

# VIEWPOINT



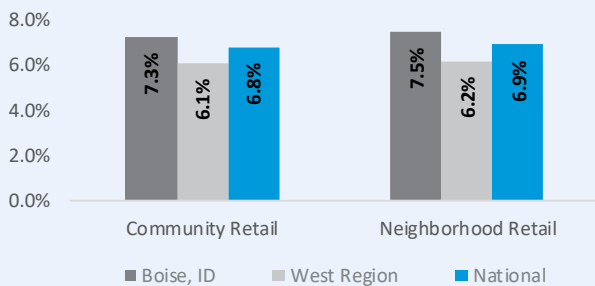
## 2017 BOISE, ID RETAIL MID-YEAR REPORT

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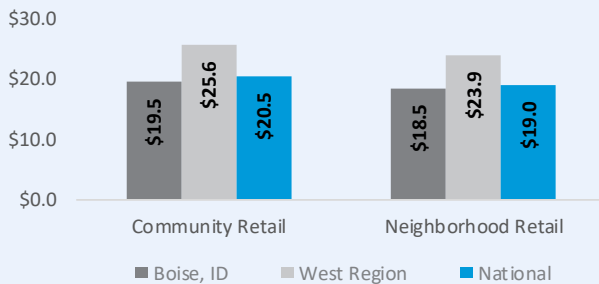
### Market Rate Indicators (Y/Y)

Categories	Community Retail	Neighborhood Retail
Going In Cap Rate (%)	▲	◀▶
Asking Rent (\$/SF)	◀▶	▲
Vacancy Rate (%)	▲	▲

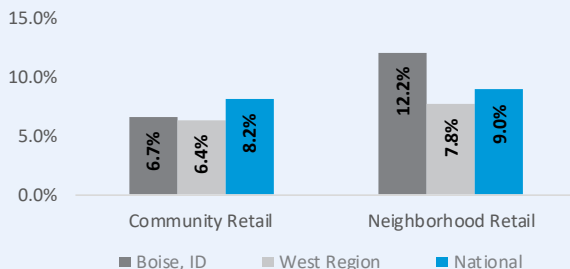
### Going In Cap Rate Comparisons (%)



### Asking Rents (\$/SF)



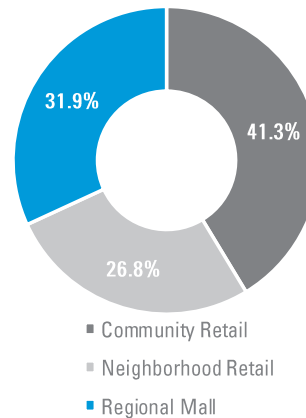
### Vacancy Rates (%)



### Boise, ID Retail Market Overview

Retail activity consists primarily of small, national tenant and national franchise expansion, and some level of large, dark box conversion. Speculative multi-tenant activity has been quite limited, following the national trend of increasing online shopping for commoditized goods. Concurrently, large retailers (big- and mid-box) continue to close locations, which largely account for the increase in vacancy of late, which tends to belie actual improvement in the small anchored and non-anchored retail subsector. Year-to-date retail absorption for the first 5 months of 2017 is slightly below a negative 90,000 SF, which follows negative absorption in 5 of 12 subdistricts for all of 2016, and an overall negative absorption of over 150,000 SF for that year. It is thus interesting to note that the most recent retail project of significance for 2016-2017 has a high-concentration of small nationally-branded franchised (primarily food-service) shadow-anchored by a national superstore. This is materially different than the model of an anchored or shadow-anchored shopping center with inline space having a traditional mix of national and local tenants on site or in freestanding pads and outlets. It will be interesting to see how the project fares over the longer term, and whether other developers attempt to emulate it.

### Distribution of Total Inventory



13,220,615 SF  
Retail Inventory

1.89% - 12 Mo. Proj.  
Construction/Inventory

### Integra Realty Resources - Boise

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## Change In Value Next 12 Months



2% - 3.9%

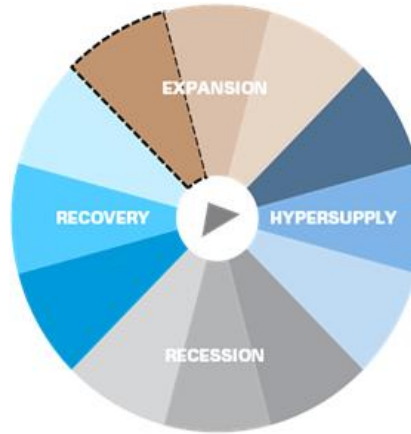
Community Retail



2% - 3.9%

Neighborhood Retail

## Market Cycle: Expansion Stage 1



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

## Forecasts

### Boise, ID 12-Month Retail Forecasts

Categories	Community Retail	Neighborhood Retail
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)	250,000	
Years to Balance	1	1

### Boise, ID 36-Month Retail Forecasts

Categories	Community Retail	Neighborhood Retail
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)	173,840	118,720

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