

FIGURES | SAN FRANCISCO INDUSTRIAL | Q4 2023

# Vacancy rises and rents fall further due to weak demand

▲ 6.56%

Vacancy Rate

▼ (56.8K)

SF Net Absorption

► 0M

SF Under Construction

▼ \$2.34

IG / Monthly Lease Rate  
Existing Properties

▲ 37.2K

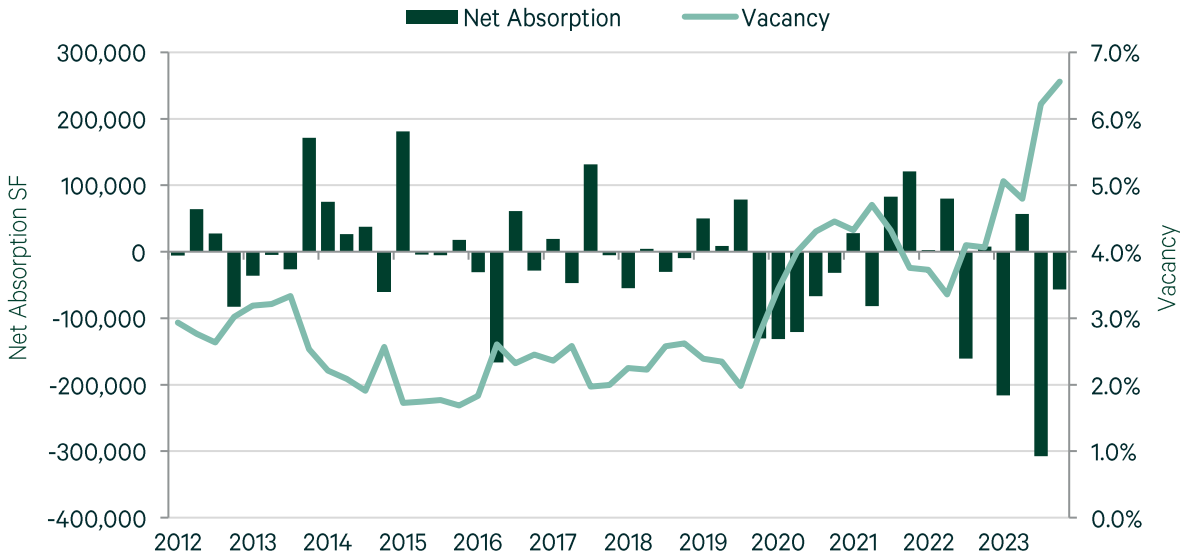
Industrial Using Employment

Note: Arrows indicate change from previous quarter.

## MARKET HIGHLIGHTS

- In Q4 2023, the San Francisco industrial market registered 56,784 sq. ft. of negative net absorption, which increased the market-wide vacancy rate to 6.56%.
- The Mission Bay/China Basin submarket experienced the largest occupancy gains, while South of Market recorded the largest occupancy losses.
- The vacancy rate for warehouse facilities decreased 11 basis points to 4.11% in Q4 2023. The vacancy rate for manufacturing facilities increased 234 basis points to 23.15%.
- The average direct asking rate in Q4 2023 was \$2.34 IG monthly—down 3.31% from the previous quarter and 6.77% from a year ago.
- Industrial-using employment in San Francisco increased by 3.33% to 37,200 jobs.
- No new construction deliveries occurred in Q4 2023, and there are currently no properties under construction.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q4 2023

FIGURE 2: Submarket Statistics

Submarket	Net Rentable Area	Total Available SF	Total Availability (%)	Total Vacant SF	Total Vacancy (%)	Q4 2023 Net Absorption	Total 2023 Net Absorption	Average Direct Asking Rate IG Monthly
Bayview/Hunters Point	7,229,167	507,385	7.02%	248,584	3.44%	-36,224	-8,344	\$2.15
Mission Bay/China Basin	3,218,243	406,313	12.63%	362,430	11.26%	59,824	-239,770	\$2.37
Mission/Potrero	8,032,377	504,626	6.28%	316,890	3.95%	7,016	-47,479	\$2.36
Showplace Square	921,579	198,843	21.58%	96,143	10.43%	-14,611	-71,186	\$2.20
South of Market	2,227,425	414,757	18.62%	395,255	17.74%	-72,789	-173,886	\$2.63
Market Totals	21,628,791	2,031,924	9.39%	1,419,302	6.56%	-56,784	-540,665	\$2.34
Warehouse	18,840,418	1,290,457	6.85%	773,871	4.11%	23,023	-195,086	\$2.31
Manufacturing	2,788,373	741,467	26.59%	645,431	23.15%	-79,807	-345,579	\$2.41

Source: CBRE Research, Q4 2023

FIGURE 3: Notable Lease Transactions Q4 2023

Tenant	Address	SF Leased	Deal Type
Keller Supply	1575 Burke Ave	38,811	New Lease
Undisclosed Tenant	1575 Burke Ave	37,172	New Lease
Madison Reed	430 Shotwell St	13,500	New Lease
Fyusion	630 Tennessee Ave	11,840	New Lease

