



TREASURE VALLEY *Colliers*
MARKET REVIEW



Q2
2019

Research & Forecast Report
Treasure Valley | Second Quarter 2019

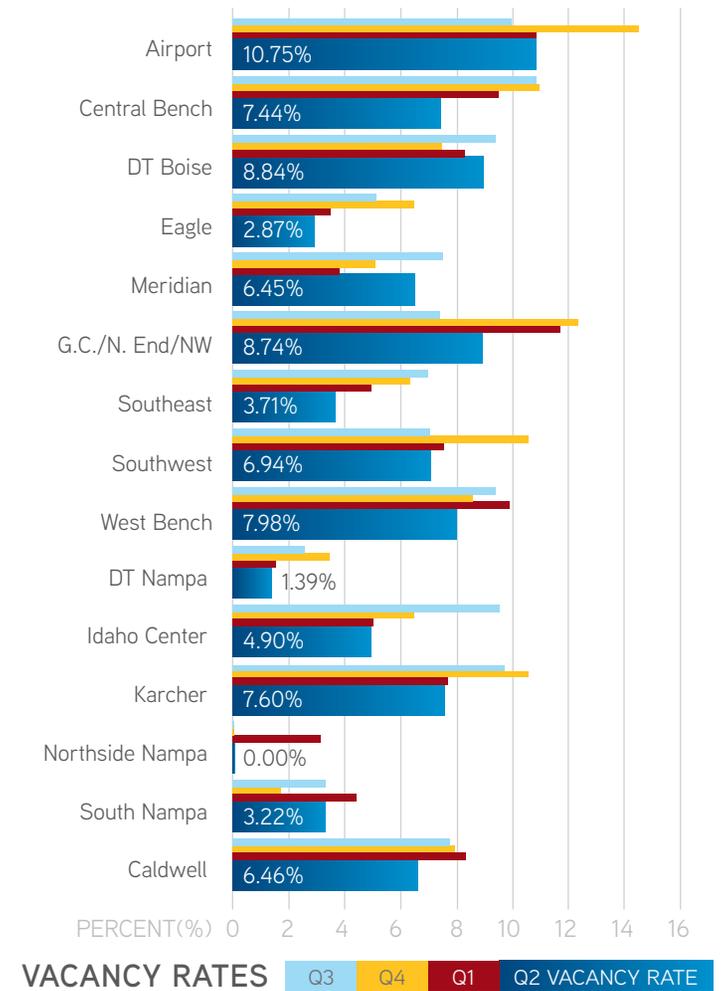


Office

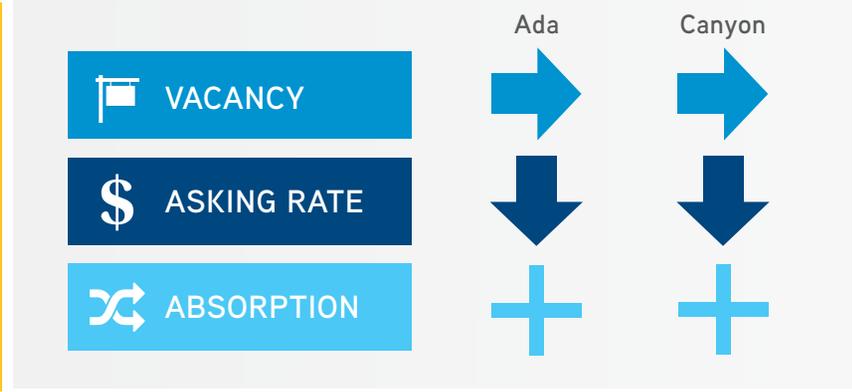
Office vacancy continues to remain low both locally and nationally. Boise continues to be a landlords market which we expect will continue for the duration of 2019.

Over 60% of the U.S. office markets have a vacancy rate below the national average of 10.2%; 46% percent of those markets are below 10%.

The U.S. office market got off to a slow start in 2019 but occupancy and rents held firm through the first half of the year. The office market continues to be dominated by tech and coworking firms that continue to expand.

