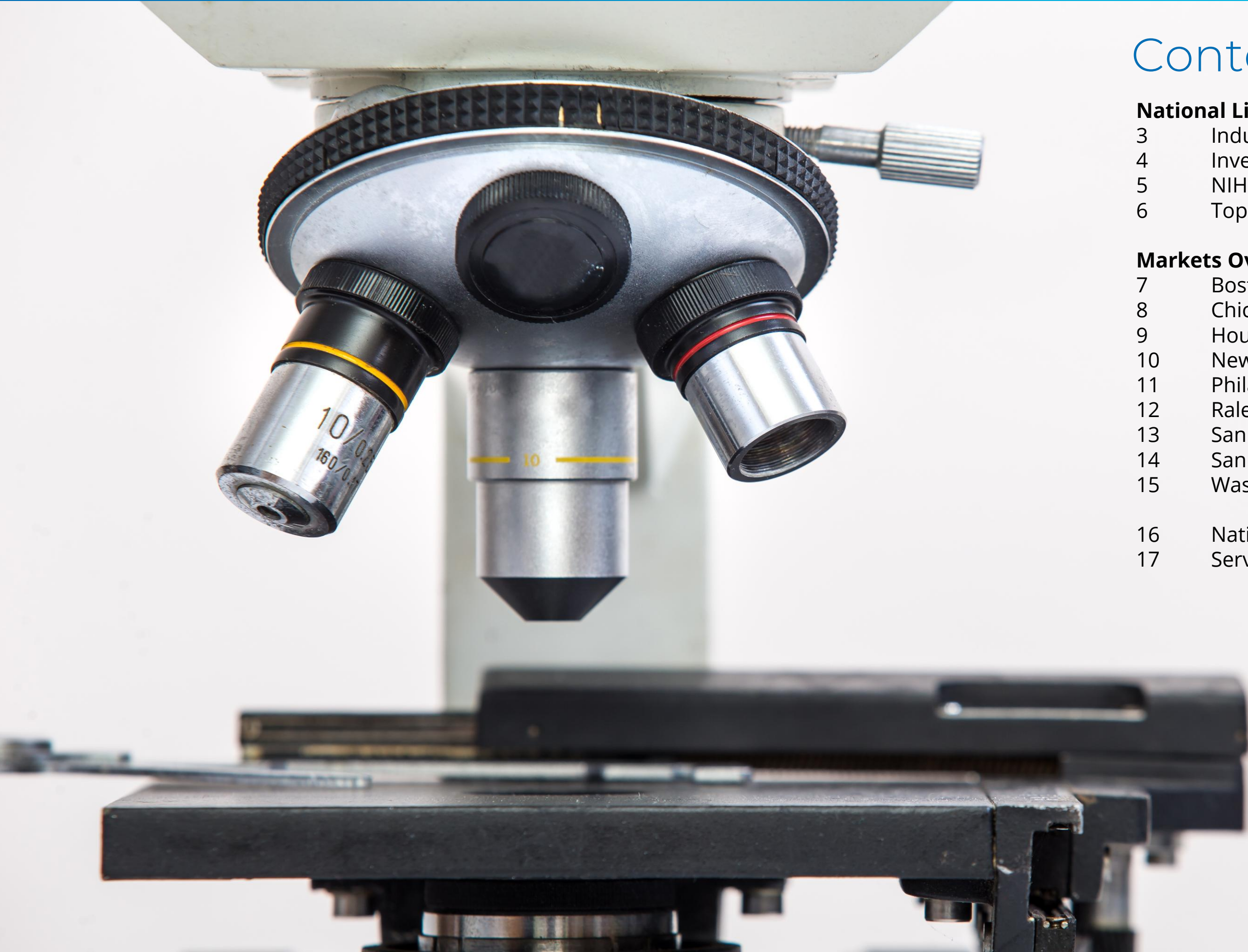




U.S. MARKET | LIFE SCIENCES



Contents

National Life Sciences Market

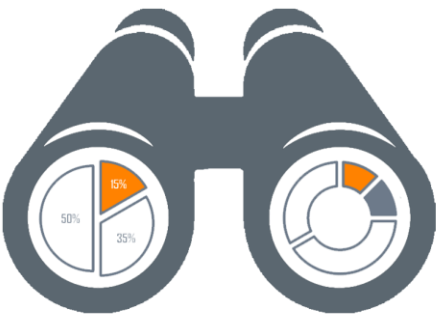
- 3 Industry Overview
- 4 Investment Funding
- 5 NIH Funding Summary
- 6 Top National Leases

Markets Overviews

- 7 Boston
- 8 Chicago
- 9 Houston
- 10 New Jersey
- 11 Philadelphia
- 12 Raleigh/Durham
- 13 San Diego
- 14 San Francisco
- 15 Washington DC

- 16 National Stats Summary
- 17 Service Line Overview

THE VIEW FROM HERE



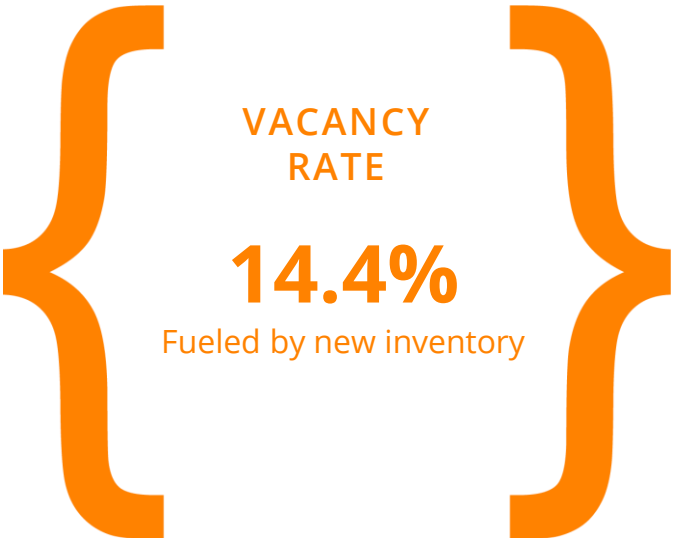
Top leases in Q3 are biggest YTD, continued optimism for demand on big blocks of availability.



Government shutdown exacerbates lag in funding and regulatory oversight.

