

FIGURES | CAMBRIDGE OFFICE | Q1 2026

Office Fundamentals Hold Steady During Quiet Quarter

▶ 21.7%

Vacancy Rate

▼ 7,886

SF Net Absorption

▼ 0

SF Construction Delivered

▶ 0

SF Under Construction

▼ \$70.58

FSG/YR Direct Lease Rate

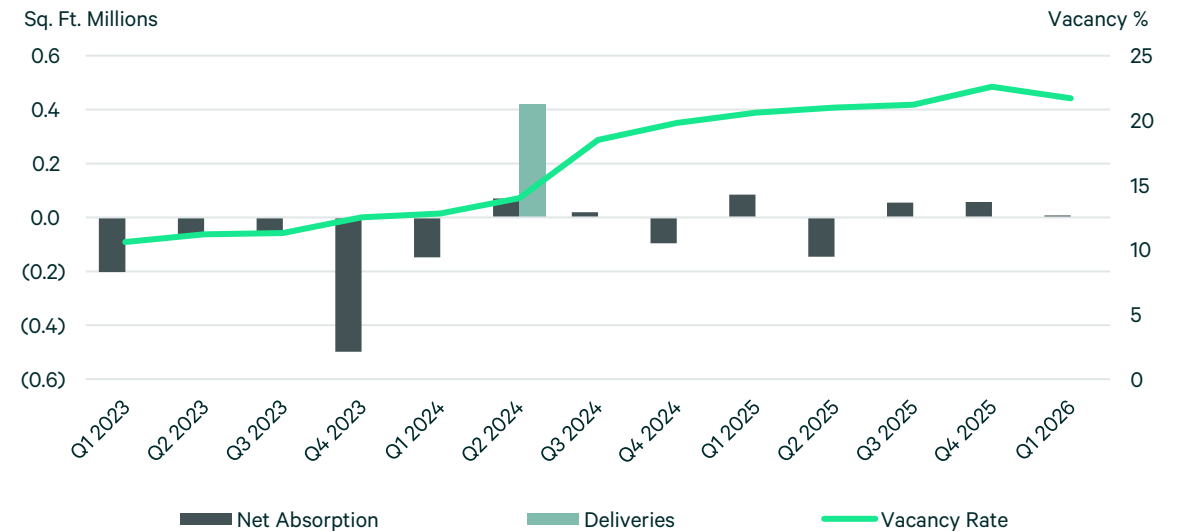
Note: Arrows indicate change from previous quarter.

Market Overview

The Cambridge office market entered 2026 with muted demand and rising availability, reflecting continued tenant caution and limited leasing velocity. As of Q1 2026, total market availability reached 24.7%, up marginally from 24.6% in Q4 2025 and 24.4% one year earlier, while vacancy held steady at 21.7%, unchanged from Q4 2025 but 70 basis points higher year over year. Net absorption for the quarter was effectively flat at 7,886 sq. ft., following 57,802 sq. ft. of positive absorption in Q4 2025, and 84,238 sq. ft. one year ago.

East Cambridge continues to account for the largest share of inventory and availability pressure. In Q1 2026, East Cambridge availability increased to 24.4%, up from 23.9% in Q4 2025 and 25.3% in Q1 2025, while vacancy edged up to 22.5%. Net absorption for the submarket turned negative at 37,560 sq. ft., reversing the 109,735 sq. ft. of positive absorption posted in Q4 2025, and underscoring the uneven recovery path across core office product.

Figure 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

Vacancy

Vacancy conditions across Cambridge have largely stabilized but remain elevated by historical standards. Total vacancy registered 21.7% in Q1 2026, unchanged quarter over quarter and up from 21.0% in Q1 2025. Availability followed a similar trajectory, rising modestly from 24.6% in Q4 2025 to 24.7%.

East Cambridge continues to face higher volatility due to its concentration of larger blocks and sublease offerings. Sublease availability accounted for 5.3% of total inventory in Q1 2026, down from 5.6% in Q4 2025 but well below the 8.0% recorded in Q1 2025, indicating some moderation as sublease space is gradually absorbed or withdrawn. Despite this improvement, East Cambridge vacancy increased 10 basis points quarter over quarter, signaling lingering space givebacks among tenants of all sizes.

Asking Rent

Despite soft fundamentals, landlords have largely maintained pricing discipline. The overall average asking rent across Cambridge stood at \$70.58 per sq. ft. in Q1 2026, down from \$71.79 in Q4 2025, but only modestly below the \$72.66 achieved one year earlier. This stability reflects landlords' preference for concession based negotiations rather than headline rent reductions.

