



Colliers IDAHO MARKET REVIEW



Q1
2019

Research & Forecast Report
Treasure Valley | First Quarter 2019

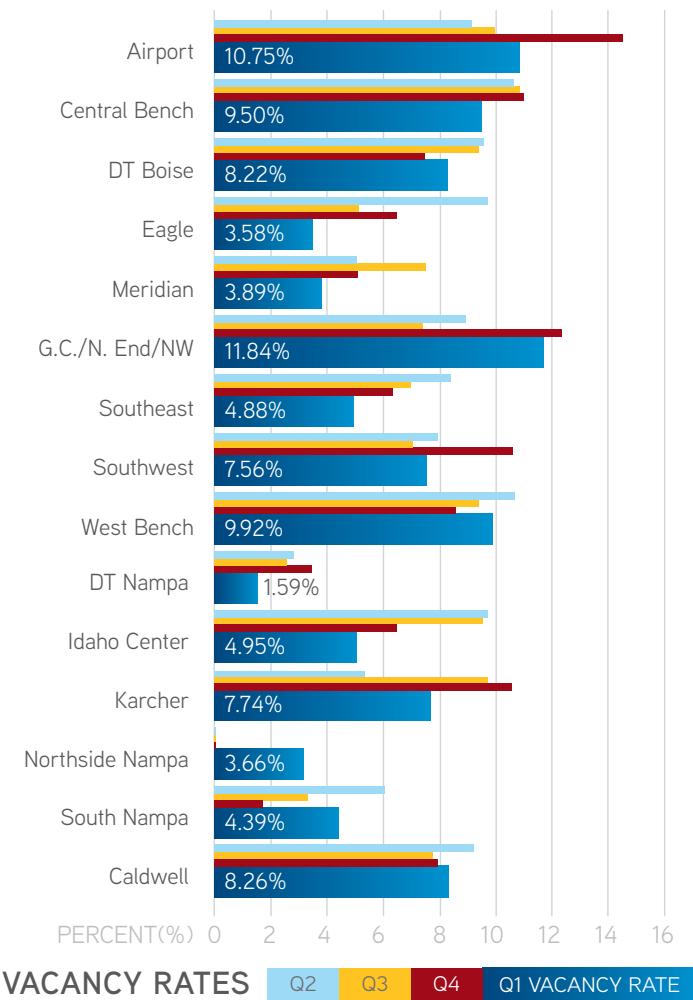
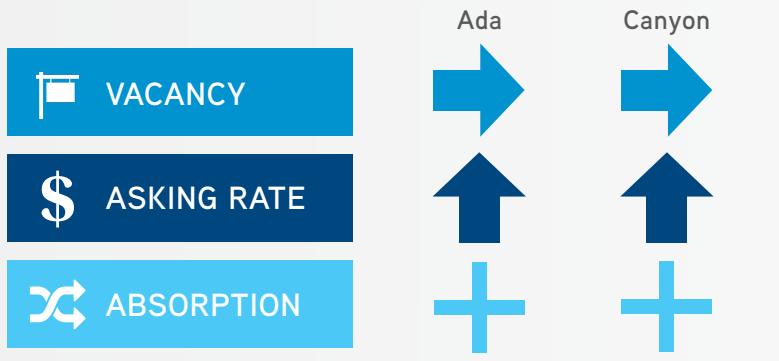
LOW VACANCIES PRESENT A LANDLORDS MARKET



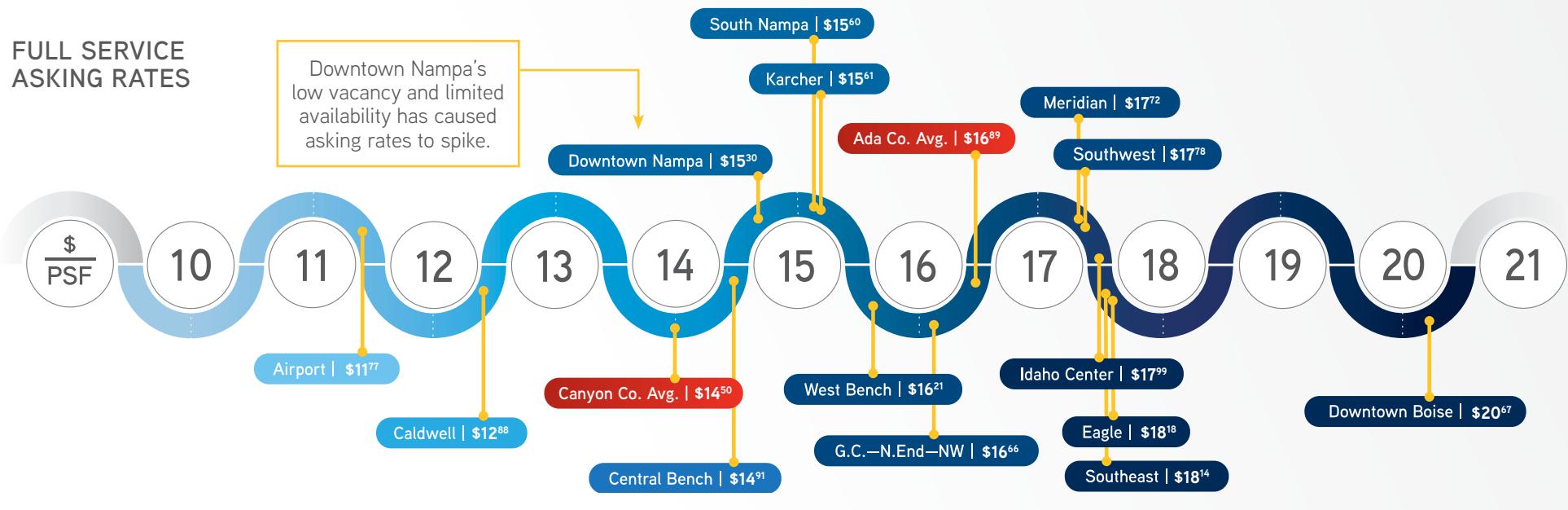
Office

Office vacancy is at historic lows both nationally and locally. Vacancy fell once more in Q1 2019. Rents rose as a result of the low vacancy. Tenants should expect rents and vacancy to remain close to where they are for the remainder of 2019.

