

Vacancy is up. Rents are still rising.

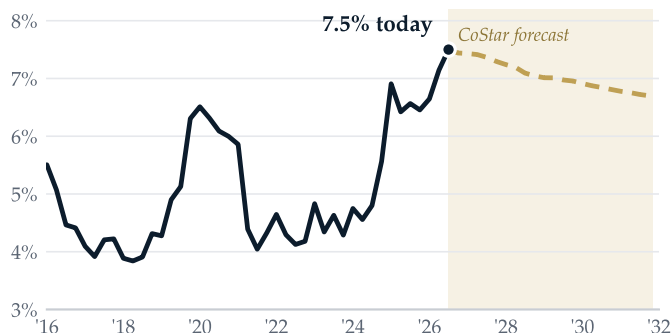
What Does This Mean for You?

Greater Worcester's office market is sending mixed signals. Vacancy has reached its highest level in a decade, giving tenants more choice, yet rents continue to climb, move-outs have slowed sharply, and almost no new space is being built. CoStar expects the market to tighten gradually from here.

VACANCY RATE	MARKET RENT	12-MO NET ABSORPTION	NEW SUPPLY
7.5%	\$25.25 /SF	(173K) SF	0 SF
Up from 6.5% a year ago, a 10-year high	Up 1.4% this year and 26% since 2016	Still negative, but losses have narrowed 67% from (529K)	Nothing delivered or started in the past 12 months

Vacancy Rate

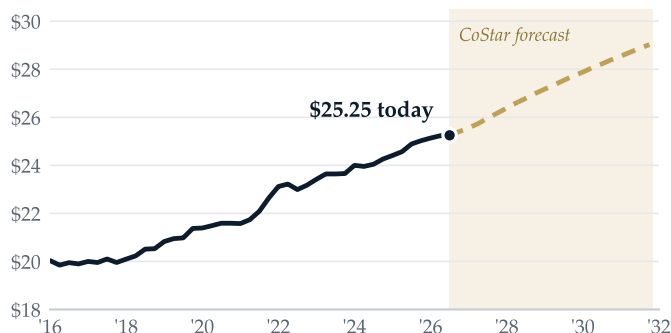
2016 – 2031, CoStar forecast shaded



The takeaway: availability is the widest it has been since 2016, but CoStar sees it easing gradually through 2031 as space is absorbed and no new supply arrives to compete.

Market Asking Rent per SF

2016 – 2031, CoStar forecast shaded



The takeaway: higher vacancy has not pushed rents down. CoStar projects roughly \$29/SF by 2031, steady growth that supports building values and makes today's rates a likely floor.

READING THE NUMBERS FROM BOTH SIDES OF THE TABLE

If you lease your space

You have more options and more room to negotiate than at any point in the past decade, and that is worth testing before you renew. Keep in mind that rents have not softened. At CoStar's forecast, a 5,000 SF tenant starting a five-year term in late 2028 rather than today would pay roughly \$44,000 more over the lease.

If you own or lease out space

Fundamentals are firming. Move-outs have slowed by two-thirds, no new buildings are coming to compete, and space that is priced right leases in about four months on average. Values are following, with CoStar's market sale price up 5.4% to \$127/SF. With 79% of tenants renewing, retention remains the best leasing strategy.

When to start planning a lease decision: for 10,000 SF or less, begin 12 months before expiration. Above 10,000 SF, start 14 to 18 months out, because those moves are more complex and fewer large blocks of space are available.

COMPLIMENTARY & CONFIDENTIAL

Lease & Market Review

In 15 minutes, I'll walk you through what these numbers mean for your lease or your building, and where you stand against today's market. No cost and no obligation.

[Book a 15-Minute Call →](#)

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