

**MARKET INSIGHTS
PROVIDED FOR:**

Downtown Boston

Life Sciences

Industrial / Flex

Suburban Office

Cambridge Office

Q2 2026

Greater Boston CRE Market Insight Reports

Q2 2026 Downtown Office

Companies Are Making Long-Term Commitments

After several years of uncertainty, more companies are making long-term real estate decisions. Return-to-office policies continue to evolve, with major employers increasing in-office expectations and recommitting to their workplace strategies. As organizations gain confidence in their future space needs, many are choosing to invest in high-quality offices that support collaboration, culture, and employee experience.

That momentum is reflected across Downtown Boston. Fidelity has withdrawn space from the market in advance of a full return-to-office strategy, Amazon is moving forward with its second Seaport office building, and TD Bank is preparing to relocate employees into International Place with a four-day in-office requirement. While leasing activity remains concentrated among larger, well-capitalized occupiers, these commitments point to growing confidence in the long-term value of the office.

Photo: Getty Images



Amenity-Rich Buildings Remain Preferred

Buildings offering exceptional amenities, hospitality-driven experiences, and modern workplace environments continue to capture the majority of leasing activity. The market's strongest assets, including One Congress, 115 Federal Street, South Station Tower, and International Place, continue to attract major occupiers.

TENANT TAKEAWAY

For tenants, amenity-rich buildings offer more than office space. They provide an employee experience that can support recruiting, retention, and return-to-office goals.



No New Supply on the Horizon

Following the completion of the current development cycle, no meaningful office construction is expected to deliver in 2026.

TENANT TAKEAWAY

With no new supply ahead, tenants should focus on existing Class A opportunities. Today's market provides strong choice, but premium options will become more limited as leasing activity grows.



Market Size
64,464,337 SF



Vacancy
21.1%



Sublease
4.2%

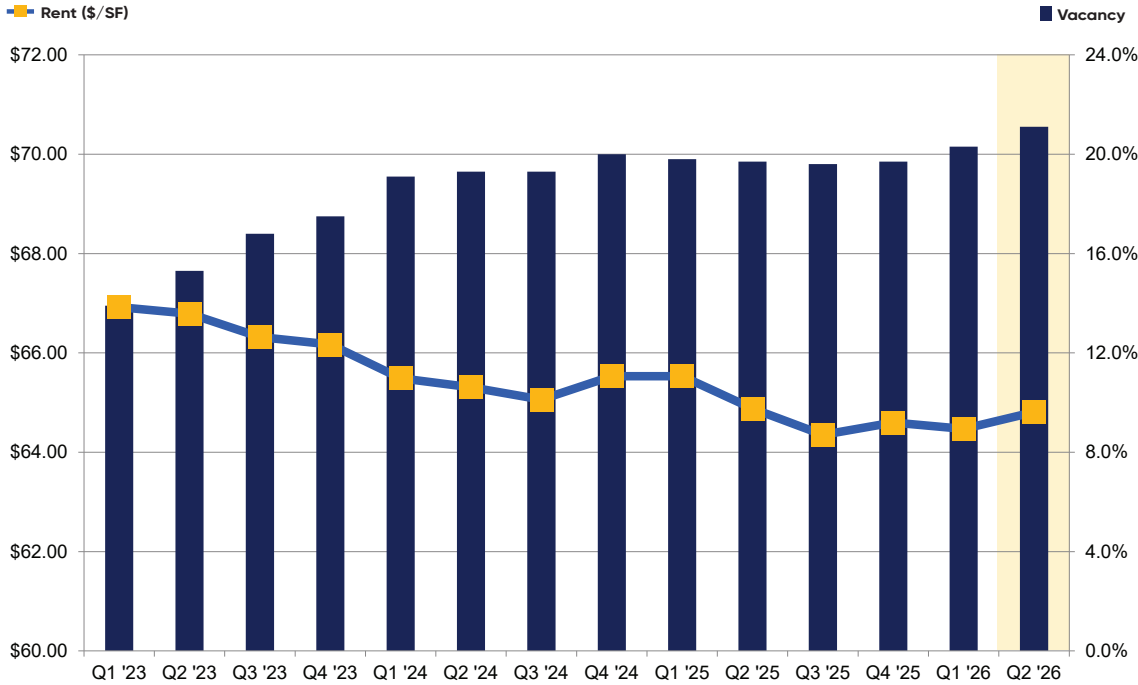


Available
27.4%

Arrows Indicate Quarterly Change

Historical Rent and Vacancy

Asking rents have begun to stabilize despite elevated vacancy, reflecting a market where tenants continue to benefit from favorable leasing conditions as long-term office commitments become more common.



