



# Q2 <sup>2025</sup> REPORT

Greater Boston Market Report  
R.W. HOLMES COMMERCIAL REAL ESTATE

# R.W. HOLMES MID-YEAR UPDATE

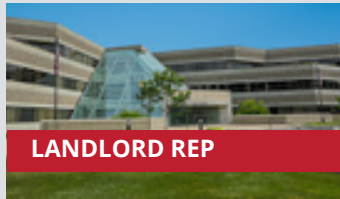
GREATER BOSTON REAL ESTATE ADVISORS



**LANDLORD REP**

**Raynham, MA**  
Ryan Industrial Park

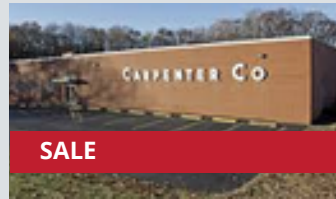
**160,000 SF**  
100% Leased



**LANDLORD REP**

**Lincoln, MA**  
Lincoln North

**130,000 SF**  
100% Leased



**SALE**

**Leominster, MA**  
320 Industrial Road

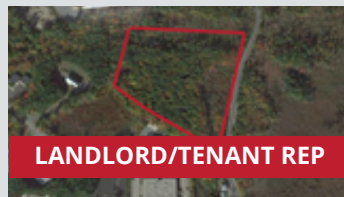
**46,200 SF**  
Industrial



**TENANT REP**

**Franklin, MA**  
5 Fisher Street

**45,345 SF**  
Industrial



**LANDLORD/TENANT REP**

**Milford, MA**  
31 Beaver Street

**35,040 SF**  
Industrial



**LANDLORD REP**

**Franklin, MA**  
124 Grove Street

**23,593 SF**  
Office



**LANDLORD/TENANT REP**

**Littleton, MA**  
9 Beaver Brook Road

**20,084 SF**  
Industrial



**TENANT REP**

**Mansfield, MA**  
15 Hampshire Street

**18,000 SF**  
Office



**LANDLORD/TENANT REP**

**Northboro, MA**  
100 Bearfoot Road

**13,200 SF**  
Industrial/Flex



**TENANT REP**

**Lexington, MA**  
1 Hartwell Place

**10,437 SF**  
Office



**TENANT REP**

**Santa Clara, CA**  
Mission Towers

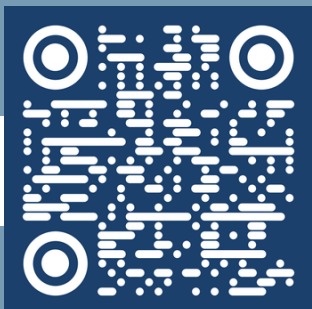
**11,162 SF**  
Office



**TENANT REP**

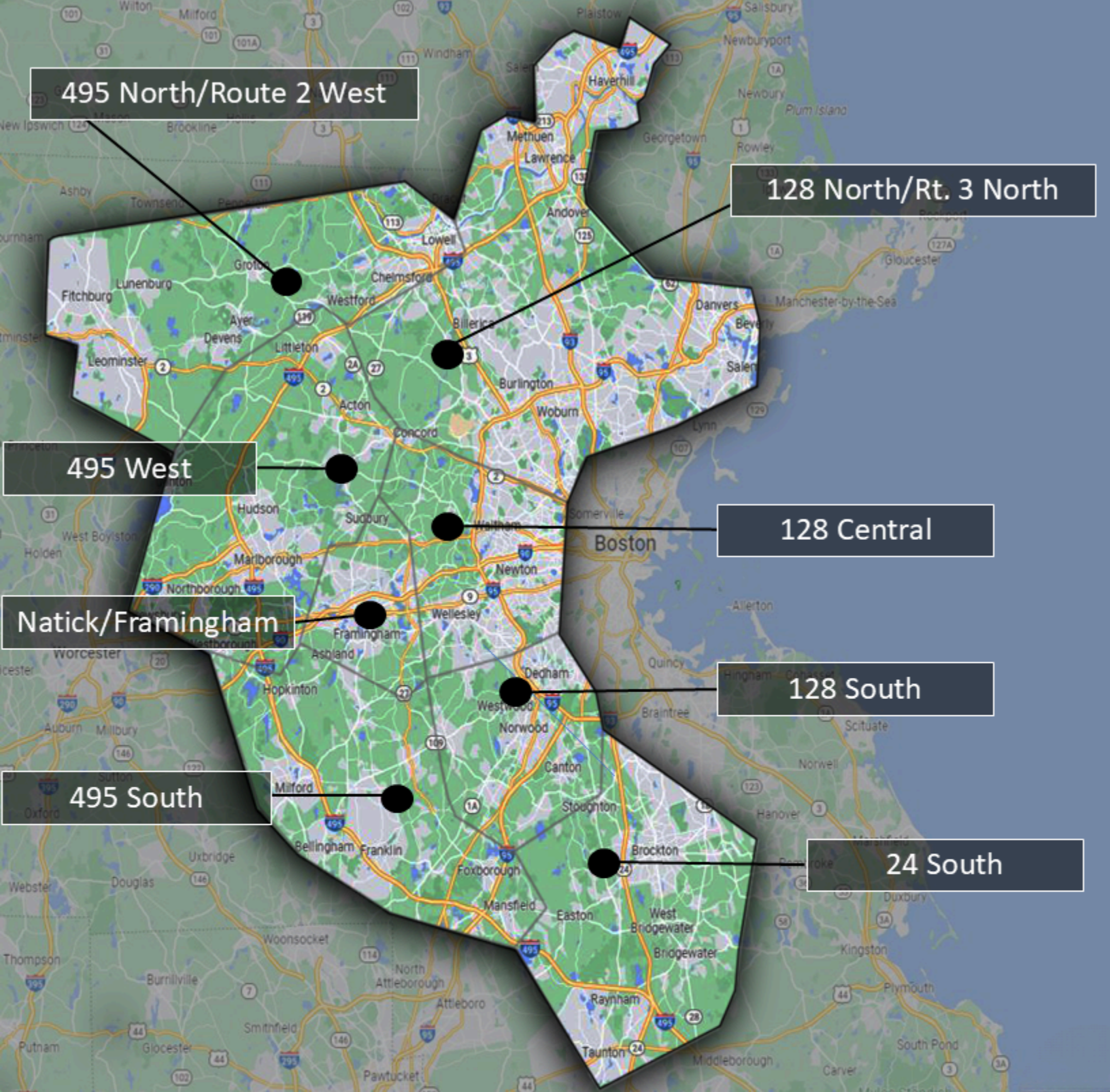
**Billerica, MA**  
85 Rangeway Road

**8,097 SF**  
Office



ALL CURRENT LISTINGS

[RWHOLMES.COM/LISTINGS](http://RWHOLMES.COM/LISTINGS)



Q2 2025

# SUBMARKET DATA

GREATER BOSTON SUBMARKETS

# 128 CENTRAL | OFFICE

## SUBMARKET RECAP

- Q2 2025 marked a post-pandemic high for large Central 128 office deals, driven by expansions and Class A demand:** Q2 2025 recorded the highest volume of deals over 10,000 SF that Central 128 has seen since the pandemic. The numerous large transactions show a positive trend toward corporate confidence in their real estate needs long term and commitment to office space. It is important to note that each of the large deals occurred in Class A, well-amenitized office buildings. Additionally, several of the landlords saw success with reducing vacancy due to existing tenant expansions, as seen with Boston Dynamics expanding into the neighboring Deciphera space of 44,000 SF at 200 Smith Street in Waltham.

## NOTEWORTHY NEWS

- Subleases continue to lead activity in Central 128, favored for their turnkey space and discounted rates:** Subleases continue to be a major part of the deal transactions occurring in Central 128. With construction costs posing a major hurdle for most office deals, the subleases that offer discounted rates and move-in-ready, modern spaces have been the suites that most quickly lease. Recent examples include CyberArk relocating to IDG's sublease at 140 Kendrick Street in Needham, and AVS Pulse subleasing Dragonfly TX's 40,000 SF at 180 Third Avenue in Waltham.
