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London-based Achilles Therapeutics picks Philadelphia for its first U.S. location

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Achilles Therapeutics, a London-based biotech company, has selected Philadelphia as an entrée into the United States and leased space at 401 N. Broad St. in Center City.

The company, which is developing cancer therapies by using DNA sequencing from individual patients, signed a three-year lease on 7,243 square feet.

Achilles (NASDAQ: ACHL) joins Biomeme Inc. and NeuExcell Therapeutics at 401 N. Broad, which has more than 50,000 square feet of lab space leased and is helping to cast the North Broad Street corridor as another burgeoning hub for life sciences in Philadelphia.

A couple of blocks down from 401 N. Broad, Iron Stone Real Estate Partners has branded the former Hahnemann Hospital properties as Race Street Labs and is marketing it to life sciences companies.



NATALIE KOSTELNI
401 N. Broad St. in Philadelphia

To the north, Temple University operates the Moulder Center for Drug Discovery Research, which is a center for developing the scientific discoveries of faculty members and scientists that has spun out several startups.

“It’s no longer as if you have to be in University City. You can be on North Broad,” said Jerry Marshall, CEO of 401 N. Broad owner Neutrality Data Centers.

Achilles decided on Philadelphia because of the concentration of cell and gene therapy companies and research institutions as well as its abundance of talent. When exploring where to lease space, the company looked across the region, said Matthew Knowles of CBRE Inc., who along with Anthony Pell represented Achilles. That included Malvern, Exton, Spring House and King of Prussia in the suburbs, and University City and Center City in Philadelphia.

As for selecting 401 N. Broad, it came down to how quickly the company could secure space and move in along with the flexibility to do a three-year lease and grow within the building. “The key was to get up and running as fast as possible,” Knowles said.

Achilles leased a lab spec suite, or lab space the landlord had built on speculation as a way to attract life sciences tenants to 401 N. Broad. It's a strategy that has worked well because of the lack of such space and heightened demand.

“This is a field of dreams,” said Christian Dyer, a broker with CBRE who represented the landlord. “If you build it, they will come.”

Demand for life sciences space has outstripped available inventory, and companies are seizing on space that is already built out or can quickly be converted. When a life sciences company that is in an incubator or similarly smaller space sees positive results from their research and clinical trials, their need for space is immediate, Dyer said.

At the end of the fourth quarter, 68 life sciences tenants totaling 2.7 million square feet were in the Philadelphia market looking for space, according to a CBRE report. Roughly 1.1 million square feet of new and converted space is under development and expected to be completed this year.

That has led Netrality to invest in spec suites and move forward with converting another 50,000 square feet or more at 401 N. Broad into life sciences space. The company is also exploring where it can convert space in other buildings in its portfolio.

The lack of available life sciences space has become a challenge here and in other major markets across the country, Knowles said.

"Landlords are becoming smarter about the product and finding ways to deliver it as soon as possible," he said. "These spec suite deliveries have been successful and I think we will see more of that across the region."

Natalie Kostelni

Reporter

Philadelphia Business Journal

