

FIGURES | BOSTON METRO LAB | Q2 2026

# Lab market sees increase in renewal activity as vacancy remains near cycle highs

▲ 28.7%  
Vacancy Rate

▲ 4,141  
SF Net Absorption

▼ 608,000  
SF Construction Delivered

▼ 2.1M  
SF Under Construction

▼ \$79.34  
NNN/YR Direct Lease Rate

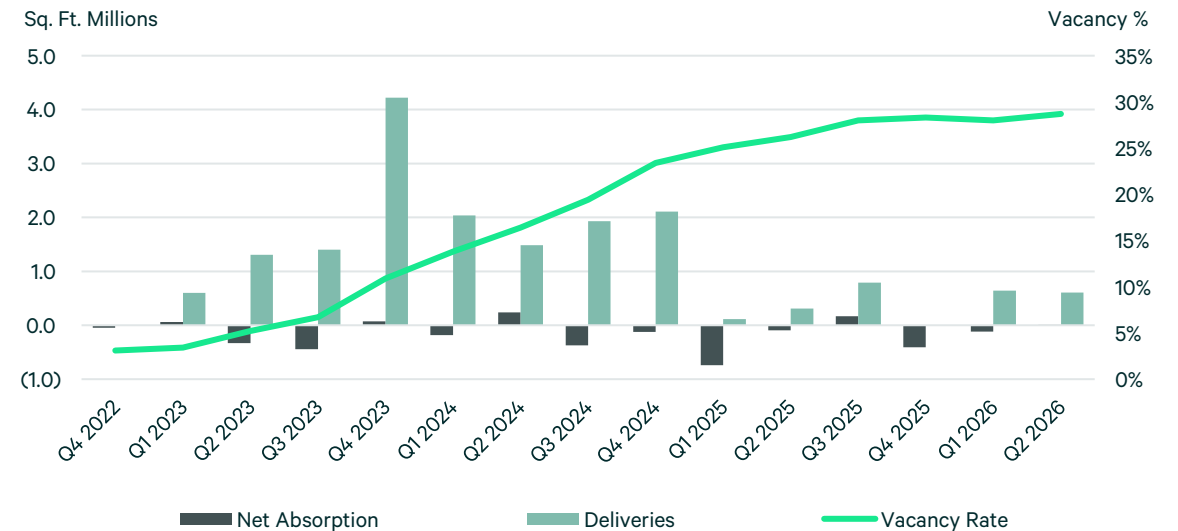
Note: Arrows indicate change from previous quarter.

## Market Overview

The Greater Boston lab market posted its first quarter of positive net absorption since Q3 2025 in Q2 2026, offering a tentative sign of stabilization amid persistent headwinds. Total market availability edged up 10 basis points quarter-over-quarter to 32.8%, up 60 basis points year-over-year from 32.2% in Q2 2025, while vacancy increased 70 basis points quarter-over-quarter to 28.7%, now 250 basis points above the 26.2% level recorded one year prior. Net absorption registered a modest positive 4,141 sq. ft.—an improvement from the 117,186 sq. ft. of negative absorption recorded in Q1 2026—though year-to-date absorption remains negative at 113,049 sq. ft.

Despite the positive quarterly absorption figure, overall market conditions remain tenant-favorable. Cambridge drove the bulk of the improvement, posting nearly 194,000 sq. ft. of positive absorption, while suburban submarkets contracted. Rents extended their decline for a fourth consecutive quarter, and vacancy rose further from the prior period, underscoring the fragility of any nascent recovery and the continued imbalance between supply and active demand.

Figure 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q2 2026

## Vacancy

Vacancy increased 70 basis points quarter-over-quarter to 28.7% in Q2 2026, reversing the modest tightening observed in Q1 2026 and extending the year-over-year increase to 250 basis points from 26.2% in Q2 2025. The uptick was largely driven by the delivery of 421 Park in Fenway, which added more than 300,000 sq. ft. of vacant space to the market. Elevated vacancy continues to characterize most submarkets, with the region remaining near cycle highs.

