

BROCKTON OFFICE



OWNER-USER INVESTMENT OPPORTUNITY

3723 LOCUST GROVE | MERIDIAN, ID 83646 | FOR SALE



**OFFERING
PRICE | \$1,070,000**

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The information presented has been obtained from sources believed reliable. You are responsible for confirming its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The value of this transaction depends on many factors which should be evaluated through investigation by your advisors.



THE OFFERING

TOK Commercial is pleased to present this opportunity to purchase this 4,617 square foot mixed-use office building located in Meridian, Idaho.

Great opportunity for owner-user to occupy.

3,247 SF available for occupancy plus monthly income from existing tenant.

Very well maintained property with quality interior finishes.

Located in Brockton Office Park, with easy access to shopping and services.

On-site parking.

OFFERING SUMMARY

Offering Price: **\$1,070,000**

Price per Square Foot: **\$231.75**



PROPERTY SUMMARY

Property Address: 3723 Locust Grove Road
Meridian, ID 83646

Property Description: Office Building

Building Size: 4,617 SF

Parcel Size: 0.34 acres

Zoning: City of Meridian L-O

Tenants: Suite 100 - 3,247 SF
Available to occupy
Suite 150 - 1,370 SF
Revive Body Spa



BIRD'S EYE AERIAL

E Heritage Park St

N Park Crossing Ave

N Locust Grove Rd

MERIDIAN
TECHNICAL
CHARTER HIGH
SCHOOL

E Summer

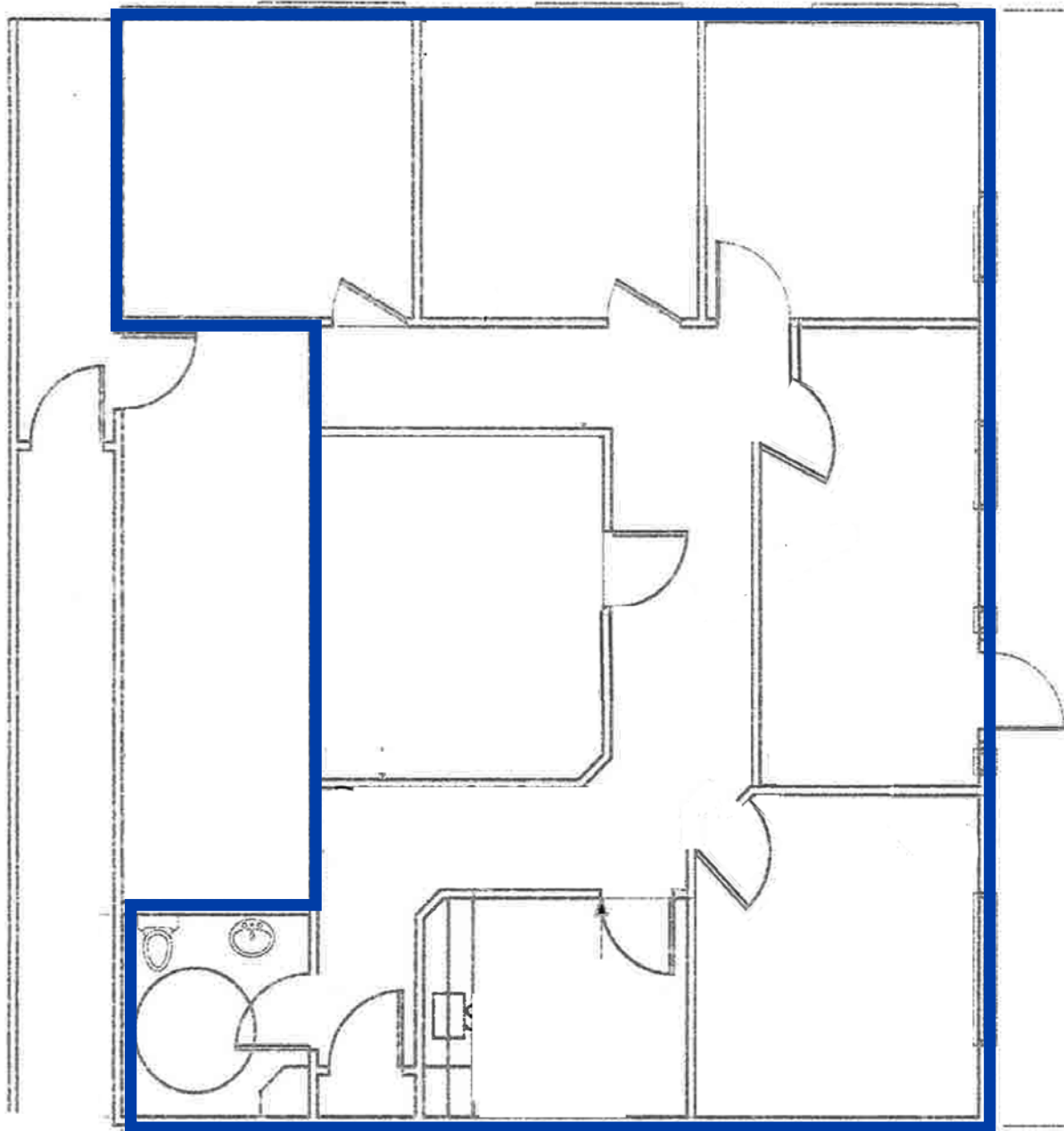


SUITE 100

Now Available for
Owner Occupancy
3,247 SF







SUITE 150 FLOORPLAN

1,370 SF

LEASED BY REVIVE BODY SPA
