



# San Francisco Bay Area | LIFE SCIENCES

### KEY MARKET POINTS

- Strong leasing activity in the quarter has led to a market sentiment shift amongst industry professionals.
- The 505,000 SF Landing Project in Burlingame delivered two buildings, a development led by King Street Properties based out of Boston.
- The region’s venture capital funding remains elevated when compared to the same period last year, totaling \$1.6B in Q4 2024.
- Vacancy rate growth has began shallowing, as new deliveries start to taper, and tenants continue to absorb space. The recent spike in activity indicates that excess inventory could be impactfully absorbed by 2026.

### MARKET OVERVIEW

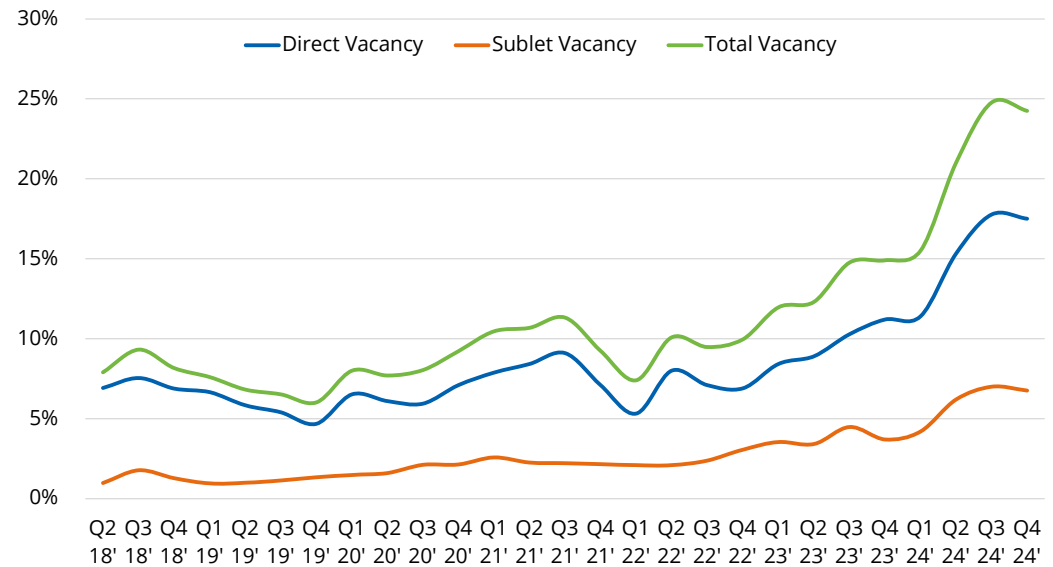
The San Francisco life sciences market experienced a strong finish to 2024, most notably driven by an uptick in leasing activity. In Q4, total gross absorption was 986,500 SF which yielded a net absorption of 298,000 SF; the first notable positive quarter in the last eight quarters. Out of the 23 deals done within Q4, 15 totaled over 20,000 SF, which was a stark difference from the five deals done in the same period last year. In the first three quarters of 2024, the San Francisco market yielded 1.5 MSF of life science leasing activity, with a Q4 total just shy of 1 MSF.

Tenants in the region have started to make waves after an 18-month lull. Most notably, Vaxcyle doubled its footprint within the Center for Life Sciences, growing from 113,000 SF to 258,000 SF. In September, the company completed a successful IPO and received positive feedback from the FDA on their new drug (vax-31). In addition, Genentech renewed its lease at 751 Gateway Blvd in South San Francisco.

The industry drivers that fuel tenant growth have seen an increase throughout 2024 but have yet to be fully realized through to the end users. Industry professionals estimate the excess inventory is on track to be fully absorbed in 2026, as construction pipelines decrease. The current construction pipeline is slated to deliver 2 MSF in 2025.