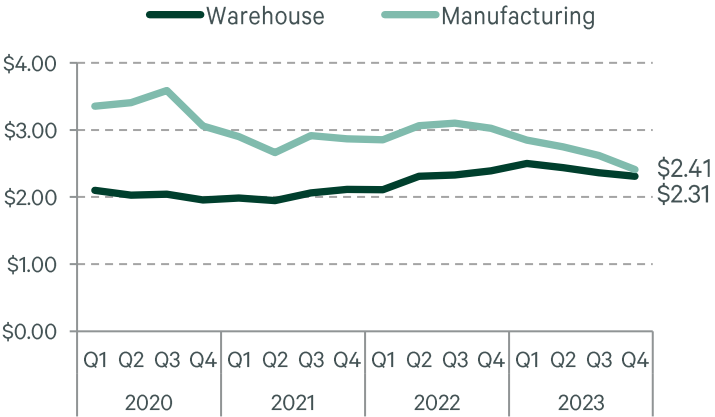
Source: CBRE Research, Q4 2023

FIGURE 4: Notable Sale Transactions Q4 2023

Buyer	Address	SF Sold	Sale Price
Sharon E Lamey	335 Barneveld Ave	14,961	\$6.3MM
Alien Technology Group Inc.	1300 Potrero Ave	11,945	\$6.3MM
Sudhir S & Daxa S Patel	1700 Mission St	6,600	\$1.7MM
Adrian Hoffman	1325 Egbert Ave	6,250	\$2.0MM

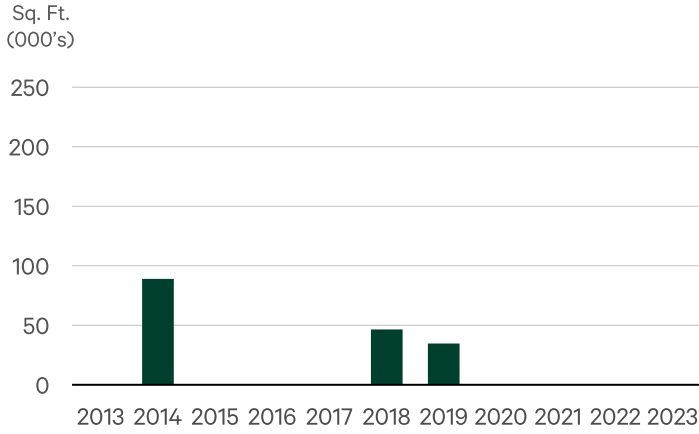
Source: CBRE Research, Q4 2023

FIGURE 5: Lease Rates



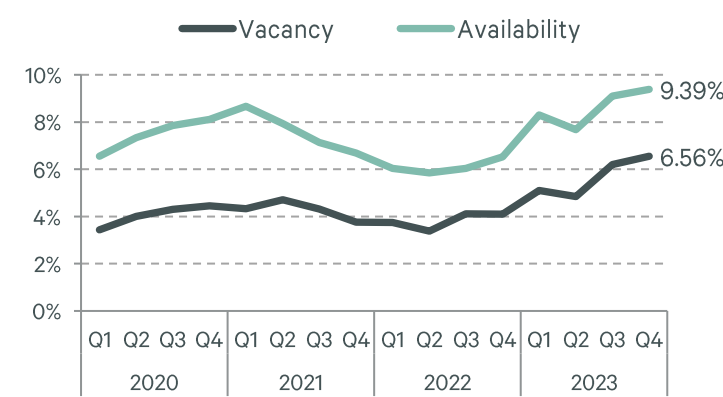
Source: CBRE Research, Q4 2023

FIGURE 7: Construction Completions



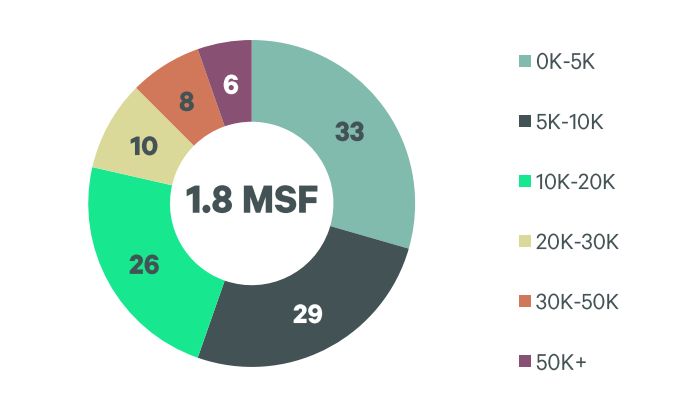
Source: CBRE Research, Q4 2023

FIGURE 6: Vacancy & Availability



Source: CBRE Research, Q4 2023

FIGURE 8: Number of Available Spaces by Size Range



Source: CBRE Research, Q4 2023

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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