



Downtown Boston

Annual CRE Market Insight Report



Downtown Boston

Selective leasing reinforces Downtown's shift toward quality.

Leasing activity in 2025 was shaped by a small number of high-impact commitments that reinforced the ongoing flight to quality downtown. The most notable was Hasbro's 265,000 SF lease, the largest downtown deal of the year, which will establish Boston as the company's future co-headquarters following its planned relocation from Rhode Island. While the space has not yet been occupied, the signing alone underscores Boston's appeal to major corporate users seeking access to talent, transit, and a dense amenity base. KKR's relocation to International Place and Schneider Electric's move to Winthrop Center further reflected demand for newer, amenity-rich towers. DraftKings' shift to 225 Franklin Street enabled Wayfair's broader consolidation and reshaped availability in the Back Bay. Looking ahead to 2026, tenant activity is expected to remain selective but steady, with well-capitalized users focused on building quality, ownership stability, and long-term flexibility as elevated availability and active sales continue to influence deal dynamics.



Photo: Kyle Klein

MARKET TRENDS



Reinvestment Broadens Appeal

Owners are reinvesting across the market, including Class B assets, as competition for tenants pushes amenity upgrades beyond trophy buildings.



New Demand Drives Absorption

Out-of-market tenants including Hasbro and KKR drove nearly 400,000 SF of positive absorption, underscoring Boston's continued draw for marquee users.



Flight to Quality Persists

Tenant demand remains concentrated in newer, mid- to high-rise buildings offering modern infrastructure and robust amenity packages.



