greater boston biobeat

Q3 2024

Better never settles

CUSHMAN & WAKEFIELD

market overview

Availability rates continued to climb across Greater Boston during the third quarter, reaching a new high of 30.0%, a 160-basis point (bps) increase quarter-over-quarter (QOQ) and a 1,310-bps increase year-over-year (YOY). Availability in both the Urban Ring and 495 Belt more than doubled YOY, with the Urban Ring jumping to 52.0% amidst an influx of newly delivered, unleased space.

Overall absorption gains totaled 603,000 square feet (sf), fueled by three tenants taking occupancy of spaces larger than 150,000 sf, offsetting the 1.2 million square feet (msf) of vacant deliveries during the quarter.

Nearly 1.5 msf of new product delivered during Q3 2024, more than double the prior quarter's total, boosting year-to-date (YTD) construction completions to 4.0 msf. Of this total, only a quarter is currently leased.

Third quarter demand totaled nearly 183,000 sf. While this marked a substantial 31.7% increase QOQ, it trails the total posted over the same period in 2023 by 62.3%. Lifemine Therapeutics inked the largest new deal of the quarter, taking 56,000 sf at 66 Galen Street in Watertown, which accounted for 30.9% of new leasing activity. The Urban Ring led the market for YTD demand, recording 261,500 sf of activity.

Renewal activity totaled 620,000 sf during Q3, with Vertex opting to maintain its 556,000-sf lab footprint in the Seaport comprising the bulk of this total.

Though the market's direct average asking rate dipped QOQ to $91.20 per square foot (psf) during Q3, it marked an increase of 2.0% YOY. The 495 Belt recorded the largest YOY decrease, down $3.19 psf to $59.09 psf.

Key Leases 2024 YTD

Vertex	ADA Forsyth	BPG Bio	Lifemine Therapeutics
50 Northern Ave **Boston**	**100 Chestnut Street** **Somerville**	**300 Third Avenue** **Waltham**	**66 Galen Street** **Watertown**
556,105 sf	76,000 sf	70,000 sf	56,480 sf
Renewal	*New Lease*	*New Lease*	*New Lease*

Key Completions 2024 YTD

188 Assembly Square Drive Somerville	74 Middlesex Avenue Somerville	325 Binney Street Cambridge	808 Windsor Street Somerville	15 Necco Street Boston	60 Guest Street Boston	495 Columbia Street Somerville	250 Western Avenue Allston/Brighton
490,000 sf	465,000 sf	450,000 sf	355,000 sf	345,995 sf	320,000 sf	316,000 sf	272,000 sf
Fully Available	*Fully Available*	*100% Leased*	*Fully Available*	*100% Leased*	*Fully Available*	*Fully Available*	*Fully Available*

1 Au Bon Pain Way Boston	600 Main Street Cambrige	44 Middlesex Turnpike Bldg 1 Bedford	103 Fouth Avenue Waltham	420 Rutherford Avenue Boston	23 Elm Street Watertown	30 Hampshire Street East Cambridge
228,000 sf	185,010 sf	147,000 sf	113,000 sf	101,000 sf	75,000 sf	30,089 sf
100% Leased	*100% Leased*	*Fully Available*	*Fully Available*	*Fully Available*	*34.8% Leased*	*Fully Available*

Largest Projects Under Construction

585 Kendall Street Cambridge	290 Binney Street Cambridge	725 Beacon Street Boston	2 Harbor Street Boston	22 Drydock Avenue Boston
598,502 sf	570,000 sf	486,000 sf	418,824 sf	344,000 sf
Q1 2025 Delivery	*Q1 2025 Delivery*	*Q1 2027 Delivery*	*Q1 2025 Delivery*	*Q1 2026 Delivery*

