

FIGURES | BOISE OFFICE | Q1 2026

Balanced supply and demand conditions reinforced market stability

▶ 7.8%
Vacancy Rate

▲ 12,000
SF Net Absorption

▲ 32,000
SF Construction Delivered

▼ 212,000
SF Under Construction

▲ \$23.76
FSG/MTH Direct Lease Rate

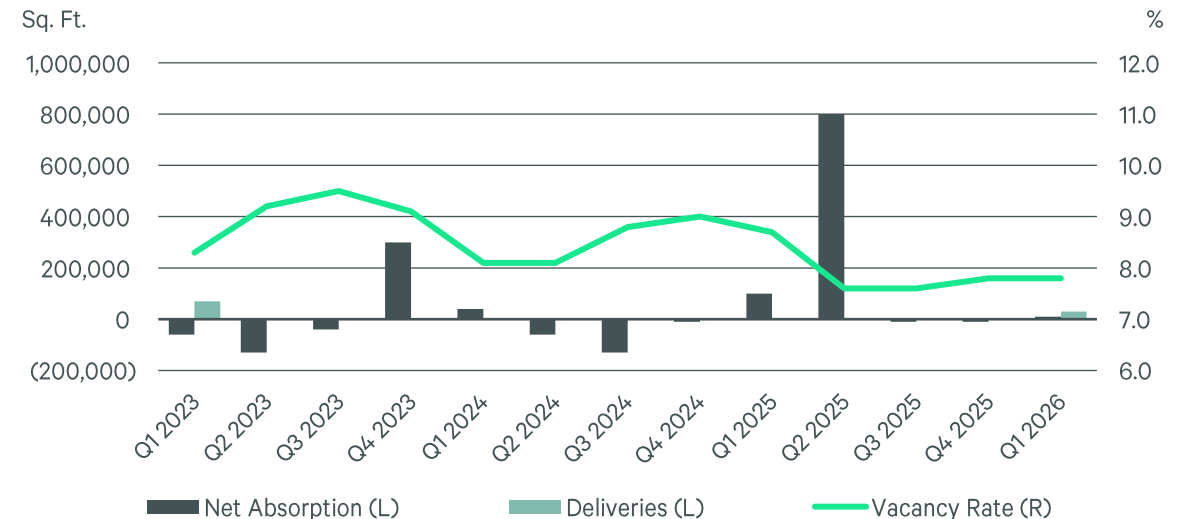
Note: Arrows indicate change from previous quarter.

Market Overview

Office fundamentals in the Boise metro remained stable in Q1 2026, with modest improvement supported by steady tenant demand and balanced supply dynamics. Net absorption totaled 12,000 sq. ft. during the quarter, while overall vacancy held flat at 7.8%, unchanged quarter-over-quarter and down 90 basis points year-over-year. Total availability increased marginally, rising 20 basis points quarter-over-quarter, but remained 100 basis points lower year-over-year. In contrast, availability within Class A product declined 60 basis points quarter-over-quarter and 150 basis points year-over-year, as tenant interest continued to favor modern, high-quality space. Direct asking rents remained steady, edging up to \$23.76 per sq. ft. FSG, following modest declines through 2025.

Supply conditions remained measured despite increased development activity over the past year. Space under construction eased to 212,000 sq. ft. in Q1 2026, following the delivery of approximately 32,000 sq. ft. across two small-scale projects. New development activity remained limited and largely concentrated in owner-user projects. Looking ahead, stable vacancy, modest demand, and limited near-term supply position the market well to absorb recent gains and maintain steady fundamentals through the remainder of 2026.

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



Source: CBRE Research, Q1 2026

Vacancy

Overall vacancy remained stable at 7.8% in Q1 2026, holding flat quarter-over-quarter and declining 90 basis points (bps) year-over-year. Class A assets continued to outperform the broader market, with vacancy declining 120 bps quarter-over-quarter to 8.8%, driven by sustained demand in newer, high-quality buildings. Class B vacancy increased modestly during the quarter, rising 70 bps to 8.3%, largely reflecting several new direct vacancies in the Meridian submarket, while remaining 50 bps below year-earlier levels.

