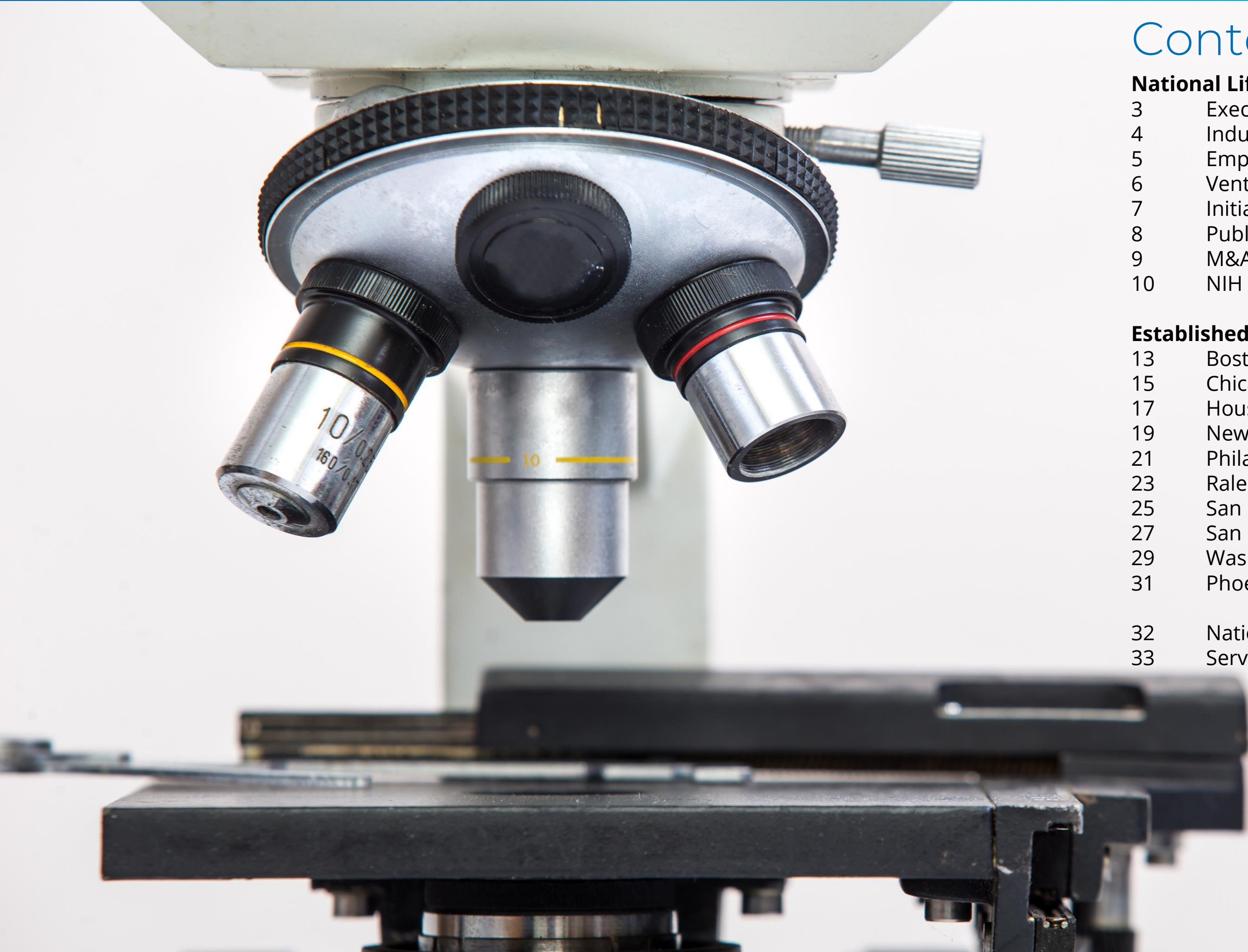




U.S. MARKET | LIFE SCIENCES



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THE VIEW FROM HERE



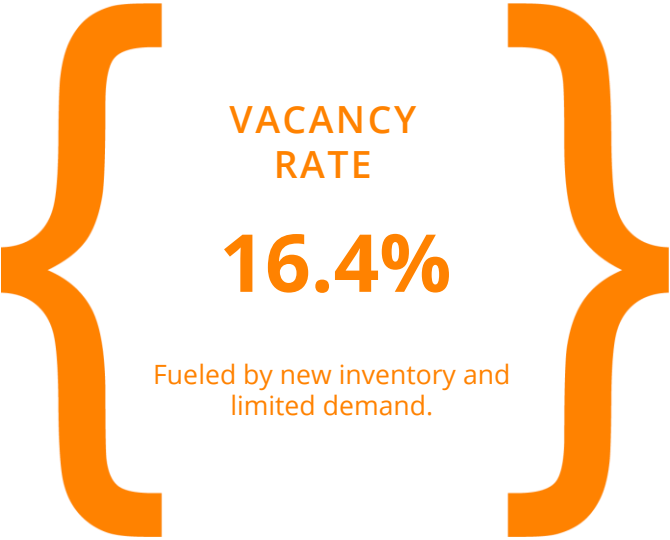
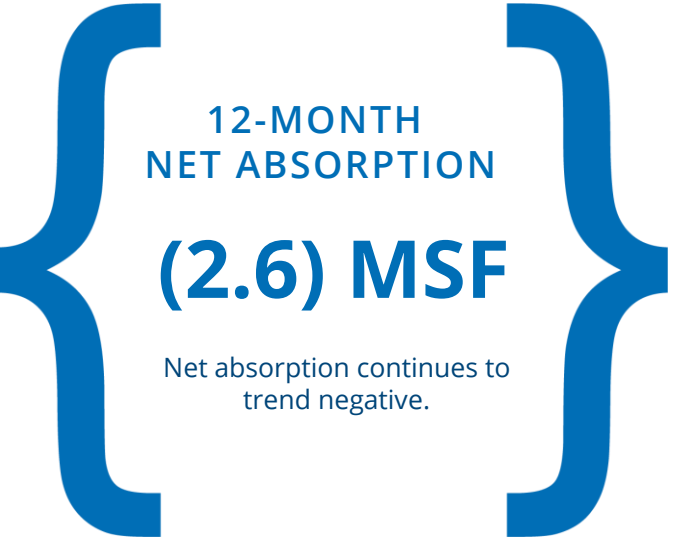

Strong year-end leasing activity sparked optimism but bumps still expected in 2025.



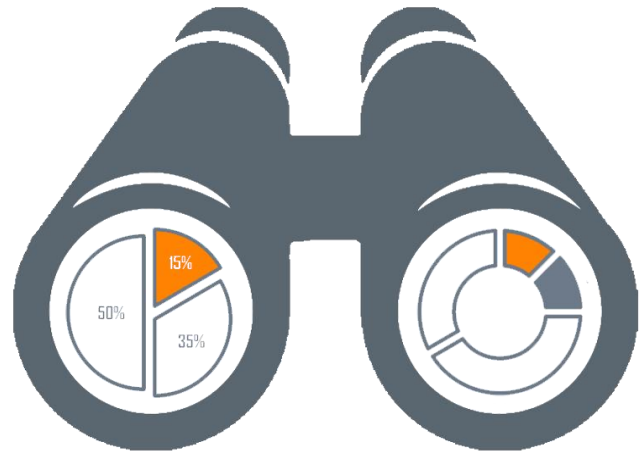
Annual VC funding met forecast expectations, signaling further stability.



Anticipated governmental policy changes could create challenges for the sector.



NATIONAL MARKET OUTLOOK

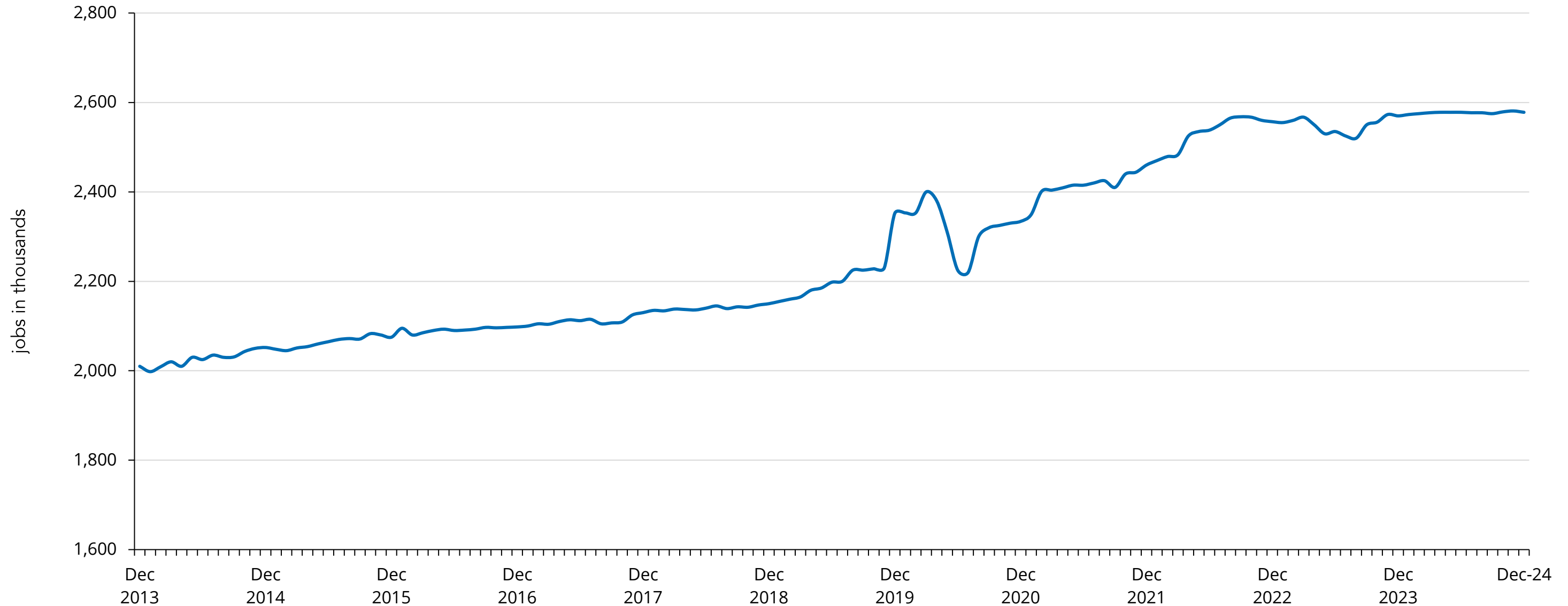


The national life sciences market in 2024 experienced a mix of renewed successes and ongoing challenges, impacting both scientific advancements and real estate trends. The year began strong, driven by pent-up IPO demand, accounting for half of all IPOs in 2024. However, the market slowed in Q2, before recovering in Q3 and Q4. The year closed with 29 IPOs, a significant increase from 18 in 2023. In Q4 2024, the median M&A deal size surged to \$800 million, marking its highest level since early 2022. This trend reflects a shift toward larger, more strategic acquisitions, as companies prioritized high-value investments over deal volume, signaling a more selective and quality-driven approach in the industry.

Real estate investment activity also ticked upward, with noteworthy buildings trading above their appraised values. Alexandria Real Estate Equities, the largest life sciences real estate owner, continued to divest non-core assets, focusing on its mega-campus model. The strongest leasing success was seen in properties adjacent to research universities and hospital systems, reinforcing the importance of academic and medical partnerships. However, the future of this growth could be at risk if Health and Human Services (HHS) policy changes deviate too far from historical norms. Forward guidance from federal agencies remains unclear, as budget extensions are set to expire in late March 2025.

In Q4, the national life sciences leasing market saw strong activity, with most hubs posting positive net absorption. Total leasing volume reached 3 MSF, representing a 26% year-over-year increase. However, new construction deliveries continue to outpace leasing demand, driving higher vacancy rates. Until excess space is absorbed, the market faces ongoing risks for landlords, owners, and investors. Despite these challenges, rents and tenant improvement allowances have remained stable, preventing major disruptions. The San Francisco Bay Area led the recovery, doubling its quarterly leasing volume, while Boston continues to struggle with high vacancy levels, expected to reach 30% in 2025. Developers looking to repurpose assets are increasingly targeting medical offices and artificial intelligence firms. The long-term outlook for the sector remains promising, despite economic uncertainties, regulatory shifts, and capital market fluctuations. The resilience of key life sciences hubs will depend on their ability to attract high-growth tenants, secure institutional and private funding, and adapt to evolving research and development trends. The momentum gained in late 2024 is expected to help restore confidence in both scientific advancements and the underlying real estate assets.

LIFE SCIENCES EMPLOYMENT

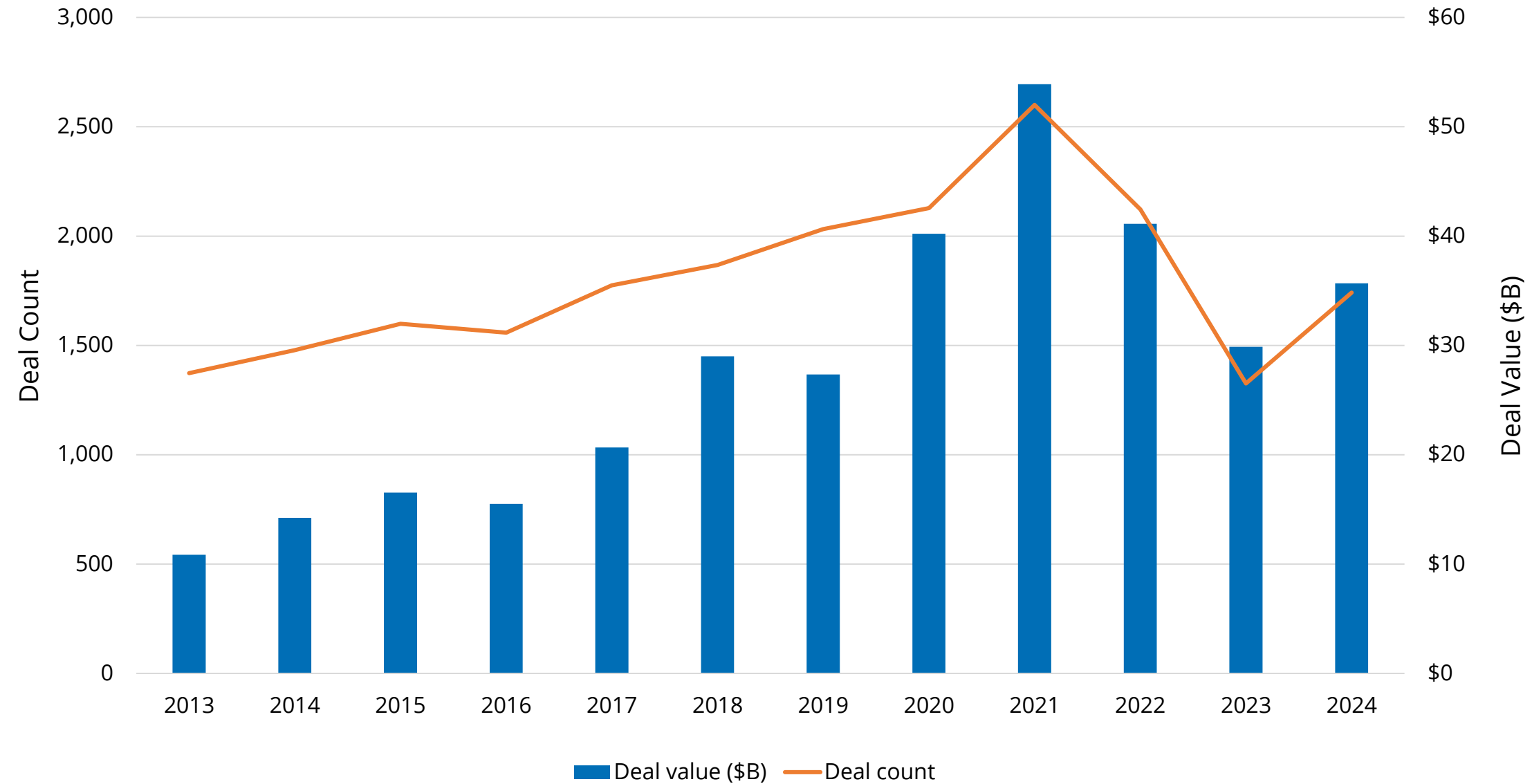


- Over the past decade, employment in the life sciences sector has expanded significantly, adding 878,000 jobs and growing nearly 20% between 2019 and 2023. This surge has outpaced overall U.S. job growth and highlighted the industry's resilience and increased demand for specialized talent. However, in the past 12 months, employment in the sector has leveled off, reflecting a shift in strategy among firms. Companies are now prioritizing financial sustainability and lean growth while adopting more conservative capital burn rates and scaling back on higher-risk investments amid economic uncertainty. This plateau aligns with broader market trends, where venture capital funding has become more selective, and firms focus on achieving profitability over-aggressive expansion.
- Contrary to the challenges of small to medium-cap firms, large-cap multinationals have plans to expand. Amgen is adding 370 jobs in Holly Springs and investing \$1B in operations by constructing a second state-of-the-art manufacturing facility. Moderna and Vertex Pharmaceuticals are expanding in Boston, MA, with 600 new hires focused on mRNA and gene therapy research. Pfizer and Regeneron are hiring over 1,500 employees across Michigan, North Carolina and New Jersey to expand vaccine and monoclonal antibody production. Bristol Myers Squibb and Novo Nordisk are ramping up biologics and diabetes drug manufacturing, adding 1,450+ jobs in Boston.