- Local buyers are stepping in as pricing shifts create rare opportunities in Central 128:** We remain confident in the trend of office buildings in Central 128 being re-allocated to local landlords, a shift from the years of large REITs and institutional investors – many of which are out of state. In addition to the several owner-occupant sales of Q1, this quarter saw the closing of 160 Gould Street in Needham. The 135,000 SF building was sold to Riverside Properties, a locally based landlord. These local landlords have been patiently waiting for a pricing correction, and many have cash ready to be deployed. With pricing beginning to show signs of value, these local owners have a rare opportunity in the Central 128 submarket.
- Wellesley's market is evolving as key assets hit the market and redevelopment gains momentum:** Wellesley continues to see an evolving commercial real estate market, as Haynes brought their Washington Street portfolio to market this quarter. The site includes 7 office buildings and several abutting multi-family units. The 10+ acre site is prime for future redevelopment, but will require work with the city to determine what mixed-use opportunities will be considered. Additionally, 93 Worcester Street – the former Harvard Pilgrim HQ – will be going to auction in July. The 300,000 SF office/lab building is currently less than 50% occupied. We will be watching closely to see what the pricing will be for a distressed asset that is so well located. Additional redevelopment could be on the horizon for 151 Linden Street, which was sold to Dinosaur Capital, and Taylor Block (the properties on Washington, Grove, and Spring Streets) that are under agreement with another local landlord.

## WHAT WE WILL BE WATCHING

- Large deals aside, leasing remains slow with softening rents and long timelines.** While the uptick in large office transactions is a positive note for the market, it is important to note that the leasing activity continues to be slow to transact and less dynamic than many would hope. Landlords in Class A- and B product who can afford to drop rents have discounted their average rental rates by \$1-5/SF to fill lingering holes. The average time to lease in the market still remains at 15 months. So, while some large deals to help improve vacancy is encouraging, the overall market remains slow for most available spaces.

