



Tenant Demand Is Off The Charts

By [Aaron Jodka](#) | SEPTEMBER 2017

We are constantly having conversations with clients on a variant of “how much longer will this cycle run?” And it is a good question. This long but slow-growing economic expansion has led to an extended real estate cycle. But that won’t last forever. At industry events people often ask panelists and experts, “What inning are we in?” as a proxy for what the future holds. From a demand perspective, however, the market looks phenomenal and shows no signs of an impending downturn or recession.



Source: Colliers International | Boston

As of: August '17



Colliers International
160 Federal Street
Boston, MA 02110
colliers.com



AARON JODKA
Director of Research
Direct: +1 617 330 8059
Aaron.Jodka@colliers.com



Tenants are eager to tap into the urban Boston market today. We are tracking more than 250 tenants seeking more than six million SF of space. These are both records. Large blocks of space in the Seaport are rapidly disappearing. Companies with no operations in Boston that are actively looking in the market need more than 1 million SF of space. PTC has signed on to anchor 121 Seaport Blvd., while Bose has recently toured the market from the suburbs. Other prominent suburban firms are rumored to be kicking the tires as well.

Could all this demand just be smoke and mirrors? Unlikely. In the event of an economic downturn, the depth of the tenant list would shrink, but the key reasons that companies are looking and choosing Boston will not have changed. Boston has a well-established (if sometimes frustrating) mass transit system funneling workers into the city. We are highly educated, have the highest share of 20–34-year-olds in the country, and have been building housing en masse within the urban core for the first time in a generation. Our natural resources of the Boston Harbor, the Greenway, and Harborwalk, along with our world-leading institutions of higher learning and medicine, separate us from the pack.

Boston is booming. Based on the demand side of the equation, that looks to continue for the foreseeable future.



Colliers International
160 Federal Street
Boston, MA 02110
colliers.com



AARON JODKA
Director of Research
Direct: +1 617 330 8059
Aaron.Jodka@colliers.com