



Office Market Report

Boston - MA

PREPARED BY



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OFFICE MARKET REPORT

Market Key Statistics	1
Leasing	3
Rent	8
Construction	11
Under Construction Properties	13
Sales	15
Sales Past 12 Months	17
Economy	19
Market Submarkets	24
Supply & Demand Trends	31
Rent & Vacancy	33
Sale Trends	35

12 Mo Deliveries in SF

5.9M

12 Mo Net Absorption in SF

(1.1M)

Vacancy Rate

11.3%

12 Mo Rent Growth

0.7%

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 11.3% versus 13.7% 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, had recovered only to about 65% of pre-pandemic levels as of November, and 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, 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 1 million SF in 2023, making it the third worst year for net absorption since the dot-com crash of 2001, behind only 2009 and 2020. Another 4 million SF of negative absorption is forecast through the end of 2025.

Meanwhile, over 10 million SF—almost half of it intended for lab use—has come online since the beginning of 2022, with another 14.5 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 16.8% 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 22.3%, 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	149,130,807	13.9%	\$57.51	22.3%	(638,872)	0	15,697,556
3 Star	158,758,854	11.8%	\$33.50	15.6%	(229,171)	0	763,254
1 & 2 Star	69,984,070	4.9%	\$26.36	6.6%	(70,088)	0	0
Market	377,873,731	11.3%	\$42.27	16.8%	(938,131)	0	16,460,810

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.7%	9.0%	15.2%	12.5%	2003 Q3	3.0%	2000 Q2
Net Absorption SF	(1.1M)	2,241,458	(699,677)	12,770,548	2000 Q2	(8,259,841)	2001 Q4
Deliveries SF	5.9M	3,916,451	3,910,445	9,579,338	2001 Q4	485,170	2012 Q2
Rent Growth	0.7%	2.3%	-1.2%	19.6%	2000 Q4	-14.6%	2002 Q3
Sales Volume	\$2.5B	\$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 early December, tenants in Boston had already given back nearly 1 million SF on the net, with even more expected 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 as much as 7 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 the second half of 2023 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 LogMeIn 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.

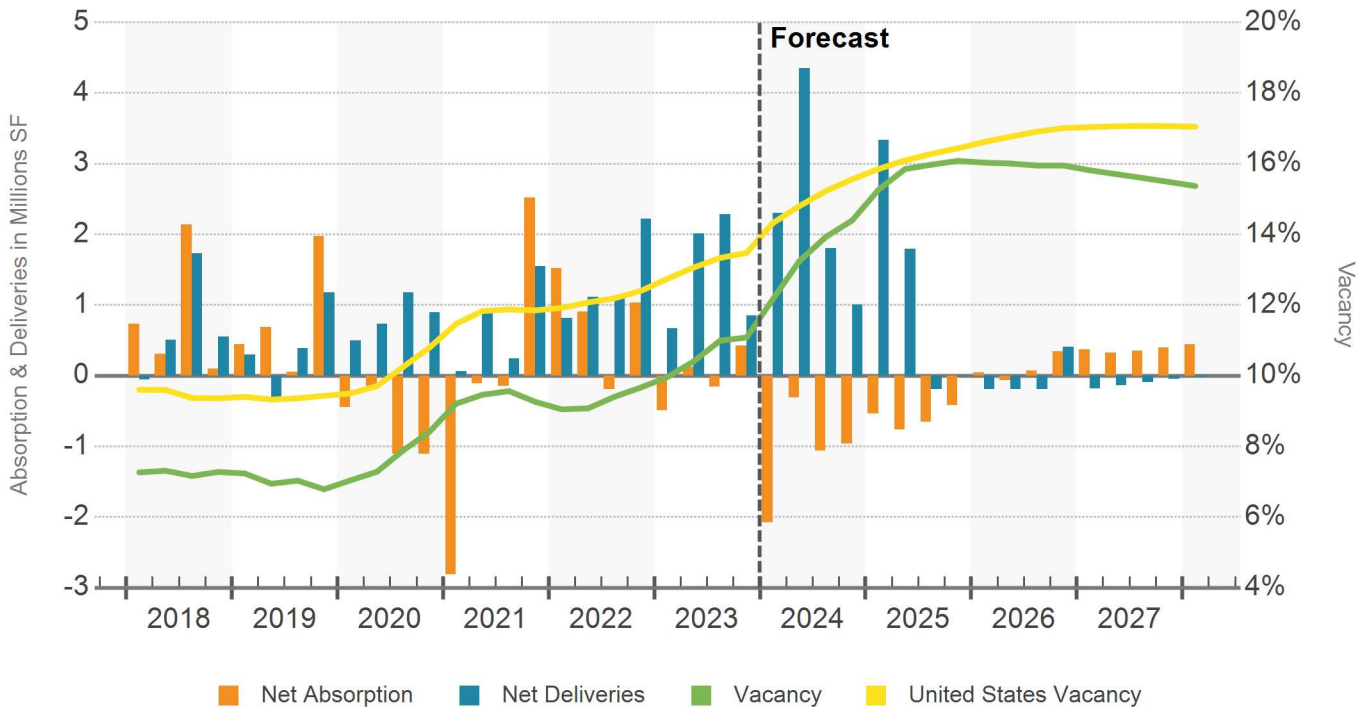
Exacerbating the demand situation is a slowdown in life sciences leasing, which has backstopped the market since 2020. Since 2015, lab deals have been more than a third of deals over 50,000 SF, including nearly half of those executed since 2020. But there have been fewer such deals in recent months. Two were executed in December, however, including Novo Nordisk's deal for 166,000 SF at Alexandria Real Estate Equities' Reservoir Woods East campus in Waltham, which is currently under renovation. Also in December, Foundation Medicine signed a full-building lease for 610,000 SF at 400 Summer St. in the Seaport with plans to move in during 24Q2. But even this bullish deal is tempered by whispers that a portion of the space could soon be returning to the market via sublease.

Should this indeed be the case, it will become part of a historic wave of sublease availability that now exceeds even what is occurring nationally. Tenants in Boston 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 13.8 million SF represents 3.5% of inventory, a full 100 basis points above the national sublet availability rate.

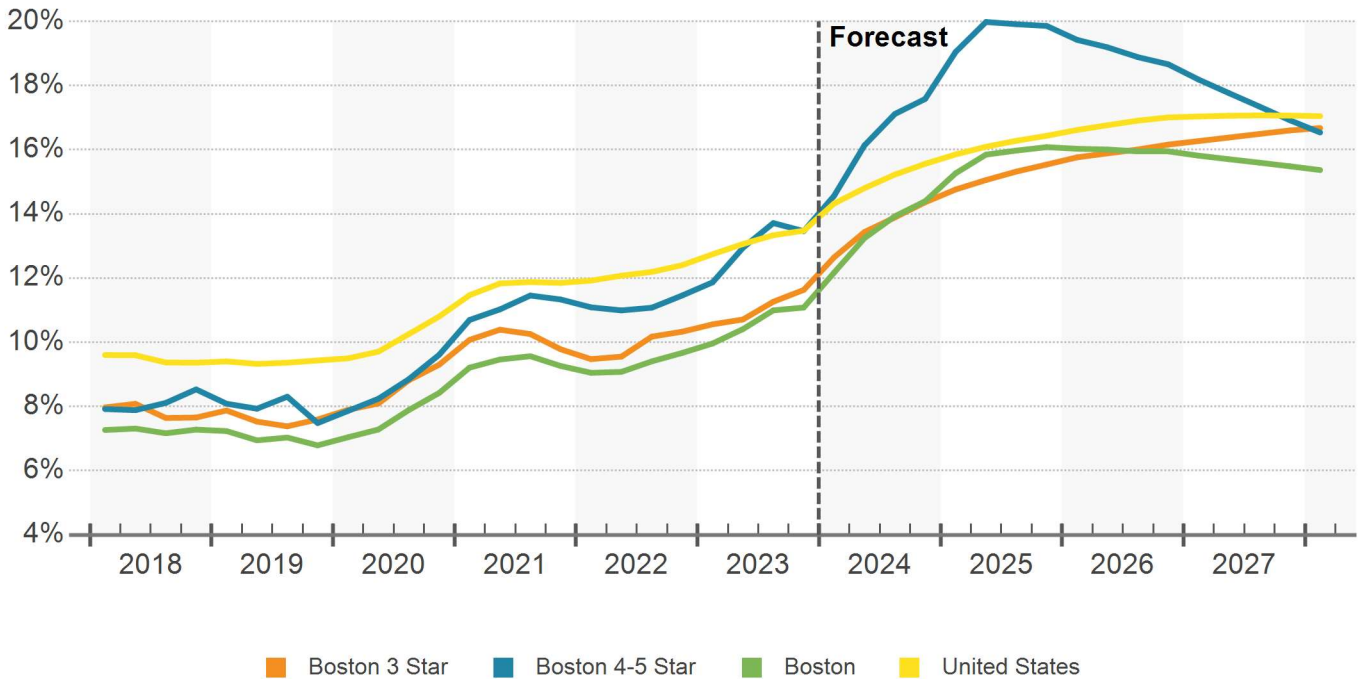
Included in this amount is nearly 3 million SF of institutional-grade lab space, over 6% of inventory—an amount that has quadrupled in less than 2 years as growth in the life sciences sector has stalled. Still, lab absorption has remained above water, and some sublease inventory has been backfilled, including a December deal for 52,000 SF at Bay Colony Corporate Center in Waltham.

Softening demand has helped push the vacancy rate up to 11.3% 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 13.7%, the increase in sublease availability and a simultaneous surge in new supply have boosted availability to 16.8%, which exceeds the national average of 16.5%. With neither pressure expected to subside in the months ahead, vacancy is forecast to peak around 17% by the end of 2025.

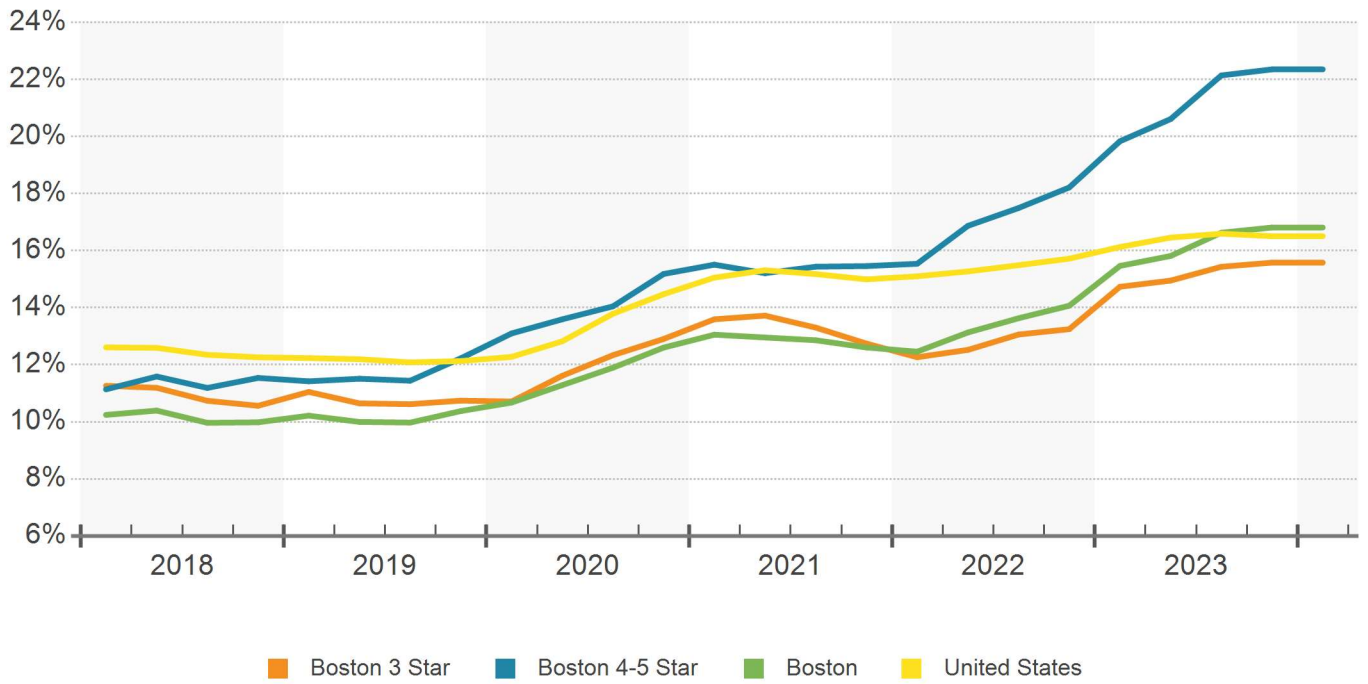
NET ABSORPTION, NET DELIVERIES & VACANCY



