

FIGURES | NEW YORK CITY LIFE SCIENCES | Q3 2024

# Despite improved capital funding, quarterly leasing stagnates

▼ 2.93M  
Inventory (Sq. Ft.)

▼ 14,000  
Leasing Velocity (Sq. Ft.)

▼ 29.1%  
Availability Rate

▲ 10.2%  
Occupancy-Ready, Built  
Availability Rate

▲ \$103.77  
Average Asking Rent (NNN)

Note: Figures reflect NYC lab exclusive space, except leasing velocity. Arrows indicate change from previous quarter.

## QUICK FACTS

- There was 14,000 sq. ft. of leasing velocity in Q3 2024, down 80% from 71,000 sq. ft. of leasing velocity in the prior quarter; year-to-date leasing velocity was 30% behind the amount seen during the same period last year.
- At 29.1%, NYC’s lab exclusive availability rate decreased 220 basis points (bps) from last quarter and was down 730 bps from one year ago.
- At 10.2%, NYC’s occupancy-ready, built lab exclusive availability rate was up 30 bps from the previous quarter and was down 50 bps from one year ago.
- NYC’s lab exclusive average asking rent was \$103.77 per sq. ft, up 2% from the prior quarter and up 3% from its level one year ago.
- NYC’s lab requirements totaled 685,000 sq. ft. to close the quarter, down 30% from the prior quarter and down 41% from one year ago.
- NYC’s life sciences venture capital funding totaled \$420.61 million during the quarter, 45% below the volume seen last quarter, but 3% ahead the five-year quarterly average of \$409.54 million.

FIGURE 1: Notable Recent NYC Lab Lease Transactions (Past Four Quarters)

Size (Sq. Ft.)	Deal Type	Direct/ Sublet	Tenant	Address	Quarter/ Year
3,137	E	S	Confidential	180 Varick Street	Q3-24
4,982	E	S	Confidential	Confidential	Q3-24
37,840	L	D	Chan Zuckerberg BioHub	615 West 131st Street	Q2-24
15,094	L	D	Icahn School of Medicine at Mount Sinai	619 West 54th Street	Q2-24
259,739	L	D	Weill Cornell Medicine	1334 York Avenue	Q4-23

Source: CBRE Research, Q3 2024. Lease (L), Renewal (R), Expansion (E), Renewal and Expansion (RE), Direct (D), Sublet (S).

FIGURE 2: NYC Lab Market Activity

	Lab Exclusive			Lab Overall		
	Q3 2024	Q2 2024	Q3 2023	Q3 2024	Q2 2024	Q3 2023
Inventory	2.93 MSF	2.97 MSF	3.04 MSF	3.51 MSF	3.54 MSF	3.58 MSF
Availability Rate	29.1%	31.3%	36.4%	38.8%	39.6%	41.9%
Occupancy-Ready, Built Availability Rate	10.2%	9.9%	10.7%	8.5%	8.3%	9.1%
Average Asking Rent (NNN)	\$103.77 PSF	\$101.31 PSF	\$100.76 PSF	\$100.70 PSF	\$100.92 PSF	\$101.71 PSF
	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023	
Leasing Velocity	14,015 SF	71,054 SF	12,448 SF	85,069 SF	121,861 SF	

Source: CBRE Research, Q3 2024.

FIGURE 3: Manhattan Lab Market Activity

	Lab Exclusive			Lab Overall		
	Q3 2024	Q2 2024	Q3 2023	Q3 2024	Q2 2024	Q3 2023
Inventory	2.11 MSF	2.15 MSF	2.22 MSF	2.69 MSF	2.72 MSF	2.76 MSF
Availability Rate	22.3%	23.8%	30.0%	35.0%	36.1%	38.4%
Occupancy-Ready, Built Availability Rate	3.7%	3.5%	3.9%	2.9%	2.8%	3.1%
Average Asking Rent (NNN)	\$119.23 PSF	\$115.95 PSF	\$109.56 PSF	\$108.71 PSF	\$108.51 PSF	\$107.62 PSF
	Q3 2024	Q2 2024	Q3 2023	YTD 2024	YTD 2023	
Leasing Velocity	14,015 SF	71,054 SF	7,924 SF	85,069 SF	95,504 SF	

Source: CBRE Research, Q3 2024.

FIGURE 4: NYC Life Sciences VC Funding | Historical

Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
\$420.61 M	\$770.08 M	\$309.10 M	\$283.49 M	\$77.87 M

Source: CBRE Research, PitchBook, Q3 2024.

FIGURE 5: NYC Life Sciences VC Funding | Notable Deals (YTD 2024)

Company	\$, M	Round	Industry
Formation Bio	372	Series D	Drug Discovery
Metsera	350	Series A	Biotechnology
EvolutionaryScale	142	Seed Round	Discovery Tools
LB Pharmaceuticals	111	Later Stage VC	Drug Discovery
Ajax Therapeutics	95	Series C	Drug Discovery

Source: CBRE Research, PitchBook, Q3 2024.

### Definitions

Lab Exclusive — Space that supports lab use only that is currently occupied by or being marketed to lab tenants.

Lab Capable — Space that is being marketed for either lab or office use simultaneously that is already outfitted with the infrastructure – including the data systems, power loads, natural gas hookups, and ventilation systems – for a landlord to accommodate a tenant seeking wet lab space.

Lab Overall — The aggregate of both lab exclusive and lab capable space. Includes incubators, step-out spaces and independent labs.

Incubator Space – Lab space that caters to startups coming out of medical or academic research institutions.

Step-Out (Graduation) Space – Lab space for early-stage life sciences companies that have outgrown their incubator environment. This space offers more independence than incubator space but may still be shared with another tenant.

Availability — Space that is being actively marketed and is available for tenant build-out within 12 months. Includes space available for sublease as well as space in buildings under construction.

NNN Average Asking Rent — Weighted average triple-net (NNN) asking rent. NNN asking rents are generally lower than full service gross rents since tenant assumes responsibility for proportional real estate tax, insurance, and maintenance expenses in addition to the base rent.

### Definitions

Leasing Velocity: Total amount of sq. ft. leased within a specified period of time, including new deals, expansions, and pre-leasing and renewals.

Future Space — Space available for tenant build-out beyond 12 months that is currently under construction/renovation or where plans to bring space to market have been confirmed.

Number of Buildings — The number of buildings in the current inventory where a portion of the building or the entire building includes lab exclusive or lab capable space.

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