

Occupier Services Team | San Diego County CENTRAL SAN DIEGO | LIFE SCIENCE Q2 2019

Behind the Numbers

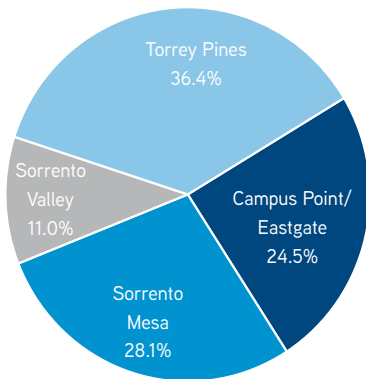
- > San Diego has the third largest concentration of life science companies in the US, behind Boston-Cambridge and San Francisco. The region is home to more than 1,225 life science companies and over 15.5 million SF of inventory countywide.
- > Life sciences activity accounts for \$33.6 billion in total economic impact in San Diego.
- > San Diego Life Science cluster employs nearly 50,000 people, which is nearly 17% of all life science employment in California.

Market Fundamentals

- > San Diego County saw over 400,000 SF of Life Sciences leases signed in Q2 2019. This amounted to a 240% jump in leases being signed from the prior quarter.
- > Venture Capital firms infused \$500 million dollars into the San Diego Life Science community in Q2 2019.
- > Retrophin signed a lease in Carmel Valley with Kilroy, expanding from 20,000 SF to 80,000 SF in Q2 2019 and potentially adding another 15,000 to 20,000 SF before year end.
- > Alexandria Real Estate Equities purchased The Genesis Portfolio in Campus Pointe for \$255 million. Alexandria continues to push forward with over 5 million SF of Life Science and Technology office space in San Diego.
- > InhibRX featured their Initial Public Offering for \$75 million 2 weeks after receiving \$40 million in VC funding. InhibRX also expanded in their current office space to 35,000 SF with newly designed laboratory and office space. COO Brendan Eckleman was quoted on the decision to give the laboratory an amazing view of Torrey Pines Golf Course saying, "...the Science comes first."
- > Neurocrine Biosciences is exploring the Carmel Valley market looking to expand 80,000-90,000 RSF.
- > Mirati Therapeutics is close to signing a large lease in San Diego to expand their current footprint, and Fate Therapeutics is also hoping to sign a lease in Q3 or Q4 for a large block of space.

Inventory Breakdown

	Size (SF)
Campus Point/ Eastgate	3,547,003
Sorrento Mesa	4,076,351
Sorrento Valley	1,593,871
Torrey Pines	5,276,269
TOTAL	14,493,494
Under Constr.	395,782
Proposed	754,925
TOTAL FUTURE INVENTORY	1,150,707



LIFE SCIENCE MARKET TRENDS

Select Markets (Campus Point, Sorrento Mesa, Sorrento Valley, Torrey Pines) Q2 2019

	Q2 2019	Q2 2018	Change
Buildings	241	239	↑
Total Inventory	14,493,494	14,539,784	↓
Vacant SF	1,645,862	991,685	↑
Vacancy Rate	11.36%	6.82%	↑
Net Absorption	105,648	157,487	+

AT A GLANCE

Market Size

14.5 Mil SF

(146,547) SF

395,782 SF

Net Absorption
YTD 2019

Under Construction
YTD 2019



2.8%

Unemployment
SD County - May 2019



11.36%

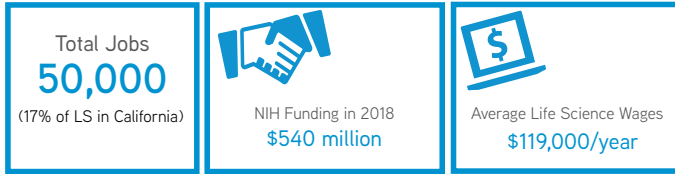
Total Vacancy Rate
All Classes - YTD 2019

Top Venture Capital Life Science Funding (Q2 2019)

Poseida Therapeutics	\$142M
Vividion Therapeutics	\$82M
Evofem BioSciences	\$80M
Tealium	\$55M
Locana	\$55M
Reneo Pharmaceuticals	\$50M
Mapp Biopharma	\$46M



Life Science Trends



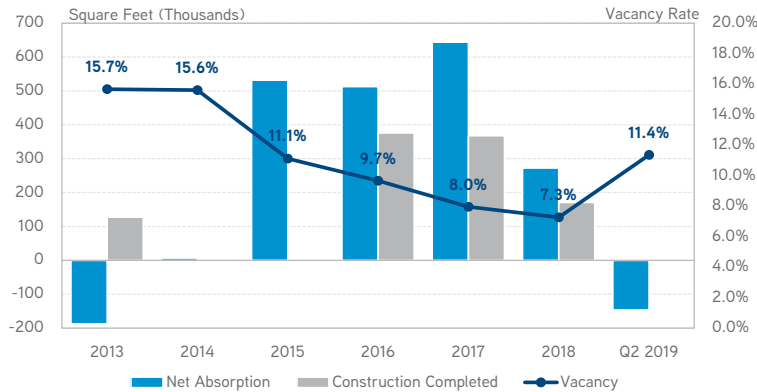
500 offices in **68** countries
on **6** continents

\$3.3 billion in annual revenue

2 billion square feet under management

17,000+ professionals and staff

Life Science Historical Market Trends



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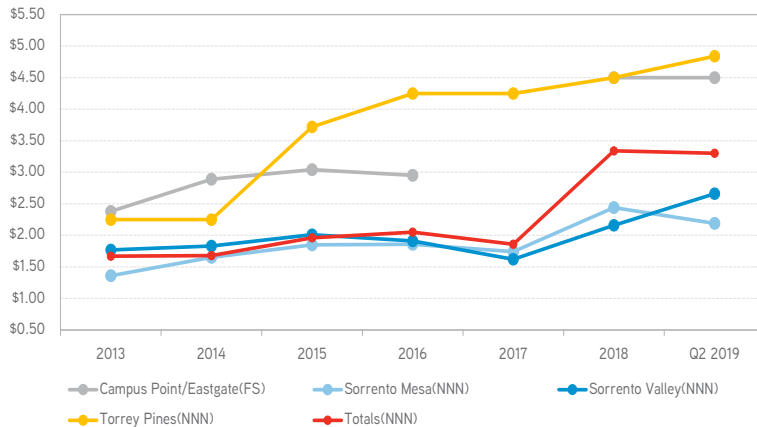
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Life Science Historical Rental Rates

Average Asking Monthly Rate per SF, Triple Net



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Significant Life Science Tenant Activity - Q2 2019

Tenant	Address	Size (SF)	Comments
Pacira Pharmaceuticals	Torrey Pines	93,819	New lease.
Retrophin	Carmel Valley	77,242	New lease.
Omnio	Sorrento Mesa	74,558	New lease.
Tandem Diabetes Care	Sorrento Mesa	59,013	Lease extension.
Turning Point Therapeutics	Torrey Pines	33,864	New lease.
Truvian Sciences	Campus Point	33,116	Relocation within submarket.

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