

FIGURES | NEW YORK CITY LIFE SCIENCES | Q2 2024

Quarterly leasing velocity improves as venture capital funding rebounds

▼ 2.97M
Inventory (Sq. Ft.)

▲ 71,000
Leasing Velocity (Sq. Ft.)

▼ 31.3%
Availability Rate

▼ 9.9%
Occupancy-Ready, Built
Availability Rate

▲ \$101.31
Average Asking Rent (NNN)

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

QUICK FACTS

- There was 71,000 sq. ft. of leasing velocity in Q2 2024, up from no leasing velocity in the prior quarter; H1 2024’s leasing velocity was 35% behind the amount seen during the same period last year.
- At 31.3%, NYC’s lab exclusive availability rate decreased 240 basis points (bps) from last quarter and was down 620 bps from one year ago.
- At 9.9%, NYC’s occupancy-ready, built lab exclusive availability rate was down 60 bps from last quarter and was down 80 bps from one year ago.
- NYC’s lab exclusive average asking rent was \$101.31 per sq. ft, up 2% from last quarter but virtually unchanged from its level a year ago.
- NYC’s lab requirements totaled 976,000 sq. ft. to close the quarter, unchanged from the prior quarter and down 18% from one year ago.
- NYC’s life sciences venture capital funding totaled \$243.29 million during the quarter, 64% more than the volume seen last quarter and 12% ahead the five-year quarterly average of \$217.11 million.

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

Size (Sq. Ft.)	Deal Type	Direct/ Sublet	Tenant	Address	Quarter /Year
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
9,304	L	D	Icahn School of Medicine at Mount Sinai	619 West 54th Street	Q4-23
28,746	L	D	Graviton Biopharmaceutical Holdings Corp	125 West End Avenue	Q2-23
15,000	E	D	New York University	45-18 Court Square West	Q2-23

Source: CBRE Research, Q2 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		
	Q2 2024	Q1 2024	Q2 2023	Q2 2024	Q1 2024	Q2 2023
Inventory	2.97 MSF	2.99 MSF	2.96 MSF	3.54 MSF	3.53 MSF	3.54 MSF
Availability Rate	31.3%	33.7%	37.5%	39.6%	40.5%	43.2%
Occupancy-Ready, Built Availability Rate	9.9%	10.5%	10.7%	8.3%	8.9%	8.9%
Average Asking Rent (NNN)	\$101.31 PSF	\$99.35 PSF	\$101.54 PSF	\$100.92 PSF	\$100.39 PSF	\$102.10 PSF
	Q2 2024	Q1 2024	Q2 2023	YTD 2024	YTD 2023	
Leasing Velocity	71,054 SF	- SF	102,580 SF	71,054 SF	109,413 SF	

Source: CBRE Research, Q2 2024.

FIGURE 3: Manhattan Lab Market Activity

	Lab Exclusive			Lab Overall		
	Q2 2024	Q1 2024	Q2 2023	Q2 2024	Q1 2024	Q2 2023
Inventory	2.15 MSF	2.17 MSF	2.14 MSF	2.72 MSF	2.71 MSF	2.72 MSF
Availability Rate	23.8%	27.2%	31.8%	36.1%	37.3%	40.5%
Occupancy-Ready, Built Availability Rate	3.5%	4.3%	3.9%	2.8%	3.5%	3.1%
Average Asking Rent (NNN)	\$115.95 PSF	\$110.61 PSF	\$109.76 PSF	\$108.51 PSF	\$107.39 PSF	\$107.41 PSF
	Q2 2024	Q1 2024	Q2 2023	YTD 2024	YTD 2023	
Leasing Velocity	71,054 SF	- SF	87,580 SF	71,054 SF	87,580 SF	

Source: CBRE Research, Q2 2024.

FIGURE 4: NYC Life Sciences VC Funding | Historical

Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
\$243.29 M	\$148.18 M	\$15.92 M	\$209.68 M	\$63.31 M

Source: CBRE Research, CB Insights., Q2 2024.

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

Company	\$, M	Round	Industry
OnCusp Therapeutics	100	Series A	Biotechnology
Ajax Therapeutics	95	Series C	Biotechnology
Elion Therapeutics	81	Series B	Drug Discovery
Glyphic Biotechnologies	33	Series A	Biotechnology
Volastra Therapeutics	15	Series A - II	Biotechnology

Source: CBRE Research, CB Insights., Q2 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.

Contacts

Michael Slattery

Tri-State Research Director
+1 212 656 0583
Michael.Slattery@cbre.com

Philip Stern

Field Research Manager
+1 212 656 0516
Philip.Stern@cbre.com

Mariusz Andrzejewski

Senior Field Research Analyst
+1 212 895 0989
Mariusz.Andrzejewski@cbre.com