

FOR SALE \$6,675,000.00

3402 Franklin Road, Caldwell, Idaho

FULLY LEASED OFFICE BUILDING 7.376% CAP



WESTCOM
COMMERCIAL DIVISION
WESTERRA REAL ESTATE GROUP

FULLY LEASED OFFICE BUILDING

3402 Franklin Road Caldwell, Idaho 83605



PROPERTY OVERVIEW



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TENANT PROFILE



OVERVIEW

Company: Idaho Department of Health and Welfare

Founded: 1974

Website: <https://healthandwelfare.idaho.gov>



IDAHO DEPARTMENT OF
HEALTH & WELFARE

Idaho Department of Health and Welfare

Our Mission

Dedicated to strengthening the health, safety, and independence of Idahoans.

Message from Director Dave Jeppesen

The department's programs and services are designed to help people live their best lives. From birth throughout life, we help people improve their lives.

We deal with complex social, economic, and health issues. We receive requests every day for assistance with food or medical insurance. We help others with child care, child support, and substance abuse problems. Throughout the state, we are at the forefront of protecting public health.

We help people help themselves. Our goal is to help people become self-reliant, working with them to identify issues and solutions to their problems so they won't need future assistance from us.

Idaho's health and human services are a partnership. We team with other agencies and human service providers to meet the needs in each community. Working together, we can build a better Idaho.

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LEASE SUMMARY



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Lease Type:	Modified Gross Lease
Taxes / Insurance	\$100,245.16
Year Built:	2001
Year Renovated:	2018
Term Remaining:	4.4 years
Original Lease Term:	17 years
Commencement Date:	07/01/2011
Current Term Expiration:	06/28/2028 (One 5-year option remaining)

PROPERTY DETAILS/NOTES

Annual Gross Rent:	\$709,641.98
Annual Expenses:	\$217,275.79 (MGL: Tenant reimburses for costs over \$217,275.79 as additional Operating Costs)

Net Operating Income: \$492,366.19

Cap Rate: 7.376%

FULLY LEASED OFFICE BUILDING

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Caldwell Idaho is located in the Boise metropolitan area, with a population of 807,000

With the State of Idaho Health and Welfare department as the tenant, this property offers a demonstrated long-term return and stable return with **discernible recession resistance**. According to the US Census information from 2021, there were \$603,687,000 in health care and social assistance receipts / revenue in the Nampa and Caldwell area which is served by this location.

OFFERING SUMMARY

List Price: \$6,675,000.00
Zoning: Commercial
Land Acreage: 5.73 acres
Year Built: 2001
Building Size: 47,626 SF
Market: Treasure Valley, ID
Structure: Metal/Masonry
HVAC: RTU
Services: Idaho Power,
 Intermountain Gas, City Water/Sewer

OPERATING SUMMARY

Present Use: Office Building
NOI: 492,366.19
Cap Rate: 7.376%
Lease Term: 17 years
Lease Options: One 5-year extension
Lease Expiration: 6/30/2028
Taxes: \$59,180.50
Terms: Cash, Conventional

PROPERTY HIGHLIGHTS

- **\$709,641.98 annual gross rents**
- **Over 250 parking spaces (1/184)**
- **Fixed operating costs**
- **7.376% CAP rate**
- **Long term tenant**
- **New lease extension**
- **AAA Idaho State Tenant**

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The Boise Commercial Real Estate Market

Caldwell Idaho is located in the Boise metropolitan area, with a population of 807,000.

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October 19, 2023

The commercial real estate professionals in Boise, Idaho, and Treasure Valley with the tools they need to transact and thrive. Buyers, tenants, and investors nationwide consider Boise an exciting marketplace with plentiful growth potential. Boise, Idaho, also known as the City of Trees, is nestled in the state's southwestern region. The city lies along the Boise River, surrounded by many mountains in the Rocky Mountains Range. This geographical positioning offers residents a unique blend of urban and outdoor life.

The metropolitan area is a thriving economic hub, primarily driven by sectors such as technology, healthcare, and government services. Tech giants like Micron Technology and Hewlett-Packard have substantial operations in the city, while St. Luke's Health System and Saint Alphonsus Regional Medical Center are two of the largest employers. As the state capital, Boise sees a significant contribution from government services to its economic landscape.

