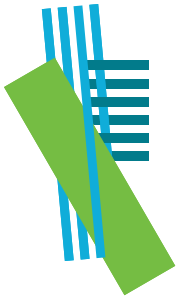


2024
**Bay Area
Sector Snapshot**



**CALIFORNIA
LIFE SCIENCES**



The Biopharma Bay

The San Francisco Bay Area continues to be home to some of the most well-established biopharma companies in the world. Specific research areas range broadly from cell and gene therapy to precision medicine and polymer chemistry, targeting rare diseases along with more pervasive conditions. Major biopharma institutions including Gilead, BioMarin, Global Blood Therapeutics (Pfizer), Nektar Therapeutics, Sangamo and Sana Biotechnology continue to call the Bay Area home.

The Bay Area partly owes its continued biopharma dominance to the handful of nearby research institutions that pump a continuous stream of biopharmaceutical talent into the local workforce: UCSF, UC Berkeley, Stanford, UC Davis and UC Santa Cruz. But it's not just all biopharma; the East Bay is home to a mega cluster of biotech companies – small and large – blazing the R&D path for environmental sustainability and climate change solutions.

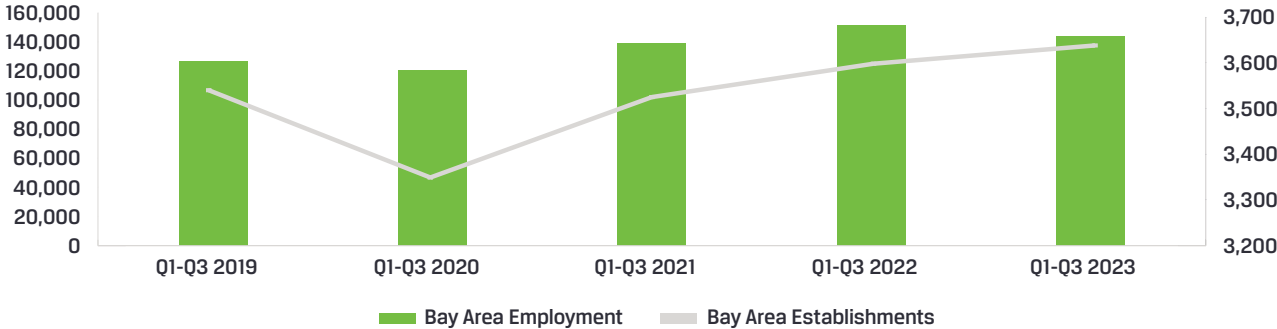
Employment

The Bay Area bucked the trends in 2023, experiencing growing wages in the life sciences sector as it attracted more life sciences companies to the region, even as the industry overall showed signs of strain due to a constrained capital environment.

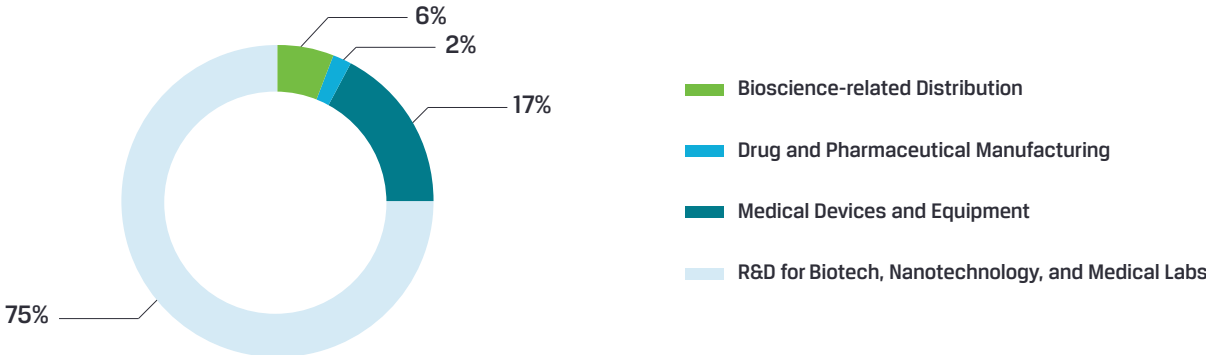
The number of **life sciences establishments ticked up by 40 to hit 3,638** in the first three quarters of 2023 across Alameda, San Francisco, San Mateo, Contra Costa and Santa Clara counties. The average wages for the region went from \$164,313 in 2022 to \$191,213* in the same period of 2023. Bay Area employment was down slightly in the first three quarters of 2023* to 143,682, from 151,618 in 2022, because of a drop in drug and pharmaceutical manufacturing, as well as the medical device sector. Employment in the biotech R&D space showed strength, moving up to **107,147** in the first three quarters of 2023 from 105,732 in the same period of 2022.

Source: EY analysis of The Bureau of Labor Statistics Quarterly Census of Employment and Wages (BLS QCEW) data
 * San Mateo County data from the Bureau of Labor Statistics in 2023 did not include data from pharmaceutical preparation manufacturing and in vitro diagnostic substance manufacturing.
 *Average wage for 2023 calculated based on data from Q1-Q3

Bay Area 2023 Employment and Establishments



Bay Area 2023 Employment Breakdown by Sector



Investment and Economic Growth

Sector venture capital investment in biotech and MedTech was \$4.5 billion in 2023, falling from \$4.9 billion in 2022 due to a drop in funding in the medical device sector. There were 50 medical device venture raises in 2023, up from 47 the year prior, but totals dropped to \$1.4 billion from \$2.2 billion in 2022. Meanwhile, biotechs brought in more financing than the year prior, with more than \$3 billion raised in 2023, up from \$2.7 billion in 2022.

