



2003

MID-YEAR REAL ESTATE MARKET REVIEW

COLLIERS
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Presented by Colliers International

Boise, Idaho



JULY 2003 RETAIL STATISTICS AT A GLANCE

Submarket	Inventory SF	Vacancy SF	Absorption SF	Planned SF	Average Rent	6 Month Change	Vacancy %	6 Month Change
Central Bench	890,909	201,892	-38,973	0	\$11.11	\$0.61	22.66%	-0.44%
North End	178,075	2,000	552	0	\$16.50	\$0.50	1.12%	-0.31%
Northwest	505,782	72,535	-22,556	80,000	\$11.10	-\$0.64	14.34%	2.71%
Southeast	1,361,686	206,641	-96,730	20,000	\$14.73	-\$0.56	15.18%	7.11%
Southwest	611,860	64,010	-36,655	24,500	\$12.24	\$0.53	10.46%	5.99%
West Bench/Mall	2,073,948	171,688	-13,788	0	\$13.74	\$0.72	8.28%	0.62%
Eagle	339,411	17,447	-2,865	140,100	\$14.00	-\$1.25	5.14%	0.84%
Garden City	364,701	26,280	-25,080	0	\$8.75	-\$5.75	7.21%	6.88%
Meridian	1,010,209	32,439	10,860	198,175	\$11.95	\$1.70	3.21%	-1.00%
Nampa	379,919	37,026	43,602	136,840	\$10.64	\$1.64	9.75%	-7.65%
Market Total:	7,716,500	831,958	-181,633	599,615	\$12.48	-\$0.25	10.78%	1.78%

BoDo Development a Key to Downtown Revitalization

Eighth Street Marketplace was sold to a development team in January 2003, and renamed BoDo, Boise Downtown. Plans for the new development include a combination of movie theatres, restaurants, and high-end retailers. BoDo is the key to re-energizing the downtown retail market that has seen several retailers leave over the last few months. Construction is estimated to start in the fourth quarter of 2003, with the opening of theatres and restaurants eighteen months later.

Most Active Retailers

For the second year running, financial institutions, discount retailers, home improvement and restaurants lead the list of retailers expanding in the Boise market. Reflecting the themes in today's retail market – convenience, price and spending on the home – Lowe's, Home Depot, Walgreen's, and banks

are the active retailers here and in other Southern Idaho markets. Other retailers, such as Hollywood Video, Starbucks and Baja Fresh, are taking key position on out-parcels in major retail developments.

Retail Outlook

Retailers in the second half of 2003 should see a rebound in sales as the consumer confidence in the economy grows. Retailers such as Wal-Mart, Target and GAP stores are revising up sales forecasts.

In Boise, demand for well-located out-parcels will push asking prices higher. Restaurants, video stores, and banks will fight over the few good locations coming on line in late 2003. In other areas, home improvement and discount retailers are looking in Nampa for stores to open in late 2004 or early 2005. As the economy strengthens, other retail sectors should also start expanding.

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