



# Maryland Sees Historically Low Life Science Leasing Activity

## *GSK's Commitment at Belward Campus Seen as Boon for Absorption in 2024*

By **Devin Zitelman**, Director, Scientific Real Estate Advisory Services / Scheer Partners

January 21, 2025

### KEY TAKEAWAYS

- 1. Historically Low Life Science Transaction Volume in the I-270 Corridor**

Lab leasing activity slowed significantly in 2024. The market typically averages approximately 400,000 square feet of annual lease transactions, including new and renewals, with a peak of 870,000 square feet in 2021. In 2024, the total reached 442,000 square feet, largely driven by GSK's 289,912 square foot lease renewal at Belward Campus Drive, which accounted for 65.6% of total activity. Without GSK, the market recorded just 152,000 square feet of leasing—a historic low not seen since the late 2000s.
- 2. Strategies Shift to Consolidation or Space Reduction**

Scientific companies are deploying strategies such as rentable space reduction and consolidation to improve efficiency and cut costs. Downsizing operations and subleasing unused space are common tactics, driven by a need to remain agile in a competitive funding environment and to manage uncertainty around long-term space requirements.
- 3. Speculative Development Faces Uncertain Demand with Renovations Nearing Completion**

There has been a strong influx of speculative, finished lab suites to hit the market, that has outstripped demand over the past 24 months. The oversupply of lab options is further exacerbated as owners continue to compete with a rise in second generation and sublease space. Developers and landlords who invested heavily in upfront capital improvements are increasingly challenged by extended vacancies. To attract high-value tenants, they must navigate a landscape where rental rates remain firm, leaving concessions and lease term flexibility as their primary negotiating levers.
- 4. Renewed Investor Focus on Established Scientific Companies**

The venture capital and public market landscape has shifted, with capital now favoring proven, scalable technologies with clear commercialization paths, leaving early-stage companies with fewer funding options despite strong executive teams and promising technologies. The focus on established companies creates a challenging environment for early-stage startups, pushing them to seek alternative funding sources or strategic partnerships. Investors are increasingly prioritizing lower-risk investments with immediate growth potential, creating a gap in support for early innovation that may impact the pace of new discoveries entering the market.

## FORECAST

Despite some clear headwinds for the sector at large, such as uncertainties around interest rates, scarce venture capital funding and increased construction costs, there is long term optimism that a rebound in demand for lab space will be driven by advancements in biotech innovation and sustained investment.

The market is experiencing a reset towards a healthy equilibrium that should support more sustainable growth; albeit, it may take several years to fully realize. This instability will allow landlords and tenants alike to plan more strategically, aligning leasing commitments and development timelines with actual demand, while maintaining flexibility to adjust to shifting market conditions. We expect to see increased demand in Maryland’s lab market as early as Q3 2025.



**Existing Inventory (SF)**  
**11,367,672**



**Under Construction (SF)**  
**0**



**Under Renovation (SF)**  
**270,045**



**Proposed (SF)**  
**2,289,135**



**Availability Rate (%)**  
**12.7**



**Avg. Asking Rents (\$)**  
**41.57**

## MARKET NARRATIVE

Maryland’s life science real estate market contends with an evolving landscape of cautious demand and prospective tenants looking to balance flexibility and growth. Landlords and developers continue to adapt to tenant needs, competing for companies that have established revenue streams or clear pathways to commercialization, while shifting their priorities away from pre-revenue or startup companies.

Prospective tenants, many facing capital constraints and operational efficiencies, are selectively evaluating their space options, making it imperative for landlords to offer flexible leasing terms and solutions to mitigate the upfront capital expenditures to secure commitments. In the near term, availability is expected to rise slightly, with landlords focusing on tenant retention strategies and potentially repositioning assets to align with smaller, highly specialized life science companies that prioritize laboratory flexibility over scale.



**14200 Shady Grove Road**

635K SF of existing lab, office, and clean suites is available for lease in 2026. Owned by GI Partners.




**9810 Darnestown Rd**

Alexandria Real Estate Equities delivered 192K SF of lab space in shell condition that is being subleased by Amgen.

The impending availability of large blocks from lease expirations will further influence Maryland’s lab market, especially as owners navigate debt service obligations relative to a building’s net operating income. Notably, the re-introduction of 635,000 SF at 14200 Shady Grove Road of existing lab, office and clean suites, and Amgen’s (formerly Horizon Therapeutics) decision to sublease its 192,000 SF building at 9810 Darnestown Road in shell condition, will add significant availability at a time when tenant leasing activities remain conservative. However, those large blocks have the potential to provide opportunities for large tenants to enter the market and take advantage of lower rents than many other scientific hubs.

