

Industrial/Flex

Q2 2024

Route 128 | Route 495 | Southern NH



Spec Space No More

Reversing the trend of speculative development, landlords are now more likely to wait for a tenant commitment than to undergo spec buildouts — a shift that signals a more conservative approach.



Make It Make Sense

It's difficult for many occupiers to financially justify a relocation under current economic conditions and with sticky rents. Renewals are increasingly becoming the best business decision.

Greater Boston's industrial market varies drastically by submarket. Many submarkets are constrained by little product. If development activity picks up in those areas, we expect rents to spike in response.

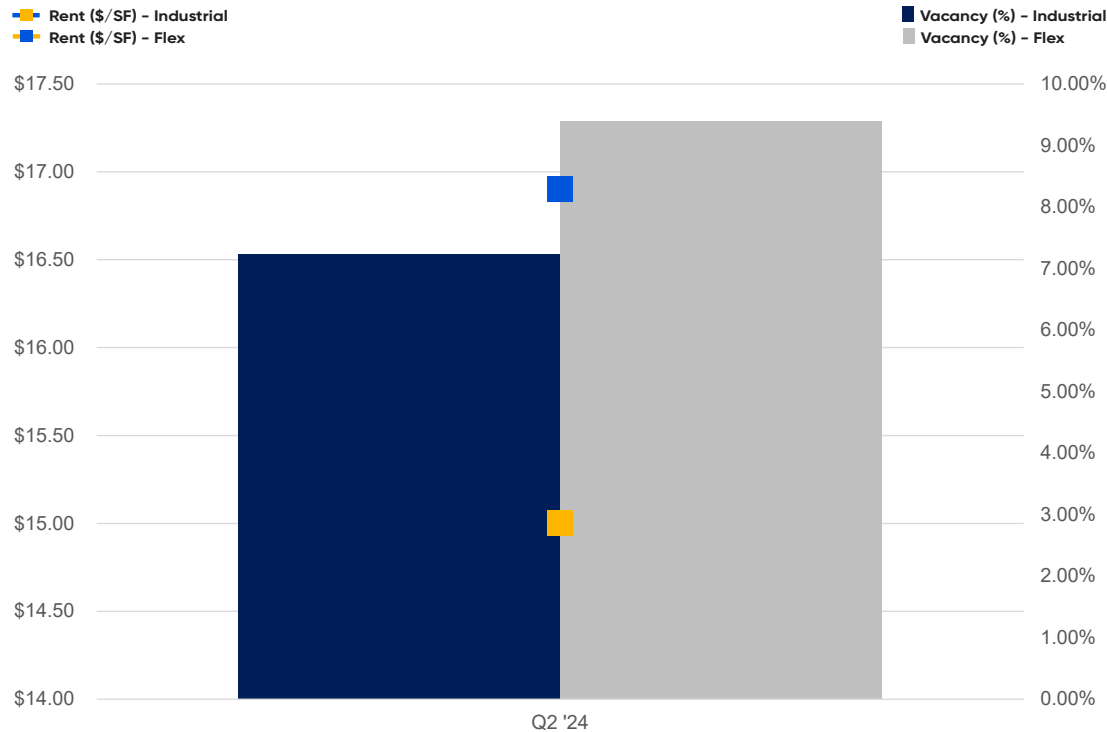
The industrial/flex market remains tight, particularly for smaller blocks of space, but softening has begun with concessions in TI packages and free rent. Where industrial/flex demand has dipped, touch tech and clean tech groups have stepped in to fill the void. As with the suburban office market, industrial renewals are more appealing than relocations given the high construction costs, persistent interest rates, and shortage of new construction.

Large users requiring 100k+ SF have several available spaces on the market. While landlords are still holding out to avoid subdividing large floor plates, we may begin to see some give in to meet demand for smaller spaces.

	Market Size	Vacancy	Sublease	Available
Industrial	141,884,416 SF	7.2%	1.5%	11.6%
Flex	56,247,809 SF	9.4%	2.1%	13.4%

