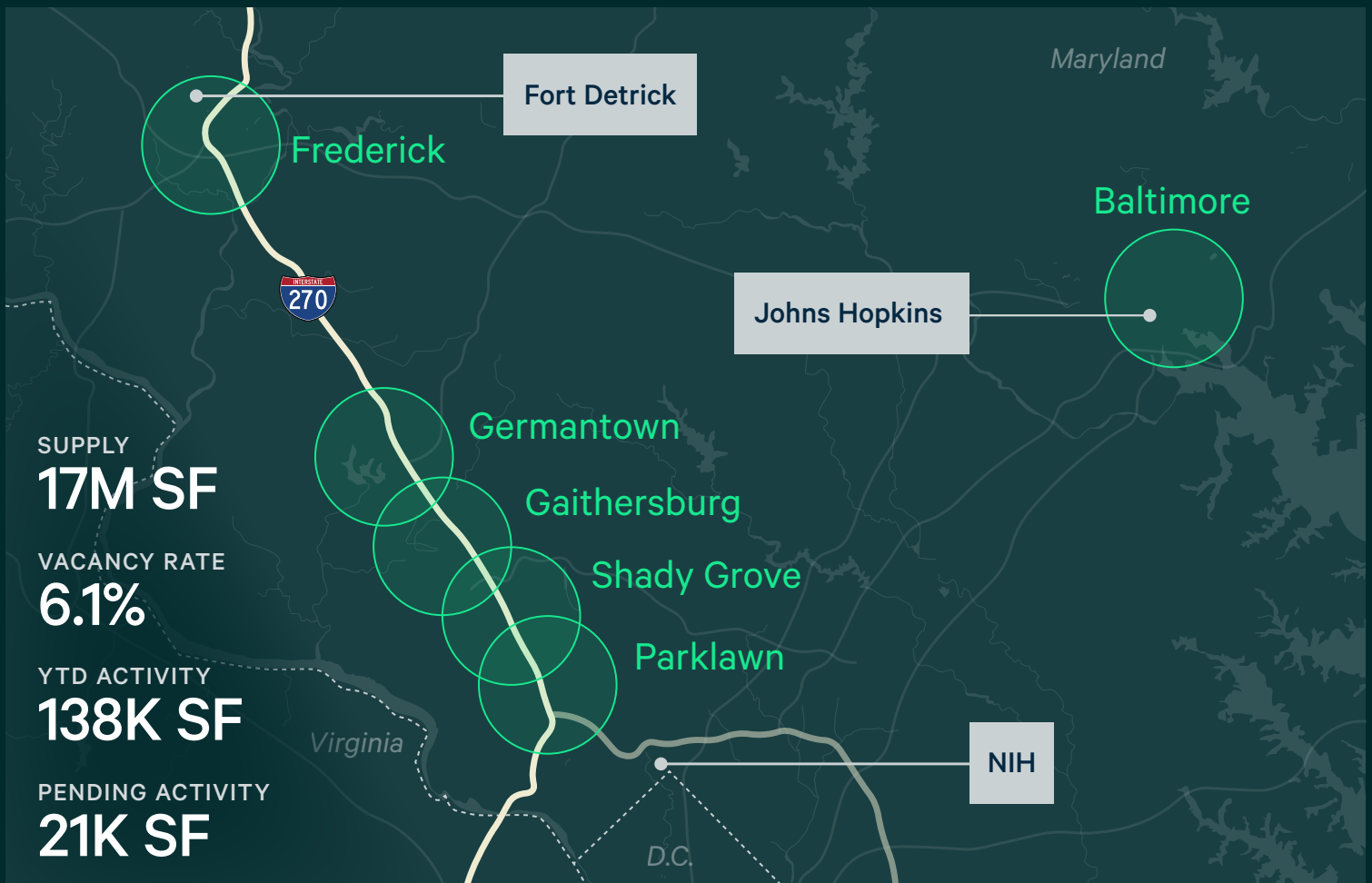


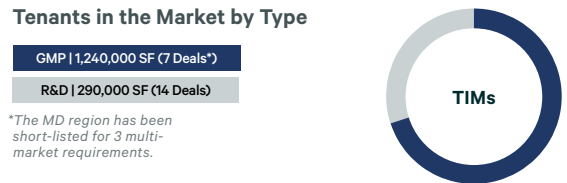
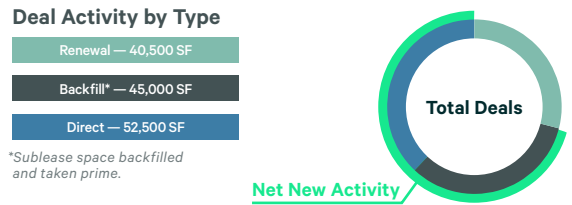
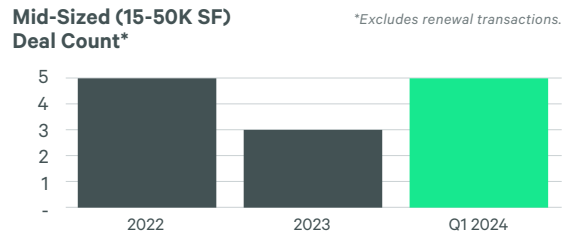
Maryland Life Sciences Q1 2024 Report



