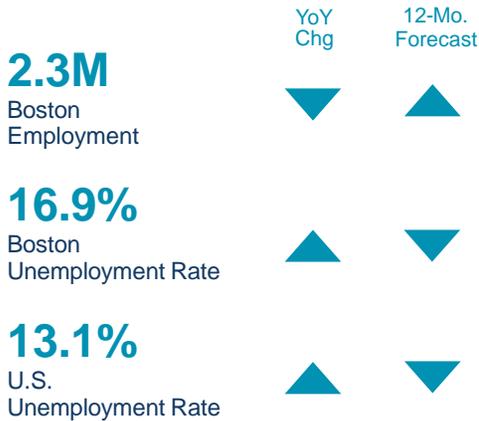




### ECONOMIC INDICATORS Q2 2020



Source: BLS

### PANDEMIC TRIGGERS ONLINE MARKETPLACE-LED WAREHOUSE BOOM

Online marketplaces and affiliated logistics operators drove an unprecedented surge in demand for distribution space, where tenants leased more than 1.5 million square feet in the second quarter of 2020, despite slight negative statistical absorption of 84,000 square feet. Attempting to maintain existing customer bases through the COVID-19 pandemic and gain new followers in demographics with disturbed access to goods through their traditional channels, these marketplaces have been heavy consumers of a variety of product qualities in the best locations.

The COVID-19 pandemic struck the U.S. in March 2020, late in the quarter but with enough time to have a significant impact on first quarter market fundamentals. In the second quarter of 2020, the U.S. economy felt its effects more fully, as government-mandated shutdowns along with shelter-in-place ordinances pushed the country deeper into recession. The situation remains very fluid. Access the most recent information specific to COVID [here](#).

### RENTS INCREASINGLY DRIVEN BY PINPOINT LOCATION

With relatively price indiscriminate online marketplace industry operators leading market demand, Greater Boston has experienced continued steady lease rate growth, despite significantly atypical asset tour and lease negotiation circumstances. Average asking rents of \$8.81 per square foot reflect strong demand for both facilities suited for manufacturing and for the distribution of products.

### BIOMANUFACTURING NEXT ACT?

The best geographic sites face competing uses, some of which may become more compelling as some people seek less dense environments in their personal and work lives. As the United States seeks to become more self-sufficient for critical drug compounds, Greater Boston may emerge as a strategic location for the production of compounds discovered through local drug discovery efforts. The prominence of this potential may be rising rapidly as Moderna Therapeutics and Pfizer ready to produce COVID-19 vaccines at facilities in Andover and Norwood, respectively, by end of year.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & ASKING RENT



## MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	CONSTR COMPLETIONS (SF)	OVERALL WEIGHTED AVG RENT (HT)	OVERALL WEIGHTED AVG RENT (MF)	OVERALL WEIGHTED AVG RENT (WD)
Boston	4,193,160	246,660	5.9%	-19,512	-1,050	0	0	N/A	\$13.08	\$11.46
Boston West	5,566,948	100,588	1.8%	0	0	0	0	\$12.25	N/A	N/A
Boston North	5,053,073	74,373	1.5%	830,000	815,294	0	0	\$24.38	\$14.04	\$15.00
Boston South	8,053,975	503,996	6.3%	-50,711	-60,578	0	0	\$29.98	\$34.58	\$5.55
Outer Worcester	0	0	0.0%	0	0	0	0	N/A	N/A	N/A
495 North	30,922,649	2,220,189	7.2%	-580,346	-238,277	0	0	\$9.76	\$5.46	\$6.33
128 North	16,234,373	357,076	2.2%	-41,820	-70,051	300,000	0	\$10.65	\$11.24	\$8.47
495 West	24,693,270	927,839	3.8%	8,124	11,070	0	375,000	\$8.21	\$7.02	\$10.06
Metrowest	4,019,540	176,213	4.4%	0	0	0	0	\$10.38	\$12.58	\$8.52
Worcester	12,091,401	890,701	7.4%	0	-212,976	0	0	\$9.48	\$7.40	\$6.42
Route 128 West	4,180,017	170,617	4.1%	-30,000	-45,199	0	0	\$17.47	\$8.75	N/A
Route 128 South	21,675,909	1,185,148	5.5%	-30,583	303,901	0	800,000	\$14.12	\$7.83	\$9.37
495 South	35,016,254	1,894,808	5.4%	-171,789	-143,572	1,088,600	42,650	\$9.22	\$5.85	\$6.80
Route 3 South	4,874,290	199,924	4.1%	2,962	6,650	0	0	\$8.55	\$16.46	\$8.14
Fall River/New Bedford	0	0	0.0%	0	0	0	0	N/A	N/A	N/A
128 South	207,453	0	0.0%	0	0	0	0	N/A	N/A	N/A
<b>BOSTON TOTALS</b>	<b>176,782,312</b>	<b>8,948,132</b>	<b>5.1%</b>	<b>-83,675</b>	<b>365,212</b>	<b>1,388,600</b>	<b>1,217,650</b>	<b>\$12.07</b>	<b>\$8.41</b>	<b>\$7.26</b>

\*Rental rates reflect weighted net asking \$psf/year

HT = High-Tech MF = Manufacturing W/D = Warehouse/Distribution

## KEY LEASE TRANSACTIONS Q2 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
100 Financial Park	495 South	Imperial Dade	300,000	New
140 Depot Street	495 West	Best Buy	238,370	New
85 Gilmore Drive	Worcester	Primetals Technologies	183,000	New
530 John Hancock Road	495 South	Exel Logistics	181,980	New
36 Saratoga Blvd	Worcester	NE Sheets	162,000	Renewal
32 Forge Park	495 South	Sleepy's	142,120	New
300 Dan Road	128 South	Amazon	132,560	New
30 Commerce Blvd	495 South	Amazon	132,238	New

\*Renewals not included in leasing statistics

## Brendan Carroll/USA

Director, Business Intelligence

Tel: +1 617 279 4565

[Brendan.Carroll1@cushwake.com](mailto:Brendan.Carroll1@cushwake.com)

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