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Greater Boston's Industrial Realignment

CUSHMAN & WAKEFIELD

GREATER BOSTON INDUSTRIAL OVERVIEW

Greater Boston's industrial market is beginning to rebalance following a historic wave of development. Since 2020, 19.7 million square feet (msf) of new supply has delivered, accounting for 10.6% of the current inventory. Of that space, 6.2 msf remains vacant, contributing to an overall vacancy rate of 11.8% in Q3 2026. Much of this vacancy is concentrated in newer, larger buildings and select 495 Belt submarkets.

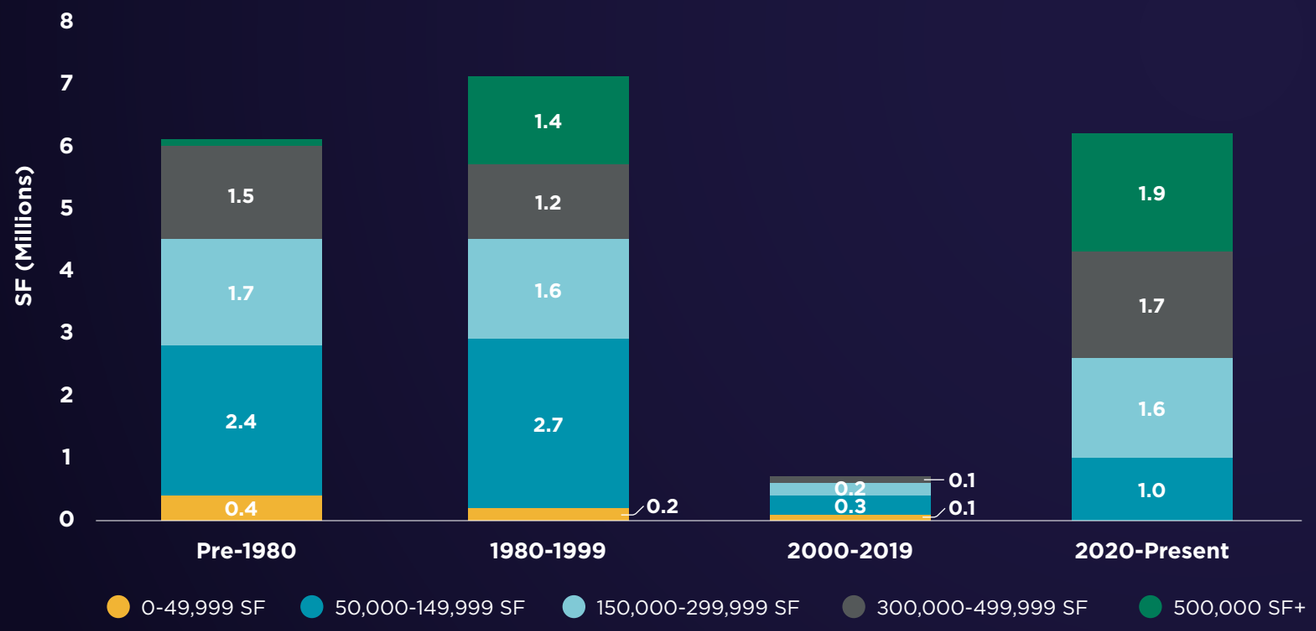
With construction activity slowing and larger tenant requirements returning, market conditions are beginning to shift. New leasing reached 5.8 msf year-to-date, the strongest total since 2022, highlighted by Maersk's 616,876-square-foot (sf) lease in the West market—the region's largest new industrial lease since 2020. Together, these trends suggest that demand is beginning to catch up with the recent expansion of modern industrial supply.



SUPPLY ADDITIONS WEIGH ON OCCUPANCY

- Buildings delivered since 2020 account for **30.9% of Greater Boston's vacant industrial space**, despite representing just 10.6% of inventory.
- Less than 1.0 msf of space is vacant within buildings constructed between 2000 and 2019, underscoring how heavily the current imbalance is concentrated in the newest generation of supply.
- Most vacancy in the post-2020 inventory is concentrated in buildings larger than 300,000 sf.