Notable Market Transactions

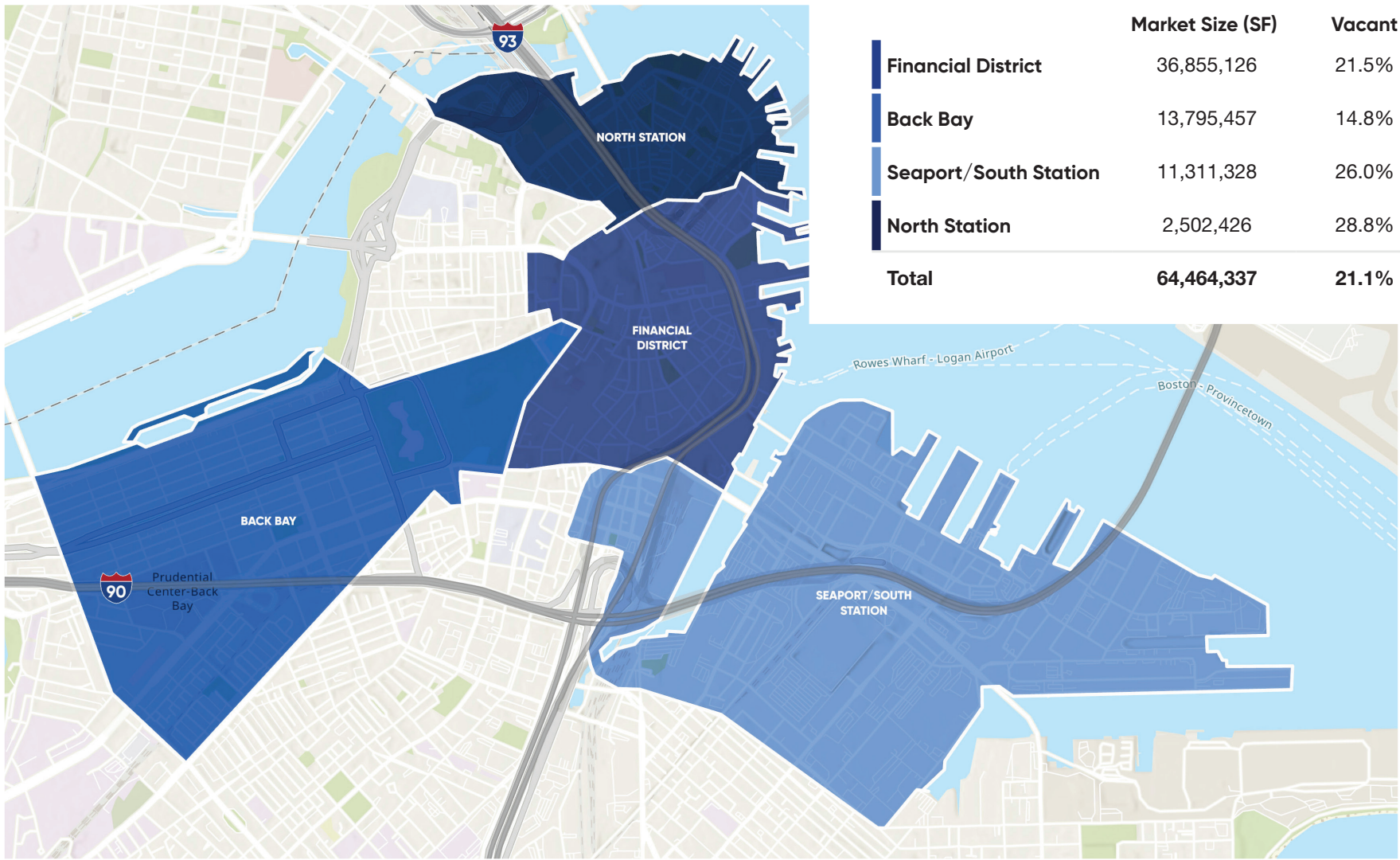
Tenant	Size (SF)	Submarket	Type
McCarter & English	47,466	Financial District	Relocation
The Brattle Group	41,802	Financial District	Renewal
Collegium Pharmaceutical	40,000	Financial District	Relocation

McCarter & English will relocate from 265 Franklin Street to 47,466 SF at One International Place in May 2027 under an 11-year lease. The move reflects continued flight-to-quality demand, with tenants leveraging today's market to secure upgraded, amenity-rich workplaces that support long-term business objectives.



McCarter & English, Relocation to One International Place
Photo: Duncan Lake

By the Numbers Submarkets



	Market Size (SF)	Vacant	Sublease	Available	Rent/SF	
					Class A	Class B
Financial District	36,855,126	21.5%	3.3%	26.6%	\$69.81	\$51.44
Back Bay	13,795,457	14.8%	2.5%	20.6%	\$72.57	\$59.14
Seaport/South Station	11,311,328	26.0%	7.8%	35.1%	\$77.60	\$54.93
North Station	2,502,426	28.8%	11.5%	40.3%	\$63.00	\$50.47
Total	64,464,337	21.1%	4.2%	27.4%	\$71.32	\$53.45



Q2 2026

Life Sciences

BOSTON | CAMBRIDGE | INNER SUBURBS | ROUTE 128

Opportunity Remains Abundant

The Greater Boston life sciences market remains in a period of correction, with elevated vacancy driven by a wave of new laboratory deliveries and more measured tenant demand. While leasing activity has improved from its lows, many companies continue to prioritize operational efficiency by rightsizing footprints and making thoughtful real estate decisions.

The slowdown in speculative development is helping the market move toward a healthier long-term balance between supply and demand. In the meantime, occupiers continue to benefit from an abundance of high-quality laboratory space, generous concession packages, and significant negotiating leverage. As capital markets stabilize and venture funding gradually improves, we expect the market to remain favorable for tenants over the next several years before a more balanced negotiating environment emerges.



Tenant-Friendly Conditions Continue

Elevated vacancy across Greater Boston continues to provide life sciences occupiers with exceptional leverage. Landlords remain willing to offer attractive concession packages, flexible lease structures, and generous tenant improvement allowances to secure commitments.

TENANT TAKEAWAY

Tenants with upcoming lease expirations or changing space needs should evaluate the market early to maximize leverage and secure a solution that supports long-term business goals.



Quality Continues to Attract Demand

Tenants remain selective, prioritizing high-quality, amenity-rich laboratory environments that support collaboration, talent attraction, and operational efficiency. The flight to quality continues to drive leasing activity across newer buildings.

TENANT TAKEAWAY

Today's market offers a rare opportunity to upgrade into better space at economics comparable to, or better than, renewing in place.



