

An aerial photograph of Boston, Massachusetts, showing the city's layout, including the harbor and surrounding urban areas. Overlaid on the image is a large, glowing blue DNA double helix structure, which is the central visual element. The DNA helix is composed of two strands connected by rungs, and it is positioned diagonally across the frame. The background is a dark, textured blue, and the overall image has a high-tech, scientific feel.

BOSTON bioSTATUS

Q2 2022

Despite an overall slowdown in the market, Big Pharma is continuing to establish a large presence in Boston.

- East Cambridge continues to be the core of the life science market in the city and region.
- Takeda, AstraZeneca, and Vertex signed leases totaling over 1.5 million square feet (msf). Takeda and AstraZeneca, the two largest leases signed in Greater Boston this quarter, are both located in the East Cambridge submarket.
- Although activity slowed in Q2 2022, including limited leasing activity, **massive commitments from Big Pharma** continue to drive the market forward.
- Of the 44 subleases totaling more than 1.3 msf in the Greater Boston area that Cushman & Wakefield tracks, mid-stage companies have accounted for most of the space that has come to market. More than **675,000 sf is up for sublease in Cambridge alone.**

Office to lab conversions have continued. Three former Lord & Taylor locations in Braintree, Framingham, and Burlington are currently being converted to lab, each at ~120,000 sf.

985,000 sf delivered in Q2 2022, with the Seaport market receiving an influx of more than half the space. Beyond development, the Seaport is reporting impressive leasing activity at 344,000 sf - the second highest among all Greater Boston submarkets behind East Cambridge. This activity was driven by Vertex Pharmaceutical's lease of the entire building at 20-22 Drydock Avenue.

There is 13.9 msf in the development pipeline, with 49% preleased. Cambridge continues to impress, with **4.3 msf under construction, and 73% preleased.** For seven consecutive quarters, Cambridge remains the top submarket for preleases.

LEASES SIGNED

Takeda* 585 Third Street Cambridge 600,000 sf	AstraZeneca 290 Binney Street Cambridge 570,000 sf	Vertex 20-22 Drydock Boston/Seaport 344,000 sf
Quanterix 18 Crosby Drive Bedford 55,000 sf	Enanta* Arsenal on the Charles Watertown 100,000 sf	

GROUNDBREAKINGS



100 Chestnut Street
Somerville
200,000 sf

COMPLETIONS



601 Congress Street
Boston
520,000 sf



21 Hickory Drive
Waltham
108,500 sf



900 Middlesex Tpke
Billerica
91,600 sf



105 W First Street
Boston
265,500 sf

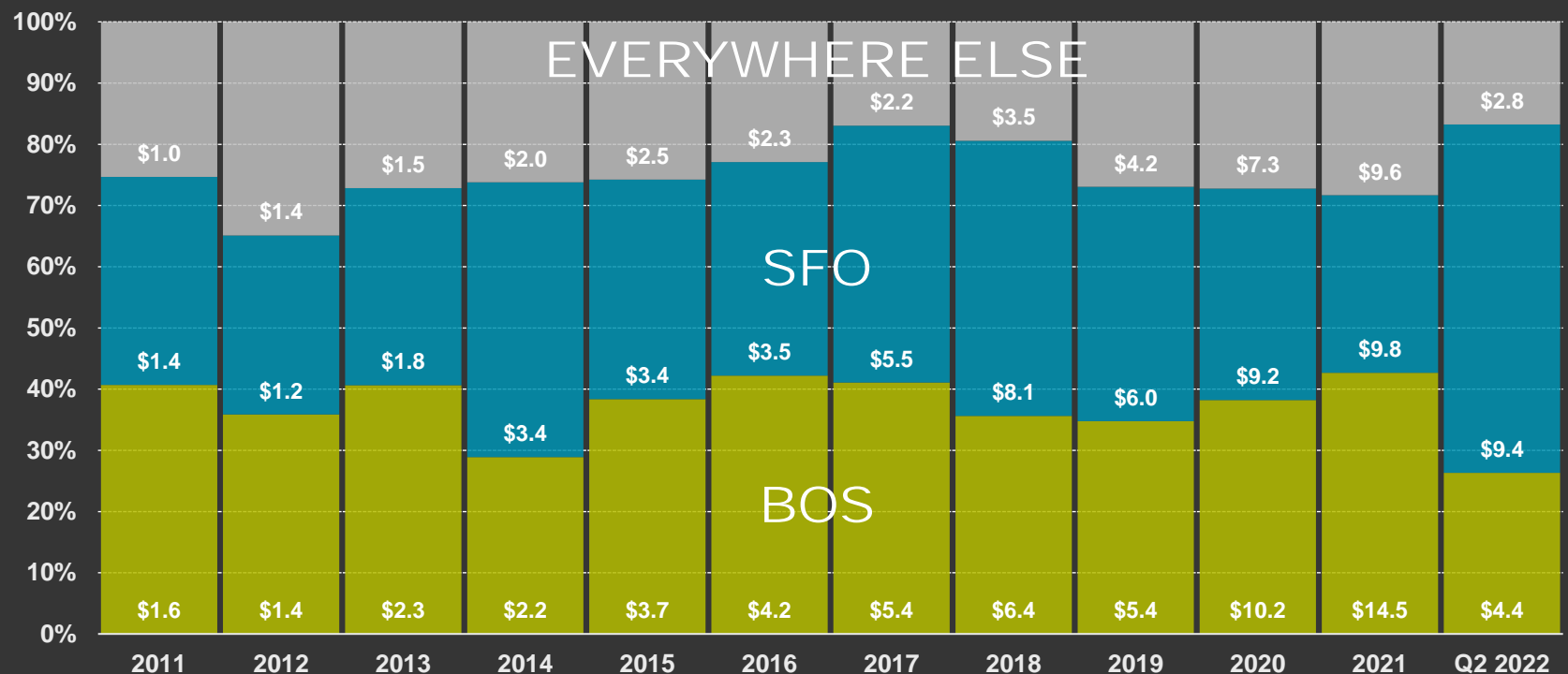
Investor Sentiment Remains Strong in the Boston Life Sciences Market