TRENDLINES	Q4 2024	Q4 2023	ONE-YEAR TREND	ONE-YEAR FORECAST
INVENTORY (MSF)	46.25	44.36	↑	↑
NET ABSORPTION (THOUSANDS SF)	242.31	(180.47)	↑	↑
VACANCY RATE	24.80%	13.23%	↑	↓
UNDER CONSTRUCTION (MSF)	7.31	10.81	↓	↓
ASKING RENT, NNN (PSF)	\$61.86	\$59.12	↓	↑
YTD NIH STATE GRANTS (BILLIONS)	\$4.85	\$4.73	↑	↑

### VACANCY RATE

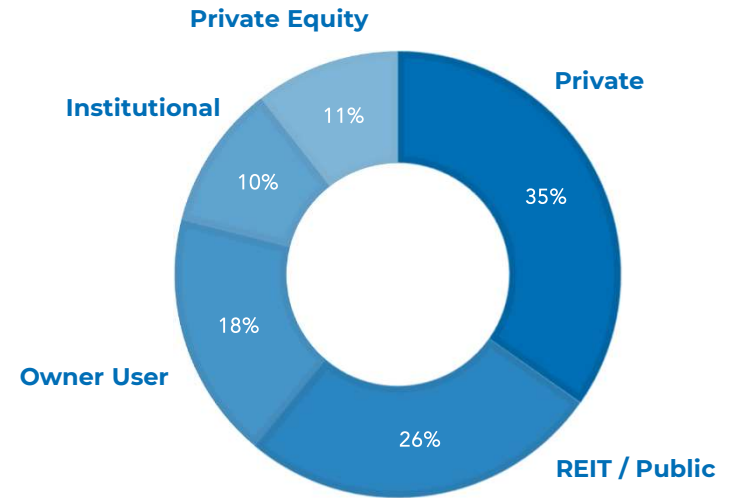


Source: TW Research, CoStar, pitchbook and lightcast

LOCAL NIH FUNDING AWARDS | YTD 2024

ORGANIZATION	AWARDS	FUNDING	CITY
University Of California, San Francisco	1,452	\$814,929,938	San Francisco
Stanford University	1,154	\$613,087,148	Stanford
University Of California, Davis	565	\$277,681,916	Davis
University Of California, Berkeley	345	\$157,638,088	Berkeley
Kaiser Foundation Research Institute	113	\$88,766,744	Oakland
J. David Gladstone Institutes	49	\$39,554,440	Oakland
SRI International	38	\$34,370,679	Menlo Park
Buck Institute for Research Aging	39	\$24,288,831	Novato
Lawrence Berkeley Lab	25	\$21,755,000	Berkeley
Color Health, Inc.	1	\$20,735,105	Burlingame

INVENTORY BUILDING OWNERSHIP



LEASE | Q4 2024

TENANT	TYPE	ADDRESS	SIZE	MARKET
Vaxcyte	Renewal	825 Industrial Road	258,600	San Carlos
Cellares	New	1100-1120 Veterans Blvd	205,100	South San Francisco
C. Zuckerberg	Expansion	1300 Main Street	110,800	Redwood City
Neurona Therapeutics	New	490 Forbes Blvd	62,500	South San Francisco
SyntheKine	Renewal	1505 O'Brien Drive	59,200	Menlo Park
Amgen	New	750 Gateway Blvd	50,500	South San Francisco
Revolution Medicines	Expansion	600 Saginaw Drive	47,100	Redwood City
Neurona Therapeutics	Renewal	170 Harbor Way	47,000	South San Francisco

DEVELOPMENT SPOTLIGHT: 200 TWIN DOLPHIN

**234,000 RSF**  
Total Square Footage

**Five Floors**  
50k SF Floor Plates

**700 Parking Spots**  
67 EV Stalls

**16' Floor Heights**  
33 x 33 Column Spacing



Source: TW Research, CoStar, NIH  
\*Mixed Use Property - Including lab & office