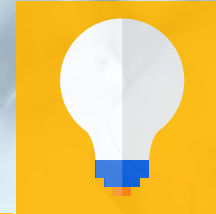


Greater Boston Life Sciences

2022 Market Insight Report



Winter/Spring 2022

cresa 

Life Sciences Overview

Life science companies in Massachusetts collectively raised more than \$13 billion in 2021, which has translated to staggering real estate demand and growth in Greater Boston. Fueled by Series B and C rounds, existing companies are expanding, and new ventures are rolling out of incubation or stealth mode and grabbing large blocks of space out of the gates. As a result, **landlords and developers are building and converting space as quickly as possible to meet this demand**, with a majority delivering in 2023 and beyond. This new product coming online should help provide much-needed relief and optionality for tenants looking to secure space.

Injecting New Life



Arsenal Yards

With a massive transformation underway, this Watertown district is poised to become a bustling community hub. Arsenal Yards boasts over 50 retail, dining, and fitness offerings ranging from Boston-based boutiques to big-name national favorites. Envisioned as a lively urban ecosystem, the district offers a full spectrum of experiences while paying homage to its historic roots.



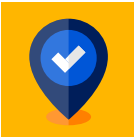
Supply Chasing Demand

With demand for lab space showing no signs of slowing, the supply side is racing to keep up. As a result, new, ground-up developments and countless office-to-lab conversions are underway.



Growth Space

Facing projections of limited space, some tenants have taken a more strategic approach to real estate acquisitions. In anticipation of future growth, occupiers are committing to more space than they need and securing short-term subtenants to minimize costly and disruptive relocations.



The Market Expands

The Seaport, Watertown, Waltham, and Lexington have matured. While leaving Cambridge for one of these areas was once a bold and pioneering move, they're now at the top of many companies' search lists.

