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## Los Angeles ranks among the top hubs in growing life-sciences industry

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In the midst of a global health crisis, the U.S. life sciences industry is growing, and Los Angeles ranks among the top markets in the sector with implications for the local economy including commercial real estate, jobs and wages.

Los Angeles County ranked 10th among the country's largest life-sciences markets in a new report by CBRE Group Inc. Orange County ranked 12th.

Leading the rankings was Boston-Cambridge, followed by a couple of other California markets: the San Francisco Bay Area and San Diego.

"While other markets, such as Boston and San Diego, are often more quickly associated with life sciences, the Greater Los Angeles and Orange County regions are strong contenders due to the vast availability of talent and graduates from some of the nation's top research institutions, clinical and research hospitals, a strong manufacturing base and impressive venture capital presence which continues to grow," said CBRE's Los Angeles-based Senior Vice President Andrew Riley in a statement. "The life sciences sector has been thrown into the spotlight, especially given the current situation, and Greater L.A. and Orange County are likely to see the impacts in growing demand for space."



ILJA MASK / EYEEM

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In Los Angeles, real estate inventory for life science companies is 8.3 million square feet, said CBRE (NYSE: CBRE). In Orange County it's 4.5 million square feet. With relatively low vacancy in L.A. (6.2%) and Orange County (5.1%), a dearth of new construction and increasing demand amid the Covid-19 pandemic, average asking rates for lab space are expected to rise in both markets over the next few years, the firm forecast.

Orange County ranked third among the fastest-growing markets for life science employment, growing 7% last year thanks to expanding medical device manufacturers and pharmaceutical companies.

Meanwhile, the dynamic industry drew \$379 million in venture capital funding in the two counties in the second quarter this year, CBRE reported.

### **L.A. bioscience jobs, wages and economic impact**

The CBRE report echoes findings released earlier this year in [Biocom's 2020 Economic Impact Report](#), which found that the bioscience industry in Los Angeles County generated more than \$44 billion in economic activity last year, producing goods and services valued at more than \$24 billion.

According to the California life-science association, the sector employed 195,820 people between direct, indirect and induced jobs in Los Angeles in 2019, and generated more than \$14 billion in salaries, wages and benefits. Some 93,000 of those jobs were direct employment. And the average wage for a life sciences employee in L.A. County was \$86,501.

In addition, the county received more than a billion dollars in funding from the National Institute of Health — more than San Diego, which ranked higher on CBRE's list and is historically considered a leading market in the industry.

"Los Angeles County is represented very well versus these other more established life science clusters, the Bay Area and San Diego, which got their start way, way back in the late 1970s," said Biocom President and CEO [Joe Panetta](#) in a [state-of-the-industry summit](#) on Wednesday. "Los Angeles County is very, very well positioned in terms of its establishments and its presence in life science across California."

Although the Los Angeles Economic Development Corp. (LAEDC) Institute for Applied Economics found slightly different numbers in its bioscience forecast for L.A., its trends too showed growth.

In that report, also presented at Wednesday's event, the sector grew from 72,000 bioscience jobs in L.A. County in 2013 to 78,400 in 2018 and is on course for 85,110 jobs in 2023.

Meanwhile, real wages in the sector grew nearly 9% from 2013 to 2018, compared to about 6% across all industries.

"The bioscience industry in Los Angeles County provides well-paying jobs across all areas of the county for workers across the skill spectrum," said Shannon Sedgwick, director of the LAEDC's Institute for Applied Economics.

In four bioscience clusters around the USC-L.A. County Medical Center, Culver City-Playa del Rey, Santa Clarita and UCLA Harbor Medical Center, wage premiums were \$7,000 to \$32,000 over the average in those areas across all industries, and "we expect job growth in the industry to persist through 2023," Sedgwick said.

"The bioscience industry continues to display its importance, demonstrate its contribution to the Los Angeles economy and grow deeper roots here in the region," she added.

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