



**COLDWELL
BANKER
COMMERCIAL**

REVIEW

FORECAST

GROW



**Condensed version presented by
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Original Presenters:

Multi-Family
Office/Retail
Industrial
Investments

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Paul Scott, Tony Piscitelli & John
Kelpin



"We're still not sure what happened here, but I think we can all agree that we're glad it's over."



Multi-Family

- Kootenai MLS sales
- Rental growth rates, local verses national
- New Building Permits
- Section 42 construction
- Forecast

Local Volume

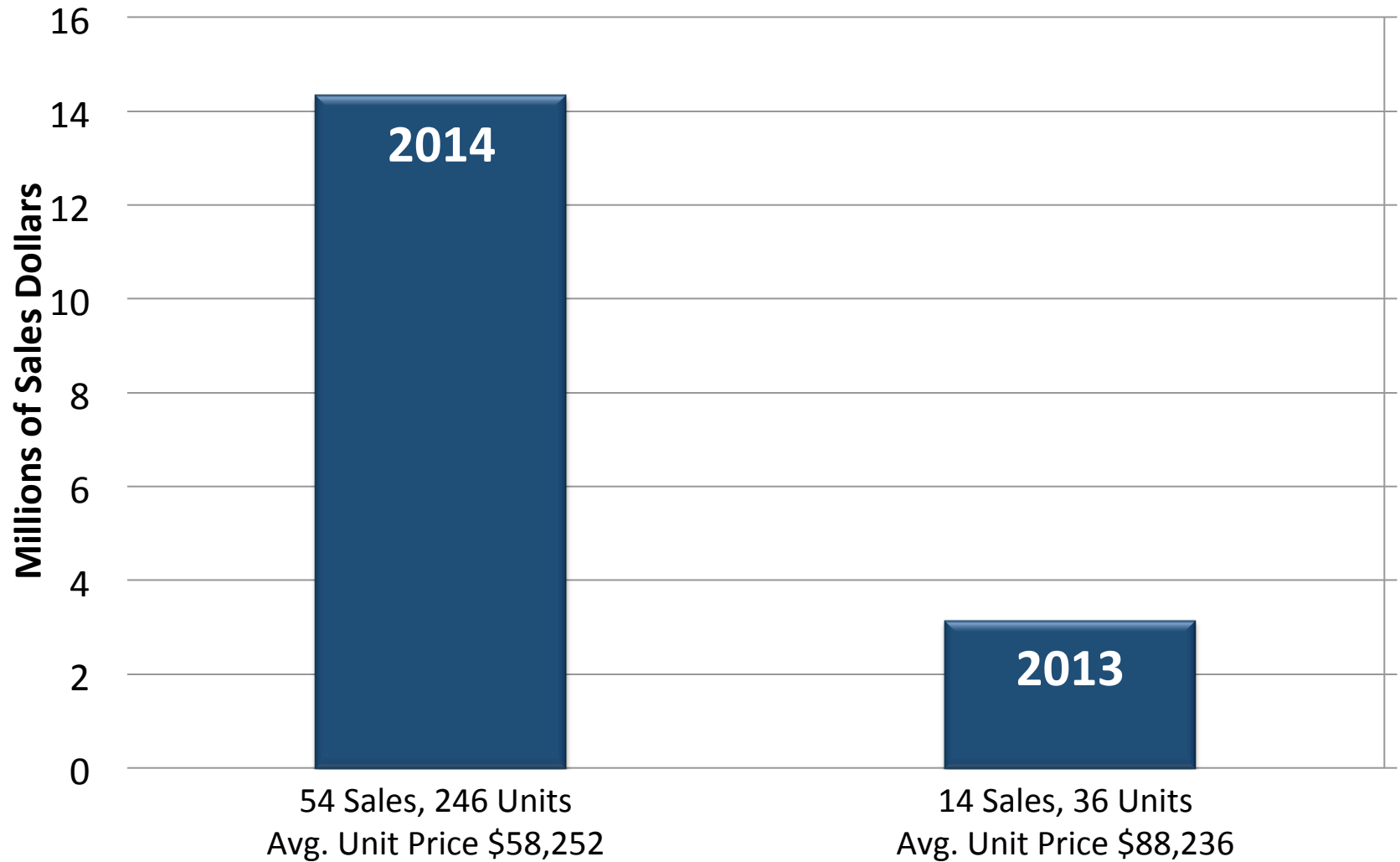


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Kootenai Multi-family MLS Sales

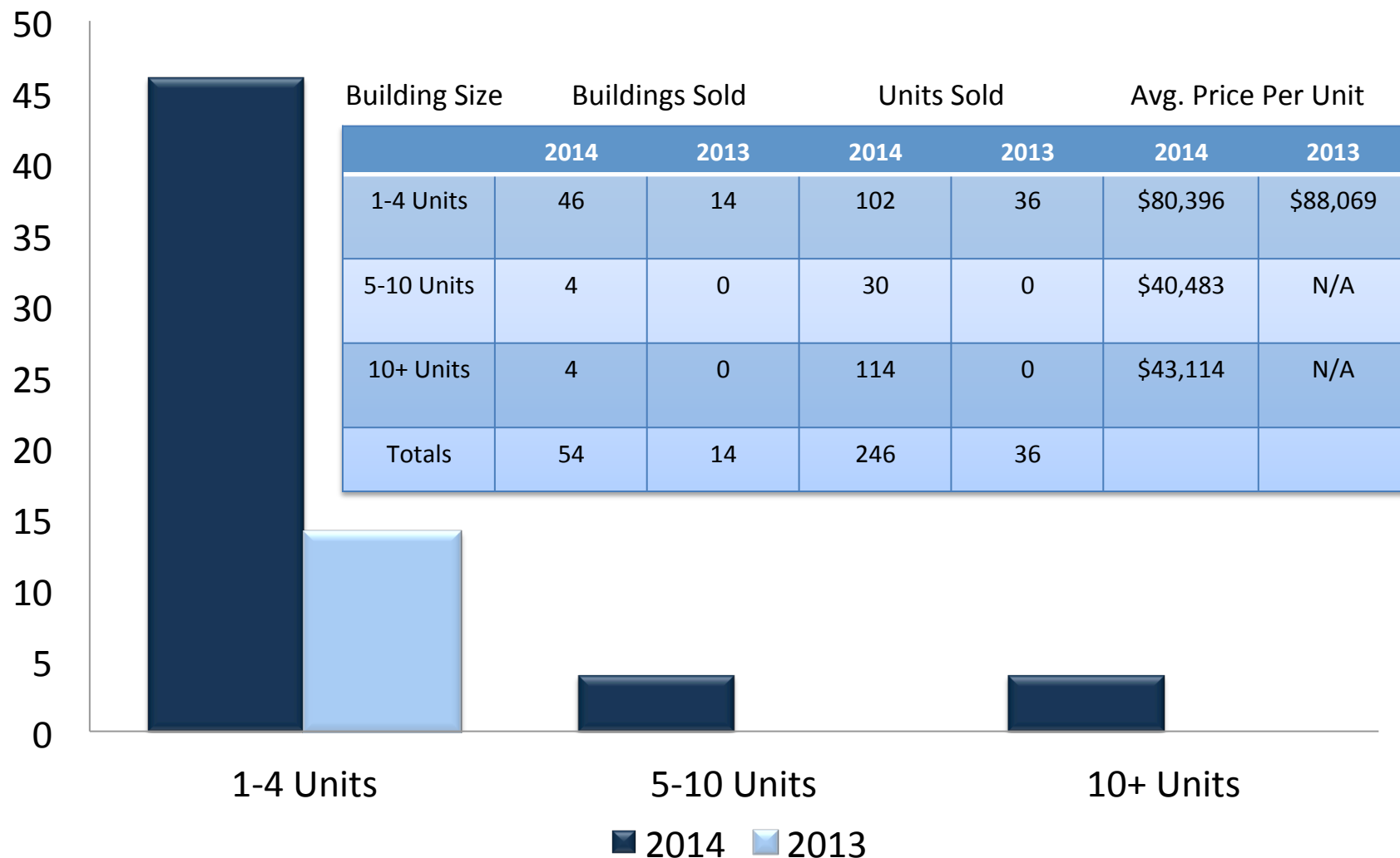


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Multi-Family Sales by Number of Units

