

ACEC Market Intelligence Brief

Health Care & Science+Technology

Winter 2026

Market Scope

The health care and science+technology sectors stretch across many diverse industries that include health care services and facilities, pharmaceuticals, biotechnology, the manufacturing of drugs and medical equipment, and distribution. The largest trends impacting this market today include rising investments into artificial intelligence (AI), mounting closures in rural care, oversupply in the life science lab sector, tariff impacts and onshoring momentum, and an aging population that is propelling certain sectors forward. The current health care market is worth \$70 billion, just up 1% from the year prior. Spending is expected to remain stable for the next five years with expected market growth between 3-4% annually (FMI).

Top Clients

The list below highlights leading MedTech companies that secured major venture capital (VC) financing rounds from 2024–2025. VC funding rose 20% over the last year to \$8.7 billion, and industry revenue reached \$584 billion in 2025, underscoring MedTech's strong position within the broader healthcare market. Core infrastructure spans R&D labs, manufacturing facilities, and distribution centers.

Rank	Company	Region	Gross (US m)
1	BVI Medical, Inc.	MA, USA	\$1,000
2	Neuralink Corp.	CA, USA	\$650
3	Neko Health AB	Sweden	\$260
4	CMR Surgical Ltd.	UK	\$260
5	Kestra Medical Technologies, Ltd.	WA, USA	\$196
6	4C Medical Technologies, Inc.	MN, USA	\$175
7	Imperative Care, Inc.	CA, USA	\$150
8	OrganOx Ltd.	UK	\$142
9	ForSight Robotics Ltd.	Israel	\$125
10	Supira Medical, Inc.	CA, USA	\$120

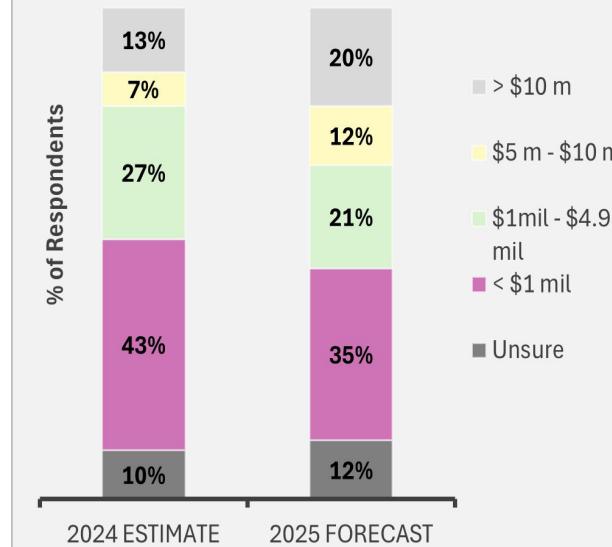
(Source: EY analysis, BMO Capital Markets, Dow Jones VentureSource and Capital IQ)

5 Current Market Trends

- **1. AI Investment Signals Partnership Shift:** AI is rapidly transforming every segment of the health care and science and technology market, including health systems, hospitals, pharmaceuticals, biotechnology, and scientific research. Adoption is accelerating, with 20% of life science companies already spending more than \$5 million on generative AI and 32% expected to invest at least that amount in 2025 (see chart below). Meanwhile, the share of firms spending under \$5 million is projected to decline from 70% to 56%, indicating broader and deeper integration of generative AI across the industry. Private investment reflects this shift, with annual medical and healthcare AI funding rising from \$3.7 billion in 2023

(Continued on next page)

Life Science Reported Gen AI Budgets



(Source: McKinsey)

Current Market Trends, *continued*

to \$9.3 billion in 2024. (Sources: *McKinsey, Stanford HAI, and U.S. Bureau of Labor Statistics*.)

