



**MARKET FUNDAMENTALS**

	YOY Chg	Outlook
<b>10.3%</b> Vacancy Rate	▲	▲
<b>-492.9K</b> YTD Net Absorption, SF	▼	▼
<b>\$14.86</b> Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▼	▬

**ECONOMIC INDICATORS**

	YOY Chg	Outlook
<b>2.8M</b> Boston Employment	▼	▲
<b>3.9%</b> Boston Unemployment Rate	▲	▼
<b>4.1%</b> U.S. Unemployment Rate	▲	▲

*Source: BLS*

**SUPPLY**

Overall vacancy in Boston’s industrial market continued to climb during Q1, reaching a new high of 10.3%, a 40-basis-point (bp) increase quarter-over-quarter (QOQ), and 240-bps increase year-over-year (YOY). All three geographic clusters posted vacancy rises QOQ, with the South cluster recording the smallest rise of 30 bps to 11.0%. At 12.0%, vacancy in warehouse/distribution (W/D) assets remained above the overall industrial market, while the manufacturing subsector ended the quarter at 7.0%. However, the jump was not widespread as six of 11 submarkets maintained stable vacancy or posted quarterly occupancy gains. New product deliveries slowed during Q1 with only 222,000 square feet (sf) delivered, marking the lowest quarter of completions since Q3 2021 as the pipeline contracts.

**DEMAND**

The year started off slow, as first quarter leasing activity totaled just 526,000 sf, a 44.5% decrease QOQ and marking the slowest quarter in recent years. However, this is in line with the established market trend of sluggish demand during the first quarter. The 495 North submarket recorded the market’s highest leasing total at 201,000 sf, the only market to surpass the 100,000-sf mark. Only four deals 50,000 sf or larger were signed, down from 14 in the previous quarter, none of which were above 100,000 sf. Renewals also declined, totaling just 353,000 sf following 1.0 million square feet of activity during the previous quarter, though still up 40.2% YOY. Renewals were primarily concentrated in the North and West markets, which comprised 87.7% of all activity.

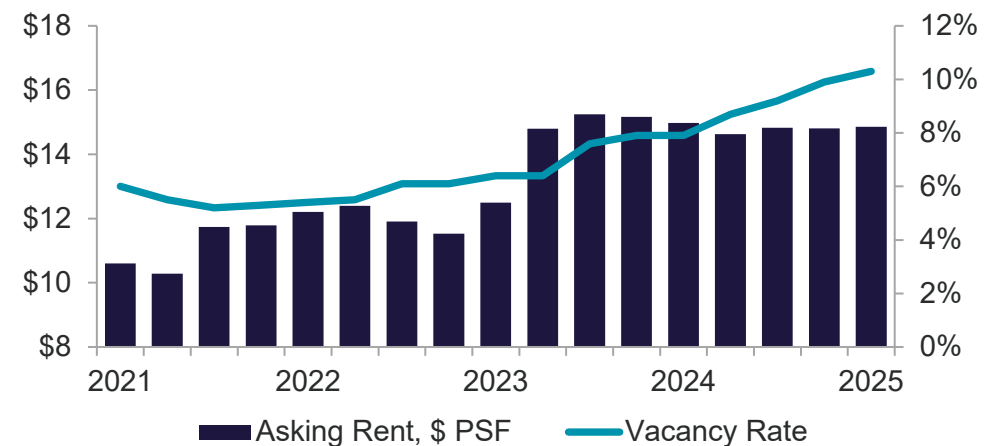
**PRICING**

After a slight decline during the prior quarter, direct average asking rents rose modestly during Q1 to \$14.80 per square foot (psf). Rents were nearly unchanged YOY, declining only \$0.14 psf. Asking rates for W/D product also remained stable, starting 2025 at \$14.55 psf and fluctuating by only \$0.43 psf throughout the last seven quarters. Though rents in the North cluster – comprised of Urban North, 128 North, and 495 North – dropped for the second consecutive quarter, they collectively command a 23.2% premium over the 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
128 North	19,034,249	1,451,592	7.6%	-112,991	-112,991	50,921	0	0	\$15.79	\$15.41
495 North	37,263,876	4,163,603	11.2%	-223,745	-223,745	200,927	95,700	0	\$17.74	\$16.23
Urban North	4,298,837	368,450	8.6%	0	0	0	367,400	0	\$25.39	\$26.16
128 South	23,272,061	1,432,796	6.2%	22,737	22,737	69,473	0	0	\$12.75	\$13.89
495 South	38,633,954	5,254,697	13.6%	-115,669	-115,669	41,115	782,842	120,000	\$12.87	\$12.88
Urban South	5,169,376	687,518	13.3%	24,295	24,295	24,818	0	0	\$31.59	\$28.85
128 Central	2,300,031	193,475	8.4%	-3,000	-3,000	22,539	0	0	\$14.39	\$29.65
495 West	37,216,429	3,978,512	10.7%	-71,306	-71,306	72,138	121,200	102,256	\$12.82	\$12.76
Framingham/Natick	2,012,437	111,963	5.6%	-14,739	-14,739	0	0	0	\$6.26	\$4.93
Urban West	1,716,540	24,467	1.4%	0	0	0	0	0	\$25.00	\$23.23
Worcester	2,107,451	149,506	7.1%	1,500	1,500	44,500	0	0	\$12.34	\$12.34
<b>BOSTON TOTALS</b>	<b>173,025,241</b>	<b>17,816,579</b>	<b>10.3%</b>	<b>-492,918</b>	<b>-492,918</b>	<b>526,431</b>	<b>1,367,142</b>	<b>222,256</b>	<b>\$14.52</b>	<b>\$14.86</b>

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

KEY LEASE TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
525 Great Road	495 West	Dover Saddlery	99,922	Renewal*
66 Saratoga Boulevard	485 North	NEPW	81,000	Renewal*
1001 Pawtucket Boulevard	495 North	Aved Electronics	79,044	New Lease
1 Technology Way	128 North	Thermal Circuits Inc.	63,015	Renewal*
50 Howe Avenue	Worcester	Down East Cider House	40,000	New Lease

\*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
40 Lackey Dam Road	495 West	Crow Holdings / Rockpoint	607,486	\$120.0M / \$197
26 Wiggins Avenue	128 North	Cardinal Health / Jumbo Capital Management	154,200	\$22.0M / \$143
1 Technology Way	128 North	Thermal Circuits / Calare Properties	84,000	\$10.1M / \$121
40 Industrial Drive	128 South	Berkeley Properties / The Seyon Group	59,152	\$11.8M / \$199

KEY CONSTRUCTION COMPLETIONS YTD 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
128 Logistics Center	495 South	N/A	120,000	Bluewater Property Group
190 Washington Street	495 West	N/A	102,256	Eastland Partners

**RILEY MCMULLAN**

Senior Research Manager, Boston  
Tel: +1 617 219 6430  
[Riley.McMullan@cushwake.com](mailto:Riley.McMullan@cushwake.com)

**NICOLE SALAMONE**

Research Analyst, Boston  
Tel: +1 617 219 6474  
[Nicole.Salamone@cushwake.com](mailto:Nicole.Salamone@cushwake.com)

**KATIE MAHONEY**

Research Analyst, Boston  
Tel: +1 617 936 1094  
[Kathleen.Mahoney@cushwake.com](mailto:Kathleen.Mahoney@cushwake.com)

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