

Annual Market Overview

New York City Life Sciences Market

CBRE RESEARCH

YEAR-END 2023

CBRE



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Introduction

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Executive Summary



Key Recent Trends

- Anchor deals like **Weill Cornell Medicine’s 260,000 sq. ft. lease** at 1334 York Avenue along with **Graviton Biopharmaceutical Holdings Corp’s 29,000 sq. ft. lease** at West End Labs provided a welcomed jolt to NYC’s life sciences leasing velocity in 2023, buoying the market as it weathers broader headwinds.
- **NYC’s incubator scene remained active in 2023**, with the announcement of the Ford Center Incubator, a new facility at The Rockefeller University set to open in 2024.



Tenants in the Market

- **Lab demand in NYC fell in 2023**, reaching 608,000 sq. ft. at year-end, due to a combination of completed deals and market conditions keeping some tenants on the sidelines.
- While a few larger, institutional-grade tenants remain in the mix for new lab space, **NYC’s lab demand is driven by small-to-mid sized requirements**, especially by total count.



Inventory & Availability

- As of year-end 2023, **NYC’s total lab exclusive inventory amounted to 3.05 million sq. ft., up from 2.70 million sq. ft. one year ago**, and is anticipated to grow to 5.24 million sq. ft. by 2029.
- Manhattan’s lab exclusive availability rate grew by 190 bps year-over-year to 28.7% as of year-end; **the availability rate for occupancy-ready, pre-built lab space also crept up from 3.8% one year ago, but remains tight at 4.2%.**



VC & NIH Funding

- **NYC’s life sciences VC funding dipped 2% from the prior year to \$604 million across 34 deals in 2023**, sustaining the stretch of soft performance since 2022 that has permeated VC funding markets across the country amid the rise in interest rates and economic concerns.
- **NYC’s NIH funding by total dollars improved** by 3% to \$2.60 billion in 2023 **while the total count of awards reached an all-time high.**



Asking Rent & Leasing Activity

- At \$98.52 NNN per sq. ft. as of year-end 2023, **NYC’s lab exclusive average asking rent fell 9% from the record high observed one year ago** but remained well above the levels seen pre-2022. **Manhattan’s lab exclusive average asking rent fell by 11%** to \$107.84 NNN per sq. ft. at year-end 2023.
- At 398,000 sq. ft. in 2023, **NYC’s lab leasing velocity slowed by 13% from 2022 but still amassed its third highest annual total.**



Employment

- **Total life sciences employment in NYC reached an all-time high** of approximately 19,600 jobs at year-end 2022 **and saw the strongest year-over-year growth on record.**
- **NYC’s life sciences employment growth outpaced the gains seen in total private employment** during 2022 by a wide margin.

History & Current State of the Market

Foundations for Growth

NYC’s life sciences industry moved onto the fast track following the successful opening of NYC’s first major lab campus in 2010, the Alexandria Center for Life Science (738,000 sq. ft.), and the introduction of the \$500 million NYC Economic Development Corporation (NYCEDC) and City of New York’s LifeSci NYC incentives programs in 2016 and New York State’s \$620 million life sciences incentives program in 2017. In 2021, the NYCEDC announced plans to double its original \$500 million investment to \$1 billion as part of the LifeSci NYC program.

Cluster Formation Kicks Into High Gear

Midtown South

Just west of the Alexandria Center, Deerfield Management recently redeveloped nearly 300,000 sq. ft. into lab space at 345 Park Avenue South (Cure), transforming it into an entire-building life sciences hub.

Midtown West

Taconic Partners and Silverstein Properties redeveloped 125,000 sq. ft. of lab space at 619 West 54th Street (Hudson Research Center). A few blocks north, Taconic Partners, Nuveen, and LaSalle completed the redevelopment of 125 West End Avenue (West End Labs) into a 400,000 sq. ft. life sciences flagship campus. Nearby is 787 Eleventh Avenue, owned by Georgetown Company/Pershing Square Capital Management.

West Harlem

Construction is complete on the Manhattanville Factory District’s 450 West 126th Street (Taystee Lab Building), offering 321,000 sq. ft. of lab capable space. The campus was developed by the Janus Property Company and J.P.

Morgan Asset Management and is also home to the lab capable 1361 Amsterdam Avenue (Mink Building).

Harlem

On the other side of Harlem, the nearly 200,000 sq. ft. new construction lab building at 2226 Third Avenue (The Labs on 121) is progressing, an investment by Nightingale Properties.

Upper East Side

Taconic Partners, Nuveen, and Flatiron Equities recently broke ground on a 200,000 sq. ft. lab project at 309 East 94th Street (Iron Horse Labs). South of this, 1334 York Avenue, an almost 500,000 sq. ft. full-building redevelopment into a research facility, will include lab exclusive and capable space.

Long Island City & Brooklyn

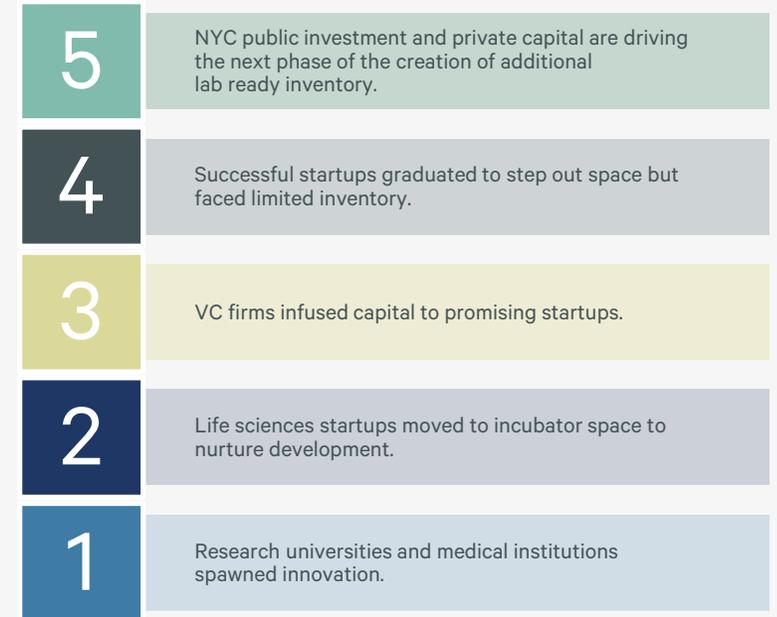
In the boroughs, Brooklyn is already home to BioBAT at the Brooklyn Army Terminal and the Downstate Biotechnology Incubator. Long Island City in Queens has seen investments by Alexandria Real Estate Equities, Inc. and joint ventures by GFP Real Estate/King Street Properties and Longfellow Real Estate Partners/Sculptor Capital Management that have brought three life sciences redevelopments to market, offering more than 650,000 sq. ft. of lab space across the projects.