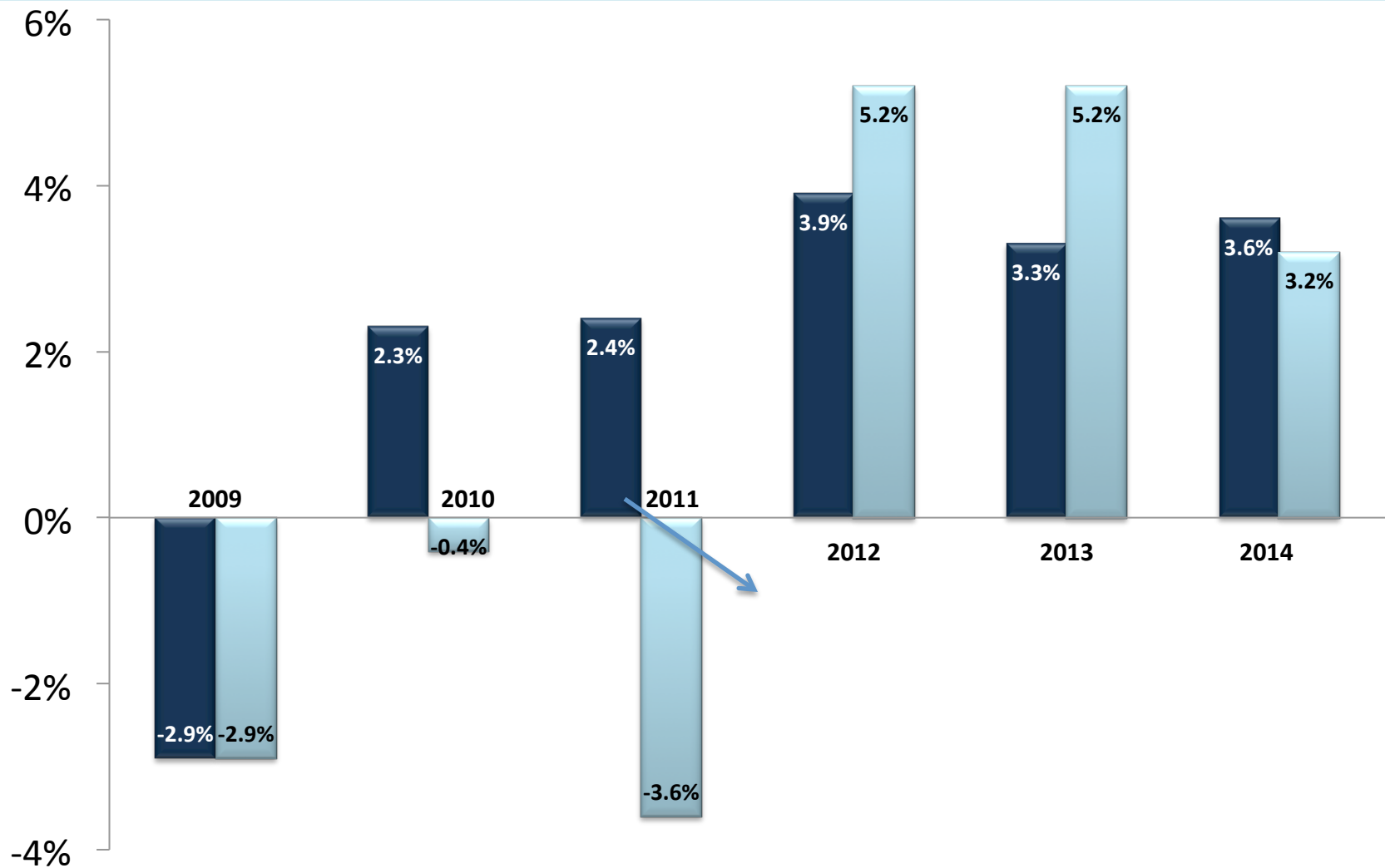


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Local vs. National Rental Growth

