

Ada County Residential Income Property Trends and Market Analysis



By

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January 25, 2019

Analytical Purpose, Construct, and Limitations:

The purpose of this report is to give insight into the market price, rent, gross rent multiplier trends, and the general condition of the market for residential income properties of two to four units within the Ada County jurisdiction and the Greater Municipal Treasure Valley market area. This report analyzes data from the perspective of both historical sales data and current income property listing information to derive trends present in distressed market transactions, market price, rent rates, and corresponding changes in Gross Rent Multipliers (GRM) over time. Current market data and derived factors are stratified within this report by property dwelling categories and by location to show representation of market areas within this study.

Data from this report includes sales and listing information as reported to the Intermountain Multiple Listing Service and to the Ada County Assessor's Office between the years 2005 and 2018. While every effort has been made to gather all transactions available for these property types, there is an inhibiting factor to market sampling for studies of this nature, as Idaho is a non-sales disclosure state. Therefore, this sample represents only the market sale prices and rental amounts reported by buyers, sellers, and their agents within the analytical timeframe.

Market Observations:

The market for Residential Income properties in Ada County has continued to improve over the past year. Demand for rental properties has remained high as many potential home buyers have been pushed into the rental markets as a result of economic constraints and enhanced lending standards stemming from the economic downturn of 2008, along with the progression of entry-level single-family real estate prices over the past several years.

Market prices for income properties in Ada County have steadily increased over the past few of years and have continued their momentum in the last year with market prices increasing at more than 1.5% per month throughout 2018. Market rents have increased correspondingly from 2017 to 2018 throughout all multi-family dwelling types, with overall median rent increases approaching 9%, and Four-Plexes pushing even higher rates showing a median rent increases of just over 15%.

Distressed transactions in this market segment have dwindled over the past several years. Current market listings for residential income properties are indicating high sold to asking price ratios, appreciating price levels, a reduced supply of properties being marketed for sale, and reduced average marketing periods for all residential income property types. Overall new construction rates of 2 – 4 unit dwellings have increased year over year by 91%. The majority of the growth within this market sector resides in the continued development of new Four-Plex units.

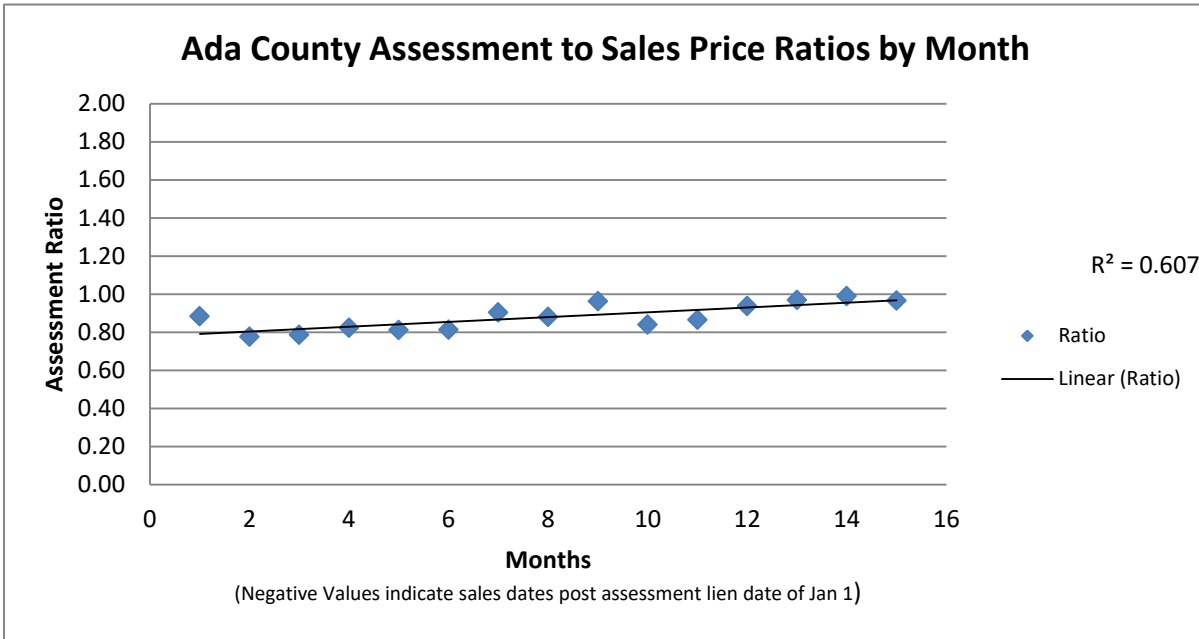
Overall, the current market for residential income properties in Ada and Canyon counties remains strong. As population growth in this area continues, and prices for single-family residential properties continue to grow, the increase in demand for rental properties continues to drive prices up for renters and investors looking to buy into this market sector.

List of Exhibits:

- Exhibit A. Ada County Residential Income Property Market Trend Analysis**
- Exhibit B. Ada County Residential Income Property Summary Rental Income and Market Statistics 2005 - 2018**
- Exhibit C. Ada County Residential Income Property Summary Statistics Trend Charts 2005 - 2018**
- Exhibit D. Ada County Average Days on Market by Residential Income Dwelling Type 2005 - 2018**
- Exhibit E. Ada County Residential Income Property Gross Rent Multiplier Study 2018**
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- Exhibit G. Ada and Canyon County Residential Income Property Rental Income and Sale Price Statistics 2018**
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Exhibit A. Ada County Residential Income Property Market Trend Analysis

Current Lien Date	1/1/2019		
Regression			
Slope Y	0.012523214	0.780150952	Y-Intercept
St Err Slope	0.002794926	0.025411802	St Err Intercept
R^2	0.606973436	0.04676805	St Err Y Est
F Stat	20.07664462	13	Deg Freedom
Reg S of S	0.043912651	0.028434256	Resid S of S



Deg Freedom	13
T Stat	4.48069689
Y-Intercept	0.780150952
Slope	0.012523214
TA/Month	1.6052%
TA/Year	19.26%
TA/Month	1.61%

Sig F. P-Value	0.00061878132401
Sig F. Confidence Level	99.94%

Selected Model Y/N	
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See T-Distribution Sheet for Confidence Levels		
Hypothesis Test Results: Time Adj Confidence Level	T-Stat	Deg Freedom
	4.48069689	13
	Sig T (P-Value)	Confidence Level (1 - P-Value)
	0.000618781	99.94%

