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Q4 2024

Life Science Market Report



SUMMARY

The final quarter of 2024 appeared to convey a “reset,” as local venture activity and facility commitments slowed to what many predict is this cycle’s trough. Nonetheless, the quarter was far from quiet and several themes emerged: an increased optimism for in the sector as a whole, a significant uptick in pending lease commitments, a cohort of companies receiving (and gaining verbal commitments for) critical venture funding, and more. These themes set the tone for what we believe is ahead for our local ecosystem. Several developments pressed toward delivery, large block tenant activity picked up again, and market conditions continued to improve for tenants approaching transactions.

In venture, total funding in the sector (excluding M&A deals) decreased by approximately 85.9 percent quarter over quarter. Investor optimism seemed to persist despite the lack of data to prove, many with a keen focus on JPM, Q1-2 data from newco’s, etc. Archon Biosciences bagged \$20 M in a Series A – publicly unveiling its Antibody Cage platform designed straight from the labs of UW Nobel Prize winner, David Baker. LumiThera closed \$8 M in later stage funding and Orange Biomed closed over \$2 M in seed capital. Venture firms Dimension, Venrock, Mubadala, KdT, and more closed major new funds this quarter. Public sector funding nearly mirrored that of last year’s Q4 quarter, but decreased 60% from Q3 ‘24, with \$124 M in awards allocated to Washington State recipients. In commercialization, licensing and IP deals forming new companies finally converted to real activity at the incubator level, hopefully paving the path for future growth of the ecosystem and space demand.

The region saw a slight downtick in business development deals and M&A’s this quarter. Nevertheless, Curi Bio inked a deal with Boston-based Medera Bio to combine its Pulse™ analytics with the Medera Novoheart platform. Parse announced multiple partnerships as well as a

key milestone – compiling the world’s largest single cell dataset to date (100 M cells!) as a result of a collab with SF-based Vevo Therapeutics. Long time Seattle biotech, Kineta, announced its exit, as TuHURA Biosciences agreed to acquire the (now virtual) local company. South SF-based Lyell Immunopharma (formerly Seattle-based) bolstered its clinical position in CAR-T with the acquisition of ImmPACT Bio based in LA. Visus Therapeutics acquired Tenpoint Therapeutics, taking the latter’s name and combining capabilities to built out a complimentary early pipeline. Additional details on partnerships and BD deals can be found on page 5.

It continued to be a great time to be a tenant approaching a transactional need. Landlords saw very few requirements cross the finish line in Q4, though their perspective appeared to show some additional signs of optimism given the aforementioned pending transactions and anticipated macroeconomic improvement. Second generation space held the spotlight as opportunities for concessions and low capital outlays remained in focus for tenants. Net active demand held in range of prior quarters, sitting near 170,000 sq. ft. in true active requirements, with roughly twice this figure in “slow moving” or “hold” phase and another six figures pending lease signatures. Supply of built out laboratory space available today (or soon to be), crossed 1.6 M sq. ft (exclusive of shell laboratory product), with an average “time on market” of approximately 2.1 years at the time of this publication. This continues to be an unprecedented statistic for our region.

Leasing activity slowed its pace this quarter. Of note, Talus Bio transacted in Sabey’s Swedish Cherry Hill campus. The biotech continues to grow organically and thoughtfully in the medical submarket. Several transactions in Eastlake and SLU loomed with anticipated close dates

of early Q1 ‘25 – to be further reported on in the next edition. In SODO, Fred Hutch leased 13,597 sq. ft. at Avenue55’s Track Six, a mixed-use warehouse / flex development delivered in ‘23. Up in Bothell, Steelwave’s Element Research Center held its leasing momentum, capturing top-tier credit in Pfizer for 17,715 sq. ft. Challenging news (for landlords and ecosystem morale) hit this quarter with several major layoff and wind-down headlines – Gilead publicly announced its anticipated closure of its full-building operation at 199 E Blaine. The company entered Seattle via acquisition of Corus Pharma, and has remained a long-time anchor within Alexandria’s Eastlake Cluster. Sana and Astellas both announced significant regional cuts as well, undoubtedly paving the way for additional future supply.

In development, Alexandria’s 701 Dexter nearly finalized its exterior glazing, showing no signs of slowing down to meet delivery. The 227,504 sq. ft. project remains available, with continued activity, yet no finalized commitments. 1916 Boren nearly finalized construction, with an anticipated final completion in Q1 of ‘25. Now re-branded (Cascadian – delivered ‘23) office to lab conversion, 330 Yale, approved plans to commence construction on several speculative suites / spaces: a new ninth floor conference room & event space, a 9,968 sq. ft. spec lab & office suite claiming a target delivery of Q3 ‘25, a full fifth floor lab & office build – consisting of 10,322 sq. ft. & 16,624 sq. ft. suites, with a targeted Q4 ‘25 delivery date. Next up in the Seattle pipeline will be Wexford’s “Brightwork” with a 345,000 sq. ft. development capacity, roughly one third of which has commitments from the UW.

For additional information on included or other transactions, developments, or perspective, please inquire.