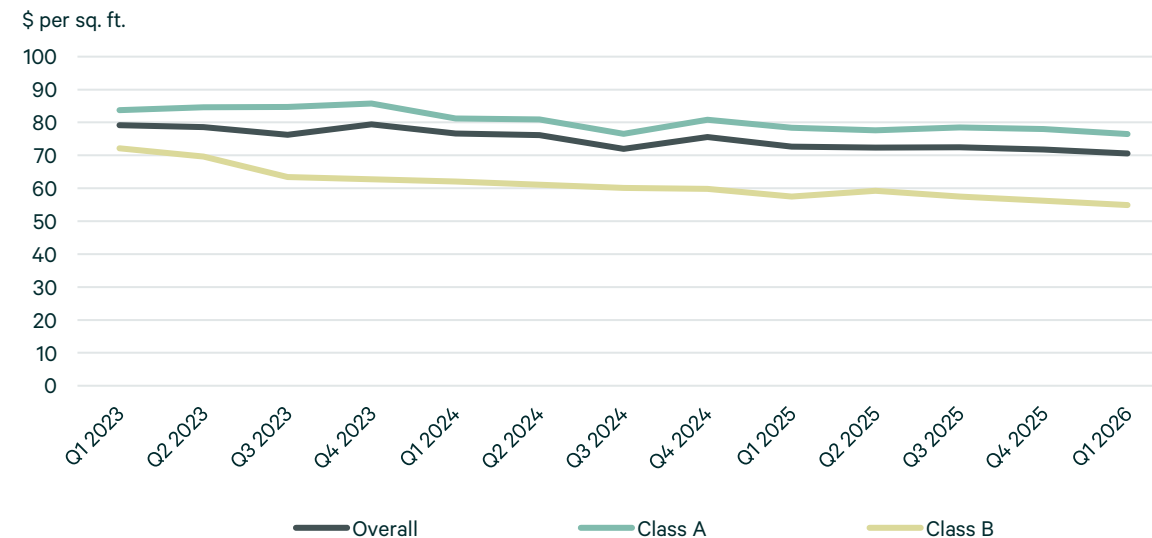
East Cambridge remains the most expensive submarket, with asking rents averaging \$78.01 per sq. ft., effectively flat from \$78.21 in Q4 2025, though down 3.2% from \$80.60 in Q1 2025. While the submarket continues to command a premium due to its proximity to research institutions and transit infrastructure, sustained vacancy and availability are placing selective pressure on top end pricing, particularly for second generation space.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q1 2026

Figure 3: Avg. Direct Asking Rate by Class



Source: CBRE Research, Q1 2026

Net Absorption

Net absorption across Cambridge softened materially in Q1 2026. The market recorded 7,886 sq. ft. of net absorption, a sharp slowdown from the 57,802 sq. ft. gain in Q4 2025, and down 90% year over year. The slowdown reflects delayed decision making among office using tenants and a continued flight to quality rather than net expansion.

East Cambridge was a notable drag on overall performance, posting 37,560 sq. ft. of negative net absorption, reversing the strong positive momentum seen in late 2025. This loss follows 109,735 sq. ft. of positive absorption in Q4 2025, highlighting quarter to quarter volatility within Cambridge, but being seen across the Greater Boston Metro. Year to date absorption for East Cambridge turned negative for the first time since mid-2025, reinforcing near term demand uncertainty.

Leasing Activity

Leasing activity remained muted after a slow second half of 2025, totaling 61,225 sq. ft. of deals in the first quarter of 2026. The last four quarters have totaled 462,000 sq. ft. of leasing where the average deal size has been 12,500 sq. ft. All 61,225 sq. ft. of leasing during the first quarter was made of new deals, as tenants looked for new spaces for their future homes. Only 10% of the square footage leased in the quarter was signed in Class A buildings, with the remaining 90% choosing Class B or C buildings. Over the last year, tenants have shown a larger desire for Class A buildings with 67% of deals choosing Class A properties.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Market Statistics

Figure 5: Cambridge Market Statistics by Class

| | Net Rentable Area | Total Vacancy | Total Availability | Direct Availability | Sublease Availability | Avg. Direct Asking Rate (FSG/YR) | Current Quarter Net Absorption | YTD Net Absorption | Deliveries | Under Construction |
|--------------|-------------------|---------------|--------------------|---------------------|-----------------------|----------------------------------|--------------------------------|--------------------|------------|--------------------|
| Class A | 9,468,043 | 22.9% | 25.3% | 19.3% | 6.0% | 76.48 | -29,520 | -29,520 | - | - |
| Class B | 3,008,389 | 18.2% | 22.8% | 17.3% | 5.5% | 54.9 | 37,406 | 37,406 | - | - |
| Total | 12,476,432 | 21.7% | 24.7% | 18.8% | 5.9% | 70.58 | 7,886 | 7,886 | - | - |

