

FIGURES | CAMBRIDGE OFFICE | Q2 2026

Cambridge office market contracts as several large blocks become available

▲ 26.9%

Vacancy Rate

▼ (520,885)

SF Net Absorption

▶ 0

SF Construction Delivered

▶ 0

SF Under Construction

▼ \$69.93

FSG/YR Direct Lease Rate

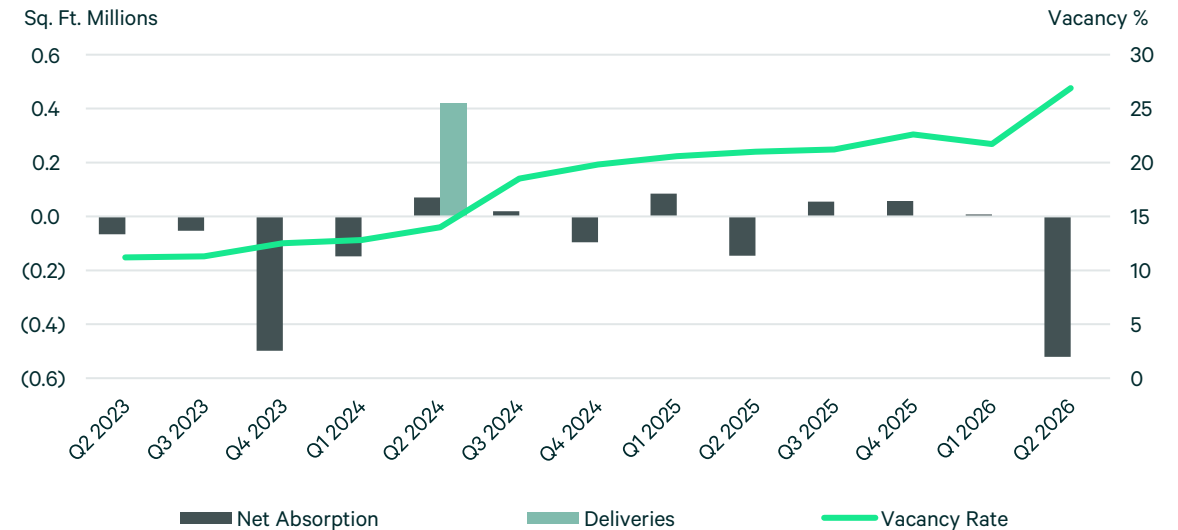
Note: Arrows indicate change from previous quarter.

Market Overview

The Cambridge office market closed the second quarter of 2026 with soft fundamentals, as rising vacancy and availability underscore persistent tenant caution and limited expansion activity. Total market availability climbed to 29.2%, up from 25.0% in Q1 2026 and 25.9% one year earlier, while vacancy increased to 26.9%, a significant rise from 22.0% in the prior quarter and 21.4% in Q2 2025. Net absorption for the quarter posted a substantial loss of 520,885 sq. ft., reversing the modest 7,886 sq. ft. gain in Q1 and marking one of the weakest quarters in recent cycles.

East Cambridge continues to drive overall market performance given its tenant density and office inventory. Availability in the submarket rose sharply to 30.3%, up from 24.4% last quarter, while vacancy increased to 28.4%. Net absorption totaled negative 527,732 sq. ft., highlighting a pronounced pullback in occupancy and ongoing occupier contraction across core assets.

Figure 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

Vacancy

Vacancy and availability expanded meaningfully across Cambridge in Q2 2026. Overall vacancy rose 520 basis points (bps) quarter-over-quarter to 26.9%, while availability increased 450 bps to 29.2%, indicating a continued softening of fundamentals.

East Cambridge experienced the greatest upward pressure, with availability approaching 30.3% and vacancy reaching 28.4%. Sublease space also increased, now accounting for 8.1% of total inventory across Cambridge, up from 5.9% in Q1. In East Cambridge alone, sublease availability rose to 8.5%, signaling an uptick in tenants offloading excess space.

Mid Cambridge remains relatively stable by comparison, with vacancy at 23.1% and availability at 25.9%, showing only modest movement. West Cambridge posted vacancy of 22.3% and availability of 27.3%, though it continues to have the highest concentration of sublease space at 10.6%, reflecting the challenges among smaller occupiers.