V.C. Spotlight Q4 2021



39 Deals

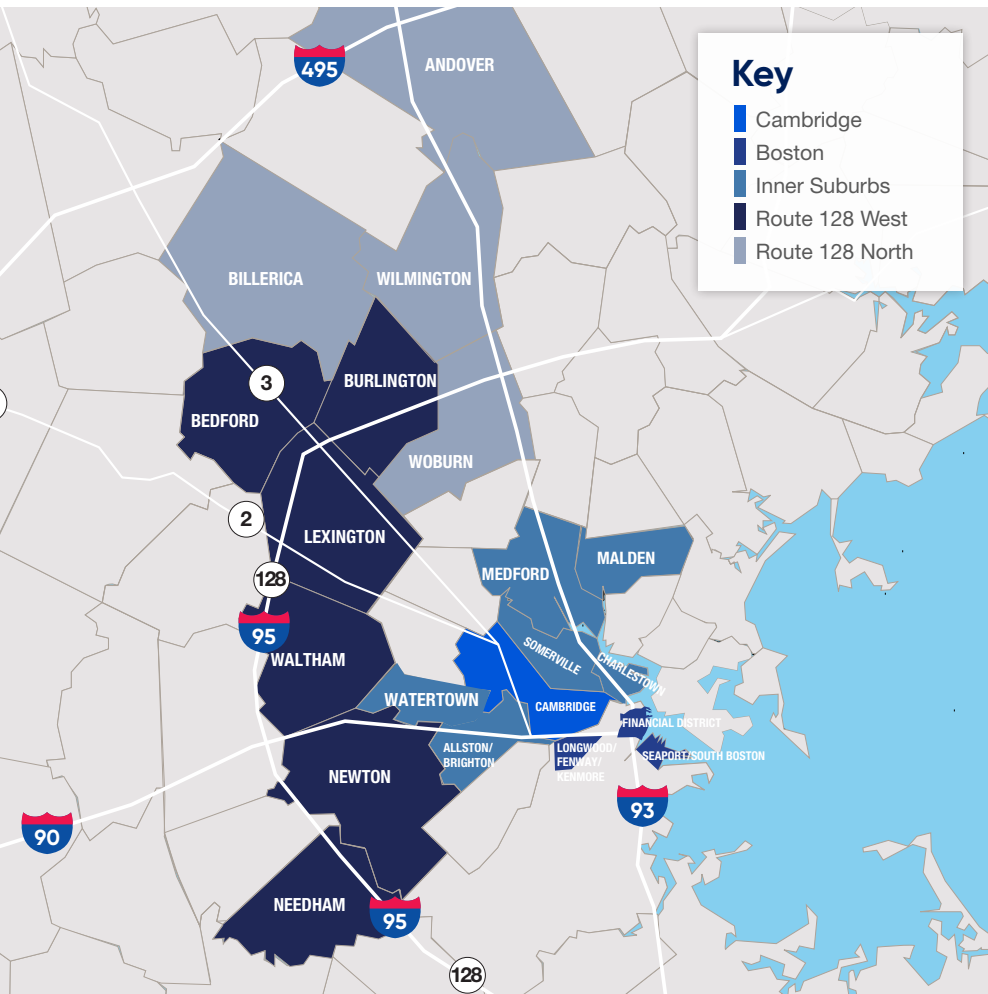


\$989M Invested

Largest Deals

Arbor Biotechnologies	\$215M
Acrivion Therapeutics	\$140M
Odyssey Therapeutics	\$91M
Saliogen Therapeutics	\$74M
Cardurion Pharma	\$46M
Clade Therapeutics	\$45M
Pyramid Biosciences	\$33M
Kytopen	\$32M

