

**MARKET INSIGHTS
PROVIDED FOR:**

Downtown Boston

Life Sciences

Industrial / Flex

Suburban Office

Cambridge Office

Q1 2026

Greater Boston CRE Market Insight Reports

Photo: Kyle Klein

Q1 2026 Downtown Office

Persistent Bifurcation: Ongoing Demand Concentrates in Class A Assets

Downtown Boston's office market continues to tell a highly localized story, with clear pockets of strength alongside areas of persistent softness. Class A assets in the Financial District, Back Bay, and the Seaport are performing well, supported by consistent demand for high-quality space in premier locations.

In contrast, challenges remain across older brick-and-beam inventory throughout multiple neighborhoods. North Station continues to struggle, while Class B space in the Financial District and Fort Point faces ongoing headwinds. The result is a market where asset quality and location are driving outcomes more than ever.

Photo: Getty Images



Location Continues to Drive Decisions

With no meaningful new inventory delivering following the completion of projects like 10 World Trade and South Station Tower, leasing activity remains highly focused on best-in-class locations and buildings.

TENANT TAKEAWAY

Back Bay has demonstrated consistent demand through multiple cycles, reinforcing the long-term value of premier locations for occupiers prioritizing stability and employee experience.



Sector-Driven Demand Shapes Market

Financial services and law firms continue to anchor leasing activity, while tech demand remains slow to recover.

TENANT TAKEAWAY

Sector-driven demand is creating pockets of opportunity, particularly in Class A low-rise buildings where tech tenants once dominated, as softening conditions open the door for new occupiers.

Market Size
64,464,337 SF

Vacancy
20.3%

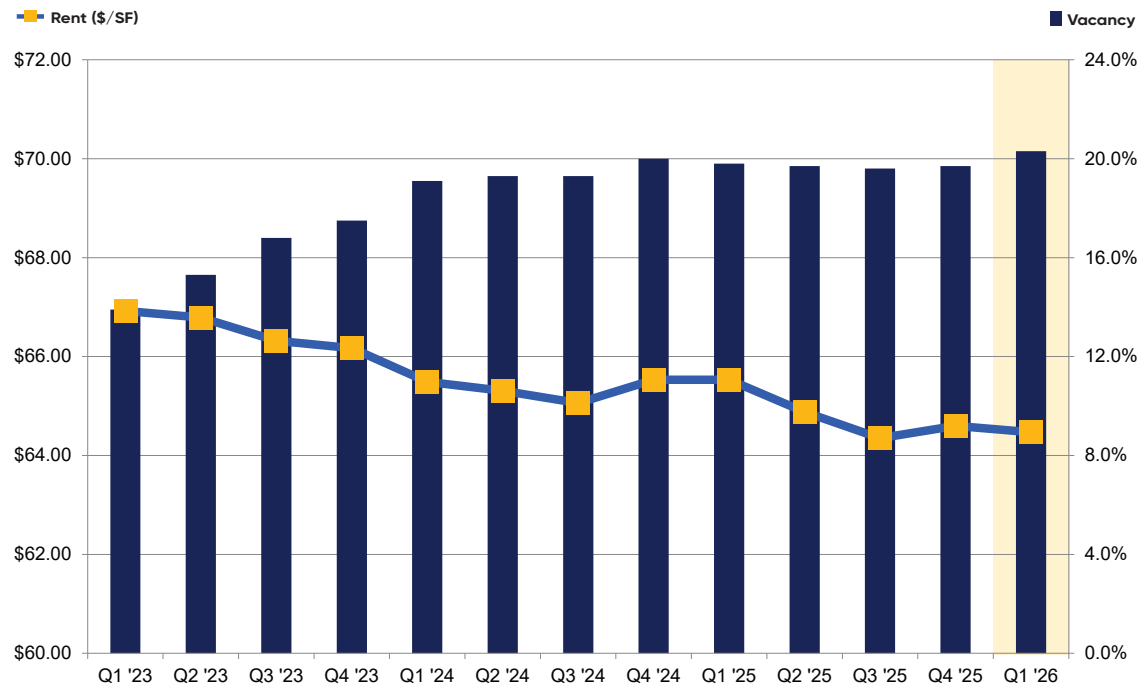
Sublease
4.3%

Available
26.7%

Arrows Indicate Quarterly Change

Historical Rent and Vacancy

Rents remain resilient while vacancy ticks up, reinforcing a bifurcated market where Class A assets hold value even as softness persists in Class B space.



