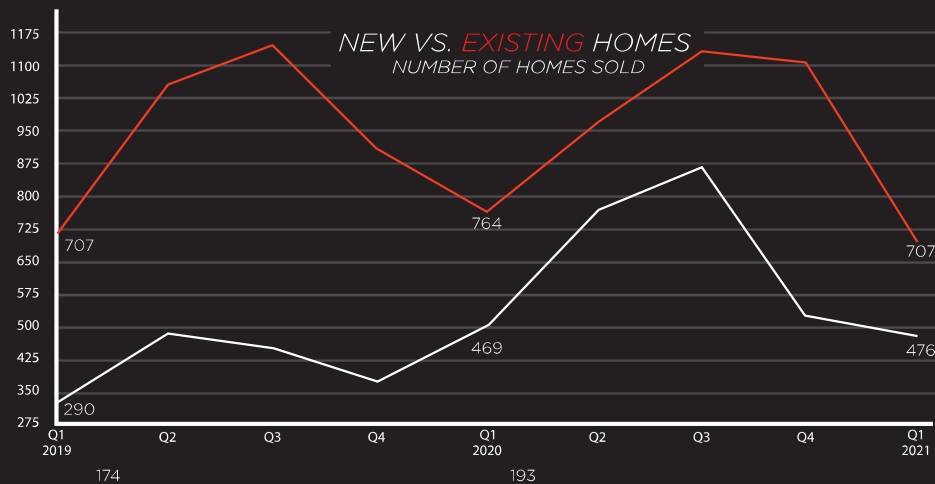
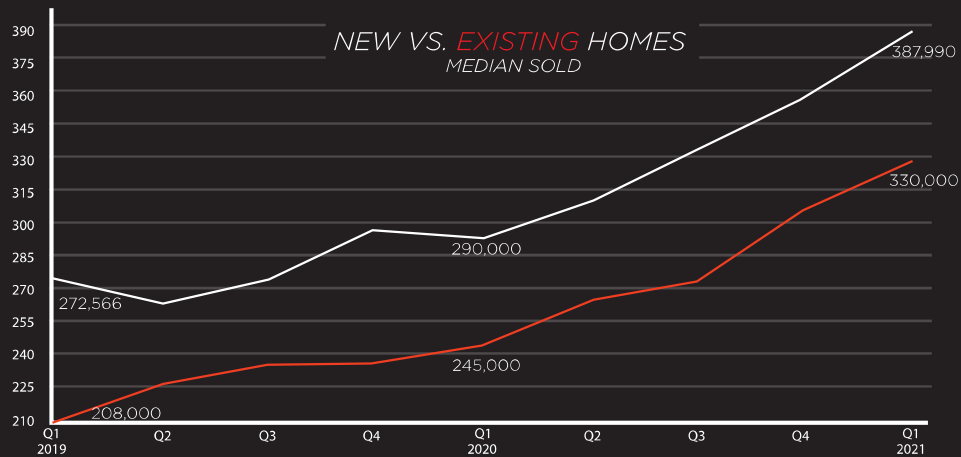
MEDIAN SOLD PRICE

476

NUMBER OF HOMES SOLD

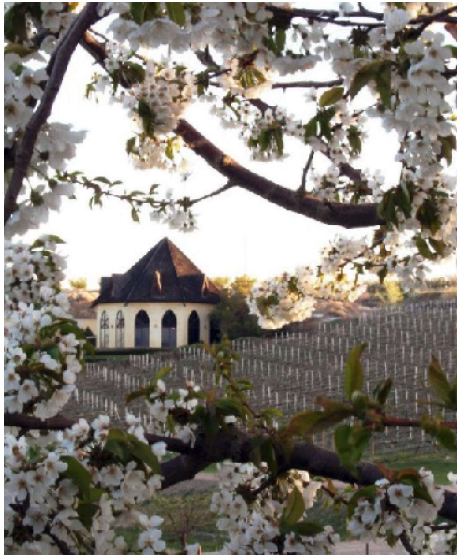
\$198

PRICE PER SQUARE FOOT



IDAHO'S BURGEONING WINE REGION

Idaho is well known for its agricultural competency when producing premium potatoes but in recent years the conversation has evolved from ground spuds to grape vines. With wineries popping up throughout the southwest region of the state, a new era for Idaho agriculture is in the making.



St. Chapelle Winery

Founded in 1975 in Emmett, Idaho, Ste. Chapelle is well known for producing outstanding wines from the Snake River Valley appellation. Moved to its present facility in 1978, the winery grew quickly, producing Riesling and Chardonnay as well as Sauvignon Blanc, Merlot, Cabernet Sauvignon and Syrah. Its popular *Soft* series continues to expand with offerings of Soft Red, Soft White and Soft Huckleberry.

image and text sourced <https://www.stechapelle.com>



Indian Creek Winery

Family-owned and operated, Indian Creek Winery truly believes in that old saying "Work hard, play hard." Bill and Mui Stowe have been working hard since 1982 to craft premium wines from the best grapes in the heart of Idaho's Snake River Valley appellation. Second generation, Tammy Stowe-McClure and husband, Mike, stepped on board in 2005 to help continue the success of this growing winery. All the hard work has been paying off – taking home gold medals from several wine competitions as well as being honored "Idaho Winery of the Year" in *Wine Press Northwest's* Spring '08 Edition.

image and text sourced www.indiancreekwinery.com



Lindsay Creek Vineyards ^{*Notable Listing}

Located in the Lewis-Clark AVA, Lindsay Creek Vineyards features a 15,000-square-foot working winery sitting on 20-acres of land with half an acre of grapes currently growing. It was established in 2007 and includes a state-of-the-art wine production facility with equipment including tanks and fermenters, wine bottle filler, oak barrels, distillation stills, and a grape processing and crush facility. There's also an additional event space and tasting room with views of the Lewis-Clark Valley where various private events and weddings are hosted each year. Wine is sold online, distributed wholesale and through an active wine club.

image and text sourced <https://hoytegroup.com/>