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MARKET REPORT

# Boise’s Expanding Economy Fuels Long-Term Hotel Market Strength

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Boise's hospitality market has traditionally been supported by government, education, and healthcare demand. In recent years, however, strong population growth and significant technology sector expansion have emerged as key drivers of economic activity, fueling new hotel development and supporting strong lodging performance throughout the market.

## Core Demand from Education & Healthcare

The foundation of Boise hotel demand comprises higher education, health care, and state government sources. Entities such as the State Capitol, Boise State University, and the region's major medical centers provide stable lodging demand, which is supported by ongoing growth at education and healthcare facilities.

Boise State University (BSU) is the largest university in Idaho, with an enrollment of over 28,000 students for the Fall 2026 semester; this is a 5% increase from 2024 levels and a 19% increase since 2020. According to conversations with market hoteliers, BSU provides strong hotel demand, particularly from large events such as move-in day and sporting events. Historically, these events have allowed nearby hotels to achieve more than 80% occupancy on peak nights. Additionally, our conversations with Visit Boise revealed that sporting events in the market have historically comprised more than 60% of the nearly 70,000 annual meeting and event room nights in the market. In December 2024, BSU updated the Campus Master Plan to include expansion plans through 2034 that will renew and revitalize the university area.

Another anchor of hotel demand in Boise is health care. Major healthcare facilities in Boise include Saint Alphonsus Health System and St. Luke's Boise Medical Center. In addition, BSU and Boise’s healthcare entities have undertaken significant renovation and expansion projects to support population and employment growth in recent years. Hotel demand from these sources primarily comprises traveling healthcare workers, hospital executives, and patients traveling from

surrounding communities, with the largest portion from healthcare workers who utilize extended-stay lodging options in Boise. These hotel operators have indicated that the additional healthcare demand allows them to achieve more than 80% occupancy, compared to the market average of 70%. St. Luke's began to undergo a multi-phase, $1.2-billion expansion project in 2019, with an anticipated completion in late 2029.

## Technology Investment Driving Corporate Lodging Demand

In the years following the COVID-19 pandemic, Boise's corporate and high-technology sectors have grown significantly, becoming an increasing source of lodging demand. This trend has been supported by Boise's affordable cost of living compared to cities along the West Coast, as well as the city's business-friendly tax structure and development incentives. Notable high-tech developments in the region include the newly constructed Amazon Fulfillment Center and Amazon Same-Day Delivery Facility, both located in nearby Nampa; Micron Technology's semiconductor manufacturing facility expansion in Boise, an expansion of Tokyo Electron's memory fabrication facilities in Boise; and a one-million-square-foot Meta data center located in nearby Kuna.

These projects have generated substantial hotel demand through construction-related stays, project teams, contractors, vendors, and visiting consultants. As these facilities begin operations, they are expected to support ongoing lodging demand from corporate travelers, employee training programs, recruiting efforts, client visits, and other business travel. Together, these investments are helping to establish a broader base of corporate demand for Boise hotels.

## Population Growth Supports Broader Market Expansion

Over the last decade, Ada County, including Boise and the surrounding suburbs, has also experienced significant population growth, driven by its growing economy, high quality of life, and relatively affordable cost of living. Boise has attracted a multitude of new residents and businesses from many cities along the West Coast, resulting in a more than 10% increase in the Ada County population from 2020 through 2025. Continued expansion in the technology sector, including major investments by Micron and Meta, has further strengthened job creation and migration trends. These increases in business activity and population have supported hotel demand through relocation-related stays, recruiting efforts, corporate travel, and more visitation from local friends and family.

## Hotel Performance Reflects Boise's Momentum

As a result of the city's population growth and market development, hotel demand in Boise notably increased from 2019 through June 2026. According to our interviews with Visit Boise, hotels throughout the market registered an average occupancy near 70% in 2019, with approximately 223,000 room nights available throughout the year. At the time, the average daily rate in the market registered near $100 to $120, depending on the season. This performance softened notably in 2020, with occupancy reported at or below 55% and average rate ranging from $80 to $100.

However, with the economic growth in the market, hotel demand has also notably increased. Visit Boise also reported to us that while annual occupancy levels remained near 70% for the trailing-twelve-month period ending June 2026, available hotel supply has increased by nearly 50,000 room nights with the opening of 16 hotels between 2019 and 2026, and average daily rate has increased more than 25% since 2019. The stable occupancy levels and strong supply and average rate growth indicate continued hospitality success in the Boise market.

## Looking Ahead

Based on the historical performance of the market and the continued expansion of its economic drivers, the outlook for the Boise hospitality market remains positive. Strong demand generated by Boise State University, major healthcare

institutions, state government activity, and a rapidly growing technology sector has supported sustained hotel occupancy despite significant new supply entering the market. Continued population growth, ongoing corporate investment, and expansion projects throughout the region are expected to further strengthen business activity and visitation. Given the market's ability to maintain occupancy near historical levels while achieving meaningful growth in both room inventory and average daily rate, Boise is well-positioned to support lodging market growth over the long term.

*HVS transforms comprehensive data into insights that inform smarter hospitality investments. By working on the ground in local markets, our teams conduct direct interviews with industry participants to capture real-time perspectives and up-to-date market intelligence. This approach delivers a meaningful competitive advantage to our clients. For additional insight into the Boise market or assistance evaluating opportunities that fit your goals and risk profile, please reach out to Hannah Homack, your HVS Pacific Northwest hospitality expert.*