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Colliers International releases Second Quarter 2011 Greater Boston Market Viewpoint

September 22, 2011 - Front Section

Colliers International issued its Second Quarter 2011 Greater Boston Market Viewpoint with statistics and commentary on the area's office and R&D markets. Overall, the vacancy rate was flat during the quarter, reflecting the stalled economic recovery.

* The vacancy rate dropped slightly during the quarter to 16.3%. The gap between availability in the Back Bay and Financial District persists, as the two submarkets report vacancy rates of 8% and 19.6%, respectively.

* Cambridge had an especially newsworthy quarter, with the construction completion of a new headquarter facility for Forrester Research, Biogen's decision to relocate from Weston and commit to two locations in Kendall Sq., and Vertex making its departure from Cambridge official with the signing of two leases at Fan Pier. Cambridge is poised to break ground on at least five, and as many as seven lab or office buildings over the next year, with the potential to add up to 2 million s/f to the market by 2015.

* Fundamentals in the suburban office and R&D markets are improved compared to a year ago, but results are mixed across submarkets and overall positive first quarter results were negated somewhat in the Q2.

Improved liquidity in the debt markets is fueling an increase in the level of investment sale activity. Sales volume increased over the first half of the year from all buyer-sectors, and 2011 should easily outpace 2010. Please refer to the Capital Markets sections of the report for further commentary on the commercial real estate debt and equity markets.

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