



2025 REVIEW & 2026 OUTLOOK

Cambridge Office

Annual CRE Market Insight Report



Cambridge Office

More of the same defined Cambridge's office market throughout 2025.

Technology and venture-backed companies once competed aggressively for office space in Cambridge, but demand has become nearly nonexistent. Most transactions over the past year were renewals or downsizes, as occupiers reduced footprints rather than committing to relocations. Many companies continue to avoid the cost and disruption of a move while recognizing they no longer need prior space levels.

Vacancy remains elevated, rents continue to adjust, and meaningful new demand has yet to materialize. Leasing activity has been largely stagnant for several years, with most deals concentrated in smaller transactions as tenants right-size space to align with hybrid work strategies. Until leasing velocity improves, Cambridge is likely to remain in a holding pattern.

While elevated vacancy has created leverage for tenants, pricing pressure has been uneven, with the most pronounced adjustments occurring in secondary and less competitive buildings.

MARKET TRENDS



Continued Silence

Market activity has remained largely **stagnant for more than three years**, with elevated vacancy giving tenants sustained leverage and continued downward pressure on asking rents.



Smaller, Smarter Commitments

Leasing activity remains concentrated in **smaller transactions** as occupiers downsize, extend in place, or pursue right-sized footprints aligned with hybrid work strategies.



Pipeline on Pause

High construction and financing costs, combined with weak preleasing, have halted new office development, keeping Cambridge's **inventory largely unchanged** in the last few years.

