Sustained Leasing Momentum Produces a Major Rise in Positive Absorption

▼ 26.3%
Office Availability

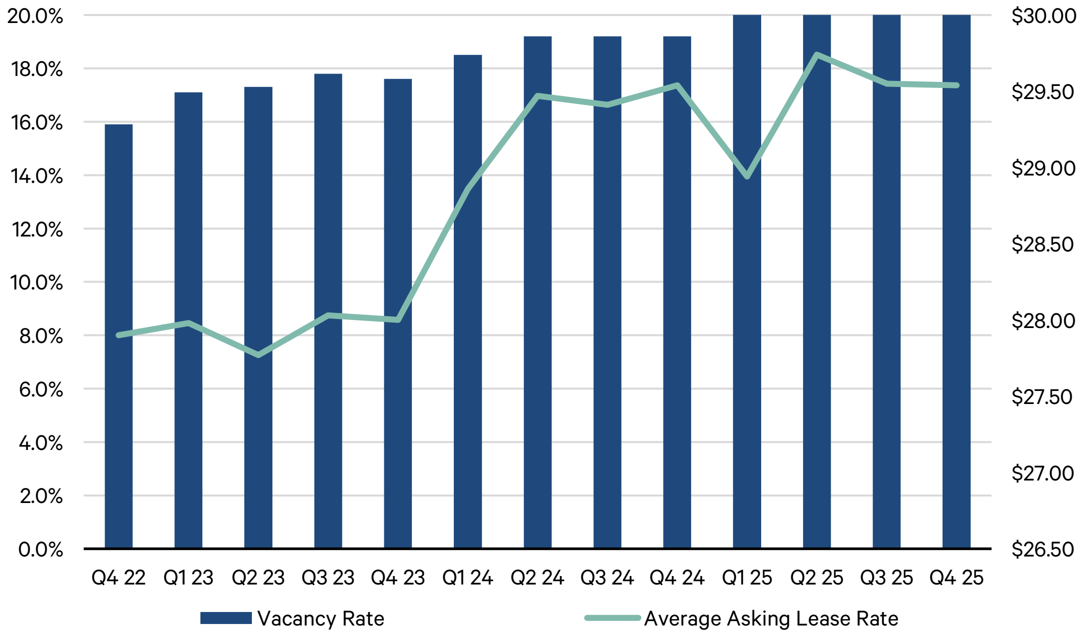
▼ $29.54
Office Lease Rate (Gross)

▲ 1,436,836 SF
Leasing Activity

Note: Arrows indicate change from previous quarter.

- The Suburban Boston office market strengthened in Q4, recording a substantial rise in positive absorption. Quarter-over-quarter (q-o-q), absorption increased by 160,757 sq. ft., bringing total positive absorption for the quarter to 490,056 sq. ft.
- The largest deal this quarter was signed at 175 & 185 Wyman Street, Waltham, where Dassault Systèmes executed a 320,000 sq. ft. renewal.
- Mid-size transactions (20,000 to 50,000 sq. ft.) represented 21% of leasing activity in Q4 2025, and transactions over 50,000 sq. ft. represented 41.2% of all Q4 2025 leasing activity.
- Approximately 81% of the leases signed during the quarter occurred in Class A properties, up from last quarter's 74.2%.
- The fourth quarter saw strong leasing velocity with an increase of roughly 230,000 sq. ft. q-o-q, totaling about 1.43 million sq. ft.. Average asking rents stayed flat with a decrease of $0.02 q-o-q to $29.54 per sq. ft. gross.
- The fourth quarter's leasing velocity was fueled by renewals, with renewals/expansions accounting for 54.2% of all leasing activity. Six out of the top 10 leases of the quarter were renewals.
- Tenant demand in the fourth quarter of 2025 was 2,166,000 sq. ft., down 819,000 sq. ft. from last quarter's 2,985,500 sq. ft.
- Vacancy decreased by 0.4% to 21.6% and availability fell by 0.5% to 26.3% in the fourth quarter.