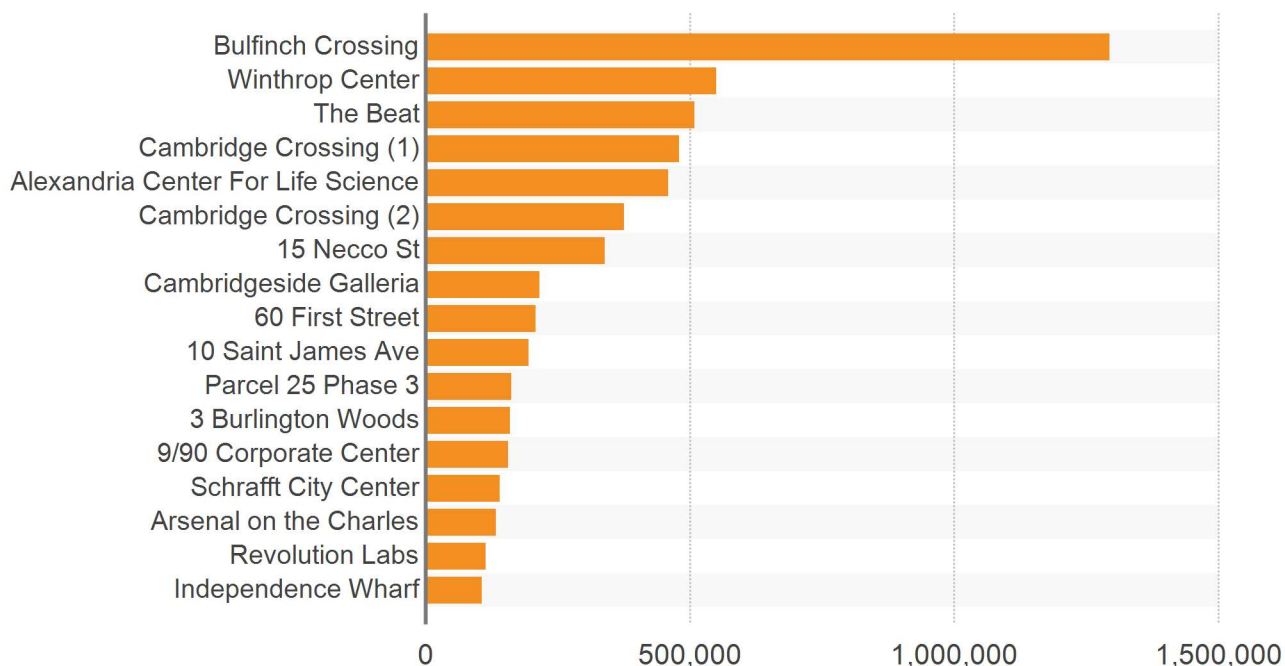
VACANCY RATE



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...	1,335,000	40,542	(40,542)	0	0	0	1,294,458
Winthrop Center	Financial District	970,500	420,762	0	0	0	0	549,738
The Beat	Roxbury/Dorchester	693,921	0	0	0	0	0	508,548
Cambridge Crossing (1)	E Cambridge/Kendall...	479,004	0	0	0	0	0	479,004
Alexandria Center For Life Science	Longwood/Fenway	510,116	41,034	0	0	0	0	458,858
Cambridge Crossing (2)	E Cambridge/Kendall...	375,000	0	0	0	0	0	375,000
15 Necco St	Seaport	345,995	7,371	0	0	0	0	338,624
Cambridgeside Galleria	E Cambridge/Kendall...	215,000	0	0	0	0	0	215,000
60 First Street	E Cambridge/Kendall...	228,000	19,472	(19,472)	0	0	0	208,528
10 Saint James Ave	Back Bay	565,793	70,064	0	0	0	0	194,655
Parcel 25 Phase 3	Longwood/Fenway	161,500	0	0	0	0	0	161,500
3 Burlington Woods	Burlington/Woburn	175,000	0	0	0	0	0	159,435
9/90 Corporate Center	Framingham/Natick	157,133	0	0	0	0	0	155,766
Schrafft City Center	Charlestown/East Bo...	160,000	0	0	0	0	0	140,000
Arsenal on the Charles	Watertown	132,296	0	0	0	0	0	132,296
Revolution Labs	Lexington/Arlington	173,700	59,060	0	0	0	0	112,966
Independence Wharf	Financial District	346,225	0	0	0	0	0	106,233
Subtotal Primary Competitors		7,024,183	658,305	(60,014)	0	0	0	5,590,610
Remaining Boston Market		370,849,548	42,157,270	(878,117)	0	0	0	(6,622,771)
Total Boston Market		377,873,731	42,815,575	(938,131)	0	0	0	(1,032,161)

TOP OFFICE LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
Lowell Junction Center	Lawrence/Andover	167,308	Q1 23	Pfizer	-	-
Alexandria Center at Kendall Square	E Cambridge/Kendall Sq	166,000	Q2 23	Orbital Therapeutics	-	Cushman & Wakefield
Reservoir Woods East Campus	Waltham	165,939	Q4 23	Novo Nordisk	Cushman & Wakefield	-
Biosquare	South End	150,236	Q1 23	Boston University	-	-
Metropolitan Tech Center *	Lowell/Chelmsford	140,000	Q1 23	Leidos	-	-
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
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
Prudential Center *	Back Bay	96,000	Q3 23	MFS	-	-
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
Boston Children's at Brookline Place	Newton/Brookline	72,924	Q2 23	Boston Children's Hospital	-	Newmark
Centennial Park	Peabody/Salem	68,266	Q3 23	ARMS Record Storage	-	-
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	-
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
Landmark	Financial District	40,331	Q4 23	-	-	Cushman & Wakefield
The Fields	Lowell/Chelmsford	40,000	Q4 23	-	-	JLL
Winthrop Center	Financial District	39,990	Q4 23	-	-	CBRE
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
300 Third Ave	Waltham	36,911	Q1 23	Biocytogen	Colliers	Lincoln Property Comp...
Riverworks	Watertown	36,295	Q2 23	Markforged	-	-
Heritage Landing I	Quincy/Braintree	35,659	Q4 23	-	-	Newmark
Heritage Landing I	Quincy/Braintree	35,644	Q4 23	-	-	Newmark
20 Riverside Rd	Concord/Maynard	33,056	Q2 23	ModeX Therapeutics	-	CBRE

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 at \$42.00 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.

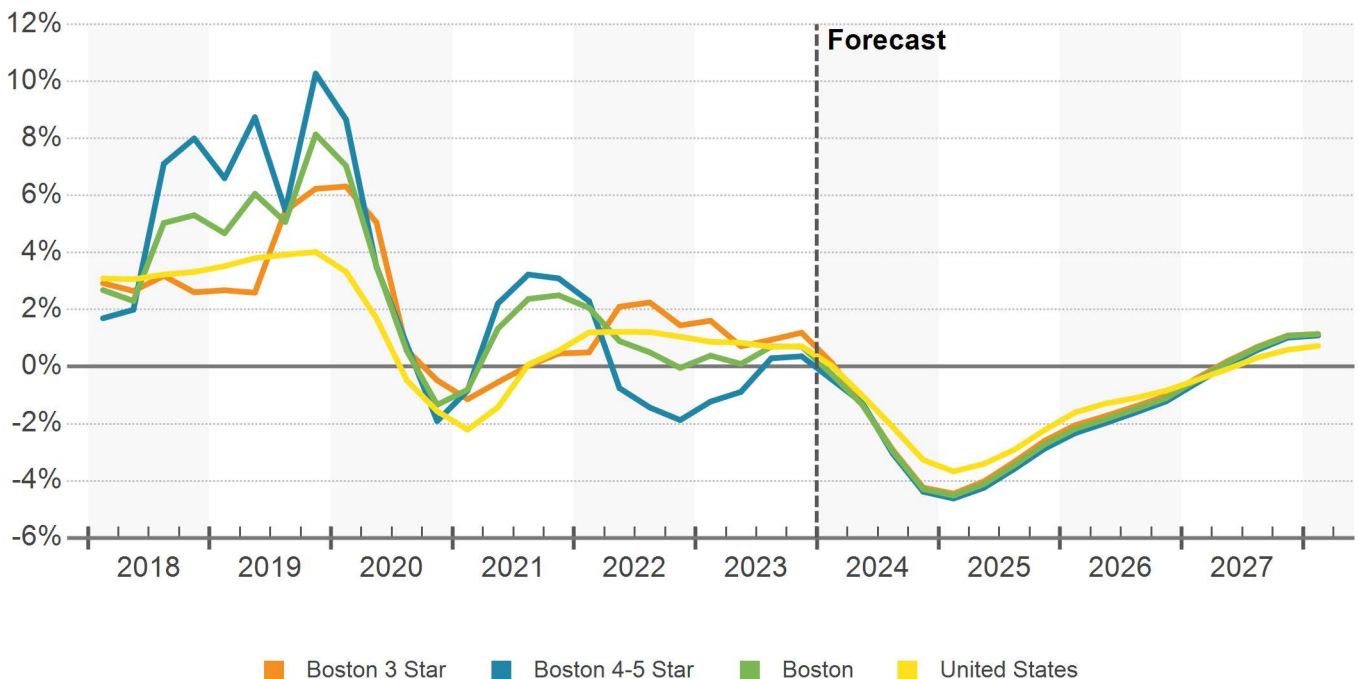
Rents remain highest in the major Cambridge life sciences clusters near Kendall and Harvard Squares, around \$80 and \$70 per SF, respectively. Here, too, they have stagnated, just as they have in the city's traditional

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.

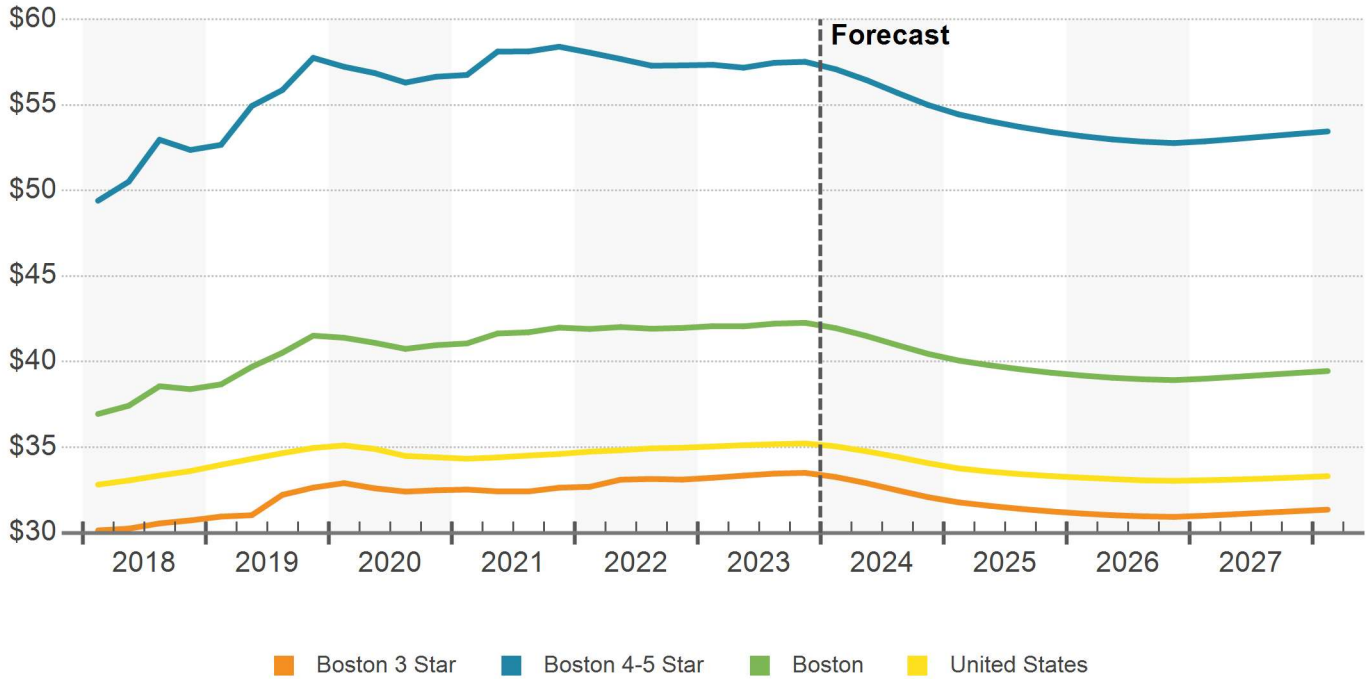
Given the weakness in market fundamentals, the outlook for rent growth is poor. An overhang of new supply looms, as does an unprecedented amount of high-quality sublease inventory, which is typically available at discounts of 25-30% from direct rents. Growth prospects could worsen further as bargain-hunting 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 in early 2024 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
Boston	\$1.65	\$1.70	\$0.32	\$7.96	\$6.25	\$17.88
Boston/Suffolk County	\$1.16	\$1.71	\$0.43	\$11.89	\$6.35	\$21.54
Cambridge	\$1.01	\$1.56	\$0.41	\$10.67	\$7.23	\$20.88
Close-In Suburbs North	\$2.55	\$1.80	\$0.29	\$3.87	\$5.42	\$13.93
Route 128 North	\$2.01	\$1.59	\$0.18	\$5.87	\$8.83	\$18.48
Route 128 South	\$1.98	\$2.25	\$0.25	\$5.14	\$5.15	\$14.77
Route 128 West	\$1.44	\$1.62	\$0.18	\$6.37	\$7.38	\$16.99
Route 3 North	\$2.47	\$1.73	\$0.28	\$3.67	\$5.29	\$13.44
Route 495 North East	\$2.75	\$1.60	\$0.28	\$4.26	\$3.38	\$12.27
Route 495 South	\$2.55	\$1.62	\$0.27	\$3.11	\$3.22	\$10.77
Route 495/Mass Pike West	\$2.66	\$1.70	\$0.33	\$5.13	\$3.16	\$12.98
Route 495/Route 2 West	\$2.68	\$1.71	\$0.28	\$1.83	\$3.38	\$9.88
Southern New Hampshire	\$2.47	\$1.78	\$0.29	\$3.75	\$5.40	\$13.69

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
Boston	\$1.02	\$1.56	\$0.24	\$4.45	\$4.20	\$11.47
Boston/Suffolk County	\$0.63	\$1.46	\$0.38	\$6.93	\$4.49	\$13.89
Cambridge	\$0.65	\$1.42	\$0.30	\$7.66	\$5.30	\$15.33
Close-In Suburbs North	\$0.70	\$1.64	\$0.25	\$3.44	\$4.63	\$10.66
Route 128 North	\$0.61	\$1.49	\$0.17	\$3.64	\$5.31	\$11.22
Route 128 South	\$0.65	\$1.74	\$0.20	\$3.26	\$4.98	\$10.83
Route 128 West	\$0.61	\$1.52	\$0.17	\$5.92	\$5.43	\$13.65
Route 3 North	\$0.81	\$1.68	\$0.25	\$3.38	\$4.13	\$10.25
Route 495 North East	\$2.47	\$1.59	\$0.22	\$2.85	\$2.95	\$10.08
Route 495 South	\$2.24	\$1.55	\$0.21	\$2.72	\$2.47	\$9.19
Route 495/Mass Pike West	\$2.28	\$1.56	\$0.22	\$3.29	\$2.45	\$9.80
Route 495/Route 2 West	\$2.38	\$1.74	\$0.24	\$3.44	\$0	\$7.80
Southern New Hampshire	\$0.65	\$1.51	\$0.23	\$3.18	\$4.68	\$10.25
Worcester	\$2.43	\$1.66	\$0.23	\$4.30	\$2.77	\$11.39

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
Boston	\$0.69	\$1.19	\$0.21	\$4.02	\$4.47	\$10.58
Boston/Suffolk County	\$0.56	\$1.22	\$0.31	\$6.19	\$4.01	\$12.29
Cambridge	\$0.60	\$1.32	\$0.27	\$6.09	\$4.76	\$13.04
Close-In Suburbs North	\$0.66	\$1.40	\$0.25	\$3.89	\$4.71	\$10.91
Route 128 North	\$0.57	\$1.40	\$0.16	\$3.52	\$4.83	\$10.48
Route 128 South	\$0.59	\$1.39	\$0.18	\$3.71	\$4.53	\$10.40
Route 128 West	\$0.58	\$1.42	\$0.16	\$5.46	\$4.91	\$12.53
Route 3 North	\$0.73	\$1.32	\$0.24	\$2.86	\$4.59	\$9.74
Route 495 North East	\$0.96	\$0.64	\$0.17	\$2.93	\$5.27	\$9.97
Route 495 South	\$0.94	\$0.64	\$0.21	\$3.10	\$5.11	\$10
Route 495/Mass Pike West	\$0.98	\$0.66	\$0.21	\$3.93	\$2.47	\$8.25
Route 495/Route 2 West	\$0.97	\$0.68	\$0.22	\$3.91	\$1.40	\$7.18
Southern New Hampshire	\$0.65	\$1.38	\$0.24	\$3.27	\$4.65	\$10.19

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 5.3 million SF delivered in 2022 set a 20-year record for annual supply growth. That record was short-lived, however, with 5.5 million new new SF coming online in 2023. A whopping 9.7 million is expected in 2024.