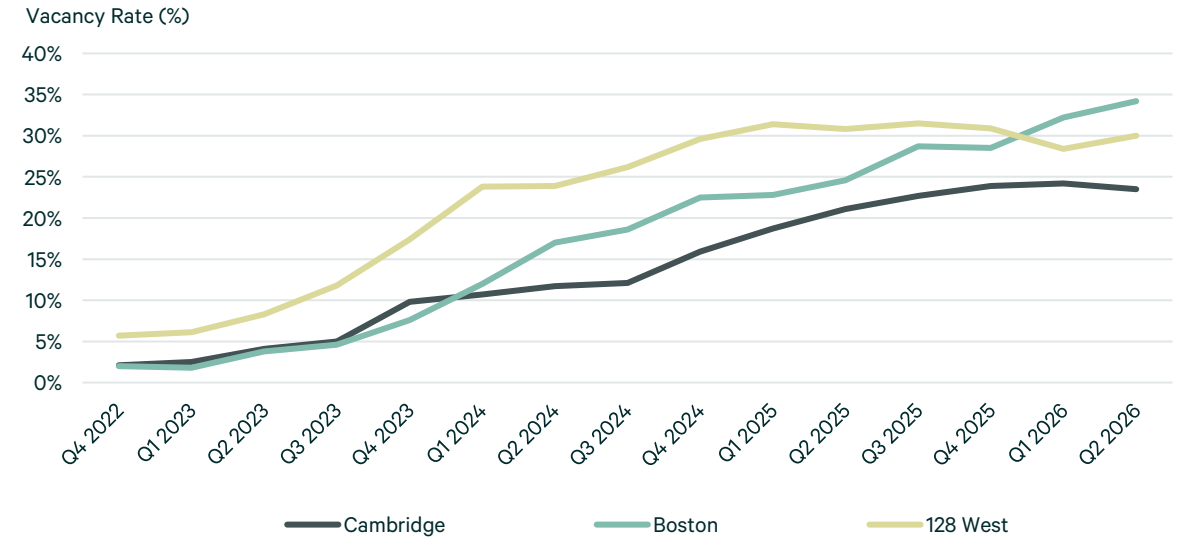
Availability edged up 10 basis points quarter-over-quarter to 32.8%, up 60 basis points from 32.2% one year prior. Sublease inventory, totaling approximately 3.8 million sq. ft., or 6.8% of overall inventory, remained elevated relative to historical norms. From 2017 through 2021, the market averaged a sublease rate of just 1.5%; however, in today's environment, more tenants continue to look to offload excess space as a way to recover capital and conserve cash reserves.

## Asking Rent

Pricing continued to soften as landlords competed against both direct vacancies and a substantial sublease overhang. The average asking rent across Greater Boston declined to \$79.34 per sq. ft. NNN in Q2 2026, down from \$80.95 in Q1 2026 and \$86.51 in Q2 2025, representing an 8.3% year-over-year decrease. Asking rents have fallen 22.1% since peaking in mid-2022, coinciding directly with the wave of new construction and conversions that flooded the market with excess supply.

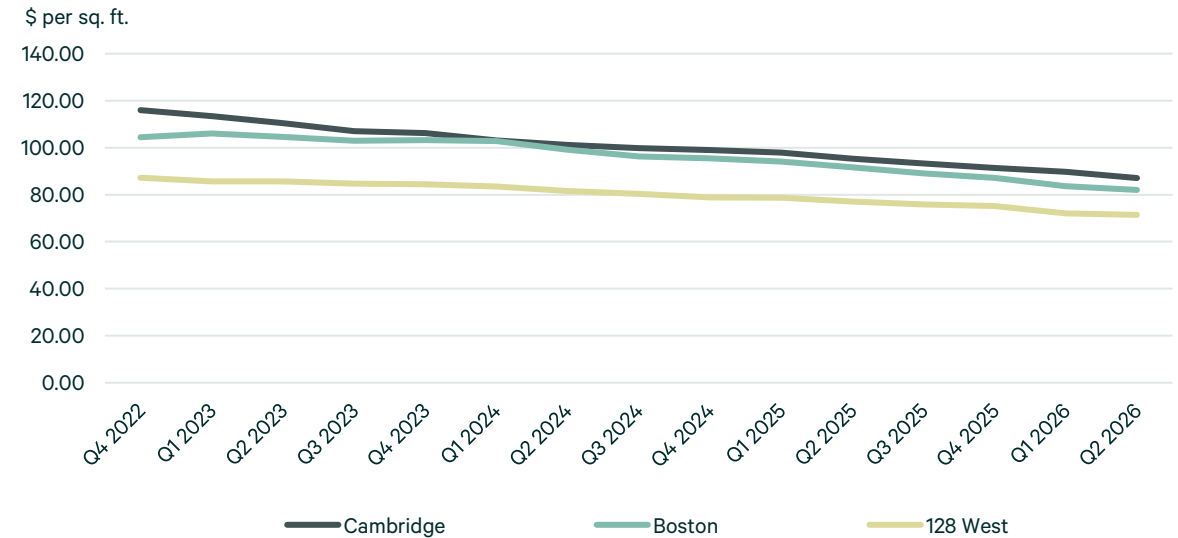
While headline rents continue to adjust downward, effective rents are under even greater pressure as concession packages expand. Landlords are increasingly relying on tenant improvement allowances, free rent, phase-ins, and flexible deal structures to maintain leasing momentum and improve occupancy levels amid limited new requirements.