80% Confidence Interval Data		
	Slope	Intercept
	0.000924827	0.008408643
High	0.013448042	0.788559595
Low	0.011598387	0.771742309
TA Yr High	20.91%	
TA Yr Low	17.65%	
TA/ Month High	1.74%	
TA/ Month Low	1.47%	

90% Confidence Interval Data		
	Slope	Intercept
	0.001187003	0.010792376
High	0.013710217	0.790943329
Low	0.011336211	0.769358576
TA Yr High	21.38%	
TA Yr Low	17.20%	
TA/ Month High	1.78%	
TA/ Month Low	1.43%	

Time Adjustment Estimates Based On Regression Standard Error Terms				
	1 Std Error High	1 Std Error Low	2 Std Error High	2 Std Error Low
Slope	0.01531814	0.009728289	0.018113065	0.006933363
Intercept	0.805562754	0.754739151	0.830974556	0.729327349
Time Adj/Mo	2.03%	1.21%	2.48%	0.83%
Assuming Approximately Normal Distribution	68% Population Estimate		95% Population Estimate	
	34%	-34%	47.5%	-47.5%

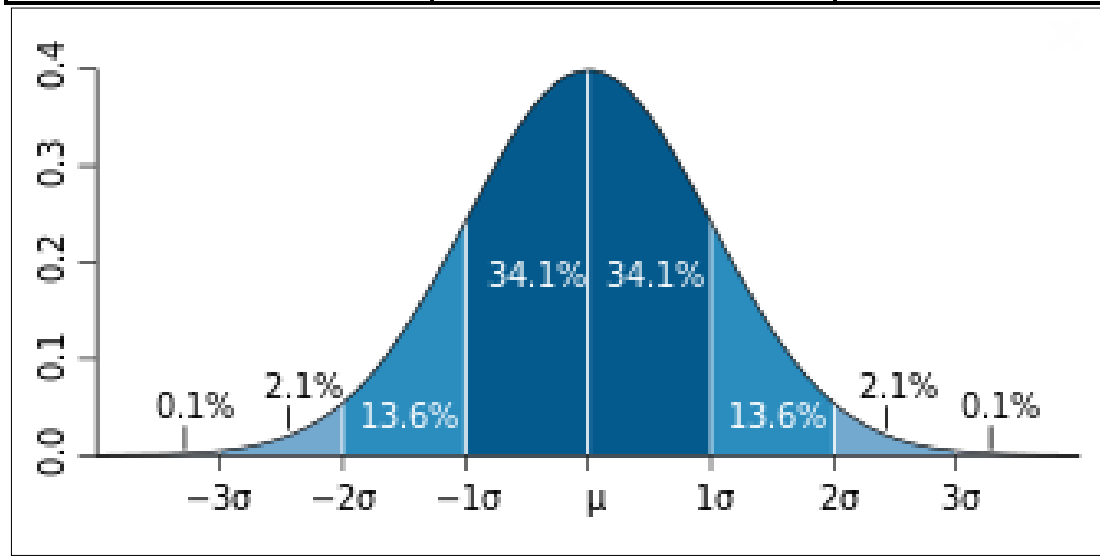
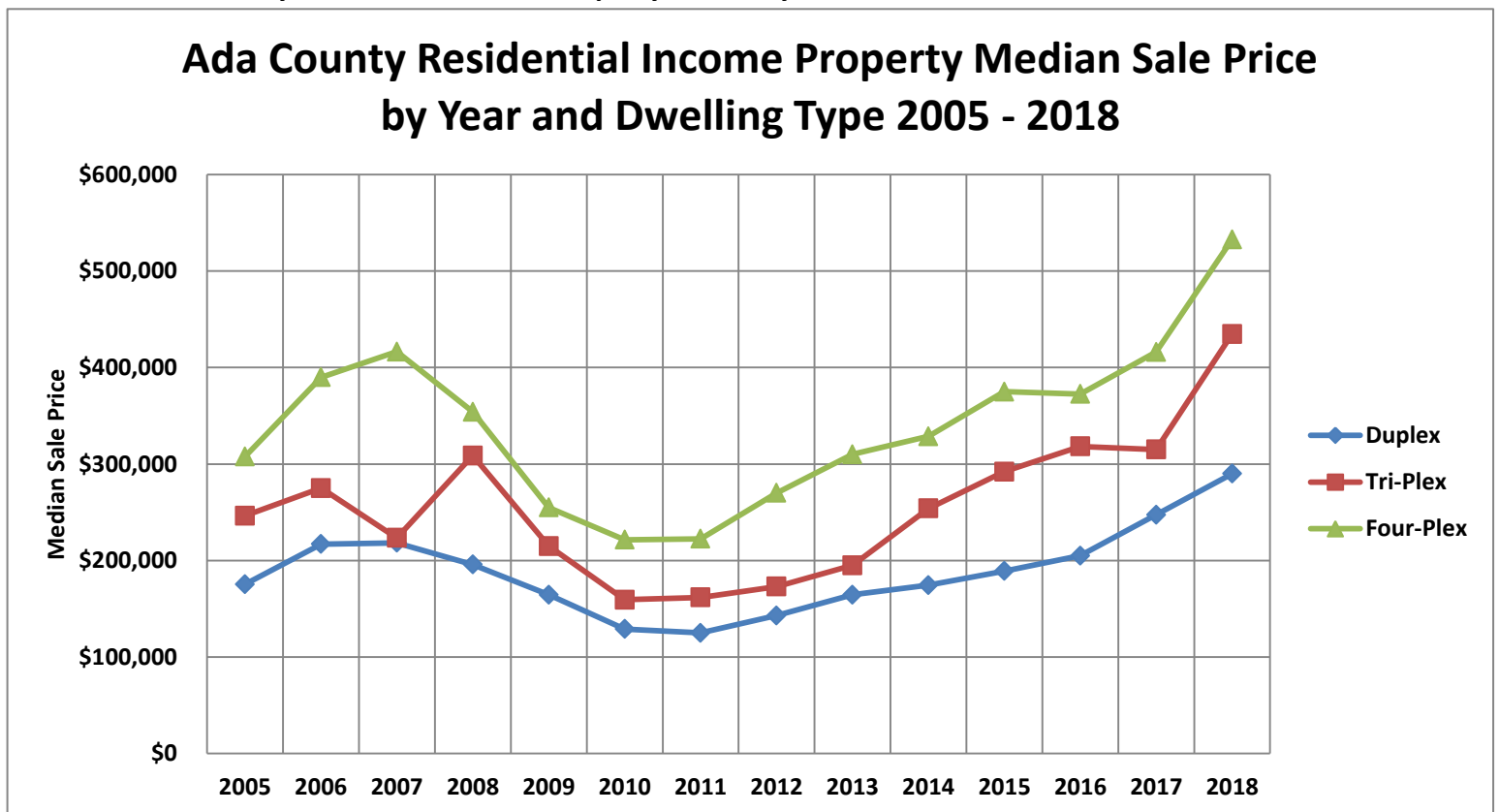


