

# Industrial Report

**Greater Boston**

Q1 2026

**Lincoln**

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# Overview

Industrial fundamentals across the Boston Metro decreased slightly in the first quarter of 2026, as vacancy rose amid continued negative absorption and a more cautious tenant environment. Combined industrial and flex vacancy increased 80 basis points to 8.1%.

Absorption trends continue to point to near-term softness. The combined flex and industrial market recorded its fourth consecutive quarter of negative twelve-month absorption in the full metro area, totaling approximately 1.1 million square feet of net losses. Leasing volume, however, remained active. Approximately 3 million square feet of industrial and flex space was leased across the Boston Metro during Q1, reflecting sustained tenant engagement despite broader headwinds. Similar to late-2025 patterns, deal activity trended toward smaller and mid-sized requirements, as companies favored flexibility and shorter-term commitments over large, expansion-driven transactions.

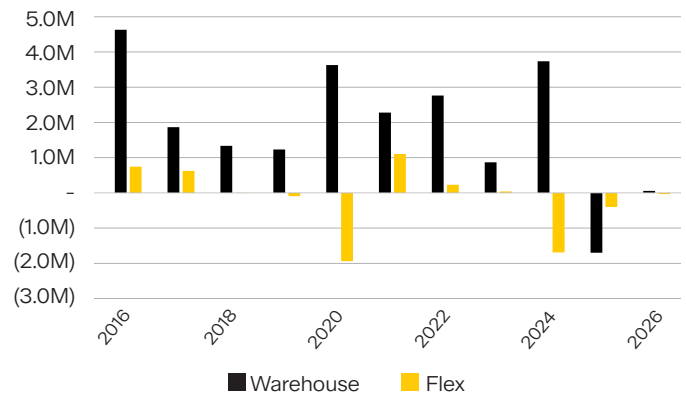
From a macro perspective, tariff activity appears to have stabilized. However, the ongoing conflict involving Iran has introduced new uncertainty. These factors have contributed to a more guarded stance among manufacturers, distributors, and logistics oriented users, as the surge in oil prices begins to trickle into the US economy.

## Looking Forward

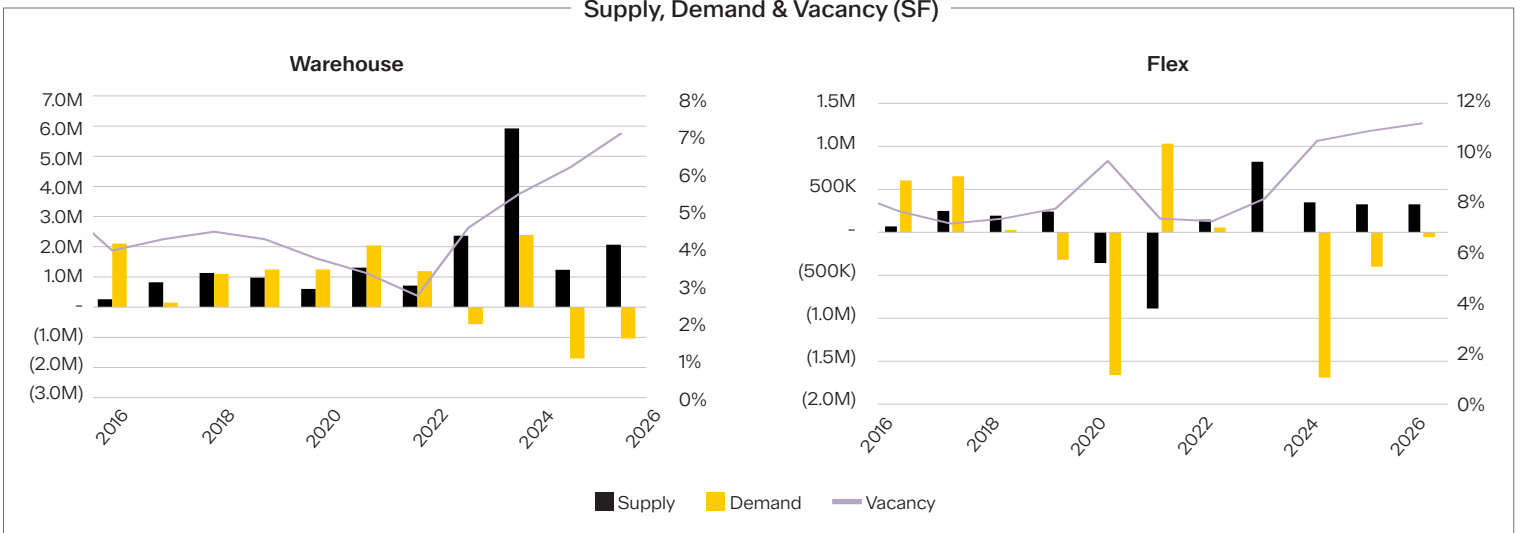
Industrial market conditions across the Boston Metro are expected to remain pressured through the remainder of 2026 as occupiers adapt to a slower economic environment and elevated supply levels. While demand has cooled meaningfully from pandemic-era highs, overall leasing activity was strong in Q1 2026 with over 2 million square feet of activity.

