

WINTER BIOVIEW

A LOOK AT THE GREATER BOSTON LIFE SCIENCE MARKET

2017

HERE, THERE & EVERYWHERE:

LAB GROWS BEYOND TRADITIONAL BOUNDARIES

Lab occupiers are a driving force in the city of Cambridge, but a story emerging more recently is the spread and growth of this industry to other parts of the Greater Boston market. Some suburban clusters have consistently had pockets of life science activity, but one advancing trend is Boston—more specifically the Seaport District—being considered as a life science alternative.

EVOLVING GEOGRAPHIES



4 million sq. ft. of new construction since 2013

Rising rents in Cambridge have presented challenges for startups

Big pharma now comprises **50%** of the Cambridge Lab market

The solution for many has been to look at other promising submarkets of **Greater Boston**

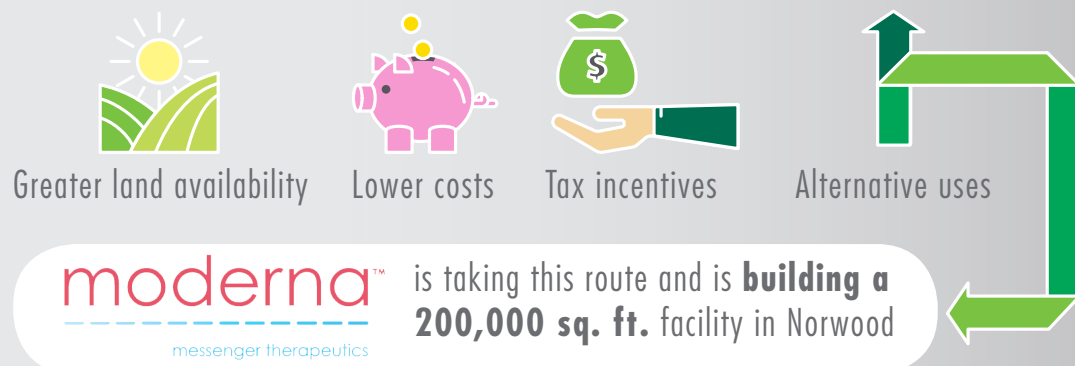


While overall suburban absorption was negative, life science absorption topped **one million sq. ft**

AVERAGE ASKING RENTS (NNN) FOR EXISTING SUBURBAN LAB SPACE



LOCATION ADVANTAGES OF THE SUBURBS AND 495 BELT



ORGANIC GROWTH

As much as big out-of-market companies grab headlines when they choose to move to Greater Boston, organic growth by existing life science occupiers has also been propelling the market.

World-class educational institutions

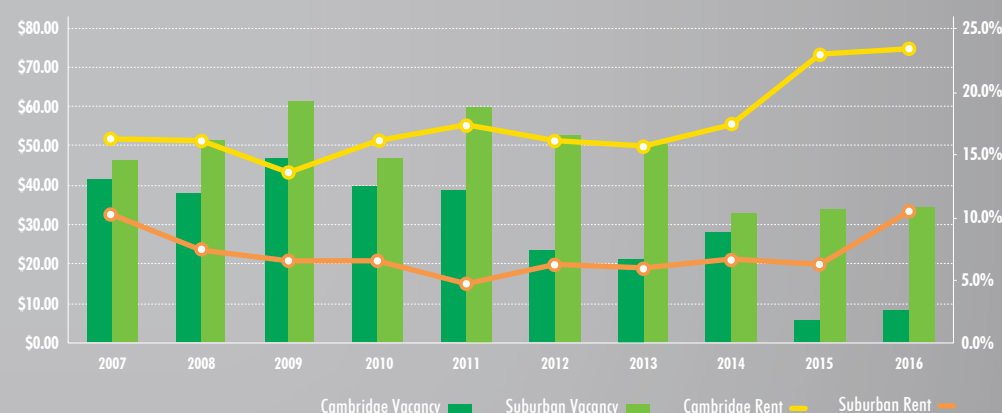
Innovators building locally

Faced with historically high rents in prime spots like Kendall Square, many homegrown shops are finding other ways to meet their space requirements. Some companies have sought space in the suburbs for their manufacturing functions, notable because of the choice to keep these operations close to the headquarters instead of moving them out of state.

Uptick in GMP manufacturing requirements throughout the suburbs

Big pharma companies are more likely to seek new construction, **creating opportunities for smaller firms to backfill**

GREATER BOSTON CAMBRIDGE AND SUBURBAN LAB RENTS VS. VACANCY



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THIS WOULDN'T HAVE HAPPENED FIVE YEARS AGO

For the first time, the suburbs are seeing speculative lab development. Historically, this type of construction was almost exclusively focused on creating spaces for office users.

115

Hartwell Avenue • Lexington

The first-ever speculative lab building in the suburbs

828

Winter Street • Waltham

Speculative lab building planned to break ground in 2017

200

Smith Street • Waltham

Speculative renovation of a former U.S. Post Office that is targeting lab and office users

Landlords that have traditionally focused on office properties are converting space to lab, and existing buildings are being repositioned to court life science occupiers.

