

Cambridge Lab

# 2020 Market Insight Report



Winter/Spring '20

cresa 

# Market Overview



Market Size  
**11,281,375 SF**



Vacancy  
**0.8%**



Sublease  
**1.7%**



Available  
**2.6%**

Arrows Indicate One Year Change



Shared Amenities at 490 Arsenal Way, Watertown | Photo Source: Cresa/Duncan Lake

## Trends

### Supply Constraints Spur New Development

Developers have been busy with ground-up and redevelopment projects in and around Cambridge, many of which have been fully leased.

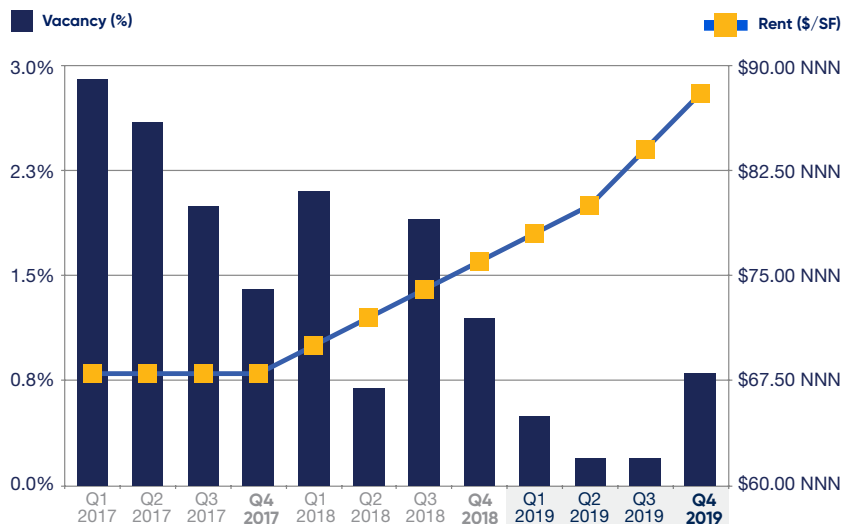
### Outward Migration

With minimal available space in Cambridge and rents breaking the \$100/SF mark, many tenants must consider leaving the region's biotech epicenter for other submarkets.

### Biomanufacturing on the Rise

There has been a recent sharp increase in biomanufacturing requirements. While the outer suburbs are the typical target, many of the groups have R&D operations around Cambridge.

## Historical Rent & Vacancy



## V.C. Spotlight

Cambridge 2019



**449**  
Deals



**\$7.21B**  
Invested

### Largest Deals

1. Elevate Bio - \$150M
2. Beam Therapeutics - \$135M
3. Commonwealth Fusion Systems - \$115M
4. Thrive Earlier Detection - \$110M
5. eGenesis Bio - \$100M



# Market Movement

## Notable Transactions

Tenant	Address	Size (SF)	Type
Foghorn Therapeutics	500 Technology Square	81,000	Relocation
Scholar Rock	301 Binney Street	51,000	Relocation
Affinavix	301 Binney Street	48,000	Relocation
Sana Biotechnology	100 Technology Square	35,000	Expansion
Civetto Therapeutics	10 Wilson Road	12,000	Relocation

## Investment Sales

Buyer	Address	Size (SF)	Price/SF
HCP, Inc.	35 CambridgePark Drive	224,000	\$1,484.00/SF

## 2020 Predictions

- 1 Demand will remain strong and supply will remain limited, particularly in Cambridge. This will force tenants to consider other markets.
- 2 Clusters outside of Cambridge, like the Seaport and Watertown/Brighton, will continue to mature and expand, serving as release valves to Cambridge.
- 3 Larger, corporate tenants in the market will continue to evaluate their own portfolio of sites, likely managing space via strategic dispositions and creating opportunities for smaller tenants.

## Get to Know:

### Lechmere



Dr. Paul Dudley White Bike Path | Photo Source: Cresa/Duncan Lake



#### Loyal Nine

Focused on direct relationships with farmers and artisans, and inspired by the Colonial era, this eatery serves American fare and unique cocktails.



#### Simoni Skating Rink

Public ice-skating rink and hockey facility, offering classes, skate rental and a pro shop.



