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Shared Lab Space: Latest Trend in the Sharing Economy

By Prithvi G. Tikhe

CAMBRIDGE, Mass. – There has never been a scarcity of innovation in Cambridge, nor of skilled people with entrepreneurial vision. But one thing has been missing – affordable, equipped lab spaces suited for early-stage research.

Now, a 70,000-square-foot facility in the heart of Kendall Square – LabCentral, a private, nonprofit organization – provides “shared” lab and office space, administrative support and skilled lab personnel to 60 young companies. These companies are made up of about 200 scientists and entrepreneurs who need to begin lab operations.

A sharing economy is a model in which people are able to borrow or rent assets owned by someone else. This gives them the ability to access goods and services only for as long as they are needed at an affordable price.

Services like car sharing, Uber and Lyft, co-working company, WeWork, and apartment/home lending facilities, Airbnb, created a trend in the sharing economy. In keeping with the trend, LabCentral found its niche.

Caroline Grossmann, head of communications and public affairs of LabCentral, said in an email, “We were the first-of-its-kind to share laboratory space in 2013.”

She said the concept of sharing lab space originated from the frustration that the co-founders, Johannes Fruehauf and Peter Parker, experienced when launching Cequent

Pharmaceuticals in 2006. Back then, leasing and equipping Cequent's office and lab space took six months, using up valuable time and money.

Grossman went on to say Fruehauf and Parker accomplished little during that period to advance science and technology or to prepare for clinical trials. When they were residents of the Cambridge Innovation Center (CIC) in Kendall Square, which provides shared office space, they realized that the CIC model could be applied to a shared laboratory environment.

"LabCentral optimizes available space, and facilitates shared use of resources, equipment, and organization; we remove operational burdens from startup companies," said Grossman. "Prices are low enough and [startups] can use the space as they like."

In Cambridge, a [shared lab space](#) costs an average of \$51.60 per square foot, while the rate to rent a [lab space](#) is \$62.47.

Since its inception, LabCentral has created 717 new jobs. In 2016, 402 of these jobs were generated by their resident companies. Based on the 2016 Bureau of Labor's Occupational Employment Statistics, these 402 jobs added roughly \$43.7 million in annual wages to the local Massachusetts economy.

In 2016, Statista, an online statistics, market research and business intelligence portal, reported there were 44.8 million adults using sharing economy services in the United States. It is predicted that the number of users will increase to 86.5 million by 2021.

According to [Brookings Institution](#), a century-old American research group on Think Tank Row in Washington, D.C., the global sharing economy will grow from \$14 billion in 2014 to \$335 billion by 2025.

Mass Innovation Labs, currently the largest lab-for-rent location in Kendall Square, and Cambridge BioLabs, which is helping launch shared lab spaces in Durham, N.C., New York City, and San Diego, are following LabCentral's trend in providing biotech startups with shared laboratory space.

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