



Construction plays key role in New York's life sciences hub - by Joseph Whalen

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The life sciences ecosystem is experiencing significant growth throughout New York, largely due to the increased scientific and medical demands that arose from the coronavirus pandemic.

New York City has pledged to double its investment in the sector with a \$500 million commitment to capitalize on the industry's expansion, bringing the city's total investment to \$1 billion over the next decade. This investment, coupled with an increased interest in life sciences at the national level and an influx of post-pandemic stimulus and infrastructure funding, places the sector at a turning point for growth – one that the construction industry must bolster.

One of the major roadblocks to expanding the life sciences sector in the five boroughs is a lack of space. From 2019 to 2020, leasing costs for lab space more than doubled. Meanwhile, leasing

activity in the sector expanded drastically, surging from 156,000 s/f in 2020 to more than 257,000 s/f as of the start of June 2021 – a record high.

Far too often, life sciences professionals are seriously constrained by their lack of adequate square footage in which to operate. This curtails the opportunity for fast-growing companies that require a bigger space to expand their practices. To fully maximize its opportunities at this unique moment, the life sciences industry needs the construction sector to expedite the creation of workspaces to keep up with increasing demands for research, practices, and developments.

Approximately \$200 million of the additional investment announced by the city will go towards funding the construction of much-needed commercial lab spaces and incubators. This funding will, quite literally, allow for the space the life sciences sector needs to grow and position New York as an industry leader.

For this reason, the construction industry is inextricably linked to New York City's opportunity to accelerate local research and scientific businesses. With this in mind, we must be prepared to be directly involved in the process of meeting the life sciences industry's highly specific needs.

At Suffolk, we are consistently pursuing diverse and innovative projects to expand our participation in healthcare and life sciences development projects. We have extensive experience in the life sciences market with practice in delivering life science interiors, laboratories, and core and shell structures, which allows our teams to work with life sciences clients at every stage of their growth – from entrepreneurial startups to established organizations with world-renowned brands.

Ultimately, the city's \$200 million construction investment will help the entire sector expand, generating much-needed jobs to contribute to the post-pandemic economic recovery while also facilitating cutting-edge and potentially life-saving research. Companies will have the opportunity to hire more individuals, giving them a greater opportunity for scientific advancement. With the collaboration of the city, life sciences administrators, and construction leaders, we can ensure we are providing every opportunity for growth.

While the city's investment is a good start, we must ensure all available local, state, and federal funding is being used properly and efficiently. On this front, the track record is not encouraging. Funding allocated in 2016 has still yet to be fully distributed; only \$38 million of the \$150 million in capital funds awarded to a collection of institutions – including Columbia University, the Stem Cell Foundation, the Rockefeller University and Montefiore – has thus far been allocated, and a request for proposals for the remaining balance was only just recently released.

As the city steps up to meet the emerging needs of the life sciences industry, it should be proactively encouraging the swift development and construction of these innovative spaces. New York City can emerge as the leading biotech hub – and to do so, we must take action now.

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