



MARKET FUNDAMENTALS

	YOY Chg	Outlook
9.4% Vacancy Rate	▲	▲
495.5K YTD Net Absorption, SF	▼	▼
\$15.07 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▼	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.9M Boston Employment	▲	▲
3.6% Boston Unemployment Rate	▲	▼
4.2% U.S. Unemployment Rate	▲	▲

Source: BLS

SUPPLY

Mirroring other asset types, albeit less dramatically, overall vacancy in Boston’s industrial market steadily increased throughout 2024, ending at 9.4%, a 170-basis point (bp) surge year-over-year (YOY). Meanwhile, vacancy in warehouse/distribution (W/D) assets jumped by 230-bps. However, three of nine submarkets – 495 North, Urban West, and Urban South – posted occupancy improvements over the same period. Following two consecutive years of construction deliveries surpassing 5.0 million-square-foot (msf), the pace slowed slightly in 2024 as 3.9 msf of new industrial product entered the market. The bulk of this new construction was comprised of uncommitted, speculative W/D space, which will continue to have an outsized impact on market fundamentals over the coming quarters amidst a supply and demand imbalance.

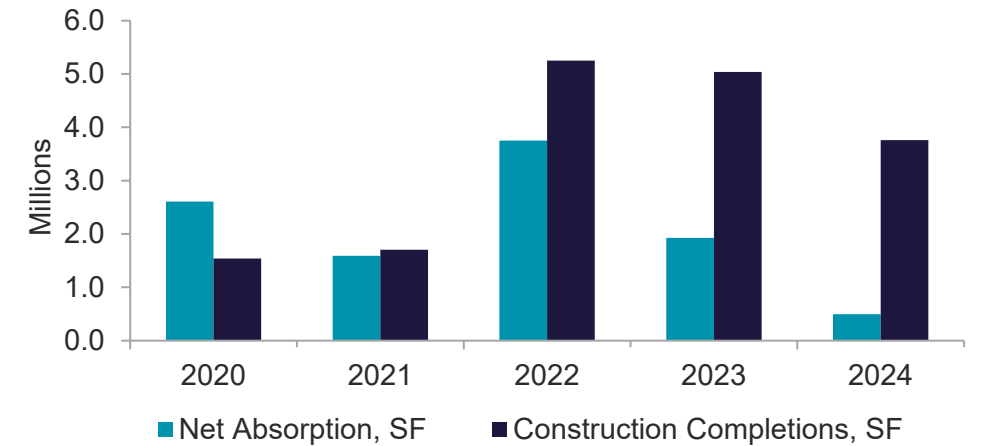
DEMAND

Greater Boston’s industrial market continued to contend with softened demand as annual leasing activity totaled 3.0 msf, a steep 52.8% decrease over 2023’s total. Five users inked deals 100,000-square-foot (sf) or larger, compared with 14 in 2023, which drove the market’s average lease size down 39.5% YOY to 26,280 sf. At 56,000 sf, the average footprint of tenants opting to remain in place was more than double that, as larger users drove the market’s renewal activity throughout 2024. While the 495 Belt remained the epicenter for transaction activity, capturing more than three-quarters of total market leasing volume, 128 South and 128 North were the only two submarkets to post a YOY increase in demand. The jump was most significant in the 128 South submarket where activity more than doubled YOY, boosted by Gold Star Food’s 102,000-sf transaction at 135 Will Drive in Canton.