Market Size

64,464,337 SF

Vacancy

19.7%

Sublease

4.3%

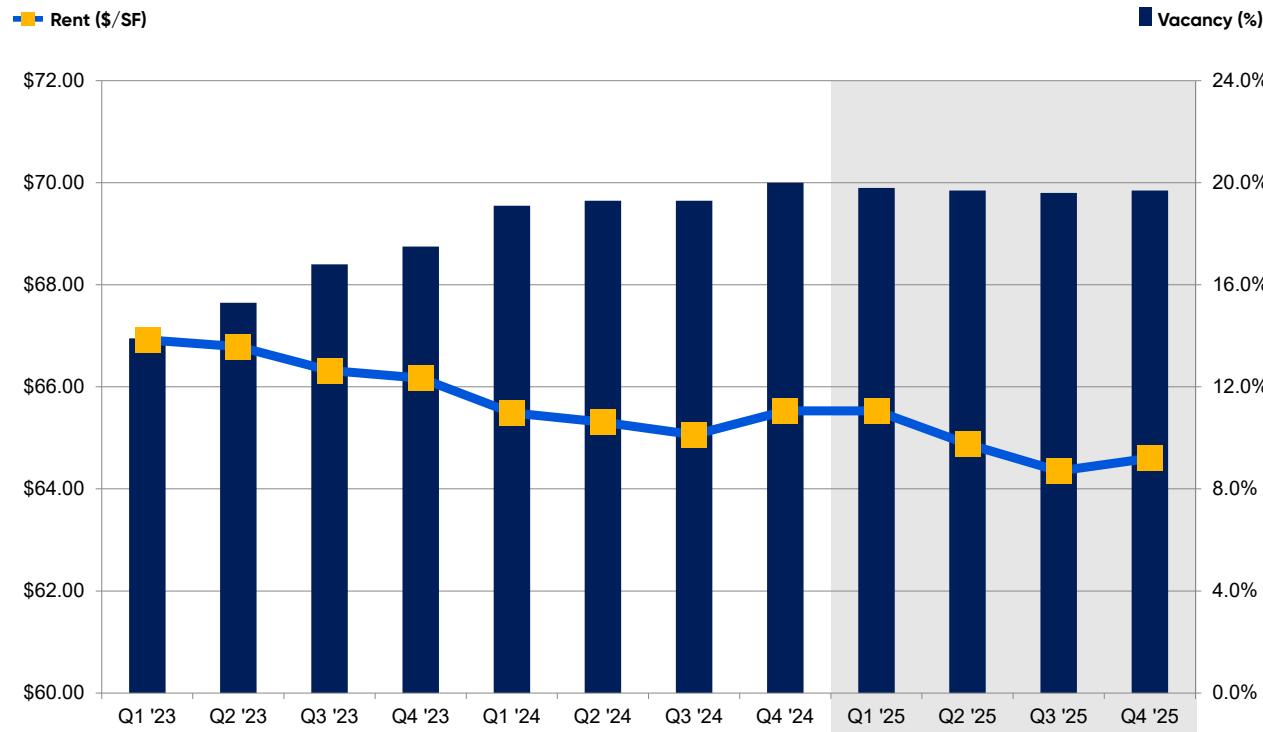
Available

24.0%

Arrows Indicate One Year Change

Direct Availability + Sublease Availability

Historical Rent & Vacancy



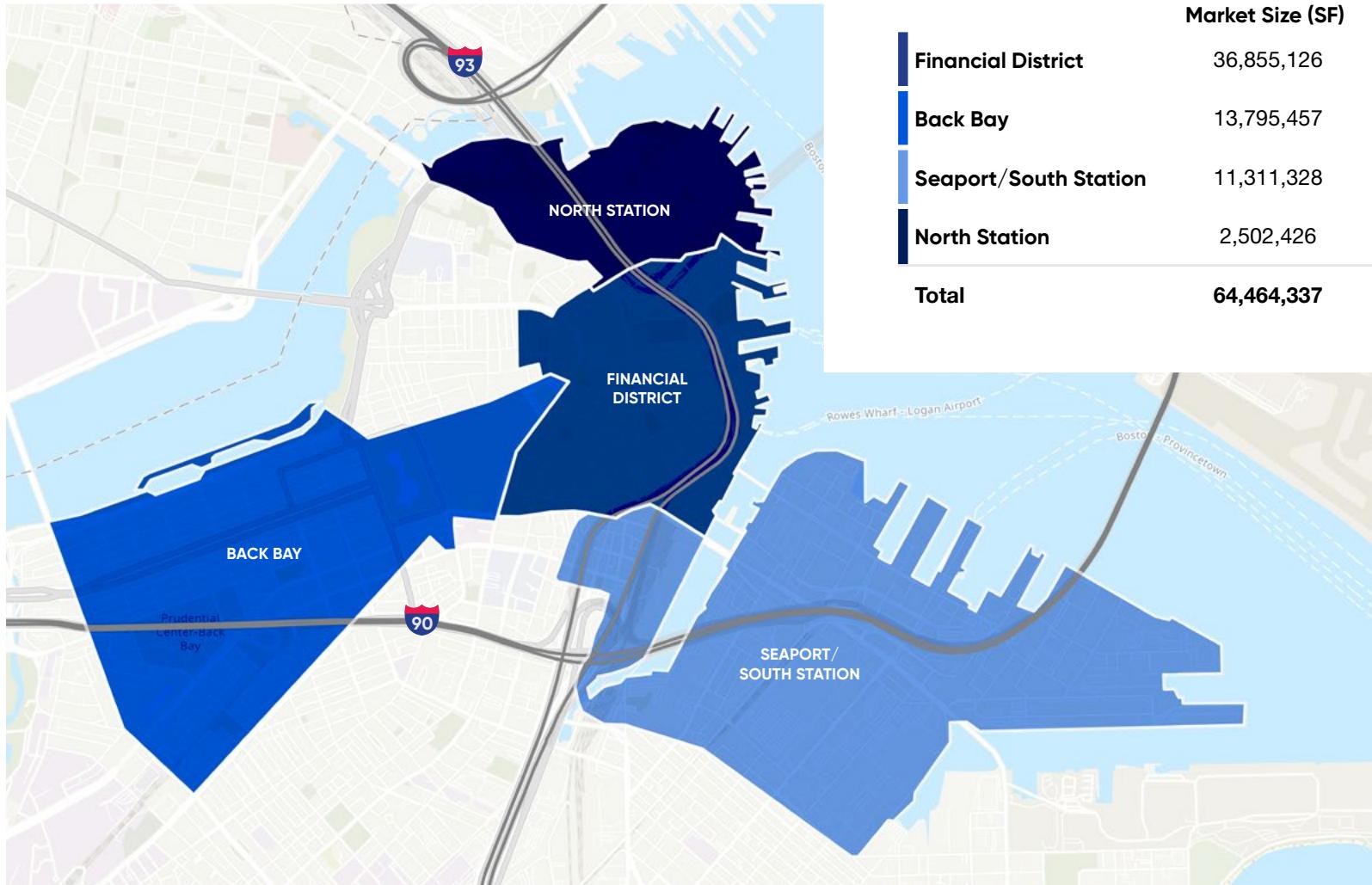
Resilient Rents Amid Elevated Vacancy

Downtown Boston office vacancy continued to rise in 2025, but asking rents remained largely stable, highlighting sustained demand for high-quality, well-located assets despite a softer overall market.



