



# Office Market Report

## Boston - MA

PREPARED BY



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**OFFICE MARKET REPORT**

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12 Mo Deliveries in SF

**6.1M**

12 Mo Net Absorption in SF

**(1.4M)**

Vacancy Rate

**11.3%**

12 Mo Rent Growth

**0.6%**

Boston's office market is feeling the full impact of the national post-pandemic downshift in demand in the final quarter of 2023. After the initial shock of 2020, explosive growth in the life sciences sector drove a period of resilience relative to other gateway markets. But a pullback in venture capital investment into early-stage biotech research has slowed demand for high-priced lab space, just as a generational wave of supply begins to deliver. This is exposing the market to the ongoing adjustment of footprints that now prevails among numerous organizations in technology, finance, and professional services.

Vacancy in Boston has trended below the national average for the past 15 years, and it remains so now, currently at 11.2% versus 13.4% nationally. However, the spread has narrowed from 270 basis points at the end of 2019 to 220 in 23Q4. This looks to narrow further in the coming 18 months due to pressures on both the supply and demand sides.

The widespread adoption of hybrid work arrangements has reduced office utilization in Boston, just as it has nationwide. Weekday ridership on the MBTA, the metro's public transit system, has recovered only to 60-65% of pre-pandemic levels as of October, though it is up from about 55% 18 months ago. According to the mobility data provider Placer.ai, visits to Boston offices were still 35% lower in August than they were in the same month of 2019, a figure that is in line with the national average. The consistently lower office attendance suggested by these figures is bringing space utilization into sharper focus for office-using organizations.

As a result, many of them are shrinking their space requirements as leases executed before 2020 continue expiring. Collectively, occupiers have given back nearly 2 million SF so far in 2023, and CoStar's house view forecasts more than another 1 million by the end of the year. Should this occur, it would make 2023 the worst year for net absorption since the dot-com crash of 2001, eclipsing both 2009 and 2020. Another 4 million SF of negative absorption is forecast through the end of 2025.

Meanwhile, about 10 million SF—almost half of it intended for lab use—has come online since the

beginning of 2022, with another nearly 15 million expected by mid-2025. This is by far the most in a similar period in the past 20 years and should contribute to soft conditions in the rental market for the next few years.

An unprecedented increase in sublease availability is further complicating the situation. Whereas sublease space has more than doubled nationally since the end of 2019, it has nearly tripled in Boston. There are 14 million SF of sublease space on the market, including nearly 3 million SF of lab space—an amount that would have been inconceivable just two years ago.

These factors have combined to push overall availability up to 16.9% from 12.5% since 22Q1. At 4 & 5 Star properties, which include most of the new inventory coming onto the market, the availability rate is 22.7%, a staggering increase of over 700 basis points since early 2022. Consequently, rents, which have been nominally flat since the end of 2019, will be under severe pressure in the months ahead.

Uncertainty about demand stability has interacted with the rapid 18-month rise in interest rates to send the capital markets into a deep freeze in Boston as elsewhere. Quarterly sales volume has fallen short of \$1 billion for four consecutive quarters for the first time in a decade, and recent sales suggest that values are off more than 10% from their peak in late 2021.

As in the leasing market, life sciences properties drove the run-up in both volume and pricing, accounting for nearly four in ten transactions over \$25 million from 2020-2022. And since the beginning of 2022, eight of the 13 sales over \$100 million have been lab-related. But large sales have almost completely dried up, with only 3 closing in 2023—all of which were labs—and none since the end of Q2.

With the rate-hiking cycle seemingly near its end, liquidity should eventually return to the market. When it does, weak fundamentals are likely to contribute to a repricing on a scale similar to the 30% decline that occurred in the aftermath of the Great Recession.

## KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	147,942,665	14.2%	\$56.64	22.7%	(665,636)	0	16,449,994
3 Star	158,757,341	11.4%	\$33.21	15.7%	(146,123)	0	643,854
1 & 2 Star	69,499,318	4.7%	\$26.53	6.4%	(18,545)	0	0
<b>Market</b>	<b>376,199,324</b>	<b>11.3%</b>	<b>\$41.82</b>	<b>17.0%</b>	<b>(830,304)</b>	<b>0</b>	<b>17,093,848</b>

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.8%	9.0%	15.8%	12.5%	2003 Q3	3.0%	2000 Q2
Net Absorption SF	(1.4M)	2,232,524	(1,483,318)	12,762,063	2000 Q2	(8,290,601)	2001 Q4
Deliveries SF	6.1M	3,884,020	4,007,453	9,582,299	2001 Q4	467,982	2012 Q2
Rent Growth	0.6%	2.3%	-1.3%	19.6%	2000 Q4	-14.6%	2002 Q3
Sales Volume	\$2B	\$4.8B	N/A	\$12.7B	2021 Q4	\$979.1M	2010 Q1

After a surge in activity in 2021 and the first half of 2022 that was supported by the life sciences sector, lower leasing activity is now plaguing the Boston market, just as it is nationally. The volume of new leases executed through the first three quarters of 2023 averaged about 2.6 million SF, about 30% below the 3.8 million SF quarterly average from 2015-2019. This trend has been driven almost entirely by smaller average lease sizes, which have shrunk from about 6,500 SF to just under 4,600 SF. Both these figures show that Boston is reflecting—and even exceeding—the national trend, which shows volume and lease sizes so far in 2023 to be about 20% below their pre-pandemic averages.

Tenants may be active in the market, but the net impact of this activity is reducing overall demand. Lower leasing volume and, especially, smaller new lease sizes, are strong indicators of weak near-term absorption, which is already on pace for one of its worst calendar years on record. Through mid-October, tenants in Boston had already given back 1.8 million SF on the net, and CoStar's house view forecast calls for 1 million square feet of additional negative absorption through the end of 2023. The longer-term forecast is similar. Boston's tech- and finance-oriented tenant base is expected to continue taking advantage of lease expirations to reduce occupancy, resulting in 4 million more SF in negative absorption from 2024-2025.

Smaller new leases are occurring even as the share of renewal leases has declined every year since 2019. This suggests tenants are renewing less frequently. Instead, many are treating expirations as an opportunity to relocate to higher quality space, often with smaller footprints.

The largest leases of 23Q3 are consistent with these trends, both national and local. Deloitte's commitment to 140,000 SF at the Financial District's Winthrop Center and LEGO's deal for 134,000 SF at 1001 Boylston St. in Fenway are both examples of tenants relocating to new 5 Star properties. Deloitte is moving from a nominally Class A property in the Back Bay submarket, while LEGO is relocating from a 20-year-old property in Enfield, CT. Toast's 118,000-SF sublease from LogMeln at 333 Summer St. follows the trend of creative tech

firms taking space in the Seaport area. It also constitutes a reduction of over 15,000 SF from the firm's current location at 401 Park Drive in Longwood, which is being repurposed for lab use by Alexandria Real Estate Equities.

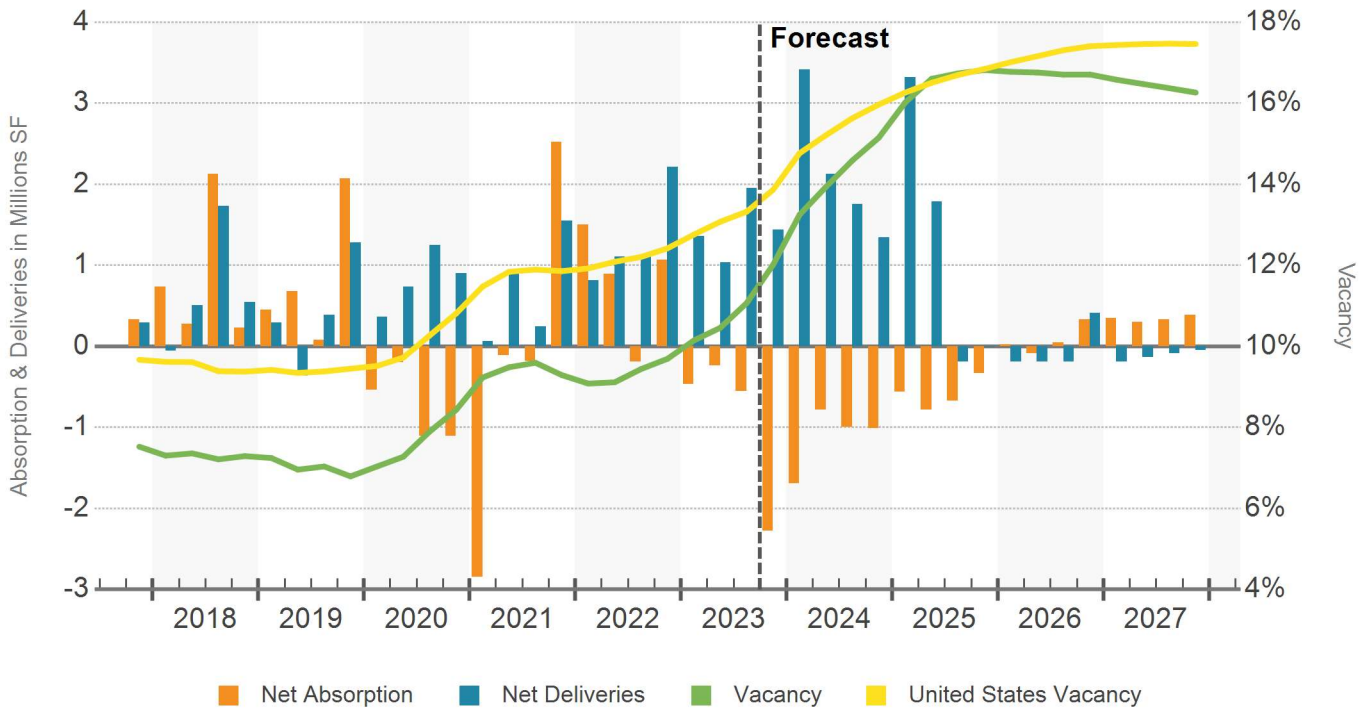
Exacerbating the demand situation is a slowdown in life sciences leasing, which has backstopped the market since 2020. Since 2015, lab deals have been more than a third of deals over 50,000 SF, including nearly half of those executed since 2020. But there was only one such lease in 23Q3, Hayden Therapeutics' deal for 61,000 SF at Hayden Research Campus in Lexington. This offers evidence that large requirements for biotech startups have become far rarer.

Aside from move-outs, smaller footprints and the concentration of major leasing activity in a handful of desirable locations, soft demand is also manifesting in historic sublease availability. Tenants with substantial term remaining on their leases have put over 9 million SF on the secondary market in the past 42 months, nearly tripling the amount available at the end of 2019. The total of 14 million SF represents 3.6% of inventory, a full 100 basis points above the national sublet availability rate.

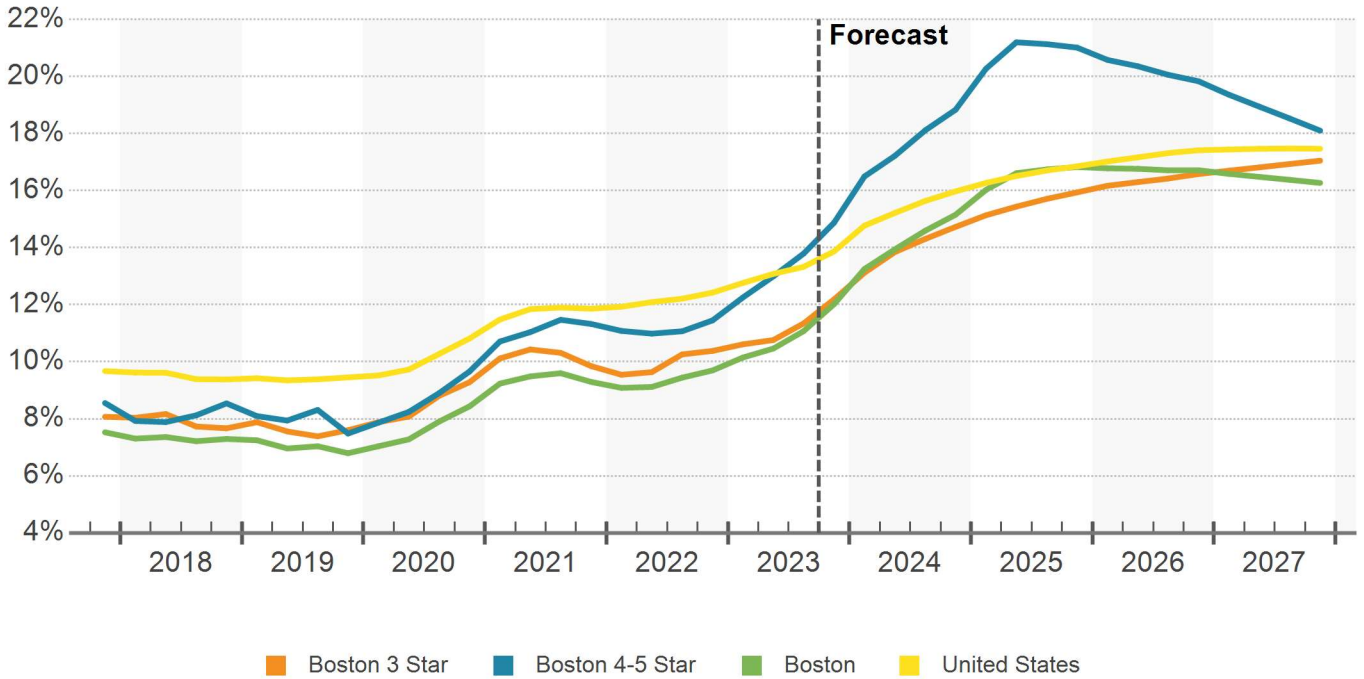
Included in this amount is nearly 3 million SF of institutional-grade lab space, over 6% of inventory—an amount that has quadrupled in less than 2 years as growth in the life sciences sector has stalled. Still, lab absorption has remained above water, and some sublease inventory has been backfilled, including 166,000 SF leased by Orbital Therapeutics from Bristol Meyers Squibb at 100 Binney St. in Cambridge.

Softening demand has helped push the vacancy rate up to 11.2% from its pre-pandemic figure of 6.8%. Notably, the increase has been 160 basis points in just the past 12 months. While vacancy remains below the national average of 13.4%, the increase in sublease availability and a simultaneous surge in new supply have boosted availability to 16.9%, which exceeds the national average of 16.6%. With neither pressure expected to subside in the months ahead, vacancy is forecast to peak around 16% by the end of 2025.