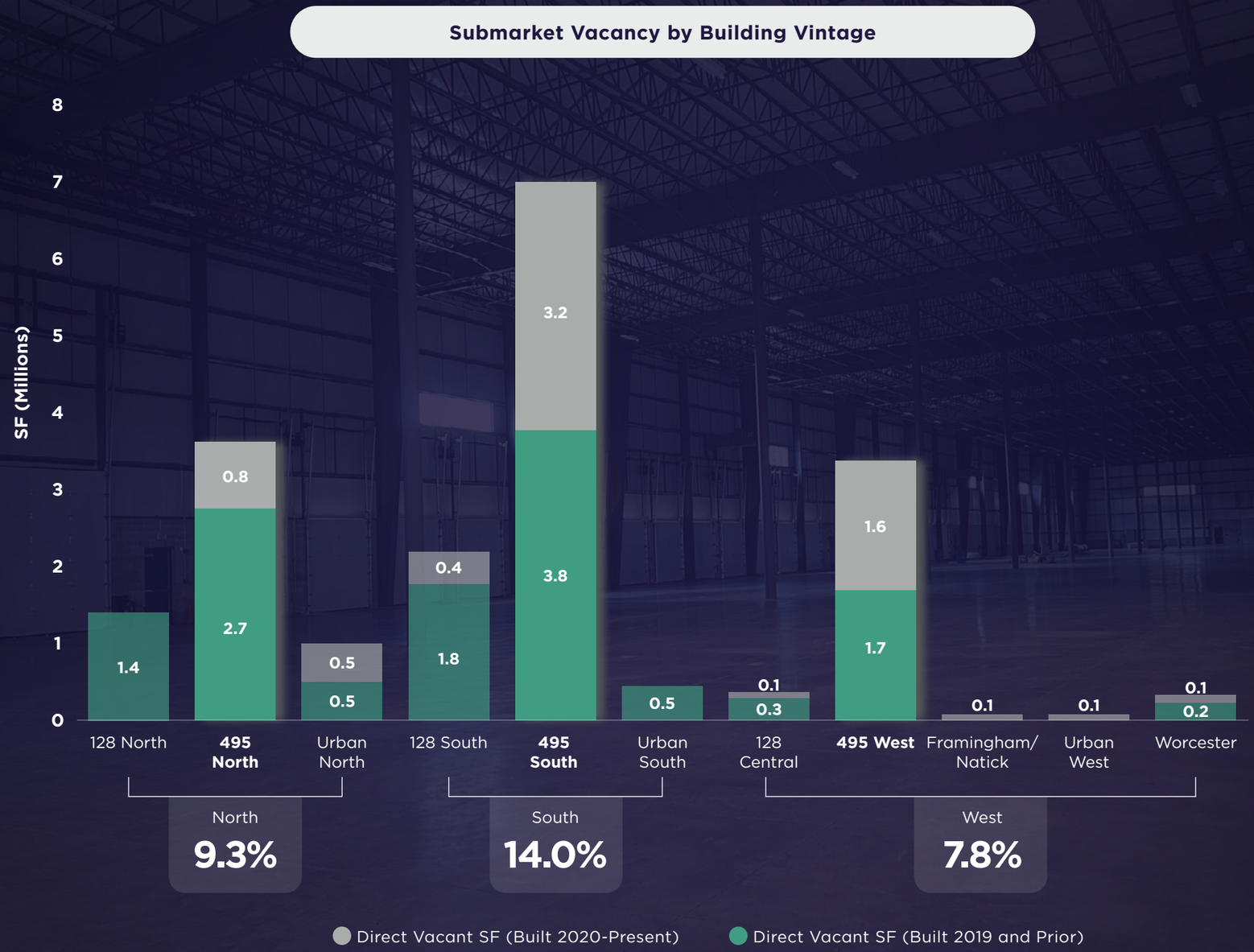
Overall Vacant Space by Building Size and Age





