

FIGURES | BOISE INDUSTRIAL | Q1 2025

# Construction activity ramped up amid elevated availability rates



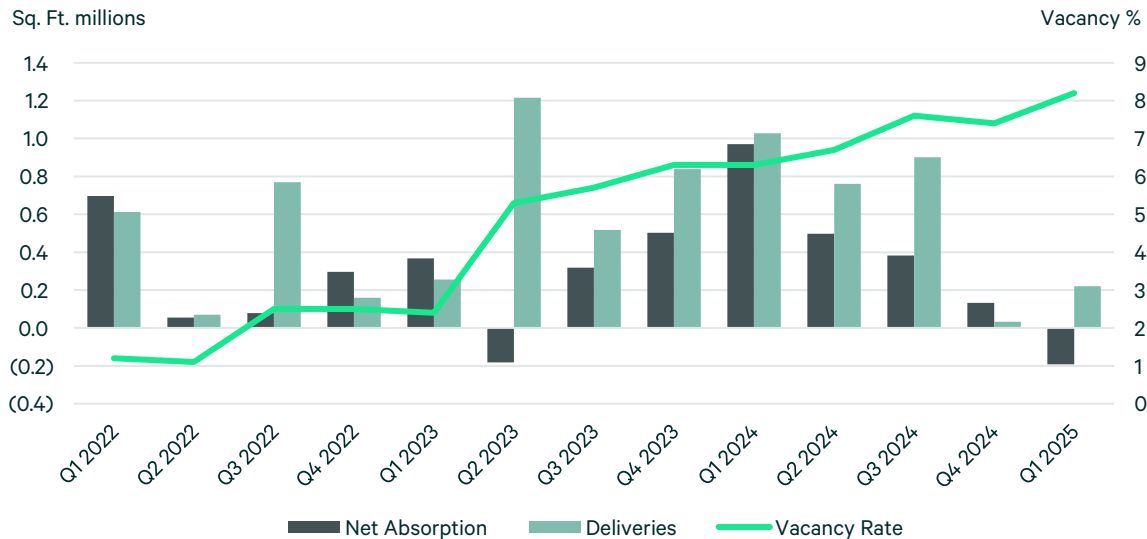
Note: Arrows indicate change from previous quarter.

SUMMARY

In Q1 2025, the Boise Industrial market experienced an increase in the vacancy rate to 8.2%, up 100 basis points (bps) from 7.2% in Q4 2024. Quarterly net absorption decreased, with (192,046) sq. ft. absorbed compared to 131,919 sq. ft. in the previous quarter. The average direct lease rate remained relatively stable growing by \$0.04 quarter-over-quarter to \$0.86. Under construction surged significantly to 1.36 million sq. ft., a notable increase from 220,376 sq. ft. in the prior quarter. This surge is primarily due to two new projects breaking ground in the Airport submarket to support Micron’s sizable investment into the area. Additionally, area delivered saw a substantial rise quarter-over-quarter, with 220,376 sq. ft. delivered in Q1 2025 compared to just 32,200 sq. ft. in Q4 2024.