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

Greater Boston recorded 4,141 sq. ft. of net absorption in Q2 2026, marking the first positive quarter since Q3 2025 and a significant improvement from the -117,186 sq. ft. loss recorded in Q1 2026. Despite this improvement, year-to-date absorption remains negative at -113,049 sq. ft. The positive quarterly result was driven almost entirely by Cambridge, which posted 193,973 sq. ft. of positive net absorption, partially offsetting losses in Metro West (-133,478 sq. ft.) and Metro North (-42,982 sq. ft.).

The Metro West submarket recorded its third consecutive quarter of negative absorption, contracting by 133,478 sq. ft. as tenants continued to rationalize suburban footprints amid reduced headcounts and evolving workplace strategies. Boston posted a marginal loss of 13,372 sq. ft., relatively unchanged from the prior quarter, as limited new move-ins were offset by modest occupier givebacks.

The positive turn in Cambridge absorption suggests some occupiers are beginning to re-engage with the market, but the absence of a broad-based demand recovery across submarkets indicates that meaningful improvement in overall market fundamentals has yet to fully materialize.

## Demand

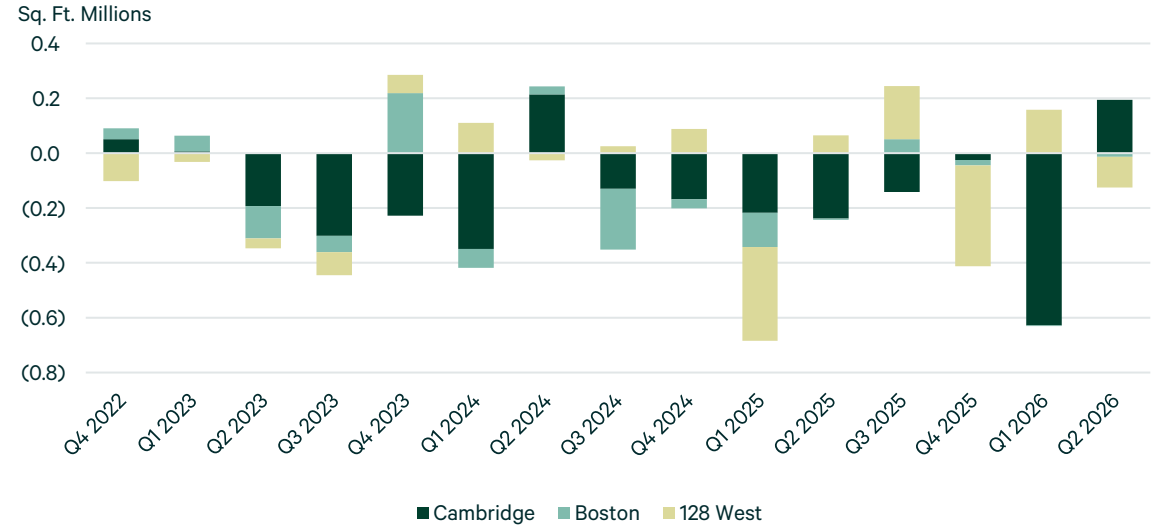
Demand rebounded in the second quarter, increasing 13% from the end of the first quarter to reach 2.45 million sq. ft. Tenants seeking less than 15,000 sq. ft. drove the largest increase, with the number of active requirements in that range climbing more than 62%. Demand from larger tenants also remained healthy, with six occupiers in the market for more than 100,000 sq. ft. each, representing a combined 1.1 million sq. ft. of demand. The number of tenants pursuing net new growth, rather than requirements driven by lease expirations, has increased over the last two quarters, pointing to stronger net absorption potential in the quarters ahead.

