CBRE

# Life Sciences Vacancy Rate Declines for First Time Since 2022

| ▼ 211.7 MSF | ▼ 23.0% | ▼ $69.80 | ▼ 4.5 MSF |
|---|---|---|---|
| Inventory | Vacancy Rate | Avg. Asking Rent NNN | Under Construction |

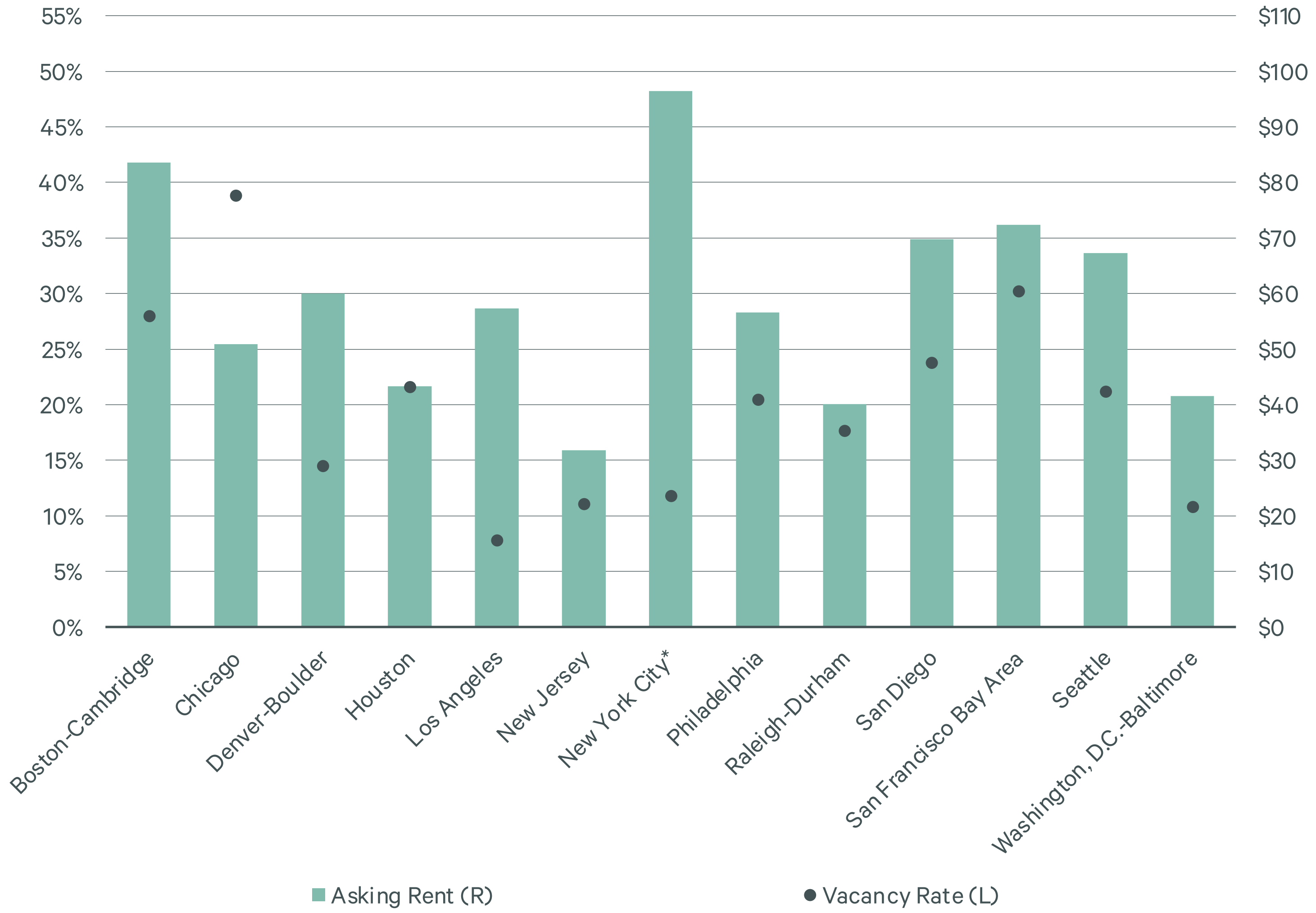
Note: Arrows indicate change from previous quarter.

