



Rendering of a 2022 proposal for a biotech hub at 180 El Camino Real in South San Francisco.

Another SSF development asks for 10-year extension

Mixed-use project developers ask to extend entitlement period in light of tough market

By Alyse DiNapoli
DAILY JOURNAL STAFF

Another South San Francisco developer is seeking an additional 10 years to build out its office and residential project in South San Francisco, highlighting the industry's slow recovery and tough real estate market.

Part of the original 180 El Camino Real site will house a new Safeway store, currently under construction, but the other parcel was approved by the city in 2022 as a residential, office, and research and development project. But with elevated interest rates, tough lending market, tariffs and stubborn inflation, the

See SSF, Page 17

Continued from page 1

oper, Steelwave, is seeking a 10-year option agreement that will give them time to complete the plans.

At this point in time, it's just too difficult to financing, and that demand in the market he users isn't quite there," said Steven n, senior managing director at Steelwave. do feel like it's recovering in both lential and in R&D. It's just going to take le bit more time."

Typically, entitlements are only valid for to three years, at which point developers ild need to re-apply and undergo the entire ew and approval process again.

Just last month, a life science development posal at 800 Dubuque Ave. also sought

a similar 10-year development agreement with the city. In exchange for an extended entitlement, the developers for both projects agreed to pay most of the community benefit fees to the city over five years when typically, such fees are paid by developers closer to the time of permit issuance.

While life science firms continue generating revenue in their local areas after they're built, much of that ongoing revenue, such as property tax, goes to the county. The city itself relies heavily on new construction, as that is when developers pay impact and community benefit fees, which go toward a number of its services and infrastructure, such as child care, affordable housing and parks.

While the life science sector has strengthened compared to a couple years ago, progress has been slow. As of July, biotech layoffs in San Mateo County were only slightly lower last month than July 2024 — about 1,040 industry layoffs, compared to roughly 1,400 — and

Tuesday • Sept. 2, 2025 11

real estate development is also proving slow to bounce back.

In Belmont, three of its five major biotechnology projects have been withdrawn or indefinitely paused as of April. According to a CBRE market report, last quarter saw a 32% vacancy rate in life science buildings across the Bay Area — nearly four-fold the rate from 2022. The amount of lab space under construction in the region as of last quarter has also been significantly less than prior years.

With less funding from the National Institutes of Health and pharmaceutical tariffs, the report added, midsize life science firms are reassessing their real estate needs, which has also contributed to higher sublease activity.

The problem is particularly acute in South San Francisco, known as Northern California's hub for biotechnology firms. According to a staff report, the city has issued one new building permit for a life science project in the last two years, and other projects

that are already underway, such as Kilroy Realty's Oyster Point and Southline, mean the anticipated supply is only contributing to higher vacancy rates.

The Planning Commission voted unanimously to recommend approval of the development agreement which also must be approved by the City Council.

"The way the climate is nowadays and how things are, there are a lot of unknowns," Planning Commissioner Norman Faria said to the applicant during a meeting Aug. 21. "I'm glad to see there is some building going and given the opportunity to extend it and give you the time for the economy to turn around, it's no problem for me to support that."

alyse@smdailyjournal.com
(650) 344-5200 ext. 102