

## Demographics & Economics

### Population

Boston MSA	4.5 million
Boston Growth <sup>1</sup>	0.41%
National Growth <sup>1</sup>	1.30%

### Unemployment Rate (March 2007)

Boston	4.3%
Massachusetts	4.8%
National	4.3%

### Household Income & Value

Per Capita Income	\$48,133	2006 Households	1.7 million
3-year Job Growth <sup>2</sup>	-1.80%	Household Growth <sup>1</sup>	0.47%
Net Migration (2005)	-16,700	Median Home Price	\$410,800

### Major Employers

Massachusetts General Hospital

Brigham & Women's Hospital

Boston University

Fidelity Investments

Beth Israel Deaconess Medical Center

Sources: Bureau of Labor Statistics May 14, 2007 report, Career Info Net, NAR, STDB Online.

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<sup>1</sup>Projected annual growth over 5 years (2006-2011).

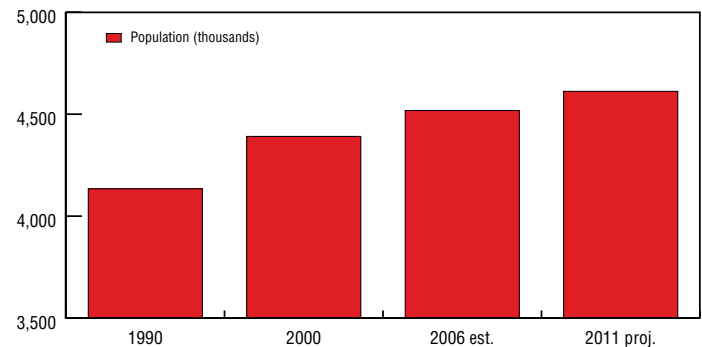
<sup>2</sup>Total cumulative job creation of last 3 years.

## Noteworthy Transactions

	Sale Date	Sale Price	SF/Units	\$ Per SF/Unit
<b>Office</b>				
State Street Financial Center	Jan. 07	\$889,000,000	1,000,000	\$889
75-101 Federal St.	Jan. 07	\$260,000,000	811,054	\$321
<b>Industrial</b>				
Devens Industrial Park	Feb. 07	\$43,750,000	734,620	\$60
<b>Retail</b>				
Filenes Building	Jan. 07	\$100,000,000	656,000	\$152
201 Newbury St.	Jan. 07	\$42,625,000	24,993	\$1,705
<b>Apartment</b>				
8 Marlborough St.	Feb. 07	\$3,550,000	8	\$443,750
6 Marlborough St.	Jan. 07	\$8,300,000	23	\$360,870
<b>Hotel</b>				
Westin Boston Waterfront Hotel	Jan. 07	\$330,000,000	793	\$416,141
Marriott Long Wharf	Mar. 07	\$228,200,000	402	\$567,662

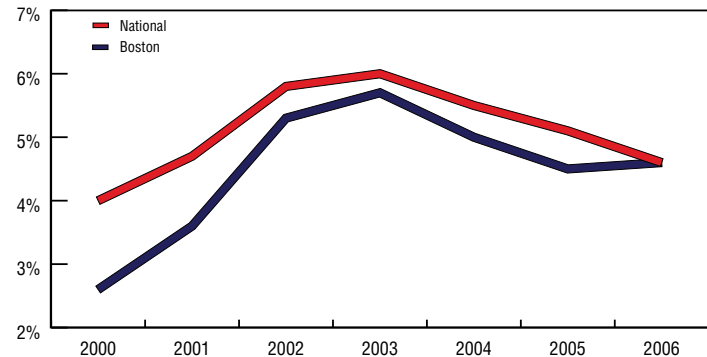
Compiled by RERC for the RERC/CCIM Investment Trends Quarterly report.

## Boston Population Growth



Source: STDB Online

## Boston Unemployment Rate



Source: Bureau of Labor Statistics

## Market Construction/Redevelopment Activity

	Property Type	New(N)/Refurbished(R)	Total SF/Units	Estimated Delivery
850 Winter St.	Office	N	180,000	2007
77 Fourth Ave.	Office	N	207,000	2007

Sources: CBRE, RE Business

## Changes from Previous Quarter

	Office	Industrial
Vacancy	↓	↑
Inventory	↓	↑
Expected 1-Year Rents	↓	↓
Asking Rents	↑	↑

Data compiled from various sources, including RERC, Torto Wheaton Research, Grubb & Ellis, CBRE, and Marcus & Millichap.

## RERC's Take on the Market

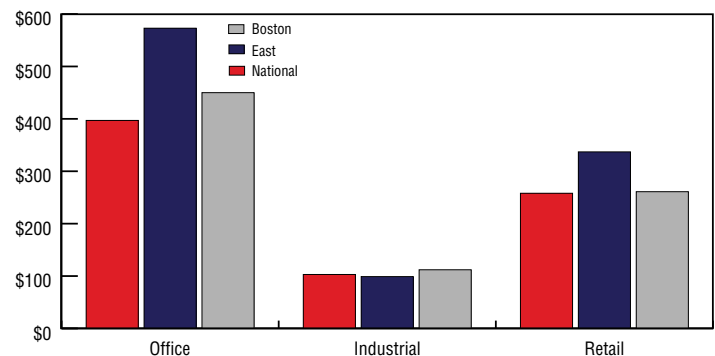
- Survey respondents gave the Boston area economy a performance rating of 6.0 on a scale of 1 to 10, with 10 being high, and predict that the economy will perform at a similar level over the coming year. However, job growth has been negative and population growth is expected to be low, suggesting that the economy is slowing.
- Prices for commercial property in the Boston area are generally higher than regional and national averages, while area capitalization rates are mostly lower.
- With the economy expected to slow in the long term, higher-priced properties in the Boston area may drive investors away.

## Boston Transaction Breakdown (4/1/06 - 3/31/07)

	Office	Industrial	Retail	Apartment	Hotel
<b>&lt; \$5 Million</b>					
Volume (Mil)	\$140	\$271	\$184	\$200	\$4
Size-Weighted Avg.	\$87	\$55	\$112	\$133,124	-
Price-Weighted Avg.	\$123	\$86	\$170	\$182,561	-
Median	\$90	\$75	\$87	\$119,000	-
<b>&gt; \$5 Million</b>					
Volume (Mil)	\$16,409	\$1,072	\$1,539	\$1,863	\$2,023
Size-Weighted Avg.	\$309	\$79	\$179	\$189,117	\$305,336
Price-Weighted Avg.	\$452	\$119	\$271	\$237,408	\$429,614
Median	\$180	\$68	\$216	\$183,660	\$148,438
<b>All Transactions</b>					
Volume (Mil)	\$16,550	\$1,343	\$1,723	\$2,064	\$2,026
Size-Weighted Avg.	\$303	\$73	\$169	\$181,693	\$304,170
Price-Weighted Avg.	\$450	\$112	\$261	\$232,079	\$429,053
Median	\$158	\$70	\$111	\$131,652	\$148,438
<b>Capitalization Rates % (All Transactions)</b>					
Weighted Average	5.9	-	6.1	5.6	7.4
Median	6.2	-	6.2	6.2	8.0

Source: RERC

## RERC Price-Weighted Average Price Per SF/Unit - 1Q 2007



## RERC Weighted Average Cap Rates - 1Q 2007