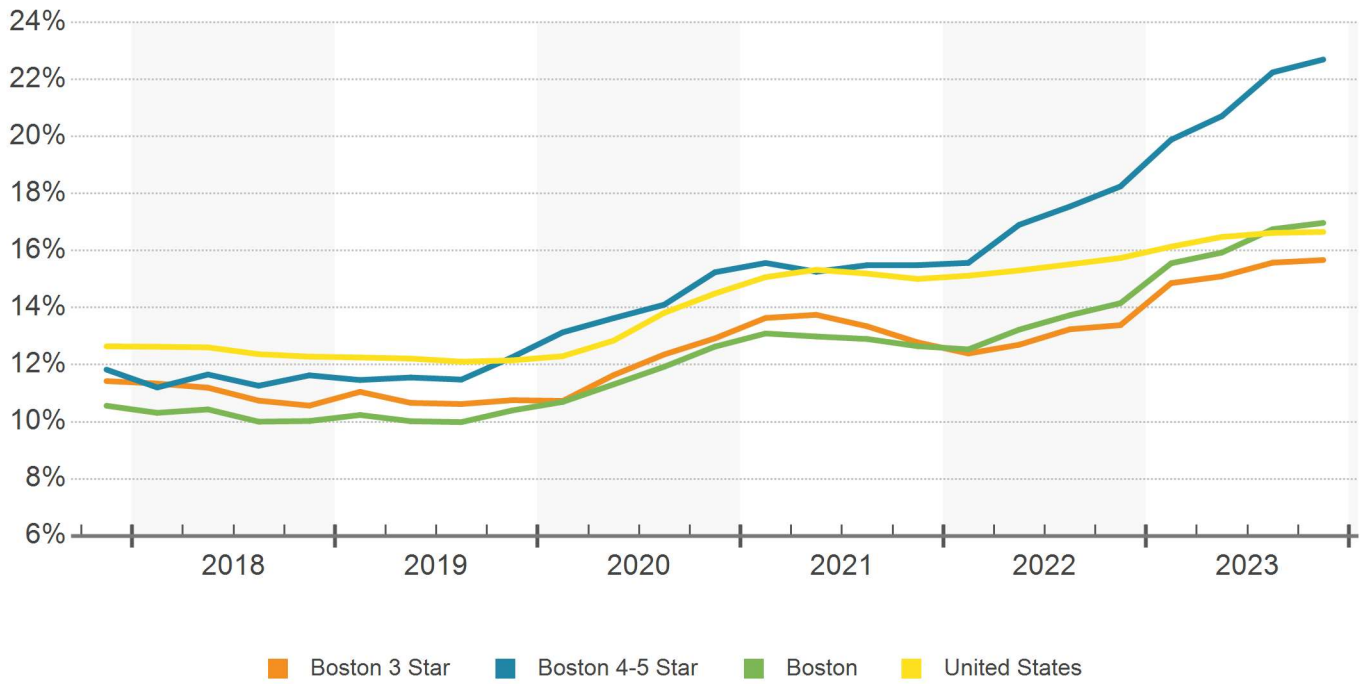
## NET ABSORPTION, NET DELIVERIES & VACANCY



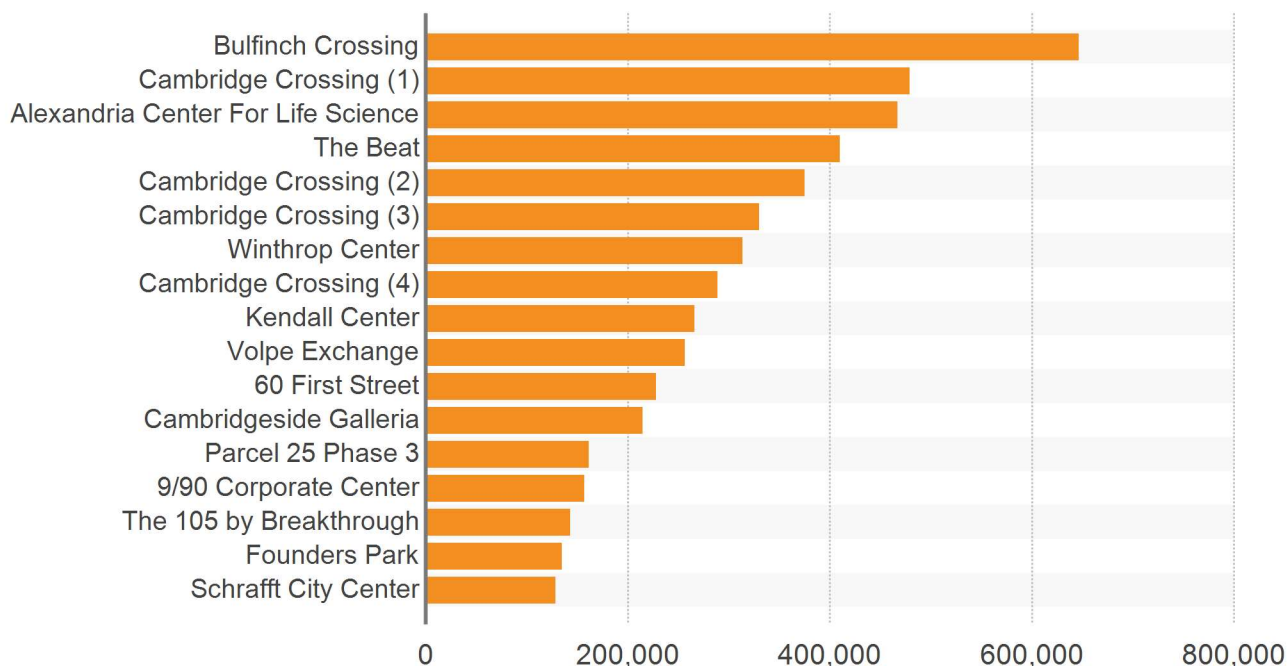
## VACANCY RATE



## AVAILABILITY RATE



## 12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
Bulfinch Crossing	North Station/Beaco...	1,006,541	360,000	0	0	646,541	0	646,541
Cambridge Crossing (1)	E Cambridge/Kendall...	479,004	0	0	479,004	0	0	479,004
Alexandria Center For Life Science	Longwood/Fenway	510,116	41,034	458,400	(1,504)	7,000	0	467,221
The Beat	Roxbury/Dorchester	693,921	0	0	0	508,548	0	410,077
Cambridge Crossing (2)	E Cambridge/Kendall...	375,000	0	0	0	375,000	0	375,000
Cambridge Crossing (3)	Charlestown/East Bo...	515,040	0	0	0	0	0	330,297
Winthrop Center	Financial District	812,000	498,402	142,156	46,619	124,823	0	313,598
Cambridge Crossing (4)	Charlestown/East Bo...	450,000	0	0	0	0	0	288,586
Kendall Center	E Cambridge/Kendall...	414,565	0	0	0	0	0	265,862
Volpe Exchange	E Cambridge/Kendall...	400,000	0	0	0	0	0	256,521
60 First Street	E Cambridge/Kendall...	228,000	0	0	228,000	0	0	228,000
Cambridgeside Galleria	E Cambridge/Kendall...	215,000	0	0	215,000	0	0	215,000
Parcel 25 Phase 3	Longwood/Fenway	161,500	0	0	0	161,500	0	161,500
9/90 Corporate Center	Framingham/Natick	157,133	0	124,356	32,777	0	0	157,133
The 105 by Breakthrough	Seaport	263,500	40,000	0	0	0	0	143,331
Founders Park	Wellesley/Needham	210,000	0	0	0	0	0	134,673
Schrafft City Center	Charlestown/East Bo...	160,000	0	0	0	140,000	0	128,601
<b>Subtotal Primary Competitors</b>		<b>7,051,320</b>	<b>939,436</b>	<b>724,912</b>	<b>999,896</b>	<b>1,963,412</b>	<b>0</b>	<b>5,000,945</b>
Remaining Boston Market		369,148,004	41,544,474	(1,192,233)	(1,237,440)	(2,514,774)	(830,304)	(6,403,150)
<b>Total Boston Market</b>		<b>376,199,324</b>	<b>42,483,910</b>	<b>(467,321)</b>	<b>(237,544)</b>	<b>(551,362)</b>	<b>(830,304)</b>	<b>(1,402,205)</b>



### TOP OFFICE LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
Prudential Center *	Back Bay	303,000	Q3 23	MFS	-	-
Center 128 *	Wellesley/Needham	280,892	Q4 22	TripAdvisor, Inc.	-	-
Alexandria Center at Kendall Square	E Cambridge/Kendall Sq	166,000	Q2 23	Orbital Therapeutics	-	Cushman & Wakefield
9/90 Corporate Center	Framingham/Natick	157,133	Q4 22	Workhuman	-	Newmark
Metropolitan Tech Center *	Lowell/Chelmsford	140,000	Q1 23	Leidos	-	-
Winthrop Center	Financial District	138,645	Q3 23	Deloitte	CBRE	CBRE
Alexandria Center at Kendall Square	E Cambridge/Kendall Sq	136,700	Q1 23	Orbital Therapeutics	-	-
1001 Boylston St	Longwood/Fenway	134,000	Q3 23	The Lego Group	-	CBRE
Channel Center	Seaport	112,952	Q4 22	Medtronic	Cresa	LaSalle Investment Ma...
Marine Industrial Park	Financial District	104,000	Q1 23	Goulston & Storrs PC	-	-
333 Summer St	Seaport	102,000	Q3 23	Toast	-	CBRE
Boston Landing	Allston/Brighton	99,537	Q2 23	Athenahealth	-	Newmark
North & South Bldg	Lowell/Chelmsford	88,231	Q2 23	Lantheus Medical Imaging...	Cushman & Wakefield	CBRE
Bank of New York Mellon Financial	Somerville/Everett	83,280	Q1 23	Division of Capital Asset...	-	Cushman & Wakefield
Foxborough Business Ctr	I-95 Corridor South	80,000	Q4 22	NECI	-	-
Network Drive at Northwest Park	Burlington/Woburn	79,765	Q4 22	Avid Technology, Inc.	-	Newmark
Boston Children's at Brookline Place	Newton/Brookline	72,924	Q2 23	Boston Children's Hospital	-	Newmark
200 Sidney St *	Mid-Cambridge/Harvard Sq	68,636	Q4 22	Seres Therapeutics	-	-
Cambridge Crossing	E Cambridge/Kendall Sq	62,000	Q2 23	Astellas Pharmaceuticals	Transwestern Real...	-
Hayden Research Campus	Lexington/Arlington	61,307	Q3 23	Voyager Therapeutic	CBRE	-
Hood Park	Charlestown/East Boston	61,139	Q4 22	bluebird bio, Inc.	JLL	Lincoln Property Comp...
Marlboro Industrial Park *	Concord/Maynard	61,000	Q2 23	Cytiva	CBRE	-
Crown Colony Office Park	Quincy/Braintree	59,900	Q2 23	The Keches Law Group,...	Hunneman	Newmark
Marine Industrial Park	Financial District	58,321	Q4 23	-	-	JLL
The Beat	Roxbury/Dorchester	58,000	Q2 23	Portal Innovations	-	Beacon Capital Partner...
Bay Colony Corporate Center	Waltham	51,968	Q4 23	-	-	Newmark
15 Blue Sky Dr.	Burlington/Woburn	51,436	Q2 23	Nth Cycle	-	Newmark
99 High	Financial District	50,890	Q2 23	-	-	CBRE
64 Pleasant St	Watertown	50,699	Q1 23	Via Separations	-	Newmark
Alexandria Technology Square	E Cambridge/Kendall Sq	50,000	Q1 23	Aera Therapeutics	-	-
The Park at Beaver Brook	Concord/Maynard	46,725	Q1 23	-	-	Newmark
The Park at Beaver Brook	Concord/Maynard	46,725	Q1 23	-	-	Newmark
75 State	Financial District	45,445	Q1 23	LPL Financial	-	Cushman & Wakefield
North & South Bldg	Lowell/Chelmsford	45,000	Q2 23	-	-	CBRE
Alexandria Center For Life Science	Longwood/Fenway	42,000	Q4 22	Asimov	-	Newmark
Landmark	Financial District	40,331	Q4 23	-	-	Cushman & Wakefield
Alexandria Center For Life Science	Longwood/Fenway	40,000	Q4 22	Chroma Medicine	-	Newmark
Alexandria Center at Kendall Square	E Cambridge/Kendall Sq	39,004	Q3 23	Context Labs	Cresa	Newmark
Center Plaza	Financial District	38,034	Q3 23	EnergySage	Cushman & Wakefield	Cushman & Wakefield
880 Technology Park Dr	Lowell/Chelmsford	37,891	Q4 22	Medtronic	-	JLL

Renewal

Mirroring the national trend, rents in Boston have held flat in the 2020s after rising steadily by about 4% per year over the previous decade. Following a brief wobble and recovery during the first year of the pandemic, the average market rent currently sits just under \$42 per SF, essentially unchanged since the end of 2019. Had this kept pace with headline CPI in the metro area, it would now be close to \$49, or about 16% higher. This indicates that rents have fallen in real terms even as operating expenses have climbed.

In addition to inflation, rising concession packages are also pushing effective rents downward, thereby eating into the value of leases. Market participants report that offers of six months of free rent and a tenant improvement allowance exceeding \$100 per SF are now common for a 10-year new lease. This would represent about 25% of the total lease value over that term, or about 5% more than the impact of a typical concession package in 2019.

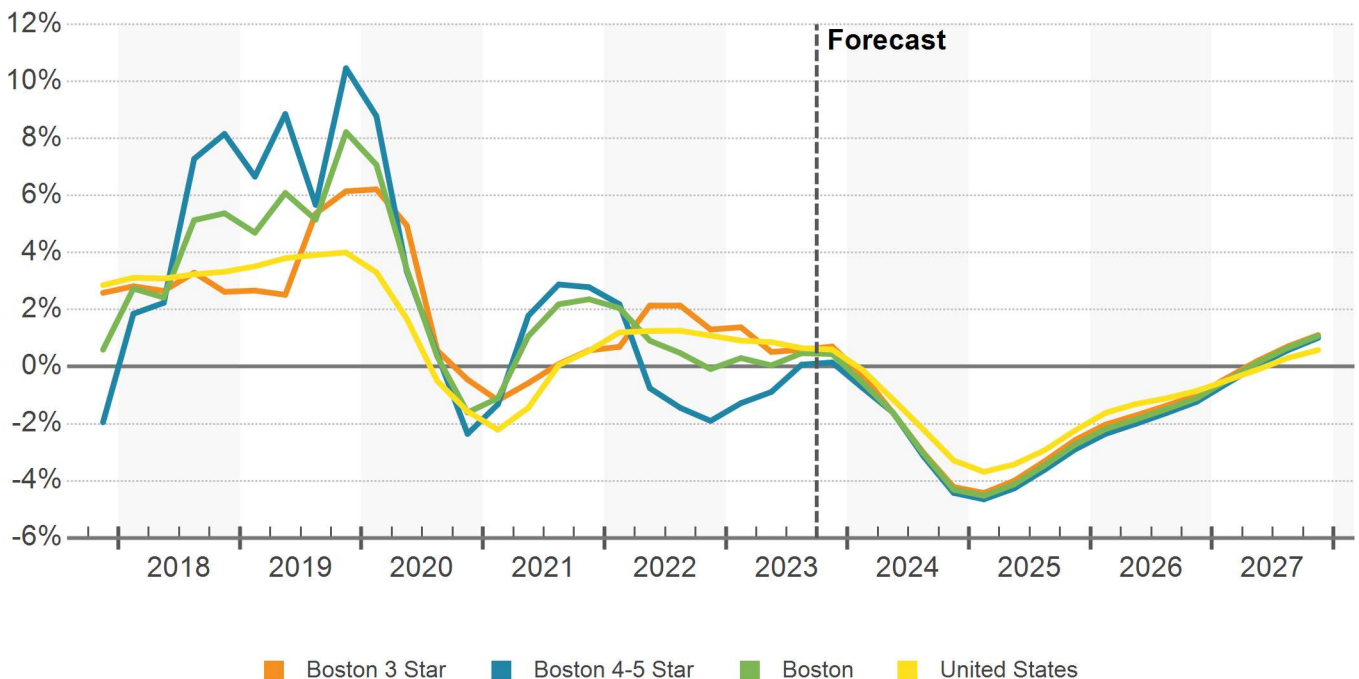
Rents remain highest in the major Cambridge life sciences clusters near Kendall and Harvard Squares, around \$80 and \$70 per SF, respectively. Here, too, they have stagnated, just as they have in the city's traditional

office nodes. The three major CBD submarkets—the Financial District, Back Bay and Seaport—all have rents in the mid-to-high \$50s per SF, and each is down \$1-2 over the past four years. The suburbs have fared somewhat better, with average market rents rising about 7% in the same period.

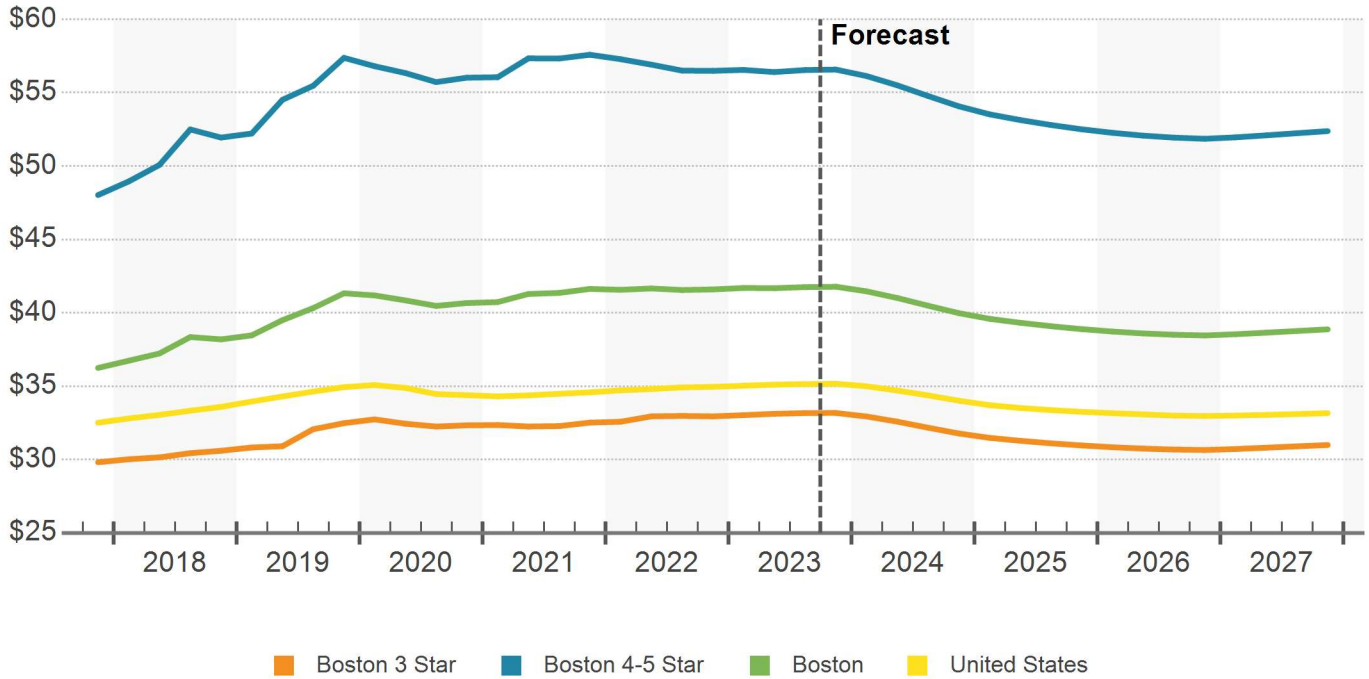
Given the weakness in market fundamentals, the outlook for rent growth is poor. An overhang of new supply looms, as does an unprecedented amount of high-quality sublease inventory, which is typically available at discounts of 25-30% from direct rents. Growth prospects could worsen further as bargain-hunting investors begin to pick up distressed properties at a low enough basis to attack the leasing market with substantially reduced asking rents.