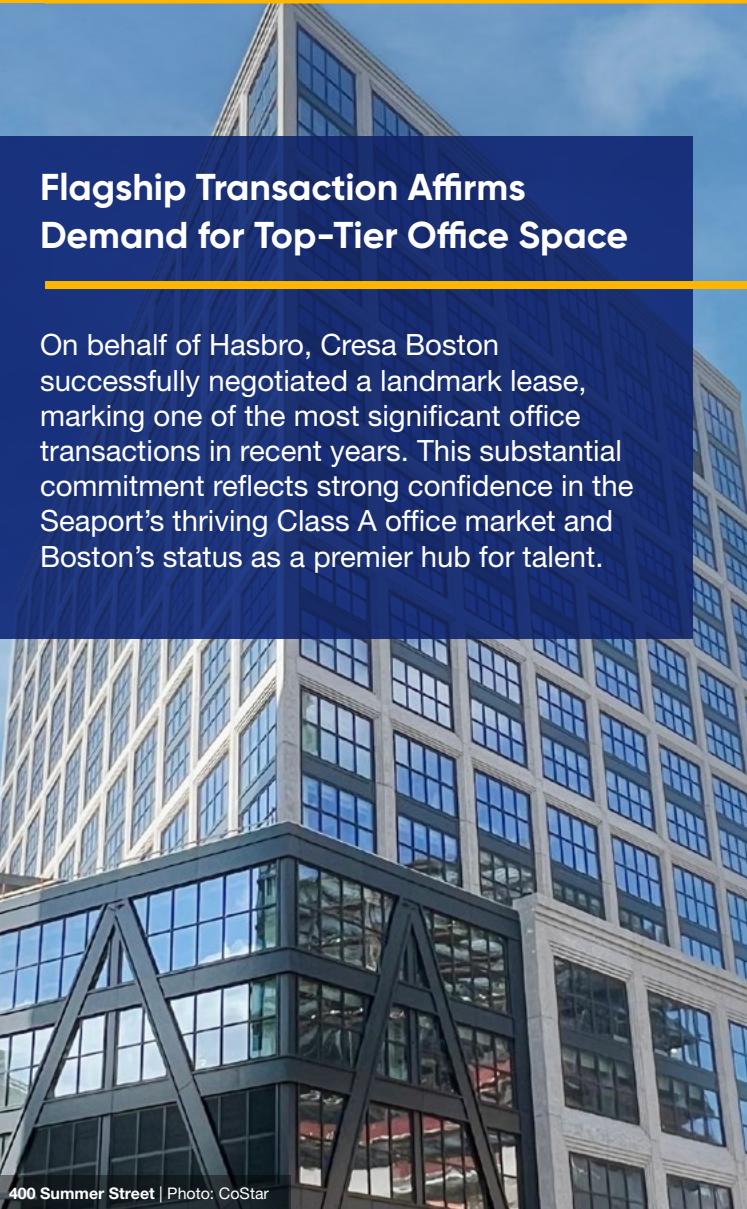
By the Numbers

Data as of Q4 2025



| | Market Size (SF) | Vacant | Sublease | Available | Rent/SF | |
|------------------------------|-------------------|--------------|-------------|--------------|----------------|----------------|
| | | | | | Class A | Class B |
| Financial District | 36,855,126 | 21.1% | 3.4% | 24.5% | \$70.21 | \$51.17 |
| Back Bay | 13,795,457 | 13.3% | 3.6% | 16.9% | \$71.72 | \$59.00 |
| Seaport/South Station | 11,311,328 | 21.6% | 7.1% | 28.6% | \$78.14 | \$55.17 |
| North Station | 2,502,426 | 26.5% | 8.5% | 35.0% | \$63.00 | \$50.06 |
| Total | 64,464,337 | 19.7% | 4.3% | 24.0% | \$71.22 | \$53.52 |





Flagship Transaction Affirms Demand for Top-Tier Office Space

On behalf of Hasbro, Cresa Boston successfully negotiated a landmark lease, marking one of the most significant office transactions in recent years. This substantial commitment reflects strong confidence in the Seaport's thriving Class A office market and Boston's status as a premier hub for talent.

