Suburban Maryland/Metro DC

Suburban MD / Metro DC market overview
The Suburban Maryland/Metro DC cluster is distinctive in that it sources the vast majority of its intellectual resources from the federal government. Government agencies such as the National Institutes of Health (NIH) and the U.S. Food and Drug Administration (FDA) have provided contracts for private sector companies as well as a critical mass of scientists who have gone on to start or staff many of the region’s private biolife companies.

The region also benefits from proximity to a plethora of large educational institutions including the University of Maryland, George Washington University, Georgetown University, George Mason University and Catholic University. Aside from its federal and educational backbone, the companies that led the region’s development into a cluster included Emergent Biosolutions, MedImmune and Qiagen—all with strong ties to the federal government and an affinity for public–private research partnerships.

The life sciences are heavily concentrated within Montgomery County, particularly along the I-270 corridor in Maryland. Federal government facilities are found to the south in the Twinbrook, White Flint and North Bethesda submarkets. Washington, DC, and Northern Virginia act as supporting clusters to life sciences activity in Maryland. Their proximate locations keep talent and funding flowing across the region.

A heavy concentration of life science companies are found along the I-270 corridor which is known locally as “DNA alley.”
Though the DC area has seen a decline in employment, it remains a strong market for biosciences research and development, including the new $510 million U.S. Army Medical Research Institute of Infectious Diseases in Frederick.

Life sciences employment in the Suburban Maryland/Metro DC area is largely in Research and Development, thanks to access to universities and the vast concentration of government research facilities in the region.

Life sciences patents by classification

- Medical equipment & instruments
- Pharmaceuticals & biotechnology
- Crop science

Metro DC had a slight uptick in patents from year-over-year concluding with 326 patents. Life Science patents make up 15.1 percent of all patents registered.
I-270 Corridor and Frederick

I-270 Corridor

“DNA Alley Way” attracts HQ to Gaithersburg

- Immunodiagnostic Systems moved their headquarters from Arizona to Gaithersburg. The medical device company relocated 10,000 square feet to 948 Clopper Road for a number of reasons. One of the motivating factors was the location, within the “DNA Alley Way” with access to recruit and retain employees with specific education and work experience.
- GlycoMimetics signed a 33,843-square-foot lease in the I-270 Corridor at 9708 Medical Center Drive.
- On the capital market’s front, the major headline was the sale of 9911 Belward Campus Drive. BioMed Realty Trust sold the property for an estimated $322.5 million or $1,112 per square foot for the 289,900-square-foot facility. Equus Capital Partners was considering selling three properties out of the five-building portfolio they purchased in 2013. The three buildings for sale are 25, 35 and 45 West Watkins Road.

Frederick

World’s largest Biosafety Level 3 and 4 lab under construction

- A recent life science transaction involved GENEWIZ, a contract research organization specializing in DNA sequencing and gene synthesis, which signed a new lease for 2,000 square feet at 7210 Corporate Court.
- Joint-venture partners Manhattan Construction and Torcon of Red Bank made progress on the $510 million U.S. Army Medical Research Institute of Infectious Diseases building. The 865,000-square-foot facility will feature the latest in bio-containment technology in order to examine threatening bacteria and viruses such as the Ebola virus. This six-story laboratory facility will contain the largest block of Biosafety Level (BSL) 3 and BSL 4 laboratory suites in the world. Late in 2013, there was a fire at this site caused by a welder’s torch that caused $10.0 million in damage to the development site. This fire pushed the completion date from 2014 to May 2015.

Facilities scorecard

<table>
<thead>
<tr>
<th>Supply</th>
<th>Major lab market</th>
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<tbody>
<tr>
<td>Rentable lab stock (% of total stock)</td>
<td>9.5 m.s.f.</td>
</tr>
<tr>
<td>Direct vacancy</td>
<td>81.2%</td>
</tr>
<tr>
<td># of large blocks over 100,000 s.f.</td>
<td>11.1%</td>
</tr>
<tr>
<td>Under construction (s.f.)</td>
<td>865,000</td>
</tr>
<tr>
<td>Pricing</td>
<td></td>
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<tr>
<td>Average asking rent (NNN)</td>
<td>$16.34 p.s.f.</td>
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NIH Chemical Genomics Center
9800 Medical Center Drive
I-270 Corridor
61185 square feet

9911 BELWARD CAMPUS DRIVE
I-270 Corridor
$322.5 million

U.S. ARMY MEDICAL RESEARCH INSTITUTE OF INFECTIOUS DISEASE
Fort Detrick, Frederick
865,000 s.f.
Manhattan Construction
2015

14200 SHADY GROVE ROAD
I-270
657,414 square feet
Sublease by GSK
For more information, please contact:

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