

2018 Q1 Q1 2018

FINANCIAL DISTRICT OFFICE MARKET

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STATISTICS

	TOTAL INVENTORY (SF)	UNDER CONSTRUCTION (SF)	DIRECT VACANT (SF)	SUBLEASE VACANT (SF)	TOTAL VACANCY RATE	Q1 NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	ASKING RENT (\$/SF)
CLASS A	28,892,878	333,283	1,828,452	173,766	6.9%	44,344	44,344	\$60.20
CLASS B	6,796,046	48,000	825,869	26,878	12.5%	(89,671)	(89,671)	\$50.43
TOTAL	35,688,924	381,283	2,654,321	200,644	8.0%	(45,327)	(45,327)	\$57.15

SUBMARKET TRENDS

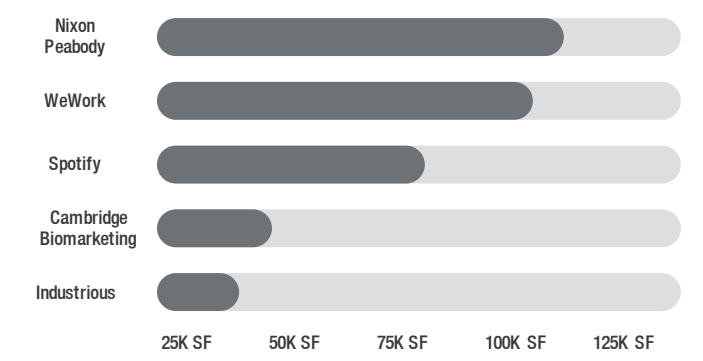
- Office vacancies in the Financial District remained stable during the first quarter, but slightly negative absorption kept vacancies from breaching 8%. Asking rents stayed the course as well, averaging more than \$57/SF.
- A handful of large expansions were executed in the first quarter. WeWork is opening another Downtown location and will backfill 100,000 square feet of Digitas' space at 33 Arch Street. Spotify is leasing 75,000 square feet at Center Plaza, with plans to relocate its operations from Somerville.
- Nixon Peabody plans to relocate its office to a smaller footprint at 53 State Street. The law firm currently occupies 168,000 square feet at 100 Summer Street and will take just over 100,000 square feet at the new location.
- Exan Capital acquired 40 Court Street, a 109,705-square-foot Class B asset in the Financial District, for \$54 million or \$492 per square foot at a 4% cap rate. Stars Investment paid just \$31 million for the building in 2014.
- Although sales volume has slowed in Downtown Boston, a handful of other buildings are on the market as well. In the Financial District, the sale of 28 State Street is expected to close soon, and 75 State Street and 53 State Street both came on the market recently.

FEATURED DEAL

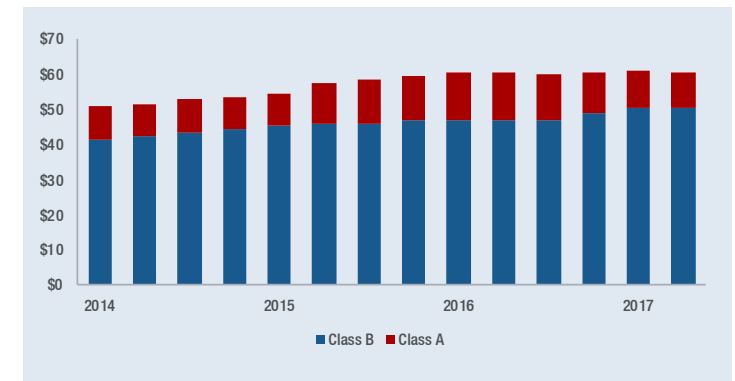
133 FEDERAL STREET, BOSTON 5,044 SF

NAI Hunneman's Urban Advisory Group recently represented Accu-Time Systems in a long-term lease at 133 Federal Street in the Financial District. The Connecticut-based technology company will be relocating from 175 Federal Street into 5,044 square feet on the ninth floor of their new building this summer.

NOTABLE TRANSACTIONS



CLASS A & B RENTS



VACANCY AND NET ABSORPTION



DIRECT VACANCY
 SUBLEASE VACANCY
 12-MONTH ABSORPTION
 ASKING RENT
 STATISTICS OVER THE LAST 12 MONTHS