



#HIPLexington

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Lexington

A Life Sciences Report

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Town of Lexington

Economic Development Office

Life Sciences

Trends

Future

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Industry Trends

Hartwell Project

Foreword

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“With Greater Boston leading the nation in life sciences, and a tight real estate market with low vacancy rates in Boston and Cambridge, Lexington is well-positioned to meet the demands for lab and office space for this rapidly growing industry. Our Planning and Economic Development Teams will work in a coordinated manner to move projects forward quickly as demanded by the demands on the industry.” -Jim Malloy, Town Manager, Town of Lexington, Massachusetts



Jim Malloy, Town Manager

“Massachusetts is the best place in the world for the life sciences. As more and more companies look to build and increase their presence here, we are thrilled to see the expansion of the cluster into Lexington and beyond the Cambridge/Boston core. As a Platinum-rated BioReady Community, Lexington has been a leader in driving the growth of the life sciences cluster along Route 128 through its affordable rents and close proximity to world-class talent. We look forward to working with the Town of Lexington to support this growth for years to come .” - Ben Bradford, Vice President of Membership and Economic Development, Massachusetts Biotechnology Council (MassBio)



Ben Bradford
Vice President of Membership
and Economic Development,
MassBio



Life Sciences commercial growth is pushing communities to not only think differently about commercial economy, but also to create new spaces that bypass traditional innovation districts.

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Why is Lexington a desired location for Life Sciences development?

Home to over 30 biotech and pharmaceutical companies and 3,300 jobs in those fields, Lexington has become a hub for many of the East Coast area's best innovators.

Lexington's BioReady Platinum status makes it an attractive community to many pharmaceutical and manufacturing companies looking to grow their businesses on Route 128. The average asking price per square foot is roughly \$27 in this region versus \$110 per square foot in Boston and Cambridge.

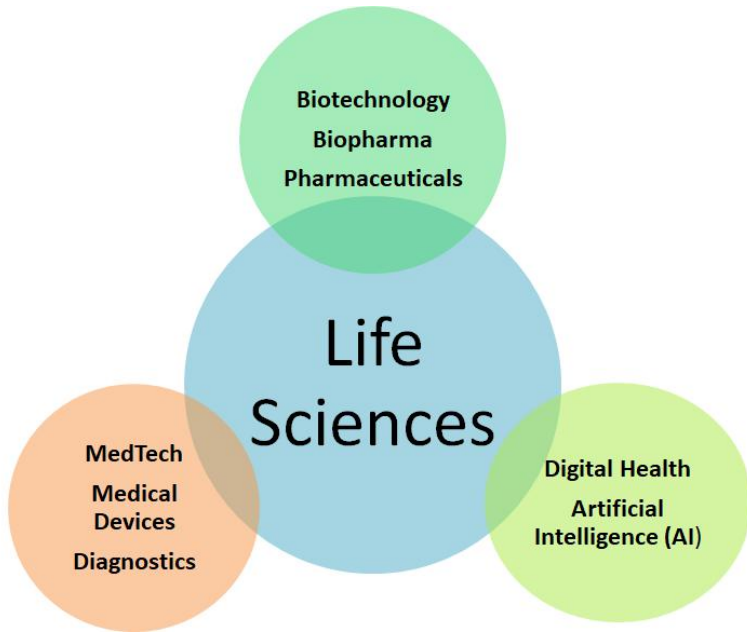
COMMERCIAL REAL ESTATE OVERVIEW

Lexington is approximately 16.5 square miles. Located in close proximity to Route 128/95, Route 2, and Route 3. Only 6% of the Town's land is zoned for commercial use. Approximately 44% of the land is zoned for single-family residential use; 26% is open space and the remaining 24% is classified as government or civic use.

Lexington is located in one of the most innovative districts with the richest talent pool that has been attracting life sciences as well as technology companies in this region for many years. Home to over 30 biotech and pharmaceutical companies and 3,300 jobs in those fields, Lexington has become a hub for many of the East Coast's best innovators.

Currently, the tax rate for a commercial property is \$27.98 and residential is \$14. Lexington maintains a competitive rate among its neighbors such as Bedford (\$28.98), Burlington (\$25.54), and Waltham (\$24.36) that also have a split tax rate. Input from the business community suggests that the higher commercial rates are less of a factor for locating large-scale corporate establishments in the Town compared to the decision making for small-scale businesses and retail service establishments which are more cost-sensitive and will explore other locations with lower tax rates. Commercial properties in Lexington account for 9% of the total assessed value but contribute 17% towards the total tax revenue generated due to the split tax rate.

LIFE SCIENCES OVERVIEW

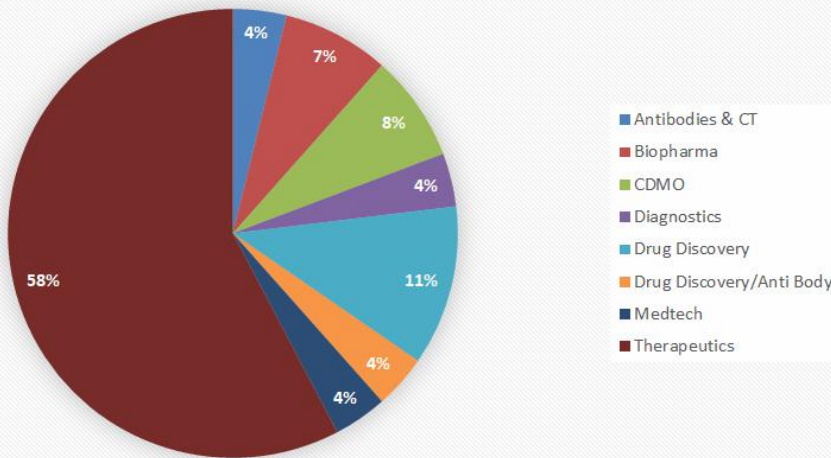


The Life Sciences industry is related to human health and well-being, which makes this industry a vital industry that is always evolving and expanding with new challenges and the latest technology.