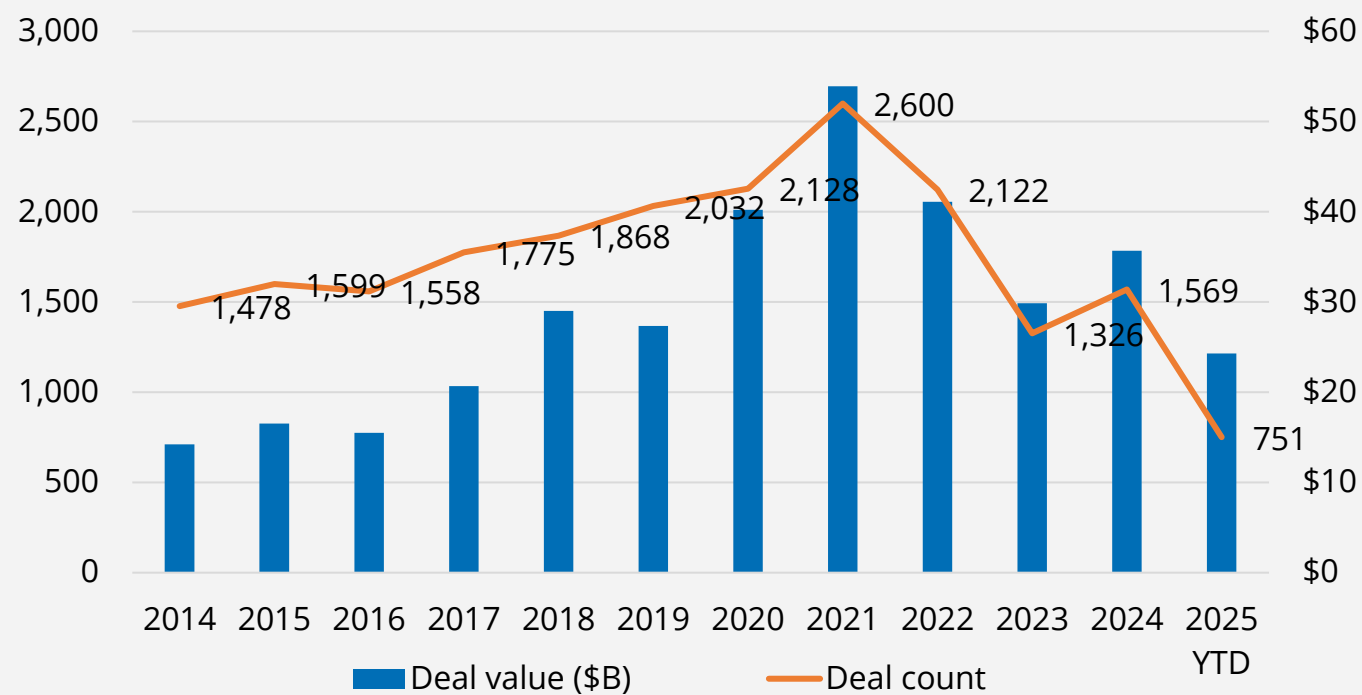


Boston, San Francisco and San Diego all recorded positive net absorption, first time in 24-months.



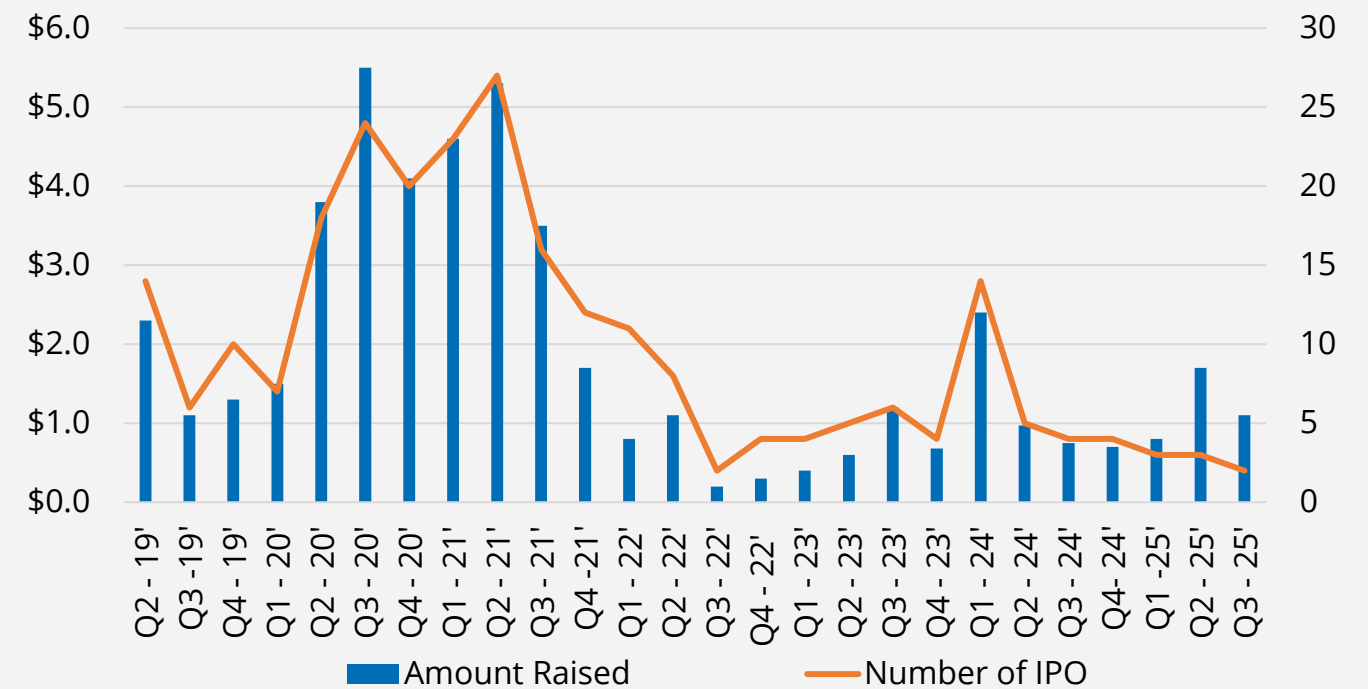
VENTURE CAPITAL FUNDING

- In Q3 2025, U.S. life sciences companies raised approximately \$6.7B across 110 venture deals, marking the lowest quarterly deal volume in nearly ten years. Despite the slowdown in activity, the size of individual investments remained substantial, over 85% of total capital was allocated to rounds exceeding \$29M. This reflects a more cautious and selective investment climate, where capital is increasingly directed toward late-stage or de-risked companies. While early-stage startups saw less support, the sector maintained a significant share of overall VC funding due to the sheer scale of the larger transactions.
- Sectors within life sciences receiving the largest share of VC investment are digital diagnostic health, precision medicine and medical technology and devices.



INITIAL PUBLIC OFFERINGS

- The public markets play a critical role in the funding cycles within the life science industries. For the stakeholders and company, it allows talent and investors a method of receiving a return on their investment and the company receives a boost of capital to help the underlying science thrive in the marketplace.
- The life sciences IPO market experienced another muted quarter. Only two companies entered the public market with a total raise of \$1.1B. The quarter's IPO performance sinks back down to 2022-2023 levels. QoQ the IPO market yielded \$600M less than Q2 2025.
- Companies that launched IPOs in the last 12-month period have been met with mixed investor sentiment, 55% are below their IPO target price. In contrast, the 45% that remain above their IPO price have outpaced the market averages.



