

BOISE INDUSTRIAL

Economic Indicators

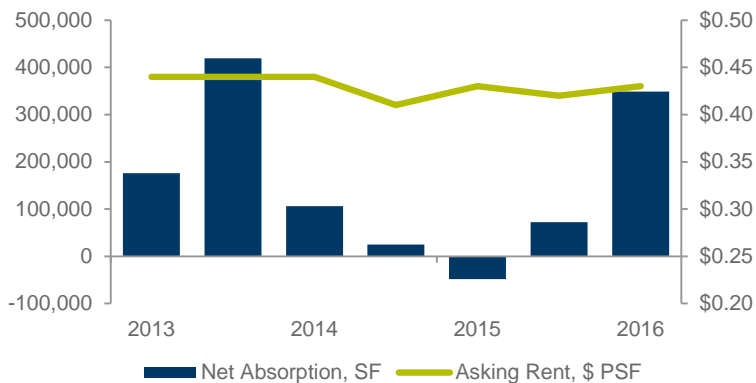
	Q2 2015	Q2 2016	12-Month Forecast
Boise Employment	326k	330k	▲
Boise Unemployment	4.1%	3.6%	▼
U.S. Unemployment	5.4%	4.9%	▼

Market Indicators

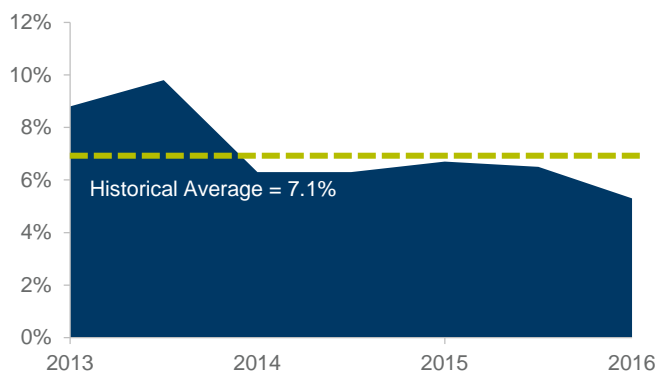
	Q2 2015	Q2 2016	12-Month Forecast
Overall Vacancy	6.5%	5.3%	▼
Net Absorption	(48k)	349k	▲
Under Construction	60k	120k	▲
Overall Average Asking Rent	\$0.43	\$0.43	■

Net Absorption/Asking Rent

TRAILING AVERAGE



Overall Vacancy



Economy

Job growth across the U.S. remained modest as year-to-date growth trailed the same period in 2015. This combined with light growth in GDP caused the Fed to once again hold off on pushing its benchmark interest rates any higher.

Idaho's unemployment rate remained at 3.7% for the third straight month as job growth continued at the high rate of 2.8%. Construction led all categories of growth, increasing by 6% on a year-over-year basis, while four of the ten categories were above 3.0%.

Boise saw an increase of 2.4% over the past year in its labor force as the labor participation rate increased. The largest jump occurred in June of 2016 which pushed the unemployment rate up to 3.6%. Thus the increase in the unemployment rate is a factor of more potential workers seeking employment rather than a loss of employment. In fact job growth in Boise continued to outpace both the national and statewide average coming in at 2.9%.

Market Overview

The Treasure Valley industrial market has continued to tighten in the first half of 2016. Vacancy rates are at an all-time low, absorption is on pace for a 10 year high, and industrial rates are continuing to trend upward due to the high demand and low supply of industrial property. We are seeing new out of state tenants continue to look at this market for expansion or relocation. Overall asking rates for all industrial products in the Treasure Valley are approximately \$0.43/sf NNN however demand for the available product is driving the actual lease rate to approximately \$0.46/sf NNN. Smaller multitenant Class A industrial buildings generally command the highest rates at \$0.55/sf NNN; while larger industrial buildings (>15,000/sf) command rates closer to \$0.45/sf NNN.

Outlook

The improving local economy will continue to boost activity for Boise's industrial market. This market is the tightest we have seen since 2005. Demand is far out pacing supply and for quality product priced appropriately, landlords can expect to see a high amount of interest for vacant space. Nampa/Caldwell will continue to be attractive options for speculative development and build to suit as will several options in Southeast Boise, including the city owned "Eisenman" property which will feature a new rail facility.

MARKETBEAT

Industrial Snapshot Mid-Year 2016

Boise



SUBMARKET	TOTAL BLDGS	INVENTORY	VACANT SF	OVERALL VACANCY RATE	DIRECT WEIGHTED AVG. NET RENT
Airport	72	4,680,277	364,802	7.8%	\$0.48
Nampa/Caldwell	147	10,260,885	343,358	3.3%	\$0.38
Meridian/Eagle	66	3,627,404	162,453	4.5%	\$0.51
Boise	186	10,871,803	685,016	6.3%	\$0.47
BOISE TOTALS	471	29,440,369	1,555,629	5.3%	\$0.43

PROPERTY TYPE	TOTAL BLDGS	INVENTORY	VACANT SF	OVERALL VACANCY RATE	DIRECT WEIGHTED AVG. NET RENT
Manufacturing	87	10,649,226	88,244	0.8%	\$0.36
Flex	92	3,049,558	190,233	6.2%	\$0.52
Warehouse/Distribution	292	15,741,585	1,277,152	8.1%	\$0.45
BOISE TOTALS	471	29,440,369	1,555,629	5.3%	\$0.43

*Rental rates reflect asking NNN \$psf/month

Key Lease Transactions 2016

PROPERTY	SF	TENANT	PROPERTY TYPE	SUBMARKET
Yamhill Warehouse/Distribution Center	37,320	Universal Forest Products Inc.	Warehouse/Distribution	Southeast Boise
1550 S Tech Lane	29,120	Calvary Chapel	Flex	Meridian
Enterprise St Flex Space	17,100	Ultimate Logistics	Flex	Airport
305 Steelhead Way	10,300	Centimark Corp	Warehouse/Distribution	West Boise

Key Sales Transactions 2016

PROPERTY	SF	SELLER/BUYER	PRICE	SUBMARKET
16989 Madison	84,000	Mountain West Bank / Crossroads Community Church	\$3,600,000 / \$42.86	Nampa
936 W Taylor St	48,960	Young Men's Christian Association of Boise Inc. / City of Meridian	\$4,000,000 / \$81.70	Meridian
Smoke Guard Systems	31,645	Eagle Holdings LLC / SSP Investments LLP	\$2,750,000 / \$86.90	West Boise
11849 W Executive Dr	23,590	Executive Drive Partnership / Cat Investments LP	\$1,425,000 / \$60.41	West Boise

Statistical Methodology:

Cushman & Wakefield, Commerce tracks all properties in the market; however, only for-lease properties 20,000 square feet and larger are used for the provided statistics.

About Cushman & Wakefield

Cushman & Wakefield is a global leader in commercial real estate services, helping clients transform the way people work, shop, and live. The firm's 43,000 employees in more than 60 countries provide deep local and global insights that create significant value for occupiers and investors around the world. Cushman & Wakefield is among the largest commercial real estate services firms in the world with revenues of \$5 billion across core services of agency leasing, asset services, capital markets, facilities services (branded C&W Services), global occupier services, investment management (branded DTZ Investors), tenant representation and valuations & advisory. To learn more, visit www.cushmanwakefield.com or follow @Cushwake on Twitter.

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