

FIGURES | BOISE INDUSTRIAL | Q1 2026

Industrial fundamentals rebound as development pipeline reaccelerates

▲ 9.2%

Vacancy Rate

▼ 167,000

SF Net Absorption

▲ 700,000

SF Construction Delivered

▼ 1.4M

SF Under Construction

▼ \$0.88

NNN/Mo Direct Lease Rate

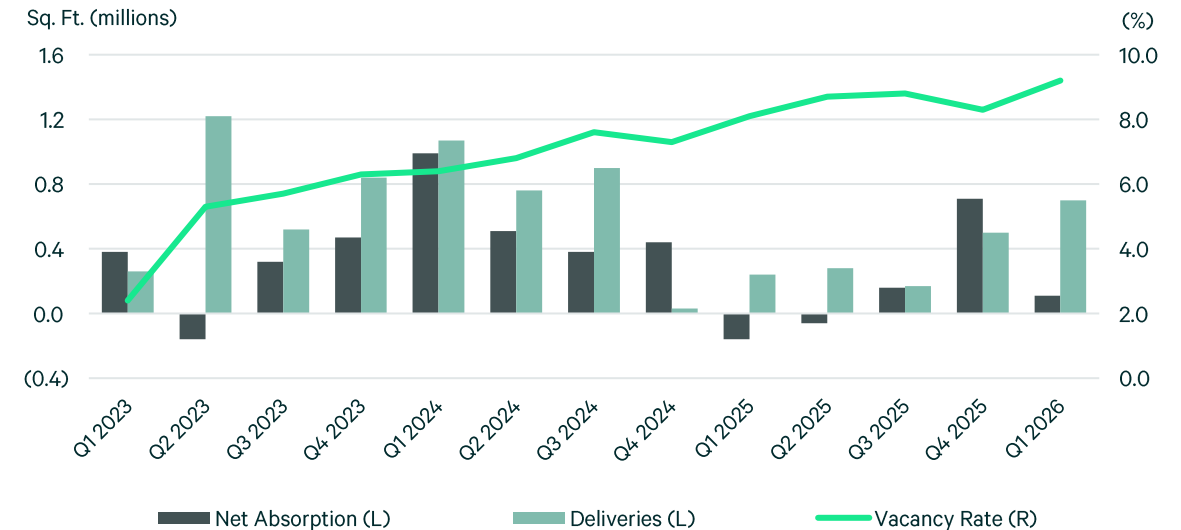
Note: Arrows indicate change from previous quarter.

Market Overview

The Boise industrial market shifted into a clearly supply-driven phase over the last three years. Vacancy climbed 6.8 percentage points between Q1 2023 and Q1 2026, as approximately 7.5 million sq. ft. delivered against 4.1 million sq. ft. of net absorption, leaving a sizable overhang of new space. Despite these conditions, demand remained broadly positive, with only two quarters of decline recorded in 2025. Pricing also held firm, as average asking rents in Q1 2026 were 2.7% higher than a year earlier, even though they edged down 2.2% quarter-over-quarter.

In Q1 2026, conditions softened at the margin. Net absorption dropped 74.1% quarter-over-quarter to 167,000 sq. ft. Consequently, vacancy rose to 9.2%, a 90-basis-point (bps) increase quarter-over-quarter and 110-bps increase year-over-year. Availability followed a similar path, up 130 bps quarter-over-quarter and 140 bps year-over-year to 9.9%. While market conditions softened, construction activity remained an integral part of the story. Driven by project completions, space under construction declined to 1.4 million sq. ft. during the quarter, representing a reduction of 21.1% quarter-over-quarter and 19.3% year-over-year. These completions pushed quarterly deliveries to 700,000 sq. ft., nearly three times higher than a year earlier.

