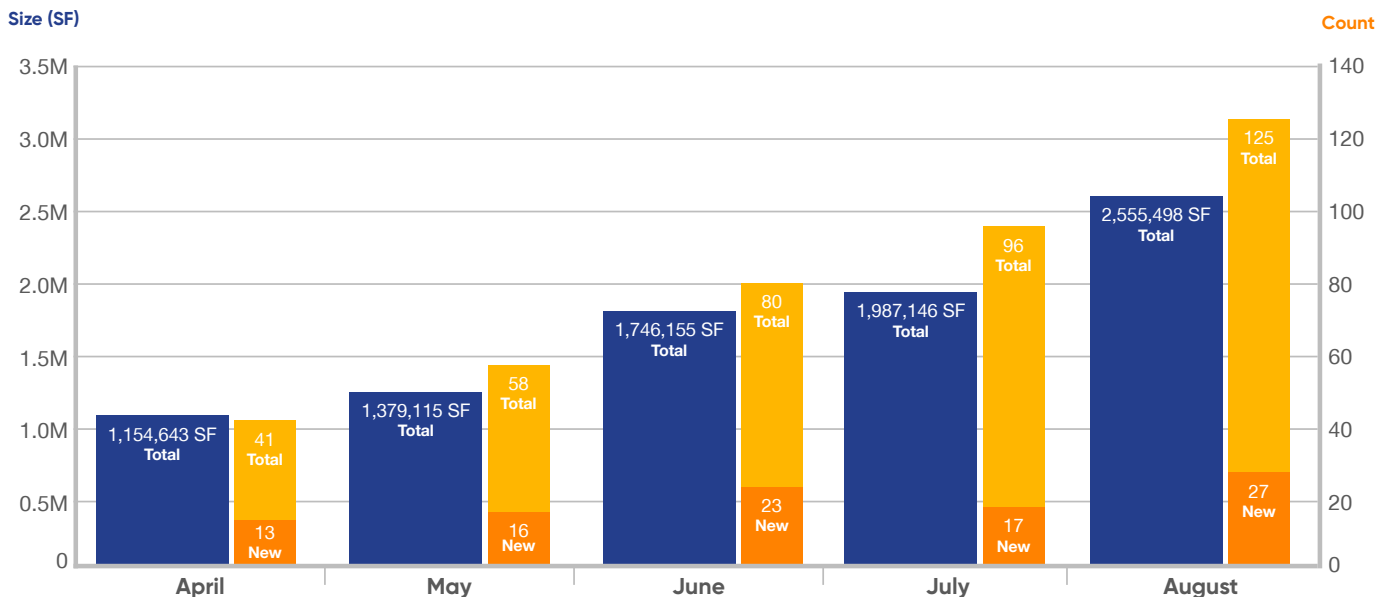


Boston Sublease Market Observations

September 2020

Now into its seventh month, the global health crisis and its effects on the Boston office market continue to take shape. Widespread workforce reductions, curtailed hiring plans, and business closures have caused sublease inventory to increase by 150% since March, now totaling over 2.5 million square feet. Demand remains stagnant, with approximately 60% of pre-COVID office space demand now on hold or canceled. Of the limited number of lease transactions, a majority are focused on renewals and short term leases, and largely tied to existing lease expirations. However, with direct vacancy still in the high single digits, average asking rents have yet to be impacted in a meaningful way. We expect this influx of new sublease inventory to take 4-6 quarters to have a significant impact on direct asking rents, a dynamic reflected in the dot-com burst of the early 2000's and the financial crisis of 2008. During this time, we expect office occupiers to conduct a broad reevaluation of how and where the workforce will conduct business, and will undoubtedly lead to major structural changes in how tenants utilize office space and in what size footprint.

