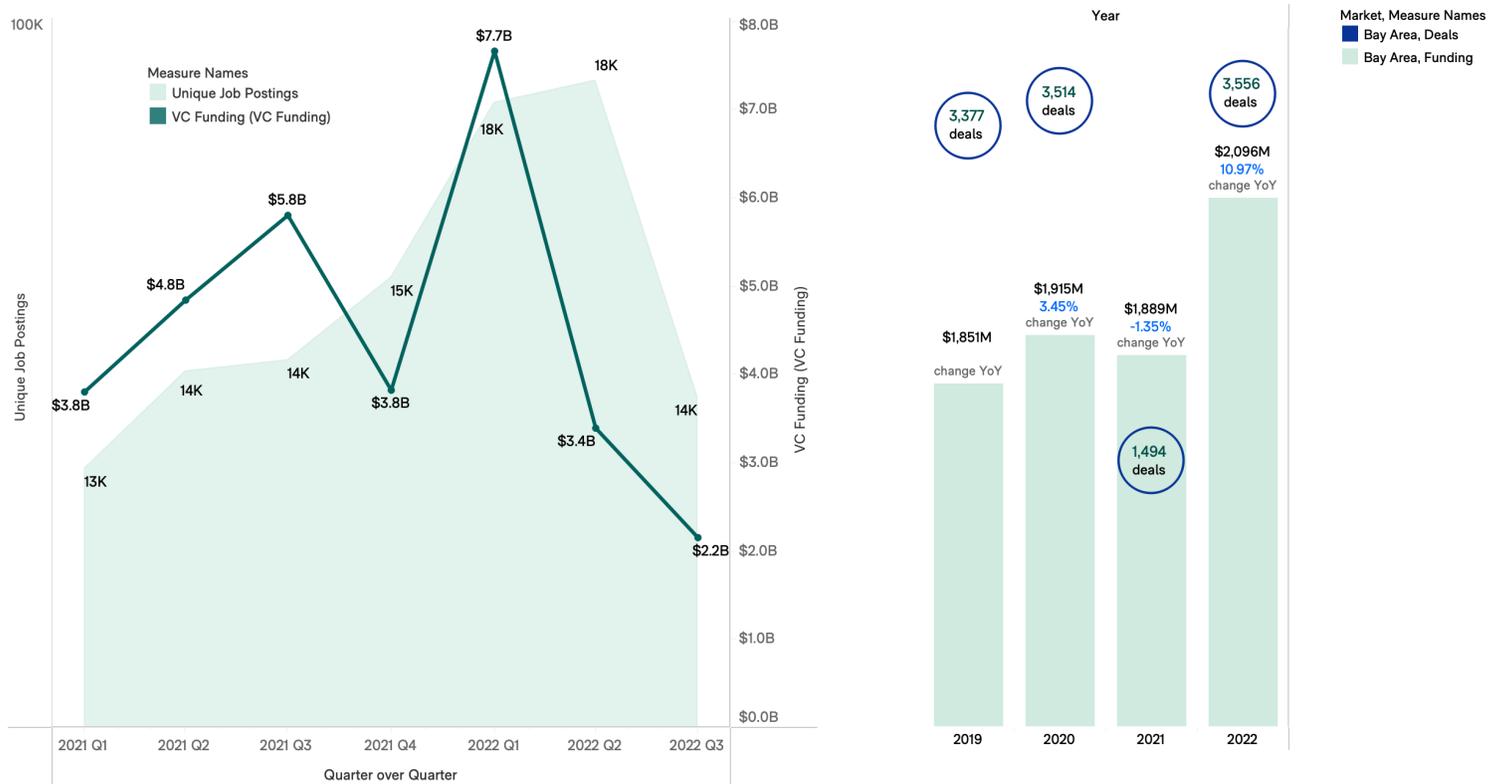


VC & NIH Funding

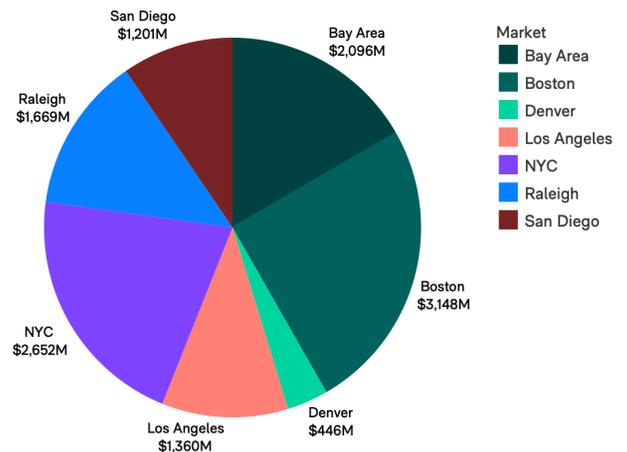
Investment activity across all asset classes dropped significantly from Q2 as the Fed further increased interest rates to tame inflation. Life Science was also affected, which resulted in a 42% drop in funding activity. The total amount of funding to date, however, is still 52% higher than the total VC funding in 2019. (\$9.14B to \$13.86B).

