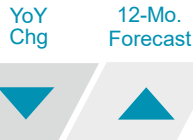


1.4%
Vacancy Rate



770K
Net Absorption, SF



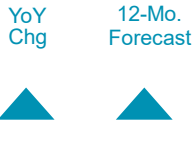
\$0.92
Asking Rent, PSF



Overall, Net Asking Rent (Monthly)

ECONOMIC INDICATORS Q1 2022

375K
Boise Employment



2.8%
Boise Unemployment Rate



3.6%
U.S. Unemployment Rate



Source: BLS

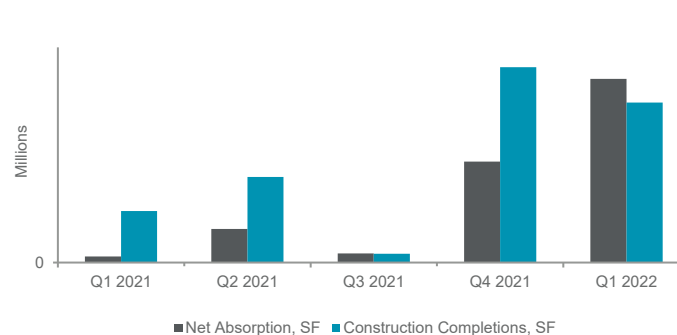
ECONOMY

The Boise and Treasure Valley continued to have a strong first quarter in 2022. The market experienced dramatic housing price increases and slow continued population growth. Boise is #1 in population growth nationwide with 2.3%, followed by Austin at 2.1%, and Fort Myers/Naples at 2.0%. The median household income for Boise also increased slightly to \$70,000 in the fourth quarter with a forecast increase. Boise is tied for the 5th lowest unemployment rate at 2.8%, followed by Omaha at 2.6%, Oklahoma City at 2.4%, Indianapolis at 2.3%, and Salt Lake City at 2.2%. Countless articles including those from the Business Insider and NY Times continue to praise Idaho for its livability and culture.

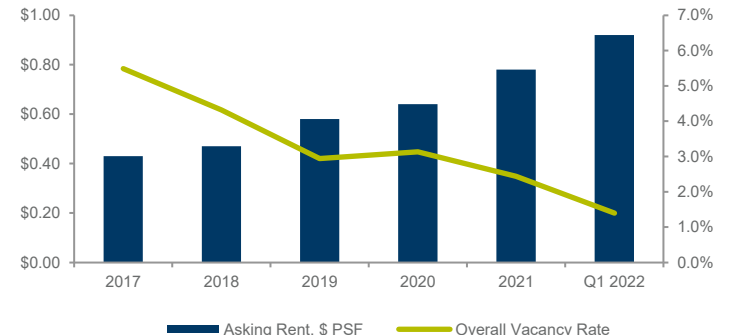
SUPPLY

The Idaho industrial market continues on its high velocity growth path, with just under 1.8 million square feet (msf) of new construction in the last 12 months, with 876 thousand square feet (sf) of supply completed in Q1 of 2022. There is currently over 3.7-msf of projects currently under construction and nearly 5-msf proposed. Vacancy and availability both rose for the first time in years at 1.4% and 1.2% respectively. Overall net absorption has outpaced new construction by a total of 700 thousand sf in the last 5 quarters, with deliveries only outpacing absorption in Q1 2022. The supply pipeline is being filled by both local and, more recently, 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 majority of new construction sprang up in the Canyon County cities of Nampa and Caldwell, and Meridian, a sister city of Boise to the west. The 265,000-sf warehouse/distribution in Sky Ranch Business Park in Caldwell will be occupied by defense company/gun maker Nemo Arms and the 200,007-sf Hickory Warehouse in Meridian has 25% vacancy. Amazon completed their DID3 Delivery Station in Meridian and Adler's AI Northside Phase 2 project in Nampa, completed in February, had 75% vacancy as of March according to their website. Some of the larger multi-building projects under construction in Canyon County include the North Ranch Industrial Park in Caldwell, and the King's Crossing and Fuller 84 Business Park in Nampa. Meta has announced their entry into the Treasure Valley with a nearly one million-sf Data Center south of Boise in the city of Kuna to service Facebook, Instagram, Whatsapp, Oculus, and other Meta owned brands. Ground should break next fall and fun through 2025 according to the Idaho Department of Commerce.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



PRICING

The tight supply has pushed rents up once again in Q1, overall asking rents rose from \$0.72 to \$0.92 per square foot (psf) on a monthly basis year-over-year (YOY). Office Service/Flex and warehouse/distribution rents have risen \$0.18 cents psf YOY and \$0.34 cents psf YOY 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. Asking rents for under construction proposed projects range from \$1.20 to \$1.25 psf for office service/flex and between \$0.85 to \$1.00 psf for warehouse/distribution. Average user and investment deals are up, hovering just under \$200 psf, compared to \$160 psf a year ago. Cap rate compression seems to have plateaued in Q3 2021 at 5% and have expanded to 5.5% in last two quarters.

