

Somerville life sciences building put on hold as developers confront lab space glut

By [Camilo Fonseca](#) Globe Correspondent, Updated July 12, 2024, 4:17 p.m.



A rendering of the planned life sciences building at 15 McGrath Highway. The project is now on hold thanks to lagging demand for lab space. 15 MCGRATH

Developers have halted the construction of a nine-story life sciences building in Somerville, in yet another sign of the weakening market for lab space across the region.

The new project at 15 McGrath Highway, which promised to bring 262,000 square feet of commercial space to the edge of Cambridge, is now on hold indefinitely. A spokesperson for the development team cited a “dramatic decrease” in

demand for lab space as the reason.

“Construction of 15 McGrath has paused until market conditions improve,” the developers said in a statement. “The project team fully intends to re-engage and complete the project at that time.”

Mortgage discharge and release for the property were filed with the Middlesex South Registry of Deeds last month.

The development sits on the former site of a Sav-Mor Liquors location, [well known for its witty road signage](#), that closed in early 2022. The development team of Leggat McCall Properties and DLJ Real Estate Capital Partners advertised the new space, which would include ground-floor retail space and an underground parking garage, as a “gateway to Somerville.”

Workers were in the process of completing the foundation work for the nine-story mid-rise when the project was put on hold, according to a spokesperson for the development team.

Somerville was once seen as a natural home for a life sciences sector that ballooned during the COVID-19 pandemic, when investors and speculators buzzed about biotech companies like Cambridge-based Moderna. The ensuing frenzy of speculative lab space development [spilled over the Cambridge border into other nearby areas like Somerville, Allston, and Watertown](#); developers announced the McGrath project in April 2022.

The life sciences boom coincided with a longtime effort to reimagine the industrial McGrath Highway area by “grounding” an overpass and turning the Somerville stretch of Route 28 into a more pedestrian-friendly boulevard. That project is [expected to break ground by 2027](#) — though now, it’s unclear what the surrounding area will look like by then.

The lab space vacancy rate in the Boston area reached 17.9 percent in the first quarter of 2024, according to [a May report by real estate firm Colliers](#) — a 10-year high. The same report estimated that the vacancy rate could “rapidly increase” this year, as new developments open without pre-leased tenants in them.

A few projects, [including one at the Natick Mall](#), have been canceled outright. Others, like 15 McGrath, have been put on hold — including a 19-story lab tower in Assembly Row that has been delayed at least two years while its developers retool the initial design, according to documents filed with the Somerville Planning Board in April.

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