FIGURE 1: Vacancy vs. Lease Rate



Source: CBRE Research, Q4 2025

Metro North

Leasing activity in Metro North increased significantly q-o-q, with roughly 322,000 sq. ft. of leases signed, contributing to a slight rise in positive absorption, which ended Q4 2025 at 47,546 sq. ft. Metro North recorded 551,002 sq. ft. of transactions, representing 38.4% of leasing activity across the three Suburban Boston office markets—a substantial jump from last quarter's 20%. Metro North continues to be a highly sought-after market, with approximately 41% of all suburban tenant demand focused here, and, more specifically, the Route 128 – North submarket accounting for about 25% of total tenant demand

The largest transaction in Metro North was State Street Bank signing a seven-year, 162,127 sq. ft. renewal and expansion at 700 District Avenue in Burlington. About 80% of all Metro North leasing activity was signed in the Route 128 – North submarket, including the second-largest Metro North lease, where Amazon Robotics signed a 95,037 sq. ft. expansion at 400 Riverpark Drive in North Reading. The Route 3 – North submarket saw similar leasing velocity to last quarter, with the third-largest deal being HNTB Corporation's ten-year, 24,997 sq. ft. renewal and expansion at 300 Apollo Drive in Chelmsford.

Metro North's leasing activity was driven by renewals; the seven largest deals were renewals or expansions. The five largest deals in Metro North transacted in Class A buildings, highlighting the flight to quality in the overall suburban office market.

The one major sale in Metro North this quarter was Montana Avenue Capital Partners' acquisition of a two-building, 431,233 sq. ft. portfolio in Burlington. Peakstone Realty Trust sold the Burlington Research Center, consisting of 53 South Avenue and 63 South Avenue, for $84.5 million, or $195.95 per sq. ft.

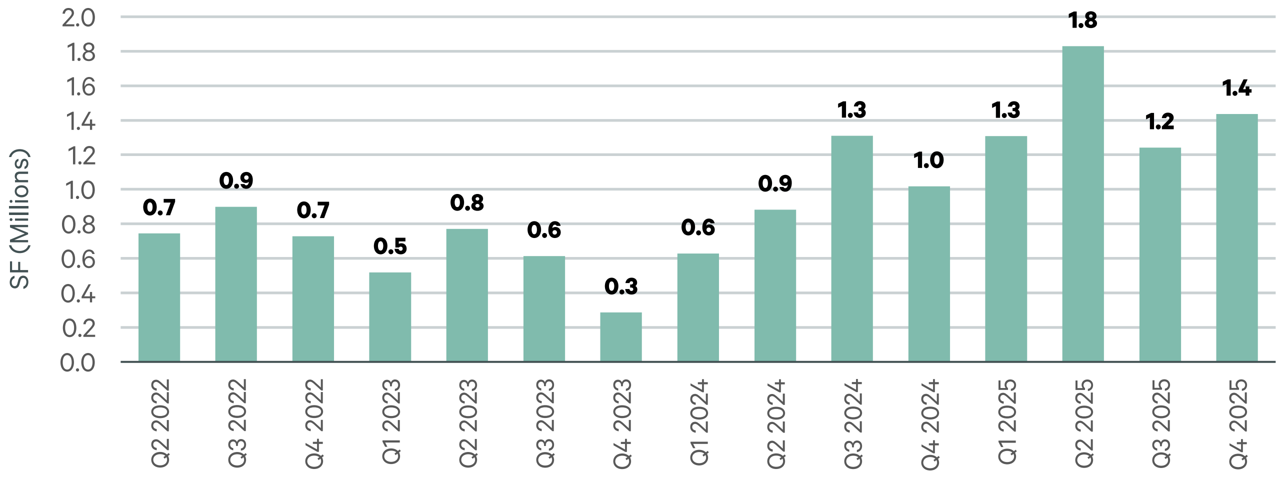
Average asking rents in Metro North were $27.19 per sq. ft. gross, relatively flat q-o-q with only a $0.05 per sq. ft. increase year-over-year (y-o-y). Availability fell by 0.4% q-o-q to 29.3% and vacancy decreased by 0.7% q-o-q to 24.8%. Availability and vacancy both increased by 3.2% y-o-y.

