CUSHMAN & WAKEFIELD

BEYOND BOSTON

PERFORMANCE DRIVERS IN SUBURBAN BOSTON

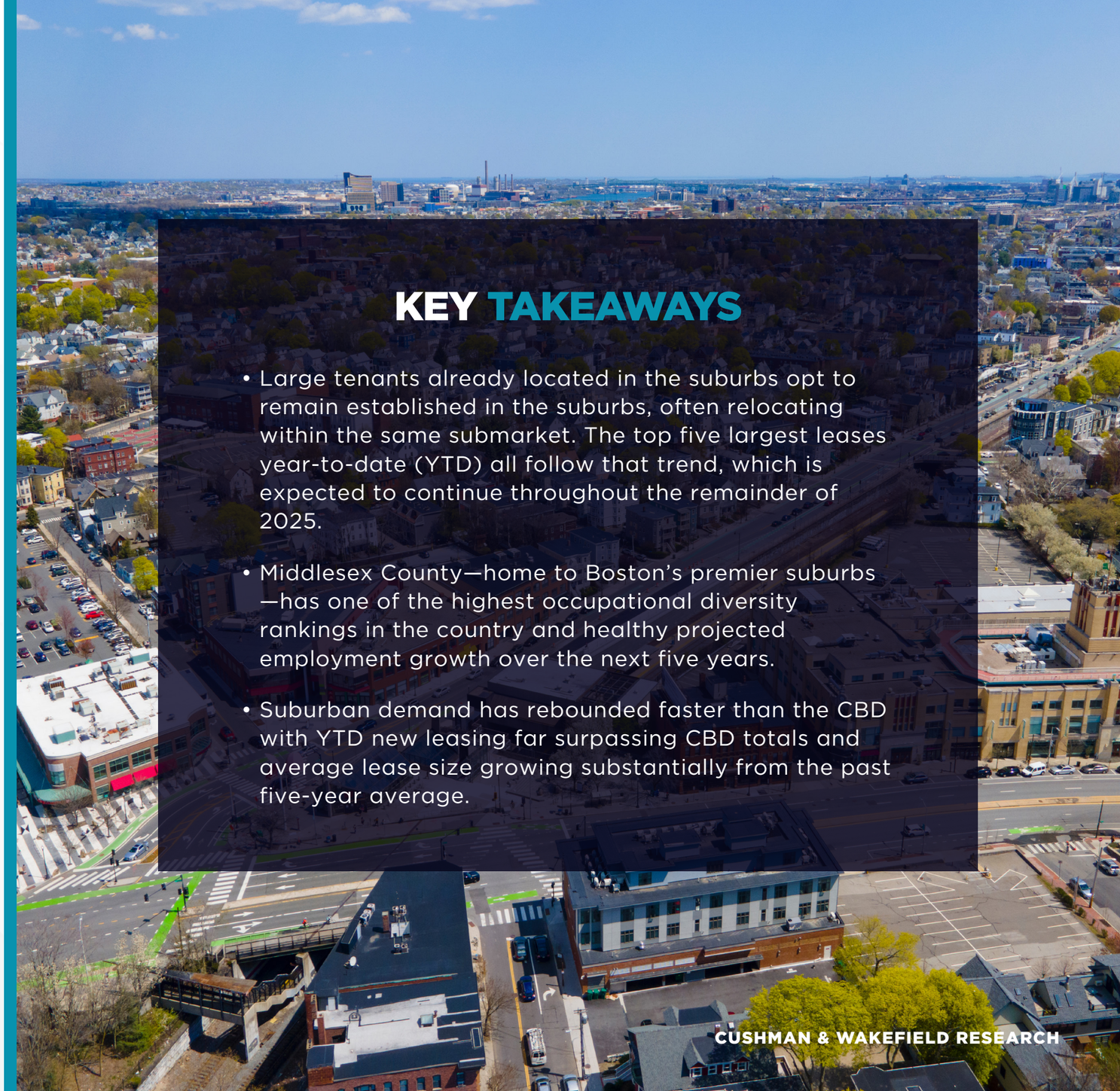
June 2025



Better never settles

BEYOND BOSTON

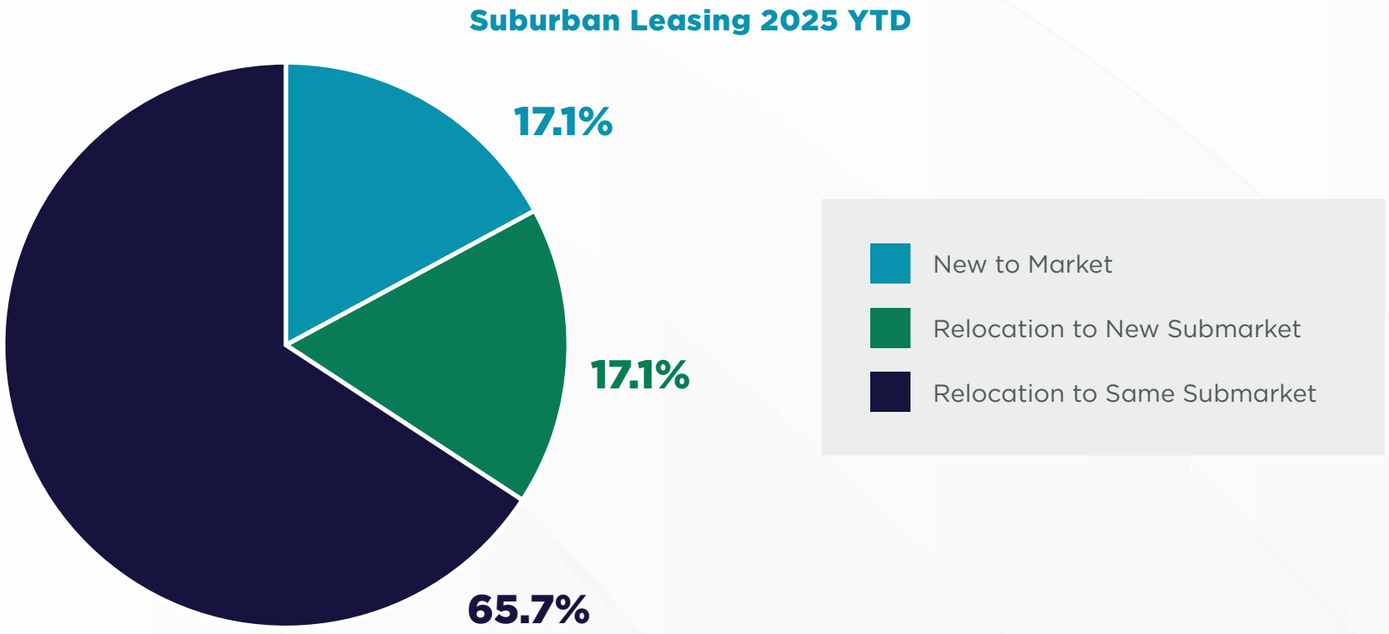
Boston's suburbs continue to thrive. The suburban office market benefits from Middlesex County's highly-educated employment pool and boasts affordability and ease of commute. Many tenants in the suburbs opted to relocate within the same submarket, while the Central Business District (CBD)/Downtown is marked by an uptick in renewal activity, with tenants preferring to stay put. The Downtown tenants who do opt to relocate are driven by a flight to quality in their building selection while tenants in the suburbs instead place a premium on building location.



KEY TAKEAWAYS

- Large tenants already located in the suburbs opt to remain established in the suburbs, often relocating within the same submarket. The top five largest leases year-to-date (YTD) all follow that trend, which is expected to continue throughout the remainder of 2025.
- Middlesex County—home to Boston's premier suburbs—has one of the highest occupational diversity rankings in the country and healthy projected employment growth over the next five years.
- Suburban demand has rebounded faster than the CBD with YTD new leasing far surpassing CBD totals and average lease size growing substantially from the past five-year average.

