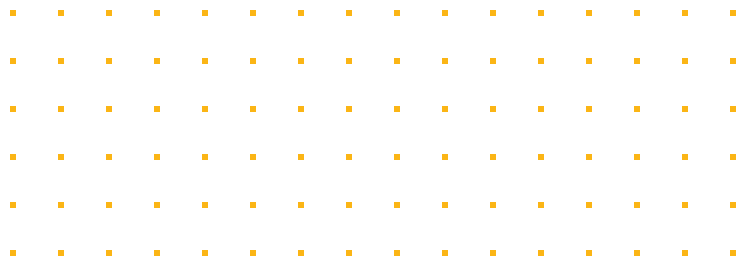




Q1 2025

Greater Boston

CRE Market Insight Reports



MARKET INSIGHTS PROVIDED FOR:

Downtown Boston
Life Sciences
Industrial
Suburban Office
Cambridge Office

Downtown Office

Q1 2025

Office sales are setting new expectations.

With downtown vacancy continuing to hover around the 20% mark, a rebalancing is slowly taking shape. Tenant demand continues to be hyper-focused on quality, amenities, and flexibility. Because this demand remains considerably muted from pre-pandemic standards and large users are typically renewing in place, big holes in a building's occupancy have become much harder to fill, affecting some owners' financial health. Consequently, some of these buildings are now trading for significant discounts relative to recent years. The 1.1M SF One Lincoln Tower made headlines for selling for \$400M (less than half its previous sale price from two decades ago) to its lender after receiving no external bids at a foreclosure auction this quarter. The building lost its anchor tenant, State Street, six years ago and failed to recover occupancy since. The financial reset does open the door to lower rents, which could help to bring new tenants back to the building.



High Exposure

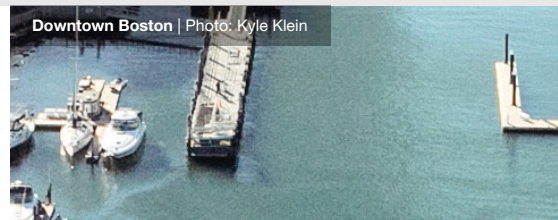
Boston's large share of nonprofits and healthcare research institutes has left the city's economy facing increased financial pressure due to recent federal funding cuts.



Renewals Still Preferred

The two largest lease transactions in the downtown market were once again renewals, as occupier real estate strategies continue to be defined by right sizing.

Downtown Boston | Photo: Kyle Klein



Downtown Office Q1 2025

Stack indicates no change since previous quarter

Market Size
64,464,337 SF

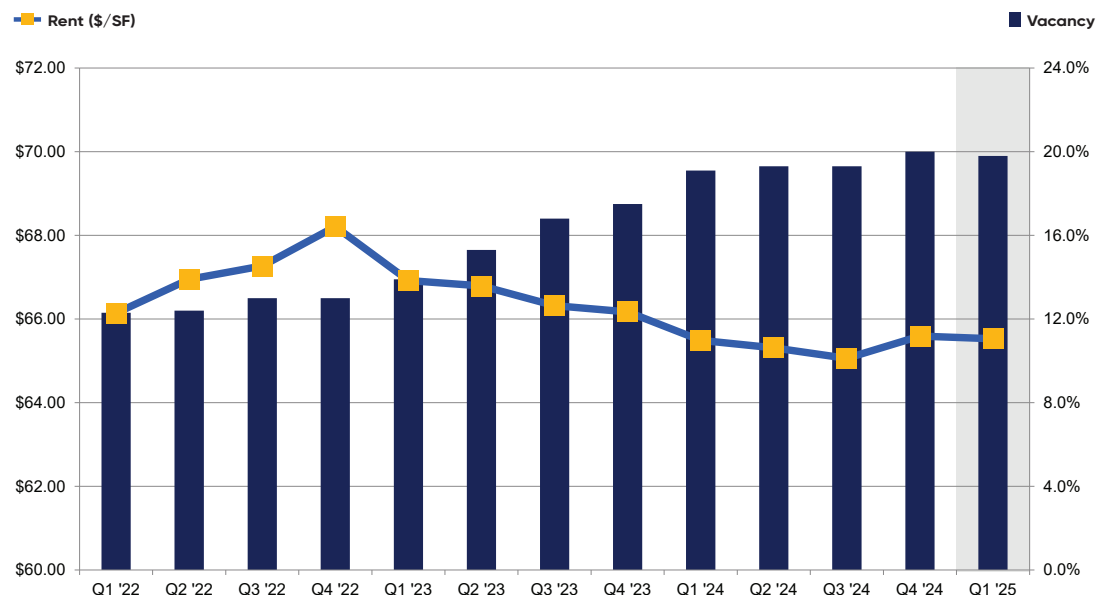
Vacancy
19.8%

Sublease
5.6%

Available
27.5%

Historical Rent and Vacancy

Vacancy continues to hang around 20% in downtown Boston. With total availability just shy of 30%, large gaps in buildings are weighing heavy on the market.

