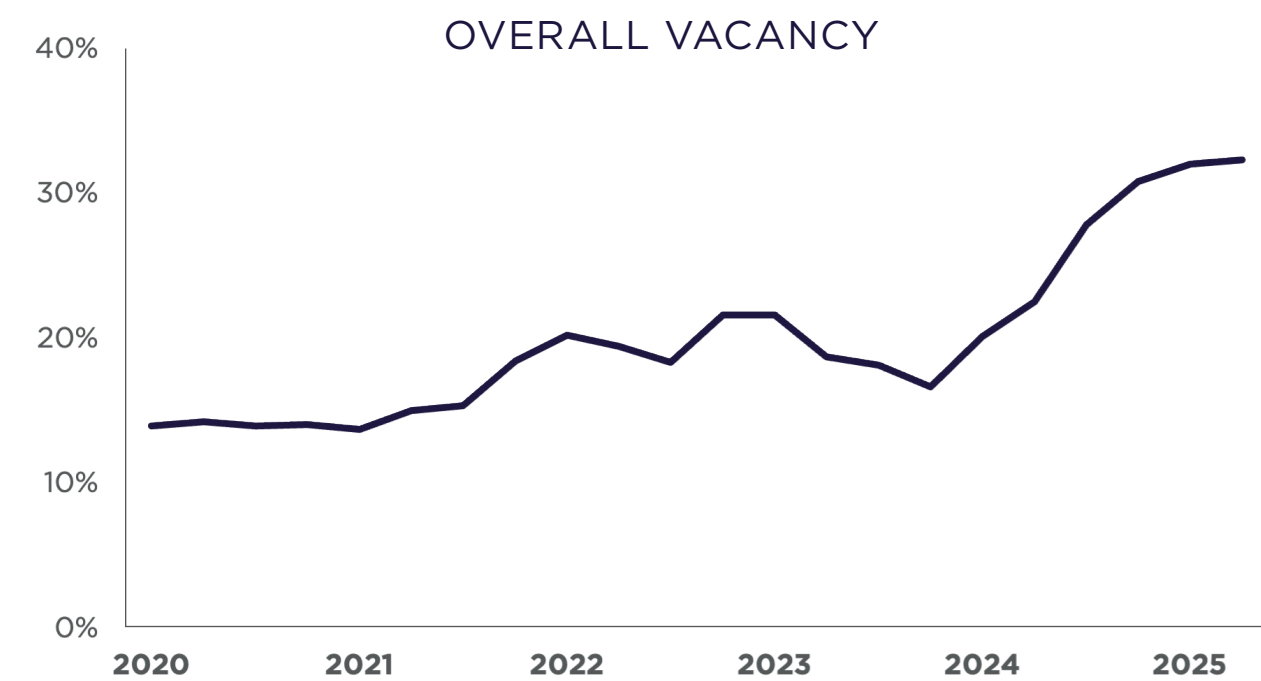


# Under the **MICROSCOPE**

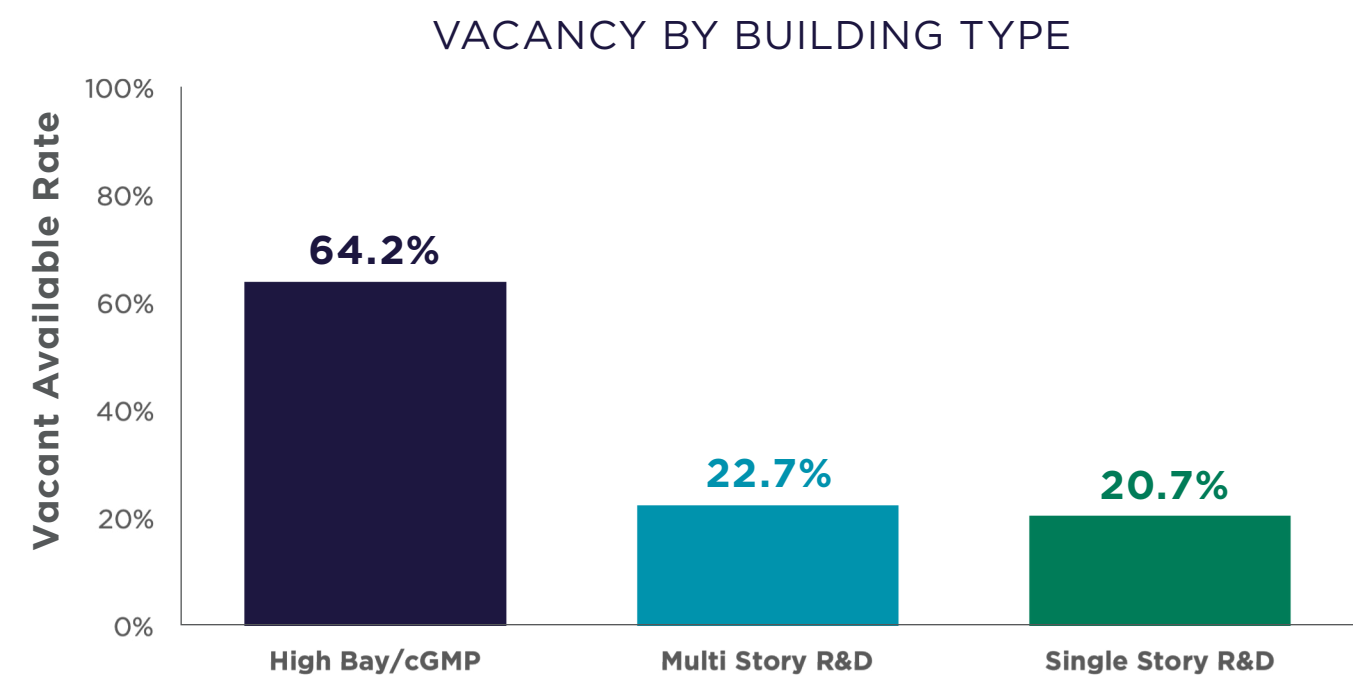
A Deeper Look at Raleigh-Durham's Life Sciences Market

# OVERVIEW

Vacancy within the Raleigh-Durham life sciences inventory continued to rise, hitting a new high-water mark of 32.3% in Q2 2025. The upward vacancy was driven by the recent delivery of buildings 100,000 sf or larger and policy changes to NIH funding. However, the market remains tight for smaller size ranges in R&D space within flex conversions and former office space. Nearly 2.3 msf of tenant requirements are currently active in the market, exceeding pre-pandemic figures though this total is down from the record high demand of mid-2022.



The delivery of new speculative product has driven vacancy upwards. Since the start of 2022, over **2.7 msf** of new life sciences product has delivered. By the end of Q3 2025, vacancy is expected to remain above **32.0%**.



Vacancy is **elevated** in high bay / cGMP properties—spaces which often cannot be demised—which target large-block space users searching for advanced manufacturing or distribution space. Meanwhile, R&D buildings maintain **lower** vacancy rates as their spaces are frequently demised into smaller suites.



## KEY TERMINOLOGY

**R&D:** Optimized for scientific discovery. Often has a mix of office and “wet lab” space for advanced scientific research and development or experimentation. These properties are often multi-tenanted and multi-story structures.

**cGMP:** Product that abides by the Current Good Manufacturing Practice regulations enforced by the FDA. Space is designed to manufacture goods such as pharmaceutical products and medical devices. Typically features upgraded power and infrastructure and contains loading docks.

**Flex Conversion:** Former flex industrial product that has been upgraded to accommodate both R&D and smaller scale cGMP users. Properties are multi-tenanted, single-story structure which often feature at least one rear-access loading dock per suite, utilize surface parking, and provide separately metered utilities. These types of properties are either in the cGMP building inventory or Single-Story R&D inventory depending on use.