In absolute terms, Boston's construction pipeline of 16.5 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, over 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 2024Q1 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

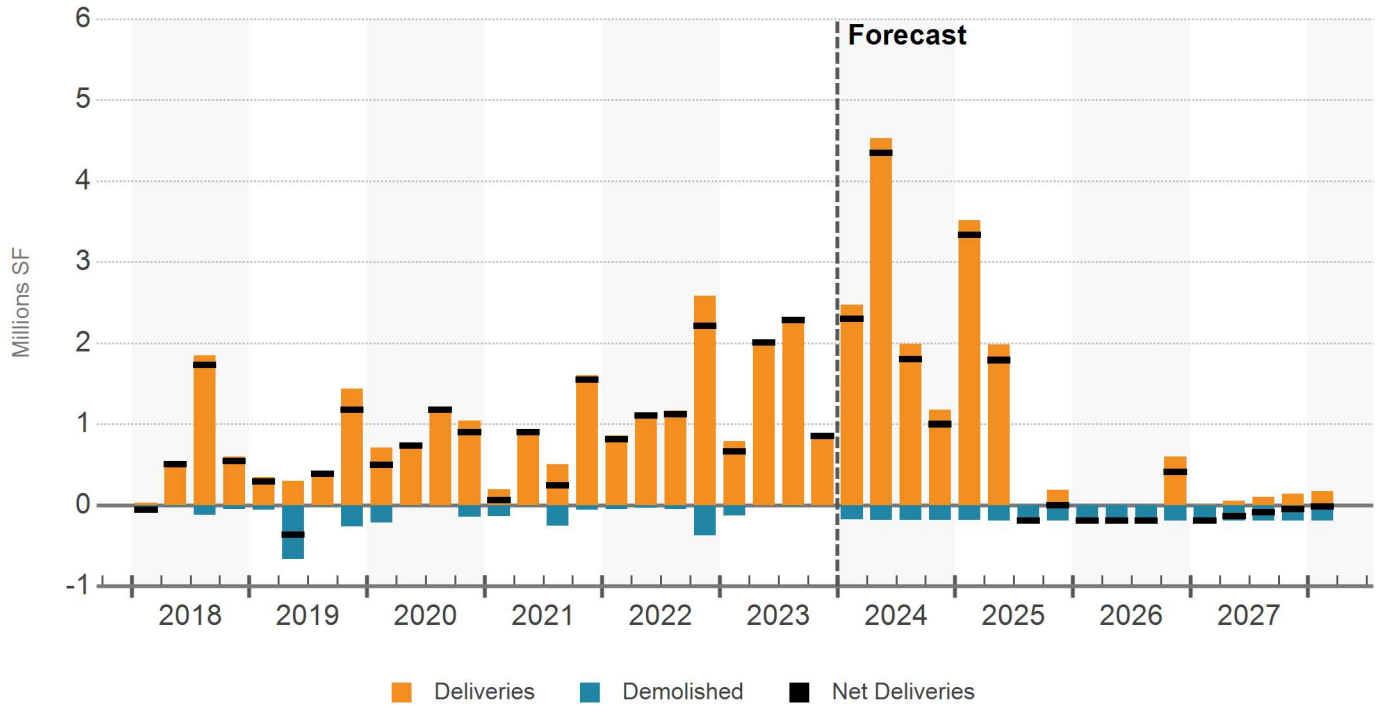
District. It has fared less well in the leasing market since its delivery in May and is still over 35% available.

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.

The prospect of converting some office buildings to residential use has been raised by market observers around the country, and Boston is one of a handful of major markets to put forward concreted ideas for public-sector support for such adaptive reuse projects. In the summer of 2024, Mayor Wu's administration, in partnership with the Boston Planning and Development Agency, announced a tax incentive program for residential conversions to help make the math work for building owners. As of the end of the year, several proposals had been submitted, including one to transform 92,000 SF at the interconnected 85 Devonshire and 226 Washington Street in the heart of the Financial District into approximately 100 new apartment units. If approved and completed, such projects will have a meaningful impact at the neighborhood level, but they are likely to be too few and too small to alter market fundamentals.

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 begins. 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	7	3,360	1,596	47.5%	4	171,451	480,011	2
2	Somerville/Everett	7	2,608	484	18.6%	6	27,525	372,629	5
3	E Cambridge/Kendall Sq	6	2,446	1,628	66.6%	2	171,585	407,682	4
4	Longwood/Fenway	5	2,064	1,613	78.2%	1	98,092	412,843	3
5	W Cambridge/Alewife	8	979	40	4.1%	10	38,039	122,339	10
6	Allston/Brighton	3	899	45	5.1%	9	30,141	299,766	6
7	Rockingham	4	737	407	55.2%	3	13,238	184,325	9
8	Financial District	1	711	64	9.1%	8	178,407	711,000	1
9	Watertown	3	613	105	17.1%	7	49,550	204,229	8
10	Waltham	2	591	258	43.6%	5	67,221	295,500	7
	All Other	11	1,452	993	68.4%		27,477	132,003	
Totals		57	16,461	7,235	44.0%		34,429	288,786	

Under Construction Properties

Boston Office

Properties

Square Feet

Percent of Inventory

Released

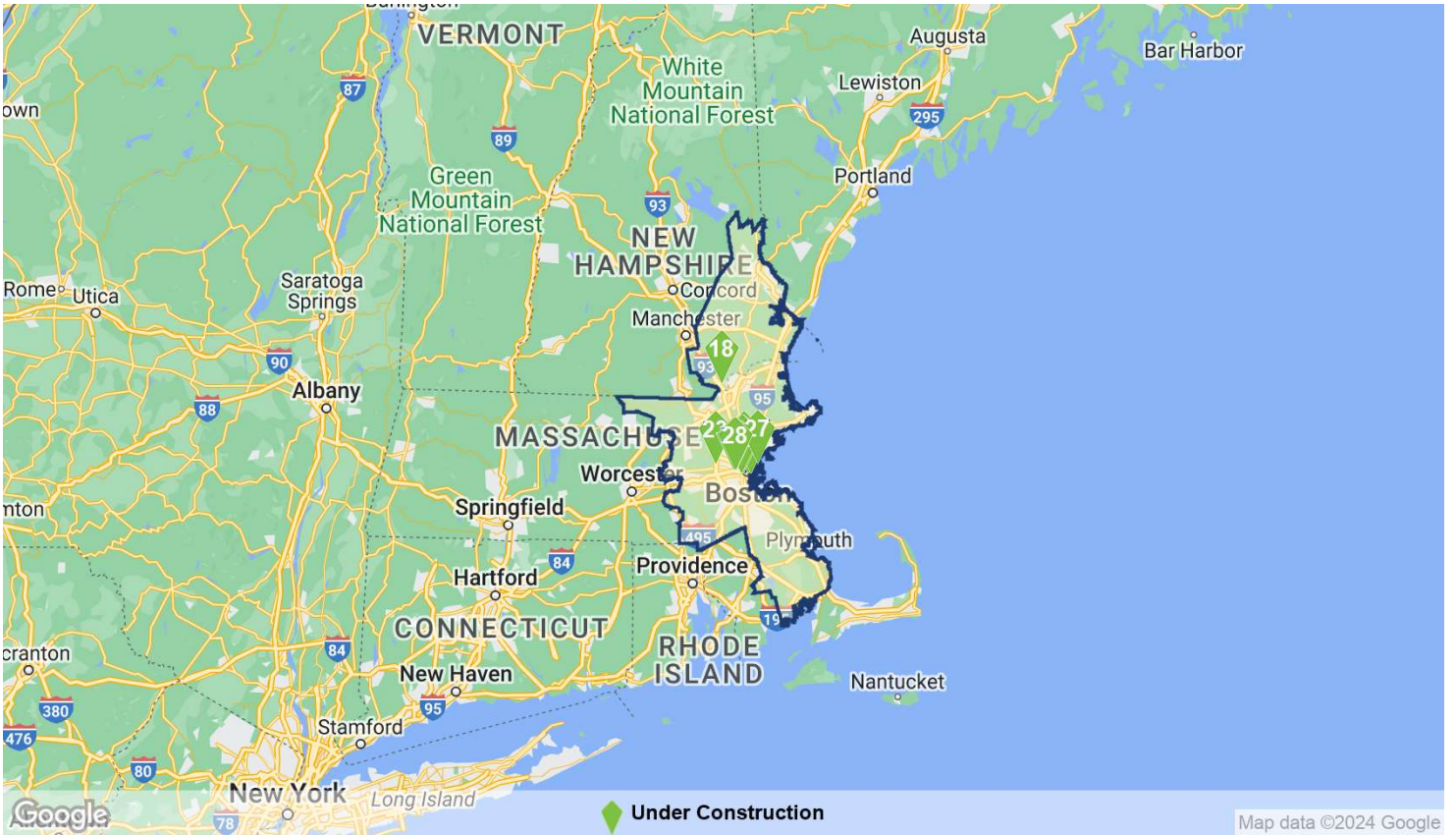
57

16,460,810

4.4%

44.0%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 South Station Office Tower 650 Atlantic Ave	★★★★★	711,000	34	Mar 2020	May 2025	Hines Hines
2 Amazon 1 Boston Wharf Rd	★★★★★	707,000	17	Nov 2021	Dec 2024	W/S Development W/S Development
3 400 Summer St	★★★★★	610,000	16	Oct 2020	Apr 2024	W/S Development PSP Investments
4 585 Third 585 Third St	★★★★☆	600,000	16	Oct 2022	Oct 2026	Biomed Realty BioMed Realty
5 290 Binney St	★★★★☆	566,000	10	Jan 2023	Dec 2024	BXP Norges Bank Investment Manage...
6 Premier Life Science and... 10 World Trade Center Ave	★★★★★	555,250	17	Apr 2022	Dec 2024	Boston Global Investors Boston Global Investors LLC
7 1001 Boylston St	★★★★★	508,000	20	Jul 2021	Feb 2024	Samuels & Associates Managem... Samuels & Associates Managem...

Under Construction Properties

Boston Office

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 Alexandria Center for Lif... 421 Park Dr	★ ★ ★ ★ ★	507,997	13	Nov 2022	Jan 2025	Alexandria Real Estate Equities, I... Alexandria Real Estate Equities, I...
9 Assembly Innovation Pa... 188 Assembly Park Dr	★ ★ ★ ★ ★	495,000	12	Jan 2022	Apr 2024	- -
10 Fenway Center Life Scie... 725 Beacon St	★ ★ ★ ★ ★	480,000	21	Apr 2021	Apr 2025	IQHQ -
11 74M - Purpose-Built Lab 74 Middlesex Ave	★ ★ ★ ★ ★	469,000	15	Feb 2022	Mar 2024	Greystar Real Estate Partners -
12 325 Binney St	★ ★ ★ ★ ★	462,000	6	Feb 2021	Apr 2024	Alexandria Real Estate Equities, I... Alexandria Real Estate Equities, I...
13 290 Revolution Dr	★ ★ ★ ★ ★	450,000	12	Sep 2021	Sep 2024	- -
14 Seaport Labs 350 Summer St	★ ★ ★ ★ ★	430,000	16	Aug 2022	Dec 2024	- W/S Development
15 40 Thorndike St	★ ★ ★ ★ ★	422,000	20	Dec 2022	Feb 2024	Leggat McCall Properties LLC Leggat McCall Properties LLC
16 100 Necco 100 Necco St	★ ★ ★ ★ ★	420,000	8	Jun 2021	Aug 2024	Alexandria Real Estate Equities, I... Related Beal
17 2 Harbor 2 Harbor St	★ ★ ★ ★ ★	418,824	9	Nov 2021	Jun 2024	Millennium Partners Management... Millennium Partners Management...
18 Bldg 1300 72 Rockingham Park Blvd	★ ★ ★ ★ ★	375,000	6	Aug 2022	Feb 2024	Tuscan Brands Development Tuscan Brands Development
19 808 Windsor	★ ★ ★ ★ ★	370,000	11	Jan 2022	Mar 2024	- -
20 20 Cambridgeside Pl	★ ★ ★ ★ ★	366,000	10	Jan 2021	Apr 2024	- -
21 Forum Boston Landing 60 Guest St	★ ★ ★ ★ ★	350,000	10	Sep 2022	Nov 2024	NB Development Group LLC LendLease Real Estate Investme...
22 Boynton Gateway 495 Columbia St	★ ★ ★ ★ ★	342,000	9	Jul 2023	Aug 2024	- L&B Realty Advisors, LLP
23 180 CityPoint 180 3rd Ave	★ ★ ★ ★ ★	329,000	6	Jun 2021	Mar 2024	Consigli Construction Co., Inc. BXP
24 99 Coolidge Ave	★ ★ ★ ★ ★	314,000	5	Oct 2021	Feb 2024	Alexandria Real Estate Equities, I... National Development
25 109 Brookline Ave	★ ★ ★ ★ ★	310,000	10	Mar 2023	Jan 2025	- -
26 Allston Labworks 250 Western Ave	★ ★ ★ ★ ★	280,992	6	Oct 2022	Dec 2024	- Mugar Enterprises, Inc.
27 Suffolk Downs 100 Salt St	★ ★ ★ ★ ★	280,224	5	Apr 2022	Feb 2024	The HYM Investment Group The HYM Investment Group
28 305 Western Ave	★ ★ ★ ★ ★	268,307	8	Jan 2023	Mar 2025	King Street Properties -

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, 11 office assets with a sticker price exceeding \$10 million have exchanged hands. Notably, life science assets dominated this roster of completed deals. Only five 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.

Institutional buyers have not been entirely absent, however. In November, Norges Bank Investment Management acquired a stake in Boston Properties' two-building lab portfolio at 290 and 300 Binney St. in Cambridge at an average valuation of about \$2,000 per SF. This is only slightly off recent peak pricing for labs,

underscoring the value of this specialty property type when leased long-term to quality tenants. Formerly an office location for Biogen, 300 Binney will serve as lab space for The Broad Institute when its conversion is complete. Meanwhile, 290 Binney has been fully leased by AstraZeneca, which will take occupancy in 2025 after construction completes.

