



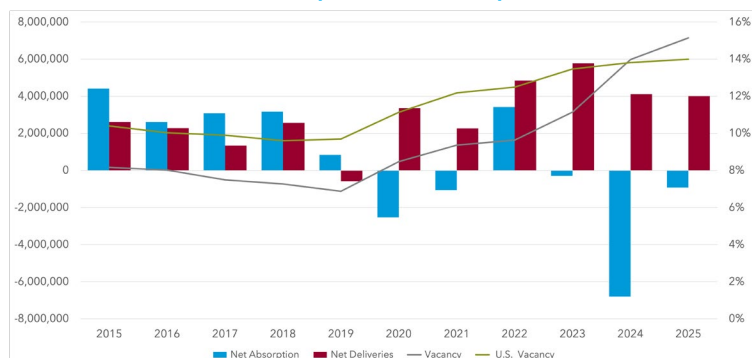
OFFICE MARKET OVERVIEW

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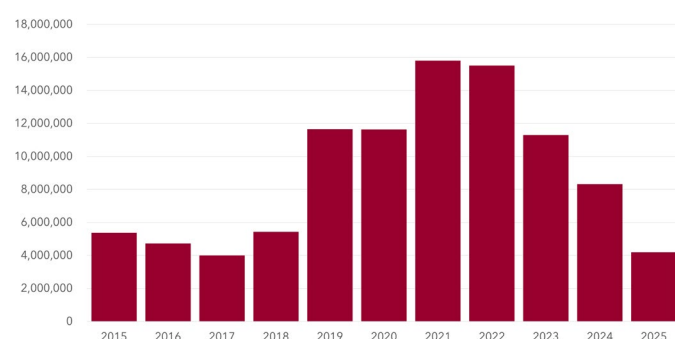
Boston's office market remains under pressure as leasing demand stagnates amid a record wave of new supply. In 2025, life sciences activity has yet to rebound meaningfully, while technology, finance, and professional services show limited large-block demand. Vacancy sits near $\pm 15.1\%$ with availability at $\pm 18.5\%$, more than double the 6.7% 2019 low, and is projected to exceed the national average through mid-2026. Net absorption totaled -1.6M SF over the past year. Office attendance has recovered to $\pm 67\%$ of pre-pandemic levels, trailing the $\pm 70\%$ national average. Asking rents bumped up slightly to \$44/SF, but with a $\pm 10\%$ gap to taking rents along with elevated concessions continue to favor tenants as sales volume remains at a 15-year low.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▲ 12 Mo. Net Absorption SF	(1,642,761)	(1,853,901)	(3,240,732)	(6,473,758)	(6,799,663)
▼ Vacancy Rate	15.1%	15.3%	14.9%	14.6%	14.0%
▲ Avg NNN Asking Rent PSF	\$44.10	\$43.29	\$43.27	\$43.17	\$43.30
▼ Sale Price PSF	\$346.89	\$353.86	\$361.75	\$368.43	\$371.31
▼ Cap Rate	6.7%	8.6%	7.7%	6.7%	6.9%
▼ Under Construction	4,191,210	4,393,330	7,251,843	8,003,385	8,325,206
▼ Inventory	373,228,801	373,591,853	370,675,063	370,108,678	369,217,711

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
140 Kendrick Street Needham, MA	409,000 SF	\$132,000,000 \$322.74 PSF	Cross Ocean / Lincoln Property Co. BXP, Inc.	Class A
10-20 Channel Center Street Boston, MA	252,760 SF	\$52,000,000 \$205.73 PSF	No. Colony Asset Mgmt No. River Co LaSalle Investment Management	Class B
399 Boylston Street Boston, MA	245,084 SF	\$125,000,000 \$510.03 PSF	Divco West Services LLC Perform Properties	Class A

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
225 Franklin Street Boston, MA	125,011 SF	Oxford Properties Group	Datadog	Software Development
100 Summer Street Boston, MA	107,754 SF	Rockpoint	Comm of MA Div. of Capital Management & Maintenance	Government Services
225 Franklin Street Boston, MA	103,514 SF	Oxford Properties Group	DraftKings	Mobile App Development

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