In light of these pressures, the CoStar house view is that market rents will begin to fall during 23Q4 with the average declining to just under \$39 per SF by the end of 2026, 7% below their current level and in line with the forecasted national trend. The decline looks to be about 1% greater among 4 & 5 Star properties, which will be contending with a number of new competitors that have been and will be delivered.

## MARKET RENT GROWTH (YOY)



## MARKET RENT PER SQUARE FEET



## 4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
<b>Boston</b>	\$1.64	\$1.69	\$0.32	\$7.91	\$6.21	<b>\$17.77</b>
Boston/Suffolk County	\$1.16	\$1.70	\$0.43	\$11.84	\$6.33	<b>\$21.46</b>
Cambridge	\$1	\$1.55	\$0.41	\$10.59	\$7.19	<b>\$20.74</b>
Close-In Suburbs North	\$2.53	\$1.78	\$0.29	\$3.84	\$5.38	<b>\$13.82</b>
Route 128 North	\$2	\$1.58	\$0.18	\$5.82	\$8.76	<b>\$18.34</b>
Route 128 South	\$1.97	\$2.23	\$0.25	\$5.10	\$5.11	<b>\$14.66</b>
Route 128 West	\$1.43	\$1.61	\$0.18	\$6.32	\$7.33	<b>\$16.87</b>
Route 3 North	\$2.46	\$1.72	\$0.28	\$3.65	\$5.25	<b>\$13.36</b>
Route 495 North East	\$2.73	\$1.58	\$0.28	\$4.55	\$3.39	<b>\$12.53</b>
Route 495 South	\$2.54	\$1.61	\$0.26	\$3.09	\$3.20	<b>\$10.70</b>
Route 495/Mass Pike West	\$2.64	\$1.69	\$0.33	\$5.09	\$3.14	<b>\$12.89</b>
Route 495/Route 2 West	\$2.66	\$1.70	\$0.27	\$1.82	\$3.36	<b>\$9.81</b>
Southern New Hampshire	\$2.47	\$1.77	\$0.29	\$3.81	\$5.38	<b>\$13.72</b>

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

### 3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
<b>Boston</b>	\$1.01	\$1.55	\$0.24	\$4.42	\$4.17	<b>\$11.39</b>
Boston/Suffolk County	\$0.63	\$1.45	\$0.38	\$6.88	\$4.46	<b>\$13.80</b>
Cambridge	\$0.65	\$1.41	\$0.29	\$7.67	\$5.26	<b>\$15.28</b>
Close-In Suburbs North	\$0.69	\$1.62	\$0.25	\$3.41	\$4.59	<b>\$10.56</b>
Route 128 North	\$0.61	\$1.48	\$0.16	\$3.62	\$5.27	<b>\$11.14</b>
Route 128 South	\$0.65	\$1.73	\$0.20	\$3.24	\$4.95	<b>\$10.77</b>
Route 128 West	\$0.60	\$1.51	\$0.17	\$5.87	\$5.40	<b>\$13.55</b>
Route 3 North	\$0.81	\$1.67	\$0.24	\$3.36	\$4.10	<b>\$10.18</b>
Route 495 North East	\$2.45	\$1.58	\$0.22	\$2.83	\$2.93	<b>\$10.01</b>
Route 495 South	\$2.22	\$1.54	\$0.21	\$2.70	\$2.45	<b>\$9.12</b>
Route 495/Mass Pike West	\$2.28	\$1.56	\$0.21	\$3.27	\$2.43	<b>\$9.75</b>
Route 495/Route 2 West	\$2.37	\$1.73	\$0.24	\$3.43	\$0	<b>\$7.77</b>
Southern New Hampshire	\$0.64	\$1.50	\$0.23	\$3.14	\$4.64	<b>\$10.15</b>
Worcester	\$2.41	\$1.65	\$0.23	\$4.27	\$2.75	<b>\$11.31</b>

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

### 1 & 2 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
<b>Boston</b>	\$0.69	\$1.18	\$0.21	\$3.99	\$4.44	<b>\$10.51</b>
Boston/Suffolk County	\$0.55	\$1.21	\$0.30	\$6.14	\$3.99	<b>\$12.19</b>
Cambridge	\$0.59	\$1.31	\$0.27	\$6.04	\$4.73	<b>\$12.94</b>
Close-In Suburbs North	\$0.66	\$1.39	\$0.24	\$3.85	\$4.68	<b>\$10.82</b>
Route 128 North	\$0.57	\$1.39	\$0.16	\$3.50	\$4.80	<b>\$10.42</b>
Route 128 South	\$0.58	\$1.38	\$0.18	\$3.68	\$4.50	<b>\$10.32</b>
Route 128 West	\$0.58	\$1.41	\$0.16	\$5.42	\$4.87	<b>\$12.44</b>
Route 3 North	\$0.72	\$1.32	\$0.24	\$2.83	\$4.56	<b>\$9.67</b>
Route 495 North East	\$0.95	\$0.64	\$0.17	\$2.91	\$5.22	<b>\$9.89</b>
Route 495 South	\$0.93	\$0.64	\$0.20	\$3.07	\$5.08	<b>\$9.92</b>
Route 495/Mass Pike West	\$0.97	\$0.65	\$0.21	\$3.89	\$2.45	<b>\$8.17</b>
Route 495/Route 2 West	\$0.96	\$0.67	\$0.21	\$3.88	\$1.39	<b>\$7.11</b>
Southern New Hampshire	\$0.65	\$1.37	\$0.24	\$3.25	\$4.62	<b>\$10.13</b>

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.



Amid faltering demand for office space, Boston now faces a historic wave of new supply. The 5.2 million SF delivered in 2022 set a 20-year record for annual supply growth. That record looks to be short-lived, however, with an expected 6.8 million SF—two-thirds of which had already been completed through mid-October—coming online in 2023, and a whopping 7.6 million expected in 2024.

In absolute terms, Boston's construction pipeline of 16.8 million SF is the largest in the country. The total represents 4.5% of inventory, more than three times the national average of 1.4%. Among major markets, this trails only Austin, Seattle, and San Jose.

Altogether, nearly 25 million new SF will be added between 2022-2025, assuming current projects are completed as scheduled, increasing Boston's office inventory by 6.7%. About 60% of this has been conceived as lab space, though market participants report that some speculative developments in submarkets such as Allston and Seaport, which are outside the more established life sciences clusters in Cambridge and Longwood and the burgeoning suburban hub of Waltham, will likely end up serving traditional office tenants. Even at 1001 Boylston St. in Longwood, most of the space has been leased to non-biotech companies in advance of its expected Q4 delivery.

Though lab-oriented projects comprise an outsized share of new development, two of the most recent

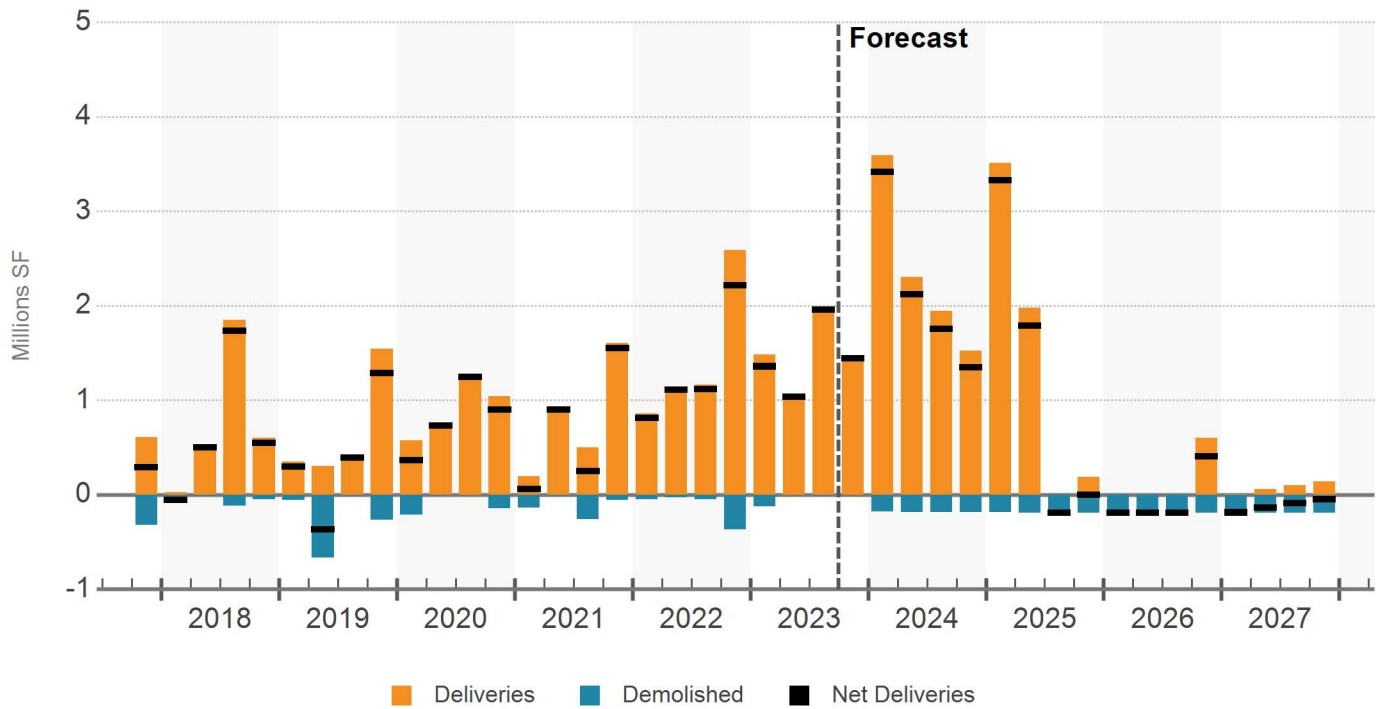
deliveries have been high-profile traditional CBD office buildings. Carr Properties' One Congress was fully leased at delivery in September, underscoring resilient demand for new, premium space. The 43-story, 1 million-SF tower is located on the extreme edge of the Financial District. It serves as the new headquarters of State Street and is also occupied by Inter Systems, a healthcare technology firm.

Millennium Partners' Winthrop Center at Downtown Crossing is the tallest building ever built in the Financial District. It has fared less well in the leasing market since its delivery in May and is still nearly 50% available.

Most of the rest of the near-term pipeline is earmarked for lab use, including two new buildings near Kendall Square in Cambridge with differing outlooks. The 462,000-SF 325 Binney St., which is being developed by sector stalwart Alexandria Real Estate Equities, has been fully leased to Moderna since 2021. The nearby 422,00-SF speculative lab development at 40 Thorndike St., on the other hand, has yet to attract a tenant, a sign of receding demand among life sciences tenants.

It is a challenging time for any metro area to be experiencing a market-wide surge in speculative office supply, but that is precisely the situation Boston finds itself in as 2024 approaches. Tenant preferences for quality space should help new deliveries stabilize, but the additional space will likely contribute to rising vacancy and falling rents.

## DELIVERIES & DEMOLITIONS



## SUBMARKET CONSTRUCTION

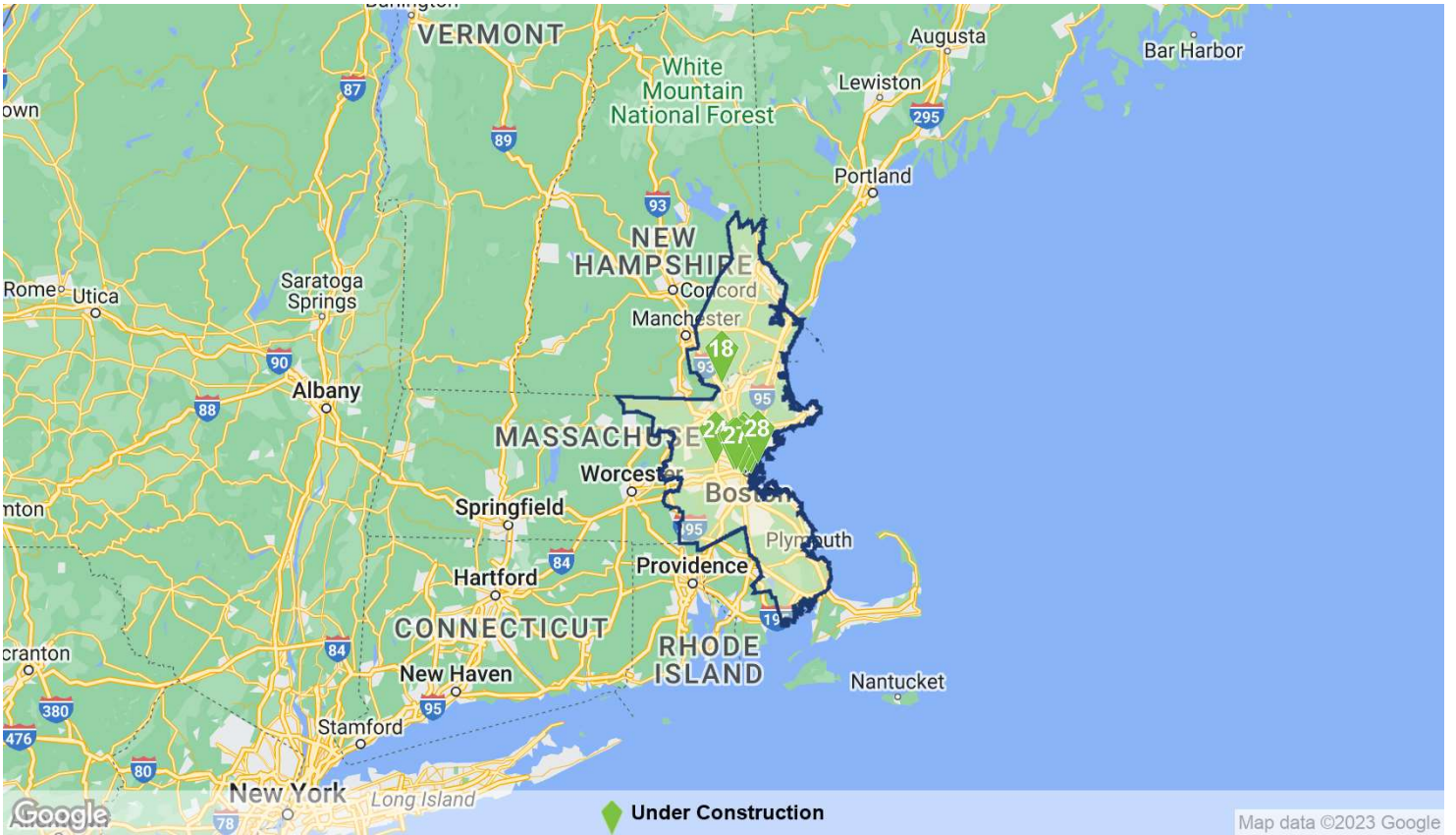
No.	Submarket	Under Construction Inventory				Average Building Size			
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Seaport	8	3,706	1,945	52.5%	4	170,213	463,259	2
2	Somerville/Everett	7	2,608	487	18.7%	7	27,386	372,629	5
3	E Cambridge/Kendall Sq	6	2,446	1,628	66.6%	2	171,215	407,682	4
4	Longwood/Fenway	5	2,216	1,769	79.8%	1	97,855	443,250	3
5	W Cambridge/Alewife	8	979	40	4.1%	10	38,201	122,339	10
6	Allston/Brighton	3	899	45	5.1%	9	30,141	299,766	6
7	Watertown	4	867	206	23.8%	6	45,769	216,774	8
8	Rockingham	5	747	417	55.8%	3	13,167	149,380	9
9	Financial District	1	711	64	9.1%	8	177,791	711,000	1
10	Waltham	2	591	258	43.6%	5	67,277	295,500	7
	All Other	12	1,323	854	64.6%		27,480	110,253	
<b>Totals</b>		<b>61</b>	<b>17,094</b>	<b>7,715</b>	<b>45.1%</b>		<b>34,339</b>	<b>280,227</b>	

