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Q1 2025

# Life Science Market Report



## SUMMARY

2025 started out with a relative positive, yet complex dynamic, as venture activity increased though uncertainty persisted due to geopolitical and federal funding tensions. Several key themes emerged: institutional sentiment + appetite for more aggressive deal terms began to show, second generation and spec suites remained in focus, pending leasing activity mounted, and several companies pushed clinical assets along with fresh funding.

Northwest venture funding in the life sciences sector rebounded sharply in Q1, with a 273% quarter-over-quarter increase (excluding M&A + IPO). While the broader market still struggles, market forces continued driving promising assets through the pipeline. As predicted, early clinical readouts from various pandemic-era (and prior) biotechs in the region revealed the next cohort of high-promise companies in the market. Several significant capital events drove this resurgence. Tune Therapeutics and Cajal Neuroscience both closed substantial Series B rounds to advance their respective platforms in epigenetic editing and neurodegenerative disease, respectively. The former, a Seattle-Durham, biotech occupies two floors in Oxford's Boren Labs. The latter, based in Eastlake, placed its 52,000 sq. ft. HQ facility, on the market for sublease. Frazier-led Callio Therapeutics, emerged from stealth with a whopping \$187 million Series A, one of the largest debut rounds of the quarter. Up in Bothell, Curevo Vaccine secured \$110 million Series B to advance its shingles vaccine. In the medtech space, Cardiac Dimensions raised \$53 million to fuel commercial growth, and Kestra Medical Technologies filed for an IPO, signaling renewed interest in public market exits in the device vertical. In venture funds, active firms including Sofinnova, 8VC, Madrona, and others closed major new funds—adding dry powder to a sector still hungry for high-quality science and scalable platforms.

In the public sector, non-dilutive/grant funding reached \$152 million for Washington State recipients—roughly 22% beyond Q4 of 2024. Meanwhile, long-anticipated licensing and IP deals have begun translating into real

company formation and incubator activity. As this materializes, we expect to see momentum for the region's innovation ecosystem and a slow, but steady, resurgence of demand for scientific space.

The region saw little M&A activity this quarter, but strategic partnerships and licensing deals continued to make headlines.

Variant Bio announced a multi-year research collaboration with Ozempic-maker, Novo Nordisk, focused on discovering novel therapeutic targets for metabolic disease. Adaptive Biotechnologies teamed up with NeoGenomics to blend technologies for personalized care and disease monitoring. By leveraging Adaptive's clonoSEQ and NeoGenomic' COMPASS + CHART technologies, the duo hopes to offer unique insights to inform treatment plans for patients. Longtime Seattle biotech, MalarVx, licensed HDT Bio's RepRNA/LION platform to advance its malaria vaccine. Tasso Inc., which continues to scale its decentralized blood collection platform, announced two key deals this quarter: a strategic partnership with ARUP Laboratories to offer combined solutions for decentralized clinical trials and biomarker testing, and a joint venture with SNBL to expand its footprint into Japan. Meanwhile, HumaCyte entered a gene-editing collaboration with Pluristyx, applying iPSC technology to support development of a bioengineered pancreas for its Biovascular Pancreas (BVP) program. Additional details can be found on page 5.

It's never been a better time to be a tenant approaching a potential transaction. While optimism increased from prior quarters, few requirements were finalized in Q1 (albeit, a significant improvement!). Transaction windows lengthened, as companies rightfully scrutinize expenditures, analyze opportunities to capitalize on the market, and methodically plan for future needs. Thus, several pending transactions from Q3-4 of 2024 remained in progress through Q1. Second generation and existing, built out space held the spotlight yet again. Net active demand doubled, largely skewed/driven

by Bothell anchor tenant consolidation exercise. Supply of built out laboratory space available today (or soon to be), crossed 1.8 M sq. ft (exclusive of shell laboratory product!), with an average "time on market" of approximately 1.9 years at the time of this publication. This continues to be an unprecedented statistic for our region since inception.

