



greater
boston **biobeat**

Q2 2024

Better never settles



CUSHMAN &
WAKEFIELD

market overview

Availability rates continued to rise for the seventh consecutive quarter, reaching a new all-time high of 28.7%—up 130 basis points (bps) quarter-over-quarter (QOQ). Cambridge and the Urban Core were the only two submarkets to record a decrease in availability, dropping down 50 bps and 130 bps to 20.9% and 29.1% QOQ, respectively.

Year-to-date (YTD) construction completions were nearly double the project completions during the first half of 2023. With more than 2.8 million square feet (msf) still under construction and anticipated to deliver by year-end totaling 5.4 msf of deliveries for 2024, construction completions are expected to decline year-over-year (YOY), from 6.7 msf of deliveries in 2023.

New demand in the second quarter totaled only 141,000 sf, marking a 54.5% decrease QOQ and the lowest leasing total since Q2 2020. For the second consecutive quarter, the Urban Ring recorded the highest quarterly new demand, followed closely by Cambridge at 58,408 sf and 51,846 sf, respectively.

Despite direct asking rents decreasing for the second consecutive quarter, direct asking rates recorded an \$8.62 per square foot (psf) increase compared to one year ago at \$91.93 psf.

Key Leases 2024 YTD

ADA Forsyth	BPG Bio	Treeline Biosciences	Tiax
100 Chestnut Street Somerville	300 Third Avenue Waltham	500 Arsenal Street Watertown	35 Hartwell Avenue Lexington
76,000 sf	70,000 sf	67,362 sf	46,700 sf
<i>New Lease</i>	<i>New Lease</i>	<i>Renewal</i>	<i>Renewal</i>

Key Completions 2024 YTD

74 Middlesex Avenue Somerville	325 Binney Street Cambridge	808 Windsor Street Somerville	15 Necco Street Seaport	250 Western Avenue Allston	600 Main Street Cambridge	44 Middlesex Turnpike Bedford	103 Fourth Avenue Waltham
465,000 sf	450,000 sf	355,000 sf	345,995 sf	273,000 sf	185,010 sf	147,000 sf	113,000 sf
<i>Fully Available</i>	<i>100% Leased</i>	<i>Fully Available</i>	<i>100% Leased</i>	<i>Fully Available</i>	<i>100% Leased</i>	<i>Fully Available</i>	<i>Fully Available</i>

Largest Projects Under Construction

585 Kendall Street Cambridge	290 Binney Street Cambridge	188 Assembly Square Drive, Somerville	305 Western Avenue Allston	2 Harbor Street Boston	60 Guest Street Boston
600,000 sf	570,000 sf	490,000 sf	262,000 sf	418,824 sf	320,000 sf
<i>Q1 2025 Delivery</i>	<i>Q1 2025 Delivery</i>	<i>Q4 2024 Delivery</i>	<i>Q2 2025 Delivery</i>	<i>Q1 2025 Delivery</i>	<i>Q4 2024 Delivery</i>

submarket snapshot

495 Belt

Vacancy
20.7%
YTD Leasing Activity
23,920 sf
Under Construction
0 sf
YTD Absorption
91,230 sf

128 Belt

Vacancy
25.2%
YTD Leasing Activity
107,000 sf
Under Construction
777,000 sf
YTD Absorption
-144,126 sf

Urban Ring

Vacancy
46.0%
YTD Leasing Activity
196,659 sf
Under Construction
2.5 msf
YTD Absorption
-567,786 sf