Historical Rent and Vacancy

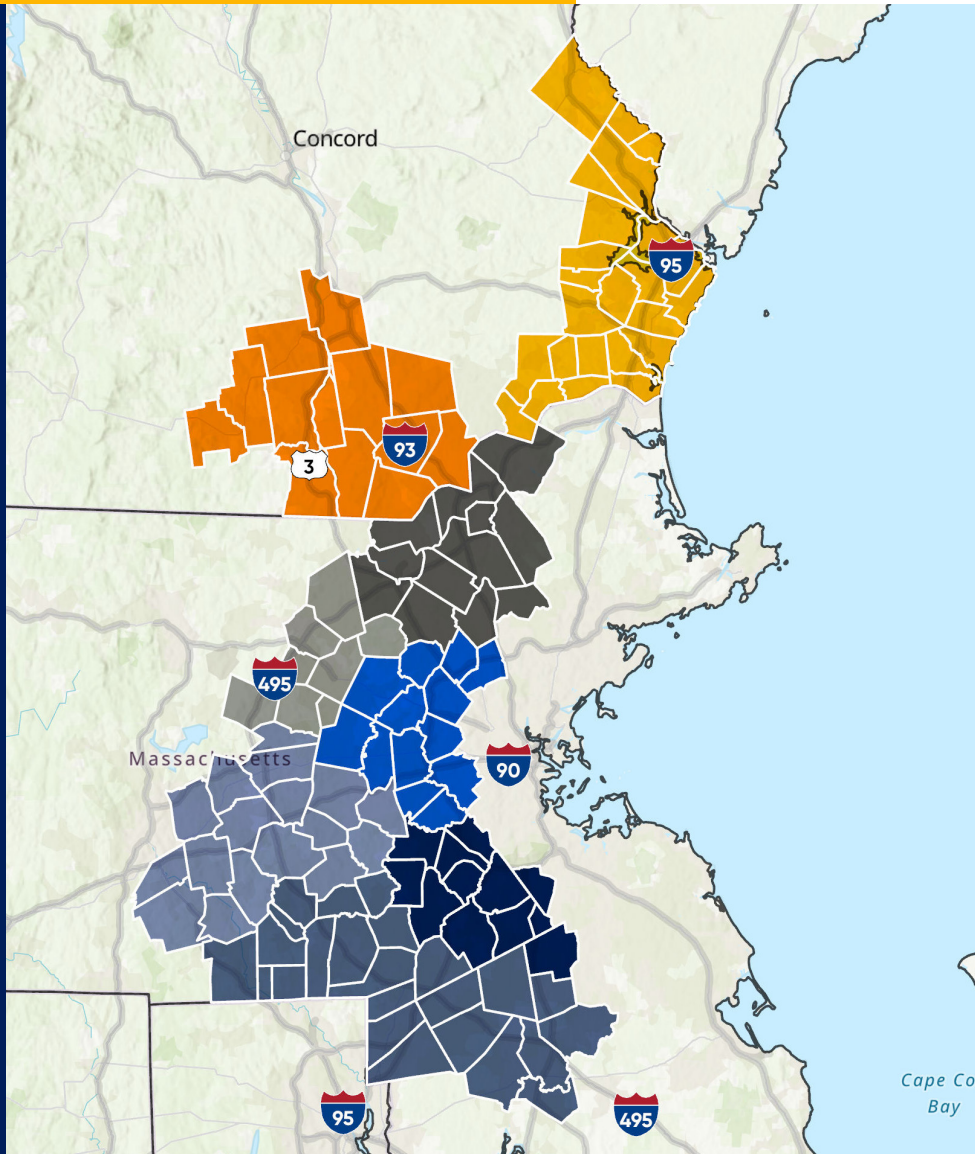
Note: Q2 2024 is the first quarter that Cresa Boston has tracked this market.



Notable Market Transactions

Tenant	Size (SF)	Submarket	Type
Sullivan Tire	198,000	495 South (Industrial)	New Lease
Persimmon Technologies	142,000	128 Northwest (Flex)	Relocation
FedEx	112,000	495 South (Industrial)	New Lease
Nuvera Fuel Cells	111,000	495 North (Flex)	Renewal
Staples	64,200	128 South (Industrial)	New Lease





Industrial

		Market Size (SF)	Vacant	Sublease	Available	Average NNN Rent/SF
Route 495	North	20,537,263	6.2%	1.0%	9.2%	\$17.25
	Central	2,154,303	0.0%	4.5%	9.2%	\$15.00
	Metrowest	10,403,472	7.5%	0.6%	13.4%	\$15.75
	South	39,052,560	9.7%	1.7%	15.8%	\$13.50
	Total	72,147,598	8.1%	1.4%	13.4%	\$14.94
Route 128	Northwest	9,244,515	4.1%	0.3%	9.2%	\$20.50
	South	13,991,564	8.5%	4.9%	17.9%	\$16.50
	Total	23,236,079	6.8%	3.1%	14.5%	\$18.09
Southern NH	Seacoast	11,432,452	4.8%	0.7%	7.1%	\$13.00
	Route 3/Route 93	35,068,287	6.5%	0.8%	7.7%	\$13.75
	Total	46,500,739	6.1%	0.7%	7.6%	\$13.57

Flex

Route 495	North	17,523,149	11.1%	3.8%	15.7%	\$19.50
	Central	2,526,031	6.7%	0.0%	10.2%	\$16.50
	Metrowest	6,321,803	5.3%	2.1%	10.3%	\$17.00
	South	6,971,334	9.7%	1.7%	14.9%	\$12.96
	Total	33,342,317	9.4%	2.7%	14.1%	\$17.43
Route 128	Northwest	7,389,007	5.5%	2.2%	9.5%	\$23.50
	South	4,634,022	9.3%	0.6%	15.0%	\$9.72
	Total	12,023,029	7.0%	1.6%	11.6%	\$18.19
Southern NH	Seacoast	2,815,962	8.8%	2.0%	10.9%	\$13.50
	Route 3/Route 93	8,066,501	13.3%	0.1%	13.9%	\$14.00
	Total	10,882,463	12.1%	0.6%	13.1%	\$13.87

Meet the Team



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About Cresa Boston

Cresa is the world's largest commercial real estate advisory firm that exclusively represents occupiers and specializes in the delivery of fully integrated real estate solutions. We work with our clients to align their business plans and their real estate needs, increase their productivity, and consistently save them money — results that have earned us numerous industry awards along the way. Our team of real estate advisors, project managers, strategic planners, analysts, and space planners listen to tenants' needs, meticulously research market conditions, firmly negotiate terms, and manage the design and construction of projects to customize the best possible occupancy solutions.

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