



TRANSWESTERN

# HOUSTON LIFE SCIENCES MARKET

## WINTER-SPRING 2025

TRENDLINES	YEAR END 2024	YEAR END 2023	YEAR END 2024 Y-O-Y
HOUSTON CPRIT FUNDING	\$129.1 M	\$167.2 M	↓
HOUSTON VENTURE CAPITAL FUNDING	\$242.3 M	\$362.8 M	↓
HOUSTON NIH FUNDING	\$952.4 M	\$929.0 M	↑
LIFE SCIENCES UNDER CONSTRUCTION	0 SF	0 SF	

Note: Construction total is commercial Life Sciences space.

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).

## NON-PROFIT & ACADEMIC INSTITUTIONS EXPANDING HOUSTON'S LIFE SCIENCES ECOSYSTEM

### Developing the Talent for Future Growth

The Texas Medical Center (TMC), along with higher education institutions, are leading efforts to develop and train the workforce necessary to meet the growing demand for lab technicians and researchers in Houston's life sciences industry.

BioPath at TMC is introducing area high school students to life sciences, while San Jacinto College and Lone Star College broadened their biotechnology and biomanufacturing certification and degree programs. The UTHealth Houston School of Public Health and the University of Texas MD Anderson Cancer Center are constructing new research and education facilities that will connect to Helix Park, integrating students, faculty, non-profit researchers and industry professionals within a thriving, collaborative environment.

### Renewals, Incubators, and Headquarters

While academic institutions are preparing life science professionals for the workforce, recent tenant leasing and construction activity are fueling demands for commercial space. For example, in the closing months of 2024, Lonza, a biomanufacturing company, signed a large renewal for 276,770 square feet at 14905 Kirby Dr and Rice University's RBL LLC, a biotech incubator, completed a new lease at Dynamic One followed by Castle Biosciences breaking ground on their new headquarters in Friendswood, a suburb located in the Houston's southeast metro region.

**INDUSTRY NEWS & ANNOUNCEMENTS**

**New Biomanufacturing and Biotechnology Educational Programs Announced**

- The Texas Medical Center (TMC) expects significant growth in Houston’s biomanufacturing sector, projecting employment to grow five percent by 2032. As a result, several new higher educational programs for biotechnology and biomanufacturing have been created to meet the demand for lab technicians and researchers.
- BioPath at TMC exposes high school students to the biomanufacturing industry offering hands-on experiences, such as simulating the role of a biological technician, mentorship, and paid internships. The program will create new job opportunities, aiming to attract biomanufacturing companies to Houston while addressing the current lack of life sciences educational programs.
- San Jacinto College has partnered with Solugen, an industrial biomanufacturing company, to develop a customized biotech training program for college students aiming to enhance skill and competencies of biotech lab technicians and open new career paths in the evolving field.
- Additionally, Lone Star College has expanded its Biotechnology Institute and their Associate of Applied Science degree program to address the growing need for lab technicians with hands-on experience in labs to ready students to enter the workforce.
- Houston currently contains more than 165,000 square feet of existing speculative suite space ranging from 6,000 to 30,000 square feet and feature office, lab and flex space. An additional 36,000 square feet is under development, planned or in permitting, nearly a fourth of which is already pre-leased.

**Market Activity**



Rice University’s RBL LLC, evolving out of Rice University’s Biotech Launch Pad, announced their lease of 14,946 square feet, approximately half a floor, at Dynamic One at Helix Park. By providing capital, resources, and experience, the new company aims to incubate and launch early-stage companies founded by Rice University.



Castle Biosciences, which develops cancer diagnostic tests, broke ground on their new headquarters at 1500 W Parkwood Ave. Two floors of the 80,000 square foot building will be occupied by Castle Biosciences and lease the additional space to future tenants. While the property does not include lab space, the company will use the space to design research plans and identify needs for specific tests.