Exhibit B. Ada County Residential Income Property Summary Rental Income and Market Statistics 2005 - 2018

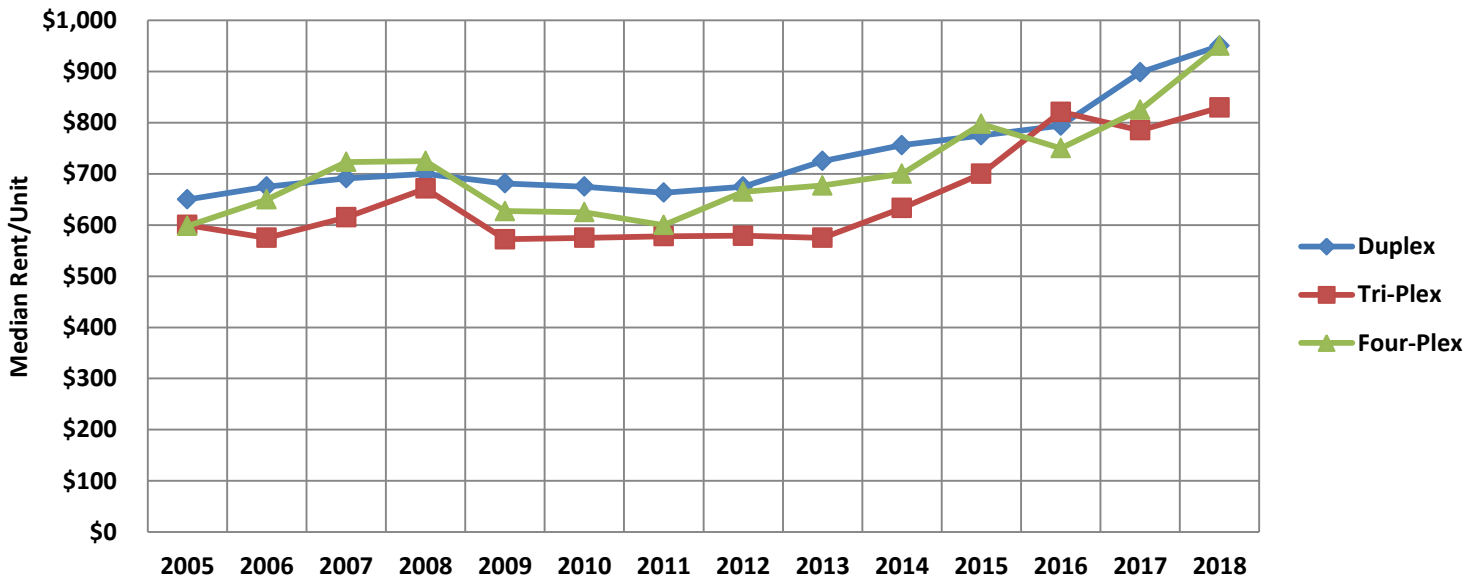
Ada County Residential Income Property Median Price, Rent, and GRM Trends 2005 - 2018									
	Duplex			Tri-Plex			Four-Plex		
Year	Median Sale Price	Median Rent	Median GRM	Median Sale Price	Median Rent	Median GRM	Median Sale Price	Median Rent	Median GRM
2005	\$175,500	\$650	139	\$246,450	\$600	129	\$307,725	\$598	134
2006	\$217,100	\$675	163	\$275,000	\$575	153	\$389,900	\$650	146
2007	\$218,250	\$691	160	\$223,500	\$615	126	\$416,450	\$723	143
2008	\$195,750	\$700	137	\$308,750	\$671	154	\$354,000	\$725	119
2009	\$164,500	\$681	117	\$215,000	\$572	92	\$255,000	\$627	101
2010	\$129,000	\$675	100	\$159,350	\$575	94	\$221,500	\$625	89
2011	\$125,000	\$663	100	\$161,750	\$578	96	\$222,450	\$600	87
2012	\$143,000	\$675	110	\$173,000	\$579	101	\$270,000	\$665	102
2013	\$164,500	\$725	119	\$195,000	\$575	110	\$310,000	\$677	112
2014	\$174,500	\$756	119	\$254,000	\$633	133	\$328,700	\$700	113
2015	\$189,000	\$775	124	\$292,000	\$700	130	\$375,000	\$798	115
2016	\$205,000	\$794	131	\$318,250	\$821	125	\$372,500	\$750	115
2017	\$247,400	\$898	138	\$315,000	\$785	129	\$416,000	\$825	126
2018	\$290,000	\$950	150	\$434,750	\$829	166	\$532,750	\$950	141

Exhibit C. Ada County Residential Income Property Summary Statistics Trend Charts 2005 - 2018



Ada County Residential Income Property Median Projected Rent/Unit by Year and Dwelling Type 2005 - 2018

(Figures Based on Projected Income)



Ada County Residential Income Property Median GRM by Year and Dwelling Type 2005 - 2018

(Figures based on Projected Income)