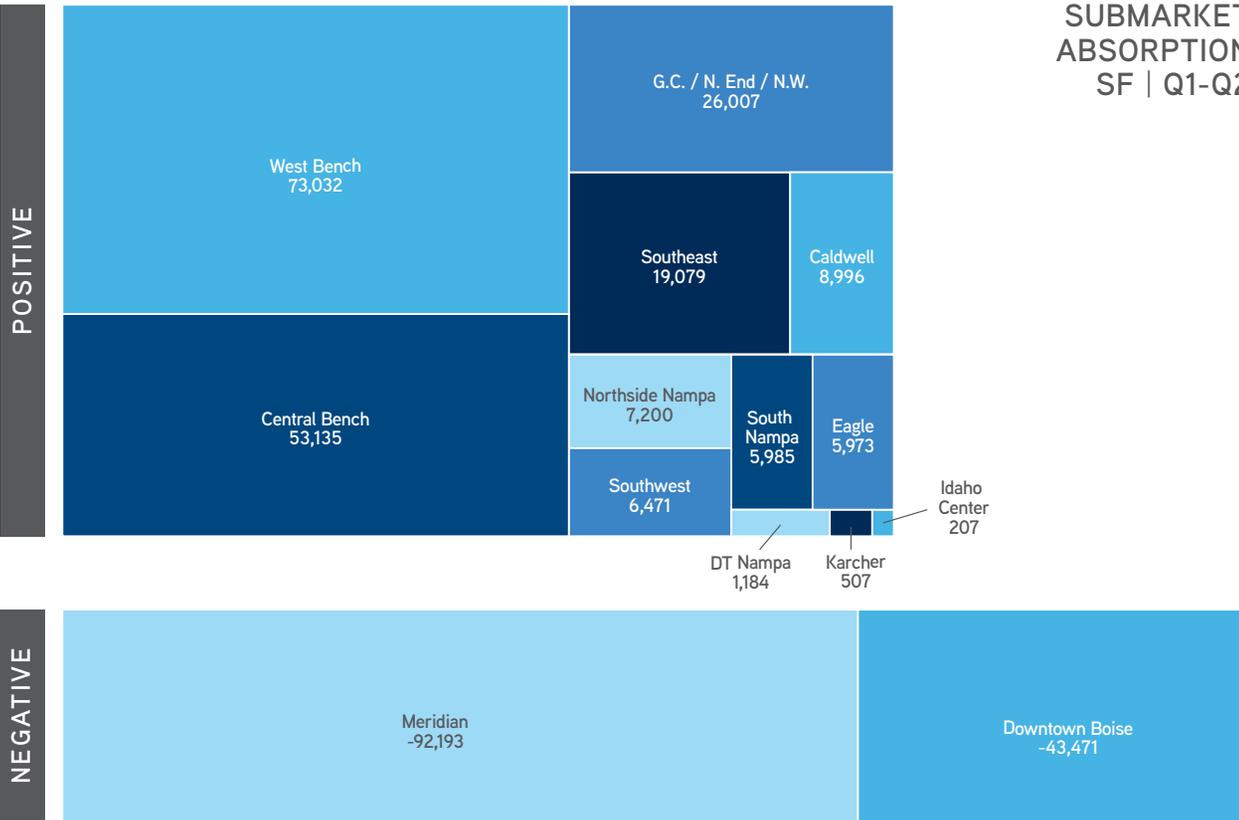


**NEW DEVELOPMENT
PLANNED FOR
DOWNTOWN BOISE**

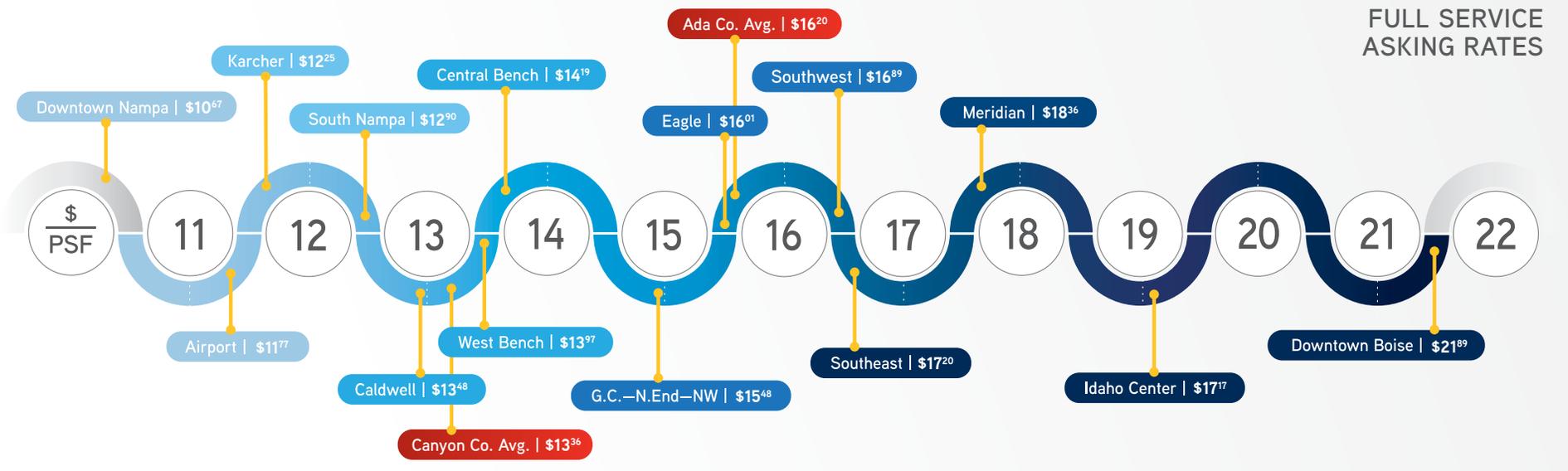


SUBMARKET ABSORPTION SF | Q1-Q2

Q2 OFFICE TRENDS



- » Scot Ludwig with Broad Street Properties LLC submitted a permit for a new 11-story office building on the corner of 5th and Front St. in Downtown Boise that will connect via a sky bridge to a 9-story building on the south side of Broad St..
- » Washington Federal is expanding with the purchase of the former Bodybuilding.com building near Chinden and Cloverdale in Boise. The nearly 100,000 square foot building is currently being remodeled to accommodate up to 100 new staff members over the next few years.
- » Rafanelli & Nahas submitted a permit for a 10-story office building at 11th and Idaho. Construction of the 191,000 square foot property is planned to begin in August and is expected to take 14 months. Amenities will include floor to ceiling windows, a rooftop deck, indoor bike storage, and more.



