

# Industrial Report

**Greater Boston**

Q4 2025

**Lincoln**

# Contents

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02

Overview

---

05

Investment Sales

---

03

Leasing Trends

---

06

Industrial Stats

---

06

Development

# Overview

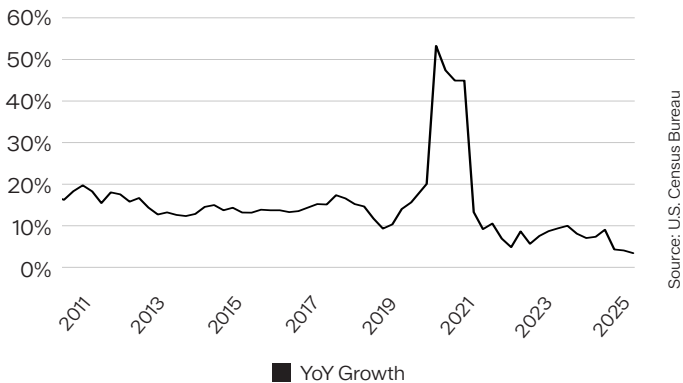
Vacancies in the Boston Metro market decreased by 50 basis points to 7.3% across flex and warehouse properties. This decrease in vacancy can be attributed to the warehouse market, where vacancy decreased by 60 basis points. The total availability rate is at 10.7%– its highest level in 10 years.

Leasing volume increased year-over-year, ending 2025 at 8.2 million square feet—a 454,770-square foot increase from 2024. While early 2025 leasing was driven primarily by large deals of over 100,000 square feet, activity in Q4 was within the 25,000 to 50,000-square foot range. Fundamentals for flex properties across the metro remain at a ten-year high, with vacancy at 10.9% and availability at 14.2%. While tariff activity began to stabilize, business owners across industries continued to navigate the ever-changing regulatory and economic landscape.

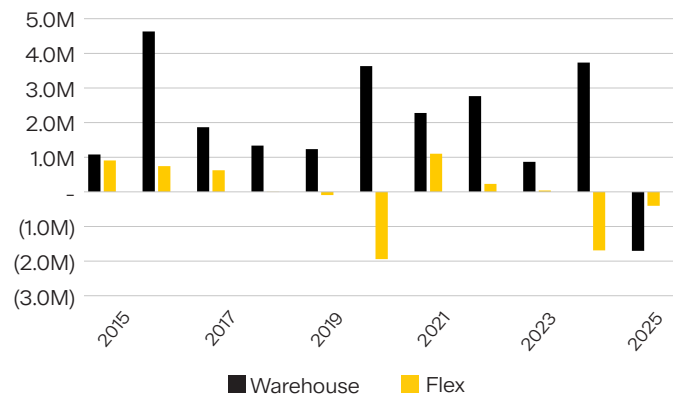
## Looking Forward

Industrial demand slowed due to inflation, high interest rates, and stabilization from pandemic-era growth trends. Meanwhile, rate cuts in September and December boosted confidence in the market, but additional rate cuts are not expected. While e-commerce growth continued to decelerate from a pandemic-era high, the holiday season provided some relief for retailers and gave useful insight into consumer activity and trends.