Figure 1: Historical Net Absorption (SF), Deliveries (SF), and Vacancy (%)



Source: CBRE Research, Q1 2026

Availability Rate

The overall market availability rate increased to 9.9% in Q1 2026, rising from 8.6% in Q4 2025 and up from 8.5% one year earlier. This marks a pronounced structural shift over the last three years, as availability has expanded from just 2.6% in Q1 2023, largely reflecting the scale and pace of recent development activity. New construction across Canyon and Ada counties has been the primary driver of this increase, with nine projects totaling approximately 1.4 million sq. ft. underway across the Treasure Valley. Although space does not enter availability until delivery, the completion of a single project within the Airport submarket—Boise Gateway Industrial Park—materially contributed to elevated vacancy and availability levels during the quarter.

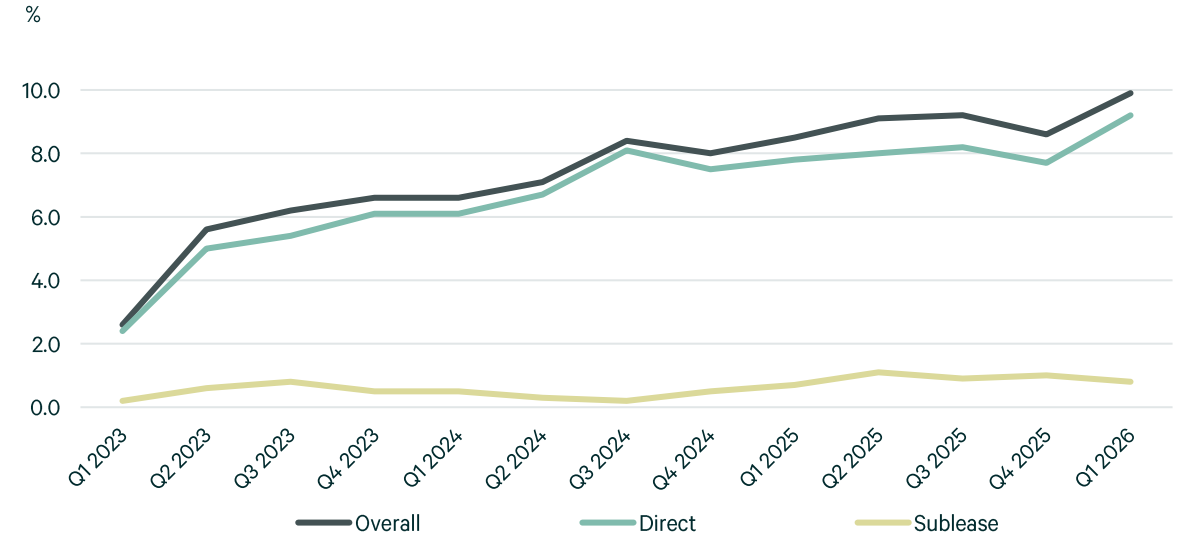
Availability remained uneven across the region. North Boise recorded the lowest non-zero availability rate at 2.3%, followed by the Southeast submarket at 3.0%, underscoring tighter supply conditions in more established, infill-oriented areas. In contrast, the Airport submarket posted the highest availability rate at 24.1%, reflecting its concentration of recent and newly delivered product. Sublease availability declined modestly in Q1 2026 to 0.8%, down from 1.0% in the prior quarter, with approximately 400,000 sq. ft. of sublease space on the market. While sublease space remains limited relative to overall availability, market contraction suggests that occupier downsizing has been more muted than anticipated, even as direct availability continues to rise.

Asking Rent

In Q1 2026, average asking rents across the market measured \$0.88 per sq. ft. NNN, representing a 2.2% quarter-over-quarter decline, but a 2.7% increase year-over-year. Despite near-term softening, rents have trended upward over the longer term, with average asking rates up 8.4% compared with Q1 2023.

