Lab Report

Boston | Cambridge | Suburbs

Q3 2025

Lincoln

Contents

Overview

The Boston Lab Market outlook remains bleak, with demand struggling to catch up to the massive supply wave over the last few years. Just over 9.5 million square feet of lab space remains under construction and 12-month deliveries ended Q3 at 2.5 million square feet. Supply pressures will persist, as the lab space begins to deliver over the next several years.

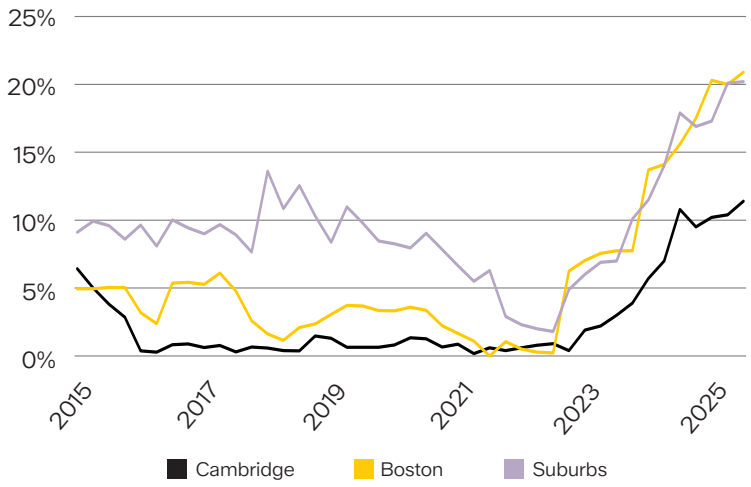
Vacancies in the Boston Metro market finished at 17.2%, a 60-basis point increase from Q2. 160,863 square feet of space was absorbed in the market, with 12-month absorption continuing to remain positive.

Looking Forward

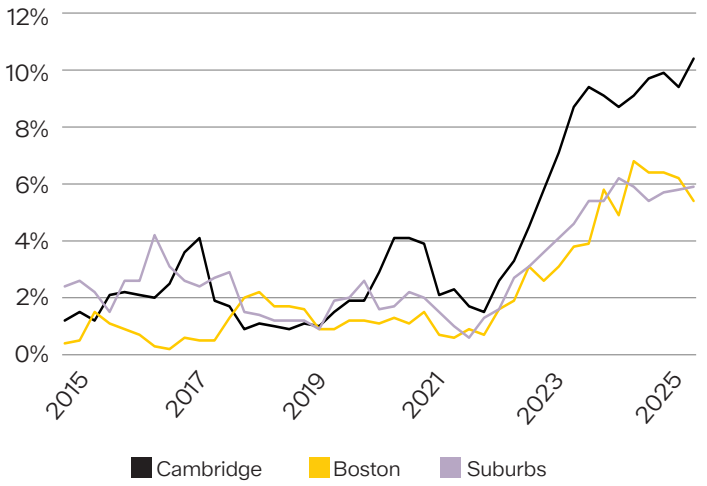
While struggles persist for the lab market, Q3 saw some positive momentum. Leasing volume increased 47% quarter-over-quarter and ended Q3 at 638,940 square feet.

Some pressure was alleviated when interest rates were cut in September and the Federal Reserve indicated that more cuts may be on the way. However, NIH funding cuts and tariffs continue to create economic and fundraising concerns, resulting in decreased leasing volume. Supply pressures are waning, however, and the amount of space under construction as well as construction start dates continue to decline. The lab market would need to see a normalization of supply and a leasing boost driven by increased fundraising in order to rebound.