Current State of the Market

For the second consecutive year, the life sciences market, both in NYC and the broader U.S., faced significant headwinds stemming from the Fed’s rate hike cycle, concerns over a potential recession, and a cyclical CRE correction after years of strong growth. NYC’s life sciences market, which is still in its early growth phase, is particularly sensitive to a high interest rate landscape as the drying up

RISE OF THE NEW
YORK CITY LIFE
SCIENCES
ECOSYSTEM

The Road Ahead
An ever-expanding inventory of lab space from incubators and step-out space to independent labs supports the evolution of NYC into a premier life sciences destination.



of capital markets has proved to be a significant factor in slowing momentum from early-stage companies – a key source of lab demand locally that is dependent on capital infusions from outside investors. Should rates begin to fall, these conditions could improve during the latter half of 2024. Meanwhile, this slowing of demand has occurred against the backdrop of supply additions, albeit in the form of high-quality new and redeveloped product that will offer tenants a slate of compelling lab options as the market picks up.

Despite these short-term challenges, NYC’s life sciences market progressed in 2023, with many

pockets of positive news. Several marquee deals completed by a blend of institutional-grade and small-to-mid sized companies kicked off some of NYC’s transformative new projects, as existing developments steadily attracted new tenants. This resulted in the third consecutive year in which leasing velocity reached nearly 400,000 sq. ft. or more. Along with this, investments into NYC’s world-renowned academic institutions via NIH funding resumed its upward trajectory, providing fuel for the next wave of local innovation in the life sciences.

02

Lab Statistics Overview

Tracking Lab Inventory in NYC

Market Data Snapshot

Inventory & Availability

Asking Rent & Leasing Activity

Tenants in the Market

Tracking Lab Inventory in NYC

Overview

Lab space is a unique asset in the NYC office market, and buildings that can accommodate labs must meet several special conditions. Lab use is restricted by zoning, a significant limiting factor on where businesses requiring lab space can locate.

The second limitation is infrastructure, as lab use requires buildings that can support numerous special features – including power loads, ventilation systems, ceiling heights, floor loads, building loading capacity, riser space, and roof space for industry specific equipment.

Most buildings in the NYC inventory are not compatible with lab use. However, in the last several years, major strides have been made to increase lab use across the city, which is reflected in the growing inventory of lab exclusive and lab capable space.

Types of Space Tracked in NYC Inventory

Lab Exclusive

“Lab exclusive” space is, as the name suggests, built out exclusively for lab use, and is either occupied by or being marketed exclusively to lab tenants.

Lab Capable

“Lab capable” space is found in buildings zoned for lab use and outfitted with the appropriate building infrastructure to accommodate the special needs of lab users. Landlords of this space will consider both lab and office users as tenants.

Lab Overall

Combining both lab exclusive and lab capable space yields an all-inclusive statistical category called “lab overall,” which provides the most complete accounting of space that can accommodate lab uses. Incubators, step-out spaces, and independent labs for more established companies are all included in this space category.

Year-End 2023 Market Data Snapshot

Lab Space Statistics

	New York City		Manhattan	
	LAB EXCLUSIVE	LAB OVERALL	LAB EXCLUSIVE	LAB OVERALL
Number of Buildings	21	22	16	17
Total Inventory (RSF)	3,049,495	3,603,885	2,228,679	2,783,069
Available Space (RSF)	1,071,780	1,501,875	640,650	1,070,745
Occupancy-Ready, Pre-built Available Space (RSF)	326,400	326,400	94,274	94,274
Availability Rate	35.1%	41.7%	28.7%	38.5%
Occupancy-Ready, Pre-built Availability Rate	10.7%	9.1%	4.2%	3.4%
Average Asking Rent (NNN)	\$98.52	\$100.33	\$107.84	\$106.41
Full-Year 2023 Leasing Velocity (RSF)	398,206		364,547	
Future Space (RSF)	2,186,329	2,408,168	1,976,329	2,198,168

Top NYC Lab Lease Transactions for 2023

Sq. Ft.	Deal Type	Direct/ Sublet	Tenant	Address
259,739	L	D	Weill Cornell Medicine	1334 York Avenue
28,746	L	D	Graviton Biopharmaceutical Holdings Corp	125 West End Avenue
15,000	E	D	New York University	45-18 Court Square West
15,000	R	D	Volastra Therapeutics	1361 Amsterdam Avenue
14,000	E	D	New York University	450 East 29th Street

Lease (L), Renewal (R), Expansion (E), Renewal and Expansion (RE), Direct (D), Sublet (S).

Other Market Statistics

New York City	
Full-Year 2023 VC Funding	\$604,160,000
Fiscal-Year 2023 NIH Funding	\$2,595,270,577
Year-End 2022 Employment	19,576

Inventory & Availability

Summary

- As of year-end 2023, NYC’s lab exclusive inventory totaled 3.05 million sq. ft., comprised of 2.23 million sq. ft. in Manhattan and 821,000 sq. ft. in the outer boroughs.
- During the first half of 2023, lab exclusive availability rates sustained their stretch of steady increases that began in 2022 largely due to the full-building 195,000 sq. ft. block that became available at 2226 Third Avenue (The Labs on 121), before sliding downward in the second half. Still, NYC’s lab exclusive availability rate closed 2023 at 35.1%, up 90 basis points from 34.2% at year-end 2022, while Manhattan’s finished 2023 at 28.7%, up from 26.8% at the end 2022.
- With available lab space built out for immediate tenant occupancy in NYC in very short supply several years ago amid higher tenant activity, landlords made investments to meet the demand for this type of space. However, the timing mismatch of a market slowdown as much of this space delivered resulted in a steady uptick in availability. As of year-end 2023, the pre-built availability rate in NYC stood at 10.7%, up 300 bps from one year ago, with Manhattan’s at 4.2%, rising 40 bps year-over-year.

