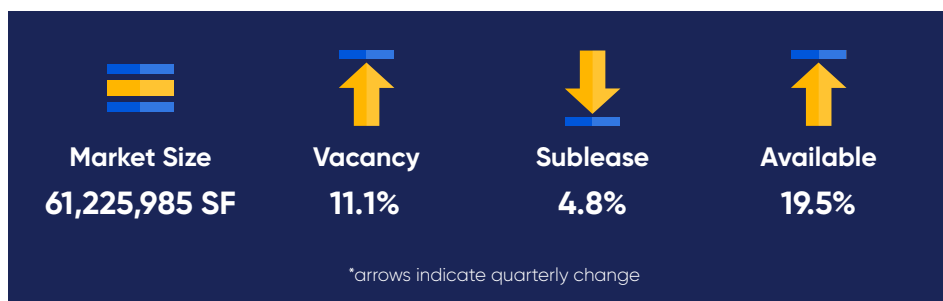


Market Report

Boston CBD

Continued vaccine roll-out across Massachusetts and the nation will be the catalyst to employees returning to the workplace in 2021. **With over 3 million square feet of available sublease space in the downtown Boston market, organizations have the opportunity to secure space with attractive flexible term options which will allow them to test out new policies and hybrid work models without long-term lease commitments.** As subleases absorb some of the returning demand, expect landlords across Boston to continue to put forth competitive deals and for asking rents to drop in order to be competitive within the market.



Rental and Vacancy Rates

▶ Asking Rent (\$/SF)

Class A	Class B
\$71.37	\$54.41
\$74.62	\$53.37
\$77.99	\$62.43
N/A	\$50.16
\$72.70	\$57.27

▶ Vacancy Rate

Financial District	11.4%
Back Bay	5.0%
Seaport/South Station	17.2%
North Station	12.2%
Total	11.1%

Recent Transactions

Tenant	Size (SF)	Submarket	Type	Sector
Whoop	85,000	Fenway	Relocation	Office
CBT Architects	41,910	Charlestown	Sublease/Relocation	Office
Jones Day	35,979	Financial District	Renewal	Office
Drizly	30,665	Back Bay	Sublease/Relocation	Office
Northern Trust	9,393	Financial District	Relocation	Office

Market Trends



Life Science Demand

Building development and space conversions seek to meet high market demand for lab space.

Returning to Downtown

Although office demand has increased through Q1, it still remains well below pre-Covid levels.

Flexible Options

Landlords are willing to entertain short-term, flexible deals in order to compete with the abundant sublease inventory.

Occupier's Perspective

Re-Entry to the Workplace

Many companies are planning for a "formal" return to the office beginning in September.

Flexibility is Key

Subleases will provide low cap-ex, flexible term options for those looking to make a return to the office.

