

COMMERCIAL REAL ESTATE REPORT Q4 2023

Boise City, ID Metro Area

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Demographics and Economy

Demographics

1.5%	26.6%	-3.3%	Net Migration in Idaho
population growth (2022)	share of renters (2022)	renter household formation (2022)	20,053 (2023)
U.S.: 0.4%	U.S.: 34.8%	U.S.: 2.4%	30,365 (2022)

Economy

12.4%	12,900	3.3%	2.6%
GDP growth (2022)	12-month job creation (December 2023)	1-year job growth (December 2023)	1-year wage growth (December 2023)
U.S.: 9.1%		U.S.: 1.7%	U.S.: 3.8%
\$53,610	3.1%	17.0%	International Migration in Idaho
Average wage per year (December 2023)	unemployment rate (November 2023)	share of workers teleworking (2022)	4,664 (2023)
U.S.: \$61,120	U.S.: 3.7%	U.S.: 17.9%	1,779 (2022)

Commercial Real Estate by Sector

1. Office

Demand for office space is **weaker than nationwide** as this area has a slower absorption of office space. As a result, rents rose slower than nationwide. However, vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Mo	Market Rent Growth 12 Mo	Market Rent/SF	Vacancy Rate
2023 Q4	335,269	-289,106	-0.2%	\$22	6.1%
2022 Q4	250,176	350,055	5.1%	\$22	4.8%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Total Sales Volume	Market Cap Rate
2023 Q4	34,812,277	6,365	170,417	\$4.26M	9.9%
2022 Q4	34,641,860	359,469	491,084	\$5.68M	9.4%

2. Multifamily

Demand for multifamily space is **stronger than nationwide** as this area has a faster absorption of multifamily space. Despite strong conditions, rent prices rose slower than nationwide and vacancy rate is higher in this area.

	Absorption Units	Absorption Units 12 Months	Market Asking Rent Growth 12 Months	Market Asking Rent/Unit	Market Effective Rent/Unit	Vacancy Rate
2023 Q4	488	2,121	-2.3%	\$1,515	\$1,493	10.7%
2022 Q4	215	1,275	2.3%	\$1,550	\$1,535	8.5%
	Inventory Units	Net Delivered Units	Net Delivered Units 12 Mo	Market Cap Rate		
2023 Q4	38,381	367	3,282	4.9%		
2022 Q4	35,099	562	2,437	4.4%		

3. Retail

Demand for retail space is **weaker than nationwide** as this area has a slower absorption of retail space. Despite weaker conditions, rent prices rose faster than nationwide and vacancy rate is lower in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	63,309	115,142	4.5%	\$17	3.3%
2022 Q4	109,580	219,723	4.4%	\$17	3.3%
	Inventory SF	Market Cap Rate	Total Sales Volume	Transaction Sale Price/SF	
2023 Q4	43,565,788	6.4%	\$7.04M	\$231	
2022 Q4	43,444,423	6.3%	\$15.86M	\$236	

4. Industrial

Demand for industrial space is **stronger than nationwide** as this area has a faster absorption of industrial space. Despite strong conditions, rent prices rose slower than nationwide and vacancy rate is higher in this area.

	Net Absorption SF	Net Absorption SF 12 Months	Market Rent Growth 12 Months	Market Rent/SF	Vacancy Rate
2023 Q4	675,577	1,827,441	2.6%	\$10	6.3%
2022 Q4	432,235	1,029,317	7.3%	\$10	2.9%
	Inventory SF	Net Delivered SF	Net Delivered SF 12 Months	Market Cap Rate	Total Sales Volume
2023 Q4	57,733,510	934,508	3,902,464	7.4%	\$58.50M
2022 Q4	53,831,046	785,173	1,851,123	6.8%	\$7.40M

Sources: NAR analysis on data from the U.S. Census Bureau, U.S. Bureau of Labor Statistics, Bureau of Economic Analysis, CoStar

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