

Downtown office awarded LEED® Green Building Certification



Ralston Group Properties' downtown office, at 420 W Main Street in the Veltex Building, was awarded the LEED (Leadership in Engineering and Environmental Design) Green Building Certification this Spring.

The LEED® rating system, developed by the U.S. Green Building Council (USGBC), is the foremost program for buildings, homes and communities that are designed, constructed, maintained and operated for improved environmental and human health performance.

Ralston Group Properties' downtown office joins a select group of sustainable and innovative buildings that are LEED-certified. "With each new LEED-certified project, we

get one step closer to the USGBC's vision of a sustainable built environment within a generation," said Rick Fedrizzi, President, CEO & Founding Chair, USGBC. "As the newest member of the LEED family, Ralston Group Properties in downtown Boise, Idaho is an important addition to the growing strength of the green building movement."

LEED certification was achieved for implementing practical and measurable strategies and solutions aimed at achieving high performance in: sustainable site selection, water & energy efficiency, materials selection, indoor air quality, and innovations in design.

"Sustainability is not an option - it's our responsibility. We are committed to our

community, and I wanted that to also be reflected in our choice to create and maintain a sustainable downtown business - both in space and practice," commented Alicia Ralston, Broker of Ralston Group Properties. "We want to be a business not only where trust-based, sustainable relationships are built, but a business that identifies and implements ways to become better stewards of our resources."

The Veltex is one of 55 businesses in the downtown core that uses geothermal heating. Boise's geothermal heating system is the largest direct-use system in the United States.

This is the Inaugural Edition of *The Ralston Report* - we hope you enjoy it! The Ralston Report will be distributed on a quarterly basis beginning 2Q13. It will provide meaningful information (focused in our core specialty areas) that is fair and balanced, as well as an update of specific downtown projects. We hope that our quarterly cover story and Q&A from our expert lender and members of our community is both interesting and enjoyable for you. We always welcome suggestions, and will be happy to prepare an individual report specific to your area or need.

contents:

Cover Story	1
Residential Market Update	2
Commercial Downtown At A Glance	8
Community Q&A	9
Downtown Update	10

Residential Market Update

Residential Single-Family Homes - Ada County <small>Statistics referenced herein are for single-family homes - unless otherwise noted - which includes existing homes, new construction, and condominiums</small>		SPRING 2013 <small>MAR - APR - MAY</small>
Average Sold Price		\$227,361
Average Sold Price Compared to Same Period Prior Year (Mar-Apr-May 2012)		up 17.3%
Average Days on Market		56
Total Dollar Volume		\$472,716,649
Total Dollar Volume Compared to Same Period Prior Year (2012)		up 34.5%
New Construction Sold		22%
Existing Homes Sold		78%

On the rise in a seller's market

The average sales (i.e., sold) price in Ada County rose 17.3 percent this Spring (Mar-Apr-May 2013) from the previous Spring 2012. New construction accounted for 22 percent of sales and existing homes the remaining 78 percent.

The number of homes sold in March 2013 was up 4.3 percent from the prior March, with the average sales price up 27.1 percent. New construction was up almost 50 percent from the prior March.

In April 2012, average sales price rose 17.3 percent compared to the prior April. Average sold price in Ada County in April 2013 was \$219,887.

In May 2013 the average sales price climbed by 7.0 percent from the prior month to \$235,296. This was a 9.0 percent increase from a year ago in May.

Single-family homes sold in Ada County rose 46.8 percent from March 2013 to May 2013.

Average inventory this Spring was 2.9 months. Months of inventory indicates the amount of time it would take to sell all current listings at the current sales price if no new listings became available. It is widely accepted in the real estate industry that 0-4 months is a "Seller's Market;" 5-7 months a "Balanced Market;" and 8-12+ months is a "Buyer's Market."

Days on market improved to 56 compared to 73 days in Spring 2012.

Total dollar volume was up 34.5 percent - \$472.7 million compared to \$351.4 million a year ago Spring. Of the \$472.7 million, 21.9 percent was new construction.