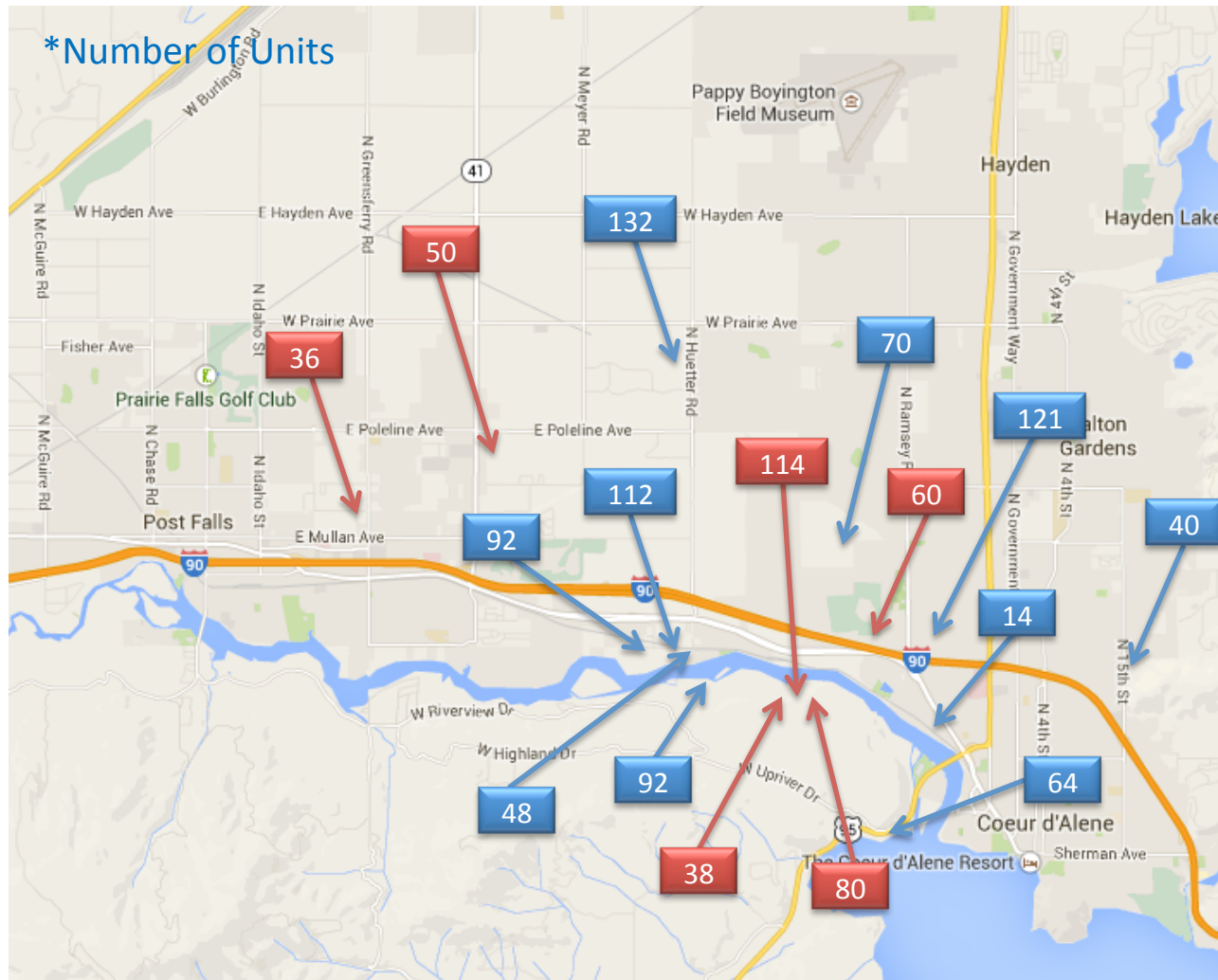


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Permits 2013-2015, Sec. 42 in red



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New Multi-family age restricted



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New Multi-family



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VS



Incentives To Private Sector	No incentives to Private Sector
Site Specific	Benefits Individual
Unsubsidized	Subsidized
30-80% of AMI	Less than 50% of AMI
Reagan 1986	FDR 1937

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Multi-Family Forecast

- Equilibrium
- Market Efficiency
- Vacancy Rates Increase
- Class C projects may suffer
- Conventional Financing will impact rental market

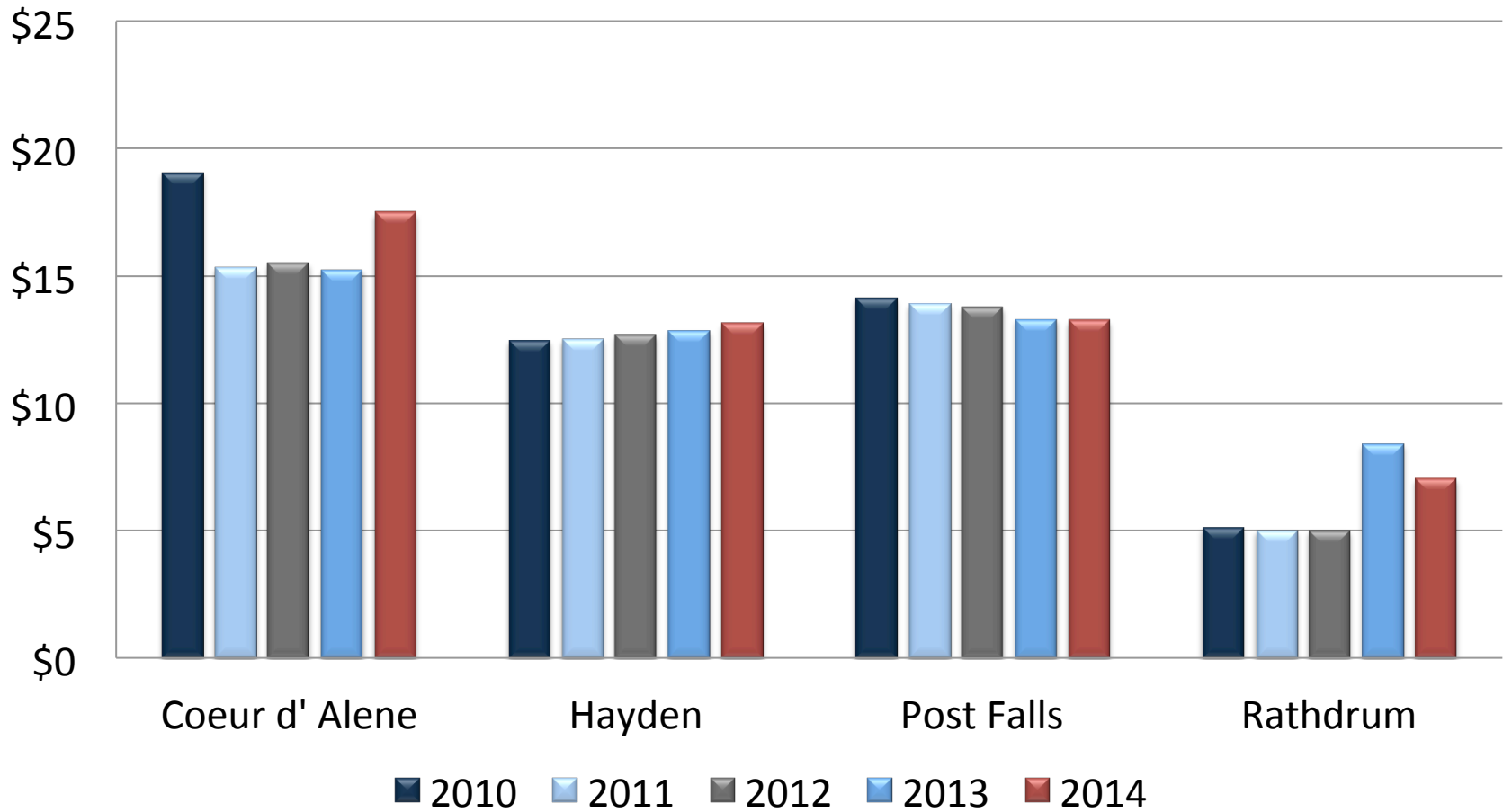


OFFICE

- Rental rates
- Vacancy
- Unemployment
- MLS Sales
- Kootenai Hospital 100,000 sq.' expansion
- Forecast

