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Q2 2026

Life Science Market Report

SUMMARY

Q2 2026 showed significant signs of market recovery. Acquisitions reached headlines as large biotech and pharma continued their investment in early and clinical assets, pending leasing activity indicates an active Q3 ahead, and large block occupiers begin to reach critical decisions as lease deadlines approach.

Early venture funding declined as several companies reached term sheets with anticipated closing dates in Q3 - approximately $105 M (excluding M&A, IPOs, and other public or late-stage offerings). While private early-stage capital flow remained measured, most notable capital event included Curevo Vaccine' $1.5 B acquisition by Eli Lilly. Lilly has deployed nearly $4 B in acquisitions of vaccine co's alone in since the start of the year. Other transactions included a several small seed and pre-seed raises, a ~$27 M extension for Bonum Therapeutics, $2.85 M Seed for Mitera Biosciences, several others. Migraine-focused therapeutic co, Vedana Therapeutics, unveiled a $46 M launch, with former Alder Bio (acq. by Lundbeck) and Osage University Partners execs at the helm. At the fund level, several major venture firms further reinforced long-term conviction in the sector, with 8VC, Ampersand, Playground, General Catalyst, and many other notable names raised funds targeted for early-stage deployment. This underscores continued institutional belief in the sector despite near-term deployment discipline.

Strategic collaborations and partnerships remained a primary driver of activity in the quarter. Wayfinder Bio, currently housed in UW's Fluke Hall, announced moving its research collaboration with Daiichi Sankyo to a second phase focused on developing and optimizing RNA-targeting compounds for a key neurodegeneration target. Pluristyx, partnered with Qkine, a Cambridge-based manufacturer of ultra-pure growth factors and cytokines, to streamline the manufacturing of differentiated cells from iPSCs by pairing Pluristyx's proprietary Ready-to-Differentiate™ cells with Qkine's animal-free growth factor portfolio to create a "ready-to-use" solution designed to reduce development timelines and improve consistency from research through clinical manufacturing. Parse Biosciences (now owned by Qiagen) announced a landmark alliance with bit.bio to create a comprehensive map of how transcription factors drive cell identity and fate by combining Parse's scalable single-cell sequencing technology (Evercode™) with bit.bio's cell programming platform (opti-ox™). Together, these collaborations highlight sustained interest from both strategic and clinical partners in advancing novel therapeutic modalities.

Leasing activity in Q2 remained sparse for new transactions, however, relative to the last 18 months, a record number of pending leases indicate an active influx of activity for Q3 – continuing the trend toward right-sizing and strategic repositioning. In South Lake Union / Eastlake, local Seattle Children's spinout BrainChild Bio inked a lease for 31,270 RSF. The spinout took down the 9th floor of Alexandria's Eleven50 Eastlake, formerly occupied by Vancouver-based Notch Therapeutics. Across the Eastlake and South Lake Union Markets, numerous major lease deals reached pending status. We anticipate a significant cascading effect and tenant shuffling as a result of on and off-market leasing activity. On the East & North side, several significant transactions remained pending as large block transactions and mid-size expansion deals reached pending status. Flinn Ferguson Cresa was honored to advise several companies that reached terms (likely to close in Q3) and off-market transactions this quarter that remain under confidentiality.

The sale environment was hit with a buzz as Philips Healthcare placed its longtime Seattle-area home, a 57-acre campus in Bothell, on the market for sale. Four buildings, totaling more than 600,000 square feet that have anchored the company's ultrasound and medical-device work for years, is being marketed to owner-users and potential investors / developers. Within a stone's throw, it was reported that AT&T is evaluating a disposition of its Bothell office campus as well. In addition, rumors swirled as several assets quietly reached terms to trade hands across the region, to be reported on in the next edition of this report.

Overall, demand picked up this quarter, with over 1M sq. ft. across the region in active or pending requirements with expected occupancy dates spanning from '27 – mid '28. The kicker, however, is this inflated demand accounts for only ~180,000 sq. ft. in net tenant requirements, meaning we expect rightsizing and second generation space to continue to fill the availability pipeline.

