



MARKET FUNDAMENTALS

	YOY Chg	Outlook
33.9% Vacancy Rate	▲	▲
-941K Net Absorption, SF	▼	▲
\$82.51 Asking Rent, PSF <i>(Overall, All Property Classes)</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

The market's overall vacancy climbed to a new record-high of 33.9%, an increase of 710 basis points (bps) year-over-year. Despite increasing by a magnitude in tandem with the overall market, vacancy in East Cambridge remained significantly tighter at 19.9%. Meanwhile, available sublease space rose for the third consecutive quarter, increasing to 3.3 million-square-foot (msf), 42.2% of which is in Cambridge. With an average remaining lease term of nearly four years, price-conscious occupiers looking to make a short-term commitment amid economic uncertainty and shifting market dynamics have ample options across the market.

The quarter's sole delivery was a conversion in the market's urban core as 55 Summer Street in the Financial District completed construction. While the pipeline has dwindled throughout the past year as groundbreakings have slowed, Boston remains home to one of the highest concentrations of life science development in the nation as 1.6 msf of speculative product is still underway. With 89.8% of this space still uncommitted, the delivery of these assets will exert further upward pressure on vacancy through the remainder of 2025.

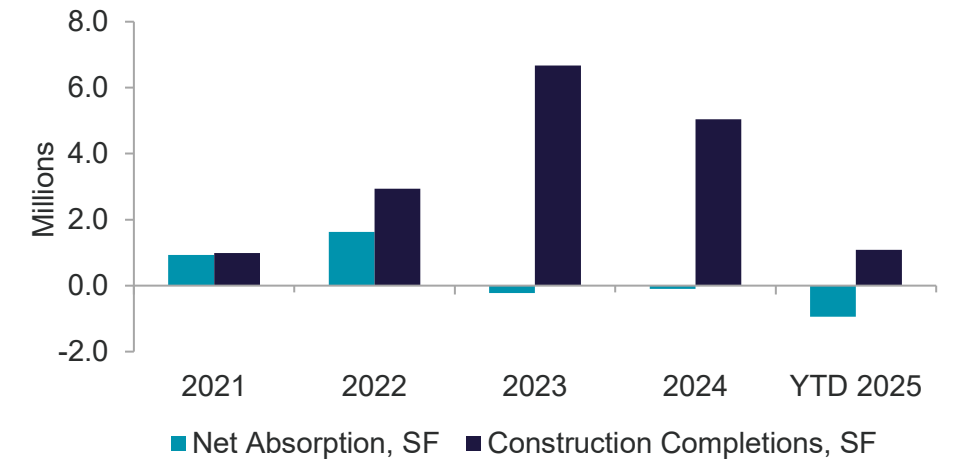
DEMAND

An uptick in demand during the first half of 2025 illustrated the resilience of Boston's life science market despite continued headwinds. Second quarter leasing activity totaled 323,000 square feet (sf), boosting the year-to-date (YTD) total to 1.2 msf after a particularly strong first quarter. At the midpoint of 2025, leasing volume has already reached 95.6% of 2024's year-end total. Though Cambridge accounted for the bulk of YTD transaction volume, driven primarily by two large Q1 deals, the 128 Belt led the market in Q2, capturing 40.2% of all leasing activity.

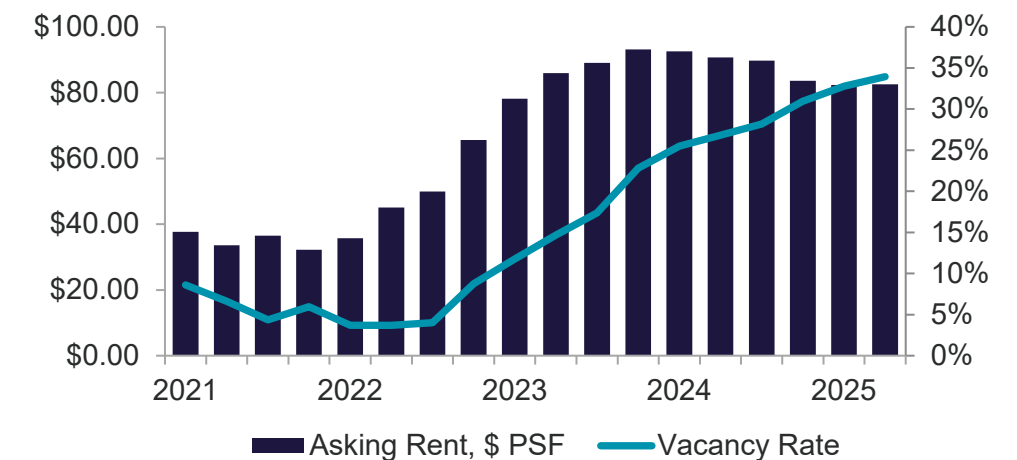
PRICING

After falling precipitously throughout 2024, the market's overall average asking rent was stable during the first half of 2025, ticking up a modest \$0.17 per square foot (psf) during the second quarter to \$82.51 psf. Asking rents were unchanged or posted growth in nine of the market's 19 submarkets, while East Cambridge continued its reign as the priciest, commanding a 15.9% 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)	DIRECT WEIGHTED AVG NET RENT	OVERALL WEIGHTED AVG NET RENT
128 Belt	10,737,264	3,170,307	29.5%	-10,203	-78,537	174,941	347,000	0	\$67.87	\$67.33
495 Belt	6,153,324	1,465,835	23.8%	-146,048	-232,167	90,490	0	0	\$55.84	\$56.29
Cambridge	17,481,628	4,278,391	24.5%	-228,258	-458,321	833,273	1,359,502	225,000	\$97.02	\$92.93
CBD	4,878,573	2,070,794	42.5%	0	-27,485	15,569	344,000	855,624	\$94.78	\$92.53
Urban Ring	11,392,900	6,204,168	54.5%	-95,641	-144,502	49,093	1,023,000	0	\$82.16	\$81.84
TOTAL MARKET	50,643,689	17,189,495	33.9%	-480,150	-941,012	1,163,566	3,073,502	1,080,624	\$83.43	\$82.51

*Rental rates reflect NNN asking

KEY LEASE TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	TENANT	SF	SPACE TYPE	LEASE TYPE
830 Winter Street	128 Central	AbbVie	83,548	Office	Renewal*
425 Waverly Oaks Road	128 Central	Vecna Robotics	60,000	Maker	Renewal*
200 Smith Street	128 Central	Boston Dynamics	44,343	Maker	Expansion
399 Binney Street	East Cambridge	City Therapeutics	44,336	Office	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q2 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
33-41 Farnsworth Street	Seaport	Cerberus RE Capital Mgmt, LLC/ Starwood Property Trust, Inc.	97,000	\$57.2M / \$589.91
4 Burlington Woods	128 Central	MetLife Real Estate/ Northeastern University	100,883	\$33.0M / \$327.11

KEY PROJECTS UNDER CONSTRUCTION

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
290 Binney Street	East Cambridge	AstraZeneca (Build-to-Suit)	570,000	BXP, Inc.
One Milestone	Allston/Brighton	-	510,000	Breakthrough Properties
22 Drydock Avenue	Seaport	Vertex	344,000	Related Beal

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