

Industrial Q2 2021

YoY
Chg 12-Mo.
Forecast

5.2%

Vacancy Rate



-123K

Net Absorption, SF



\$9.47

Asking Rent, PSF



Overall, Net Asking Rent

ECONOMIC INDICATORS
Q2 2021YoY
Chg 12-Mo.
Forecast

2.6M

Boston Employment



5.5%

Boston
Unemployment Rate

5.9%

U.S.
Unemployment RateSource: BLS, Moody's Analytics
2021Q2 data are based on the latest available data

COMMITMENT MOMENTUM CONTINUES; DEMAND DIVERSIFIES

Net tenant commitments increased by 1.0 million square feet (msf) Q2 2021, at nearly the identical pace seen in the first quarter as a motivated user base continues to act with high levels of motivation for the best available distribution and production facilities. With online marketplaces dominating demand activity in 2019 and 2020, commitments have been logged from a widening user base as third-party-logistics operations and traditional retailers make up the ten different groups having leased at least 40,000 square feet (sf) of space in the quarter.

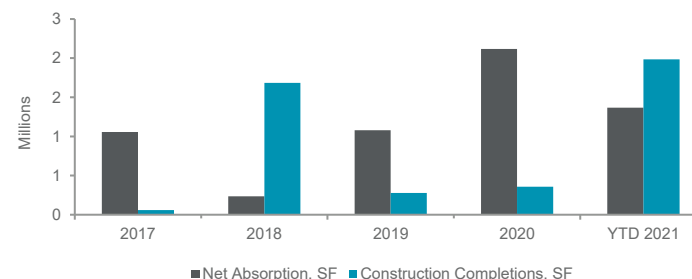
CONSTRUCTION COMMITMENTS RISE; INVENTORY SHIFT CONTINUES

As the construction pipeline of 2.0 msf significantly outpaces the 10-year average of 635,000 sf, a shift in pre-commitment activity suggests an eagerness on the part of the user community to secure desired facilities, which are increasingly being developed in a smaller footprint of the regional geography. Today's pipeline is 65% pre-leased, an increase from a 40% 10-year average and a surge from a 19% level of pre-commitments on a 2.2 msf pipeline a year ago, prior to a significant leasing volume from online marketplace users. While developers move to ready additional offerings for industrial use, they increasingly contend with competing uses and pressure from many municipal bodies, who favor higher density uses such as office or residential development. Tenants, recognizing this development conundrum, are actively with an increasing urgency so as to secure optimal habitats for operations.

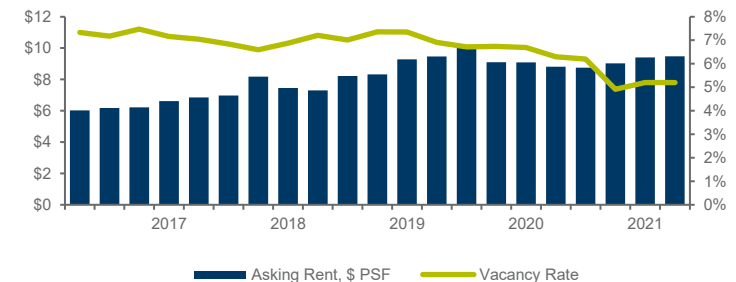
PRICING RESILIENT THROUGH DOWNTURN

Despite macroeconomic conditions providing numerous challenges, industrial and warehouse pricing remains unaffected throughout the downturn, with landlords of state-of-the-art and newer facilities able to secure tenants at initially desired economics. As tenants view few viable options and multiple competing users for similar offerings remain in the market, a desire to secure space becomes more important than moderate decreases in lease expense.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKETBEAT BOSTON, MA

Industrial Q2 2021



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 NET RENT (HT)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (W/D)
Urban North	5,689,127	307,855	5.4%	-55,002	15,942	0	0	na	\$12.00	\$12.00
Watertown	417,308	94,268	22.6%	-19,268	-94,268	0	0	na	na	na
Allston/Brighton	254,356	36,732	14.4%	0	0	0	0	na	\$16.00	na
Urban South	2,771,406	176,107	6.4%	161,491	148,841	125,150	0	\$29.98	na	na
128 North	14,326,099	400,019	2.8%	2,162	22,801	0	0	\$11.56	\$17.23	\$7.61
128 Central	1,995,165	155,932	7.8%	9,094	6,483	0	0	na	na	na
128 South	17,342,954	1,118,674	6.5%	-63,530	-226,539	180,000	0	\$11.21	\$15.36	\$10.88
495 North	35,094,528	2,189,324	6.2%	-184,838	-196,434	979,000	0	\$16.57	\$4.30	na
495 West	15,567,342	515,342	3.3%	78,433	962,975	0	0	\$7.67	\$12.00	\$8.08
Framingham/Natick	1,642,756	19,566	1.2%	0	25,342	0	0	\$10.43	na	\$7.50
495 South	48,678,431	2,410,749	5.0%	-51,764	701,520	687,200	0	\$6.83	\$7.87	\$6.60
BOSTON TOTALS	143,779,472	7,424,568	5.2%	-123,222	1,366,663	1,971,350	0	\$15.14	\$8.40	\$7.30

*Rental rates reflect weighted net asking \$psf/year
Statistics Not Reflective of U.S. MarketBeat Tables

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

KEY LEASE TRANSACTIONS Q2 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
139 Shuman Ave, Stoughton	495 South	ABEX Logistics	101,000	New
20 Forge Park, Franklin	495 South	DCAMM	75,000	New
2 Annette Rd, Foxboro	495 South	Danby	59,000	Renewal
80 Rear Industrial Way, Wilmington	495 North	Thermo Fisher	55,000	New
145 Plymouth St, Mansfield	495 South	Xpedited Services	47,000	New
300 Foxborough Blvd, Foxborough	495 South	Microport	44,000	New

*Renewals not included in leasing statistics

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