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Real Estate

Top Life Sciences Clusters to See 36 Million Square Feet of New Construction Delivery

By **Life Sciences Times** January 27, 2021

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BOSTON—As life science investment sales more than triple, more than 36 million square feet of new construction is expected to be delivered in the top 14 life science markets across the United States, according to a report by Newmark.

In the 2020 Year-End: Life Science National Overview & Top Market Clusters report, Newmark said that the pandemic has accelerated both tenant and institutional investor demand for life science real estate in 2020, from wet lab and incubator space to biomanufacturing and R&D properties.

Here are other key highlights from the Newmark report:

- Low lab vacancy rates across life science markets reflect significant demand and limited supply of existing wet lab space.
- Institutional investors and landlords across the largest life science clusters are actively reevaluating “highest and best use” for their portfolios and are considering converting their properties to meet immediate life science demand.
- The concentration of life science investment volume as a percentage of total office volume reached a record high of 16.4% in 2020, more than double the 2019 figure.
- Average monthly pricing for United States life science investment sales has more than tripled from the May 2020 trough, reaching \$627 PSF in December.

The report said the following are the top life sciences clusters in the country:

1. Boston/Cambridge
2. San Francisco Bay Area
3. San Diego
4. Raleigh/Durham
5. Seattle
6. Philadelphia
7. Maryland
8. New York City
9. Los Angeles/Orange County
10. New Jersey
11. Houston
12. Denver/Boulder
13. Chicago
14. Austin.

Top Life Science Owners

Top 10 Life Science Owners					
Company	HQ Location	Investor Type	Square Feet*	Number of Properties	Featured Markets Exposure Count
Alexandria	Pasadena, CA	Public REIT	38,000,000	300	9
BioMed Realty	New York, NY	Institutional	13,600,000	93	7
Healthpeak Properties	Irvine, CA	Public REIT	9,600,000	62	4
Ventas	Chicago, IL	Public REIT	6,100,000	26	6
Longfellow RE Partners	Boston, MA	Private / Developer	6,100,000	40	4
Pfizer Corp	New York, NY	Owner-User	4,000,000	12	5
IQHQ	Solana Beach, CA	Public REIT	2,800,000	16	3
Wareham Properties	San Francisco, CA	Private / Developer	2,700,000	45	1
King Street Properties	Boston, MA	Private / Developer	2,500,000	21	3
Pacific Coast Capital Partners	San Francisco, CA	Institutional	2,400,000	13	3

* Includes properties under construction

SOURCE: Newmark