Cambridge, Boston & Suburban Direct Vacancy



Sublet Trends



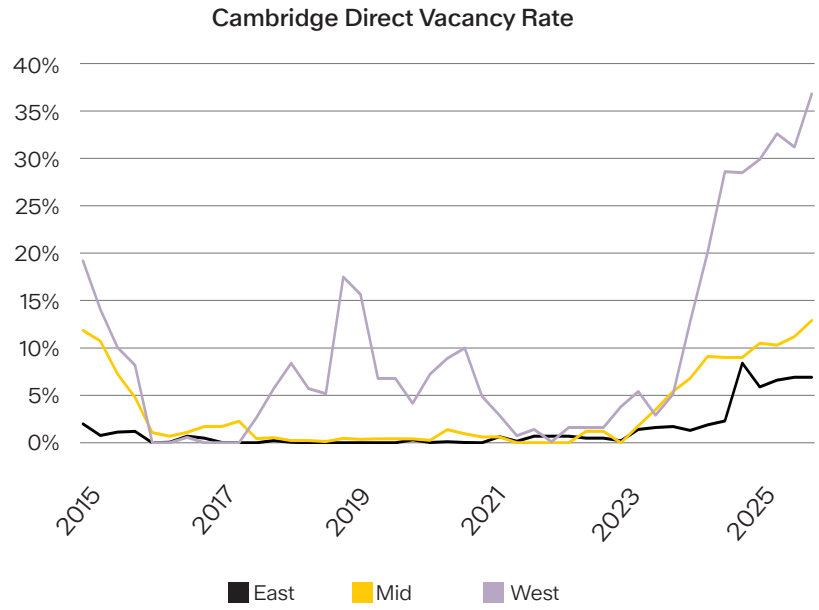
Top Leases

	SF
Lila 1 & 5 Alewife Park, Cambridge | West Cambridge	235,500
CBSET 153 Second Avenue, Waltham | 128 West	87,730
Eli Lilly 645 Summer Street, Boston | Seaport	75,000
City Therapeutics 399 Binney Street, Cambridge | East Cambridge	44,336
Quaero 101 Main Street, Cambridge | East Cambridge	23,350

Cambridge

Cambridge vacancies have increased for the 11th consecutive quarter since bottoming out near 0% in 2022, and ended Q3 at 11.4%. Conversely, net absorption continued its negative streak for the seventh consecutive quarter, finishing Q3 at negative 35,069 square feet and has nearly matched the last four twelve-month absorption levels of approximately negative 750,000 square feet. Cambridge has the highest sublease rate in the Metro at an average of $107.90 per square foot–nearly double the average price per square foot in Boston and the Suburbs. Despite this, Cambridge vacancies continue to be lower than in Boston and the Suburbs.

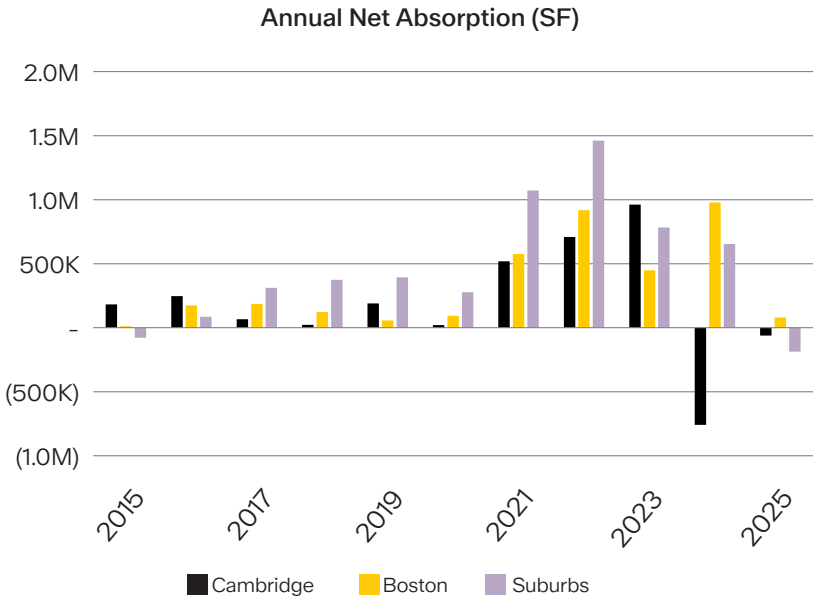
Cambridge's top lease of Q3 was signed by Lila Sciences for 235,500 square feet at 1 and 5 Alewife Park. Also notable were two leases in East Cambridge. City Therapeutics leased 44,000 square feet at 399 Binney Street and Quaero leased 23,350 square feet at 101 Main Street.



Boston

Vacancies increased 90 basis points in Boston and ended Q3 as the highest in the metro area at 20.9%. Furthermore, vacancies increased 880 basis points since Q3 2023, with more than 2.7 million square feet delivered. The sublet rate decreased this quarter for the first time since the beginning of 2023, as more companies search for better deals at highly amenitized spaces. For the second consecutive quarter, availabilities decreased and ended Q3 at 25.2%.

