



U.S. Life Science Market

Interest Flocks to Life Sciences as Vaccines Heighten Sector Focus

U.S Research Report: First Quarter 2021

Colliers

Accelerating success.

Introduction

From public and private funding increases to the demand created by the COVID-19 pandemic and the vaccine rollout underway to combat it, the life sciences sector is seeing a significant increase in interest from both developers and investors. In addition, rapid growth in Advanced Therapy Medicinal Products (ATMP) science, which includes gene therapy, is driving demand for lab and manufacturing space from both early and mid-stage biotech companies.

All-important leasing data points, such as vacancy and net absorption, also compare favorably to the challenged office market, suggesting even more positive days could be ahead for the sector. In this report, we will analyze the factors contributing to these trends and take a closer look at 12 leading and emerging life science clusters across the U.S., each of which are examined in turn.





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COVID-19: Impact and Implications

To date, three vaccines, developed by Johnson & Johnson, Moderna and Pfizer, have received approval and are being deployed across the U.S.

Early in the pandemic, the shift to developing a COVID-19 tests and vaccines diverted attention away from other research and briefly impacted lab productivity, expansion activity and investment in life sciences.

The most immediate impacts were delays to clinical trials while hospitals were consumed treating COVID-19 patients and the diversion of funding from non-COVID-19 therapies to Operation Warp Speed and other COVID-19 related initiatives. While the focus on, and uncertainty created by, COVID-19 may have caused a momentary pause in the demand for life science space, the sector has quickly become a favorite among owners, lenders, and developers and is frequently mentioned with big box warehouse as a focus for investors.

On the funding front, while the pandemic and resulting recession may have delayed some Venture Capital (VC) funding, investment in life sciences has been buoyed with a focus on existing and emerging companies working not only to develop a vaccine, but also to get ahead of future strains to ensure that current events are not repeated down the line. Continuous press coverage of vaccine alternatives, FDA approvals and the supply and distribution of vaccines has drawn

public attention to drug discovery and development and accelerated investment in the life sciences sector at large.

There is an unwavering commitment to developing cures and to improving the health of the population.

Funding and Talent

In addition to R&D investment by the life science and pharmaceutical companies themselves, there are two principal sources of capital flowing into the sector: funding from The National Institutes of Health (NIH) and from Venture Capital (VC). In broad terms, NIH funding focuses on research, in the form of grants, while VC funding is centered on making new therapies and firms commercially viable.

On a national basis, VC funding for life sciences totaled \$45.1 billion in 2020 which is more than a four-fold increase over the past 10 years and up from \$32.6 billion in 2019. NIH Funding is also on the rise totaling \$41.7 billion in 2020, up from \$39.3 billion in 2019. Boston and the San Francisco Bay Area (Bay Area) dominate the funding landscape, both receiving over \$13 billion in combined NIH and VC funding in 2020.

In another illustration of the vibrancy of the life science industry, 86 biotech companies launched an IPO in 2020, according to data from Crunchbase. These companies raised a total of \$21.2 billion at IPO, for a total valuation of \$90.3 billion. This capital is helping drive demand for life science space. The previous IPO highwater mark was in 2018 when 73 IPO's were launched.

When measured in terms of Biomed graduates, there is a healthy talent pool flowing into the life science sector. As could be expected, given its large life sciences presence and world-leading academic institutions, Boston is at the head of this dynamic with more than 4,800 Biomed graduates in 2019. Chicago, Philadelphia and San Diego follow next – all with over 3,000 Biomed graduates in 2019.

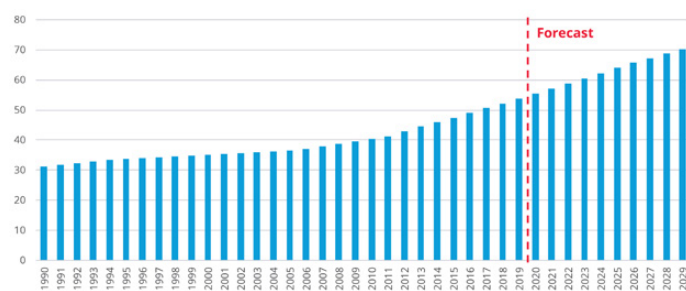
Aging Population Driving Demand

As the U.S. population continues to age, the demand for medical services, therapies and treatments is rising. There are 53.8 million people aged 65 and over in the U.S., which represents 16.4% of the total

population. Ten years earlier this share stood at 12.9%. This proportion is set to rise to 20.3% over the next 10 years to year-end 2029. By this time, the number of people 65 and over is projected to have risen to 70.2 million, which would be double the total seen at the beginning of this century.

The Baby Boom generation (people born between 1946 and 1964) has shifted from being the dominant demographic in the workforce to leading the number of people in retirement. This trend is set to continue over the next 12 years as all Baby Boomers will have reached retirement age and will continue to drive up healthcare demand.

U.S. Population 65+: 1990–2019 (Millions)



Source: Oxford Economics

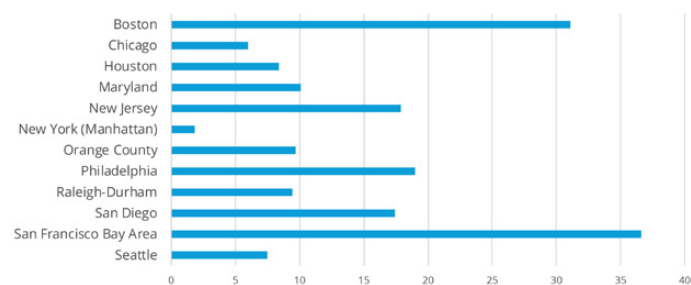
Life Sciences Real Estate Market

Life science inventory across the 12 clusters covered by this report totals 174.9 million square feet. Boston centered around Cambridge and the Bay Area account for a combined 39% of this total with 31.1 million square feet and 36.6 million square feet, respectively. Together they form the leading life science locations in the U.S. and are among the most important global centers in the industry.

Three clusters, Northern New Jersey, Philadelphia, and San Diego, follow next and all have 17 to 19 million square feet of life science inventory. Suburban Maryland and Raleigh-Durham are also well-established locations totaling 10.1 million square feet and 9.4 million square feet, respectively.

The leading emerging markets are Chicago and Seattle, with 6.0 million square feet and 7.5 million square feet respectively. There is also a nascent life science market in Manhattan but current inventory in this location is below two million square feet.

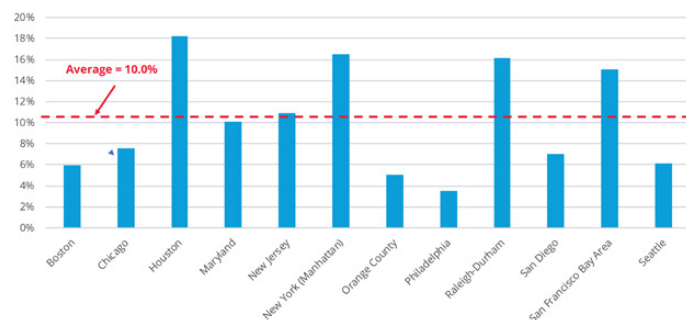
Life Science: Market Inventory: Q4 2020 (MSF)



Source: Colliers International

The average vacancy rate across all the locations is 10.0%. This compares favorably with the overall U.S. office vacancy rate which stood at 13.2% at Q4 2020 and is set to rise further. Seven clusters have sub-10% vacancy rates with Philadelphia (3.5%) and Orange County (5.0%) among the lowest. The highest vacancy rates are in Houston (18.2%) and Manhattan (16.5%).

Life Science: Vacancy Rates Q4 2020 (%)



Source: Colliers International

Unlike the beleaguered office market, where net absorption totaled negative 92.3 million square feet in 2020, life science demand remains in positive territory. Net absorption across the 12 clusters featured in this report totaled 1.8 million square feet in 2020. This activity was led by Boston (1.2 million square feet) and San Diego (405,373 square feet).

An analysis of the top five leases signed in 2020 in each of the 12 clusters included in this report, shows 23 leases of more than 100,000 square feet for a combined total of 4.6 million square feet. These were led by Bristol Myers Squibb taking 360,000 square feet at Cambridge Crossing, Boston and the 323,384 square foot lease signed by IQVIA at 2400 Ellis Road in Raleigh's Research Triangle Park.

