



Advanced Manufacturing Footprint Expands Ahead of Tenant Uptake

Oversupply of Similar ‘Lab-Ready’ Space Misaligned with Current Demand

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September 4, 2025

KEY TAKEAWAYS

- 1. Manufacturing-ready properties have been built at a pace much greater than demand, which has created an oversupply.**
An uptick in industrial-flex properties marketed as “lab-capable” have failed to attract large occupiers. With limited demand from small or mid-sized companies, due to misalignment with faster occupancy needs and/or lack of capital for companies to contribute to building these spaces, these industrial-flex options are not well positioned for scientific users in today’s market.
- 2. Pace of deal execution has slowed given quiet capital investment**
Many companies with limited cash runway and cautious investors are focused on prioritizing current operations over growth, leaving leasing activity subdued despite landlords offer greater flexibility on terms, pricing, and incentives to attract tenants.
- 3. Notable uptick in large block subleases drives availability**
There are 883,308 SF in sublease offerings in the RTP lab market, concentrated in Durham (312,334 SF) and Morrisville (227,701 SF), which are putting downward pressure on rents.
- 4. Rise of amenitized, mixed-use environments tied to life-science campuses**
With life science demand slowing, landlords are targeting adjacent industry sectors and marketing projects as mixed-use, amenity-rich districts to attract a broader range of innovation tenants.



8 Davis Drive, owned by Alexandria Real Estate Equities, won the internationally recognized The Outstanding Building of the Year (TOBY) Award in the life sciences category by BOMA (Building Owners and Managers Association) in July 2025.

FORECAST

RTP will continue to draw GMP and advanced manufacturing users with its talent, infrastructure, and incentives. The oversupply of “lab-ready” properties poses short-term challenges but positions the region for long-term advantages to meet future tenant’s needs, with a broad inventory of sites offering different levels of readiness ranging from core-and-shell to spaces equipped with heavy power or specialized mechanical systems.

AgTech demand will be difficult to facilitate due to limited access to research greenhouse facilities, which are largely owner-occupied. Standalone greenhouse space commands rent premiums up to 25% to 50% above market.

Most available space favors manufacturing uses instead of R&D, even as developers introduce space options to capture broader demand, such as new spec suite at Roxboro at Venable and 31 Alexandria. The market benefits from large corporate occupiers with long-term commitments or ownership stakes, even as growth remains limited, as evidenced by the recent completion of Fujifilm Diosynth Biotechnologies facility.

There will be lower deal volume from small and mid-sized expansions, but RTP will remain well-positioned to land net-new, out-of-market companies seeking cost advantages over higher-priced coastal hubs.



The Roxboro at Venable

The Roxboro at Venable, located at 380 E. Pettigrew Street, offers move-in ready lab suites ranging from 4,300 - 7,400 square feet. Photo Credit: SLI Capital, The Roxboro at Venable

Existing Inventory (SF)	Under Construction (SF)	Under Renovation (SF)	Proposed (SF)	Availability Rate (%)	Avg. Asking Rents (\$)
17,678,703	0	83,936	1,106,686	14.2	38.85

MARKET NARRATIVE

The Research Triangle Park (RTP) market continues to distinguish itself as a national hub for life science manufacturing, anchored by recent completions from industry leaders like Fujifilm Diosynth, Genentech, and Biogen. Regional infrastructure investments and an attractive talent pipeline position RTP well for long-term growth, particularly among biomanufacturing and CDMO users. However, supply is currently outpacing demand, with an abundance of manufacturing-ready and “lab-capable” flex assets creating short-term absorption challenges, especially for smaller tenants facing extended buildouts and tighter capital availability.


The overbuilding of similar ‘lab-ready’ manufacturing and industrial-flex buildings have outpaced demand, limiting appeal to narrow tenant pool and creating absorption challenges. The oversupply of similar spaces could translate into a competitive edge as more companies seek affordable, scalable alternatives to coastal markets. The value in these spaces typically comes from flexibility in configuration to accommodate multiple end-users, enhanced building infrastructure such as robust mechanical, electric, and plumbing systems.

There has been a shift from scientifically focused lab assets toward mixed-use districts that balance flexibility, lifestyle amenities, and placemaking to attract a more diverse tenant base. Notable examples include Park Point, which has successfully reactivated a former pharmaceutical campus, and the proposed Hub RTP, a flagship development that exemplifies this more holistic, future-forward approach to asset diversification.

While sublease transactions carry added execution risk, they offer cost-conscious tenants a foothold in the market. There has been a wave of sizeable sublease offerings across the region, for example, 173,820 SF at the Alexandria Center for Life Sciences and 14 TW Alexander Drive, including 40,000 SF of newly built GMP space formerly occupied by Adverum. Tour activity across the RTP market remains steady, signaling sustained interest from both in-market and out-of-market tenants. However, many of these companies remain in “evaluation mode,” engaging in site visits and exploratory conversations without advancing to signed leases. This dynamic, often compared to “dating but not committing,” reflects broader caution around capital deployment, as companies weigh long-term needs against short-term financial pressures.

