

MARKET INSIGHTS PROVIDED FOR:

- Downtown Boston
- Life Sciences
- Industrial / Flex
- Suburban Office
- Cambridge Office

Q3 2026

Greater Boston CRE Market Insight Reports

GREATER BOSTON MARKET INSIGHT

Q3 2026 Downtown Office

Limited New Supply, Shifting Opportunities

Downtown Boston's office market continues to evolve, with demand concentrated in premier Class A buildings and well-amenitized locations. Following the completion of major projects such as South Station Tower and 10 World Trade, there is no new speculative office development in the pipeline. As companies continue to prioritize high-quality workplaces and make longer-term real estate commitments, competition for the most desirable space is increasing, particularly in Back Bay, where limited availability is putting upward pressure on rents.

While new construction remains on hold, an unexpected source of future office supply may emerge from the approximately 3.1M SF originally planned for laboratory use. With downtown lab demand remaining limited, some of these properties could be repositioned for traditional office tenants, creating new opportunities in an otherwise constrained development environment. At the same time, ownership changes and potential residential conversions across older office buildings continue to reshape the market. For occupiers, understanding building ownership, future plans, and available alternatives will be increasingly important when evaluating long-term real estate decisions.

Photo: Getty Images

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Back Bay's Premium Market Strengthens

Asking rents continue to rise in premier Class A Back Bay buildings as limited availability and sustained demand create greater competition for high-quality space.

TENANT TAKEAWAY

Companies targeting premier Back Bay locations should begin planning well ahead of lease expirations to evaluate options, create competition, and preserve negotiating leverage as availability tightens.

Ownership Changes Are Reshaping Downtown

Distress and redevelopment activity continue across older downtown office assets. The anticipated foreclosure auction of 100 Summer Street and the ownership transition and planned residential conversion of 31 St. James Avenue reflect the changing landscape.

TENANT TAKEAWAY

Tenants in buildings undergoing ownership changes should review lease protections, prepare for estoppel requests, and assess potential redevelopment impacts on long-term occupancy plans. Early planning can help minimize disruption and preserve flexibility.

DOWNTOWN OFFICE | Q3 2026

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Market Size
64,464,337 SF

Vacancy
21.6%

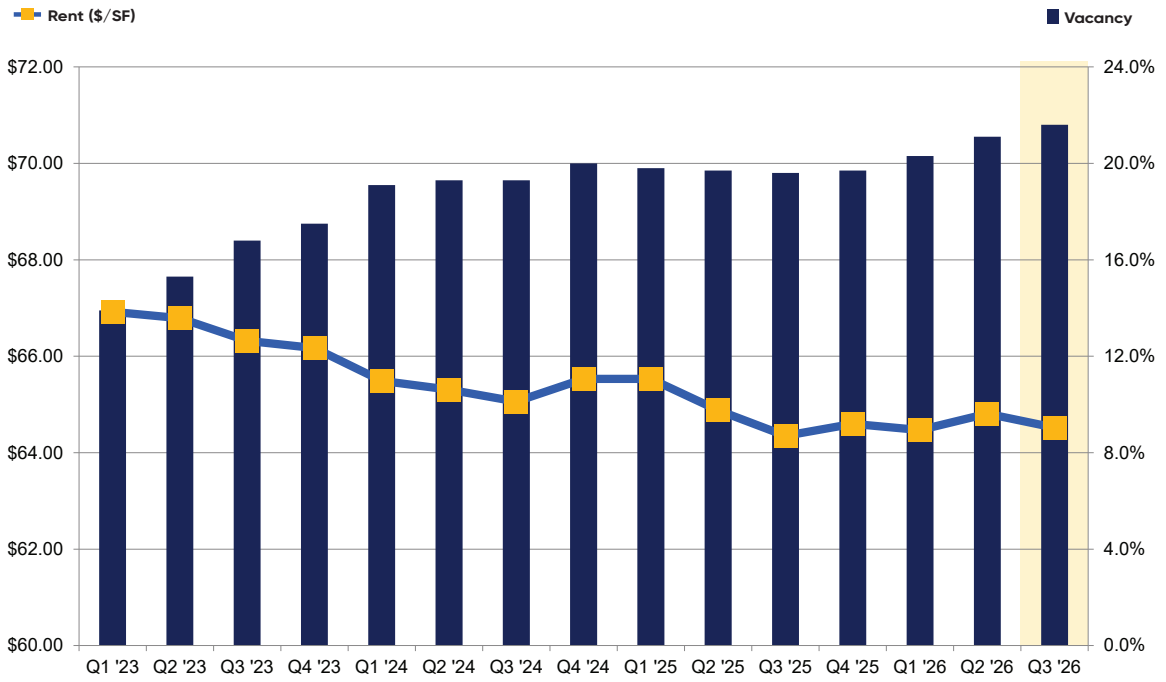
Sublease
3.6%

Available
23.7%

Arrows Indicate Quarterly Change

Historical Rent and Vacancy

While overall vacancy remains elevated and rents have moderated, demand for premier Class A space remains strong, with limited availability supporting pricing in sought-after locations.