FIGURE 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2025

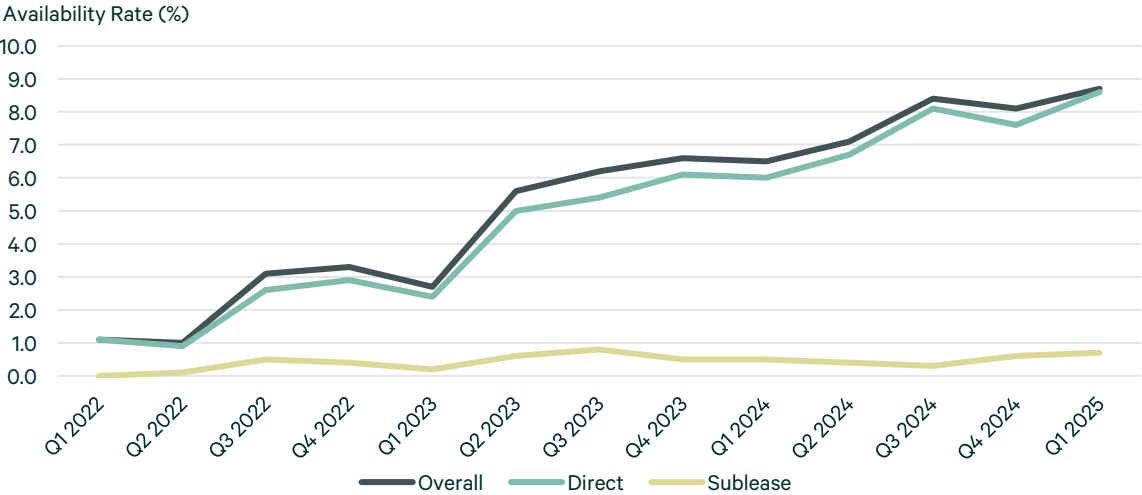
### Availability Rate

In Q1 2025, the overall availability rate in Boise Industrial increased by 60 bps to 8.7% quarter-over-quarter. This slight increase was due to space under construction delivering with availability, as 86.2% of the space delivered in Q1 2025 was available. Also, notable moveouts that caused negative net absorption in Q1 2025, caused the availability rate to increase. This included, Dunavent vacating its 135,000 sq. ft. sublease listing and Heartland RV vacating and listing their 248,100 sq. ft space. Most of the markets available space remained concentrated in recently delivered buildings, as buildings built in the last 5 years accounted for 75.9% of the market's total availability. As space begins to fill in these buildings, the market wide availability rate will stabilize.

### Asking Rent

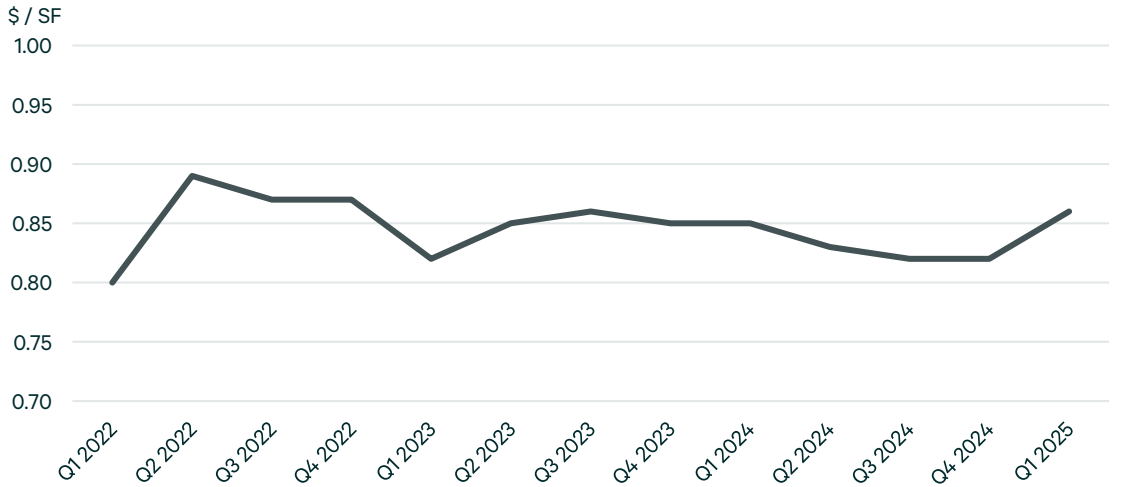
In Q1 2025, the average direct monthly asking lease rate in Boise Industrial was \$0.86/sq. ft., which marked a \$0.04 quarter-over-quarter increase. The submarket with the highest average asking lease rate was the South Meridian submarket, which bolsters a relatively low availability rate and consist of primarily smaller buildings. The submarket with the lowest average asking lease rate was the Nampa submarket, which primarily consists of larger recently delivered spec projects that have lower average asking lease rates. The Nampa submarket also has the most amount of available sq. ft. in a single market, primarily because of construction activity in the area. Average asking rates across Boise are expected to remain stable as the elevated availability rate slows rent growth.

