

FIGURES | BOISE INDUSTRIAL | Q2 2025

# Vacancy continued to rise as no new projects delivered



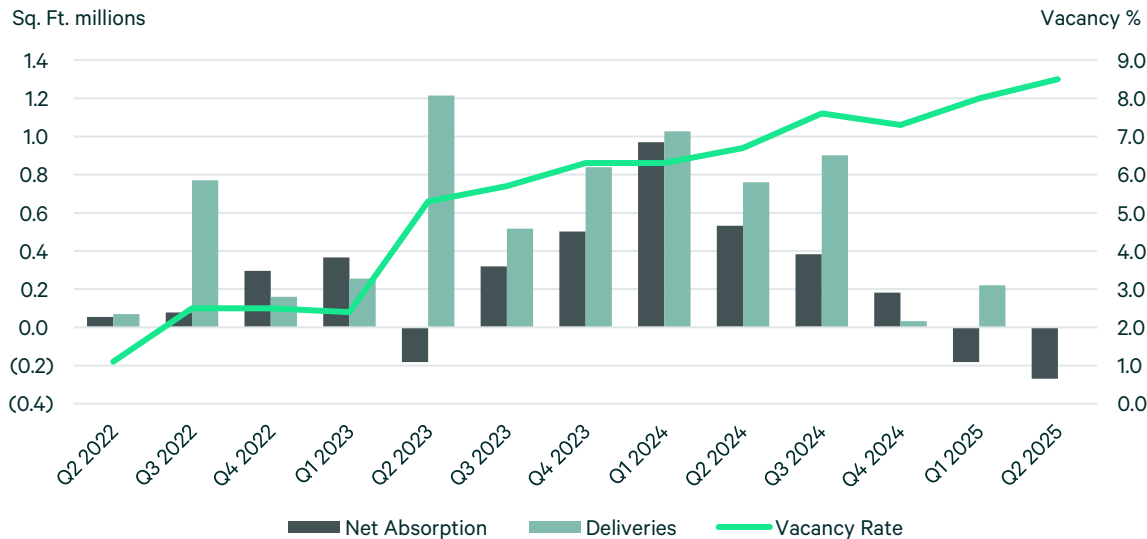
Note: Arrows indicate change from previous quarter.

SUMMARY

The Boise industrial markets fundamentals softened for the second straight quarter in Q2 2025 as vacancy rose, net absorption remained negative, and the average asking direct lease rate remained unchanged quarter-over-quarter. The market wide vacancy rate increased by 50 basis points (bps) quarter-over-quarter due to an influx of new vacant existing space, as no new product delivered in Q2 2025. Net absorption finished the quarter at just under negative 250,000 sq. ft. which marked Q2 2025 as the second straight negative net absorption quarter. This marked the first time the Boise industrial market has experienced consecutive quarters of negative net absorption since Q1 2022. The average asking direct lease rate remained unchanged quarter-over-quarter at \$0.86 per sq. ft., an indicator that lease rate growth has begun to stall amid elevated vacancy and availability rates. Leasing activity also lagged in Q2 2025 as total sq. ft. leased fell 36.3% shy of the rolling 4-quarter average. No new product delivered in Q2 2025, but a large amount of speculative space remains in the pipeline set to deliver in the coming quarters. Despite softening fundamentals, Boise continued to attract industrial investment due to its strategic location in the Northwest, rapid population growth, and strong local economy thanks to large investments made by national corporations such as Micron and Meta.