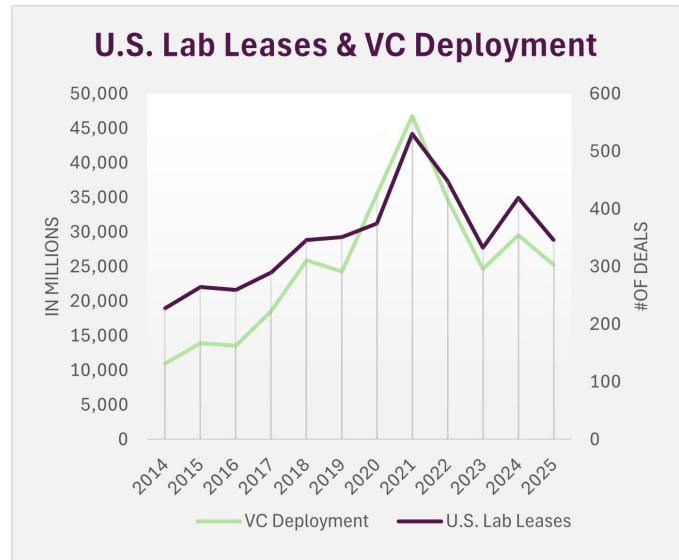
AI and machine learning can compress traditionally lengthy research, testing, and design cycles in biotechnology and drug development, improving both speed and accuracy. As these capabilities become more integral to scientific workflows, organizations are also reassessing their physical and digital infrastructure to support AI-driven operations, prompting significant upgrades in space, power, and cooling requirements. This evolution reflects a broader shift toward environments where AI plays an active operational role rather than functioning solely as a research tool, as noted by Mead & Hunt CEO Amy Squitieri.

"Across the science and technology market, AI is transitioning from a helpful tool to a true operational partner. In addition to creating efficiencies in the research process, it also enables real time performance and compliance monitoring in high consequence environments like clean energy and BSL facilities."

- Mead & Hunt CEO Amy Squitieri

- **2. Mounting Closures Threaten Rural Care:** Financially strained hospitals face escalating instability and heightened risk of shutdown. Today, 30% of rural hospitals are at risk for closure, with the most immediate threats in Connecticut (50%), Alabama (48%), Mississippi (34%), Kansas (30%), and Arkansas (26%). This is alarming given that 20% of the U.S. population relies on rural hospitals, which generate \$220 billion in economic activity and support one in twelve rural jobs. Although COVID-driven migration temporarily increased patient volumes, chronic underfunding persists. Small rural hospitals receive less than 3% of total national hospital spending. (Source: *Colliers*.)
- **3. Life Science Labs Enter Market Correction:** The life science lab market is positioned for a correction following a pandemic-era surge in venture capital (VC) funding and

rapid lab development (see chart). According to JLL, available U.S. lab space reached 61 million square feet in 2025—three times the 2021 level, indicating significant oversupply. JLL's forecast projects lab availability will decline to 20% by 2030, with 18.7 million square feet of lab space expected to fall into distress or be converted to other uses over the same period.



(Source: JLL)

- **4. Tariff Uncertainties Hit Health Care:** Sixty percent of industry leaders expect at least some business impact from tariff policy. The sector remains highly exposed to price shocks, relying on \$14.9 billion in medical-equipment imports from China in 2024. Tariff-driven uncertainty has also contributed to fewer year-over-year construction starts. Still, onshoring is gaining momentum in the sector, offering a potential buffer against global supply volatility. (Sources: *Dodge Data & Analytics, Deloitte, and AHA*.)
- **5. Positive Outlook for Medical Office Buildings (MOB):** Approximately 42,000 MOBs comprise 1.6 billion square feet (sf) of space in the U.S., with 44.4 million sf delivered in the top 100 metro areas over the past three years. A slow rise in construction activity and sustained demand signal a potential growth outlook for 2026, driven by advances in outpatient-enabled technology and an aging population. A map on page four highlights the top ten markets. (Sources: *PWC, ULI, Colliers, and RevistaMed*.)

Government Affairs Action

In early February H.R.7148 - Consolidated Appropriations Act, 2026 was signed into law. ACEC supported the bill, which fully funds the authorized levels for most transportation accounts under the Infrastructure Investment and Jobs Act (IIJA).

