

FIGURES | BOSTON/NEW ENGLAND OFFICE | Q3 2026

New Class A transactions take over urban Boston leasing in the third quarter of 2026.

▼18.5%

Vacancy Rate

▼62,741

SF Net Absorption

▼OK

SF Construction Delivered

▼0

SF Under Construction

▼\$66.12

SF/YR Direct Lease Rate (Gross)

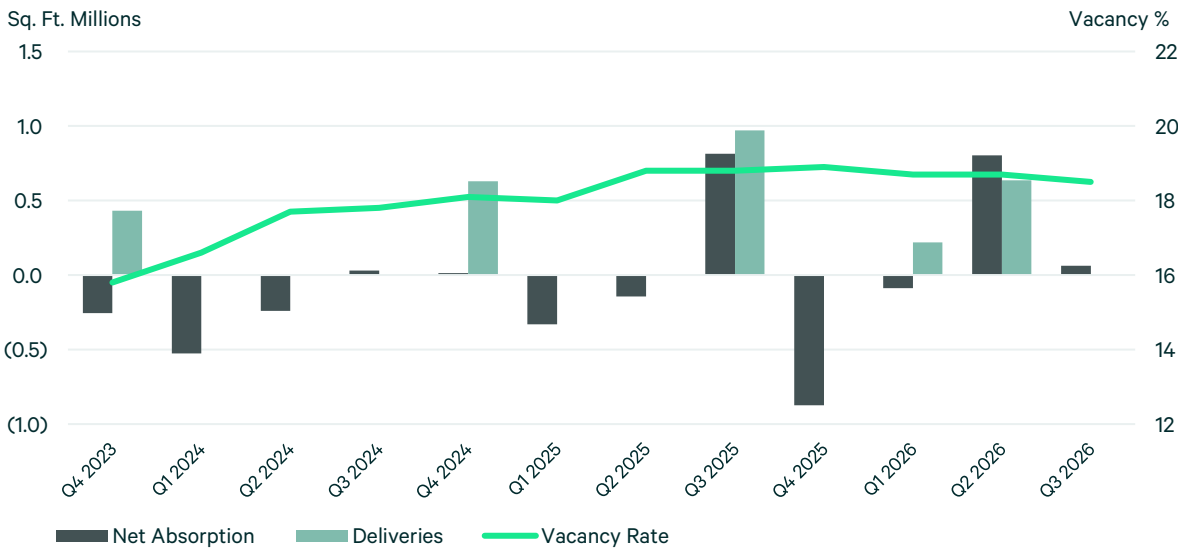
Note: Arrows indicate change from previous quarter.

Market Overview

The Downtown Boston office market showed positive absorption and improved vacancy to end the third quarter of 2026. Net absorption was 62,741 sq. ft. in Q3 2026, and leasing velocity increased by 136,853 sq. ft. quarter-over-quarter to 1.27 million sq. ft. leased. Tenant demand sat at 4.3 million sq. ft. in Q3 2026, roughly flat from the Q2 2026 total and 283,000 sq. ft. higher than the Q3 2025 total.

Both absorption and leasing velocity were both lower than the totals in Q3 2025 when net absorption was 814,147 sq. ft. and leasing velocity was 1.92 million sq. ft. Additionally, from Q3 2025 to Q3 2026, vacancy decreased from 19.1% to 18.5%, a 60-basis point (bps) decline. Average asking rents decreased by \$2.63 per sq. ft. year-over-year from \$68.75 per sq. ft. to \$66.12 per sq. ft. in Q3 2026. At the same time, the construction pipeline has been curtailed, with space under construction dropping from 5.0 million sq. ft. in Q1 2022 to no new construction in Q2 2026, following a wave of deliveries in Q1 2026 with 219,000 sq. ft. at 350 Boylston Street in Back Bay and in Q2 2026 with 635,000 sq. ft. at Commonwealth Pier in Seaport.

