

FIGURES | BOSTON METRO INDUSTRIAL | Q2 2026

Demand resilient but selective, with heightened speculative leasing stabilizing the market

▶ 7.9%
Vacancy Rate

▼ 458K
SF Net Absorption

▼ 239K
SF Construction Delivered

▲ 738K
SF Under Construction

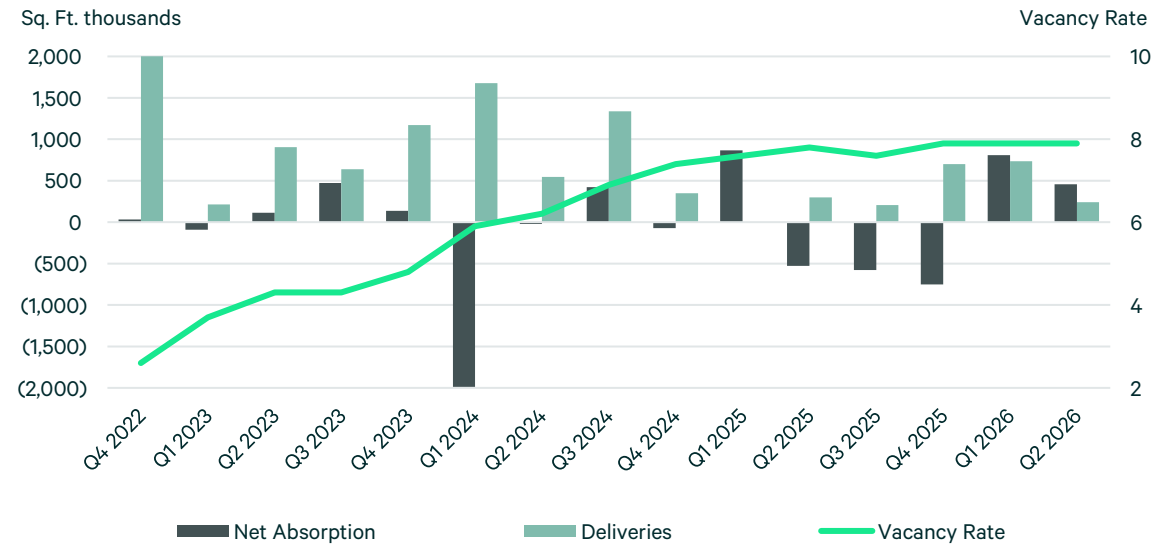
▲ \$15.41
NNN/YR Direct Lease Rate

Note: Arrows indicate change from previous quarter.

New leasing activity trended in the second quarter of 2026 after two years of leasing volume being driven by renewals. Heightened speculative leasing kept the market stable and demonstrated that demand remains resilient but selective. The overall Greater Boston Metro market recorded strong quarterly leasing activity, bolstered by new leases that made up about 66.9% of the approximately 3.00 million sq. ft. of total transactions. Year-to-date Q2 2026 total transactions reached 6.74 million sq. ft., compared to 7.70 million sq. ft. of total transactions recorded year-to-date Q2 2025. As a result of new leasing activity offsetting tenant space givebacks, especially at larger speculative properties, the overall market recorded positive net absorption of 457,901 sq. ft. Year-to-date net absorption for the overall market culminated at 1,115,020 sq. ft., following three consecutive quarters of negative net absorption in 2025.

Overall vacancy stabilized as slowing deliveries helped offset elevated availability in recently completed projects. Vacancy remained unchanged quarter-over-quarter (q-o-q) at 7.9% and only increased by 10 basis points (bps) year-over-year (y-o-y), further proving that the market is in a stabilization period after three years of rapid speculative expansion. Overall average asking rent increased moderately q-o-q by \$0.25 to \$15.41 per sq. ft. NNN, mostly due to a large speculative space being leased with a low face rent at 75 Plain Street in Hopedale. This is in comparison to the overall market's asking rent of \$15.26 per sq. ft. NNN in Q2 2025.

