

2017 Q3 Q3 2017 FINANCIAL DISTRICT OFFICE MARKET

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STATISTICS

	TOTAL INVENTORY (SF)	UNDER CONSTRUCTION (SF)	DIRECT VACANT (SF)	SUBLEASE VACANT (SF)	TOTAL VACANCY RATE	Q3 NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	ASKING RENT (\$/SF)
CLASS A	28,829,420	333,283	1,991,819	172,758	7.5%	35,224	(1,702)	\$60.35
CLASS B	6,754,574	48,000	773,868	63,714	12.4%	30,445	(28,973)	\$49.03
TOTAL	35,583,994	381,283	2,765,687	236,472	8.4%	65,669	(30,675)	\$57.18

SUBMARKET TRENDS

- Financial District vacancies remained flat, at 8.4%, in the third quarter due to the completion of 66 Long Wharf's redevelopment.
- Class B rents continued to climb, surpassing \$49 per square foot in the Financial District, while Class A rates were relatively flat on a quarter-over-quarter basis.
- Jobs for the Future is downsizing by 20,151 square feet at 88 Broad Street while Altman Vilandrie took occupancy of 20,000 square feet at 225 Franklin Street.
- Four new tenants signed leases at 53 State Street in the third quarter. Press Gainey Associates is relocating from Wakefield into 10,401 square feet at the downtown tower. AON inked a deal for more than 39,000 square feet and will relocate from One Federal Street. The Institute for Healthcare is moving in from Cambridge; taking down 26,962 square feet and Experian Information Solutions committed to 26,970 square feet with plans to move from 125 Summer Street.
- Synergy Investment & Development purchased the ground lease at the 83,700-square-foot 45 School Street for \$30.1MM or \$360/SF from the Architectural Heritage Foundation. Faros Properties also acquired the 80,000-square-foot 14 Beacon Street for \$25.4MM or \$318/SF.

FEATURED DEAL

ONE SOUTH STATION, BOSTON **210,228 SF**

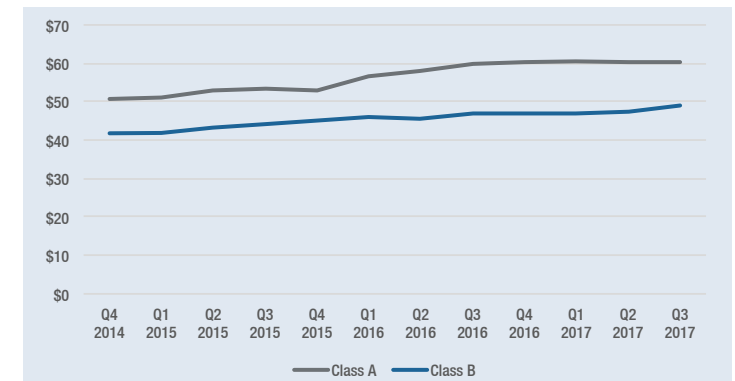
In August, Ashkenazy Acquisition Corporation acquired the leasehold interest in the 210,228-square-foot One South Station for \$119MM or \$566/SF at a 4.8% cap rate. There were 98 years remaining on the ground lease at the time of sale. The building's new landlord also owns a leasehold interest at Faneuil Hall.

NOTABLE TRANSACTIONS

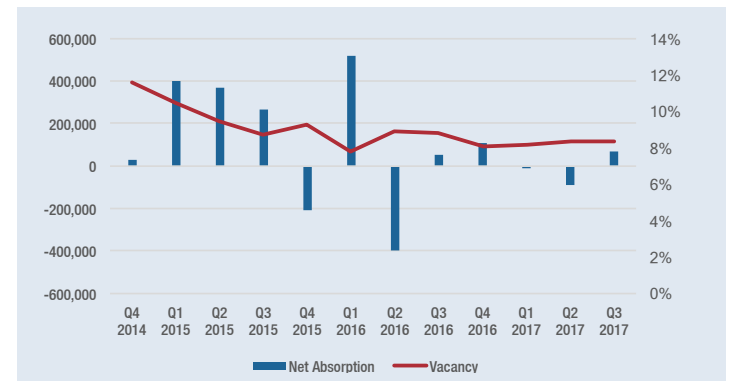
TENANT	ADDRESS	CITY	SIZE
CloudHealth Technologies	100 Summer Street	Boston	80,000
Hinckley Allen*	28 State Street	Boston	52,000
AON	53 State Street	Boston	39,229
Data Dog	225 Franklin Street	Boston	32,000
Institute for Healthcare	53 State Street	Boston	26,962

*Renewal

CLASS A & B RENTS



VACANCY AND NET ABSORPTION



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