

\$89,900

Boise HH Income

YoY Chg



12-Mo. Forecast



2.2%

Population Growth



3.3%

Unemployment Rate



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

U.S. ECONOMIC INDICATORS Q2 2024

2.9%

GDP Growth

YoY Chg



12-Mo. Forecast



6.4%

Consumer Spending Growth



3.1%

Retail Sales Growth



Source: BEA, Census Bureau

ECONOMY: Economy Thrives – Population Growth, Job Expansion, and Income Surge

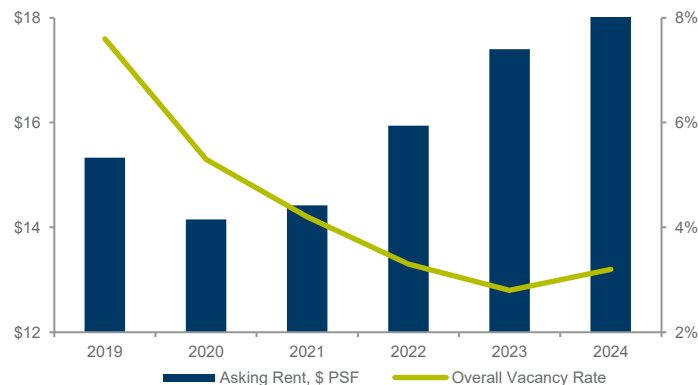
Boise and the Treasure Valley continued to exhibit an impressive economic performance in the second quarter of 2024. Once again, Boise secured the second spot nationwide for annual population growth, boasting a robust 2.2% increase with further growth projected. The Boise economy expanded at a 2.4% year-over-year (YOY) rate, adding 9,500 nonfarm jobs to the local workforce. The median household income in Boise surged 3.0% YOY to \$89,900, with expectations of continued growth. Boise's unemployment rate experienced a 40 basis points (bps) jump YOY, reaching 3.3%, placing it among the 9 lowest rates nationwide. In comparison, the U.S. reported a 0.5% population growth, a median household income of \$82,400, and an unemployment rate of 4.1%. Despite challenges, Boise's economy remained resilient, with new nonfarm jobs declining by only 3.1% YOY, while real gross product increased by 100 bps YOY to 5.6%.

SUPPLY & DEMAND: Leasing Activity & Rents Surge

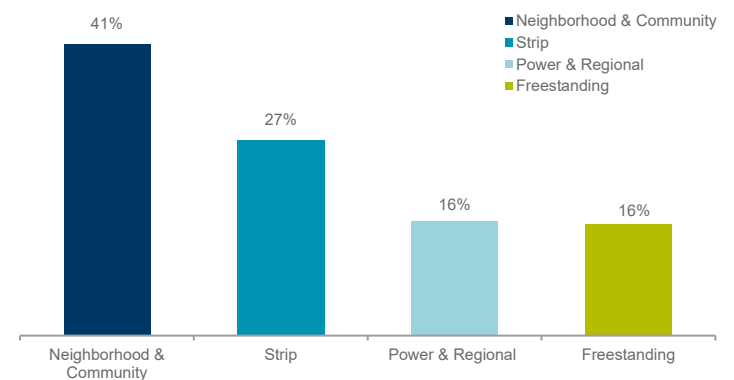
Retail vacancy climbed 10 bps quarter-over-quarter (QOQ) to 3.2% and surged 40 bps YOY. Direct vacancy climbed 4.8% QOQ and 17.9% YOY, while sublease vacancy remained flat QOQ but increased 32.2% YOY. Direct leasing activity climbed 14.0% QOQ, contributing to nearly 700,000 square feet over the last 12 months. Overall asking rents increased by 5.0% QOQ to \$18.28 per square foot (psf) and 1.5% YOY. Build-to-suit construction pad rents are reaching \$55.00 psf. Low levels of speculative construction and steady demand are expected to contribute to lower vacancy rates and higher rents for the remainder of 2024.

The Federal Reserve's ongoing efforts to control the 40-year high inflation that began in the second half of 2022 have continued to significantly impact the commercial real estate retail investment market through Q2 2024. Inflation has slowed by 20 bps to 3.3% as of May 2024, and Federal Reserve officials have signaled that they now expect only one interest rate cut in 2024. This cautious approach to monetary policy has influenced investment transaction levels, which have decreased both QOQ and YOY. Rate hikes over the past two years have increased borrowing costs, making it more challenging for investors to finance new acquisitions. While weighted capitalization rates (cap rates) expanded in other markets, retail capitalization rates remained flat YOY. The city's strong economic performance, coupled with its relatively low vacancy rates and stable rental prices, makes it an appealing destination for investment.

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%	0	0	0	0	N/A
Caldwell	993,942	25,516	0	2.6%	15,330	24,212	15,064	0	\$23.80
Central Boise	1,804,156	39,181	0	2.2%	8,274	5,881	27,371	0	\$13.29
Downtown	1,517,630	63,580	0	4.2%	-1,049	-19,040	28,717	0	\$24.48
Eagle	985,252	16,198	5,000	2.2%	1,625	-17,069	19,376	7,560	\$26.34
Kuna	440,017	7,586	0	1.7%	6,295	8,979	6,722	0	\$36.00
Meridian	4,857,209	53,252	1,887	1.1%	26,849	363,662	68,451	74,725	\$30.15
Middleton	175,313	0	0	0.0%	0	0	0	0	N/A
Nampa	5,023,610	254,972	1,548	5.1%	47	-21,056	41,730	19,187	\$9.27
North Boise	1,817,049	148,816	4,884	8.5%	-6,096	-56,314	54,864	22,800	\$15.71
Northwest	307,478	0	0	0.0%	0	0	0	4,000	N/A
South Meridian	731,556	18,321	0	2.5%	9,894	19,730	8,793	0	\$35.00
Southeast Boise	1,171,452	31,720	0	2.7%	-19,931	20,834	30,239	10,300	\$16.32
Southwest Boise	1,455,674	53,785	0	3.7%	-1,726	-4,209	38,018	10,000	\$16.02
West Boise	3,819,387	93,050	0	2.4%	-19,475	-36,695	65,076	0	\$14.63
BOISE TOTALS	25,296,405	805,977	13,319	3.2%	20,037	288,915	404,421	148,572	\$18.28

