

Greater Boston

Market Overview

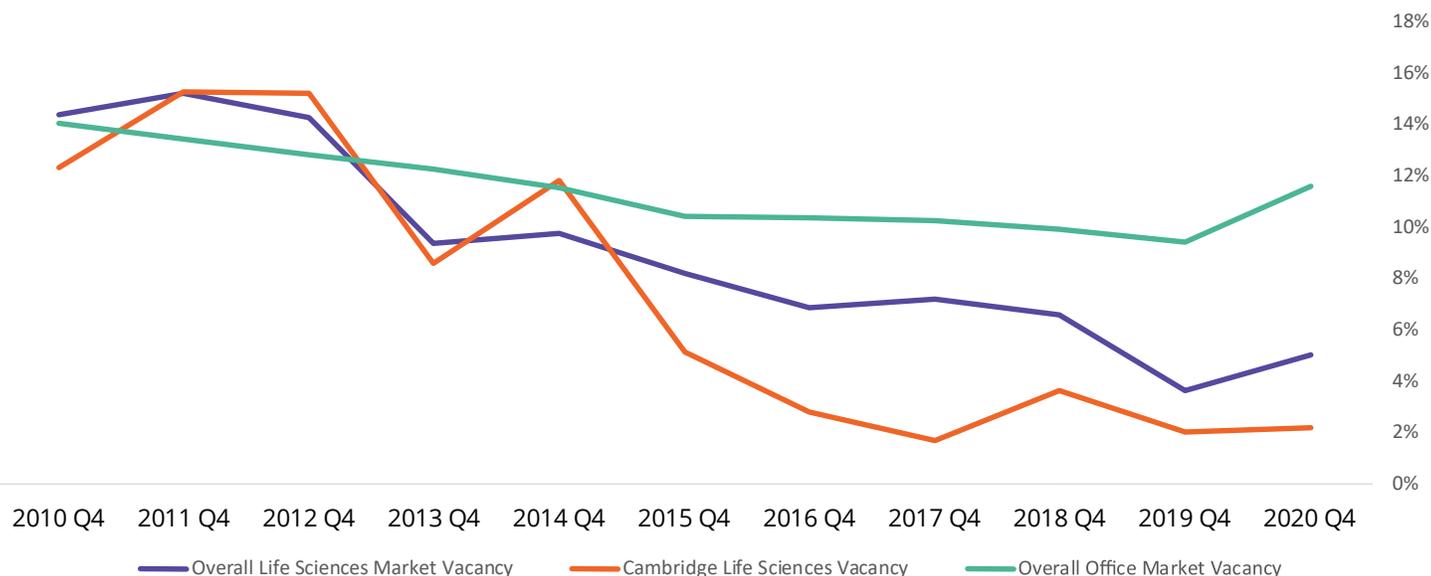
Over the last few years Greater Boston has established itself as the top life sciences market in the world. Even in the middle of the COVID-19 pandemic, demand for laboratory space continued to be off the charts throughout 2020. In addition to the race to find a COVID-19 vaccine, the pandemic has accelerated research trends such as the growing importance of personalized medicine for an increasingly older population.

Life sciences in Greater Boston are growing unabated, as evidenced by tightening vacancies and a record-setting \$6.3 billion in biotechnology venture capital funding in 2020. Venture capital funding is a major indicator of the sector's success, as life sciences companies use capital for research, recruiting talent, and ultimately leasing laboratory space. The Greater Boston Area, San Francisco Bay Area, and San Diego, the "big three" biotechnology markets, account for over half of the total laboratory inventory in the country. Access to top research universities and a highly skilled talent pool are just two of the reasons why life sciences companies from across the world have flocked to Greater Boston over the years.

Greater Boston Area ranked **#1** in nation (according to Sum Of NIH Funding Recipients)

	Overall Vacancy 5.0%		Inventory Under Construction 3.9 msf		Overall Average NNN Asking Rate \$80.40		Total Building Inventory 31.0 msf
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Vacancy Trends