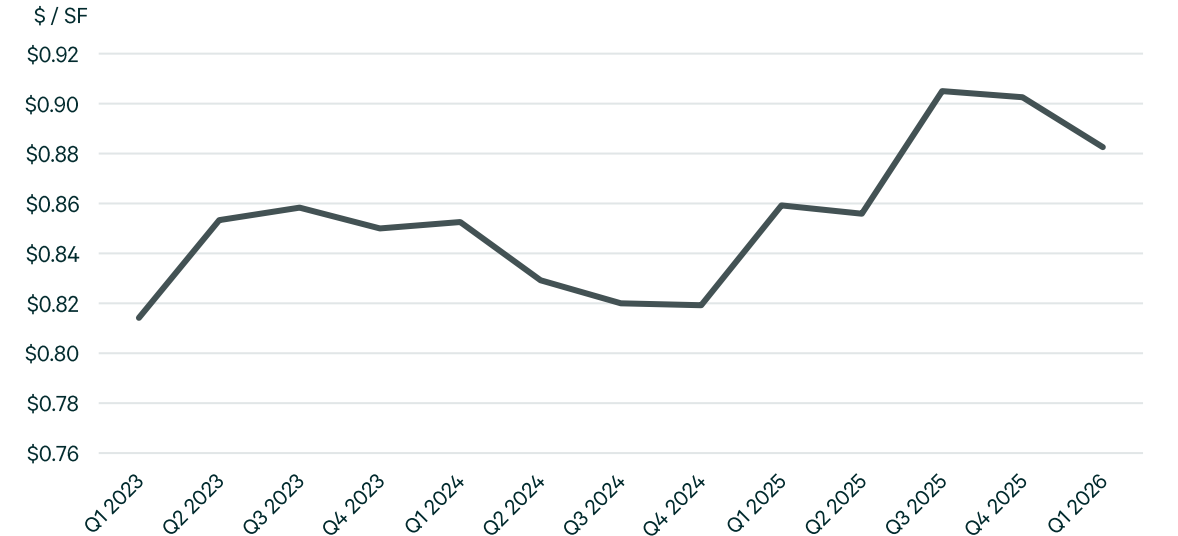
Eagle commanded the highest average asking rent at \$1.42 per sq. ft., followed by Meridian at \$1.27 per sq. ft. Additional submarkets recording above-average rents included North Boise (\$1.26 per sq. ft.), West (\$1.22 per sq. ft.), the Bench (\$1.03 per sq. ft.), and the Southeast (\$0.99 per sq. ft.). These areas are characterized by sustained suburban expansion and concentrated industrial development activity. Core construction corridors remain centered east near the Airport and west through Meridian and Nampa, where the presence of newer, large-format distribution facilities continued to support elevated asking lease rates.

Figure 2: Availability Rates (%)



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate (\$/SF/Mo)



Source: CBRE Research, Q1 2026

Net Absorption

The market posted positive net absorption of 167,000 sq. ft. in Q1 2026, down from 735,000 sq. ft. in Q4 2025. Conditions improved year-over-year from negative net absorption of 181,000 sq. ft. in Q1 2025. Over the last year, net absorption totaled 984,000 sq. ft. and has totaled 3.7 million sq. ft. over the past 3 years.