## Construction Activity

The construction pipeline across the market continued to contract as developers prudently paused new projects. In the second quarter, Alexandria Real Estate Equities' 421 Park—the last speculative project under construction—was completed, leaving just 2.1 million sq. ft. underway. All four remaining projects under construction are 100% preleased and have been since groundbreaking. Major pharmaceutical tenants, including Takeda, Biogen, and Vertex, are expected to occupy their new lab facilities upon completion.

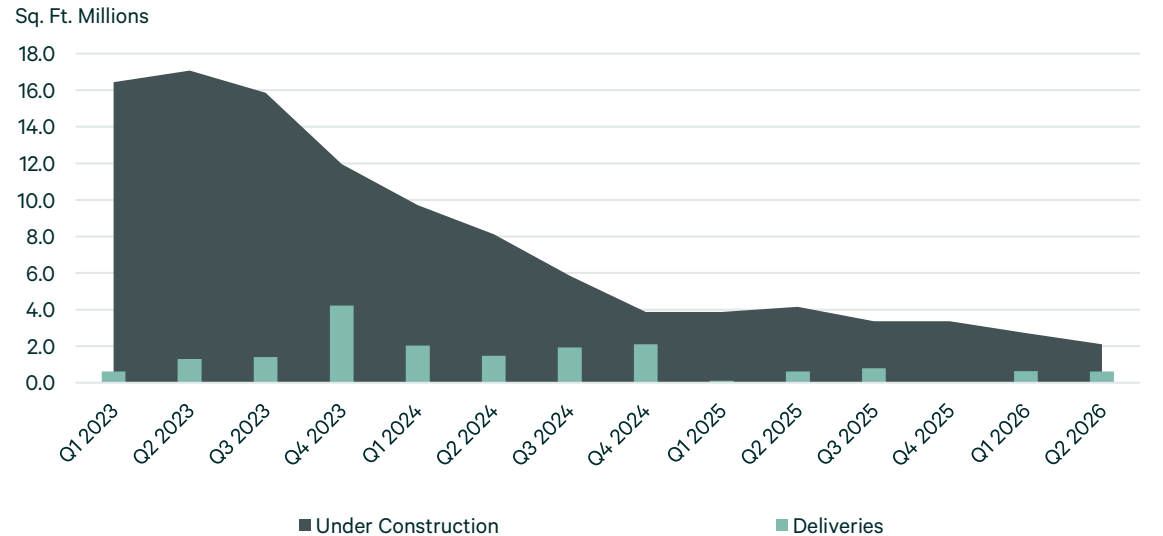
Given the elevated availability rate and more tempered demand relative to peak market conditions, developers are not expected to commence new speculative developments in the near term.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q2 20256

Figure 5: Construction Activity



Source: CBRE Research, Q2 20256

## Leasing Activity

Leasing activity fell 21% from the prior quarter but still totaled 850,000 sq. ft., surpassing any of the final three quarters of 2025. Renewals dominated activity in the second quarter, accounting for 76% of total leasing volume and highlighting tenants' desire to conserve capital and defer relocation expenses where possible.

