Life sciences market absorbs headwinds as funding rebounds

▲22.8%
Total Vacancy Rate

▼(110K)
SF Net Absorption

▶0K
SF Under Construction

▼$66.52
Class A Direct Asking Lease Rate
SF/Year, NNN,
Seattle Close-In

▶$42.00
Direct Asking Lease Rate
SF/Year, NNN,
Bothell

▶31,365
Life Science Employment
Seattle Metro Area
(BLS data, last updated Q4 2025)

Note: Arrows indicate change from previous half year.

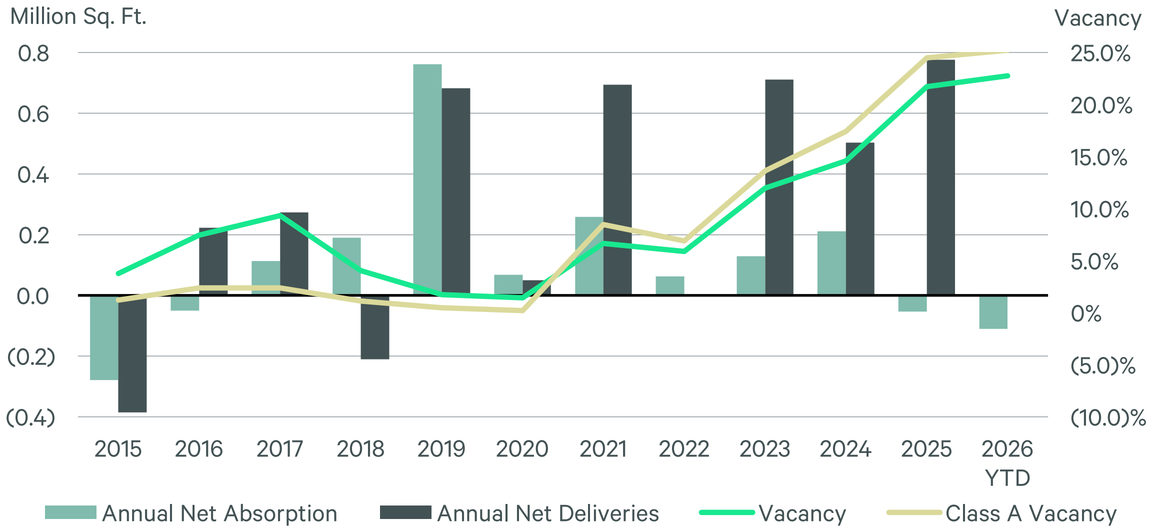
Market Overview

Absorption extended its downward trend in the first half of the year (H1 2026), with 110,500 sq. ft. of negative net absorption pushing total vacancy to 22.8%. Seattle Close-In Class A direct asking rates fell to $66.52 per sq. ft. NNN by Q2, while Bothell rents held steady at $42.00 per sq. ft. NNN.

Gilead Sciences drove the negative absorption, completing a 114,500 sq. ft. move-out at 199 E Blaine, while Sana Biotechnology vacated 78,000 sq. ft. at Alexandria Center Monte Villa. Offsetting moves included UW Institute for Protein Design taking 28,000 sq. ft. at 330 Yale, Amazon occupying 20,000 sq. ft. at Vue Research Center (500 Fairview), and Immunome expanding by 23,500 sq. ft. at Alloy Innovation Center North Creek in Bothell.

Leasing volume totaled 167,000 sq. ft. in H1 2026, down 31% from H2 2025 and 22.5% below H1 2025 levels.. The Seattle Close-In submarket captured every major transaction in H1 2026, led by Lumen Biosciences renewing 39,000 sq. ft. at 1441 Lake Union Center and BrainChild Bio signing a new 31,000-sq.-ft. lease at Eleven50 Eastlake.

