

FIGURES | CAMBRIDGE OFFICE | Q4 2025

# Cambridge records positive absorption to end year

▼ 24.3%  
Office Availability

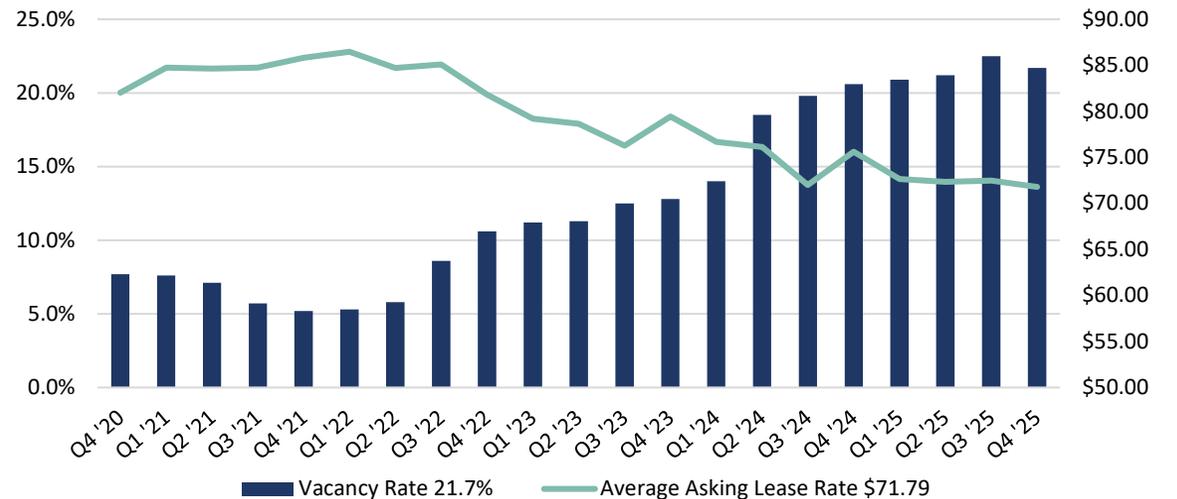
▼ 21.7%  
Office Vacancy

▼ \$71.79  
Office Lease Rate (Gross)

Note: Arrows indicate change from previous quarter.

- The Cambridge office market recorded 57,802 sq. ft. of positive absorption during the quarter, bringing the 2025 total to 96,425 sq. ft. of growth in the market
- Asking rents declined by nearly 100 basis points (bps) since last quarter, sitting at \$71.79 per sq. ft gross due to continued pressure from the elevated vacancy
- Vacancy decreased by 80 bps to 21.7% across the market and East Cambridge saw vacancy decrease 90 bps to 22.4%
- Sublease availability has continued to decrease, seeing a 150 bps drop since last quarter, to 6.3%

FIGURE 1: Office Vacancy vs. Lease Rate



Source: CBRE Research, Q4 2025

During the final quarter of 2025, the Cambridge office market recorded over 80,000 sq. ft. of leasing activity, bringing the annual total to 443,000 sq. ft. While this annual volume is approximately 33% below 2024 levels, the market achieved positive absorption—a milestone not reached in the previous year – driven by two large office occupiers withdrawing their subleases from the market. The average deal size decreased to 12,000 sq. ft. in 2025, as large technology and pharmaceutical tenants remained largely on the sidelines. Despite persistent macroeconomic headwinds and ongoing adjustments to hybrid work models, interest from AI-focused companies exploring the local landscape has notably increased.

This positive absorption in the fourth quarter led to a decrease in availability for the second consecutive quarter, reaching 24.3%. This represents a drop of 40 basis points (bps) since last quarter and 80 bps since the end of 2024. Vacancy recorded an 80 bps decrease since last quarter, reaching 21.7%, though it remains up 110 bps since the end of last year. For context, before the pandemic, when Cambridge was one of the tightest office markets in the country, the vacancy rate at the end of 2019 was just 3.6 percent. In the final quarter of 2025, Microsoft and Kayak decided to remove their sublease space from the market as they either reoccupied the space or continued to reassess their needs. Together, these two tenants helped improve market conditions by removing nearly 110,000 square feet from the sublease inventory.

Despite the positive absorption and decreasing availability, asking rents have continued to face downward pressure, ending the year at \$71.79 per sq. ft. gross. Rents saw a 100 bps decrease since last quarter and have ultimately fallen nearly 17% since the peak recorded at the end of the first quarter in 2022. East Cambridge was once again the primary driver of activity, recording nearly 110,000 sq. ft. of positive absorption and accounting for 82% of all square feet leased in Cambridge during the fourth quarter. Renewals and expansions remained the main driver of activity as tenants prioritized capital conservation; these deals accounted for 60% of total leasing. This activity helped drive down availability in East Cambridge by 120 bps to 23.9%, while vacancy fell 90 bps to 22.4%. However, the historically elevated vacancy continues to impact the premium submarket, with rents falling 110 bps to \$78.21 per sq. ft. gross—a level not seen since the end of 2016.

