THE STUBBLEBINE COMPANY

CORFAC INTERNATIONAL

Q3

A Stubblebine Company Offering

Q3 Snapshot & What to Look for in Q4 2025

Vacancy & Availability

• In Q2 overall vacancy was reported at 10.4%, with sublease availability climbing to ~3.4 million SF (about 1.5 % of inventory), nearing cyclical highs.
• Meanwhile, construction activity has significantly cooled relative to the peak pipeline years. Now, speculative or delayed, upward supply pressure may moderate.
• Pay attention to sublease inventory; an increase there (or reluctance by tenants to relinquish space) could push vacancy higher creating a drag on absorption and new leasing.

Leasing, Absorption & Demand

• Leasing volumes in Q2 2025 recovered somewhat from Q1, with ~2.5 million SF leased in the warehouse segment (the first positive since Q2 2024).
• Overall momentum remains cautious: many tenants are choosing renewals or subleases rather than expansion. Some users may reoptimize footprints (downsizing, shifting toward densification) given economic uncertainty.
• Large build-to-suits or relocations (e.g. by logistics, e-commerce, biomanufacturing) may buck the trend and represent leading indicators.

Rents, Incentives & Leasing Terms

• Asking rents have softened a bit with average rents at ~$16.02/SF in Q2 2025, ~1.9% below year-ago levels. In some submarkets (e.g. Metro West), rents declined ~3% quarter-over-quarter in Q2. Continued downward pressure on asking rents is plausible, especially in secondary submarkets.
• Landlords may offer more aggressive incentives (abatements, tenant improvement allowances, free rent) to compete for tenants. Additionally, Flexible lease terms and escalation structures will likely become more important negotiation levers.

Investment & Capital Markets

• Investment sales have been muted compared to prior cycles, constrained by high interest rates and increasing vacancy risk. Interest rates and tighter debt markets remain key risk factors for transactions.
• Owner/user acquisitions, sale-leasebacks, or opportunities in adaptive reuse may attract more capital as investors search for safer or value-add bets.
• Properties with strong occupancy, credit tenants, or redevelopment upside will likely see better investor interest.

Supply Pipeline & Delivery Timing

• Even if new construction is down relative to prior cycles, some developments slated for Q3/Q4 may still deliver. The timing of those deliveries will matter.
• Projects that are speculative (vs preleased or BTS) are at higher risk — if they deliver but can't lease, they will exacerbate vacancy pressure.

Macro / Financing / Policy Environment

• Any easing in interest rates, credit conditions, or lending availability could help invigorate leasing or transaction activity.
• Incentives or support for manufacturing, biotech, or reshoring of supply chains in the state and federal levels could drive demand for certain industrial / lab / light industrial types.
• Broader economic conditions (consumer demand, trade flows, supply chain policy) will continue to influence logistics and warehouse demand.
• Trade policy uncertainty, inflation, and broader macro risks (e.g. recession) will still be clouding near-term sentiment.

-DANNY CRUZ
SENIOR ADVISOR

Q3 CRE REPORT

ALL DAY. EVERYDAY. WE WORK HARDER.

BOSTON INDUSTRIAL MARKET SNAPSHOT

12 Month Leased SF
9.9 M SF

Vacancy Rate
8.2%

Average Asking Rent
$17.08/SF

Market Asking Rent Growth
2.66%

Average Cap Rate
7.1%

Average Sale Price/SF
$196/SF

Under Construction
2.5M SF

12 Mo Net Absorption SF
2.6M SF

REMEMBERING CHARLIE KIRK

"If you believe in something, you need to have the courage to fight for those ideas - not run away from them or try and silence them."
-Charlie Kirk

This month, we pause to remember Charlie Kirk — a bold Christian and strong voice in the conservative movement, a champion of young Americans, and a devoted husband and father.

From founding Turning Point USA to fearlessly speaking out on free speech, faith, and the founding principles of our country, Charlie lived by conviction. His tragic death has left a hole in our movement – but his legacy of courage, conviction, and activism lives on.

We are grateful for the countless ways Charlie inspired many to get involved — and to stand strongly for our beliefs and principles. May we each carry forward his boldness of faith, freedom, and truth.

