

FIGURES | BOSTON METRO LAB | Q3 2026

Market takes step back on absorption and rents in the wake of recovery

▲ 28.9%

Vacancy Rate

▼ (168,430)

SF Net Absorption

▲ 1.2M

SF Construction Delivered

▼ 924K

SF Under Construction

▼ \$77.97

NNN/YR Direct Lease Rate

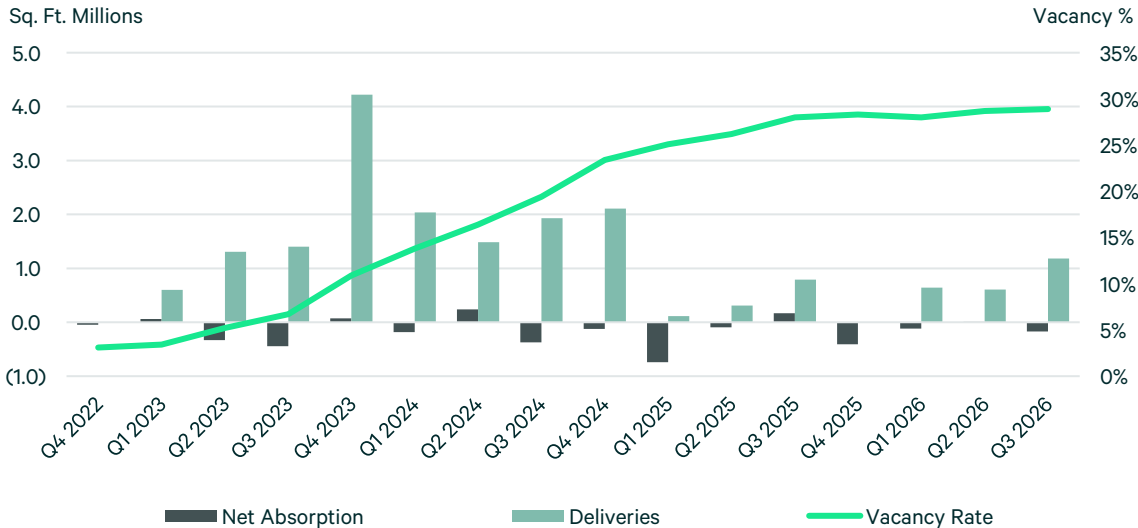
Note: Arrows indicate change from previous quarter.

Market Overview

The Greater Boston lab market reverted to negative net absorption in the third quarter of 2026, continuing the trend of a contracting market. Total market availability rose 30 basis points (bps) quarter-over-quarter to 33.1%, up 110 bps year-over-year from 32.0% in the third quarter of 2025, while vacancy increased 20 bps quarter-over-quarter to 28.9%, now 90 bps above the 28.0% level recorded one year prior. Net absorption registered negative 168,430 sq. ft. in the third quarter, a reversal from the barely positive 4,141 sq. ft. recorded in the second quarter. Year-to-date absorption stands at negative 281,479 sq. ft. through the third quarter, an improvement over the negative 665,227 sq. ft. pace recorded through the same point in 2025.

Cambridge drove the quarterly decline, posting 307,103 sq. ft. of negative absorption driven by an increase in sublease availability. The suburbs continued to post gains, with 151,858 sq. ft. of positive absorption, while Boston posted 13,185 sq. ft. of negative absorption. Rents extended their decline to \$77.97 per sq. ft. NNN, and leasing volume pulled back from the prior quarter's pace, pointing to a continued imbalance between supply and active demand.

Figure 1: Historical Absorption, Deliveries, and Vacancy
Sq. Ft. Millions



Source: CBRE Research, Q3 2026

Vacancy

Vacancy increased 20 bps quarter-over-quarter to 28.9% in the third quarter of 2026, extending the year-over-year increase to 90 bps from 28.0% in the third quarter of 2025. Availability rose 30 bps quarter-over-quarter to 33.1%, up 110 bps from 32.0% one year prior. Elevated vacancy continues to characterize most submarkets, with the region remaining near cycle highs.

Established markets, like East Cambridge in the urban market and Waltham/Lexington in the suburban market, have felt much less pressure on vacancy than some of the younger markets, like Somerville or Allston. Vacancy in the established markets sits 7-10% below the metro wide average. The established ecosystem, diverse tenant pool and transit accessibility have resulted in stabilization for these areas.