Figure 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

The outlook is cautiously optimistic with the industrial market poised to withstand economic headwinds amidst slowing supply, stabilizing vacancy, and resilient demand. It will be important to monitor the effects of global uncertainty and trade volatility. Driven by unpredictable transportation costs, labor shortages, and environmental concerns, logistics priorities are also shifting—with occupiers placing greater value on labor availability, power reliability (including renewables and AI-driven automation), and supply chain resilience through nearshoring and multi-port strategies. In the near-term, occupiers will continue to hit the “easy” button and renew, or be more interested in property or land sales, citing cost savings. Moreover, industrial investment may favor less risky assets with longer weighted-average lease expirations.

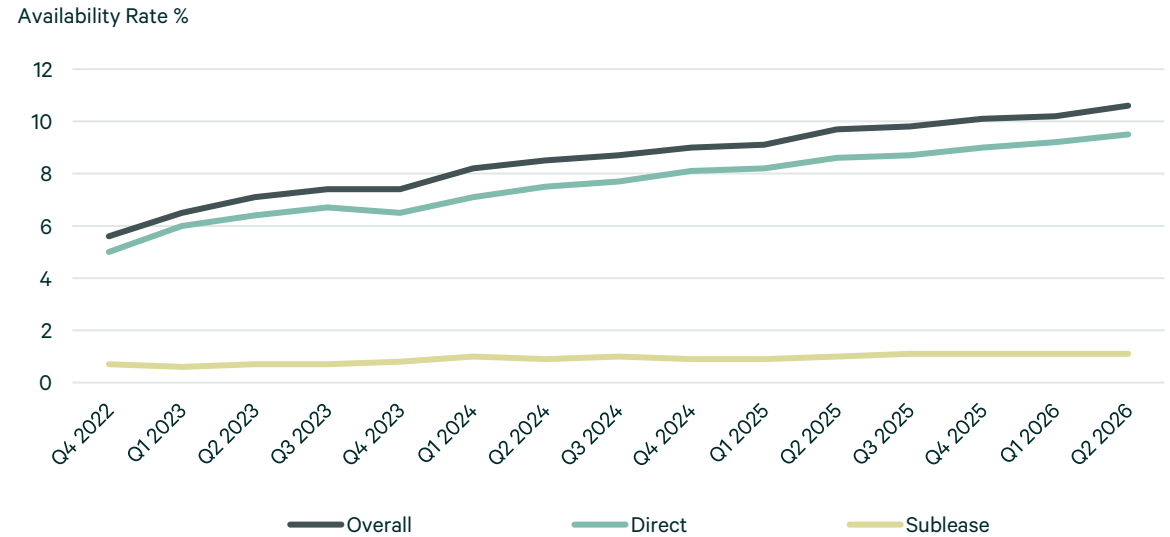
Availability Rate

Overall availability increased modestly, up by 40 bps q-o-q to 10.6%. This also represents a modest increase in availability y-o-y, from 9.8% in Q2 2025. Fewer speculative groundbreakings kept availability stable. New leasing activity also took down several large blocks of availability, especially in the Metro South market.

The urban market recorded the lowest availability rate at 6.4%, followed by the Metro West at 7.2% availability. These two markets have been particularly supply-constrained as the existing inventory ages and no new product is set to deliver. The Worcester Metro market recorded 9.3% availability followed by the Metro North market recording 11.2% availability. Unsurprisingly, the Metro South market had the highest availability at 12.5% as a result of rapid speculative expansion over the last three years, much of which was in the big-box warehouse category. However, the Metro South’s availability increased by just 20 bps q-o-q, which is modest in comparison to other quarters with heavy speculative development.