# Under Construction Properties

Boston Office

Properties	Square Feet	Percent of Inventory	Released
<b>61</b>	<b>17,093,848</b>	<b>4.5%</b>	<b>45.1%</b>

## UNDER CONSTRUCTION PROPERTIES



## UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 <b>South Station Office Tower</b> 650 Atlantic Ave	★★★★★	711,000	34	Mar 2020	May 2025	Hines Hines
2 <b>Amazon</b> 1 Boston Wharf Rd	★★★★★	707,000	17	Nov 2021	Dec 2024	W/S Development W/S Development
3 <b>421 Park Dr</b>	★★★★☆	660,034	13	Nov 2022	Jan 2025	Alexandria Real Estate Equities, I... Alexandria Real Estate Equities, I...
4 <b>400 Summer St</b>	★★★★★	610,000	16	Oct 2020	Apr 2024	W/S Development PSP Investments
5 <b>585 Third</b> 585 Third St	★★★★☆	600,000	16	Oct 2022	Oct 2026	Biomed Realty BioMed Realty
6 <b>290 Binney St</b>	★★★★☆	566,000	10	Jan 2023	Dec 2024	Boston Properties, Inc. Boston Properties, Inc.
7 <b>Premier Life Science and...</b> 10 World Trade Center Ave	★★★★★	555,250	17	Apr 2022	Dec 2024	Boston Global Investors Boston Global Investors LLC

# Under Construction Properties

Boston Office

## UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 <b>1001 Boylston St</b>	★★★★★	508,000	20	Jul 2021	Dec 2023	Samuels & Associates Managem... Samuels & Associates Managem...
9 <b>Assembly Innovation Pa...</b> 188 Assembly Park Dr	★★★★★	495,000	12	Jan 2022	Nov 2024	- -
10 <b>Fenway Center Life Scie...</b> 725 Beacon St	★★★★★	480,000	21	Apr 2021	Apr 2025	IQHQ -
11 <b>74M - Purpose-Built Lab</b> 74 Middlesex Ave	★★★★★	469,000	15	Feb 2022	Mar 2024	Greystar Real Estate Partners -
12 <b>325 Binney St</b>	★★★★★	462,000	6	Feb 2021	Dec 2023	Alexandria Real Estate Equities, I... Alexandria Real Estate Equities, I...
13 <b>290 Revolution Dr</b>	★★★★★	450,000	12	Sep 2021	Sep 2024	- -
14 <b>Seaport Labs</b> 350 Summer St	★★★★★	430,000	16	Aug 2022	Dec 2024	- W/S Development
15 <b>40 Thorndike St</b>	★★★★☆	422,000	20	Dec 2022	Dec 2023	Leggat McCall Properties LLC Leggat McCall Properties LLC
16 <b>100 Necco</b> 100 Necco St	★★★★★	420,000	8	Jun 2021	Aug 2024	Alexandria Real Estate Equities, I... Related Beal
17 <b>2 Harbor</b> 2 Harbor St	★★★★☆	418,824	9	Nov 2021	Jun 2024	Millennium Partners Management... Millennium Partners Management...
18 <b>Bldg 1300</b> 72 Rockingham Park Blvd	★★★★☆	375,000	6	Aug 2022	Dec 2023	Tuscan Brands Development Tuscan Brands Development
19 <b>808 Windsor</b>	★★★★☆	370,000	11	Jan 2022	Dec 2023	- -
20 <b>20 Cambridgeside Pl</b>	★★★★☆	366,000	10	Jan 2021	Apr 2024	- -
21 <b>Forum Boston Landing</b> 60 Guest St	★★★★★	350,000	10	Sep 2022	Nov 2024	NB Development Group LLC LendLease Real Estate Investme...
22 <b>15 Necco St</b>	★★★★☆	345,995	13	Mar 2021	Dec 2023	Alexandria Real Estate Equities, I... National Development
23 <b>Boynton Gateway</b> 495 Columbia St	★★★★★	342,000	9	Jul 2023	Aug 2024	- L&B Realty Advisors, LLP
24 <b>180 CityPoint</b> 180 3rd Ave	★★★★★	329,000	6	Jun 2021	Dec 2023	Consigli Construction Co., Inc. Boston Properties, Inc.
25 <b>99 Coolidge Ave</b>	★★★★★	314,000	5	Oct 2021	Jan 2024	Alexandria Real Estate Equities, I... National Development
26 <b>109 Brookline Ave</b>	★★★★★	310,000	10	Mar 2023	Jan 2025	- -
27 <b>Allston Labworks</b> 250 Western Ave	★★★★☆	280,992	6	Oct 2022	Dec 2024	- Mugar Enterprises, Inc.
28 <b>Suffolk Downs</b> 100 Salt St	★★★★☆	280,224	5	Apr 2022	Jan 2024	The HYM Investment Group The HYM Investment Group



Office investment sales activity has shifted into slow motion in 2023, just two years after a record \$12.7 billion traded hands. Sales activity reached a high point in late 2021 and early 2022, just before the Federal Reserve initiated its sequence of rate hikes. This policy change precipitated an 84% downturn in transaction volume in the 12 months ending in the third quarter of 2023. The decline was less drastic compared with the pre-COVID era, but transactions were still 71% lower than they were during the less-frothy period from 2015-2019.

Fewer transactions and smaller deal sizes have contributed to the sharp pullback in activity. Since the beginning of the year, 16 office assets with a sticker price exceeding \$10 million have exchanged hands. Notably, medical office and life science assets dominated this roster of completed deals. Only four traditional office properties have sold above the \$10 million threshold so far in 2023, a figure that is in stark contrast to the 64 such office trades that occurred during the first nine months of 2021.

Excluding medical office buildings, the median-priced office property traded around \$575/SF between 2019 and the Fed's initial rate hike in early 2022. By the end of September 2023, the median price per square foot was 46% lower, near \$315/SF. This pricing level was last seen during 2013-2015, when the office market had only just regained momentum following the Great Recession.

Recent transfers of assets have largely gone in one direction, with institutional investors and public companies selling to private investors, owner-occupiers and niche sector buyers. For example, TPG Real Estate Partners' Alloy Properties has been an active buyer of R&D properties that can be converted to best-in-class facilities for life science use. On the other side, Alexandria Real Estate Equities has been a net seller, disposing of eight assets across four separate transactions in 2023.

Apart from the few stabilized single-tenant office deals where future income is supported with contractual rent increases, recent office deals appear to be heavily driven

by their discounts from peak pricing and/or the building's replacement cost. For multi-tenant office assets where future income is uncertain, currently active buyers are putting less weight on their going-in yields and instead prioritizing "price per pound" and increasingly higher unlevered internal rates of return.

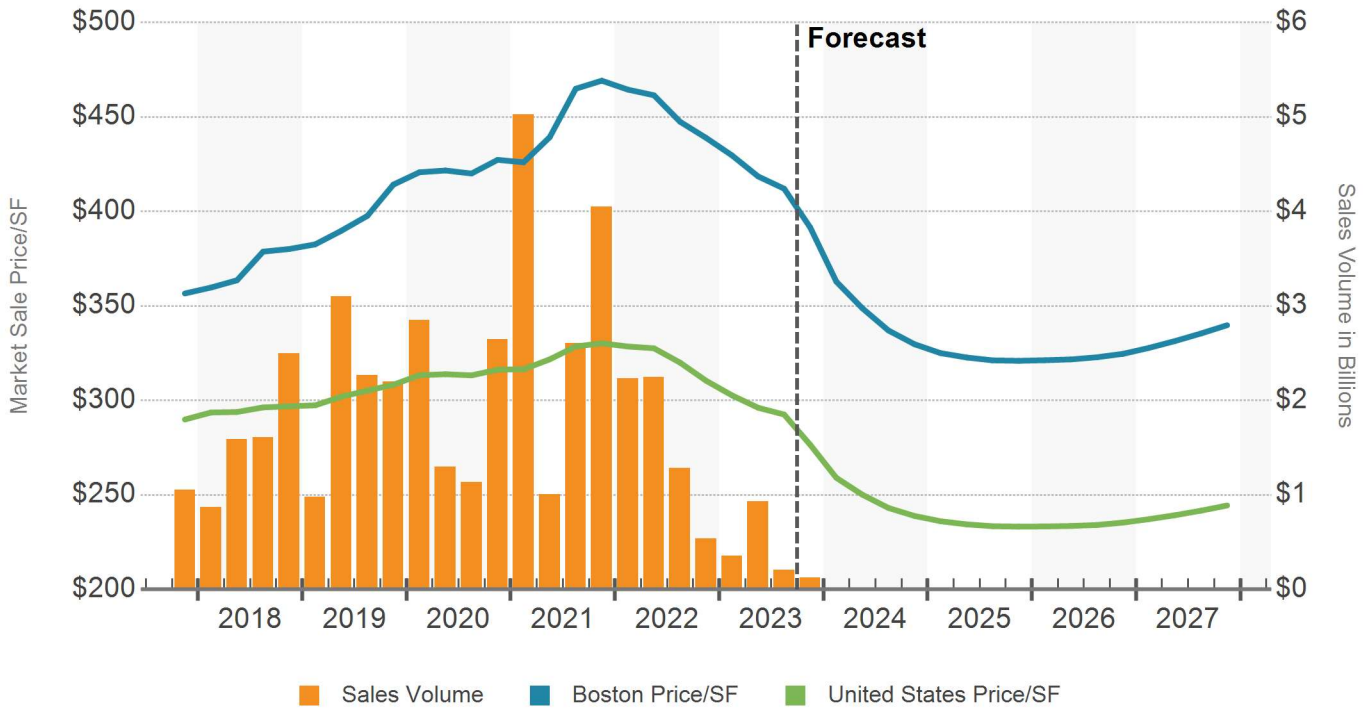
A recent example of this heavy discounting is Synergy Boston's acquisition of 1 Liberty Square from Clarion Partners in September 2023. The 13-story, 157,467-square-foot mid-rise in the financial district traded at a 7% discount to where the asset was sold in 2001. At a price of \$45 million, or \$286/SF, this recent transaction also marks a 17% decline from Clarion's 2013 acquisition at \$345/SF.

In the northern suburb of Andover, Peakstone Realty Trust parted in July with a three-story, 162,088-square-foot office building occupied by Mercury Systems. This fully leased low-rise office development traded for \$34.2 million, or \$211/SF, representing a 6% discount to its 2019 valuation.

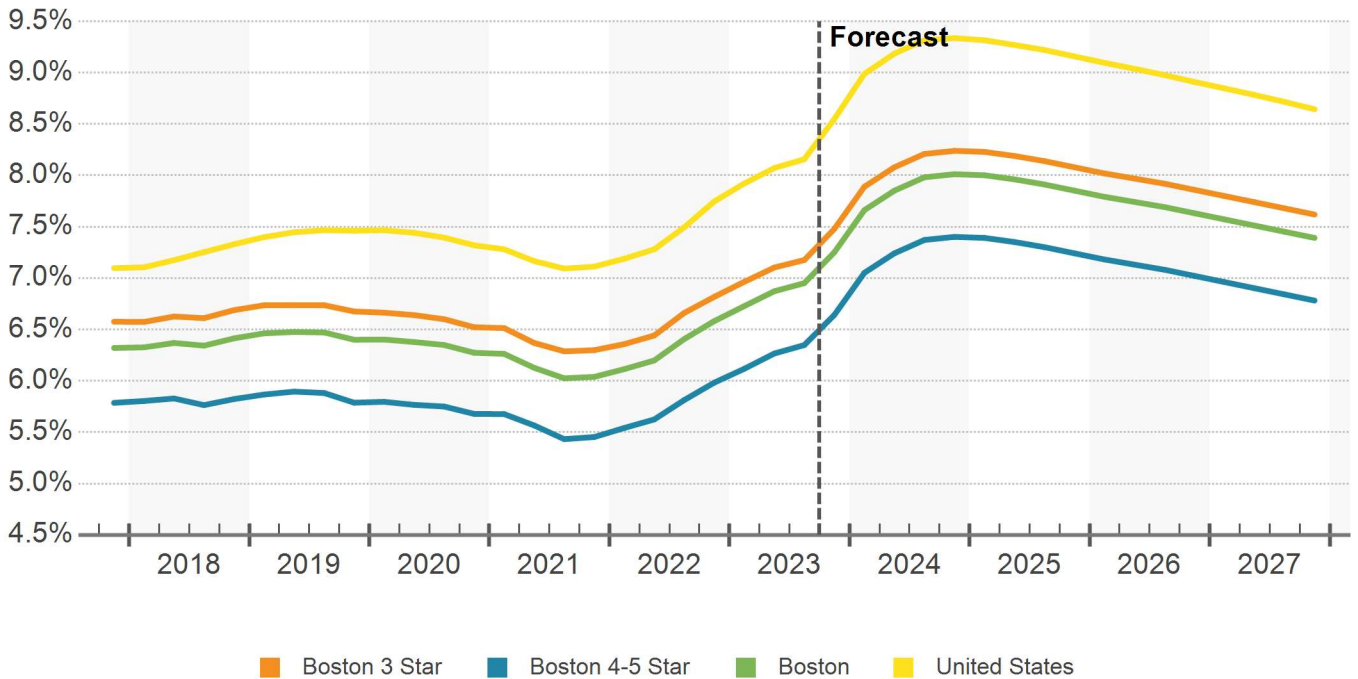
In more dramatic fashion, Alexandria sold 275 Grove Street in June at a 41% discount to where it traded in 2013. With a price tag of \$117.5 million, or \$230/SF, this 510,000-square-foot multi-tenant office building was 76% leased after reaching 100% occupancy prior to the COVID lockdowns, at which time Alexandria bought the asset for \$235 million, or \$461/SF.

As 2024 draws closer, Boston's troubled office market may continue to see well-heeled, low-leverage investors buying up discounted assets with an eye toward life science or medical office conversion. With a rich presence of academic institutions and a solid base in the national life science landscape, the region should remain a breeding ground for technological innovation that will be a future catalyst for growth despite what looks to be a temporary slowdown in venture capital investment into the sector. But in the meantime, intensive capital requirements could limit what buyers will be willing to pay for office properties, even for promising repositionings.