By the Numbers



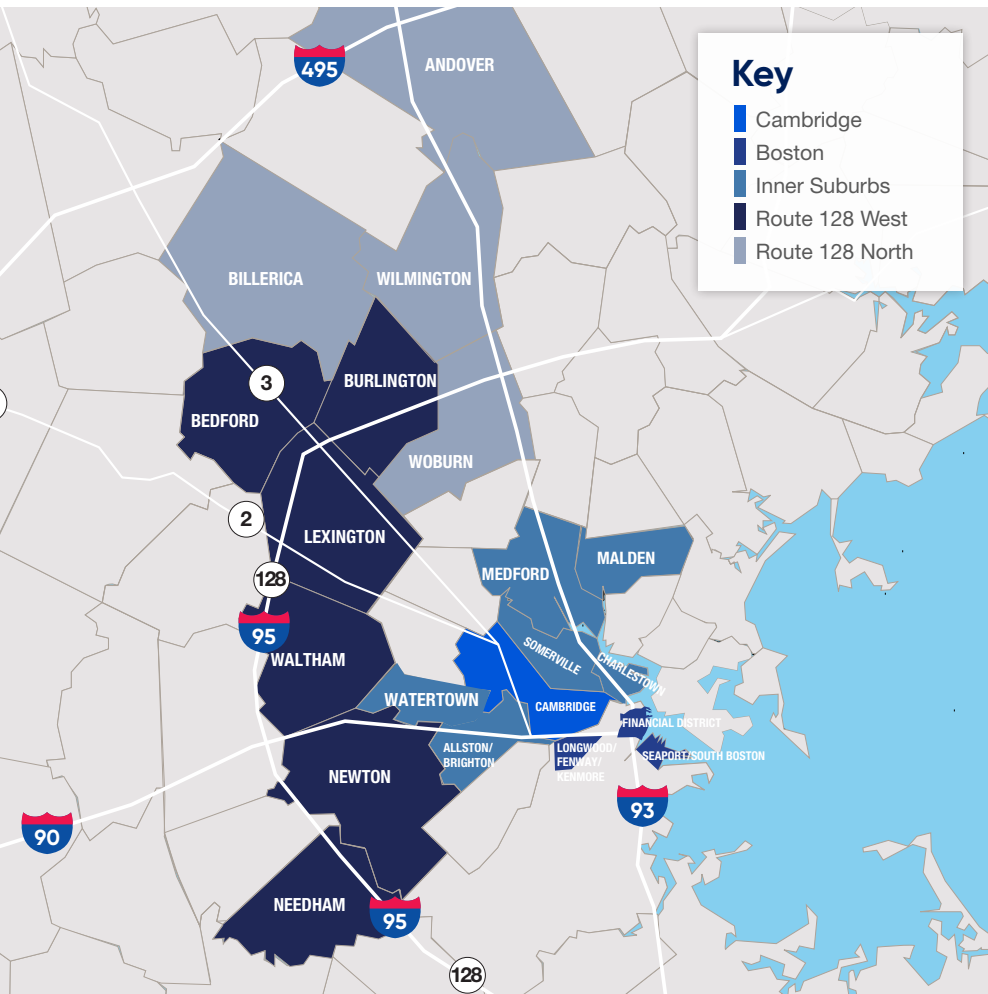
Cambridge

	Market Size (SF)	Vacant	Sublease	Available	Class A Rent/SF NNN	Class B Rent/SF NNN
East Cambridge	8,496,992	0.2%	3.8%	3.9%	\$125.00	\$105.00
Mid Cambridge	3,219,139	0.1%	0.0%	0.1%	\$115.00	\$99.00
West Cambridge/Alewife	2,152,141	6.6%	2.8%	9.3%	\$110.00	\$90.00
Total	13,868,272	1.2%	2.7%	3.9%		

Boston

	Market Size (SF)	Vacant	Sublease	Available	Class A Rent/SF NNN	Class B Rent/SF NNN
Seaport/South Boston	2,699,723	1.7%	0%	1.7%	\$105.00	\$90.00
Financial District	115,667	0.0%	0.0%	0.0%	\$102.00	\$90.00
Longwood/Fenway/Kenmore	1,136,455	1.2%	0.0%	0.0%	\$110.00	\$95.00
Total	3,951,845	1.5%	0.0%	1.5%		

By the Numbers



Inner Suburbs

	Market Size (SF)	Vacant	Sublease	Available	Class A Rent/SF NNN	Class B Rent/SF NNN
Medford/Malden	562,006	50.6%	0.0%	50.6%	\$78.00	\$55.00
Somerville	0	0.0%	0.0%	0.0%	\$95.00	\$73.00
Charlestown	494,286	7.9%	0.0%	0.0%	\$85.00	\$73.00
Allston/Brighton	663,086	0.0%	2.3%	2.3%	\$90.00	\$79.00
Watertown	1,178,933	0.0%	0.0%	0.0%	\$105.00	\$95.00
Total	2,898,311	79%	0.5%	11.7%		

Route 128 West

	Market Size (SF)	Vacant	Sublease	Available	Class A Rent/SF NNN	Class B Rent/SF NNN
Bedford/Burlington	1,311,240	24.6%	0.0%	24.6%	\$72.00	\$62.00
Lexington/Waltham	5,358,121	3.2%	0.6%	3.8%	\$80.00	\$72.00
Newton/Needham	350,002	17.2%	0.0%	17.2%	\$62.00	\$45.00
Total	7,019,363	79%	0.4%	8.3%		

Route 128 North

	Market Size (SF)	Vacant	Sublease	Available	Class A Rent/SF NNN	Class B Rent/SF NNN
Wilmington	128,370	19.5%	0.0%	19.5%	\$25.00	\$30.00
Woburn	1,219,939	8.1%	5.2%	13.3%	\$50.00	\$40.00
Billerica	345,921	14.3%	0.0%	14.3%	\$28.00	\$26.00
Andover	298,000	0.0%	0.0%	0.0%	\$55.00	\$45.00
Total	1,992,230	8.7%	3.2%	11.9%		

Notable Transactions

Tenant	Address	City/Town	Sector	Size (SF)	Type
Flagship	One Rogers Park	Cambridge	Lab	390,000	New Space
Elevate Bio	225 Wyman Street	Waltham	Lab	155,000	New Space
Kymera	One Arsenal on the Charles	Watertown	Lab	100,000	New Space
Exo Therapeutics	150 Cambridgepark Drive	West Cambridge	Lab	64,000	New Space
Monte Rosa Therapeutics	321 Harrison Avenue	Boston	Lab	63,000	New Space