## FUNDING LANDSCAPE

### Greater Houston's Venture Capital and Research

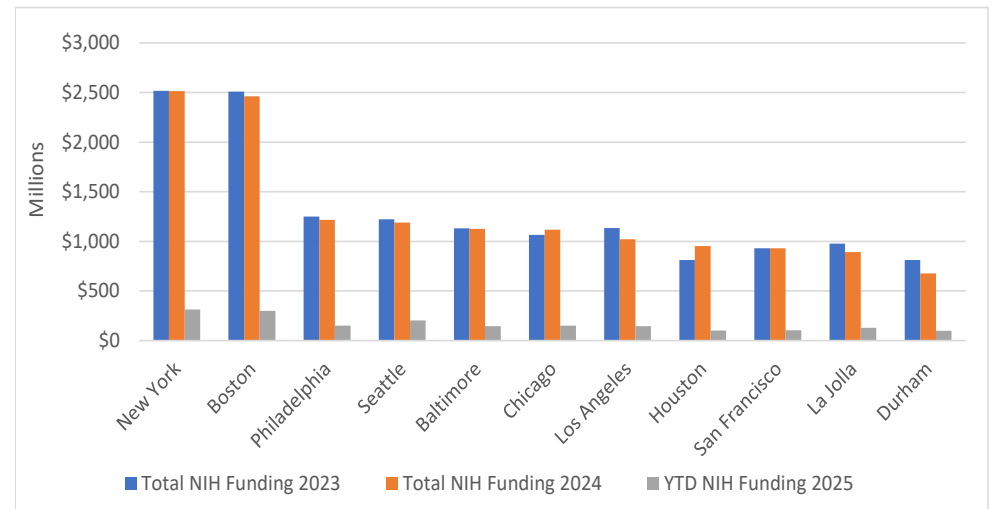
- Venture capital funding has slowed for Houston's life sciences ecosystem, raising \$342.3 million in funding in 2024, down significantly from the \$362.8 million in 2023, but picked up in the latter half of the year.
- Procyrion, a medical device company which developed a circulatory assist device 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.
- Indapta Therapeutics, a biotech company focused on developing cell therapies to treat cancer, raised \$22.5 million in funding from Leaps by Bayer, Vertex Ventures HC and Pontifax Venture Capital to accelerate the clinical development of its Natural Killer (NK) cell therapy. Houston-based Marker Therapeutics raised \$16.1 million of development capital from Aisling Capital, New Enterprise Associates, and Blue Owl Capital and CoRegen, which developed an AI-powered drug discovery platform for cancer treatment, raised \$14.5 million of Series A1 venture funding, putting the company's pre-money valuation at \$200 million.
- Houston area recipients obtained a total of \$952.4 million in grants from the National Institutes of Health (NIH) in 2024. In 2024, funding for indirect costs equated to roughly 28.6 percent of Houston's total NIH funding. A new NIH policy will cap indirect costs at 15 percent, impacting major research institutions, such as Baylor College of Medicine which received \$326.1 million and University of Texas MD Anderson Cancer Center which received \$190.9 million in grants during the year. Indirect costs make up 28.6 percent and 32.0 percent of their 2024 NIH funding, respectively.

## TOP TEN VC FUNDED COMPANIES FOR HOUSTON LIFE SCIENCES

Company	Industry	2024 Funding (\$ Millions)	Total Funding All Years (\$ Millions)
<b>PROCYRION, INC.</b>	Med Device	\$57.7	\$117.5
<b>INDAPTA THERAPEUTICS INC.</b>	BioTech	\$22.5	\$111.5
<b>MARKER THERAPEUTICS, INC.</b>	BioTech	\$16.1	\$110.6
<b>COREGEN INC.</b>	Pharmaceutical	\$14.5	\$31.5
<b>CROSSBRIDGE BIO, INC.</b>	BioTech	\$10.8	\$10.8
<b>ONCOMAGNETX, INC.</b>	Med Device	\$10.1	\$10.1
<b>PRANAX CORP</b>	BioTech	\$10.0	\$13.0
<b>BIVACOR, INC.</b>	Med Device	\$9.0	\$63.3
<b>OTHRAM INC.</b>	Lab Services	\$6.6	\$33.2
<b>PULMOTECT, INC.</b>	BioTech	\$5.9	\$23.2
<b>TOP 10 GRAND TOTAL</b>		<b>\$163.2</b>	<b>\$524.6</b>
<b>ALL HOUSTON TOTAL</b>		<b>\$242.3</b>	<b>\$1,591.8</b>

Source: Pitchbook, Transwestern

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



Source: NIH, Transwestern. Annual calendar year funding, sorted by 2024 in descending order. \*Total NIH Funding YTD is through February 2025.

