

**\$87,500**

Boise HH Income

YoY Chg



12-Mo. Forecast



**2.3%**

Population Growth



**3.2%**

Unemployment Rate



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

### U.S. ECONOMIC INDICATORS Q4 2023

**2.6%**

GDP Growth

YoY Chg



12-Mo. Forecast



**6.7%**

Consumer Spending Growth



**3.8%**

Retail Sales Growth



Source: BEA, Census Bureau

### ECONOMY: Top Population Growth

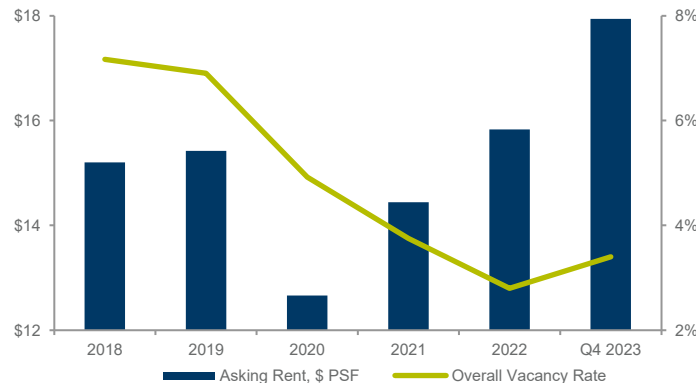
Boise and the Treasure Valley experienced a strong fourth quarter in 2023. Boise was ranked #1 in annual population growth nationwide at 2.3% with a forecast increase, with Austin and Fort Myers/Naples a close 2nd. The Boise economy expanded at a rate of 3.8% year-over-year (YOY), an increase of 14,900 jobs. The median household income for Boise climbed to \$87,500 YOY, with a forecast increase. Boise unemployment jumped 60 basis points (bps) YOY to 3.2% and is tied for the 15<sup>th</sup> lowest unemployment rate overall. For comparison, the U.S. showed 0.5% population growth, \$80,900 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

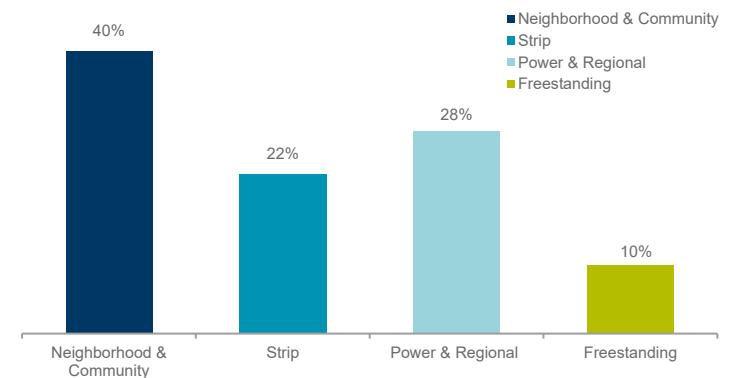
The Boise retail market cooled off in Q4 2023, with less than half of the 174,000 square feet (sf) of direct leasing activity exhibited in Q3 2023. Despite the softer demand, overall vacancy remained flat, rising just 10 bps quarter-over-quarter (QOQ) to 3.4% and 70 bps YOY. Strong leasing activity throughout 2023 helped keep 2023 vacancy in check, with nearly 600,000 sf of direct leasing activity year-to-date (YTD). Sublease space is down QOQ and has fallen by over 1/3 YOY. Nearly 200,000 sf of positive absorption was reported over the previous 15 months.

Overall asking rents rose 10.0% QOQ to \$17.94 per square feet (psf) and jumped 13.3% YOY. Build-to-suit construction pad rents are reaching \$50.00 psf. Low levels of speculative construction and strong demand will likely contribute to lower vacancy and higher rents into 2024. Weighted capitalization rates compressed to approximately 5.7% following 4 straight quarters of expansion. The rate hikes by The Federal Reserve to curb 40-year high inflation that began in H2 2022 continued to impact sales activity in Q4 2023. Inflation dipped to 3.1% in November and The Federal Reserve placed a hold on interest rate hikes. Weathering a climate of 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 Q4 2023