FIGURE 2: Transactions of Note

Tenant/Investor	Address	Sq. Ft.	Submarket	Type
Dassault Systèmes	175 & 185 Wyman Street, Waltham	320,000	Route 128 – West	Renewal
State Street Bank	700 District Avenue, Burlington	162,127	Route 128 – North	Renewal/Expansion
Amazon Robotics	400 Riverpark Drive, North Reading	95,037	Route 128 - North	Expansion
Dentsply Sirona	590 Lincoln Street, Waltham	84,413	Route 128 – West	Renewal
Ascensus	140 Kendrick Street, Needham	36,233	Route 128 – West	New

Source: CBRE Research Q4 2025

FIGURE 3: Historical Quarterly Leasing Activity



Source: CBRE Research, Q4 2025

Metro South

Although Metro South experienced a q-o-q decline in leasing activity—largely because last quarter saw an unusually strong surge with two 100K+ sq. ft. tenants entering the market—it has remained consistent overall and showed slight improvement year over year (y-o-y). The majority of Metro South's leasing activity transacted in the Route 128 – South submarket, with the most notable deal being Analog Devices signing 33,900 sq. ft. at 720 University Avenue, Norwood.

Although unable to match the third quarter's leasing velocity or positive absorption, Metro South has still shown y-o-y improvement. Metro South's vacancy rate dropped a notable 1.8% y-o-y to 14.1%. The sublease percentage also improved, decreasing about 40 basis points (bps) to end the year at 3.8%. Availability declined by 1.5% y-o-y, bringing fourth-quarter availability to 20.5%. Average asking rents remained relatively flat over the year and are now $24.78 per sq. ft.

Metro West

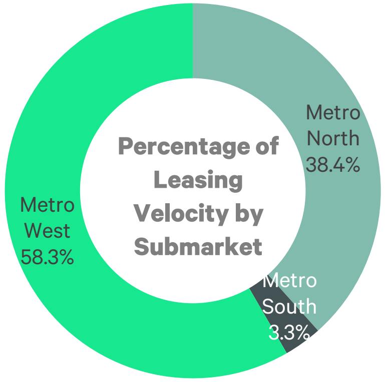
Metro West showed q-o-q growth in positive net absorption, increasing by roughly 276,000 sq. ft. from last quarter and ending the quarter with 342,852 sq. ft. of positive absorption. This change of just over 250,000 sq. ft. reflects Metro West's increased leasing activity and very few large availabilities being added back to the market. The Route 128–West submarket recorded the highest positive net absorption among all suburban areas, putting Metro West about 300,000 sq. ft. ahead of the other two suburban markets.

Metro West led the suburban Boston office markets in leasing activity, accounting for well over half (58.3%) of all leases signed. Vacancy remained relatively flat, dipping only 0.1% q-o-q to 21.3%, while availability decreased 0.8% to 25.8%. Overall average asking rents stayed mostly steady q-o-q with only a slight increase, though y-o-y they rose by $0.44 to $32.67 per sq. ft. gross. Sublease availability inched up 0.2% q-o-q to 3.8%. More than half (56.2%) of all suburban tenant demand targeted the Metro West market, with 37.1% specifically focused on the Route 128–West submarket, reflecting the preference for established, centrally located hubs such as Waltham, Newton, Wellesley, Lexington, and Needham.

