

# HOUSTON LIFE SCIENCES MARKET

SUMMER-FALL 2024

TRENDLINES	MID YEAR 2024	MID YEAR 2023	MID YEAR Y-O-Y
HOUSTON CPRIT FUNDING	\$27.7 M	\$64.9 M	↓
HOUSTON VENTURE CAPITAL FUNDING	\$197.1 M	\$258.7 M	↓
HOUSTON NIH FUNDING	\$595.3 M	\$512.7 M	↑
LIFE SCIENCES UNDER CONSTRUCTION	0 SF	600K SF	↓

Source: Cancer Prevention & Research Institute of Texas (CPRIT), Pitchbook, Bureau of Labor Statistics, CoStar, Real Capital Analytics, National Institutes of Health (NIH). Transwestern. Arrow color palette indicates property sector agency leasing, management and investor trending assessment(s).

## NEW CONSTRUCTION ATTRACTS STARTUPS AND ESTABLISHED COMPANIES IN 2024

### Startups And Corporations Look To Houston For Growth

Houston’s life sciences sector is catching the attention of both startups and established companies, especially from established regional hubs in other parts of the United States. Premier lab space in the Texas Medical Center (TMC) in newly constructed properties have been signed for by emerging biotechnology companies.

PranaX leased a 7,400 square foot lab space at Levit Green at 6420 Levit Green Blvd and Artidis, after outgrowing their space in TMC Innovation Factory, will occupy 2,000 square feet in TMC3 Collaborative Building. The Woodlands also remains a key part of the metro’s growth where California-based Bionova Scientific plans to develop a 100,000 square foot GMP facility.

### Houston Thrives On Institutional Collaboration

Overall funding has slowed, but Houston remains the top-funded city by The Cancer Prevention & Research Institute (CPRIT) and has secured more National Institutes of Health (NIH) funding in 2024 than last year, showing confidence in the metro’s growth, talent and research efforts.

Houston’s top academic research institutions are launching collaborative efforts to foster discovery and innovation and have already amassed over \$415 million in total awarded funding from CPRIT and NIH this year. Rice University recently announced a cancer bioengineering collaboration with MD Anderson Cancer Center. SythinX Center also has a collaboration with Baylor College of Medicine.

**INDUSTRY NEWS & ANNOUNCEMENTS**

**Speculative Class A Lab Space is 41 Percent Leased**

- Houston currently has 160,000 square feet of existing, move-in ready, speculative lab space ranging from 6,000 to 30,000 square feet. An additional 43,000 square feet is under construction, planned or in permitting, 41 percent of which is already pre-leased.
- Bionova Scientific, a biologics CDMO, is moving to Houston. A tax abatement was approved in May for the company to develop a new \$56 million, 100,000 square foot GMP facility in The Woodlands. The facility will be in The Woodlands Innovation District, a hub for life science companies including Nurix Therapeutics, Cellipont and Lexicon Pharmaceuticals.
- In June, the MD Anderson Cancer Center and Rice University formed a partnership to launch the Cancer Bioengineering Collaborative. The universities aim to advance bioengineering research and develop technologies to diagnose and treat cancer through five key areas of research: cell therapies, nanotechnologies, cancer vaccines, artificial intelligence, and molecular imaging.
- Rice University also announced their new Synthesis X Center, a collaborative effort with Baylor College of Medicine to bring researchers in cancer care and chemistry together to share discoveries, developments, and exchange ideas as they continue their efforts in cancer prevention and detection.

**Market Activity**



Artidis, a biotechnology company specializing in cancer detection and treatment plans using nanotechnology, is relocating from the TMC Innovation Factory and to the TMC3 Collaborative Building at Helix Park. The growing startup will occupy 2,000 square feet and is the first tenant at Portal Innovations, a venture capital firm which leased 30,000 square feet at the TMC3 Collaborative Building last year.



PranaX became the second tenant at Levit Green Phase One at 6420 Levit Green Blvd in the TMC, signing a lease for a 7,400 square foot speculative lab suite. The space will be their research and manufacturing headquarters and include a clean room where PranaX will manufacture innovative regenerative therapies.