400 Summer Street | Photo: CoStar

Notable Market Transactions

| Tenant | Address | Submarket | ▼ Size (SF) | Type |
|--------------------|-----------------------|--------------------|-------------|---------------|
| Wayfair | 500 Boylston Street | Back Bay | 337,862 | Consolidation |
| Hasbro | 400 Summer Street | Seaport | 265,000 | New to Market |
| Klaviyo | 125 Summer Street | Financial District | 256,000 | Expansion |
| WilmerHale | 60 State Street | Financial District | 200,000 | Renewal |
| KKR | 2 International Place | Financial District | 132,529 | New to Market |
| Kirkland & Ellis | 200 Clarendon Street | Back Bay | 115,812 | Renewal |
| Draft Kings | 225 Franklin Street | Financial District | 104,000 | Relocation |
| CDM Smith | 75 State Street | Financial District | 93,574 | Renewal |
| Schneider Electric | 115 Federal Street | Financial District | 74,635 | Relocation |

Investment Sales

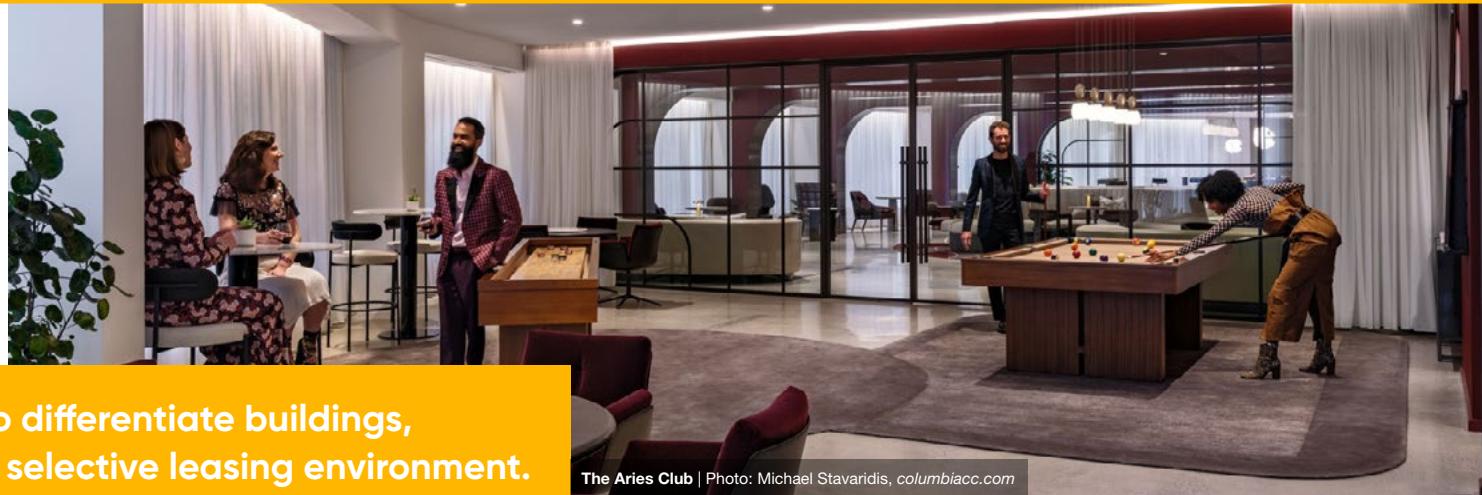
| Seller | Buyer | Address | Submarket | Size (SF) | ▼ Price |
|-----------------|-----------------|---------------------|--------------------|-----------|----------|
| Fortis | Divcowest | 1 Lincoln Street | Financial District | – | \$400M |
| Clarion | Synergy | 101 Arch Street | Financial District | – | \$78M |
| H.N. Gorin Inc. | Synergy | 101 Merrimac Street | North Station | 177,800 | \$22.5M |
| Credit Suisse | Chevron | 99 Bedford Street | Financial District | 92,000 | \$19M |
| Transnational | Kendall Capital | 133 Federal Street | Financial District | 132,000 | \$15.75M |

More Than Just Office Space

Downtown owners are making nine-figure investments to differentiate buildings, attract top-tier tenants, and compete in an increasingly selective leasing environment.