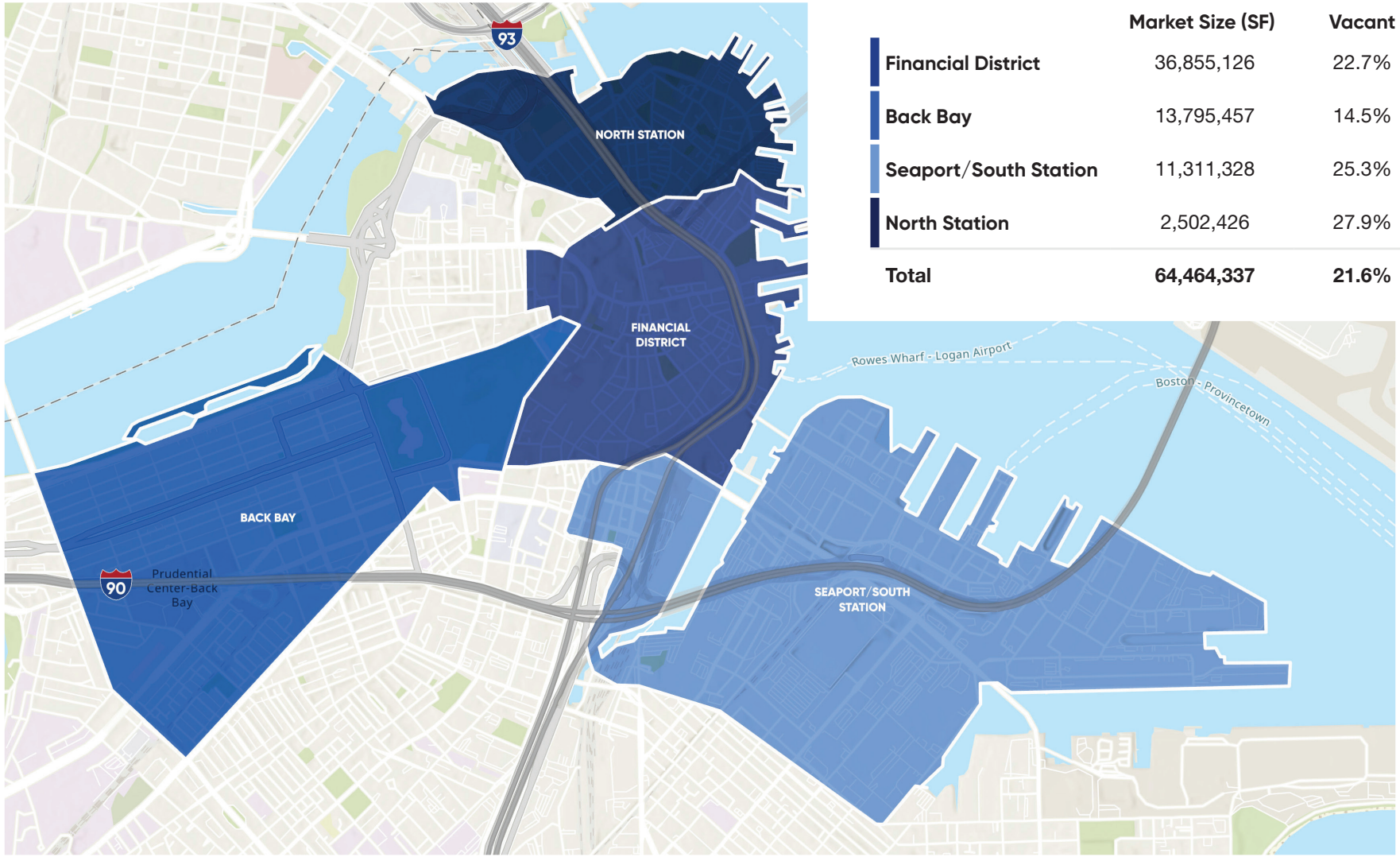
Notable Market Transactions

Tenant	▼ Size (SF)	Submarket	Type
Greenberg Traurig	77,745 SF	South Station	Relocation
HNTB	77,210 SF	Financial District	Relocation
Rubin & Rudman	57,844 SF	Financial District	Relocation
DLA Piper	53,694 SF	Financial District	Renewal
Collegium Pharmaceutical	40,288 SF	Financial District	Relocation
White & Case	35,780 SF	Financial District	Renewal

Cresa represented Rubin Rudman in its 57,844 SF relocation to One Federal Street, reflecting continued confidence in Downtown Boston among established professional services firms. The 15-year commitment and nearly 15,000 SF expansion highlight sustained demand for high-quality office space that supports recruitment, collaboration, and long-term growth.


One Federal Street, Boston, MA | Photo: CoStar

By the Numbers Submarkets



	Market Size (SF)	Vacant	Sublease	Available	Rent/SF Class A	Rent/SF Class B
Financial District	36,855,126	22.7%	2.5%	24.2%	$69.24	$51.49
Back Bay	13,795,457	14.5%	1.8%	18.7%	$72.37	$59.61
Seaport/South Station	11,311,328	25.3%	7.7%	27.0%	$72.95	$55.04
North Station	2,502,426	27.9%	11.6%	27.9%	$63.00	$51.00
Total	**64,464,337**	**21.6%**	**3.6%**	**23.7%**	**$70.31**	**$53.72**


Photo: Getty Images

GREATER BOSTON MARKET INSIGHT

Q3 2026 Life Sciences

BOSTON | CAMBRIDGE | INNER SUBURBS | ROUTE 128

Stuck at the Starting Gate

The Greater Boston life sciences market continues to face challenges as laboratory supply remains well ahead of tenant demand. Following modest signs of stabilization earlier in the year, leasing activity slowed in Q3 and vacancy remained elevated, reinforcing expectations of a prolonged recovery. While venture funding and capital markets activity have shown some improvement, many companies remain focused on conserving capital, managing existing footprints, and delaying expansion decisions.

For occupiers, these conditions continue to create significant opportunities. Elevated availability and increased competition among landlords are driving more favorable rents, generous concessions, and flexible lease structures. Tenants have the ability to secure high-quality laboratory space while preserving capital for core business needs. With a meaningful recovery in demand still on the horizon, we expect tenant leverage to remain strong well into 2027.

Photo: Shutterstock

Leasing Momentum Remains Gradual

Despite earlier signs of improvement, leasing demand remains uneven as companies manage capital and delay commitments. Elevated availability is increasing landlord competition, pressuring rents and creating favorable conditions for tenants.

TENANT TAKEAWAY

Tenants considering renewal, relocation, or expansion can leverage market competition to secure favorable economics, concessions, and flexible terms while reducing occupancy costs and preserving capital for growth.

Landlord Financial Stability Takes Priority

Prolonged vacancies and declining rental income are putting additional financial pressure on some laboratory property owners. As the market adjusts, differences in landlord capitalization and the ability to fund tenant improvements and concessions are becoming increasingly important.

TENANT TAKEAWAY

Beyond favorable rents, tenants should evaluate landlord financial stability, ability to deliver improvements, and property upkeep while securing strong lease protections.