NYC Total Lab Inventory



Availability Rate | Lab Exclusive



Pre-built* Availability Rate | Lab Exclusive

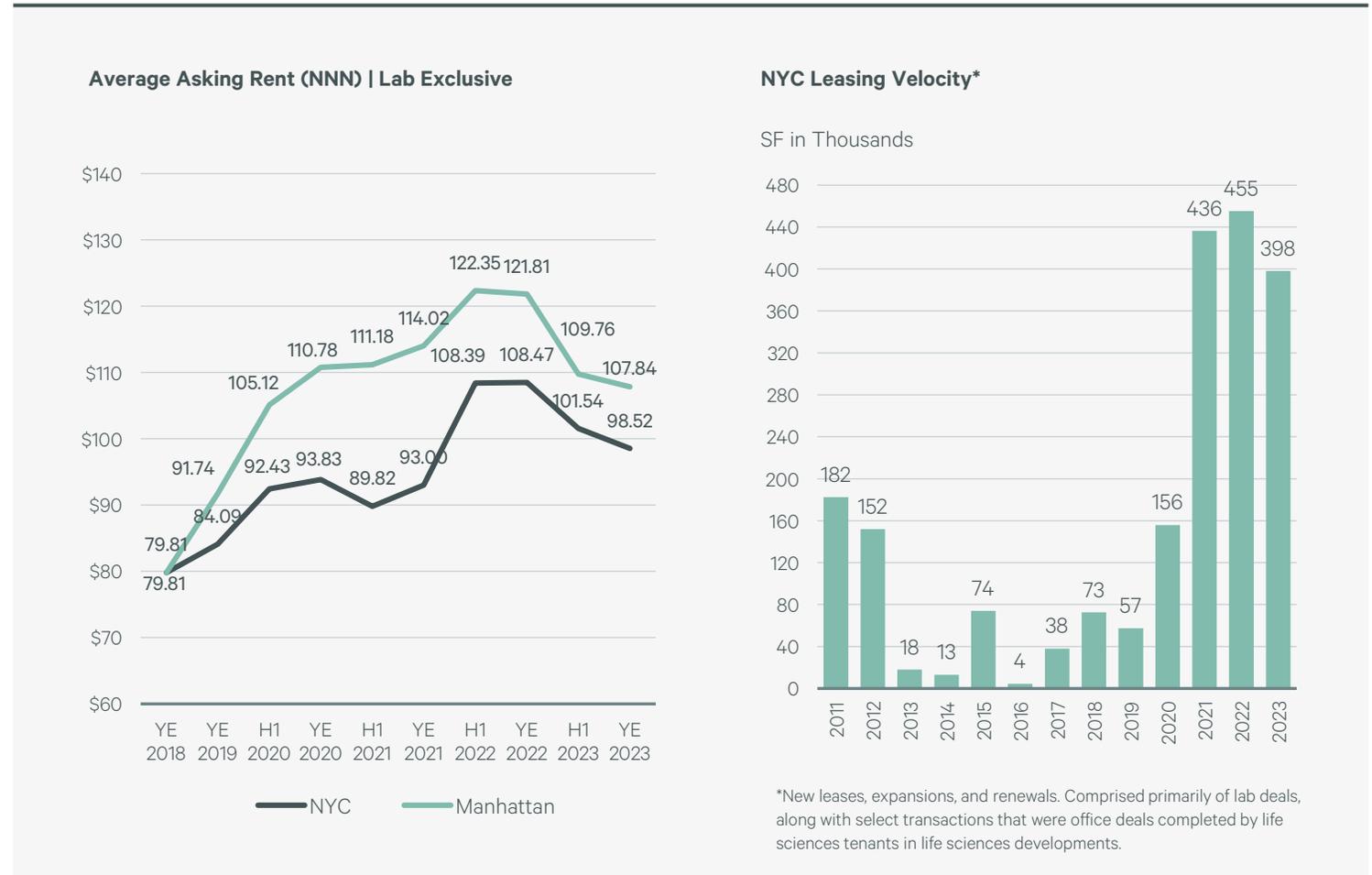


*Occupancy-ready, pre-built.

Asking Rent & Leasing Velocity

Summary

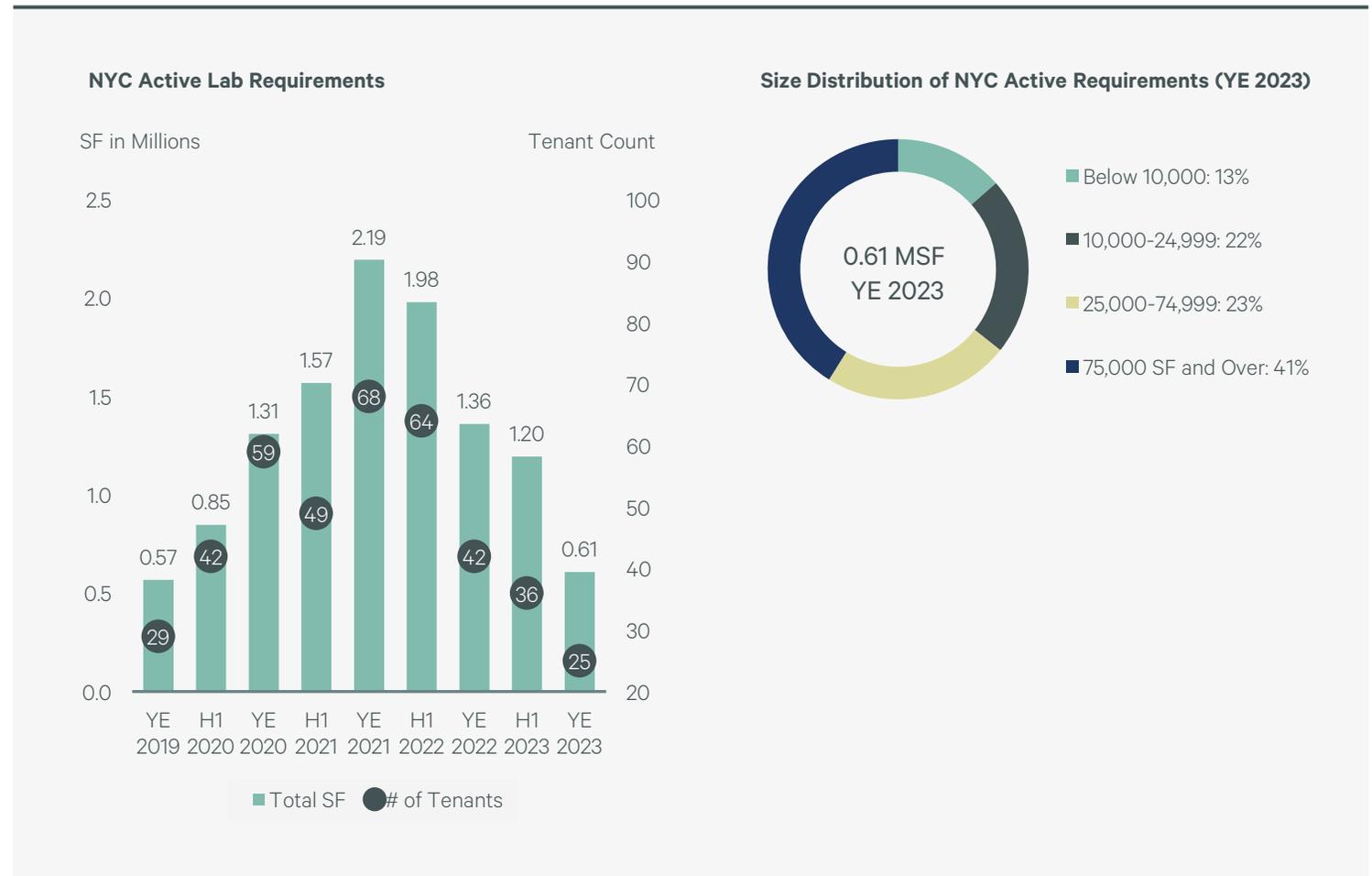
- NYC’s lab exclusive average asking rent experienced a correction of 9% in 2023, falling to \$98.52 NNN per sq. ft. at year-end. The drop was due to a multitude of factors including the lease up of spaces at premium Manhattan developments like 125 West End Avenue (West End Labs) and 450 East 29th Street (ACLS Manhattan – East), the addition of sublease offerings and other low-priced spaces, and the general downward repricing of spaces across the city. All of this resulted in Manhattan’s lab exclusive average asking rent dropping 11% from one year ago, to \$107.84 NNN per sq. ft., its lowest level to close out a year since 2019.
- At 398,000 sq. ft., NYC’s lab leasing velocity in 2023 trailed the prior year’s record-setting total by 13% but was the third highest annual total on record. This caps off a three-year stretch of annual average velocity of 430,000 sq. ft., far exceeding the 95,000 sq. ft. average from the preceding three-year period.
- The largest new lab lease in Manhattan in 2023 was Weill Cornell Medicine’s 260,000 sq. ft. pre-lease at 1334 York Avenue, followed by Graviton Biopharmaceutical Holdings Corp’s 29,000 sq. ft. lease at 125 West End Avenue (West End Labs). Also notable was the Icahn School of Medicine at Mount Sinai’s 9,000 sq. ft. lease at 619 West 54th Street (Hudson Research Center). Long Island City activity was led by New York University’s 15,000 sq. ft. expansion at 45-18 Court Square West (Innolabs), while 30-02 48th Avenue (ACLS LIC) was active inking three new leases during the year.



