

Lab Report

Boston | Cambridge | Suburbs

Q1 2026

Lincoln

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Overview

Boston’s lab market continued to face significant headwinds entering 2026, as elevated vacancy, below-average leasing demand, and constrained capital conditions weigh heavily on fundamentals across the metro area.

Metro-wide lab vacancy remained elevated at 19.6%, reflecting ongoing space givebacks and limited backfilling activity. Availability pressures intensified during the quarter, with direct availability rising to 29.6%, representing an increase of nearly 200 basis points quarter-over-quarter.

Absorption trends further highlight the market’s imbalance. Over the past four quarters, the Boston lab market recorded approximately 500,000 square feet of negative absorption. Leasing activity remained subdued, with approximately 430,000 square feet of activity—well below the averages seen in recent years.

Looking Forward

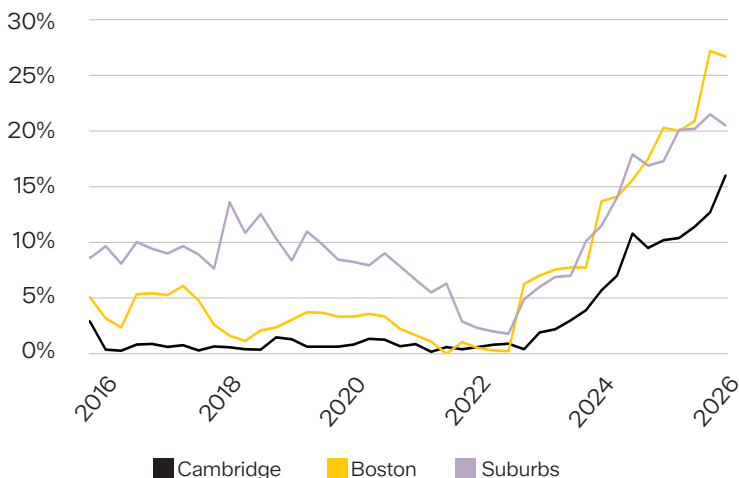
While 2025 was defined by economic turbulence, muted venture capital activity, and difficult lending conditions, Massachusetts remains a global life sciences leader, accounting for a meaningful share of the nation’s drug development pipeline and positions the region for future recovery.

Vacancies in Boston, Cambridge, and the Suburbs remained at elevated levels in Q1 (26.7%, 16%, and 20.5% respectively). While this elevation may cause strain for landlords in the short-term, it could benefit the market long-term by lessening pressure on rents.

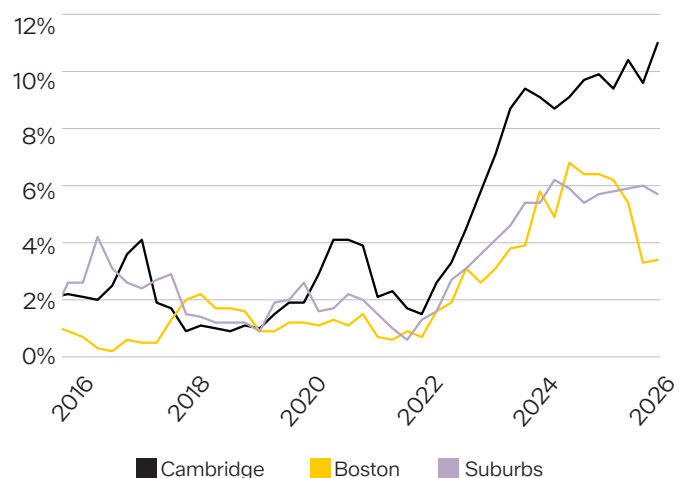
Top Leases

	SF
Transmedics Assembly Park, Somerville Inner Suburbs North	498,000
Stoke Therapeutics 245 Fifth Ave, Waltham 128 West	98,500
AI Proteins One Kenmore, Boston Fenway	40,000
Dash Bio 21 Hickory Drive, Waltham 128 West	24,057
Bonito Bio 21 Hickory Drive, Waltham 128 West	24,008

Cambridge, Boston & Suburban Direct Vacancy



Sublet Trends



Cambridge

Cambridge lab market fundamentals continued to decline during the first quarter of 2026. The vacancy rate rose to 16%, more than double the level recorded in Q1 2024 (7.4%), marking another quarter of upward pressure following the market's peak occupancy in 2022. This increase reflects both limited leasing traction and significant blocks of space returning to the market.