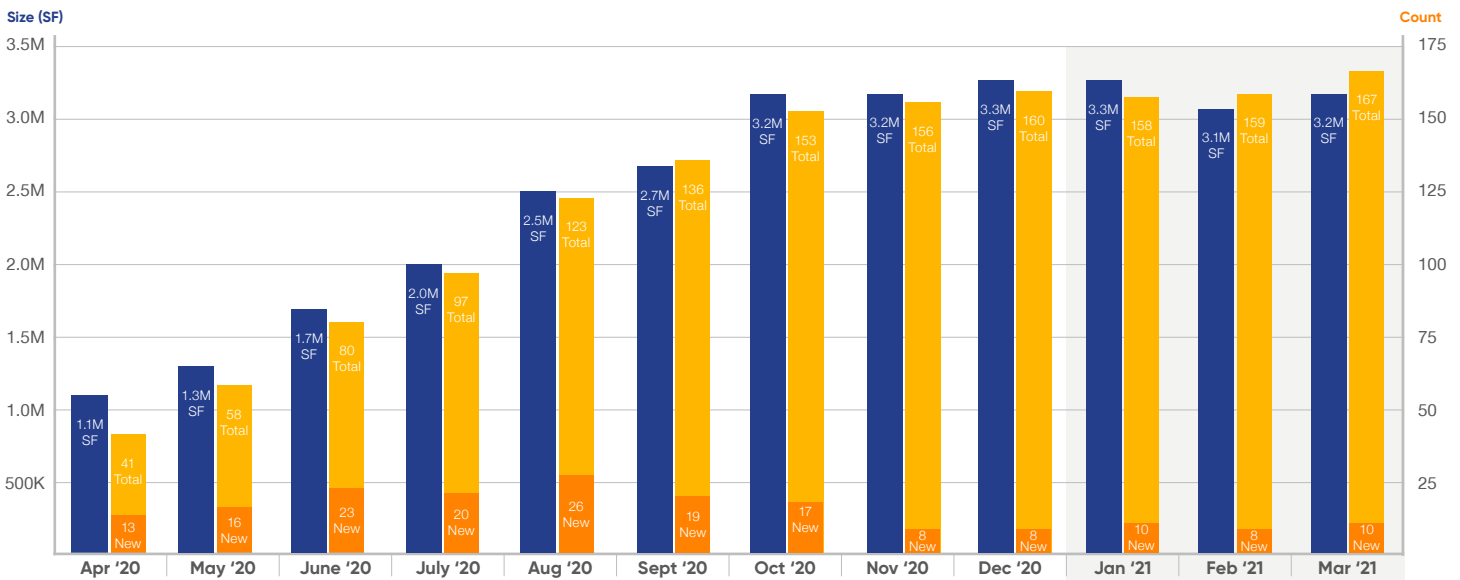
A Tenant's Market

After a decade of low vacancy, tenants will have the upper hand in their negotiations.

Sublease Observations Downtown CBD

The most notable and clear change to the Downtown Boston office market has been the significant increase in sublease inventory since April 2020. **Now, after a full year since COVID-19 closed offices worldwide, the velocity of new sublease inventory becoming available monthly has slowed by over 50%.** However, the total amount of sublease inventory still available remains relatively the same at 3.2 million SF.

