



Life Sciences 2030

By David Kristjanson, VP, Life Sciences Advisory, CBRE

What are life sciences and why is real estate an important asset to future growth?

The life sciences sector is comprised of companies operating in the fields of research, development and manufacturing of pharmaceuticals, biotechnology-based medicines, nutraceuticals, food processing, cosmeceuticals, and medical devices to improve and save lives. Over the past two years the life sciences sector has been significantly impacted by COVID-19; the upward trajectory demand and unprecedented investment dollars have not been seen for almost 10 years. As a result, demand for real estate has increased exponentially to support medical innovations through new technology breakthroughs and vaccine development. Unlike many other work environments that can be performed from home, life sciences depend largely on in-person work and collaboration. The life sciences industry continued to shatter records of employment and venture capital funding in 2021 and we are seeing a similar pace in 2022, and for years to come.

Data to support the hot life sciences market

The life sciences industry has made great advances in the past years. Combined with the digitization trend, AI, data analytics, gene mapping, real-world evidence, and precision medicine, life sciences are advancing cures for rare diseases, infectious diseases, and oncology, to name a few, to improve and save lives unlike ever before. With unprecedented funding from private equity, venture capitalists, real estate investors, and the NIH, there have been more start-ups and rapid growth than any time before. Much of the life sciences' growth is generated from incubators, start-ups, and early-stage companies as the investment community pours billions of dollars into this sector. The combined innovation and funding have resulted in the need for places to conduct science resulting in the largest pipeline



of life sciences laboratory construction on record, with 23.6 million SF underway in the nation's top 12 life sciences clusters in 2021. These staggering numbers are forecasted to continue into 2022 and for the next several years as many industry experts believe that we are only in the third inning on this growth.

As a result of these innovations and investment dollars, life sciences employment reached a record high in 2021. Venture capital funding to life sciences hit record highs not only in the primary markets of Boston, New York City/New Jersey, Philadelphia, North Carolina, San Diego, and San Francisco, but more than doubled in several emerging markets as well. With over 20 million SF of speculative construction underway as of 2021, it is still not enough to meet current tenant requirements for space.

"As we look forward, there's nothing in our data that shows any change in the positive momentum that we're seeing," said Ian Anderson, Senior Director of Research at CBRE, during a recent online forum focused on life sciences real estate strategies. "This is like the boom in warehouses, e-commerce and data centers."

To meet the demand in both lab and current good manufacturing prices (cGMP) space, there are significant projects in design or under construction now, but delivery isn't expected until 2023 to 2025. To combat this forecasted supply gap in lab and manufacturing space, many developers and investors are seeking to repurpose assets such as office buildings or industrial space. The challenge with the latter is that industrial is also a hot market. A huge constraint with older office buildings is they lack the MEP and structural infrastructure required. When seeking to repurpose or upgrade existing facilities for light science or manufacturing, an experienced advisor such as CBRE is recommended during early due diligence.

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The things to look for in lab conversions

The surplus of vacant commercial office space, along with growing demand from life sciences, presents an opportunity for developers to reposition existing buildings into spaces suitable for life science use. Because the process of designing, permitting, and constructing a new building can take years, converting existing commercial space to meet the needs of life science companies is increasingly popular. It's also achievable if advisors, designers and building owners bring a detailed understanding of the technical and spatial considerations that life science requires.

However, not every building is a conversion opportunity. For example, there could be issues around structural loading, or with the core circulation. Life science facilities need space for chemicals and chemical storage, special ventilation and fireproofing systems, extra electrical capacity, and emergency generators to back-up critical lab and manufacturing equipment.

Location is also an important consideration. Life science companies typically flourish in clusters with proximity to universities, medical centers, and other life science organizations, as clusters support collaboration, alliances, and attract a much-needed technical workforce.

While these considerations will vary depending on the specific needs of each tenant, there are overarching principles to integrate. For example, plan for higher-than-average air changes in the HVAC system and for single-pass rather than recirculating air flows. Labs can also be moved closer to the core of a building where it's easier to install hood vents.