NIH FUNDING HIGHLIGHTS

- The 2025 budget for NIH funding is \$46.7B, with \$1.2B in additional provisions. YTD 2025 a total of \$35.1B has been distributed, \$17.25B in Q3 alone.
- The current government shutdown has halted NIH funding distributions, as of October 1st, 2025.
- The established academic institutions with noteworthy research arms continue to remain the top recipients of NIH grants. Academic institutions support their post-grad ecosystem with increased investment in incubator and graduation space.

Additional governmental institutions that contribute to the advancement of life sciences:

Department of Energy (DOE)
 Research budget \$8.1B (2025)
 Research budget \$7.8B (2024)

Federal Drug Administration (FDA)
 Research budget \$1.2B (2025)
 Research budget \$1.1B (2024)

National Institute of Allergy and Infectious Diseases (NIAID)
 Research budget \$5.1B (2025)
 Research budget \$5.0B (2024)

YTD 2025 NIH FUNDING | TOP RECIPIENTS

ORGANIZATION	CITY	STATE	AWARDS	FUNDING
Johns Hopkins University	Baltimore	MD	1,355	\$843,061,683
University Of California, San Francisco	San Francisco	CA	1,409	\$811,379,767
Washington University	Saint Louis	MO	1,121	\$721,123,172
University Of Michigan At Ann Arbor	Ann Arbor	MI	1,238	\$716,248,479
University Of Pennsylvania	Philadelphia	PA	1,206	\$710,436,938
Yale University	New Haven	CT	1,096	\$679,347,931
University Of Pittsburgh At Pittsburgh	Pittsburgh	PA	1,112	\$665,641,437
Massachusetts General Hospital	Boston	MA	1,023	\$640,488,083
Stanford University	Stanford	CA	1,062	\$631,094,928
Columbia University Health Sciences	New York	NY	934	\$592,839,078
Duke University	Durham	NC	932	\$591,811,105
University Of California, San Diego	La Jolla	CA	924	\$561,206,829
University Of Washington	Seattle	WA	876	\$509,155,820
University Of California Los Angeles	Los Angeles	CA	822	\$505,435,341
Univ Of North Carolina Chapel Hill	Chapel Hill	NC	907	\$496,022,993
Emory University	Atlanta	GA	845	\$480,046,333
Icahn School Of Medicine At Mount Sinai	New York	NY	689	\$475,084,508
Vanderbilt University Medical Center	Nashville	TN	522	\$451,429,969
New York University School Of Medicine	New York	NY	589	\$437,048,819
Brigham And Women's Hospital	Boston	MA	625	\$408,923,933
Northwestern University At Chicago	Chicago	IL	653	\$400,283,606
University Of Wisconsin-madison	Madison	WI	642	\$394,053,672

NOTABLE TRANSACTIONS

- Nationally, this is the second consecutive quarter of positive net absorption within the last seven quarters, as the pace of new inventory deliveries slows, allowing demand to absorb space.
- San Francisco and San Diego outpaced Boston for leased space for the third consecutive quarter, denoting a demand shift toward the west coast. This is the first quarter in 18 months that Boston has posted positive net absorption, a noteworthy shift for a challenged market.
- Total leasing volume remained above pre-pandemic quarterly averages, with smaller deals under 30,000 SF accounting for approximately 68% of all transactions. This shift toward modestly sized leases highlights growing tenant caution, more constrained budgets, and lengthier decision-making timelines across the life sciences sector.
- At the beginning of Q3 2025, Pfizer sold its five-building, 631,000 SF campus on Science Center Drive in Torrey Pines, San Diego, to BioMed Realty for \$255 million. The deal was one of the most prominent life sciences transactions of the quarter, highlighting continued institutional interest in premier lab assets despite broader market headwinds.

Q3 2025 LEASE TRANSACTIONS

TENANT	TYPE	ADDRESS	SIZE	MARKET
Novartis	New	10300 Campus Point Drive	466,598	Campus Point
Lila Sciences	New	5 Alewife Park	191,000	Cambridge
Neuralink	New	499 Fobes Blouvard	145,500	South San Franciscio
Dren Bio	Sublease	835 Industrial Road	99,557	San Carlos
CBSET	New	153 Second Street	87,370	Waltham
Eli Lilly	New	645 Summer Street	75,000	Seaport
Revolution Medicines	Expansion	400 Saginaw Drive	60,841	Redwood City
MBC Biolabs	New	365 Oyster Point Boulevard	44,199	South San Franciscio
Impossible Foods	Sublease	400 Saginaw Drive	43,723	Redwood City
Al Protines	New	660 Beacon Street	40,000	Fenway
Dana-Farber Cancer Institue	Renewal	27 Drydock Avenue	38,600	Seaport
Periodic Labs	New	4055 Bohannon Drive	37,808	Menlo Park
Berkely Biologics	Renewal	880 Harbor Way	37,045	Oakland
Jupiter Endovascular	Renewal	155 Jefferson Drive	32,466	South San Francisco
Cellanome	New	10398 Pacific Center Court	30,000	Sorrento Mesa
Color Health	New	831 Mitten Road	24,145	South San Francisco
Avery Bio	New	11025 N. Torrey Pines Road	17,649	Torry Pines
Topaz Therapeutics	New	630 Gateway Boulevard	12,413	South San Francisco
Arnatar Therapeutics	New	4930 Directors Point	9,461	Sorrento Mesa

