

# GLOBAL SPOTLIGHT

## Boise, Idaho



## Boise has received national attention from several publications as being a great city to live and work.

- Boise's office market continues to grow with strong absorption and new owner occupied construction. Several new projects have been completed in the Downtown, Central Bench, Meridian and Eagle submarkets adding to the total office inventory of 11 million SF. Lease rates currently average \$18.80 SF and are expected to increase slightly, due to the increased costs of construction materials, taxes and utilities.
- There has been a lot of activity in the industrial market over the past year resulting in the occupancy of several large spaces. This occupancy in conjunction with the limited amount of new construction has reduced the amount of industrial inventory throughout the valley. Lease rates on new construction are expected to increase due to land and building costs from the current average of \$0.51 /SF NNN. Speculative building is also expected as lease rates begin to rise and bridge the financial gap for developers.
- The Boise retail market continues to perform solidly with major retailers such as Cabela's and Kohl's opening new stores in the area. The retail vacancy rate is currently 4.4% and is expected to increase as more inventory becomes available later this year. Anchors are still hard to find for neighborhood centers with a growing need for a new player in the grocery sector.
- Boise's investment market is very strong with an average capitalization rate of 7.3%. The influx of capital and demand for quality assets continues to exceed the available supply with the industrial sector of the market being a prime example. Industrial investments will provide the highest return rates with the least amount of risk due to the record low vacancies and limited amount of new inventory.

## Boise At A Glance

<b>Population (Treasure Valley)</b>	<b>585,060</b>
<b>Location</b>	<b>Pacific Northwest Idaho, USA</b>
<b>Interest</b>	<b>4.72% (US 10yr Treasury Note)</b>
<b>Unemployment</b>	<b>2.6%</b>

Property	Rent/SF/Year Low	High	Effective Avg.
Downtown Office Class A (Prime)	\$10.00	\$23.50	\$18.80
Suburban Office Class A (Prime)	\$10.00	\$23.05	\$16.70
Industrial Bulk Warehouse	\$2.00	\$6.12	\$5.40
Retail Downtown	\$8.00	\$18.00	\$14.12

NAI Kowallis & Mackey provides local expertise in Boise.

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### At A Glance

350	Offices
45	Countries
5,000	Professionals
\$40 billion	Annual Transaction Volume
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