Office MARKET STATISTICS

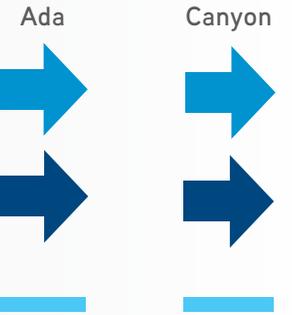


SUBMARKET	FS AVERAGE ASKING RATE	TOTAL SF IN SUBMARKET	TOTAL SF AVAILABLE	VACANCY	VACANCY CHANGE Q1-Q2	ABSORPTION Q1-Q2
Airport	\$11.77	367,906	39,545	10.75%	0.00%	-
Central Bench	\$14.19	2,576,385	191,564	7.44%	-2.06%	53,135
Downtown Boise	\$21.89	6,975,103	616,894	8.84%	0.62%	(43,471)
Eagle	\$16.01	843,713	24,221	2.87%	-0.71%	5,973
Meridian	\$18.36	3,596,205	231,922	6.45%	2.56%	(92,193)
G.C. & N. End & N.W.	\$15.48	839,158	73,353	8.74%	-3.10%	26,007
Southeast Boise	\$17.20	1,639,085	60,837	3.71%	-1.16%	19,079
Southwest Boise	\$16.89	1,041,867	72,294	6.94%	-0.62%	6,471
West Bench	\$13.97	3,765,104	300,629	7.98%	-1.94%	73,032
ADA COUNTY TOTAL	\$16.20	21,644,526	1,611,259	7.44%	-0.22%	48,033
Downtown Nampa	\$10.67	588,571	8,174	1.39%	-0.20%	1,184
Idaho Center	\$17.17*	531,618	26,069	4.90%	-0.05%	269
Karcher	\$12.25	344,403	26,167	7.60%	-0.15%	507
Northside Nampa	-	196,919	-	0.00%	-3.66%	7,200
South Nampa	\$12.90	511,853	16,484	3.22%	0.53%	5,985
Caldwell	\$13.48	500,116	32,316	6.46%	-1.80%	8,996
CANYON COUNTY TOTAL	\$13.36	2,673,480	109,210	4.08%	-0.90%	24,141
TREASURE VALLEY TOTAL	\$14.78	24,318,006	1,720,469	7.07%	-0.30%	72,144

*The average asking rate of the Idaho Center submarket excludes approximately 12,000 square feet of medical office space, listed at nearly double the average rate.



