

I-270 Corridor Lab Market Report

FIRST QUARTER 2016



..... FIRST QUARTER MARKET COOL DOWN

CURRENT MARKET

After a white-hot lab leasing market the end of 2015, the market demand has cooled in the first quarter of 2016. We saw the supply of lab space cut in half last year fueled by new venture investment and public offerings. Now in 2016, the funding markets have taken a step back and the demand for new lab space seems to have done the same.

CURRENT LAB MARKET VACANCY
319,000_{SF}
LAST YEAR
1M SF

We are currently tracking only 319,000 square feet of labs vacant (4.2% vacancy rate), with another 126,000 sf of lab space expected to come to market in the next 6 to 15 months. The combined total equals 445,000 sf (5.8%), which is still extremely low compared to the nearly 1,000,000 square feet of labs that were available this time last year.

FORECAST

We are anticipating another two large lab transactions poised to close in the 2nd quarter of 2016 totaling approximately 80,000 square feet. GSK continues to be one of the largest variables in the market as they staff the Global Vaccines R&D Center at 14200 Shady Grove Road.

Beyond what is mentioned above, we do not expect any additional supply of lab space to become available in the coming months. However, future available space is already under negotiation, and is expected to lease prior to the current tenant vacating. The current lack of supply and the limited lab space being delivered has forced the market and industry leaders to explore how existing properties can be repurposed and built as lab space. As the market conversation begins to center on how new lab space can be created, the outcome of those discussions could have a major impact on the remainder of the year with the lab market.

FOR ADDITIONAL MARKET INSIGHT, CONTACT:

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MAJOR LAB TRANSACTIONS



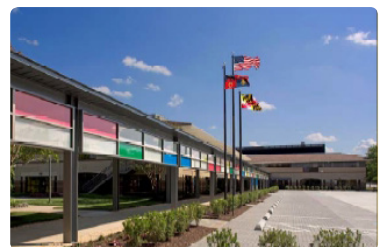
ReGenxBio, 9600 Blackwell Road - 16,000 square feet to facilitate needed administrative growth.



SABR Biologics, 1600 East Gude Drive - 10,000 sf to build GMP compliant contract manufacturing space.



CellPhire, 9430 Key West Avenue - 5,500 sf of office and lab space for needed growth.



GlycoMimetics, 9712 Medical Center Drive - 10,000 of office space to for needed growth.