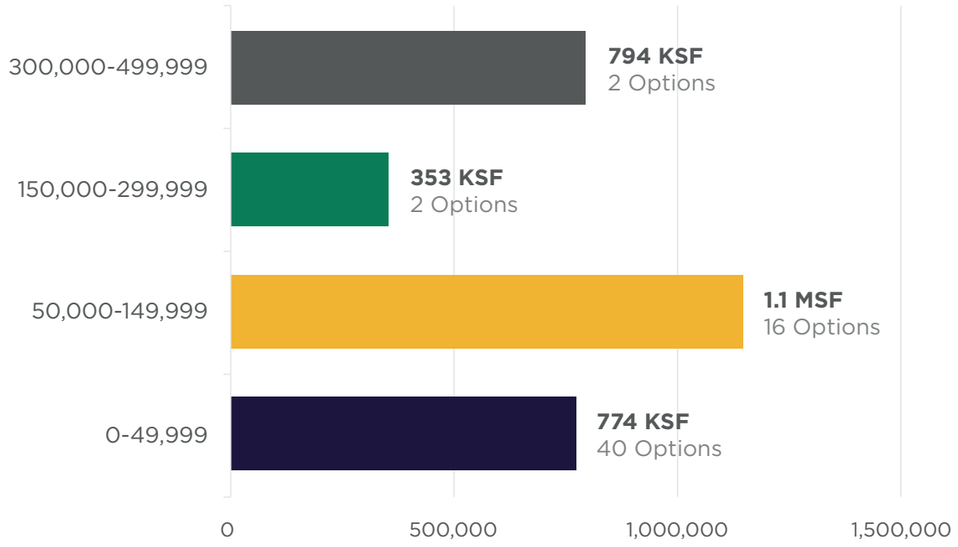
495 BELT CONTINUES TO PRESSURE FUNDAMENTALS

The 495 Belt accounted for 83.6% of all new industrial supply delivered over the past five years, and nearly one-third of that space remains vacant. Its submarkets collectively recorded a **12.5% vacancy rate, 70 basis points (bps) above the market average**, as the cluster remained the center of Greater Boston's supply imbalance.



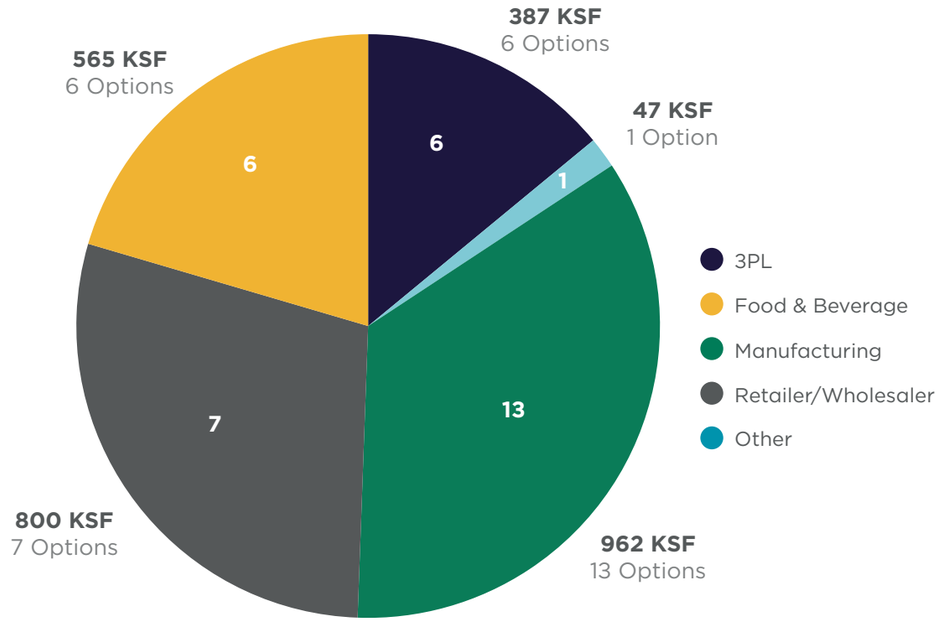
SUBLEASE AVAILABILITY REMAINS CONCENTRATED

Available Sublease Square Footage



Sublease availability remains elevated at 3.0 msf, although the largest blocks are concentrated in only a handful of properties. The two largest offerings, both in the North market and above 300,000 sf, account for more than one-quarter of total sublease availability.

