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# Drexel to keep labs in Center City after Iron Stone buys New College building

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After exploring relocating its labs to King of Prussia, Drexel University has struck a deal to keep those research facilities in Center City.

The university currently maintains its labs at New College building, which is attached to Hahnemann Hospital at 15th and Vine streets, as well as at its Queen Lane campus in Philadelphia. New College was put up for sale by Harrison Street Real Estate Capital.

This prompted Drexel to begin searching for a new location for those labs since it was expecting to vacate the building after an eventual sale of the property and upon the expiration of its lease in June 2022. But after contemplating a move to Discovery Labs in Upper Merion, Drexel made an agreement with the new owner of that building, Iron Stone Real Estate Partners, to remain there for the next six years.



JOHN GEORGE

The former Hahnemann University Hospital building that Drexel University used for lab space.

"We got very serious along the path of moving our folks to Discovery Labs for a 12-year term," said Alan Greenberger, who oversees real estate and facilities for Drexel. "We were doing plans on how folks could fit into the building."

Drexel was planning to lease 360,000 square feet at the suburban facility, which would have been a significant deal for the project. Last month, the University of Pennsylvania announced it signed a lease on 150,000 square feet at Discovery Labs for its gene therapy program. The complex had been previously built and used by GlaxoSmithKline and later sold to MLP Ventures, a Radnor real estate company that is marketing the campus to life sciences and related tenants.

By March when it became apparent Iron Stone was going to finalize buying the New College building, the Philadelphia real estate company accommodated Drexel's desire to remain in New College.

New College totals 600,000 square feet. Drexel currently occupies half of the space but under the new arrangement with Iron Stone, it will lease the entire building. The university plans to make several upgrades to the space. "We're pleased we get to keep everyone in the city," Greenberger said.

Drexel and Iron Stone have worked together on other projects. For example, the real estate company purchased St. Christopher's and made an arrangement to lease it to Drexel.

The deal with Iron Stone at New College will provide the university with the time it needs to plan, design and have constructed a new lab building near its campus University City, Greenberger said. The goal is to consolidate its labs from New College and Queen Lane into the new building, which will be developed by Wexford Science and Technology at uCity Square.

"We structured a deal that gave them some optionality," said Matthew Canno of Iron Stone. "They are welcome to stay longer if it takes more time for them to build their University City building."

Iron Stone did not buy what is referred to as the North and South Towers of the former Hahnemann real estate, which was also on the market and owned by different but related entities. It did purchase a garage at Broad and Vine streets and few smaller

buildings that are fit out as medical office space. “They are vacant now but we need to find tenants for those space,” Canno said. “It’s move-in ready.”

Once Drexel develops a new lab building at uCity Square, the school anticipates vacating New College and selling the Queen Lane campus, Greenberger said.

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