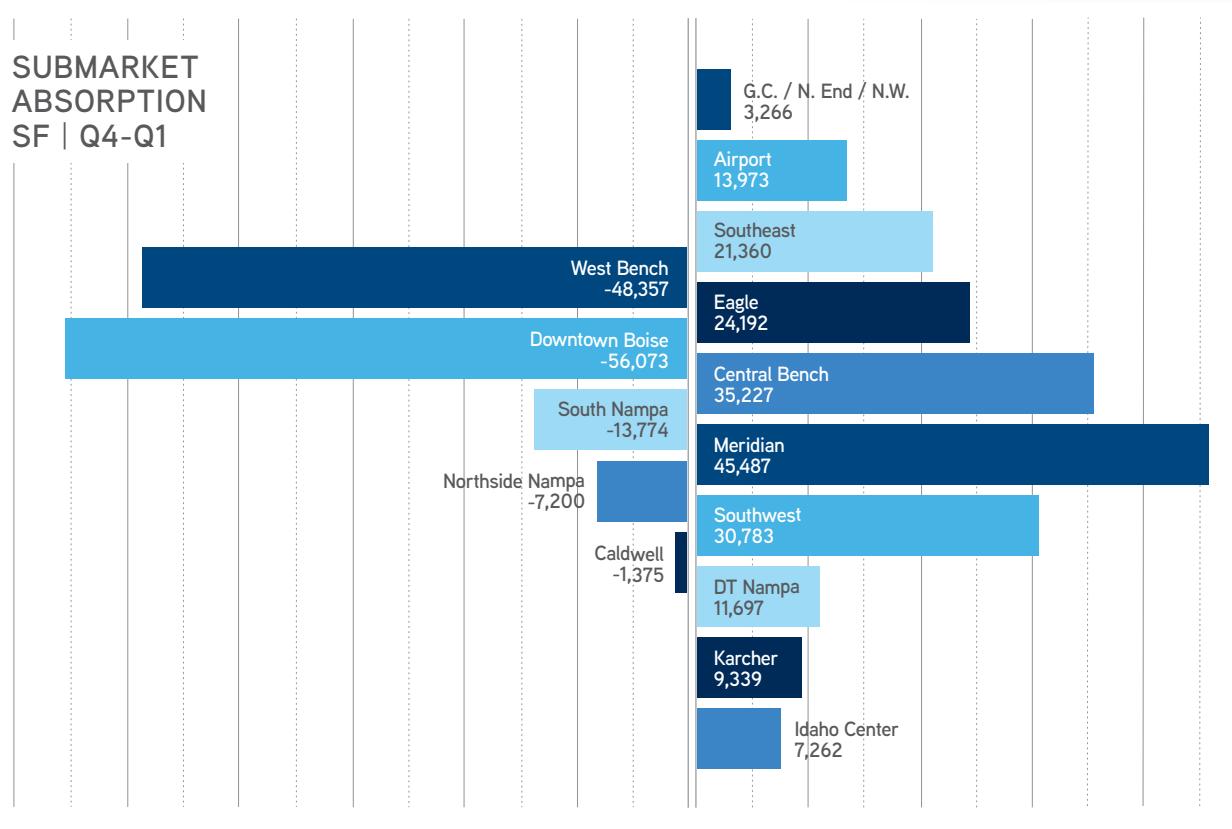
Currently there is a disconnect between landlord and tenant expectations. Tenants with leases expiring are surprised by rates jumping 15-30% in the first year of the tenants renewal option—illustrating the lack of office product available and a more landlord friendly market.



FULL SERVICE ASKING RATES



SUBMARKET ABSORPTION SF | Q4-Q1



Q1 OFFICE TRENDS

- » Pioneer Crossing is set to open in the middle of Q2. First Interstate Bank, U.S. Attorney's Office, IGI Resources and Pivot will all move in after construction is complete.
- » Late in the first quarter, Kount moved to a new office having outgrown their original space. The riverfront office at 917 Lusk has 25,055 square feet currently available for lease.
- » Primary Health Medical Group has opened the first clinic in the Boise MSA with a strong focus on pediatric urgent care. The 18,000 square foot medical facility is located near Eagle and Franklin.

