

# Life Sciences Vacancy Rate Declines for First Time Since 2022

▼ 211.7 MSF

Inventory

▼ 23.0%

Vacancy Rate

▼ \$69.80

Avg. Asking Rent NNN

▼ 4.5 MSF

Under Construction

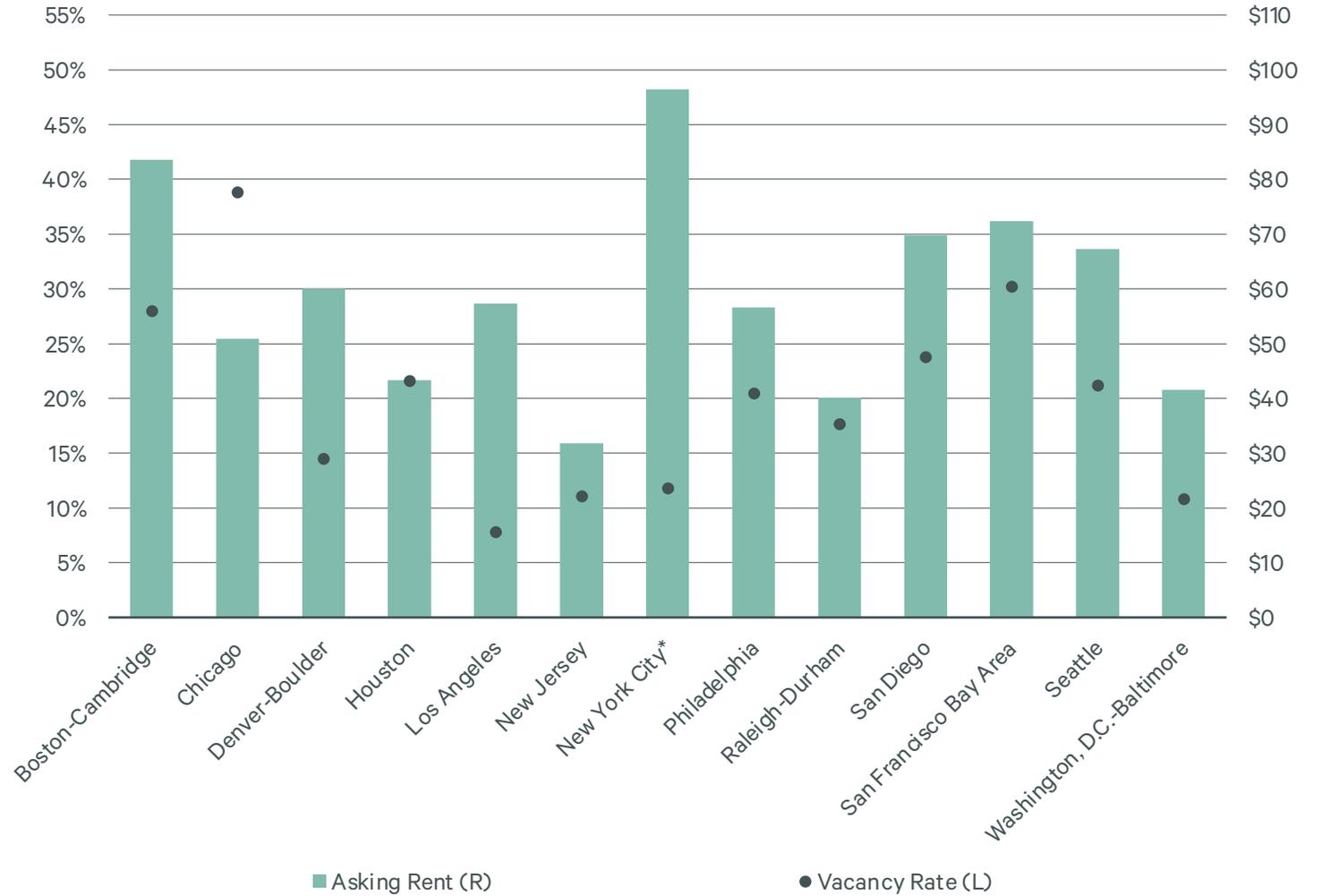
Note: Arrows indicate change from previous quarter.

## Executive Summary

- The lab/R&D vacancy rate for the top 13 markets tracked by CBRE declined slightly to 23.0% in Q4, the first drop in vacant space since Q2 2022.
- A second consecutive quarter of positive net absorption was recorded in Q4 (156,233 sq. ft.), the first time since 2022 that net absorption was positive for two straight quarters.
- Venture capital funding for life sciences companies fell slightly quarter-over-quarter to \$8.4 billion, but H2 2025 funding was the strongest half year of investment since 2022.
- Space under construction decreased to 4.5 million sq. ft., the lowest level since mid-2017, while construction completions fell drastically to 280,822 sq. ft. from 2.4 million in Q3.
- Average asking rent for lab/R&D space declined to \$69.80 NNN per sq. ft., the fourth consecutive quarterly drop.
- Total life sciences employment growth remained sluggish, but that of Biotech R&D accelerated for a second consecutive month in November 2025.

