LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q2 2026
BOSTON, MA

INDUSTRIAL MARKET OVERVIEW

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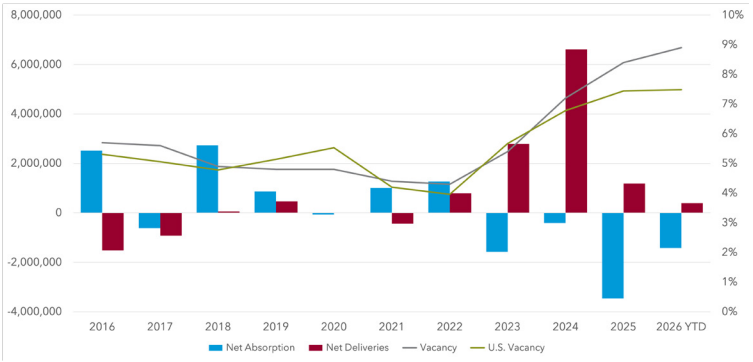
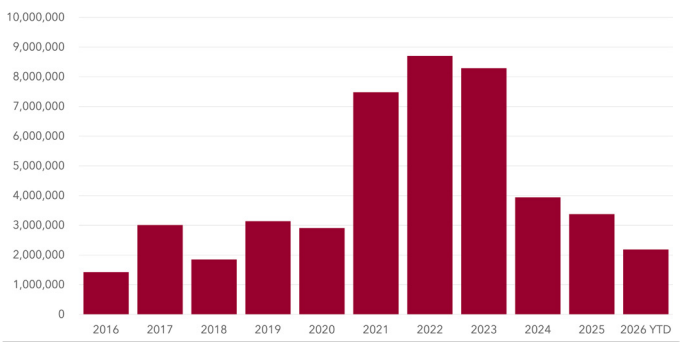
Boston's industrial market is adjusting to slower economic growth, with continuing softer demand and higher availability than in recent years. While leasing activity has picked up recently overall demand across logistics and flex space has resulted in negative net absorption over the past year. In addition, new construction has slowed, which should help balance supply and demand and keep vacancy from rising much further. Vacancy currently stands at 8.9%, above the national average, leading to slower- but still positive-overall rent growth. Looking ahead, economic and trade uncertainty may continue to influence leasing decisions, but a reduced development pipeline is expected to support a stable market as conditions gradually improve through 2027.

MARKET INDICATORS	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025
▲ 12 Mo. Net Absorption SF	(2,765,659)	(3,459,831)	(3,454,398)	(3,421,321)	(4,078,636)
▼ Vacancy Rate	8.80%	9.00%	8.40%	8.10%	7.90%
▲ Avg NNN Asking Rate PSF	$13.90	$13.38	$13.47	$13.33	$13.34
▲ Sale Price PSF	$203.54	$201.49	$199.66	$195.96	$194.30
▼ Cap Rate	6.4%	8.8%	8.1%	7.8%	5.4%
▼ Under Construction SF	2,039,385	2,525,364	3,377,699	3,562,639	3,575,236
▼ Inventory SF	374,810,665	375,061,318	374,419,248	374,021,944	374,138,504

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
265 Bear Hill Road Waltham, MA	21,421 SF	$8,000,000 $373.47 PSF	265 Bear Hill, LLC Lorenzo Alonge	Class C
30 Clematis Avenue Waltham, MA	16,000 SF	$2,700,000 $168.75 PSF	David Bogue Amy Sorabella	Class B
10 Munroe Avenue Watertown, MA	8,315 SF	$2,250,000 $270.60 PSF	The Mount Vernon Company Kilfoyle Properties, LLC	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1 Corporate Drive Andover, MA	128,000 SF	IQHQ	Advancell	Manufacturing
333 Manley Street West Bridgewater, MA	108,500 SF	D'Angelo Real Estate Inc.	PrimeSource Building Products	Wholesaler
23 Esquire Road North Billerica, MA	88,000 SF	Marcus Partners/ Rhino Capital Advisors, LLC	Frontrunner Bus Group	Manufacturing

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