

# BOSTON OFFICE MARKET

Yardi® Matrix

## Market Analysis

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## Momentum Builds in Beantown



Boston's diverse economy is in a period of solid growth. The metro plays a dual role as an **innovative center** at the intersection of technology and health care, which has helped place it second to Silicon Valley in venture capital investments. Health-care research is supported by funding from private equity and the National Institutes for Health.

Boston has outproduced the nation in recent years in creating office-using jobs, a testament to its ability to develop highly skilled workers. Roughly **31,000 office-using jobs** were added in the 12 months ending in February. Gains were led by professional and business services (15,000 jobs), rooted in education, technology and sciences. Education and health services (8,300 jobs) was second in job production.

Powerhouses such as Dutch health-care technology conglomerate Philips NV are flocking to the city to gain access to skilled workers and highly amenitized locations with transit access. Philips is bringing 2,000 jobs to Cambridge, which was only 1.2% vacant as of April. The metro's already low **10.5% vacancy** is set to decrease further, as demand continues to outpace supply. For example, Amazon and Facebook have leased massive blocks of space or are moving into built-to-suit projects, while coworking giant WeWork is expanding its local footprint.

Development is growing to meet the demand for space. Nearly **3.7 million square feet** was under construction as of April.