

**\$77,800**

Boise HH Income

YoY Chg



12-Mo. Forecast



**2.3%**

Population Growth



**2.7%**

Unemployment Rate



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

### U.S. ECONOMIC INDICATORS Q3 2023

**2.4%**

GDP Growth

YoY Chg



12-Mo. Forecast



**7.4%**

Consumer Spending Growth



**3.7%**

Retail Sales Growth



Source: BEA, Census Bureau

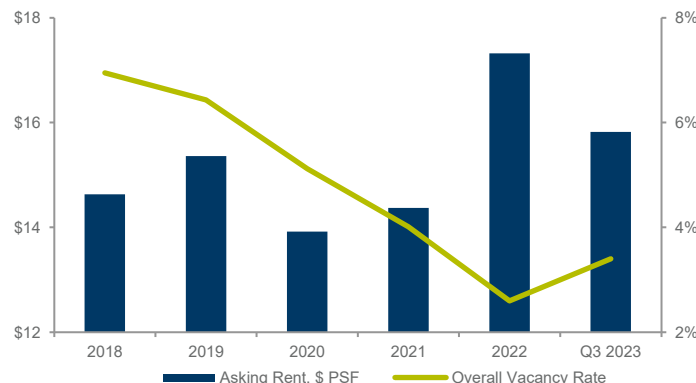
### ECONOMY: Top Population Growth

Boise and the Treasure Valley continued to have a strong third quarter in 2023. Boise was ranked #1 in annual population growth nationwide at 2.3% with a forecast increase, with Austin and Fort Myers/Naples a close 2nd. The Boise economy expanded at a rate of 2.7% year-over-year (YOY), an increase of 10,400 jobs. The median household income for Boise climbed to \$77,800 YOY, with a forecast increase. Boise unemployment jumped 10 basis points (bps) YOY to 2.7% and is tied for the 9<sup>th</sup> lowest unemployment rate overall. For comparison, the U.S. showed 0.5% population growth, \$73,500 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.

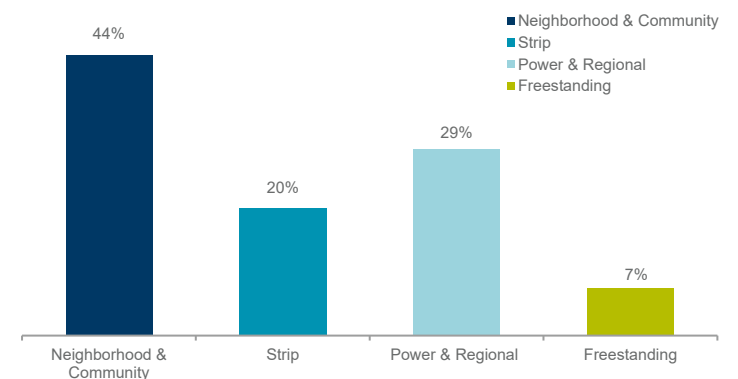
### SUPPLY & DEMAND

The Boise retail market exhibited strong demand again in Q3 2023, with over 174,000 square feet (sf) of direct leasing activity quarter-over-quarter (QOQ) and nearly 700,000 sf YOY. Overall vacancy jumped 50 bps from Q2 2023 driven by an influx of vacant space and has climbed 80 basis points YOY. A handful of revamped power centers landlords located in the Nampa submarket added a mix of mid-large box and multi-tenant vacant space to the market. Overall asking rents fell 8.6% QOQ in response to a 40% jump in power center and 24% drop in strip retail availability. Build-to-suit construction pad rents are reaching \$45.00 per square feet (psf). Low levels of speculative construction and strong demand will likely contribute to lower vacancy and higher rents for the remainder of 2023. Supply and demand were in balance with marginally more deliveries compared to absorption YOY. Weighted capitalization rates expanded to approximately 6.5%. Approximately 33% of on-market capitalization rates were between 5.0%-6.0%, 6.0%-7.0%, and 7.0%-10%. With a climate of volatile 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	196,680	0	0	0.0%	19,605	19,605	0	0	N/A
Caldwell	949,181	20,746	0	2.2%	-6,648	107,691	5,131	30,030	\$18.06
Central Boise	1,798,333	48,640	7,843	3.1%	-8,631	-8,749	17,329	0	\$12.44
Downtown	1,513,174	49,787	0	3.3%	8,136	-4,516	33,287	10,000	\$21.22
Eagle	985,252	4,129	0	0.4%	-1,304	6,706	8,905	0	\$21.49
Kuna	425,832	1,696	0	0.4%	0	725	8,946	14,185	N/A
Meridian	4,498,861	80,113	2,400	1.8%	9,575	44,460	189,718	509,990	\$20.87
Middleton	175,313	0	0	0.0%	0	0	0	0	N/A
Nampa	5,013,559	327,908	2,291	6.6%	-101,403	-49,320	31,683	10,051	\$19.20
North Boise	1,801,935	93,133	21,663	6.4%	-17,718	-38,417	43,268	19,096	\$12.11
Northwest	307,478	0	0	0.0%	0	0	1,325	4,000	N/A
South Meridian	730,941	24,135	1,453	3.5%	9,376	3,401	20,649	0	\$31.16
Southeast Boise	1,164,423	46,601	0	4.0%	-1,400	7,136	1,597	0	\$15.37
Southwest Boise	1,451,517	57,472	0	4.0%	-26,160	-27,381	23,261	15,589	\$10.82
West Boise	3,789,868	61,595	0	1.6%	16,508	40,605	134,839	0	\$13.45
<b>BOISE TOTALS</b>	<b>24,802,347</b>	<b>815,955</b>	<b>35,650</b>	<b>3.4%</b>	<b>-100,064</b>	<b>101,946</b>	<b>519,938</b>	<b>612,941</b>	<b>\$15.82</b>