Boston Office	Bldgs	Total SqFt	Available (%)	Vacant (%)	Sublease (%)	Quarter Absorption	Avg Asking Rent $ (Gross)
Close-In Suburbs North	56	5,241,495	33.1	28.6	6.1	175,194	31.15
Route 128 - North	152	17,839,698	24.8	19.4	3.5	(116,666)	24.8
Route 495 - Northeast	37	6,622,336	32.4	31.1	5.6	10,365	32.4
Route 3 - North	114	11,570,661	32.4	28.0	5.0	89,392	32.7
Metro North	**359**	**41,274,190**	**29.3**	**24.8**	**4.6**	**158,285**	**29.3**
Route 128 - West	247	22,711,262	27.8	22.2	5.4	412,715	42.37
Framingham – Natick	58	5,866,307	14.0	12.1	1.0	(38,916)	21.49
Route 495 - Route 2 West	48	4,721,648	37.8	35.0	1.6	10,155	20.54
Route 495 - Mass Pike West	108	10,778,660	22.7	18.3	2.7	59,087	21.68
Metro West	**461**	**44,077,877**	**26.6**	**21.3**	**3.8**	**443,041**	**32.67**
Route 128 - South	154	13,803,361	20.7	14.1	3.5	(57,183)	25.69
Route 495 – South	32	2,446,493	19.2	14.3	5.4	11,032	20.67
Metro South	**186**	**16,249,854**	**20.5**	**14.1**	**3.8**	**(46,151)**	**24.78**
Overall Suburban Office	**1,006**	**101,601,921**	**26.3**	**21.6**	**4.1**	**555,175**	**29.54**

