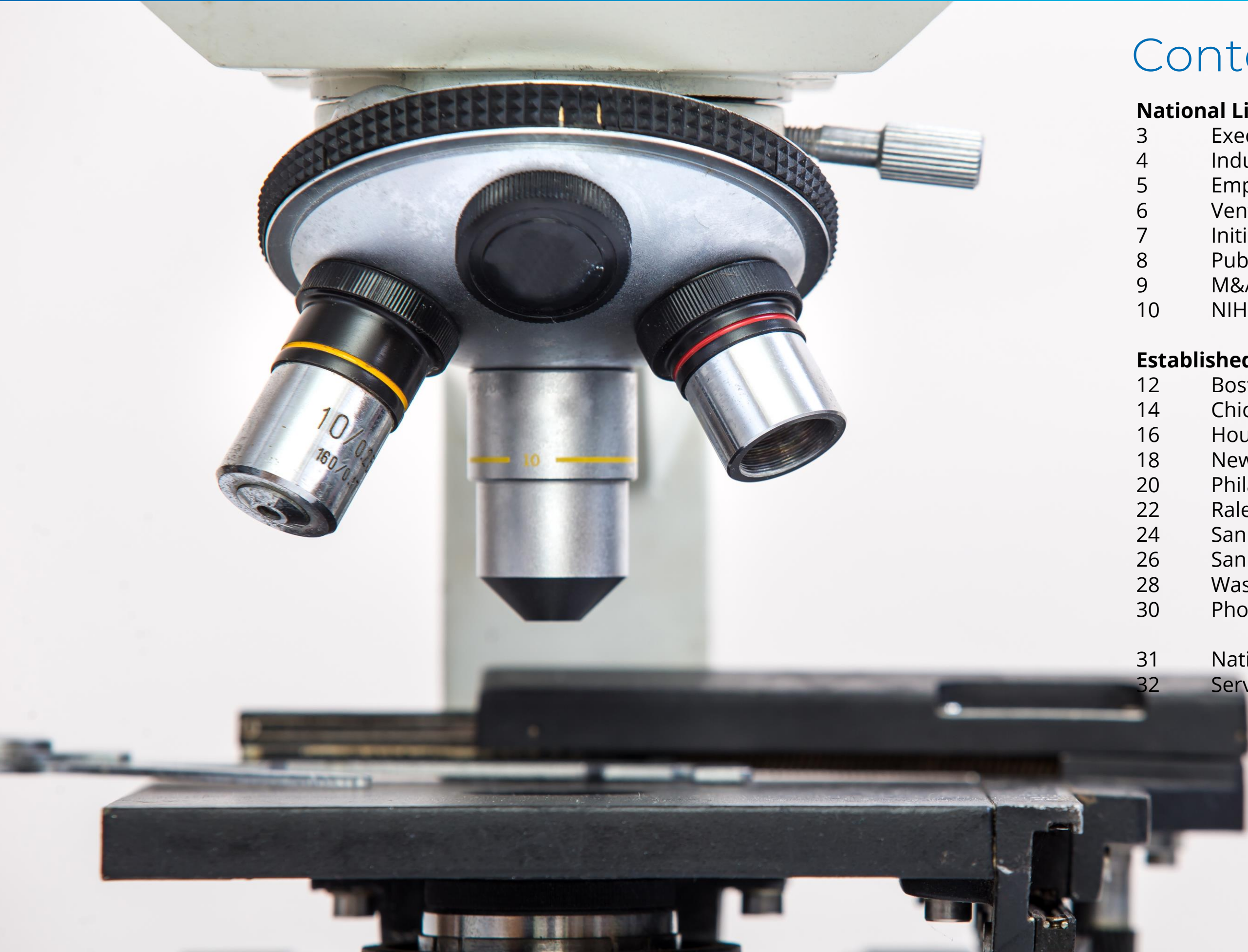




U.S. MARKET | LIFE SCIENCES



Contents

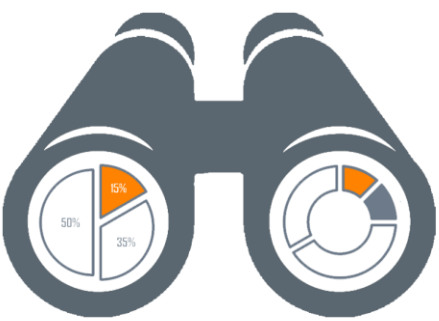
National Life Sciences Market

| | |
|----|--------------------------|
| 3 | Executive Summary |
| 4 | Industry Overview |
| 5 | Employment |
| 6 | Venture Funding Overview |
| 7 | Initial Public Offerings |
| 8 | Public Markets |
| 9 | M&A Activity |
| 10 | NIH Funding |

Established Markets

| | |
|----|------------------------|
| 12 | Boston |
| 14 | Chicago |
| 16 | Houston |
| 18 | New Jersey |
| 20 | Philadelphia |
| 22 | Raleigh/Durham |
| 24 | San Diego |
| 26 | San Francisco |
| 28 | Washington DC |
| 30 | Phoenix |
| 31 | National Stats Summary |
| 32 | Service Line Overview |

THE VIEW FROM HERE



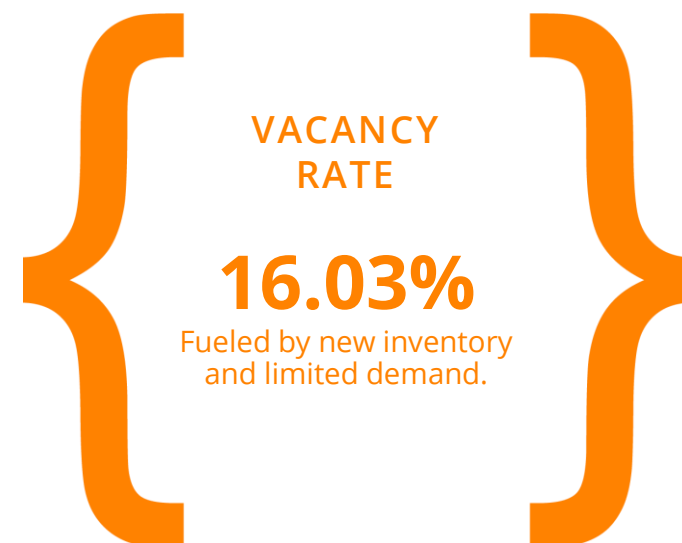

The influx of new inventory will continue to elevate the national vacancy rate over the next several quarters.



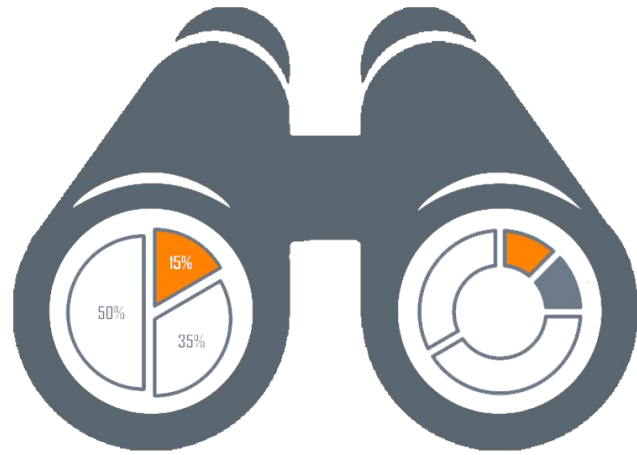
Venture funding continues to regain traction, signaling confidence in the sector.



Pending biopharma legislation is expected to spur onshoring/reshoring capacity, over the long term.



NATIONAL MARKET OUTLOOK

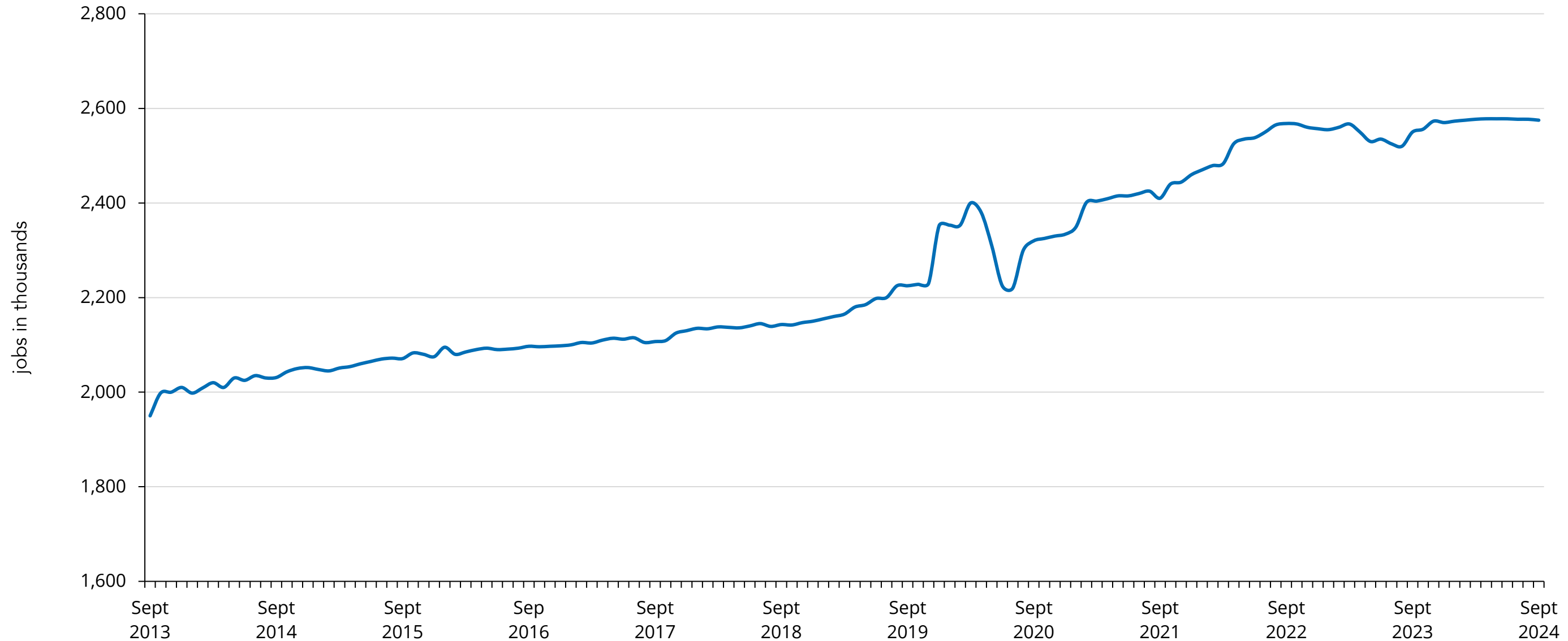


The U.S. life sciences market has faced ongoing broad-based challenges through 2024. Despite a mixed performance, key industry indicators and drivers continue to hint at recovery. Venture funding, M&A activity, and capital markets have shown encouraging growth when compared to 2023. Real estate assets are facing rising vacancy rates across the nation, driven by an influx of new inventory and tenants scaling back, to do more, with less. Yet, average asking rents have remained relatively stable, given the influx of supply. Some landlords have been less aggressive with fielding new tenants, as strong underwriting fundamentals and tenant selection are top priorities. Tenant improvement allowances have been brought back down, driven by the affordability of construction inputs and landlords wanting to protect their bottom lines. The market continues to favor developments near universities or hospital ecosystems, reinforcing the integration of these asset classes and reducing the distance between research labs and patient care. Secondary markets with tighter supply are drawing renewed interest from investors, as major hubs will have oversupply for the foreseeable future.

Public and private markets, while losing some of the vigor seen in a strong Q1, remain active, with deals continuing to close. Venture capital firms have become more discerning, favoring scientifically proven opportunities to mitigate risk. Meanwhile, public markets are still adjusting to the corrections of 2023, with funds like XLV and XBI experiencing growth over the last 12-months. IPO performance has been notable, with firms launched in recent quarters trading above their initial offering prices. M&A activity remains historically robust, with quarter-over-quarter fluctuations viewed as minor deviations within a strong annual trend. Multinational pharmaceutical companies, facing patent cliffs, continue to acquire innovative startups with limited access to funding, addressing gaps in their portfolios to keep competitive.

As the year winds down, early Q4 performance is showing positive momentum. Our industry experts anticipate leasing activity to remain subdued over the next year as the market works through excess inventory and industry conditions improve. The gradual recovery within venture funding and capital markets will be crucial to revitalizing the sector. The latest Federal Reserve monetary policy shift bodes well for future rate cuts, opening routes for funding opportunities. Once these foundational elements are re-stabilized, the life sciences market is expected to fully regain its strength and velocity.

LIFE SCIENCES EMPLOYMENT

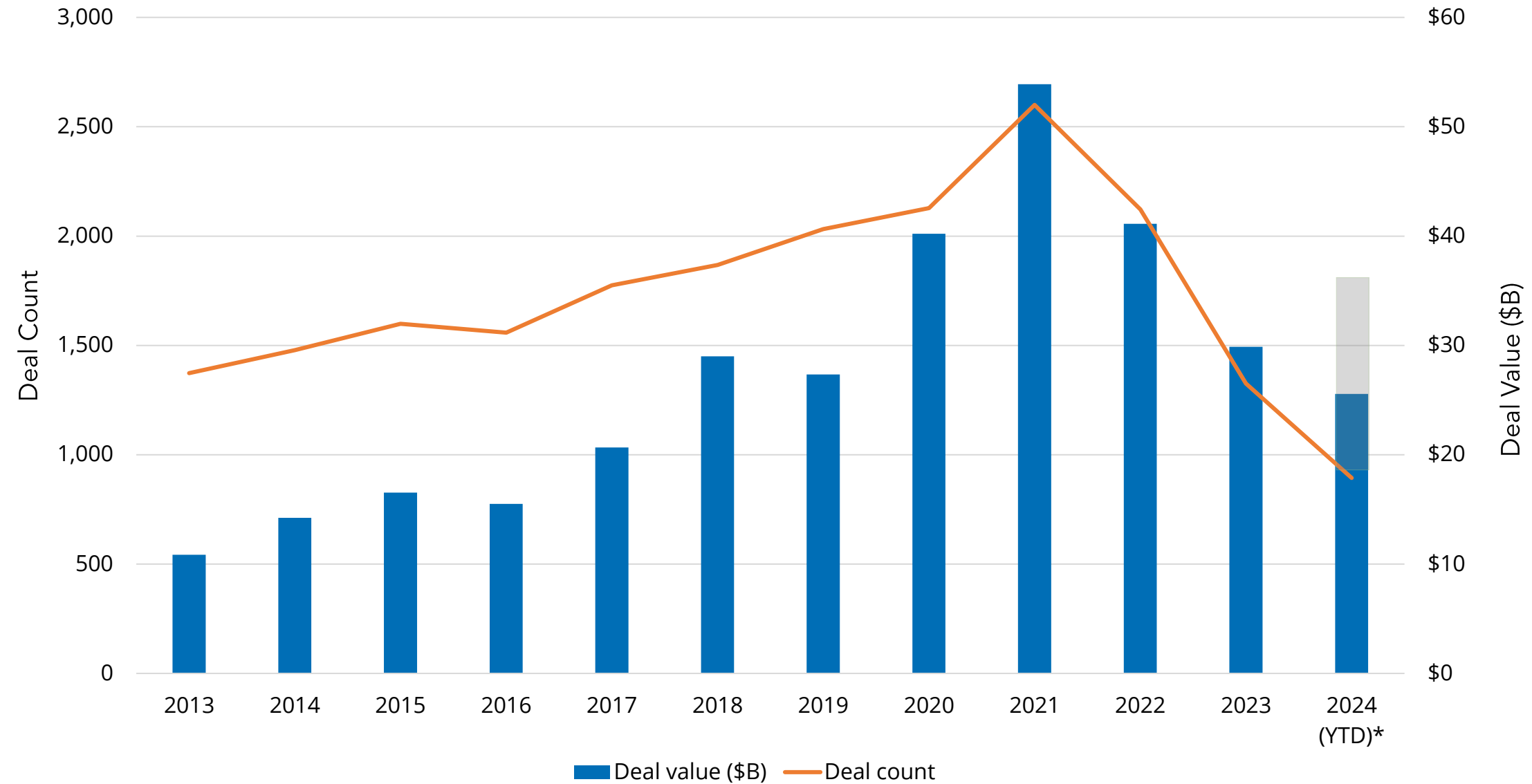


- Employment within the life sciences sector has added a total of 878,000 jobs over the last decade, growing almost 20% between 2019-2023. The noteworthy growth has outperformed other sectors of the economy by a wide margin. Within the last 12-months the industry's employment have experienced a plateau, as firms have begun to pivot away from risk, while being fiscally conservative with capital burn rates.
- Recent employment surveys have noted increased competition amongst job seekers, viding for fewer open positions. In the trailing twelve months (TTM) online job postings have decreased 12%. Top regional life science job postings: California 3,769, Massachusetts 3,110, New Jersey 2,513, Illinois 2,452, and New York 1,717.
- Despite the employment headwinds in small and mid cap firms, large cap firms continue to expand. Johnson & Johnson and Elly Lilley are slated to add +500 jobs each in their new facilities, in Wilson NC and Lebanon Indiana, respectively. The employment growth in manufacturing and late-stage development by large institutional firms continue to be announced.

VENTURE FUNDING POINTS

- At the beginning of the year, industry analysts forecasted venture capital funding volume to reach \$35.2B for 2024. Although that projection is still achievable, it is likely that funding will eclipse the 2023 total yet fall short of the analyst calls. Q3 VC funding totaled \$7.1B.
- The trend toward later-stage companies receiving a large portion of the funding remains. Many firms continue to be risk-averse and limit speculative investments.
- Royalty deals amongst investors have begun to be popular, reducing dilution amongst shareholders.
- Continuing the trend, fundraising focused primarily on companies with clinical candidates. Phase 1 companies raised a median of \$96M in the second quarter, continuing the trend for growth. For phase 3 companies, the median was \$139M, a sharp rise in funding averages.

