MARKETBEAT
U.S. NATIONAL
LIFE SCIENCES Q2 2026

CUSHMAN & WAKEFIELD

MARKET FUNDAMENTALS Q2

	YOY Chg	Outlook
24.3% Vacancy Rate	▲	▲
$64.17 Asking Rent, PSF	▼	▼
-5.3% Rent Growth, YOY	▼	▼
5.6M Under Construction	▼	▼

(Overall, All Property Classes)

MARKET INDICATORS Q2

	YOY Chg	Outlook
$1.3B Investment Sales	▼	▼
$9.2B Venture Capital Funding	▲	▲

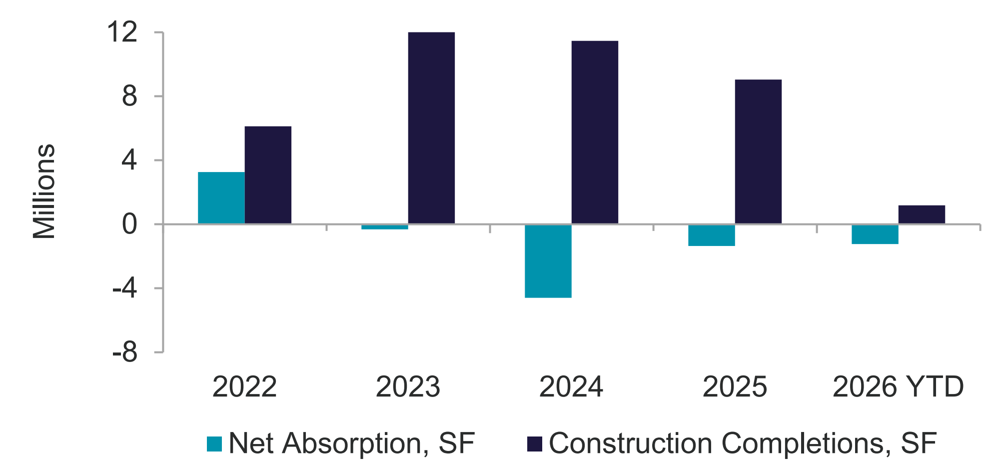
Source: Cushman & Wakefield Research, MSCI/ Real Capital Analytics, Pitchbook

KEY TRENDS

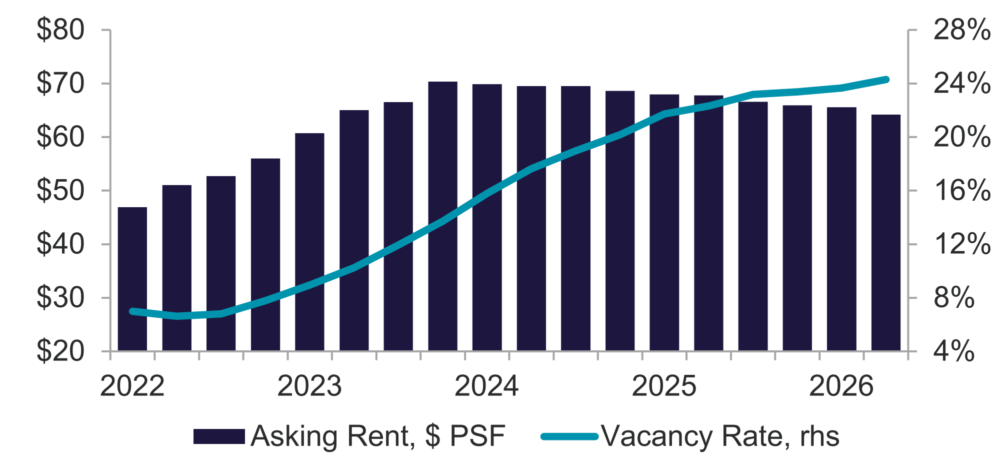
The life sciences sector continues to build momentum. Record M&A activity, a resurgent IPO market, and robust venture capital funding in the first half all point to stronger conditions. Real estate performance still lags, but sector fundamentals are gaining strength and will support future growth.