SUBURBS REMAIN ATTRACTIVE FOR BOTH EXISTING & NEW USERS



Address	Submarket	Tenant	SF	Lease Type
1050 Winter Street	128 Central	Anduril Industries	162,000	Relocation within submarket
1 Technology Place	128 South	Rockland Trust Bank	140,000	Consolidation within market
275 Grove Street	128 Central	Global Partners, LP	100,419	Relocation within submarket
400 First Avenue	128 Central	Advisor360	83,516	Relocation within submarket

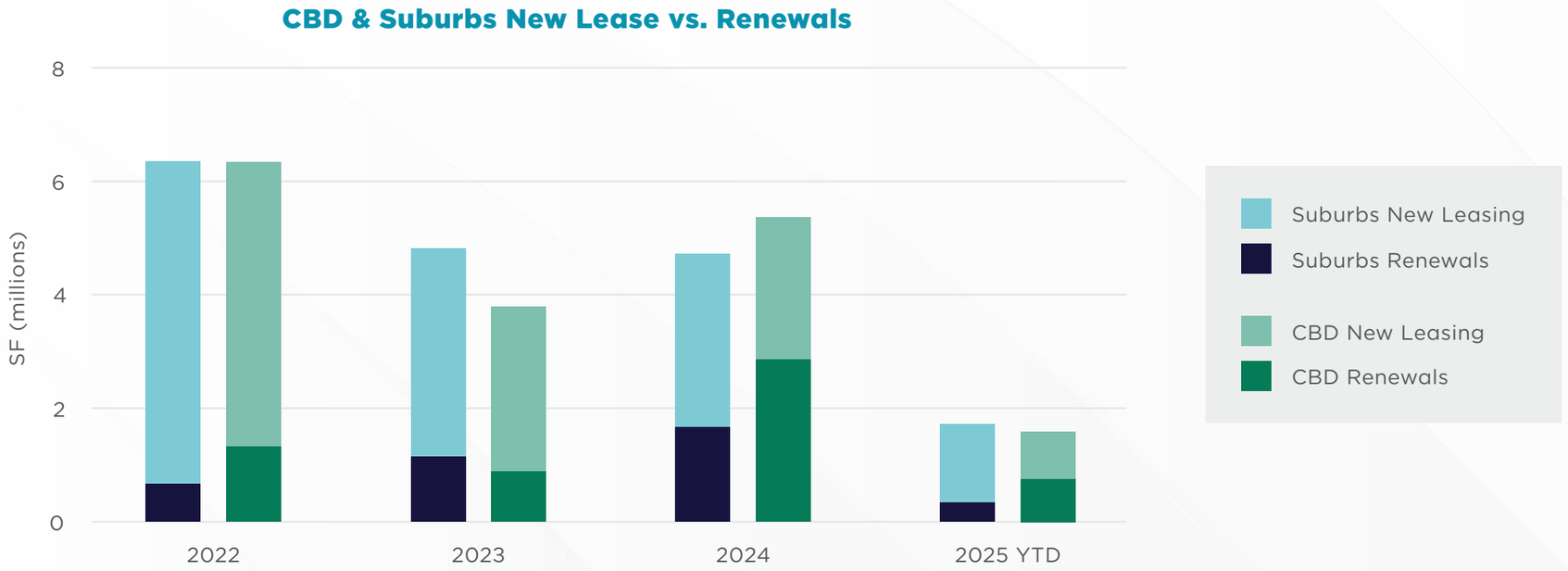
Source: Cushman & Wakefield Research

SUBURBAN LEASING LOCATION TRENDS

Of the suburban tenants that signed new leases in 2025, 65.7% relocated within the same submarket. Of that total 78.3% opted to remain in the same town.

The largest tenants to sign leases in the suburbs YTD opted to relocate within the same submarket as tenants established in the suburbs tend to remain in the suburbs.

NEW DEALS DRIVE SUBURBAN LEASING TOTALS





CBD & SUBURBAN LEASING ACTIVITY COMPOSITION

Suburban renewals have remained less common than in Downtown Boston, accounting for just a fifth of leasing activity YTD compared with nearly half in the CBD.

