



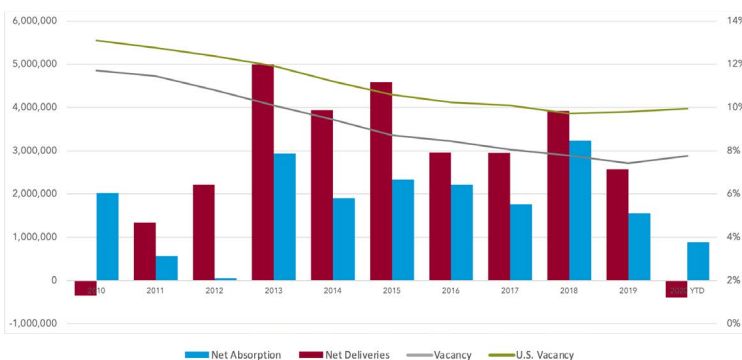
### OFFICE MARKET OVERVIEW

ERIC SOLEM, *Managing Principal*

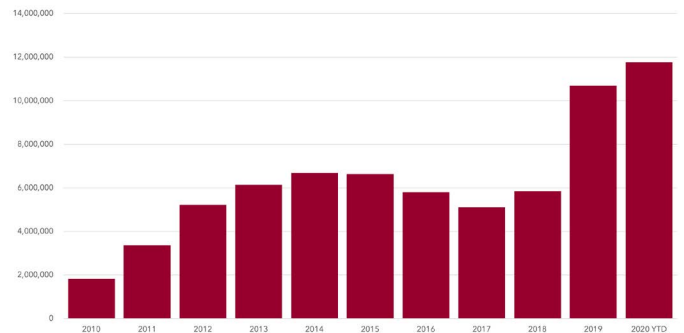
Prior to the COVID-19 pandemic, Boston's office vacancy rate was at a two-decade low hovering around 7.7%. This was primarily driven by robust demand from rapidly growing high technology and biotechnology firms in the urban submarkets. Most notably, Boston's Seaport District and Watertown have been the biggest beneficiaries delivering a supply of new lab/office space. Nearly 13M SF of commercial space has been developed in Seaport alone over the last decade with another 3M SF in development and planning stage. Nonetheless, with the COVID-19 lockdown, these developments are not immune to the effects of the coronavirus and have been put on a temporary hold in March. While the impact of the pandemic has yet to play out, rents will undoubtedly decline over the next few quarters but as long as vacancies don't spike, rents could recover incredibly fast.

MARKET INDICATORS	Q1 2020	Q4 2019	Q3 2019	Q2 2019	Q1 2019
▼ Net Absorption	1,854,966 SF	2,571,281 SF	1,398,729 SF	3,406,407 SF	3,263,956 SF
▲ Vacancy Rate	7.7%	7.4%	7.6%	7.5%	7.8%
▲ Avg NNN Asking Rate	\$41.02	\$41.00	\$40.43	\$40.14	\$39.58
▲ Under Construction	12,201,594 SF	10,696,187 SF	11,531,813 SF	9,566,573 SF	7,566,010 SF
▲ Inventory	348,598,848 SF	348,150,571 SF	346,817,517 SF	346,438,771 SF	346,849,742 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
60 State St Boston, MA	911,394 SF	\$614,300,000 (\$674.02 PSF)	Starwood Real Estate Income Trust, Inc. Oxford Properties Group	Class A
31 Saint James Ave Boston, MA	507,716 SF	\$245,000,000 (\$482.55 PSF)	Madison International Realty Capital Properties	Class A
109 Brookline Ave Boston, MA	285,556 SF	\$270,000,000 (\$945.52 PSF)	Creative Science Properties Equity Commonwealth	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
152 Grove St Waltham, MA	100,838 SF	Hilco Real Estate	Abcam, Inc.	Medical
1 Research Dr Westborough, MA	84,103 SF	Ferris Development, LLC	Park Place Technologies	Computers/Data Processing
4 Technology Dr Peabody, MA	76,771 SF	Combined Properties, Inc.	Converge	Computers/Data Processing