

FIGURES | SAN FRANCISCO INDUSTRIAL | Q1 2024

Vacancy climbs to all-time high of 7.9% due to weak demand

▲ 7.9%

Vacancy Rate

▼ (236K)

SF Net Absorption

► 0

SF Under Construction

▼ \$2.24

IG / Monthly Lease Rate
Existing Properties

▲ 36.7K

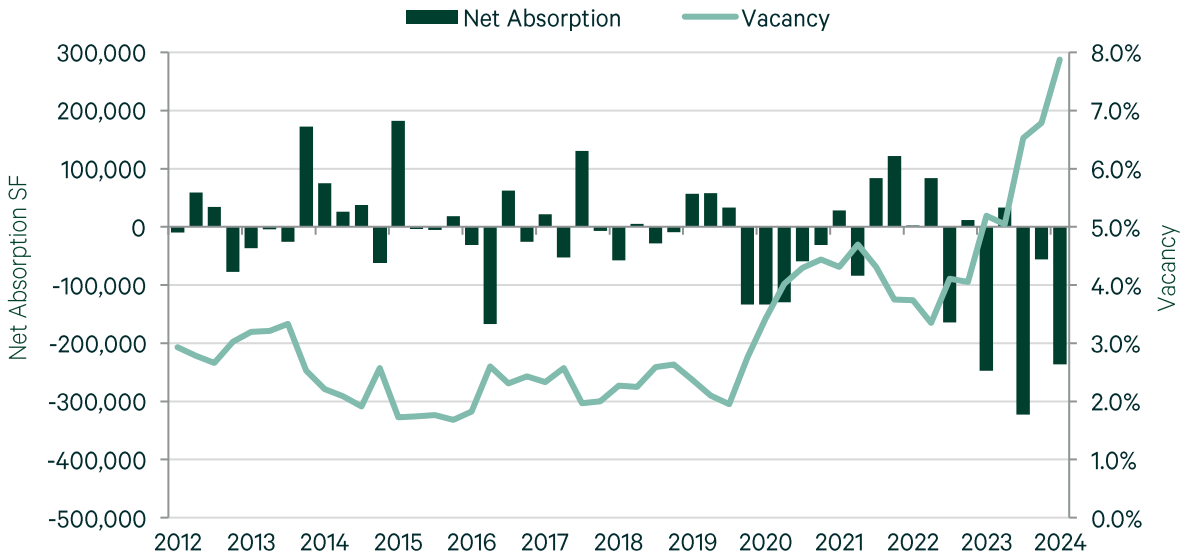
Industrial Using Employment

Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

- In Q1 2024, San Francisco registered 236,156 sq. ft. of negative net absorption, which increased the market-wide vacancy rate to 7.9%.
- South of Market experienced the largest occupancy gains, while Mission Bay/China Basin recorded the largest occupancy losses.
- The vacancy rate for warehouse facilities increased 130 basis points to 5.4% in Q1 2024. The vacancy rate for manufacturing facilities increased 70 basis points to 24.3%.
- The average direct asking rate in Q1 2024 was \$2.24 IG monthly, a 3.7% decrease from the previous quarter and a 12.2% decrease, year-over-year.
- Industrial-using employment in San Francisco increased by 0.5% to 36,700 jobs.
- No new construction deliveries occurred in Q1 2024 and there are currently no properties under construction.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q1 2024

FIGURE 2: Submarket Statistics

Submarket	Net Rentable Area	Total Available SF	Total Availability (%)	Total Vacant SF	Total Vacancy (%)	Q1 2024 Net Absorption	YTD 2024 Net Absorption	Average Direct Asking Rate IG Monthly
Bayview/Hunters Point	7,276,771	506,829	7.0%	375,866	5.2%	(99,082)	(99,082)	\$2.09
Mission Bay/China Basin	3,171,349	522,163	16.5%	497,163	15.7%	(134,733)	(134,733)	\$2.09
Mission/Potrero	8,045,474	538,711	6.7%	341,790	4.2%	(24,900)	(24,900)	\$2.19
Showplace Square	921,579	195,222	21.2%	90,722	9.8%	5,421	5,421	\$2.20
South of Market	2,261,867	438,209	19.4%	402,117	17.8%	17,138	17,138	\$2.57
Market Totals	21,677,040	2,201,134	10.2%	1,707,658	7.9%	(236,156)	(236,156)	\$2.24
Warehouse	18,846,541	1,448,943	7.7%	1,020,090	5.4%	(216,510)	(216,510)	\$2.23
Manufacturing	2,830,499	752,191	26.6%	687,568	24.3%	(19,646)	(19,646)	\$2.24

Source: CBRE Research, Q1 2024

FIGURE 3: Notable Lease Transactions Q1 2024

Tenant	Address	SF Leased	Deal Type
SF Supply Master	100 Paul Ave	37,500	Sublease
City & County of San Francisco	2177 Jerrold Ave	24,591	New Lease
East Star	1955 Carroll Ave	14,200	New Lease
Advanced Technical Sewing	1004-1094 Revere Ave	10,000	Renewal