## RECAP OF SUBMARKET HEALTH



**31,351,000**  
TOTAL SQUARE FEET



**21.75%**  
VACANCY RATE



**\$39.00/SF**  
AVERAGE RATE (GROSS)  
CLASS A & B SPACES



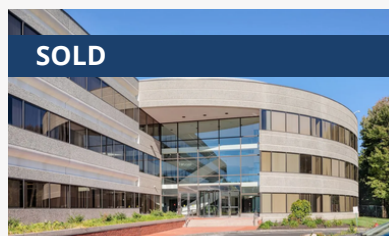
**321,000 SQUARE FEET**  
UNDER CONSTRUCTION

## NOTEWORTHY TRANSACTIONS



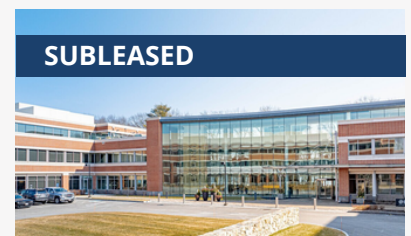
**LEASED**

**WALTHAM, MA** 1050 Winter Street  
162,000 SF to Anduril Industries



**SOLD**

**NEEDHAM, MA** 160 Gould Street  
\$19,000,000 (\$140/SF) to Riverside Properties



**SUBLEASED**

**NEEDHAM, MA** 140 Kendrick Street  
90,000 SF to CyberArk

# 128 NORTH/RT. 3 NORTH | OFFICE

## SUBMARKET RECAP

- **Absorption still negative but showing signs of stabilization:** Q2 was a net negative of about 24,000 SF, causing a slight uptick in vacancy but demonstrated a comparative bright spot that signals a stop to the hemorrhaging from Q2 2021 to Q2 2024, where absorption averaged -300,000 SF quarter over quarter. Q2 tallied over 440,000 SF in new leasing activity, which is right around the average for the last six quarters.
- **Users seize buying opportunities:** Q2 saw two notable trades to users: Northeastern University purchasing 4 Burlington Woods for \$301/SF, about a third of what it traded for in 2022 as a fully leased lab building. In Chelmsford, Incompass Human Services, a non-profit, purchased 4 Omni Way for about \$130/SF for their operations. In the case of Incompass, the sale was an upward trade from when the 80,000 SF building traded for \$40/SF in 2017.

## NOTEWORTHY NEWS

- **Tenants target Class B buildings and I-495 for value:** Out of a total of 440,000 SF of new leasing activity, about 200,000 SF were in B buildings towards the I-495 belt, signaling a trend in tenants finding value. Rents along I-495 typically range between the high teens to low \$20s/SF. A reset in basis for obsolete or vacant buildings has led to an ability for new owners to offer competitive product to tenants at a discount from what rents have historically been. On the sale side, this provides a double-edged release valve to sellers: Sell at a discount basis (\$30-\$60/SF) and to an investor to re-tenant/upgrade the building or identify a user that can pay a premium of \$100/SF-\$130/SF.

## WHAT WE WILL BE WATCHING

- **Steady leasing and repurposing could improve vacancy trends:** If leasing activity holds at an average of about 440,000 per quarter (about 0.9% of the entire supply) while absorption remains near what it was in Q2, we will see a positive shift in vacancy for the first time since Q4 2023. If this trend is paired with repurposing or scraping of vacant or obsolete assets, we can expect to see a greater trend of absorption in the market.
- **Rents hold firm as concessions continue to rise:** Market rents have not budged in the face of rising vacancy rates. Concessions for tenant improvement costs now average between \$6-\$7/SF per year in the Class A market, and between \$4-\$5/SF per year in the Class B market. Free rent periods also continue to rise in re-let instances where improvements are not as robust.