\*Rental rates reflect NNN asking

### KEY LEASE TRANSACTIONS Q3 2023

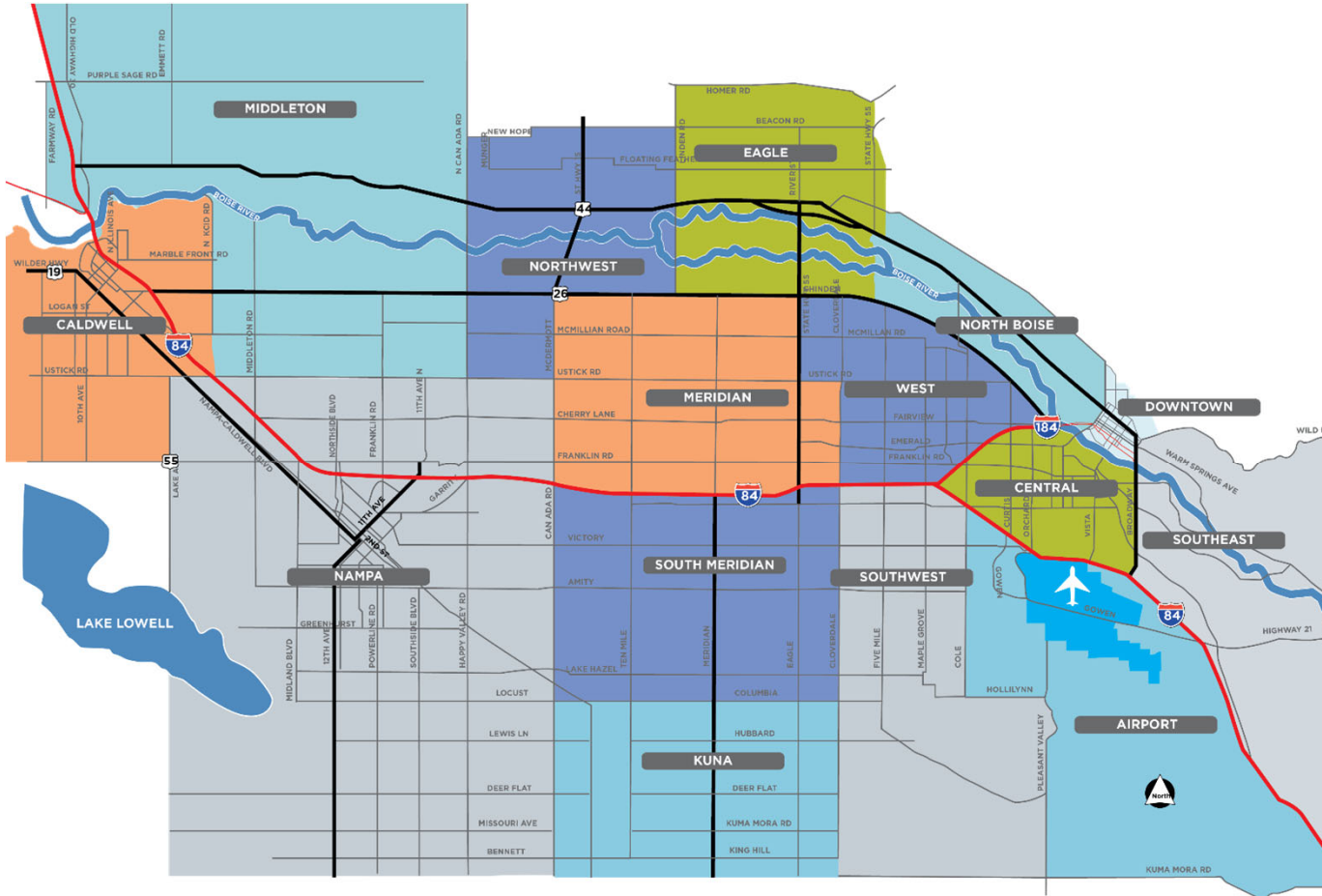
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1301 N Milwaukee Street	West Boise	Al's Sporting Goods	44,436	Direct
3499 E Fairview	Meridian	Scandinavian Design	34,690	Direct
633-655 N Milwaukee Street	West Boise	Dollar Tree	10,497	Direct
10346 W Overland Road	Southwest Boise	Idaho Fitness Factory	10,000	Direct
633-655 N Milwaukee Street	West Boise	DownEast Furniture	9,860	Direct

\*Renewals not included in leasing statistics

### KEY SALES TRANSACTIONS Q3 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SF
224-312 2 <sup>nd</sup> Street S	Nampa	H&H Vision LLC / R&B Montgomery Family Limited Partners	16,800
619 W Main Street	Downtown	Boise VZ, LLC / West Bannock Dev LLC	12,800
1217 1 <sup>st</sup> Street South	Nampa	1 <sup>st</sup> Street Property LLC / Rft 2c LLC	11,000

### RETAIL SUBMARKETS



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