GREATER BOSTON MARKET VIEWPOINT

3RD QUARTER 2011

Colliers INTERNATIONAL

Accelerating success.

Boston Overview

The vacancy rate in the Boston office market, which began the year at 16.6%, dropped to 15.8% during the third quarter with positive absorption of 322,000 square feet. Market conditions are stabilizing, but the recovery will continue to be gradual.

The performance gap between the Financial District and Back Bay submarkets persists, with vacancy rates of 19.4% and 6.9%, respectively. There are even fewer options for Class A space in the Back Bay, where the vacancy rate is 4.8% at quarter-end.

Key statistics at the end of the third quarter include:

Market	Supply SF (000s)	Vacancy Rate	Absorption SF (000s)	
			Q3 2011	YTD
Total Boston*	**60,398**	**15.8%**	**322**	**462**
Financial District	33,549	19.4%	63	11
Class A	26,770	18.5%	(10)	(139)
Class B	6,779	23.2%	73	150
Back Bay	**11,982**	**6.9%**	**129**	**211**
Class A	10,063	4.8%	95	229
Class B	1,919	17.7%	34	(18)

** includes peripheral submarkets*

SUPPLY AND DEMAND

Supply totals 60 million square feet, with three-quarters located in the core Financial District and Back Bay submarkets.

- At the end of the third quarter there were approximately 120 tenants in the market seeking an aggregate of approximately 4 million square feet of space. Although the median requirement is 12,000 square feet, some of the larger requirements include:

Tenant	SF	Industry
State Street Bank	1,000,000	Financial Services
Blue Cross Blue Shield of Massachusetts	350,000	Health Care/Medical
Brown Brothers Harriman	300,000	Financial Services
Lexington Insurance	250,000	Insurance
Mintz Levin	200,000	Legal
Cambridge Associates	150,000	Investment Advisory
Iron Mountain	125,000	Information Management Services

VELOCITY

- Year-to-date velocity (signed lease activity) totals approximately 3.5 million square feet through the end of the third quarter, and is largely dominated by Vertex Pharmaceutical's second quarter lease for 1.1 million square feet of build-to-suit office and lab space at the Fan Pier development.
- With the exception of the Vertex lease and Pioneer Investments' recent renewal for 125,000 square feet at 60 State Street, the remainder of leases executed thus far in 2011 have been for less than 100,000 square feet.

The largest third quarter leases include:

Tenant	Address	SF
Pioneer Investments	60 State Street	125,000
Greenberg Traurig	One International Place	65,000
Arcadian Asset Management	260 Franklin Street	60,000
Boston Herald	451 D Street	50,000
McGraw-Hill	One International Place	40,000

- Although growth from its existing tenant base has been subdued, Boston has been the beneficiary of a number of tenants either new to the Boston market or relocating from Cambridge or suburban locations. With the exception of law firm Latham & Watkins opening a new office in the Back Bay, most have chosen Seaport or Financial District locations and include:

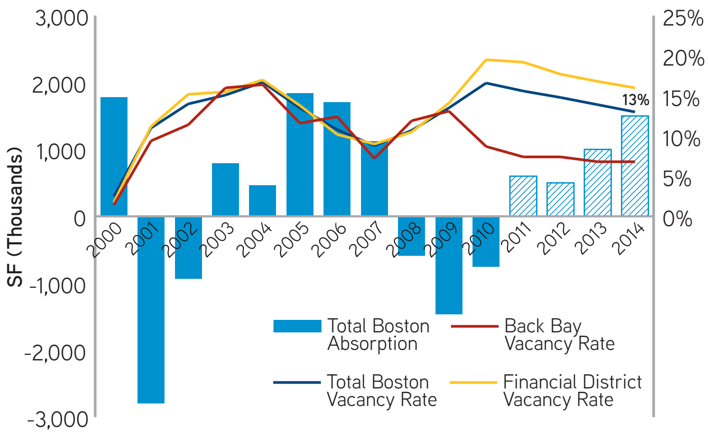
Tenant	Prior Location	New Location	SF
Vertex Pharmaceuticals	Cambridge	Seaport	1,100,000
Brightcove	Cambridge	Financial District	80,000
Jones Day	New to Market	Financial District	35,000
Allen & Gerritsen	Watertown	Seaport	33,200
Finnegan Henderson, Farabow, Garret & Dunner	Cambridge	Seaport	33,000
Latham & Watkins	New to Market	Back Bay	18,000
Elysium Digital	Cambridge	Financial District	18,000
The Perseus Books Group	Cambridge	Seaport	11,000
Crimson Hexagon	Cambridge	Seaport	10,700

ABSORPTION AND VACANCY

- The Back Bay is outperforming the rest of the market, and this is particularly true for Class A buildings. While the core submarkets have historically tracked closely, since the second quarter 2010, there has been a widening gap between the respective vacancy rates, with the Class A vacancy rate in the Financial District at 18.5%, compared to 4.8% in the Back Bay.