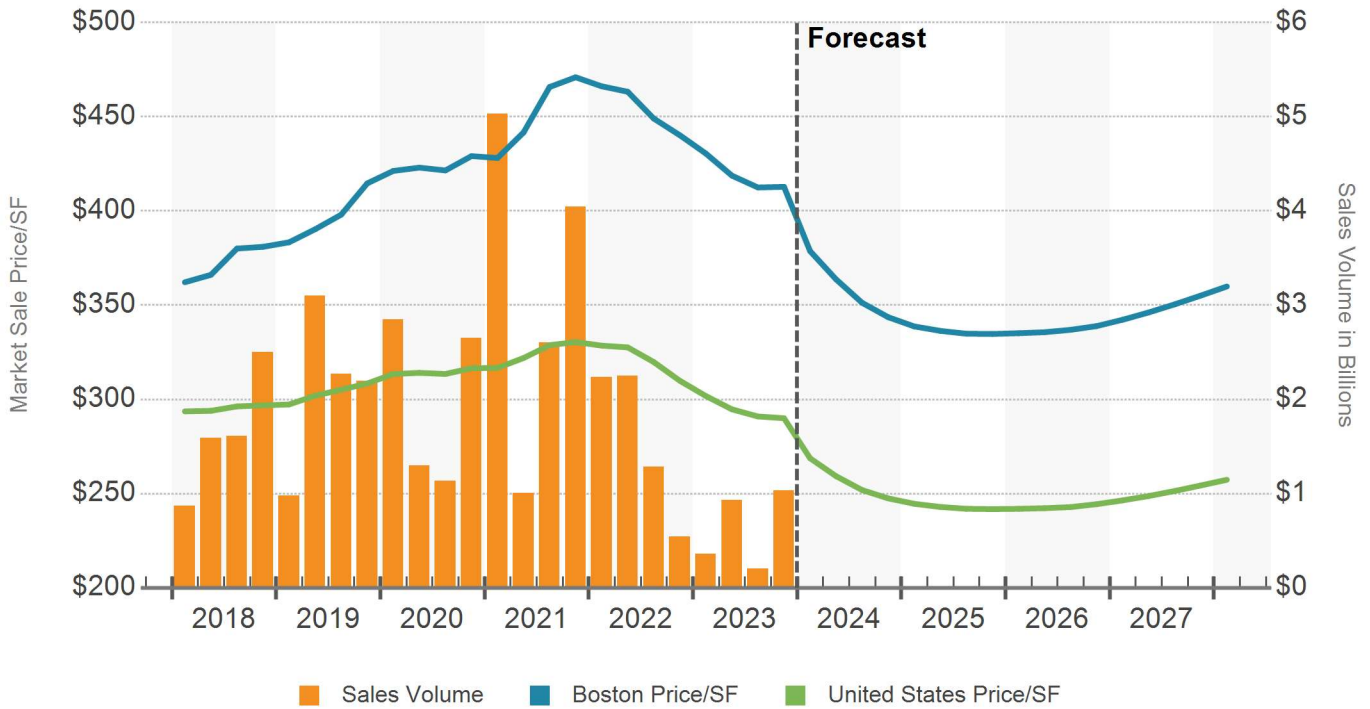
Apart from labs and the few stabilized single-tenant office deals where future income is supported with contractual rent increases, recent office deals appear to be heavily driven by their discounts from peak pricing and/or the building's replacement cost. For multi-tenant office assets where future 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.

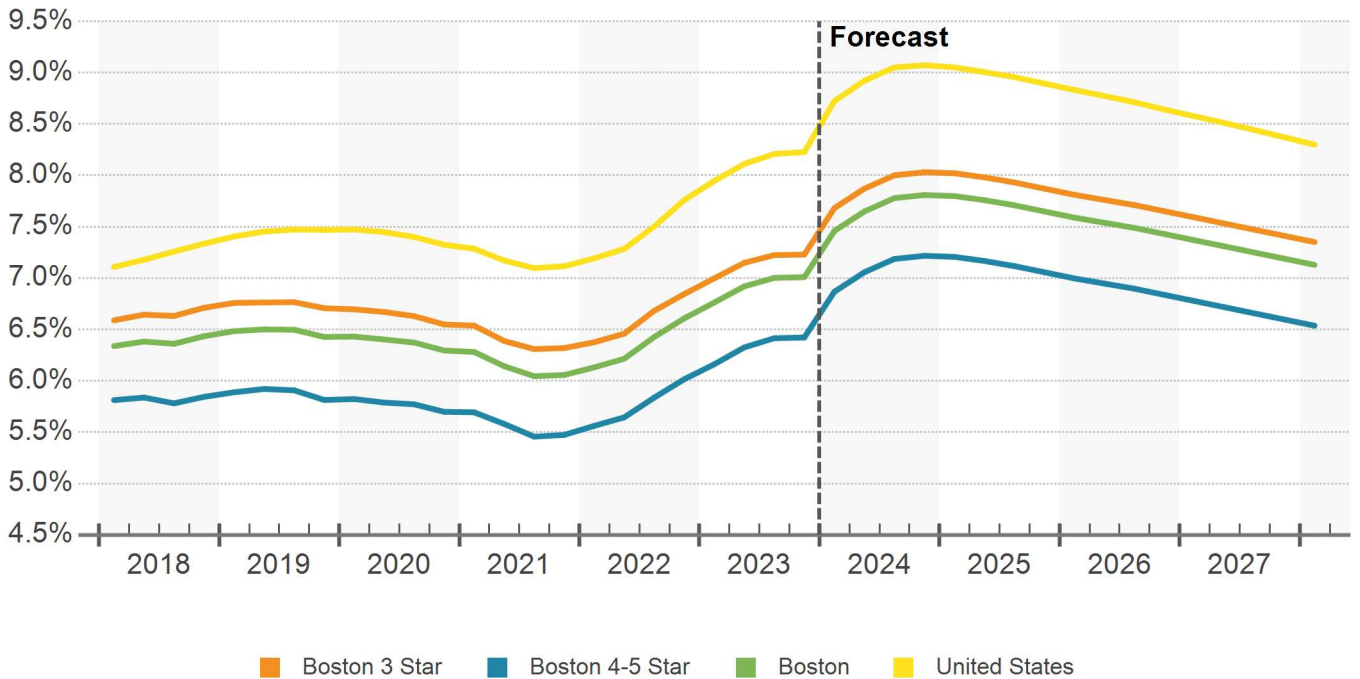
An exception to this trend of discounted values was the October sale of 855 Bolyston to Ezdan Holding Group, an investment firm based in Qatar. The fully-leased 4 Star property in the Back Bay traded for just under \$100 million, nearly \$700 per SF and more than double the price from its last sale 23 years ago.

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

Avg. Cap Rate

Avg. Price/SF

Avg. Vacancy At Sale

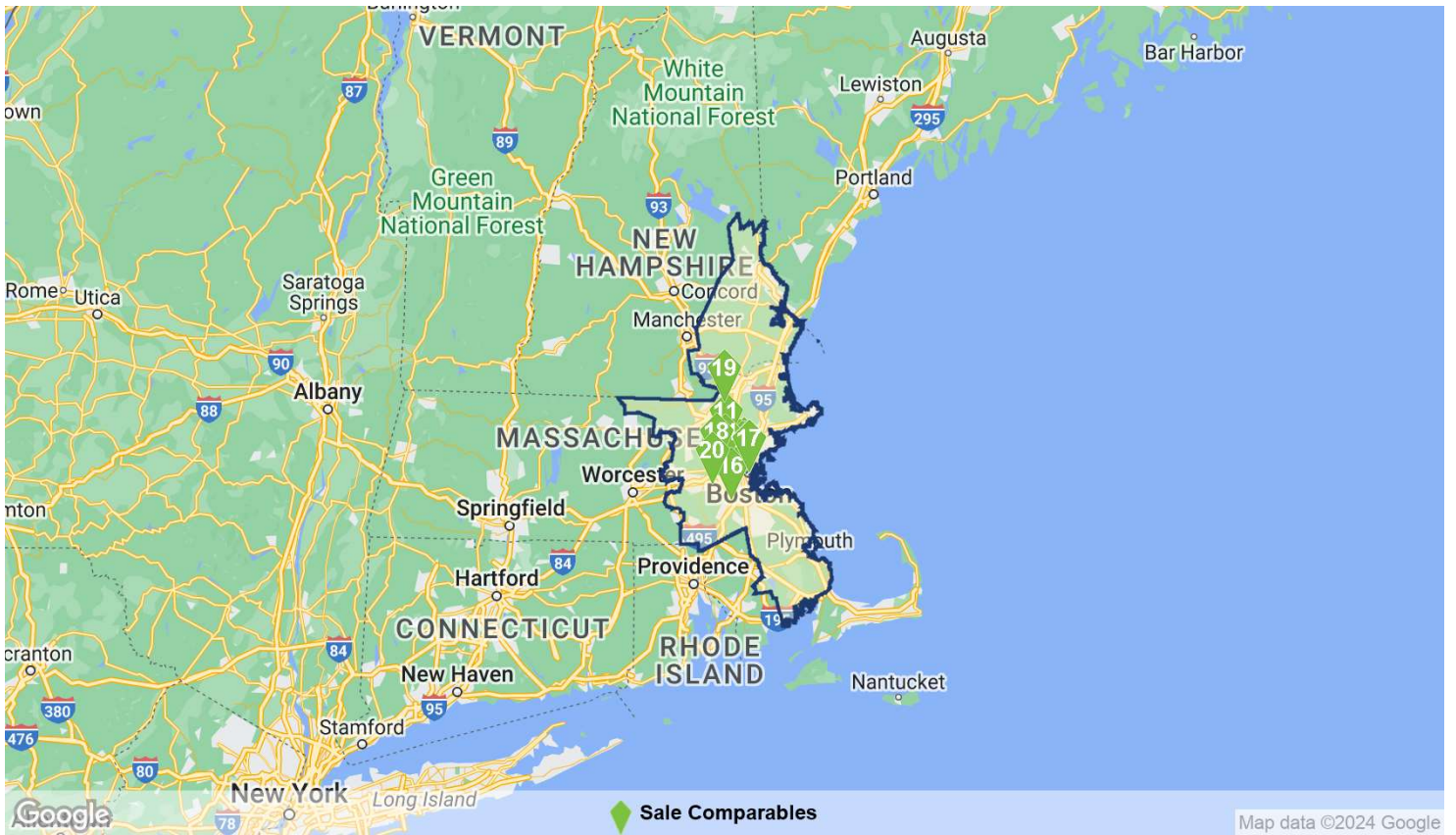
375

7.6%

\$591

8.0%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$50,000	\$11,600,439	\$1,362,000	\$600,529,744
Price/SF	\$6.64	\$591	\$211	\$2,358
Cap Rate	4.0%	7.6%	7.2%	12.3%
Time Since Sale in Months	0.1	6.0	6.1	12.0
Property Attributes	Low	Average	Median	High
Building SF	850	26,765	6,845	566,000
Stories	1	3	2	13
Typical Floor SF	638	8,957	3,735	134,010
Vacancy Rate At Sale	0%	8.0%	0%	100%
Year Built	1718	1951	1963	2024
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
1 290 Binney St	★★★★★	2024	566,000	0%	11/20/2023	\$600,529,744	\$2,358	-
2 The Gauge 152 Grove St	★★★★★	2018	134,010	0%	1/19/2023	\$216,675,488	\$1,617	-
3 Alexandria Center for Lif... 421 Park Dr	★★★★★	2025	268,023	-	6/28/2023	\$155,000,000	\$578	-
4 300 Binney St	★★★★★	2013	195,191	0%	11/20/2023	\$145,870,256	\$1,661	-
5 Riverside Center Buildin... 275 Grove St	★★★★★	2000	510,000	23.8%	6/28/2023	\$117,500,000	\$230	-
6 855 Boylston St	★★★★★	1986	142,765	0%	10/10/2023	\$99,500,000	\$697	-
7 790 Memorial Dr	★★★★★	2001	52,916	30.4%	6/16/2023	\$90,835,740	\$1,717	-
8 780 Memorial Dr	★★★★★	2001	51,000	100%	6/16/2023	\$84,567,497	\$1,658	-
9 225 Second Ave	★★★★★	1960	134,129	0%	6/16/2023	\$77,763,072	\$580	-
10 Waltham Place II 275 Second Ave	★★★★★	2000	107,062	0%	6/16/2023	\$74,514,431	\$696	-
11 67 S Bedford St	★★★★★	1981	175,423	23.7%	6/30/2023	\$67,270,000	\$383	-
12 15 Necco St	★★★★★	2023	345,995	2.9%	4/12/2023	\$66,108,000	\$955	6.6%
13 11-19 Deerfield St	★★★★★	1925	70,150	0%	2/1/2023	\$56,000,000	\$798	-
14 100 Beaver St	★★★★★	1986	82,330	13.0%	12/27/2023	\$46,200,000	\$561	-
15 1 Liberty Sq	★★★★★	1926	157,467	26.4%	9/7/2023	\$45,000,000	\$286	-
16 40 Allied Dr	★★★★★	1964	64,127	0%	6/26/2023	\$41,900,000	\$653	-
17 70 Federal St	★★★★★	1965	64,246	9.2%	8/20/2023	\$41,000,000	\$638	-
18 Waltham Place I 266 Second Ave	★★★★★	1961	98,249	0%	6/16/2023	\$37,319,260	\$380	-
19 50 Minuteman Rd	★★★★★	1997	162,088	0%	7/5/2023	\$34,220,000	\$211	-
20 40 Grove St	★★★★★	1975	50,588	0%	11/24/2023	\$15,000,000	\$297	-

Boston's economy has experienced a period of faster growth than the overall U.S. economy for several years, driven by a highly educated workforce that supports the metro area's knowledge-oriented industries.

According to the Census Bureau's American Community Survey 2022, over 51% of adults in Boston aged 25 or older hold at least a bachelor's degree, and nearly 24% hold a graduate or professional degree. This makes Boston one of only six metropolitan areas with at least 1 million residents in which a majority of adults have a bachelor's degree and one of only five in which more than a fifth have a graduate degree. Nationally, the percentages are 36.7% and 14.0%, respectively.

Because of this, the local economy is heavily weighted toward organizations operating in information, professional and business services, education and health services, and financial activities. This is evident in the list of the metro's largest employers, which includes healthcare systems Mass General, Beth Israel, and Dana-Farber; universities Harvard, MIT, Boston University, and Northeastern; and financial giants Fidelity, Mass Mutual, and John Hancock.

Advanced biotechnology research is a particular strength of the local economy, especially in Cambridge, which can lay claim to being the world's leading center for life sciences research and development. AstraZeneca, Moderna, Sanofi, Takeda, and Vertex Pharmaceuticals headline a long list of both established and emerging firms that helped Boston's economy grow by nearly 13% from 2017-21, compared to just over 9% for the U.S. The industry has faced challenges over the past year, as rapidly increasing interest rates have slowed the flow of venture capital funding into biotech startups. Still, the long-term drivers of demand remain in place.

Despite the relative strength of the Boston economy, overall employment was hit harder by the pandemic—and took longer to recover—than the nation

at large. Boston lost 17.5% of its jobs in just two months in early 2020, versus 14.4% for the U.S. It took a full three years for employment in the Boston metro to return to its February 2020 levels, which was about eight months longer than for the U.S. It has now recovered enough to match the nation's overall growth rate, though it still lags the accelerated pace of growth on display from 2016-20.

