



## MARKET FUNDAMENTALS, Q4

	YOY Chg	Outlook
<b>23.5%</b> Vacancy Rate	▲	▲
<b>\$66.16</b> Asking Rent, PSF	▼	▲
<b>-3.1%</b> Rent Growth, YOY	▼	▲
<b>8.4M</b> Under Construction <i>(Overall, All Property Classes)</i>	▼	▼

## MARKET INDICATORS, Q4

	YOY Chg	Outlook
<b>\$3.4B</b> Investment Sales	▲	▲
<b>\$8.1B</b> Venture Capital Funding	▲	▲

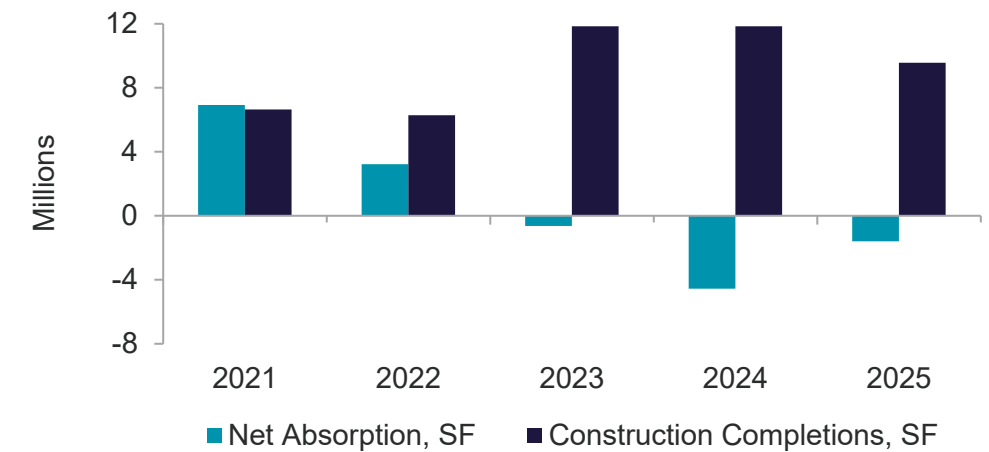
Source: Cushman & Wakefield Research, MSCI/Real Capital Analytics, Pitchbook

## KEY TRENDS

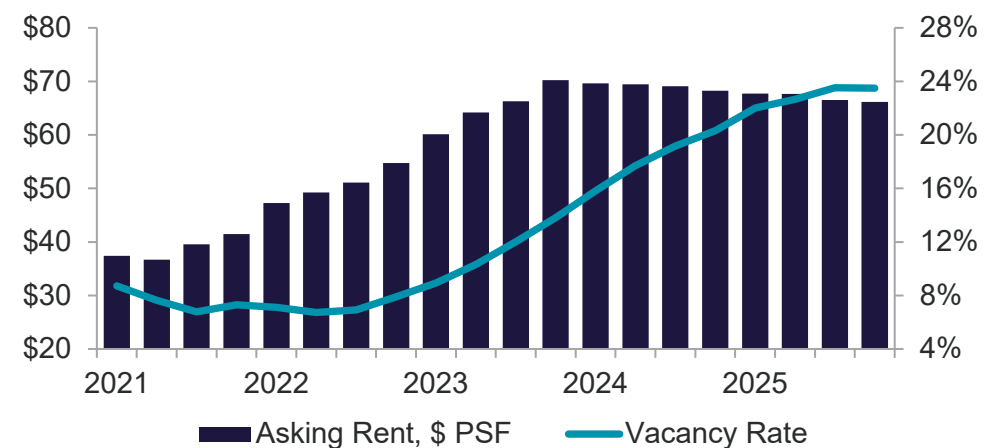
Policy clarity in the second half of 2025 helped lift sentiment across the U.S. life sciences sector, driving an uptick in investment, funding, and occupier activity. This renewed optimism is expected to carry into 2026, supporting gradual improvement in commercial real estate fundamentals.

- Demand firmed notably in the fourth quarter with net absorption turning positive for the first time in seven quarters. Net absorption totaled about 555,000 square feet (sf) in the fourth quarter, a significant improvement quarter-over-quarter (QOQ) and year-over-year (YOY). Full-year absorption ended the year in negative territory at -1.6 million square feet (msf), a significant improvement over 2024. Sustained momentum could return the sector to positive annual absorption in 2026.
- Overall asking rents eased further to \$66.16 per square foot (psf), a 3.1% YOY decline. Overall vacancy rate continued to rise, climbing 316 basis points (bps) YOY to 23.5%. The sublease vacancy remained flat YOY at 3.5%.
- Construction activity continued to slow with 9.6 msf delivered in 2025, down 19% from 2024 completions. Build-to-suit (BTS) projects have accelerated and now comprise 57% of the pipeline, while speculative (spec) construction has dropped to 43% from 66% in 2024. With just over 8.4 msf currently under construction, this shift to BTS projects will help rebalance vacant supply.
- Capital markets activity reached \$3.4 billion in Q4, up 51% from Q3 and up 36% YOY. Full-year 2025 sales volume totaled \$9.8 billion, up 39% YOY. Renewed investor interest in life sciences points to increased activity in 2026. Pricing is relatively attractive, having softened 6.7% QOQ and down -4% YOY to \$225 psf.
- [Venture capital](#) (VC) investment in life sciences totaled \$8.1 billion in Q4, 7.3% lower than Q3 but 18% higher than Q4 2024. Despite a rebound in the second half, deal volume for the year was down 4.4% YOY. Improved VC sentiment entering 2026 indicates potential acceleration in funding activity.