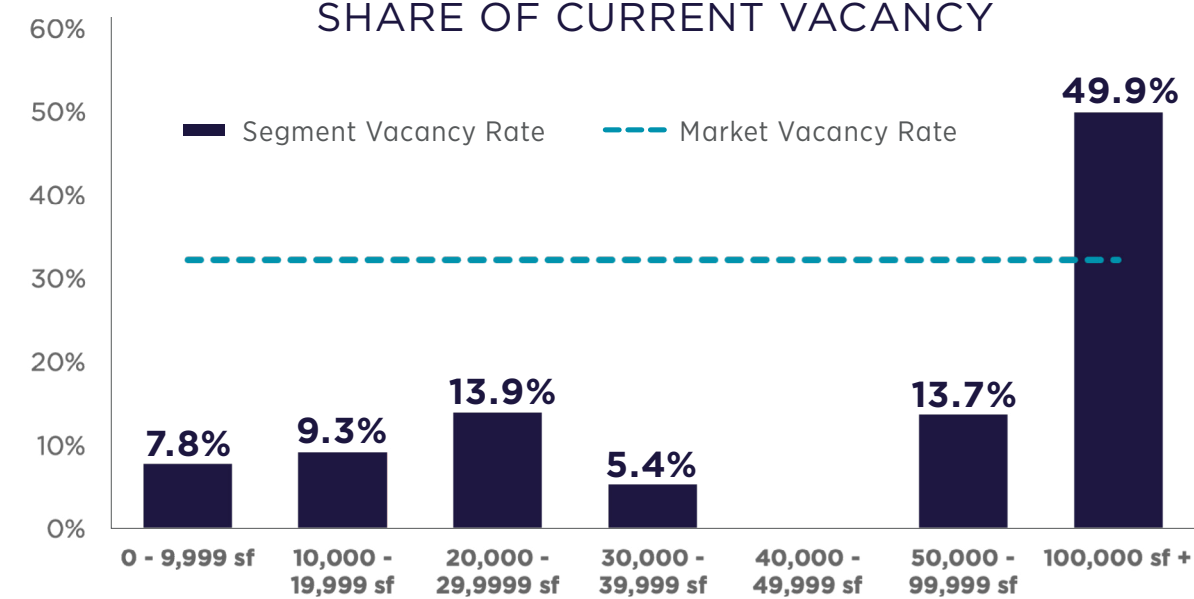
**High Bay:** Property with a ceiling clear height of 32’ or higher.



