

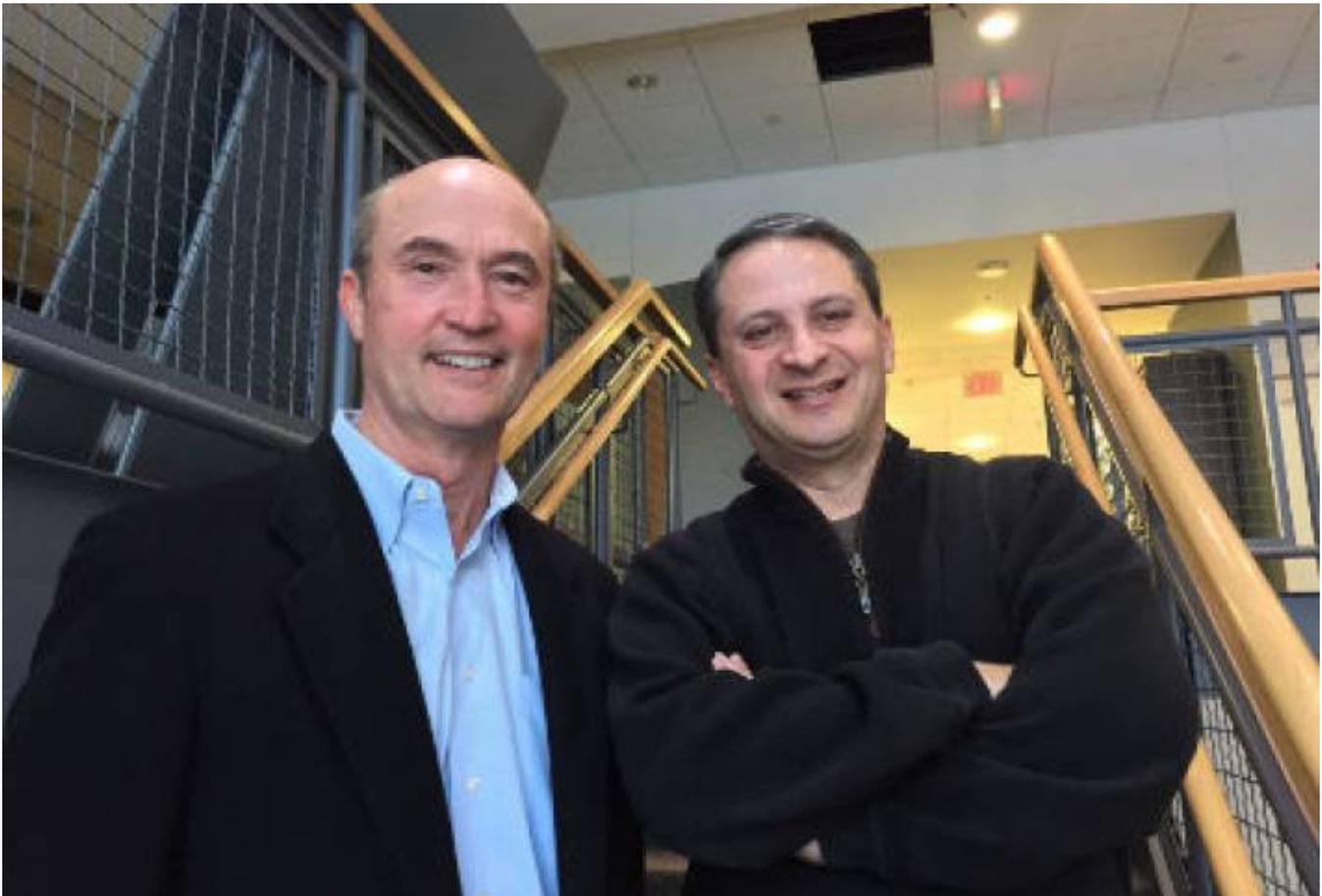
Boston Life Science Smashes Barriers

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Institutional investors are embracing life science with **new fervor**, enabling companies like **T2 BioSystems** to go public and then **double its leased space**, says landlord King Street Properties' principal **Tom Ragno**, a panelist at *Bisnow's Boston Life Sciences: America's Hotbed*, **Feb. 10**, starting 7:30am at the Royal Sonesta.



In 2014, life science **crossed the risk Rubicon**, becoming a more viable option for institutional investors as personalized medicine and gene therapy help make **healthcare more efficient** and effective, says Tom (right with partner **Steve Lynch**) whose company owns three life science buildings in **Cambridge** and three in **Lexington**. In February, King Street plans to seek town approval to **build a fourth** 85k SF building in that suburb. Last year, **one-third** of the tenants in King Street's 700k SF portfolio **went public** or sealed partnership agreements with major pharmaceutical firms that stabilized cash flow for themselves and their landlord.



Looking at a different metric, last summer the industry hurdled over an **asset value barrier** when the **sale price** of a suburban building anchored by life science firm Alkermes sold for **\$401/SF**. Davis Marcus' sold **850 Winter St** in Waltham's Reservoir Woods for nearly **\$73M** to GI and CalPERS. In 2012, the buyers had formed **TechCore** to acquire well-wired properties like this one that appeal to tech and life science tenants. So far, they've closed on **2.3M SF** nationwide. Investors are opening their wallets as life science **tenants grow revenues** and solidify their balance sheets.



At 15 Cambridge Center, **Biogen** is recommissioning a **300k SF lab**, making it more energy efficient, says Commodore Builders project executive **Jason Theberge** (also a panelist). Like other life science companies, Biogen wants to reduce lab **HVAC** expenses that are **three to eight times more** than in **office** buildings. Commodore is resetting the air flow to “dramatically” reduce Biogen's energy consumption and global footprint. Last year, Commodore did a **90k SF interior fit-out** for Biogen at **301 Binney St** (above), which is in a ground-zero location for life science: the now world-famous [Kendall Square](#).



As life science picks up the pace of its growth, many **construction** firms working in the sector are having **good years**, says Jason (left with **Rebecca Barlage** and **Andrew Sparaco**). Biotech companies are recalibrating their real estate to build in **more office** space as they focus on their sales and marketing campaigns. Some, like **Shire Pharmaceuticals** at 200 RiverPark in North Reading, also are **upgrading** their supply chain and logistics systems in **warehouse/distribution** centers. Commodore is leading this Shire project due for completion in Q2 '15.



As life science companies put greater emphasis on conserving energy use, their **architects** are focusing on how to more tightly control and **decrease air flow in labs**, says Steffian Bradley principal **Erik Lustgarten** (also a panelist). Erik, a **Newburyport resident**, assures us that the beach survived the blizzard...a cause for celebration at his house.



The Steffian Bradley team is spending time on designing **fume hoods**; and optimizing **lighting controls** and **sound mitigation**. In its real estate, the industry is also trying to make more **room for “big data.”** High-speed computer processing now generates more data than scientists can analyze, so more space is being devoted to **“dry” labs** that house computers with large--and sometimes multiple--screens.



Most important, life science companies want space that encourages **spontaneous interaction** between employees to **spark innovation**. It helps them **fully realize their IP** potential by connecting their own people in a casual yet confidential manner. It's a matter of **decompartmentalizing researchers** who in the past were urged to structure their own ultra-private kingdoms. Erik and his team have various projects going for the **Berkshire Innovation Center** in Pittsfield, **Bay State Health** and **Children's Hospital** in the Longwood Medical Area. To hear more, please join us for Bisnow's [Boston Life Sciences: America's Hotbed](#), Feb. 10, starting 7:30am at the Royal Sonesta. Sign up [here](#)!