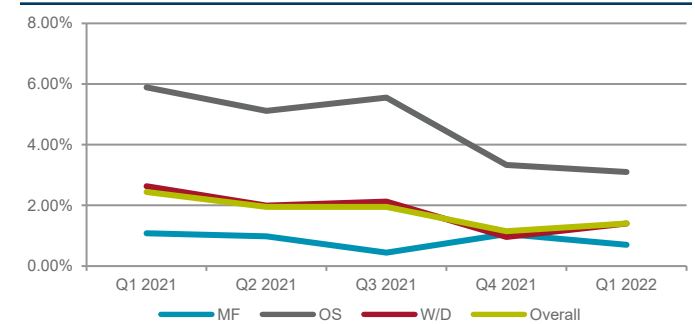
PIPELINE

Additional supply to help feed demand within the market is underway or forecasted, with several large industrial projects recently breaking ground. Some include King’s Commerce Center, Madison Logistics Center, and Fuller 84 Business Park in Nampa, and Red River Logistics and AI Gowen Industrial Park in Boise. Adler Industrial, the predominant developer in the Treasure Valley, has several ongoing projects in Meridian, Nampa, and breaking ground in Boise. These projects and others will add over 2.5 msf of spec inventory to the market through the calendar year. Coupled with nearly 3 msf of proposed speculative, the supply pipeline for the Boise MSA is the largest on record and likely to grow.

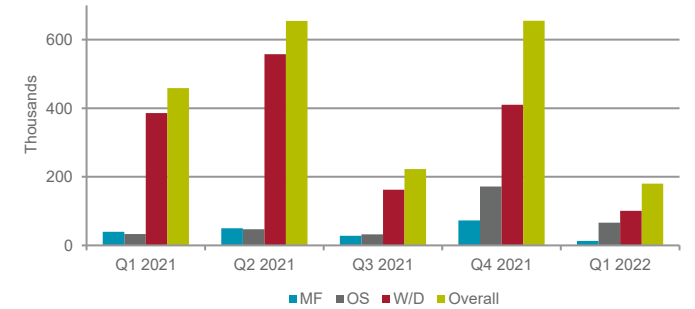
Outlook

- 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.

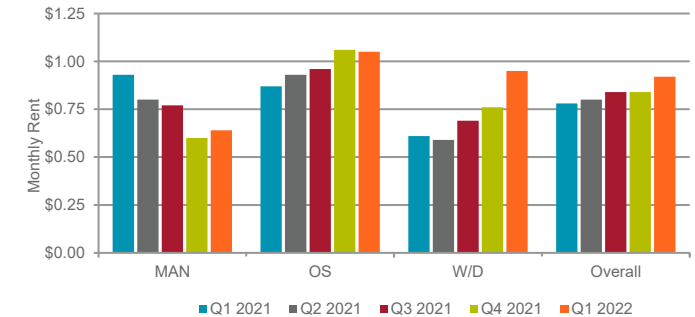
VACANCY BY QUARTER



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	1,688,636	39,395	2.3%	1,594	1,594	32,114	0	\$1.00	\$0.75	\$0.77
Downtown	477,277	0	0.0%	0	0	0	0	N/A	N/A	N/A
West Boise	3,739,696	74,323	2.0%	57,735	57,735	241,350	28,712	\$0.83	\$0.94	\$0.85
Southwest Boise	764,728	1,350	0.2%	-1,350	-1,350	0	0	N/A	N/A	N/A
Airport	7,065,353	17,327	0.2%	16,031	16,031	1,305,126	0	N/A	\$0.88	\$0.88
Southeast Boise	5,945,618	116,248	2.0%	3,845	3,845	12,580	0	N/A	N/A	\$0.42
Meridian	5,916,739	109,650	1.9%	305,950	305,950	185,555	408,000	\$1.33	\$0.95	\$1.20
South Meridian	735,035	45,397	6.2%	-3,702	-3,702	36,000	0	\$1.21	N/A	\$1.21
Eagle	235,860	7,648	3.2%	0	0	0	0	N/A	N/A	N/A
Nampa	12,784,798	119,535	0.9%	76,925	76,925	1,394,090	150,045	\$0.82	\$1.12	\$1.09
Caldwell	5,593,824	61,590	1.1%	268,400	268,400	510,530	265,200	N/A	N/A	\$0.75
Central Boise	2,095,440	52,261	2.5%	27,613	27,613	0	0	\$1.01	\$0.78	\$0.79
Middleton	365,076	0	0.0%	16,000	16,000	0	16,000	N/A	N/A	N/A
Northwest	58,297	0	0.0%	0	0	36,000	0	N/A	N/A	N/A
TOTALS	47,466,377	644,724	1.4%	769,041	769,041	3,753,345	867,957	\$1.05	\$0.95	\$0.92

