MARKETBEAT

Boise

MULTIFAMILY Q3 2025

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS

	YOY Chg	Outlook
4.5% Stabilized Vacancy Rate	▼	▼
589 Net Absorption, units	▼	▲
$1,685 Effective Rent, PSF	▲	▲

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg	Outlook
415K Boise Employment	▲	▲
3.5% Boise Unemployment Rate	▼	▲
3.4% Boise Household Growth Rate	▲	▲

Source: BLS

ECONOMY: POPULATION GROWTH FUELS EXPANSION

Boise and the Treasure Valley delivered a strong economic showing in Q3 2025, leading the nation in annual population growth at 3.0%, with further expansion anticipated. Despite a slight dip, real gross product stood at 4.4% year-over-year (YOY), down 40 basis points (bps). Nonfarm job growth also eased, falling 90 bps to 2.2% YOY, with signs of continued contraction. In contrast, healthcare employment surged 4.2% YOY to 59,400, with additional gains expected. Median household income in Boise climbed 2.1% YOY to $86,100 and is projected to keep rising. The unemployment rate dropped 10 bps to 3.5% YOY, ranking Boise as the ninth lowest among U.S. markets.

SUPPLY & DEMAND: SOLID DEMAND, LEASE-UP EFFECTS

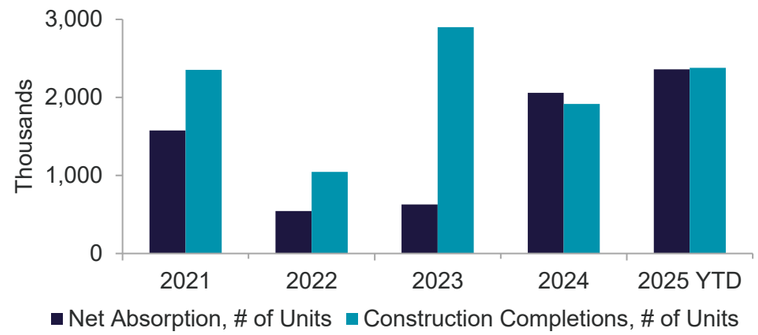
The Boise metro area closed the third quarter of 2025 with robust rental demand. Stabilized vacancy declined by 10 basis points QOQ and 30 basis points YOY, settling at 4.5%. While this marks continued improvement, the rate remains above the 10-year average of 3.5%.

Unstabilized properties significantly impacted the overall vacancy rate, pushing it up from 4.5% to 6.9%. This trend is especially pronounced in the Downtown Boise submarket, where several newly delivered projects have yet to reach full occupancy. Notably, Arthur (298 units) had a 52% vacancy, while Broadstone Saratoga (334 units) was 85.0% vacant, pushing Downtown's unstabilized rate to 25.2%. Despite these challenges, net absorption remained positive for the 11th consecutive quarter, with 2,359 units absorbed year-to-date. Meridian led the region in Q3 with the highest net absorption, adding 233 units. New development has slowed due to rising construction costs, labor shortages, and tempered rent growth expectations. Year-to-date, 11 projects totaling 2,378 units have been completed, while 1,713 units remain under construction.

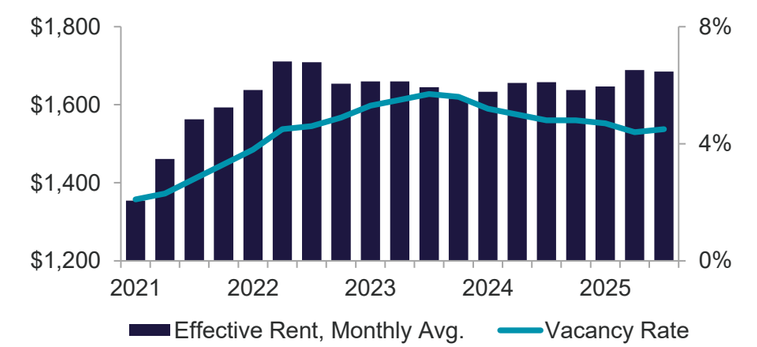
PRICING: RENT GROWTH AMID RISING CONCESSIONS