- Assuming relatively modest absorption over the next few years, the vacancy rate will likely remain above 10% through the 2014 forecast period. The projection includes the addition of 1.7 million square feet to the office supply in 2013, representing Liberty Mutual's new headquarters in the Back Bay and the two Vertex buildings in the Seaport.

Projected Vacancy & Absorption



RENTAL RATES

- Average asking rents have been relatively flat since the latter half of 2010. The surplus of space in the Financial District, particularly in the low-rise portion of the Class A tower market, has managed to keep overall rental rates from rising significantly, even in the Back Bay where the vacancy rate is at 6.9%.

The spread between asking rents in various segments of the market is depicted in the following table.

Space Type	Rental Range/SF
Class A – high rise	$55 - $65
Class A – mid rise	$45 - $55
Class A – low rise	$35 - $45
Class B	$25 - $35

- Class B rents have historically been less volatile and command a discount of 25% or more to Class A rents.

TRENDS

- Back Bay remains a tight market, but a recent influx of out-of-market tenants have located in the Financial District and Seaport submarkets.

- The vacancy rate peaked in 2010, and is gradually on the decline.

- Tenant "hot buttons" include reduced occupancy costs and improved efficiency.

- Landlords may start to push rents at select locations, but overall rates will remain flat until sustained positive absorption is recognized.

Cambridge Overview

The vacancy rate for the 19.8-million-square-foot Cambridge office and lab market increased from 13.3% to 13.9% during the third quarter and is down just slightly from the 14.1% vacancy rate in effect at the close of 2010. Despite the lack of movement in the vacancy rate, leasing activity was strong, with three build-to-suit leases totaling nearly 700,000 square feet signed during the quarter. These leases will not affect the market statistics until the buildings are completed and occupied.

Absorption was negative 209,000 square feet, all of which occurred in the lab market. Activity from larger users remained strong, with a total of seven active lab or office requirements of over 75,000 square feet, compared to spotty demand in the smaller 10-50,000 square foot range. The biggest story at the end of the third quarter was the tightening Kendall Square office market where tenants have very few options, and where rents could begin to move higher.

Key statistics at the end of the third quarter include:

Market	Supply SF (000s)	Vacancy Rate	Absorption SF (000s)	
			Q3 2011	YTD
Total Cambridge*	**19,813**	**13.9%**	**(209)**	**20**
Office	10,256	10.9%	5	160
Lab	8,774	18.3%	(232)	(153)

** includes R&D space*

OFFICE MARKET

Absorption in the 10.3-million-square-foot office market was flat during the third quarter and the vacancy rate remained unchanged at 10.9%, but is still favorable compared to the 13.1% vacancy rate at the end of 2010. Year-to-date absorption totals 160,000 square feet, due in large part to the construction completion of Forrester Research's 200,000-square-foot building at Cambridge Discovery Park during the second quarter. Despite these lackluster statistics, the majority of the Cambridge office market is in fact very tight.

Biogen Idec followed through on its goal to consolidate local operations in Kendall Square and executed its two previously reported build-to-suit leases at 17 Cambridge Center (Boston Properties) and 225 Binney Street (Alexandria Real Estate Equities) for 190,000 square feet and 307,000 square feet, respectively.

Third quarter velocity (signed lease activity) totaled approximately 620,000 square feet, with Biogen's two build-to-suit leases accounting for 497,000 square feet of the total, as demand from small-mid-sized tenants remained modest at best.

