BOISE INVESTMENT PROPERTIES.NET

We Are Invested!

Inside the August Boise Investment Properties newsletter you will find:

- Lease Renewal Negotiations Looming
- Single Family Market Update
- Ada County Fourplex Update
- September AVID Investors' Club Invitation
- Featured Listing

Lease Renewal Negotiations Looming

Boise experienced rapid growth during COVID, but rental prices have declined since the peak in 2022. While lease renewals are always open to negotiation, the past decade saw little room for bargaining due to steady rent increases and low vacancy. This summer, however, I've seen more tenants pushing back on renewal rates than ever before. Tenants who renewed in 2023 at 2022 peak rents are now seeing similar or identical units offered at much lower rents. Given the rising maintenance and turnover costs, I'm accommodating these requests, as vacancy and high maintenance costs impact performance more than any other expense.

1. Post-Pandemic Correction: Boise's rental demand has decreased post-pandemic, with in-migration slowing and some residents leaving. In 2023, Ada County's growth was just a third of 2022 and added just over a fourth of the people for all of the multi--family units that were in the planning phase.
2. Increased Housing Supply: The pandemic-driven population surge led to significant residential construction, resulting in a surplus of available rentals, which is now outpacing demand.

3. Rising Interest Rates and Home Buying Trends: Higher interest rates have slowed the housing market, causing potential buyers to rent instead, which decreases rental demand.
4. Economic Uncertainty: Inflation and economic uncertainty are pushing rents down. Expectations of lower interest rates could potentially reverse this trend.
5. Changing Demographics: Boise's slowing population growth and aging demographic are further reducing the demand for rental properties.

by Tony Drost

Single Family Market Update

Ada County

Provided by Boise Regional REALTORS® – BOIREALTORS.COM
Data from the Intermountain MLS as of August 9, 2024.

Canyon County

ADA COUNTY FOURPLEXES

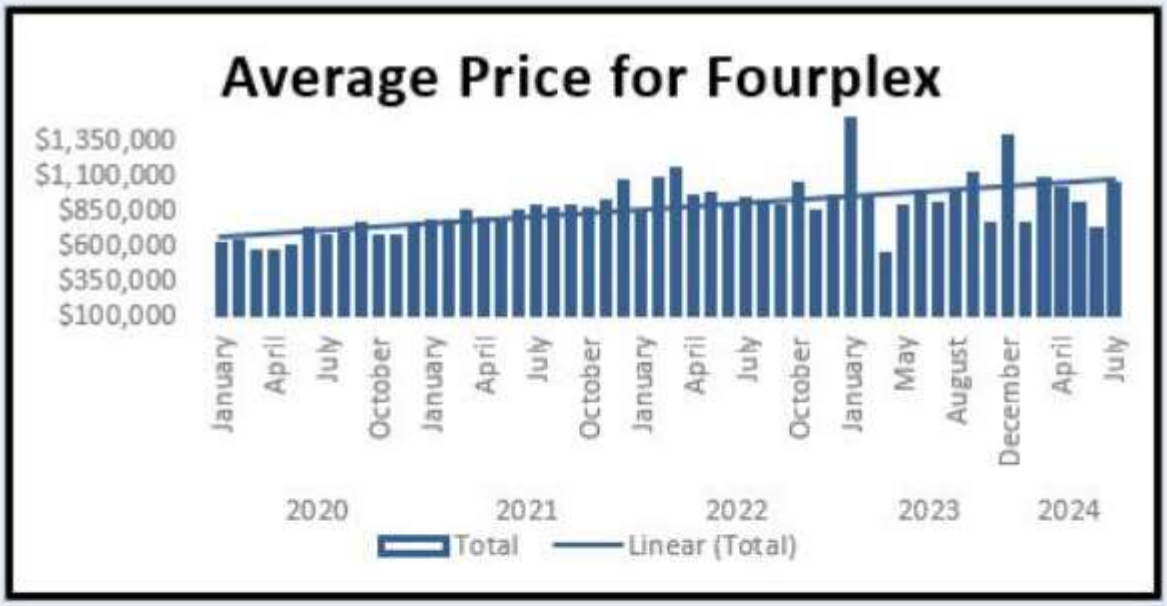
With six fourplexes sold, July marked our most active month since March 2022. Factors like bedroom count, location, and property age contributed to the average sold price exceeding $1 million. Only 2 of the buildings sold at their initial asking prices, while the rest all sold for less.