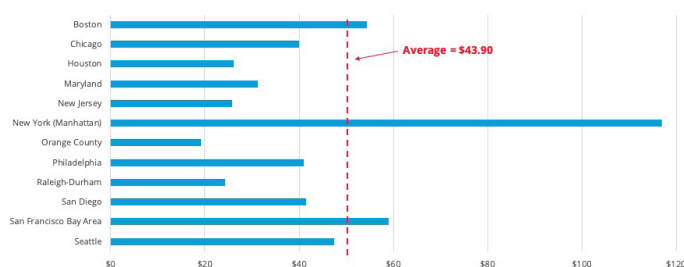
10 Largest Life Science Leases: 2020

Property Name	Address	Submarket	Market	SF Leased	Tenant
Cambridge Crossing	250 Water St	East Cambridge	Boston	360,000	Bristol Myers Squibb
Parmer Ellis	2400 Ellis Rd	Research Triangle Park	Raleigh-Durham	322,384	IQVIA
ON3	200 Metro Blvd	Route 46/23/3	New Jersey	306,471	Eisai
4800 Fournace	4800 Fournace	Bellaire	Houston	305,202	Harris Health System
Emeryville Center For Innovation	5300 Chiron Wy	Emeryville	SF Bay Area	293,358	Zymergen
105 W First St	105 W First St	Seaport	Boston	263,500	CRISPR
	3000 Hanover St	Palo Alto	SF Bay Area	249,549	Guardant Health
Harbor Bay Business Park	1951 Harbor Bay Pkwy	Alameda	SF Bay Area	220,710	Exelixis
Scripps NorthBridge Corporate Center	12278 Scripps Summit Dr	Scripps Ranch	San Diego	200,000	Fate Therapeutics
Alton / Jeronimo	9500 Jeronimo Rd	South OC	Orange County	186,000	Bio-Rad

Source: Colliers International

Asking rents for life science space are typically quoted on a NNN basis. The average net asking rate across our survey sample is \$43.90 per square foot. Markets with rents above this average include the Bay Area (\$59.04 per square foot), Boston (\$54.34 per square foot) and Seattle (\$47.50 per square foot.) Rates in Philadelphia and San Diego are broadly on par with the survey average. The lowest average net asking rates are in Orange County (\$19.20 per square foot) and Raleigh-Durham (\$24.23 per square foot.)

Life Science: Average Net Asking Rents (Q4 2020)

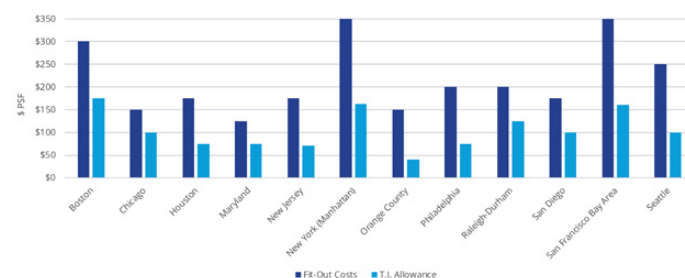


Source: Colliers International

It should be noted that net rents for modern, high-end space can be considerably higher – in some instances by \$20 to \$30 per square foot above the overall market average. Boston (Cambridge) has the highest rents for top quality space among the established markets at around \$90 per square foot, followed by the Bay Area (\$75 per square foot), Philadelphia and San Diego – both at around \$65 per square foot. In Manhattan, where the sector is in its infancy, average net asking rents can exceed \$100 per square foot.

Tenant improvement allowances average \$105 per square foot and are mostly around \$75 to \$100 per square foot but can reach more than \$150 per square foot in the leading clusters and for strong credit tenants. Fit-out costs for lab space, on top of these allowances, run considerably higher than their office counterparts at an average of \$215.00 per square foot. In Boston, Manhattan and the Bay Area such costs can be in the range of \$300 to \$350 per square foot.

Life Science: Fit-Out Costs & T.I. Allowances *



* Mid-point of range. Assumes a new 10-year term
Source: Colliers International

In terms of space coming online, there is 14 million square feet under construction and a further 56 million square feet at the proposal stage. It should be noted that the latter number is heavily skewed by 42 million square feet of potential projects in Boston alone. Boston is by far the most active development market with 5.1 million square feet underway, followed by the Bay Area (2.1 million square feet) and Houston (1.8 million square feet). When construction is measured as a percentage of inventory, the most active markets are Houston, at 21% and Chicago at 20%.

With several core locations, such as Cambridge, being built out two trends are emerging. Developers are both looking further afield and are also repurposing traditional office space for life science use. In casting the net wider, consideration is being given to smaller or secondary cities that have research centers as well as untested locations in the main clusters. The former includes a diverse range of markets such as Albuquerque, Phoenix and Pittsburgh.

The softness and uncertainty in the office sector, coupled with the heightened demand for research lab space, has some owners considering whether conversion to lab space could provide fruitful, particularly in downtown areas. Rather than undertaking a complete conversion, owners are increasingly adopting the strategy of making a building “life science friendly” through measures such as increasing HVAC and emergency power capacity. The repositioning of assets has not been limited to the office sector as mall and big box owners are exploring the viability of lab conversion, capitalizing on the volume and flexibility of these spaces.

Two additional factors to consider when repurposing a property for life science use are location and suitability. A multi-story office property in an established downtown node may be more locationally attractive for prospective employees. However, lower ceiling heights may make such a property more challenging to convert than a single-story R&D

building. Lab buildings typically require 14-to-18-foot floor-to-floor heights, which may not be achievable in traditional office space. Lower ceiling heights may be feasible for smaller firms and startups but not for major pharmaceutical companies. In addition, floor loading needs are typically higher for life science properties.

Investor Interest is Rising

While some other commercial real estate sectors have faltered, investors continue to show an appetite for life science assets which are moving away from being a niche play to a recognized asset class. This interest pre-dates the spotlight on the sector created by COVID-19 and vaccine development. Investors acquired \$14.7 billion of life science assets in 2019, with a similar level expected for 2020.

The top five buyers of life science assets in the U.S. - Alexandria Real Estate Equities, Healthpeak Properties, Ventas, The Bullfinch Group and Harrison Street Capital - have placed a combined \$7 billion in life science acquisitions since the start of 2019.

An analysis of the top five sales in 2020 in each of the 12 clusters tracked in this report, shows 11 transactions of more than \$250 million with a combined total of \$5.6 billion. The majority of these transactions - eight in total - took place in Boston and the Bay Area.

10 Largest Life Science Sales: 2020

Property Name	Address	Submarket	Market	Size SF	Buyer	Price (\$ Million)
Genesis Towers	1-2 Tower Pl	South San Francisco	SF Bay Area	721,000	Ventas	\$1,015.0
Boston Innovation and Design Building	1 Design Center & 21-25 Drydock Ave	Seaport	Boston	1,378,100	Related Companies	\$710.0
Gateway Commons	601-651 Gateway Blvd	South San Francisco	SF Bay Area	834,000	Alexandria Real Estate Equities, Inc.	\$700.0
Parmer RTP Portfolio	2400 Ellis Dr	Research Triangle	Raleigh	2,364,365	Alexandria Real Estate Equities, Inc.	\$615.0
Gateway Commons	681-701 Gateway Blvd	South San Francisco	SF Bay Area	297,385	Alexandria Real Estate Equities, Inc.	\$561.5
1201-1208 Eastlake Ave East	1201 Eastlake Ave E	Lake Union	Seattle	240,000	Clarion Partners	\$349.4
Reservoir Woods	Sylvan Rd	Route 128 Mass Pike	Boston	549,889	Alexandria Real Estate Equities, Inc.	\$329.1
705 Mount Auburn St	705 Mount Auburn St	Inner Suburbs	Boston	479,497	Spear Street Capital	\$325.0
The Post	200 Smith St	Route 128 Mass Pike	Boston	426,004	Healthpeak Properties	\$320.0
109 Brookline Ave	109 Brookline Ave	Fenway/Kenmore	Boston	285,556	IQHQ	\$270.0

Source: Colliers International

Boston

Massachusetts

Widely viewed as the epicenter of the life sciences industry, the Boston/Cambridge area continues to be a magnet for VC, recent life science graduates and a seemingly endless list of early and mid-stage companies that seek to cluster around industry titans.