## 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

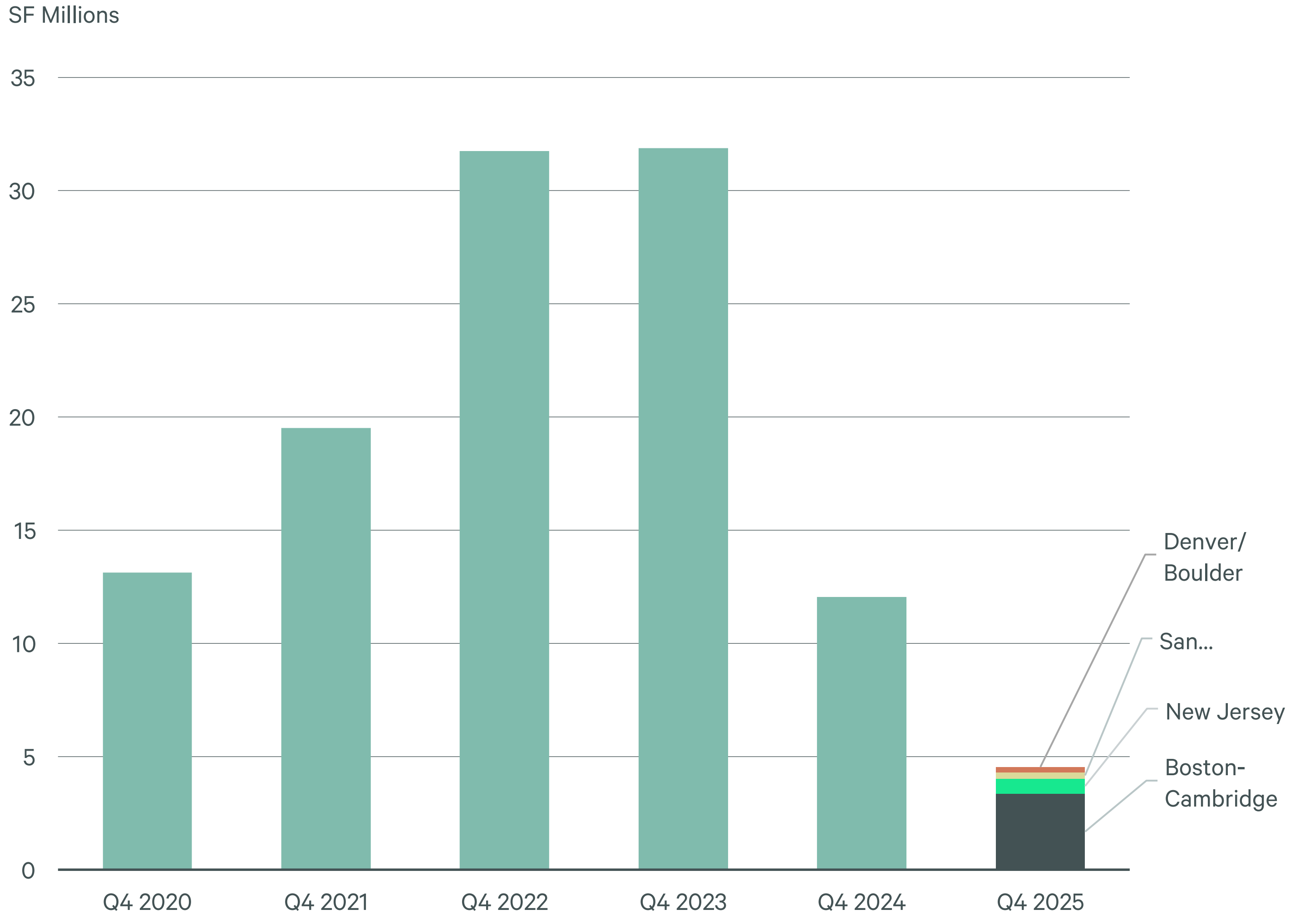
- The average lab/R&D vacancy rate for the top 13 markets tracked by CBRE fell by 0.3 percentage points quarter-over-quarter to 23.0%. The decline was driven by a combination of two consecutive quarters of positive net absorption and the fewest quarterly construction completions since 2018.
- Average 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