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Market Size
52,873,816 SF

Vacancy
22.1%

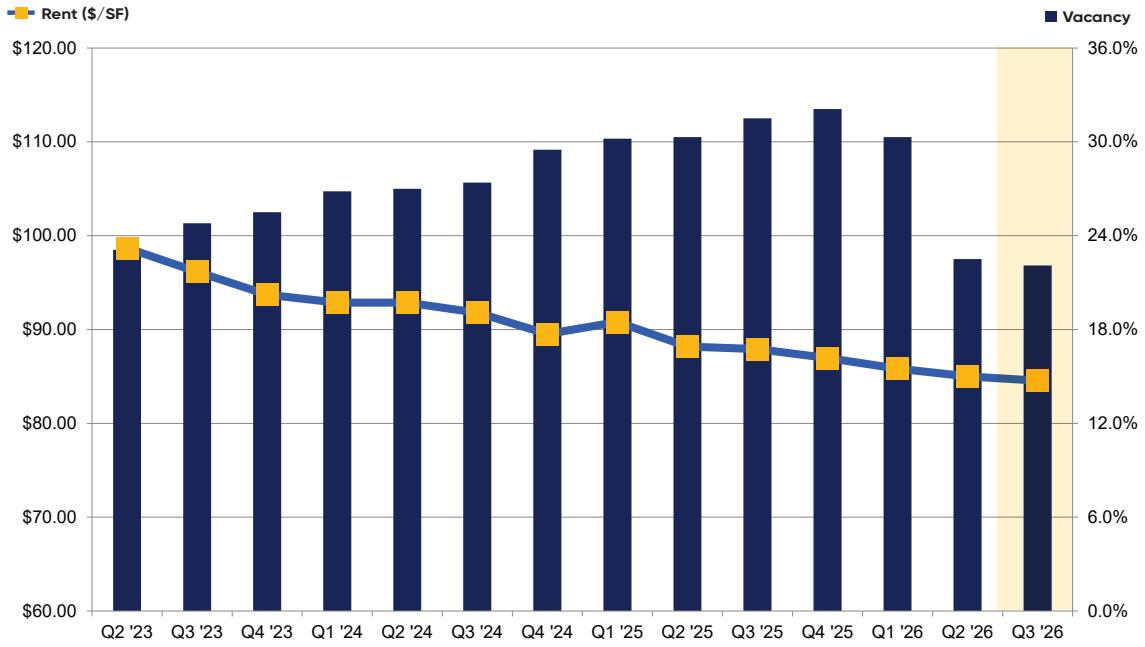
Sublease
7.3%

Available
36.1%

Arrows Indicate Quarterly Change

Historical Class A Rent & Overall Vacancy

Class A asking rents continue to soften amid elevated overall vacancy, reflecting ongoing competition among landlords. With laboratory supply outpacing demand, occupiers have greater flexibility to negotiate favorable rents, increased concessions, and flexible lease terms while securing high-quality space.



Notable Market Transactions

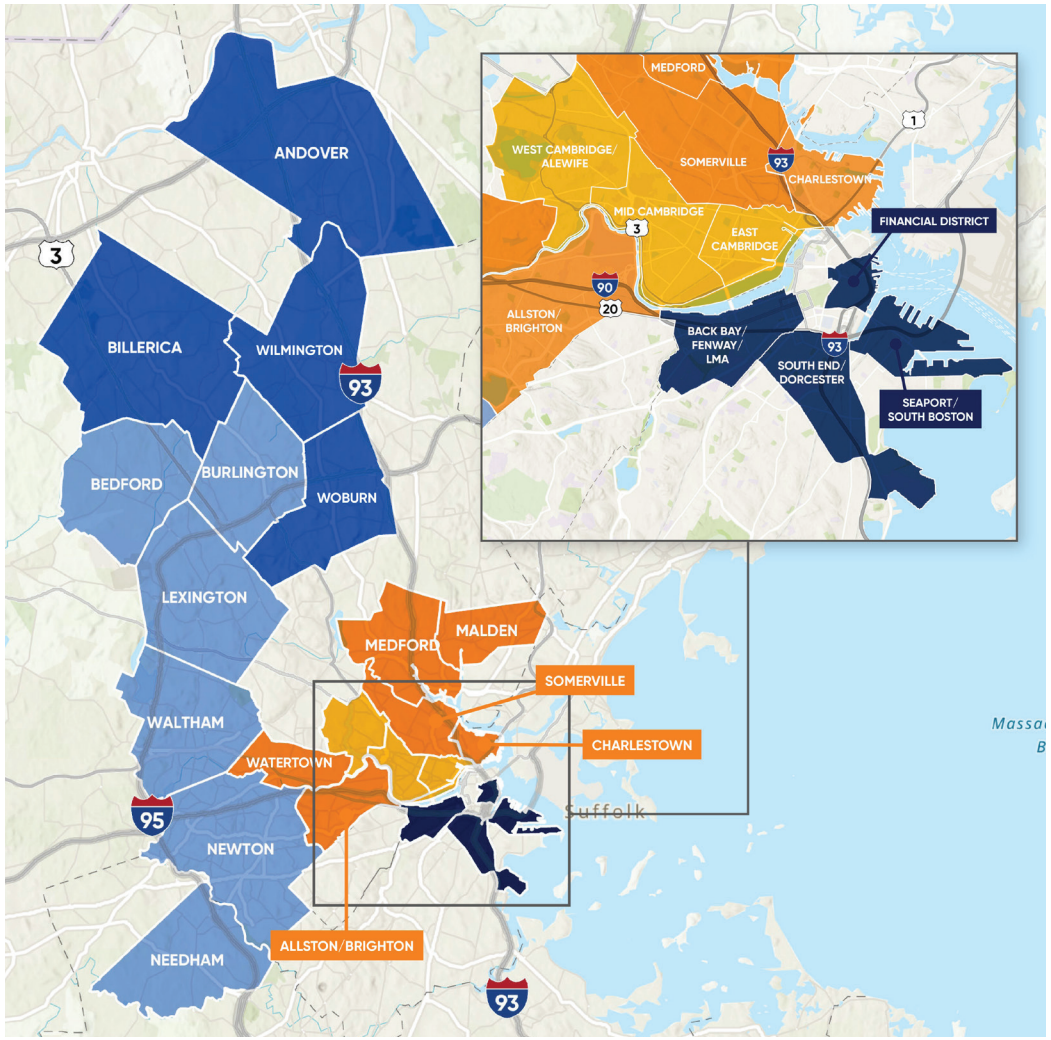
Tenant	Size (SF)	Submarket	Type
MGH Pathology Lab	105,000	Somerville	Direct Relocation
Wave Life Sciences	92,000	Lexington	Renewal
Mindspan	49,000	Cambridge	Direct New Facility
Marrow Therapeutics	23,155	Watertown	Direct New Facility
Merida Bioscience	35,000	Watertown	Direct Relocation
Souffle Therapeutics	33,500	Watertown	Direct Expansion

Watertown stood out in Q3, capturing three notable transactions totaling nearly 92,000 SF. New facilities, relocations, and expansions highlight continued tenant interest in the submarket despite broader life sciences leasing challenges.