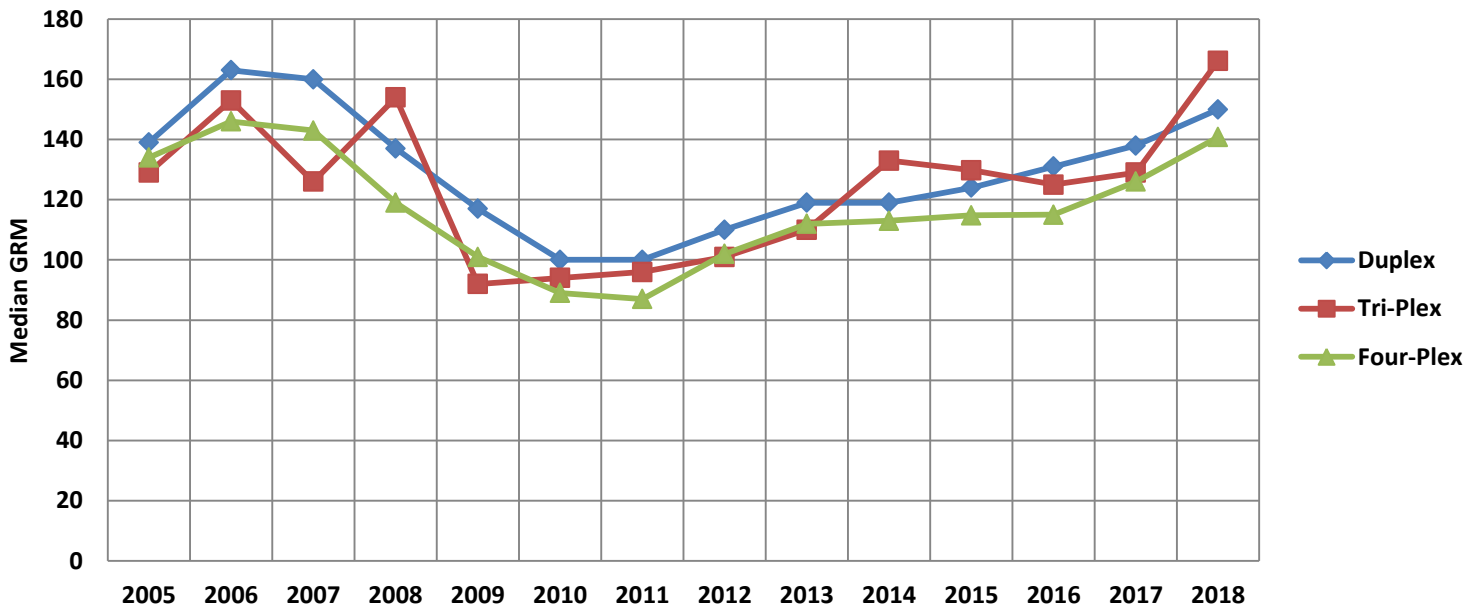


Exhibit D. Ada County Average Days on Market by Residential Income Dwelling Type 2005 - 2018

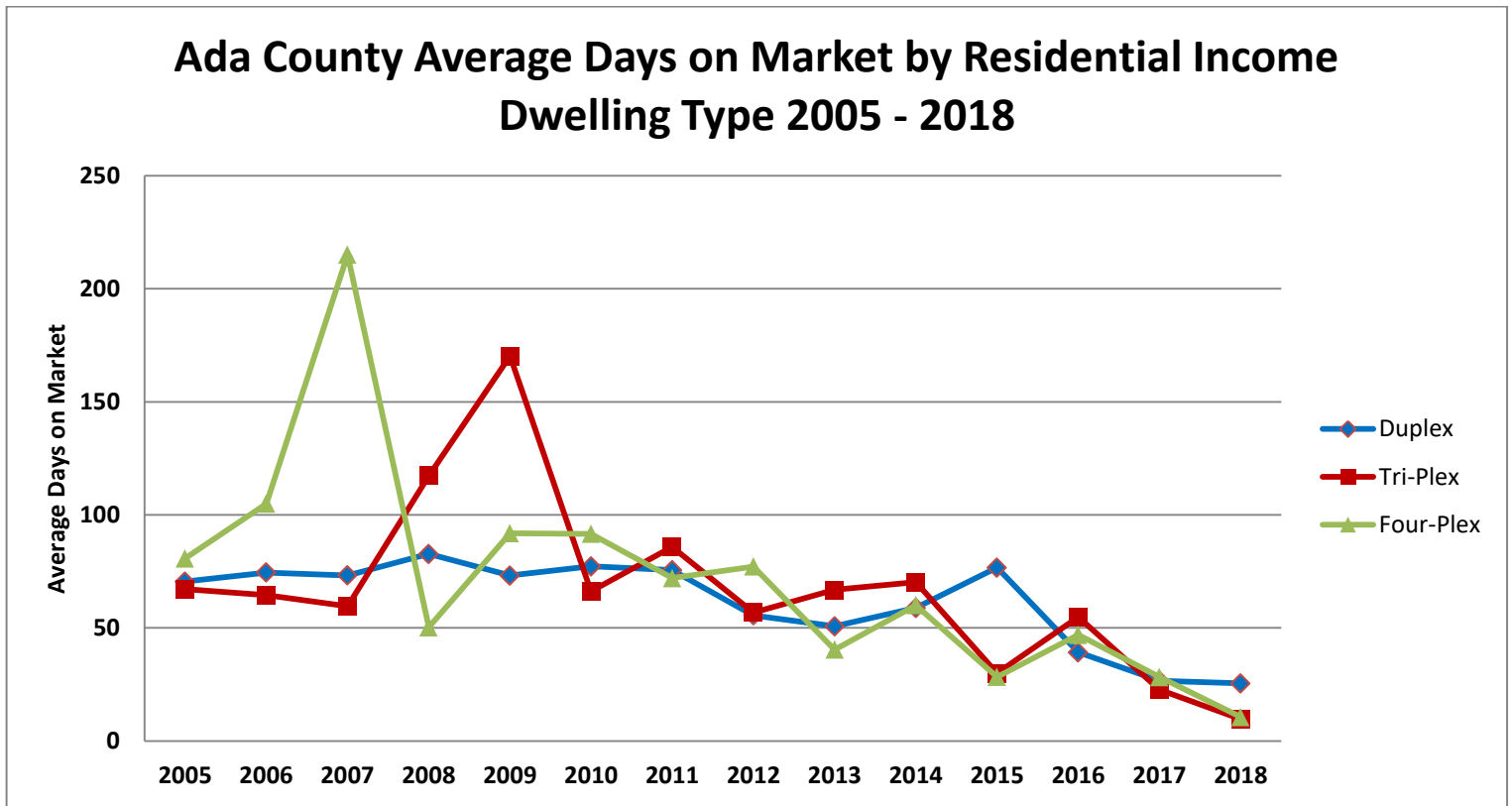


Exhibit E. Ada County Residential Income Property Gross Rent Multiplier Study 2018

Ada County Residential Income Property GRM Statistics 2018			
Dwelling	Duplex	Tri-Plex	Four-Plex
Median Projected Rent	\$950	\$829	\$950
Median Projected GRM	150	166	141
90% Conf Interval Upper	153	175	143
90% Conf Interval Lower	148	142	138
Median Actual Rent	\$850	\$750	\$884
Median Actual GRM	170	184	147
90% Conf Interval Upper	175	214	149
90% Conf Interval Lower	160	158	144
Median Sale Price	\$290,000	\$434,750	\$532,750
Total Count of Sales	99	14	50

Exhibit F. Ada and Canyon County Residential Income Property Rental and Sale Price Statistics 2018