MARKET INDICATORS



71.76 MSF
Inventory



181K SF
Net Absorption



14.9%
Direct Vacancy



\$3.35 B
YTD NIH Grants



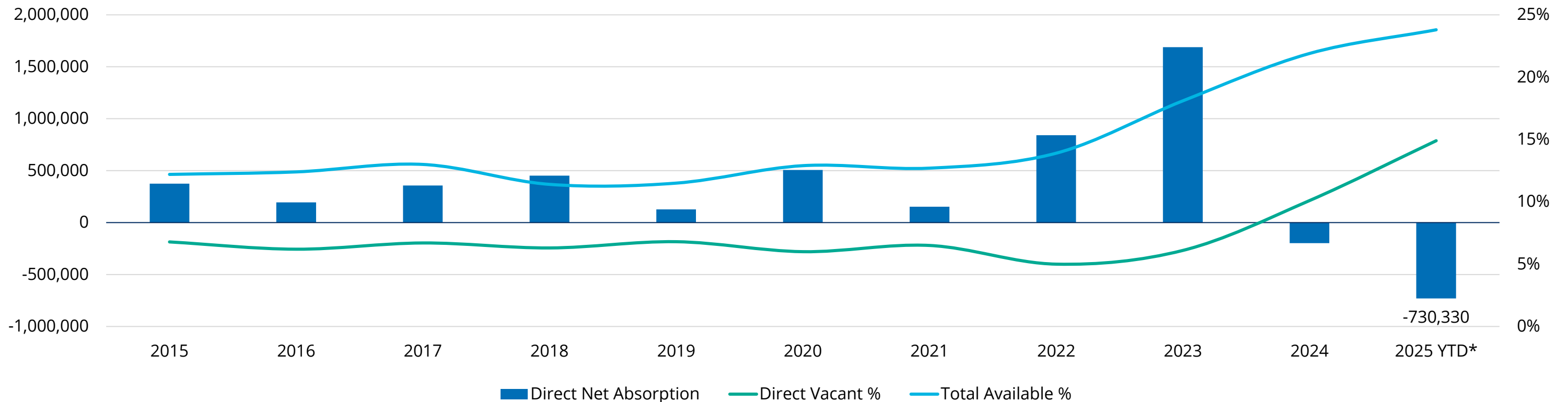
4.7 MSF
Under Construction



\$56.08 PSF
Asking Rent

MARKET HIGHLIGHTS

- Leasing volume was 42% higher QoQ, with 773,000 SF of leasing activity over 26 deals. A noteworthy difference after two quarters of negative net absorption. Sublease transactions only accounted for 10% of all deals, and 75% new, and only 25% renewals.
- Despite the strong leasing, the vacancy rate crept higher due three large deliveries in Q3. The vacancy rate will remain challenged, as leasing activity has yet to outpace deliveries.
- Suburban markets like Somerville and Watertown led the activity, reflecting a continued shift in tenant preference away from urban cores toward more cost-effective, flexible locations.
- Asking rates have continued to decline for the third consecutive quarter, decreasing \$0.90 YTD.



MARKET INDICATORS



14.85 MSF
Inventory



(107,817) SF
Net Absorption



11.2%
Direct Vacancy



\$1.22 b
YTD NIH Grants



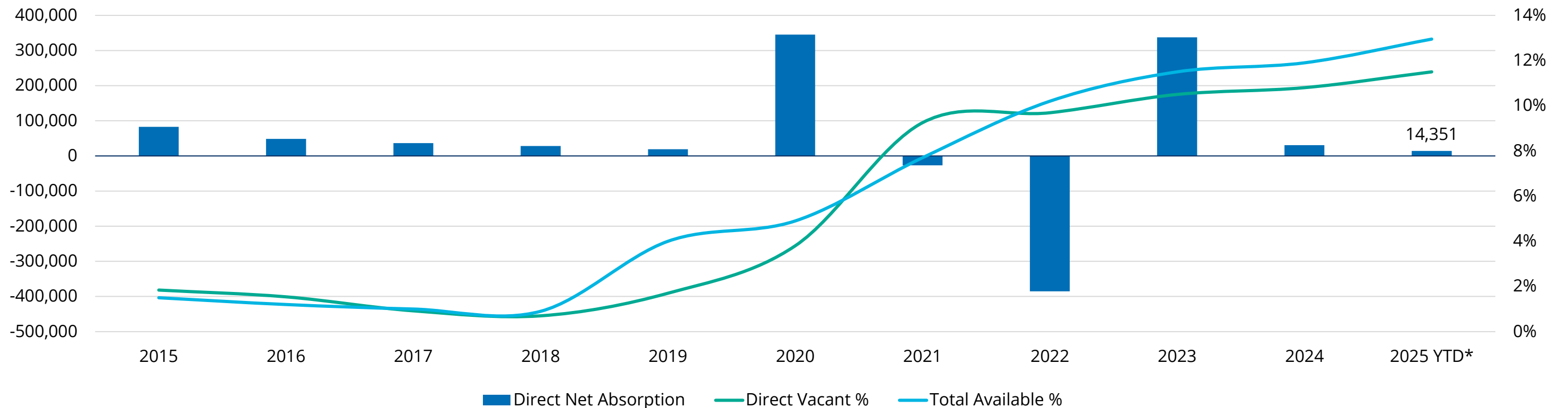
302 KSF
Under Construction



\$51.50 PSF
Asking Rent

MARKET HIGHLIGHTS

- Chicago's life science ecosystem is home to three educational institutions and multiple large multinational firms. The market's growth has recently been from academic spin-offs that have been embraced by the local incubators. In the last five years, Chicago's inventory has grown by 2.2 MSF.
- The sole life sciences lease in Q3, Pure Lithium, took 21,400 in Fulton Labs, located at 400 N. Aberdeen.
- Venture capital funding in the Chicago area, after declining from its 2022 peak, has already rebounded in 2025 surpassing the full-year totals for both 2023 and 2024. As of Q3 2025, the market recorded \$900 million across 40 deals, signaling renewed investor confidence in the region's biotech and research ecosystem.
- Hyde Park Labs, the 300,000 SF development delivered in Q3, a noteworthy addition to the local inventory. University of Chicago has taken 45% of building, which is located adjacent the campus.



Source: TW Research. CoStar, Revista
*YTD direct net absorption, vacancy percentage reflects Q3 2025

MARKET INDICATORS



5.75 MSF
Inventory



9,152 SF
Net Absorption



14.8%
Direct Vacancy



\$931M
YTD NIH Grants



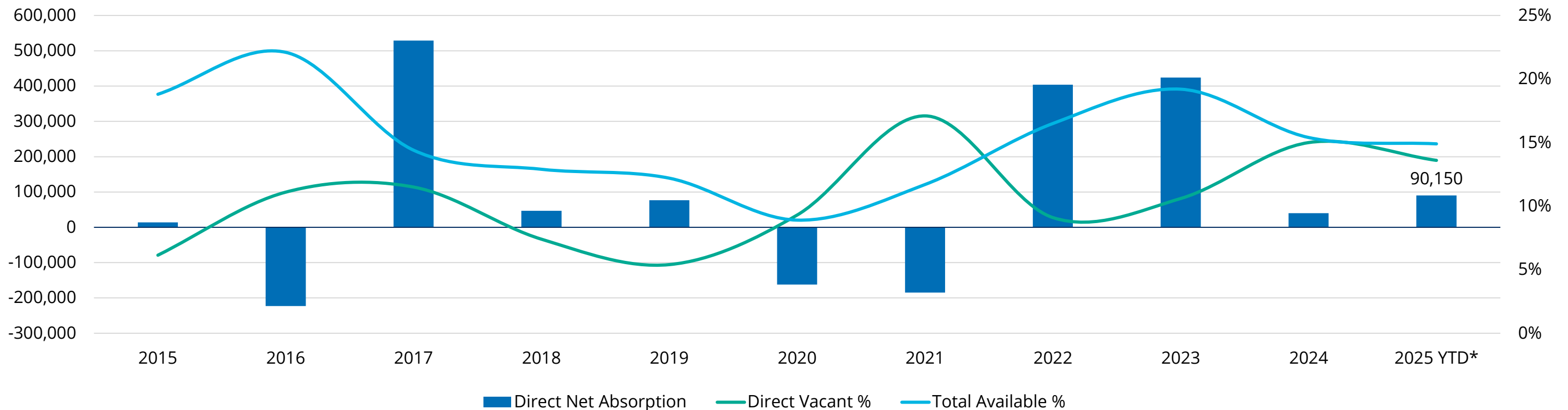
1.2 MSF
Under Construction



\$46.15 PSF
Asking Rent

MARKET HIGHLIGHTS

- Houston's life sciences inventory is predominantly made up of leasable space, accounting for nearly 80% of the market, while non-educational owner-user facilities remain scarce. With limited new construction underway, current market dynamics are expected to remain relatively stable. Overall lab leasing deal volume remains above pre-pandemic levels, supported primarily by a steady flow of smaller leases under 30,000 SF.
- Eli Lilly & Co. announced plans for their \$6.5B new biomanufacturing facility at Generation Park in northeast Houston. The project is forecasted to create more than 4,000 construction jobs and 650 permanent roles, further positioning Houston as a rising center for biopharma and advanced manufacturing.
- In September, BIO's CEO John F. Crowley visited Houston and recognized the region as the next biotech hub. Crowley stated; "Texas has all of the ingredients necessary to become a global leader in biotechnology: the people, the passion, the persistence and the policies."