Office

MARKET STATISTICS



Ada

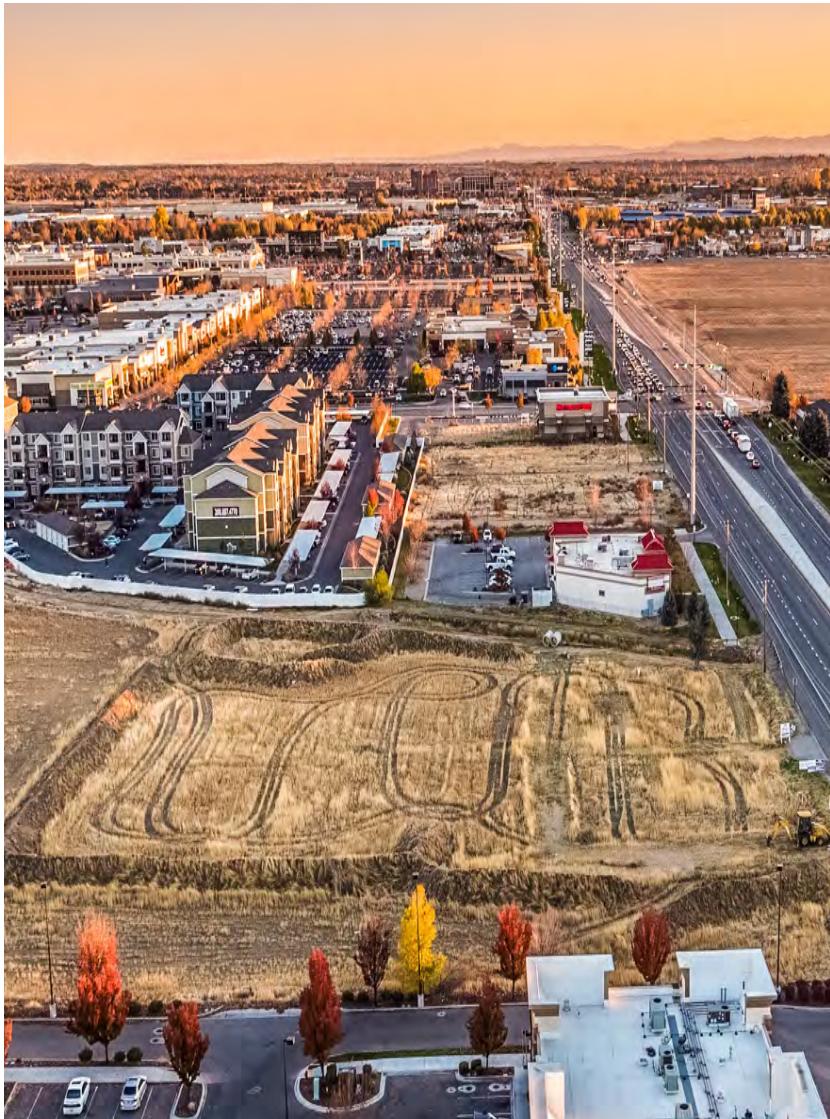
Submarket	FS Average Asking Rate	Total SF in Submarket	Total SF Available	Vacancy	Vacancy Change Q4-Q1	Absorption Q4-Q1
Ada	Airport	\$11.77	367,906	39,545	10.75%	-3.80%
	Central Bench	\$14.91	2,576,385	244,699	9.50%	-1.37%
	Downtown Boise	\$20.67	6,975,103	573,423	8.22%	0.80%
	Eagle	\$18.18	843,713	30,194	3.58%	-2.87%
	Meridian	\$17.72	3,596,205	139,729	3.89%	-1.26%
	G.C. & N. End & N.W.	\$16.66	839,158	99,360	11.84%	-0.39%
	Southeast Boise	\$18.14	1,639,085	79,916	4.88%	-1.30%
	Southwest Boise	\$17.78	1,041,867	78,765	7.56%	-2.95%
	West Bench	\$16.21	3,765,104	373,661	9.92%	1.28%
	ADA COUNTY TOTAL	\$16.89	21,644,526	1,659,292	7.67%	-0.32%



Canyon

Downtown Nampa	\$15.30	588,571	9,358	1.59%	-1.99%	11,697
Idaho Center	\$17.99	531,618	26,338	4.95%	-1.37%	7,262
Karcher	\$15.61	344,403	26,674	7.74%	-2.71%	9,339
Northside Nampa	\$—	196,919	7,200	3.66%	3.66%	(7,200)
South Nampa	\$15.60	511,853	22,469	4.39%	2.69%	(13,774)
Caldwell	\$12.88	500,116	41,312	8.26%	0.28%	(1,378)
CANYON COUNTY TOTAL	\$14.50	2,673,480	133,351	4.99%	-0.22%	5,946
TREASURE VALLEY TOTAL	\$15.70	24,318,006	1,792,643	7.37%	-0.31%	75,804