FIGURE 2: Availability Rates



Source: CBRE Research, Q1 2025

FIGURE 3: Avg. Direct Asking Rate (\$/SF/Mo NNN)



Source: CBRE Research, Q1 2025

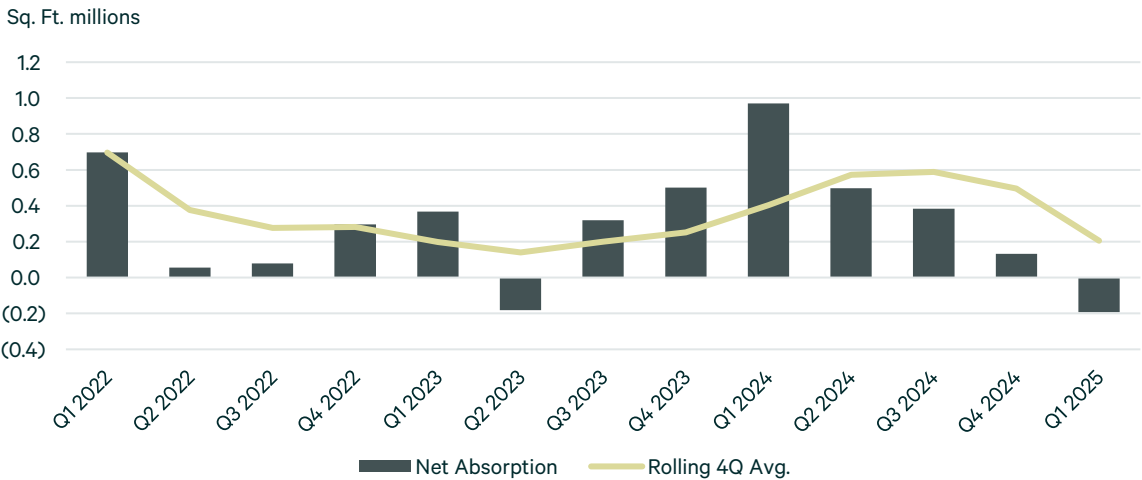
## Net Absorption

In Q1 2025, Boise Industrial experienced (192,046) sq. ft. of negative net absorption, the first time since Q2 2023 that net absorption finished a quarter negative. The top four submarkets with the highest net absorption were Caldwell, Meridian, Airport, and Bench. However, multiple submarkets experienced negative net absorption in Q1 2025, notably the Nampa submarket, which posted (101,350) sq. ft. of net absorption. This large decrease in net absorption is due to two new vacated listings at 900 E Karcher and 1820 E Fargo Ave where over 383,000 sq. ft. of new space was listed and vacated in Q1 2025. Despite this, the Nampa submarket only posted just over (100,000) sq. ft. in net absorption due to Amalgamated Sugar Company leasing 260,000 sq. ft. in AI Northside Building 735, the largest lease of the quarter. Overall, with a large amount of recently delivered class A space still available on the market and continued demand, net absorption is expected to rebound in coming quarters.

## Construction Activity

In Q1 2025, Boise Industrial saw a significant increase in construction activity with 1.4 million sq. ft. under construction, up from 220,376 sq. ft. in Q4 2024. This increase was due to two new large speculative projects breaking ground in Q1 2025, Eastport Logistics Buildings A-D in the Airport submarket, and West Gowen Industrial also in the Airport submarket. These two projects added over 850,000 sq. ft. to the development pipeline and are set up to serve the growing area around Micron, which recently invested over 15 billion dollars into development in the area. Construction completions also surged, with 220,376 sq. ft. delivered in Q1 2025 compared to 32,200 sq. ft. in Q4 2024. Notable deliveries include 132,236 sq. ft. at Meridian Commerce Park – Building J and 88,140 sq. ft. at 2674 S Fry St, Boise. This quarter-over-quarter growth highlights a robust development pipeline and increased delivery of industrial space in Boise.

