



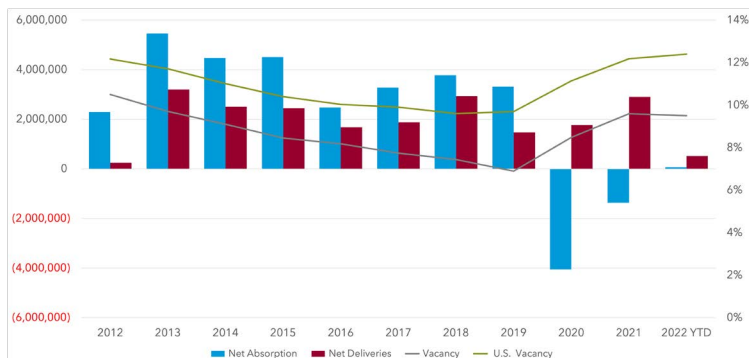
### OFFICE MARKET OVERVIEW

ERIC SOLEM, *Managing Principal, President*

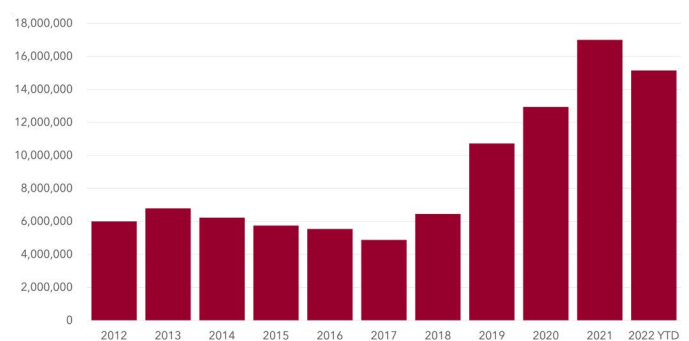
Despite the turmoil in the financial markets in Q2 2022, demand levels for the Boston office market stayed constant. A significant number of leases signed, with over 90%, in Class A buildings and a significant portion of that occurring in brand new construction. Thus, the “flight to quality” movement continued to drive demand as the hybrid workforce model remains in favor for a majority of large companies. This is evidenced by the spread of rental rate between class A and B/C assets of over \$20/SF as office buildings that offer the most desirable technology, amenities, and flexible space better support collaboration and meaningful employee connections to draw employees back to the office.

MARKET INDICATORS	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
▼ 12 Mo. Net Absorption SF	70,283	3,605,227	(1,476,637)	(5,219,562)	(6,323,437)
▼ Vacancy Rate	9.5%	9.6%	9.9%	9.8%	9.7%
▲ Avg NNN Asking Rate PSF	\$42.40	\$41.10	\$40.55	\$40.42	\$40.39
▲ SF Under Construction	15,200,000	14,965,302	16,282,657	15,469,236	15,076,236
▲ Inventory SF	364,350,662	363,017,226	359,229,444	357,624,811	357,352,307

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
451 D Street Boston, MA	477,132 SF	\$700,000,000 \$1,500 PSF	GI Partners/Related Beal Related Beal	Class B recapitalization
96 Worcester Street Wellesley, MA	130,114 SF	\$58,500,000 \$450.00 PSF	Beacon Capital Partners BentallGreenOak	Class A portfolio sale/grnd lse/redev
110 Worcester Street Wellesley, MA	120,665 SF	\$53,700,000 \$445.00 PSF	Beacon Capital Partners BentallGreenOak	Class A portfolio sale/grnd lse/redev

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
585 Third Street Cambridge, MA	600,000 SF	BioMed Realty	Takeda Pharmaceuticals	Pharmaceuticals
290 Binney Street Cambridge, MA	570,000 SF	Boston Properties	AstraZeneca	Biomanufacturing
1 Congress Street Boston, MA	353,220 SF	Carr Properties/National Real Estate Advisors	InterSystems Corp.	Information Tech

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