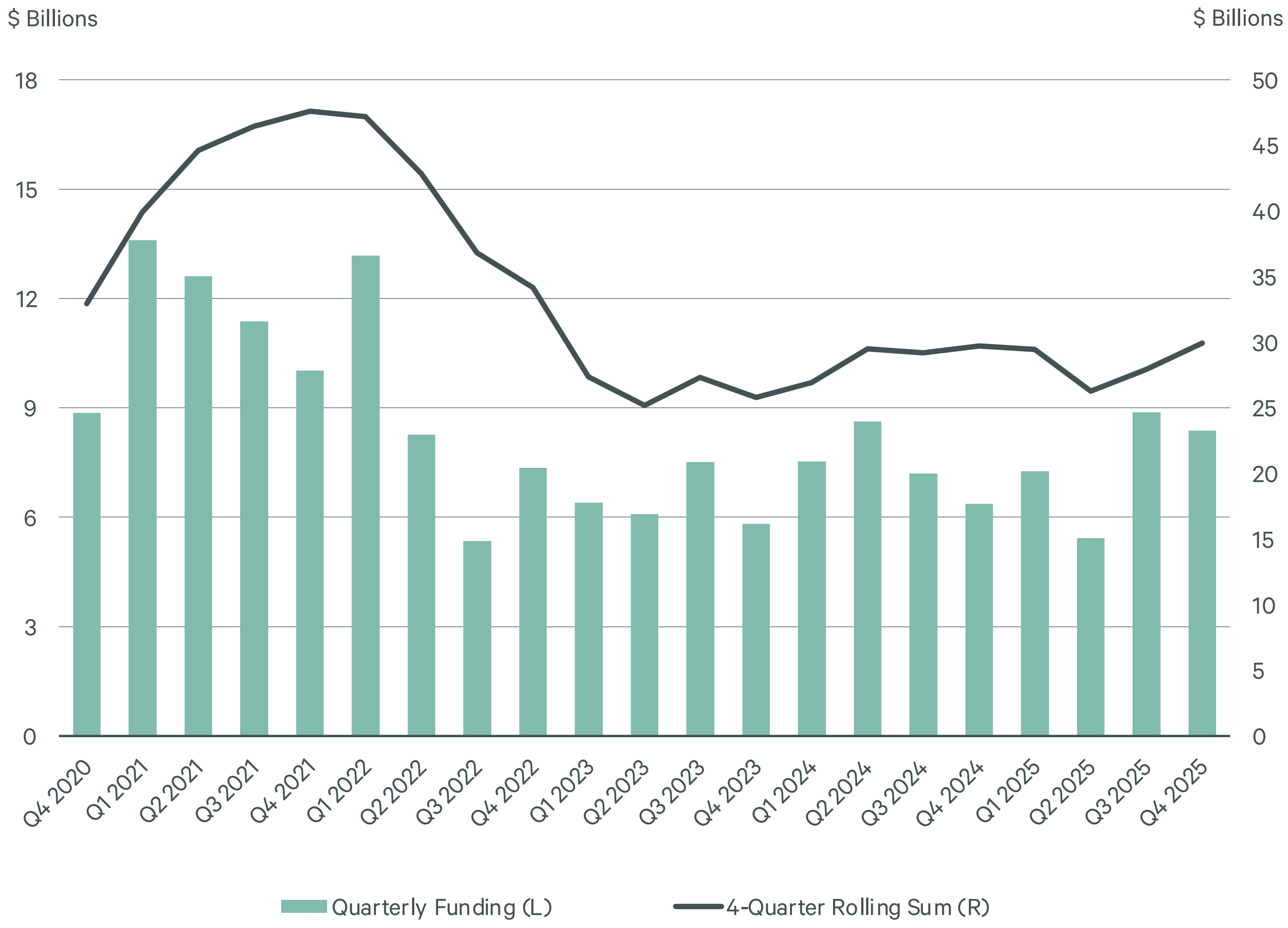
- The 4.5 million sq. ft. of lab/R&D space under construction in Q4, the lowest level since Q2 2017, was more than 56% preleased.
- The amount of lab/R&D space under construction fell by 23% quarter-over-quarter and was 87% lower than the 37.7 million sq. ft. peak in Q2 2023.
- Over 280,000 sq. ft. of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

