

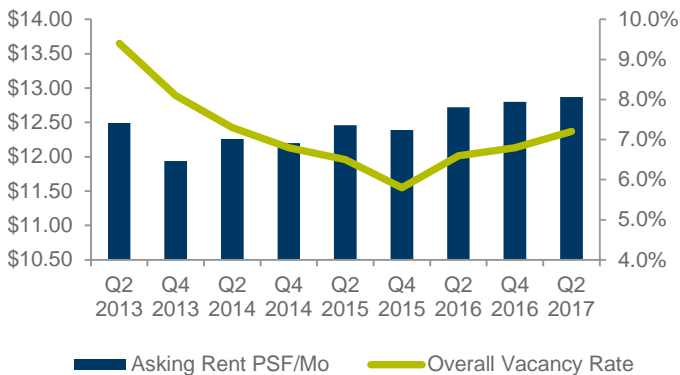
ECONOMIC INDICATORS

National		Q2 16	Q2 17	12-Month Forecast
GDP Growth		1.3%	2.3%	▲
CPI Growth		1.1%	1.9%	▲
Consumer Spending Growth		2.7%	2.7%	■
Retail Sales Growth		2.2%	4.0%	■

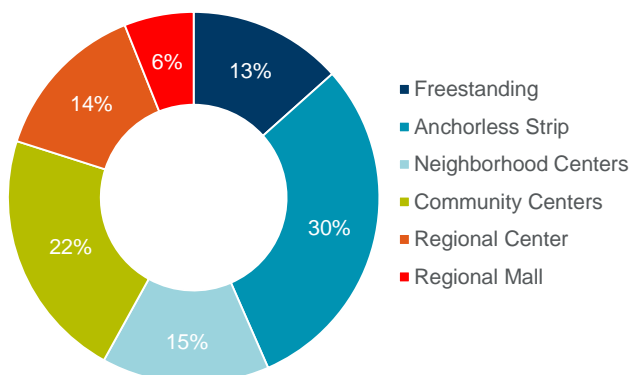
Regional		Q2 16	Q2 17	12-Month Forecast
Household Income		\$50,525	\$53,693	▲
Population Growth		1.4%	1.95%	▲
Unemployment		3.7%	3.2%	▼

Source: Moody's Analytics

Rental Rate vs. Overall Vacancy



Availability by Type



Economy

The U.S. economy reported modest growth in the second quarter of 2017. The Federal Reserve raised its target interest rate for the third time in six months, up 25 basis points (bps) to a range of 1.00% to 1.25%. The unemployment rate was below 5.0% for the sixth straight quarter.

Job growth in the Boise-Nampa Metropolitan Statistical Area (MSA) remained strong as roughly 13,000 jobs were added and continued to push the unemployment rate lower. Boise's unemployment rate continued to fall to 3.2%, well below the national average. The tech and medical industries remain key drivers on employment.

Market Overview

The increased overall vacancy rate to 7.1 % since last years survey can largely be attributed to big box retailers store closures. Smaller retailers continued to lease space at a steady pace with new Tenants coming to the market and existing Tenants expanding into new submarkets. Starbucks opened its first store in Caldwell in a new freestanding building and continued expanding across the market. New Tenants included Cinnaholic at The Village at Meridian and Tropical Smoothie Café with multiple locations within the Treasure Valley. Meridian performed well in the first half of the year with an increased asking rate of \$15.50 triple net (NNN) per square foot (psf), an over \$2.00 psf increase year-over-year.

Albertsons, Bi-Mart, and WinCo Foods were all actively expanding their local grocery footprint. Albertsons broke ground on a new 100,000 square foot (sf) flagship store located in close proximity to their corporate headquarters. They also acquired the former Shopko location in Meridian and will begin construction on a 36,000 sf Barber Valley/East Boise location soon. Bi-Mart is opening a 32,000 sf store in Kuna and another in Star for a 2018 opening.

Outlook

Dollar stores, off-price apparel and food related concepts (both restaurants and grocery store chains) will continue to post strong growth.

Owners of vacant big boxes may find that demising their properties to accommodate multiple smaller tenants is a necessity.

MARKETBEAT

Retail Snapshot Mid-Year 2017

Boise



SUBMARKET	TOTAL BLDGS	INVENTORY	VACANCY RATE	YTD NET ABSORPTION	UNDER CNSTR	AVERAGE ASKING RENT (NNN)
Boise	245	12,683,140	7.3%	(35,535)	25,000	\$11.81
Eagle	12	912,752	8.1%	(545)	22,000	\$12.71
Meridian	65	4,342,002	8.4%	(24,385)	45,000	\$17.26
Nampa/Caldwell	113	6,337,010	5.6%	(27,609)	10,000	\$11.19
TOTALS	435	24,274,904	7.1%	(88,074)	102,000	\$12.87

*Rental rates reflect NNN asking \$psf/year

PROPERTY TYPE	TOTAL BLDGS	INVENTORY	VACANCY RATE	YTD NET ABSORPTION	UNDER CNSTR	AVERAGE ASKING RENT (NNN)
Freestanding	115	5,308,817	4.4%	34,022	15,000	\$14.76
Anchorless Strip	202	5,346,942	9.7%	(48,757)		\$13.18
Neighborhood Center	58	4,071,824	6.2%	39,320	32,000	\$10.97
Community Center	35	4,441,548	8.5%	(36,864)	55,000	\$12.79
Regional Center	16	3,485,614	6.9%	(61,023)		\$8.32
Regional Mall	2	1,620,159	6.4%	(14,772)		NA

