



Market Report

Greater Philadelphia

**LIFE SCIENCE**

Q1 2023

**OVERVIEW**

*The Philadelphia life science market has shown some mixed trends in the first quarter of 2023.*

While the recent instability in the banking system may cause reductions in venture capital funding going forward, Q1 2023 VC funding has exceeded pre-pandemic levels.

**REAL ESTATE DEALS**

In the last quarter, Mispro signed for 7,000 SF on the 9th floor of the Cira Centre, where Brandywine is actively converting the remainder of the floor into flexible spec lab suites. Ensemble and 1201 Normandy Place signed their first life science deal as Invisible Sentinel committed to 32,000 SF at the building, advancing R&D capabilities. These deals signify that the demand for lab space remains strong in Philadelphia, despite the rising vacancies.

**CAPITAL RAISES**

Several companies in the life science industry raised significant amounts of capital in Q1 2023.



These impressive fundraising efforts indicate the investor confidence in the Philadelphia life science industry, despite the challenging economic conditions.

**MARKET SNAPSHOT**

- ▲ VACANCY
- ▲ RENTAL RATES
- ▼ ABSORPTION
- ▲ CONSTRUCTION DELIVERIES



Mispro signed for 7,000 SF on the 9th floor of the Cira Centre.

*Lab vacancy is rising but remains well below the long-term average, and rents continue to rise in the Philadelphia market.*



**IPOs**

The only IPO in the industry last quarter was Mineralys Therapeutics, but it indicates that there is still interest in investing in life science companies in Philadelphia.



Last quarter consisted of only one IPO in the industry.

**CONCLUSION**

Overall, the Philadelphia life science market has shown resilience in Q1 2023, despite the challenges posed by the banking system volatility. Venture capital funding has remained strong and lab space demand remains strong, although not to the point of pandemic levels.

**MERGERS**

There were two significant mergers in the Philadelphia life science market in Q1 2023.



Carisma Therapeutics merged with Sesen Bio, and Advaxis merged with Ayala Pharmaceuticals. These mergers indicate that companies in the industry are seeking to consolidate and strengthen their positions in the market



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Real estate transactions, capital raises, and mergers demonstrate investor confidence in the industry. However, companies must remain vigilant and adaptable to sustain their growth in the face of the changing economic conditions.

**TIM CONREY**  
Senior Vice President  
215.805.5440  
tconrey@scheerpartners.com

**LISA BERGER BASKIN**  
Senior Vice President  
610.368.3851  
lbaskin@scheerpartners.com

**KJ KULIK**  
Assistant Vice President  
609.744.7233  
kkulik@scheerpartners.com

**LOU TONON**  
Senior Associate  
704.609.2239  
ltonon@scheerpartners.com

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