Cambridge

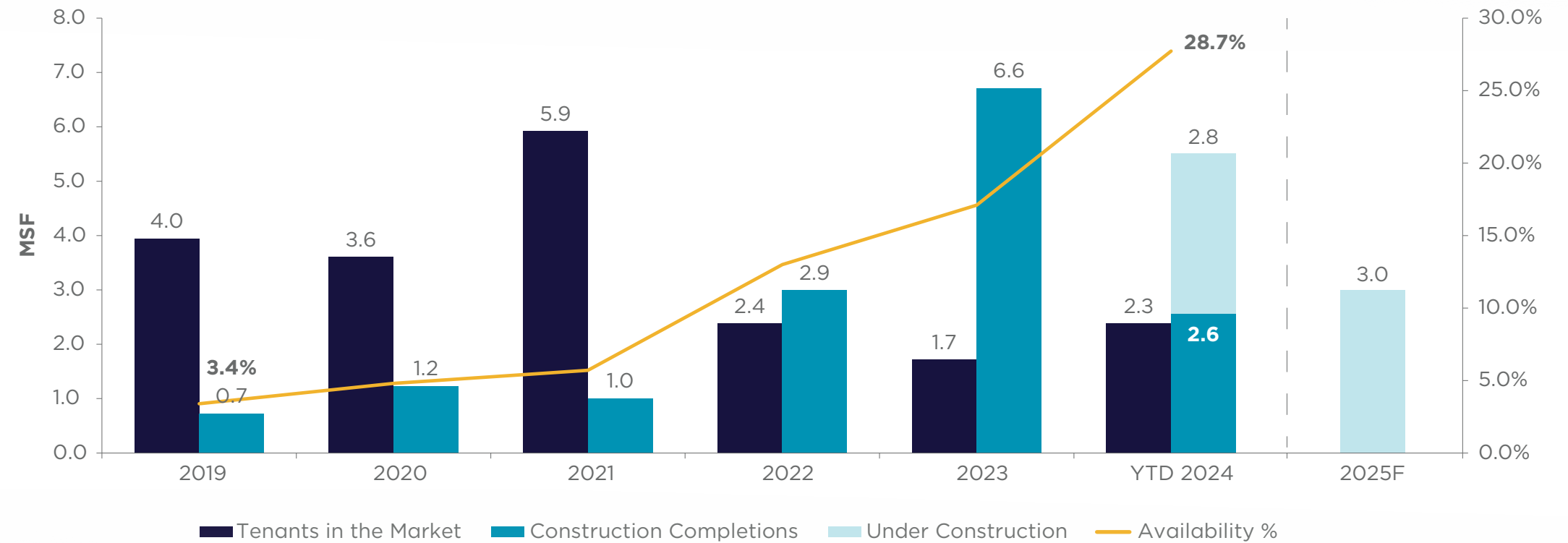
Vacancy
17.6%
YTD Leasing Activity
123,254 sf
Under Construction
1.9 msf
YTD Absorption
616,254 sf

Urban Core

Vacancy
27.0%
YTD Leasing Activity
0 sf
Under Construction
933,824 sf
YTD Absorption
283,601 sf