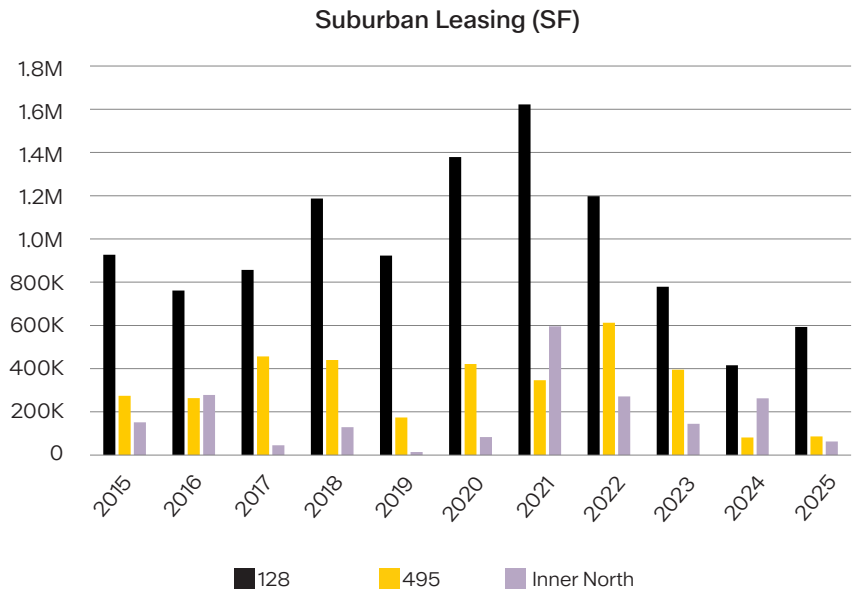
Boston faces some heightened supply pressure as construction ticks up to approximately 3.7 million square feet and leasing volume continues to be subdued. One notable lease was signed in Boston in Q3, with Eli Lilly leasing 75,000 square feet at 645 Summer Street in Seaport.



Suburbs

The Suburban Lab market recorded 73,954 square feet of absorption, an increase compared to the last two quarters of negative absorption. Suburban vacancies ticked up slightly by 10 basis points and ended Q3 at 20.2%. Sublet space and total availabilities also slightly increased, finishing the quarter at 5.9% and 32.1%, respectively. Despite the recent supply wave in the suburban lab market over the last few years, there are signs of improvements. Class A space in the 128 submarket saw a 230-basis point decrease in vacancy to 15.7% and a 680-basis point decrease in availability to 21.5%. However, submarkets that have received large shares of recent supply additions, like in 128 West and Inner Suburbs North, have among the highest vacancy rates of all locations in the metro area.

128 West, home to the most lab space of any outer suburban submarket, recorded positive absorption of 105,000 square feet, which finished positive for the first time since Q3 2024. This can be attributed to the top suburban lease signed in Q3, with CBSET's lease of 87,730 square feet at 153 Second Avenue in Waltham. CBSET is relocating to this space from Takeda's campus in Lexington. Takeda will continue to let go of leased office space in the suburbs and will utilize the former CBSET space.



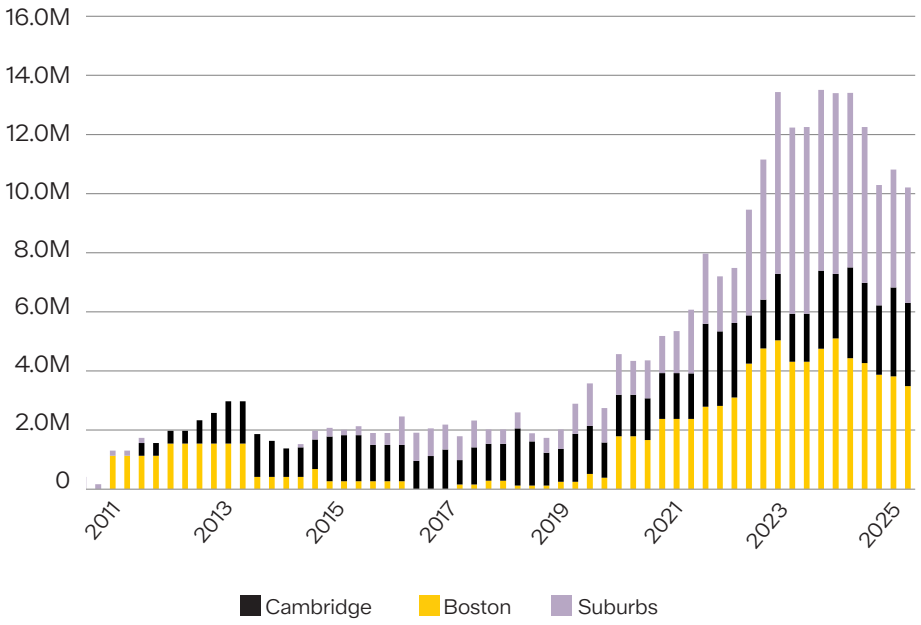
Development

The amount of space under construction is steadily declining, as deliveries continue to outpace construction starts. The most notable project completion in Q3 was the delivery of approximately 280,000 square feet of lab space at 10 World Trade.