#### Raw Fitness

Utilizing unique training tools to deliver the most extreme all-around fitness for better health, performance and body composition.



#### Dr. Paul Dudley White Path

Beginning on the eastern end and extending 16 miles, this section of the Charles River Bike Path hugs each side of the Charles River through Boston, Cambridge and Watertown.



# Project Highlight



## Vor Biopharma

100 CambridgePark Drive  
Cambridge, MA

**Industry:**

Biotech

**Services:**

Transaction Management

**Size:**

32,000 SF

**Architect:**

RE Dineen

**Space Features:**

Custom color elements in flooring, walls, graphics and furniture to enhance branding; Meeting spaces range from enclosed rooms, semi private collaboration spaces, phone booths to working lounges; Large multi-purpose breakroom with various seating layouts, and presentation capabilities; Open floor plan maximizes natural light and easy access to amenities

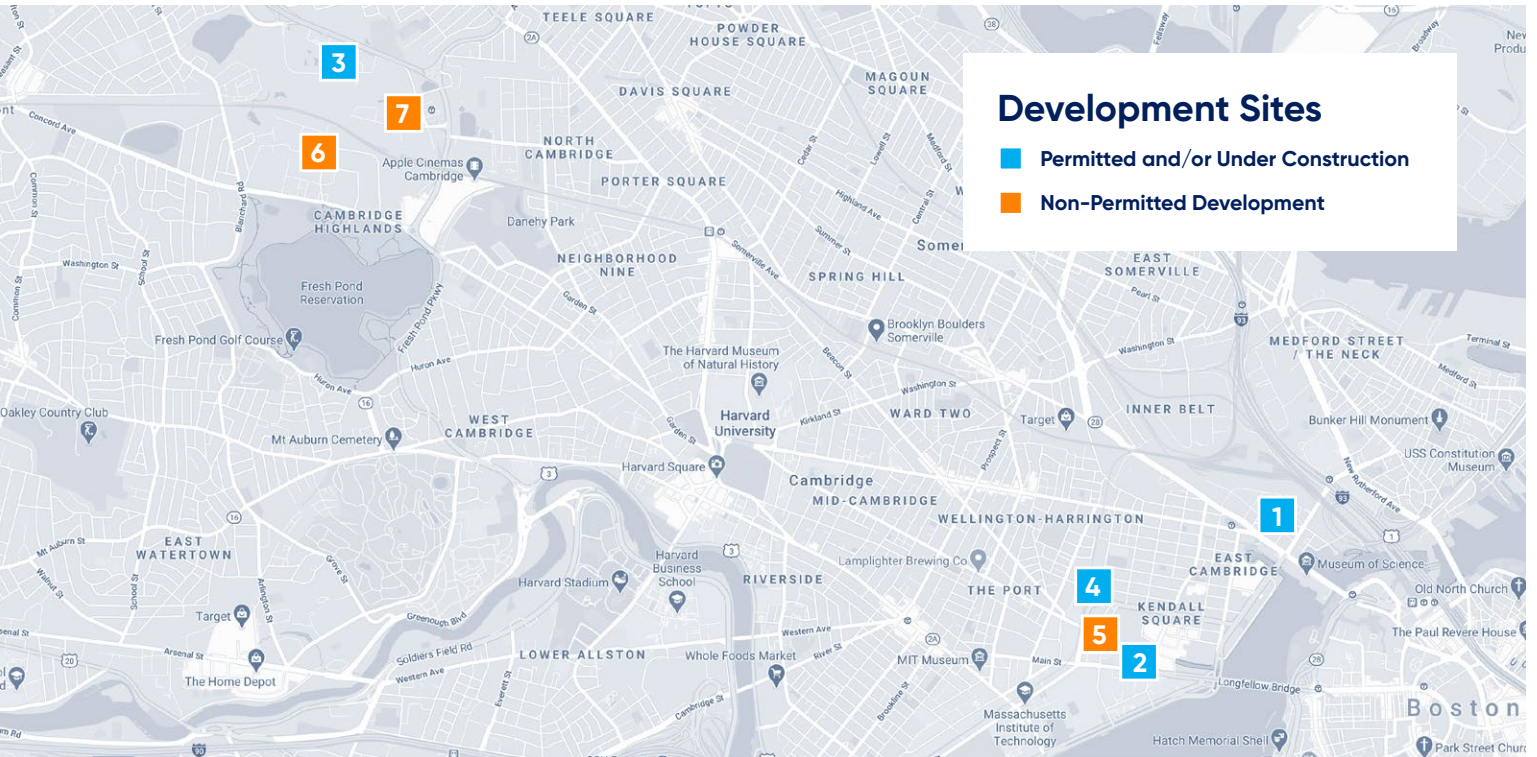
**Photography:**

Longfellow Real Estate Partners





# Development Pipeline



Development	Owner	Size (SF)	Status
1 Cambridge Crossing	Divco West	2,100,000	Permitted and Under Construction
2 238 Main Street	MITIMCo	385,000	Permitted and Under Construction
3 400-500 Cambridge Discovery Park	The Bulfinch Companies	290,000	Permitted and Under Construction
4 303 Binney Street	Alexandria Real Estate Equities	400,000	Permitted
5 Volpe Center	MITIMCo	1,700,000	Non-Permitted Development
6 101 Smith Place	The Davis Companies	150,000	Non-Permitted Development
7 101 CambridgePark Drive	King Street Properties	140,000	Non-Permitted Development



238 Main Street | Photo Source: Encore / Perkins+Will



Photo Source: Cresa/Duncan Lake

## Cambridge Lab

# 2020: The Year of West Cambridge

As Cambridge has grown to become the world's premier biotech hub, much of the activity and attention has been focused in East Cambridge. After all, this is where Biogen was born and has grown, where Novartis established its roots when it entered the market over 15 years ago, and where the majority of venture capital firms and their offspring are based.

Driven by the desire for proximity to the center of the hub and each other, East Cambridge is where most biotechs, given the choice, would like to be. However, with limited available space in East Cambridge over the last few years, many growing companies in need of a home have been forced to look elsewhere. Historically, West Cambridge has been dismissed as an unattractive, “quasi-suburban” location. While it is technically in Cambridge and has direct access to the MBTA Red Line at the Alewife Station, there just hasn't been the same vibrancy as found in Kendall, Harvard, Central or Davis Squares.

