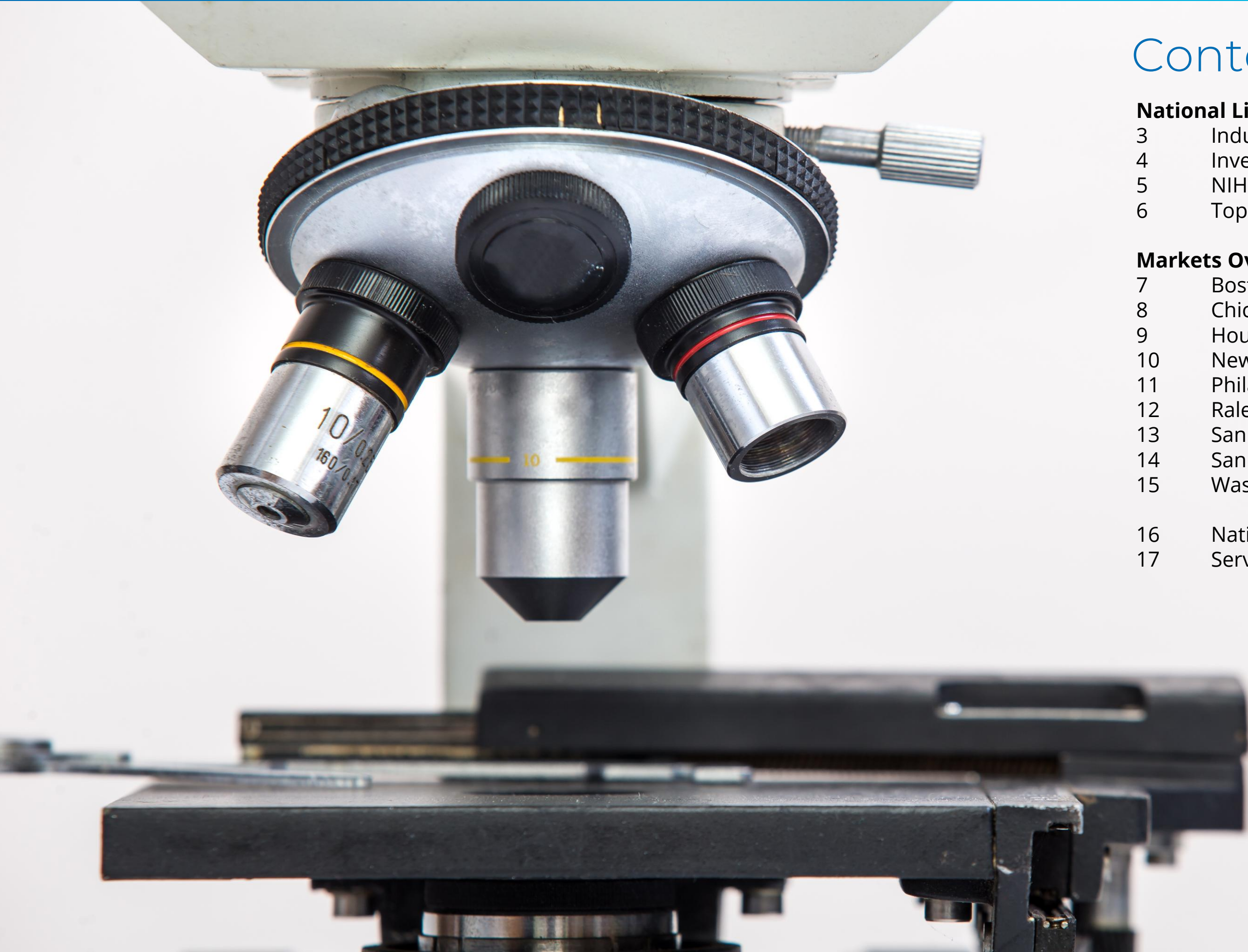




# U.S. MARKET | LIFE SCIENCES



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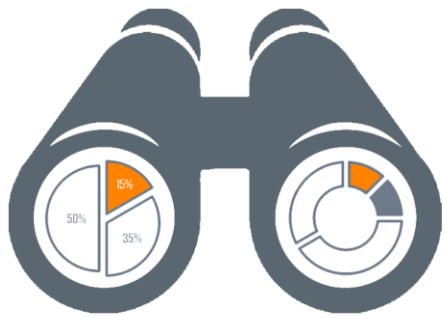
### **National Life Sciences Market**

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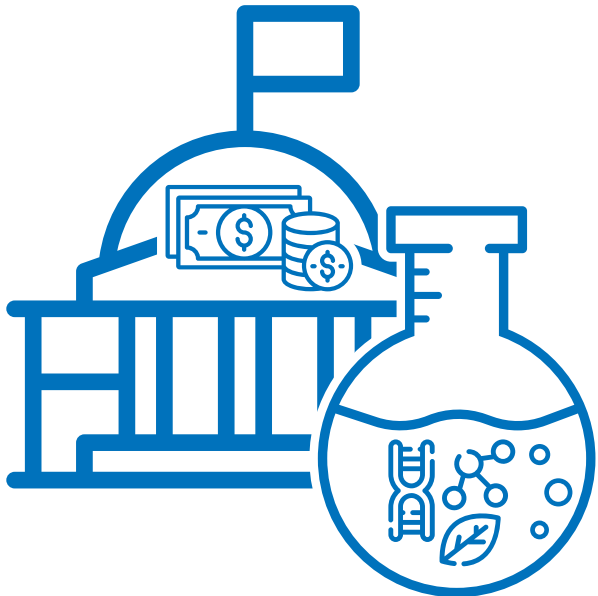
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# THE VIEW FROM HERE