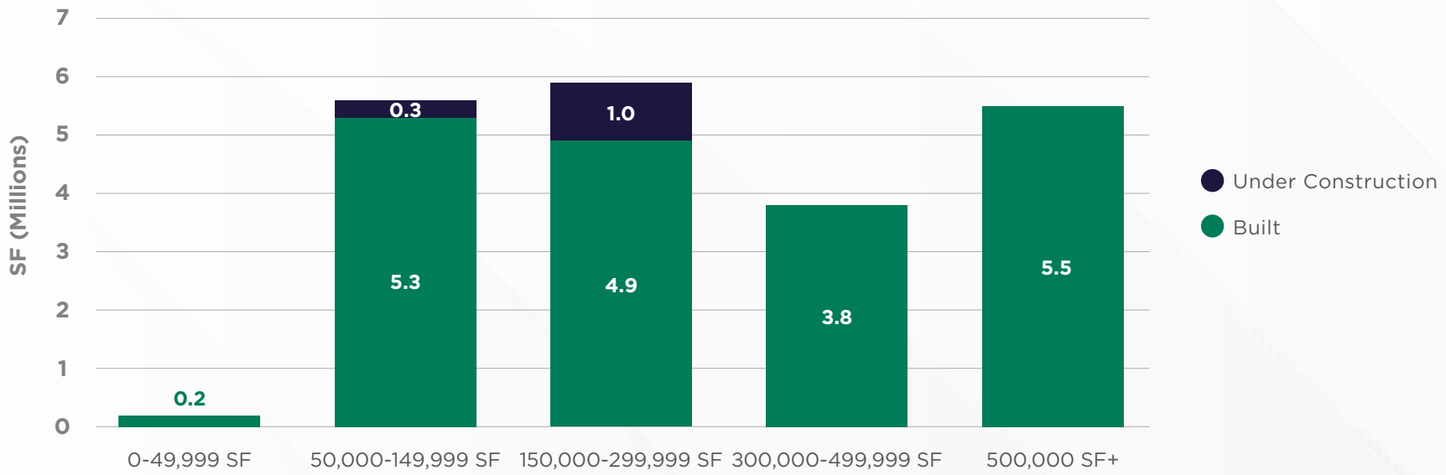
Available Sublease Square Footage by Industry 20,000 sf+



Manufacturing tenants account for the largest share of available sublease space at nearly 1.0 msf. By contrast, 3PL users—one of the strongest users of leasing demand in 2026—represent a comparatively small share of current sublease inventory.

NEW DEVELOPMENT IS BETTER CALIBRATED TO DEMAND

Deliveries Since 2020 and Current Speculative Construction by Building Size



Buildings in the **50,000-149,999 and 150,000-299,999 sf range accounted for 51.9% of projects delivered since 2020** and comprise the entirety of the construction pipeline, with eight additional projects underway.