After peaking in Q3 2022 at $1,711, effective rates have increased from $1,616 per unit in Q4 2023 to $1,685 per unit in Q3 2025 and surged 1.7% YOY. Concessions are becoming more common, with 13.7% of properties currently offering lease concessions in Q3, up 170 bps QOQ. As a percentage of overall rental rate, concessions fell by 250 bps YOY to 6.7%, while discretionary (Class A) surged 390 bps YOY to 10.8%.

DEMAND / DELIVERIES



OVERALL VACANCY & EFFECTIVE RENT

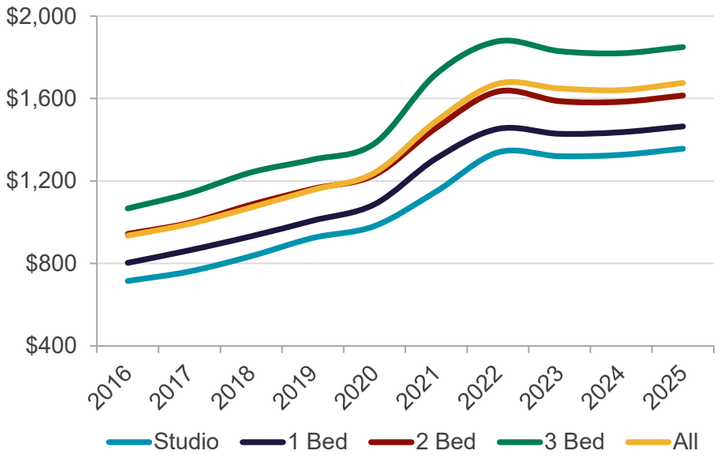


Source: Yardi Matrix

BOISE
MULTIFAMILY Q3 2025

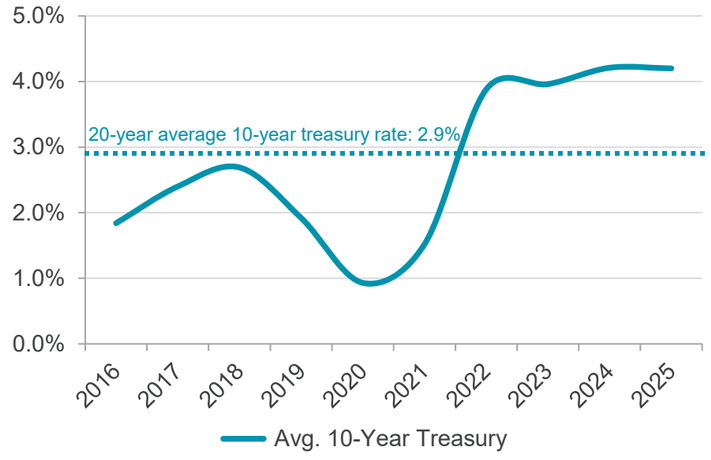
AVERAGE RENT PER UNIT HISTORY (1)

RENTS HAVE REBOUNDED SINCE 2022, WITH STUDIO, 1 BEDROOM, AND OVERALL AVERAGE RENTS SURPASSING PREVIOUS PEAKS, WHILE LARGER UNITS REMAIN BELOW PEAK PRICING.



