



MARKET FUNDAMENTALS

	YOY Chg	Outlook
10.8% Vacancy Rate	▲	▲
-1.3M YTD Net Absorption, SF	▼	▲
\$14.64 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▼	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
2.8M Boston Employment*	▲	▲
4.5% Boston Unemployment Rate*	▲	▼
4.3% U.S. Unemployment Rate	▲	▲

Source: BLS
*Q3 2025

SUPPLY & CONSTRUCTION

Overall vacancy in Boston’s industrial market remained stable quarter-over-quarter despite ending the year at 10.8%, 100 basis points (bps) higher than where it started. The year-over-year (YOY) increase was geographically widespread, as all three market clusters – North, South, and West – posted increases of 80 bps or higher. However, six of Greater Boston’s 11 submarkets maintained a sub-10.0% vacancy rate, while Urban West held its position as the market’s tightest with just 3.8% of inventory vacant. The surge of speculative construction has begun to wane as the market posted a five-year low for new deliveries, with just 617,000 square feet completed during the entirety of 2025. This marked an 83.6% decrease from the 2024 total and reflected a significant contraction of the market’s pipeline, which averaged more than 3.3 million square feet (msf) of annual deliveries during the preceding five-year period. Of the five buildings completed since the start of the year, four were constructed on a speculative basis and remain largely available.

DEMAND

Nearly 1.3 msf of leasing activity was recorded during Q4 as the market posted its most robust quarterly demand figure since Q3 2024. This boosted Greater Boston’s annual total to 4.4 msf, a YOY increase of more than 200,000 sf. Of the 4.4 msf leased throughout the year, 59.8% was comprised of transactions in warehouse/distribution (W/D) product, while the manufacturing sector increased its share of total volume to 25.4% as demand in that building cohort increased by nearly 500,000 sf YOY. Renewals also remained plentiful as 2025’s 4.5-msf yearly total marked a recent cycle-high for Boston’s industrial market. Six transactions 200,000 sf or larger were inked throughout the year, outpacing the prior year’s four.

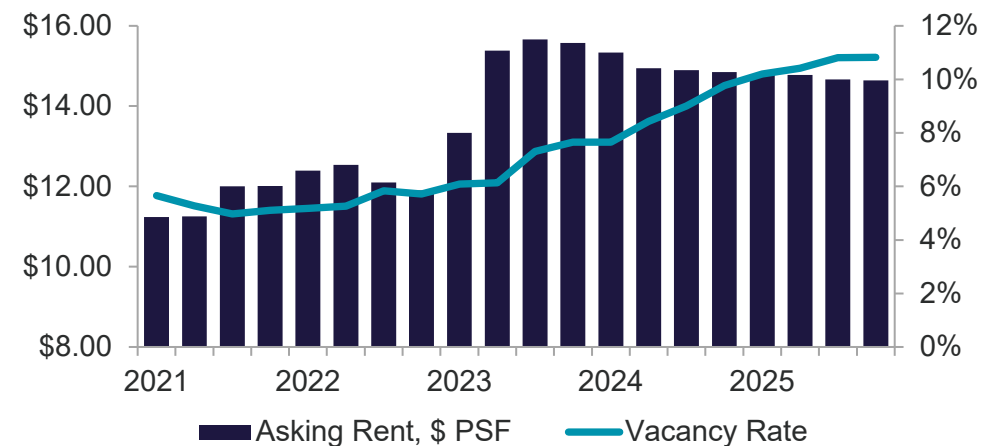
PRICING

While the market’s overall average asking rent dipped 1.9% YOY to \$14.51 per square foot (psf), four submarkets posted rent growth over the same period. The 128 North and 128 South submarkets recorded the most notable spikes, boasting increases of \$1.21 psf and \$1.14 psf, respectively. Asking rents for W/D inventory fell in tandem with the overall market, softening by 3.6% YOY.

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	18,876,955	1,853,525	9.8%	159,194	-492,822	351,925	0	0	\$16.64	\$16.50
495 North	38,852,282	4,063,979	11.5%	334,437	128,778	1,271,884	125,000	95,700	\$16.40	\$15.90
Urban North	4,522,532	468,342	10.4%	0	-26,873	65,703	367,400	0	\$26.02	\$26.90
128 South	22,901,107	1,767,585	7.7%	-133,591	-298,121	253,179	0	0	\$12.92	\$13.96
495 South	39,174,291	5,318,801	13.6%	-94,753	-130,751	740,738	879,557	297,922	\$12.72	\$12.74
Urban South	5,181,299	453,209	8.8%	7,344	82,890	108,604	0	0	\$26.43	\$25.21
128 Central	2,407,267	262,759	10.9%	-7,870	-46,722	96,745	97,075	0	\$26.52	\$29.15
495 West	37,472,938	4,580,964	12.2%	-115,876	-385,230	1,053,020	0	223,456	\$12.24	\$12.48
Framingham/Natick	2,012,833	112,042	5.6%	-14,949	-12,322	15,300	0	0	\$6.26	\$4.82
Urban West	1,589,184	62,237	3.9%	0	-37,770	0	0	0	\$25.00	\$24.31
Worcester	4,358,267	253,094	5.8%	27,050	-71,910	456,751	654,800	0	\$9.03	\$9.03
BOSTON TOTALS	177,348,955	19,196,537	10.8%	161,436	-1,290,853	4,413,849	2,123,832	617,078	\$13.91	\$14.62

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

KEY LEASE TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	TENANT	SF	TYPE
139 Campanelli Drive	495 West	Amazon	450,800	New Lease
150 Depot Street	495 West	NDCP	252,600	Renewal*
175 Pioneer Drive	Worcester	F&M Tool & Plastics	230,382	Renewal*
129 Concord Road	495 North	Entegris	175,088	Renewal*
97 Wood Street	495 South	Cold Storage Solutions	150,608	Renewal*

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2025

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
Chelmsford & Medford 5 Bldg Portfolio	495 North Urban North	Altid Properties/Marcus Partners & Rhino Capital Advisors	307,610	\$40.5M / \$131.66
100 Hampshire Street	495 South	Diversified Healthcare Trust/Berkeley Partners	124,803	\$10.7M / \$85.74
19 Alexander Road	495 North	Antico Development Co./The Seyon Group	75,967	\$16.3M / \$214.57

KEY CONSTRUCTION COMPLETIONS Q4 2025

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
440 Hartford Turnpike	495 West	Physik Instrumente	121,200	GFI Partners
600 Griffin Brook Drive	495 North	Restaurant Technologies	95,700	Ridge Real Estate Partners

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