Boston's life science market posted strong performance in 2020 with net absorption of 1.2 million square feet and a 120 basis points drop in the vacancy rate to 5.9%. This was only the fifth time in the past 20 years that annual absorption has exceeded one million square feet.

The Life Sci-Angle - the Cambridge, Lexington and Waltham triangle - is the heart of the Greater Boston life science market. As COVID-19 continues to raise

greater awareness and importance of the life sciences sector, Massachusetts overall is benefiting from the industry's growth. Numerous markets are emerging, while established hubs are continuing to grow in stature.

Landlords remain firmly in control as a limited supply of inventory leaves emerging and growing companies scrambling for space. In East Cambridge, the vacancy rate is now below 1%. With development ramping up, tenants starved for space today should have options in the future. In addition to new construction projects, developers aim to transform the A Street Corridor in Boston and convert office properties throughout the suburbs in areas like Watertown, Waltham and Lexington.

Key Statistics: Q4 2020

31.1

Market Inventory MSF

5.9

Vacancy Rate %

1,242,691

Net Absorption YTD SF

\$54.34

Avg. NNN Asking Rent
(\$PSF/Year)

\$300.00

Fit-Out Costs (\$PSF)*

\$175.00

TI Allowance (\$PSF)*

5.1

Under Construction MSF

41.0

Proposed MSF

Funding & Talent

10.8

VC Funding 2020
(\$ Billion)

2.3

NIH Funding 2020
(\$ Billion)

4,806

Biomed Graduates
2020

Market Outlook (next 12 months)



Vacancy



Demand



Rents



New Supply

* Based on a new 10-year lease. Mid-point of range.

Top 3 Companies in the Market

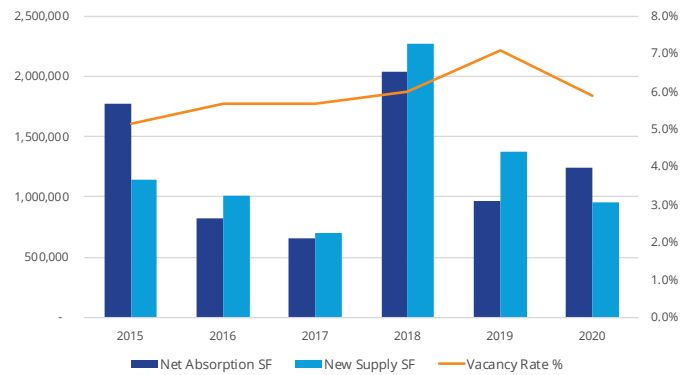
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Newer/Drug Development



Boston Life Sciences Market: 2015-2020



Largest Leases Signed (12 months ending Q4 2020)

Property Name	Address	Submarket	SF Leased	Tenant
Cambridge Crossing	250 Water St	East Cambridge	360,000	Bristol Myers Squibb
105 W First St	105 W First St	Seaport	263,500	CRISPR
200 West St	200 West St	Route 128 Mass Pike	120,000	Translate Bio
1414 Mass Ave	1414 Massachusetts Ave	Route 495 West	118,000	Vibalogics
500 Tech Square	500 Technology Square	East Cambridge	80,000	Foghorn Therapeutics

Largest Projects Under Construction

Property Name	Address	Submarket	Size SF	Developer
400 Summer St	400 Summer St	Seaport	625,000	WS Development
350 Dawes	350 Dawes St	East Cambridge	510,000	DivcoWest
250 Water St	250 Water St	East Cambridge	504,000	DivcoWest
238 Main	238 Main St	East Cambridge	382,000	MIT
Boylston Yards	Somerville	Inner Suburbs	290,000	DLJ

Top Investment Sales By Value (12 months ending Q4 2020)

Property Name	Address	Submarket	Size SF	Buyer	Price (\$ Million)
Boston Innovation and Design Building	1 Design Center & 21-25 Drydock Ave	Seaport	1,378,100	Related Companies	\$710.0
Reservoir Woods	Sylvan Rd	Route 128 Mass Pike	549,889	Alexandria Real Estate Equities	\$329.1
705 Mount Auburn St	705 Mount Auburn St	Inner Suburbs	479,497	Spear Street Capital	\$325.0
The Post	200 Smith St	Route 128 Mass Pike	426,004	Healthpeak Properties	\$320.0
109 Brookline Ave	109 Brookline Ave	Fenway/Kenmore	285,556	IQHQ	\$270.0

Chicago

Illinois

Illinois' life sciences sector employs more than 85,000 people and accounts for \$98 billion (12% of GMP) in annual economic output statewide, according to the Illinois Biotechnology Innovation Organization. Greater Chicago is home to many of the top biotech and pharmaceutical companies such as Astellas, Abbvie, Takeda, Horizon Pharma, Lundbeck and Fresenius Kabi, as well as device and diagnostic firms such as Abbott, Baxter and Siemens.

With COVID-19 putting the life sciences industry in the spotlight, community leaders of Chicago are discussing ways to expand and enhance the science and technology sector in the region believing that Chicago is well positioned to become a thriving life sciences hub due to its affordability and access to two leading universities - Northwestern and University of Chicago.

For the first time in 30 years, several new lab spaces are being delivered close to the CBD, major hospitals

and research universities. Demand for a centralized cluster of lab space is ready to be met by Chicago developers who are producing state of the art lab space at competitive rates. Notable companies who recently found Chicago to be cost-competitive include Xeris and Talis. There is increasingly more demand percolating from biopharma firms who recognize Chicago as an alternative to New England and California. Supply being built on a speculative basis is being absorbed as quickly as it comes online.

Sterling Bay recently announced that it is dedicating its first Lincoln Yards building to biotech. The 320,000 square foot, eight-story building, slated to break ground in 2021, will be located on the southwest end of the 55-acre project. Sterling Bay's decision to move forward was spurred in large part due to the success of their newly redeveloped medical research facility at 2430 North Halsted Street, which is over 50% leased.

Key Statistics: Q4 2020

5.95

Market Inventory MSF

7.6

Vacancy Rate %

62,935

Net Absorption YTD SF

\$40.00

Avg. NNN Asking Rent
(\$PSF/Year)

\$150.00

Fit-Out Costs (\$PSF)*

\$100.00

TI Allowance (\$PSF)*

1.17

Under Construction MSF

2.40

Proposed MSF

Funding & Talent

0.4

VC Funding 2020
(\$ Billion)

1.0

NIH Funding 2020
(\$ Billion)

3,448

Biomed Graduates
2020

Market Outlook (next 12 months)



Vacancy



Demand



Rents



New Supply

* Based on a new 10-year lease. Mid-point of range.

Top 3 Companies in the Market

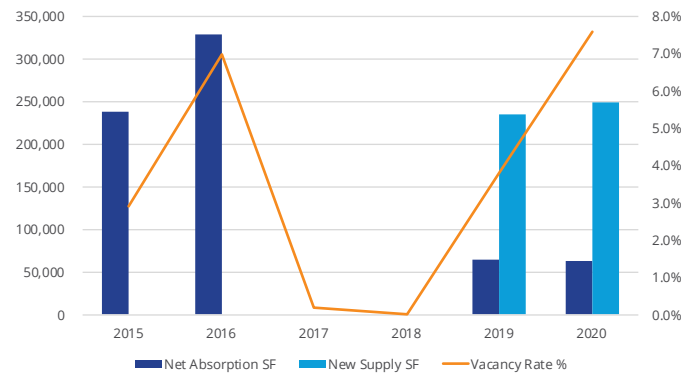
Established



Newer/Drug Development



Chicago Life Sciences Market: 2015-2020



Largest Leases Signed (12 months ending Q4 2020)

Property Name	Address	Submarket	SF Leased	Tenant
1234 W Fulton	1234 W Fulton	Fulton Market	35,000	Portal Innovations
Chicago Labs	2430 N Halsted	Lincoln Park	30,000	EvoZyne
Chicago Labs	2430 N Halsted	Lincoln Park	30,000	Exicure
West End	1375 W Fulton	Fulton Market	11,000	Xeris
Chicago Labs	2430 N Halsted	Lincoln Park	8,000	Vanqua Bio

Largest Projects Under Construction

Property Name	Address	Submarket	Size SF	Developer
Fulton Labs	400 N Aberdeen	Fulton Market	420,000	Trammell Crow
1240 S Wood	1240 S Wood	Illinois Medical District	400,000	Farpoint Development
The Labs at Lincoln Yards	G1	Lincoln Yards	320,000	Sterling Bay

Top Investment Sales By Value (12 months ending Q4 2020)

Property Name	Address	Submarket	Size SF	Buyer	Price (\$ Million)
McDonalds HQ	1045 W Randolph St	Fulton Market	575,208	Normandy Properties	\$412.5
Riverwoods	26525 N Riverwoods Blvd	North Suburban	558,859	AbbVie	\$154.0
Horizon Building (aka Takeda)	1 Takeda Pkwy	North Suburban	660,000	Horizon Pharma	\$115.0
Mondelez HQ	905 W Fulton St	Fulton Market	98,000	DekaBank	\$86.7



Houston

Texas

Biotechnology and the life science industry continue to expand in the Houston region with more than 100 institutions and companies attracting an increasing level of research and development funding annually.