High-paying jobs are often associated with a high cost of living, and Boston is no exception. Apartment rents in Boston currently average \$2,700/month and are among the nation's highest, trailing only the metro areas in and around New York City and the San Francisco Bay Area. Similarly, house prices are much higher than the national average. According to the National Association of Realtors, the median sale price of an existing home in the Boston metro area was \$745,100 in 23Q3, 83% above the national mark of \$406,900. This figure placed Boston behind only Naples, Florida, among markets on the East Coast.

Residents have enjoyed some small relative respite in inflation, however. From September 2021 to September 2023, consumer prices rose a total of 11% in Boston, lower than the 12.2% rise that occurred nationally.

More broadly, Boston has endured less pronounced outmigration than other gateway markets and has avoided some of the rise in social problems that coincided with the pandemic, though opioid abuse is a glaring counterexample. Per capita overdose deaths in Massachusetts were 13.5% higher than the national average in 2021.

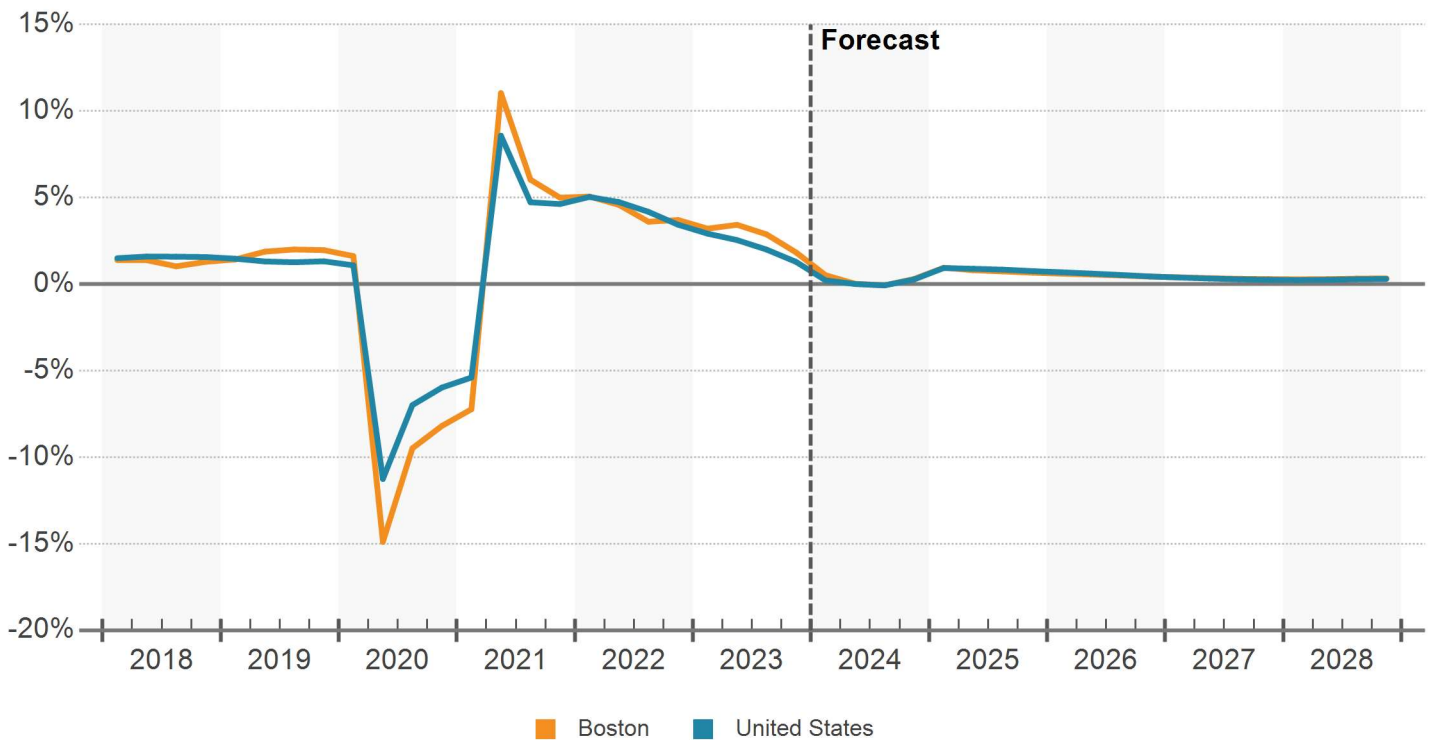
Looking ahead, Boston appears poised for relatively strong economic performance. The presence of vital industries, a capable labor force, and a generally high, if expensive, quality of life position the market well compared to the nation and peer markets.

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	171	0.7	0.74%	-0.04%	-0.27%	0.71%	-0.28%	0.08%
Trade, Transportation and Utilities	413	0.8	1.09%	0.18%	0.25%	1.06%	-0.20%	0.14%
Retail Trade	238	0.8	-0.09%	0.49%	-0.42%	0.24%	-0.09%	0.09%
Financial Activities	204	1.2	0.82%	0.55%	1.27%	1.46%	0.00%	0.15%
Government	310	0.7	1.20%	1.54%	0.33%	0.37%	0.27%	0.40%
Natural Resources, Mining and Construction	131	0.8	3.78%	1.41%	3.73%	2.33%	1.19%	0.28%
Education and Health Services	619	1.3	3.53%	3.02%	1.79%	1.87%	0.51%	0.66%
Professional and Business Services	578	1.4	1.53%	0.72%	2.52%	2.01%	0.48%	0.51%
Information	89	1.6	-2.50%	-2.75%	1.44%	1.09%	0.76%	0.34%
Leisure and Hospitality	271	0.9	2.81%	2.95%	0.82%	1.48%	1.16%	0.82%
Other Services	105	1.0	0.78%	1.67%	0.49%	0.64%	0.70%	0.27%
Total Employment	2,892	1.0	1.82%	1.27%	1.28%	1.31%	0.41%	0.40%

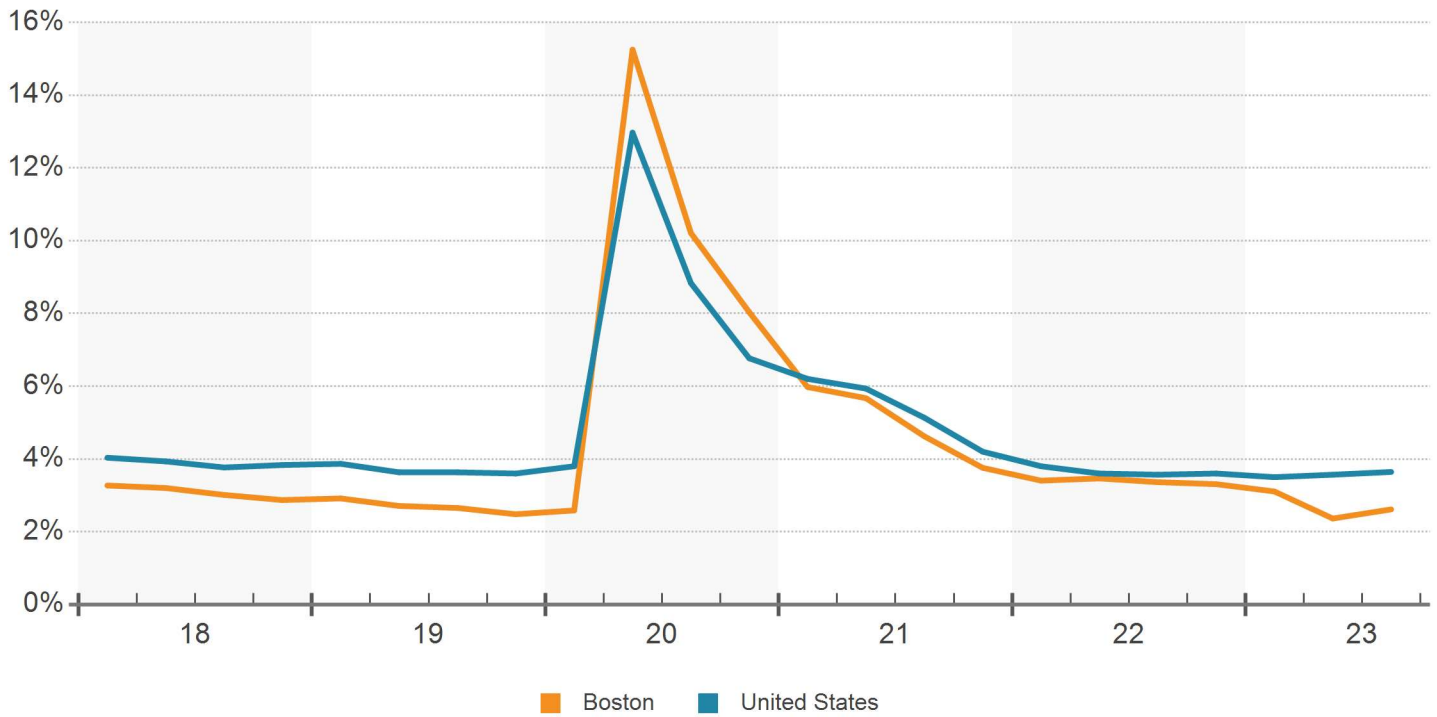
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

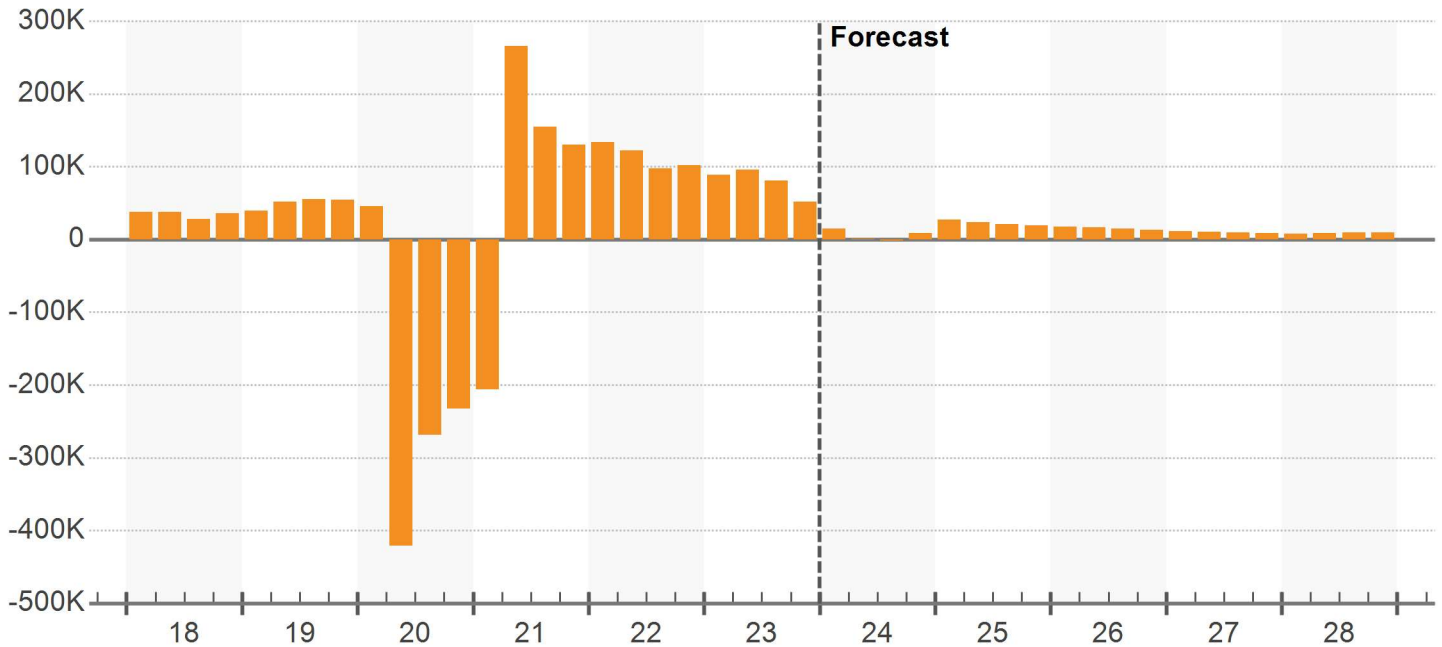


Source: Oxford Economics

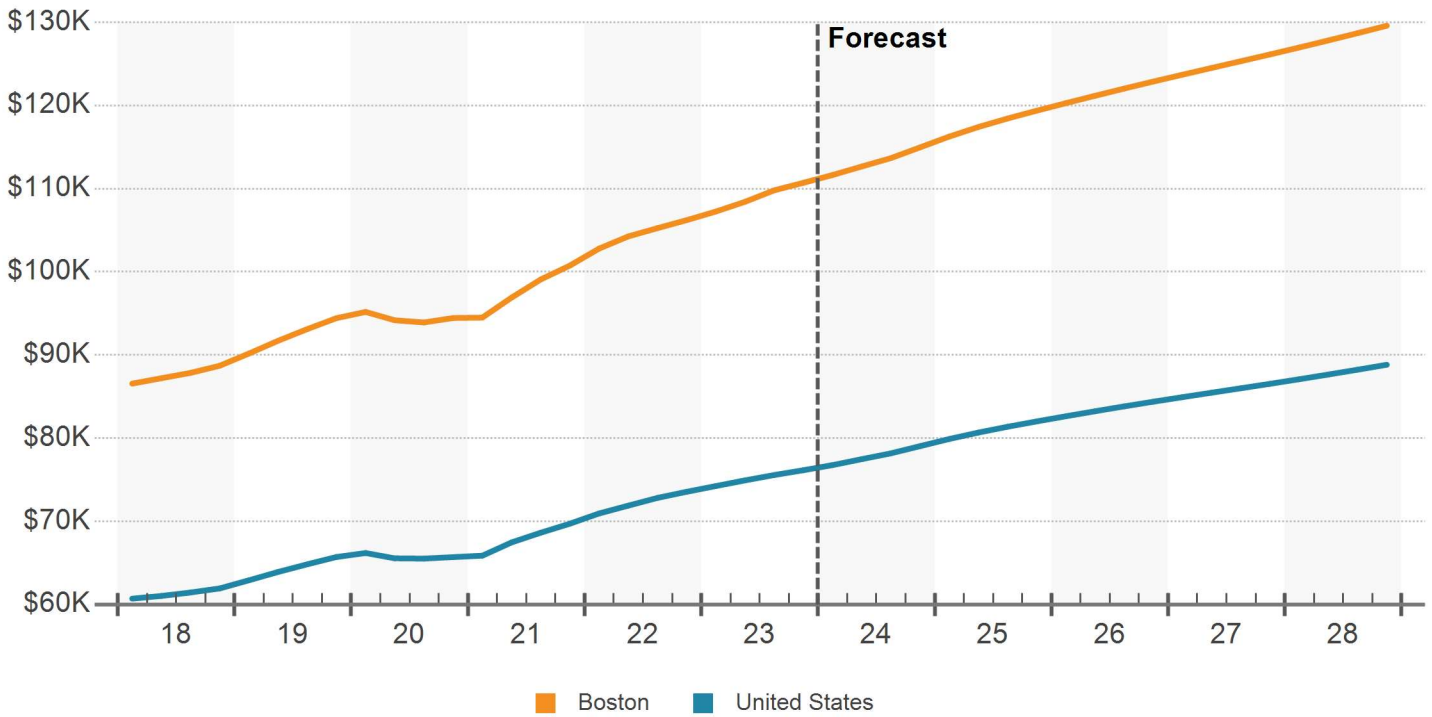
UNEMPLOYMENT RATE (%)