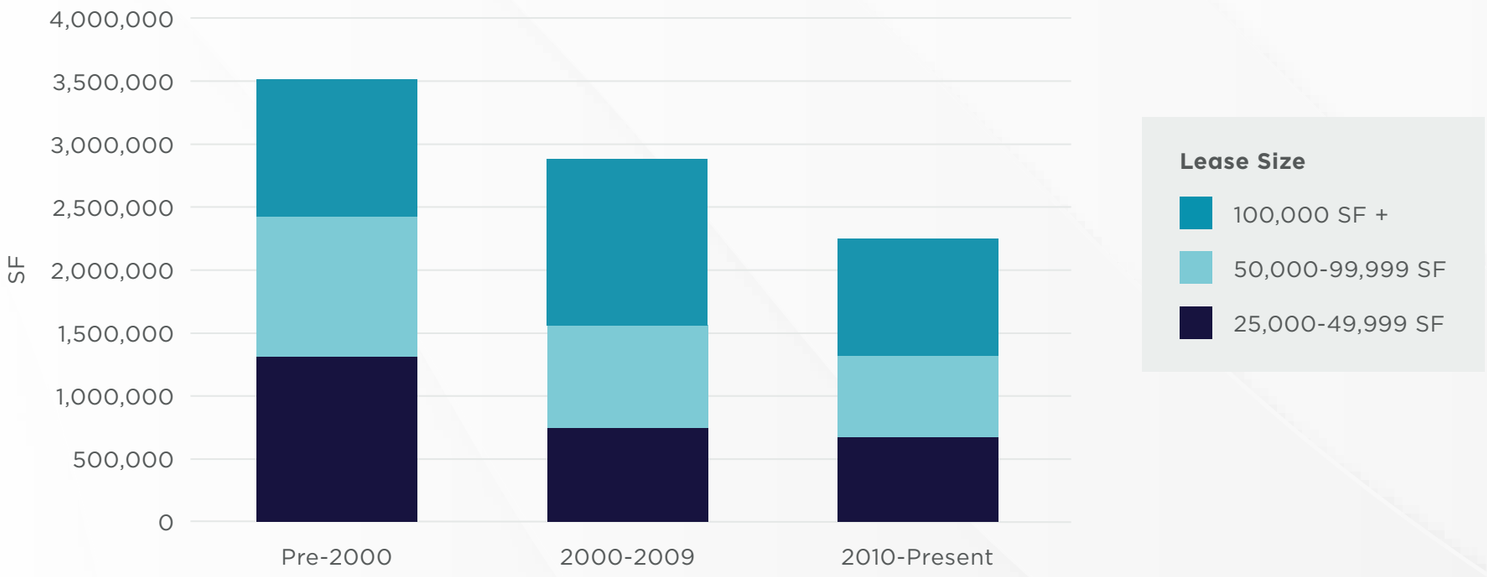
Renewals hit a recent peak in 2024, comprising a third of all activity, up from just 10.7% in 2022. Meanwhile, renewal activity in the CBD increased dramatically with renewals accounting for just a quarter of leasing activity in 2022 and 2023, spiking to nearly half of all leases signed in 2024.

Since the start of 2024, only four of the 18 transactions 50,000-sf+ inked in the CBD were new deals, while in the suburbs new deals of that size have outpaced renewals, with 10 renewals and 11 new leases signed over the same period.