FIGURE 1: Historical Absorption (SF), Deliveries (SF), and Vacancy (%)



Source: CBRE Research, Q2 2025

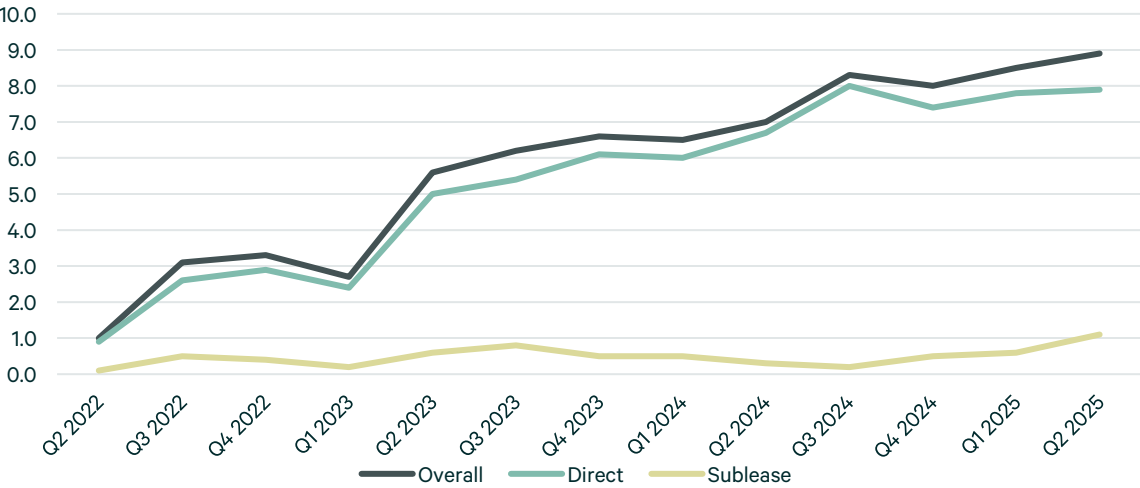
### Availability Rate

The market wide total availability rate continued to climb for the 5<sup>th</sup> consecutive quarter in Q2 2025. The Boise Industrial market reported a total availability rate of 8.9%, up 40 bps quarter-over-quarter and up 190 bps year-over-year, with a 790 bps increase over the past 3 years. Direct availability was 7.9% in Q2 2025, up 10 bps quarter-over-quarter and available sublease space stood at 1.1% in Q2 2025, an increase of 50 bps quarter-over-quarter. This increase in the overall availability rate over the past 3 years was primarily due to an influx of new speculative industrial space in the market, but in Q2 2025 no new space delivered. This means that the 40 bps quarter-over-quarter increase in the total availability rate occurred directly in existing space. Available space on the market continued to accelerate in Q2 2025 despite no new product being delivered as tenants have chosen to relocate or downsize in the Boise area.

### Asking Rent

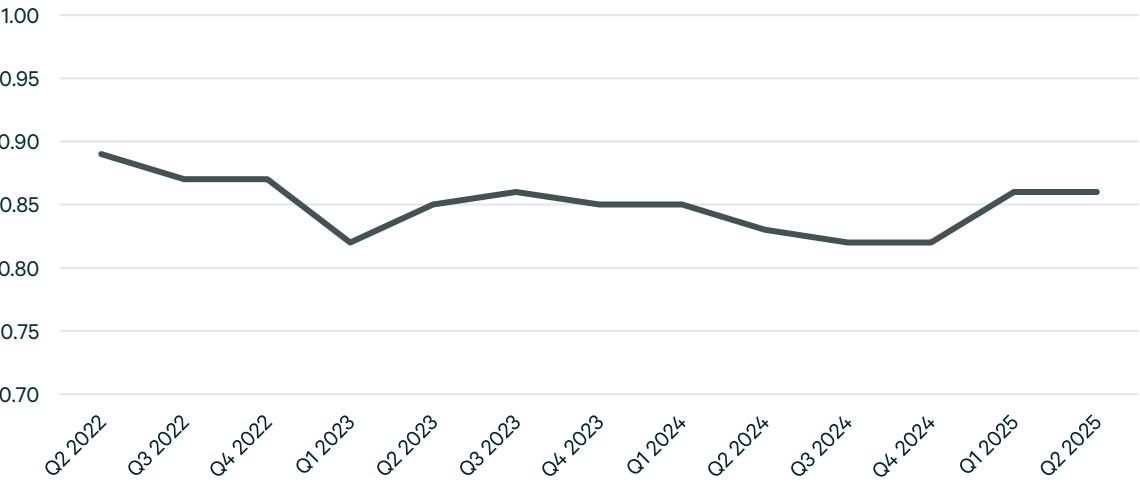
The average direct monthly asking lease rate experienced no change quarter-over-quarter despite an influx of availability in existing product. The Average asking rent was \$0.86 per sq. ft. month net at the close of Q2 2025 and has remained steady over the past 3 years. The submarket with the highest average asking lease rate was the South Meridian submarket which consist primarily of smaller flex industrial space. The Downtown submarket had the lowest average asking lease rate due to a high availability rate in the area and the submarket consisting of older buildings. The Nampa submarket also has a below market average asking lease rate due to the large amount of available space in the area, and an influx of available big box space due to construction activity. The average asking lease rate is expected to remain stable amid current elevated availability rates as owners try to attract occupiers.

