

2018

Q1

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SEAPORT

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	4,522,152	1,001,341	99,071	-	2.2%	86,842	86,842	\$60.57
Class B	5,522,735	-	409,488	185,435	10.8%	84,712	84,712	\$50.47
TOTAL	10,044,887	1,001,341	508,559	185,435	6.9%	171,554	171,554	\$52.44

SUBMARKET TRENDS

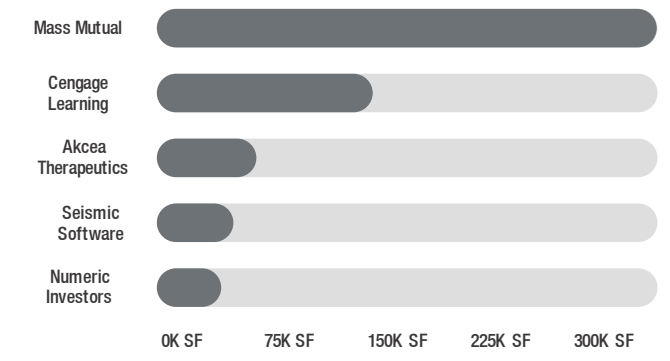
- Office vacancies have reached a new 5-year low in the Seaport. Strong absorption in the first quarter of 2018, driven by move-ins from Amazon and Aptiv, pushed rates down to just 6.9%.
- The Seaport is about to get a little more crowded. Amazon announced plans to lease 430,000 square feet, a separate requirement from the much-anticipated HQ2, in a to-be-built office tower at Seaport Square. This move will bring roughly 2,000 additional employees to the area. The e-commerce giant, who recently took occupancy at 253 Summer Street, also has the option to expand into another 610,000 square feet on an adjacent parcel. MassMutual is throwing its hat in the ring as well; bringing 1,000 workers and 300,000 square feet of office space to Fan Pier by 2021.
- Cengage Learning is relocating from Channel Center. The educational publishing company signed a 10-year lease for more than 100,000 square feet at Pier 4; joining Boston Consulting Group upon completion of the building.
- Despite all of the recent activity in this market, one major tenant has decided to relocate its Seaport headquarters. By the end of 2018, John Hancock plans to sell or lease its 601 Congress Street building and shift operations to space they already occupy in the Back Bay.

FEATURED DEAL

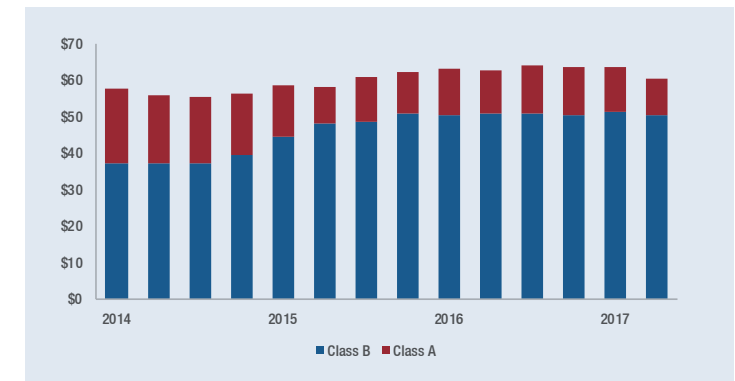
FAN PIER 300,000 SF

MassMutual's 300,000-square-foot lease at Fan Pier is just the latest major expansion taking place in the Seaport. This move will allow the life insurance company to consolidate operations and increase its presence in Boston. Employees will transfer from shuttered offices in New Jersey, North Carolina, Pennsylvania, and Tennessee.

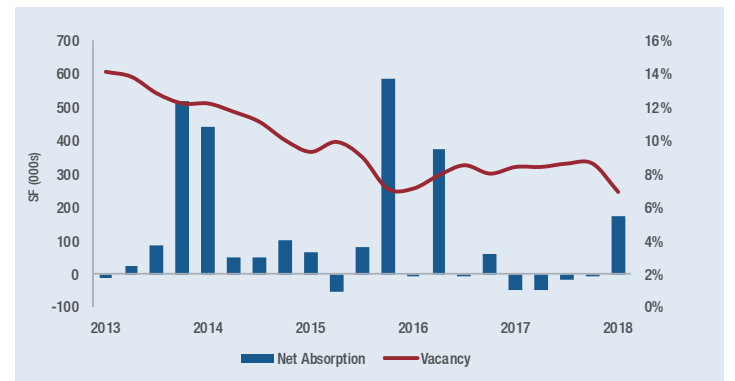
NOTABLE TRANSACTIONS



CLASS A & B RENTS



VACANCY AND NET ABSORPTION



DIRECT VACANCY



SUBLEASE VACANCY



12-MONTH ABSORPTION



ASKING RENT



STATISTICS OVER THE LAST 12 MONTHS