**FUNDING CONTINUED**

**Houston 2024 CPRIT Awards**

- Leading the state in funding grants from the Cancer Prevention & Research Institute of Texas (CPRIT), Houston has received \$538.1 million since 2021. The metro has been awarded \$129.1 million in research grants in 2024 with an additional \$65.9 million pending.
- The University of Texas MD Anderson Cancer Center received awards totaling \$53.9 million with the top award of \$6.0 million given for research on colorectal, gallbladder, liver and Intrahepatic bile duct, small intestine, stomach cancers. Baylor College of Medicine has been awarded \$38.9 million with top grants going towards research on childhood and adolescent leukemia and gallbladder, liver and intrahepatic bile duct, myeloma, and skin cancers. Additionally, The University of Texas Health Science Center at Houston received \$9.1 million in awarded grants for 2024.

- Local pharmaceutical and biotechnology companies with awarded grants in 2024 include 7 Hills Pharma with \$4.7 million for research on stem cell transplants to treat leukemia, Bectas Therapeutics with \$2.8 million for kidney and renal pelvis, lung and bronchus, and skin cancers, and CrossBridge Bio with \$2.6 million for research on treatments for bladder, breast, lung and bronchus cancers.

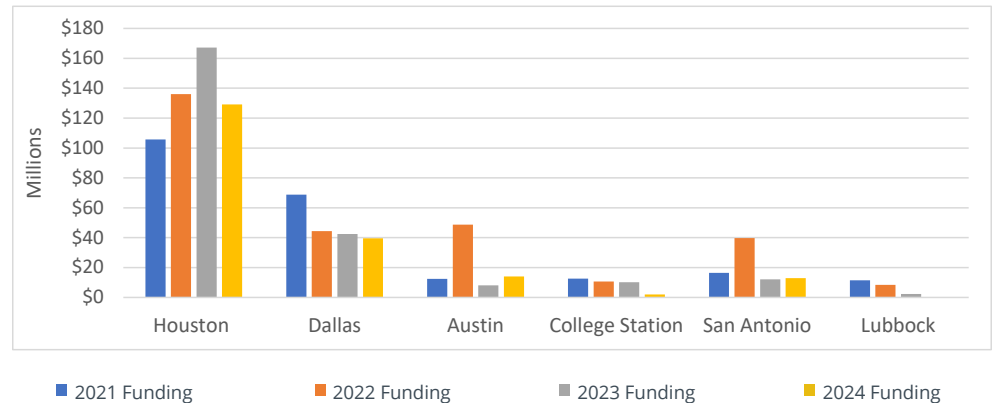
**CANCER PREVENTION & RESEARCH INSTITUTE OF TEXAS, TOP 10**

Rank	2024 Top CPRIT Recipients	Amount
1	THE UNIVERSITY OF TEXAS M.D. ANDERSON CANCER CENTER	\$53,908,607
2	BAYLOR COLLEGE OF MEDICINE	\$38,964,147
3	THE UNIVERSITY OF TEXAS HEALTH SCIENCE CENTER AT HOUSTON	\$9,145,551
4	7 HILLS PHARMA INC.	\$4,700,000
5	RICE UNIVERSITY	\$4,250,000
6	THE UNIVERSITY OF TEXAS MEDICAL BRANCH AT GALVESTON	\$3,539,832
7	THE METHODIST HOSPITAL RESEARCH INSTITUTE	\$3,358,632
8	BECTAS THERAPEUTICS INC.	\$2,750,000
9	CROSSBRIDGE BIO, INC.	\$2,575,275
10	THE ROSE	\$2,500,000

Source: CPRIT, Transwestern. 2024 funding, sorted by awarded amount in descending order.