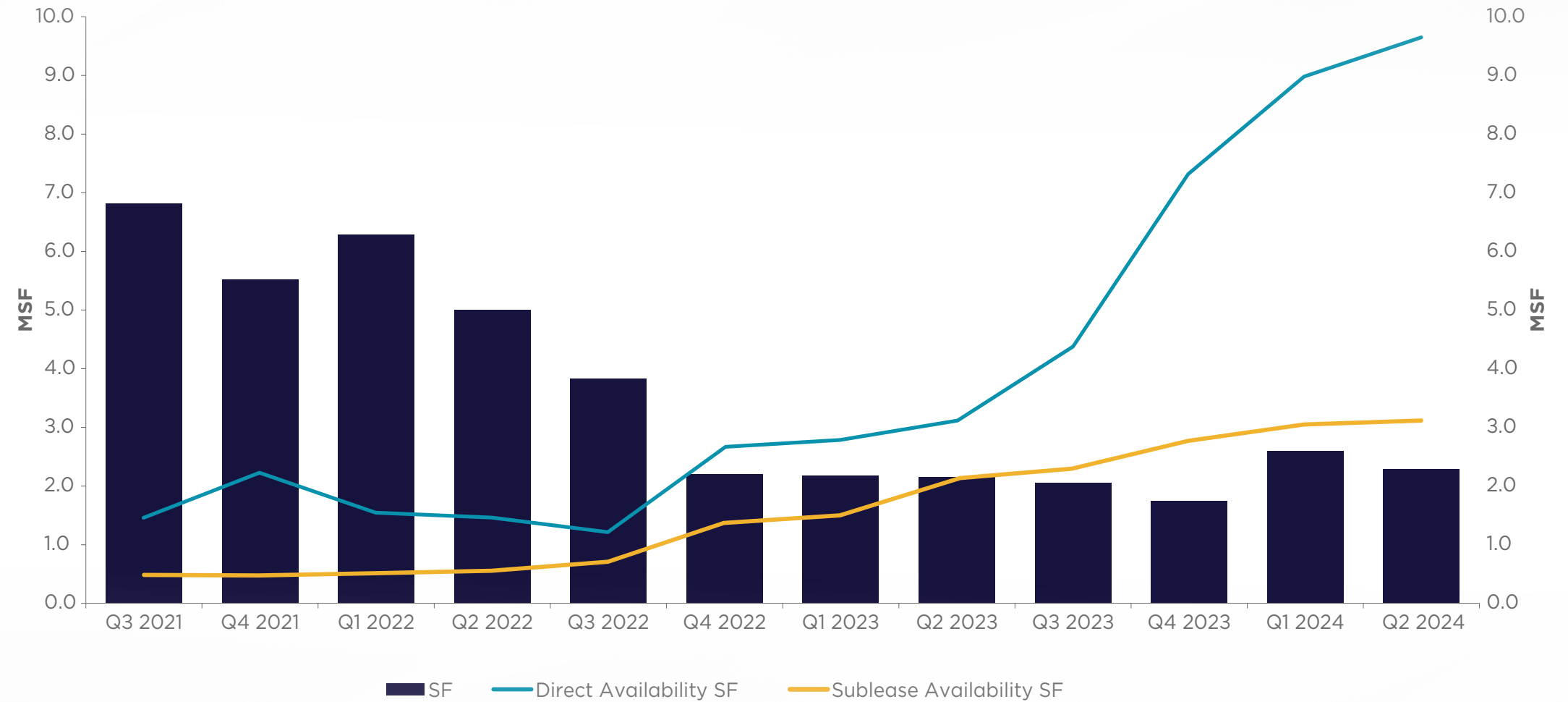
greater boston new supply & future demand

With nearly 5.4 msf of construction anticipated to deliver in 2024, construction completions have slowed since its five-year peak in 2023 of 6.6 msf. Despite the construction slowdown, tenants in the market have started to increase from the five-year low in 2023 of 1.7 msf.

