



MARKET FUNDAMENTALS, Q1

	YOY Chg	Outlook
23.6% Vacancy Rate	▲	▲
\$65.48 Asking Rent, PSF	▼	▲
-3.4% Rent Growth, YOY	▼	▲
5.3M Under Construction	▼	▼

(Overall, All Property Classes)

MARKET INDICATORS, Q1

	YOY Chg	Outlook
\$2.1B Investment Sales	▼	▲
\$8.0B Venture Capital Funding	▲	▲

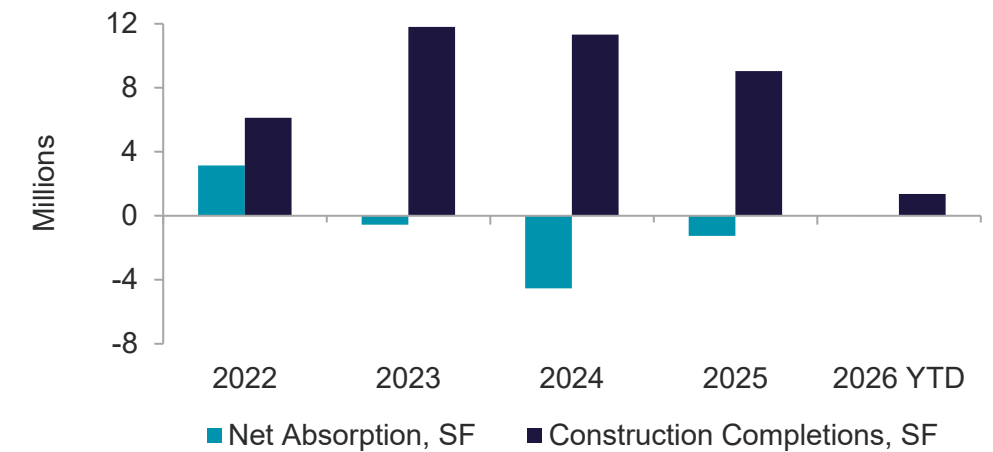
Source: Cushman & Wakefield Research, MSCI/ Real Capital Analytics, Pitchbook

KEY TRENDS

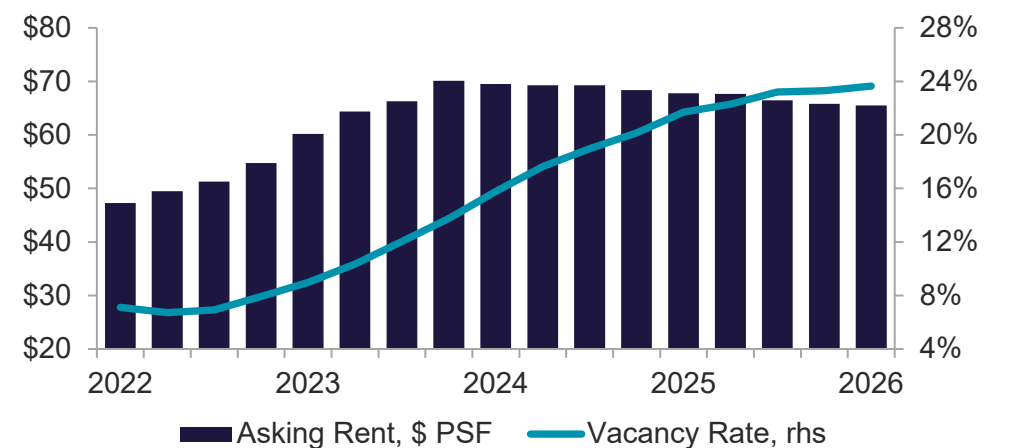
A healthier funding environment, strong M&A and licensing activity, and expanding pharmaceutical manufacturing and R&D construction drove improving momentum for the life sciences sector in Q1 2026. While headwinds remain, these tailwinds should support a resurgence in the life sciences real estate sector.