VC DEAL & FUNDING VOLUME



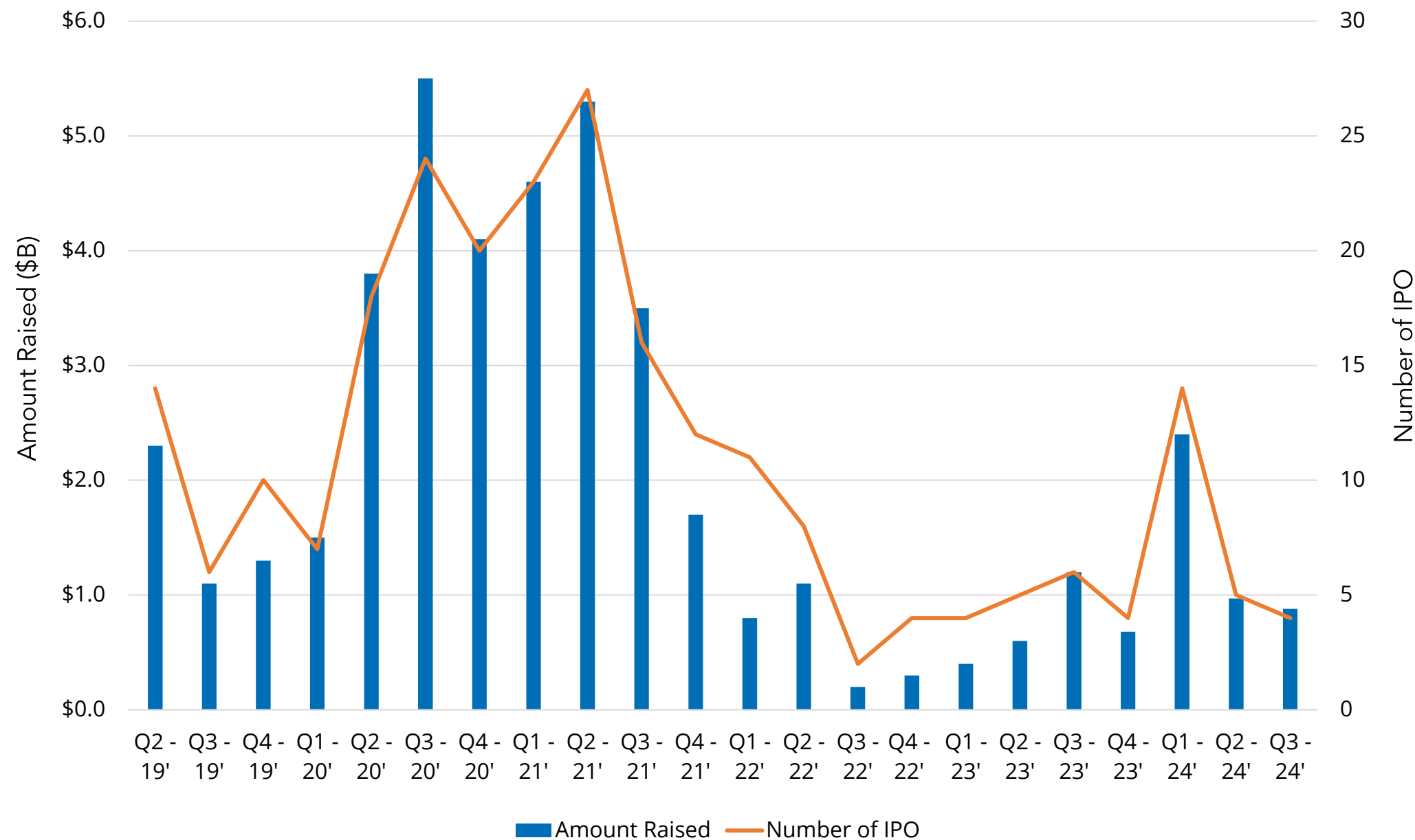
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 (YTD) |
|------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|------------|
| Deal value (\$B) | \$10.85 | \$14.23 | \$16.53 | \$15.50 | \$20.67 | \$29.01 | \$27.34 | \$40.21 | \$53.90 | \$41.11 | \$29.89 | \$26.56 |
| Deal count | 1,373 | 1,478 | 1,599 | 1,558 | 1,775 | 1,868 | 2,032 | 2,128 | 2,600 | 2,122 | 1,491 | 894 |

Source: TW Research, Pitchbook *Gray bar indicates annual projection

IPO MARKET SUMMARY

- The public markets play a critical role in the funding cycles within the life science industries. For the stakeholders and company, it allows talent and investors a method of receiving a return on their investment and the company receives a boost of capital to help the underlying science thrive in the marketplace.
- The life sciences IPO market experienced a weak quarter, with 4 companies reaching the public markets. In total, a \$879M was raised in Q3, which was \$80M less than Q2.
- The stark difference between the totals in Q1 and Q3 shows that the biotech sector remains challenged for new entrances.
- Companies that launched IPOs in the last 12-month period have been met with mixed investor sentiment, 60 percent are below their IPO target price. In contrast, the 40 percent that remain above their IPO price have outpaced the market averages.

LIFE SCIENCES IPO ACTIVITY

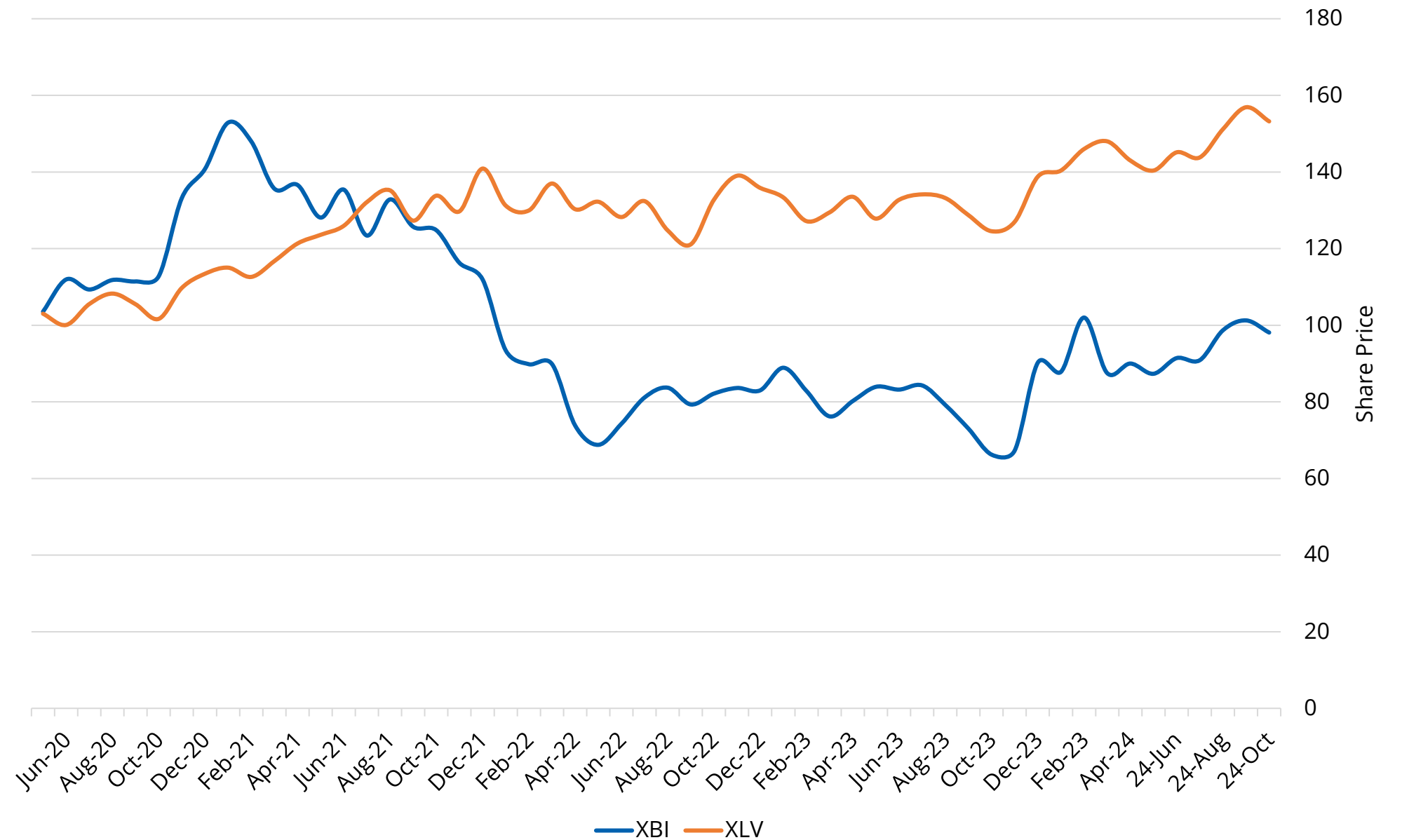


| COMPANY | FOCUS | IPO DATE | PROCEEDS | IPO PRICE | CURRENT PRICE |
|-----------------------------|---|----------|----------|-----------|---------------|
| Artiva Biotherapeutics Inc. | NK cell therapies – Autoimmune diseases | 7/18/24 | \$167M | \$12.00 | \$15.42 |
| Bicara Therapeutics | Oncology antibodies | 9/12/24 | \$318M | \$18.00 | \$24.43 |
| Zenas Biopharma | Immunology – Autoimmune diseases | 9/12/24 | \$225M | \$17.00 | \$17.84 |
| MBX Biosciences | Precision medicine | 9/12/24 | \$169M | \$16.00 | \$23.56 |

MARKET FUND COMPARISON

- Health Care Select Sector SPDR Fund (XLV) – Broad base of healthcare companies, including pharmaceuticals, healthcare equipment, devices and services. Considered to be stable, bellwether names representing the entirety of the sector’s exposure.
- SPDR S&P Biotech ETF (XBI) – Life sciences and biotech focused, driving innovation for the healthcare industry. Considered to be less stable, representing novel sciences still in research and development phases.
- In Q3, the Health Care Select Sector SPDR Fund (XLV) experienced a decline of 3.2%. Year-to-date (YTD), however, it maintained a positive return of 3.3%, reflecting overall resilience despite recent quarterly performance challenges.
- The SPDR S&P Biotech ETF (XBI) showed a decline of 12.5% in Q3, indicating significant quarterly underperformance. YTD the fund recorded a loss of 6.9%, reflecting challenges in the biotech sector over the period.

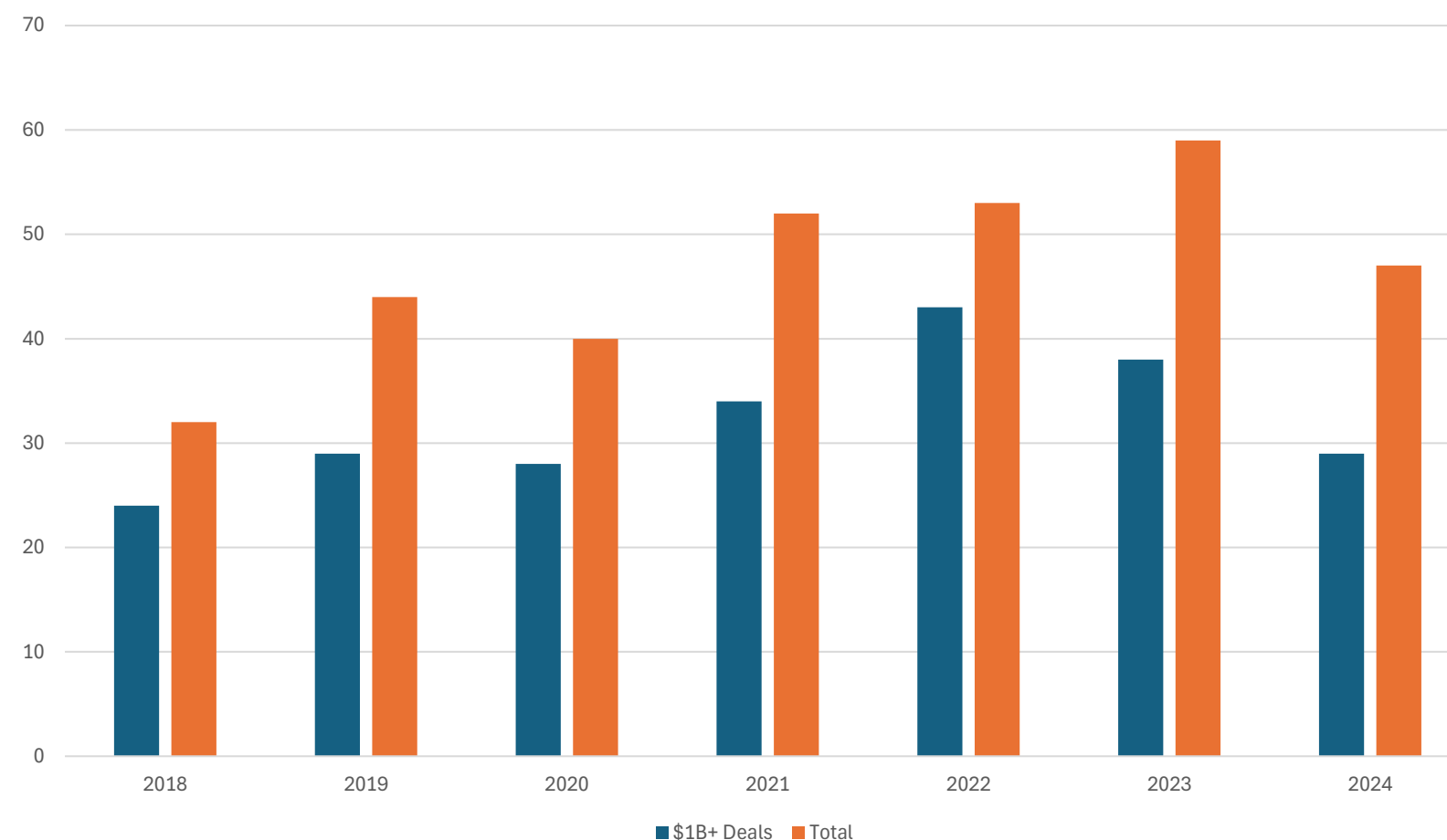
MARKET PERFORMANCE: XLV & XBI



M&A: TRENDS AND ACTIVITY

- The M&A activity in Q3 had mixed results with 8 deals (+\$50M) and totaling \$6.5B in transactional value. Compared to the 12 deals closed in the previous quarter, totaling \$16.9B. The pullback has no clear catalyst, as early Q4 deal velocity is on track to match Q2.
- Large biopharma firms will keep targeting commercial-stage or clinically de-risked companies to address revenue gaps caused by patent expirations, with strong activity anticipated to shore up drug pipelines. An increasing number of late-stage trials have fallen short of FDA benchmarks, introducing a new risk element to the equation.
- M&A deals in 2024 have focused on Immune therapies, nearly tripling the activity from previous years.
- The biggest deal of the quarter, Eli Lilly acquiring Morphic Holdings; this acquisition supports Eli Lilly's strategy to broaden its immunology pipeline and improve treatment options for patients with inflammatory bowel disease (IBD).

DEAL VOLUME & VALUE



| DATE | TARGET | ACQUIRER | DEAL VALUE |
|---------|-------------------------|---------------------------|------------|
| 7/8/24 | Apeiron Biologics | Ligand Pharmaceuticals | \$100M |
| 7/8/24 | Morphic Holding | Eli Lilly | \$3.21B |
| 7/22/24 | Valinor Pharmaceuticals | Grunenthal | \$250M |
| 7/29/24 | Ironshore Therapeutics | Collegium Pharmaceuticals | \$525M |
| 8/1/24 | Jnana Therapeutics | Otsuka Pharmaceuticals | \$800M |
| 8/7/24 | G1 Therapeutics | Johnson & Johnson | \$450M |
| 8/12/24 | Revance | Crown Laboratories | \$1.21B |
| 9/18/24 | Dermavant | Organon | \$175M |

| Therapeutic category | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024* |
|----------------------|------|------|------|------|------|------|-------|
| Cancer | 10 | 7 | 6 | 9 | 11 | 8 | 9 |
| CNS | 1 | 6 | 2 | 4 | 3 | 7 | 3 |
| Immune | 2 | 3 | 5 | 4 | 5 | 6 | 13 |
| Rare | 6 | 7 | 5 | 5 | 7 | 5 | 4 |
| Other | 5 | 6 | 10 | 13 | 17 | 12 | 5 |

NIH FUNDING HIGHLIGHTS

- The 2024 budget for NIH funding was \$47.1B, with \$1.9B in additional provisions. Fiscal Year 2025 has a proposed budget of \$51.7B.
- The established academic institutions with noteworthy research arms continue to remain the top recipients of NIH grants. Academic institutions support their post-grad ecosystem with increased investment in the incubator and graduation space.

Additional governmental institutions that contribute to the advancement of life sciences:

Department of Energy (DOE)

Research budget \$8.1B

Federal Drug Administration (FDA)

Research budget \$1.2B

National Institute of Allergy and Infectious Diseases (NIAID)

Research budget \$5.1B

YTD 2024 NIH FUNDING | TOP RECIPIENTS

| ORGANIZATION | CITY | STATE | AWARDS | FUNDING |
|--|---------------|-------|--------|---------------|
| Johns Hopkins University | Baltimore | MD | 1,473 | \$840,621,033 |
| University Of California, San Francisco | San Francisco | CA | 1,438 | \$808,907,230 |
| Washington University | Sait Louis | MO | 1,183 | \$728,432,674 |
| University Of Michigan At Ann Arbor | Ann Arbor | MI | 1,377 | \$728,248,073 |
| University of Pennsylvania | Philadelphia | PA | 1,290 | \$679,712,495 |
| University of Pittsburgh | Pittsburgh | PA | 1,221 | \$658,770,638 |
| Massachusetts General Hospital | Boston | MA | 1,047 | \$653,080,196 |
| Yale University | New Haven | CT | 1,189 | \$643,720,557 |
| Columbia University Health Sciences | New York | NY | 1,058 | \$635,573,681 |
| Stanford University | Stanford | CA | 1,139 | \$598,636,530 |
| University of Washington | Seattle | WA | 1,001 | \$562,245,157 |
| University of California, San Diego | La Jolla | CA | 1,027 | \$556,491,851 |
| Duke University | Durham | NC | 980 | \$532,826,261 |
| University of North Carolina | Chapel Hill | NC | 1,031 | \$518,144,366 |
| University of California, Los Angeles | Los Angeles | CA | 869 | \$494,992,944 |
| New York University – School of Medicine | New York | NY | 606 | \$489,919,345 |
| Vanderbilt University – Medical Center | Nashville | TN | 564 | \$480,522,634 |
| Emory University | Atlanta | GA | 898 | \$472,540,990 |
| Northwestern University | Chicago | IL | 711 | \$414,229,587 |

GOVERNMENTAL UPDATES



BIOSECURE Act – Introduced in January of 2024, legislative initiative designed to strengthen U.S. biosecurity by limiting federal interactions with specific foreign biotechnology firms. The Act aims to prohibit federal agencies from purchasing biotechnology equipment or services from companies linked to foreign adversaries, with a particular focus on entities based in China, Russia, Iran, and North Korea. To ease the transition, the legislation grants U.S. companies until 2032 to phase out existing partnerships with the targeted foreign biotech firms and comply with the new regulations. The act is forecasted to be up for the final vote by the end of the year, with bipartisan support.