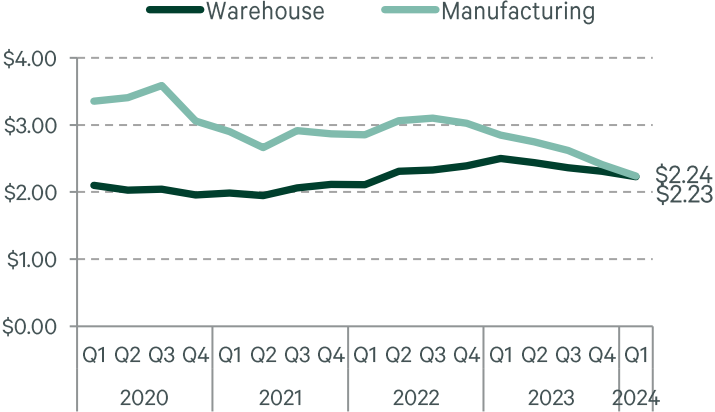
Source: CBRE Research, Q1 2024

FIGURE 4: Notable Sale Transactions Q1 2024

Buyer	Address	SF Sold	Sale Price
Luksich Family	53-69 Bluxome St	34,901	\$6.05M
Putnam Auto	190 Capp St	7,500	\$1.40M
SF Roofing Services	1314 Donner Ave	5,000	\$1.40M
Private	2225 Ingalls St	5,000	\$2.40M

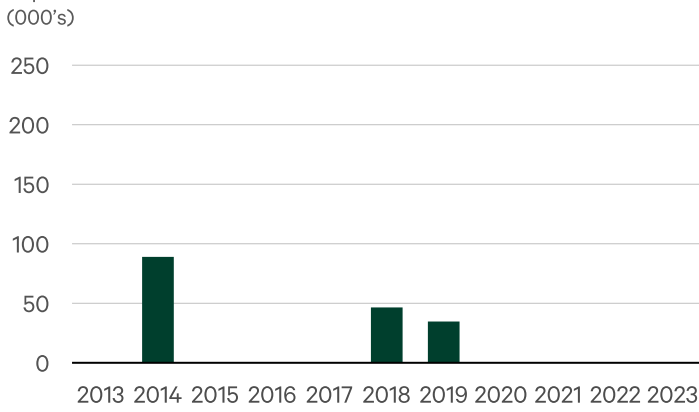
Source: CBRE Research, Q1 2024

FIGURE 5: Lease Rates



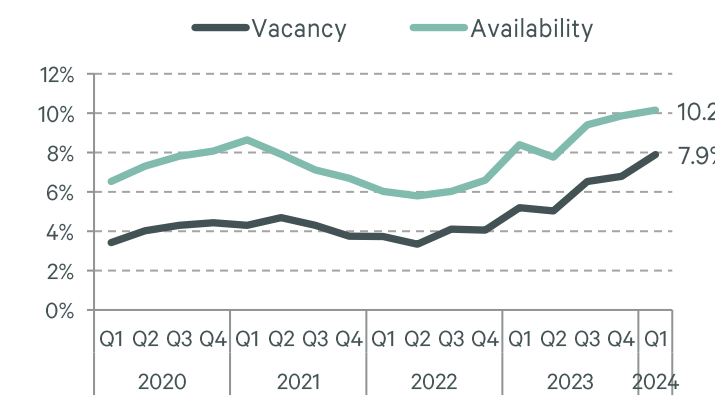
Source: CBRE Research, Q1 2024

FIGURE 7: Construction Completions



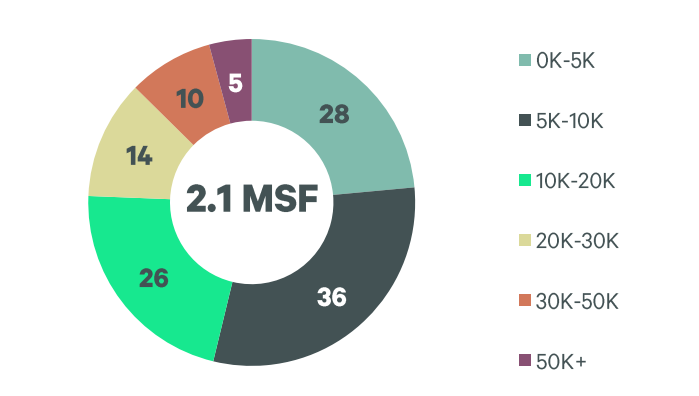
Source: CBRE Research, Q1 2024

FIGURE 6: Vacancy & Availability



Source: CBRE Research, Q1 2024

FIGURE 8: Number of Available Spaces by Size Range



Source: CBRE Research, Q1 2024

Aerial View of Submarkets



Source: CBRE Research, Location Intelligence

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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