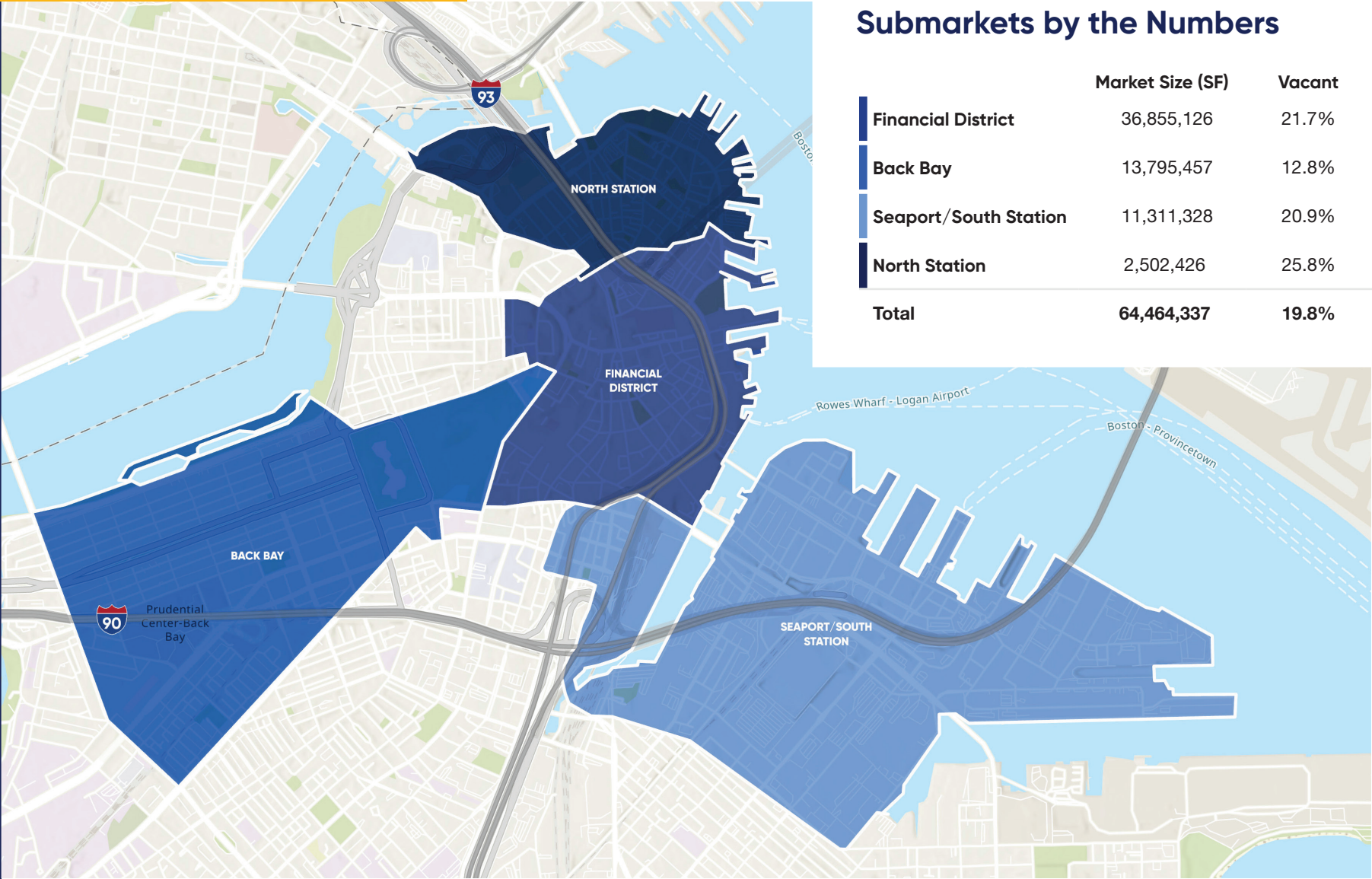


Notable Market Transactions

Tenant	Size (SF)	Submarket	Type
Klaviyo	256,000	Financial District	Renewal/Expansion
Nutter	125,000	Seaport	Renewal
FM Global	50,000	Financial District	New lease
Dynatrace	25,000	Financial District	Relocation

The Financial District started 2025 with strong leasing momentum. Hines signed their second tenant at South Station Tower, Dynatrace relocated their HQ from Waltham, and Klaviyo bucked the latest tech trends by signing a massive 256,000 SF expansion.





Submarkets by the Numbers

	Market Size (SF)	Vacant	Sublease	Available	Rent/SF	
					Class A	Class B
Financial District	36,855,126	21.7%	4.5%	28.1%	\$71.27	\$50.34
Back Bay	13,795,457	12.8%	4.9%	21.5%	\$69.11	\$55.23
Seaport/South Station	11,311,328	20.9%	8.9%	30.7%	\$77.78	\$58.12
North Station	2,502,426	25.8%	10.9%	37.0%	\$63.00	\$50.71
Total	64,464,337	19.8%	5.6%	27.5%	\$71.63	\$52.77



Meet the Team



Rick Lowe
Principal



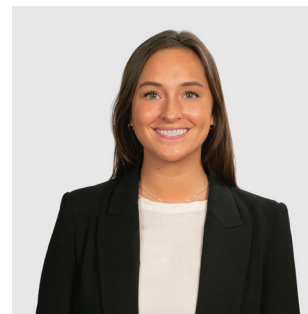
Matt Harvey
Principal



Derek Losi
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Andrew Orpik
Principal



Olivia Weckwerth
Advisor



Adam Subber
Managing Principal



Dan Sullivan
Managing Principal

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Life Sciences

Q1 2025

Boston | Cambridge | Inner Suburbs | Route 128

Market challenges heighten amidst an already turbulent cycle.

The massive push from life sciences ownership groups to meet the once unrelenting market demand of three years ago has led to a painful supply and demand imbalance. Economic challenges have all but frozen the market in recent years, bringing market vacancy from under 5% to over 30% over the span of 12 quarters. Systemic disruptions continue to mount, as we enter a new era of uncertainty with rising geopolitical tensions alongside the Department of Health and Human Services being gutted. Local venture capital investments are falling, equity markets are reeling, and NIH contracts are being eliminated. It will be challenging for companies to grow under these conditions, but we could start to see an uptick in startup formation. Incubators and accelerators should continue to see strong occupancy moving forward as early stage groups conserve capital. If conditions improve, the Greater Boston market holds an excess of available top tier lab space.

490 Arsenal Way, Waltham | Photo: CoStar



Small Victories

Amidst the market turbulence, incubators continue to see strong demand from early stage companies looking to extend their stay before going out on their own, as evidenced by ABI-LAB opening their third facility in Natick.



Big Blocks Everywhere

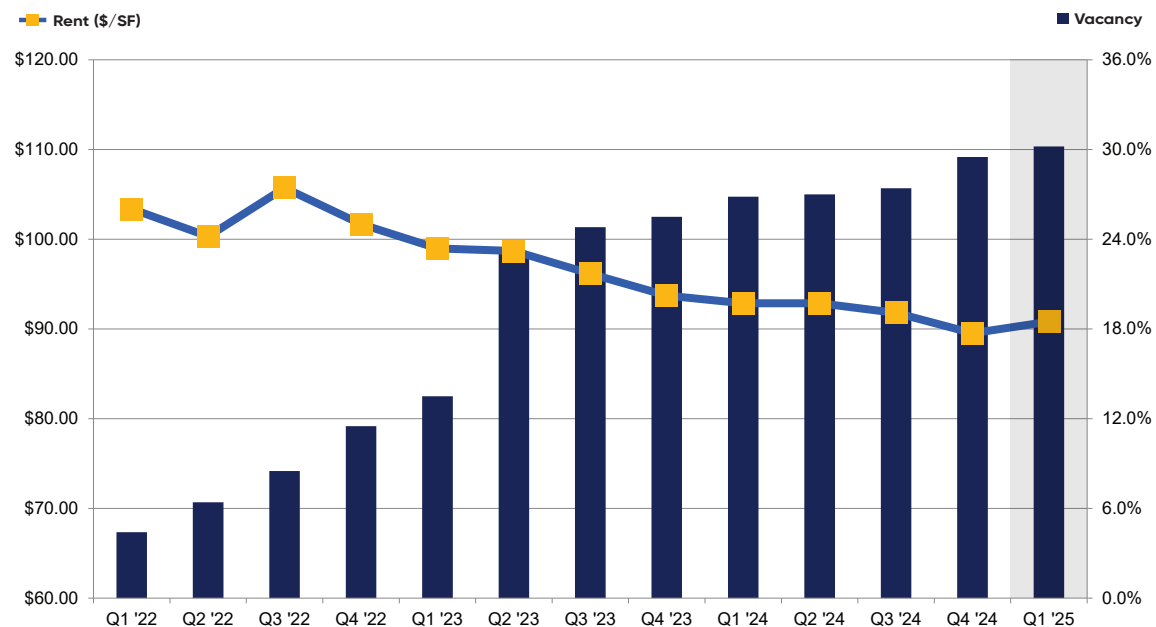
Tempered demand paired with a non-stop flow of new inventory has resulted in an oversupply of big block space. 55 buildings across the market can now accommodate 100K SF or more. With just 11 transactions of this size in the last three years, a slow recovery is ahead.

Arrows indicate quarterly change

**Market Size****50,583,85 SF****Vacancy****30.2%****Sublease****6.4%****Available****36.6%**

Historical Rent and Vacancy

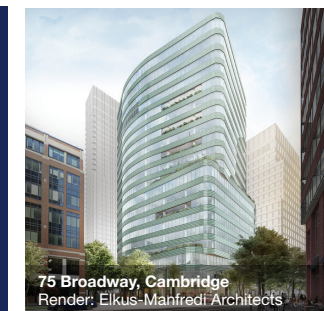
Market vacancy has crossed the 30% threshold. Some submarkets are performing better than others. Inner suburbs like Somerville and Allston/Brighton face vacancy rates over 70% due to excess new inventory. East Cambridge is stronger at 14%, though still well above its sub-1% rate from three years ago.



