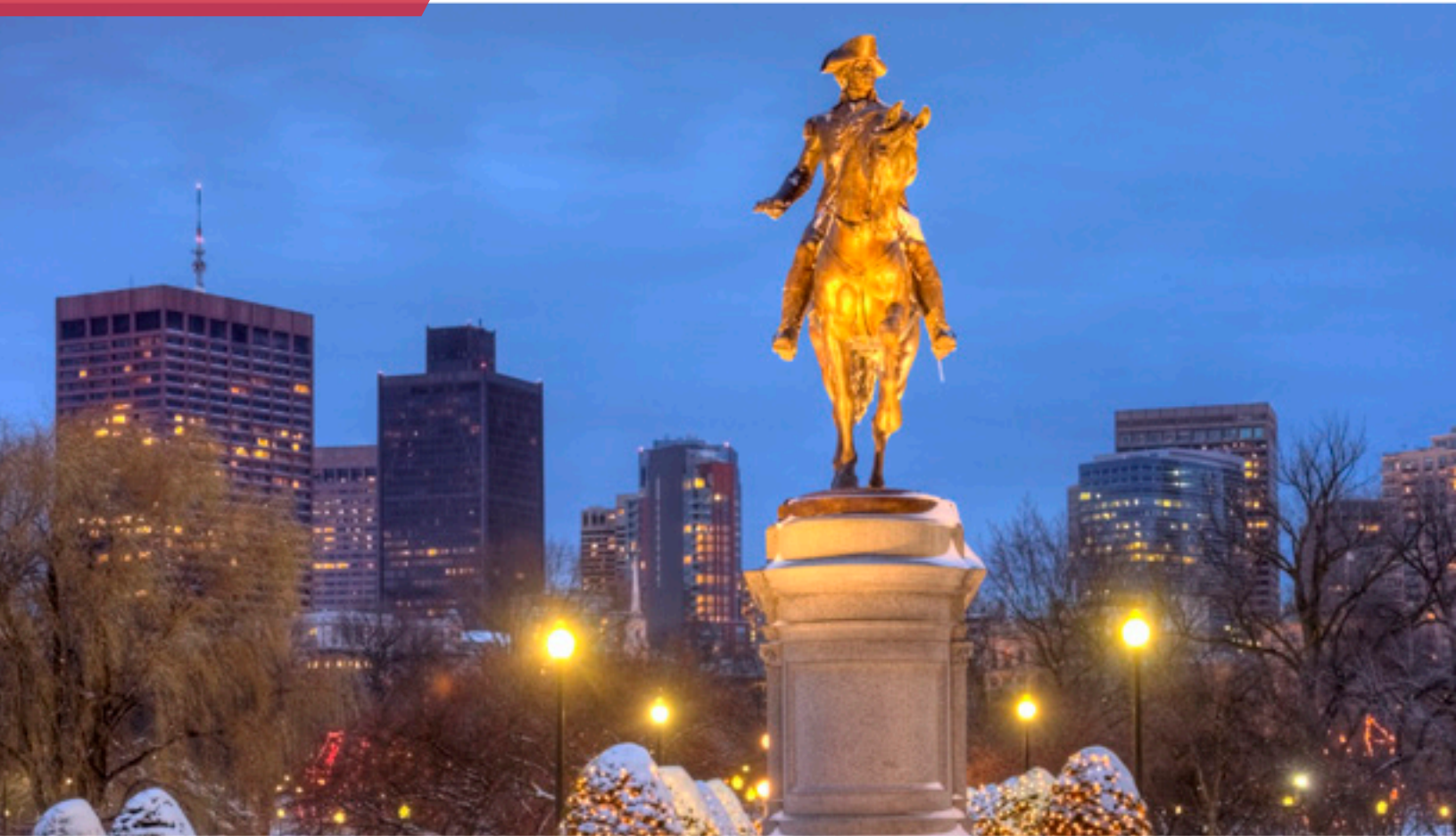


# Q4 2015

M E T R O B O S T O N

# MARKET REPORT



## BOSTON CRE MARKETS END YEAR WITH A BANG

**NAIHunneman**

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### INSIDE STATISTICS...



#### OFFICE

(DOWNTOWN, CAMBRIDGE,  
SUBURBAN)



#### INDUSTRIAL

(WAREHOUSE, FLEX/R&D,  
MANUFACTURING)



#### CAPITAL MARKETS



## OFFICE STATISTICS OVERVIEW



DIRECT VACANCY



SUBLEASE VACANCY



12-MONTH ABSORPTION



LEASING ACTIVITY



ASKING RENT

# In Like a Lion, Out Like a Lion

The Greater Boston office market ended 2015 on a positive note. Strong employment gains, corporate relocations and expansions, and increasing capital flows to the area (particularly among venture capital investors) have bolstered growth in the region. **In measuring more than 2 million square feet of positive absorption over the past 12 months, total vacancies declined to 12.3%** marketwide in the fourth quarter. Leasing velocity reached a frenzied pace at the end of the year — resulting in a scarcity of available space in prime locations. As this committed space becomes occupied over the next few quarters, look for vacancies to continue tightening in 2016.

Across the board, lease rates are on an upward trajectory. Strong fundamentals, increasing leasing activity and the lack of available premier office space have given Greater Boston landlords the upper hand. New construction and recent sales activity are also contributing to rising office rents in the region. **As such, average asking rents have increased 8.9% on a year-over-year basis.** The market is showing no signs

slowing and tenants throughout the metro area should expect to see higher rents in 2016.

An imbalance in the office market's supply-demand equation has incited speculative construction in Greater Boston. Skanska recently broke ground on the 415,000-square-foot 121 Seaport Blvd on a speculative basis, and work continues on Berkeley Investments' redevelopment of 9 Channel Center, which is slated to deliver in the first quarter of 2016. In the suburbs, there are a handful of speculative office developments currently underway as well. Declining vacancies and rising rents will only entice more developers to break ground on speculative development in the near term.

Though the forecast for economic growth remains positive, consensus is less clear when examining the latter half of the next 5-7 years. The current expansion cycle is a little long in the tooth, and both tenants and landlords should be prepared for a course correction in the not-so-distant future.