submarket snapshot

495 Belt

Vacancy
13.3%

YTD Leasing Activity
23,920 sf

Under Construction
0 sf

YTD Absorption
330,279 sf

128 Belt

Vacancy
24.4%

YTD Leasing Activity
144,650 sf

Under Construction
777,000 sf

YTD Absorption
-57,757 sf

Urban Ring

Vacancy
52.1%

YTD Leasing Activity
261,501 sf

Under Construction
1.3 msf

YTD Absorption
-579,338 sf

Cambridge

Vacancy
16.7%

YTD Leasing Activity
250,094 sf

Under Construction
1.9 msf

YTD Absorption
635,361 sf

Urban Core

Vacancy
27.5%

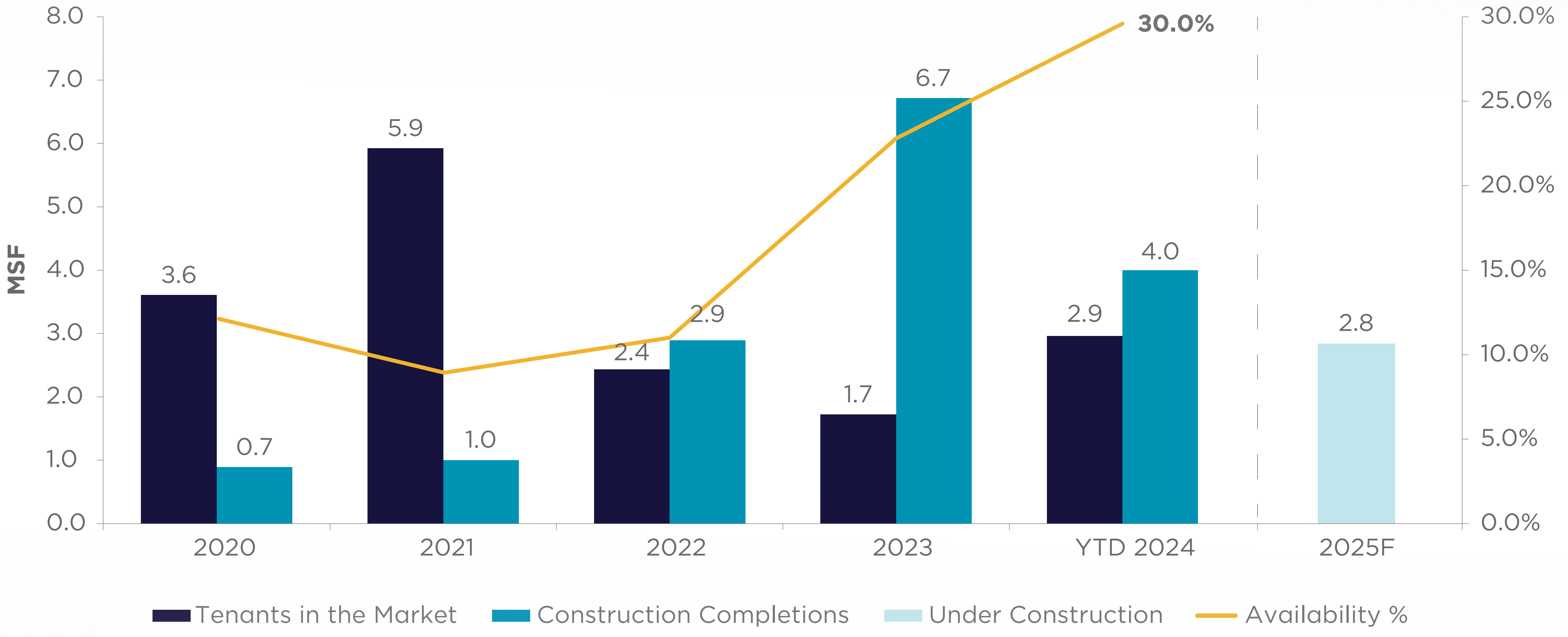
