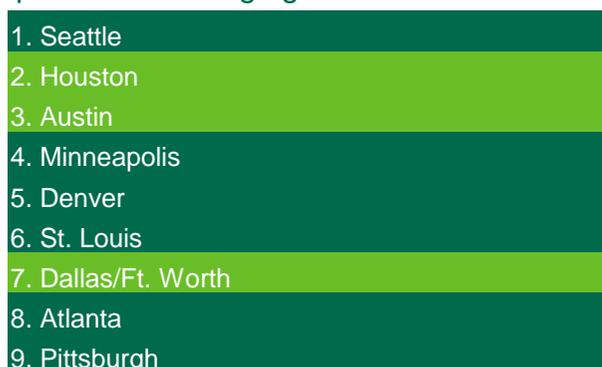


Got Science Clusters? Texas sure does.

- The life sciences revolution is occurring at a record pace.
- The annual report from CBRE America's Research [2019 U.S. Life Sciences Clusters](#) is a response to employers' top concern: Where are the science clusters?
- CBRE identifies the U.S. market clusters leading this revolution, as well as a selection of markets emerging as the industry's next hot spots, three of which are in Texas.

Figure 1: Top-Ranked Emerging Life Sciences Clusters



Source: CBRE 2019 US Life Sciences Clusters report

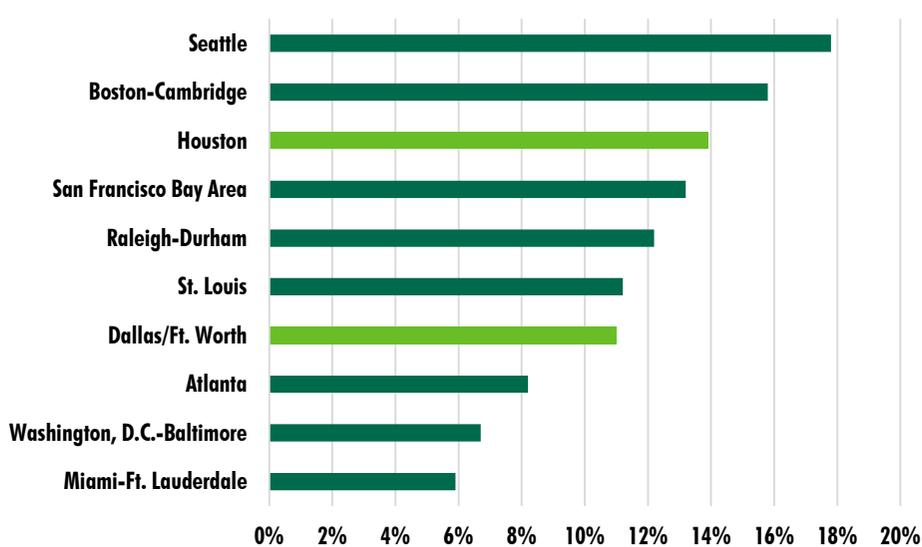
Texas markets shine bright in the emerging life sciences clusters

Rapid growth in the industry is spreading to new markets across the country. Emerging life sciences hubs that offer a growing source of life sciences talent include Austin, DFW and Houston. These and other markets possess premier educational and medical institutions to drive continued industry growth. The markets shown in Figure 1 are emerging as prime candidates to become leading life sciences hubs. They exhibit an attractive combination of a substantive life science workforce, including key scientists, strong recent life sciences employment growth, ample NIH funding, top-ranked schools and medical institutions, and a sizable high-tech workforce to support future convergence between the industries.

Where is the talent?

Finding the best talent in today's market is challenging. Most of the growth over the past three years has occurred in smaller life sciences markets like Houston and Dallas/Ft. Worth. While these markets are a fraction of the size of Boston-Cambridge and San Francisco Bay Area persons (in terms of employed by life sciences companies), they have comparable recent growth, a testament to their remarkable strength.

Figure 2: Top-Ranked Emerging Life Sciences Clusters



Source: CBRE 2019 US Life Sciences Clusters report

Beyond the broader definition of talent as persons employed by life sciences companies, CBRE analyzed *where* key scientists- such as biomedical engineers, biochemists, biophysicists and chemists- are located; Houston ranked in the top 10. The sources of new talent to the industry, measured by the quantity and quality of graduates in biological and biomedical sciences demonstrates why some markets maintain a lead in the industry. Furthermore, CBRE evaluated and ranked markets that may have greater demand for lab space because of unusually large talent pools being produced each year through a series of factors including the size of the talent pool they produce, the level of expertise and sophistication in the graduates they produce (number of Ph.D.s), and the quality of academic institutions (as ranked by U.S. News & World Report). Major markets with smaller presence of the life sciences industry are creating a surprising amount of new talent each year, including Dallas/Ft. Worth and Houston.

The relationship between life sciences innovation and the medical research institutions on the front lines of combating disease is more important than ever. The industry seems to be moving closer to where a significant amount of the innovation is occurring: the nation's leading medical research and health services institutions. Markets with a greater concentration of these institutions may have an edge in developing the next breakthroughs in the industry, and thus greater demand for lab space and other commercial real estate. CBRE ranked the leading markets of medical research and health services institutions based on a combination of the quality, quantity and concentration of institutions, and the NIH funding they receive. While the Boston-Cambridge, too, commanded the largest amount of funding from the National Institutes of Health (NIH) in 2018, at nearly \$600 million, Houston held its own, ranking 12 out of the top 20 markets.