



MARKET FUNDAMENTALS

	YOY Chg	Outlook
10.4% Vacancy Rate	▲	▲
-435.7K YTD Net Absorption, SF	▼	▼
\$14.90 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▼	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.8M Boston Employment	▲	▲
4.3% Boston Unemployment Rate	▲	▼
4.2% U.S. Unemployment Rate <i>Source: BLS</i>	▲	▲

SUPPLY

Vacancy in Greater Boston’s industrial market continued to rise, posting a modest 20-basis-point (bp) increase quarter-over-quarter (QOQ) to 10.4% but a more pronounced climb of 200 bps year-over-year (YOY). Increases were primarily concentrated in the South market, which posted a 50-bp increase QOQ, while the North and West markets remained stable or decreased. Two projects delivered during the second quarter, adding 298,000 square feet (sf) of uncommitted space to the 495 South market. After dropping during the previous quarter, sublease availability increased to a recent high of 12.3% with 2.1 million square feet (msf) of space on the market. The average availability size was 40,000 sf, with eight blocks 100,000 sf or larger marketed for sublease across Greater Boston at the close of Q2.

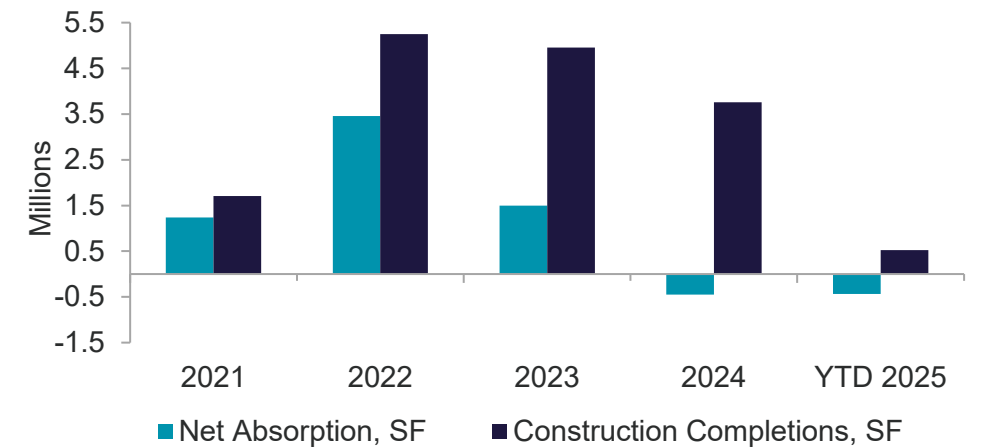
DEMAND

Renewal activity peaked in Q2, totaling 1.8 msf, quadrupling the first quarter figure and surpassing all quarterly renewal totals since 2020. Second quarter activity was mostly concentrated in the South market, driven by Destination XL Group’s 674,000-sf deal in 128 South, the market’s largest renewal since early 2023 and the first time the South surpassed 1.0 msf of renewals in a single quarter in the past five years. This significant transaction accounted for 62.3% of activity, with another seven renewals boosting the total to 1.1 msf. In-place deals were also robust in the North and West markets, each of which posted significant QOQ increases. Meanwhile, new demand declined in the second quarter, totaling nearly 755,000 sf and marking the second-lowest quarterly leasing total since 2021. This brought the year-to-date total to 1.6 msf, a modest 5.1% drop from mid-point 2024 demand. However, new leasing remained robust in 495 North, the only submarket to record more than 100,000 sf of deal volume in both the first and second quarters of 2025.