FIGURE 2: Availability Rates (%)



Source: CBRE Research, Q2 2025

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



Source: CBRE Research, Q2 2025

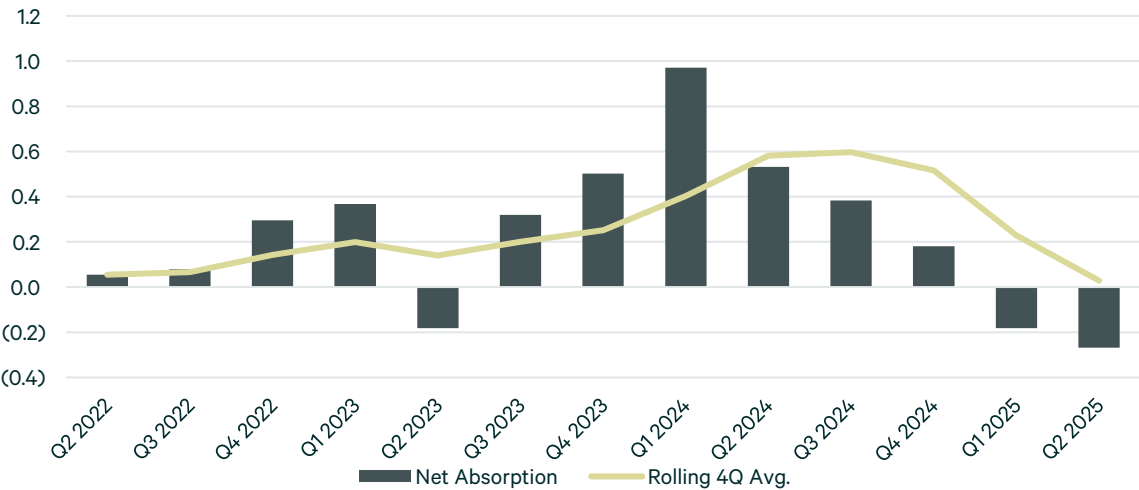
## Net Absorption

Net absorption was negative in Q2 2025 for the second consecutive quarter, a main contributor to the rise in availability seen in 2025. In Q2 2025, the Boise Industrial market experienced 268,553 sq. ft. of negative net absorption which brought the year-to-date total to negative 450,929 sq. ft. The submarket with the most amount of negative net absorption was the Caldwell submarket due to a new 93,600 sq. ft. vacant sublease listing at 1906 Smeed Parkway. The Nampa submarket also experienced a large amount of negative net absorption in Q2 2025 due to 60,000 sq. ft. becoming vacant at 16360 Norco Way in Q2 2025. However, positive net absorption did occur in Q2 2025, notably a 35,000 sq. ft. lease signed in Red River Commerce Center – Building A, a recently delivered speculative project. The first half of 2025’s negative net absorption occurred primarily in buildings 10 years old or older as potential tenants look to recently delivered Class A space over second generation industrial space. Leasing activity will have to increase so that net absorption can rebound in the second half of 2025.