UNTIL FEBRUARY 2023

SUITE 150



EXCELLENT NORTH MERIDIAN LOCATION

12 MINUTES
TO HWY I-84

23 MINUTES
TO DOWNTOWN BOISE

4 MINUTES
TO HWY 20/26



HOBBY LOBBY

DICK'S
SPORTING GOODS

KOHL'S

SALLY
BEAUTY

Panera
BREAD

SHOE CARNIVAL

LOWE'S
Home Improvement Warehouse

Costa Vida

KNEADERS
BAKERY & CAFE

Sizzler

TRADER
JOE'S

Idaho Central
CREDIT UNION

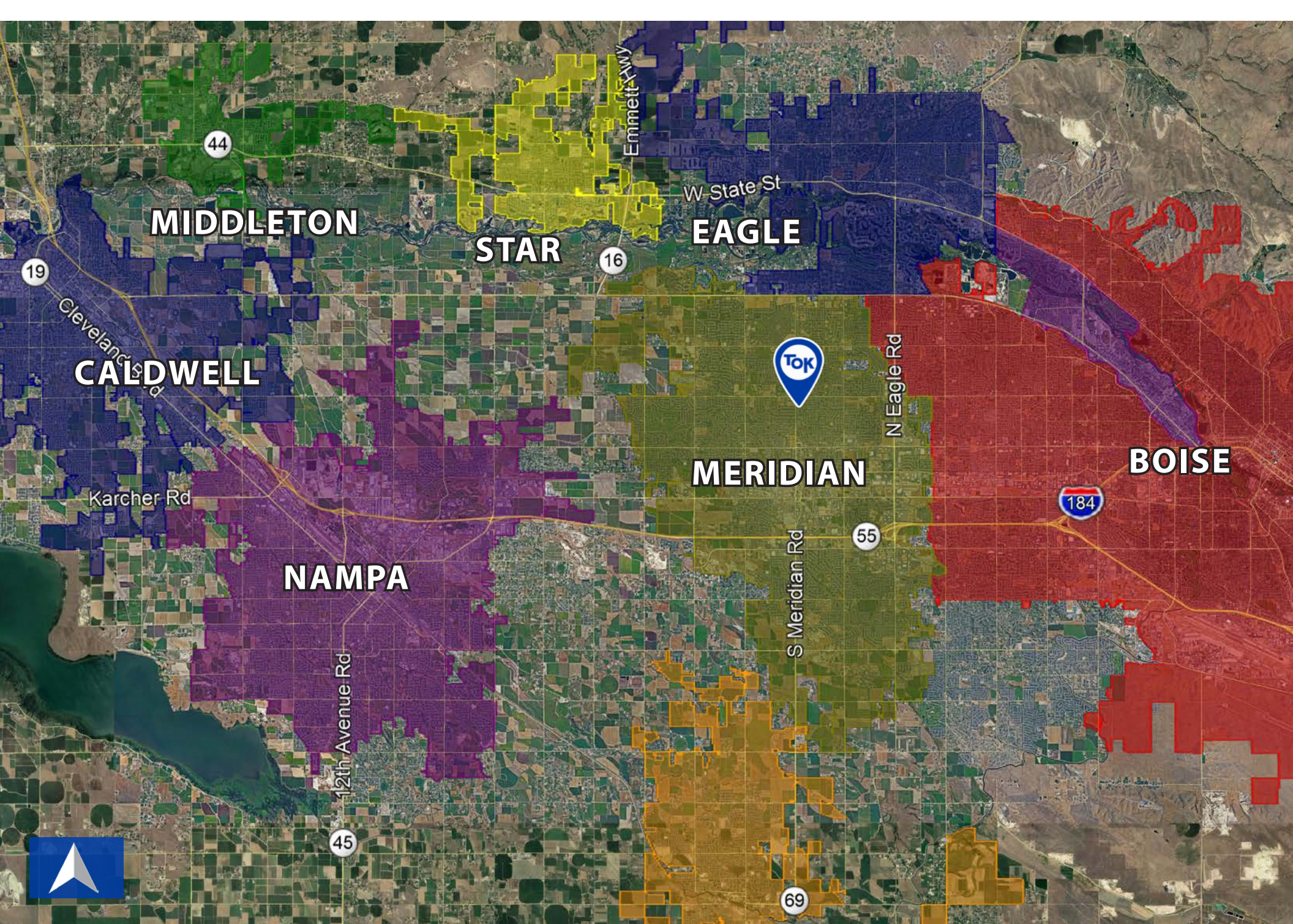
Sprint

Chili's

Orangetheory
FITNESS

McDonald's





MIDDLETON

STAR

EAGLE

CALDWELL

MERIDIAN

NAMPA

BOISE



TENANT PROFILE



REVIVE BODY SPA

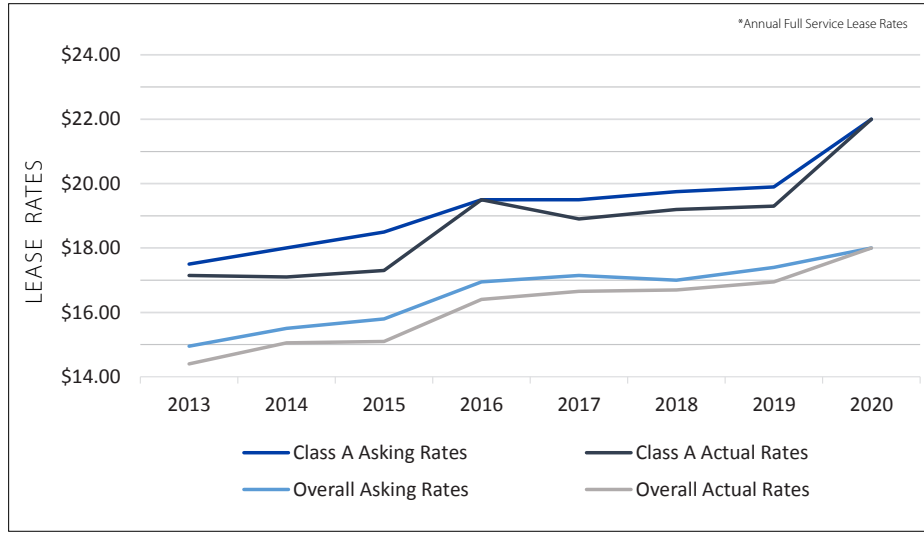
Secured 1,370 RSF in Suite 150 until February 2023.

Revive Body Spa has been serving the Treasure Valley since 2011 with a variety of massage, skin care, waxing, lash, & microblading services.