Residential Income Property GRM Statistics Arrayed by Area and Dwelling Type 2018				
Area	Dwelling	Duplex	Tri-Plex	Four-Plex
Boise-Garden City	Median Proj GRM	150	166	141
	Median Proj Rent/Unit	\$950	\$829	\$925
	Median Actual GRM	170	184	149
	Median Actual Rent/Unit	\$850	\$750	\$881
	Count of Sales	95	14	31
Eagle-Meridian-Kuna-Star	Median Proj GRM	159	N/A	144
	Median Proj Rent/Unit	\$838	N/A	\$995
	Median Actual GRM	172	N/A	144
	Median Actual Rent/Unit	\$729	N/A	\$944
	Count of Sales	4	0	19
Canyon County	Median Proj GRM	125	105	129
	Median Proj Rent/Unit	\$756	\$567	\$850
	Median Actual GRM	136	108	136
	Median Actual Rent/Unit	\$688	\$558	\$789
	Count of Sales	60	9	38
Total Count of Sales		159	23	88

Exhibit G. Ada and Canyon County Residential Income Property Rental Income and Sale Price Statistics 2018

Residential Income GRM and Sales Statistics Arrayed by Area, Dwelling Type, and Age																										
Area	Age	0 - 5 years					6 - 10 years					11 - 20 years					21 - 30 years					30 + years				
		Dwelling					Duplex					Tri-Plex					Four-Plex									
Boise-Garden City	Median Proj Rent/Unit	\$1,213	N/A	\$1,325	\$948	\$950	N/A	N/A	N/A	\$1,000	\$808	\$950	N/A	\$925	\$938	\$850										
	Median Proj GRM	159	N/A	153	152	148	N/A	N/A	N/A	128	170	147	N/A	133	141	127										
	Median Actual Rent/Unit	\$1,061	N/A	\$1,250	\$793	\$838	N/A	N/A	N/A	\$667	\$783	\$936	N/A	\$883	\$878	\$769										
	Median Actual GRM	182	N/A	162	174	169	N/A	N/A	N/A	193	175	148	N/A	144	151	157										
	Median Sale Price	\$387,000	N/A	\$405,000	\$289,900	\$285,000	N/A	N/A	N/A	\$385,000	\$444,500	\$560,000	N/A	\$507,000	\$531,200	\$450,000										
Count of Sales	2	0	7	7	79	0	0	0	1	13	6	0	12	6	7											
Eagle-Meridian-Kuna-Star	Median Proj Rent/Unit	N/A	N/A	\$900	N/A	\$775	N/A	N/A	N/A	N/A	N/A	\$995	N/A	\$928	\$890	\$681										
	Median Proj GRM	N/A	N/A	169	N/A	149	N/A	N/A	N/A	N/A	N/A	144	N/A	137	151	140										
	Median Actual Rent/Unit	N/A	N/A	\$800	N/A	\$658	N/A	N/A	N/A	N/A	N/A	\$995	N/A	\$868	\$693	\$681										
	Median Actual GRM	N/A	N/A	191	N/A	153	N/A	N/A	N/A	N/A	N/A	144	N/A	147	194	142										
	Median Sale Price	N/A	N/A	\$305,000	N/A	\$275,000	N/A	N/A	N/A	N/A	N/A	\$575,000	N/A	\$508,500	\$536,900	\$400,000										
Count of Sales	0	0	1	0	3	0	0	0	0	0	9	0	4	1	5											
Canyon County	Median Proj Rent/Unit	\$900	#NUM!	\$863	\$800	\$738	N/A	N/A	\$950	N/A	\$561	\$925	N/A	\$850	\$786	\$854										
	Median Proj GRM	136	N/A	130	117	120	N/A	N/A	116	N/A	101	141	N/A	128	118	132										
	Median Actual Rent/Unit	\$873	N/A	\$823	\$800	\$650	N/A	N/A	\$950	N/A	\$557	\$925	N/A	\$756	\$708	\$848										
	Median Actual GRM	148	N/A	143	126	133	N/A	N/A	116	N/A	106	141	N/A	135	132	134										
	Median Sale Price	\$242,500	N/A	\$228,700	\$187,500	\$167,654	N/A	N/A	\$330,000	N/A	\$172,000	\$520,000	N/A	\$407,500	\$372,500	\$462,500										
Count of Sales	3	0	10	3	44	0	0	1	0	8	3	0	19	2	14											
Total Count of Sales		5	0	18	10	126	0	0	1	1	21	18	0	35	9	26										

Exhibit H. Ada and Canyon County Gross Rent Multiplier Frequency Distributions 2017 by Dwelling Type