## FUNDING LANDSCAPE

### Greater Houston's Venture Capital and Research

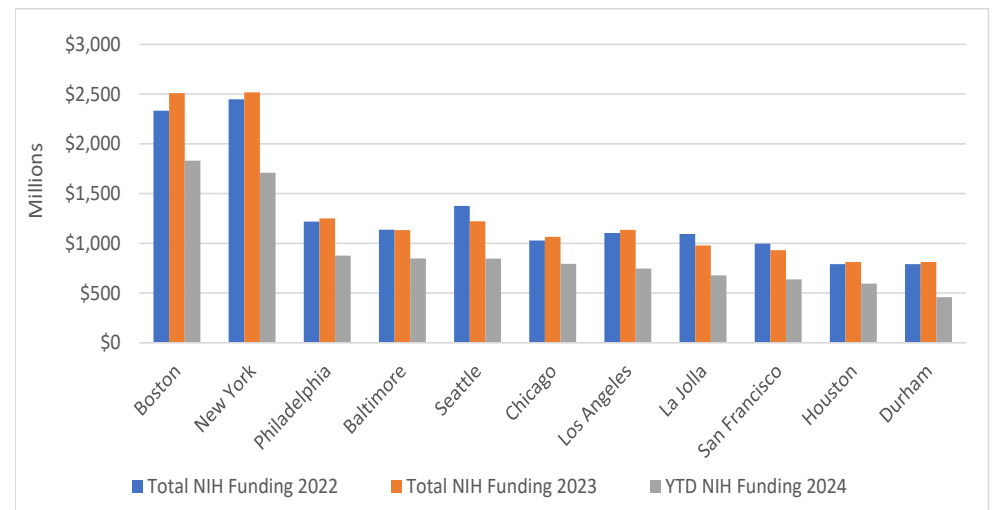
- Venture capital funding (VC) slowed for Houston's Life Sciences ecosystem, raising \$197.1 million in funding by mid-year 2024, down significantly from the \$258.7 million from mid-year 2023, but congruent with the declining number of venture capital transactions across the U.S.
- Procyron, a medical device company which developed a circulatory assist device designed to improve cardiac performance for patients with cardiac impairment, raised \$57.7 million in a deal led by Fannin Innovation Studio in 2024 and has accumulated \$117.5 million in funds since the company's inception.
- Houston-based ImmunoGenesis raised \$44.4 million of Series A venture funding from Juno Capital, Texas Halo Fund and ADIT Ventures. The company specializes in immune-oncology therapeutics and has seen its pre-money valuation rise to \$40.6 million. Additional VC projects include CoRegen, which developed an AI-powered drug discovery platform for cancer treatment, raising \$14.5 million of Series A1 venture funding, putting the company's pre-money valuation at \$200 million.
- Notably, three additional Houston Life Sciences companies raised \$10 million or more in their last rounds of funding this year: CrossBridge Bio (\$12.0 million), OncoMAGNETx (\$10.1 million), and PranaX (\$10.0 million).
- By August 2024, Houston recipients obtained a total of \$595.2 million in grants from the National Institutes of Health (NIH) since the start of the year. The top three recipients for 2024 have amassed a combined total of \$499.3 million to-date: Baylor College of Medicine (\$241.6 million), University of Texas MD Anderson Cancer Center (\$135.8 million), and University of Texas Health Science Center Houston (\$121.9 million).

## TOP TEN VC FUNDED COMPANIES FOR HOUSTON LIFE SCIENCES

Companies	Industry	2024 Funding (\$ Millions)	Total Funding All Years (\$ Millions)
<b>PROCYRION</b>	MedDevice	\$57.7	\$117.5
<b>IMMUNOGENESIS</b>	BioTech	\$44.4	\$44.4
<b>COREGEN</b>	BioTech/Pharmaceutical	\$14.5	\$31.5
<b>CROSSBRIDGE BIO</b>	BioTech	\$12.0	\$13.5
<b>ONCOMAGNETX</b>	MedDevice	\$10.1	\$10.1
<b>PRANAX</b>	BioTech	\$10.0	\$13.0
<b>OTHRAM</b>	Lab Services	\$6.6	\$33.2
<b>FUTURE CARDIA</b>	MedTech	\$3.9	\$14.9
<b>VENOSTENT</b>	MedDevice	\$3.6	\$22.8
<b>EPICYPHER</b>	BioTech	\$3.3	\$3.6
<b>TOP 10 GRAND TOTAL</b>		<b>\$166.1</b>	<b>\$304.4</b>
<b>ALL HOUSTON TOTAL</b>		<b>\$197.1</b>	<b>\$1,145.6</b>

Source: Pitchbook, Transwestern

## NATIONAL INSTITUTES OF HEALTH (NIH), TOTAL FUNDING



Source: NIH, Transwestern. Annual calendar year funding, sorted by 2024 YTD in descending order. \*Total NIH Funding YTD is through August 2024.