Average Office Rental Rate

RATE\$/SF/YR

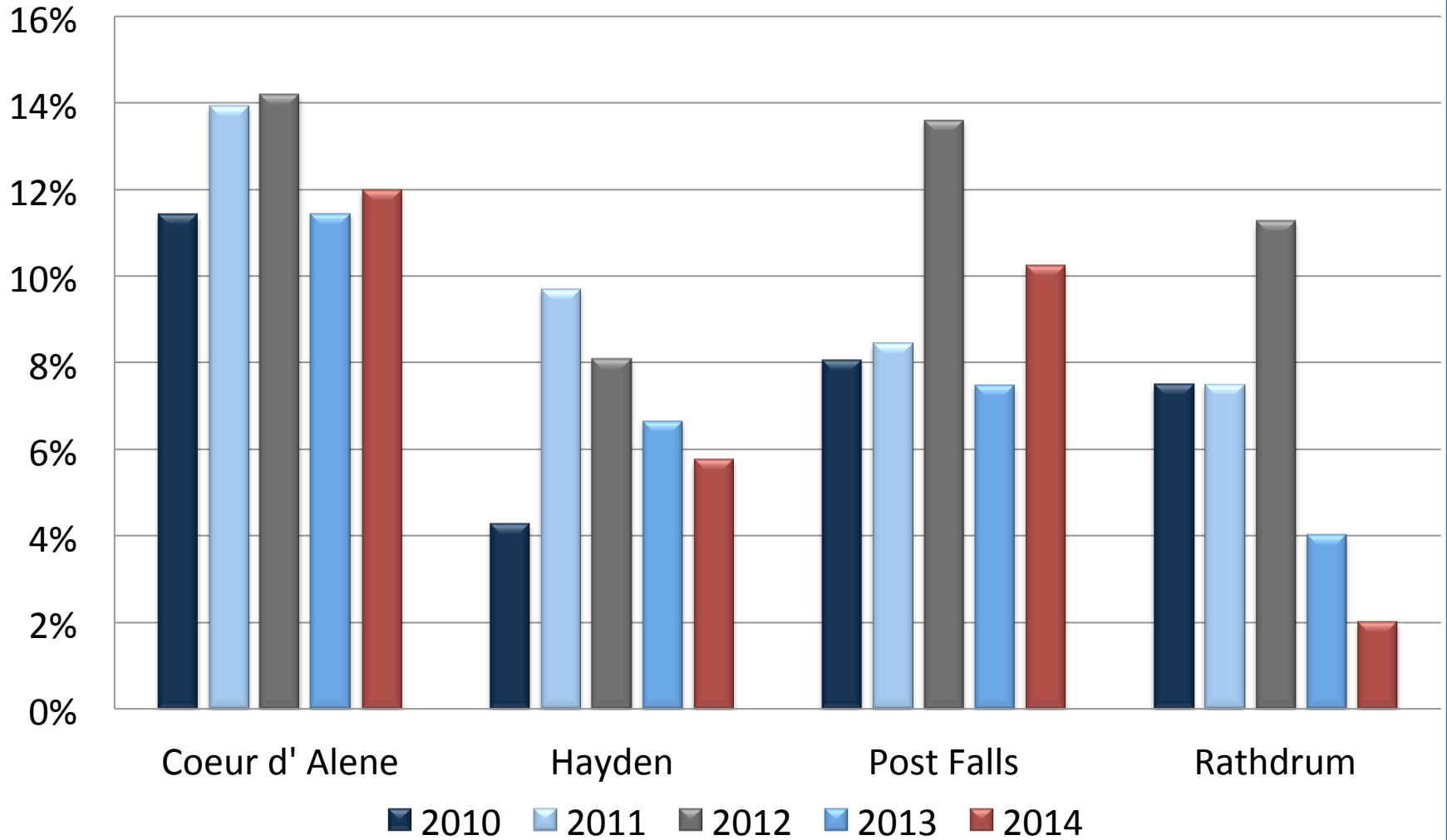


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Office Vacancy

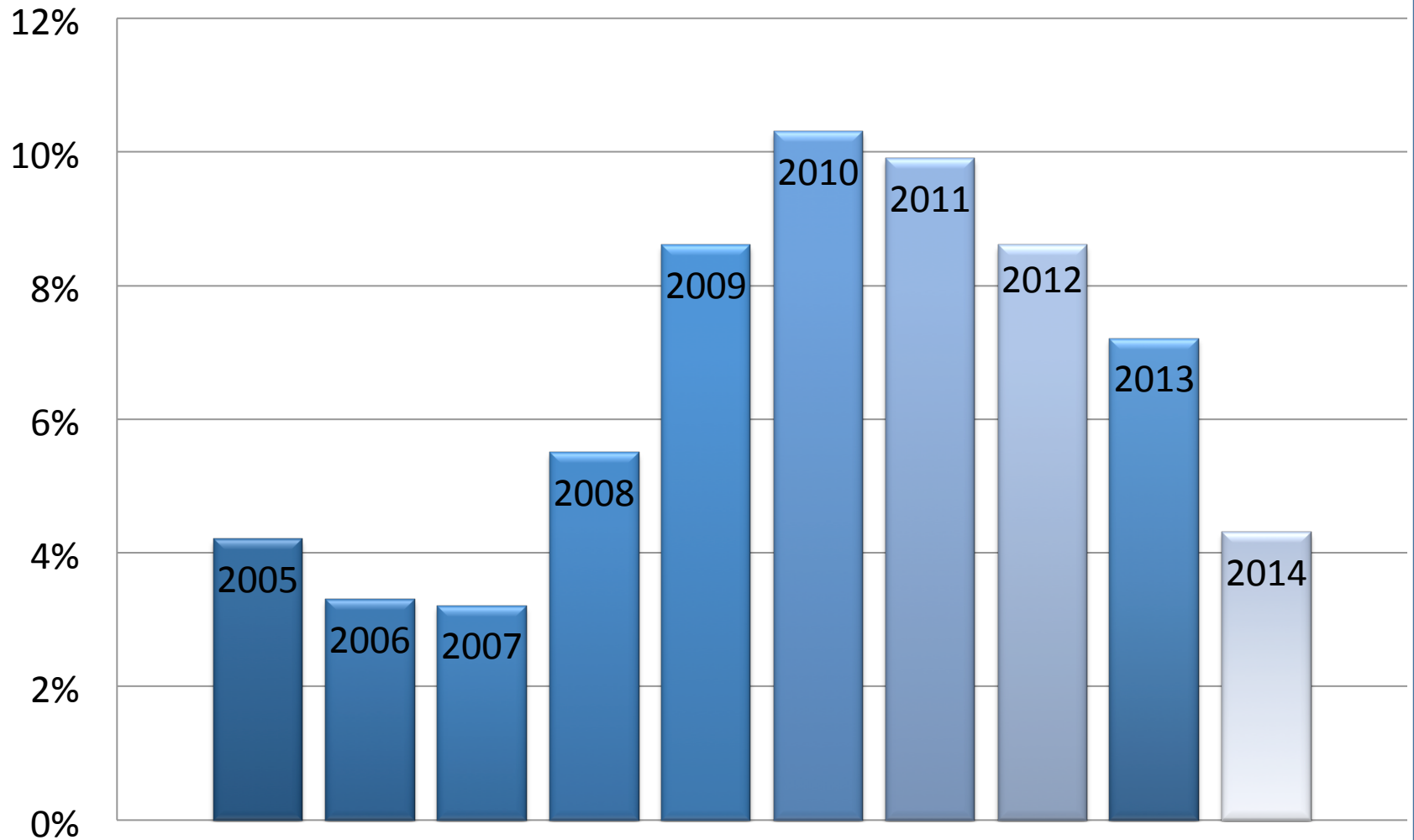


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Unemployment Rate



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2014 MLS Sales Summary

- 14 Transactions reported
 - Sales volume of \$6,109,200
 - 90,101 square feet sold
 - Average price per SF \$67.80
 - Average transaction was \$436,371
 - Cap rates for office investment 7.5% to 8.75%
-

Sale Comps



Address	202 Anton	7600 Government Way	2915 Seltice Way	5077 Building Center Dr.
Sale Date	1/15/14	11/6/14	2/11/14	8/8/14
Price	\$1,585,000	\$860,000	\$800,000	\$530,000
Square Feet	20,924	10,154	12,924	10,428
Price/PSF	\$75.75	\$84.70	\$61.90	\$50.82