Asking Rent

Pricing continued to soften as landlords competed against both direct vacancies and a sublease overhang. The average asking rent across Greater Boston declined to \$77.97 per sq. ft. NNN in the third quarter of 2026, down from \$79.34 per sq. ft. NNN in the second quarter and \$84.88 per sq. ft. NNN in the third quarter of 2025, a 1.7% quarter-over-quarter decrease and an 8.1% year-over-year decline. With free rent periods and tenant improvement packages increasing, effective rents have continued to see a steeper decline than the one seen in asking rents.

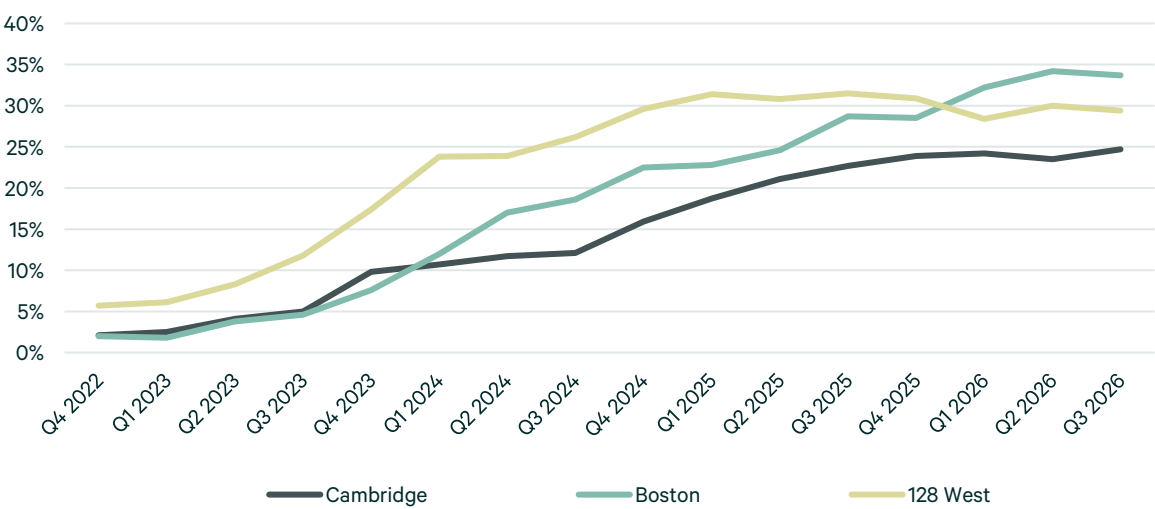
All three major areas posted lower asking rents than a year ago. Cambridge rents fell to \$85.02 per sq. ft. NNN, down 2.4% quarter-over-quarter and 8.8% year-over-year. Boston rents eased to \$81.45 per sq. ft. NNN, down from \$82.02 per sq. ft. NNN in the prior quarter and 8.6% below the \$89.10 per sq. ft. NNN recorded a year earlier. Suburban rents declined to \$69.32 per sq. ft. NNN, down 2.6% quarter-over-quarter and 8.5% year-over-year.

Net Absorption

Greater Boston recorded negative 168,430 sq. ft. of net absorption in the third quarter of 2026, reversing the positive 4,141 sq. ft. posted in the second quarter and falling well short of the positive 166,548 sq. ft. recorded one year ago. Year-to-date absorption stands at negative 281,479 sq. ft. through the third quarter, though this remains ahead of the negative 665,227 sq. ft. pace recorded over the same period in 2025.