**FUNDING CONTINUED**

**Houston 2024 Mid-Year CPRIT Awards**

- Houston continues to lead the state in funding grants from the Cancer Prevention & Research Institute of Texas (CPRIT), receiving \$541.9 million since 2020. The metro has been awarded \$27.7 million in research grants to-date during 2024 and has an additional \$61.3 million pending.
- Baylor College of Medicine received \$9.4 million in funding for research in childhood and adolescent cancer, as well as breast and colorectal cancer. The University of Texas M.D. Anderson Cancer Center follows closely behind in awarded grants totaling \$9.2 million with its top awards given for research on tobacco-related cancers, breast and prostate cancer. The University of Texas Health Science Center and The Methodist Hospital Research Institute received \$7.1 million and \$1.9 million in awarded CPRIT funding, respectively.

- Local pharmaceutical and biotechnology companies with pending grants include 7 Hills Pharma with \$4.7 million for research on stem cell transplants to treat leukemia, Indapta Therapeutics with \$4.5 million for phase one trials of treatments for lymphoma and myeloma, and CrossBridge Bio with \$2.6 million for research on treatments for bladder, breast, lung and bronchus cancers.

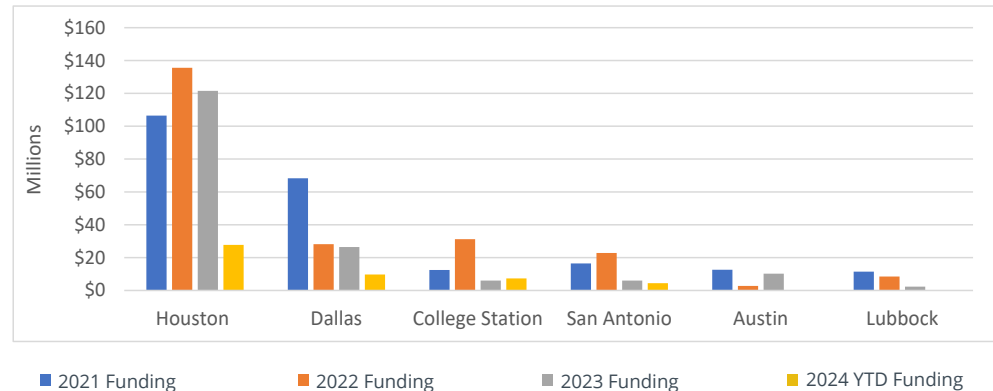
**CANCER PREVENTION & RESEARCH INSTITUTE OF TEXAS, TOP 10**

Rank	2024 Top CPRIT Recipients	Amount
1	BAYLOR COLLEGE OF MEDICINE	\$9,439,066
2	THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER	\$9,236,807
3	THE UNIVERSITY OF TEXAS SOUTHWESTERN MEDICAL CENTER	\$7,626,412
4	THE UNIVERSITY OF TEXAS AT AUSTIN	\$7,320,007
5	THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON	\$7,145,551
6	THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON	\$3,539,832
7	THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT SAN	\$3,400,000
8	TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER AT EL PASO	\$2,500,000
9	THE UNIVERSITY OF TEXAS AT DALLAS	\$2,099,806
10	THE METHODIST HOSPITAL RESEARCH INSTITUTE	\$1,921,388

Source: CPRIT, Transwestern. 2024 YTD funding, sorted by awarded amount in descending order. Pending awards not included.