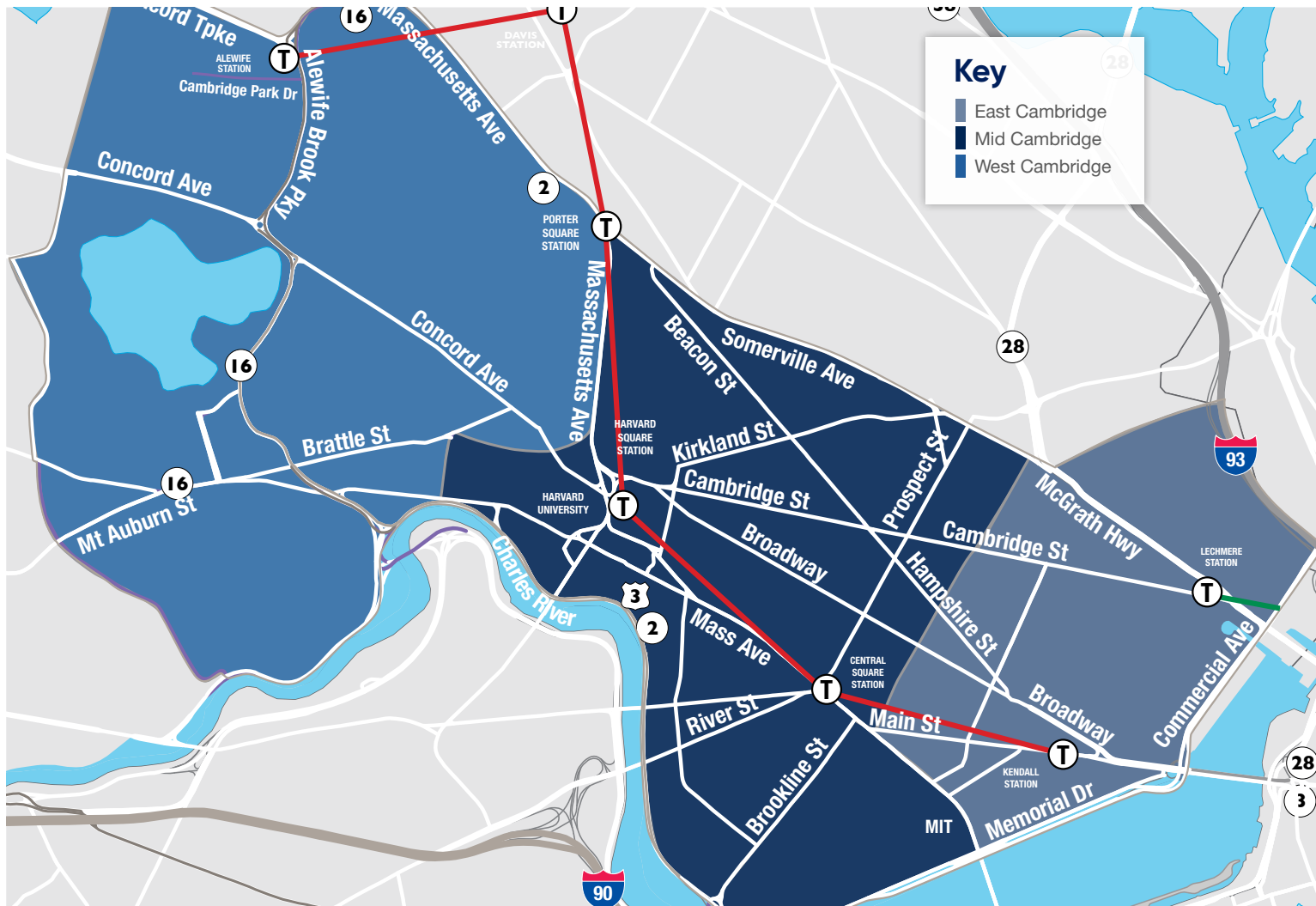
These days, that is all changing. Between the redevelopment/repositioning of existing buildings and new ground-up developments, West Cambridge has seen a significant increase in life science leasing activity and energy level in general. This past year, The Davis Companies developed 35 CambridgePark Drive, a 225,000 SF lab building, on a speculative basis, and The Bulfinch Companies developed 400-500 Cambridge Discovery Park, a 290,000 SF lab building. Both were developed on a speculative basis and were fully leased prior to completion. In that same cluster, Longfellow Real Estate Partners is in the process of converting one of their three office buildings to lab space, completing their first lease with Vor Biopharma, which will take the entire 4th floor. Across the street, King Street Properties is moving ahead with a ground-up development of 101 CambridgePark Drive, a 150,000 SF lab building, on a speculative basis.

“  
**West Cambridge has seen a significant increase in life science leasing activity and energy level in general.**  
”

Between all of this new life science activity and the recent addition of approximately 1,000 residential units, the area has a completely different feel. It's great for the market to have real solutions outside of East Cambridge, giving tenants viable options to consider.



# Lab by the Numbers



Submarket	Market Size (SF)	Vacant	Sublease	Available	Class A Rent/SF	Class B Rent/SF
East Cambridge	6,677,300	0.0%	1.2%	1.2%	\$96.00 NNN	\$92.00 NNN
Mid Cambridge	3,221,639	1.6%	0.8%	2.6%	\$96.00 NNN	\$92.00 NNN
West Cambridge	1,382,436	3.0%	6.6%	9.6%	\$80.00 NNN	\$72.00 NNN
<b>Total</b>	<b>11,281,375</b>	<b>0.8%</b>	<b>1.7%</b>	<b>2.6%</b>	<b>\$90.00 NNN</b>	<b>\$86.00 NNN</b>

## Tenants in the Market



100,000 SF



100,000 SF



50,000 SF



35,000 SF



20,000 SF

Photo Source: Shutterstock



## About Cresa Boston

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### Contact

For more information about Cresa and the Cambridge Market, please contact:

**Cresa Boston**  
280 Congress Street  
Boston, MA 02210  
617.758.6000  
[cresa.com/boston](http://cresa.com/boston)

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