



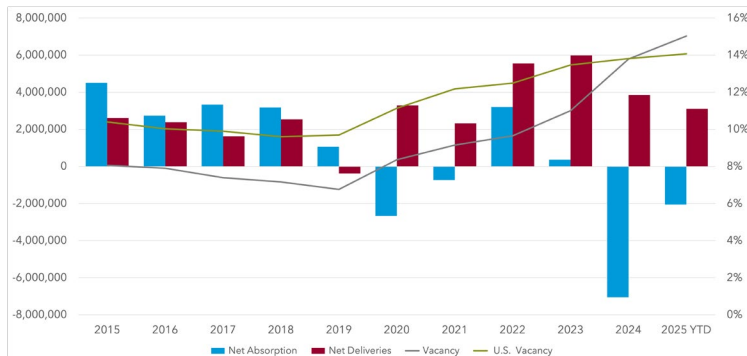
OFFICE MARKET OVERVIEW

ERIC SOLEM. MBA, *Managing Principal, President*

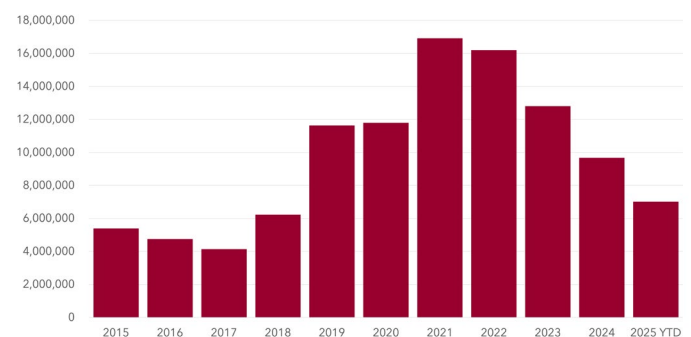
Boston's office market faces deepening challenges amid weak demand and excess supply. Life sciences, once the key leasing driver, stayed dormant in 2025 as technology, finance, and professional services held steady but inactive. Vacancy hit a record 15%, doubling from 2019, and availability surged to 18.8%, the highest on record, driven by 17 million SF of new deliveries and 13 million SF of sublease space. Net absorption was -2.6 million SF, with another -6 million SF expected. Rent growth stalled, effective rates declined, and concessions widened. Investment activity hit a 15-year low, with pricing down 28%. Despite some bright spots like Bain expansion and Hasbro landing in the Seaport, the market faces continued vacancy and downward rent pressure.

| MARKET INDICATORS | Q3 2025 | Q2 2025 | Q1 2025 | Q4 2024 | Q3 2024 |
|----------------------------|-------------|-------------|-------------|-------------|-------------|
| ▲ 12 Mo. Net Absorption SF | (1,984,073) | (3,454,267) | (6,689,068) | (7,053,080) | (5,760,201) |
| ▲ Vacancy Rate | 14.9% | 14.7% | 14.4% | 13.8% | 13.1% |
| ▼ Avg NNN Asking Rent PSF | \$42.33 | \$42.34 | \$42.27 | \$42.46 | \$42.04 |
| ▼ Sale Price PSF | \$347.83 | \$357.84 | \$363.63 | \$366.08 | \$367.42 |
| ▲ Cap Rate | 8.7% | 7.7% | 6.7% | 6.9% | 7.0% |
| ▼ Under Construction | 7,018,217 | 8,450,247 | 8,751,389 | 9,669,962 | 12,157,411 |
| ▲ Inventory | 379,789,838 | 378,269,627 | 377,597,095 | 376,687,606 | 374,225,229 |

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



| TOP SALE TRANSACTIONS BY SF | SIZE | SALE PRICE | BUYER / SELLER | BUILDING CLASS |
|--------------------------------------|------------|------------------------------|---|----------------|
| 93 Worcester Street Wellesley, MA | 276,834 SF | \$65,000,000 \$234.80 PSF | Liberty Mutual Holding Co., Inc. Beacon Capital Partners | Class A |
| 75 Sam Fonzo Drive Beverly, MA | 161,644 SF | \$6,000,000 \$37.12 PSF | Connolly Brothers, Inc. Electric Insurance Company | Class B |
| 1 Bowdoin Square Boston, MA | 141,831 SF | \$28,000,000 \$197.42 PSF | Tritower Financial Group New York Life Investments | Class A |

| TOP LEASE TRANSACTIONS BY SF | SIZE | LANDLORD | TENANT | TENANT INDUSTRY |
|---------------------------------------|------------------------|--------------------|----------------------|---------------------|
| 400 Summer Street Boston, MA | 264,999 SF | PSP Investments | Hasbro | Toy Manufacturing |
| 1200 Crown Colony Drive Quincy, MA | 178,224 SF | FoxRock Properties | Arbella Insurance | Insurance |
| 140 Kendrick Street Needham, MA | 122,797 SF Sublease | BXP, Inc. | Focus Partner Wealth | Finance & Insurance |

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