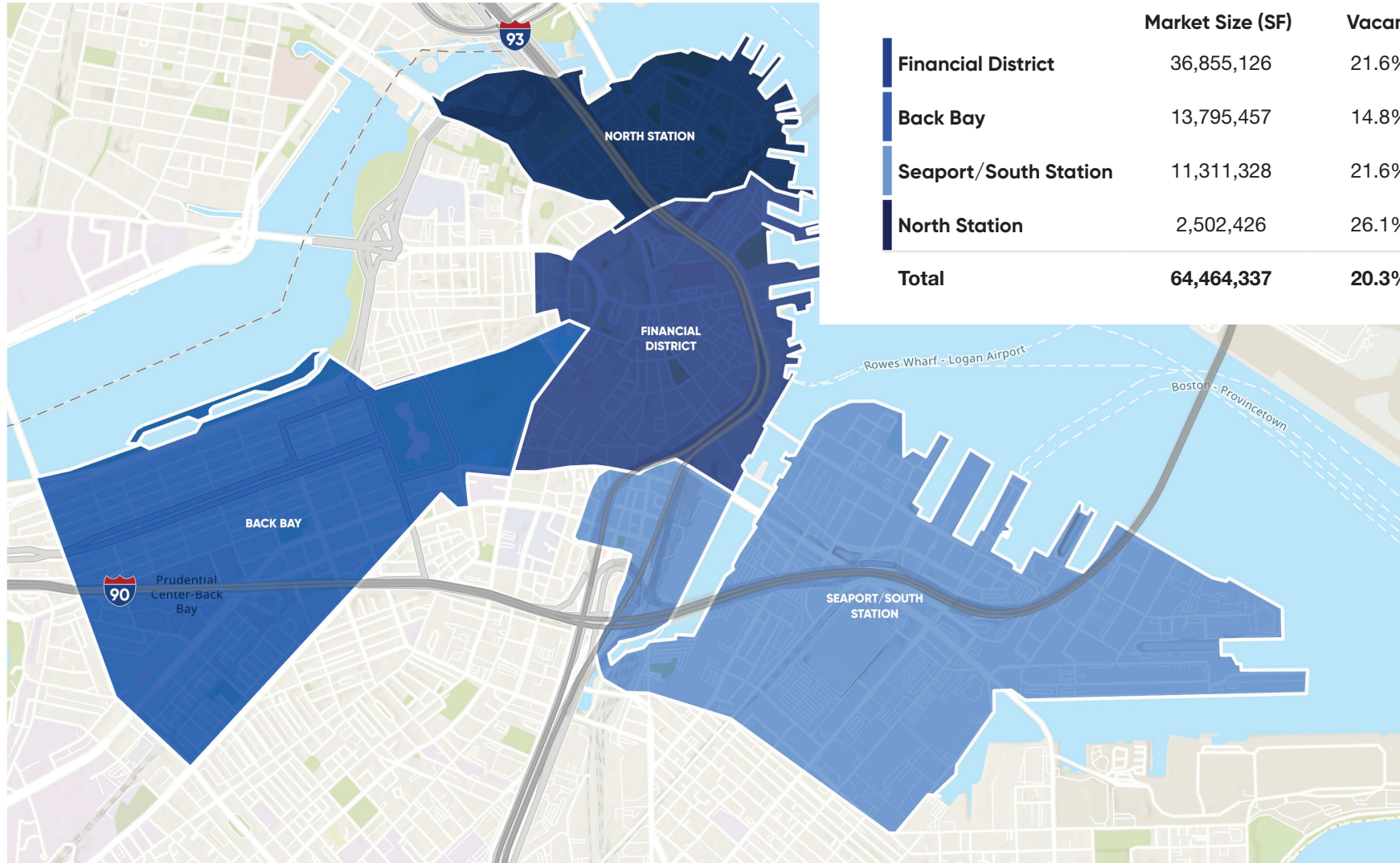
Notable Market Transactions

Tenant	Size (SF)	Submarket	Type
JPMorgan	250,000	Financial District	Relocation/Consolidation
Division of Capital Asset Management & Maintenance	79,424	Financial District	New Lease
CBIZ	54,000	Financial District	Renewal/Expansion
Troutman Pepper Locke	51,153	Back Bay	Renewal/Downsize
Bracebridge Capital	34,000	Back Bay	Renewal/Expansion

A 250,000 SF commitment across eight and a half floors positions JPMorgan as the anchor tenant at South Station Tower ahead of its 2028 occupancy. This lease highlights continued flight to quality and portfolio consolidation.



By the Numbers Submarkets



	Market Size (SF)	Vacant	Sublease	Available	Rent/SF	
					Class A	Class B
Financial District	36,855,126	21.6%	3.2%	26.7%	\$69.81	\$51.44
Back Bay	13,795,457	14.8%	2.4%	20.9%	\$72.41	\$59.14
Seaport/South Station	11,311,328	21.6%	8.2%	31.2%	\$77.60	\$54.93
North Station	2,502,426	26.1%	13.1%	39.2%	\$63.00	\$50.47
Total	64,464,337	20.3%	4.3%	26.7%	\$70.98	\$53.58

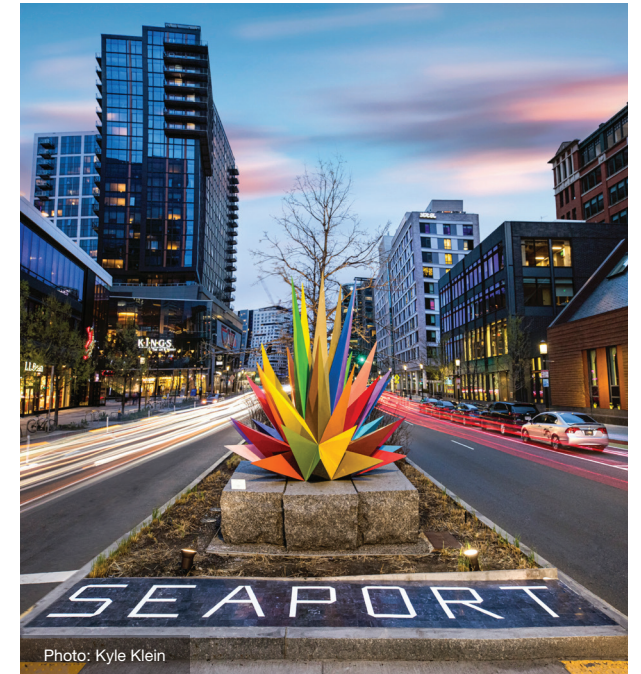


Photo: Kyle Klein

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Photo: Getty Images

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Q1 2026

Life Sciences

BOSTON | CAMBRIDGE | INNER SUBURBS | ROUTE 128

Opportunity on the Horizon

Through the first quarter, activity across the Greater Boston life sciences market has continued to build. There are currently more than 50 active tenants in the market representing roughly 2.2M SF of demand, signaling steady momentum after a prolonged slowdown. Even with this increase in activity, the broader recovery remains uneven. New financings and growth stories are balanced by ongoing layoffs, consolidations, and acquisitions. This mixed backdrop is likely to persist, creating a market defined by both opportunity and caution.

For tenants on a growth trajectory, the current environment offers a rare advantage. Elevated availability and a wide range of options are allowing occupiers to be more selective and strategic in real estate decisions.

Photo: Shutterstock



Watertown Momentum Continues

Watertown remains one of the most active submarkets, with strong leasing momentum carrying into Q2.

TENANT TAKEAWAY

Watertown's central location between urban and suburban clusters, combined with a growing amenity base, continues to attract tenants seeking flexibility, accessibility, and a strong employee experience.



Later-Stage Companies Are Driving Demand

The majority of leasing activity is coming from more established life sciences companies, typically those operating for five or more years. Earlier-stage firms remain cautious and are extending time in incubator or shared lab environments.

TENANT TAKEAWAY

Emerging companies are prioritizing capital efficiency and flexibility, while more mature tenants are taking advantage of current conditions to secure high-quality space with favorable economics.