Give Kids a Chance Act of 2024 (H.R.3433) - The legislation aims to accelerate innovative treatments for pediatric cancer by enabling a streamlined approach to drug combinations, addressing critical gaps in current therapies, and fostering collaborative advancements in pediatric oncology. The bill passed the House of Representatives and in late September was referred to committee in the Senate.



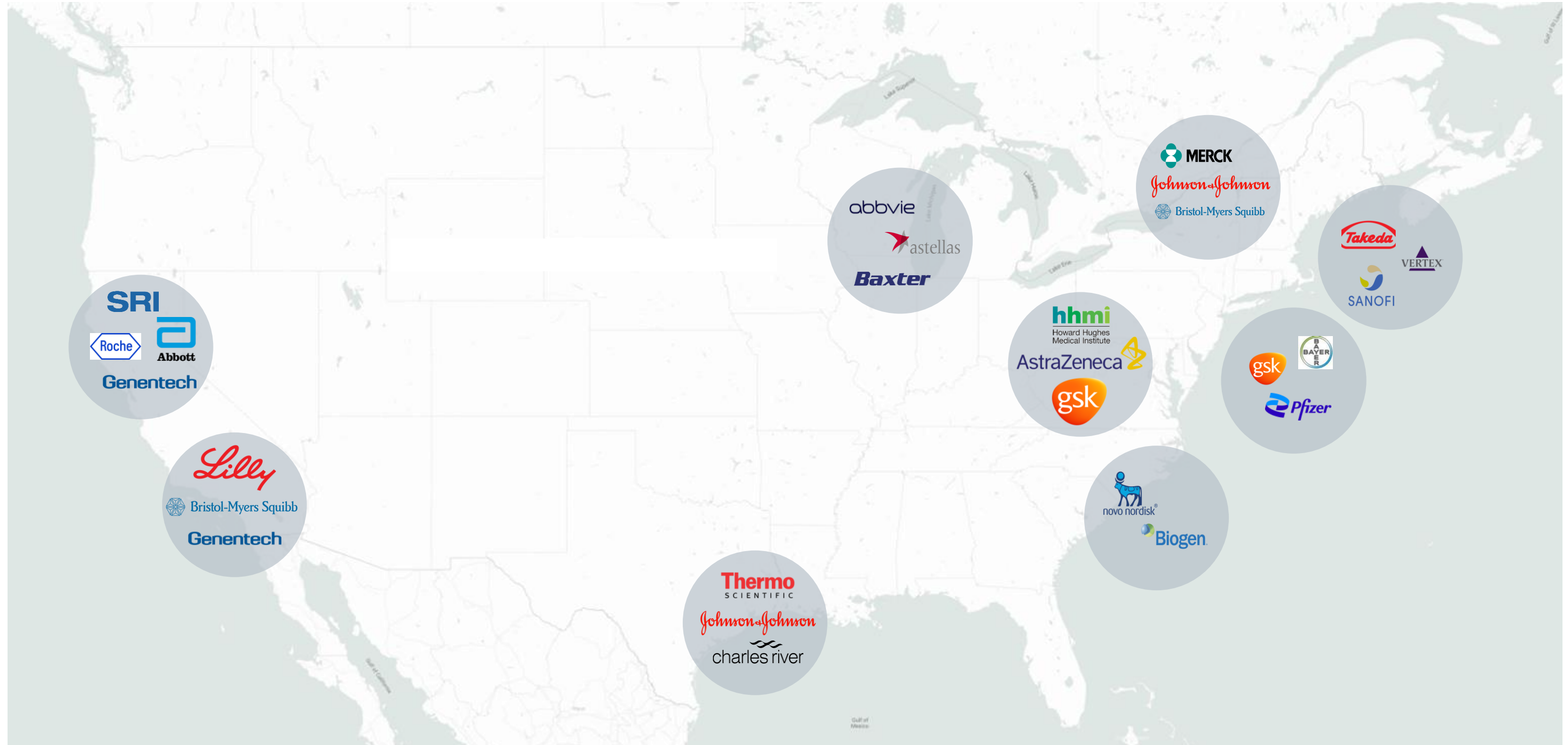
In August of 2024, the FDA released a draft guidance proposing a phased framework for regulating laboratory-developed tests (LDTs). LDTs, which are in vitro diagnostic tests designed, manufactured, and used within a single laboratory, have historically operated without direct FDA oversight. However, their increasing complexity and critical role in patient care, particularly in areas like cancer diagnostics, genetic testing, and infectious disease detection, have prompted the agency to act. The primary goal is to enhance the accuracy, reliability, and clinical validity of LDTs, ensuring they meet the same standards as FDA-cleared or approved diagnostic tests.

Recent Drug Approvals



- **Kisunla** is a monoclonal antibody developed by Eli Lilly and Company for the treatment of Alzheimer's disease. It received approval from the FDA in July. The drug targets and binds to amyloid-beta plaques in the brain, facilitating their removal. The accumulation of these plaques is a root cause of Alzheimer's disease.
- **Ohtuvayre** is an inhaled medication to help treat chronic obstructive pulmonary disease (COPD) in adults. The FDA in approved the medication in June. By inhibiting these enzymes, it promotes bronchodilation and reduces inflammation in the airways.
- **PiaSky** is a monoclonal antibody approved by the FDA in August, for the treatment of paroxysmal nocturnal hemoglobinuria (PNH) in adults and pediatric patients. PiaSky functions as a complement C5 inhibitor.

NATIONWIDE TOP OCCUPIERS



KEY MARKET POINTS

- Vacancy rates across the Boston market ticked higher, rising 200 basis points in Q3. This is the 5th consecutive quarter with over a 100-basis point increase.
- Recent deliveries have totaled more than 2 MSF across nine developments, with 22% preleased.
- Current development pipeline shows another 2.5 MSF to be delivered by the end of the year. The inventory influx is set to tick the vacancy higher for longer.
- Vertex Pharmaceuticals revealed plans to renew their lease at 11 Fan Pier Blvd, for 1.2 MSF.

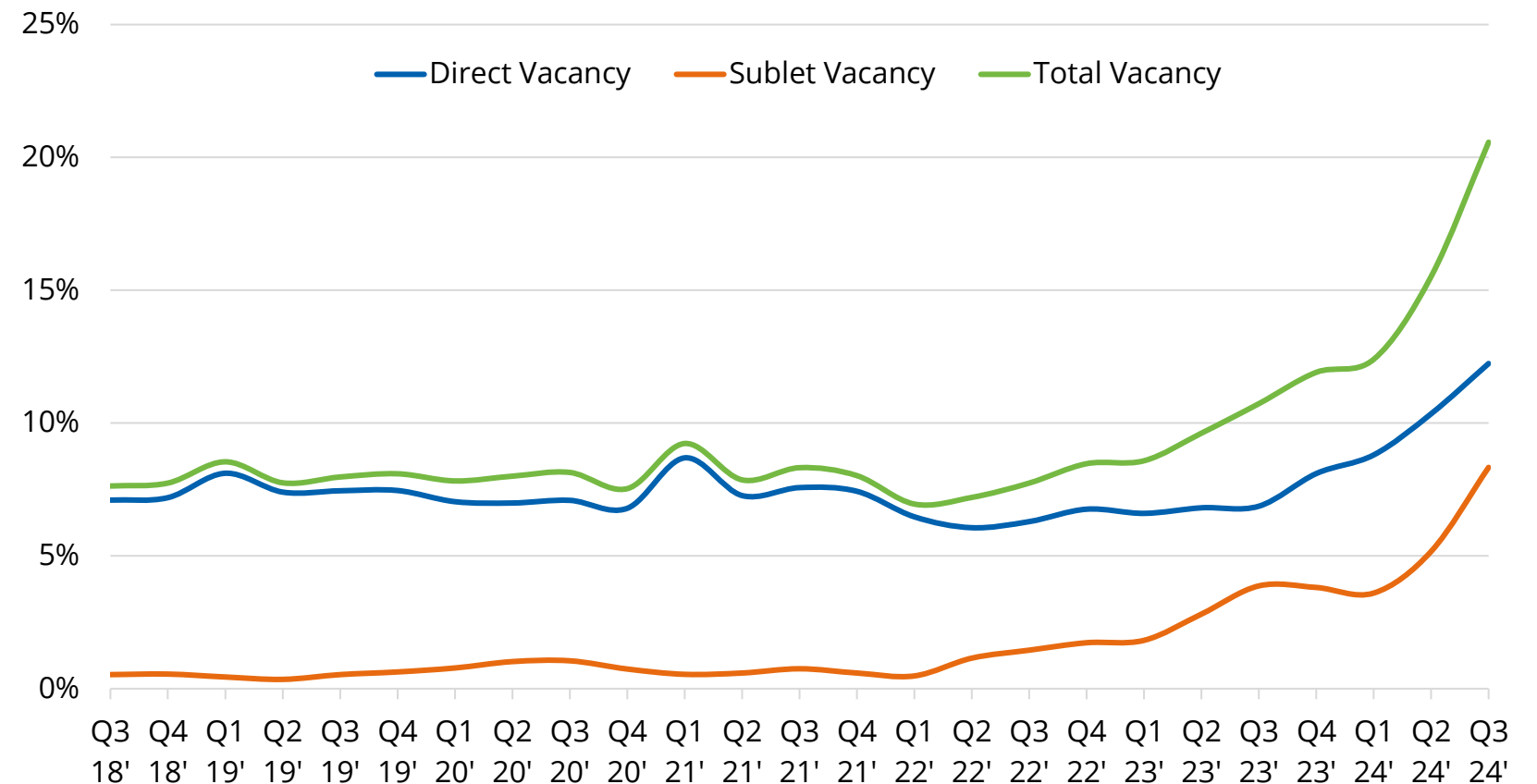
MARKET OVERVIEW

As the largest life sciences market, the greater Boston area is nearing 70 million square feet of inventory. Supply and demand dynamics remain stretched, with new inventory adding competitive pressure. The preference for high-quality spaces continues, with a focus on transit accessibility and neighborhood synergy. Suburban properties outside the Route 128 corridor face additional challenges in the market.

Sales transactions continue to be at an all time low, as the cost of capital weighs on the market. The only local sales transactions in Q3 was for a two-building complex, located at 730-750 Main Street. The 219,000 SF deal was inked for \$361M. BioMed Realty purchased the building from MIT. The buildings tenants include The Engine, a venture capital firm with close ties to MIT focused on robotics.

| TRENDLINES | Q3 2024 | Q3 2023 | ONE-YEAR TREND | ONE-YEAR FORECAST |
|---------------------------------|----------|---------|----------------|-------------------|
| INVENTORY (MSF) | 69.67 | 65.99 | ↑ | ↑ |
| NET ABSORPTION (THOUSANDS SF) | (598.98) | 386.90 | ↓ | ↔ |
| VACANCY RATE | 20.31% | 15.92% | ↑ | ↑ |
| UNDER CONSTRUCTION (MSF) | 12.36 | 20.11 | ↓ | ↓ |
| ASKING RENT, NNN (PSF) | \$57.65 | \$52.18 | ↑ | ↔ |
| YTD NIH STATE GRANTS (BILLIONS) | \$3.43B | \$2.95 | ↑ | ↔ |

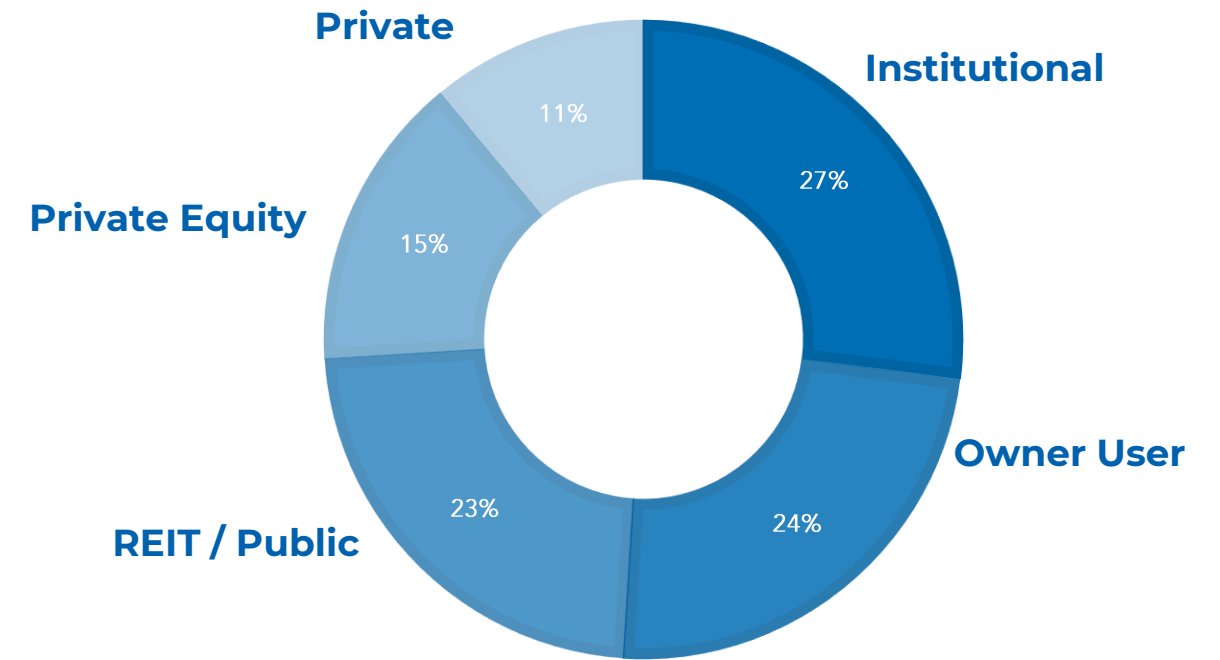
TOTAL VACANCY RATE



LOCAL NIH FUNDING | YTD 2024

| ORGANIZATION | AWARDS | FUNDING | CITY |
|--|--------|---------------|-----------|
| Massachusetts General Hospital | 1,047 | \$653,080,196 | Boston |
| Brigham And Women's Hospital | 673 | \$387,535,594 | Boston |
| Boston Children's Hospital | 426 | \$226,903,769 | Boston |
| University of Massachusetts Medical School | 360 | \$191,017,123 | Worcester |
| Boston University | 280 | \$184,935,302 | Boston |
| Harvard School of Public Health | 351 | \$170,462,655 | Boston |
| Broad Institute, Inc | 245 | \$164,037,729 | Cambridge |
| Dana-Farber Cancer Institute | 99 | \$156,589,240 | Boston |
| Beth Israel Deaconess Medical Center | 215 | \$119,860,535 | Boston |
| Massachusetts Institute of Technology | 222 | \$112,339,279 | Cambridge |
| Tufts University | 125 | \$72,395,693 | Boston |

INVENTORY BUILDING OWNERSHIP



TOP OWNERS:



LEASE | Q3 2024

| TENANT | TYPE | ADDRESS | SIZE | MARKET |
|--------------------------|-----------|--------------------------|--------|-----------|
| LifeMine Therapeutics | New | 66 Galen Street | 56,100 | Watertown |
| Prime Medicine | Expansion | 21 Erie Street | 49,500 | Cambridge |
| GC Therapeutics | New | 610 Main Street | 33,250 | Cambridge |
| Kalvista Pharmaceuticals | New | 55 Cambridge Parkway | 32,700 | Cambridge |
| Qoralis | New | 200 Cambridge Park Drive | 26,200 | Cambridge |
| Skylark Bio | Sublease | 64 Sidney Street | 25,900 | Cambridge |
| UpstreamBIO | Expansion | 890 Winter Street | 16,800 | Walham |
| Myelod Therapeutics | New | 300 Technology Square | 11,100 | Cambridge |

SALE | Q3 2024

| ADDRESS | TYPE | SIZE | PRICE | MARKET |
|-----------------|------------|---------|---------------|----------------|
| 750 Main Street | Office/Lab | 219,000 | \$361,000,000 | East Cambridge |

KEY MARKET POINTS

- Leasing activity in Chicago’s life sciences market increased within Q3, with two leases totaling 97,000 SF. Historically, Chicago’s inventory is anchored by owner users, which dampens quarter-to-quarter leasing activity.
- The development pipeline consists of two projects, totaling 479,000 SF with 11.5% preleased.
- Northwestern University continues to be a top recipient of NIH grants, totaling over \$414M YTD.

MARKET OVERVIEW

Chicago is rapidly establishing itself as a major hub for life sciences companies, with owner-occupied spaces totaling seven million square feet. The city’s additional four million square feet of leased space is split between the northern suburbs and the Central Business District, with around 1.7 million square feet added since 2018.

