

Greater Boston



Market Facts

1.85 MSF

of competitive lab space is currently under construction, with roughly 58% preleased

54%

of the 1.7 MSF of current lab construction is currently pre-leased

164,000 SF

of total lab space was absorbed on a net basis in Q1' 2018

2.8%

of lab space is currently vacant on a direct and sublet basis in the GBA

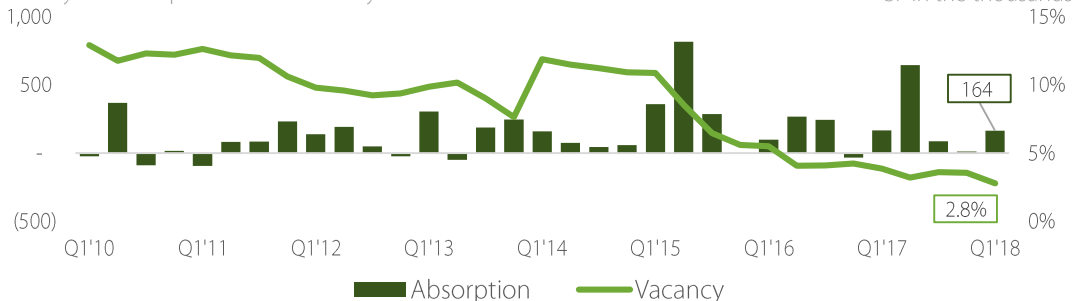
Developers and tenants alike begin to explore less established life-science clusters in the market as heavy industry funding persists

The Greater Boston lab market opened the year with over 160,000 SF in net absorption, bringing the total vacancy rate to an all-time low of 2.8%. Despite increased development efforts, the market has been unable to satisfy an unprecedented amount of demand for lab space due to the swift preleasing activity. Looking ahead, downward pressure on the vacancy rate is expected to continue with limited opportunity to build new product in East Cambridge and alternative submarket options offering significantly cheaper rents. This has led to developers

continuing to explore constructing or repositioning lab space in somewhat less established areas such as Somerville, Brighton and Watertown. Similarly, this trend has been supported by the lab tenants not married solely to Cambridge, as they have leased space at locations such as Boston Landing and the LINX (490 Arsenal St). Funding momentum for the life-sciences in Massachusetts also remains strong, this being supported by the State recently announcing an all-time high NIH investment volume in 2017 along with major VC investments into drug discovery.

Supply & Demand

quarterly net absorption vs total vacancy



Notable Construction

Address	City	Developer	Size	% Leased	Delivering
100 Binney Street	Cambridge	Alexandria	432,000 SF	100% (Facebook & BMS)	Q2' 2018
35 Cambridgepark Drive	Cambridge	The Davis Cos.	227,000 SF	0%	Q2' 2018
399 Binney Street	Cambridge	Alexandria	164,000 SF	83% (Rubius, Relay, Celsius,)	Q4'2018
40 Guest Street	Brighton	New Balance Dev.	160,000 SF	100% (Boston Celtics & MI Labs)	Q2' 2018
828 Winter Street	Waltham	King Street	145,000 SF	0%	Q3' 2018

Sizeable Requirements

Tenant	Area	Size Range (SF)	Timing
Forma Therapeutics	128 Core	75,000+	2018
MIT Lincoln Labs	128 Core	60,000+	2018
Collegium Pharmaceuticals	South Shore	35,000+	2018

Quarterly Lease Transactions

Tenant	Size	Address	City	Submarket	Deal Type
Kala Pharmaceuticals	66,052 SF	490 Arsenal Way	Watertown	Watertown Brighton	New
Relay Therapeutics	42,827 SF	399 Binney Street	Cambridge	Kendall	New
Abbvie	42,313 SF	200 Sidney Street	Cambridge	Central	Expansion
Beam Therapeutics	38,203 SF	26 Landsdowne Street	Cambridge	Central	New
Mersana Therapeutics	34,324 SF	840 Memorial Drive	Cambridge	Central	Renewal
Aileron Therapeutics	18,609 SF	490 Arsenal Way	Watertown	Watertown Brighton	New

By the Numbers

	rba sf	total	VACANCY %		ABSORPTION SF		CONSTRUCTION SF		
			A	B	qtr	ltm	uc	%	comp
TOTAL MARKET	21,743	2.8%	2.3%	3.5%	164	907	1,852	58%	691
Cambridge	11,158	1.5%	1.5%	0.9%	50	574	1,422	61%	505
Kendall	6,394	0.9%	1.0%	0.0%	57	554	1,196	72%	505
Central	4,122	1.9%	0.9%	4.9%	-7	52	0	-	0
Alewife	643	5.5%	0.0%	4.9%	0	-32	227	0%	0
The Ring	3,145	4.5%	5.3%	0.0%	104	108	285	-	186
Longwood	1,618	1.0%	1.1%	0.0%	84	67	0	-	0
Crosstown	960	0.0%	0.0%	0.0%	0	0	0	-	0
Seaport	566	0.0%	0.0%	na	0	0	125	-	0
Watertown Brighton	418	34.6%	44.6%	0.0%	21	41	160	-	186
128 Belt	3,642	4.4%	4.5%	4.3%	-49	-35	145	0%	0
Lexington	1,775	4.4%	0.0%	7.4%	-79	-37	0	-	0
Waltham	1,350	4.5%	12.4%	1.1%	0	-37	145	0%	0
495 Belt	2,504	4.3%	1.5%	5.5%	58	73	0	-	0
Framingham	1,019	1.0%	1.5%	0.0%	-11	-11	0	-	0
Worcester West	1,294	1.5%	5.2%	0.8%	0	187	0	-	0

sf in thousands ltm = last twelve months comp = ltm completions % = percent under construction



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