YTD Leasing Activity
0 sf

Under Construction
1.0 msf

YTD Absorption
435,956 sf

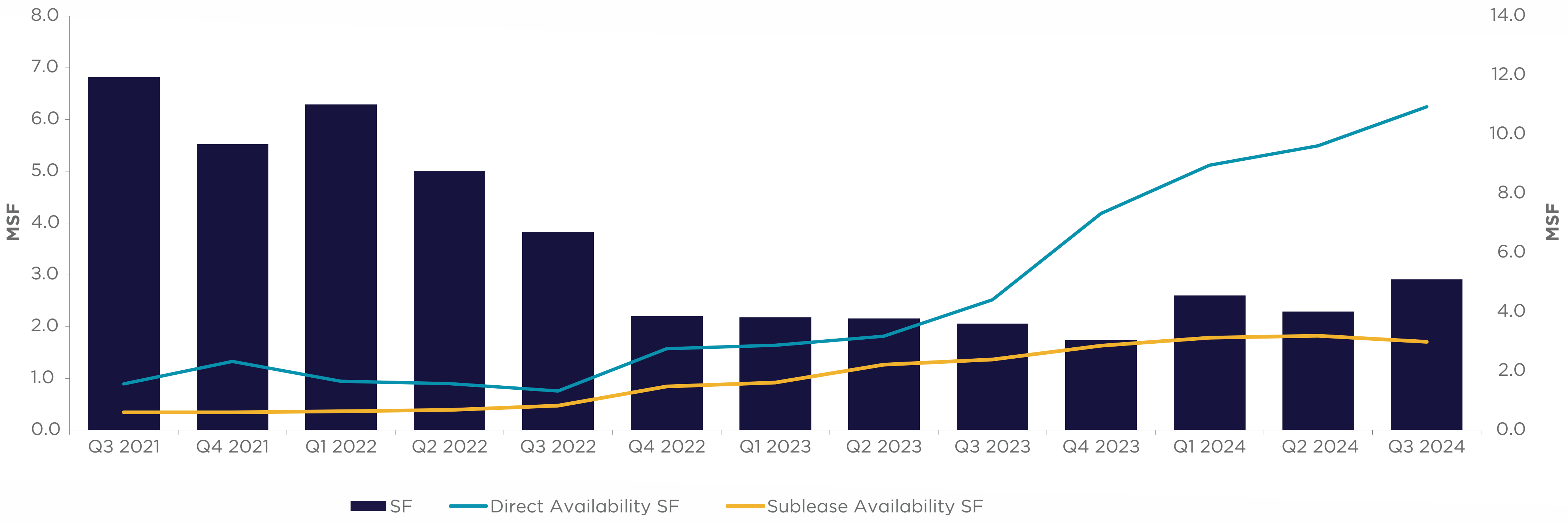
greater boston new supply & future demand

The Greater Boston life science market is expected to end the year with more than 5.0 msf of construction deliveries, with 4.0 msf already delivered and another 1.0 msf anticipated to complete by year-end. An influx of new deliveries during Q3 fueled an increase in availability to a five-year high of 30.0%, as 1.2 msf of uncommitted space was delivered to market.