FIGURE 4: Net Absorption Trend



Source: CBRE Research, Q1 2025

FIGURE 5: Construction Activity

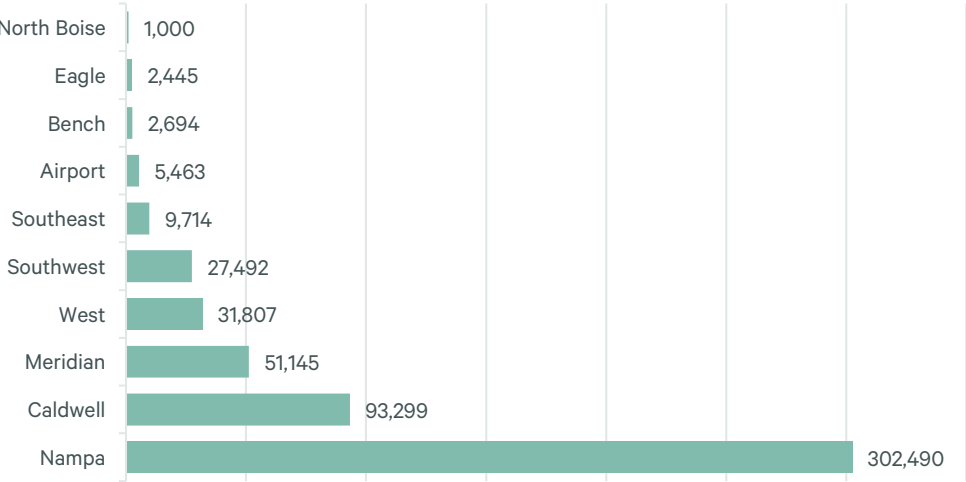


Source: CBRE Research, Q1 2025

## Leasing Activity

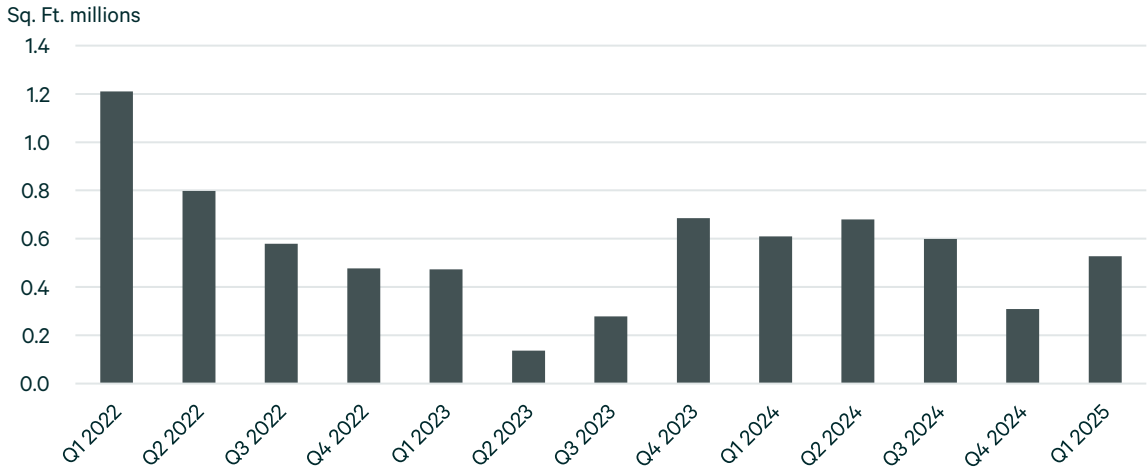
Leasing activity in the Boise Industrial market saw a significant increase in Q1 2025, with 528,586 sq. ft. leased, compared to 308,482 sq. ft. in Q4 2024, marking a substantial rise in leasing volume. The highest leasing activity in Q1 2025 was observed in the Nampa submarket, with notable leases including Amalgamated Sugar Company which leased 260,000 sq. ft. at Al Northside Building 735, and Supply Network Inc. 40,750 sq. ft. lease at Northside Logistics Center Building 1. Both leases occurred in recently delivered class A buildings, a trend that should continue as these buildings accounted for 75.9% of Q1 2025’s total available space. Continued strong leasing activity is key to stabilizing the markets availability rate.