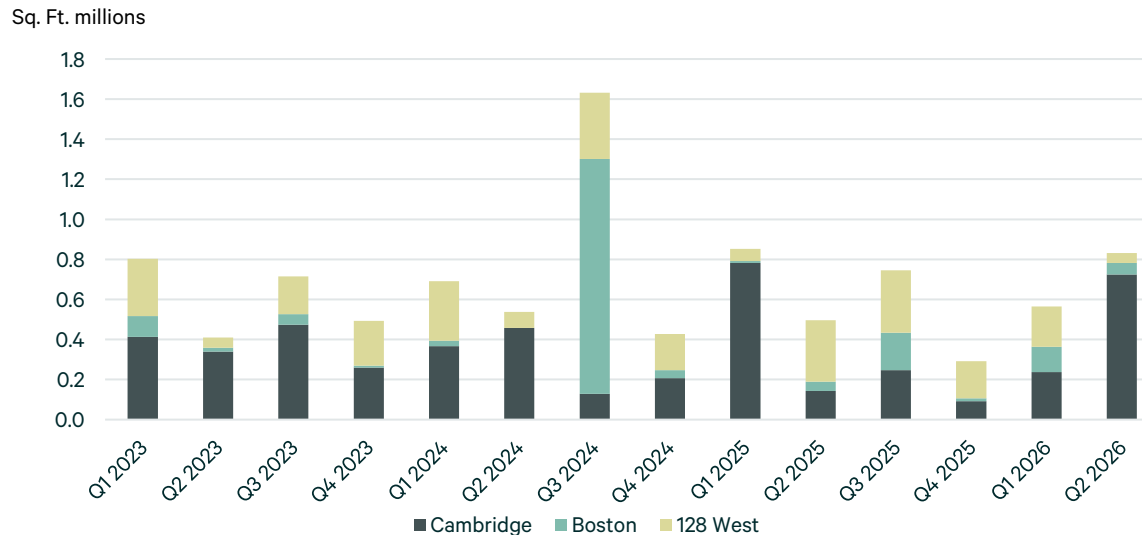
## Outlook

The Greater Boston lab market has yet to emerge from its prolonged correction, with vacancy near cycle highs, availability remaining above 32%, and asking rents declining for a fourth consecutive quarter. A modest uptick in net absorption during Q2 2026 is an encouraging data point, but it does not yet constitute a recovery. Tenant demand remains selective, and broad-based leasing momentum has yet to materialize. The path to meaningful improvement depends on clearer signals from venture funding, capital markets activity, and occupier expansion plans.

Until those conditions strengthen, landlords will continue to compete aggressively for a limited pool of active requirements. Flexible deal structures, expanding concession packages, and discounted sublease offerings are expected to define the leasing environment through year-end, keeping effective rents under pressure even as headline rates begin to stabilize.

Early demand indicators suggest the life sciences market may be approaching an inflection point. The XBI has surged 88% over the past year, reaching its highest level since February 2021, while M&A activity has accelerated, though the downstream impact on real estate occupancy remains uncertain. The IPO market has also shown renewed strength, with eight local biotechnology companies going public and collectively raising nearly \$3.2 billion in the first half of 2026. Taken together, these indicators point to a strengthening demand backdrop heading into the second half of the year.

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q2 2026

Figure 7: Key Lease Transactions

TENANT	ADDRESS	SQ. FT.	SUBMARKET	TYPE
Abbvie	200 Sidney Street	57,850	Mid Cambridge	Renewal
Inari	20 Acorn Park Drive	35,000	West Cambridge	Sublease
ALS TDI	200 Arsenal Street, Watertown	33,310	128 West	New
Ensoma	451 D Street	27,000	Seaport	Renewal
Sanegene Bio	3 Van de Graaff Drive, Burlington	18,282	128 North	New

Source: CBRE Research, Q2 2026

## Cambridge

The Cambridge lab market recorded nearly 194,000 sq. ft. of positive absorption in the second quarter—its first positive quarter since Q2 2024. The growth helped push availability down 90 basis points to 29.6%, while vacancy declined 70 basis points to 23.5%. The sublease rate remains elevated at 9.3%, though it edged down 60 basis points from the prior quarter. Persistently high availability and vacancy continued to pressure rents, which fell about 3% as landlords across the submarket reduced asking rates to attract tenants.

East Cambridge had a strong quarter, recording 54,300 sq. ft. of positive absorption. Leasing volume was healthy, though more than 90% of activity consisted of renewals rather than new commitments. Asking rents continued their downward slide, falling 1.5% quarter-over-quarter to \$100.11 per sq. ft. Vacancy declined 80 basis points to 19.1%, while availability fell 100 basis points to 21.2%, driven by positive absorption and leasing momentum.