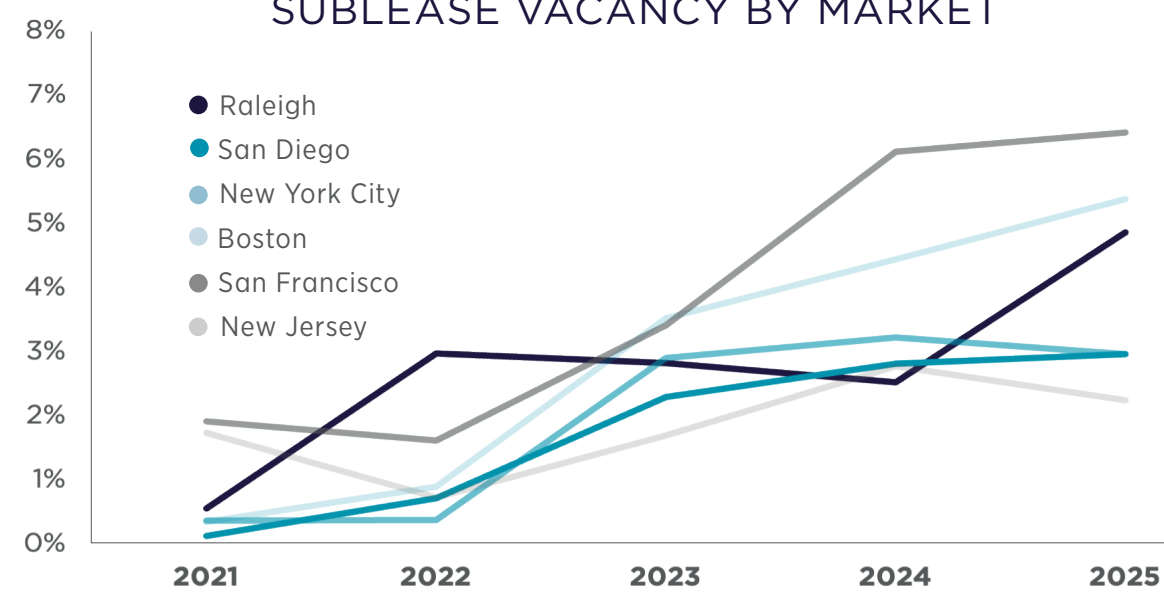


## SUPPLY

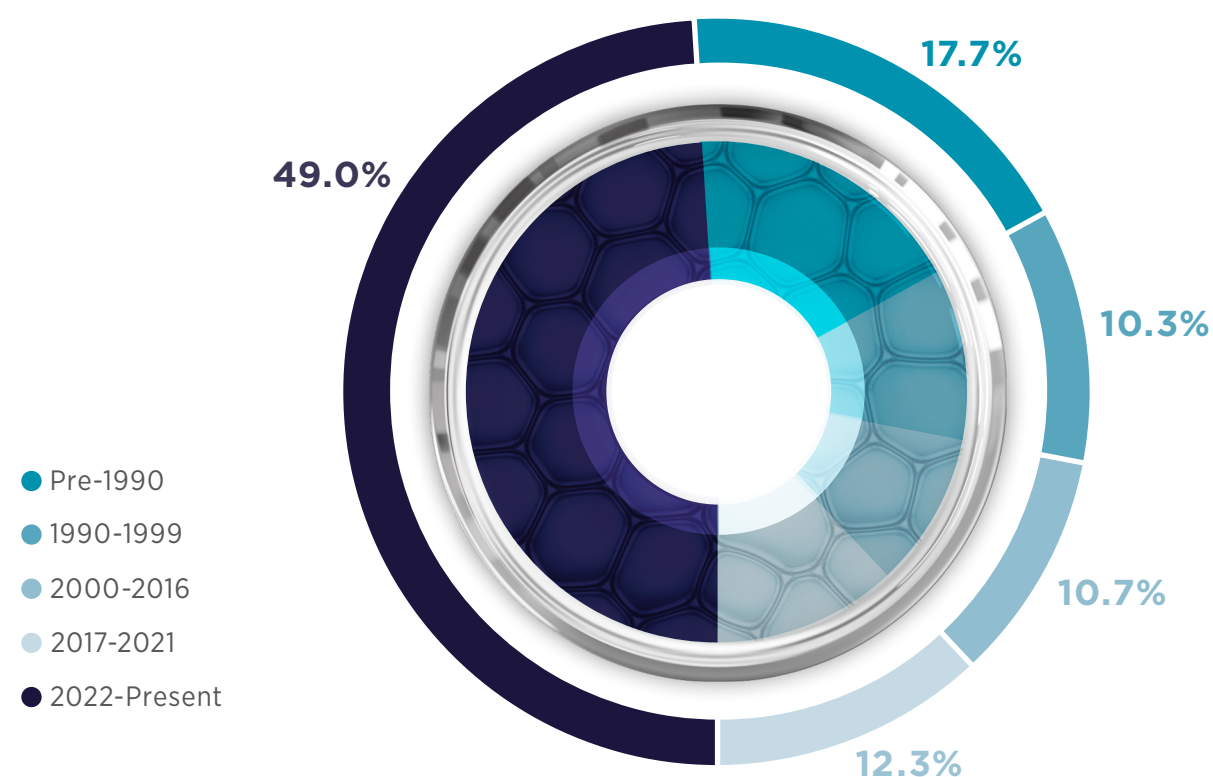
### SHARE OF CURRENT VACANCY



### SUBLEASE VACANCY BY MARKET



### VACANT SPACE BY BUILDING VINTAGE



Available spaces **100,000 sf** or larger are the primary driver of the market's elevated vacancy rate, making up **51.2%** of offerings on the market. Conditions remain tight among all other size ranges.

Life sciences sublease vacancy in Raleigh-Durham has **increased 230 bps** over the last year, while other markets have recorded slight **decreases**. The only other major market to record a substantial uptick was Boston, the industry's other East Coast mainstay, where sublease vacancy increased 90 bps in that time.

Buildings delivered in the last three years comprise **49.0%** of all vacant space in the market. During this time, **18** buildings completed construction of which **12** remain fully vacant.

