

FIGURES | BOISE OFFICE | Q3 2026

Demand continued to support market fundamentals

▲ 8.8%

Vacancy Rate

▲ (64,000)

SF Net Absorption

▲ 56,000

SF Construction Delivered YTD

▲ 311,000

SF Under Construction

▲ \$24.14

FSG/YR Direct Lease Rate

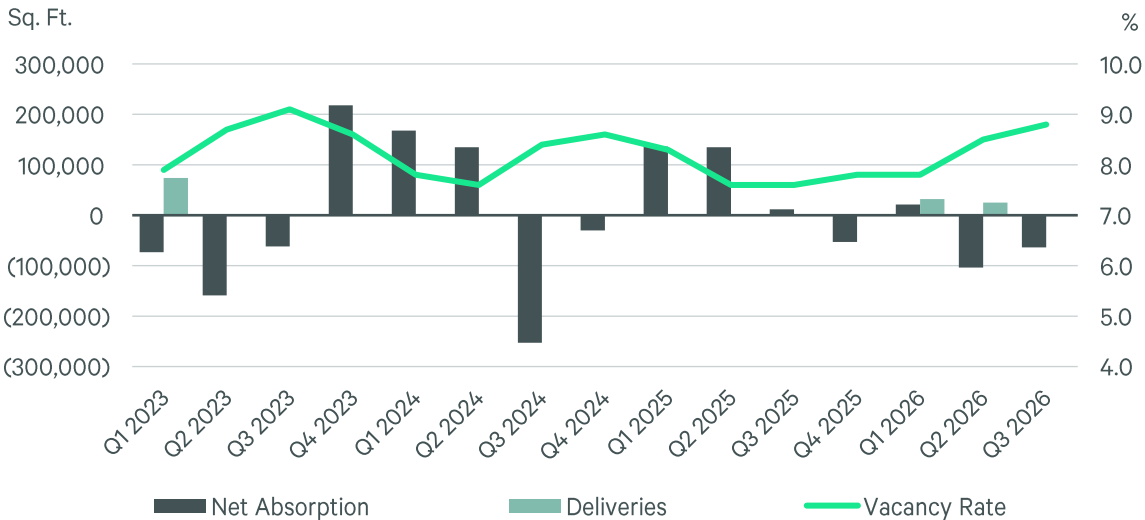
Note: Arrows indicate change from previous quarter.

Market Overview

Office market conditions remained mixed in Q3 2026. Tenant demand continued to support rent growth and new development, while occupancy gains were tempered by extended leasing and build-out timelines. Net absorption totaled negative 64,000 sq. ft. during the quarter, contributing to a modest increase in vacancy to 8.8%. Sublease availability remained limited at just 1.5%, as the Boise metro continued to avoid the buildup of sublease space that has challenged many larger U.S. office markets. Average direct asking rents increased 1.9% quarter-over-quarter to a cyclical high of \$24.14 FSG per sq. ft., reflecting sustained demand for modern, high-quality office product.

Development activity accelerated during the quarter, with the construction pipeline expanding to 311,000 sq. ft., its highest level since 2019. Demand continued to keep pace with new supply, as the 56,000 sq. ft. delivered in 2026 was 95% committed at quarter end, while the remaining pipeline was 71% preleased. Strong preleasing activity underscored Boise's ability to support new development, reflecting sustained tenant demand and confidence in the market's long-term growth.

Figure 1: Historical Net Absorption, Deliveries, and Total Vacancy



Source: CBRE Research, Q3 2026

Vacancy

Overall vacancy increased 30 basis points (bps) quarter-over-quarter to 8.8% in Q3 2026 as continued occupancy losses and several large new vacancies outweighed tenant move-ins, while longer leasing and build-out periods extended the time between lease execution and occupancy. Direct vacancy increased to 7.7%, while sublease vacancy remained stable at 1.1%. Class A vacancy increased 40 bps to 9.3% but remained below year-ago levels, underscoring tenant preference for higher-quality space. Class B vacancy also increased 40 bps to 9.5%, rising 190 bps year-over-year and remaining the market's primary source of vacancy pressure. In contrast, Class C vacancy declined 50 bps quarter-over-quarter to 3.2%.