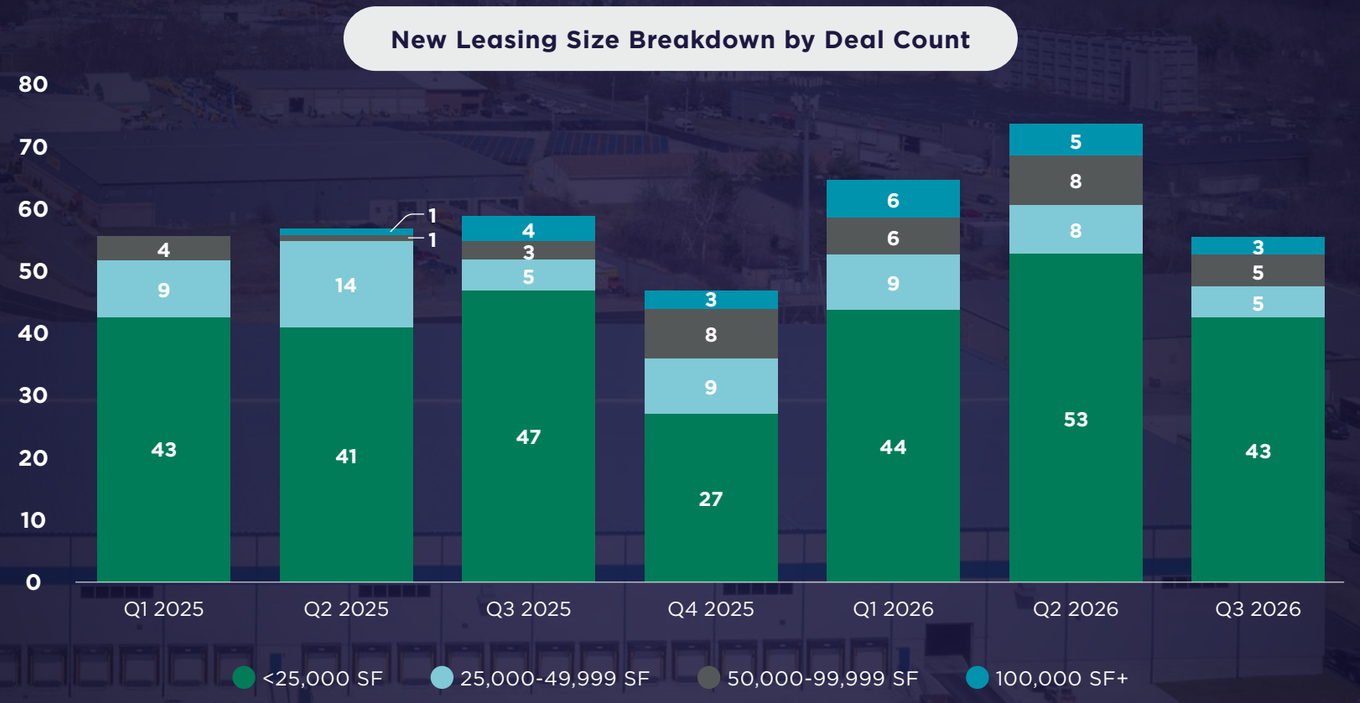
Development at the upper end of the market has also resumed selectively. **Buildings of 500,000 sf or larger represented more than one-quarter of post-2020 inventory additions**, while a 1.2-msf proposed and permitted warehouse in Charlton will be the market's first delivery above 1.0 msf since 2024 once constructed.