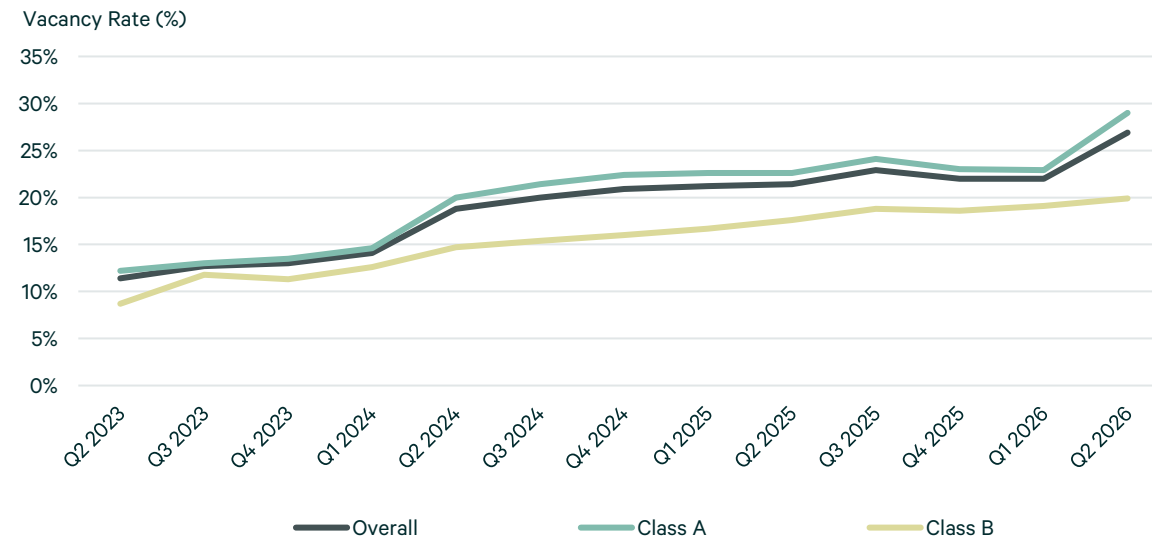
Asking Rent

Pricing across Cambridge softened slightly during the quarter as landlords balanced elevated vacancy with maintaining headline rates. The average asking rent declined to \$69.93 per sq. ft., down from \$70.58 in Q1 2026 and \$72.33 one year earlier.

East Cambridge remains the most expensive submarket, with rents averaging \$76.97 per sq. ft., though this represents a decline from \$78.01 in the prior quarter and downward pressure from peak levels. While premier assets command a premium, elevated availability is beginning to weigh heavily on second-generation and non-core product.

Mid Cambridge recorded average asking rents of \$58.81 per sq. ft., relatively stable quarter-over-quarter, while West Cambridge held flat to \$49.24 per sq. ft. Despite some variability, landlords across all submarkets rely heavily on concessions to bridge pricing gaps rather than implementing more significant rent reductions.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q2 2026

Figure 3: Avg. Direct Asking Rate by Class



Source: CBRE Research, Q2 2026

Net Absorption

Net absorption in Cambridge deteriorated sharply in Q2 2026, with the market recording negative 520,885 sq. ft. of absorption. This marks a significant reversal from the slight positive absorption seen in Q1 and reflects a combination of lease expirations, consolidations, and delayed occupancy decisions.

East Cambridge was the primary driver of losses, posting negative 527,732 sq. ft. of absorption for the quarter. This steep decline follows multiple quarters of volatility and highlights the outsized influence of large tenant movements within the submarket, as two big blocks of space were the main drivers of the contraction. Year-to-date absorption in East Cambridge has now turned decisively negative, reinforcing uncertainty around near-term demand recovery.

Mid Cambridge was relatively sound, recording 7,961 sq. ft. of positive absorption, while West Cambridge remained fairly flat with a slight loss of 1,114 sq. ft. Despite pockets of stability, overall market trends point to contraction rather than expansion across occupier segments.

Leasing Activity

Leasing activity in Cambridge remained subdued in Q2 2026, consistent with broader demand trends and elevated market uncertainty. The market did see one large office renewal but overall, deal flow skewed toward smaller transactions as tenants prioritized flexibility and cost control over long-term commitments.