Floor-to-floor heights and riser locations are also critical — building owners should look for ceiling heights where systems such as air handlers can be installed. Owners may also need to mitigate vibration within traditional office spaces that did not have the same considerations.

The innovations that are changing the industry and AEC methods

Thoughtfully designed buildings can create an atmosphere and community that promotes innovation. Spaces that allow scientists to collaborate, connect with colleagues and find headspace throughout the day is essential when designing effective lab environments. Being mindful of flexibility and planning for the ever-changing future are also methods being explored in new lab environments. The fast pace of new technology enhancing life science breakthroughs leads to a flexible design and alterations will be iterative. Lastly, the importance of creating a WELL workspace is essential. We are seeing the need for not only a collaborative workplace, but a place where employees can find a healthy balance in their lives. One of the best ways to improve the life sciences industry is to innovate how we deliver real estate and lab projects.

Takeaways:

1. Data to support the hot life sciences market.
2. Things to look for in conversions.
3. Innovations changing the industry.

Market Insights:



Wan C. Leung,
AIA, Principal,
FCA

Lessons Learned in the Life Science Industry from CoreNet New Jersey Member, Wan Leung:

What is a unique challenge you have experienced within the Life Science industry? How did you approach it?

One of the biggest challenges we've been facing has to do with the use and/or conversion of existing real estate for life science programs and the specific challenges that design requirements for science present. Lack of structural capacity prevented one of our clients from fitting out a new building for analytical/research functions (the building did not meet the 2000 mic/si minimum for vibration mitigation), necessitating local mitigation solutions which ultimately made the new building undesirable. Code compliance for MAQs for hazardous materials, to the extent that our clients have had to reconsider the location of their critical programmatic functions. This second issue is problematic, as many organizations struggle with understanding the need to maintain an accurate log of materials and how the building responds to it.

What is the new trend in the Life Science Industry?

Manufacturing is picking up speed and demand. We see less outsourcing to distant contract organizations and more desire for internal local small patch production.

What is a lesson learned from the past two years?

Poor communication and lack of consensus amongst stakeholders has been a dominant theme. The last two years exasperated the issue to distance and not being able to see one another by chance or as frequently. One example comes to mind, where an organization's EH&S was not in step with the laboratory managers and facility managers, causing a restructuring of project vision and schedule.

Project Spotlight:

Advanced Accelerator Applications — A Novartis Company

By Eric Brown, CBRE



CBRE Millburn Manufacturing Capacity Expansion:

CBRE engaged with Novartis in 2020 to help guide the expansion of the Advanced Accelerator Applications (AAA) manufacturing facility in Millburn, NJ. AAA is an innovative radiopharmaceutical company that develops, produces, and commercializes Molecular Nuclear Medicines. The company currently has a total of 31 sites in 12 countries, including 19 production facilities in eight countries (in Europe and the U.S.) that manufacture targeted radioligand therapies and precision imaging radioligands. AAA currently markets Lutathera®, a targeted radioligand therapy in oncology along with several precision imaging products mainly used in clinical oncology, cardiology, neurology, and infectious/inflammatory diseases. The Millburn facility is currently the sole source for Lutathera in the US and is also preparing for a new product launch.

The \$11M project encompassed consolidating adjacent separate properties into a two-building pharma site, renovating offices, and creating new clean room manufacturing space for two new TEMA production lines. All the sitework, renovations, and building modifications were implemented while the manufacturing facility continued to operate producing and delivering life-saving neuroendocrine tumor treatment products. The new TEMA manufacturing lines are now installed and are expected to complete commissioning and validation later this year. Along with CBRE GWS and PJM, the project team included PS&S as the A&E firm, EI Associates as the CM/GC for construction, Barry-Wehmler Design Group for technical oversight, and Mace Group North America for cost consulting. CBRE fostered collaboration with our technical partners to successfully renovate the manufacturing facility for this critical production capacity expansion.

“We design buildings to meet our clients’ visions and those visions bring value to cancer treatments throughout the U.S. PS&S is proud to be the architect and engineer on the AAA/CBRE Team, for the Millburn Radioligand Therapy Facility.”

