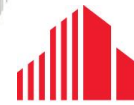


# Industrial Snapshot Year-End

2015

Boise



**CUSHMAN & WAKEFIELD**  
Commerce

## BOISE INDUSTRIAL

### Economic Indicators

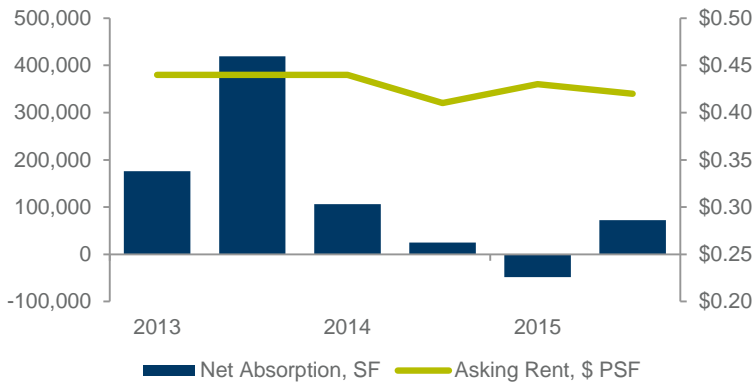
	2014	2015	12-Month Forecast
Boise Employment	301k	310k	▲
Boise Unemployment	4.0%	3.7%	▼
U.S. Unemployment	5.7%	5.0%	▼

### Market Indicators

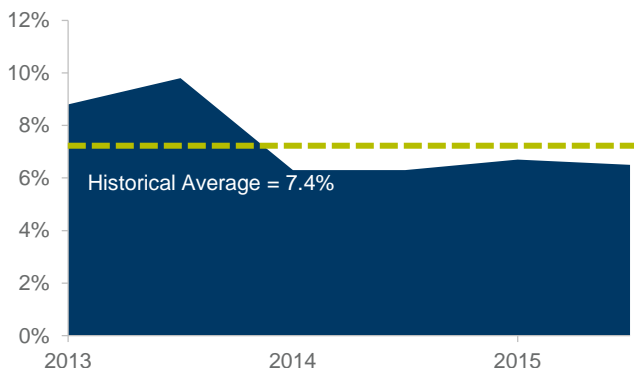
	MY 2015	YE 2015	12-Month Forecast
Overall Vacancy	6.7%	6.5%	■
Net Absorption	(48k)	73k	■
Under Construction	0	0	■
Overall Average Asking Rent	\$0.43	\$0.42	▲

### Net Absorption/Asking Rent

#### TRAILING AVERAGE



### Overall Vacancy



## Economy

The U.S. economy continued to post modest growth as evidenced by the Fed's recent decision to begin raising interest rates. A high dollar and lower global demand was a damper on manufacturing and exports, but construction spending in both residential and commercial properties reported healthy growth. The unemployment rate for the U.S. declined to 5.0% as job growth of 1.9% was realized.

Idaho's annual job growth of 4.2% led the nation as 27,600 new jobs were added to the economy pushing the state's unemployment rate to just 3.9%. Job growth in Boise remained well above the U.S. average which continued to push the unemployment rate lower. The Boise-Nampa Metropolitan Statistical Area (MSA) is currently at full employment with a rate of just 3.7%.

## Market Overview

The industrial market was very active in 2015 with new arrivals to the market such as Heartland RV purchasing a 244,100 square foot (sf) facility in Nampa and Ida Pine Mills purchasing a 175,000 sf facility in Meridian. Other local owner-user moves such as Hayden Beverage's purchase of the 177,000 sf former Weyerhaeuser facility in Southeast Boise helped push vacancy levels down.

Since mid-year 2015, the overall vacancy rate has declined by 0.2 percentage points (pps) to just 6.5%. While average asking lease rates have remained consistent throughout the year, concessions have been on the decline and rates on completed deals have improved. Demand for space and lack of supply has enticed developers bring new product to the market. As a result 2015 saw the highest level of new construction since 2011 with over 300,000 sf of new product. The majority of this development was build-to-suit or smaller speculative projects.

## Outlook

Demand is expected to remain robust for industrial product into 2016. With a vacancy rate of just 6.5%, supply remains limited which will put upward pressure on lease rates, especially for the most functional and best located product in the market. As lease rates continue to rise, additional speculative product is expected to be pursued by developers looking to cash in on a growing industrial market.

MARKETBEAT

## Industrial Snapshot Q4 2015

Boise


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SUBMARKET	TOTAL BLDGS	INVENTORY	VACANT SF	OVERALL VACANCY RATE	DIRECT WEIGHTED AVG. NET RENT
Airport	72	4,680,277	294,739	6.3%	\$0.38
Nampa/Caldwell	147	10,173,741	317,155	3.1%	\$0.38
Meridian/Eagle	66	3,599,314	410,898	11.4%	\$0.51
Boise	187	10,887,209	881,762	8.1%	\$0.44
<b>BOISE TOTALS</b>	<b>472</b>	<b>29,340,541</b>	<b>1,904,554</b>	<b>6.5%</b>	<b>\$0.42</b>

PROPERTY TYPE	TOTAL BLDGS	INVENTORY	VACANT SF	OVERALL VACANCY RATE	DIRECT WEIGHTED AVG. NET RENT
Manufacturing	89	11,708,781	417,238	3.6%	\$0.38
Flex	92	3,016,004	229,128	7.6%	\$0.46
Warehouse/Distribution	291	14,615,756	1,258,188	8.6%	\$0.43
<b>BOISE TOTALS</b>	<b>472</b>	<b>29,340,541</b>	<b>1,904,554</b>	<b>6.5%</b>	<b>\$0.42</b>

\*Rental rates reflect asking NNN \$psf/month

## Key Lease Transactions 2015

PROPERTY	SF	TENANT	PROPERTY TYPE	SUBMARKET
Star Road Warehouse	117,951	Centennial Plastics	Manufacturing	Nampa/Caldwell
Western Electronics	29,120	Calvary Chapel	Flex	Meridian/Eagle
Fairview Tech Center	22,716	Caring Smiles	Flex	Boise
12336 W Overland Rd	20,000	DID Inc	Warehouse/Distribution	Meridian/Eagle

## Key Sales Transactions 2015

PROPERTY	SF	SELLER/BUYER	PROPERTY TYPE	PRICE	SUBMARKET
Boise Distribution Center	347,000	Spirit Realty/LCN Capital	Warehouse/Distribution	\$18,100,000 / \$52	Boise
900 E. Karcher Rd	244,100	Van Auker Companies/Heartland Recreational Vehicle	Warehouse/Distribution	Confidential	Nampa/Caldwell
2910 E Amity Rd	177,000	Weyerhaeuser/Hayden Beverages	Warehouse/Distribution	Confidential	Boise
Chinden Center	87,860	Business Property Trust/Doug Crafts	Flex	\$5,400,000 / \$61	Boise

## About Cushman &amp; 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](http://www.cushmanwakefield.com) or follow @Cushwake on Twitter.

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