Direct vacancy held steady at 6.9% quarter-over-quarter and declined 80 bps year-over-year, reinforcing broader stabilization trends across the market. Among submarkets, Downtown and South Meridian continued to record elevated vacancy, with total vacancy at 13.4% and 14.5%, respectively, well above the market average. In contrast, the West submarket remained tightly constrained, with total vacancy at 2.9%, despite accounting for roughly 20% of total market inventory.

Asking Rent

Direct asking rents increased to \$23.76 per sq. ft. FSG in Q1 2026, rising 1.4% quarter-over-quarter and 0.5% year-over-year, following a period of stabilization in late 2025. Class A direct asking rents averaged \$26.47 per sq. ft. FSG, up 2.1% (\$0.54) from the prior quarter and 3.0% year-over-year, outperforming the broader market and reflecting continued tenant demand for high-quality space. Class A rent growth was supported by the Q1 2026 delivery of Eagles Gate View at Lakemoor, which entered the market at a record-setting \$45.00 per sq. ft. FSG. Class B rents also moved higher, increasing 2.5% (\$0.55) quarter-over-quarter to \$22.57 per sq. ft. FSG, posting a more modest 0.6% year-over-year increase.

Premium pricing remained concentrated in high-growth areas on the west side of the Boise metro, where the Eagle submarket commanded the highest average rent at \$26.87 per sq. ft. FSG, followed by South Meridian at \$25.93 per sq. ft. FSG. In contrast, North Boise and Bench continued to offer more affordable options, with larger, second-generation Class B and C spaces driving lower averages. Sublease space continued to offer a notable discount, with average asking rents at \$20.82 per sq. ft. FSG, 12.4% below the direct average.

Figure 2: Vacancy Rates by Class (%)



Source: CBRE Research, Q1 2026

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



Source: CBRE Research, Q1 2026

Net Absorption

Net absorption totaled 12,000 sq. ft. in Q1 2026, reversing negative absorption from the prior quarter and signaling improving leasing conditions. Demand continued to favor Class A assets, which recorded 73,000 sq. ft. of positive absorption, offsetting 61,000 sq. ft. of net move-outs across Class B and Class C product. On a trailing basis, the rolling four-quarter average remained positive at 200,000 sq. ft., indicating continued stabilization in market fundamentals despite quarter-to-quarter volatility. Absorption was led by the West submarket, which posted 31,000 sq. ft. of positive activity, followed by South Meridian with 19,000 sq. ft. In contrast, Downtown Boise recorded 31,000 sq. ft. of negative absorption, partially offsetting suburban gains, while additional losses across Meridian, Nampa, Kuna, and Eagle reflected ongoing tenant consolidation and selective relocations impacting older office inventory.

Construction Activity

Office construction in the Boise metro remained disciplined in Q1 2026. Approximately 212,000 sq. ft. was under construction at quarter-end, reflecting a 12.8% decline quarter-over-quarter, while remaining modestly above year-ago levels. Deliveries during the quarter totaled 32,000 sq. ft., marking the first new supply following several consecutive quarters of inactivity. New deliveries included two small speculative projects: Eagles Gate View @ Lakemoor, a 16,000-sq.-ft. modern office building in the West Submarket that delivered 80% pre-leased, and 1350 Rackham Way, a 16,000-sq.-ft. speculative office property in the South Meridian submarket that delivered fully vacant and available.

