

# Eastern & Southern Idaho Market Report

Colliers | Q1 2021



## Office

### Overview

Office properties in Eastern and Southern Idaho started out the new year with a slight rise in asking rates and vacancy. 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.

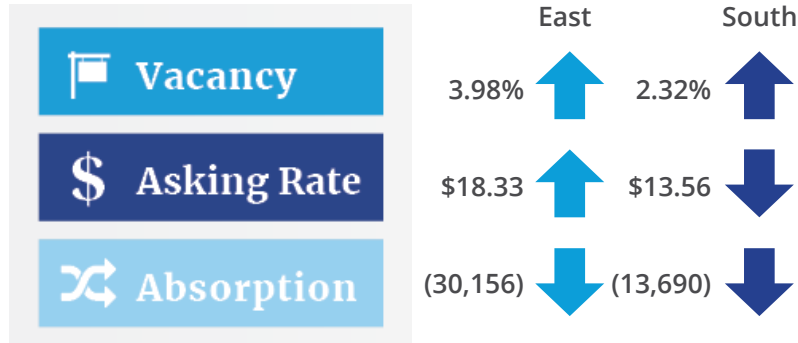
### Vacancy & Absorption

Office vacancy has fluctuated but is on the rise in both the Twin Falls area and Eastern Idaho with both seeing a .5% raise in vacancy.

Similarly to Q4 2020, multiple counties in Southern Idaho have no office spaces listed on the market. In Eastern Idaho, Bonneville County saw a significant increase in vacancy this quarter. This is balanced out with Bingham County seeing a significant decrease in vacancy.

Although absorption is lower than last quarter, expect absorption to increase as the vaccine rolls out.

### Market Direction Q4-Q1 2021



### 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.

With the spotlight continuously on Idaho's success and growth, expect more interest coming to the Eastern and Southern Idaho region.

### Data Tables

Submarkets	Full Service Asking	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
Cassia	\$13.00	N/A	227,988	0	0.00%	0.00%	0	0
Jerome	N/A	N/A	192,858	0	0.00%	0.00%	0	0
Twin Falls	\$ 14.13	\$ 0.47	2,025,484	56,654	2.80%	0.68%	(13,690)	(13,690)
<b>SOUTH IDAHO TOTAL</b>	<b>\$ 13.56</b>	<b>\$ 0.47</b>	<b>2,446,330</b>	<b>56,654</b>	<b>2.32%</b>	<b>0.56%</b>	<b>(13,690)</b>	<b>(13,690)</b>
Bannock	\$ 18.00	\$ 0.80	2,265,605	81,778	3.61%	0.32%	(7,267)	(7,267)
Bingham	\$ 15.00	\$ 19.53	235,252	2,916	1.24%	-2.56%	12,020	12,020
Bonneville	\$ 22.00	\$ (2.91)	3,747,278	164,222	4.38%	0.93%	(34,909)	(34,909)
<b>EAST IDAHO TOTAL</b>	<b>\$18.33</b>	<b>\$ 5.81</b>	<b>6,248,135</b>	<b>248,916</b>	<b>3.98%</b>	<b>0.58%</b>	<b>(30,156)</b>	<b>(30,156)</b>

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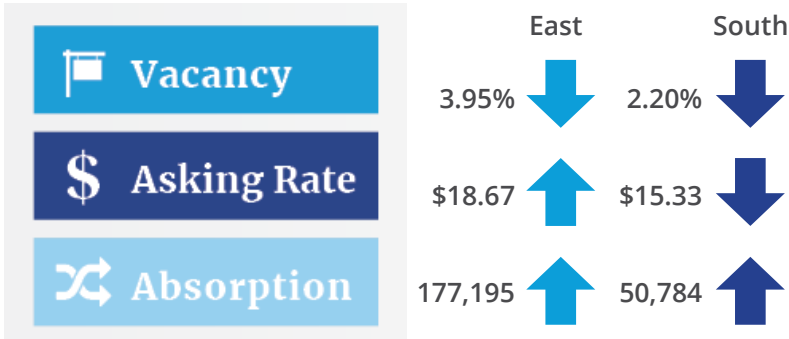
## Retail

### Overview

Both Eastern and Southern Idaho are seeing a significant rise in asking rates as vacancy continues to decline. Both markets continue to hold a strong position and are seeing growth quarter after quarter.

The average unemployment rate of 3.9% in both Eastern & Southern Idaho continues to stay well below the national average of 6%. Employees are back at work and businesses continue to expand into the area.

### Market Direction Q4-Q1 2021



### Vacancy & Absorption

Vacancy is on the decline and net absorption for retail properties sees positive levels.

All areas of Idaho appear in a very strong position and may be among the lowest risk markets for retail properties. Effects of COVID will likely linger but not as heavily as we enter into warmer weather and outdoor dining is more heavily utilized.

With the positive outlook in consumers feeling more optimistic at this time in the pandemic, expect this trend to continue into Q2.

### Highlights

Since the beginning of the pandemic, the Magic Valley mall has opened 9+ new stores. However, JC Penny is closing its doors in May. This will open up significant SF in the Magic Valley in the coming quarter. New retailers coming into the market show that despite the pandemic and closure of big box retailer, the Magic Valley continues to see growth.

A brand new 5,600 SF Maverik store opened up on 5th Street on the south side of Pocatello this quarter. Pocatello is seeing tremendous growth in the southern area and the necessity of this new convenience store solidifies the need for additional retail to support that growth.