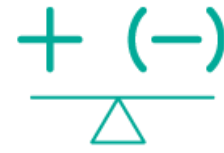


Source: TW Research. CoStar, Revista
*YTD direct net absorption, vacancy percentage reflects Q3 2025

MARKET INDICATORS



34.51 MSF
Inventory



(125,675) SF
Net Absorption



8.3%
Direct Vacancy



\$425 M
YTD NIH Grants



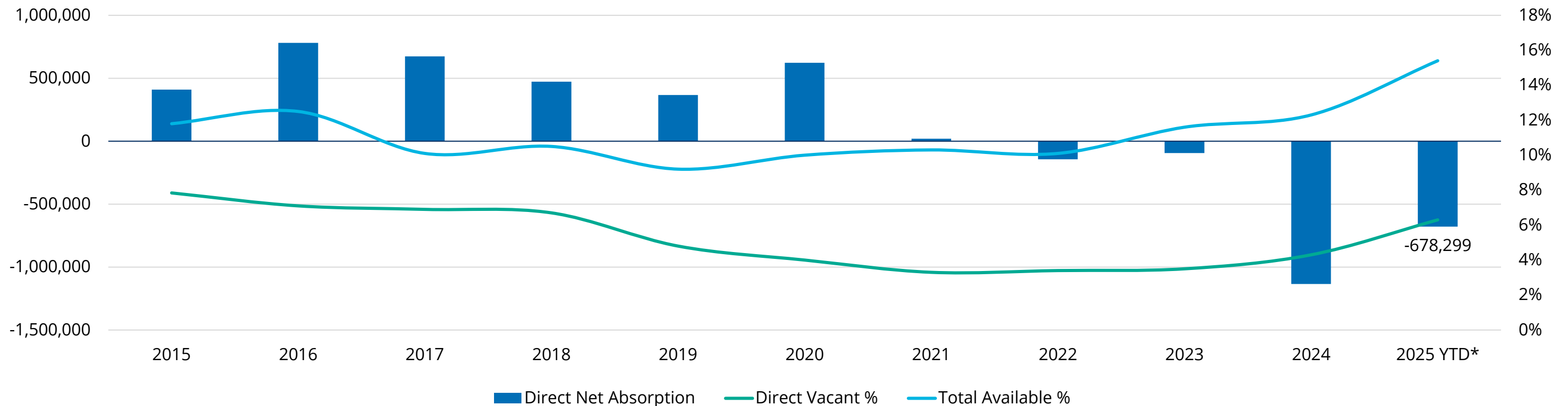
1.9 MSF
Under Construction



\$36.23 PSF
Asking Rent

MARKET HIGHLIGHTS

- New Jersey is poised for continued growth as calls for national onshoring remain, further driven by newly established tariffs. The existing pharmaceutical manufacturing sector will be driven by capacity efficiencies, allowing space for new stakeholders. The state is home to over 3,500 life sciences companies, employing 415,000 professionals, including 125,000 with specialized life science degrees.
- The direct vacancy rate rose by 120 basis points QoQ, largely due to limited leasing activity within the quarter.
- Regeneron, a year after announcing a new U.S. manufacturing commitment has completed its relocation from Basking Ridge, NJ, to a larger ±127,000 SF facility at 300 Warren Corporate Center Drive in Warren.
- In September, Enzene Biosciences, an India-based biotech firm, opened its first U.S. biopharmaceutical manufacturing facility at the Princeton West Innovation Campus in Hopewell, New Jersey. The \$50 million site will produce complex biologics using the company's proprietary EnzeneX continuous-manufacturing platform. Enzene hopes to draw from the local workforce, with 200 new positions.



Source: TW Research. CoStar, Revista
*YTD direct net absorption, vacancy percentage reflects Q3 2025

MARKET INDICATORS



28.67 MSF
Inventory



223,044 SF
Net Absorption



9.1%
Direct Vacancy



\$2.29 B
YTD NIH Grants



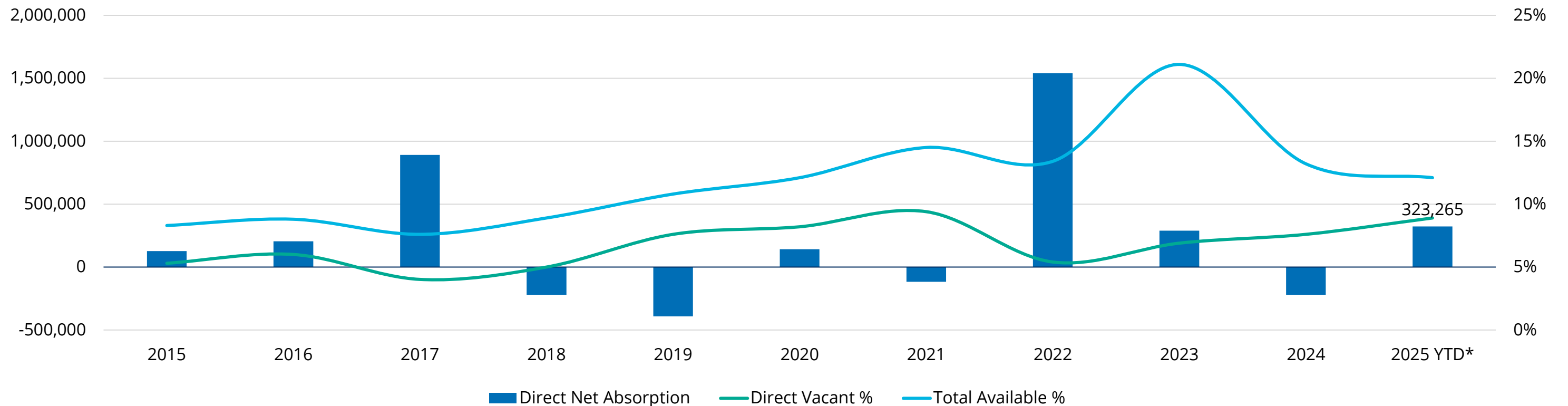
2.1 MSF
Under Construction



\$41.53 PSF
Asking Rent

MARKET HIGHLIGHTS

- The Philadelphia life sciences market has seen stable and methodical rise over the last decade. Commercial partnerships with top-tier research institutions have fostered a unique ecosystem poised to see lasting success. Philadelphia has benefited from its proximity to the New Jersey, New York and the Washington DC markets, allowing for ample opportunities for growth.
- Leasing fundamentals have outpaced other second tier markets. Net absorption in Q3 doubled QoQ, recording 223,044 SF and totaled 323,265 YTD. Asking rates remained unchanged for the last three quarters.
- Philadelphia continues to make science breakthroughs, in May 2025, the successful delivery of the world's first personalized CRISPR therapy.
- NIH funding for 2025 YTD totaling \$2.29B and is on track to surpass 2024 totals, reinforcing Philadelphia's growth trajectory with the funding growth. Venture funding is down YOY, \$75 less than this time last year.



