

## Michigan life science venture investing grows

Posted by [msanche](#) October 28, 2008 14:26PM

Venture capitalists have funded twice the number of deals for Michigan's life sciences industry this year than they did in 2007.

Ten deals attracted a collective \$90 million for Michigan-based life sciences companies during the first nine months of the year, according to Cleveland-based BioEnterprise. That compares with five deals for \$64.9 million through the third quarter of 2007.

Eight of the 10 deals this year were for companies in the Detroit/Ann Arbor market. The other two were in Kalamazoo.

Michigan ranked fourth among 12 Midwest states in the number of deals, behind Ohio, Minnesota and western Pennsylvania, BioEnterprise reports in its quarterly [Midwest Health Care Venture Investment Report](#).

Overall, venture capitalists invested a record \$418 million in Midwest life sciences companies during the third quarter, pushing the year-to-date total to 113 deals and \$896.7 million. That compares with 104 deals for \$1.0 billion through the third quarter of 2007.

The growth in the number of deals reflects the large investments some states, including Michigan, have made to seed and build their biomedical sectors, BioEnterprise CEO Baiju Shah said.

"Despite the broader economic downturn, Midwestern health care start-ups continue to attract record levels of venture," Shah said. "The Midwest continues to thrive, because the region has a strong health care technology and talent base that is just starting to be discovered by national investors. In addition, the health care sector is seen as recession proof."

Medical-device companies have attracted a little more than half the money, \$462 million, followed by biopharmaceutical companies, \$272 million, and software and service companies, \$163 million.