



Kurraba Group's
CEO and co-founder
Nick Smith

Nurturing the next scientific breakthroughs

Since the pandemic, the rapidly growing life sciences sector has become a new focal point for investors, industry, and government. However, most research and development is still conducted in closed labs on university campuses. Australia's first commercialised life sciences precinct is gearing up to change that – and its investment and development manager, **KURRABA GROUP**, has big ambitions for what comes next.



Creating ecosystems for life.



The Forum, Kurraba's Waterloo, Sydney Project.

Since the COVID-19 pandemic accelerated the development of the life sciences sector, many have looked to this growing industry for everything from cancer cures and infection antidotes to climate change solutions and the future of agriculture.

Australia has traditionally punched well above its weight on life-changing breakthroughs, with the HPV vaccine, the cochlear implant, the pacemaker, the black box flight recorder and the medical use of penicillin among our credits.

In recent years, however, Australia has been losing some of our life sciences talent to global counterparts, with innovators increasingly attracted to funding, research and collaboration opportunities found offshore.

It's a problem that life sciences investment and development expert Nick Smith believes can be solved if we provide the right environments to cultivate innovation and research locally.

"We think of it as the fourth industrial revolution," says Smith.

"After COVID-19, everyone's mindset has shifted to health rather than just technology, computing and AI."

Smith is co-founder and CEO of Kurraba Group, a real estate business specialising in life sciences investment and development management.

Kurraba has two sister companies: an architectural practice and a project management firm. It sees an upside in a model that provides an alternative environment for research and development (R&D) and makes it more commercially accessible.

"The formation of the life sciences thematic behind Kurraba came from our drive to look at an alternative asset class interested in the longevity of people and the benefit of humans, rather than just 'here's an office building, let's operate out of it,'" Smith says.

"It's much more about the science, the R&D and the technology coming through. It's a property class with a cause."

Through Kurraba, Smith and his team of 10 plan to build an ecosystem of precincts to help scientists and other innovators come together and share ideas.

The plan is coming to fruition with Australia's first commercialised life sciences precinct, a \$490m planned development located at 100 Botany Road, Waterloo. The project is scoped out, with the 26,650

square metre site chosen for its proximity to three Sydney universities (University of Sydney, University of Technology and University of NSW), three major hospitals (Royal Prince Alfred, St Vincent's and Prince of Wales), several research institutes and the new Waterloo Metro Station.

"We've been following the property for four years now," he says. "We waited for the rezoning to come through with the City of Sydney Council, and then we applied to the State Significant Development Authority to amalgamate into a bigger precinct."

Given the broad nature of life sciences, tenants have diverse needs, which Smith says means real estate developers and managers have to be meticulous in their specifications.

"These buildings require extra servicing, bigger floors, and the ability to hold physical containment labs, freezer farms, and stem cell farms. A normal office building can't hold these, nor can a retrofitted warehouse; it's not adequate to create that environment or ecosystem where an incubator can come into a ground space that's really putting life sciences on show," Smith says.

While it awaits the next steps for 100 Botany Road, Kurraba has been managing another life sciences property – 1 Central

Avenue, South Everleigh, NSW – known as the BioMedical Building.

Smith says the stable tenancy at the property (98% occupied by the University of Sydney) will allow Kurraba to add its incubator and accelerator to 1 Central, while it gets the Waterloo precinct up and running.

Some tenants already in the precinct include SpeedX, which is responsible for early COVID-19 testing, agriculture

Recently, the Albanese Government allocated \$22.7bn over 10 years to its "Future Made in Australia" package, designed to boost R&D, meet STEM demands and move the country towards net zero.

Meanwhile, the most recent report from Australia's chief scientist, Dr Alan Finkel, predicted 75% of future jobs will require STEM skills.

For Kurraba's Smith, building commercial

buildings and stay in Australia for a long time," he says.

"Taking it off campus will open up a much bigger investment pool," he adds.

Kurraba is capital raising at the moment and says it expects investor interest from three channels: traditional capital seeking exposure to this style of real estate, investors looking to back Australian R&D and impact investors.

and energy production companies, and food and logistics technology ventures.

As Kurraba extends its footprint, the hope is the buildings and precincts will foster collaboration and cross-pollination between the diverse mix of life sciences tenants.

He gives the example of a developed entity hearing about a PhD researcher's idea within the cluster and providing funding to get the project rolling.

"It's got to be orchestrated collision," Smith says. "There has to be town halls, events, VC, the universities, and academics all colliding together to get this to work, and that's why you can't be isolated in an industrial park. There, you're not getting that idea expansion you get by having multiple organisations and institutions sitting around each other."

THE NEXT FRONTIER

Smith says commercialised life sciences precincts offer a unique return profile for governments, institutional and high net-worth investors.

From a government point of view, there's an opportunity to further invest in the development of critical emergent research and development and to grow the economy by adding local jobs.

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pathways and partnerships is one of the keys to keeping research and development onshore – and, in turn, jobs.

"Life sciences precincts have generally been set on a university campus, where the university has the IP, the researchers are more focused on research reports, and there's no commercialisation," Smith says. "So, generally, researchers have jumped overseas, which has meant we're 20 years behind the United States, and we're probably 10 years behind the United Kingdom and Asia," he adds.

For investors, local opportunities have the potential to unlock long-term returns, given the sector's funding support and stability, Smith says.

"We already see the sovereign wealth funds, pension funds and local superannuation trying to park their money in this sector because you've got sticky tenants, which take leases for 15 years. It means these businesses stay in these

Smith says the firm is setting the bar high to target other Australian states for life sciences precincts.

"There's an ambition to roll out into a two-to-three billion dollar platform in the next couple of years," he says. "We've got a pipeline of about a billion dollars, and we've got \$600m under management and in development today; another billion in the next 18 months shouldn't be out of the realm of the realistic."

"We've also identified some key partnerships in Melbourne and Brisbane, which we should be acting on towards the back half of the year," Smith adds.

As foreign capital becomes aware of new opportunities in Australia, Smith is optimistic about the future of life sciences and the country's advancement resumé.

"If we can get government in the ecosystem as well, we should see the next breakthrough in a shorter timeframe than we have traditionally," he says.