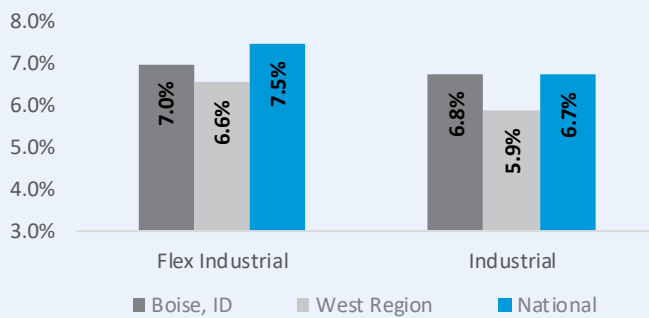


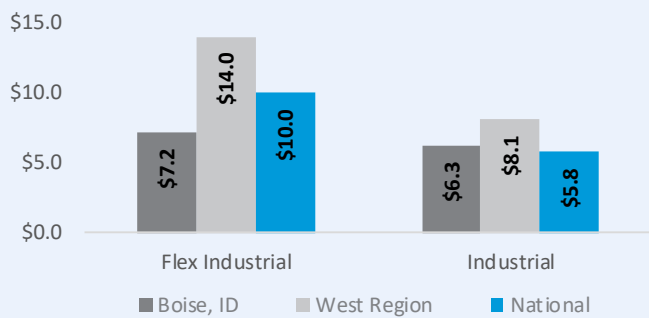
### Market Rate Indicators (Y/Y)

Categories	Flex Industrial	Industrial
Going In Cap Rate (%)	▼	▼
Asking Rent (\$/SF)	◀▶	◀▶
Vacancy Rate (%)	▼	▼

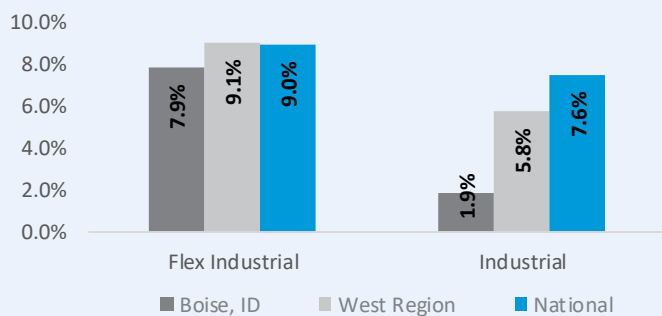
### Going In Cap Rate Comparisons (%)



### Asking Rents (\$/SF)



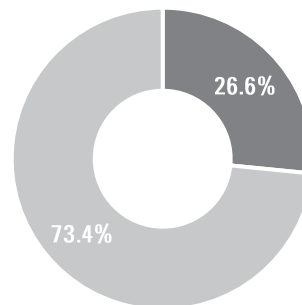
### Vacancy Rates (%)



### Boise, ID Industrial Market Overview

Industrial continues to lead the greater Boise commercial market, now well into its 7th year of recovery. While sale activity and cap rate bias suggested a temporary pause early in 2016, by year's end a very active market was evident, characterized by tight supply and significant construction to meet pent-up demand. Year-to-date absorption for the first five months of 2017 is already well over 400,000 square feet, and cap rates are at historical lows despite the upward bias in Fed rates. With an overall vacancy rate of 3.5 percent for Ada and Canyon Counties combined, and a corresponding multitenant rate of about 7.9 percent, speculative activity can be expected to continue, but to keep the situation in some perspective, Idaho is a market dominated by owner-occupied rather than income-property, with an approximate ratio of 70 percent to 30 percent, which helps to explain why the overall vacancy rate (which includes owner-occupied facilities) is so much lower than the multitenant figure. Much of the vacancy that remains in the latter is second-tier product that tends to have a higher turnover rate, creating opportunities for Class A speculative development affording move-up and expansion opportunities. Typically, however, most sizeable development activity tends to be user or tenant build-to-suit.

### Distribution of Total Inventory



■ Flex Industrial ■ Industrial

35,281,198 SF  
Industrial Inventory  
1.70% - 12 Mo. Proj.  
Construction/Inventory



## Change In Value Next 12 Months



2% - 3.9%

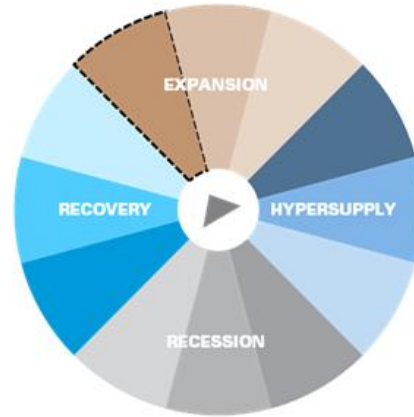
Flex Industrial



2% - 3.9%

Industrial

## Market Cycle: Expansion Stage 1



- Decreasing Vacancy Rates
- Moderate/High New Construction
- Moderate/High Employment Growth
- High Absorption
- Med/High Rental Rate Growth

## Forecasts

### Boise, ID 12-Month Industrial Forecasts

Categories	Flex Industrial	Industrial
Going-In Cap Rates	Increase 1-24 bps	Increase 1-24 bps
Discount Rate	Increase 1-24 bps	Increase 1-24 bps
Reversion Rate	Increase 1-24 bps	Increase 1-24 bps
Construction (SF)	600,000	
Years to Balance	In Balance	In Balance

### Boise, ID 36-Month Industrial Forecasts

Categories	Flex Industrial	Industrial
Market Rent Change	2.50%	2.50%
Expense Rate Change	2.50%	2.50%
Change in Value	Increase 2% - 3.9%	Increase 2% - 3.9%
Annual Absorption (SF)	65,508	220,000

Integra Realty Resources (IRR) is the largest independent commercial real estate valuation and consulting firm in North America, with over 183 MAI-designated members of the Appraisal Institute among over 600 professionals based in our 53 offices throughout the United States and the Caribbean. Founded in 1999, the firm specializes in real estate appraisals, feasibility and market studies, expert testimony, and related property consulting services across all local and national markets. Our valuation and counseling services span all commercial property types and locations, from individual properties to large portfolio assignments.

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