Consumer fundamentals also present a growing challenge. While consumption has proven resilient, weakening consumer confidence could place additional downward pressure on industrial using tenants, particularly those tied to discretionary spending and import-dependent supply chains.

Net Absorption (SF)  
Warehouse vs. Flex



Supply, Demand & Vacancy (SF)



# Leasing Trends

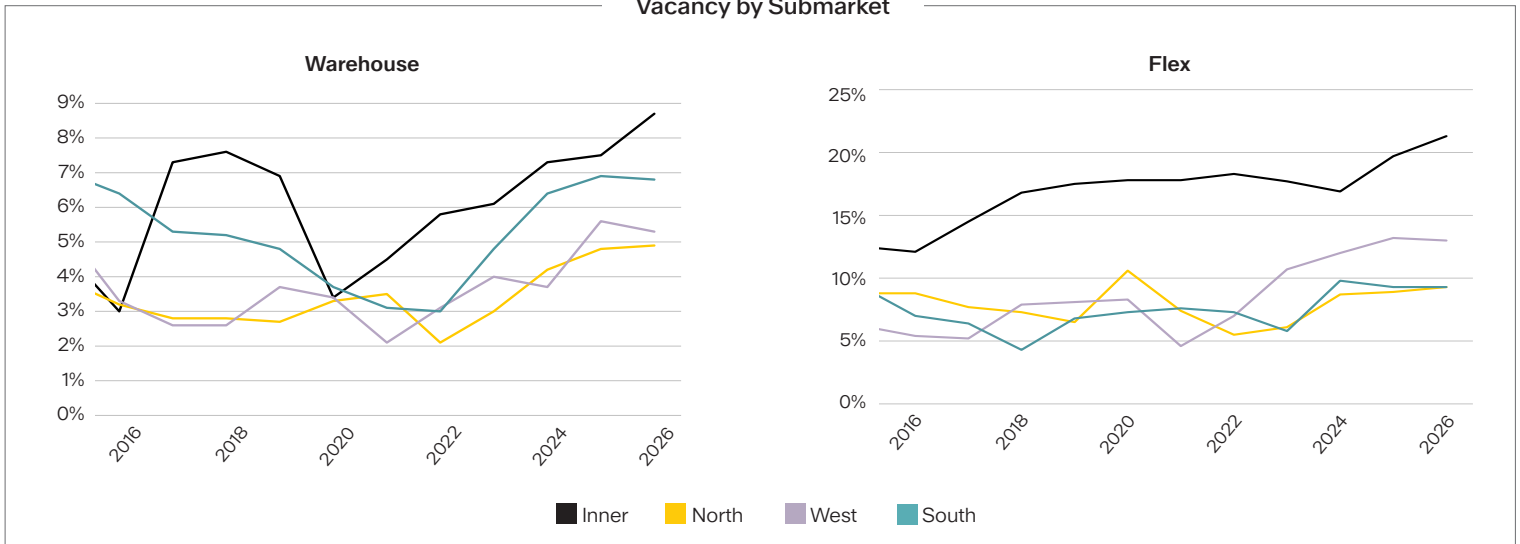
Leasing activity across the Boston Metro industrial market accelerated in the first quarter of 2026, driven by several large-scale transactions. A total of 2.2 million square feet of industrial space was leased during Q1, signaling renewed tenant engagement. An additional 907,779 square feet of flex space was leased.

