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From the Boston Business Journal:

<https://www.bizjournals.com/boston/news/2020/11/19/king-street-plans-500m-biomanufacturing-campus-in.html>

King Street plans \$500M biomanufacturing campus in Devens

Nov 19, 2020, 5:49am EST Updated: Nov 19, 2020, 9:21am EST

One Boston company has seen the demand for a specific type of biotech real estate emerging “nearly out of nowhere,” and is now taking steps to fill the unmet need.

King Street Properties has plans to develop a 45-acre biomanufacturing campus in Devens, with five buildings totaling 700,000 square feet. It's all part of a new business line, called Pathway, for the life-science focused real estate developers, said Steve Lynch, principal with King Street Properties.

King Street has assembled a combined 45 acres in Devens, including two parcels on Jackson Road from quasi-public agency MassDevelopment and a third piece of land in a private sale. Lynch anticipates a \$500 million investment to develop the five-building campus. That's about \$150 million in hard costs and \$350 million to fit out the properties with the highly sophisticated technical equipment needed to make drugs



KING STREET PROPERTIES

King Street Properties plans a 100,000-square-foot biomanufacturing facility at 45 Jackson Road in Devens to be the first of a five-building campus.

that can go into the human body, Lynch said.

Biomanufacturing space is an ultra-clean warehouse — most often a low-rise, single-story building — where biotech companies or contract manufacturers can produce a drug that can then be sold on the commercial market. They need extra-tall floor-to-ceiling heights to fit hospital-grade air filtration systems above clean-manufacturing rooms.

There's a dramatic shortage of these types of buildings, Lynch said, because the astonishingly quick pace of drug discovery in the past decade.

"There are cures coming fast and furious now," Lynch said. "There is a worldwide shortage of buildings available to produce all of the drugs that are being invented. This was coming all before Covid. Now add the Covid crisis, and the problem is getting more and more acute."

Demand for biomanufacturing space is still in its early stages. But [Brian McKenzie](#), an executive vice president with brokerage CBRE, who will market and lease the Devens campus, said that "nearly out of nowhere," there are now companies looking for between 2.5 million to 3 million square feet of such space. "We have never seen a more active environment for single-story manufacturing space," McKenzie said.

King Street has already gotten inquiries for its first building, a 100,000-square-foot warehouse at 45 Jackson Road in Devens, which is slated to be ready for move-in next year. The company plans to deliver one building about every six months at the Devens campus.

Placing the biomanufacturing buildings in a campus setting is important for drugmaker tenants, who often need to scale up their manufacturing process over time. The Devens campus is the first project for King Street's Pathways business line, but the company is looking to assemble land in other markets.

"This is the missing link in the next phase that bridges drug discovery getting from the lab bench to the patients," Lynch said. "It's every businessperson's dream to discover unmet need in the marketplace that you're capable of filling."

The project team for the Devens campus includes Arlington-based BW Kennedy Builders & Construction Management, Boston-based R.E. Dinneen Architects &

Planners and HighPoint.

The project is launching without a specific tenant lined up. Building on spec might be cause for some concern if there happened to be a plethora of high-bay single-story warehouses that could be converted to biomanufacturing space — but that's not the case in Massachusetts, CBRE's McKenzie said. Industrial real estate is hotter than ever in the commonwealth, and there is there huge demand from e-commerce retailers such as Amazon.com for industrial property.

For biotech tenants aiming to bring a drug to market, real estate is one link in a complicated chain. Tenants can't wait around for a developer to cross typical real estate development hurdles, such as studying whether a property has the appropriate power and water capacity to meet a tenant's needs.

"Timing is a very critical issue as it relates to the real estate, because it's a complicated engineering and a complicated construction process for their inside processes," McKenzie said. "The shell of the building cannot be an additional piece that holds that up."

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