VENTURE FUNDING POINTS

- In Q4 venture funding totaled \$8.19B, bringing the 2024 total to \$35.69B and \$150M short of industry forecasts at the beginning of the year.
- Companies with late-stage products are well-positioned to attract investment, whereas early-stage startups may encounter difficulties in securing funding. Furthermore, macroeconomic factors like potential inflation and new tariffs could create uncertainties, influencing the broader investment landscape.
- Small-cap firms began favoring royalty deals to reduce dilution amongst shareholders.
- Continuing the trend, fundraising focused primarily on companies with clinical candidates. Phase 1 companies raised a median of \$108M in Q4, continuing the trend for growth. For phase 3 companies, the median was \$152M, a sharp rise in funding averages.
- Forecasts indicate that 2025 funding levels will exceed 2024 totals.

VC DEAL & FUNDING VOLUME

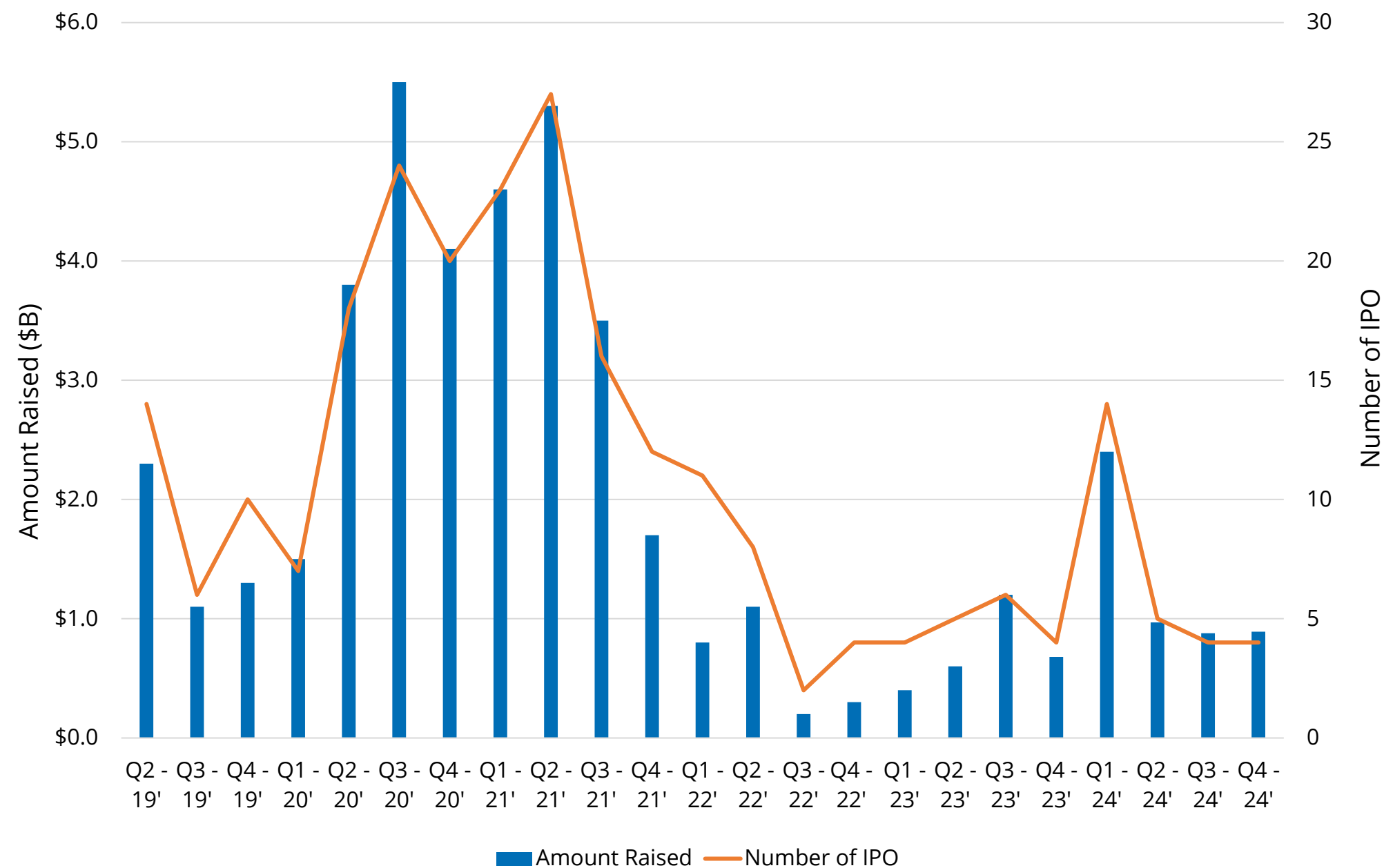


	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Deal value (\$B)	\$10.85	\$14.23	\$16.53	\$15.50	\$20.67	\$29.01	\$27.34	\$40.21	\$53.90	\$41.11	\$29.89	\$35.69
Deal count	1,373	1,478	1,599	1,558	1,775	1,868	2,032	2,128	2,600	2,122	1,491	1,569

IPO MARKET SUMMARY

- Public markets are crucial to funding life sciences, providing capital for innovation, growth, and commercialization. Returns to investors and stakeholders enable companies to advance research, clinical development, and market expansion. Beyond funding, going public enhances visibility, credibility, and strategic partnerships, accelerating innovation and bringing transformative therapies and technologies to market.
- The life sciences IPO market experienced a weak quarter, with 4 companies reaching the public markets. In total, \$891M was raised in Q4, which was \$50M more than Q3. The stark difference between the totals in Q1 and Q4 shows that the biotech sector remains challenged for new entrances.
- The forecast for IPO activity in 2025 is expected to see a gradual rebound, driven by selective investor interest, strong clinical data, and commercial potential. While market volatility and macroeconomic factors may slow activity, venture-backed biotech firms with promising pipelines are likely to go public. M&A and private funding will remain attractive alternatives. If interest rates stabilize and equity markets strengthen, IPO momentum could accelerate in the latter half of the year. Long-term prospects remain strong, fueled by scientific advancements and demand for innovative therapies.

LIFE SCIENCES IPO ACTIVITY

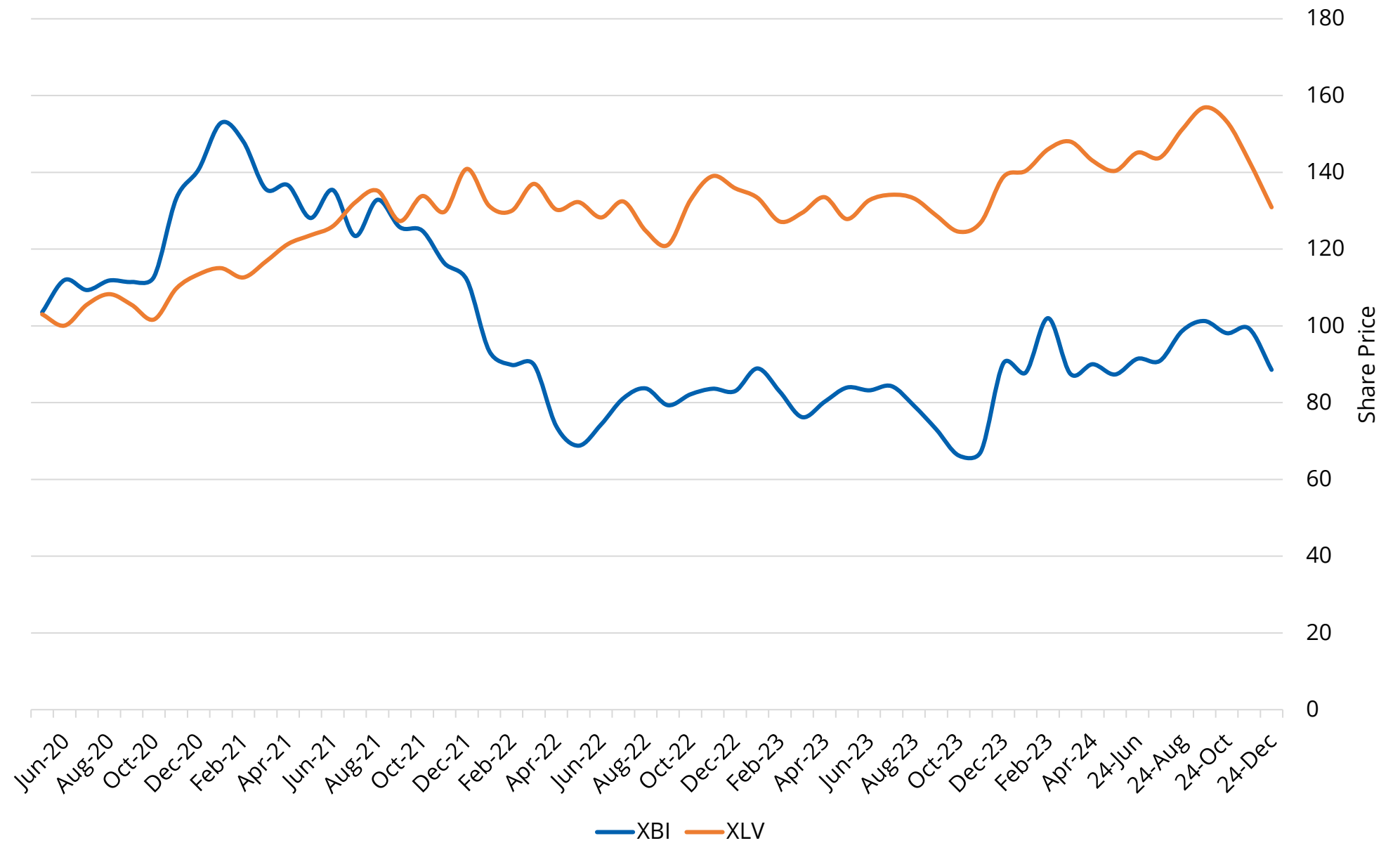


COMPANY	FOCUS	IPO DATE	PROCEEDS	IPO PRICE	CURRENT PRICE
CAMP4 Therapeutics	RNA Therapeutics	10/10/24	\$75M	\$11.00	\$4.90
Upstream Bio	Monoclonal Antibodies	10/10/24	\$330M	\$22.00	\$7.87
Septerna Therapeutics	G-Protein Coupled Receptor	10/24/24	\$288M	\$20.00	\$9.26
CeriBell	Diagnostics	10/24/24	\$208	\$17.00	\$23.20

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 Q4, the Health Care Select Sector SPDR Fund (XLV) declined by 10.29%, driven by inflationary pressures, rising interest rates, labor shortages, and increasing wage costs. Additionally, policy uncertainties and reimbursement concerns led to investor caution, impacting valuations in the healthcare sector. These collective headwinds weighed on the overall performance.
- In Q4, the SPDR S&P Biotech ETF (XBI) declined by 8.84%, driven by reduced M&A activity, labor market challenges, and supply chain disruptions. Biopharma deal volume dropped to its lowest since 2022, while layoffs and economic uncertainties further pressured the sector.

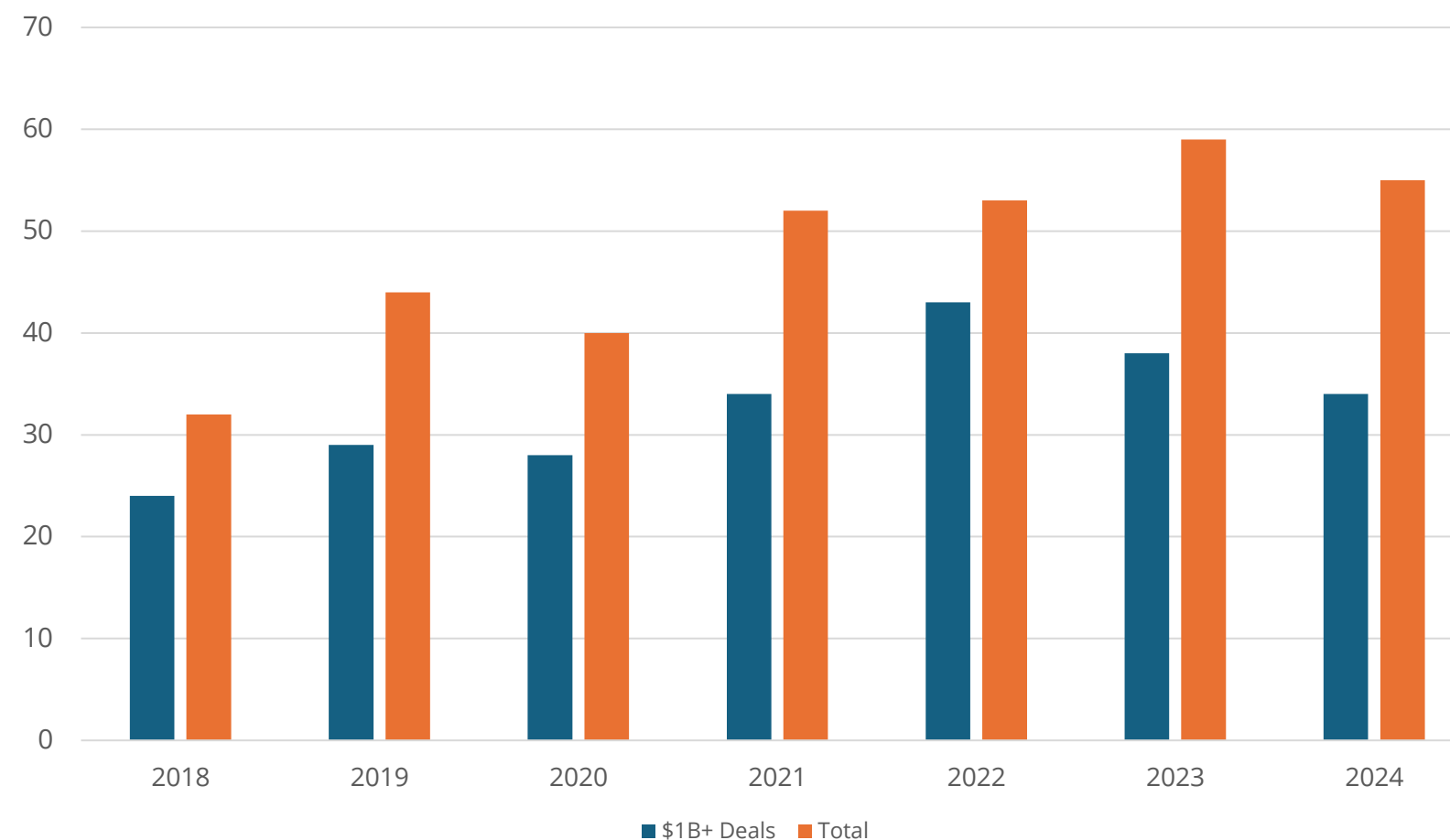
MARKET PERFORMANCE: XLV & XBI



M&A: TRENDS AND ACTIVITY

- The median M&A deal in Q4 2024 reached \$800 million, the highest since Q1 2022, signaling a focus on higher-value, strategic acquisitions despite fewer overall deals. This suggests that while fewer transactions took place, companies prioritized quality over quantity in their investment decisions.
- 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.
- Major clinical-stage acquisitions in 2024 included Vertex's \$4.9 billion purchase of Alpine Immune Sciences and Gilead's \$4.3 billion acquisition of CymaBay, highlighting continued interest in innovative biotech assets. These deals demonstrate that big pharma remains willing to invest in promising late-stage therapies, particularly in immunology and metabolic diseases.