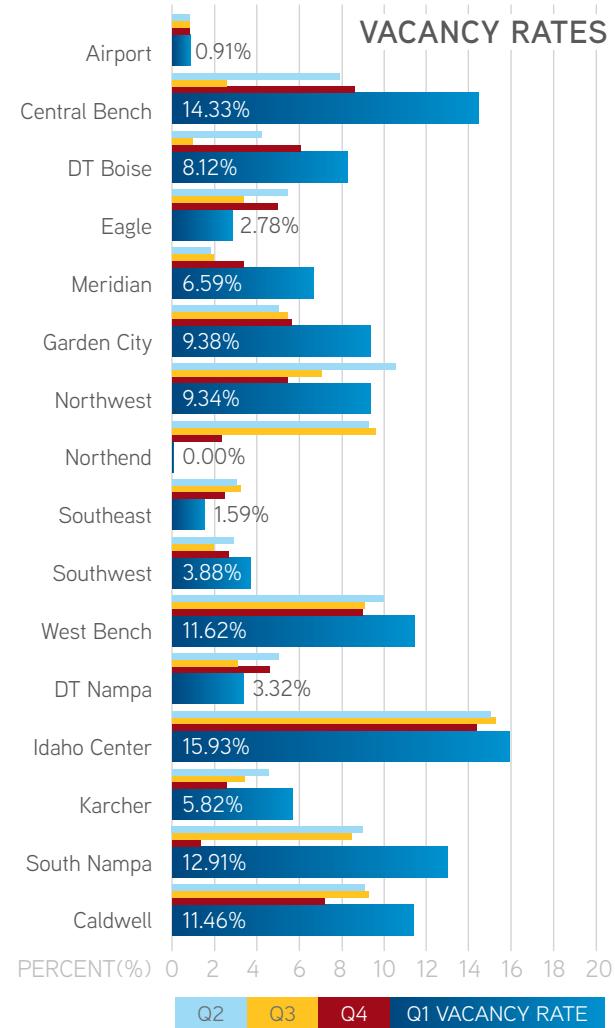


Retail

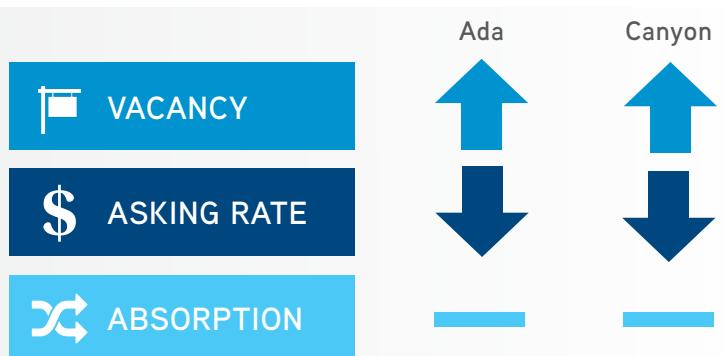
Payless, Shopko and Sears are all closing up shop, allowing for creative use opportunities for new potential users in the Treasure Valley. The Sears building is owned separately from the Boise Towne Square Mall and is tied up in their bankruptcy which will delay any sale or lease of the space.

VillaSport Athletic Club and Spa was approved for a 90,000 SF athletic facility on the corner of Eagle and Ustick. The resort style fitness center will include indoor and outdoor pools, along with a pool side bar, spa, weight room, event center and space just for kids. The development would also include over 15,000 square feet of retail space across from the athletic club.

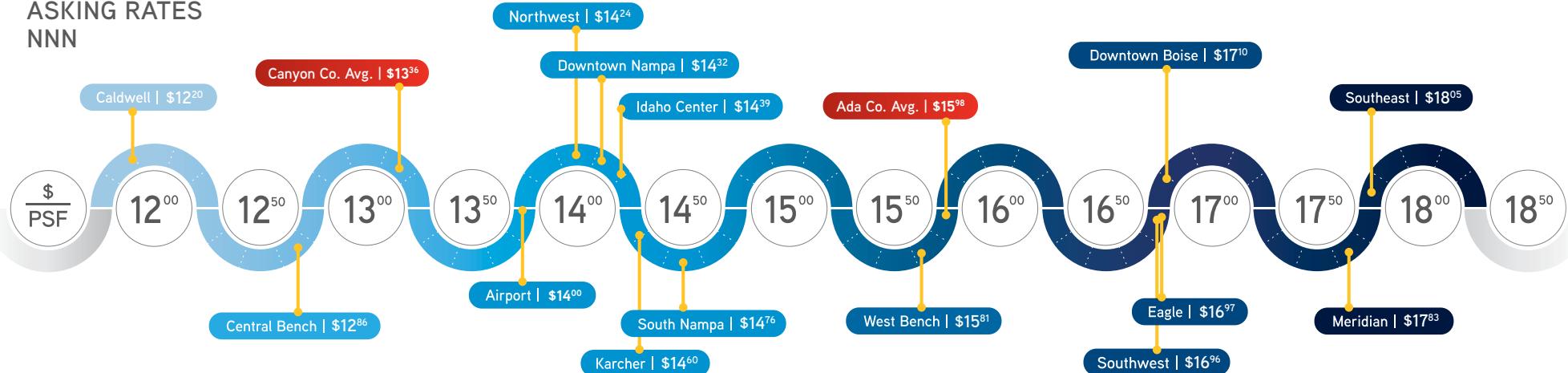
Trader Joe's is rumored to be filling a portion of a vacant space left by Rosauers. Building plans have been submitted to the city, suggesting they might land at the southeast corner of Eagle and Ustick.