Notable Market Transactions

Tenant	Size (SF)	Submarket	Type
Biogen	580,000	East Cambridge	New Lease
Intellia Therapeutics	101,000	East Cambridge	New Lease
Nanite Bio	36,000	Seaport	New Lease
Roche	30,000	Allston	New Lease
TreeFrog Therapeutics	13,000	East Cambridge	New Lease
Clear Scientific	8,500	West Cambridge	Relocation
Beacon Therapeutics	5,000	West Cambridge	Relocation

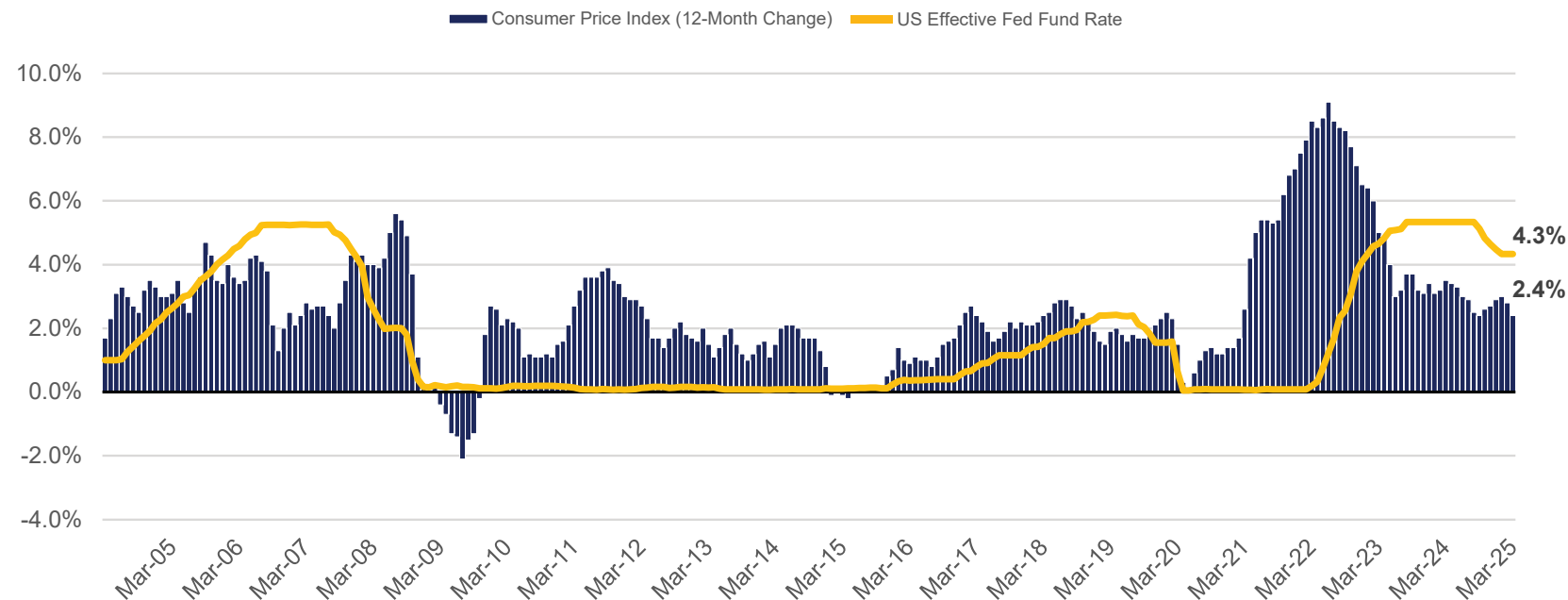
Biogen's massive consolidation plan centering around a global HQ and innovation hub in Kendall Square (pictured right) is another clear signal that the core markets hold an advantage during this market cycle.



75 Broadway, Cambridge
Render: Elkus-Manfredi Architects

Economic Snapshot

The U.S. economy faces a challenging balancing act under the threat of tariffs on imports from other countries, placing upward pressure on prices across sectors. This complicates the Fed's ongoing efforts to reduce inflation, which could extend the higher-for-longer interest rate environment. Markets have been incredibly volatile as investors react to the uncertainty ahead.



VC Rounds

Company	Funding	Series
Aviceda Therapeutics	\$207.5M	C
Abcuro	\$200M	C
InSilico Medicine	\$110M	E
Atalanta Therapeutics	\$97M	B
Newleos Therapeutics	\$93.5M	A

IPOs

Company	Date	Funding	\$/Share	Trading
*Metsera (NY)	9/13/24	\$275M	\$18	▼
*Beta Bionics (CA)	9/13/24	\$204M	\$17	▼
Sionna Therapeutics	7/19/24	\$190.6M	\$18	▼
*Maze Therapeutics (CA)	9/13/24	\$140M	\$16	▼
*Aardvark Therapeutics (CA)	8/12/24	\$94.2M	\$16	▼

*Out of Market

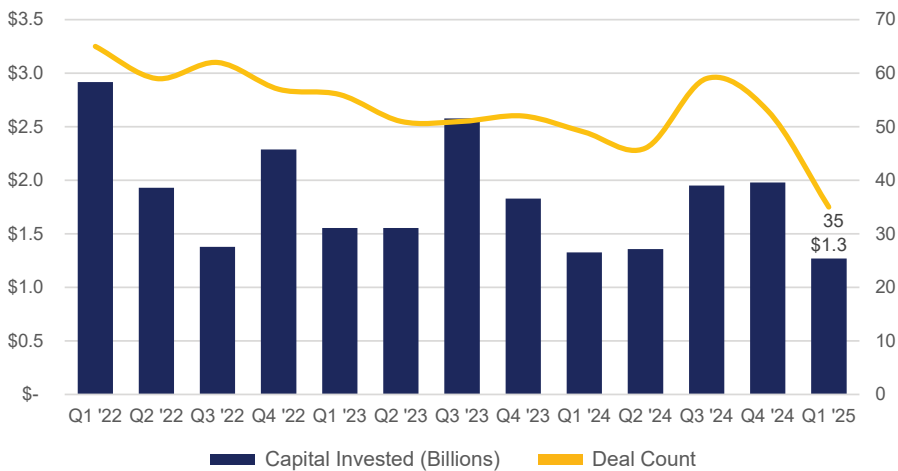
M&A

Company	Acquired By	Price	Date
SeQure DX	MaxCyte	Undisclosed	1/29/2025
Vesigen Therapeutics	turn.bio	Undisclosed	3/26/2025

