



Treasure Valley

Office

22Q3

The office market remains strong compared to the U.S. average, with **low unemployment** and **low vacancy** in the Boise MSA.

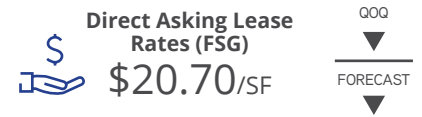
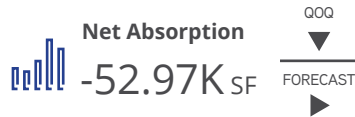
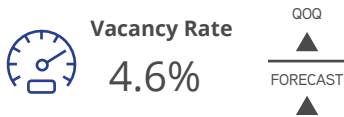


Treasure Valley

Office 22Q3

Highlights

- Ground has been broken on a 150,000-square-foot office building at Eagle View Landing in Meridian. 120,000 square feet of the building will be occupied by POWER Engineers.
- The unemployment rate in the Boise MSA remains well below the national average (2.7% versus 3.5%). The new Micron plant is expected to employ 2,000 people directly and to bring a total of 17,000 jobs to the area.



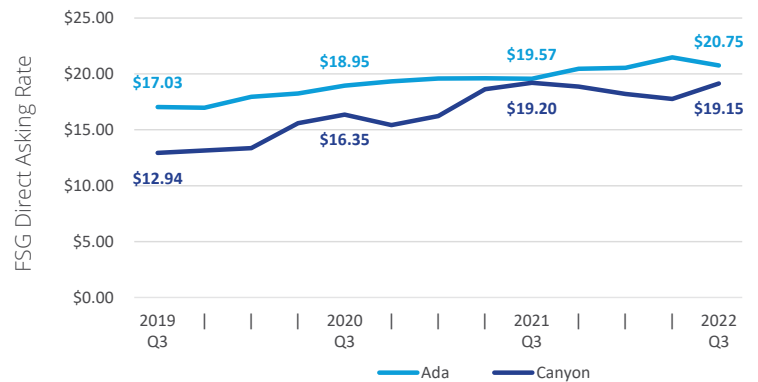
Overview

The Treasure Valley's office market once again beat the national numbers this quarter, with both asking rates and vacancy much lower than the average in top markets. Sustained low unemployment and the promise of many more jobs to come make the area appealing to businesses across the country.

Asking Rate

Asking rates have been steadily increasing in Ada County and close to level in Canyon County since mid-2021. They are 6.0% higher in Ada County and 0.3% lower in Canyon County this quarter than they were in Q3 2021. Compared to the average rent of \$38.70 in the top 50 U.S. markets, the Treasure Valley's average of \$20.70 is an appealing prospect.