Kendall | Photo: Kyle Klein



Market Size
11,583,557 SF



Vacancy
18.8%



Sublease
8.4%

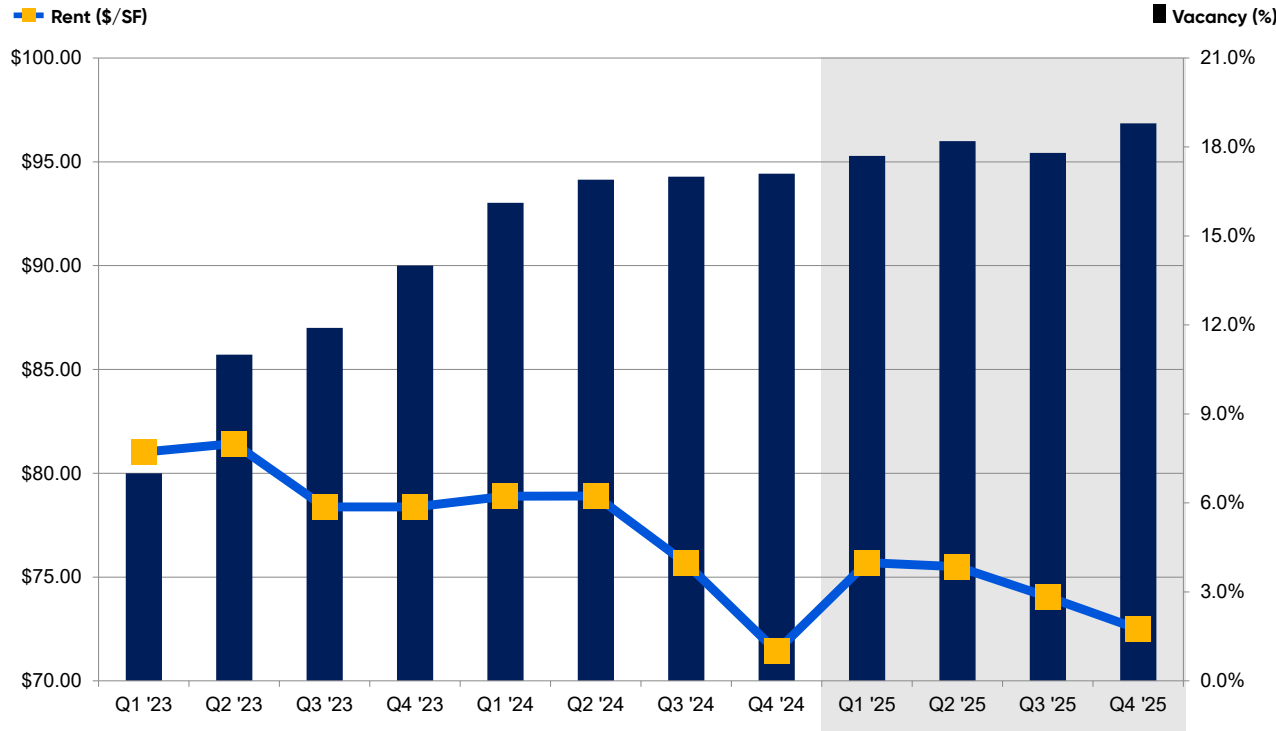


Available
27.2%

Direct Availability + Sublease Availability

Arrows Indicate One Year Change

Historical Rent & Vacancy



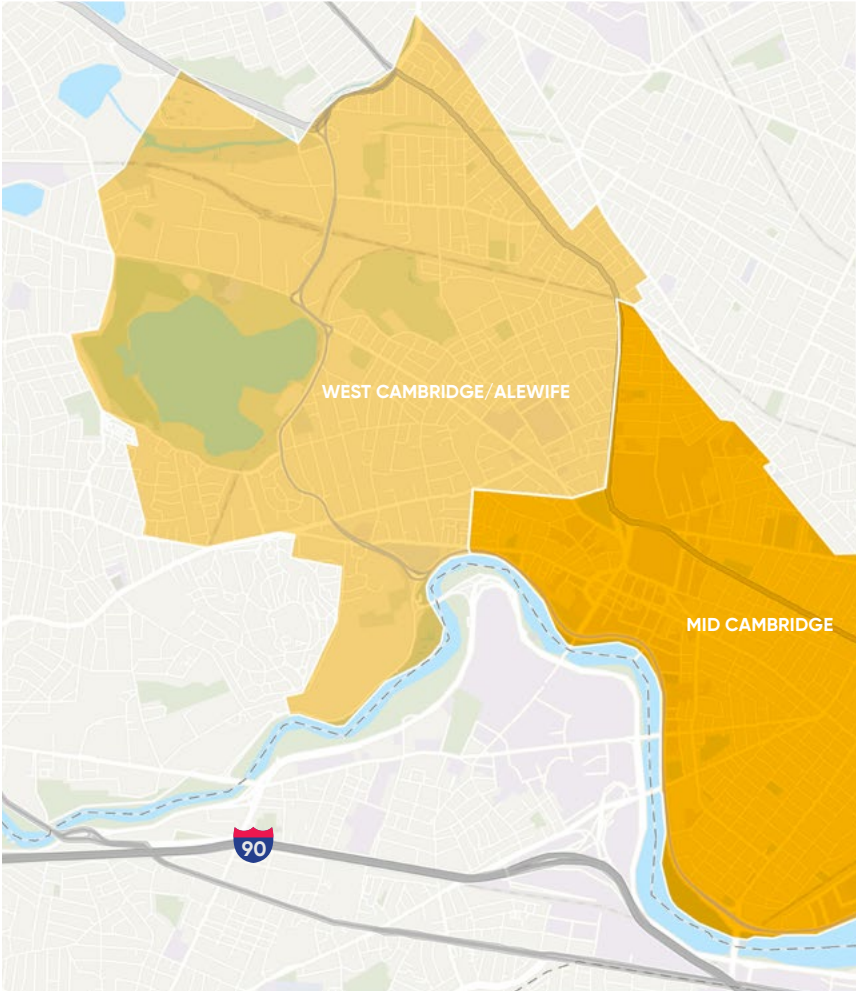
Limited Supply Is Propping Up Pricing

Even as leasing activity remains muted, Cambridge's limited supply and lack of new development have helped stabilize pricing. Tenant leverage is real, particularly around concessions and flexibility, but well-located, high-quality assets continue to command strong rents.

Photo: Duncan Lake

By the Numbers

Data as of Q4 2025



	Market Size (SF)	Vacant	Sublease	Available	Rent/SF	
					Class A	Class B
East Cambridge	7,658,887	20.5%	9.7%	30.2%	\$77.00	\$55.00
Mid Cambridge	2,774,227	16.2%	4.4%	20.6%	\$55.00	\$45.00
West Cambridge/Alewife	1,150,443	13.7%	9.2%	22.9%	\$55.00	\$45.00
Total	11,583,557	18.8%	8.4%	27.2%	\$69.55	\$51.61





Notable Market Transactions

The Cambridge office market continues to face challenges as fewer tenants actively pursue traditional office space. While life science and technology firms largely remain in their existing footprints, Cambridge has not seen the same level of new demand observed in markets such as San Francisco and Austin, where both established companies and startups are absorbing larger blocks of office space.

