

FIGURES | BOISE INDUSTRIAL | Q3 2026

Vacancy declines as Micron-tied demand provides tailwind for Boise industrial market



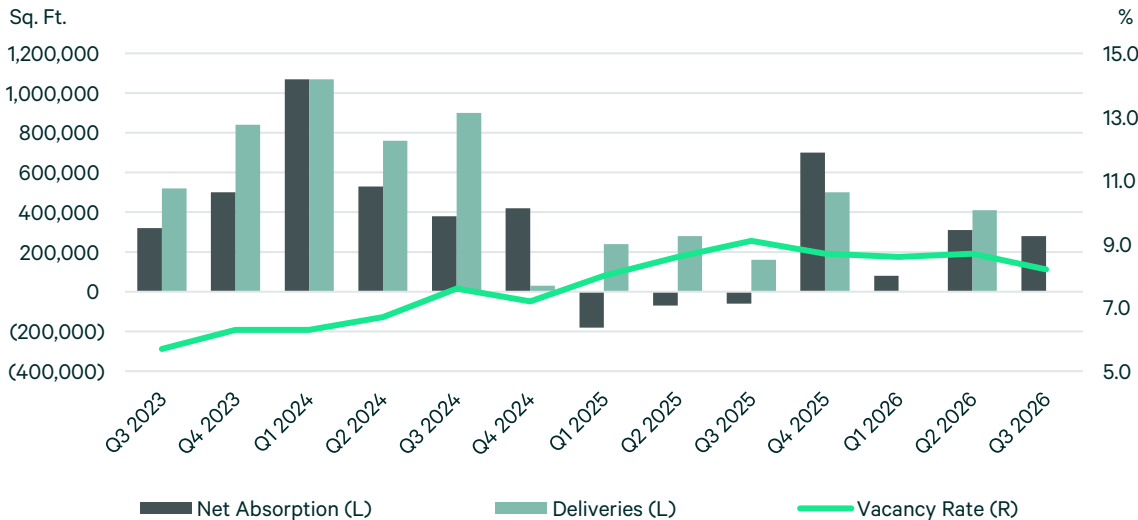
Note: Arrows indicate change from previous quarter.

Market Overview

The Boise industrial market continued to stabilize in Q3 2026, with vacancy declining and occupancy trending positively. Net absorption has been positive in each quarter of 2026, totaling 672,000 sq. ft. year-to-date, and vacancy has declined 40 basis points (bps) from 8.6% in Q1 2026 to 8.2% in Q3 2026.

Demand continues to be anchored by supply chain and construction companies making long-term commitments to the market, consisting of both new entrants to the Treasure valley and expanding regional and national occupiers. Firms with ties to Micron represent a meaningful source of ongoing demand, leasing space now with the intent to expand as operations scale, while the semiconductor investment provides a constructive longer-term tailwind for the broader market. Through leasing activity moderated in Q3 2026, year-to-date volume of approximately 1.5 million sq. ft. remained broadly in line with mid-range historical outcomes. A well-positioned pipeline of planned product is ready to deliver once demand conditions warrant, though elevated construction costs and interest rates continue to temper new speculative development.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q3 2026

Vacancy Rate

Overall vacancy declined to 8.2% in Q3 2026, down 50 bps quarter-over-quarter from 8.7% in Q2 2026, and 90 bps lower year-over-year. Despite the recent progress, overall vacancy remains 250 bps above the 5.7% level observed in Q3 2023, underscoring that conditions have not yet returned to the tighter environment seen at the start of the measurement period. Direct vacancy eased to 7.9%, a 20-bps decline from Q2 2026, while sublease vacancy fell to 0.3%, 30 bps lower quarter-over-quarter. Sublease space totaled 164,000 sq. ft. across the market, a sign that occupiers are gradually absorbing previously marketed excess space.