Thomas Scally, Senior Director Architecture | Science & Technology Lead, PS&S

CBRE was excited to partner with Novartis on another technology platform project advancing Novartis leadership in neuroendocrine tumor treatment with innovative R&D technology in the nuclear medicines space as they transform cancer care for patients.

Member Spotlight:



Peter Bronsnick,
Executive Managing Director
and Managing Principal
for New Jersey,
Cushman & Wakefield

With more than 20 years of commercial real estate experience, Peter has shared his extensive knowledge and expertise with CoreNet members through various chapter hosted discussions and events. Now on his fifth year as a member, he recalls the reason for joining CoreNet is “to network with industry professionals and to learn about market trends from friends and colleagues.” When asked what he loves most about the industry, he said, “Every day is different.”

You may have chatted with Peter during previous networking events, but here is the chance to learn more about him:

What’s a fun fact about you that not many people know about?

I play Madden on PlayStation and wiffle ball homerun derby with my brothers.

What is the one thing you cannot live without?

My entire family.

What is the best piece of advice you have ever received?

Those with technical expertise will survive any market cycle.

What is the best advice you would give?

Ask good questions so you can make informed decisions.

What is one thing you have learned in the past month?

People are truly craving innovation.

What is your favorite...

Book: Extreme Ownership.

Food: Pizza.

Vacation Spot: Anywhere there’s a beach and water.

TV Show: I have no patience for TV (the characters all end up annoying me after a while). The Office is the exception.

Hobby: Softball.

Member Voices:

John Blake, CPA, MBA, Partner, Klatzkin

What do you like about the field that you are in?



The best part about being in public accounting is working with many different people on many different levels. One of the most rewarding experiences is working with newer staff to mentor and further empower them to develop and use the skillset necessary to succeed in their accounting career. For example, accountants need to be proactive, solve problems and use critical thinking skills. Finding different ways to help staff focus on these skills and to develop these skills

while learning the technical aspects of the profession is challenging and exciting at the same time. Also, being able to help clients across several industries is a highly gratifying part of what I get to do daily.

Perry Cirigliano, Account Manager, Patcraft

What do you like about the field that you are in?



I work at Patcraft, a commercial carpet and resilient flooring manufacturer. The best part of my job is getting to work with designers and end users on interesting commercial projects from the design conception to completion of the project. I like seeing the design concept develop from the inspiration, color selection and performance qualities, that many times are specific to market segment, into the final product that creates an environment where people are spending a large

part of their day. Not only that, but the quality and professionalism of the people involved makes it even more delightful. Flooring has become more technical and being able to offer new tools and direction on things like sustainability, project management and visualization hopefully gives the designer a benefit they can pass on to their client.

Roger Humphrey, MCR, SLCR, CAS, Division President, Life Sciences, JLL

What do you like about the field that you are in?



I am very proud to work in an industry that creates life-saving medicines, vaccines, and devices for patients around the world. Not only does JLL's Life Sciences practice help life science companies with real estate and facilities management solutions that allow them to attract and retain the best scientific talent, we eliminate any inefficiencies in their portfolios that can be used to develop additional breakthrough medicines and devices. This is something I was

able to do when I was Head of Real Estate and IFM Governance at Merck, and now is something I do on a much broader scale working at JLL for multiple clients. Being able to utilize my real estate and facilities experience to help save lives or make lives better, is incredibly rewarding to me.

Member News:



Congratulations to **Jeff Weidenborner**, MCR, SLCR for starting a new position as the Founder of Tenant Fusion (www.tenantfusion.com).

Tenant Fusion helps companies optimize their CRE operations to reflect new priorities and new operating environments by finding

and aligning the right people to execute the right strategies with the right tools. Tenant Fusion puts people first and enables them with sophisticated tech to create advanced, effective corporate real estate strategies, sourcing, and staffing solutions. Jeff served as President of CoreNet New Jersey in 2020 and 2021 and currently serves on the boards of the NJ Chapter and the Eastern Regional Symposium (ERS).



Steven Rinn, Managing Director Brokerage, American Properties Realty, Inc. was asked by ownership to assist and consult on the initiative to sell the Edison, NJ office building (36k SF, 3 floors). Steven will also negotiate deals for buyers he uncovers.



