

Housing Market Profile

Northwest • HUD Region X



Coeur d'Alene, Idaho

The Coeur d'Alene metropolitan area, which consists of Kootenai County, is located in north-west Idaho. The area attracts retirees for its quality of life and relatively low housing costs. As of April 1, 2011, the population of the metropolitan area is estimated at 142,200, which indicates an average annual increase of 2,600, or 1.9 percent, since July 1, 2009, compared with an average annual increase of 3,775, or 3 percent, from 2003 through 2008. As of 2009, about 15 percent of the population in the metropolitan area was 65 years old or older. Since 2006, population growth has slowed because of local job losses and national declines in home prices that have discouraged retirees from selling their homes and moving to the area.

Economic conditions in the metropolitan area remained weak during the 12 months ending January 2011, a trend that began in 2009, as nonfarm payrolls averaged 52,900 jobs, a decline of 600 jobs, or 1 percent, compared with the number of jobs during the previous 12 months. That decline is an improvement, however, when compared with the loss of 3,700 jobs, or 6.5 percent, recorded during the 12 months ending January 2010. The current decline was primarily because of the loss of 500 jobs in the construction sector, a 13-percent decline, which resulted from the soft real estate market. The leisure and hospitality and the education and health services sectors led hiring in the area, with the addition of 200 jobs in each sector, 3.2- and 2.9-percent increases, respectively. The Kootenai Medical Center is the leading employer in the area, with roughly 1,850 jobs. During the 12 months ending January 2011, the average unemployment rate was 10.7 percent, up from the average rate of 9.3 percent a year earlier.

The sales housing market in the Coeur d'Alene metropolitan area has been moderately soft since 2006. According to Hanley Wood, LLC, during the 12 months ending March 2011, sales of new and existing homes fell by 6 percent to about 2,900 homes compared with sales recorded during the previous 12 months; this decline was an improvement, however, from the 20-percent average annual decline in sales from 2006 to 2009. During the past 12 months, the average sales price increased by 5 percent to \$260,100 compared with the average price during the previous 12-month period, but this price was still well below the \$283,200 average between 2006 and 2009. Existing homes accounted for 87 percent of sales, with 2,550 homes sold, which

was a 4-percent annual increase. Much of the increase, however, was because of REO (Real Estate Owned) sales, which rose by 54 percent to 860 homes, while regular sales of existing homes declined by 11 percent to 1,675. New home sales fell by 44 percent to 380 homes. According to LPS Applied Analytics, for February 2011, 5.9 percent of total loans in the area were 90 or more days delinquent, in foreclosure, or in REO, down from 6.3 percent in February 2010.

Home construction in the metropolitan area was affected by the decline in new home sales, as reflected in the issuance of single-family permits, which, based on preliminary data, fell by 42 percent to 440 units during the 12 months ending February 2011, down from the 750 units permitted during the previous 12 months. Single-family homebuilding, as measured by the number of building permits issued, peaked during 2004 and 2005, when an average of 2,125 homes were permitted annually, but it has declined every year since. The Ashworth development in suburban Post Falls will begin construction in June 2011, with plans for 450 single-family homes to be priced around \$120,000 to \$200,000. The entire development is projected to be completed within the next 7 years.

Rental housing market conditions in the Coeur d'Alene metropolitan area are soft, primarily because of an influx of foreclosed single-family homes for rent. As of September 2010, the latest data available, average apartment rents remained flat, when compared with rents from a year earlier, at \$580, \$650, and \$860 for one-, two-, and three-bedroom units, respectively. According to The Real Estate Report: Research on Spokane, Kootenai and Bonner Counties, as of September 2010, the latest data available, the apartment vacancy rate was 6.8 percent compared with 8.8 percent a year earlier because of reduced multifamily construction.

Multifamily construction activity, as measured by the number of units permitted, totaled about 210 units in the 12-month period ending February 2011, up from the 90 units permitted during the previous 12 months, based on preliminary data. Since reaching an average annual peak of 650 units from 2005 through 2007, the number of multifamily units permitted has declined to an average of 100 annually during 2008 and 2009. About 70 percent of new apartments in the area are targeted to seniors. Construction has begun on two tax credit projects for income-qualifying seniors that are expected to be completed later this year: the 50-unit Mill River Senior Apartments and the 42-unit Silver Creek Apartments.