DEAL VOLUME & VALUE



DATE	TARGET	ACQUIRER	DEAL VALUE
10/14/24	Longboard Pharma	Lundbeck	\$2.6B
10/28/24	Aliada Therapeutics	Abbvie	\$1.4B
11/13/24	Biotheus	BioNTech	\$800M
11/26/24	Poseida Therapeutics	Roche	\$1B
12/15/24	Abiva	Pharming Group	\$66M
12/30/24	Marinus Pharmaceuticals	Immedica Pharma	\$151M

Therapeutic Category	2018	2019	2020	2021	2022	2023	2024
Cancer	10	7	6	9	11	8	10
CNS	1	6	2	4	3	7	5
Immune	2	3	5	4	5	6	16
Rare	6	7	5	5	7	5	4
Other	5	6	10	13	17	12	9

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, which has yet to be approved. The NIH budget deadline for FY25 is in late March.
- 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)

2024 - Research budget \$8.1B

2025 - Proposed research budget \$9.0B

Federal Drug Administration (FDA)

2024 - Research budget \$1.2B

2025 - Proposed research budget \$1.4B

National Institute of Allergy and Infectious Diseases (NIAID)

2024 - Research budget \$5.1B

2025 - Proposed research budget \$5.4B

2024 NIH FUNDING | TOP RECIPIENTS

ORGANIZATION	CITY	STATE	AWARDS	FUNDING
Johns Hopkins University	Baltimore	MD	1,473	\$857,621,553
University Of California, San Francisco	San Francisco	CA	1,438	\$814,929,230
Washington University	Sait Louis	MO	1,183	\$733,432,674
University Of Michigan At Ann Arbor	Ann Arbor	MI	1,377	\$732,248,073
University of Pennsylvania	Philadelphia	PA	1,290	\$691,712,495
University of Pittsburgh	Pittsburgh	PA	1,221	\$661,770,638
Massachusetts General Hospital	Boston	MA	1,047	\$655,080,196
Yale University	New Haven	CT	1,189	\$645,720,557
Columbia University Health Sciences	New York	NY	1,058	\$639,573,681
Stanford University	Stanford	CA	1,139	\$613,636,530
Duke University	Durham	NC	980	\$580,826,261
University of Washington	Seattle	WA	1,001	\$572,245,157
University of California, San Diego	La Jolla	CA	1,027	\$560,451,801
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



The BIOSECURE Act update, introduced in 2024 as H.R.8333, aimed to prohibit U.S. federal agencies and recipients of federal funds from procuring biotechnology equipment or services from Chinese companies deemed national security risks. Despite passing the House of Representatives with a bipartisan vote of 306–81 on September 9, 2024, the bill stalled in the Senate and was not included in the National Defense Authorization Act or the year-end continuing resolution. Consequently, the BIOSECURE Act did not become law in 2024. The future of the Biosecure Act remains uncertain. While it failed to pass in the previous Congress, bipartisan concerns over national security and biotechnology persist, suggesting that similar legislation could be reintroduced in the current session.



The new administration has signaled major regulatory shifts for the biotech, pharmaceutical, and medical device industries. Expected changes include a more conventional approach to antitrust enforcement by the Federal Trade Commission (FTC), heightened biosecurity measures, and streamlined regulations to accelerate patient access to innovative treatments. These adjustments aim to reduce bureaucratic obstacles, encourage industry growth, and foster a more business-friendly environment within the life sciences sector. Research grants have yet to be affected, as FY24 is through March 2024.

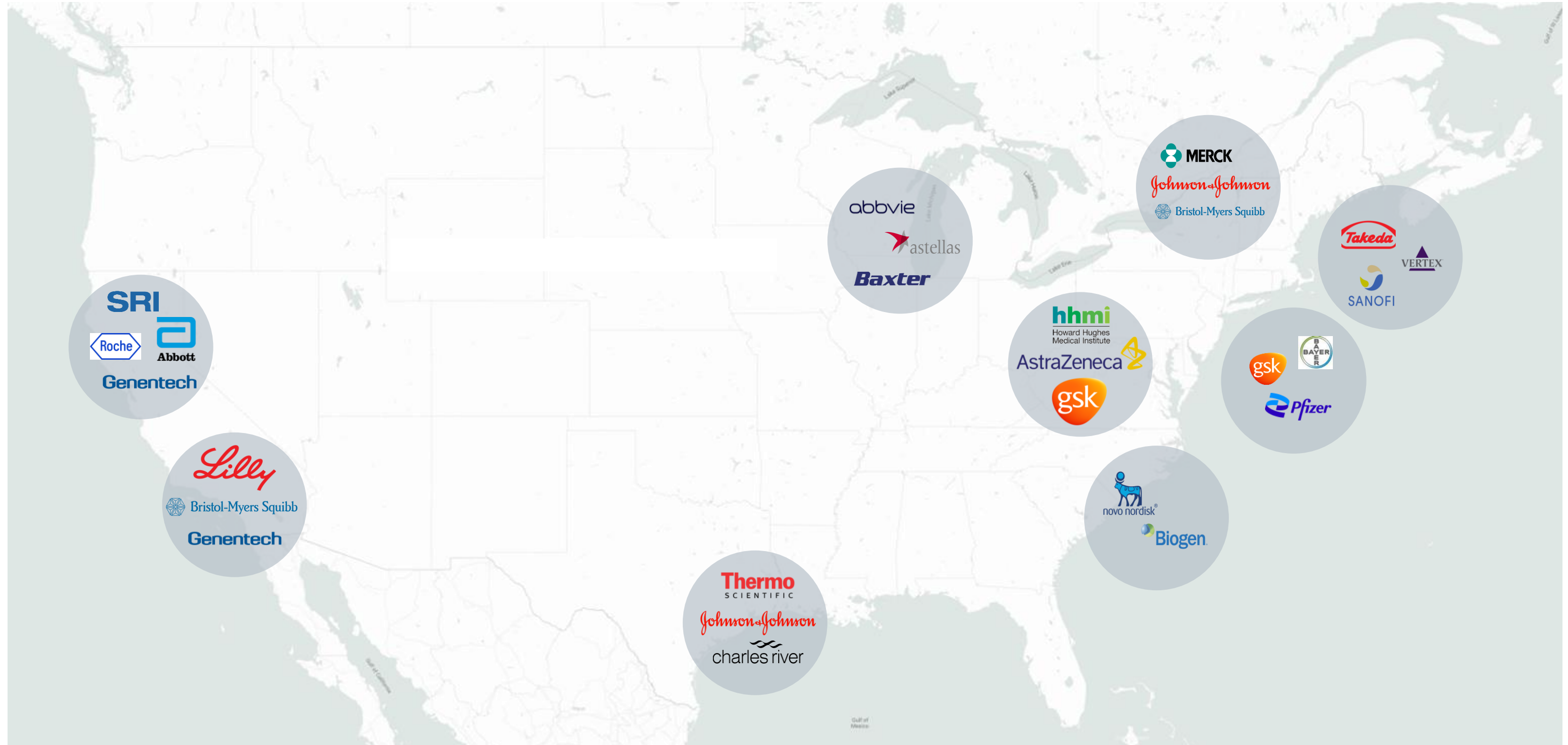


The FDA has declared the semaglutide shortage officially resolved, restoring the supply of popular medications like Wegovy and Ozempic. During the shortage, compounding pharmacies were allowed to produce alternative formulations to meet demand. Now that supply levels have stabilized, the FDA has set deadlines for these compounders to halt production of versions that replicate approved drugs. State-licensed pharmacies and physicians under section 503A must comply by April 22, 2025, while outsourcing facilities under section 503B have until May 22, 2025. This ruling has major implications for telehealth and compounding businesses, such as Hims & Hers Health, which has warned it may no longer be able to sell compounded semaglutide products.

Recent Drug Approvals

- Bizengri was approved in December. Bizengri was accepted for treating adults with advanced or metastatic non-small cell lung cancer (NSCLC) or pancreatic adenocarcinoma harboring neuregulin 1 (NRG1) gene fusions. As a bispecific antibody targeting HER2 and HER3, offers a novel therapeutic approach for these hard-to-treat cancers.
- Tryngolza was approved in November. Tryngolza is designed to reduce triglyceride levels in adults with familial chylomicronemia syndrome (FCS), a rare genetic disorder characterized by extremely high triglyceride levels leading to recurrent pancreatitis.
- Alhemo was approved in December. Alhemo is indicated for preventing or reducing bleeding episodes in hemophilia adult patients who have developed inhibitors against clotting replacement therapies.

NATIONWIDE TOP OCCUPIERS



KEY MARKET POINTS

- Construction deliveries in the last 24 months have added 11.5 MSF to Boston’s inventory. 4 MSF is slated for delivery in 2025, much of which has had low preleasing activity. If leasing volumes remain steady, Boston could see vacancy rates near 30% by end of 2025.
- Venture funding picked up in the second half of 2024, increasing 35% over the first half of 2024. NIH funding stayed steady, increasing \$140M YOY.
- Asking rents have stayed stable throughout 2024, direct space has led the market. There are numerous vacant sublease spaces set to expire in 2025, which may disrupt local market dynamics further.

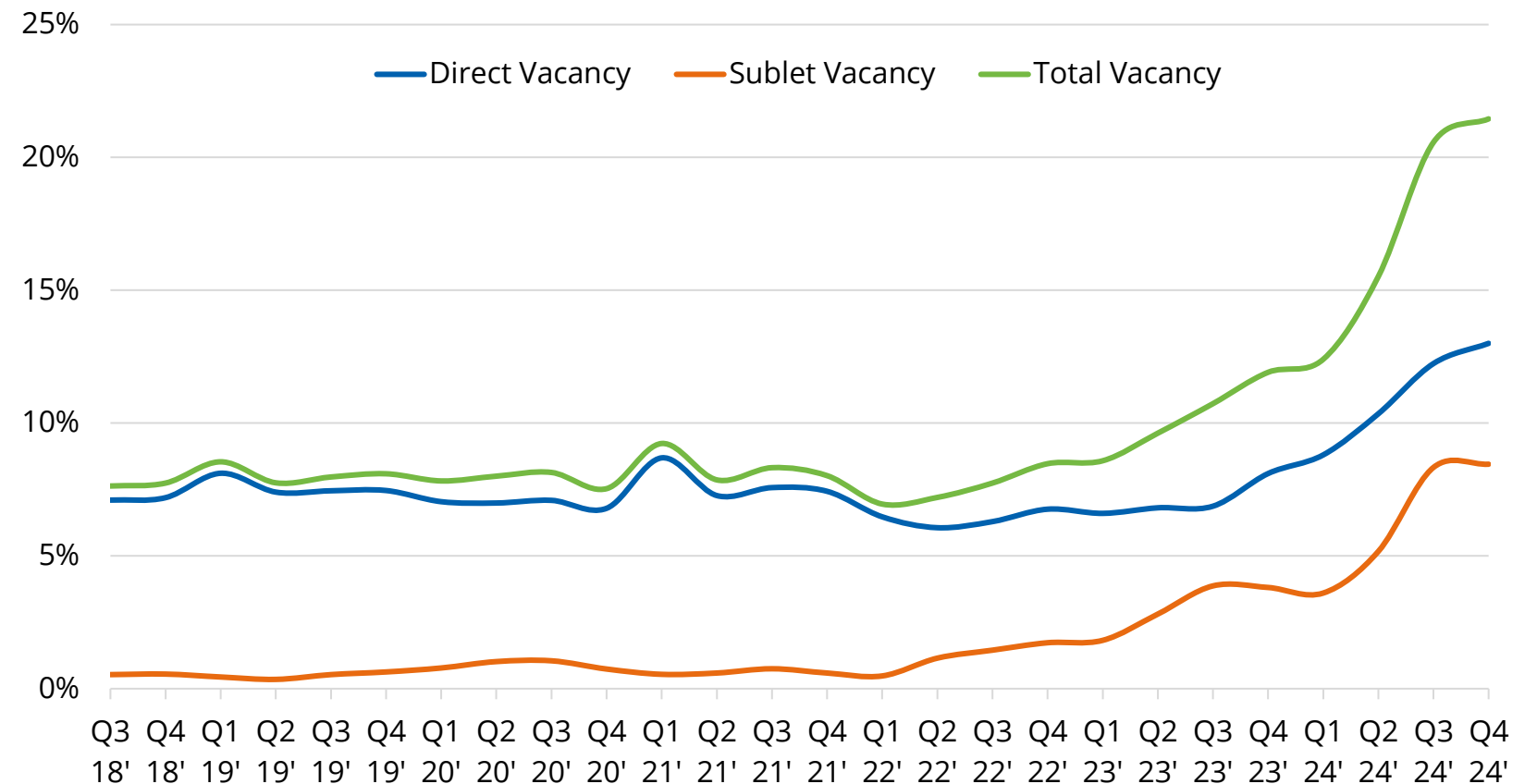
MARKET OVERVIEW

As the largest life sciences market in the U.S., Greater Boston's inventory has surpassed 71 MSF, yet supply and demand remain imbalanced as new developments drive vacancy rates higher. Demand continues to favor high-quality spaces, particularly those with strong transit access and synergy with research and innovation hubs. While leasing activity remains below 2022 peaks, life sciences firms are adopting a more cautious approach, focusing on capital preservation and operational efficiency. Emerging AI collaborations show potential, highlighting overlapping infrastructure needs between the biotech and technology sectors, further shaping future space requirements.

The capital markets started to thaw throughout 2024 and remained less speculative and risk-averse. Investment into the sciences trends toward later-stage firms with well-proven science. Large multinationals have continued to shore up patent cliffs with strapped startups, or act as a credit source. Capital investment into the real estate behind the science has experienced an uptick, with two portfolio-building sales. The Moderna portfolio comprised of three buildings, over 686,000 SF sold for \$369M. Additionally, Alexandria Real Estate Equities sold a three-building portfolio, totaling 550,000 SF for \$255M.

TRENDLINES	Q4 2024	Q4 2023	ONE-YEAR TREND	ONE-YEAR FORECAST
INVENTORY (MSF)	71.06	66.18	↑	↑
NET ABSORPTION (THOUSANDS SF)	164.52	(310.73)	↓	↔
VACANCY RATE	21.12%	17.98%	↑	↑
UNDER CONSTRUCTION (MSF)	8.24	15.03	↓	↓
ASKING RENT, NNN (PSF)	\$57.60	\$53.76	↑	↔
YTD NIH STATE GRANTS (BILLIONS)	\$3.64	\$3.50	↑	↔

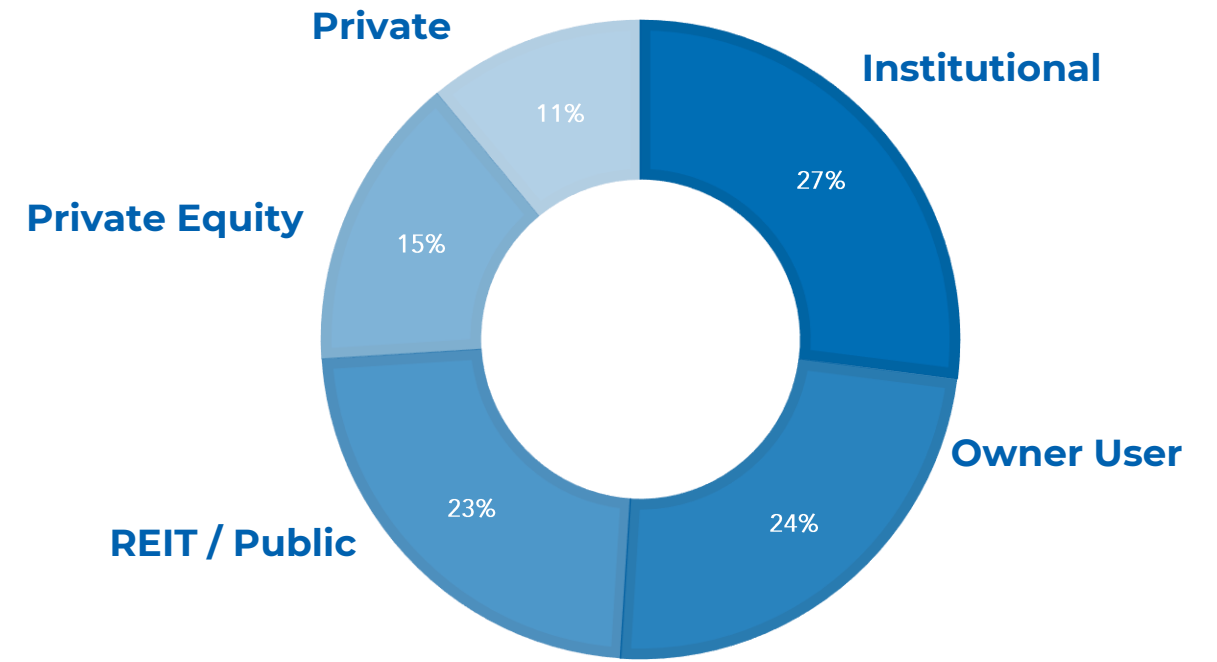
TOTAL VACANCY RATE



LOCAL NIH FUNDING | 2024

ORGANIZATION	AWARDS	FUNDING	CITY
Massachusetts General Hospital	1,055	\$655,235,096	Boston
Brigham And Women's Hospital	675	\$388,162,224	Boston
Boston Children's Hospital	429	\$229,894,766	Boston
University of Massachusetts Medical School	363	\$193,362,525	Worcester
Boston University	282	\$188,935,302	Boston
Harvard School of Public Health	354	\$173,462,655	Boston
Broad Institute, Inc	245	\$169,037,729	Cambridge
Dana-Farber Cancer Institute	99	\$156,589,240	Boston
Beth Israel Deaconess Medical Center	215	\$127,840,515	Boston
Massachusetts Institute of Technology	222	\$126,339,249	Cambridge
Tufts University	147	\$80,378,691	Boston

INVENTORY BUILDING OWNERSHIP



TOP OWNERS:



LEASE | Q4 2024

TENANT	TYPE	ADDRESS	SIZE	MARKET
Intella Therapeutics	New	400 Technology Square	101,250	Cambridge
Kbio	New	60 First Street	48,600	Cambridge
Ultragenyx Pharma	Renewal	19 Presidential Way	40,700	Woburn
Flare Therapeutics	New	400 Technology Square	21,450	Cambridge
Rubix Life Sciences	New	4 Kingsbury Street	16,000	Watertown

SALE | Q4 2024

ADDRESS	TYPE	SIZE	PRICE	MARKET
Moderna	Office/Lab	668,000	\$369,000,000	Norwood
ARE Cambridge	Office/Lab	550,000	\$255,000,000	Cambridge

KEY MARKET POINTS

- Chicago's life sciences market dynamics are split between established tenants and newly available inventory. Long standing tenants have yet to absorb space in newly delivered inventory, hindering market momentum.
- The development pipeline consists of two projects, totaling 453,000 SF with 18.5% preleased.
- Chicago is home to three educational institutions which receive the majority of NIH funding within the entire state. The concentration of funding fuels local innovation. The region notched a significant increase of funding, totaling 37%.