Investment Sales

Buyer	Address	City/Town	Size (SF)	Price/SF
Tishman	1 Canal Park	Cambridge	105,090	\$1,246.55
Phase3	Farnsworth Portfolio	Boston	68,000	\$729.58
Nan Fung	470 Atlantic Avenue	Boston	346,225	\$687.41
Jumbo Capital	1 Patriots Park	Bedford	143,616	\$504.82
Healthpeak Properties	Cambridge Gateway Project	Cambridge	1,568,160	\$398.55
Greatland/Singerman	10 Maguire Road	Lexington	308,826	\$215.22

Tenants in the Market



200,000 SF

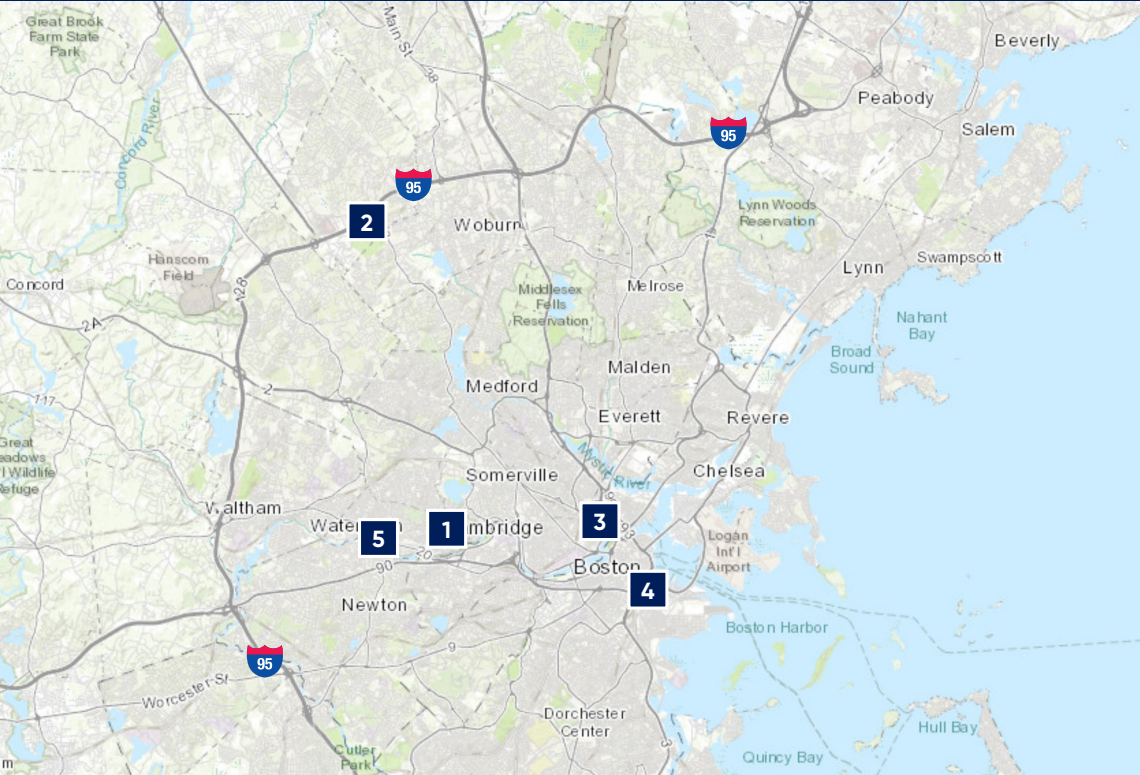
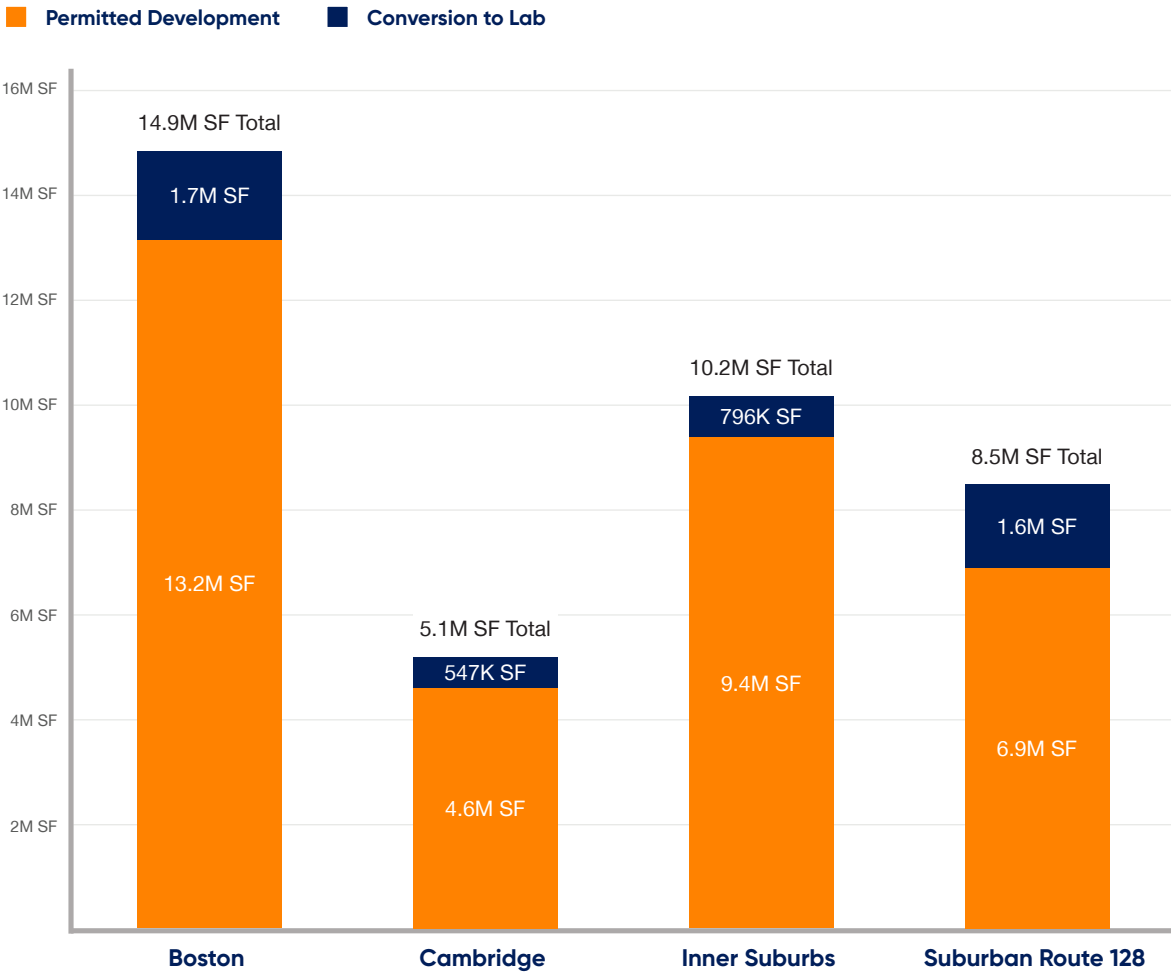