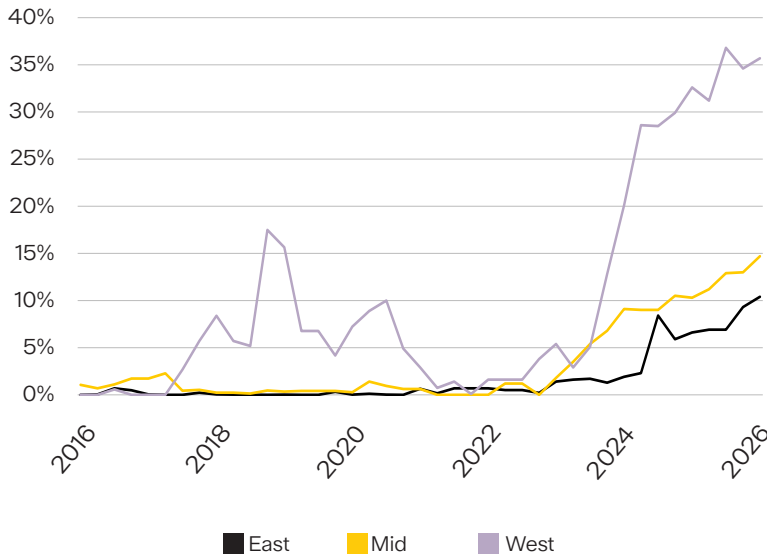
Availability expanded during the quarter, with direct availability increasing to 26.3%, largely driven by Takeda Therapeutics placing approximately 630,000 square feet of space in the mid-Cambridge market. As a result, sublease availability climbed to 11%– the highest level recorded to date in the Cambridge lab market.

Absorption trends remained firmly negative. Cambridge recorded 554,521 square feet of negative absorption during the quarter, extending the market's multi-quarter contraction. Leasing volume remained well below historical norms with 97,343 square feet of activity.

Elevated availability levels have diminished the historical scarcity premium associated with the market, particularly within East Cambridge and Kendall Square, where high operating costs have increasingly pushed more price sensitive tenants to evaluate suburban alternatives.

One notable deal completed in Q1, with Zealand Pharma's lease of 55,000 square feet in East Cambridge. The deal underscores continued, albeit selective, tenant demand for well-located space within the Kendall Square/East Cambridge cluster, even as overall leasing activity remains muted.

Cambridge Direct Vacancy Rate



Boston

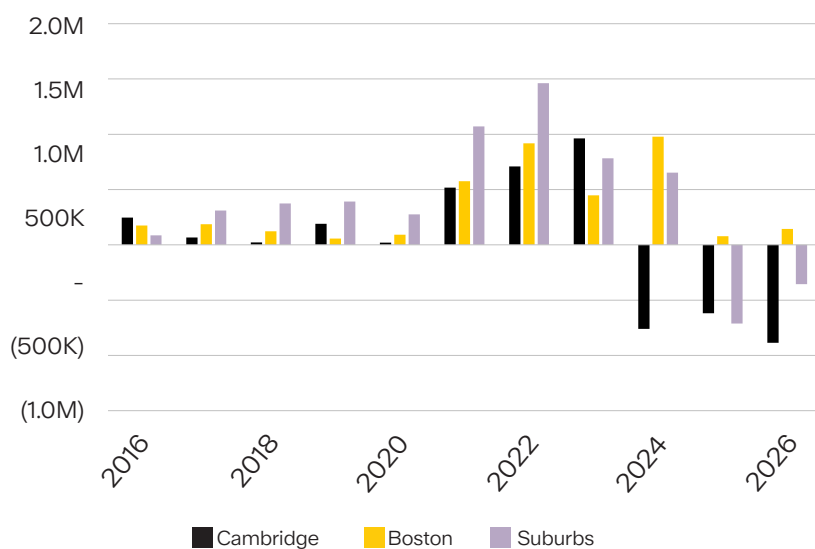
Boston's life science market showed modest signs of stabilization in the first quarter of 2026 following the sharp vacancy increases recorded in late 2025. The vacancy rate declined 50 basis points to 26.7%, marking the first quarter-over-quarter decrease in over a year.

Net absorption turned positive during Q1, with the market recording 20,268 square feet of absorption, reflecting incremental tenant commitments and fewer large move-outs relative to prior quarters. While availability levels remained relatively flat over the past three quarters, total availability was down 3.9% from its peak of 29.7% in Q4 2024, indicating gradual easing of supply pressures.

Submarket performance across Boston remained uneven. Fenway emerged as the strongest performing submarket in Q1, with approximately 36,000 square feet of lab leases signed. Vacancy in Fenway was 6.1%, which remains below the broader Boston average.

Overall, Boston's lab market remains under pressure as persistent challenges related to funding constraints, economic uncertainty, and tenant caution continue to weigh on near-term fundamentals.