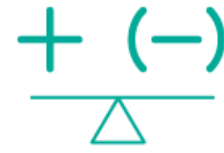
Source: TW Research. CoStar, Revista
*YTD direct net absorption, vacancy percentage reflects Q3 2025

MARKET INDICATORS



19.63 MSF

Inventory



(102,297) SF

Net Absorption



8.7%

Direct Vacancy



\$837 M

YTD NIH Grants



1.2 MSF

Under Construction

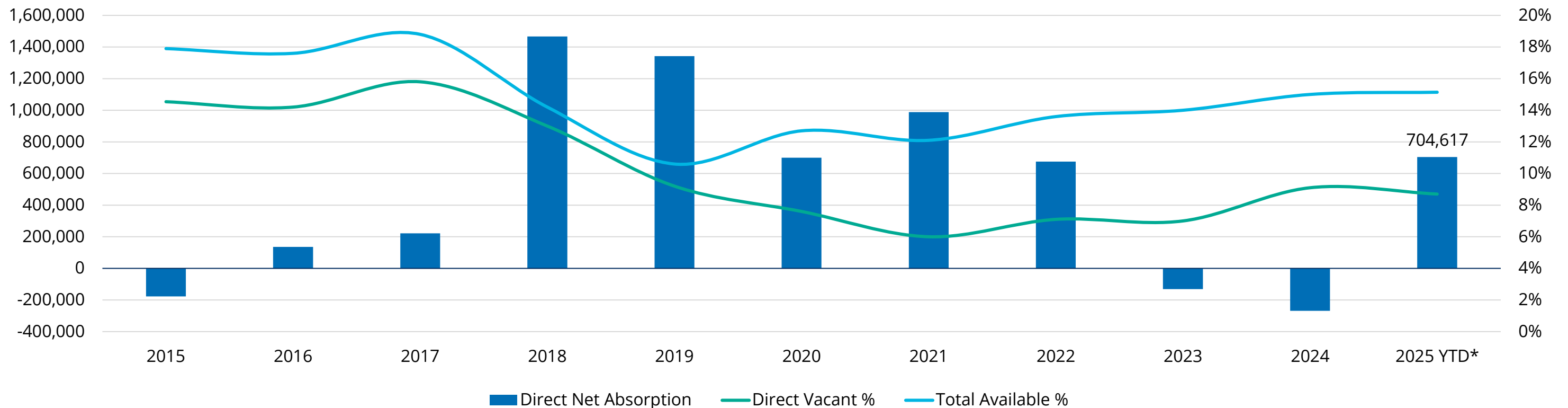


\$29.68 PSF

Asking Rent

MARKET HIGHLIGHTS

- Raleigh–Durham’s life sciences market is advancing steadily, driven by a combination of strong venture capital investment, robust academic partnerships, and purposeful development initiatives. While vacancy rates have increased, the region continues to distinguish itself as a leading mid-sized life sciences hub in the U.S., supported by consistent biotech deal flow and a deepening innovation ecosystem.
- Venture capital investment reached \$812M across 66 transactions in Q3, making it one of the most active years in Raleigh–Durham’s history. Most funding targeted companies in gene therapy, diagnostics, and cell-based technologies sectors that continue to fuel demand for adaptable, state-of-the-art lab space tailored to advanced research needs.
- Available space within the market are largely made up of either large blocks, or smaller suites, acting as a barbell effect. 39% of spaces are less than 5,000 SF, and 36% are over 50,000 SF.



Source: TW Research. CoStar, Revista
 *YTD direct net absorption, vacancy percentage reflects Q3 2025

MARKET INDICATORS



23.32 MSF
Inventory



334,230 SF
Net Absorption



14.7%
Direct Vacancy



\$1.1 B
YTD NIH Grants



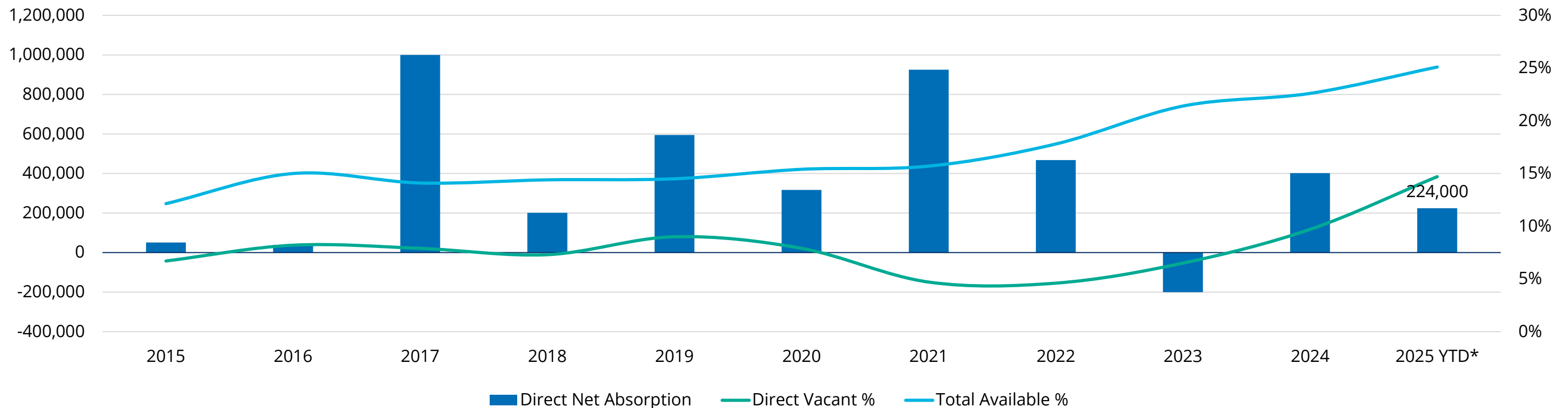
1.65 MSF
Under Construction



\$52.80 PSF
Asking Rent

MARKET HIGHLIGHTS

- San Diego's life science market activity continues to be focused on the north county, despite the efforts to draw users back to San Diego's downtown submarket.
- In Q3, local VC life sciences funding totaled \$235M over 18 deals, about half of the previous quarter. The largest local VC deals in Q3 were, Plexium and AvenzoTherapeutics were each drawing \$60M.
- Much of the available space is well allotted through different suite sizes, with the largest being 34% under 5,000 SF, while only 10% being over 50,000 SF.
- The largest lease within the quarter was from Novartis, accounting for 466,000 SF at 10300 Campus Point Drive in San Diego. The lease was the biggest in the nation, boosting the regions status as a top life sciences hub.
- Local employment trends remain positive, with 9,900 jobs added in the last 12-months. In total, the San Diego's region employs 87,000 life science professionals.



