



Route 128 West

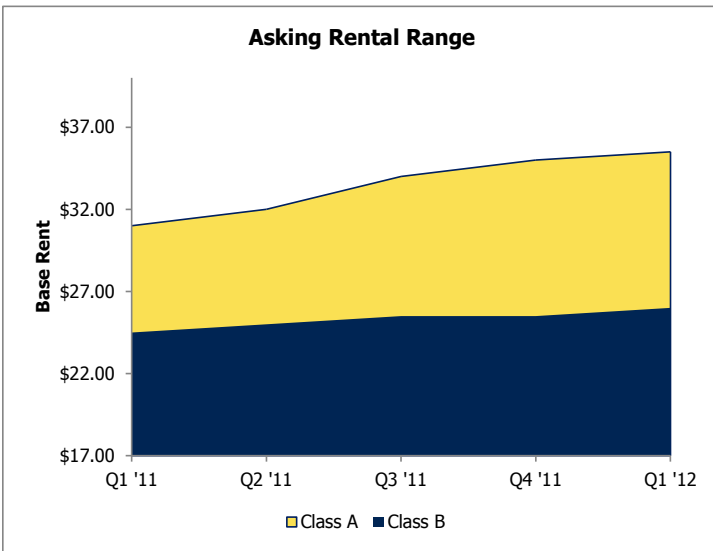
Tenant's Guide ■ Massachusetts Submarkets ■ First Quarter 2012

Overview

The Route 128 West office market is comprised of Lexington, Lincoln, Newton, Waltham, Wellesley, and Weston. Its office market consists of 19,200,000 square feet with an availability rate of 18%.

Market Trends

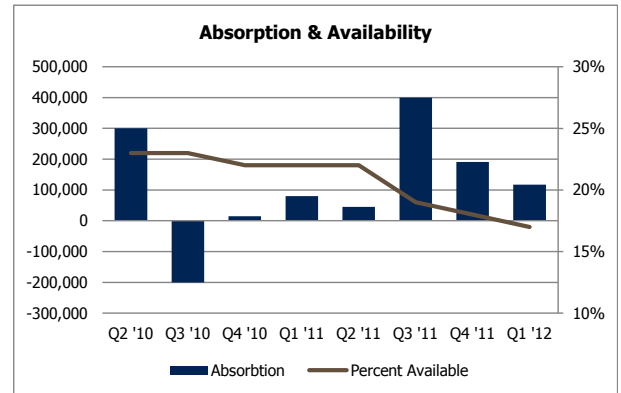
- Large blocks of quality contiguous space over 25,000 SF are increasingly hard to find.
- A limited number of landlords control the majority of Class A office space.
- Class A asking rents have slowly increased, with some buildings asking as much as \$38.00/SF gross + tenant electric.
- The overall vacancy has dipped to 18%, down from 23% over the past 18 months.
- While the Class A market has shifted, Class B office remains relatively flat. Direct vacancy is slightly below 20%. Asking rents have not changed, and we don't anticipate any significant changes for the next 12 months.
- Venture capital firms are re-evaluating their Waltham locations, and many are leaving the suburbs for Cambridge and Boston.



Major Transactions

Tenant/Buyer	SF
New York Life	90,000
Winter Wyman	26,000
National Elder Care	22,000

Availability*



*Availability - The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

Average Rental Rates

CBD	Q3 2011	Q4 2011	Q1 2012
Class A Office	\$34.00	\$35.00	\$35.50
Class B Office	\$25.50	\$25.50	\$26.00



Prepared By Cresa Boston
200 State Street, 13th Floor
Boston, MA 02109

617.758.6000 | www.cresapartners.com



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Market Indicators

	Q1 2012	Q2 2012*
Availability	↓	↓
Net Absorption	↑	↑
Class A Rental Rate	↑	↑
Class B Rental Rate	—	—
Flex Rental Rate	—	—

*MARKET FORECAST

Largest Tenants In the Market

Tenant/Buyer	SF
TripAdvisor	250,000
Clarkes	100,000

Largest Blocks of Contiguous Space

Office Address	SF
133 Boston Post Road, Weston	356,992
55 Chapel Street, Newton	201,317
1100 Winter Street, Waltham	154,813
20 Maguire Road, Lexington	101,868
333 Wyman Street, Waltham	83,000
1050 Winter Street, Waltham	56,000

Tenant's Perspective

- Tenants seeking Class A office space will continue to see the number of viable options dwindle. As a result, asking rents will continue to inch higher. We don't expect rents to exceed \$40.00 per SF during the next 12 months.
- Tenants seeking Class B office space will continue to see numerous options, and rents are not expected to increase above an average of \$26 per SF over the next 12 months.
- Tenants should understand the Route 128 West market is comprised of two different submarkets; Office Class A and B.
- Tenants seeking Class A space will need to make quicker decisions or face the reality of another tenant leasing the space.
- Class A landlords are bullish about the market and, tenants can expect higher asking rates and diminished "flexibility" within the lease structure.
- Alternatively, tenants seeking Class B options will continue to be able to manufacture multiple viable options for their tenancy. This "micro market" will continue to be "tenant friendly" for the foreseeable future.

Cresa Representative Transactions

Address	Type	SF
230 Third Avenue, Waltham	Relocation	30,000