



# nerej

## **DTZ FHO Partners releases year end 2007 market statistics**

January 09, 2008 - Front Section

DTZ FHO Partners has released its Year End 2007 Market Statistics. These statistics are compiled by our research department and provide a comprehensive market-by-market analysis of Greater Boston's commercial real estate market on the office, laboratory and R&D markets, how they have performed year-to-date and what you can expect in 2008.

Greater Boston's commercial real estate market continues to recover at a measured pace; declining vacancy, new construction, and increasing rental rates all indicate the overall stability of the market. Below are some notable facts about the Boston, Cambridge and Suburban markets.

### **Boston**

\*Downtown Boston continues to see the availability rate decrease, even with less than average levels of net absorption. A total of 475,700 s/f of absorption was observed in 2007, nearly 35% less than in 2006 (there was 723,378 s/f of net absorption at YE 2006).

\*Since the beginning of 2007, availability has declined from 13.3% to the current rate of 12.3%. The amount of vacant space available for immediate lease is 6.3%.

\*Asking rents continued to climb throughout 2007 with direct weighted average asking rents in Boston at \$55.01 YE 2007, up nearly \$20 since the end of 2006.

### **Cambridge**

^

\*The office market in Cambridge was sluggish with activity in the second half of 2007, and that is reflected in the relatively paltry total of 69,208 s/f of net absorption for the year.

\*Average rents in the Cambridge office market increased significantly to \$40.24 per s/f, up from \$31.69 per s/f at the end of 2006.

\*The lab market in Cambridge fared better with 224,136 s/f of net absorption in 2007 and average asking rents that increased from \$44.20 per s/f at the end of 2006 to \$56.97 per s/f at the end of 2007.

### **Suburbs**

\*There was more net absorption in the Suburban Office/R&D markets this year than last; net absorption in 2006 was 2.31 million s/f and 2.6 million s/f in 2007.

\*The overall amount of available space in the suburbs is at a 5 year low, with the availability rate under 20% for the first time in five years.

\*128 Central led the submarkets with 1.49 million s/f of net absorption. In the 128 Central

submarket, Bedford saw the most net absorption with 522,388 s/f and with Burlington, Lexington and Waltham combining for much of the remainder.

\*Despite the initial feeling that asking rental rates would moderate, rents in 128 Central steadily climbed throughout 2007. Alternatively, while 128 North saw availability decline and more net absorption this year than last year, asking rents have decreased.

Barbara Elia is a partner at DTZ FHO Partners in Boston, Mass.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540