



TRA

Tenant Realty Advisors

Market Report

February 18, 2020

Prepared for: State Bar Young Attorney Section

Contact: Greg Gaddis (208) 333-7052 | Bill Beck (208) 333-7050

OFFICE MARKET | Boise MSA | 1st Quarter 2020

NOTABLE ACTIVITY



TANDEM DIABETES
95,000 SF @ 1500 SHORELINE DR



AMERICOR
49,000 SF @ OVERLAND & EAGLE



PROSPECTUS
65,000 SF @ 10 MILE & I-84

LEASE RATES		VACANCY RATES		TOTAL MARKET SF	CLASS A CORE SF
Year ▲	Quarter ◀▶	Year ▼	Quarter ▼	31,000,00	1,900,000



OFFICE VACANCY AND RATE TRENDS

- ▶ LEASE RATES CONTINUE TO RISE THROUGHOUT THE MARKET.
- ▶ VACANCY IS AT ITS LOWEST POINT IN HISTORY (SUB 6%) DOWNTOWN CLASS A REMAINS STABLE AT 7%

OFFICE CONSTRUCTION/SUPPLY TRENDS

- ▶ NEARLY 2,000,000 SF PLANNED/UNDERWAY IN MERIDIAN, EAGLE AND DOWNTOWN BOISE
- ▶ NEW CLASS A CONSTRUCTION LEASE RATES START AT \$25/SF FLSV

INDUSTRIAL MARKET | Boise MSA | 1st Quarter 2020

NOTABLE ACTIVITY



VERDE FULLFILLMENT
168,000 SF BUILD TO SUIT

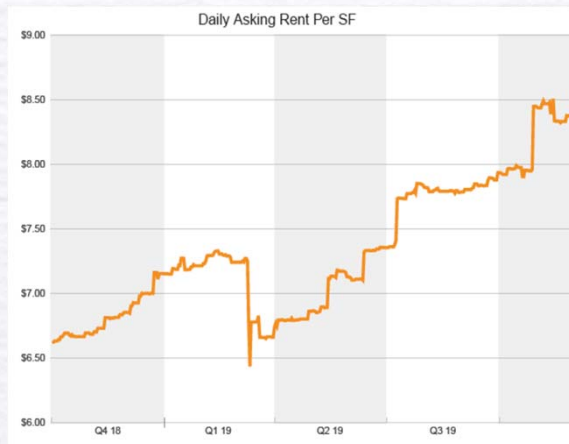


KEYSTONE BUILDING
NEW 60,000 SPEC IN CALDWELL



350,000 SF
SHOPKO DISTRIBUTION CENTER
SOLD/LEASED TO SOLAR COMPANY

LEASE RATES		VACANCY RATES		CONSTRUCTION		TOTAL MARKET SF
Year ▲	Quarter ◀▶	Year ▼	Quarter ▼	Year ▲	Quarter ▲	46,100,00



INDUSTRIAL VACANCY AND RATE TRENDS

- ▶ LEASE RATES CONTINUE TO RISE REACHING INTO THE .70/SF+ RANGE FOR NEW PRODUCT
- ▶ MULTI-TENANT VACANCY IS AT ITS LOWEST POINT ON RECORD

INDUSTRIAL CONSTRUCTION/SUPPLY TRENDS

- ▶ NEW CONSTRUCTION NOT KEEPING UP WITH DEMAND.
- ▶ OVER 1,400,000 SF DELIVERED IN UP FROM 1,200,000 SF IN 2018



TRA

Tenant Realty Advisors

Market Report

February 18, 2020

2019 FACTS:

- **Office and Industrial lowest vacancies and highest rents on record**
- **Office - over 750,000 SF positive net absorption**
- **Industrial – nearly 1,500,000 SF positive net absorption**
- **28 office buildings over 20,000 SF sold (12% of inventory)**
- **46 industrial buildings over 20,000 SF sold (11% of inventory)**

Contact: Greg Gaddis (208) 333-7052 | Bill Beck (208) 333-2050



TRA

Tenant Realty Advisors

Market Report

February 18, 2020

2019 TRENDS WILL CONTINUE :

- **Out of area investors purchasing large Boise properties**
- **Off-market deals...not just investor sales**
- **Out of area companies moving to Boise....it's happening and not just what you hear from the Chamber!**

Contact: Greg Gaddis (208) 333-7052 | Bill Beck (208) 333-2050



TRA

Tenant Realty Advisors

Market Report

February 18, 2020

2020 Market Issues and Consequences:

- **Lack of options for Tenants and User buyers**
- **Construction not keeping up with demand**
- **Construction and Tenant Improvement costs**
- **Parking (surprise!)**

Contact: Greg Gaddis (208) 333-7052 | Bill Beck (208) 333-2050



TRA

Tenant Realty Advisors

Thank You!

BILL BECK

(208) 333-7050

beck@tenantrealtyadvisors.com

GREG GADDIS

(208) 333-7052

greg@tenantrealtyadvisors.com

TenantRealtyAdvisors.com | 950 W. Bannock St, Ste 410 Boise, ID 83702