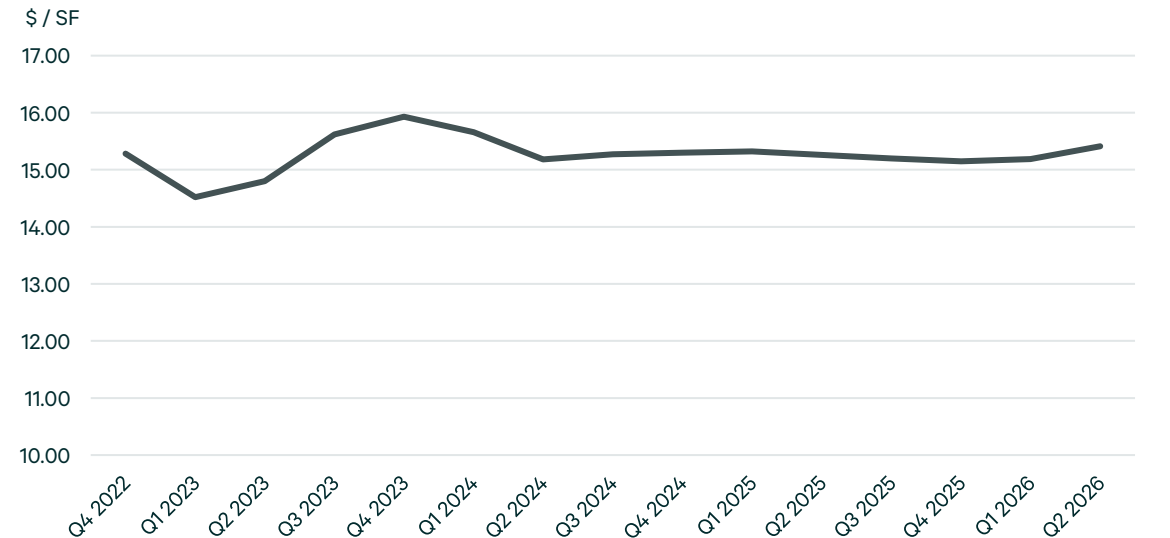
Moreover, shallow-bay industrial availability remained especially tight amid strong demand and limited new supply. Demand from smaller industrial occupiers for shallow-bay properties—buildings under 50,000 sq. ft.—has outstripped supply historically. While big-box warehouses have rapidly expanded over the last three years, the Greater Boston Metro has been left with an aging shallow-bay inventory, with no new relief valves. Shallow-bay continued to outperform the overall industrial market, posting an availability rate that is 5.0 percentage points below the overall industrial availability rate.

Figure 2: Availability Rates



Source: CBRE Research, Q2 2026

Figure 3: Avg. Direct Asking Rate



Source: CBRE Research, Q2 2026

Asking Rent

Rental growth is moderating but positive with overall average asking rent increasing to \$15.41 per sq. ft. NNN, up by \$0.25 q-o-q. Mostly due to larger speculative product being leased with low face rents, overall average asking rent increased by 1.6% q-o-q from \$15.16 per sq. ft. NNN in Q1 2026 and by 1.0% y-o-y from \$15.26 per sq. ft. NNN in Q2 2025.

The urban market had the highest overall asking lease rate at \$28.12 per sq. ft. NNN, followed by the Metro North market at \$19.53. The Metro West and Metro South markets recorded average asking rates of \$14.68 and \$13.55 per sq. ft. NNN, respectively. The Worcester Metro market recorded the lowest average asking lease rate at \$10.63 per sq. ft. NNN, as it continued to be affected by the functional obsolescence of its existing inventory.

Net Absorption

The overall market posted quarterly net absorption of 457,901 sq. ft., bringing year-to-date net absorption to 1,115,020 sq. ft. Any space givebacks were mostly offset by new larger leases being executed, illustrating the market’s sustained demand.