Market Size
53,232,035 SF



Vacancy
30.3%



Sublease
7.2%

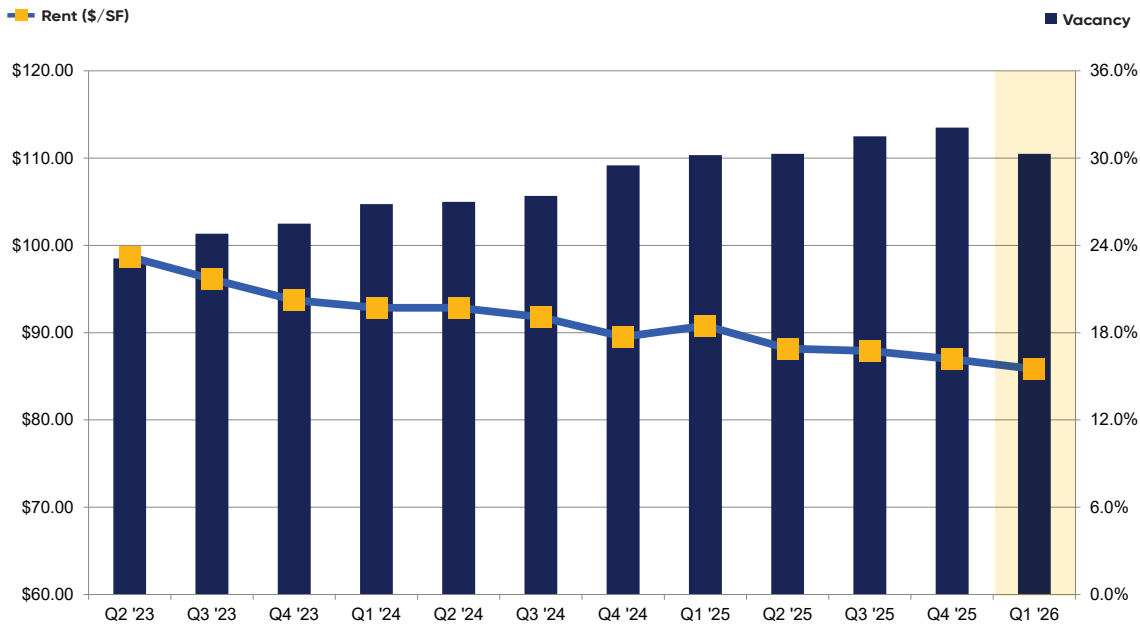


Available
37.7%

Arrows Indicate Quarterly Change

Historical Class A Rent and Vacancy

Rising vacancy alongside gradually softening rents is shifting leverage to tenants, creating greater flexibility, more options, and improved negotiating power across the Life Sciences market.

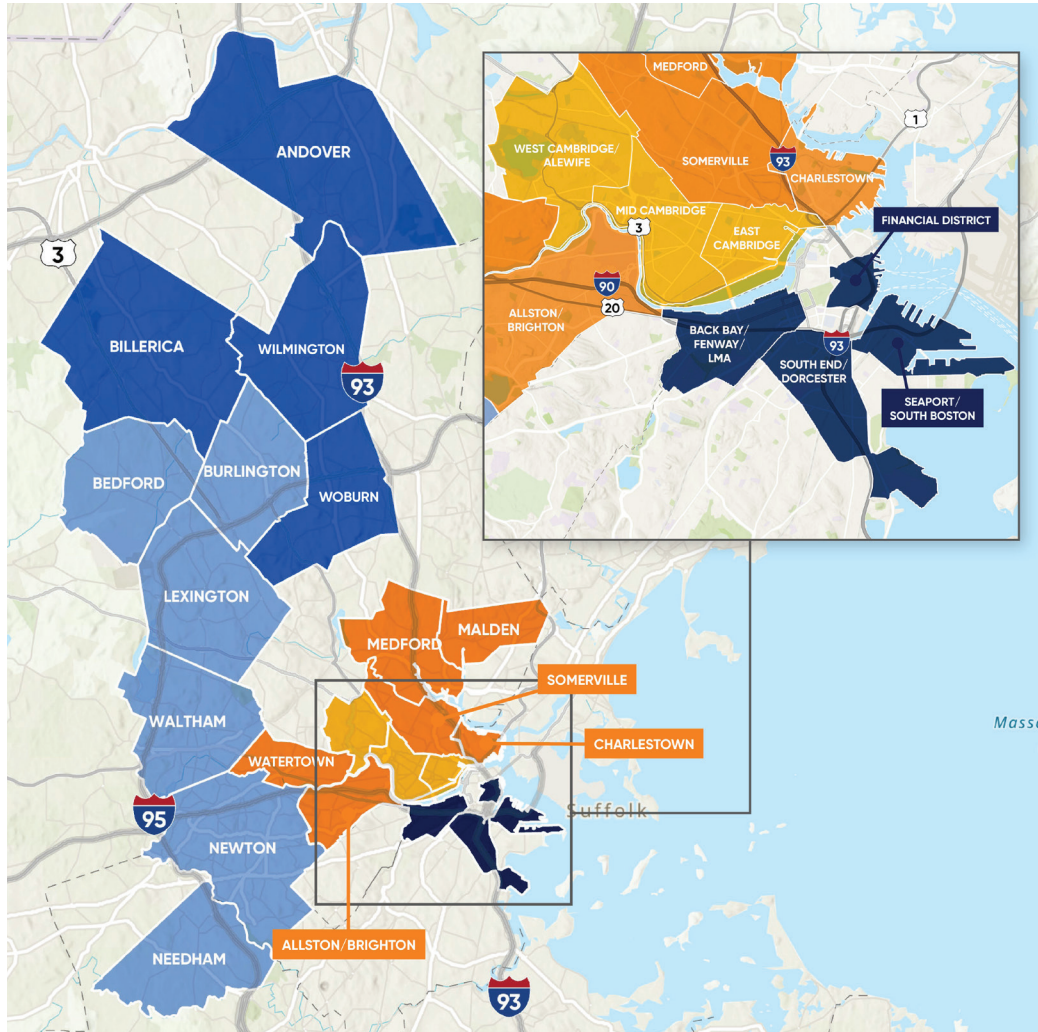


Notable Market Transactions

Tenant	Size (SF)	Submarket	Type
Stoke Therapeutics	100,000	Waltham	Relocation
Zealand Pharma	55,000	Alewife	Relocation
Camp4 Therapeutics	44,808	Watertown	Relocation
Terrestrial (Formerly Vaxess)	42,000	Allston	Relocation/Consolidation