## SALES VOLUME & MARKET SALE PRICE PER SF



## MARKET CAP RATE



# Sales Past 12 Months

Boston Office

Sale Comparables

**389**

Avg. Cap Rate

**7.6%**

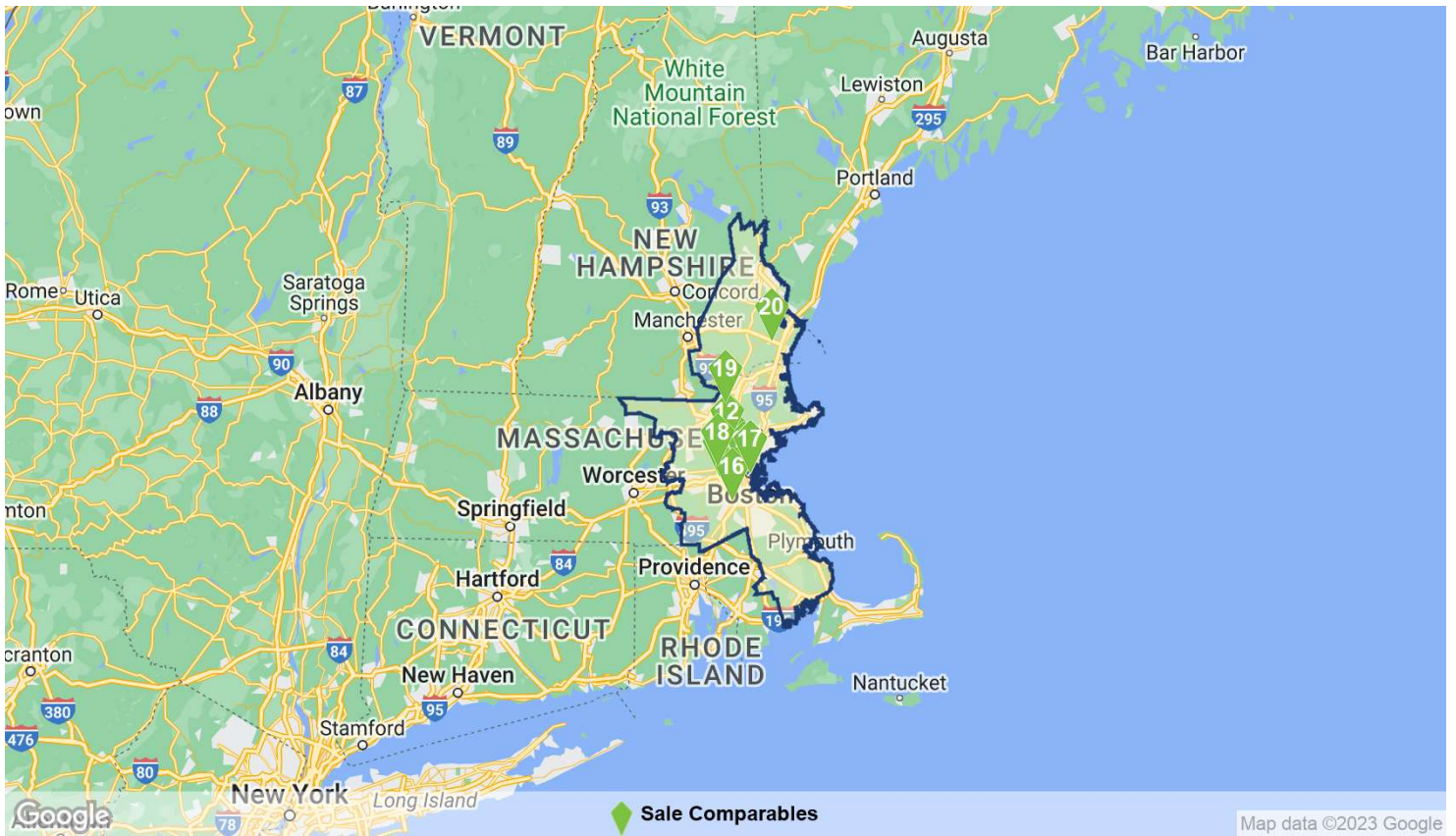
Avg. Price/SF

**\$398**

Avg. Vacancy At Sale

**8.1%**

## SALE COMPARABLE LOCATIONS



## SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$50,000	\$8,623,610	\$1,337,500	\$216,675,488
Price/SF	\$6.64	\$398	\$211	\$1,717
Cap Rate	5.0%	7.6%	7.5%	9.8%
Time Since Sale in Months	0.1	6.4	6.6	12.0
Property Attributes	Low	Average	Median	High
Building SF	953	23,493	6,979	510,000
Stories	1	3	2	13
Typical Floor SF	712	8,300	3,695	134,010
Vacancy Rate At Sale	0%	8.1%	0%	100%
Year Built	1794	1949	1960	2023
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.3	★ ★ ★ ★ ★	★ ★ ★ ★ ★

# Sales Past 12 Months

Boston Office

## RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale				
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate	
1 <b>The Gauge</b> 152 Grove St	★★★★★	2018	134,010	0%	1/19/2023	\$216,675,488	\$1,617	-	
2 <b>421 Park Dr</b>	★★★★★	2025	268,023	-	6/28/2023	\$155,000,000	\$578	-	
3 <b>Riverside Center Buildin...</b> 275 Grove St	★★★★★	2000	510,000	23.8%	6/28/2023	\$117,500,000	\$230	-	
4 <b>Burlington BioCenter</b> 4 Burlington Woods Dr	★★★★★	2014	109,085	43.5%	11/9/2022	\$103,000,000	\$944	-	
5 <b>855 Boylston St</b>	★★★★★	1986	142,765	0%	10/10/2023	\$99,500,000	\$697	-	
6 <b>790 Memorial Dr</b>	★★★★★	2001	52,916	30.4%	6/16/2023	\$90,835,740	\$1,717	-	
7 <b>780 Memorial Dr</b>	★★★★★	2001	51,000	100%	6/16/2023	\$84,567,497	\$1,658	-	
8 <b>One Brattle Square</b> 1 Brattle Sq	★★★★★	1991	97,000	13.2%	12/14/2022	\$81,000,000	\$835	9.8%	
9 <b>1414 Massachusetts Ave</b>	★★★★★	1873	78,220	0%	12/20/2022	\$78,725,000	\$1,006	7.1%	
10 <b>225 Second Ave</b>	★★★★★	1960	134,129	0%	6/16/2023	\$77,763,072	\$580	-	
11 <b>Waltham Place II</b> 275 Second Ave	★★★★★	2000	107,062	0%	6/16/2023	\$74,514,431	\$696	-	
12 <b>67 S Bedford St</b>	★★★★★	1981	175,423	23.7%	6/30/2023	\$67,270,000	\$383	-	
13 <b>15 Necco St</b>	★★★★★	2023	345,995	2.9%	4/12/2023	\$66,108,000	\$955	6.6%	
14 <b>11-19 Deerfield St</b>	★★★★★	1925	70,150	0%	2/1/2023	\$56,000,000	\$798	-	
15 <b>1 Liberty Sq</b>	★★★★★	1926	157,467	26.4%	9/7/2023	\$45,000,000	\$286	-	
16 <b>40 Allied Dr</b>	★★★★★	1964	64,127	0%	6/26/2023	\$41,900,000	\$653	-	
17 <b>70 Federal St</b>	★★★★★	1965	64,246	9.2%	8/20/2023	\$41,000,000	\$638	-	
18 <b>Waltham Place I</b> 266 Second Ave	★★★★★	1961	98,249	0%	6/16/2023	\$37,319,260	\$380	-	
19 <b>50 Minuteman Rd</b>	★★★★★	1997	162,088	0%	7/5/2023	\$34,220,000	\$211	-	
20 <b>1 Hampton Rd</b>	★★★★★	1965	82,000	10.8%	7/31/2023	\$13,500,000	\$165	-	



While Boston's economy was relatively slow to recover from the pandemic and ensuing recession, the pace of job growth is improving, and now outpacing the national average. Over the past year, 79,000 jobs were added, representing a gain of 2.8%. Around 15% of the metro's jobs were lost in the first months of the pandemic, and it took more than 2.5 years to recover these losses. Employment is now 2.5% above February 2020 levels, in line with the U.S. overall.

According to Oxford Economics, Boston's economy will continue to outperform, driven by several key industry concentrations. Professional and business services accounts for nearly 20% of total employment, due largely to the area's outsized scientific research and development community. Top R & D employers include Sanofi, Takeda, Moderna, and Vertex Pharmaceuticals.

Biotech firms, and other knowledge-based employers, are drawn to Boston's top-tier universities, the deep pool of talent and research that they produce, and the affiliated teaching hospitals. This concentration is clearly reflected in employment stats, with education and health

services representing 21% of total jobs compared to a national average of 16%.

The list of top employers is a long one, with Mass General Brigham, Beth Israel Lahey Health, Tufts Medicine, and Dana-Farber Cancer Institute among the more notable health systems. In addition to Harvard and MIT, large employers in the private education space include Boston University, Northeastern, and Tufts.

Employment in the financial activities sector represents about 7% of total area employment, compared to 6% nationally. Fidelity, Mass Mutual, and John Hancock are some of the largest employers in this industry sector.

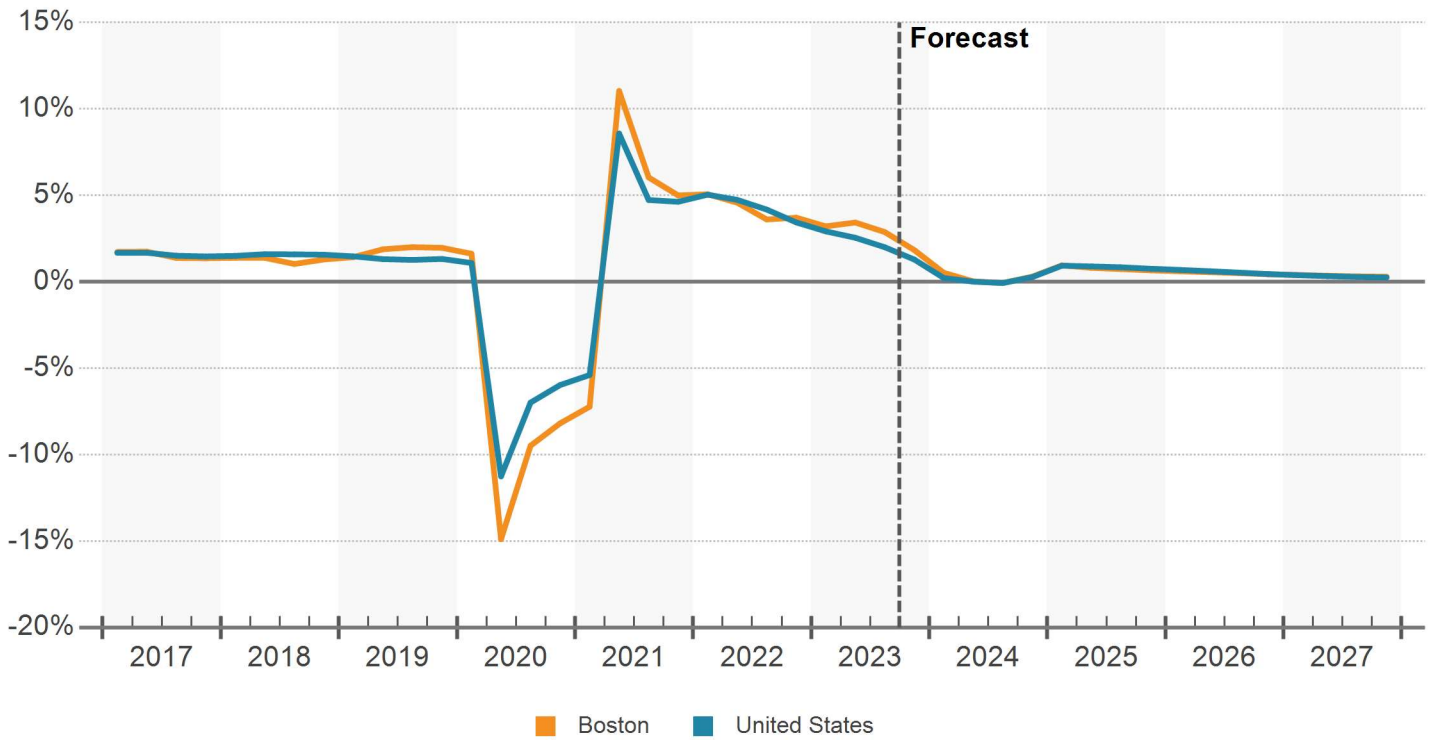
While Boston's exposure to manufacturing comes in below the U.S. average, the area has a notable advanced manufacturing presence, again related to the renowned academic and research community. Aerospace and defense firm Raytheon moved its headquarters from Massachusetts to Northern Virginia last year, but is still one of Boston's largest employers, with about 12,000 employees across multiple suburban facilities.

## BOSTON EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	172	0.7	0.77%	0.48%	-0.25%	0.76%	-0.32%	0.05%
Trade, Transportation and Utilities	414	0.8	1.61%	0.27%	0.27%	1.10%	-0.23%	0.13%
Retail Trade	238	0.8	0.18%	0.36%	-0.42%	0.28%	-0.10%	0.10%
Financial Activities	204	1.2	2.07%	0.85%	1.28%	1.47%	-0.01%	0.12%
Government	310	0.7	0.52%	1.86%	0.36%	0.38%	0.26%	0.37%
Natural Resources, Mining and Construction	132	0.8	4.71%	2.31%	3.82%	2.44%	1.02%	0.20%
Education and Health Services	619	1.3	4.00%	3.73%	1.80%	1.89%	0.49%	0.64%
Professional and Business Services	580	1.4	2.80%	1.11%	2.58%	2.06%	0.41%	0.47%
Information	89	1.6	-1.27%	-2.15%	1.54%	1.17%	0.67%	0.27%
Leisure and Hospitality	269	0.9	4.39%	3.80%	0.86%	1.51%	1.25%	0.86%
Other Services	105	1.0	0.93%	2.24%	0.61%	0.67%	0.67%	0.26%
<b>Total Employment</b>	<b>2,895</b>	<b>1.0</b>	<b>2.49%</b>	<b>1.73%</b>	<b>1.32%</b>	<b>1.34%</b>	<b>0.37%</b>	<b>0.38%</b>

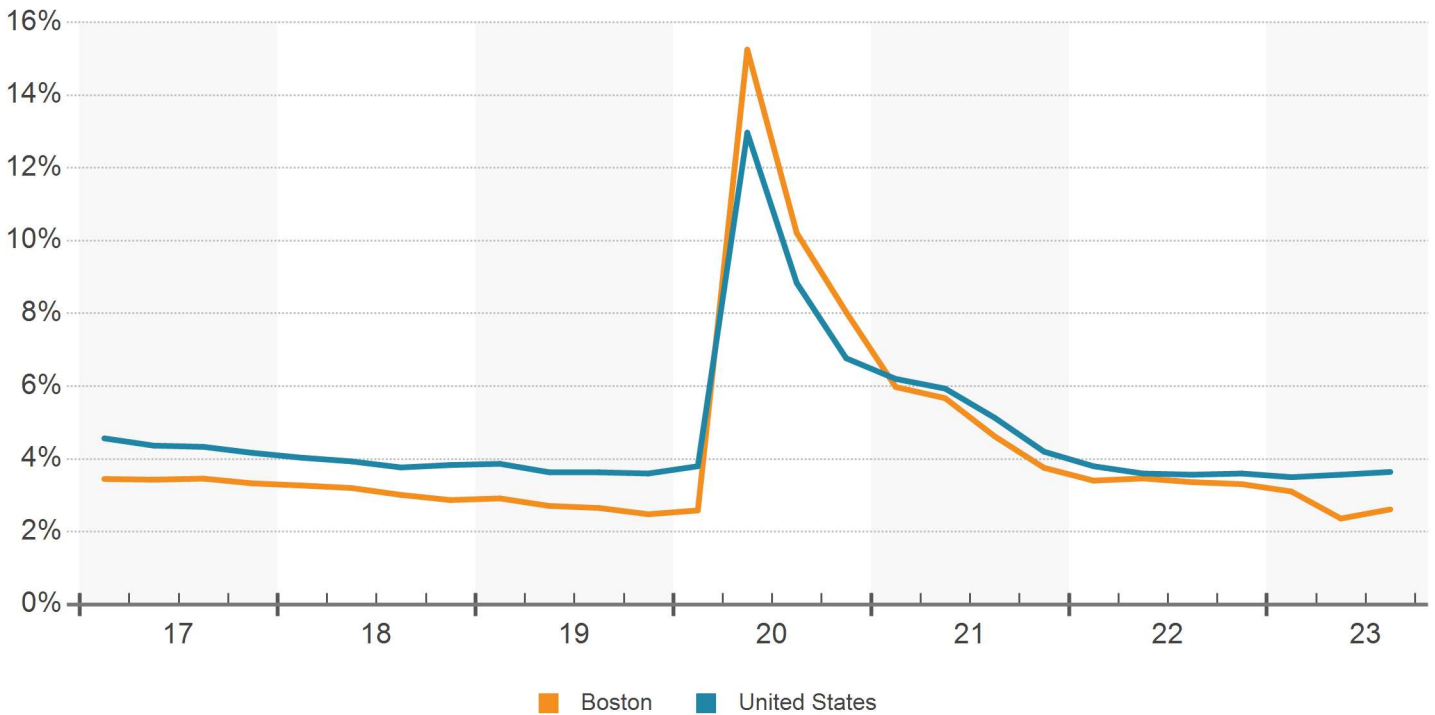
Source: Oxford Economics  
LQ = Location Quotient

