

MAKE IT IN MASSACHUSETTS

## Biden Initiative Will Accelerate Reshoring of Biomanufacturing

Creates Opportunity for Bay State Real Estate Industry

By Stephen Lynch | Special to Banker & Tradesman | Sep 25, 2022 |

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**Boston-based King Street Properties has responded to demand for domestic biomanufacturing facilities at its Pathways campus at Devens. Image courtesy of Neoscape**

This month President Joe Biden signed an executive order helping to expand biomanufacturing in the U.S. and reverse the decades-long migration of critical manufacturing abroad. The National Biotechnology and Biomanufacturing Initiative will create new jobs, strengthen the supply chain and lower prices. This order will have especially great impact here in Massachusetts, the world's top biotech hub.

COVID-19 created a sense of urgency in the U.S., enough to expedite a plan for swift and safe development and production of vaccines. The ensuing collapse of the global supply chain prompted a realization that we must re-domesticate the manufacturing of active pharmaceutical

ingredients (APIs,) which are the starting materials used to make almost every pharmaceutical or biotech product. Currently, 80 percent of APIs are made in China and India.

This is where real estate comes in. In order to manufacture here, we need specialized space to support both the production of these materials and their use in the creation of new medicines.

We've already got some: King Street Properties of Boston – a national leader in the development of specialized biomanufacturing facilities – broke ground two years ago on an innovative project at the Devens business park that will make the president's initiative come to life in Massachusetts.

### **A Shortage of Local Space**

Here is some important background. The first phase of the medicine-making equation takes place in research lab space. These buildings typically are sleek, glassy structures where scientists, CEOs and scores of talented life sciences professionals work tirelessly to develop the treatments that will prevent, manage and cure diseases.

But these life-saving drugs can't reach the people who need them without thoroughly modern and efficient manufacturing facilities. Today there is a critical lack of supply of rental space worldwide for this type of real estate. The shortage is due to the rapid rise of new molecular classes of medicines collectively called biologics, which are much more effective than older generations of medicines.

The sudden demand took the real estate industry by surprise. Simply put, there were no purpose-built biomanufacturing buildings to be found anywhere that could meet the needs of this new science. And then came COVID. The biomanufacturing real estate shortage was greatly exacerbated by the pandemic.

At King Street Properties, we responded quickly. In October 2020, we launched our Pathway platform dedicated to biomanufacturing when we broke ground on the first multi-building, multi-tenant biomanufacturing campus in the world in Devens. The platform provides companies a "Pathway to a Cure" by creating customizable, turnkey biomanufacturing space on demand. By utilizing Pathway facilities, companies can save two to three years of time that would otherwise be spent on acquisition, permitting and construction. We do all the upfront work, so that our tenants can focus on the streamlined installation of their specialized interior improvements and getting their medicines to market.

The response from the pharmaceutical industry has been encouraging. Only 16 months after breaking ground on the Pathway campus in Devens, King Street announced its first lease with Azzur Group, which plans to operate a "Cleanrooms on Demand" facility to help companies accelerate their products by taking over aspects of the production process.

### **Spec Project Breaks Ground**

In addition, we have started construction of two additional facilities. In July, we topped off the steel at 33 Jackson Road, which contains 187,000 square feet. And, encouraged by the volume of leasing activity we are seeing, we have started speculative construction



of a third 100,000 square foot building at 39 Jackson Road.

Pathway is gaining national traction as well, and we have recently expanded the concept to North Carolina where we have purchased a large site we are calling Pathway Triangle. We plan to launch the same turnkey concept there and in other U.S. locations as well. But Massachusetts is our home and this state will be well supported in maintaining its leading share of the drug

manufacturing market.

For King Street, finding ways to remove the real estate obstacles that life science companies face is our mission. We look forward to continuing to support life science innovators, with immediate and unimpeded access to the materials and the facilities that they require for their life-saving work.

*Stephen Lynch is co-managing principal of King Street Properties.*