Apple Tree Partners-backed Deep Apple Therapeutics emerged from stealth mode in late 2023 with a \$52 million Series A. The San Francisco-based company is proposing to use AI-generated screening libraries to rapidly discover small molecule therapeutics, tapping into technology that has the industry buzzing with its promise. Another small molecule drugmaker, Terremoto Biosciences, brought in \$175 million in its Series B round in November.

Other companies in the area pulled in venture rounds over \$200 million, showing the resiliency of financing in the Bay Area, with CNS-focused MapLight Therapeutics raising \$225 million in a Series C round, and CAR-T company Cargo Therapeutics raising \$200 million in a Series A round in March.

Source: CapIQ, accessed March 2024

Real Estate

There was 2.02 million square feet in annual leasing activity in the Bay Area, according to JLL, with companies like Cargo leasing 99,600 square feet after its venture raise. The vacancy rate rose to 17.5% in 2023, the highest on record, but is expected to improve as demand increases along with economic prospects.

Real estate firm JLL says midsize and larger requirements of space of more than 30,000 square feet are creating demand for lab space in the region. These mid- to large-sized labs accounted for about 45% of demand in the fourth quarter.

Source: JLL



California Stats



\$57 billion

Total estimated wages paid to life sciences employees in 2023

Average wage
\$166,538



\$5.03 billion

California biotechs garnered \$5.03 billion through 157 venture raises in 2023, up from \$4.03 billion in 2022.

Total number of
life sciences establishments
18,078



Total direct life sciences
employment (Q1-Q3 2023)

441,770



Life Sciences Definition

CLS asked Ernst & Young LLP to use the definition of life sciences sector and employment sharing factors for industries that are partially attributable to life sciences based on research conducted by TEconomy. Ernst & Young LLP did not perform independent research to verify the completeness or accuracy of the definition or the employment sharing factors, which were provided by TEconomy.

TEconomy's definition of life sciences includes 25 six-digit North America Industry Classification System (NAICS) industry codes. Out of the 25 NAICS industry codes, 6 of them were classified as partially attributable to life sciences, with less than 100.0 percent of Quarterly Census of Employment and Wages (QCEW) employment and wage attributable to the life sciences definition. The life sciences NAICS codes along with their respective "employment sharing" percentages are shown below.

2022 NAICS Code	NAICS Description	Category
311221	Wet Corn Milling and Starch Manufacturing	Agricultural Feedstock & Industrial Biosciences
311224	Soybean and Other Oilseed Processing	Agricultural Feedstock & Industrial Biosciences
325193	Ethyl Alcohol Manufacturing	Agricultural Feedstock & Industrial Biosciences
325311	Nitrogenous Fertilizer Manufacturing	Agricultural Feedstock & Industrial Biosciences
325312	Phosphatic Fertilizer Manufacturing	Agricultural Feedstock & Industrial Biosciences
325314	Fertilizer (Mixing Only) Manufacturing	Agricultural Feedstock & Industrial Biosciences
325320	Pesticide and Other Agricultural Chemical Manufacturing	Agricultural Feedstock & Industrial Biosciences
325411	Medicinal and Botanical Manufacturing	Drugs & Pharmaceuticals
325412	Pharmaceutical Preparation Manufacturing	Drugs & Pharmaceuticals
325413	In Vitro Diagnostic Substance Manufacturing	Drugs & Pharmaceuticals
325414	Biological Product (except Diagnostic) Manufacturing	Drugs & Pharmaceuticals
334510	Electromedical and Electrotherapeutic Apparatus Manufacturing	Medical Devices & Equipment
334516	Analytical Laboratory Instrument Manufacturing	Medical Devices & Equipment
334517	Irradiation Apparatus Manufacturing	Medical Devices & Equipment
339112	Surgical and Medical Instrument Manufacturing	Medical Devices & Equipment
339113	Surgical Appliance and Supplies Manufacturing	Medical Devices & Equipment
339114	Dental Equipment and Supplies Manufacturing	Medical Devices & Equipment
423450	Medical, Dental, and Hospital Equipment and Supplies Merchant Wholesalers	Bioscience-related Distribution
424210	Drugs and Druggists' Sundries Merchant Wholesalers	Bioscience-related Distribution
424910	Farm Supplies Merchant Wholesalers	Bioscience-related Distribution
541380	Testing Laboratories and Services	Research, Testing, & Medical Laboratories
541713	Research and Development in Nanotechnology	Research, Testing, & Medical Laboratories
541714	Research and Development in Biotechnology (except Nanobiotechnology)	Research, Testing, & Medical Laboratories
541715	Research and Development in the Physical, Engineering, and Life Sciences (except Nanotechnology and Biotechnology)	Research, Testing, & Medical Laboratories
621511	Medical Laboratories	Research, Testing, & Medical Laboratories

California Life Sciences (CLS) is the state's most impactful life sciences membership organization, advocating for the sector and its diverse innovation pipeline. For more than 30 years, CLS has served the community by supporting companies of all sizes, from early-stage innovators and startups to established industry leaders in the fields of biotechnology, pharmaceuticals, and medical technology. CLS also works closely with universities, academic and research institutions, the investment community, and other critical partners that promote this vibrant sector. CLS works to shape public policy, improve access to breakthrough technologies, educate lawmakers, and advance equity within our ecosystem by championing innovative solutions for some of the most pressing challenges of our times. In doing so, CLS fulfills its mission to protect and nurture California's life sciences industry, empowering discoveries that lead to healthier lives around the world.

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