## JOB GROWTH (YOY)

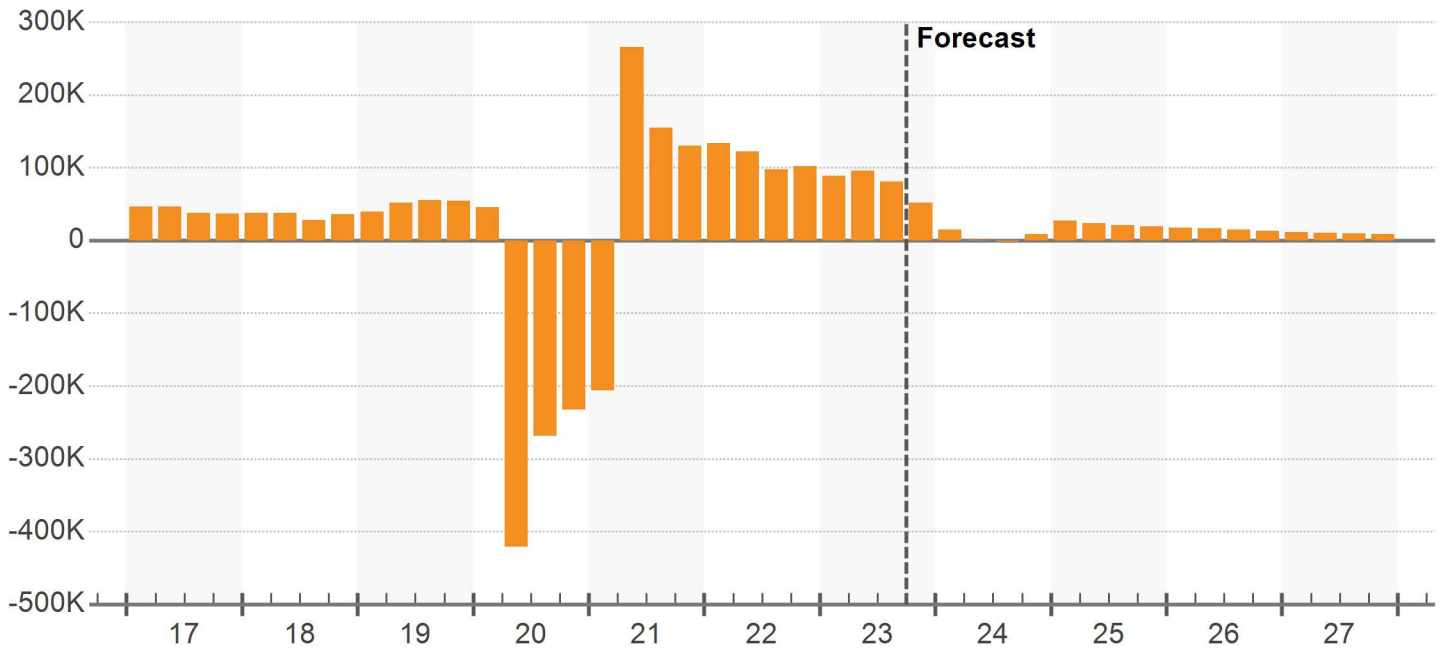


Source: Oxford Economics

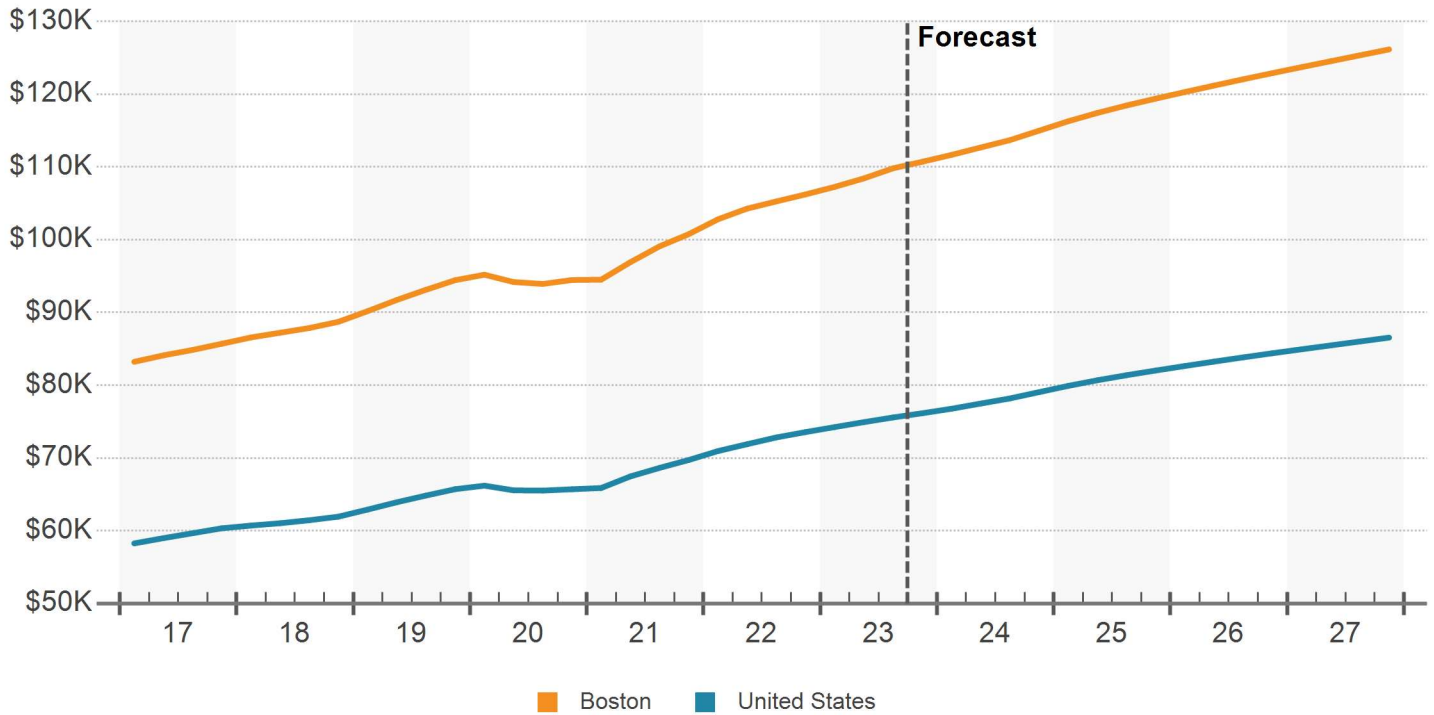
## UNEMPLOYMENT RATE (%)



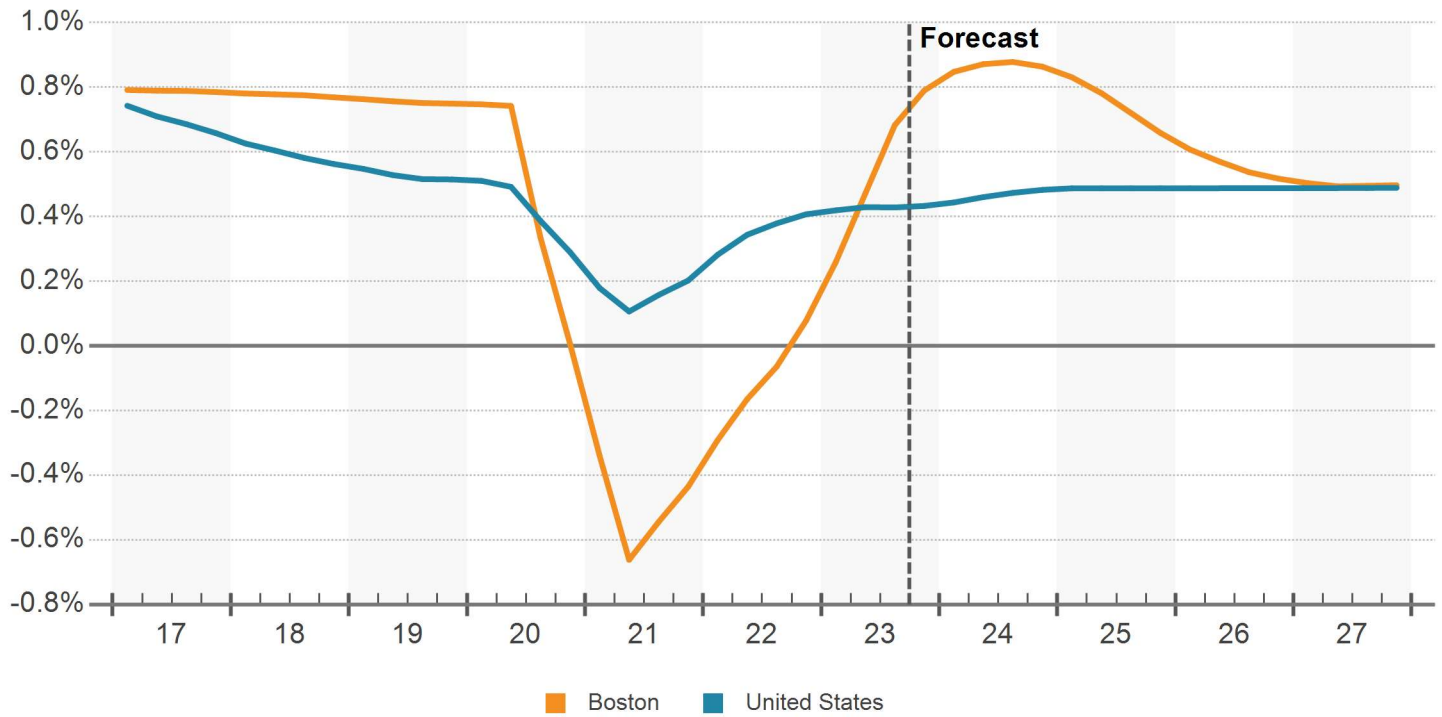
## NET EMPLOYMENT CHANGE (YOY)



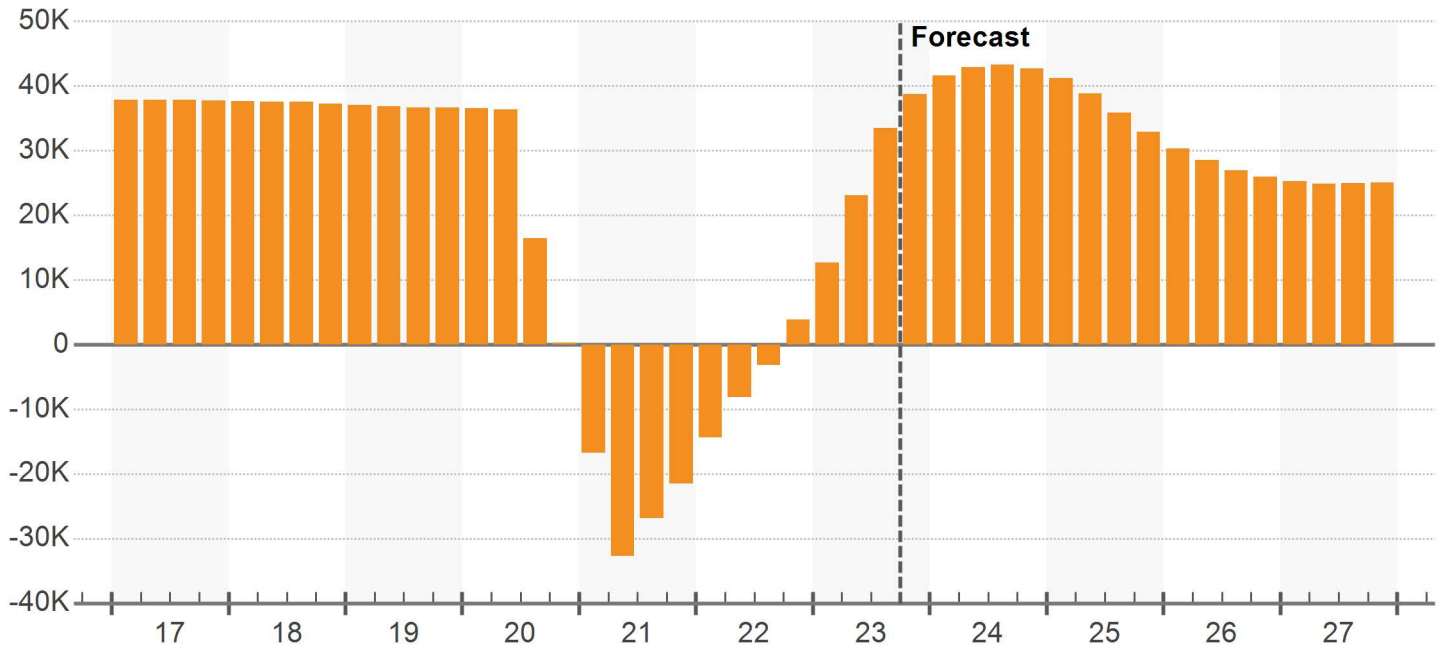
## MEDIAN HOUSEHOLD INCOME



## POPULATION GROWTH (YOY %)



## NET POPULATION CHANGE (YOY)



## DEMOGRAPHIC TRENDS

Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	4,938,147	334,865,719	0.7%	0.4%	0.5%	0.5%	0.6%	0.5%
Households	1,966,751	130,708,859	0.9%	0.6%	1.0%	0.9%	0.7%	0.6%
Median Household Income	\$110,126	\$75,778	4.3%	3.7%	4.2%	3.8%	3.2%	3.1%
Labor Force	2,729,837	167,531,828	0.5%	1.8%	0.7%	0.8%	0.6%	0.2%
Unemployment	2.6%	3.6%	-0.7%	0.1%	-0.3%	-0.4%	-	-