Among submarkets, Kuna (27.3%) posted the highest vacancy rate, though the rate was influenced by the submarket's limited inventory base, followed by South Meridian (14.2%), Southeast (13.5%), and Downtown (13.4%). Meanwhile, the West submarket maintained a vacancy rate of just 3.9% while representing approximately one-fifth of the market's inventory. Nampa (2.5%) and Caldwell (3.0%) recorded the market's lowest vacancy rates. Looking ahead, vacancy should remain relatively stable as recently completed leases commence occupancy and new supply enters the market largely preleased.

Asking Rent

Average direct asking rents reached a new cyclical high in Q3 2026, rising 1.9% quarter-over-quarter and 3.2% year-over-year to \$24.14 FSG per sq. ft. Rent growth remained strongest among higher-quality properties, with Class A asking rents increasing 1.7% quarter-over-quarter to \$26.82 FSG per sq. ft. Class B rents also increased, rising 1.2% to \$22.86 FSG per sq. ft. Despite softer occupancy fundamentals, landlords largely maintained pricing discipline, supporting continued rent growth across the market. Sublease asking rents averaged \$22.99 FSG per sq. ft. in Q3 2026, a modest 4.8% discount to direct space amid limited sublease availability.

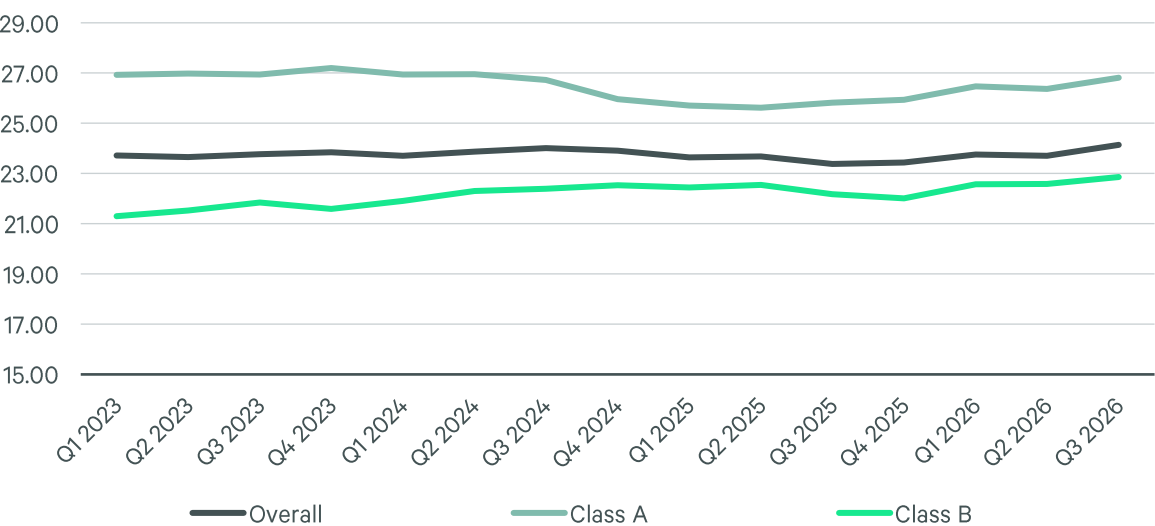
Premium pricing remained concentrated in the metro's fastest-growing office nodes, with Eagle posting the market's highest average direct asking rent at \$27.69 FSG per sq. ft., followed by South Meridian at \$27.12 FSG per sq. ft. and Downtown at \$24.22 FSG per sq. ft. Caldwell (\$21.00 FSG per sq. ft.) and North Boise (\$21.75 FSG per sq. ft.) remained among the market's most affordable options. Looking ahead, tenant preference for modern, high-quality space should continue to support rents at the upper end of the market, while well-located Class B assets benefit from occupiers seeking a balance between quality, location, and occupancy costs.

Figure 2: Vacancy Rates by Class (%)



Source: CBRE Research, Q3 2026

Figure 3: Average Direct Asking Rate by Class (\$/SF/Yr FSG)



Source: CBRE Research, Q3 2026

Net Absorption

Net absorption totaled negative 64,000 sq. ft. in Q3 2026, bringing year-to-date absorption to negative 146,000 sq. ft. While occupancy contracted for the second consecutive quarter following positive absorption in Q1 2026, losses moderated from the negative 104,000 sq. ft. recorded in Q2 2026. Class B properties posted negative absorption of 45,000 sq. ft., while Class A properties recorded occupancy losses of 28,000 sq. ft. Class C was the lone segment to post positive absorption, gaining 9,000 sq. ft. during the quarter.