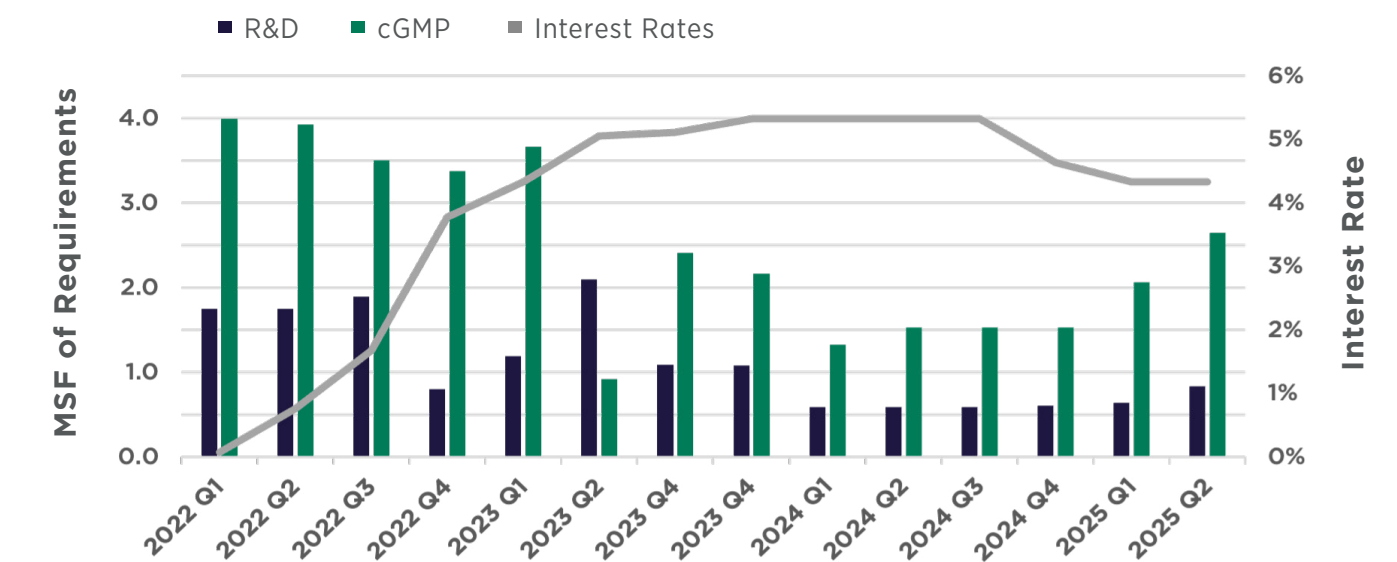
As interest rates have **risen**, active tenant pursuits have waned; however, tour activity has increased in 2025 and tenants continue to explore options in the market despite cuts to funding.

Since the start of 2021, almost **2.8 msf** of new product has delivered and almost **610,000 sf** of space has been absorbed in that time.

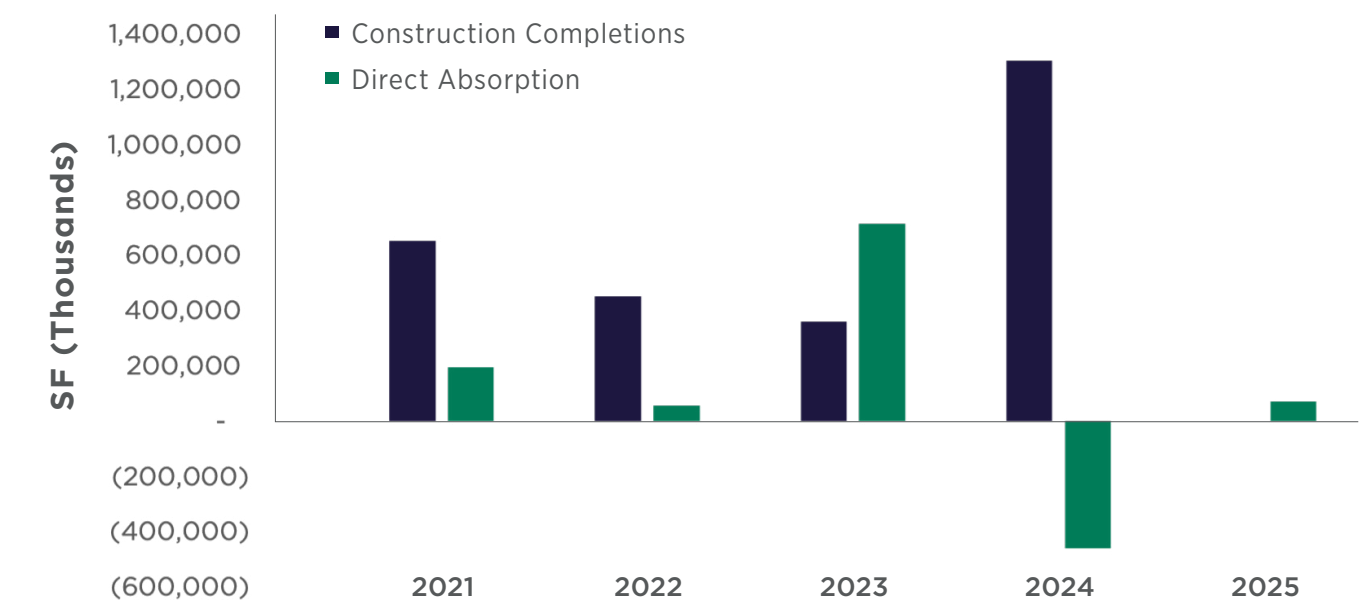
In the last **12 months**, **79.5%** of all leases signed were **20,000 sf** or smaller as tenants continued to seek space in smaller sized configurations.