Annual Net Absorption (SF)



Suburbs

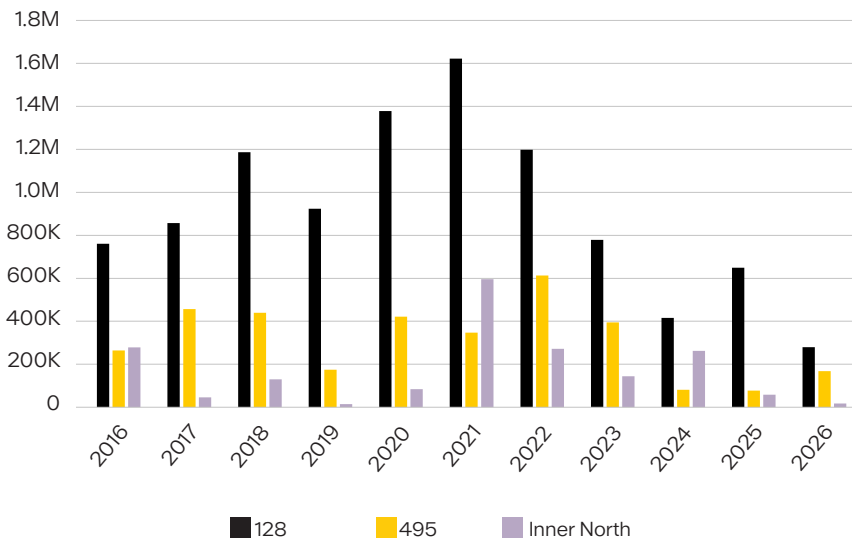
The Suburban Boston lab market vacancy rate declined 100 basis points quarter-over-quarter to 20.5%. Despite improving vacancy metrics, direct availability remained high at 32.2%. While vacancy and availability were elevated, the quarter marked a shift away from the sharper contractions that were recorded in recent periods.

As high rents and operating expenses persist in core urban lab markets, more life science users are expanding into or relocating within suburban corridors. This trend has helped sustain suburban leasing momentum as overall life science demand remains constrained.

The Route 128 West submarket remains the strongest-performing suburban corridor, supported by multiple notable leases signed in Waltham. Stoke Therapeutics, Biocytogen, and Akebia collectively contributed approximately 80,000 square feet of positive absorption, driving a 2.2% decline in direct availability during the quarter. The activity underscores continued demand for high-quality suburban lab space from both established and growth-stage companies.

Leasing momentum was further bolstered by TransMedics' 498,000-square-foot lease at BioMed Realty's 188 Assembly Park Drive in Somerville. Approximately 900 employees will occupy the entire building following the company's relocation from Andover. The transaction stands as one of the most significant suburban lab leases in recent years.

Suburban Leasing (SF)



Development

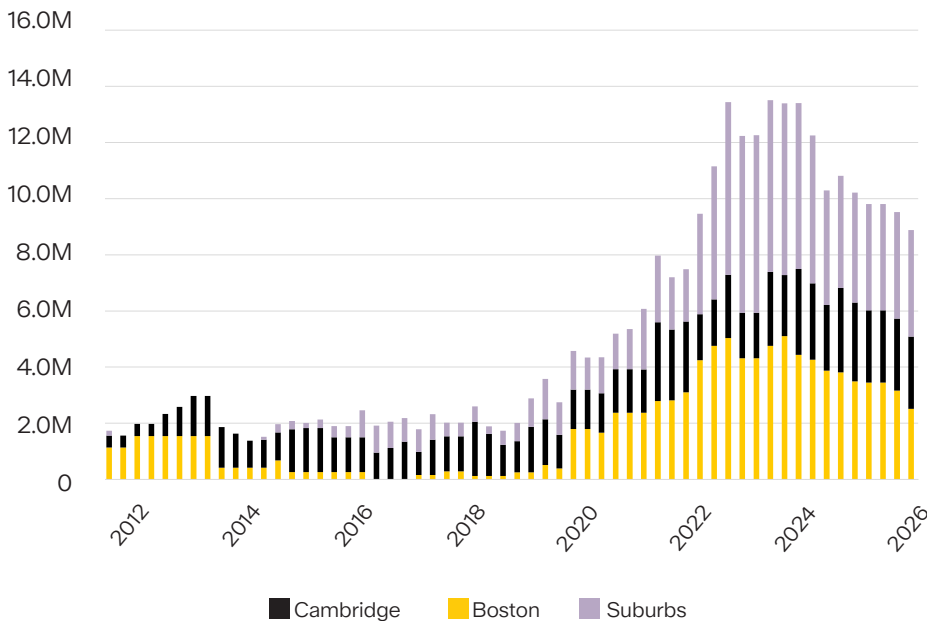
New construction remained limited, and the amount of space under construction continued to decline, reflecting constrained financing conditions, muted venture funding, and a more cautious approach to speculative development.

