



# Gunderson Dettmer Releases 2025 Venture Capital Report

Data shows continued recovery across the VC ecosystem, AI dominates investor attention and capital

Insights

May 4, 2026

Gunderson Dettmer has released its 2025 year-in-review venture capital report, analyzing data collected from the thousands of venture financing transactions in which the firm represented clients during 2025 and into the first quarter of 2026.

The report examines market trends in deal count, valuation and transaction size across stages, with a spotlight on the role of artificial intelligence (AI) in reshaping the venture ecosystem. Included throughout are insights from Gunderson Dettmer partners, who have negotiated more venture financings than any other law firm every year for the past decade, [according to PitchBook](#).

While deal data shows increases in median pre-money valuation and transaction size for every financing stage in 2025, the data also reveals a strikingly split market. AI companies captured a disproportionate share of investor dollars at premium valuations, while non-AI companies faced a more challenging fundraising environment. AI tools are lowering startup costs, speeding up development timelines and raising the bar for early-stage companies looking for capital.

“The goalposts are moving for what makes an attractive VC investment”, said Los Angeles-based partner Ibrahim Elshamy. “AI tools have completely reset metrics like burn rate and go-to-market time, as more companies are reaching early milestones

quicker and with less money. With this much competition, VC support is increasingly defining the winners.”

For later-stage financings, investors are showing even more selectivity, focusing capital allocations on a small subset of perceived frontrunners. Growth financings are also increasingly including secondary components, which has boosted transaction size further. The result is a highly concentrated market. Ten companies received more than half of all venture capital investment dollars in 2025, reflecting investors’ focus on funding fewer, higher-quality companies in an environment where M&A and IPO liquidity remains limited.

*[Read the full 2025 Venture Capital Report here.](#)*

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