The Texas Medical Center (TMC) has broken ground on TMC3, a new multi-institution research campus that will foster collaboration amid a culture of competition. The 37-acre expansion is expected to include about 1.5 million square feet of shared research space among the founding institutions which include TMC, Baylor College of Medicine, Texas A&M University Health Science Center and the University of Texas M.D. Anderson Cancer Center. The new research campus is expected to be completed in 2022 and is projected to create 30,000 jobs and have a \$5.2 billion impact on the city of Houston.

The state-funded Cancer Prevention and Research Institute of Texas (CPRIT) has invested more than

\$1.6 billion through more than 1,056 grants since 2010. CPRIT funding has attracted nearly 100 cancer researchers and their labs to Texas and prompted \$910 million in follow-on investment in CPRIT-supported companies. Leading research efforts in the area represent established and emerging industries, including nanotechnology, pharmaceuticals, nutraceuticals, genetics/genomics, biodefense and infectious diseases, stem cell research and oncology.

Rice University's Ion Innovation Hub has broken ground half-way between downtown Houston and the heart of the TMC in Houston's South Main Innovation District. Rice University's new 300,000 square foot Ion building is a non-profit innovation hub developed out of a multi-story vacant Sears Department Store. The building is designed to bridge the gap between underrepresented entrepreneurs and the resources they need to build profitable, high-growth companies. The project is scheduled for completion in 2021.

Key Statistics: Q4 2020

8.4

Market Inventory MSF

18.2

Vacancy Rate %

250,721

Net Absorption YTD SF

\$26.06

Avg. NNN Asking Rent (\$PSF/Year)

\$175.00

Fit-Out Costs (\$PSF)*

\$75.00

TI Allowance (\$PSF)*

1.77

Under Construction MSF

0.05

Proposed MSF

Funding & Talent

0.0

VC Funding 2020 (\$ Billion)

0.7

NIH Funding 2020 (\$ Billion)

1,636

Biomed Graduates 2020

Market Outlook (next 12 months)

⬇️ Vacancy

⬇️ Demand

⬆️ Rents

⬆️ New Supply

* Based on a new 10-year lease. Mid-point of range.

Top 3 Companies in the Market

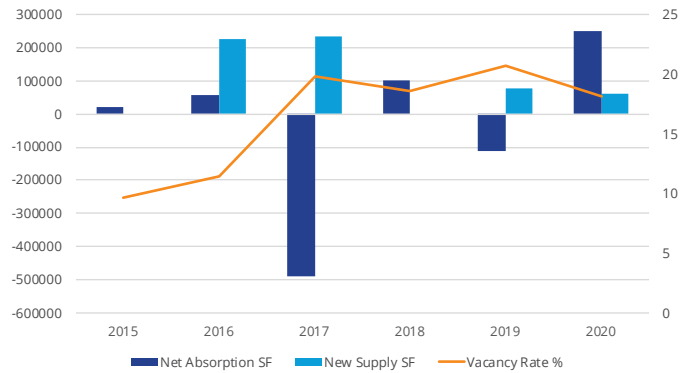
Established



Newer/Drug Development



Houston Life Sciences Market: 2015-2020



Largest Leases Signed (12 months ending Q4 2020)

Property Name	Address	Submarket	SF Leased	Tenant
4800 Fournace	4800 Fournace	Bellaire	305,202	Harris Health System
The Ion	4201 Main St	Midtown	25,000	Microsoft
Main Link Biotechnology Park	10301 Stella Link Rd	South Main/Medical Center	15,437	Companion Diagnostics Lab
East End Marker Hub	6501 Navigation Blvd	Downtown Ind	11,200	Volumetric

Largest Projects Under Construction

Property Name	Address	Submarket	Size SF	Developer
TMC3	Old Spanish Trail	South Main/Medical Center	1,500,000	Transwestern
Horizon Tower - Innovation Plaza	6929 Main	South Main/Medical Center	511,599	Medistar Corporation and Texas A&M University
The Ion	4201 Main St	Midtown	270,000	Hines

Top Investment Sales By Value (12 months ending Q4 2020)

Property Name	Address	Submarket	Size SF	Buyer	Price (\$ Million)
Memorial Hermann Orthopedic & Spine	5420 West Loop S	Bellaire	99,768	Kayne Anderson Real Estate	\$32.9
Former Kidney Institute Building	1415 La Concha Ln	South Main/Medical Center	10,365	Saroj Inc	\$4.0



Manhattan

New York

Employment in the life science sector has continued to grow in New York City, and the growth has been supported by state and local government. In addition, funding to research institutions in the city from the NIH has risen every year since 2016.

Due to COVID-19, this focus on the life science sector has been further bolstered by landlords in the city who are looking to convert underutilized office buildings to lab. For example, in October 2020, Taconic Partners released plans to convert a former auto showroom on the West Side of Manhattan into a life science hub.

While there have been companies seeking to develop COVID-19 related treatments in the market, tenant demand continues to be restricted by the limited availability of pre-built lab space. Currently, less than two million square feet is being redeveloped for labs or marketed exclusively for the life sciences in New York City, although more is in the pipeline.

Given the number of universities, technology, funding sources and the access to talent in New York City, we anticipate rising demand.

Key Statistics: Q4 2020

1.8

Market Inventory MSF

16.50

Vacancy Rate %

-177,003

Net Absorption YTD SF

\$116.95

Avg. NNN Asking Rent
(\$PSF/Year)

\$350.00

Fit-Out Costs (\$PSF)*

\$162.50

TI Allowance (\$PSF)*

0

Under Construction MSF

0.8

Proposed MSF

* Based on a new 10-year lease. Mid-point of range.

Funding & Talent*

3.0

VC Funding 2020
(\$ Billion)

2.2

NIH Funding 2020
(\$ Billion)

8,149

Biomed Graduates
2020

* New York MSA

Market Outlook (next 12 months)



Vacancy



Demand



Rents



New Supply

Top 3 Companies in the Market

Newer/Drug Development



Largest Leases Signed (12 months ending Q4 2020)

Property Name	Address	Submarket	SF Leased	Tenant
430 East 29th St	430 East 29th St	Midtown South	30,408	Opentrons
430 East 29th St	430 East 29th St	Midtown South	19,647	BlueRock Therapeutics
750 Lexington Ave	750 Lexington Ave	Midtown	17,350	Stemline Therapeutics
1 World Trade Center	1 World Trade Ctr	Downtown	10,847	Ichnos Sciences (Glenmark Pharmaceuticals)
345 Park Ave South	345 Park Ave South	Midtown South	10,252	Protara Therapeutics, Inc.



Suburban Maryland

Maryland

Demand for life science space in Maryland remains strong as companies continue to be drawn to the large, educated and skilled workforce. Industry leaders such as Astra Zeneca and GlaxoSmithKline are well entrenched in the area and benefit from the reasonable real estate and labor costs as well as strong and multi-modal transportation infrastructure.

There has been a noticeable uptick in biomanufacturing demand in the area, particularly for T Cell and other individualized therapies. As a result,

there are multiple requirements for 100,000 square feet or more in the market for biomanufacturing space.