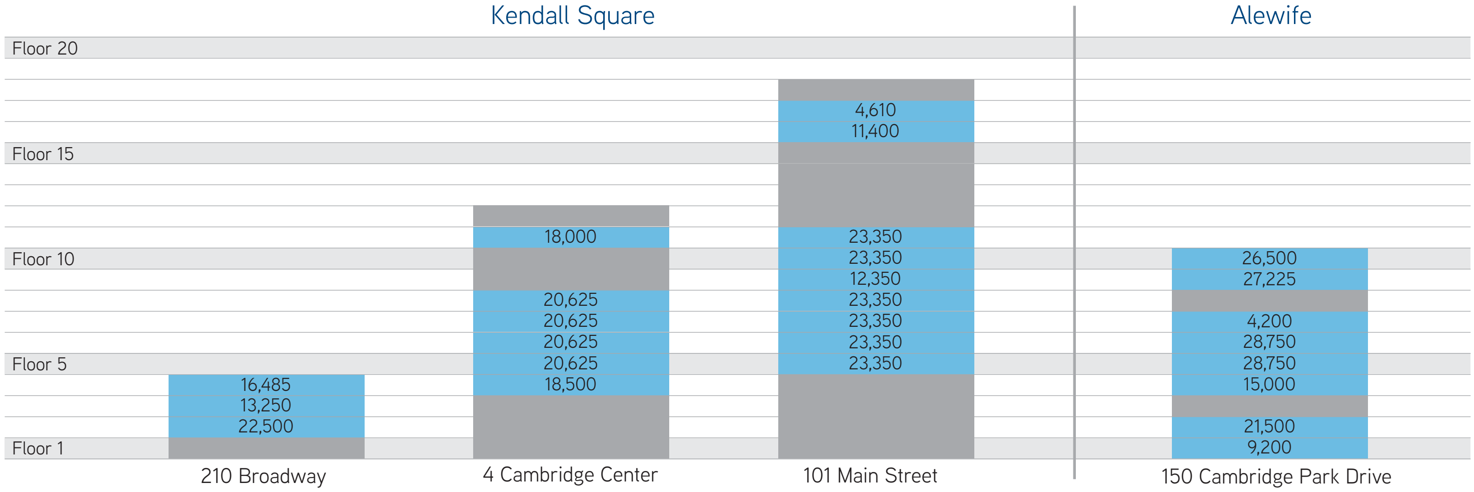
Tenants that are reviewing the East Cambridge and Mid-Cambridge markets have very few options to choose from, whether they are seeking Class A space in the heart of Kendall Square or more affordable Class B/brick and beam rehab space. Some tenants are being forced, or in some cases are choosing, to consider alternatives in Boston's Seaport district where in many cases options are more plentiful and rents are lower. Few tenants have headed west to Alewife, a submarket which ended the third quarter with an 18.5% vacancy rate and where rents range from $10 to $25 per square foot below those in East Cambridge.

For the most part, asking rents either held steady or in some cases ticked upward during the third quarter. Equity Office Properties, which acquired 125 and 150 Cambridge Park Drive during the second quarter, raised asking rents for the project from $28 to $35 per square foot, as they make the bet that more East Cambridge tenants will be forced west. It remains to be seen whether or not the Alewife submarket is ready to achieve these higher rents. There is potential for rents in the immediate Kendall Square submarket, where Class A asking rents currently range from $45 to $51 per square foot, to rise between now and the end of the year.

Direct Asking Rents PSF		
Space Type – Location	Q3 2010	Q3 2011
Class A – East Cambridge	$35 - $45	$37 - $51
Class B – East Cambridge	$28 - $35	$32 - $41
Class A – Alewife	$24 - $30	$24 - $35

At the close of the third quarter, there were two large users negotiating for all of the available space at 4 Cambridge Center. Few remaining large blocks of office space remain, as depicted below:

Large Block Availabilities



LAB MARKET

The vacancy rate for the 8.7-million-square foot lab market was 18.3% at the end of the third quarter, compared to 16.9% vacancy rate at the end of the second quarter and 15.1% at the close of 2010. Negative absorption of 152,000 square feet was recorded.

The negative absorption was driven by a handful of medium-sized availabilities that hit the market during the quarter, most notably being 80,000 square feet at 700 Main Street and 57,000 square feet at 64 Sidney Street in University Park at MIT, both of which are anticipated to become vacant when existing tenants move out in April 2012. Shine is vacating the entire 180,000-square-foot building at 700 Main Street, but Pfizer has leased 100,000 square feet on an interim basis as it awaits completion of a new building next door. Additional negative absorption was due to the demolition of several older lab buildings located along Binney Street in East Cambridge totaling approximately 100,000 square feet. The buildings are being demolished to make way for two future buildings that Alexandria Real Estate Equities will eventually construct as part of its Alexandria Center at Kendall Square project.

As referenced above, Pfizer signed a 184,000-square-foot build-to-suit lease during the third quarter at MIT's 610 Main Street, located across the street from the MIT campus. Pfizer entered the market earlier in the year with the intent of setting down roots in the heart of Kendall Square in an effort to gain better access to MIT's vast resources and talent.

Activity from larger lab users remained strong during the third quarter with four tenants seeking more than 75,000 square feet. Demand from mid-sized venture-funded companies picked up slightly during the quarter, but remains light.

Some of the larger requirements include:

Tenant	SF
Merrimack Pharmaceuticals	200,000
Momenta Pharmaceuticals	175,000
Aveo Pharmaceuticals	120,000
Ragon Institute *(c)*	80,000
(c) = committed	

Demand from mid-sized users is represented below:

Tenant	SF
Healthcare Ventures	25,000
Paratek Pharmaceuticals	20,000
Quanterix Corp.	20,000
Invivo Therapeutics	20,000
Blend Biosciences	15,000

Cambridge Overview

Demand from larger lab users will need to remain strong over the coming years, with over 650,000 square feet of existing lab space expected to become vacant in the first quarter of 2014, when Vertex leaves Cambridge for its new 1.1-million-square-foot headquarters currently under construction at Fan Pier in Boston.