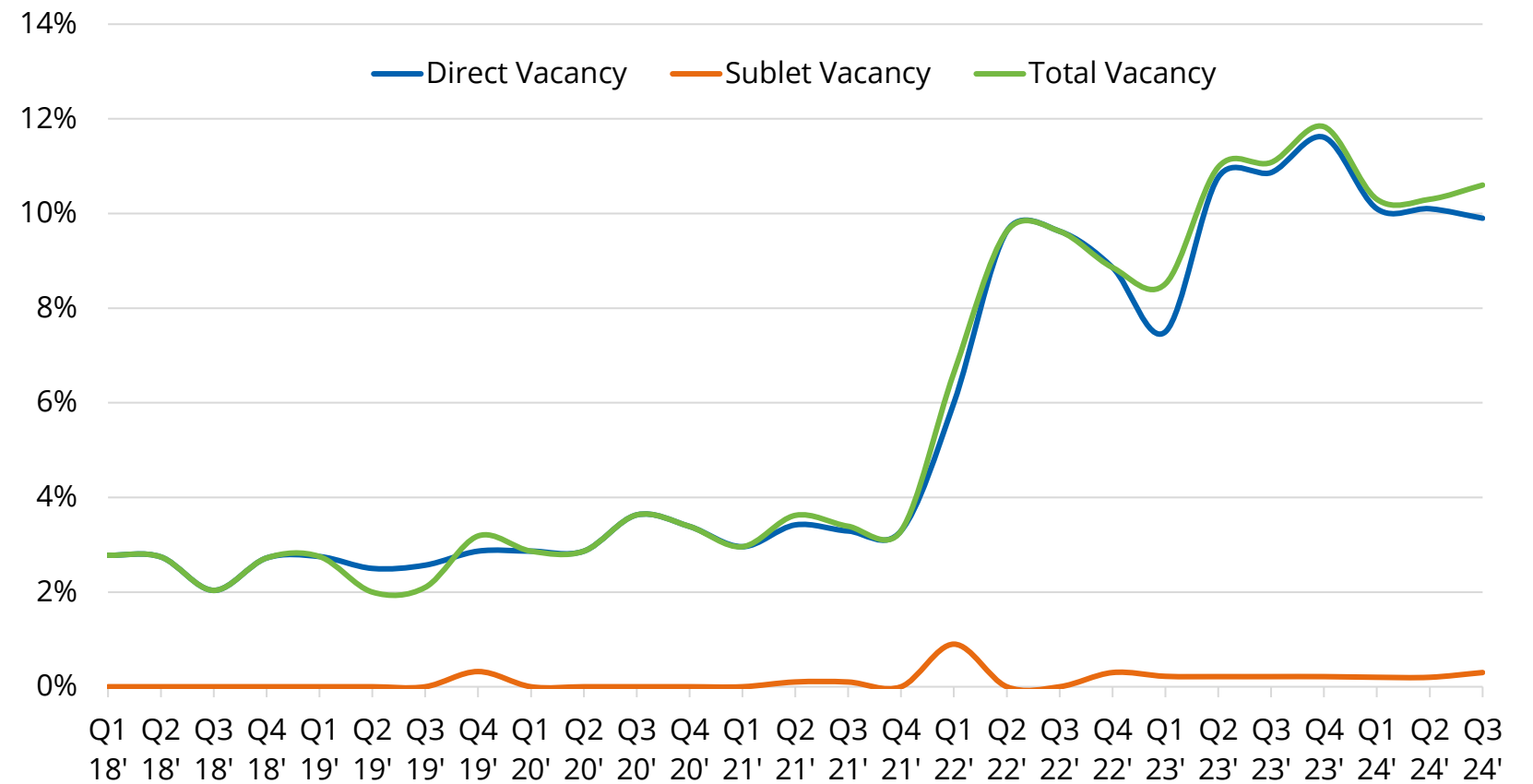
The Lincoln Park Bioscience Center located at 2430 N. Halsted Street was recently listed for sale; the 125,000 SF building is currently 41% leased with two tenants, Cyclopure and Evozyne. Additionally, the building has recently undergone a \$19M upgrade to the systems to make the property turn-key for a future life science tenant.

The Chicago market remains spotty, as Sterling Bay’s life sciences building in Lincon Yards has yet to land a tenant. Delivered in 2023, the 336,000 SF building was delivered at the height of the lab market.

The local life sciences ecosystem is supported by four key incubators—Portal Innovations, mHub, Helix51, and Chan Zuckerberg Biohub Chicago. These incubators are nearing full capacity, reflecting the growing wave of innovation in Chicago’s life sciences market.

| TRENDLINES | Q3 2024 | Q3 2023 | ONE-YEAR TREND | ONE-YEAR FORECAST |
|----------------------------------|----------|---------|----------------|-------------------|
| INVENTORY (MSF) | 12.15 | 11.92 | ↑ | ↑ |
| NET ABSORPTION (THOUSANDS SF) | (54,726) | 10,131 | ↑ | ↑ |
| VACANCY RATE | 10.5% | 11.2% | ↑ | ↑ |
| UNDER CONSTRUCTION (THOUSAND SF) | 453 | 810 | ↓ | ↑ |
| ASKING RENT, NNN (PSF) | \$58.80 | \$47.78 | ↑ | ↑ |
| YTD NIH STATE GRANTS (BILLIONS) | \$1.25 | \$0.92 | ↑ | ↓ |

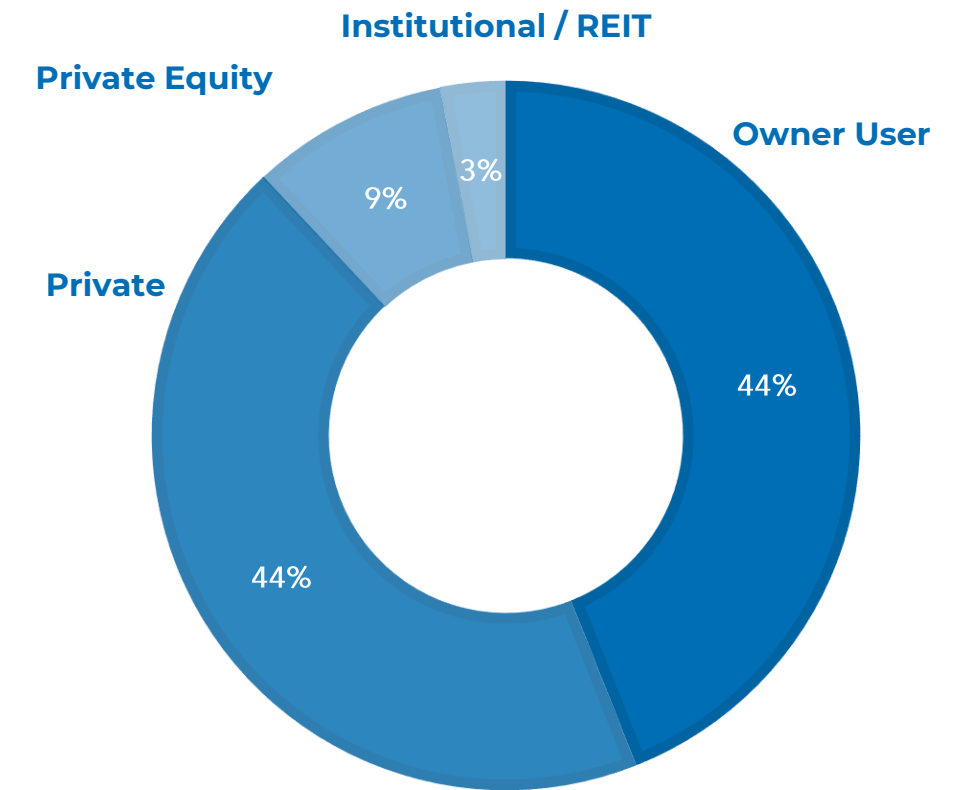
VACANCY RATE



LOCAL NIH FUNDING | YTD 2024

| ORGANIZATION | AWARDS | FUNDING | CITY |
|--|--------|---------------|-----------|
| Northwestern University | 711 | \$414,229,587 | Chicago |
| University Of Chicago | 493 | \$260,049,385 | Chicago |
| University Of Illinois At Chicago | 392 | \$175,607,638 | Chicago |
| University of Illinois at Urbana-Champaign | 189 | \$75,629,737 | Champaign |
| Rush University Medical Center | 94 | \$64,826,796 | Chicago |
| National Opinion Research | 125 | \$49,021,032 | Chicago |
| Northwestern University | 10 | \$46,214,603 | Chicago |
| Lurie Children's Hospital | 62 | \$32,936,591 | Chicago |
| Loyola University Chicago | 59 | \$19,637,591 | Maywood |

INVENTORY BUILDING OWNERSHIP



TOP OWNERS: **Sterling Bay** **Trammell Crow Company**

LEASE | Q3 2024

| TENANT | TYPE | ADDRESS | SIZE | MARKET |
|----------------------|----------|-------------------------|--------|----------|
| Kavshiv | Renewal | 3440 S. Dearborn Street | 85,000 | City |
| Melinta Therapeutics | Sublease | 150 N. Field Drive | 12,000 | Suburban |

DEVELOPMENT SPOTLIGHT: Fulton Park Campus

2.5-1.8 MSF
Life Sciences & Mixed Use

368 Apartments
Luxury Housing

35,000 SF
Retail Space

Newly proposed from
Trammell Crow Company



KEY MARKET POINTS

- 25% of all US-based clinical trials are based within the Texas Medical Center (TMC)
- The employment talent pool is robust, backed by top-tier local academic institutions. In the last 10-years, the region has seen a 240% increase in life science employment growth.
- Houston continues to receive the largest share of NIH funding in the state, 2024 YTD hit a record \$1.41B.
- Houston’s vacancy rates are largely driven by new direct space, with limited sublease space. Market dynamics are poised to remain stable, without the influence of sublease space.

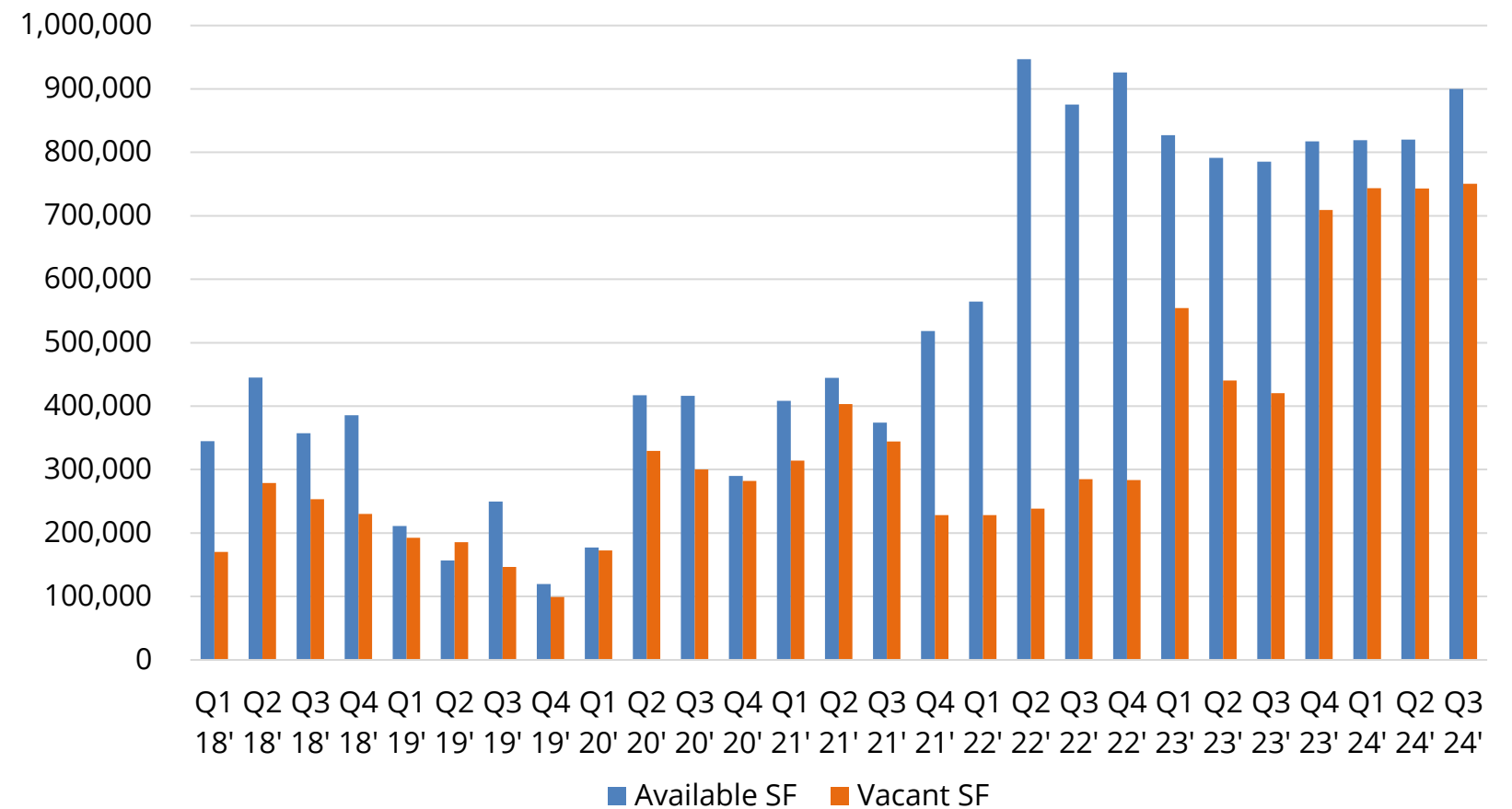
MARKET OVERVIEW

Houston’s life sciences real estate market continues to show strength amongst a challenging climate for industry stakeholders. Home to the Texas Medical Center (TMC), the city’s life sciences ecosystem thrives on collaboration, bolstered by world-class academic institutions that drive innovation and cultivate a growing pool of talent. BIOHouston and the Greater Houston Partnership play a key role in connecting and strengthening the local life sciences community.

The recently announced joint venture between Howard Hughes & Vitrian will bring a new development to Houston’s Woodlands. The Woodlands Innovation District will span 80 acres, over 5 sites and offer BTS opportunities between 40,000 – 200,000 SF. Additionally, Rice University recently announced a spinoff from its new Launchpad accelerator, aimed at adding further value to local startups; RBL LLC, the new venture, is expected to absorb 11,000 SF in Dynamic One at Helix Park.

| TRENDLINES | Q3 2024 | Q3 2023 | ONE-YEAR TREND | ONE-YEAR FORECAST |
|----------------------------------|---------|---------|----------------|-------------------|
| INVENTORY (MSF) | 4.42 | 3.43 | ↑ | ↑ |
| NET ABSORPTION (THOUSANDS SF) | (58.11) | 113.67 | ↓ | ↑ |
| VACANCY RATE | 19.39% | 12.35% | ↑ | ↑ |
| UNDER CONSTRUCTION (THOUSAND SF) | 0.20 | 0.87 | ↓ | ↓ |
| ASKING RENT, NNN (PSF) | \$47.53 | \$44.98 | ↑ | ↑ |
| YTD NIH STATE GRANTS (BILLIONS) | \$1.41 | \$1.15 | ↑ | ↑ |

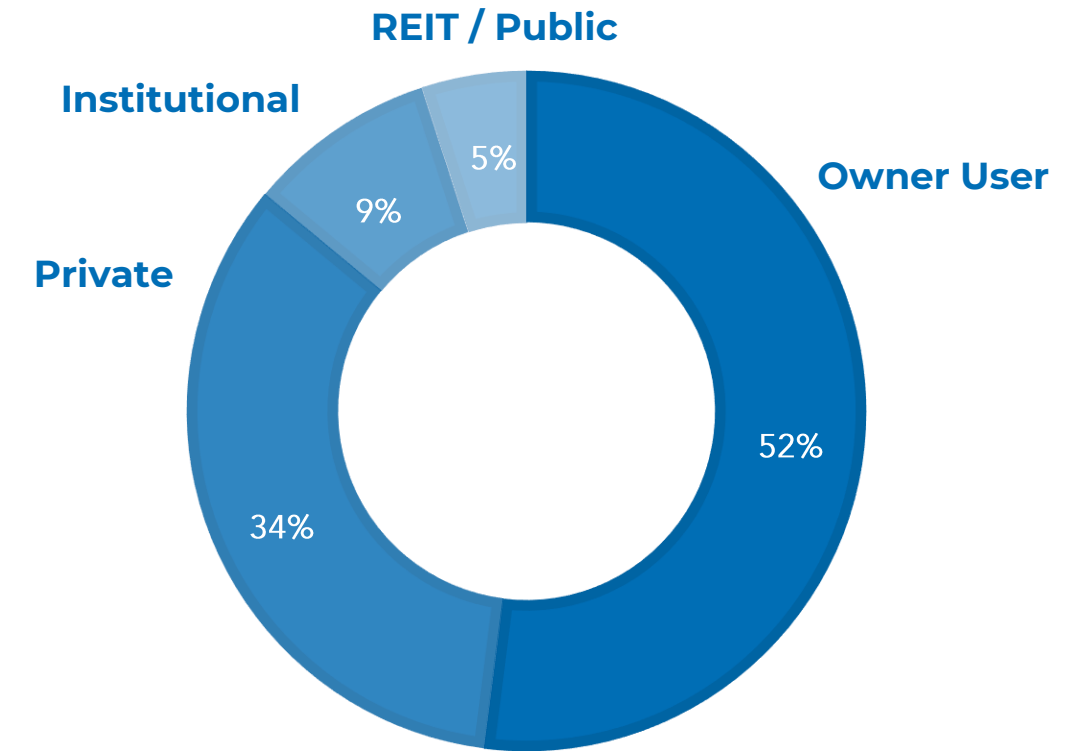
AVAILABLE INVENTORY



LOCAL NIH FUNDING | YTD 2024

| ORGANIZATION | AWARDS | FUNDING | CITY |
|---|--------|---------------|-----------------|
| Baylor College Of Medicine | 480 | \$241,562,262 | Houston |
| University Of Texas – Southwestern Medical Center | 462 | \$227,701,894 | Dallas |
| University Of Texas – MD Anderson Cancer Center | 270 | \$135,768,894 | Houston |
| University Of Texas – Health Science Center | 257 | \$121,994,641 | Houston |
| University of Texas – Medical Galveston | 117 | \$116,763,025 | Galveston |
| University of Texas – Austin | 210 | \$109,903,709 | Austin |
| Methodist Hospital Research Institute | 71 | \$36,992,805 | Houston |
| University of Houston | 65 | \$25,799,843 | Houston |
| Texas A&M University Health Science Center | 71 | \$24,624,154 | College Station |
| Texas A&M University | 51 | \$21,717,912 | College Station |

INVENTORY BUILDING OWNERSHIP



TOP OWNERS: TMC | TEXAS MEDICAL CENTER



BEACON CAPITAL PARTNERS

LEASE | Q3 2024

| TENANT | TYPE | ADDRESS | SIZE | MARKET |
|-----------------|------|----------------------|--------|--------|
| Rice University | New | 1840 Dynamic One Way | 10,292 | TMC |
| Confidential | New | 1840 Dynamic One Way | 14,946 | TMC |
| Artids | New | 7255 Helix Park Ave | 2,000 | TMC |

DEVELOPMENT SPOTLIGHT: NIMBLE BIOSPACEST

McCord Development

Owner & Developer

67,200 RSF
Total Square Footage

6 cGMP Suites
Fully Turn-Key

Late 2025
Anticipated Delivery



Source: TW Research, CoStar. NIH
*No recent sale activity.

KEY MARKET POINTS

- New Jersey continues to be a hub for biopharmaceutical manufacturing, hosting a significant presence from eight of the world's top 10 pharmaceutical companies.
- Q3 marks the 5th consecutive quarter of +100,000 leasing activity.
- The current development includes six projects, spanning across 1.9 MSF. The timeline for deliveries is late 2025 and into early 2026.

