

RETAIL LEASING

COMMERCIAL YEAR END MARKET REPORT

— 2022 Overview | 2023 Forecast —



Boston Realty Advisors

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Boston Realty Advisors presents the 2022 market report for Multifamily Capital Markets, Office and Retail Leasing. 2022 started strong but finished in what were unrecognizable events just 12 months earlier. The U.S. economy survived numerous headwinds, including the war in Ukraine, rampant inflation, geopolitical risk, dramatic interest rates, a declining stock market, COVID-19, and the dramatic change in monetary policy. Together, these events may lead to a recession in 2023. The prospect of even a mild to moderate recession presents many challenges for the commercial real estate sector.

Multifamily investment in the Greater Boston area saw its second-best year in market history in 2022. Although deal flow decelerated due to high debt costs in Q3 and Q4, the demand for apartment and condo units stood firm. Forecasted outlooks are optimistic for institutional multifamily in the city, even as rent control legislature looms. The metro area is sure to have a strong turnaround from a slowed 2022 and hurdle the remaining effects of the post-pandemic years.

2022 was a successful year in the retail leasing sector and we are eager to see what 2023 holds. Despite the pervasive economic headwinds, retail once again has proved to be a survivor and has managed to enter 2023 with retail sales volumes up and vacancy rates down. Boston's strong core fundamentals coupled with a strong retail sector lead to a record number of new brands and store openings across the city in 2022. Boston continues to be one of the top US cities to attract global retailer attention and retail real estate investors.

Boston continues to be in the world spotlight as companies like LEGO select Boston for their U.S. Headquarters. Tech-focused cities will be more susceptible to job cuts and the cascade that follows in housing, office and retail vacancies.

Boston is by no sense unscathed from the global and national events of 2022, but Boston is better positioned for 2023 than many other markets. The greater Boston market has more diversification than other cities can only dream about. MEDS, EDS, TAMI, and FIRE combined with a highly skilled workforce make greater Boston a desirable place to live, work and play.

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RENT: HIGH STREET RETAIL

\$150^{PSF}
Harvard Square

\$150^{PSF}
Back Bay

\$140^{PSF}
Seaport District

\$100^{PSF}
Beacon Hill

\$100^{PSF}
Financial District

\$85^{PSF}
South End

HIGHLAND PARK VILLAGE **\$175^{PSF}**

NEWBURY STREET

\$225^{PSF}

#9

outperforming its neighborhood

WALNUT STREET **\$225^{PSF}**

M STREET **\$230^{PSF}**

LINCOLN ROAD **\$350^{PSF}**

KALAKUA AVE **\$420^{PSF}**

MICHIGAN AVE **\$480^{PSF}**

UNION SQUARE SAN FRANCISCO **\$650^{PSF}**

RODEO DRIVE **\$660^{PSF}**

FIFTH AVENUE **\$3,617^{PSF}**

Top 10 Performing Streets Nation Wide

*Rents are average psf+NNN costs

VACANCY RATE

HARVARD SQUARE

2.7%

BACK BAY

5.7%

SEAPORT

0.3%

BEACON HILL

1.3%

FINANCIAL DISTRICT

6.3%

SOUTH END

0.3%

12 MONTH GROWTH

2.8%

5.1%

5.4%

4.2%

5.9%

4%

NEWBURY STREET

NEW RETAILERS OPEN 2022

PATEK PHILIPPE • ZEGNA • INTIMISSIMI • BUCK MASON
BREITLING • MEJURI • A LANGE & SÖHNE • HUBLOT
PHO REAL • BOSTON DIAMOND • EVA RESTAURANT
BURROW FURNITURE • NAMES FOR GOOD • CUSTOMINK
BOND VET • EXPRESS EDIT • OUTERKNOWN • TREND
GOOD LIFE • SKIN LAUNDRY • THIRD LOVE • NEW BALANCE
LEVAIN BAKERY • ACEITUNA GRILL • LAZZONI FURNITURE
VUORI • FREEBIRD • FACCIA A FACCIA • JOHNNY CUPCAKES
SAATVA • PARACHUTE HOME

COMING 2023

ABERCROMBIE & FITCH • GLOSSIER
MOSCOT • ANTHROPOLOGIE



63%

OF THE

35

OPENINGS WERE

First to Market National Brands



NEW RETAILERS OPEN 2022

48%
OF THE
29

OPENINGS IN
SEAPORT WERE

**First to Market
National Brands**

SEAPORT DISTRICT

ALO • SERAFINA • AESOP • THAZIA • LUCID • STIO
MECHA NOODLE BAR • BLUE BOTTLE • TODD SNYDER
LUNYA • VINCE • FRAMEBRIDGE • MIZNON • KOKODA
LE LABO • RAG & BONE • SCOTCH & SODA • MACK WELDON
HAIR SEAPORT • CRÉMIEUX • LEVI'S • PUTTSHACK • TONAL
LITTLE WORDS PROJECT • BOND VET • GRACE LOVES LACE

COMING 2023

STUBBY'S • ALAMO DRAFTHOUSE CINEMA • GRACE BY NIA

COPLEY PLACE

MICHELE LOPRIORE • BALENCIAGA • PARM
ALEXANDER MCQUEEN • THOM BROWNE

PRUDENTIAL CENTER

ALLBIRDS • OAK + FORT • SHAKE SHACK

COMING 2023

ALO • HARVARD BOOKSTORE



HARVARD SQUARE

EL JEFE'S • CENTRAL ROCK GYM • TIGER SUGAR • BAR ENZA
STARBUCKS • GONG CHA • BOSSO RAMEN TAVERN • TAIYAKI
LE MACARON • BEAT BREW HALL • BRATO BREWHOUSE • F45
FRIENDLY TOAST • WUSONG ROAD TIKI BAR • LIFE ALIVE
SOURCE RESTAURANTS • BEN & JERRY'S

COMING 2023

JP MORGAN CHASE • JOE'S PIZZA • SHADE STORE • FEDEX
CAVA • COOKIES

MUST VISIT IN 2023



HIGH STREET PLACE | FOOD HALL
100 HIGH STREET | BOSTON, MA



STUBBY'S | SEAPORT SQUARE
43 NORTHERN AVE | BOSTON, MA



CENTRAL ROCK GYM | THE ABBOT
1-30 BRATTLE STREET | CAMBRIDGE, MA



WAVERLY | KITCHEN & BAR
231 BUNKER HILL ST | CHARLESTOWN, MA



SILVER DOVE | TEA ROOM
18 TREMONT STREET | BOSTON, MA



PORTICO BREWING | BOYNTON YARDS
101 SOUTH STREET | SOMERVILLE, MA