EXPANSIVE MIXED-USE PLANNED FOR THE VALLEY

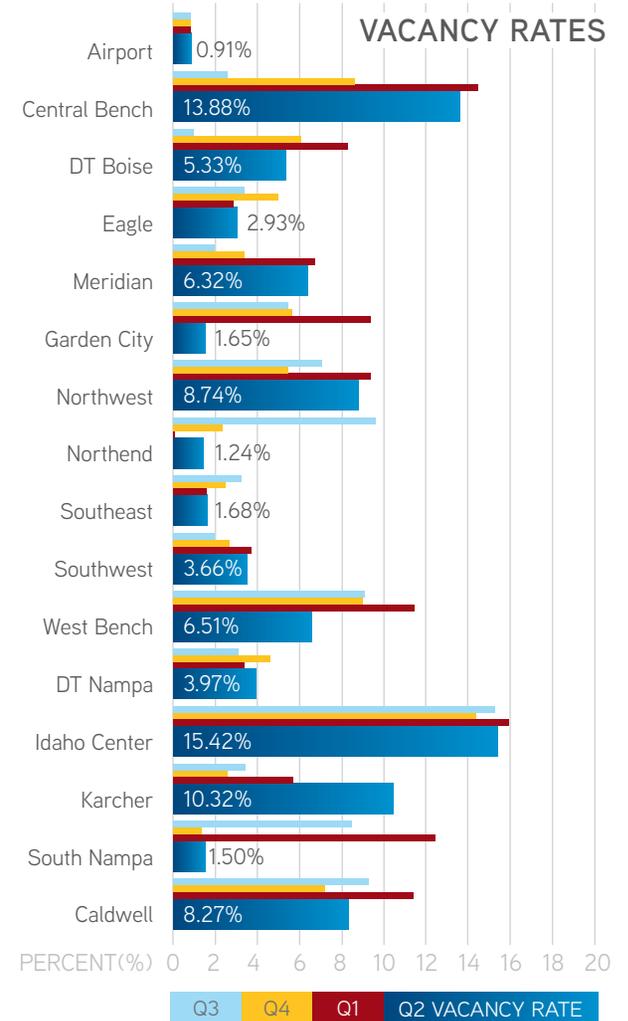


Retail

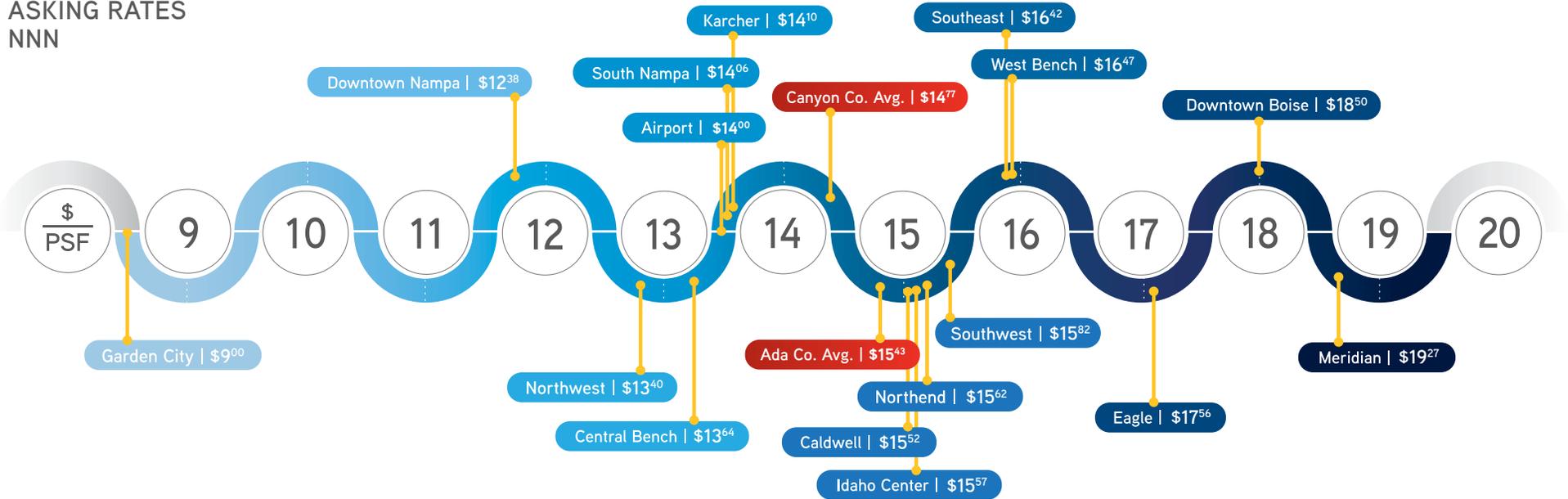
Vacancy and asking rates remain steady across the Treasure Valley and will likely remain unchanged until new users are identified for empty big box space.

Voicebox is remodeling 3,000 square feet of the former Urban Outfitters in BoDo. The new space will feature six karaoke studios along with a full-service bar and unique small plates.

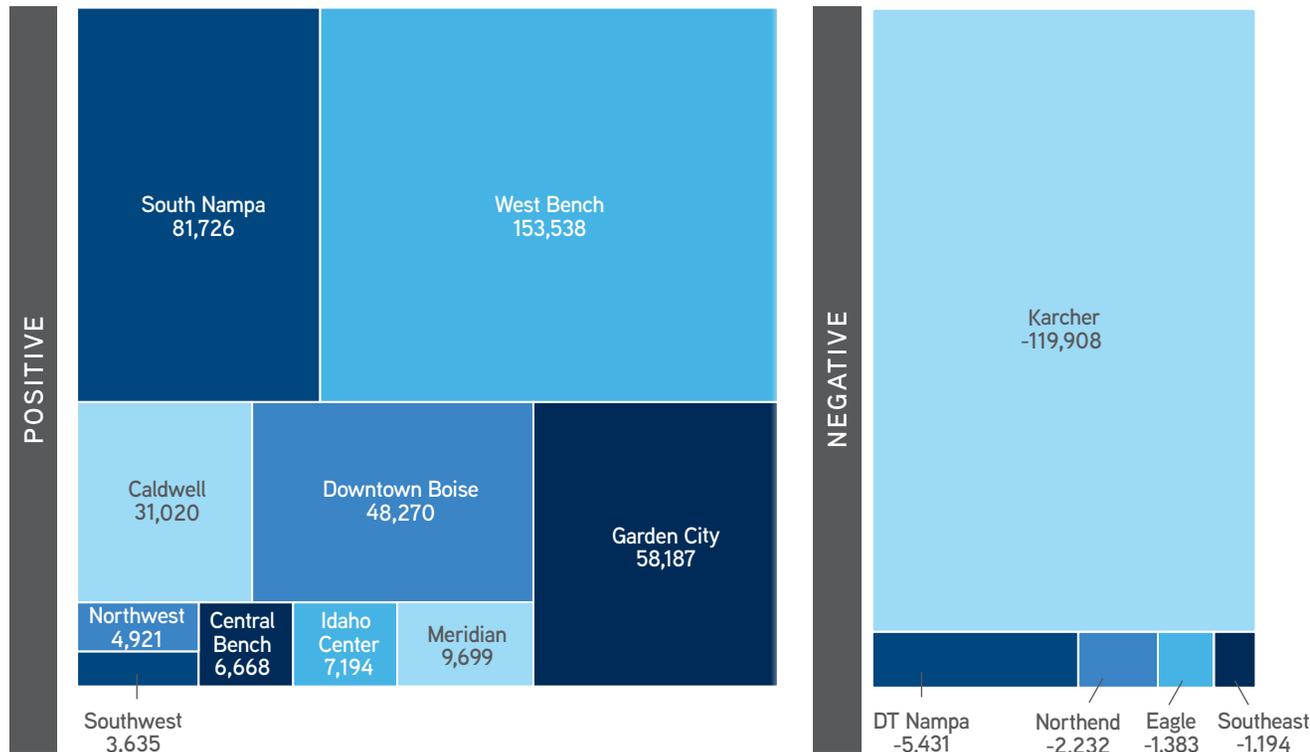
The STIL, a popular downtown Boise ice cream shop opened a second location in southeast Boise at 3724 S. Eckert Rd. next to Lucky 13 pizza.