Notices of Default and Distressed properties fell from 17 percent in April to 14 percent in May 2013, down from 27 percent in the previous May 2012, and 36 percent in May 2011. Notices of Default and Distressed properties dropped almost 50% from the previous April '12.

This Spring, records indicate that 13 condominiums in downtown sold at an average of \$241.74 per square foot. Of the 13 transactions, three were cash closings.

Land, which is not included in the numbers to the left or in the table above, recorded the following number of sales and average sold price in our core coverage areas (shared on Pages 3-7).

North Boise: 6 (\$480,983)
 Northeast Boise: 6 (\$137,400)
 Southeast Boise: 3 (\$174,250)
 Boise Bench: 2 (\$250,750)
 Eagle: 43 (\$125,051)



2004 N Harrison Boulevard

Courtesy of Alicia Ralston - Ralston Group Properties



1212 N 18th Street

Courtesy of Donny Heck - Keller Williams Realty Boise



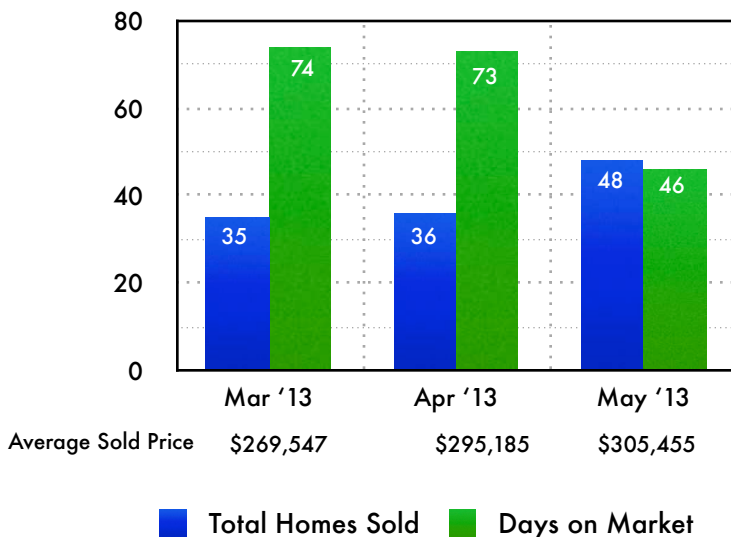
199 N Capitol - Unit 807

Courtesy of Bryant Forrester - Homeland Realty

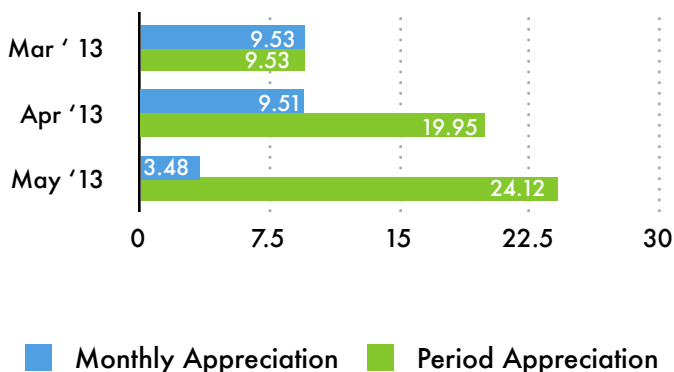
North Boise

In the March 2013, 35 homes sold in North Boise with an average days on market of 74 and at an average price of \$269,547. April brought similar numbers - 36 sold & 73 days on market - with average sold price rising 9.5 percent to \$295,185. May numbers improved in North Boise with the sale of 48 homes and an average of 46 days on market. May's average sold price increased another 3.5 percent to \$305,455. March proved to be the greatest appreciation month; From March 1 to May 31 average sales price appreciated (i.e., Period Appreciation) 24.1 percent. As of June 21, average sales price was up to \$336,733 (10.2 percent from May). The highest sold price recorded was \$925,000, with a lowest recorded sale of \$55,000. During this period, average price per square foot was \$146.