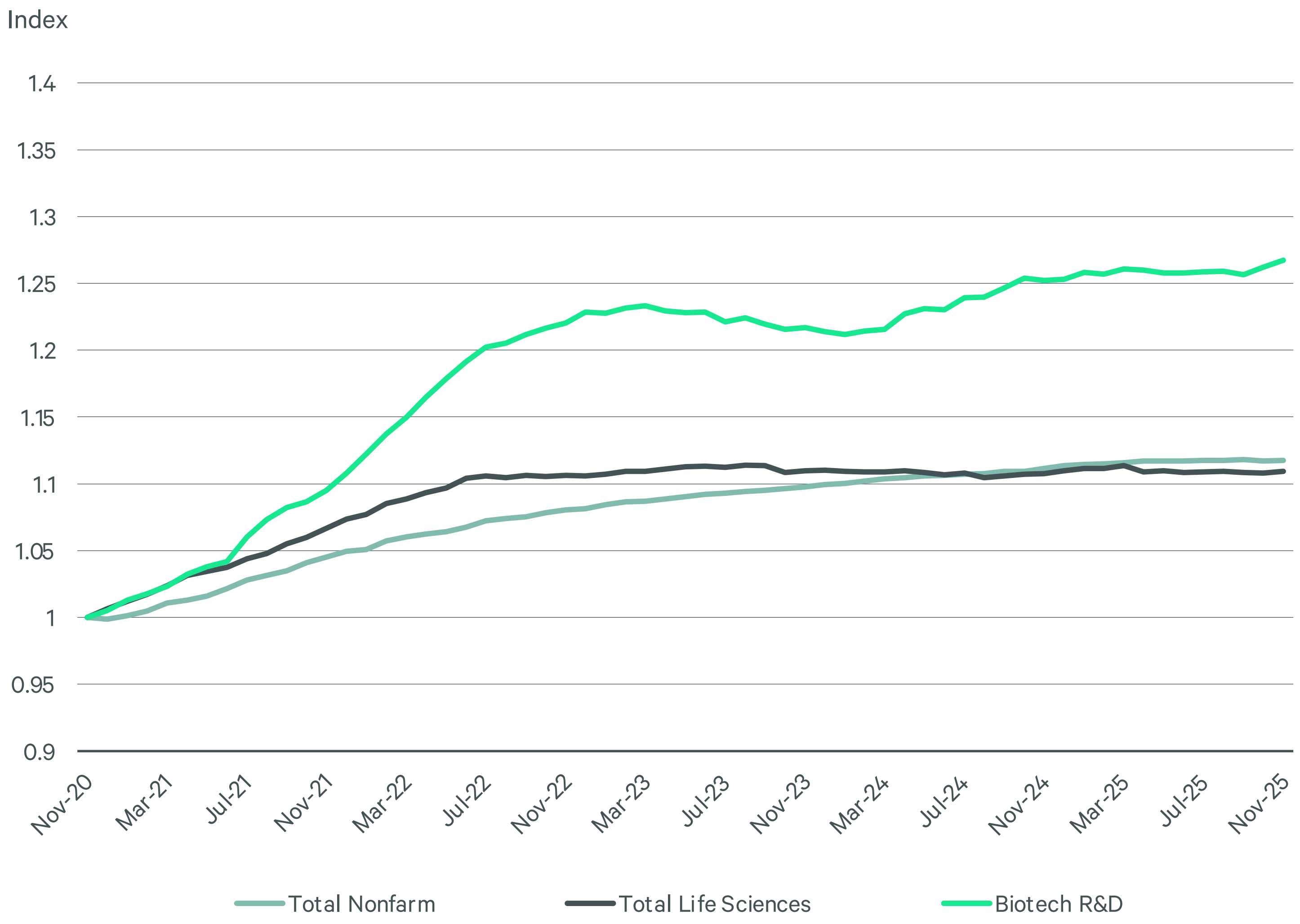
- Life sciences venture capital funding totaling $8.4 billion in Q4 was slightly lower than the $8.9 billion in Q3 but was 32% more than in Q4 2024.
- H2 2025 was the strongest half year of venture capital funding since 2022 and helped boost 2025 annual funding to the most since 2022.




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 | - |
| **TOTAL** | **211,688,760** | **23.0%** | **$69.80** | **156,233** | **(576,817)** | **2,612,803** | **10,445,444** | **293** | **11,519,200** | **4,539,791** | **56.3%** | **280,822** |

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

**Matt Gardner**
Head of Life Sciences, Americas
matt.gardner@cbre.com