

FIGURES | SAN FRANCISCO | Q2 2023

# San Francisco Industrial Figures

▼ 4.85%

Vacancy Rate

▲ 53K

SF Net Absorption

► 0M

SF Under Construction

▼ \$2.50

IG / Monthly Lease Rate  
Existing Properties

► 36.6K

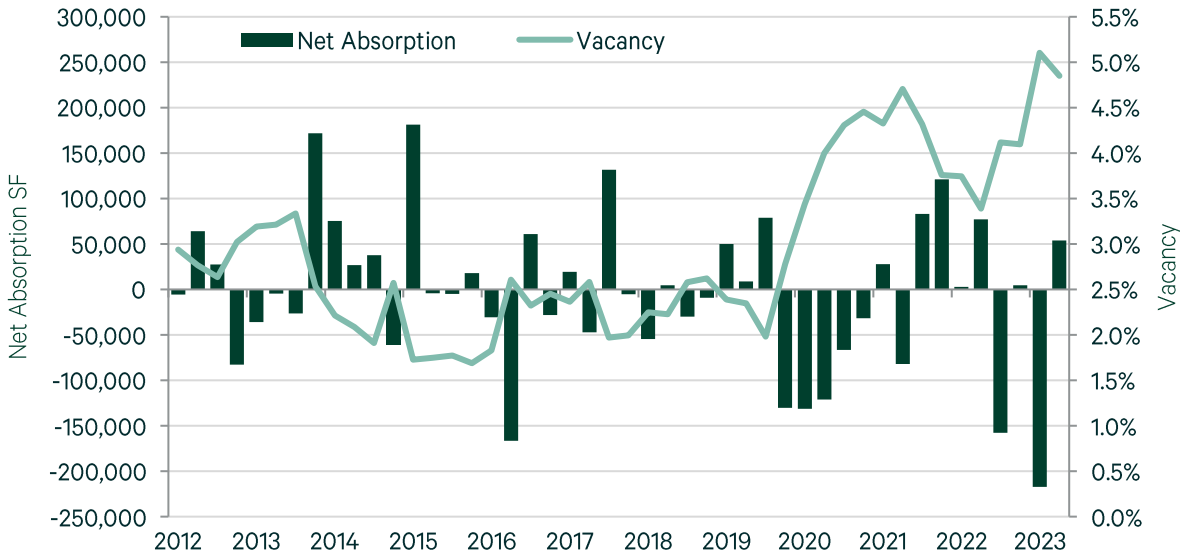
Industrial Using Employment

Note: Arrows indicate change from previous quarter.

## MARKET HIGHLIGHTS

- In Q2 2023, the San Francisco industrial market registered 53,716 sq. ft. of positive net absorption, which decreased the market-wide vacancy rate to 4.85%.
- The Mission/Potrero submarket experienced the largest occupancy gains, while South of Market recorded the largest occupancy losses.
- The overall vacancy rate for warehouse properties ended the quarter at 3.99%, while vacancy for manufacturing facilities ended the quarter at 10.91%.
- The average direct asking rate in Q2 2023 was \$2.50 IG monthly—a marginal decrease from \$2.56 IG reported in Q1 2023.
- Industrial-using employment in San Francisco remained stable at 36,600 in Q2 2023.
- No new construction deliveries occurred in Q2 2023, and there are currently no properties under construction.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research

FIGURE 2: Submarket Statistics

Market	Net Rentable Area	Total Available SF	Total Availability (%)	Total Vacant SF	Total Vacancy (%)	Q2 Net Absorption	YTD Net Absorption	Average Direct Asking Rate IG Monthly
Bayview/Hunters Point	7,174,437	623,231	8.69%	280,582	3.91%	17,659	-40,342	\$2.24
Mission Bay/China Basin	3,156,346	231,430	7.33%	194,559	6.16%	10,245	-71,899	\$2.36
Mission/Potrero	8,025,330	320,605	3.99%	241,320	3.01%	54,454	28,091	\$2.56
Showplace Square	1,000,590	183,694	18.36%	54,037	5.40%	-1,000	-24,156	\$3.22
South of Market	2,235,352	291,906	13.42%	276,914	12.39%	-27,642	-55,049	\$2.84
Market Totals	21,592,055	1,650,866	7.68%	1,047,412	4.85%	53,716	-163,355	\$2.50
Warehouse	18,890,983	1,267,797	6.75%	752,858	3.99%	33,313	-169,149	\$2.44
Manufacturing	2,701,072	383,069	14.18%	294,554	10.91%	20,403	5,794	\$2.75

Source: CBRE Research

FIGURE 3: Notable Lease Transactions Q2 2023

Tenant	Address	SF Leased	Deal Type
USPS	180-200 Napoleon St	101,331	Renewal
Grubmarket Norcal	1925 Jerrold Ave	15,000	New Lease
AAA Business Supplies	201-399 Mendell St	12,012	Sublease
National Cab Company	1955 Carroll Ave	10,800	New Lease
DDC Electric Supply	2253 Shafter Ave	10,000	New Lease