The bill will also fund several federal agencies for FY2026 including the Departments of Labor, Health and Human Services and several health care authorities and programs.

► **Labor, Health and Human Services Education, and Related Agencies Appropriations Act 2026:**

\$221 billion will be provided to support biomedical research and resilient medical supply chains, education, rural hospitals and primary health care.

• **Chairman Tom Cole (R-OK) said:** "So, today, we've

once again strengthened our national defense, supported education and health systems, modernized our transportation and infrastructure, supported small businesses, and reasserted diplomacy on the world stage."

► **Rural Health Transformation Program (RHTP):**

The Centers for Medicare & Medicaid Services (CMS) launched a \$50 billion, five-year initiative aimed at strengthening and modernizing health care in rural communities across all 50 states. CMS also created a new Office of Rural Health Transformation to oversee the program. RHTP investments will focus on:

- Expanding access to care through more primary, maternal, behavioral health, emergency services, and telehealth.
- Strengthening the rural health workforce via training, recruitment, and retention efforts.
- **Modernizing infrastructure and technology, including facility upgrades, equipment, cybersecurity, and digital tools. (A potential opportunity for design firms.)**
- Improving coordination and efficiency through regional partnerships and shared services.
- Advancing care and payment models, especially value-based approaches that support financial stability and better outcomes (Centers for Medicare & Medicaid Services).

Business Development Insight

Aging Tailwinds Lead to Sustained Senior Living Demand

About 10,000 Americans turn 65 each day as the baby boomer generation ages. By 2030, all 73 million boomers will be at least 65, accelerating the nation's shift toward an older population (AARP & U.S. Census Bureau). Longer life spans are also contributing, with the U.S. death rate falling 24% from 1999 to 2019, prior to the COVID-19 pandemic.

The U.S. population aged 85 and older is projected to nearly double from 6.5 million to 11.8 million by 2035, making it the nation's fastest-growing age segment (U.S. Census; The Center for Health Design). This surge is driving demand across senior housing, nursing homes, acute-care facilities, hospices, outpatient centers, and adult day programs—along with greater need for medical office buildings, specialized care sites, pharmacies, and mobility-focused infrastructure. Hospice demand alone is expected to rise 9% annually through 2029 (McKinsey).

The following sectors recorded these occupancy rates as of Q4 2025 (NIC Map):

