

Office Market Report

Treasure Valley | Idaho | Q1 2021



Vacancy Rate — 6.26%



Absorption SF — (168K)



Asking Rate — \$16.50

Overview

The Treasure Valley's office market is relatively well-positioned to weather COVID-19 related drop offs. Idaho was ranked as the #1 spot for economic growth, even during the height of the pandemic. In addition to having a strong economy, unemployment rate this quarter has reached a more stable level of 3.3% when compared to 6 months ago at 6%. While some offices continue to work remotely, local businesses are steadily shifting employees back into the office with the rollout of the vaccine.

Highlights

Idaho was recently ranked #5 in Best States Rankings from U.S. News & World Report based off education, healthcare and opportunity parameters. The report analyzed how well states serve residents in a variety of ways as COVID continues to disrupt normal life.

Not surprisingly, businesses from other markets continue to consider opening up shop in the Treasure Valley as the cost of doing business is roughly 1/3 lower than bigger markets in California or Washington.

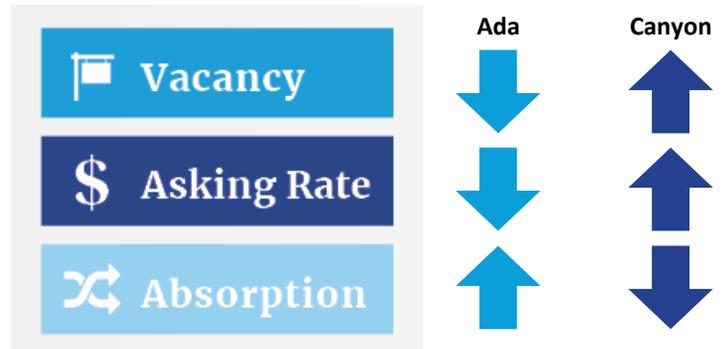
With the spotlight continuously on Idaho's success and growth, expect more interest coming to the Valley, particularly in the office sector.

Vacancy & Absorption

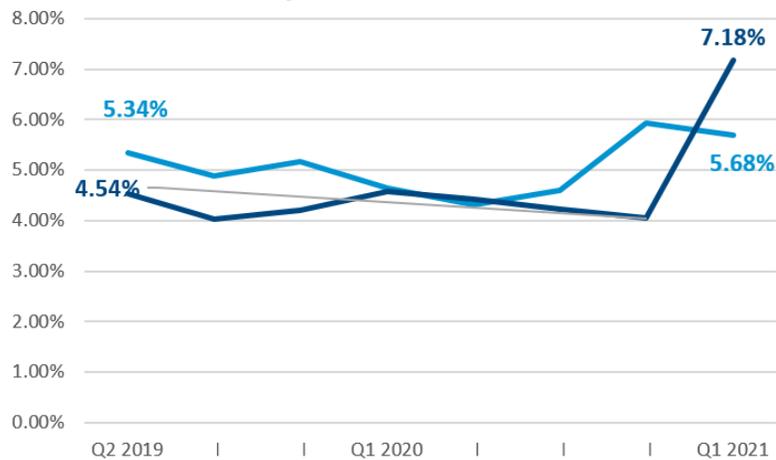
Canyon County saw an overall increase in vacancy this quarter while Ada County saw a slight decrease, primarily from the leasing of three 14,000-25,000+ SF office buildings in south Meridian.

Optimism on the COVID vaccine rollout will give tenants confidence in moving forward with their plans to return to the office, activating more office demand in Q2.

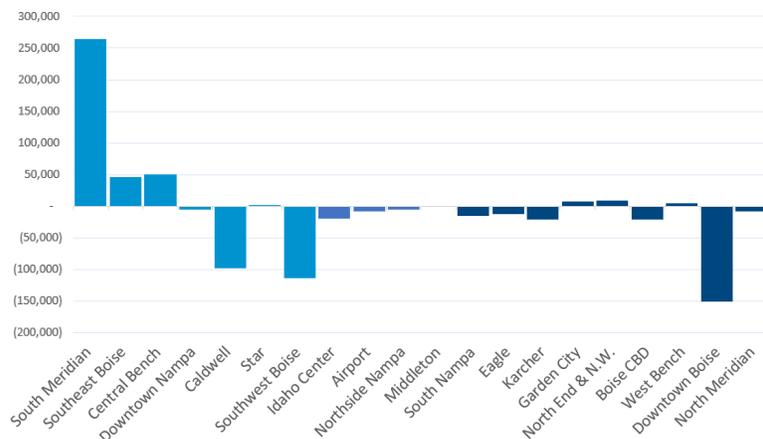
Market Direction Q4 2020-Q1 2021



Market Vacancy (24 Mo.)



