



# Boston, Massachusetts

Tenant's Guide ▪ North American Markets ▪ First Quarter 2012

## Overview

Downtown Boston, 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 will continue to increase through 2012 by another 5% to an asking rent of \$57.00/SF. The class A Financial District rents average about \$49/SF, and the majority of inventory is in the low-rise portion 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% to an average of \$40/SF.

The Waltham market on Central Route 128 is getting stronger, and rents will increase to asking rents of \$28-\$32/SF. The Burlington market is also on the rise with rents increasing another 2% to an average of \$25/SF.

## Market Trends

- Downtown Boston will be balanced with landlords and tenants having equal leverage.
- Back Bay and Seaport District have shifted to a landlord's market.
- Migration to Seaport District and Fort Point Channel will continue with Cambridge and suburban tenants.
- Hi-tech companies are starting to grow again and add jobs on Routes 128 and 495.
- Demand for space will remain steady across metropolitan Boston and will put upward pressure on rents.

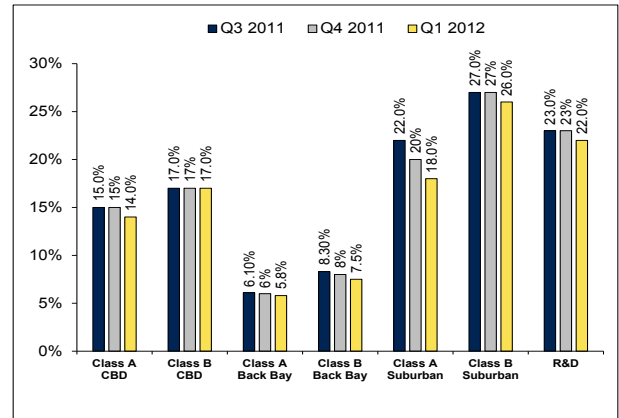
## Tenant's Perspective

The market has bottomed out, and rents will rise over the next 24-36 months, with market rents peaking by 2016. Tenants should develop alternative space options in order to create leverage with landlords.

## Major Transactions

Tenant/Buyer	Size	Type	Lease/Sale
100 Federal Street	1,305,000	Office	Sale
RSA Security	320,000	Office	Lease
Enterasys	197,000	Office	Lease
Cambridge Associates	170,000	Office	Lease
Dana Farber	154,000	Office	Lease
Synergy Investment & Dev.	104,709	Office	Sale
Rocket Software	92,560	Office	Sublease
Potpourri Group Inc	72,000	Office	Lease
PHT Corporation	42,000	Office	Lease
SCVNGR	40,500	Office	Lease

## Vacancy Rate



## Average Rental Rates

CBD	Q3 2011	Q4 2011	Q1 2012
Class A Office	\$48.00	\$49.00	\$49.00
Class B Office	\$31.00	\$31.00	\$31.00
<b>Back Bay</b>	<b>Q3 2011</b>	<b>Q4 2011</b>	<b>Q1 2012</b>
Class A Office	\$38.00	\$55.00	\$57.00
Class B Office	\$34.00	\$36.00	\$36.00
<b>Suburban</b>	<b>Q3 2011</b>	<b>Q4 2011</b>	<b>Q1 2012</b>
Class A Office	\$28.00	\$27.00	\$28.00
Class B Office	\$18.00	\$18.00	\$18.00
R&D	\$9.00	\$9.00	\$9.00