## Construction Activity

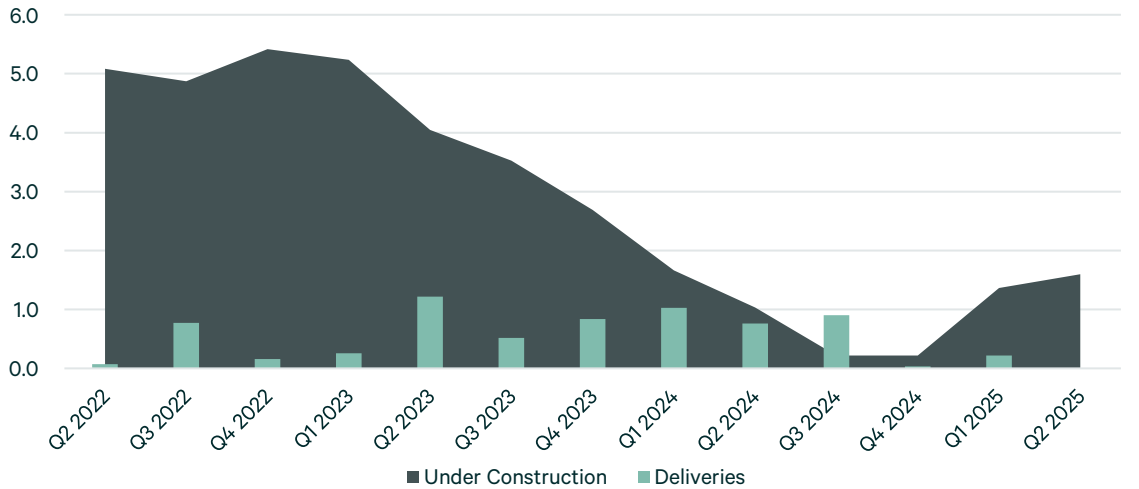
Construction activity remained relatively slow in Q2 2025 as just one project broke ground and no new space delivered. In Q2 2025 there were 13 projects underway, which totaled just under 1.6 million sq. ft., a 353 bps increase in total sq. ft. under construction year-over-year. Under construction activity accelerated quarter-over-quarter from 1.4 million sq. ft to 1.6 million sq. ft. due to High West Business Park breaking ground, a two-building speculative project in the airport submarket. This year-over-year influx of new industrial space under construction has occurred primarily in the Airport submarket. These speculative projects broke ground in hopes to support Micron’s expansion in the area after they have confirmed \$200 billion dollars worth of expansions domestically. With vacancy already elevated in the Airport submarket and across Boise, Micron’s investment into the area will be crucial to drive demand for industrial space.

FIGURE 4: Net Absorption Trend (MSF)



Source: CBRE Research, Q2 2025

FIGURE 5: Construction Activity (MSF)

