

\$76,100

Boise HH Income

YoY Chg



12-Mo. Forecast



2.9%

Population Growth



2.8%

Unemployment Rate



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

U.S. ECONOMIC INDICATORS Q4 2022

0.4%

GDP Growth

YoY Chg



12-Mo. Forecast



0.5%

Population Growth



3.7%

Unemployment Rate



Source: BEA, Census Bureau

ECONOMY: #1 Population Growth

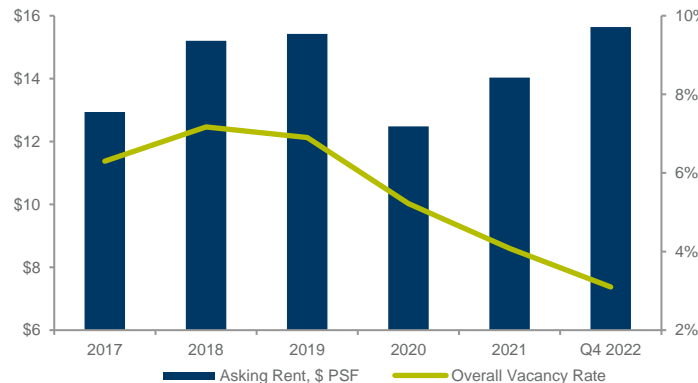
The Boise and Treasure Valley continued to have a strong fourth quarter in 2022. Boise once again was ranked #1 in annual population growth nationwide at 2.9% with a forecast increase, with Austin and Fort Myers/Naples following at a distant (2.1%). The Boise economy expanded at a rate of 2.3% year-over-year (YOY), an increase of 8,700 jobs. The median household income for Boise climbed to \$76,100 YOY, with a forecast increase. Boise unemployment fell 30 basis points (bps) YOY and is tied for the 8th lowest unemployment rate overall. For comparison, the U.S. showed 0.5% population growth, \$71,700 household income, and 3.7% unemployment. Many industries, from restaurants to construction, continued to have difficulty finding workers, which affected service and delivery times in all sectors.

SUPPLY & DEMAND

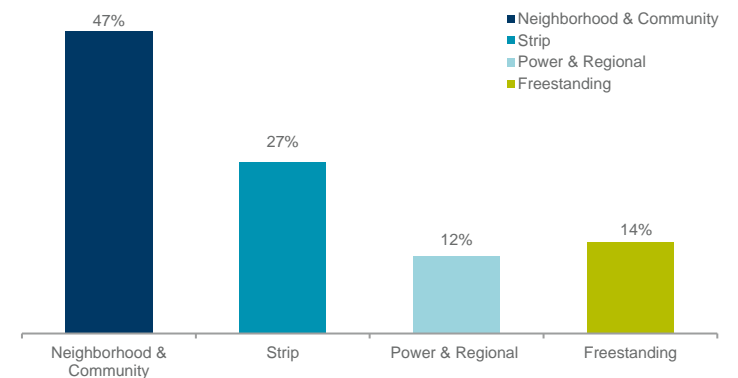
Positive absorption and lower supply in the market helped lower the overall vacancy rate over 10 bps quarter-over-quarter (QOQ) to 3.1% in Q4, and over 100 bps YOY from 4.1%. Direct vacancy continued to fall, dropping over 250,000 square feet (sf) YOY, while sublease vacancy steadily climbed. Direct leasing activity remained strong throughout 2022 tallying nearly 570,000 sf, but dipped QOQ and YOY. Overall rents rose to \$15.52 per square foot (psf) triple net (NNN) QOQ, and jumped \$1.61 psf YOY. Deliveries outpaced deliveries by nearly 280,000 sf in the last fifteen months. Two large projects in Meridian and Caldwell comprise 64.0% of the nearly 700,000 sf of projects. Several large deliveries in Q4 included Top Golf in Meridian and Peterson BMW in Boise.

