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Why multi-use real estate is in demand for life sciences companies

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India's Biocon, Enzene Biosciences, and Meteoric Biopharmaceuticals, Japan's Daiichi Sankyo, and Singapore's Hummingbird Bioscience, have all recently sought to lease, acquire, and set up shop in a mixed-use space in the US. And for those companies who wish to enter or expand in the US market, New Jersey is a top choice due to its existing infrastructure, cultural connections, robust talent and location.



Some of the world’s most iconic resorts, Dubai’s Burj Al Arab for example, are purposefully designed so that guests never really have a reason to leave. There are multiple Michelin stars dotting the names of dozens of restaurants, couture shopping throughout, luxurious amenities around every corner, and boundless options for dazzling entertainment.

While “the world’s only 7-star hotel” isn’t exactly a realistic comparison to an office environment, it does offer inspiration and insight into the demand for mixed-use commercial space. At the end of the day, the average person will spend one-third of their life working. If people are going to allocate roughly 90,000 hours at work, shouldn’t we make the places they go to work a bit more enticing?

Some of the world’s top life sciences, biopharma, R&D, and clinical manufacturing companies think so. India’s Biocon, Enzene Biosciences, and Meteoric Biopharmacueticals, Japan’s Daiichi Sankyo, and Singapore’s Hummingbird Bioscience, have all recently sought to lease, acquire, and set up shop in a mixed-use space in the US. The reasons for the rise are as vast as the mixed-use amenities the facilities offer, but I think the shift can be summed up in a few key motivations.

Mixed-use commercial space helps companies:

Attract and retain top talent. This is especially critical in the life sciences and biopharma space, where employers are in a constant battle to secure the best of the best. For the same reasons you're unlikely to rent an apartment or buy a house sight unseen, it stands to reason that the aesthetics and amenities offered in the place you'll spend 40+ hours each week also matter. The world's best researchers and scientists have options. Money, titles, and benefits are only part of the package. A convenient and inspiring place of work matters. In fact, many life science leaders are beginning to consider office space as a revenue generator, recognising that great design can attract great people.

Inspire innovation. There's a reason people go to the countryside to paint, or the mountains to write. They recognise that the environment plays a significant role in output. The same is true of work space. A windowless 10 X 10 office, complete with uncomfortable earth-tone furniture and blank walls, is hardly inspiring. But a campus where ideas can freely flow at a cafe, knowledge can be shared in state-of-the-art communal conference rooms, hypotheses can be tried in real-time in an onsite lab, employees can unwind during a walk through the flower garden, and successes can be celebrated at the campus lounge motivates employees to communicate, collaborate, and create. Mixed-use spaces are proven to increase productivity, efficiency, and engagement, all of which boost the bottom line.

Control costs. With the tumultuous state of today's capital markets, not to mention the average cost of building R&D space hovering around $1,000 per square foot, it would be price prohibitive for most companies to design and build a campus that offered all of the amenities found in a typical mixed-use campus. Further, the regulations and specialty needs in the life sciences space are cumbersome and even more expensive to build, making it much more economical for companies to lease existing, purpose-built multi-use facilities, especially those that were designed with the life sciences industry in mind.

While mixed-use campuses can be found all over the world, New Jersey in particular boasts some of the best facilities for the biopharma and life sciences space. Even better, this American east-coast state is exceptionally appealing to Asia-based companies looking to expand into the US market. Here are some reasons why:

Existing infrastructure. New Jersey boasts a number of purpose-built life science and office real estate crafted by the largest pharmaceutical companies in the world who spared no expense in their construction. For example, in 2023, the Northeast Science and Technology (NEST) Center was announced as a reimagined 100+ acre campus at the site of Merck's former global headquarters Kenilworth, New Jersey. The research and development campus offers over two-million square feet of existing facilities, including laboratory and bio manufacturing buildings, as well as redevelopment opportunities. Space on the campus was built by the pharmaceutical powerhouse Merck, and is ideal to be leased by a wide array of life science, biotech, and pharmaceutical companies. Additional mixed-use campuses in New Jersey, such as HELIX and On3, have also tapped into tenant demand by offering life science-specific leasing opportunities.

Cultural connections. New Jersey is a global gateway to reach the North American market and offers Asian companies a competitive advantage. For starters, there are multiple direct flights to popular cities across Asia daily. New Jersey is also home to thriving Asian communities boasting some of the largest populations of Indian, Japanese, Taiwanese, and Korean residents in the US. You'll also find strong economic ties to many Asian countries here, with a number of Sister State agreements to support mutual economic growth already in place.

Robust talent. A significant number of clinical research organisations, contract development manufacturing organisations, and universities with leading medical and research programmes call New Jersey home. You'll find more residents with STEM degrees here than anywhere else in the United States. In fact, there are more scientists and engineers per square mile in New Jersey than any other state.

Location, location, location. The golden rule in real estate has always been location, location, location. And New Jersey certainly boasts that with its proximity to New York City and Philadelphia and their respective deep academic and financial institutions. The previously mentioned NEST campus is roughly 14 miles from downtown Manhattan, making a night out in New York City easily accessible — the well-designed public transportation system reduces the stress of any commute and amplifies cultural opportunities. Even better, New Jersey was recently ranked fifth happiest state in America, largely due to its low crime rate, access to nature, and booming job market. It also doesn't hurt that the state offers over 60 beaches spread across more than 130 miles of Atlantic coastline.

For companies in the life sciences, biotech, and pharmaceutical industries, mixed-use commercial spaces are becoming more of a prerequisite than a perk. And for those companies who wish to enter or expand in the US market, New Jersey is a top choice.

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