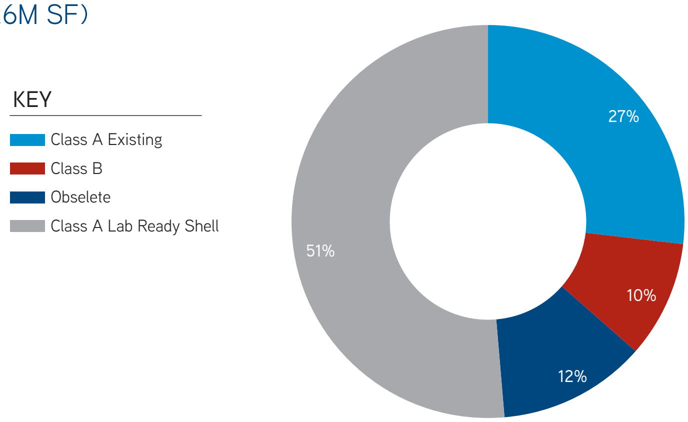
Velocity was approximately 275,000 square feet during the third quarter and 850,000 square feet year to date, 550,000 square feet of which is attributable to build-to-suits or lease renewals. The largest lab leases signed during the third quarter include:

Tenant	Address	SF
Pfizer	610 Main Street *(bts)*	184,000
BIND Biosciences	325 Vassar Street	32,000
ALS Therapies	300 Technology Square	24,000
Sun Catalytix	325 Vassar Street	9,000
ModeRNA	161 First Street *(s)*	8,600

(bts) = build to suit (s) = sublease

When breaking down the vacancy rate, it becomes apparent that despite an 18.3% vacancy rate, most tenants have few options.

Lab Availability by Class
(1.6M SF)



The tenants with the fewest options in the market are those mid-stage companies looking for 10-30,000 square feet. These tenants tend to focus on Class B product with rents in the $40s per square foot or below. Many of these tenants are considering suburban options where they can lease new space in the high $20s to low $30s, NNN. Understanding this dynamic, some landlords are making speculative improvements to their older obsolete spaces. A prime example, BioMed Realty Trust constructed "Universal Flex Labs" at 325 Vassar Street and has plans for more such labs at its Fresh Pond Research Park in Alewife. Skanska is even more bullish, having broken ground on a 120,000-square-foot, three-story lab building at 150 Second Street in East Cambridge, where it expects many of its prospects will be early to mid-stage biotech companies seeking 15-20,000 square feet and up.

For the most part, asking rents held steady during the quarter and in some cases actually dipped lower as some landlords became more aggressive in order to lease less desirable product that has sat vacant for some time.

Rental rates vary by product and location as depicted below:

Direct Asking Rents PSF, NNN	
Space Type – Location	Q3 2011
Class A Lab Ready Shell – East Cambridge	$58 - $65
Class A Existing – East Cambridge	$52 - $60
Class B – East Cambridge	$35 - $45
Class B Exisitng – Alewife	$28 - $32

TRENDS

- Office rents in the immediate Kendall Square submarket will push higher during the fourth quarter if the recent activity around the remaining space at 4 Cambridge Center results in a signed lease.
- Demand from early- to mid-sized lab and office tenants will remain spotty until the economy improves.

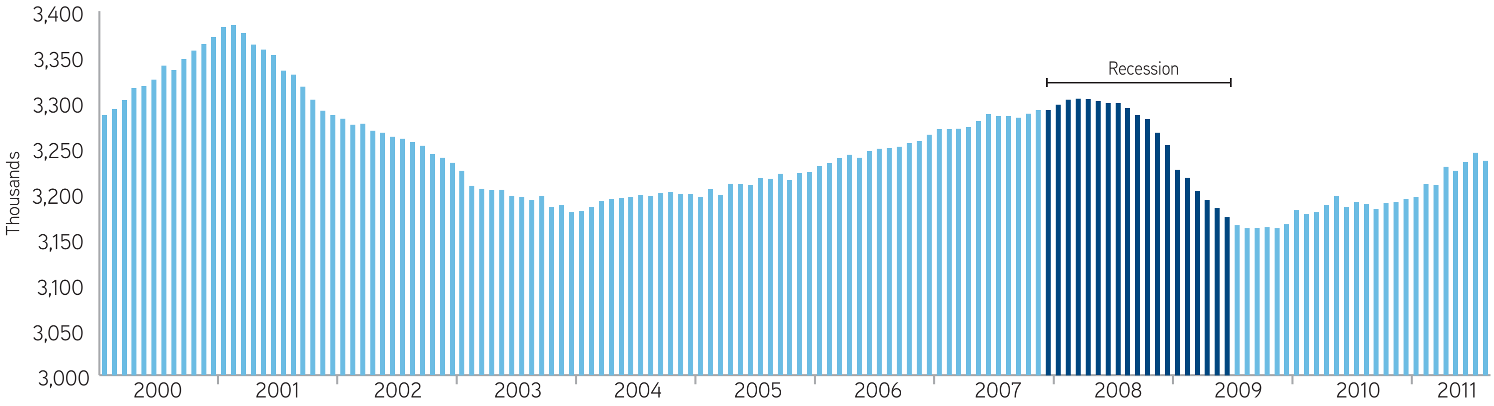
Employment

- Employment levels have gradually improved over the course of the past year, with 48,000 jobs added statewide from August 2010 to August 2011.