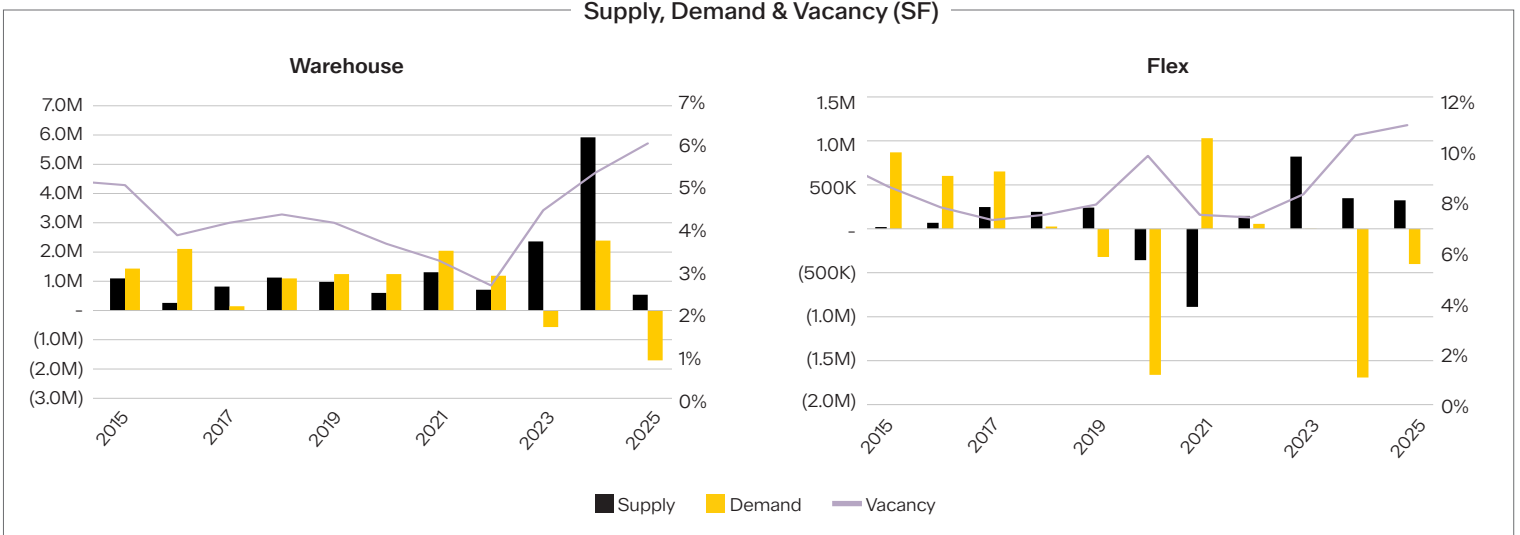
Annual Growth in E-Commerce Sales - US



Net Absorption (SF)  
Warehouse vs. Flex



Supply, Demand & Vacancy (SF)



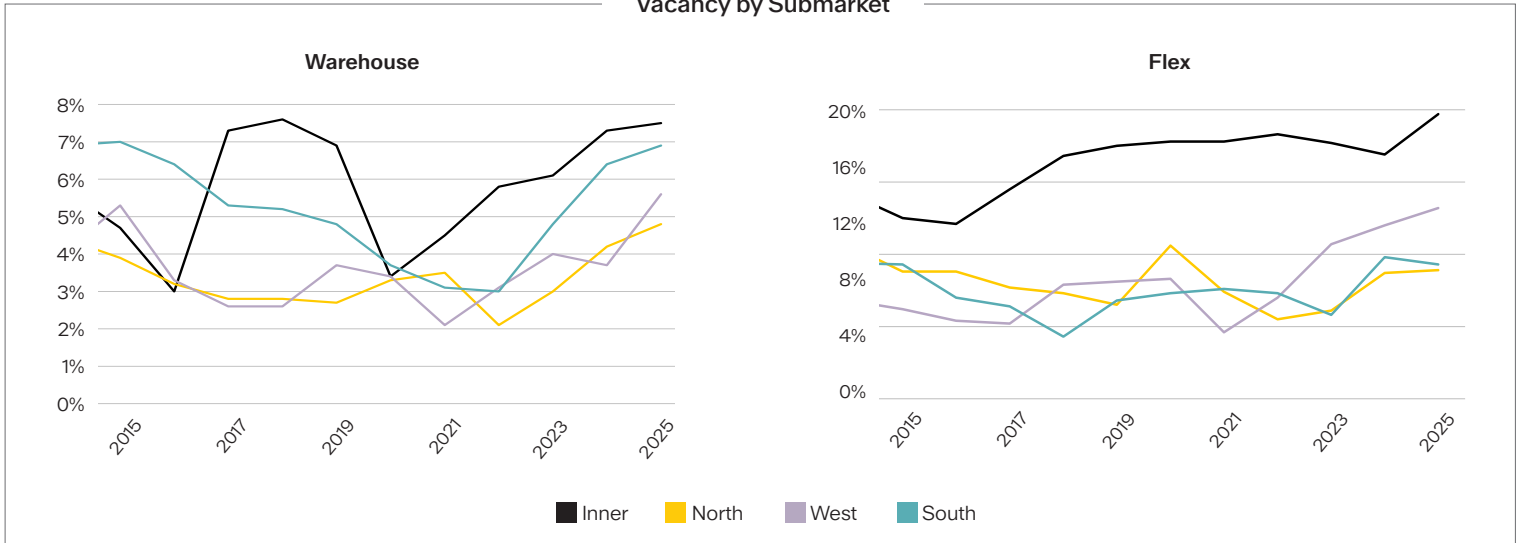
# Leasing Trends

Flex and warehouse deals accelerated year-over-year after leasing volume fell to a 20-year low in 2024. Strong leasing activity in the second and third quarters of 2025 brought the market closer to pre-pandemic levels.