- Alexandria purchased part of the third floor and the entire fourth floor of 1 Hampshire Street in Cambridge's Kendall Square from Schlumberger for \$120 million. In addition, Alexandria finalized a recap of 100 Third Street in Cambridge for \$2,400 psf.
- Alloy Properties and Anchor Line Partners purchased a Route 128 life sciences portfolio from Alexandria for \$55.6 million (\$942.37 psf) including four buildings in Lexington, four in Bedford, and 285 Bear Hill Road in Waltham.
- Venture capital in Greater Boston remains amongst the country's best with more than \$4.4 billion being invested as of mid-year 2022. This is expected to increase as the year progresses into the fall and winter months.

North American Venture Capital Life Sciences Investment

% shares, \$ investment provided in billions

Greater Boston continued to command a 40%+ share of life sciences VC through 2021; **SFO shares more investment than BOS 2022 YTD**; NYC, Seattle, Raleigh, San Diego creating VC geo diversification



THE KENDALL EFFECT

The Kendall Effect continues to be the main driver for rents not only for Cambridge but for Greater Boston as a whole. Not far behind Kendall Square, starting rents in the Seaport as well as Fenway are going for over \$100 per square foot (psf) NNN. As rents have remained high within these primary areas, tenants have also looked further afield to up-and-coming submarkets such as Watertown and Somerville. Both submarkets offer lower rents and large footprints all within close proximity to Boston.



1	Bedford	\$58–65 psf NNN
2	Burlington	\$62–68 psf NNN
3	Lexington	\$68–80 psf NNN
4	Waltham	\$70–86 psf NNN
5	Watertown	\$85–105 psf NNN
6	Allston/Brighton	\$80–90 psf NNN
7	West Cambridge	\$95–115 psf NNN
8	Mid Cambridge	\$110–120 psf NNN
9	East Cambridge	\$115–140 psf NNN
10	Somerville	\$85–100 psf NNN
11	Downtown/Seaport	\$90–115 psf NNN
12	Longwood/Fenway	\$90–105 psf NNN

TOP SUBMARKETS SNAPSHOT

CAMBRIDGE



Vacancy: 0.9%

Leasing Activity: 1.3 msf

Under Construction: 4.3 msf

Absorption: 492,000 sf

Cambridge followed up a historic start to the year with an impressive second quarter. Though the submarket slowed down relatively, it is still reporting record rents and high levels of demand in the area. Low vacancy rates and a large development pipeline demonstrate the continued interest of life science companies, specifically in East Cambridge.

The announcement of large-scale leases from big pharma giants Takeda and AstraZeneca have eased any doubts about the sustainability of the Cambridge lab market.

BOSTON



Vacancy: 19.2%

Leasing Activity: 344,000 sf

Under Construction: 2.7 msf

Absorption: 674,000 sf

Boston, more specifically the Seaport, remains a premier life sciences market. Demand remains on par with East Cambridge as more than 2.7 msf is currently underway with expected groundbreakings in Q3 and Q4 2022. Rents continue to climb with average asking rents between \$90-\$115 psf NNN. Of the 19.2% total vacancy, 80% is contributed by 601 Congress Street, with more than 520,000 sf vacant.