By the Numbers Submarkets



		Market Size (SF)	Vacant	Sublease	Available	Rent/SF	
						Class A	Class B
Cambridge	East Cambridge	11,973,499	17.5%	6.7%	24.2%	\$105.00	\$85.00
	Mid Cambridge	3,435,557	24.5%	21.9%	46.3%	\$90.00	\$80.00
	West Cambridge/Alewife	2,772,004	40.6%	11.9%	52.5%	\$85.00	\$60.00
	Total	18,181,060	22.3%	10.3%	32.7%	\$99.12	\$80.24
Boston	Seaport/South Boston	6,326,086	36.1%	6.8%	42.9%	\$100.00	\$80.00
	Financial District	781,243	76.2%	8.1%	84.3%	\$85.00	\$70.00
	Back Bay/Fenway/LMA	3,040,612	16.4%	1.9%	18.3%	\$95.00	\$80.00
	South End/Dorchester	929,000	56.6%	4.4%	61.1%	\$85.00	\$70.00
	Total	11,076,941	35.3%	5.3%	40.6%	\$96.31	\$78.46
Inner Suburbs	Charlestown	761,866	41.9%	9.4%	51.4%	\$75.00	\$60.00
	Medford/Malden	790,618	51.1%	16.8%	69.5%	\$55.00	\$50.00
	Somerville	2,471,603	46.9%	0.4%	47.3%	\$80.00	\$70.00
	Watertown	3,433,694	40.1%	6.6%	46.8%	\$85.00	\$70.00
	Allston/Brighton	2,010,412	37.8%	0.0%	37.8%	\$90.00	\$80.00
Total	9,468,193	42.5%	4.3%	46.5%	\$81.45	\$69.65	
Route 128 West	Bedford/Burlington	3,212,644	43.1%	3.2%	46.3%	\$60.00	\$50.00
	Lexington/Waltham	8,154,548	22.2%	9.4%	31.5%	\$72.00	\$60.00
	Newton/Needham	659,796	42.1%	3.6%	45.8%	\$60.00	\$55.00
	Total	12,026,988	28.8%	7.4%	36.2%	\$68.14	\$57.05
Route 128 North	Wilmington	128,370	44.6%	0.0%	44.6%	\$30.00	\$25.00
	Woburn	1,298,511	15.3%	7.1%	22.4%	\$45.00	\$40.00
	Billerica	385,763	16.3%	0.0%	16.3%	\$28.00	\$26.00
	Andover	666,209	56.8%	0.9%	57.6%	\$55.00	\$45.00
	Total	2,478,853	28.1%	3.9%	32.1%	\$44.27	\$38.39

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Q1 2026

Industrial/Flex

ROUTE 128 | ROUTE 495 | SOUTHERN NH

Ready, Reset, Go

The Greater Boston industrial and flex markets are beginning to reset after nearly two years of muted demand. New construction has slowed to post-Covid lows, while improving visibility around tariffs and broader economic conditions is giving tenants more confidence to move forward with leasing decisions and expansions.

With limited new supply on the horizon, even modest increases in demand are starting to shift sentiment. Landlords are becoming more optimistic about mid- to long-term fundamentals, particularly as activity picks up across core submarkets.

At the same time, today's environment continues to favor tenants seeking quality. Many occupiers have taken the opportunity to upgrade into newer, high-bay and more efficient facilities without a meaningful increase in rent, particularly in submarkets with recent development.

Photo: Shutterstock



Demand is Beginning to Build

Q1 marked a noticeable increase in touring activity and active requirements. As demand improves and new supply remains limited, the market is positioned to shift back toward landlords if momentum continues.

TENANT TAKEAWAY

Tenants with upcoming requirements should move proactively to capture today's leverage before competition for quality space intensifies.



Rents Are Holding Firm

Despite softer demand through much of 2025, landlords largely held face rents, instead increasing concessions such as free rent and flexible structures. As new supply slows, some are beginning to push rents after a prolonged period of flat growth.

TENANT TAKEAWAY

Tenants should focus on maximizing concessions and flexibility now, while also planning for a more landlord-driven pricing environment as conditions tighten.

Industrial Flex

Market Size	
	203,240,000 SF
	66,700,000 SF

Vacancy	
	9.2%
	10.8%

Sublease	
	0.4%
	2.1%

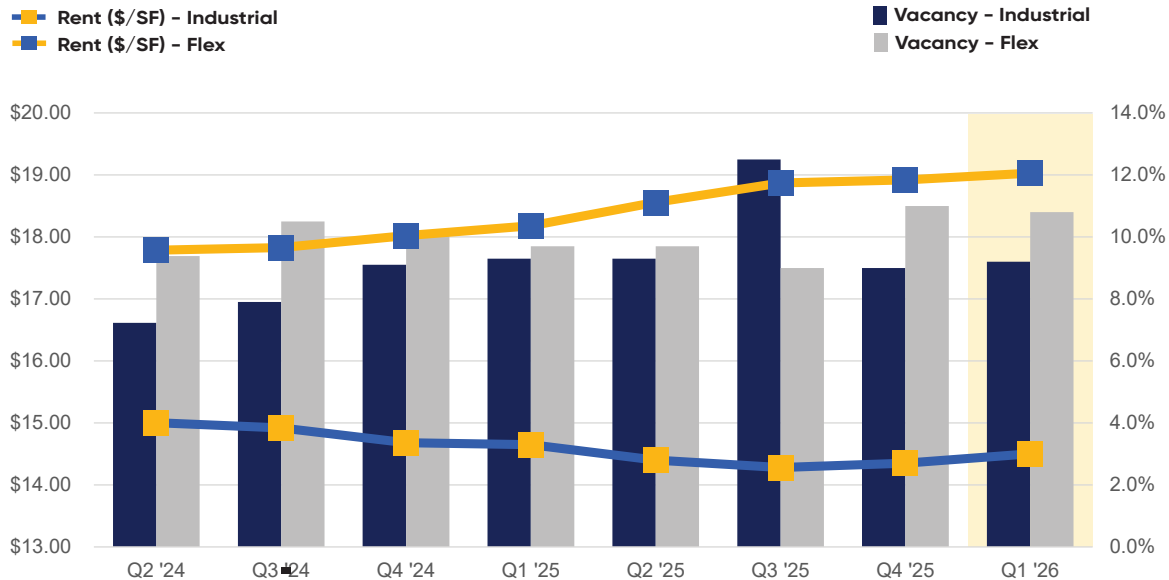
Available	
	9.6%
	12.9%

Arrows Indicate Quarterly Change

Historical Rent and Vacancy

Note: Cresa began tracking this market in Q2 2024.

