

BOSTON/CAMBRIDGE OFFICE MARKET **SPRING 2020**

CLASS B STATISTICS

10%

5-YEAR AVERAGE ANNUAL RENTAL RATE INCREASE

\$ 60.12
PSF

CLASS B AVERAGE RENTAL RATE

9.14%

AVERAGE AVAILABILITY RATE

7.66%

AVERAGE VACANCY RATE

MARKET HIGHLIGHTS

- Subleases are the only value left (if you can find one)
- Percent annual rent increase are the new market norm (change from \$/SF) = Greater impact on long-term occupancy costs
- Landlord allowances are at historically low levels as a % of overall tenant improvement costs
- Spec suites are keeping middle market demand healthy and driving rent growth
- Price is no object for employee retention/recruitment

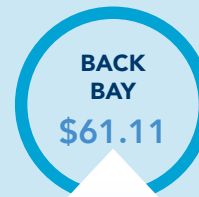
AVERAGE \$/SF



15.55%



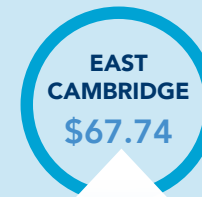
8.26%



11.22%



6.42%



3.13%

FORECAST \$/SF

\$59.95

\$65.48

\$67.97

\$67.57

\$75.34

MARKET DRIVERS

- LIMITED SUPPLY
- RENT SPIKES
- LEASE TERM WOES
- STRONG DEMAND

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