**Figure 1**  
**Lab/R&D vacancy rates & asking rents, top 13 markets**

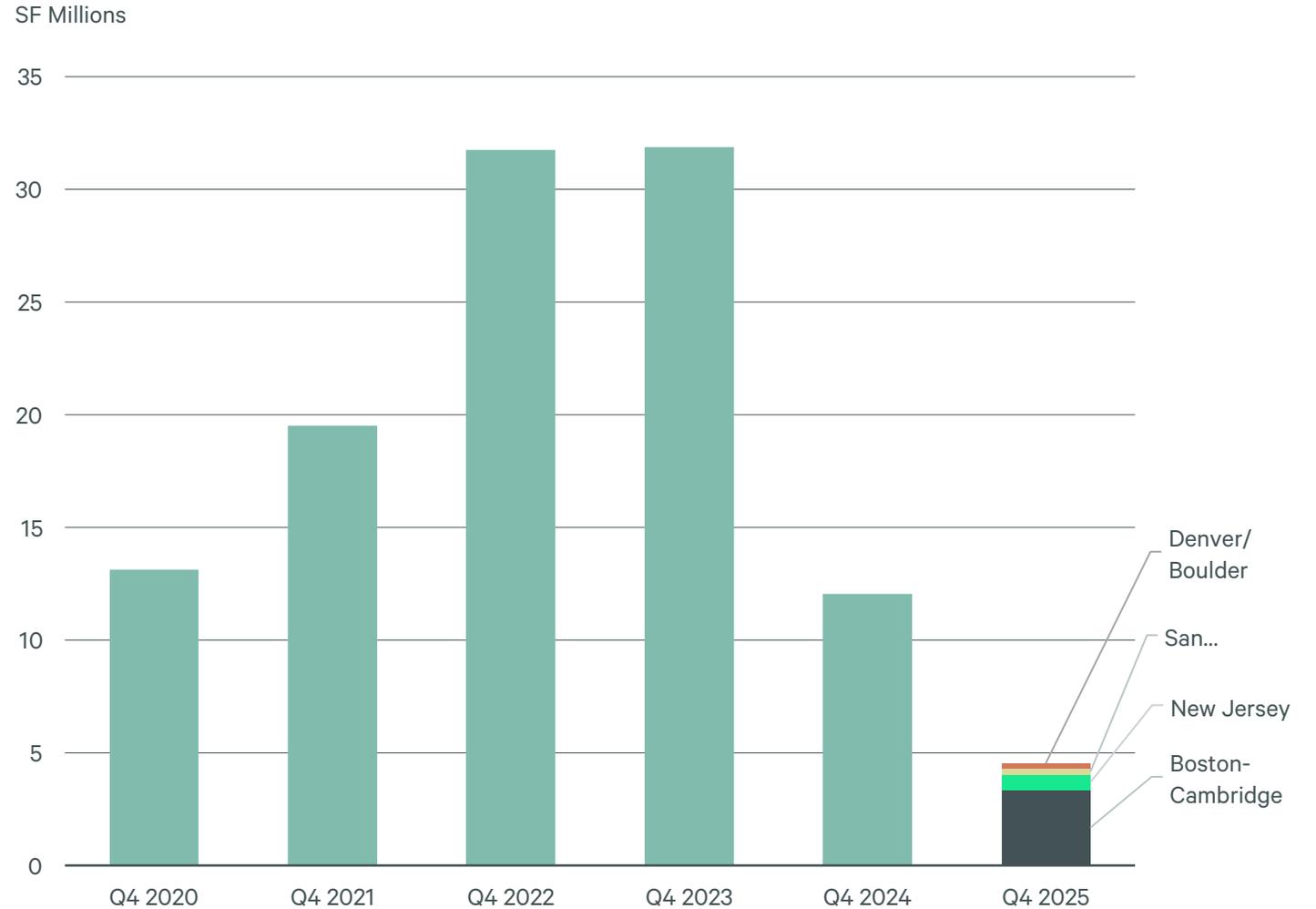
- The average lab/R&D vacancy rate for the top 13 markets tracked by CBRE fell by 0.3 percentage points quarter-over-quarter to 23.0%. The decline was driven by a combination of two consecutive quarters of positive net absorption and the fewest quarterly construction completions since 2018.
- Average triple-net asking rent declined for the fourth consecutive quarter to \$69.80 per sq. ft. However, greater concessions from building owners and creative deal structures continued to lower costs for tenants.
- Positive net absorption of 156,233 sq. ft. in Q4 was much lower than 938,000 sq. ft. in Q3.
- Leasing activity increased to 2.5 million sq. ft. in Q4, with the largest quarterly share of expansions in 2025.



