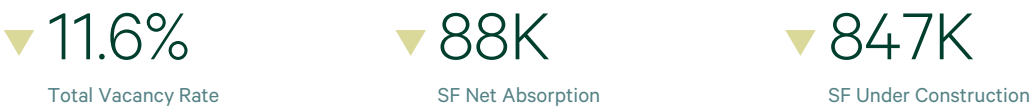


FIGURES | PUGET SOUND LIFE SCIENCES | Q1 2024

Activity shows thaw in biotech capital spending



Note: Arrows indicate change from previous quarter or year.

OVERVIEW

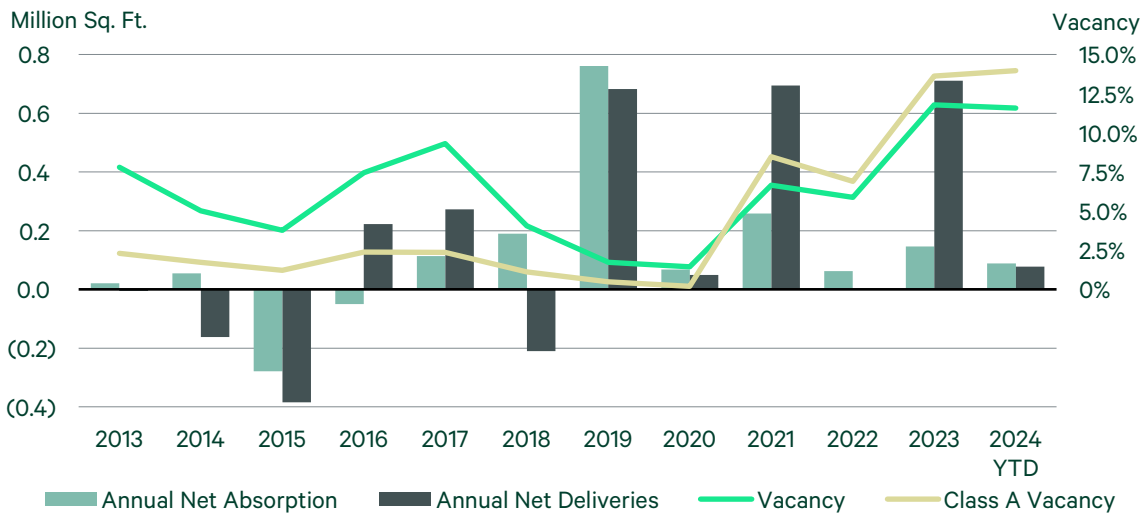
Seattle's life sciences market has experienced a slight uptick in leasing activity year-to-date compared to 2023. While a handful of leases were completed, the improving demand drivers have not yet produced meaningful new tenant requirements. Landlords have undertaken speculative build-outs, offering competitive pricing measured against second-generation space. Compared to last year, investor funding appears more accessible, facilitating the emergence of new companies. CoLabs, a new incubator, is set to become operational by September 2024 at 222 Fifth, which is currently under construction.

The region boasted positive net absorption in Q1, largely due to move-ins at newly-constructed buildings. For example, Umoja Biopharma moved from 410 W Harrison to the fully pre-leased Eleven50 Eastlake, which was completed at the end of 2023. Additionally, Zeno Power Systems moved into 219 Terry. At Dexter Yard, Orion Medicines moved into its new sublease, while Shape Therapeutics reclaimed their space of 21,114 sq. ft. that was formerly on the market.

The pipeline continued to grow with the delivery of Northlake Commons, a mixed-use office and lab development, adding 77,500 sq. ft. of premium lab space north of Lake Union.