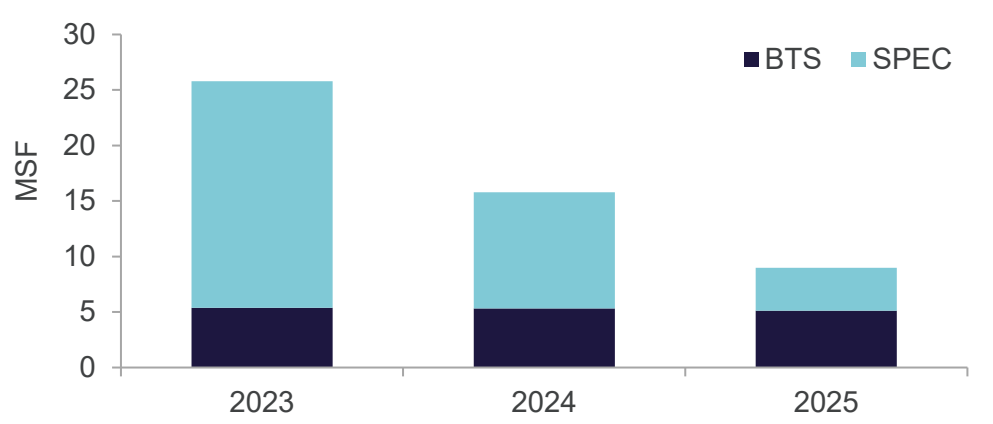
## SPACE DEMAND / DELIVERIES



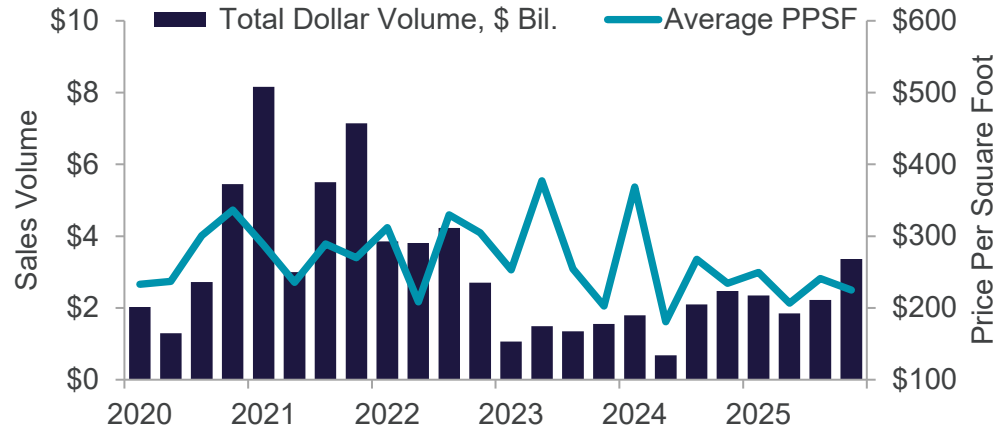
## OVERALL VACANCY & ASKING RENTS



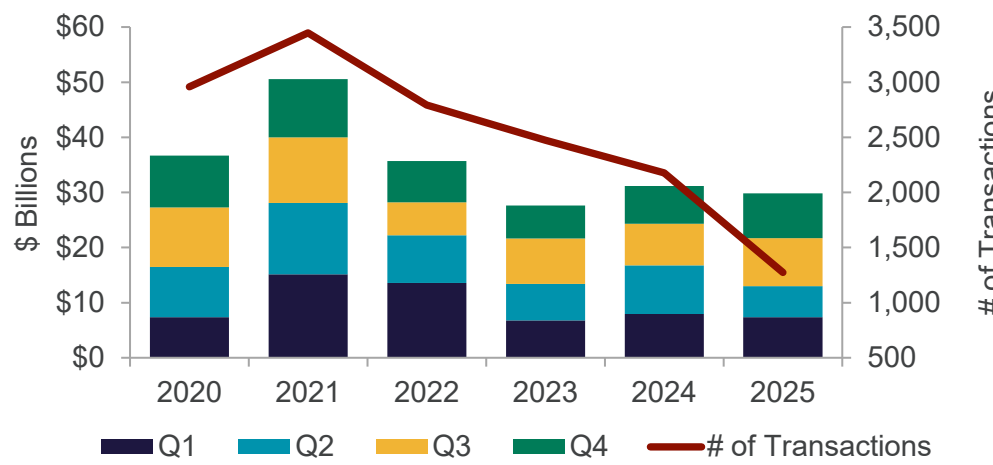
UNDER CONSTRUCTION



SALES VOLUME/PRICE PSF



VENTURE CAPITAL FUNDING



INVENTORY AND DEMAND INDICATORS Q4 2025

	INVENTORY	DELIVERIES 2025	UNDER CONSTRUCTION	NET ABSORPTION	LEASING ACTIVITY
<b>United States</b>	<b>239,892,383</b>	<b>9,571,478</b>	<b>8,496,684</b>	<b>554,584</b>	<b>2,735,749</b>
Boston	50,337,371	1,950,564	4,400,024	29,382	442,405
Chicago	8,563,944	302,388	160,000	53,195	46,438
Denver	6,529,257	0	198,000	-127,176	207,922
Los Angeles-Orange County	8,591,505	0	0	-50,420	26,768
New Jersey	19,962,788	724,000	737,010	-105,272	176,011
New York City	3,858,129	0	0	34,356	47,791
Philadelphia	28,310,456	1,284,830	1,472,378	19,417	135,000
Raleigh-Durham	11,937,489	0	0	166,156	431,723
San Diego	26,939,228	2,568,933	1,271,502	284,036	324,557
San Francisco Bay Area	51,290,461	2,225,348	0	310,525	644,262
Seattle	11,036,120	515,415	257,770	39,845	46,133
Suburban Maryland	12,535,635	0	0	-99,460	206,739

VACANCY RATES AND ASKING RENTS Q4 2025

	OVERALL VACANCY RATES				OVERALL ASKING RENTS			
	Q1 2025	Q2 2025	Q3 2025	Q4 2025	Q1 2025	Q2 2025	Q3 2025	Q4 2025
<b>United States</b>	<b>22.0%</b>	<b>22.7%</b>	<b>23.5%</b>	<b>23.5%</b>	<b>\$67.73</b>	<b>\$67.67</b>	<b>\$66.53</b>	<b>\$66.16</b>
Boston	30.8%	32.0%	33.6%	34.0%	\$82.18	\$82.03	\$80.70	\$78.96
Chicago	22.0%	21.7%	22.2%	21.5%	\$57.45	\$57.46	\$56.11	\$56.45
Denver	16.3%	16.2%	16.0%	18.0%	\$27.74	\$27.74	\$35.45	\$29.60
Los Angeles-Orange County	1.5%	1.6%	1.9%	2.5%	\$43.55	\$43.55	\$36.43	\$43.55
New Jersey	8.9%	8.8%	14.6%	15.2%	\$36.91	\$36.15	\$39.38	\$38.83
New York City	39.7%	40.8%	40.4%	39.5%	\$80.91	\$81.98	\$82.52	\$83.82
Philadelphia	6.6%	7.2%	7.2%	7.0%	\$41.22	\$41.10	\$43.04	\$46.48
Raleigh-Durham	30.1%	31.1%	31.3%	27.7%	\$40.03	\$39.86	\$39.24	\$38.90
San Diego	25.2%	25.9%	26.2%	25.6%	\$70.77	\$69.72	\$68.95	\$68.29