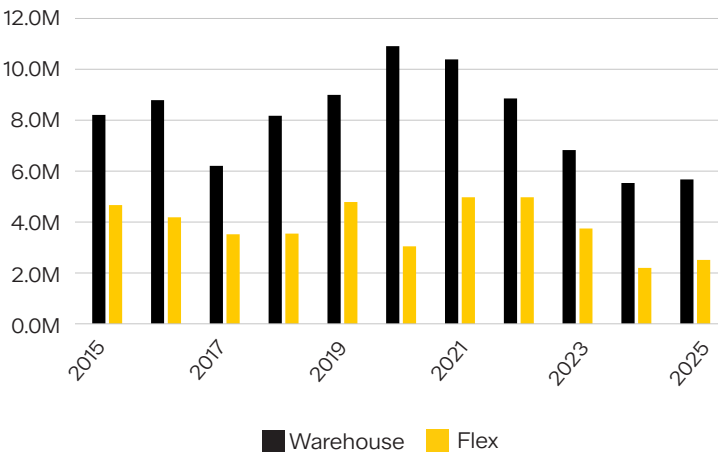
Despite year-over-year improvements, quarter-over-quarter leasing volume decreased by over 50% in Q4 to 785,834 square feet—a sharp decline from nearly 2 million square feet in Q3.

Although leasing volume declined, vacancy compressed, decreasing by 60 basis points due to several significant leases signed during the period. National DCP signed a 252,000-square foot renewal at 150 Depot Street in Bellingham. Also in 495 South in Bellingham, New England Appliance Group leased 124,000 square feet at 206 Mechanic Street, making it the sole tenant in the new industrial building. Overall, uncertainty in trade and labor dynamics led to tenants delaying relocations as they wait for a more stable market.

Vacancy by Submarket



Leasing (SF)  
Warehouse vs. Flex



Top Leases

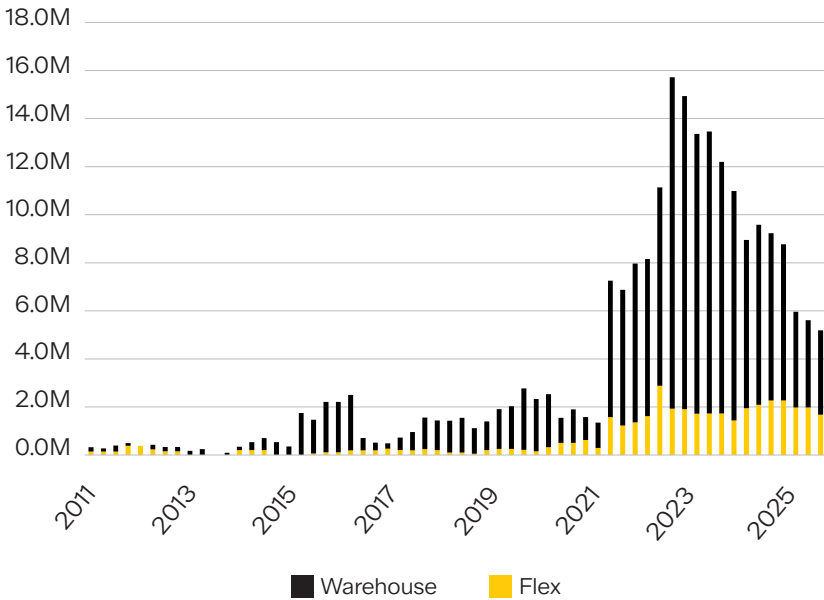
	SF
<b>GSC USA</b> 175 Pioneer Drive, Leominster   495 Route 2	213,000
<b>New England Appliance Group</b> 206 Mechanic Street, Bellingham   495 South	124,000
<b>Red Thread</b> 4 Executive Place, Andover   495 North	96,000
<b>Veir Inc.</b> 45 Industrial Parkway, Woburn   128 North	53,253

# Development

While the Massachusetts industrial supply remains at a historic high, the supply wave seen in recent years continued to slow. Just over 2.5 million square feet of flex space is under construction—a sharp decline from 5 million square feet in 2023.