MERIDIAN IS LEADING CHANGE IN VALLEY RETAIL

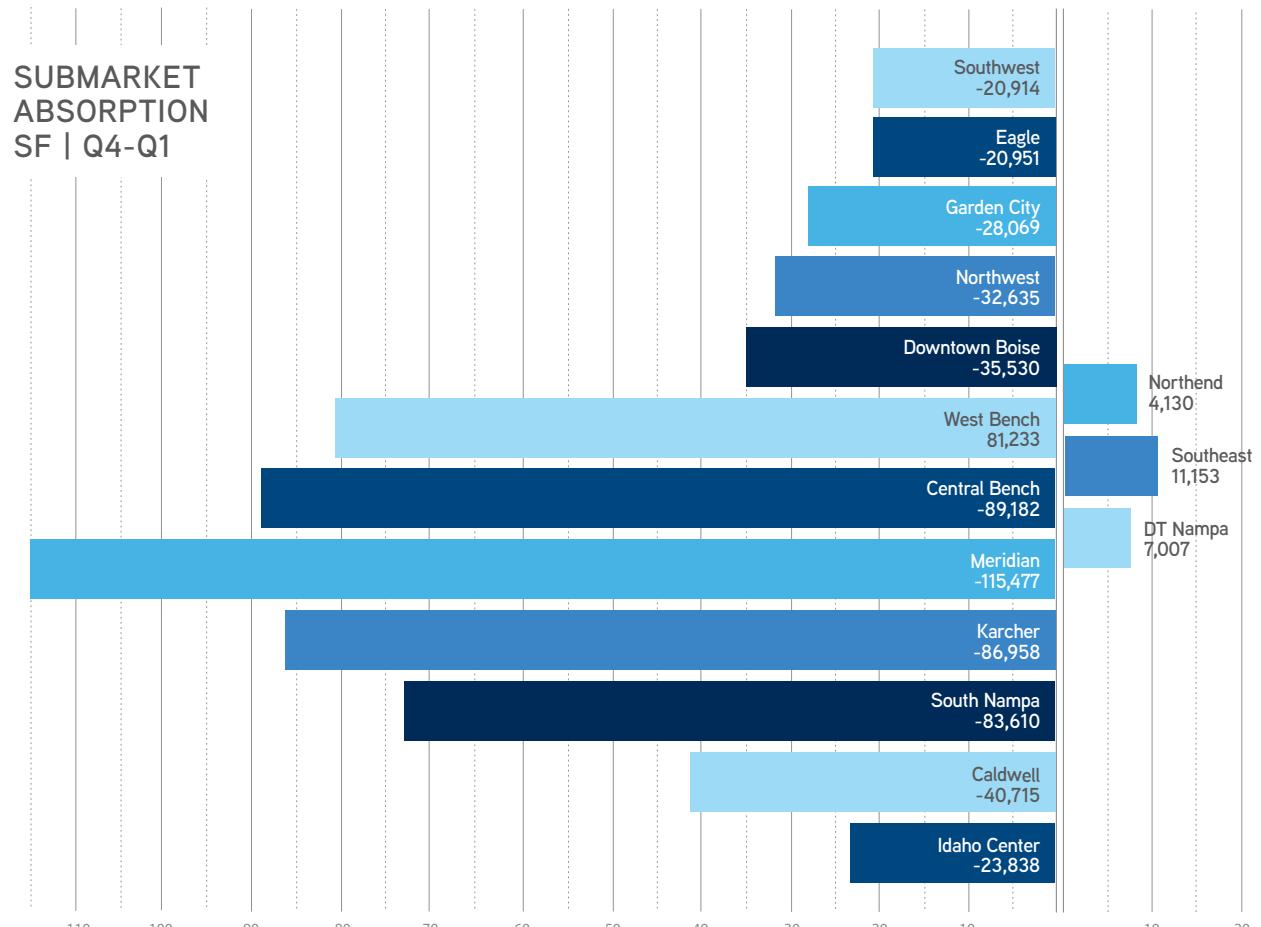


ASKING RATES NNN



Q1 RETAIL TRENDS

- » Vacancy rates in Meridian nearly doubled from Q4 2018 causing a significant drop in asking rates in the submarket.
- » Ball Ventures Ahlquist recently filed plans with the City of Meridian to bring a golf entertainment facility to the property off Eagle Road and I-84.
- » Vertical View Climbing Gym is currently under construction off Overland and Locust Grove Road. The new 31,000 square foot climbing gym will reach up to seven stories in some places and have over 200 different climbing routes. It will also offer yoga, fitness and spinning classes and is set to open sometime this spring.
- » Columbia Sportswear is opening its first Idaho location in late spring at The Village at Meridian.





Retail

MARKET STATISTICS



Ada

MARKET	NNN AVERAGE ASKING RATE	TOTAL SF IN SUBMARKET	TOTAL SF AVAILABLE	VACANCY	VACANCY CHANGE Q4-Q1	ABSORPTION Q4-Q1
Ada	Airport	\$14.00	165,517	1,510	0.91%	0.00%
	Central Bench	\$12.86	1,477,031	211,620	14.33%	6.04%
	Downtown Boise	\$17.10	1,732,238	140,673	8.12%	2.05%
	Eagle	\$16.97	946,026	26,299	2.78%	-2.21%
	Meridian	\$17.83	3,616,321	238,371	6.59%	3.19%
	Garden City	-	752,910	70,613	9.38%	4.38%
	Northwest Boise	\$14.24	815,858	76,227	9.34%	4.00%
	Northend	-	179,980	-	0.00%	-2.29%
	Southeast Boise	\$18.05	1,252,620	19,892	1.59%	-0.89%
	Southwest Boise	\$16.96	1,724,473	66,836	3.88%	1.21%
	West Bench	\$15.81	3,003,811	348,992	11.62%	2.70%
Ada County Total		\$15.98	15,666,785	1,060,360	6.77%	1.44%
(226,133)						



Canyon

Downtown Nampa	\$14.32	828,628	27,498	3.32%	-1.21%	7,007
Idaho Center	\$14.39	1,410,717	224,722	15.93%	1.69%	(23,838)
Karcher	\$14.60	2,662,981	155,033	5.82%	3.27%	(86,958)
South Nampa	\$14.76	716,417	92,486	12.91%	11.67%	(83,610)
Caldwell	\$12.20	973,324	111,560	11.46%	4.18%	(40,715)
Canyon County Total	\$13.36	6,665,638	611,299	9.17%	3.38%	(225,114)