MARKET OVERVIEW

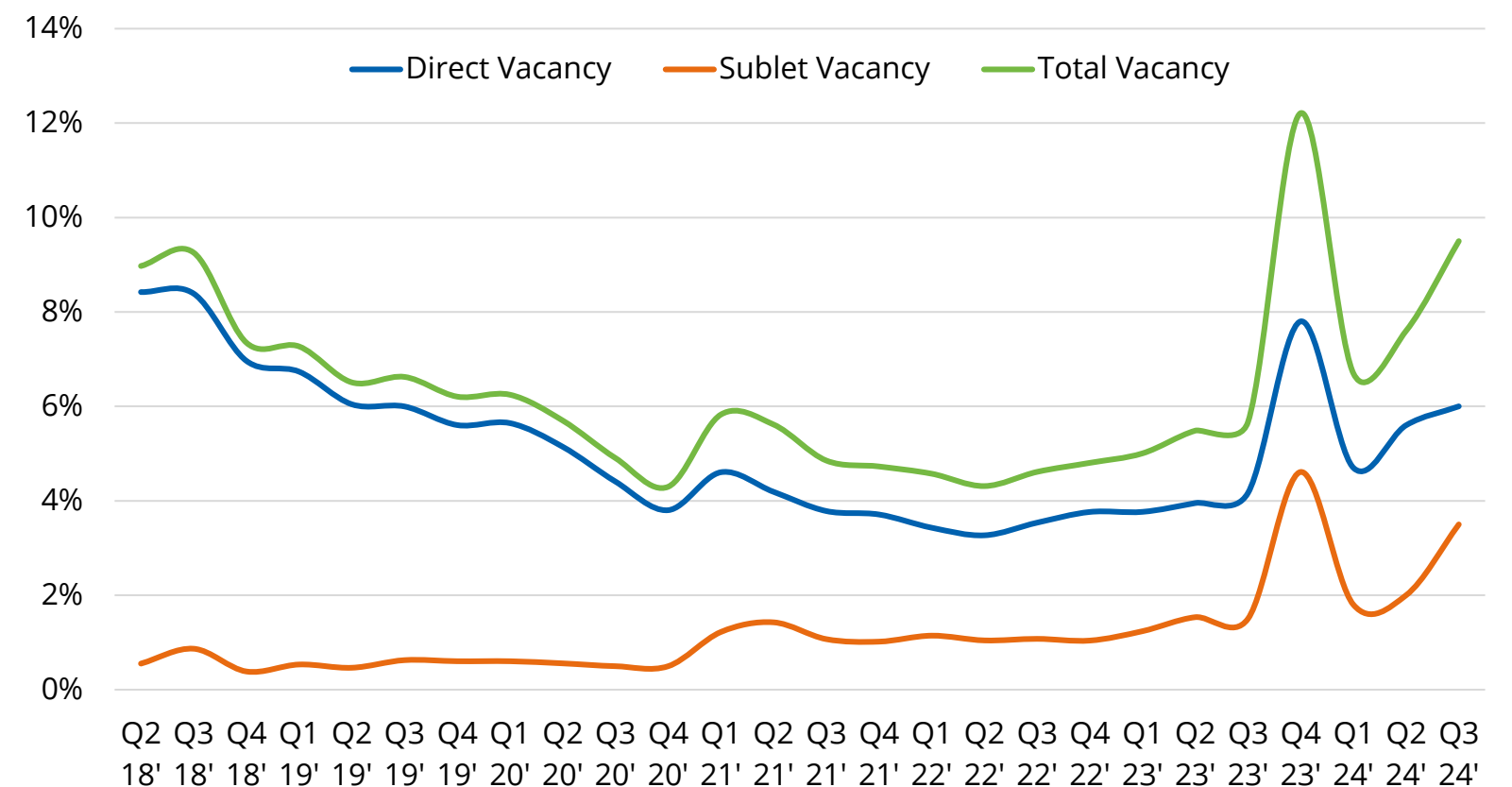
New Jersey, recognized as the birthplace of immunotherapy, hosts over 3,500 life sciences businesses employing 415,000 professionals, including 125,000 with specialized life science degrees. Unlike neighboring hubs, New Jersey sees fewer deals, primarily due to its larger, campus-style developments, most of which are owner-occupied. The state's legacy manufacturing facilities remain central to its continued success. As onshoring gains importance, the adoption of more efficient manufacturing practices is expected to further elevate New Jersey's prominence in the industry.

World-class infrastructure and connectivity, facilitating efficient delivery of goods and customer access through Newark Liberty International Airport, the Port of New York and New Jersey, and the highest railroad density in the nation. This ensures that businesses in New Jersey have easy access to major markets both domestically and globally.

The latest sale transaction announced was the from Catalent, agreeing to sell its oral drug development CDMO space facility in Somerset, New Jersey, to Ardena, a private contract drug manufacturer. The transaction is set to close in the first half of 2025, with approximately 200 scientists and technicians from the facility expected to join Ardena.

| TRENDLINES | Q3 2024 | Q3 2023 | ONE-YEAR TREND | ONE-YEAR FORECAST |
|---------------------------------|---------|----------|----------------|-------------------|
| INVENTORY (MSF) | 32.10 | 33.07 | ↔ | ↑ |
| NET ABSORPTION (THOUSANDS SF) | (29.90) | (115.41) | ↓ | ↑ |
| VACANCY RATE | 10.47% | 9.85% | ↑ | ↑ |
| UNDER CONSTRUCTION (MSF) | 1.70 | 1.61 | ↔ | ↔ |
| ASKING RENT, NNN (PSF) | \$36.89 | \$34.21 | ↑ | ↑ |
| YTD NIH STATE GRANTS (MILLIONS) | \$279 | \$215 | ↑ | ↑ |

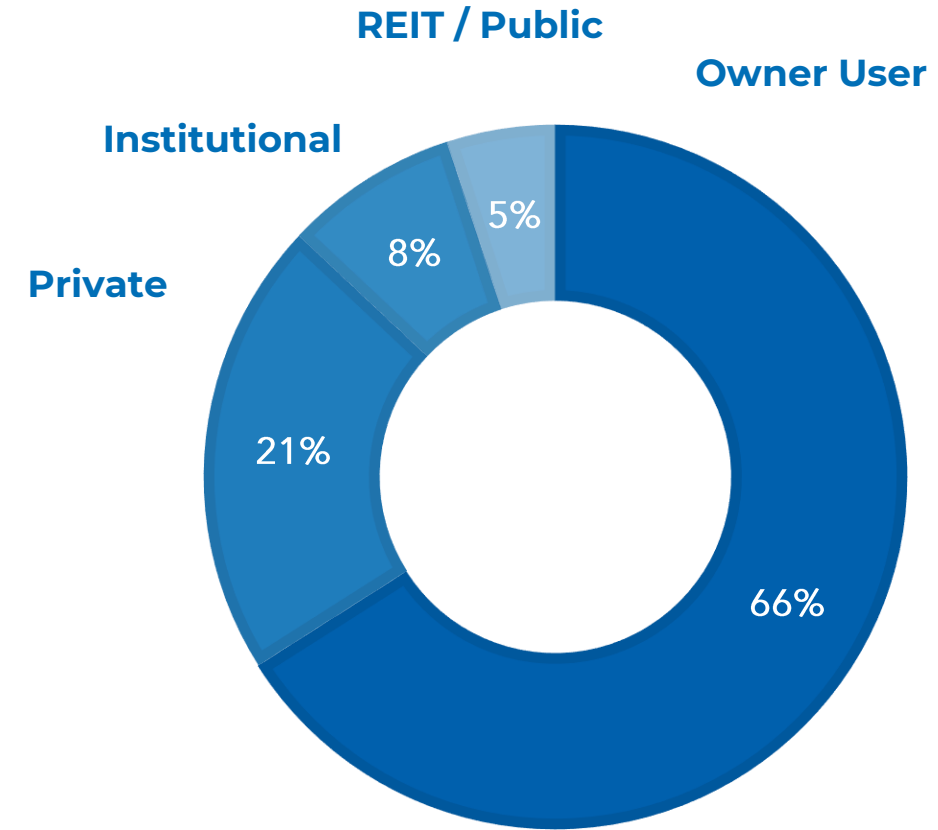
TOTAL VACANCY RATE



LOCAL NIH FUNDING | YTD 2024

| ORGANIZATION | AWARDS | FUNDING | CITY |
|--|--------|---------------|--------------|
| Rutgers Biomedical Health and Sciences | 341 | \$182,532,526 | Newark |
| Princeton University | 122 | \$58,165,075 | Princeton |
| Rutgers, The State University | 123 | \$56,658,074 | Newark |
| Hackensack University | 26 | \$17,019,536 | Hackensack |
| Cornell Institute Medical | 10 | \$7,723,479 | Camden |
| Rowan University | 16 | \$5,127,214 | Glassboro |
| New Jersey Institute of Technology | 14 | \$4,761,467 | Newark |
| Kessler Foundation, Inc. | 9 | \$4,272,761 | East Hanover |
| Park Therapeutics | 1 | \$3,324,591 | Newark |
| Prokaryotics, Inc. | 3 | \$1,949,510 | Union |

INVENTORY BUILDING OWNERSHIP



TOP OWNERS: **MERCK** **Bristol-Myers Squibb** **Johnson & Johnson**

LEASE | Q3 2024

| TENANT | TYPE | ADDRESS | SIZE | MARKET |
|------------------|------|-------------------------------|---------|--------------|
| RK Pharma | New | 148 Princeton Hightstown Road | 406,000 | East Windsor |
| Genscript ProBio | New | 500 Plaza Drive | 127,000 | Secaucus |
| IAVI | New | 95 Greene Street | 38,500 | Jersey City |
| CHOI | New | 116 Village Street | 13,250 | Princeton |

DEVELOPMENT SPOTLIGHT: M-Station

275,000 RSF
Total Square Footage

8 Floors & Penthouse
Average 32,000 per floor

50,000 SF
Public Outdoor Space

Early 2025
Expected Delivery



KEY MARKET POINTS

- Leasing activity continued to rebound in Q3, with a total net absorption yielding a noteworthy 169,292 SF.
- The vacancy rate fell by 55 basis points, bucking the 12-month trend of an increase in vacancy rates.
- Top academic institutions provide the market with a healthy qualified talent pool and a robust amount of NIH funding.
- The construction pipeline is set to deliver large blocks of space in late 2025, fending off any concern of a near-term vacancy increase.

MARKET OVERVIEW

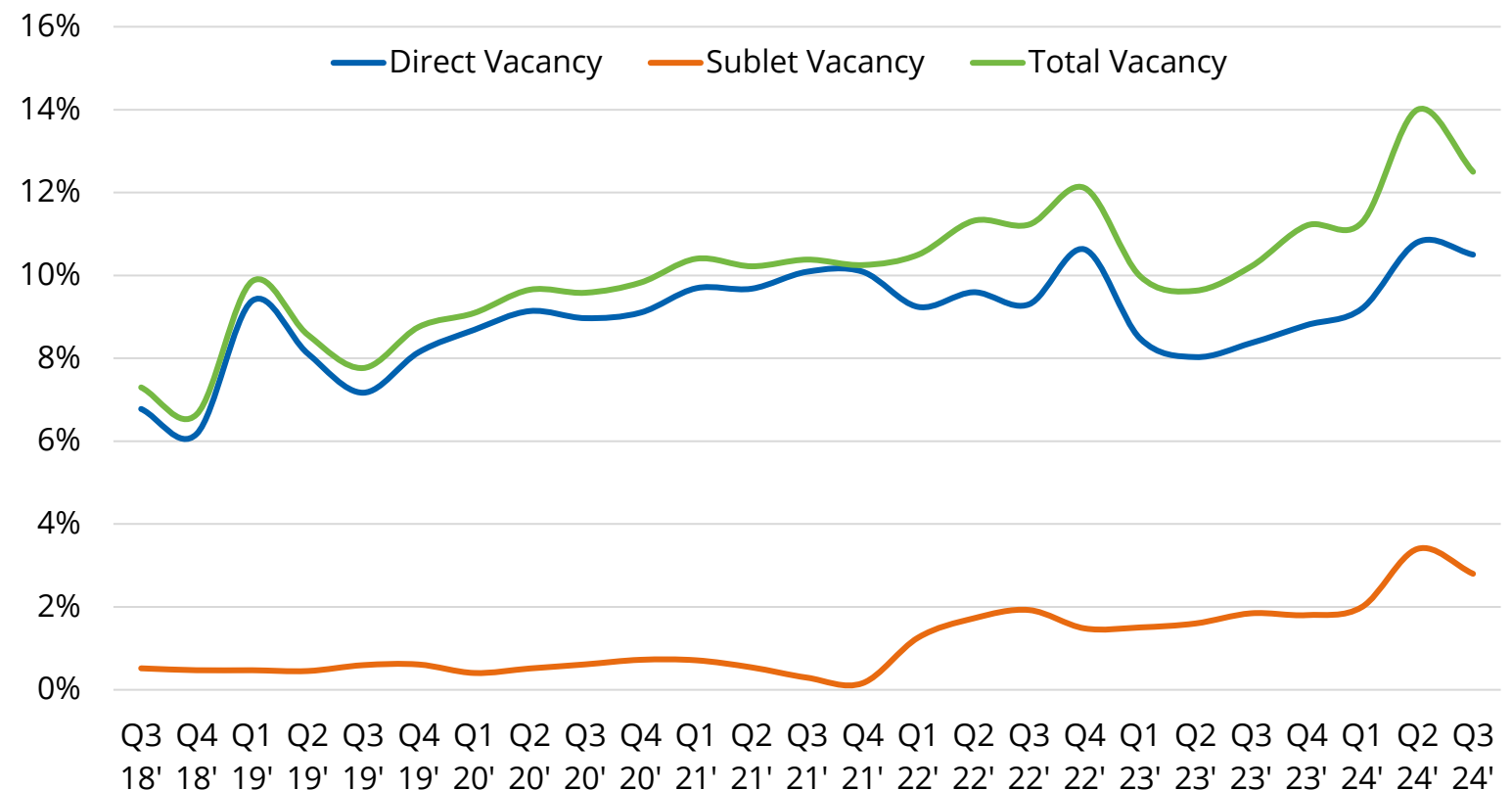
Philadelphia’s life science ecosystem continues to grow, with a multitude of new tenant entrants, proposed construction projects and growing share of NIH funding. The region’s success can be attributed to the commitment to focus on research, aided by top tier higher education. The region’s demand for graduation space is being met in the suburban market, mainly King of Prussia.

The latest proposed redevelopment was announced by Comcast Specator, which plans to convert a large portion of the Fashion District mall into life science space. The initial plans call for 1.1 MSF of space to be converted, starting as early as Q1 2025.

Adara Pharmaceutical Solutions released plans to relocate their headquarters from New Jersey to Philadelphia; as well as make significant investments into updating their existing manufacturing facilities already located in Philadelphia. The move is expected to create 150 new jobs, in addition to the 200 employees slated to be apart of the relocation.

| TRENDLINES | Q3 2024 | Q3 2023 | ONE-YEAR TREND | ONE-YEAR FORECAST |
|---------------------------------|---------|---------|----------------|-------------------|
| INVENTORY (MSF) | 23.16 | 23.06 | ↑ | ↑ |
| NET ABSORPTION (THOUSANDS SF) | 169.29 | 107.30 | ↓ | ↔ |
| VACANCY RATE | 13.20% | 11.28% | ↔ | ↔ |
| UNDER CONSTRUCTION (MSF) | 5.0 | 7.33 | ↓ | ↓ |
| ASKING RENT, FULL SERVICE (PSF) | \$41.11 | \$38.99 | ↑ | ↑ |
| YTD NIH STATE GRANTS (BILLIONS) | \$2.61 | \$1.80 | ↑ | ↑ |

VACANCY RATE



LOCAL NIH FUNDING | YTD 2024

| ORGANIZATION | AWARDS | FUNDING | CITY |
|---|--------|---------------|-----------------|
| University Of Pennsylvania | 1,283 | \$679,712,495 | Philadelphia |
| University Of Pittsburgh At Pittsburgh | 1,221 | \$658,770,638 | Pittsburgh |
| Children's Hosp Of Philadelphia | 293 | \$163,672,531 | Philadelphia |
| Pennsylvania State University | 205 | \$88,849,953 | University Park |
| Pennsylvania State Univ Hershey Medical | 145 | \$76,287,239 | Hershey |
| Thomas Jefferson University | 162 | \$71,705,247 | Philadelphia |
| Temple University | 179 | \$71,649,273 | Philadelphia |
| Drexel University | 149 | \$63,102,446 | Philadelphia |
| Wistar Institute | 50 | \$38,604,782 | Philadelphia |
| Carnegie-Mellon University | 86 | \$37,320,208 | Philadelphia |

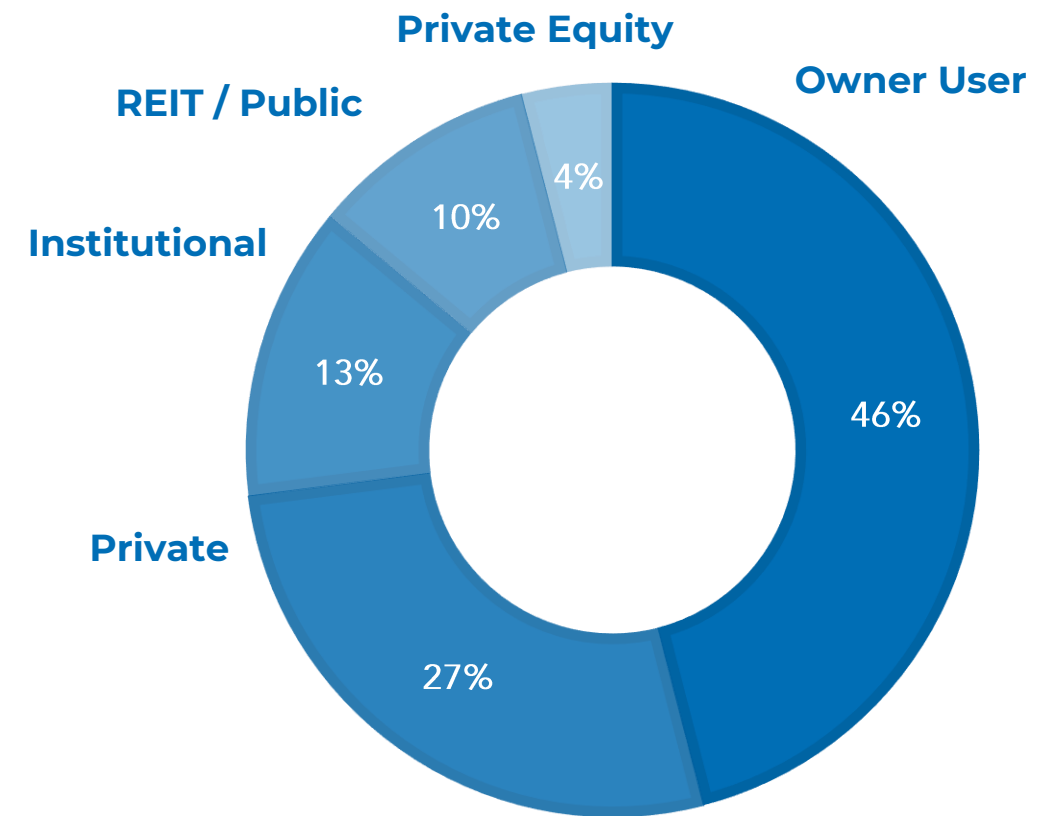
TOP OWNERS:



LEASE | Q3 2024

| TENANT | TYPE | ADDRESS | SIZE | MARKET |
|-----------------------------|---------|------------------------|--------|-----------------|
| Endo USA | New | 9 Great Valley Parkway | 59,000 | King of Prussia |
| Nucleus Radiopharma | New | 727 Norristown Road | 47,200 | Springhouse |
| Legend Biotech | New | 2300 Market Street | 28,600 | Century City |
| Wistar Institute | New | 3675 Market Street | 25,100 | University City |
| Menarini Silicon Biosystems | Renewal | 3401 Masons Mill Road | 19,350 | Horsham |

INVENTORY BUILDING OWNERSHIP



DEVELOPMENT SPOTLIGHT: 3201 CUTBERT PLACE

519,000 RSF
Total Square Footage

11 Floors
Floor Plates +/- 50K SF

16-24 Floor Heights
Total Square Footage

Transient Oriented
Rail & Highway



KEY MARKET POINTS

- Fujifilm Diosynth Biotechnology slated to spend \$4.8B over the next 12-years, bringing increased activity to the hub.
- Vacancy rates tick upward, as supply outpacing demand.
- 2024 NIH funding has outpaced 2023 totals, fueling local research insinuations.
- Large owner-user developments are forecasted to keep the spotlight on the local ecosystem

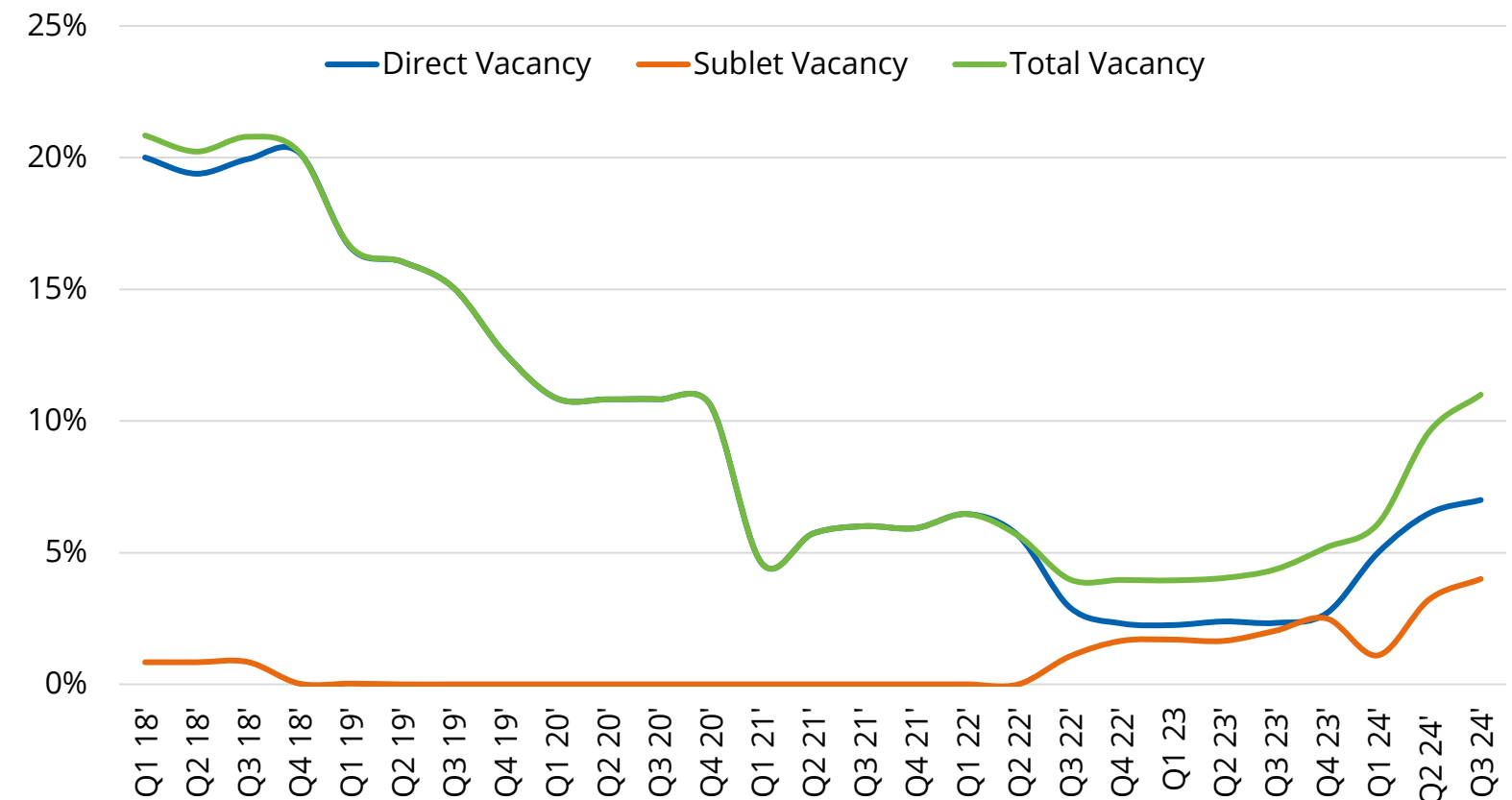
MARKET OVERVIEW

The Raleigh-Durham Research Triangle has become the mid-Atlantic hub for the life sciences sector, primarily supporting agricultural industries while attracting a growing number of biotechnology firms. Recently, additional industries have made entrants, including semiconductor and electric transportation firms. The region's Research Triangle Park hosts 650 of the area's 850 companies. In June, Novo Nordisk announced plans for a \$1.4 billion investment in a 1.4 million-square-foot manufacturing facility, expected to open in 2028, which will bring 1,000 permanent jobs to the local ecosystem.

In Q3, Science Corp. announced plans in Research Triangle Park with a \$65 million investment in a new production facility, the Science Foundry, which will manufacture microchips for its own products and other biotech companies, adding 50 new jobs. Additionally, Trinity Capital plans to develop a fully outfitted lab space on an entire floor of the newly opened Roxboro office tower in Durham to enhance leasing prospects.

| TRENDLINES | Q3 2024 | Q3 2023 | ONE-YEAR TREND | ONE-YEAR FORECAST |
|---------------------------------|---------|---------|----------------|-------------------|
| INVENTORY (MSF) | 10.49 | 10.31 | ↑ | ↔ |
| NET ABSORPTION (THOUSANDS SF) | (15.92) | (9.32) | ↓ | ↔ |
| VACANCY RATE | 11.90% | 8.58% | ↑ | ↑ |
| UNDER CONSTRUCTION (MSF) | 6,65 | 5.62 | ↓ | ↔ |
| ASKING RENT, NNN (PSF) | \$29.46 | \$27.36 | ↑ | ↑ |
| YTD NIH STATE GRANTS (BILLIONS) | \$1.84 | \$1.17 | ↑ | ↑ |

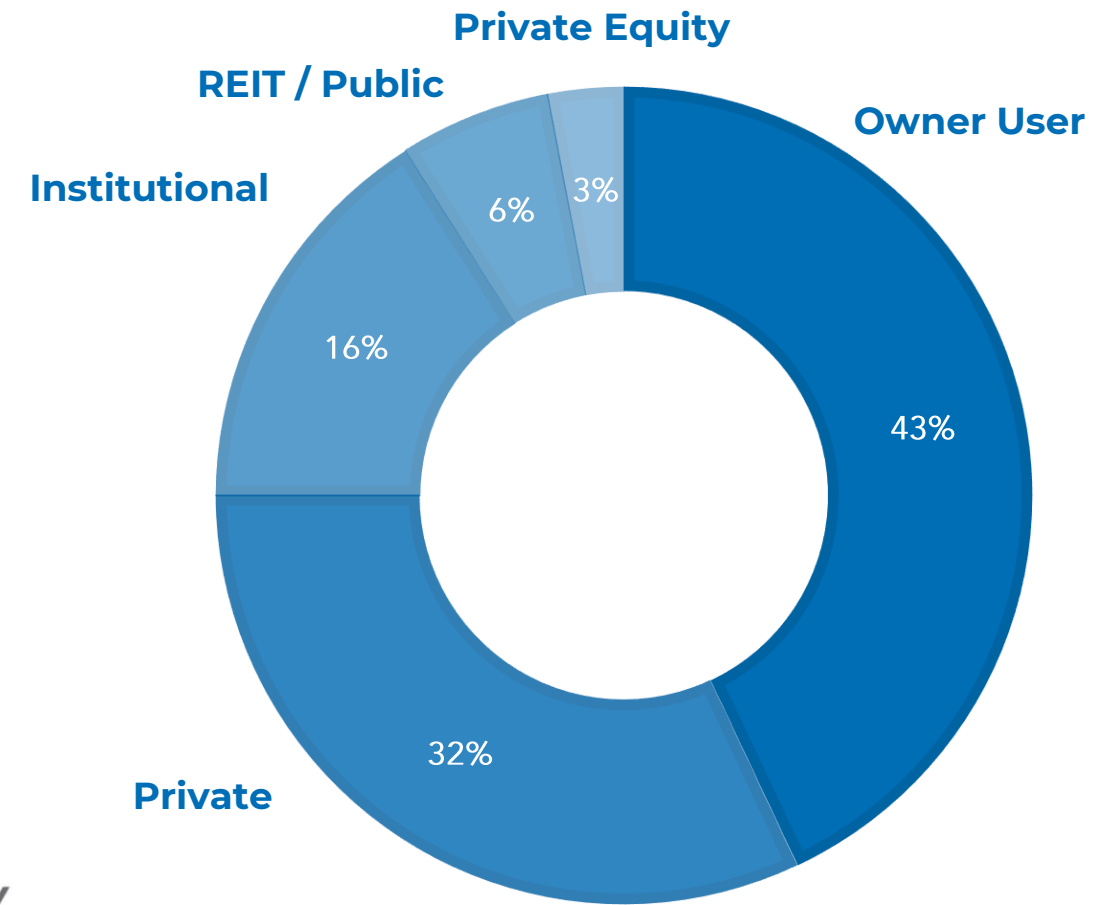
VACANCY RATE



LOCAL NIH FUNDING | YTD 2024

| ORGANIZATION | AWARDS | FUNDING | CITY |
|--|--------|---------------|---------------|
| Duke University | 980 | \$532,826,261 | Durham |
| University of North Carolina Chapel Hill | 1,031 | \$518,144,366 | Chapel Hill |
| Research Triangle Institute | 74 | \$370,247,366 | RTP |
| Wake Forest University Health | 254 | \$136,959,681 | Winston-Salem |
| North Carolina State University | 110 | \$48,280,873 | Raleigh |
| Family Health International | 1 | \$25,449,117 | Durham |
| RHO Federal Systems Div | 5 | \$18,741,604 | Durham |
| Epcypher, Inc. | 11 | \$11,622,850 | RTP |
| University of North Carolina – Charlotte | 29 | \$9,768,020 | Charlotte |

INVENTORY BUILDING OWNERSHIP



TOP OWNERS:



LEASE | Q3 2024

| TENANT | TYPE | ADDRESS | SIZE | MARKET |
|---------|------|------------------------|--------|--------|
| Avazyme | New | 2202 Ellis Road | 15,800 | RTP |
| SmaBio | New | 104 TW Alexander Drive | 9,800 | RTP |

DEVELOPMENT SPOTLIGHT: 4225 MACON POND ROAD

120,700 RSF
Total Square Footage

Q4 2024 – Early
Anticipated Delivery

Covered Parking
500 spaces – Four story structure



KEY MARKET POINTS

- San Diego was the only large market to record a positive net absorption across both direct and sublease markets.
- Asking rates have plateaued in 2024, after experiencing a sizeable increase in Q4 of last year.
- Local NIH funding is up over \$240M from the same time last year.
- Proximity to South California’s mature transportation infrastructure makes the market attractive for future manufacturing firms.

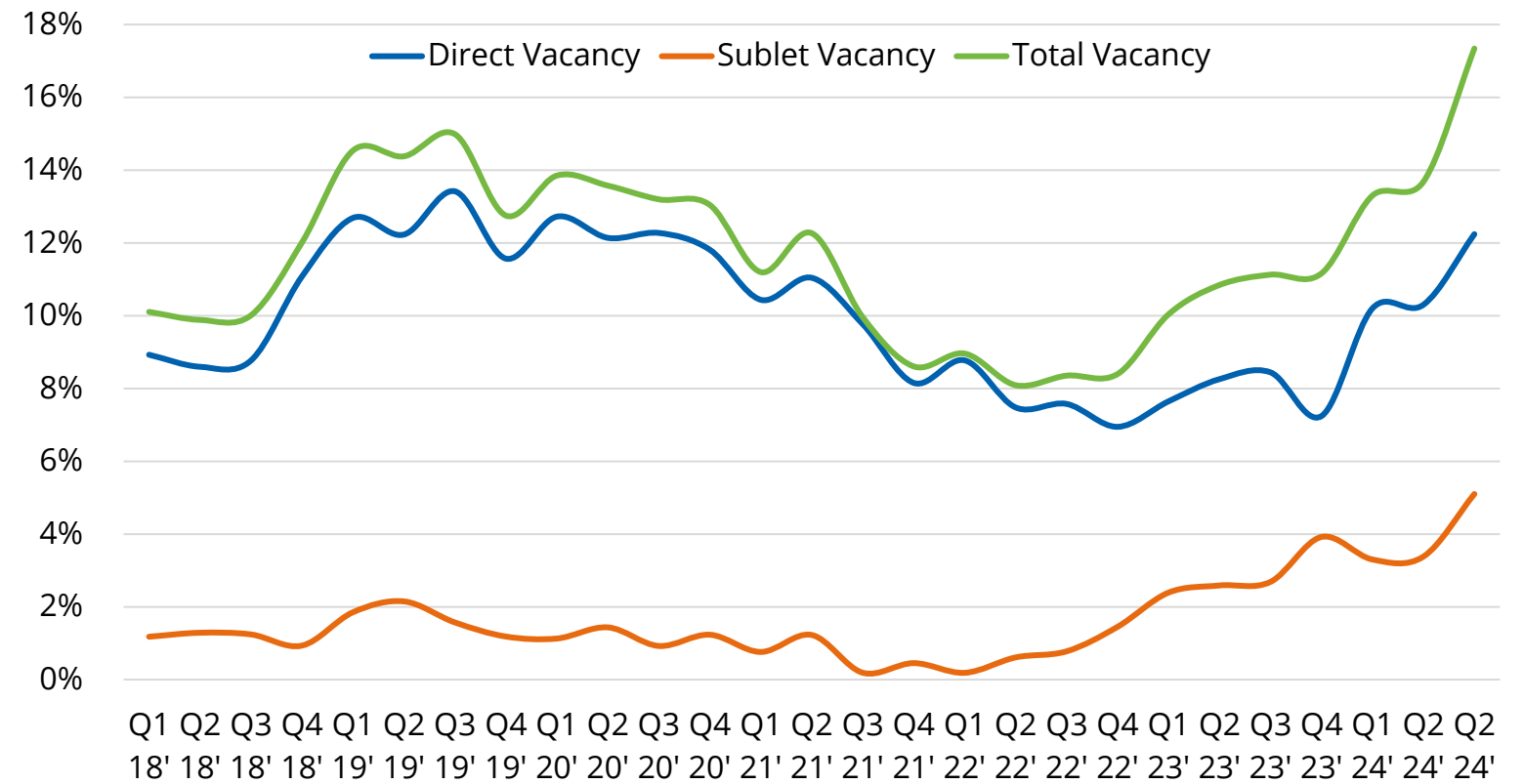
MARKET OVERVIEW

San Diego's life sciences market continues to strengthen its status as the nation’s third-largest hub, with Torrey Pines, Sorrento, and Carlsbad at the forefront of activity. Downtown San Diego, however, has faced challenges in gaining traction. Most notably, the 1.7 MSF IQHQ development has yet to sign a life science tenant, remaining mostly vacant for nearly a year.