In contrast, Mid and West Cambridge recorded approximately 52,000 sq. ft. of negative absorption. Mid Cambridge saw availability increase 210 bps since last quarter to 27.2%, while vacancy saw a slight decrease of 60 bps to 23.2%. West Cambridge saw availability hold steady at 20.4%, though vacancy did experience a 100 bps decrease to 12.4%.

Throughout these shifts, the emergence of AI has remained a central theme. While a few AI companies signed deals over the last 12 months, the true long-term impact of Artificial Intelligence and Large Language Models (LLMs) NewCo demand is still unfolding in this historically strong tech market, particularly within Kendall Square.

FIGURE 2: Office Market Statistics

Cambridge Office	Bldgs	Total Sq.Ft.	Available (%)	Vacant (%)	Sublease (%)	Quarter Absorption	YTD Absorption	Avg Asking Rent \$ (Gross)
Cambridge - East	54	8,987,052	23.9	22.4	5.6	109,735	192,217	78.21
Cambridge - Mid	44	2,503,693	27.2	23.2	6.0	(51,743)	(58,834)	58.62
Cambridge - West	14	1,051,843	20.4	12.4	13.2	(190)	(36,958)	41.36
<b>Overall Cambridge Office</b>	<b>112</b>	<b>12,542,588</b>	<b>24.3</b>	<b>21.7</b>	<b>6.3</b>	<b>57,802</b>	<b>96,425</b>	<b>71.79</b>

Source: CBRE Research, Q4 2025

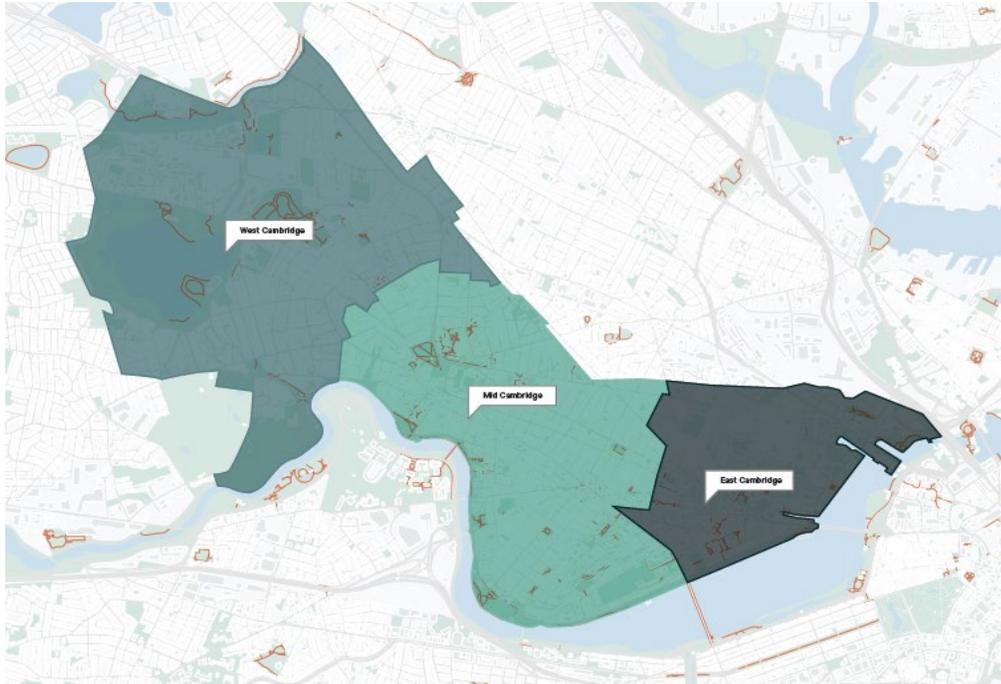
FIGURE 3: Transactions of Note

TENANT	ADDRESS	SQ. FT.	SUBMARKET	TYPE
Cullinan Oncology	One Main Street	13,900	East Cambridge	Renewal
ProtonAI	5 JFK Street	11,600	Mid Cambridge	Sublease
TychoAI	One Main Street	11,140	East Cambridge	Sublease

Source: CBRE Research, Q4 2025

Note: CBRE re-drew submarket boundaries between East and Mid Cambridge resulting in changes to stats, both to the current Q1 stats and historical. Massachusetts Avenue is now the dividing line between East and Mid Cambridge

## 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 available 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. This includes future availability in actively under construction properties. **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 Cambridge Office Market.

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