## DEMAND

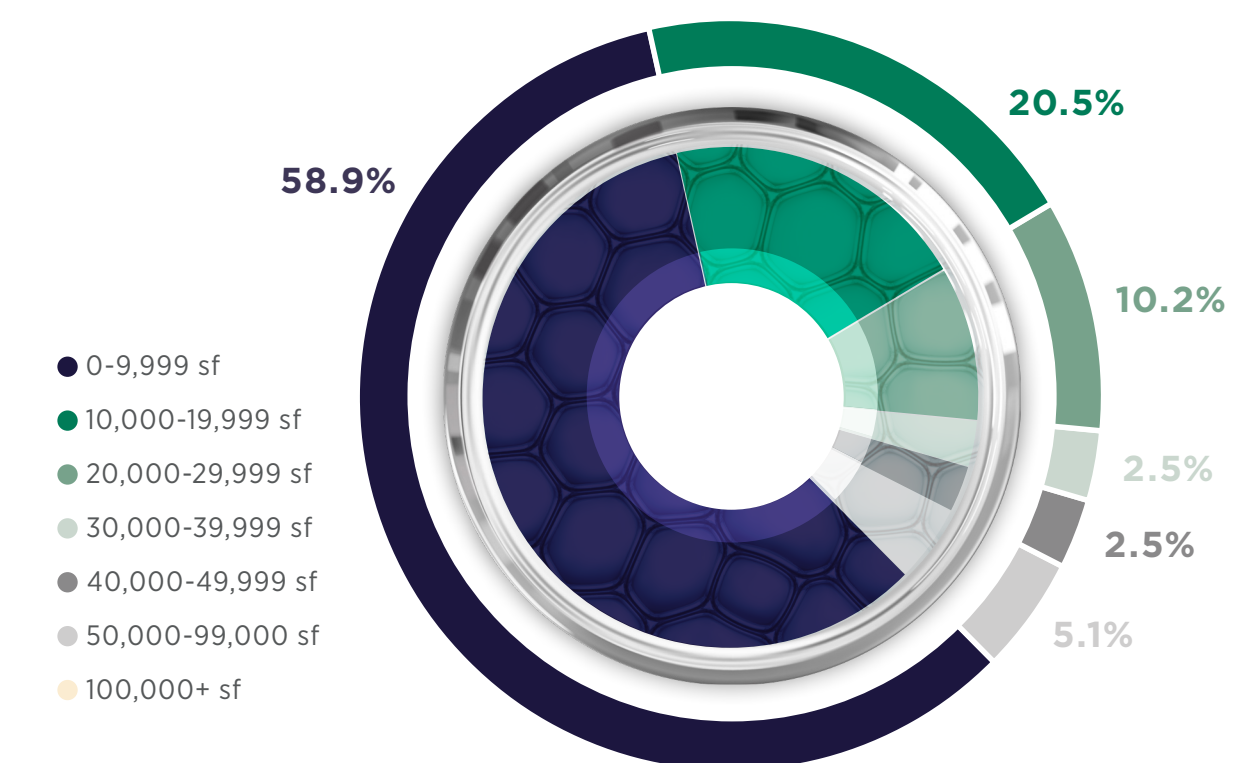
### TENANTS IN THE MARKET AND INTEREST RATES