175,000 SF

150 Cambridge Park Drive, Cambridge | Photo: Duncan Lake/Cresa

Greater Boston Life Sciences

Development Pipeline



Notable Lab Conversions

Address	City/Town	Developer/Owner	Size (SF)
1 705 Mount Auburn Street	Watertown	Spear Street	490,000
2 3 Van de Graaff Drive	Burlington	Jumbo Capital	320,000
3 One Canal Park	Cambridge (Lechmere)	Tishman Speyer	112,000
4 51 Melcher Street	Boston (Seaport)	GI Partners	110,000
5 64 Pleasant Street	Watertown	Berkeley Investments	104,694

Greater Boston Life Sciences



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Abcam moves into growing inner suburban life sciences campus

152 Grove Street, Waltham, Massachusetts

Project Profile	
Premises	100,000 SF
Cresa Services Provided	Site Selection, Transaction Management, and Project Management



Photos: Duncan Lake/Cresa



- Features
- Balanced mix of lab, R&D and office space
 - Extensive open office area that offers ample light with a skylight running through middle of the building
 - Entirety of Abcam's space now sits on one floor, creating better flow and functionality throughout each business unit
 - Onsite campus amenities include fitness center, outdoor space, ample parking and easy access to public transportation
 - New space and location provides opportunity for growth while still geographically near Greater Boston's life sciences corridors



Greater Boston Life Sciences

With Unrelenting Demand, Increased Inventory is On the Way

Despite a lack of availability, there has been unrelenting and immediate demand for lab space in Greater Boston.