The number of unique job postings in Life Science was on a steady upward trajectory since 2021 Q2, but dropped steeply in Q3 compared with Q2. Interest rate shock has absorbed into the economy and labor market, slowing the pace of growth in VC funding and subsequently affecting the labor market.



NIH Funding: NIH Funding on the other hand has flattened YoY. According to public data from October 2022, California was awarded the highest share of NIH funding (38%), at a sum total of \$5B. The Bay Area secured the second largest share of NIH funding in the country after Boston (\$2B).

*Unique Job Postings is the number of deduplicated job vacancy advertisements scraped from over 45,000 websites. Deduplication is the process of identifying duplicate job postings and only counting one of the duplicates. The unique posting count is the count of postings after the deduplication process has taken place. The total posting count is the count of postings before deduplication. For example, if a user runs a report that returns 12 total job postings and 2 unique job postings, this means that the 12 postings contained 10 duplicates and only 2 unique job advertisements.



Leasing Activity

Leasing volume more than quadrupled in Q2 compared with Q1, which could be explained by a robust investment activity in VC funding in Q1 that led to a lagged uptick in leasing activity in Q2. Leasing activity in Q3, however, dropped by 50% QoQ, while VC funding dropped by 35%.

Life Science tenants are now more cautious about their footprint as companies across all industries focus on cost savings in this slowing economy; however, leasing volume in Q3 still remains above average (Q1 2021-Q3 2022).

Using simple Exponential Smoothing, ignoring seasonality, it can be predicted that VC funding in Q4 2022 will tick upward slightly to \$2.7B; however, leasing volume is anticipated to drop further to 511,286 sf.

LEASING VOLUME & VC FUNDING



**Exponential smoothing computes the next level or smoothed value from a weighted average of the last actual value and the last level value. The method is exponential because the value of each level is influenced by every preceding actual value to an exponentially decreasing degree—more recent values are given greater weight.

Market News

San Francisco

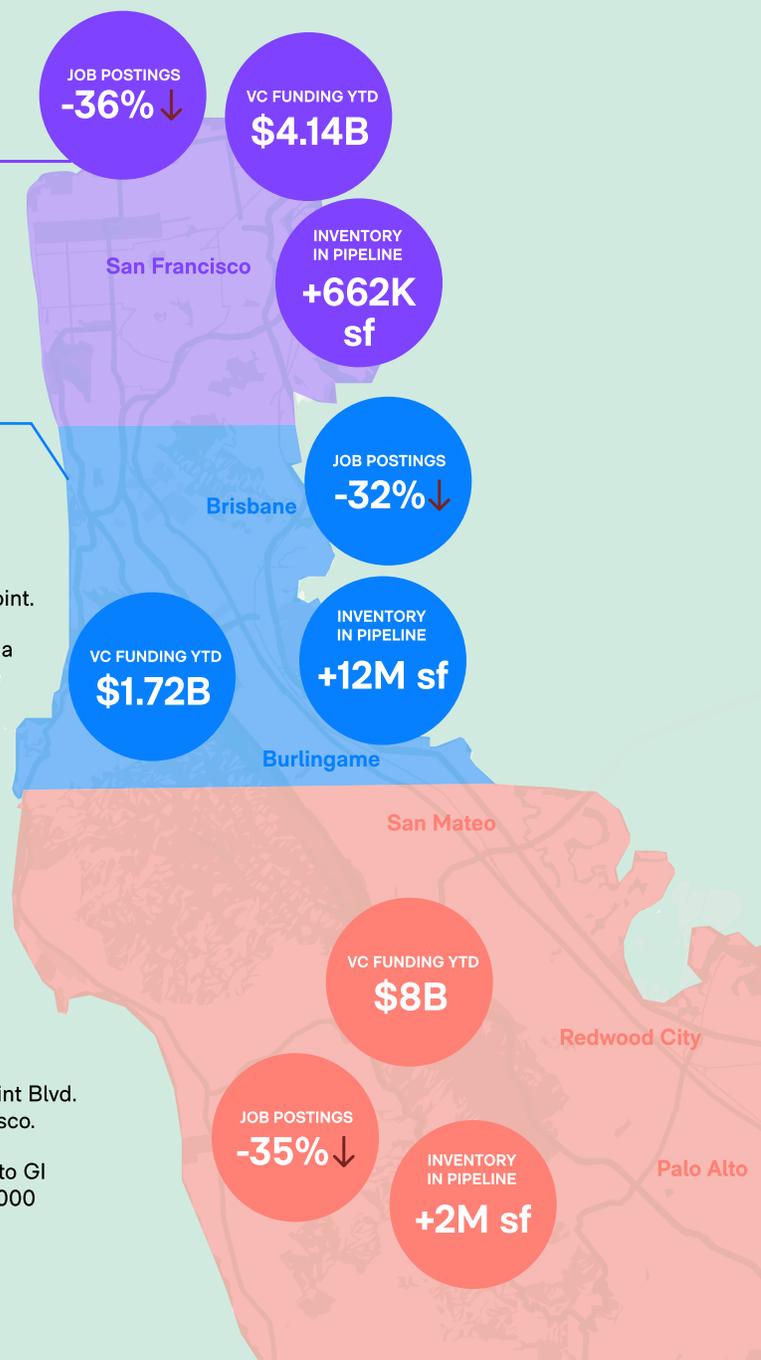
- **2001 Junipero Serra Blvd., Daly City:** DNA Script signed an 8.5-year term, new lease, for 26,461 sf, after raising \$191,65M funding in Series C earlier this year.
- **1450 Owens St., San Francisco:** Alexandria Real Estate sold 20% of their interest in 1450 Owens St. for \$191,000.