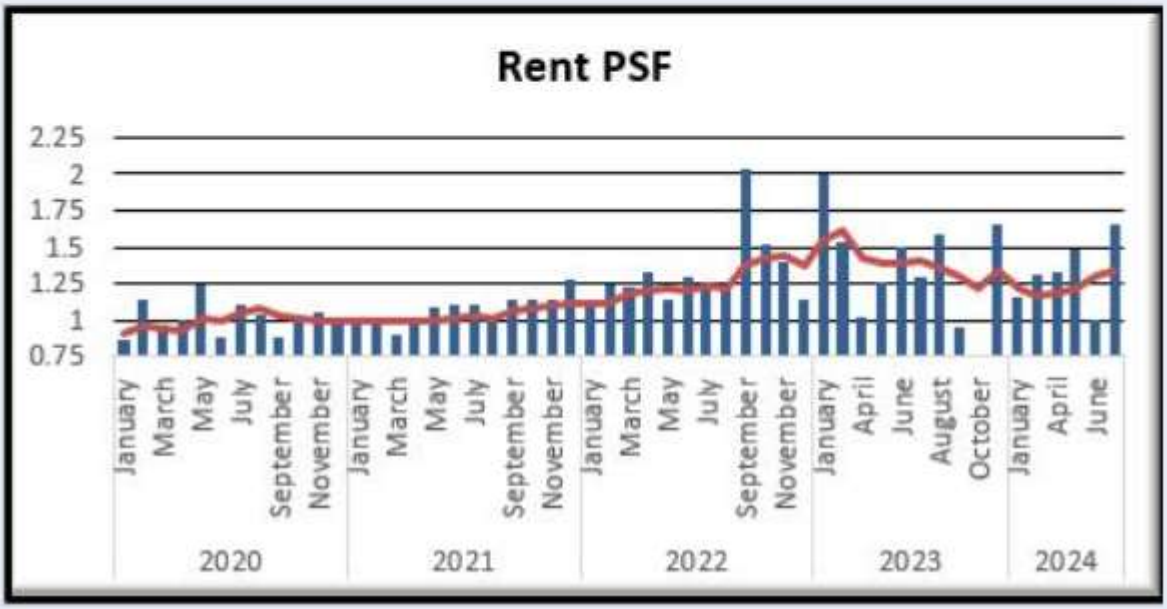
Average Price: July reversed the declining trend with an average price of over $1M.

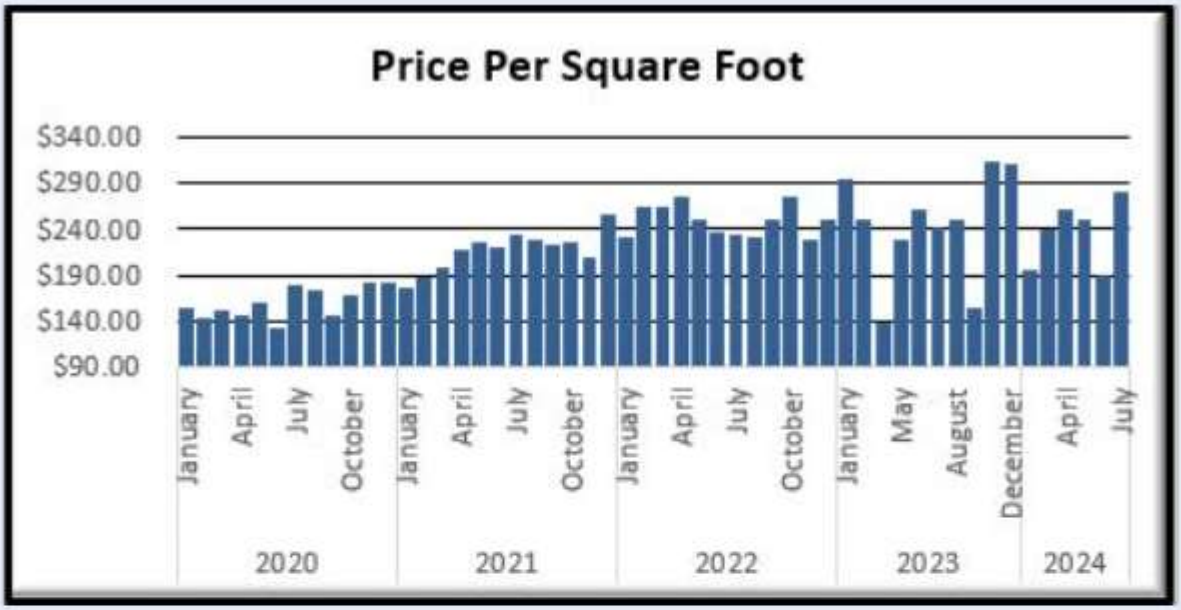
GRM: I would place more emphasis on July's average GRM of 165 over the trailing 6-month average of 187.