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

Location	2021 Funding	2022 Funding	2023 Funding	2024 Funding
HOUSTON	\$105,784,015	\$136,028,023	\$167,213,599	\$129,092,044
DALLAS	\$68,753,325	\$44,409,379	\$42,509,967	\$39,511,615
AUSTIN	\$12,482,808	\$48,767,918	\$8,050,000	\$14,113,372
SAN ANTONIO	\$16,444,802	\$39,797,822	\$12,041,457	\$12,896,815
COLLEGE STATION	\$12,658,368	\$10,736,850	\$10,244,189	\$1,998,639
LUBBOCK	\$11,457,349	\$8,456,656	\$2,298,491	-
REMAINING TX	\$13,905,671	\$5,079,537	\$16,747,138	\$2,500,000
<b>Totals</b>	<b>\$241,486,338</b>	<b>\$293,276,185</b>	<b>\$259,104,841</b>	<b>\$200,112,485</b>



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

## PURPOSE BUILT LIFE SCIENCES BUILDINGS

### Under Construction

While Houston’s commercial life sciences construction pipeline has emptied, non-profit academic and research institutions are expanding their sector footprints particularly in the Texas Medical Center (TMC).

### SOUTH CAMPUS RESEARCH BLDG 5

The University of Texas MD Anderson Cancer Center is adding a new research facility to its south campus research park, South Campus Research Bldg 5. The seven-story, 600,000 square foot building, located at 1920 Old Spanish Trail, will connect to Helix Park in the TMC and is expected to be complete by spring 2026.



Image: MD Anderson

### UTHEALTH HOUSTON RESEARCH & EDUCATIONAL TOWER

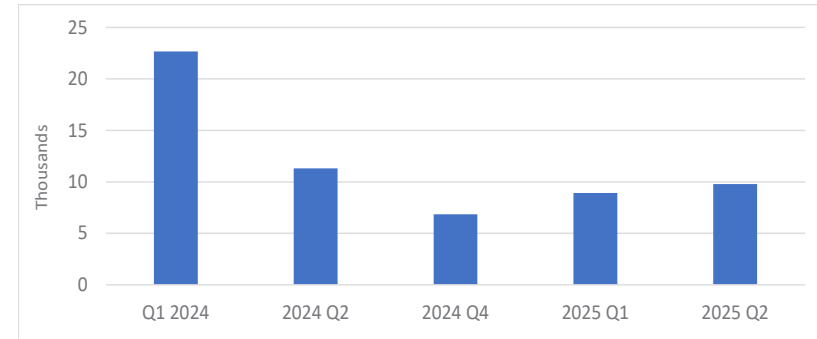
The UTHealth Houston School of Public Health is constructing next to the The University of Texas MD Anderson's South Campus Research Building 5, at 1930 Old Spanish Trail, a 10-story, 350,000 square foot tower, in the TMC which will include 55,000 square feet of lab space. The first 3 floors will be devoted to educational spaces, while labs and support space will be located on the top floors. The building, expected to complete in 2026, will connect to TMC3 Collaborative Building.



