

Identifying Opportunities in RALEIGH-DURHAM'S LIFE SCIENCES MARKET

Raleigh-Durham **life sciences** market, one of the world's largest life sciences clusters, has **experienced exponential growth** in the last five years.

Inventory has **grown by 23.2%** and asking rents **increased 111.3%**.



Projects under construction continue to accelerate to accommodate increasing demand. The current construction pipeline is **70% higher** than compared to five years ago, with **nearly 9.3 msf** of additional proposed projects planned, offering myriad opportunities for prospective life science users.



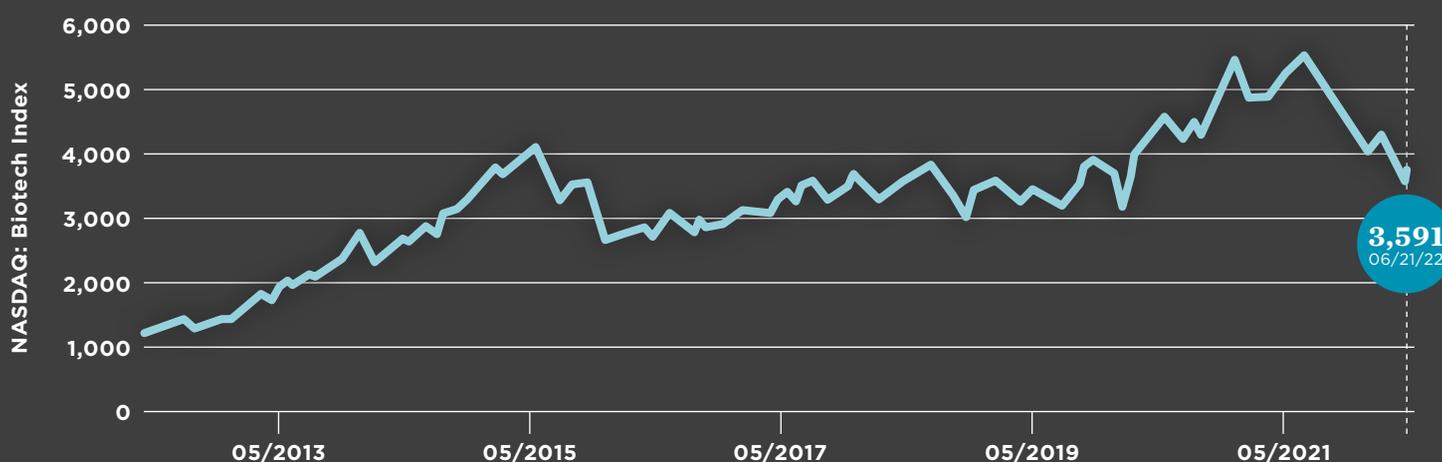
Strong demand for space by life sciences occupiers has resulted in **over 2.3 million square feet (msf) of new inventory** delivered over the last five years. This space has been leased up rapidly upon delivery. Construction is presently underway on **725,000 square feet (sf) of speculative product**, providing much needed options for tenants looking to occupy between 2022 and 2023.

Recent volatility in the equity markets has **resulted in falling market capitalization** for many companies.



- This has created a **cash crunch** for some biotech companies whose market cap has fallen below their cash on hand.
- These companies will need to be **judicious with their expenses** going forward, thereby creating opportunities for other biotech occupiers who may have been sitting on the sidelines.
- **Additional opportunities may develop** in the labor market. Job postings for life sciences occupations in Raleigh-Durham are at a five-year high, up **45% on a year-over-year (YoY)** basis. The war for talent continues to make filling these positions very challenging. The potential for increased M&A activity may alleviate some of these labor difficulties.

Biotech Share Price



Source: The Nasdaq Stock Market, Inc. (NASDAQ), Moody's Analytics, Cushman & Wakefield Research

Life sciences investment capital **is drawn to the Research Triangle with its world class research facilities** located in in Raleigh-Durham.

Year-to-date, Raleigh-Durham has received over **\$370 million** in venture capital funding, **up more than 6% YoY**, and NIH grants totaling close to **\$790 million**.

Demand for life sciences space from companies attracted to Raleigh-Durham's **extensive talent pool and stable business environment** will continue to **drive growth** in the market.



For more insights on life sciences, visit Cushman & Wakefield's national report: [VIEW REPORT](#)