Market Size
53,299,397 SF



Vacancy
22.5%



Sublease
7.2%

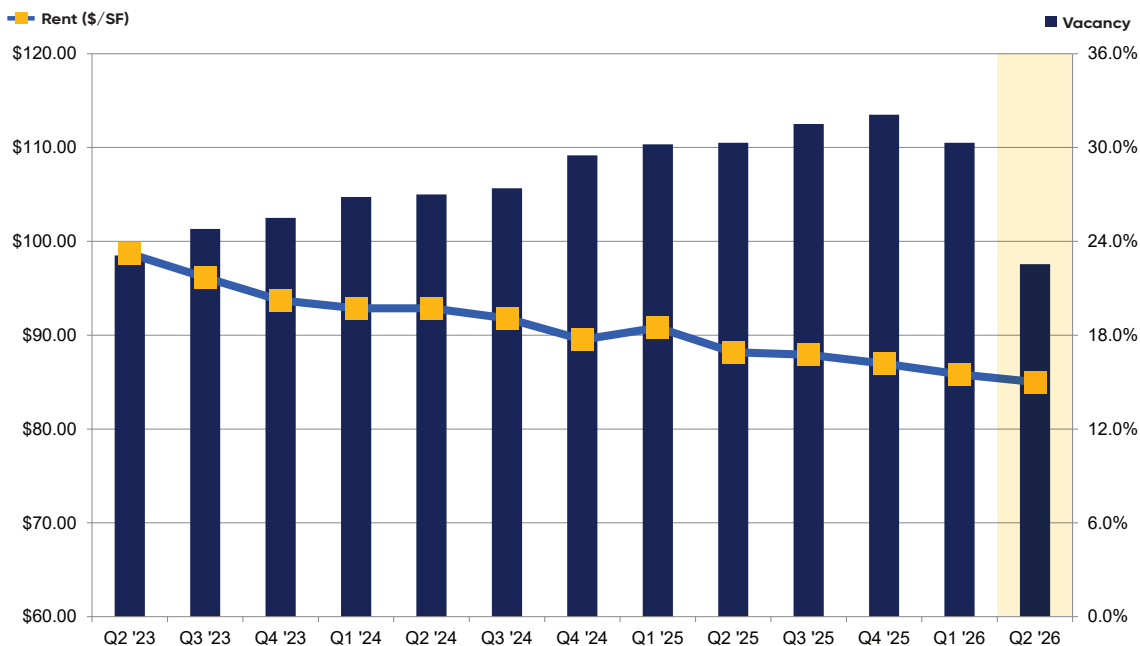


Available
37.5%

Arrows Indicate Quarterly Change

Historical Class A Rent and Vacancy

While vacancy remains elevated, asking rents continue to adjust, creating a unique window for tenants to secure high-quality laboratory space with greater flexibility and long-term value.



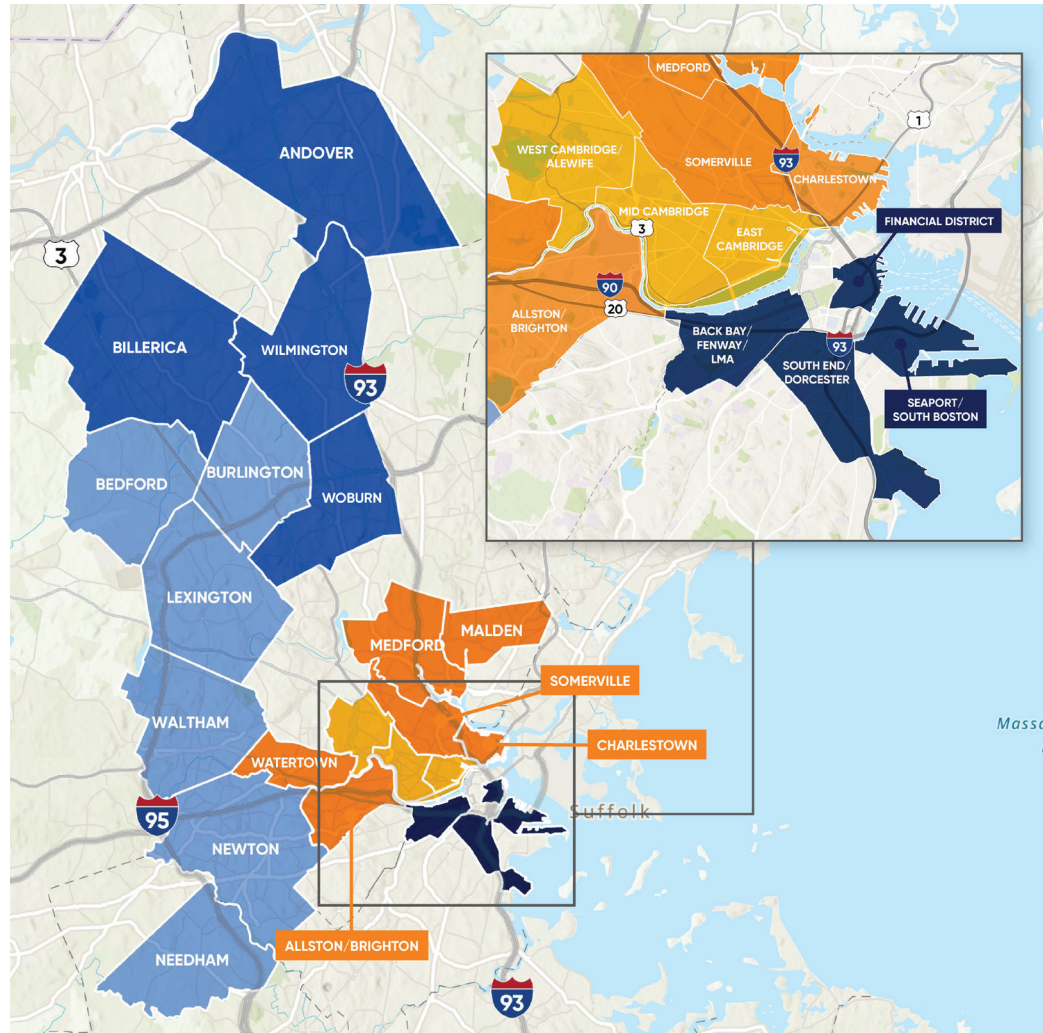
Notable Market Transactions

Tenant	Size (SF)	Submarket	Type
AdvanCell	128,309	Andover	New Facility
ALS Institute	33,310	Watertown	Relocation
Pascal Technologies	21,503	Watertown	New Facility



