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Q3 2025

Life Science Market Report

SUMMARY

Q3 2025 maintained cautious but measurable momentum across the Pacific Northwest life science market. While venture activity remained disciplined, deal velocity picked up, and the tone of the market began to shift as improvement from the status quo became apparent. The quarter was characterized by a mix of new lease deals, targeted capital deployment, and continued partnerships between local innovators and global strategics. Broader market sentiment echoed the national landscape—investors are emphasizing platform durability and translational readiness, which has continued to slow capital deployment in early stage / new ventures needed to fuel expansion needs. That said, confidence in the region's science and infrastructure continues to attract steady attention at a global level.

Venture funding dipped significantly, reaching only a mere fraction of the prior quarter, and under $50 M (excluding IPOs/M&As/etc.). Most companies pursued structured rounds and extensions to continue operations, as headline raises are few and far between. Key capital events included Lyell's $100 million PIPE, Sana's $75 million PIPE, and Accipiter Bio's $13.6 million seed round, joined by earlier-stage raises from Cyrus Bio ($4.29 million extension), Synthesize Bio ($10 million seed), IsoBio ($5 million seed), and Arzeda ($4.5 million extension). The mix reflected investors' continued focus on platform depth, capital efficiency, and differentiated technology in protein design, advanced cell therapy, and synthetic biology. Though mega-rounds remain scarce, the uptick in deal count and diversity of participants point to a market finding its footing.

Strategic collaboration again served as a key driver of Q3 momentum (and heartbreak). Of significant note to the latter, Genentech terminated its $2 billion cell therapy partnership with Adaptive Biotechnologies as part of a larger restructuring. Nautilus Biotechnology and the Allen Institute launched a high-profile proteomics agreement to study tau biology in Alzheimer's. Pluristyx announced two partnerships—one with BioLamina to accelerate stem-cell therapy development, and another with Solesis to integrate biomaterials into organoid manufacturing workflows. Additional activity included Shape Therapeutics licensing its AAV5-derived CNS capsid to VectorY Therapeutics for neurodegenerative applications, Alpenglow Biosciences teaming with Virdx on AI-driven prostate cancer diagnostics, and Moonlight Bio collaborating with Kincell Bio to advance its lead cell therapy candidate. Together, these deals illustrate sustained BD activity across both translational science and enabling-tech platforms despite a tighter capital environment.

Leasing activity improved modestly in Q3, with several new commitments highlighting latent demand and renewed transaction velocity. In South Lake Union, long-held secret, Amazon secured 19,977 SF at BioMed Realty's Vue—its first true life science footprint in the submarket. Zeno Power expanded by 9,795 SF at Alexandria's 219 Terry, now occupying floors 1-3. Plant Health took down roughly 12,000 SF from Sonoma Biotherapeutics at Unison Elliott. In Bellevue, stealthy Starfish Neuroscience executed a lease for 38,883 SF at Terreno's I-90 R&D Center, formerly occupied by Firefly Aerospace. A major lease for the Puget Sound, SystImmune finalized a new 90,460 SF HQ deal with Alexandria at Canyon Pointe (Bldg A) in Bothell. AGC Biologics expanded into 37,575 SF at Steelwave's Element, where Sony Biotechnology also renewed its lease. The combination of relocations, renewals, and expansions underscores a market transitioning from pause to execution, with tenants acting decisively on strategic space needs. For any questions on transactions, please feel free to reach out to our team.

Second-generation lab suites continued to dominate leasing interest as tenants pursued capital-efficient, move-in-ready solutions. Sublease inventory remained elevated, and new terminations added churn to the supply side, yet overall deal pacing and inquiry levels improved. Nationally, the biotech sector showed early signs of opportunity on the horizon—valuation resets are beginning to take shape, expectations in funding cycles have also reset, but partnership activity and innovation continues to charge ahead. Locally, the theme of "smaller, smarter, and more strategic" remains the prevailing mode, with improving absorption expected to carry into year-end.

Of note, brand new lab development, 222 Fifth began its effort to secure a buyer after taking its long run at the leasing market. The offering officially went public this quarter, eagerly seeking offers (with a call for offers date scheduled for early November). In development, Alexandria's 701 Dexter—one of the last major projects launched during the pandemic era—is now expected to deliver in 2026, with Umoja occupying floors 3-4, a Thermo Fisher consumables archive on floor 2, and spec suites planned for 5-6 (with activity). Elsewhere, new ground-up initiatives remain on hold amid elevated construction costs and financing constraints, though early planning continues around select infill conversions and future pipeline repositioning.