MARKET TRENDS

- **Supply Levels Remain High** – Unique & Valuable Infrastructure (cGMP’s / MFG, Chem Suites, and Specialty Improvements) Bring Depth and Variety to Market
- **Sizeable Pending Transactions in Seattle & Bothell** Signal Optimism For ‘25 and Beyond
- **Active Construction Pipeline Tapers** to Few Remaining Projects
- **Large Block Tenants Announce Layoffs & Site Closures**, Bringing Additional Supply to Market

RECENT ACTIVITY

- **Pfizer Inks Lease** with Steelwave in Bothell
- **Gilead Announces Closure** of its Seattle operation at 199 E Blaine
- **Fred Hutch Takes Down Flex Space** in Seattle’s SODO Submarket
- **Archon Bio Debuts** From Stealth with Madrona-led Series A
- **Sana & Astellas Announce Major Cuts** to respective Seattle headcounts
- **Incubators Recharge** with Demand From Newcos.

Q4 2024 SUMMARY

Q2 Total Investment*
\$35.96 M

*EXCLUDES M&A DEALS

Deal Count
11

Quarterly Change
↓84.19%

Annual Change
↑28.67%

Q4 '23 \$50.41 M RELATIVE TO Q4 '24
SOURCE: PITCHBOOK

TOP DEALS

| | AMOUNT | TYPE | DATE |
|---|-------------|-----------|---------|
|  ArchonBio | \$20 M | SERIES A | OCT '24 |
|  Numa | UNDISCLOSED | M&A | OCT '24 |
|  LumiThera | \$8.07 M | SERIES C+ | NOV '24 |
|  ORANGE BIOMED | \$2.13 M | SEED | DEC '24 |
|  VISUS THERAPEUTICS | UNDISCLOSED | M&A | DEC '24 |
|  KINETA | TBD | M&A | DEC '24 |
|  CYRUS BIOTECHNOLOGY | \$3.18 M | SERIES C+ | DEC '24 |

SOURCE: PITCHBOOK

2H VENTURE COMPARATIVE

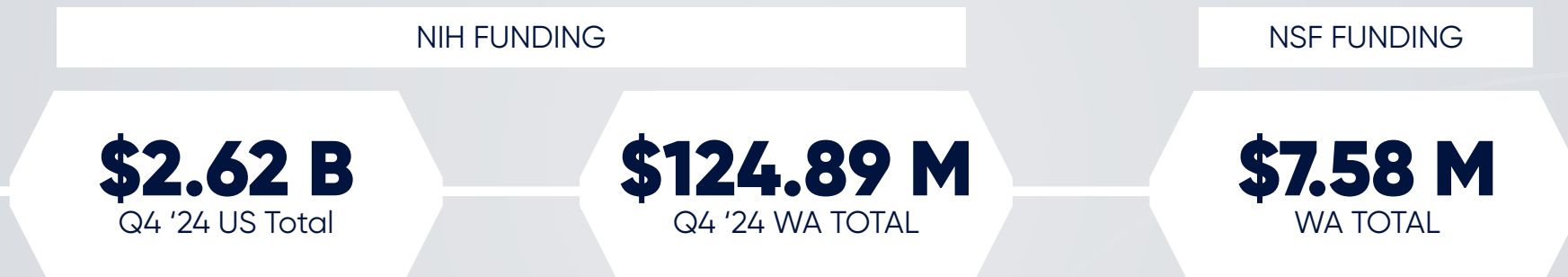


SOURCE: PITCHBOOK

COMPANIES TO WATCH



Q4 SUMMARY



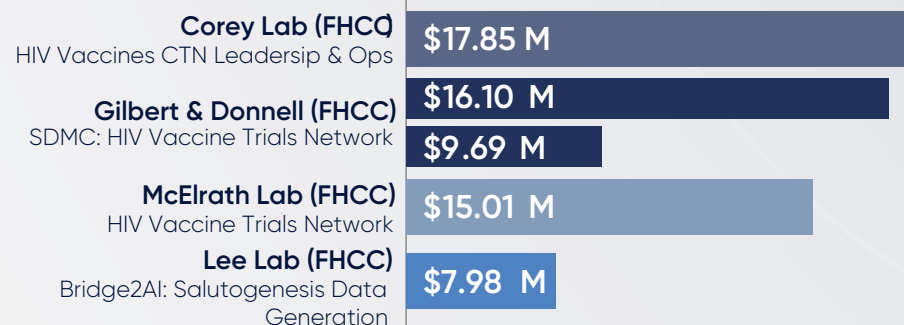
| RANK | STATE | PROJECTS | FUNDING |
|----------|-----------|------------|----------------------|
| 1 | CA | 893 | \$394,353,746 |
| 2 | NY | 603 | \$261,150,294 |
| 3 | MA | 556 | \$242,835,124 |
| 4 | PA | 374 | \$147,222,210 |
| 5 | NC | 234 | \$143,397,528 |
| 6 | TX | 368 | \$129,865,897 |
| 7 | WA | 157 | \$124,882,358 |
| 8 | IL | 217 | \$105,319,503 |
| 9 | MD | 208 | \$101,379,214 |
| 10 | FL | 201 | \$84,220,183 |
| 11 | OH | 222 | \$78,446,809 |
| 12 | MI | 210 | \$75,307,870 |
| 13 | GA | 175 | \$69,892,584 |
| 14 | CT | 145 | \$57,009,922 |
| 14 | TN | 146 | \$51,594,607 |