AdvanCell's New HQ, 1 Corporate Drive, Andover, MA | Photo: CoStar

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	32.1%	6.8%	42.6%	\$100.00	\$80.00
	Financial District	781,243	76.2%	8.1%	84.3%	\$88.00	\$75.00
	Back Bay/Fenway/LMA	3,040,612	17.0%	2.6%	20.2%	\$100.00	\$90.00
	South End/Dorchester	929,000	57.0%	7.3%	64.2%	\$85.00	\$65.00
	Total	11,076,941	33.1%	5.8%	41.2%	\$97.90	\$81.13
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	22.9%	5.8%	48.5%	\$83.00	\$63.00
	Allston/Brighton	2,010,412	37.8%	0.0%	37.8%	\$90.00	\$80.00
	Total	9,468,193	36.2%	4.4%	47.8%	\$80.72	\$67.11
Route 128 West	Bedford/Burlington	3,212,644	34.2%	3.2%	46.3%	\$60.00	\$50.00
	Lexington/Waltham	8,154,548	10.3%	9.4%	31.7%	\$72.00	\$60.00
	Newton/Needham	659,796	42.1%	3.6%	48.4%	\$60.00	\$55.00
	Total	12,026,988	18.4%	7.4%	36.5%	\$68.14	\$57.05
Route 128 North	Wilmington	128,370	40.1%	0.0%	40.1%	\$30.00	\$25.00
	Woburn	1,298,511	13.7%	6.9%	24.0%	\$45.00	\$40.00
	Billerica	385,763	1.5%	0.0%	14.8%	\$28.00	\$26.00
	Andover	666,209	27.1%	0.9%	27.9%	\$55.00	\$45.00
	Total	2,478,853	16.8%	3.8%	24.4%	\$44.27	\$38.39

Q2 2026

Industrial/Flex

ROUTE 128 | ROUTE 495 | SOUTHERN NH

A More Balanced Market Emerges

The Greater Boston industrial and flex market continues to find its footing after nearly two years of slower leasing activity. Vacancy remains above historic lows, but increased tenant demand through the second quarter has begun to shift market sentiment. Landlords are growing more confident, rental rate expectations are improving, and concession packages are becoming more selective.

Construction costs remain a challenge for both landlords and tenants. While tenant improvement packages are still available, they are covering less of the total buildout cost than they did just a few years ago. As a result, companies are making real estate decisions more deliberately, with expansions and consolidations requiring a clear business case. We expect renewals to continue driving much of the market's transaction activity as occupiers look to secure favorable terms well ahead of lease expirations.

Photo: Shutterstock



Demand is Rebalancing The Market

Increased tenant activity has improved market sentiment, even though overall absorption has remained relatively modest. The market is becoming more balanced as demand gradually catches up with available supply.

TENANT TAKEAWAY

Strong negotiating leverage remains, but momentum could narrow opportunities. Tenants with upcoming requirements should start planning early to maximize flexibility and economics.



Development Activity is Returning

As leasing activity strengthens, developers are once again pursuing permits for speculative industrial projects after an extended slowdown.

TENANT TAKEAWAY

New development is encouraging, but new buildings won't be delivered immediately. In the near term, tenants should continue to focus on existing inventory while today's favorable market conditions remain in place.

Industrial
Flex

Market Size

↓

201,400,000 SF

↑

67,700,000 SF

Vacancy

↓

8.9%

↑

11.0%

Sublease

↑

1.1%

↓

1.9%

Available

↑

10.0%

≡

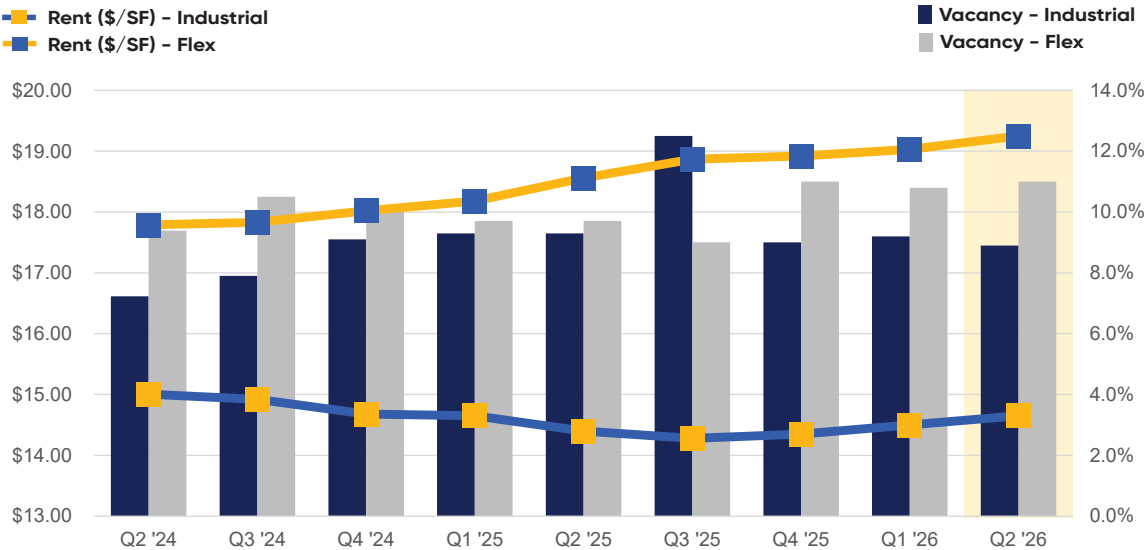
12.9%

Arrows Indicate Quarterly Change

Historical Rent and Vacancy

Note: Cresa began tracking this market in Q2 2024.

Despite elevated vacancy, asking rents have remained stable as leasing activity improves, signaling a more balanced market. Tenants continue to benefit from available inventory, but improving demand is beginning to strengthen landlord leverage.