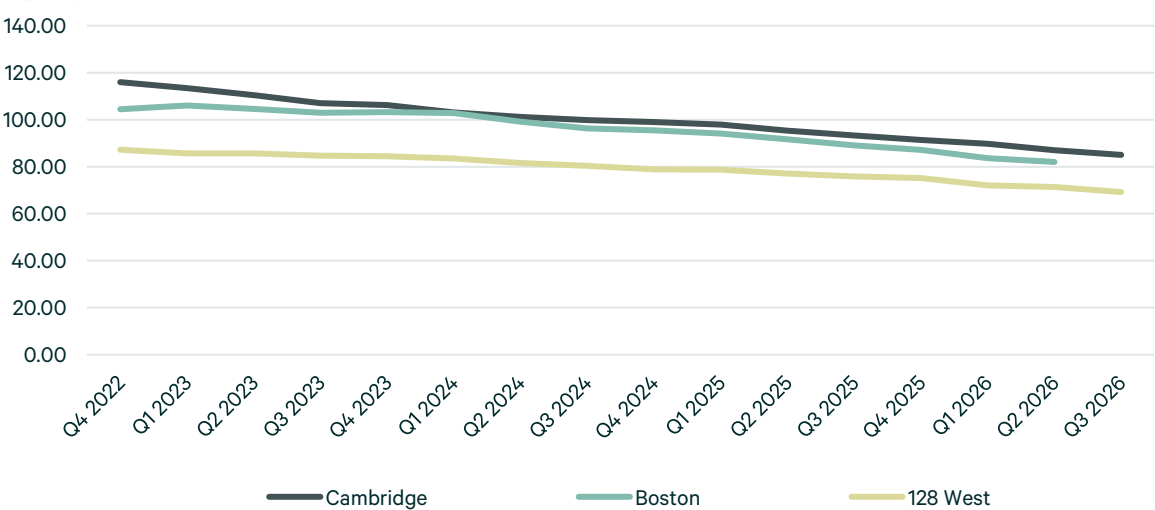
Cambridge experienced 307,103 sq. ft. of negative absorption after posting positive absorption of 193,973 sq. ft. in the prior quarter. The city's decline in absorption was tied to several larger subleases

Figure 2: Vacancy Rates by Class
Vacancy Rate (%)



Source: CBRE Research, Q3 2026

Figure 3: Avg. Direct Asking Rate by Class
\$ per sq. ft.



Source: CBRE Research, Q3 2026

coming available across East and Mid Cambridge. Cambridge's year-to-date absorption of negative 741,785 sq. ft. is now running behind the negative 599,116 sq. ft. pace recorded through the third quarter of 2025.

The suburbs continued to provide a counterweight, posting 151,858 sq. ft. of positive absorption in the quarter, below the 257,734 sq. ft. recorded a year earlier but still the strongest performer among the three submarkets. Suburban growth came from strong leasing in the inner suburbs, including Somerville, where the largest new lease of the quarter was signed, and Watertown, where several leases were signed. Suburban year-to-date absorption of positive 488,474 sq. ft. stands well ahead of the positive 11,924 sq. ft. recorded through the same point in 2025. Boston held roughly flat, with a marginal positive 2,550 sq. ft. of absorption.

Demand

Tenant demand across the Boston Metro rose slightly for the second consecutive quarter, reaching 2.59 million sq. ft. The number of tenants fell 8%, pointing to an increase in average requirement size. Tenants looking for 50,000 to 100,000 sq. ft. grew the most in the third quarter, with three net new tenants entering the market, causing overall demand for that size range to jump 55%.

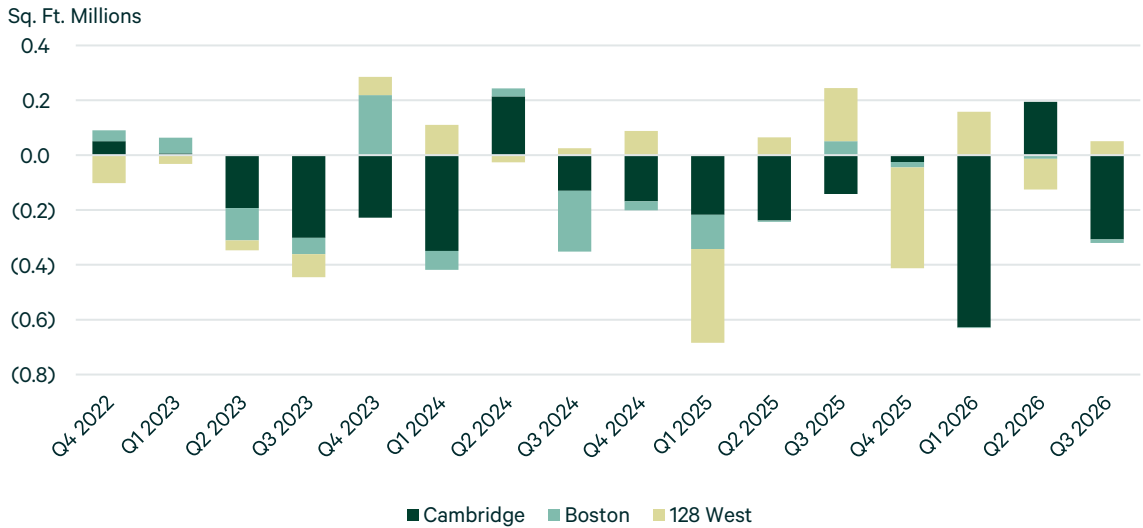
Early demand indicators suggest the life science market may be nearing an inflection point. Greater Boston life science companies raised nearly \$2.1 billion in venture capital in the third quarter, the strongest quarter of the year, and local companies secured two of the three largest rounds nationally. The XBI sits near five-year highs, and M&A activity has accelerated. The IPO market has also recovered in 2026, with 10 local companies raising a combined \$3.5 billion. Together, these signals point to stronger demand for the rest of the year and into 2027.