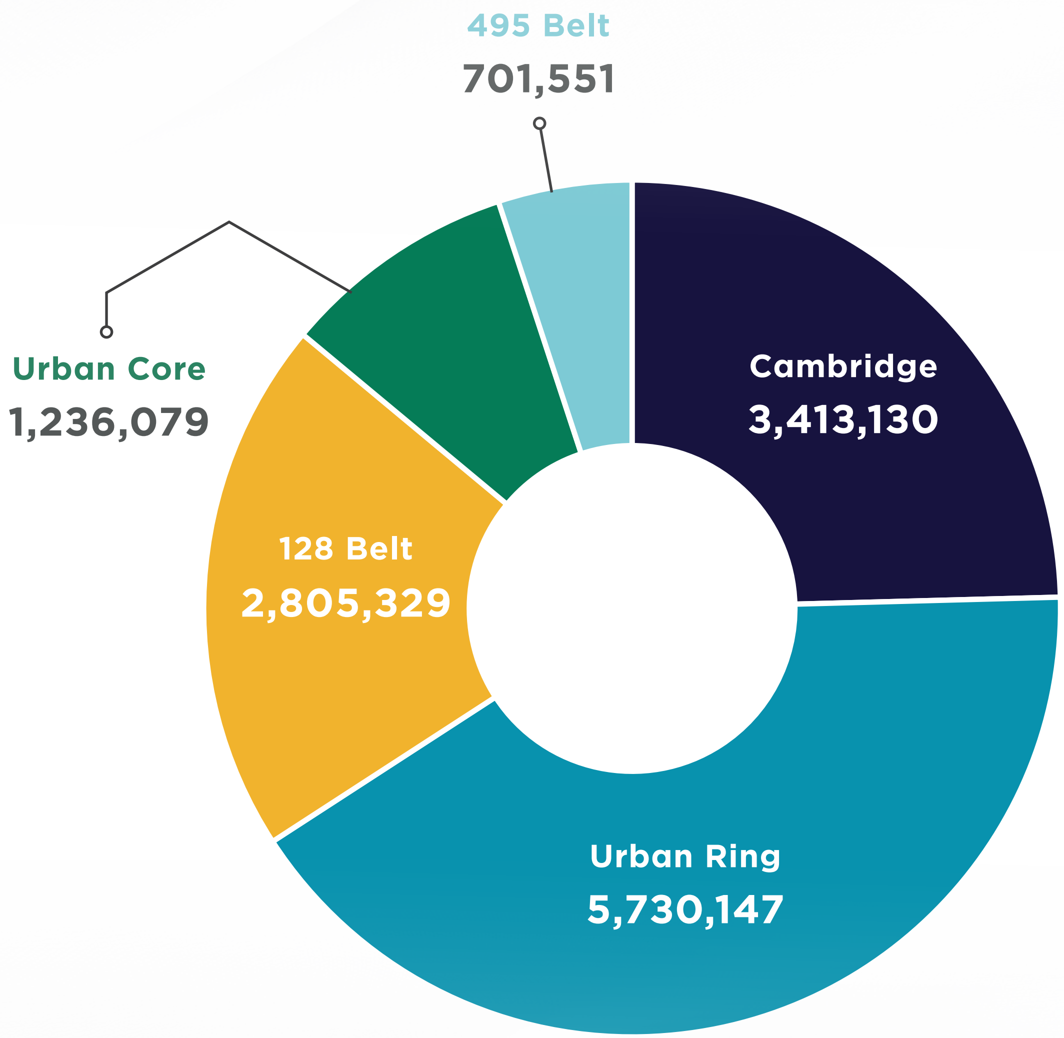


greater boston tenants in the market

Greater Boston's tenants in the market increased during Q3 2024 after posting a 10.5% decline in Q2 2024. The market posted an increase in direct available square footage, recording a 13.8% QOQ increase, as several projects delivered with large blocks of available space. Sublease space decreased by 2.4% QOQ, recording the first decline in sublease availabilities since Q4 2021.