TOTAL VACANCY RATE	DIRECT VACANCY	Q4 NET ABSORPTION (SF)	ASKING RENT (\$/SF)	UNDER CONSTRUCTION (SF)
12.3%	11.5%	633,037	\$31.63	4,235,561

MA Business Confidence Index:

**56.9**  
OUT OF 100

(Nov. 2015)

Boston Unemployment Rate:

**4.1 %**

(Nov. 2015)

MA Office-using Employment:

**19,400**

Jobs added  
2.8% Growth year-over-year

GDP per Capita:

**\$67,557**

(2014)

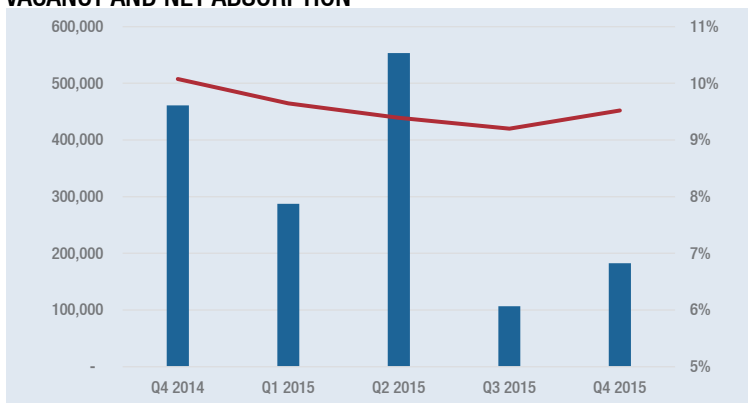


# OFFICE STATISTICS

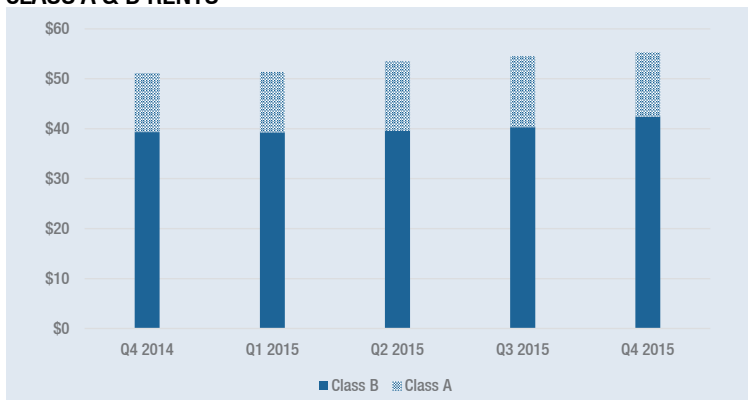
## DOWNTOWN

DOWNTOWN	TOTAL INVENTORY (SF)	TOTAL VACANT (SF)	TOTAL VACANCY RATE	Q4 NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	ASKING RENT (\$/SF)
	Class A	46,073,007	4,570,404	9.9%	159,868	577,666
Class B	21,361,002	1,861,925	8.7%	22,787	552,154	\$42.47
<b>CLASS A &amp; B TOTAL</b>	<b>67,434,009</b>	<b>6,432,329</b>	<b>9.5%</b>	<b>182,655</b>	<b>1,129,820</b>	<b>\$51.60</b>

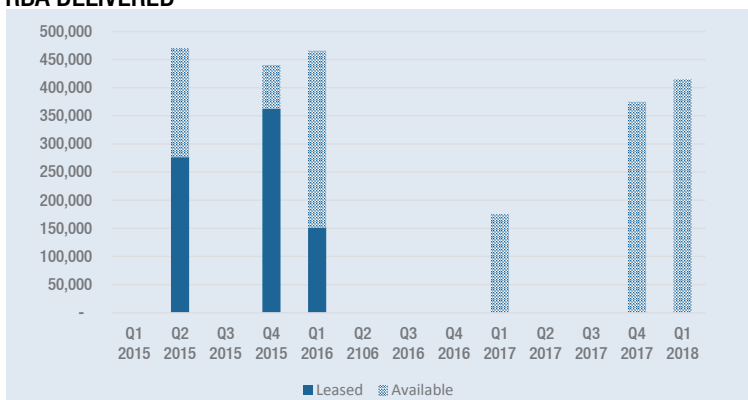
### VACANCY AND NET ABSORPTION



### CLASS A & B RENTS



### RBA DELIVERED



### TRENDS

- Downtown vacancies remained below 10% for a fourth consecutive quarter as net absorption topped 1 million square feet for the year.
- Leasing is solid in the Downtown market, with relocations and expansions dominating activity.
- A reshuffling of tenants in the fourth quarter, including PwC and Pearson Education, created negative absorption in a handful of submarkets. However, a majority of this space is already committed, which will ultimately result in a tightening of vacancies in the coming quarters.
- Such positive demand, coupled with more aggressive underwriting among new landlords, is giving way to outsized rent growth. Year-over-year asking rents increased by 9.6% in Boston, with the Seaport, Back Bay and Fenway/Kenmore posting double-digit gains.
- Sticker shock will continue to plague tenants looking for value in the Downtown market over the next year. Traditional secondary and tertiary submarkets like the Seaport, North Station, the Leather District, etc. are seeing rents reach new heights. Firms looking to sign a lease in 2016 will need to act fast when considering their space needs.

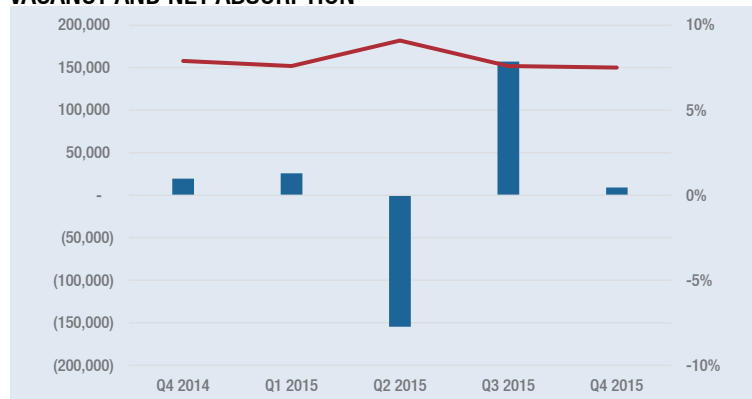
### NOTABLE TRANSACTIONS

TENANT	ADDRESS	SIZE	SUBMARKET	TYPE
Boston Medical Center	529 Main Street	171,800	Charlestown	Relocation/Expansion
Optum	1325 Boylston Street	124,000	Fenway/Kenmore	Relocation/Expansion
Wayfair	1 Copley Place	94,000	Back Bay	Expansion
Bullhorn, Inc.	100 Summer Street	77,000	Financial District	Relocation/Expansion
AECOM	1 Federal Street	55,000	Financial District	Relocation/Expansion

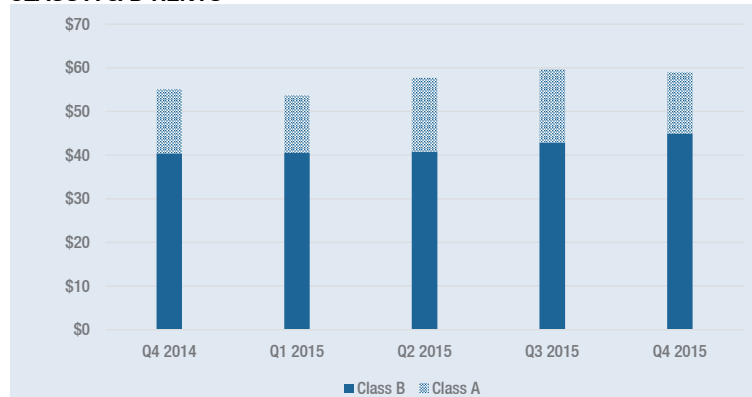


CAMBRIDGE	TOTAL INVENTORY (SF)	TOTAL VACANT (SF)	TOTAL VACANCY RATE	Q4 NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	ASKING RENT (\$/SF)
	Class A	7,222,874	525,824	7.3%	6,571	176,177
Class B	3,015,974	242,657	8.0%	2,404	(139,003)	\$44.94
<b>CLASS A &amp; B TOTAL</b>	<b>10,238,848</b>	<b>768,481</b>	<b>7.5%</b>	<b>8,975</b>	<b>37,174</b>	<b>\$56.43</b>