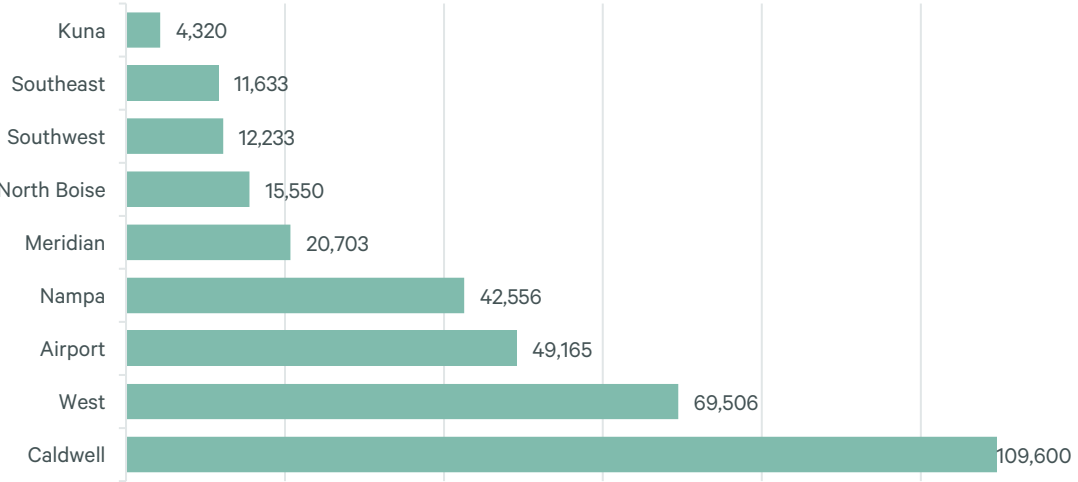


Source: CBRE Research, Q2 2025

## Leasing Activity

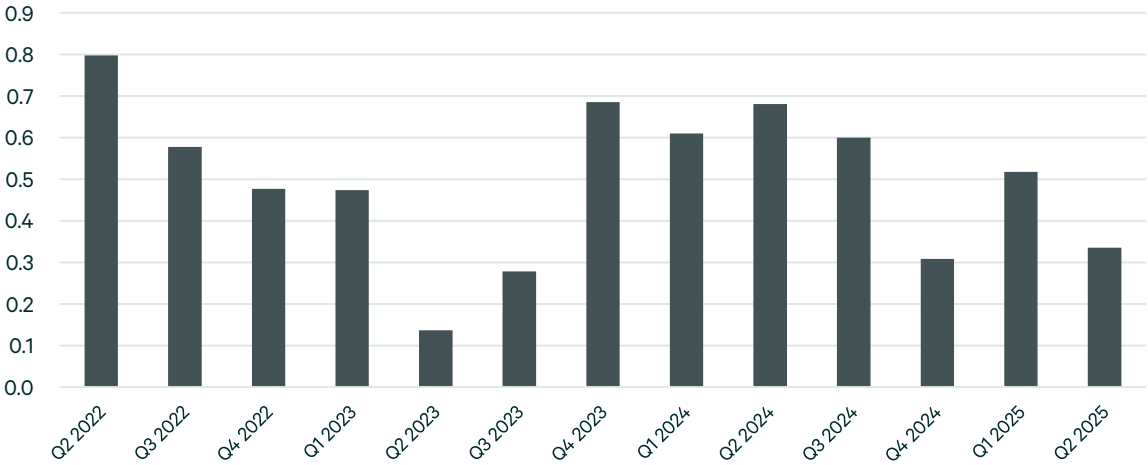
Leasing activity stalled after a strong Q1 2025 falling 36.3% shy of the rolling four quarter average. Boise’s industrial markets total leasing activity in Q2 2025 totaled 335,266 sq. ft leased across 34 leases. This marked a 342 bps decrease quarter-over-quarter but did outpace Q4 2024’s total of just over 300,000 sq. ft. A single quarter slowdown in leasing activity does not demonstrate a slowdown in demand for space in the market, but amid elevated availability rates continued weak quarters will likely show that demand for industrial space in the Boise market has softened. An influx of available space can cause potential occupiers to take longer to execute leases as there are more options to explore, which could be the driving factor as to why leasing activity fell in Q2 2025. The Caldwell submarket had the highest amount of leasing activity in Q2 2025 with just over 100,000 sq. ft. leased, as the largest lease of Q2 2025 occurred in the submarket. With a large amount of available space currently on the market, an uptick in industrial leasing activity in the coming quarters will be crucial to help stabilize the total availability rate.

FIGURE 6: Leasing Activity by Submarket (SF)



Source: CBRE Research, Q2 2025

FIGURE 6: Leasing Activity Trend (MSF)



Source: CBRE Research, Q2 2025

FIGURE 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Undisclosed	54,000	New Lease	412 S Kit Ave	Caldwell
Franklin Building Supply	37,544	New Lease	11801 W Executive Dr	West
Confidential Tenant	36,874	New Lease	7031 S Eisenman Rd	Airport
CWL Brands LLC	30,112	New Lease	646-652 N Five Mile Rd	West
Confidential Tenant	26,326	New Lease	Birch & Madison	Nampa
Undisclosed	17,000	New Lease	4003 Skyway St	Caldwell
Confidential Tenant	15,000	New Lease	1805 Smeed Pkwy	Caldwell
Confidential Tenant	10,368	New Lease	6663 S Eisenman Rd	Airport
Undisclosed	9,714	New Lease	4501 S Federal Way	Southeast

