

Greater Boston



Market Facts

\$802 Million

in funding was injected into the New England biotechnology sector in Q4' 2017 alone.

43%

of the 1.3 MSF of current lab construction is currently pre-leased.

951,000 SF

of total lab space was absorbed on a net basis in 2017.

600,000 SF

of new lab space came online over the last twelve months.

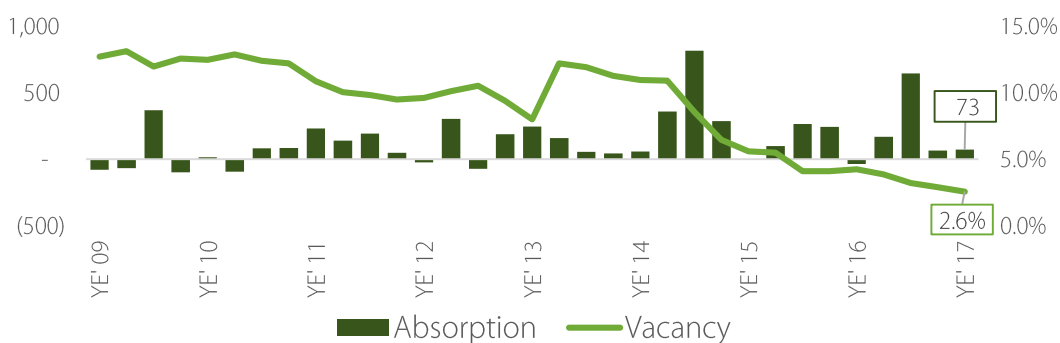
Lab market gains momentum headed into 2018 as life-science funding soars over the last 6 months

The Greater Boston lab market finished the year on a positive note with over 70,000 SF absorbed in Q4' 2017, bringing the total overall vacancy to an all-time low of 2.6%. This is mainly due to heavy pre-leasing activity on new construction that has prohibited the market from delivering available space to appease an unprecedented amount of demand. This past quarter, Mass Innovation Labs committed to 50,000 SF at Innovation Square in the Seaport, kicking off a new 125,000 life-science development, while Rubius Therapeutics signed to

roughly 45,000 SF at Alexandria's new 164,000 SF development located at 399 Binney Street in East Cambridge. Venture Capital investment in GBA's Life Science sector as a whole remains the biggest demand driver as we near a market with virtually no vacant lab space left. According to PwC, funding for life-science related sectors in New England has been consistently increasing year-over-year since 2013, with notable increases in 2017 through biotechnology, where funding nearly doubled over the last quarter, reaching over \$802 million.

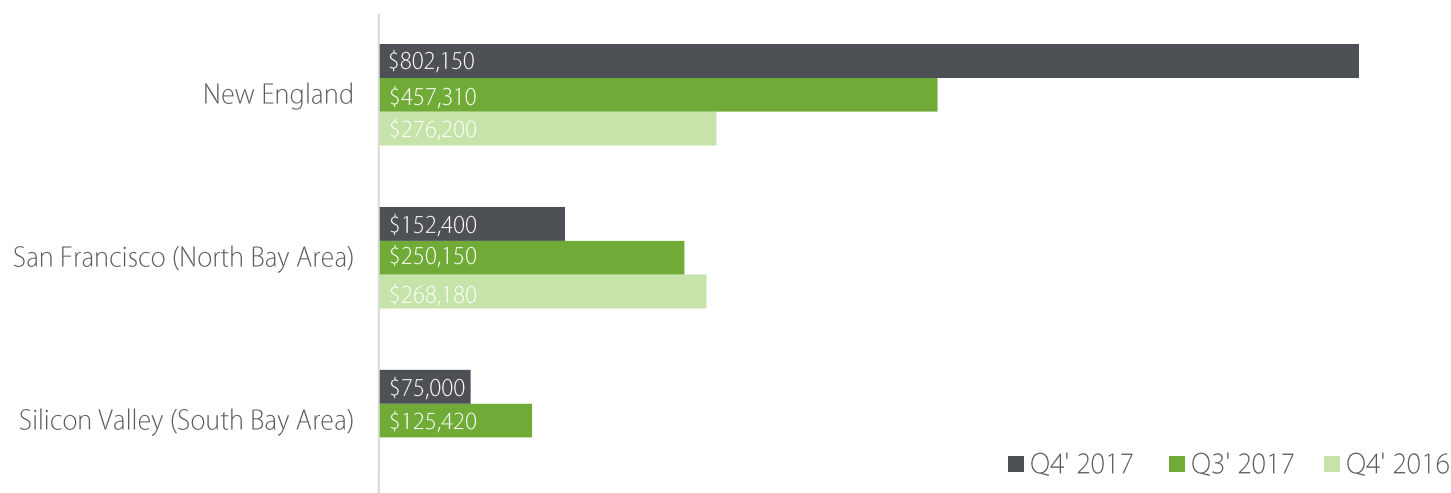
Supply & Demand

quarterly net absorption vs total vacancy



Biotechnology Funding

*funding in the millions



Notable Construction

Address	City	Developer	Size Range (SF)	% Leased	Delivering
100 Binney Street	Cambridge	Alexandria	431,500 SF	100% (Facebook & BMS)	Q1' 2018
238 Main Street	Cambridge	MIT	310,000 SF	0%	Q4' 2018
35 Cambridgepark Drive	Cambridge	Davis Co.	227,000 SF	0%	Q3' 2018
399 Binney Street	Cambridge	Alexandria	164,000 SF	75% (Rubius, Relay & Celsius)	Q4' 2018
828 Winter Street	Waltham	King St. Properties	144,910 SF	0%	Q3' 2018

By the Numbers

	rba sf	total	VACANCY %		ABSORPTION SF		CONSTRUCTION SF		
			A	B	qtr	ltm	uc	%	comp
TOTAL MARKET	21,493	2.6%	1.7%	4.0%	73	951	1,276	43%	600
Cambridge	10,952	1.9%	1.9%	1.3%	68	561	1,131	49%	505
Kendall	6,210	1.8%	2.1%	0.0%	-7	495	904	61%	505
Central	4,122	1.8%	0.1%	6.9%	95	91	0		0
Alewife	620	4.0%	0.0%	5.0%	-20	-25	227	0%	0
The Ring	3,101	3.0%	3.5%	0.0%	-17	4	0		0
Longwood	1,618	6.2%	6.5%	0.0%	-17	2	0		0
Crosstown	916	0.0%	0.0%	0.0%	0	0	0		0
Seaport	566	0.0%	0.0%	na	0	2	0		0
128 Belt	3,642	1.6%	0.0%	2.3%	-16	166	145	0%	95
Lexington	1,775	0.0%	0.0%	0.0%	0	102	0		95
Waltham	1,350	0.8%	0.0%	1.1%	-10	26	145	0%	0
495 Belt	2,505	6.7%	0.0%	9.4%	15	-6	0		0
Framingham	1,019	0.0%	0.0%	0.0%	0	0	0		0
Worcester West	1,294	1.5%	5.2%	0.8%	22	225	0		0

sf in thousands ltm = last twelve months comp = ltm completions % = percented under construction large scale drug manufacturing is not included



Tucker White, Research Analyst
617.993.0721
tucker.white@avisonyoung.com

Everett Palozej, Research Analyst
617.758.8266
everett.palozej@avisonyoung.com

avisonyoung.com