

	YoY Chg	12-Mo. Forecast
2.0% Vacancy Rate	▼	▲
133K Net Absorption, SF	▼	▲
\$0.85 Asking Rent, PSF	▲	▲

Overall, Net Asking Rent (Monthly)

ECONOMIC INDICATORS Q3 2021

	YoY Chg	12-Mo. Forecast
360.8K Boise Employment	▲	▲
2.9% Boise Unemployment Rate	▼	▼
5.2% U.S. Unemployment Rate	▼	▼

Source: BLS

ECONOMY

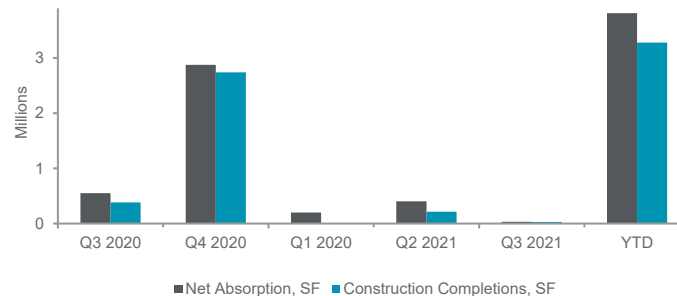
As economic outlook remains uncertain in much of the U.S., Boise, Idaho remains in the forefront of the fastest growing cities in the United States with population reaching 749,202 in the metro area. The consistent influx of new residents tops charts in the country as population growth maintains its #1 position among all major U.S. metropolises at 2.1%. 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

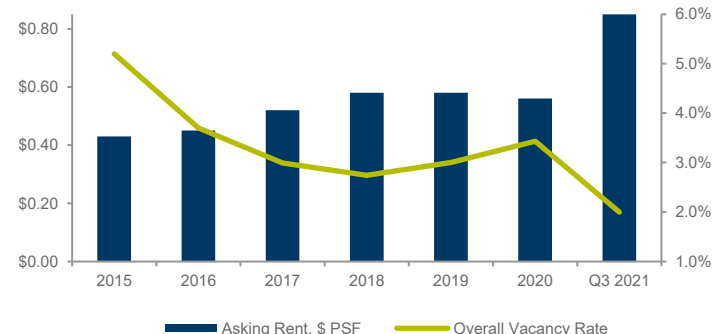
The Idaho industrial market continues on its high velocity growth path, with year-to-date new construction coming in just under 3.4 million square feet (msf), with a large majority coming from the 2.6 msf Amazon facility constructed in Q4 of 2020 and just 128,075 square feet (sf) finishing construction in Q3 of this year. Vacancy and availability both dropped for a fourth straight quarter to 2.0% and 1.1% respectively. As new construction begins, and new product is delivered, there is potential for supply to narrow the gap on the excessive demand and raise vacancy. The supply pipeline is being filled by both local and, for the first time, national developers that are now including the Treasure Valley in their footprint. The current lack of supply within this market stems from the rapid economic growth forcing existing users to expand within the market and is furthered by steady in-migration and the addition of new and relocating businesses to the Boise MSA and the State of Idaho.

The former Shopko Distribution facility is now leased by Azek Company Inc. and will serve as their West Coast manufacturing and distribution facility. The 355,426 sf facility is located in the Airport Submarket of Boise. The AZEK lease was the largest of Q2 and the owner has promptly taken the property to market. Hayden Beverage finished construction on their 53,777 sf warehouse addition in Southeast Boise. R&L Carriers is now operational at their 41,298 sf cross dock facility in the Airport submarket. 84 Lumber completed their 33,000 sf warehouse in Meridian. FedEx also recently completed their 120,000 sf ShipCenter in the active Meridian market. Amazon has added two more projects to the Treasure Valley, one under construction in Boise and the other planned for Meridian. The two buildings, totalling 420,000 sf, follows the 2020 completion of their 2.6 msf logistics center in Nampa. Overall net absorption topped 3.9 msf for the last 12 months, with 132,875 sf arriving in Q3.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



PRICING

In line with strong demand and limited supply in Q2, overall asking rents rose from \$0.81 to \$0.85 per square foot (psf) on a monthly basis. Broken down even further between manufacturing, flex and warehouse/distribution prices are coming in at \$0.78 psf, \$0.98 psf, and \$0.67 psf, respectively. These numbers are expected to rise over the next year and clearly show premium prices are being paid for small bay flex industrial spaces. The Meridian submarket generally leads the way in rent psf on all fronts, with Boise, Nampa, Garden City and Caldwell following, respectively.

