

**\$76,700**

Boise HH Income

YoY Chg



12-Mo. Forecast



**2.2%**

Population Growth



**2.5%**

Unemployment Rate



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

### U.S. ECONOMIC INDICATORS Q2 2023

**2.1%**

GDP Growth

YoY Chg



12-Mo. Forecast



**7.8%**

Consumer Spending



**1.3%**

Retail Sales



Source: BEA, Census Bureau

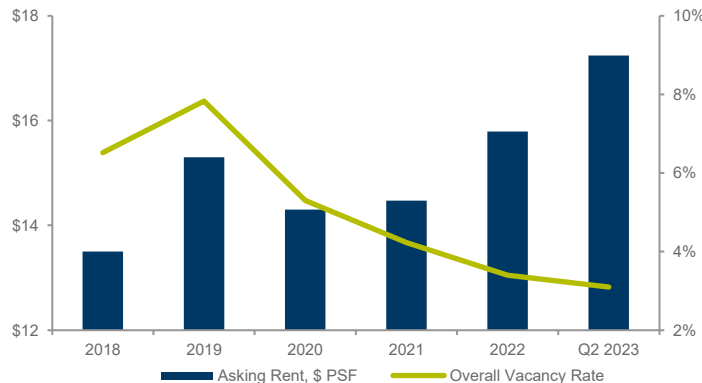
### ECONOMY: Strong Population Growth & Low Unemployment

Boise and the Treasure Valley continued to have a strong second quarter in 2023. Boise was ranked #3 in annual population growth nationwide at 2.2% with a forecast increase, trailing only Fort Myers/Naples and Austin. The Boise economy expanded at a rate of 3.4% year-over-year (YOY), an increase of 13,000 jobs. The median household income for Boise climbed to \$76,700 YOY, with a forecast increase. Boise unemployment jumped 10 basis points (bps) YOY to 2.5% and is tied for the 6<sup>th</sup> lowest unemployment rate nationally. For comparison, the U.S. showed 0.6% population growth, \$72,900 household income, and 3.6% unemployment. Many industries, from restaurants to construction, continued to have difficulty finding workers, which affected service and delivery times in all sectors.

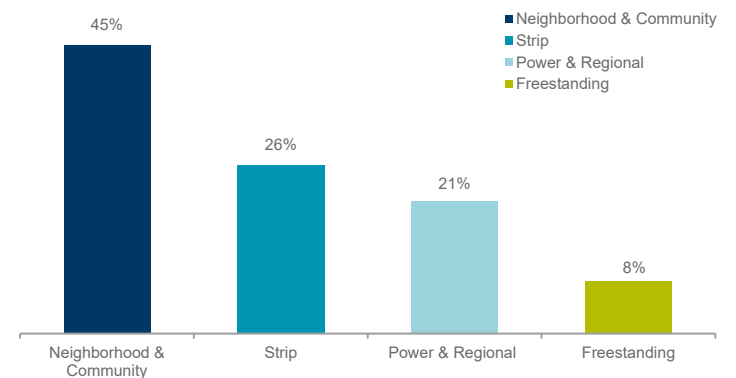
### SUPPLY & DEMAND

The Boise retail market exhibited strong demand again in Q2 2023, with nearly 200,000 square feet (sf) of direct leasing activity quarter-over-quarter (QOQ) and nearly 600,000 sf YOY. Overall vacancy rose 40 bps compared to Q1 2023 driven by an increase in vacant direct square feet (sf), but dropped 30 basis points YOY. Sublease vacancy has remained relatively low at 30,100 sf. Steady direct leasing activity rose to 179,309 sf QOQ and fell 85,885 sf YOY. Build-to-suit construction pad rents are reaching \$45.00 per square feet (psf). Overall asking rents fell 8.6% QOQ in response to higher availability in neighborhood/community and power centers. Low levels of speculative construction and strong demand will likely contribute to lower vacancy and higher rents for the remainder of 2023. Demand has outpaced supply by 30.0% over the previous 15 months. Weighted capitalization rates have expanded by 30 bps QOQ and by 40 bps YOY. With a climate of high inflation, high interest rates, and high construction costs, the Boise retail market remains on an upward trajectory based on key indicators. 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	177,075	0	0	0.0%	0	0	0	19,605	N/A
Caldwell	937,418	14,098	0	1.5%	-1,277	114,339	2,427	30,030	\$21.54
Central Boise	1,798,333	67,993	1,458	3.9%	-6,732	-6,454	10,088	0	\$18.23
Downtown	1,513,174	67,998	0	4.5%	-20,221	-19,531	24,034	10,000	\$25.80
Eagle	985,252	4,120	0	0.4%	6,835	6,715	6,835	0	\$24.36
Kuna	425,832	1,696	0	0.4%	725	725	2,421	0	N/A
Meridian	4,480,235	77,826	2,400	1.8%	-13,923	26,279	133,259	515,419	\$22.95
Middleton	175,313	0	0	0.0%	0	0	0	0	N/A
Nampa	5,013,559	226,505	2,291	4.6%	-2,577	52,083	14,195	0	\$25.27
North Boise	1,801,935	107,802	0	6.0%	-5,416	-28,013	37,424	19,096	\$18.21
Northwest	307,478	0	0	0.0%	0	0	0	4,000	N/A
South Meridian	726,774	29,581	1,453	4.3%	-3,276	-2,045	16,089	0	\$33.96
Southeast Boise	1,164,423	47,289	0	4.1%	7,589	6,448	1,597	0	\$20.53
Southwest Boise	1,451,517	32,535	0	2.2%	-278	-2,444	9,560	15,589	\$17.06
West Boise	3,789,868	58,229	22,500	2.1%	2,420	21,471	64,038	0	\$18.57
<b>BOISE TOTALS</b>	<b>24,748,186</b>	<b>735,672</b>	<b>30,102</b>	<b>3.1%</b>	<b>-36,131</b>	<b>169,573</b>	<b>321,967</b>	<b>613,739</b>	<b>\$21.51</b>

