



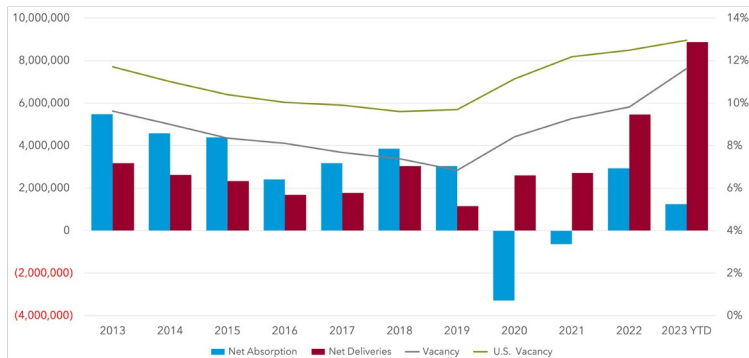
OFFICE MARKET OVERVIEW

ERIC SOLEM, *Managing Principal, President*

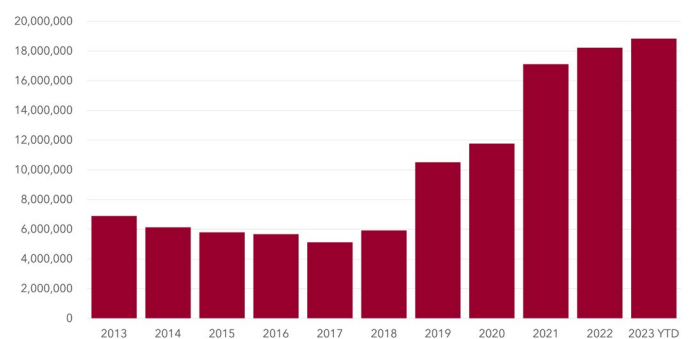
Q1 2023 was a bummer for Boston's office market. COVID and layoffs teamed up to deliver a one-two punch that knocked the vacancy rate up to 10.5%. Nobody was renting and the rental rates were dropping faster than the temperature is rising. The downtown market got the worst of it, with a whopping 12% 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