Tenant	Address	Submarket	▼ Size (SF)	Type
Forrester Research	60 Acorn Park Drive	Alewife	118,386	Renewal/Downsize
Alnylam Therapeutics	Mill & Main Street	Kendall Square	23,350	Renewal/Downsize
Mitsubishi Electric Research Labs	201 Broadway	Kendall Square	8,000	Expansion

Investment Sales

Seller	Address	Submarket	Asset Type	Size (SF)	▼ Price/SF
Zurich	58 Charles Street	Kendall Square	Office	49,198	\$1,077
Qianlong Property Development	141 Portland Street	Kendall Square	Office	143,000	\$280
North Colony Asset Management	222 Third Street	Kendall Square	Office	120,668	\$199

Microsoft remains an active market requirement at 175,000 SF, with its current location at 1 Memorial Drive shown to the left.

Photo: CoStar

The Waiting Game

Cambridge, long celebrated as a hub for innovation, academia, and research, finds itself grappling with an office market that has failed to regain momentum over the past year.



Cambridge has long been defined by innovation, density of talent, and proximity to world-class institutions. For decades, those fundamentals translated directly into office demand, particularly from technology, life sciences, and venture-backed companies. Today, however, the office market is experiencing a prolonged pause. Leasing activity remains limited, vacancy elevated, and most transactions continue to be renewals or space reductions rather than relocations or expansions.

Tenant demand for new office space in Cambridge has largely stagnated as companies reassess how much space they truly need. Hybrid and remote work models have reshaped workplace strategies, pushing flexibility and efficiency ahead of growth-driven expansion. Many occupiers are choosing to stay in place, reduce footprints, and avoid the cost and disruption of a move. As a result, buildings that once operated at or near full occupancy are now carrying meaningful vacancies.

What makes this slowdown more notable is Cambridge's continued strength as a global innovation hub. The market remains anchored by MIT and Harvard, supported by a deep venture capital ecosystem, and surrounded by a workforce that continues to attract cutting-edge companies. Despite these advantages, the office market has yet to see a meaningful influx of new demand from emerging sectors like artificial intelligence.

By comparison, markets such as the Bay Area have already seen AI-driven office demand translate into leasing momentum, driven by a dense concentration of companies scaling rapidly. Cambridge has many of the same ingredients but has not yet experienced that same acceleration. The disconnect suggests timing rather than structural weakness.

With no meaningful development pipeline and high barriers to new construction, the market is positioned to respond quickly once demand returns.

Limited new supply may ultimately work in Cambridge's favor. With no meaningful development pipeline and high barriers to new construction, the market is positioned to respond quickly once demand returns. As companies move from experimentation to execution, particularly in AI, data, and advanced computing, Cambridge is well positioned to capture that next wave of growth.

For now, the market remains in a holding pattern. But with strong long-term fundamentals and constrained future supply, Cambridge's office sector appears less stalled than coiled, waiting for the right catalyst to unlock its next phase.

Plug-and-Play Opportunity in Kendall Square

145 Broadway | Up to 108,000 SF Available

Akamai is offering a rare, large-block sublease opportunity at 145 Broadway in the heart of Kendall Square. The available space spans Floors 9 through 12 and totals approximately 108,000 SF, with efficient **floor plates of roughly 27,000 SF each**. Built in 2019, the space is fully furnished and move-in ready, featuring a contemporary layout designed to support hybrid work, along with internal connecting stairs that promote collaboration and flow between floors.

