

FIGURES | BOSTON SUBURBAN OFFICE | Q1 2026

Suburban Office Market Builds Stability on Continued Occupancy Gains

▲ 21.6%
Vacancy Rate

▼ 265,291
SF Net Absorption

▶ 0
SF Construction Delivered

▼ 3.7%
Sublease Percentage

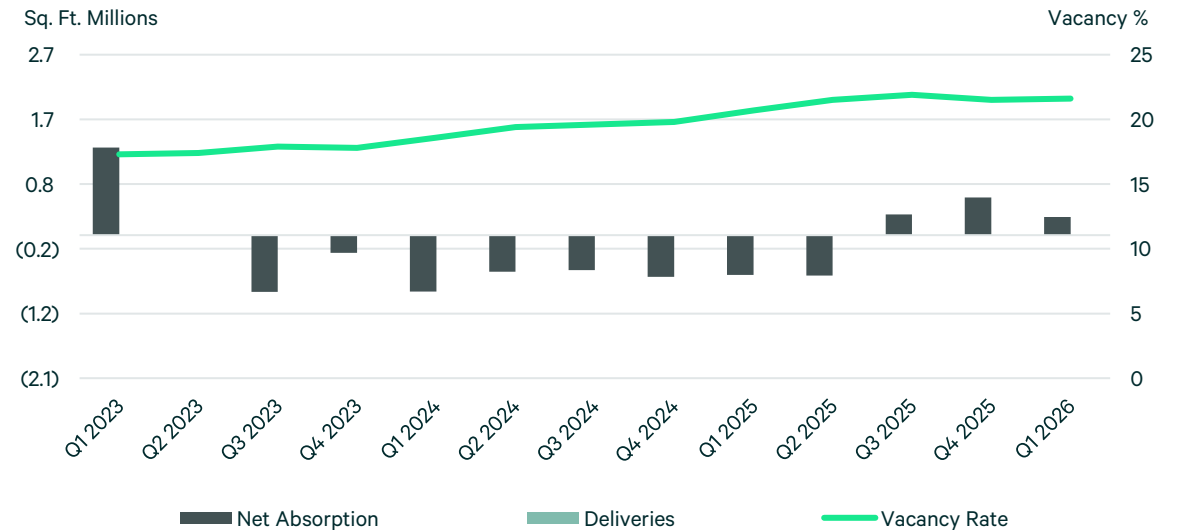
▼ \$28.80
Average Asking Rent

Note: Arrows indicate change from previous quarter.

Market Overview

The suburban office market posted modestly positive demand in the first quarter of 2026, despite momentum softening. Net absorption totaled a positive 265,691 sq. ft., marking a constructive outcome despite a slight deceleration in leasing activity to 1,147,864 sq. ft. from 1,216,217 sq. ft. last quarter. The slowdown was further reflected in tenant demand, which pulled back to 1.87 million sq. ft. While the quarter’s positive absorption provides near-term relief, the contraction in leasing velocity and demand suggests that recovery remains sensitive to broader economic and utilization trends. Pricing and availability metrics reflected a gradually tightening environment. Average asking rents declined quarter-over-quarter, falling from \$29.75 in Q4 2025 to \$28.80 per sq. ft. gross in Q1 2026, suggesting increased competition among landlords amid slower leasing velocity. Availability edged down from 26.3% to 25.9% over the same period, while vacancy ticked up slightly from 21.5% to 21.6%, indicating that recent occupancy gains have yet to translate into meaningful balance improvements. Notably, sublease availability continued to recede, decreasing from 4.1% to 3.7%, pointing to reduced give-back pressure and a gradual normalization of excess space. Together, these trends underscore a market that is stabilizing incrementally but remains shaped by tenant leverage and selective demand.