SUBURBAN NEW LEASING BY BUILDING AGE

Class A Direct New Leasing Above 25,000 sf Since 2020



Source: Cushman & Wakefield Research

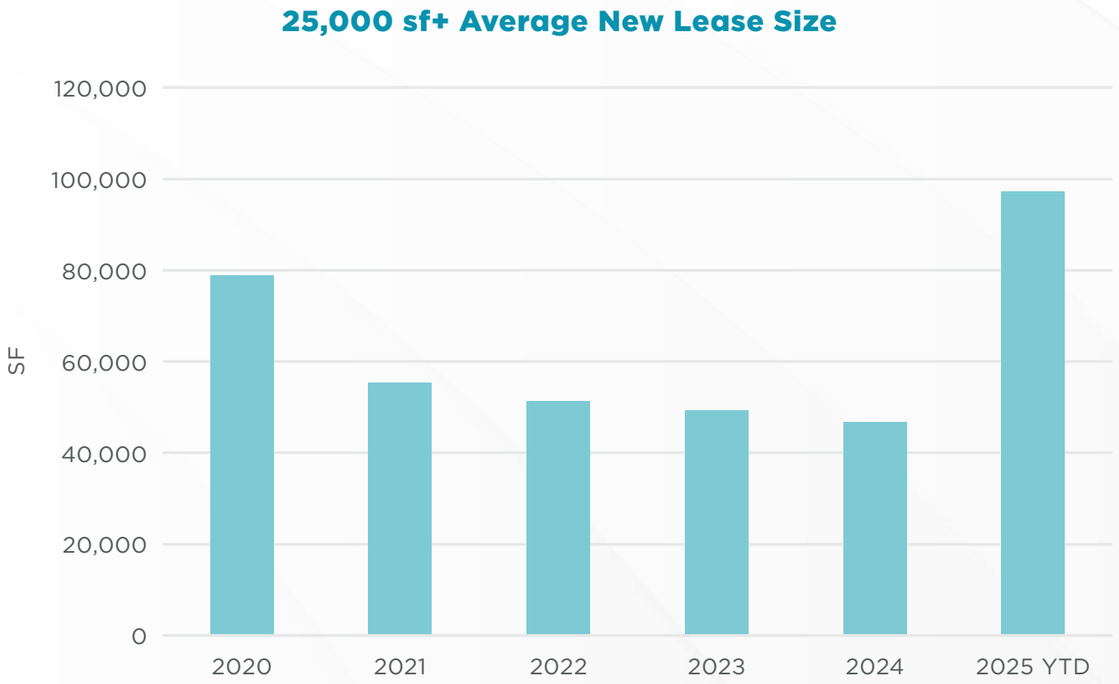
SUBURBS BUCK THE FLIGHT TO QUALITY TREND

Flight to quality is not as significant a factor in the suburbs compared to Downtown as tenants have shown little preference towards newer office developments. Large tenants (100,000 sf+) in particular were age-agnostic, opting nearly equally for buildings in each age category.

Smaller tenants (25,000-49,999 sf) favored buildings built before 2000, with 47.6% of tenants signing a deal in that cohort, likely drawn to the price advantage of that building set.

For all users 25,000-sf+, pre-2000 buildings captured the largest share of demand at 40.7%, while the newest office stock, built 2010 or later, accounted for the smallest portion at just over a quarter of leasing activity.