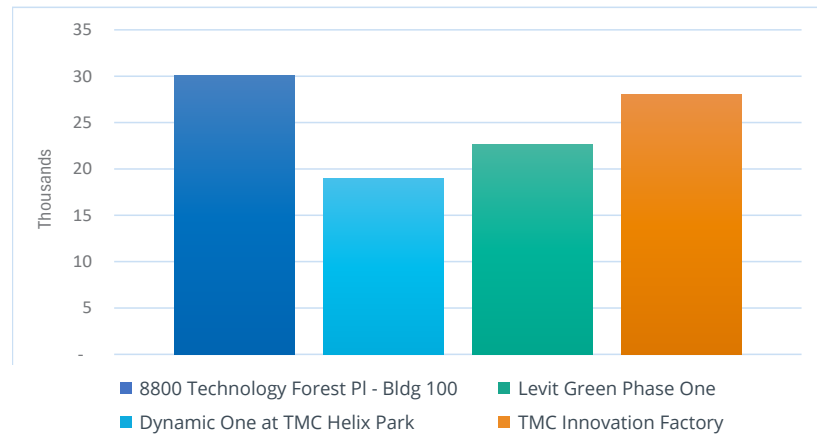
Image: UTHealth Houston

## DELIVERY SCHEDULE

### Class A Speculative Lab SF Delivery



### Class A Speculative Lab Available SF (Q4-24)



	Building Name	Address	RBA (SF)	Delivered	Percent Leased	Quoted Rate	OPEX	Spec Lab (SF)
Recently Delivered	LEVIT GREEN - PHASE 1	6420 Holcombe Blvd	295,000	JAN 2023	5.8%	\$75.00	\$22.00	30,065
	8800 TEHNOLOGY - BLDG 100	8800 Technology Forest Pl	124,110	AUG 2023	40.9%	\$50.00	\$18.00	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	69.8%	\$65.00	\$25.00	33,944
	<b>TOTAL</b>			<b>1,019,110</b>		<b>55.6%</b>	<b>\$63.75</b>	<b>\$21.25</b>

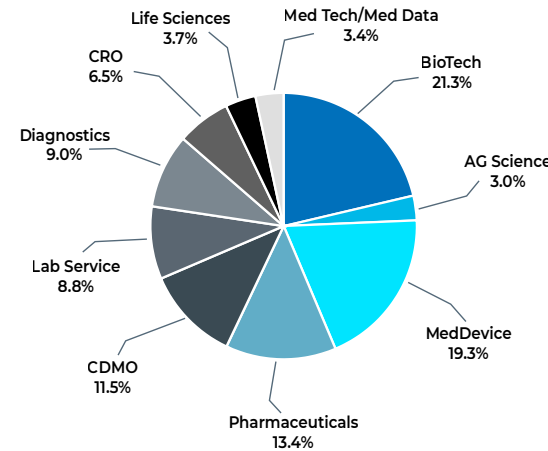
LIFE SCIENCES OCCUPIERS BY PROPERTY TYPE & SQUARE FEET

Life Sciences Subcategory	Industrial	Flex*	Office	Total
BIO TECH	208,771	126,247	1,268,083	1,603,101
MED DEVICE	592,781	148,106	268,916	1,009,803
PHARMACEUTICALS	400,913	97,126	185,792	683,831
CDMO	45,571	142,275	378,894	566,740
DIAGNOSTICS	55,029	112,868	284,047	451,944
LAB SERVICES	102,714	198,253	139,002	439,969
CRO	192,952	2,050	136,170	331,172
LIFE SCIENCES	157,593	17,392	103,438	278,423
MED TECH	7,360	15,907	158,109	181,376
AG SCIENCE	54,881	-	3,017	57,898
<b>GRAND TOTAL</b>	<b>1,818,565</b>	<b>860,224</b>	<b>2,925,468</b>	<b>5,604,257</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
Bio Tech	1,603,101
Med Device	1,009,803
Pharmaceuticals	683,831
CDMO	566,740
Diagnostics	451,944
Lab Services	439,969
CRO	331,172
Life Sciences	278,423
Med Tech	181,376
AG Science	57,898
<b>TOTAL</b>	<b>5,604,257</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