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Kootenai Health Hospital Expansion



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Office Forecast

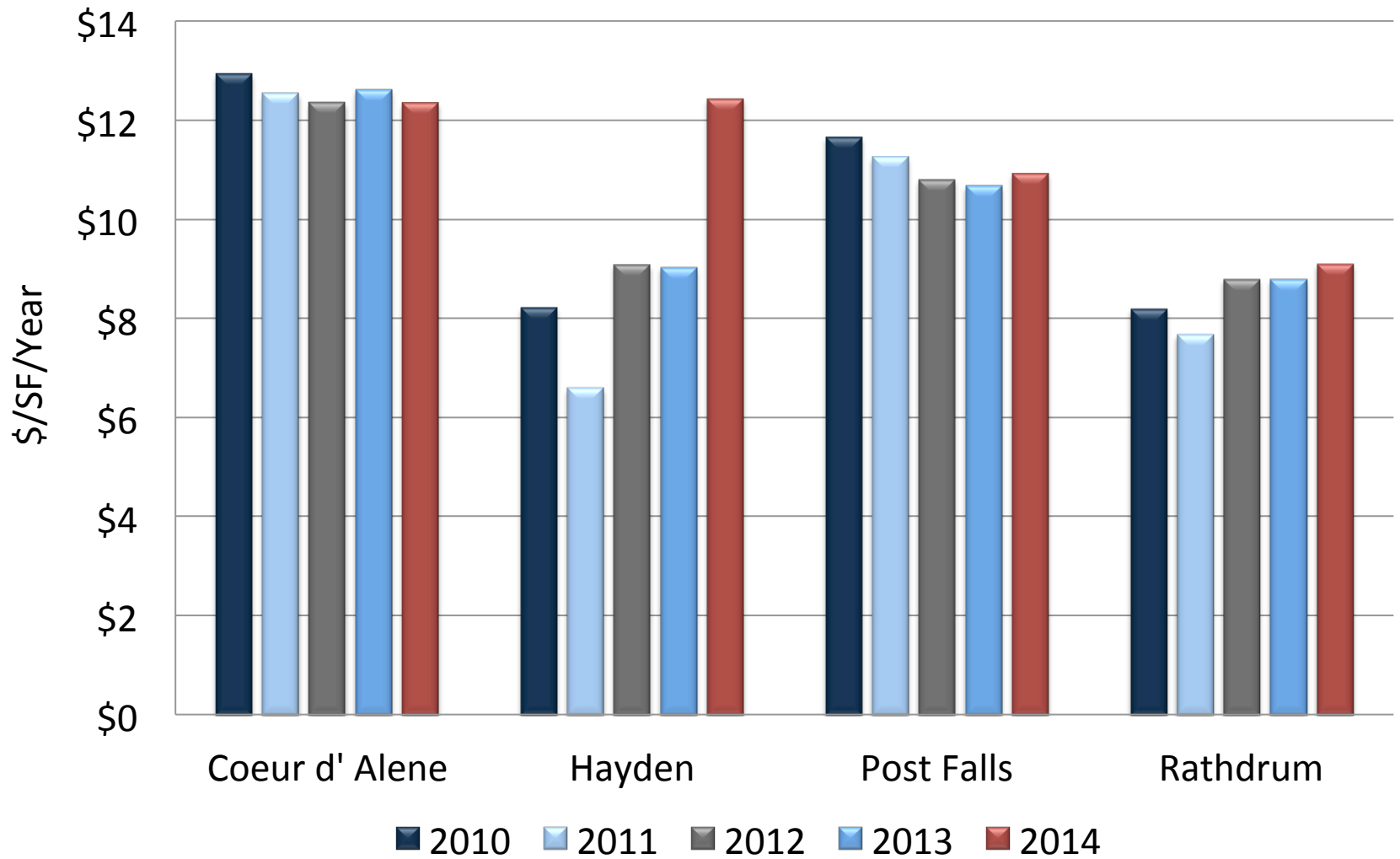
- Newer construction will perform much better
 - Vacancies are likely to remain the same or slightly increase
 - Large space users to remain scarce
 - Rental rates to remain flat across all classes
 - Owner/user construction to pick up
 - Investment development will be low
-



RETAIL

- Rental rates
- Vacancy
- Unemployment Rate
- MLS Sales
- Kootenai Hospital Expansion
- Forecast