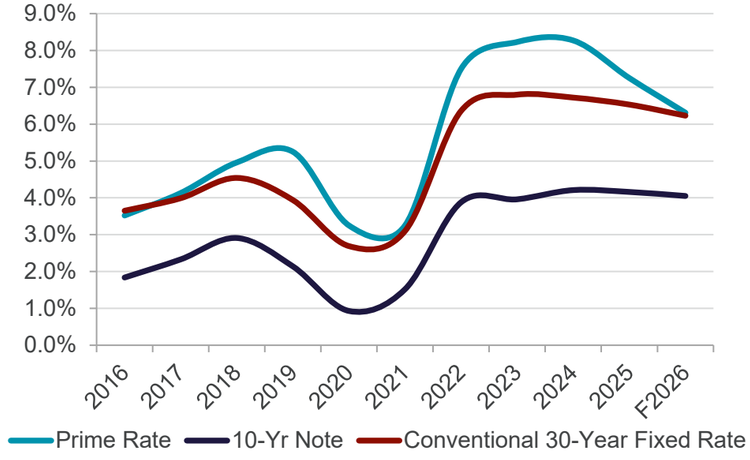
AVERAGE 10-YEAR TREASURY RATE (2)

THE 10-YEAR U.S. TREASURY RATE IS ABOVE THE HISTORICAL AVERAGE OF 2.9%.



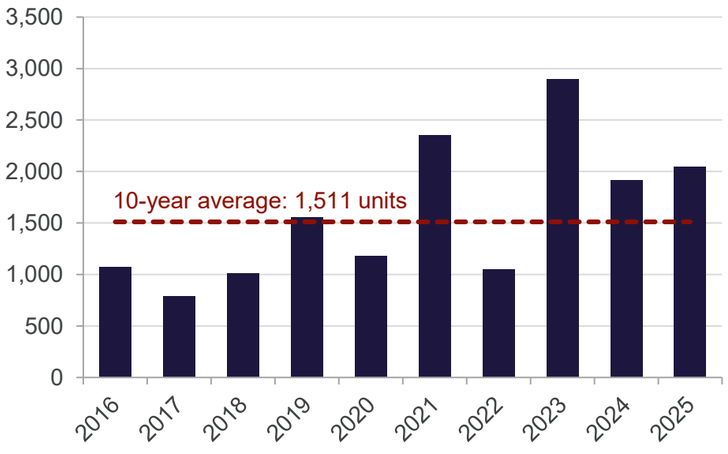
INTEREST RATES (3)

THE FEDERAL RESERVE CUT ITS BENCHMARKET INTEREST RATE BY 0.25%. INTEREST RATES REMAIN ELEVATED ACROSS ALL BENCHMARKS COMPARED TO PRE-2022 AVERAGES..



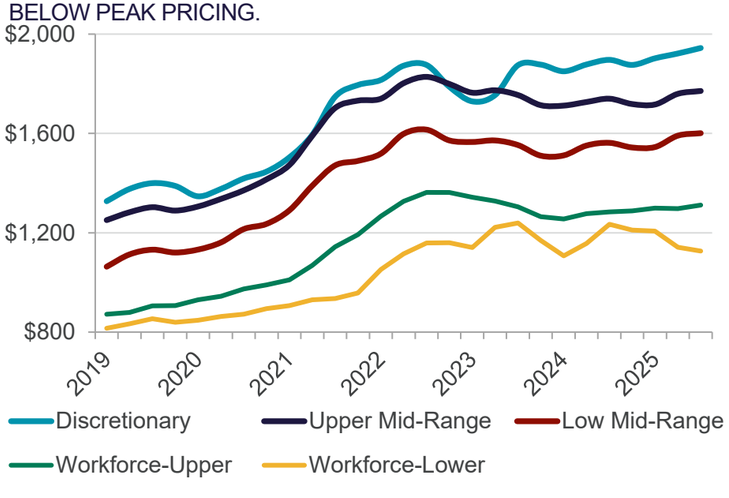
NEW INVENTORY (4)

TOTAL NUMBER OF NEW INVENTORY UNITS COMPLETED YTD 2025 IS 135% OF THE 10-YEAR ANNUAL AVERAGE OF 1,511 UNITS.



