



ULI Chicago YL Small Group Discussion Series
Life Science Lift Off
March 23, 2021

ULI Chicago Young Leader's hosted the second session of a three-part Small Group Discussion Series, "Life Science Lift Off." The Young Leader's were joined by Dave Liu, *Vice President, Asset Management*, Harrison Street. Harrison Street has a diverse portfolio including Medical Offices, Senior Housing, Student Housing, Life Sciences, and Self-Storage.

Life Sciences is the physical setting for the development of new drugs, medical therapies and innovative research. Users include global pharmaceuticals and biotechnology, medical device companies, research universities, health systems, and start-ups. Markets are clustered around leading academic, research, or medical institutions. Top-tier markets include Boston, San Francisco, San Diego, New York/New Jersey, Research Triangle, and Seattle. Boston currently being the most popular location for Life Science buildings. When developing a Life Science building, one must be conscious of floor-to-ceiling heights, floor load capacity and freight elevators.

Even before Covid, there was an influx in Life Sciences. Covid has brought an even larger interest and is bringing to light how important research truly is. Life Sciences need to occur on site as you cannot do lab-work from home. A lot of companies expand on their own or get bought out by larger companies and then need to expand.

Dave highlighted a few case studies from Harrison Street. One being in Cambridge, MA: the development delivered at 88% preleased and is currently 94% leased, achieving stabilization more than 12 months ahead of underwriting at rental rates and 10% above pro-forma.

The second was in San Diego. Harrison Street partnered with BioScience Properties. Upon acquisition, the assets were 74.2% leased to 3 tenants. The property has since leased up to 100% via two leases, significantly faster than the underwritten timeline.

The last one was the Osborn Triangle. The complex is 100% leased to seven tenants and is anchored by pharmaceutical giants Pfizer, Novartis, and LabCentral. The 3-building office/laboratory complex is located directly adjacent to the main campus of MIT.

Dave does not think the market is going to stop anytime soon. Life Sciences does not seem to be politically driven by one group or the other, which gives it even more reason to be a bit of a "recession proof" investment.

He has seen more interest in Lincoln Yards than the Illinois Medical District, although he does think IMD has a lot of the basic bones for a Life Science hub. The IMD is having trouble because it has not been easy to get deals done there. He anticipates Chicago could eventually have great success in becoming a Life Science Hub.

Summary written by Alissa Bozza, *Architect*, HKS