Demand

Number of Deals	Total Activity	Net New Activity	Net Absorption	Pending Activity
6	138K SF	98K SF	53K SF	21K SF

- The most notable change in demand was the reemergence of mid-sized companies—a dormant segment of the user community in 2023. There were five new deals within the 15K-50K SF size range in Q1, which surpasses the entire mid-sized deal volume of 2023 and matches that of 2022.
- Total activity was relatively strong, however net absorption was tempered as users seized on the opportunity to backfill newly available sublease vacancy.
- Quality subleases with adaptable buildouts continue to garner attention with 21K SF of additional pending activity.
- Cartesian Therapeutic’s backfill of the former Forcyte Bio space at 7495 New Horizon represented the only GMP deal of the quarter. However, active tenant requirements indicate that the accelerated biomanufacturing demand experienced in 2023 is likely to continue.



Notable Q1 Activity

9640 Medical Center Dr 34,000 SF renewal Shady Grove	7495 New Horizon 26,000 SF direct Frederick	25 W Watkins 25,000 SF backfill of Arcellx Gaithersburg	7495 New Horizon 20,000 SF backfill of Forcyte Frederick	8435 Progress Dr 18,000 SF expansion/renewal Frederick

Supply

Existing Size
17M SF

Vacancy
6.1%

Under Construction
1.1M SF

Availability
10.5%

- The vacancy rate increased by 100 bps largely driven by the delivery of 228K SF across two spec-lab conversions along the I-270 Corridor—One Preserve and the first phase of Research Square.
- This was partially offset by a non-life sciences lease at 202521 Seneca Meadows Parkway in Germantown, which resulted in the removal of approximately 57K SF of inventory.
- The availability rate increased modestly by 20 bps with the introduction of additional sublease supply including Exact Sciences in Baltimore and Adaptive Phage in Gaithersburg.
- The under construction/conversion pipeline sits at 1.1M SF, which includes the new addition of 60K SF from Thor at their West Gude Labs project who has had success with their converted space to date.

	Vacancy	Availability*
R&D	5.7%	10.7%
Manufacturing	7.7%	10.3%
Total	6.1%	10.5%

*Availability rate includes all existing, under development and sublease inventory.

Q1 Deliveries: Lab Conversions



*Building 2 (1550 Research Blvd) will deliver 44K SF of lab-ready shell in Q2.

Capital Markets

- There were **no** institutional capital markets transactions in Q1.
 - CBRE anticipates 2024 activity will be largely driven by user-owned dispositions of excess space.
-

Funding Spotlight



Clasp Therapeutics

1450 Research Boulevard, Rockville MD

Funding Amount: \$150M

Lead Investors: Catalio Capital Management, Third Rock Ventures, Novo Holdings

- In Q1, private mega-financings (\$100M+) across the industry were raised at a pace that rivals the market's peak in 2021. Rockville-based Clasp Therapeutics was the latest beneficiary of such activity, with a \$150M raise from a consortium of nine investors including many of the top VCs in biotech.
- Clasp, which is focused on immune-oncology using next-generation T-cell enhancers, originated from scientific research at Johns Hopkins University.

By the Numbers

Maryland Life Science Market

	Existing Supply	Vacancy Rate	Under Development	Availability Rate
I-270 Corridor	3,335,128	7.0%	802,028	11.1%
Baltimore	3,401,358	3.0%	318,000	8.9%
MD-Other	214,115	0.0%	-	0.0%
TOTAL	16,950,601	6.1%	1,120,028	10.5%

R&D Lab Market

	I-270 Corridor			
	Existing Supply	Vacancy Rate	Under Development	Availability Rate
Shady Grove	4,019,386	3.8%	628,023	13.0%
Gaithersburg	2,989,513	4.6%	39,505	6.7%
Parklawn	1,360,679	14.6%	-	14.6%
Frederick	1,214,274	5.8%	34,500	5.6%
Germantown	839,475	11.3%	-	12.1%
I-270 TOTAL	10,423,327	6.3%	702,028	10.6%
	Baltimore			
	Existing Supply	Vacancy Rate	Under Development	Availability Rate
BALTIMORE TOTAL	2,680,088	3.8%	318,000	11.0%
	Maryland—Other			
	Existing Supply	Vacancy Rate	Under Development	Availability Rate
MARYLAND—OTHER TOTAL	214,115	0.0%	-	0.0%

Biomanufacturing Market

	I-270 Corridor			
	Existing Supply	Vacancy Rate	Under Development	Availability Rate
Shady Grove	608,899	4.7%	-	13.1%
Gaithersburg	376,152	0.0%	-	14.2%
Parklawn	-	0.0%	-	0.0%
Frederick	1,926,750	13.1%	100,000	0.0%
Germantown	-	0.0%	-	0.0%
I-270 TOTAL	2,911,801	9.7%	100,000	12.8%
	Baltimore			
	Existing Supply	Vacancy Rate	Under Development	Availability Rate
BALTIMORE TOTAL	721,270	0.0%	-	0.0%

Notes:

Under Development: includes all ground up and conversion projects currently under construction.

Availability Rate: includes all existing, under development and sublease inventory.

Mid-Atlantic Life Sciences

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