



Boston

Tenant's Guide ■ Massachusetts Submarkets ■ First Quarter 2012

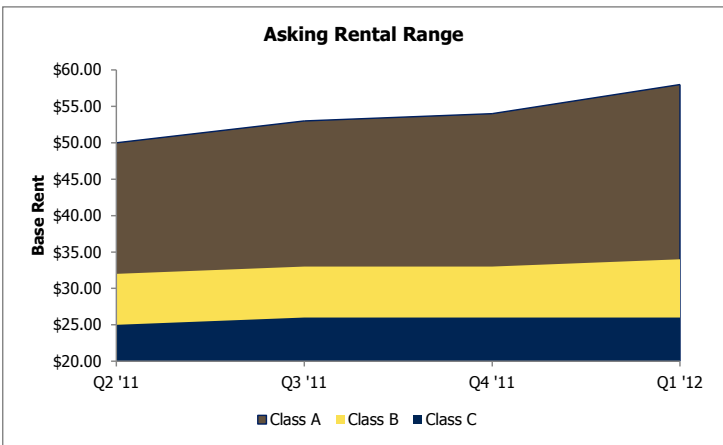
Overview

The Financial District, the Back Bay, and the Seaport District all experienced positive absorption for Q1 2012. The Back Bay's class A vacancy rate is under 6%, and rents are expected to increase through 2012 by another 5%. The Class A Financial District rents average about \$50.00/SF, and the majority of inventory is in the low-rise segment, where vacancy is about 18%.

The Seaport District also experienced positive absorption with tenants migrating to this area from Cambridge and the suburbs to attract urban workers. Rents will continue to rise another 5% in the next three quarters.

Market Trends

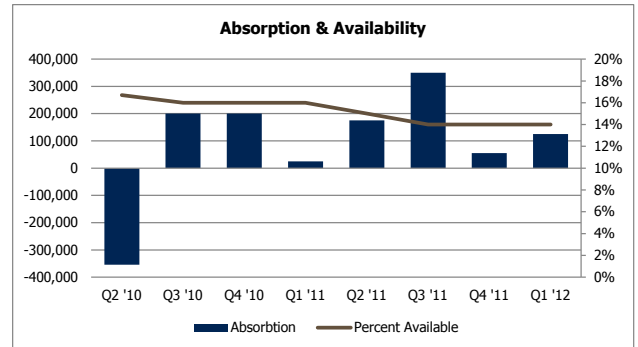
- Back Bay and high rise office space continues to lead rent growth across all Boston submarkets due to diminishing availability and robust demand.
- The Innovation/Seaport District, now competing with Cambridge and Route 128 for early-stage technology firms, has led absorption across all submarkets.
- Landlords with high market share will lead efforts to drive rents higher over the next four quarters.
- Over 70% of this past quarter's transactions were lease renewals.



Major Transactions

Tenant/Buyer	Address	SF
Boston Properties	100 Federal Street	1.3 Million
Cambridge Associates	Oliver Street Tower	170,000
Dana Farber	Longwood Center	154,000
SCVNGR	One Congress Street	40,500

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	\$48.00	\$49.00	\$50.00
Class B Office	\$31.00	\$31.00	\$31.00
Back Bay	Q3 2011	Q4 2011	Q1 2012
Class A Office	\$38.00	\$55.00	\$57.00
Class B Office	\$34.00	\$36.00	\$37.00



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Market Indicators

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

*MARKET FORECAST

Tenant's Perspective

- Market will remain relatively flat for another 12 months.
- Most tenants currently seeking over 40,000 SF of office space have engaged the market at least two years prior to their lease expiration date in order to benefit from today's largely tenant-favorable conditions.
- No landlords have publicly announced plans for speculative office development.

Largest Tenants In the Market

Tenant/Buyer	SF
State Street	500,000
Goodwin Procter	400,000
Blue Cross	420,000
Brown Brothers	300,000
Mintz Levin	220,000
Lexington/AIG	150,000

Largest Blocks of Contiguous Space

Office Address	SF
50 Post Office Square	411,000
One Federal Street	280,000
75 State Street	230,000
One Congress Street	185,000
International Place	180,000
One Financial	170,000
Lafayette Center	135,000

Cresa Representative Transactions

Address	Type	SF
250 Summer Street	Relocation	6,000
99 Chauncy Street	Relocation	5,700
141 Tremont Street	Relocation	5,500
Two Liberty Square	Relocation	4,500