FIGURE 1: Vacancy vs Absorption and Deliveries

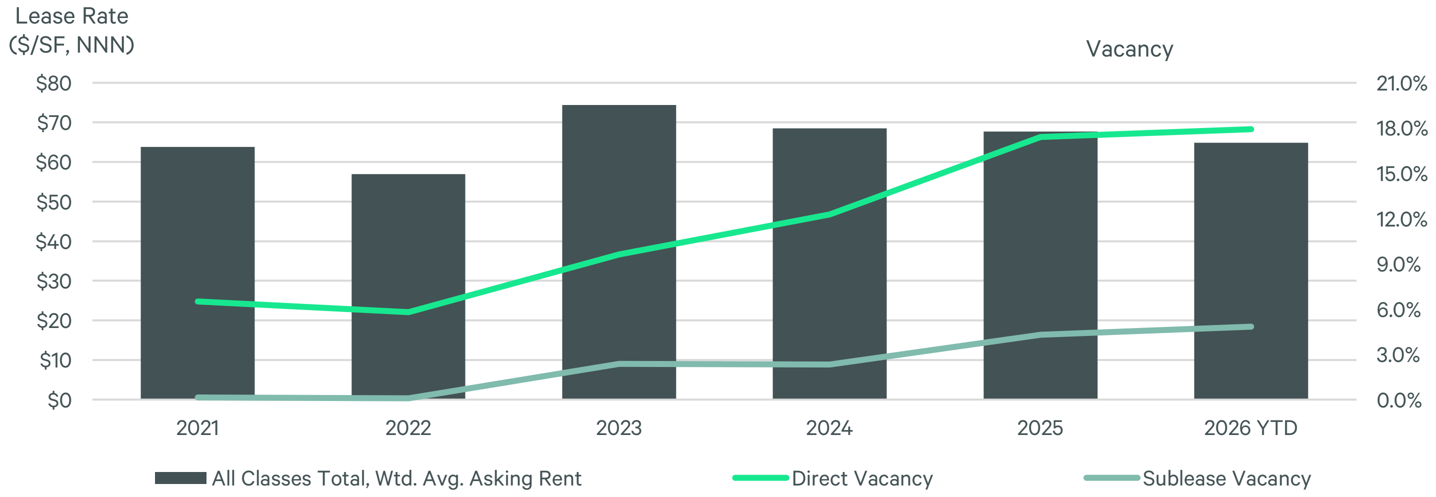


Source: CBRE Research, H1 2026.

Mergers, Acquisitions and Funding Rounds

- Venture capital funding totaled $125M in H1 2026, down 8% from H2 2025, though two major deals in Q2 signaled continued investor confidence in local companies.
- Woodinville-based Vedana Therapeutics raised $46M in a Series A round led by Alexandria Venture Investments and other national life science VC firms. The company develops antibody therapies targeting migraines.
- Bonum Therapeutics raised $27M in a later-stage round. The company develops precision therapeutics designed to reduce side effects in cancer treatment and other conditions.
- NIH funding for the Seattle area reached $715M fiscal-year-to-date, a sharp increase driven by the lifting of a federal spending hold in March. The resumption of National Institutes of Health (NIH) disbursements materially improved the funding outlook for local research institutions.

FIGURE 2: Asking Lease Rate and Vacancy



Source: CBRE Research, H1 2026.

FIGURE 3: Puget Sound Submarket Statistics

Submarkets	Net Rentable Area (SF)	Direct Vacancy (%)	Total Vacancy (%)	Total Availability (%)	H1 2026 Net Absorption (SF)	Last Four Quarters Net Absorption (SF)	Under Construction or Renovation (SF)	Average Asking Rent, NNN ($/SF/Yr)	Class A Average Asking Rent, NNN ($/SF/Yr)
Seattle Close-In	7,205,532	24.4%	26.1%	26.0%	(56,547)	(211,340)	0	$65.40	$66.52
Investor Owned	4,093,336	42.9%	46.0%	45.7%	(56,547)	(211,340)	0		$66.52
User Owned	3,112,196	0.0%	0.0%	0.0%			0		
Bothell	2,233,378	2.3%	6.5%	7.7%	(53,952)	(48,408)	0	$42.00	
Investor Owned	1,218,674	4.3%	11.9%	14.1%	(53,952)	(48,408)	0		
User Owned	1,014,704	0.0%	0.0%	0.0%			0		
Other Eastside	236,256	0.0%	0.0%	2.3%	0	0	0	-	-
Northend	354,089	0.0%	75.3%	75.3%	0	0	0	-	-
Southend	30,000	0.0%	0.0%	0.0%	0	0	0	-	-
Tacoma	20,008	0.0%	0.0%	0.0%	0	0	0	-	-
Puget Sound	**10,079,263**	**17.9%**	**22.8%**	**23.0%**	**(110,499)**	**(259,748)**	**0**	**$64.85**	**$66.52**