Figure 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q3 2026

Availability, Vacancy and Sublease Availability

Overall class A vacancy decreased by 0.1% q-o-q and 0.3% y-o-y to 18.2% in Q3 2026, while Class B vacancy decreased by 0.5% q-o-q and 1.0% y-o-y at 19.0%. The Class A to Class B vacancy spread stood at 0.8% this quarter, down from 1.2% in Q2 2026. Overall availability remained flat at 23.1% in Q3 2026 while vacancy decreased by 0.2% to 18.5% in Q3 2026. Class A availability in Q3 2026 was 22.6%, an increase from 22.1% in Q2 2026 but a decrease from 23.0% in Q3 2025. In contrast, Class B availability in Q3 2026 was 24.1%, a decrease from 24.7% in Q2 2026, and a significant increase from 22.7% in Q3 2025.

In Q3 2026, the Boston CBD recorded overall vacancy of 20.1%, with Class A vacancy of 19.4% and Class B at 22.4%. Boston CBD vacancy in Q3 2026 remained flat q-o-q and decreased by 1.3% year-over-year. Back Bay recorded overall vacancy of 13.8%, with Class A vacancy of 13.9% and Class B at 13.6%. Back Bay vacancy in Q3 2026 decreased by 0.1% quarter-over-quarter and 1.4% year-over-year. Seaport recorded overall vacancy of 20.0%, with Class A vacancy of 19.4% and Class B of 20.5%. Seaport vacancy in Q3 2026 decreased by 0.1% quarter-over-quarter and increased by 2.9% year-over-year.

Sublease availability was 3.4% in Q3 2026, a 0.3% q-o-q increase off the back of eleven consecutive quarters of sublease availability decreasing. Class A sublease availability in Q3 2026 was 3.7%, higher than Q2 2026 which was 3.2% but lower than Q3 2025 which was 4.0%. Sublease availability across Boston CBD, Back Bay and Seaport in Q3 2026 was 2.3%, 1.5% and 7.2% respectively. CBD and Back Bay sublease availabilities in Q3 both decreased quarter-over-quarter and year-over-year, but Seaport increased.

Asking Rent

The overall average direct asking rent in Q3 2026 was \$66.12 per sq. ft., down \$0.20 quarter-over-quarter and down \$2.63 year-over-year. Class A asking rents decreased from \$73.94 per sq. ft. in Q2 2026 to \$73.62 per sq. ft. in Q3 2026, and decreased \$1.89 per sq. ft. year-over-year. Class B rates decreased from \$51.16 per sq. ft. in Q2 2026 to \$50.96 per sq. ft. in Q3 2026, and decreased \$0.49 year-over-year.

Back Bay saw the highest Class A average asking rents in Q3 2026 at \$79.00 per sq. ft. gross, a \$1.99 increase from the previous quarter. Seaport posted the highest Class B average asking rents in Q3 2026 with \$55.28 per sq. ft. gross, \$0.31 increase from the previous quarter. Meanwhile Boston CBD in Q3 2026 posted the highest overall asking rent at \$68.39 per sq. ft., compared to \$66.24 per sq. ft. in the Back Bay and \$65.29 per sq. ft. in the Seaport.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q3 2026

Figure 3: Avg. Direct Asking Rate by Class



Source: CBRE Research, Q3 2026

Net Absorption

Net absorption decreased in Q3 2026, with the market recording 62,741 sq. ft., a decrease of 741,138 sq. ft. quarter-over-quarter and a decrease of 751,406 sq. ft. year-over-year. Class A product posted -160,510 sq. ft. of net absorption in Q3 2026, a 884,618 sq. ft. decrease quarter-over-quarter. Conversely, Class B net absorption in Q2 2026 was 223,251 sq. ft., a 143,480 sq. ft. increase quarter-over-quarter and a 235,352 sq. ft. increase year-over-year. For the second consecutive quarter, the most negative net absorption for Q3 2026 was concentrated primarily in the Seaport submarket with -349,349 sq. ft. and more specifically in the Seaport Class A market with -398,300 sq. ft. CBD net absorption was 178,058 sq. ft. in Q3 2026, a significant quarterly decrease of 813,253 sq. ft.. Back Bay net absorption was 91,448 sq. ft. in Q3 2026, an increase of 68,123 sq. ft. q-o-q.