ASKING RATES NNN



SUBMARKET ABSORPTION SF | Q1-Q2



Q2 RETAIL TRENDS

- » Karcher Mall was acquired by an investment group based in California. They have plans to redevelop the mall by adding a hotel on site, along with multifamily housing. The redevelopment is expected to cost about \$30 million.
- » A new brewery is planned for the City of Eagle. The new building will replace a long-abandoned building and when complete will be roughly 4,000 square feet.
- » The Lifestyle and Fitness company Pivot by Kristin Armstrong, will open two new locations in addition to the centers previously announced. This will bring the total number of centers to four throughout the Treasure Valley, all of which either are, or will be, in close proximity to large-scale mixed-use developments.

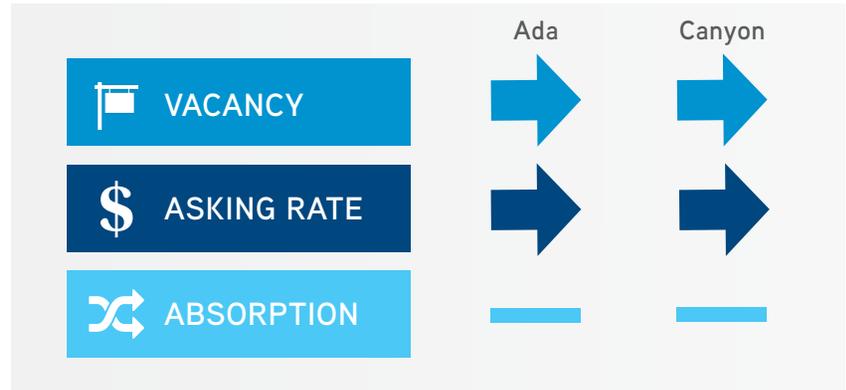


Retail MARKET STATISTICS



SUBMARKET	NNN AVERAGE ASKING RATE	TOTAL SF IN SUBMARKET	TOTAL SF AVAILABLE	VACANCY	VACANCY CHANGE Q1-Q2	ABSORPTION Q1-Q2
Airport	\$14.00	165,517	1,510	0.91%	0.00%	-
Central Bench	\$13.64	1,477,031	204,952	13.88%	-0.45%	6,668
Downtown Boise	\$18.50	1,732,238	92,403	5.33%	-2.79%	48,270
Eagle	\$17.56	946,026	27,682	2.93%	0.15%	(1,383)
Meridian	\$19.27	3,616,321	228,672	6.32%	-0.27%	9,699
Garden City	\$9.00	752,910	12,426	1.65%	-7.73%	58,187
Northwest Boise	\$13.40	815,858	71,306	8.74%	-0.60%	4,921
Northend	\$15.62	179,980	2,232	1.24%	1.24%	(2,232)
Southeast Boise	\$16.42	1,252,620	21,086	1.68%	0.10%	(1,194)
Southwest Boise	\$15.82	1,724,473	63,201	3.66%	-0.21%	3,635
West Bench	\$16.47	3,003,811	195,454	6.51%	-5.11%	153,538
Ada County Total	\$15.43	15,666,785	920,924	5.88%	-1.79%	280,109
Downtown Nampa	\$12.38	828,628	32,929	3.97%	0.66%	(5,431)
Idaho Center	\$15.57	1,410,717	217,528	15.42%	-0.51%	7,194
Karcher	\$14.10	2,662,981	274,941	10.32%	4.50%	(119,908)
South Nampa	\$14.06	716,417	10,760	1.50%	-11.41%	81,726
Caldwell	\$15.52	973,324	80,540	8.27%	-3.19%	31,020
Canyon County Total	\$14.77	6,665,638	616,698	9.25%	0.08%	(5,399)
TREASURE VALLEY TOTAL	\$15.10	22,332,423	1,537,622	6.89%	-1.23%	274,710