*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

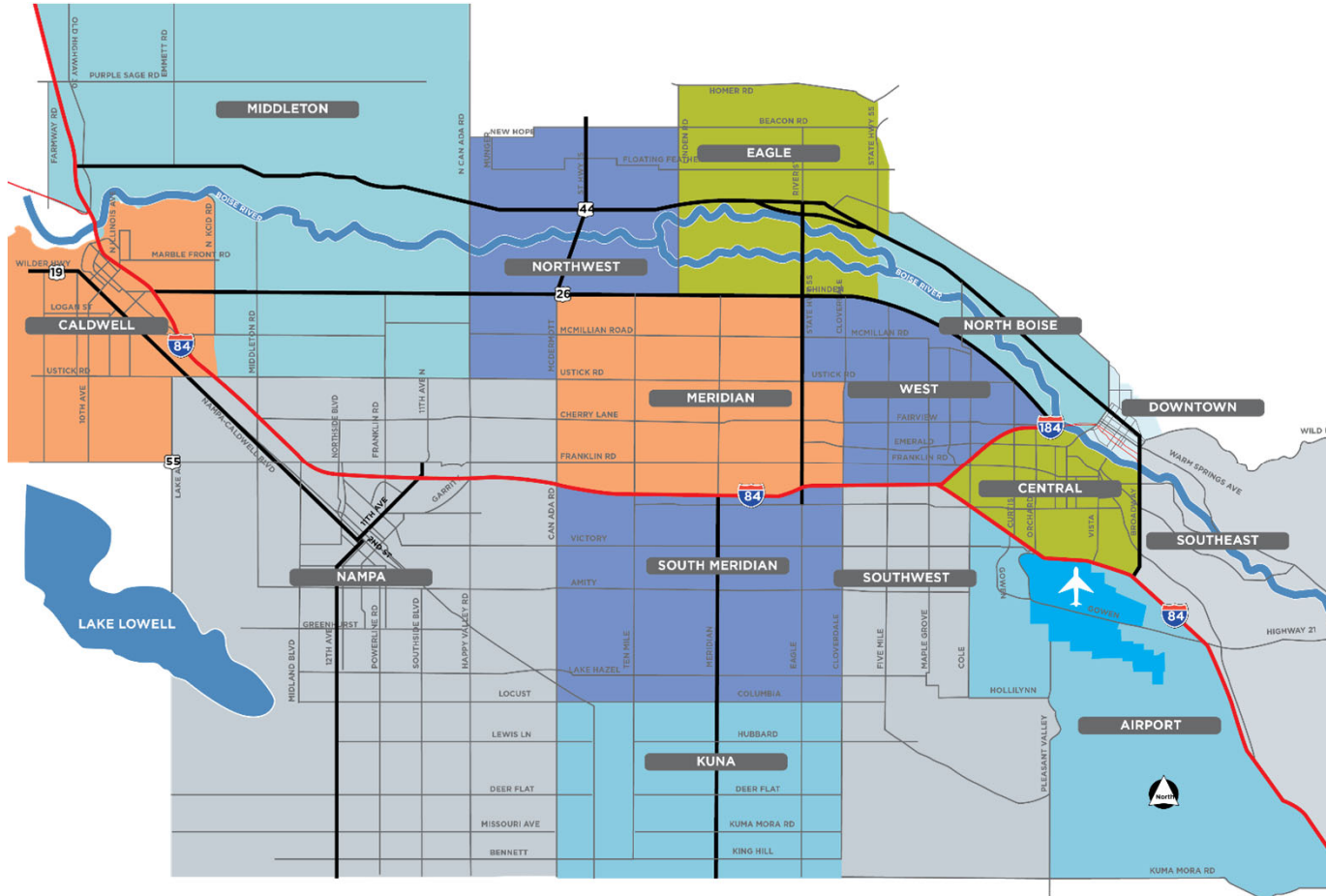
KEY LEASE TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1135 N Hickory Ave	Meridian	K1 Speed	52,200	Direct
5925 W Vandal Lane	Airport	Mygrant Glass Company	35762	Renewal
1602 Freedom	Caldwell	Arrowrock Building Group LLC	30,000	Direct

KEY SALES TRANSACTIONS Q1 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
1820 E Fargo	Nampa	AIC Ventures / Someraroad Inc.	135,470	Inquire
401 Main St	Caldwell	401 Main LLC / Maier Family Trust	17,400	Inquire
16201 N 20 th Street	Nampa	Stellco, LLC / Sacramento WEK, LLC	17,400	Inquire

INDUSTRIAL SUBMARKETS



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