Average Retail Rental Rate

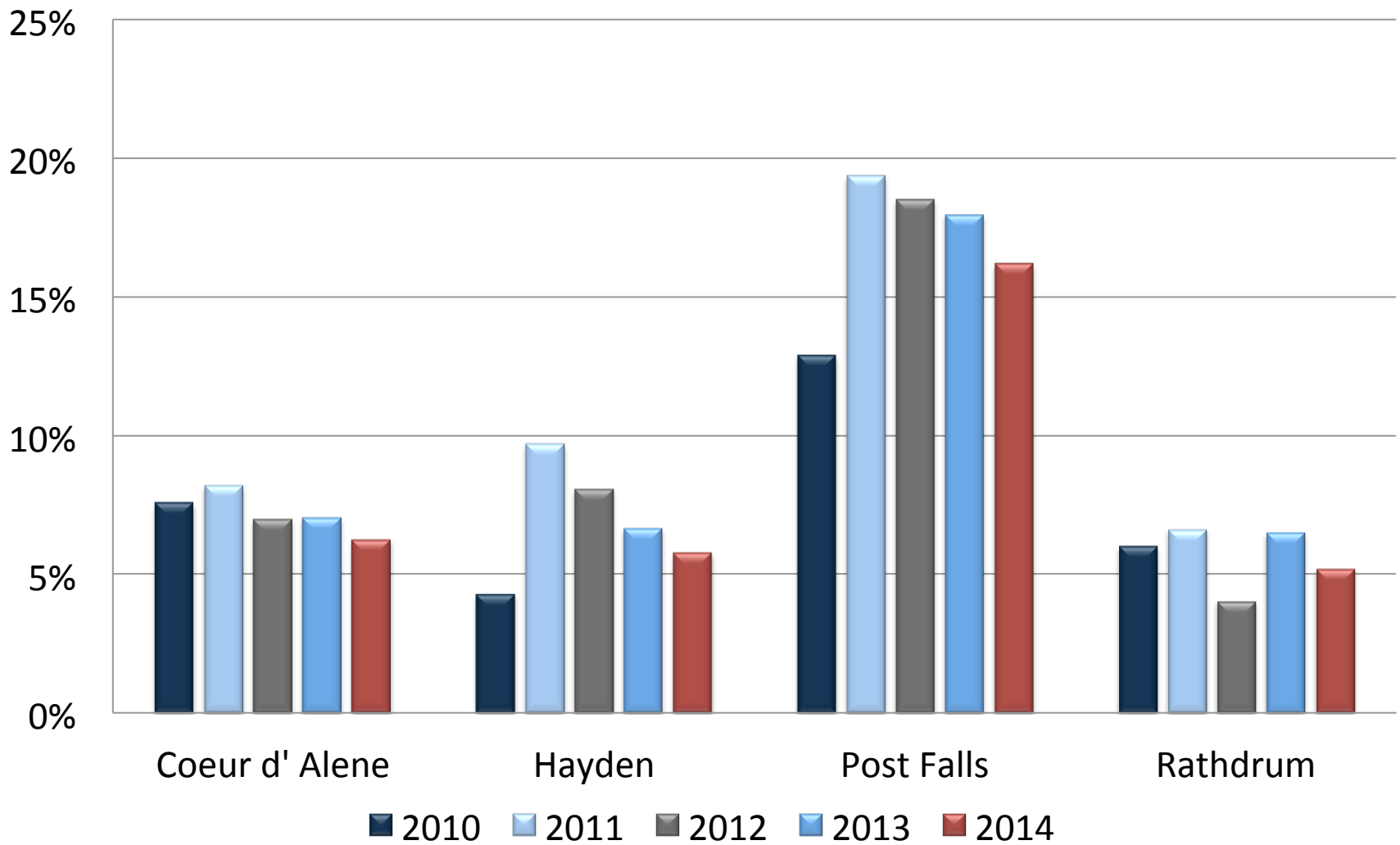


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Retail Vacancy

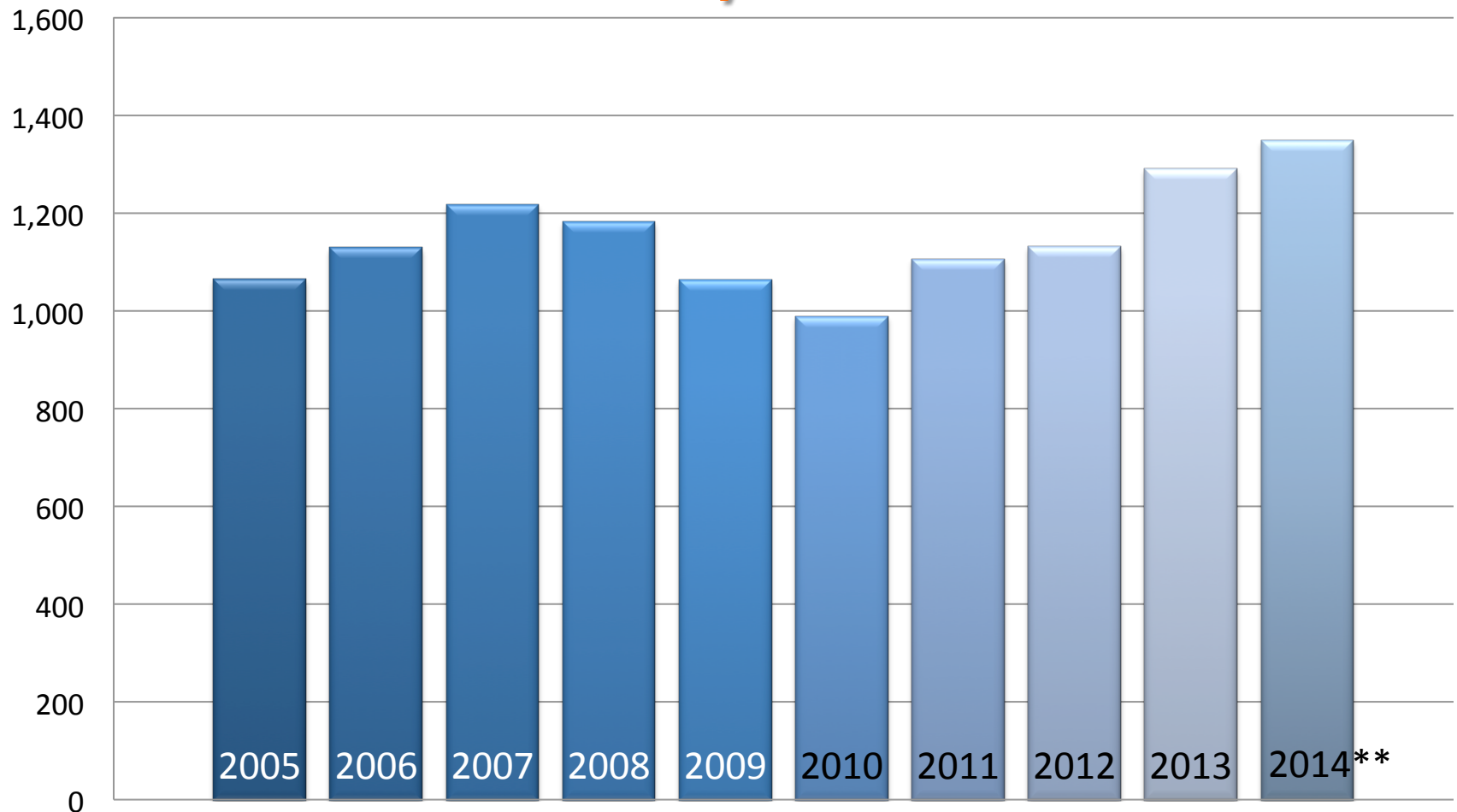


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Kootenai County Taxable Sales



Kootenai County

** First two
quarters
reported, figure
is annualized

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2014 Retail Snapshot

- 17 Retail Transactions
- Sales volume \$13,958,000
- 138,990 square feet
- Average price per SF of \$100.42
- One large institutional transaction represented almost half the sales volume

Sale Comp



Address	1500 Northwest Blvd	210 W Ironwood Dr	6190 Sunshine St	507 E. Sherman
Sale Date	10/21/14	12/22/14	7/3/14	5/15/14
Price	\$1,250,000	\$6,400,00	\$480,000	\$550,00
Square Feet	14,468	50,943	6,000	5,112
Price/PSF	\$86.40	\$125.63	\$80.00	\$107.59