- Demand was essentially flat in Q1, with net absorption of -23,600 square feet (sf). Tenant-in-the-market activity remains stable across major markets, with strong demand for cGMP space from pharmaceutical tenants.
- Asking rents averaged \$65.48 per square foot (psf), down 3.4% year-over-year (YOY), though several markets posted rent growth. The overall vacancy rate rose 196 basis points (bps) to 23.6%, the smallest YOY increase in nearly three years. Sublease vacancy declined 10 bps YOY to 3.5%.
- New deliveries slowed to 1.2 million square feet (msf), nearly one-fifth of the 5.4 msf delivered in Q1 2025. The new construction pipeline has shifted decisively toward build-to-suit (BTS) projects; 72% of inventory under construction is now BTS, and the speculative share is at a five-year low.
- R&D property sales totaled \$2.1 billion, down 12% YOY. Despite the decline, investor interest is building, highlighted by Healthpeak's \$600 million acquisition of Blackstone's South San Francisco portfolio, the largest alternative asset deal in Q1.
- Venture capital funding totaled \$8.0 billion in Q1, up 15% YOY, with most capital flowing to later-stage companies. Average deal size rose to a record \$20 million, as investors took greater interest in making large investments in established companies. The initial public offering (IPO) market strengthened, with eight IPO's raising more than \$2.3 billion, nearly matching the \$2.8 billion total for all of 2025.