LARGER REQUIREMENTS GAIN MOMENTUM

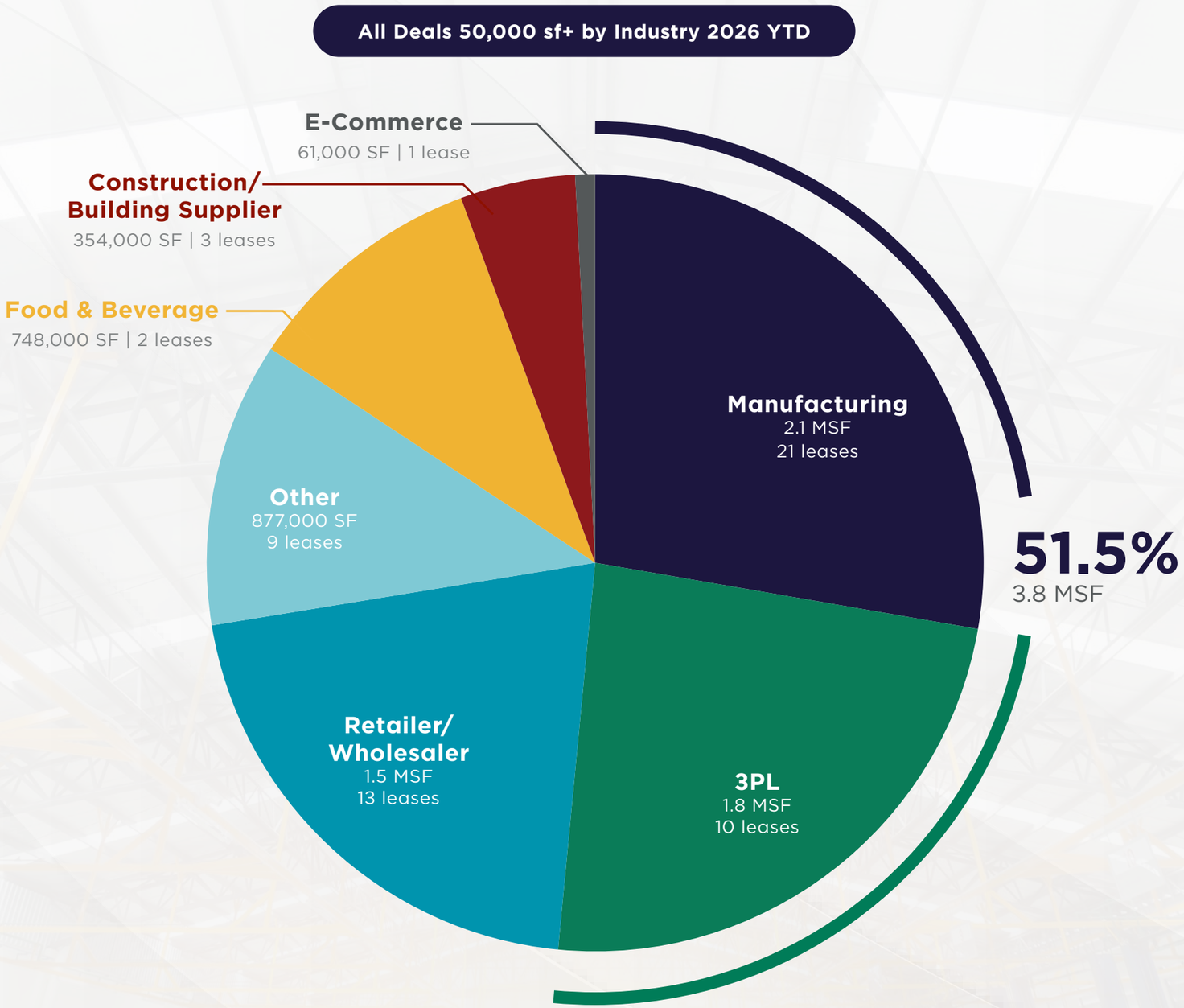
More than half of 100K SF+ leases signed since 2025 occurred in buildings delivered in 2020 or later.



