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Colliers Meredith & Grew's 3Q 2008 market snapshot

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Colliers Meredith & Grew's Third Quarter 2008 Market Snapshot details occupancy and absorption statistics for the Boston, Cambridge and Suburban Boston office/R&D markets.

The greater Boston vacancy rate increased for the first time since June 2003 - to 14.8% - after stalling at 14.3% for the past three quarters. While the fragile economy is causing uncertainty in the leasing, sales and capital markets, the rise in the vacancy rate is largely due to the addition of nearly 2 million s/f of new supply since the beginning of 2008.

The third quarter snapshot is unremarkable in most respects, with moderate positive absorption in Boston negated by a contraction in Cambridge and Suburban occupancy, resulting in negative net absorption of 160,000 s/f. Year-to-date absorption remains positive, at 864,000 s/f, but is down significantly from the 4.8 million s/f recorded through September 2007. Although businesses are hesitating before executing transactions and tenant demand in certain submarkets is somewhat subdued, there has been only a slight increase in sublease activity.

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