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Retail Forecast

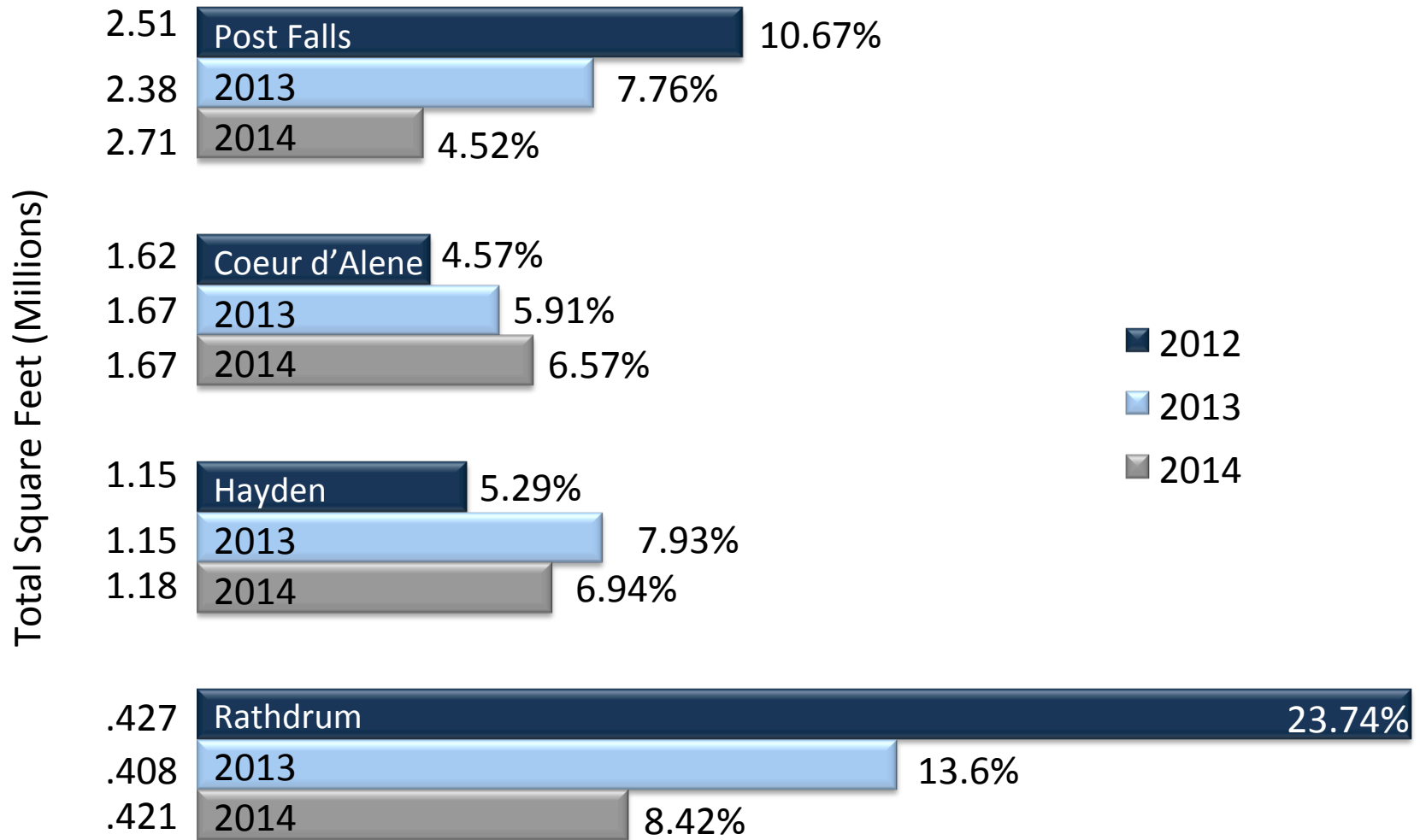
- Newer anchored developments will attract the most new tenants.
- Retail buildings will appeal to investors.
- Vacancy rates will decline.
- Rental rates will remain flat.
- Users such as restaurants and retailers of custom goods not conducive to internet purchase will lead the charge.