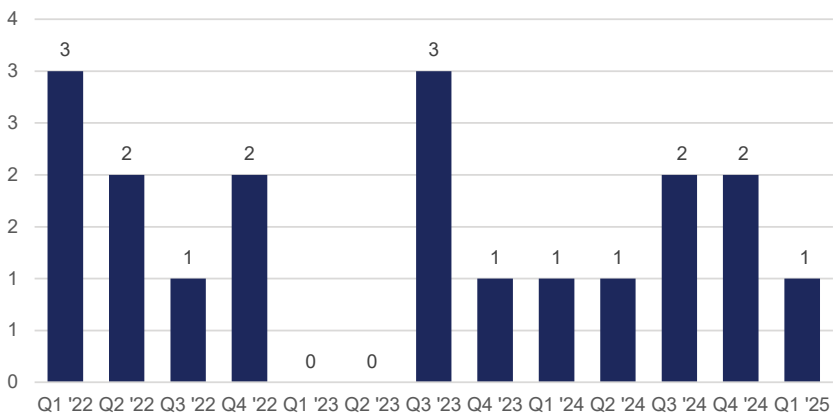
Capital Crunch

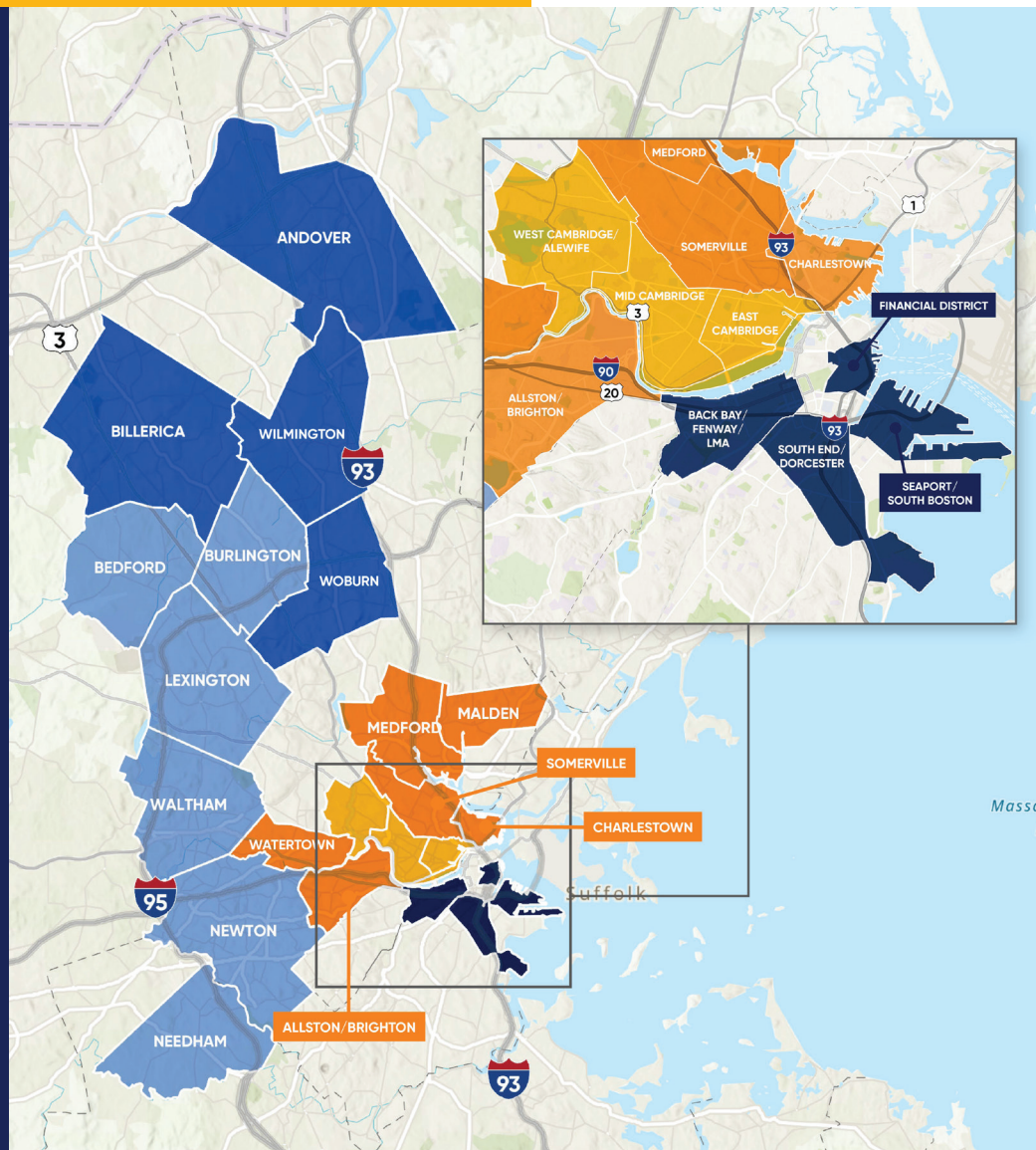
The \$1.3B of Venture Capital deployed in Q1 was spread across just 35 deals, marking the lowest deal count and volume of this cycle. The market will see sustained challenges ahead. Massive cuts in NIH funding are further reducing the flow of capital across the ecosystem and FDA turmoil leaves many wondering how the drug approval process will change moving forward, creating more uncertainty for investors and life sciences groups in the midst of rising inflationary pressures.

Venture Capital Invested (\$ Billions)
Greater Boston Life Sciences Companies



Number of IPOs
Greater Boston Life Sciences Companies





Submarkets by the Numbers

						Rent/SF	
		Market Size (SF)	Vacant	Sublease	Available	Class A	Class B
Cambridge	East Cambridge	11,973,499	14.1%	7.9%	22.0%	\$108.00	\$90.00
	Mid Cambridge	3,497,415	16.8%	12.9%	29.8%	\$105.00	\$90.00
	West Cambridge/Alewife	2,673,204	38.0%	11.6%	49.6%	\$88.00	\$70.00
	Total	18,144,118	18.2%	9.4%	27.55%	\$104.48	\$87.05
Boston	Seaport/South Boston	5,316,538	24.2%	5.6%	29.8%	\$105.00	\$90.00
	Financial District	288,132	59.9%	6.9%	66.8%	\$100.00	\$95.00
	Back Bay/Fenway/LMA	1,764,249	16.9%	1.9%	18.9%	\$115.00	\$100.00
	South End/Dorchester	929,000	53.8%	8.3%	62.1%	\$87.00	\$80.00
	Total	8,297,919	27.2%	5.2%	32.4%	\$104.94	\$91.18
Inner Suburbs	Charlestown	814,410	44.3%	1.3%	45.6%	\$80.00	\$70.00
	Medford/Malden	790,618	50.5%	4.8%	55.3%	\$55.00	\$50.00
	Somerville	2,471,603	73.4%	2.0%	75.4%	\$95.00	\$90.00
	Watertown	3,829,194	51.9%	6.2%	58.1%	\$85.00	\$75.00
	Allston/Brighton	2,010,412	71.0%	0.0%	71.0%	\$95.00	\$90.00
	Total	9,916,237	60.4%	3.4%	63.8%	\$86.72	\$79.38
Route 128 West	Bedford/Burlington	3,011,795	38.2%	3.9%	42.1%	\$65.00	\$55.00
	Lexington/Waltham	8,194,587	22.7%	7.3%	30.0%	\$75.00	\$63.00
	Newton/Needham	540,342	26.5%	0.0%	26.5%	\$65.00	\$60.00
	Total	11,746,724	26.8%	6.1%	32.9%	\$71.98	\$60.81
Route 128 North	Wilmington	128,370	4.4%	0.0%	4.4%	\$30.00	\$25.00
	Woburn	1,298,511	11.2%	2.6%	13.8%	\$54.00	\$40.00
	Billerica	385,763	14.8%	0.0%	14.8%	\$28.00	\$26.00
	Andover	666,209	53.0%	2.2%	55.2%	\$55.00	\$45.00
	Total	2,478,853	22.7%	1.9%	24.6%	\$48.98	\$38.39

Meet the Team



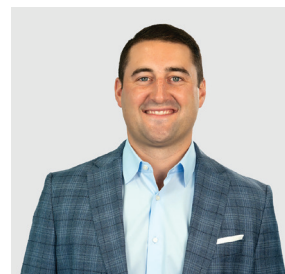
John Coakley
Managing Principal



Paul Delaney
Managing Principal



Vicki Keenan
Managing Principal



Carter Swaebe
Advisor



Greg Lewis
Managing Principal

Strategic Lab Planning
& Operations

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Industrial/Flex

Q1 2025

Route 128 | Route 495 | Southern NH

Increased economic uncertainty has industrial and flex tenants across the market approaching lease expirations with cautious short-term solutions in mind.

