

Suitable Premises for Life Sciences

The severe shortage of suitable offices for companies in the life sciences has created a demand for good concepts. *business guide to switzerland* interviewed Jost Harr of TZW Consulting GmbH and Urs B. Lehmann of Burckhardt+Partner AG about the requisites that technology and science parks need to fulfill, and the reasons why investors are cautious.



Jost Harr, TZW Consulting GmbH

bgts: *What differentiates a techno or science park from other business premises? What needs to be taken into consideration?*

Jost Harr: A techno or science park has to offer more complex and more expensive infrastructure than the usual business park where a simple apartment standard is sufficient to host offices and related rooms. As an example: laboratories have to be aerated with a minimum air turnover for safety reasons. Such installations are costly and add substantially to rental costs. Also, some types of laboratories or activities cannot be hosted together with other labs or activities in the same building. Having different buildings of different standards allows a more flexible use of a site like TZW in Witterswil.

There is a severe shortage of suitable laboratory and office space to meet the special needs of life sciences companies. How did this come about? Is it due to a lack of support from local authorities?



Urs B. Lehmann of Burckhardt+Partner AG

Urs B. Lehmann: Developers and architects certainly do not consider the lack of support from local authorities as the underlying problem. On the contrary, the primary predicament is that most of the limited office and lab space available was neither designed nor constructed for use by such businesses. If one renovates these premises to fit their needs, leasing and ancillary costs naturally tend to become unattractive. The solution is to have commercial space conceived specifically for this sector, just like what we are doing in the 'innovationspark allschwil – basel.'

But this process often takes way too long, and time is of the essence for such enterprises.

Urs B. Lehmann: Exactly! Both the user or tenant would obviously prefer to move in immediately following the decision to move, but we know that's unrealistic. However, there are two alternatives. One solution is to take the "core and shell" approach: you start off by putting up the building and

then rapidly finish the inside to match the needs of a tenant. This saves at least the twelve-month period required for the structural works. The other option is to renovate a suitable building. A year ago, for instance, we planned a project in the 'innovationspark allschwil – basel' for Evolva Biotech, and completely redesigned and renovated the existing structure within the project's deadline of a year. The fact that this was at all feasible was one of the reasons why Evolva decided to move its headquarters from Denmark to Allschwil.

What further general measures must be taken to guarantee optimal infrastructural framework conditions within a reasonable time frame?

Jost Harr: A techno or science park-like site should have several assets to be attractive for start-up companies in the life sciences area: (a) be located within reasonable distance to major traffic carriers and public transportation; (b) offer affordable rental conditions – a start-up company should spend its scarce resources on science, equipment and people rather than on expensive rents – and (c) provide options on space for growth on-site in case a start-up company is successful. TZW in Witterswil fulfills all three criteria.

According to Fritz Bühler of BioValley, banks and investors are too risk-averse and hesitant to invest in new projects in Switzerland. Do you agree?

Urs B. Lehmann: He hit the nail right on the head. This situation prevails despite the fact that ever more individuals are convinced of the necessity to invest in new fields. With the profusion of young and dynamic companies in the life sciences seeking suitable premises, it is hard to understand the abounding fear of sitting on unoccupied real estate. I certainly believe that people will gradually begin to appreciate the attractiveness of science parks as solid commercial investments with great potential.

Jost Harr: We fully agree and preach the same: at no time in our history has so much money been available and, proportionally, so little spent in ventures. What is badly missing are funds and investors who really invest in the earliest phases of a start-up company. This role is more and more assumed by private investors – 'Business Angels' – while venture capitalists and banks invest mostly in later or even much later stages.

Mr. Lehmann, Mr. Harr, thank you very much for the interview.

Interview: Oliver Kaiser

