

7FOLD COMMERCIAL REAL ESTATE REVIEW

By Donnie Murrell

North Idaho's CRE Snapshot. Local Insight, National Context, Smart Guidance for Investors, Beginners and Business Owners.

1. THOUGHTS FOR THE WEEK

Welcome to the 51st edition of the 7fold Commercial Real Estate Review.

Two stories out of our own backyard this week deserve more of your attention than anything on the national wire. A neighbor filed a formal appeal against Coeur Terre 2, and the mayor of Post Falls put the word insolvency in writing. Neither one is a crisis. Both tell you something honest about what it now costs to grow here, and who ends up paying for it.

The national numbers, on the other hand, finally turned friendly. Multifamily rents rose in 73% of US metros last month, inflation cooled to 3.4%, and light industrial absorption beat deliveries for the first time since 2022. Good week to own space. Harder week to go find some.

This Week at a Glance

- **NORTH IDAHO CRE NEWS** - Coeur Terre 2 heads to appeal, and Post Falls stares down a real budget hole
- **CRE NATIONAL NEWS** - Northern Virginia knocks Dallas off the top of the investment rankings
- **NEW COMMERCIAL LISTINGS** - The latest North Idaho inventory to hit the market
- **TAXES, LENDING & FINANCIAL** - CPI cools to 3.4% and the Fed stays parked
- **CRE EDUCATION CORNER** - Impact fees, and why they hit your deal at the worst possible moment
- **THE 7TH TAKE** - Growth is not free, and we are finding out what the bill looks like

Read time: 6 minutes

2. NORTH IDAHO CRE NEWS

Coeur d'Alene Press | [Neighbor appeals major Coeur Terre 2 development](#) A neighbor has formally appealed the Planning and Zoning Commission's approval of the preliminary plat for Coeur Terre 2, the next phase on the western edge of the city, calling the decision arbitrary, capricious and an abuse of discretion. The phase covers 284 single family lots and 36 multifamily lots. The appeal takes direct aim at the finding that street, traffic and pedestrian provisions are adequate. The city's position is that

the project builds out incrementally, so the road network grows with it. A special meeting is set for 5 p.m. Aug. 31.

Coeur d'Alene Press | [Westlund warns of major deficit](#) Post Falls Mayor Randy Westlund published a plan to streamline local government and asked for public feedback before it goes to City Council. "The city is in a difficult financial position," he wrote. "Inflation and skyrocketing expenses have far outstripped tax revenue, driving us towards insolvency." The stated goal is a list of lower priority services to reform or cut rather than a tax increase. Council took up the FY2027 general fund budget the same evening.

Spokane Journal of Business | [\\$70M apartments planned for Kendall Yards](#) Liberty Lake based Greenstone Corp. is planning a \$70 million, six story mixed use apartment building on a vacant 2 acre lot at 1175 W. Summit Parkway, one of the last open parcels in Kendall Yards. The structure runs 426,000 square feet. SRM Development is the contractor, Structural Forte is handling engineering and Urbal Architecture is architect of record.

Associated General Contractors | [Construction input costs jump to new multiyear highs](#) The producer price index for inputs to new nonresidential construction rose 7.1% between July 2025 and July 2026. Petroleum, metal and asphalt led the increases. Contractor backlogs fell to eight months nationally, and data center work is masking softness across the rest of commercial construction. This is the number sitting underneath every pro forma in our market right now.

3. CRE NATIONAL NEWS

CRE Daily | [CRE's new No. 1 market has data centers to thank](#) Northern Virginia posted \$11.5 billion in CRE sales in the first half of 2026, up 259% year over year, edging out Dallas at \$11.4 billion and ending a six year Dallas run at the top. Digital Realty's \$5.6 billion purchase of four Blackstone data centers did most of the work. National data center sales hit \$8.5 billion in the first half, up 476%, with just 23 second quarter deals accounting for \$7.7 billion of it.

