



**KIEMLE
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PRESENTED BY

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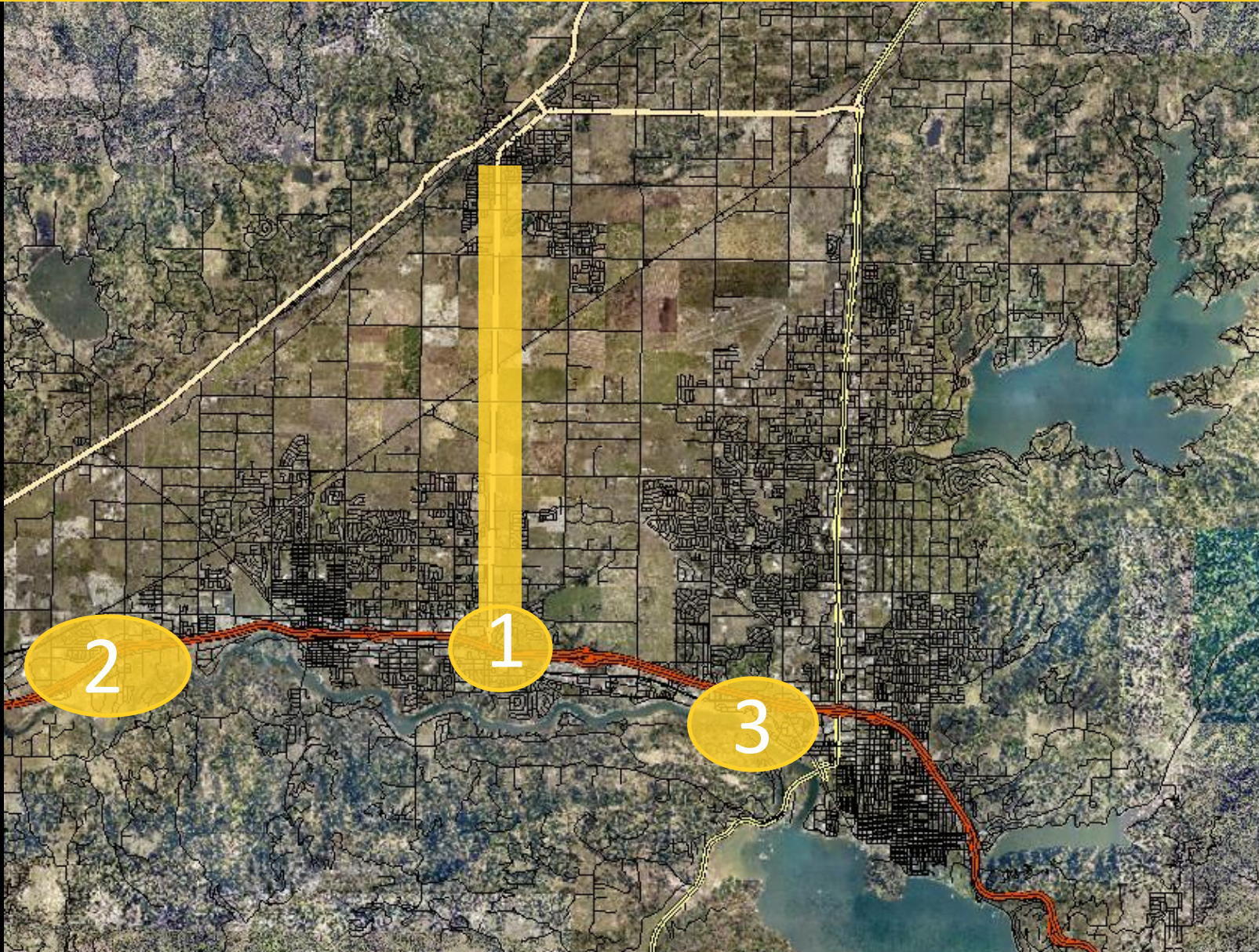
March 2nd, 2023

Kootenai County Commercial Real Estate Market Update

[Agenda

- **Recent Development**
- **Market Conditions & Vacancy Rates**
- **Looking Forward**

Recent Development



Many great projects in KC, but we will cover:

1) SH 41 Corridor

2) West Post Falls

3) Atlas Mill Site

Highway 41

SH 41 – I-90 Interchange

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- **\$163 Million invested to expand SH 41 and redesign interchange**
 - **\$78 Million for Interchange**
- **Single-Point Urban Interchange (SPUI)**
- **More efficient flow of traffic**
- **Began: Fall 2022 (one year early)**
- **Estimated completion: Summer 2025**



