

# BOSTON OFFICE MARKET

Yardi® Matrix

## Market Analysis

Second Quarter 2019

### 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

Aggregated and anonymized  
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.