SUBURBAN LEASE SIZES IN 2025 NEARLY DOUBLE FIVE-YEAR AVERAGE



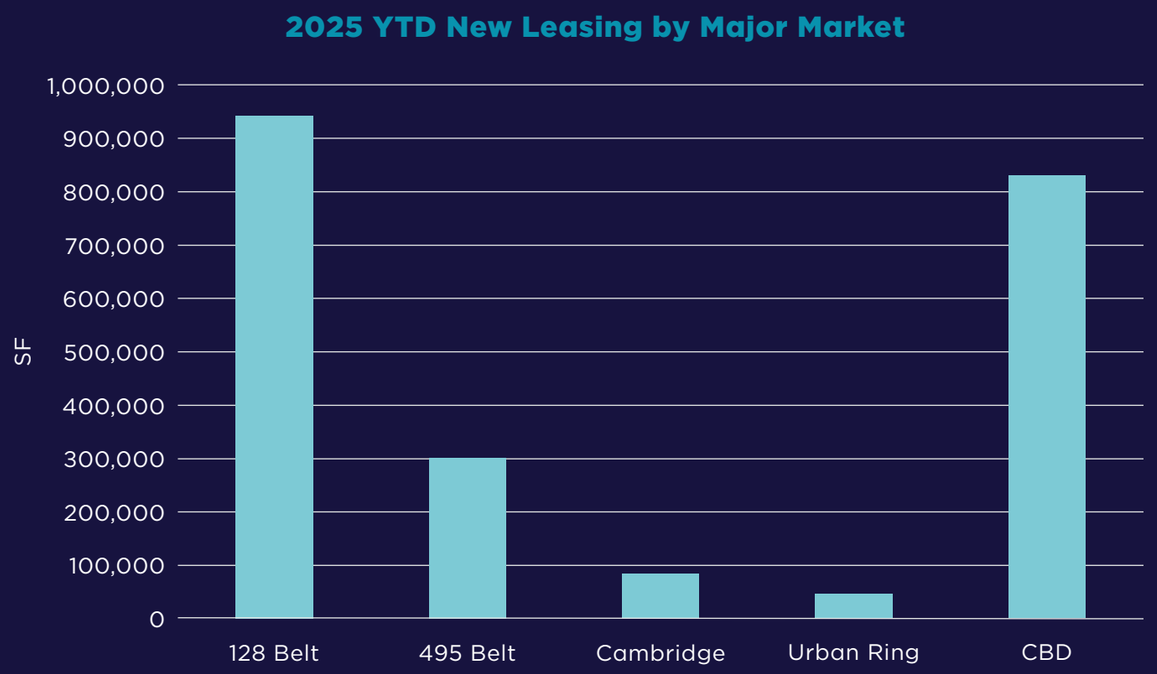
Source: Cushman & Wakefield Research

Suburban demand has shown signs of rebounding, with the average lease size for deals 25,000 sf or larger signed YTD totaling 97,300 sf, surpassing the preceding five-year average by 53%. With an increasing number of firms enacting return to office policies, tenant footprints are expected to remain well above pandemic averages.