Construction Activity

The construction pipeline across the metro has continued to contract with almost 1.2 million sq. ft. completed in the third quarter. The active pipeline has shrunk to 924,000 sq. ft. and consists of two properties that are both fully leased to large pharma tenants. Vertex's new building in the Seaport and Biogen's future headquarters in Kendall Square are expected to complete construction in 2027 and 2028, respectively.

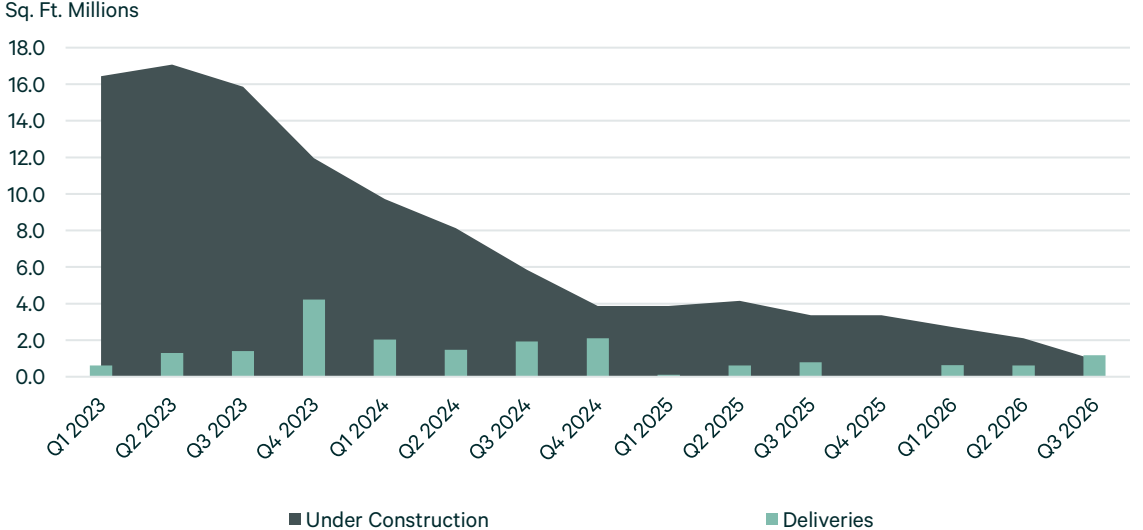
New spec construction projects are not expected to commence until fundamentals stabilize, given the imbalance in current supply-demand dynamics. Several future projects have shifted away from life sciences to other uses, like Spear Street Capital at 64 Grove Street in Watertown, pivoting a conversion in Watertown from life science to self-storage.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q3 20256

