



Research ranks top pharma DC hubs

From Staten Island, N.Y., to Rocky Mount, N.C., cities up and down the East Coast are home to a growing wave of cold chain facilities for pharmaceutical and biotech industries—an accelerating trend as U.S. awaits Covid-19 vaccine.



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Commercial real estate firms and third-party logistics services (3PL) providers are gearing up for a wave of supply chain facilities designed to serve pharmaceutical and biotechnology industries, especially as researchers expedite the development and production of a Covid-19 vaccine. Much of this “cold chain” space is springing up along the densely populated East Coast, which is already home to hundreds of millions of square feet of distribution and fulfillment space thanks to a booming e-commerce market, according to Princeton, N.J.-based site selection firm, The Boyd Co.

Boyd released a list of the top 25 cities for pharmaceutical distribution centers (DCs) this week, ranked according to operating costs. The top cities were selected based on their proximity to regional pharmaceutical production hubs (generally two hours or less), transportation infrastructure, real estate inventories for new supply chain development, life science labor market access, and other logistics considerations, the company said.

The list ranges from high-cost Staten Island, N.Y., to more affordable Rocky Mount, N.C., with locations as far north as New Hampshire and south to Florida, in between. (See Table)

| TOTAL ANNUAL OPERATING COST RANKING | |
|--|---|
| Pharma Supply Chain Hub | Total Annual Operating Costs |
| Staten Island, New York | \$27,507,051 |
| Farmingdale, New York | \$26,711,291 |
| Stoughton, Massachusetts | \$25,725,995 |
| Worcester, Massachusetts | \$25,688,851 |
| Edison, New Jersey | \$24,913,354 |
| Cranbury, New Jersey | \$24,174,656 |
| King of Prussia, Pennsylvania | \$24,092,580 |
| Windsor, Connecticut | \$23,885,092 |
| Nashua, New Hampshire | \$23,634,121 |
| Florence Twp., New Jersey | \$23,453,662 |
| Newburgh, New York | \$22,859,580 |
| York, Pennsylvania | \$22,700,084 |
| Canonsburg, Pennsylvania | \$22,195,427 |
| Lehigh Valley, Pennsylvania | \$22,162,826 |
| New Castle, Delaware | \$22,068,482 |
| Alpharetta, Georgia | \$21,651,901 |
| Towson, Maryland | \$21,539,675 |
| Lakeland, Florida | \$21,206,645 |
| Doral, Florida | \$21,198,697 |
| Lithia Springs, Georgia | \$20,983,023 |

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|------------------------------------|--------------|
| Indiantown, Florida | \$20,898,324 |
| Ruskin, Florida | \$20,325,004 |
| Chesterfield, Virginia | \$19,811,571 |
| Mebane, North Carolina | \$19,451,226 |
| Rocky Mount, North Carolina | \$18,155,234 |

Source: The Boyd Co.

Beyond Covid-19, general industry trends are also driving the demand for more cold storage space—which are temperature-controlled, refrigerated facilities designed to keep products such as drugs and food fresh and safe. Biologics—drugs and medicines developed from living organisms, including vaccines, blood, and viruses—are all driving new cold storage demands, the researchers said. Also fueling expansion is the growing popularity of online pharmaceutical delivery services such as Amazon’s “PillPack” and similar drugs-by-mail programs.

Boyd estimates the industry will need as much as 125 million sq. ft. of cold chain supply space to meet new demands, much coming from the pharmaceutical market.

“A good example of new cold chain growth is third-party logistics supplier DHL which is expanding its pharma network by 40% and investing some \$150 million in new facilities in major areas of pharma and medical devices production, most recently in Raleigh, North Carolina’s Research Triangle,” the researchers said.