Figure 1: Historical Absorption, Deliveries, and Vacancy



Source: CBRE Research, Q1 2026

Vacancy

Vacancy trended modestly higher over the past year, with quarter-over-quarter movement signaling gradual stabilization. Overall vacancy increased 90 bps year-over-year from 20.7% in Q1 2025 to 21.6% in Q1 2026, including a 10 basis point (bps) quarterly uptick from 21.5% in Q4 2025. Direct vacancy followed a similar arc, rising from 24.9% a year earlier to 25.3% in Q1 2026, though it improved 30 bps quarter-over-quarter from 25.6%. By contrast, sublease vacancy declined meaningfully, falling 50 bps since Q4 2025 and 50 bps year-over-year to 3.7%, indicating reduced excess space being marketed by tenants. The divergence between direct and sublease trends suggests that while landlord vacancy remains elevated, occupier-driven give-back pressure has continued to unwind.

Vacancy conditions varied materially across suburban submarkets in Q1 2026, with Metro North under the greatest pressure and Metro South outperforming. Metro North Class A overall vacancy stood at 26.8%, compared with 21.4% in Class B, resulting in a 540-bp Class A–Class B spread, while sublease vacancy remained elevated at 4.0% in Class A and 4.5% in Class B, driving a combined vacancy rate of 24.7%. Metro South recorded notably tighter conditions, with Class A vacancy of 16.6% and Class B at 11.8%; sublease vacancy diverged sharply, however, at 5.8% in Class A versus 1.3% in Class B. Metro West trailed Metro South but outperformed Metro North, with Class A and Class B vacancy of 22.3% and 19.9%, respectively, and comparatively contained sublease vacancy of 3.8% and 2.4%.

Asking Rent

Asking rents softened modestly in early 2026, a reflection of greater tenant leverage amidst weakened demand, with pressure concentrated in lower-tier space. The overall average asking rent declined from \$29.75 per sq. ft. in Q4 2025 to \$28.80 per sq. ft. in Q1 2026, a 2.9% quarter-over-quarter decrease, though rents remain 0.4% below year-ago levels. Class A pricing proved more resilient, easing 1.4% quarter-over-quarter from \$32.33 to \$31.77 per sq. ft., but still posting a 1.3% year-over-year increase from Q1 2025. By contrast, Class B asking rents saw sharper downward pressure, falling from \$24.21 per sq. ft. in Q4 2025 to \$23.05 per sq. ft. in Q1 2026, a 4.8% quarterly decline and 2.9% drop year-over-year, underscoring continued bifurcation in tenant demand by building quality. Asking rents varied widely across suburban submarkets, reflecting differences in building quality and competitive positioning. Metro West commanded the highest overall pricing, with a combined Class A and Class B average asking rent of \$32.15 per sq. ft., driven by Class A rents of \$35.34 per sq. ft., well above other suburban markets. Metro North followed at a combined average of \$26.47 per sq. ft., with Class A rents of \$28.94 per sq. ft. and Class B at \$22.32 per sq. ft. Metro South recorded the lowest suburban pricing, posting a combined average of \$24.89 per sq. ft., including Class A rents of \$27.32 per sq. ft. and Class B rents of \$20.95 per sq. ft. The dispersion across submarkets underscores tenants’ continued preference for higher-quality, better-located assets, while pricing in lower-tier product remains under pressure.