### Data Tables

Submarkets	NNN 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
Cassia	\$ 12.00	N/A	1,490,861	2,650	0.18%	0.00%	0	0
Jerome	\$ 12.50	\$ (1.50)	997,343	9,813	0.98%	-0.42%	4,180	4,180
Twin Falls	\$ 21.50	\$ 4.14	7,277,121	202,749	2.79%	-0.64%	46,604	46,604
<b>SOUTH IDAHO TOTAL</b>	<b>\$ 15.33</b>	<b>\$ 1.32</b>	<b>9,765,325</b>	<b>215,212</b>	<b>2.20%</b>	<b>-0.52%</b>	<b>50,784</b>	<b>50,784</b>
Bannock	\$ 18.00	\$ 3.68	4,723,282	317,918	6.73%	-1.32%	62,246	62,246
Bingham	\$ 16.00	\$ 6.11	1,034,787	5,480	0.53%	-2.63%	27,214	27,214
Bonneville	\$ 22.00	\$ 3.76	7,671,469	207,469	2.70%	-1.14%	87,735	87,735
<b>EAST IDAHO TOTAL</b>	<b>\$ 18.67</b>	<b>\$ 4.52</b>	<b>13,429,538</b>	<b>530,867</b>	<b>3.95%</b>	<b>-1.32%</b>	<b>177,195</b>	<b>177,195</b>

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## Industrial

### Overview

Industrial properties in Eastern and Southern Idaho continue seeing a drop in vacancy with positive absorption levels. Asking rates fluctuate with Southern Idaho seeing a slight drop and Eastern Idaho staying steady with a \$0.55 average.

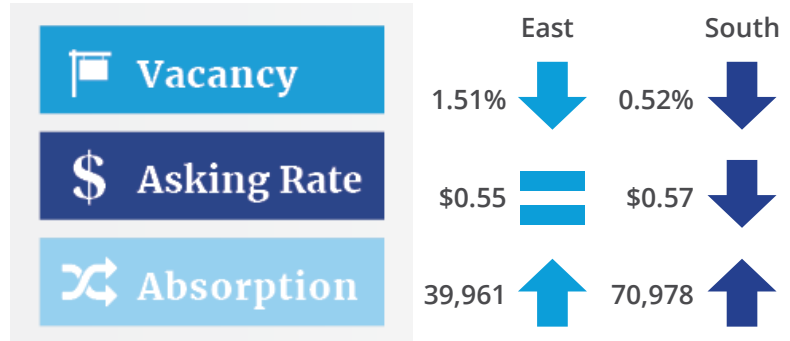
Low vacancy rates demonstrate the impact of warehousing and industrial needs starting out this quarter. Expect asking rates to stay stable with slight fluctuations as vacancy continues to decline.

### Vacancy & Absorption

Starting off the year, vacancy and absorption continue to progress. Similar to Q4 2020, vacancy and absorption levels fluctuate.

Growth in e-commerce and a demand for warehousing during the pandemic has proven to be a driver in increasing asking rates over the last year all over Idaho. Expect this trend to continue into Q2, particularly in the office sector.

### Market Direction Q4-Q1 2021



### Highlights

Artisan Labs, a cosmetic contract formulator and manufacturer announcing it's plans to build a 12,000 SF manufacturing plant just outside of Twin Falls. The manufacturing company will bring more than 50 high-wage jobs to Twin Falls County.

The manufacturing industry in Southern Idaho will continue to strengthen throughout the year with companies and manufacturers showing high interest in the area.

### Data Tables

Submarkets	NNN 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
Cassia	\$ 0.54	N/A	2,473,515	195,000	7.88%	4.96%	(122,750)	(122,750)
Jerome	N/A	N/A	2,578,054	0	0.00%	0.00%	0	0
Twin Falls	\$ 0.60	\$ (0.02)	8,359,971	73,367	0.84%	0.02%	(1,272)	(1,272)
<b>SOUTH IDAHO TOTAL</b>	<b>\$ 0.57</b>	<b>\$ (0.01)</b>	<b>13,411,540</b>	<b>265,367</b>	<b>1.98%</b>	<b>0.92%</b>	<b>(124,022)</b>	<b>(124,022)</b>
Bannock	\$ 0.60	\$ (0.11)	3,423,936	19,800	0.58%	0.18%	(6,312)	(6,312)
Bingham	\$ 0.40	\$ (0.18)	537,138	7,500	1.40%	0.00%	(0)	(0)
Bonneville	\$ 0.65	\$ (0.01)	5,365,226	113,449	2.11%	-0.42%	46,273	46,273
<b>EAST IDAHO TOTAL</b>	<b>\$ 0.55</b>	<b>\$ 0.10</b>	<b>9,326,300</b>	<b>156,710</b>	<b>1.51%</b>	<b>-0.17%</b>	<b>39,961</b>	<b>39,961</b>

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## Notable Transactions

### Sale | Land

Northgate Development  
TBD E. Chubbuck Road  
Pocatello  
10 acres  
Buyer: *Broulim Oswald, LLC*



### Sale | Land

2082 Bridge View Blvd  
Twin Falls  
3.19 acres  
Buyer: Confidential



### Sale | Land

3400 South 5th Avenue  
Pocatello  
4.55 acres  
Tenant: *Maverik, Inc.*



### Sale | Industrial

216 South Park Ave W  
Twin Falls  
23,840 SF  
Buyer: Confidential



## Submarket Maps

Southern Idaho



Eastern Idaho