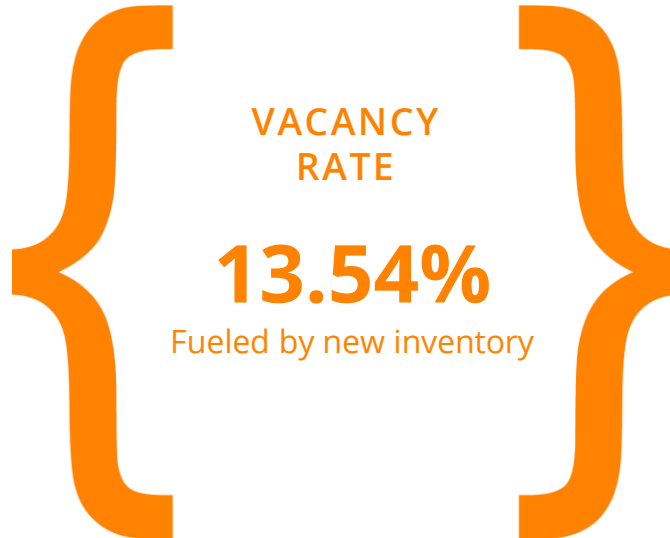
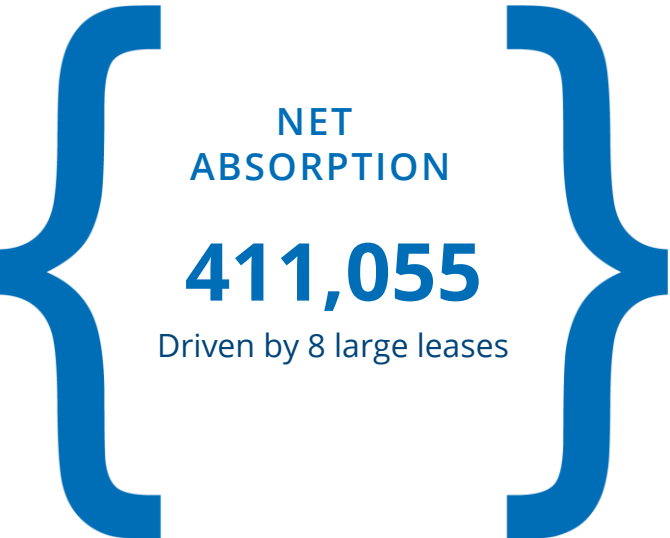
Demand trending positive, with 70% of markets showing positive annual absorption.



Government funding on track to exceed prior years, signaling ongoing sector support.

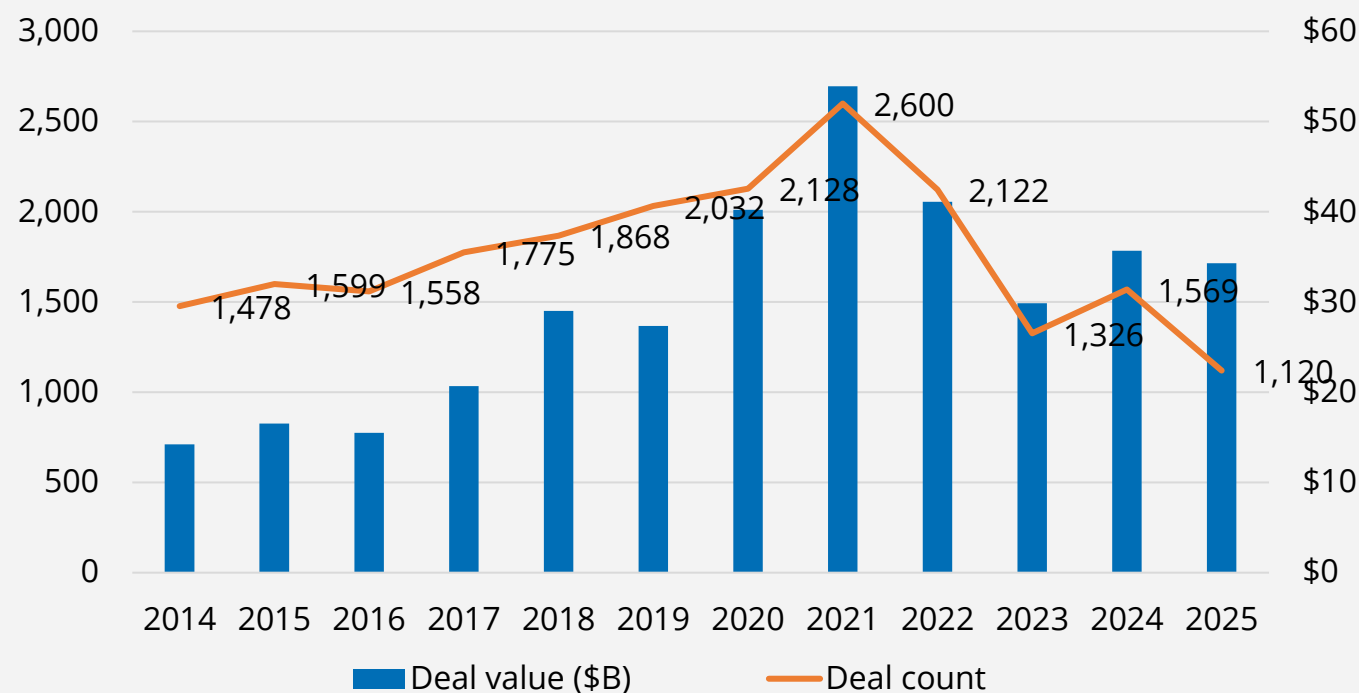


Raleigh-Durham continues to gain momentum around manufacturing and production investments.