Tenants in the Market

Summary

- After demand for lab space saw a strong run-up in NYC from 2019 to 2021, both the total sq. ft. of requirements and the number of lab tenants seeking space have subsided in the subsequent two-year period.
- During 2023, the total square footage of demand dipped 55% year-over-year to 608,000 sq. ft, while the number of requirements fell from 42 to 25. Although some of the decline can be traced to leases being completed, capital flows that continue to be restrained amid high interest rates has caused several early-stage companies – a critical component of NYC’s current life sciences ecosystem – to put a pause on making long-term lease commitments as they focus on capital preservation.
- At their current levels, both the total sq. ft. and count of requirements most closely resemble where lab demand stood at year-end 2019.
- As of year-end 2023, requirements below 75,000 sq. ft. accounted for the largest share of demand by total square footage, at nearly 60%. Even though requirements 75,000 sq. ft. and over captured just over a 40% share, this was spread across very few tenants in this size range.



03

Other Market Statistics Overview

VC Funding

NIH Funding

Employment

VC Funding

Summary

- NYC’s annual life sciences VC funding fell a slight 2% from the prior year to \$604 million in 2023 and remains well below the \$1.03 billion annual average from 2017-21. The pullback in the past two years has mirrored the performance of life sciences VC funding nationally, as economic concerns and a rising interest rate environment have softened capital markets.
- Nevertheless, VC deals on a count basis rebounded in 2023, with 34 deals completed throughout the year, an all-time high.
- Amid the broader slowdown, a bright spot can be found within the earlier VC funding rounds (angel, seed, and pre-seed). These rounds averaged \$51 million in 2022-23, higher than the \$37 million average from 2017-21. Moreover, the count of deals over the past two years (32) has exceeded the tally from the entire preceding five-year period (31).
- VC funding in 2023 featured repeat recipient Volastra Therapeutics, which renewed for 15,000 sq. ft. at 1361 Amsterdam Avenue (Mink Building) during the year, and Paratus Sciences, a company that has had an existing presence in NYC at 430 East 29th Street (ACLS Manhattan – West). Additionally, 2023 saw companies that received VC funding in 2022 sign new leases, such as Inspirna and Aethon Therapeutics at 30-02 48th Avenue (ACLS LIC).

Includes funding by VC-backed companies only. Investment stages include Convertible Note, Seed/Angel, Series A, Series B, Series C, Series D, Series E+, private equity, growth equity, and other venture capital. Industry sectors include Biotechnology, Pharmaceutical/Drugs, Drug Development, Drug Discovery and Disease Diagnosis.

NYC Total VC Funding



2023 Notable VC Deals

COMPANY	\$, M	ROUND	INDUSTRY
LB Pharmaceuticals	111	Unattributed	Drug Development
Paratus Sciences	100	Series A	Biotechnology
Neurogene	95	Series C	Biotechnology
Volastra Therapeutics	60	Series A	Biotechnology
Transcend Therapeutics	40	Series A	Drug Development

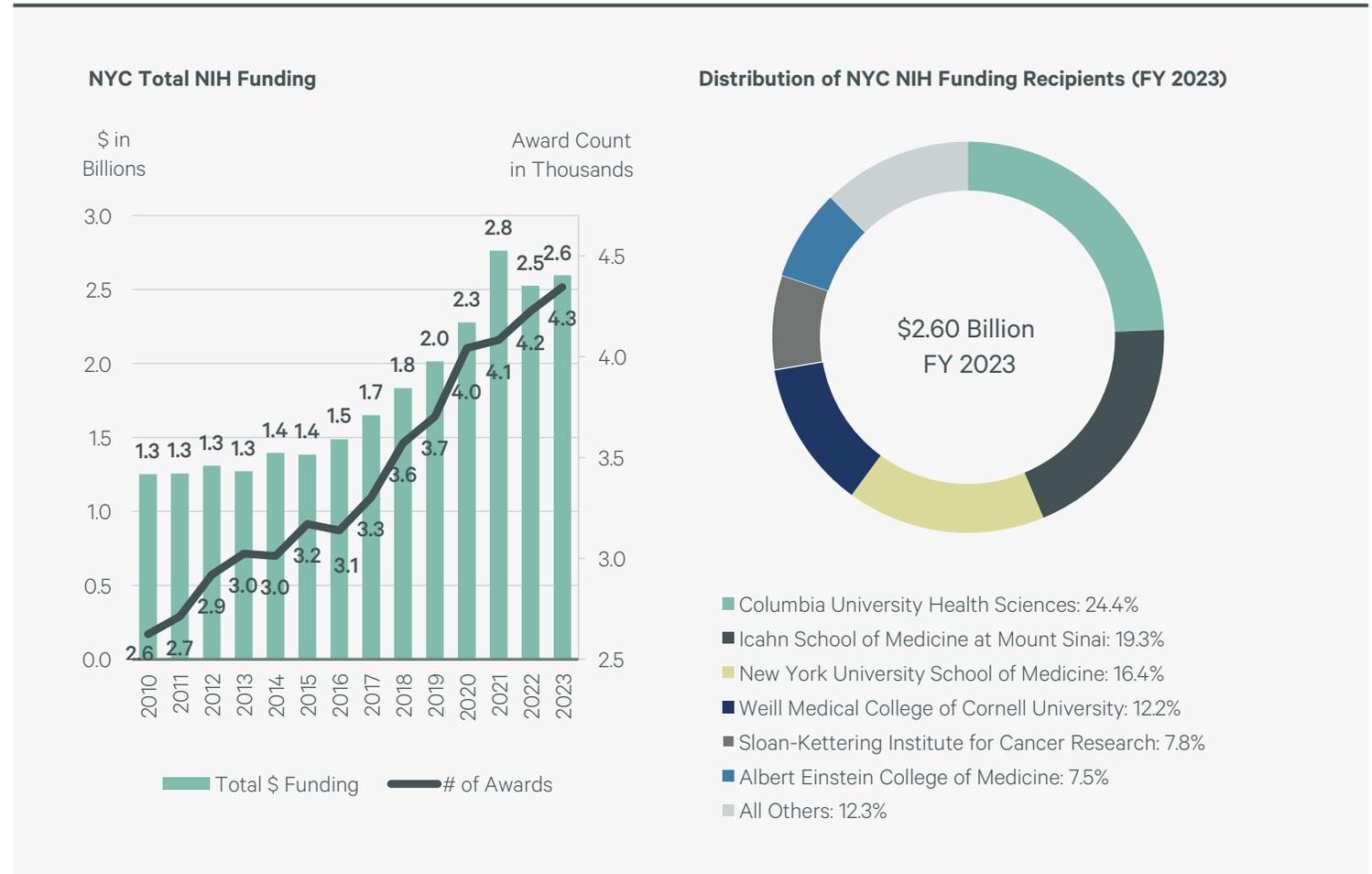
2022 Notable VC Deals

COMPANY	\$, M	ROUND	INDUSTRY
Kallyope	236	Series D	Biotechnology
Apertura Gene Therapy	67	Series A	Biotechnology
Inspirna (2)	55	Series D	Biotechnology
Aethon Therapeutics	30	Series A	Biotechnology
FirstLight Bio, Inc.	25	Seed VC	Biotechnology