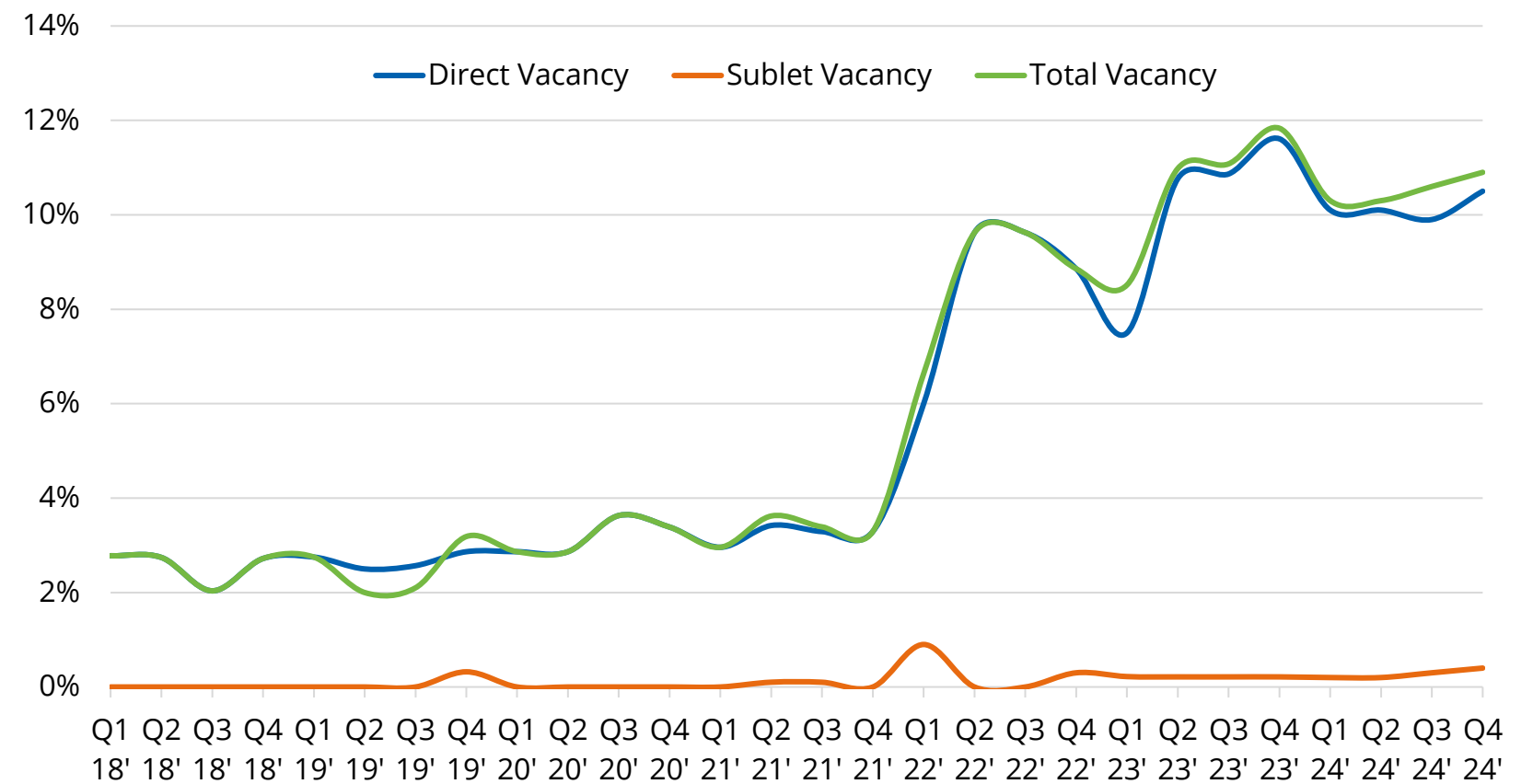
MARKET OVERVIEW

In Q4, Chicago's life sciences real estate market saw a steady increase in leasing activity, with four deals recording a total of 125,580 SF. New leases accounted for 75% of the deals down within the quarter, indicating movement. On a percentage basis, Chicago outperformed the national average in life sciences leasing, which saw a 22% quarter-over-quarter increase. Despite the uptick in leasing, excess inventory continues to be the biggest headwind. Most notably, Sterling Bay's 336,000 SF life sciences development in Lincoln Yards, delivered in 2023 at the peak of the lab market, has yet to secure a tenant. In contrast, Trammel Crow delivered Evanston Labs at 710 Clark Street in Evanston. The development is adjacent to Northwestern University and has seen strong preleasing prior to being delivered. The recent leasing activity is further evidence that the partnerships and location are an integral part of a building's success.

Looking ahead, Chicago's life sciences market is positioned for gradual stabilization as construction slows, giving the market time to absorb existing supply. If the current leasing trends persist, it may take several years to fully reduce excess inventory, but the recent activity suggests a positive trajectory for the market. Tentative development activity has remained optimistic, despite low leasing velocity of certain projects.

TRENDLINES	Q4 2024	Q4 2023	ONE-YEAR TREND	ONE-YEAR FORECAST
INVENTORY (MSF)	12.15	11.94	↑	↑
NET ABSORPTION (THOUSANDS SF)	125.58	63,792	↑	↑
VACANCY RATE	10.9%	11.1%	↑	↑
UNDER CONSTRUCTION (THOUSAND SF)	453	810	↓	↑
ASKING RENT, NNN (PSF)	\$55.81	\$48.16	↑	↑
YTD NIH STATE GRANTS (BILLIONS)	\$1.66	\$1.15	↑	↓

VACANCY RATE



LOCAL NIH FUNDING | 2024

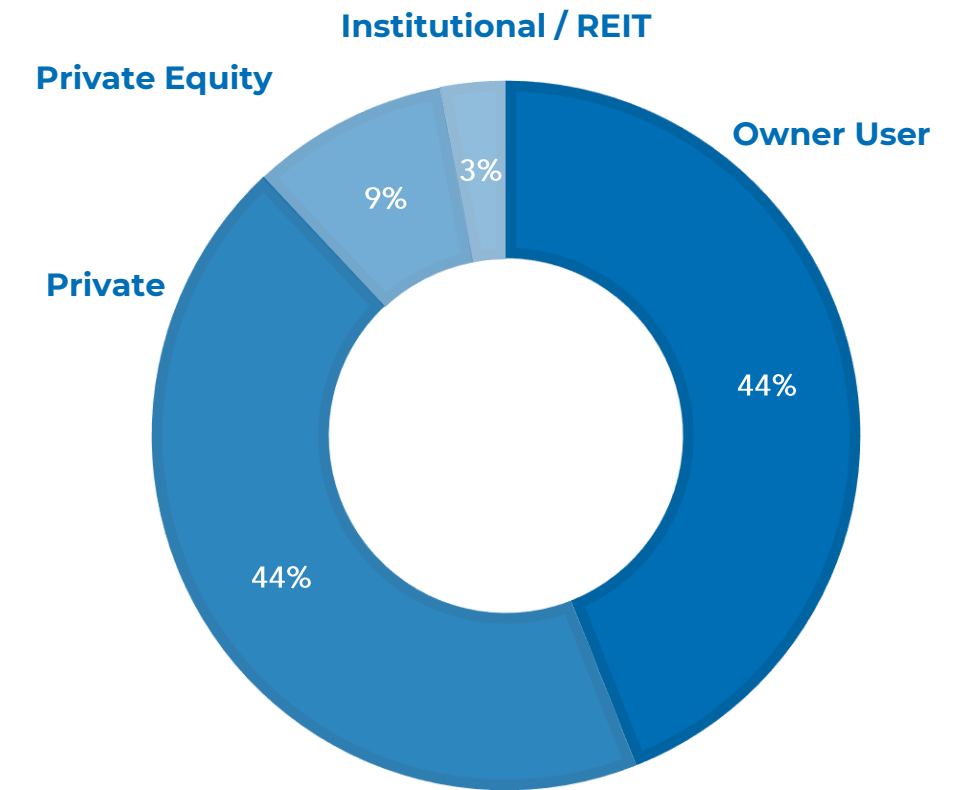
ORGANIZATION	AWARDS	FUNDING	CITY
Northwestern University	711	\$419,497,487	Chicago
University Of Chicago	501	\$268,513,190	Chicago
University Of Illinois At Chicago	399	\$177,180,701	Chicago
University of Illinois at Urbana-Champaign	190	\$75,683,711	Champaign
Rush University Medical Center	94	\$64,826,796	Chicago
National Opinion Research	125	\$49,021,032	Chicago
Northwestern University	131	\$48,979,255	Chicago
Lurie Children's Hospital	63	\$32,936,591	Chicago
Loyola University Chicago	59	\$19,637,591	Maywood

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

LEASE | Q4 2024

TENANT	TYPE	ADDRESS	SIZE	MARKET
Cour Pharmaceuticals	New	710 Clark Street	50,000	North Suburban
Vetter Pharma	Renewal	8025 Lamon Ave	50,000	North Suburban
Cyclopure	New	710 Clark Street	17,300	North Suburban
Rhaeos	New	1375 West Fulton	7,350	Fulton Market

INVENTORY BUILDING OWNERSHIP



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

- Houston remains the top recipient of NIH funding in Texas, reaching a record \$1.1 billion in 2024. This marks a 7% YOY increase, the highest annual growth in recent years.
- Houston’s inventory is largely composed of leasable space, making up nearly 80%, while non-educational owner-user inventory remains limited. With a minimal construction pipeline, market dynamics are expected to stay stable.
- Between 2016 and 2024, Houston saw a 42.1% increase in biological and biomedical sciences degrees awarded, ranking it sixth nationally.

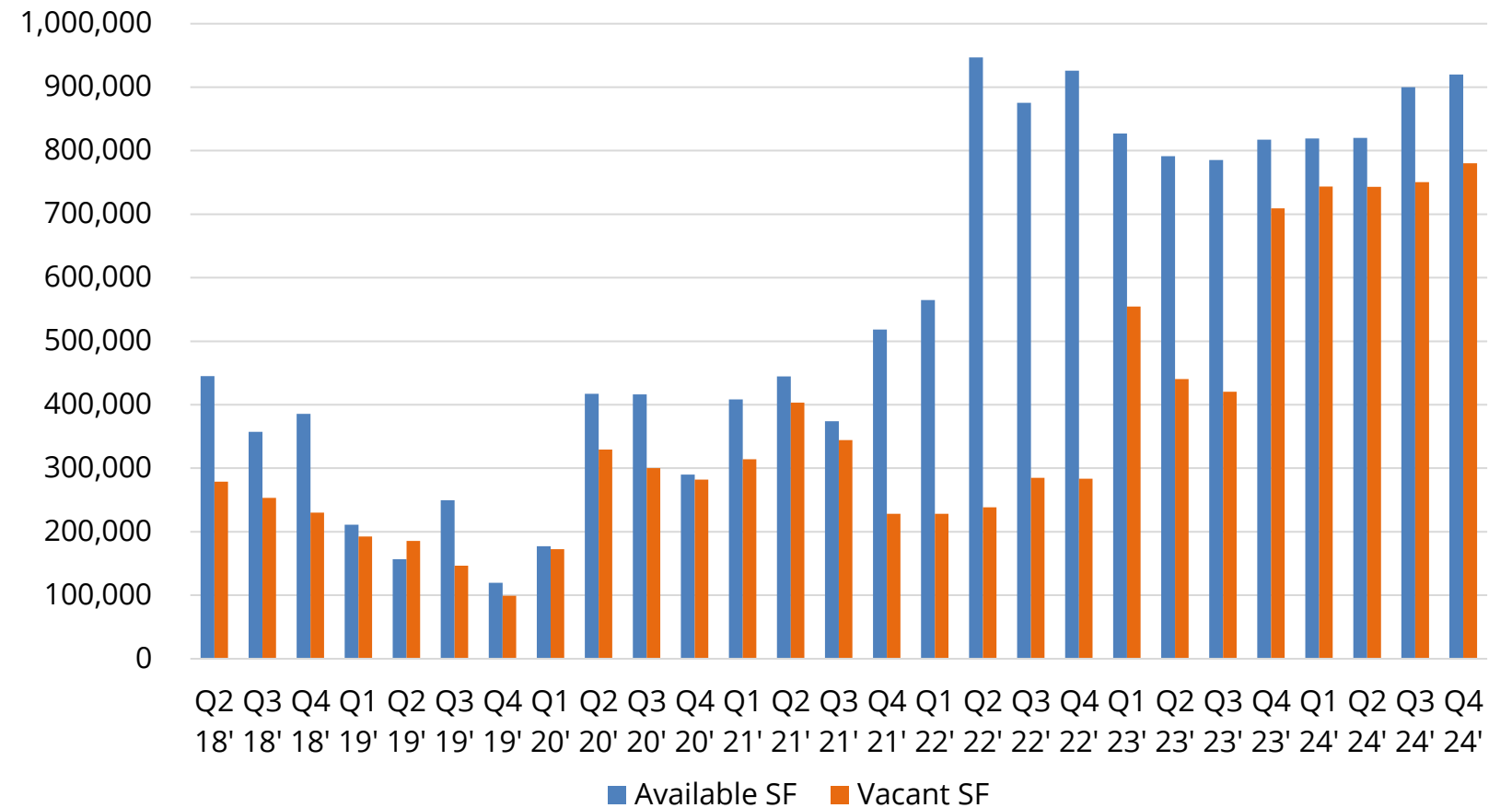
MARKET OVERVIEW

Houston’s life sciences market has demonstrated resilience, sustaining growth despite challenging market conditions. Anchored by the Texas Medical Center (TMC), the city possesses key industry drivers that will fuel further expansion. A major contributor to this growth is the increasing call to action for additional life sciences employment. Local industry leaders are advocating for higher education institutions of all sizes to expand STEM programs to meet workforce needs. Currently, Houston’s talent pool is comprised of 29,616 jobs, with the region experiencing an impressive 72% employment growth rate over the past five years.

Organizations such as BIOHouston and the Greater Houston Partnership play a vital role in supporting both startups and established industry participants. These collaborative efforts are essential to the continued expansion of Houston’s life sciences sector. Unlike many national hubs, Houston benefits from strong local stakeholder support, creating a uniquely cohesive and thriving ecosystem.