Source: CBRE Research, Q2 2025

Market Statistics by Submarket

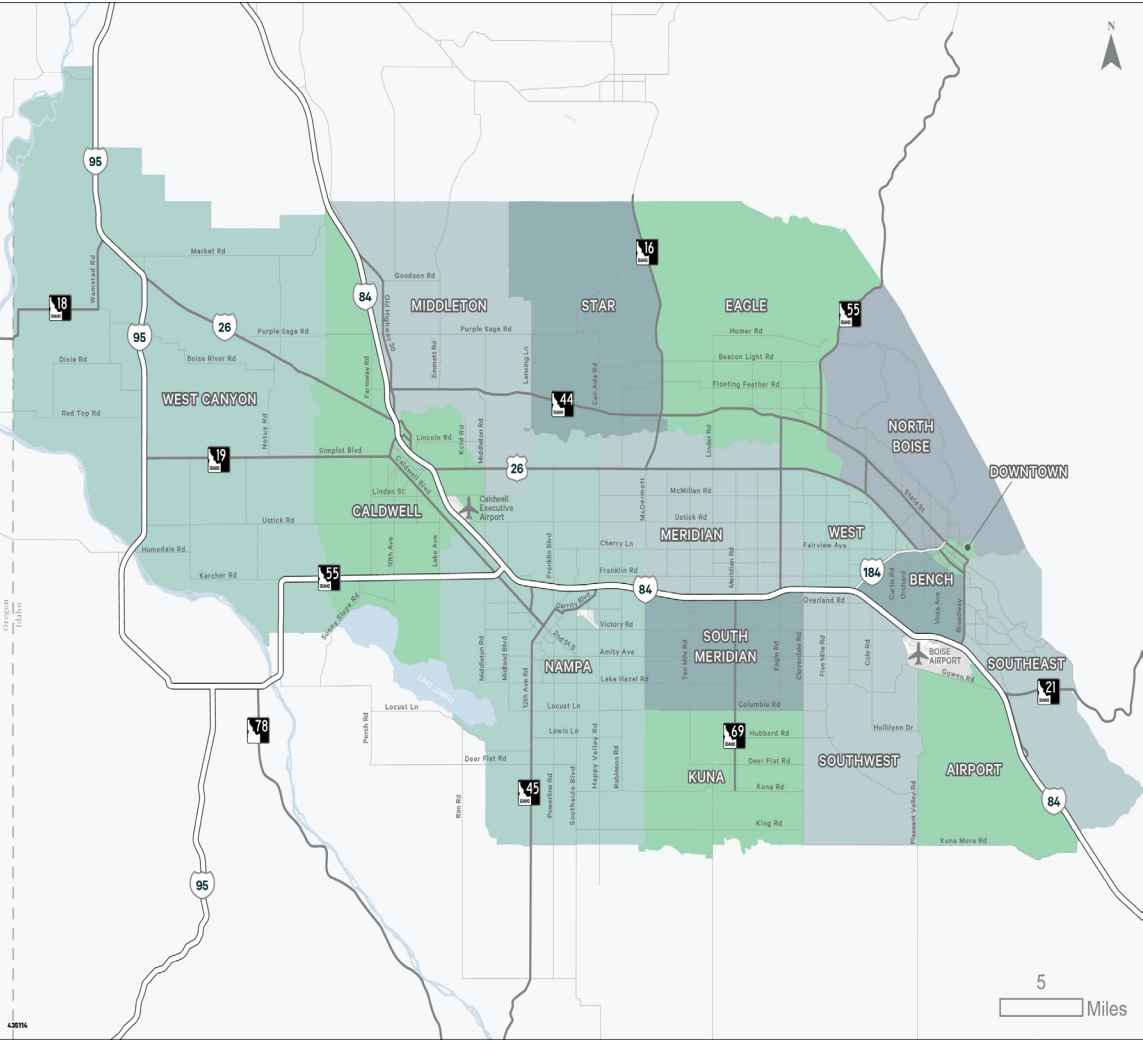
	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/Mo NNN)	QTD Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Airport	7,435,544	15.7	15.8	15.4	0.4	0.96	(2,982)	(64,662)	-	1,088,636
Bench	1,894,698	2.4	2.9	2.8	0.1	1.12	(42,311)	(42,010)	-	-
Caldwell	5,950,956	13.6	13.6	12.0	1.6	0.80	(149,252)	(99,346)	-	-
Downtown	621,267	22.2	22.2	22.2	0.0	0.78	(27,000)	(27,000)	-	-
Eagle	245,194	6.8	7.3	7.3	0.0	1.47	(14,820)	(16,579)	-	-
Kuna	203,390	0.0	0.0	0.0	0.0	-	-	-	-	-
Meridian	6,218,715	2.0	2.1	2.1	0.0	0.99	(3,713)	49,726	132,236	167,968
Nampa	14,361,254	12.6	13.4	11.1	2.3	0.82	(77,781)	(179,131)	-	340,848
North Boise	1,704,516	0.5	0.3	0.3	0.0	1.20	3,784	30	-	-
South Meridian	876,649	2.8	2.8	2.8	0.0	1.30	(9,000)	(24,176)	-	-
Southeast	4,287,732	0.3	0.6	0.4	0.2	1.09	9,714	6,061	-	-
Southwest	2,457,939	6.7	7.6	5.9	1.7	0.95	(24,184)	(57,071)	88,140	-
Star	58,076	0.0	0.0	0.0	0.0	-	-	-	-	-
West	3,584,501	1.6	1.6	1.4	0.1	1.03	68,992	3,229	-	-
West Canyon	1,089,102	0.0	0.0	0.0	0.0	-	-	-	-	-
Total	51,251,103	8.5	8.9	7.9	1.1	0.86	(268,553)	(450,929)	220,376	1,597,452