NIH Funding

Summary

- Following a dip in 2022, NYC’s NIH funding on a total dollar basis improved by 3% in 2023, to \$2.60 billion. Similarly, the total count of awards also increased year-over-year and rose for the seventh straight year to a record high of 4,345.
- Total funding has now topped \$2 billion in each of the past five years, but 2023’s total remains down 6% from 2021’s record high.
- In 2023, Columbia University Health Sciences retained its long-standing position as the leading funding recipient, at a 24% share, but its funding growth relative to the prior year was outstripped by the next three top recipients. As a result, the Icahn School of Medicine at Mount Sinai, New York University School of Medicine, and Weill Medical College of Cornell University each saw their share of total funding grow by at least 120 bps. These four institutions combined accounted for nearly 75% of 2023’s NIH funding in NYC, at roughly \$1.9 billion.

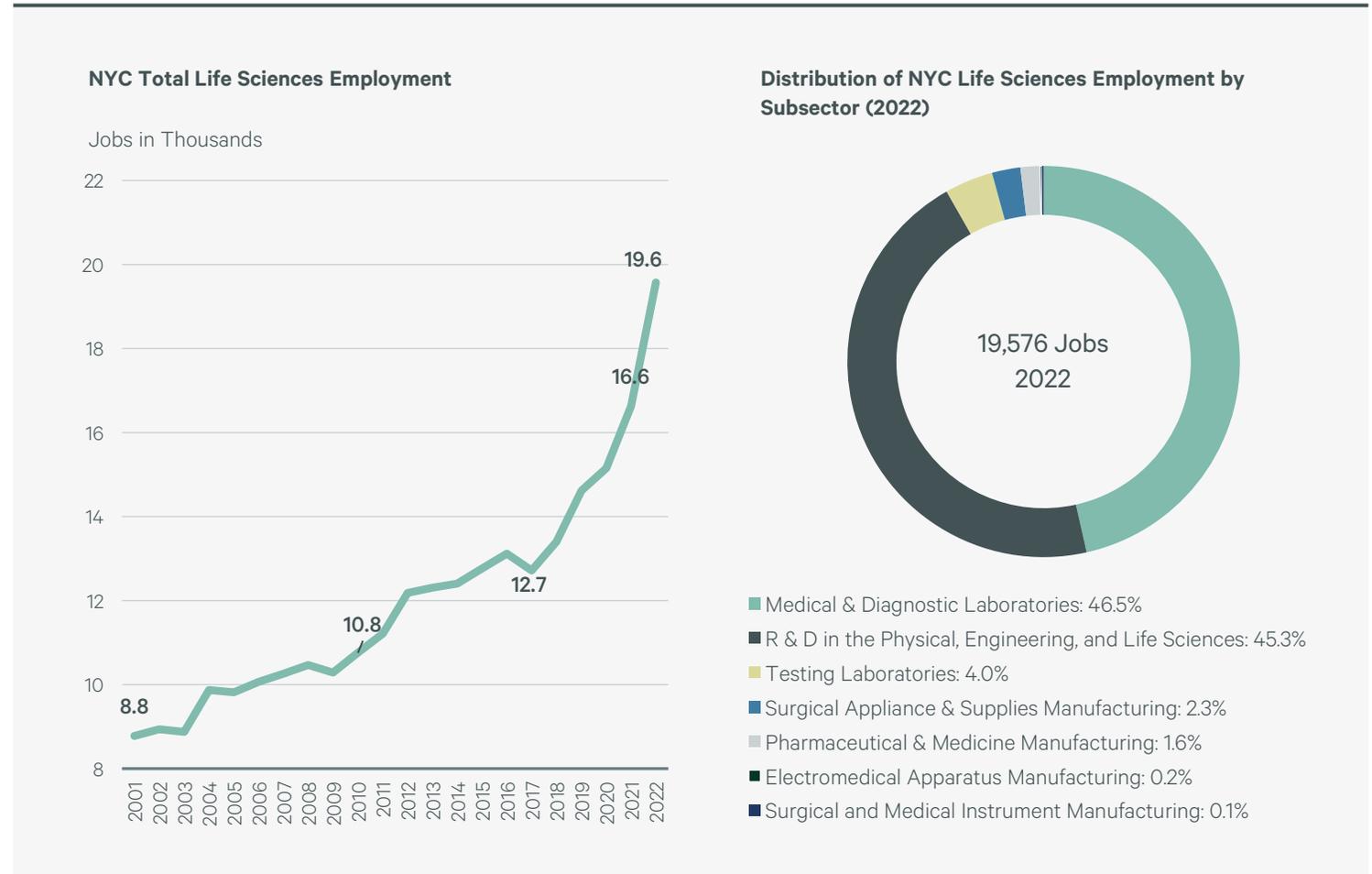


Includes awards \$20 million+ only. Annual totals reflect fiscal year totals.

Employment

Summary

- Total life sciences employment in NYC has seen a rapid rise over the past two decades. Since 2001, life sciences employment has more than doubled, largely withstanding the Global Financial Crisis, and notched a record high of nearly 19,600 jobs at year-end 2022 (most recent data available), also weathering the Covid-19 downturn.
- From 2011 to 2022, life sciences employment has seen 5.2% average annual growth, outpacing NYC’s overall private employment rate growth of 1.9% during the same time. In 2022, NYC’s life sciences employment grew a robust 18% from the prior year, significantly outpacing total private employment growth of 8%. All subsectors except surgical appliance and supplies manufacturing and pharmaceutical and medicine manufacturing experienced strong growth in 2022.
- At a 47% share of total NYC life sciences employment, medical and diagnostic laboratories was the leading subsector in 2022 for the first time on record, with research/development in the physical, engineering, and life sciences coming in a close second with a 45% share.



04

Incubators

Incubators



Alexandria LaunchLabs



JLABS @ NYC

Life sciences incubators are the natural landing point for ventures coming directly out of an academic institution or in a startup stage. These facilities can be thought of as coworking space exclusively for life sciences tenants, providing move-in-ready wet lab space complete with equipment and other amenities via a no-strings-attached low-cost model.

