CUSHMAN & WAKEFIELD

Identifying Opportunities in GREATER LOS ANGELES' LIFE SCIENCES MARKET

The Greater Los Angeles's (GLA) emerging **life sciences** market has **experienced exponential growth** in the last five years.

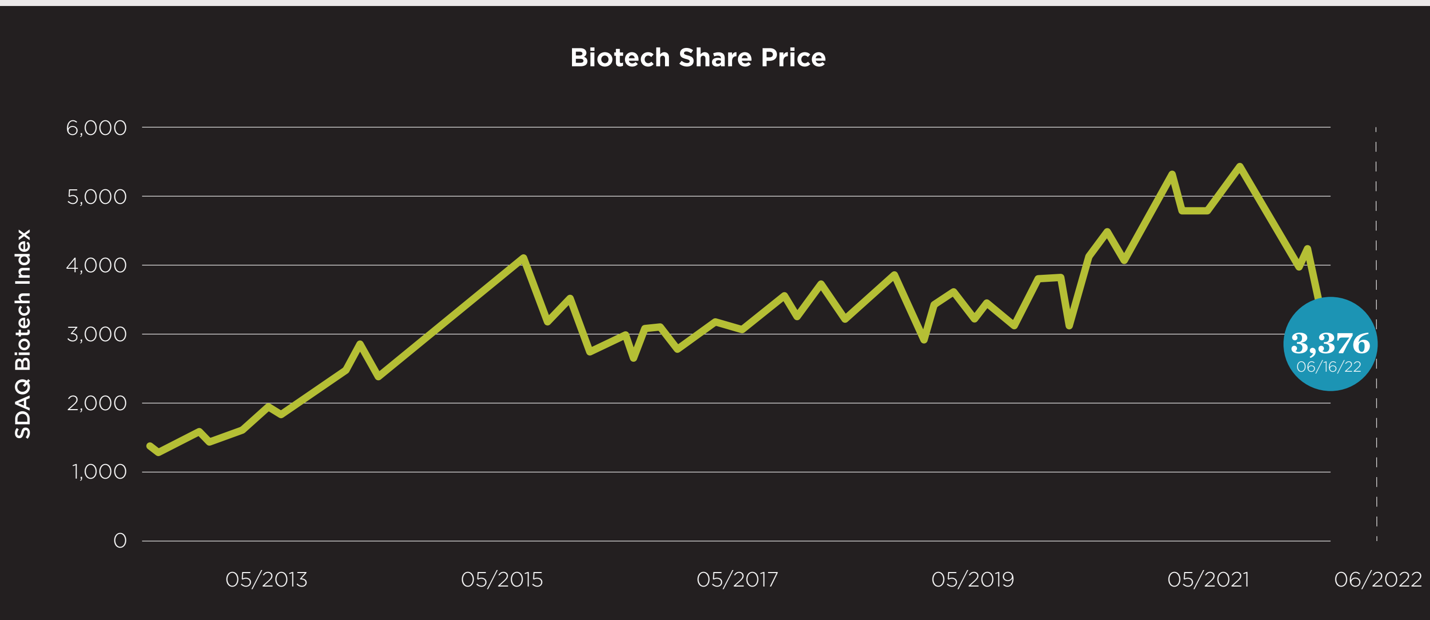
Demand for space from life sciences occupiers in the GLA market has resulted in **decreasing vacancy rates,** falling over 100 basis points to the current 1.8%. Of the **270,000 square feet (sf) of construction/ renovation** due to be completed this year, **62% is already pre-leased**.

Projects under construction have accelerated to accommodate the increasing demand. The current construction/ renovation pipeline includes **350,000 sf** of projects, with an additional **1.2 million square feet proposed**.

Inventory has grown by 11% and the asking rents **increased by 94%**.

Recent volatility in the equity markets has **resulted in falling market capitalization** for many companies.

- This has created a **cash crunch** for some biotech companies whose market cap has fallen below their cash on hand.
- These companies will need to be **judicious with their expenses** going forward, thereby creating opportunities for other biotech occupiers who may have been sitting on the sidelines.
- **Additional opportunities may develop** in the labor market. Job postings for life sciences occupations in the GLA area have grown 51% on a year-over-year basis. The war for talent continues to make filling these positions very challenging. The potential for increased M&A activity may alleviate some of these labor difficulties.



Source: Moody's Analytics, Cushman & Wakefield Research

Key **Takeaways**

- The GLA's proximity to **world-class learning and research institutions** is one of its greatest advantages. Year-to-date, the GLA area has received nearly **$500 million** in venture capital funding and NIH grants totaling nearly **$770 million**. Funding should continue to flow to life sciences, providing additional capital to the sector.
- In the GLA market there are more than **25 research institutes, universities and colleges** that conduct research and train future generations of entrepreneurs and scientists. Coupled with **strong market fundaments**, the GLA should continue to attract companies and capital to its emerging life sciences sector.

For more insights on life sciences, visit Cushman & Wakefield's national report: **VIEW REPORT**