While tenants experienced a year and a half of quieter market demand and less upward pressure on rents, the demand environment is signaling to landlords that there is room to further increase asking rents.



Notable Market Transactions

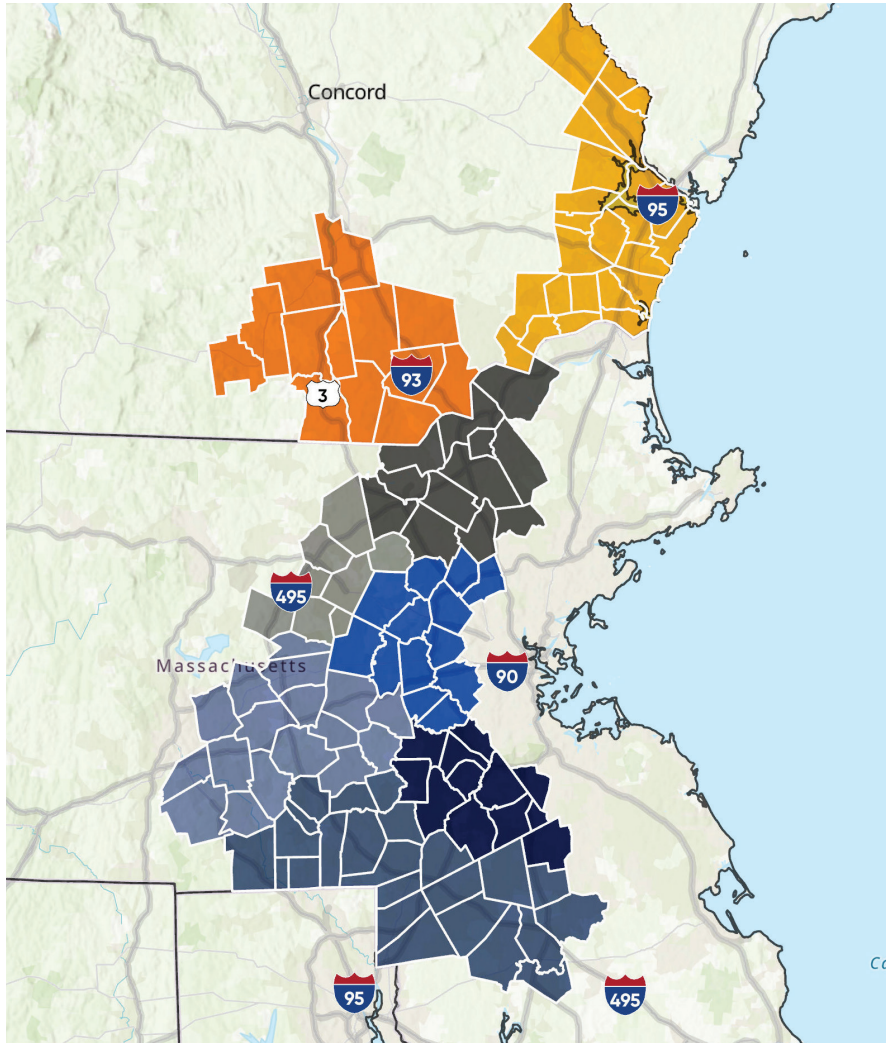
Tenant	Size (SF)	Submarket	Use	Type
Victory Packaging	249,972	495 South	Industrial	Renewal
GXO Logistics	166,404	Southern NH	Industrial	Expansion
Unicorr	105,176	MetroWest	Industrial	Relocation
VulcanForms	101,000	495 Central	Industrial	Expansion
Restor3D	58,974	495 North	Flex	Renewal
BRUNT Workwear	56,000	495 North	Flex	Relocation
TGL Logistics	28,510	495 North	Industrial	New lease

Market activity is trending upward, marked by more substantive expansions and increased relocation velocity.



BRUNT, 301 Ballardvale Street, Wilmington, MA | Photo: CoStar

By the Numbers Submarkets



		Market Size (SF)	Vacant	Sublease	Available	Average Rent/SF (NNN)	
Industrial	Route 495	North	37,600,000	5.2%	0.5%	6.6%	\$16.65
		Central	3,600,000	8.5%	4.1%	11.2%	\$13.35
		MetroWest	22,240,000	8.8%	1.1%	9.9%	\$13.15
		South	52,800,000	12.1%	1.9%	15.0%	\$12.25
	Total	116,240,000	9.1%	0.0%	11.2%	\$13.88	
Route 128	Northwest	13,100,000	7.9%	0.4%	8.7%	\$19.00	
	South	23,200,000	14.1%	1.6%	17.3%	\$14.00	
	Total	36,300,000	11.9%	1.2%	14.2%	\$15.80	
Southern NH	Seacoast	12,900,000	8.9%	0.5%	8.4%	\$12.50	
	Route 3/Route 93	37,800,000	6.9%	0.9%	7.4%	\$12.25	
	Total	50,700,000	7.4%	0.8%	7.7%	\$12.31	
Flex	Route 495	North	18,400,000	11.4%	2.7%	13.9%	\$20.50
		Central	3,400,000	19.4%	10.3%	21.6%	\$17.50
		MetroWest	13,100,000	10.0%	1.6%	13.0%	\$18.25
		South	7,900,000	11.1%	1.3%	14.5%	\$17.00
	Total	42,800,000	11.6%	2.7%	14.3%	\$18.93	
Route 128	Northwest	5,400,000	8.5%	1.9%	11.5%	\$24.00	
	South	7,700,000	11.4%	0.4%	14.6%	\$18.25	
	Total	13,100,000	10.2%	1.0%	11.2%	\$20.62	
Southern NH	Seacoast	2,900,000	7.0%	0.2%	8.4%	\$14.00	
	Route 3/Route 93	7,900,000	9.5%	1.3%	11.1%	\$13.75	
	Total	10,800,000	8.8%	1.0%	9.8%	\$13.82	

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Q1 2026 Suburban Office

ROUTE 128 | ROUTE 495

A Market Splitting in Two

The “barbell market” dynamic continues to define the Greater Boston suburban office landscape. Conditions remain broadly tenant-favorable, but the gap between top-tier assets and the rest of the market is widening. Leasing activity is increasingly concentrated in high-quality, well-located buildings, while older and less competitive properties continue to reprice or fall out of consideration entirely.

At the same time, new development has effectively paused. As obsolete inventory is repositioned or removed and demand consolidates around best-in-class space, the groundwork is being laid for a tighter market at the top end over the next 12 to 24 months.