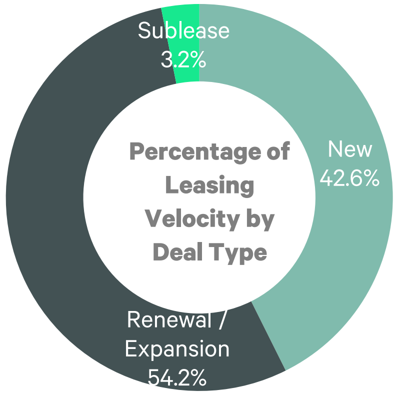
Source: CBRE Research Q4 2025

FIGURE 5: Percentage of Leasing Velocity by Market



Source: CBRE Research Q4 2025

FIGURE 6: Percentage of Leasing Velocity by Deal Type



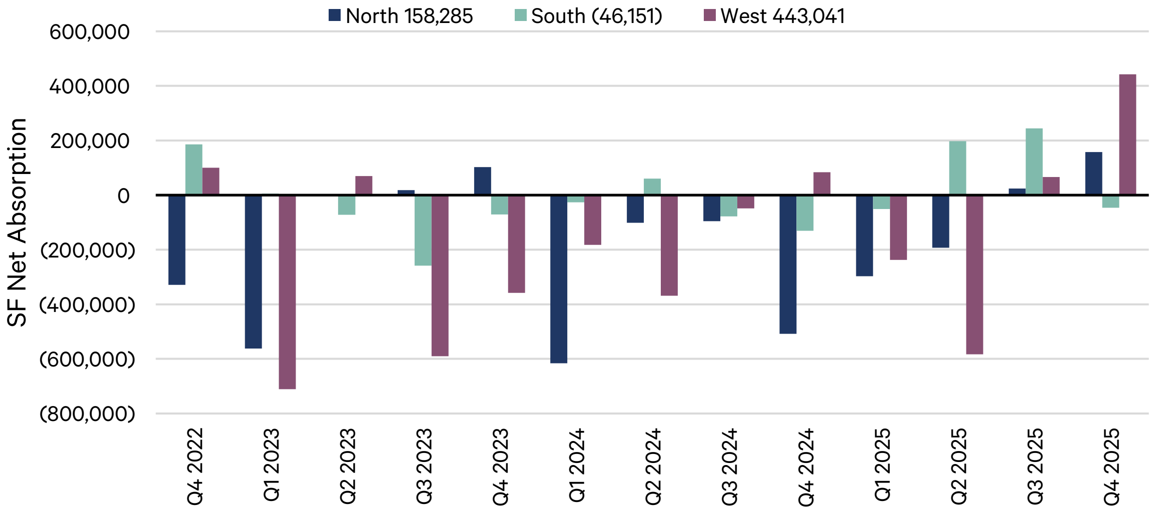
Source: CBRE Research Q4 2025

The five most notable leases in Metro West this quarter were over 30,000 sq. ft. Dassault Systèmes completed the largest transaction, renewing 320,000 sq. ft. at 175 & 185 Wyman Street in Waltham. Dentsply Sirona also renewed 84,413 sq. ft. at 590 Lincoln Street in Waltham. The largest new deal was Ascensus, which signed for 36,233 sq. ft. at 140 Kendrick Street in Needham. TechTarget similarly executed a ten-year, 34,289 sq. ft. relocation within the building at 275 Grove Street in Newton. Class A buildings accounted for 80% of all Metro West leasing activity, up sharply from 63.1% in the third quarter, underscoring the ongoing flight-to-quality as tenants prioritize well-located offices with modern amenities.

Route 128 West recorded 312,526 sq. ft. of positive net absorption, a significant q-o-q increase of about 267,105 sq. ft. Overall average asking rents in Route 128 West decreased slightly by $0.15 q-o-q to $42.37 per sq. ft. gross. Availability decreased by a significant 1.8% q-o-q, and overall vacancy also declined by 0.4% to 22.6%. Sublease availability remained relatively flat q-o-q but is down roughly 0.9% y-o-y. The rise in positive net absorption is largely driven by Metro West's strong leasing activity. Metro West accounted for 58.3% of all leasing velocity, with 51.1% of all leases occurring in the Route 128–West submarket.

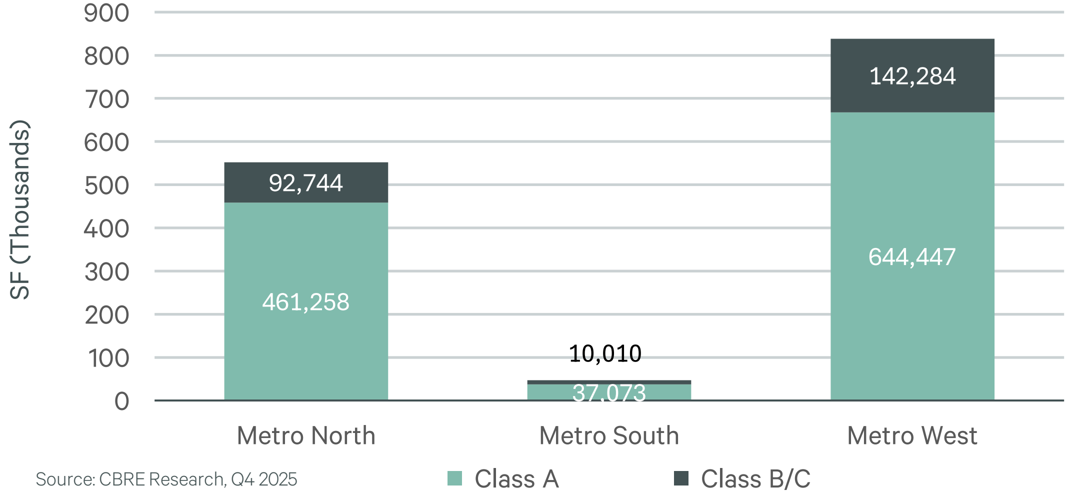
The Mass Pike West submarket rebounded to 59,087 sq. ft. of positive net absorption in the fourth quarter, a substantial q-o-q increase of 188,454 sq. ft. The Route 2–West submarket also improved q-o-q, finishing the quarter with 10,155 sq. ft. of positive absorption. While Metro West outperformed the other suburban office markets in absorption this quarter, the Framingham–Natick submarket saw a notable q-o-q decline, ending the fourth quarter with 38,916 sq. ft. of negative absorption. Overall, Metro West continues to be a highly favored market for large office tenants.