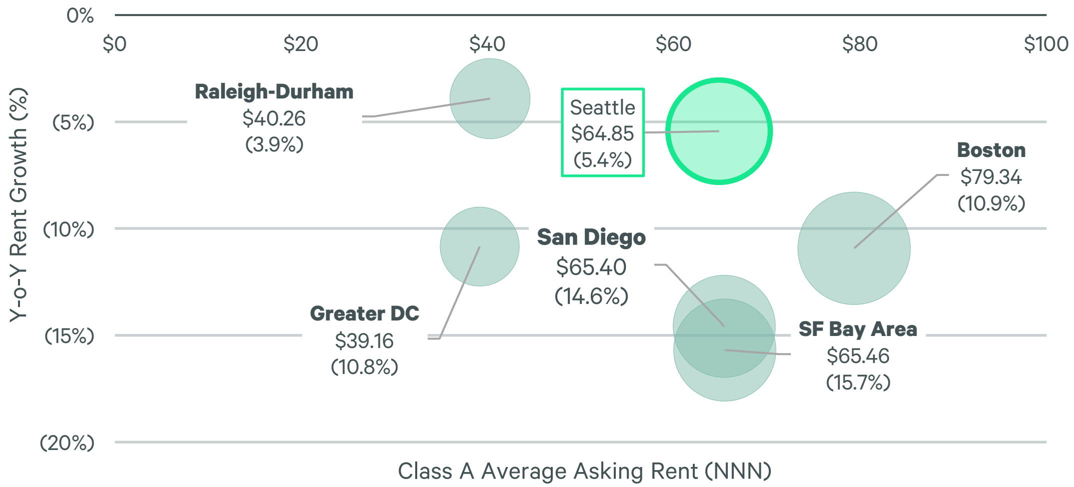
Source: CBRE Research, H1 2026.

FIGURE 4: Key Lease Transactions in H1 2026

Tenant	Transaction Type	Sq. Ft.	Building	Property Type	Submarket
Lumen Biosciences	Renewal	39,000	1441 Lake Union Center	General Office	Seattle Close-In
BrainChild Bio	New Lease	31,000	Eleven50 Eastlake	Life Science Lab	Seattle Close-In
RareCyte	Renewal	26,000	Fourth & Vine	General Office	Seattle Close-In
Cajal Therapeutics	New Lease	20,000	1616 Eastlake	Life Science Lab	Seattle Close-In

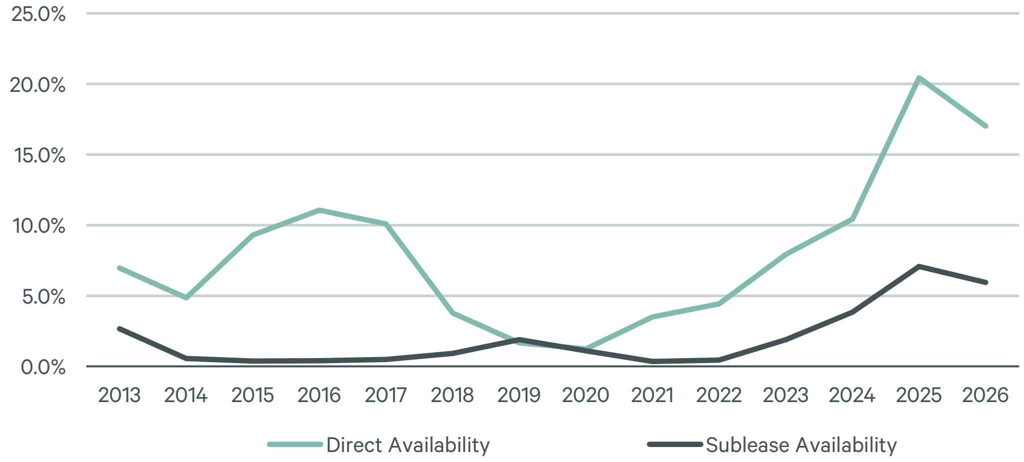
Source: CBRE Research, H1 2026.