After years of balking at the cost of membership, **Dan Lorenz**, President, AMS CAD + CAFM Solutions, finally pulled the trigger on joining CoreNet. He took advantage of the special pricing offered in 2021 that bundled membership through 2022, with the CoreNet Global Summit registration

fee. He shared that he is so glad he finally joined and found the CoreNet Summit to be excellent. He said, "I think of it as an IFMA World Workplace, but with more real estate and workplace strategy and without roofing and toilets! I look forward to contributing my workplace technology knowledge and experience to the chapter in 2022 and beyond!"



Mike Kevin Jackson has been promoted to VP of Business Development at Geospatial Analytics, a FM technology firm providing enterprise data solutions for large CRE portfolios. The organization serves some of the world's largest companies in retail, municipal

government, finance, healthcare, technology, manufacturing, energy and education with over \$1 trillion in combined real estate valuations. Mike most recently served as Chief Sales Officer (CSO) for the company and started there as Director of Sales/Eastern Region. He has been a featured presenter at the New Jersey League of Municipalities and the New Jersey Association of Counties annual conferences and is an active member of IFMA as well as CoreNet. Mike is a veteran moderator on the Clubhouse social media platform in the blockchain/digital asset space.

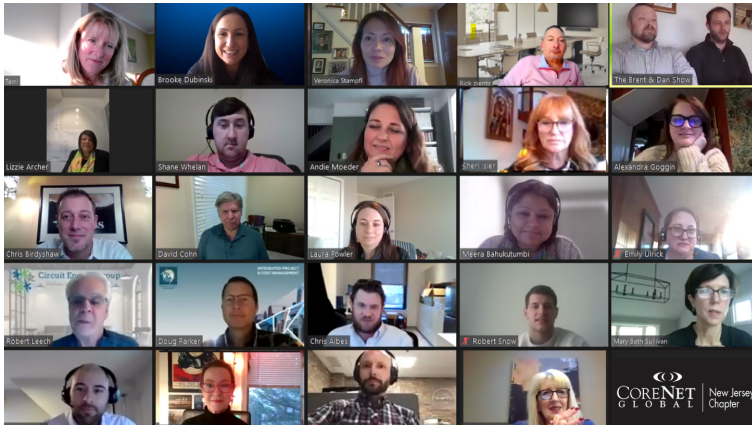
Monmouth University Real Estate Club Learns Value of Membership

On February 1st the CoreNet NJ Young Leaders Committee met with Monmouth University's Real Estate Club to share the value of becoming a student member of CoreNet. They shared the networking and educational opportunities available, and students were able to ask the Young Leaders Committee members a number of questions relating to job searching and networking during the panel discussion. It was a great night!

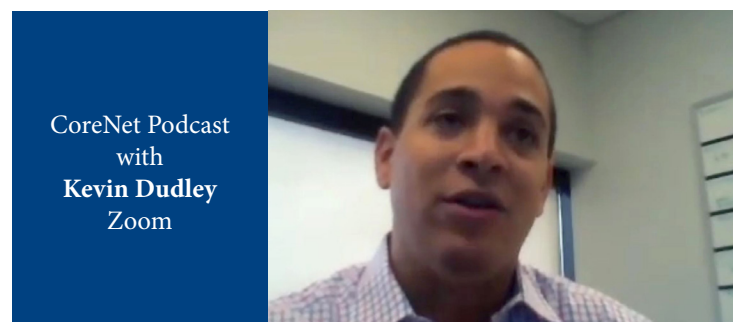


Virtual Happy Hour Kickstarts 2022

To kick off the year, the Membership Committee hosted a Virtual Happy Hour on February 9th. Discussions ranged from goals headed into 2022, to fun plans for the New Year. With various new members in attendance, we are excited to see what this New Year will bring. Stay tuned for more fun-filled events coming soon!



Check Out These Recent CoreNet NJ Podcasts, Part of the Digital Dish Series



April 12:
Top Golf, 1776 by David Burke, Morristown, NJ

April 18-22:
CoreNet Global CRE Week

April 27:
Empowerment in the Workplace, 1 Sylvan Way, Parsippany, NJ

June 13-14:
CoreNet Global ERS, Drexel University, Philadelphia, PA

June 28:
CoreNet NJ Golf Outing, Morris County Golf Club, Morristown, NJ

Visit the [events section](#) of the chapter website for more information and to register.