Figure 5: Construction Activity



Source: CBRE Research, Q3 20256

Leasing Activity

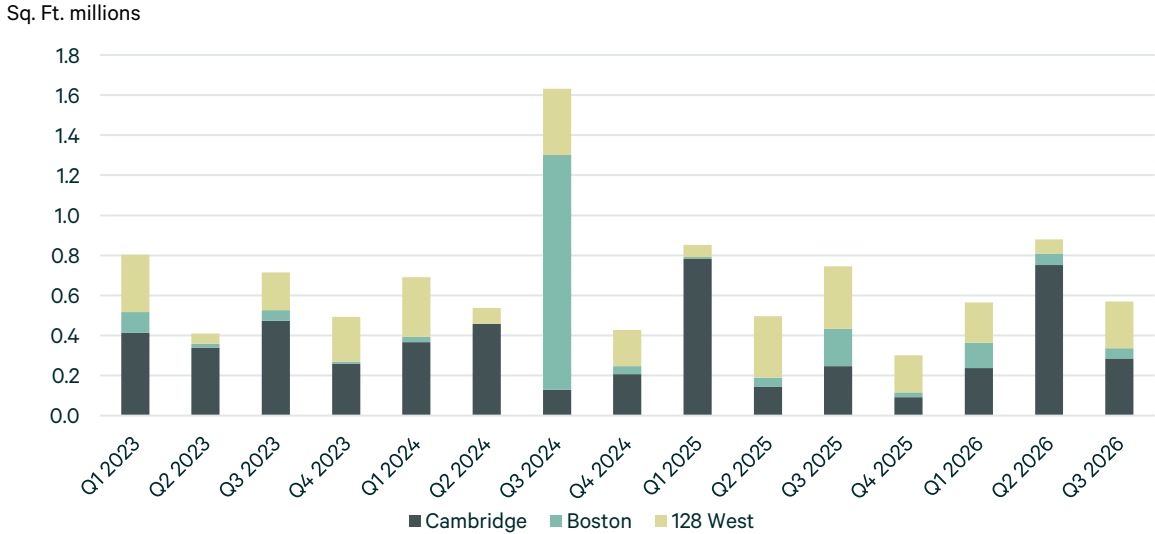
Leasing activity totaled 708,446 sq. ft. in the third quarter of 2026, down 21.1% from the 898,437 sq. ft. recorded in the second quarter and down 9.4% from the 781,947 sq. ft. recorded in the third quarter of 2025. The suburbs led all submarkets with 372,517 sq. ft. of activity, followed by Cambridge at 284,682 sq. ft. and Boston at 51,247 sq. ft. Despite the quarter-over-quarter decrease, the first three quarters of 2026 have seen a 20% increase in leasing compared to the first three quarters of last year. Renewals have been the main catalyst for the increase in leasing since the beginning of the year.

Outlook

The Greater Boston life science market remains in a prolonged correction, with vacancy near cycle highs and rents still falling. Second quarter's modest absorption gain reversed in the third quarter, when the market recorded 168,000 sq. ft. of negative absorption. Mid-size and large tenants have lifted demand slightly, but smaller, VC-backed users have yet to return. Until they do, lease expirations, not growth, will drive most future demand.

Demand is thin in several size ranges, and landlords continue to compete aggressively. Flexible deal structures, larger concession packages and discounted sublease space should define leasing through year-end, extending the pattern of the past two years.

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q3 2026

Figure 7: Key Lease Transactions

TENANT	ADDRESS	SQ. FT.	SUBMARKET	TYPE
MassGeneral Hospital	74 Middlesex Avenue, Somerville	105,000	Close-In Suburbs North	New
Wave Life Sciences	115 Hartwell Avenue, Lexington	92,000	128 West	Renewal
Mindspan	399 Binney Street	49,000	East Cambridge	New
Merida Bioscience	200 Arsenal Street, Watertown	35,000	128 West	Sublease
Souffle Therapeutics	250 Arsenal Place, Watertown	33,500	128 West	Expansion

Source: CBRE Research, Q3 2026

Cambridge

The Cambridge lab market recorded more than 307,000 sq. ft. of negative absorption, the 10th quarter of negative absorption in the past three years. The contraction caused availability to increase 160 bps to 31.2% since last quarter and vacancy increased 120 bps to 24.7%. The sublease availability rate across Cambridge remains elevated, ending the third quarter at 10.4%. Three separate tenants account for seven 100,000 sq. ft. blocks on the sublease market, weighing heavily on overall availability and sublease availability in the city. Leasing activity dipped from last quarter to 284,682 sq. ft., but remains the third-highest leasing quarter in the past two years.

East Cambridge recorded 37,000 sq. ft. of negative absorption in the third quarter, but remains positive through the first nine months of the year. Availability increased 40 bps to 21.6% since last quarter and is down 30 bps since one year ago. Vacancy fell for the second consecutive quarter, decreasing by just 10 bps to 19.0%. With availability and vacancy higher than historical norms, asking rents have remained under pressure, falling for the 18th consecutive quarter, ending Q3 at \$98.03 per sq. ft. NNN.