greater boston available space by cluster



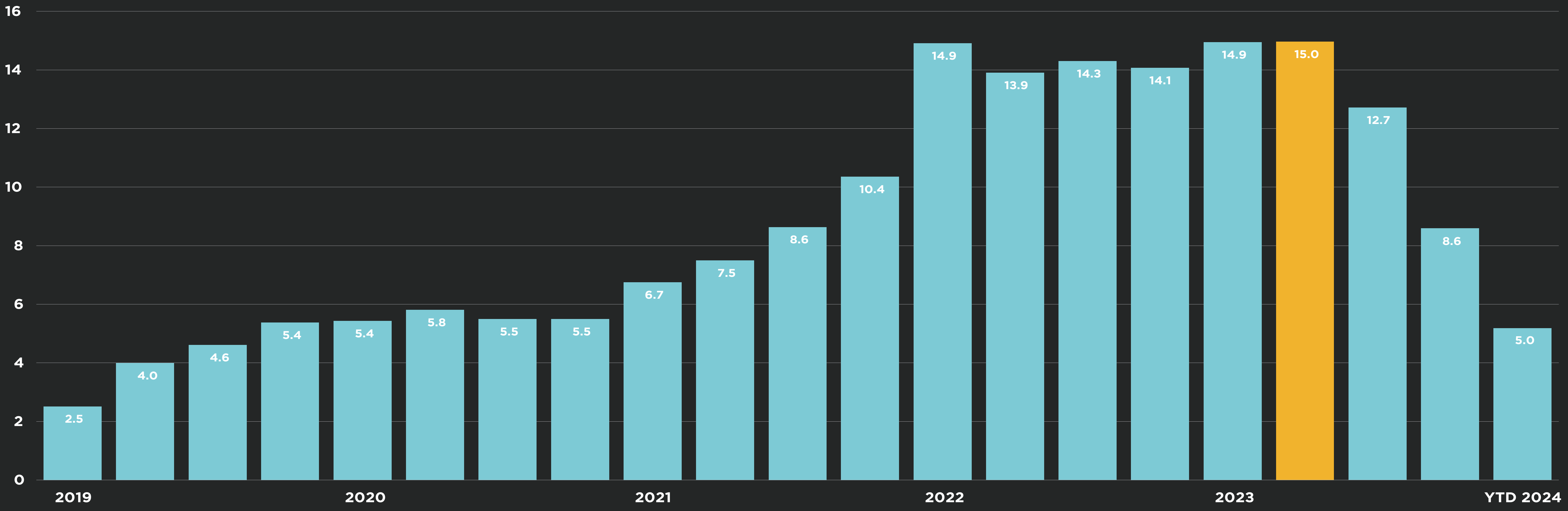
Key Takeaways

- The Urban Ring remained the submarket with the largest concentration of available space, increasing by more than 4.0 msf YOY. More than 2.4 msf of new supply has been added to the submarket with limited demand.
- All clusters posted decreases in overall availability rates, except the Urban Ring which recorded a 610-bp increase QOQ to 52.0%.
- Sublease availability comprises only 20.9% of total availability in Greater Boston.
- Overall availability is expected to increase further during Q4 2024 as another 1.0 msf of uncommitted product is projected to deliver before year-end.

today's pipeline falls to a four-year low

Greater Boston's pipeline continued to slow, with just 5.0 msf under construction - the smallest pipeline since Q3 2019 and one-third of the 15.0-msf peak recorded in Q2 2023. Construction completions totaled 4.0 msf YTD with another 1.0 msf set to deliver during the fourth quarter.

