

Availability plummets to single digits amid the removal of nearly all space at two lab buildings



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

QUICK FACTS

- There was 27,000 sq. ft. of leasing velocity in Q3 2026, down 51% from 54,000 sq. ft. of leasing velocity in the prior quarter; year-to-date velocity was 50% lower than 2025’s total during the same period.
- At 8.3%, NYC’s lab exclusive availability rate decreased 1,950 basis points (bps) from last quarter and was down 1,880 bps from one year ago.
- At 8.2%, NYC’s occupancy-ready, built lab exclusive availability rate was down 370 bps from the previous quarter and was down 340 bps from its level one year ago.
- NYC’s lab exclusive average asking rent (NNN) was \$93.67 per sq. ft., down 2% from last quarter and down 11% from its level one year ago.
- NYC’s lab requirements totaled 371,000 sq. ft. to close the quarter, down 7% from the prior quarter and down 15% from one year ago.
- NYC’s life sciences venture capital funding totaled \$299.25 million during the quarter, 60% lower than the volume seen in the prior quarter and 13% less than the five-year quarterly average of \$342.93 million.

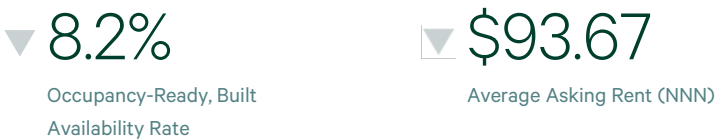


FIGURE 1: Notable Recent NYC Lab Lease Transactions (Past Four Quarters)

Size (Sq. Ft.)	Deal Type	Direct/ Sublet	Tenant	Address	Quarter/ Year
12,976	L	D	Confidential	325 Hudson Street	Q3-26
Confidential	RE	D	Confidential	430 East 29th Street	Q2-26
4,524	L	D	Polyphron	30-02 48th Avenue	Q2-26
18,120	L	S	Volastra Therapeutics	430 East 29th Street	Q2-26
10,848	L	D	Flourish Labs	325 Hudson Street	Q1-26

Source: CBRE Research, Q3 2026. 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 2026	Q2 2026	Q3 2025	Q3 2026	Q2 2026	Q3 2025
Inventory	2.65 MSF	2.93 MSF	2.93 MSF	3.09 MSF	3.43 MSF	3.46 MSF
Availability Rate	8.3%	27.8%	27.1%	17.4%	34.1%	36.9%
Occupancy-Ready, Built Availability Rate	8.2%	11.9%	11.6%	7.0%	10.2%	9.7%
Average Asking Rent (NNN)	\$93.67 PSF	\$95.80 PSF	\$105.40 PSF	\$93.59 PSF	\$95.82 PSF	\$101.43 PSF
	Q3 2026	Q2 2026	Q3 2025	YTD 2026	YTD 2025	
Leasing Velocity	26,621 SF	54,310 SF	31,163 SF	107,542 SF	214,604 SF	

Source: CBRE Research, Q3 2026.

FIGURE 3: Manhattan Lab Market Activity

	Lab Exclusive			Lab Overall		
	Q3 2026	Q2 2026	Q3 2025	Q3 2026	Q2 2026	Q3 2025
Inventory	1.98 MSF	2.05 MSF	2.05 MSF	2.42 MSF	2.55 MSF	2.61 MSF
Availability Rate	6.8%	24.8%	23.1%	17.6%	31.8%	35.6%
Occupancy-Ready, Built Availability Rate	6.8%	9.1%	8.8%	5.6%	7.3%	6.9%
Average Asking Rent (NNN)	\$114.89 PSF	\$105.00 PSF	\$121.18 PSF	\$102.23 PSF	\$103.77 PSF	\$109.86 PSF
	Q3 2026	Q2 2026	Q3 2025	YTD 2026	YTD 2025	
Leasing Velocity	12,976 SF	49,786 SF	31,163 SF	73,610 SF	172,026 SF	

Source: CBRE Research, Q3 2026.

FIGURE 4: NYC Life Sciences VC Funding | Historical

Q3 2026	Q2 2026	Q1 2026	Q4 2025	Q3 2025
\$299.25 M	\$745.76	\$263.65 M	\$345.86	\$338.51 M

Source: CBRE Research, PitchBook., Q3 2026.

FIGURE 5: NYC Life Sciences VC Funding | Notable Deals (Past Four Quarters)

Company	\$, M	Round	Industry
Flourish	500	Early-Stage VC	Other Biotechnology
Yarrow Bioscience	200	Series A	Drug Discovery
Proxima (2 deals)	171	Seed Round	Biotechnology
Cambrian Bio	124	Series D	Drug Discovery
Gilgamesh Pharma	62	Series A	Drug Discovery

Source: CBRE Research, PitchBook., Q3 2026.

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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