Notable Lease Transactions

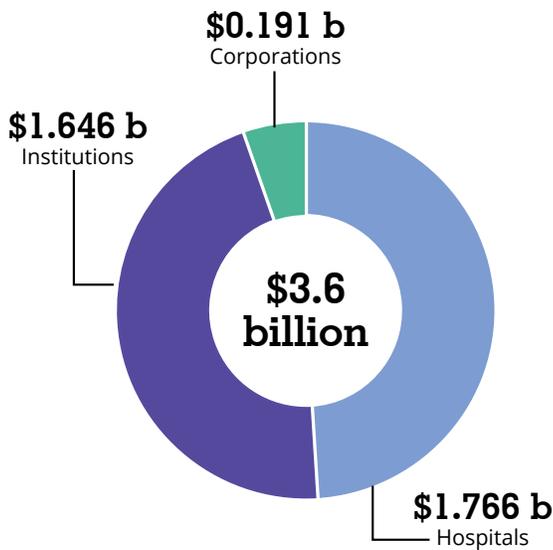
Tenant	Address	Submarket	Square Footage	Date
Translate Bio	200 West St	128 West	138,444	Q4 2020
Constellation Pharmaceuticals	100 Talcott Ave	128 West	79,000	Q4 2020
Dyne Therapeutics	1560 Trapelo Rd	128 West	68,187	Q4 2020
Ginkgo BioWorks	10 Wilson Rd	Mid Cambridge	38,759	Q4 2020
Bristol Myers Squibb	250 Water St	East Cambridge	360,000	Q3 2020
CRISPR Therapeutics	105 West First St	Seaport	263,500	Q3 2020
BlueRock Therapeutics	238 Main St	East Cambridge	73,830	Q3 2020
Alnylam Pharmaceuticals	101 Main St	East Cambridge	37,287	Q3 2020
Affinia Therapeutics	43 Foundry Ave	128 West	31,590	Q3 2020

Notable Sale Transactions

Buyer	Address	Submarket	Price	Square Footage	Date
The Blackstone Group	Portfolio	East Cambridge	\$3.45 billion	2,300,000	Q1 2021*
Healthpeak Properties	Discovery Park	West Cambridge	\$720 million	620,000	Q4 2020
Alexandria Real Estate Equities	Reservoir Woods	128 West	\$330 million	515,273	Q3 2020
IQHQ	Alewife Park	West Cambridge	\$125 million	290,000	Q3 2020

*This transaction is agreed upon but set to close officially in Q1 2021

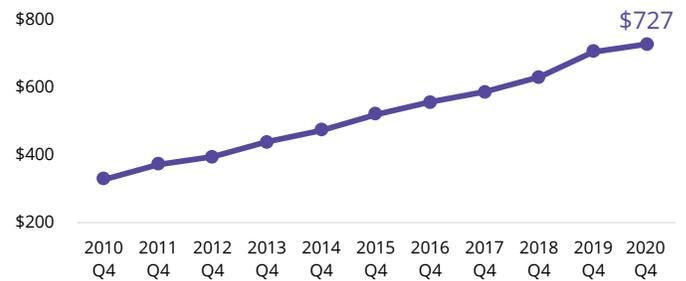
2020 NIH Funding



Institution	NIH Funding
Harvard University	\$514 m
UMASS (All Campuses)	\$340 m
Boston University	\$226 m
Massachusetts Institute of Technology	\$209 m
Tufts University	\$92 m

Hospital	NIH Funding
Massachusetts General Hospital	\$552 m
Brigham & Women's Hospital	\$327 m
Boston Children's Hospital	\$202 m
Dana-Farber Cancer Institute	\$174 m
Beth Israel Deaconess Medical Center	\$136 m