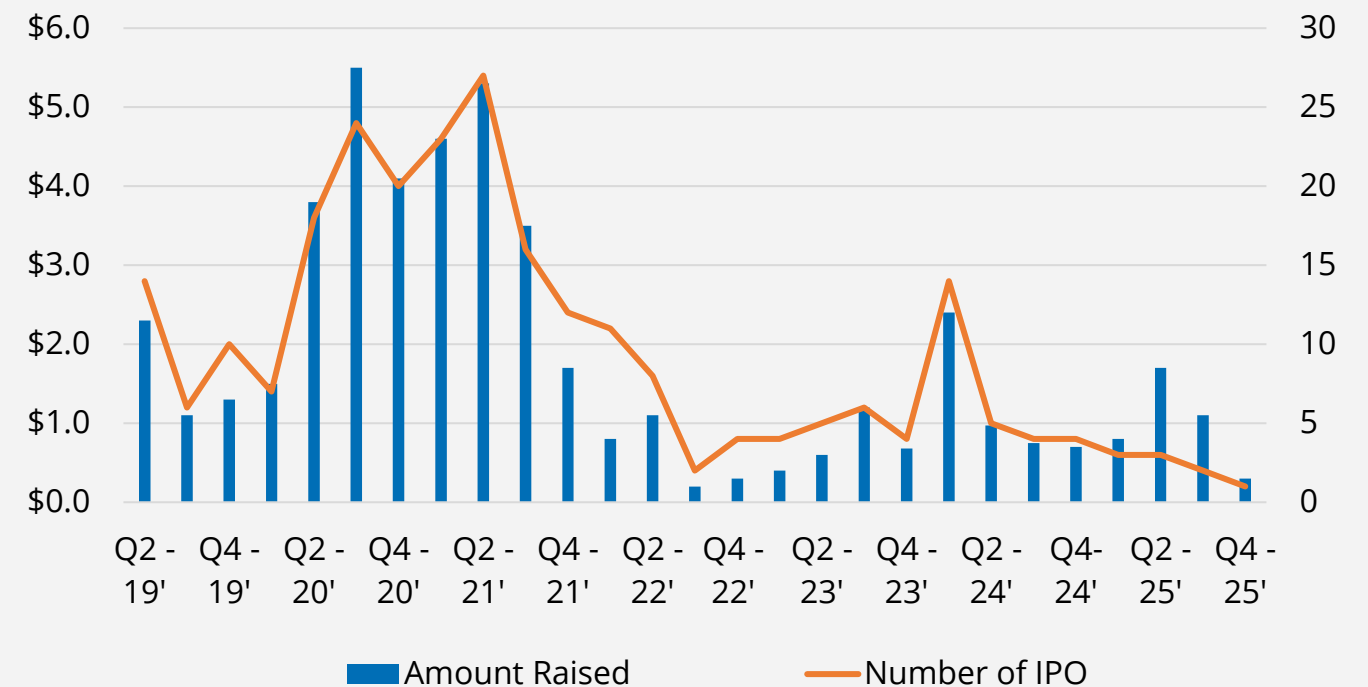
## VENTURE CAPITAL FUNDING

- In Q4 2025, U.S. life sciences companies raised approximately \$7.9B across 170 venture deals. While the funds invested nearly matched 2024 levels, the number of total deals trended lower. The lower deal count confirms the appetite for later stage, proven science. The 1,120 deals marked the lowest annual deal volume in nearly ten years. Despite the slowdown in activity, the size of individual investments remained substantial, over 80% of total capital was allocated to rounds exceeding \$33M. This reflects a more cautious and selective investment climate. 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 one company entered the public market with a total raise of \$300M. The quarter's IPO performance sinks back down to late 2022 levels. Historically, the IPO market tends to favor Q1 and Q2, with strong starts annually.
- 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 2026 budget for NIH funding is \$48.3B, with \$1.0B in additional provisions. In early January, lawmakers approved an additional \$415M. Overall, both increases would raise the funding 2% over 2025 funding levels.
- The 2026 NIH funding increases are in stark difference to the proposed budget cuts of 37% in early 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 \$7.2B (2026)  
 Research budget \$8.1B (2025)

Federal Drug Administration (FDA)  
 Research budget \$6.8B (2026)  
 Research budget \$6.0B (2025)

National Institute of Allergy and Infectious Diseases (NIAID)  
 Research budget \$4.2B (2026)  
 Research budget \$5.8B (2025)

## TOTAL 2025 NIH FUNDING | TOP RECIPIENTS

ORGANIZATION	CITY	STATE	AWARDS	FUNDING
JOHNS HOPKINS UNIVERSITY	BALTIMORE	MD	1388	\$866,029,123
UNIVERSITY OF CALIFORNIA, SAN FRANCISCO	SAN FRANCISCO	CA	1426	\$824,286,853
WASHINGTON UNIVERSITY	SAINT LOUIS	MO	1132	\$727,272,044
UNIVERSITY OF MICHIGAN AT ANN ARBOR	ANN ARBOR	MI	1255	\$724,296,458
UNIVERSITY OF PENNSYLVANIA	PHILADELPHIA	PA	1225	\$722,746,749
YALE UNIVERSITY	NEW HAVEN	CT	1107	\$679,873,833
UNIVERSITY OF PITTSBURGH AT PITTSBURGH	PITTSBURGH	PA	1129	\$669,672,148
STANFORD UNIVERSITY	STANFORD	CA	1084	\$644,447,224
MASSACHUSETTS GENERAL HOSPITAL	BOSTON	MA	1032	\$643,313,610
DUKE UNIVERSITY	DURHAM	NC	957	\$623,626,976
COLUMBIA UNIVERSITY HEALTH SCIENCES	NEW YORK	NY	943	\$593,655,506
UNIVERSITY OF CALIFORNIA, SAN DIEGO	LA JOLLA	CA	937	\$571,773,201
UNIVERSITY OF WASHINGTON	SEATTLE	WA	895	\$518,762,799
UNIVERSITY OF CALIFORNIA LOS ANGELES	LOS ANGELES	CA	839	\$516,129,315
UNIV OF NORTH CAROLINA CHAPEL HILL	CHAPEL HILL	NC	925	\$514,254,731
EMORY UNIVERSITY	ATLANTA	GA	875	\$511,571,169
ICAHN SCHOOL OF MEDICINE AT MOUNT SINAI	NEW YORK	NY	703	\$501,472,332
VANDERBILT UNIVERSITY MEDICAL CENTER	NASHVILLE	TN	526	\$454,669,284
NEW YORK UNIVERSITY SCHOOL OF MEDICINE	NEW YORK	NY	593	\$437,996,810
BRIGHAM AND WOMEN'S HOSPITAL	BOSTON	MA	628	\$413,986,680
NORTHWESTERN UNIVERSITY AT CHICAGO	CHICAGO	IL	679	\$405,656,938
UNIVERSITY OF WISCONSIN-MADISON	MADISON	WI	654	\$397,334,682

## NOTABLE TRANSACTIONS

- Nationally, this is the third consecutive quarter of positive net absorption within the last eight quarters, as the pace of new inventory deliveries slows, allowing demand to absorb space.
- San Francisco continued to outpace Boston for leased space for the four consecutive quarters, securing a trend in the demand shift, toward the west coast. Boston continues to post muted net absorption figures, due to several driving factors: low-preleasing in new deliveries and suburban demand shift being the most noteworthy.
- Total leasing volume remained above pre-pandemic quarterly averages, with smaller deals under 30,000 SF accounting for approximately 61% 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.

## Q4 2025 LEASE TRANSACTIONS

TENANT	TYPE	ADDRESS	SIZE	MARKET
UCSF	New	369 Oyster Point Blvd	280,000	San Francisco
Sierra	New	185 Berry Street	251,179	San Francisco
Lila Sciences	New	5 Alewife Park	176,000	Cambridge
Twist Bioscience	Renewal	681 Gateway Blvd	93,971	San Francisco
Humacyte	Renewal	2525 E NC Highway 54	82,996	Durham
Corden Pharma	New	5505 Central Ave	64,106	Boulder
Labshares	New	66 Galen Street	55,804	Watertown
Camp4 Therapeutics	New	100 Talcott Ave	44,000	Watertown
Goddard Technologies	New	205 Lowell Street	44,000	Route 128 North
Relay Therapeutics	New	60 Hampshire Street	41,530	Cambridge
CytomX	New	5959 Horton Street	35,584	Emeryville
Inotiv	Renewal	5541 Central Ave	34,297	Boulder
Unigen	New	39700 Eureka Drive	32,450	Newark
SomaLogic	Renewal	2945 Wilderness Place	30,887	Boulder
Color Health	New	379 Oyster Point Boulevard	24,145	San Francisco
NanoDx	New	66 Galen Street	20,450	Watertown
Aperia Technologies	New	3180 Corporate Place	19,995	Hayward
Psivant	New	66 Galen Street	18,018	Watertown
Acadia Pharmaceuticals	New	365 Oyster Point Boulevard	15,963	San Francisco
Celltex Therapeutics	New	6420 Levit Green Blvd	13,800	Houston
Plus Therapeutics, Inc.	New	6420 Levit Green Blvd	11,370	Houston
Oxia Therapeutics	New	6420 Levit Green Blvd	5,540	Houston