\*Vacancy rate for New York City is an "Occupancy-Ready, Built Availability Rate" (lab exclusive space that is currently within 12 months of tenant fit out only). Lab exclusive availability rate for New York City is 27.4%.  
 Source: CBRE Research, Q4 2025

## Figure 2 Lab space under construction

- The 4.5 million sq. ft. of lab/R&D space under construction in Q4, the lowest level since Q2 2017, was more than 56% preleased.
- The amount of lab/R&D space under construction fell by 23% quarter-over-quarter and was 87% lower than the 37.7 million sq. ft. peak in Q2 2023.
- Over 280,000 sq. ft. of new lab/R&D space was completed in Q4, the smallest quarterly amount since 2018.



Note: includes new development, conversions, speculative and build-to-suit projects.  
Source: CBRE Research, Q4 2025

### Figure 3 Life sciences venture capital funding

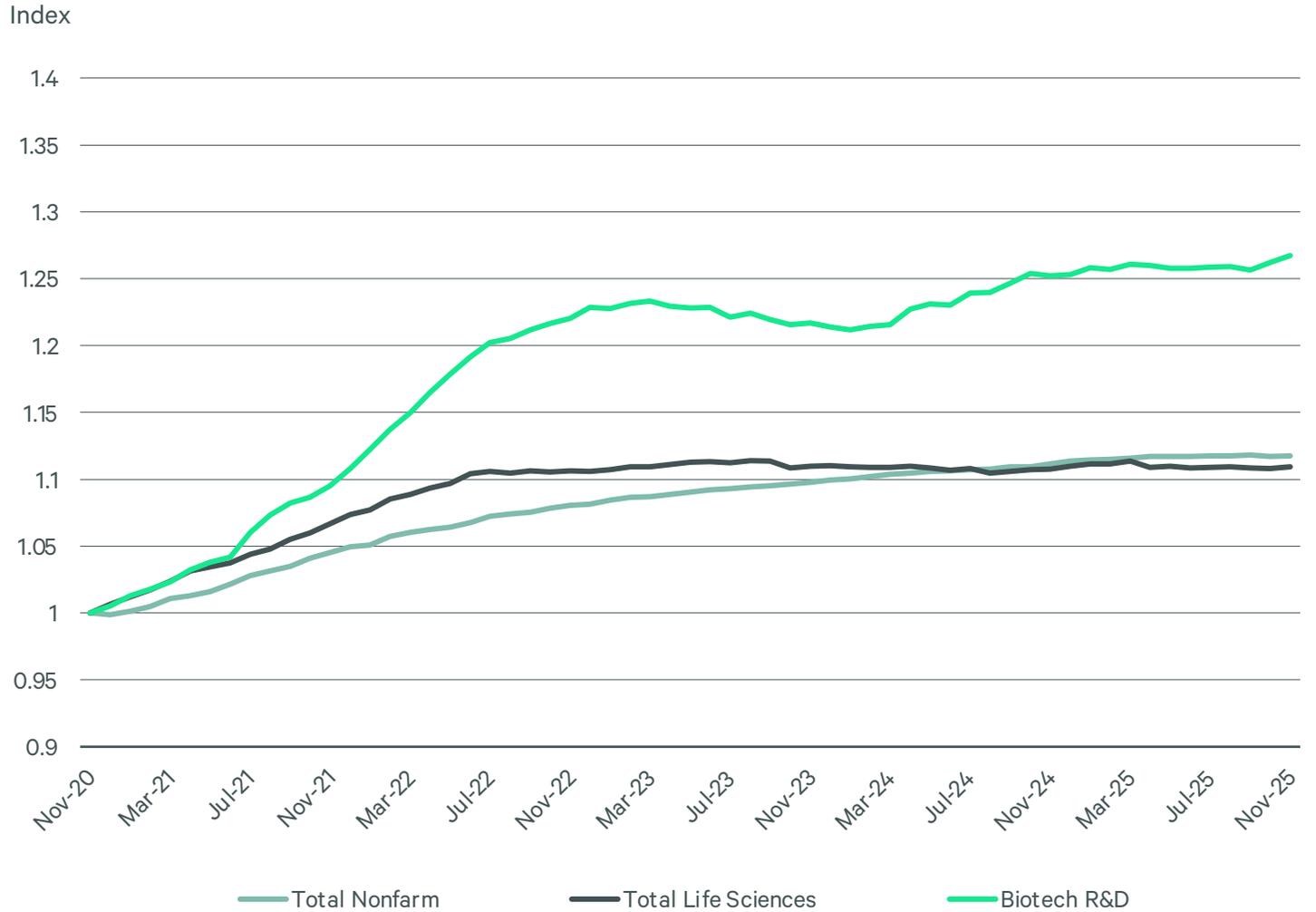
- Life sciences venture capital funding totaling \$8.4 billion in Q4 was slightly lower than the \$8.9 billion in Q3 but was 32% more than in Q4 2024.
- H2 2025 was the strongest half year of venture capital funding since 2022 and helped boost 2025 annual funding to the most since 2022.