While select requirements remain in the market, particularly from life science-adjacent and technology users, many occupiers are delaying decision-making or reassessing long-term space needs. As a result, leasing momentum is expected to remain uneven in the near term, with recovery dependent on improved business confidence and clear return-to-office trends. AI companies have showed interest in Cambridge and remain active in the market as the brain power of Cambridge will remain a driving force in attracting top companies.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q2 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	9,468,209	29.0%	30.6%	21.8%	8.8%	\$75.24	(503,770)	(533,290)	-	-
Class B	2,855,902	19.9%	24.8%	18.8%	6.0%	\$55.58	(17,115)	20,291	-	-
Total	12,324,111	26.9%	29.2%	21.1%	8.1%	\$69.93	(520,885)	(512,999)	-	-

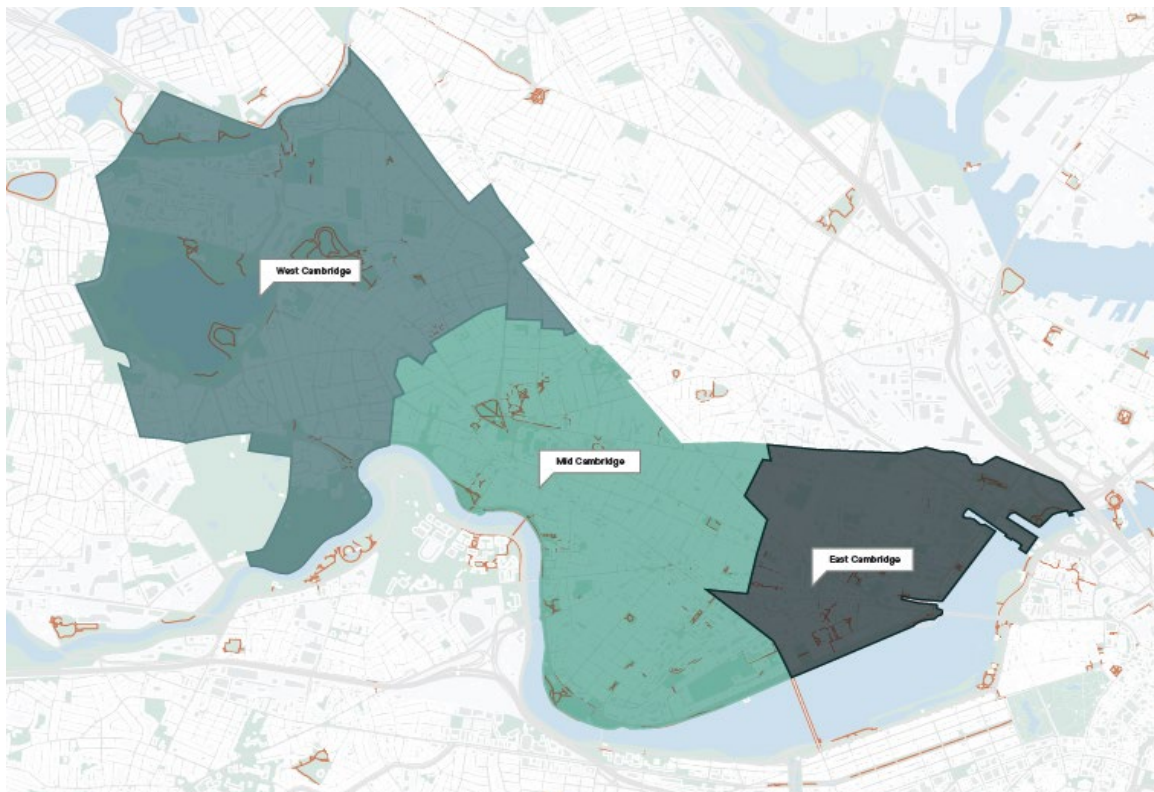
Source: CBRE Research, Q2 2026

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	8,951,916	28.4%	30.3%	21.8%	8.5%	\$76.97	(527,732)	(565,292)	-	-
Mid	2,471,607	23.1%	25.9%	20.0%	5.9%	\$58.81	7,961	39,392	-	-
West	900,588	22.3%	27.3%	16.7%	10.6%	\$49.24	(1,114)	12,901	-	-
Total	12,324,111	26.9%	29.2%	21.1%	8.1%	\$69.93	(520,885)	(512,999)	-	-

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 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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