CRE Daily | [Multifamily rents shift from stabilization to reacceleration](#) National multifamily rents rose 1.8% year over year in July, up from 1.5% in June and 1.2% in May, according to Chandan Economics. Annualized month over month growth hit 4.0%, the fastest since March 2023. Roughly 73.4% of US metros recorded monthly increases and 88.8% posted annual gains, both the highest shares since September 2025. Austin, Raleigh, Phoenix, Tampa, Denver and Charlotte all turned positive month over month, which suggests the oversupplied Sun Belt is finding a floor.

GlobeSt | [Light industrial absorption surpasses deliveries for the first time since 2022](#) Demand for small bay industrial is now outpacing new supply, with absorption exceeding deliveries for the first time in four years. Smaller properties are benefiting from tight vacancy, rent growth and investor appetite. Nationally, industrial vacancy held at 9.1% in June and rent growth cooled to 5.3%. Worth noting that the small bay story is the one that actually maps to our market.

CRE Daily | [Office loan LTVs rebound but stay below pre-pandemic highs](#) Median loan to value on office debt reached 59.1% in 2026, a real recovery from the bottom but still well short of where lenders sat before 2020. Origination volume remains thin and lenders are still picking their spots. If you are underwriting office anywhere, assume you are bringing more equity than you would have six years ago.

4. NEW COMMERCIAL LISTINGS



FOR LEASE

Retail

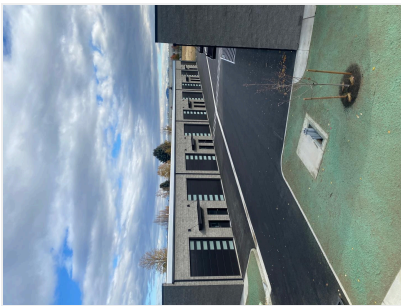
The Drift

Atlas Road, Coeur d'Alene, ID 83814

Asking Rent \$35.00/SF | Available 4,800 SF

Waterfront restaurant and retail space in the Atlas Waterfront development, fronting Seltice with strong traffic counts. Delivered in shell condition with a generous TI allowance, so a tenant can lay it out the way they actually want it.

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FOR LEASE

Industrial / Flex

Legacy Riverbend

4653 St Joe Ave, Post Falls, ID 83854

Asking Rent \$18.00/SF | Available 2,800 SF

New construction industrial flex in Riverbend Industrial Park, Building A. Each unit has a 14 foot overhead door, man door, ADA restrooms and a mezzanine, with gas heat and three phase power available. This is the size range tenants keep asking me for and almost never find.

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FOR LEASE

Office

Hayden Professional Building

8475 N Government Way, Hayden, ID 83835

Asking Rent \$24.00/SF | Available 987 SF | Building 12,522 SF

Small professional suite in a well maintained building on a half acre lot in the middle of Hayden's commercial district. Works for office, retail or service use. Good visibility on Government Way, and the suite size fits the one or two person operation that keeps getting priced out of bigger space.

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FOR SALE

Land / Business

NEC Old Hwy 95 & Hwy 54 Frontage

Athol, ID 83801

List Price \$699,000 | In-Place NOI \$46,106 | 6.6% Cap

Stabilized food truck pavilion offered as land and business. Five of six stalls are leased to established operators on annual leases at \$1,000 per stall per month, producing \$46,106 of in place NOI. Filling the sixth stall takes it to \$58,106 at the city permitted capacity, which pencils closer to 8.3%. Hard corner on the Silverwood corridor.

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FOR SALE

Land

5851 W Highway 53

5851 W Highway 53, Rathdrum, ID 83858

List Price \$1,190,000 | 128,502 SF (2.95 AC)

Pad ready C-2 parcel fronting State Highway 53. Stripped of topsoil, mass graded and compacted to buildable subgrade, with a shared ITD approved 40 foot commercial approach and public water and sewer to the site. Highway 53 carries 7,935 vehicles per day here.