FIGURE 1: Vacancy vs Absorption and Deliveries

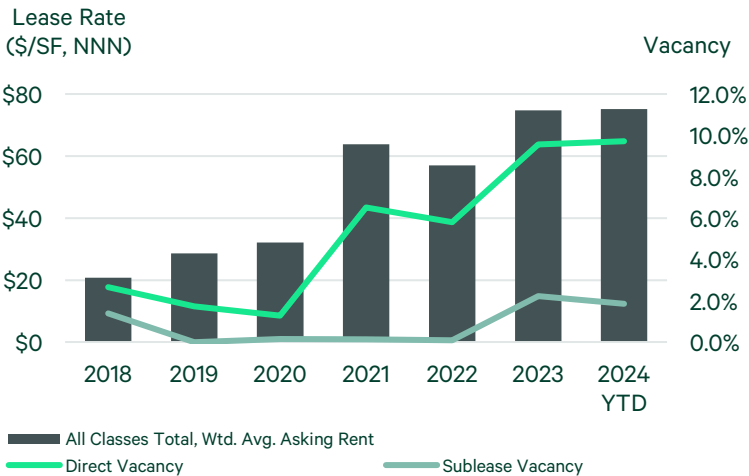


Source: CBRE Research, Q1 2024.

Notable Mergers and Acquisitions and Funding Rounds

- ProfoundBio, a clinical-stage biotechnology company, raised \$112 million in February 2024 with contributions from top healthcare dedicated and mutual fund institutional investors.
- Achieve Life Sciences, a late-stage pharmaceutical company, entered into a securities purchase agreement in February 2024 with new and existing investors to raise up \$124.2 million.
- AstraZeneca acquired clinical-stage Icosavax for \$1.1 billion in February 2024. Icosavax was founded in 2017 and is a spin-out from the University of Washington’s Institute for Protein Design.

FIGURE 2: Asking Lease Rate and Vacancy




Source: CBRE Research, Q1 2024.

FIGURE 3: Puget Sound Submarket Statistics


Submarkets	Net Rentable Area (SF)	Direct Vacancy (%)	Total Vacancy (%)	Total Availability (%)	Q1 2024 Net Absorption (SF)	Last Four Quarters Net Absorption (SF)	Under Construction or Renovation (SF)	Wtd. Average Asking Rent, NNN (\$/SF/Yr)	Class A Wtd. Average Asking Rent, NNN (\$/SF/Yr)
Seattle Close-In	6,403,608	12.3%	14.9%	17.9%	51,762	151,114	847,222	\$77.65	\$81.20
Investor Owned	3,263,304	24.2%	29.3%	35.2%					
User Owned	3,140,304	0.0%	0.0%	0.0%					
Bothell	2,155,378	3.6%	3.6%	5.9%	36,302	36,736	78,000	\$38.00	-
Investor Owned	1,140,674	6.9%	6.9%	11.2%					
User Owned	1,014,704	0.0%	0.0%	0.0%					
Other Eastside	236,256	0.0%	0.0%	0.0%	0	0	0	-	-
Northend	87,386	0.0%	0.0%	0.0%	0	0	0	-	-
Southend	30,000	0.0%	0.0%	0.0%	0	0	0	-	-
Tacoma	20,008	0.0%	0.0%	0.0%	0	0	0	-	-
Puget Sound	8,932,636	9.7%	11.6%	14.3%	88,064	187,850	925,222	\$75.19	\$81.20

Source: CBRE Research, Q1 2024.


FIGURE 4: Puget Sound Notable Projects Under Construction




Chapter II Building
Developer: Touchstone, Portman Holdings
Lab Space: 157,944 SF
Pre-Leased: 0%
Estimated Delivery: Q2 2024



222 Fifth
Developer: LPC West, Intercontinental Real Estate Corp.
Lab Space: 197,000 SF
Pre-Leased: 0%
Estimated Delivery: Q3 2024