In recent months, the landlords and projects that have fared the best have been those with the ability to deliver space that is ready for occupancy earlier than the rest of the market. These projects are often located in the urban core or the "inner suburbs," like Somerville or Watertown. When Flagship Pioneering searched for readily available space to help support their portfolio companies' growth, 101 South Street in Somerville was a rare opportunity in the market with the end of 2021 occupancy. As a result, they leased the entire building. In the Seaport, the Innovation and Design Building underwent a repositioning and conversion of over 300,000 SF to a "lab-ready shell" with November 2022 occupancy, and it is already fully committed. Similarly, 100 Forge Street in Watertown, the new purpose-built lab building at Arsenal Yards, is fully committed with tenants planning for occupancy at the end of 2022.

Other projects, including those that have later completion and occupancy dates but will be considered trophy assets given their location, scale, and design, are

also being scooped up. For example, Moderna has taken all 450,000 SF at 325 Binney Street in Kendall Square, and Eli Lilly has leased all 300,000 SF at 15 Necco Street in the Seaport. Both of these are new, purpose-built lab buildings with a Q4 2023 delivery timeframe.

Immediate or near-term occupancy remains the challenge for tenants in this market and will continue through 2022. With a wave of projects expected to deliver in 2023 and beyond, tenants should soon benefit from increased inventory and options to consider. As the dynamic begins to shift, tenants will have a greater ability to weigh their options. Not all developments and landlords are created equal, so this will be a welcome change for occupiers seeking space.



Arsenal Yards | Photo: Duncan Lake/Cresa

Immediate or near-term occupancy remains the challenge for tenants in this market and will continue through 2022.

15 Necco Street | Rendering: bostonplans.org



Greater Boston Life Sciences



Real Estate Insights to Fuel Future Success

Cresa is dedicated to sharing the latest data, emerging trends, and industry benchmarking in the Life Sciences market for our clients and partners. From high-level real estate forecasting to workplace and hybrid work strategies, we regularly deliver high-value, high-impact findings to help our clients make future-focused, informed real estate decisions.

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Occupier's Perspective



Timing is Everything

Many build-outs are underway or in the pipeline, but occupancy dates are being delayed across the board, commonly due to power upgrades and long-lead items like generators and casework.



Experience Matters

New landlords are throwing their hat in the life science ring by converting office buildings to lab. However, occupiers should be cautious: Not every landlord has the same experience establishing and operating a lab building, and choosing the right partner is imperative.



Location, Location

Employees are aware of market dynamics and want an exciting location. Naturally, there's pressure to grab any available space, but a location must yield successful recruiting.

Things to Consider

1. Given market dynamics and related delays, it's never too early to start planning for the next phase of growth.
2. Try to think a few steps ahead — will your next location be a single building or cluster that will support additional/future growth?
3. Have the right team in place — additional resources such as project management are incredibly helpful in this market to manage project budget, schedule, and more.

Meet the Team

 Click to learn more about our advisors



John Coakley
Principal



Paul Delaney
Principal



Greg Lewis
Principal



Vicki Keenan
Principal



Carter Swaebe
Advisor



Adam Subber
Managing Principal



Dan Sullivan
Managing Principal

About Cresa Boston

Cresa is the world’s largest commercial real estate advisory firm that exclusively represents occupiers and specializes in the delivery of fully integrated real estate solutions. We work with our clients to align their business plans and their real estate needs, increase their productivity, and consistently save them money — results that have earned us numerous industry awards along the way. Our team of real estate advisors, project managers, strategic planners, analysts, and space planners listen to tenants’ needs, meticulously research market conditions, firmly negotiate terms, and manage the design and construction of projects to customize the best possible occupancy solutions.

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