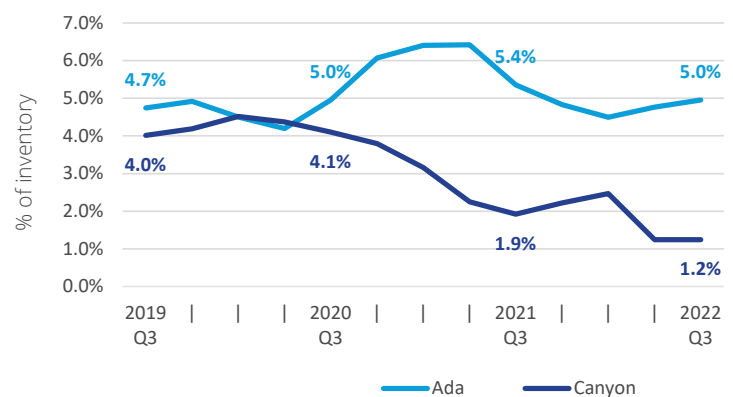
FSG Direct Asking Rate



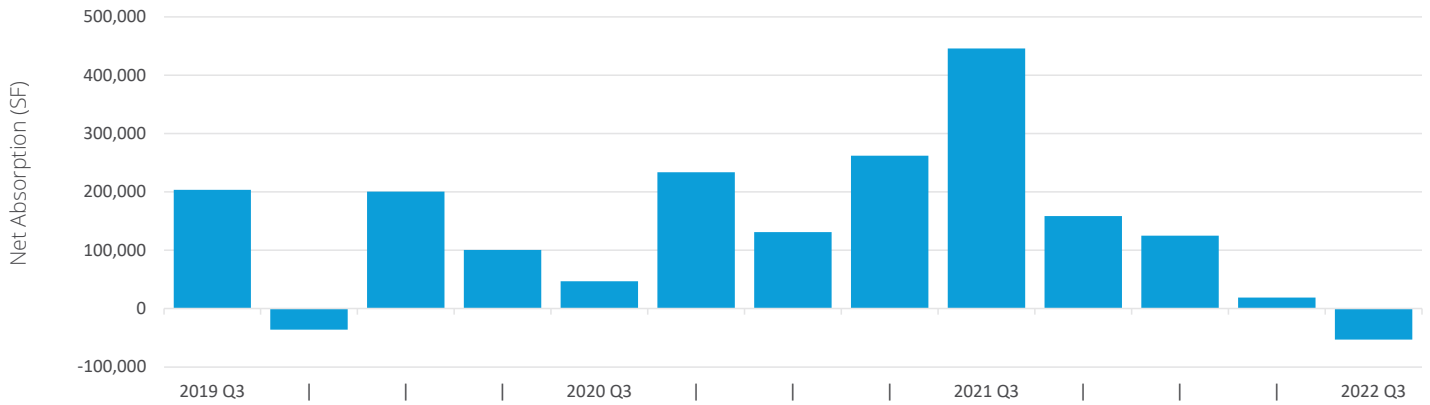
Vacancy & Absorption

Net absorption was negative in Ada County and zero in Canyon County this quarter. As a result, vacancy increased in Ada County and remained flat in Canyon County. In both counties, vacancy remains much lower than in the rest of the country: 5.0% in Ada County versus 14.8% in the top 50 U.S. office markets.