North Boise (Area 100)



North Boise (Area 100)





3734 Mill Site Lane (photo similar)

Courtesy of Kami Brant - O2 Marketing Group



614 E Logan Street

Courtesy of Mindi McAllaster - Windermere-

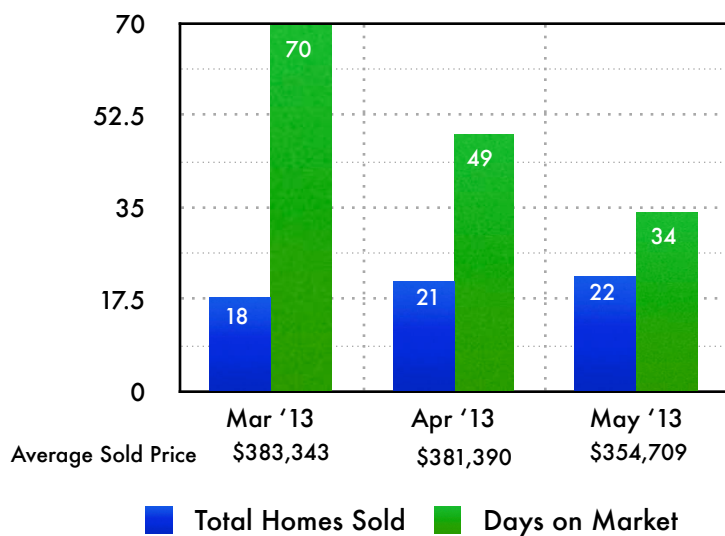
Richard B Smith



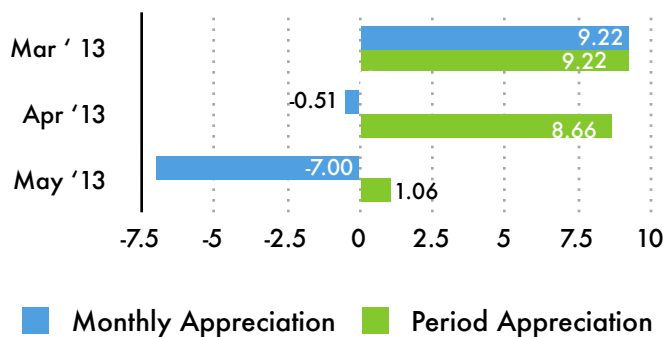
1516 E Warm Springs Avenue

Courtesy of Jan Higginbotham - Group One

Northeast Boise (Area 200)



Northeast Boise (Area 200)



Northeast Boise

In March, 18 homes sold in Northeast Boise with an average days on market of 70, and an average price of \$383,343. The number of homes sold in April increased to 21 and average days on market fell to 49. Average sold price in April was \$381,390 – a slight decrease from the prior month. In May, sold homes increased to 22 and days on market fell even further to 34. May's average sold price was \$354,709. Although May's average sold price fell 7.5 percent from the prior month, period appreciation was up 1.1 percent. From March 1 to May 31, the highest sold price recorded in Northeast Boise was \$825,000, with a lowest recorded sold price of \$151,595. Average sales price as of June 21 was \$366,860 – up from May, but still lagging behind March. Average price per square foot was \$139.