- Despite a positive direction in the labor markets, the pace of growth has been uneven. Companies are still cautious with respect to both hiring and their occupancy costs and looking to do "more with less." The commercial leasing markets will remain challenged until a return to pre-recession employment levels occurs, which by most estimates is not expected until 2013 or beyond.

- Statewide, a total of 143,000 jobs were shed from April 2008 through August 2009, and through August 2011 roughly half those jobs have been recovered. Further, these employment levels are well off the February 2001 employment peak as depicted in the graph below:

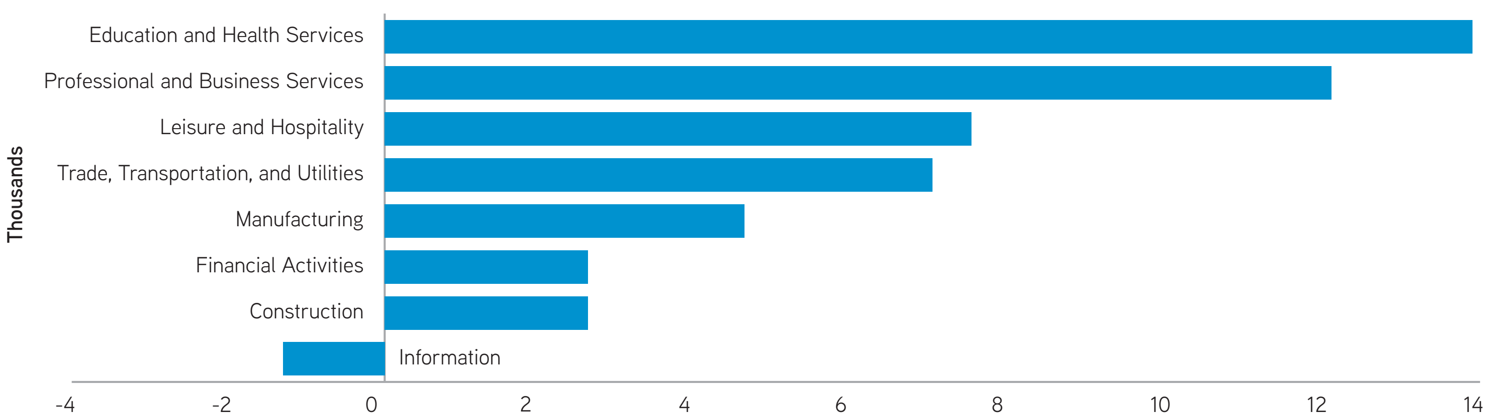
Total Employment
Massachusetts Non-farm, Seasonally Adjusted



Source: BLS, Colliers International

- For the twelve months ended August 2011, the Education and Health Services sector recorded the largest gain, with 13,900 jobs added. Perhaps more encouraging is the fact that gains occurred in the majority of other sectors during the period, with Professional and Business Services – a significant user of office space – adding 12,100 jobs.

Jobs Gained/Lost August 2010 to August 2011



Suburban Overview

At the close of the third quarter, the suburban Boston office and R&D market is statistically flat with a combined vacancy rate of 21.5%, compared to 21.2% at the end of 2010. Uncertainties with respect to the broader economy and the pace of the economic recovery persist. Although companies are more and more willing to engage, the job market will dictate the degree to which any momentum in the leasing markets can occur.

Aggregate statistics for the office and R&D market are provided below:

Market/Submarkets	Supply SF (000s)	Vacancy Rate	Absorption SF (000s)	
			Q3 2011	YTD
Suburban Boston	127,485	21.5%	(493)	(291)
Inner Suburbs	5,850	16.0%	(43)	(95)
Route 128	72,558	19.0%	331	252
Route 495	47,062	26.3%	(765)	(406)
Worcester	2,014	15.2%	(15)	(42)