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

MARKET TRENDS

- **Deals begin to land** and transaction activity slowly picks up
- **Venture Capital is quiet, too quiet...** hopefully indicating recovery to come
- **The era of downsize + extend + restructure** is upon us
- **Several key subleases return to direct ownership** as defaults / terminations occur
- **Concessions increase** with rent abatement and TIA demonstrating major movement

RECENT ACTIVITY

- **Amazon inks a deal for lab** space at Vue
- **SystImmune's new HQ lease** is finalized in Bothell its HQ in Seattle
- **Zeno Power expands** at 219 Terry
- **AGC Biologics adds to footprint** in Bothell
- **Sana shutters manufacturing** in Monte Villa

Q3 2025 SUMMARY

Q3 Total Investment*	Deal Count	Quarterly Change	Annual Change
$38.67 M	14	↓73.9%	↓83%

*EXCLUDES M&A DEALS

Q3 '24 $436.02 M

SOURCE: PITCHBOOK

TOP DEALS

	AMOUNT	TYPE	DATE
Cyrus Biotechnology	$4.29 M	EXT	JUL '25
IsoBio	$5.0 M	SEED	JUL '25
Lyell	$100 M	PIPE	JUL '25
Sana Biotechnology	$75 M	PIPE	AUG '25
Arzeda.	$4.51 M	EXT	SEP '25
SYNTHESIZE.BIO	$10 M	SEED	SEP '25
KINEABIO	$1 M	PRE-SEED	SEP '25
Accipiter Bio	$13.60	SEED	SEP '25

SOURCE: PITCHBOOK

Q3 VENTURE COMPARATIVE*

*EXCLUDES M&A DEALS

SOURCE: PITCHBOOK

COMPANIES TO WATCH

Accipiter Bio | SYNTHESIZE.BIO | Cyrus Biotechnology | LUMEN BIOSCIENCE

Q3 SUMMARY

NIH FUNDING

$19.4 B
Q3 '25 US Total

$600.11 M
Q3 '25 WA TOTAL

NSF FUNDING

$68.6 M
WA TOTAL

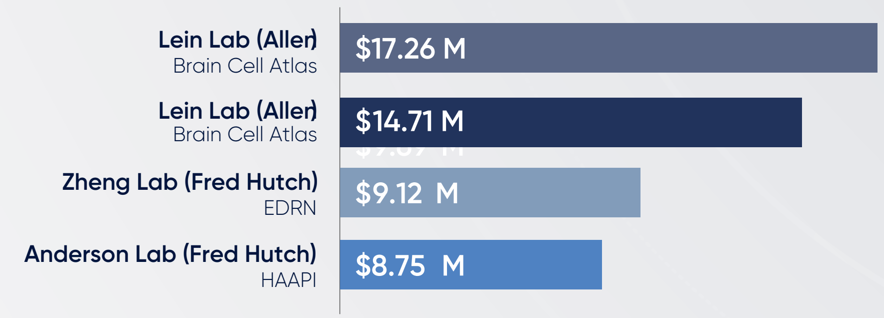
RANK	STATE	PROJECTS	FUNDING
1	CA	4,224	$2,882,210,844
2	NY	3,013	$2,023,131,233
3	MA	2,656	$1,838,057,822
4	PA	1,811	$1,215,022,452
5	TX	1,538	$1,012,180,454
6	NC	1,334	$851,413,759
7	MD	1,151	$740,015,737
8	IL	1,119	$739,531,542
9	**WA**	**831**	**$600,111,274**
10	FL	755	$505,940,900
11	OH	849	$490,991,330
12	MI	800	$480,114,845
13	MO	665	$455,786,107
14	MN	646	$435,732,317
15	TN	566	$430,579,033