TREASURE VALLEY TOTAL	\$14.67	22,332,423	1,671,659	7.49%	2.02%	(451,247)
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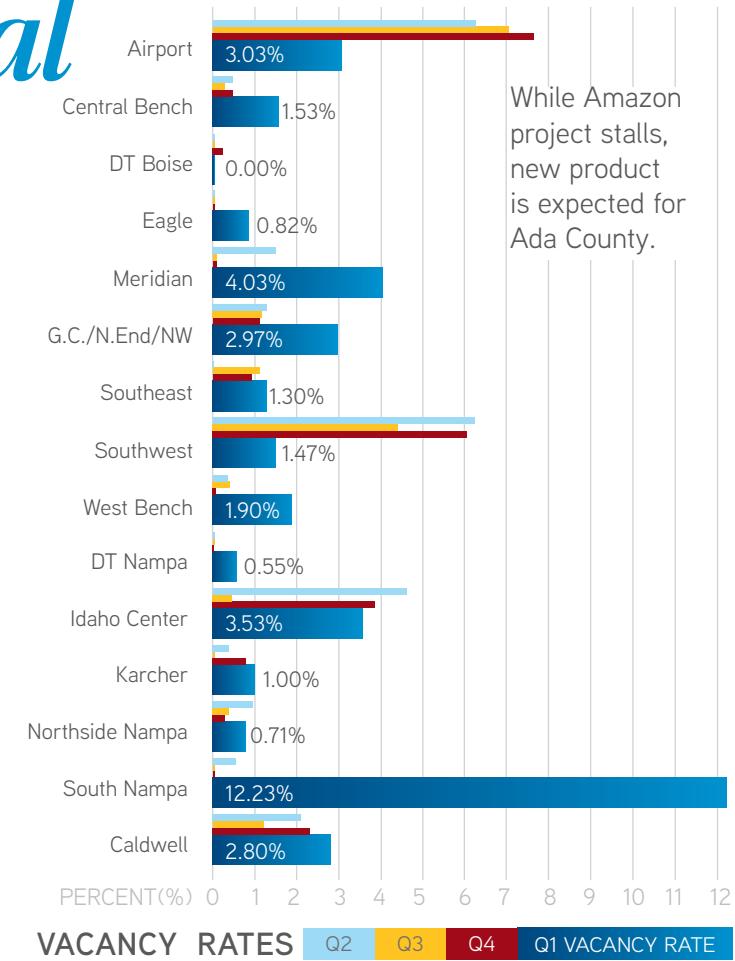
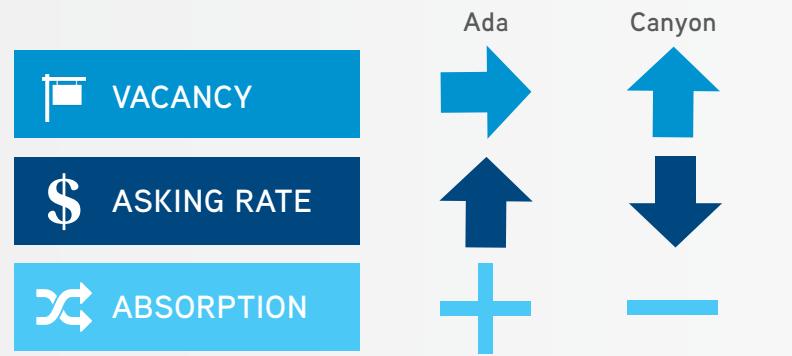
ASKING RATES INCREASE AS NEW PRODUCT IS COMING



Industrial

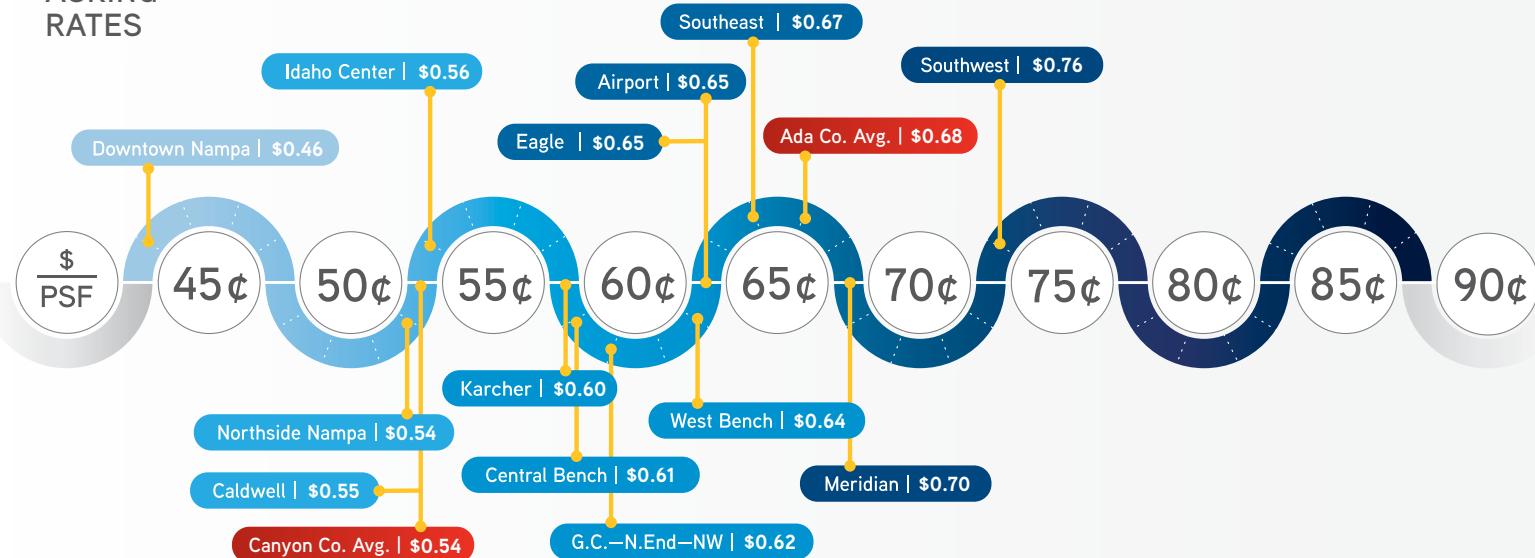
The industrial sector is still a landlord's market. Rents are holding firm, inventory is low, lease terms are longer and there are less concessions for tenants.

Strider Group has fully leased Gowen Industrial Park. They have also broken ground on two new concrete tilt industrial buildings off Beverly Street. The two buildings will total 66,500 square feet of new industrial space and is expected to be ready to occupy tenants by June 1st, 2019. They are also planning to build an exact copy of the Skyway Building in Caldwell. When finished in Q4 2019, it will be a 60,000 square foot warehouse.



While Amazon project stalls, new product is expected for Ada County.