937 W Iowa Street

Courtesy of April Medina - Silvercreek Realty Group



1951 S Manitou Avenue

Courtesy of Tamara White - Atova



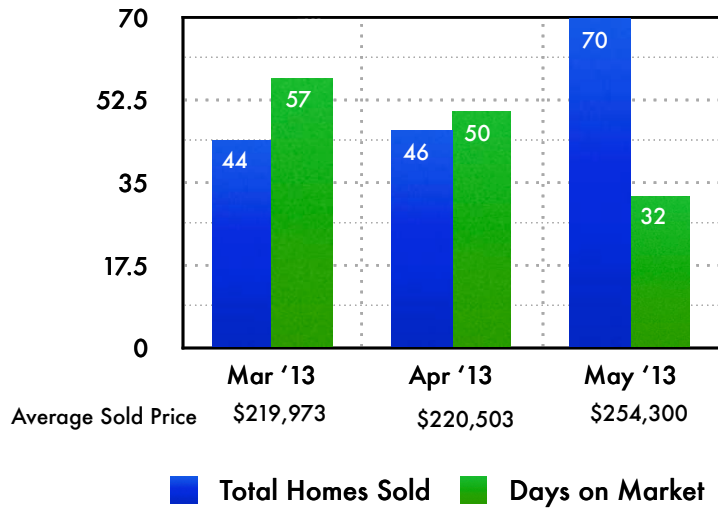
3057 E Nature Drive

Courtesy of Dawn Templeton - Keller Williams Realty
Boise

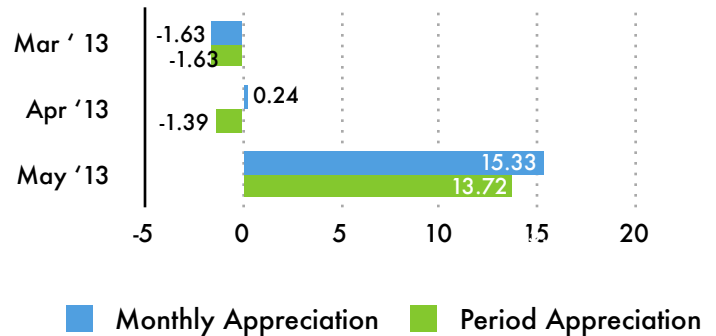
Southeast Boise

Forty-four single-family homes sold in Southeast Boise with an average days on market of 57 in March, and numbers continued to improve in April and May. In April, 46 homes sold with an average of 50 days on market; May recorded 70 sold homes at an average of 32 days on market. Average home prices climbed in May to \$254,300 from \$220,503 in April. Homes appreciated 13.7 percent from March 1 to May 31. June prices continue to increase – as of June 21 average sales price was up 1.1 percent to \$267,236. The highest recorded sold price in Southeast Boise was \$995,000. The lowest recorded sale was \$55,200. Average price per square foot during this period was \$123.

Southeast Boise (Area 300)



Southeast Boise (Area 300)





3701 W Crescent Rim Unit 410

Courtesy of Lynn Boyd of Coldwell Banker Tomlinson



417 N Garden

Courtesy of Eva Kean of Keller Williams Realty - Boise

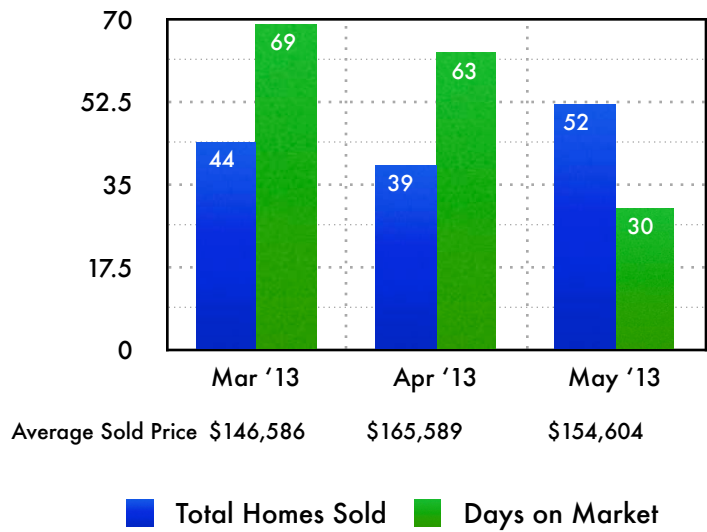


903 N Houston Road

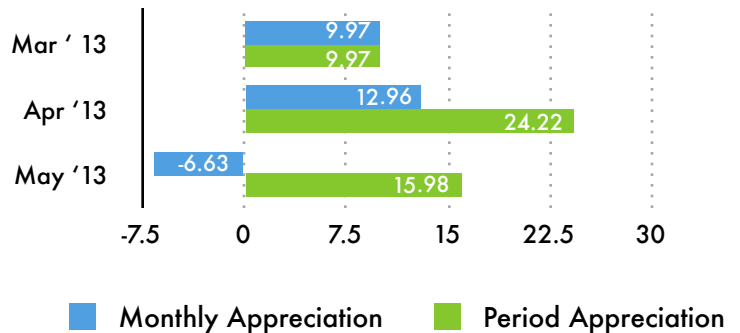
Courtesy of Steve Osburn of Better Homes & Garden