Notable Market Transactions

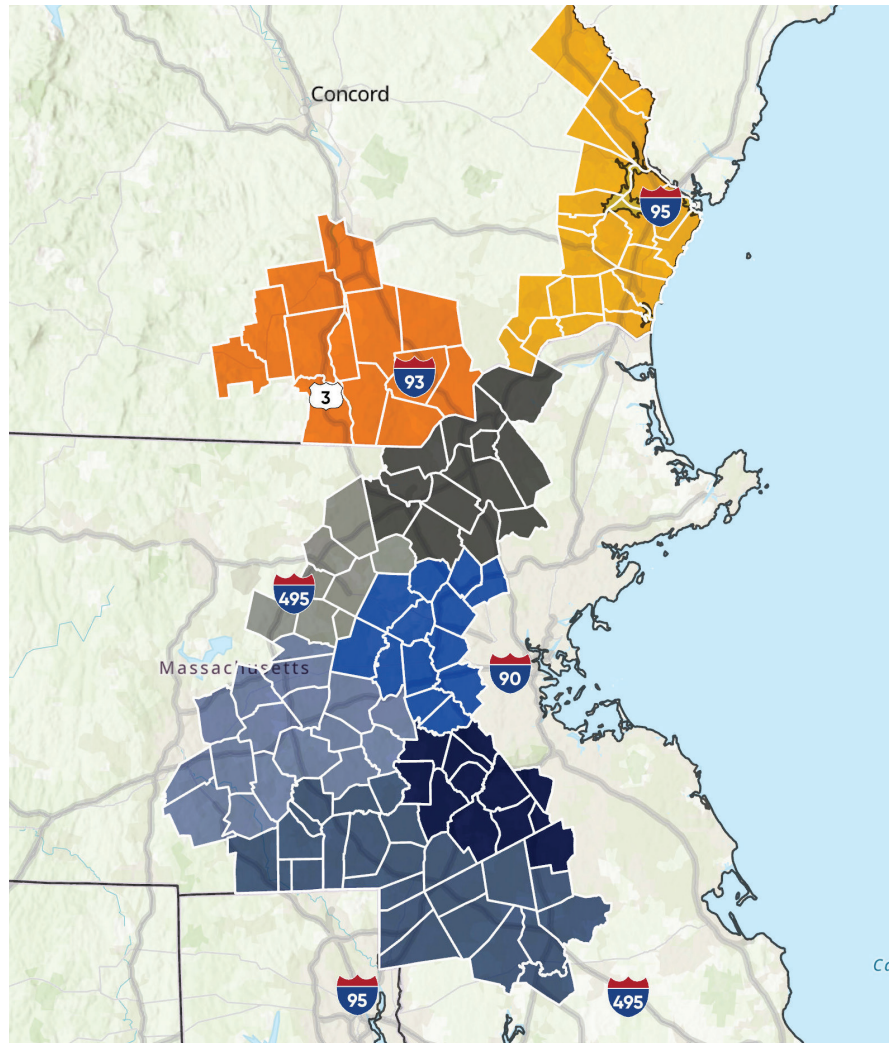
Tenant	Size (SF)	Submarket	Use	Type
FrontRunner Bus Group	88,000	495 North	Industrial	Relocation
Fairbanks Morse Defense	71,000	495 South	Industrial	New Lease
Armada	65,000	495 North	Industrial	Relocation
West Shore Home	33,000	495 North	Industrial	New Lease
Fabreeka	33,000	495 South	Industrial	Relocation

These notable transactions reflect continued occupier demand for modern industrial space across Greater Boston, with companies prioritizing facilities that support growth, operational efficiency, and long-term business needs.



FrontRunner Bus Group, 23 Esquire Road, Billerica, MA | Photo: CoStar

By the Numbers Submarkets



Industrial			Market Size (SF)	Vacant	Sublease	Available	Average Rent/SF (NNN)
Route 495	North		37,800,000	5.0%	0.3%	5.3%	\$16.75
	Central		3,700,000	4.0%	2.7%	6.7%	\$13.50
	MetroWest		22,400,000	7.4%	0.8%	8.2%	\$13.50
	South		52,200,000	13.2%	1.9%	15.1%	\$12.25
	Total		116,100,000	9.1%	1.2%	10.3%	\$14.00
Route 128	Northwest		12,800,000	8.2%	0.6%	8.8%	\$19.25
	South		23,400,000	12.6%	1.4%	14.0%	\$14.00
	Total		36,200,000	11.0%	1.1%	12.2%	\$15.86
Southern NH	Seacoast		12,900,000	7.1%	0.5%	7.6%	\$12.75
	Route 3/Route 93		36,200,000	6.9%	1.0%	7.9%	\$12.50
	Total		49,100,000	7.0%	0.8%	7.8%	\$12.57

Flex			Market Size (SF)	Vacant	Sublease	Available	Average Rent/SF (NNN)
Route 495	North		18,400,000	11.8%	2.7%	14.5%	\$20.50
	Central		3,300,000	14.9%	6.7%	21.6%	\$17.75
	MetroWest		12,700,000	10.1%	1.8%	11.9%	\$18.25
	South		7,900,000	10.4%	1.3%	11.7%	\$17.25
	Total		42,300,000	11.3%	2.5%	13.7%	\$19.00
Route 128	Northwest		5,400,000	8.7%	1.2%	9.9%	\$24.00
	South		7,500,000	12.1%	0.7%	12.8%	\$18.25
	Total		12,900,000	10.7%	0.9%	11.6%	\$20.66
Southern NH	Seacoast		2,800,000	10.9%	0.2%	11.1%	\$14.00
	Route 3/Route 93		9,700,000	10.3%	1.3%	11.6%	\$13.75
	Total		12,500,000	10.4%	1.0%	11.5%	\$13.81

Q2 2026 Suburban Office

ROUTE 128 | ROUTE 495

Stability Returns, Recovery Remains Uneven

The suburban office market continued to stabilize in Q2, though recovery remains highly selective. Positive absorption, healthy leasing activity, and stable sublease inventory reflect improving occupier confidence, while elevated vacancy continues to create meaningful opportunities for tenants.

Demand remains concentrated in high-quality assets, while well-located repositioned buildings are competing aggressively on economics to attract tenants. With virtually no speculative office construction in the pipeline, today's market offers occupiers a rare combination of abundant choice and strong negotiating leverage. Success is becoming less about timing the market and more about identifying the ownership groups that are most motivated to make deals. Significant differences in pricing, concession packages, and capital investment remain across buildings, making a competitive market process one of the most effective ways to maximize lease economics.

Photo: Getty Images



Sublease Pressure Continues to Ease

Much of the pandemic-era sublease inventory has been leased, expired, or converted back to direct vacancy, while the pace of new space entering the market, particularly lab space, has slowed.

TENANT TAKEAWAY

As attractive sublease opportunities continue to be absorbed, tenants should begin evaluating options earlier to secure the best turnkey opportunities before inventory becomes more limited.



Quality Continues to Win

Class A, well-capitalized buildings continue to capture the majority of leasing activity. Tenants are prioritizing efficient layouts, modern amenities, and ownership groups capable of funding meaningful tenant improvements.

