

FIGURES | SAN FRANCISCO BAY AREA LIFE SCIENCES | Q1 2026

Development pause sets the stage for gradual life sciences recovery

▼ 30.7%

Vacancy Rate

▼ (455K)

SF Net Absorption

▼ 139K

SF Under Construction
(includes conversions)

▼ \$5.60

Average Direct Lease Rate
NNN / Sq. Ft., monthly

▶ 133K

Life Science Industry Employment
San Francisco & San Jose MSA

▼ 2.3M

SF Tenants in the Market

Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

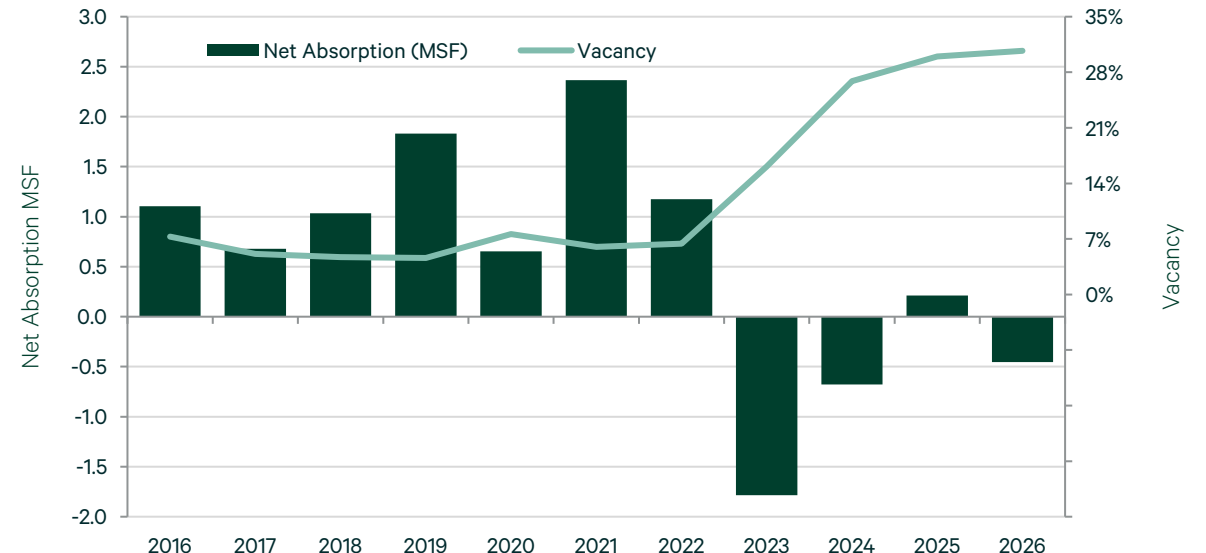
The San Francisco Bay Area life sciences market entered 2026 under continued pressure, as elevated supply and cautious occupier behavior weighed on fundamentals. Vacancy increased to 30.8% in Q1, driven by negative net absorption and a slowdown in leasing activity, while average asking rents declined further as competition for tenants intensified.

Macroeconomic headwinds continued to shape real estate decision-making. In response, many life sciences companies have prioritized capital preservation and operational flexibility, resulting in portfolio consolidation, longer decision timelines, and increased sublease availability across multiple submarkets.

Despite softer conditions, tenant interest remained intact, with active requirements signaling ongoing investment in core research, platform technologies, and biomanufacturing capabilities. Select submarkets demonstrated relative resilience during the quarter, supported by institutional demand, academic affiliations, and best-in-class facilities that align with long-term objectives.

Importantly, the development cycle has effectively paused. While near-term conditions remain competitive, the current environment presents strategic opportunities for occupiers seeking high-quality space and for long-term owners positioned to differentiate assets and capitalize on the next phase of the market cycle.

FIGURE 1: San Francisco Bay Area Vacancy & Net Absorption Trend



Source: CBRE Research, Q1 2026

MARKET OVERVIEW

The San Francisco Bay Area’s life sciences market entered 2026 with muted performance, reflecting continued disconnect between supply and tenant demand. Overall vacancy increased to 30.7% in Q1, rising 70 basis points (bps) from the prior quarter. This increase was driven by negative net absorption totaling 455,000 sq. ft., as many occupiers continued to consolidate footprints. Downward pressure on fundamentals translated to pricing, as the average direct asking rate declined 5% quarter-over-quarter to \$5.60 per sq. ft. on a monthly, NNN basis (NNN). A notable offset to these softer metrics is the slowing pace of new development, as only one office-to-life sciences project delivered during the quarter, with just one remaining in the pipeline.