In Q3, the market’s academic institutions announced expansions. Scripps Research expanded its La Jolla campus with the opening of the Chi-Huey Wong Laboratories for Biomedical Research, an 83,000-square-foot facility aimed at promoting interdisciplinary collaboration in chemical and life sciences. Additionally, The University of California Regents approved a new Multidisciplinary Life Sciences Building at UC San Diego, set for completion in 2027.

| TRENDLINES | Q3 2024 | Q3 2023 | ONE-YEAR TREND | ONE-YEAR FORECAST |
|---------------------------------|---------|---------|----------------|-------------------|
| INVENTORY (MSF) | 19.36 | 17.59 | ↑ | ↑ |
| NET ABSORPTION (THOUSANDS SF) | 108.80 | (71.22) | ↑ | ↓ |
| VACANCY RATE | 19.10% | 13.50% | ↑ | ↑ |
| UNDER CONSTRUCTION (MSF) | 2.70 | 6.92 | ↓ | ↓ |
| ASKING RENT, NNN (PSF) | \$52.85 | \$48.99 | ↑ | ↓ |
| YTD NIH STATE GRANTS (BILLIONS) | \$1,14 | \$0.90 | ↑ | ↑ |

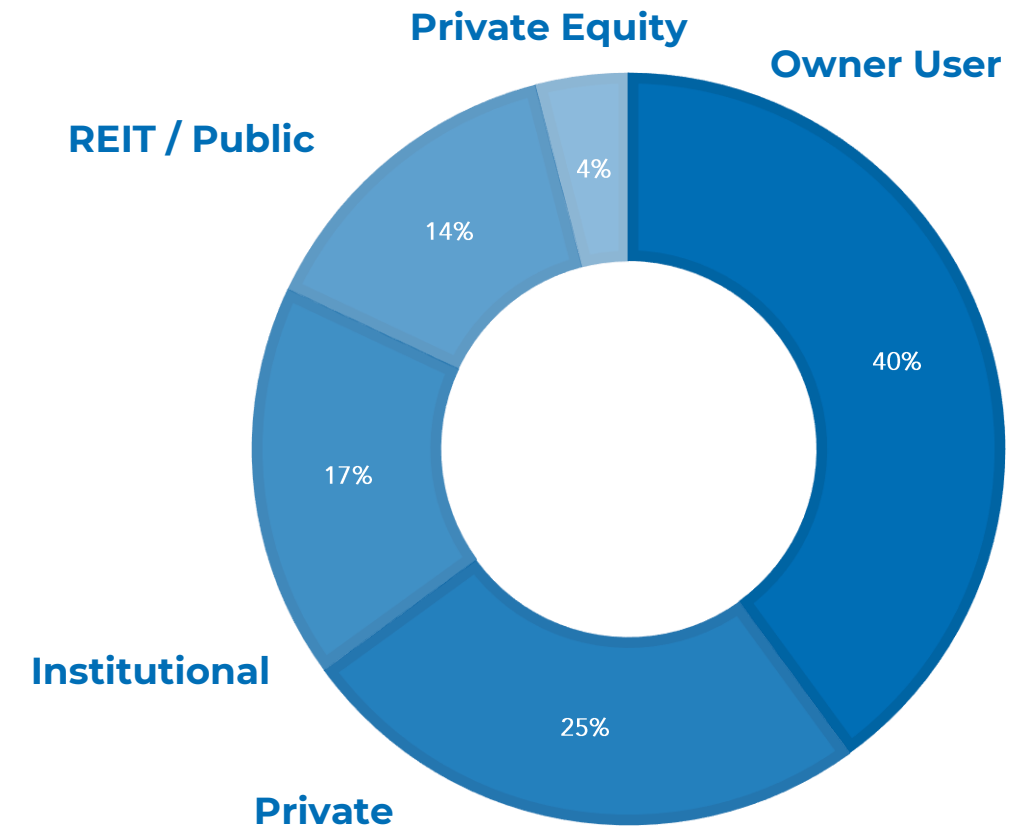
VACANCY RATE



LOCAL NIH FUNDING | YTD 2024

| ORGANIZATION | AWARDS | FUNDING | CITY |
|---|--------|---------------|-----------|
| University of California, San Diego | 1,027 | \$556,491,851 | La Jolla |
| Scripps Research Institute | 195 | \$160,839,020 | La Jolla |
| Salk Institute for Biological Studies | 77 | \$66,396,443 | La Jolla |
| Sanford Burnham Prebys Medical | 62 | \$53,795,301 | La Jolla |
| San Diego State University | 89 | \$41,949,069 | San Diego |
| La Jolla Institute for Immunology | 39 | \$25,693,143 | La Jolla |
| San Diego Biomedical Research Institute | 14 | \$7,069,882 | San Diego |
| Scintillon Institute for Photobiology | 7 | \$3,285,225 | San Diego |
| Arima Genomics, Inc. | 2 | \$2,997,924 | San Diego |
| Veterans Medical Research | 10 | \$2,799,664 | San Diego |
| Big Eye Diagnostics | 3 | \$2,558,135 | San Diego |

INVENTORY BUILDING OWNERSHIP



TOP OWNERS:



LEASE | Q3 2024

| TENANT | TYPE | ADDRESS | SIZE | MARKET |
|----------------------|------|----------------------------|--------|-----------------|
| Mirador | New | 4902 Headquarters Place | 66,650 | Sorrento Mesa |
| Cirsium BioSciences | New | 9727 Pacific Hights Blvd | 47,929 | Sorrento Mesa |
| Recludix Pharma | New | 3010 Science Park Drive | 41,550 | Sorrento Mesa |
| Treeline Bio | New | 11180 Roselle Street | 36,100 | Sorrento Valley |
| Genesis Therapeutics | New | 4936 Directors Place | 37,900 | Sorrento Mesa |
| Gossamer Biologics | New | 3115 Merryfield Row | 18,421 | Sorrento Mesa |
| Elsie Biotechnology | New | 10578 Science Center Drive | 12,650 | Sorrento Mesa |

DEVELOPMENT SPOTLIGHT: 5889 OBERLIN DRIVE

310,750 RSF
Total Square Footage

Open Floor Plates
Average of 60K SF

Top Tier Amenities
Fitness & Wellness Focused

Conferencing Area
Top Floor Mountain & Ocean



Source: TW Research. CoStar, NIH, *Portfolio Sale

KEY MARKET POINTS

- The vacancy rate increased by 240 basis points in Q3, recording a new record for the asset class. Soft deal activity and new inventory delivered to the inventory is putting upward pressure on rates.
- The Genentech Campus transaction recently closed for \$1.2B. The buyer Lonza Pharmaceuticals have confirmed a \$580M upgrade.
- Longfellow’s ground lease for the 750,000-square-foot Atrium Labs development in Emeryville was terminated following allegations of \$1M in unpaid rent.
- NIH grant funding is up over 2023 mid-year reporting, an influx of capital to help propel local research efforts.

MARKET OVERVIEW

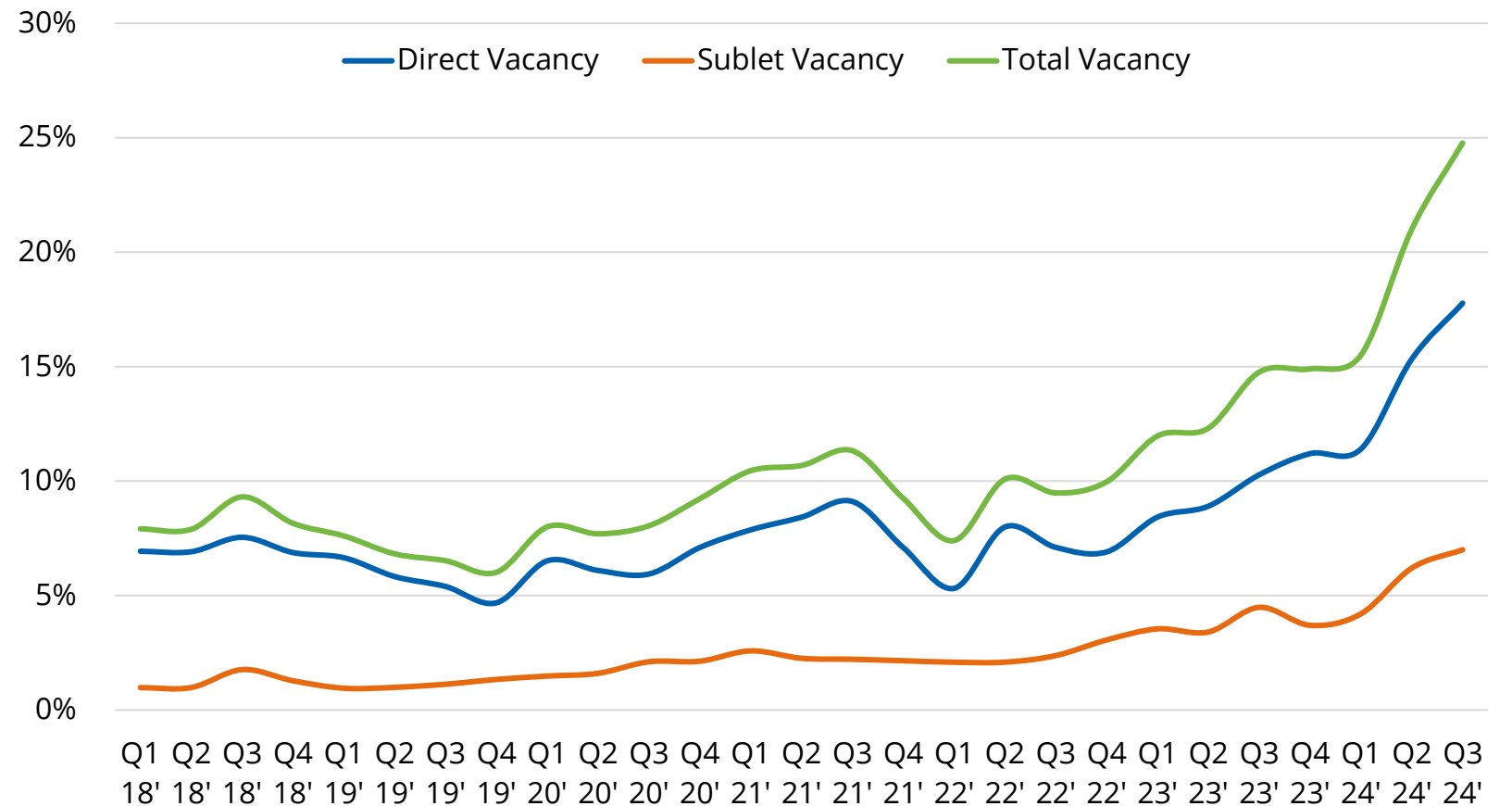
The San Francisco Bay Area life sciences real estate market continues to face systemic headwinds, unable to regain noteworthy traction. Despite the uptick Q3 lease activity, the amount of space that was given back to the market and or delivered, outpaced the overall tenant demand. Direct net absorption totaled -518,000 SF, with sublease net absorption trailing close behind -387,000 SF.

The industry drivers that fuel tenant growth have seen noticeable increases throughout 2024 but have yet to be fully realized through to the end users. Industry professionals estimate the excess inventory is on track to be fully absorbed in 2026, as construction pipelines decrease.

Recent news in the market include - Orion Office REIT Inc. purchased a 97,000-square-foot flex/lab/R&D facility in San Ramon, California, for \$34.6 million. The property is fully leased to a Agtech tenant, with 15 years remaining on the lease. Additionally, The UC Regents have approved the construction of UCSF’s new Life Sciences Building, which will feature a proton therapy center and accelerator, slated to be delivered in 2029.

| TRENDLINES | Q3 2024 | Q3 2023 | ONE-YEAR TREND | ONE-YEAR FORECAST |
|---------------------------------|---------|---------|----------------|-------------------|
| INVENTORY (MSF) | 46.18 | 44.36 | ↑ | ↑ |
| NET ABSORPTION (THOUSANDS SF) | (905.5) | (195.2) | ↑ | ↑ |
| VACANCY RATE | 24.19% | 12.65% | ↑ | ↑ |
| UNDER CONSTRUCTION (MSF) | 7.31 | 10.81 | ↓ | ↓ |
| ASKING RENT, NNN (PSF) | \$61.96 | \$59.12 | ↓ | ↑ |
| YTD NIH STATE GRANTS (BILLIONS) | \$4.00 | \$3.78 | ↑ | ↑ |

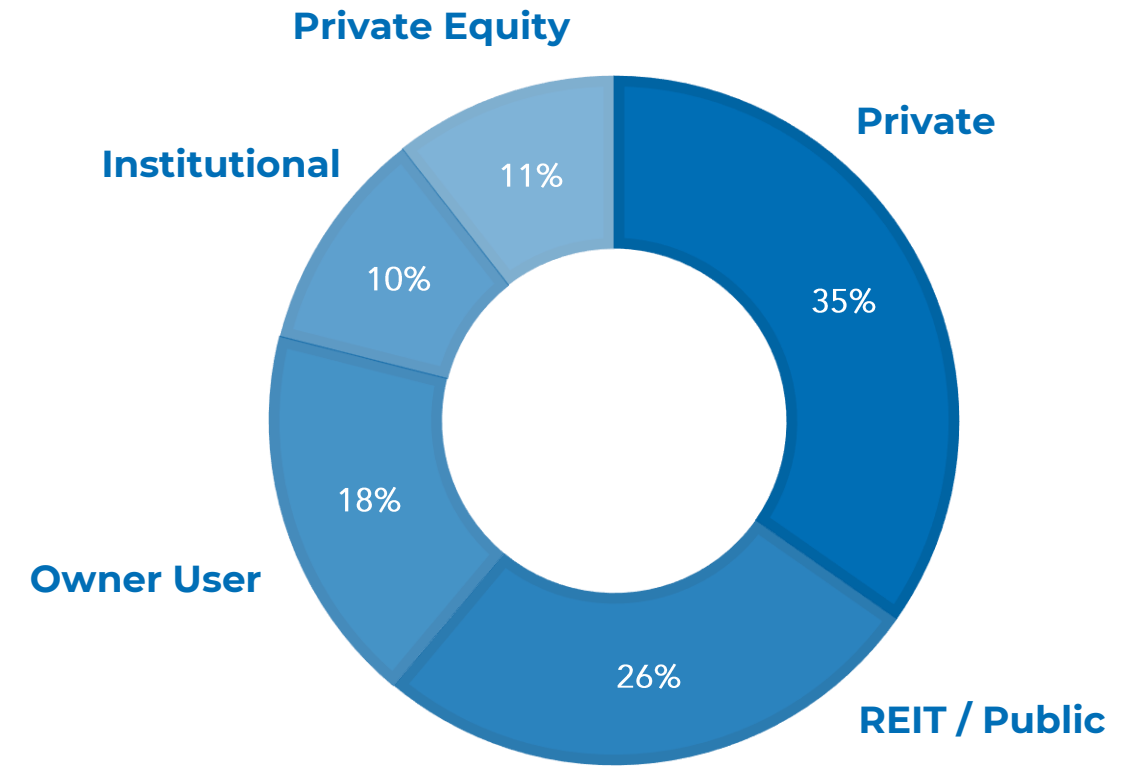
VACANCY RATE



LOCAL NIH FUNDING AWARDS | YTD 2024

| ORGANIZATION | AWARDS | FUNDING | CITY |
|---|--------|---------------|---------------|
| University Of California, San Francisco | 1,438 | \$808,907,230 | San Francisco |
| Stanford University | 1,139 | \$598,636,530 | Stanford |
| University Of California, Davis | 521 | \$277,237,440 | Davis |
| University Of California, Berkeley | 344 | \$157,638,088 | Berkeley |
| Kaiser Foundation Research Institute | 110 | \$82,868,347 | Oakland |
| J. David Gladstone Institutes | 49 | \$39,554,440 | Oakland |
| Buck Institute for Research Aging | 39 | \$24,288,831 | Novato |
| Lawrence Berkeley Lab | 25 | \$21,755,000 | Berkeley |
| Color Health, Inc. | 1 | \$20,735,105 | Burlingame |
| Palo Alto Veterans Institute for Research | 23 | \$10,731,656 | Menlo Park |

INVENTORY BUILDING OWNERSHIP



TOP OWNERS:

LEASE | Q3 2024

| TENANT | TYPE | ADDRESS | SIZE | MARKET |
|--------------------|----------|---------------------------|---------|---------------------|
| Natera | Renewal | 201 Industrial Way | 136,300 | San Carlos |
| Cepheld | New | 904 E. Caribbean Drive | 80,550 | Sunnyvale |
| Impossible foods | Renewal | 400 Saginaw Drive | 61,000 | Redwood City |
| Nevro Corp | New | 1800 Bridge Parkway | 52,950 | Redwood City |
| Circle Pharma | New | 169 Harbor Way | 51,900 | South San Francisco |
| Verta Therapeutics | Sublease | 2000 Sierra Point Parkway | 40,300 | Brisbane |
| Vaxcyle | Sublease | 825 Industrial Road | 38,250 | San Carlos |
| Attovia | New | 1091 Industrial Road | 31,000 | San Carlos |

DEVELOPMENT SPOTLIGHT: 200 Twin Dolphin Drive

234,000 RSF
Total Square Footage

Five Floors
50k SF Floor Plates

700 Parking Spots
67 EV Stalls

16' Floor Heights
33 x 33 Column Spacing



Source: TW Research, CoStar. NIH
*Mixed Use Property - Including lab & office

KEY MARKET POINTS

- The I-270 Corridor continues to top NIH funding records, with 2024 YTD grants totaling \$1.62B. The amount represents a 15% increase over 2023 mid-year levels.
- The development pipeline remains poised to undergo a stable absorption, other national life science hubs are experiencing an imbalance with supply outpacing demand.
- Two recent building deliveries added to the inventory - Thor Equities' 60,000 SF spec-built life science building located at 20 West Gude in Shady Grove was delivered. Abrams Development's 35,000 SF build-to-suite dubbed Westview South, located in Fredericksburg.