Quarterly Net Absorption by Submarket



Office Market Report

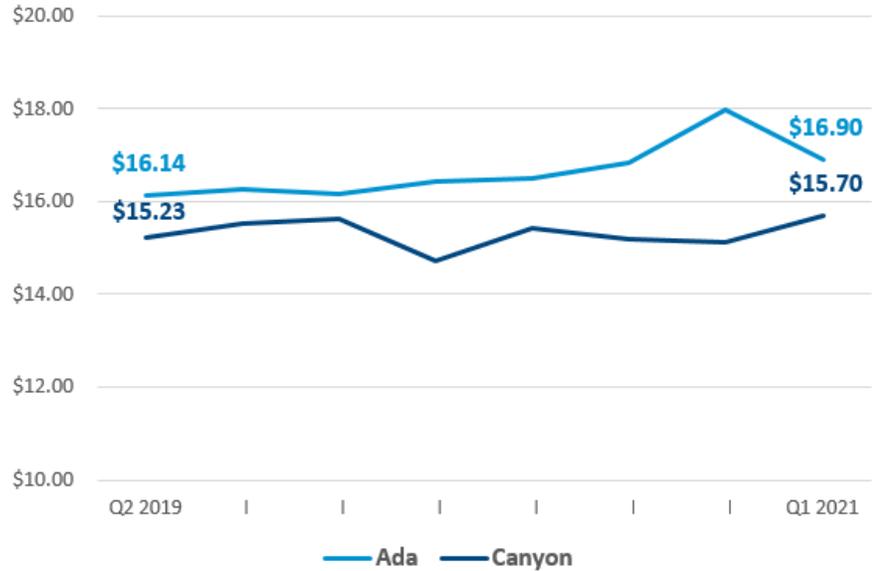
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Asking Rate

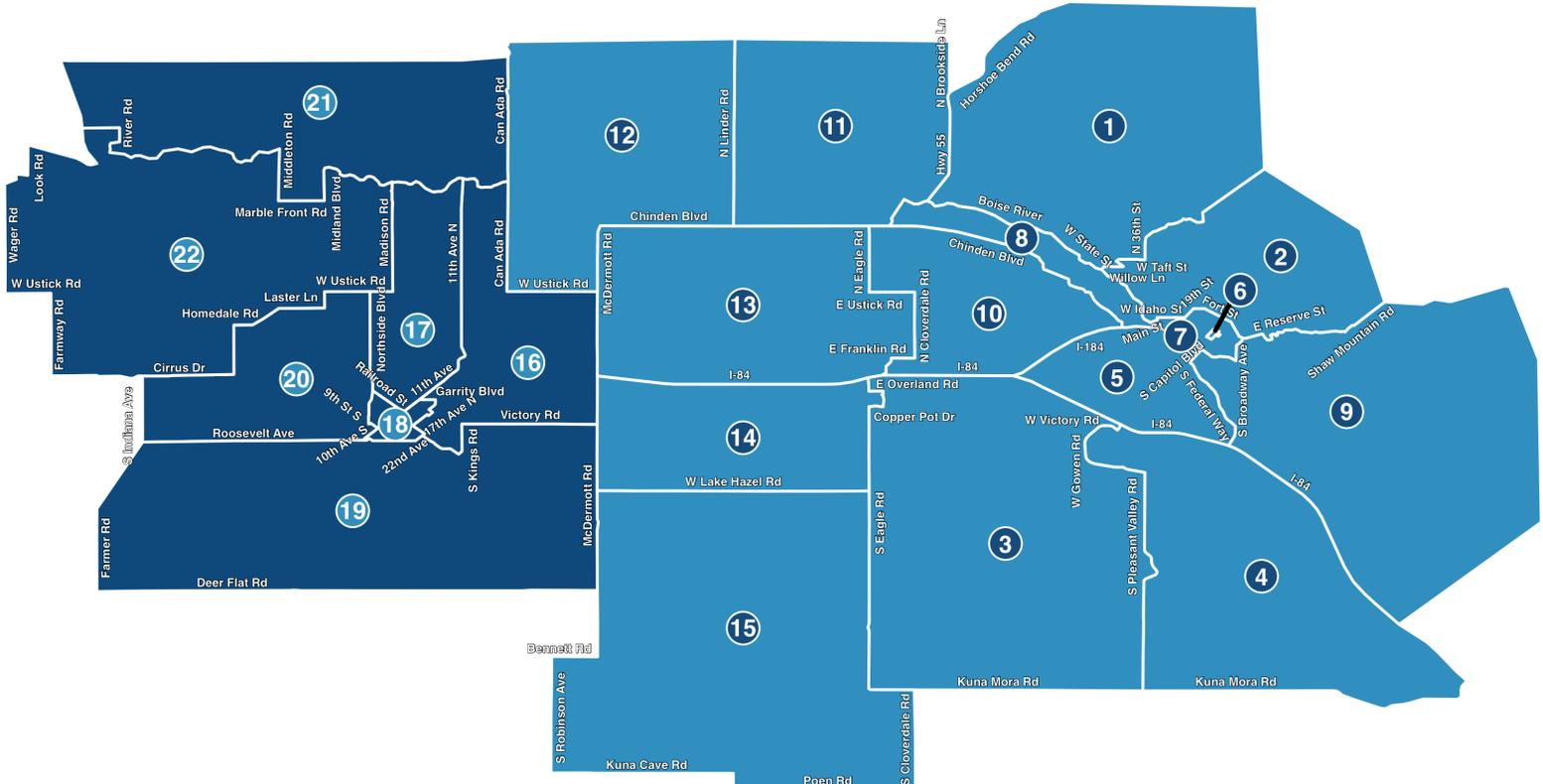
Ada County saw a decrease in asking rates this quarter while Canyon County saw a slight increase. Although the asking rate for Ada County decreased over the last four months, the average rate is still higher than all other prior quarters in the last 24 months. This trend is not expected to last.

