

Investment in Life Science and BioTechnology companies more than doubled in Q1 2022 paving the way for increased leasing activity. VC Funding, combining all deal stages of Life Science tenants in the Bay area, jumped from \$1.93B in Q4 2021 to \$5.37B in Q1 2022. Some noteworthy new entrants in this industry include:

ALTOS

Headquartered in Redwood City, this venture capital-backed company raised another \$3B after securing a 144,000-sf space in Q4 2021.

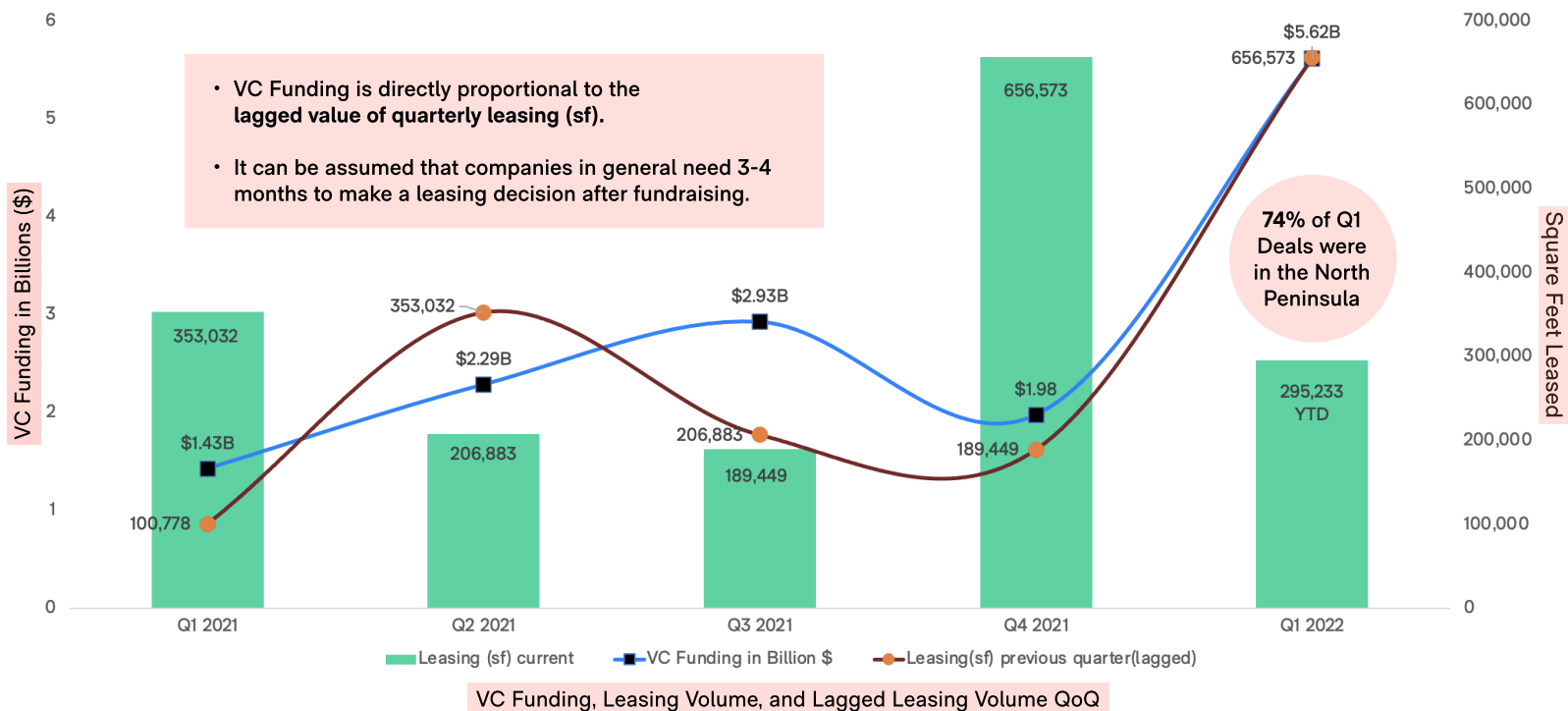
prognomiQ

Currently occupying 13,875-sf of space at 1900 Alameda De Las Puglas, PrognomiQ raised another \$50M in Feb 2022.

septerna

Located at 250 E Grand Ave., Septerna specializes in drug discovery technology and raised \$100M.