Source: TW Research. CoStar, Revista
*YTD direct net absorption, vacancy percentage reflects Q3 2025

MARKET INDICATORS



53.72 MSF

Inventory



56,367 SF

Net Absorption



15.1%

Direct Vacancy



\$1.85 B

YTD NIH Grants



2.7 MSF

Under Construction

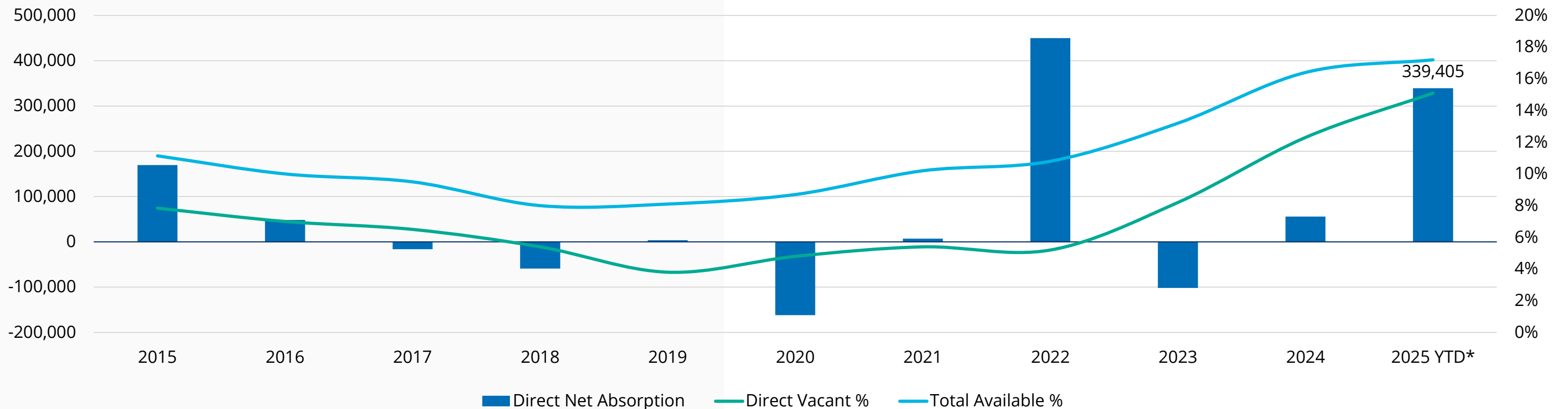


\$56.80 PSF

Asking Rent

MARKET HIGHLIGHTS

- The San Francisco Bay Area life sciences market continued to show positive momentum. Positive net absorption and a health mix of renewal and new leasing activity illustrates a robust demand for space.
- Neuralink was the largest lease in Q3, taking 145,852 SF at 499 Forbes Blvd in South San Francisco. The company plans to move its headquarters back to California, from Austin, Texas.
- Life science employment within the region has leveled off, recording 1.1% growth within 2025. The employment headwinds are a symptom of sector's challenges and are rooted in companies being reserved with capital expenditures.
- Local life science VC funding reached a five-quarter high, awarding \$8.6B in Q3 2025.
- Rents decreased for the third consecutive quarter, down \$0.22 PSF in Q3. The decrease is largely driven by sublease space, dragging on the total averages.



Source: TW Research, CoStar, Revista
*YTD direct net absorption, vacancy percentage reflects Q3 2025

MARKET INDICATORS



17.74 MSF
Inventory



(139,159) SF
Net Absorption



12.6%
Direct Vacancy



\$1.25 B
YTD NIH Grants



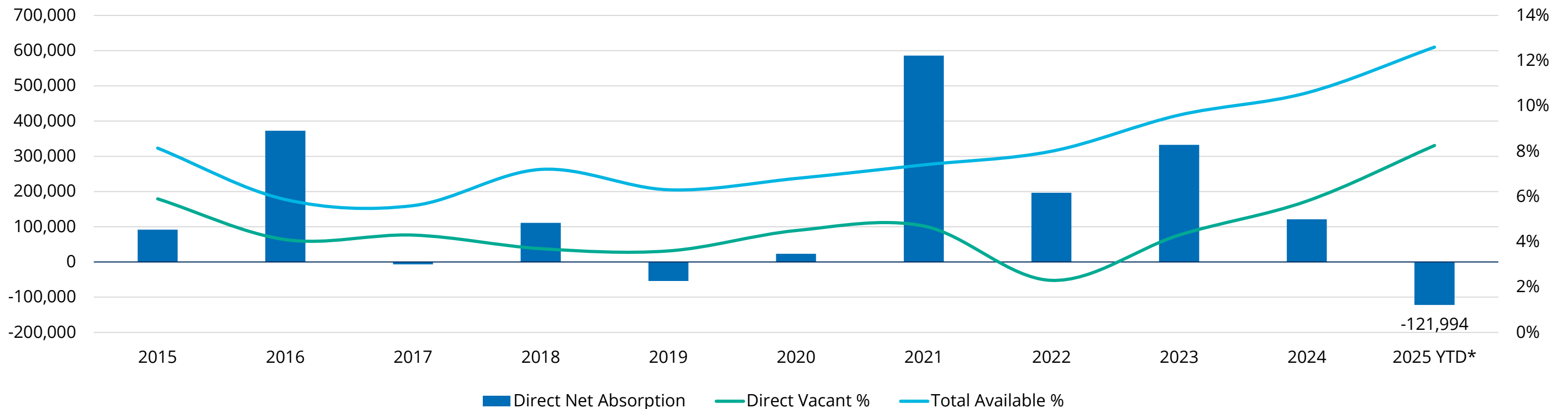
550K SF
Under Construction



\$53.27 PSF
Asking Rent

MARKET HIGHLIGHTS

- The Greater Washington, D.C. life sciences market continues to be well-positioned for growth. The market's lack of excess inventory sets it apart from other major hubs, boasting a nearly empty construction pipeline. Sublease availability remains low, as tenants favor flexibility, over longer commitments.
- Washington Metropolitan Area Transit Authority has chosen Hines as the lead developer for a 13.9-acre mixed use project that will feature the University of Maryland's Institute for Health Computing. The new hub for artificial intelligence and biotechnology research will be the largest life sciences development with the last five years.
- The region's life sciences VC activity remained stable quarter to quarter, totaling \$400M. Baltimore recorded a record \$95M across 10 deals, 15% more than the previous quarter.