TENANT TAKEAWAY

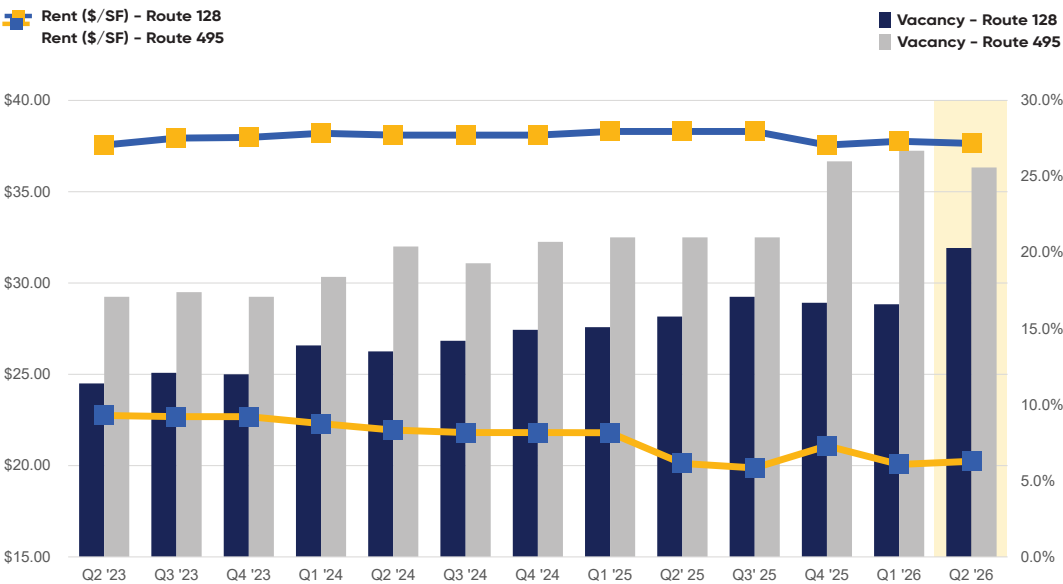
Tenants willing to look beyond Class A assets can often secure quality space in repositioned buildings with comparable functionality, better economics, and greater lease flexibility.

		Market Size		Vacancy		Sublease		Available	
Route 128	↓	42,700,000 SF		↑	20.3%	≡	5.3%	↓	25.6%
Route 495	↑	31,400,000 SF		↓	25.6%	≡	4.0%	↓	29.7%

Arrows Indicate Quarterly Change

Historical Rent and Vacancy

As vacancy begins to level off and asking rents remain steady, tenants continue to find opportunities by targeting the most competitive landlords and existing Class A inventory.



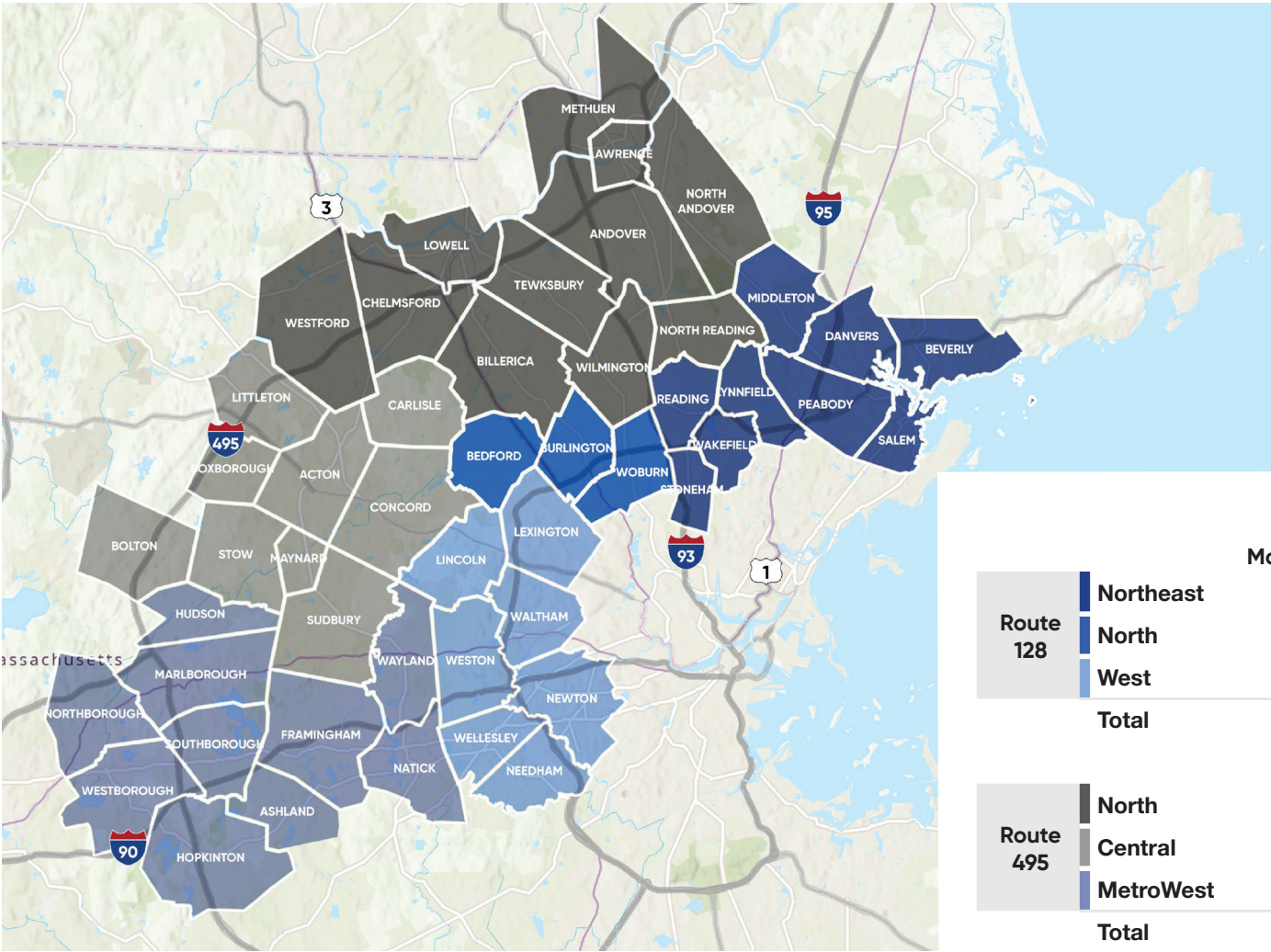
Notable Market Transactions

Tenant	Size (SF)	Submarket	Building Type / Deal Type
Boston Dynamics	322,116	128 Central	Office / New Facility
SharkNinja	250,409	128 Central	Office / Renewal
MedVet	32,463	128 Central	Medical Office / New Facility
Chenega Corporation	29,058	MetroWest	Office / Renewal
Mass Medical Society	25,000	128 Central	Office / Relocation
NV5	11,666	495 North	Office / Downsize & Extension