FIGURE 6: Leasing Activity by Submarket



Source: CBRE Research, Q1 2025

FIGURE 6: Leasing Activity Trend



Source: CBRE Research, Q1 2025

FIGURE 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Amalgamated Sugar Company	260,000	New Lease	16764 Northside Blvd	Nampa
Supply Network	40,750	New Lease	184 E	Nampa
Crescent Electric Supply Co.	33,439	New Lease	200 N Kit Ave	Caldwell
Fresca Mexican Foods	30,960	New Lease	4320 Challenger Way	Caldwell
Confidential Tenant	30,420	New Lease	4911 W. Grand Mogul Dr	Meridian
Confidential Tenant	15,000	Renewal	1805 Smeed Pkwy	Caldwell

Source: CBRE Research, Q1 2025

Market Statistics by Size

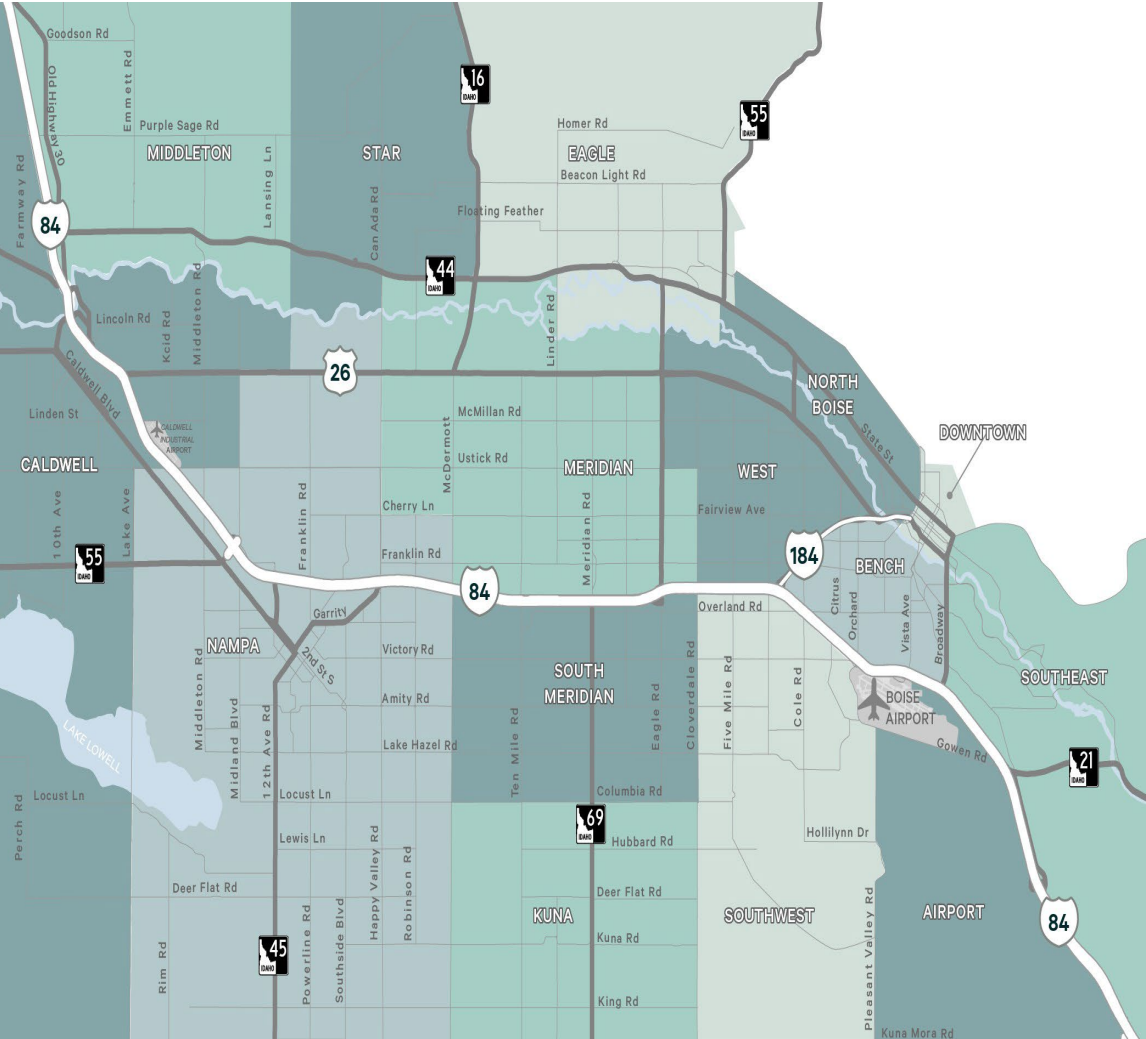
	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/MTH)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Under 15,000 sq. ft.	4,128,428	1.32	1.81	1.69	0.12	1.19	(13,384)	(13,384)	0	0
15,000- 29,999 sq. ft.	9,148,192	0.91	1.36	1.02	0.33	1.07	(12,973)	(12,973)	0	92,500
30,000-49,999 sq. ft.	6,580,017	1.73	2.92	1.96	0.96	0.96	(13,059)	(13,059)	0	75,468
50,000-74,999 sq. ft.	4,995,205	4.01	5.32	4.56	0.77	0.82	(41,697)	(41,697)	0	52,200
75,000-99,999 sq. ft.	5,000,406	9.65	9.65	9.65	0.00	0.91	(30,112)	(30,112)	88,140	95,960
100,000-249,999 sq. ft.	12,407,389	12.96	13.26	11.57	1.68	0.85	(381,391)	(381,391)	132,236	328,460
Over 250,000 sq. ft.	8,984,546	18.42	18.42	18.42	0.00	0.78	300,570	300,570	0	719,408
Total	51,244,183	8.2	8.7	8.6	0.7	0.86	(192,046)	(192,046)	220,376	1,363,996