## MARKET INDICATORS



**71.76 MSF**  
Inventory



**-7K SF**  
Net Absorption



**14.8%**  
Direct Vacancy



**\$3.35 B**  
YTD NIH Grants



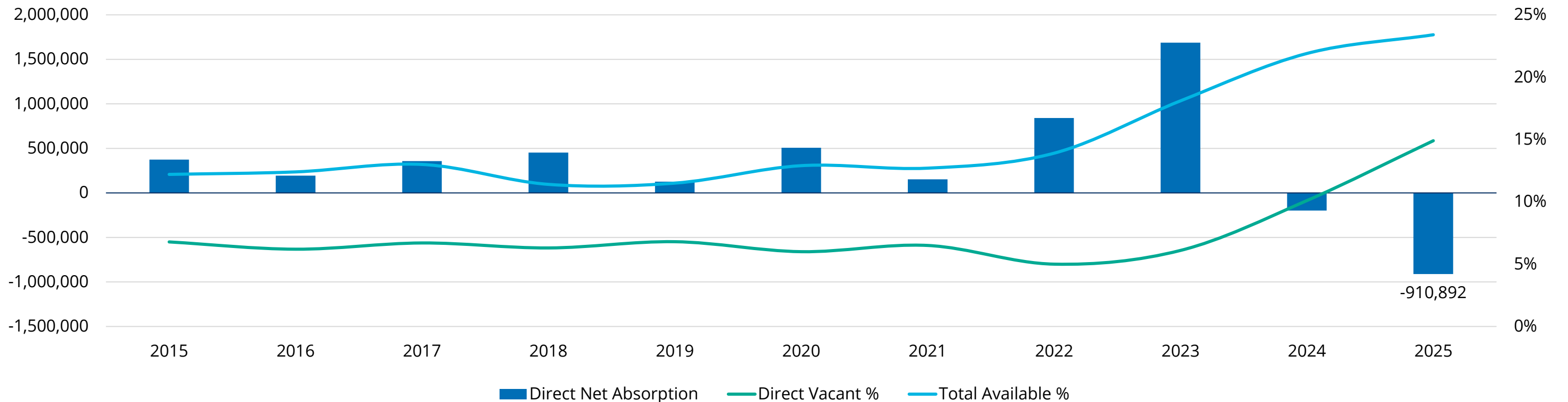
**3.0 MSF**  
Under Construction



**\$55.18 PSF**  
Asking Rent

## MARKET HIGHLIGHTS

- Leasing volume decreased 60% QoQ, with 302,200 SF of leasing activity over 22 deals. A noteworthy difference from Q3, which posted 700,000 SF of leasing activity. Sublease transactions only accounted for 8% of all deals, and 70% new, and only 30% renewals.
- The vacancy rate has remained elevated since 2022, peaking in Q2 of 2025 at 23.5%, only decreasing by 10 basis points in the last two quarters. Leasing activity has yet to outpace deliveries with low preleasing, creating an unfavorable headwind.
- Asking rates have continued to decline for the fourth consecutive quarter, decreasing \$1.80 PSF (-3%). Since the peak of 2023, rental rates have decreased 10%.
- Boston has been disproportionately affected by NIH funding, given the high concentration of academic users and university partners. 2025 yielded an 18% decrease of NIH grant dollars YOY.



## MARKET INDICATORS



**14.85 MSF**  
Inventory



**101,330 SF**  
Net Absorption



**9.5%**  
Direct Vacancy



**\$1.22 b**  
YTD NIH Grants



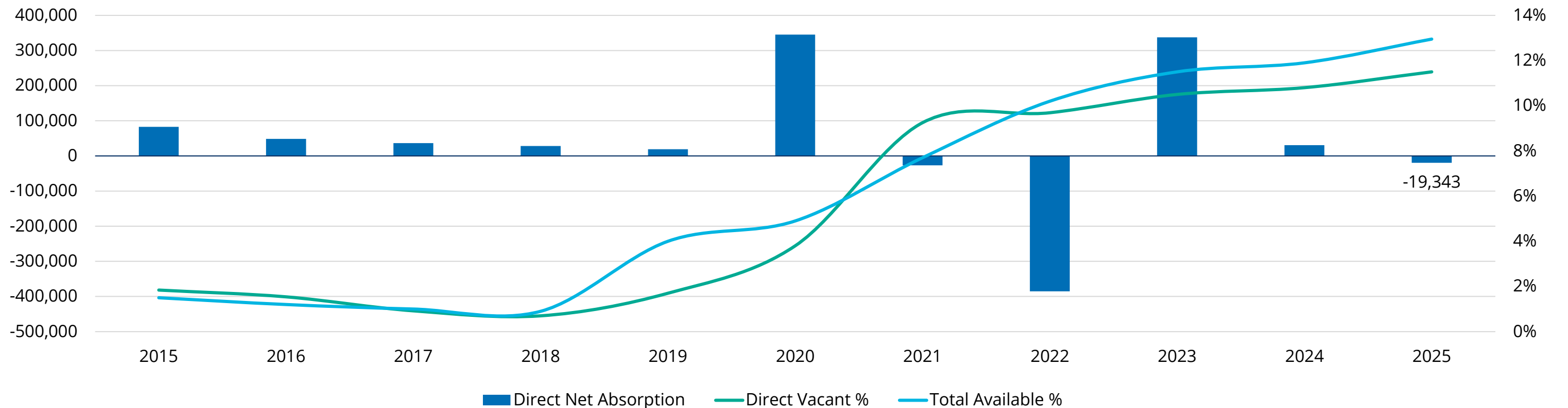
**302 KSF**  
Under Construction



**\$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.
- Lanza Tech renewed a 49,053 SF lease at its 8045 Lamon Avenue in Skokie.
- Sterling Bay's Fulton Market is now fully leased. Ayden, a technology firm focused on payments inked a 97,000 SF lease.
- Venture capital funding in the Chicago area revived renewed momentum, Portal Innovations completed their \$100M round in early Q4. The boost from one of the largest firms helped the local sentiment, with 2025 totals recording \$1.1 billion across 46 deals. Investor confidence in the region's biotech and research ecosystem continue to grow, given the top academic partnerships.