Source: TW Research, CoStar, Revista
*YTD direct net absorption, vacancy percentage reflects Q3 2025

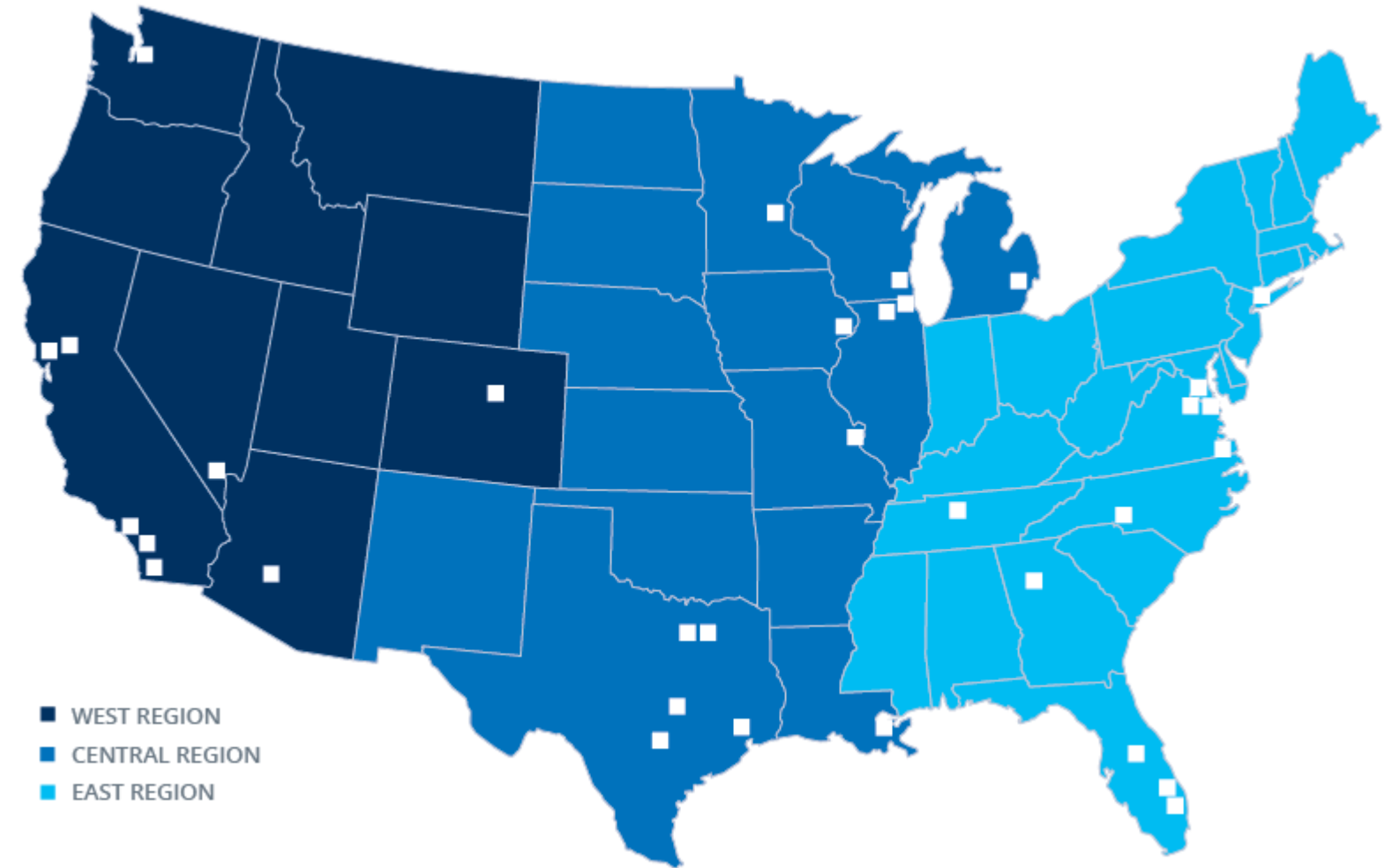
Market	Inventory Square Feet	Overall Vacancy Rate	Net Absorption	12-Month Net Absorption	Asking Rents	Annual Rent Change	Under Construction
Boston	71,760,050	14.90%	181,010	221,750	\$56.08	(4%)	4,770,000
Chicago	14,850,100	11.20%	(107,817)	175,250	\$51.50	2%	302,000
Houston	5,750,800	14.80%	9,152	90,500	\$46.15	3%	1,125,000
New Jersey	34,510,500	18.30%	(125,670)	(428,000)	\$36.23	2%	1,950,000
New York	3,643,810	32.68%	(24,350)	150,000	\$55.91	1%	850,000
Philadelphia	28,670,200	9.12%	223,044	248,000	\$41.53	(2%)	2,100,000
Raleigh/Durham	19,620,000	8.78%	(102,297)	1,136,000	\$29.68	(1%)	1,200,000
Phoenix	2,290,500	6.69%	1,750	31,750	\$41.75	3%	350,000
San Diego	23,320,500	14.70%	334,230	127,500	\$52.80	2%	1,650,000
San Francisco	53,720,750	15.13%	56,367	(459,000)	\$56.69	1%	3,725,000
Washington DC	17,740,000	12.60%	(136,159)	(115,000)	\$53.27	(2%)	550,000
TOTAL	275,877,210	14.42%	300,561	1,285,000	\$53.61	1%	18,572,000

National Coverage

33 Offices – 3 Regions

Transwestern’s research team has sorted through tens of thousands of buildings to amass a qualified building inventory. Our aim is to identify the entire life sciences market inventory by including owner users, suburban markets and outliers that are vital to understanding the entire ecosystem.

At Transwestern, our insights are rooted in granular data that is evaluated and envisioned to identify, execute and deliver tangible value for our clients and industry partners. Please feel free to connect with our team, as we embrace industry collaboration within the life sciences community.





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Four dynamic, integrated companies make up the Transwestern enterprise, giving us the perspective to think broadly, deeply and creatively about commercial real estate. Clients and investors rely on us for expertise that spans institutional and opportunistic investment, development, hospitality, and brokerage and asset services. Our award-winning, collaborative culture empowers team members with resources and independence to work across boundaries in pursuit of innovative solutions, reinforcing a reputation for service excellence that translates to measurable results. Through offices nationwide and alliance partners around the globe, we positively impact the built environment and our communities while fostering a work climate that champions career vitality for all. Learn more at transwestern.com and [@Transwestern](https://twitter.com/Transwestern).

RESEARCH METHODOLOGY

The information in this report is a compilation of life science properties including office, industrial and flex. Qualified properties must include one of the following spaces, laboratory, cleanroom, dry laboratory or GMP space. All properties are in select U.S. metropolitan areas. Government and on-campus academic owned buildings are excluded from analysis. All rents are reported as triple net and can be skewed, in some cases, due to factors including, but not limited to, the level of new construction and the amount of available space with no listed asking rents.