Watertown, MA | Photo: Adobe Stock

By the Numbers Submarkets



		Market Size (SF)	Vacant	Sublease	Available	Rent/SF Class A	Rent/SF Class B
Cambridge	East Cambridge	11,735,945	17.3%	4.8%	22.2%	$105.00	$85.00
	Mid Cambridge	3,423,775	22.9%	28.0%	50.9%	$90.00	$70.00
	West Cambridge/Alewife	2,709,876	4.2%	8.3%	39.0%	$80.00	$58.00
	Total	**17,869,596**	**22.3%**	**9.8%**	**30.2%**	**$98.33**	**$78.03**
Boston	Seaport/South Boston	6,326,086	2.9%	6.8%	32.3%	$90.00	$65.00
	Financial District	781,243	0.0%	8.1%	76.2%	$80.00	$75.00
	Back Bay/Fenway/LMA	3,040,612	0.6%	2.6%	17.0%	$100.00	$90.00
	South End/Dorchester	929,000	0.0%	8.1%	57.0%	$70.00	$65.00
	Total	**11,076,941**	**1.8%**	**5.8%**	**33.3%**	**$90.36**	**$69.72**
Inner Suburbs	Charlestown	736,066	39.9%	9.8%	49.7%	$75.00	$55.00
	Medford/Malden	820,206	54.2%	11.1%	65.3%	$55.00	$50.00
	Somerville	2,471,603	50.1%	0.0%	50.1%	$80.00	$70.00
	Watertown	3,376,694	40.6%	4.4%	44.9%	$90.00	$65.00
	Allston/Brighton	2,010,412	62.3%	0.0%	62.3%	$90.00	$80.00
	Total	**9,414,981**	**48.8%**	**3.3%**	**52.1%**	**$83.15**	**$67.43**
Route 128 West	Bedford/Burlington	3,214,101	37.7%	4.8%	42.5%	$60.00	$50.00
	Lexington/Waltham	8,159,548	24.4%	10.1%	34.5%	$72.00	$60.00
	Newton/Needham	659,796	44.3%	1.4%	45.8%	$60.00	$55.00
	Total	**12,033,445**	**29.0%**	**8.2%**	**37.3%**	**$68.14**	**$57.05**
Route 128 North	Wilmington	128,370	70.2%	0.0%	70.2%	$30.00	$25.00
	Woburn	1,298,511	12.3%	7.8%	20.1%	$45.00	$40.00
	Billerica	385,763	1.5%	0.0%	1.5%	$28.00	$26.00
	Andover	666,209	27.1%	10.5%	37.5%	$55.00	$45.00
	Total	**2,478,853**	**17.6%**	**6.9%**	**24.5%**	**$44.27**	**$38.39**

GREATER BOSTON MARKET INSIGHT

Q3 2026
Industrial/Flex

ROUTE 128 | ROUTE 495 | SOUTHERN NH

Demand Builds as Availability Tightens

The Greater Boston industrial and flex market continued to gain momentum in Q3, with several significant requirements resulting in facility commitments, including Onto Innovation, Vicor, and United Therapeutics. Demand remains strong across a range of space sizes, with larger occupiers increasingly seeking buildings that offer robust infrastructure, modern systems, and operational efficiency. As quality space is absorbed, availability is tightening, creating more competition for desirable properties.

This renewed activity is also supporting rental growth across mid-tier and lower-tier buildings as supply becomes more limited. While the overall market remains relatively balanced, tenants have fewer options than they did just six months ago. For companies considering expansions, relocations, or renewals, early planning is becoming increasingly important to secure the right space and maintain negotiating leverage.

Photo: Shutterstock

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Demand Is Growing Across All Space Sizes

Leasing activity continues to strengthen across both mid-sized and large industrial and flex requirements. Many occupiers are actively evaluating their options, particularly those with expansion or relocation needs tied to new contracts and business growth.

TENANT TAKEAWAY

As quality space continues to be absorbed and large requirements remain active, tenants should plan early to preserve flexibility and secure viable options before availability tightens.

New Development Along Route 495 North

Despite ongoing construction challenges, renewed confidence in leasing fundamentals is driving speculative flex and R&D development along the Route 495 North corridor. Demand for modern buildings with advanced infrastructure continues to support investment in new product.

TENANT TAKEAWAY

While new construction often commands higher rents, it offers modern infrastructure and operational advantages. Tenants should weigh total occupancy costs against long-term needs to assess overall value.

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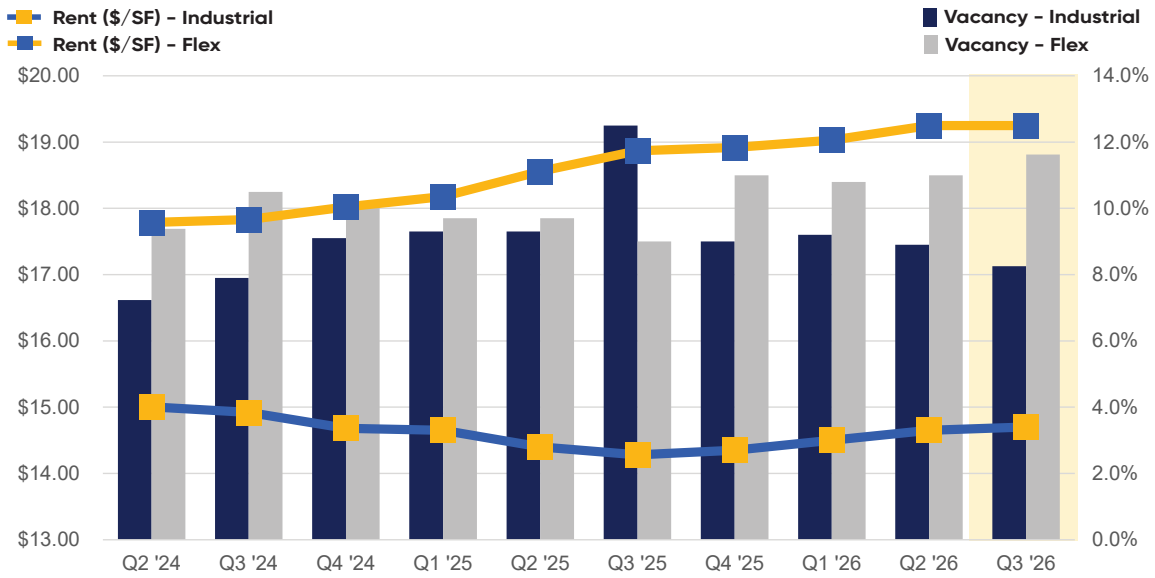
	Market Size	Vacancy	Sublease	Available
Industrial	173,700,000 SF	8.3%	1.0%	9.2%
Flex	66,700,000 SF	11.6%	1.5%	13.1%

Arrows Indicate Quarterly Change

Historical Rent and Vacancy

Note: Cresa began tracking this market in Q2 2024.

In Q3 2026, asking rents held near recent highs despite elevated vacancy, reflecting sustained demand for quality industrial and flex space. As desirable properties become more limited, tenants should plan early to preserve options and negotiating leverage.

