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Annual Cresa Boston market report highlights class A downtown demand and industrial optimism

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Boston, MA Cresa Boston released its annual Market Insight Reports, which provide a first-hand look at the trends and opportunities in the region's commercial real estate market. Known for its expert commercial real estate advice and services for industries ranging from pharmaceuticals to insurance, Cresa's reports point to various market movements that will drive commercial property leasing activity in 2025 and beyond.

The annual Market Insight Reports reflect the vast in-house expertise of Cresa's leadership, real estate advisory, and research teams while providing a roadmap for where the commercial real estate sector is headed in the coming months. Key highlights include the following:

- While inventory remains high, class A downtown space is enjoying continued demand as more companies make the jump to higher-quality environs as hybrid work arrangements stabilize.
- Cambridge market inventory remains stubbornly high and is expected to persist as the prevalence of tech company occupiers is more likely than other industries to resist return-to-office trends and continue to downsize space.
- Tenants seeking cutting-edge Life Sciences space can expect favorable conditions to continue as inventory continues to grow and future inventory stacks up in development pipelines.
- Expect to see another strong phase for industrial and flex properties, as demand remains high and inventory tight; both tenants and landlords will see ongoing opportunities in this dynamic market.

"As we see some stability coming back to area workplaces with significant national employers publicly announcing requirements for four to five days in the office, we anticipate the lackluster occupancy and demand cycle within which we have been stuck the last 24 months may start to change as 2025 unfolds. That said, today's reality reflects lingering changes in behavior post-COVID, and we anticipate a buyer's market for the foreseeable future," said Adam Subber, managing principal, Cresa. "With new opportunities to secure class A downtown space at favorable terms for occupiers, the shift towards these desirable mid- and high-rise properties will continue, while other markets like Cambridge and the Life Sciences industry remain dependent on improved capital markets and investment cycles to rebound."