SOURCE: NIH REPORTER

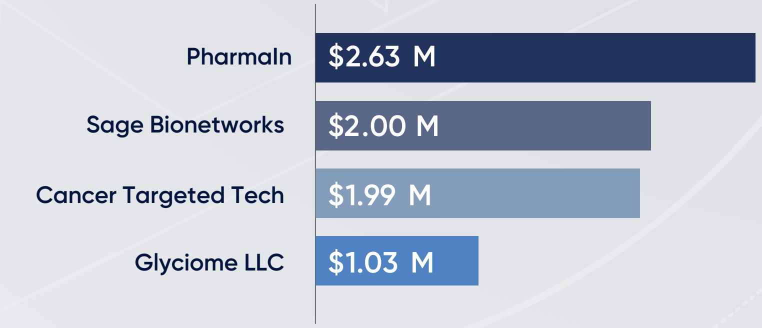
TOP RECIPIENTS

OTHERS SUCH AS WSU, ISB & BENAROYA WERE CLOSELY TRAILING

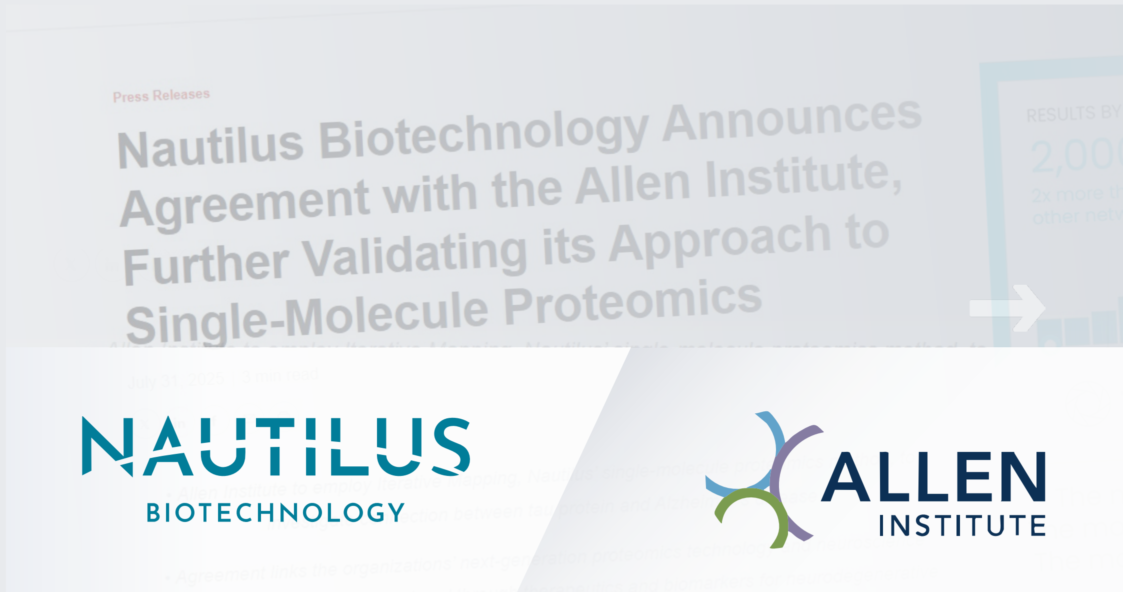
TOP PROJECT AWARDS



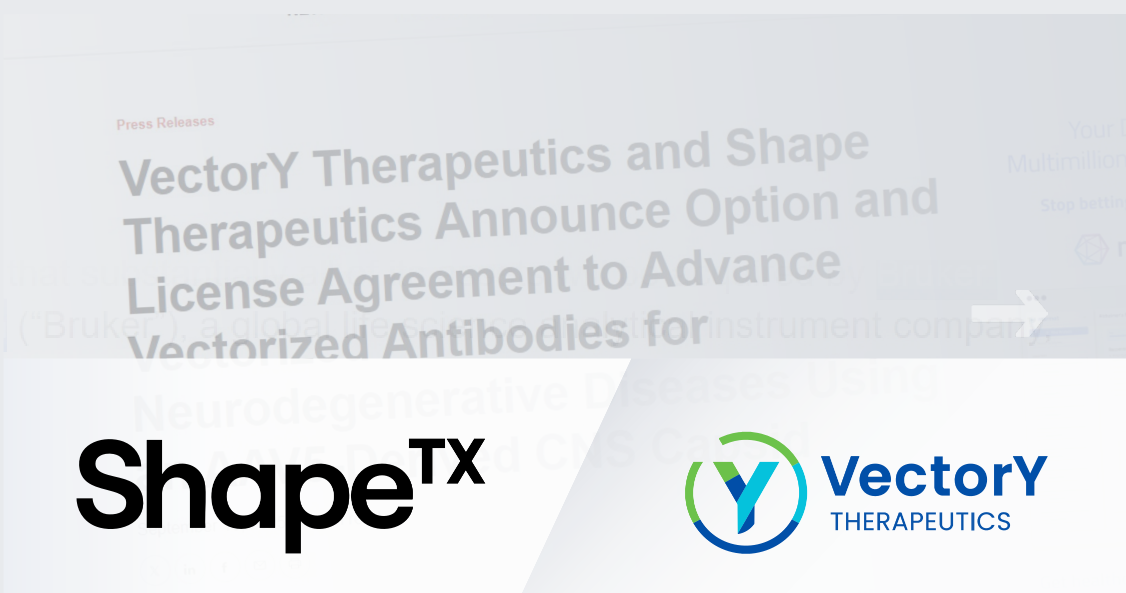
NOTABLE AWARDS TO PRIVATE ORGANIZATIONS



SOURCE: NIH REPORTER


Press Releases
Nautilus Biotechnology Announces Agreement with the Allen Institute, Further Validating its Approach to Single-Molecule Proteomics
NAUTILUS BIOTECHNOLOGY
ALLEN INSTITUTE