Rockville and North Rockville are seeing the bulk of leasing, investment, and construction activity. These areas are home to four of the five largest life science leases signed in 2020, two of the three largest construction projects as well as three out of the top four investment sales were all in Rockville.

Key Statistics: Q4 2020

10.1

Market Inventory MSF

7.6

Vacancy Rate %

78,740

Net Absorption YTD SF

\$31.17

Avg. NNN Asking Rent (\$PSF/Year)

\$125.00

Fit-Out Costs (\$PSF)*

\$75.00

TI Allowance (\$PSF)*

0.6

Under Construction MSF

1.8

Proposed MSF

Funding & Talent

2.0

VC Funding 2020 (\$ Billion)

1.4

NIH Funding 2020 (\$ Billion)

2,935

Biomed Graduates 2020

Market Outlook (next 12 months)



Vacancy



Demand



Rents



New Supply

* Based on a new 10-year lease. Mid-point of range.

Top 3 Companies in the Market

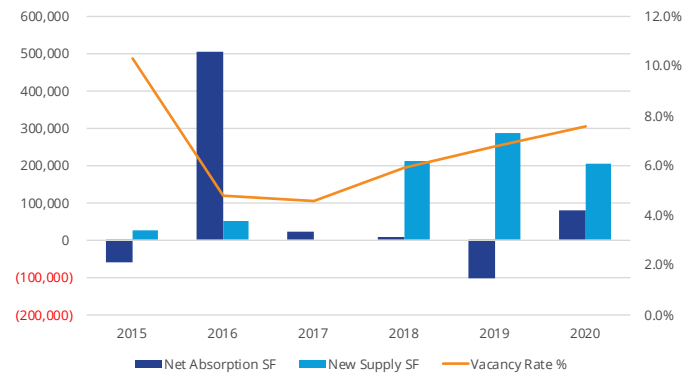
Established



Newer/Drug Development



Maryland Life Sciences Market: 2015-2020



Largest Leases Signed (12 months ending Q4 2020)

Address	Submarket	SF Leased	Tenant
700 Quince Orchard Rd	Gaithersburg	170,000	Novavax
77 Upper Rock Cir	Rockville	30,531	Aurinia Pharma
12725 Twinbrook Pkwy	Rockville	29,890	US Pharmacopeia
2440 Research Blvd	Rockville	25,540	Otsuka America Pharma
9717 Key West Ave	Rockville	21,362	OpGen, Inc

Largest Projects Under Construction

Property Name	Address	Submarket	Size SF	Developer
Urbana Corporate Center		I-270 North	279,000	Kite Pharma
Building F	9800 Medical Center Dr	Rockville	174,640	Alexandria Real Estate Equities
Building E	9800 Medical Center Dr	Rockville	80,000	Alexandria Real Estate Equities
Kaiser Permanente Laboratory Expansion	6111 Executive Blvd	North Bethesda	27,280	Kaiser Permanente

Top Investment Sales By Value (12 months ending Q4 2020)

Property Name	Address	Submarket	Size SF	Buyer	Price (\$ Million)
Bio at 700 QO	700 Quince Orchard	Gaithersburg	121,672	Alexandria Real Estate Equities	\$43.0
	9605 Medical Center Dr	Rockville	115,691	Alexandria Real Estate Equities	\$28.9
	9715 Key West Ave	North Rockville	82,258	Beckham Gumbin Ventures	\$26.6
	9717 Key West Ave	North Rockville	75,397	Beckham Gumbin Ventures	\$24.4



New Jersey

As the life sciences industry continues to expand, New Jersey is positioning itself to be a strong viable option for the sector. With a history spanning over a century, New Jersey has been in the forefront of life science related research, backed by its talented workforce and strategic location in the heart of the Northeast corridor between Boston and Washington, D.C.

Demand was strong over the last 18 months, as several large transactions were completed. Most notably, Eisai leased 306,471 square feet at 200 Metro Boulevard in Nutley. Also, PTC Therapeutics signed a new 185,000 square foot lease at the former Bristol-Myers Squibb space in Hopewell, while Celularity leased 147,215 square feet at 170 Park Avenue in Florham Park, moving their headquarters from

Warren thereby consolidating their corporate offices, manufacturing, and R&D into one building.

Despite the lack of available laboratory space in the market, construction has been somewhat limited. Major developments are taking place at Prism’s ON3 campus on the border of Nutley and Clifton. ON3 is located on the campus formerly occupied by Roche and is currently home to Hackensack Meridian Medical School, Eisai, and Modern Meadow. In addition, Quest Diagnostics is developing a flagship 250,000 square foot laboratory on a 12-acre parcel it purchased at the site. Prism is also finalizing plans to construct a new speculative four-story 150,000 square foot lab building at the site, which will be the first speculative lab construction in recent history.

Key Statistics: Q4 2020

17.9

Market Inventory MSF

16.50

Vacancy Rate %

280,264

Net Absorption YTD SF

\$25.85

Avg. NNN Asking Rent (\$PSF/Year)

\$175.00

Fit-Out Costs (\$PSF)*

\$70.00

TI Allowance (\$PSF)*

0.3

Under Construction MSF

1.8

Proposed MSF

* Based on a new 10-year lease. Mid-point of range.

Funding & Talent*

3.0

VC Funding 2020 (\$ Billion)

2.2

NIH Funding 2020 (\$ Billion)

8,149

Biomed Graduates 2020

* New York MSA

Market Outlook (next 12 months)

↓ Vacancy

↑ Demand

— Rents

↑ New Supply

Top 3 Companies in the Market

Established



Newer/Drug Development



Largest Leases Signed (12 months ending Q4 2020)

Property Name	Address	Submarket	SF Leased	Tenant
ON3	200 Metro Blvd	Route 46/23/3	306,471	Eisai
	9 Roszel Rd	Princeton	118,110	Bristol-Myers Squibb
	47 Brunswick Ave	Metropark	113,161	Actavis
Center of Excellence	1041 Route 202/206, Bldg. JR-1	East I-78	101,500	PTC Therapeutics
Cedar Brook Corporate Center	7 Clarke Dr	Princeton	65,758	WuXi Biologics

Largest Projects Under Construction

Property Name	Address	Submarket	Size SF	Developer
ON3	1153 Bloomfield Ave	Route 46/23/3	250,000	Quest Diagnostics

Top Investment Sales By Value (12 months ending Q4 2020)

Property Name	Address	Submarket	Size SF	Buyer	Price (\$ Million)
Center of Excellence	1041 Route 202/206	East I-78	784,000	Thor Equities	\$152.0
	95 Greene St	Hudson Waterfront	337,888	Thor Equities	\$94.5
Princeton West Innovation Campus	311 Pennington Rocky Hill Rd	Princeton	1,215,122	Linque Management Company	\$40.0
	111 Ideation Wy	Nutley	163,998	Harrison Street Capital	\$36.8
	2101 Cottontail Ln	South I-287	85,371	Legend Biotech	\$11.2



Orange County

California

With an inventory totaling 9.7 million square feet, the Orange County life science market posted healthy performance in 2020. Net absorption totaled 146,134 square feet, while the vacancy rate fell by 150 basis points to 5.0%. This is the second lowest vacancy rate among the 12 markets tracked in this report. Orange County also has the lowest average net asking rates in our survey at \$19.20 per square foot.

The five largest leases signed in 2020 all took place in the South Orange County submarket, four of which

were for more than 100,000 square feet. These were led by Bio-Rad's 186,000 square foot lease at 9500 Jeronimo Road and the 185,000 square feet taken by Alcon at the Serrano Center.

Market expansion looks set to remain limited over the short-term with only 239,000 square feet of dedicated life science space currently under construction, but supply may be eased by the provision of lab space in new and existing office properties.

Key Statistics: Q4 2020

9.7

Market Inventory MSF

5.00

Vacancy Rate %

146,134

Net Absorption YTD SF

\$19.20

Avg. NNN Asking Rent (\$PSF/Year)

\$150.00

Fit-Out Costs (\$PSF)*

\$40.00

TI Allowance (\$PSF)*

0.2

Under Construction MSF

0

Proposed MSF

* Based on a new 10-year lease. Mid-point of range.

