

BOISE INDUSTRIAL

Economic Indicators

	Q4 2016	Q4 2017	12-Month Forecast
Boise Employment	311k	320k	▲
Boise Unemployment	3.6%	2.8%	▼
U.S. Unemployment	4.7%	4.1%	▼

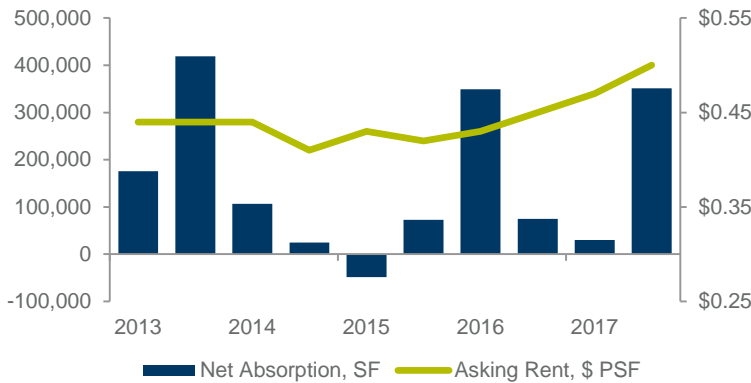
Market Indicators

	Q4 2016	Q4 2017	12-Month Forecast
Overall Vacancy	5.2%	4.0%	▼
Net Absorption (sf)	300k	350k	▲
Under Construction (sf)	400k	300k	▼
Average Asking Rent*	\$0.47	\$0.50	▲

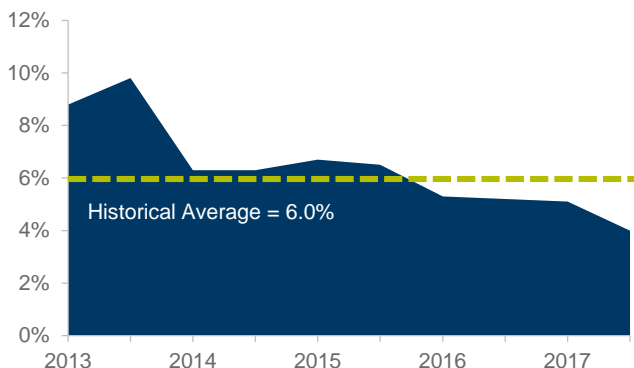
*Rental rates reflect net asking \$psf/mo

Net Absorption/Asking Rent

TRAILING AVERAGE



Overall Vacancy



Economy

The U.S. economy witnessed strong growth in the second half of 2017. With low inflation and a rising labor market, the national unemployment rate was below 5.0% for the eighth straight quarter. The Federal Reserve also raised its benchmark interest rate for the fourth time in 2017 to a range of 1.25% to 1.50%.

In the Boise City-Nampa Metropolitan Statistical Area (MSA), the unemployment rate decreased to 2.8%, down by 0.8 percentage points year-over-year. Boise City-Nampa MSA's population is one of the fastest growing cities in the U.S. and is expected to continue a 1.8% growth rate, compared to 0.7% for the U.S.

Market Overview

Vacancy continued to decline in the Boise City-Nampa market to 4.0%, from 5.1% at mid-year. The overall average asking rent recorded \$0.50 per square foot (psf) at year-end, a nominal increase from the average asking rent reported second quarter 2017. Rates on completed lease transactions have also increased throughout the year.

There is a growing shortage of supply of industrial space relative to demand. Available land for development with access to utilities is limited, giving an advantage to owners and developers in the market. Cushman & Wakefield Pacific expects this trend to continue in 2018 with the support of increased rental rates for new leases.

The overall absorption for 2017 remained positive, with 350,000 square feet (sf) absorbed in the second half of 2017.

Outlook

Cushman & Wakefield Pacific expects 2018 to start with several lease transactions that will take a significant amount of the new speculative construction off the market. The Nampa/Caldwell and Southeast Boise submarkets will continue to be attractive options for developers.

The strengthening national and local economies will be reflected in the Boise-Nampa market with continued new investment and growth of existing industries.

MARKETBEAT

Boise

Industrial Q4 2017



SUBMARKET	TOTAL BLDGS	INVENTORY	CONSTR COMPLETE (SF)	UNDER CONSTR (SF)	OVERALL VACANCY RATE	OVERALL AVERAGE ASKING RENT
Airport	74	4,740,914	104,000	189,000	5.4%	\$0.49
Nampa/Caldwell	150	10,456,325	120,000	113,500	2.9%	\$0.48
Meridian/Eagle	71	3,904,940	0	0	5.0%	\$0.56
Boise	192	11,109,035	0	0	4.0%	\$0.48
BOISE TOTALS	487	30,211,214	224,000	302,500	4.0%	\$0.50

PROPERTY TYPE	TOTAL BLDGS	INVENTORY	CONSTR COMPLETE (SF)	UNDER CONSTR (SF)	OVERALL VACANCY RATE	OVERALL AVERAGE ASKING RENT
Manufacturing	89	10,778,726	0	189,000	2.6%	\$0.52
Flex	93	3,061,830	0	0	3.9%	\$0.56
Warehouse/Distribution	305	16,370,658	224,000	113,500	4.9%	\$0.48
BOISE TOTALS	487	30,211,214	224,000	302,500	4.0%	\$0.50