Several significant transactions anchored activity during the quarter, including Champagne Logistics' 300,000-square-foot lease in Milford, Primo Brands' 248,000-square-foot deal in Taunton, and Owens & Minor's 234,000-square-foot lease also in Taunton. These transactions underscore continued demand from logistics, distribution, and supply chain-oriented users, particularly those seeking modern facilities.

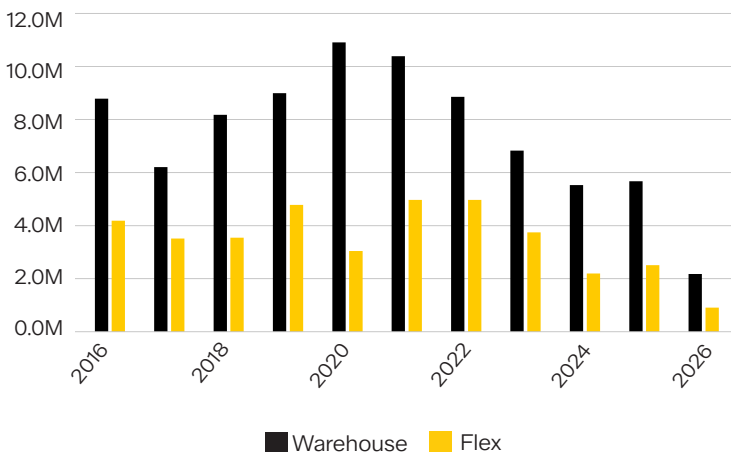
The Metro South submarket recorded the highest level of industrial leasing activity, with more than 1.4 million square feet of space signed during Q1. This contributed to a 10-basis point decrease in vacancy to 6.8%, and an equal drop in direct availability, now at 10.9%.

While leasing volume improved meaningfully, activity continued to be driven by a limited number of high-conviction transactions rather than broad-based expansion.

Vacancy by Submarket



Leasing (SF)  
Warehouse vs. Flex



Top Leases

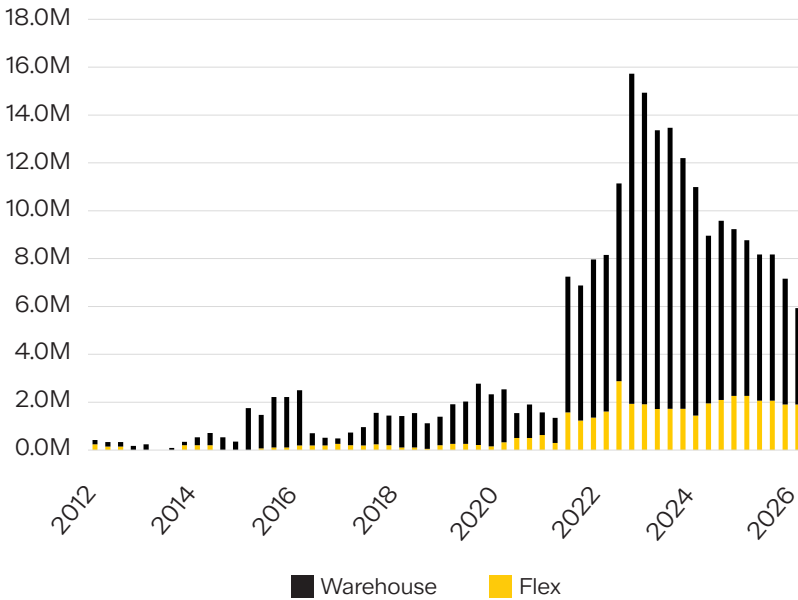
	SF
<b>Champagne Logistics</b> 1 National Street, Milford   Worcester Metro	300,000
<b>Primo</b> Silver City Drive, Taunton   495 South	248,000
<b>BRUNT Workwear</b> 301 Ballardvale, Wilmington   128 North	56,000
<b>Nitto AVECIA</b> 170 Locke Drive, Marlborough   495 West	40,000

# Development

Approximately 1.2 million square feet of industrial space delivered during Q1, adding to an already competitive market environment. Of the space completed, roughly 730,000 square feet was speculative.