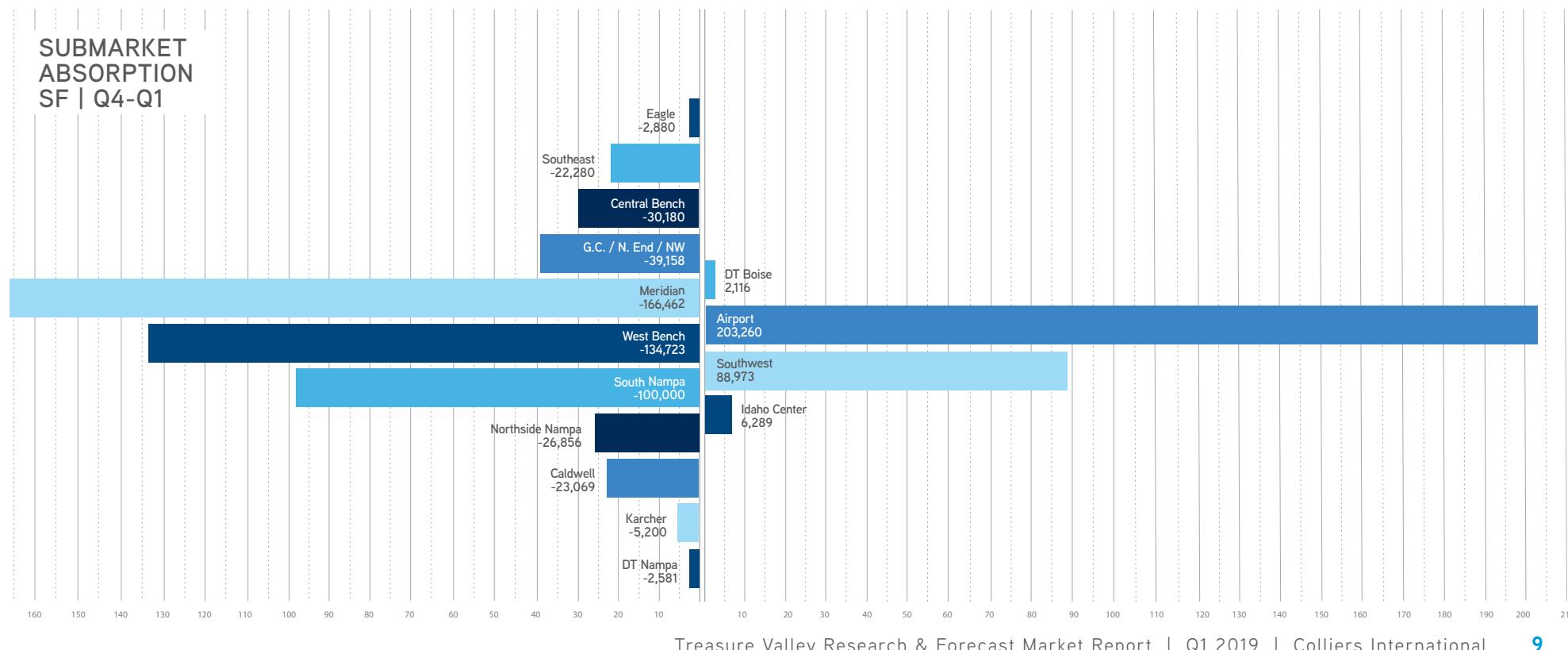
ASKING RATES



Construction on 'Project Bronco' the Amazon Fulfillment Center has been delayed for 12-18 months. When complete, it is estimated the center could employ roughly 3,000 people.



SUBMARKET ABSORPTION SF | Q4-Q1



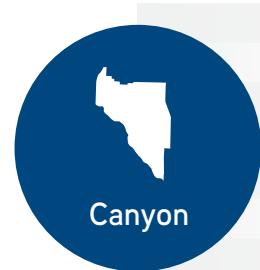
Industrial

Market Statistics



Ada

Submarkets	Total SF in Submarket	Total SF Available	Q1 Vacancy	Vacancy Change Q-Q	Absorption	Average NNN Asking Rate
Ada County Submarkets	Airport	4,354,592	131,735	3.03%	-4.67%	\$0.65
	Central Bench	2,645,085	40,380	1.53%	1.14%	\$0.61
	Downtown Boise	1,000,748	—	0.00%	-0.21%	—
	Eagle	351,896	2,880	0.82%	0.82%	\$0.65
	Meridian	4,155,439	167,532	4.03%	4.01%	\$0.70
	G.C. / N.End / NW	2,191,634	65,143	2.97%	1.78%	\$0.62
	Southeast	5,904,914	76,774	1.30%	0.38%	\$0.67
	Southwest	1,941,561	28,618	1.47%	-4.58%	\$0.76
	West Bench	7,459,815	141,723	1.90%	1.81%	\$0.64
ADA COUNTY TOTAL		30,005,684	654,785	2.18%	0.34%	-101,334
\$0.68						