Leasing activity picked up slightly this quarter. Stealth OrbiMed co., Dovetail Therapeutics, took 8,400 sq. ft. in ARE's 1616 Eastlake. The biotech's leadership largely consists of the former Silverback team, which moved its HQ from a space-share in Dexter Yard. UW's Institute for Protein Design, led by Nobel recipient, David Baker, leased 31,869 sq. ft. in KKR (formerly Lincoln's) 330 Yale conversion project. IPD is the first tenant to sign a lease in the nine-story building. In Bothell, several transactions loomed as major shifts and anchor tenants evaluated their footprints. Of note, however, Immunome continued its expansion spree with a 23,346 sq. ft. expansion into Alloy's Building 3. On the heels of a major raise, Curevo Vaccine transacted in Bothell. Several prior announced layoffs and wind-downs made their way through to additional supply releases, to be further addressed in the next edition.

In development, 1916 Boren finalized construction, with three floors leased to SCRI and spec suites of various sizes, elaborated upon in prior editions, delivered. 330 Yale commenced efforts on several speculative suites / spaces with planned delivery of EOY. Alexandria's 701 Dexter remains as the last pandemic-era development in the pipeline, with a target delivery of Q4. 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

- **Uptick in Venture Funding** kickstarts 2025, despite macro concerns and uncertainty
- **Federal Budget Cuts** alarm the scientific community, threaten innovation cycle
- **Pending Transactions in Seattle & Bothell** signal an active '25 ahead
- **Development Pipeline Thins** to final pandemic-era projects
- **Institutional Lease Rates Trend Down** as owners seek to get more aggressive

## RECENT ACTIVITY

- **UW IPD Inks Lease** with KKR in Seattle
- **Dovetail Therapeutics** takes down space in Eastlake
- **Built Out (or soon to be) Lab Space Hits Record** of 1.84 M Sq. Ft. across Greater Seattle Region
- **1916 Boren Delivers** offering spec suites and several floors of shell, lab-ready space
- **Sublease Space Nears 700,000 Sq. Ft.** in close-in Seattle
- **Bothell R&D Project** changes hands with Q1 acquisition

Q1 2025 SUMMARY

Q1 Total Investment\*  
**\$646.17 M**

\*EXCLUDES M&A DEALS

Deal Count  
**14**

Quarterly Change  
**↑ 273.4%**

Q1 '25 \$646 M, Q4 '24 \$173 M

Annual Change  
**↑ 18.32%**

Q1 '25 \$646 M, Q1 '24 \$546 M  
SOURCE: PITCHBOOK

TOP DEALS

	AMOUNT	TYPE	DATE
 PRONIRAS	\$6.93 M	SERIES B	JAN '25
 TUNE THERAPEUTICS	\$182.41 M	SERIES B	JAN '25
 Cajal Neuroscience	\$40 M	SERIES B	FEB '25
 LumiThera	\$10 M	SERIES C+	FEB '25
 CurvaFix	\$15	SERIES C	FEB '25
 callio THERAPEUTICS	187M	SERIES A	MAR '25
 VerAvanti	28.3 M	SERIES A	MAR '25
 curevo VACCINE	\$110 M	SERIES B	MAR '25

