

2016

Q4

BACK BAY OFFICE MARKET



DIRECT VACANCY



SUBLEASE VACANCY



12-MONTH ABSORPTION



LEASING ACTIVITY



ASKING RENT



STATISTICS OVER THE LAST 12 MONTHS



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)
CLASS A	12,749,645	0	1,296,022	232,604	12.0%	(222,152)	139,518	\$63.45
CLASS B	1,168,831	0	61,170	1,340	5.3%	(14,976)	78,356	\$44.04
TOTAL	13,918,476	0	1,357,192	233,944	11.4%	(237,128)	217,874	\$62.57

SUBMARKET TRENDS

- Vacancies have risen sharply over the past two quarters, ending 2016 at their highest level in two years.
- The relocations of Houghton Mifflin and Wells Fargo from the Back Bay to the Financial District contributed to the steep fourth-quarter negative absorption.
- Audax Management renewed and expanded at 101 Huntington Avenue.
- Accenture's lease at 888 Boylston Street brings occupancy in the Back Bay's newest office building to 89%.
- Both Cambridge Semantics and Morse Barnes Brown & Pendleton executed subleases in the fourth quarter.
- Rental rates are beginning to ease in the Back Bay, as resistance levels may have been reached.

FEATURED DEAL

500 BOYLSTON STREET, BOSTON

12,008 SF

NAI Hunneman assisted Cambridge Semantics in relocating to 12,008 square feet of sublease space at 500 Boylston Street in the Back Bay. The enterprise analytics and smart data management software company was previously located at 141 Tremont Street in Midtown.

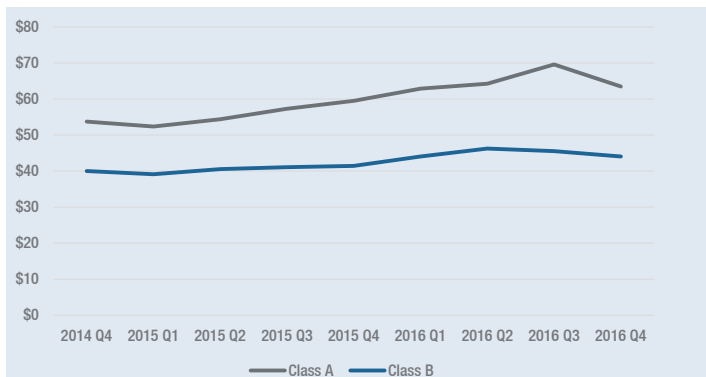


NOTABLE TRANSACTIONS

TENANT	ADDRESS	CITY	SIZE
Audax Management*	101 Huntington Avenue	Boston	55,000
Accenture	888 Boylston Street	Boston	52,340
First Marblehead	200 Clarendon Street	Boston	32,198
Morse Barnes Brown & Pen.**	800 Boylston Street	Boston	28,547
Cambridge Semantics** NAI Hunneman Deal	500 Boylston Street	Boston	12,008

*Renewal, **Sublease

CLASS A & B RENTS



VACANCY AND NET ABSORPTION