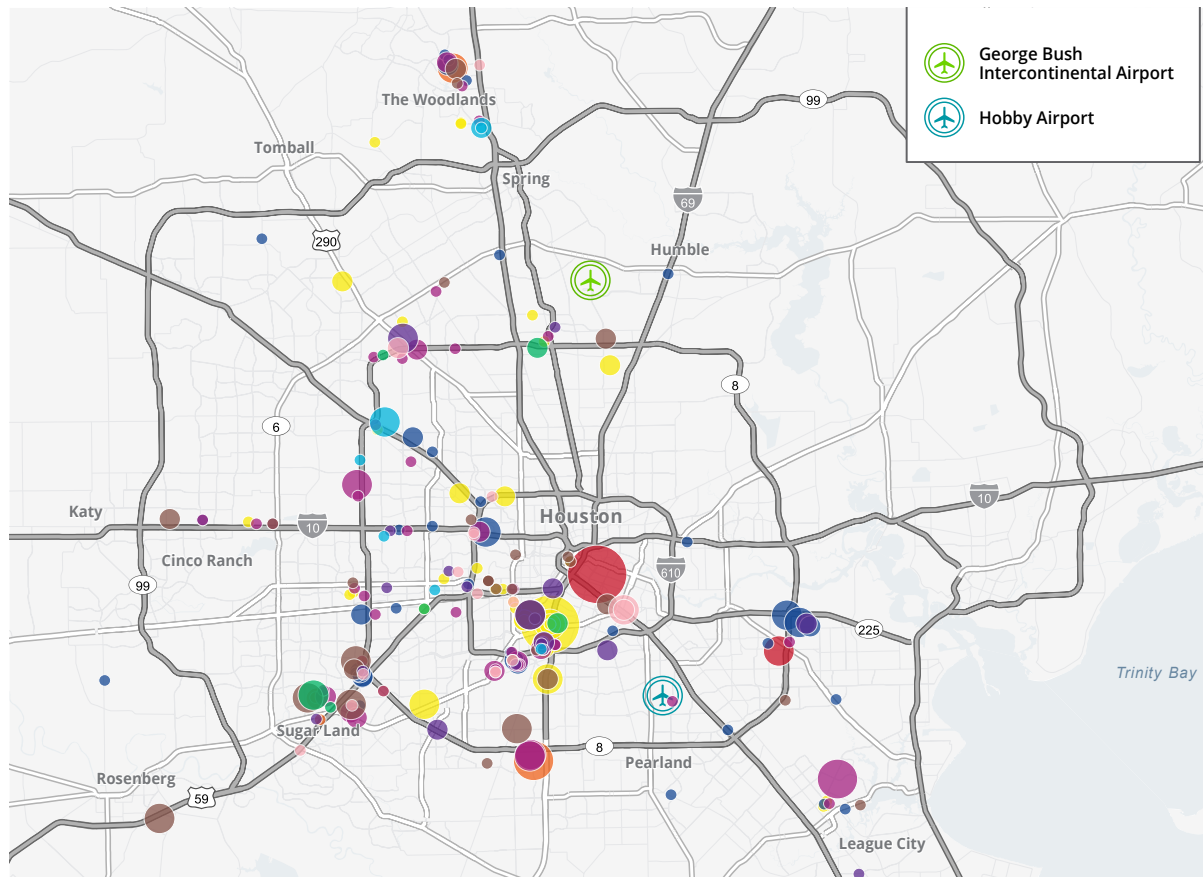




SUBMARKET	Industrial		Flex*		Office		Total	
	RBA	% Leased	RBA	% Leased	RBA	% Leased	RBA	% Leased
BAYTOWN/CHANNELVIEW	300,000	94.1%	-	-	-	-	300,000	94.1%
CLEAR LAKE	-	-	-	-	47,229	100.0%	47,229	100.0%
NEAR SOUTHWEST	-	-	903,093	93.1%	100,449	80.1%	1,003,542	91.8%
SOUTH	56,117	100.0%	91,366	100.0%	276,770	100.0%	424,253	100.0%
THE WOODLANDS/CONROE	-	-	390,764	96.3%	424,107	59.2%	814,871	77.0%
TMC	-	-	28,252	79.3%	2,213,567	76.6%	2,241,819	76.7%
<b>HOUSTON GRAND TOTAL</b>	<b>356,117</b>	<b>95.1%</b>	<b>1,413,475</b>	<b>94.1%</b>	<b>3,062,122</b>	<b>76.8%</b>	<b>4,831,714</b>	<b>83.2%</b>

### Q4 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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