

	YoY Chg	12-Mo. Forecast
2.0% Vacancy Rate	▼	▲
439K Net Absorption, SF	▲	▲
\$0.81 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent (Monthly)

ECONOMIC INDICATORS Q2 2021

	YoY Chg	12-Mo. Forecast
357.3K Boise Employment	▲	▲
2.9% Boise Unemployment Rate	▼	▼
5.9% U.S. Unemployment Rate	▼	▼

Source: BLS

ECONOMY

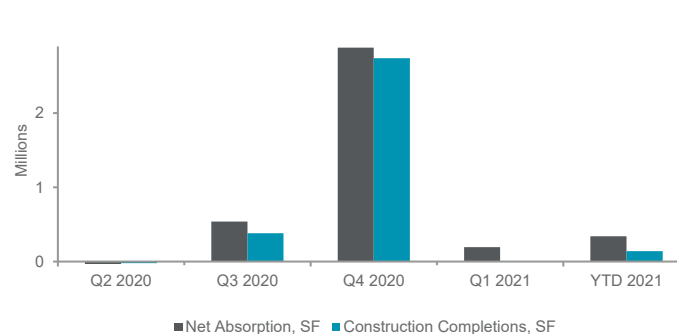
As economic outlook remains uncertain in much of the U.S., Boise, Idaho remains in the forefront of the fastest growing cities in the United States with population reaching 749,202 in the metro area. The consistent influx of new residents tops charts in the country as population growth maintains its #1 position among all major U.S. metropolises at 1.9%. This coupled with a 2.9% unemployment rate, the 3rd lowest in the same category, puts Boise in an economic standing all its own. Countless articles including those from the Business Insider and NY Times continue to praise Idaho for its livability and culture.

SUPPLY & DEMAND

The Idaho industrial market continues on its high velocity growth path, with year-to-date new construction coming in just under 3.7 million square feet (msf), with a large majority coming from the 2.6 msf Amazon facility constructed in Q4 2020 and just 240,754 sf finishing construction in Q2 of this year. Vacancy is down for the third straight quarter at 2.0% and is projected to continue dropping as demand consistently outpaces supply. Certain submarket vacancies have been measured at even lower rates. The overall availability rate dropped to 1.1% in Q2, down from 2.0% in Q2 and 3.25% year over year (YOY). The lack of supply within this market stems from growing demand within our existing owner/user market and is furthered by the addition of new businesses relocating and adding additional locations in Idaho.

Azek, a manufacturer of sustainable outdoor living products, leased 355,426 sf of warehouse space in the airport district in Boise, coming in at the largest lease deal of the quarter. FedEx completed their 120,000 sf ShipCenter in the active Meridian market. Amazon has two additional projects under construction or planned in Meridian and Boise totaling 420,000 sf following the completion of their 2.6 msf logistics center in Nampa. Year to date net absorption topped 4.6 msf, with 732,935 SF or around 16% arriving in Q2.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



PRICING

In line with strong demand and limited supply in Q2, asking rents rose from \$0.80 to \$0.81 psf on a monthly basis. That number is expected to rise over the next year. Premium prices are being paid for spaces less than 10,000 sf as well as for new construction. The Meridian submarket generally leads the way in rent psf on all fronts, with Boise, Nampa, Garden City and Caldwell following, respectively. Industrial cap rates in Q2 fell slightly to 6.36%.

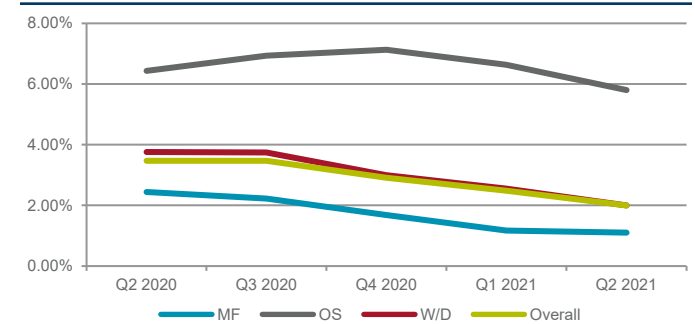
PIPELINE

Additional supply to help feed demand within the market is underway or forecasted, with several large industrial projects recently breaking ground including Bow River Capital's Fuller 84 in Nampa and Aaron Lake's 1906 Smeed Parkway among others. Adler Industrial, the predominant developer in the Treasure Valley, has ongoing projects in Meridian and Nampa currently under construction. These projects and others will add over 2 msf to the market through 2022. This coupled with the tentative 3.9 msf of proposed projects on the horizon demonstrate the supply side's potential in the near future for the Boise MSA.