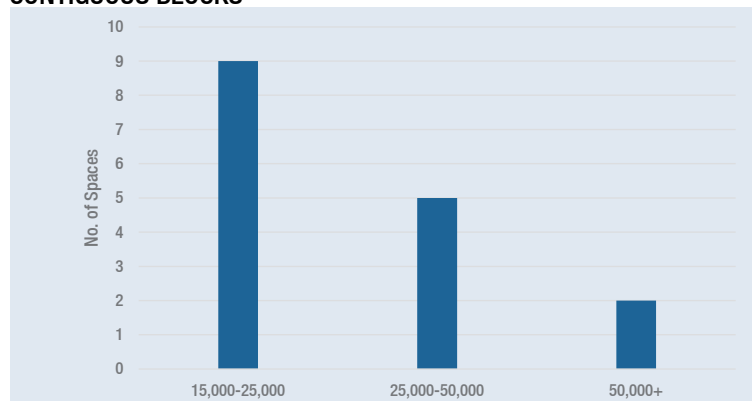
### VACANCY AND NET ABSORPTION



### CLASS A & B RENTS



### CONTIGUOUS BLOCKS



### TRENDS

- Although the Cambridge office market is among the tightest the metro, with vacancies at just 7.5% in the fourth quarter, the sheer lack of available inventory continues to minimize transaction activity.
- HubSpot, Inc. represents the largest transaction in the fourth quarter. The sales and marketing firm renewed its 118,561-square-foot lease at 25 First Street in East Cambridge for 12 years while also expanding into another 66,867 SF.
- Market conditions continue to favor landlords, and Cambridge lease rates have shown no signs of abatement. Average asking rents surpassed \$65/SF in East Cambridge — representing a 15% increase from year-ago levels.
- A handful of proposed developments are poised to provide some much-needed relief to Cambridge's supply-demand imbalance. The long-delayed NorthPoint development is set to break ground in 2016 and deliver buildings by early 2018. All told, the project is expected to result in up to 2 million square feet in commercial space. Though still in local permitting phases, the Volpe Transportation redevelopment, MIT's redevelopment on Main Street, and proposed projects by Boston Properties are expected to bring hundreds of thousands of square feet of office and lab space to the market.

### NOTABLE TRANSACTIONS

TENANT	ADDRESS	SIZE	SUBMARKET	TYPE
HubSpot, Inc.	25 First Street	185,428	East Cambridge	Renewal/Expansion
WeWork Labs	505 Massachusetts Avenue	25,500	Mid Cambridge	Direct
Comcast	80-96 Sherman Street	12,386	West Cambridge	Renewal
Synapse	485 Massachusetts Avenue	7,000	Mid Cambridge	Relocation/Expansion

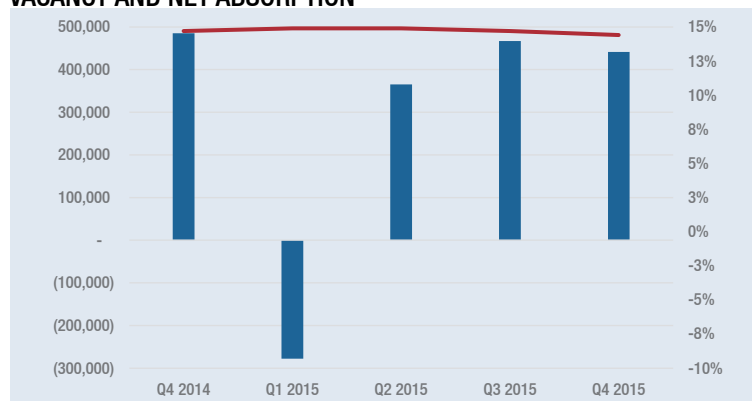


# OFFICE STATISTICS

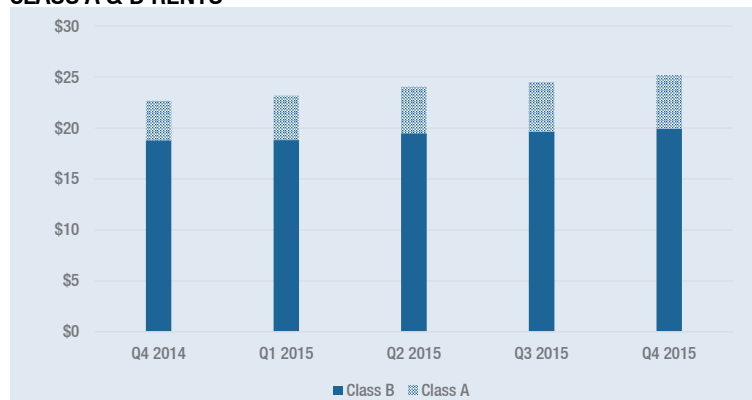
## SUBURBAN

SUBURBAN	TOTAL INVENTORY (SF)	TOTAL VACANT (SF)	TOTAL VACANCY RATE	Q4 NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	ASKING RENT (\$/SF)
	Class A	55,124,293	6,591,465	12.0%	195,546	961,634
Class B	51,868,278	8,855,213	17.1%	245,861	34,216	\$19.94
<b>CLASS A &amp; B TOTAL</b>	<b>106,992,571</b>	<b>15,446,678</b>	<b>14.4%</b>	<b>441,407</b>	<b>995,850</b>	<b>\$22.09</b>