Highway 41

Widening SH 41 – PF to Rathdrum

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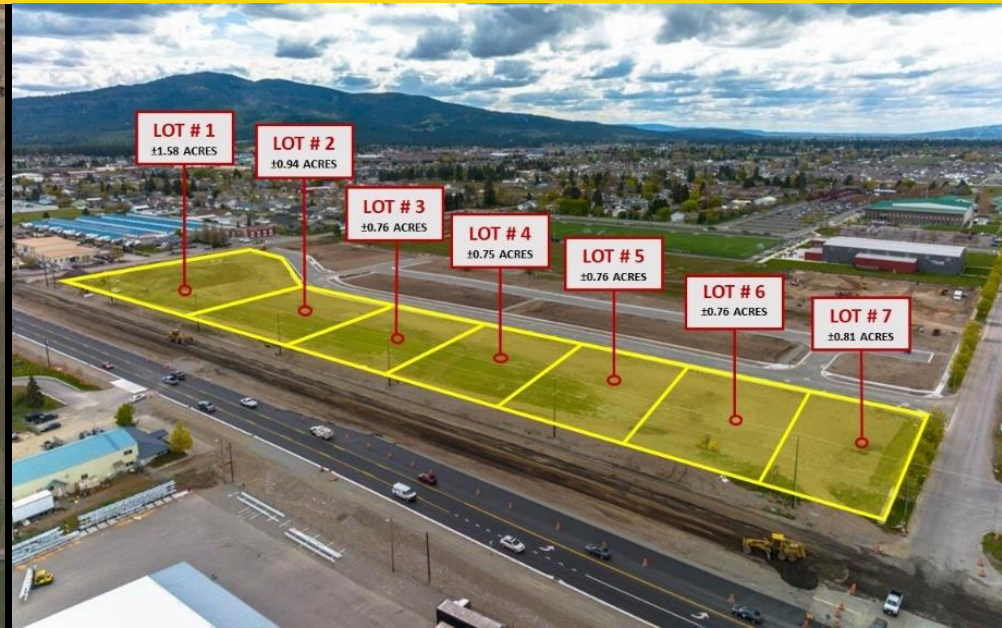
- **Expansion from Post Falls to Rathdrum along 41**
- **Widen HW 41 from 2 lanes to 4 lanes**
- **Extension of Sewer lines**
- **Project Dates: 2020 – 2023 (finishing)**
- **Past uncertainty**
- **Past Lack of Infrastructure (W&S), now available**
- **Subdivisions now accessible and marketable**
 - **More desirable corners – visibility**
 - **Ingress & Egress**



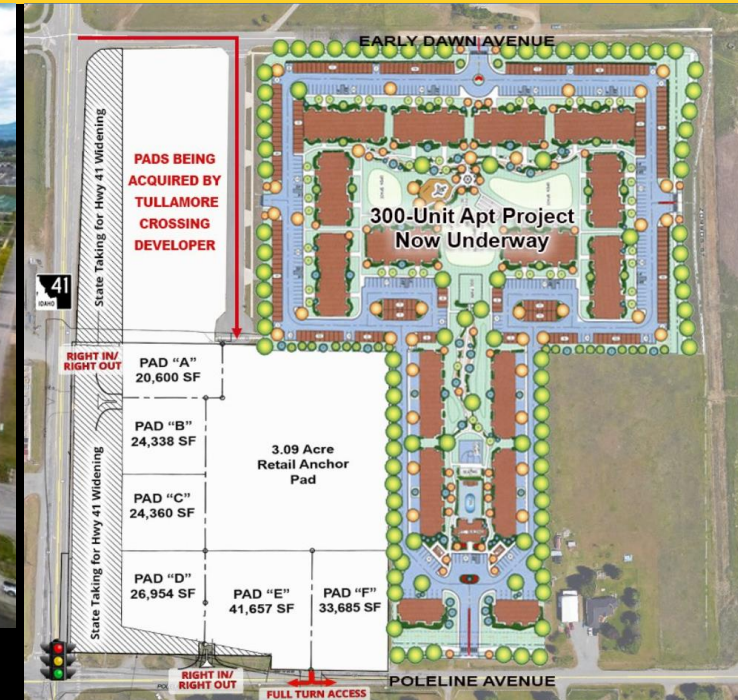
Highway 41

Widening HWY 41 – PF to Rathdrum

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Listed by Chris Bell, NAI Black



