

SUPPLY & CONSTRUCTION

Boston's industrial vacancy declined for the first time since Q4 2022, dropping 30 basis points (bps) to 11.8%, though remaining 100 bps higher year-over-year (YOY). Annual improvements were concentrated in the West cluster where vacancy declined 190 bps, while the North and South clusters each recorded increases of at least 100 bps. At 8.1%, the West remained the market's tightest cluster and the only one with vacancy below 10.0%, measuring 370 bps below the market average.

The Q3 completion of Home Depot's 604,800-square-foot (sf) build-to-suit development at 65 Theodore Drive was the market's largest delivery year-to-date (YTD), bringing completions to 2.4 million square feet (msf). Eight assets totaling 1.3 msf remained under construction, with only one anticipated to deliver before year-end: a speculative 180,000-sf warehouse/distribution (W/D) asset at 40 United Drive.

DEMAND & PRICING

Despite Q3 leasing slowing to 1.2 msf, YTD activity reached 5.6 msf, up 72.8% YOY and already exceeding the full-year 2025 total by 558,000 sf. Two leases exceeding 100,000 sf were signed in Q3, following 10 during the first half of the year. The 12 large-block transactions YTD more than doubled the five recorded through Q3 2025, signaling renewed demand for larger spaces. Renewal activity was also robust at 1.6 msf, the highest quarterly total in 2026 to-date, led by BlueTriton Brands' 500,000-sf renewal at 66 Saratoga Boulevard, the market's largest in more than a year.

Move-ins outpaced departures in Q3, generating 1.4 msf of positive direct net absorption, the highest quarterly total since Q4 2022. Three tenants occupying spaces of 450,000 sf or larger contributed to the quarterly gains.

Direct average asking rents climbed 9.6% YOY to a record \$16.15 per square foot (psf), with all clusters recording annual growth. The North led the increase, with all three submarkets posting gains exceeding \$1.00 psf. Asking rents in the North rose \$3.76 psf to \$20.39 psf, nearly \$4.25 psf above the market average.

SALES

During Q3, 17 industrial properties totaling 1.8 msf traded. The largest transaction was LaSalle Investment Management's \$90.3 million acquisition of the 396,375-sf W/D asset at 80 Pine Hill Drive from NorthBridge at \$228 psf.

MARKET FUNDAMENTALS

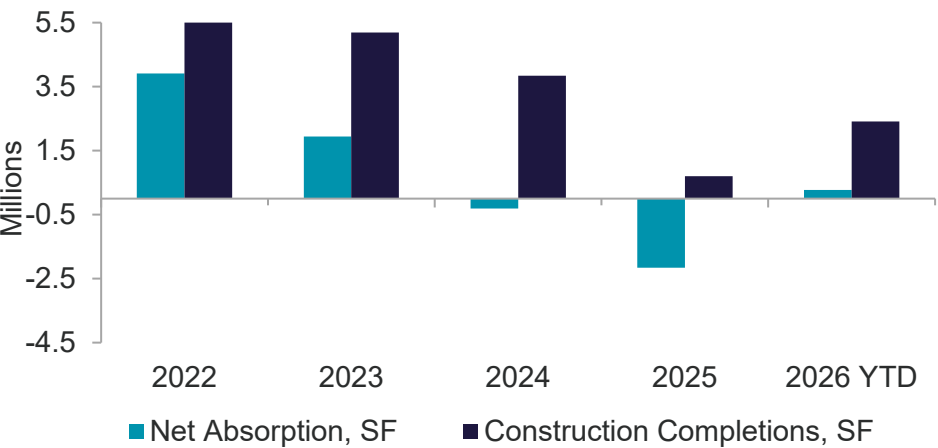
	YOY Chg	Outlook
11.8% Vacancy Rate	▲	▼
266.3K YTD Net Absorption, SF	▲	▲
\$15.85 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▬

