

Market Report Cambridge Lab

While many sectors have seen a significant reduction in demand in the wake of COVID-19, **the Life Science market in Greater Boston has remained quite active**. Availabilities in East Cambridge continue to be limited, but some large leases this past quarter will create new opportunities in the market. CRISPR Therapeutics signed a lease for 260,000 SF in South Boston, which will bring over 90,000 SF of contiguous lab space to the market in East Cambridge when they move in 2022. Bristol Myers Squibb also signed a lease for 360,000 SF at Cambridge Crossing in East Cambridge to consolidate multiple Cambridge facilities. This move will result in the availability of another 150,000 SF of contiguous lab space in East Cambridge, and likely additional availability in West Cambridge where they occupy additional space. **Micro-clusters like West Cambridge, Watertown and Boston's Seaport continue to mature and develop**. Alexandria's acquisition of Watertown's Arsenal on the Charles complex and their plans for conversion and development of lab space will provide much needed supply to the inventory. In West Cambridge, IQHQ's acquisition of a 26-acre site adjacent to the Alewife MBTA station will do the same in that submarket. With slowing demand for office space in Cambridge and more office space expected to come back from occupiers whose needs are changing, we expect to see more office-to-lab conversions occur.

Market Trends

Movement in the Market

The several large leases signed this quarter will result in relocations and consolidations in Cambridge and beyond. This movement will create new availabilities and opportunities.

Outward Migration

Cambridge's limited inventory has furthered the push out to the suburbs. Due to public transit safety concerns and recent suburban acquisitions, this trend will continue.

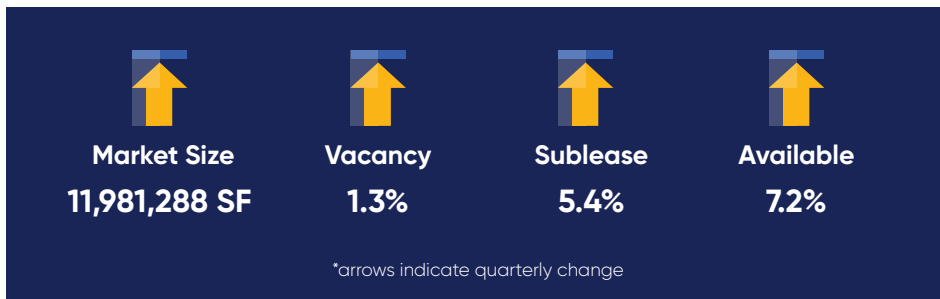
Occupier's Perspective

Business as Usual

With no real market correction and continued space constraints, occupiers should plan diligently for their future needs so they can act quickly when opportunities arise.

Divided Culture

Many life science companies have kept labs operational while office-based employees work remotely. However, maintaining culture and morale with a bifurcated workforce continues to be a challenge.



Rental and Vacancy Rates

▶ Asking Rent (\$/SF)		▶ Vacancy Rate	
Class A	Class B		
\$105.00 NNN	\$98.00 NNN	0.7%	East Cambridge
102.00 NNN	\$92.00 NNN	0.2%	Mid Cambridge
\$82.00 NNN	\$72.00 NNN	6.2%	West Cambridge/Alewife
\$98.00 NNN	\$88.00 NNN	Total 1.3%	

Recent Transactions

Tenant	Size (SF)	Submarket	Type
Bristol Myers Squibb	360,000	East Cambridge	Relocation
GSK	25,000	East Cambridge	New Site