FEATURED LISTINGS

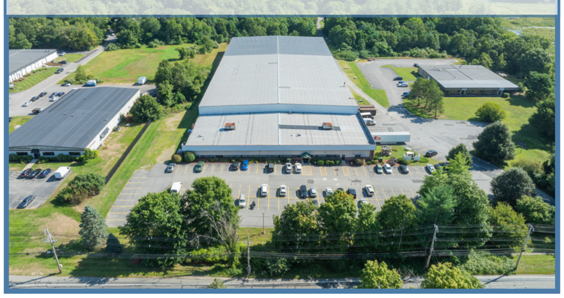
76 HOLTON ST
WOBURN, MA
FOR LEASE

37,225 SF HIGH-BAY DISTRIBUTION SPACE
100% AIR CONDITIONED

54 INDUSTRIAL WAY
WILMINGTON, MA
FOR SALE

68,088 SF INDUSTRIAL BUILDING
4.05 ACRES

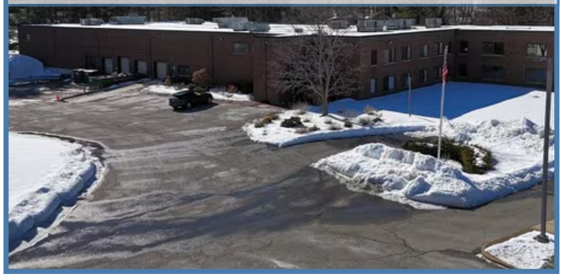
111 ADAMS RD
CLINTON, MA
FOR LEASE



50,000 SF AVAILABLE
18'-28' CLEAR HEIGHT

RECENT CLOSED TRANSACTIONS

86 LEOMINSTER RD
STERLING, MA
36,977 SF | SALE PRICE: $4,250,000



SELLER: TENOR PROPERTIES
BUYER: N&T MECHANICAL CONTRACTORS

7 CROW'S NEST CIR
MERRIMACK, NH
150,000 SF | LONG-TERM LEASE

LANDLORD: HOWE DISTRIBUTION LLC
TENANT: SULLIVAN TIRE CO INC

6 DRAPER ST
WOBURN, MA
11,161 SF | SALE PRICE: $4,150,000

SELLER: JOHN JOSEPH CANNEY JR., TRUSTEE
BUYER: ROBERT BELISLE JR. OR NOMINEE

JAMES STUBBLEBINE
617-592-3388

DAVID STUBBLEBINE
617-592-3391

MICAH STUBBLEBINE
978-265-8101

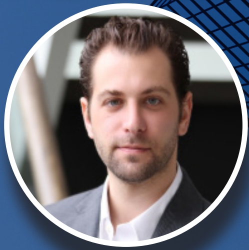
STUBBLEBINE COMPANY BROKERAGE TEAM

ALAN RINGUETTE
978-265-8112

CHRIS MICHNIEWICZ
774-994-1698

MATTY DROUILLARD
425-691-7881

DANNY CRUZ
978-305-0473



DAVID BERMAN
413-636-9055

NICHOLAS STUBBLEBINE
978-202-0167

ARYAN MANKAR
781-366-4602

STEPHEN FLYNN
781-917-7026

AARON SMITH
978-654-0432

CHLOE STUBBLEBINE
781-879-2543

ZACK HARDY
978-758-9666

SAM LOCKHART
978-500-8967

KEVIN RABACS
203-246-6307

SUMMER STUBBLEBINE
781-783-7903

ALEX SMITH
631-459-2193

NICK AWADA
978-799-7364

ALEXA LARUSSO
603-733-7924

RYAN PETRACO
631-707-2577

COLE BEHRENS
978-494-9637

BRIDGET BARRY
978-793-2892

ANNIKA STUBBLEBINE
781-783-7462

THE STUBBLEBINE COMPANY
CORFAC INTERNATIONAL

"IS NOT MY WORD LIKE FIRE, DECLARES THE LORD, AND LIKE A HAMMER THAT BREAKS A ROCK IN PIECES?" - JEREMIAH 23:29