San Francisco Bay Area	28.6%	29.4%	29.1%	28.9%	\$72.38	\$72.36	\$70.43	\$70.72
Seattle	19.4%	20.7%	21.6%	22.9%	\$61.98	\$62.30	\$63.64	\$63.32
Suburban Maryland	14.8%	14.1%	14.2%	15.0%	\$43.29	\$43.18	\$43.23	\$43.05

**METHODOLOGY**

Cushman & Wakefield's quarterly estimates are derived from a variety of data sources, including its own proprietary database, and historical data from third party data sources. The market statistics are calculated from an inventory that includes laboratory and cGMP spaces in office buildings and industrial properties, based on our proprietary methodology. The inventory includes some owner-occupied properties. The inventory is subject to revisions due to resampling. Vacant space is defined as space that is available immediately or imminently after the end of the quarter. Sublet space still occupied by the tenant is not counted as available space. The figures provided for the current quarter are preliminary, and all information contained in the report is subject to correction of errors and revisions based on additional data received.

**EXPLANATION OF TERMS**

**Total Inventory:** The total amount of lab and cGMP space in office and industrial buildings as well as some owner-occupied properties.

**Overall Vacancy Rate:** The amount of unoccupied space (new, relet, and sublet) expressed as a percentage of total inventory. Unoccupied space does not include owner occupied properties.

**Absorption:** The net change in occupied space between two points in time. (Total occupied space in the present quarter minus total occupied space from the previous quarter, quoted on a net, not gross, basis.)

**Leasing Activity:** The sum of all leases over a period of time. This includes pre-leasing activity as well as expansions. It does not include renewals.

**Overall Weighted Asking Rents:** Net average asking rents weighted by the amount of available direct and sublease space.

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