Renewals continue to be a popular decision, with many groups applying a “band-aid” approach to address immediate operational needs while postponing more substantial commitments until market conditions clarify. This wait-and-see approach reflects a pervasive uncertainty about how the changing geopolitical environment will affect space requirements. As a result, availability for both flex and industrial space has remained relatively unchanged since last quarter. Despite the prolonged lull, market tightness remains in pockets, particularly in the 495 North and MetroWest submarkets. Increasing costs to build will likely limit the supply of speculative space moving forward and we could start to see rental growth return when demand does pick up.



Photo: Getty



Policy Impacts

The impact of rising geopolitical tensions on trade, pricing, and the manufacturing ecosystem will be slow to unwind, and the industrial market's exposure to these forces will almost certainly cause disruption.



Reversal of Fortunes

Advanced manufacturing groups powered a wave of growth across local markets in recent quarters due to significant support from the Inflation Reduction Act — which could be threatened by sweeping policy changes under the new administration.

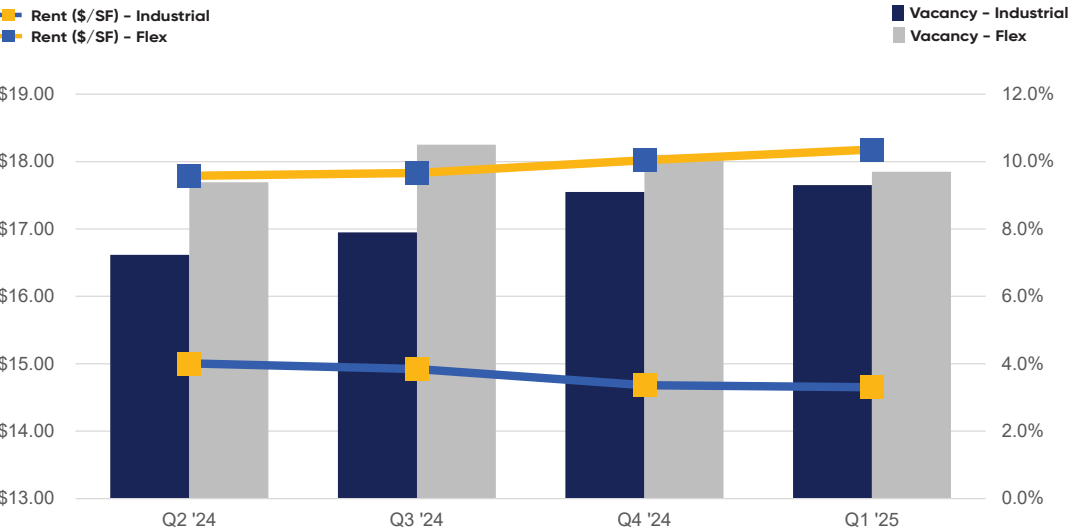
Arrows indicate quarterly change

		Market Size		Vacancy		Sublease		Available
Industrial	↑	145,228,682 SF	↑	9.3%	≡	1.4%	↓	12.5%
Flex	↓	55,738,496 SF	↓	9.7%	↓	2.7%	≡	14.7%

Historical Rent and Vacancy

Note: Cresa began tracking this market in Q2 2024.

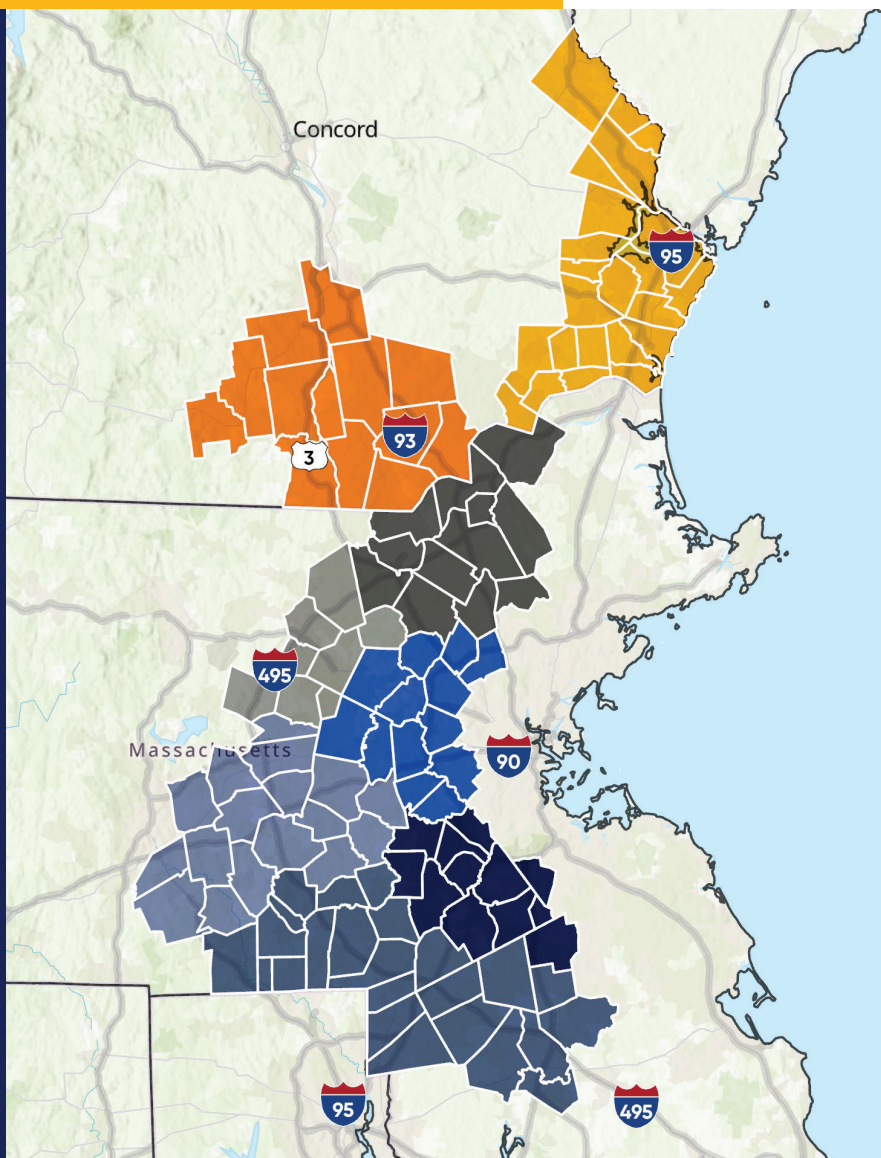
Occupancy levels have remained relatively stable over the past year, helping to keep the market steady. Economic uncertainty continues to restrain demand for now.