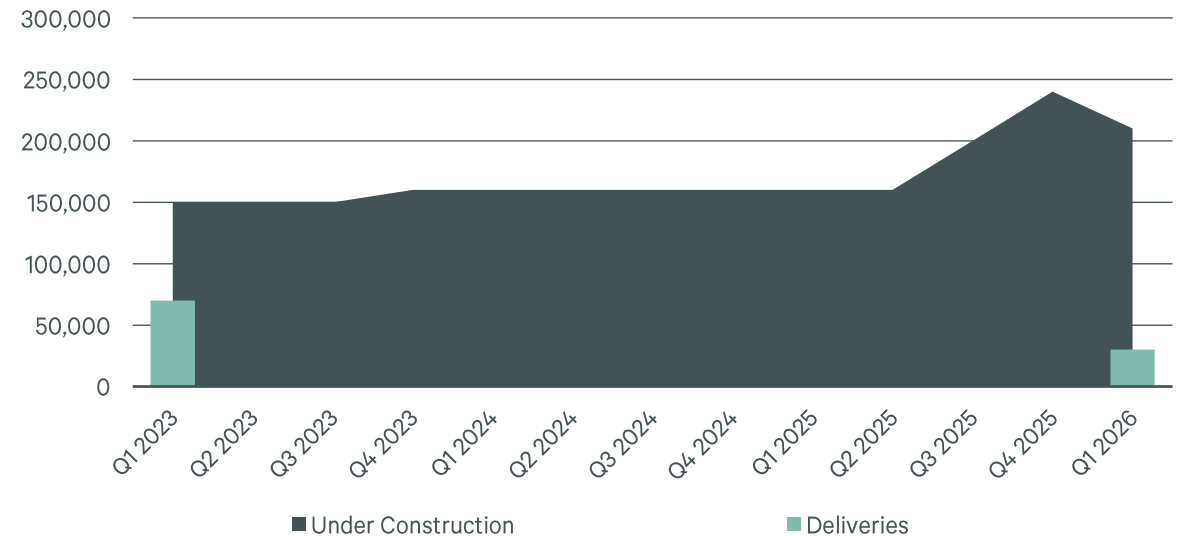
Looking ahead, office development is expected to remain measured through the remainder of 2026, as all remaining projects in the active pipeline are scheduled to deliver later this year. Elevated vacancy levels are likely to continue deterring speculative projects without substantial pre-leasing commitments. However, strong tenant preference for modern, high-quality workspace is expected to continue supporting leasing activity in new product coming online. With the under-construction pipeline approximately 75.7% pre-leased, forthcoming deliveries are not expected to generate meaningful supply-side pressure.

Figure 4: Net Absorption Trend (SF)



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity (SF)



Source: CBRE Research, Q1 2026

Market Statistics

Figure 6: 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)	Deliveries (SF)	Under Construction (SF)
Class A	4.01	4.8	5.6	4.4	1.2	28.45	91,000	91,000	15,000	25,000
Class B	8.85	7.2	8.3	7.5	0.7	22.67	(51,000)	(51,000)	16,000	-
Class C	1.43	1.4	1.5	0.4	1.0	16.78	3,000	3,000	-	-
Total	14.29	6.0	6.8	5.9	0.9	23.65	42,000	42,000	32,000	25,000

Source: CBRE Research, Q1 2026

Figure 7: 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)	Deliveries (SF)	Under Construction (SF)
Class A	2.03	16.6	17.3	16.3	1.0	25.47	(18,000)	(18,000)	-	187,000
Class B	2.34	12.4	12.8	11.4	1.4	22.28	(14,000)	(14,000)	-	-
Class C	0.39	2.6	2.6	1.2	1.3	16.27	1,000	1,000	-	-
Total	4.75	13.4	13.9	12.6	1.2	23.92	(30,000)	(30,000)	-	187,000

Source: CBRE Research, Q1 2026

Figure 8: 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)	Deliveries (SF)	Under Construction (SF)
Class A	6.04	8.8	9.5	8.4	1.2	26.47	73,000	73,000	15,000	212,000
Class B	11.19	8.3	9.2	8.3	0.9	22.57	(65,000)	(65,000)	16,000	-
Class C	1.82	1.6	1.7	0.6	1.1	16.56	4,000	4,000	-	-
Total	19.04	7.8	8.6	7.6	1.0	23.76	12,000	12,000	32,000	212,000