While overall deliveries remain significant, they represent a notable slowdown from the peak development levels seen shortly after the pandemic. The amount of industrial space under construction continues to decline from prior years, reflecting higher financing costs, rising construction expenses, and growing caution among developers amid softening demand conditions.

Under Construction (SF)

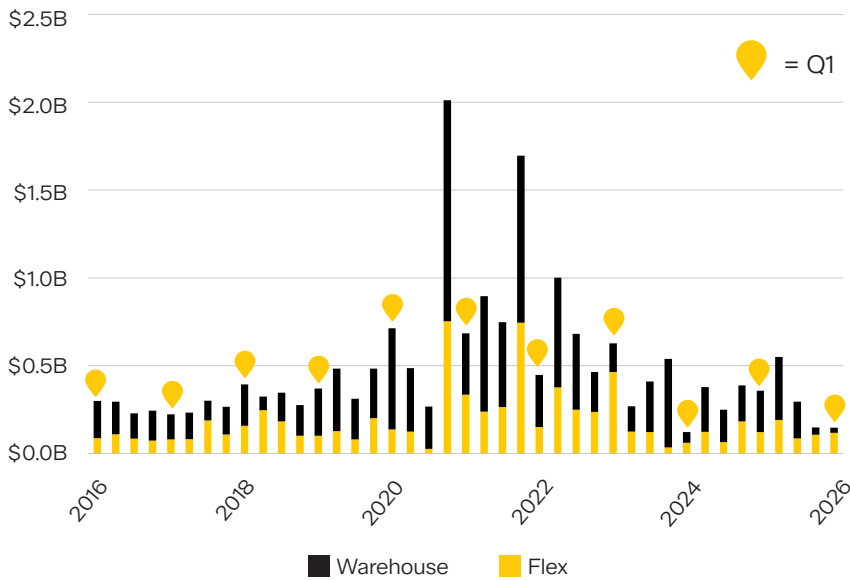


# Investment Sales

One notable sale completed in Q1, with North River Co.'s acquisition of Lynnwood Industrial Park in Lynn. The multi-property transaction consists of 626-680 Lynnway Road and 0 Circle Ave, and sold for \$40 million, or \$62 per square foot.

The slowdown in acquisitions follows a more active period in late 2025 and Q1 activity suggests that investors are becoming increasingly selective. Until greater clarity emerges around interest rate policy and broader macroeconomic conditions, transaction volume is expected to remain limited, with only high conviction or strategically driven deals moving forward.

Quarterly Sales Volume (In Billions)



## Top Sales

	Price	PSF	Buyer	Seller
<b>Lynnway Industrial Park</b> Lynn   128 North	\$40 Million	\$62	North River Co.	A.W. Perry & Foxfield