Press Releases
Alpenglow Biosciences and Virdx Announce Strategic Deal to Advance AI-Enabled Prostate Cancer Diagnostics
ALPENGLOW BIOSCIENCES


Press Releases
VectorY Therapeutics and Shape Therapeutics Announce Option and License Agreement to Advance Vectorized Antibodies for
ShapeTX
VectorY THERAPEUTICS


Press Releases
Kincell Bio Announces Collaboration to Advance Moonlight Bio's Lead Cell Therapy Candidate to Clinical Study
MOONLIGHT BIO
kincell

MARKET STATS

MARKET STATS	SEATTLE	BOTHELL
INVENTORY (ALL)	8.18 M	3.33 M
INVENTORY (INVESTOR OWNED)	4.04 M	2.18 M
VACANCY (DIRECT & SUBLEASE)		
TOTAL	26.82%	9.97%
INVESTOR OWNED	52.33%	14.43%
AVAILABILITY (DIRECT & SUBLEASE)		
TOTAL	27.88%	9.66%
INVESTOR OWNED	53.93%	13.95%
RENT	HIGH $40'S TO LOW $80'S	MID $20'S TO HIGH $30'S
TI'S*	$220 – $320	$90 – $150

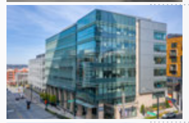
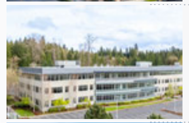
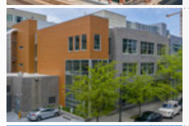
*FOR SHELL, CLASS A DEALS, INQUIRE FOR OTHER

AVAILABLE LAB SPACE

SUBLEASE	**53.16%**
ALEXANDRIA	**16.85%**
OTHER	**11.95%**
BIOMED	**9.27%**
LPC WEST	**3.83%**
RMR GROUP	**2.61%**
OXFORD PROPERTIES	**2.32%**

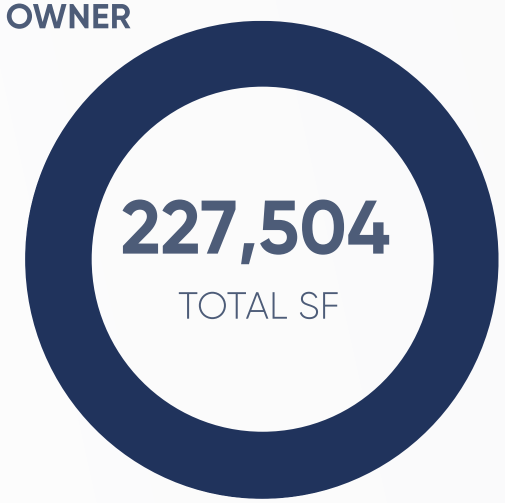
*FIGURE ONLY INCLUDES BUILT OUT LABORATORY SPACE; CURRENTLY AVAILABLE OR SOON TO BE

RECENT NOTABLE LEASE TRANSACTIONS

	COMPANY	BLDG NAME	OWNER / (SUBLANDLORD)	SIZE	TYPE	DATE
	starfish	I90 R&D	TERRENO	38,883 SF	NEW	Q3 '25
	amazon	VUE RESEARCH CENTER	BIOMED REALTY	19,977 SF	NEW	Q3 '25
	SYSTIMMUNE	CANYON POINTE	ALEXANDRIA	90,460 SF	NEW	Q3 '25
	PLANT HEALTH CARE	UNISON ELLIOTT BAY 501	(SONOMA BIOTX)	12,000 SF	SUBLEASE	Q3 '25
	zeno	219 TERRY	ALEXANDRIA	9,795 SF	EXPANSION	Q3 '25
	AGC Biologics Your friendly CDMO expert	ELEMENT RESEARCH CENTER	STEELWAVE	37,575 SF	NEW	Q3 '25
	SONY	ELEMENT RESEARCH CENTER	STEELWAVE	13,541 SF	RENEWAL	Q3 '25

UNDER CONSTRUCTION

BY OWNER



■	ALEXANDRIA	**100%**

BY OWNER

PROJECT	ADDRESS	CITY	SIZE	TIMING	OWNER	% LEASED
701 DEXTER	701 DEXTER AVE N	SEATTLE	227,504 SF	Q3 '25	ARE	23%
TOTAL			227,504 SF			

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Our company

Flinn Ferguson Cresa has established itself as Seattle and Bellevue's most active and experienced Tenant Advisory Firm.

Our mission is to listen to the client's core objectives, customize a complimentary real estate strategy, and leverage our shared experience to ensure that the most favorable real estate outcome is achieved.

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