43North

Boise Bench (Area 400)



Boise Bench (Area 400)



Boise Bench

In March, 39 homes sold on the Boise Bench with an average of 69 days on market. There was an increase of homes sold in April (44) and again in May (52), as average days on market decreased both months to 63 and 30, respectively. Homes on the Bench appreciated 13.0 percent in April, with period appreciation at 16.0 percent. Average sales price of a Boise Bench home in March was \$146,586. By the end of May, the average sales price was \$154,604, falling 7.1 percent from the prior month. June prices appear to be gaining momentum. As of June 21, average sales price was up 27.3 percent to \$196,729. The highest recorded sold price on the Bench from March 1 to May 31 was \$795,000, with the lowest at \$44,000. Average price per square foot during this period was \$97.



1676 S Stream Pointe

Courtesy of Natalie Filbert - Mountain Realty



5211 W Floating Feather

Courtesy of Mike Sety - Gold Key Real Estate



584 S Silver Moon Lane

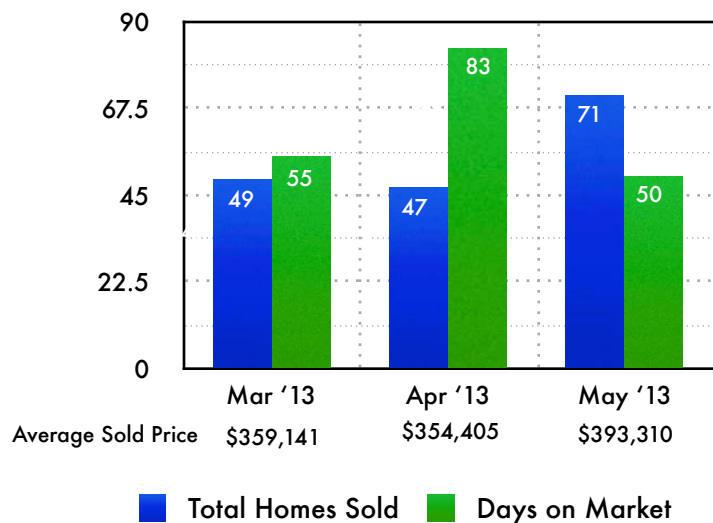
Courtesy of Christopher Lofthus - Keller Williams Realty
Boise

Eagle

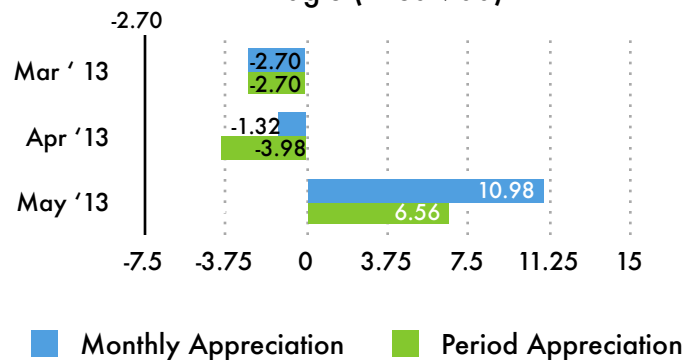
In March, 49 homes sold in Eagle with an average of 44 days on market; 39 in April with an average of 63 days on market; and 52 in May averaging 30 days on market. Average home prices climbed in May to \$393,310 from \$354,405 in April – a 10.98 percent increase. As of June 21, average sales price was down 8.20 percent to \$363,493. The highest recorded sold price in Eagle from March 1 to May 31 was \$2,050,000, with the lowest recorded sale at \$65,000. Average price per square foot during this period was \$124.

