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CURRENT CHALLENGES, FUTURE OPPORTUNITIES

BAYBIO

September 30, 2009 South San Francisco CA

## Real Estate Strategies – Challenges & Opportunities for Tenants and Landlords

### Agenda

- Panel Introduction
- Life Sciences Market Context
- Take-Aways & Discussion Starters from RE Survey
- Tenant Strategies – Mature companies
- Tenant Strategies – Mezzanine companies
- Landlord / RE Investor strategies
- Q & A

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## 2009 Northern California Life Science Real Estate Survey

*“Take-Aways & Discussion Starters”*

- Fewer Companies but Vacancy Rates marginally increased – *why?*
- North Peninsula - most desirable – *will it stay the leader?*
- San Francisco – “. . . Established itself as a solid viable market . . .” – *consensus view?*
- North Silicon Valley – was low ranked, now highly ranked – *what’s changed? Can this be sustained?*
- East Bay North – well ranked & low vacancies – *keys to success?*
- East Bay South – high vacancy & inexpensive space – *what will make this more appealing?*
- Start-ups & Mezzanine companies place higher emphasis on “lower / more flexible lease rates” than do Mature companies – *doesn’t everyone want flexibility? How do Landlords enable or inhibit this?*