SOURCE: NIH REPORTER

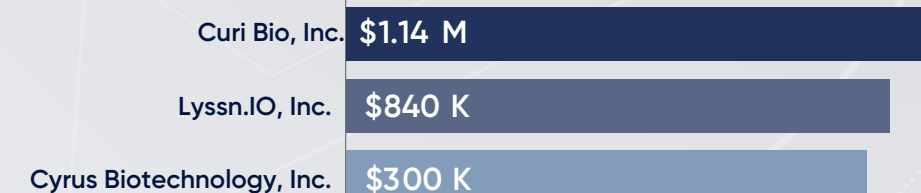
TOP RECIPIENTS



TOP PROJECT AWARDS



NOTABLE AWARDS TO PRIVATE ORGANIZATIONS



SOURCE: NIH REPORTER



MARKET STATS

SEATTLE

BOTHELL

INVENTORY
(ALL)

7.99 M

3.33 M

INVENTORY
(INVESTOR OWNED)

4.05 M

2.18 M

VACANCY*
(DIRECT & SUBLEASE)

47.43%

13.74%

AVAILABILITY*
(DIRECT & SUBLEASE)

43.76%

14.57%

RENT

MID \$50'S TO
MID \$80'S

MID \$20'S TO
HIGH \$30'S

TI'S

\$200 - \$280

\$90 - \$150

*STATISTICS CALCULATED OFF OF INVESTOR-OWNED INVENTORY

AVAILABLE LAB SPACE



SUBLEASE **56.77%**



LPC WEST **10.96%**



ALEXANDRIA **10.54%**



BIOMED **7.14%**



OTHER **6.20%**





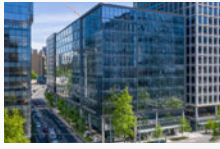





RMR GROUP **3.17%**



OXFORD
PROPERTIES **2.82%**

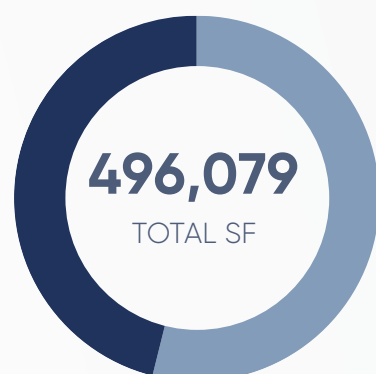
*FIGURE ONLY INCLUDES BUILT OUT LABORATORY SPACE; CURRENTLY AVAILABLE OR SOON TO BE



RECENT NOTABLE LEASE TRANSACTIONS

| | COMPANY | BLDG NAME | OWNER / SUBLANDLORD | SIZE | TYPE | DATE |
|--|---|-------------------------|---------------------|-------------|-------------|--------|
|  |  | ELEMENT RESEARCH CENTER | STEELWAVE | 17,715 SF | NEW | Q4 '24 |
|  |  | HILL7 | HUDSON PACIFIC | 14,943 SF | NEW | Q4 '24 |
|  |  | TRACK SIX | AVENUE55 | 13,597 SF | NEW | Q4 '24 |
|  |  | JAMES TOWER | SABEY | UNDISCLOSED | UNDISCLOSED | Q4 '24 |

UNDER CONSTRUCTION

BY OWNER



| | | |
|---|--------------|---------------|
|  | TRAMMEL CROW | 54.14% |
|  | ALEXANDRIA | 45.96% |

BY PROJECT

| PROJECT | ADDRESS | CITY | SIZE | TIMING | OWNER | % LEASED |
|------------|------------------|---------|------------|--------|-------|----------|
| 1916 BOREN | 1916 BOREN AVE | SEATTLE | 268,575 SF | Q4 '24 | TCC | 43% |
| 701 DEXTER | 701 DEXTER AVE N | SEATTLE | 227,504 SF | Q3 '25 | ARE | 0% |
| TOTAL | | | 496,079 SF | | | |



1916 BOREN AVE

WHAT TO KNOW:
FLOORS 3 - 6 LEASED TO SEATTLE CHILDREN'S (SCRI)

FLOOR 7 INCLUDES SPEC SUITES RANGING FROM 6,572 RSF - 13,528 RSF.



701 DEXTER AVE N

WHAT TO KNOW:
11 - STORYHQ OPPURTUNITY IN THE HEART OF THE SLU - DEXTER CLUSTER.

TWO FLOORS OF SPEC SUITES ANTICIPATED.

GROUND FLOOR RETAIL CONCEPT IN PARTNERSHIP WITH LOCAL HIGH - END OPERATOR.

Our company

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