



Colliers

Treasure Valley

Industrial

22Q3

The industrial market remains strong with **low vacancy** and steadily **increasing asking rates**. Construction and development activities continue, as interest provides **high demand**.

Accelerating success.

Highlights

- Micron has announced plans to construct a new memory fabrication plant in Boise. Over the next ten years, Micron will invest \$15 billion in the project, which is the first such plant built in the U.S. in two decades.
- Adler Industrial has entered into a development agreement with the City of Boise to develop more than 80 acres of land near the Airport. The development includes over one million square feet of industrial space.


Vacancy Rate

2.1%

QOQ



FORECAST


Net Absorption

-95.9K SF

QOQ



FORECAST


Direct Asking Lease Rates (NNN)

\$0.91/SF

QOQ



FORECAST

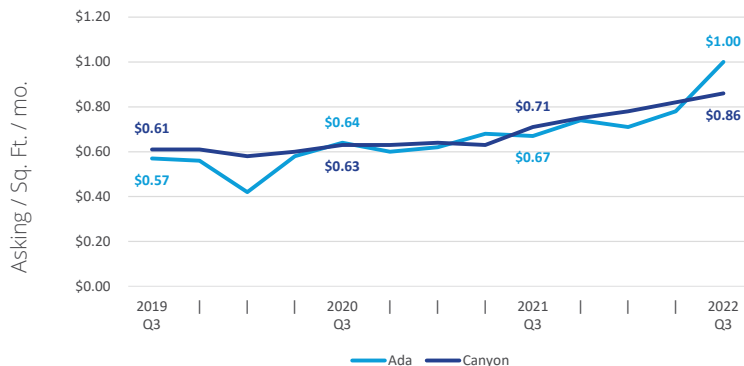
Overview

Industrial assets in the Treasure Valley continued the long trend of low vacancy and steadily increasing asking rates this quarter. However, vacancy did increase slightly as a result of both moderate negative net absorption and deliveries. Construction activity remains high, and industrial development interest in the Treasure Valley has never been hotter.

Asking Rate

Asking rates continue their reliable climb. Ada County saw a notable jump from \$0.82 last quarter to \$1.00 this quarter, driven in no small part by higher rents for under-construction properties. Rates are 20% higher this quarter than they were at the beginning of the year.

