

Joint study by Colliers and ESPG: German life sciences property market enters a new, more selective phase

- The German life sciences property market has entered a new, significantly more selective phase
- Demand for modern laboratory and research space remains high; standardised processes, reliable regulatory frameworks and additional suitable space are becoming increasingly important for the sector's future development
- Artificial intelligence is transforming research processes and space requirements, but will not replace the physical laboratory
- Following a phase of strong expansion and overheating, the US market is showing initial signs of recovery; important conclusions can be drawn from this regarding the assessment of market developments in Germany

Cologne, 16 July 2026 – The European Science Park Group (ESPG), a property company specialising in science parks, and the property consultancy Colliers Germany have jointly published the market study ***“The Life Sciences Property Market in a New Market Phase”***. The study builds on the white paper on the German life sciences property market jointly published in 2023 and continues the analysis of the segment under changed market conditions. The joint study combines Colliers' market and transaction analysis with ESPG's perspective on locations, clusters and operators within the German and international life sciences property market. The interviews on which the study is based were initiated and facilitated by ESPG and arranged through its own industry network. The analysis shows that, following the extraordinary dynamism of the pandemic years, the German life sciences property market has entered a more mature and significantly more selective market phase. Structural demand for specialised laboratory and research space remains high.

Transaction volumes are picking up again

Since 2022, the German life sciences property market has been more strongly influenced by changing capital market and financing conditions. Higher interest rates and more restrictive conditions for venture capital-financed biotech and medtech companies slowed transaction activity and led to a shift in the risk profile: whilst core-plus strategies and project developments

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dominated the market – at times accounting for over 80 per cent of transaction volume – since 2025, high-quality core properties in established clusters have come to the fore and, in 2026, with a share of around 83 per cent, formed the mainstay of market volume.

In the first half of 2026, life sciences property transactions totalled around €112 million, already approaching the level recorded for the whole of 2025. Whilst this represents a noticeable upturn compared with the previous year, the overall level of transactions has remained significantly lower since the end of the exceptional economic conditions caused by the coronavirus pandemic in 2022. Investors are increasingly focusing on high-quality core properties in established life sciences clusters. The cities of Munich and Berlin, as well as the Rhine-Neckar and Rhine-Main regions, play a central role in positioning these areas within the international competitive landscape. Their true strength is evident not so much at the city-wide level as within clearly defined micro-clusters.

New dynamics: AI and specialised service providers are reshaping the space structure

In addition to the economic climate, technological developments are increasingly shaping the requirements for research property. The growing importance of AI-based methods in basic research – described in the report under the term ‘TechBio’ – means that a significant proportion of scientific value creation takes place digitally before the results are validated in a physical laboratory. Laboratory space therefore remains indispensable. However, its profile is shifting moderately towards a closer integration of wet chemistry and IT-related applications. At the same time, specialised contract research organisations (CROs) are gaining in importance: they take on standardisable process steps such as pre-clinical research and complement in-house infrastructure without replacing it. Overall, this development suggests a growing diversity of property concepts and operating models.

“Despite their distinct nature, life sciences properties are still too often viewed through the lens of the office market. Yet they are positioning themselves as a distinct property sector within the property market, offering attractive investment opportunities for both specialist investors and those seeking new avenues for growth and diversification,” says **Dr Ralf Nöcker, CEO of ESPG AG**.

A resilient segment with stable cash flows

The study highlights the distinct risk-return profile of life sciences property. Substantial investment by tenants in technical equipment – which often exceeds property-related expenditure – creates a strong attachment to a particular location and favours long-term lease

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terms. Combined with a significantly lower susceptibility to vacancy compared with the office market – physical research and production processes cannot be shifted to home working – this results in a high degree of planning certainty for owners. As transaction activity picks up, the market is becoming noticeably more liquid. At the same time, the segment remains specialised compared with traditional property types and offers attractive opportunities for yield-oriented investors.

Francesca Boucard, Head of Market Intelligence & Foresight at Colliers Germany: “High technical requirements, a lack of standards and limited market transparency make it difficult for many investors to gain access to the market. At the same time, this opens up attractive opportunities for players who understand the specific characteristics of this type of use and position themselves strategically in the market.”

Life science clusters, structural barriers and an international comparison

The study compares the leading German life sciences clusters – Munich (Martinsried), Heidelberg (Neuenheimer Feld), Berlin (Adlershof) and Mainz – against key criteria such as research strength, access to capital, start-up density and strategic governance. It reveals that successful clusters emerge where scientific excellence, entrepreneurial dynamism and effective networks work closely together. Standardised planning and evaluation approaches, as well as efficient approval processes, are becoming increasingly important for the further professionalisation of the sector.

An international comparison also reveals that, whilst the US market – with its large clusters and high rate of expansion – is an important benchmark, its development is only to a limited extent transferable to Germany and Europe. Following a phase in which around 30 per cent of additional capacity was created in the US, a market bubble subsequently formed there. However, the recovery that has now set in shows that these markets, too, are finding a new equilibrium. Against this backdrop, there is much to suggest that the German market is on a balanced development path.

The full report, “*The Life Sciences Property Market in a New Market Phase – Stable, but More Selective*”, is available for download at the following URL: https://espg.space/wp-content/uploads/2026/07/ESPG_Colliers_Life-Science-Report_2026.pdf

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About ESGP

The European Science Park Group (ESPG) is a property company specialising in science parks. The company focuses on developing science parks, predominantly occupied by tenants from future-oriented sectors such as the life sciences, green technologies and digital transformation, who benefit from being located close to one another and in the immediate vicinity of universities, hospitals and research centres. ESGP's portfolio already comprises 16 science parks across Europe, with a total area of 126,000 square metres. The sites are generally located outside major cities, in areas that are regarded as science clusters or have a high concentration of innovative companies.

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