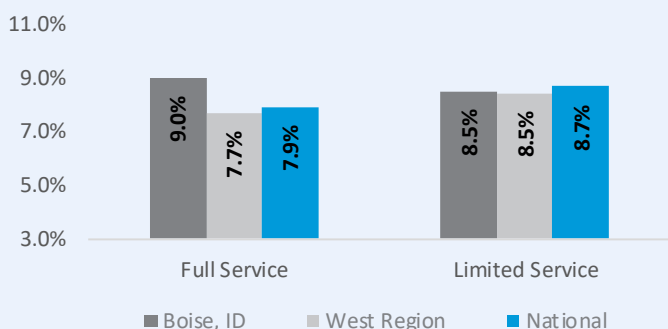


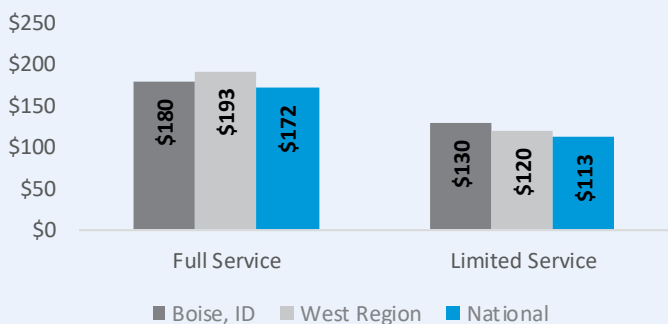
Market Rate Indicators (Y/Y)

Categories	Full Service	Limited Service
Going In Cap Rate (%)	↔	↔
ADR (\$/Room)	↔	↔
Occupancy Rate (%)	↓	↓

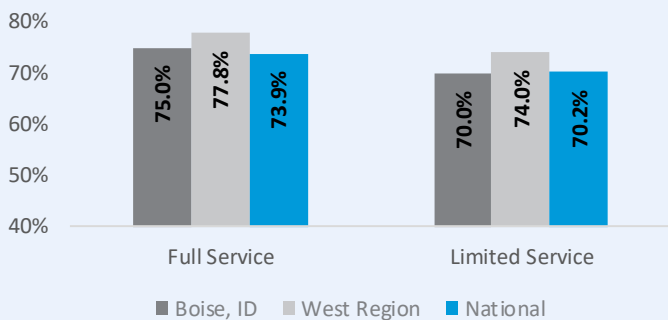
Going In Cap Rate Comparisons (%)



Average Daily Rate (\$/Room)



Occupancy Rates (%)



Boise, ID Hospitality Market Overview

The Boise lodging market has faced some challenges in recent years, the most notable being supply growth. Like many markets around the country, Boise has seen significant supply growth in recent years, with 12 projects containing 1,297 units completed since 2016, and several more planned and under construction. In addition, traditional lodging faces increased competition from alternatives such as Airbnb, Vrbo, and Vacasa, particularly in the leisure travel segment. As a result, occupancy rates and ADRs are down from their peak levels. The biggest unknown is the timing and duration of the next recession, as lodging demand is closely tied to employment. Investors are becoming increasingly cautious, leading to a leveling off in cap rates, at a time when cap rates in Boise are falling for most other property types. However, on the near-term and long-term outlook are positive. New supply growth has slowed, and the economic expansion is holding strong, factors which should help increase RevPAR for most segments over the next 12 months. On a longer-term basis, Boise is expected to remain a destination for in-migration from larger metro areas, and is already beginning to land some larger corporate employers. The most notable is Amazon, which is planning a new fulfillment center in Nampa, which will create 1,000+ full-time jobs. There are also some home-grown success stories, such as T-Sheets, which was founded in 2008 and recently sold to Intuit, who is retaining and expanding their Boise presence. As the city grows in stature, it will attract more employment and population growth, fueling demand for more lodging.

Factors Most Likely to Impact Institutional Hospitality Cap Rates

Market Rank	Factor Considered	National Avg.
1	National economic conditions/GDP growth	3.03
2	Risk premium of private real estate	5.70
3	Local economy, job growth, unemployment	2.72
4	Supply/demand	2.97
5	Property income growth	3.89
6	Interest rates	4.21
7	Availability of financing	5.45



Change in Value Next 12 Months



SERVICE

.1% - 1.9%

Full Service

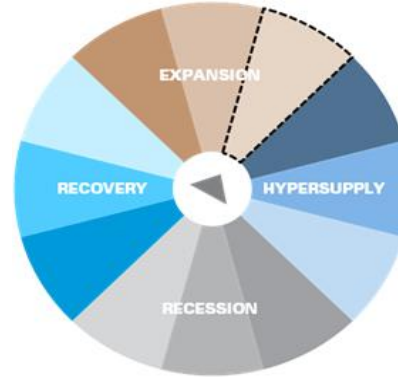


SERVICE

.1% - 1.9%

Limited Service

Market Cycle: Expansion Stage 3



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

Forecasts

Boise, ID 12-Month Hospitality Forecasts

Categories	Limited Service	Full Service
Going-In Cap Rates	Remain Steady - no change	Remain Steady - no change
Discount Rate	Remain Steady - no change	Remain Steady - no change
Reversion Rate	Remain Steady - no change	Remain Steady - no change
Construction (Rooms)	313	
Years to Balance	In Balance	In Balance

Boise, ID 36-Month Hospitality Forecasts

Categories	Limited Service	Full Service
Market Rent Change	3.00%	3.00%
Expense Rate Change	3.00%	3.00%
Change in Value	Increase 2% - 3.9%	Increase 2% - 3.9%

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