Mid Cambridge experienced a quieter second quarter, recording 11,200 sq. ft. of negative absorption, and continues to feel the effects of the large block of sublease space Takeda brought to market in Q1. Availability remains above 50%, ending the quarter at 51.4%, while vacancy remains near cycle highs at 25.9%. Elevated supply levels continue to suppress rents, which fell to \$80.81 per sq. ft. NNN, a decline of 3.8% from the prior quarter.

West Cambridge recorded positive absorption for the second consecutive quarter, posting 65,000 sq. ft. of growth. The result drove availability down 250 basis points to 44.9%, now 950 basis points below the submarket peak of 54.4% recorded in Q2 2025. Performance was supported by strong leasing activity and the re-occupancy of select sublease spaces by existing tenants. Asking rents remained under pressure, declining 4.6% quarter-over-quarter to \$68.28 per sq. ft., while vacancy decreased 220 basis points to 44.2%.

## Boston

The Boston life sciences market experienced a relatively quiet quarter from an absorption standpoint, recording just 13,372 sq. ft. of negative absorption, all of which occurred in the Seaport submarket. Availability increased 10 basis points quarter-over-quarter to 35.4%, while vacancy jumped 200 basis points to 34.2%. The increase was largely driven by the completion of 421 Park, the final speculative development under construction in Greater Boston, which delivered approximately 308,000 sq. ft. of vacant space to the market. Asking rents remained under pressure from elevated availability, declining to \$82.02 per sq. ft. NNN, down 1.8% quarter-over-quarter.

## Suburban

The suburban life sciences market recorded 176,000 sq. ft. of negative absorption during the second quarter, but still posted the strongest first half of 2026 among Greater Boston's major markets, with 336,600 sq. ft. of positive absorption through the first six months of the year. Availability reached 33.9% at midyear, up 100 basis points from the prior quarter, while vacancy increased 110 basis points to 29.4%. Consistent with broader market trends, rents declined 1.1% quarter-over-quarter to \$71.18 per sq. ft. NNN.

The inner suburban corridor stretching from Watertown to Somerville was home to the largest lease signed in the first quarter, but recorded 31,000 sq. ft. of negative absorption in Q2. Availability remains elevated at 51.2%, largely due to newly delivered product over the past two years. Vacancy ended the quarter at 48.8%, up 30 basis points from the prior quarter but down 12.3 percentage points from its peak in Q1 2025.

The core suburban submarkets of Waltham and Lexington recorded 77,400 sq. ft. of negative absorption in the second quarter but generated more than 100,000 sq. ft. of positive absorption during the first half of the year. Asking rents declined slightly to \$70.18 per sq. ft. NNN from \$70.33 per sq. ft. NNN in the previous quarter. Availability increased 130 basis points to 28.9%, while vacancy increased 190 basis points to 22.0%.

