

'There's a huge shortage of lab space in Chicago': Sterling Bay to back life sciences startups

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Chicago real estate developer Sterling Bay aims to make Lincoln Park on the city's North Side a center for life sciences research, an industry that the firm hopes will fill a lot of space in its \$6 billion Lincoln Yards

megadevelopment.

Sterling Bay last week announced the creation of a new investment arm, called Prysm Life Sciences, that will plow millions of dollars into emerging biotech and [pharmaceutical companies](#).

The Prysm venture will include the Stanley Manne Children's Research Institute, a life sciences incubator based in a Lincoln Park medical building that Sterling Bay bought last year from Anne & Robert H. Lurie Children's Hospital of Chicago.

The goal is to address what Sterling Bay CEO Andy Gloor said is a shortage of high-quality life sciences research lab [space](#) in Chicago, which leads companies to move out of the area to research hotbeds such as Cambridge, Mass.

Other developers are eyeing properties elsewhere in Chicago, including in the Illinois Medical District and near McCormick Place, for research space.

Through Prysm, Sterling Bay and other investors will provide funding to early stage companies with the goal of creating new, high-paying jobs in the city. Companies that outgrow the incubator could move to space at Lincoln Yards, which Gloor said is expected to have a large portion of life sciences research space. Expanding companies that move to Lincoln Yards would further boost the value of Sterling Bay's investments in the startups.

"We want to provide a network to keep those companies in Chicago, similar to what 1871 has done for the tech sector," Gloor said of the incubator based in the Merchandise Mart. "This is an industry that is growing exponentially, and Chicago needs to get its fair share of these businesses."

Sterling Bay's initiative should complement the work already being done by Matter, a health care technology incubator that opened in 2015, said Matter CEO Steven Collens.

"There's a huge shortage of lab space in Chicago," Collens said. "It hurts life science entrepreneurs as they're looking to build their businesses."

Lab spaces can be significantly more expensive to build than other types of spaces, he noted. Matter thought about building lab spaces when it was opening but anticipated other non-Matter projects, then in the works, would fill the need. Those projects, however, he said, ended up falling through.

"When you think about what it is that early stage life sciences ventures need in order to thrive, they need capital, they need talent and they need infrastructure," Collens said. "We're missing the infrastructure piece and I think this will be really helpful."

Sterling Bay already has benefitted from the growth of tech jobs in Chicago in recent years, signing companies such as Google, Uber, Gogo, Twitter and Glassdoor to office leases in its buildings.

It has made investments in young companies, one of which it plans to relocate to Chicago as part of the Prysm venture. Prescient Medicine Holdings will move later this year to Lincoln Park from Hummelstown, Pa., chief operating officer Kevin Stineman said. The company will move 85 workers, with plans to hire another 40 after relocating to Chicago, Stineman said in an email.

Prescient is in the final stages of submitting clinical trial data to the Food and Drug Administration for LifeKit Predict, a genetic test that determines a person's risk for developing opioid addiction. Prescient expects to gain approval and commercialization by later this year,

Stineman said.

Sterling Bay in April finalized city approval to build up to 14.5 million square feet of office, residential and other buildings on 55 acres on the Chicago River along Lincoln Park and Bucktown.

Sterling Bay paid almost \$20.5 million for the Stanley Manne Children's Research Institute in October. The building at 2430 N. Halsted St. is about a mile east of Lincoln Yards.

Lurie workers, who are moving to consolidated space in the Gold Coast, will be out of the building in the next few months, and Prysm will open there soon after, Gloor said.

CBRE broker David Saad will lead leasing at the 120,000-square-foot Halsted Street property.

By the time Lurie moves out, Sterling Bay said it expects to have several lab tenants signed.

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