

FIGURES | BOSTON SUBURBAN OFFICE | Q3 2026

Suburban Boston Office Leasing Moderates in Q3 2026 as Renewals and Mid-Size Deals Gain Ground

▲ 21.6%

Vacancy Rate

▼ 293,000

SF Net Absorption

► 0

SF Construction Delivered

▼ 3.5%

Sublease Percentage

▼ \$29.21

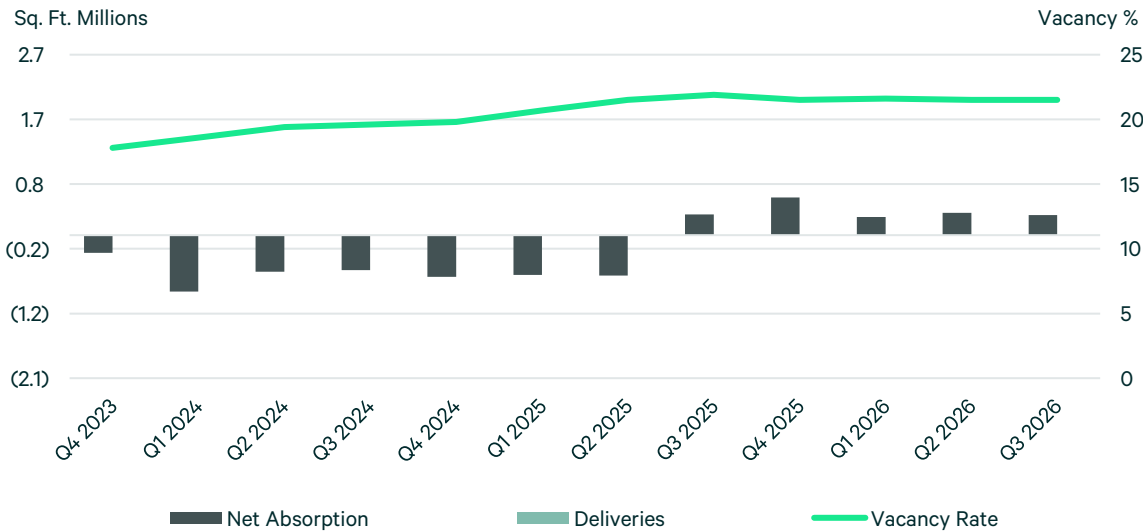
Average Asking Rent

Note: Arrows indicate change from previous quarter.

Market Overview

The suburban office market maintained positive momentum in the third quarter of 2026, though the pace of activity cooled from Q2's gains. Net absorption totaled a positive 292,630 sq. ft., down from 326,682 sq. ft. in Q2, as leasing activity pulled back to 1,168,821 sq. ft. from 1,773,343 sq. ft. Tenant demand, however, expanded to 1.94 million sq. ft. from 1.62 million sq. ft., suggesting that while quarterly leasing volume slowed, the forward pipeline strengthened heading into year-end. On pricing and availability, average asking rents held largely steady, easing slightly from \$29.33 to \$29.21 per sq. ft. gross after Q2's gains. Availability declined from 25.8% to 25.5%, while vacancy ticked up slightly from 21.5% to 21.6%, indicating that space is being committed ahead of physical occupancy. Sublease availability fell from 3.8% to 3.5%, reversing Q2's modest uptick and continuing its broader downward trend. Together, these trends point to a market that continues to stabilize, with a strengthening demand pipeline offsetting a quieter quarter of leasing, though conditions remain shaped by tenant leverage and selective demand.

Figure 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q3 2026

Vacancy

Vacancy improved year-over-year but edged up quarter-over-quarter, signaling continued stabilization with limited near-term movement. Overall vacancy stood at 21.6% in Q3 2026, down 30 bps from 21.9% a year earlier in Q3 2025 and up 10 bps from 21.5% in Q2 2026. Sublease vacancy continued to recede, falling 70 bps year-over-year from 4.2% to 3.5% and 30 bps from the prior quarter, indicating that tenants are marketing less excess space. The continued decline in sublease vacancy alongside a largely stable overall rate suggests that occupier give-back pressure is steadily unwinding, while direct landlord vacancy remains the primary source of elevated availability. Vacancy conditions varied materially across suburban submarkets in Q3 2026, with Metro North under the greatest pressure and Metro South outperforming. Metro North Class A vacancy rose to 26.3%, compared with 21.3% in Class B, widening the Class A to Class B spread to 500 bps, while sublease vacancy held at 4.0% in Class A and eased to 4.6% in Class B, contributing to an overall vacancy rate of 24.1%. Metro South remained notably tighter, with Class A vacancy of 17.4% and Class B at 11.6%, for an overall rate of 15.3%, unchanged from the prior quarter; sublease vacancy continued to diverge sharply, however, at 5.1% in Class A versus 1.1% in Class B. Metro West trailed Metro South but outperformed Metro North, with Class A and Class B vacancy of 23.1% and 20.1%, respectively, for an overall rate of 21.6%, and comparatively contained sublease vacancy of 2.9% and 3.0%.

