

# Greater Boston



## Market Facts

**2.6%**

of Class A space is vacant, which is consistent with the last several quarters

**1.98 MSF**

is currently under construction, 24% of which is preleased

**2021**

is when Shire plans to relocate its U.S. Headquarters in Lexington to their new space in Cambridge

**4.8%**

of existing lab space is currently available, down 170 basis points from Q2' 2017

## Workforce in the Greater Boston Life Science Sector continues to reach all-time highs

The Greater Boston Life Science sector continues to add a significant number of jobs each year, having grown a total of 28% over the last 10 years. This growth is expected to continue, as the market remains extremely active, and overall net absorption is positive for the third consecutive quarter. Q3' 2017 saw the suburbs and Worcester driving occupancy take-up, while a slight amount of space was given back in Cambridge due to the downsizing of several smaller tenants.

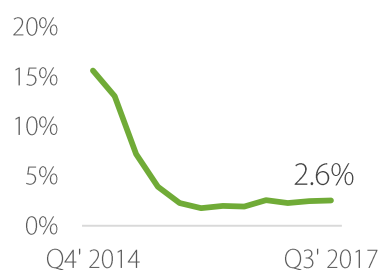
Existing availability for lab space in the Greater Boston Area (GBA) hit an all time low of 4.8%, mainly due to a few major transactions: These include Shire's sublease of 223,000 SF at 75-125 Binney St. and Facebook's expansion into a total of 132,636 SF at 100 Binney St. In the Ring, Boston Landing inked deals with two new tenants, Proteostasis Therapeutics and Roche Diagnostics, each taking a 29,000 SF floor. The suburbs however, remained fairly quiet in terms of new lease commitments.

Investment in GBA's Life Science sector as a whole remains higher than that of any other US region, in spite of the recent volatility in the drug delivery sector. Venture capital funding for biotech has roughly doubled over the last quarter while IPO activity has increased in the GBA, suggesting the market will continue to add more lab inventory in order to alleviate a tight leasing landscape.

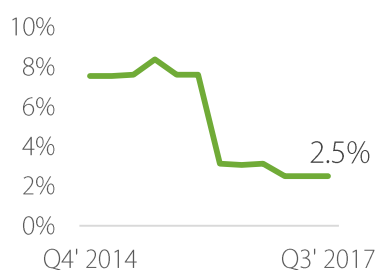
Looking ahead, Greater Boston has almost 2 MSF of Life Science space under construction, with delivery expected within the next two years. Major Cambridge projects include The Davis Companies' 223,000 SF redevelopment of 35 Cambridgepark Dr., MIT's 308,800 SF 238 Main St./Kendall Square Plan, and DivcoWest's 420,000 SF speculative Cambridge Crossing. While additional urban supply is on the way, it's not in the immediate future; larger lab tenants looking for immediate occupancy will be forced to look to the Ring and the suburbs.

## Overall Vacancy Rates

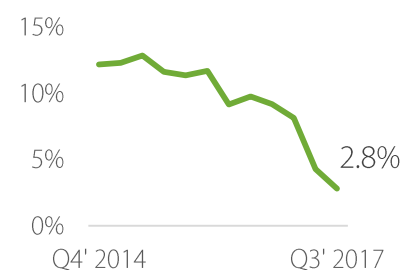
## Cambridge



## Boston &amp; Ring



## Suburbs &amp; Worcester



## Top Leases

Address	Submarket	Tenant	Type	Size
75-125 Binney Street	Kendall	Shire	Sublease	223,000 SF
301 Binney Street	Kendall	Synlogic	New	41,000 SF
80 Guest Street	Brighton	Roche Diagnostics	New	29,000 SF
80 Guest Street	Brighton	Proteostasis Therapeutics	New	29,000 SF

## Notable Requirements

Tenant	Area	Size Range (SF)	Timing
Astellas Pharma US	Cambridge	130,000+	2020
Concert Pharma	Cambridge	50,000+	2019
Rubius Therapeutics	Cambridge	50,000+	2018

	rba sf	vacancy %	A	B	absorption sf		construction sf		
					qtr	ltm	uc	%	comp
<b>TOTAL MARKET</b>	<b>21,453</b>	<b>2.8%</b>	<b>2.0%</b>	<b>4.2%</b>	<b>64</b>	<b>844</b>	<b>1,984</b>	<b>24%</b>	<b>600</b>
<b>Cambridge</b>	<b>10,952</b>	<b>2.6%</b>	<b>2.6%</b>	<b>2.0%</b>	<b>-12</b>	<b>426</b>	<b>1,839</b>	<b>26%</b>	<b>505</b>
Kendall	6,210	1.7%	1.9%	0.3%	-3	499	1,196	39%	505
Central	4,122	4.1%	2.1%	9.9%	-4	-69	0		0
Alewife	620	0.8%	0.0%	1.0%	-5	-5	224	0%	0
<b>The Ring</b>	<b>3,101</b>	<b>2.5%</b>	<b>2.9%</b>	<b>0.0%</b>	<b>0</b>	<b>18</b>	<b>0</b>		<b>0</b>
Longwood	1,618	5.2%	5.4%	0.0%	0	18	0		0
Crosstown	916	0.0%	0.0%	0.0%	0	0	0		0
Seaport	566	0.0%	0.0%	na	0	0	0		0
<b>128 Belt</b>	<b>3,640</b>	<b>1.2%</b>	<b>0.0%</b>	<b>1.7%</b>	<b>41</b>	<b>208</b>	<b>145</b>	<b>0%</b>	<b>95</b>
Lexington	1,775	0.0%	0.0%	0.0%	8	106	0		95
Waltham	1,348	0.0%	0.0%	0.0%	24	76	145	0%	0
<b>495 Belt</b>	<b>2,467</b>	<b>6.8%</b>	<b>0.0%</b>	<b>9.6%</b>	<b>0</b>	<b>-21</b>	<b>0</b>		<b>0</b>
Framingham	1,020	0.0%	0.0%	0.0%	0	0	0		0
<b>Worcester West</b>	<b>1,294</b>	<b>3.2%</b>	<b>5.2%</b>	<b>2.8%</b>	<b>35</b>	<b>212</b>	<b>0</b>		<b>0</b>

sf in thousands ltm = last twelve months comp = ltm completions % = percented under construction large scale drug manufacturing is not included



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