The information provided in this report was compiled from multiple sources including: Idaho's Intermountain Multiple Listing Service (IMLS), LOOPNET, CCDCBoise.org, cityofboise.org, & jacksurbanmeetingplace.org. The data is believed to be accurate and reliable, but cannot be warranted by Ralston Group Properties. The commercial data provided is merely "trend data." Ralston Group Properties provides limited commercial services, specifically multi-family, office and retail sales and leases in and near downtown Boise.

Eagle (Area 900)



Eagle (Area 900)



Eagle is home to about 20,000 residents and a quaint downtown. Eagle enjoys foothills and river acreages in addition to their many developments.

Eagle was home to the St. Jude's 2012 Home Give-Away. Ralston Group Properties served as last year's St. Jude's Home Give-Away Realtor.

Commercial Downtown at a glance

Multi-Family

Trend data indicates an increase of ~12% in median asking price compared to 2012. Data was not available for rent rates

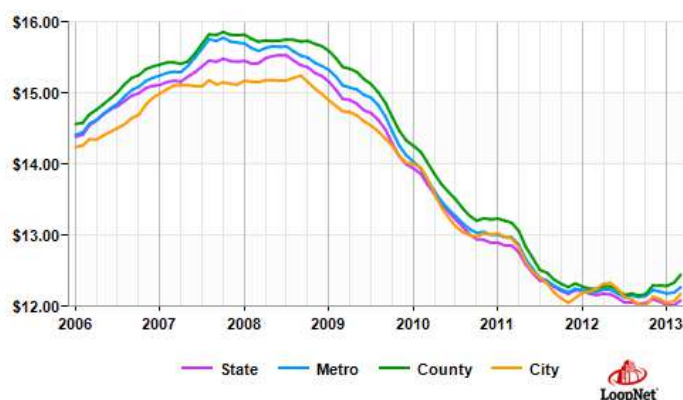
Office

Trend data indicates an increase of 4.5% in median asking price per square foot compared to 2012. Rent rates indicate slight increase of less than 1% from 4Q12

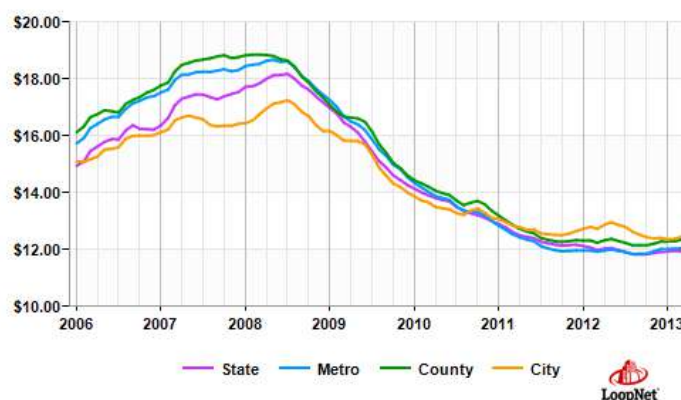
Retail

Trend data indicates slight increase in asking sales price and asking rental rate (SF/YR) – less than 1% from prior 3 months

Asking Rent Office for Lease Boise, ID (\$/SF/Year)



Asking Rent Retail for Lease Boise, ID (\$/SF/Year)



Community Q&A

We're grateful to have our Inaugural Edition of The Ralston Report include these leaders in our community. Albeit, two of the three discussions that follow are not directly real estate specific, we believe the connection and impact that Boise State University and all Idaho schools have on our community and economy is pertinent to market values.

Mary Andrews

We believe that our local university and downtown have an interdependence and special relationship that is critical to the success and vibrancy of both. Do you agree, and would you be willing to share your thoughts and discuss your vision and mission for those who don't know about University and Industry Ventures at Boise State University?