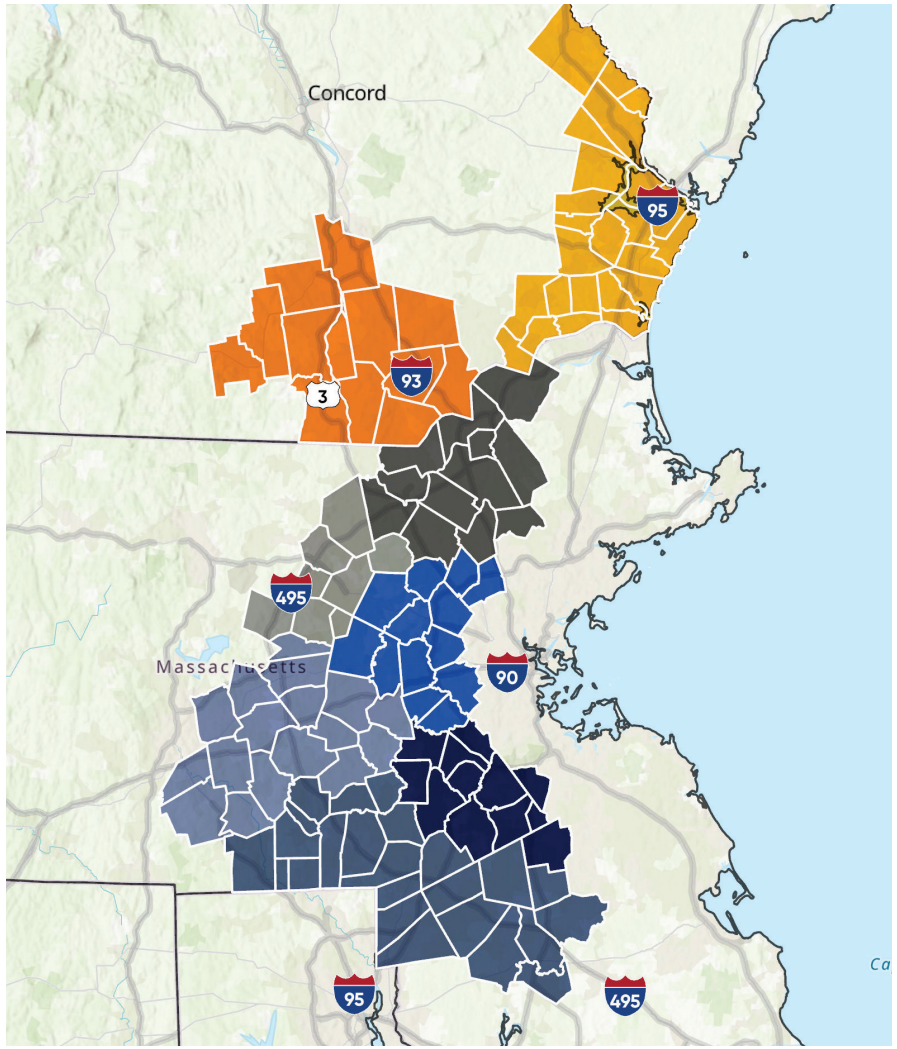


Notable Market Transactions

Tenant	Size (SF)	Submarket	Use	Type
United Therapeutics	683,000	Southern NH	Flex	Purchase
Vicor	334,000	Southern NH	Flex	Purchase
Onto Innovation	160,000	495 North	Flex	Relocation
Rexel	104,625	495 South	Industrial	Renewal
Panametrics	50,000	495 North	Flex	Renewal
Teledyne FLIR	43,000	495 North	Flex	Renewal
Revolution Space	37,000	495 North	Flex	New Lease

A few sizeable occupiers have committed to new locations following extensive site selection processes, signaling sustained investment in specialized, capital-intensive facilities and renewed confidence in long-term operational growth.

By the Numbers Submarkets



Industrial

		Market Size (SF)	Vacant	Sublease	Available	Average Rent/SF (NNN)
Route 495	North	38,000,000	5.2%	0.4%	6.3%	$16.75
	Central	3,800,000	8.2%	2.6%	10.9%	$14.00
	MetroWest	22,400,000	6.7%	0.1%	8.5%	$14.00
	South	23,500,000	13.7%	1.9%	18.3%	$12.50
	Total	**87,700,000**	**8.0%**	**0.8%**	**10.3%**	**$14.79**
Route 128	Northwest	12,900,000	8.3%	0.4%	10.1%	$19.25
	South	23,500,000	13.7%	1.9%	18.3%	$14.00
	Total	**36,400,000**	**11.8%**	**1.4%**	**15.4%**	**$15.86**
Southern NH	Seacoast	13,300,000	7.0%	0.6%	7.5%	$12.75
	Route 3/Route 93	36,300,000	5.8%	1.1%	6.9%	$12.50
	Total	**49,600,000**	**6.1%**	**0.9%**	**7.1%**	**$12.57**

Flex

		Market Size (SF)	Vacant	Sublease	Available	Average Rent/SF (NNN)
Route 495	North	17,400,000	12.1%	2.0%	12.1%	$20.75
	Central	3,200,000	13.4%	3.2%	14.7%	$17.75
	MetroWest	12,700,000	13.0%	2.0%	15.0%	$18.00
	South	8,000,000	11.3%	1.3%	15.0%	$17.25
	Total	**41,300,000**	**12.3%**	**1.9%**	**13.7%**	**$18.99**
Route 128	Northwest	5,300,000	11.1%	1.1%	14.1%	$23.75
	South	7,600,000	15.9%	0.7%	19.7%	$18.00
	Total	**12,900,000**	**13.9%**	**0.9%**	**14.8%**	**$20.36**
Southern NH	Seacoast	2,900,000	6.7%	0.2%	6.5%	$14.00
	Route 3/Route 93	9,600,000	7.0%	0.9%	8.4%	$13.75
	Total	**12,500,000**	**6.9%**	**0.7%**	**7.7%**	**$13.81**

GREATER BOSTON MARKET INSIGHT

Q3 2026
Suburban Office

ROUTE 128 | ROUTE 495

Improving Fundamentals, Uneven Recovery

The Greater Boston suburban office market continued its gradual stabilization in Q3, recording a third consecutive quarter of positive net absorption. While leasing activity slowed from Q2, declining availability and sublease inventory point to improving fundamentals. Demand remains concentrated in well-located, amenity-rich buildings, although Class B properties are beginning to attract more cost-conscious tenants.

Despite these positive signs, elevated vacancy and modest employment growth continue to limit a broader recovery. Asking rents remain relatively stable, particularly among trophy assets, although softer conditions in Burlington are beginning to put pressure on rents that reached record highs during the pandemic. For occupiers considering renewals or relocations, meaningful opportunities remain to create competition among buildings and negotiate favorable long-term lease terms.

Photo: Shutterstock

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Signs of Stabilization

The suburban office market recorded its third consecutive quarter of positive net absorption, alongside declining availability and sublease inventory. However, elevated vacancy continues to contribute to an uneven recovery across submarkets.

TENANT TAKEAWAY

Tenants retain negotiating leverage, particularly in buildings with prolonged vacancies, making a competitive market process key to securing concessions and favorable lease terms.

Quality Leads, Value Gains Ground

Demand remains strongest for well-located, amenity-rich Class A buildings, while improving Class B absorption suggests more tenants are considering cost-effective alternatives. Location, building quality, and competitive pricing remain central to leasing decisions.

