



Colliers

Research Report

New Jersey Life Sciences

2021 Overview

Accelerating success.

Market Statistics

Market Name	Inventory (SF)	Availability Rate	Leasing Activity (SF)
Northern New Jersey	5,581,228	18.6% ↑	267,823
Central New Jersey	13,229,858	11.6% ↓	1,048,643
New Jersey Overall	18,811,086	13.7% ↓	1,316,466

Directional arrow represents year-over-year change

Overview

The advancement in technology together with the COVID-19 pandemic has triggered significant progress in the nation's life sciences sector. New Jersey has experienced notable growth from emerging pharmaceutical and biotechnology companies. The State offers a unique ecosystem that consists of a strategic location in the heart of the northeast corridor, a talented and experienced workforce, and supply chain infrastructure that enables pharmaceutical and biotechnology companies ease of entry. New Jersey is home to 8 of the top 10 R&D companies, with a tenant roster of many blue-chip companies.

Key Takeaways

- The availability rate in Northern New Jersey increased slightly to 18.6%, with only a handful of buildings accounting for most of the available space, such as 5 Giralda Farms in Madison and 95 Green Street in Jersey City.
- Strong demand continued in Central New Jersey, which accounted for most of the leasing activity, and saw its availability rate improve to 11.6%.
- The Greater Princeton submarket remained a highly sought-after location for life sciences companies, evidenced by BeiGene's 42-acre acquisition at the Princeton West Innovation Campus. The biopharmaceutical company plans to build approximately 400,000 SF of dedicated commercial stage biologic pharmaceutical manufacturing, along with R&D and office space.

Notable Transactions



55 Corporate Drive



650 Randolph Road



53 Frontage Road



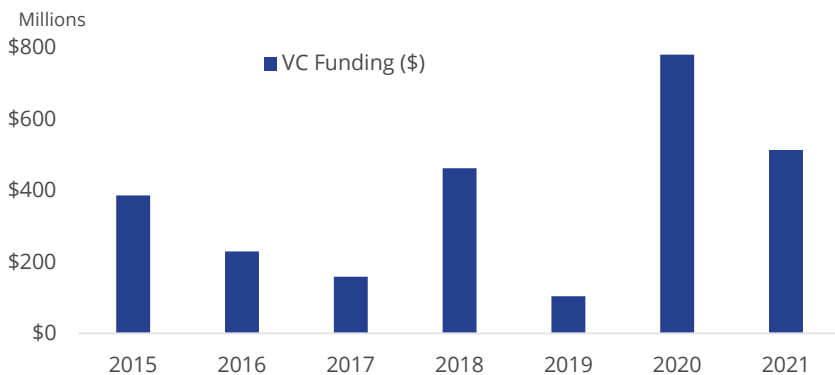
30 Knightsbridge Road



1 Research Way

Transaction Type	SALE	LEASE	LEASE	LEASE	LEASE
Transaction Size (SF)	210,000	127,800	101,641	99,016	50,000
Location	Bridgewater	Somerset	Hampton	Piscataway	Plainsboro
Tenant/Buyer	AVG Partners	Citron Pharma	Mallinckrodt	Infinity Biologix	PVM Pharmaceuticals
Sale Price	\$261,000,000	-	-	-	-