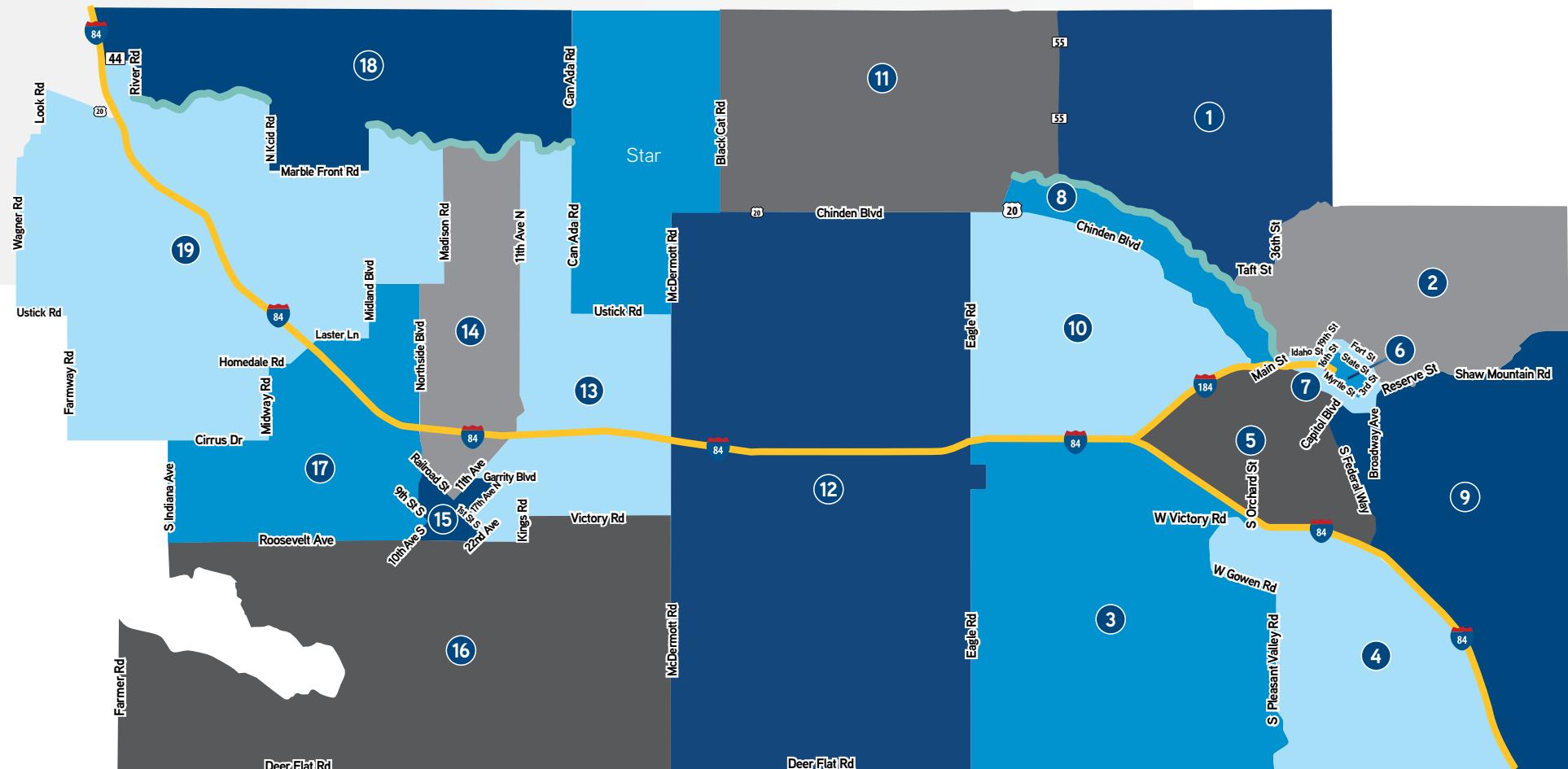


Canyon

Downtown Nampa	470,293	2,581	0.55%	0.55%	-2,581	\$0.46
Idaho Center	2,040,907	72,038	3.53%	-0.31%	6,289	\$0.56
Karcher	2,051,079	20,600	1.00%	0.25%	-5,200	\$0.60
Northside Nampa	6,149,775	43,706	0.71%	0.44%	-26,856	\$0.54
South Nampa	817,751	—	0.00%	0.00%	—	—
Caldwell	5,011,252	140,540	2.80%	0.46%	-23,069	\$0.55
CANYON COUNTY TOTAL		16,541,057	279,465	1.69%	0.31%	-51,417
\$0.54						
TREASURE VALLEY		46,546,741	934,250	2.01%	0.33%	-152,751
\$0.61						



Submarkets



Ada County Submarkets

- 1 Northwest
- 2 North End
- 3 Southwest
- 4 Airport
- 5 Central Bench
- 6 Downtown Boise
- 7 Downtown Peripheral
- 8 Garden City

Canyon County Submarkets

9	Southeast	13	Idaho Center	17	Karcher
10	West Bench	14	Northside	18	Middleton
11	Eagle	15	Downtown Nampa	19	Caldwell
12	Meridian	16	South Nampa		

Jim Shipman, JD, MBA | Managing Partner

INVESTMENT BROKERAGE SERVICES

Clay Anderson, MBA, CPA
Lew Goldman
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David Cadwell
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Mallisa Jackson
Kelly Schnebly

CANYON COUNTY BROKERAGE SERVICES

Lincoln Hagood
Bryant Jones
Mike Peña

LAND BROKERAGE SERVICES

Jimmy Roumanis
John Starr

MARKET CONTACT:

Melanie Nielsen
Director of Marketing & PR
+1 208 472 2868
melanie.nielsen@colliers.com

INDUSTRIAL BROKERAGE SERVICES

Steve Foster
Michael McNeight
Devin Ogden, MBA, CCIM, SIOR
Jake Tucker

TWIN FALLS BROKERAGE SERVICES

Steve Di Lucca

EASTERN IDAHO BROKERAGE SERVICES

Don Zebe
Jared Zebe
Matt Pressley

PROPERTY MANAGEMENT SERVICES

Lisa Cochran
Nicole Di Antonio
Patty Gordon
Nikki Schneider
Amanda Snoey-Holladay
Diana Watson
Rachel Wood

VALUATION SERVICES

Andrew Boespflug, MAI
Matthew Ledford, CGA



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Paige Crane
Research & Marketing
Assistant

Caitlin True
Marketing Coordinator

Sara Smart-Wise
Senior Graphic Designer

Colliers International | 755 W. Front Street, Suite 300 | Boise, Idaho 83702 | +1 208 345 9000 | www.colliers.com/idaho

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