San Francisco Industrial Figures

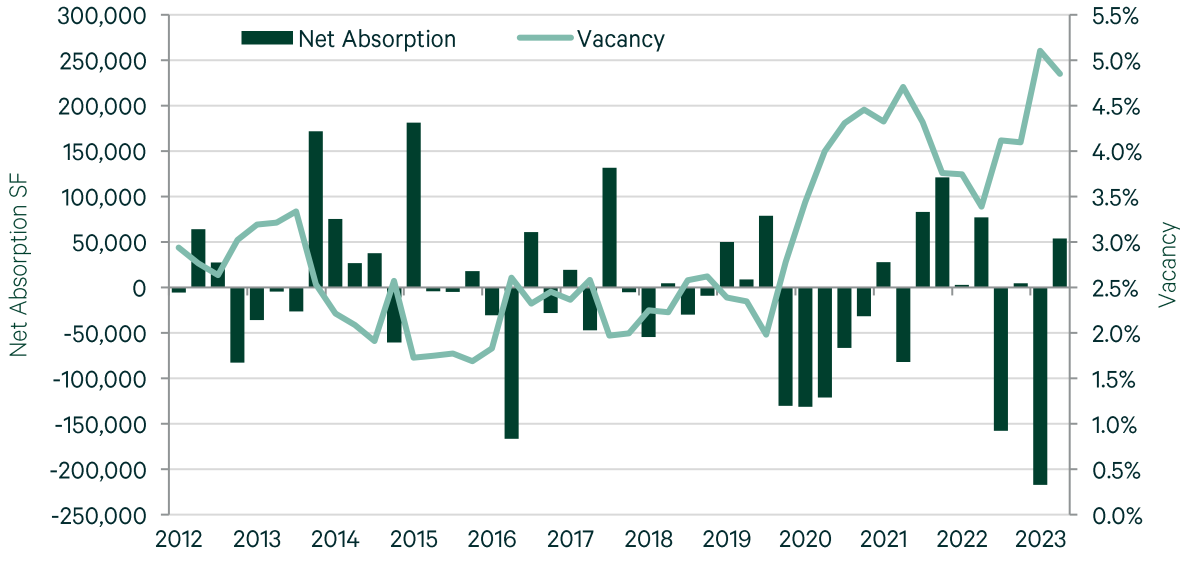
▼ 4.85%	▲ 53K	▶ 0M	▼ $2.50	▶ 36.6K
Vacancy Rate	SF Net Absorption	SF Under Construction	IG / Monthly Lease Rate Existing Properties	Industrial Using Employment

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

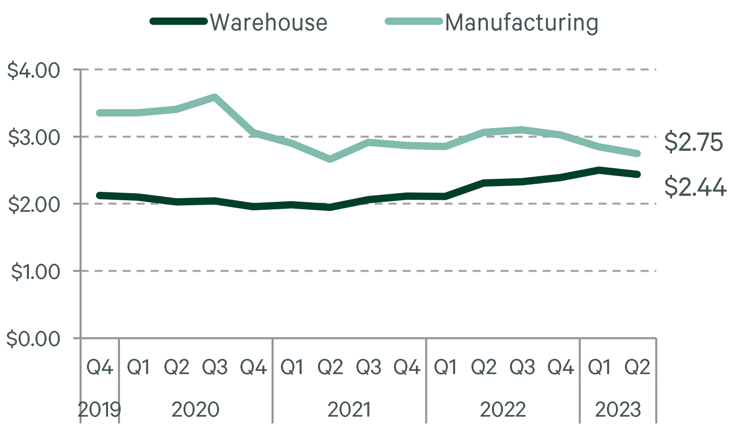
Source: CBRE Research

FIGURE 4: Notable Sale Transactions Q2 2023

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

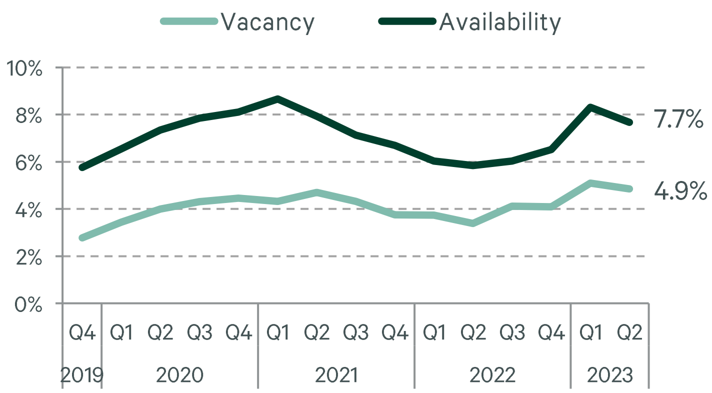
Source: CBRE Research

FIGURE 5: Lease Rates



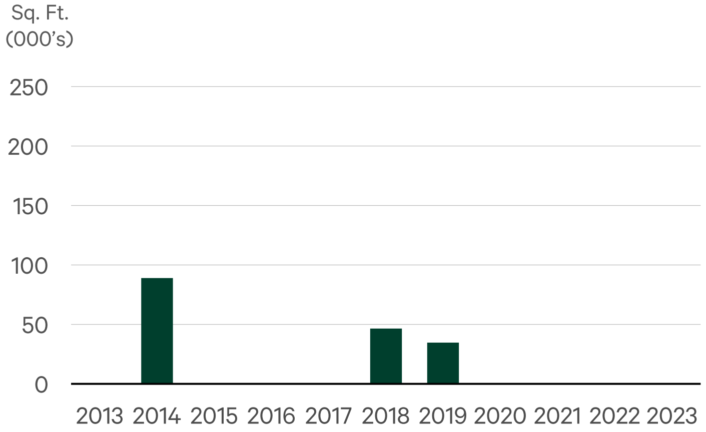
Source: CBRE Research

FIGURE 4: Vacancy & Availability



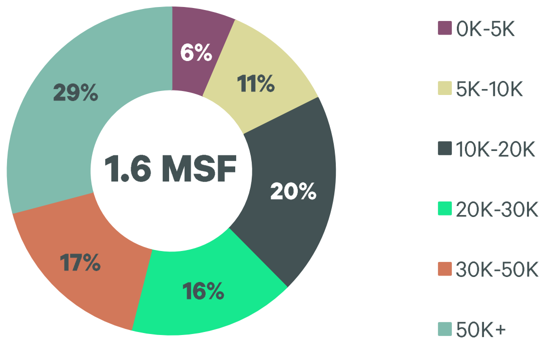
Source: CBRE Research

FIGURE 7: Construction Completions



Source: CBRE Research

FIGURE 8: Total SF of Available Spaces by Size Range



Source: CBRE Research

Submarket Map

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

Contacts

Aaron Goodale
Field Research Analyst
+1 510 579 0713
Aaron.Goodale@cbre.com

Konrad Knutsen
Associate Director, Northern CA
+1 916 446 8292
Konrad.Knutsen@cbre.com

Hope Lang
Field Research Analyst
+1 415 772 0420
Hope.Lang@cbre.com

San Francisco Office
415 Mission St, Suite 4600
San Francisco, CA 94105

Source: CBRE Research, Location Intelligence