FIGURE 6: Market Comparison of Asking Rent and Year-over-Year Rent Growth



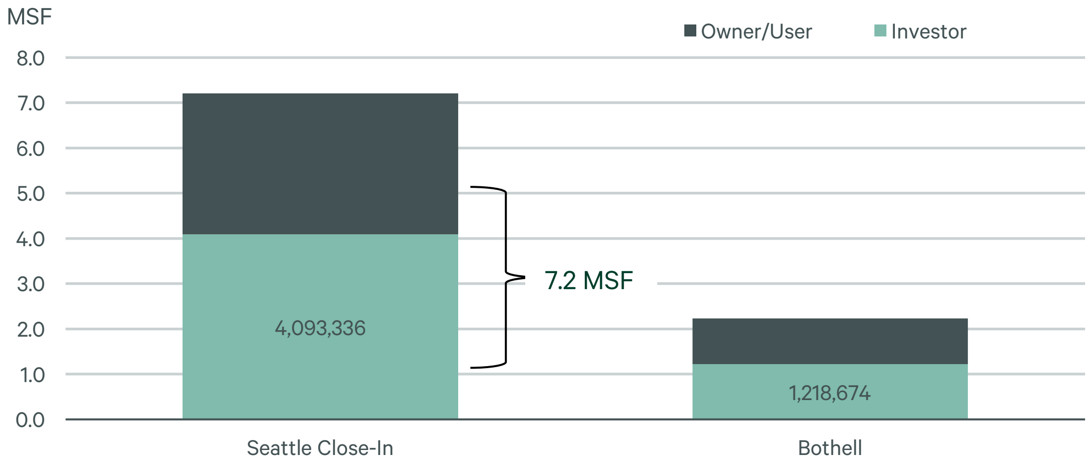
Source: *U.S. Life Sciences Figures*, CBRE Research, Q2 2025 vs Q2 2026.

FIGURE 5: Puget Sound Availability



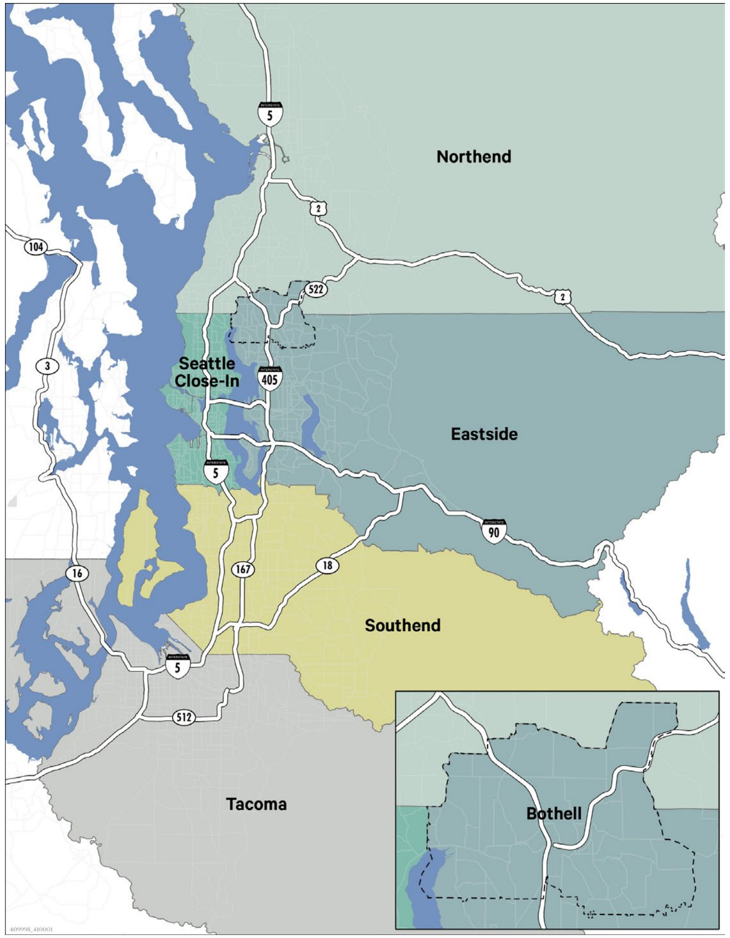
Source: CBRE Research, H1 2026.

FIGURE 7: Inventory by Ownership Type



Source: CBRE Research, H1 2026.

Market Area Overview



Definitions

Net Absorption: The change in occupied square feet from one period to the next with occupancy recognized at the move-in date or delivery of new construction, not lease signing date.

Vacancy: Space that is physically vacant where a move-out has occurred or first-generation space in an existing building.

Available: Space that is marketed that may or may not be vacant, in an existing building.

Triple Net Rent: Tenant pays real estate taxes, insurance, and maintenance expenses (operating expenses) separately from the base rent.

Average Asking Rent Rate: A calculated average of the asking rent, adjusting full service or triple net rents by the operating expenses in order to be equivalent, weighted by the available square footage.

Survey Criteria

Survey includes competitive life science buildings over 10,000 sq. ft. utilized for research of life sciences or lab manufacturing.

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