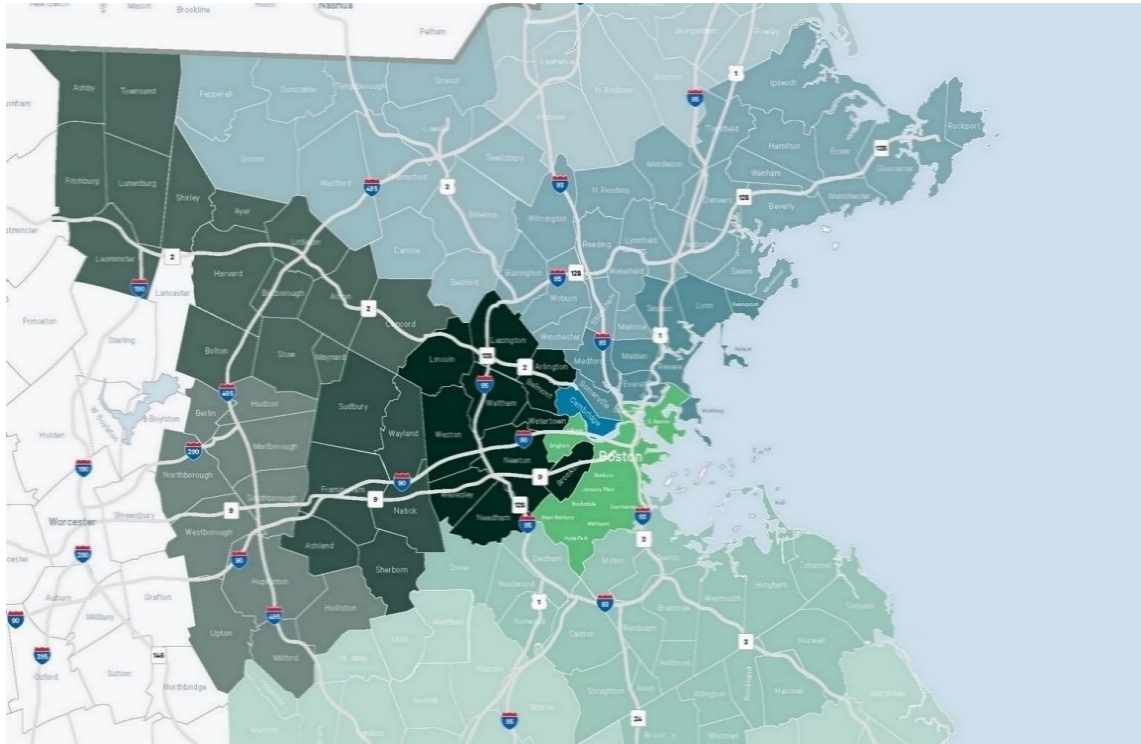
## Market Statistics by Submarket

Figure 8:

	Total SqFt	Available (%)	Vacant (%)	Sublease (%)	Quarter Absorption	YTD Absorption	Avg Asking Rent (\$ NNN)	Deliveries	Under Construction
Cambridge - East	14,143,113	21.2	19.1	5.3	139,531	54,339	100.11	-	1,765,000
Cambridge - Mid	3,597,660	51.4	25.9	26.8	(11,206)	(655,528)	80.81	-	-
Cambridge - West	2,591,146	44.9	44.2	7.0	65,648	166,507	68.28	-	-
<b>Overall Cambridge Lab</b>	<b>20,331,919</b>	<b>29.6</b>	<b>23.5</b>	<b>9.3</b>	<b>193,973</b>	<b>(434,682)</b>	<b>87.08</b>	<b>-</b>	<b>1,765,000</b>
Seaport	5,654,714	41.3	39.4	9.6	(13,372)	(116,983)	83.76	-	344,000
Fenway/Kenmore Square	1,910,588	41.6	41.6	1.7	-	-	93.15	608,588	-
North Station/Waterfront	579,090	0.0	0.0	0.0	-	-	-	-	-
Charlestown/East Boston	1,481,894	25.9	21.8	5.8	-	-	53.13	-	-
Dorchester/South Boston	1,552,364	29.0	29.0	4.4	-	-	56.41	-	-
Allston/Brighton/Longwood	4,146,744	31.7	31.7	1.1	-	102,000	89.66	-	-
Others	930,188	50.4	48.7	4.4	-	-	75.24	-	-
<b>Overall Boston Lab</b>	<b>16,255,582</b>	<b>35.4</b>	<b>34.2</b>	<b>5.0</b>	<b>(13,372)</b>	<b>(14,983)</b>	<b>82.02</b>	<b>608,588</b>	<b>344,000</b>
Close-In Suburbs North	2,809,553	53.0	51.7	0.4	3,400	501,686	76.81	-	-
Route 128 - North	1,116,215	38.3	38.3	4.0	4,449	53,091	59.39	-	-
Route 495 - Northeast	120,330	56.0	56.0	0.0	-	-	55.00	-	-
Route 3 - North	2,287,202	22.0	20.3	5.8	(50,831)	(88,831)	58.72	-	-
Route 128 - West	10,847,393	35.8	30.0	7.7	(112,401)	46,167	71.42	-	-
Framingham - Natick	763,939	6.2	0.0	3.9	(30,000)	(30,000)	60.00	-	-
Route 495 - Mass Pike West	1,465,273	12.0	3.4	2.8	8,923	(145,497)	-	-	-
<b>Overall Suburban Lab</b>	<b>19,409,905</b>	<b>33.9</b>	<b>29.4</b>	<b>5.6</b>	<b>(176,460)</b>	<b>336,616</b>	<b>71.18</b>	<b>-</b>	<b>-</b>

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.

### Survey Criteria

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

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