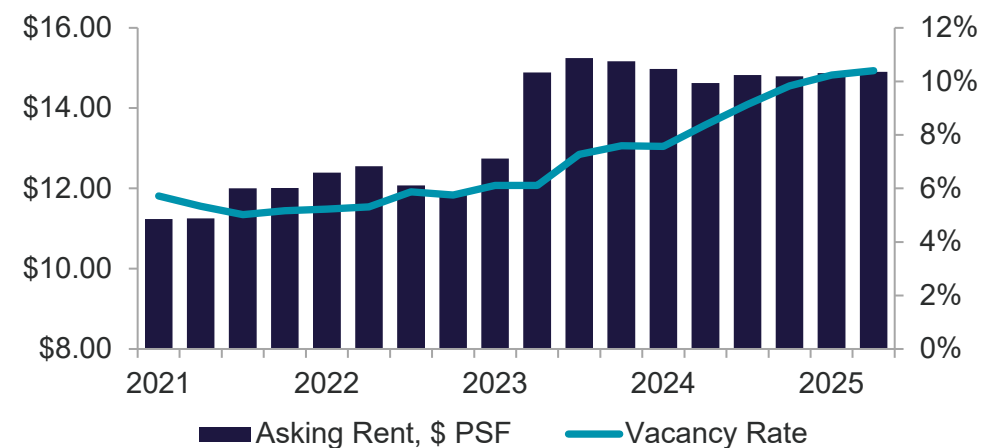
PRICING

Overall net asking rents remained stable, hovering around the \$14.90-per-square-foot (psf) mark for the past six quarters. The North market continued to record Greater Boston’s highest rents, commanding a \$1.93-psf premium over the market average, despite posting a decline in rents YOY. Meanwhile, the South and West markets recorded YOY increases of 5.8% and 6.4%, respectively.

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	19,032,338	1,498,577	7.9%	21,197	-116,722	215,396	0	0	\$16.03	\$16.22
495 North	37,335,649	4,353,514	11.7%	140,638	-166,567	423,577	220,700	0	\$17.51	\$16.03
Urban North	4,298,837	382,652	8.9%	-24,702	-24,702	20,560	367,400	0	\$26.94	\$26.73
128 South	23,149,303	1,543,882	6.7%	-115,492	-76,875	164,319	0	0	\$12.83	\$13.67
495 South	38,906,302	5,052,654	13.0%	72,420	57,958	242,520	879,557	417,922	\$12.81	\$12.88
Urban South	5,169,376	647,435	12.5%	8,871	33,166	32,742	0	0	\$32.94	\$29.47
128 Central	2,125,031	185,771	8.7%	7,704	4,704	45,882	97,075	0	\$21.59	\$30.25
495 West	37,433,955	4,065,628	10.9%	-76,623	-117,929	252,404	121,200	102,256	\$12.81	\$12.76
Framingham/Natick	2,012,437	116,825	5.8%	-4,862	-19,601	7,811	0	0	\$6.26	\$4.99
Urban West	1,716,540	62,237	3.6%	-37,770	-37,770	0	0	0	\$25.00	\$24.31
Worcester	3,983,139	223,556	5.6%	89,178	28,628	229,035	654,800	0	\$12.50	\$12.50
BOSTON TOTALS	175,162,907	18,132,731	10.4%	80,559	-435,710	1,634,246	2,340,732	520,178	\$14.56	\$14.90

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

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
555 Turnpike Street	128 South	Destination XL Group, Inc.	674,143	Renewal*
202 S Washington Street	495 South	Plantation Products	200,000	Renewal*
36 Saratoga Boulevard	495 North	New England Sheets	162,000	Renewal*
5 5 th Street	128 North	Bertolino Foods	144,740	Renewal*
100 Simplex Drive	Worcester	IPL Global	133,299	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
38 Upton Drive Bldg A&B (Portfolio Sale)	495 North	The Davis Companies / Hines Global Income Trust	220,000	\$72.8M / \$331
400 Main Street Bldg 1&2 (Portfolio Sale)	495 West	Pout Rock Trust / Rhino Capital Advisors	218,316	\$27.9M / \$128
120 Stedman Street	495 North	DS Graphics and Universal Wilde/The Finishing Trades Institute of New England Trust	128,678	\$22.1M / \$172

KEY CONSTRUCTION COMPLETIONS Q2 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
Dever Drive- BP2	495 South	N/A	177,922	MassDevelopment
21 Randolph Road	495 South	N/A	120,000	Bluewater Property Group

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