Under Construction Life Sciences Real Estate
SF in millions



SUPPLY

construction deliveries up year-over-year

YTD 2024 Deliveries

4.0 msf

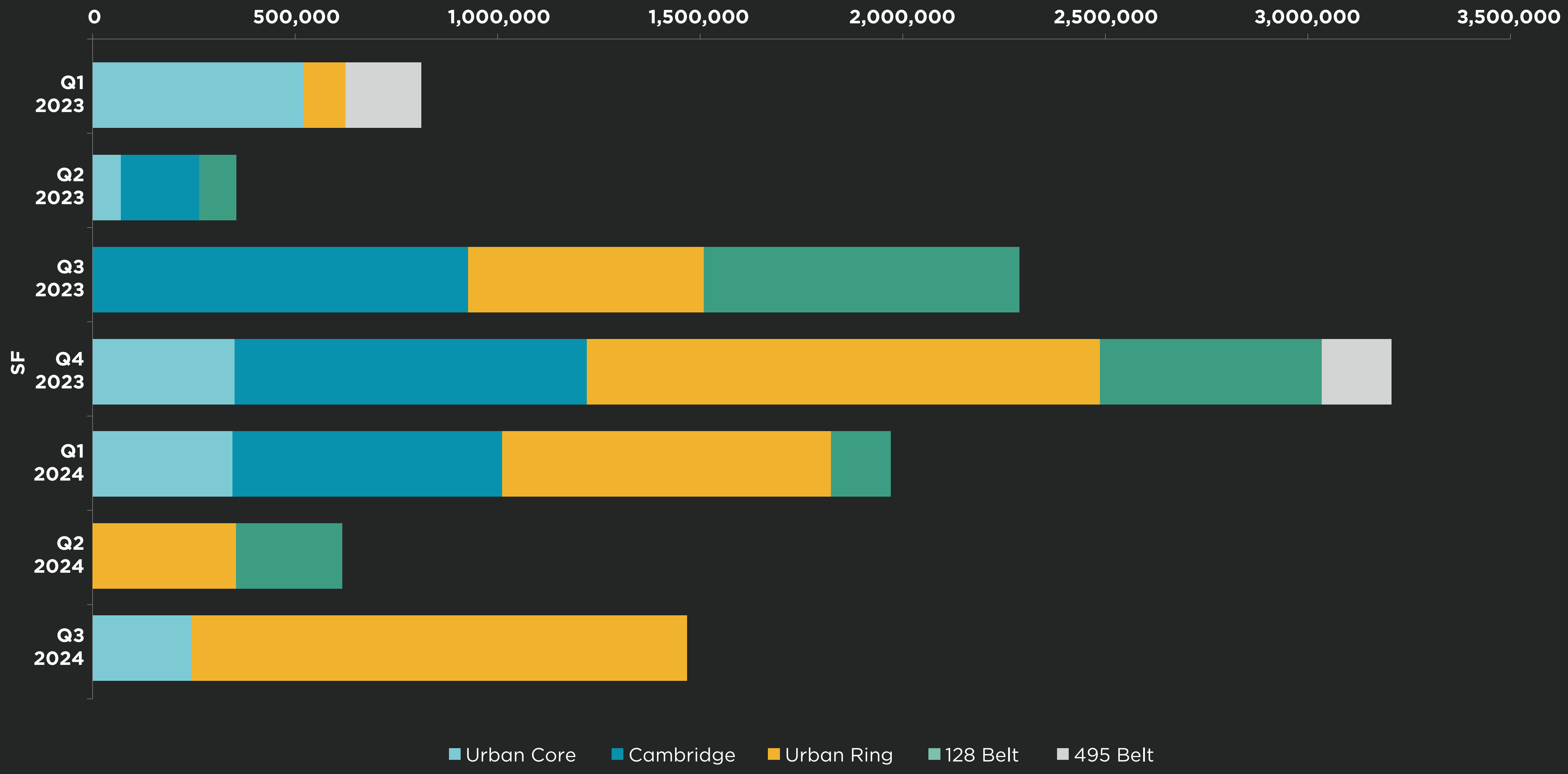
(+17.0% YOY)