Sublease Space by Month



New and Notable Subleases on the Market



101,000 SF
320 Summer Street
Seaport



BROWN BROTHERS HARRIMAN

86,000 SF
110 High Street
Financial District



43,000 SF
2 Avenue de Lafayette
Downtown Crossing



31,000 SF
53 State Street
Financial District



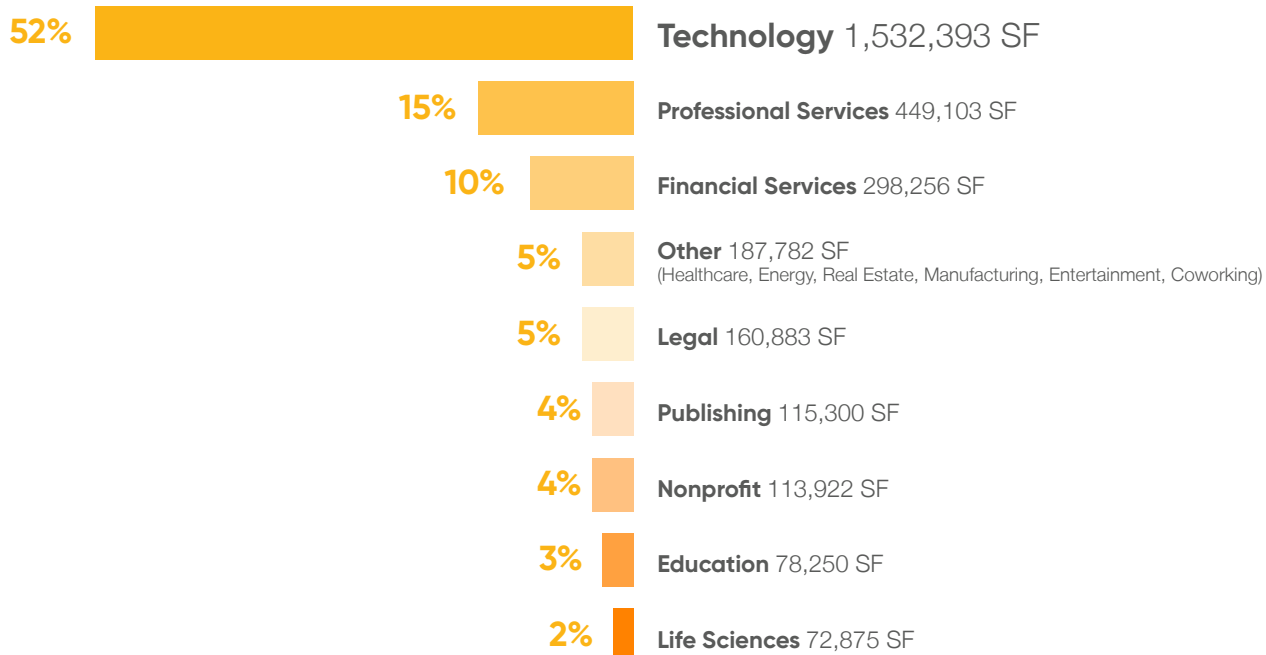
29,000 SF
1 Marina Park Drive
Seaport

Sublease Observations

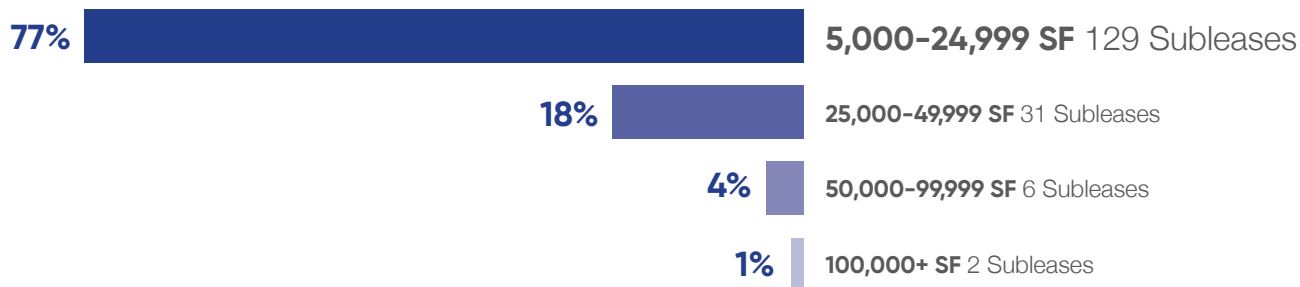
Downtown CBD

The majority of subleases have one or more of following characteristics: being the former space of a technology company, falling within the 5,000-24,999 SF range, and located in the Financial District.

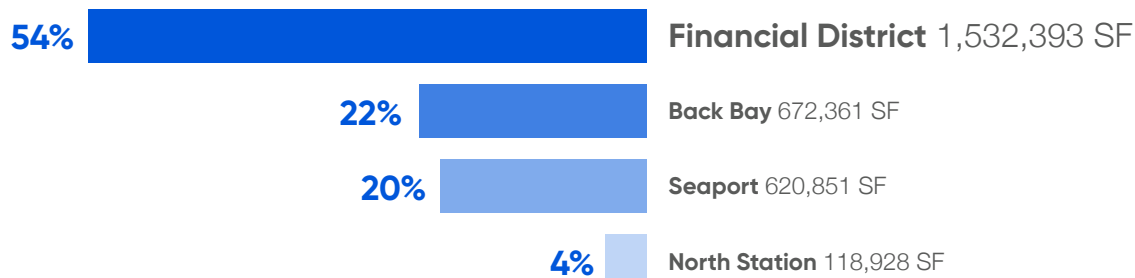
Subleases by Industry



Subleases by Size



Subleases by Submarket



Market Report

Cambridge Office

Despite Covid and its overall impact on office markets around the world, the Cambridge office market has seen minimal change. Relative to the flood of sublease space that came onto the market in downtown Boston, there was far less space brought to the market in Cambridge.

The overall tenant base in East Cambridge is comprised of well-healed large tech and pharma companies who tend to have longer cash runway than a small-mid sized professional services firm in Boston. Where there is office vacancy, the life science market

has an impact as well. The planned office-to-lab conversion of 1 Rogers Street/1 Charles Park immediately removes large blocks of vacancy and creates new demand that will absorb space elsewhere. Other growing biotechs may expand into office space in order to free up capacity in their labs. Demand for office space in Cambridge remains low in general and as a result there has been a discount for sublease space that has sat on the market. Cambridge landlords, however, have held firm on direct rents and that isn't likely to change anytime soon.

Market Trends



Demand Remains Low

The number of companies actively looking for space in Cambridge is significantly down since the pandemic began, due to many office tenants continuing to work remotely.

Office-to-Lab Conversions

With sustained demand for life sciences space, some office space is being converted to lab, which helps absorb some of the vacancy in the market.

