



nerej

Transwestern | RBJ's officeSTATus Winter 2014 publication released: Boston office market vacancy rate drops to 13.4%

January 09, 2014 - Front Section

Greater Boston's commercial real estate office market is closing the year with a very strong fourth quarter, with overall vacancy dropping to 13.4%, the lowest level in five years. The findings are part of "officeSTATus - Winter 2014," a new research publication from Transwestern | RBJ.

The drop in vacancy, from last quarter's 13.8%, was driven by tenants absorbing more than 800,000 s/f of office space. Boston's Central Business District saw vacancy tumble below 10% to 9.6%, with an even lower 5.3% rate in the peripheral Central Boston areas (not including Financial District, Back Bay and Seaport District).

In Cambridge, vacancy dropped to its lowest level in more than ten years, a scant 5.7% (down from 8.3% last quarter and the lowest level since the first quarter of 2001). The region's suburban markets also were very active. Class A asking lease rates are now up by double-digits in Burlington, Newton, Waltham and Wellesley, as compared to this time last year, due to constraints in class A space.

"The positive quarter in the office market occurred in conjunction with a period of robust stock market activity and optimism for the tech-oriented Greater Boston economy and employment markets," said Brendan Carroll, senior vice president, Transwestern | RBJ. "The only downside of the strong results is that certain geographies have very tight space constraints, with a commensurate impact on tenant choice."

This quarter's "Market Interesting" section asks what has become of tenant choice, with vacancy down in so many submarkets. The section distills the number of contiguous availabilities for tenants in each submarket, by size of space, and includes a comparison with figures two quarters and two years ago.

About officeSTATus: Crisp graphics, informative charts and bulleted information throughout "officeSTATus" keep the focus on the quarter's most important findings. Highlights of the quarter are presented on the report's front page. The "Economy & Real Estate" section places the quarterly results within a broader context of the overall economy, while also discussing a range of related economic indicators and results. Each of Greater Boston's submarkets - Boston CBD, Cambridge, Rte. 128 and I-495 - has a page dedicated to results in that area and include an interesting fact about the region. The pertinent market statistics (vacancy, market size, absorption and availability, with historical data) comprise a chart on the final page.

To request a copy of "officeSTATus - Winter 2014," please send an email to Brendan Carroll at brendan.carroll@transwestern.net.

In addition to officeSTATus, Transwestern | RBJ publishes nine other quarterly research reports: "indSTATus," which focuses on industrial property types (manufacturing, warehouse and flex) and individual "marketSTATus" reports on eight crucial sub-markets. The firm's biotechnology-focused

report, "bioSTATus," is released twice a year. In total, the firm produces an industry-leading 42 reports per year, in addition to custom research projects for clients.

Transwestern is a privately held real estate firm specializing in agency leasing, property and facilities management, tenant advisory, capital markets, development, research and sustainability. The fully integrated global enterprise leverages competencies in office, industrial, retail, multifamily and healthcare properties to add value for investors, owners and occupiers of real estate. Transwestern facilitates better decision-making for clients by combining penetrating local market intelligence and macro-market research through its affiliate, Delta Associates.

Transwestern has 34 U.S. offices and assists clients through more than 181 offices in 40 countries as part of a strategic alliance with Paris-based BNP Paribas Real Estate.

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