## RECAP OF SUBMARKET HEALTH



49,300,000  
TOTAL SQUARE FEET



18.50%  
VACANCY RATE

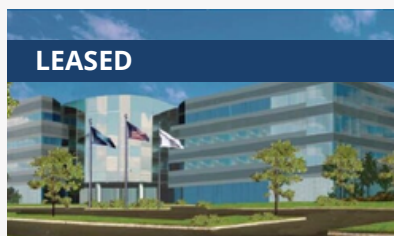


\$28.25/SF  
AVERAGE RATE (GROSS)  
CLASS A & B SPACE



0  
SQUARE FEET  
UNDER CONSTRUCTION

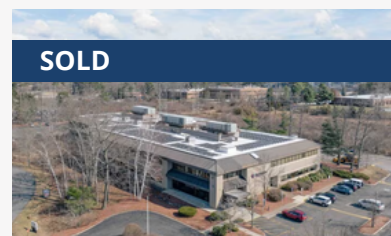
## NOTEWORTHY TRANSACTIONS



**BILLERICA, MA** 800 Technology Park Dr.  
78,000 SF to Medtronic



**BURLINGTON, MA** 4 Burlington Woods  
\$33,000,000 (\$301/SF)  
to Northeastern University



**CHELMSFORD, MA** 4 Omni Way  
\$10,700,000 (\$130/SF)  
to Incompass Human Services

# NATICK/FRAMINGHAM | OFFICE

## SUBMARKET RECAP

**Q2 brought 70,000 SF of negative absorption in Natick/Framingham, driven by large move-outs:** In the second quarter, the Natick Framingham submarket lost some ground with about 70,000 SF of negative absorption coming back to the market. This influx can be attributed to two buildings giving back roughly 83,000 SF of office space. At 175 Crossing Boulevard, 53,718 SF will be coming back on the market between two different companies. Additionally, at 10 Burr Street (just off Speen), long-time owner/occupier J.F. White Contractors will be moving their headquarters for the first time in over 25 years, leaving behind 30,000 SF available for lease in September as they take a smaller space at 111 Speen Street. It is clear that the vacancy numbers might be far worse if it were not for the deal inked at 100 Crossing.

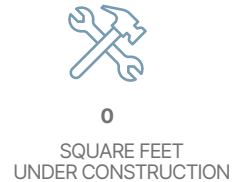
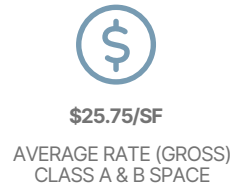
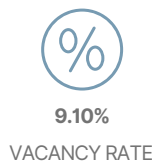
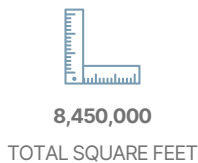
## NOTEWORTHY NEWS

- **Brown & Brown’s 36,000 SF lease at 100 Crossing marks the largest office deal of the year:** Brown & Brown, a global insurance firm headquartered in Daytona Beach, is reportedly set to lease the entire second floor—about 36,093 SF—later this year. This brings Jadian Capital’s building from over 50% vacant to nearly 90% leased with this single deal.
- **Uwill expands into 13,500 SF at 1075 Worcester Road in Natick:** The mental health and wellness provider, just named one of the BBJ’s Fast 50: Fastest-growing private companies in MA, will grow into the most of top floor of the building, reinforcing the trend of service-sector users absorbing office space.

## WHAT WE WILL BE WATCHING

**Framingham sees record pricing for industrial land with IOS potential:** At first glance, paying nearly \$500/SF for an 8,520 SF single-story industrial building on 4.7 acres of land in Framingham might seem like a steep price. The investor’s new intended use? Industrial Outdoor Storage, or IOS, which in other parts of the country has quickly become the hot new buzzword. What is also interesting is that neither Sanofi nor Bose chose to acquire the site, which sits directly in the shadow of both corporate campuses. In years past, this would have been an automatic grab if for nothing more than a landbank play for future use. However, with the limited demand for office and biotech, it is still very interesting to see an industrial site achieving the same or higher price per SF due to the use of IOS.

## RECAP OF SUBMARKET HEALTH

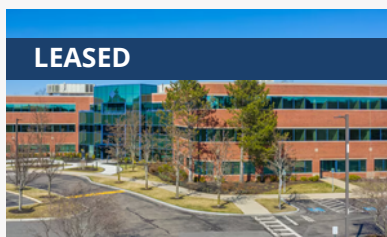


## NOTEWORTHY TRANSACTIONS



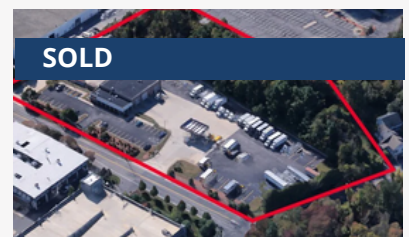
**SOLD**

**FRAMINGHAM, MA**  
135 Newbury Street  
\$5,400,000 (\$269/SF)  
to VG 135 Newbury LLC



**LEASED**

**FRAMINGHAM, MA**  
100 Crossing Boulevard  
36,093 SF to Brown & Brown



**SOLD**

**FRAMINGHAM, MA**  
92 New York Avenue  
\$4,300,000 (4.71 Acres)  
to 92 NY Partners LLC

# I-495 WEST | OFFICE

## SUBMARKET RECAP

- **Leasing activity drops 10%, driven by small deals:** This quarter saw a 10% drop in leases signed, compared to Q1, with the majority of deals completed being in the 1,000-2,000 SF range.
- **Few large deals, both in high-end space:** There were just two deals over 10,000 SF: one was a 13,500 SF deal inked at 100 Campus Drive, Marlborough, one of the trophy office assets in the Boros. The other was Facilis, which took an 11,006 SF sublease from Health Plans at 1500 West Park Drive in Westborough. The commonality is that both spaces provide high-end finishes throughout the suite.
- **130 Lizotte Drive conversion could set a market trend:** A lot of eyes are on 130 Lizotte Drive, a 100,000 SF office building, whereby Ferris Development has applied for a special permit to convert the site into 74 Residential units. They're also proposing two additional buildings, which would bring the total to 187 units. Many other vacant or underperforming properties will be watching this process as it plays out.