Overall Market Sale Price Per SF

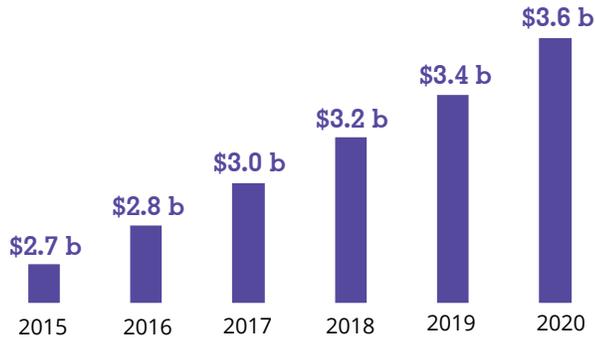


Investor Spotlight: The Blackstone Group

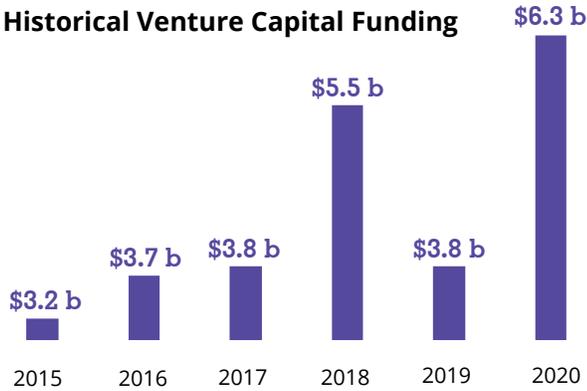
In December, Blackstone emerged as the largest life sciences property owner in Cambridge with its agreement to acquire 14 laboratory properties, totaling 2.3 msf, from Brookfield for \$3.45 billion. The deal is the largest transaction across all U.S. real estate markets since November 2019, when a Las Vegas casino traded for \$4.2 billion. Most (90%) of the properties are concentrated in East Cambridge, the epicenter of life sciences activity in the U.S. The acquisition reaffirms Blackstone's strong commitment to the long-term fundamentals of the sector and the Boston/Cambridge market alike. As a result of the acquisition, BioMed Realty, Blackstone's life sciences portfolio company, now has an enterprise value of over \$20 billion. Two thirds of BioMed's properties are in the Greater Boston Area.



Historical NIH Funding



Historical Venture Capital Funding



Construction

The upward trajectory of the life sciences market has caught the attention of many developers who are seeing opportunities for new ground up development and evaluating the potential for office-to-laboratory conversions. As the office market continues to struggle, many high-profile office owners such

as Boston Properties

have announced that they are shifting their focus to life sciences. Oxford Properties Group is the latest developer pivoting to life sciences as it retracted its 2019 proposal for a 625,000 sf office tower to pitch a 393,000 sf laboratory building at 125 Lincoln St in the CBD, a submarket devoid of laboratory space. Greater Boston has 3.9 msf of laboratory construction underway, approximately 1 msf greater than any other U.S. market, and 18.4 msf proposed, according to Avison Young research.



Development Pipeline

Building	Developer	Submarket	Delivery	RBA	% Leased
Boynton Yards	DLJ Real Estate Capital Partners	Near North	Q3 2021	289,000	0%
Cambridge Crossing	DivcoWest	East Cambridge	Q4 2021	1,405,640	100%
225 Wyman St	Hobbs Brook Management	128 West	Q1 2022	507,620	36%
750 Main St	Massachusetts Institute of Technology	Mid Cambridge	Q1 2022	200,000	100%
300 Third Ave	Lincoln Property Company	128 West	Q1 2022	140,000	0%
201 Brookline St	Samuels & Associates	Fenway/Kenmore	Q2 2022	501,200	18%
400 Summer St	WS Development	Seaport	Q1 2023	626,400	100%

Q4 2020 Laboratory Statistics

Submarket	Total RBA (sf)	Total Vacant Space (sf)	Total Vacancy Rate	Net Absorption (sf)	Net Absorp. YTD (sf)	Under Construction	NNN Asking Rate
East Cambridge/Kendall Square	9,590,423	197,394	2.1%	10,373	7,344	1,405,640	\$104.28
Mid Cambridge/Harvard Square	4,736,929	13,034	0.3%	3,407	-7,173	200,000	\$85.90
West Cambridge/Alewife Square	1,295,375	133,590	10.3%	62,140	255,446	0	\$79.51
Cambridge	15,622,727	344,018	2.2%	75,920	255,617	1,605,640	\$96.65
Seaport	2,231,464	103,913	4.7%	-55,493	-39,007	626,400	\$84.94
Allston/Watertown	2,814,235	342,849	12.2%	-123,168	-139,516	0	\$72.10
Fenway/Kenmore	2,538,705	0	0.0%	0	0	501,200	\$79.28
Boston & The Ring	7,584,404	446,762	5.9%	-178,661	-178,523	1,127,600	\$78.28
Route 128 North	210,113	3,374	1.6%	-3,374	-3,374	289,000	\$48.81
Route 128 West	6,976,892	741,941	10.6%	23,699	198,167	852,212	\$51.29
128 Belt	7,187,005	745,315	10.4%	20,325	194,793	1,141,212	\$51.22
495 Belt	583,108	23,865	4.1%	-16,674	-16,674	0	\$32.24
TOTAL Market	30,977,244	1,559,960	5.0%	-99,090	255,213	3,874,452	\$80.40

MAP KEY

495 Belt

- 495 Northeast
- Route 3 North
- 495 Route 2 West
- 495 Mass Pike West
- Framingham/Natick
- 495 South