17

Hartwell Avenue • Lexington

BOSTON PROPERTIES

266 & 275

Second Avenue • Waltham

GRIFFITH PROPERTIES

490

Arsenal Street • Watertown

BOYLSTON PROPERTIES













The geographies attracting attention from the life science sector are expanding beyond the previous scope. New locations becoming increasingly appealing are:

Seaport District
(South Boston)

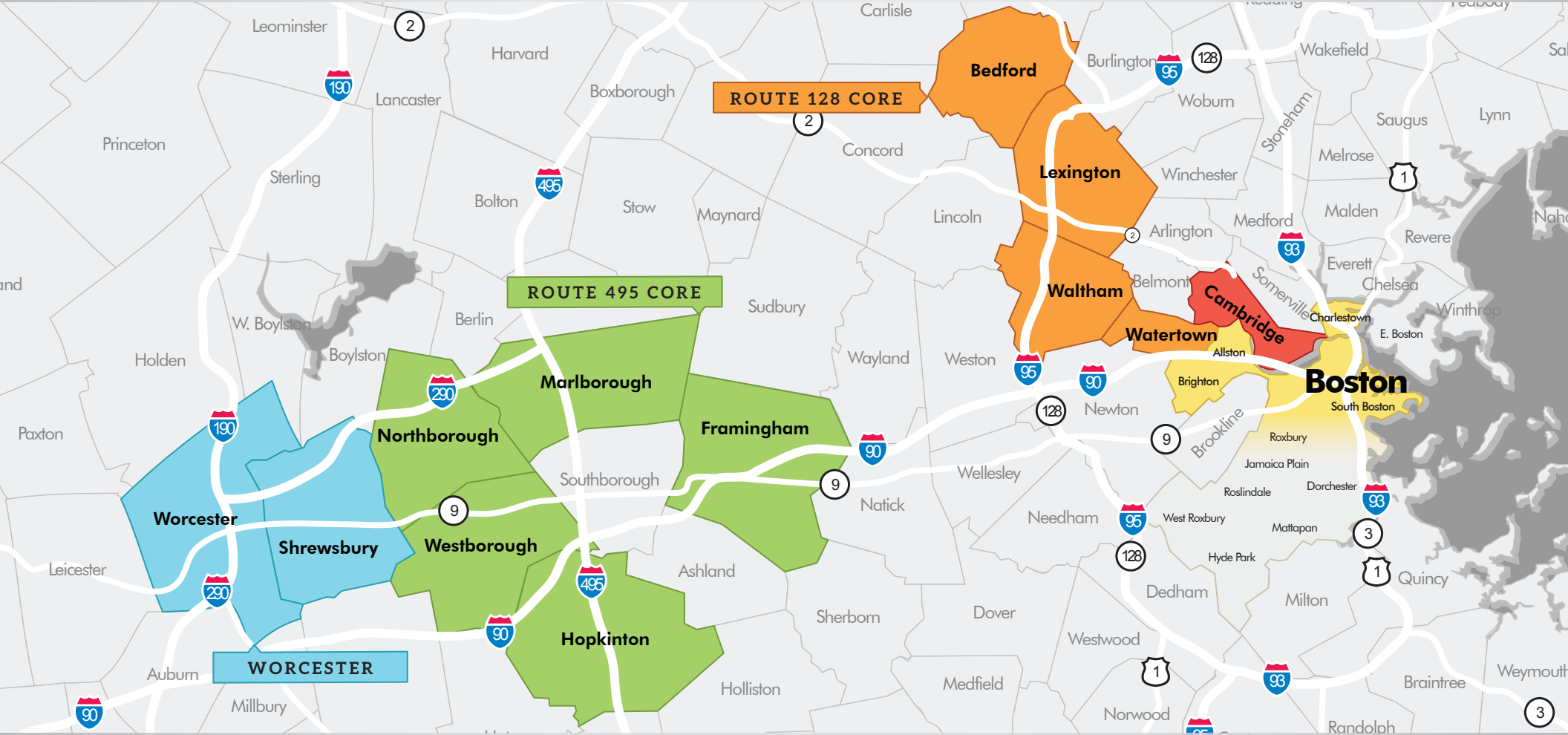
Alewife/Fresh Pond
(Cambridge)

Inner Suburbs

2016 NOTABLE LIFE SCIENCE DEALS

Tenant	Address	Sq. Ft.	Market	Type	Use
Shire Pharmaceuticals	500 Kendall Street, Cambridge	343,000	Cambridge	New	
Moderna Therapeutics	100 Upland Road, Norwood	202,000	Route 128 - South	New	
Alnylam	20 Commerce Way, Norton	200,000	Route 495 - South	New	
TESARO	1000 Winter Street, Waltham	116,000	Route 128 - West	Expansion	
Bioverativ	225 Second Avenue, Waltham	113,000	Route 128 - West	New	
Momenta Pharmaceuticals	301 Binney Street, Cambridge	80,000	Cambridge	New	
Ocular Therapeutix	15 Crosby Drive, Bedford	71,000	Route 3 - North	New	
WAVE Life Sciences	115 Hartwell Avenue, Lexington	61,000	Route 128 - West	New	
Foundation Medicine	150 Second Street, Cambridge	56,000	Cambridge	Expansion	
Jounce Therapeutics	780 Memorial Drive, Cambridge	51,000	Cambridge	New	
Brammer Bio	45 Hartwell Avenue, Lexington	51,000	Route 128 - West	New	
Sanofi Genzyme	1 Research Drive, Westborough	50,000	Route 495 - Mass Pike West	Expansion	

Lab  Office  Manufacturing 



GREATER BOSTON LAB STATISTICS

Submarket	Bldgs	Total Sq. Ft.	Available (%)	Vacant (%)	Sublease (%)	Avg. Asking Rent (\$, NNN)
Boston	23	6,303,089	3.2	3.2	0	72.00
Cambridge	86	11,927,808	7.9	2.6	2.2	74.55
Route 128 - Core	52	4,902,611	11.4	8.6	1.2	45.23
Route 495 - Core	28	2,869,040	10.6	10.6	2.2	11.46
Worcester	14	2,061,446	24.1	24.1	0.5	12.03
GREATER BOSTON TOTAL	203	28,063,994	8.9	6.1	1.4	