Notable Market Transactions

Tenant	Size (SF)	Submarket	Use	Type
Columbia Tech	94,000	495 MetroWest	Industrial	Renewal
Neotech	84,000	495 MetroWest	Industrial	Renewal
Teradyne	80,000	495 North	Flex	New Lease
Tecomet	46,000	495 North	Flex	Renewal
Quaero Life Science	25,400	495 North	Flex	New Lease
Swagelok	25,100	495 North	Flex	New Lease
Alert Innovations	21,000	495 North	Flex	Sublease





Submarkets by the Numbers

		Market Size (SF)	Vacant	Sublease	Available	Average Rent/SF (NNN)	
Industrial	Route 495	North	20,587,024	6.8%	1.0%	10.4%	\$17.50
		Central	2,602,084	6.0%	3.8%	9.7%	\$14.00
		MetroWest	10,505,620	11.1%	0.5%	12.5%	\$13.50
		South	41,112,977	13.5%	1.7%	18.5%	\$13.00
	Total		74,807,705	11.0%	1.4%	15.1%	\$14.34
	Route 128	Northwest	9,271,771	9.8%	0.1%	11.0%	\$20.75
		South	14,057,549	9.8%	4.3%	17.3%	\$16.50
		Total		23,329,320	9.8%	2.6%	14.8%
	Southern NH	Seacoast	11,448,278	6.8%	0.7%	8.3%	\$13.00
		Route 3/Route 93	35,643,379	6.0%	0.8%	6.9%	\$13.50
Total		47,091,657	6.1%	0.8%	7.2%	\$13.38	
		Market Size (SF)	Vacant	Sublease	Available	Average Rent/SF (NNN)	
Flex	Route 495	North	18,096,389	12.7%	3.6%	19.3%	\$20.00
		Central	2,491,640	9.8%	10.7%	16.6%	\$16.50
		MetroWest	6,325,739	5.1%	1.6%	13.8%	\$17.25
		South	6,494,273	11.0%	1.2%	11.9%	\$14.50
	Total		33,408,041	10.7%	3.3%	16.6%	\$18.15
	Route 128	Northwest	7,424,602	8.4%	3.5%	13.8%	\$24.00
		South	4,775,776	10.0%	0.5%	14.4%	\$18.50
		Total		12,200,378	9.1%	2.3%	14.1%
	Southern NH	Seacoast	2,482,130	8.8%	2.3%	11.1%	\$13.50
		Route 3/Route 93	7,647,947	6.5%	0.6%	8.4%	\$14.00
Total		10,130,077	7.1%	1.0%	9.0%	\$13.88	

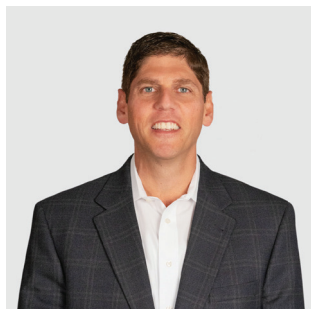
Meet the Team



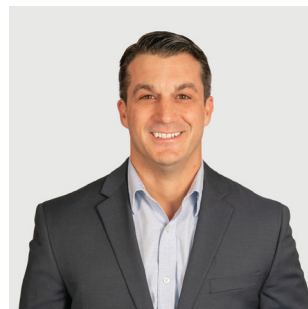
Mark Mulvey
Managing Principal



Joe Doyle
Managing Principal



Dave Ross
Principal



Mark Coelho
Principal



Nate Heilbron
Senior Advisor

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Suburban Office

Q1 2025

Route 128 | Route 495

The waiting pattern continues for now.

Patience is being tested across the market, as we have been in “wait-and-see” mode for over four years now. The market stagnancy is catching up to building owners in a big way. Although face rents have been held artificially high in attempts to salvage valuations, occupancy doesn’t lie. A number of buildings are changing hands and being refinanced, which could free owners up for rent decreases to entice more tenants through their doors. Landlords are also reconfiguring their expectations as the market dictates where demand is and is not. Buildings being held for anticipated life science uses are now being placed back on the table for office users, leading to a rebalance of supply in the suburban office market.

Photo: Duncan Lake



Stubborn Economy

Construction pricing has been an issue for this market for years now, and the problem is only getting worse. Pricing pressures are rising across the board as costly relocations remain on the back burner for the most part.



Fortune Favors the Bold

With over 20M SF of office space available across the 128/495 office market, opportunities abound for tenants planning major relocations under present conditions. Not all groups are sitting on the sidelines, as Q1 saw two HQ moves into the 128 West market, and another from 128 West to Downtown Boston.

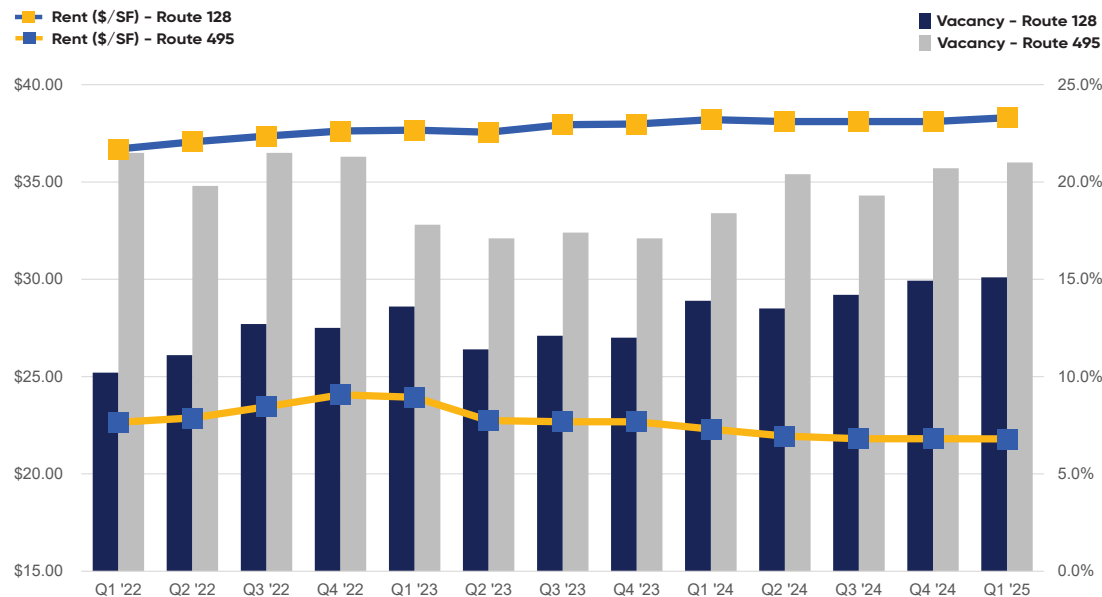
Suburban Office Q1 2025

Arrows indicate quarterly change

		Market Size		Vacancy		Sublease		Available
Route 128	↓	47,407,034 SF	↑	15.1%	≡	6.3%	↑	26.3%
Route 495	↓	27,610,956 SF	↑	21.0%	↓	3.8%	↑	28.7%

Historical Rent and Vacancy

Suburban office vacancy remains where it has been for the last three years. As inventory levels rebalance and sublease availabilities burn off over the next year, we could start to see some noticeable movement in direct market rents and vacancy.