Boston development primarily targets the Seaport and neighborhoods west of Downtown, like Fenway and Allston/Brighton. Cambridge construction is mostly in East Cambridge, while a significant amount of Suburban space under construction is in the 128 West submarket.

The combination of funding cuts and economic uncertainty for biotech companies is resulting in many companies revaluating their real estate needs. Companies may also need less space; nearly 1,800 employees in the Massachusetts biotech industry were laid off across 27 companies, highlighting the struggles companies continue to face.

Cambridge, Boston & Suburban Lab Under Construction (SF)



Investment Sales

Capital market activity remains muted, with no major transactions occurring in Q3 2025. This is consistent with the ongoing trend of limited transaction volume across the life sciences sector. Deals in recent quarters include 33-41 Farnsworth Street in Seaport, with Starwood Property Trust purchasing the property from Cerberus Real Estate for $57.2 million–22% of its original price in 2021. In the 128 North Market, Northeastern University acquired 4 Burlington Woods Drive, a 109,000-square foot state-of-the-art life sciences building that will support its existing Burlington campus, which is dedicated to homeland security and defense research. Investors remain cautious as market fundamentals overall are weak, and difficult lending conditions persist. As a result, companies continue their wait-and-see approach in both leasing and acquisitions.

Top Sales

	Price	PSF	Buyer	Seller

No notable transactions were recorded in Q3 2025.

Lab Stats Q3 2025

Submarket	RSF	% Vacant	% Sublease	% Avail	Net Absorption	12-Month Absorption	Leasing Activity	12-Month Leasing	(NNN) Asking Rate
Seaport	5,977,900	23.7%	8.3%	36.9%	204,685	210,522	347,370	401,390	$105.66
Fenway	3,618,783	6.4%	1.7%	7.1%	(923)	718	72,729	79,912	-
Other Boston	3,565,288	30.5%	3.7%	21.9%	(81,244)	(131,817)	19,534	49,534	-
Boston Total	**13,166,971**	**20.9%**	**5.4%**	**25.2%**	**122,748**	**79,653**	**439,633**	**530,836**	**$106.90**
East Cambridge	13,400,133	6.9%	9.5%	19.6%	126,657	(595,655)	12,788	770,191	$117.03
Mid Cambridge	4,897,562	12.9%	11.1%	24.0%	(60,005)	(44,214)	-	31,136	$107.13
West Cambridge	2,076,693	36.8%	14.2%	52.0%	(102,261)	(142,902)	35,469	73,380	$95.87
Cambridge Total	**20,398,146**	**11.4%**	**10.4%**	**22.0%**	**(35,609)**	**(742,715)**	**48,257**	**874,707**	**$107.90**
128 North	2,360,195	4.4%	6.4%	17.0%	1,829	1,193	23,598	116,389	$49.91
128 West	10,420,978	18.8%	7.7%	34.6%	105,307	(133,506)	106,814	544,090	$72.90
128 Total	**13,047,988**	**15.8%**	**7.3%**	**30.6%**	**110,136**	**(129,313)**	**130,412**	**592,609**	**$68.32**
495 North	2,391,130	16.9%	1.6%	18.9%	(8,846)	64,609	11,514	32,594	$43.51
495 West	3,260,508	5.4%	1.4%	8.2%	(30,186)	70,266	-	44,487	$44.13
495 Total	**5,682,520**	**10.1%**	**1.5%**	**13.5%**	**(39,032)**	**134,875**	**11,154**	**86,249**	**$44.20**
Inner Suburbs North	**4,430,527**	**44.1%**	**6.9%**	**56.2%**	**2,850**	**(191,643)**	**22,446**	**63,098**	**$52.61**
Suburban Total	**23,161,035**	**20.2%**	**5.9%**	**32.1%**	**73,954**	**(186,081)**	**186,652**	**636,197**	**$62.78**
All Lab	**56,696,663**	**17.2%**	**7.4%**	**27.5%**	**160,863**	**462,514**	**638,940**	**2,240,532**	**$86.32**

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