There has been a noticeable relocation trend towards Boise in recent years. The city offers a high quality of life, a lower cost of living compared to many US cities, and a favorable business climate, making it attractive for individuals and businesses.

Boise also has plenty to offer in terms of leisure and recreation. The Boise River Greenbelt, a 25-mile park in the heart of the city, offers scenic beauty and a variety of outdoor activities. The city also has the historic Idaho State Capitol Building and the unique Basque Block, celebrating Boise's Basque heritage. Downtown Boise is vibrant, with various restaurants, shops, and art galleries catering to diverse tastes.

With its strategic location, robust economy, and rich cultural offerings, Boise is steadily emerging as a preferred destination for residents and businesses alike. Boise has been one of the fastest-growing cities in the United States, with significant annual population increases.

This trend can be attributed to relocation's and the city's strong economic prospects.

- Boise is home to over 813,000 in the metropolitan area.
- The population of Ada County (where Boise is located) has soared by more than 32% since 2010.
- The largest cities in the metro area are Boise, Nampa, and Meridian, home to nearly 40% of the region's population.
- Growth is projected to be slow but steady over the next several years, according to the Idaho Department of Labor.
- The median age is 37.8, a little less than the figure in the US.
- Per capita income is \$40,220, and median household income is \$80,928, both statistics about 10% higher than in the state.
- market remains resilient, with its vacancy rate consistently below the national average



The Boise Commercial Real Estate Market

Boise Job Market

Boise boasts a robust and healthy job market, outperforming many similarly sized metro areas. Its impressive growth, particularly in the tech sector, has propelled it to become one of the top job growth centers in the country. This surge is driven by many factors, including a diverse economy, a thriving tech industry, and an attractive quality of life.

·GDP for Boise City is \$36.3 billion, according to data from the St. Louis Federal Reserve, growing by nearly 50% over the past ten years.

·Boise has reported one of the lowest unemployment rates in the nation, currently at 3.2% (U.S. Bureau of Labor Statistics, August 2023).

·The largest private sector employers are St. Luke's Health System, Micron Technology, Saint Alphonsus Health System, Albertsons, and Walmart.

·Target industries include food processing, agribusiness, manufacturing, professional services, and technology.

·Tech companies in the Boise metropolitan area include Cradlepoint, Lam Research, Hewlett Packard Enterprise, ServiceNow, HDR, American Semiconductor, and Agilent Technologies.

·The most popular majors in Boise universities are general studies, registered nursing, and general business administration and management, according to Data USA.

·The largest universities (by degrees awarded) are Boise State University, College of Western Idaho, and Northwest Nazarene University.

·Nearly 38% of residents hold a bachelor's degree or an advanced degree, a rate about 20% higher than in Idaho.

·The transportation system includes the Boise Airport (BOI), a **comprehensive road network that includes Interstates I-84 and I-184, U.S. Routes 20, 26, and 95, and a public transit system managed by Valley Regional Transit.**



The Boise Commercial Real Estate Market

The Boise office market commercial real estate is experiencing a period of adjustment, with demand softening as employers reassess in-person

work dynamics. Despite increases in overall vacancy and available square footage year over year, Boise's market remains resilient, with its vacancy rate consistently below the national average.

Office market overview

- Inventory: 16,981,999 SF
 - Vacancy rate: 10.2%
 - Absorption: -445,026 SF (YTD)
 - Key leases by tenant: RedBuilt 25,832 SF; Bevis, Thiry, Henson, and Katz Law 6,846 SF, Pathways of Idaho LLC 6,310 SF
 - Under construction: 172,940 SF
 - Largest submarkets: Downtown, West Boise, Meridian, Central Boise
- Crexi provides data in real-time for the Boise office market.

