



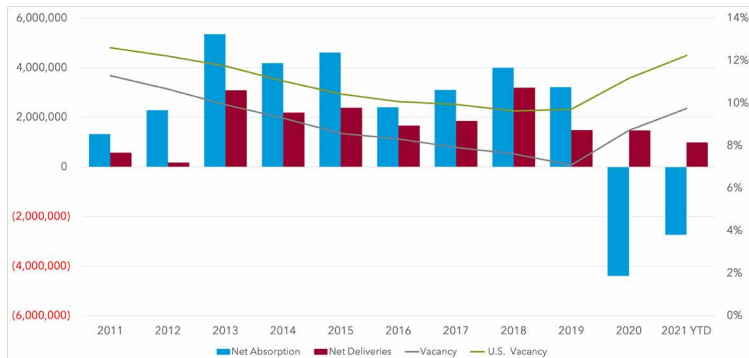
OFFICE MARKET OVERVIEW

ERIC SOLEM, *Managing Principal/President*

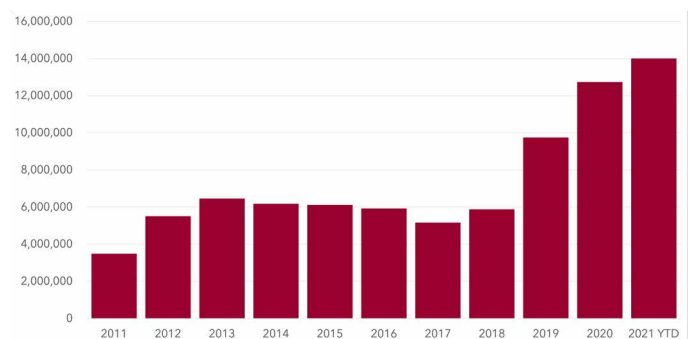
Evidenced by the slight increase in vacancy to 9.7%, the office market lingers despite the reopening of Boston on June 1st from the pandemic. Net absorption, while still negative, experienced a decreasing rate, dropping to -6.4M SF with face rents holding ground as Landlords continue to offer free rent in lieu of decreasing face rents to close lease transactions. The life science sector continues to be the driving force for the office/lab market with the notable transaction of Bristol Myers Squibb taking the balance of 250 Water St in Cambridge Crossing for a total of 480,000 SF.

MARKET INDICATORS	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
▲ 12 Mo. Net Absorption SF	(6,445,801)	(6,956,802)	(4,396,986)	(316,365)	1,402,347
▲ Vacancy Rate	9.7%	9.6%	8.7%	8.1%	7.6%
▲ Avg NNN Asking Rate PSF	\$41.36	\$41.15	\$41.16	\$40.99	\$41.15
▲ SF Under Construction	14,002,730	13,603,631	12,734,075	11,870,965	12,037,663
▲ Inventory SF	354,121,612	353,190,413	353,092,969	353,025,873	352,640,055

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
401 Park Drive Boston, MA	973,145 SF	\$944,170,362 \$970.23 PSF	Alexandria Real Estate Equities, Inc. Samuels & Associates Mgmt LLC	Class B
245 Summer Street Boston, MA	860,000 SF	\$728,500,000 \$847.09 PSF	Fidelity Investments Benderson Development Company	Class A
21-25 Drydock Avenue South Boston, MA	825,552 SF	\$197,719,056 \$479.00 PSF	The Related Companies Jamestown, LP	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1 Boston Wharf Road Boston, MA	630,000 SF	W/S Development	Amazon	E-commerce/ Distribution
250 Water Street Cambridge, MA	480,000 SF	Divco West Services, LLC	Bristol-Myers Squibb Co	Pharmaceutical Manufacturing
36-64 Whittemore Avenue Cambridge, MA	287,442 SF	IQHQ	GCP Applied Technologies	Manufacturing

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2021 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com