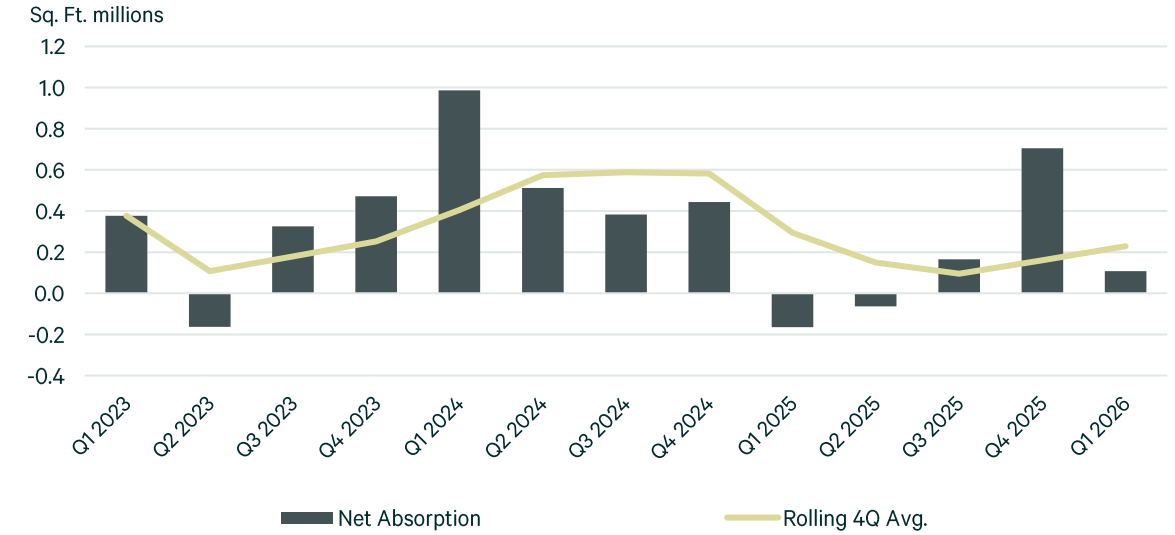
Positive net absorption for Q1 2026 was concentrated primarily in the Meridian submarket with 119,000 sq. ft., and the Caldwell submarket with 78,000 sq. ft. for the quarter. Southwest, Nampa, and Kuna were the other submarkets recording positive net absorption with 33,000 sq. ft., 28,000 sq. ft., and 1,000 sq. ft., respectively. By contrast, the Southeast submarket experienced the largest decline, posting negative absorption of 37,000 sq. ft. Bench, North Boise, Airport, West, and Eagle also contributed to overall losses, with a combined negative absorption of 19,000 sq. ft., bringing the total negative absorption for the market to 56,000 sq. ft.

Construction Activity

In Q1 2026, the market had 1.4 million sq. ft. under construction and 700,000 sq. ft. delivered. Under construction volume declined 21.1% quarter-over-quarter and 19.3% year-over-year, while deliveries rose 40.9% quarter-over-quarter and 195.4% year-over-year.

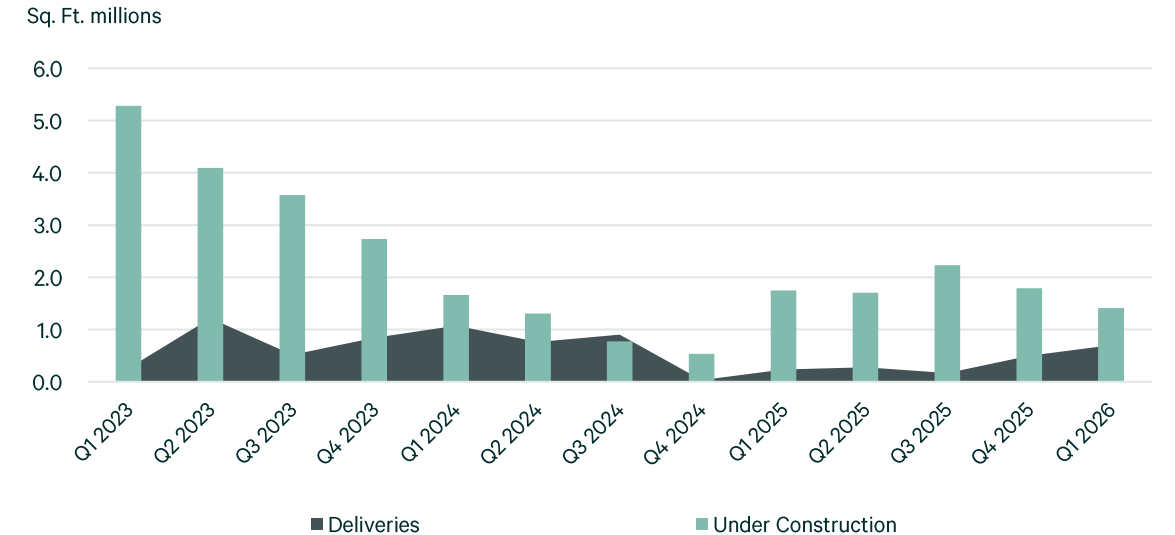
Construction activity is concentrated in the Airport and Meridian submarkets, led by four Airport distribution/logistics projects totaling 940,000 sq. ft., including Eastport Logistics – Building A at 379,000 sq. ft. (0% pre-leased, estimated delivery Q2 2027) and three additional buildings between 155,000 sq. ft. and 233,000 sq. ft. with Q2 2026 deliveries. Meridian contributes Ten Mile West Building 1 at 130,000 sq. ft. (0% pre-leased, estimated delivery Q1 2027), bringing the five identified projects to approximately 1.1 million sq. ft., a majority of the market’s 1.4 million sq. ft. under construction in Q1 2026.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