Asking Rent

Asking rents were largely stable in the third quarter of 2026, with the overall average easing slightly even as both Class A and Class B pricing firmed, a divergence that likely reflects shifts in the mix of available space. The overall average asking rent dipped from \$29.33 per sq. ft. in Q2 2026 to \$29.21 per sq. ft. in Q3 2026, a 0.4% quarter-over-quarter decrease, and remains 1.3% below year-ago levels of \$29.60 in Q3 2025. Class A pricing rebounded, rising 4.0% quarter-over-quarter from \$30.68 to \$31.90 per sq. ft., though it remains 1.5% below \$32.39 in Q3 2025. Class B asking rents continued to climb, increasing from \$24.03 per sq. ft. in Q2 2026 to \$24.46 per sq. ft. in Q3 2026, a 1.8% quarterly gain and a 0.7% increase year-over-year from \$24.30, extending the recovery in lower-tier pricing. Asking rents varied widely across suburban submarkets, reflecting differences in building quality and competitive positioning. Metro West continued to command the highest overall pricing, with a combined average asking rent of \$33.32 per sq. ft., driven by Class A rents of \$36.07 per sq. ft. and Class B rents of \$27.97 per sq. ft., both well above other suburban markets. Metro North followed at a combined average of \$26.35 per sq. ft., with Class A rents of \$28.70 per sq. ft. and Class B at \$22.45 per sq. ft., each edging down slightly from the prior quarter. Metro South again recorded the lowest suburban pricing, posting a combined average of \$24.98 per sq. ft., including Class A rents of \$27.55 per sq. ft. and Class B rents of \$21.20 per sq. ft., reflecting modest gains across both classes. The dispersion across submarkets underscores tenants' continued preference for higher-quality, better-located assets, with Metro West Class B pricing now exceeding Class A rents in Metro South and approaching those in Metro North.

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 remained positive in Q3 2026, marking the third consecutive quarter of occupancy gains this year, though the pace moderated from the prior quarter. The market recorded 292,630 sq. ft. of net growth for the quarter, a decrease of about 34,000 sq. ft. from the 326,682 sq. ft. absorbed in Q2 2026. Class A product continued to lead, posting 145,222 sq. ft. of positive net absorption, down from 323,133 sq. ft. in Q2 2026. Class B performance strengthened considerably, rising to 128,041 sq. ft. of net absorption from 3,549 sq. ft. in Q2 2026, indicating renewed demand for lower-cost space. The more balanced split between classes suggests that occupancy gains broadened beyond the flight-to-quality dynamic that drove the prior quarter, supported by improving Class B fundamentals. Positive net absorption in Q3 2026 was heavily concentrated in Metro West, while Metro North slowed and Metro South remained negative. Metro West led all submarkets with 274,293 sq. ft. of positive absorption, up from 261,500 sq. ft. in Q2 2026 and accounting for nearly all of the quarter's net gains. Metro North remained positive but cooled considerably, posting 35,276 sq. ft. of net absorption, down from 97,007 sq. ft. in the prior quarter. Metro South stayed in negative territory at negative 16,939 sq. ft., though losses narrowed by roughly half from negative 31,825 sq. ft. in Q2 2026. The uneven performance highlights the continued concentration of tenant demand in Metro West, even as overall absorption remains constructive.