Figure 2: Vacancy Rates by Class



Source: CBRE Research, Q1 2026

Figure 3: Avg. Direct Asking Rate by Class



Source: CBRE Research, Q1 2026

Net Absorption

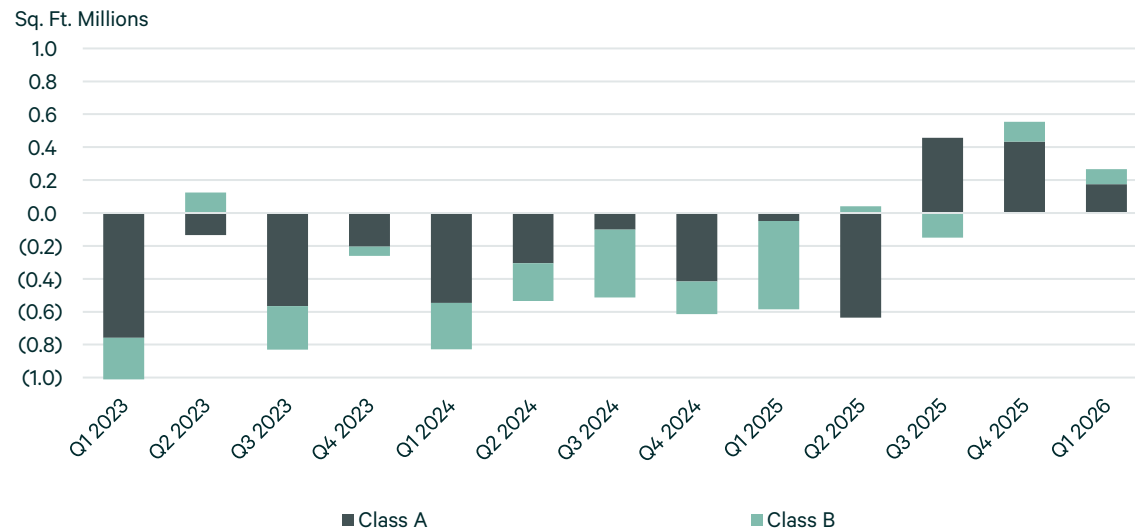
Net absorption remained positive in Q1 2026 but moderate compared to prior cycle highs, reflecting more measured tenant expansion. The market recorded 265,691 sq. ft. of net move-ins for the quarter, a decline of about 224,000 sq. ft. from the 490,056 sq. ft. absorbed in Q4 2025, though demand remained firmly positive. Class A product continued to drive overall absorption, posting 175,041 sq. ft. of positive net absorption, albeit down from 591,190 sq. ft. in Q4 2025, signaling a normalization from peak post-pandemic leasing activity. Class B performance improved meaningfully, swinging to positive 90,650 sq. ft. of net absorption in Q1 2026 from negative 89,375 sq. ft. in Q4 2025, indicating renewed, though selective, demand for lower-cost space. The shift toward more balanced class-level contributions underscores a market adjusting to slower growth while maintaining positive occupancy momentum.

Positive net absorption in Q1 2026 was concentrated in Metro West and Metro North, while Metro South weighed on overall performance. Metro West led all submarkets with 196,895 sq. ft. of positive absorption for the quarter, which was a minor decrease from the 342,852 sq. ft. recorded in Q4 2025. Metro North strengthened meaningfully, posting 101,014 sq. ft. of net absorption, more than doubling the 47,546 sq. ft. absorbed in the prior quarter. By contrast, Metro South shifted into negative territory at negative 32,218 sq. ft., retreating from 99,658 sq. ft. of positive absorption in Q4 2025. The uneven market performance highlights the continued concentration of tenant demand in select locations, even as overall absorption remains constructive.