- After two consecutive quarters of positive absorption, net absorption turned negative in Q2, totaling -1.4 million square feet (msf). Despite this pullback, demand stayed resilient, with new leasing activity up 8% year-over-year (YOY) to 1.7 msf.
- Asking rents softened to $64.17 per square foot (psf), down 5.3% YOY. Rents are expected to face further downward pressure as the market continues to absorb excess supply and demand remains in the early stages of recovery. Overall vacancy rose 195 basis points (bps) YOY to 24.3%; though the pace of increases continues to slow. Sublease vacancy, meanwhile, declined 20 bps YOY to 3.4% as occupiers pulled space back off the market.
- No new deliveries were recorded in Q2 across the 12 markets tracked by Cushman & Wakefield Research—the first such quarter on record—reflecting a slowing development pipeline. Of the 4.5 msf of new deliveries expected in 2026, 72% is already preleased, underscoring the predominance of build-to-suit (BTS) projects.
- R&D property sales totaled $1.3 billion in Q2, down 24% YOY, as heightened uncertainty tempered the investment momentum seen earlier in the year. Still, pricing held firm, rising 7% YOY despite lower transaction volume.
- Venture capital funding rose to $9.2 billion in Q2, up 13% over Q1 and 52% YOY. While volumes improved, deal activity consolidated as investors concentrated capital into fewer, larger transactions, targeted at later-stage companies. Average deal size reached a record $21 million, nearly double YOY.

