



Route 128 North

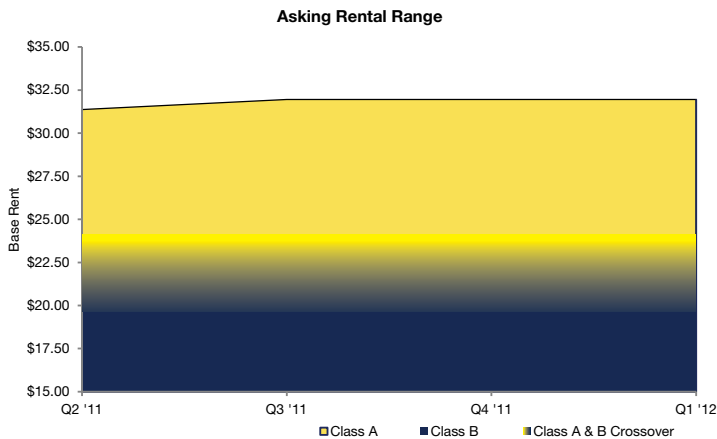
Tenant's Guide ■ Massachusetts Submarkets ■ First Quarter 2012

Overview

The Route 128 North office market is comprised of Bedford, Beverly, Burlington, Danvers, Lynnfield, Middleton, Peabody, Reading, Salem, Stoneham, Wakefield, and Woburn. It consists of 18,204,862 square feet with an availability rate of 18%. The year-to-date net absorption is 62,949 square feet. The Route 128 North flex/R&D market consists of 8,838,940 square feet with an availability rate of 22%. The year-to-date net absorption is 18,757 square feet.

Market Trends

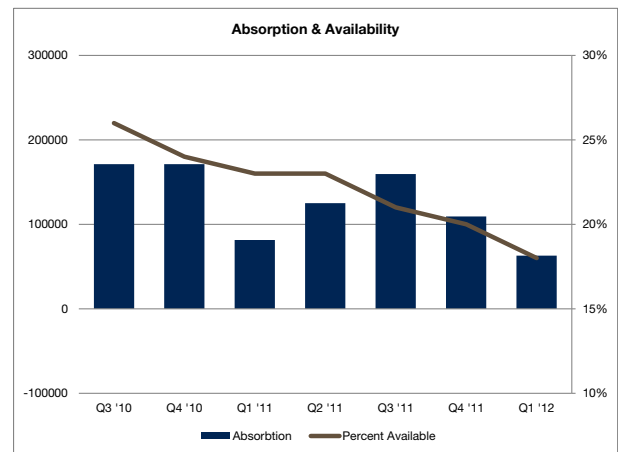
- Absorption has remained positive for nine consecutive quarters.
- As a result, overall office availability is at its lowest rate since 2001.
- Class A buildings continue to out-perform the Class B market, as many tenants are relocating to higher quality options.
- No new speculative construction is expected to be added to the existing inventory.



Major Transactions

Tenant/Buyer	Address	SF
EMC	174 & 176 Middlesex Tpk, Bedford	328,000
Rubenstein Partners	55 Walkers Brook Drive, Reading	138,000
Entegris	9 Crosby Drive, Bedford	80,000
Arbor Networks	76 Blanchard Road, Burlington	40,000
Construction Management & Builders	75 Sylvan Street, Danvers	22,000

Availability*



*Availability - The total amount of space that is currently being marketed as available for lease in a given time period. It includes any space that is available, regardless of whether the space is vacant, occupied, available for sublease, or available at a future date.

Average Rental Rates

CBD	Q3 2011	Q4 2011	Q1 2012
Class A Office	\$24.50	\$25.00	\$25.00
Class B Office	\$19.50	\$19.50	\$19.50
Flex/R&D (NNN)	\$10.50	\$10.50	\$10.50



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Market Indicators

	Q1 2012	Q2 2012*
Availability	↓	↓
Net Absorption	↑	↑
Class A Rental Rate	—	↑
Class B Rental Rate	—	—
Flex Availability	—	—
Flex Absorption	↓	↓
Flex Rental Rate	—	—

*MARKET FORECAST

Largest Tenants In the Market

Tenant/Buyer	SF
Keurig	150,000
GSI Group	100,000
Aspen Technologies	100,000
Z-Corp	90,000
Endurance International	50,000
Excel Orthopedics	40,000

Largest Blocks of Contiguous Space

Address	SF
20 Crosby Drive, Bedford	288,000
125 Middlesex Tpk, Burlington	147,371
201 Burlington Road, Burlington	137,000
28 Crosby Drive, Bedford	121,063
10 Corporate Drive, Burlington	107,000

Tenant's Perspective

- Relocations are being categorized as a "flight to quality," with many tenants opting for better buildings closer to Boston.
- Class A leasing activity will lead the market recovery, with the rest of the market lagging behind by 6 to 12 months.
- Some landlords are creating their own "micro markets," acquiring competitive buildings in specified areas. Examples are Hobbs Brook Management LLC at Edgewater Drive in Wakefield, National Development at Presidential Way, and Unicorn Park in Woburn.
- These "micro markets" will reduce competition among landlords and will enhance their ability to test the market's appetite for higher rents.

Cresa Representative Transactions

Address	Type	SF
174 & 176 Middlesex Tpk, Bedford	Renewal	328,000
5 Burlingtons Woods, Burlington	Renewal	51,470
75 Sylvan St., Danvers	Relocation	40,979
75 Sylvan St., Danvers	Relocation	30,000
401 Edgewater Dr., Wakefield	Renewal	12,126
100 Quannapowitt Pkwy, Wakefield	Renewal	11,223
500 Edgewater Dr., Wakefield	Renewal	7,617



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