Photo: Getty Images



Demand Stabilizing, Not Expanding

Leasing activity remains driven by expirations rather than growth, with renewals and restructures continuing to account for the majority of transactions.

TENANT TAKEAWAY

Landlords are still prioritizing occupancy over rent growth, creating a favorable environment for tenants, particularly those willing to relocate and create competition.



Sublease Eases, Large Blocks Persist

Sublease availability is declining, largely due to expirations, with much of that space returning to landlords as direct vacancy. At the same time, several large blocks remain on the market.

TENANT TAKEAWAY

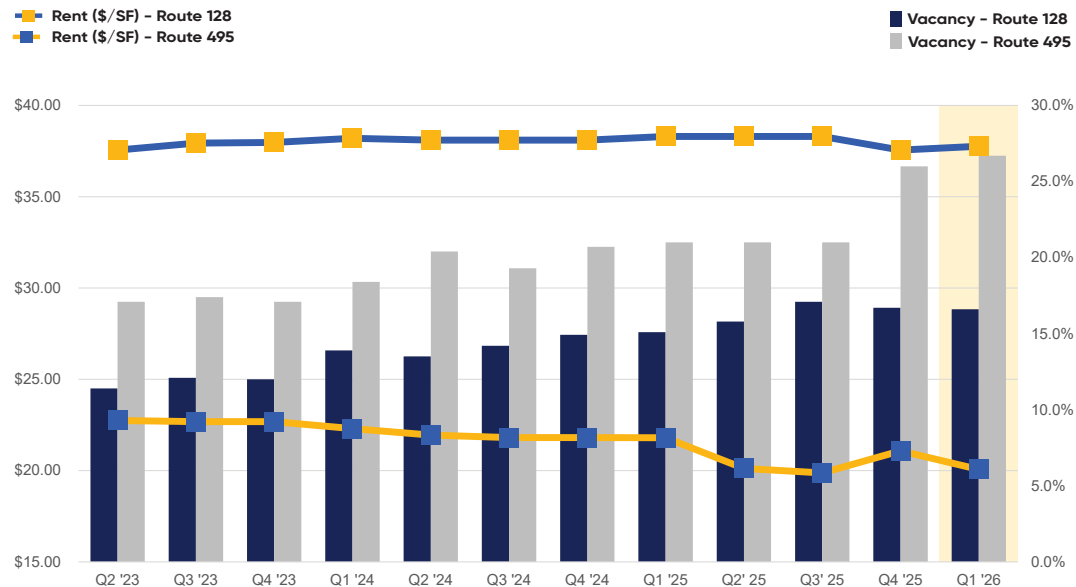
The combination of lingering large blocks and new direct availability continues to put downward pressure on pricing and gives tenants leverage in negotiations.

		Market Size		Vacancy		Sublease		Available
Route 128	☰	43,063,138 SF	↕	16.6%	↕	5.4%	↕	26.2%
Route 495	☰	31,000,000 SF	↕	26.7%	↕	4.0%	↕	31.1%

Arrows Indicate Quarterly Change

Historical Rent and Vacancy

As of Q1 2026, suburban rents remain at cyclical highs following steady growth over the past two years, while vacancy has begun to rise from recent lows, highlighting a growing divide between in-demand, high-quality space and underperforming assets.



Notable Market Transactions

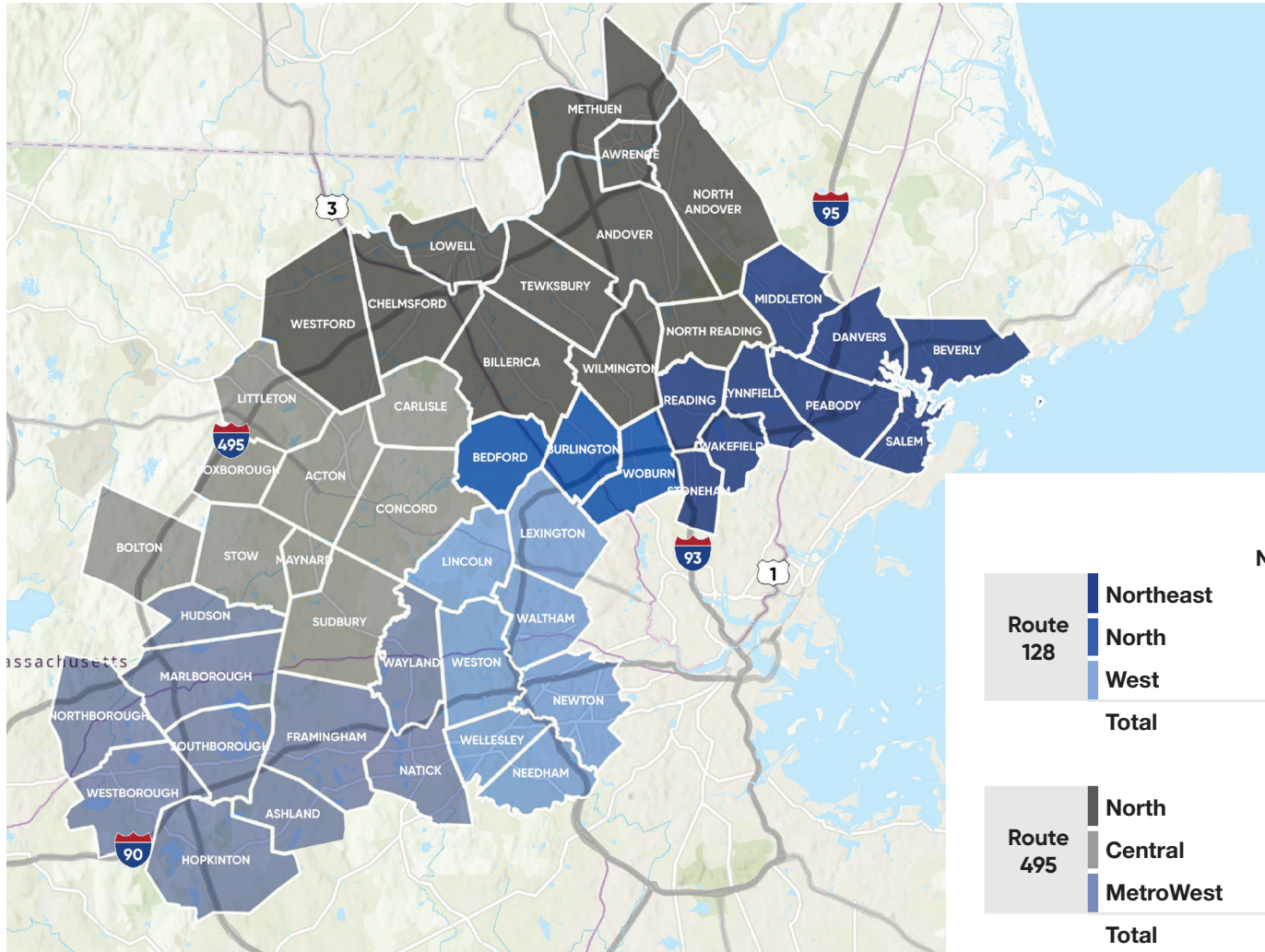
Tenant	Size (SF)	Submarket	Building Type / Deal Type
Panera Bread	100,000	128 Central	Office / Relocation & Expansion
Stoke Therapeutics	98,472	128 Central	Lab / Relocation & Expansion
Advocates	95,182	495 MetroWest	Office / Relocation
Akebia Therapeutics	43,474	128 Central	Lab / Relocation & Downsize
Candela	43,134	495 North	Office / Renewal
Regus	23,000	495 North	Office / Renewal & Downsize