TRENDLINES	Q4 2024	Q4 2023	ONE-YEAR TREND	ONE-YEAR FORECAST
INVENTORY (MSF)	4.42	3.43	↑	↑
NET ABSORPTION (THOUSANDS SF)	(11.20)	91.97	↓	↑
VACANCY RATE	19.44%	11.63	↑	↑
UNDER CONSTRUCTION (THOUSAND SF)	0.60	1.05	↓	↓
ASKING RENT, NNN (PSF)	\$46.60	\$44.98	↑	↑
YTD NIH STATE GRANTS (BILLIONS)	\$1.91	\$1.59	↑	↓

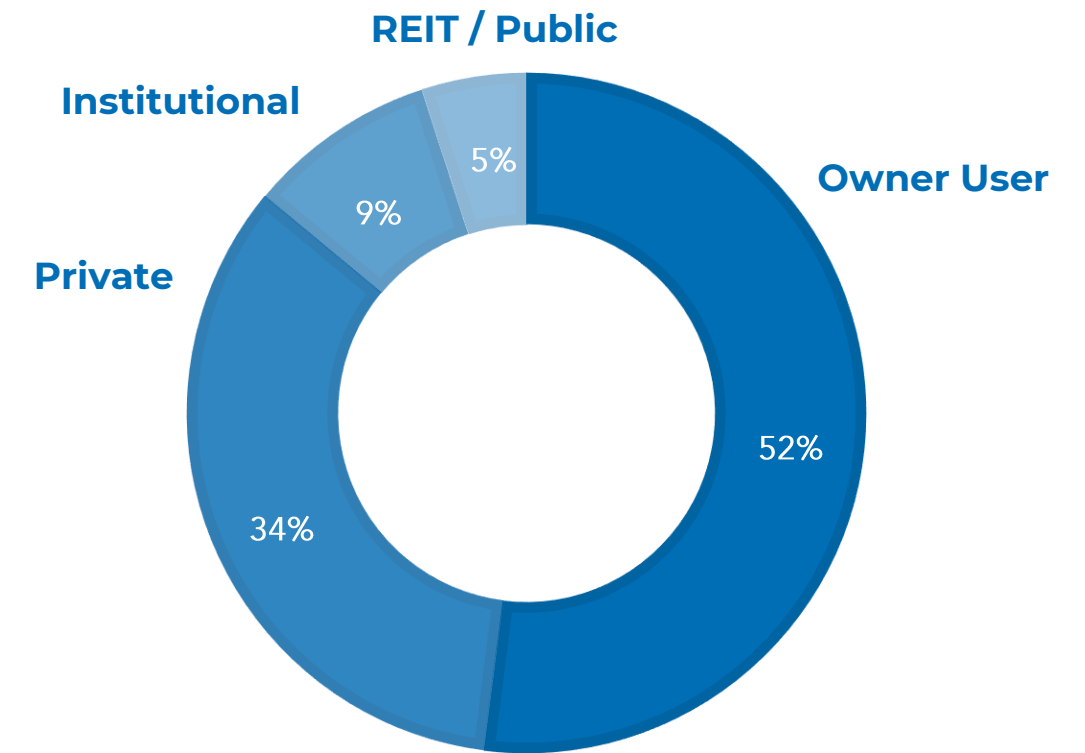
AVAILABLE INVENTORY



LOCAL NIH FUNDING | 2024

ORGANIZATION	AWARDS	FUNDING	CITY
Baylor College Of Medicine	628	\$326,123,057	Houston
University Of Texas – Southwestern Medical Center	615	\$299,934,824	Dallas
University Of Texas – MD Anderson Cancer Center	373	\$190,932,740	Houston
University Of Texas – Health Science Center	336	\$163,358,703	Houston
University of Texas – Medical Galveston	156	\$131,675,080	Galveston
University of Texas – Austin	278	\$128,976,921	Austin
Methodist Hospital Research Institute	99	\$51,210,907	Houston
University of Houston	98	\$37,741,466	Houston
Texas A&M University Health Science Center	90	\$32,056,650	College Station
Texas A&M University	67	\$26,531,755	College Station

INVENTORY BUILDING OWNERSHIP



TOP OWNERS: TMC | TEXAS MEDICAL CENTER



BEACON CAPITAL PARTNERS

LEASE | Q4 2024

TENANT	TYPE	ADDRESS	SIZE	MARKET
Lonza	Renewal	14905 Kirby Drive	276,770	Pearland
RBL, LLC	New	1840 Dynamic One Way	14,946	TMC
Jacam Catalyst	New	8701 New Trails Drive	14,507	Woodlands
Confidential	New	2575 West Bellfort Street	13,294	Houston

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

Note: No recent sale activity. NIH Funding includes markets such as Dallas, Austin, and College Station in our national report, which might differ from our local report.

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.
- Q4 marks the 6th consecutive quarter of +100,000 SF leasing activity, which has paced new inventory.
- The current development includes four projects, spanning across 1.1 MSF. The timeline for deliveries is slated for late 2025 and into early 2026.

MARKET OVERVIEW

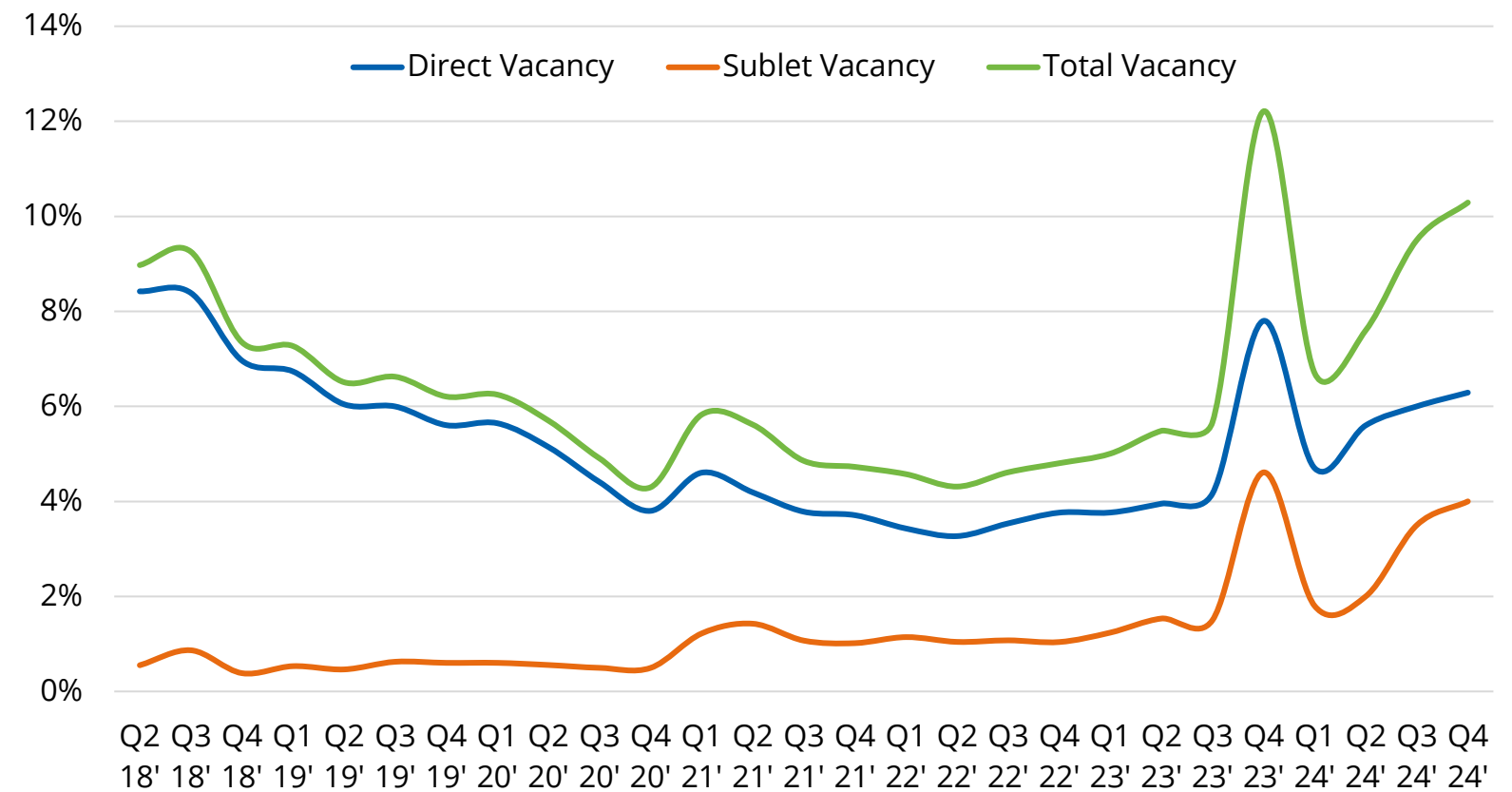
Despite national headwinds, New Jersey’s life sciences market remains resilient, with stable fundamentals and low vacancy rates. Limited leasable inventory and a strong ownership base have helped anchor vacancy rates, which stood at 11.3% in Q4, one of the lowest in the nation. Unlike other regions where vacancies have surged, New Jersey has maintained sub-12% rates, with leasing activity evenly distributed throughout the year.

The state is home to over 3,500 life sciences companies, employing 415,000 professionals, including 125,000 with specialized life science degrees. While the market operates in the shadow of larger life sciences hubs, it continues to defy national trends with steady demand and long-term stability.

New Jersey’s world-class infrastructure and connectivity offer a strategic advantage to life sciences companies. Newark Liberty International Airport, the Port of New York and New Jersey, and the nation’s highest railroad density provide seamless logistics and efficient distribution throughout the densely populated Eastern Seaboard. These transportation assets ensure easy access to key domestic and global markets, reinforcing the state’s status as a critical industrial hub. In Q4, BioNJ partnered with Bristol Myers Squibb to promote clinical trial participation among employees, offering paid time off in exchange for enrollment in local trials. This initiative highlights New Jersey’s commitment to industry innovation, not just at the bench, but also within the community. With strategic investments, supportive policies, and a collaborative ecosystem, the state remains a dynamic and expanding hub for life sciences growth.

TRENDLINES	Q4 2024	Q4 2023	ONE-YEAR TREND	ONE-YEAR FORECAST
INVENTORY (MSF)	32.95	33.07	↔	↑
NET ABSORPTION (THOUSANDS SF)	(214.63)	(109.11)	↓	↑
VACANCY RATE	11.29%	10.18%	↑	↑
UNDER CONSTRUCTION (MSF)	1.11	1.61	↔	↔
ASKING RENT, NNN (PSF)	\$36.82	\$34.20	↑	↑
YTD NIH STATE GRANTS (MILLIONS)	\$407	\$368	↑	↑

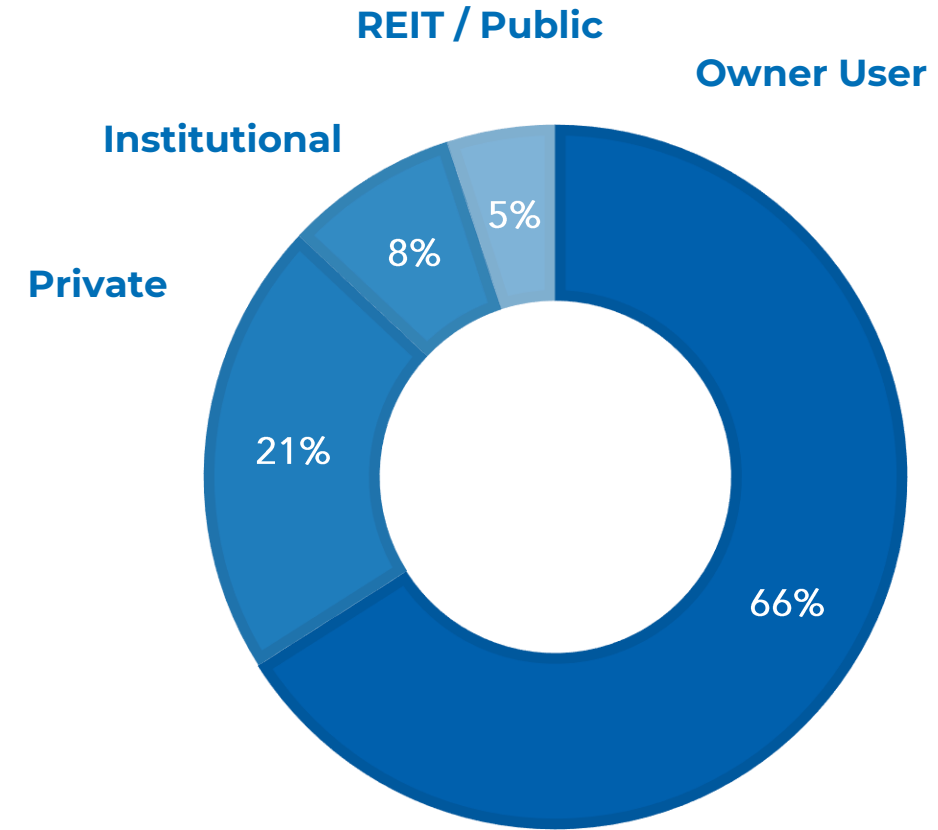
TOTAL VACANCY RATE



LOCAL NIH FUNDING | 2024

ORGANIZATION	AWARDS	FUNDING	CITY
Rutgers Biomedical Health and Sciences	343	\$183,842,080	Newark
Princeton University	127	\$58,370,799	Princeton
Rutgers, The State University	126	\$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 | Q4 2024

TENANT	TYPE	ADDRESS	SIZE	MARKET
US Pharma Lab, LLC.	New	2 King Arthur Court	163,000	North Brunswick
Revlon	New	15 Nest Drive	62,400	Central Union
New Jersey Institute of Tech.	New	15 Nest Drive	25,500	Central Union
Infinity Fragrances	New	72 Veronica Avenue	24,750	Somerset

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 in Q4 continued to trend positive, with a total net absorption of 82,880 SF. This denotes the 4th quarter of positive net absorption in a row.
- The vacancy rate dipped slightly with the continued pace of leasing, accounting for a 20-basis point decline.
- Funding in 2024 remained strong, with NIH and VC contributions increased by the end of the year.
- The construction pipeline is set to deliver large blocks of space in late 2025, fending off any concern of a near-term vacancy increase. To date, leasing has been able to pace deliveries.

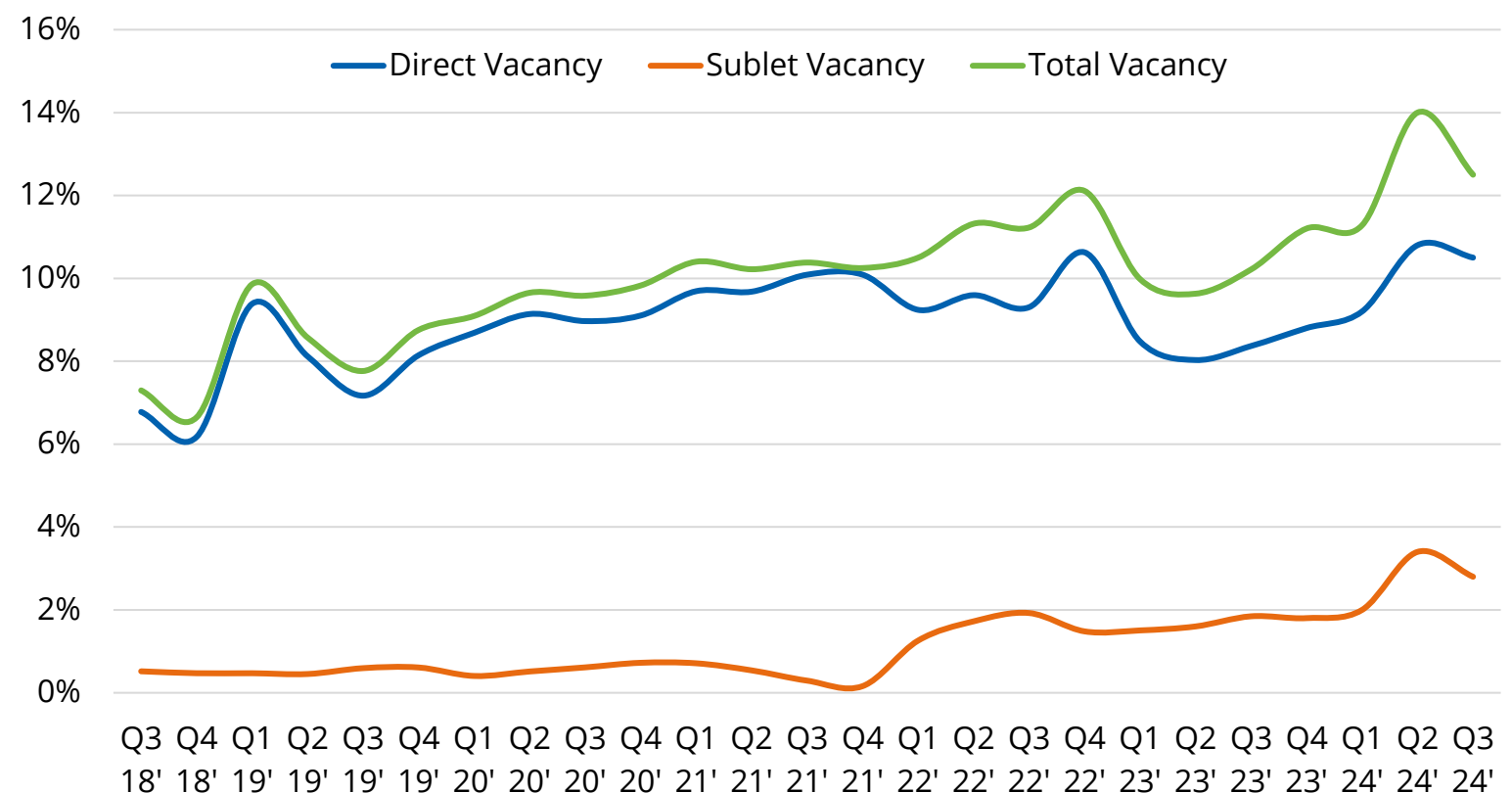
MARKET OVERVIEW

The Philadelphia life sciences market has seen a stable and methodical rise over the last decade. Commercial partnerships with top-tier research institutions have fostered a unique ecosystem poised for lasting success. Philadelphia has benefited from its proximity to the New Jersey, New York, and Washington, D.C. markets, allowing for ample opportunities for growth.