## NOTEWORTHY NEWS

- **Owner-users remain the dominant buyers:** AFSCME (American Federation of State, County, and Municipal Employees) purchased 116 Flanders Road in Westboro from Carruth Capital. We anticipate owner-users will continue to make up the majority of buyers for office product.
- **Former Dell/EMC site attracts renewed interest:** Keep an eye on the former Dell/EMC site (recently acquired by Atlantic Management) located just off Route 9 and the I-495 interchange. After years of underutilization, the site is attracting significant user interest, signaling that it may soon be repositioned to its "highest and best use".

## WHAT WE WILL BE WATCHING

- **Leasing slowdown likely to persist, creating 2026 buying opportunities:** We don't expect leasing activity to pick up noticeably for the balance of 2025. As the office leasing malaise continues, investors remain on the sidelines. Non-performing properties are losing more ground on occupancy levels, which should create some attractive buying opportunities for 2026.
- **High vacancy persists as 42 buildings offer 10,000+ SF blocks:** With 42 buildings having over 10,000 SF of contiguous space available, we do not expect to be highlighting positive absorption any time soon.
- **Major givebacks expected as 2026 lease expirations approach:** At least two 50,000+ SF tenants with leases expiring in 2026 are planning to give back substantial portions of their space. Once finalized, expect their new footprints to be roughly 50% smaller than their current ones.

## RECAP OF SUBMARKET HEALTH



## NOTEWORTHY TRANSACTIONS



**WESTBOROUGH, MA**  
116 Flanders Road  
\$5,800,000 (\$149/SF) to AFSCME



**MARLBOROUGH, MA**  
100 Campus Drive  
13,538 SF to Dupont



**WESTBOROUGH, MA**  
1 Research Drive  
8,000 SF to A. J. Gallagher

# 128 NORTH/RT. 3 NORTH | INDUSTRIAL

## SUBMARKET RECAP

- **Vacancy flat, leasing activity steady:** Market vacancy was flat for Q2, remaining at a historical high but healthy 8%. Q2 also saw over 1,000,000 SF of new leasing activity, leading to a slightly positive net absorption rate for the quarter, a remarkable statistic given the amount of new supply that has entered the market. If leasing activity is continued at this pace, vacancy will compress before any new deliveries break ground and contribute to supply. In short, now is a good time for tenants to enter the market.
- **Strong sales activity for both stabilized investments and users:** Over 1,600,000 SF of industrial real estate traded to new owners in Q2 at a volume of \$381,000,000. These numbers are the highest since Q1 2021's record of over \$771,000,000 in volume. This is a positive sign for anyone who has developed a speculative industrial project in the North submarket, given the pace of leasing in new generation deliveries. Notable sales included Davis' exit of Upton Crossing in Wilmington for \$340/SF, Camber's sale of 101 Billerica in Billerica for \$242/SF, and Marcus Partners/Howland Development's sale of 64 Research in Haverhill for \$269/SF.

## NOTEWORTHY NEWS

- **Large block users finding value in ownership:** Q2 2025 also saw a high number of users purchasing large blocks of space. Veolia buying 80,000 SF at 30 Log Bridge in Middleton (\$188/SF), Finishing Trades Institute of NE buying 128,000 SF at 120 Stedman in Lowell (\$171/SF), Raymour & Flanigan Furniture buying 167,000 SF at 240 Industrial Ave E in Lowell (\$182/SF), and the MBTA buying 40,000 SF at 1400 Iron Horse Park in Billerica (\$152/SF).

## WHAT WE WILL BE WATCHING

- **Vacancy rates, availability, and pro-forma rents:** The development pipeline is now dwindling, with only about 378,000 SF in the immediate pipeline. Of that pipeline, approximately 170,000 SF is already leased. R.J. Kelly's 100,000 SF project at 600 Griffin Brook in Methuen and Dov Herz's 91,000 SF project at 270 Billerica in Chelmsford are the only two spec projects underway. We are now in a plateau of development where leasing activity and no new deliveries should create some equilibrium. Rents in new construction have comped out at about 10-15% below target pro-forma rents over the last year and a half. As availability diminishes, we should see rents rise towards those pro-forma target rents in existing vacancies.