SUPPLY AND DEMAND

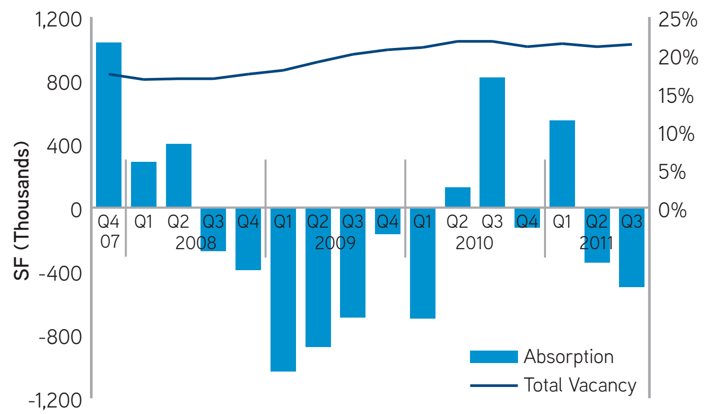
- The Suburban office and R&D market totals 128 million square feet, with performance and product varying from one submarket to the next. The four Route 128 submarkets report a combined vacancy rate of 19.0%, compared to 26.3% in the three Route 495 submarkets.
- Although the median suburban requirement is 15,000 square feet, there are some sizeable tenants in the market with potential requirements over the next 12 to 18 months, including:

Tenant	SF	Industry	Target Market
TJX Companies	1,000,000	Retail	Routes 495 West/ 128 Mass Pike
Keurig	500,000	Consumer Products	Route 128 North
NetApp	400,000	Computer Software and Services	Route 128 Mass Pike
Kronos	350,000	Computer Software and Services	Route 495 North
Dunkin Brands	210,000	Retail	Routes 128 South/ 128 Mass Pike
Converse	200,000	Retail	Route 495 North
The Shaw Group	200,000	Insurance	Routes 495 South/ 128 South

ABSORPTION AND VACANCY

- Given the size of the suburban market, and the negative absorption to date, the vacancy rate will be slow to move well below the current rate of 21.5%. Net absorption has been somewhat uneven over the past few quarters, but tenant activity has improved substantially and bodes well for the remainder of 2011.
- Following seven consecutive quarters of negative absorption beginning in the third quarter 2008, suburban absorption has fluctuated from positive to negative since the second quarter 2010. The most recent two quarters have been negative, at 350,000 and 500,000 square feet, respectively.

Quarterly Vacancy and Absorption
Office and R&D



- The Route 128 Northwest market has been outperforming its suburban peers in 2011 with over 600,000 square feet of positive absorption and a decline in the vacancy rate from 19.3% to 16.6%. Burlington in particular has been the beneficiary of much of the positive leasing activity, with growth from companies such as Nuance, an existing Burlington company expanding its operations, and Cambridge lab tenant Dyax relocating to the market.
- As Class A options in Burlington tighten, other towns in the Route 128 Northwest and 495 North submarkets submarket could note a "drafting" effect from tenants seeking lower-priced options.
- Negative absorption of 683,000 square feet in the Route 495 West submarket is largely attributable to Fidelity vacating over 650,000 square feet at its 300 and 400 Puritan Way,

Marlborough campus in connection with the consolidation of its operations to Merrimack, NH and Smithfield, RI locations. The submarket has been hit hard by a handful of large campus consolidations and the vacancy rate now tops 30%.

Despite the overall negative absorption, many of the larger third quarter transactions were executed by companies that expanded. Although the median lease signed was approximately 15,000 square feet, some of the larger transactions include:

Tenant	Address	SF
E Ink *(e)*	1000 Technology Park Drive, Billerica	139,000
Philips Electronics *(r)*	500 Business Center Drive, Tewksbury	82,700
Epsilon Data Management *(e)*	601 Edgewater Drive, Wakefield	65,000
Lojack *(e)*	40 Pequot Way, Canton	59,000
inVentive Health *(e)*	1 Van de Graff Drive, Burlington	58,000
Repligen *(e)*	41 Seyon Street, Waltham	56,000
Dyax Corporation	55 Network Drive, Burlington	44,500

(e) = expansion

OFFICE RENTAL RATES

- Weighted average Class A office rents range from $19 per square foot in the Route 495 West submarket to $30-$32 in the 128 Mass Pike and Inner Suburban submarkets. Since early 2008, Class A rents have decreased by as much as 20% or more—depending on the submarket—but have generally remained flat over the past year.
- Headed into the fourth quarter and 2012, rents are expected to remain stable. There will be some select properties and locations where landlords might begin to push rents at Class A properties, but any across the board increases are unlikely in the near term.

TRENDS

- More activity from users seeking less than 20,000 square feet is expected.
- Larger tenants (over 100,000 square feet) will look to do "more with less." Efficiency and cost control are critical.
- The level of cash reserves on corporate balance sheets has accumulated, a reflection of lingering uncertainty with respect to the business and economic climate. Any significant growth in occupancy levels will remain subdued as long as this trend persists.

Capital Markets

DEBT

- Life companies were quite active through the first nine months of the year and as is typical of the fourth quarter, most will begin to wind down their lending operations in the fourth quarter and focus on closing those loans already under application or in the pipeline to close by year-end. At this point, many are being selective for further 2011 fundings with an eye toward signing new loans for 2012 closings. There remain a sizeable number of balance sheet lenders with the ability to close in 60 days that are still quoting and winning deals for year-end close. This is a very attractive environment to lock in long term rates.