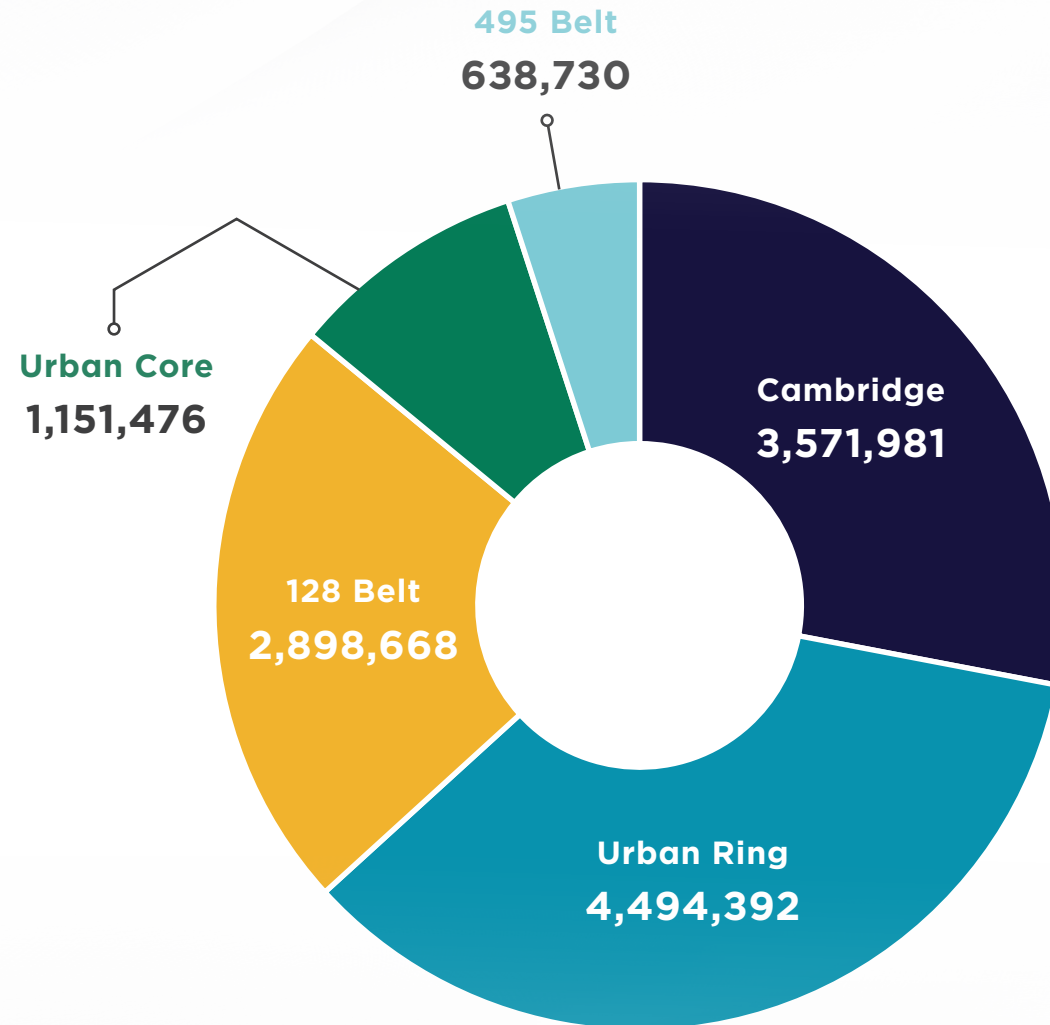


greater boston tenants in the market

Greater Boston's tenants in the market decreased nearly 300,000 sf since Q1 2024, meanwhile direct and sublease availability increased 7.5% and 2.1% quarter-over-quarter (QOQ), respectively. The decrease in tenants in the market coupled with the increase in availability rates further expands the gap between supply and demand.