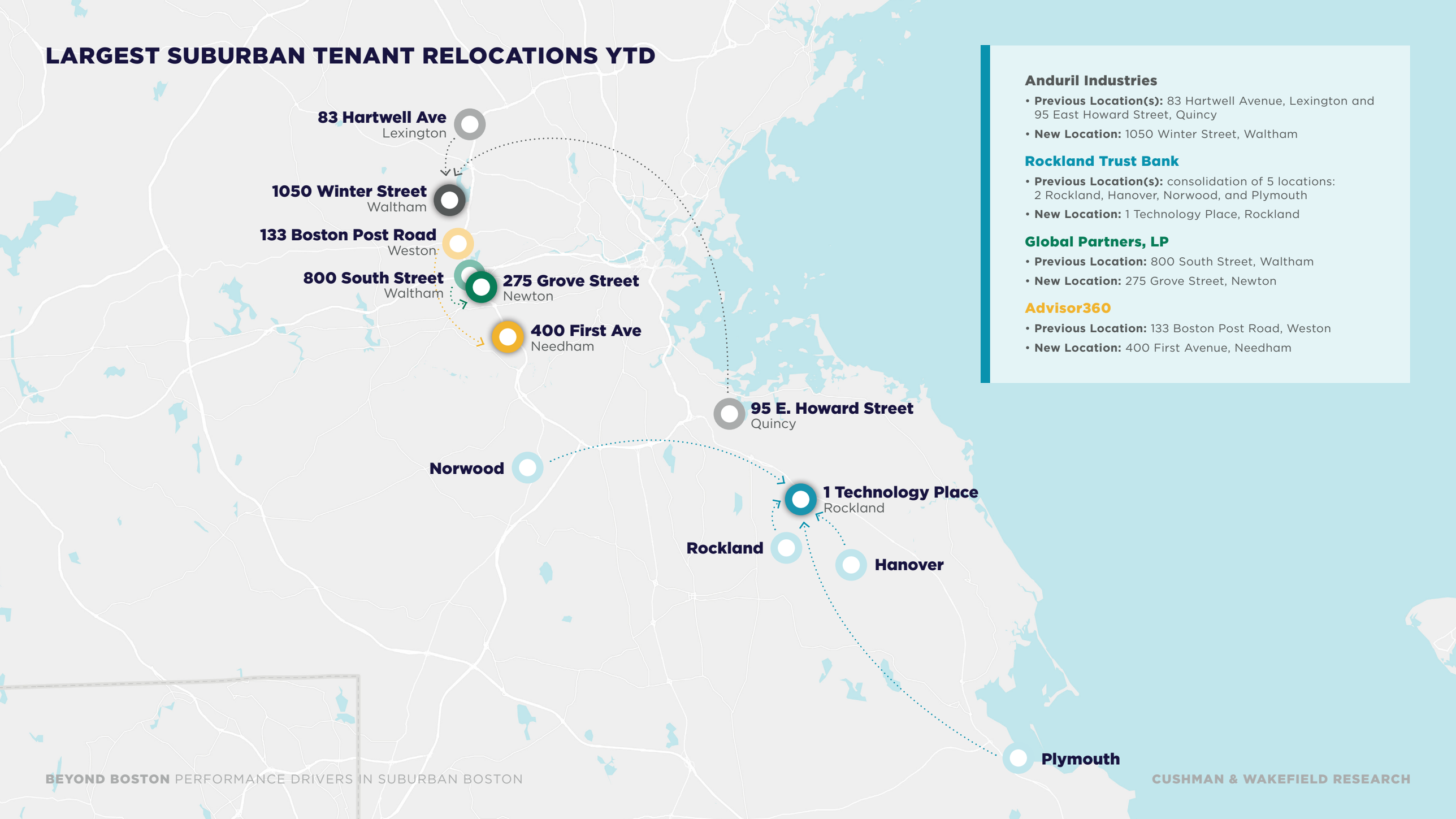
DEMAND STRONGEST FOR 128 BELT



Source: Cushman & Wakefield Research

Of the five major geographic clusters, the 128 Belt leads the market in new demand YTD, exceeding total leasing in Downtown Boston, and more than doubling the demand recorded in all other suburban submarkets combined. The 128 Central submarket accounted for 62.8% of leasing in the 128 Belt.

LARGEST SUBURBAN TENANT RELOCATIONS YTD



Anduril Industries

- **Previous Location(s):** 83 Hartwell Avenue, Lexington and 95 East Howard Street, Quincy
- **New Location:** 1050 Winter Street, Waltham

Rockland Trust Bank

- **Previous Location(s):** consolidation of 5 locations: 2 Rockland, Hanover, Norwood, and Plymouth
- **New Location:** 1 Technology Place, Rockland

Global Partners, LP

- **Previous Location:** 800 South Street, Waltham
- **New Location:** 275 Grove Street, Newton

Advisor360

- **Previous Location:** 133 Boston Post Road, Weston
- **New Location:** 400 First Avenue, Needham

MIDDLESEX COUNTY DEMOGRAPHICS



60.5%

Population with at least a Bachelor's Degree



1,048,702

Total Regional Employment

+28,480 projected 5-year growth



$134.0K

Median Household Income

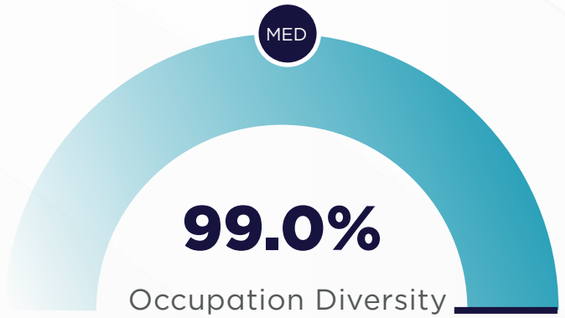
$28.6k above MA; $52.4k above U.S.

Sources: Lightcast, Esri

OCCUPATIONAL DIVERSITY

Rank: 31

(out of 3,194 counties in the U.S.)



At 99.0%, occupational diversity in Middlesex County is extremely high, ranking 31st of all U.S. counties, significantly higher than both Norfolk County (63.4%) and Suffolk County (60.7%).