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5. TAXES, LENDING & FINANCIAL

CoStar Economy | [Inflation cools, but pressure points may be changing](#) CPI rose 3.4% year over year in July, down from 3.5% in June and a 4.3% peak in May. Core inflation came in at 2.5%, the slowest since February. Energy fell for a second straight month, though gasoline is still up 24.6% annually and fuel oil is up 39.1%. Shelter, the largest single category, rose 3.2%. Producer prices were flat on the month but remain up 4.7% annually, and firm margins slipped 0.1%, which tells you businesses are eating more of their own cost increases.

Marcus & Millichap | [The Fed's dual mandate faces pressure despite ongoing economic growth](#) Wage growth at 3.2% has now lagged inflation for four straight months, and July retail sales fell 0.6%, the first decline in nine months. Consumer sentiment dropped roughly 8% in August. The combined picture of cooling inflation and a softening labor market points to the Fed holding at an extended pause rather than cutting.

Connect CRE | [MBA: multifamily mortgage volume rose 32% in 2025](#) Multifamily mortgage originations climbed 32% to \$381.8 billion in 2025 as steadier rates brought refinancing and acquisition activity back across a broad range of lenders. Capital is available for multifamily. It is priced differently than it was, but it is there.

CRE Daily | [Rising construction prices shrink contractor backlogs](#) Construction input prices rose 7.4% year over year in July while contractor backlogs dropped to eight months. If you are budgeting a

tenant improvement or a ground up build in Kootenai County this fall, price it twice and add a contingency you would be embarrassed to explain.

6. CRE EDUCATION CORNER

Impact Fees: The Line Item That Shows Up After You Already Bought the Land

Hayden's Development Impact Fee Advisory Committee meets Aug. 20, and most people reading this have no idea what that committee does or why it matters to them. An impact fee is a one time charge a city collects at permitting to pay for the share of new roads, parks, sewer and public safety capacity your project consumes. It is not a tax and it is not negotiable at the counter. It is calculated from a study the city adopts, and it can change between the day you tie up a site and the day you pull a permit.

Here is why it bites. Most buyers underwrite land, hard costs and soft costs, then treat permitting as a rounding error. In a growth market where cities are short on revenue, impact fees are one of the few levers a council can pull without raising property taxes. Which means they tend to go up right when everything else already has. Post Falls is openly discussing a budget shortfall this month. Hayden is reviewing its fee schedule this week. Read those two facts together.

The practical move is simple. Before you go hard on a commercial site in Kootenai County, call the city, ask for the current adopted impact fee schedule for your use type, and ask whether a study update is in progress. Then underwrite the number you were quoted plus a cushion. It is a five minute phone call that has saved deals.

[Read More](#)

7. THE 7TH TAKE

Growth is not free, and North Idaho is finally being handed the invoice.

For fifteen years the story here was simple. People move in, values go up, everybody wins. That story was true. It was also incomplete, because the roads, the sewer capacity, the police and fire coverage and the staff to run all of it were being funded on a tax base sized for a much smaller place. Post Falls is one of the fastest growing cities in the country and its mayor just wrote the word insolvency in a public document. Those two things are not a contradiction. They are the same sentence.

The Coeur Terre appeal is the other side of the same coin. Someone read the traffic findings, decided the math did not hold, and filed. Whether the appeal wins on Aug. 31 matters less than the pattern it represents. Approvals that used to move quietly are now getting read closely, and the people reading them are neighbors, not lawyers from out of town.

I am not pessimistic about any of this. Markets that get this scrutiny tend to build better. But if you are buying, developing or leasing here, adjust your assumptions. Entitlement timelines are getting longer.

Impact fees are going up, not down. Construction inputs are up 7.1% year over year and contractor backlogs are shrinking, which means bids get volatile in both directions. Build those into your pro forma now instead of discovering them in month nine.

The fundamentals here are still excellent. The friction is just no longer zero.

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