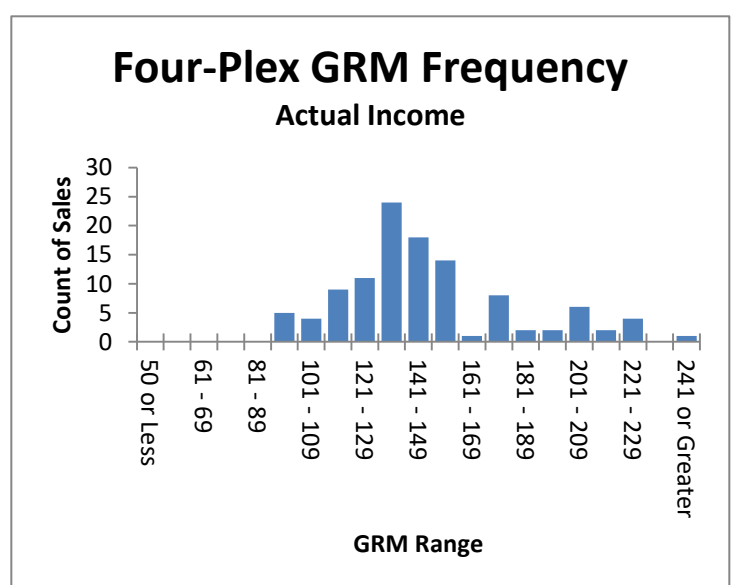
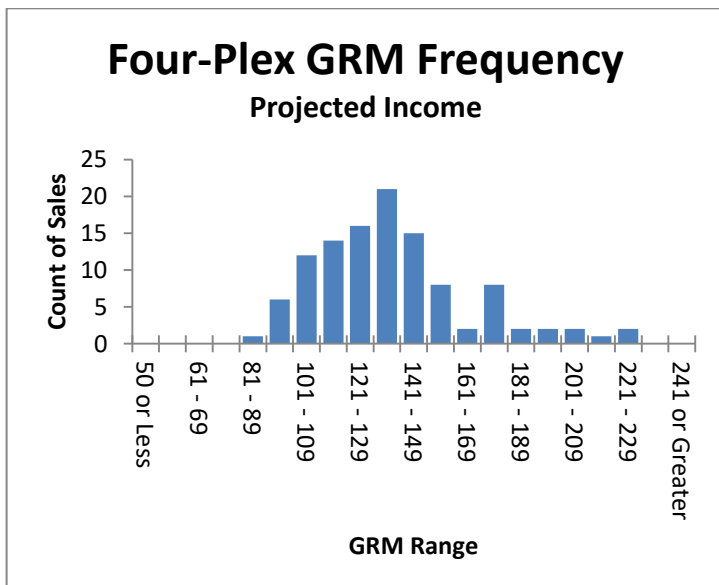
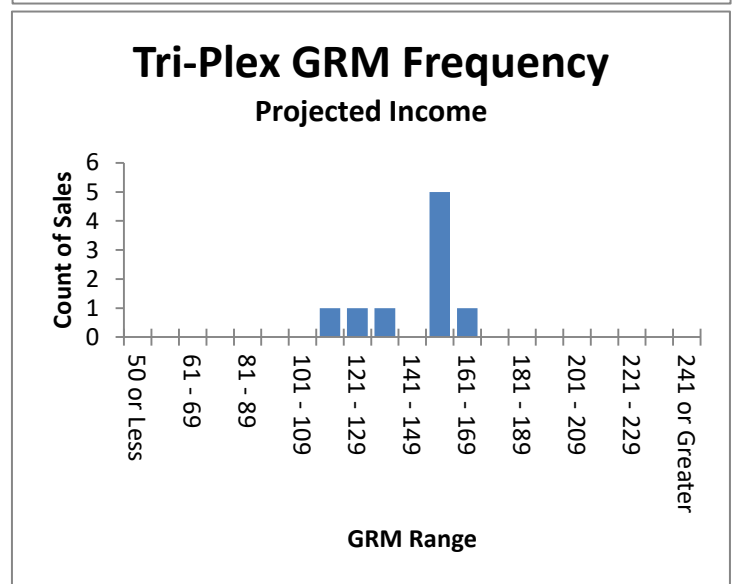
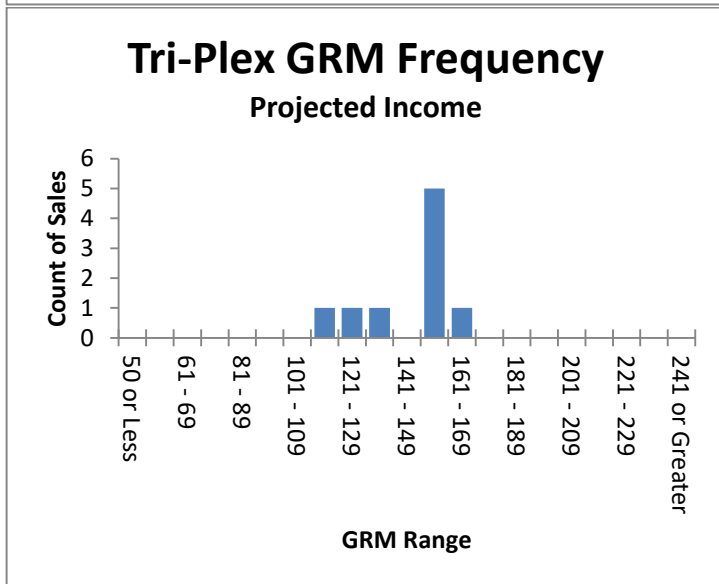
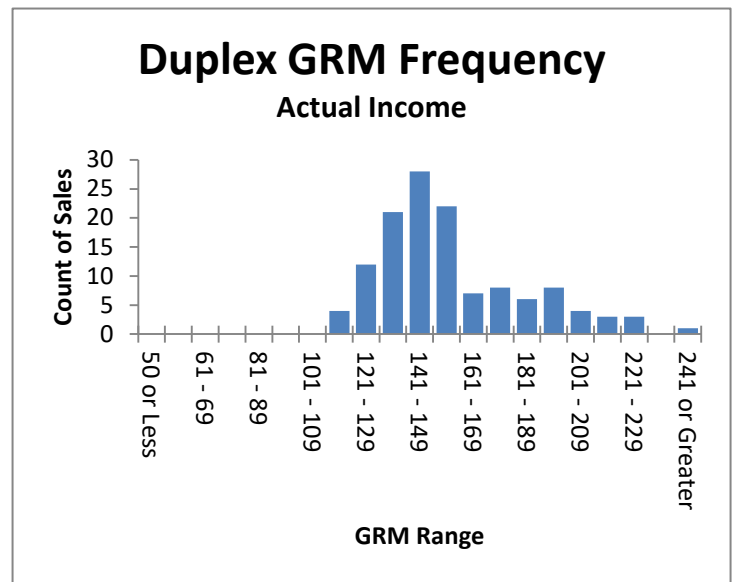
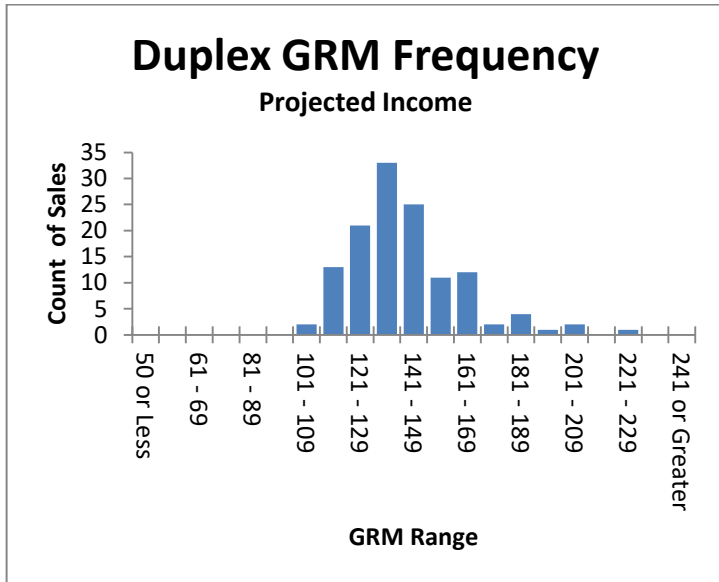


Exhibit I. Ada County Residential Income Active/Pending Status Rental Income and Market Statistics

