

Tenant Realty Advisors

# OFFICE AND INDUSTRIAL MARKET REPORT MARCH 6, 2024

Prepared for: Real Properties Practice Group

0000



# Office and Industrial

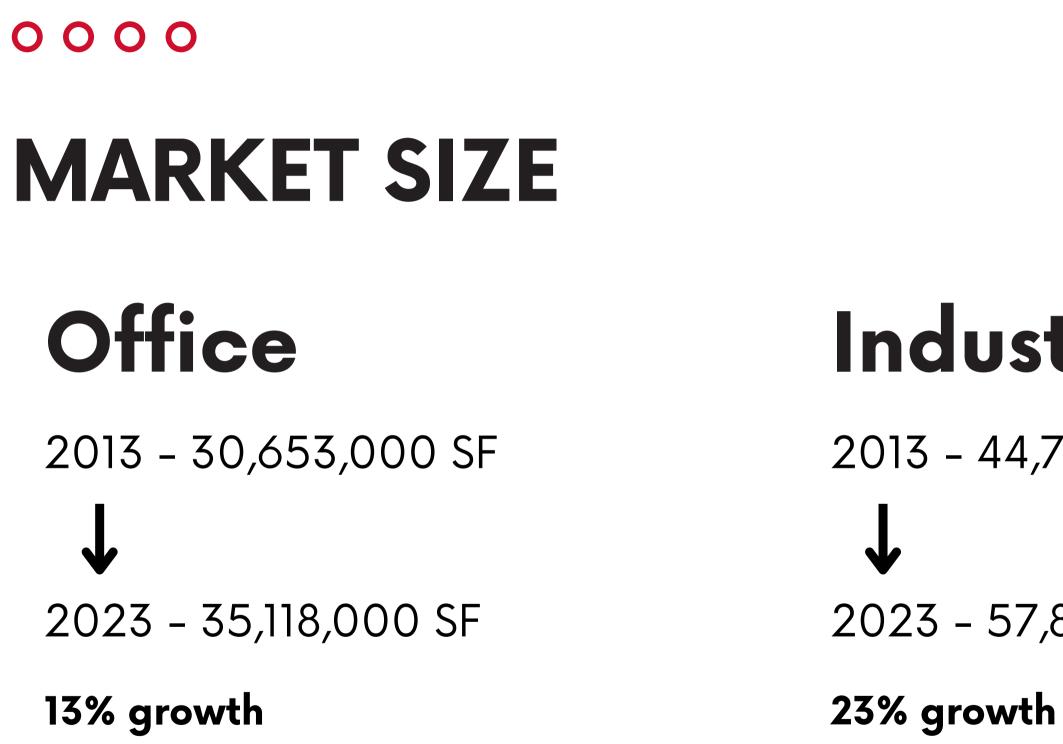
### Two very different markets 0000







#### Tenant Realty Advisors



Per costar



Tenant Realty Advisors

## Industrial

#### 2013 - 44,794,000 SF

#### 2023 - 57,872,000 SF

### 0000 **ABSORPTION** Office Industrial 591,600 SF 1,250,000 SF Average, last 10 years Average, last 10 years

Per costar



Tenant Realty Advisors

### 0000 **NEW CONSTRUCTION** Office Industrial 2023 - 200,000 SF 2023 - 3,900,000 SF 2024 - Virtually O SF

We are out of class A new space!



Tenant Realty Advisors

- 2024 5,500,000 SF \*projected

#### This will expand inventory by 9.6%! Only 2% is preleased!

0000	
VACANCY	
Office	Indu
6% Direct to Landlord	6% Dire
7.3% including subleases	13% inc
16% National	constru
30% San Fransico	As we head



Tenant Realty Advisors

# ustrial

- ect to Landlord
- cludes subleases and under iction
- into 2025, we expect vacancy to approach 9% direct

	0000
Offi	RENT INCREASES
Fla	Last 12 months
1.32	Historical Average
6.8% (2	Peak
-8% (2	Low
\$21 SF	Average asking rate

Per costar

	TRA Tenant Realty Advisors
ffice	Industrial
Flat	2.6%
1.3%	3.3%
% (2022)	7.9% (2022)
5 (2009)	-4% (2009)
l SF/yr	\$10 SF/yr

#### 0000

# PROPERTY **SALES**

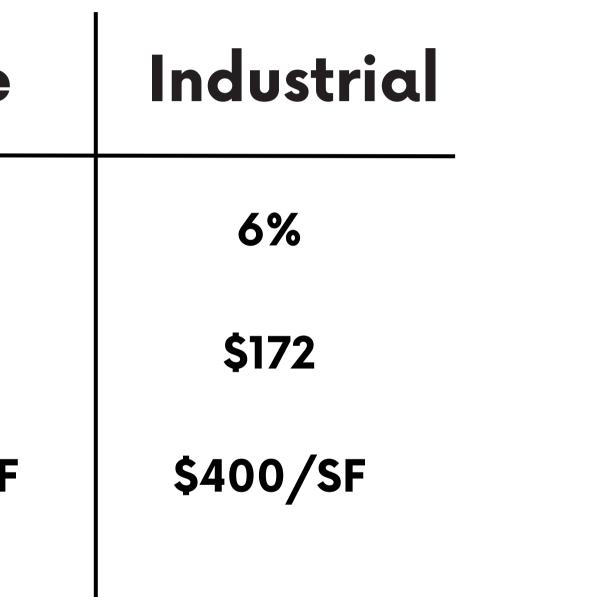
### Office

- Average CAP rate 6%
- Average price/SF \$188
- Replacement cost \$500/SF (estimates)

Per costar



Tenant Realty Advisors



# LOCAL ECONOMY 0000

Unemployment ID - 3.1% U.S. - 3.8%

Population growth ID - 2.25% U.S. - 0.44%

Interest rates

Meta/Micron Effect



Tenant Realty Advisors

7% - 7.25%

# 0000 **KEY TAKE-AWAYS**

### Office

- The Work form home phenomenon is still in flux. Most large office users still don't know what the future of office occupancy looks like.
- Boise is largely insulated from this reality. Most of the space that is being given back is quickly leased.
- We are out of new Class A space....so the market will remain tight and rents will increase.

### Industrial

- 2024.



Tenant Realty Advisors

• Boise will see an overbuilding of supply in

• Demand for the new product will soften

• Space for the majority of our tenants will remain in short supply

#### 0000

# **About Tenant Realty** Advisors

TRA is Boise's only 100% tenant representation firm.

- We enjoy having a close relationship with the Idaho legal community having presented CE course
  - and assisted many local firms with their office space needs.
  - We don't believe dual agency is in the best interest of you and/or your clients.
    - Best of all, we don't cost our clients any money!



**Tenant Realty Advisors** 



RA

Tenant Realty Advisors

0000

# THANK YOU!

#### Connect with us.

BILL BECK

🕲 (208) 841-3530

beck@tenantrealtyadvisors.com

GREG GADDIS

(208) 869-9294
greg@tenantrealtyadvisors.com