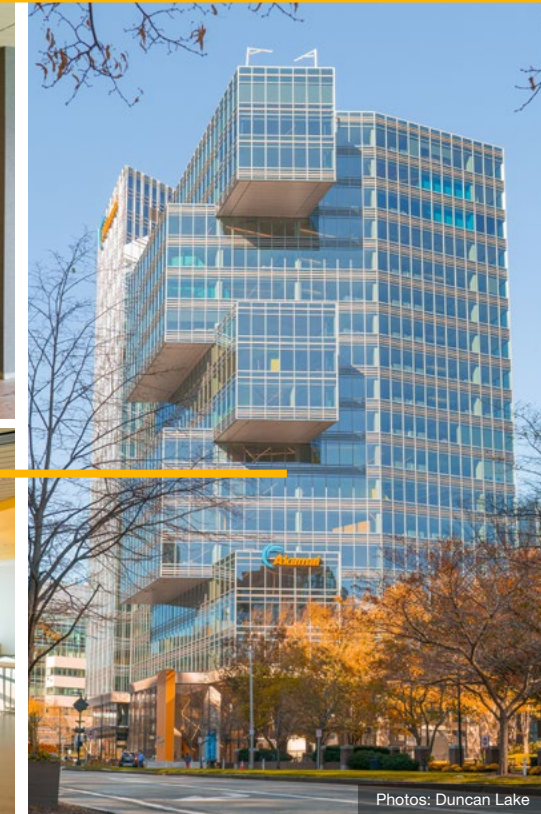
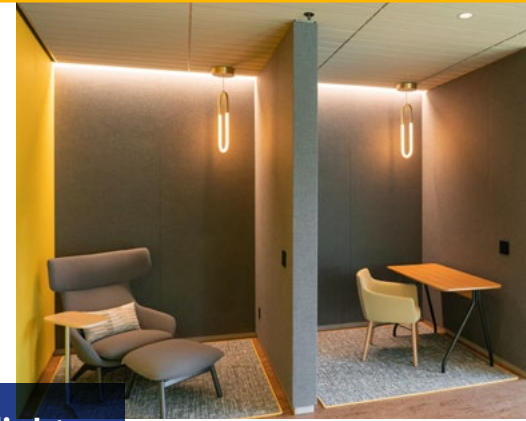
Located steps from transit and Kendall Square's amenity base, the building delivers speed to occupancy, flexibility, and meaningful cost savings compared to new construction. For tenants seeking high-quality space in East Cambridge without the time and capital investment of a full build-out, this offering stands out in the current market.

Proven Demand: Recent Sublease Success

Earlier marketing efforts at 145 Broadway underscore the appeal of this offering. After completing a workplace utilization analysis, Akamai partnered with Cresa to sublease excess space at its headquarters. A targeted strategy focused on flexible, turnkey space led to the successful sublease of three floors to the BD AI Institute, an MIT-affiliated organization focused on artificial intelligence research. That transaction highlights the depth of demand for well-located, high-quality furnished space in Kendall Square, even amid a more measured Cambridge office market.

Available Space Highlights

- Floors 9–12 totaling approximately **108,000 SF**
- Plug-and-play, **fully furnished space** with internal stair connectivity
- **WELL** and **LEED Gold certified** building
- Immediate occupancy with **flexible** sublease terms
- **Significant cost and time savings** versus new construction



Photos: Duncan Lake

Looking Ahead in 2026

TENANT'S TAKEAWAY



Use Your Leverage

Sustained vacancy and limited competition allow tenants to negotiate aggressively on rent, flexibility, and concessions, particularly for well-located Class A space.



Right-Size, Right Time

With limited new supply coming online, tenants can focus on rightsizing current space or relocating selectively without urgency to lock in long-term commitments.



Limited New Supply Ahead

As few new projects deliver to the market, tenants should focus on securing high-quality existing space before demand rebounds and options tighten in core Cambridge locations.



GET TO KNOW Eastern Edge

Cambridge's office market is evolving beyond the traditional workplace, with Eastern Edge highlighting this shift. Located in Kendall Square, the destination offers nine food vendors, two bars, and a café, providing a convenient, all-day amenity that reflects the growing value of walkable amenities and shared experiences for today's workforce.

easternedgefoodhall.com | Photo: Eastern Edge

CRESA NATIONAL MARKET INSIGHT

Five Office Market Trends to Watch as Conditions Normalize

The U.S. office market is beginning to stabilize, though recovery remains uneven across markets and asset types. Key trends shaping this next phase include flight-to-quality demand, flexible work models, adaptive reuse activity, and regional performance divergence as occupiers reassess long-term space needs.

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Photo: Kyle Klein

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