## MARKET INDICATORS



**5.75 MSF**  
Inventory



**8,452 SF**  
Net Absorption



**14.8%**  
Direct Vacancy



**\$931M**  
YTD NIH Grants



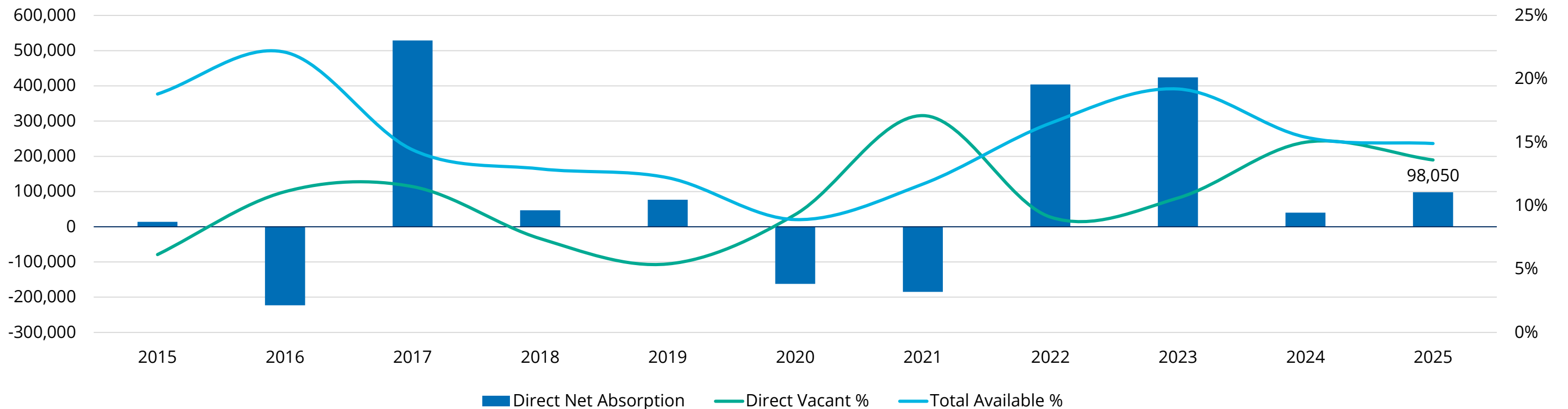
**900K SF**  
Under Construction



**\$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.
- 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.
- VC firms deployed \$1.75B in 2025 within Houston's ecosystem, of which 27% was life science focused investment. The momentum for budding life sciences firms around the TMC and other academic partners hold tangible advancements and are primed for a strong 2026.
- Levit Green, located at 6420 Levit Green Blvd inked three leases within the quarter, accounting for 30,710 SF.



## MARKET INDICATORS



**34.51 MSF**  
Inventory



**(435,469) SF**  
Net Absorption



**9.1%**  
Direct Vacancy



**\$425 M**  
YTD NIH Grants



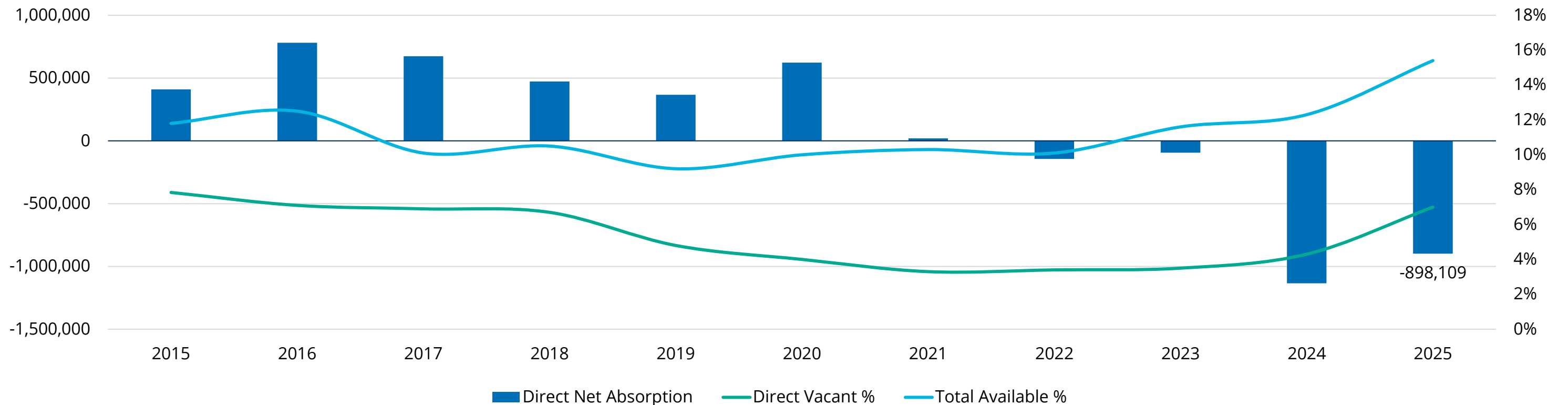
**1.9 MSF**  
Under Construction



**\$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 an additional 110 basis points QoQ, largely due to limited leasing activity within the quarter.
- Sandoz inked the largest deal of the quarter, 77,000 SF at 777 Scudders Mill Road, Princeton. The company pivoted to a new location, within the same market.
- In early Q4, 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.



