

YoY
Chg

12-Mo.
Forecast

4.4%

Vacancy Rate

**920K**

Net Absorption, SF

**\$9.02**

Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS Q4 2020

YoY
Chg

12-Mo.
Forecast

2.5M

Boston Employment

**5.9%**Boston
Unemployment Rate**6.7%**U.S.
Unemployment Rate

Source: BLS, Moody's Analytics
2020Q4 data are based on the latest available data

CONTINUED LEASING VELOCITY BACKS LANDLORD RENT LEVERAGE

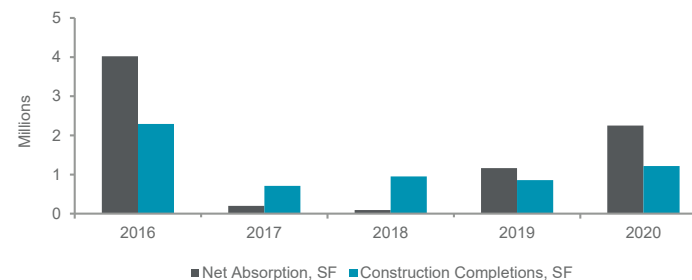
Vacancy dropped to 4.4% from 4.7% as space users absorbed 920,000 square feet (sf) of industrial real estate in Greater Boston in the fourth quarter of 2020. Asking lease rates, having been volatile overall throughout 2020, rose \$0.27 per square foot (psf) to reach \$9.02 psf, buoyed on by pricing strength for warehouse product, where asking lease rates now average \$7.50 psf and where pricing eclipses \$20 psf for spaces near the regional core. With online marketplaces an early driver of the best located most state-of-the-art warehouse facilities, other logistics providers, including traditional retailers, have increasingly driven demand for prime distribution space, such as the case with Home Depot's 700,000 sf lease for a build-to-suit facility in Tewksbury.

Outside of the fervent demand for high quality warehouse space, high value manufacturing and a newly emerging set of cGMP biopharmaceuticals manufacturing users are increasingly creating demand for high tech & manufacturing-focused industrial spaces. As the region has long been the base of many precision manufacturing operations, the region's world-leading biopharmaceutical roster of organizations is increasingly prioritizing the control of the manufacturing of their products, a function which has been heavily outsourced and offshored in the industry. A new inventory of space optimized for biopharmaceuticals production is likely to emerge through a combination of ground-up development and substantial redevelopment of a select group of underutilized manufacturing facilities.

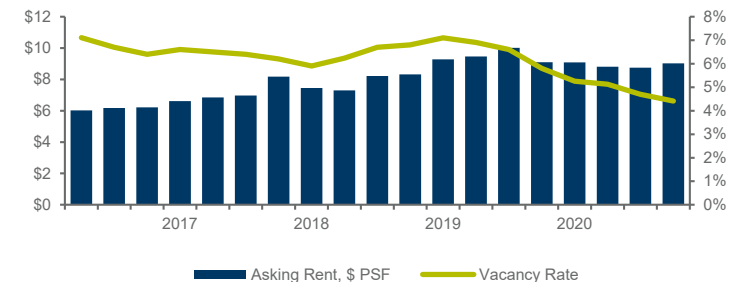
VELOCITY AND REPLACEMENT-COST ECONOMICS YIELD NEW CONSTRUCTION

As demand for multiple types of industrial product type continues and lease rates remain at levels that support new construction, developers have responded with 1.2 million square feet (msf) of new product completions in 2020 and a further 3.0 msf of space under construction, mostly set for 2021 delivery and with 30% available to prospective tenants. The new inventory is entirely outside of a 20-mile proximity ring from Boston City Hall where land values are impacted by multiple competing potential uses, though close to highway infrastructure that can facilitate regional logistical fulfillment.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKETBEAT BOSTON, MA

Industrial Q4 2020



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 (W/D)
Boston	4,193,160	306,151	7.30%	-11,717	-52,466	0	0	N/A	\$13.32	\$17.91
Boston West	5,566,948	126,752	2.28%	1,450	-25,875	0	0	\$15.28	\$16.00	N/A
Boston North	5,053,073	139,095	2.75%	0	750,572	0	0	N/A	N/A	\$4.95
Boston South	8,053,975	449,684	5.58%	-60,347	-4,748	0	0	\$29.98	\$34.49	\$6.37
495 North	31,049,032	2,189,246	7.05%	-254,279	-111,726	450,000	0	\$9.54	\$4.67	\$7.59
128 North	16,234,373	268,074	1.65%	58,442	24,344	300,000	0	\$12.51	\$11.56	\$9.88
495 West	24,693,270	671,769	2.72%	295,512	500,233	0	375,000	\$7.80	\$6.95	\$10.30
Metrowest	4,019,540	206,320	5.13%	16,538	-37,607	0	0	\$9.64	\$12.52	N/A
Worcester	12,091,401	677,512	5.60%	163,189	213	0	0	\$9.48	\$6.82	\$6.46
Route 128 West	4,134,135	202,869	4.91%	0	-31,086	0	0	\$17.38	\$8.75	N/A
Route 128 South	21,675,909	1,250,538	5.77%	769,200	1,002,961	40,000	800,000	\$13.91	\$8.99	\$10.01
495 South	35,045,129	999,322	2.85%	43,885	313,126	2,206,600	42,650	\$8.56	\$6.82	\$4.56
Route 3 South	4,910,290	314,722	6.41%	-102,314	-75,473	0	0	\$11.60	\$16.46	\$9.15
BOSTON TOTALS	176,720,235	7,802,054	4.41%	919,559	2,252,468	2,996,600	1,217,650	\$12.33	\$8.95	\$7.50

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

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

KEY LEASE TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
495 Woburn St, Tewksbury	495 North	Home Depot	700,000	New
330-350 Bartlett St, Northborough	495 West	Amazon	600,000	New
613 Main St, Wilmington	495 North	Homans	202,000	Relocation
15 Leonard St, Norton	495 South	Pitney Bowes	88,000	New
150 CF Colton Rd, Taunton	495 South	Ryder System	60,000	New
574 West St, Mansfield	495 South	Accutech Packaging	52,000	Relocation

*Renewals not included in leasing statistics

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