1916 Boren
Developer: Trammell Crow
Lab Space: 282,716 SF
Pre-Leased: 46%
Estimated Delivery: Q4 2024



701 Dexter
Developer: Alexandria Real Estate Equities
Lab Space: 227,000 SF
Pre-Leased: 0%
Estimated Delivery: Q3 2025

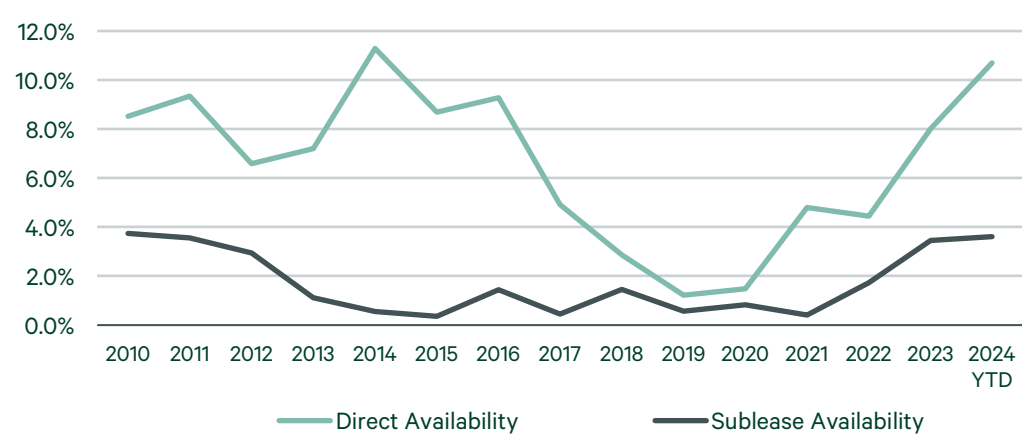
Source: CBRE Research, Q1 2024.

FIGURE 5: Key Lease Transactions of the Quarter

Tenant	Transaction Type	Sq. Ft.	Building	Property Type	Area
RareCyte, Inc.	Renewal	26,175	Fourth & Vine	Office	Denny Regrade
Taconic Biosciences	New Lease	19,786	1616 Eastlake	Life Science Labs	Lake Union
Tasso, Inc.	Renewal/ Contraction	16,243	West Tower, 400 2 nd Ave W	Office	Lower Queen Anne
Zeno Power Systems	New Lease	15,960	219 Terry	Life Science Labs	Lake Union
Orion Medicines	New Lease	10,567	Dexter Yard - North Tower	Life Science Labs	Lake Union
Vilya	New Lease	6,063	Alexandria Center for Science & Technology	Life Science Labs	Lake Union
Phenome Health	New Lease	1,524	Fourth & Blanchard	Office	Denny Regrade

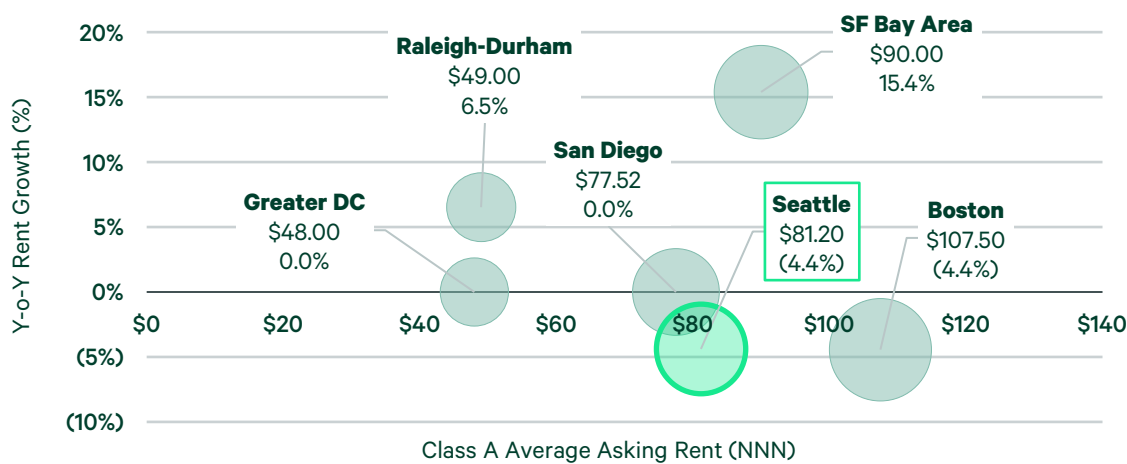
Source: CBRE Research, Q1 2024.