Key Lease Transactions 2017

PROPERTY	SF	TENANT	TRANSACTION TYPE	SUBMARKET
Westgate Shopping Center	22,105	Fly High Management, LLC	Lease	Southwest Boise
Franklin Towne Plaza	9,120	4 Wheel Parts	Lease	Southwest Boise
4379 Chinden	15,500	Advance Auto Parts	Lease	North Boise
6241 N Linder Rd	10,019	Dollar Tree	Lease	Meridian

Key Sales Transactions 2017

PROPERTY	SF	SELLER/BUYER	PRICE / \$PSF	SUBMARKET
Axiom Fitness	39,335	DLL Golds/Cook Meridian Fitness	Confidential	Meridian
Lowe's	138,560	Patriot Nampa/1400 Caldwell	9,000,000 / \$65	Nampa
Freddy's Steakburgers	3,435	Riverside Partner/Toni A Filice	\$2,450,000 / \$713	Southeast Boise

Statistical Methodology:

Cushman & Wakefield Pacific tracks all properties in the market, however, only for-lease properties 15,000 square feet or larger are used for provided statistics.

MARKETBEAT

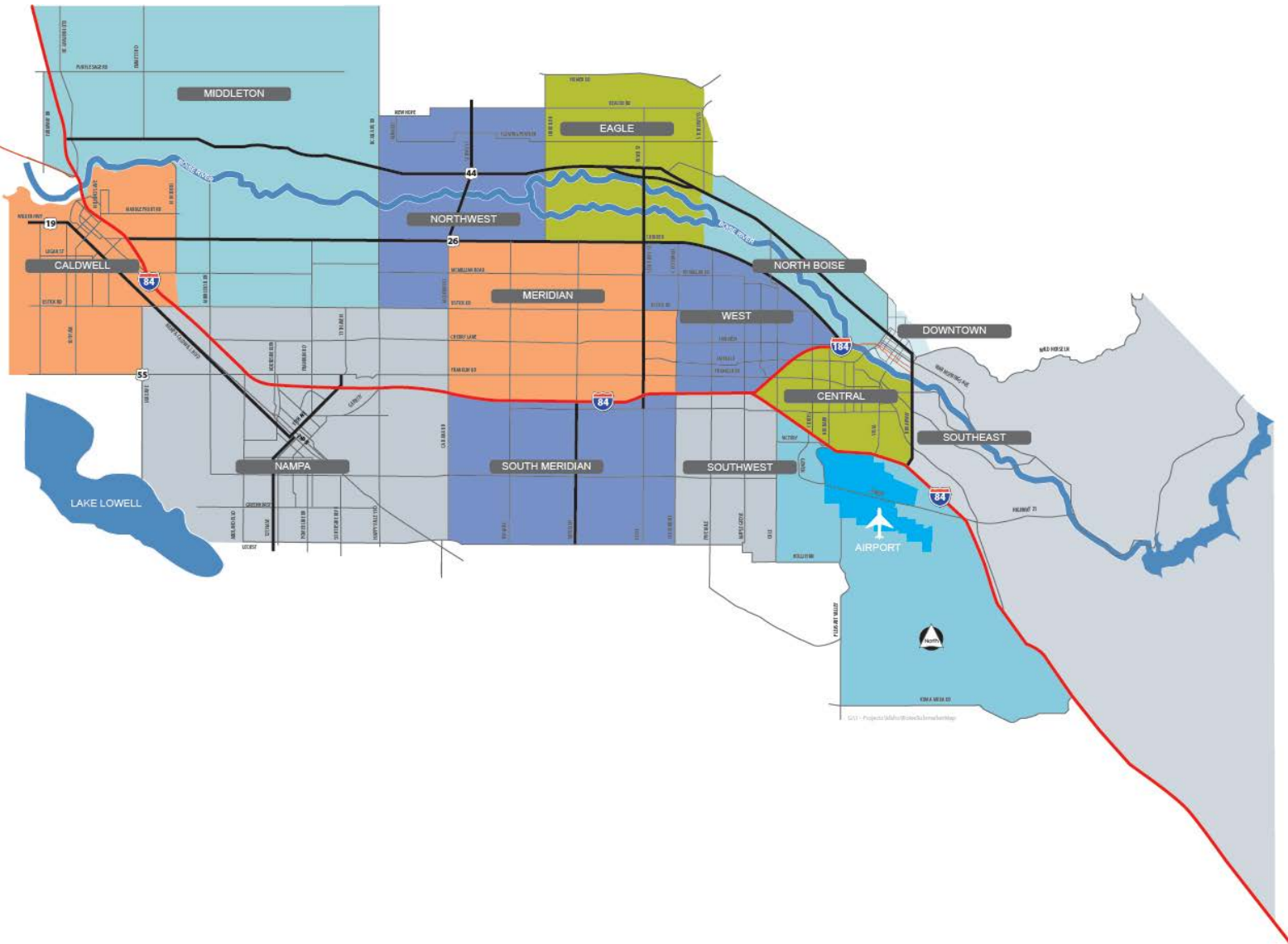
Retail Snapshot Mid-Year 2017

Boise



RETAIL SUBMARKETS

BOISE



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