In 2023, a forthcoming 8,000 sq. ft. incubator location, known as the Ford Center Incubator, at 1230 York Avenue (The Rockefeller University) was announced. This facility is expected to open in 2024 alongside a pair of previously announced new incubators: Cure Innovation Labs at 345 Park Avenue South (Cure) and a second Harlem Biospace location at 1361 Amsterdam Avenue (Mink Building). These new locations add to NYC’s already broad mix of existing incubators that are fully operational – including BioLabs New York at 180 Varick Street, Alexandria LaunchLabs at 430 East 29th Street (ACLS Manhattan - West), JLABS @ NYC at 101 Avenue of the Americas, Alexandria LaunchLabs @ Columbia at 3960 Broadway, IndieBio at 7 Penn Plaza, Downstate Biotechnology Incubator at 760 Parkside Avenue, and Harlem Biospace at 423 West 127th Street (Sweets Building). Together, these ten locations amount to nearly 231,000 sq. ft. of incubator space in NYC.

Several of NYC’s new lab leases in recent years were completed by tenants who outgrew their incubator space and needed to quickly expand their footprint. In 2023 this included Osmo, a tenant that spun out of a Boston area incubator that signed an 8,000 sq. ft. lease at 450 East 29th Street (ACLS Manhattan - East). At the same building, Stablix Therapeutics leased 14,000 sq. ft. in 2022, spinning out of their incubator space at Alexandria LaunchLabs.

Current & Future NYC Life Sciences Incubators

NAME	ADDRESS	STATUS
BioLabs New York	180 Varick Street	Current
Alexandria LaunchLabs	430 East 29th Street	Current
JLABS @ NYC	101 Avenue of the Americas	Current
Alexandria LaunchLabs @ Columbia	3960 Broadway	Current
IndieBio	7 Penn Plaza	Current
Downstate Biotechnology Incubator	760 Parkside Avenue	Current
Harlem Biospace	423 West 127th Street	Current
Ford Center Incubator	1230 York Avenue	Future
Cure Innovation Labs	345 Park Avenue South	Future
Harlem Biospace (Second location)	1361 Amsterdam Avenue	Future

05

Existing & Emerging Life Sciences Clusters

Manhattan's West Side | Midtown West & West Harlem

Manhattan's East Side | Midtown South

Manhattan's East Side | East Harlem & Upper East Side

Long Island City & Brooklyn

Manhattan’s West Side | Midtown West & West Harlem



West End Labs

619 West 54th Street Notable Deals 2021-2023	
TENANT	SF
C16 Biosciences	19,000
Rensselaer Polytechnic Institute (RPI)	23,000
Icahn School of Medicine at Mount Sinai	9,000

125 West End Avenue Notable Deals 2023	
TENANT	SF
Graviton Biopharmaceutical Holdings Corp	29,000

Midtown West

On Midtown’s west side, the repositioning of 619 West 54th Street (Hudson Research Center) is complete, as Taconic Partners and Silverstein Properties teamed up to redevelop around 125,000 sq. ft. for lab and research space at the property. With the base of the building already home to the New York Stem Cell Foundation, the first phase of the building’s new state-of-the-art pre-built wet lab offerings landed its first tenant, HiberCell, in 2018. After refinancing the property to allow for a full lab pre-built program for the remaining available space, lease up of the building continued, with the final plug-and-play lab suites set to deliver in late 2024.

Further north, the redevelopment of 125 West End Avenue (West End Labs) into a flagship life sciences campus has commenced lease up, inking its first lease for 29,000 sq. ft. in 2023. The project, a collaboration between Taconic Partners, Nuveen, and LaSalle, is comprised of 400,000 sq. ft. of lab space across the entire building, with 54,000 currently built out as pre-built lab suites. Along with new lab infrastructure, the project will feature an extensive slate of amenities including a rooftop terrace overlooking the Hudson River, a conference/event center designed with Convene, and collaborative workspaces known as the Helix.

Elsewhere in Midtown West, at the Georgetown Company/Pershing Square Capital Management-owned 787 Eleventh Avenue, the Icahn School of Medicine at Mount Sinai leased 165,000 sq. ft. of research-focused space in 2021. A few blocks north, Himmel + Meringoff’s 525 West 57th Street, which is already the site of the Tisch MS Research Center of New York, signed a 51,000 sq. ft. lease with Mount Sinai Hospital in 2022.



Manhattanville Factory District

1361 Amsterdam Avenue Notable Deals 2021-2023	
TENANT	SF
Hemogenyx	9,000
Harlem Biospace	10,000
Volastra Therapeutics	15,000

West Harlem

In West Harlem, construction is complete on 450 West 126th Street (Taystee Lab Building), a brand new 350,000 sq. ft. development built on the site of the former Taystee Bakery. Having already drawn interest from groups partnering with neighboring Columbia University and City College, developer Janus Property Company moved ahead without an anchor tenant, making roughly 321,000 sq. ft. of lab capable space available. The building was fully equipped from the outset with the infrastructure that lab users need, including the appropriate power loads, natural gas hookups, and ventilation systems. In 2022, the NYCEDC announced plans to award \$15 million toward the creation of a 36,000 sq. ft. incubator at the building, managed by City College. Along with NYCEDC funding and developer Janus’ \$350 million investment in the project, Empire State Development has also offered up to \$10 million in performance-based grants to support Janus as part of its \$620 million New York State Life Sciences Initiative.

The building is a part of Janus’ multi-building campus known as the Manhattanville Factory District. The initial phases included the redevelopment of 423 West 127th Street (Sweets Building), home to the initial location of the life sciences incubator Harlem Biospace, and 1361 Amsterdam Avenue (Mink Building), where a second Harlem Biospace location is set to open in 2024 amongst the building’s existing lab tenants. Another phase, the expansion of 461 West 126th Street (Malt House) to a total of 200,000 sq. ft. to cater to office users, is also complete.

Manhattan’s East Side | Midtown South



Alexandria Center for Life Science

Alexandria Center for Life Science

Beginning with the completion of its first tower in 2010, Alexandria Real Estate Equities, Inc. pioneered the initial comprehensive life sciences cluster in NYC by developing the Alexandria Center for Life Science in Midtown South. Situated within Manhattan’s East Side medical corridor and steps away from NYU Langone Health, the campus boasts roughly 738,000 sq. ft. of state-of-the-art lab and office space between its East (450 East 29th Street) and West (430 East 29th Street) towers and is also the site of the first Alexandria LaunchLabs incubator.

Given its wide range of space offerings, the Alexandria Center has attracted occupants across the spectrum of the life sciences development cycle. Over the past decade and a half, this has ranged from pharmaceutical industry giants Eli Lilly and Pfizer CTI to quickly growing startups like Kallyope and Prevail Therapeutics. In addition to the real estate, Alexandria offers a holistic approach to nurturing life sciences development, with its Alexandria Venture Investments arm serving as NYC’s leading investor in early and seed stage companies. The two existing towers have remained largely occupied since completion. The third phase of the campus, the 550,000 sq. ft. North Tower, is in the planning stages. On the other hand, Alexandria is under contract to sell 219 East 42nd Street, its second disposition in recent months after unloading 47-50 30th Street in Long Island City late last year. Both assets were previously expected to be repositioned into lab buildings.