Source: Oxford Economics

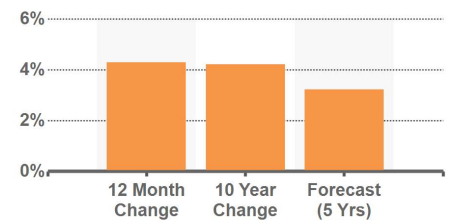
### POPULATION GROWTH



### LABOR FORCE GROWTH



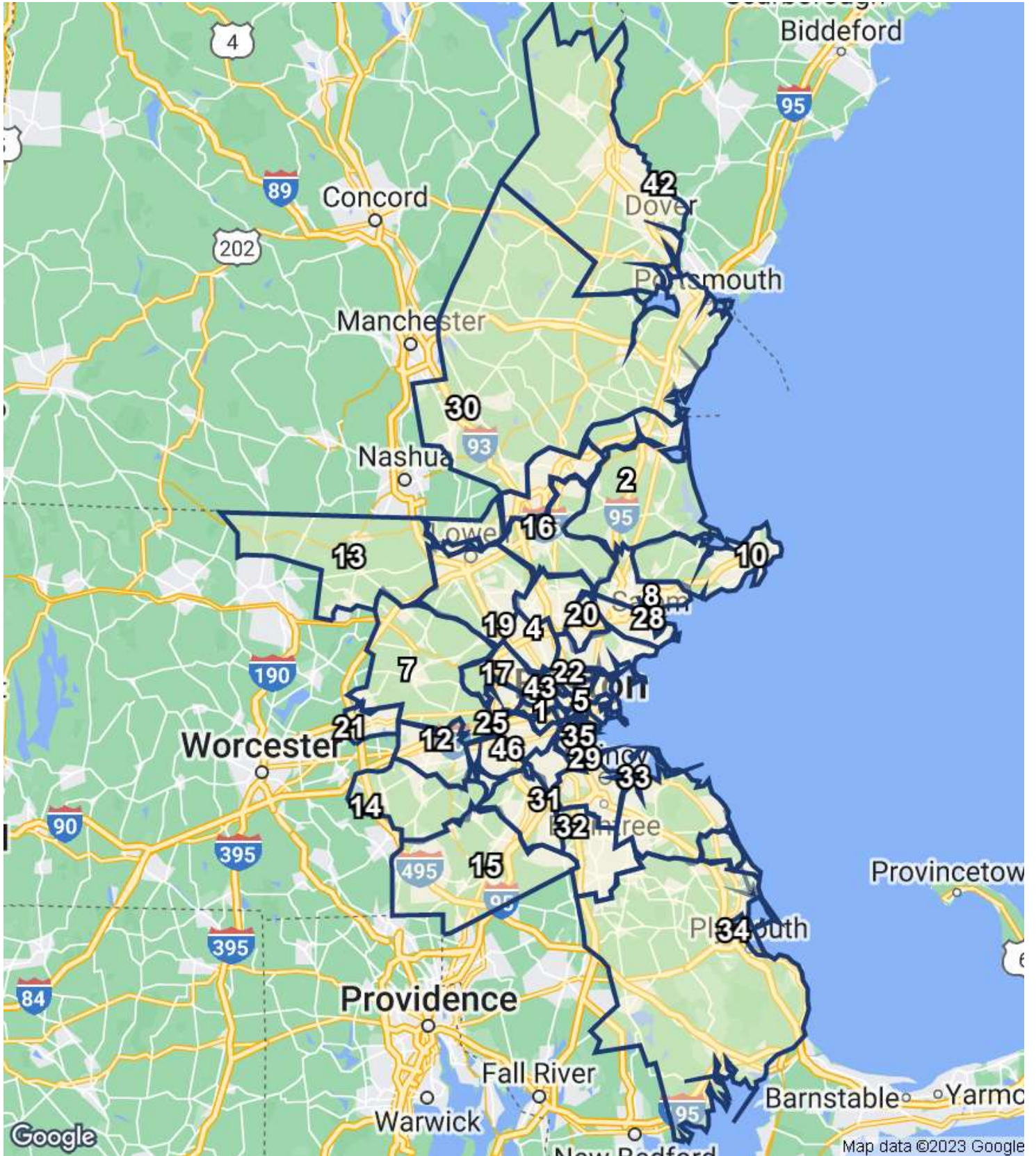
### INCOME GROWTH



Source: Oxford Economics



## BOSTON SUBMARKETS



# Submarkets

Boston Office

## SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Allston/Brighton	109	3,285	0.9%	38	0	0	0%	-	3	899	27.4%	6
2	Amesbury/Ipswich	182	1,986	0.5%	41	0	0	0%	-	0	-	-	-
3	Back Bay	183	17,386	4.6%	4	1	46	0.3%	12	1	232	1.3%	13
4	Burlington/Woburn	320	14,634	3.9%	8	0	0	0%	-	1	260	1.8%	12
5	Charlestown/East Boston	105	5,786	1.5%	23	2	619	10.7%	4	1	112	1.9%	16
6	Chelsea/Revere	125	2,100	0.6%	40	0	0	0%	-	1	280	13.3%	11
7	Concord/Maynard	372	11,440	3.0%	10	0	0	0%	-	0	-	-	-
8	Danvers/Beverly	213	6,578	1.7%	20	0	0	0%	-	1	11	0.2%	19
9	E Cambridge/Kendall Sq	123	21,059	5.6%	2	6	1,819	8.6%	1	6	2,446	11.6%	3
10	Essex/Gloucester	97	998	0.3%	46	0	0	0%	-	0	-	-	-
11	Financial District	257	45,692	12.2%	1	1	812	1.8%	3	1	711	1.6%	9
12	Framingham/Natick	392	10,688	2.8%	12	0	0	0%	-	1	5	0%	21
13	Groton/Townsend	138	1,285	0.3%	44	1	13	1.0%	15	0	-	-	-
14	Hopkinton/Holliston	80	1,778	0.5%	43	0	0	0%	-	0	-	-	-
15	I-95 Corridor South	350	5,575	1.5%	24	0	0	0%	-	0	-	-	-
16	Lawrence/Andover	500	14,899	4.0%	7	0	0	0%	-	1	15	0.1%	18
17	Lexington/Arlington	244	5,471	1.5%	26	1	174	3.2%	8	0	-	-	-
18	Longwood/Fenway	94	9,198	2.4%	14	2	489	5.3%	5	5	2,216	24.1%	4
19	Lowell/Chelmsford	490	20,089	5.3%	3	1	20	0.1%	14	1	6	0%	20
20	Lynnfield/Wakefield	112	3,009	0.8%	39	0	0	0%	-	0	-	-	-
21	Marlborough	123	7,048	1.9%	18	0	0	0%	-	0	-	-	-
22	Medford/Malden	163	3,831	1.0%	33	0	0	0%	-	0	-	-	-
23	Mid-Cambridge/Harvard Sq	225	9,409	2.5%	13	0	0	0%	-	0	-	-	-
24	Midtown	105	5,194	1.4%	27	0	0	0%	-	0	-	-	-
25	Newton/Brookline	350	9,104	2.4%	15	0	0	0%	-	0	-	-	-
26	North End/Waterfront	52	1,915	0.5%	42	0	0	0%	-	0	-	-	-
27	North Station/Beacon Hill	88	7,755	2.1%	17	1	1,007	13.0%	2	2	192	2.5%	14
28	Peabody/Salem	259	3,711	1.0%	35	0	0	0%	-	0	-	-	-
29	Quincy/Braintree	397	11,229	3.0%	11	3	8	0.1%	16	0	-	-	-
30	Rockingham	988	13,009	3.5%	9	2	44	0.3%	13	5	747	5.7%	8
31	Route 1 South	267	8,383	2.2%	16	0	0	0%	-	0	-	-	-
32	Route 24	390	4,913	1.3%	29	1	1	0%	18	0	-	-	-
33	Route 3 Corridor	452	5,965	1.6%	21	0	0	0%	-	0	-	-	-
34	Route 3 South	557	5,948	1.6%	22	1	3	0.1%	17	0	-	-	-
35	Roxbury/Dorchester	194	4,964	1.3%	28	0	0	0%	-	0	-	-	-
36	Saugus/Lynn	232	3,431	0.9%	37	0	0	0%	-	0	-	-	-
37	Seaport	95	16,170	4.3%	5	1	169	1.0%	9	8	3,706	22.9%	1
38	Somerville/Everett	179	4,902	1.3%	30	1	209	4.3%	7	7	2,608	53.2%	2
39	South Boston	62	580	0.2%	47	0	0	0%	-	0	-	-	-
40	South End	71	3,635	1.0%	36	0	0	0%	-	0	-	-	-
41	South Suffolk County	90	1,001	0.3%	45	0	0	0%	-	0	-	-	-
42	Strafford County	318	5,555	1.5%	25	0	0	0%	-	1	190	3.4%	15

## SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
43	<a href="#">W Cambridge/Alewife</a>	116	4,431	1.2%	32	1	161	3.6%	10	8	979	22.1%	5
44	<a href="#">Waltham</a>	236	15,877	4.2%	6	1	140	0.9%	11	2	591	3.7%	10
45	<a href="#">Watertown</a>	101	4,623	1.2%	31	3	410	8.9%	6	4	867	18.8%	7
46	<a href="#">Wellesley/Needham</a>	231	6,618	1.8%	19	0	0	0%	-	0	-	-	-
47	<a href="#">Wilmington/Reading</a>	121	3,811	1.0%	34	0	0	0%	-	1	20	0.5%	17

## SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Allston/Brighton	\$43.53	11	0.4%	42	1.8%	41
2	Amesbury/Ipswich	\$25.06	37	1.8%	1	1.9%	20
3	Back Bay	\$58.48	3	0.4%	44	2.0%	14
4	Burlington/Woburn	\$32.99	24	0.5%	37	1.8%	37
5	Charlestown/East Boston	\$45.08	9	0.5%	39	1.8%	35
6	Chelsea/Revere	\$35.22	20	0.7%	30	1.9%	23
7	Concord/Maynard	\$25.38	36	0.9%	18	2.0%	10
8	Danvers/Beverly	\$24.05	45	1.0%	16	1.9%	19
9	E Cambridge/Kendall Sq	\$80.67	1	0.4%	45	2.0%	11
10	Essex/Gloucester	\$24.77	39	1.5%	6	1.8%	36
11	Financial District	\$55.74	4	0.2%	47	1.7%	42
12	Framingham/Natick	\$28.37	28	0.8%	27	1.9%	18
13	Groton/Townsend	\$24.34	41	1.5%	5	2.1%	5
14	Hopkinton/Holliston	\$25.60	35	1.2%	11	2.0%	15
15	I-95 Corridor South	\$25.04	38	0.5%	38	1.9%	21
16	Lawrence/Andover	\$26.98	31	1.1%	14	2.1%	4
17	Lexington/Arlington	\$40.29	15	0.9%	21	1.5%	47
18	Longwood/Fenway	\$54.23	6	0.3%	46	1.9%	29
19	Lowell/Chelmsford	\$24.72	40	1.1%	13	2.0%	8
20	Lynnfield/Wakefield	\$28.66	27	0.9%	24	1.7%	45
21	Marlborough	\$25.65	34	0.8%	26	1.8%	33
22	Medford/Malden	\$33.13	23	0.8%	25	1.7%	44
23	Mid-Cambridge/Harvard Sq	\$70.59	2	0.6%	36	1.9%	17
24	Midtown	\$39.86	17	0.7%	32	1.6%	46
25	Newton/Brookline	\$38.13	19	1.0%	17	2.1%	7
26	North End/Waterfront	\$41.69	13	0.7%	31	1.8%	34
27	North Station/Beacon Hill	\$52.46	8	0.5%	40	1.9%	25
28	Peabody/Salem	\$24.11	44	1.7%	3	1.8%	32
29	Quincy/Braintree	\$30.48	26	0.9%	19	1.8%	40
30	Rockingham	\$26.73	32	1.4%	8	2.1%	3
31	Route 1 South	\$27.75	29	1.0%	15	1.9%	31
32	Route 24	\$24.15	43	1.6%	4	2.2%	1
33	Route 3 Corridor	\$26.47	33	1.2%	10	1.9%	24
34	Route 3 South	\$24.31	42	0.9%	23	2.0%	16
35	Roxbury/Dorchester	\$35.04	21	0.9%	22	1.9%	30
36	Saugus/Lynn	\$23.37	47	1.7%	2	1.9%	22
37	Seaport	\$55.54	5	0.5%	41	2.0%	9
38	Somerville/Everett	\$41.93	12	0.4%	43	1.8%	38
39	South Boston	\$33.93	22	1.5%	7	2.1%	2
40	South End	\$44.64	10	0.6%	34	1.9%	28
41	South Suffolk County	\$31.92	25	1.3%	9	2.1%	6
42	Strafford County	\$23.45	46	1.2%	12	1.9%	27



## SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
43	W Cambridge/Alewife	\$54.10	7	0.7%	29	2.0%	12
44	Waltham	\$40.10	16	0.6%	33	1.9%	26
45	Watertown	\$40.29	14	0.6%	35	1.8%	39
46	Wellesley/Needham	\$38.78	18	0.8%	28	2.0%	13
47	Wilmington/Reading	\$27.70	30	0.9%	20	1.7%	43



## SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			Construc. Ratio
		SF	Percent	Rank	SF	% of Inv	Rank	
1	Allston/Brighton	159,266	4.8%	14	(88,767)	-2.7%	33	-
2	Amesbury/Ipswich	66,627	3.4%	8	(15,545)	-0.8%	24	-
3	Back Bay	1,734,827	10.0%	26	(323,896)	-1.9%	42	-
4	Burlington/Woburn	2,132,348	14.6%	40	(524,385)	-3.6%	46	-
5	Charlestown/East Boston	648,713	11.2%	28	547,325	9.5%	3	-
6	Chelsea/Revere	29,330	1.4%	1	(1,310)	-0.1%	17	-
7	Concord/Maynard	1,726,446	15.1%	41	91,625	0.8%	8	-
8	Danvers/Beverly	664,418	10.1%	27	(171,603)	-2.6%	39	-
9	E Cambridge/Kendall Sq	2,011,946	9.6%	24	794,519	3.8%	1	1.6
10	Essex/Gloucester	33,399	3.3%	7	(8,578)	-0.9%	22	-
11	Financial District	7,379,285	16.1%	44	(520,212)	-1.1%	45	-
12	Framingham/Natick	919,701	8.6%	22	74,610	0.7%	10	-
13	Groton/Townsend	88,714	6.9%	16	(11,332)	-0.9%	23	-
14	Hopkinton/Holliston	31,927	1.8%	3	(2,457)	-0.1%	20	-
15	I-95 Corridor South	218,183	3.9%	11	68,539	1.2%	11	-
16	Lawrence/Andover	2,259,725	15.2%	42	(146,785)	-1.0%	36	-
17	Lexington/Arlington	619,840	11.3%	30	(133,543)	-2.4%	34	-
18	Longwood/Fenway	165,484	1.8%	4	579,837	6.3%	2	0.3
19	Lowell/Chelmsford	2,752,584	13.7%	37	138,088	0.7%	7	0.1
20	Lynnfield/Wakefield	537,917	17.9%	46	(53,763)	-1.8%	28	-
21	Marlborough	873,871	12.4%	33	(67,462)	-1.0%	31	-
22	Medford/Malden	691,602	18.1%	47	(41,482)	-1.1%	26	-
23	Mid-Cambridge/Harvard Sq	908,616	9.7%	25	(515,550)	-5.5%	44	-
24	Midtown	689,878	13.3%	34	(197,618)	-3.8%	40	-
25	Newton/Brookline	1,026,247	11.3%	29	(136,988)	-1.5%	35	-
26	North End/Waterfront	181,081	9.5%	23	(1,521)	-0.1%	18	-
27	North Station/Beacon Hill	1,032,871	13.3%	35	544,676	7.0%	4	1.8
28	Peabody/Salem	268,144	7.2%	17	12,488	0.3%	16	-
29	Quincy/Braintree	1,387,274	12.4%	32	(63,384)	-0.6%	29	-
30	Rockingham	963,573	7.4%	18	(169,219)	-1.3%	38	-
31	Route 1 South	1,381,635	16.5%	45	(147,035)	-1.8%	37	-
32	Route 24	187,608	3.8%	10	(16,129)	-0.3%	25	-
33	Route 3 Corridor	383,646	6.4%	15	(49,642)	-0.8%	27	-
34	Route 3 South	234,653	3.9%	12	29,761	0.5%	15	-
35	Roxbury/Dorchester	98,181	2.0%	5	431,357	8.7%	5	-
36	Saugus/Lynn	121,645	3.5%	9	(2,225)	-0.1%	19	-
37	Seaport	2,524,735	15.6%	43	(458,794)	-2.8%	43	-
38	Somerville/Everett	411,952	8.4%	21	31,624	0.6%	14	6.6
39	South Boston	27,074	4.7%	13	33,070	5.7%	13	-
40	South End	291,656	8.0%	20	(66,485)	-1.8%	30	-
41	South Suffolk County	29,848	3.0%	6	(4,149)	-0.4%	21	-
42	Strafford County	83,510	1.5%	2	55,056	1.0%	12	-

## SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
43	W Cambridge/Alewife	630,988	14.2%	39	(280,617)	-6.3%	41	-
44	Waltham	2,183,968	13.8%	38	(837,048)	-5.3%	47	-
45	Watertown	626,946	13.6%	36	83,219	1.8%	9	4.9
46	Wellesley/Needham	760,622	11.5%	31	218,922	3.3%	6	-
47	Wilmington/Reading	301,406	7.9%	19	(79,396)	-2.1%	32	-

## OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	390,560,982	(465,793)	-0.1%	1,364,749	0.3%	-
2026	391,026,775	(168,434)	0%	311,939	0.1%	-
2025	391,195,209	4,918,421	1.3%	(2,351,500)	-0.6%	-
2024	386,276,788	8,638,275	2.3%	(4,492,888)	-1.2%	-
2023	377,638,513	5,794,044	1.6%	(3,533,156)	-0.9%	-
YTD	376,199,324	4,354,855	1.2%	(2,086,531)	-0.6%	-
2022	371,844,469	5,255,866	1.4%	3,270,648	0.9%	1.6
2021	366,588,603	2,805,661	0.8%	(622,052)	-0.2%	-
2020	363,782,942	3,238,919	0.9%	(2,951,642)	-0.8%	-
2019	360,544,023	1,615,188	0.5%	3,284,320	0.9%	0.5
2018	358,928,835	2,725,619	0.8%	3,357,810	0.9%	0.8
2017	356,203,216	1,080,748	0.3%	2,884,749	0.8%	0.4
2016	355,122,468	2,408,515	0.7%	3,093,909	0.9%	0.8
2015	352,713,953	2,538,115	0.7%	4,548,271	1.3%	0.6
2014	350,175,838	2,598,398	0.7%	4,275,195	1.2%	0.6
2013	347,577,440	3,240,480	0.9%	5,632,272	1.6%	0.6
2012	344,336,960	67,021	0%	2,145,666	0.6%	0
2011	344,269,939	635,391	0.2%	1,469,060	0.4%	0.4

## 4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	164,694,627	301,968	0.2%	3,089,726	1.9%	0.1
2026	164,392,659	600,000	0.4%	2,414,556	1.5%	0.2
2025	163,792,659	5,678,800	3.6%	1,043,253	0.6%	5.4
2024	158,113,859	8,734,605	5.8%	1,178,640	0.7%	7.4
2023	149,379,254	5,694,746	4.0%	(73,372)	0%	-
YTD	147,942,665	4,258,157	3.0%	(361,719)	-0.2%	-
2022	143,684,508	5,545,172	4.0%	4,737,533	3.3%	1.2
2021	138,139,336	3,105,507	2.3%	504,915	0.4%	6.2
2020	135,033,829	3,286,446	2.5%	103,257	0.1%	31.8
2019	131,747,383	2,175,614	1.7%	3,381,791	2.6%	0.6
2018	129,571,769	2,871,031	2.3%	2,642,367	2.0%	1.1
2017	126,700,738	2,413,538	1.9%	2,233,107	1.8%	1.1
2016	124,287,200	3,114,092	2.6%	2,065,170	1.7%	1.5
2015	121,173,108	3,182,893	2.7%	4,299,968	3.5%	0.7
2014	117,990,215	2,722,086	2.4%	3,073,835	2.6%	0.9
2013	115,268,129	3,231,150	2.9%	4,318,238	3.7%	0.7
2012	112,036,979	586,284	0.5%	1,243,232	1.1%	0.5
2011	111,450,695	1,175,125	1.1%	1,143,964	1.0%	1.0