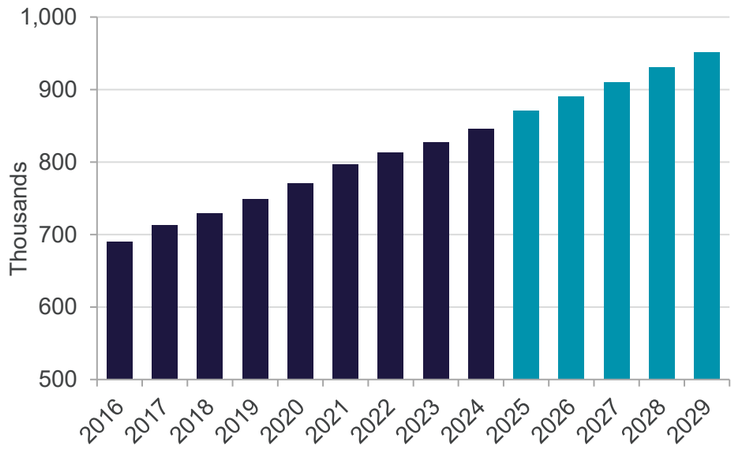
ASKING RENT PER UNIT BY ASSET CLASS (5)

DISCRETIONARY, LOW MID-RANGE, AND LOWER-TIER WORKFORCE SEGMENTS HAVE SURPASSED 2022 RENT LEVELS, WHILE UPPER MID-RANGE AND UPPER-TIER WORKFORCE SEGMENTS REMAIN NEAR OR BELOW PEAK PRICING.



POPULATION (6)

POPULATION IS PROJECTED TO GROW SIGNIFICANTLY THROUGH 2029



(1) Yardi Matrix, Cushman & Wakefield
(2) Federal Reserve Board
(3) Federal Reserve Board, Wells Fargo
(4) Yardi Matrix
(5) Yardi Matrix
(6) Moody's & U.S. Census Bureau

MARKET STATISTICS

SUBMARKET	INVENTORY (UNITS)	YTD DELIVERIES (UNITS)	YTD % INVENTORY GROWTH	UNDER CNSTR (UNITS)	YTD NET ABSORPTION (UNITS)	VACANCY RATE	YOY VACANCY RATE CHANGE (BPS)	AVG EFFECTIVE RENT / UNIT	YOY % EFFECTIVE RENT GROWTH
Boise Bench	3,427	0	0.0%	0	26	3.6%	-180	$1,668	-1.4%
Caldwell	1,809	0	0.0%	561	257	7.1%	0	$1,582	0.1%
Downtown Boise	2,233	632	15.7%	224	89	3.9%	-130	$1,810	8.5%
Eagle/Star	1,194	56	4.7%	240	274	4.6%	-250	$1,833	1.9%
East Boise	4,242	287	6.8%	0	127	3.7%	20	$1,718	1.2%
Kuna	137	0	0.0%	0	-1	5.7%	0	$1,664	14.6%
Meridian	8,695	1,157	13.3%	209	905	4.9%	-40	$1,750	1.7%
Middleton	160	0	0.0%	56	0	10.0%	0	$1,511	2.2%
Nampa	1,395	110	7.9%	563	100	4.9%	100	$1,538	4.3%
North Boise	368	0	0.0%	0	2	5.5%	0	$1,394	1.3%
Outlying Area	456	0	0.0%	100	56	4.4%	130	$1,470	4.8%
South Boise	739	0	0.0%	0	93	3.9%	-60	$1,554	-0.4%
Garden City	2,812	136	4.8%	0	90	4.8%	30	$1,722	0.8%
West Boise	3,364	0	0.0%	0	341	3.5%	-110	$1,541	0.7%
MARKET	**31,031**	**2,378**	**4.6%**	**1,713**	**2,359**	**4.5%**	**-30**	**$1,685**	1.7%

Source: Yardi Matrix – 50+ Units; excluding Fully Affordable properties

OUTLOOK

- Population growth remains among the highest in the nation and is expected to continue rising, driving increased demand.
- Healthy absorption is expected to shore up supply by late 2025 and into 2026, fueling healthier rent growth.
- Rate cuts by The Federal Reserve may encourage more investment activity in 2025.