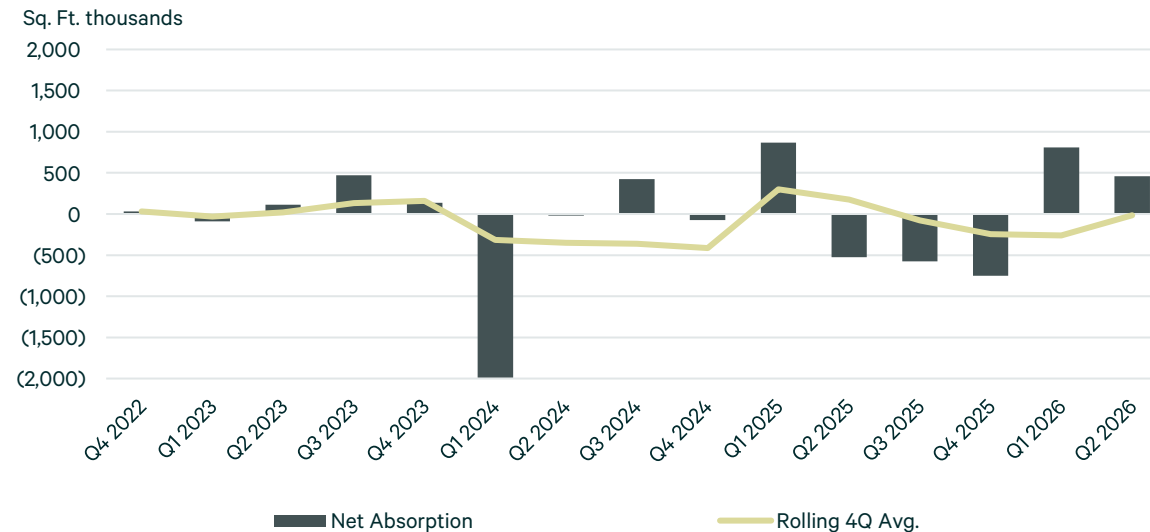
Positive net absorption this quarter was concentrated in the Metro South at 334,564 sq. ft., followed by the Worcester Metro at 195,189 sq. ft., the Metro West at 142,363 sq. ft., and the urban market at 101,589 sq. ft. The Metro North was the only market that experienced negative quarterly net absorption at -315,804 sq. ft.

Construction Activity

Just under 239,000 sq. ft. of new speculative deliveries were recorded this quarter, compared to just under 734,000 sq. ft. of deliveries in Q1 2026 and 1.21 million sq. ft. of annual deliveries in 2025. This is also in comparison to 3.91 million sq. ft. of annual deliveries in 2024 and 2.94 million sq. ft. of annual deliveries in 2023.

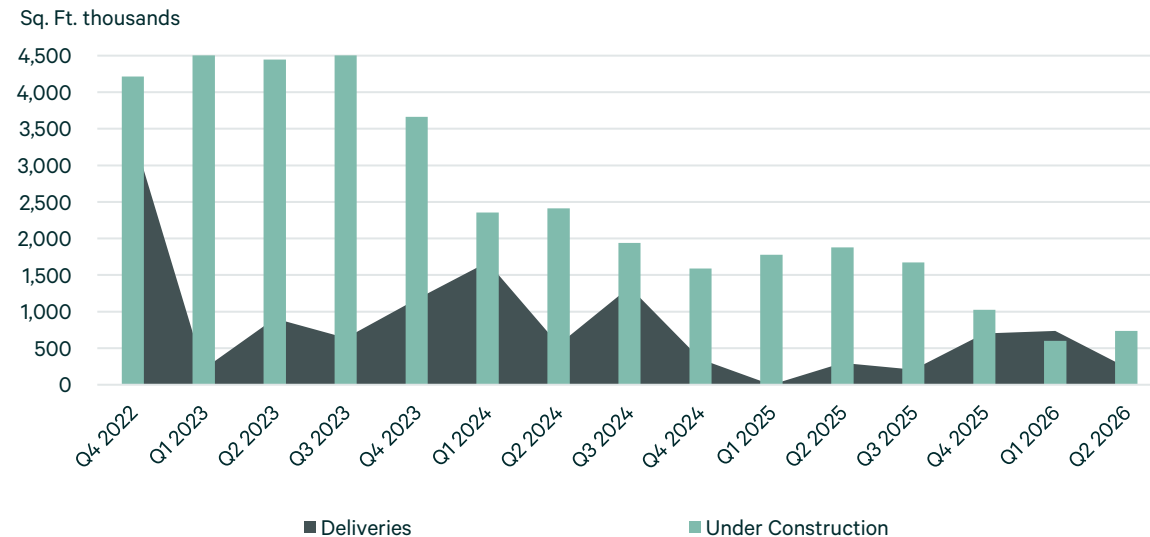
Construction pulled back as developers became more disciplined, focusing on build-to-suits/pre-leased projects rather than speculative builds. Overall active speculative construction ended the quarter at just over 738,000 sq. ft., up by 22.8% compared to 601,000 sq. ft. of active projects in Q1 2026. This quarter’s active speculative pipeline is also significantly down by 60.7% y-o-y, from 1.88 million sq. ft. of active projects in Q2 2025.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q2 2026