Governor Shapiro introduced a \$30 million investment plan to strengthen Pennsylvania’s life sciences sector, focusing on improving data sharing, accelerating research commercialization, and establishing the state as a leading industry hub. The largest lease of the quarter was between Brandywine Realty Trust and Quaker Houghton. The transaction capped off the remaining space in Brandywine’s 250 Radnor development and will be the new headquarters for Quaker Houghton.

TRENDLINES	Q4 2024	Q4 2023	ONE-YEAR TREND	ONE-YEAR FORECAST
INVENTORY (MSF)	24.07	23.53	↑	↑
NET ABSORPTION (THOUSANDS SF)	82.88	172.91	↓	↔
VACANCY RATE	13.17%	11.65%	↔	↔
UNDER CONSTRUCTION (MSF)	3.5	7.33	↓	↓
ASKING RENT, FULL SERVICE (PSF)	\$41.56	\$38.98	↑	↑
YTD NIH STATE GRANTS (BILLIONS)	\$2.70	\$1.84	↑	↑

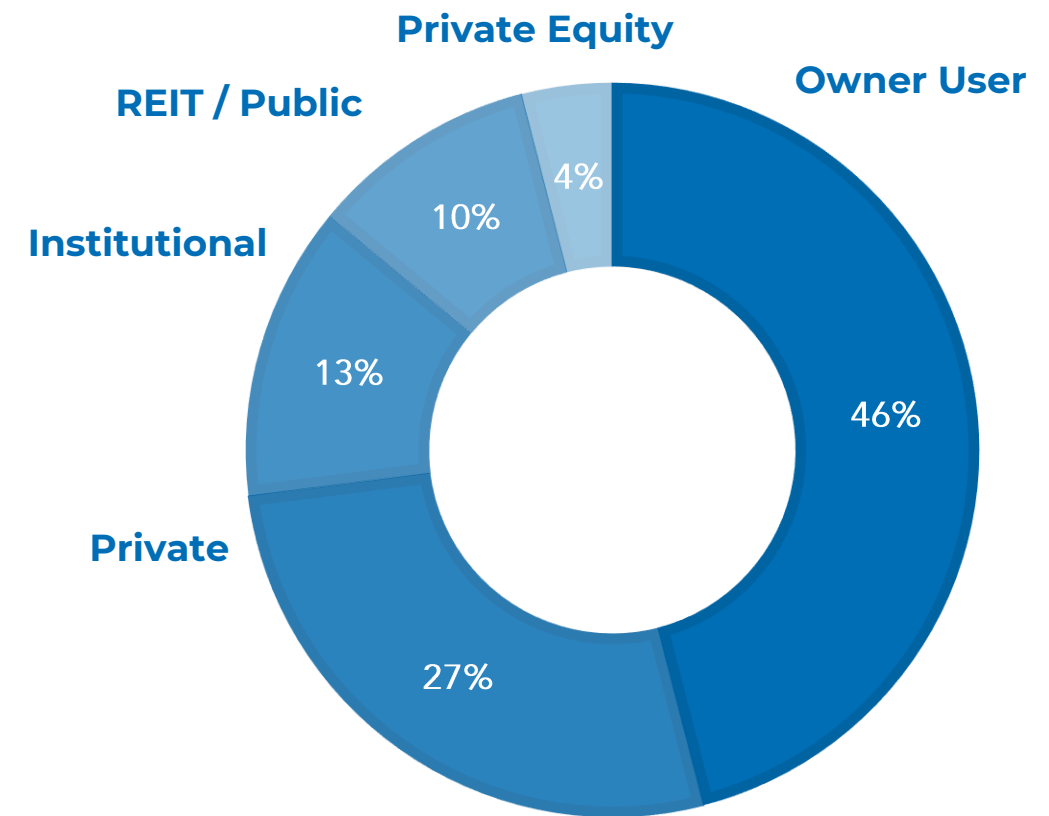
VACANCY RATE



LOCAL NIH FUNDING | 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

INVENTORY BUILDING OWNERSHIP



TOP OWNERS:



LEASE | Q4 2024

TENANT	TYPE	ADDRESS	SIZE	MARKET
Quaker Houghton	New	250 King of Prussia Road	119,820	King of Prussia
Franklin BioLabs	Sublease	411 Swedeland Road	72,200	King of Prussia
Resolian	Renewal	420-500 Lapp Road	37,150	Malvern
Legend Biotech	New	2300 Market Street	31,000	City Center
Sbarro Health Research	New	1421 Race Street	8,235	City Center
CabalettaBio	New	2929 Arch Street	7,670	West Philadelphia

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

- Vacancy rates have remained stable the last three quarters, relative to other national hubs.
- Total NIH funding in 2024 surpassed 2023 totals. The uptick in funding may lead to future growth, meeting the supply slated to deliver in early 2026.
- Large owner-user developments are forecasted to keep the spotlight on the local ecosystem. In 2024 Fujifilm Diosynth Biotechnology announced a \$4.8B investment over the next 12 years.

MARKET OVERVIEW

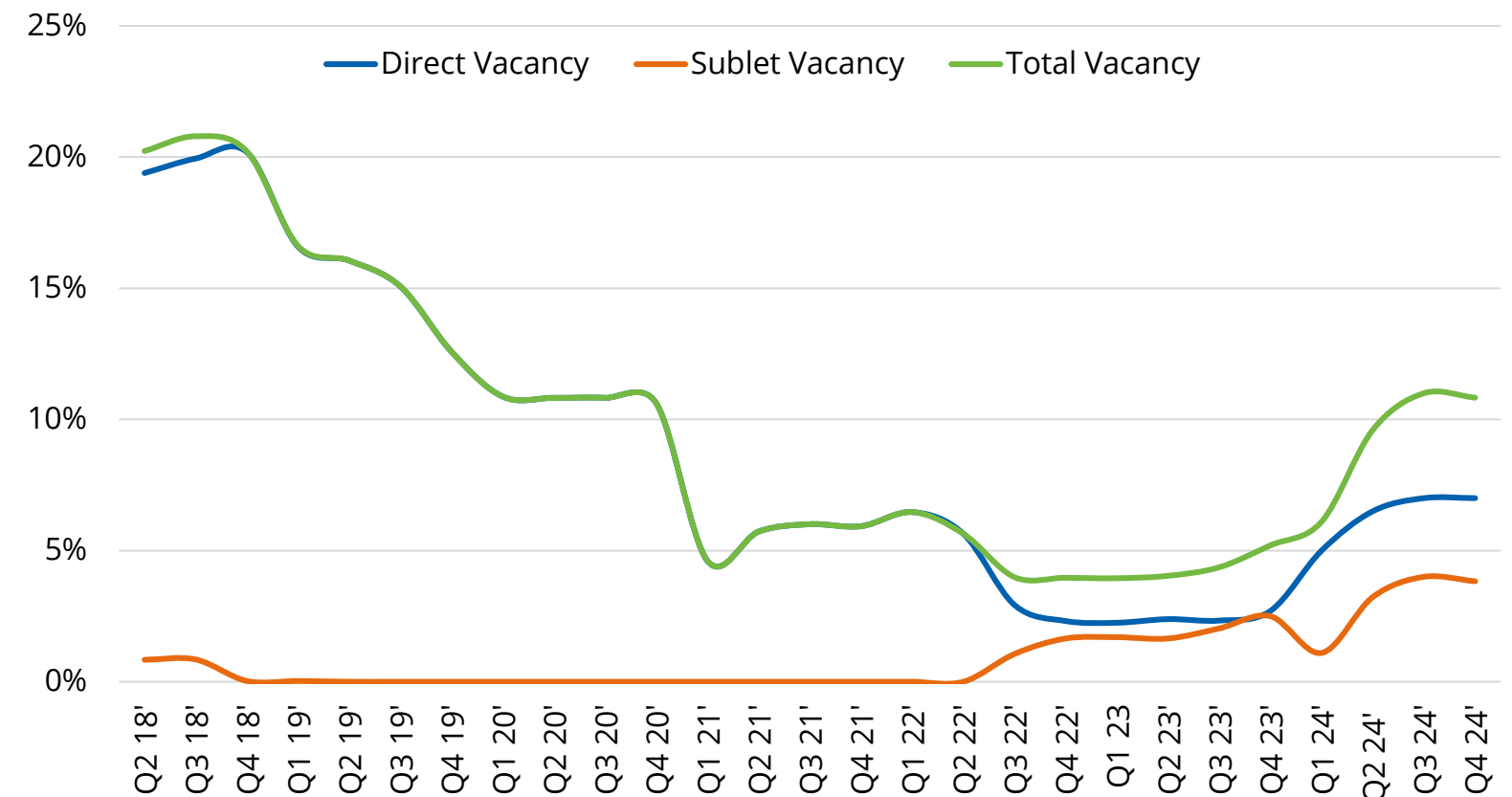
The Raleigh-Durham region has seen immense growth over the last six years, most recently from large multinational manufacturing firms looking to expand. Amgen announced an investment of \$1 billion to expand its Holly Springs drug manufacturing operations, adding a second multi-drug substance plant and creating 375 new jobs. Additionally, United Therapeutics has acquired a 95,000 SF biomanufacturing building in Durham. King Street Properties has broken ground on its 275,000 SF (phase one) of its 1 MSF Pathway Triangle campus near Morrisville. These strategic investments and expansions highlight Raleigh-Durham’s growing prominence as a life sciences hub.

The North Carolina Department of Health and Human Services commenced construction on a new 10-story headquarters on Blue Ridge Road. This facility is set to consolidate various departmental offices and labs, relocating approximately 2,500 jobs to the area upon its expected completion in late 2025.

Dubbed the Research Triangle because of its three top-tier academic institutions (Duke University, the University of North Carolina at Chapel Hill, and North Carolina State University) the region’s success can be attuned to the growing talent pool fed by education, as well as NIH funds that support budding science.

TRENDLINES	Q4 2024	Q4 2023	ONE-YEAR TREND	ONE-YEAR FORECAST
INVENTORY (MSF)	10.69	10.31	↑	↔
NET ABSORPTION (THOUSANDS SF)	36.98	(52.86)	↓	↔
VACANCY RATE	11.83%	8.58%	↑	↑
UNDER CONSTRUCTION (MSF)	6,65	5.62	↓	↔
ASKING RENT, NNN (PSF)	\$29.66	\$27.32	↑	↑
YTD NIH STATE GRANTS (BILLIONS)	\$1.94	\$1.47	↑	↑

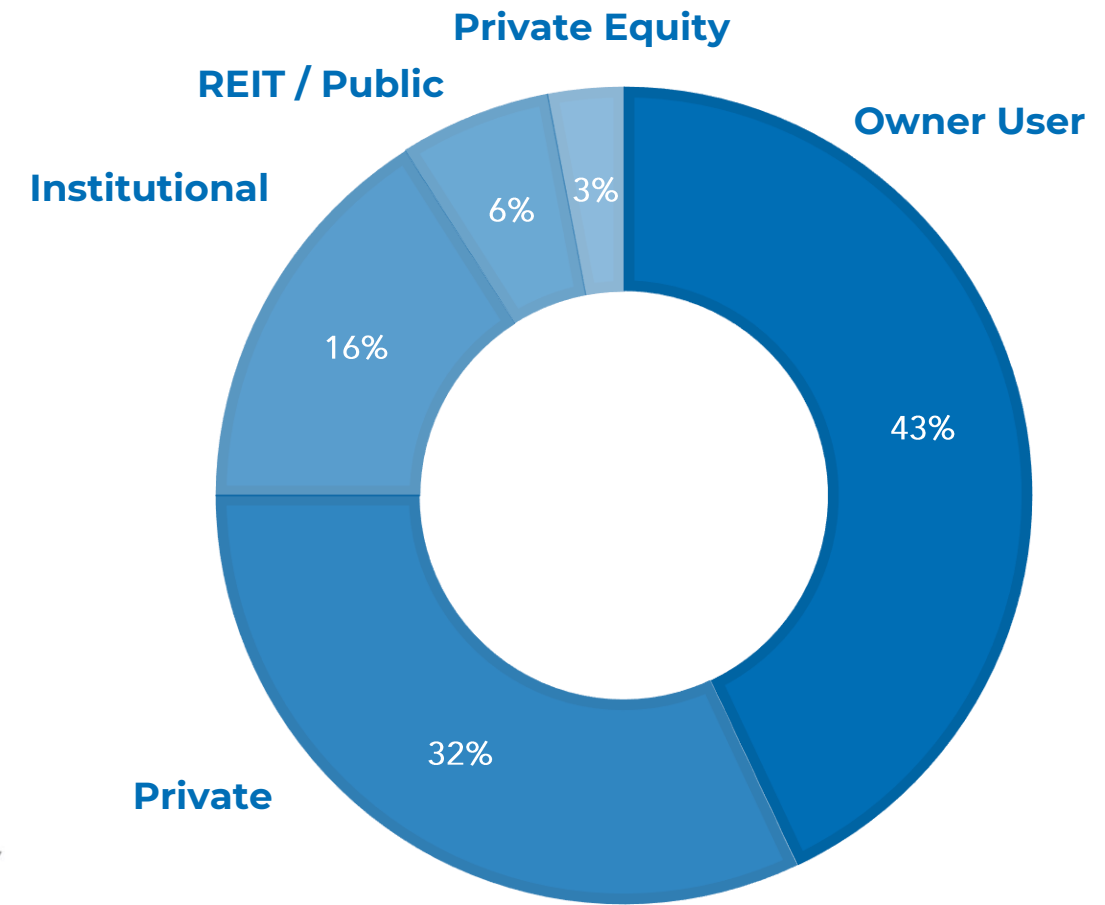
VACANCY RATE



LOCAL NIH FUNDING | 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
Epicypheer, Inc.	11	\$11,622,850	RTP
University of North Carolina – Charlotte	29	\$9,768,020	Charlotte

INVENTORY BUILDING OWNERSHIP



TOP OWNERS:



LEASE | Q4 2024

TENANT	TYPE	ADDRESS	SIZE	MARKET
State of North Carolina (Lab)	Renewal	109 Blue Ridge Road	28,000	RTP
Semiconductor Components Industries	New	635 Davis Drive	17,400	RTP
Inflection Medicine	New	7020 Kit Creek Rd	6,650	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’s life science market continues to bustle with activity, with leasing and funding remaining strong during challenging times.
- Asking rates in 2024 have been stable, increasing by 5% year-over-year.
- Local venture capital funding activity for 2024 totaled \$4B, which is down from the 2021 highs of nearly \$6B. Relative to other markets, San Diego is on track to recover quickly with the majority of inventory already delivered.
- San Diego recently surpassed the Bay Area with associated living costs, which is a new market dynamic for the local talent pool to navigate.

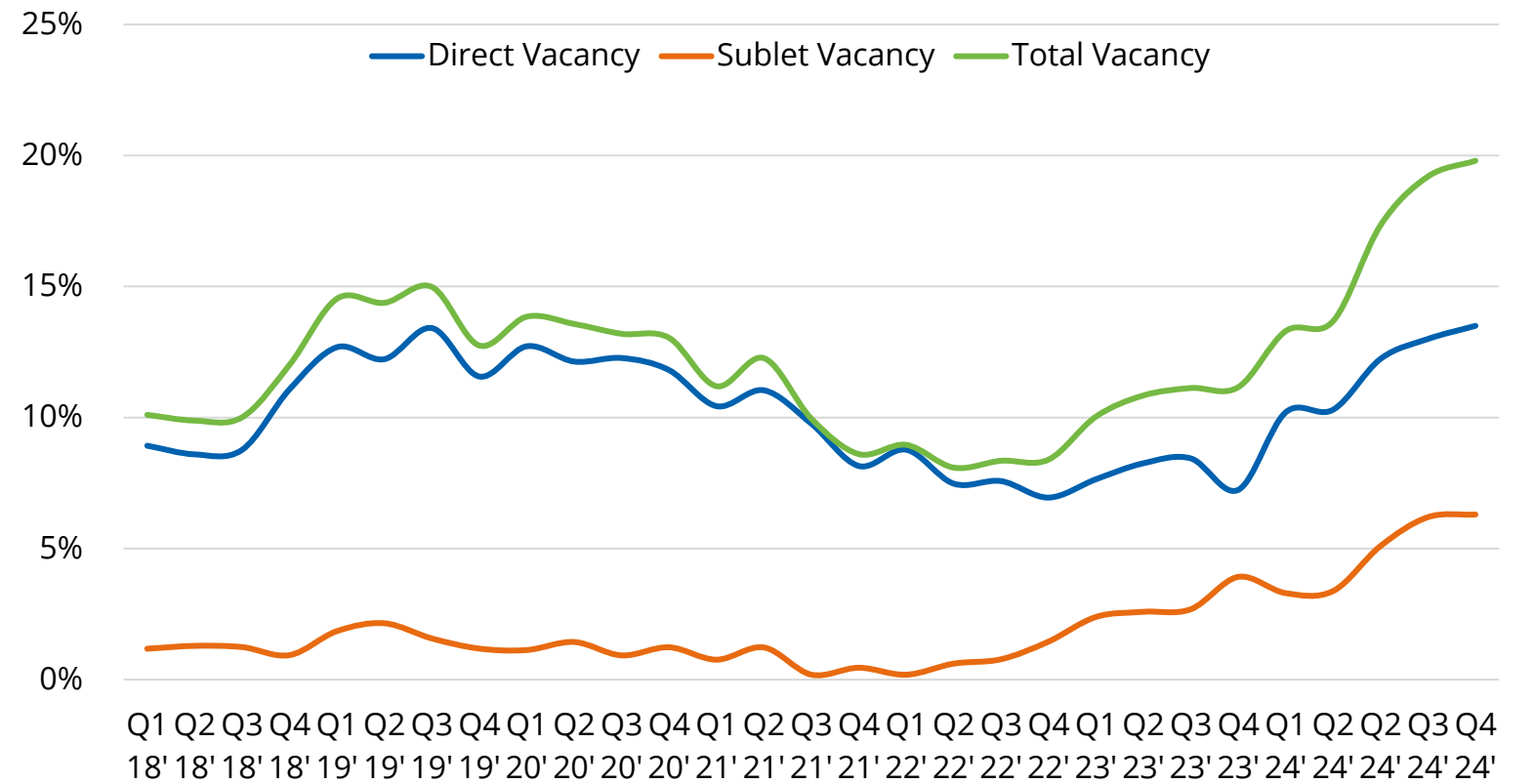
MARKET OVERVIEW

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.

