



Office Market Overview Ada County



ADVISORS



Overall Ada County Market Information 2Q 2016

Average Vacancy Rate 12.09%	Net Absorption 256K SF	Average Asking Lease Rate \$17.35 FS	Under Construction 82K SF
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Arrows indicate changes based on previous quarter

Market Overview

The County market continued to see increased activity in ideal locations of the market. Although absorption has slightly decreased from previous quarter, quality vacant available space continues to be in high demand. Vacancy rates went from 12.92% to a current rate of 12.09% which is a healthy rate for office space allowing tenants to have suitable options to expand or relocate into the Ada County market.

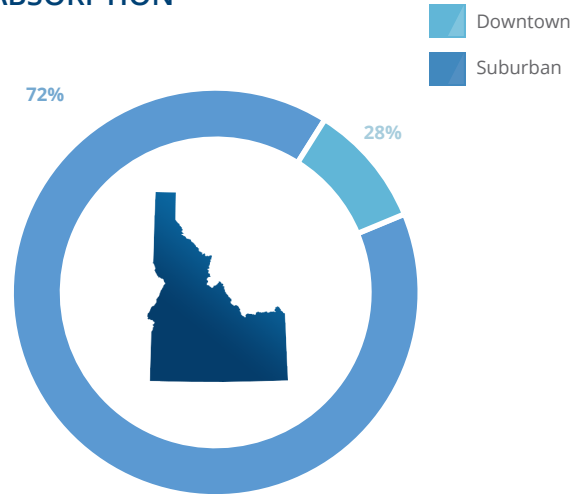
Larger sized tenants looking for office space has slowed over the last three quarters as the small to mid-sized tenants continue to look for cost effective office space. Due to the change in market activity vacancy rates for Class C space has dropped from 12.91% last year to 10.49% currently. Expect to see this trend continue over the remainder of the year.

The majority of office absorption was found in the Suburban market where office tenants had increased amounts of supply at affordable rates. Meridian continues to be an ideal location for office tenants. Increased activity in this market is mainly due to a few office tenants absorbing large amounts of space during the first part of the year.

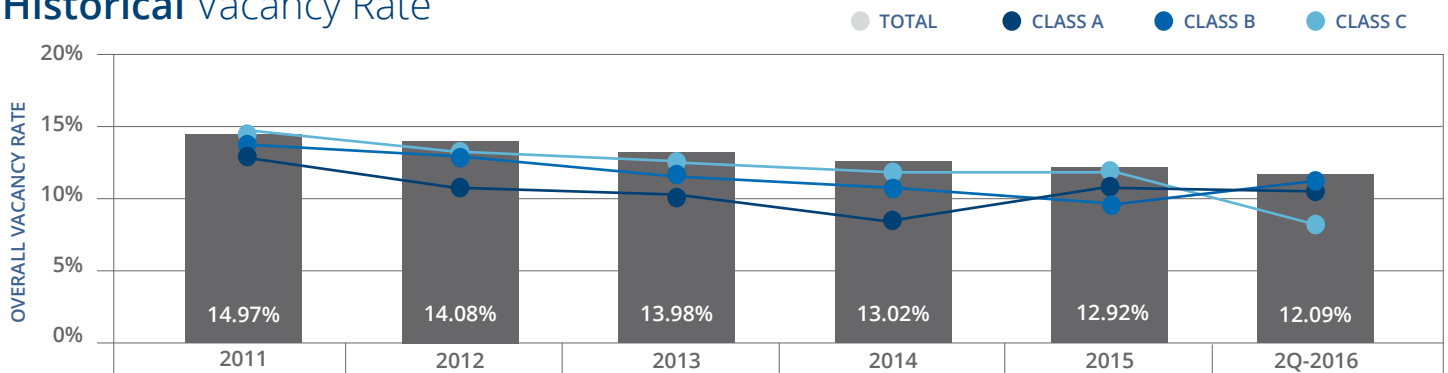
Notable Lease deals

BUILDING	SUBMARKET	SIZE SF
Kimball Plaza	Suburban	17,500
Stevens Henager	Downtown	16,600
Elder Street	Suburban	14,000
Owyhee Street	Suburban	11,600