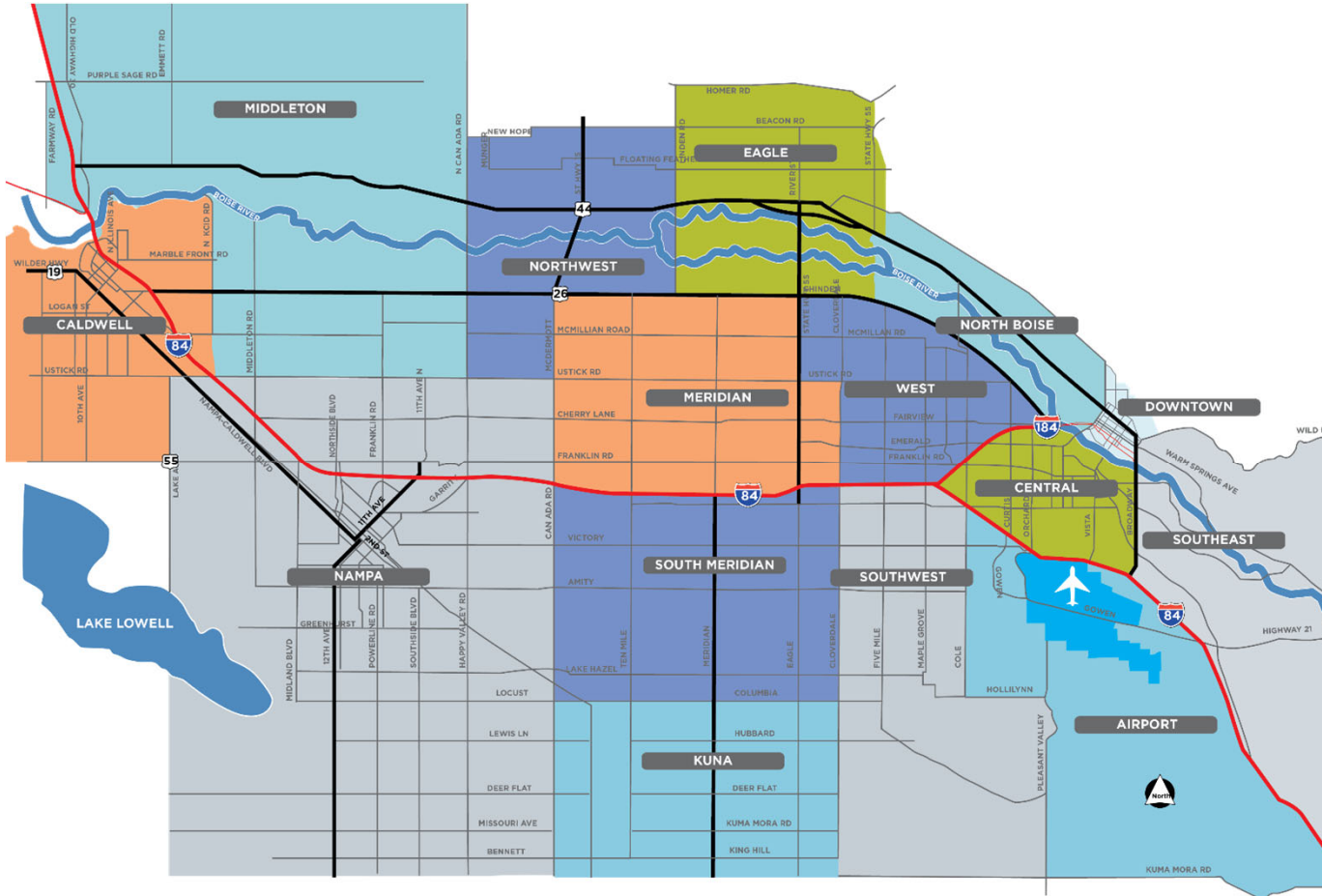
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
1301 N Milwaukee Street	West Boise	Al's Sporting Goods	44,436	Direct
3499 E Fairview	Meridian	Scandinavian Design	34,690	Direct
633-655 N Milwaukee Street	West Boise	Dollar Tree	10,497	Direct
10346 W Overland Road	Southwest Boise	Idaho Fitness Factory	10,000	Direct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

\*Renewals not included in leasing statistics

### KEY SALES TRANSACTIONS Q4 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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