## MARKET INDICATORS



**28.67 MSF**  
Inventory



**(37,773) SF**  
Net Absorption



**9.1%**  
Direct Vacancy



**\$2.29 B**  
YTD NIH Grants



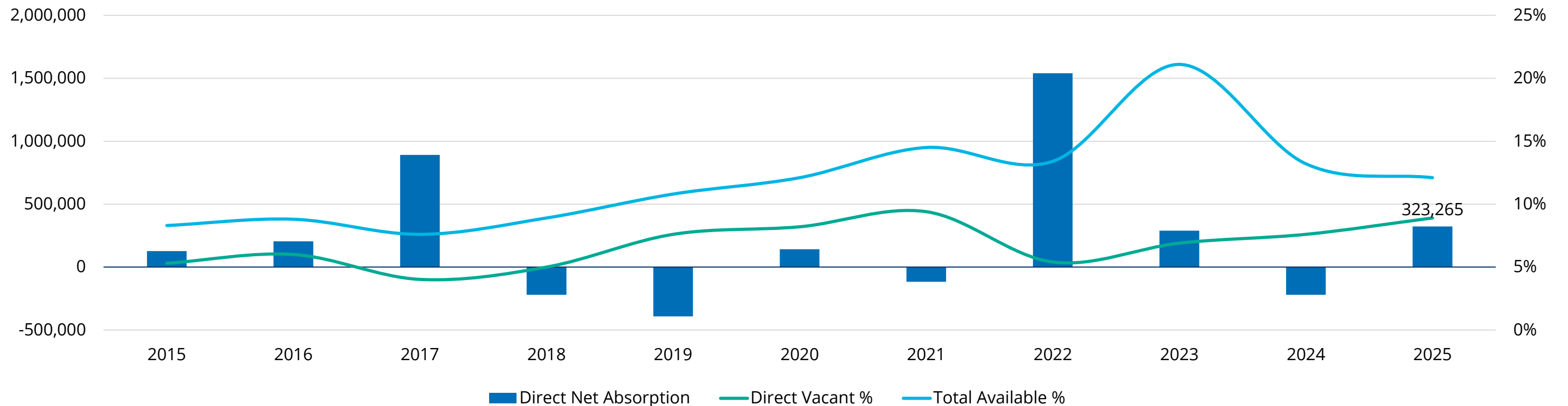
**2.1 MSF**  
Under Construction



**\$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.
- Within the last 18-months, strong leasing fundamentals have led the market outpacing other second tier life science markets. Net absorption in Q4 slid negative QoQ, recording -37,773 SF and totaling 303,265 for all of 2025. Asking rates remained unchanged for the last four quarters.
- 3201 Cuthbert Street in University City accounted for the largest delivery in 2025, adding 582,000 SF to the inventory. The project led by Gattuso Development Partners was a three-year build, that gained preleasing momentum with 80% spoken for at delivery.



## MARKET INDICATORS



**19.63 MSF**  
Inventory



**111,217 SF**  
Net Absorption



**7.7%**  
Direct Vacancy



**\$1.60 B**  
YTD NIH Grants



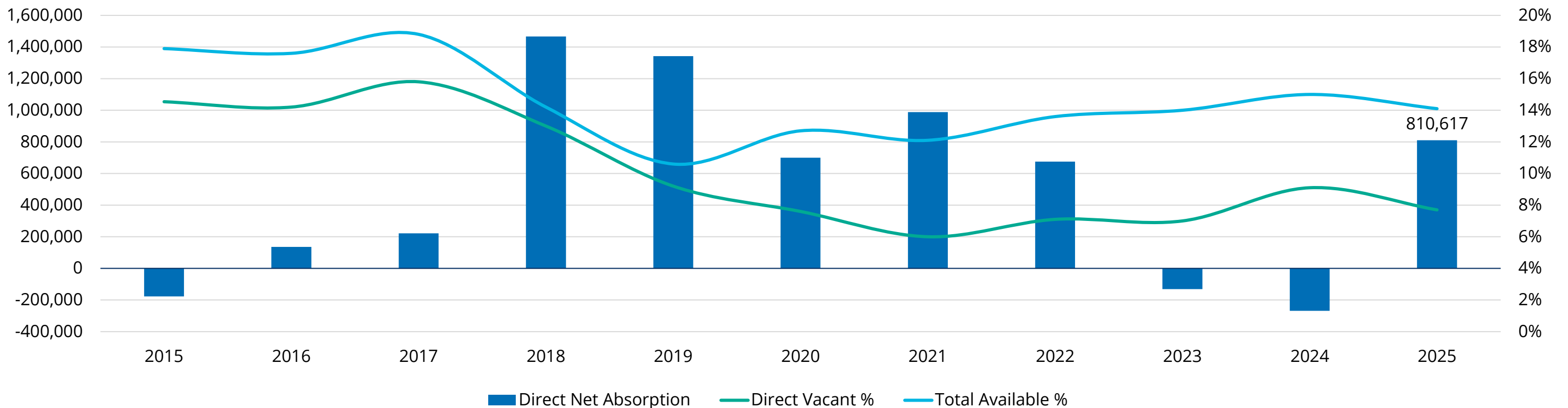
**1.2 MSF**  
Under Construction



**\$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. NIH grant funding fell 18% lower (-325M) in 2025, compared to 2024 levels. In total, the region received \$1.6B.
- The largest lease in Q4 was to Novartis for 270,000 SF, located at 14 Alexander Drive in the RTP.
- FUJI Film delivered phase one of its Holly Springs manufacturing facility. The total project is aimed at costing \$3.2B and is slated to be the largest biopharmaceutical CDMO facility in North America.
- 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.



### MARKET INDICATORS



**23.32 MSF**  
Inventory



**97,130 SF**  
Net Absorption



**15.7%**  
Direct Vacancy



**\$1.82 B**  
YTD NIH Grants



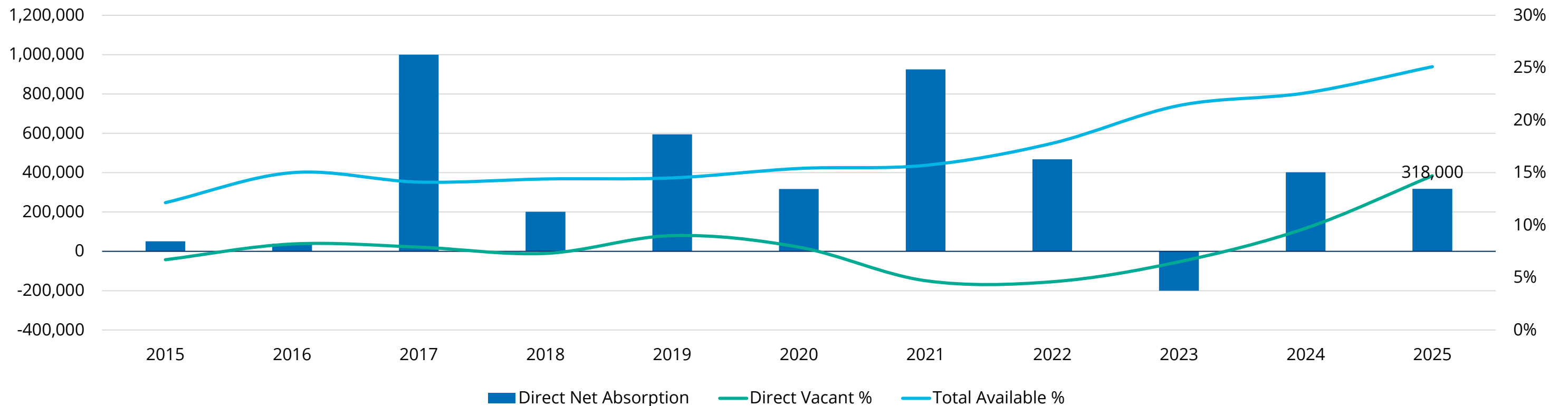
**450K SF**  
Under Construction



**\$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 2025, local VC life sciences funding totaled \$2.3B over 44 deals, a 39% decrease from 2024 totals.
- 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.
- Last quarters delivery of 3100 Campus Point Drive, the 466,000 SF development, cut the remaining development pipeline by 50%. The remaining 450,000 Sf of projects are spread out throughout the entire county; with limited large blocks of space remaining, the market should start to digest the excess inventory.
- Local employment trends remain positive, with 10,500 jobs added in the last 12-months. In total, the San Diego's region employs 98,000 life science professionals.