## 3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	159,372,077	(4,287)	0%	(747,142)	-0.5%	-
2026	159,376,364	(4,342)	0%	(1,030,558)	-0.6%	-
2025	159,380,706	(4,320)	0%	(1,930,952)	-1.2%	-
2024	159,385,026	625,085	0.4%	(3,500,094)	-2.2%	-
2023	158,759,941	101,543	0.1%	(2,764,568)	-1.7%	-
YTD	158,757,341	98,943	0.1%	(1,589,305)	-1.0%	-
2022	158,658,398	(132,623)	-0.1%	(964,350)	-0.6%	-
2021	158,791,021	(163,251)	-0.1%	(1,086,478)	-0.7%	-
2020	158,954,272	(5,120)	0%	(2,677,169)	-1.7%	-
2019	158,959,392	(397,158)	-0.2%	(260,993)	-0.2%	-
2018	159,356,550	(96,695)	-0.1%	553,585	0.3%	-
2017	159,453,245	(740,917)	-0.5%	681,556	0.4%	-
2016	160,194,162	(397,867)	-0.2%	640,583	0.4%	-
2015	160,592,029	(436,719)	-0.3%	307,238	0.2%	-
2014	161,028,748	297,053	0.2%	1,013,009	0.6%	0.3
2013	160,731,695	163,219	0.1%	1,469,513	0.9%	0.1
2012	160,568,476	(42,128)	0%	872,748	0.5%	-
2011	160,610,604	111,985	0.1%	311,597	0.2%	0.4

## 1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	66,494,278	(763,474)	-1.1%	(977,835)	-1.5%	-
2026	67,257,752	(764,092)	-1.1%	(1,072,059)	-1.6%	-
2025	68,021,844	(756,059)	-1.1%	(1,463,801)	-2.2%	-
2024	68,777,903	(721,415)	-1.0%	(2,171,434)	-3.2%	-
2023	69,499,318	(2,245)	0%	(695,216)	-1.0%	-
YTD	69,499,318	(2,245)	0%	(135,507)	-0.2%	-
2022	69,501,563	(156,683)	-0.2%	(502,535)	-0.7%	-
2021	69,658,246	(136,595)	-0.2%	(40,489)	-0.1%	-
2020	69,794,841	(42,407)	-0.1%	(377,730)	-0.5%	-
2019	69,837,248	(163,268)	-0.2%	163,522	0.2%	-
2018	70,000,516	(48,717)	-0.1%	161,858	0.2%	-
2017	70,049,233	(591,873)	-0.8%	(29,914)	0%	-
2016	70,641,106	(307,710)	-0.4%	388,156	0.5%	-
2015	70,948,816	(208,059)	-0.3%	(58,935)	-0.1%	-
2014	71,156,875	(420,741)	-0.6%	188,351	0.3%	-
2013	71,577,616	(153,889)	-0.2%	(155,479)	-0.2%	-
2012	71,731,505	(477,135)	-0.7%	29,686	0%	-
2011	72,208,640	(651,719)	-0.9%	13,499	0%	-

## OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$38.87	127	1.1%	-6.6%	63,524,910	16.3%	-0.4%
2026	\$38.46	126	-1.1%	-7.6%	65,342,654	16.7%	-0.1%
2025	\$38.89	127	-2.7%	-6.6%	65,809,024	16.8%	1.7%
2024	\$39.98	131	-4.3%	-4.0%	58,524,918	15.2%	3.1%
2023	\$41.78	136	0.4%	0.4%	45,380,275	12.0%	2.3%
YTD	\$41.82	137	0.6%	0.5%	42,483,910	11.3%	1.6%
2022	\$41.59	136	-0.1%	-0.1%	36,047,599	9.7%	0.4%
2021	\$41.63	136	2.4%	0%	34,062,381	9.3%	0.9%
2020	\$40.67	133	-1.6%	-2.3%	30,683,905	8.4%	1.6%
2019	\$41.33	135	8.2%	-0.7%	24,493,344	6.8%	-0.5%
2018	\$38.19	125	5.4%	-8.3%	26,174,686	7.3%	-0.2%
2017	\$36.24	118	0.6%	-12.9%	26,806,687	7.5%	-0.5%
2016	\$36.03	118	7.3%	-13.5%	28,584,916	8.0%	-0.3%
2015	\$33.58	110	8.0%	-19.3%	29,325,541	8.3%	-0.6%
2014	\$31.11	102	3.9%	-25.3%	31,331,297	8.9%	-0.5%
2013	\$29.94	98	2.0%	-28.1%	32,971,094	9.5%	-0.7%
2012	\$29.37	96	5.9%	-29.4%	35,237,636	10.2%	-0.6%
2011	\$27.72	90	3.8%	-33.4%	37,316,281	10.8%	-0.3%

## 4 & 5 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$52.38	129	1.0%	-9.0%	29,805,782	18.1%	-1.7%
2026	\$51.86	127	-1.2%	-9.9%	32,594,614	19.8%	-1.2%
2025	\$52.50	129	-2.9%	-8.8%	34,409,170	21.0%	2.2%
2024	\$54.07	133	-4.4%	-6.1%	29,773,623	18.8%	4.0%
2023	\$56.57	139	0.2%	-1.8%	22,217,658	14.9%	3.4%
YTD	\$56.64	139	0.3%	-1.6%	21,069,391	14.2%	2.8%
2022	\$56.49	139	-1.9%	-1.9%	16,449,515	11.4%	0.1%
2021	\$57.58	142	2.8%	0%	15,641,876	11.3%	1.7%
2020	\$56.02	138	-2.4%	-2.7%	13,041,284	9.7%	2.2%
2019	\$57.37	141	10.5%	-0.4%	9,858,095	7.5%	-1.1%
2018	\$51.94	128	8.2%	-9.8%	11,064,272	8.5%	0%
2017	\$48.02	118	-1.9%	-16.6%	10,835,608	8.6%	0%
2016	\$48.98	120	9.3%	-14.9%	10,655,177	8.6%	0.6%
2015	\$44.82	110	8.9%	-22.2%	9,661,486	8.0%	-1.2%
2014	\$41.17	101	3.1%	-28.5%	10,778,561	9.1%	-0.5%
2013	\$39.94	98	0.3%	-30.6%	11,130,310	9.7%	-1.1%
2012	\$39.81	98	7.7%	-30.9%	12,092,148	10.8%	-0.6%
2011	\$36.95	91	5.6%	-35.8%	12,749,096	11.4%	-0.1%



## 3 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$30.99	124	1.1%	-5.9%	27,164,389	17.0%	0.5%
2026	\$30.65	122	-1.0%	-7.0%	26,421,551	16.6%	0.6%
2025	\$30.96	124	-2.6%	-6.0%	25,395,331	15.9%	1.2%
2024	\$31.78	127	-4.2%	-3.5%	23,468,693	14.7%	2.5%
2023	\$33.17	132	0.7%	0.7%	19,343,506	12.2%	1.8%
YTD	\$33.21	133	0.8%	0.8%	18,155,149	11.4%	1.1%
2022	\$32.94	131	1.3%	0%	16,466,901	10.4%	0.5%
2021	\$32.52	130	0.6%	-1.3%	15,635,174	9.8%	0.6%
2020	\$32.33	129	-0.5%	-1.9%	14,752,980	9.3%	1.7%
2019	\$32.48	130	6.1%	-1.4%	12,080,931	7.6%	-0.1%
2018	\$30.60	122	2.6%	-7.1%	12,217,096	7.7%	-0.4%
2017	\$29.82	119	2.6%	-9.5%	12,867,186	8.1%	-0.8%
2016	\$29.06	116	5.1%	-11.8%	14,261,806	8.9%	-0.6%
2015	\$27.66	110	7.2%	-16.0%	15,300,256	9.5%	-0.4%
2014	\$25.81	103	5.6%	-21.7%	16,039,813	10.0%	-0.4%
2013	\$24.44	98	4.0%	-25.8%	16,718,769	10.4%	-0.8%
2012	\$23.50	94	3.7%	-28.7%	18,025,063	11.2%	-0.6%
2011	\$22.66	90	2.4%	-31.2%	18,939,939	11.8%	-0.1%

## 1 & 2 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$25.02	127	1.3%	-4.6%	6,554,739	9.9%	0.5%
2026	\$24.69	126	-0.8%	-5.8%	6,326,489	9.4%	0.6%
2025	\$24.88	127	-2.3%	-5.1%	6,004,523	8.8%	1.1%
2024	\$25.47	130	-4.0%	-2.8%	5,282,602	7.7%	2.2%
2023	\$26.53	135	1.2%	1.2%	3,819,111	5.5%	1.0%
YTD	\$26.53	135	2.0%	1.2%	3,259,370	4.7%	0.2%
2022	\$26.22	133	5.7%	0%	3,131,183	4.5%	0.5%
2021	\$24.80	126	5.6%	-5.4%	2,785,331	4.0%	-0.1%
2020	\$23.48	120	-0.9%	-10.4%	2,889,641	4.1%	0.5%
2019	\$23.70	121	2.6%	-9.6%	2,554,318	3.7%	-0.5%
2018	\$23.10	118	-0.2%	-11.9%	2,893,318	4.1%	-0.3%
2017	\$23.13	118	8.1%	-11.8%	3,103,893	4.4%	-0.8%
2016	\$21.39	109	3.9%	-18.4%	3,667,933	5.2%	-1.0%
2015	\$20.59	105	5.7%	-21.5%	4,363,799	6.2%	-0.2%
2014	\$19.47	99	2.8%	-25.7%	4,512,923	6.3%	-0.8%
2013	\$18.94	96	4.3%	-27.8%	5,122,015	7.2%	0%
2012	\$18.16	92	3.6%	-30.7%	5,120,425	7.1%	-0.7%
2011	\$17.53	89	-0.8%	-33.2%	5,627,246	7.8%	-0.8%

## OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$339.78	152	7.4%
2026	-	-	-	-	-	-	\$324.64	145	7.6%
2025	-	-	-	-	-	-	\$320.96	143	7.9%
2024	-	-	-	-	-	-	\$329.75	147	8.0%
2023	-	-	-	-	-	-	\$391.46	175	7.3%
YTD	274	\$1.6B	1.3%	\$7,575,863	\$364.02	7.5%	\$411.73	184	7.0%
2022	525	\$6.3B	3.8%	\$15,046,243	\$517.78	7.1%	\$438.89	196	6.6%
2021	610	\$12.7B	6.5%	\$24,146,739	\$574.79	6.9%	\$469.11	209	6.0%
2020	576	\$7.9B	5.2%	\$19,465,611	\$444.30	7.1%	\$427.24	191	6.3%
2019	554	\$8.5B	5.5%	\$19,226,652	\$442.48	6.8%	\$414.15	185	6.4%
2018	448	\$6.6B	5.6%	\$18,179,971	\$384.20	6.7%	\$380.09	170	6.4%
2017	463	\$7B	5.6%	\$19,420,218	\$369.77	6.3%	\$356.59	159	6.3%
2016	540	\$5.3B	5.6%	\$11,771,069	\$328.97	6.7%	\$361.35	161	6.0%
2015	512	\$8.2B	6.9%	\$16,869,555	\$344.63	6.1%	\$345.45	154	6.0%
2014	580	\$8.5B	8.3%	\$15,747,575	\$306.67	6.3%	\$313.97	140	6.1%
2013	484	\$4.5B	6.1%	\$10,861,982	\$232.79	6.6%	\$291.30	130	6.4%
2012	388	\$3.2B	4.9%	\$9,255,080	\$201.31	7.0%	\$270	121	6.6%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

## 4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$500.90	151	6.8%
2026	-	-	-	-	-	-	\$478.02	144	7.0%
2025	-	-	-	-	-	-	\$472.34	143	7.2%
2024	-	-	-	-	-	-	\$485.37	147	7.4%
2023	-	-	-	-	-	-	\$579.63	175	6.6%
YTD	9	\$886.3M	1.1%	\$98,475,666	\$526.06	6.6%	\$610.80	185	6.4%
2022	32	\$2.8B	3.3%	\$102,445,709	\$658.19	5.7%	\$654.62	198	6.0%
2021	59	\$10.1B	9.2%	\$183,255,450	\$853.51	5.4%	\$706.47	213	5.5%
2020	31	\$4.6B	6.1%	\$147,942,437	\$558.61	6.3%	\$636.99	192	5.7%
2019	46	\$5.9B	7.5%	\$132,993,688	\$595.68	5.7%	\$618.73	187	5.8%
2018	54	\$4.5B	8.8%	\$116,011,949	\$497.23	5.8%	\$565.47	171	5.8%
2017	30	\$3.7B	5.6%	\$124,200,230	\$521.05	5.8%	\$525.14	159	5.8%
2016	39	\$2.3B	6.0%	\$80,143,688	\$522.54	5.7%	\$534.23	161	5.5%
2015	45	\$5.3B	8.6%	\$120,619,386	\$514.97	5.5%	\$511.31	155	5.5%
2014	60	\$6.2B	12.9%	\$112,029,280	\$438.81	5.3%	\$464.19	140	5.6%
2013	42	\$2.3B	6.6%	\$55,497,614	\$310.98	5.7%	\$431.81	130	5.8%
2012	27	\$1.4B	4.4%	\$54,627,729	\$300.42	5.9%	\$399.53	121	6.1%

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## 3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$246.33	153	7.6%
2026	-	-	-	-	-	-	\$235.77	146	7.9%
2025	-	-	-	-	-	-	\$233.31	145	8.1%
2024	-	-	-	-	-	-	\$239.64	149	8.2%
2023	-	-	-	-	-	-	\$282.54	175	7.5%
YTD	86	\$510.2M	1.0%	\$8,363,631	\$346.74	8.0%	\$296.58	184	7.2%
2022	200	\$3.1B	4.4%	\$19,447,878	\$535.21	7.2%	\$313.74	195	6.8%
2021	239	\$2B	5.3%	\$9,834,505	\$270.08	6.8%	\$329.75	205	6.3%
2020	225	\$3B	5.4%	\$18,559,208	\$383.01	7.1%	\$306.01	190	6.5%
2019	221	\$2.2B	4.9%	\$12,480,159	\$297.01	7.0%	\$294.50	183	6.7%
2018	164	\$1.7B	4.0%	\$12,518,415	\$283.78	6.6%	\$271.22	168	6.7%
2017	199	\$2.7B	6.3%	\$18,484,683	\$289.36	6.1%	\$257.13	159	6.6%
2016	231	\$2.6B	6.2%	\$14,037,190	\$270.88	6.9%	\$259.68	161	6.2%
2015	211	\$2.6B	7.2%	\$12,635,591	\$225.58	5.6%	\$248.12	154	6.2%
2014	203	\$2B	6.9%	\$10,625,352	\$183.10	6.4%	\$225.93	140	6.4%
2013	188	\$2B	7.1%	\$12,019,348	\$194.56	6.4%	\$208.69	129	6.6%
2012	168	\$1.6B	6.3%	\$10,441,420	\$164.88	7.2%	\$193.98	120	6.9%

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(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

## 1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2027	-	-	-	-	-	-	\$173.33	150	8.3%
2026	-	-	-	-	-	-	\$166	144	8.6%
2025	-	-	-	-	-	-	\$164.28	142	8.8%
2024	-	-	-	-	-	-	\$168.61	146	8.9%
2023	-	-	-	-	-	-	\$196.57	170	8.2%
YTD	179	\$217.2M	2.1%	\$1,518,855	\$170.12	7.2%	\$205.44	178	7.9%
2022	293	\$446.1M	3.5%	\$1,914,717	\$203.18	7.6%	\$216.13	187	7.5%
2021	312	\$572.1M	4.2%	\$2,166,971	\$208.42	7.3%	\$227.80	197	6.8%
2020	320	\$311.1M	3.2%	\$1,460,738	\$180.60	7.4%	\$209.60	181	7.1%
2019	287	\$463.4M	3.1%	\$2,087,580	\$232.91	6.7%	\$205.12	177	7.2%
2018	230	\$348.5M	3.1%	\$1,863,729	\$171.89	7.6%	\$191.70	166	7.2%
2017	234	\$510.1M	3.6%	\$2,818,333	\$226.80	7.0%	\$186.38	161	7.0%
2016	270	\$451.1M	3.6%	\$1,864,018	\$194.96	7.4%	\$185.99	161	6.7%
2015	256	\$292.6M	3.0%	\$1,234,542	\$145.24	8.0%	\$176.68	153	6.7%
2014	317	\$370.9M	4.1%	\$1,240,424	\$128.47	6.8%	\$160.87	139	6.9%
2013	254	\$257.7M	2.9%	\$1,227,024	\$137.77	7.9%	\$148.72	129	7.1%
2012	193	\$186.8M	2.4%	\$1,118,397	\$122.48	7.3%	\$138.24	120	7.4%

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(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.