Sale Transactions

Q3 recorded two significant urban office transactions: One Marina Park Drive and 265 Franklin Street. Both highlight renewed investor interest in Class A office towers in the urban core. One Marina Park Drive traded for \$435 million, with Clarion Partners selling to Oxford Properties. The sale marked one of the first stabilized, trophy office takeouts since the COVID-19 pandemic. 265 Franklin Street stands as another cornerstone for the Boston market. Synergy Investments and Axonic Capital acquired the tower from Clarendon Group for \$116 million. At 55% leased, the sale demonstrates that investors will still pay up for best-in-class assets despite carrying material lease-up risk. In the B market, Eastern Real Estate also bought 374 Congress Street for \$28 million from TIAA. The market also continues to see demand for office-to-residential conversion, with the sale of the 85 Devonshire Street to McCarthy Real Estate for \$8.6 million.

Construction Activity

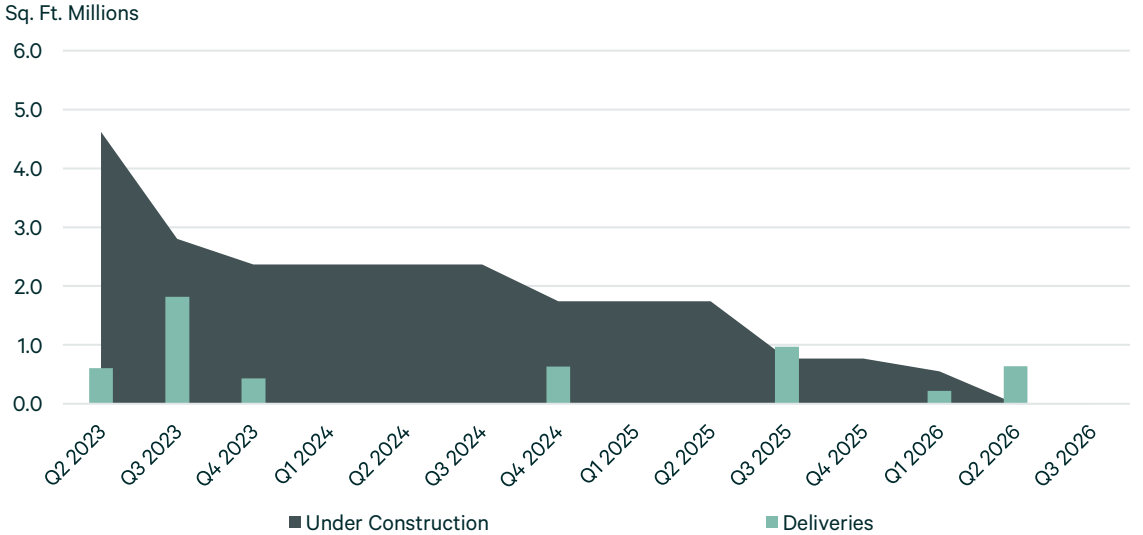
In Q3 2026, there were no new developments or permitted projects added to the existing construction pipeline as there is 2.0 million sq. ft. of only permitted developments after the delivery of 219,000 sq. ft. at 350 Boylston Street and the delivery of 635,000 sq. ft. at Commonwealth Pier in the first half of 2026. In Q3 2025, almost one million sq. ft. of office space was delivered with South Station Tower and 10 World Trade Center. Since Q1 2022, 5.6 million sq. ft. of office space delivered in Boston, with 3.1 million sq. ft. or 56.4% in the Boston CBD. While 5.9 million sq. ft. of new construction is proposed, the pipeline has not grown and no new construction from the proposed sites are expected to be delivered until 2032.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q3 2026

