

MARKET TRENDS

12 Month Comparison
Jan 2007 - Jan 2008

OFFICE

Vacancy Rate



Absorption Rate



New Construction



INDUSTRIAL

Vacancy Rate



Absorption Rate



New Construction



RETAIL

Vacancy Rate



Absorption Rate

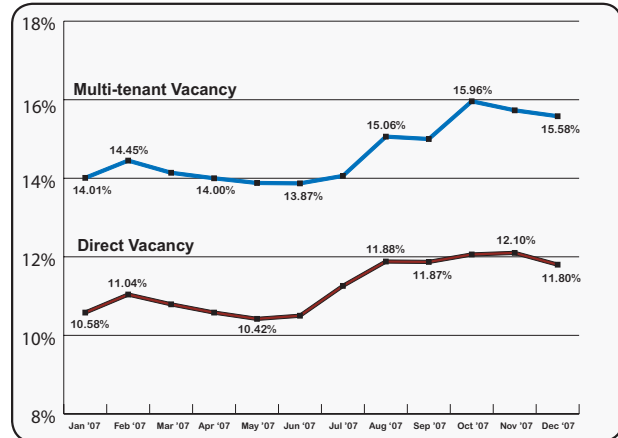


New Construction



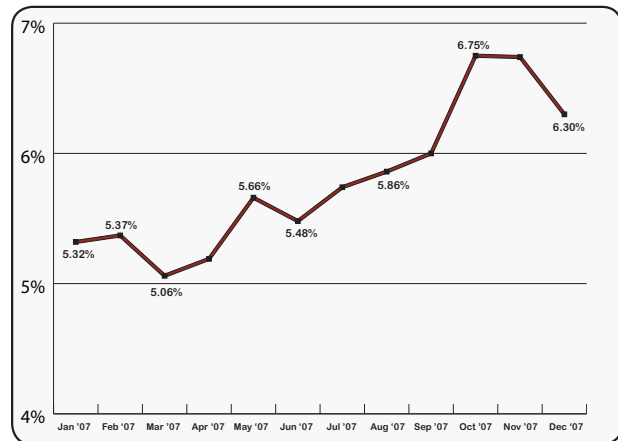
OFFICE REVIEW

Direct vacancy decreased from 12.1% to 11.8% and Multitenant vacancy decreased slightly from 15.7% to 15.6% in December. The drop in vacancy was driven by the absorption of second generation office space in Central and West Boise. At year's end, South Meridian finished with the strongest net absorption (144,000 SF), while Garden City had the lowest absorption (-18,000 SF). Though vacancy increased in 2007, total net absorption (617,000 SF) surpassed last year's level. Activity slowed through the year, however, with less than one-third of the market's absorption occurring in the second half of the year.



INDUSTRIAL REVIEW

Vacancy fell from 6.7% to 6.3% in December as a result of significant deals in the Caldwell and Airport submarkets. New vacant construction in Nampa pushed its vacancy rate to its highest point of the year (10.4%). The Airport submarket finished with the strongest net absorption in 2007 (140,000 SF) while Caldwell ended the year with the lowest absorption (-73,000 SF). Vacancy increased from 5.3% to 6.3% through the year and overall net absorption finished at 302,000 SF, lower than that of 2005 and 2006. 2007 leasing activity peaked early in the year, with over half of the market's absorption occurring in the first three months.



RETAIL REVIEW

Total vacancy decreased slightly from 9.4% to 9.3% while Unanchored vacancy dropped from 20.0% to 19.3% in December. Nampa finished the year with the strongest net absorption (620,000 SF) while Caldwell finished the lowest absorption (-20,000 SF). Although vacancy increased in 2007, net absorption still hit a record high, surpassing one million square feet. For the past five years, Retail absorption has steadily increased, driven primarily by a number of big box retailers entering the Treasure Valley for the first time while many existing retailers expanded into Canyon County.