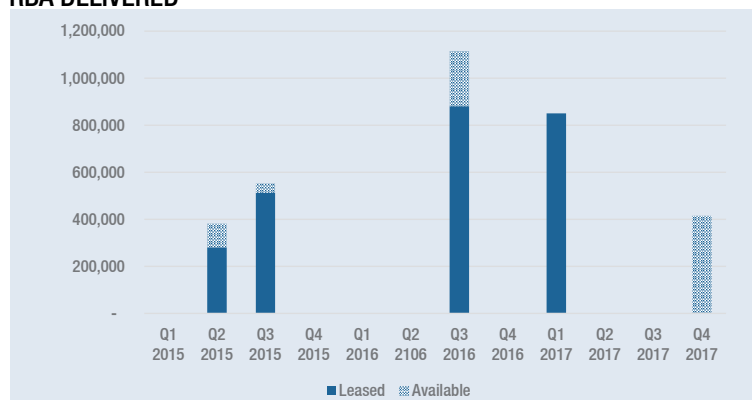
### VACANCY AND NET ABSORPTION



### CLASS A & B RENTS



### RBA DELIVERED



### TRENDS

- The Suburban office markets continue to benefit from increasingly tighter and expensive conditions in Boston and Cambridge. Vacancies dipped to 14.4% in the fourth quarter as positive absorption totaled nearly 1 million square feet in 2015.
- Well-located, Class A assets with modernized and improved amenities have been extremely competitive this cycle. Lease rates in trophy assets are nearing historically high levels. For example, Boston Properties is quoting \$50/SF rents at 10 CityPoint in Waltham.
- The redevelopment and repositioning of older product continues to add a more urbanized feel to traditional suburban office parks. Normandy Partners' Center 128, in Needham, Cresset Group's redevelopment of 65 Grove Street, in Watertown, and Anchor Line Partners conversion of the former USPS warehouse in Waltham are all indicative of this trend.
- Companies are also beginning to push further out into the Route 495 belt in search of lower rents and greater availabilities. Though currently unclear, fallout from Dell's recent offer to purchase the Hopkinton-based EMC Corporation could have a serious impact on commercial real estate in the Route 495 West submarket.

### NOTABLE TRANSACTIONS

TENANT	ADDRESS	SIZE	SUBMARKET	TYPE
Mercury Systems	50 Minuteman Road North Andover	114,100	Route 495 Northeast	Relocation/Contraction
The Rockport Group	1210-1220 Washington Street Newton	70,000	Route 128 West	Relocation/Expansion
ViaSat	300 Nickerson Road Marlborough	40,362	Route 495 West	Relocation/Expansion
Ora Inc.	300 Brickstone Square Andover	28,770	Route 495 Northeast	Renewal
AMAG Pharmaceuticals	1100 Winter Street Waltham	21,000	Route 128 West	Expansion



## INDUSTRIAL STATISTICS OVERVIEW



DIRECT VACANCY



SUBLEASE VACANCY



12-MONTH ABSORPTION



LEASING ACTIVITY



ASKING RENT

# A Strong Fourth Quarter Rounds Out the Year

After a few quarters of sluggishness, the Greater Boston industrial market roared to life at the end of 2015. Fourth-quarter net absorption totaled close to two million square feet, with build-to-suit construction bolstering Routes 495 North and South. Overall vacancies breached 10% in the fourth quarter — representing an 80-basis-point decline from the end of 2014. Expect market conditions to remain healthy in the near-term forecast, as Boston's economy is expected to remain in expansion mode.

Despite mixed results in 2015, industrial landlords have been consistently raising rents in Greater Boston. As of the fourth quarter lease rates expanded by roughly 6%, averaging \$7.24/SF. A majority of this growth can be attributed to the flex/R&D and manufacturing markets, while growth rates among warehouse/distribution assets tends to be more measured. The concentration of newer, higher-quality flex/R&D space along the Route 128 Loop has led to 6.6% premium in average asking rents over industrial space in the Route 495 Loop.

Build-to-suit projects have dominated recent development activity; however, speculative construction is on the horizon. Work on distribution centers for Victory

Packaging and Potpourri Group recently concluded, while Martignetti Companies broke ground on a 680,000-square-foot regional headquarters in Myles Standish Industrial Park. Conroy Development is slated to begin construction on a 200,000-square-foot speculative warehouse in Myles Standish next quarter as well. With tighter market conditions throughout Greater Boston, activity is pushing further out into the metro. Amazon's 1-million-square-foot mega distribution center being built in Fall River's South Coast Life Sciences and Technology Park is indicative of this trend.

The region's healthy, diverse economy has resulted in a large pool of tenants in the market anchored by technology and life science industries. Numerous buildings across the marketplace are being redeveloped to meet this demand. Looking forward, modern industrial facilities will remain in high demand with increasing rental rates, while older buildings will be considered for redevelopment. Other major trends that will potentially impact Boston's industrial market in the coming years include the dredging of the channel depths at the Port of Boston, changes in consumer spending and shopping patterns and continued growth in e-retailing.

TOTAL VACANCY RATE	DIRECT VACANCY	Q4 NET ABSORPTION (SF)	ASKING RENT (\$/SF)	UNDER CONSTRUCTION (SF)
9.7%	9.3%	1,995,660	\$7.24	1,016,245

Containerized Cargo:

**1.9 M**  
TONS

(2015)  
7.1% Growth year-over-year

Manufacturing Output:

**10.1 %**  
OF GSP

(Nov. 2015)

Housing Permits:

**13,397**

(Nov. 2015)  
22% Growth year-over-year

Industrial Employment:

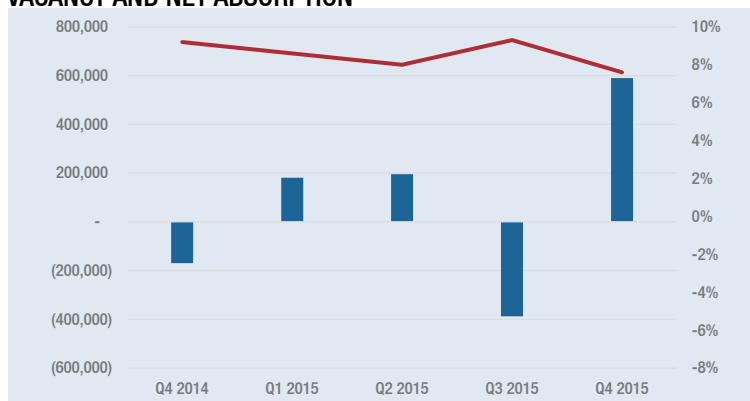
**813,500**  
JOBS

(Nov. 2015)  
-01.% Growth year-over-year

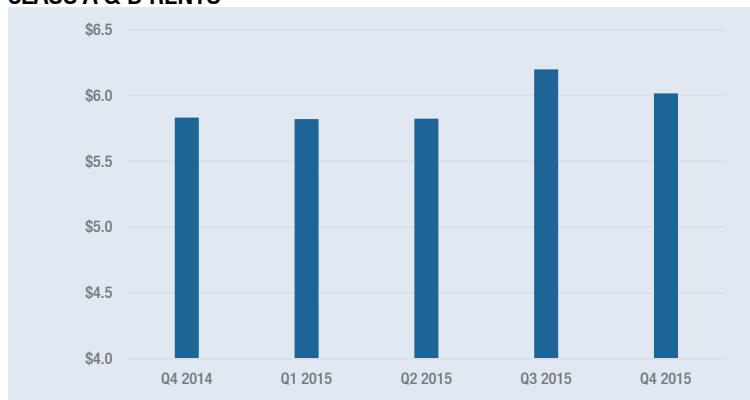


WAREHOUSE	TOTAL INVENTORY (SF)	TOTAL VACANT (SF)	TOTAL VACANCY RATE	Q4 NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	ASKING RENT (\$/SF)
	TOTAL	82,689,753	7,381,061	8.9%	1,192,374	199,574