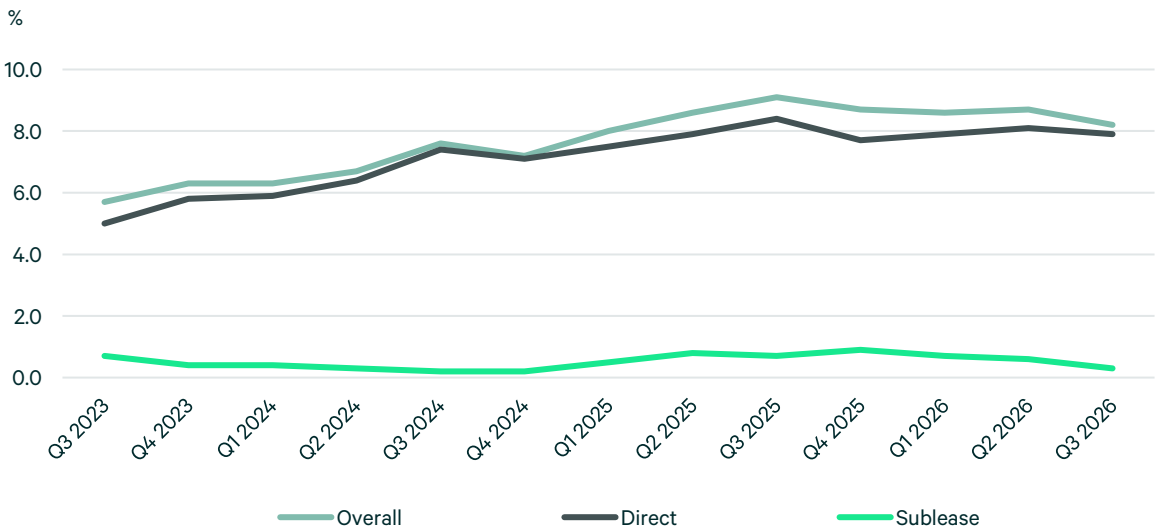
Vacancy is distributed unevenly across the market, presenting a meaningfully different operating environment depending on submarket. North Boise and Southeast posted the lowest non-zero vacancy rates at 0.8%, with Southwest second-lowest at 3.1%, reflecting very limited options for tenants in those corridors. Airport recorded the highest overall vacancy at 17.6%, a substantial premium to the market average, reflecting the concentration of recent deliveries in that submarket. Nampa and Meridian continue to perform well alongside these tighter markets, while Caldwell remains the notable underperformer, where higher vacancy has prompted landlords to offer concessions to remain competitive.

Asking Rent

Average asking rents held at \$0.90 per sq. ft. in Q3 2026, edging down 1.1% from \$0.91 per sq. ft. in Q2 2026, but unchanged year-over-year. The resilience of asking rates through this period reflects landlords' general preference for maintaining quoted rents while adjusting concessions, rather than reducing headline pricing outright.