Life Sciences VC Funding – New Jersey



Source: Crunchbase & ZoomInfo

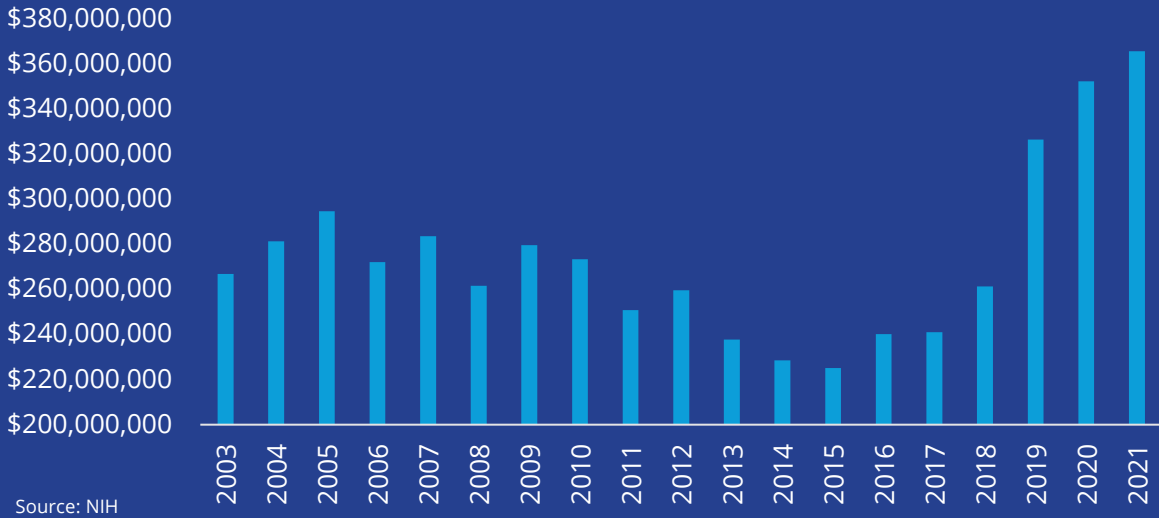
Select Recently Funded Companies

Company	Money Raised
Modern Meadow	\$130,000,000
Antios Therapeutics	\$75,000,000
UroGen Pharma	\$75,000,000
Elucida Oncology	\$72,000,000
PDS Biotechnology	\$60,000,000



2021 Overview

Historical NIH Funding



Source: NIH



\$72.8 million



\$48.2 million

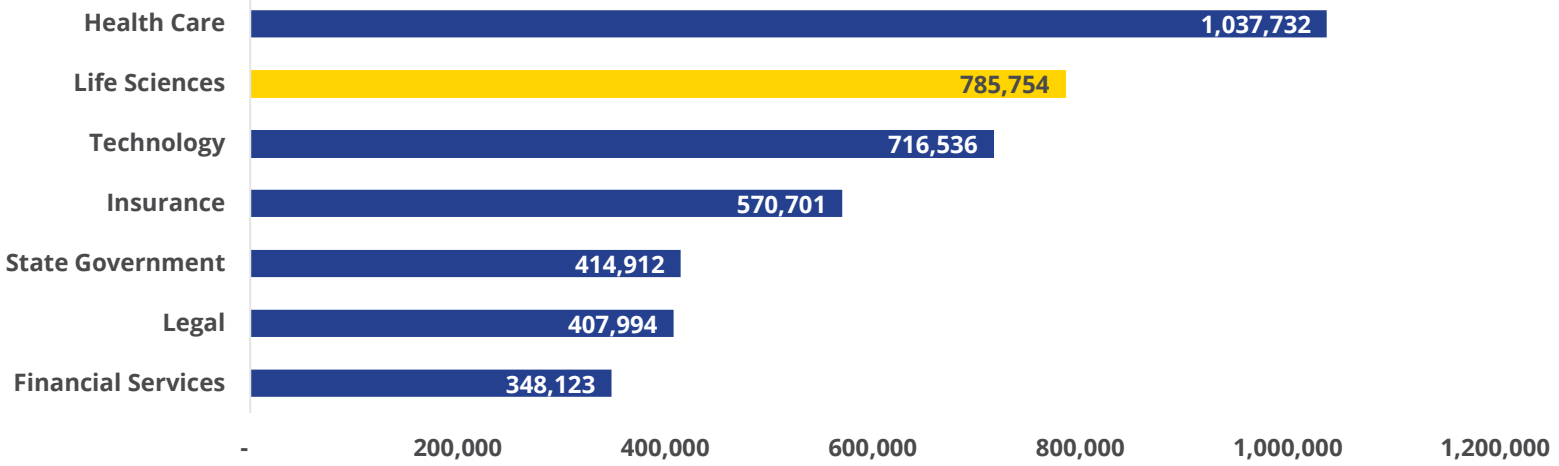


\$50.6 million

Public and Private Funding Grows

Grant funding from the National Institutes of Health (NIH) and private investment from venture capital is the backbone of the life sciences ecosystem. Over the last two years, New Jersey has seen increased funding in both the public and private sectors. This will give scientists in New Jersey the opportunity to uncover breakthrough therapeutics. In turn, this will help spur the growth of new industries, increase life science jobs, and create new tax revenues for the Garden State. Venture capital continued to flow into New Jersey life sciences companies in 2021, on the heels of strong activity the prior year. Companies such as Antios Therapeutics and Modern Meadow received significant backing, raising \$75 million and \$130 million, respectively.

