

Beverly Throws Its Hat Into Greater Boston's Life Science And Tech Boom

September 25, 2018 | Cameron Sperance, Bisnow Boston

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Large life science and technology companies flocking to Greater Boston have generally settled around Kendall Square in East Cambridge or in the Waltham vicinity of Route 128. But the North Shore innovation and real estate communities say their market is ideal for businesses just starting out.



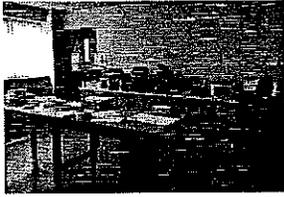
“For people starting a new business, consider different factors like cost and the environment,” RAN Biotechnologies founder and CEO Roger Nasser said. “You have less worries and an easier time growing a business in Beverly than elsewhere in this tight market.”

The life science and technology industry boom in Boston and Cambridge has sent office and lab rents nearly into the triple digits in submarkets like the Seaport and East Cambridge. Pricey rents have concerned some in Boston's real estate community about whether the region is at risk of pricing out startups and entrepreneurs like Nasser, whose company provides specialized chemicals for biotechnology companies.

The team behind Beverly life science and technology incubator North Shore InnoVentures hopes to be able to keep Greater Boston's startup engine roaring.

“I joke that I remember going to the Seaport and only paying \$10 for parking,” North Shore InnoVentures President and CEO Chris Isley

said. "The fact L.L. Bean is down there right now means it's not the place for entrepreneurs anymore."



The 10-year-old incubator is spread across 13K SF at the Cummings Center, a 2M SF office and lab campus in Beverly. The Cummings Center is home to more than 600 companies, including Thermo Fisher Scientific, MassBio and supply chain technology firm Sensitech.

Life science firms collectively lease more than 500K SF at the development, and Isley said that tenant network can be an advantage to users at his organization's incubator.

"It isn't a case of 'if you build it, they will come,'" Isley said. "Some might bank on the selling point of how cheap their rent is, but that's not what we're after. The key thing is all the services: the mentoring and all the other parts that go with it."

But for companies beyond the incubator, cheaper rent and easy connectivity to Boston via the MBTA's northern commuter rail lines could be enough to make them consider heading north when opening a Greater Boston lab or office.

Lab rents on the Route 128 belt near Waltham range from the low \$40s to \$50s/SF while those in East Cambridge are in the \$90s/SF. Commercial biotech lab rents in the Route 128 North submarket around Beverly range from the high \$20s to mid-\$30s/SF, according to Perry Brokerage data.

"The North Shore can provide significant cost advantages to life sciences and tech groups hoping to increase their runway — time they can operate on a given amount of investment," Perry Brokerage Director of Intelligence Brendan Carroll said. "The region also provides excellent lifestyle and urban centers such as Beverly, Lynn, Reading and Salem, which are all undergoing renaissance."



Boston and Cambridge remain the hub of the region's life science activity with more than 500



biotech companies, five of the top six hospitals in the U.S. and 48 colleges, according to the Massachusetts Biotechnology Council. But the North Shore is still noted as having similar components on a smaller scale.

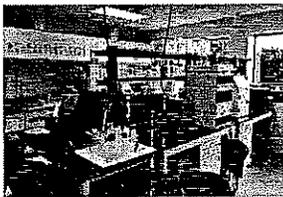
More than 50 biotech companies call the North Shore home, and there is more than 2M SF of lab space and 12 colleges and universities to feed growing companies with talent.

Lower Rent Gives More Room For R&D

While East Cambridge commands rents approaching \$100/SF, the Cummings Center offers rents ranging from \$15 to \$23/SF, according to Colliers International data. The affordability appeals to NSIV members that eventually graduate into their own space within the campus, much to the delight of the property's owner.

"As a company, we've thought hard about how to attract small and growing businesses," Cummings Properties Vice President and Cummings Center General Manager Stephen Drohosky said. "North Shore InnoVentures being here fits very well with the mindset of our company. It's been a good relationship."

Nasser's company spent four years at NSIV before graduating in June 2017 to a nearly 3K SF office of its own at the Cummings Center. While he plans to grow his company further, Nasser plans on staying on the North Shore. The Cummings Center is 90% leased, but thanks to the developer's construction arm and other nearby projects, Drohosky said they can feed growing companies from NSIV into suitable spaces in the Cummings portfolio.



"There is a community of people who now know our capabilities as a company," Drohosky said.

More than 300 jobs have been created and over \$300M in funding raised from the 44 members that have been a part of NSIV since its start in 2009. Isley and Fleming recognize big pharmaceutical companies and marquee technology

brands like Facebook and Amazon will continue to flock to areas like Kendall Square over Beverly, but North Shore InnoVentures Director of Mentoring Trish Fleming said their focus is on innovation companies with revenues under \$20M that still play a vital role in fueling entrepreneurship in Greater Boston.

They also have taken on the role of showing students on the North Shore they can start a company just as easily as students at Harvard and MIT. More than 100 interns from North Shore colleges and universities, like Endicott College, Salem State University and Gordon College, have worked at NSIV.

“So many of the students we see at the local colleges don't evidence entrepreneurship is something they are supposed to be able to do,” Fleming said. “We remind them they're already here contributing and helping a startup and getting to see how they work. We show them entrepreneurship is attainable.”

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