



- Foreign capital flows into US CRE
- Investment market update. The CBD price index has been generally trending up since May, following a weak start in 2016
- Best use of capital in today's compressed yield environment
- State of current capital markets
- Overall demand trends in NYC, the impact of Hudson Yards and Manhattan West, and the strength of the high end market
- D.C. market tenant trends with brokers highlighting muted demand
- Fundamentals in Boston which continues to benefit from a diverse tenant base
- San Francisco sub-lease space/demand trends and overall tenor of technology tenants, given market concerns. Pre-leasing activity has kept up with new supply so far
- Health of the LA market, where demand has been strong recently, but job growth has slowed of late
- Update on Penn Station redevelopment RFP

Figure 70: BXP 3Q16 results preview

BXP	3Q15		2Q16		3Q16			2016			
	Actual	Actual	Actual	Actual	Actual	DBe	Cons	Pre 3Q Guide	Post 3Q Guide	DBe	Cons
<b>Earnings</b>											
FFO/sh	\$1.41	\$1.43				\$1.42	\$1.43	\$5.92 - \$5.99		\$5.97	\$5.98
<b>Operating Metrics</b>											
Total leasing volume (100%)	1,329,648	925,601									
Total occupancy (100%)	91.30%	90.80%				90.15%		90.0% - 91.5%		90.84% avg	
q/q ch	20bp	-20bp				-65bp					
y/y ch	-70bp	-30bp				-115bp				0bp	
Total gross rent spread (cash, 100%)	5.6%	18.3%				15.0% commenced				11.3% commenced	
SS NOI growth y/y (cash, pro-rata)	-0.5%	3.3%						1.00% - 3.00%			

Note: consensus estimates are based on ThomsonReuters compiled data as of 10/14/16

- Update on the high end NYC market, with recent commentary from BXP more positive compared to peers. BXP has some available space in the GM Building and 250 West 55th Street that would fall under this category
- Deal flow in LA following Colorado Center purchase
- Management recently signaled a potential increase to the dividend following the scheduled Board meeting in October
- Update on the \$80MM NOI bridge through 2017
- Update on Salesforce Tower, which was 59% preleased as of 2Q16 (management expects to reach 70% by YE2016)
- Update on potential 2016 development starts: Springfield Metro North, 20 City Point, and Reston Block 5
- Update on preleasing activity at Kendall Center, with management noting during the 2Q call that they were in "advanced discussions" for a 400ksf prelease
- BXP typically provides its initial FFO guidance for the following fiscal year in 3Q. We are at \$6.50 and consensus is at \$6.40
- 3Q FFO/sh guidance of \$1.40-\$1.42. (DBe at \$1.42)

Source: Deutsche Bank, company data, Thomson