Figure 5: Construction Activity



Source: CBRE Research, Q2 2026

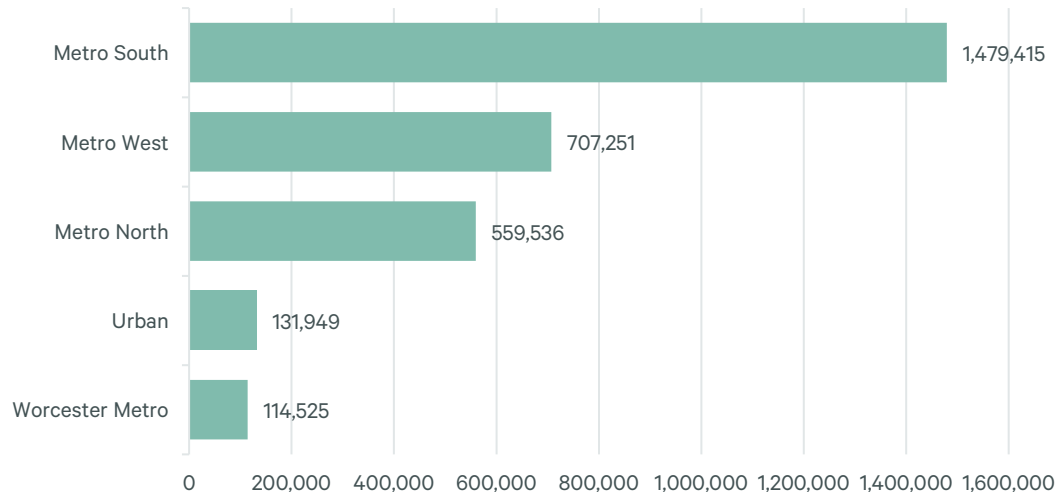
The Metro North was the most active construction market with just under 375,800 speculative sq. ft. underway, surpassing the Metro South with 312,000 speculative sq. ft. underway and the Worcester Metro with 50,000 sq. ft. under construction. With the active industrial pipeline being increasingly demand-driven, vacancy rates should stabilize further into 2026.

Leasing Activity

Similar to last quarter, several large-scale leases were inked at new speculative product, reigniting the market and bringing overall quarterly leasing activity to approximately 3.00 million sq. ft. Following the approximately 949,000 sq. ft. of new speculative leases were signed last quarter, just under 987,000 sq. ft. of new speculative leases signed this quarter, with leasing activity in the Metro South especially strong. Overall quarterly leasing activity remained healthy while decreasing by 20.0% q-o-q from 3.75 million sq. ft. of total transactions in Q1 2026 and decreasing by 28.6% y-o-y from 4.20 million sq. ft. of total transactions in Q2 2025.