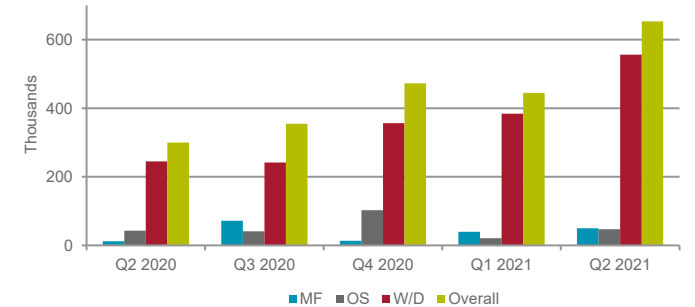
Outlook

- As we continue to see record setting absorption numbers driven heavily by logistics users taking advantage of the growth of E-Commerce, we expect businesses to continue choosing the Boise MSA due to its strategic location along I-84, pro-business climate, and relative affordability.
- Mirroring national trends, Boise anticipates more strong construction activity to keep pace with strong demand.
- Rents are expected to increase in the foreseeable future due to strong demand and limited supply in the market.

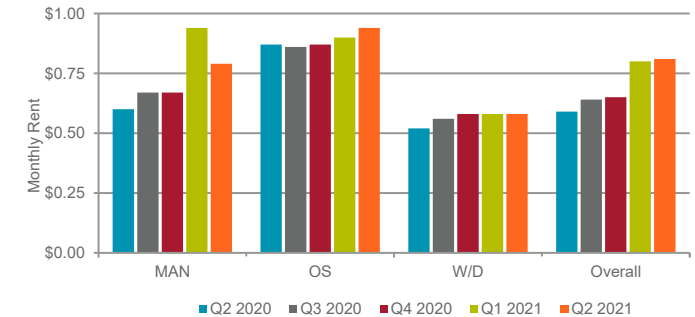
VACANCY BY QUARTER



DIRECT LEASING ACTIVITY



RENTS TRENDS



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (OS)	OVERALL WEIGHTED AVG NET RENT (W/D)	OVERALL WEIGHTED AVG NET RENT
North Boise	1,701,292	60,587	3.6%	-38,851	-4,882	0	0	\$1.12	\$0.65	\$0.77
Downtown	477,277	0	0.0%	0	0	0	0	N/A	N/A	N/A
West Boise	3,710,674	219,371	5.9%	52,854	76,642	73,712	35,754	\$0.86	\$0.65	\$0.83
Southwest Boise	764,728	0	0.0%	4,622	0	0	0	N/A	N/A	N/A
Airport	6,686,488	423,896	6.3%	61,244	139,292	444,866	0	\$0.95	\$0.49	\$0.60
Southeast Boise	5,891,841	137,291	2.3%	-35,296	2,868	53,777	0	\$0.90	\$0.60	\$0.82
Meridian	5,313,430	4,025	0.1%	38,420	94,865	674,059	0	N/A	\$0.60	\$1.00
South Meridian	735,035	25,111	3.4%	-1,000	-1,000	36,000	0	\$1.26	N/A	\$1.26
Eagle	235,860	0	0.0%	0	0	0	0	N/A	N/A	N/A
Nampa	12,595,388	42,882	0.3%	266,606	241,951	189,410	205,000	N/A	N/A	\$0.75
Caldwell	5,252,748	5,386	0.1%	94,323	135,556	365,820	0	\$1.16	N/A	\$1.16
Central Boise	2,056,735	3,552	0.2%	6,617	57,643	0	0	N/A	N/A	N/A
Middleton	349,076	10,000	2.9%	-10,000	-10,000	16,000	0	N/A	N/A	N/A
Northwest	36,200	0	0.0%	0	0	36,000	0	N/A	N/A	N/A
TOTALS	45,806,772	932,101	2.0%	439,539	732,935	1,889,644	60,897	\$0.94	\$0.58	\$0.81

*Rental rates reflect weighted net asking \$psf/month *Renewals not included in leasing statistics *10,000+ Square Feet