greater boston available space by cluster



Key Takeaways

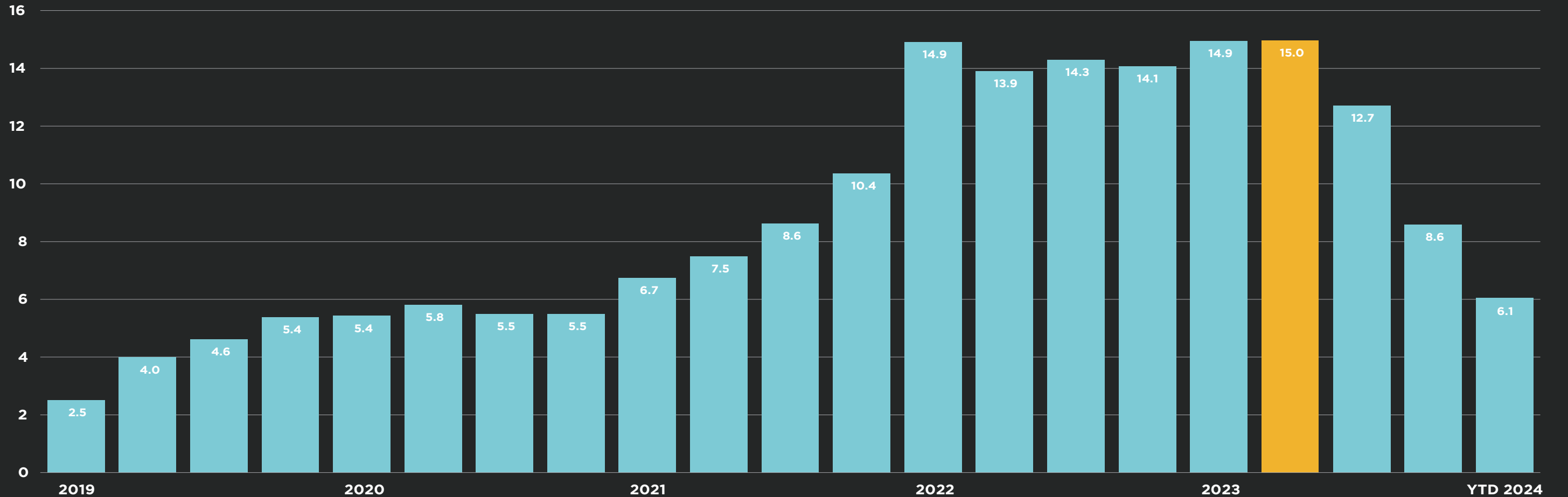
- The Urban Ring recorded the most available space for the third consecutive quarter, claiming 35.2% of all supply in Greater Boston’s life sciences market, with Cambridge following shortly behind at 28.0%.
- Cambridge and the Urban Core were the only two submarkets to post a decrease in overall availability in the second quarter, with their sublease availabilities dropping 50 bps and 90 bps QOQ, down to 8.3% and 9.0%, respectively.
- Overall availability in the Urban Ring is anticipated to climb, as more than 2.5 msf remains under construction with minimal preleasing.

today's pipeline falls to a three-year low

Since peaking in Q2 2023, Greater Boston's lab pipeline has slowed significantly in recent quarters, hitting the lowest level since Q1 2021 at 6.7 msf. The pipeline is expected to continue to slow, with only 2.6 msf of new project deliveries since the start of 2024, and only 2.8 msf anticipated to deliver by the end of the year.

Under Construction Life Sciences Real Estate

SF in millions



construction deliveries up year-over-year

YTD 2024 Deliveries

2.6 msf

(+142.4% YOY)

