

VIEWPOINT



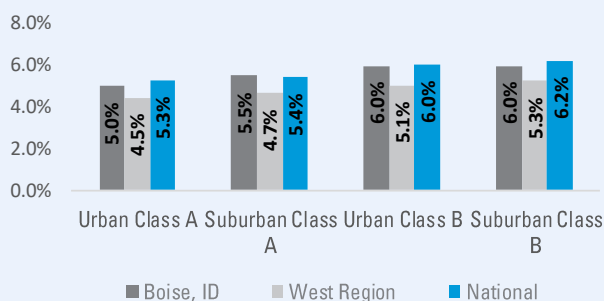
2020 BOISE, ID MULTIFAMILY ANNUAL REPORT

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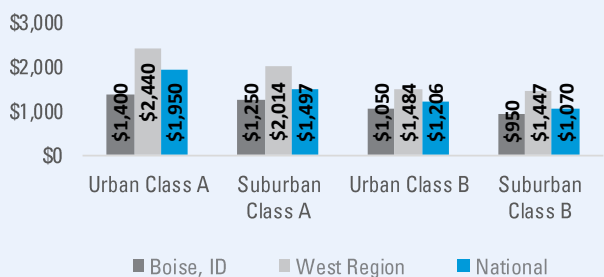
Market Rate Indicators (Y/Y)

Categories	Urban Class A	Suburban Class A
Going In Cap Rate (%)	↔	↔
Asking Rent (\$/Unit)	▲	▲
Vacancy Rate (%)	↔	↔

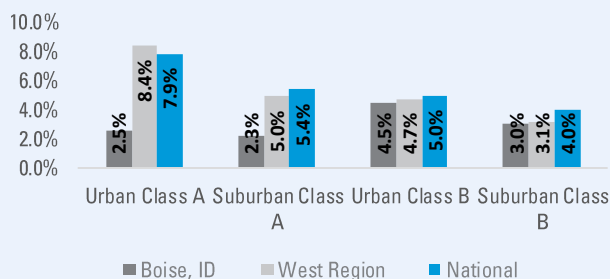
Going In Cap Rate Comparisons (%)



Asking Rents (\$/Unit)



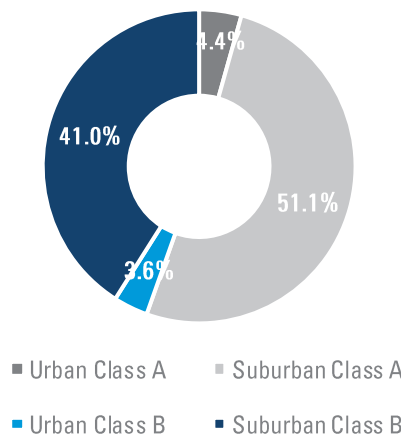
Vacancy Rates (%)



Boise, ID Multifamily Market Overview

The Boise MSA apartment market continues to expand, adding over 2,500 new units in 2019, in what appears to be the new normal. Rents have once again set a new record, and now affordability is becoming an issue. Despite the record pace of development, vacancies remain in the low-single digits, and apartments in many parts of the metro area are difficult to find. The boom started in Meridian, the metro area's largest suburb, but has expanded to outlying suburbs, such as Kuna, Star, and Middleton. As lower- and middle-income households continue to struggle to find affordable rents, look for apartment development to spread even further out, to satellite communities like Emmett, Mountain Home, and Melba. On the other side of the spectrum, the luxury apartment market is booming, centered in Downtown Boise, where three projects with a combined 572 units are currently under construction (Park Place, Cartee, and Caddis), with another 339 units in 3 projects planned. Rents in Downtown Boise are generally \$2,000 and up, with new projects absorbing and stabilizing quickly, and current vacancy in the low single-digits. The upscale Southeast Boise also has some recent and planned high-end apartment projects. Going forward, the market expansion is expected to continue. Boise's population has hit a critical mass, putting it on the radar of large companies looking for regional offices, which would cause growth to accelerate. Housing in established markets, like Boise and Meridian, will continue to rise further out of reach for newly formed households and in-migrants, increasing the need for apartments. Along similar lines, we also expect the suburban condominium market - which is currently almost non-existent - to become the next frontier of affordable housing in the Boise MSA. Barring a recession, expect development on the order 2,500 units per year, continuing to push outward into more outlying markets.

Distribution of Total Inventory



21,066 Units
Multifamily Inventory

8.63% - 12 Mo. Proj.
Construction/Inventory



Change In Value Next 12 Months



2% - 3.9%

Urban Class A



2% - 3.9%

Suburban Class A

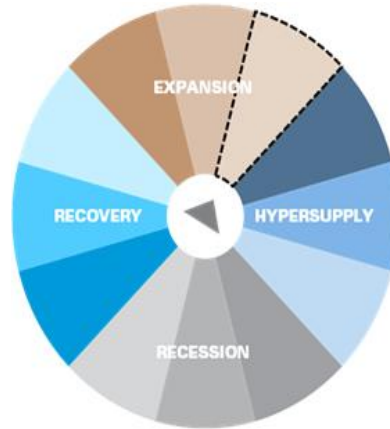
2% - 3.9%

Urban Class B

2% - 3.9%

Suburban Class B

Market Cycle: Expansion Stage 3



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

Forecasts

Boise, ID 12-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Going-In Cap Rates	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change
Discount Rate	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change
Reversion Rate	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change	Remain Steady - no change
Construction (Units)	1,817			
Years to Balance	In Balance	In Balance	In Balance	In Balance

Boise, ID 36-Month Multifamily Forecasts

Categories	Urban Class A	Urban Class B	Suburban Class A	Suburban Class B
Market Rent Change	3.00%	3.00%	3.00%	3.00%
Expense Rate Change	3.00%	3.00%	3.00%	3.00%
Change in Value	Increase 2% - 3.9%	Increase 2% - 3.9%	Increase 2% - 3.9%	Increase 2% - 3.9%
Annual Absorption (Units)	175	0	1,850	0

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