

BOSTON OFFICE MARKET

Yardi® Matrix

Market Analysis

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Contacts

Jeff Adler

*Vice President & General
Manager of Yardi Matrix*
Jeff.Adler@Yardi.com
(800) 866-1124 x2403

Jack Kern

*Director of Research and
Publications*
Jack.Kern@Yardi.com
(800) 866-1124 x2444

Chris Nebenzahl

Senior Analyst
Chris.Nebenzahl@Yardi.com
(800) 866-1124 x2200

Veronica Grecu

Senior Real Estate Market Analyst
Veronica.Grecu@Yardi.com
(306) 955-1855 x7583

Author**Corina Stef**

Associate Editor
Corina.Stef@Yardi.com

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expense and lease expiration
data is available to Yardi Matrix
subscribers. Please contact us
for details!

For more information please contact:

Ron Brock, Jr.

Industry Principal, Matrix
JR.Brock@Yardi.com
(480) 663-1149 x2404

Innovation Drives Corporate Expansions



Boston's strong market dynamics, educated workforce and deep talent pool are the main contributing factors driving growth—amid the metro's thriving tech and life sciences scene and expanding coworking segment. The Massachusetts Institute of Technology continues to outline Boston's innovation identity with findings in robotics, AI and engineering, while venture funds and government-backed programs fuel the ongoing progress. The metro added 6,500 office-using jobs in the 12 months ending in March, with most gains coming from the professional and business services sector (5,700 jobs, up 1.0% year-over-year). Office-using employment growth was supported by expanding Am Law 200 firms such as Deloitte and Ernst & Young.

Boston is a technology and health-care hub, attracting major economic powerhouses and blue-chip companies. Apple, Siemens Healthineers and Wayfair are expanding their employee base, leasing up all the large office availabilities in the metro. Philips Healthcare and Sanofi have chosen to plant their flags in Cambridge, the East Coast's biotech epicenter. Google leased the entire office component of the upcoming 325 Main St. in Kendall Square, while Takeda Pharmaceutical Co. is relocating its operations from Chicago. The metro's overall vacancy rate was 9.7% at the end of April.

Despite the 7.8 million-square-foot development pipeline, demand far outpaces supply and most projects under construction are pre-leased.