Tullamore Crossing Retail
Village (Poleline)

Listed by Pat Eberlin, Kiemle
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West Post Falls

The Pointe at Post Falls

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Additional
QSRs and
Retailers

West Post Falls

Pleasant View/Expo Parkway

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Industrial
300 AC (36 mo.)
13 AC remaining

🚗 I-90 @ Pleasant View ±55,359 ADT
🚗 I-90 @ Pointe Parkway ±56,366 ADT
*Combined Directions

West Post Falls Riverbend

- **Individual Industrial Lots Sold**
- **Majority Owner/User**
- **Some Spec – Preleasing quickly**

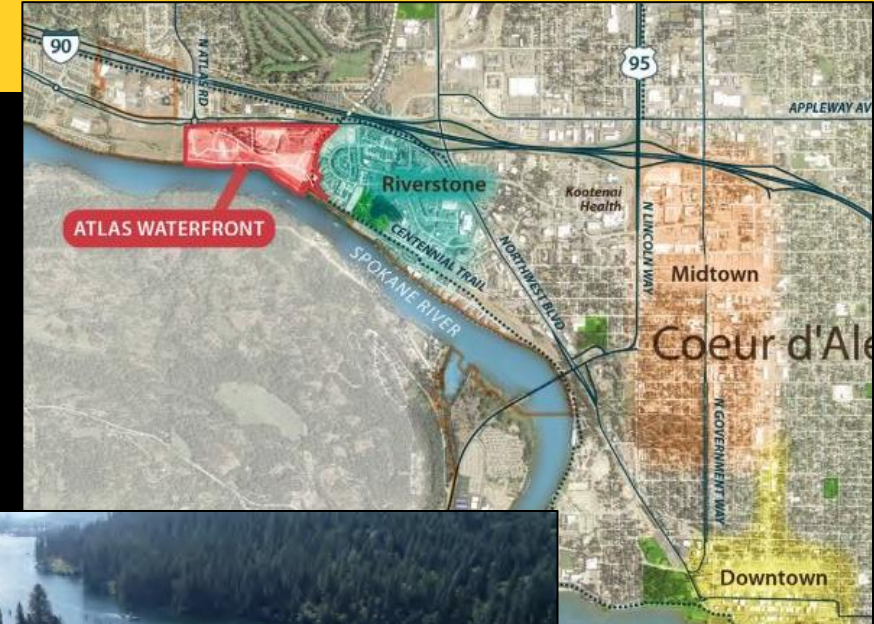


Atlas Mill Development

Beginning Stages

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- Northwest of Riverstone
- 2018: City of CDA purchases Atlas Mill Site
- 47 AC Riverfront Property for \$7.85M
- Land exchange to West: Increased to 70 AC
- Increase public access to Waterfront
- Request for Proposal Process
 - Development Experience, Consistency with Development Standards, Purchase price



Atlas Mill Development

Site Plan

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- **3,780 linear feet of public shoreline**
- **Residential and Retail Function**
- **Commercial: Areas 4, 5A and 13**
- **Phase 1**
- **Construction underway on Areas 1, 2, 6**
- **Park: Open for use**

ATLAS WATERFRONT PROJECT TOTALS

Property Area

- **Total Site:** ~70.5 Acres
- **Developable Area:** ~32.3 Acres
 - Roads: ~13.7 Acres
 - Open Space: ~24.5 Acres

Projected Yield (within areas)