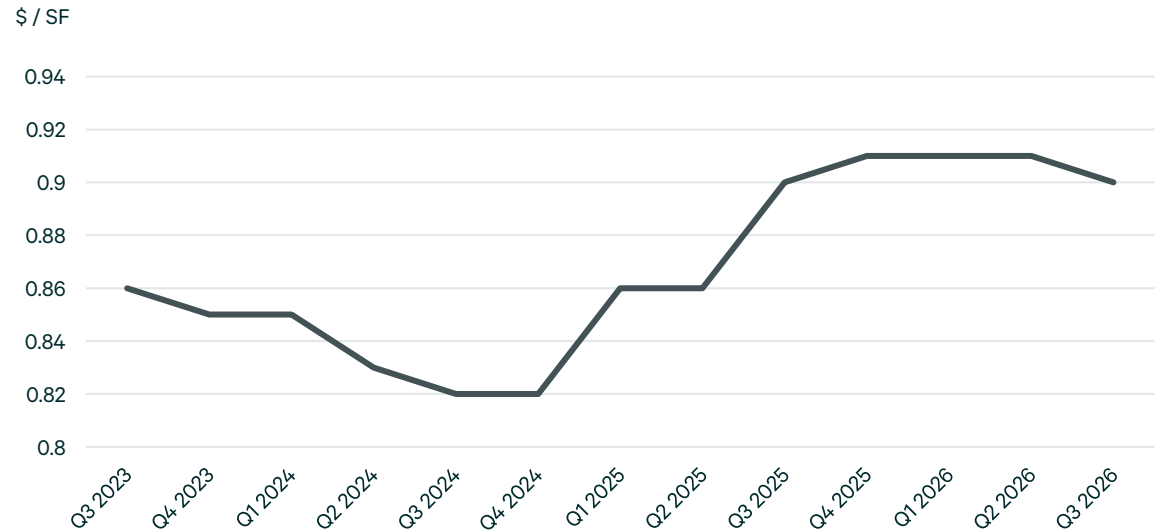
Submarket pricing in Q3 2026 shows clear tiers and reinforces the importance of location. Eagle commanded the highest average asking rate at \$1.91 per sq. ft., followed by Meridian at \$1.35 per sq. ft., Airport at \$1.29 per sq. ft., North Boise at \$1.26 per sq. ft., West at \$1.23 per sq. ft., and Southeast at \$1.15 per sq. ft. At the more cost-effective end of the market, Downtown and Southwest each recorded \$0.79 per sq. ft., with Nampa at \$0.85 per sq. ft., Bench at \$0.86 per sq. ft., and Caldwell at \$0.88 per sq. ft. Within size brackets, rents in the 10,000–20,000 sq. ft. range are trending upward, driven by constrained availability in the most active segment of the market. Tenants have demonstrated a clear willingness to pay a premium for well-located space, while concessions remain a more prominent tool in less competitive corridors.

Figure 2: Vacancy Rate



Source: CBRE Research, Q3 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q3 2026

Net Absorption

Net absorption totaled 283,000 sq. ft. in Q3 2026, a modest 9.3% decline from the 312,000 sq. ft. recorded in Q2 2026, but a dramatic improvement relative to the negative 61,000 sq. ft. posted in Q3 2025. Absorption has now been positive for four consecutive quarters dating back to Q4 2025, and the rolling four-quarter average reached 342,500 sq. ft. in Q3 2026, up 33.5% quarter-over-quarter and the highest level since the 2024 peak period. Year-to-date absorption of 672,000 sq. ft. across the first three quarters of 2026 reflects a meaningful recovery from the contraction that defined much of 2025.

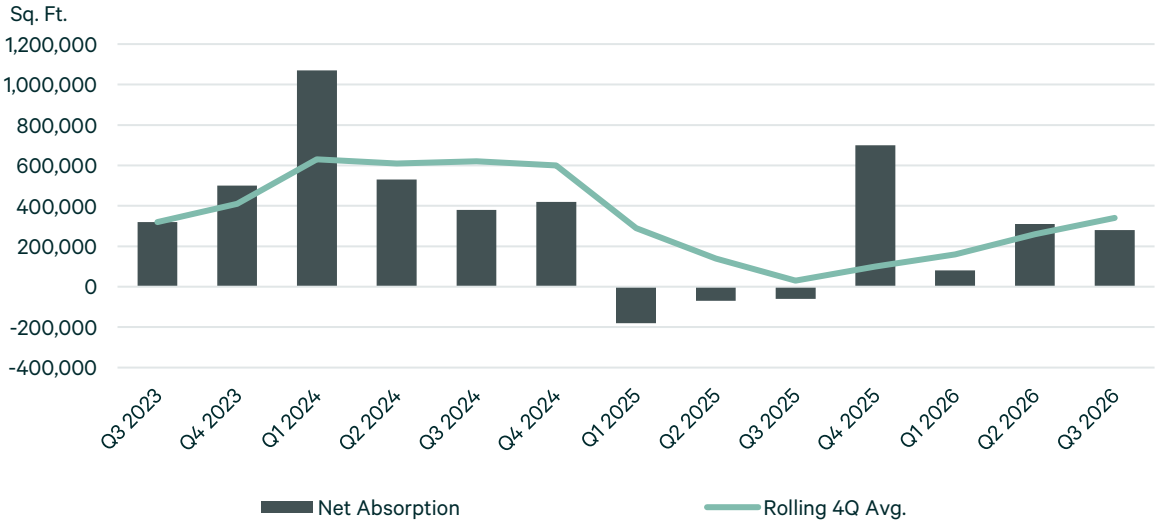
By submarket, Airport and Nampa led Q3 2026 with 117,000 sq. ft. and 105,000 sq. ft. of positive absorption, respectively, with Meridian contributing an additional 42,000 sq. ft. The market's existing vacancy continues to be gradually absorbed, and current trends suggest the fundamentals need to firm further before new speculative construction is broadly justified.

