

**\$76,100**

Boise HH Income

YoY Chg



12-Mo. Forecast



**2.3%**

Population Growth



**2.5%**

Unemployment Rate



Source: BLS (Economic Indicators are representative of specific county or MSA.)

### U.S. ECONOMIC INDICATORS Q2 2022

**2.5%**

GDP Growth

YoY Chg



12-Mo. Forecast



**0.5%**

Population Growth



**3.6%**

Unemployment Rate



Source: BEA, Census Bureau

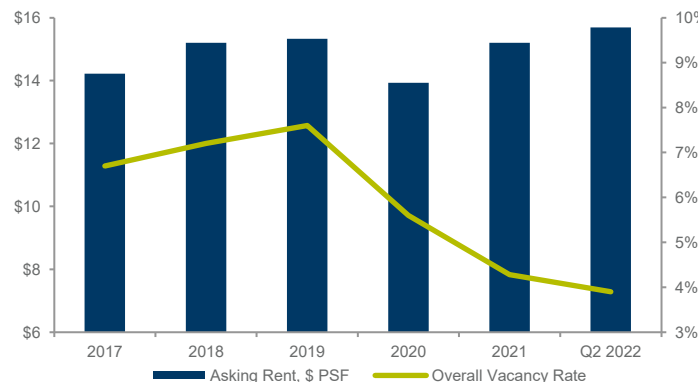
### ECONOMY

The Boise and Treasure Valley continued to have a strong second quarter in 2022. The market experienced dramatic housing price increases and slow continued population growth. Boise once again is #1 in annual population growth nationwide with 2.3%, up 40 basis points (bps) with a forecast increase, followed by Austin at 2.2%, and Fort Myers/Naples at 2.1%. The median household income for Boise rose to \$76,100 in the second quarter with a forecast increase. Boise unemployment dropped to 2.5%, down 120 bps YOY (year over year), and is tied for the 6<sup>th</sup> lowest unemployment rate overall. For comparison, the U.S. is showing 0.5% population growth, \$70,500 household income, and 3.6% unemployment. Many industries, from restaurants to construction, continue to have difficulty finding workers, which is affecting service and delivery times in all sectors.

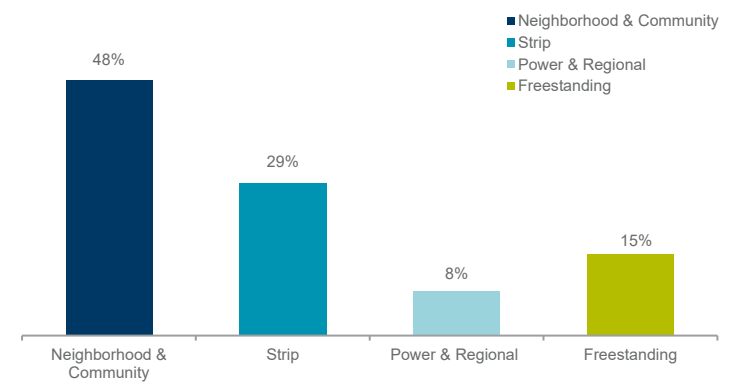
### SUPPLY & DEMAND

Strong leasing activity in Q2 helped vacancy fall to 3.9% from last quarter. The demand was spread out evenly between Neighborhood/Community Centers, Power Centers, and Strip Centers with the remainder in Freestanding. Neighborhood/Community Centers continued to dominate availability followed by Strip Retail, with overall availability falling to a healthy 3.1% and down 120 bps year-over-year (YOY). Rents have responded to the strong demand, jumping \$0.50 per square foot (psf) to \$15.69 psf. Freestanding rents experienced the largest gains, rising over \$3.00 psf compared to Neighborhood/Community Centers (\$2.22 psf), and Strip Center (\$0.72 psf). Sublease space has remained very flat in the market for the past 5 quarters, with direct steadily dropping nearly 200,000 sf YOY. Positive absorption in Q2 has nearly doubled the total absorption over the last twelve months, which totals over 360,000 sf. Grocery anchored mixed use projects are drawing a mix of local and national tenants. Build-to-suit new construction pad rents in these developments are experiencing record highs, topping \$40.00 per-square-foot (psf). Downtown Boise rents range from \$18 to \$35.00 psf. Even with the 700,000 sf of projects in the construction pipeline, we should see overall rents increase and vacancy remain steady for the remainder of 2022 as 6 out of 7 are build-to-suit. Meridian continues to see the most growth, with grocery anchor progressing in outlying markets such as Star and Kuna. New retailers continue actively pursuing Idaho and existing tenants are beginning another round of expansion.

### RENT / VACANCY RATE



### AVAILABILITY BY PRODUCT TYPE



### MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
North Boise	1,781,617	21,663	98,585	6.8%	-5,440	-5,946	19,096	\$14.13
Downtown	1,501,448	10,566	62,328	4.9%	35,247	69,176	12,032	\$19.40
Central Boise	1,789,718	6,385	42,856	2.8%	24,714	27,147	0	\$11.30
West Boise	3,736,175	0	102,214	2.7%	9,003	-2,671	32,025	\$11.33
Southwest Boise	1,451,517	1,526	53,126	3.8%	12,852	-10,649	0	\$15.74
Airport	177,075	0	0	0.0%	0	0	0	N/A
Southeast Boise	1,123,748	0	17,425	1.6%	1,072	-1,256	41,375	\$16.77
Meridian	4,377,402	0	127,539	2.9%	18,817	53,272	400,392	\$19.47
South Meridian	660,324	0	22,512	3.4%	58,000	60,469	48,534	\$29.43
Eagle	989,152	0	34,867	3.5%	11,375	5,766	4,700	\$15.95
Nampa	4,924,471	0	302,673	6.2%	12,017	-4,523	18,363	\$19.55
Caldwell	803,190	0	17,427	2.2%	3,225	4,035	130,000	\$18.99
Middleton	175,313	0	10,800	6.2%	0	0	0	N/A
Kuna	425,832	0	0	0.0%	0	2,074	0	N/A
<b>BOISE TOTALS</b>	<b>23,916,982</b>	<b>40,140</b>	<b>892,352</b>	<b>3.9%</b>	<b>180,882</b>	<b>196,894</b>	<b>706,517</b>	<b>\$15.69</b>