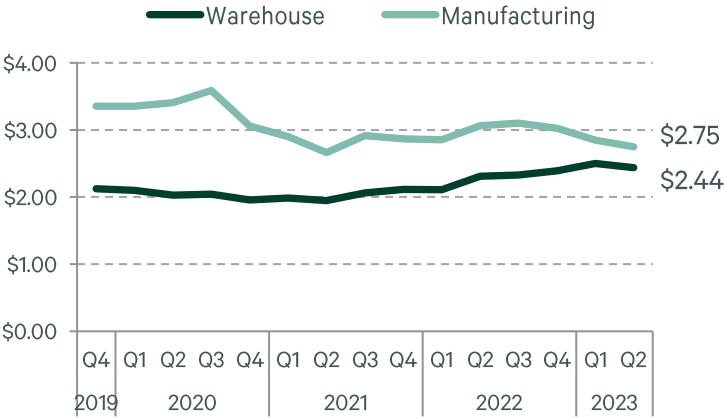
Source: CBRE Research

FIGURE 4: Notable Sale Transactions Q2 2023

Address	SF Sold	Buyer	Sale Price (\$)
410 Bayshore Blvd	13,600	City Life Church SF	\$5.5M

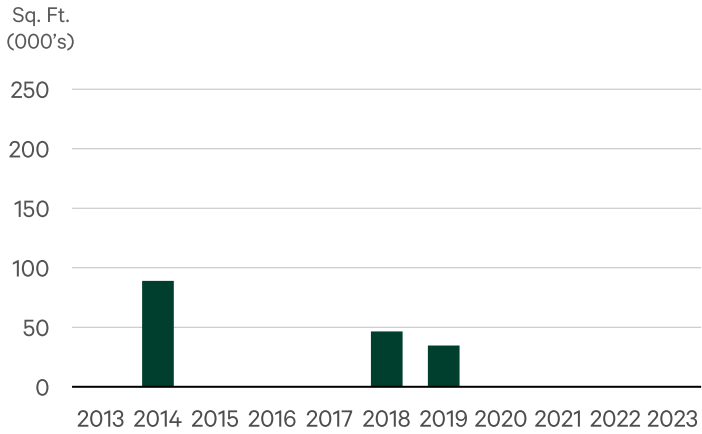
Source: CBRE Research

FIGURE 5: Lease Rates



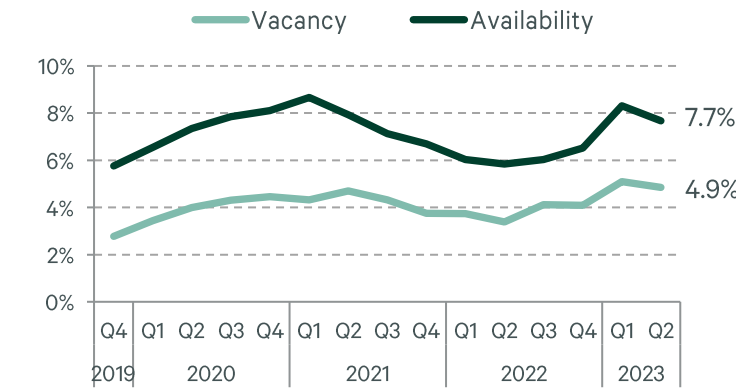
Source: CBRE Research

FIGURE 7: Construction Completions



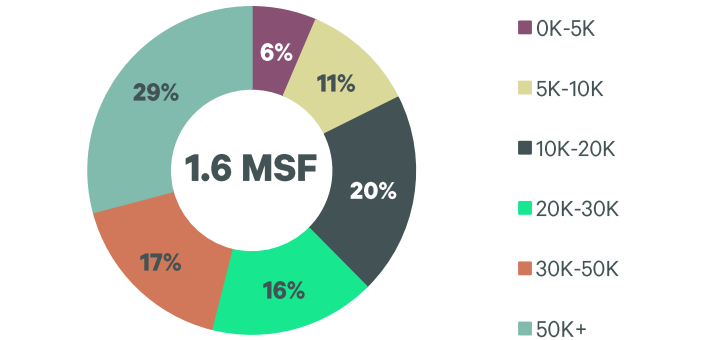
Source: CBRE Research

FIGURE 4: Vacancy & Availability



Source: CBRE Research

FIGURE 8: Total SF of Available Spaces by Size Range



Source: CBRE Research

Submarket Map



Source: CBRE Research, Location Intelligence

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Definitions

Average Asking Rate Direct Monthly Lease Rates., Industrial Gross (IG). Availability: All existing space being marketed for lease. Total Vacancy Rate: Direct Vacancy + Sublease Vacancy.

CBRE's market report analyzes existing single- and multi-tenant industrial buildings that total 1,000+ sq. ft. in San Francisco County. CBRE assembles all information through telephone canvassing, third-party vendors, and listings received from owners, tenants and members of the commercial real estate brokerage community

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