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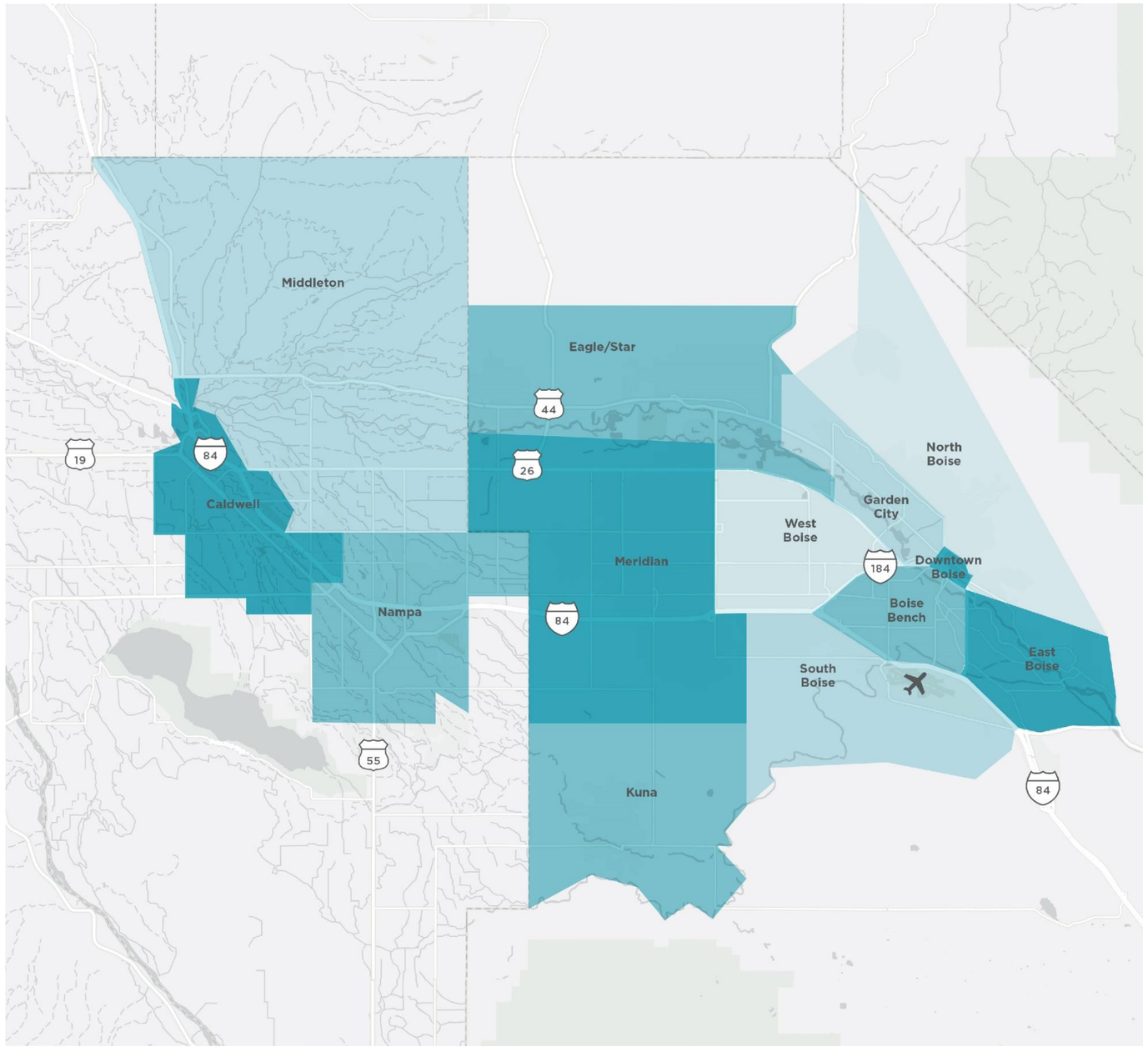
BOISE
MULTIFAMILY Q3 2025

MULTIFAMILY SUBMARKETS



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