Mixed use multifamily projects continued to add street retail to the downtown cores of several Treasure Valley cities. Grocery anchored mixed use projects continued to draw a mix of local and national tenants. Build-to-suit new construction pad rents in these developments experienced record highs, topping \$40.00 psf. Downtown Boise rents ranged from \$18.00 to \$33.00 psf NNN. Meridian continues to see the most growth, with grocery anchors 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) | DIRECT VACANT (SF) | SUBLET VACANT (SF) | OVERALL VACANCY RATE | CURRENT QTR OVERALL NET ABSORPTION | YTD OVERALL NET ABSORPTION (SF) | YTD LEASING ACTIVITY (SF) | UNDER CNSTR (SF) | OVERALL AVG ASKING RENT (NNN)* |
|------------------------|-------------------|--------------------|--------------------|----------------------|------------------------------------|---------------------------------|---------------------------|------------------|--------------------------------|
| Airport RETAIL | 177,075 | 0 | 0 | 0.0% | 0 | 0 | 0 | 0 | N/A |
| Caldwell RETAIL | 812,626 | 8,705 | 0 | 1.1% | -374 | 21,773 | 24,772 | 150,030 | \$20.38 |
| Central Boise RETAIL | 1,803,368 | 62,997 | 6,385 | 3.9% | -7,522 | 7,006 | 38,167 | 0 | \$11.83 |
| Downtown RETAIL | 1,521,204 | 51,153 | 10,566 | 4.1% | 12,618 | 90,785 | 34,552 | 0 | \$19.81 |
| Eagle RETAIL | 989,152 | 24,508 | 0 | 2.5% | 6,802 | 13,543 | 32,069 | 4,750 | \$14.54 |
| Kuna RETAIL | 425,832 | 2,421 | 0 | 0.6% | 0 | -347 | 0 | 0 | N/A |
| Meridian RETAIL | 4,430,922 | 75,609 | 0 | 1.7% | 62,432 | 145,757 | 121,863 | 418,417 | \$16.23 |
| Middleton RETAIL | 175,313 | 0 | 0 | 0.0% | 0 | 0 | 0 | 5,000 | N/A |
| Nampa RETAIL | 4,978,435 | 241,694 | 1,200 | 4.9% | 32,402 | 58,895 | 176,583 | 18,363 | \$18.71 |
| North Boise RETAIL | 1,792,132 | 91,664 | 21,663 | 6.3% | 13,781 | 13,815 | 47,084 | 19,096 | \$14.83 |
| Northwest RETAIL | 307,478 | 0 | 0 | 0.0% | 0 | 63,000 | 23,405 | 4,000 | N/A |
| South Meridian RETAIL | 708,858 | 22,082 | 6,907 | 4.1% | -660 | 95,893 | 25,009 | 0 | \$27.30 |
| Southeast Boise RETAIL | 1,123,748 | 13,062 | 0 | 1.2% | 4,363 | 3,107 | 5,435 | 40,675 | \$16.77 |
| Southwest Boise RETAIL | 1,451,517 | 39,602 | 0 | 2.7% | 10,208 | 88 | 55,639 | 0 | \$15.37 |
| West Boise RETAIL | 3,770,668 | 57,905 | 22,500 | 2.1% | 28,699 | 51,163 | 65,444 | 19,200 | \$10.63 |
| BOISE TOTALS | 24,561,602 | 691,402 | 69,221 | 3.1% | 80,032 | 564,478 | 650,022 | 679,531 | \$15.64 |