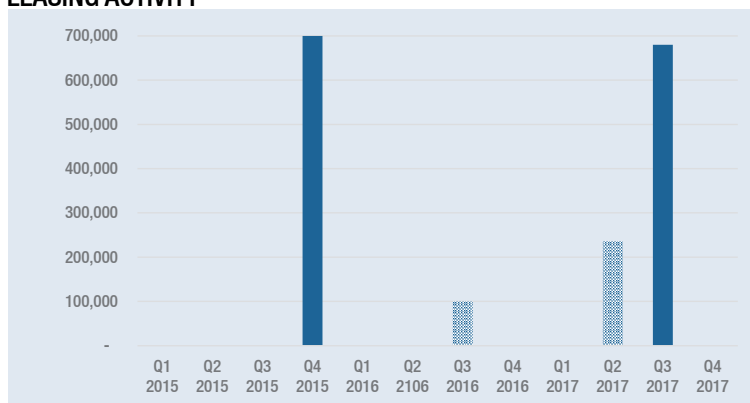
### VACANCY AND NET ABSORPTION



### CLASS A & B RENTS



### LEASING ACTIVITY



### TRENDS

- After several quarters of negative absorption in the warehouse market, a strong showing in the fourth quarter pushed year-to-date net absorption into the black, with the South market remaining very active throughout the year.
- Victory Packaging moved into its new 250,000 SF distribution center at 355 Maple Street, Bellingham — relocating from 168,000 SF in nearby Milford. Potpourri Group relocated its fulfillment center in Whitinsville to the newly constructed 450,000 SF 3 Distribution Center Circle, Littleton.
- General Dynamics' relocation from the Needham Industrial Park to 100 Rustcraft Road, Dedham earlier in the year resulted in more than 500,000 SF of negative absorption for the Route 128 West submarket. However, the warehouse buildings were recently demolished to make way for speculative office construction. Look for this trend to continue to gain traction in the coming year.
- The dredging of the Port of Boston, bringing channel depths at the North Entrance to -51 feet and the Main Channel to -47 feet, will allow Boston to handle larger ships and a greater number than currently accommodated, which bodes well for future demand from port-related users and transportation firms.

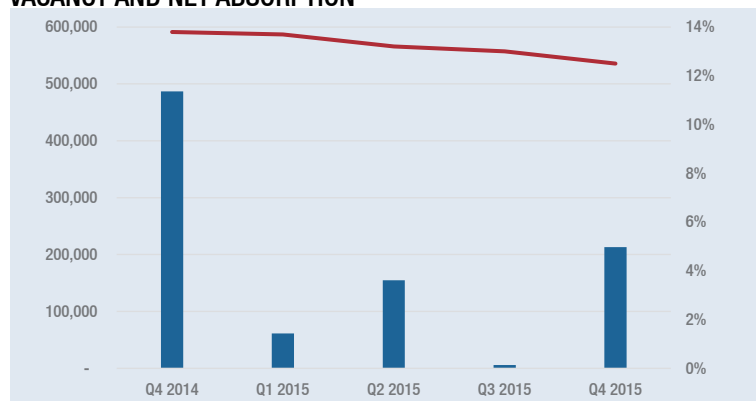
### NOTABLE TRANSACTIONS

TENANT	ADDRESS	SIZE	SUBMARKET	TYPE
Beacon Roofing Supply	393 Manley Street West Bridgewater	90,000	Route 495 South	Relocation/Expansion
Globe Composite Solutions	200 Shuman Avenue Stoughton	68,134	Route 128 South	Relocation
Supreme Products	11 Norfolk Street Mansfield	46,085	Route 495 West	Relocation
New England Retail Express (NAIHunneman Deal)	180 Campanelli Pkwy Stoughton	22,450	Route 128 South	Renewal/Contraction
Sullivan & McLaughlin Companies	180 Campanelli Pkwy Stoughton	22,450	Route 128 South	Relocation

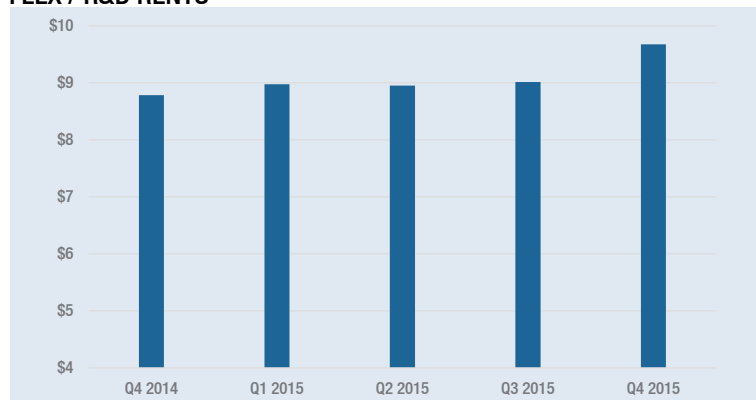


FLEX / R&D	TOTAL INVENTORY (SF)	TOTAL VACANT (SF)	TOTAL VACANCY RATE	Q4 NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	ASKING RENT NNN (\$/SF)
	TOTAL	45,203,775	5,671,885	12.5%	213,134	434,940

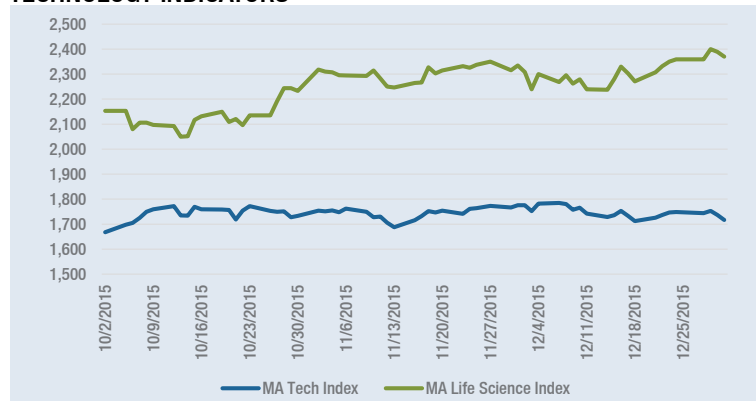
### VACANCY AND NET ABSORPTION



### FLEX / R&D RENTS



### TECHNOLOGY INDICATORS



### TRENDS

- The health of Boston's life science and technology market is driving demand in the Flex/R&D markets. Net absorption surpassed 400,000 square feet in 2015, allowing vacancies to decline by more than 100 basis points over the past year.
- Vacancy along Route 128 has seen consistent decreases, falling 104 basis points over the past year. In the Route 495 Belt, vacancies are elevated but falling a steady clip — declining by 100 basis points since the end of 2014.
- Market conditions continue to favor landlords, with lease rates nearing \$10/SF metrowide. Flex/R&D properties in premier submarkets like Routes 128 West and Northwest are seeing rents in the low-to-mid teens. Pricing has been aggressive with rental rates expanding by more than 10% on a year-over-year basis.
- In December, Newton Distribution purchased the 44,950-square-foot flex building at 245 W Central Street, Natick. The firm will occupied 50% of the building, while leasing the remaining space to third parties.
- Vionx Energy recently moved from North Reading, where the company leased 50,042 SF, into a 24,600 SF facility at 12 Cabot Road in Woburn.