\*Rental rates reflect NNN asking

### KEY LEASE TRANSACTIONS Q2 2022

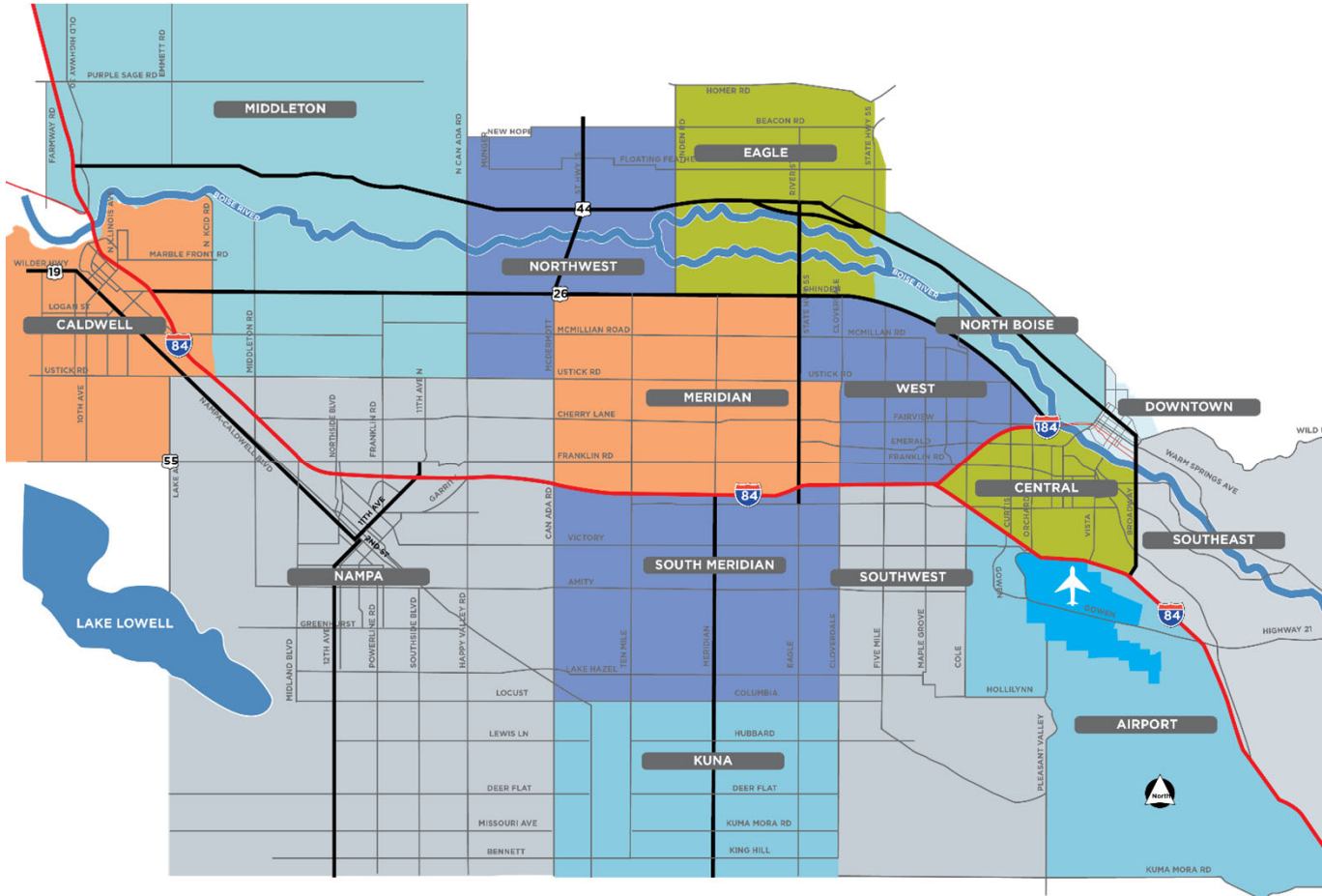
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
10529 W Overland Road	Southwest Boise	Fast Alterations & Tailoring	23,528	Direct
1404 1st St South	Nampa	Puffy Mondaes Makerspace & Supply	12,500	Direct
10243-10499 W Fairview Avenue	West Boise	CB Daycare	12,000	Direct

\*Renewals not included in leasing statistics

### KEY SALES TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	SELLER / BUYER	SF
2310 E Overland Road	South Meridian	KJB, LLC / JRB Partners, LLC	16,907
10580 W Ustick Road	West Boise	Blue Dragonfly LLC / James Brian & Deborah K Harber	15,045
4736-4744 Park Crossing Avenue	Meridian	CS2 / Hook Family Trust	12,000
1460-1492 S Entertainment Avenue	Southwest Boise	Shops at Spectrum Point I, LLC & Shops at Spectrum Pointe II, LLC / VM Properties	10,000
143 W Archerfield Drive	Meridian	Madira, LLC / FJZ, LLC	6,300

## RETAIL SUBMARKETS



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