Cap Rate: Cap rates are continuing to gradually increase. July's averaged a 5.2% cap rate.

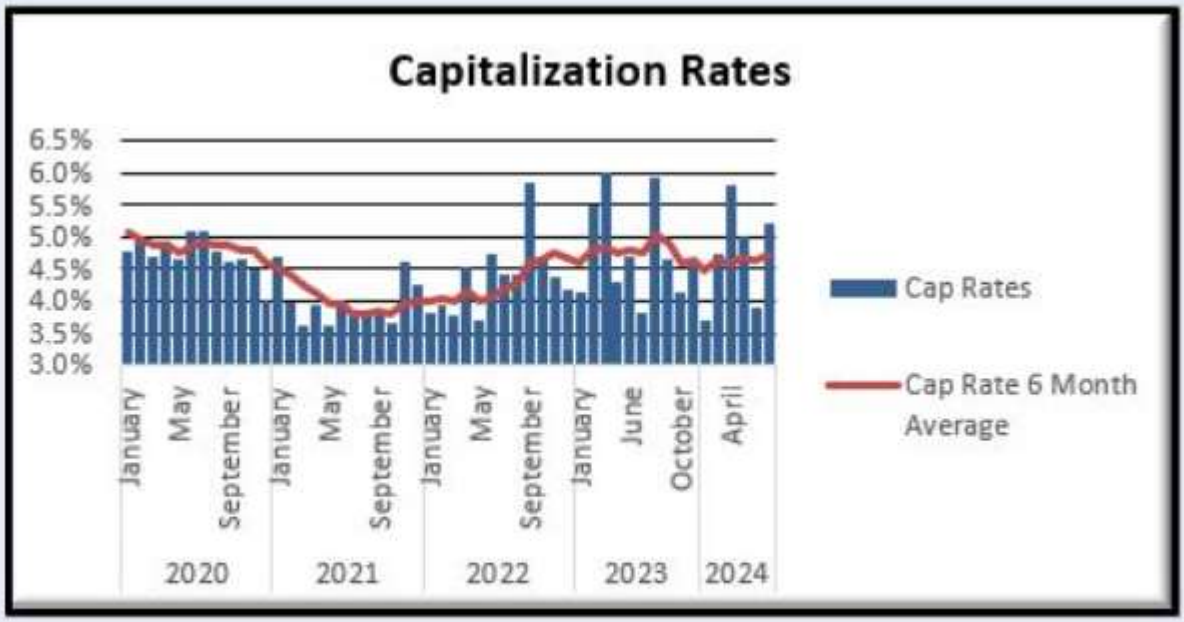
Rent Per Square Foot: There was a noticeable spike in average rents, likely due to the specific mix of properties sold: two were located in North Boise, two had three-bedroom units, and two were new or newer buildings with impressive rental rates.