Funding & Talent*

1.2

VC Funding 2020 (\$ Billion)

1.2

NIH Funding 2020 (\$ Billion)

6,058

Biomed Graduates 2020

* Greater Los Angeles

Market Outlook (next 12 months)



Vacancy



Demand



Rents



New Supply

Top 3 Companies in the Market

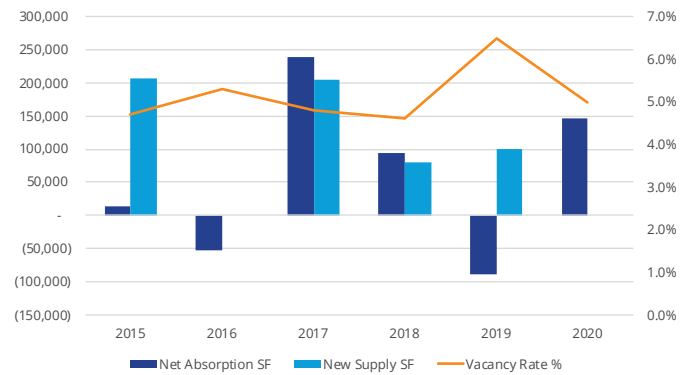
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Newer/Drug Development



Orange County Life Sciences Market: 2015-2020



Largest Leases Signed (12 months ending Q4 2020)

Property Name	Address	Submarket	SF Leased	Tenant
Alton / Jeronimo	9500 Jeronimo Rd	South OC	186,000	Bio-Rad
Serrano Center	20411 Lake Forest Dr	South OC	185,000	Alcon
Element	26600 Aliso Viejo Pkwy	South OC	159,570	Glaukos
Oak Canyon II	6001 Oak Canyon	South OC	130,000	Inari
Summit IV	25 Enterprise	South OC	56,000	Metagenics

Largest Projects Under Construction

Property Name	Address	Submarket	Size SF	Developer
Innovation Park	100 to 300 Progress	South OC	350,000	Irvine Company
The Source	15550 Sand Canyon	South OC	69,650	Irvine Ranch Water District

Top Investment Sales By Value (12 months ending Q4 2020)

Property Name	Address	Submarket	Size SF	Buyer	Price (\$ Million)
FivePointe Gateway	15101 & 15191 Alton Pkwy	South OC	660,900	PRP Real Estate	\$355.0
FivePointe Gateway	15161 Alton Pkwy	South OC	189,000	City of Hope	\$89.3
	3800 W. Chapman Ave	Central OC	169,300	UC Irvine	\$45.1
	51 Columbia	South OC	34,300	Kingsbarn	\$16.9
	83 Maxwell	South OC	55,300	Ledrea Brands	\$16.6

Philadelphia

Pennsylvania

With a vacancy rate of 3.5%, developers have mobilized to provide new supply for the surging demand for new lab and manufacturing space. The Pennovation Works will be joined by the University Place 3.0, Wexford's OneuCity Square project and Brandywine's Schuylkill Yards projects in Philadelphia's University City. Suburban projects such as Discovery Labs and Spring House Innovation Park are also gaining traction. A 680,000 square foot Center for Breakthrough Medicines is planned on the Discovery Labs campus, which would provide manufacturing space for gene and cell therapy companies.

With a lack of available inventory, the area is experiencing a sharp uptick in space within traditional

office buildings being marketed as "lab capable." As the future of traditional office space remains somewhat cloudy, landlords are seeking to re-purpose their buildings to cater to the bioscience industry. Landlords have begun evaluating the viability and cost implications of upgrading their ventilation and power systems.

The weakness in the supply chain for raw materials and finished drugs that was exposed by the pandemic crisis is likely to drive manufacturing operations closer to the R&D centers. As a result, Philadelphia will be well-positioned to capture some of this demand.

Key Statistics: Q4 2020

19.0

Market Inventory MSF

3.5

Vacancy Rate %

69,962

Net Absorption YTD SF

\$41.00

Avg. NNN Asking Rent
(\$PSF/Year)

\$200.00

Fit-Out Costs (\$PSF)*

\$75.00

TI Allowance (\$PSF)*

0.6

Under Construction MSF

4.9

Proposed MSF

Funding & Talent

9.0

VC Funding 2020
(\$ Billion)

3,399

NIH Funding 2020
(\$ Billion)

2.2

Biomed Graduates
2020

Market Outlook (next 12 months)



Vacancy



Demand



Rents



New Supply

* Based on a new 10-year lease. Mid-point of range.

Top 3 Companies in the Market

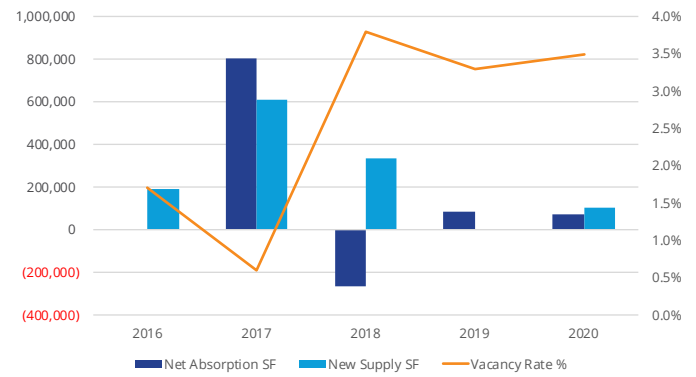
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Newer/Drug Development



Philadelphia Life Sciences Market: 2016-2020



Largest Leases Signed (12 months ending Q4 2020)

Property Name	Address	Submarket	SF Leased	Tenant
Schuylkill Yards	3000 Market St	Philadelphia	58,587	Spark Therapeutics
Discovery Labs	411 Swedeland Rd	Route 202 Corridor	33,000	Wu-Xi Biologics
One uCity Square	3400 Market St	Philadelphia	32,500	Integral Molecular
One uCity Square	3400 Market St	Philadelphia	32,500	Exponent, Inc.
One uCity Square	3400 Market St	Philadelphia	32,500	Century Therapeutics

Largest Projects Under Construction

Property Name	Address	Submarket	Size SF	Developer
Iovance Navy Yard	300 Rouse Blvd	Philadelphia	135,814	Gattuso Development Partners
1 uCity Square	3400 Market St	Philadelphia	195,000	Wexford Science+Technology
Springhouse Innovation Park	727 Norristown Rd	I-276 Corridor	72,000	MRA Group
Pennovation Labs	3401 Grays Ferry Ave	Philadelphia	65,000	University of Pennsylvania
Schuylkill Yards	3000 Market St	Philadelphia	58,587	Brandywine Realty Trust

Raleigh-Durham

North Carolina

North Carolina continues to be a sought-after location for life science and biotechnology firms, with more than 74,000 employees across 600 companies. The Triangle area, encompassing Raleigh, Durham and Chapel Hill, contains nearly 75% of North Carolina's biotechnology companies, the majority of which are in Research Triangle Park.

The vibrant life science cluster in the region can largely be attributed to its proximity to top-tier research universities, which produce a significant amount of both Ph.D. talent and research grant funding. Additionally, the top medical facilities in the region,

the robust economic fundamentals, and the friendly business environment of North Carolina all contribute to an attractive life science market.

Market fundamentals in the Triangle remain strong despite the pandemic, as local firms rally along with the rest of the country to focus on vaccines, testing and treatment methods. Raleigh continues to generate international interest among top biotechnology firms. In recent months companies such as Adverum, GRAIL, KBI Biopharma and Taysha Gene Therapies have all made major commitments to locate or expand their presence in Raleigh-Durham.

Key Statistics: Q4 2020

9.40

Market Inventory MSF

16.1

Vacancy Rate %

117,368

Net Absorption YTD SF

\$24.23

Avg. NNN Asking Rent
(\$PSF/Year)

\$200.00

Fit-Out Costs (\$PSF)*

\$125.00

TI Allowance (\$PSF)*

0.83

Under Construction MSF

0.34

Proposed MSF

Funding & Talent

0.3

VC Funding 2020
(\$ Billion)

1.0

NIH Funding 2020
(\$ Billion)

2,167

Biomed Graduates
2020

Market Outlook (next 12 months)



Vacancy



Demand



Rents



New Supply

* Based on a new 10-year lease. Mid-point of range.