Over 600,000 square feet of high-bay warehouse was delivered in Q4, including two new buildings at Stoughton Logistics Park, which is owned by Brookfield Properties.

## Under Construction (SF)



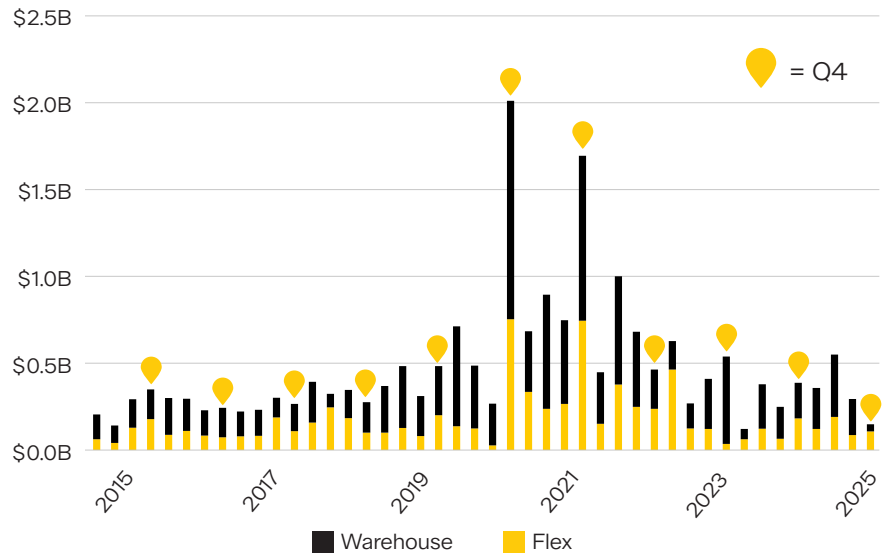
# Investment Sales

While three rate cuts were announced in 2025, a pause in rate reductions is expected in 2026.

The largest sale of Q4 was Exeter REIT's multi-property purchase in Westborough. Sold by Brookfield Properties for \$95.2 million, the industrial portfolio was 100% leased upon purchase. Also in Westborough, JP Morgan acquired 125 Fisher Street for \$32.6 million, comprising 198,000 square feet of industrial space.

Another multi-property deal was completed in the 495 Belt, with the purchase of five industrial buildings in Chelmsford for \$40.5 million. Marcus Partners and Rhino Capital acquired the buildings, which total approximately 307,000 square feet.

Quarterly Sales Volume (In Billions)



## Top Sales

	Price	PSF	Buyer	Seller
<b>1-5 Sassacus Drive &amp; 10, 25, 27 Otis Street</b> Westborough   495 West	\$95.2 Million	\$210	Exeter REIT	Brookfield Properties
<b>Multi-property Industrial Portfolio</b> Billerica & Medford   128 North	\$40.5 Million	\$132	Marcus Partners & Rhino Capital	ALTID Properties
<b>8 Roessler Road</b> Woburn   128 North	\$17.8 Million	\$265	Sagard Real Estate	Oliver Street
<b>85 Astor Avenue</b> Norwood   128 South	\$10.3 Million	\$154	DH Property Holdings & DRA Advisors	Privately Owned
<b>6 Willow Road</b> Ayer   495 West	\$6.55 Million	\$99	DH Property Holdings & DRA Advisors	Privately Owned

