

2016

Q3

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	Q3 NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	ASKING RENT (\$/SF)
CLASS A	12,749,645	0	1,079,281	252,662	10.4%	123,319	336,291	\$69.58
CLASS B	1,118,831	0	43,212	4,322	4.2%	49,263	93,242	\$45.55
TOTAL	13,868,476	0	1,122,493	256,984	9.9%	172,582	429,533	\$68.65


SUBMARKET TRENDS

- Subleases executed by Kyruus, GDM Services/ Meedmp and Docent Health helped reduce the sublease vacancy by 20 basis points.
- Liberty Mutual is planning to sell two of its Back Bay towers; 10 St. James Avenue and 75 Arlington Street, totaling 825,000 square feet.
- Construction topped off on Boston Properties' 888 Boylston. ABRY Partners moved in, with Natixis and Bracebridge Capital relocating early next year.
- Quotes for select trophy towers are nearing the low-\$90/SF range; pushing Class A asking rents to nearly \$70/SF in third quarter.
- The Back Bay market may be facing some headwinds. Several large blocks of space from Wells Fargo, Houghton Mifflin, Natixis and others, are set to hit the market.

FEATURED DEAL

1-3 COPLEY PLACE, BOSTON **152,000 SF**

Online home furnishings company, Wayfair, continues to expand in the Back Bay. The firm took another 152,000 square feet at Copley Place; bringing its total footprint to over 400,000 square feet. This latest expansion helped backfill some of the space being vacated by Boston Medical Center.

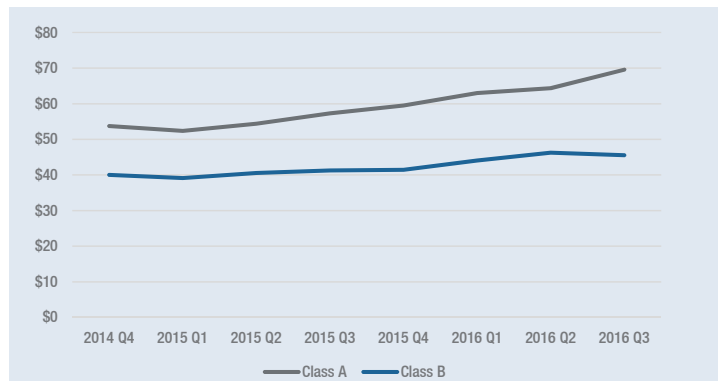


NOTABLE TRANSACTIONS

TENANT	ADDRESS	CITY	SIZE
Wayfair	1-3 Copley Place	Boston	152,322
Kyruus**	222 Berkeley Street	Boston	19,523
GDM Services/Meedmp**	126 Newbury Street	Boston	14,132
Docent Health**	399 Boylston Street	Boston	12,592
IHRDC*	535 Boylston Street	Boston	11,349

*Renewal, **Sublease

CLASS A & B RENTS



VACANCY AND NET ABSORPTION