TENANT TAKEAWAY

Exploring premium and value-oriented spaces, including older buildings and subleases, can unlock savings and attractive concessions without sacrificing operational needs.

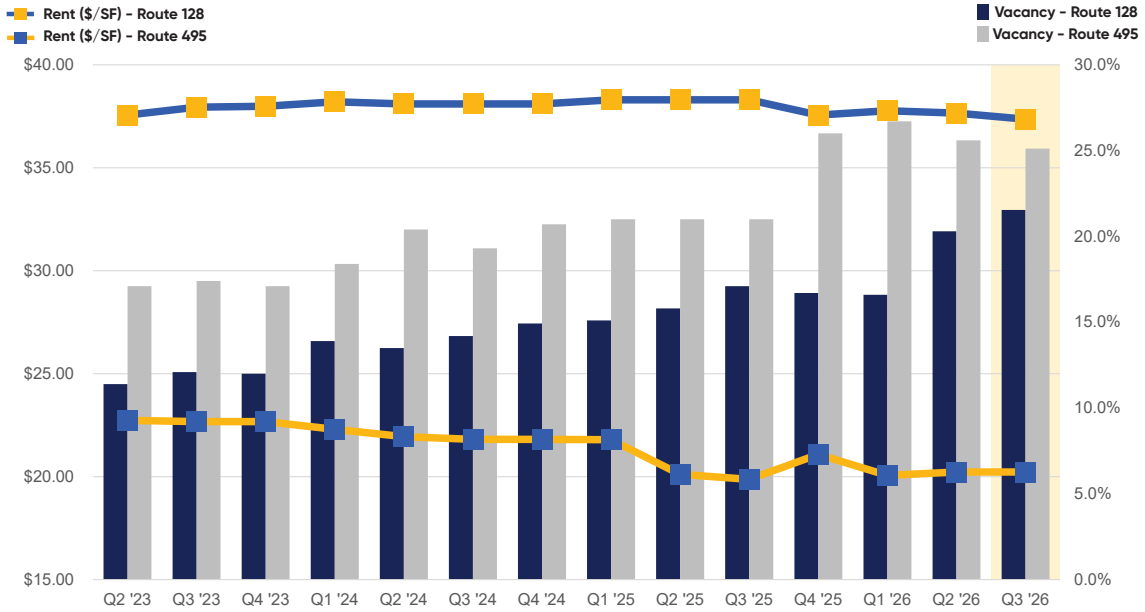
SUBURBAN OFFICE | Q3 2026

	Market Size	Vacancy	Sublease	Available
Route 128	43,300,000 SF	21.5%	5.3%	26.2%
Route 495	31,700,000 SF	25.1%	3.0%	29.0%

Arrows Indicate Quarterly Change

Historical Rent and Vacancy

In Q3 2026, suburban office fundamentals showed mixed signs of stabilization. Vacancy rose to 21.5% along Route 128 but declined slightly to 25.1% along Route 495. Asking rents remained relatively stable near $37/SF, reflecting continued pricing resilience amid an uneven recovery.



Notable Market Transactions

Tenant	Size (SF)	Submarket	Deal Type
Xenon	49,960	128 West	Relocation
Excel Orthopedic	36,007	128 North	Renewal
Discovery Life Sciences	27,619	128 West	Relocation
Xometry	26,980	128 West	Relocation
Regus	18,000	128 West	New Location
Acronis	12,493	128 North	Downsize / Renewal

Class A buildings with the flexibility to offer competitive rents continue to attract new tenants, putting properties with higher cost bases and less pricing flexibility at a disadvantage.