Figure 5: Construction Activity



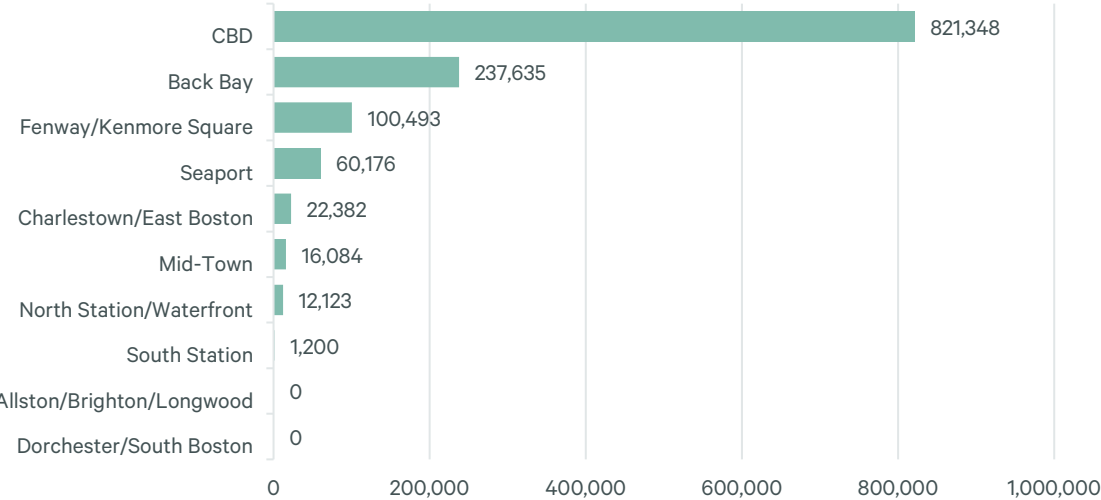
Source: CBRE Research, Q3 2026

Leasing Activity

Total leasing in Q3 2026 reached 1.27 million sq. ft., a quarter-over-quarter increase of 136,853 sq. ft., totaling nearly 3.60 million sq. ft. leased in 2026, lower than 3.94 million sq. ft. leased in the first three quarters of 2025. Class A leasing made up 78.7%, or 1,000,372 sq. ft. of overall leasing activity, in which 374,461 sq. ft. of leasing activity occurred in trophy Class A buildings. Transactions were greater than the previous quarter in this asset class, where Class A leasing made up 61.6%, or 699,355 sq. ft. of overall Q2 leasing velocity. New deals and relocations soared from 39.3% of leasing velocity in Q2 2026, to 63.7% of leasing velocity, or 809,358 sq. ft. in Q3 2026. Renewal and expansion activity declined from 51.4% in Q2 2026 to 27.1%, or 345,066 sq. ft. in Q3 2026. Subleases made up only 9.2% of leasing velocity in Q3 2026, or 117,017 sq. ft., which is lower than last quarter’s 9.4%.

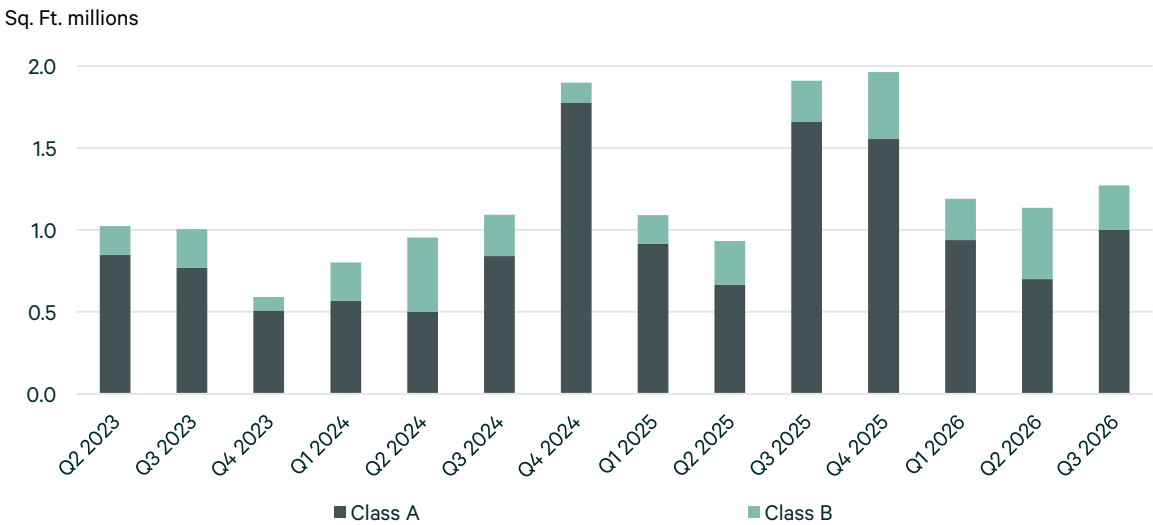
Boston’s CBD registered 821,348 sq. ft. of leasing velocity in Q3 2026, with Class A leasing alone totaling 720,461 sq. ft., which made up 87.7% of the CBD leasing and 56.7% of all Boston leasing in Q3 2026. Back Bay, Fenway and Seaport followed at 237,635 sq. ft., 100,493 sq. ft., and 60,176 sq. ft., respectively. Back Bay and Fenway leasing velocity both increased quarter-over-quarter, while Seaport decreased. Class A leases made up 58.6% of Back Bay leasing velocity in Q3 2026. Class A leases made up 100% of Fenway leasing velocity and 45% of Seaport leasing velocity.