Source: CBRE Research, Q1 2026

Market Statistics by Size

Figure 6

Size Range	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/Mo NNN)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (MSF)
Under 100,000 sq. ft.	30.05	3.9	4.8	4.3	0.6	1.01	15,000	15,000	-	0.24
100,000-199,999 sq. ft.	10.28	9.2	10.3	8.6	1.7	0.84	88,000	88,000	-	0.56
200,000-299,999 sq. ft.	4.58	14.6	14.6	13.3	1.3	0.73	64,000	64,000	-	0.23
300,000-499,999 sq. ft.	2.72	19.3	19.3	19.3	-	0.81	-	-	-	0.38
500,000-749,999 sq. ft.	3.70	18.9	18.9	18.9	-	-	-	-	700,000	-
750,000 sq. ft.	2.00	45.0	45.0	45.0	-	-	-	-	-	-
Total	53.35	9.2	9.9	9.2	0.8	0.88	167,000	167,000	700,000	1.41

Source: CBRE Research, Q1 2026

Market Statistics by Product Type

Figure 7

Product Type	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/Mo NNN)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (MSF)
Distribution/Logistics	36.29	11.6	12.6	11.6	1.0	0.85	145,000	145,000	700,000	1.41
Manufacturing - General	6.48	4.3	4.4	4.0	0.4	1.21	79,000	79,000	-	-
R&D/Flex	3.40	7.9	8.4	8.3	0.1	0.90	(34,000)	(34,000)	-	-
Other Industrial	7.18	2.1	2.1	2.0	0.1	1.15	(23,000)	(23,000)	-	-
Total	53.35	9.2	9.9	9.2	0.8	0.88	167,000	167,000	700,000	1.41