Recent leasing activity reflects a balanced market, where tenants continue to invest in high-quality workplaces while carefully aligning space needs through renewals, relocations, and selective downsizing.



By the Numbers Submarkets



						Rent/SF	
						Class A	Class B
Route 128	Northeast	6,500,000	13.5%	1.1%	14.6%	\$29.00	\$24.00
	North	12,900,000	22.6%	6.1%	28.7%	\$39.50	\$30.00
	West	23,300,000	20.8%	6.1%	26.9%	\$47.00	\$37.00
	Total	42,700,000	20.3%	5.3%	25.6%	\$41.99	\$33.32
Route 495	North	17,200,000	20.2%	2.7%	22.9%	\$23.00	\$18.75
	Central	3,400,000	41.4%	1.9%	43.3%	\$20.25	\$16.25
	MetroWest	10,800,000	29.3%	6.9%	36.2%	\$21.25	\$17.25
	Total	31,400,000	25.6%	4.0%	29.7%	\$22.10	\$17.96

Q2 2026 Cambridge Office

Waiting for the Next Wave

The Cambridge office market continues to navigate a prolonged period of recalibration following the rapid growth experienced before Covid. Many employers remain cautious about long-term real estate commitments as they refine workplace strategies and align space with current headcount. Leasing activity remains measured, with fewer large transactions and longer decision-making timelines contributing to elevated availability.

As a result, landlords continue to compete aggressively for tenants through attractive concession packages and flexible lease structures, creating favorable conditions for occupiers. While the market awaits its next major wave of technology investment and job growth, its long-term fundamentals, anchored by MIT, Harvard, and one of the world's leading innovation ecosystems, remain among the strongest in the country.

Photo: Getty Images



Leasing Activity Remains Measured

Cambridge's office market remains subdued as technology companies prioritize cost control, hybrid work, and optimizing existing footprints, leading to longer decision timelines, fewer large transactions, and slower leasing activity.

TENANT TAKEAWAY

With demand remaining soft, occupiers have the time and leverage to thoroughly evaluate their options and negotiate highly favorable lease terms in one of the country's premier office markets.



Positioned for the Next Growth Cycle

While near-term demand remains constrained, Cambridge's long-term outlook is supported by its world-class innovation ecosystem and continued investment in AI, robotics, climate technology, and advanced computing.

TENANT TAKEAWAY

Occupiers with long-term growth plans have a rare opportunity to secure premier Cambridge office space at today's pricing before renewed technology investment increases competition and reduces negotiating leverage.



