Market conditions strengthened in 2025 amid bifurcated submarket adjustments

7.7%	8.2%	0	243,581	$23.47
Vacancy Rate	Availability Rate	SF YTD Deliveries	SF Under Construction	Avg. Direct Asking Rate (FSG)

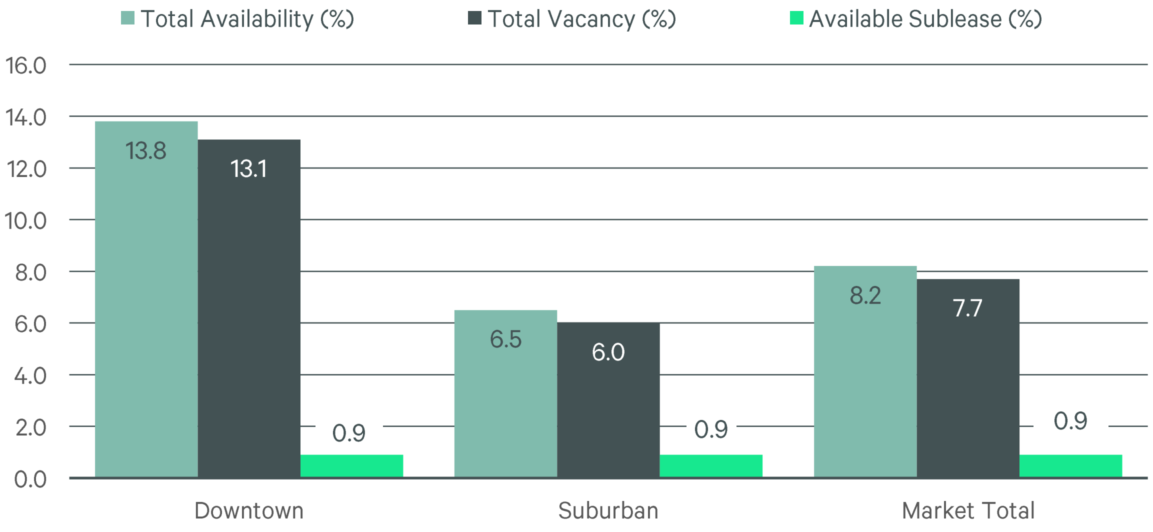
Note: Arrows indicate change from previous quarter.

MARKET OVERVIEW

Office fundamentals in the Boise metro demonstrated resilience and modest improvement in 2025, driven by steady demand and strong underlying economic drivers. The overall vacancy rate ticked up to 7.7% in Q4 2025 but remained 140 basis points below prior-year levels, underscoring competitive market conditions. Most submarkets recorded vacancy declines in 2025, with only the Bench, Caldwell, and Downtown posting annual increases. Tenant demand in 2025 remained concentrated on modern, high-quality space; however, Class A vacancy stayed elevated relative to the market average for the third consecutive year, driven by new supply and several years of occupiers delaying long-term leasing decisions.

Supply-side pressures remained minimal in 2025, even as a handful of new projects broke ground, bringing year-end construction volume to 243,581 sq. ft. across five projects. Office construction had slowed significantly over the past few years, with owner-user and medical office projects serving as the primary drivers of limited new development. No new deliveries occurred during the year, and by year-end, inventory was projected to expand by just 1.3% in 2026, signaling limited near-term oversupply risk. Looking ahead, tightening availability combined with steady demand position the market for continued momentum heading into 2026.

FIGURE 1: Total Availability, Vacancy, and Sublease



Source: CBRE Research, Q4 2025.

Availability & Vacancy

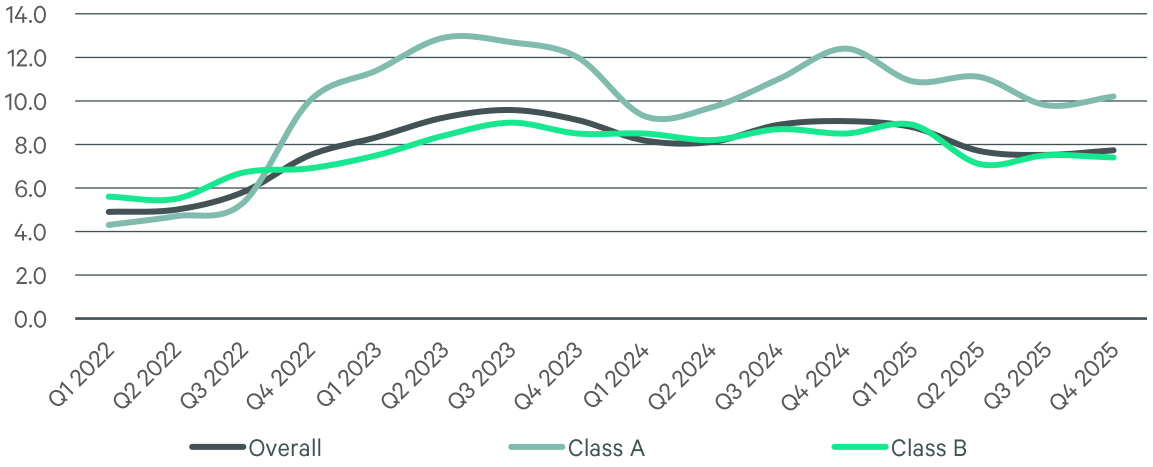
The overall vacancy rate remained relatively low, rising 20 basis points (bps) quarter-over-quarter to 7.7% in Q4 2025 after three consecutive quarters of improvement. The uptick was primarily driven by new direct vacancies in Class A product within the Downtown submarket, particularly at One Capital Center. As a result, Class A vacancy downtown rose by 270 bps from the previous quarter, reaching 17.5% in Q4 2025. Despite the increase, broader market conditions remained tighter than a year earlier, with the direct vacancy rate falling 60 bps to 6.9%. Year-over-year, the overall vacancy rate declined by 140 bps, with Class A space posting the highest vacancy rate at 10.2% (down 210 bps) and Class B space falling 100 bps to 7.4%.