Sales Activity

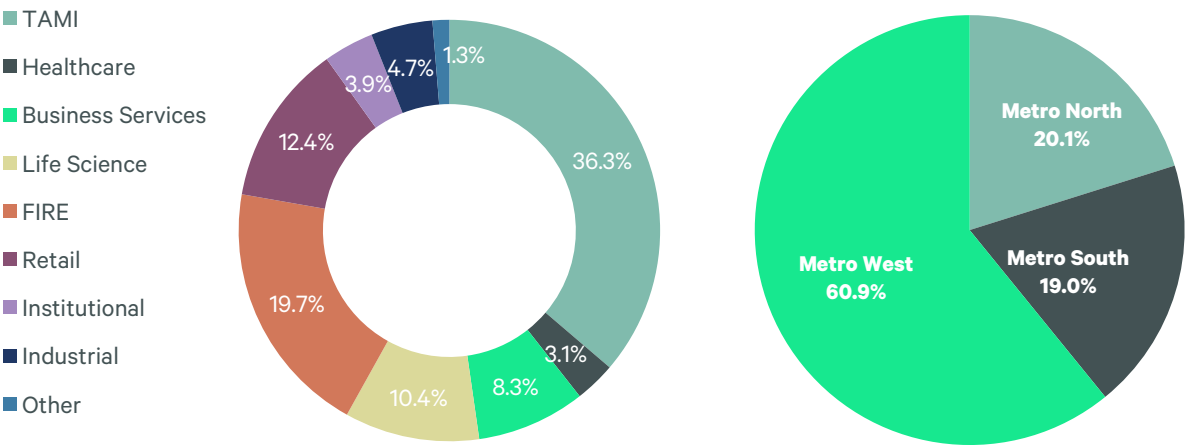
Suburban office investment sales activity in Q3 2026 centered on smaller assets, with pricing that reflected a wide spread in valuations across locations and building profiles. In Wellesley, Haynes Management, Inc. sold 110 Cedar Street, a 30,000-sq.-ft. office building, to Jumbo Capital Management for \$5.65 million, or \$188.33 per sq. ft., well below the \$476.07 per sq. ft. achieved at 70 Hastings Street in the same town last quarter. In Foxborough, Thomas W. Jackson Jr. sold 10 Lincoln Road, a 48,096-sq.-ft. property, to Salvatore Capital Partners for \$5.7 million, or \$118.51 per sq. ft. In Quincy, WP Carey has 1100 Crown Colony Drive, a 132,160-sq.-ft. building, under contract to Foxrock for \$6.0 million, or \$45.40 per sq. ft., the lowest per-foot pricing among the quarter's transactions despite being the largest by size. Together, these transactions highlight the continued bifurcation in suburban office valuations, as buyers remain highly selective and price assets according to scale, location, and perceived risk.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q3 2026