Here are the latest leasing and sales trends as of October 2023:

For Lease (active)

- Asking rate/SqFt (median): \$19 per year
- Median SqFt/listing: 2,313 SF
- Days on market: 193
- Total listings on Crexi: 365 spaces

·Median asking price: \$1.69 million

·Price/SqFt: \$234

·Asking cap rate: 5.6%

·Days on market: 139

·Total listings on Crexi: 38 listings totaling 585,000 SF

Sales Comps (past 12 months)

·Median sold price: \$897,000

·Sold price/SqFt: \$220

·Total sales volume: \$4.81 million

·Sold cap rate: 7.8%

·Median SqFt sold/transaction: 3,928 SF

·Days on market (median): 751 [Learn more about Boise office properties for lease.](#)



Boise Industrial Market

The Boise industrial market has been experiencing rapid growth, with an influx of speculative deliveries contributing to an increase in overall vacancy. Leasing activity has primarily been concentrated within new constructions, suggesting a softening demand for existing buildings. The tenant mix is diverse, with technology, distribution, manufacturing, and building material sectors leading.

Industrial market overview

Inventory: 50,789,941 SF

·Vacancy rate: 4.8%

·Absorption: 833,723 SF (YTD)

·Key leases by tenant: Builders FirstSource 88,965 SF, Mesa Systems

Inc. 55,190 SF, Pro Relo 37,500 SF

·Under construction: 4,909,413 SF

·Largest submarkets: Nampa, Airport, Meridian, Caldwell

Insights reports the most recent lease and sales

trends for industrial property in Boise:

For Lease (active)

·Asking rate/SqFt (median): \$11 per year

·Median SqFt/listing: 5,635

·Days on market: 184

·Total listings on Crexi: 88 spaces

·Median asking price: \$2.5 million

·Price/SqFt: \$188

·Asking cap rate: 6.3%

·Days on market: 91

·Total listings on Crexi: 10 listings for a total of 99,100 SF

Sales Comps (past 12 months)

·Median sold price: \$2.1 million

·Sold price/SqFt: \$223

·Total sales volume: \$8.74 million

·Sold cap rate: 5.9%

·Median SqFt sold/transaction: \$223

·Total SqFt sold: 34,300

·Days on market (median): 74



Boise's retail market continues to demonstrate resilience and strength, with substantial direct leasing activity and demand consistently outpacing supply. Despite a slight rise in overall vacancy due to increased vacant direct square footage, the market remains healthy, with low levels of sublease vacancy and a trend of falling vacancies anticipated due to strong demand and limited speculative construction.

Market overview

- Inventory: 24,748,186 SF
- Vacancy rate: 3.1%
- Absorption: 169,573 SF (YTD)
- Key leases by tenant: Grocery Outlet 18,000 SF, City Buffet 8,017 SF
- Under construction: 613,739 SF
- Largest submarkets: Nampa, Meridian, West Boise, Central Boise

Insights retail lease and sales trends (as of October 2023):

For Lease (active)

- Asking rate/SqFt (median): \$18 per year
- Median SqFt/listing: 2,274 SF
- Days on market: 160
- Total listings on Crexi: 149 spaces

For Sale (active)

- Median asking price: \$1.44 million
- Price/SqFt: \$286
- Asking cap rate: 6.0%
- Days on market: 96
- Total listings on Crexi: 31 listings for a

Sales Comps (past 12 months)

- Median sold price: \$665,000
- Sold price/SqFt: \$229
- Total sales volume: \$378 million
- Sold cap rate: 5.3%
- Median SqFt sold/transaction: 3,200 SF
- Days on market (median): 148

[Learn more about Boise retail properties for lease.](#)



Boise Multifamily Market

The multifamily market in Boise is experiencing some shifts, with a slight decrease in occupancy rates and a minimal increase in average effective rent. Despite these shifts, new deliveries are expected to remain high throughout the year as ongoing projects near completion. The market is set to balance out with new supply, potentially increasing vacancy rates and slowing rent growth.

Market overview Total housing units: 319,494

- Multi-unit: 31,468
- Vacancy rate: 5.7%
- Asking rents: \$1,612
- Rent growth: -3.3% year over year
- Deliveries: 770 units
- Under construction: 5,390 units
- Largest submarkets: Boise 19,192 units, Nampa/Meridian/Caldwell 12,276 units

Here are the most recent multifamily insights from (as of October 2023):

For Sale (active)

- Median asking price: \$1.03 million
- Price/SqFt: \$295
- Price/Unit: \$261,000
- Asking cap rate: 5.1%
- Days on market: 201
- Total listings on Crexi: 14 listings totaling 32,000 SF

Sales Comps (past 12 months)

[Learn more about Boise multifamily properties for sale.](#)





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