430 & 450 East 29th Street	
Notable Deals 2020-2023	
TENANT	SF
BlueRock Therapeutics	20,000
Immunai	12,000
Stablix Therapeutics	14,000
Eikon Therapeutics	25,000
New York University	14,000



Cure

Cure

In 2019, Deerfield Management, a healthcare investment management firm, purchased 345 Park Avenue South (Cure) which set the stage for Midtown South’s newest life sciences campus. Together with LifeSci NYC and the NYCEDC, Deerfield invested \$635 million toward the creation of a biotech hub, with a total commitment of \$2 billion over the next decade. This investment included a nearly \$300 million renovation of 345 Park Avenue South to accommodate wet lab use by outfitting the building with specialized ventilation and data systems.

Deerfield occupies approximately 108,000 sq. ft. across the top floors for its own use, with leasing nearing completion on the remaining 189,000 sq. ft. of lab capable and exclusive space, which offers premium lab, engineering, and computing space for life sciences startups and high growth companies. In addition to the building upgrades, the Cure ecosystem offers tenants an abundance of support programming and growth initiatives – including guest lectures, round table discussions, and professional development programs. The creation of an in-house incubator, called Cure Innovation Labs, was announced in 2022. The 27,000 sq. ft. facility will be focused on nurturing early-stage life sciences companies during the period between seed and Series A funding.

345 Park Avenue South	
Notable Deals 2020-2023	
TENANT	SF
Protara Therapeutics	10,000
Helaina	16,000
Lexeo Therapeutics	16,000
Apertura Gene Therapy	12,000
NYU School of Medicine	56,000

Manhattan’s East Side | Upper East Side Area



The Labs on 121

Harlem

Complementing the already existing life sciences cluster in West Harlem, a new cutting-edge lab development is on the horizon further east. Construction is currently underway on a new full-building lab campus at 2226 Third Avenue, The Labs on 121. The project, spearheaded by Nightingale Properties, will offer roughly 200,000 sq. ft. of lab space.

The first of its kind lab development will feature advanced, energy-efficient Smart Glass windows from View, Inc. The window system is designed to create an optimal environment for lab space by tinting automatically while maximizing natural light, maintaining privacy for intellectual property, and controlling heat and glare. The system also helps keep labs clean by providing short-wavelength sunlight that can disinfect surfaces within 24 hours, complying with Current Good Manufacturing Practices (cGMP) regulations for a sterile lab environment. The building is situated near some of the city’s premier medical institutions including Mount Sinai, Icahn School of Medicine, and the New York Proton Center.



309 East 94th Street

1334 York Avenue	
Notable Deals 2023	
TENANT	SF
Weill Cornell Medicine	260,000

Upper East Side

On Manhattan’s Upper East Side, plans are in place to bring three large-scale lab projects to market in the coming years. In 2021 Taconic Partners, Nuveen, and Flatiron Equities purchased 309 East 94th Street, with demolition and construction underway on a premium 200,000 sq. ft. lab development to be known as Iron Horse Labs. Along with the existing 619 West 54th Street (Hudson Research Center) and 125 West End Avenue (West End Labs), this new \$350 million project is the next phase of Taconic Partners’ commitment to expand its Manhattan lab portfolio to 1.40 million sq. ft. – and will be a part of the developer’s life sciences subsidiary called Elevate Research Properties.

Further south, 1334 York Avenue, the long-time Sotheby’s New York headquarters, is poised for a transformation into a state-of-the-art redeveloped lab and research facility. In late 2023, Weill Cornell Medicine anchored this project, signing a 260,000 sq. ft. lease for research space that will be comprised of both wet and dry labs, with a planned delivery in the next few years. The remainder of the building, roughly 220,000 sq. ft., will be made available in the coming years for medical office, clinical, or additional lab users.

Down a few blocks, the New York Blood Center has plans for a new 16-story building that will replace its current three-story headquarters at 310 East 67th Street. Led by developer Longfellow Real Estate Partners, the facility will be named Center East. New York Blood Center will anchor the project, occupying approximately one-third of it, with the remaining commercial lab space to be offered to a wide range of life sciences start-ups, graduation companies, and mature companies.

Long Island City & Brooklyn



Hatch

30-02 48th Avenue	
Notable Deals 2022-2023	
TENANT	SF
Histowiz	10,000
Mispro	8,000
Aethon Therapeutics	7,000

45-18 Court Square West	
Notable Deals 2021-2023	
TENANT	SF
Opentrons (multiple deals)	96,000
New York University (multiple deals)	107,000

Long Island City

Across the East River from Manhattan, the redeveloping industrial neighborhood of Long Island City, Queens is emerging as another key life sciences cluster in NYC. The area’s unique combination of affordable commercial space and zoning conducive for lab development, access to talent through its many transit hubs, and proximity to the Manhattan’s East Side medical and academic corridor has drawn developers to the neighborhood.

In 2018, Alexandria Real Estate Equities, Inc. purchased the Bindery Building at 30-02 48th Avenue and redeveloped the former manufacturing facility into the Alexandria Center for Life Science LIC. The redevelopment, which is comprised of 186,000 sq. ft. of lab space, completed its first deal in 2020, ReOpen NY’s 18,000 sq. ft. lease. This was followed by RenBio’s 8,000 sq. ft. lease in 2021. Since then, the project has been steadily attracting new tenants.

Similarly, GFP Real Estate and Boston’s King Street Properties announced plans in 2018 to redevelop 45-18 Court Square West into a 267,000 sq. ft. life sciences center, called Innolabs. In 2021, the project attracted its first tenant, with Opentrons completing their initial 48,000 sq. ft. lease.

In 2021, Longfellow Real Estate Partners and Sculptor Capital Management acquired 43-10 23rd Street (Hatch). The entire existing office property was refit with the infrastructure needed to support lab tenants and now offers a full-building 214,000 sq. ft. block of lab space – including 72,000 sq. ft. of pre-built lab space. The project also features several outdoor terraces and access to Longfellow’s exclusive amenity/hospitality program called Elevate.

In 2023, a building partially owned by Botanic Properties that was slated to be redeveloped to lab, 24-02 Queens Plaza, was sold.



Brooklyn BioBAT

Brooklyn

In Brooklyn, another life sciences cluster exists, with portions of the SUNY Downstate Medical Center and Brooklyn Army Terminal fitted for lab use. In 2015, the Downstate Biotechnology Incubator completed its expansion to a 50,000 sq. ft. facility. Piggybacking on this, SUNY Downstate partnered with the NYC EDC to create BioBAT at 140 58th Street (Brooklyn Army Terminal), a research and manufacturing center with wet lab, dry lab and offices geared toward maturing life sciences and technology companies.

In 2021, the NYC EDC announced plans for a \$50 million investment in BioBAT as part of the broader LifeSci NYC program. The new capital will be used to expand the development’s wet lab offerings.

Tenants at the Downstate Biotechnology Incubator include Fesarius Therapeutics, a company that develops and manufactures engineered skin and tissue replacement products, and Xylyx Bio, a company that focuses on tissue-specific extracellular matrix biomaterials. BioBAT is currently home to tenants like Calder Biosciences, a biotechnology company applying proprietary technologies to develop conformationally locked and improved subunit vaccine immunogens, and Biotia, a company that uses DNA sequencing-based technology and proprietary AI-powered software to identify microorganisms and antimicrobial resistance.