Figure 5 Tenant Demand

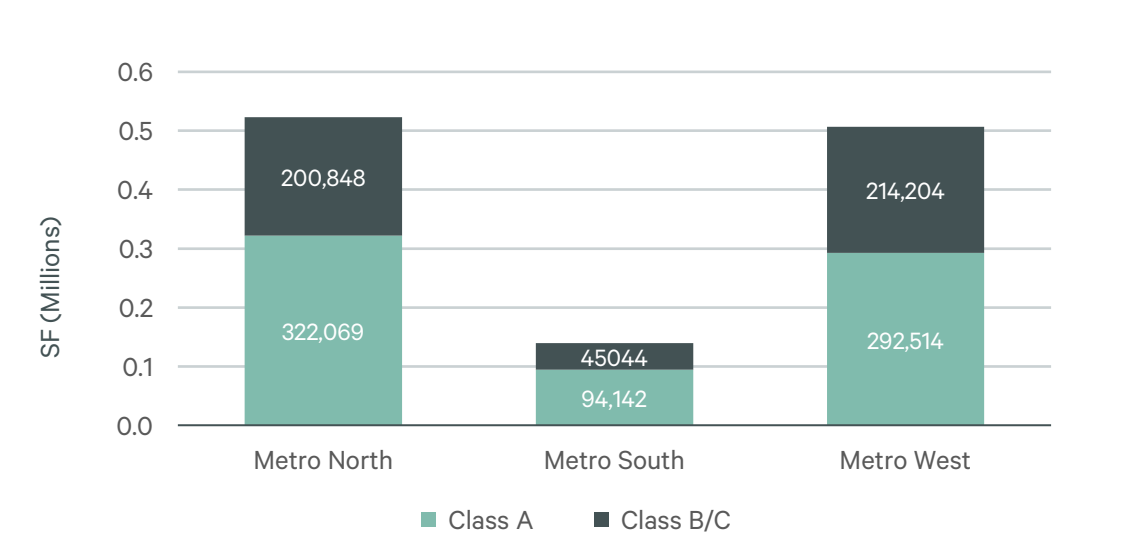


Source: CBRE Research, Q3 2026

Leasing Activity

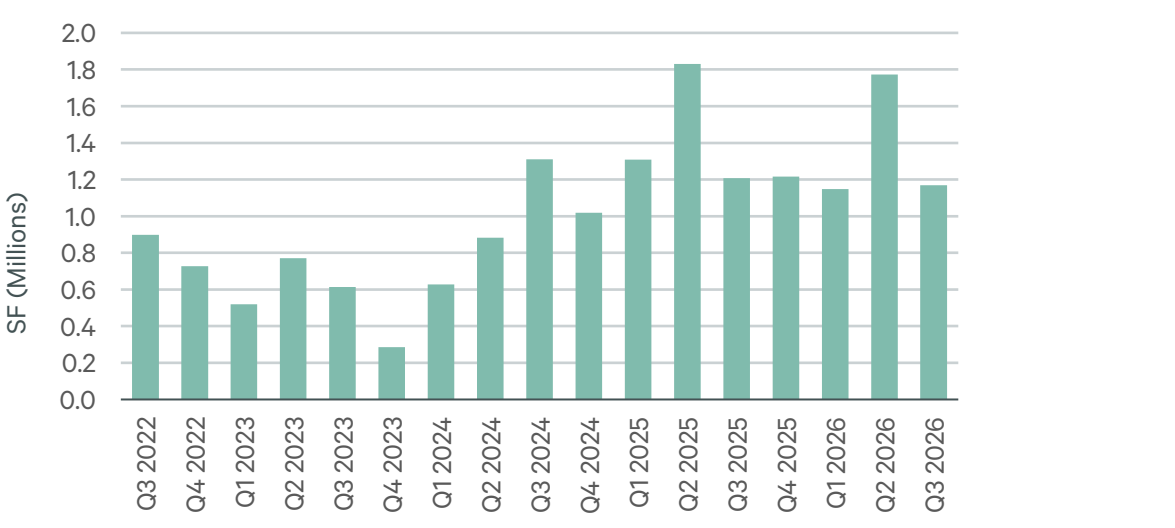
Leasing activity in the suburban office market totaled approximately 1.17 million sq. ft. in Q3 2026, down from 1.77 million sq. ft. in the prior quarter, with volume more evenly split between Metro North and Metro West. Metro North led all submarkets with 522,917 sq. ft., or 44.7% of total leasing volume, while Metro West followed closely with 506,718 sq. ft., representing 43.4% of activity. Metro South posted a notable increase to 139,186 sq. ft., up from 89,884 sq. ft. in Q2, comprising 11.9% of the total. Class A space again captured the majority of leasing volume, totaling 708,725 sq. ft., or 60.6% of activity, while Class B/C space accounted for the remaining 460,096 sq. ft., reflecting continued tenant preference for higher-quality assets alongside growing activity in more cost-conscious segments. Leasing activity remained concentrated in Metro North and Metro West, with Class A leading in every submarket but a more balanced class mix than in the prior quarter. Metro North led Class A demand, posting 322,069 sq. ft. of Class A leasing compared with 200,848 sq. ft. in Class B/C, overtaking Metro West as the most active submarket for the quarter. Metro West recorded 292,514 sq. ft. of Class A leasing and 214,204 sq. ft. in Class B/C, a notable pullback from its outsized Q2 volume but still reflecting solid demand for higher-quality space. Metro South activity remained the most limited overall but continued to lean toward Class A, which accounted for 94,142 sq. ft. of leasing versus 45,044 sq. ft. in Class B/C. The distribution highlights a leasing market that remains selective, though demand broadened across submarkets and asset classes during the quarter.

Figure 7: Leasing by Class



Source: CBRE Research, Q3 2026

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q3 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	SUBMARKET
Raytheon	134,348	Renewal	400 Innovation Drive	MN – Route 3 - North
Axis Communications	91,994	Renewal	300 Apollo Drive	MN – Route 3 – North
CD Projekt Red	53,800	New	311 Arsenal Street	MW – Route 128 - West
Xenon Pharmaceuticals	49,960	New	133 Boston Post Road	MW – Route 128 – West
Sofft Shoe	34,974	Renewal	100 Brickstone Square	MN – Route 495 - North
Xometry	26,980	Sublease	300 Fifth Avenue	MW – Route 128 - West
The Weather Company	26,876	New	400 Innovation Drive	MN – Route 3 - North