Mid Cambridge has been impacted the most in recent quarters with sublease space coming onto the market. Sublease space makes up 33% of the market, with more than 900,000 sq. ft. coming onto the market this year alone. Takeda has added a majority of this space in preparation for their consolidation to 585 Kendall in the heart of Kendall Square. The availability rate has climbed to 59.3% and vacancy ended the third quarter at 33.3%. Similar to East Cambridge, asking rents in Mid Cambridge have continued to slide, falling to \$79.74 per sq. ft. NNN, the first time below \$80 since mid-2019 when vacancy was 0.9%.

West Cambridge recorded positive absorption for the third consecutive quarter, posting 13,500 sq. ft. of growth. The result drove availability down 50 bps to 44.4%, now 10 percent below the submarket peak of 54.4% recorded in Q2 2025. Asking rents remained under pressure, declining 4.1% quarter-over-quarter to \$65.48 per sq. ft., while vacancy decreased 50 bps to 43.7%.

Boston

The Boston lab market recorded a slightly negative quarter, posting 13,185 sq. ft. of negative absorption. Availability inched up 10 bps to 35.5% while vacancy decreased 60 bps to 33.7%. Sublease fell 20 bps to 4.9%. Asking rents have remained under pressure, falling 70 bps to \$81.45 per sq. ft. NNN. The largest new space to come to the market was in Allston, where SmartLabs exited its lease at Boston Landing. The new space pushed availability in Allston/Brighton to 89.5%. The Seaport submarket saw asking rents fall 120 bps while availability fell 50 bps to 40.9% and vacancy dropped 70 bps to 38.9%.

Suburban

The suburban life science market had the strongest quarter in the metro area, recording 151,000 sq. ft. of positive net absorption, bringing the year-to-date total to nearly 500,000 sq. ft. of growth. The positive net absorption caused availability to decrease 80 bps to 33.2%, while vacancy remained flat at 29.4%. Asking rents, similar to the rest of the market, continued to decrease, falling 260 bps to \$69.32 per sq. ft. NNN.

The suburban market has been driven largely by the inner suburban area, which recorded 213,000 sq. ft. of positive absorption in Q3, but has amassed 656,000 sq. ft. of positive absorption year-to-date. Somerville has been home to several big leases, including Transmedics earlier in the year and more recently MassGeneral Hospital who signed for over 100,000 sq. ft. at 74 Middlesex Avenue. Somerville does still offer a number of purpose-built lab spaces across the city, and a vacancy rate of 54.3%, primarily concentrated in the Union Square neighborhood, and not Assembly Row neighborhood.

Waltham and Lexington have the second-lowest vacancy in the market when compared to all of the major life science areas, ending the third quarter at 22.6%, up 60 bps since last quarter. The two cities saw 38,000 sq. ft. of negative absorption but they are still posting growth for nearly 66,000 sq. ft. through the first nine months of the year. Asking rents fell 230 bps to \$68.55 per sq. ft. NNN, the lowest since mid-2021. Sublease availability remains elevated, sitting at 8.8%, flat since last quarter, but down 60 bps since this point last year.