Top 3 Companies in the Market

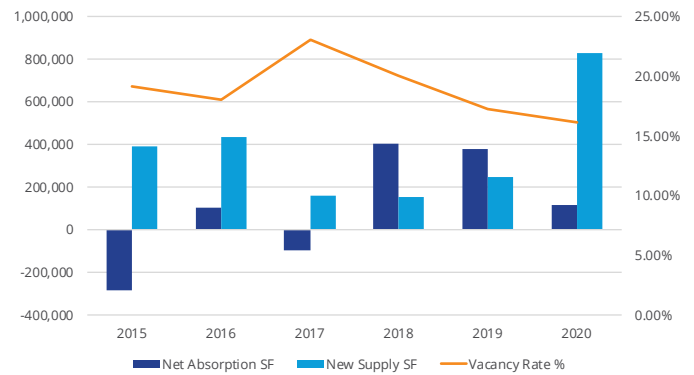
Established



Newer/Drug Development



Raleigh-Durham Life Sciences Market: 2015-2020



Largest Leases Signed (12 months ending Q4 2020)

Property Name	Address	Submarket	SF Leased	Tenant
Parmer Ellis	2400 Ellis Rd	Research Triangle Park	322,384	IQVIA
	2 Triangle Dr	Research Triangle Park	30,335	bioMason
	1 TW Alexander Dr	Research Triangle	27,807	Transenterix, Inc
	860 Aviation Pkwy	Cary	14,514	Unit Dose Solutions
	507 Airport Blvd	RTP/RDU	8,940	Cellex, Inc

Largest Projects Under Construction

Property Name	Address	Submarket	Size SF	Developer
	8 Davis Dr	Research Triangle	220,000	Alexandria Real Estate Equities
The Roxboro at Venable Center	464 Pettigrew St	Downtown Durham	203,249	Trinity Capital Advisors, Wheelock Street Capital, SLI Capital
	9 Laboratory Dr	Research Triangle	159,999	Alexandria Real Estate Equities
Merritt TW Crossing Building 2	3252 S Miami Blvd	Research Triangle	91,170	Merritt Properties
Peak City Building 7	2300 Energy Dr	Southwest Wake County	60,000	GreenHawk Corporation

Top Investment Sales By Value (12 months ending Q4 2020)

Property Name	Address	Submarket	Size SF	Buyer	Price (\$ Million)
Parmer RTP Portfolio	2400 Ellis Dr	Research Triangle	2,364,365	Alexandria Real Estate Equities, Inc.	\$615.0
Centennial Campus	1010 Main Campus Dr	West Raleigh	175,434	Ventas, Inc.	\$80.0
Perimeter's Edge	507 Airport Blvd	RTP/RDU	397,876	Longfellow Real Estate Partners	\$64.7
Imperial Center	5927 S Miami Blvd	Research Triangle	224,729	Alidade Capital	\$40.9



San Diego

California

Growing demand in the San Diego life science sector is driving up demand for more buildings that will accommodate laboratory and R&D space. This has drawn interest in conversions of traditional office space, as well as a focus on seeking alternate submarkets for new development. Companies such as Alexandria Real Estate Equities have purchased office buildings in Torrey Pines and the neighboring submarkets of Sorrento Mesa and Sorrento Valley for conversion to life science space to meet demand.

Additionally, an opportunity for as much as 1.3 million square feet of new life science space to be constructed in Downtown San Diego has become available through an acquisition by IQHQ REIT of the former Manchester Pacific Gateway mixed-use project. The project – The San Diego Research and Development District (RaDD) – has the potential to create a brand-new life-science cluster outside of San Diego’s Golden Triangle and the North City.

In University Towne Center (UTC), Alexandria is partnering with Regency Centers to renovate the Costa Verde Shopping Center into a mixed-use complex with 400,000 square feet of tech/R&D space. Construction on this new Costa Verde Life Science Campus is expected to break ground by later this year.

The San Diego Market life science market has continued to grow over the past five years. Sorrento Mesa continues to expand and has become the second home for biotech companies coming out of Torrey Pines. In Sorrento Mesa and Sorrento Valley, industrial space is declining as life science developers have purchased and renovated the buildings in pursuit of higher rents. The Carlsbad market is beginning to feel the pressure as small to large life science companies search for cheaper rents in a different market. The distance to top level talent out of UC San Diego is proving to be a hurdle that still needs to be remedied.

Alexandria Real Estate continues to dominate the market with about 6.2 million square feet of owned product in the market. HCP has rebranded to Healthpeak Properties while continuing to expand their footprint. Overall, the San Diego life science market continues to expand, with new cGMP manufacturing companies, biotech startups and pharmaceutical companies entering the market. San Diego is proving to be a lower cost alternative to San Francisco and Cambridge while still providing top talent and high-class real estate.

Key Statistics: Q4 2020

17.4

Market Inventory MSF

7.00

Vacancy Rate %

405,373

Net Absorption YTD SF

\$41.40

Avg. NNN Asking Rent (\$PSF/Year)

\$175.00

Fit-Out Costs (\$PSF)*

\$100.00

TI Allowance (\$PSF)*

0.3

Under Construction MSF

1.1

Proposed MSF

* Based on a new 10-year lease. Mid-point of range.

Funding & Talent

4.5

VC Funding 2020 (\$ Billion)

0.1

NIH Funding 2020 (\$ Billion)

3,211

Biomed Graduates 2020

Market Outlook (next 12 months)



Vacancy



Demand



Rents



New Supply

Top 3 Companies in the Market

Established

illumina®

Lilly

Pfizer

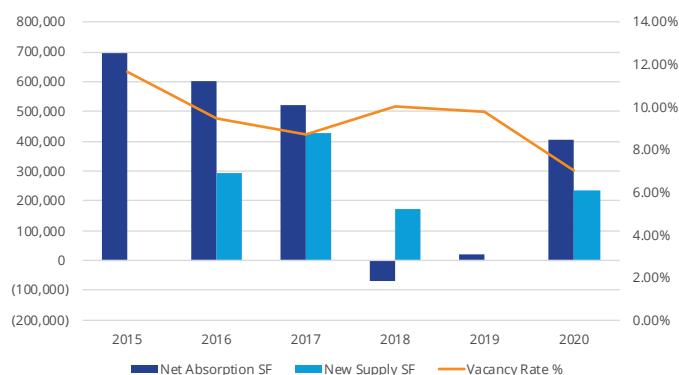
Newer/Drug Development

AnaptysBio

BOUNDLESS BIO

ARENA PHARMACEUTICALS

San Diego Life Sciences Market: 2015-2020



Largest Leases Signed (12 months ending Q4 2020)

Property Name	Address	Submarket	SF Leased	Tenant
Scripps NorthBridge Corporate Center	12278 Scripps Summit Dr	Scripps Ranch	200,000	Fate Therapeutics
ARE Towne Center	9625 Towne Ctr	UTC	163,649	Takeda Pharmaceuticals
	1950 Camino Vida Roble	Carlsbad	121,541	Alphatec Spine
	10410 Science Center Dr	Torrey Pines	93,819	Parcia Pharmaceuticals
Spectrum V	3545 Cray Ct	Torrey Pines	64,108	Mirati Therapeutics

Largest Projects Under Construction

Property Name	Address	Submarket	Size SF	Developer
ARE Campus Pointe		Campus Pointe	2,000,000	Alexandria Real Estate
Aperture Del Mar	Carmel Valley Rd	Carmel Valley	650,000	Gemdale Partners
The Boardwalk	10265, 10275, 10285 Science Center Dr	Torrey Pines	202,418	Healthpeak Properties



San Francisco Bay Area

California

The Bay Area life science sector is continuing to see strong demand compared to traditional office space, especially in the core San Francisco Peninsula market. Many landlords who have the infrastructure to convert their office buildings to lab are in the process of doing so to meet demand and generate higher rents. In addition, Silicon Valley is starting to see more activity within its vast R&D market as commercial property demand shifts to more life science-oriented product.

While COVID-19's impact on the office sector remains cloudy, investors are looking to the life sciences sector.

Investor demand remains high for quality product. However, a limited supply of assets being brought to market continues to apply downward pressure on cap rates.