North Peninsula

- **Alexandria Life Sciences Campus, Millbrae:** Eikon Therapeutics signed a 285,000-sf deal in Q2 2022 and will be expanding and moving their headquarters to Millbrae.
- **1170-1180 Veterans Blvd, South San Francisco:** Raise Commercial Real Estate helped Calico with their renewal and expansion of 146,923-sf space at Oyster Point.
- **333 Oyster Point Blvd., South San Francisco:** NGM Biopharmaceuticals signed a 121,760-sf, 10-year deal in July 2022. They were previously subleasing that space from Amgen.
- **700 Gateway Blvd., South San Francisco:** Moderna signed a 35,532-sf deal at Gateway of Pacific Phase III. This is the second deal in that building after Nobell Food's 63,000-sf deal that was confirmed in Q4 2021.
- **494 Forbes Blvd, South San Francisco:** Astellas Pharma to open their first location in the United States and to occupy the entire building at 494 Forbes Blvd (159,666-sf), which is currently under construction.
- **329 Oyster Point Blvd., South San Francisco:** ArsenalBio expanded their footprint in South San Francisco with a 55,602-sf sublease after raising \$220M in Series B in September. They will occupy the first two floors of this building owned by Healthpeak Properties.
- **8000 Marina Blvd., Brisbane:** CareDx signed a 26,506-sf deal at 333 Oyster Point Blvd. They were previously subleasing 28,000 sf at 1 Tower Place in South San Francisco.
- Alexandria Real Estate Equities sold a portfolio of five office and flex properties to GI partners for \$388M. Properties in the portfolio include 343 Oyster Point Blvd., 7000 Shoreline Ct., 341 Oyster Point Blvd., 75 Shoreway Rd., and 125 Shoreway Rd.

South Peninsula

- **155 & 135 North McCarthy Blvd, Milpitas:** BD Biosciences will expand and occupy 176,875-sf.
- **900 Middlefield Ave., Redwood City:** Biomea Fusion renewed their 27,000-sf space at 900 Middlefield Ave.
- **2000 & 2200 Bridge Pkwy., Redwood City:** Altos Lab extended and expanded by 92,000 sf at this property owned by Longfellow Real Estate Partners.
- **2125 Canoas Garden Ave., San Jose:** Summit Therapeutics, signed a new lease for 5,840 sf.



Top Deals



Calico
1170-1180 Veterans Blvd | 146,923-sf



NGM Biopharmaceuticals
333 Oyster Point Blvd | 121,760-sf



Astellas Pharma
494 Forbes Blvd | 159,666-sf



Altos Lab
2000 & 2200 Bridge Pkwy | 92,000-sf

Companies on the Watchlist based on recent funding



Vicinitas Therapeutics
442 Littlefield Ave, South San Francisco | \$65M



Switch Bioworks
930 Brittan Ave, San Carlos | \$4.30M



Interdict Bio
953 Indiana St, San Francisco | \$9M