## RECAP OF SUBMARKET HEALTH



107,000,000  
TOTAL SQUARE FEET



8.00%  
VACANCY RATE



\$17.50/SF NNN  
AVERAGE RATE



378,000  
SQUARE FEET  
UNDER CONSTRUCTION

## NOTEWORTHY TRANSACTIONS



LEASED

WILMINGTON, MA 800 Salem Street  
237,000 SF to Amazon



SOLD

HAVERHILL, MA 64 Research Drive  
\$28,100,000 (\$269/SF)  
to Ares Management



SOLD

WILMINGTON, MA 38 Upton Drive  
\$72,800,000 (\$340/SF)  
to Hines Global Income Trust

# 128 SOUTH | INDUSTRIAL

## SUBMARKET RECAP

- **Warehouse and flex tenants back in the market, focused on functionality:** After a quiet start to the year, warehouse and flex tenants are actively touring again — prioritizing functionality and employee commutes over pure deal economics.
- **Sale opportunities emerging, but mostly value-add plays:** For sale inventory remains limited, with most assets requiring major capital improvements or encumbered by below-market leases. A notable example is 15 Perwal Street in Westwood — a fully tenanted, 38,000 SF industrial building from 1969 — offering a hands-on value-add opportunity amid thin inventory.
- **Landlords demise spaces to meet smaller tenant demand:** Landlords are becoming more flexible about demising space to attract more attention to their vacancies. 480 Neponset Street in Canton recently started marketing a 13,000 SF space as two 6,500 SF spaces, which will serve more of what the market is demanding, especially with the parking and highway access the property has.

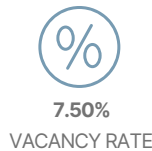
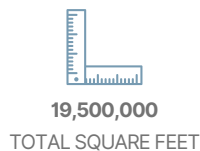
## NOTEWORTHY NEWS

- **Stoughton Logistics Park breaks ground on 880,000 SF development:** Stoughton Logistics Park construction is underway. This new ground-up park will total 880,000 SF of high bay industrial product. The initial building is 274,827 SF, subdivisible to 75,000 SF, with a delivery date of Q3 2025.
- **Strong demand for smaller industrial assets is evident this quarter, with two standout opportunities hitting the market:** 70 Hawes Way in Stoughton — a rare vacant option for owner-users or investors featuring a 15,000 SF warehouse and a 10,000 SF office building along Route 24 — and 110 Kerry Place in Norwood, a 10,200 SF fully-leased industrial property now under contract after significant market interest. Notably, Kerry Place was priced at \$170/SF with projections exceeding \$200/SF if delivered vacant, underscoring continued demand for well-located smaller buildings.
- **275 Dan Road will test the market for large, vacant single-story product:** 275 Dan Road in Canton, a 118,000 SF industrial building owned by Organogenesis, is being marketed among users and investors. It will be a good thermometer when it trades for large, vacant single-story product in a market that currently is struggling to see consistent demand above 50,000 SF.

## WHAT WE WILL BE WATCHING

- **Off-market sales still dominate, with open-market pricing under watch:** Completed sales this past quarter were off-market sales, continuing the recent trend. With a couple of properties now undergoing an open marketing process, we will be watching to see where pricing holds up based on the current market conditions, especially considering we are now in mid-high teens rent for both warehouse and flex territory for most of the submarket.
- **Landlords tighten renewal terms, pushing higher as-is rates:** Landlords are tightening renewal terms. Last quarter, Infusystems renewed at 960R Turnpike Street for \$17/SF NNN as-is. This quarter, a tenant on University Avenue reports that their landlord is asking for a \$19/SF NNN as-is renewal. We will have to see if tenants accept these high renewal rents from landlords, or if it pushes more of them out to the market.
- **Rising 128 South rents may erode its traditional cost advantage:** The 128 South market was once a haven for companies seeking rental rate relief from the 128 Central and 128 North submarkets. Now that rates in many parts of the 128 South submarket are reaching \$18/SF + NNN, we will be watching closely to see if the lessening of cost savings will result in a slowdown in demand.

## RECAP OF SUBMARKET HEALTH



## NOTEWORTHY TRANSACTIONS



**SOLD**

**NORWOOD, MA** 180 Kerry Place  
\$3,200,000 (\$118/SF) to Arris Partners



**SOLD**

**CANTON, MA** 348 Turnpike Street  
\$4,750,000 (\$121/SF) to BOSCO Crane



**RENEWAL**

**CANTON, MA** 555 Turnpike Street  
674,143 SF to Destination XL Group, Inc.

# 495 NORTH/WEST RT. 2 | INDUSTRIAL

## SUBMARKET RECAP

- **Demand slows as vacancy rises:** The vacancy rate increased to 9.1% in Q2, up from 8.6% in Q1 and 7.25% in Q2 2024. Demand has slowed significantly, with fewer active tenants in the market.
- **Rents hold steady as incentives rise:** Despite softening demand, asking rents have held at \$11.50/SF NNN. However, competing landlords are increasingly offering aggressive concessions to attract tenants.