OS = Office Service/Flex W/D = Warehouse/Distribution

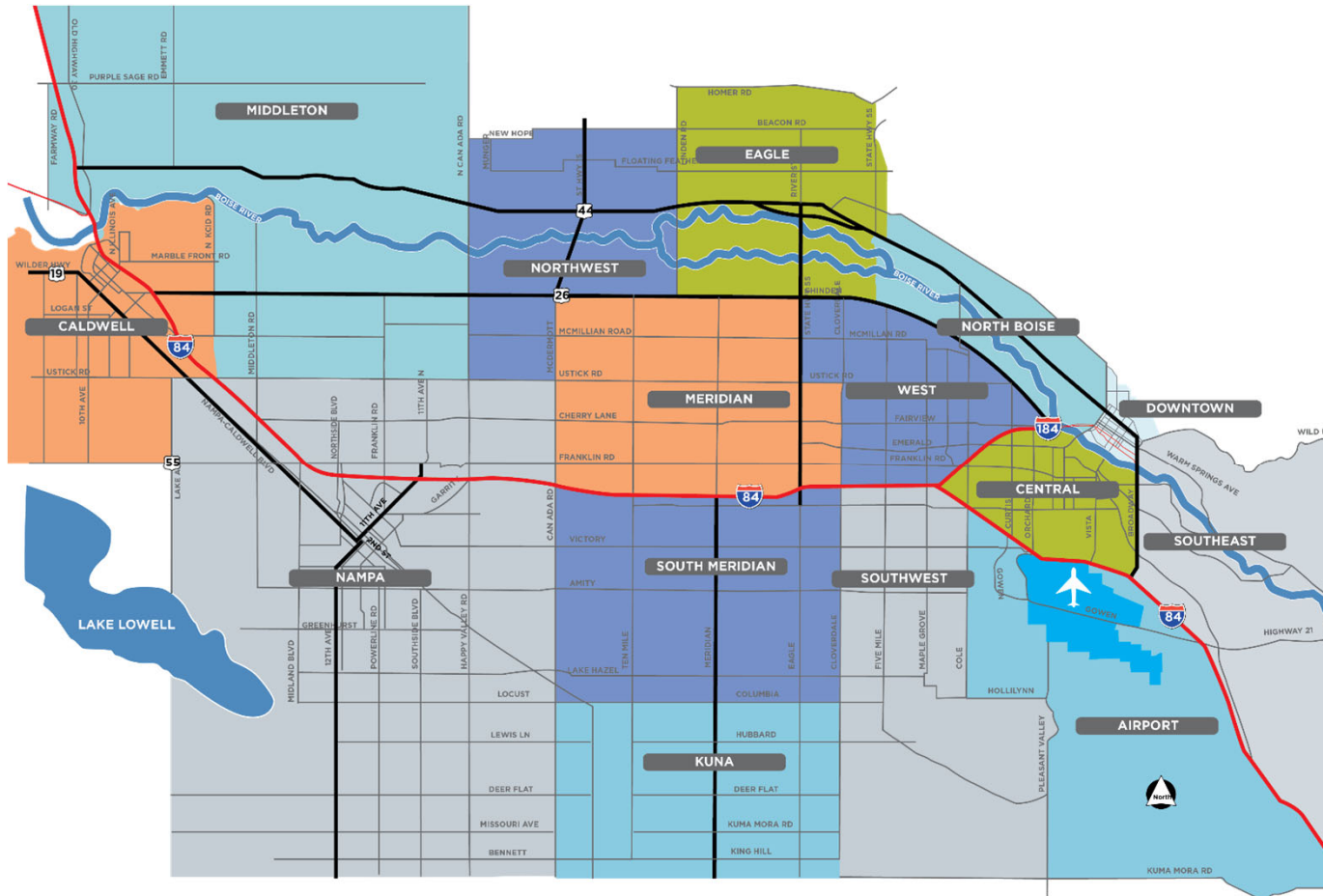
KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1001 E Gowen Road	Airport	AZEC	355,426	Direct
3435 S TK Avenue	Southeast Boise	B & D Foods	38,000	Renewal
3825 E Lanark Street	Meridian	Bastian Solutions	33,000	Direct

KEY SALES TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
1495 N Hickory Avenue	Meridian	Ilene Garcia / Cortabitarte Family Trust	125,324	Inquire
733 S Pioneer Street	Downtown	Michael Fery / John Munding	40,000	Inquire
110 E 43 rd Street	North Boise	Noldyr Aug 2018 / John Tokatly	18,000	Inquire

INDUSTRIAL SUBMARKETS



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