Source: CBRE Research, Q1 2026

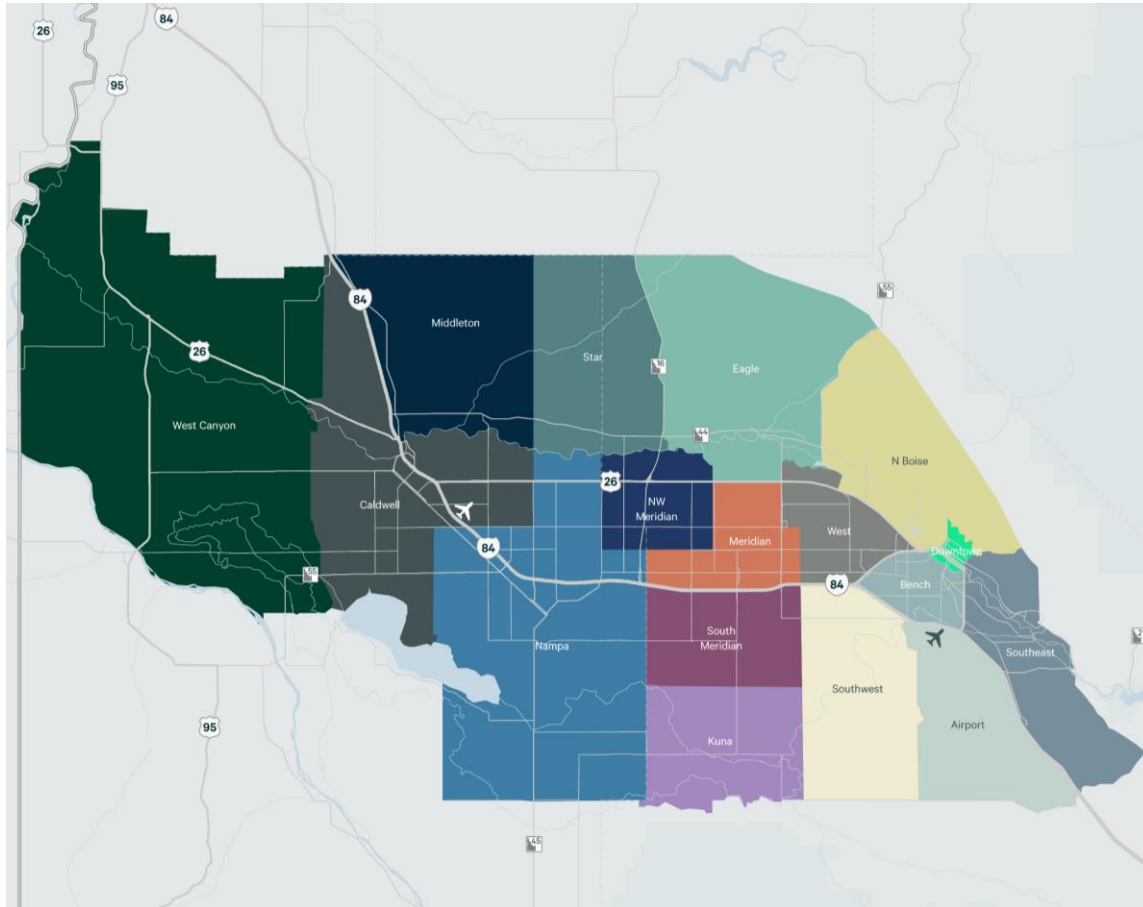
Market Statistics by Submarket

Figure 8

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/Mo NNN)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (MSF)
Airport	8.42	22.8	24.1	23.5	0.6	0.87	(12,000)	(12,000)	700,000	1.09
Bench	1.90	3.4	3.4	3.4	-	1.03	(23,000)	(23,000)	-	-
Caldwell	6.04	11.8	11.8	11.8	-	0.85	78,000	78,000	-	-
Downtown	0.57	14.5	14.5	14.5	-	0.79	-	-	-	-
Eagle	0.23	8.8	9.7	9.7	-	1.42	(3,000)	(3,000)	-	-
Kuna	0.20	-	-	-	-	-	1,000	1,000	-	-
Meridian	6.80	2.0	3.1	2.9	0.2	1.27	119,000	119,000	-	0.23
Nampa	15.01	10.3	11.2	9.6	1.6	0.82	28,000	28,000	-	0.09
North Boise	1.69	2.2	2.3	1.0	1.2	1.26	(13,000)	(13,000)	-	-
Northwest Meridian	0.04	-	-	-	-	-	-	-	-	-
South Meridian	0.88	-	-	-	-	-	-	-	-	-
Southeast	4.33	2.3	3.0	2.2	0.7	0.99	(38,000)	(38,000)	-	-
Southwest	2.59	6.6	7.7	7.1	0.6	0.86	33,000	33,000	-	-
Star	0.07	-	-	-	-	-	-	-	-	-
West	3.51	3.5	3.6	2.9	0.7	1.22	(6,000)	(6,000)	-	-
West Canyon	1.09	-	-	-	-	-	-	-	-	-
Total	53.35	9.2	9.9	9.2	0.8	0.88	167,000	167,000	700,000	1.41

Source: CBRE Research, Q1 2026

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

Survey Criteria

Includes all existing industrial properties over 10,000 sq. ft. in Ada and Canyon County. Leasing activity includes renewals, new leases, and extensions. Property must fit within a subtype. Property may be owner-user. Buildings which have begun construction are evidenced by site excavation or foundation work. Positive net absorption is calculated by lease signed date. Only existing buildings are included in vacancy and availability rate calculations.

Contacts

Blake Richter

Research Analyst
+1 949 444 3155
blake.richter@cbre.com

Sierra Hoffer

Associate Research Director
+1 801 869 8022
sierra.hoffer@cbre.com