**NOTABLE LEASE TRANSACTIONS**




Property Address  
**9911 Belward Campus Dr**

Submarket  
**Rockville**

Tenant Name  
**GSK**

Square Feet  
**289,912**

Deal Type  
**Renewal**




Property Address  
**9640 Medical Center Dr**

Submarket  
**Rockville**

Tenant Name  
**OncoC4**

Square Feet  
**35,000**

Deal Type  
**Renewal**



Property Address  
**1330 Piccard Dr**

Submarket  
**Rockville**

Tenant Name  
**Psomogen**

Square Feet  
**22,000**

Deal Type  
**Direct New**

**FUNDING**

**Crescent Biopharma**  
PIPE  
\$200mm

**Nostopharma**  
Series A - Expected  
\$25mm

**Gliknik**  
Venture Capital  
\$11.18mm

**Bullfrog AI**  
NAS: BFRG  
\$3.13mm



**MERGERS & ACQUISITIONS**

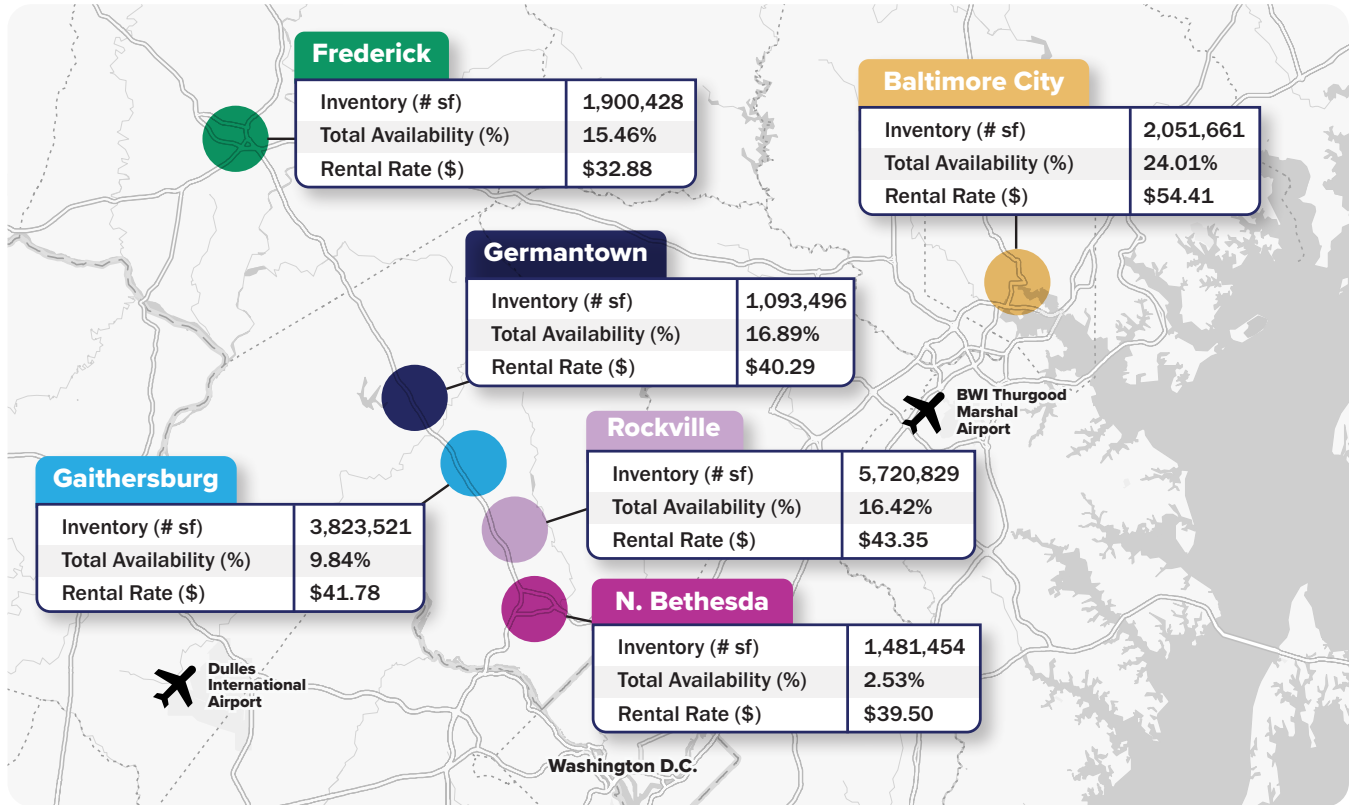
 GlycoMimetics, Inc.  
reverse merger with  
Crescent Biopharma

 ZyMöt™  
FERTILITY  
acquired by  
CooperSurgical

Maryland’s lab market is a vibrant and evolving landscape, with submarkets catering to a broad spectrum of life science companies across blocking sizes and cost options. The region balances mature, high-demand hubs with areas offering growth potential, providing flexibility for companies at different stages of commercialization.



## SUBMARKET MAP



**MATT BRADY**  
Principal, Executive Vice President  
301.980.0641  
mbrady@scheerpartners.com



**DREW DAVIS**  
Senior Vice President  
203.803.7283  
adavis@scheerpartners.com



**DEVIN ZITELMAN**  
Director, Scientific Real Estate Advisory Services  
301.337.4732  
dzitelman@scheerpartners.com



**ANDREW COMEAU**  
Associate, Scientific Brokerage  
301.802.4512  
acomeau@scheerpartners.com



15245 Shady Grove Rd. Suite 210  
Rockville, MD 20850

301.337.4700

[scheerpartners.com](http://scheerpartners.com)

**Disclaimer**

Information concerning the property described herein has been obtained from sources other than Scheer Partners and we make no representations or warranties, express or implied, as to the accuracy or completeness of such information. Any and all references to age, square footage, income, expenses and any other property specific information are approximate. Any opinions, assumptions, or estimates contained herein are projections only and used for illustrative purposes and may be based on assumptions or due diligence criteria different from that used by a buyer. Buyers should conduct their own independent investigation and rely on those results. The information contained herein is subject to change.