Xenon, 133 Boston Post Road, Weston, MA | Photo: CoStar

By the Numbers Submarkets

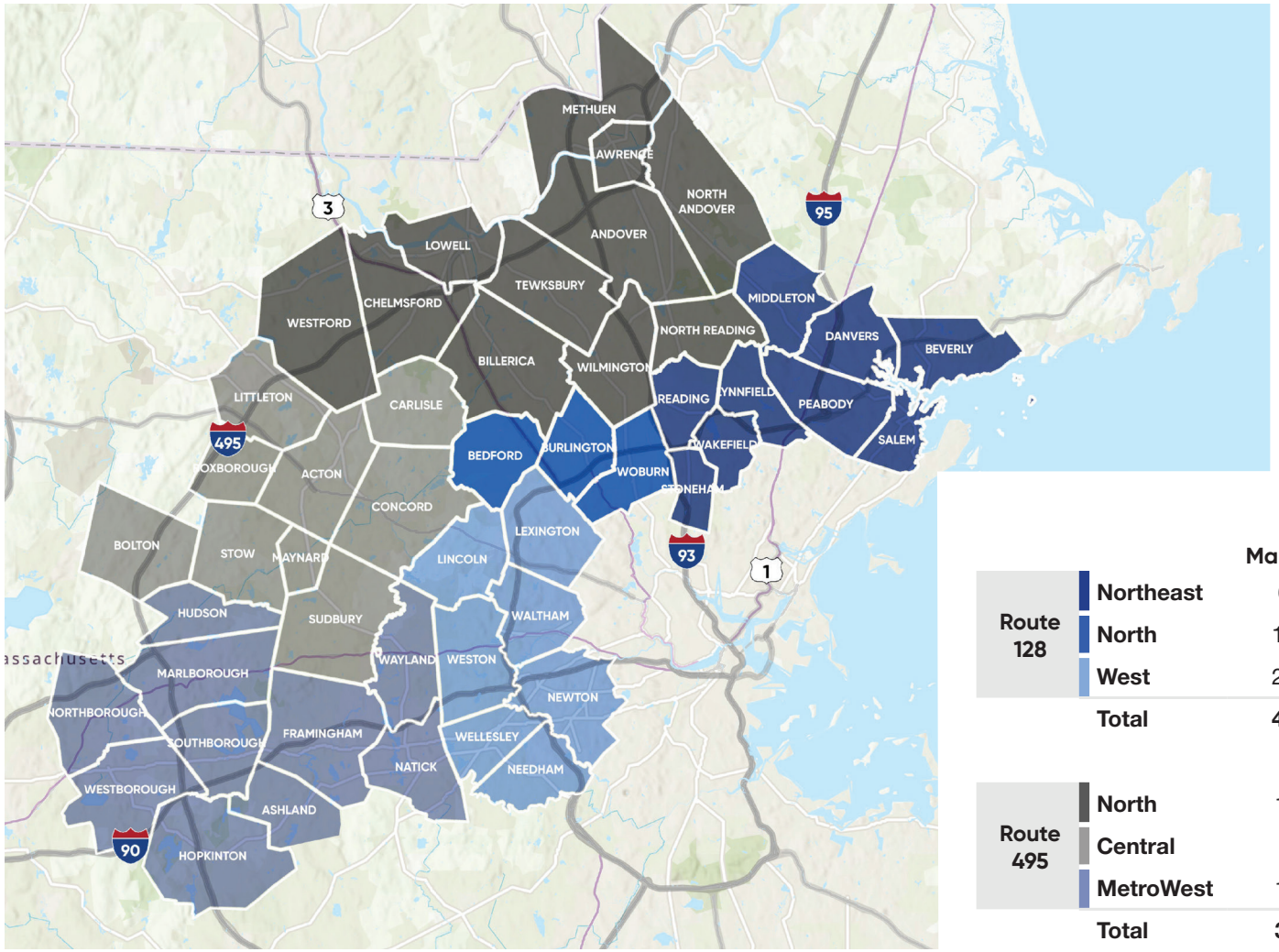



Photo: Kyle Klein

		Market Size (SF)	Vacant	Sublease	Available	Rent/SF Class A	Rent/SF Class B
Route 128	Northeast	6,500,000	19%	5.7%	20.4%	$29.00	$24.00
	North	12,900,000	23.1%	6.2%	29.3%	$39.00	$29.50
	West	23,900,000	21.4%	4.7%	26.1%	$47.00	$37.00
	Total	**43,300,000**	**21.5%**	**5.3%**	**26.2%**	**$41.91**	**$32.81**
Route 495	North	18,000,000	20.1%	2.7%	23.9%	$23.00	$18.75
	Central	3,400,000	41.4%	1.9%	41.2%	$20.25	$16.25
	MetroWest	10,300,000	28.5%	3.9%	34.0%	$21.25	$17.25
	Total	**31,700,000**	**25.1%**	**3.0%**	**29.0%**	**$22.14**	**$17.99**

GREATER BOSTON MARKET INSIGHT

Q3 2026 Cambridge Office

Early Signs of Stability Amid Elevated Availability

Cambridge's office market showed modest signs of stabilization in the third quarter, although overall conditions remain challenging. Recent commitments from AI and technology companies, including Blitzy, Anthropic, and Suno, signal renewed interest in Cambridge, particularly in Kendall Square. However, leasing demand remains insufficient to meaningfully reduce the market's substantial inventory of available space. With new development effectively on hold and employers continuing to make measured real estate decisions, a sustained recovery will likely depend on stronger technology investment and job growth. For now, tenants benefit from significant negotiating leverage, attractive leasing opportunities, and access to high-quality space that would have been difficult to secure just a few years ago.

Photo: DC Studio on Magnific

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Large Blocks Add to Available Inventory

Cambridge's inventory of large available spaces continues to grow, with Meta's approximately 267,000 SF sublease and roughly 140,000 SF of former Amazon/Alnylam space at 101 Main Street adding to the market's supply of blocks exceeding 100,000 SF.

TENANT TAKEAWAY

Larger occupiers have more options and negotiating leverage, creating opportunities to secure high-quality space with favorable lease terms and concessions.

Office-to-Residential Conversions Emerge

Cambridge is seeing early signs of office-to-residential conversions, with 955 Massachusetts Avenue and 161 First Street among the first notable office properties planned for residential redevelopment.

TENANT TAKEAWAY

While conversions could gradually reduce office inventory, the near-term impact remains limited. Tenants should monitor these shifts as they evaluate long-term location strategies and future space availability.