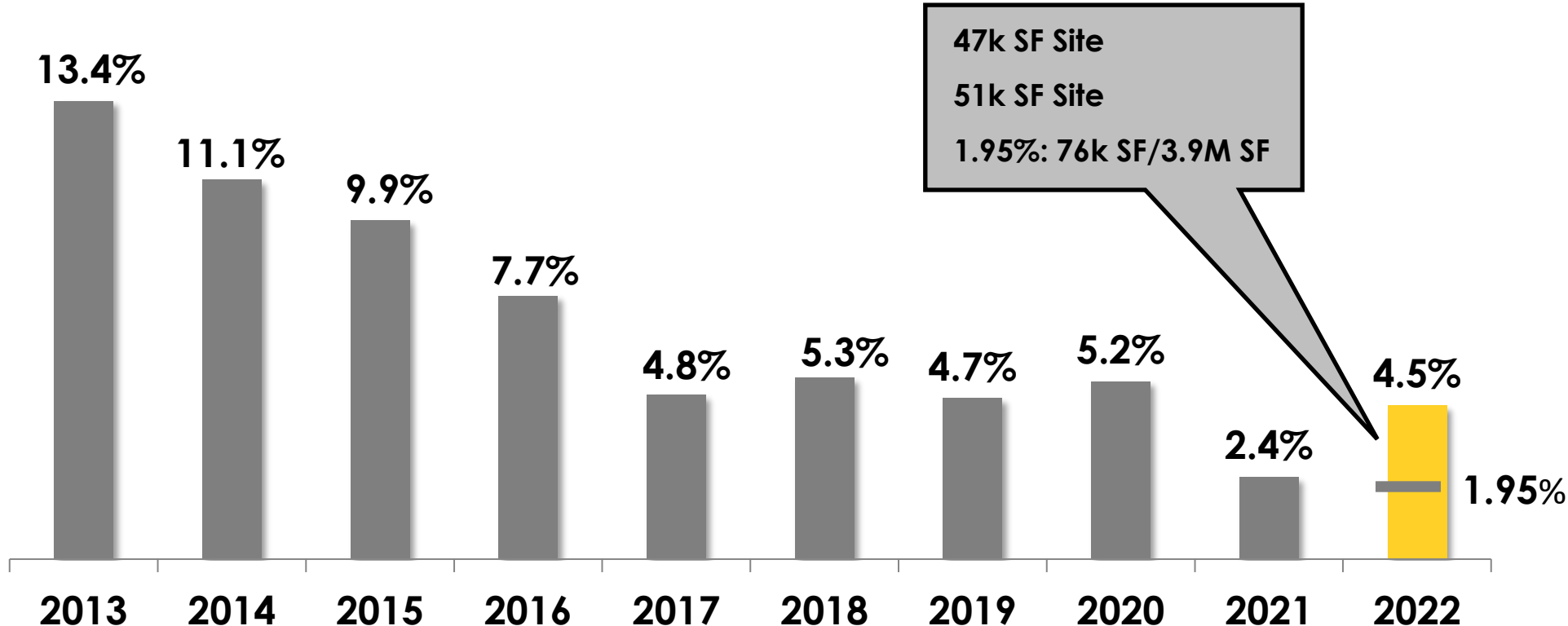
- **Multi-Family:** 17-20 DU/AC
- **Townhomes:** 19 DU/AC
- **Single-Family:** 8 DU/AC
- **Commercial:** 0.6 to 1.2 FAR

Office Kootenai County Vacancy

Includes the following submarkets:

- Coeur d'Alene
- Dalton Gardens
 - Post Falls,
 - Rathdrum
 - Hayden

Data Source:
Valbridge Property Advisors



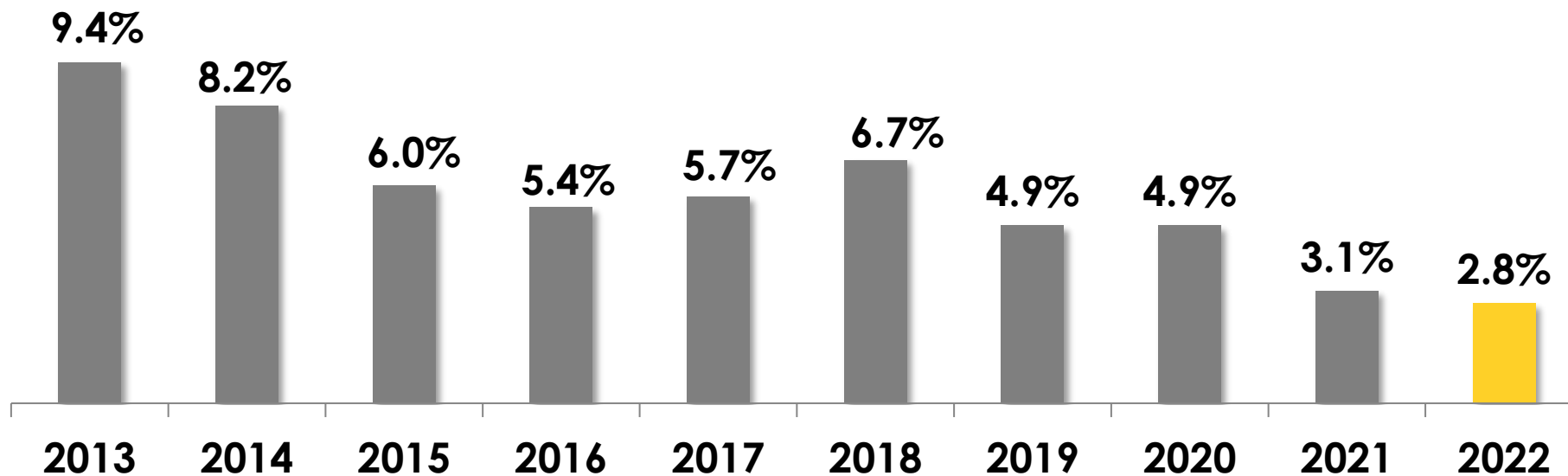
Retail

Kootenai County Vacancy

Includes the following submarkets:

- Coeur d'Alene
- Dalton Gardens
 - Post Falls,
 - Rathdrum
 - Hayden

Data Source:
Valbridge Property Advisors

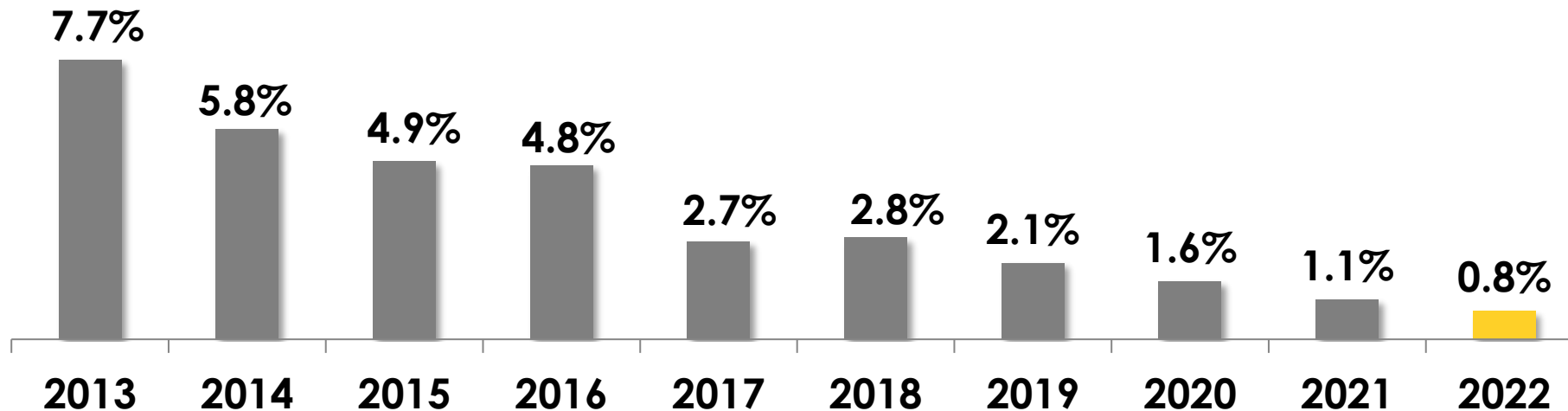


Industrial Kootenai County Vacancy

Includes the following submarkets:

- Coeur d'Alene
- Dalton Gardens
 - Post Falls,
- Rathdrum
 - Hayden

*Data Source:
Valbridge Property Advisors*



Vacancy Rates

What story do these rates tell?

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- **Supply and Demand**
 - **High rates**
 - **Positive Absorption: Space leased > Space vacated**
- **Root Causes:**
 - **High Construction Costs**
 - **High Land Acquisition Costs**
 - **Previously expensive integration of infrastructure**
 - **Now High and/or uncertain interest rates**
- **Market becoming accustomed to higher prices & cost of living – doesn't happen overnight**
- **Tenant willingness to pay ≠ New build rates**

Looking Forward

2023 and beyond



- **CDA Airport – Public/Commercial**
- **Recovering from the effects of COVID**
- **From Mass Migration to Stabilized Healthier Growth Rate**
- **More inventory on the market than years prior?**
- **2024: Election Year, potential to accelerate migration into Kootenai County**
- **Continued commercial expansion on the Prairie (PF, Rathdrum)**
- **Caution from investors underwriting projects / building pro formas**

Thank you

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- **Kevin Edwards – Hawkins Edwards**
- **Tony Berns – Ignite CDA**
- **Pat Eberlin – Kiemle Hagood**
- **Chad Burd – Kiemle Hagood**
- **Casey Brazil – Kiemle Hagood**