



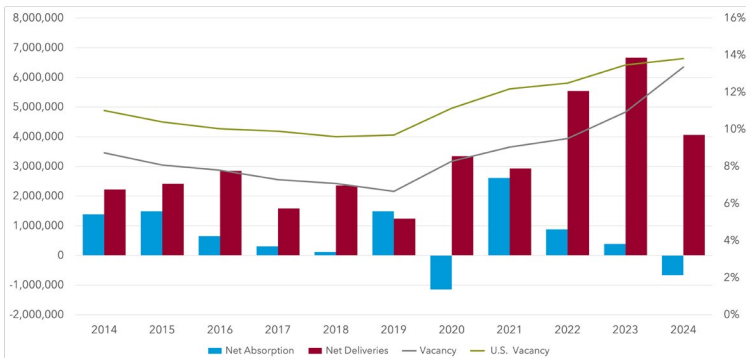
OFFICE MARKET OVERVIEW

ERIC SOLEM. MBA, *Managing Principal, President*

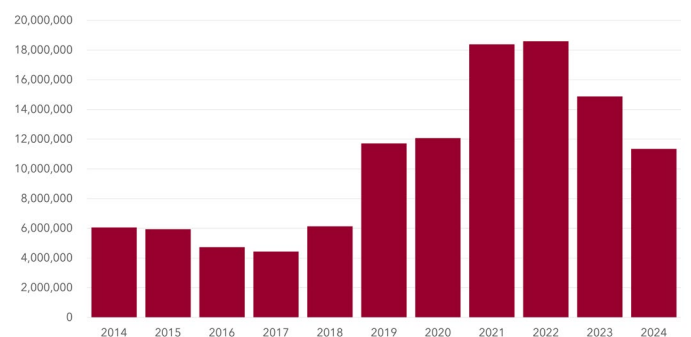
The Boston office market faces challenges with declining demand and elevated vacancy, which has reached 13.6% by late 2024. Former drivers like life sciences have stagnated, while technology, finance, and professional services show limited activity. Leasing activity remains subdued, with negative absorption of 6.6M SF in the past year and small tenants dominating transactions. Construction activity has surged, with 17M SF delivered in the last three years, including 7.6M SF in the past year alone—the highest rate in over two decades. This has further increased availability. Sublease inventory accounts for 18.6% of available space, creating additional pressures. Boston’s long-term prospects remain positive, tied to its educated workforce and life sciences hub.

MARKET INDICATORS	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023
▼ 12 Mo. Net Absorption SF	(5,763,075)	(4,711,643)	(4,487,138)	(1,691,599)	594,467
▲ Vacancy Rate	13.6%	12.8%	12.6%	11.6%	10.9%
▲ Avg NNN Asking Rent PSF	\$42.57	\$42.54	\$42.51	\$42.44	\$42.69
▼ Sale Price PSF	\$346.11	\$348.18	\$358.93	\$375.28	\$400.93
▼ Cap Rate	6.8%	7.0%	8.4%	7.2%	8.7%
▼ Under Construction	11,345,559	12,973,822	13,619,986	14,171,101	14,877,641
▲ Inventory	386,600,601	385,003,708	384,355,010	383,197,140	382,538,224

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
200 Inner Belt Road Somerville, MA	200,000 SF	\$39,765,000 \$198.83 PSF	Massachusetts Bay Trans Authority North River Company	Class A
263 Summer Street Boston, MA	65,454 SF	\$17,000,000 \$259.72 PSF	Boston Pinnacle Properties LLC TIAA	Class B
149-155 Newbury Street Boston, MA	45,495 SF	\$101,000,000 \$2,220.02 PSF	Azora Exan LLC L3 Capital LLC	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
404 Wyman Street Waltham, MA	101,000 SF	Hobbs Brook Real Estate LLC	ZoomInfo	Professional, Scientific, and Technical Services
650 Atlantic Street Boston, MA	43,724 SF	Hines	Jones Day	Administrative and Support Services
53 State Street Boston, MA	26,962 SF	Ipsen Science, Inc.	Simply Business	Insurance

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