Ada County Residential Income Property Active/Pending Listing Market Statistics						
Design	Current Active/Pending Listings	Median Price	Median Actual Rent/Unit	Median Projected Rent/Unit	Median Actual GRM	Median Projected GRM
Duplex	20	\$299,450	\$894	\$970	166	153
Tri-Plex	3	\$395,000	\$797	\$847	161	149
Four-Plex	19	\$550,000	\$950	\$975	147	145

Exhibit J. Ada County Income Property Listing Counts by Year and Quarter 2005 – 2018

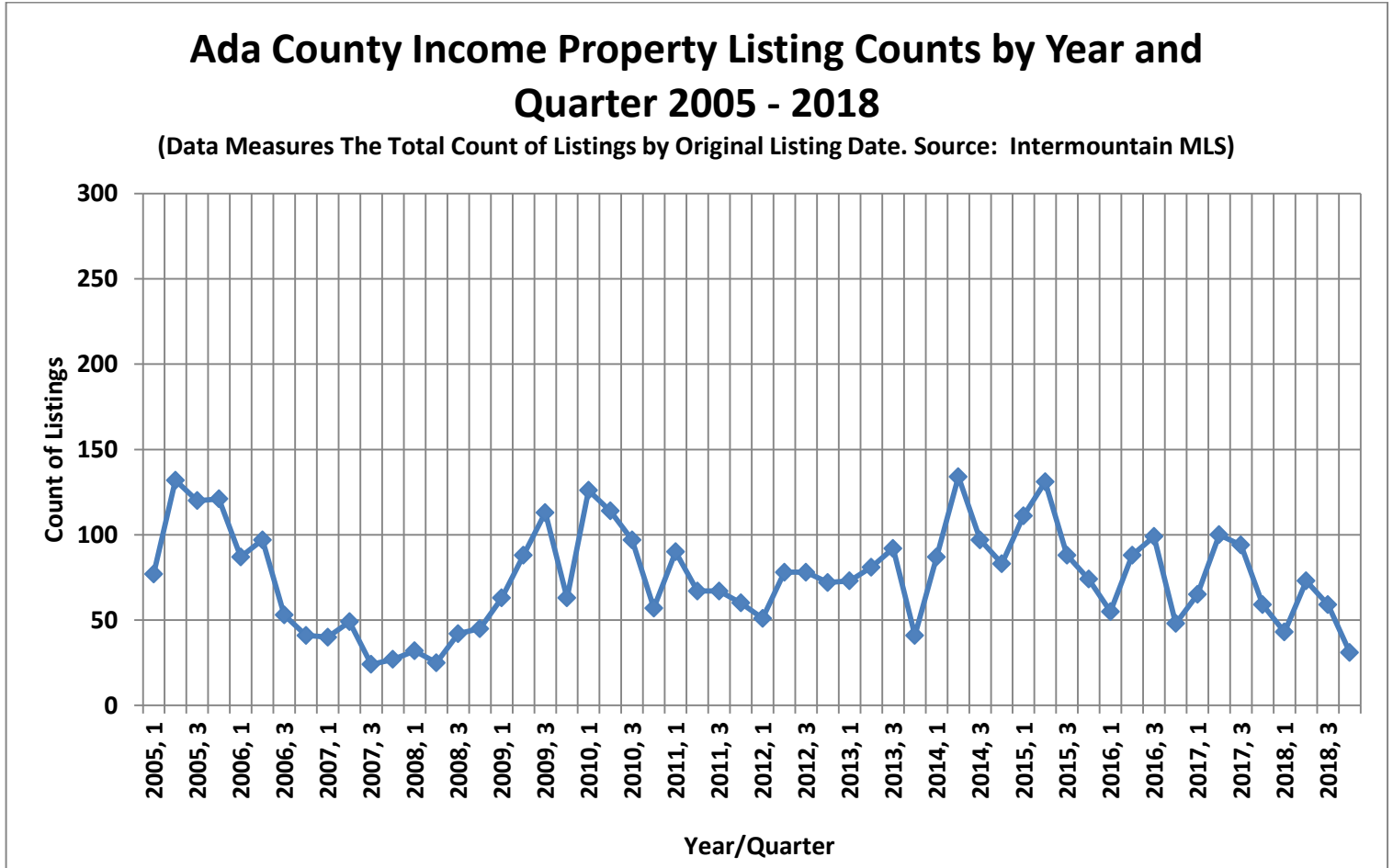


Exhibit K. Ada County Residential Income Property asking to Sale Price Ratio Trends 2005– 2018

