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NOVEL APPROACH

cGMP Conversions Reflect Demand for Cleanrooms

Project Timelines Depend Upon Existing Infrastructure

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The novel therapies startup market has developed a need for small to mid-scale pre-clinical, clinical and cGMP manufacturing cleanroom space. Many of these life-saving therapeutics are against the clock to build manufacturing space and search for alternatives that will save on speed to market.

This market has also seen an influx of capital investment. According to the U.S. National Institutes of Health, Boston leads the market with a combined \$12.9 billion in funding collected in the last five years, and conversion of existing properties has become a focus of end-user companies and developers alike.

Before the COVID-19 outbreak, there was a growing investment in novel therapies start-ups (cell and gene therapy, mRNA, etc.). As reported by Pitchbook, the North American life sciences investment total includes a record \$37 billion of private equity and \$33 billion of public investment in 2020 alone, showing a 93 percent increase from the previous record investment received in 2018.

The realization of the benefits of novel therapies therapeutics and proof of concept that the recent vaccines have offered have only fueled the market. Many of these start-



Photo courtesy of Arranta Bio

DPS Group took part in the renovation of 650 Pleasant St. in Watertown including 13 cGMP suites for Arranta Bio.

ups are now entering later stages of development that require cleanroom manufacturing space for production of their products. The current demand for such space has outpaced the market, and therefore, companies are looking for creative solutions to meet that need.

The COVID-19 environment has also created an abundance of unused office space due to remote work. Many developers are looking at these two trends and are exploring the options for resolving the two. While the situations may seem ideally timed, there are requirements for cleanroom spaces that

are not ideally suited for most typical office buildings, so further analysis of such areas is needed.

Checklist for Conversions

Converting existing spaces into cleanroom manufacturing space has become a standard approach for emerging companies to address the need for a rapidly delivered solution. Many prospecting company owners are looking to develop and manufacture in under a year, which was not considered feasible in past years. Operation Warp

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Speed has forced the design/build space into new ways of working, though there are still barriers to just how fast a property can be developed. Barriers include infrastructure requirements, such as electrical service upgrades, that, if needed, would make the prospect of completing the job in such a short time impossible.

The market pressures that drive the final property selection are property suitability, proximity to trained human resources and transportation.

- **Property suitability:** Cleanroom space requires gray space for mechanical/electrical services (think: high ceilings). Warehousing, supporting labs and administrative areas will need a home as well.
- **Proximity to trained human resources:** The market is incredibly competitive right now, and Boston provides a substantial labor pool. The U.S. Bureau of Labor reports that at year-end, 2019, the national average of the population

over 25 with a bachelor's degree was 33.1 percent, while Boston came in at approximately 49 percent. EMSI states that Boston also has the highest annual graduate population with degrees relevant to the biotech industry.

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- **Transportation:** New bubble markets are developing outside of conventional hubs. Some startups in urban college neighborhoods leverage mass transportation. As these companies grow to require

larger-scale locations they seek properties that can continue to offer the benefit of mass transit.

The selection of a property is not the only major hurdle. The current construction market is faced with a labor shortage. Additionally, there are supply chain challenges that affect many items ranging from hygienic piping to floor tiles.

To meet the needs of the current market of budding therapeutic technologies, the real estate, design and construction industries are working in non-traditional ways. With the promise that many of these technologies have to resolve unmet medical challenges, there is great value in creating new ways to complete these projects sooner than was ever possible. These changes will result in a new landscape for workspace, development and medicine. ◀

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