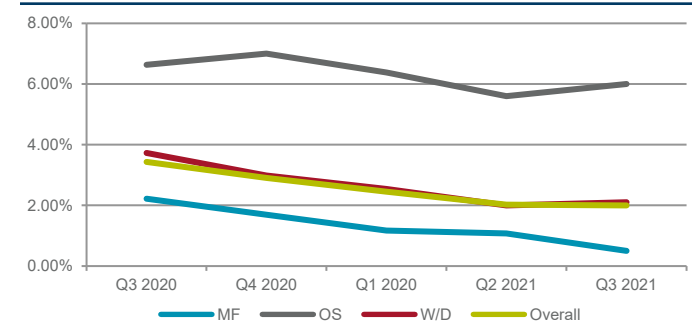
PIPELINE

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 project and Fit Development's Madison Logistics Center in Nampa, among others. Adler Industrial, the predominant developer in the Treasure Valley, has several projects ongoing in Meridian, Nampa and breaking ground in Boise. These projects and others will add over 2 msf to the market through 2022. Coupled with 3.9 msf of planned and proposed projects to deliver in 2022 and 2023, the supply pipeline for the Boise MSA is the largest on record and likely to grow.

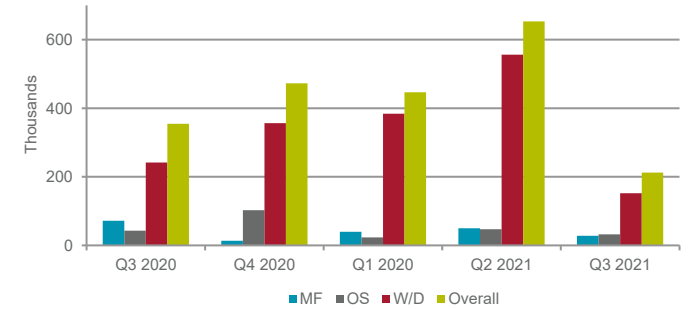
Outlook

- 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.

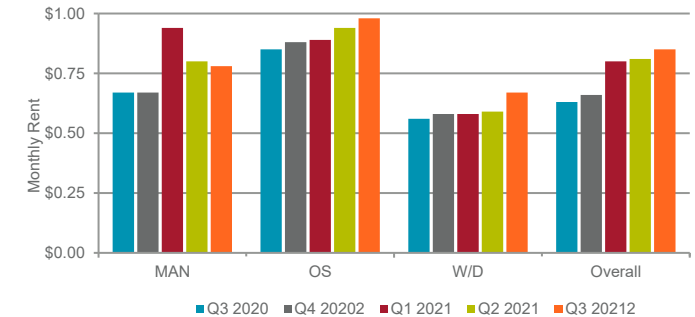
VACANCY BY QUARTER



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	40,984	2.4%	8,367	3,485	32,114	0	\$1.05	\$0.70	\$0.73
Downtown	477,277	0	0.0%	0	0	0	0	N/A	N/A	N/A
West Boise	3,711,853	167,733	4.5%	44,798	128,280	187,262	0	\$0.91	\$0.99	\$0.87
Southwest Boise	764,728	0	0.0%	0	0	0	0	N/A	N/A	N/A
Airport	6,727,786	465,662	6.9%	-468	138,824	485,328	41,298	\$0.95	\$0.61	\$0.68
Southeast Boise	5,945,618	139,425	2.3%	51,643	54,511	0	53,777	\$0.91	\$0.60	\$0.82
Meridian	5,346,430	10,646	0.2%	26,379	121,244	718,579	33,000	\$1.33	\$0.80	\$1.00
South Meridian	735,035	35,115	4.8%	-10,004	-11,004	36,000	0	\$1.27	N/A	\$1.27
Eagle	235,860	7,648	3.2%	3,778	0	0	0	\$1.25	N/A	\$1.25
Nampa	12,668,133	29,418	0.2%	13,464	328,160	678,930	0	N/A	\$0.85	\$0.81
Caldwell	5,282,846	24,000	0.5%	-15,100	114,836	463,820	0	N/A	N/A	N/A
Central Boise	2,056,735	3,542	0.2%	0	57,653	0	0	N/A	N/A	N/A
Middleton	349,076	0	0.0%	10,000	0	16,000	0	N/A	N/A	N/A
Northwest	58,297	0	0.0%	0	0	36,000	0	N/A	N/A	N/A
TOTALS	46,095,973	924,173	2.0%	132,857	935,989	2,654,033	128,075	\$0.98	\$0.67	\$0.85