Sales Activity

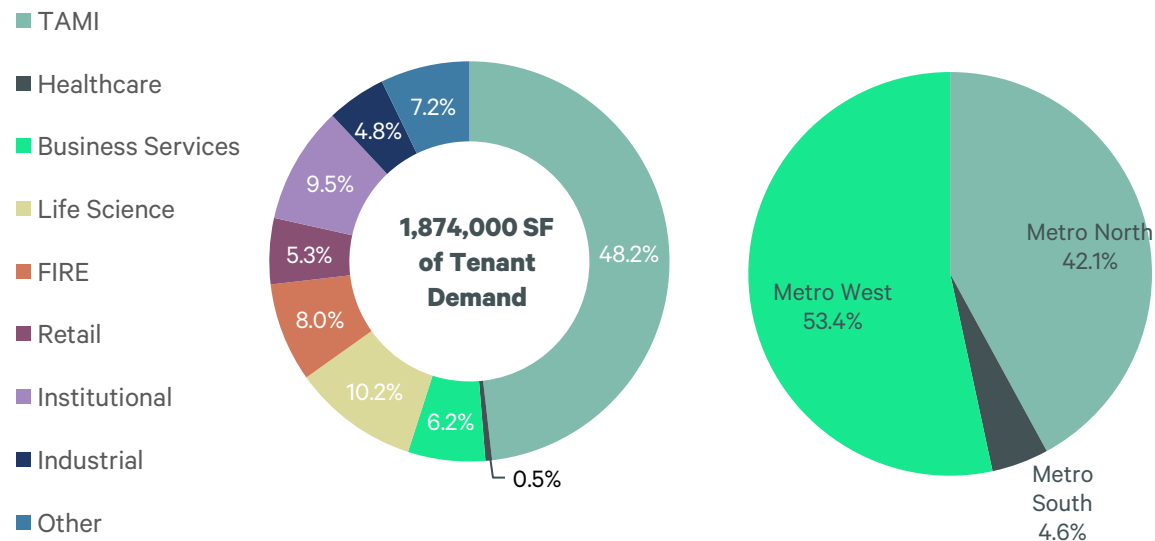
Suburban office investment sales activity remained limited and concentrated in smaller, suburban assets, reflecting price sensitivity and an emphasis on scale-appropriate, income-oriented transactions. In Burlington, a 116,494-sq.-ft. office building at One Burlington Woods Drive traded for \$8.5 million, or \$73.0 per sq. ft. In Hyde Park, 1178 River Street sold for \$2.08 million, equating to \$205.80 per sq. ft.; the 10,080-sq.-ft. property was sold by River Street Holdings and will transition to an owner-occupied use. In Belmont, The Hamilton Company sold a two-building office portfolio totaling 16,398 sq. ft. to The Leo Organization for \$2.6 million, or approximately \$159 per sq. ft. The portfolio included a 12,270-sq.-ft. building at 90 Concord Avenue, which was 50% leased at the time of sale, and a fully leased 4,128-sq.-ft. building at 26 Brighton Street. Pricing across these deals highlights the continued bifurcation in valuations based on tenancy, scale, and owner-user appeal amid a cautious capital markets environment.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Tenant Demand



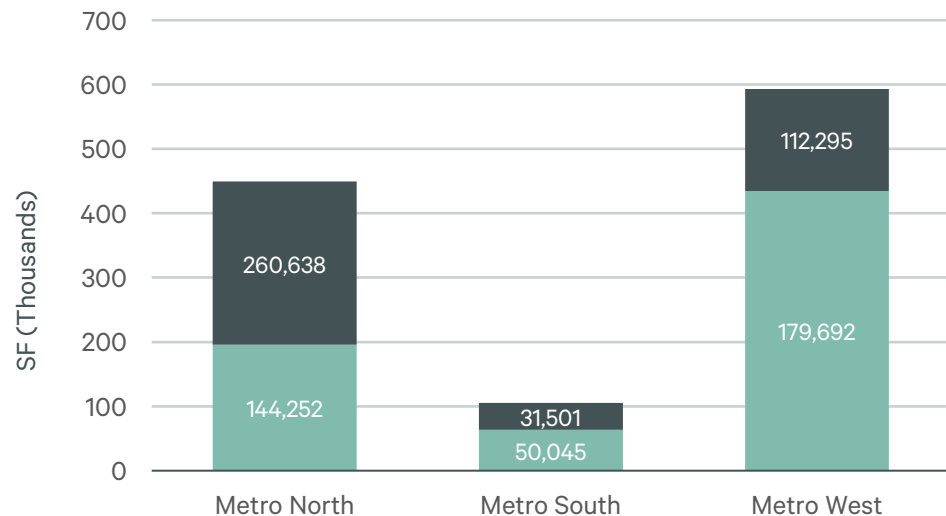
Source: CBRE Research, Q1 2026

Leasing Activity

Leasing activity in the suburban office market totaled approximately 1.15 million sq. ft., with demand led by Metro West, which accounted for 593,209 sq. ft., or 51.7% of total leasing volume. Metro North followed with 449,500 sq. ft., representing 39.2% of activity, while Metro South recorded more muted demand at 105,155 sq. ft., comprising 9.2% of the total. Class A space captured the majority of leasing volume overall, totaling 693,403 sq. ft., or 60.4% of activity, while Class B/C space accounted for the remaining 454,461 sq. ft., underscoring continued tenant selectivity favoring higher quality assets despite ongoing cost considerations.