### NOTABLE TRANSACTIONS

TENANT	ADDRESS	SIZE	SUBMARKET	TYPE
Acumentrics (NAIHunneman Deal)	9 Walpole Park South Walpole	29,333	Route 128 South	Relocation
National Aviation Academy	130 Baker Avenue Ext Concord	24,101	Route 128 Northwest	Relocation
Capital Convention Contractors	153 Northboro Road Southborough	19,304	Route 495 West	Relocation/ Expansion
Acumentrics (NAIHunneman Deal)	5 Walpole Park South Walpole	19,000	Route 128 South	Relocation



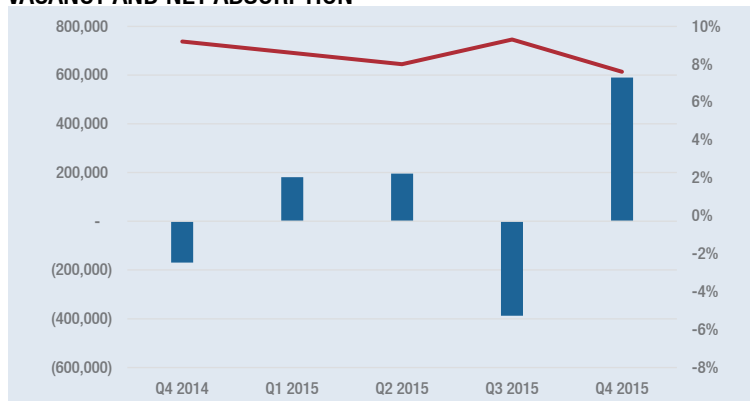


# INDUSTRIAL STATISTICS

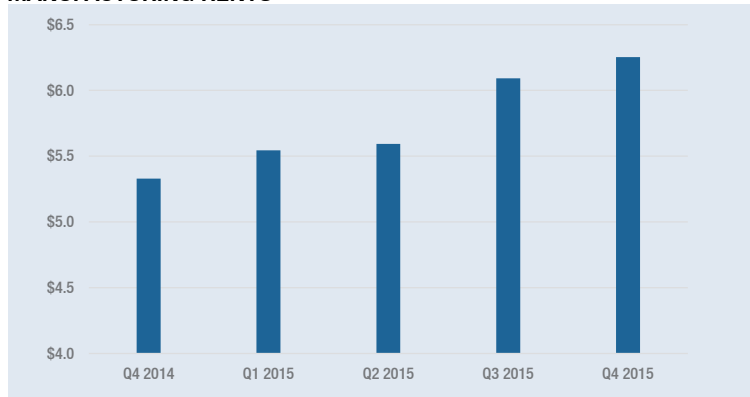
## MANUFACTURING

MANUFACTURING	TOTAL INVENTORY (SF)	TOTAL VACANT (SF)	TOTAL VACANCY RATE	Q4 NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	ASKING RENT NNN (\$/SF)
	TOTAL	31,226,714	2,378,111	7.6%	590,152	578,812

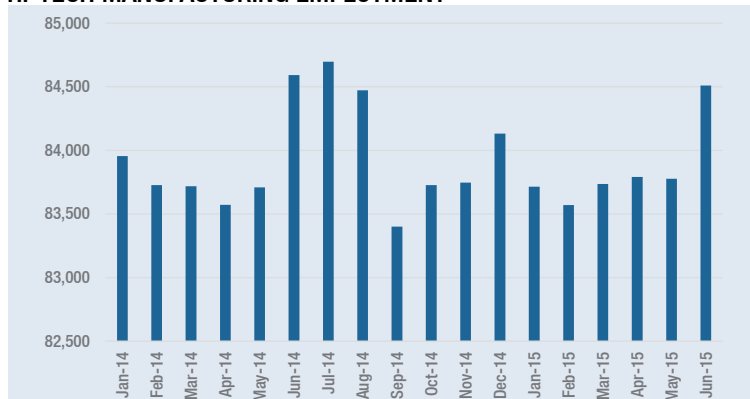
### VACANCY AND NET ABSORPTION



### MANUFACTURING RENTS



### HI-TECH MANUFACTURING EMPLOYMENT



### TRENDS

- Boston's manufacturing market continues to impress, with annual net absorption totaling roughly 578,000 square feet in 2015. This was enough to push marketwide vacancies down by 160 basis points on a year-over-year basis.
- The Federal Reserve's December beige book reported moderate growth in the Boston market, with overall conditions improving since the previous report period. Despite the risk of low oil prices and a slowdown in the Chinese economy, most firms maintain optimistic outlooks.
- Manufacturing rents surpassed \$6/SF in the third quarter of 2015, and ended the year at \$6.25/SF. This represents a double-digit increase of over 13% from the previous year when lease rates were below \$5.50/SF.
- Superior Bindery, Inc. purchased the 75,318-square-foot 140 Campanelli Drive in Braintree. The firm is expanding out of their current location at 1 Federal Drive, Braintree. Former owner/operator, George Dean Co., will continue to occupy half of the building.
- Given how the metro's concentration of life sciences and hi-tech manufacturing (including biomanufacturing) plays a key role in Greater Boston's industrial market; growth prospects for these industries are solid, which will bolster demand specialized manufacturing facilities.



## CAPITAL MARKETS OVERVIEW



OFFICE SALES VOLUME (\$)



MULTIFAMILY SALES VOLUME (\$)



RETAIL SALES VOLUME (\$)



INDUSTRIAL SALES VOLUME (\$)

# A Rising Tide Lifts All Boats

Capital continues to flow to Boston. The Association of Foreign Investors in Real Estate recently ranked Boston one of the top 5 U.S. cities – tied with Seattle – for foreign real estate investors. High barriers to entry, top-notch educational institutions and an 18-hour day makes the city extremely attractive to foreign buyers.

During the fourth quarter, transaction volume (in dollars) surged in the metro — accounting for more than a third of total volume for 2015. Office and multifamily are still the darlings of Greater Boston investment arena, accounting for a majority total sales volume during this past year. In one of the biggest office deals of the year,

Oxford Properties Group & JP Morgan Chase acquired 500 Boylston Street and 222 Berkeley Street from the Blackstone Group for \$1.2 billion or \$1,004/SF. With pricing continuing to ratchet up, particularly among trophy assets, buyers are more willing to move further out along the risk spectrum, which bodes well for Class B assets.

A significant number of Downtown trophy office towers changed hands in recent years, with long-term holders accounting for a large share of buyers. This could result in a dearth Class A transactions in the Downtown office market over the near-term forecast.