Total availability also declined in 2025, falling 40 bps quarter-over-quarter and 260 bps year-over-year to 8.2% in Q4 2025, marking the lowest level since early 2022. This tightening was supported by a continued retreat in sublease availability from its late-2023 peak to 164,151 sq. ft. (0.9% of market inventory) by year-end. Large-block options remained constrained across key submarkets, with only seven existing Downtown buildings able to accommodate a 15,000 sq. ft. contiguous user, and just 24 buildings offering such space across the metro. This scarcity continued to limit options for tenants with larger footprint requirements. Looking ahead, strong local economic fundamentals and minimal new speculative construction, alongside steady demand, are expected to help maintain healthy occupancy levels in the near term.

Asking Rent

Direct asking rents remained largely stable in Q4 2025, with the market average at $23.47 FSG per sq. ft., representing a modest 1.8% year-over-year decline and continued softening from the late-2024 peak. Class A direct asking rents averaged $25.93 FSG per sq. ft, down 0.8% ($0.20) from the same period last year, while Class B rents fell 2.3% ($0.52) to $22.01 FSG per sq. ft. The largest premiums appeared in high-growth areas on the west side of the Boise metro, where the Eagle submarket commanded the highest rate at $27.53 FSG per sq. ft., followed by South Meridian at $25.77 FSG per sq. ft. In contrast, North Boise and Bench remained the most affordable submarkets, with larger, second-generation Class B and C spaces driving lower averages. The direct-to-sublet spread widened during the quarter, as sublet asking rents averaged $20.59 FSG per sq. ft., 12.3% below the direct average.

FIGURE 2: Total Vacancy by Asset Class (%)



Source: CBRE Research, Q4 2025.

FIGURE 3: Gross Average Direct Asking Rents by Asset Class ($/SF/Yr FSG)

Source: CBRE Research, Q4 2025.

Market Statistics by Submarket

	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF/Yr FSG)	YTD Deliveries (SF)	Under Construction (SF)
Airport	22,002	13.2	13.2	13.2	-	21.00	-	-
Bench	2,087,950	7.9	8.3	6.9	1.4	20.59	-	-
Caldwell	372,354	2.7	2.7	2.0	0.7	21.00	-	-
Downtown	4,625,119	13.1	13.8	12.8	0.9	23.86	-	187,417
Eagle	459,729	5.4	5.4	5.2	0.2	27.53	-	24,567
Kuna	36,528	-	-	-	-	-	-	-
Meridian	2,443,175	5.2	7.0	5.1	1.9	23.11	-	-
Nampa	747,091	1.3	1.3	1.3	-	24.39	-	-
North Boise	518,721	5.9	6.9	6.9	-	20.40	-	-
Northwest Meridian	10,820	-	-	-	-	-	-	-
South Meridian	1,872,896	15.0	14.6	14.6	-	25.77	-	16,122
Southeast	1,056,229	3.1	3.4	2.2	1.2	22.26	-	-
Southwest	782,492	6.6	6.7	4.8	1.9	22.79	-	-
Star	10,932	-	-	-	-	-	-	-
West	3,828,622	3.1	3.4	3.1	0.4	20.60	-	15,475
Market Total	**18,874,660**	**7.7**	**8.2**	**7.4**	**0.9**	**23.47**	**-**	**243,581**