Source: PitchBook, CBRE Research, Q4 2025

### Figure 4 Total U.S. & life sciences employment growth

- Amid a slowing pace of total U.S. employment growth, the life sciences sector posted job growth of just 0.2% year-over-year in November 2025.
- Biotech R&D employment accelerated for two consecutive months as of November, growing by 1.2% year-over-year.



Note: Indexed to 1.0 in November 2020.  
Source: CBRE Research, U.S. Bureau of Labor Statistics, Q4 2025

Figure 5  
Q4 2025 market indicators

Market	Inventory (SF)	Vacancy	Avg. Asking Rent (NNN)	Q4 2025 Absorption	2025 Total Absorption	Q4 2025 Leasing Activity	2025 Total Leasing Activity	Tenants Seeking Space	Total Demand (SF)	Under Construction (SF of Lab/R&D)	Preleased (% of Under Construction)	Q4 Deliveries (SF of Lab/R&D)
Boston-Cambridge	56,332,854	28.0%	\$83.56	(406,968)	(927,695)	306,117	2,485,855	71	2,440,500	3,359,588	71.6%	
Chicago	2,166,134	38.8%	\$50.89	-	142,000	-	187,027	55	950,000	-	N/A	-
Denver-Boulder	3,301,073	14.5%	\$60.00	-	63,563	146,636	179,853	8	105,000	241,382	17.0%	53,822
Houston	3,499,724	21.6%	\$43.29	(16,275)	150,650	37,762	47,762	-	-	-	N/A	-
Los Angeles	5,789,884	7.8%	\$57.34	68,880	61,550	123,078	380,653	16	441,000	-	N/A	-
New Jersey	19,267,151	11.1%	\$31.78	79,751	(1,316)	78,391	160,977	11	1,120,000	669,321	14.9%	-
New York City	2,932,044	11.8%*	\$96.45	(7,643)	(44,952)	162,867	377,471	21	330,000	-	N/A	-
Philadelphia	12,425,480	20.5%	\$56.58	(232,782)	(29,862)	96,500	602,723	22	1,319,500	-	N/A	-
Raleigh-Durham	9,316,972	17.6%	\$40.13	4,645	(244,330)	146,200	346,968	10	892,000	-	N/A	-
San Diego	28,947,368	23.8%	\$69.72	9,407	(33,629)	173,666	1,186,640	26	925,500	-	N/A	-
San Francisco Bay Area	43,318,793	30.2%	\$72.36	599,866	226,206	1,180,305	3,833,941	36	2,598,000	269,500	2.8%	-
Seattle	10,059,796	21.2%	\$67.30	14,312	2,432	67,241	456,858	7	184,200	-	N/A	227,000
Washington, D.C.-Baltimore	14,331,487	10.8%	\$41.50	43,040	58,566	94,040	198,716	10	213,500	-	N/A	-
<b>TOTAL</b>	<b>211,688,760</b>	<b>23.0%</b>	<b>\$69.80</b>	<b>156,233</b>	<b>(576,817)</b>	<b>2,612,803</b>	<b>10,445,444</b>	<b>293</b>	<b>11,519,200</b>	<b>4,539,791</b>	<b>56.3%</b>	<b>280,822</b>

Note: Vacancy rate for New York City is an "Occupancy-Ready, Built Availability Rate" (lab exclusive space that is currently within 12 months of tenant fit out only). Lab exclusive Availability Rate for New York City is 27.4%.

Source: CBRE Research, Q4 2025.

## Contacts

### Ian Anderson

Senior Director of Research

[ian.anderson2@cbre.com](mailto:ian.anderson2@cbre.com)

### Matt Gardner

Head of Life Sciences, Americas

[matt.gardner@cbre.com](mailto:matt.gardner@cbre.com)

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