Leasing Activity

Leasing activity totaled 398,000 sq. ft. in Q3 2026, down 41.6% from 681,000 sq. ft. in Q2 2026 and 46.1% below the 739,000 sq. ft. recorded in Q3 2025, which remains the high-water mark for the last few years. Despite the quarter's softness, year-to-date leasing of approximately 1.5 million sq. ft. remained broadly consistent with the mid-range outcomes seen during 2024, indicating the market stayed active without replicating the elevated pace of 2025. Activity in Q3 2026 was concentrated in Nampa and Airport, the market's two most active submarkets, which together accounted for the substantial majority of the overall volume. Nampa led with 208,000 sq. ft. leased, followed by Airport with 127,000 sq. ft. Smaller but positive volumes were recorded in Meridian, with 35,000 sq. ft., and Southeast, with 21,000 sq. ft.

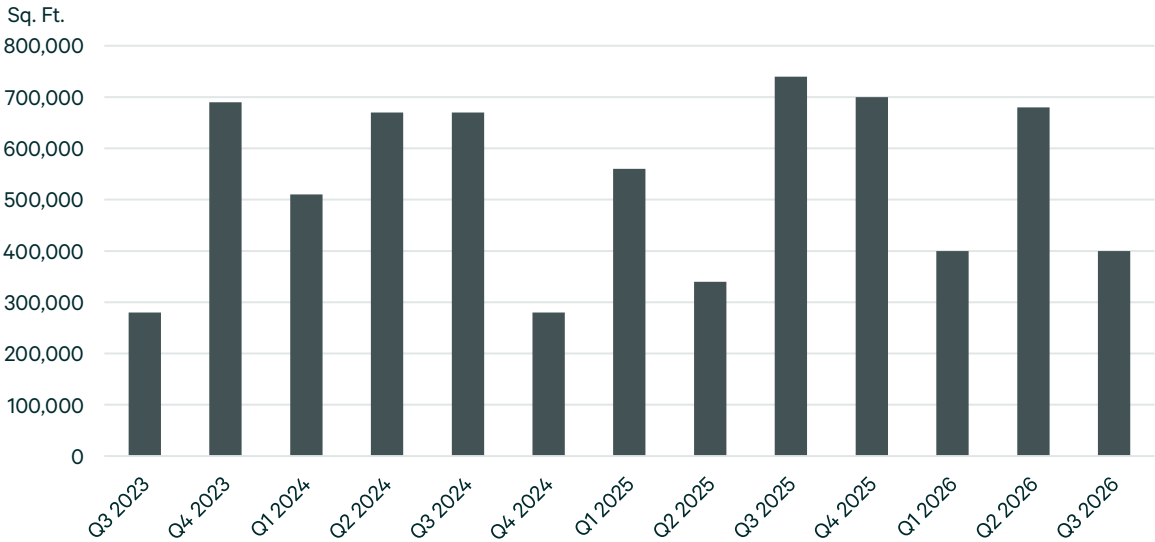
Demand remains most concentrated in the 10,000–20,000 sq. ft. size range, where availability is tightest and tenant competition is most acute. Projects with built-in divisibility hold a distinct advantage in capturing this activity, as smaller-format requirements represent the bulk of touring and deal volume across the market.