Buildings

11

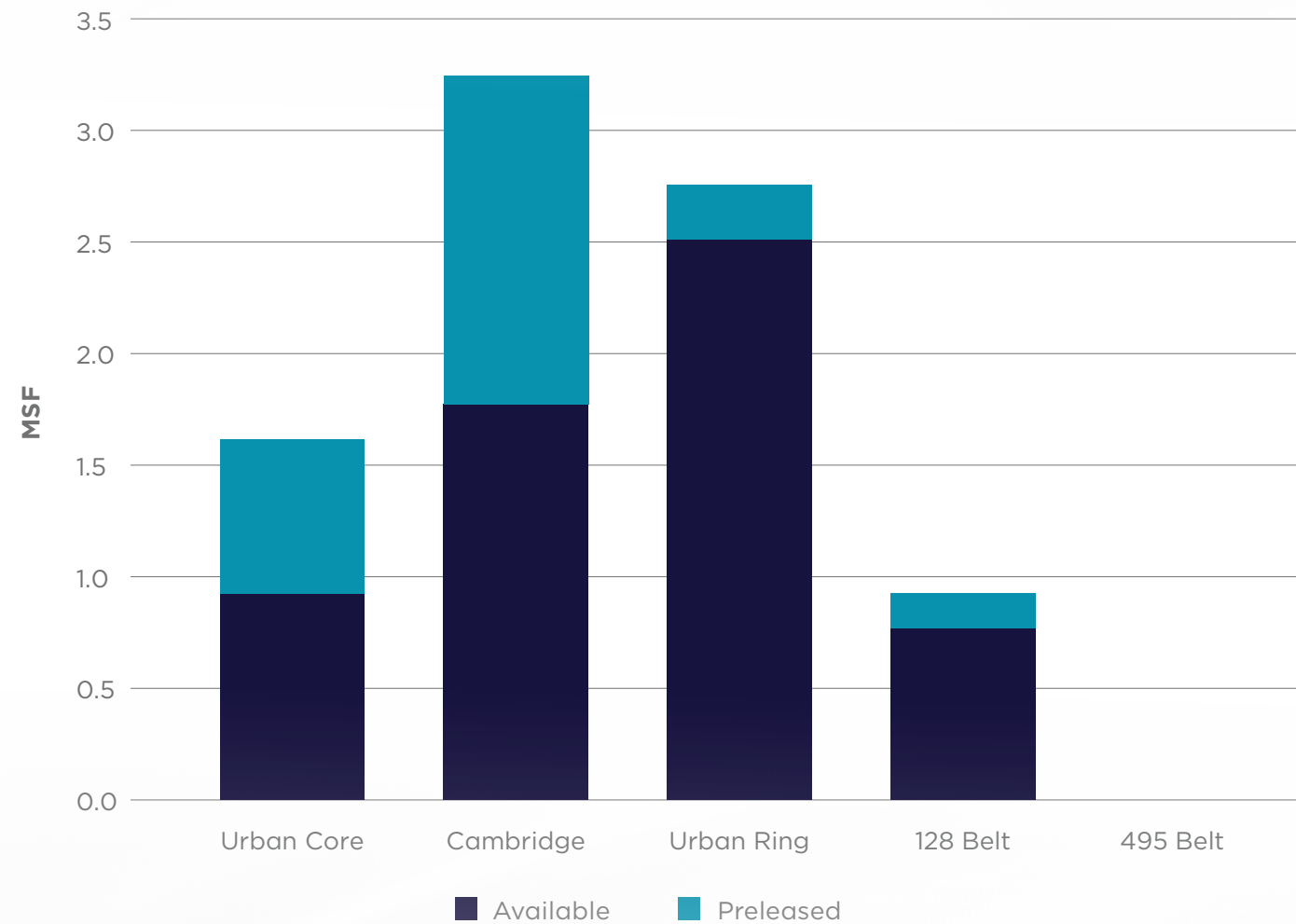
Currently Leased

37.9%



under construction inventory by market cluster

Cambridge and the Urban Core lead the market with 74.9% and 24.4% of preleasing activity, respectively. The Greater Boston life sciences market has had a slow down in demand, with no tenants choosing to prelease space during the second quarter.



	UC SF	% Leased
TOTAL MARKET	6,088,526	32.7%
Urban Core	933,824	24.4%
Financial District	-	-
Seaport	933,824	24.4%
Cambridge	1,861,502	74.9%
East Cambridge	1,393,502	100%
Mid Cambridge	-	-
Alewife	468,000	0%
Urban Ring	2,516,200	8.4%
Urban North	950,200	0%
Watertown	247,000	85.4%
Allston/Brighton	583,000	0%
Fenway/Longwood	736,000	0%
Urban South	-	-
128 Belt	777,000	20.5%
128 North	-	-
128 Central	777,000	20.5%
128 South	-	-
495 Belt	-	-
495 North	-	-
495 West	-	-
Framingham/Natick	-	-
495 South	-	-