Market Statistics by Size

	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/Mo NNN)	QTD Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Under 15,000 sq. ft.	4,128,428	2.2	2.4	1.7	0.8	1.16	(36,311)	(49,695)	0	0
15,000- 29,999 sq. ft.	9,148,192	1.4	1.7	1.3	0.3	1.14	(47,614)	(60,587)	0	92,500
30,000-49,999 sq. ft.	6,580,017	3.0	3.9	3.1	0.8	0.95	(106,143)	(109,532)	0	75,468
50,000-74,999 sq. ft.	5,002,125	4.4	4.4	3.7	0.8	1.13	(18,355)	(60,052)	0	52,200
75,000-99,999 sq. ft.	5,000,406	9.7	11.5	9.7	1.8	0.92	(3,548)	(33,660)	88,140	95,960
100,000-249,999 sq. ft.	12,407,389	12.1	12.4	10.7	1.7	0.82	37,018	(344,373)	132,236	561,916
Over 250,000 sq. ft.	8,984,546	19.5	19.5	18.4	1.0	0.78	(93,600)	206,970	0	719,408
<b>Total</b>	<b>51,251,103</b>	<b>8.5</b>	<b>8.9</b>	<b>7.9</b>	<b>1.1</b>	<b>0.86</b>	<b>(268,553)</b>	<b>(450,929)</b>	<b>220,376</b>	<b>1,597,452</b>

Market Statistics by Product Type

	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF/Mo NNN)	QTD Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Distribution / Logistics	33,894,513	10.3	10.6	9.3	1.4	0.86	(169,659)	(130,243)	220,376	1,597,452
Manufacturing	9,807,533	5.1	5.3	5.3	0.0	0.79	(26,860)	(245,974)	0	0
R&D / Flex	3,417,105	9.0	10.2	8.7	1.5	0.88	(52,256)	(53,945)	0	0
Other Industrial	4,131,952	1.8	2.7	1.9	0.8	1.17	(19,778)	(20,767)	0	0
<b>Total</b>	<b>51,251,103</b>	<b>8.5</b>	<b>8.9</b>	<b>7.9</b>	<b>1.1</b>	<b>0.86</b>	<b>(268,553)</b>	<b>(450,929)</b>	<b>220,376</b>	<b>1,597,452</b>



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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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