

# OFFICE MARKET

SPOKANE / KOOTENAI

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**KIEMLE &  
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## OFFICE MARKET

***“Don’t Let Yesterday  
Use Up Too Much  
of Today.”***

**~ Will Rogers**

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## AGENDA

- ▶ **Spokane 2008 vs. 2009**
- ▶ **Spokane Highlights**
- ▶ **Projections – Spokane Office**
- ▶ **Kootenai County 2008 vs. 2009**
- ▶ **Kootenai County Highlights**
- ▶ **Conclusions**

# OFFICE MARKET

## Spokane 2008 vs. 2009

	<u>2008</u>	<u>2009</u>
▶ <b>Overall Vacancy</b>	<b>10.9%</b>	<b>15.2%</b>
▶ <b>CBD Class A</b>	<b>7.3%</b>	<b>8.9%</b>
▶ <b>Valley</b>	<b>13.3%</b>	<b>21.9%</b>

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## Spokane 2009 Highlights

- ▶ **Opening of Riverview Corporate Center (250,000 SF)**
- ▶ **Clearwater Paper Leased Full Floor**
  - Bank of America Financial Center
- ▶ **Social Security Leased 35,000 SF**
  - Iron Bridge III
- ▶ **Principal Financial Leased 35,000 SF**
  - Riverview Corporate Center
- ▶ **Horizon Credit Union Purchased 46,000 SF**
  - Mansfield Crossing Building

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## Spokane Office Projections 2010

- ▶ **Rent** —
- ▶ **Concessions** ↑
- ▶ **Vacancy** —
- ▶ **Cap Rates** ↑
- ▶ **Investment Activity** ↓

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## Kootenai County 2008 vs. 2009

	<u>2008</u>	<u>2009</u>
▶ Overall Vacancy	6.3%	5.2%
▶ Coeur d'Alene	10%	6% ?
▶ Post Falls	2.7%	2.9%
▶ Rathdrum	0%	4.5%
▶ Hayden	0%	3.6%

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## 2009 Kootenai Highlights

- ▶ **Parkside Mixed Use Building completed and Office Space is almost full**
- ▶ **Completion of Global Credit Union Financial Center**
  - January 2009
  - 30,000 SF Office Building
- ▶ **Tenants got a great deal on space**

# OFFICE MARKET

## 2009 Kootenai Projections

- ▶ **Rent** ↓
- ▶ **Concessions** ↑
- ▶ **Vacancy** ↑
- ▶ **Cap Rates** ↑
- ▶ **Investment Activity** ↓

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## Conclusions

- ▶ **Office Market will stabilize by the end of 2010**
- ▶ **Investment activity will remain questionable until financing comes back**
- ▶ **Attractive purchase options will continue to be available for cash buyers**