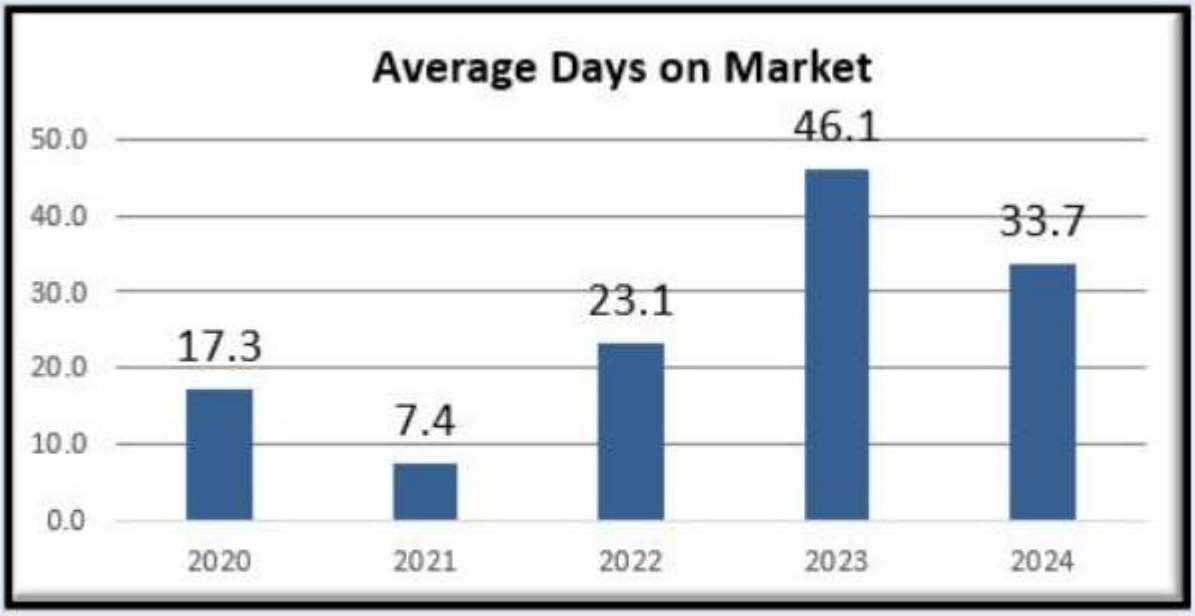

Average Price for Fourplex
$1,350,000
$1,100,000
$850,000
$600,000
$350,000
$100,000
January
April
July
October
January
April
July
October
January
April
July
October
January
May
August
December
April
July
2020
2021
2022
2023
2024
Total
Linear (Total)


Rent PSF
2.25
2
1.75
1.5
1.25
1
0.75
January
March
May
July
September
November
January
March
May
July
September
November
January
March
May
July
September
November
January
April
June
August
October
January
April
June
2020
2021
2022
2023
2024


Price Per Square Foot
$340.00
$290.00
$240.00
$190.00
$140.00
$90.00
January
April
July
October
January
April
July
October
January
April
July
October
January
May
August
December
April
July
2020
2021
2022
2023
2024

GRM Trend
250
200
150
100
January
March
May
July
September
November
January
March
May
July
September
November
January
March
May
July
September
November
January
April
June
August
October
January
April
June
2020
2021
2022
2023
2024
Sum of GRM
GRM 6 Month Average





Data analyzed by Tony Drost, referencing the Intermountain Multiple Listing and Ada County Fourplex activity.

AVID INVESTORS

An Idaho Real Estate Investors' Club
Invitation For

The Future of Boise!

Featuring Jessica Szelag

Deputy Planning Director – City of Boise

Wednesday, September 18, 2024

6:15 PM

Email to RSVP & for Meeting Location and/or Zoom Details

Stacy@InFlowPr.com Stacy McBain 208-549-9987

An invite only, goal-based educational networking event.

Free

Swope Investment Properties

REALTOR

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AVID Investors' Club meetings are held the Third Wednesday of each month EXCEPT August and December.

Our next meeting is Wednesday, September 18, 2024.

Featured Listing

Southeast Boise Duplex plus two 2-car garage rentals for under $500,000!

Just Listed $479,900!

901 Sylvan, Boise Idaho

Click the link below for more information on this property!

WE HOPE YOU STAY IN TOUCH!

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