*Rental rates reflect NNN asking

KEY LEASE TRANSACTIONS Q2 2024

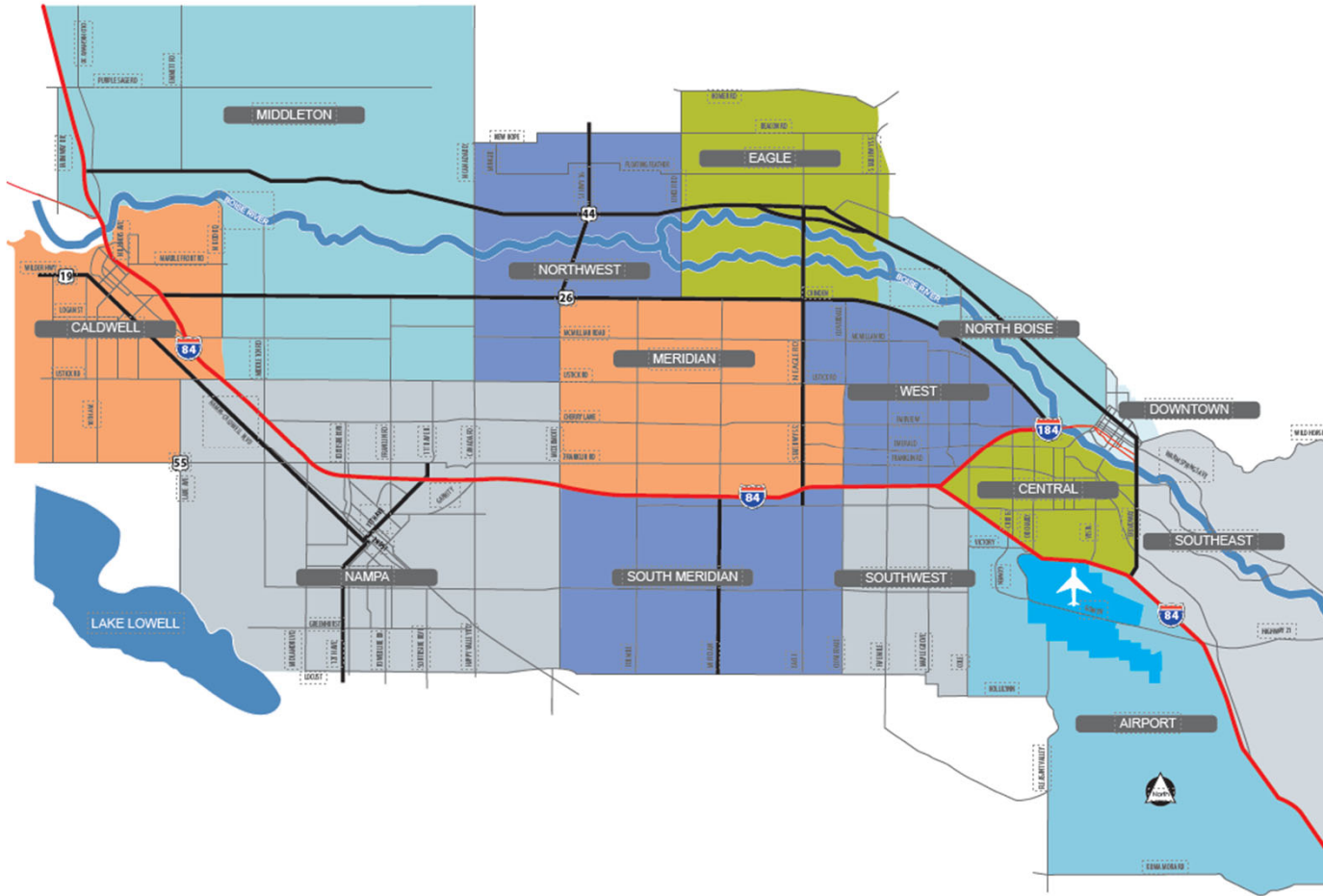
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
10529-10599 W Overland Road	Southwest Boise	DBAT	23,528	Direct
1005 E Fairview Avenue	Meridian	Uncharted Recreation	20,300	Direct
3212 E Chinden Boulevard	Eagle	Dollar Tree	13,673	Direct
4602-4780 W State Street	North Boise	St Vincent de Paul	11,696	Direct
204 3 rd Avenue	North Boise	Second Chance Building Materials Center	11,000	Direct

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2024

PROPERTY	SUBMARKET	SELLER / BUYER	SF
1435 S Maple Grove Rd	Southwest	Spirit Realty Capital, Inc. / Retaily Income Corp	29,138
1005 E Fairview Avenue	Meridian	LLJ LLC / Robert & Meagan Longshaw	20,300
204 3 rd Ave South	Nampa	Wood Brothers Holdings LLC / John H and Orah I Brandt Foundation	14,662

RETAIL SUBMARKETS



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