- Banks are now offering construction-perms in a bid to lock up high quality assets with strong sponsorship prior to stabilization. A construction-perm loan offers a bank the opportunity to get in at the ground level and foster a relationship with a new or existing client that will translate into longer-term permanent financing. In a market such as Boston, where banks are visible on nearly every corner, competition for new relationships is highly competitive. Local, regional and national banks will all compete for transactions with strong fundamentals. It is now possible to secure 50-90% of project costs on a value-add interim financing, although most quotes are non-recourse and as the leverage increases so do the structural covenants such as pre-leasing requirements and syndication contingencies. Pricing for short-term (3-5 years) interim financings range from 210 basis points over LIBOR (0.24% at publication) with no floor up to 3.50% fixed. Due to the highly competitive banking environment and historically low interest rates, now is an excellent time for borrowers to consider construction and repositioning projects.

- CMBS 2.0 experienced a major setback in August when Standard & Poor's abruptly pulled its rating from a transaction amid questions regarding subordination risk. As investors began to demand increased protection on the riskiest tranches of CMBS pools, it caused interest rates on those subordinate portions of the transaction to increase dramatically. Before these problems, the CMBS market had staged a nascent rebound with pricing for core assets dipping into the mid-4% range. After the S&P event, spreads blew out and all-in pricing is now above 6%. Despite the turmoil in the market, CMBS lenders remain bullish on this type of lending platform – specifically as a capital source for the more challenging assets and those located in secondary or tertiary markets.

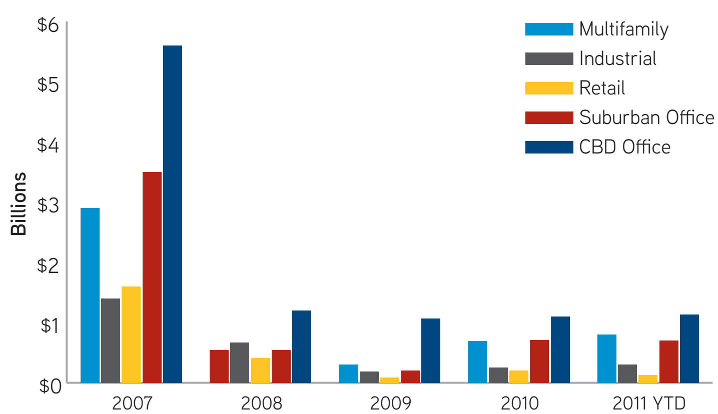
INVESTMENT SALES

- As anticipated, transaction activity in Boston picked up in the third quarter of 2011 to a total $1.4 billion, bringing 2011 year-to-date sales to $3.1 billion and passing the $3.0 billion in sales for all of 2010. This level of activity in the face of the current financial market volatility and economic uncertainty that exists suggests the Boston market remains resilient and liquid.

- Most national and global investors are looking to place capital in proven markets as a safe harbor. Boston is considered one of these top markets due to its relative economic health, resilient knowledge-based economy, constraints on supply, and pricing, which, though high, remains below replacement cost.

- The year is expected to finish strong with a healthy pipeline of transactions either pending or on the market. These include the 1.2 million square foot 53 State Street (Exchange Place) owned by Brookfield Office Properties and the pending $200 million purchase by Jamestown of roughly 200,000 square feet of residential, office and retail space along Newbury Street from Taurus Investment Holdings and UrbanMeritage in two separate sales of $180 million and $20 million. Federal Realty Trust is a partial owner on the smaller transaction.

Annual Sales Volume by Type



OFFICE

- Recent sales reflect the abundance of investors aggressively pricing a range of property sizes and asset classes. The most notable transaction of the quarter due to its size and pricing was the $366 million sale of 33 Arch Street in Boston's Financial District to TIAA-CREF for $606 per square foot and a reported 4.7% cap rate.

- Suburban office transactions were especially strong during the quarter. There were a total 17 suburban transactions, primarily focused in the Route 128 submarkets. The largest of these was 225 & 235 Presidential Way, Woburn to Piedmont Office Realty Trust for $85.3 million and a 6.4% cap rate. The property is fully leased to Raytheon through June 2019.