BIG DEALS BRING BIG OPPORTUNITIES FOR IDAHO'S INDUSTRIAL MARKET

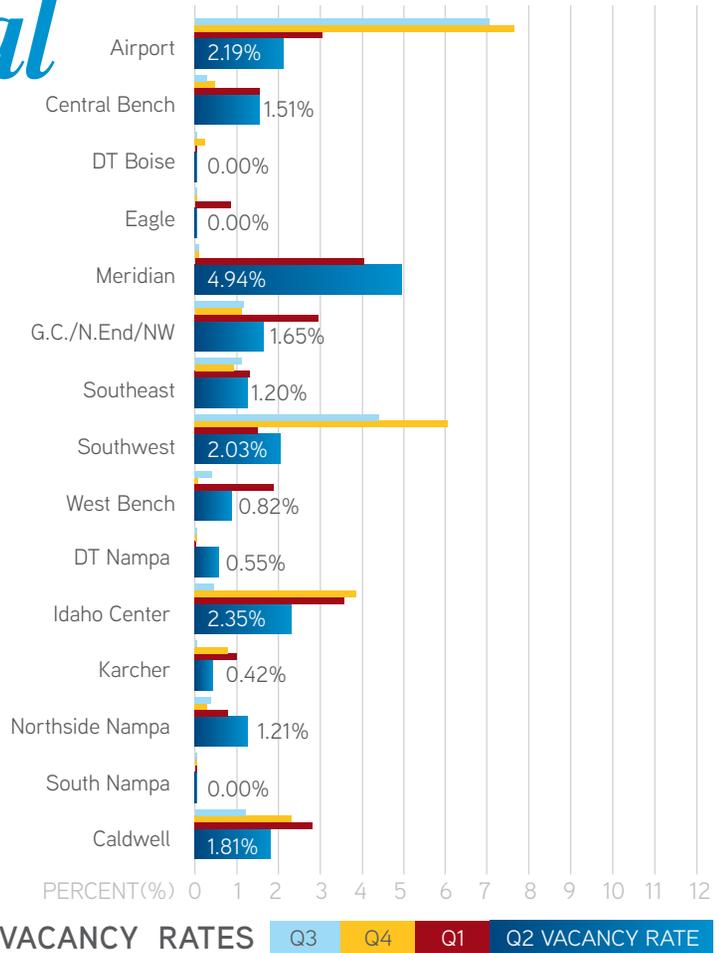


Industrial

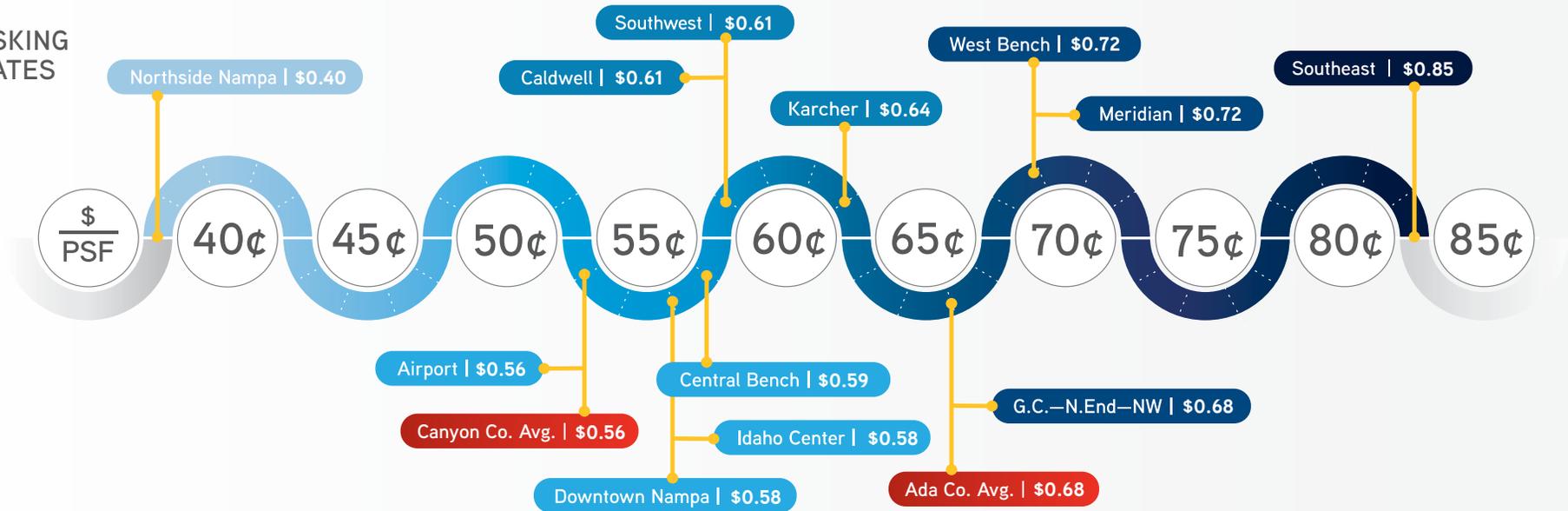
The industrial market continues to favor the landlord and will remain that way until newly developed product becomes available.

The outlook for industrial properties should remain positive. Net absorption should increase in the coming quarters due to a pickup in new construction.