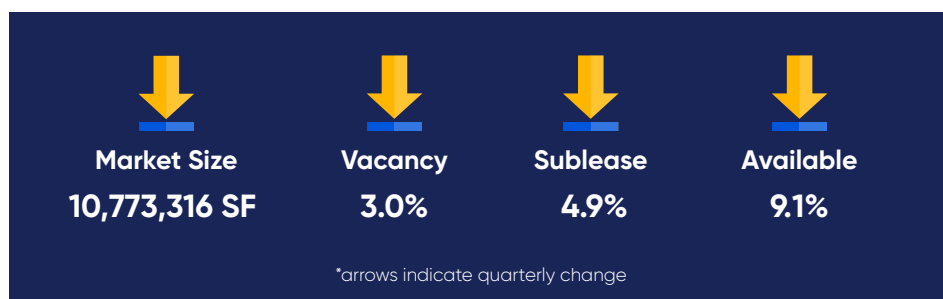
Sublease Space

As organizations reevaluate their space needs, we continue to see space come onto the sublease market and expect that to go on through the remainder of 2021.

Occupier's Perspective

The Changing Workplace

Most companies are rethinking their space needs and how their space will change upon their official return to the workplace, as many organizations have adjusted well to remote working and will maintain some level of remote work as an option for their employees.

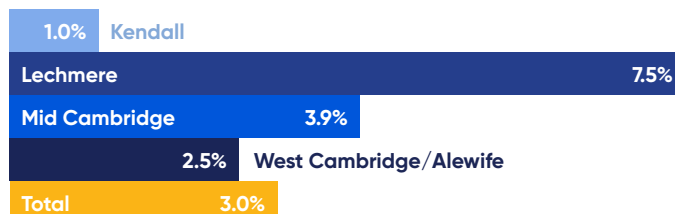


Rental and Vacancy Rates

▶ Asking Rent (\$/SF)

Class A	Class B
\$100.00	\$90.00
\$96.00	\$88.00
\$75.00	\$65.00
\$58.00	\$46.00
\$86.00	\$76.00

▶ Vacancy Rate



Recent Transactions

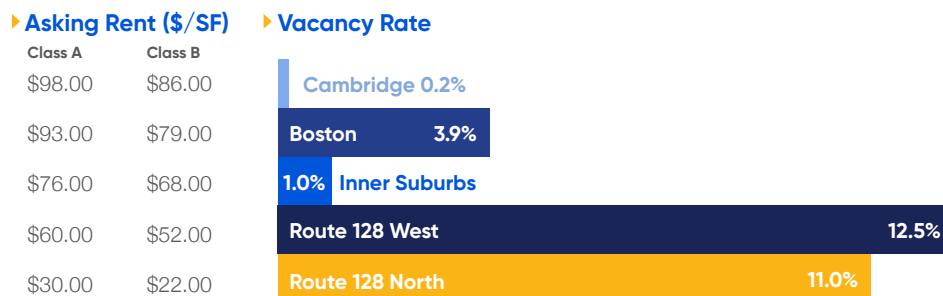
Tenant	Size (SF)	Submarket	Type
Blackstone	50,000	Kendall	Relocation
Repere Therapeutics	12,000	Kendall	Relocation
Devo Technologies	10,000	Kendall	Relocation

Market Report

Life Sciences

The Greater Boston life science market is stronger than ever. Coming off an active second half of 2020, bucking trends in most other office centric markets, Greater Boston has only seen an increase in demand and leasing velocity in 2021. **Space constraints continue to push tenants to consider wider geographies to the benefit and growth of clusters outside of Cambridge.** Major life science landlords such as Alexandria and Biomed have made multiple, large acquisitions – both acquiring assets outside of Cambridge, where until recently they had remained laser focused. In addition, more landlords are getting involved with the development of new sites and conversion of existing buildings, helping to bring sorely needed inventory to the market. There are a number of projects with delivery timing of 2023 and beyond – availabilities in 2021 and 2022, however, are quite limited, which has created a frenzy of activity for tenants with more immediate needs.

