

Harrison Street and Sterling Bay buy San Diego life-sciences portfolio

BY IPE STAFF | 15 DECEMBER 2021

Harrison Street and Sterling Bay West have acquired five life-sciences properties and a 13-acre development site in San Diego.

The assets are in the city's growing life-sciences and biotechnology submarket, Sorrento Mesa.

The existing class-A buildings have been built specifically for life-sciences operations and are leased to Tanvex BioPharma, Wacker and Qualcomm.

Harrison Street and Sterling Bay will also have the opportunity to develop an adjacent six-storey, 355,000sqft building.

At the development site, located at 10390 Pacific Center Court and 9985 Pacific Heights Boulevard, the joint venture partners plan to develop three six-storey, purpose-built life-sciences buildings over three phases encompassing 700,000sqft of space.

The transaction is the latest life-sciences real estate joint venture between the alternative real assets specialist investor Harrison Street and the west coast division of Chicago developer Sterling Bay.

They have previously partnered on three life-sciences assets in Sorrento Mesa, and projects to convert buildings to life-sciences facilities at Lincoln Yards in Chicago and in the Denver-Boulder area.

Mark Burkemper, senior managing director and head of North American transactions at Harrison Street, said: "Sorrento Mesa is the densest, fastest growing submarket in the San Diego life-sciences cluster with nearly half of the surrounding population employed by a professional scientific, technology or research-related company.

"Additionally, support for life sciences and technology in San Diego continues to grow at a robust pace as funding from venture capital rapidly reaches new highs yet demand for purpose-built life sciences spaces consistently outpaces supply in the Sorrento Mesa market, which is facing historically low vacancies.

"We are pleased to build on our track record with Sterling Bay to deliver high-quality lab space that will support critical biotechnology and life sciences innovation."

Andy Gloor, CEO of Sterling Bay, said: "San Diego is home to a robust, world-class life sciences sector and the Sorrento Mesa submarket is poised for long-term growth.

"We are excited to continue our strong partnership with Harrison Street to support critical life-sciences research and development in San Diego and throughout top-tier life-sciences clusters in the US."