Annual gross rent: \$21,579

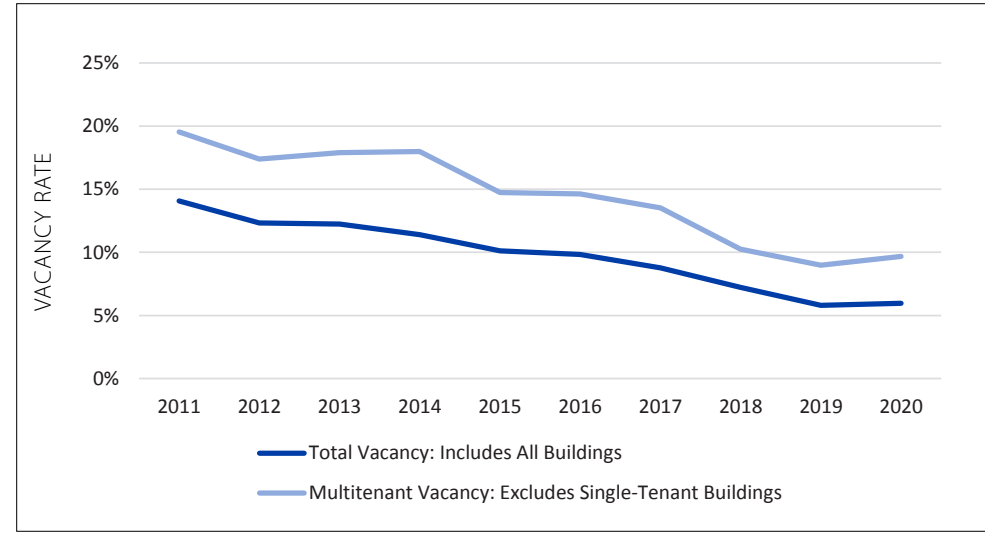
LEASE RATE TRENDS

Overall **ASKING RATES** are the **HIGHEST** on record.
SOUTH MERIDIAN CLASS A average asking rates are currently **\$21.10/SF**.



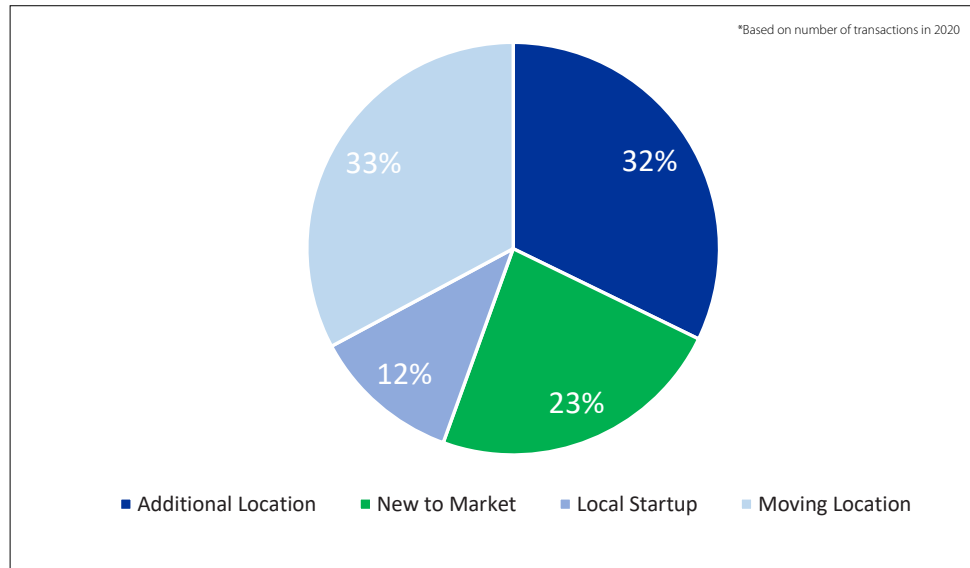
VACANCY TRENDS

TOTAL VACANCY increased from **5.2 PERCENT** mid-year to **6.0 PERCENT** at the end of Q3.
 Total vacancy in **NORTH BOISE** (5.7%) reached an **HISTORICAL LOW**.