Source: CBRE Research, Q3 2026

Market Statistics

Figure 12: Suburban 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	60,609,197	23.5	27.5	23.8	3.7	31.90	145,222	621,396	-	-
Class B	40,232,647	18.8	22.4	19.3	3.1	24.31	147,408	237,607	-	-
Total	100,841,844	21.6	25.5	22.0	3.5	29.21	292,630	859,003	-	-

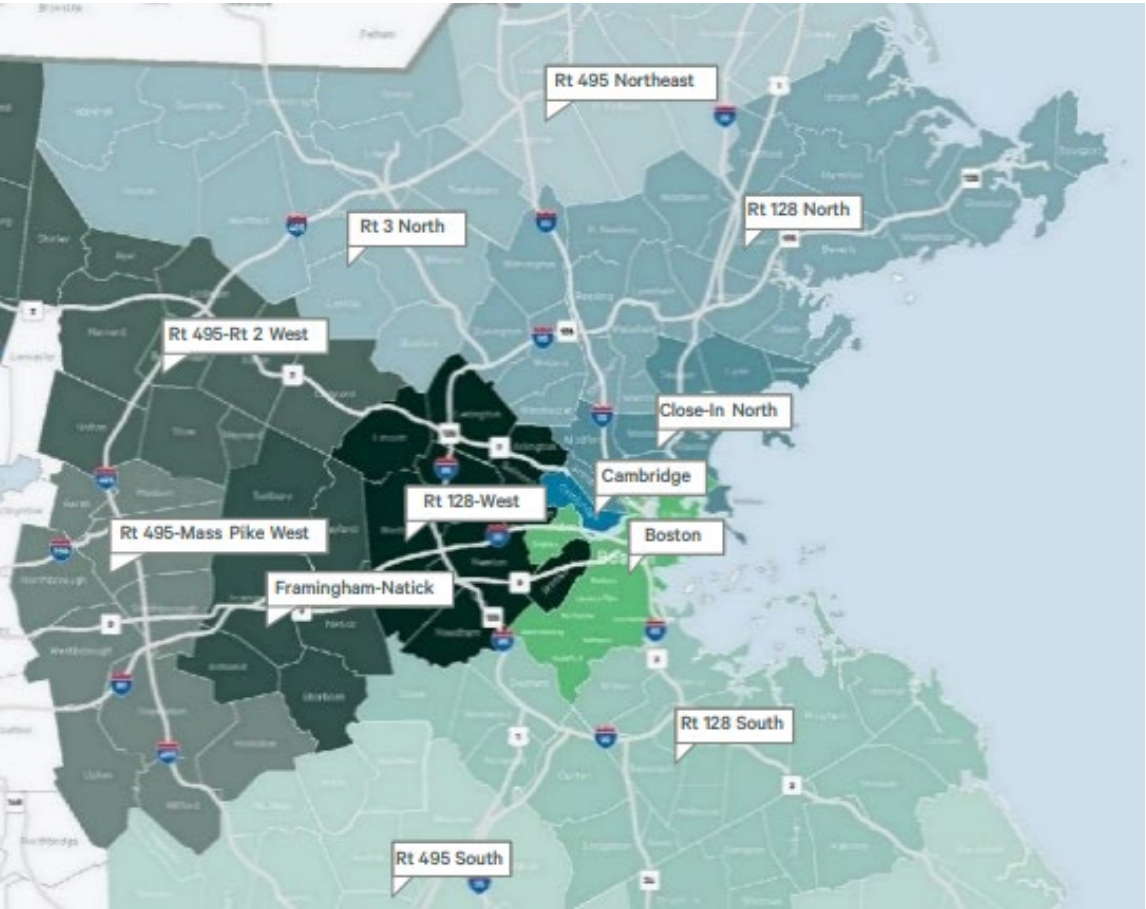
Source: CBRE Research, Q3 2026

Figure 13: Suburban Market Statistics by Market

Market	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
Metro North	40,813,962	24.1	28.1	23.9	4.2	26.35	35,276	229,297	-	-
Metro South	16,121,518	15.3	21.2	17.7	3.5	24.98	(16,939)	(80,982)	-	-
Metro West	43,906,364	21.6	24.7	21.9	2.8	33.32	271,293	710,688	-	-

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

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

Contacts

Connor Channell
Research Lead
+1 857 264 4264
Connor.Channell@cbre.com

Terence Faherty
Field Research Analyst
+1 781 733 5024
Terence.Faherty@cbre.com