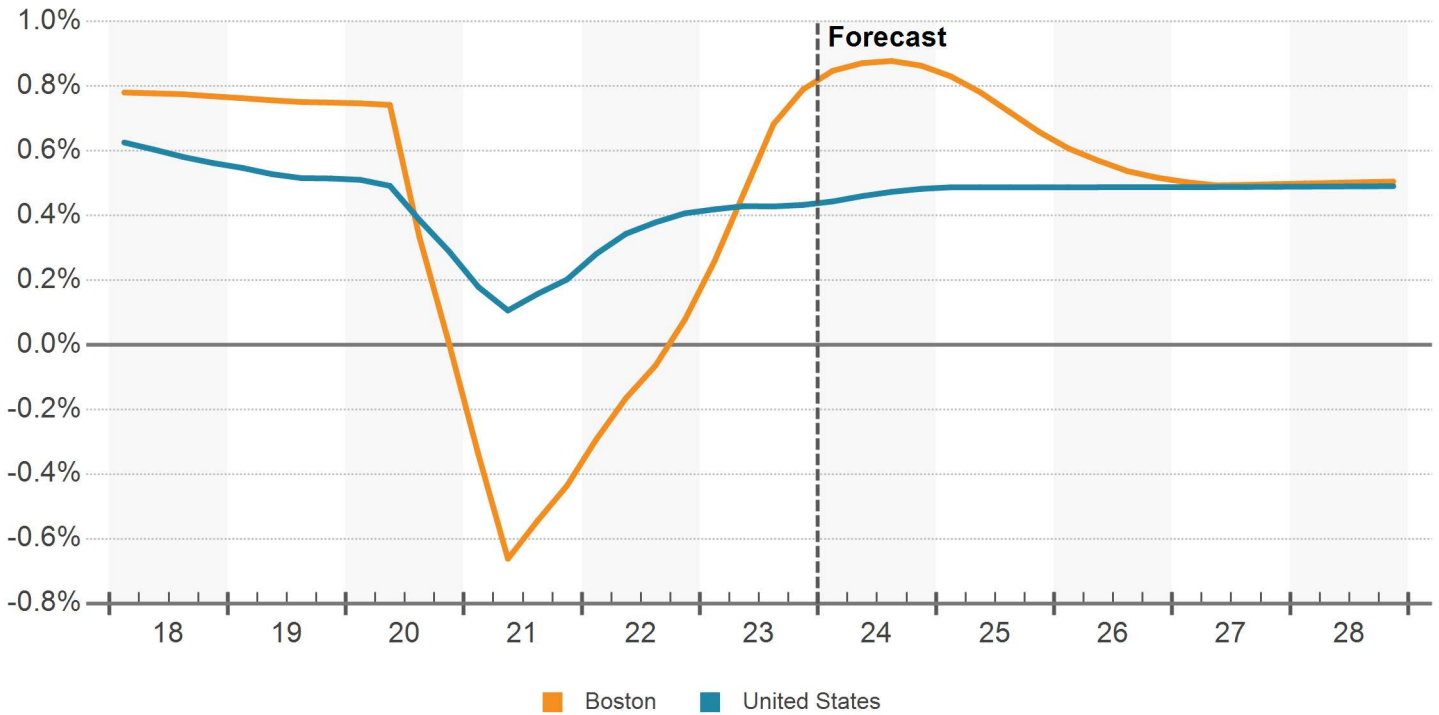
NET EMPLOYMENT CHANGE (YOY)



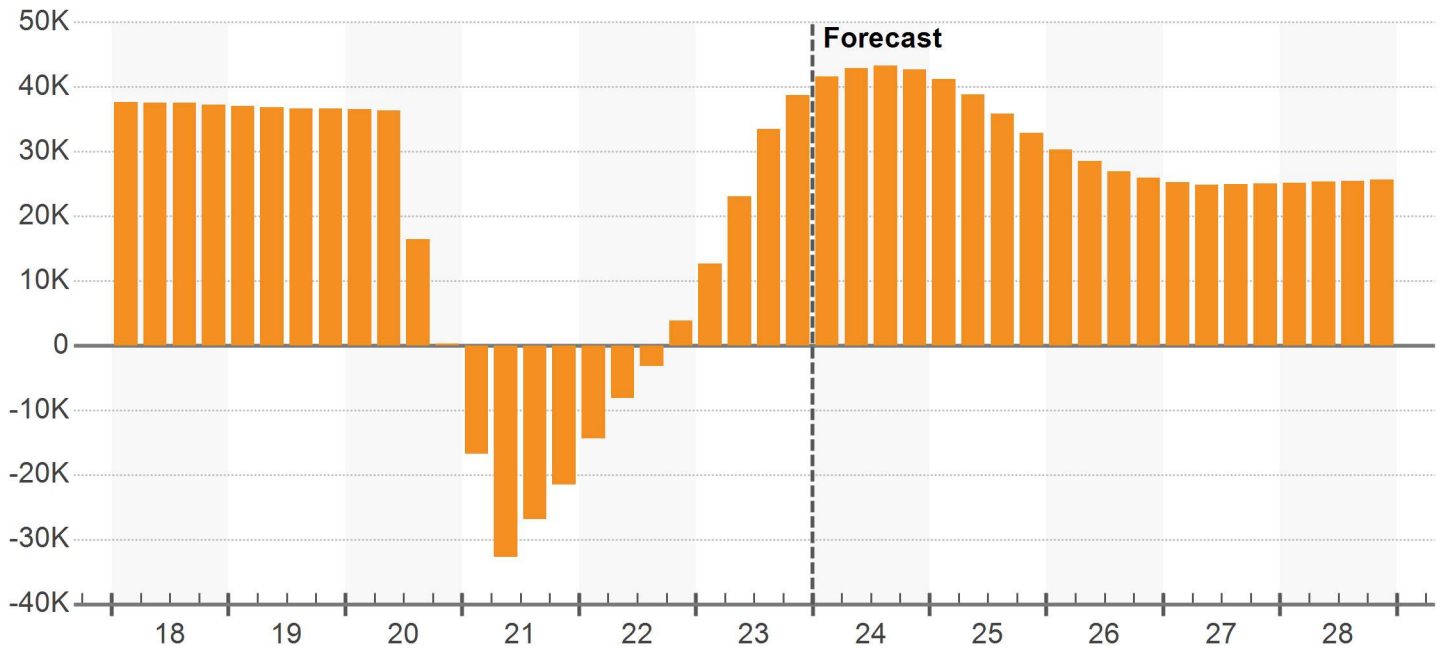
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

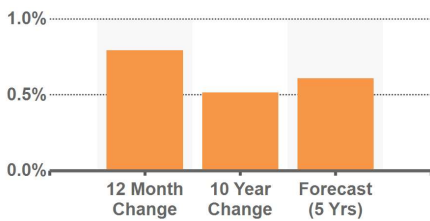


DEMOGRAPHIC TRENDS

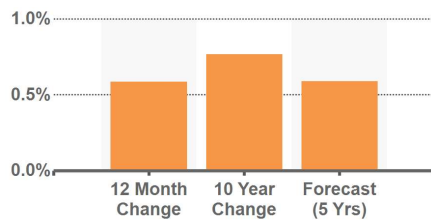
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	4,945,076	335,107,750	0.8%	0.4%	0.5%	0.5%	0.6%	0.5%
Households	1,969,984	130,833,109	1.0%	0.6%	1.0%	0.9%	0.7%	0.6%
Median Household Income	\$110,709	\$76,151	4.2%	3.5%	4.3%	3.8%	3.2%	3.1%
Labor Force	2,736,779	167,585,750	0.6%	1.7%	0.8%	0.8%	0.6%	0.2%
Unemployment	2.6%	3.6%	-0.7%	0%	-0.3%	-0.3%	-	-

Source: Oxford Economics

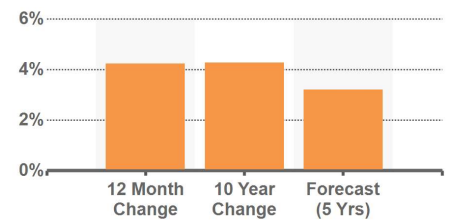
POPULATION GROWTH



LABOR FORCE GROWTH

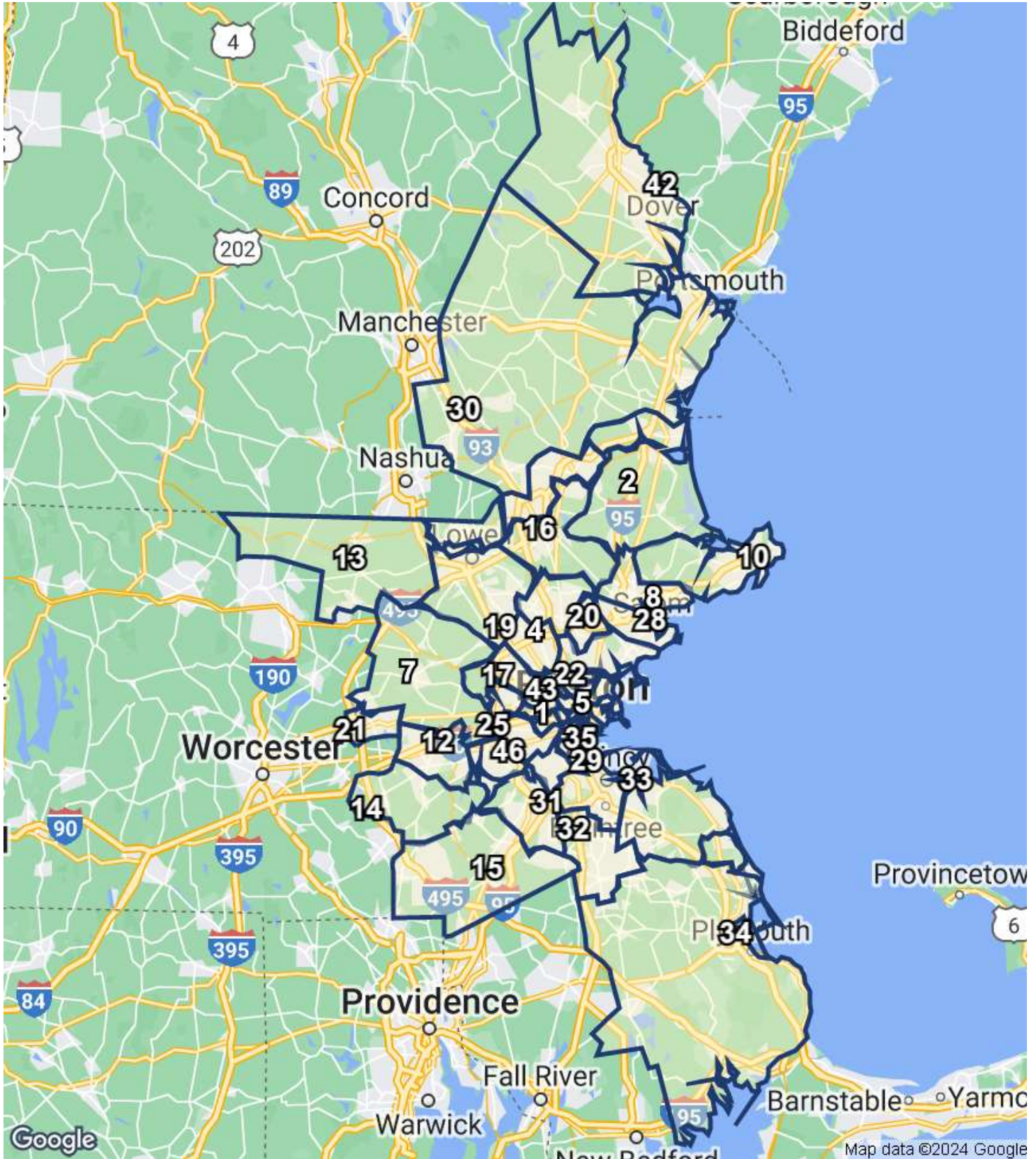


INCOME GROWTH



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	17,317	4.6%	4	1	46	0.3%	12	1	232	1.3%	13
4	Burlington/Woburn	319	14,627	3.9%	8	0	0	0%	-	1	260	1.8%	12
5	Charlestown/East Boston	105	5,786	1.5%	23	0	0	0%	-	1	112	1.9%	17
6	Chelsea/Revere	126	2,100	0.6%	40	0	0	0%	-	1	280	13.3%	11
7	Concord/Maynard	372	11,437	3.0%	10	0	0	0%	-	0	-	-	-
8	Danvers/Beverly	212	6,525	1.7%	20	0	0	0%	-	1	11	0.2%	19
9	E Cambridge/Kendall Sq	123	21,105	5.6%	2	4	1,297	6.1%	2	6	2,446	11.6%	3
10	Essex/Gloucester	97	998	0.3%	46	0	0	0%	-	0	-	-	-
11	Financial District	257	45,850	12.1%	1	1	971	2.1%	3	1	711	1.6%	8
12	Framingham/Natick	393	10,692	2.8%	12	1	5	0%	15	0	-	-	-
13	Groton/Townsend	138	1,285	0.3%	44	0	0	0%	-	0	-	-	-
14	Hopkinton/Holliston	80	1,778	0.5%	43	0	0	0%	-	0	-	-	-
15	I-95 Corridor South	352	5,584	1.5%	24	0	0	0%	-	0	-	-	-
16	Lawrence/Andover	503	15,040	4.0%	7	1	59	0.4%	11	0	-	-	-
17	Lexington/Arlington	244	5,472	1.4%	26	1	172	3.1%	7	0	-	-	-
18	Longwood/Fenway	95	9,319	2.5%	14	1	162	1.7%	8	5	2,064	22.2%	4
19	Lowell/Chelmsford	489	20,007	5.3%	3	1	20	0.1%	14	1	6	0%	20
20	Lynnfield/Wakefield	112	3,007	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	224	9,366	2.5%	13	0	0	0%	-	0	-	-	-
24	Midtown	105	5,171	1.4%	28	0	0	0%	-	0	-	-	-
25	Newton/Brookline	350	9,117	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	8,083	2.1%	17	1	1,335	16.5%	1	2	192	2.4%	14
28	Peabody/Salem	260	3,788	1.0%	35	0	0	0%	-	0	-	-	-
29	Quincy/Braintree	395	11,201	3.0%	11	0	0	0%	-	0	-	-	-
30	Rockingham	988	13,079	3.5%	9	2	44	0.3%	13	4	737	5.6%	7
31	Route 1 South	268	8,388	2.2%	16	0	0	0%	-	0	-	-	-
32	Route 24	390	4,909	1.3%	30	1	1	0%	16	0	-	-	-
33	Route 3 Corridor	457	6,007	1.6%	21	0	0	0%	-	0	-	-	-
34	Route 3 South	559	5,945	1.6%	22	0	0	0%	-	0	-	-	-
35	Roxbury/Dorchester	194	4,964	1.3%	29	0	0	0%	-	0	-	-	-
36	Saugus/Lynn	233	3,438	0.9%	37	0	0	0%	-	0	-	-	-
37	Seaport	96	16,459	4.4%	5	1	346	2.1%	5	7	3,360	20.4%	1
38	Somerville/Everett	178	4,899	1.3%	31	1	209	4.3%	6	7	2,608	53.2%	2
39	South Boston	62	582	0.2%	47	0	0	0%	-	0	-	-	-
40	South End	71	3,653	1.0%	36	0	0	0%	-	0	-	-	-
41	South Suffolk County	90	1,001	0.3%	45	0	0	0%	-	0	-	-	-
42	Strafford County	319	5,529	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	W Cambridge/Alewife	118	4,489	1.2%	32	1	159	3.5%	9	8	979	21.8%	5
44	Waltham	237	15,931	4.2%	6	1	138	0.9%	10	2	591	3.7%	10
45	Watertown	105	5,203	1.4%	27	7	968	18.6%	4	3	613	11.8%	9
46	Wellesley/Needham	231	6,632	1.8%	19	0	0	0%	-	1	149	2.2%	16
47	Wilmington/Reading	121	3,795	1.0%	34	0	0	0%	-	1	20	0.5%	18

SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Allston/Brighton	\$43.93	11	0.6%	41	4.4%	2
2	Amesbury/Ipswich	\$25.52	35	1.6%	1	-3.1%	22
3	Back Bay	\$58.78	3	0.5%	42	-4.2%	36
4	Burlington/Woburn	\$32.98	24	0.5%	46	-2.7%	19
5	Charlestown/East Boston	\$45.59	9	0.7%	35	-2.5%	18
6	Chelsea/Revere	\$35.45	20	0.7%	38	0.6%	4
7	Concord/Maynard	\$25.35	36	1.1%	9	-4.1%	35
8	Danvers/Beverly	\$23.92	45	0.7%	32	-1.7%	13
9	E Cambridge/Kendall Sq	\$84.26	1	0.5%	45	-0.9%	7
10	Essex/Gloucester	\$24.52	41	0.9%	23	-3.6%	30
11	Financial District	\$56.12	6	0.4%	47	-1.3%	10
12	Framingham/Natick	\$28.69	27	1.0%	19	-5.0%	42
13	Groton/Townsend	\$24.19	42	1.2%	6	-4.4%	39
14	Hopkinton/Holliston	\$24.82	38	1.2%	3	-5.0%	41
15	I-95 Corridor South	\$24.99	37	1.1%	12	-3.2%	23
16	Lawrence/Andover	\$27.37	31	1.2%	4	-3.9%	32
17	Lexington/Arlington	\$40.09	16	0.8%	24	-28.1%	47
18	Longwood/Fenway	\$54.08	7	0.5%	43	0.9%	3
19	Lowell/Chelmsford	\$24.75	39	1.1%	11	-3.5%	29
20	Lynnfield/Wakefield	\$28.55	29	0.6%	40	-1.6%	12
21	Marlborough	\$25.72	34	1.0%	14	-3.5%	27
22	Medford/Malden	\$33.19	23	0.8%	28	-4.2%	38
23	Mid-Cambridge/Harvard Sq	\$72.79	2	0.7%	37	-3.9%	33
24	Midtown	\$40.10	15	1.0%	16	-1.8%	14
25	Newton/Brookline	\$37.80	19	0.9%	21	-3.5%	28
26	North End/Waterfront	\$41.88	12	0.8%	25	-5.4%	43
27	North Station/Beacon Hill	\$52.57	8	0.8%	30	-6.4%	46
28	Peabody/Salem	\$23.95	44	0.9%	22	-3.6%	31
29	Quincy/Braintree	\$30.88	26	1.0%	18	-1.9%	15
30	Rockingham	\$26.66	33	1.1%	7	-3.4%	26
31	Route 1 South	\$28.60	28	1.1%	13	-3.3%	24
32	Route 24	\$24.58	40	1.2%	5	-5.7%	44
33	Route 3 Corridor	\$27.12	32	1.1%	10	-4.6%	40
34	Route 3 South	\$24.08	43	1.3%	2	-4.0%	34
35	Roxbury/Dorchester	\$35.42	21	1.0%	17	-2.9%	20
36	Saugus/Lynn	\$23.32	47	0.8%	27	-6.0%	45
37	Seaport	\$56.20	5	0.7%	36	-1.0%	8
38	Somerville/Everett	\$41.82	13	0.5%	44	7.5%	1
39	South Boston	\$33.97	22	1.0%	15	-4.2%	37
40	South End	\$44.92	10	0.7%	31	-1.6%	11
41	South Suffolk County	\$32.19	25	1.1%	8	-3.3%	25
42	Strafford County	\$23.88	46	0.9%	20	-2.5%	17

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	\$56.37	4	0.8%	26	0.1%	6
44	Waltham	\$39.77	17	0.7%	34	-3.0%	21
45	Watertown	\$40.37	14	0.6%	39	0.2%	5
46	Wellesley/Needham	\$38.40	18	0.8%	29	-1.2%	9
47	Wilmington/Reading	\$27.49	30	0.7%	33	-2.1%	16

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Allston/Brighton	169,089	5.1%	13	(47,165)	-1.4%	28	-
2	Amesbury/Ipswich	72,797	3.7%	8	(19,278)	-1.0%	26	-
3	Back Bay	1,614,670	9.3%	26	(47,227)	-0.3%	29	-
4	Burlington/Woburn	1,979,543	13.5%	36	(309,287)	-2.1%	43	-
5	Charlestown/East Boston	598,403	10.3%	29	13,873	0.2%	16	-
6	Chelsea/Revere	23,330	1.1%	1	834	0%	18	-
7	Concord/Maynard	1,751,672	15.3%	40	9,086	0.1%	17	-
8	Danvers/Beverly	648,503	9.9%	28	(130,580)	-2.0%	36	-
9	E Cambridge/Kendall Sq	1,971,017	9.3%	27	206,578	1.0%	4	6.3
10	Essex/Gloucester	33,207	3.3%	7	(5,420)	-0.5%	22	-
11	Financial District	7,332,777	16.0%	42	(101,063)	-0.2%	34	-
12	Framingham/Natick	891,188	8.3%	22	119,035	1.1%	7	0
13	Groton/Townsend	75,139	5.8%	14	(7,384)	-0.6%	23	-
14	Hopkinton/Holliston	25,375	1.4%	2	(3,217)	-0.2%	20	-
15	I-95 Corridor South	210,338	3.8%	10	53,769	1.0%	11	-
16	Lawrence/Andover	2,210,023	14.7%	39	(65,163)	-0.4%	31	-
17	Lexington/Arlington	429,107	7.8%	21	67,397	1.2%	10	0.1
18	Longwood/Fenway	169,920	1.8%	4	550,153	5.9%	2	0.3
19	Lowell/Chelmsford	2,844,356	14.2%	38	168,126	0.8%	5	0.1
20	Lynnfield/Wakefield	549,633	18.3%	45	(58,348)	-1.9%	30	-
21	Marlborough	913,301	13.0%	34	(223,831)	-3.2%	40	-
22	Medford/Malden	839,933	21.9%	46	(234,965)	-6.1%	41	-
23	Mid-Cambridge/Harvard Sq	1,058,775	11.3%	31	(524,118)	-5.6%	46	-
24	Midtown	661,026	12.8%	33	(179,410)	-3.5%	39	-
25	Newton/Brookline	1,010,676	11.1%	30	(12,876)	-0.1%	24	-
26	North End/Waterfront	173,785	9.1%	25	33	0%	19	-
27	North Station/Beacon Hill	708,503	8.8%	24	1,249,891	15.5%	1	1.1
28	Peabody/Salem	255,001	6.7%	16	44,956	1.2%	12	-
29	Quincy/Braintree	1,396,795	12.5%	32	(156,254)	-1.4%	37	-
30	Rockingham	908,440	6.9%	17	(84,652)	-0.6%	33	-
31	Route 1 South	1,496,855	17.8%	44	(332,174)	-4.0%	44	-
32	Route 24	186,673	3.8%	12	(32,743)	-0.7%	27	-
33	Route 3 Corridor	439,766	7.3%	19	(107,897)	-1.8%	35	-
34	Route 3 South	225,343	3.8%	11	26,731	0.4%	14	-
35	Roxbury/Dorchester	93,275	1.9%	5	530,489	10.7%	3	-
36	Saugus/Lynn	129,137	3.8%	9	(16,649)	-0.5%	25	-
37	Seaport	2,560,549	15.6%	41	(297,017)	-1.8%	42	-
38	Somerville/Everett	316,914	6.5%	15	131,330	2.7%	6	1.6
39	South Boston	41,277	7.1%	18	21,540	3.7%	15	-
40	South End	318,968	8.7%	23	(84,516)	-2.3%	32	-
41	South Suffolk County	28,198	2.8%	6	(5,167)	-0.5%	21	-
42	Strafford County	96,266	1.7%	3	44,518	0.8%	13	-

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
43	W Cambridge/Alewife	735,031	16.4%	43	(376,062)	-8.4%	45	-
44	Waltham	2,244,908	14.1%	37	(771,250)	-4.8%	47	-
45	Watertown	1,170,094	22.5%	47	88,967	1.7%	8	7.9
46	Wellesley/Needham	865,765	13.1%	35	(157,036)	-2.4%	38	-
47	Wilmington/Reading	290,098	7.6%	20	81,417	2.1%	9	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	391,699,412	87,913	0%	1,937,613	0.5%	0
2027	391,611,499	(466,693)	-0.1%	1,439,017	0.4%	-
2026	392,078,192	(169,117)	0%	387,409	0.1%	-
2025	392,247,309	4,927,325	1.3%	(2,372,640)	-0.6%	-
2024	387,319,984	9,446,253	2.5%	(4,408,582)	-1.1%	-
YTD	377,873,731	0	0%	(938,131)	-0.2%	-
2023	377,873,731	5,807,975	1.6%	(99,459)	0%	-
2022	372,065,756	5,256,542	1.4%	3,255,131	0.9%	1.6
2021	366,809,214	2,805,661	0.8%	(558,584)	-0.2%	-
2020	364,003,553	3,299,691	0.9%	(2,867,288)	-0.8%	-
2019	360,703,862	1,506,819	0.4%	3,150,885	0.9%	0.5
2018	359,197,043	2,725,619	0.8%	3,271,717	0.9%	0.8
2017	356,471,424	1,085,163	0.3%	2,888,605	0.8%	0.4
2016	355,386,261	2,408,515	0.7%	3,085,791	0.9%	0.8
2015	352,977,746	2,538,115	0.7%	4,568,017	1.3%	0.6
2014	350,439,631	2,598,398	0.7%	4,244,622	1.2%	0.6
2013	347,841,233	3,239,590	0.9%	5,643,499	1.6%	0.6
2012	344,601,643	67,103	0%	2,098,122	0.6%	0

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	165,987,696	856,916	0.5%	2,198,887	1.3%	0.4
2027	165,130,780	302,417	0.2%	3,120,032	1.9%	0.1
2026	164,828,363	600,000	0.4%	2,450,100	1.5%	0.2
2025	164,228,363	5,688,379	3.6%	954,804	0.6%	6.0
2024	158,539,984	9,409,177	6.3%	1,611,970	1.0%	5.8
YTD	149,130,807	0	0%	(638,872)	-0.4%	-
2023	149,130,807	5,477,813	3.8%	1,861,942	1.2%	2.9
2022	143,652,994	5,545,848	4.0%	4,738,209	3.3%	1.2
2021	138,107,146	3,105,507	2.3%	427,466	0.3%	7.3
2020	135,001,639	3,214,446	2.4%	101,579	0.1%	31.6
2019	131,787,193	2,066,727	1.6%	3,273,091	2.5%	0.6
2018	129,720,466	2,871,031	2.3%	2,644,025	2.0%	1.1
2017	126,849,435	2,413,538	1.9%	2,230,771	1.8%	1.1
2016	124,435,897	3,114,092	2.6%	2,063,335	1.7%	1.5
2015	121,321,805	3,182,893	2.7%	4,299,968	3.5%	0.7
2014	118,138,912	2,722,086	2.4%	3,075,340	2.6%	0.9
2013	115,416,826	3,231,150	2.9%	4,330,253	3.8%	0.7
2012	112,185,676	586,284	0.5%	1,243,232	1.1%	0.5

3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	159,522,306	162	0%	239,177	0.1%	0
2027	159,522,144	36	0%	(702,724)	-0.4%	-
2026	159,522,108	0	0%	(991,165)	-0.6%	-
2025	159,522,108	0	0%	(1,876,593)	-1.2%	-
2024	159,522,108	763,254	0.5%	(3,680,921)	-2.3%	-
YTD	158,758,854	0	0%	(229,171)	-0.1%	-
2023	158,758,854	158,953	0.1%	(1,923,416)	-1.2%	-
2022	158,599,901	(132,623)	-0.1%	(988,958)	-0.6%	-
2021	158,732,524	(163,251)	-0.1%	(948,894)	-0.6%	-
2020	158,895,775	124,772	0.1%	(2,598,959)	-1.6%	-
2019	158,771,003	(397,158)	-0.2%	(268,036)	-0.2%	-
2018	159,168,161	(96,695)	-0.1%	464,124	0.3%	-
2017	159,264,856	(740,917)	-0.5%	683,298	0.4%	-
2016	160,005,773	(397,867)	-0.2%	633,690	0.4%	-
2015	160,403,640	(436,719)	-0.3%	320,584	0.2%	-
2014	160,840,359	297,053	0.2%	982,211	0.6%	0.3
2013	160,543,306	162,329	0.1%	1,473,740	0.9%	0.1
2012	160,380,977	(42,046)	0%	828,589	0.5%	-