The sector continues to navigate a challenging macroeconomic environment, shaped by ongoing constraints on National Institutes of Health (NIH) funding, lingering pharmaceutical tariffs, and a cautious capital markets backdrop. Despite these headwinds, San Francisco posted positive net absorption of 129,000 sq. ft. during the quarter. This was driven primarily by the Gladstone Institutes’ lease at 1450 Owens Street in Mission Bay, highlighting the continued appeal of academically anchored locations with strong ties to research institutions and clinical infrastructure. In contrast, the San Francisco Peninsula—the region’s largest life sciences submarket—recorded weaker results. Vacancy rose 80 bps to 35.9%, as net absorption reached negative 314,000 sq. ft. Asking rents adjusted more sharply than elsewhere in the region, declining 7% quarter-over-quarter to \$5.96 NNN.

Leasing activity slowed in Q1, totaling 769,658 sq. ft. For context, total leasing reached 1.2 million sq. ft. in Q4 2025, while the all-time quarterly peak of 1.9 million sq. ft. occurred in Q3 2021. While transaction volume has moderated, tenant interest remains present. Active requirements totaled 2.3 million sq. ft. across 46 mandates, representing a 300,000-sq.-ft. decline from the prior quarter but still signaling a meaningful pipeline of demand. The disconnect between active requirements and executed leases continues to reflect elongated decision-making timelines rather than a lack of tenant interest.

Looking ahead, the Bay Area life sciences market appears positioned to gradually transition from correction toward stabilization. The effective pause in new development should allow existing supply to be absorbed more steadily as capital markets regain traction and tenant confidence improves. While near-term conditions are expected to remain competitive, well-located and highly functional buildings are likely to capture demand first. For occupiers, the current environment presents a window to secure high-quality space with favorable economics, while owners face an increasingly asset-specific recovery path driven by differentiation, flexibility, and long-term relevance within the life sciences ecosystem.

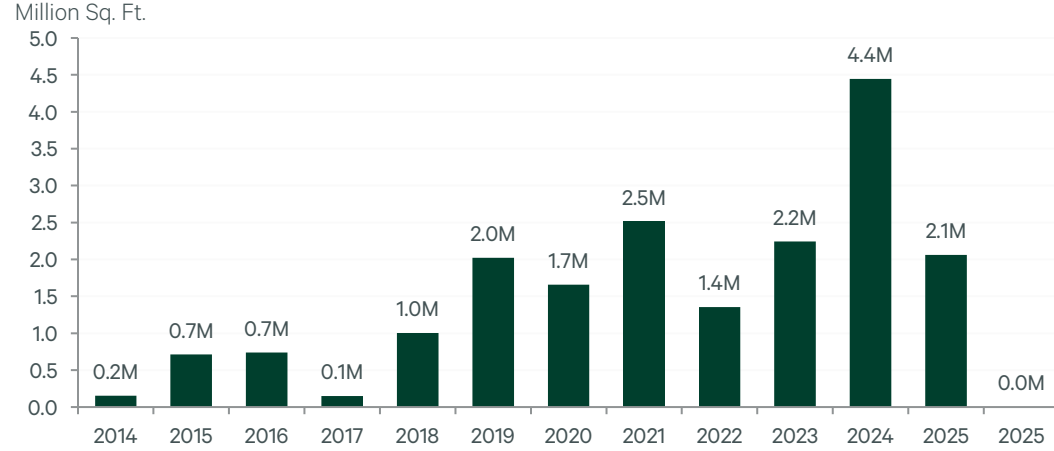
Source: CBRE Research, Q1 2026

FIGURE 2: San Francisco Bay Area Submarket Statistics

Submarket	Net Rentable Area (Sq. Ft.)	Direct Vacant (Sq. Ft.)	Sublease Vacant (Sq. Ft.)	Total Vacancy (%)	Total Availability (%)	Average Direct Lease Rate	Qrtly. Net Abs.	YTD Net Abs.
North 880 Corridor	5,847,319	1,584,484	185,963	30.3%	32.4%	\$5.55	-142,351	-142,351
Central 880 Corridor	2,158,915	395,417	138,346	24.7%	36.5%	\$3.60	-1,560	-1,560
Oakland	8,006,234	1,979,901	324,309	28.8%	33.5%	\$5.18	-143,911	-143,911
680 Corridor	2,422,553	302,239	162,537	19.2%	19.2%	\$2.47	10,495	10,495
South 880 Corridor	3,759,508	644,538	129,869	20.6%	26.5%	\$2.65	59,891	59,891
Central Silicon Valley	2,721,250	203,985	127,671	12.2%	13.4%	\$2.74	-136,799	-136,799
Northern Silicon Valley	1,132,718	287,627	118,975	35.9%	38.5%	\$3.82	-59,247	-59,247
Silicon Valley	7,613,476	1,136,150	376,515	19.9%	23.6%	\$2.92	-136,155	-136,155
Northern Peninsula	15,119,567	4,750,974	899,196	37.4%	39.2%	\$6.03	-310,932	-310,932
Central Peninsula	6,074,610	2,002,774	224,813	36.7%	42.3%	\$5.77	129,648	129,648
Southern Peninsula	3,145,131	807,989	44,032	27.1%	27.8%	\$6.11	-133,017	-133,017
Peninsula	24,339,308	7,561,737	1,168,041	35.9%	38.5%	\$5.96	-314,301	-314,301
San Francisco	1,192,837	258,384	126,285	32.2%	32.2%	\$7.76	129,313	129,313
Total Bay Area Market	43,574,408	11,238,411	2,157,687	30.7%	33.7%	\$5.60	-454,559	-454,559