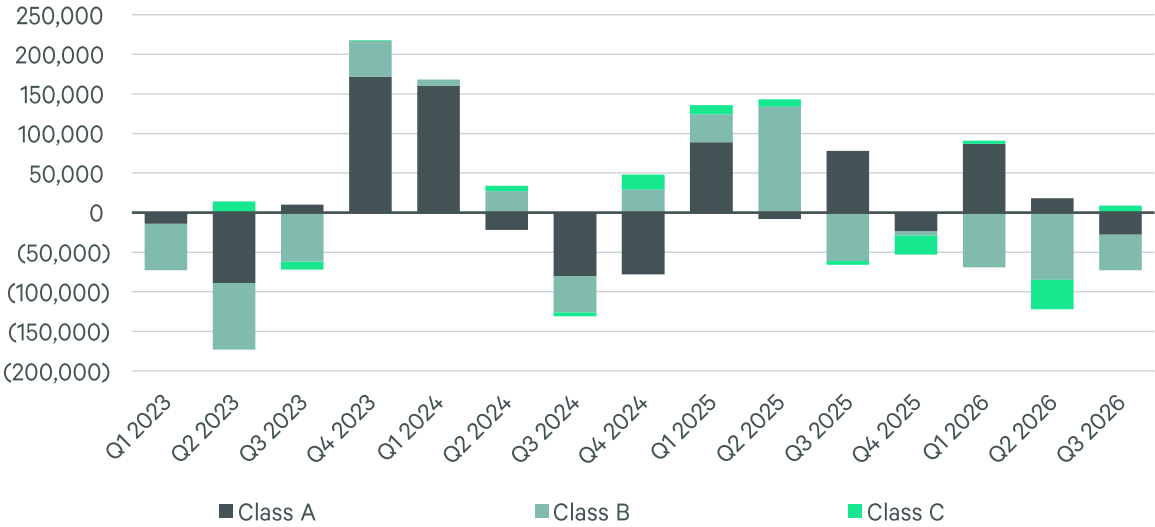
Performance varied across the market. Meridian led all submarkets with 14,000 sq. ft. of positive absorption, followed by North Boise (8,000 sq. ft.) and Nampa (7,000 sq. ft.). Conversely, the Bench (-28,000 sq. ft.), West (-26,000 sq. ft.), and South Meridian (-25,000 sq. ft.) recorded the largest occupancy losses and accounted for much of the quarterly decline. Among the quarter's most notable move-outs were the full 34,400-sq.-ft. building at 9390 W. Golden Trout Street in the West submarket and approximately 30,000 sq. ft. on the fifth floor of the Power Engineers Buildings in South Meridian.

Construction Activity

The office construction pipeline expanded to 311,000 sq. ft. at the end of Q3 2026, increasing 66.3% quarter-over-quarter and reaching its highest level since 2019. Growth was driven by the commencement of the Idaho Farm Bureau Federation Building in Downtown Boise, which is planned to include approximately 30,000 sq. ft. of office space, ground-floor retail, and a second-floor parking garage, as well as Central Plaza, a nearly 100,000-sq.-ft. office building within the Ten Mile Crossing development in the Meridian submarket. Both developments were anchored by significant tenant commitments, underscoring the importance of preleasing amid elevated construction costs and challenging project economics.