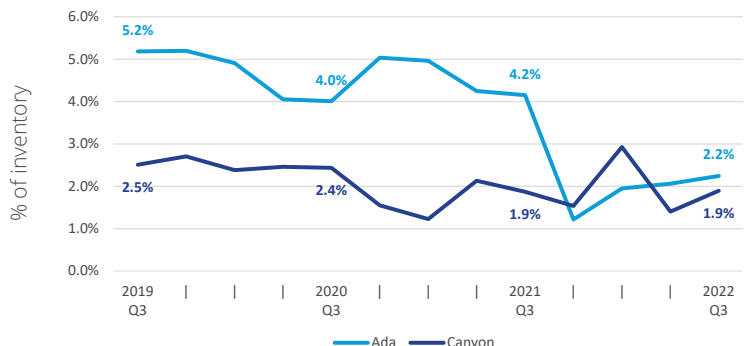
NNN Direct Asking Rate



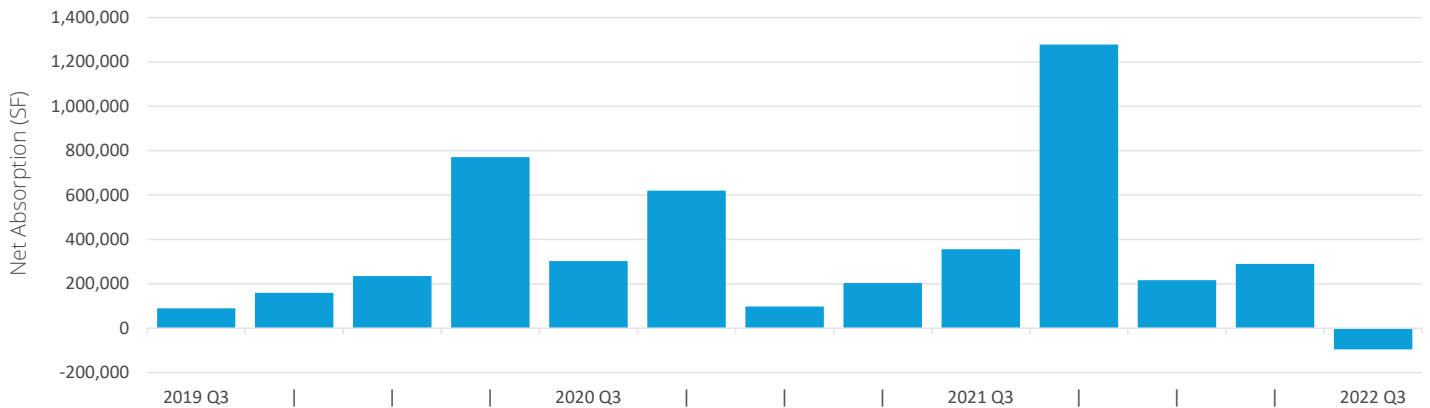
Vacancy & Absorption

After many quarters of shrinking vacancy with little relief from new deliveries, this quarter finally saw moderate negative net absorption. Combined with the quarter's deliveries, this decrease in occupied square feet yielded a moderate increase in vacancy.