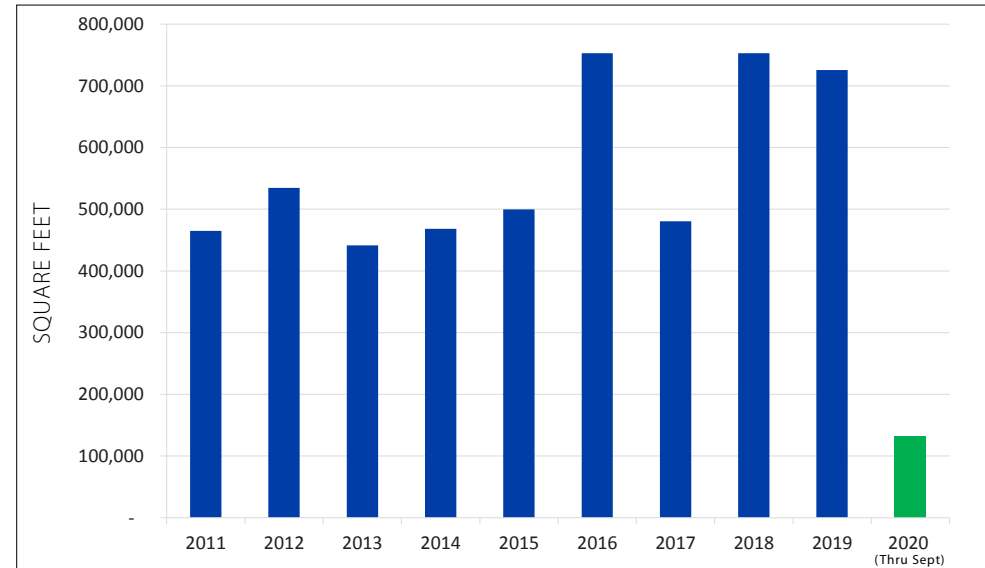
TENANT ORIGIN

Through Q3, over **128,000 SF** leased to tenants **EXPANDING IN THE MARKET**.
 Nearly all of the **NEW TO MARKET** companies are opening in **ADA COUNTY**.



NET ABSORPTION

DOWNTOWN has the the **LOWEST** net absorption YTD, with **-200,100 SF**.
PROJECTED SUPPLY has increased in the third quarter to **12 MONTHS**.



OFFICE CONDITIONS

Q3 of 2020 saw a significant shift in the number of sublease spaces on the market. Prior to the pandemic, there had been roughly 150,000 square feet of office space available for sublease. However, in the past 90 days, that amount has more than doubled. As of early October, there is nearly 347,000 square feet of space available for sublease in the Boise MSA. Of this space available, 53 percent is in listings over 5,000 square feet—larger than the average office deal for the market. Over 85 percent of office deals signed in the last year were in spaces less than 5,000 square feet.

As a result, of this increase in sublease space, quarterly net absorption was negative for the first time since the Q1 of 2018, yet it remains positive for the year. Gross absorption remained in line with the first half of 2020, but it was more than offset by move-outs. Total vacancy rose as a result, from 5.2 percent at the mid-year point, to 6.0 percent at the end of Q3. Multitenant vacancy rose more dramatically, increasing from 8.1 percent to 9.7 percent. Even with these increases, projected supply remains in the healthy range with 12 months of supply in the market.

OFFICE OUTLOOK

Despite the surplus of large sublease listings on the market, there are positive indicators. Transaction volume increased in the 3rd quarter of the year, albeit modestly at just 6 percent. However, each quarter has seen more deals done than the previous quarter despite COVID-19 having widespread ramifications on businesses. Inquiries from out-of-state businesses is up, as many seek to move away from more densely populated areas.

Vacancy and absorption are both likely to rise in Q4 as new office buildings complete construction. Nearing completion is over 750,000 square feet of new office construction, primarily concentrated in Downtown (11th & Idaho) and near the Eagle and Meridian Road interchanges. Half of this newly built product has already been leased, with more at the letter of intent stage.

Lease rates have steadily improved throughout 2020, with overall asking rates currently \$18.00 per square foot (FLSV, annually). However, with the amount of new product (both sublease and new construction) coming onto the market, lease rates may stabilize near their current highs. Lease rates in newly constructed Class A buildings typically lease in the mid- to high-\$20 per square foot range—well above the market average. Tenant improvements for these spaces can easily run north of \$100 per square foot in some cases where traditional offices are requested. Some tenants are opting for more collaborative space with fewer walls, bringing down the cost of improvements.

TAKEAWAYS:

- **SUBLEASE SPACE HAS MORE THAN DOUBLED** OVER THE PAST 90 DAYS.
- **OVER 750,000 SQUARE FEET** OF NEWLY CONSTRUCTED SPACE WILL DELIVER BEFORE THE **YEAR'S END**.

BROCKTON OFFICE



COMMERCIAL

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