# Industrial Stats Q4 2025

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	3.4%	0.0%	4.6%	(22,549)	6,100	55,191	\$22.00	7.0%
495 West	40,472,503	5.8%	0.8%	9.2%	(534,463)	321,403	1,251,167	\$11.90	3.5%
<b>West Total</b>	<b>44,023,277</b>	<b>5.6%</b>	<b>0.8%</b>	<b>8.8%</b>	<b>(557,012)</b>	<b>327,503</b>	<b>327,503</b>	<b>\$14.00</b>	<b>14.5%</b>
128 North	29,298,730	6.2%	2.1%	8.9%	(301,779)	40,903	873,084	\$16.90	6.3%
495 North	43,301,517	3.8%	1.3%	6.7%	(246,076)	70,330	615,899	\$14.39	8.2%
<b>North Total</b>	<b>72,608,438</b>	<b>4.8%</b>	<b>1.6%</b>	<b>7.6%</b>	<b>(547,855)</b>	<b>111,233</b>	<b>1,488,983</b>	<b>\$14.90</b>	<b>3.8%</b>
128 South	34,590,957	6.4%	2.0%	11.3%	27,336	116,695	1,177,259	\$13.55	4.6%
495 South	81,713,456	7.1%	1.1%	10.9%	104,521	223,059	1,462,465	\$11.70	4.8%
<b>South Total</b>	<b>117,332,806</b>	<b>6.9%</b>	<b>1.4%</b>	<b>11.0%</b>	<b>(546,508)</b>	<b>339,754</b>	<b>2,639,724</b>	<b>\$12.70</b>	<b>8.5%</b>
<b>Inner Total</b>	<b>21,954,321</b>	<b>7.5%</b>	<b>0.5%</b>	<b>9.5%</b>	<b>(49,545)</b>	<b>7,344</b>	<b>238,560</b>	<b>\$20.90</b>	<b>5.7%</b>
<b>Warehouse/Industrial Total</b>	<b>256,862,179</b>	<b>6.1%</b>	<b>1.3%</b>	<b>9.5%</b>	<b>(1,700,920)</b>	<b>785,834</b>	<b>5,673,625</b>	<b>\$13.90</b>	<b>3.4%</b>

## Flex/R&D

128 West	4,333,738	16.6%	4.5%	25.8%	(124,681)	43,682	185,271	\$30.60	0.4%
495 West	20,055,161	12.5%	2.7%	14.1%	(319,069)	74,322	409,637	\$18.00	3.4%
<b>West Total</b>	<b>24,388,899</b>	<b>13.2%</b>	<b>3.0%</b>	<b>15.9%</b>	<b>(443,750)</b>	<b>118,004</b>	<b>594,908</b>	<b>\$20.10</b>	<b>1.7%</b>
128 North	15,329,498	5.9%	2.9%	9.5%	63,783	106,145	667,315	\$22.00	4.1%
495 North	18,210,381	11.5%	1.6%	14.7%	(111,037)	157,997	452,848	\$16.14	1.4%
<b>North Total</b>	<b>33,539,879</b>	<b>8.9%</b>	<b>2.2%</b>	<b>12.3%</b>	<b>(47,254)</b>	<b>264,142</b>	<b>1,120,163</b>	<b>\$18.90</b>	<b>2.9%</b>
128 South	9,644,380	8.4%	0.7%	11.5%	2,562	125,221	497,599	\$18.20	5.6%
495 South	11,255,831	10.1%	3.0%	16.8%	167,180	28,610	182,799	\$15.30	2.1%
<b>South Total</b>	<b>20,892,124</b>	<b>9.3%</b>	<b>1.9%</b>	<b>14.3%</b>	<b>169,742</b>	<b>153,831</b>	<b>680,398</b>	<b>\$16.90</b>	<b>4.9%</b>
<b>Inner Total</b>	<b>6,188,125</b>	<b>19.7%</b>	<b>0.9%</b>	<b>18.5%</b>	<b>(79,754)</b>	<b>6,800</b>	<b>116,034</b>	<b>\$32.02</b>	<b>4.0%</b>
<b>Flex Total</b>	<b>84,318,164</b>	<b>10.9%</b>	<b>2.3%</b>	<b>14.2%</b>	<b>(401,016)</b>	<b>542,777</b>	<b>2,511,503</b>	<b>\$20.00</b>	<b>4.5%</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>6.5%</b>	<b>1.3%</b>	<b>9.8%</b>	<b>(1,780,674)</b>	<b>792,634</b>	<b>5,789,659</b>	<b>\$14.47</b>	<b>3.5%</b>

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**Lincoln**