Buildings

16

Currently Leased

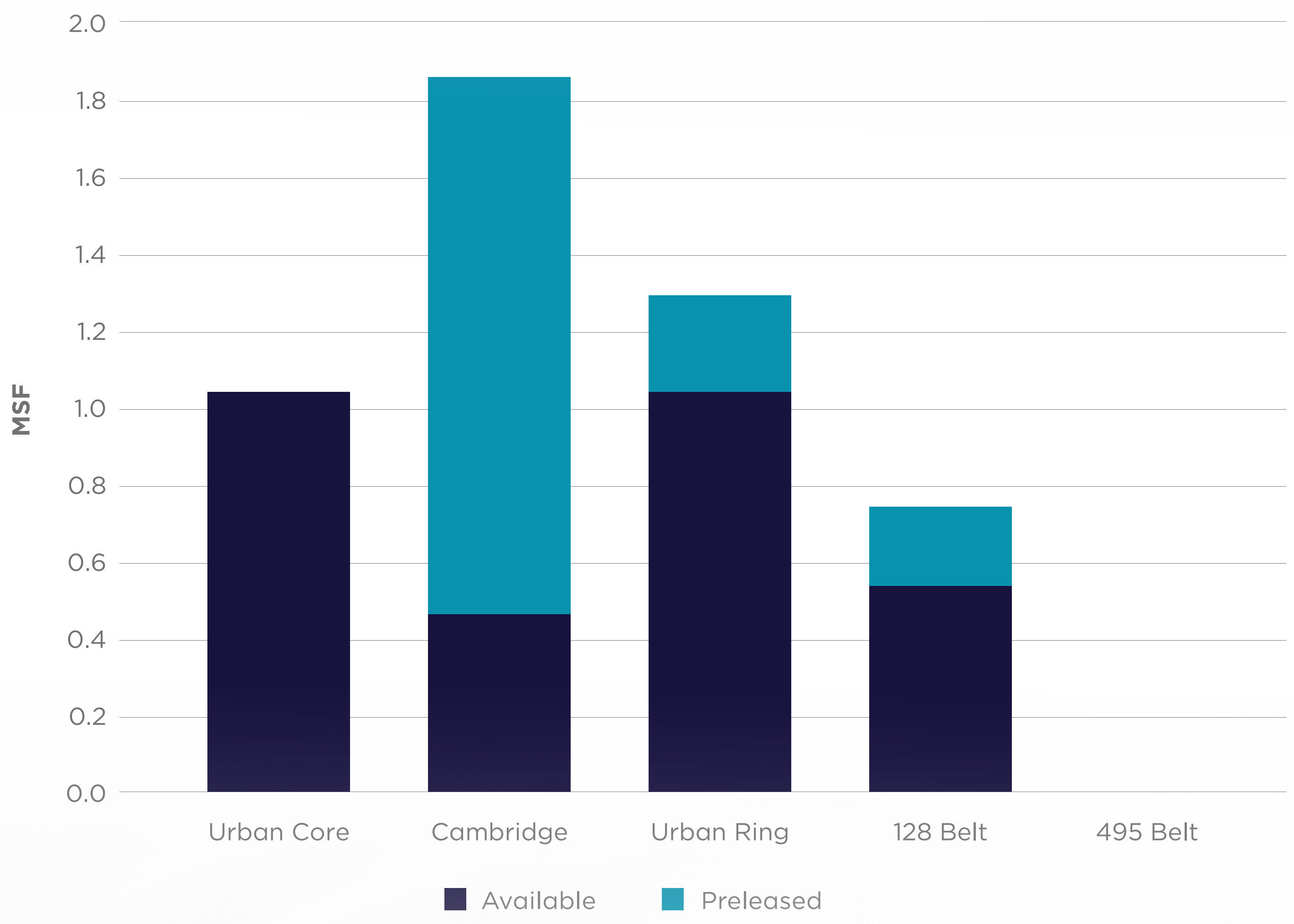
29.9%



SUPPLY

under construction inventory by market cluster

The Greater Boston pipeline remains strong with 18 projects under construction. Only three projects are fully preleased, all of which are located in the East Cambridge submarket.