Biotechnology, MedTech/Medical Device, as well as Digital health/Artificial Intelligence (AI) are all part of Lexington's life sciences ecosystem. In addition to the traditional life sciences companies, Lexington has a growing demand for space for companies that are part of the supply chain that is crucial for the life sciences growth, such as advanced manufacturing and cGMP biomanufacturing.

Lexington has around 30 Life Sciences Companies. 58% are developing therapy and the majority of them are Biopharma company

Total Life Science Companies in Lexington

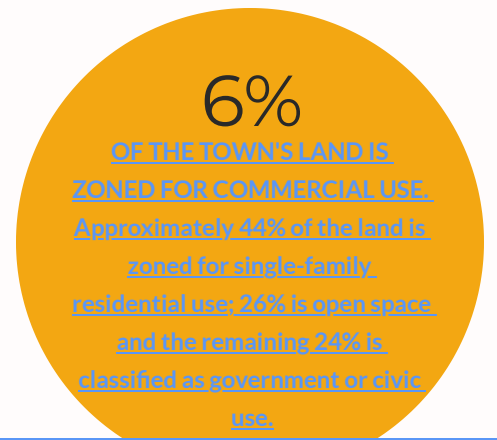


7 of the Life Science companies in Lexington are directly contributing towards developing a vaccine or a therapy for COVID 19.

Introduction

LIFE SCIENCES OPPORTUNITY

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Lexington has 8.89M square feet of commercial space; an increase of approximately 393,000 square feet in 8 years



Ground-up development in Lexington has not occurred in several years. Shire's (now Takeda's) 900,000-SF US headquarters built-in 2002, is a strong driver for Lexington's biotech appeal. However, there have been recent significant redevelopment projects such as 75 Hayden Ave, 1050 Waltham Street, and 20 Maguire RD, which are focused on the repurposing of the old office and industrial buildings for life sciences uses. Four local biotech companies have leased the entire 215,000 SF spec lab building at 75 Hayden Ave, developed by King Street Property. The property will be home to Dicerna Pharmaceuticals (92,000 SF), Frequency Therapeutics (61,000 SF), Integral Health (30,000 SF), and Voyager Therapeutics (32,000 SF).

“At the end of the third quarter, there was roughly 5 million square feet under development. Over half of the pipeline is already preleased, with the majority of products not delivering until 2022 or later. This should keep supply scarce for the foreseeable future- JLL, Outlook, 2020”

Community	Life Sciences Properties	Availability Q4 2020	Commercial Tax Rate
LEXINGTON	31	6.4%	\$27.98
WALTHAM	34	19.5%	\$24.36
BURLINGTON	6	33.9%	\$25.54
BEDFORD	20	22.7%	\$28.95

Introduction

Lexington Lab Rent Per SF



CoStar

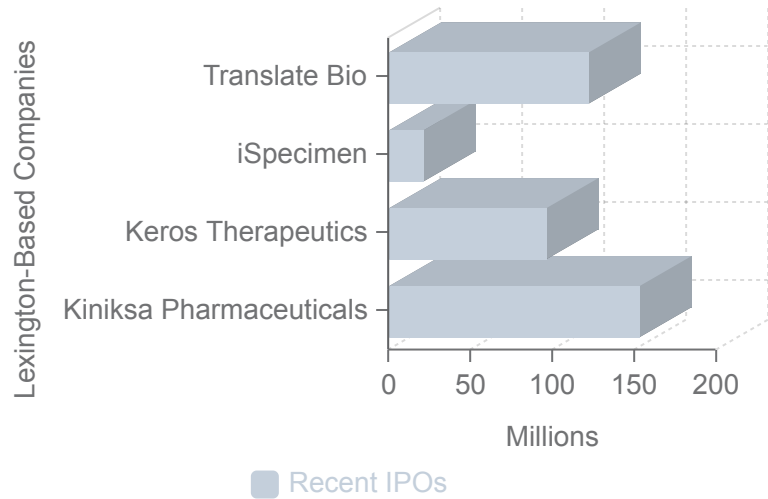
Market Rent \$42 Asking Rent \$27

Overall rent growth has begun to slow down in Lexington. This may be due to the stock of buildings that were built in late 1970s and are in need of renovation to meet the market demands of today including more amenities and sustainable standards.

Initial Public Offering

64% “ In 2019, 64% of all Massachusetts biotech companies that went public were located outside of Cambridge, raising a cumulative \$676 million” - MassBio 2020 Industry Snapshot ”

Recent Lexington IPO



Lexington Life Sciences Companies



Hartwell Innovation Park



CREATING THE HEART OF HARTWELL

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A zoning article was passed at the Special Town Meeting in 2020 that helps increase the density and the dimensional standards as well as the sustainability measures for any future development in the Hartwell Innovation Park district.

Hartwell Rezoning Initiative: The Hartwell Innovation Park rezoning is a community-based planning process. The community's Hartwell vision will be realized using a rezoning process involving a series of public engagement sessions starting in October 2020. The draft document lays a foundation for the future for an incremental redevelopment over five, ten, and even twenty years after the rezoning.

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PARCELS



31.89
ACRES
DEVELOPED AREA



98.1
ACRES OF POTENTIAL
& OPPORTUNITY



RESOURCES

Source 1: 2020 CoStar Realty Information Inc. Office Submarket Report. Lexington/Arlington

Source 2: 2020 Jones Lang LaSalle IP, Inc. Lab Outlook Greater Bostonl Q3 2020

Source 3: MassBio 2020 Industry Snapshot



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