Overall, robust demand was mostly due to the influx of VC capital in the Bay Area, which is also a talent hub of BioTech/Life Science graduates. Between 2018 and 2020, the total number of college programs offered in BioTech in California jumped by 25%, which also explains the increase in job postings in San Francisco (13%), North Peninsula (15%), and South Peninsula (17%) from 2020.



Currently, there are 36 BioTech/Life Science tenants in the market, actively looking to secure spaces of over 1.0 msf in total. To keep up with the pressing demand, there are currently over 10 msf in the pipeline of inventory of Life Science buildings that will complete construction over the next three years.

Count of Tenants in the Market



- After Tech, tenants in the Life Science/BioTech industry have the highest requirement for space.

Market News

San Francisco

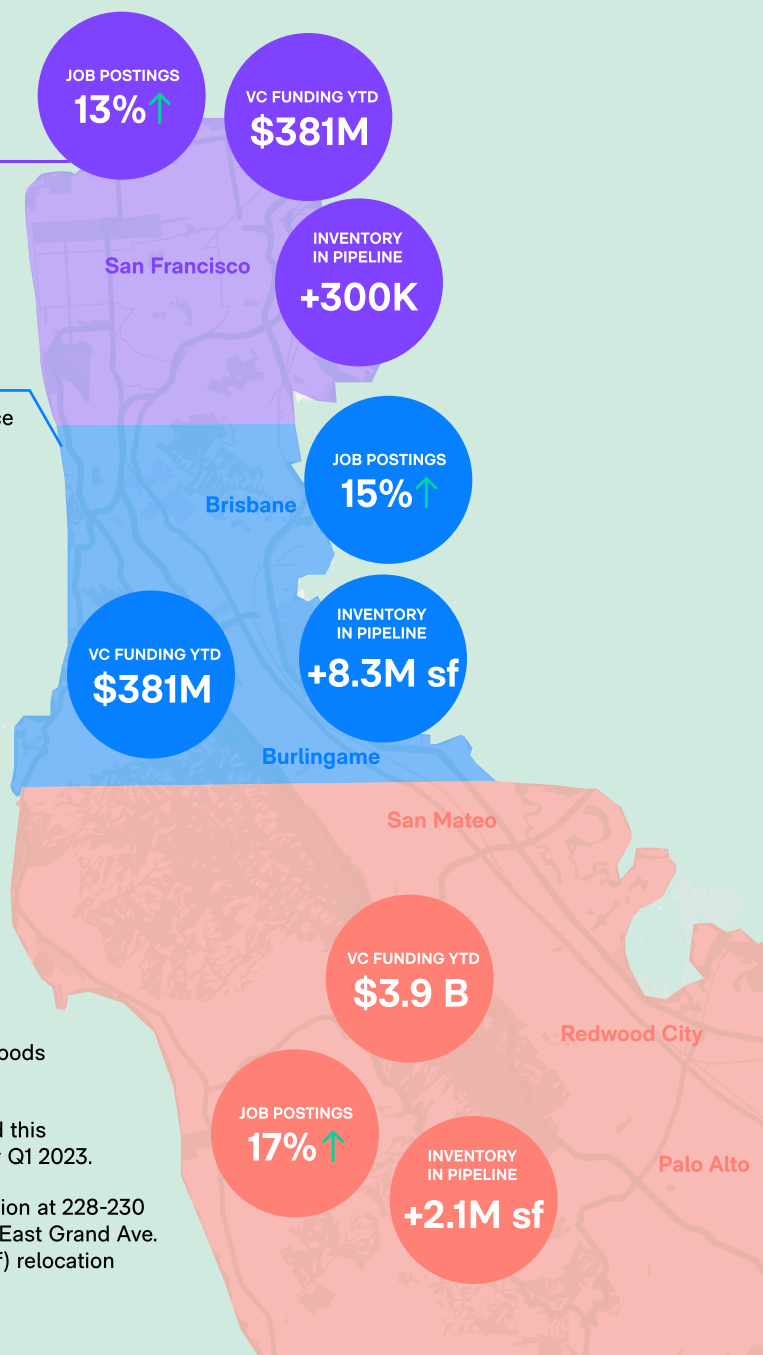
- **1800 Owens St., San Francisco:** Vir Biotech, with a trailing 12-month revenue growth of 1334.29% as of March 11, 2022, expanded their footprint and subleased 133,000 sf, which was vacated by Dropbox.
- **550 Terry A. Francois Blvd., San Francisco:** DivcoWest is under contract to buy Gap's old HQ (300,000 sf) and convert it into a Life Science/BioTech space.