\*Rental rates reflect NNN asking

### KEY LEASE TRANSACTIONS Q2 2023

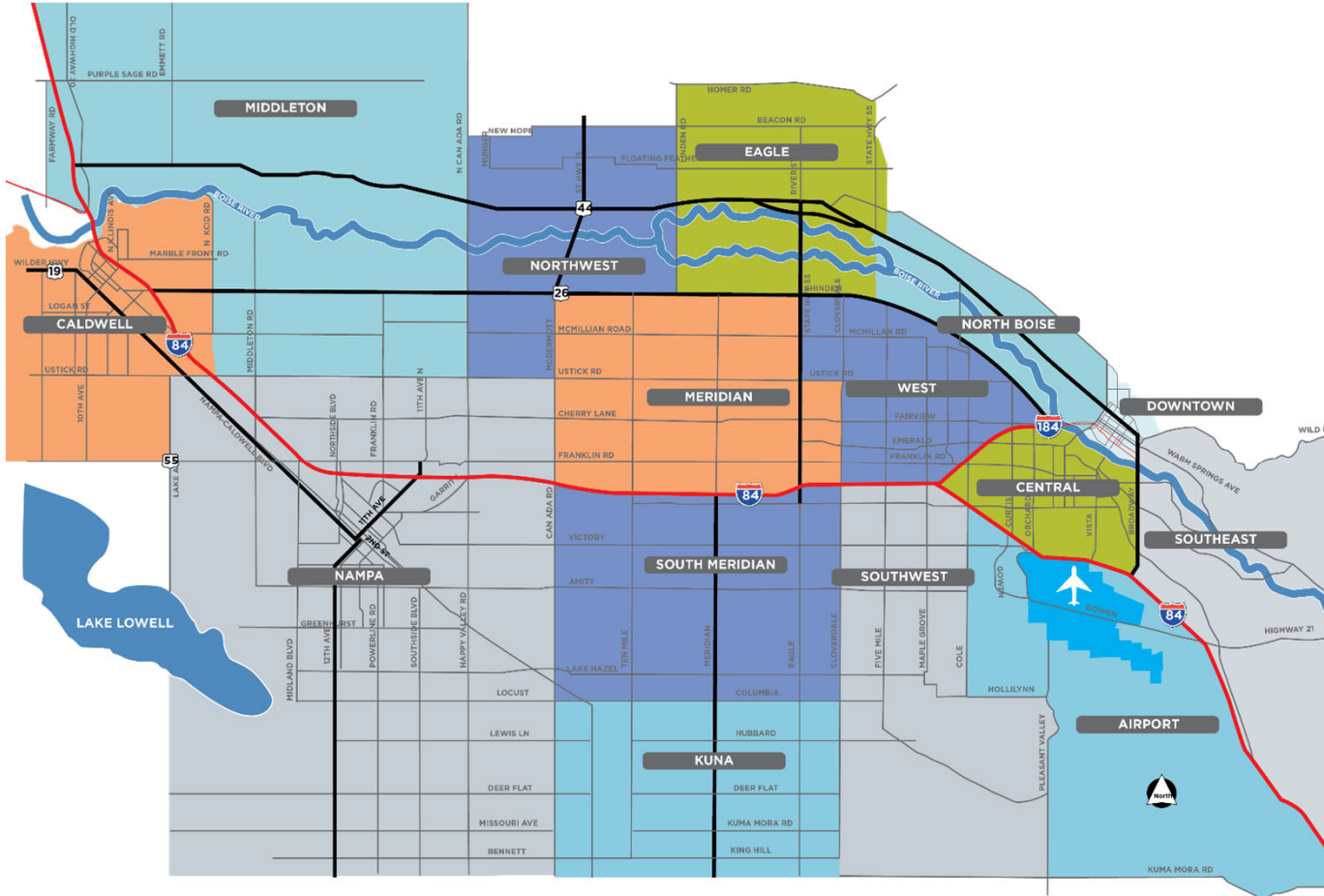
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
3371 N Eagle Road	Meridian	Grocery Outlet	18,000	Direct
8047 Emerald Street	West Boise	Undisclosed	8,233	Direct
8013 W Fairview Avenue	West Boise	City Buffet	8,017	Renewal

\*Renewals not included in leasing statistics

### KEY SALES TRANSACTIONS Q2 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SF
4524 W Overland Road	Central Bench	Alltree Enterprises LLC / Kc Emerald Property Holdings LLC	62,073
4940 N Elsinore Avenue	Meridian	Ray Montieth / Elsinore LLC	12,912
3610 Overland Road	Central Boise	William L Abernathy Trust / Keri & Cabell Gillespie	12,000
8160 W Overland Road	Southwest Boise	B C Development LLC / Dg Boise Overland LLC	10,200
3018 Cleveland Boulevard	Caldwell	Boise VZ, LLC / Randall McGill	5,600

## RETAIL SUBMARKETS



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