ECONOMIC INDICATORS*

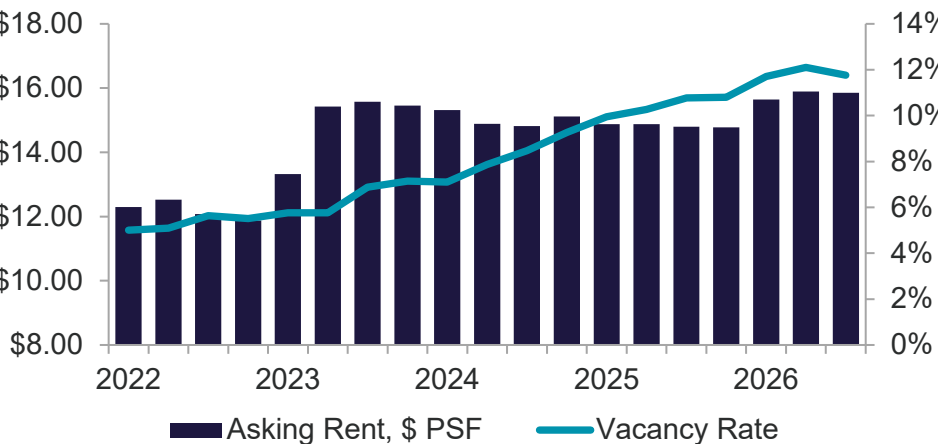
	YOY Chg	Outlook
2.8M Boston Employment*	▲	▲
4.0% Boston Unemployment Rate	▼	▲
4.2% U.S. Unemployment Rate	▼	▲

Source: BLS

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 CNSTR (SF)	YTD CNSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG NET RENT (W/D)	OVERALL WEIGHTED AVG NET RENT
128 North	18,895,280	2,154,721	11.4%	-20,018	-419,661	519,587	181,522	0	\$17.70	\$16.26
495 North	39,823,992	4,168,191	10.5%	-131,342	-105,646	1,463,444	375,800	216,500	\$16.59	\$15.73
Urban North	5,429,205	1,000,830	18.4%	18,000	44,015	134,999	0	481,387	\$38.90	\$38.62
128 South	23,157,614	2,360,044	10.2%	-255,500	-386,187	329,465	0	0	\$12.70	\$18.08
495 South	41,521,727	7,445,295	17.9%	-43,247	-509,962	1,413,705	697,287	956,588	\$12.84	\$12.68
Urban South	5,408,811	536,618	9.9%	-92,225	-78,785	99,913	0	0	\$23.02	\$22.49
128 Central	2,577,401	434,227	16.9%	9,933	-62,202	35,644	0	97,075	\$21.51	\$25.14
495 West	38,571,583	3,383,640	8.8%	1,132,179	1,202,966	1,451,802	0	0	\$12.77	\$13.38
Framingham/Natick	2,141,871	99,369	4.6%	4,100	4,100	4,100	0	0	\$12.00	\$11.58
Urban West	1,551,929	37,658	2.4%	0	19,067	39,067	0	0	\$25.00	\$25.00
Worcester	6,984,286	263,201	3.8%	627,692	558,597	145,405	0	654,800	\$9.42	\$10.12
BOSTON TOTALS	186,063,699	21,883,794	11.8%	1,249,572	266,302	5,637,131	1,254,609	2,406,350	\$15.05	\$15.84

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

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
66 Saratoga Boulevard	495 North	BlueTriton Brands	500,000	Renewal*
109-111 Constitution Boulevard	495 West	Dell EMC	288,000	Renewal*
175 Lowell Street	495 North	Amazon	206,000	Direct
30 Porter Road	495 West	SupplyOne	161,587	Renewal*
90 Salem Road	495 North	Reframe	115,822	Direct