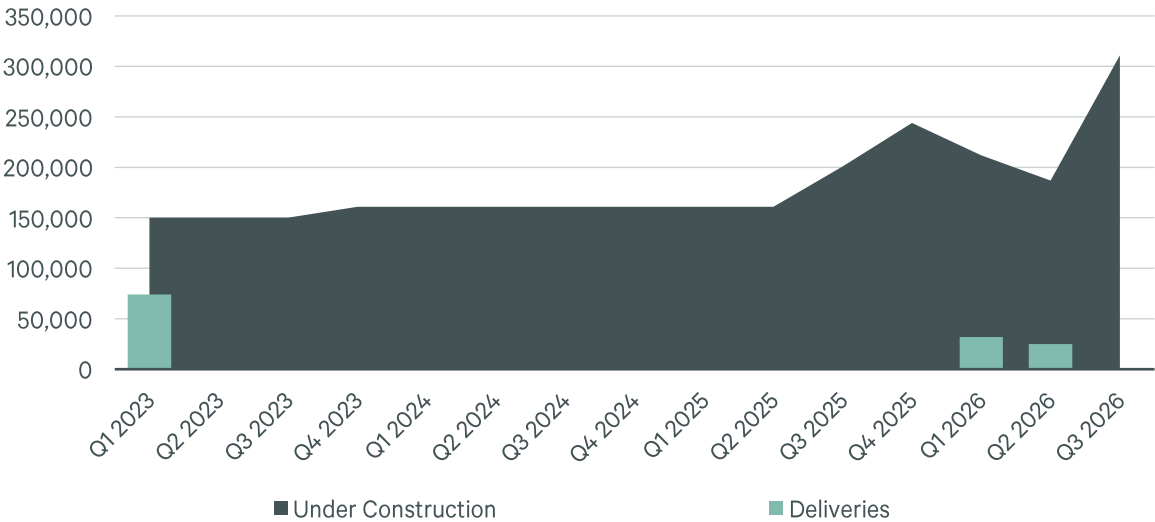
Looking ahead, office development is expected to remain measured as market conditions continue to discourage speculative construction. With approximately 71% of the active pipeline preleased, upcoming deliveries are unlikely to create significant supply-side pressure. Several additional projects remain in advanced planning stages, and continued demand for modern, high-quality space should support future construction starts as preleasing thresholds are achieved.

Figure 4: Net Absorption Trend (SF)



Source: CBRE Research, Q3 2026

Figure 5: Construction Activity (SF)



Source: CBRE Research, Q3 2026

Market Statistics by Submarket

Figure 6: Metro Market Statistics by Submarket

Submarket	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/Yr FSG)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	YTD Deliveries (SF)	Under Construction (SF)
Airport	0.02	-	-	-	-	-	-	3,000	-	-
Bench	2.10	9.3	9.3	7.5	1.8	22.29	(28,000)	(30,000)	-	-
Caldwell	0.37	3.0	3.0	2.3	0.7	21.00	1,000	(1,000)	-	-
Downtown	4.75	13.4	14.2	12.7	1.5	24.22	(2,000)	(9,000)	-	217,000
Eagle	0.48	6.1	11.0	11.0	-	27.69	(6,000)	20,000	25,000	-
Kuna	0.04	27.3	27.3	27.3	-	-	-	(10,000)	-	-
Meridian	2.44	5.5	6.7	5.4	1.3	23.39	14,000	(6,000)	-	94,000
Nampa	0.74	2.5	2.5	2.5	-	23.64	7,000	(9,000)	-	-
North Boise	0.52	5.1	6.9	6.3	0.6	21.75	8,000	4,000	-	-
Northwest Meridian	0.01	-	-	-	-	-	-	-	-	-
South Meridian	1.90	14.2	13.0	12.1	0.9	27.12	(25,000)	28,000	16,000	-
Southeast	1.06	13.5	13.6	9.5	4.1	23.64	1,000	(110,000)	-	-
Southwest	0.78	7.8	9.3	7.1	2.1	22.28	(8,000)	(10,000)	-	-
Star	0.01	-	-	-	-	-	-	-	-	-
West	3.84	3.9	5.8	4.0	1.8	22.21	(26,000)	(17,000)	15,000	-
Total	19.07	8.8	9.7	8.2	1.5	24.14	(64,000)	(146,000)	56,000	311,000

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 the totals shown. All figures should be considered approximate.

Market Statistics

Figure 7: Suburban Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/Yr FSG)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	YTD Deliveries (SF)	Under Construction (SF)
Class A	4.04	5.4	7.6	5.4	2.2	28.99	(30,000)	91,000	40,000	94,000
Class B	8.85	8.8	9.2	7.9	1.3	22.97	(40,000)	(198,000)	16,000	-
Class C	1.43	3.7	3.8	2.7	1.2	19.94	8,000	(30,000)	-	-
Total	14.32	7.3	8.2	6.7	1.6	24.09	(62,000)	(137,000)	56,000	94,000

Source: CBRE Research, Q3 2026

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Figure 8: Urban Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/Yr FSG)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	YTD Deliveries (SF)	Under Construction (SF)
Class A	2.03	17.1	18.1	17.2	0.9	25.55	2,000	(14,000)	-	217,000
Class B	2.34	12.1	13.1	10.8	2.3	22.58	(5,000)	(1,000)	-	-
Class C	0.39	1.2	1.0	1.0	-	19.95	1,000	6,000	-	-
Total	4.75	13.4	14.2	12.7	1.5	24.22	(2,000)	(9,000)	-	217,000