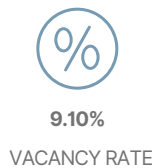
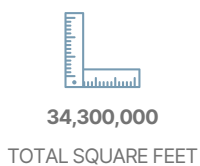
## NOTEWORTHY NEWS

- **Colonial Systems renews at One Distribution Center in Littleton:** Colonial Systems signed a long-term renewal, continuing its tenancy since 2016. While many companies remain cautious about expansion, tenant confidence in longer-term renewals appears to be strengthening.
- **Summer slowdown starts early as tours and activity drop:** Showings and tours dropped sharply this quarter, with many active tenants opting for short-term renewals. Companies cite uncertainty and a common refrain: they are "waiting to see where the market is headed."

## WHAT WE WILL BE WATCHING

- **Clean, move-in-ready space has the edge:** Modernized spaces requiring little to no tenant improvements are seeing stronger interest. Tenants are no longer willing to compromise on functionality, preferring to wait or renew short-term rather than commit to imperfect spaces.
- **Year-over-year absorption improves but uncertainty remains:** Year-over-year absorption is just under 800,000 SF — more than double last year's 390,000 SF. While not yet a sign of market strength, this uptick suggests potential for stabilization as market clarity improves.

## RECAP OF SUBMARKET HEALTH



## NOTEWORTHY TRANSACTIONS



**DEVENS, MA** 36 Saratoga Boulevard  
162,000 SF to New England Sheets



**LITTLETON, MA** 9 Beaver Brook Road  
20,047 SF to Boston Semi Equipment



**LEOMINSTER, MA** 1771 Lock Drive  
\$3,270,000 (\$128/SF)  
to 3E Moving & Storage

# I-495 SOUTH | INDUSTRIAL

## SUBMARKET RECAP

- **Small-to-mid-sized deals continue to lead I-495 South leasing activity:** The bulk of the leasing activity along the I-495 South industrial submarket continues to be with small to medium-sized transactions of 20,000-30,000 SF on average. However, the transaction volume has increased over Q1 2025. Both tenant and buyer traffic continues to migrate south along the I-495 corridor, seeking newer space opportunities where others in the Central/Metrowest submarkets do not exist. The flight to quality, employee commutes and more reasonable pricing are driving this trend.
- **Vacancy ticks up slightly as lease rates begin to settle:** As vacancy rates increase marginally to 8.5% from 8% in Q1 2025, lease rates have also begun to level off from last year's highs and tempered to an average of \$14.25/SF NNN, down modestly from \$14.50/SF NNN in Q1 2025.

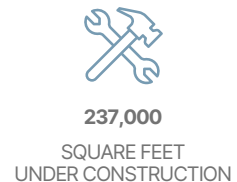
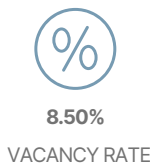
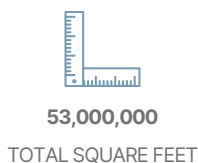
## NOTEWORTHY NEWS

- **Evermore Velocity leases 35,000 SF in Milford's first indoor slide park:** One of the significant leases signed this quarter along 495 South was a build-to-suit for 35,000 SF at 31 Beaver Street, Milford, for Evermore Velocity, LLC by Milford Realty Development, LLC. The long-term lease represents the first of its kind in New England, an indoor slide park which will open in the Spring of 2026. The location, immediately off 495, the abundance of parking, and the recognition of Milford becoming the "retail equivalent of Framingham/Natick" were driving factors in this transaction.
- **Renewals dominate as landlords offer more aggressive terms:** Renewals continue to be a dominant part of the local leasing market. With increasing vacancy, landlords are offering more competitive deals to existing tenants to prevent any additional availability with time to lease now averaging 12-14 months. Notable renewals include Plantation Products at 202 S. Washington Street in Norton for 200,000 SF, Target Specialty Products at 165 Grove St in Franklin for 27,000 SF, and Terracon at 1376 W. Central in Franklin for 18,000 SF.
- **Marcus Partners acquires Holliston flex portfolio with IOS potential:** Marcus Partners closed on another two-property flex building portfolio of 68,000 SF at 275 and 330 Hopping Brook Rd, Holliston, for \$11,200,000 (\$165/SF) from BayState Engineering, Inc. Both properties were 100% occupied and sold at a 6.25% cap rate. Marcus Partners has mentioned having interest in optimizing the excess land on the site for IOS leasing, a growing trend and focus in the Greater Boston market.

## WHAT WE WILL BE WATCHING

- **Smaller transactions expected to drive activity through year-end:** We expect the activity to continue with small to medium-sized transactions dominating the market through the balance of 2025, and the majority of larger leases to be renewals, while companies strive to increase the efficiency of existing locations and avoid moving costs, given the uncertainty and volatility of the US economy overall.
- **Larger leases delayed but still on the horizon:** Despite more tours and interest from larger users, Q2 did not have much for leases over 20,000 SF. Almost all I-495 South leases were under 30,000 SF. We expect to see larger transactions getting inked later this year, but the uncertainty from the tariffs earlier in 2025 delayed any major transactions for Q2.