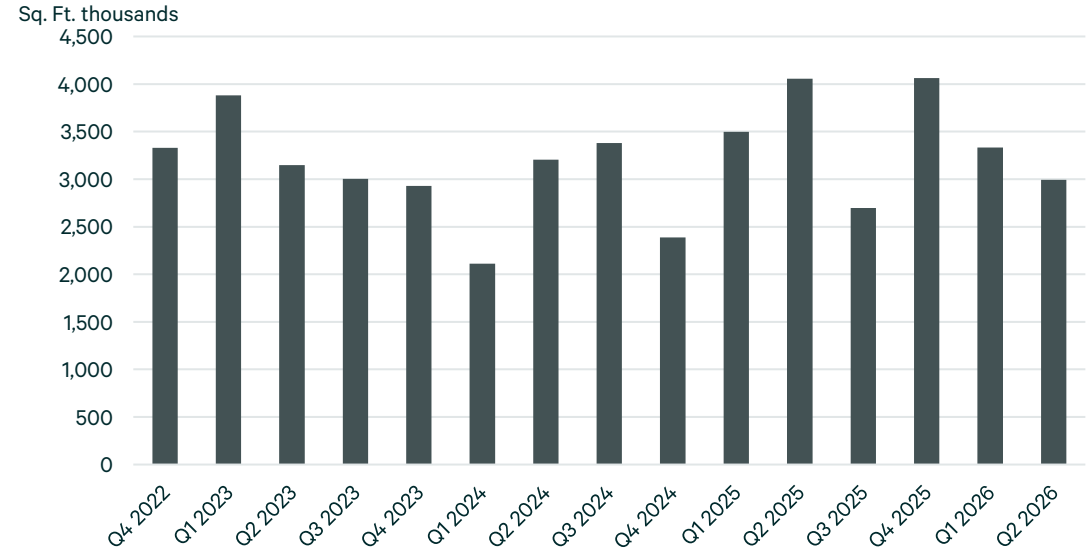
The Metro South recorded the largest leasing activity this quarter with approximately 1.48 million sq. ft. of total transactions, which consisted heavily of new speculative leases. The Metro West recorded just over 707,000 sq. ft. of leasing activity followed by the Metro North recording just under 560,000 sq. ft., with some new speculative leasing. Mostly due to extreme supply constraints and existing functional obsolescence, the urban market and the Worcester Metro recorded just 132,000 sq. ft. and 114,000 sq. ft. of lease transactions, respectively.

Figure 7: Leasing Activity by Submarket



Source: CBRE Research, Q2 2026

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q2 2026

Figure 8: Key Lease Transactions

	Sq. Ft. Leased	Transaction Type	Address	Submarket
Maersk	616,875	New Lease	75 Plain Street	Route 495 – South
Confidential	491,409	Renewal/Expansion	66 Saratoga Boulevard	Route 495 – Route 2 West
Onto Innovation	159,947	New Lease	3000 Minuteman Road	Route 495 – Northeast
OnTrac	120,000	New Lease	21 Randolph Road	Route 128 – South
SEKO Logistics	105,000	New Lease	530 John Hancock Road	Route 495 – South
Rexel USA	104,625	Renewal	145 Plymouth Street	Route 495 – South
Frontrunner	98,438	New Lease	23 Esquire Road	Route 3 – North
Empire Auto Parts	86,400	Renewal	61 Robert Treat Paine Drive	Route 495 – South

Source: CBRE Research, Q2 2026

Market Statistics by Size

Figure 9

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Under 100,000 sq. ft.	133,722,317	6.4	8.5	7.4	1.1	16.92	37,415	(185,413)	-	50,000
100,000-199,999 sq. ft.	75,953,848	6.8	10.7	9.4	1.3	16.97	(235,598)	(483,952)	238,987	688,079
200,000-299,999 sq. ft.	32,000,342	13.2	16.9	16.4	0.5	15.34	(124,910)	477,976	-	-
300,000-499,999 sq. ft.	38,875,265	7.9	11.6	9.9	1.7	12.56	83,119	608,534	-	-
500,000-749,999 sq. ft.	13,961,084	10.1	10.4	8.9	1.5	13.20	616,875	616,875	-	-
750,000 sq. ft.+	19,124,584	12.0	12.0	12.0	0.0	11.76	81,000	81,000	-	-
Total	313,637,440	7.9	10.6	9.5	1.1	15.41	457,901	1,115,020	238,987	738,079