## TOP Q4 / CLASS B INVESTMENT SALES

### OFFICE



#### 18 Tremont Street Financial District Boston

Buyer	DLJ Real Estate Capital Partners
Price	\$77,500,000
Total SF	202,033
Price/SF	\$384
Cap Rate	4.50%

### MULTIFAMILY



#### Quarrystone 10 Overlook Ridge Drive Malden

Buyer	Schmier and Feuring Properties
Price	\$74,600,000
Total SF	250
Price/SF	\$298,400
Cap Rate	5.12%

### RETAIL



#### 9 West plaza 1 Oak Street Westborough

Buyer	Linear Retail Properties
Price	\$8,000,000
Total SF	34,819
Price/SF	\$230
Cap Rate	N/A

### INDUSTRIAL



#### Concord Road Tech Park 1100 Technology Park Drive Billerica

Buyer	Quincy Mutual Fire Insurance
Price	\$43,875,000
Total SF	239,903
Price/SF	\$183
Cap Rate	6.8%



## OFFICE SALES

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	TOTAL
SALES VOLUME (\$)	\$1,277,610,316	\$1,679,025,796	\$1,486,342,964	\$3,082,601,282	\$7,525,580,358
# OF TRANSACTIONS	76	86	82	73	317
TOTAL SF	3,620,378	5,675,800	5,745,298	6,296,878	21,338,354
MEDIAN \$/SF	\$172	\$157	\$170	\$150	\$166

## MULTIFAMILY SALES

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	TOTAL
SALES VOLUME (\$)	\$856,722,900	\$684,565,958	\$790,218,582	\$1,281,760,394	\$3,613,267,834
# OF TRANSACTIONS	68	72	70	88	298
TOTAL UNITS	3,183	3,294	2,460	6,133	15,070
MEDIAN \$/SF	\$154,167	\$115,367	\$133,174	\$166,667	\$146,165

## RETAIL SALES

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	TOTAL
SALES VOLUME (\$)	\$347,275,386	\$514,882,392	\$384,155,587	\$250,950,388	\$1,497,263,753
# OF TRANSACTIONS	101	136	142	124	503
TOTAL SF	1,631,749	2,107,590	2,064,722	1,243,374	7,047,435
MEDIAN \$/SF	\$210	\$203	\$199	\$215	\$203

## INDUSTRIAL SALES

	Q1 2015	Q2 2015	Q3 2015	Q4 2015	TOTAL
SALES VOLUME (\$)	\$280,338,102	\$322,683,441	\$294,124,381	\$373,404,685	\$1,270,550,609
# OF TRANSACTIONS	75	96	87	90	348
TOTAL SF	4,353,547	5,397,747	4,131,371	4,538,681	18,421,346
MEDIAN \$/SF	\$75	\$71	\$78	\$79	\$77

# MARKET RECAP



## OFFICE STATISTICS

	TOTAL INVENTORY (SF)	UNDER CONSTRUCTION (SF)	DIRECT VACANT (SF)	SUBLEASE VACANT (SF)	TOTAL VACANCY RATE	Q4 NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	ASKING RENT (\$/SF)
Back Bay	12,631,236	425,000	1,337,678	111,156	11.5%	(61,985)	(338,421)	\$57.87
Charlestown	2,405,280	-	213,700	5,470	8.9%	(14,556)	69,287	\$33.86
Fenway/Kenmore	1,979,603	-	196,418	-	9.9%	40,961	58,517	\$59.54
Financial District	34,937,588	-	3,450,923	130,674	10.2%	(179,172)	700,876	\$51.18
Midtown	2,429,320	-	131,003	13,083	5.9%	(18,672)	(111,562)	\$37.72
North Station	2,766,130	175,000	76,203	31,637	3.9%	(21,053)	155,562	\$39.51
Seaport	9,116,055	1,255,561	688,393	19,011	7.8%	436,618	561,032	\$49.05
South Station	1,168,797	-	18,306	8,674	2.3%	514	34,529	\$39.48
<b>BOSTON TOTAL</b>	<b>67,434,009</b>	<b>1,855,561</b>	<b>6,112,624</b>	<b>319,705</b>	<b>9.5%</b>	<b>182,655</b>	<b>1,129,820</b>	<b>\$51.60</b>
East Cambridge	5,921,063	-	371,538	76,619	7.6%	6,316	59,419	\$65.06
Mid Cambridge	2,245,299	-	67,887	15,167	3.7%	(9,080)	(43,902)	\$45.49
West Cambridge	2,072,486	-	193,352	43,918	11.4%	11,739	21,657	\$43.69
<b>CAMBRIDGE TOTAL</b>	<b>10,238,848</b>	<b>-</b>	<b>632,777</b>	<b>135,704</b>	<b>7.5%</b>	<b>8,975</b>	<b>37,174</b>	<b>\$56.43</b>
Framingham-Natick	4,857,149	-	742,380	22,517	15.7%	25,974	(114,614)	\$22.68
Inner Suburbs	4,971,810	1,370,000	521,912	35,892	11.2%	31,439	320,525	\$27.39
Route 128 North	13,851,779	-	1,565,190	57,503	11.7%	41,175	46,150	\$20.57
Route 128 Northwest	13,689,067	-	1,587,680	64,691	12.1%	(115,179)	(42,693)	\$30.21
Route 128 South	13,483,001	-	1,747,807	24,084	13.1%	392,812	531,834	\$20.00
Route 128 West	21,601,740	1,010,000	1,669,509	329,121	9.3%	(103,111)	350,985	\$32.93
<b>ROUTE 128 TOTAL</b>	<b>62,625,587</b>	<b>1,010,000</b>	<b>6,570,186</b>	<b>475,399</b>	<b>11.2%</b>	<b>215,697</b>	<b>886,276</b>	<b>\$25.89</b>
Route 495 North	13,456,480	-	2,676,314	117,341	20.5%	93,281	39,761	\$17.91
Route 495 Northeast	6,785,491	-	1,585,773	43,680	24.0%	704	(233,834)	\$17.89
Route 495 South	2,880,323	-	442,934	15,830	15.9%	2,832	(178,574)	\$18.23
Route 495 West	11,415,731	-	2,022,942	173,578	19.2%	71,480	276,310	\$17.87
<b>ROUTE 495 TOTAL</b>	<b>34,538,025</b>	<b>-</b>	<b>6,727,963</b>	<b>350,429</b>	<b>20.5%</b>	<b>168,297</b>	<b>(96,337)</b>	<b>\$17.91</b>
<b>SUBURBAN TOTAL</b>	<b>106,992,571</b>	<b>2,380,000</b>	<b>14,562,441</b>	<b>884,237</b>	<b>14.4%</b>	<b>441,407</b>	<b>995,850</b>	<b>\$22.09</b>
<b>MARKET TOTAL</b>	<b>184,665,428</b>	<b>4,235,561</b>	<b>21,307,842</b>	<b>1,339,646</b>	<b>12.3%</b>	<b>633,037</b>	<b>2,162,844</b>	<b>\$31.63</b>

