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Transwestern | RBJ releases "officeSTATus - Spring 2014" publication

April 17, 2014 - Front Section

Greater Boston's commercial real estate office market closed a strong first quarter 2014 with 542,000 s/f of positive absorption. The vacancy rate rose slightly - to 13.8% from 13.4% in fourth quarter 2013 - with the delivery of 742,000 s/f of new office space, according to the "officeSTATus - Spring 2014," report from Transwestern | RBJ.

"The growing market dynamics that began to take shape in 2010 continue to remain well in place as we go into 2014," said Brendan Carroll, senior vice president at Transwestern | RBJ. "Projects kicking off this past quarter, including the build-to-suits for Goodwin Procter in the Seaport District and New Balance in Allston, suggest continued momentum in coming years."

First quarter 2014 marked Greater Boston's fourth consecutive quarter of positive absorption. The market also posted its highest four-quarter positive absorption total since 2007, with 3.6 million s/f absorbed from second quarter 2013 through first quarter 2014. The city hit a milestone during the first quarter with occupancy reaching its highest level ever at 64.2 million s/f, surpassing even the "tech boom" total of 58.5 million s/f.

In the suburbs, tenants absorbed 130,000 square feet of space along Route 128 and more than 300,000 in the Interstate 495 submarkets. Waltham's Class A vacancy has plummeted to 12.5 percent from 17.7 percent over the past four quarters.

In other officeSTATus analysis, the "Hub of the Universe" is quickly becoming a hub of international travel. Boston has experienced a dramatic increase in international air routes that could create access to an entirely new segment of business partners and investors.

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