Stoke Therapeutics, 245 Fifth Avenue, Waltham, MA | Photo: CoStar

At the end of 2026, Stoke will relocate its 38,000 SF HQ from Bedford, MA to a new facility in Waltham, MA, nearly doubling their footprint.

By the Numbers Submarkets



						Rent/SF	
						Class A	Class B
Route 128	Northeast	6,557,941	14.6%	1.3%	16.3%	\$29.00	\$24.00
	North	12,948,805	17.2%	7.0%	27.9%	\$41.50	\$31.00
	West	23,556,392	16.8%	5.7%	28.1%	\$46.50	\$37.00
	Total	43,063,138	16.6%	5.4%	26.2%	\$42.33	\$33.22
Route 495	North	16,900,000	22.0%	2.8%	25.3%	\$23.00	\$18.75
	Central	3,500,000	41.4%	1.9%	42.9%	\$20.25	\$16.25
	MetroWest	10,600,000	29.2%	6.8%	36.4%	\$21.25	\$17.50
	Total	31,000,000	26.7%	4.0%	31.1%	\$22.09	\$18.04

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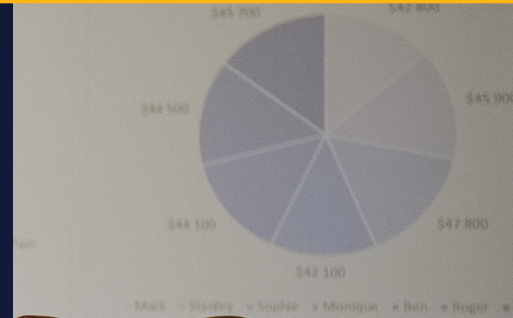


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Cambridge Office

No Recovery in Sight

Before Cambridge became a global life sciences hub, it was a center of gravity for technology companies seeking office space. Proximity to MIT and Harvard helped fuel a vibrant ecosystem, but rising rents and competition from larger tech firms ultimately pushed many earlier-stage companies across the river to Boston, where space, transit access, and amenities offered more flexibility.

Today, that shift has accelerated. Remote and hybrid work have led many tech companies to reduce their office footprints across all markets, and Cambridge has been no exception. While demand for lab space is gradually returning, there are still no clear signs of a meaningful recovery on the office side. Availability remains elevated, and new vacancy continues to come online as tenants downsize or exit space altogether.



Demand Remains Limited

Office demand remains largely absent, with additional availability continuing to come from downsizing tenants and space rollbacks.

TENANT TAKEAWAY

Tenants with requirements are in a rare position to secure high-quality space in prime Cambridge locations with significant negotiating leverage.



Class A Landlords Competing For Tenants

Even top-tier buildings in East Cambridge are facing sustained vacancy and must actively compete to win deals.

TENANT TAKEAWAY

Landlords are differentiating through amenities and experience, with increased investment in shared spaces, upgraded common areas, and enhanced retail offerings to stay competitive.