## MARKET INDICATORS



**53.72 MSF**

Inventory



**526,317 SF**

Net Absorption



**16.6%**

Direct Vacancy



**\$2.25 B**

YTD NIH Grants



**2.0 MSF**

Under Construction

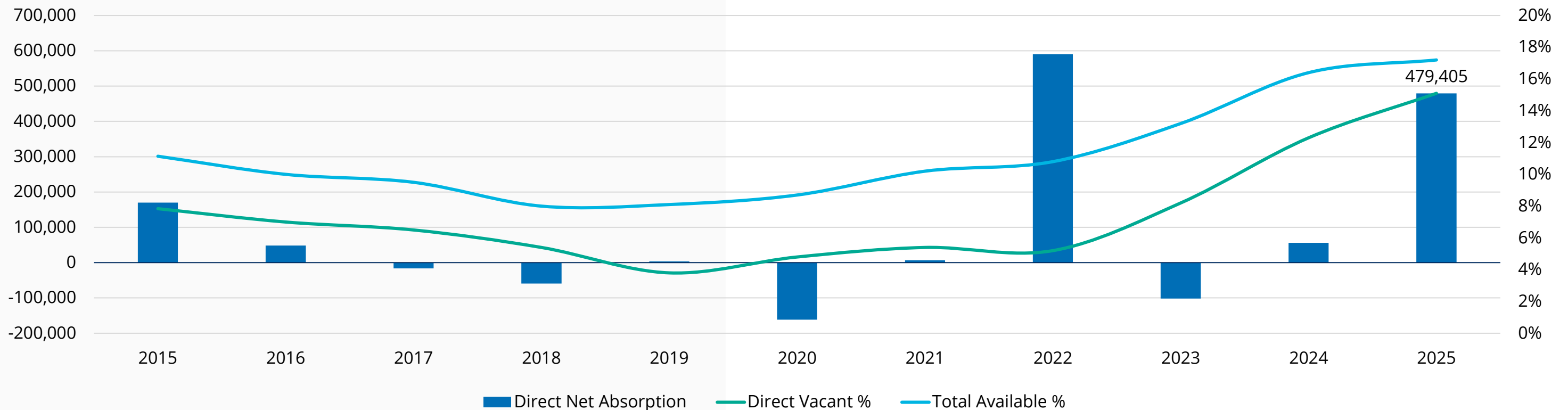


**\$56.80 PSF**

Asking Rent

## MARKET HIGHLIGHTS

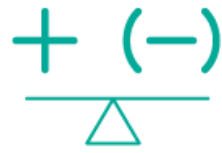
- The San Francisco Bay Area life sciences market continued to show positive momentum. Positive net absorption and a health mix of renewal and new leasing activity illustrates a robust demand for space. In Q4, total availability decreased 100 basis points QoQ, 22.0%
- Life science employment within the region has leveled off, recording 1.2% growth within 2025. The employment headwinds are a symptom of sector's challenges and are rooted in companies being reserved with capital expenditures.
- In 2025, local life science VC funding reached \$12.5B, over 415 deals. The YOY increase yielded a \$3.1B delta between the \$8.9B deployed in 2024. Therapeutics and digital diagnostic platforms utilizing AI tools helped to lead most of the capital.
- Rents decreased for the third consecutive quarter, down \$0.26 PSF in Q4. The decrease had been largely driven by sublease space, dragging on the total averages; however, Q4 noted a 6% decrease in sublease space.
- The largest remaining development is Intuitive's 847,000 SF Campus in Sunnyvale, which is set to deliver in early 2026.



## MARKET INDICATORS



**17.74 MSF**  
Inventory



**(19,038) SF**  
Net Absorption



**9.10%**  
Direct Vacancy



**\$1.62 B**  
YTD NIH Grants



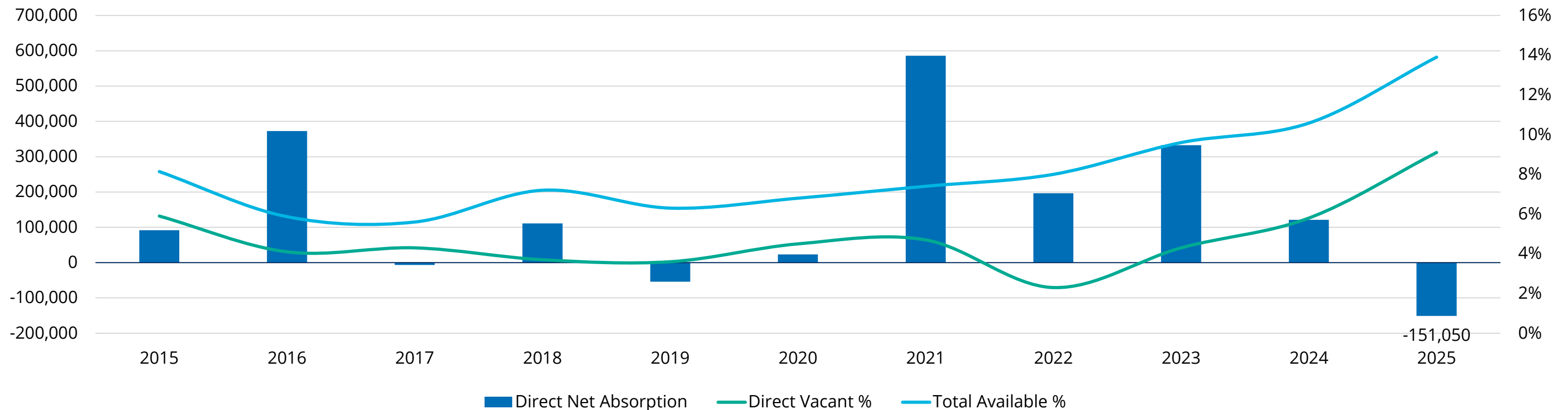
**550K SF**  
Under Construction



**\$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. 60% of the available sublease space is comprised of suites between 3,000 - 10,000 SF. Larger blocks of space, 70,000 SF and above account for only 3% of the available inventory. Overall vacancy rate increased 150 basis points over the last three quarters, reporting 13.9% in Q4.
- The region's life sciences VC activity remained stable year over year, totaling \$550M. 2024 and 2025 totals are 40% less than 2022-2023 highs, which had been as high as \$1.2B. Baltimore recorded another elevated quarter, totaling \$65M across 8 deals.
- Washington Metropolitan Area Transit Authority had 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.