Notable Market Transactions

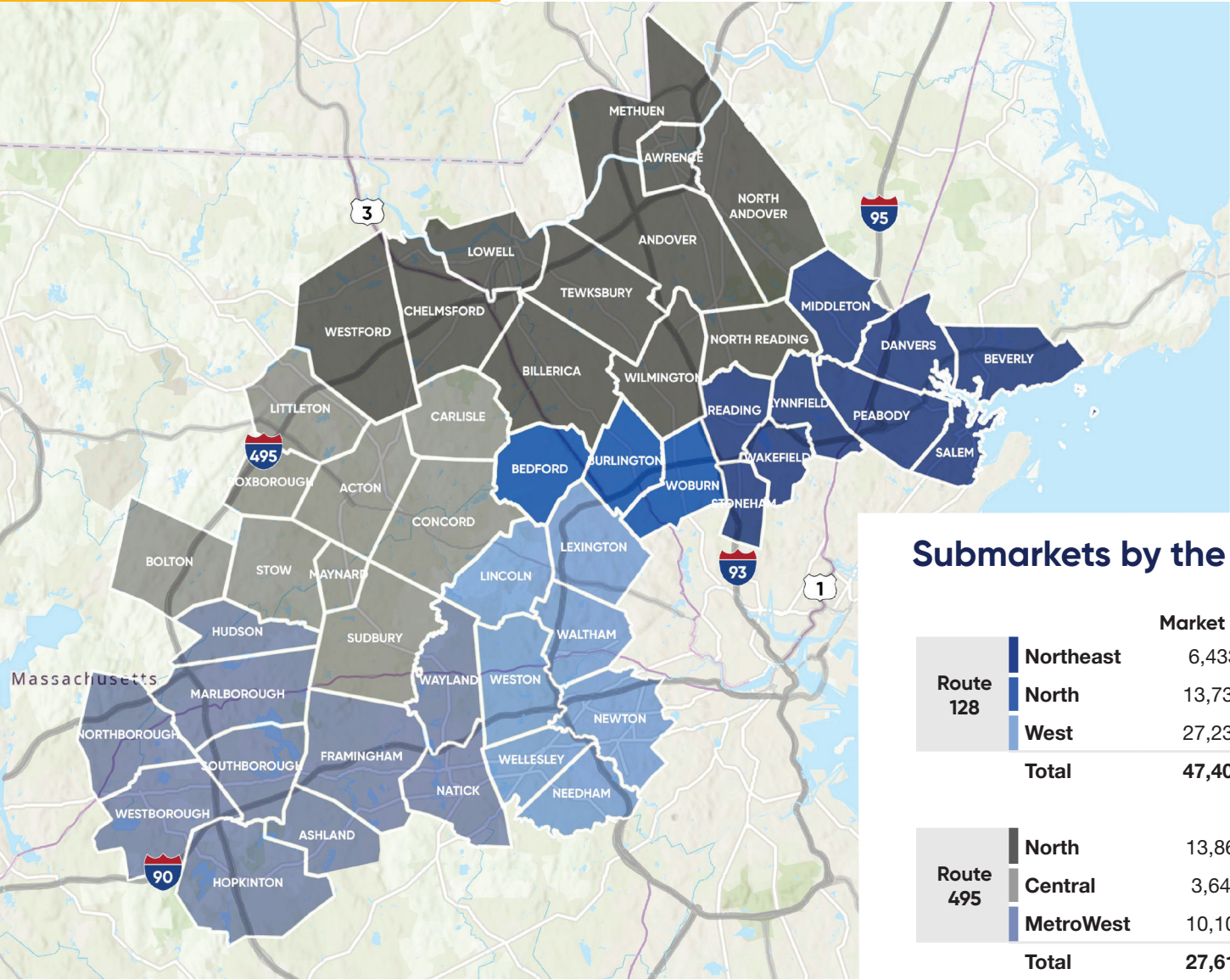
Tenant	Size (SF)	Submarket	Type
Anduril	165,000	128 West	New Lease
Commonwealth Financial Network	152,000	128 West	Direct - Relocation
Global Partners LP	100,000	128 West	Direct - Relocation
Advisor360	83,000	128 West	Direct - Relocation
Concord Insurance	25,000	495 MetroWest	New Lease
Triton Systems	11,000	495 North	New Lease

A couple of big HQ relocations from Global Partners LP and Advisor360 brought some life into the 128 West market, which witnessed two 100K+ SF (and four 80K+ SF) transactions this quarter.



New Global Partners HQ Location (11/2026), 275 Grove Street, Newton | Photo: CoStar

Suburban Office Q1 2025



Submarkets by the Numbers

						Rent/SF	
						Class A	Class B
Route 128	Northeast	6,433,384	17.0%	1.2%	17.2%	\$29.00	\$24.00
	North	13,732,068	16.2%	7.9%	30.5%	\$41.00	\$31.00
	West	27,236,582	14.1%	6.7%	26.4%	\$47.00	\$37.00
	Total	47,402,034	15.1%	6.3%	26.3%	\$42.82	\$33.50
Route 495	North	13,860,943	15.5%	3.4%	21.3%	\$22.75	\$19.30
	Central	3,642,309	33.6%	0.5%	40.0%	\$20.00	\$16.00
	MetroWest	10,107,704	24.0%	5.5%	34.9%	\$21.13	\$18.01
	Total	27,610,956	21.0%	3.8%	28.7%	\$21.79	\$18.39

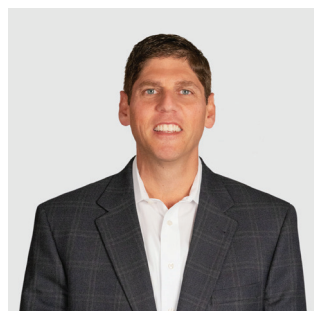
Meet the Team



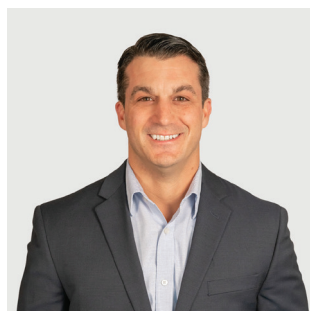
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Nate Heilbron
Senior Advisor



Allison Hoffman
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Cambridge Office

Q1 2025



Cambridge's office market still awaiting a spark.

Cambridge market vacancy crept up slightly in Q1 as sublease space began to burn off. Now at 21.5% in East Cambridge and 17.7% citywide, Cambridge's office market is still faring better than downtown Boston and the suburban office market. With over 1M SF of sublease space left, expect vacancy to creep a bit higher before the market finds a true balance. Inflationary pressures will persist under the new administration for as long as tariffs remain a threat to the global trade balance. If the higher-than-normal inflation environment persists, occupiers will continue to prioritize flexibility during lease negotiations.

Photo: Kyle Klein



New Obstacles to Stability

Higher ed and healthcare institutions, both mainstays across the city, are now scrambling to adjust to newfound financial pressures amid drastic cuts in the US National Institutes of Health (NIH) funding. Harvard has issued a \$750 million bond along with a hiring freeze for "ongoing contingency planning."



