



MARKET BEAT

With Greater Boston's economy outperforming the nation in terms of business optimism, employment and productivity, the 495/MetroWest area is beginning to enjoy increased optimism. Commitments in Marlborough, in particular, will increase the size of that area's business community markedly by 2015.

Absorption was positive in each of the second half quarters of 2012 as vacancy dipped to 17.8 percent from 18.3 percent.

Despite vacancy rates a full percent below 15 year averages, average Class A asking rents are a discount to last year levels.

The 6.6 million sf inventory of Class A space is 15.6 percent vacant, leaving tenants just over one million sf of vacant sf.

The number of buildings gaining occupancy has outnumbered the number losing tenants ten of the last eleven quarters.

With average asking rents just about \$20 per sf, the region offers a significant advantage to surging rents closer to the urban core, with some Back Bay properties commanding more than \$70 per sf.

Large corporate shifts, combined with an already reasonable vacancy rate will reshape the 495 West submarket in coming years; with rising rents likely for Class A assets.

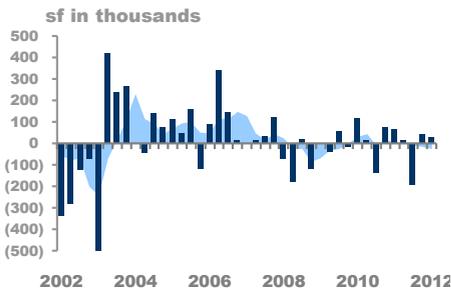
MARKET HIGHLIGHTS

The 495/MetroWest market extends along the I-495 interstate from Littleton in the north, to Foxborough in the south, with a wide extension in the middle, along Interstate 90, from Natick in the east, to Shrewsbury in the west. The area has morphed from an industrial past into a center of modern businesses, marked by a growing inventory of Office buildings. The commercial real estate inventory consists of 30.1 million sf of Office, Laboratory, Flex, Warehouse and Manufacturing space spread across 324 separate properties. The Office market, consisting of 15.9 million sf in 174 properties, has grown in size by 12 percent over the past 15 years, in response to generally buoyant conditions being experienced in the Greater Boston area.

495/MetroWest enjoys a combination of cost advantages and superior transportation connections unique within Eastern Massachusetts. The submarket is situated less than 30 minutes from the Central Business Districts of Boston and Worcester, and along the Interstate 495 interstate, an area which boasts among the highest population growth in the state. Inherent within the submarket is pricing which, averaging a 31 percent discount to adjacent submarkets closer to Boston's core, has attracted both smaller and larger organizations, lured by the potential for cost savings. Technology Hardware and Medical Devices companies combine for 50 percent of the occupancy in the submarket.

ABSORPTION

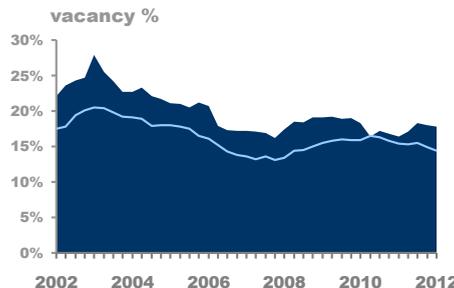
Quarterly absorption
Four-quarter average trailing absorption



Positive second half 2012 absorption of 73,000 sf ...

VACANCY

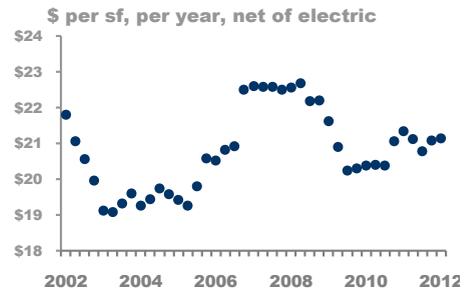
495 West vacancy
Greater Boston vacancy



... has lowered vacancy 0.5 percent to 17.8 percent ...

ASKING LEASE RATES

Average Class A asking rent



... as average Class A asking rents hovered at \$21.14 per sf.



LARGEST OCCUPANTS

Office space occupied only; not including future commitments

TENANT/OCCUPANT	LARGEST PRESENCE	TOTAL SF
EMC Corporation	176 South St, Hopkinton	1,681,000
TJX Companies	770 Cochituate Rd, Framingham	1,271,000
Bose	100 Mountain Rd, Framingham	1,206,000
Boston Scientific	1 Boston Scientific Pl, Natick	1,007,000
Staples	500 Staples Dr, Framingham	732,000
Genzyme	1-5 Mountain Rd, Framingham	622,000
Intel	75 Reed Rd, Hudson	512,000
Waters Technologies	34 Maple St, Milford	431,000

LARGEST OWNERS

Largest property owners; office properties only

OWNER	LARGEST HOLDING	TOTAL SF
EMC	176 South St, Hopkinton	1,906,000
Carruth Capital	4400 Computer Dr, Westbor.	1,858,000
Hewlett-Packard	200 Forest St, Marlborough	1,256,000
Wellesley Companies	Clock Tower Pl, Maynard	1,128,000
Boston Scientific	1 Boston Scientific Pl, Natick	1,007,000
Staples	500 Staples Dr, Framingham	700,000
Normandy Real Estate	Marlb. Tech. Pk, Marlborough	640,000
Hines Interests	Campus at Mar., Marlborough	581,000

LARGEST CONTIGUOUS AVAILABILITIES

Contiguous blocks, one listing per property

BUILDING ADDRESS	AVAILABLE SF	DIR/SUB
4400 Computer Dr, Westborough	382,000	Direct
500 Old Connecticut Path, Framingham	369,000	Dir/Sub
251 Locke Dr, Marlborough	162,000	Direct
35 Parkwood Dr, Hopkinton	160,000	Direct
397 Williams St, Marlborough	130,000	Direct
118 Flanders Rd, Westborough	129,000	Direct

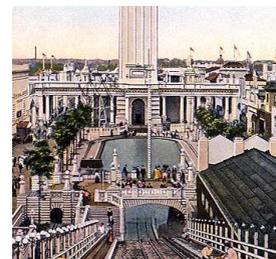
NOTABLE SIGNED LEASES

Representative 2012 transactions

TENANT	ADDRESS	SF LEASED
Quest Diagnostics	200 Forest St, Marlborough	200,000
Automatic Data Processing	123 Felton St, Marlborough	71,000
Cavium	600 Nickerson Rd, Marlborough	61,000
Berg Pharmaceuticals	500 Old Connecticut Pth, Framingham	33,000
Sepaton	400 Nickerson Rd, Marlborough	32,000
Aptiv Solutions	62 Forest St, Marlborough	30,000

MARKET INTERESTING FUN FACTS

The region's White City Amusement Park was opened in 1905 on Turnpike Road as it meets Lake Quinsigamond in Shrewsbury; White Cities were developed across the country by streetcar operators and railroads as weekend trips for city dwellers; White City closed in 1960.



More than 4,500 riders board the MBTA commuter rail service on weekdays heading into Boston from stations in Natick, Framingham, Ashland, Southborough and Westborough; the line was recently purchased by the MBTA to allow for additional rail service to Worcester.



Stratus Technologies, now based in Maynard, could be considered the lone independent company tracing its roots to a thriving mainframe computer industry which included Digital Equipment Corporation and Wang Computers and dominated the 495 belt in the 1980s.



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