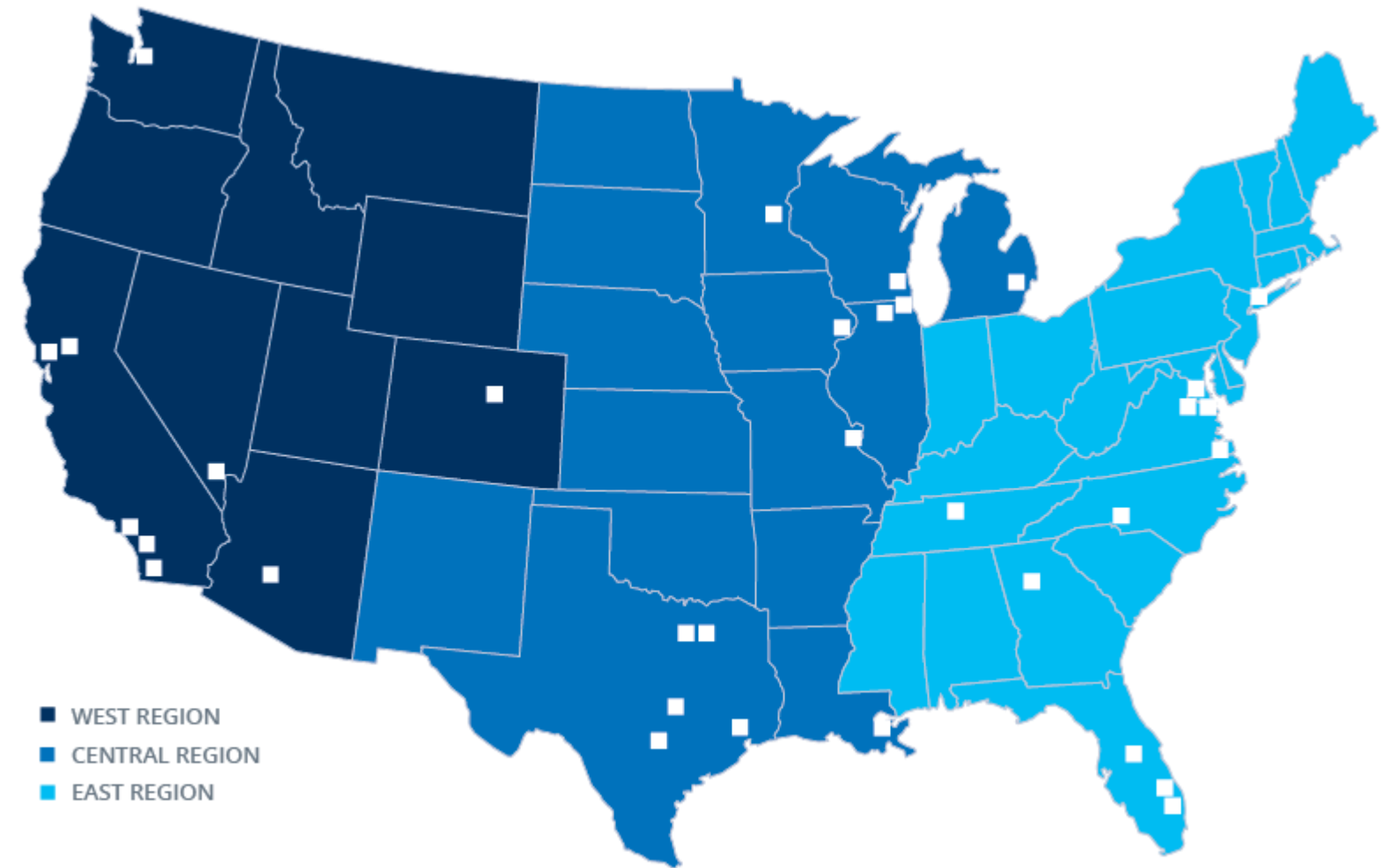
Market	Inventory Square Feet	Direct Vacancy Rate	Net Absorption	12-Month Net Absorption	Asking Rents	Annual Rent Change	Under Construction
<b>Boston</b>	71,760,050	14.90%	(7,010)	221,750	\$55.18	(6%)	3,050,000
<b>Chicago</b>	14,850,000	9.50%	101,330	175,250	\$51.50	1%	302,000
<b>Houston</b>	5,750,800	14.80%	8,452	90,500	\$46.15	1%	900,000
<b>New Jersey</b>	34,510,500	9.12%	(435,460)	(428,000)	\$36.20	(1%)	1,925,000
<b>New York</b>	3,643,810	22.68%	(14,210)	150,000	\$55.91	1%	650,000
<b>Philadelphia</b>	28,670,200	9.14%	(37,773)	248,000	\$41.53	(2%)	1,975,000
<b>Raleigh/Durham</b>	19,620,000	7.78%	(112,217)	1,036,000	\$29.68	(1%)	1,200,000
<b>Phoenix</b>	2,290,500	6.69%	2,973	31,750	\$41.75	2%	350,000
<b>San Diego</b>	23,320,500	15.70%	97,130	127,500	\$52.80	0%	450,000
<b>San Francisco</b>	53,720,750	16.65%	526,317	(459,000)	\$56.80	(6%)	2,225,000
<b>Washington DC</b>	17,740,000	9.10%	(19,038)	(115,000)	\$53.27	(1%)	550,000
<b>TOTAL</b>	<b>275,877,210</b>	<b>13.54%</b>	<b>411,055</b>	<b>1,185,000</b>	<b>\$53.50</b>	<b>(2.5%)</b>	<b>13,774,390</b>

# 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.



### REAL ESTATE SERVICES (TRS)

- Agency Leasing
- Asset Services
- Capital Markets
- Tenant Advisory + Workplace Solutions
- Research & Investment Analytics

### INVESTMENT GROUP (TIG)

- Separate Accounts
- Discretionary Funds
- Non-Discretionary Accounts
- Investment Analysis

### DEVELOPMENT COMPANY (TDC)

- Speculative
- Build-to-Suit
- Fee Development

### HOSPITALITY GROUP (THG)

- Hospitality Integration
- Asset Repositioning
- Boutique Hotel Development & Investment



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## ABOUT TRANSWESTERN

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](https://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.