# MARKET RECAP



## INDUSTRIAL STATISTICS

	TOTAL INVENTORY (SF)	UNDER CONSTRUCTION (SF)	DIRECT VACANT (SF)	SUBLEASE VACANT (SF)	TOTAL VACANCY RATE	Q4 NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	ASKING RENT NNN (\$/SF)
Urban Core	15,763,990	236,245	1,124,241	30,000	7.3%	144,947	204,094	\$7.98
Framingham-Natick	2,715,649	-	277,691	10,000	10.6%	69,567	30,706	\$6.43
Route 128 North	24,253,379	-	1,981,009	-	8.2%	98,733	57,984	\$8.32
Route 128 Northwest	3,708,514	-	617,606	-	16.7%	(82,862)	(16,596)	\$12.06
Route 128 South	35,643,684	-	3,943,418	-	11.1%	365,936	729,016	\$5.86
Route 128 West	5,316,432	-	476,720	24,787	9.4%	5,036	(638,640)	\$10.34
<b>ROUTE 128 TOTAL</b>	<b>68,922,009</b>	<b>-</b>	<b>7,018,753</b>	<b>24,787</b>	<b>10.2%</b>	<b>386,843</b>	<b>131,764</b>	<b>\$7.41</b>
Route 495 North	17,487,810	-	1,870,737	239,394	12.4%	496,596	313,001	\$8.09
Route 495 Northeast	10,538,103	-	1,011,130	248,500	12.0%	77,488	38,697	\$6.96
Route 495 South	28,244,364	780,000	2,428,785	5,897	8.7%	665,095	293,118	\$5.73
Route 495 West	15,448,317	-	1,039,528	101,614	7.0%	155,124	201,946	\$7.77
<b>ROUTE 495 TOTAL</b>	<b>71,718,594</b>	<b>780,000</b>	<b>6,350,180</b>	<b>595,405</b>	<b>9.7%</b>	<b>1,394,303</b>	<b>846,762</b>	<b>\$6.95</b>
<b>MARKET TOTAL</b>	<b>159,120,242</b>	<b>1,016,245</b>	<b>14,770,865</b>	<b>660,192</b>	<b>9.7%</b>	<b>1,995,660</b>	<b>1,213,326</b>	<b>\$7.24</b>



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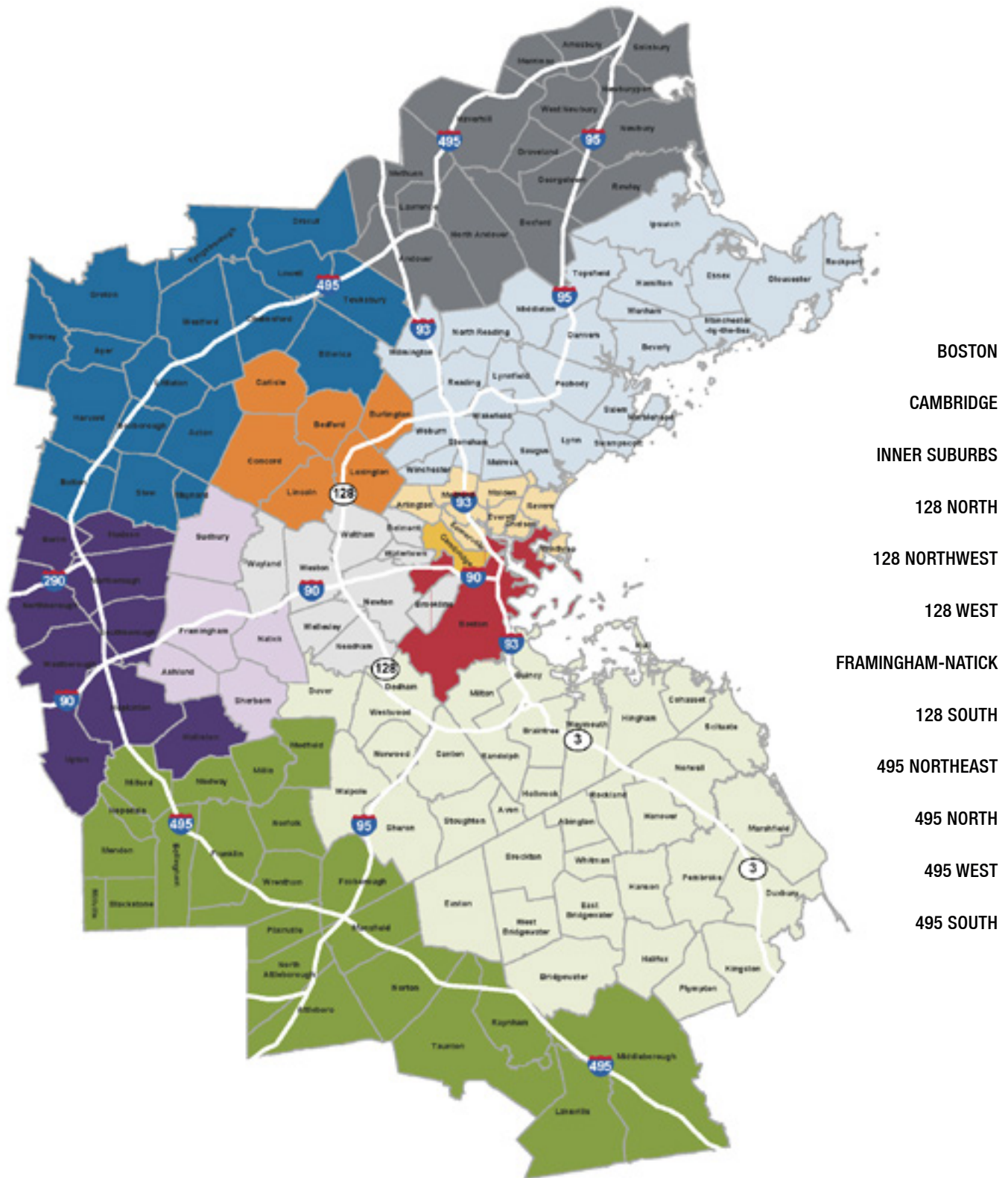
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# SUBMARKET MAP



# Q4

2015

M E T R O B O S T O N

# MARKET REPORT



## OFFICE

(DOWNTOWN, CAMBRIDGE,  
SUBURBAN)



## INDUSTRIAL

(WAREHOUSE, FLEX/R&D,  
MANUFACTURING)



## CAPITAL MARKETS

### METHODOLOGY

**SOURCE:** Co-Star, NAI Hunneman Commercial Company. **PREPARED:** December, 2015.

**DISCLAIMER:** The above data is from sources deemed to be generally reliable, but no warranty is made as to the accuracy of the data nor its usefulness for any particular purpose.

Average Rental Rates are asking rents on direct space.

Vacant space includes both direct and sublease space.

# NAIHunneman

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