**CPRIT FUNDING BY TEXAS METRO 2021 - 2024 YTD**

Location	2021 Funding	2022 Funding	2023 Funding	2024 YTD Funding
HOUSTON	\$106,435,373	\$135,550,932	\$121,494,935	\$27,742,812
DALLAS	\$68,316,485	\$28,196,499	\$26,473,837	\$9,726,218
COLLEGE STATION	\$12,482,808	\$31,247,839	\$6,050,000	\$7,320,007
SAN ANTONIO	\$16,444,802	\$22,797,823	\$6,041,457	\$4,397,770
AUSTIN	\$12,609,211	\$2,737,468	\$10,244,189	-
LUBBOCK	\$11,457,349	\$8,456,656	\$2,298,491	-
REMAINING TX	\$13,905,671	\$9,209,044	\$21,304,243	\$6,039,832
<b>Totals</b>	<b>\$241,651,699</b>	<b>\$238,196,261</b>	<b>\$193,907,152</b>	<b>\$55,226,639</b>



Source: CPRIT, Transwestern. Annual calendar year funding, sorted by 2024 YTD in descending order.

## PURPOSE BUILT LIFE SCIENCES BUILDINGS

### Under Construction

Houston delivered over a million square feet of purpose-built properties last year. To date this year, there are no projects underway as developers hold steady on starts to gauge leasing velocity on completed projects. Meanwhile, speculative lab suite development in existing buildings is still underway with 43,000 square feet currently under construction or in permitting, including three suites at Kirby Interchange Life Sciences Park totaling more than 17,000 square feet.

### LEVIT GREEN - PHASE 1

Levit Green Phase One, which delivered in January of last year, gained a new tenant, PranaX, signing a lease for 7,400 square feet of turn-key lab space for their new research and manufacturing headquarters.



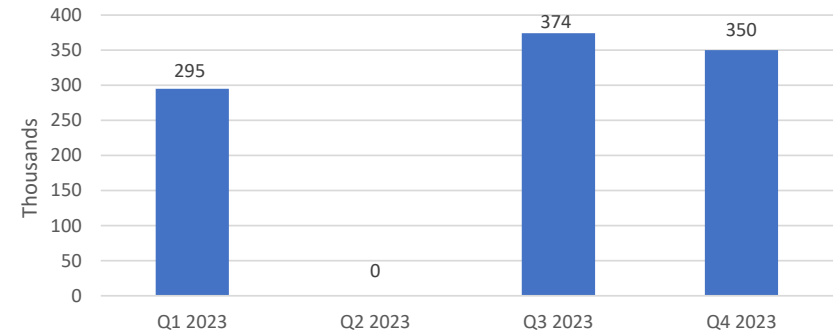
### TMC3 COLLABORATIVE BUILDING

The TMC3 Collaborative Building that delivered last October also gained a new tenant. Artidis, a cancer detection startup that uses nanotechnology to create personalized treatment plans, will occupy 2,000 square feet of Portal Innovation's 30,000 square foot incubator space.

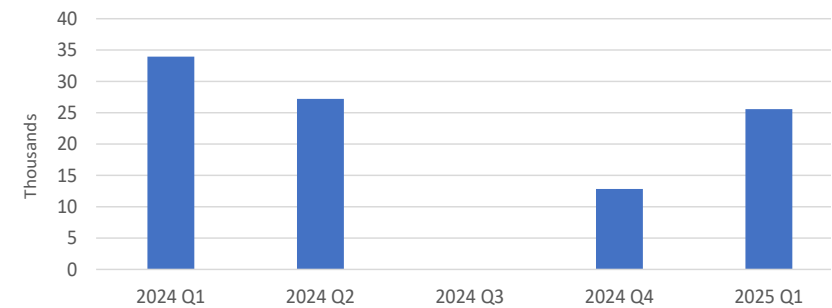


## DELIVERY SCHEDULE

### Purpose Built Lab Buildings



### Class A Speculative Labs



Source: Transwestern. RBA: Rentable Building Area.