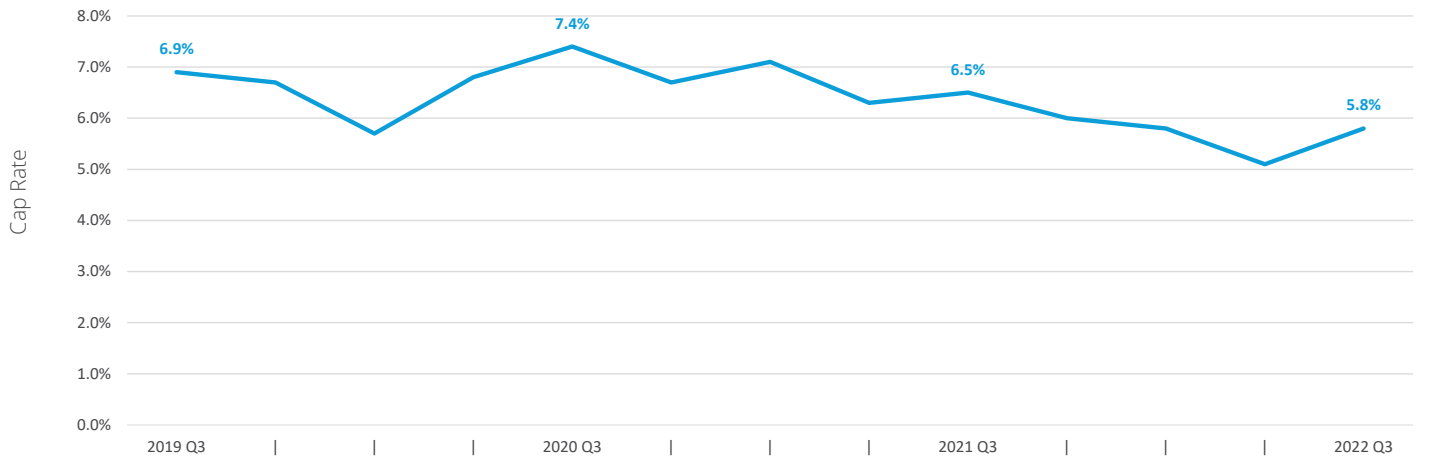
Market Vacancy



Net Absorption by Quarter



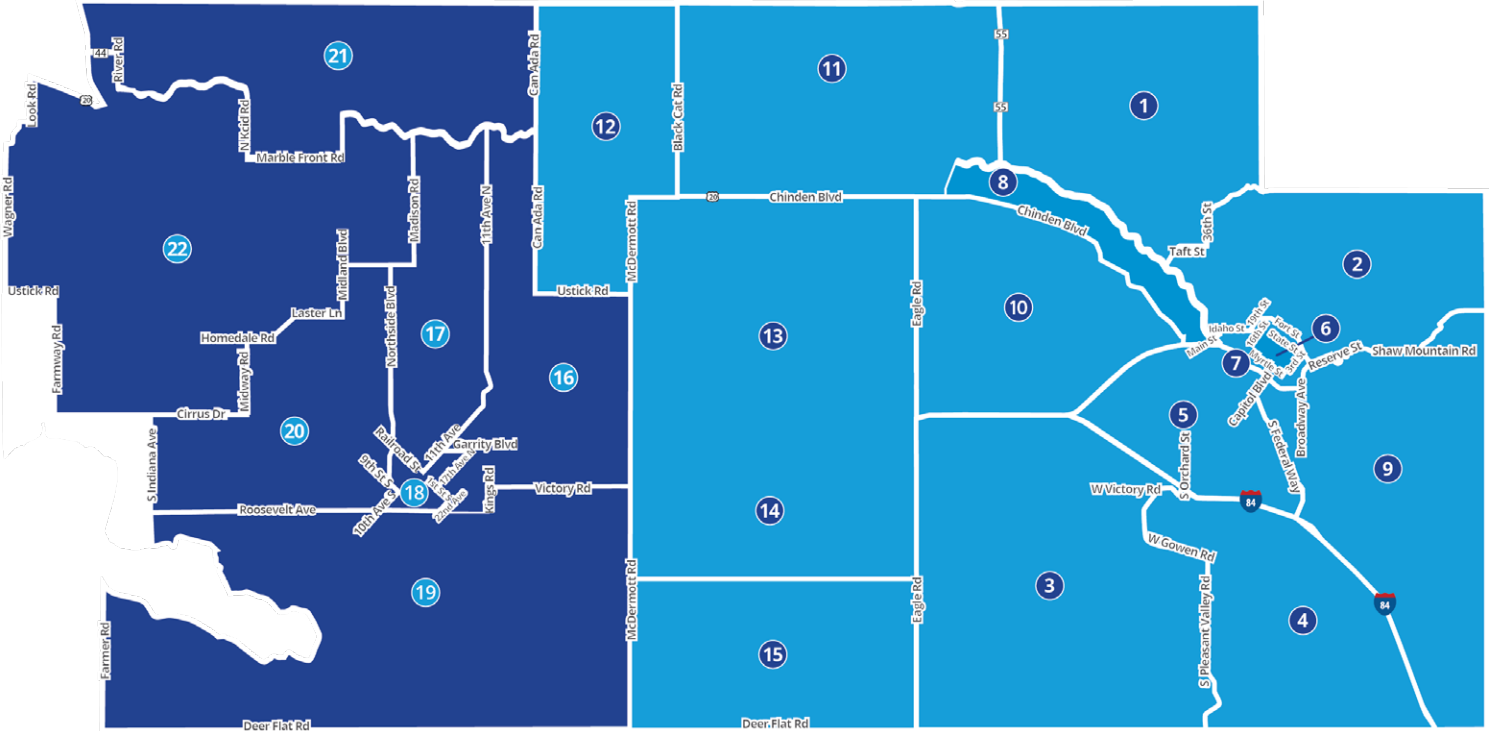
Cap Rate by Quarter



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 75.3k SF
 Boise | Idaho
 Kilmainham Airport Plaza, LLC



Sale 33.3k SF
 Boise | Idaho
 Fairview Plaza Seven LLC



Sale 26.8k SF
 Nampa | Idaho
 Dirt Road RE, LLC



Lease 25k SF
 Meridian | Idaho
 Capital Eleven

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 (FSG)
Ada County								
Airport	363,219	3,700	3,700	0	2,304	0	0	\$10.05
Boise CBD	1,285,074	62,187	69,122	6,935	247	0	0	\$22.12
Central Bench	3,522,014	206,651	181,032	-25,619	-36,957	0	0	\$19.28
Downtown Boise	6,324,427	422,732	405,483	-17,249	-119,062	0	0	\$20.54
Eagle	1,287,460	107,907	39,586	-68,321	-53,312	0	0	\$28.01
Garden City	241,568	6,837	6,837	0	0	0	0	\$15.50
Kuna	119,889	2,350	300	-2,050	-2,350	0	0	\$23.91
North End	343,390	0	5,900	5,900	9,202	0	0	N/A
North Meridian	4,182,950	138,820	162,783	23,963	141,267	243,987	66,981	\$21.93
Northwest Boise	420,287	27,738	24,276	-3,462	-18,759	0	0	\$19.04
South Meridian	2,438,004	173,798	190,004	19,195	146,588	227,428	30,232	\$22.73
Southeast Boise	2,383,436	37,260	21,175	-16,085	-7,063	11,000	0	\$20.33
Southwest Boise	1,115,535	38,868	24,241	-14,627	-7,101	0	0	\$18.28
Star	102,373	0	3,112	3,112	0	2,391	0	\$14.67
West Bench	5,505,515	238,134	273,268	35,134	2,306	0	0	\$15.57
TOTAL	29,635,141	1,466,982	1,410,819	-53,174	57,310	484,806	97,213	\$20.75
Canyon County								
Caldwell	1,084,250	20,185	24,843	4,658	2,613	0	0	\$14.65
Downtown Nampa	602,879	6,934	1,335	-5,599	-5,528	0	0	\$29.00
Idaho Center	599,173	15,162	13,771	-1,391	21,278	0	0	\$20.80
Karcher	572,741	0	2,535	2,535	2,605	0	0	\$17.50
Middleton	33,842	0	0	0	0	0	0	N/A
Northside Nampa	64,878	0	0	0	2,779	0	0	N/A
South Nampa	447,302	0	0	0	9,675	0	0	\$10.49
TOTAL	3,405,065	42,281	42,484	203	33,422	0	0	\$19.15
Treasure Valley Total								
Ada County	29,635,141	1,466,982	1,410,819	-53,174	57,310	484,806	97,213	\$20.75
Canyon County	3,405,065	42,281	42,484	203	33,422	0	0	\$19.15
TOTAL	33,040,206	1,509,263	1,453,303	-52,971	90,732	484,806	97,213	\$20.70

Sources

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