Figure 4: Net Absorption Trend



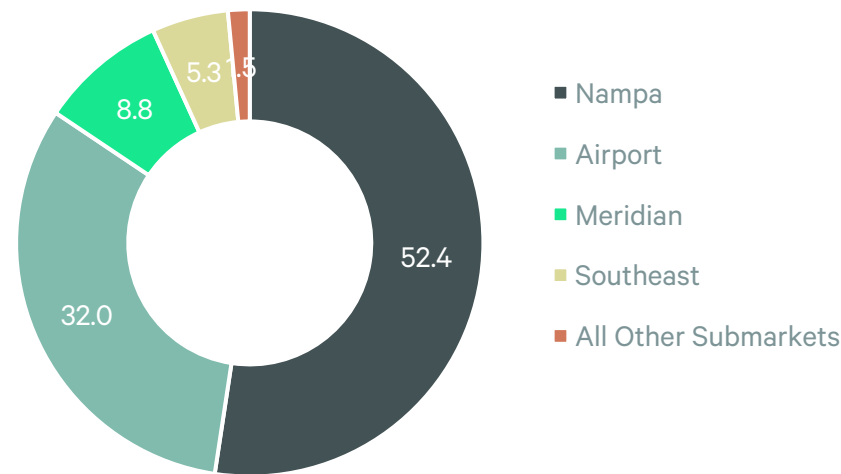
Source: CBRE Research, Q3 2026

Figure 5: Leasing Activity Trend



Source: CBRE Research, Q3 2026

Figure 6: Leasing Activity by Submarket (% of Total Activity)



Source: CBRE Research, Q3 2026

Construction Activity

The Boise construction pipeline totaled 1.5 million sq. ft. in Q3 2026, remaining active despite a sustained period of elevated vacancy. The pipeline has shifted over the past three years: from a high of 3.6 million sq. ft. to a low of 500,000 sq. ft. Current levels reflect stabilization. No new supply was delivered in Q3 2026, following the 406,000 sq. ft. completed in Q2 2026, which was the only delivery recorded in 2026.

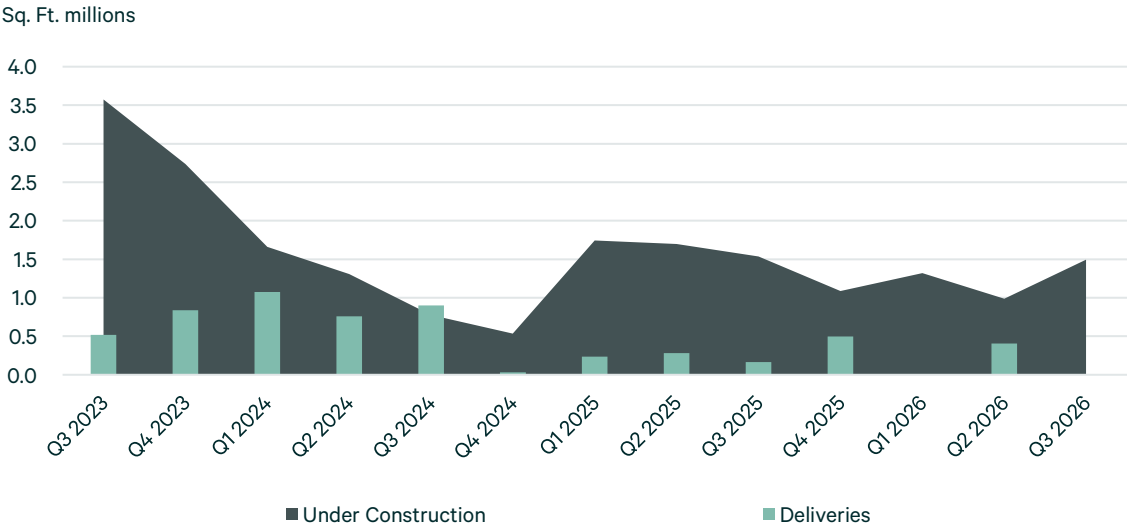
Active projects currently underway include Eastport Logistics – Building A and B, Nampa Interchange Park – Building D, and Ten Mile West Building 1. Beyond current construction, a meaningful volume of planned product is positioned to deliver once demand conditions warrant, providing the market with a pipeline that can respond to strengthening occupier activity without requiring new speculative commitments at this stage. Elevated construction costs and persistently higher interest rates continue to weigh on development economics, serving as a natural check on speculative starts and supporting the gradual absorption of existing vacancy before a new supply cycle begins in earnest.