128 Belt

- 128 North
- 128 West
- 128 South
- South Shore

The Ring

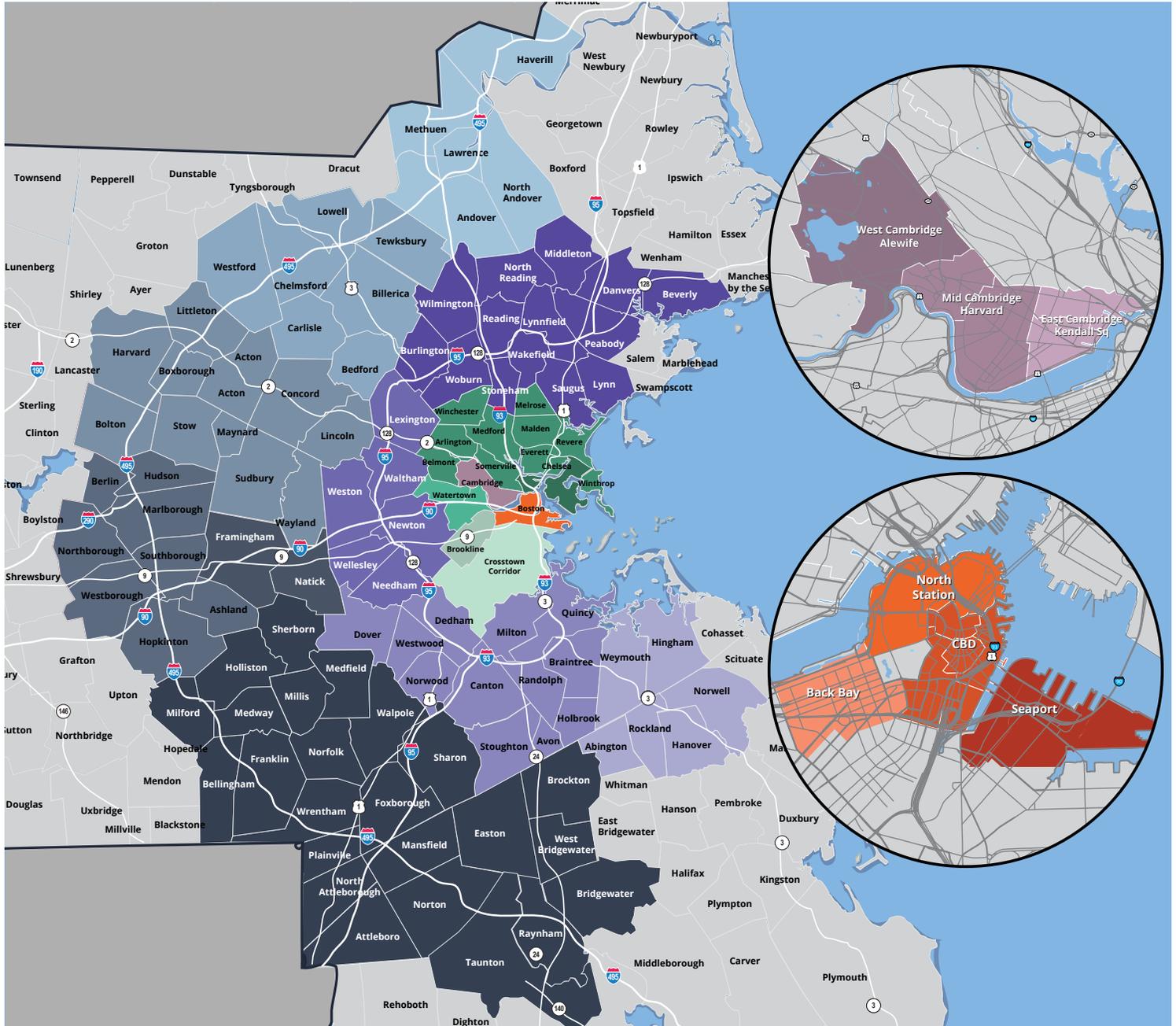
- Charlestown/Eastie
- Near North
- Allston/Watertown
- Fenway/Kenmore
- Crosstown Corridor

Boston

- Seaport
- CBD
- North Station
- Back Bay

Cambridge

- West Cambridge/Alewife
- Mid Cambridge/Harvard
- East Cambridge/Kendall Sq



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