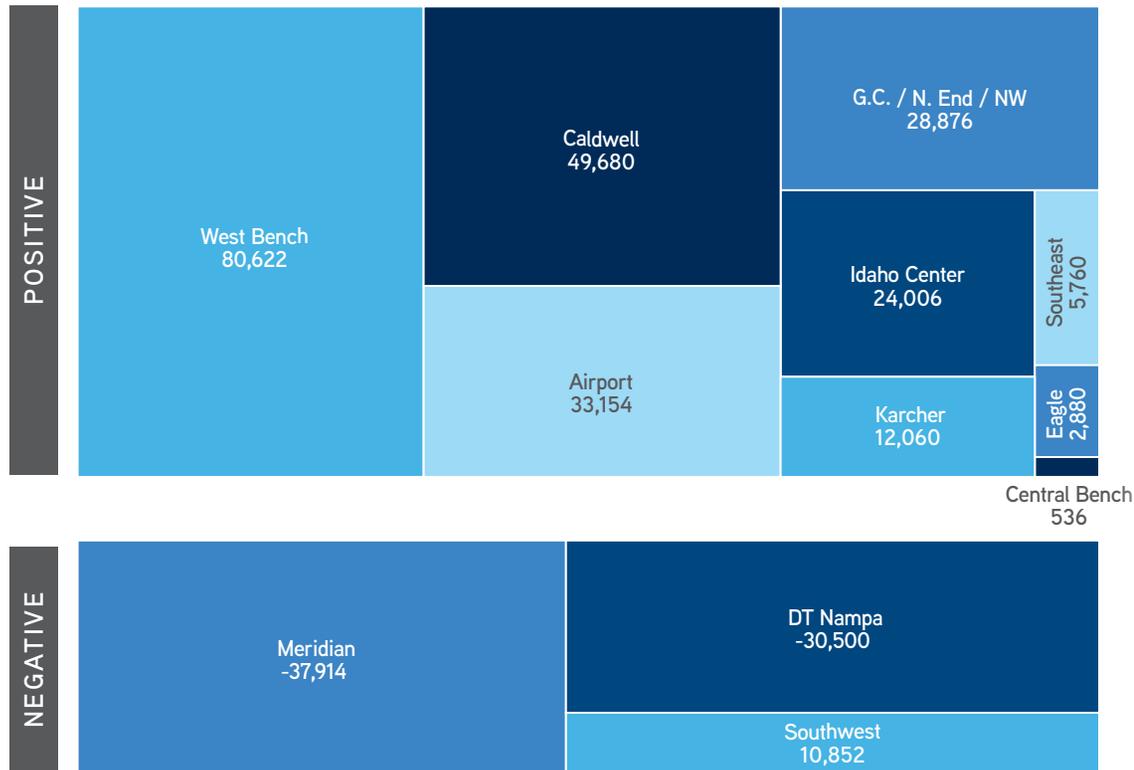
More and more, out-of-state developers are looking to invest in the Treasure Valley. Due to this interest, we expect to see an increase in spec development.



ASKING RATES



SUBMARKET ABSORPTION SF | Q1-Q2



Q2 INDUSTRIAL TRENDS

- » Nationally, net absorption has dropped to its lowest level since 2012 due to lack of new supply. Expect general retail and wholesale companies to continue to be the primary occupier of industrial space.
- » Reported as one of Idaho's largest deals ever, the Van Auker portfolio now has a new owner. Van Auker started developing in the Treasure Valley in 1969. Over five decades his portfolio has grown over 2 million square feet of industrial buildings and 400 acres of development land. It is considered to be one of Idaho's largest business acquisitions. Plans under the new owner include building "showroom" industrial facilities along Franklin Road in Meridian.
- » Solitco, a startup company specializing in solar energy, leased 347,000 square feet of industrial space at 1001 E. Gowen Rd. in Boise.