Market Size
11,516,195 SF



Vacancy
15.9%



Sublease
8.7%

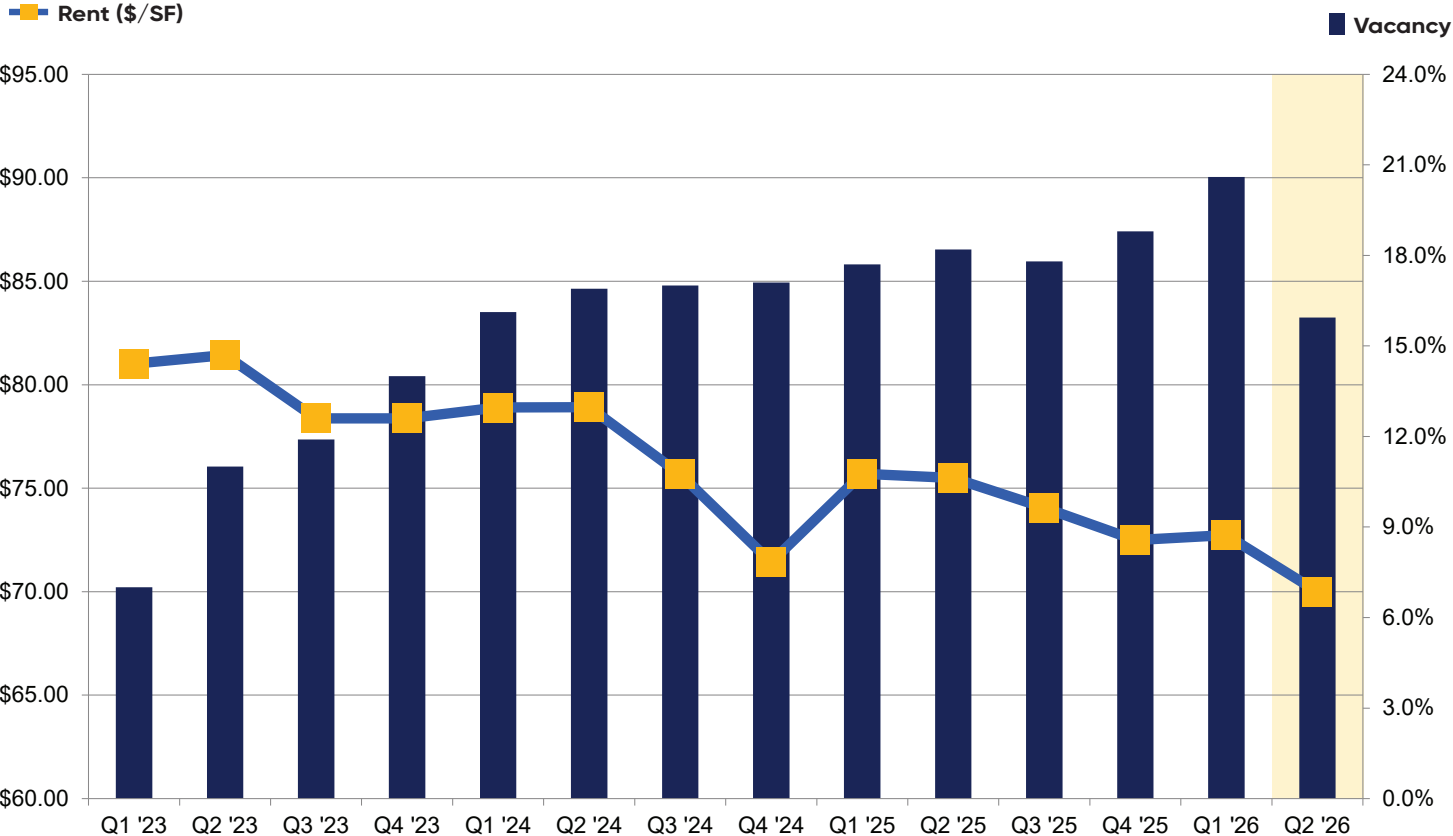


Available
29.8%

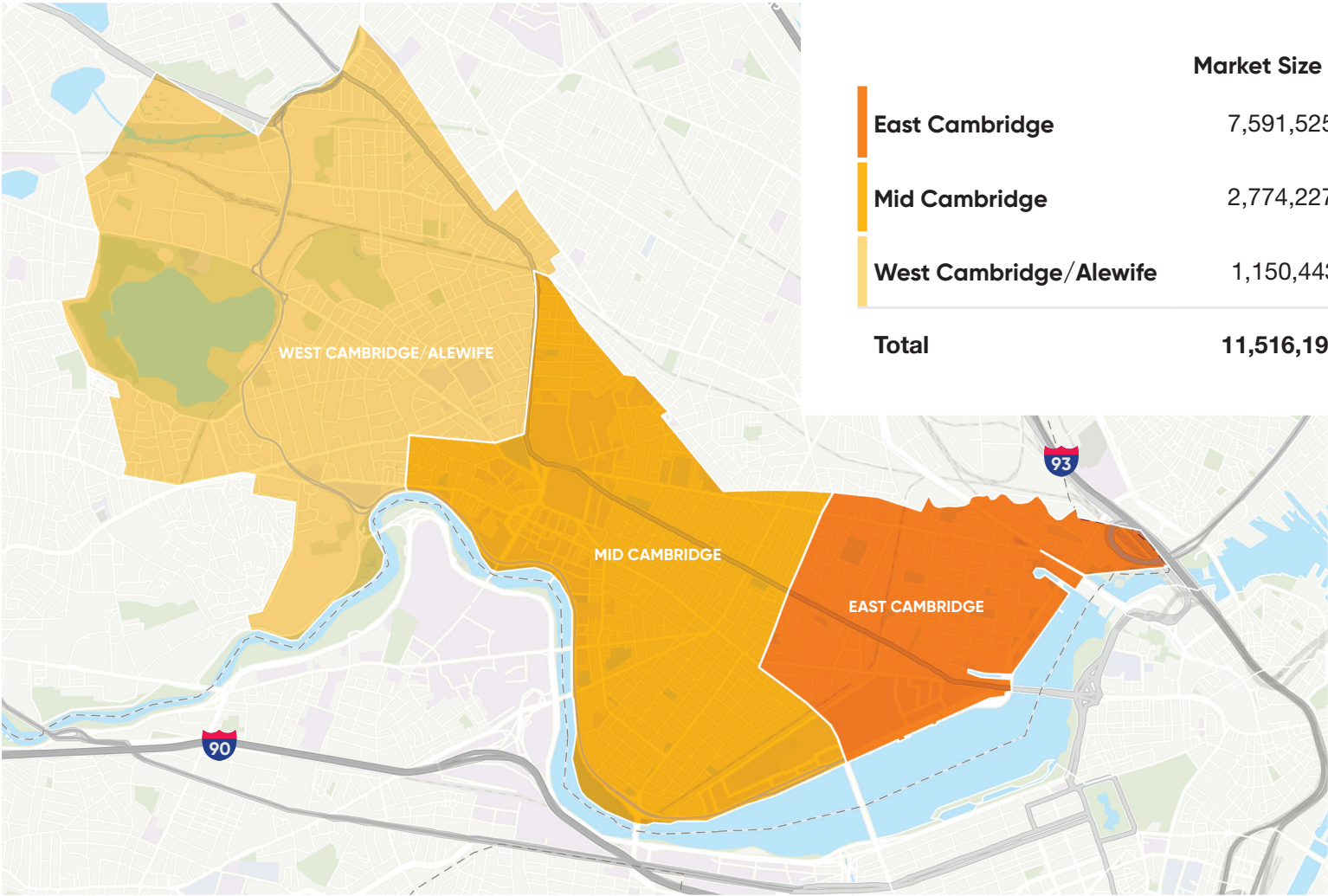
Arrows Indicate Quarterly Change

Historical Class A Rent and Vacancy

Elevated vacancy and moderating asking rents continue to create favorable conditions for tenants across Cambridge, providing greater flexibility and negotiating leverage. Even in a measured leasing environment, transactions like Context Labs' 11,312 SF relocation to Kendall Square demonstrate that well-located, high-quality office space continues to attract demand.



By the Numbers Submarkets



	Market Size (SF)	Vacant	Sublease	Available	Rent/SF	
					Class A	Class B
East Cambridge	7,591,525	18.52%	10.19%	33.79%	\$76.69	\$50.00
Mid Cambridge	2,774,227	9.82%	4.51%	21.69%	\$60.00	\$45.00
West Cambridge/Alewife	1,150,443	13.70%	9.20%	22.90%	\$50.00	\$40.00
Total	11,516,195	15.94%	8.72%	29.78%	\$70.00	\$47.80



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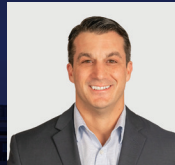
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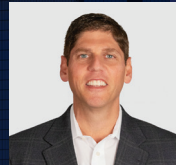
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