FIGURE 7: Net Absorption by Market



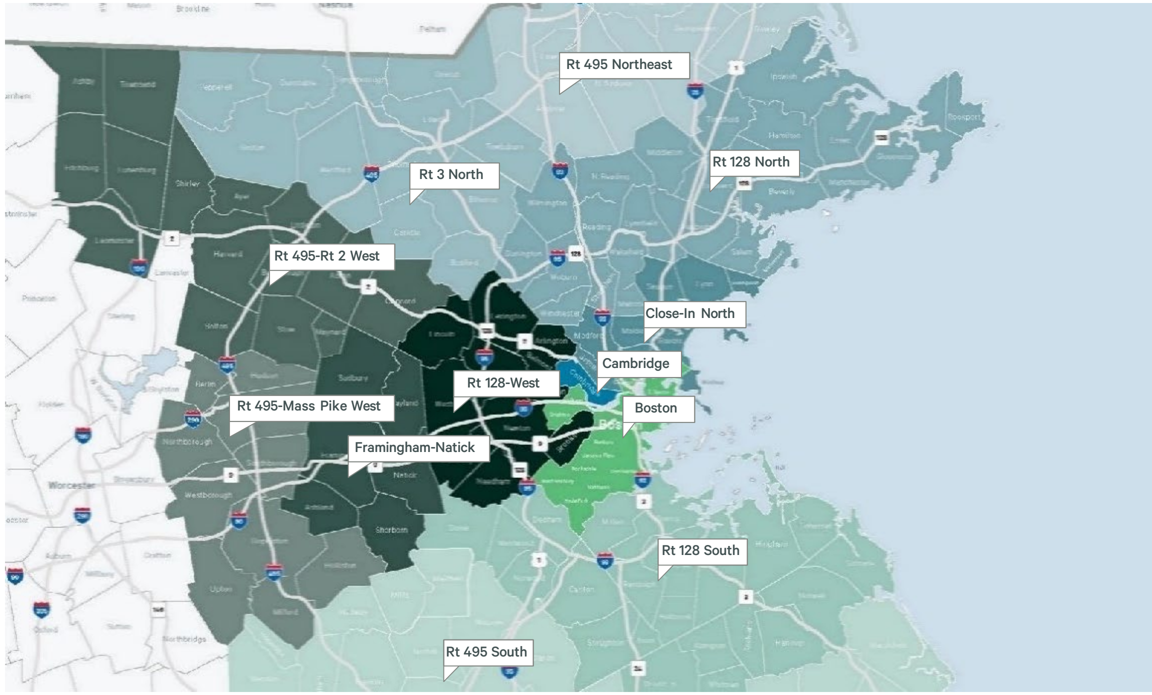
Source: CBRE Research, Q4 2025

FIGURE 8: Q4 2025 Average Asking Leasing Activity SF by Class



Source: CBRE Research, Q4 2025

Market Area Overview



Definitions

AVERAGE ASKING LEASE RATE: Rate determined by multiplying the asking gross lease rate for each building by its available space, summing the products, then dividing by the sum of the available space with net leases for all buildings in the summary. GROSS LEASES: Includes all lease types whereby the tenant pays an agreed rent plus estimated average monthly costs of the operating expenses and taxes for the property, including utilities, insurance and/or maintenance expenses.NET ABSORPTION: The change in occupied sq. ft. from one period to the next, as measured by available sq. ft. NET RENTABLE AREA: The gross building square footage minus the elevator core, flues, pipe shafts, vertical ducts, balconies and stairwell areas. OCCUPIED AREA (SQ. FT.): Building area not considered vacant. UNDER CONSTRUCTION: Buildings that have begun construction as evidenced by site excavation or foundation work. AVAILABLE AREA (SQ. FT.): Available building area that is either physically vacant or occupied. AVAILABILITY RATE: Available sq. ft. divided by the net rentable area. VACANT AREA (SQ. FT.): Existing building area that is physically vacant or immediately available. VACANCY RATE: Vacant building feet divided by the net rentable area. NORMALIZATION: Due to a reclassification of the market, the base, number and square footage of buildings of previous quarters have been adjusted to match the current base. Availability and vacancy figures for those buildings have been adjusted in previous quarters.

Survey Criteria

Includes all competitive buildings in CBRE's survey set for the Suburban Boston Office.

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