Industrial

MARKET STATISTICS



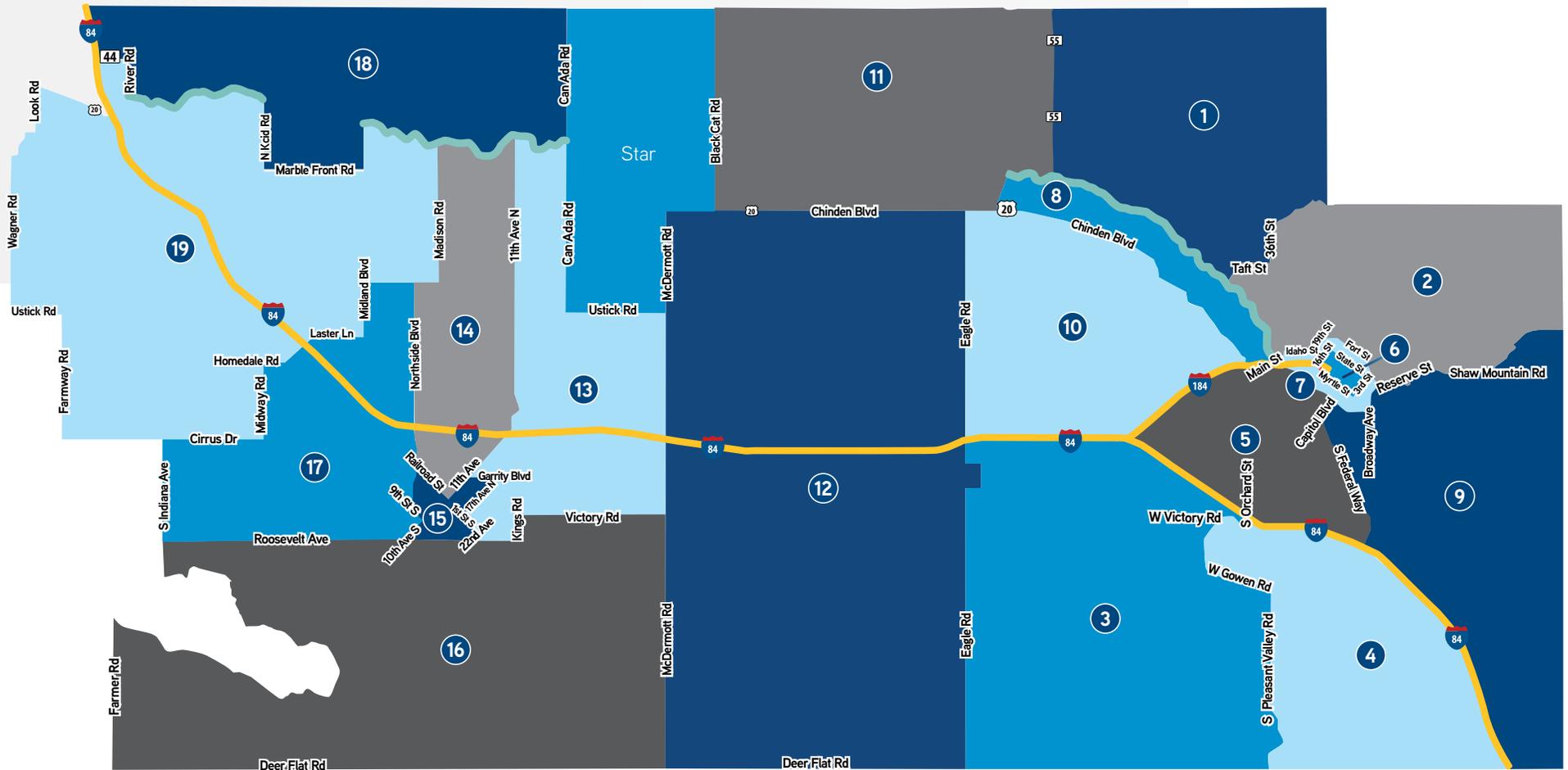
SUBMARKET	TOTAL SF IN SUBMARKET	TOTAL SF AVAILABLE	VACANCY	VACANCY CHANGE Q1-Q2	ABSORPTION Q1-Q2	AVERAGE NNN ASKING RATE
Airport	4,499,744	98,581	2.19%	-0.83%	33,154	\$0.56
Central Bench	2,645,085	39,844	1.51%	-0.02%	536	\$0.59
Downtown Boise	1,000,748	-	0.00%	0.00%	-	\$-
Eagle	351,896	-	0.00%	-0.82%	2,880	\$-
Meridian	4,155,439	205,446	4.94%	0.91%	(37,914)	\$0.72
G.C. / N.End / NW	2,191,634	36,267	1.65%	-1.32%	28,876	\$0.68
Southeast	5,904,914	71,014	1.20%	-0.10%	5,760	\$0.85
Southwest	1,941,561	39,470	2.03%	0.56%	(10,852)	\$0.61
West Bench	7,459,815	61,101	0.82%	-1.08%	80,622	\$0.72
ADA COUNTY TOTAL	30,150,836	551,723	1.83%	-0.35%	103,062	\$0.68



Downtown Nampa	470,293	2,581	0.55%	0.00%	-	\$0.58
Idaho Center	2,040,907	48,032	2.35%	-1.18%	24,006	\$0.58
Karcher	2,051,079	8,540	0.42%	-0.59%	12,060	\$0.64
Northside Nampa	6,149,775	74,206	1.21%	0.50%	(30,500)	\$0.40
South Nampa	817,751	-	0.00%	0.00%	-	\$-
Caldwell	5,011,252	90,860	1.81%	-0.99%	49,680	\$0.61
CANYON COUNTY TOTAL	16,541,057	224,219	1.36%	-0.33%	55,426	\$0.56
TREASURE VALLEY	46,691,893	775,942	1.66%	-0.35%	158,308	\$0.62



Submarkets



Ada County Submarkets

- 1 Northwest
- 2 North End
- 3 Southwest
- 4 Airport
- 5 Central Bench
- 6 Downtown Boise
- 7 Downtown Peripheral
- 8 Garden City

Canyon County Submarkets

- 9 Southeast
- 10 West Bench
- 11 Eagle
- 12 Meridian
- 13 Idaho Center
- 14 Northside
- 15 Downtown Nampa
- 16 South Nampa
- 17 Karcher
- 18 Middleton
- 19 Caldwell

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VALUATION SERVICES

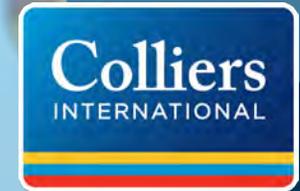
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