Figure 7: Leasing by Submarket



Source: CBRE Research, Q3 2026

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q3 2026

Figure 8: Key Lease Transactions

Tenant Name	Sq. Ft. Leased	Transaction Type	Address	Submarket
Santander (Renewal)	105,261	Renewal	75 State Street	CBD
Boston Red Sox	100,493	New	1325 Boylston Street	Fenway
Greenberg Traurig	77,745	New	South Station Tower	CBD
HNTB Corporation	77,210	New	Winthrop Center	CBD
Rubin and Rudman	56,883	New	One Federal Street	CBD
DLA Piper	53,694	Renewal	33 Arch Street	CBD
Paul Hastings LLP	52,340	New	888 Boylston Street	Back Bay
Gensler	42,000	New	One Post Office Square	CBD

Source: CBRE Research, Q3 2026

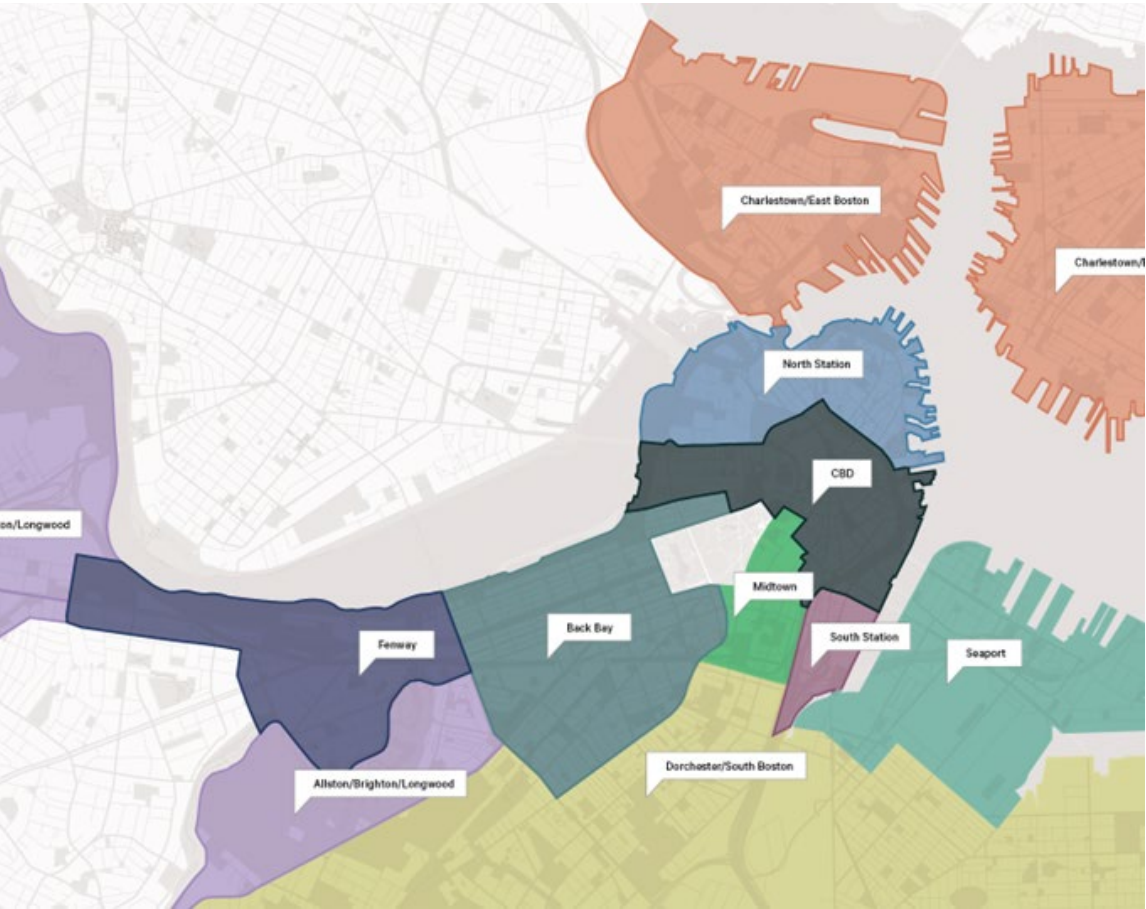
Market Statistics by Submarket

Figure 15

	Net Rentable Area	Vacancy %	Availability %	Direct Availability %	Sublease Availability %	Avg. Direct Asking Rate (Sq. Ft./YR Gross)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries (Sq. Ft)	Under Construction (Sq. Ft)
Allston/Brighton/Longwood	1,577,672	3.4%	4.9%	2.7%	2.2%	\$50.66	-21	8,580	-	-
Back Bay	15,467,800	13.8%	21.3%	19.8%	1.5%	\$66.24	91,448	163,570	-	-
Class A	10,818,287	13.9%	17.2%	15.2%	2.0%	\$79.00	4,239	94,100	-	-
Class B/C	4,649,513	13.6%	30.7%	30.4%	0.3%	\$50.54	87,209	69,470	-	-