Figure 7: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Morgan Industrial	152,000	New Lease	1820 E Fargo Ave	Nampa
Acme Construction	105,000	New Lease	645 E Gowen Rd	Airport
FTE2	28,000	New Lease	16620 Madison Rd	Nampa
Confidential Tenant	28,000	New Lease	16570 Northside Blvd	Nampa
Rosendin Electric	21,000	New Lease	8863 S Federal Way	Southeast
Clopay Corp.	20,000	New Lease	5445 W Franklin Rd	Meridian
AllSource Construction Supply	10,000	New Lease	6663 S Eisenman Rd	Airport
Recon Overland & Off Road	8,000	New Lease	535 N Locust Grove Rd	Meridian

Source: CBRE Research, Q3 2026

Figure 8: Construction Activity



Source: CBRE Research, Q3 2026

Market Statistics by Submarket

Figure 9

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Avg. Direct Asking Rate (\$/SF/Mo NNN)	Q3 2026 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Airport	8.15M	17.6	17.7	1.29	117,000	184,000	-	682,000
Bench	1.90M	4.1	6.6	0.86	(17,000)	(36,000)	-	-
Caldwell	6.04M	12.4	12.5	0.88	-	(109,000)	-	-
Downtown	570,000	14.5	14.5	0.79	-	-	-	-
Eagle	225,000	-	4.8	1.91	3,000	17,000	-	-
Kuna	203,000	-	-	-	-	1,000	-	-
Meridian	7.06M	5.1	5.9	1.35	42,000	136,000	-	306,000
Nampa	15.04M	9.6	9.6	0.85	105,000	293,000	-	319,000
North Boise	1.69M	0.8	0.9	1.26	16,000	11,000	-	-
Northwest Meridian	36,000	-	-	-	-	-	-	-
South Meridian	889,000	-	-	-	-	-	-	-
Southeast	4.33M	0.8	0.8	1.15	21,000	27,000	-	-
Southwest	2.59M	3.1	3.2	0.79	2,000	126,000	-	186,000
Star	68,000	-	-	-	-	-	-	-
West	3.52M	3.3	3.5	1.23	(31,000)	(1,000)	-	-
West Canyon	1.09M	-	-	-	-	-	-	-
Total	53.43M	8.2	8.5	0.90	283,000	672,000	-	1.49M

Source: CBRE Research, Q3 2026
Numbers presented throughout this report have been rounded for readability. As a result, individual line items may not sum to totals shown. All figures should be considered approximate.