*Renewals not included in leasing statistics

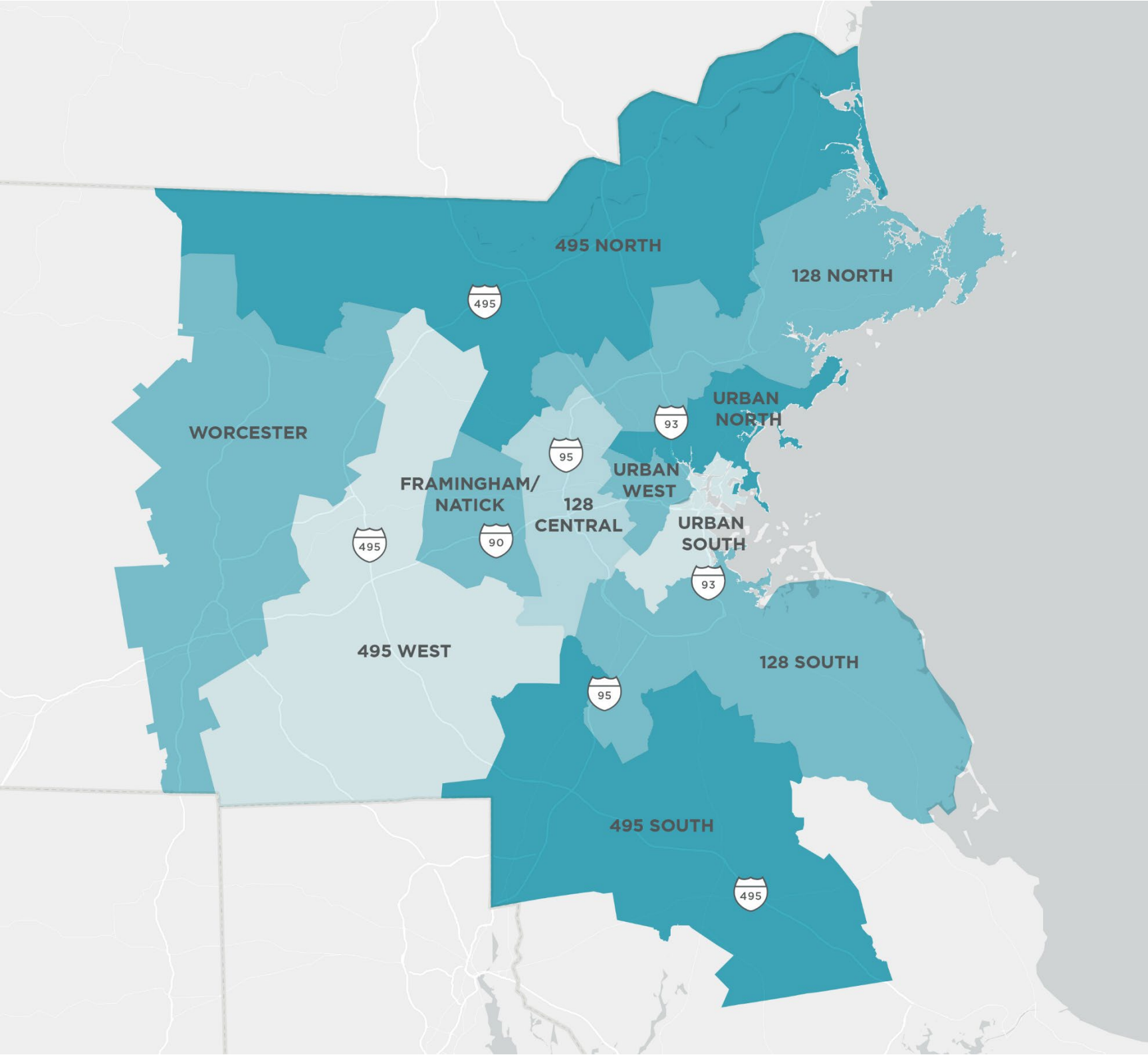
KEY SALE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	SELLER/BUYER	SF	PRICE / \$ PSF
80 Pine Hill Drive	Worcester	NorthBridge / LaSalle Investment Management	396,375	\$90.3M / \$227.69
12 Forge Parkway	495 West	Link Logistics Real Estate / Galvanize Real Estate	236,331	\$67.1M / \$283.92
300 Riverpark Drive	128 North	Wheelock Street Capital / Berkeley Partners	230,000	\$82.5M / \$358.70
16 Elizabeth Drive	495 North	The Shearwater Companies / Tritower Financial Group	100,904	\$18.7 / \$185.32

KEY CONSTRUCTION COMPLETIONS Q3 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER/DEVELOPER
65 Theodore Drive	Worcester	Home Depot	604,800	Equity Industrial Partners
63 Kendrick Street	128 Central	N/A	97,075	Edgewater Properties

INDUSTRIAL SUBMARKETS



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