While the Canyon County asking rate took a slight dip in Q4 2020, it now shows a slight upward trend will most likely continue in the upwards direction.

Treasure Valley Full-Service Asking Rate



Submarket Map



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

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Notable Transactions

Lease

3540 E. Longwing Ln.
13,500 SF
Tenant: *Engage Technology Group, Inc.*



Lease

670 E. Riverpark Ln.
4,044 SF
Tenant: *Small Mine Development, LLC*



Data Tables

Submarkets	Full Service Asking Rate	Asking Rate Change Q4-Q1	Total Square Feet in Submarket	Vacant Square Feet	Vacancy	Vacancy Change Q4-Q1	Net Absorption Q4-Q1	Net Absorption YTD
Airport	\$ 10.88	\$ 0.27	364,915	37,267	10.21%	2.10%	(7,667)	(7,667)
Central Bench	\$ 12.95	\$ (0.91)	3,526,533	148,583	4.21%	-1.43%	50,494	50,494
Boise Central Business District	\$ 22.91	\$ (0.57)	1,181,124	99,197	8.40%	1.72%	(20,352)	(20,352)
Downtown Boise	\$ 20.03	\$ (2.52)	6,093,380	561,532	9.22%	2.48%	(151,105)	(151,105)
Eagle	\$ 19.77	\$ 1.02	1,200,199	52,839	4.40%	1.02%	(12,258)	(12,258)
South Meridian	\$ 19.46	\$ (3.80)	2,273,987	105,553	4.64%	-11.65%	264,906	264,906
North Meridian	\$ 17.33	\$ (3.20)	3,616,086	205,617	5.69%	0.23%	(8,347)	(8,347)
North End & N.W.	\$ 15.75	\$ 2.20	750,956	17,400	2.32%	-1.16%	8,737	8,737
Garden City	\$ 14.52	\$ 0.69	241,628	6,776	2.80%	-3.07%	7,416	7,416
Southeast Boise	\$ 16.19	\$ (0.74)	2,342,449	27,620	1.18%	-1.96%	45,901	45,901
Southwest Boise	\$ 18.01	\$ 0.86	1,109,980	157,100	14.15%	10.27%	(114,028)	(114,028)
West Bench	\$ 15.03	\$ 0.69	5,311,223	178,203	3.36%	-0.10%	5,157	5,157
Star	N/A	N/A	103,757	0	0.00%	-1.34%	1,390	1,390
ADA COUNTY TOTAL	\$ 16.90	\$ (0.50)	28,116,217	1,597,687	5.68%	-0.25%	70,244	70,244
Downtown Nampa	\$ 12.63	\$ 1.91	610,950	11,200	1.83%	0.89%	(5,430)	(5,430)
Idaho Center	\$ 21.01	\$ (0.61)	553,266	129,310	9.9%	3.58%	(19,815)	(94,352)
Karcher	\$ 13.13	\$ 0.26	605,146	51,441	8.50%	3.45%	(20,930)	(20,930)
Northside Nampa	\$ 21.14	N/A	62,099	5,000	8.05%	0.00%	(5,000)	(5,000)
South Nampa	\$ 12.50	\$ (2.51)	445,184	40,278	9.05%	3.27%	(14,543)	(14,543)
Caldwell	\$ 13.79	\$ 1.68	1,065,098	137,612	12.92%	9.22%	(98,162)	(98,162)
Middleton	N/A	N/A	33,842	0	0.00%	0.00%	0	0
CANYON COUNTY TOTAL	\$ 15.70	\$ 0.05	3,375,585	374,841	7.18	4.85%	(163,853)	(163,853)
TREASURE VALLEY TOTAL	\$ 16.50	\$ (0.34)	31,491,802	1,972,528	6.26%	0.53%	(93,609)	(93,609)