Market activity in 2024 was broad-based, driven by rising venture capital investment, academic institution expansions, a slowing construction pipeline, and increased multinational industry engagement. Venture funding surged 36% year-over-year, with Candid Therapeutics securing the year’s largest deal at \$375M. Scripps Research expanded its La Jolla campus by adding an 83,000 SF lab building. In November 2024, Swiss pharmaceutical giant Roche announced its acquisition of San Diego-based Poseida Therapeutics for approximately \$1 billion, with performance-based milestones potentially raising the deal’s total value to \$1.5 billion. This acquisition is designed to strengthen Roche’s cell therapy portfolio, with a focus on oncology, immunology, and neurology.

TRENDLINES	Q4 2024	Q4 2023	ONE-YEAR TREND	ONE-YEAR FORECAST
INVENTORY (MSF)	19.45	18.26	↑	↑
NET ABSORPTION (THOUSANDS SF)	194,98	(10.37)	↑	↓
VACANCY RATE	20.31%	16.74%	↑	↑
UNDER CONSTRUCTION (MSF)	1.70	6.92	↓	↓
ASKING RENT, NNN (PSF)	\$52.80	\$49.35	↑	↓
YTD NIH STATE GRANTS (BILLIONS)	\$4.85	\$4.73	↑	↑

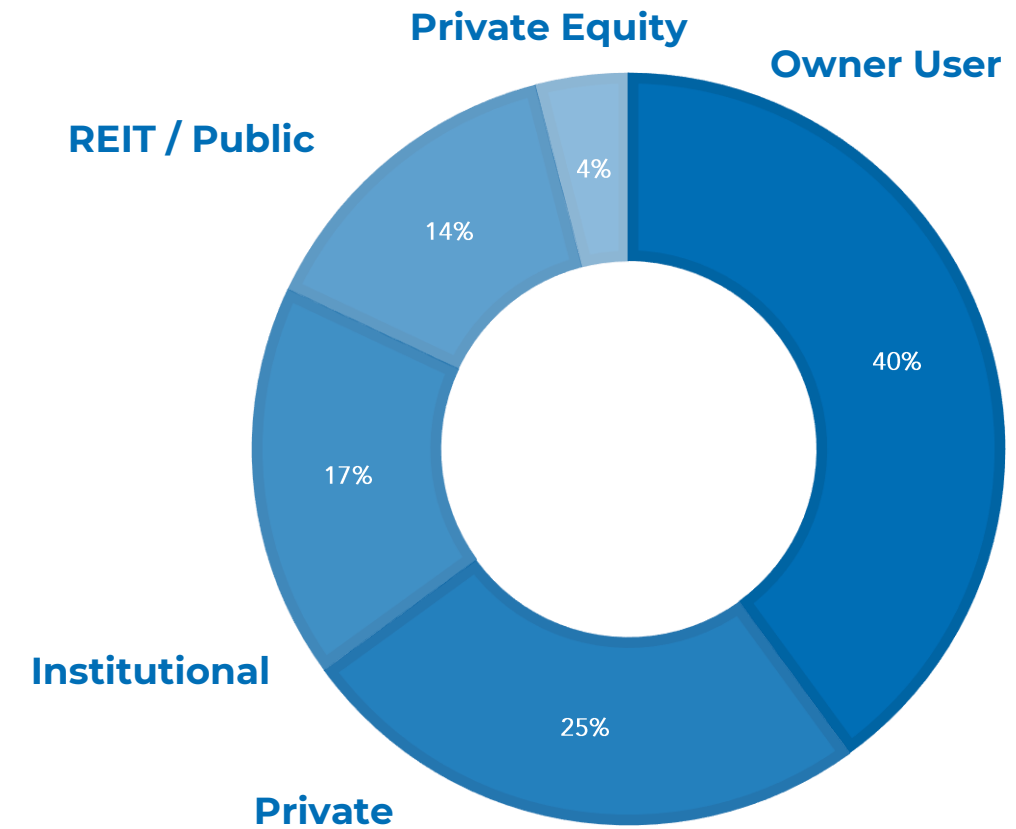
VACANCY RATE



LOCAL NIH FUNDING | 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 | Q4 2024

TENANT	TYPE	ADDRESS	SIZE	MARKET
Labcorp	Renewal	3595 John Hopkins Court	82,500	Torrey Pines
Calibr	Renewal	11119 North Torrey Pines Road	72,750	Torrey Pines
RayzeBio	New	3013 Science Park Drive	63,200	Sorrento Mesa
Bolt Medical	Sublease	2131 Faraday Avenue	46,400	Carlsbad
Vlrdos	New	4936 Directors Place	33,200	Sorrento Valley
CorDx	New	8940 Kenamar Drive	17,100	Sorrento Valley
Rakuten Medical	New	6885 Flanders Drive	9,400	Sorrento Valley

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



KEY MARKET POINTS

- Strong leasing activity in the quarter has led to a market sentiment shift amongst industry professionals.
- The 505,000 SF Landing Project in Burlingame delivered two buildings, a development led by King Street Properties based out of Boston.
- The region’s venture capital funding remains elevated when compared to the same period last year, totaling \$1.6B in Q4 2024.
- Vacancy rate growth has begun shallowing, as new deliveries start to taper, and tenants continue to absorb space. The recent spike in activity indicates that excess inventory could be absorbed in 2026.

MARKET OVERVIEW

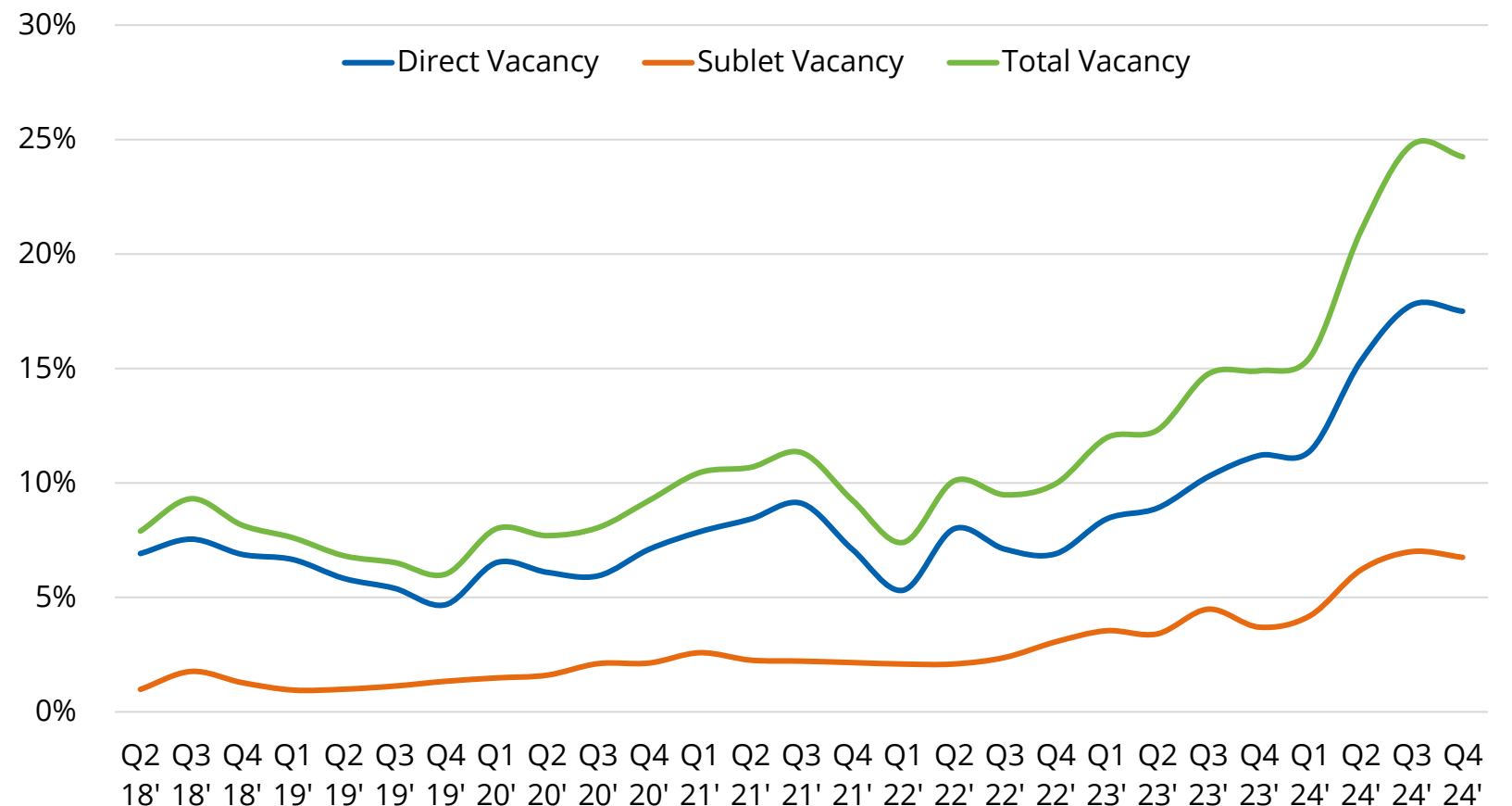
The San Francisco life sciences market closed 2024 on a strong note, fueled by a notable increase in leasing activity. In Q4, total gross absorption reached 986,500 SF, resulting in 242,000 SF of net absorption—the first significant gain in five quarters. Leasing momentum accelerated, with 23 deals completed, including 15 transactions in Q4 2023. For all of 2024 the market recorded 1.5 MSF of leasing activity through Q3, with Q4 alone contributing nearly 1 MSF, signaling a steady recovery in demand.

Tenants in the region have started to make waves after an 18-month lull. Most notably, Vaxcyle doubled its footprint within the Center for Life Sciences, growing from 113,000 SF to 258,000 SF. In September, the company completed a successful IPO and received positive feedback from the FDA on their new drug (vax-31). In addition, Genentech renewed its lease at 751 Gateway Blvd in South San Francisco.

The industry drivers that fuel tenant growth have seen an increase 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. The current construction pipeline is slated to deliver 2 MSF in 2025.

TRENDLINES	Q4 2024	Q4 2023	ONE-YEAR TREND	ONE-YEAR FORECAST
INVENTORY (MSF)	46.25	44.36	↑	↑
NET ABSORPTION (THOUSANDS SF)	242.31	(180.47)	↑	↑
VACANCY RATE	24.80%	13.23%	↑	↓
UNDER CONSTRUCTION (MSF)	7.31	10.81	↓	↓
ASKING RENT, NNN (PSF)	\$61.86	\$59.12	↓	↑
YTD NIH STATE GRANTS (BILLIONS)	\$4.85	\$4.73	↑	↑

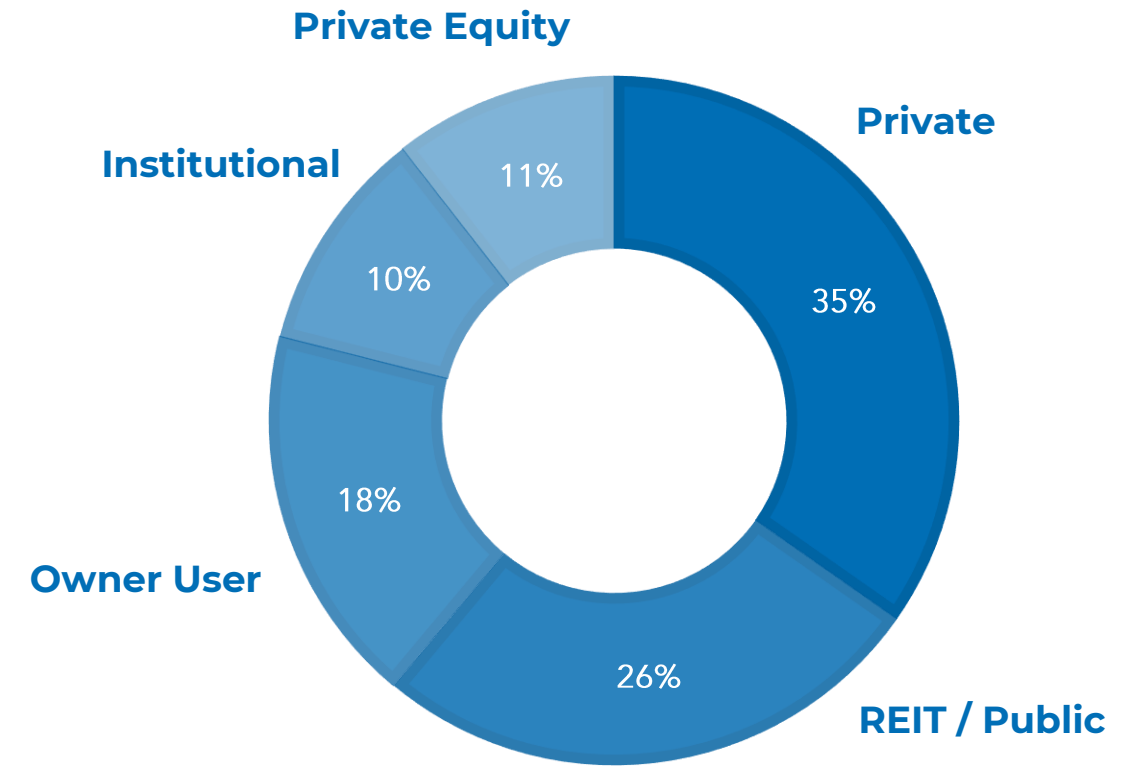
VACANCY RATE



LOCAL NIH FUNDING AWARDS | 2024

ORGANIZATION	AWARDS	FUNDING	CITY
University Of California, San Francisco	1,452	\$814,929,938	San Francisco
Stanford University	1,154	\$613,087,148	Stanford
University Of California, Davis	565	\$277,681,916	Davis
University Of California, Berkeley	345	\$157,638,088	Berkeley
Kaiser Foundation Research Institute	113	\$88,766,744	Oakland
J. David Gladstone Institutes	49	\$39,554,440	Oakland
SRI International	38	\$34,370,679	Menlo Park
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

INVENTORY BUILDING OWNERSHIP



TOP OWNERS:

LEASE | Q4 2024

TENANT	TYPE	ADDRESS	SIZE	MARKET
Vaxcyte	Renewal	825 Industrial Road	258,600	San Carlos
Cellares	New	1100-1120 Veterans Blvd	205,100	South San Francisco
C. Zuckerberg	Expansion	1300 Main Street	110,800	Redwood City
Neurona Therapeutics	New	490 Forbes Blvd	62,500	South San Francisco
Synthekine	Renewal	1505 O'Brien Drive	59,200	Menlo Park
Amgen	New	750 Gateway Blvd	50,500	South San Francisco
Revolution Medicines	Expansion	600 Saginaw Drive	47,100	Redwood City
Neurona Therapeutics	Renewal	170 Harbor Way	47,000	South San Francisco

DEVELOPMENT SPOTLIGHT: 200 TWIN DOLPHIN

- 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

- In Q4, the Alexandria Center development was delivered and is occupied by Millipore Sigma. The 250,000 SF building took a \$317M investment and three years to complete.
- End of the year sales activity yielded three transactions comprised of 300,000 SF and \$90M.
- Vacancy rates are expected to stabilize, as underway developments will have limited impact on the near-term market dynamics.
- BioHub Maryland launched an 8,200-SF biopharmaceutical workforce training center in Rockville, backed by \$4.25 million in public funding to expand career opportunities.