Address	Buyer	Seller	Price	Size (SF)	$/SF
Boston					
33 Arch Street	TIAA-CREF	SITQ Immobilier / Apollo Invest Corp	$365.8 million	603,309	$606
260 Tremont & 15 Kneeland Street	Gazit-Globe Ltd	Daymark Realty Advisors	$112.0 million	252,087	$444
38 Chauncy Street	Brickman Management, LLC	Haveland/Blackrock	$21.2 million	132,983	$159
Suburban					
225 & 235 Presidential Way, Woburn	Piedmont Office Realty Trust, Inc.	Invesco	$85.3 million	442,010	$193
Unicorn Park, Woburn	Charles River Realty Investors/ National Development	RREEF America LLC	$76.7 million	601,188	$127
250 Royall Street, Canton	Hines REIT	Inland American Real Estate Trust, Inc.	$57.0 million	185,171	$308
55 Hayden Ave, Lexington	Cubist Pharmaceuticals	TA Associates Realty	$53.6 million	190,080	$282

MULTIFAMILY

- Multifamily properties have performed well in 2011 due to the sector's strong demand drivers and the relative safety of the asset class. There were 13 multifamily transactions in the third quarter, the largest being the sale of Archstone Northpoint in Cambridge to Allianz Real Estate American and the Canada Pension Plan Investment Board with Archstone-Smith, the developer of the project, maintaining a 20% ownership stake. The sale price of $185.8 million, or $436,150 per unit, reflects the full interest in the property.

Address/Property Name	Buyer	Seller	Price	# of Units	$/Unit
Archstone Northpoint, Cambridge	Allianz RE America/Canada Pension Plan (80%); Archstone-Smith (20%)	Archstone-Smith	$185.8 million	426	$436,150
The Commons at Haynes Farm, Shrewsbury	Home Properties, Inc.	Corcoran Management Company	$40.5 million	302	$134,106
Dupont Portfolio, Cambridge	Chestnut Hill Realty	DuPont Real Estate Trust	$24.8 million	87	$285,057

INDUSTRIAL/FLEX

- Though none were among the largest transactions, conditions in the industrial and flex market have stabilized and investors have begun to move beyond the core strategies that dominated the past few years. In the third quarter alone there were 16 industrial transactions totaling $120 million.

Address	Buyer	Seller	Price	Size (SF)	$/SF
350 Lowell St, Andover	Raytheon Company	Bolger & Co Inc	$31.0 million	692,200	$45
275 Wildwood Ave, Woburn	Fairlane Properties, Inc.	Colony Realty Partners	$16.1 million	164,500	$98
Otis Street Portfolio, Westborough (3 properties)	TA Associates Realty	Invesco	$13.4 million	287,885	$47

TRENDS

- Investment volume will remain strong in Boston due to robust investor demand for properties in core markets.

- The pipeline of new property offerings is expected to expand into the last quarter of the year, particularly for retail and industrial properties

- Multi-family and CBD office will continue to experience the lowest cap rates, given core investor demand and the likelihood for income growth over the next few years.

Market Snapshot

Q3 2011 STATISTICS | OFFICE/R&D

MARKET	SQUARE FEET (SF) SUPPLY	DIRECT SF AVAILABLE	SUBLEASE SF AVAILABLE	VACANCY*	Q3 2011 ABSORPTION	YTD ABSORPTION
BOSTON	60,397,959	8,517,937	1,023,980	15.8%	321,805	461,620
Back Bay	11,981,716	639,226	189,190	6.9%	129,257	211,442
Financial District	33,548,648	6,035,299	481,115	19.4%	62,763	11,355
Charlestown	2,706,860	214,522	57,284	10.0%	18,852	34,393
Crosstown	1,122,326	76,372	0	6.8%	14,805	11,344
Fenway/Kenmore	1,826,057	138,173	111,000	13.6%	0	-45,761
North Station	1,845,789	260,498	17,486	15.1%	10,478	67,323
Seaport	6,182,546	884,430	124,043	16.3%	128,146	232,577
South Station	1,184,017	269,417	43,862	26.5%	-42,496	-61,053
CAMBRIDGE	19,813,496	2,390,751	367,025	13.9%	-209,292	20,400
Alewife Station/Route 2	2,756,411	414,040	15,000	15.6%	-41,656	230,882
East Cambridge	15,132,939	1,857,468	342,025	14.5%	-183,031	-207,923
Harvard Square/Mass Ave	1,924,146	119,243	10,000	6.7%	15,395	-2,559
SUBURBS	127,484,636	23,894,985	3,546,230	21.5%	-492,573	-290,807
Inner Suburbs	5,850,321	859,154	76,576	16.0%	-43,474	-95,443
Route 128 North	7,889,370	1,267,703	235,011	19.0%	111,834	154,019
Route 128 Northwest	21,798,448	2,851,151	705,372	16.3%	196,725	618,888
Route 128 Mass Pike	28,325,688	4,856,651	648,437	19.4%	115,528	-336,123
Route 128 South	14,544,811	2,985,416	255,379	22.3%	-93,466	-184,583
Route 495 North	25,058,779	5,196,612	685,532	23.5%	-33,169	207,762
Route 495 West	17,492,649	4,635,100	823,506	31.2%	-682,905	-581,108
Route 495 South	4,510,903	936,849	116,417	23.3%	-48,768	-32,481
Worcester	2,013,667	306,349	0	15.2%	-14,878	-41,738
TOTAL	207,696,091	34,803,673	4,937,235	19.1%	-380,060	191,213

**Including sublease space*

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