Market Size
11,583,557 SF

Vacancy
20.6%

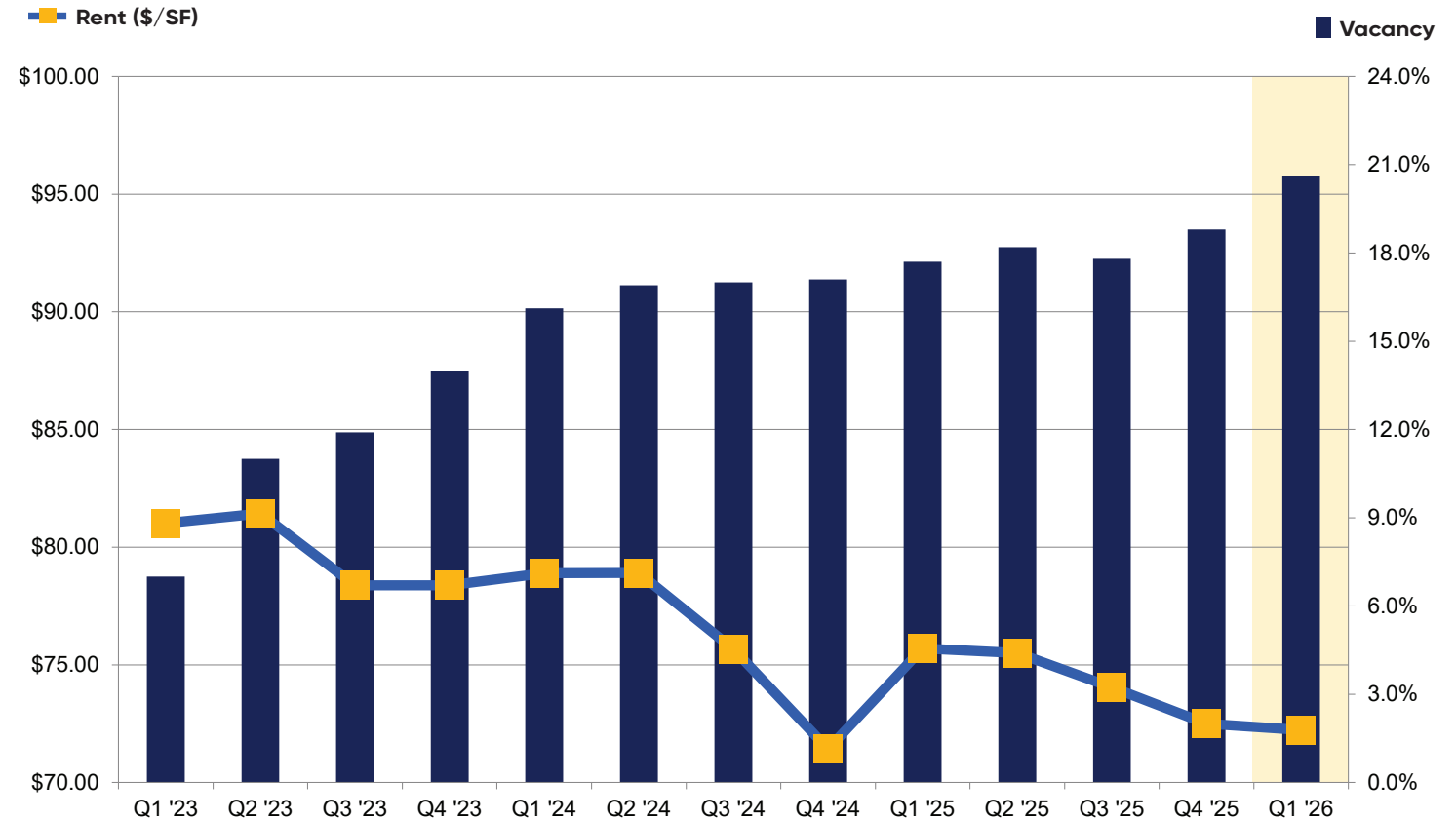
Sublease
8.9%

Available
29.5%

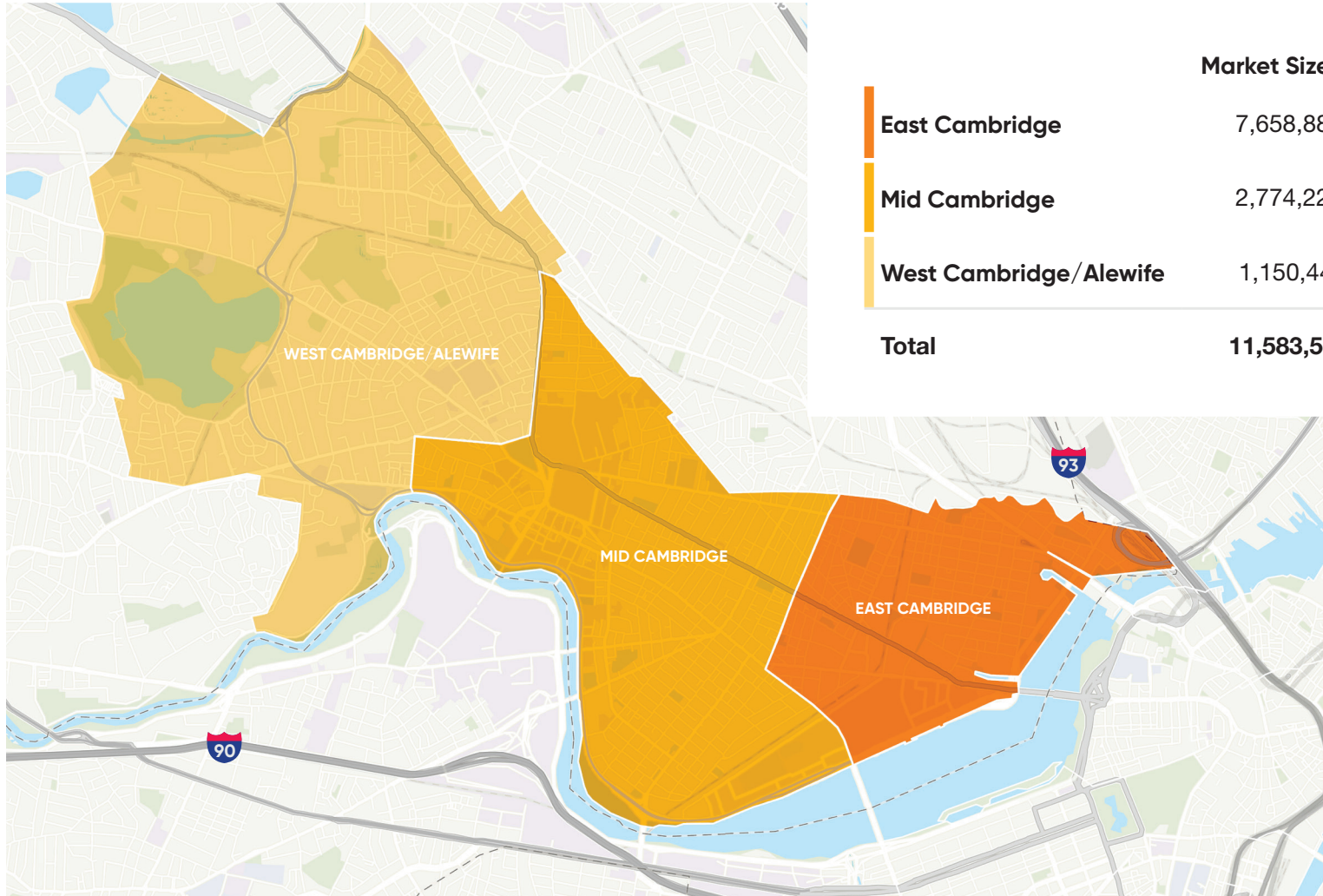
Arrows Indicate Quarterly Change

Historical Class A Rent and Vacancy

Cambridge office rents have remained relatively stable at elevated levels, while vacancy continues to rise, reflecting ongoing availability pressures and a continued shift in demand toward high-quality assets, highlighted by Walden Robotics leasing 39,571 SF in Mid-Cambridge.



By the Numbers Submarkets



	Market Size (SF)	Vacant	Sublease	Available	Rent/SF	
					Class A	Class B
East Cambridge	7,658,887	22.86%	10.40%	33.26%	\$80.00	\$48.00
Mid Cambridge	2,774,227	17.18%	4.50%	21.68%	\$60.00	\$45.00
West Cambridge/Alewife	1,150,443	13.70%	9.20%	22.90%	\$50.00	\$40.00
Total	11,583,557	20.59%	8.88%	29.47%	\$72.23	\$46.49



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