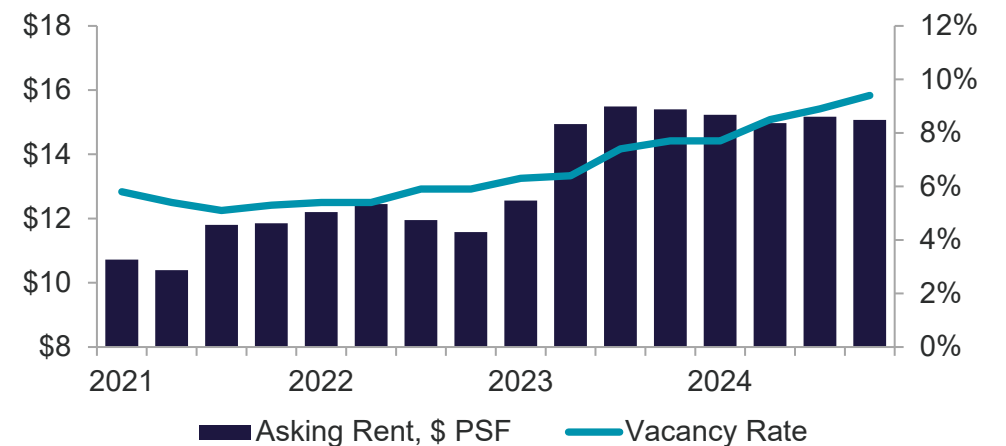
PRICING

After hitting a high of \$15.49 per-square-foot (psf) in mid-2023, overall asking rent for all industrial product fell to \$15.07 psf by the end of 2024. Rents in W/D assets followed a similar trajectory, slipping by 1.2% from a mid-2023 high to \$14.92 psf. The supply-scarce Urban Ring submarkets continued to post the market’s highest asking rents with available W/D space in Urban North, the market’s priciest, commanding more than an \$18.00-psf-premium over the overall market average.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY (SF)	UNDER CONSTRUCTION (SF)	CONSTRUCTION COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (W/D)	OVERALL WEIGHTED AVG NET RENT
Framingham/Natick	1,725,437	97,224	5.6%	0	-12,804	0	0	0	\$6.26	\$4.73
128 North	16,995,562	1,175,506	6.9%	-195,138	-392,742	251,097	0	231,000	\$18.16	\$16.84
495 North	42,524,563	3,450,903	8.1%	358,486	386,084	1,009,393	0	333,320	\$18.20	\$17.21
Urban North	6,673,676	654,456	9.8%	-10,500	-26,171	17,833	367,400	146,000	\$33.15	\$29.00
128 South	19,863,056	904,395	4.6%	24,300	-139,666	332,824	0	0	\$13.54	\$14.11
495 South	58,380,751	8,009,395	13.7%	-109,934	405,833	996,148	902,842	2,307,013	\$12.77	\$12.75
Urban South	3,132,139	200,946	6.4%	54,402	63,005	90,376	0	0	\$24.47	\$24.47
495 West	20,095,403	1,522,995	7.6%	103,232	208,736	321,108	223,456	740,875	\$14.12	\$13.91
Urban West	867,386	24,467	2.8%	0	3,240	8,645	0	0	\$25.00	\$23.23
BOSTON TOTALS	170,257,973	16,040,287	9.4%	224,848	495,515	3,027,424	1,493,698	3,758,208	\$14.92	\$15.07

*Rental rates reflect weighted net asking \$psf/year

KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	TENANT	SF	TYPE
66 Saratoga Boulevard	495 North	Sappi North America, Inc.	261,982	Renewal*
190 Mechanic Street	495 South	Lindenmeyr Munroe	170,775	Renewal*
201 Beacham Street	Urban North	Amazon Services	112,600	Renewal*
19 Leonard Street	495 South	Wayfair	110,000	Renewal*
16 Monarch Drive	495 North	E-Recycling Solutions, LLC	98,125	Sublease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2024

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
100 Minuteman Road	495 North	Alexandra Real Estate Equities / The Davis Co.	321,000	\$67.4M / \$210
301 Ballardvale Street	495 North	Wheelock Street Capital / GEM Realty	124,000	\$46.8M / \$377
21 Coslin Drive	495 West	Dell Computers / Atlantic Management	261,436	\$26.1M / \$100
444 Whitney Street	495 West	Brookfield Properties / Raith Capital Partners LLC	117,504	\$16.8M / \$143

KEY CONSTRUCTION COMPLETIONS YTD 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
123 Gilboa Street	495 South	N/A	1,102,500	CRG
75 Plain Street	495 West	N/A	616,875	GFI Partners LLC
21 Lincoln Street	495 South	N/A	350,000	DeBartolo Development

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