



OFFICE MARKET OVERVIEW

ERIC SOLEM, *Managing Principal*

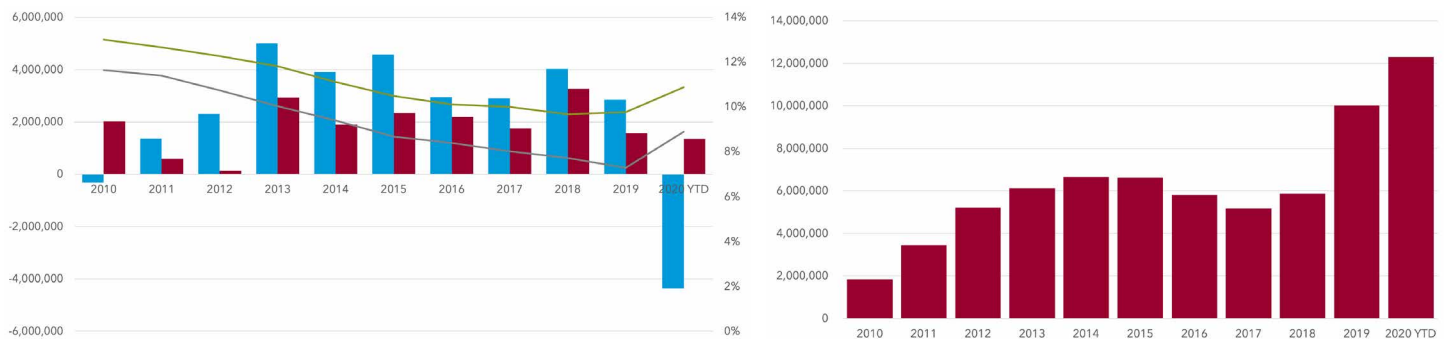
With COVID-19 pervasive in the Boston market over the past two quarters, firms are reevaluating future space needs, either delaying space decisions or opting for short-term lease renewals. With the concentration of life sciences and medical research in the Boston metropolitan market, leasing activity in this sector has mitigated the surge of vacancies, which have been primarily a flood of office subleases on the market. Life Sciences leasing demand remains strong, particularly in Cambridge and spillover markets with buildings being repositioned and delivered to support lab needs. We are reporting ~27 million square feet of lab space in the greater Boston area with ~60% in Cambridge and \$1.3M of new lab construction underway (and growing).

MARKET INDICATORS	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019
▼ Net Absorption	(1,000,976) SF	983,549 SF	2,053,999 SF	2,856,565 SF	1,649,124 SF
▲ Vacancy Rate	8.4%	7.8%	7.6%	7.3%	7.5%
▼ Avg NNN Asking Rate	\$41.44 PSF	\$41.47 PSF	\$41.47 PSF	\$41.44 PSF	\$40.73 PSF
▼ Under Construction	12,516,818 SF	12,526,912 SF	13,064,935 SF	10,019,191 SF	10,767,271 SF
▲ Inventory	351,077,398 SF	350,898,079 SF	350,390,503 SF	349,936,226 SF	348,584,141 SF

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
One Orchard Way Canton, MA	580,000 SF	\$146,000,000.00 \$251.72 PSF	Tufts Health Plan Spear Street Capital	Class A
705 Mount Auburn Street Watertown, MA	497,425 SF	\$307,000,000.00 \$617.28 PSF	Spear Street Capital Tufts Health Plan	Class B
36-64 Whittemore Avenue Cambridge, MA	287,442 SF	\$125,000,000.00 \$434.87 PSF	IQHQ GCP Applied Technologies	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	CAMB
250 Water Street Cambridge, MA	360,000 SF	Divco West Real Estate Services	Bristol-Myers Squibb Co	Manufacturing
36-64 Whittemore Avenue Cambridge, MA	287,442 SF	IQHQ	GCO Applied Technologies	Manufacturing
105 West First Street Boston, MA	263,500 SF	Breakthrough Proper- ties	CRISPR Therapeutics	Professional, Scientific, and Technical Services

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