Source: CBRE Research, Q3 2026

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Market Statistics by Class

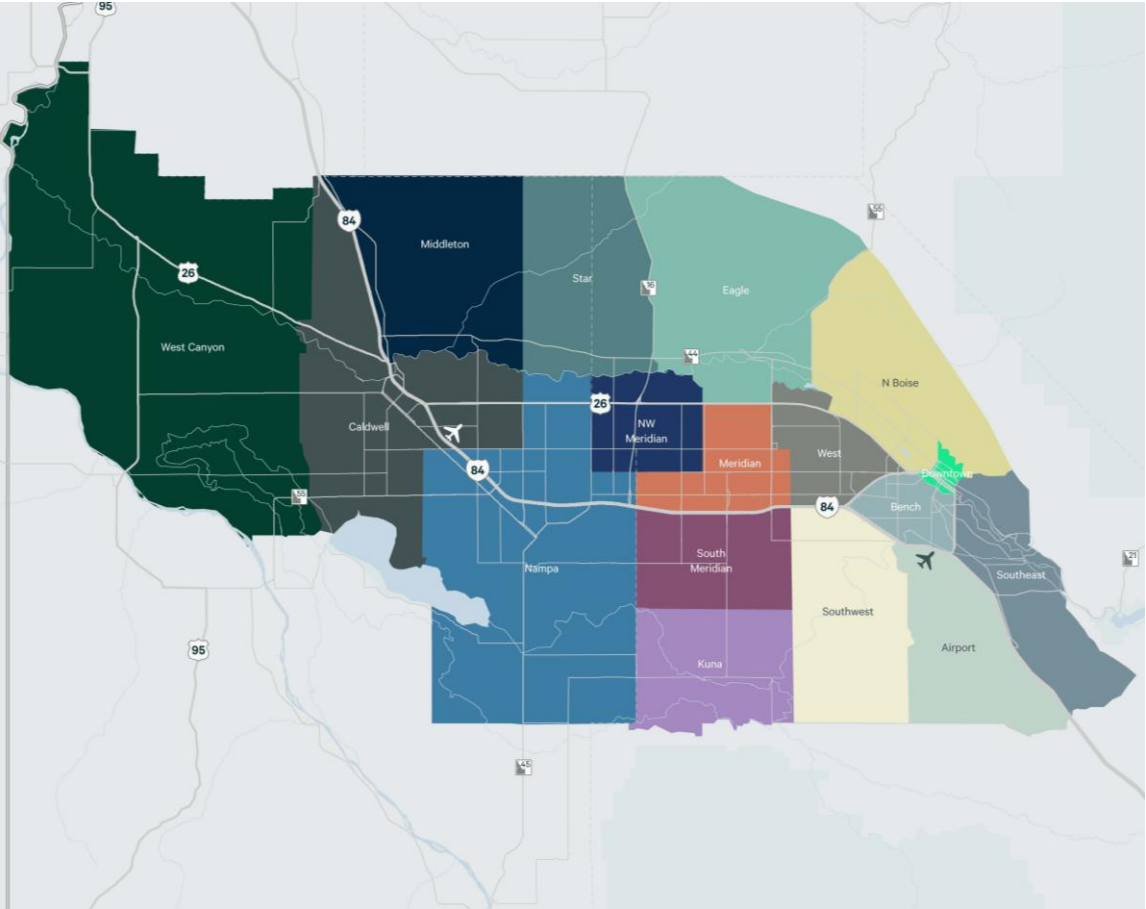
Figure 9: Metro Market Statistics by Class

Property Class	Net Rentable Area (MSF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/Yr FSG)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	YTD Deliveries (SF)	Under Construction (SF)
Class A	6.07	9.3	11.1	9.4	1.7	26.82	(28,000)	77,000	40,000	311,000
Class B	11.19	9.5	10.0	8.5	1.5	22.86	(45,000)	(199,000)	16,000	-
Class C	1.82	3.2	3.2	2.3	0.9	19.94	9,000	(24,000)	-	-
Total	19.07	8.8	9.7	8.2	1.5	24.14	(64,000)	(146,000)	56,000	311,000

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.

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.

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