Yes, completely. Urban "anchor" universities have dramatic impacts on cities and regions, influencing identity, culture and economy. According to the Coalition of Urban Serving Universities, "Urban research universities serve as anchors in all of the 100 most populous metropolitan regions in the United States. Their assets – leadership, expertise, capital, land, and resources for innovation – give them unparalleled advantages to help develop our cities and metropolitan areas." One of the core themes of the University's strategic plan is community involvement – so contributing as an engine that drive the economy, aligning our programs and services to the community needs and leveraging our knowledge and experience to improve the community are all priority efforts. I am particularly focused on maximizing Boise State's impacts on the long-term competitiveness and vitality of the City of Boise and the region.

Overall, University and Industry Ventures facilitates strategic research opportunities, manages industry relations and directs economic development programs and initiatives. The Office also supports the advancement of innovation and entrepreneurship throughout the campus and the community.

The vision of the University and Industry Ventures is to adapt continually to meet the changing needs of the University and its community partners, and to increase Boise State University's role as a critical resource.

On another note...I'm not sure that many in our community have heard of the Boise Angel Alliance. Would you be willing to share a success story – perhaps one that personally touched your heart?

The Boise Angel Alliance is a group of accredited investors who have an interest in investing in and working with early stage, high growth potential companies. Individual members work in committees to review and screen deals, conduct due diligence, negotiate terms and monitor deals post investment. The Alliance also has two affiliate member-managed investment funds, the Boise Angel Fund, LLC and the Treasure Valley Angel Fund, LLC. Well, I'm very excited to report a recent success: the Boise Angel Fund investment in *Happy Family* just sold to Donone – the parent company of Dannon! Most of all, personally, I appreciate the friendships and the continuous co-learning. The angel investors learn how to be better mentors and advocates and the entrepreneurs learn how to tell their story and generate value – skills that contribute to the local entrepreneurial ecosystem. We are looking for the next success!

Jennifer Ellis

You've created and championed a pretty special program in Idaho that I'm not sure many people in our community are aware of. Would you be willing to share your vision and a program success story with our readers?

When I started chairing USGBC Idaho Chapter Green Schools committee in March last year, I realized I didn't now what our top three goals were in Idaho. I attended the Green Schools Symposium in San Antonio last summer and was very inspired by the Arkansas Chapter's Green School Challenge.

The projects the kids did were pretty interesting and inventive. You could tell how proud they were when they were acknowledged, even if they only received \$200.

I decided if our committee could get momentum with the green schools challenge, we would have something to rally around – the top three goals would surface.

The Inaugural Idaho Green School's Challenge was launched on the Worldwide Green Apple Day of Service last September. The Green Apple Day of Service is a day in which Green Schools advocates are encouraged to do a project or activity that highlights healthy and sustainable schools –

our mission. The Idaho Green Schools Challenge is an opportunity for a class room, grade level, school or school environmental club to form a green team and conduct a low-cost/no-cost project that will benefit their school/campus in an environmentally-sensitive way. Once the team registers with the Idaho Chapter, we issue a mentor to help usher them through the process.

From September to February, we had eight schools participate and they spanned from Post Falls to the Treasure Valley to Hailey. In March, three schools won \$3750 in cash prizes and trophies. The top winner, Nampa High School, did four different projects that covered wind energy, solar energy, rainwater collection and composting. They generated energy from the solar panels to actually run most the electrical needs in their classroom, and calculated over \$100 in savings. They were pretty resourceful with how they built everything, such as using an old treadmill motor for the windmill

We are now in our second year of the Challenge and I'm so excited to see what the teams do this year. We already have interest from schools in Sandpoint, Salmon, Rigby, Twin Falls and Boise. The deadline for mentors to sign up is August 2 and for schools is September 10.

For more information about the Idaho Green Schools Challenge, please visit www.usgbcidaho.org/green-schools-challenge. The Green Apple Day of Service is September 28. We are going to focus on Idaho School Gardens this year. For more information, please visit www.mygreenapple.org.