Like Cambridge, Big Pharma remains the main driver in the Seaport as Vertex Pharmaceuticals signed a full building lease at the soon to be constructed 20-22 Drydock Avenue for nearly 350,000 sf.

URBAN RING



Vacancy: 14.5%

Leasing Activity: 377,000 sf

Under Construction: 5.3 msf

Absorption: 929,000 sf

Just outside of Boston and Cambridge lies the Urban Ring. The Urban Ring currently has the most life sciences development under construction with nearly 5.3 msf in the pipeline. Just shy of 90% of the total vacancy lies within two buildings, totaling roughly 900,000 sf vacant.

The market has been attractive for tenants with a smaller footprint due to lower rents compared to Cambridge and Seaport, all while located adjacent to Downtown Boston and its inner suburbs. Enanta and Sonata each signed leases of more than 70,000 sf respectively. There has been more activity in the Urban Ring than anywhere else outside of Cambridge.

MARKET STATS

Lab Q2 2022 Boston Submarkets	INVENTORY		VACANCY		ABSORPTION		AVAILABILITY		Leasing Activity	CONSTRUCTION	
	RBA	# Bldgs	%	SF	QTR	LTM	Total	Sublet	Q2 2022	UC SF	% Leased
TOTAL MARKET	32,407,000	228	9.1%	2,959,000	2,557,000	7,330,000	10.4%	1.5%	2,574,000	13,903,000	48%
CBD	3,414,000	13	19.2%	657,000	674,000	1,988,000	19.5%	2.3%	344,000	2,974,000	49%
Financial District	116,000	1	17.3%	20,000	0	96,000	26.7%	17.0%	0	0	
Midtown/N Station	226,000	1	17.5%	40,000	0	0	25.0%	7.5%	0	0	
Seaport	3,072,000	11	19.0%	597,000	674,000	1,892,000	18.8%	1.3%	344,000	2,724,000	53%
Back Bay	0	0	na	0	0	0	na	na	0	250,000	0%
CAMBRIDGE	12,579,000	86	0.9%	114,000	492,000	1,140,000	4.5%	2.4%	1,313,000	4,321,000	73%
East Cambridge	7,154,000	35	0.1%	6,000	492,000	937,000	3.3%	3.2%	1,280,000	4,011,000	76%
Mid Cambridge	3,934,000	33	0.0%	0	0	25,000	3.6%	0.0%	0	0	
Alewife	1,491,000	18	7.2%	108,000	0	178,000	12.4%	5.2%	33,000	310,000	43%
URBAN RING	6,100,000	33	14.5%	887,000	443,000	929,000	14.8%	1.0%	377,000	5,274,000	26%
Urban North	1,012,000	6	26.0%	260,000	289,000	288,000	25.5%	0.0%	0	2,033,000	2%
Watertown	1,081,000	11	0.0%	0	7,000	264,000	6.5%	2.9%	219,000	2,057,000	36%
Allston/Brighton	430,000	2	0.0%	0	0	25,000	0.0%	0.0%	0	0	
Fenway/Longwood	1,852,000	7	3.8%	71,000	0	71,000	1.0%	1.0%	0	1,184,000	50%
Urban South	1,725,000	7	32.2%	556,000	147,000	281,000	32.2%	0.1%	158,000	0	
128 BELT	6,820,000	61	12.6%	863,000	403,000	1,915,000	11.7%	0.5%	414,000	1,334,000	47%
128 North	463,000	5	0.0%	0	7,000	156,000	2.8%	2.8%	0	0	
128 Central	6,205,000	55	11.4%	711,000	396,000	1,759,000	10.2%	0.4%	414,000	1,334,000	47%
128 South	152,000	1	100.0%	152,000	0	0	100.0%	0.0%	0	0	
495 BELT	3,494,000	35	12.5%	438,000	545,000	1,358,000	12.5%	0.0%	126,000	0	0%
495 North	2,150,000	20	17.5%	376,000	536,000	1,363,000	23.9%	0.0%	8,000	0	
495 West	343,000	6	18.1%	62,000	0	(16,000)	18.1%	0.0%	118,000	0	
Framingham/Natick	965,000	8	0.0%	0	9,000	11,000	0.0%	0.0%	0	0	
495 South	36,000	1	0.0%	0	0	0	0.0%	0.0%	0	0	

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