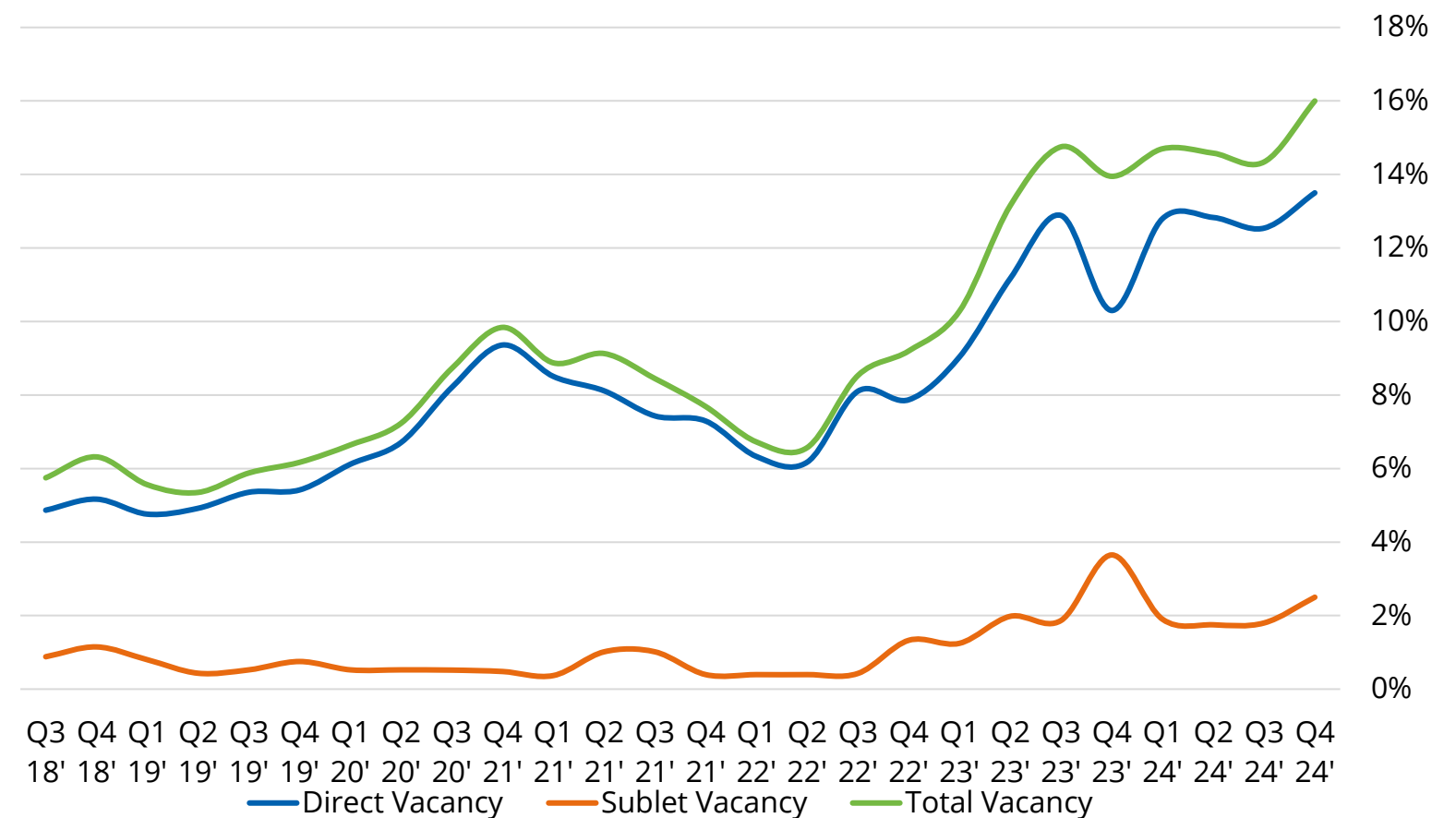
MARKET OVERVIEW

The Greater Washington, D.C. life sciences market remains stable and well-positioned for growth. The market's lack of excess inventory sets it apart from other major hubs that are overweighted in new inventory. Near-term uncertainty consists of new leadership at Health and Human Services (HHS). The ambiguity of federal funding and regulatory changes have yet to be announced. Private firms, traditionally drawn to the region for proximity to federal agencies, may need to adjust their strategies in response to evolving government priorities. In the second half of 2024, NIH funding saw a minor shift toward private companies, diverging from previous years when academic institutions were the primary recipients.

Recent activity was primarily driven by sales transactions and new deliveries, while leasing activity was muted. Sales activity was led by 14225 Newbrook Drive in Chantilly, 248,186 SF which sold for \$81M, which exceeded a recent appraisal for less than half. The seller, Alexandria Real Estate Equities completed the sale with New Mountain Capital. The building is fully leased to Quest Diagnostics and is used for their commercial lab operations. The remaining sales are 9119 Gaither Road in Rockville and 7210 Corporate Court in Frederick, and sold for \$4M and \$5M, respectively.

TRENDLINES	Q4 2024	Q4 2023	ONE-YEAR TREND	ONE-YEAR FORECAST
INVENTORY (MSF)	11.30	10.46	↑	↑
NET ABSORPTION (THOUSANDS SF)	36.41	(63.79)	↑	↔
VACANCY RATE	15.44%	11.28%	↑	↔
UNDER CONSTRUCTION (MSF)	1.37	1.90	↓	↓
ASKING RENT, NNN (PSF)	\$53.51	\$50.96	↑	↓
YTD NIH DMV GRANTS (BILLIONS)	\$3.33	\$3.20	↑	↑

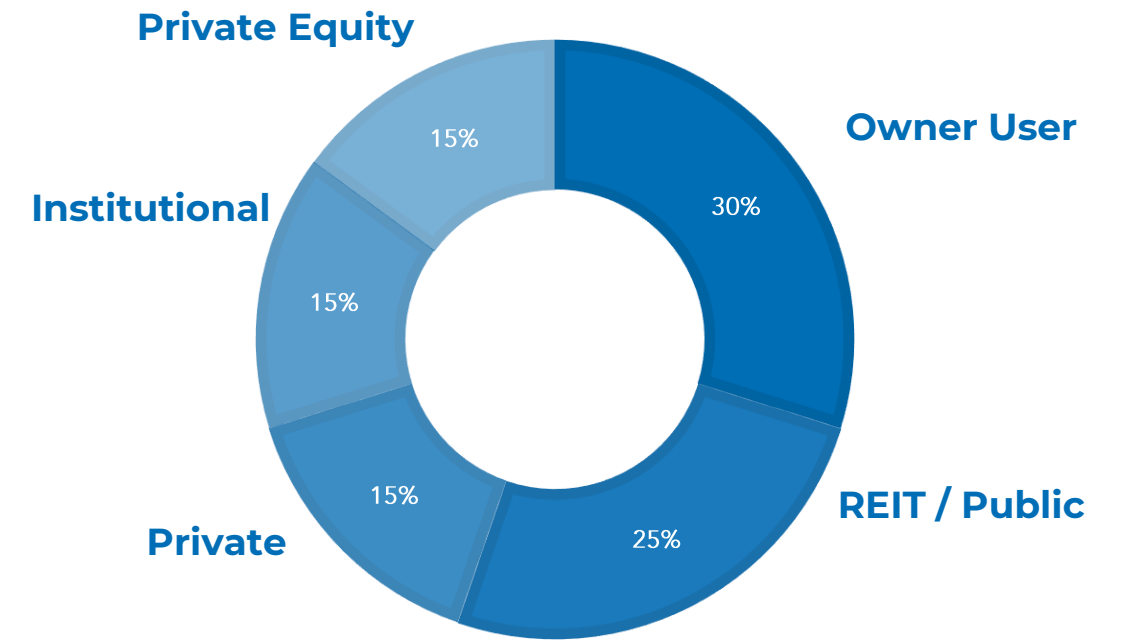
TOTAL VACANCY RATE



LOCAL NIH FUNDING AWARDS | 2024

ORGANIZATION	AWARDS	FUNDING	CITY
Johns Hopkins University	1,512	\$857,947,550	Baltimore
Leidos Biomedical Research	105	\$553,939,685	Frederick
University Of Maryland Baltimore	420	\$196,704,220	Baltimore
Westat, Inc.	34	\$196,704,669	Rockville
George Washington University	132	\$86,097,887	Washington
The Emmes Company, LLC.	29	\$82,338,189	Rockville
Children’s Research Institute	78	\$34,386,524	Washington
Technical Resources International, Inc.	13	\$59,856,736	Bethesda
University Of Maryland, College Park	152	\$59,505,178	College Park
Georgetown University	138	\$57,934,874	Washington
Axle Informatics, LLC.	13	\$50,589,914	North Bethesda

INVENTORY BUILDING OWNERSHIP



LEASE | Q4 2024

TENANT	TYPE	ADDRESS	SIZE	MARKET
Blackbird Labs	New	101 W. Dickman Street	34,750	Baltimore
Astrazeneca	Sublease	9119 Gaither Road	18,550	Rockville

Top Construction Pipeline Developments

ADDRESS	SIZE	MARKET	DELIVERY
4 MLK	250,000	University BioPark	Delivered Q4
Research Square	89,640	Rockville	Delivered Q4
Fuse at Mason	345,000	Washington	Q1 2025
Belward Campus*	750,000	Rockville	TBD
Pike & Rose*	260,000	Bethesda	TBD
North Bethesda Station**	360,000	Bethesda	TBD

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

PHOENIX - KEY POINTS

- In 2024 local life sciences companies raise \$126M from venture capital firms. The last five years have totaled more than \$650M in venture capital inflows.
- Employment data supports a robust life science ecosystem, growing 6% YOY and 60% in the last decade; coupled with strong educational degree pipeline that has seen a 110% increase from 2014-2024.
- In November, the University of Arizona started construction on their Center for Advanced Molecular and Immunological Therapies (CAMI). The project received a \$170 million in state funds and \$20M from the City of Phoenix. Aimed at boosting local life science investment and employment, the facility is expected to be completed in late 2027.

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. 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 and is slated for further expansion.

The region's collaborative environment spans across three major academic institutions: Arizona State University, Northern Arizona University, and the University of Arizona. In total, over 4,000 STEM related degrees were awarded in 2024, a 110% increase from degrees awarded in 2014. These academic institutions have established a presence within the PBC, aligning with the ecosystem's collaborative ethos.

The Mayo Clinic's Discovery Oasis, a 120-acre biotech innovation hub near the Clinic Arizona's north Phoenix campus, The development is set to transform the region's life sciences landscape following zoning approval from the Phoenix City Council. Scheduled to open in 2027, the development will expand Mayo Clinic's footprint, enhancing its clinical practice, research, education, and advanced manufacturing capabilities. The addition of Discovery Oasis and CAMI will significantly enhance the region's life sciences sector, attracting new investment from firms seeking to collaborate within the growing ecosystem.

TRENDLINES	Q4 2024	Q4 2023	ONE-YEAR TREND	ONE-YEAR FORECAST
INVENTORY (MSF)	2.91	2.29	↑	↑
NET ABSORPTION (THOUSANDS SF)	8.77	1.46	↑	↑
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 | 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

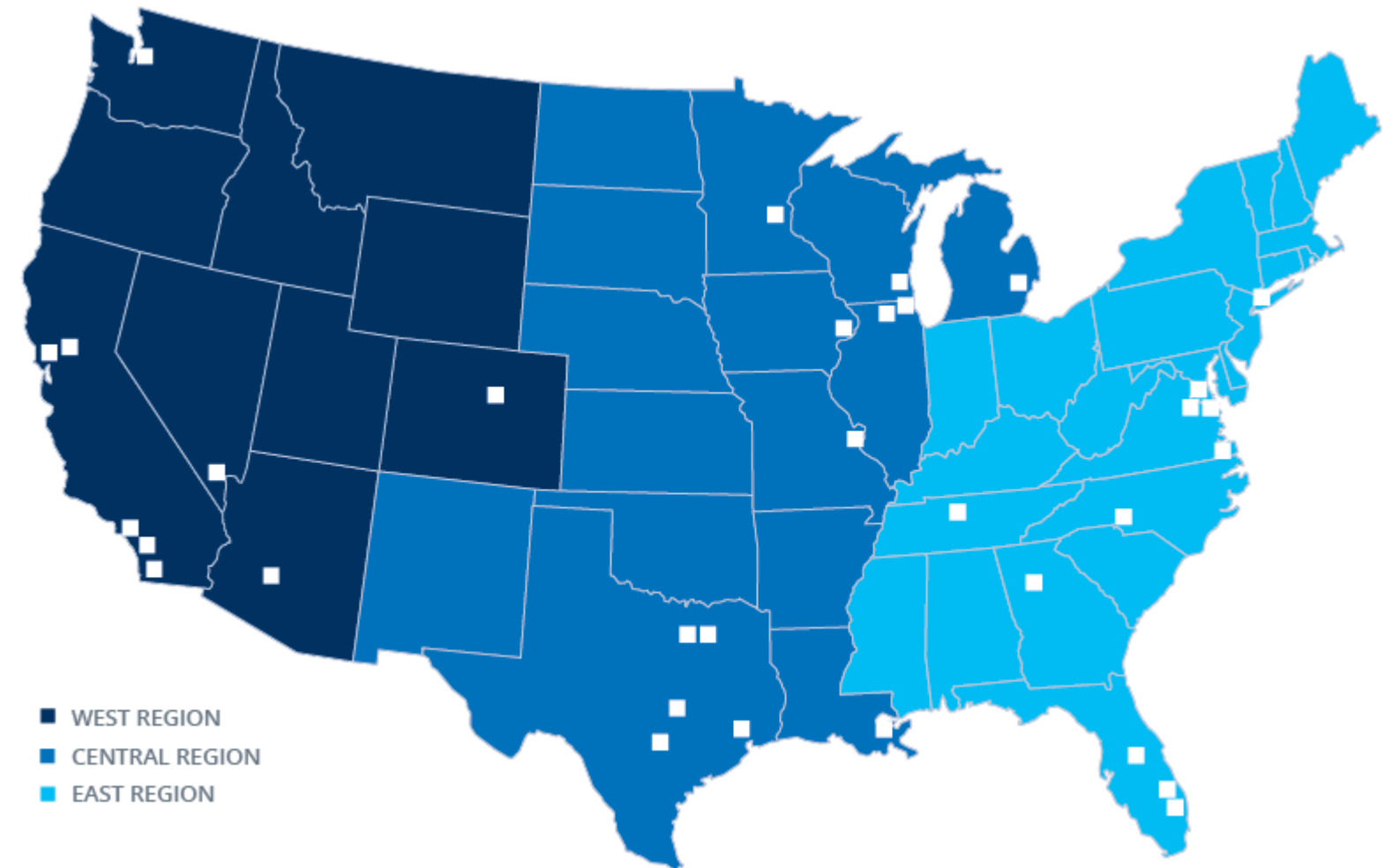
Market	Inventory Square Feet	Overall Vacancy Rate	Net Absorption*	12-Month Net Absorption*	Base Asking Rents	Annual Rent Change	Under Construction
Boston	71,068,325	21.12%	164,520	(1,902.4)	\$57.60	2.5%	8,240,000
Chicago	12,145,750	10.90%	125,583	(137.5)	\$55.82	4%	453,000
Houston	4,420,900	19.44%	(11.20)	(114.9)	\$46.65	1%	210,000
New Jersey	32,950,100	12.29%	(214,636)	(761.1)	\$36.82	1.5%	1,190,000
New York	3,540,300	27.99%	3,325	43.2	\$55.82	0%	225,000
Philadelphia	24,007,250	13.14%	82.88	248.9	\$41.56	2%	3,150,000
Raleigh/Durham	10,692,500	11.83%	36.98	(186.3)	\$29.46	-1%	6,650,000
Phoenix	2,290,500	6.60%	7.10	19.5	\$41.71	2%	350,000
San Diego	19,360,500	19.10%	108.88	213.3	\$52.85	3%	1,750,000
San Francisco	46,252,150	24.80%	242.31	(1,006)	\$60.32	2%	6,310,000
Washington DC	11,300,450	15.40%	36.42	385.0	\$53.31	2%	1,370,000
TOTAL	311,957,680	16.37%	79.91	(3,198)	\$57.25	2.5%	28,060,000

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.



REAL ESTATE SERVICES (TRS)

- Agency Leasing
- Asset Services
- Capital Markets
- Tenant Advisory + Workplace Solutions
- Research & Investment Analytics

INVESTMENT GROUP (TIG)

- Separate Accounts
- Discretionary Funds
- Non-Discretionary Accounts
- Investment Analysis

DEVELOPMENT COMPANY (TDC)

- Speculative
- Build-to-Suit
- Fee Development

HOSPITALITY GROUP (THG)

- Hospitality Integration
- Asset Repositioning
- Boutique Hotel Development & Investment



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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.