Central Business District	38,548,448	20.1%	24.6%	22.3%	2.3%	\$68.39	178,058	1,092,444	-	-
Class A	29,745,418	19.4%	23.7%	21.6%	2.1%	\$72.55	120,785	1,125,616	-	-
Class B/C	8,803,030	22.4%	27.9%	24.8%	3.1%	\$51.13	57,273	-33,172	-	-
Charlestown/East Boston	1,656,038	13.7%	14.2%	12.9%	1.3%	\$42.19	28,031	51,781	-	-
Dorchester/South Boston	2,080,100	20.0%	20.7%	20.7%	0.0%	\$49.19	0	67,688	-	-
Fenway/Kenmore Square	1,583,533	23.1%	23.7%	17.1%	6.6%	\$70.60	97,993	126,093	-	-
Mid-Town	1,993,247	20.3%	22.0%	14.6%	7.4%	\$56.48	1,890	77,784	-	-
North Station/Waterfront	3,223,828	22.6%	27.2%	15.5%	11.7%	\$51.07	37,812	-118,111	-	-
Seaport	11,461,561	20.0%	24.3%	17.1%	7.2%	\$65.29	-349,349	-689,762	-	-
Class A	5,989,238	19.4%	26.2%	17.4%	8.8%	\$73.51	-398,300	-660,176	-	-
Class B/C	5,472,323	20.5%	22.3%	16.9%	5.4%	\$55.28	48,951	-29,586	-	-
South Station	1,091,553	17.4%	18.1%	16.3%	1.8%	\$39.37	-23,121	-2,195	-	-
Total	78,683,780	18.5%	23.1%	19.7%	3.4%	\$66.12	62,741	777,872	-	-

Source: CBRE Research, Q3 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 Occupied 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. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

Survey Criteria

Includes all competitive buildings in CBRE’s survey set for the Downtown Boston Office Market.

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