



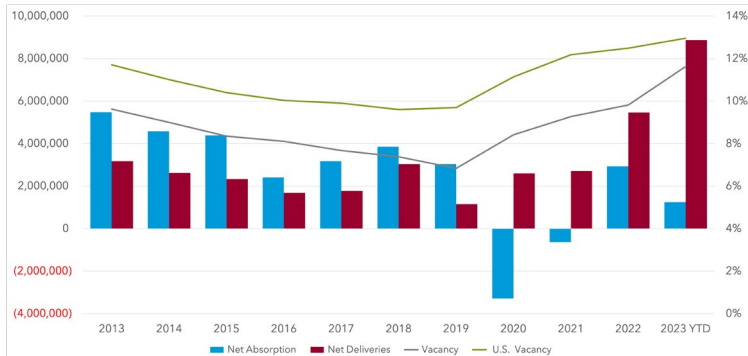
OFFICE MARKET OVERVIEW

ERIC SOLEM, *Managing Principal, President*

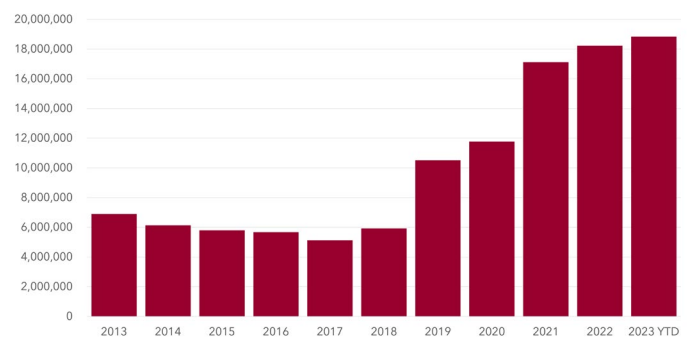
Q1 2023 was a bummer for Boston's office market. COVID and layoffs teamed up to deliver a one-two punch that knocked the vacancy rate up to 10.5%. Nobody was renting and the rental rates were dropping faster than the temperature is rising. The downtown market got the worst of it, with a whopping 12% vacancy rate, while the suburbs weren't far behind with 9.5%. And even the fancy-schmancy Winthrop Center couldn't catch a break, with 70% of their office space still up for grabs. Plus, with interest rates going up, nobody was buying anything. Even mixed-use developments were taking it on the chin. This market is down in the dumps and there's no way to sugarcoat it.

| MARKET INDICATORS | Q1 2023 | Q4 2022 | Q3 2022 | Q2 2022 | Q1 2022 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| ▼ 12 Mo. Net Absorption SF | 811,437 | 2,934,617 | 4,425,478 | 4,439,869 | 3,508,991 |
| ▲ Vacancy Rate | 10.4% | 9.8% | 9.5% | 9.2% | 9.1% |
| ▲ Avg NNN Asking Rate PSF | \$42.54 | \$42.49 | \$42.46 | \$42.59 | \$42.52 |
| ▲ SF Under Construction | 18,835,884 | 18,227,612 | 18,733,012 | 18,169,468 | 18,396,906 |
| ▲ Inventory SF | 371,247,273 | 369,811,037 | 367,282,437 | 366,290,162 | 365,180,708 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|--------------------------------------|------------|------------------------------|---|----------------|
| 25 Research Drive Westborough, MA | 282,028 SF | \$32,000,000 \$113.46 PSF | Samuels & Associates Management Broadstone Real Estate | Class A |
| 11-19 Deerfield Street Boston, MA | 70,150 SF | \$56,000,000 \$798.29 PSF | Trustees of Boston University The Related Companies | Class B |
| 700 Congress Street Quincy, MA | 39,500 SF | \$6,250,000 \$158.23 PSF | NPV/Direct Invest Shields & Company, Inc. | Class B |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|--|------------|------------------------------|----------------------|---------------------------------|
| One Post Office Square Boston, MA | 104,000 SF | Morgan Stanley & Co., LLC | Goulston & Storrs PC | Legal Services |
| 64 Pleasant Street, 2nd Flr Watertown, MA | 50,000 SF | Berkeley | Via Separations | Thermal Energy Manufacturing |
| 300 Third Avenue, 6th Flr Waltham, MA | 36,911 SF | Lincoln Property Company | Biocytogen | Biomed Research |

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