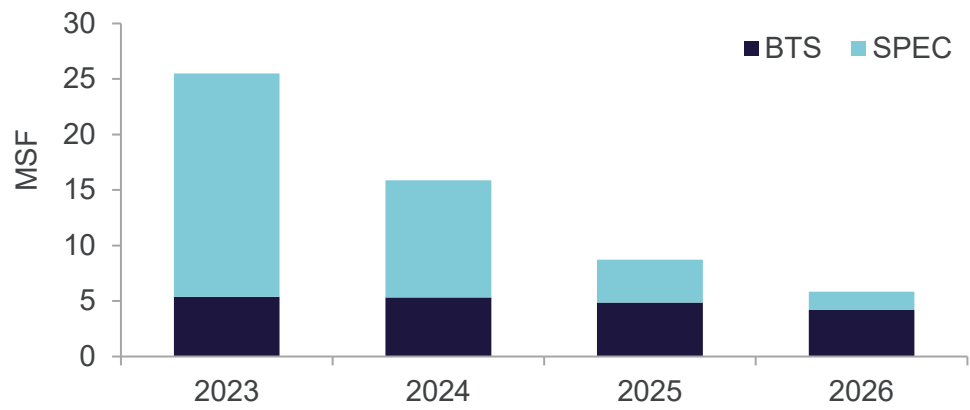
SPACE DEMAND / DELIVERIES



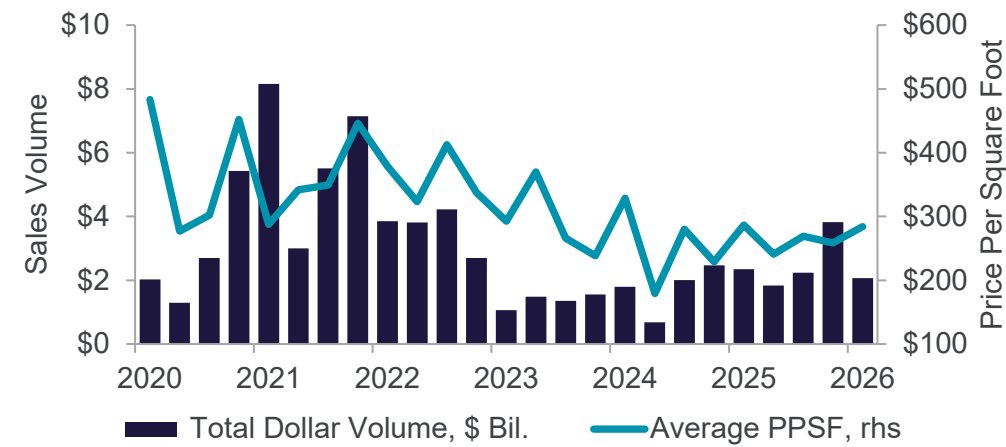
OVERALL VACANCY & ASKING RENTS



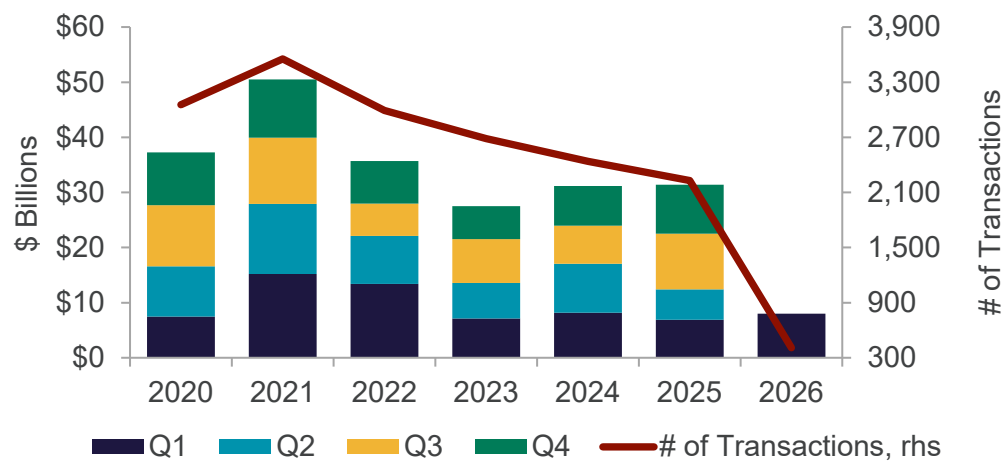
UNDER CONSTRUCTION



SALES VOLUME/PRICE PSF



VENTURE CAPITAL FUNDING



INVENTORY AND DEMAND INDICATORS Q1 2026

	INVENTORY	DELIVERIES	UNDER CONSTRUCTION	NET ABSORPTION	LEASING ACTIVITY
United States	239,543,413	1,175,988	5,345,404	-23,659	2,398,329
Boston	50,667,884	510,000	2,172,502	-155,371	996,252
Chicago	8,380,224	0	160,000	186,298	53,102
Denver	6,525,423	0	198,000	113,492	7,599
Los Angeles-Orange County	8,591,505	0	0	-48,760	17,703
New Jersey	20,106,398	163,610	573,400	-98,953	48,000
New York City	3,858,129	0	0	-24,534	0
Philadelphia	28,812,834	502,378	970,000	306,281	250,000
Raleigh-Durham	11,697,735	0	0	142,352	91,308
San Diego	26,679,241	0	1,271,502	-556,085	248,775
San Francisco Bay Area	50,394,515	0	0	97,856	664,755
Seattle	11,293,890	0	0	54,344	20,835
Suburban Maryland	12,535,635	0	0	-40,579	0

VACANCY RATES AND ASKING RENTS Q1 2026

	OVERALL VACANCY RATES				OVERALL ASKING RENTS			
	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2025	Q3 2025	Q4 2025	Q1 2026
United States	22.3%	23.2%	23.3%	23.6%	\$67.66	\$66.46	\$65.81	\$65.48
Boston	31.6%	33.1%	33.5%	34.5%	\$81.70	\$80.41	\$78.66	\$79.38
Chicago	22.2%	22.7%	22.0%	19.8%	\$57.47	\$56.12	\$56.46	\$54.83
Denver	16.4%	16.3%	18.2%	16.4%	\$27.06	\$34.61	\$30.84	\$30.33
Los Angeles-Orange County	1.6%	2.7%	3.3%	3.9%	\$43.55	\$33.22	\$37.64	\$32.65
New Jersey	8.8%	14.6%	15.2%	16.4%	\$36.15	\$39.38	\$38.84	\$38.64
New York City	40.8%	40.4%	39.4%	40.0%	\$81.98	\$82.52	\$83.88	\$84.18
Philadelphia	7.2%	7.2%	7.0%	7.6%	\$41.10	\$43.04	\$43.04	\$46.98
Raleigh-Durham	28.8%	29.2%	28.8%	27.6%	\$39.47	\$39.27	\$38.98	\$39.15
San Diego	24.6%	25.0%	24.3%	26.7%	\$69.34	\$68.53	\$68.18	\$67.69
San Francisco Bay Area	29.7%	29.3%	29.0%	28.5%	\$72.55	\$70.62	\$70.89	\$68.48
Seattle	19.9%	20.8%	22.5%	22.0%	\$62.43	\$63.74	\$63.41	\$63.39
Suburban Maryland	14.1%	14.2%	15.0%	15.4%	\$43.18	\$43.23	\$43.05	\$42.05

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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SANDY ROMERO

Head of Office and Alternative Insights

Global Research

sandy.romero@cushwake.com

MAGGIE TILLOTSON

Senior Analyst

Global Research

maggie.tillotson@cushwake.com