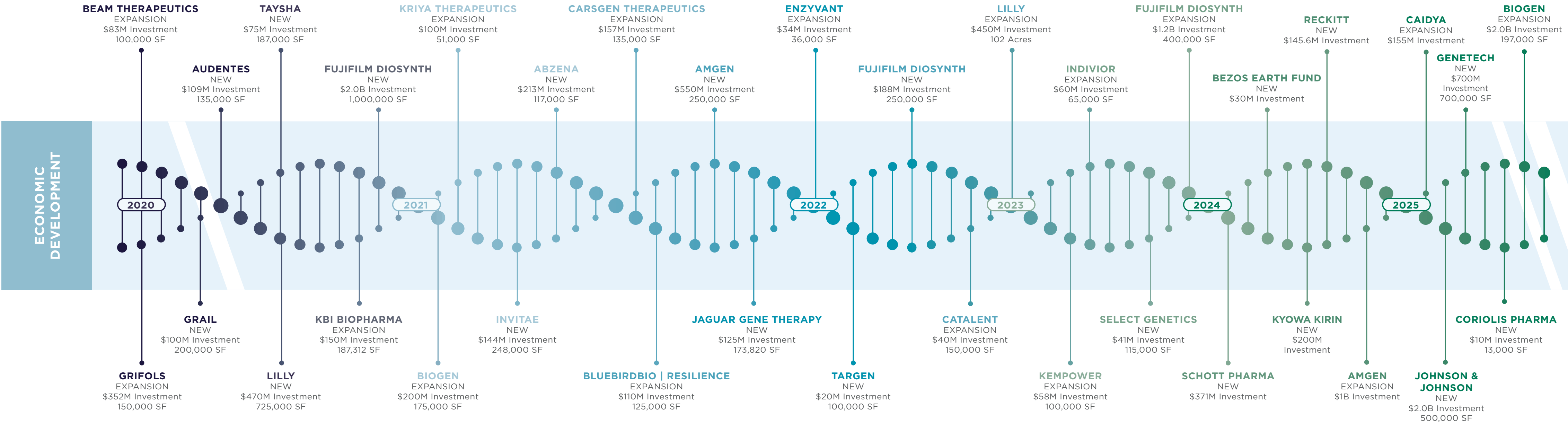
### DELIVERIES AND DIRECT ABSORPTION



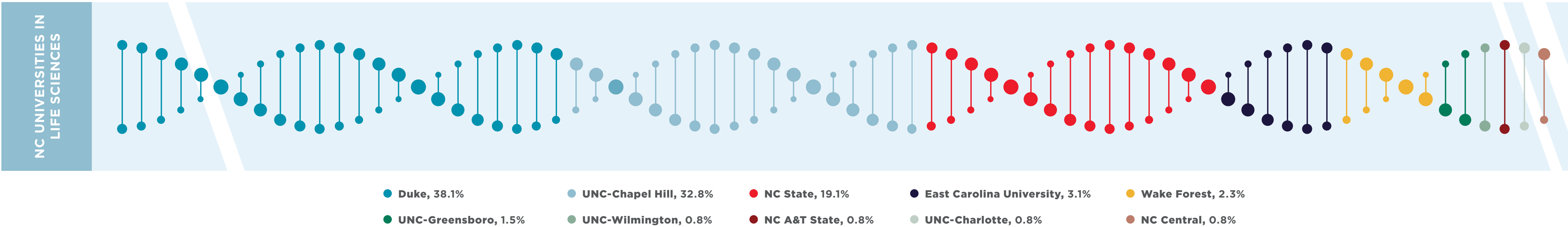
### COUNT OF LEASING ACTIVITY BY DEAL SIZE - LAST 12 MONTHS



Raleigh-Durham remains a great place to invest. Leading global life sciences firms continue to contribute to the **DNA of the market**.



North Carolina universities have cultivated **131 life sciences** and related companies over the last decade which are operational today. This emphasizes the commitment schools have to growing North Carolina as a life sciences hub, supporting startup culture, and creating and keeping talent in the state.



Source(s): Cushman & Wakefield Research, NC Biotech



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## AUTHORS

### MADELYN DAVIS

Senior Research Analyst

+1 919 439 5148

[madelyn.davis@cushwake.com](mailto:madelyn.davis@cushwake.com)

### JP PRICE

Research Manager, Carolinas

+1 704 335 4433

[jp.price@cushwake.com](mailto:jp.price@cushwake.com)

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#### About Cushman & Wakefield

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