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	66,189,410	(769,165)	-1.1%	(500,451)	-0.8%	-
2027	66,958,575	(769,146)	-1.1%	(978,291)	-1.5%	-
2026	67,727,721	(769,117)	-1.1%	(1,071,526)	-1.6%	-
2025	68,496,838	(761,054)	-1.1%	(1,450,851)	-2.1%	-
2024	69,257,892	(726,178)	-1.0%	(2,339,631)	-3.4%	-
YTD	69,984,070	0	0%	(70,088)	-0.1%	-
2023	69,984,070	171,209	0.2%	(37,985)	-0.1%	-
2022	69,812,861	(156,683)	-0.2%	(494,120)	-0.7%	-
2021	69,969,544	(136,595)	-0.2%	(37,156)	-0.1%	-
2020	70,106,139	(39,527)	-0.1%	(369,908)	-0.5%	-
2019	70,145,666	(162,750)	-0.2%	145,830	0.2%	-
2018	70,308,416	(48,717)	-0.1%	163,568	0.2%	-
2017	70,357,133	(587,458)	-0.8%	(25,464)	0%	-
2016	70,944,591	(307,710)	-0.4%	388,766	0.5%	-
2015	71,252,301	(208,059)	-0.3%	(52,535)	-0.1%	-
2014	71,460,360	(420,741)	-0.6%	187,071	0.3%	-
2013	71,881,101	(153,889)	-0.2%	(160,494)	-0.2%	-
2012	72,034,990	(477,135)	-0.7%	26,301	0%	-

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$39.80	129	1.2%	-5.8%	58,796,130	15.0%	-0.5%
2027	\$39.35	128	1.1%	-6.9%	60,633,624	15.5%	-0.5%
2026	\$38.92	127	-1.1%	-7.9%	62,527,353	15.9%	-0.1%
2025	\$39.36	128	-2.7%	-6.9%	63,072,004	16.1%	1.7%
2024	\$40.46	132	-4.3%	-4.3%	55,758,015	14.4%	3.3%
YTD	\$42.27	137	0.7%	0%	42,815,575	11.3%	0.2%
2023	\$42.27	137	0.7%	0%	41,877,444	11.1%	1.4%
2022	\$41.97	137	0%	-0.7%	35,975,085	9.7%	0.4%
2021	\$41.99	137	2.5%	-0.7%	33,973,674	9.3%	0.8%
2020	\$40.97	133	-1.3%	-3.1%	30,658,666	8.4%	1.6%
2019	\$41.52	135	8.1%	-1.8%	24,491,687	6.8%	-0.5%
2018	\$38.40	125	5.3%	-9.2%	26,147,963	7.3%	-0.2%
2017	\$36.46	119	0.6%	-13.7%	26,693,871	7.5%	-0.5%
2016	\$36.26	118	7.2%	-14.2%	28,471,541	8.0%	-0.3%
2015	\$33.82	110	7.9%	-20.0%	29,204,048	8.3%	-0.6%
2014	\$31.33	102	4.0%	-25.9%	31,229,550	8.9%	-0.5%
2013	\$30.11	98	1.9%	-28.8%	32,838,774	9.4%	-0.7%
2012	\$29.54	96	6.0%	-30.1%	35,117,433	10.2%	-0.6%

4 & 5 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$53.91	131	1.1%	-7.7%	26,595,745	16.0%	-0.9%
2027	\$53.31	130	1.0%	-8.7%	27,938,975	16.9%	-1.7%
2026	\$52.77	129	-1.2%	-9.6%	30,757,706	18.7%	-1.2%
2025	\$53.42	130	-2.9%	-8.5%	32,607,806	19.9%	2.3%
2024	\$55	134	-4.4%	-5.8%	27,874,231	17.6%	4.1%
YTD	\$57.51	140	0.4%	-1.5%	20,715,566	13.9%	0.4%
2023	\$57.51	140	0.4%	-1.5%	20,076,694	13.5%	2.0%
2022	\$57.31	140	-1.9%	-1.9%	16,460,823	11.5%	0.1%
2021	\$58.40	142	3.1%	0%	15,653,184	11.3%	1.7%
2020	\$56.65	138	-1.9%	-3.0%	12,975,143	9.6%	2.1%
2019	\$57.75	141	10.3%	-1.1%	9,862,276	7.5%	-1.0%
2018	\$52.37	128	8.0%	-10.3%	11,068,640	8.5%	0%
2017	\$48.49	118	-2.0%	-17.0%	10,841,634	8.5%	0%
2016	\$49.50	121	9.1%	-15.2%	10,658,867	8.6%	0.6%
2015	\$45.36	110	8.8%	-22.3%	9,663,341	8.0%	-1.2%
2014	\$41.70	102	3.3%	-28.6%	10,780,416	9.1%	-0.5%
2013	\$40.38	98	0.3%	-30.9%	11,133,670	9.6%	-1.1%
2012	\$40.25	98	7.8%	-31.1%	12,107,523	10.8%	-0.6%

3 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$31.63	126	1.1%	-5.6%	26,241,214	16.4%	-0.1%
2027	\$31.27	125	1.1%	-6.7%	26,480,316	16.6%	0.4%
2026	\$30.93	124	-1.0%	-7.7%	25,777,575	16.2%	0.6%
2025	\$31.25	125	-2.6%	-6.7%	24,786,410	15.5%	1.2%
2024	\$32.09	128	-4.2%	-4.2%	22,909,817	14.4%	2.7%
YTD	\$33.50	134	1.2%	0%	18,694,809	11.8%	0.1%
2023	\$33.51	134	1.2%	0%	18,465,638	11.6%	1.3%
2022	\$33.11	132	1.4%	-1.2%	16,383,269	10.3%	0.5%
2021	\$32.64	130	0.5%	-2.6%	15,526,934	9.8%	0.5%
2020	\$32.49	130	-0.5%	-3.0%	14,782,324	9.3%	1.7%
2019	\$32.65	130	6.2%	-2.6%	12,058,593	7.6%	-0.1%
2018	\$30.73	123	2.6%	-8.3%	12,187,715	7.7%	-0.3%
2017	\$29.95	120	2.7%	-10.6%	12,748,344	8.0%	-0.8%
2016	\$29.17	117	5.1%	-13.0%	14,144,706	8.8%	-0.6%
2015	\$27.76	111	7.3%	-17.2%	15,176,263	9.5%	-0.4%
2014	\$25.86	103	5.7%	-22.8%	15,929,166	9.9%	-0.4%
2013	\$24.46	98	4.0%	-27.0%	16,577,324	10.3%	-0.8%
2012	\$23.51	94	3.9%	-29.8%	17,888,735	11.2%	-0.5%

1 & 2 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$25.23	129	1.4%	-4.3%	5,959,171	9.0%	-0.3%
2027	\$24.88	127	1.4%	-5.6%	6,214,333	9.3%	0.4%
2026	\$24.55	126	-0.8%	-6.9%	5,992,072	8.8%	0.6%
2025	\$24.73	127	-2.3%	-6.2%	5,677,788	8.3%	1.1%
2024	\$25.32	130	-4.0%	-4.0%	4,973,967	7.2%	2.4%
YTD	\$26.36	135	1.1%	0%	3,405,200	4.9%	0.1%
2023	\$26.37	135	1.1%	0%	3,335,112	4.8%	0.3%
2022	\$26.08	133	5.7%	-1.1%	3,130,993	4.5%	0.5%
2021	\$24.68	126	5.6%	-6.4%	2,793,556	4.0%	-0.1%
2020	\$23.38	120	-0.8%	-11.3%	2,901,199	4.1%	0.5%
2019	\$23.56	121	2.5%	-10.6%	2,570,818	3.7%	-0.4%
2018	\$22.98	118	0%	-12.8%	2,891,608	4.1%	-0.3%
2017	\$22.99	118	8.2%	-12.8%	3,103,893	4.4%	-0.8%
2016	\$21.25	109	3.8%	-19.4%	3,667,968	5.2%	-1.0%
2015	\$20.47	105	5.6%	-22.4%	4,364,444	6.1%	-0.2%
2014	\$19.39	99	2.8%	-26.5%	4,519,968	6.3%	-0.8%
2013	\$18.86	96	4.4%	-28.5%	5,127,780	7.1%	0%
2012	\$18.07	92	3.6%	-31.5%	5,121,175	7.1%	-0.6%

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
2028	-	-	-	-	-	-	\$372.97	165	7.0%
2027	-	-	-	-	-	-	\$355.04	158	7.2%
2026	-	-	-	-	-	-	\$338.85	150	7.4%
2025	-	-	-	-	-	-	\$334.67	149	7.6%
2024	-	-	-	-	-	-	\$343.58	152	7.8%
YTD	-	-	-	-	-	-	\$412.73	183	7.0%
2023	340	\$2.5B	1.6%	\$9,571,980	\$456.45	7.6%	\$412.73	183	7.0%
2022	525	\$6.3B	3.8%	\$15,046,496	\$517.85	7.1%	\$440.09	195	6.6%
2021	609	\$12.7B	6.5%	\$24,192,228	\$573.98	6.9%	\$470.84	209	6.1%
2020	576	\$7.9B	5.2%	\$19,465,611	\$444.30	7.1%	\$429.02	190	6.3%
2019	554	\$8.5B	5.5%	\$19,225,324	\$438.96	6.8%	\$414.54	184	6.4%
2018	448	\$6.6B	5.6%	\$18,179,971	\$384.15	6.7%	\$380.91	169	6.4%
2017	462	\$7B	5.6%	\$19,469,297	\$369.82	6.3%	\$359.19	159	6.3%
2016	539	\$5.3B	5.6%	\$11,791,788	\$329.01	6.7%	\$364.22	162	6.0%
2015	512	\$8.2B	6.8%	\$16,869,922	\$344.84	6.1%	\$348.21	155	6.0%
2014	581	\$8.5B	8.3%	\$15,775,128	\$307.19	6.3%	\$317.63	141	6.1%
2013	484	\$4.5B	6.1%	\$10,861,982	\$231.14	6.6%	\$293.65	130	6.4%

(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
2028	-	-	-	-	-	-	\$552.38	166	6.4%
2027	-	-	-	-	-	-	\$525.09	157	6.6%
2026	-	-	-	-	-	-	\$500.51	150	6.8%
2025	-	-	-	-	-	-	\$494	148	7.1%
2024	-	-	-	-	-	-	\$507.19	152	7.2%
YTD	-	-	-	-	-	-	\$612.88	184	6.4%
2023	12	\$1.6B	1.4%	\$136,400,551	\$793.96	6.6%	\$612.88	184	6.4%
2022	32	\$2.8B	3.3%	\$102,445,709	\$658.19	5.7%	\$657.67	197	6.0%
2021	59	\$10.1B	9.2%	\$183,290,879	\$850.99	5.4%	\$710.57	213	5.5%
2020	31	\$4.6B	6.1%	\$147,942,437	\$558.61	6.3%	\$641.32	192	5.7%
2019	46	\$5.8B	7.5%	\$132,174,417	\$591.38	5.7%	\$620.81	186	5.8%
2018	54	\$4.5B	8.8%	\$116,011,949	\$497.23	5.8%	\$567.84	170	5.8%
2017	30	\$3.7B	5.6%	\$124,200,230	\$521.05	5.8%	\$530.74	159	5.8%
2016	40	\$2.3B	6.0%	\$78,005,566	\$522.12	5.6%	\$540.60	162	5.5%
2015	45	\$5.3B	8.6%	\$120,624,507	\$514.99	5.5%	\$517.28	155	5.5%
2014	60	\$6.2B	12.9%	\$112,029,280	\$437.90	5.3%	\$472.10	141	5.6%
2013	42	\$2.3B	6.6%	\$55,224,149	\$309.22	5.7%	\$436.85	131	5.8%

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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
2028	-	-	-	-	-	-	\$268.71	166	7.2%
2027	-	-	-	-	-	-	\$256.35	159	7.4%
2026	-	-	-	-	-	-	\$245.13	152	7.7%
2025	-	-	-	-	-	-	\$242.38	150	7.9%
2024	-	-	-	-	-	-	\$248.87	154	8.0%
YTD	-	-	-	-	-	-	\$296.97	184	7.2%
2023	115	\$637.3M	1.5%	\$7,497,096	\$306.02	7.5%	\$296.97	184	7.2%
2022	200	\$3.1B	4.4%	\$19,447,878	\$535.35	7.2%	\$313.68	194	6.8%
2021	238	\$2B	5.3%	\$9,879,441	\$270.08	6.8%	\$329.91	204	6.3%
2020	225	\$3B	5.4%	\$18,559,208	\$383.01	7.1%	\$306.11	189	6.5%
2019	219	\$2.2B	4.9%	\$12,371,898	\$293.79	7.0%	\$293.73	182	6.7%
2018	164	\$1.7B	4.0%	\$12,518,415	\$283.68	6.6%	\$271.06	168	6.7%
2017	199	\$2.7B	6.3%	\$18,484,683	\$289.36	6.1%	\$257.99	160	6.6%
2016	231	\$2.6B	6.2%	\$14,037,265	\$271.01	6.9%	\$260.47	161	6.3%
2015	211	\$2.6B	7.2%	\$12,635,357	\$225.85	5.6%	\$249.01	154	6.2%
2014	203	\$2B	6.8%	\$10,621,289	\$184.27	6.4%	\$226.97	140	6.4%
2013	188	\$2B	7.1%	\$11,993,909	\$193.99	6.4%	\$209.46	130	6.6%

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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
2028	-	-	-	-	-	-	\$188.48	163	7.9%
2027	-	-	-	-	-	-	\$179.88	156	8.1%
2026	-	-	-	-	-	-	\$172.08	149	8.3%
2025	-	-	-	-	-	-	\$170.11	147	8.5%
2024	-	-	-	-	-	-	\$174.46	151	8.7%
YTD	-	-	-	-	-	-	\$205.64	178	7.9%
2023	213	\$252.9M	2.3%	\$1,514,628	\$181.67	7.9%	\$205.64	178	7.9%
2022	293	\$446.2M	3.5%	\$1,915,172	\$203.23	7.6%	\$216.28	187	7.5%
2021	312	\$570.4M	4.1%	\$2,160,772	\$208.16	7.3%	\$227.99	198	6.8%
2020	320	\$311.1M	3.2%	\$1,460,738	\$180.60	7.4%	\$209.64	182	7.1%
2019	289	\$530.5M	3.4%	\$2,379,118	\$245.81	6.8%	\$204.57	177	7.2%
2018	230	\$348.5M	3.1%	\$1,863,729	\$171.89	7.6%	\$191.45	166	7.2%
2017	233	\$508.3M	3.6%	\$2,823,713	\$226.76	7.1%	\$186.19	161	7.0%
2016	268	\$432.7M	3.5%	\$1,802,890	\$190.21	7.6%	\$185.67	161	6.7%
2015	256	\$292.6M	3.0%	\$1,234,542	\$145.24	8.0%	\$176.53	153	6.7%
2014	318	\$370.8M	4.1%	\$1,244,221	\$128.69	6.8%	\$160.82	139	6.9%
2013	254	\$273.1M	3.0%	\$1,300,645	\$136.85	7.9%	\$148.61	129	7.1%

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