Market Statistics by Product Type

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/MTH)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Distribution / Logistics	33,862,313	9.7	10.3	9.5	0.8	0.84	39,416	39,416	220,376	1,363,996
Manufacturing	9,807,533	2.3	2.8	2.8	0.0	0.87	28,986	28,986	0	0
R&D / Flex	3,410,185	7.5	8.4	7.0	1.5	0.89	(1,689)	(1,689)	0	0
Other Industrial	4,164,152	1.6	3.2	2.3	0.9	1.50	(258,759)	(258,759)	0	0
Total	51,244,183	8.2	8.7	8.6	0.7	0.86	(192,046)	(192,046)	220,376	1,363,996

Market Statistics by Submarket

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/MTH)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Airport	7,435,544	16.7	16.7	16.3	0.4	0.96	(61,680)	(61,680)	0	855,180
Bench	1,894,698	0.1	2.0	1.9	0.1	1.14	301	301	0	0
Caldwell	6,169,506	11.1	12.4	12.4	0.0	0.77	49,906	49,906	0	0
Downtown	621,267	17.8	22.2	22.2	0.0	0.78	0	0	0	0
Eagle	245,194	0.7	0.7	0.7	0.0	1.48	(1,759)	(1,759)	0	0
Kuna	203,390	0.0	0.0	0.0	0.0	-	0	0	0	0
Meridian	6,254,815	2.1	2.2	2.0	0.2	1.05	43,769	43,769	132,236	167,968
Nampa	14,361,254	12.0	12.3	10.8	1.5	0.85	(101,350)	(101,350)	0	340,848
North Boise	1,704,516	0.7	0.7	0.7	0.0	0.90	(3,754)	(3,754)	0	0
South Meridian	876,649	1.7	2.8	2.8	0.0	1.30	(15,176)	(15,176)	0	0
Southeast	4,287,732	0.5	0.3	0.1	0.2	1.25	(3,653)	(3,653)	0	0
Southwest	2,457,939	5.8	6.8	5.5	1.4	0.94	(32,887)	(32,887)	88,140	0
Star	58,076	0.0	0.0	0.0	0.0		0	0	0	0
West	3,584,501	3.8	3.4	3.1	0.3	0.95	(65,763)	(65,763)	0	0
West Canyon	1,089,102	0.0	0.0	0.0	0.0		0	0	0	0
Total	51,244,183	8.2	8.7	8.6	0.7	0.86	(192,046)	(192,046)	220,376	1,363,996



**CBRE Offices**

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**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.

**Methodology**

Positive absorption is based on the date the lease is signed. Achieved lease rates are calculated from base monthly rent for transacted deals, weighted by size/SF of deal. 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 time period. Data in previous publications is subject to change.

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