

BARRON & CO. - REALTORS

Commercial and Industrial Real Estate

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CAMBRIDGE OFFICE SPACE SURVEY

Last Half - 1984

The following update on activity in the Cambridge office space market was prepared by Lynne M. Barron, independent commercial/industrial broker and specialist in Cambridge office and industrial real estate for the past ten years. The Report has been published semi-annually since 1979 to inform customers of Barron & Co. of events that affect the office leasing market. We hope you will find the Report of interest.

The City of Cambridge is a good example of the old maxim, 'Nothing succeeds like success.' Office space construction continues on a roll and Cambridge astounds the market with its ability to absorb the space as it's built. And that space is substantial. More office space was added to the Cambridge market in the last 5 years than had been built in the previous 30 years.

Total inventory.....	5,101,000 sf
Vacancy rate.....	8.5%
Space leased/1984.....	587,000 sf
New space expected by end of 1985.....	1,152,000 sf
New space expected by end of 1986.....	1,331,000 sf

In the first 5 years of the 80's 3.8 million square feet of new and rehabbed office space has been added to the original inventory of 3.1 million square feet. 13% of this new space is owner-occupied, with the remaining 3.3 million square feet available for lease - an average of 664,000 square feet to be absorbed each year by the market.

And Cambridge has absorbed it. As the new space flooded into the market the vacancy rate rose to a high of 16% in May of 1983. Contributing to the glut of space at that time was 1.5 million square feet that came on stream in 1982 and 1983 during a lackluster economic period. In 1984 an additional 1.2 million square feet came to the market but by the end of the year the vacancy rate in first class buildings stands at 8% - down from 13% one year ago.

The Cambridge economy continues to grow from within. Firms already located in Cambridge leased 87% of the space absorbed in the last 6 months of the year. Cambridge firms that have traditionally occupied low-rent facilities have shown a willingness to step up to pay the higher rents in new office towers. Software and computer-related companies snapped up 53% of the total space leased.

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David E. Sullivan
City Councillor

January 14, 1985

To the Honorable, the City Council:

I attach for the information of my colleagues an excerpt from the "Cambridge Office Space Survey, Last Half - 1984," recently prepared by Barron & Co., Realtors.

The continuing office development boom is relevant to the Council's consideration of Calendar No. 9, the pending petitions for inclusionary zoning and linkage.

Sincerely,

David E. Sullivan

David E. Sullivan

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Comm. from Councillor David Sullivan, transmitting for informational purposes an excerpt from the "Cambridge Office Space Survey, Last Half - 1984", prepared by Barron & Co., Realtors.

In City Council,

January 14, 1985

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