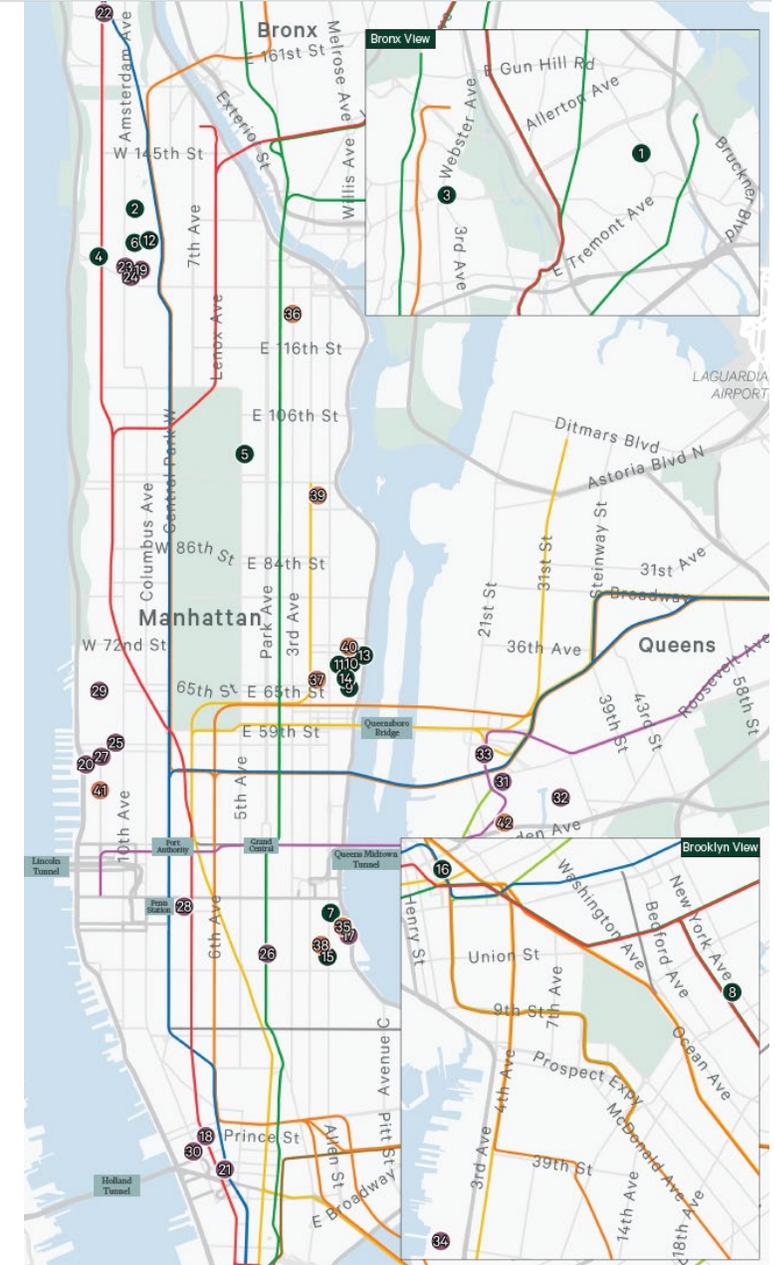
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Landmarks Map

NYC Life Sciences Landmarks

- 1 Albert Einstein College of Medicine
- 2 CUNY S. D. School of Biomedical Education
- 3 Fordham University
- 4 Columbia J. L. G. Science Center
- 5 Mount Sinai Schools of Medicine
- 6 New York Structural Biology Center
- 7 NYU Langone Medical Center
- 8 SUNY Downstate Medical Center
- 9 The Rockefeller University
- 10 Weill Cornell Medical Center
- 11 Belfer Research Building
- 12 CUNY Advanced Science Research Center
- 13 Hospital for Special Surgery
- 14 Memorial Sloan Kettering Cancer Center
- 15 NYU Bioengineering Institute
- 16 NYU Tandon School of Engineering
- 17 430-450 East 29th Street (ACLS Manhattan - West & East)
- 18 180 Varick Street (BioLabs Incubator)
- 19 423 West 127th Street (Harlem Biospace Incubator)
- 20 619 West 54th Street (Hudson Research Center)
- 21 101 A of A (NY Genome Center, JLABS Incubator)
- 22 3960 Broadway (ARE LaunchLabs Incubator @ Columbia)
- 23 1361 Amsterdam Avenue (Mink Building)
- 24 450 West 126th Street (Taystee Lab Building)
- 25 525 West 57th Street
- 26 345 Park Avenue South (Cure)
- 27 787 Eleventh Avenue
- 28 7 Penn Plaza (IndieBio Incubator)
- 29 125 West End Avenue (West End Labs)
- 30 325 Hudson Street
- 31 45-18 Court Square West (Innolabs)
- 32 30-02 48th Avenue (ACLS LIC)
- 33 43-10 23rd Street (Hatch)
- 34 140 58th Street (BioBAT)
- 35 ACLS Manhattan - North
- 36 2226 Third Avenue (The Labs on 121)
- 37 310 East 67th Street (Center East)
- 38 455 First Avenue
- 39 309 East 94th Street (Iron Horse Labs)
- 40 1334 York Avenue (Former Sotheby's Building)
- 41 707 Eleventh Avenue
- 42 24-02 49th Avenue (The Bridge)

- Academic/Research Center
- Current Commercial Life Science/Incubator Location
- Future Commercial Life Science/Incubator Location



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END NOTES

Sources: CBRE Research, National Institutes of Health, CB Insights, U.S. Bureau of Labor Statistics, LifeSci NYC, City of New York, NYCEDC, NYS Empire State Development.

DEFINITIONS

Lab Exclusive — Space that supports lab use only that is currently occupied by or being marketed to lab tenants.

Lab Capable — Space that is being marketed for either lab or office use simultaneously that is already outfitted with the infrastructure – including the data systems, power loads, natural gas hookups, and ventilation systems – for a landlord to accommodate a tenant seeking wet lab space.

Lab Overall — The aggregate of both lab exclusive and lab capable space. Includes incubators, step-out spaces and independent labs.

Incubator Space – Lab space that caters to startups coming out of medical or academic research institutions.

Step-Out (Graduation) Space – Lab space for early-stage life sciences companies that have outgrown their incubator environment. This space offers more independence than incubator space but may still be shared with another tenant.

Availability — Space that is being actively marketed and is available for tenant build-out within 12 months. Includes space available for sublease as well as space in buildings under construction.

NNN Average Asking Rent — Weighted average triple-net (NNN) asking rent. NNN asking rents are generally lower than full service gross rents since tenant assumes responsibility for proportional real estate tax, insurance, and maintenance expenses in addition to the base rent.

Leasing Activity — Total amount of sq. ft. leased within a specified period of time, including new deals, expansions, and pre-leasing, but excluding renewals.

Future Space — Space available for tenant build-out beyond 12 months that is currently under construction/renovation or where plans to bring space to market have been confirmed.

Number of Buildings — The number of buildings in the current inventory where a portion of the building or the entire building includes lab exclusive or lab capable space.