Leasing activity remained concentrated in Metro West and Metro North, though the class mix varied meaningfully by submarket. Metro West dominated Class A demand, posting 434,453 sq. ft. of leasing compared with 158,756 sq. ft. in Class B/C, reinforcing its position as the market’s most competitive location for higher quality office space. Metro North, by contrast, skewed more value-oriented, with Class B/C leasing of 253,943 sq. ft. exceeding Class A volume of 195,557 sq. ft., indicating sustained demand for cost-conscious solutions. Metro South activity was limited overall but leaned toward Class A, which accounted for 63,393 sq. ft. of leasing versus 41,762 sq. ft. in Class B/C. The distribution of leasing activity highlights ongoing polarization across submarkets and asset classes amid a slower and more selective demand environment.

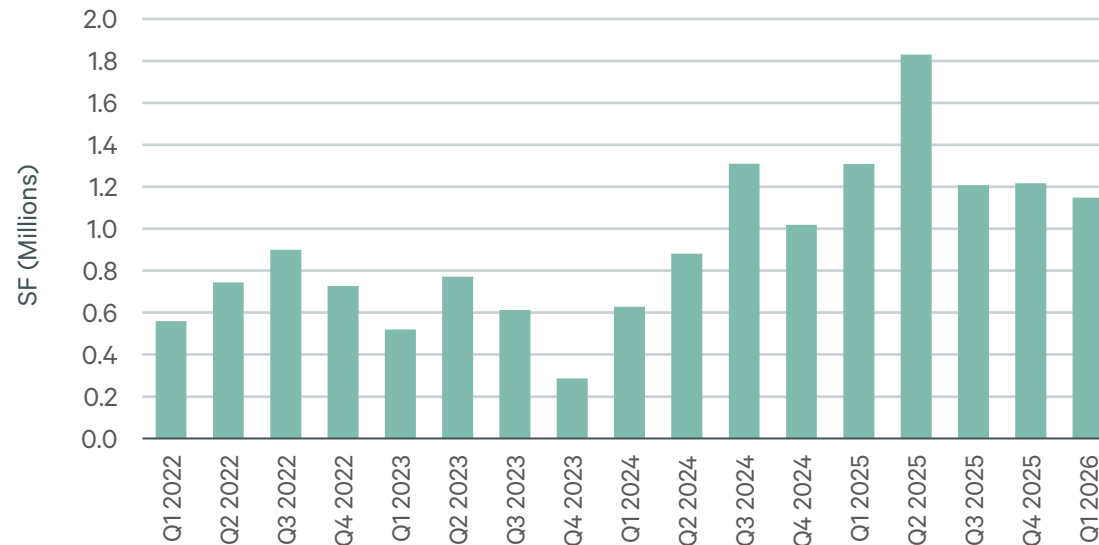
Figure 7: Leasing by Class



Source: CBRE Research, Q1 2026

■ Class A ■ Class B/C

Figure 6: Leasing Activity Trend



Source: CBRE Research, Q1 2026

Figure 8: Key Lease Transactions

	Sq. Ft. Leased	Transaction Type	Address	SUBMARKET
iRobot Corporation	107,543	New	10 Crosby Drive	MN – Route 3 - North
Panera Bread	98,656	New	133 Boston Post Road	MW – Route 128 - West
New England Sports Network	47,719	Renewal/Expansion	480 Arsenal Street	MW – Route 128 – West
Tutor Intelligence	36,291	New	480 Pleasant Street	MW – Route 128 – West
Lexington Medical	30,805	Renewal	23 Crosby Drive	MN – Route 3 – North
Akebia Therapeutics	28,518	New	180 CityPoint	MW – Route 128 - West
PharmaEssentia	25,005	New	35 Corporate Drive	MN – Route 128 – North
N-Able	25,000	New	30 Corporate Drive	MN – Route 128 - North

Source: CBRE Research, Q1 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	60,675,937	23.3	28.0	23.8	4.2	31.77	175,041	253,650	-	-
Class B	40,744,231	19.2	22.7	19.7	3.0	23.05	90,650	137,837	-	-
Total	101,420,168	21.6	25.9	22.2	3.7	28.80	265,691	391,487	-	-