Rental and Vacancy Rates



Recent Transactions

Tenant	Size (SF)	City/Town	Type	Sector
Flagship Pioneering	289,000	Somerville	New Facility	Lab
Resilience Therapeutics	115,000	Allston	New Facility	cGMP
Seqirus	94,500	Waltham	Relocation	Lab
Zymergen	60,000	Lexington	Relocation	Lab
Snapdragon Chemistry	46,000	Waltham	New Facility	cGMP
Dyno Therapeutics	45,000	Watertown	Relocation	Lab
Akouos	37,500	Boston	Expansion	Lab
Cedilla Therapeutics	28,000	Cambridge	Relocation	Lab
Olink Proteomics	21,000	Waltham	Relocation	Lab

Market Trends



Expanding Clusters

With availability low in the biotech epicenter of East Cambridge, life science clusters like the Seaport and Watertown continue to grow and attract companies with immediate needs.

New Developments

Lab space has unrelenting demand and limited availability. Several ground-up developments are expected in 2021-2022, with others set for 2023 and beyond.

Office-to-Lab Conversions

Demand for office space is down, but vacant office buildings with the appropriate ceiling heights and infrastructure are prime candidates for conversion to lab space.

Occupier's Perspective

Buyer Beware

With many inexperienced landlords advertising their buildings as accommodating lab users, tenants should ensure any space they consider has the necessary base building upgrades in place.

Power of Now

As tenants quickly take space, a building's power can be a missed detail. There may be enough initially, but that can change as other tenants arrive.

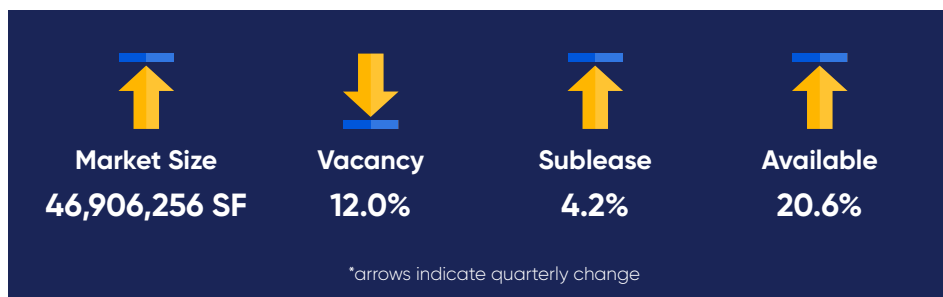
Out of Pocket

Early stage biotechs prefer not to spend their funding building out facilities. Fortunately, more landlords understand this, and true "turnkey" solutions are becoming increasingly common.

Market Report

Suburban Route 128

The office world along Route 128 seems to be waking up from its deep sleep over the last 12 months, as **tenants start to adopt the reality of returning to the office with more and more people getting vaccinated each day.** Life sciences continue to barrel through the market, with requirements of all sizes finding homes in the go-to suburban clusters of Lexington and Waltham, and things slowly working their way south down towards Newton and Needham as well. Sublease inventory remains abundant, but the influx of new sublease product that we consistently saw hit the market month after month throughout 2020 has started to quiet down. Expect direct rents to continue to hold firm and have market activity ratchet up as tenants assess 2022 and 2023 expirations and have direct employee feedback as employees return to the physical workplace.



Rental and Vacancy Rates

▶ Asking Rent (\$/SF)

Class A	Class B
\$26.00	\$20.00
\$37.00	\$28.00
\$41.00	\$34.00
\$38.00	\$29.50

▶ Vacancy Rate

128 Northeast	18.6%
128 North	9.3%
128 West	11.5%
Total	12.0%

Recent Transactions

Tenant	Size (SF)	City/Town	Type	Sector
Ascend Learning	52,558	Burlington	Relocation	Office
Vicarious Surgical	42,000	Waltham	Relocation	Lab
SolarWinds	25,005	Burlington	Relocation	Office
Invexsol	22,881	Lexington	Relocation	Lab
Genewiz	21,235	Waltham	Relocation	Flex/R&D
Qlik	15,794	Waltham	Relocation	Office
Modalis Therapeutics	12,679	Waltham	Relocation	Lab

Market Trends



Direct Rents Hold Steady

Direct asking rents have not fallen and it's likely that the window for softening has closed as we round the corner of the pandemic. Leasing activity continues to slowly tick up with deals being struck, and sublandlords taking their space off the market as they plan for office returns.

Sublease Inventory Tapering Off

It seems inventory has hit a plateau as Route 128 hovers around 2.1M SF of subleases for all of Q1. Sublease spaces continue to come off the market as a result of deals being done and master lease terms expiring or coming close to expiring.