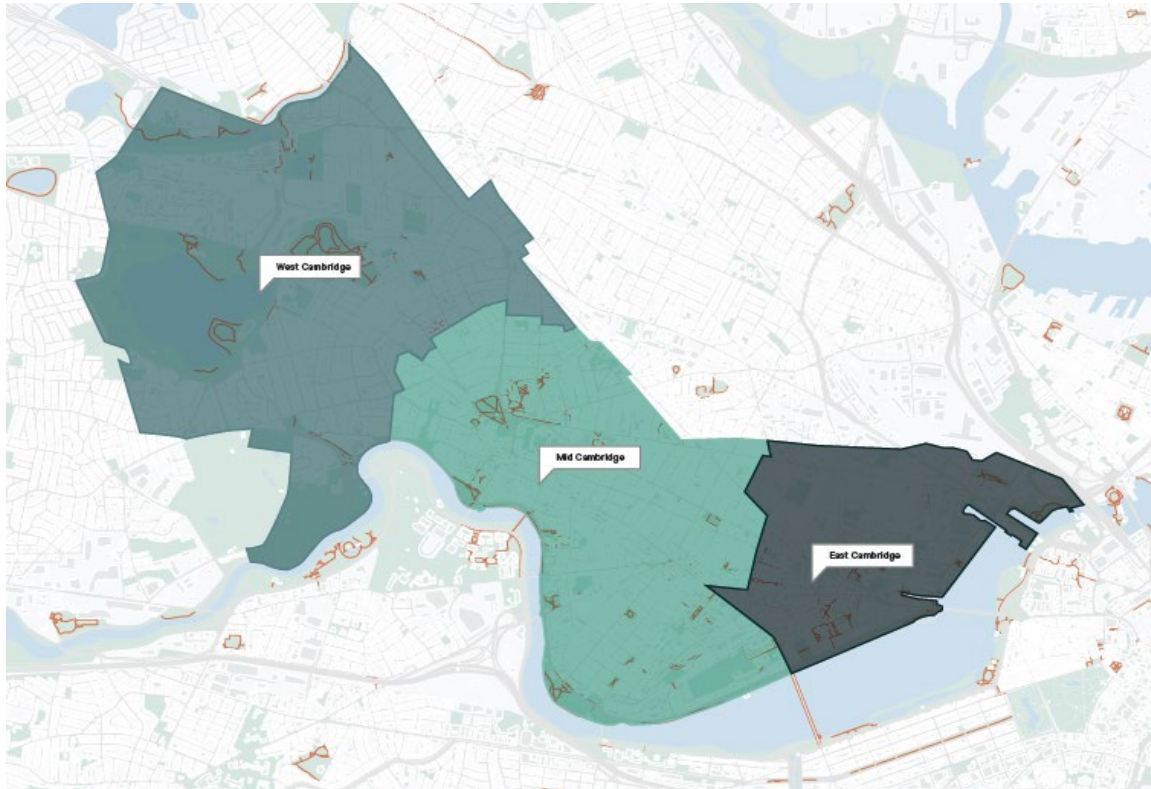
Source: CBRE Research, Q1 2026

Figure 6: Cambridge Market Statistics by Submarket

| | Net Rentable Area | Total Vacancy | Total Availability | Direct Availability | Sublease Availability | Avg. Direct Asking Rate (FSG/YR) | Current Quarter Net Absorption | YTD Net Absorption | Deliveries | Under Construction |
|--------------|-------------------|---------------|--------------------|---------------------|-----------------------|----------------------------------|--------------------------------|--------------------|------------|--------------------|
| East | 8,950,464 | 22.5% | 24.4% | 19.1% | 5.3% | \$78.01 | -37,560 | -37,560 | - | - |
| Mid | 2,474,125 | 23.3% | 26.2% | 20.3% | 5.9% | \$57.48 | 31,431 | 31,431 | - | - |
| West | 1,051,843 | 11.6% | 23.3% | 12.2% | 11.1% | \$48.63 | 14,015 | 14,015 | - | - |
| Total | 12,476,432 | 21.7% | 24.7% | 18.8% | 5.9% | \$70.58 | 7,886 | 7,886 | - | - |

Source: CBRE Research, Q1 2026

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. **Availability Rate:** Total Available Sq. Ft. divided by the total building Area. **Average Asking Lease Rate:** A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. **Building Area:** The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. **Gross Activity:** All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. **Gross Lease Rate:** Rent typically includes real property taxes, building insurance, and major maintenance. **Net Absorption:** The change in Available Sq. Ft. from one period to the next. **Net Lease Rate:** Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. **Occupied Sq. Ft.:** Building Area not considered vacant. **Vacancy Rate:** Total Vacant Sq. Ft. divided by the total Building Area. **Vacant Sq. Ft.:** Space that can be occupied within 30 days.

Survey Criteria

All office inventory that CBRE deems competitive within the Cambridge market

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