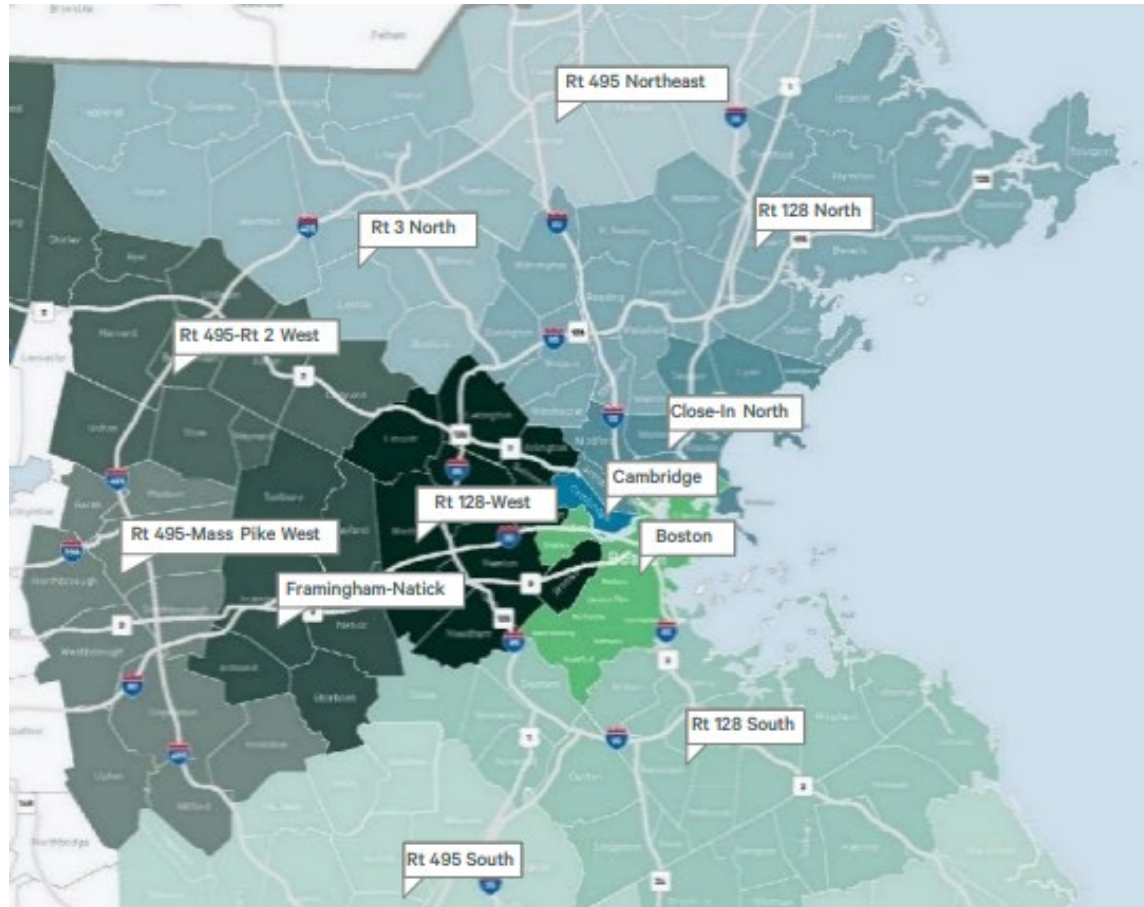
Source: CBRE Research, Q1 2026

Figure 13: Suburban Market Statistics by 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	41,115,690	24.7	28.7	24.5	4.2	26.47	101,014	101,014	-	-
Metro South	16,249,854	14.6	20.7	16.7	4.0	24.89	(32,218)	(32,218)	-	-
Metro West	44,054,624	21.3	25.2	22.0	3.2	32.15	196,895	196,895	-	-

Source: CBRE Research, Q1 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

Suzanne Duca

Director of Research, New England
 +1 617 912 7041
 Suzanne.Duca@cbre.com

Connor Channell

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

Terence Faherty

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