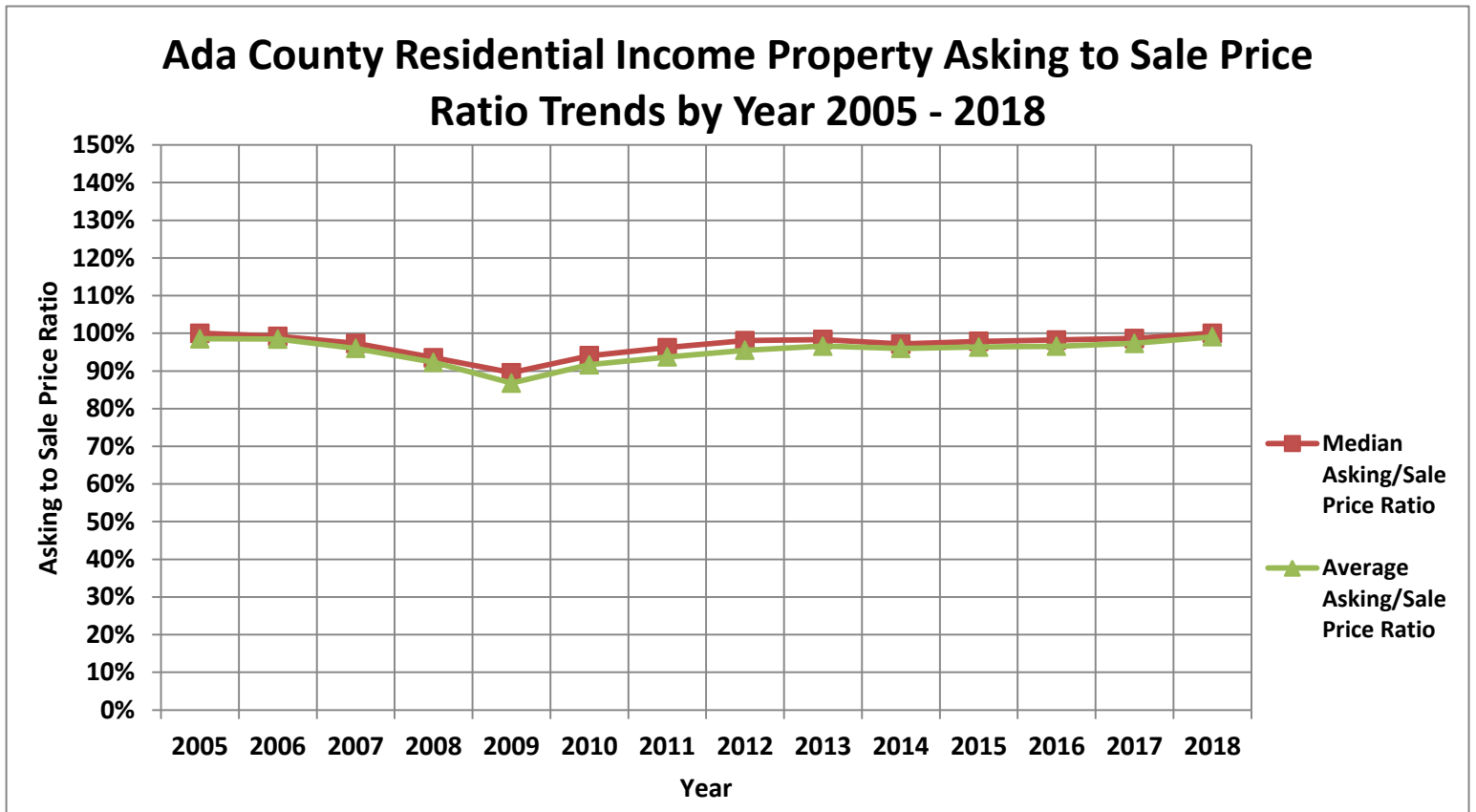


Exhibit L. Ada County Residential Income Property Overall Distressed Sale Rates 2017 – 2018

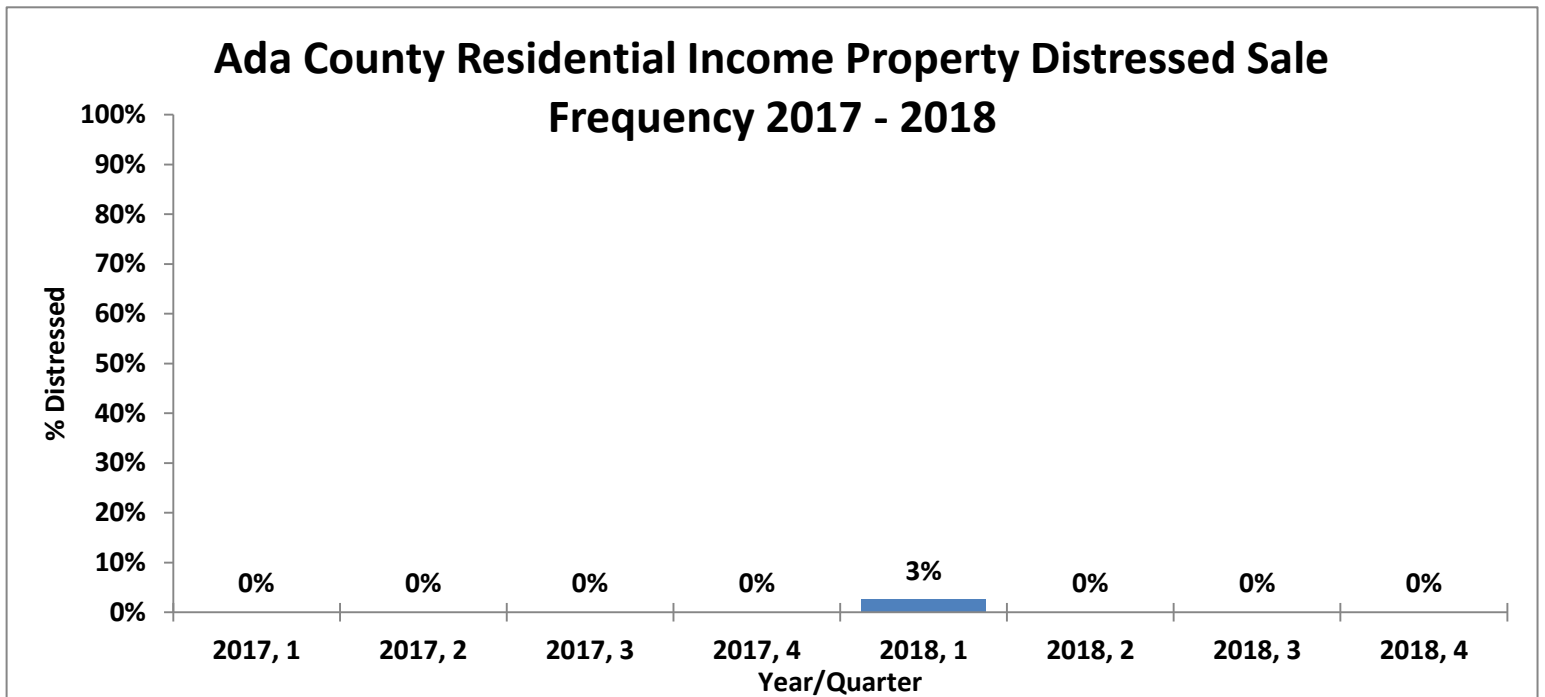


Exhibit M. Ada County Residential Income Property Distressed Sale Rates by Dwelling Type 2017/2018

Ada County Residential Income Property Distressed Sale Rates by Dwelling Type 2017 - 2018									
	Duplex			Tri-Plex			Four-Plex		
Year/ Qtr.	Count of Distressed	Total Count of Sales	% Distressed	Count of Distressed	Total Count of Sales	% Distressed	Count of Distressed	Total Count of Sales	% Distressed
2017, 1	0	22	0%	0	2	0%	0	22	0%
2017, 2	0	36	0%	0	4	0%	0	17	0%
2017, 3	0	30	0%	0	5	0%	0	21	0%
2017, 4	0	33	0%	0	5	0%	0	19	0%
2018, 1	1	27	4%	0	1	0%	0	12	0%
2018, 2	0	28	0%	0	6	0%	0	11	0%
2018, 3	0	40	0%	0	3	0%	0	9	0%
2018, 4	0	25	0%	0	2	0%	0	12	0%

Exhibit N. Ada County Residential Income New Construction Rates by Dwelling Type and Total