What's New with CoreNet New Jersey

The CoreNet NJ Chapter is excited to announce the formation of a new Diversity, Equity & Inclusion Committee! The DEI Committee focuses on three key areas and 1) is a DEI advisory resource for the chapter leadership and committees through training, planning and programing/ speaker referrals; 2) shares the corporate real estate profession with diverse student groups through speaking engagements and possibly facilitating internships; and 3) hosts DEI workshops and awareness events. The committee's co-chairs are Kris Hurlbut of Denholtz Properties and Lizzie Archer of FCA. Members are Tim Flannery (KI), Steve Rinn (American Properties), Leslie Cook (GTL), Karen Kransnomowitz (Creative Office Resources), Priya Sood (Holt Construction) and Deborah Stoller (Deloitte). Watch out for events coming from this committee!



Letter from the President

Hello New Jersey Chapter Members,

Welcome to 2022! We are already in the third month of the year and navigating this transitional time from virtual to in person connection and engagement. Our committees have been actively developing content and experiences to continue to build upon the work we have done these last couple of years, prioritizing the emphasis on professional development for all industry constituents.

I am excited about our new DEI committee and the ways in which their work will elevate our chapter. I would also like to extend a warm welcome to the newest Board and Executive Committee members and look forward to working with each of you in the year ahead.

This Winter issue of our chapter newsletter highlights a critically important industry sector and one which impacts our New Jersey corporate real estate community now more than ever. While New Jersey has long served as a hub for Life Sciences, today there is even greater focus on the spaces which support innovation and growth for their important work.

Thank you all for your commitment to CoreNet NJ. We have a lot of great things in store so be sure to check out our [website](#) to stay connected, check out our [upcoming events](#), and feel free to [reach out](#) to me at any time.



Sincerely,

Mary Beth Sullivan
Regional Vice President, Teknion
President, New Jersey Chapter
CoreNet Global

Meet the 2022 CoreNet NJ Executive Committee

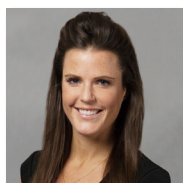
CoreNet NJ is pleased to announce our 2022 Executive Committee! We look forward to an exciting year of growth, opportunity, and engagement.



President:
Mary Beth Sullivan
Teknion



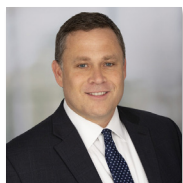
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Marianne Zeller
Ingram Micro



Treasurer:
Christie Mullen
Structure Tone



Secretary:
Brooke Dubinski
Turner Construction
Company



Past President:
Jeff Weidenborner, SLCR, MCR
Tenant Fusion Advisors



**Associate Executive
Board Member:**
Dana Nalbantian
Gensler

COMMITTEES:

Thank you to our 2022 Committee Chairs

Membership

Co-Chairs:

Brent Kozlowski, BE Furniture
Daniel Grant, ENV Architects

Company Sponsorship

Chair:

Lisa Brinkman, JLL

Special Events

Co-Chairs:

Steve Chemi, Sweetwater Construction Corp
Michael Blau, CFI

Communications

Co-Chairs:

Banafsheh Soltani, AECOM
Veronica Stampfl, Dauphin

Education

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Jennifer Kozicki, Audible
Shane Whelan, KBA Lease Services

Young Leader

Co-Chairs:

Maria Grace Iantosca, Cushman & Wakefield
Justin Brzostowski, AIS

Young Leader Mentor

Jodie Matthews, JLL

Women's Group

Co-Chairs:

Alex Goggin, Century Carpet
Tami Pegos, Gensler

Community Outreach

Co-Chairs:

Andrea Megnin, JLL
Perry Cirigliano, Patcraft

Diversity Equity & Inclusion

Co-Chairs:

Liz Archer, FCA
Kristine Hurlbut, Denholtz

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New Jersey
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