Source: CBRE Research, Q1 2026

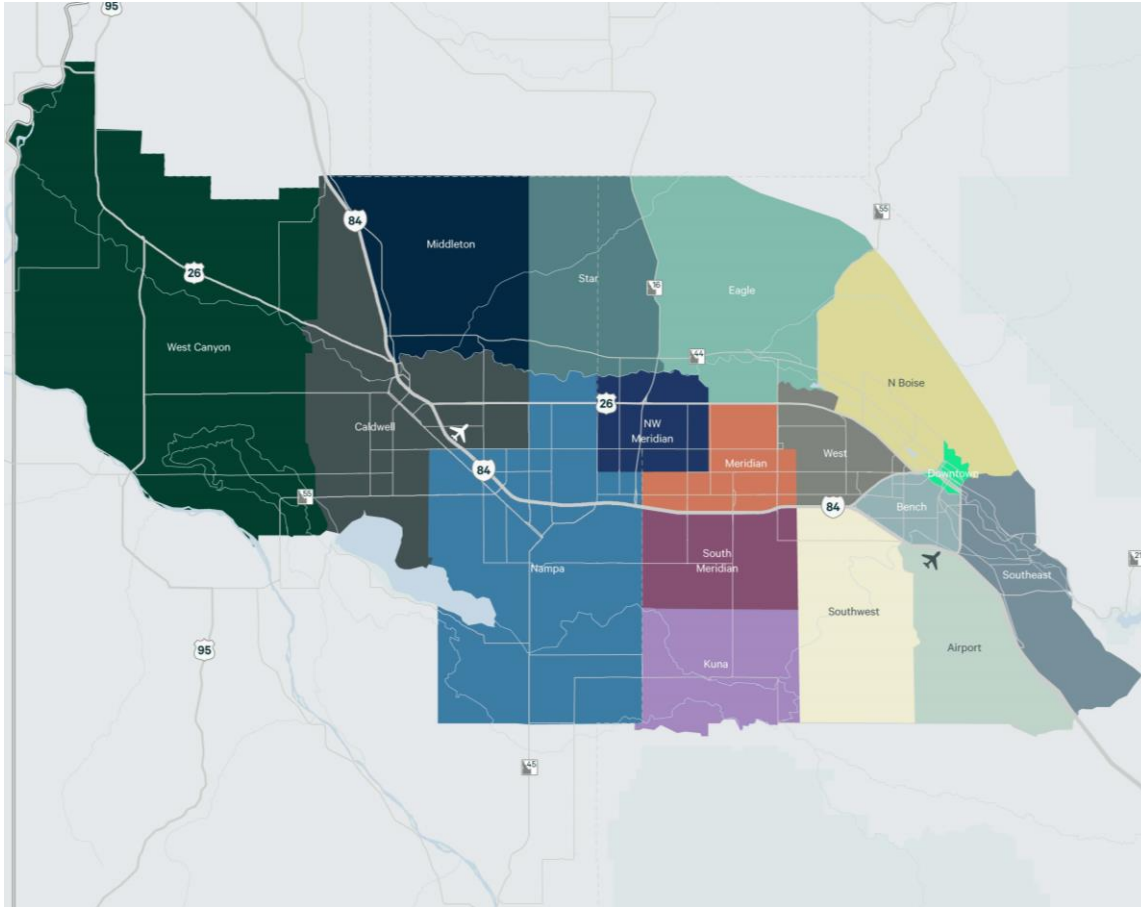
Market Statistics by Submarket

Figure 9

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)	Deliveries (SF)	Under Construction (SF)
Airport	0.02	13.2	13.2	13.2	-	21.00	-	-	-	-
Bench	2.10	7.1	7.7	5.9	1.8	21.32	11,000	11,000	-	-
Caldwell	0.37	2.7	2.7	2.0	0.7	21.00	-	-	-	-
Downtown	4.75	13.4	13.9	12.6	1.2	23.92	(30,000)	(30,000)	-	187,000
Eagle	0.46	6.1	6.4	6.4	-	26.87	(3,000)	(3,000)	-	25,000
Kuna	0.04	27.3	27.3	27.3	-	-	(10,000)	(10,000)	-	-
Meridian	2.44	5.7	6.9	5.1	1.8	22.99	(12,000)	(12,000)	-	-
Nampa	0.74	2.9	2.9	2.9	-	23.12	(11,000)	(11,000)	-	-
North Boise	0.52	5.1	8.5	8.5	-	21.16	4,000	4,000	-	-
Northwest Meridian	0.01	-	-	-	-	-	-	-	-	-
South Meridian	1.90	14.5	14.0	13.9	0.2	25.93	19,000	19,000	16,000	-
Southeast	1.06	3.1	9.3	7.9	1.4	24.03	9,000	9,000	-	-
Southwest	0.78	6.0	6.0	4.1	1.9	21.72	4,000	4,000	-	-
Star	0.01	-	-	-	-	-	-	-	-	-
West	3.84	2.9	3.1	2.7	0.4	22.10	31,000	31,000	15,000	-
Total	19.04	7.8	8.6	7.6	1.0	23.76	12,000	12,000	32,000	212,000

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 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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