

2017

Q1

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	Q1 NET ABSORPTION (SF)	YTD NET ABSORPTION (SF)	ASKING RENT (\$/SF)
CLASS A	12,749,645	-	1,221,997	219,500	11.3%	87,129	87,129	\$65.36
CLASS B	1,168,831	-	57,225	7,162	5.5%	(1,877)	(1,877)	\$44.02
<b>TOTAL</b>	<b>13,918,476</b>	<b>-</b>	<b>1,279,222</b>	<b>226,662</b>	<b>10.8%</b>	<b>85,252</b>	<b>85,252</b>	<b>\$64.41</b>

## SUBMARKET TRENDS

- Vacancies have improved from last quarter but are still 200-300 bps higher than they were throughout most of 2016.
- Class A rents have increased by 4% year-over-year whereas Class B rents have remained relatively level.
- Following an exhaustive search for space, Cambridge-based Fuze has agreed to sublease 47,000 square feet from Wayfair at 2 Copley Place in the Back Bay. It is unclear as to what will happen to Fuze's current headquarters at 10 Wilson Road in Cambridge.
- Amazon agreed to lease 200 desks at WeWork's newest location at 31 St. James Avenue in the Back Bay. The Yard and Liberty Mutual's tech incubator, Solaria Labs, will also call this submarket home.
- Liberty Mutual sold 75-81 Arlington Street and 10 St. James Avenue, totaling 825,000 square feet, to Japan-based Mori Property Trust. The \$673 million price tag equates to \$816 per square foot. The cap rate on this deal was in the low-4% range.

## FEATURED DEAL

### 31 SAINT JAMES AVENUE, BOSTON 113,000 SF

WeWork opened its new 113,000 square foot Back Bay location at 31 St. James and has landed two major tenants. Amazon agreed to lease 200 desks and bring 400 employees to the coworking space. Liberty Mutual is moving its technology incubator, Solaria Labs, into more than 100 seats at this location as well.

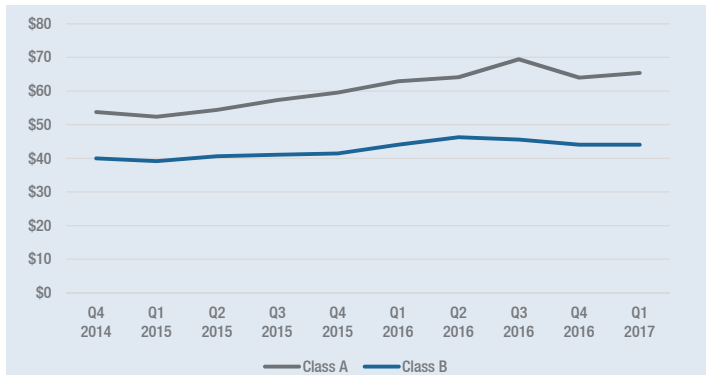


## NOTABLE TRANSACTIONS

TENANT	ADDRESS	CITY	SIZE
Fuze*	2 Copley Place	Boston	47,000
The Yard	120 Saint James Avenue	Boston	32,147
Martingale Asset Management, L.P.	888 Boylston Street	Boston	11,261
RDC Capital	500 Boylston Street	Boston	7,147

\*Sublease

## CLASS A & B RENTS



## VACANCY AND NET ABSORPTION