Development activity remains strong, particularly in the South San Francisco submarket where four of the top five projects under construction are located. Tenants and investors continue to make major commitments to the area as well, with three acquisitions of more than \$500 million closed in 2020 for a combined total of \$2.3 billion.

Key Statistics: Q4 2020

36.6

Market Inventory MSF

15.1

Vacancy Rate %

-630,750

Net Absorption YTD SF

\$59.04

Avg. NNN Asking Rent (\$PSF/Year)

\$350.00

Fit-Out Costs (\$PSF)*

\$160.00

TI Allowance (\$PSF)*

2.1

Under Construction MSF

1.1

Proposed MSF

Funding & Talent

12.5

VC Funding 2020 (\$ Billion)

0.8

NIH Funding 2020 (\$ Billion)

2,509

Biomed Graduates 2020

Market Outlook (next 12 months)



Vacancy



Demand



Rents



New Supply

* Based on a new 10-year lease. Mid-point of range.

Top 3 Companies in the Market

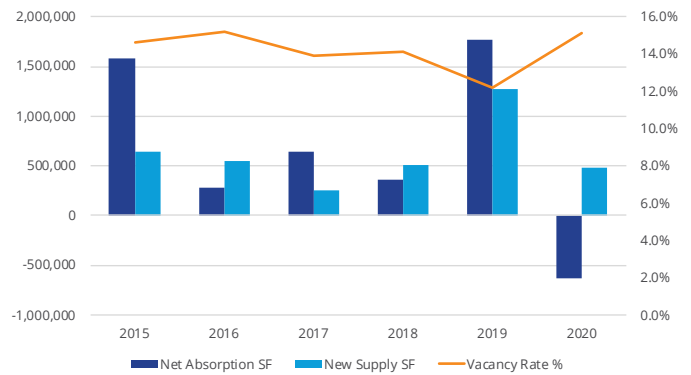
Established



Newer/Drug Development



SF Bay Area Life Sciences Market: 2015-2020



Largest Leases Signed (12 months ending Q4 2020)

Property Name	Address	Submarket	SF Leased	Tenant
Emeryville Center For Innovation	5300 Chiron Wy	Emeryville	293,358	Zymergen
	3000 Hanover St	Palo Alto	249,549	Guardant Health
Harbor Bay Business Park	1951 Harbor Bay Pkwy	Alameda	220,710	Exelixis
	1050 Page Mill Rd, Bldgs 3 & 4	Palo Alto	155,434	Kodiak Sciences
Pleasanton Corporate Commons	6210 Stoneridge Mall Rd	Pleasanton	145,155	10X Genomics Inc

Largest Projects Under Construction

Property Name	Address	Submarket	Size SF	Developer
Kilroy Oyster Point Phase I+II	375-379 Oyster Point	South San Francisco	1,256,000	Kilroy Realty
Gateway of the Pacific	700-1000 Gateway Blvd	South San Francisco	1,205,880	BioMed Realty
825-835 Industrial Rd	825 -835 Industrial Rd	San Carlos	560,000	Alexandria Real Estate Equities
The Cove at Oyster Point	131-181 Oyster Point Blvd	South San Francisco	346,914	HCP Life Science Estates
201 Haskins Wy	201 Haskins Wy	South San Francisco	315,000	Alexandria Real Estate Equities

Top Investment Sales By Value (12 months ending Q4 2020)

Property Name	Address	Submarket	Size SF	Buyer	Price (\$ Million)
Genesis Towers	1-2 Tower Pl	South San Francisco	721,000	Ventas	\$1,015.0
Gateway Commons	601-651 Gateway Blvd	South San Francisco	834,000	Alexandria Real Estate Equities	\$700.0
Gateway Commons	681-701 Gateway Blvd	South San Francisco	297,385	Alexandria Real Estate Equities	\$561.5
Harbor Bay Business Park	1601-1901 Harbor Bay Pkwy	Alameda	383,757	Stockbridge Capital Partners	\$127.5
	3181 Porter Dr	Palo Alto	99,415	Alexandria Real Estate Equities	\$115.2



Seattle

Washington

The emergence of Seattle’s bioscience sector continues. Market inventory has been growing steadily over the past five years and now stands at 7.5 million square feet.

Recent development and leasing activity have centered around the Lake Union submarket. This includes the two largest life science projects currently under construction. BioMed Realty is developing 800,000 square feet at Dexter Yard, 700 Dexter Avenue North, while Alexandria Real Estate Equities has a 125,000

square foot project underway at 1165 Eastlake Avenue E. Both developments are scheduled to complete this year.

Pending the delivery of these projects, life science space is in limited supply with a vacancy rate that continues to hover around the low sixes. Puget Sound is considered to remain a relatively stable market for life science with a supply of high caliber talent (from the University of Washington), and a critical mass of lab tenants in both Lake Union and Bothell.

Key Statistics: Q4 2020

7.5

Market Inventory MSF

6.1

Vacancy Rate %

-95,318

Net Absorption YTD SF

\$47.50

Avg. NNN Asking Rent (\$PSF/Year)

\$250.00

Fit-Out Costs (\$PSF)*

\$100.00

TI Allowance (\$PSF)*

0.9

Under Construction MSF

0.7

Proposed MSF

Funding & Talent

2.1

VC Funding 2020 (\$ Billion)

1.5

NIH Funding 2020 (\$ Billion)

1,750

Biomed Graduates 2020

Market Outlook (next 12 months)



Vacancy



Demand



Rents



New Supply

* Based on a new 10-year lease. Mid-point of range.

Top 3 Companies in the Market

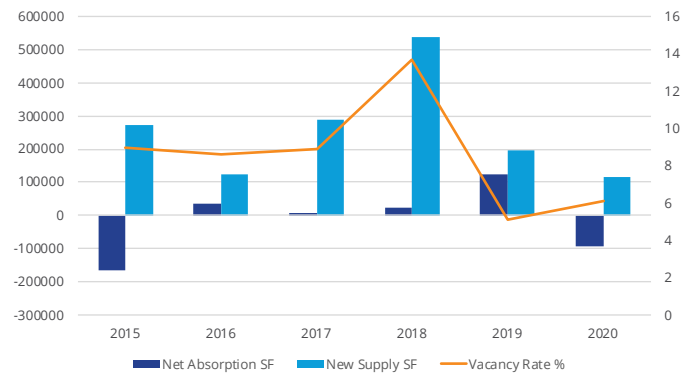
Established



Newer/Drug Development



Seattle Life Sciences Market: 2015-2020



Largest Leases Signed (12 months ending Q4 2020)

Property Name	Address	Submarket	SF Leased	Tenant
The Atrium	188 E Blaine St	Lake Union	33,370	
Northcreek Parkway Center - Bldg 5	18706 North Creek Pkwy	Bothell	19,326	Athira Pharma
645 Elliott West - North Building	645 Elliott Ave W	Queen Anne/Magnolia	16,249	Nexelis
820 Yale Ave N	820 Yale Ave N	Lake Union	15,054	Seattle Cancer Care Alliance
The Labs @ 201 Elliott	201 Elliott Ave W	Queen Anne/Magnolia	13,904	

Largest Projects Under Construction

Property Name	Address	Submarket	Size SF	Developer
Dexter Yard	700 Dexter Ave N	Lake Union	800,000	BioMed Realty
1165 Eastlake	1165 Eastlake Ave E	Lake Union	125,000	Alexandria Real Estate Equities

Top Investment Sales By Value (12 months ending Q4 2020)

Property Name	Address	Submarket	Size SF	Buyer	Price (\$ Million)
1201-1208 Eastlake Ave E	1201 Eastlake Ave E	Lake Union	240,000	Clarion Partners	349.4
First & Eagle	3005 1st Ave	Belltown/Denny Regrade	104,200	CalSTRS, Beacon Capital Partners	50.7
AT&T Bothell Call Center	3755 Monte Villa Pkwy	Bothell	102,246	Alexandria Real Estate Equities	32.2
3555 Monte Villa Pkwy	3555 Monte Villa Pkwy	Bothell	78,000	Alexandria Real Estate Equities	24.6
830 4th Ave S	830 4th Ave S	SoDo	43,037	Alexandria Real Estate Equities	19.8

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