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Biotech's top boomtowns: Rising rents, growing salaries and larger ranks

August 6, 2015 | By John Carroll

The higher rents rise in the Boston/Cambridge biotech hub, the hotter its rep as the go-to life sciences cluster in the U.S. A new survey from the property analysts at JLL, or Jones Lang LaSalle, ranked Beantown as the top biotech cluster in America, followed by Raleigh-Durham, San Francisco, San Diego and New York City.

The key factors for a top ranking centered on the concentration of biotech employment in the metro area (with a 25% weighting) followed by VC funding (20%), NIH funding (20%), life sciences patents (15%), the concentration of life sciences establishments (10%) and employment growth (10%).

At an average of \$47.40 per square foot in the Boston area, rents were up 7.4% over 2014, also qualifying the city for the number 1 spot on the rent list, with lab space going for \$51.60 a foot. That compares to a mere \$19 in the much more economical Raleigh-Durham, with San Francisco up 16.9% in one year to an average \$37.30.

Boston's top ranking won't come as a surprise to anyone in the industry who's been watching biopharma companies flocking to Kendall Square for a piece of the trendiest turf in biotech. [Baxalta](#)-now being hunted by Shire ([\\$SHPG](#))--is building a new R&D space in the area, with Pfizer ([\\$PFE](#))



adding on to its real estate holdings, among other recent announcements.

What is likely going to raise a few eyebrows is Raleigh-Durham's impressive showing as the number two cluster. GlaxoSmithKline ([\\$GSK](#)) has been downsizing rapidly in the area, but the city still posts a chart-topping number ahead of San Francisco and the Bay Area--widely viewed as the number 2 hub in the U.S.

One of the interesting trends that JLL notes is that despite high rents and rising salaries in the hottest markets, top players in the industry are doubling down on the most expensive real estate in the country. And with M&A activity sizzling, they see even more competition coming for trendy open office environments that supposedly attract a younger, well educated workforce at the cutting edge of the innovation economy.

Here are the top 15 markets and their weighted score:

- Greater Boston: 72.5
- Raleigh-Durham: 66.4
- San Francisco Bay Area: 64.3
- San Diego: 63.1
- New York: 60.3
- LA/Orange County: 58.3
- Philadelphia: 50.3
- Long Island: 48.2
- Minneapolis: 43.5
- Seattle: 40.8
- Denver: 38.5
- New Jersey: 35.8
- Suburban MD, DC: 35.5
- Westchester County: 31.9
- Central and southern Florida: 30.3

- here's the [report](#)

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