

2017 Q4 Q4 2017

BACK BAY OFFICE MARKET

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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	12,667,389	-	1,163,405	252,322	11.2%	108,194	112,899	\$65.84
CLASS B	1,168,831	-	45,241	15,840	5.2%	3,008	1,429	\$41.49
<b>TOTAL</b>	<b>13,836,220</b>	<b>-</b>	<b>1,208,646</b>	<b>268,162</b>	<b>10.7%</b>	<b>111,202</b>	<b>114,328</b>	<b>\$64.93</b>

SUBMARKET TRENDS

- With more than 100,000 square feet of positive absorption in 2017, vacancies declined to 10.7% in the fourth quarter.
- The Back Bay is coming into its own, with the tech, e-commerce and coworking sectors driving growth. Wayfair, WeWork and DraftKings are committed to large blocks of space across a handful of towers here.
- Boston's Back Bay remains the most expensive office market in the metro area, with average lease rates for Class A space nearing \$66 per square foot in the fourth quarter. That said, recent rent growth among this submarket's Class B inventory has outperformed, at 4.3% year-over-year.
- Jacobs Engineering took occupancy of 50,000 square feet at 120 St. James Avenue; relocating from 343 Congress Street in the Seaport. Accenture also opened its innovation hub at 888 Boylston Street and plans to add 400 tech jobs in Boston over the next three years.
- Fisher College sold a 21,205-square-foot office building at 10-11 Arlington Street for \$22.5MM or \$1061/SF to an owner-user — nearly doubling the property's 2013 price tag.

FEATURED DEAL

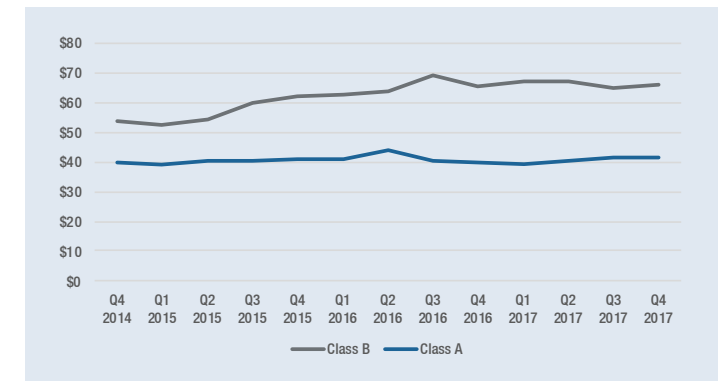
**200 CLARENDON STREET, BOSTON** **60,992 SF**

After expanding into Boston in mid-2017, with a nearly 30,000 square feet at 200 Clarendon Street, Kirkland & Ellis is expanding again. In the fourth quarter of 2017, the law firm inked a deal for 60,992 square feet on the upper floors of the same building, which roughly doubles their office footprint in the Back Bay.

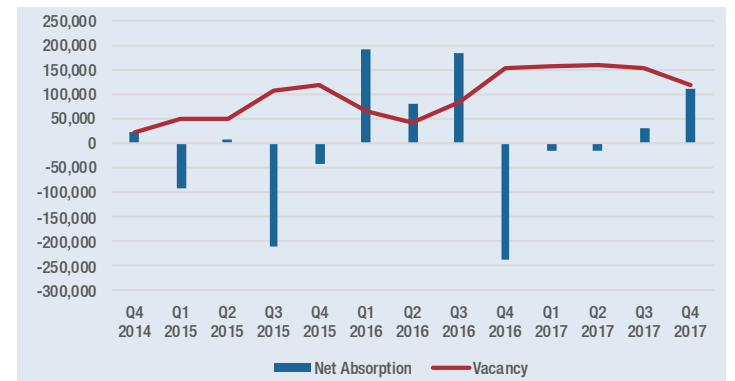
NOTABLE TRANSACTIONS

TENANT	ADDRESS	CITY	SIZE
Kirkland & Ellis	200 Clarendon Street	Boston	60,992
Wayfair	2 Copley Place	Boston	50,000
The Suite Group	177 Huntington Avenue	Boston	8,386
Atwood & Cherry	177 Huntington Avenue	Boston	8,149
Kessler Group	855 Boylston Street	Boston	1,878

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**