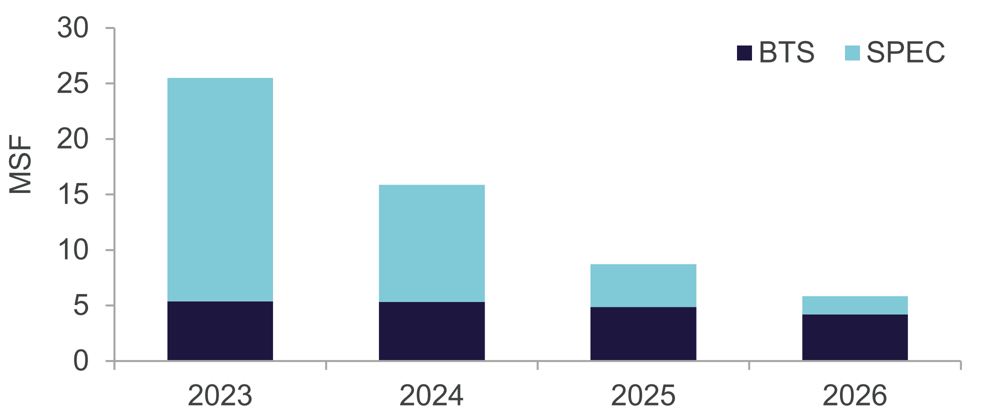
SPACE DEMAND/DELIVERIES



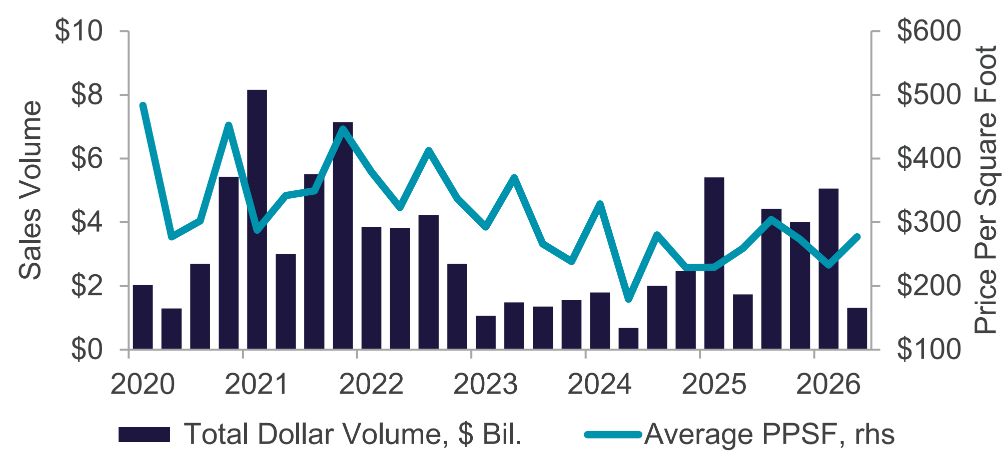
OVERALL VACANCY AND ASKING RENTS



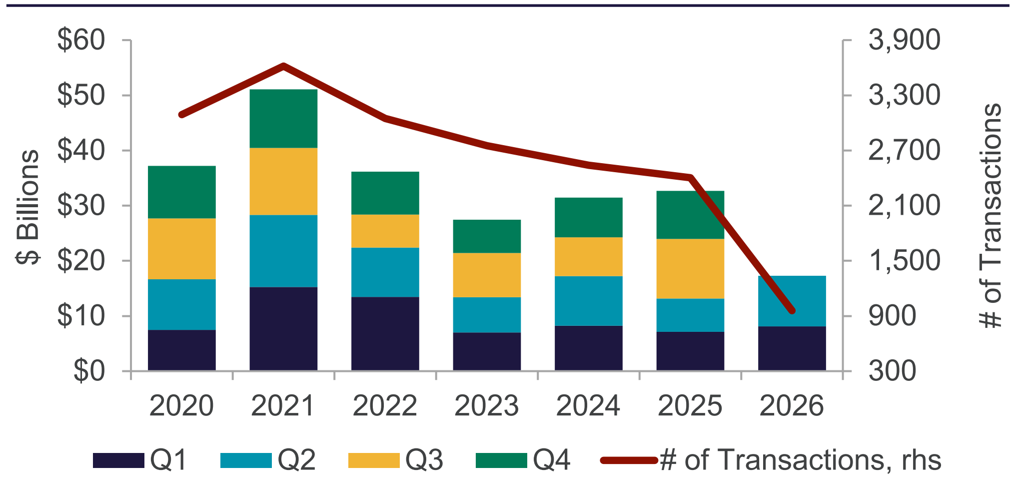
UNDER CONSTRUCTION



SALES VOLUME/PRICE PSF



VENTURE CAPITAL FUNDING



INVENTORY AND DEMAND INDICATORS Q2 2026

	INVENTORY	DELIVERIES	UNDER CONSTRUCTION	NET ABSORPTION	LEASING ACTIVITY
United States	**239,457,986**	**0**	**5,595,404**	**-1,378,705**	**2,063,395**
Boston	51,093,651	0	2,172,502	-337,424	452,809
Chicago	8,440,784	0	160,000	132,912	0
Denver	6,525,423	0	198,000	-1,841	17,561
Los Angeles-Orange County	8,591,505	0	0	39,373	0
New Jersey	20,044,387	0	573,400	-698,313	30,871
New York City	3,858,129	0	0	15,953	82,479
Philadelphia	28,812,834	0	1,220,000	-41,772	80,532
Raleigh-Durham	11,697,735	0	0	61,598	174,900
San Diego	26,639,496	0	1,271,502	-45,714	469,589
San Francisco Bay Area	49,885,649	0	0	-73,117	585,538
Seattle	11,293,890	0	0	-68,233	147,184
Suburban Maryland	12,574,503	0	0	-362,127	21,932

VACANCY RATES AND ASKING RENTS Q2 2026

	OVERALL VACANCY RATES				OVERALL ASKING RENTS			
	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2025	Q4 2025	Q1 2026	Q2 2026
United States	**23.2%**	**23.4%**	**23.7%**	**24.3%**	**$66.58**	**$65.92**	**$65.58**	**$64.17**
Boston	32.6%	33.2%	34.2%	34.9%	$80.79	$79.03	$79.76	$78.79
Chicago	22.8%	22.5%	20.3%	18.7%	$55.33	$55.29	$53.55	$54.13
Denver	16.1%	18.0%	16.0%	16.0%	$34.58	$30.74	$30.99	$30.68
Los Angeles-Orange County	2.7%	3.4%	4.1%	3.6%	$33.22	$37.64	$32.65	$33.32
New Jersey	14.7%	15.2%	16.4%	19.9%	$39.38	$38.84	$38.65	$38.66
New York City	40.4%	39.4%	40.0%	39.6%	$82.52	$83.88	$84.18	$82.88
Philadelphia	7.2%	7.0%	7.6%	7.7%	$43.04	$43.04	$46.98	$46.29
Raleigh-Durham	29.5%	29.4%	28.3%	27.8%	$39.17	$38.88	$39.02	$38.57
San Diego	25.3%	24.8%	26.7%	26.9%	$68.57	$68.26	$67.72	$67.09
San Francisco Bay Area	29.5%	29.2%	28.6%	29.0%	$70.82	$71.09	$68.65	$66.26
Seattle	20.8%	22.5%	22.0%	22.6%	$63.74	$63.41	$63.05	$61.34
Suburban Maryland	13.8%	14.6%	14.9%	17.8%	$43.33	$43.17	$42.12	$42.74

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 preleasing 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.

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In 2025, the firm reported revenue of $10.3 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com..

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