Kendall Still Supreme

Despite the overall market struggles, biotech companies continue to invest in Kendall Square, as evidenced by Biogen's recent announcement to consolidate their global headquarters and create an innovation hub in Kendall.

Arrows indicate quarterly change



Market Size
11,169,092 SF



Vacancy
17.7%



Sublease
9.7%



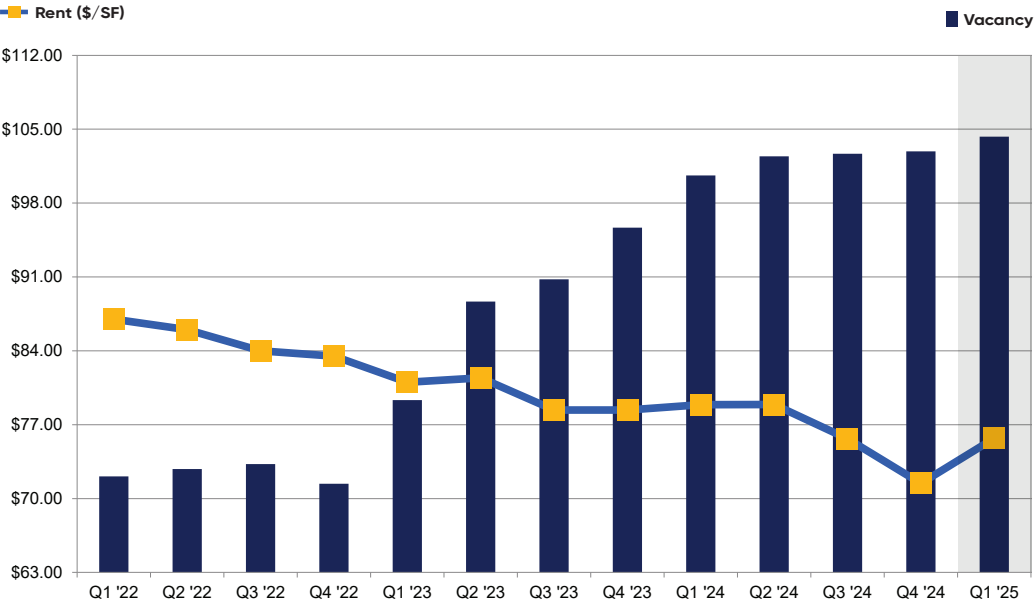
Available
27.4%

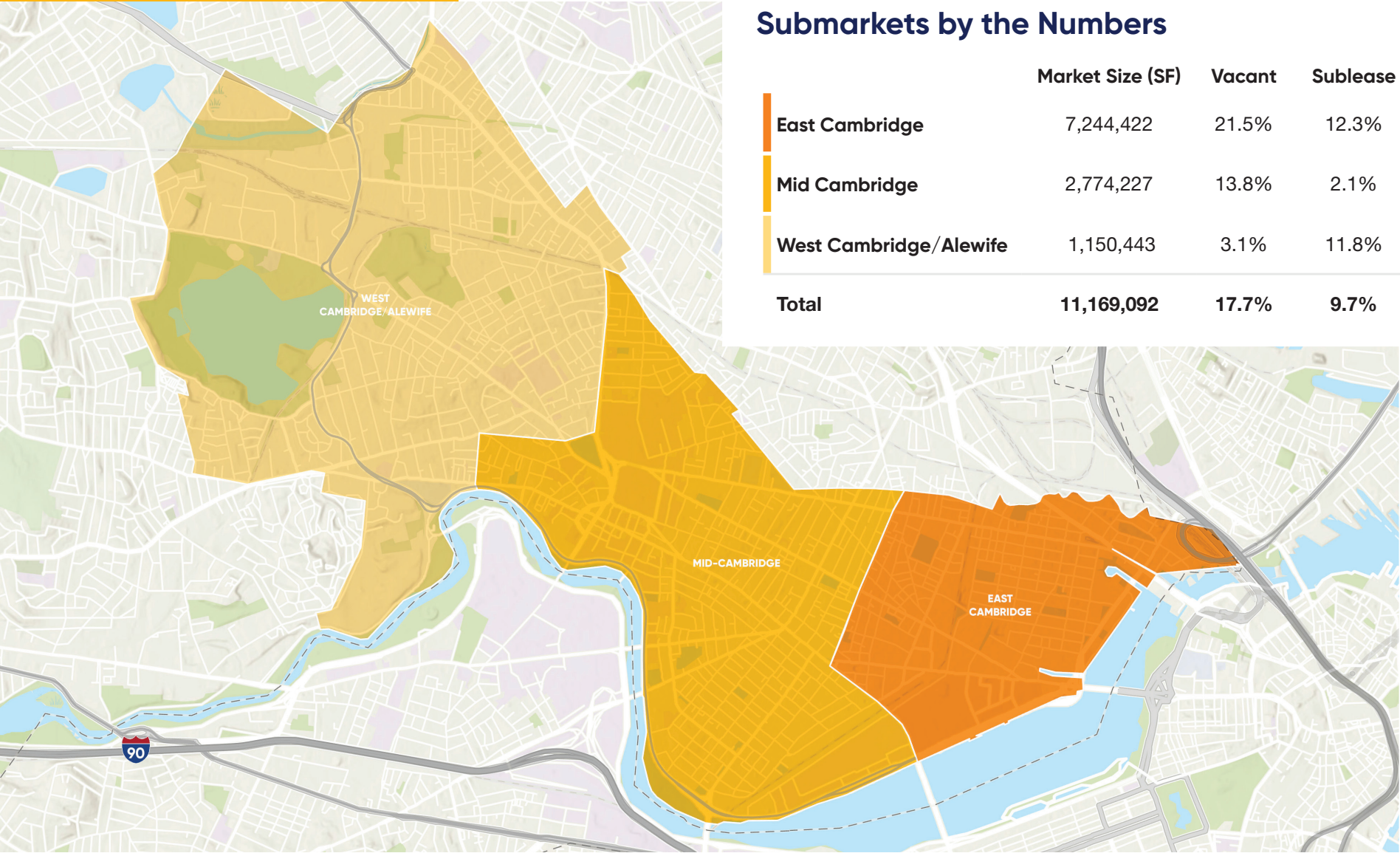


Cambridge | Photo: Kyle Klein

Historical Rent and Vacancy

After a brief stall, vacancy climbs again. Subleases that remain from the COVID era continue to burn off, elevating direct vacancies.





Submarkets by the Numbers

	Market Size (SF)	Vacant	Sublease	Available	Rent/SF	
					Class A	Class B
East Cambridge	7,244,422	21.5%	12.3%	33.8%	\$85.00	\$58.00
Mid Cambridge	2,774,227	13.8%	2.1%	15.9%	\$60.00	\$50.00
West Cambridge/Alewife	1,150,443	3.1%	11.8%	14.9%	\$55.00	\$50.00
Total	11,169,092	17.7%	9.7%	27.4%	\$75.70	\$55.19



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About Cresa Boston

Cresa is the world's largest commercial real estate advisory firm that exclusively represents occupiers and specializes in the delivery of fully integrated real estate solutions. We work with our clients to align their business plans and their real estate needs, increase their productivity, and consistently save them money — results that have earned us numerous industry awards along the way. Our team of real estate advisors, project managers, strategic planners, analysts, and space planners listen to tenants' needs, meticulously research market conditions, firmly negotiate terms, and manage the design and construction of projects to customize the best possible occupancy solutions.

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