Sublease Space by Month



New and Notable Subleases as a Result of COVID-19

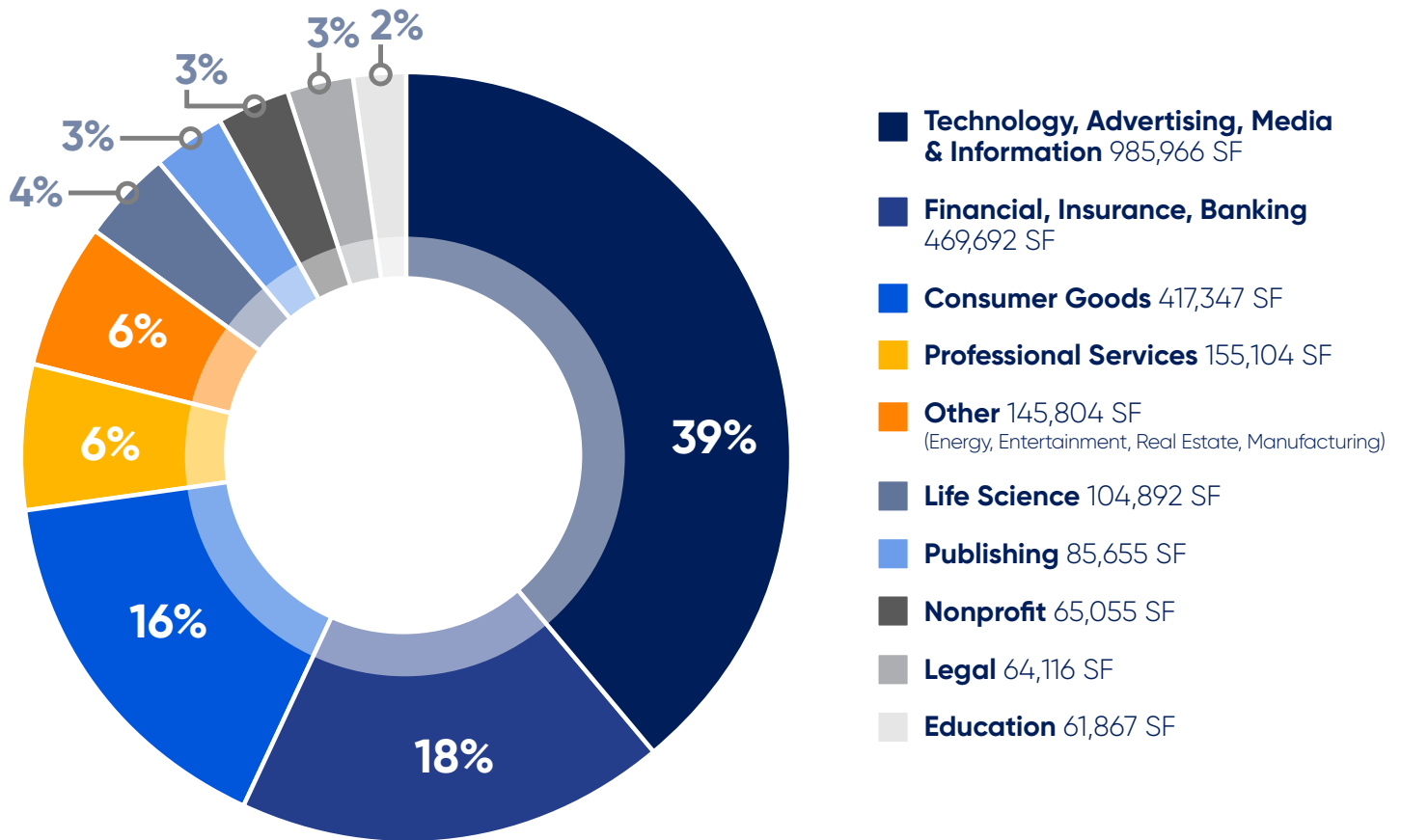
Tenant	Address	Sub-market	Size (SF)
Wayfair*	10 Saint James Street	Back Bay	167,639
Houghton Mifflin*	125 High Street	Financial District	38,682
MullenLowe*	2 Drydock Avenue	Seaport	28,661
EnelX	1 Marina Park Drive	Seaport	27,147
Catalant	25-29 Thomson Place	Seaport	26,961

*Second wave of sublease space to come to market due to COVID-19



In the month of August, **27 new subleases** over 5,000 SF came to the market in Downtown Boston, totaling almost **533,000 SF**.

Sublease Space by Industry



Prominent Tech Subleases



167,639 SF

10 Saint James Street
Back Bay

89,252 SF

401 Park Drive
Fenway

54,627 SF

226 Causeway Street
North Station

46,794 SF

111 Huntington Avenue
Back Bay

38,802 SF

222 Berkeley Street
Back Bay

25,445 SF

99 High Street
Financial District

24,930 SF

225 Franklin Street
Financial District

22,217 SF

1 Winthrop Square
Financial District