Life Science Domination Continues

Lab users continue to gobble up available space that can accommodate life science groups, with space conversions continuing to enter the pipeline to meet the unrelenting need coming out of Cambridge, organic growth in the sector, and new users to the Greater Boston market.

Occupier's Perspective

Time to Strike

If you're a tenant out in the market looking for significant cost savings, now is the time to strike the sublease market. Sublandlords are getting aggressive on base rents and free rent packages, with some subleases offering close to 50% off direct asking rents for the same building.

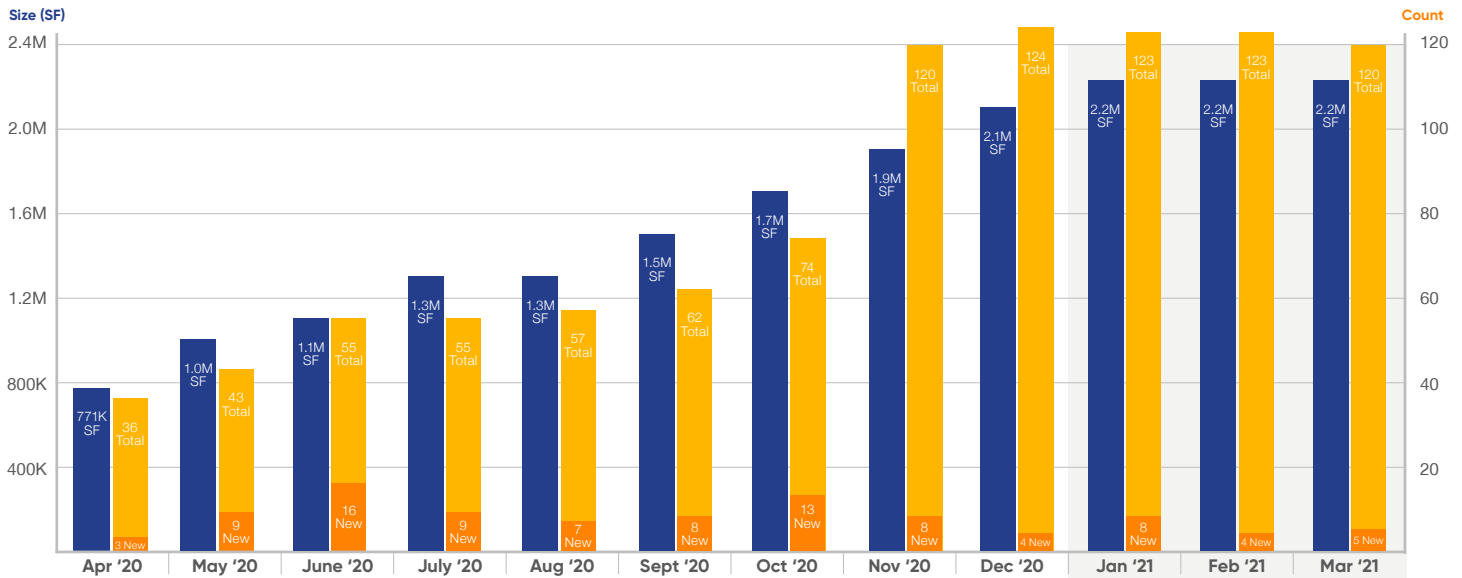
Allocate Extra Time

Furniture and vendor lead times have increased by weeks compared to their pre-pandemic levels. Engage a project manager and/or furniture vendor who can help spearhead bids and orders for soft costs like IT and furniture, so you know your timeline from the start – when in doubt, allocate a few extra months as a buffer.