MARKET TRENDS

- **Sublease Inventory Stabilizes Slowly** as tenants right size or default and supply returns to Direct Vacancy/Availability
- **Rates continue to compress** albeit at a slower pace than prior quarters
- **Concessions continue to increase** as landlords fight for tenant leases
- **Small to Mid Size Demand Materializes** into pending transactions
- **Major Leases Loom in Greater Seattle** as few large movers approach leasing decisions

RECENT ACTIVITY

- **BrainChild Bio Signs Lease** with Alexandria
- **Philips Announces Sale** of its Bothell Campus
- **Curevo Vaccine Acquired** by Eli Lilly for $1.5 B
- **Several Lease Deals Go Pending** likely to close Q3
- **Anthropic Takes Major Footprint** in BioMed's Dexter Yard
- **Allen Institute Launches $400 M Initiative** dubbed the Brain Health Accelerator

Q2 2026 SUMMARY

Q2 Total Investment*	Deal Count	Quarterly Change	Annual Change
$105.78M	**12**	**↓ 77.1%**	**↓ 85.6%**
*EXCLUDES M&A DEALS		Q2 '26 $105.78M, Q1 '26 $238.50M	1H '26 $351.11M, 1H '25 $879.25M, SOURCE: PITCHBOOK

TOP DEALS

	AMOUNT	TYPE	DATE
BONUM	$26.91 M	EXT	APR '26
MITERA BIOSCIENCES	$2.85 M	SEED	MAY '26
Vedana Therapeutics	$46 M	SEED/A	JUN '26
PRIMARY BIOSCIENCE	$1.3 M	SEED	JUN '26

SOURCE: PITCHBOOK

1H VENTURE COMPARATIVE

SOURCE: PITCHBOOK

COMPANIES TO WATCH

Vedana Therapeutics | BrainChild Bio | LUMEN BIOSCIENCE | TalusBio

Q2 SUMMARY

NIH FUNDING

$11.5 B
Q2 '26 US Total

$360.2 M
Q2 '26 WA TOTAL

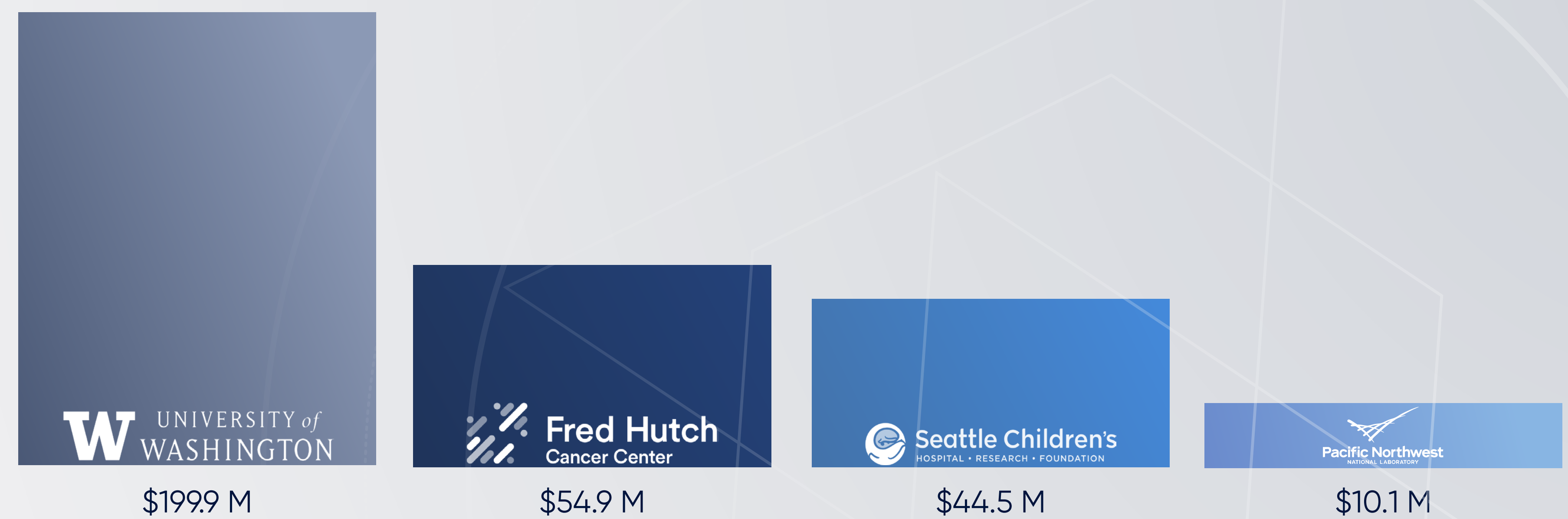
NSF FUNDING

$15.01 M
WA TOTAL

RANK	STATE	PROJECTS	FUNDING
1	CA	2,674	$1,705,272,795
2	NY	1,930	$1,232,665,365
3	MA	1,695	$1,104,910,896
4	PA	1,217	$725,058,045
5	TX	1,076	$571,767,497
6	NC	798	$515,505,409
7	MD	670	$424,673,476
8	IL	645	$394,836,387
9	**WA**	**503**	**$360,216,523**
10	MI	617	$331,891,569
11	OH	561	$325,836,274
12	CT	442	$307,763,556
13	MO	456	$301,699,657
14	FL	474	$263,080,886
15	GA	460	$255,037,654

