

CHARLESTOWN

1

99

93

1A

NORTH STATION

FINANCIAL DISTRICT

MIDTOWN

SOUTH STATION

SEAPORT

BACK BAY

2017

Q1

FINANCIAL DISTRICT

OFFICE MARKET



DIRECT VACANCY



SUBLEASE VACANCY



12-MONTH ABSORPTION



LEASING ACTIVITY



ASKING RENT



STATISTICS OVER THE LAST 12 MONTHS

Q1

2017

FINANCIAL DISTRICT

OFFICE MARKET



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 | 28,607,918 | 333,283 | 2,028,544 | 63,820 | 7.3% | 70,511 | 70,511 | \$60.52 |
| CLASS B | 6,809,964 | 42,000 | 742,274 | 61,283 | 11.8% | (75,728) | (75,728) | \$48.33 |
| TOTAL | 35,417,882 | 375,283 | 2,770,818 | 125,103 | 8.2% | (5,217) | (5,217) | \$57.25 |

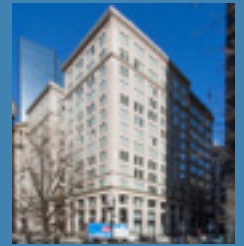
SUBMARKET TRENDS

- Net absorption was essentially flat in the first quarter, with the Class B market posting negative absorption. As a result, vacancies remain elevated above 8%.
- Rents for Class A product have increased by 7% from this time last year, whereas Class B properties have only seen a 2% increase over the one year period.
- Another shoe company is expanding in Downtown Boston. Asics is opening a product creation and design studio near South Station; totaling 25,000 square feet of office space. The Japanese-based company and its subsidiary, FitnessKeeper, already maintain a presence at 1 Winthrop Square.
- Hines received final city approval to develop the South Station tower, which will encompass approximately 1.2 million square feet of office space.
- Synergy Investments agreed to purchase the three-building portfolio at Center Plaza. The price tag is reportedly around \$360 million, which equates to \$500 per square foot.

FEATURED DEAL

10 POST OFFICE SQUARE, BOSTON 453,000 SF

LaSalle Investment Management purchased the two-property portfolio at 10 Post Office Square from Synergy Investments and GreenOak Real Estate. Combined the portfolio totals roughly 453,000 square feet of office space, which was 93% occupied at the time of sale. The price tag was nearly \$185 million.

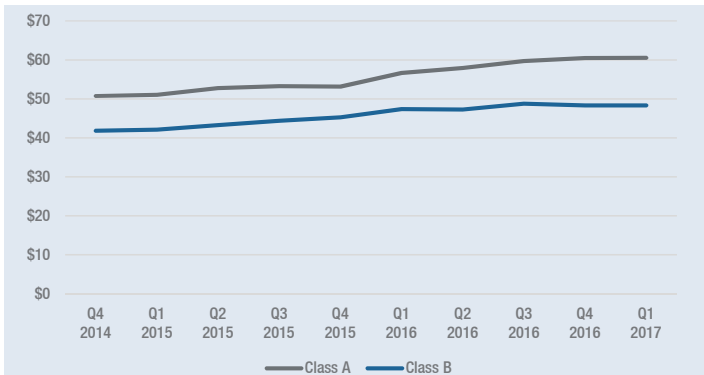


NOTABLE TRANSACTIONS

| TENANT | ADDRESS | CITY | SIZE |
|------------------|--------------------|--------|--------|
| US Bank* | 1 Federal Street | Boston | 63,936 |
| Raiz Labs* | 50 Milk Street | Boston | 16,586 |
| Circle Financial | 99 High Street | Boston | 15,415 |
| NewStore** | 2 Financial Center | Boston | 6,715 |
| Mass Insight* | 18 Tremont Street | Boston | 6,707 |

*Renewal, **Sublease

CLASS A & B RENTS



VACANCY AND NET ABSORPTION