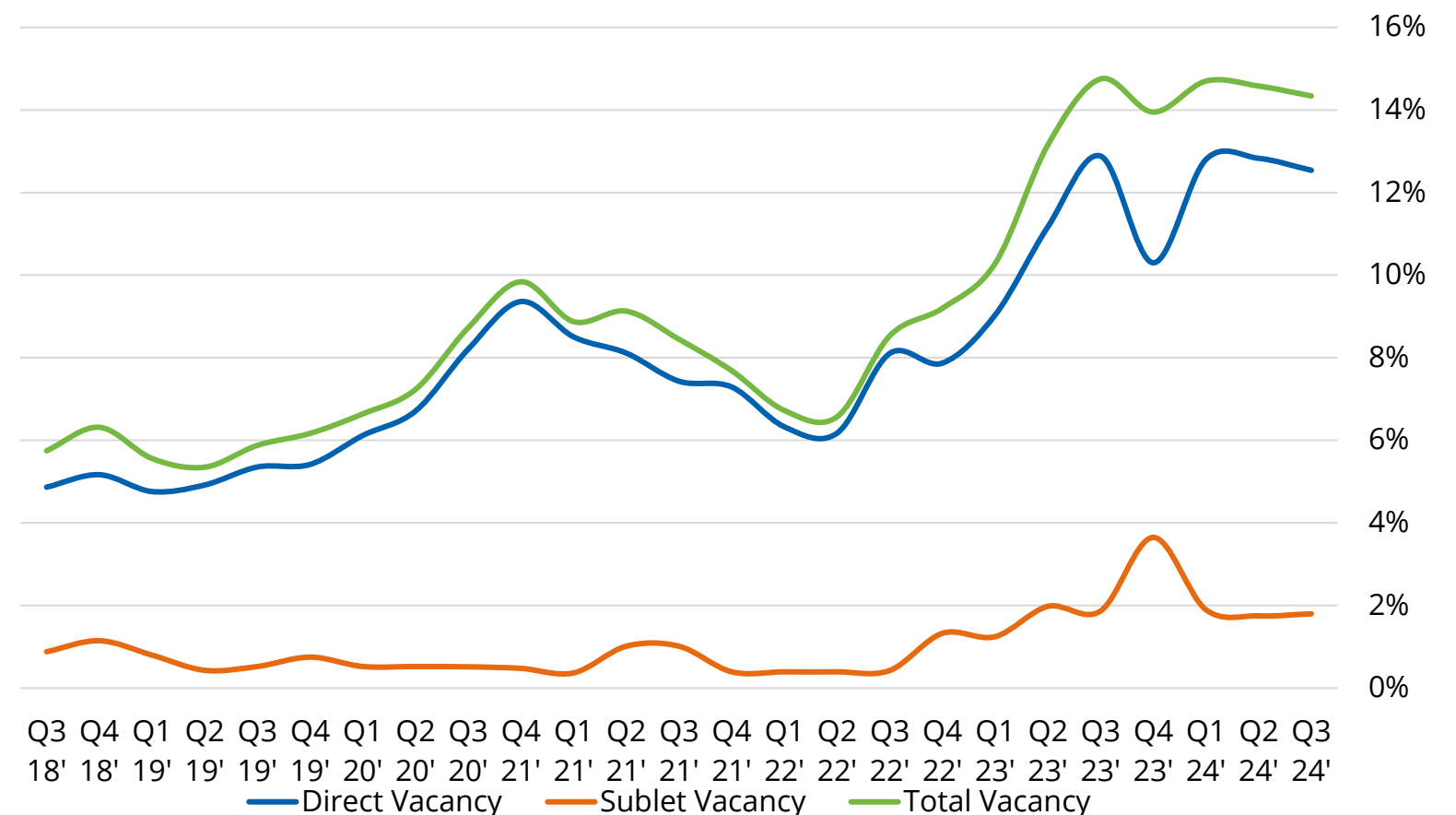
MARKET OVERVIEW

The Greater Washington DC area has remained resistant to headwinds experienced by other life science hubs. The region's life sciences ecosystem continues to be well-positioned to endure industry challenges, benefiting from its proximity to major government agencies and leading academic institutions. A continuous flow of funding, talent, and collaborative opportunities supports innovation and growth in the area.

Despite the market's relative size, the DC market is making headlines with active investment into developments and programs to help foster industry support. Montgomery County announced plans to retain a developer for a 2-3.7 MSF transit-oriented life science innovation center, complete with office and lab space, affordable housing and supportive retail. The University of Maryland Institute for Health Computing has committed to be the anchor tenant. Additionally, TEDCO, the Maryland Technology Development Corporation, has launched the Federal Lab Leveraging Innovation to Products (FLLIP) Pilot Program to help bridge the gap between small businesses and federal labs.

| TRENDLINES | Q3 2024 | Q3 2023 | ONE-YEAR TREND | ONE-YEAR FORECAST |
|-------------------------------|---------|---------|----------------|-------------------|
| INVENTORY (MSF) | 11.22 | 10.29 | ↑ | ↑ |
| NET ABSORPTION (THOUSANDS SF) | 46.32 | (20.98) | ↑ | ↔ |
| VACANCY RATE | 14.20% | 10.41% | ↑ | ↔ |
| UNDER CONSTRUCTION (MSF) | 1.67 | 1.90 | ↓ | ↓ |
| ASKING RENT, NNN (PSF) | \$53.55 | \$50.91 | ↑ | ↓ |
| YTD NIH DMV GRANTS (BILLIONS) | \$1.62 | \$1.37 | ↑ | ↑ |

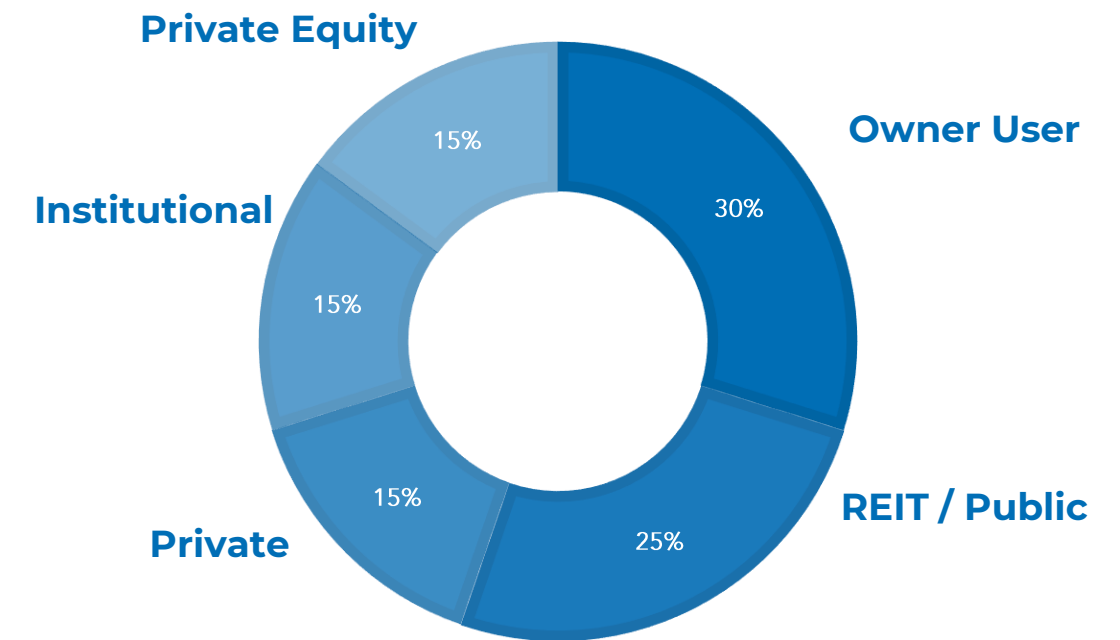
TOTAL VACANCY RATE



LOCAL NIH FUNDING AWARDS | YTD 2024

| ORGANIZATION | AWARDS | FUNDING | CITY |
|--------------------------------------|--------|---------------|--------------|
| Johns Hopkins University | 1,473 | \$840,621,033 | Baltimore |
| University Of Maryland Baltimore | 416 | \$193,469,714 | Baltimore |
| University Of Maryland, College Park | 149 | \$59,379,874 | College Park |
| George Washington University | 132 | \$86,097,887 | Washington |
| Children’s Research Institute | 78 | \$34,386,524 | Washington |
| Henry M. Jackson Foundation | 35 | \$15,918,476 | Bethesda |
| University of Maryland | 18 | \$8,680,571 | Baltimore |
| Howard University | 16 | \$6,586,563 | Washington |
| Lieber Institute, Inc. | 14 | \$9,458,338 | Baltimore |
| Friends Research Institute, Inc. | 9 | \$5,312,370 | Baltimore |
| Sanaria, Inc. | 8 | \$6,566,260 | Rockville |

INVENTORY BUILDING OWNERSHIP



TOP OWNERS: ALEXANDRIA



LEASE | Q3 2024

| TENANT | TYPE | ADDRESS | SIZE | MARKET |
|------------------------------|-----------|---------------------------|---------|-----------|
| National Institute of Health | Renewal | 6555 Rock Springs | 123,750 | Bethesda |
| Abelzeta | Expansion | 9605 Medical Center Drive | 13,330 | Rockville |

Top Construction Pipeline Developments

| ADDRESS | SIZE | MARKET | DELIVERY |
|-----------------|---------|--------------------|----------|
| 4 MLK | 250,000 | University BioPark | Q4 2024 |
| Research Square | 89,640 | Rockville | Q4 2024 |
| Fuse at Mason | 345,000 | Washington | Q1 2025 |
| Belward Campus* | 750,000 | Rockville | TBD |
| Pike & Rose* | 260,000 | Bethesda | TBD |

Source: TW Research. CoStar, NIH (*Permitted w/ construction TBD)

PHOENIX - KEY POINTS

- In June, University of Arizona's Health Science Center received \$20M in funding from Phoenix City Counsel, supporting the expansion of the Bioscience Core. The development zone spans a total of 30 acres, with an additional 6.6 MSF slated to be built.
- Employment data supports a robust life science ecosystem, growing 6% YOY and 60% in the last decade. The existing employment, coupled with a forecasted 8% growth in industry-focused degrees primes the region for continued growth.
- Phoenix has experienced noteworthy venture funding attention over the last five years, totaling \$575M. This is an addition to growing number of NIH grants that Phoenix have seen, \$110M YTD 2024.

MARKET OVERVIEW

Since the early 2000s, the life sciences sector in Phoenix has experienced steady growth, bolstered by a solid foundation that has facilitated the success of new entrants. Over the past decade, this growth has accelerated significantly. Central to this expansion is the Phoenix Bioscience Core (PBC), a 30-acre hub located in downtown Phoenix. This site is now home to the highest concentration of bioscience and research tenants in Arizona.

Phoenix's commitment to advancing the life sciences sector is evident from the support expressed by Mayor Kate Gallego. In her 2023 State of the City address, she emphasized the city's dedication to this industry, stating, "The city and I want to show that we are prioritizing this (industry) and that we are part of the vision to make sure it succeeds."

The region's collaborative environment, which includes robust public and private partnerships, strengthens its potential for future growth. Notably, three major academic institutions: Arizona State University, Northern Arizona University, and the University of Arizona. These institutions have established a presence within the PBC, aligning with the ecosystem's collaborative ethos.

| TRENDLINES | Q3 2024 | Q3 2023 | ONE-YEAR TREND | ONE-YEAR FORECAST |
|-------------------------------|---------|---------|----------------|-------------------|
| INVENTORY (MSF) | 2.32 | 2.29 | ↑ | ↑ |
| NET ABSORPTION (THOUSANDS SF) | 7.10 | 23.46 | ↑ | ↑ |
| VACANCY RATE | 6.6% | 7.2% | ↓ | ↓ |
| UNDER CONSTRUCTION (MSF) | 0.35 | 0.50 | ↓ | ↑ |
| ASKING RENT, NNN (PSF) | \$41.75 | \$40.39 | ↑ | ↑ |
| YTD NIH GRANTS (BILLIONS) | \$0.35 | \$0.28 | ↑ | ↑ |

LOCAL NIH FUNDING AWARDS | YTD 2024

| ORGANIZATION | AWARDS | FUNDING | CITY |
|--|--------|---------------|------------|
| University of Arizona | 311 | \$170,337,114 | Tucson |
| Arizona State University | 143 | \$65,502,778 | Tempe |
| Mayo Clinic Arizona | 52 | \$26,130,062 | Scottsdale |
| Banner Health | 6 | \$17,486,728 | Phoenix |
| Translation Genomics Research Inst | 9 | \$14,206,160 | Phoenix |
| Northern Arizona University | 14 | \$12,520,314 | Flagstaff |
| International Tribal Council of AZ, Inc. | 2 | \$2,289,447 | Phoenix |
| Ceria Therapeutics | 2 | \$2,223,129 | Tucson |
| Sequitur Health Group | 2 | \$1,651,207 | Scottsdale |
| Illuminos Therapeutics, LLC | 1 | \$1,496,408 | Tucson |
| Fibronox, LLC | 2 | \$1,241,420 | Tucson |
| Midwest University | 2 | \$1,092,258 | Glendale |

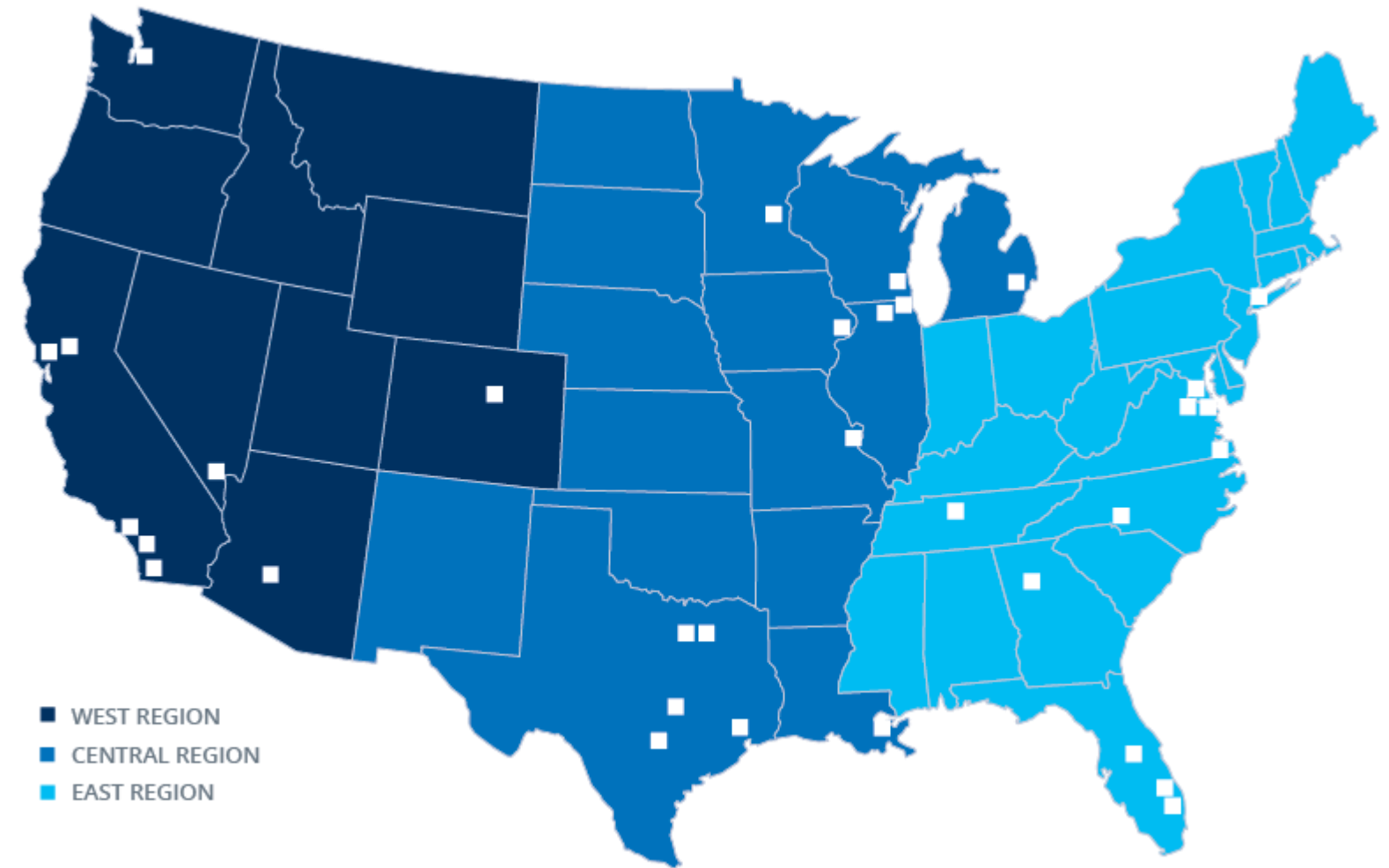
| Market | Inventory Square Feet | Overall Vacancy Rate | Net Absorption* | 12-Month Net Absorption* | Base Asking Rents | Annual Rent Change | Under Construction |
|-----------------------|-----------------------|----------------------|-----------------|--------------------------|-------------------|--------------------|--------------------|
| Boston | 69,294,880 | 20.31% | (498.97) | (913.1) | \$59.77 | 2% | 12,310,000 |
| Chicago | 12,005,750 | 10.50% | (54.72) | (42.9) | \$48.31 | 3% | 453,000 |
| Houston | 4,410,800 | 19.37% | (58.11) | (80.5) | \$47.53 | 2% | 210,000 |
| New Jersey | 32,180,000 | 10.48% | (29.83) | (404.2) | \$36.90 | 1% | 1,700,000 |
| New York | 3,643,800 | 26.11% | (52.64) | 200.5 | \$55.82 | 1% | 825,000 |
| Philadelphia | 23,190,500 | 13.20% | 169.29 | 28.9 | \$41.13 | 2% | 5,150,000 |
| Raleigh/Durham | 10,429,700 | 11.98% | (15.16) | (179.3) | \$29.46 | -1% | 6,650,000 |
| Phoenix | 2,290,500 | 6.60% | 7.10 | 36.7 | \$41.71 | 2% | 350,000 |
| San Diego | 18,870,500 | 19.10% | 108.88 | 266.0 | \$52.85 | 3% | 2,750,000 |
| San Francisco | 46,180,000 | 24.19% | (805.45) | (1,201) | \$59.92 | 2% | 7,350,000 |
| Washington DC | 11,050,000 | 14.20% | 46.32 | 407.5 | \$53.55 | 2% | 1,650,000 |
| TOTAL | 311,957,680 | 16.03% | (1,083) | (1,881) | \$57.14 | 2.5% | 32,120,000 |

National Coverage

33 Offices – 3 Regions

Transwestern’s research team has sorted through tens of thousands of buildings to amass a qualified building inventory. Our aim is to identify the entire life sciences market inventory by including owner users, suburban markets and outliers that are vital to understanding the entire ecosystem.

At Transwestern, our insights are rooted in granular data that is evaluated and envisioned to identify, execute and deliver tangible value for our clients and industry partners. Please feel free to connect with our team, as we embrace industry collaboration within the life sciences community.





PRIMARY AUTHOR

Alex Browne

Life Science Research Director

Alex.Browne@transwestern.com

415 489 1785

FOR MORE INFORMATION

Elizabeth Norton

Sr. Managing Director

Research Services

Elizabeth.Norton@transwestern.com

202 775 7026

ABOUT TRANSWESTERN

Four dynamic, integrated companies make up the Transwestern enterprise, giving us the perspective to think broadly, deeply and creatively about commercial real estate. Clients and investors rely on us for expertise that spans institutional and opportunistic investment, development, hospitality, and brokerage and asset services. Our award-winning, collaborative culture empowers team members with resources and independence to work across boundaries in pursuit of innovative solutions, reinforcing a reputation for service excellence that translates to measurable results. Through offices nationwide and alliance partners around the globe, we positively impact the built environment and our communities while fostering a work climate that champions career vitality for all. Learn more at transwestern.com and [@Transwestern](https://twitter.com/Transwestern).

RESEARCH METHODOLOGY

The information in this report is a compilation of life science properties including office, industrial and flex. Qualified properties must include one of the following spaces, laboratory, cleanroom, dry laboratory or GMP space. All properties are in select U.S. metropolitan areas. Government and on-campus academic owned buildings are excluded from analysis. All rents are reported as triple net and can be skewed, in some cases, due to factors including, but not limited to, the level of new construction and the amount of available space with no listed asking rents.