SOURCE: PITCHBOOK

Q1 VENTURE COMPARATIVE\*



\*EXCLUDES M&A DEALS  
SOURCE: PITCHBOOK

COMPANIES TO WATCH



Q1 SUMMARY



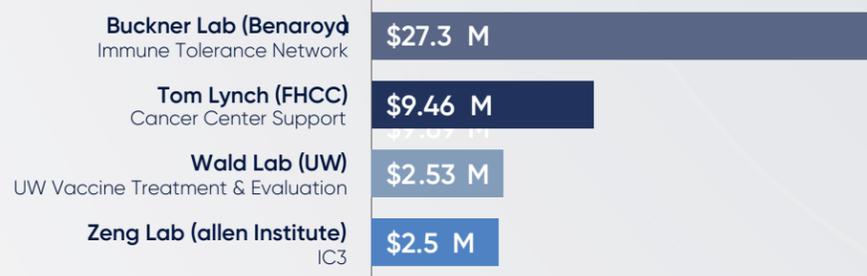
RANK	STATE	PROJECTS	FUNDING
1	CA	1,260	\$595,754,347
2	NY	903	\$443,474,103
3	MA	877	\$430,273,076
4	PA	579	\$293,534,284
5	TX	559	\$241,855,141
6	NC	371	\$182,187,672
7	MD	342	\$173,936,231
8	MI	290	\$156,477,418
9	IL	337	\$155,211,403
<b>10</b>	<b>WA</b>	<b>225</b>	<b>\$152,370,907</b>
11	OH	311	\$148,056,304
12	FL	208	\$138,788,143
13	TN	198	\$118,937,210
14	MO	269	\$114,222,606
15	GA	222	\$93,946,675

SOURCE: NIH REPORTER

TOP RECIPIENTS



TOP PROJECT AWARDS



NOTABLE A WARDS TO PRIVATE ORGANIZATIONS



SOURCE: NIH REPORTER



**MARKET STATS**

SEATTLE

BOTHELL

**INVENTORY**  
(ALL)

8.16 M

3.33 M

**INVENTORY**  
(INVESTOR OWNED)

4.12 M

2.18 M

**VACANCY**  
(DIRECT & SUBLEASE)

TOTAL

27.82%

9.82%

INVESTOR OWNED

53.16%

14.97%

**AVAILABILITY**  
(DIRECT & SUBLEASE)

TOTAL

27.21%

9.35%

INVESTOR OWNED

51.94%

13.48%

**RENT**

HIGH \$40'S TO  
LOW \$80'S

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

**TI'S\***

\$220 - \$320

\$90 - \$150

\*FOR SHELL, CLASS A DEALS, INQUIRE FOR OTHER

**AVAILABLE LAB SPACE**

SUBLEASE **56.47%**

ALEXANDRIA **12.25%**

OTHER **11.54%**

LPC WEST **8.01%**

BIOMED **6.39%**



RMR GROUP **2.83%**

OXFORD PROPERTIES **2.51%**

\*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
 INSTITUTE FOR Protein Design UNIVERSITY of WASHINGTON	330 YALE	KOHLBERG KRAVIS ROBERTS & CO. L.P.	31,869 SF	NEW	Q1 '25
 DOVETAIL THERAPEUTICS	1616 EASTLAKE	ALEXANDRIA REAL ESTATE EQUITIES, INC.	8,400 SF	NEW	Q1 '25
 immunome®	ALLOY INNOVATION CENTER BUILDING 4	ALLOY PROPERTIES	29,344 SF	EXPANSION	Q1 '25
 curevo VACCINE	PLAZA NORTH CREEK	MRM CAPITAL	UNDISCLOSED	UNDISCLOSED	Q1 '25

## RECENT NOTABLE SALE TRANSACTIONS

ADDRESS	BUYER	SELLER	BUILDING SIZE	SALE PRICE	PRICE PER SF
 11720 NORTH CREEK PKY N BOTHELL, WA 98011	 Emachu 100 <sup>th</sup> since 1923	 ROSEN HARBOTTLE COMMERCIAL REAL ESTATE	83,389 SF	\$27.3 M	\$327.38

## UNDER CONSTRUCTION

### BY OWNER



### BY PROJECT

PROJECT	ADDRESS	CITY	SIZE	TIMING	OWNER	% LEASED
701 DEXTER	701 DEXTER AVE N	SEATTLE	227,504 SF	Q3 '25	ARE	0%
TOTAL			227,504 SF			

## RECENT DELIVERIES

ADDRESS	RBA	DELIVERY DATE	OWNERSHIP	% LEASED
1916 BOREN AVE, SEATTLE	268,575 SF	Q1 '25	TRAMMELL CROW COMPANY	43%



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