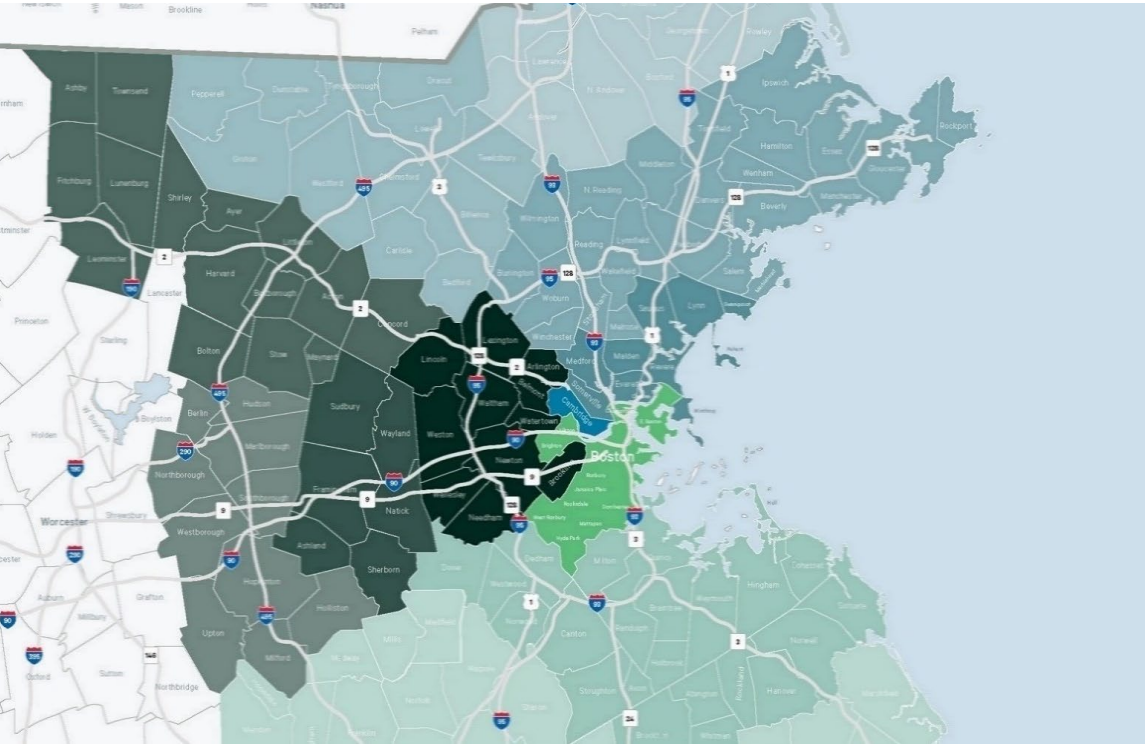
Market Statistics by Submarket

Figure 8:

	Total SqFt	Available (%)	Vacant (%)	Sublease (%)	Quarter Absorption	YTD Absorption	Avg Asking Rent (\$ NNN)	Deliveries	Under Construction
Cambridge - East	14,143,113	21.6	19.0	5.7	(37,318)	17,021	98.03	1,185,000	580,000
Cambridge - Mid	3,598,154	59.3	33.3	33.3	(283,273)	(938,801)	79.74	-	-
Cambridge - West	2,591,146	44.4	43.7	4.1	13,488	179,995	65.48	-	-
Overall Cambridge Lab	20,332,413	31.2	24.7	10.4	(307,103)	(741,785)	85.02	-	1,765,000
Seaport	5,666,718	40.9	38.9	9.1	30,954	(86,029)	82.75	-	344,000
Fenway/Kenmore Square	1,910,588	41.6	41.6	1.7	0	0	93.12	-	-
North Station/Waterfront	579,090	0.0	0.0	0.0	0	0	—	-	-
Charlestown/East Boston	1,481,894	25.9	21.8	5.8	0	0	53.13	-	-
Dorchester/South Boston	1,552,364	29.0	29.0	4.4	0	0	56.41	-	-
Allston/Brighton/Longwood	4,146,744	33.2	31.2	1.1	(65,000)	37,000	89.36	-	-
Others	930,188	48.2	44.8	4.4	20,861	20,861	—	-	-
Overall Boston Lab	16,267,586	35.5	33.7	4.9	(13,185)	(28,168)	81.45	608,588	344,000
Close-In Suburbs North	2,813,553	48.7	47.4	0.0	123,543	625,229	76.57	-	-
Route 128 - North	1,116,215	41.5	41.5	7.2	(35,180)	17,911	53.42	-	-
Route 495 - Northeast	120,330	56.0	56.0	0.0	0	0	55.00	-	-
Route 3 - North	2,287,202	21.4	19.7	5.2	12,824	(76,007)	58.72	-	-
Route 128 - West	10,848,604	35.3	29.4	7.3	50,671	96,838	69.22	-	-
Framingham - Natick	763,939	6.2	3.9	3.9	0	(30,000)	60.00	-	-
Route 495 - Mass Pike West	1,465,273	12.0	11.1	2.8	0	(145,497)	—	-	-
Overall Suburban Lab	19,415,116	33.2	29.4	5.5	151,858	488,474	69.32	-	-

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.

Survey Criteria

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

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