Melinda Kim

Since you've been in the industry have you seen interest rates any lower than this past Spring? What just happened to those Spring interest rates?

No! In hindsight, it seems we'd all gotten a little complacent, thinking the rock bottom mortgage rates would last forever. Instead, Bernanke's mere mention of easing the Federal stimulus program in the foreseeable future seemed to jump start the rate market. This projection is really no different from what Bernanke has been touting all along, but this time it was backed by some positive economic data. Specifically, his comments came on the heels of stronger than expected durable goods orders, consumer confidence at the highest levels in over 5 years, and new home sales data at the highest levels since July 2008. This time the market response was swift and decisive, with mortgage interest rates

jumping more than half a point in two days. A week later, it seems the market may have over reacted, with first quarter economic reports indicating the growth was not as strong as expected. Indeed, Bernanke was the first to say the economy is still fragile, even in his remarks last week. This latest news should help level the rate climb, and it's likely we'll see some correction on the rate front in coming days. And even though rates are no longer at their very lowest levels, it is a good reminder for all of us that this is the time to take advantage of the current interest rates, which are still among historic lows!



Mary Andrews is a venture capital industry veteran with experience providing financial investment evaluations and transaction management. She is a graduate of the

University of San Francisco McLaren School of Business and has been integral to Idaho economic development initiatives relating to the entrepreneurial ecosystem within the Treasure Valley.



Jennifer Ellis is a chemical and environmental engineer who worked for HP LaserJet Printing Systems for 19 years. She is a LEED Green

Associate (see "LEED" Cover Story on page 1), and a full-time mom that continues to make a difference in Idaho schools.



Melinda Kim is a leading Idaho lending expert. More about Melinda can be found on our website. Melinda earned a MBA from Harvard

Business School and BS degrees in Finance and Marketing from the University of Utah. Melinda will have a presence in The Ralston Report every issue.



Photo courtesy of the JUMP Project

Downtown Update

JUMP!

Driving into downtown Boise off the Connector will soon have a different look. The \$70-million JUMP project now under construction is meant to be different things to different people. From a place to foster creative thinking - to a place to hold a large banquet - to a place to meet people and simply hangout.

Construction of the project is expected to create 700 to 800 jobs. Jack's Urban Meeting Place (aka JUMP), is named after the late J.R. Simplot who continues to give to our community long after his departure. Funding is provided by the Simplot family. Planned opening is 2015.

River Recreation Park, Ester Simplot Park, & 30th Street

The River Recreation Park is being built in conjunction with the development of the Ester Simplot Park. Plans for development of the 55-acre Esther Simplot Park have been approved by the Boise City Parks Commission and are proceeding into the permitting process.

Construction should start in the Fall of 2013. Funding is provided by the J.R. Simplot family.

In January 2013, the ACHD Commission formally awarded the 30th Street Extension (the future Whitewater Park Boulevard) construction contract to Alta Construction of Boise. Construction began in February of this year and is anticipated to be complete at the end of October 2013.

Trader Joe's

Crews have begun preparing 300 S. Capitol Boulevard for construction of Boise's first Trader Joe's, slated for completion in 2014. The dirt lot is no longer open to motorists, destined to become the future site of four retail buildings, anchored by the California grocery chain.

The 1.7-acre parking lot, framed by Capitol Boulevard, Front, Sixth and Broad streets, will hold four buildings ranging in size from 2,000 to 13,200 square feet, with a 250-space parking lot. Access points are planned on Broad and Sixth streets. Planned opening is in 2014.



Local owner and broker

Alicia Ralston created Ralston Group Properties (RGP)

determined to challenge the status quo within the real estate industry. After 14 years on corporate America's "fast track," Alicia left the Environmental & Construction industry in 2004 to pursue her passion for real estate and helping people.



Ralston Group Properties is a Boise-based residential & commercial downtown real estate firm specializing in and around the downtown including the North End, Highlands & Foothills, East Side (North and South); and the Bench. RGP is often asked to partner on unique projects taking us into other beautiful areas in Idaho.

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