market stats

Lab Q2 2024 Boston Submarkets	INVENTORY		AVAILABILITY				WTD AVG ASKING RENT (NNN)			LEASING ACTIVITY		UNDER CONSTRUCTION		CONSTRUCTION DELIVERIES	
	RBA	# Bldgs	Direct Availability %	Sublet Availability %	Total SF	Total Availability %	Direct	Sublet	Total	Q2 2024	YTD	SF	% Leased	Q2 2024	YTD
TOTAL MARKET	44,497,868	291	21.7%	7.0%	12,755,247	28.7%	\$91.93	\$84.52	\$90.39	140,936	450,833	6,088,526	32.7%	615,000	2,585,094
CBD	3,954,949	16	20.1%	9.0%	1,151,476	29.1%	\$103.37	\$87.76	\$99.41	0	0	933,824	24.4%	0	345,995
Financial District	365,667	2	27.9%	5.5%	122,108	33.4%	\$101.61	\$70.00	\$96.44	0	0	0	-	0	0
Seaport	3,589,282	14	19.3%	9.4%	1,029,368	28.7%	\$103.63	\$89.18	\$99.80	0	0	933,824	24.4%	0	345,995
CAMBRIDGE	17,057,628	108	12.6%	8.3%	3,571,981	20.9%	\$107.75	\$97.98	\$104.61	51,846	123,254	1,861,502	74.9%	0	665,099
East Cambridge	10,737,256	48	10.0%	8.3%	1,962,717	18.3%	\$114.13	\$103.21	\$110.69	29,622	36,585	1,393,502	100.0%	0	665,099
Mid Cambridge	4,263,136	35	13.0%	7.8%	889,213	20.9%	\$105.93	\$95.43	\$101.40	8,620	37,269	0	-	0	0
Alewife	2,057,236	25	25.4%	9.6%	720,051	35.0%	\$97.32	\$87.60	\$95.15	13,604	49,400	468,000	100.0%	0	0
URBAN RING	9,787,347	45	41.1%	4.8%	4,494,392	45.9%	\$92.90	\$83.92	\$92.27	58,408	196,659	2,516,200	8.4%	355,000	1,167,000
Urban North	2,965,077	13	51.4%	3.1%	1,616,409	54.5%	\$86.33	\$55.00	\$85.25	13,408	130,408	950,200	0.0%	355,000	820,000
Watertown	3,097,940	21	47.3%	8.0%	1,713,737	55.3%	\$96.32	\$86.74	\$95.52	45,000	66,251	247,000	85.4%	0	75,000
Allston/Brighton	432,000	2	63.0%	0.7%	274,900	63.6%	\$102.50	N/A	\$102.50	0	0	583,000	0.0%	0	272,000
Fenway/Longwood	2,421,409	7	7.3%	2.9%	247,352	10.2%	\$95.00	\$89.98	\$93.59	0	0	736,000	0.0%	0	0
Urban South	870,921	2	67.1%	6.6%	641,994	73.7%	\$90.31	\$92.14	\$90.39	0	0	0	-	0	0
128 BELT	9,807,526	83	22.6%	6.9%	2,898,668	29.6%	\$68.05	\$66.99	\$67.73	6,762	107,000	777,000	20.5%	260,000	407,000
128 North	569,278	7	1.6%	7.7%	53,039	9.3%	\$58.04	\$59.41	\$59.22	2,359	2,359	0	-	0	0
128 Central	8,950,609	74	23.2%	7.1%	2,709,990	30.3%	\$71.67	\$67.31	\$70.30	4,403	104,641	777,000	20.5%	260,000	407,000
128 South	287,639	2	47.2%	0.0%	135,639	47.2%	\$40.00	N/A	\$40.00	0	0	0	-	0	0
495 BELT	3,890,418	39	11.7%	4.7%	638,730	16.4%	\$64.42	\$60.46	\$61.95	23,920	23,920	0	0.0%	0	0
495 North	2,426,275	22	13.3%	4.9%	440,446	18.2%	\$65.00	\$60.46	\$63.65	23,920	23,920	0	-	0	0
495 West	404,385	7	7.1%	16.1%	93,778	23.2%	\$35.00	N/A	\$35.00	0	0	0	-	0	0
Framingham/Natick	1,023,758	9	10.2%	0.0%	104,506	10.2%	\$57.50	N/A	\$57.50	0	0	0	-	0	0
495 South	36,000	1	0.0%	0.0%	0	0.0%	N/A	N/A	N/A	0	0	0	-	0	0

Riley McMullan
Senior Research Manager
riley.mcmullan@cushwake.com

Katie Mahoney
Research Analyst
kathleen.mahoney@cushwake.com

Nicole Salamone
Research Analyst
nicole.salamone@cushwake.com