CAMBRIDGE OFFICE | Q3 2026

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Market Size
11,564,679 SF

Vacancy
20.5%

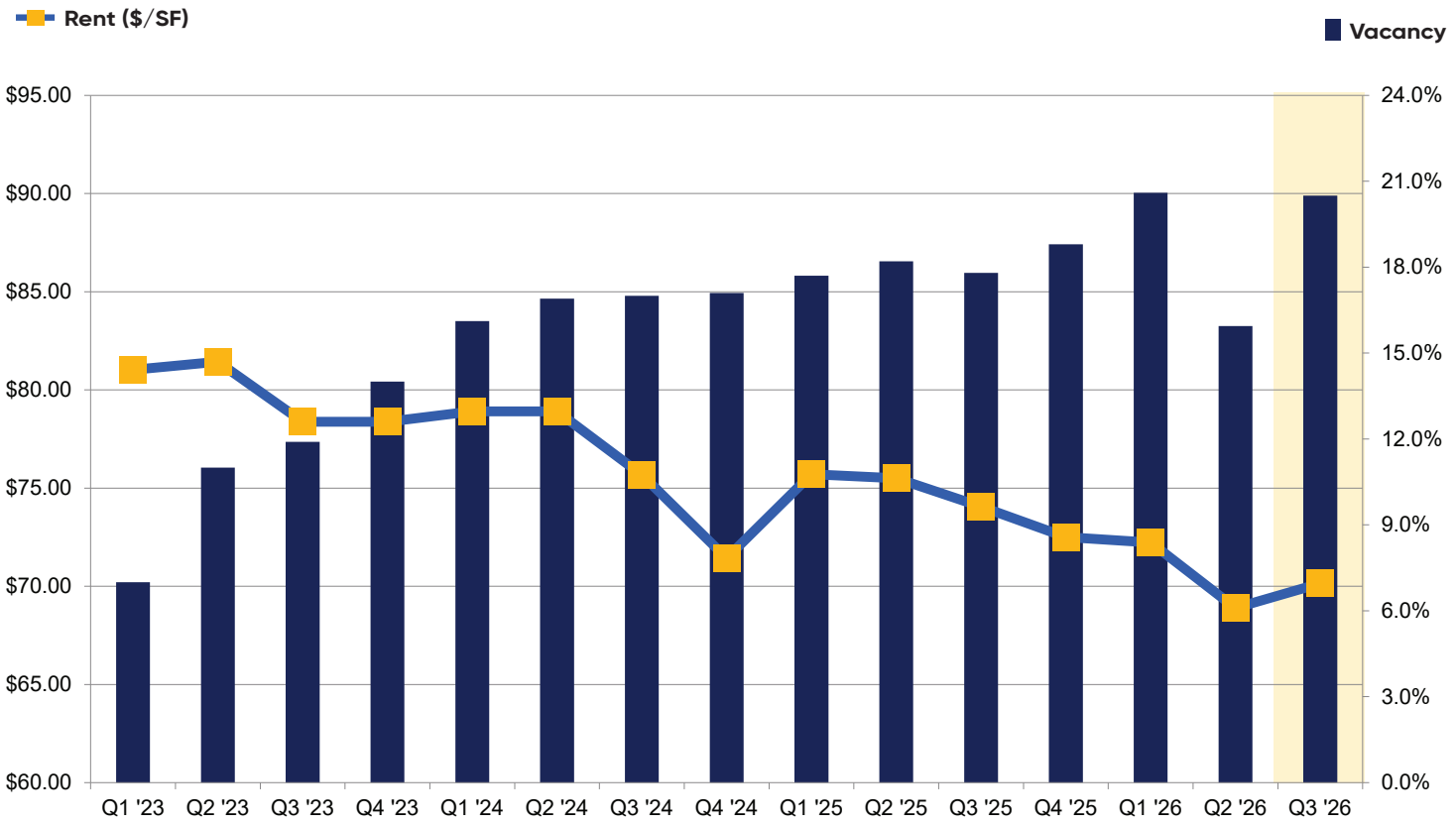
Sublease
10.4%

Available
30.9%

Arrows Indicate Quarterly Change

Historical Class A Rent and Vacancy

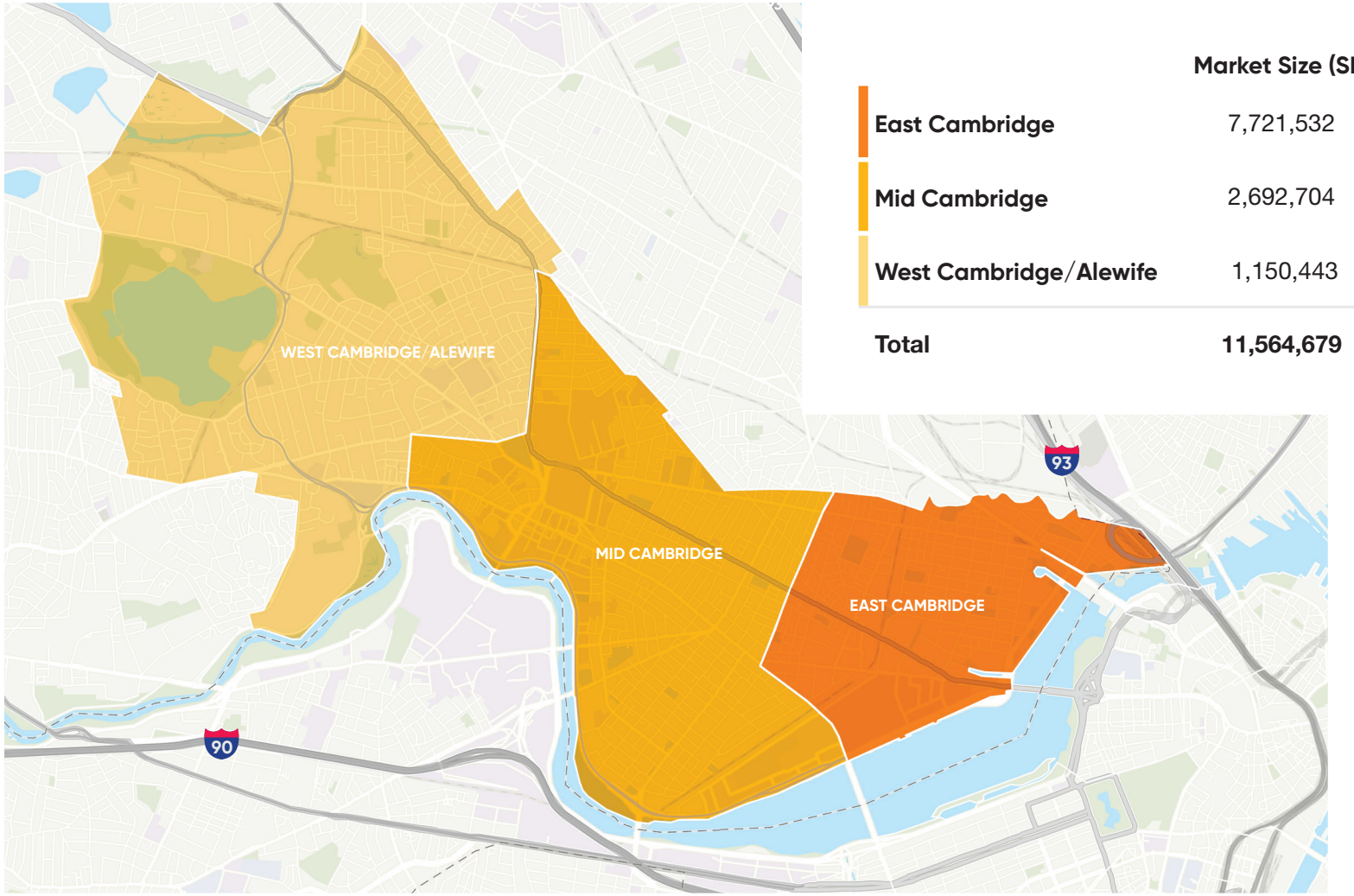
Cambridge Class A office vacancy remains elevated despite a slight decline in Q3 2026, while asking rents continue to soften. Elevated availability and downward pricing pressure reinforce favorable conditions for tenants seeking high-quality space and greater negotiating leverage.



Notable Market Transactions

Tenant	Size (SF)	Submarket	Type
Blitzy AI	53,000	Kendall	Direct Relocation / Expansion
Suno	36,000	Kendall	Direct New Location
Anthropic	24,000	Harvard	Direct New Location

By the Numbers Submarkets



	Market Size (SF)	Vacant	Sublease	Available	Rent/SF Class A	Rent/SF Class B
East Cambridge	7,721,532	24.43%	12.71%	37.14%	$76.69	$50.00
Mid Cambridge	2,692,704	11.93%	4.78%	16.70%	$60.00	$45.00
West Cambridge/Alewife	1,150,443	14.44%	8.04%	22.47%	$50.00	$40.00
Total	**11,564,679**	**20.52%**	**10.40%**	**30.92%**	**$70.15**	**$47.84**


Photo: Kyle Klein

Meet the Team

Click to learn more about our advisors



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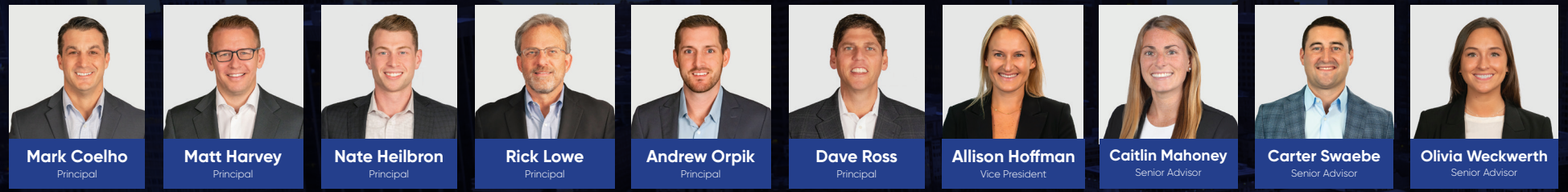
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Photo: Getty Images

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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