Sublease Observations

Suburban Route 128

Sublease Space by Month



New and Notable Subleases in Q1 2021

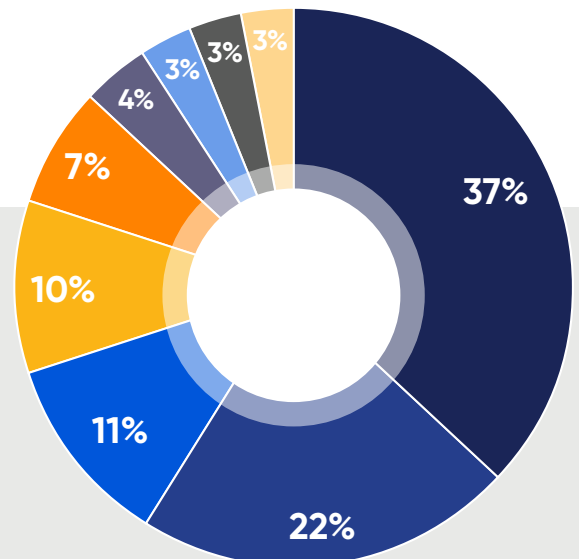
Tenant	Address	City/Town	Size (SF)
RSA	174 Middlesex Turnpike	Bedford	188,220
Perkin Elmer	940 Winter Street	Waltham	115,038
Fresenius Medical	950 Winter Street	Waltham	85,857
Gulf Oil	80 William Street	Wellesley	47,882
Vistaprint	275 Wyman Street	Waltham	30,642
Fresenius Medical	40 Hartwell Avenue	Lexington	30,000
Monster.com	133 Boston Post Road	Weston	29,020
ArQule	1 Wall Street	Burlington	21,323



Waltham leads Route 128 in sublease inventory with 40 available subleases currently on the market, totaling over 900,000 SF.

Subleases By Industry

Technology 810,335 SF	Manufacturing 95,953 SF
Professional Services 488,592 SF	Consumer Goods 74,276 SF
Life Sciences 245,576 SF	Other 58,924 SF (Real Estate, Nonprofit, Legal)
Healthcare/Medical Device 221,976 SF	Energy 57,040 SF
Financial Services 162,624 SF	



Market Report

Suburban Route 495

Much like the activity in the final quarter of 2020, the Route 495 market continues to observe a tightening industrial and flex market, with a backdrop of a somewhat inert office market.

Highlighted by the sale of a nine-building industrial portfolio by Novaya/AIG for \$151M, the **sales of industrial and flex building product continue to attract big name, institutional investors** who are historic holders of Class A office product in trophy markets. By all reports, competition is immense for these sales processes, and we have begun to monitor more creative acquisitions. For example, the proposed clear height increase by RAM at 3 and 8 Federal Street, Billerica, and a soon-to-be repositioning of 199 and 201 Riverneck Road in Chelmsford by the Davis Companies.

Bolstered by strong vaccination news, **the office market has slowly, but surely, begun to poke its head out of a battered hibernation.** While activity and transaction volume are no where near where it was just twelve months ago, we have seen a few more significant transactions, including Tracelink's relocation from North Reading to Wilmington as well as Renesas Technologies new lease at the Crosspoint Towers.

Rental and Vacancy Rates

Office

▶ Asking Rent (\$/SF)

Class A	Class B
\$18.36	\$23.15
\$15.75	\$18.29
\$18.05	\$20.98

▶ Vacancy Rate

495 North	24.8%
495 Central	17.2%
495 Metrowest	28.7%

Flex

▶ Asking Rent (\$/SF)

\$12.16 NNN
\$10.39 NNN
\$10.92 NNN

▶ Vacancy Rate

495 North	5.9%
2.1%	495 Central
495 Metrowest	17.9%

Recent Transactions

Tenant	Size (SF)	City/Town	Type	Sector
Tracelink	69,000	Wilmington	Relocation	Office
Canvys	40,000	Marlborough	Renewal	Industrial
Screenprint/Dow	30,000	Wilmington	Renewal	Flex
Renesas Electronics	17,876	Lowell	New Lease	Office
Imagestream Medical	15,387	Littleton	Downsize/Renewal	Office/Flex
Merrill Lynch	8,868	Westborough	Renewal	Office

Market Trends



Flex Market Continues to Flourish

Given the oversupply of commodity office product in the North market, landlords are again turning to the concept of increasing clear heights in buildings to capture R&D and GMP requirements.

Capital Fight

Investors and developers continue to face fierce competition on the sale processes of flex and industrial assets.

Office Market Remains Flat

Demand for office remains inert, less a few significant requirements for larger users.

Occupier's Perspective

Lag, Lag, Lag

We have yet to observe any significant discount in public asking rents specific to office properties, but expect this to come after the market sees more activity.

In Flex? Have an Open Mind

Consider broadening the scope, both in geography and timeline, when planning your real estate process as the market continues to favor landlords.

Connect with Your Employees

Over a year into the pandemic, more concrete rhetoric surrounding a new work-style and workplace is beginning to emerge. Ensure consistent "pulse checks" regarding the preparation and implementation of a new work model post-COVID.