With no life science projects actively under construction, the RTP market has entered a pause in new speculative development. This reflects both the absorption lag from recent deliveries and broader caution among developers amid muted tenant demand, tighter capital markets, and prolonged leasing timelines. This measured pause may help rebalance supply and demand in the near term, while positioning the market for more targeted, build-to-suit or pre-leased opportunities in the next development cycle.

NOTABLE LEASE TRANSACTIONS




Property Address
300 Morris Street

Submarket
Durham

Tenant Name
Hoofprint Biome

Square Feet
7,378

Deal Type
Direct New




Property Address
419 Davis Drive

Submarket
Morrisville

Tenant Name
Liquidia

Square Feet
45,095

Deal Type
Direct New



Property Address
1001 Airport Blvd

Submarket
Morrisville

Tenant Name
Asensus Surgical

Square Feet
60,000

Deal Type
Direct New

FUNDING

GeneCentric
Series C
\$8M

Xilis
Later Stage
\$19.4M

Pneuma Respiratory
Debt Financing
\$3.3M

MERGERS & ACQUISITIONS

Pelthos
Therapeutics
Channel Therapeutics
merged with
Ligand Pharmaceutical Inc

:: focal
medical technology

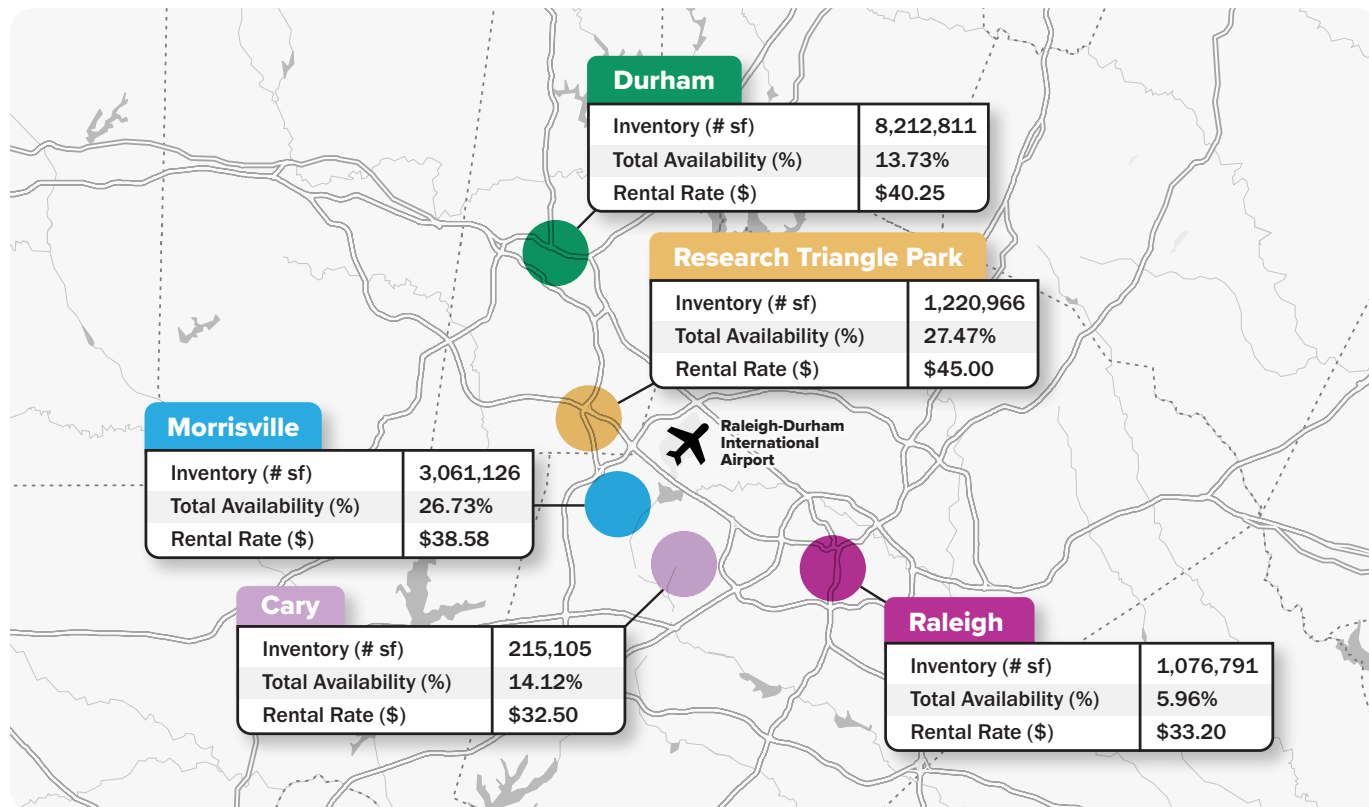
acquired by
Continuity Biosciences



Spark LS

German-based Coriolis Pharma announced it's new 13,000 SF research laboratory at Spark Life Science in Morrisville. Photo Credit: Coriolis Pharma

SUBMARKET MAP

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