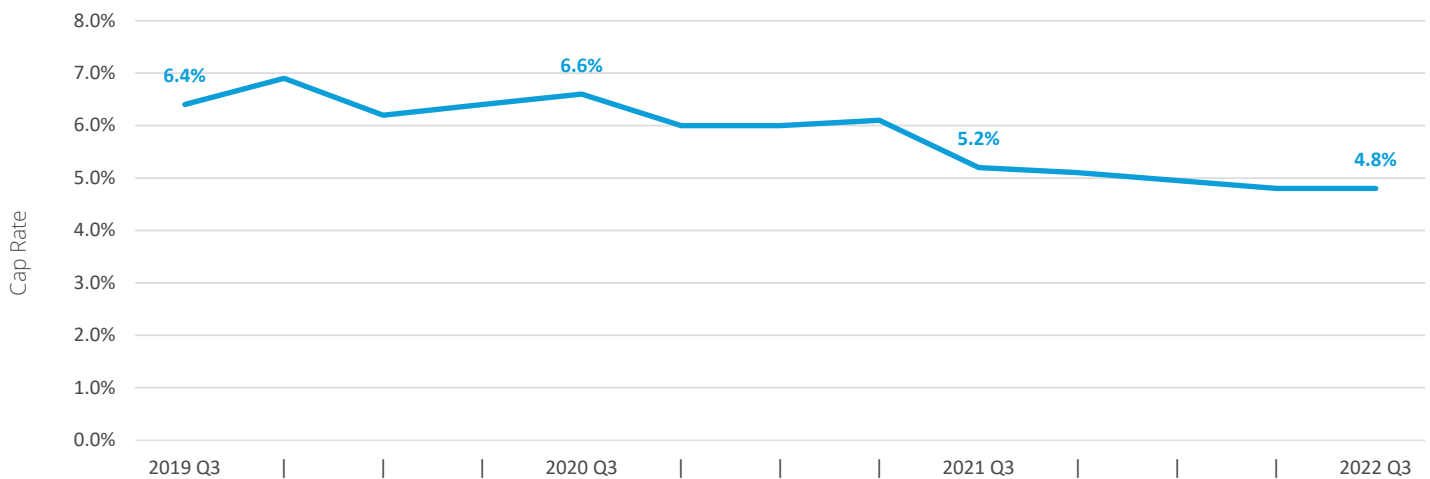
Market Vacancy



Net Absorption by Quarter



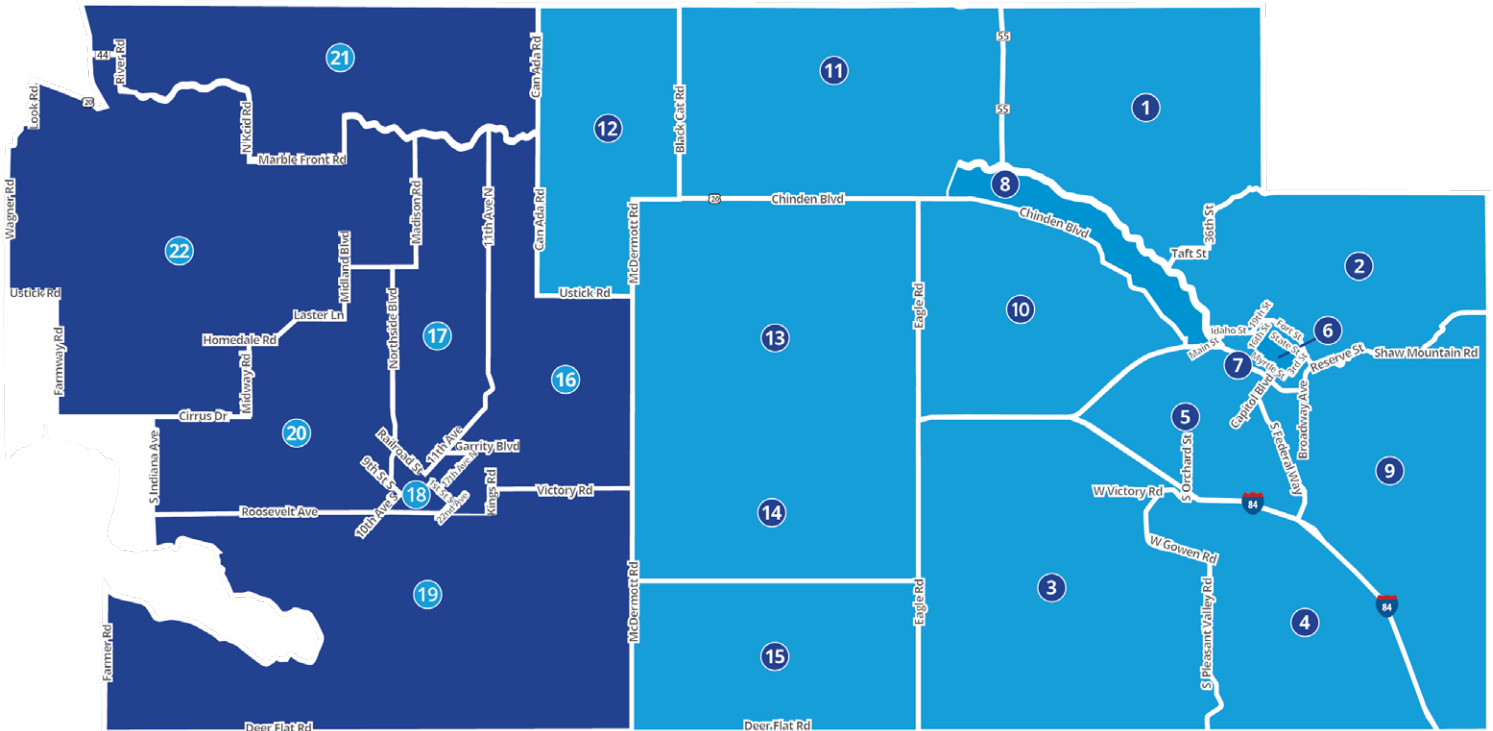
Cap Rate by Quarter



Market Direction Q2 2022 - Q3 2022

	 Vacancy	 Asking Rate	 Absorption
Ada	↑	↑	↓
Canyon	↑	↑	↓

Submarket Map



- | | | | |
|--------------------|--------------------|--------------------|-----------------|
| 1. Northwest Boise | 7. Downtown Boise | 13. North Meridian | 19. South Nampa |
| 2. North End | 8. Garden City | 14. South Meridian | 20. Karcher |
| 3. Southwest Boise | 9. Southeast Boise | 15. Kuna | 21. Middleton |
| 4. Airport | 10. West Bench | 16. Idaho Center | 22. Caldwell |
| 5. Central Bench | 11. Eagle | 17. Northside | |
| 6. Downtown CBD | 12. Star | 18. Downtown Nampa | |

Notable Transactions



Sale 26.7k SF
 Caldwell | Idaho
 The Brian W. Hicks
 Revocable Trust



Lease 25.9k SF
 Boise | Idaho
 FedEx Freight, Inc.