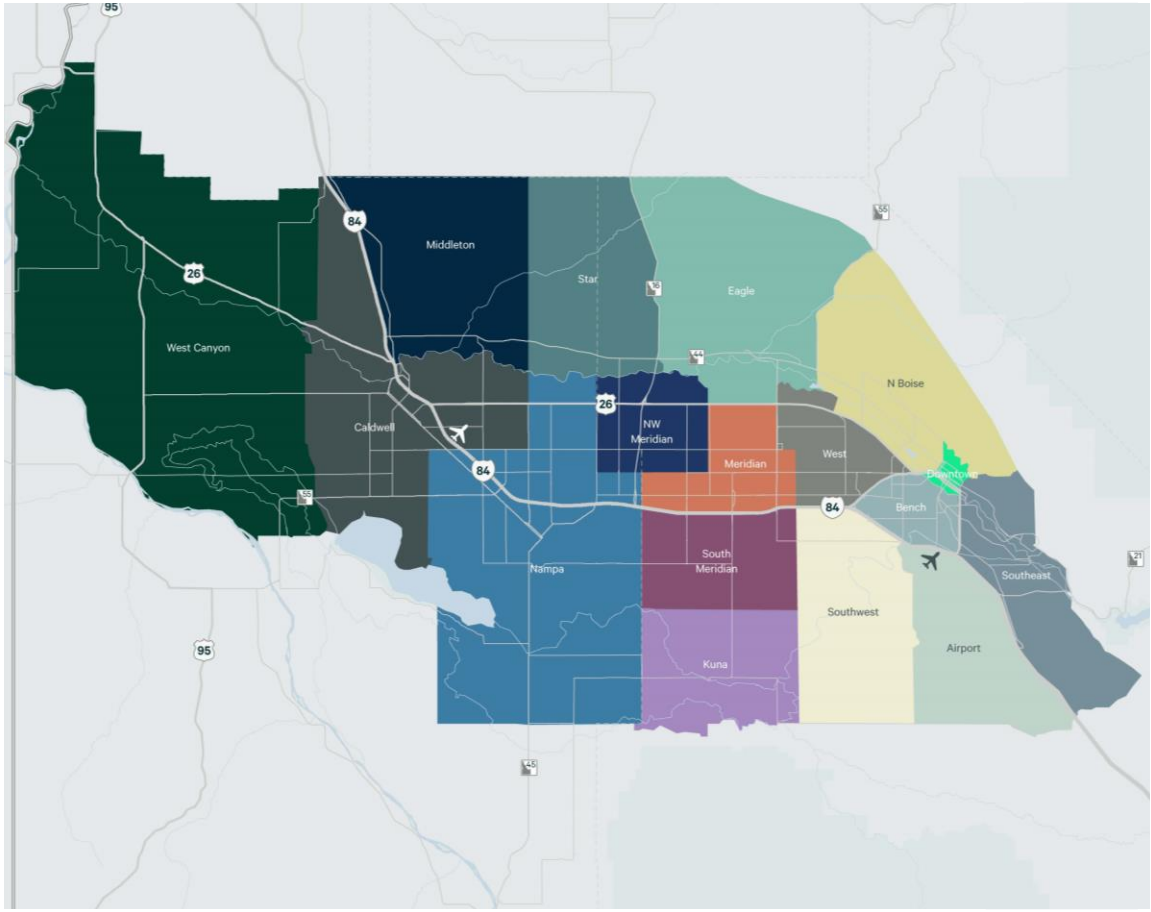
Market Statistics by Index

	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF/Yr FSG)	YTD Deliveries (SF)	Under Construction (SF)
SUBURBAN								
Class A	3,998,583	6.7	7.5	6.2	1.2	26.84	-	40,042
Class B	8,821,858	6.4	6.8	6.1	0.7	21.91	-	16,122
Class C	1,429,100	1.6	1.7	0.6	1.0	17.87	-	-
Total	**14,249,541**	**6.0**	**6.5**	**5.6**	**0.9**	**23.21**	**-**	**56,164**

	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF/Yr FSG)	YTD Deliveries (SF)	Under Construction (SF)
DOWNTOWN								
Class A	1,901,016	17.5	18.6	18.4	0.2	25.26	-	187,417
Class B	2,336,957	11.1	11.6	10.2	1.4	22.26	-	-
Class C	387,146	2.8	2.8	1.5	1.3	17.08	-	-
Total	**4,625,119**	**13.1**	**13.8**	**12.8**	**0.9**	**23.86**	**-**	**187,417**

	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate ($/SF/Yr FSG)	YTD Deliveries (SF)	Under Construction (SF)
METRO								
Class A	5,899,599	10.2	11.1	10.2	0.9	25.93	-	227,459
Class B	11,158,815	7.4	7.8	7.0	0.8	22.01	-	16,122
Class C	1,816,246	1.8	1.9	0.8	1.1	17.54	-	-
Total	**18,874,660**	**7.7**	**8.2**	**7.4**	**0.9**	**23.47**	**-**	**243,581**

Market Area Overview



CBRE Office

Boise

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Boise, ID 83702

Survey Criteria

Includes all existing office buildings 10,000 sq. ft. and greater in size in Ada and Canyon counties, excluding owner-occupied and medical office properties. Buildings which have begun construction are evidenced by site excavation or foundation work.

Methodology

Position absorption is calculated at time of occupancy, which allows for product to be vacant but no longer available. Lease rates are calculated using weighted average of asking lease rates for existing product with availability. Sublease space can be vacant or occupied. Total Vacancy includes both direct and sublease. Lease activity is the sum of the square footage of leases signed during a designated period. Available spaces within owner-user buildings are considered direct listings. Data in previous publications is subject to change.

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