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## Harrison Street joins Sterling Bay's life sciences push

The Chicago-based real estate private equity firm is teaming with the developer on a life sciences building in Lincoln Park and could play a key role in the development of Lincoln Yards.

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As Sterling Bay sets its sights on building more lab space in Chicago for life sciences companies, it's teaming up with another local investor that specializes in the sector.

The Chicago real estate developer has paired with Chicago-based real estate private equity firm Harrison Street as its joint venture partner at 2430 N. Halsted St., a 125,000-square-foot medical research building Sterling Bay redeveloped last year and has been leasing to biotech and pharmaceutical start-ups.

The partnership will initially focus on the Lincoln Park project, which Sterling Bay has viewed as a breeding ground for life sciences companies spun out of research at Chicago-area universities. But it will likely continue to larger developments at Lincoln Yards, the 55-acre mixed-use campus Sterling Bay plans to build along the North Branch of the Chicago River between Lincoln Park and Bucktown.

"Our strategy has always been to form relationships with organizations, and we love to do repeat business. We think there's great value in that," said Harrison Street Chairman and CEO Chris Merrill. "We're exploring a lot of things in the life sciences space with (Sterling Bay). This is the first of hopefully many we'll do together."

The partnership connects Sterling Bay with a capital partner known for investing in healthcare facilities in Harrison Street, which has invested \$8 billion in the life sciences and medical office space sectors across 20 million square feet, according to a statement.

Sterling Bay wants to raise its bet on that world, hoping to solve an issue that has hampered the local life sciences scene: While many biotech and pharmaceutical companies are born at local universities, they often move to more mature life sciences markets like Boston or San Francisco to grow because Chicago lacks high-quality lab space.

Sterling Bay is one of the local developers starting to address that with the Halsted Street building, which is more than 50 percent leased to a trio of life sciences companies. After notching those deals, the developer recently [unveiled plans](#) for an 8-story, 320,000-square-foot life sciences research center that would be built on the southern edge of Lincoln Yards and ideally become the next landing spot for those companies as they grow.

"Together with our partners at Harrison Street, J.P. Morgan Asset Management and Lone Star Funds, Sterling Bay will develop state-of-the-art lab spaces at Lincoln Yards that will enable Chicago to compete for business in this critical and booming sector," Sterling Bay CEO Andy Gloor said in the statement.

Harrison Street was co-founded in 2005 by Merrill and the family of former Motorola chairman Chris Galvin—which sold its stake in 2018 to real estate services company Colliers International Group—and has \$27.3 billion in assets under management. The firm owns more than two dozen healthcare properties in the Chicago area, including the Midwest Orthopaedics at Rush building at 1725 W. Harrison St. and several [DuPage Medical Group](#) buildings in the western suburbs, according to research firm Real Capital Analytics.