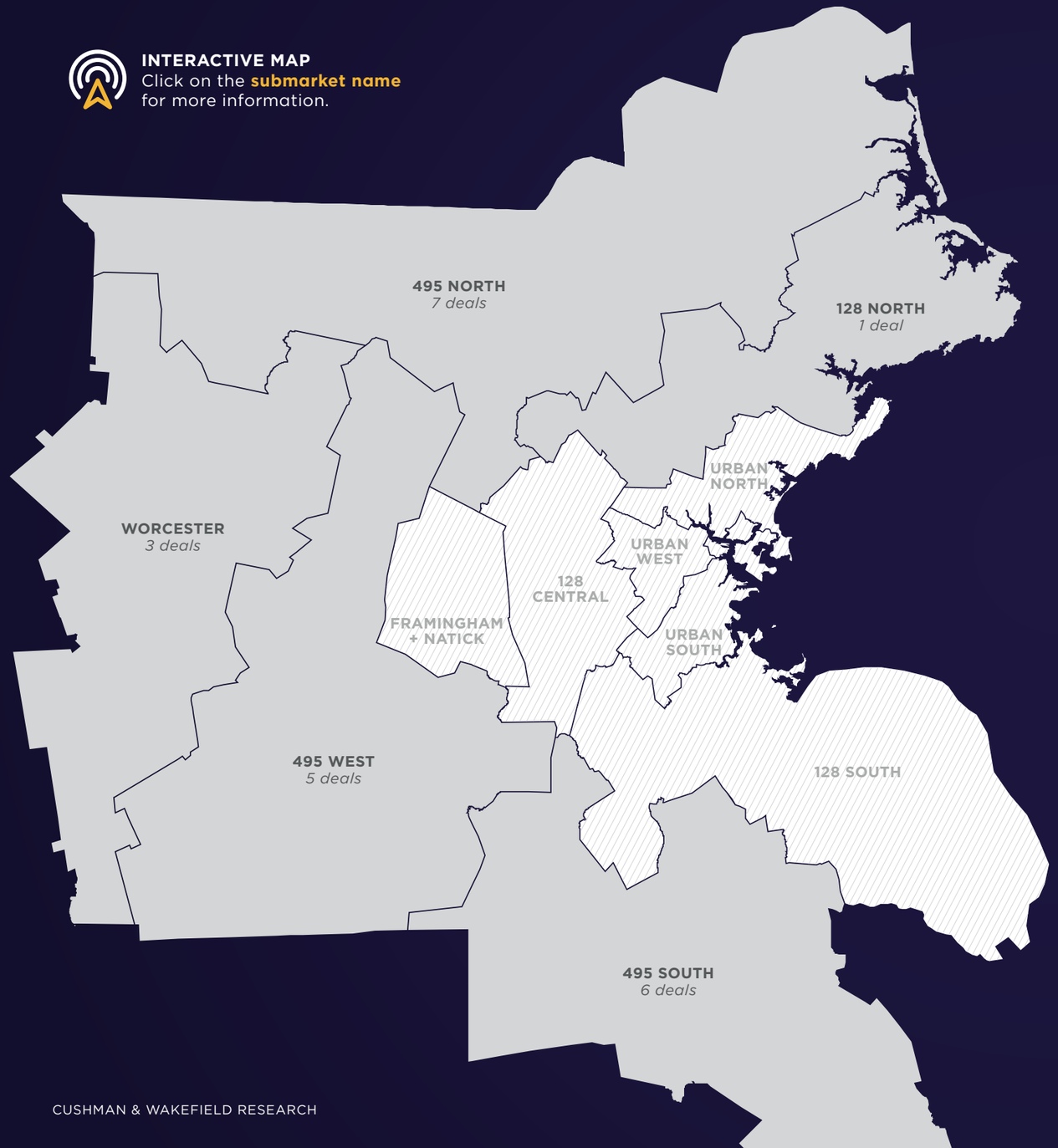
Large-block leasing has **accelerated since the second quarter of 2025**. Since then, 22 leases 100,000 sf or larger were signed—including 14 in 2026 YTD alone. At the end of Q3 2026, new leasing totaled 5.8 msf, with nearly one third of that volume coming from leases 100,000 sf or larger.

LEGACY SECTORS DO THE HEAVY LIFTING

Manufacturing and 3PL users accounted for **51.5% of leased square footage** among transactions 50,000 sf and larger through Q3 2026.



INTERACTIVE MAP
Click on the **submarket name** for more information.



LARGE-BLOCK DEMAND ACROSS GREATER BOSTON: NEW DEALS 100,000 SF+

New commitments from **large-block occupiers have been a primary market driver** since the start of 2025. Activity was highly concentrated within the 495 Belt, and primarily occurred in premium buildings with higher clear heights.

CONCLUSION

Greater Boston's current vacancy is highly concentrated in newer, larger buildings, particularly within the 495 Belt. While the recent development wave initially outpaced occupier demand, construction has slowed and larger leasing commitments are returning. Importantly, those tenants are increasingly choosing the same modern facilities that contributed to the market's elevated vacancy--an encouraging sign that the market is beginning to rebalance.

AUTHORS

Katie Mahoney
Senior Research Analyst
kathleen.mahoney@cushwake.com

Riley McMullan
Senior Research Manager
riley.mcmullan@cushwake.com

CUSHMAN & WAKEFIELD

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