*Rental rates reflect asking NNN \$psf/month

Key Lease Transactions 2017

PROPERTY	SF	TENANT	PROPERTY TYPE	SUBMARKET
Wiley One Plaza	42,000	Limitless Entertainment	Warehouse/Distribution	Meridian
2000 Yamhill	37,320	Corson Distilling Systems	Warehouse/Distribution	Southeast Boise
Ferguson Enterprises	20,000	Ferguson Enterprises	Warehouse/Distribution	Meridian
743 McGregor Ct	17,022	FleetPride	Warehouse/Distribution	Southeast Boise

Key Sales Transactions 2017

PROPERTY	SF	SELLER/BUYER	PRICE / PSF	SUBMARKET
Midtown Business Park	50,938	LNR / Sierra Foothill Properties	\$2,550,000 / \$50	North Boise
Rushmore Flex Complex	30,000	Henrys Fork Investments	\$2,650,000 / \$88	West Boise
Adkins Warehouse	15,300	Burdge Family / Dexter 131	\$1,300,000 / \$90	Meridian

Statistical Methodology:

Cushman & Wakefield Pacific 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

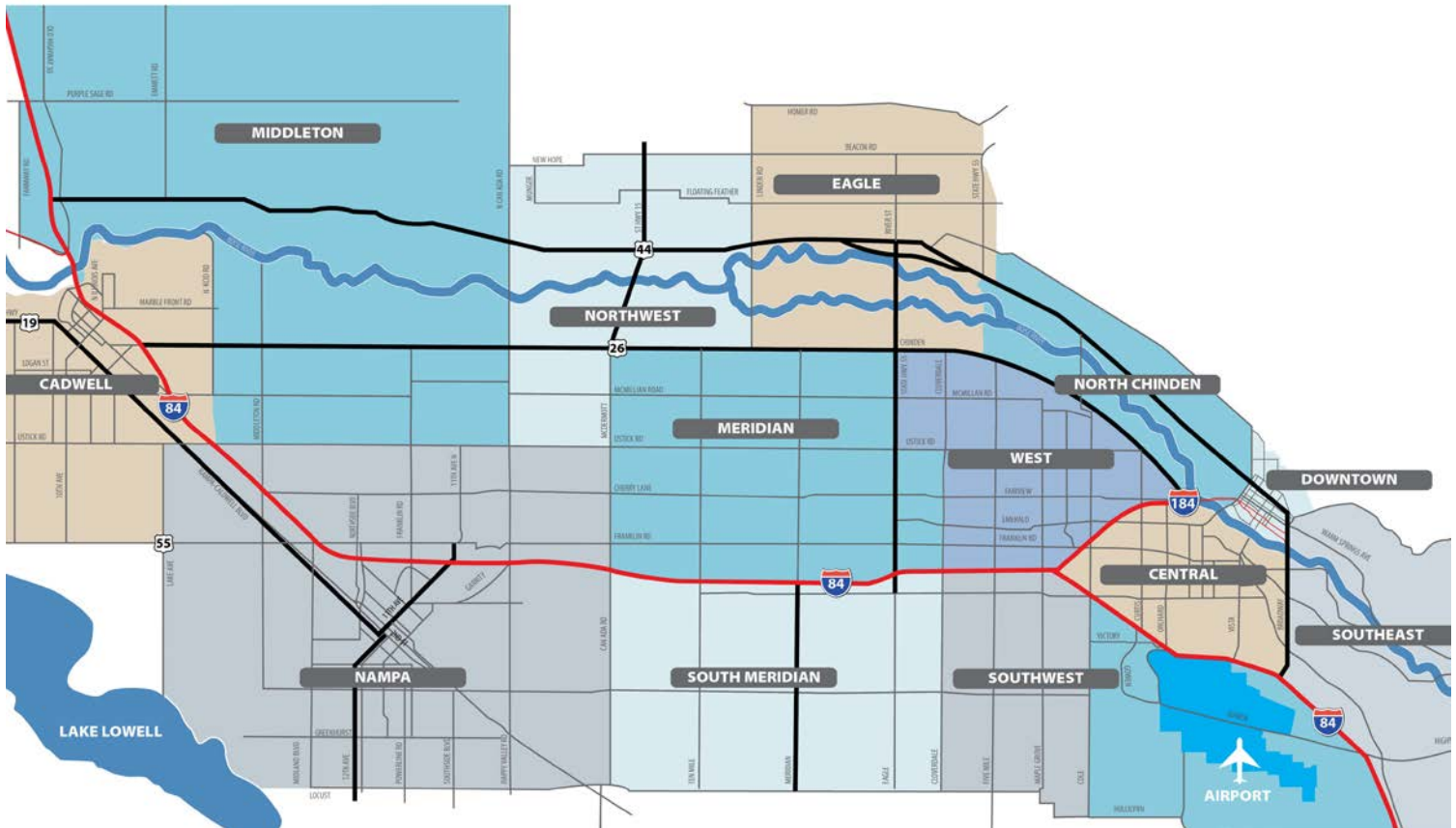
Cushman & Wakefield is a leading global real estate services firm with 45,000 employees in more than 70 countries helping occupiers and investors optimize the value of their real estate. Cushman & Wakefield is among the largest commercial real estate services firms with revenue of \$6 billion across core services of agency leasing, asset services, capital markets, facility services (C&W Services), global occupier services, investment & asset management (DTZ Investors), project & development services, tenant representation, and valuation & advisory. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

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INDUSTRIAL SUBMARKETS

Boise



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