	UC SF	% Leased
TOTAL MARKET	**4,977,526**	**35.4%**
Urban Core	**1,049,824**	**0.0%**
Financial District	-	-
Seaport	1,049,824	0.0%
Cambridge	**1,861,502**	**74.9%**
East Cambridge	1,393,502	100%
Mid Cambridge	-	-
Alewife	468,000	0.0%
Urban Ring	**1,289,200**	**16.4%**
Urban North	43,200	0.0%
Watertown	247,000	85.4%
Allston/Brighton	263,000	0.0%
Fenway/Longwood	736,000	0.0%
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 Q3 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	Q3 2024	YTD	SF	% Leased	Q3 2024	YTD
TOTAL MARKET	**46,214,643**	**295**	**23.7%**	**6.3%**	**13,845,415**	**30.0%**	**$90.92**	**$80.66**	**$88.58**	**182,646**	**680,165**	**4,977,526**	**35.4%**	**1,455,000**	**4,040,094**
CBD	**4,182,949**	**17**	**20.4%**	**9.1%**	**1,236,079**	**29.6%**	**$103.68**	**$85.38**	**$98.03**	**0**	**0**	**1,049,824**	**0.0%**	**228,000**	**573,995**
Financial District	**365,667**	2	27.9%	5.5%	**122,108**	**33.4%**	$101.61	$70.00	**$96.44**	0	0	0	N/A	0	0
Seaport	**3,817,282**	15	19.7%	9.5%	**1,113,971**	**29.2%**	$103.97	$86.23	**$98.20**	0	0	1,049,824	0%	228,000	573,995
CAMBRIDGE	**17,057,628**	**108**	**13.2%**	**6.8%**	**3,413,130**	**20.0%**	**$105.87**	**$91.93**	**$101.11**	**73,594**	**250,094**	**1,861,502**	**74.9%**	**0**	**665,099**
East Cambridge	**10,737,256**	48	11.1%	6.4%	**1,875,866**	**17.5%**	$109.68	$91.90	**$103.20**	46,594	89,130	1,393,502	100.0%	0	665,099
Mid Cambridge	**4,263,136**	35	13.0%	6.7%	**842,213**	**19.8%**	$105.92	$96.32	**$102.66**	27,000	85,564	0	N/A	0	0
Alewife	**2,057,236**	25	24.2%	9.6%	**695,051**	**33.8%**	$96.70	$85.64	**$93.58**	0	75,400	468,000	0.0%	0	0
URBAN RING	**11,014,347**	**49**	**47.7%**	**4.3%**	**5,730,147**	**52.0%**	**$91.97**	**$79.80**	**$90.91**	**71,402**	**261,501**	**1,289,200**	**16.4%**	**1,227,000**	**2,394,000**
Urban North	**3,872,077**	16	63.3%	2.4%	**2,541,605**	**65.6%**	$87.04	$62.91	**$86.06**	0	131,391	43,200	0.0%	907,000	1,727,000
Watertown	**3,097,940**	21	47.8%	8.1%	**1,730,934**	**55.9%**	$95.87	$79.49	**$93.58**	71,402	103,472	247,000	85.4%	0	75,000
Allston/Brighton	**752,000**	3	78.7%	0.4%	**594,900**	**79.1%**	$94.12	$85.00	**$94.08**	0	0	263,000	0.0%	320,000	592,000
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	64.0%	6.6%	**615,356**	**70.7%**	$90.33	$92.14	**$90.41**	0	26,638	0	N/A	0	0
128 BELT	**9,704,680**	**82**	**21.8%**	**7.1%**	**2,805,329**	**28.9%**	**$68.50**	**$66.15**	**$67.81**	**37,650**	**144,650**	**777,000**	**20.5%**	**0**	**407,000**
128 North	**569,278**	7	2.4%	7.4%	**56,035**	**9.8%**	$65.00	$44.23	**$50.94**	3,687	6,046	0	N/A	0	0
128 Central	**8,847,763**	73	22.2%	7.4%	**2,613,655**	**29.5%**	$71.62	$67.30	**$70.30**	33,963	138,604	777,000	20.5%	0	407,000
128 South	**287,639**	2	47.2%	0.0%	**135,639**	**47.2%**	$40.00	N/A	**$40.00**	0	0	0	N/A	0	0
495 BELT	**4,255,039**	**39**	**12.0%**	**4.4%**	**660,730**	**15.5%**	**$56.98**	**$46.94**	**$54.33**	**0**	**23,920**	**0**	**0.0%**	**0**	**0**
495 North	**2,426,275**	22	13.3%	4.9%	**440,446**	**18.2%**	$62.92	$60.46	**$62.26**	0	23,920	0	N/A	0	0
495 West	**404,385**	7	11.0%	17.6%	**115,778**	**28.6%**	$31.19	$22.50	**$26.03**	0	0	0	N/A	0	0
Framingham/Natick	**1,023,758**	9	10.2%	0.0%	**104,506**	**10.2%**	$56.24	N/A	**$56.24**	0	0	0	N/A	0	0
495 South	**36,000**	1	0.0%	0.0%	**0**	**0.0%**	N/A	N/A	**N/A**	0	0	0	N/A	0	0
Worcester	**364,621**	4	11.2%	0.0%	**40,821**	**11.2%**	$39.43	N/A	**$39.43**	0	0	0	N/A	0	0

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