Amenities have become a defining differentiator in downtown Boston, with owners making substantial capital investments to compete for a narrower pool of high-quality tenants. At the forefront is [One Lincoln Street](#), which recently unveiled a \$100 million, multi-level amenity center designed to rival top-tier hospitality and wellness destinations, including a state-of-the-art fitness center, rooftop basketball and pickleball courts, energy pods for meditation and recovery, golf simulators, and flexible meeting spaces anchored by high-end food and beverage options. These features are intentionally designed to support longer in-office days while reinforcing culture and collaboration.

Momentum continued this year at [200 Clarendon](#), where ownership debuted [The 200 Club](#), a high-end tenant amenity offering featuring refined lounge space, large-scale meeting and conferencing facilities, a library, fitness center, and bar designed to support both productivity and connection. [International Place](#) followed suit with its own \$100 million investment, introducing [the Aries Club](#), a curated environment that blends work and social space with work lounges, podcast and content-creation rooms, a full bar, and an outdoor terrace overlooking the harbor, further reinforcing the push toward experience-driven workplaces.



The Aries Club | Photo: Michael Stavridis, columbiacc.com

New construction continues to push the bar even higher. [South Station Tower](#) and [10 World Trade Center](#) have entered the market with amenity packages that reflect evolving tenant expectations, including wellness-focused design, flexible collaboration zones, and premium shared spaces. As these towers lease up, they are influencing reinvestment strategies across the existing building stock.

For tenants, this amenity “arms race” is creating opportunity. Owners are increasingly willing to invest capital and offer concessions to remain competitive, particularly for creditworthy users. At the same time, the widening gap between upgraded and non-upgraded assets is reinforcing a shift toward quality that continues to shape leasing decisions throughout the downtown core.



South Station Tower | Photo: CoStar



Photo: CoStar



Photo: Cresa



Photo: Cresa

A Long-Term Commitment to Back Bay Quality

Client: Volition Capital

Location: 699 Boylston Street, Boston, MA

Project Size: 21,479 SF

Cresa Services Provided: Transaction Management, Project Management

Objectives

Volition Capital engaged Cresa to address an upcoming lease expiration while planning for continued workforce growth. The firm sought additional, flexible space in a best-in-class Back Bay location that would support long-term needs while reinforcing its culture and brand.

Strategy & Results

Cresa conducted a comprehensive market search, touring all available Class A office opportunities in the Back Bay and evaluating options that could accommodate both near-term expansion and long-term flexibility. Following a targeted negotiation strategy, Volition secured a 21,479 SF lease across 1.5 floors at 699 Boylston Street. The solution included a highly customized workplace design, highlighted by a new internal staircase overlooking the Boston Marathon Finish Line. The long-term lease delivered a full year of free rent, an above-market tenant improvement allowance, and additional financial concessions. Cresa also provided end-to-end project management, ensuring a smooth build-out and on-time delivery of Volition's expanded Boston office.



Even in a slower downtown office market, top-tier Back Bay assets continue to attract demand from growth-oriented firms willing to commit long term when quality, flexibility, and economics align.

Looking Ahead in 2026

TENANT'S TAKEAWAY



Plan for Timing Risk

Build schedules should account for permitting complexity and longer supply-chain lead times, which continue to challenge downtown projects.



Understand Sale Impacts

With assets actively marketed for sale, tenants should understand how a transaction could affect lease terms, capital commitments, and long-term stability.



Assess Owner Stability

Ask direct questions around refinancing timelines and capital plans, as financial pressure may influence both deal timing and landlord flexibility.



GET TO KNOW International Place

International Place is a revitalized downtown destination shaped by a \$100 million reinvestment, offering elevated amenities, vibrant gathering spaces, and new dining in the heart of Boston's Financial District. With The Aries Club, a reimagined IP Commons, and direct access to the Greenway, it's a place to work, meet, and linger.

internationalplace.com/amenities | Photo: International Place, Aries Club

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: Getty

About Cresa Boston

Cresa is the world's largest commercial real estate advisory firm that exclusively represents occupiers and specializes in the delivery of fully integrated real estate solutions. We work with our clients to align their business plans and their real estate needs, increase their productivity, and consistently save them money — results that have earned us numerous industry awards along the way. Our team of real estate advisors, project managers, strategic planners, analysts, and space planners listen to tenants' needs, meticulously research market conditions, firmly negotiate terms, and manage the design and construction of projects to customize the best possible occupancy solutions.

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