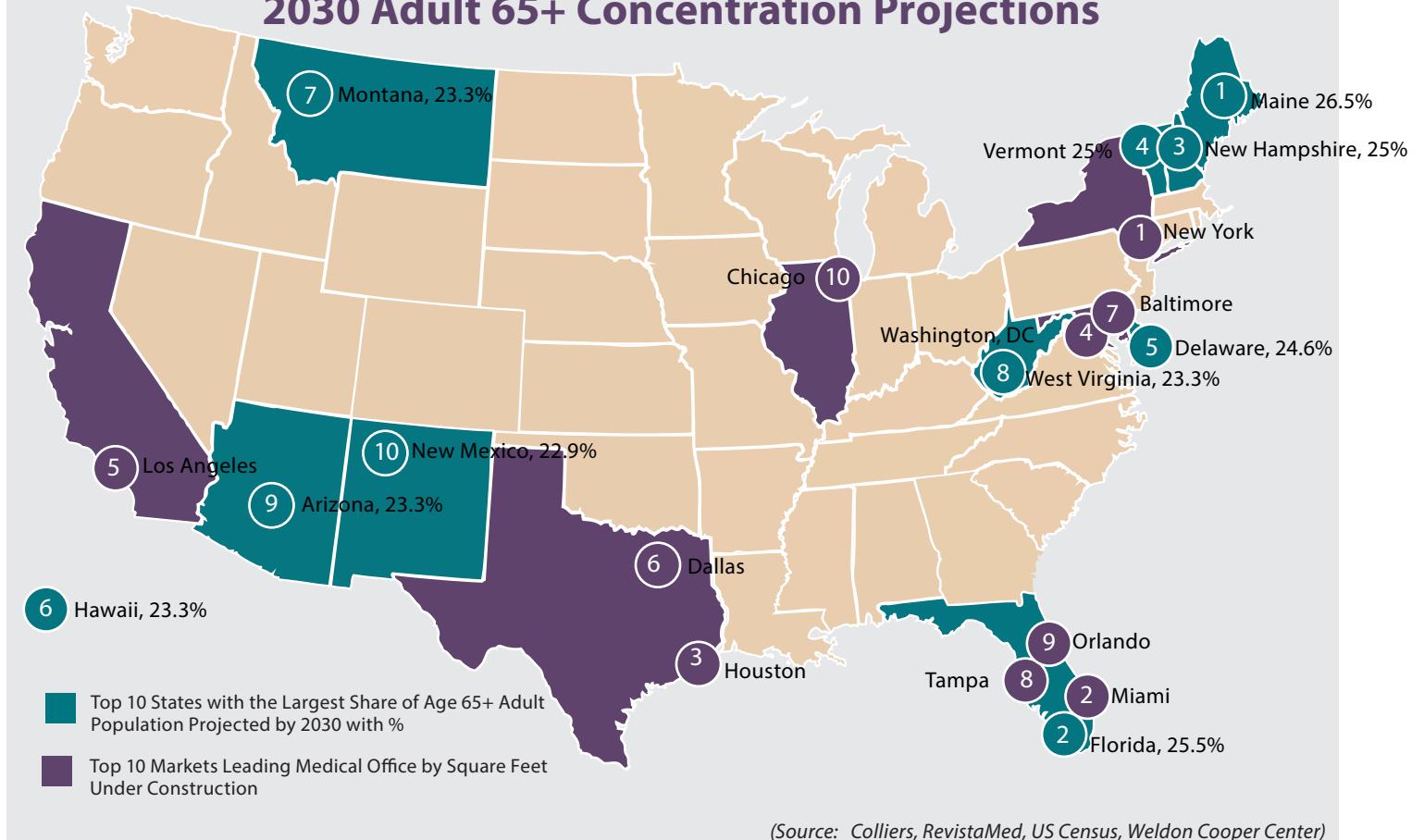
- ✓ Senior Housing, 89%, +40 basis points
- ✓ Nursing Care, 87%, +20 basis points
- ✓ Assisted living, 88%, +60 basis points
- ✓ Independent Living Properties, 91%, +40 basis points

Higher for longer interest rates and policy uncertainty are putting delays on new developments. Construction in the senior housing market is experiencing historically low supply and high occupancy rates.

For engineering firms, these demographic changes and market conditions translate into sustained demand for senior apartments, independent living, assisted living, memory care, nursing homes and Continuing Care Retirement Communities (CCRCs). The sector's growth trajectory positions engineering services as a critical element to designing capacity expansion over the next decade.

The map on page four highlights the top ten states with the largest share of 65+ age adults projected by 2030. Also highlighted are the top ten markets leading in the medical office sector by square feet under construction with New York leading the way at 1.7 million SF under construction in 2024.

Top U.S. Medical Office Markets & 2030 Adult 65+ Concentration Projections



ACEC Structural Coalition

Join fellow ACEC members for a policy update and open discussion on construction design for structural engineers. Details below. [Register here.](#)

STRUCTURAL ENGINEERS

TUESDAY, MARCH 17, 1:00 PM ET
VIRTUAL

JOIN THE ROUNDTABLE

- Interactive discussion
- Insights from peers in both industries
- Chance to network

Questions?

coalitions@acec.org

NEW! Market Intel Exchange

Join the Market Intelligence Committee for a quarterly roundtable. These member only meetings will create an environment for senior executives and business developers to engage with peers and exchange market-specific trends impacting their business growth strategies. This quarter's roundtable will focus on the Energy Market. [Register here](#) and full schedule below:

- **Energy - February 19, 2026 ~ Virtual**
- **Data Centers - May 04, 2026 ~ Washington, DC**
- **Water - August 2026 ~ Virtual**
- **Manufacturing - November 2026 ~ Virtual**

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