Source: CBRE Research, Q2 2026

Market Statistics by Product Type

Figure 10

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Distribution / Logistics	62,266,648	16.5	22.3	19.7	2.6	14.94	801,395	1,147,919	238,987	688,079
Manufacturing	14,756,355	2.2	3.0	3.0	0.0	11.58	34,682	88,662	-	-
Cold Storage	5,334,822	3.9	4.5	4.5	0.0	15.05	-	151,986	-	-
R&D / Flex	64,418,991	7.4	10.1	8.9	1.2	17.77	(33,072)	(138,863)	-	-
Other Industrial	166,860,624	5.4	7.2	6.6	0.6	15.43	(345,104)	(134,684)	-	50,000
Total	313,637,440	7.9	10.6	9.5	1.1	15.41	457,901	1,115,020	238,987	738,079

Source: CBRE Research, Q2 2026

Market Statistics by Submarket

Figure 11

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Urban	14,029,551	5.1	6.4	6.0	0.4	28.12	101,589	196,628	-	-
Close-In Suburbs North	18,521,359	9.1	10.4	9.7	0.7	28.16	(44,510)	(81,645)	113,987	-
Route 128 - North	33,209,206	7.3	11.8	9.2	2.6	19.42	(397,527)	(416,317)	-	-
Route 3 - North	19,889,796	10.8	17.2	16.4	0.8	17.79	(212,615)	(98,092)	125,000	375,800
Route 495 - Northeast	23,753,908	4.6	5.9	5.2	0.7	15.28	338,848	339,253	-	-
Metro North	95,374,269	7.7	11.2	9.8	1.4	19.53	(315,804)	(256,801)	238,987	375,800
Route 128 - South	45,121,788	9.1	11.4	10.4	1.0	15.19	(143,533)	(87,327)	-	-
Route 495 - South	72,720,064	9.6	13.2	12.0	1.2	12.75	478,097	433,078	-	312,279
Metro South	117,841,852	9.4	12.5	11.4	1.1	13.55	334,564	345,751	-	312,279
Framingham - Natick	4,562,487	2.5	2.8	2.8	0.0	13.31	141,342	121,414	-	-
Route 128 - West	6,201,250	3.1	4.7	3.6	1.1	24.16	21,667	(46,402)	-	-
Route 495 - Mass Pike West	23,364,202	7.0	8.9	7.8	1.1	16.12	(172,046)	235,495	-	-
Route 495 - Route 2 West	21,336,321	4.2	7.0	5.3	1.7	12.12	151,400	253,918	-	-
Metro West	55,464,260	5.1	7.2	6.0	1.2	14.68	142,363	564,425	-	-
City of Worcester	9,306,724	3.2	4.2	4.1	0.1	9.83	(18,667)	30,217	-	50,000
Worcester North	11,925,869	7.3	7.8	7.1	0.7	11.13	261,456	282,400	-	-
Worcester South	9,694,915	15.5	16.0	16.0	0.0	10.49	(47,600)	(47,600)	-	-
Worcester Metro	30,927,508	8.6	9.3	9.0	0.3	10.63	195,189	265,017	-	50,000
Total	313,637,440	7.9	10.6	9.5	1.1	15.41	457,901	1,115,020	238,987	738,079