Despite this, several notable projects delivered in Q1. Enterprise Research Campus and 470 Atlantic Avenue collectively added approximately 642,000 square feet of lab space to the market, representing some of the final large-scale deliveries from the recent development cycle.

Recent deliveries follow the completion of headline projects in 2025, including 10 World Trade Center in the Seaport, which delivered 290,000 square feet of lab space across eight floors. Many of these newly delivered buildings continue to test tenant demand amid challenging market conditions, as biotech companies reassess real estate needs in response to funding cuts and workforce reductions.

Major projects under construction consisted primarily of properties that have significant tenant commitments. The development at 585 Third Street in Cambridge consists of 590,000 square feet of mixed-use lab space and will be occupied by Takeda upon completion in 2026. Also in Cambridge, 425,333 SF of lab and office space at 290 Binney Street is expected to deliver in 2026 and will be occupied by AstraZeneca. 75 Broadway in East Cambridge broke ground in Q4 2025 and is the first building in the redevelopment of Kendall Common. The 585,000 square-foot property will be Biogen's new global headquarters upon its completion in 2028.

Cambridge, Boston & Suburban Lab Under Construction (SF)



Investment Sales

Investment sales activity in the Boston lab market remained largely stagnant during the first quarter of 2026, with no notable transactions during the period. The lack of deal activity reflects continued weakness in market fundamentals, elevated vacancy and availability levels, and persistently difficult lending conditions. As a result, most investors have remained sidelined, maintaining a cautious, wait-and-see posture as pricing expectations continue to recalibrate.

The absence of Q1 transactions follows the subdued capital markets environment in late 2025, when only a handful of lab assets traded across the region. Notable Q4 2025 transactions included Phase 3 Real Estate Partners' acquisition of 30 Hampshire Street in East Cambridge for \$25.1 million and United Therapeutics Corporation's \$21.5 million purchase of 45 Hartwell Avenue in Lexington.

Top Sales

Address	Price	PSF	Buyer	Seller
No significant sales				

Lab Stats Q1 2026

Submarket	RSF	% Vacant	% Sublease	% Avail	Net Absorption	12-Month Absorption	Leasing Activity	12-Month Leasing	Asking Rate
Seaport	6,471,650	34.6%	4.2%	37.6%	20,689	269,966	-	381,269	\$105.50
Fenway	3,618,783	6.1%	1.3%	6.4%	(1,901)	(36,796)	36,729	111,760	-
Other Boston	3,565,288	34.1%	4.0%	24.1%	1,480	(89,551)	-	21,014	-
Boston Total	13,277,228	26.7%	3.4%	25.8%	(20,268)	143,849	36,729	514,043	\$107.35
East Cambridge	13,400,133	10.4%	7.0%	18.3%	94,036	(110,499)	42,343	149,815	\$117.00
Mid Cambridge	4,897,562	14.7%	22.0%	37.9%	(623,350)	(733,008)	-	17,648	\$107.05
West Cambridge	2,076,693	35.7%	12.0%	52.5%	(25,207)	(41,729)	55,000	11,969	\$95.85
Cambridge Total	20,398,146	16.0%	11.0%	26.3%	(554,521)	(885,236)	97,343	279,432	\$107.00
128 North	2,360,195	9.7%	3.6%	21.7%	11,038	(127,251)	32,794	104,748	\$50.29
128 West	10,484,098	17.6%	7.3%	32.2%	80,529	129,429	246,565	638,376	\$73.10
128 Total	13,111,108	15.7%	6.5%	29.6%	91,567	5,178	279,359	743,124	\$69.50
495 North	2,391,130	11.5%	1.6%	20.4%	168,000	123,598	168,000	192,066	\$45.00
495 West	3,260,508	4.2%	4.5%	16.8%	(58,230)	(60,766)	-	48,642	\$45.15
495 Total	5,133,949	7.8%	3.1%	18.6%	109,770	62,832	168,000	235,863	\$45.80
Inner Suburbs North	4,430,527	48.0%	6.5%	54.6%	(37,903)	(424,348)	17,090	62,223	\$52.50
Suburban Total	23,224,155	20.5%	5.7%	32.2%	163,434	(356,388)	296,449	895,950	\$63.45
All Lab	56,552,294	19.6%	7.1%	29.6%	229,181	(497,955)	430,521	1,660,446	\$86.50

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