FIGURE 6: Puget Sound Availability



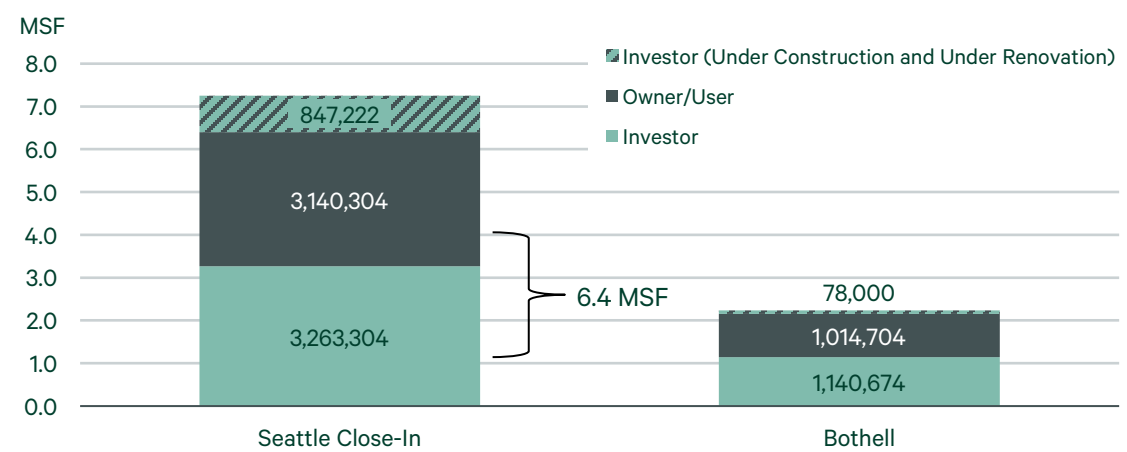
Source: CBRE Research, Q1 2024.

FIGURE 7: Market Comparison of Asking Rent and Year-over-Year Rent Growth



Source: U.S. Life Sciences Figures, CBRE Research, Q1 2023 and Q1 2024.

FIGURE 8: Inventory by Ownership Type



Source: CBRE Research, Q1 2024.

Market Area Overview



Definitions

- Net Absorption:** The change in occupied square feet from one period to the next with occupancy recognized at the move-in date or delivery of new construction, not lease signing date.
- Vacancy:** Space that is physically vacant where a move-out has occurred or first-generation space in an existing building.
- Available:** Space that is marketed that may or may not be vacant, in an existing building.
- Triple Net Rent:** Tenant pays real estate taxes, insurance, and maintenance expenses (operating expenses) separately from the base rent.
- Average Asking Rent Rate:** A calculated average of the asking rent, adjusting full service or triple net rents by the operating expenses in order to be equivalent, weighted by the available square footage.

Survey Criteria

Survey includes competitive life science buildings over 10,000 sq. ft. utilized for research of life sciences or lab manufacturing.

SEATTLE OFFICE

1420 5th Ave, Suite 3800
Seattle, WA 98101
+1 206 292 1600

BELLEVUE OFFICE

929 108th Ave NE, Suite 700
Bellevue, WA 98004
+1 425 455 8500

TACOMA OFFICE

710 Market St
Tacoma, WA 98402
+1 253 572 6355

Contacts

Carolyn Davis

Research Manager
+1 206 292 6098
Carolyn.Davis@cbre.com

John R. Miller

Executive Managing Director
+1 206 292 6102
John.Miller@cbre.com

Yemas Ly

Field Research Analyst
+1 206 292 6093
Yemas.Ly@cbre.com

© Copyright 2024. All rights reserved. This report has been prepared in good faith, based on CBRE’s current anecdotal and evidence based views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE’s control. In addition, many of CBRE’s views are opinion and/or projections based on CBRE’s subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE’s current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.

Nothing in this report should be construed as an indicator of the future performance of CBRE’s securities or of the performance of any other company’s securities. You should not purchase or sell securities—of CBRE or any other company—based on the views herein. CBRE disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CBRE as well as against CBRE’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.