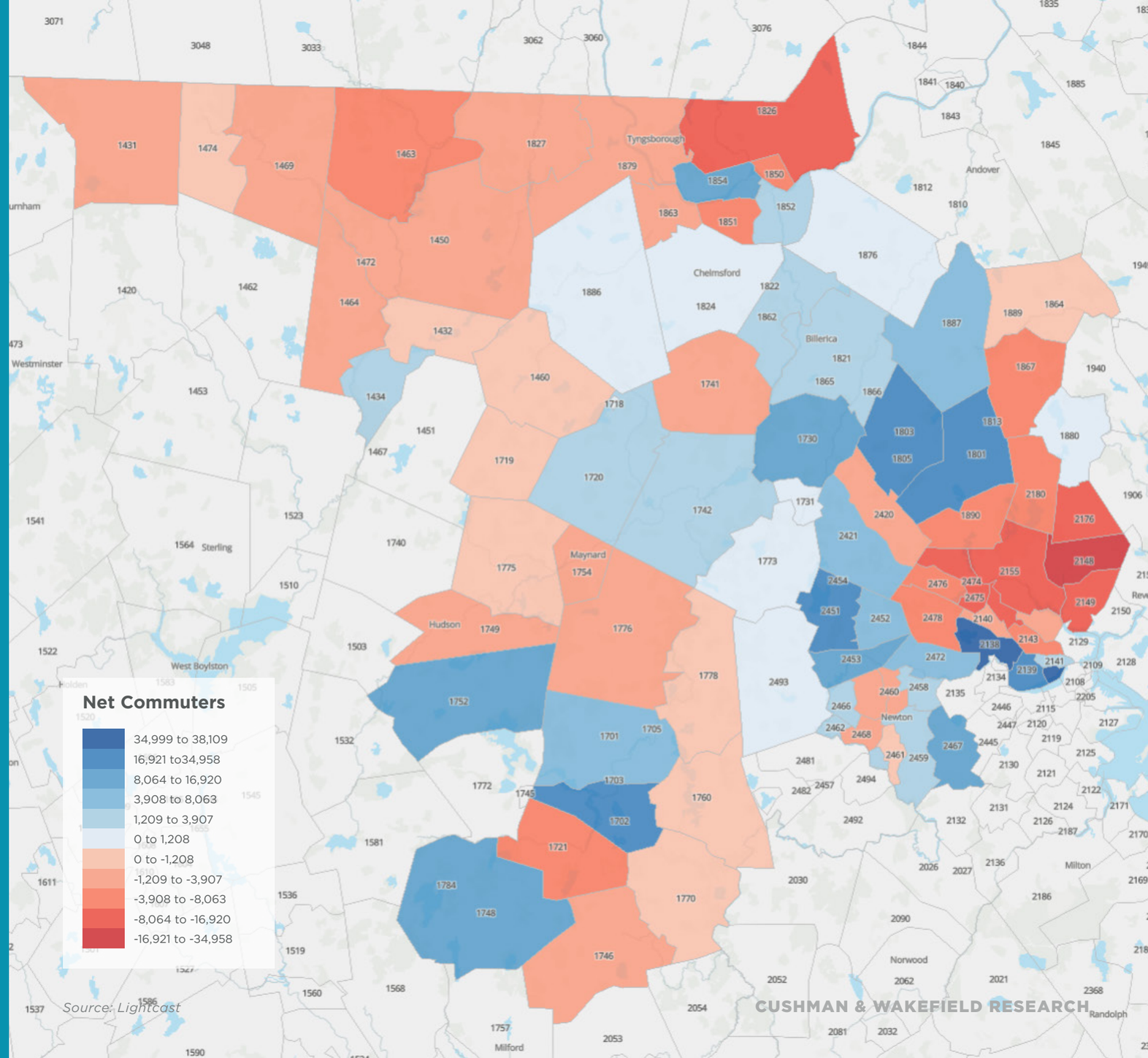
With employment far more evenly distributed across industries than in the average area, Middlesex County is well-positioned to withstand fluctuations in economic conditions and is more likely to remain insulated from the worst effects of an economic downturn. While varied, top industry drivers include management and finance, semi-skilled service, and education.

Source: Lightcast



OCCUPATIONAL DIVERSITY & COMMUTES

Net commuters in the major office hubs in Middlesex County are close to equilibrium, suggesting the population is substantial enough to sustain its required workforce. The area is a hotbed for highly-educated, skilled talent across a variety of industries, and the short commute offered by a suburban office location serves as a key differentiator when attracting and retaining this workforce.



Source: Lightcast

CONCLUSION

Boston's suburbs remain well-positioned to record sustained momentum as companies continue to show interest in establishing and maintaining suburban footprints. Average lease sizes increased substantially during the first half of 2025, a testament to the attractiveness of suburban locations for larger tenants. With access to a highly educated employment pool that is projected to grow, relatively affordable rents, and ease of commute, many occupiers will continue to favor suburban office locations across all asset classes.

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CUSHMAN & WAKEFIELD

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