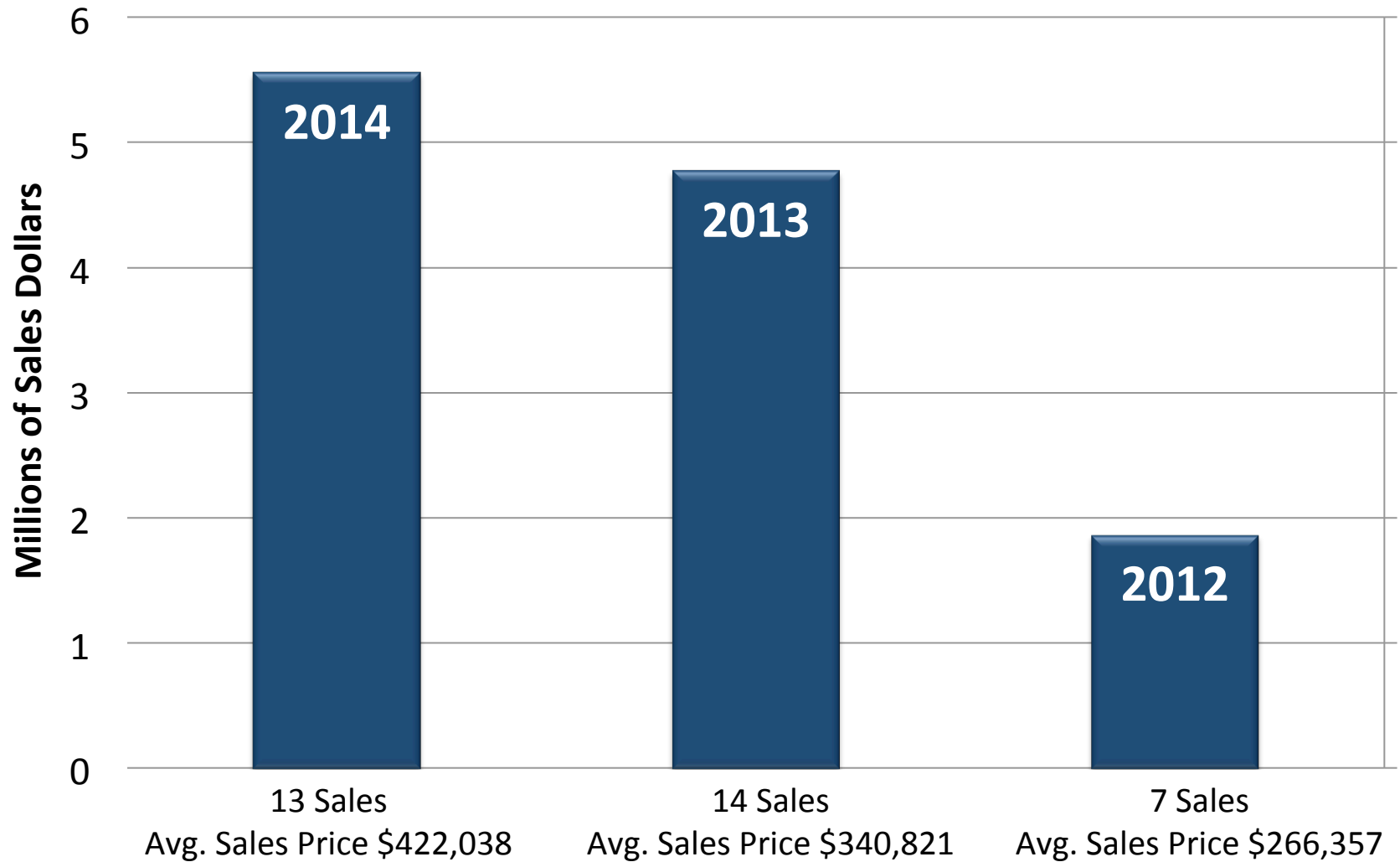
INDUSTRIAL

- Vacancy
- MLS sales and rental rates.
- Forecast

Kootenai County Industrial Vacancy



Kootenai County MLS Sales

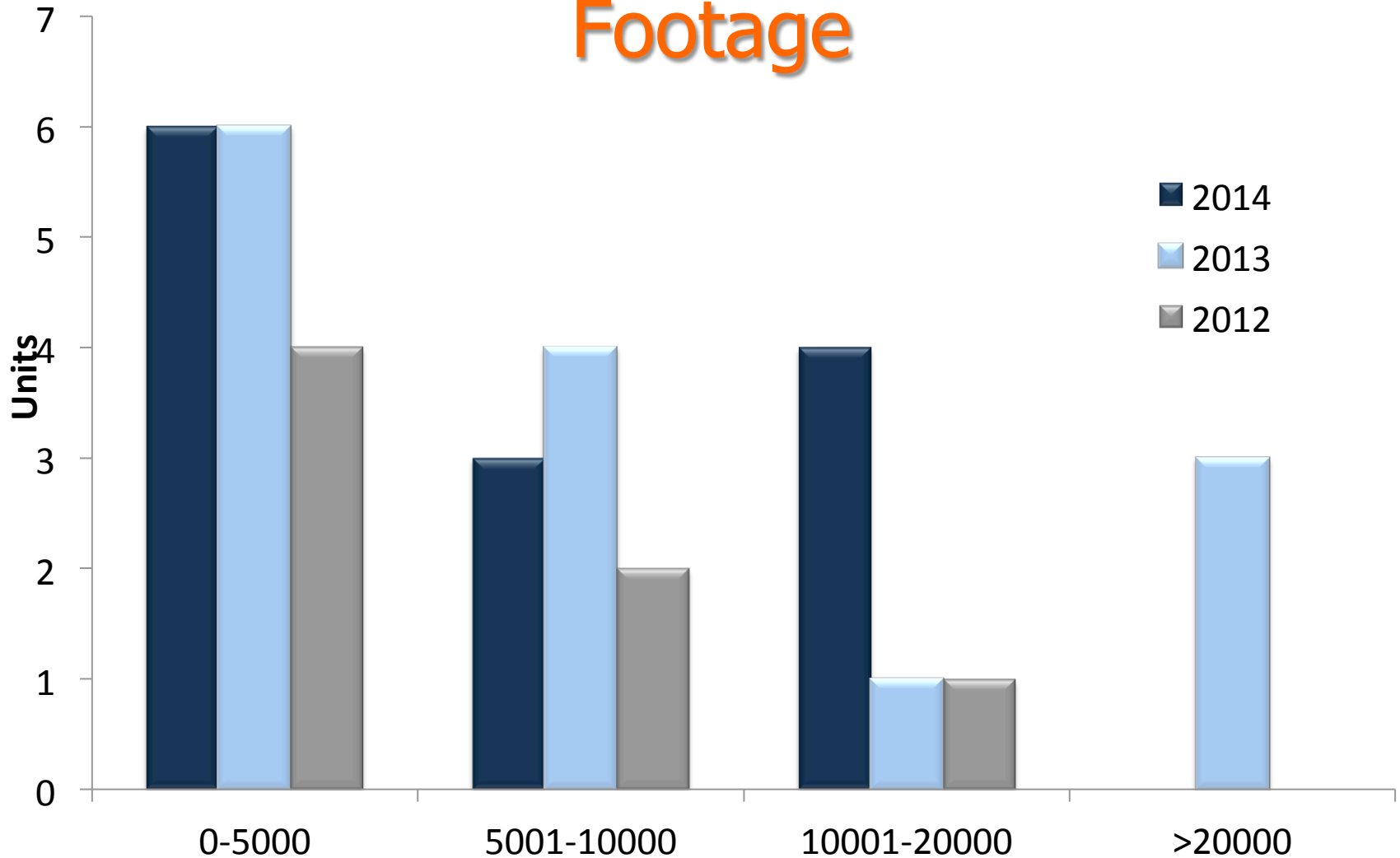


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Number of Industrial Sales by Square Footage



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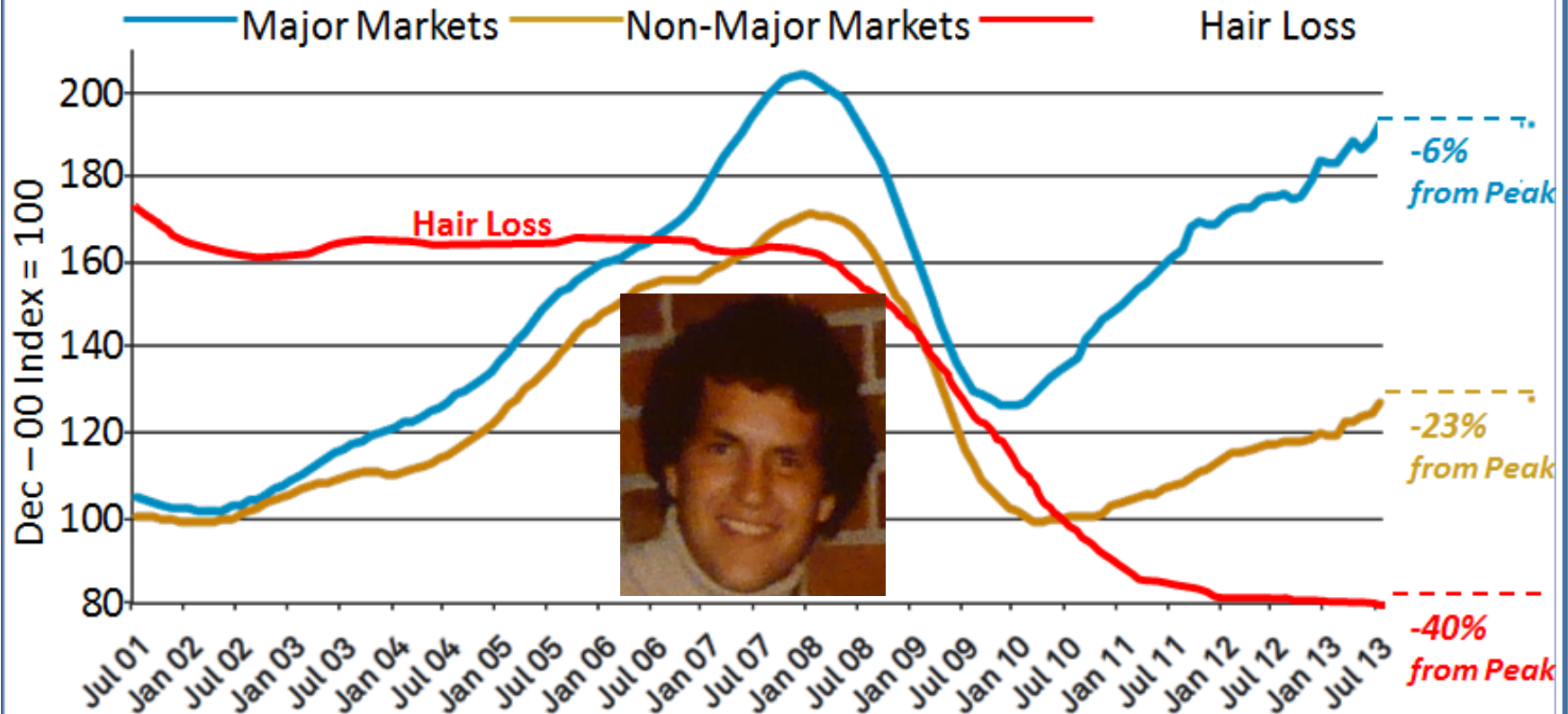
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Industrial Forecast

- Demand for industrial property will continue to increase
- Rental rates will increase for most lease renewals
- New construction will occur during 2015–2016
- Sales prices will increase in 2015–2016, reflecting a higher replacement cost as new inventory is brought to the market

Peak To Trough Hair Loss



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CRE PROPERTY CLOCK



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MLS Commercial Sales Volume Not including multi-family

2013: \$31,176,312

2014: \$46,277,050



Summary

2015

Steady Growth

Lower Vacancies

Increased Lease Rates

Higher Values



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