Source: CBRE Research, Q1 2026

FIGURE 3: San Francisco Bay Area Life Sciences Construction Deliveries Trend



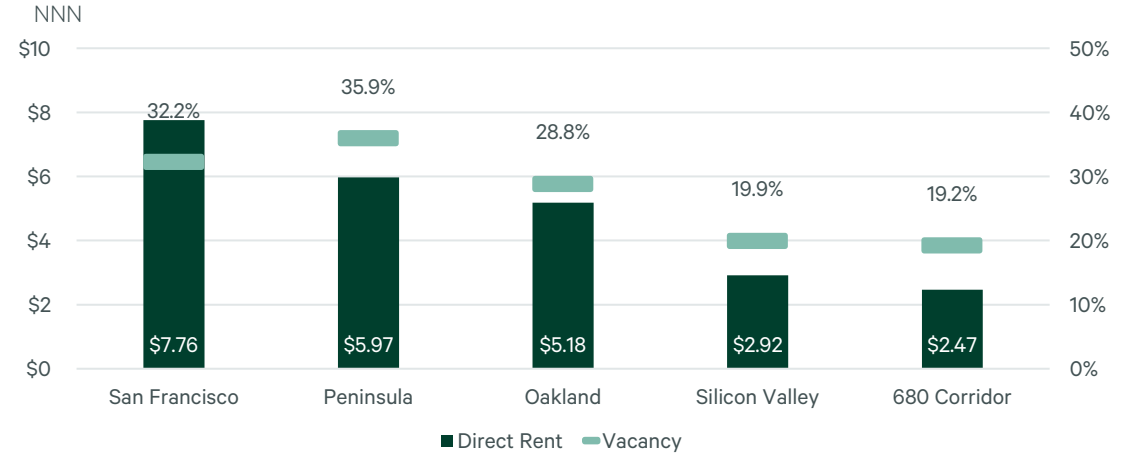
Source: CBRE Research, Q1 2026

FIGURE 5: San Francisco Bay Area Notable Life Sciences Lease Transactions Q1 2026

Tenant	Submarket	SF Leased	Type
Gladstone Institutes	San Francisco	108,082	New Lease
Natera, Inc.	San Francisco Peninsula	62,969	New Lease
Agility Robotics	Silicon Valley	59,891	New Lease
Lyten	Silicon Valley	57,976	Renewal
Confidential	San Francisco Peninsula	49,818	Renewal/Expansion
Symbotic	Silicon Valley	38,749	Renewal
Billion to One	San Francisco Peninsula	31,254	Sublease
Confidential	San Francisco Peninsula	30,996	Expansion
Voya Energy	Oakland	27,969	New Lease
Epic Bio	San Francisco Peninsula	24,780	Renewal