Market Statistics by Size

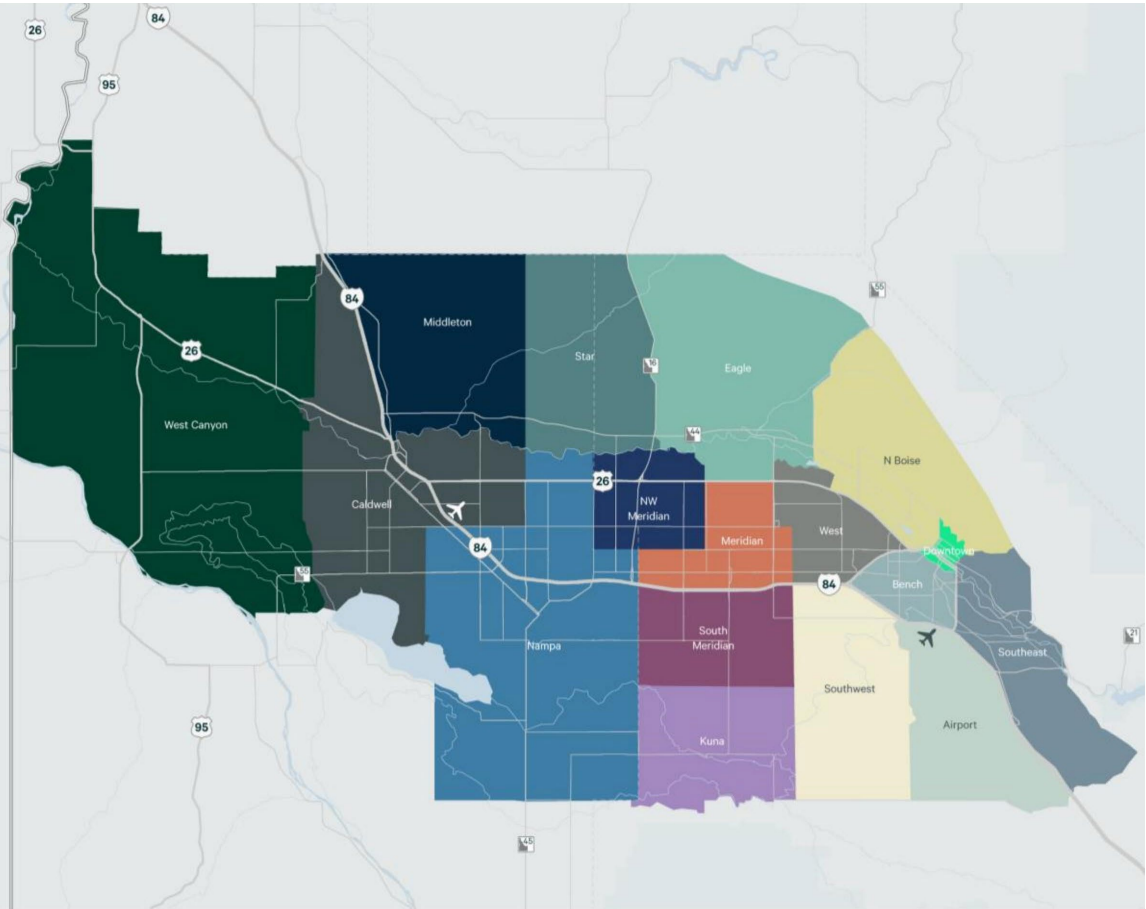
Figure 10

Size Range	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Avg. Direct Asking Rate (\$/SF/Mo NNN)	Q3 2026 Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Below 50K SF	20.13M	2.4	2.9	1.05	48,000	104,000	-	81,000
50K-99,999 SF	9.98M	7.4	7.8	1.00	(92,000)	9,000	-	293,000
100K-249,999 SF	13.71M	10.3	10.3	0.80	327,000	625,000	-	740,000
250K-499,999 SF	4.60M	18.9	18.9	0.80	-	(65,000)	-	379,000
500K-749,999 SF	3.00M	-	-	-	-	-	-	-
750,000 SF +	2.00M	45.0	45.0	-	-	-	-	-
Total	53.43M	8.2	8.5	0.90	283,000	672,000	-	1.49M

Source: CBRE Research, Q3 2026

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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.

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