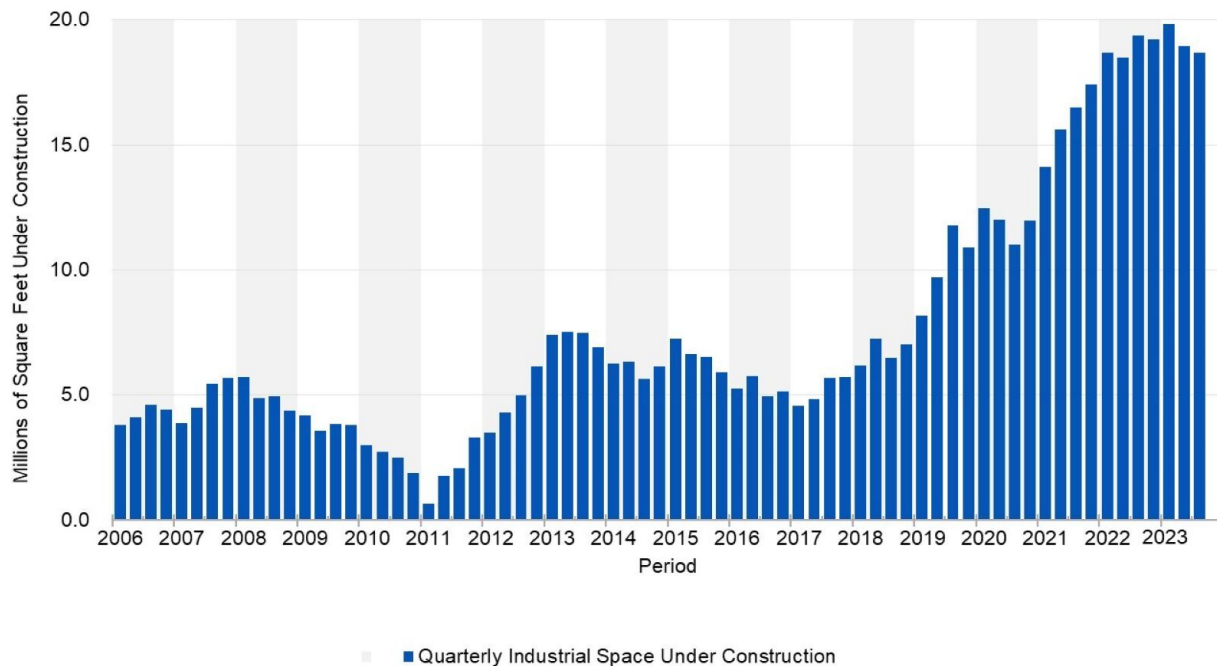




Boston Has One of the Most Active Office Development Pipelines in North America

Majority of Space Underway Is Targeting Life Sciences Tenants

Pipeline Remains Near Record Levels in Boston Office



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While demand for office space continues to weaken, Boston's development pipeline is gushing near record levels with 18.7 million square feet of new space underway. This represents a notable 5% of the total existing inventory, making [Boston one of the most active development markets in North America](#).

The region's life science sector is a key driver of development, and up until recently, it was a critical source of both economic and job growth. Just a few quarters ago, existing

lab sector space was almost fully occupied, and venture capital funding surged into life science start-ups amid the pandemic. Office developers quickly pivoted toward the sector, and the development of biotech space exploded.

More than 11 million square feet of life science space is under construction across the Boston region, nearly 60% of the total amount of office space in the pipeline, half of which remains available. In the wake of the sharp rise in interest rates, both VC funding and demand for space have slowed markedly, raising important concerns about the viability of some the under-construction properties.

Somerville is ground zero for speculative office development, a large share of which is targeting life sciences tenants. The amount of office space underway here totals 2.8 million square feet, a jaw-dropping inventory expansion of 60%. And nearly 80% of the total is being developed without a tenant in place. Life science/lab space represents the majority, around 2 million square feet, and availability is even higher among these properties, sitting above 90%.

Boston's Seaport District is the most active office development market on an absolute basis, with 3.7 million square feet of space underway here, amounting to 23% of the current inventory. Life sciences/lab space represents the bulk at 3 million square feet, and while more of this space is pre-leased, the overall availability is still high at 60%. The largest property under construction is a traditional office property, the 707,000-square-foot property at [1 Boston Wharf Rd](#). It's expected to deliver in late 2024 and is fully leased to Amazon.