# Industrial Stats Q1 2026

Submarket	Inventory (SF)	% Vacant	% Sublet	% Available	Annual Absorption	Quarterly Leasing (SF)	Annual Leasing (SF)	Asking Rate	YoY Rent Growth
<b>Warehouse/Industrial</b>									
128 West	3,550,774	2.9%	0.0%	3.4%	29,867	29,867	68,519	\$22.40	5.5%
495 West	40,472,503	5.5%	1.0%	9.0%	(352,375)	409,024	1,526,149	\$12.05	3.3%
<b>West Total</b>	<b>44,023,277</b>	<b>5.3%</b>	<b>0.9%</b>	<b>8.6%</b>	<b>(357,787)</b>	<b>438,891</b>	<b>1,594,668</b>	<b>\$12.89</b>	<b>3.6%</b>
128 North	29,298,730	6.3%	2.3%	9.7%	(171,350)	91,282	916,546	\$17.05	3.3%
495 North	43,301,517	3.9%	1.4%	7.0%	(66,214)	137,208	592,547	\$14.55	5.6%
<b>North Total</b>	<b>72,608,438</b>	<b>4.9%</b>	<b>1.8%</b>	<b>8.1%</b>	<b>(237,564)</b>	<b>228,490</b>	<b>1,509,093</b>	<b>\$15.11</b>	<b>0.0%</b>
128 South	34,590,957	7.0%	1.6%	11.1%	(156,461)	322,282	1,389,041	\$13.68	2.1%
495 South	81,713,456	6.7%	1.2%	10.7%	426,036	1,092,261	2,523,226	\$11.95	5.6%
<b>South Total</b>	<b>117,332,806</b>	<b>6.8%</b>	<b>1.3%</b>	<b>10.9%</b>	<b>(408,790)</b>	<b>1,414,543</b>	<b>4,717,478</b>	<b>\$12.88</b>	<b>7.9%</b>
<b>Inner Total</b>	<b>21,664,346</b>	<b>8.7%</b>	<b>0.5%</b>	<b>9.2%</b>	<b>(117,583)</b>	<b>96,333</b>	<b>324,075</b>	<b>\$21.40</b>	<b>4.4%</b>
<b>Warehouse/Industrial Total</b>	<b>256,862,179</b>	<b>7.0%</b>	<b>1.3%</b>	<b>10.3%</b>	<b>(1,042,043)</b>	<b>2,178,257</b>	<b>7,340,103</b>	<b>\$13.65</b>	<b>0.3%</b>

## Flex/R&D

128 West	4,333,738	21.2%	4.5%	26.3%	(177,038)	2,921	148,613	\$30.80	2.2%
495 West	20,055,161	12.1%	2.6%	14.5%	(162,465)	103,217	386,518	\$18.05	2.1%
<b>West Total</b>	<b>24,388,899</b>	<b>13.0%</b>	<b>3.0%</b>	<b>16.5%</b>	<b>(268,277)</b>	<b>126,168</b>	<b>555,161</b>	<b>\$20.33</b>	<b>2.2%</b>
128 North	15,329,498	6.8%	3.1%	11.1%	85,001	468,399	902,128	\$22.18	4.9%
495 North	18,210,381	11.6%	1.4%	14.6%	65,231	253,664	629,241	\$16.25	2.7%
<b>North Total</b>	<b>33,539,879</b>	<b>9.3%</b>	<b>2.2%</b>	<b>12.9%</b>	<b>150,232</b>	<b>722,063</b>	<b>1,531,369</b>	<b>\$18.97</b>	<b>3.9%</b>
128 South	9,644,380	8.8%	0.7%	12.4%	3,067	26,866	403,988	\$18.28	5.8%
495 South	11,255,831	9.8%	3.0%	17.6%	68,516	14,575	133,543	\$15.50	3.3%
<b>South Total</b>	<b>20,892,124</b>	<b>9.3%</b>	<b>1.9%</b>	<b>15.2%</b>	<b>71,583</b>	<b>41,441</b>	<b>537,531</b>	<b>\$17.10</b>	<b>6.5%</b>
<b>Inner Total</b>	<b>6,188,125</b>	<b>21.3%</b>	<b>0.8%</b>	<b>17.2%</b>	<b>(10,953)</b>	<b>18,107</b>	<b>85,266</b>	<b>\$32.10</b>	<b>4.4%</b>
<b>Flex Total</b>	<b>84,318,164</b>	<b>11.2%</b>	<b>2.3%</b>	<b>14.8%</b>	<b>(57,415)</b>	<b>907,779</b>	<b>2,709,327</b>	<b>\$20.85</b>	<b>9.2%</b>

## Totals

Submarket	Inventory SF	% Vacant	% Sublet	% Available	Annual Absorption	Quarterly Leasing	Annual Leasing	Asking Rate	YoY Rent Growth
<b>All Industrial</b>	<b>263,050,304</b>	<b>7.4%</b>	<b>3.8%</b>	<b>21.2%</b>	<b>(1,099,458)</b>	<b>2,196,364</b>	<b>7,425,369</b>	<b>\$14.23</b>	<b>0.4%</b>

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**Lincoln**