## RECAP OF SUBMARKET HEALTH



## NOTEWORTHY TRANSACTIONS



**SOLD**

**HOLLISTON, MA**  
275 & 330 Hopping Brook Road  
\$11,200,000 (\$165/SF)  
to Marcus Partners



**RENEWAL**

**NORTON, MA**  
202 S. Washington St.  
200,000 SF to Plantation Products



**SOLD**

**ASHLAND, MA**  
400 Main St., Bldgs. 1 & 2  
\$27,900,000 (\$128/SF)  
to Rhino Capital Advisors

# RT. 24 | INDUSTRIAL

## SUBMARKET RECAP

- **Peak rents hold — but subleases and low-basis owners apply pressure:** Industrial rents continue to remain at their peak rates; however, sublease space and some low-basis landlords are putting pressure on these rates. One example is a prime sublease 20,000 SF space at 27 Doherty Drive, Avon Industrial Park, offering the space starting at \$10.00/SF, NNN. Another is 61 Strafello Road, Avon, offering a 60,000 SF sublease at \$8.00/SF NNN. Typical lease rates for these types of space are in the \$14.00 to \$17.00/SF NNN range.
- **Oversupply of large high-bay properties becoming a growing concern:** The glut of newly constructed and existing high-bay properties over 100,000 has now become a real concern. Some newly constructed buildings, ranging in size from 200,000 – 400,000 SF, have remained vacant for nearly two years. Meanwhile, even the well-located spaces continue to struggle, with many remaining vacant despite demand in other sizes. We have started to see a few of these large, high-bay properties quietly being marketed for sale off-market as some institutional owners decide to cut ties with the lingering vacancy properties.

## NOTEWORTHY NEWS

- **Two 80,000+ SF leases highlight Q2 activity:** The Rt 24 market saw two notable deals over 80,000 SF this quarter - JC Higgins committing to 86,000 SF in STAG Industrial's property at 55 Bristol Dr in Easton and Arocam Sports renewing their 81,000 SF lease at 605 Myles Standish Boulevard in Taunton.
- **Marcus Partners sells portfolio to Ares Management:** Highlighting the purchase and sale transactions was Marcus Partners who divested themselves of a two-property distribution portfolio of 192,000 SF consisting of an 88,000 SF warehouse at 20 Constitution Blvd, Taunton, and a 104,000 SF warehouse at 64 Research Drive, Haverhill, for \$50,000,000 (\$260/SF) to Ares Management Corp. Both properties were 100% occupied. 20 Constitution Drive was a functionally obsolete office building that was acquired in 2021. The property was rezoned for industrial use and demolished to make way for the development of a state-of-the-art 88,000 SF high-bay facility for Wayfair in 2022.
- **Equity Industrial upgrades East Bridgewater asset for modern use:** At 600 N. Bedford Street, East Bridgewater, Equity Industrial Partners raised the roof 12' to a clear height of 28' over a 44,000-square-foot section of the 300,000-square-foot building. The upgrade substantially increases the appeal for warehouse users.
- **Rexa, Inc. to build \$33M facility in Middleborough with TIF support:** Rexa, Inc. intends to build an 110,000 SF office and manufacturing facility on West Grove Street in Middleborough, subject to finalizing a TIF agreement with the Town. The project represents \$33,000,000 investment according to a letter submitted to Town officials. Rexa will be relocating from West Bridgewater.

## WHAT WE WILL BE WATCHING

- **Leasing velocity slows as competition for tenants increases:** Industrial inventory continues to grow as demand becomes more sporadic. The average space that leased within 3 months is now taking up to 9 months to lease. Landlords now have to compete harder for tenants, offering more tenant incentives, improvements, free rent, and lower rates than they would like.

## RECAP OF SUBMARKET HEALTH



**47,100,000**  
TOTAL SQUARE FEET



**11.75%**  
VACANCY RATE



**\$12.00/SF NNN**  
AVERAGE RATE



**857,000**  
SQUARE FEET  
UNDER CONSTRUCTION

## NOTEWORTHY TRANSACTIONS

### RENEWAL



**TAUNTON, MA** 605 Myles Standish Boulevard  
81,000 SF to Arocam Sports

### SOLD



**TAUNTON, MA** 20 Constitution Drive  
\$21,900,000 (\$249/SF)  
to Ares Management

### LEASED



**EASTON, MA** 55 Bristol Drive  
86,000 SF to JC Higgins

# THANK YOU

Thank you to our clients for your partnership over the past 49 years. As we proudly enter our 50th year of business, R.W. Holmes continues its unrelenting efforts to provide the most data-driven, creative, and hands-on service in the Greater Boston Market.

We look forward to celebrating this milestone and achieving even greater success together!

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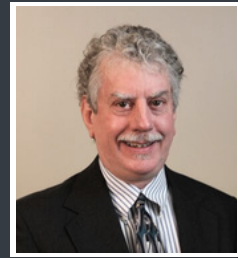
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