



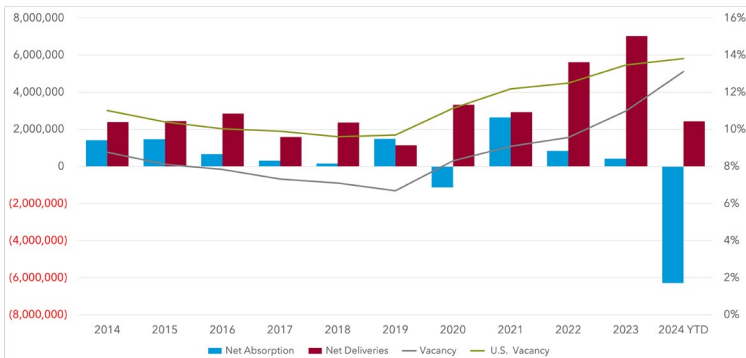
OFFICE MARKET OVERVIEW

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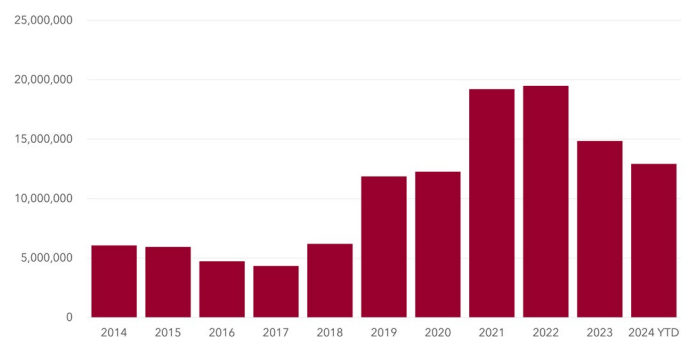
Boston's office market in Q3 2024 continues to face significant challenges as demand weakens across sectors. Life sciences, once a major growth driver, have slowed, while tech, finance, and professional services firms continue to shrink their footprints. Sublease space has surged, with 5.9 million square feet returned in the past year and more expected. Office availability has reached an all-time high of 17.6% including the nearly 4 million square feet of new supply in 2024. Rising vacancy rates are pushing effective rents downward, forcing landlords to offer aggressive incentives to attract tenants. These trends are reshaping Boston's once-resilient office market, with uncertainty looming into the coming quarters.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▼ 12 Mo. Net Absorption SF	(4,922,310)	(4,552,432)	(1,316,363)	909,815	1,326,745
▲ Vacancy Rate	12.9%	12.6%	11.6%	11.0%	10.9%
▲ Avg NNN Asking Rate PSF	\$43.18	\$43.14	\$43.09	\$43.25	\$43.17
▼ Sale Price PSF	\$370.83	\$373.25	\$383.49	\$404.15	\$409.71
▼ Cap Rate	6.5%	8.4%	7.2%	8.7%	7.8%
▼ Under Construction SF	12,927,863	13,584,236	14,140,351	14,849,891	16,087,132
▲ Inventory SF	384,574,288	383,925,590	382,767,720	382,108,804	381,264,699

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
75 Pleasant Street Malden, MA	128,305 SF	\$7,800,000 \$60.79 PSF	United Properties, Inc. Office Properties Income Trust	Class A
63 Kendrick Street Needham, MA	105,000 SF	\$13,500,000 \$128.57 PSF	Edgewater Properties LLC The Wingate Companies	Class B
400 Atlantic Avenue Boston, MA	99,749 SF	\$30,000,000 \$300.75 PSF	JAJ Investment Group UBS Wealth Management	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1 Federal Street Boston, MA	212,000 SF	Tishman Speyer/PNC Financial Serv. Grp., Inc.	Mass Gov/DCAMM	Government Services
500 Totten Pond Road Waltham, MA	95,000 SF	BXP, Inc.	Evolv Technology	Security System Services
200 Exchange Street Malden, MA	60,000 SF	Berkeley Investments, Inc./Singerman RE LLC	Alsymb Energy	Electric Power Generation

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