Sale 22.5k SF
 Eagle | Idaho
 Dirt Road RE, LLC



Sale 30.5k SF
 Boise | Idaho
 Business Way
 Investments, LLC

Treasure Valley | 2022 Q3 | Industrial | Market Statistics



County/ Submarket	Total Inventory SF	Vacant SF	Vacant SF (Last Quarter)	Net Absorption Current	Net Absorption YTD	Under Construction	Deliveries YTD	Avg Direct Asking Rate (NNN)	Flex Inventory SF	Flex Vacant SF
Ada County										
Airport	7,105,106	150,591	126,018	-14,000	-131,518	1,567,503	10,573	\$1.00	251,734	8,073
Boise CBD	0	0	0	0	0	0	0	N/A	0	0
Central Bench	1,928,706	2,640	0	-2,640	-2,640	0	0	\$0.91	287,897	0
Downtown Boise	805,542	60,021	60,021	0	-57,203	0	0	\$1.00	15,313	9,075
Eagle	191,856	0	0	0	6,060	14,087	6,060	\$1.33	124,181	0
Garden City	1,689,161	55,309	56,811	1,502	-13,580	0	0	\$0.87	295,984	4,217
Kuna	290,011	8,160	2,880	-5,280	9,120	0	17,280	\$1.05	7,794	0
North End	52,655	0	0	0	0	0	0	N/A	0	0
North Meridian	5,923,325	123,751	120,900	-2,851	110,274	236,341	207,060	\$1.04	707,329	8,747
Northwest Boise	158,182	0	0	0	0	0	0	N/A	0	0
South Meridian	806,293	0	0	0	0	86,600	0	\$0.85	210,464	32,546
Southeast Boise	3,169,772	152,128	154,438	2,310	1,062	0	0	\$1.08	1,276,259	1,297
Southwest Boise	1,236,321	0	0	0	0	0	0	\$0.85	95,709	0
Star	64,447	0	0	0	0	0	0	N/A	4,500	1,500
West Bench	3,212,622	45,736	26,779	-14,917	46,547	94,640	4,040	\$0.85	816,832	22,739
TOTAL	26,633,999	598,336	547,847	-35,876	-31,878	1,999,171	245,013	\$1.00	4,093,996	88,194
Canyon County										
Caldwell	5,518,752	112,219	119,409	7,190	326,082	324,425	348,400	\$0.74	465,891	14,495
Downtown Nampa	230,742	0	0	0	16,000	0	0	\$0.77	27,537	0
Idaho Center	3,158,791	28,750	2,400	-26,350	15,810	843,293	41,080	\$0.96	324,087	0
Karcher	1,707,313	23,400	23,400	0	65,542	1,033,920	88,942	\$0.93	115,809	1,600
Middleton	269,361	73,013	0	-73,013	-73,013	0	0	N/A	2,800	0
Northside Nampa	5,951,509	92,500	99,620	32,120	91,435	1,420,594	33,000	\$0.84	183,170	26,015
South Nampa	556,664	0	0	0	0	12,240	0	N/A	2,700	0
TOTAL	17,393,132	329,882	244,829	-60,053	441,856	3,634,472	511,422	\$0.86	1,121,994	42,110
Treasure Valley Total										
Ada County	26,633,999	598,336	547,847	-35,876	-31,878	1,999,171	245,013	\$1.00	4,093,996	88,194
Canyon County	17,393,132	329,882	244,829	-60,053	441,856	3,634,472	511,422	\$0.86	1,121,994	42,110
TOTAL	44,027,131	928,218	792,676	-95,929	409,978	5,633,643	756,435	\$0.91	5,215,990	130,304

Sources

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