Source: CBRE Research, Q1 2026

FIGURE 4: San Francisco Bay Area Life Sciences Rental Rate by Market



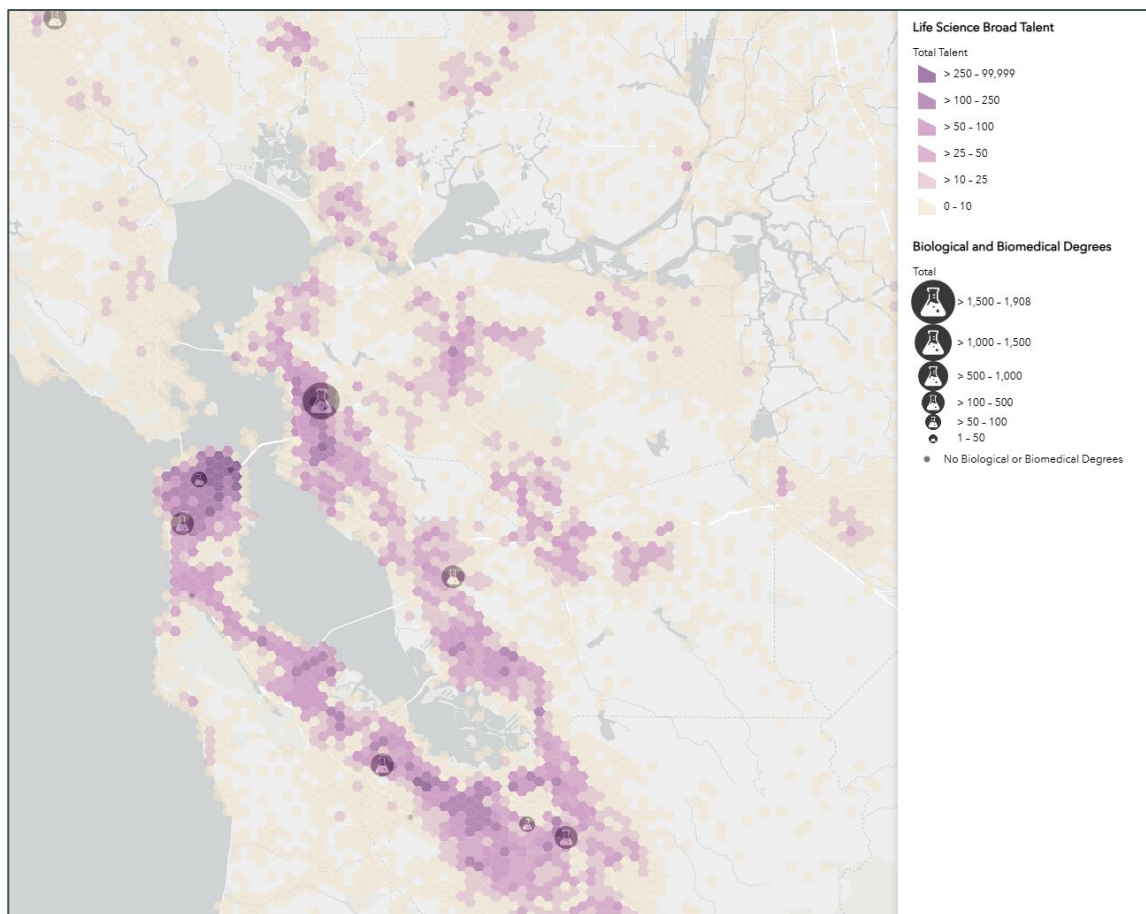
Source: CBRE Research, Q1 2026

FIGURE 6: San Francisco Bay Area Top Life Sciences Occupiers

Company Name
Genentech
Intuitive
Abbott
Gilead
Johnson & Johnson
Roche
Exelixis
Bristol Myers Squibb
Amgen Inc.
AbbVie
Thermo Fisher Scientific
Penumbra, Inc.
Bio-Rad
Eikon Therapeutics
Verily
Cepheid
10X Genomics
Vaxcyte
Merck
Varian Medical Systems

Source: CBRE Research, Q1 2026

Market Map (Bay Area Life Sciences Talent Density & Biological / Biomedical Degrees)



Source: CBRE Research, Location Intelligence, Q1 2026

Definitions

Life Sciences Methodology: highly specialized facilities with exceptional power, plumbing, ventilation, and extensive laboratory buildout, which meets current life sciences user needs.

Leasable Inventory SF: specialized life sciences inventory or lab space that is owned by an investor / developer and leased to a life sciences company, **Direct Vacant SF:** available vacant space marketed by a landlord of a life sciences facility. **Sublease Vacant SF:** available vacant space marketed by a sublessor of a life sciences facility. **Vacancy Rate:** sum of direct and sublease vacant SF divided by leasable inventory SF. **Availability Rate:** total available occupied and vacant space marketed by a landlord or sublessor divided by leasable inventory SF. **Average Direct Lease Rate:** average direct rent for speculative and second and third generation life sciences build-out on a NNN / sq. ft., monthly basis. **Under Construction:** projects currently under development and scheduled for completion beyond reporting quarter. **Deliveries:** projects delivered over a specified timeframe. **Net Absorption:** change in previously occupied space, measured in SF and recorded as a positive value for occupancy growth or negative for reduction. Life science occupations are in pharmaceutical and medicine manufacturing and scientific research and development services. **Life Science Industry Employment:** Pharmaceutical and medicine manufacturing; Scientific research and development services; and navigational, measuring, electromedical, and control instruments manufacturing. **Geographies:** North 880 Corridor (Richmond, Berkeley, Emeryville, and Alameda); Central 880 Corridor (San Leandro, Hayward, and Union City); 680 Corridor (Livermore and Pleasanton); South 880 Corridor (Newark, Fremont, and Milpitas); Central Silicon Valley (San Jose, Santa Clara, Campbell, and Los Gatos); Northern Silicon Valley (Cupertino, Sunnyvale, and Mountain View); Southern Peninsula (Palo Alto and Menlo Park); Central Peninsula (San Mateo, Foster City, Redwood City, Belmont, San Carlos); Northern Peninsula (Brisbane, South San Francisco, and Burlingame); and San Francisco.

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