NET ABSORPTION



Historical Vacancy Rate



Ada County Accolades



#1 LOWEST COST METRO IN U.S.
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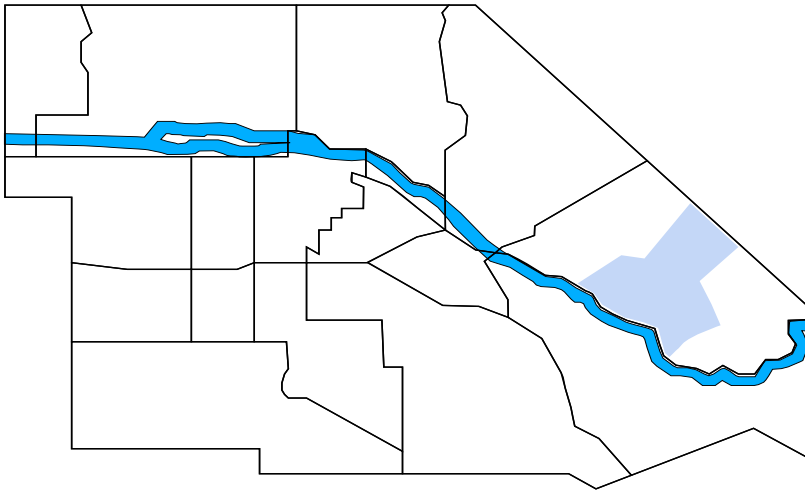
#3 BEST CITIES FOR JOBS
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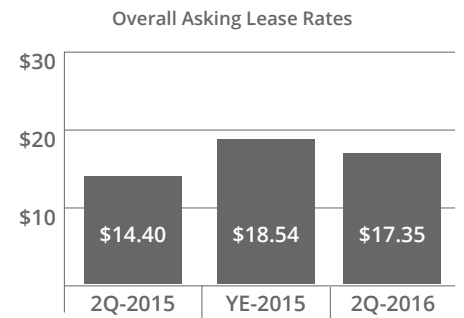
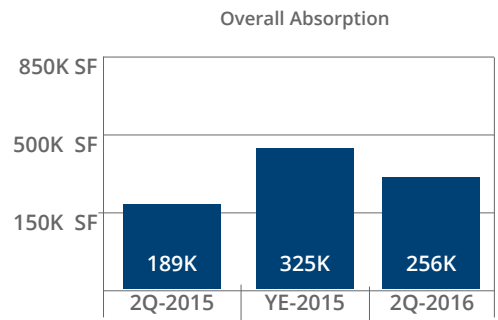
Utah County Map



Market Overview

SUBMARKET	CLASS	INVENTORY	VACANCY RATE	NET ABS	LEASE RATE FS
Downtown	A	1,484,664	12.90%	-19,025	\$22.27
Downtown	B	3,242,622	13.02%	-12,805	\$19.11
Downtown	C	1,248,498	10.06%	175,024	\$15.29
DOWNTOWN TOTAL		6,342,729	11.99%	744,150	\$23.52
Suburban	A	3,251,970	12.70%	20,258	\$20.58
Suburban	B	14,432,486	12.92%	176,352	\$15.07
Suburban	C	5,454,846	10.92%	17,025	\$11.78
SUBURBAN TOTAL		23,139,302	12.18%	213,635	\$15.81
Overall Market	A	4,736,634	12.80%	1,233	\$21.43
Overall Market	B	17,675,108	12.97%	163,547	\$17.09
Overall Market	C	6,703,344	10.49%	192,049	\$13.54
OVERALL TOTAL		29,115,086	12.09%	356,829	\$17.35

Year Over Year Statistics



Ada County Forecast

At year-end experts believe that the market will continue at an adjusted pace, with a slight slowing of net absorption. Asking lease rates should not increase as landlords will focus on filling the remainder of their unoccupied space. Similarly, construction activity will also slow in the Ada County market until there is another surge in demand for more office space.



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