	Building Name	Address	RBA (SF)	Delivered	Percent Leased	Quoted Rate	OPEX	Spec Lab (SF)
Recently Delivered	LEVIT GREEN - PHASE 1	6420 Levit Green Blvd	295,000	JAN 2023	13.9%	\$65.00	\$25.00	30,065
	8800 TECHNOLOGY - BLDG 100	8800 Technology Forest Pl	124,110	AUG 2023	40.1%	\$50.00	\$22.00	30,067
	TMC3 COLLABORATIVE BUILDING	7255 Helix Park Ave	250,000	OCT 2023	100%	\$65.00	\$20.00	-
	DYNAMIC ONE	1840 Dynamic Way	350,000	DEC 2023	62.1%	\$65.00	\$28.00	33,944
	<b>TOTAL</b>			<b>1,019,110</b>		<b>54.8%</b>	<b>\$63.17</b>	<b>\$24.44</b>

Source: Transwestern, Costar

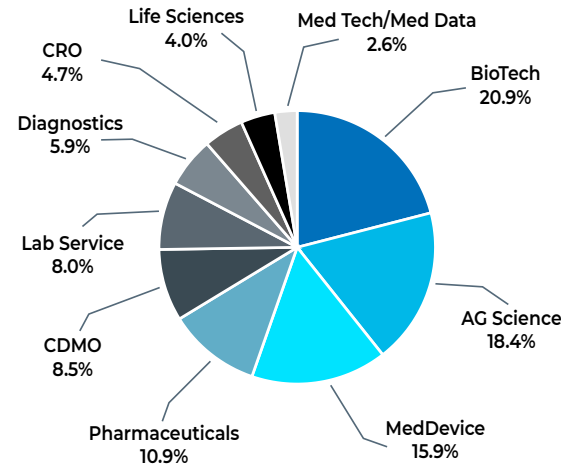
LIFE SCIENCES OCCUPIERS BY PROPERTY TYPE & SQUARE FEET

Life Sciences Subcategory	Industrial	Flex*	Office	Total
BIOTECH	180,511	177,724	1,071,188	1,429,423
AG SCIENCE	1,254,881	-	3,017	1,257,898
MEDDEVICE	648,381	148,562	291,431	1,088,374
PHARMACEUTICALS	416,390	111,798	215,185	743,373
CDMO	187,421	85,598	306,332	579,351
LAB SERVICE	136,914	272,165	139,961	549,040
DIAGNOSTICS	-	112,868	291,830	404,698
CRO	123,792	42,429	152,994	319,215
GENERAL LIFE SCIENCES	151,593	17,392	106,604	275,589
MED TECH/MED DATA	2,000	18,369	156,609	176,978
<b>GRAND TOTAL</b>	<b>3,101,883</b>	<b>986,905</b>	<b>2,735,151</b>	<b>6,823,939</b>

Source: Transwestern, Costar

\*Flex A type of building(s) designed to be versatile, which may be used in combination with office, research and development, quasi-retail sales, and includes distribution uses.

HOUSTON LIFE SCIENCES COMPOSITION



Life Sciences Category	SF Occupied
BioTech	1,429,423
AG Science	1,257,898
MedDevice	1,088,374
Pharmaceuticals	743,373
CDMO	579,351
Lab Service	549,040
Diagnostics	404,698
CRO	319,215
General Life Sciences	275,589
Med Tech/Med Data	176,978
<b>TOTAL</b>	<b>6,823,939</b>

Source: Pitchbook, Bureau of Labor Statistics, Real Capital Analytics, Revista, Transwestern, Costar. Does not equal 100% due to rounding.