*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

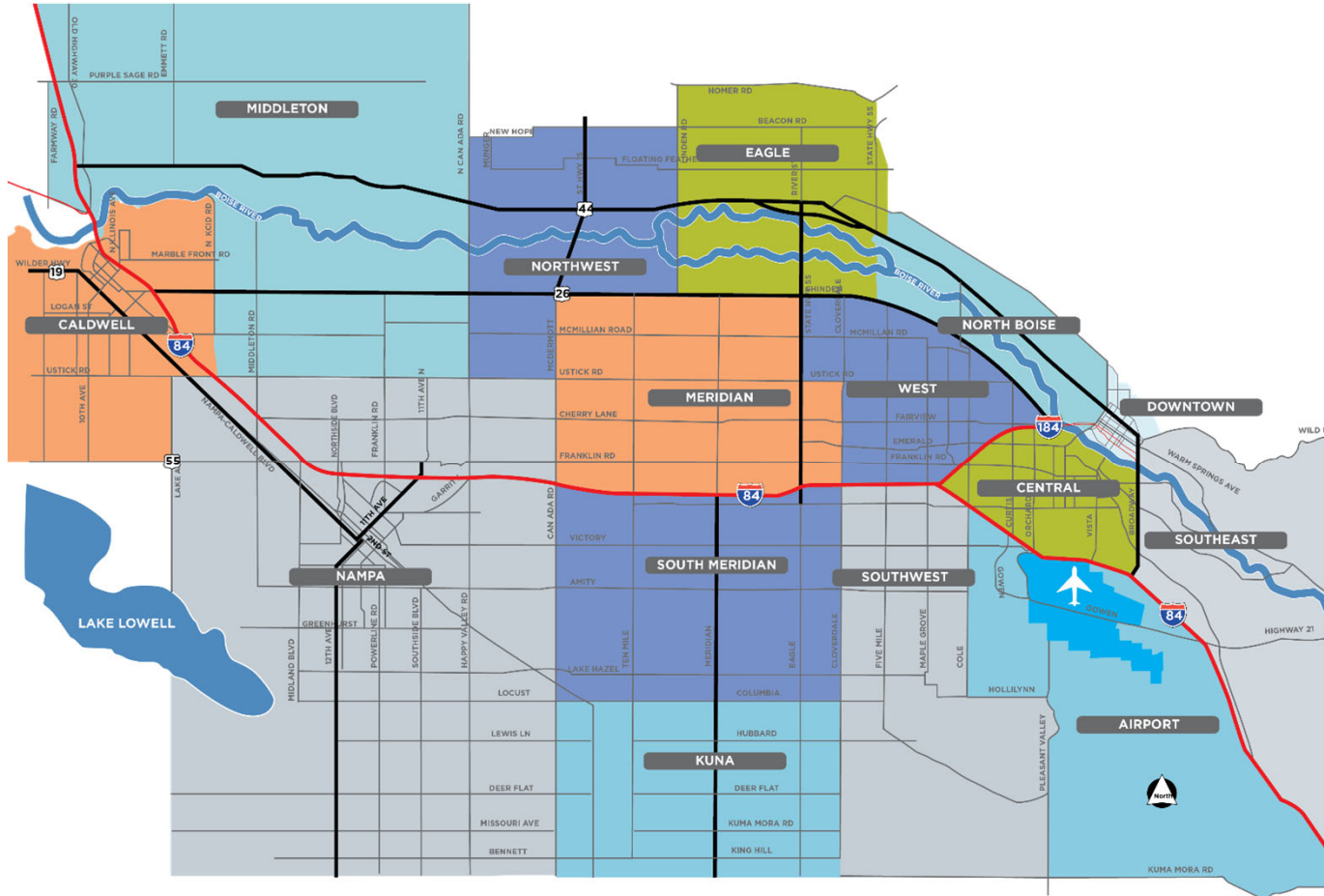
KEY LEASE TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
11801 W Executive Dr	West Boise	Diversified Fluid Solutions LLC	37,000	Renewal
1675 W Commerce Ave	Airport	Scentsy Inc.	34,000	Sublease
11193 E Emerald St	West Boise	Darigold	28,000	Direct

KEY SALES TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
6802 S Eisenman Rd	Southeast Boise	Vps3 LLC / V7 Boise Outlet Mall LC	165,000	Inquire
1701 Smeed Pky	Caldwell	Strider Group LLC / Smeed Owner LLC	120,000	Inquire
1711 Slipstream Wy	Caldwell	Erlebach Properties LP / Slipstream Way LLC	68,400	Inquire

INDUSTRIAL SUBMARKETS



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