North Peninsula

- **1499 Old Bayshore, Burlingame:** King Street Properties, a prominent Life Science developer in Boston, recently purchased this property for \$45.2M to redevelop into a 300,000-sf Life Science campus. The company has also proposed a 485,000-sf Life Science campus close to this site, which they acquired in 2021.
- **230 Adrian Rd., Milbrae:** Alexandria purchased a 19,000-sf property across the street from their previous purchase at 201 & 231 Adrian Rd. for \$12M, which is expected to be converted to Life Science.
- **30 Rollins Rd., Milbrae, Alexandria Life Science Campus:** Eikon Therapeutics is rumored to soon sign a 250,000-sf lease. Earlier this year, Eikon raised \$517.8M in Series B.
- **821 Malcolm Rd., Burlingame:** Purchased by King Street Properties to add to their 475,970-sf Life Science campus.
- **275 S. Maple Ave, Sunnyvale:** Lane Partners purchased this 70,000-sf warehouse, increasing their footprint in South San Francisco. The building is expected to be converted to Life Science.
- **233 East Grand Ave., South San Francisco, Nexus on Grand:** Graphite Bio strengthened their foothold in the Bay Area by quadrupling their footprint with a 85,165-sf lease. The building is set for completion in Q2 2023.
- **700 Gateway Blvd., South San Francisco, Gateway of Pacific-Phase 2:** Nobell Foods signed a 66,234-sf lease after raising \$75M Series B investment in July 2021.
- **5000 Shoreline Ct., South San Francisco, Sierra Point II:** Divco West purchased this 141,360-sf office building for \$164.5 million with plans to convert it for lab use by Q1 2023.
- Other notable deals of the quarter include Bettera California's (65,751 sf) expansion at 228-230 Shaw Rd. in San Francisco, Allogene Therapeutic's (47,566 sf) expansion at 220 East Grand Ave. in South San Francisco, California Institute for Regenerative Medicine's (19,139 sf) relocation from Oakland to 601 Gateway Blvd. in South San Francisco.

South Peninsula

- **3301, 3303, 3305 and 3307 Hillview Ave., Palo Alto, Palo Alto Research & Technology Center:** Alexandria purchased a portfolio of four properties totaling 292,013 sf for \$446M. These buildings combined with their existing properties in this submarket will be converted into a giant Life Science campus.
- **1 Twin Dolphin, 3 Twin Dolphin and 100 Marine Pkwy., Redwood City, Shores Office Center:** Prince Street Partners acquired a portfolio of three properties in Redwood City. A 250,000-sf Life Science building has been proposed for this site, which is expected to complete construction in 2024.
- **800 Saginaw Dr., Redwood City:** Revolution Medicines Inc. signed a 41,416-sf lease in November, bringing their total footprint to 102,815 sf in this node.
- **1900 Alameda De La Pulgas, San Mateo:** NephroSant is relocating to a 33,000-sf space following a successful Series A funding of \$16M.
- South Peninsula attracted additional Life Science tenants in Q1 2022: Recode Therapeutics leased 31,254 sf at 1140 O'Brien Dr. in Menlo Park, Avalino Lab renewed 24,130 sf at 4300 Bohannon Dr. in Menlo Park, Arkis Labs subleased 22,800 sf at 2 W. 5th Ave. in San Mateo.



Recent Transactions:



Vir Biotechnology
1800 Owens St.
San Francisco
134,000 sf



Nobell Foods
700 Gateway
South San Francisco
66,234 sf



Allogene Therapeutics
210 East Grand Ave.
South San Francisco
47,566 sf



Graphite Bio
233 East Grand Ave.
South San Fran
85,165 sf



Bettera California
228-230 Shaw Rd.
South San Francisco
65,571 sf