Source: CBRE Research, Q2 2026

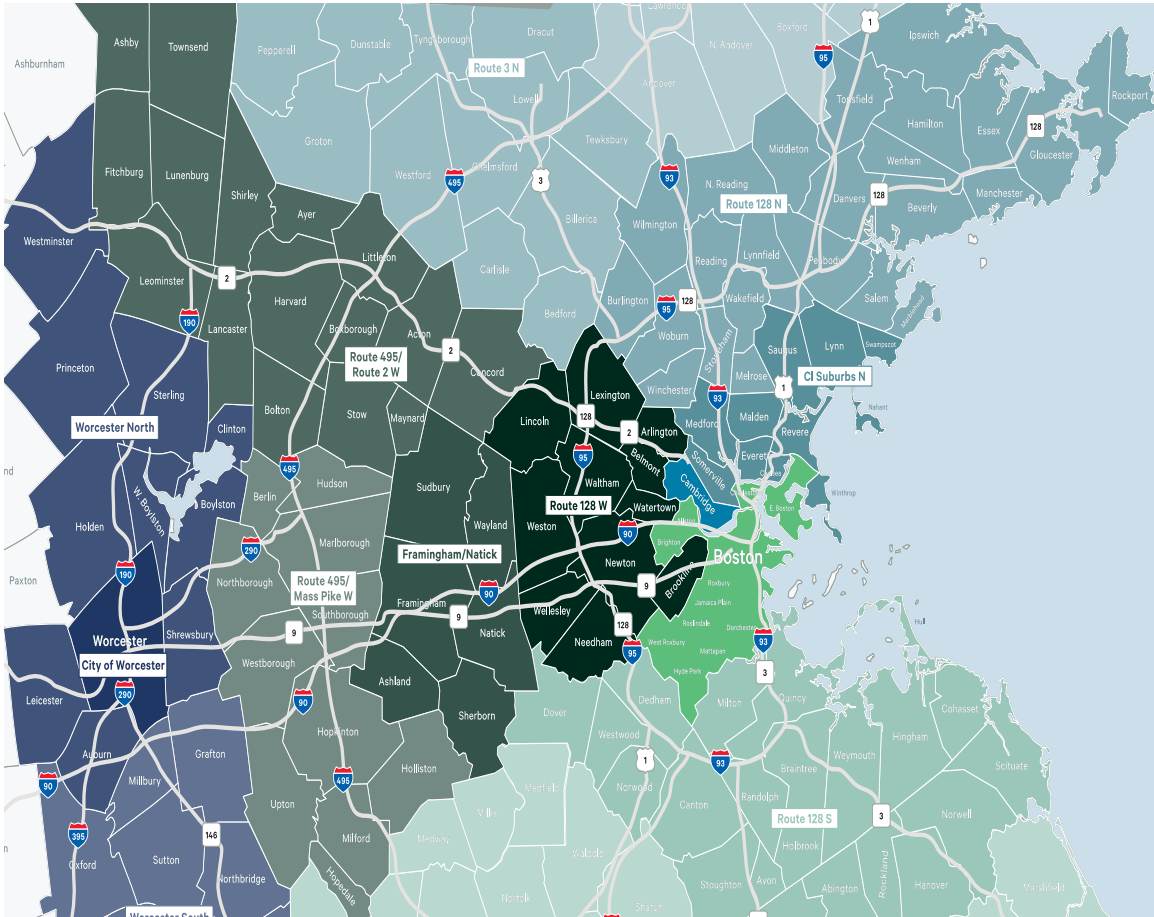
Market Statistics by Class

Figure 12

	Net Rentable Area	Total Vacancy	Total Availability	Direct Availability	Sublease Availability	Avg. Direct Asking Rate (NNN/YR)	Current Quarter Net Absorption	YTD Net Absorption	Deliveries	Under Construction
Class A	57,698,128	14.4	18.5	16.5	2.0	15.39	1,136,609	2,031,056	238,987	738,079
All Other Buildings	255,939,312	6.4	8.8	7.9	0.9	15.43	(678,708)	(916,036)	-	-
Total	313,637,440	7.9	10.6	9.5	1.1	15.41	457,901	1,115,020	238,987	738,079

Source: CBRE Research, Q2 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

[Insert survey Criteria here. Contact your manager for specific criteria]

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