2021 Office Leasing Activity by Industry



Life Sciences Demand Provides Some Relief for Traditional Office Properties

Sustained growth from the life sciences industry offers opportunities for vacant office assets. While demand is high, the specialized labs life sciences companies require are limited and as such, some have turned their attention to office buildings to fulfill their space requirements, which can further aid in New Jersey's office market recovery. Recent transactions by life sciences companies such as Inveric Bio, Hengrui Therapeutics, Infinity Biologix, Mallinckrodt, and CytoSorbents underscored this trend, most of whom expanded or committed to new space in office buildings during 2021. This trend is expected to continue, as several large pharmaceutical requirements remain in the market.

Recent Developments

Address	City	Owner/Developer	Size (SF)	Development Type
95 Greene Street	Jersey City	Thor Equities	350,885	Redevelopment
1153 Bloomfield Avenue	Nutley	Quest Diagnostics	250,000	Recently Completed

On the Horizon

Name	City	Owner/Developer	Size (SF)
SciPark, Bldg. II	East Windsor	Simon Development	66,890
SciPark, Bldg. III	East Windsor	Simon Development	65,975
SciPark, Bldg. IV	East Windsor	Simon Development	42,075
New Jersey Bioscience Center	North Brunswick	New Jersey EDA	180,000
New Jersey Bioscience Center	North Brunswick	New Jersey EDA	200,000
New Jersey Bioscience Center	North Brunswick	New Jersey EDA	90,000
ON3	Nutley	Prism	164,000
Center of Excellence	Bridgewater	Thor Equities	1,000,000
The Cove JC, Phase 1	Jersey City	Argent Ventures & H&R REIT	833,899
The Cove JC, Phase 2	Jersey City	Argent Ventures & H&R REIT	596,000
The Hub, Phase 1	New Brunswick	DevCo	419,000
The Hub, Phase 2	New Brunswick	DevCo	500,000
Princeton West Innovation Campus – BeiGene	Hopewell	BeiGene	400,000

Development Pipeline Still Limited

The market for move-in ready lab space remains tight amid the growth of small and mid-sized life sciences firms during the year. Despite the lack of available laboratory space in the market, the construction market has been somewhat limited due to the long approval process and the high cost of construction. Still, major developments are taking place at Prism's ON3 campus on the border of Nutley and Clifton. ON3 is located on the campus formerly occupied by Roche and is currently home to Hackensack Meridian Medical School, and Modern Meadow. Additionally, vacant office buildings in key markets are being repositioned to research & development use to capture new demand. For example, 95 Greene Street in Jersey City was acquired by Thor Equities, who redeveloped the building to create lab-ready space aimed at the life sciences and healthcare sectors. The first lease was signed at 95 Greene Street in 2021, where RWJ Barnabas Health leased 11,000 SF and Fork & Goode took 11,855 SF at the newly redeveloped property.

Two significant developments took steps forward as progress is well underway at both the Cove in Jersey City and the Hub in New Brunswick. The Cove will transform an urban site into a regional destination for life science companies. In the first phase, the site will include two academic and laboratory facilities as well as a commercial life sciences building. The second phase calls for an additional two lab ready buildings. The Hub development in New Brunswick aims to help restore New Jersey's image as a place for life sciences innovation. Princeton University, Hackensack Meridian Health, RWJBarnabas Health and Rutgers have already committed to the site planned in downtown New Brunswick. The first phase contains two components, the first will be home to Rutgers translational research facility, which will provide lab support for several forms of life sciences research. The second will be an innovation center which is meant to foster collaboration among researchers looking to grow and create innovate ideas and solutions.

480 offices in 67 countries on 6 continents

United States: 160
Canada: 49
Latin America: 14
Asia Pacific: 43
Australia & New Zealand: 54
EMEA: 108



\$3.3B
in revenue



2B
square feet under management



18,000 +
professionals

About Colliers

Colliers (NASDAQ, TSX: CIGI) is a leading diversified professional services and investment management company. With operations in 67 countries, our more than 15,000 enterprising professionals work collaboratively to provide expert advice to real estate occupiers, owners and investors. For more than 25 years, our experienced leadership with significant insider ownership has delivered compound annual investment returns of almost 20% for shareholders. With annualized revenues of \$3.0 billion (\$3.3 billion including affiliates) and \$40 billion of assets under management, we maximize the potential of property and accelerate the success of our clients and our people.

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