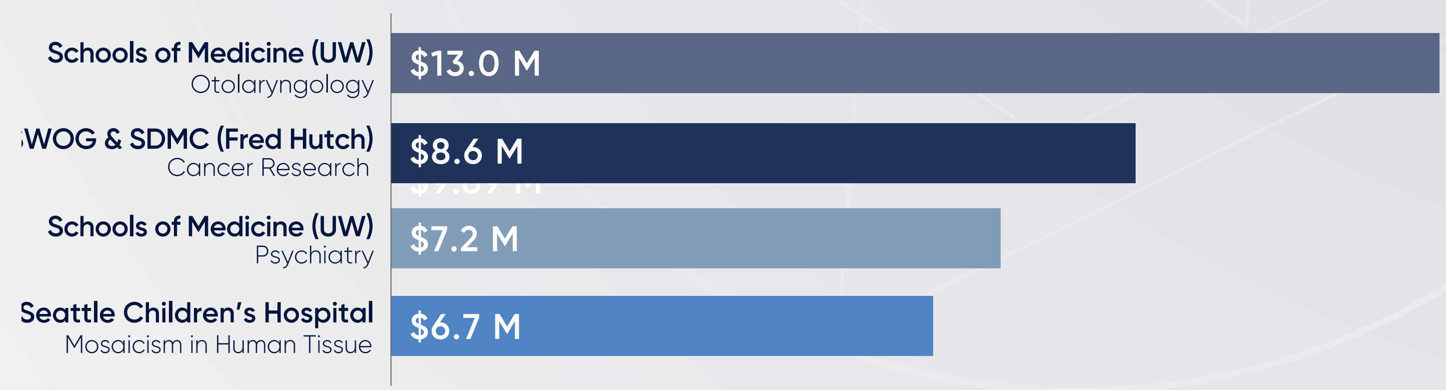
SOURCE: NIH REPORTER

TOP RECIPIENTS



OTHERS SUCH AS WSU & ALLEN INSTITUTE WERE CLOSELY TRAILING

TOP PROJECT AWARDS



SOURCE: NIH REPORTER


Press Releases
Wayfinder Biosciences Advances Collaboration with Daiichi Sankyo on Key Neurodegeneration Target to Second Phase
Wayfinder BIOSCIENCES
Daiichi-Sankyo


Press Releases
Pluristyx and Qkine Announce a Reciprocal Distribution Agreement in Support of Optimized Growth Factor Differentiation of Induced
pluristyx
Qkine


Press Releases
Curevo to be Acquired by Lilly to Advance Next-Generation Shingles Prevention
curevo VACCINE
Lilly


Press Releases
Parse Biosciences and bit.bio Announce Landmark Alliance
PARSE BIOSCIENCES
bit.bio

MARKET STATS

MARKET STATS	SEATTLE	BOTHELL
INVENTORY (ALL)	8.41 M	3.28 M
INVENTORY (INVESTOR OWNED)	4.26 M	2.13 M
VACANCY (DIRECT & SUBLEASE)		
TOTAL	26.96%	9.88%
INVESTOR OWNED	53.01%	15.23%
AVAILABILITY (DIRECT & SUBLEASE)		
TOTAL	27.14%	9.14%
INVESTOR OWNED	53.12%	14.08%
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	**44.04%**
ALEXANDRIA	**19.25%**
OTHER	**15.83%**
BIOMED	**12.81%**
3EDGEWOOD	**3.53%**
RMR GROUP	**2.40%**
OXFORD PROPERTIES	**2.14%**

*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
	BrainChild Bio	ELEVEN50	ALEXANDRIA	31,270	NEW	Q2 '26
	ANTHROP\C	DEXTER YARD	BIOMED REALTY	113,000	EXPANSION	Q2 '26

RECENT NOTABLE SALE ACTIVITY

	ADDRESS	BUYER	SELLER	BUILDING SIZE	STATUS
	22050 - 22100 BOTHELL-EVERETT HWY	N/A	PHILIPS	4 BUILDINGS (57 ACRE PROPERTY)	LISTED

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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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