KEY LEASE TRANSACTIONS YTD 2022

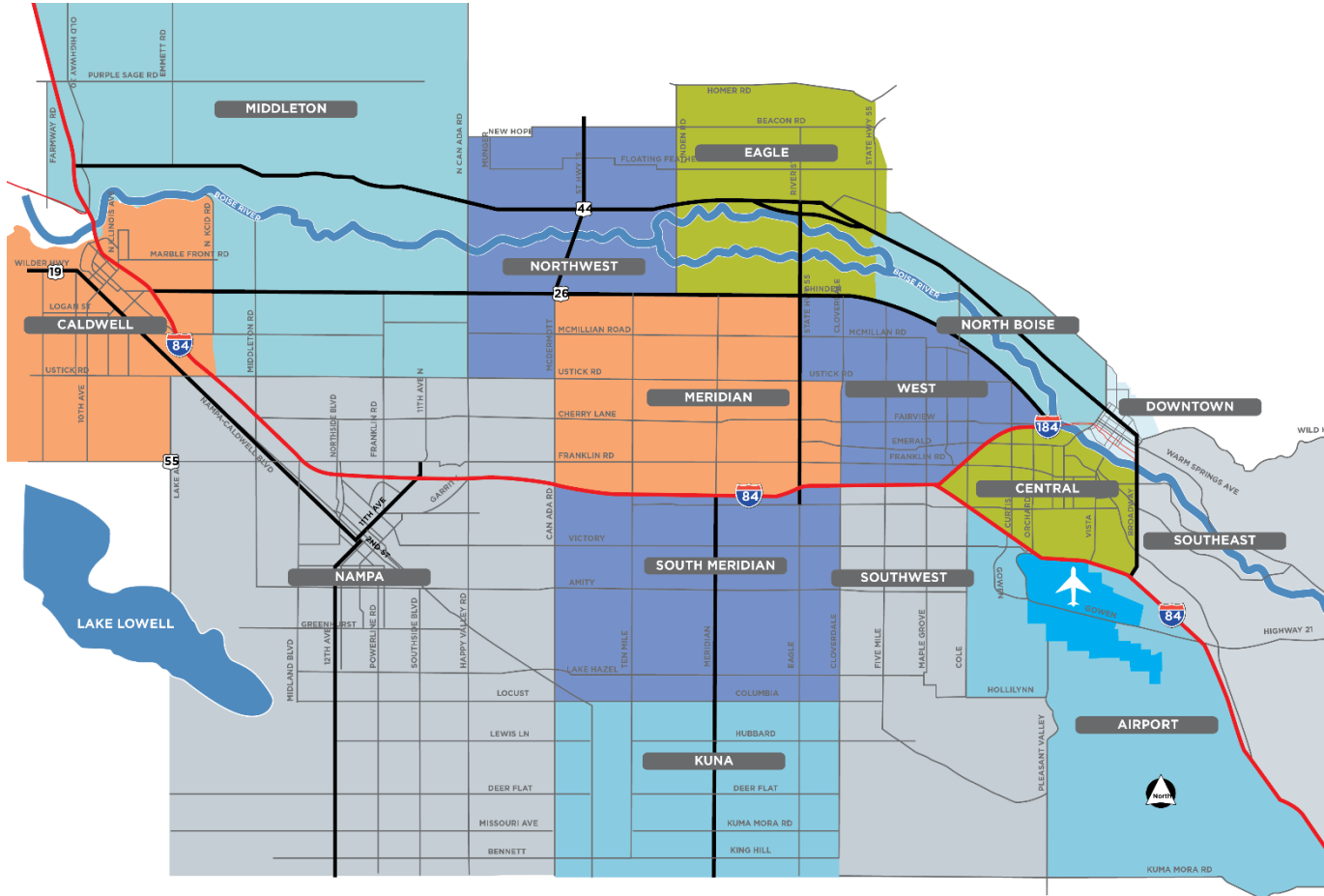
| PROPERTY | SUBMARKET | TENANT | RSF | TYPE |
|----------------------------------|-------------|-----------------------|--------|----------|
| 2986 N Eagle Road | Meridian | PGA Superstore | 42,200 | Direct |
| 407 12 th Avenue Road | Nampa | Bi Mart | 36,100 | Sublease |
| Northgate Shopping Center | North Boise | Easter Seals-Goodwill | 33,800 | Direct |

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS YTD 2022

| PROPERTY | SUBMARKET | SELLER / BUYER | SF |
|---------------------|----------------|---|--------|
| Glenwood Plaza | North Boise | Martin Properties, Eagle / TPC Glenwood LLC | 46,250 |
| Oliver Finley Plaza | North Boise | J-Town LLC / Lotus Acquisitions, LLC | 36,000 |
| Glwnwood Center | North Boise | BLT-Boise II LLC | 46,300 |
| Albertsons | Caldwell | Albertson Construction LLC | 40,000 |
| Axiom | South Meridian | Cook Meridian Fitness Holdings LLC | 47,200 |

RETAIL SUBMARKETS



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