TOP LIFE SCIENCES EMPLOYERS IN HOUSTON

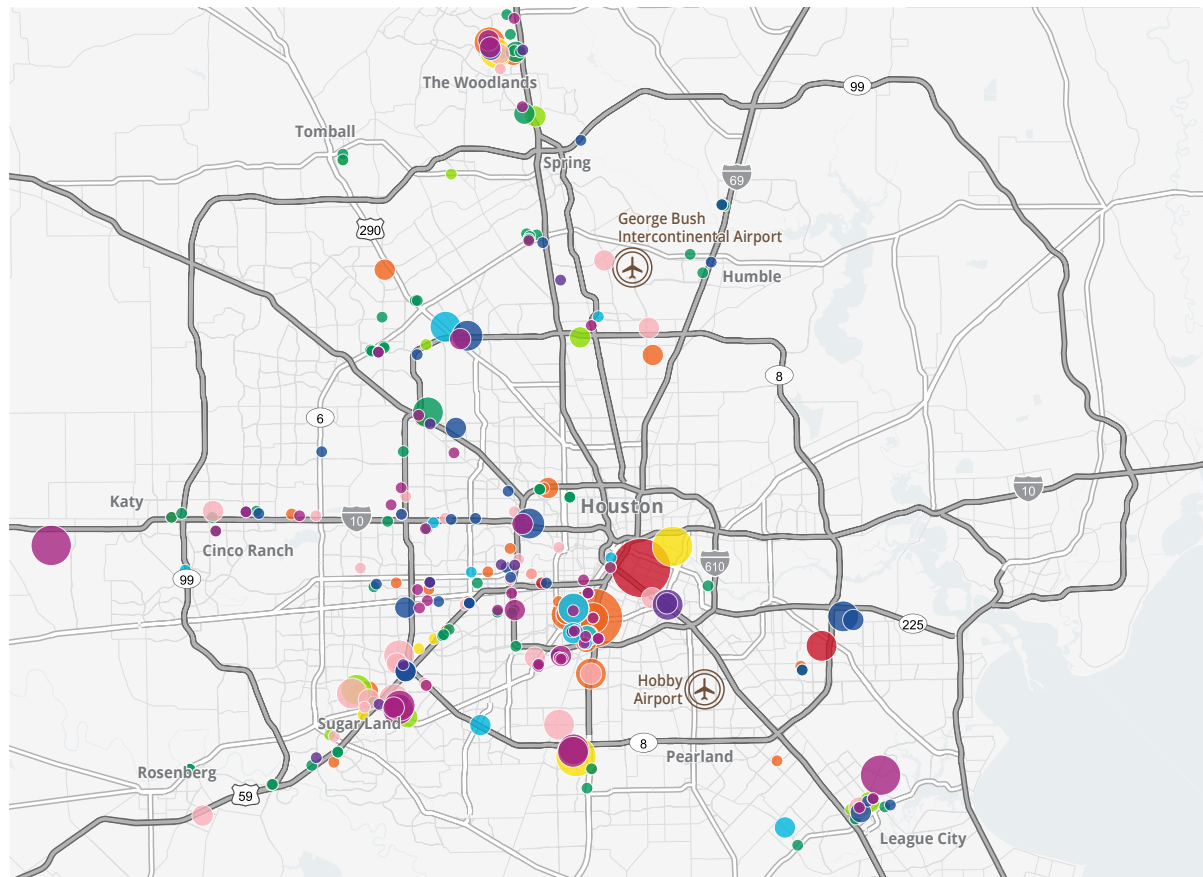




SUBMARKET	Industrial		Flex*		Office		Total	
	RBA	% Leased	RBA	% Leased	RBA	% Leased	RBA	% Leased
BAYTOWN/CHANNELVIEW	300,000	94.5%	-	-	-	-	300,000	94.5%
CLEAR LAKE	-	-	-	-	47,229	100.0%	47,229	100.0%
NEAR SOUTHWEST	-	-	903,093	92.8%	100,449	66.8%	1,003,542	90.2%
SOUTH	56,117	100.0%	91,366	100.0%	276,770	100.0%	424,253	100.0%
THE WOODLANDS/CONROE	-	-	390,764	100.0%	394,213	57.4%	784,977	78.6%
TMC	-	-	28,252	79.3%	2,583,996	81.3%	2,612,248	81.3%
<b>HOUSTON GRAND TOTAL</b>	<b>356,117</b>	<b>95.4%</b>	<b>1,413,475</b>	<b>95.0%</b>	<b>3,402,657</b>	<b>79.9%</b>	<b>5,172,249</b>	<b>85.1%</b>

### Q2 2024 PURPOSE BUILT LIFE SCIENCES PROPERTIES BY SUBMARKET & SQUARE FEET

Source: Transwestern, Costar  
\*Flex A type of building(s) designed to be versatile, which may be used in combination with office, research and development, quasi-retail sales, and includes distribution uses.



### HOUSTON LIFE SCIENCES OCCUPANCY BY LOCATION

- AgScience/Tech
- BioManufacturing - CDMO
- BioTech
- CRO
- Diagnostics
- Lab Services
- General Life Sciences
- Med Device
- Med Tech/Med Data
- Pharmaceutical

Source: Transwestern, Costar, ZoomInfo.  
\*Size of circle is relative to SF occupied

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