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Transwestern | RBJ's "officeSTATus - Winter 2014" reports Greater Boston office market posts 12.8% vacancy, lowest since 2001

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The vacancy rate in Greater Boston's office market dropped to 12.8% - its lowest level since 2001 - during fourth quarter 2014, according to Transwestern | RBJ's "officeSTATus - Winter 2014" report, a quarterly publication on the Greater Boston commercial real estate office market.

Tenants in the region absorbed 1.2 million s/f of office space during the period, extending the region's positive absorption streak to seven quarters. Boston absorbed a total of 3.6 million s/f for the year, the best annual total since 2006. The region has 3 million s/f of office space currently under development.

"By any measure, 2014 was a very strong year for the Greater Boston office market," said Transwestern's Chase Bourdelaise, research director for the Northeast. "The vacancy and absorption rates, along with the development figures, place the region squarely as one of the country's hottest real estate markets."

In Boston's Central Business District, vacancy dropped to 9.4%. The Seaport District remains the city's strongest area, with 984,000 s/f absorbed during the past 12 months, marking the 10th straight quarter of positive absorption.

Along Rte. 128, absorption has been positive for 18 of the past 19 quarters and notable development projects continue in Needham and Waltham. In Cambridge, despite vacancy rising slightly by .2 percentage points to 6.8%, asking lease rates increased to \$59.64 per s/f. East Cambridge asking lease rates rose for the fifth straight quarter to \$66.63, the submarket's highest point on record.

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