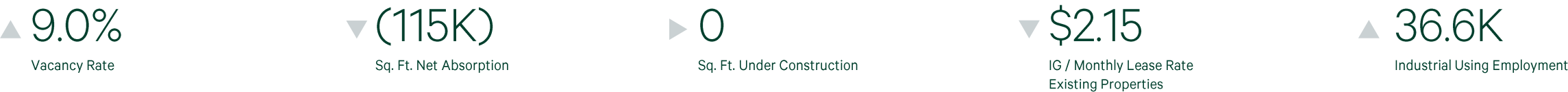


FIGURES | SAN FRANCISCO INDUSTRIAL | Q3 2024

Vacancy rate reaches record high amid low demand

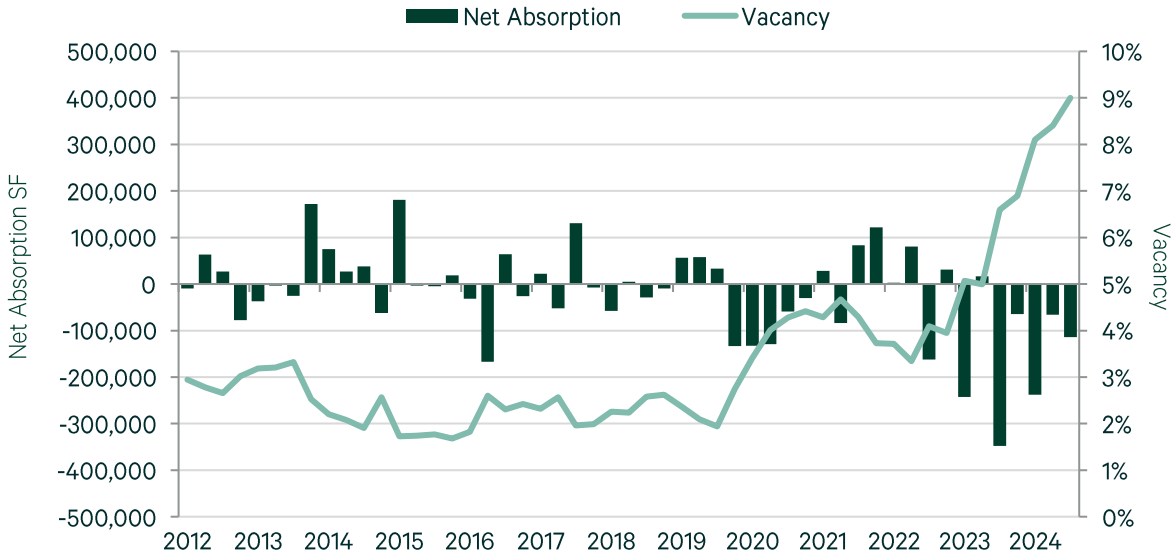


Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

- In Q3 2024, the vacancy rate increased by 60 basis points (bps) to 9.0% on 114,990 sq. ft. of negative net absorption. The vacancy rate increased by 250 bps, year-over-year.
- All submarkets except for Mission/Potrero experienced negative net absorption. Bayview/Hunters Point experienced the largest loss of occupancy.
- The vacancy rate for warehouse facilities increased 40 basis points to 6.4% in Q3 2024. The vacancy rate for manufacturing facilities increased 140 basis points to 25.6%.
- The average direct asking rate in Q3 2024 was \$2.15 IG monthly, a 1.4% decrease from the previous quarter, and a 10.8% decrease, year-over-year.
- There were no construction deliveries in Q3 2024, and there were no properties under construction at the close of the quarter.
- Industrial-using employment in San Francisco increased by 0.6% to 36,600 jobs.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q3 2024

FIGURE 2: Submarket Statistics

Submarket	Net Rentable Area	Total Available SF	Total Availability (%)	Total Vacant SF	Total Vacancy (%)	Q3 2024 Net Absorption	YTD 2024 Net Absorption	Average Direct Asking Rate IG Monthly
Bayview/Hunters Point	7,314,010	752,897	10.3%	442,059	6.0%	(95,063)	(38,283)	\$2.06
Mission Bay/China Basin	3,131,329	536,001	17.1%	523,519	16.7%	(3,271)	(131,887)	\$1.83
Mission/Potrero	8,012,512	549,117	6.9%	428,984	5.4%	5,084	(126,458)	\$2.12
Showplace Square	922,677	263,954	28.6%	104,988	11.4%	(14,266)	5,421	\$1.99
South of Market	2,252,710	439,604	19.5%	443,412	19.7%	(7,474)	(12,933)	\$2.52
San Francisco Total Market	21,633,238	2,541,573	11.7%	1,942,962	9.0%	(114,990)	(304,140)	\$2.15
Warehouse	18,692,075	1,725,233	9.2%	1,189,350	6.4%	(68,230)	(321,691)	\$2.16
Manufacturing	2,941,163	816,340	27.8%	753,612	25.6%	(46,760)	17,551	\$2.15

Source: CBRE Research, Q3 2024

FIGURE 3: Notable Lease Transactions Q3 2024

Tenant	Address	SF Leased	Deal Type
Confidential	401 23rd St	56,580	Renewal
SF Public Utilities Commission	2725 Oakdale Ave	46,500	New Lease
Decker Electric	635 Brannan St	9,160	New Lease
Witalkio	1258 Minnesota St	9,196	New Lease
Hedgehog	2757 16th St	6,287	New Lease

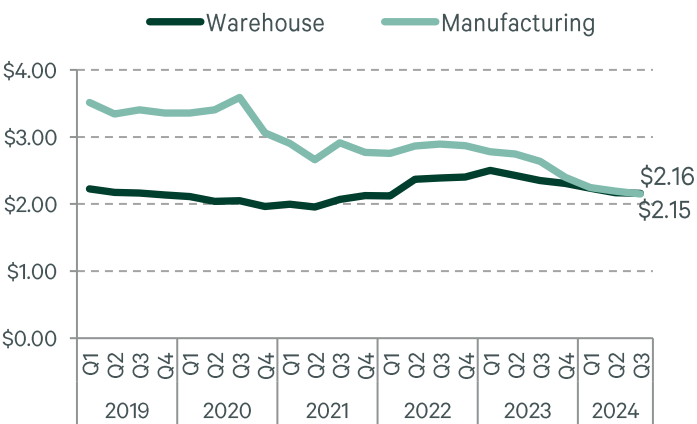
Source: CBRE Research, Q3 2024

FIGURE 4: Notable Sale Transactions Q3 2024

Buyer	Address	SF Sold	Sale Price
Joseph Harney	470 Bayshore Blvd / 1715-1745 Cortland Ave	20,400	\$8.0M
Gerald Lee	435 Potrero Ave	10,000	\$2.0M
Vladimir Robert Cood	369 11th St	9,000	\$2.5M
Vinay Patel	262 7th St	7,837	\$6.5M
Nob Hill Construction	1620 Armstrong Ave	5,512	\$1.9M

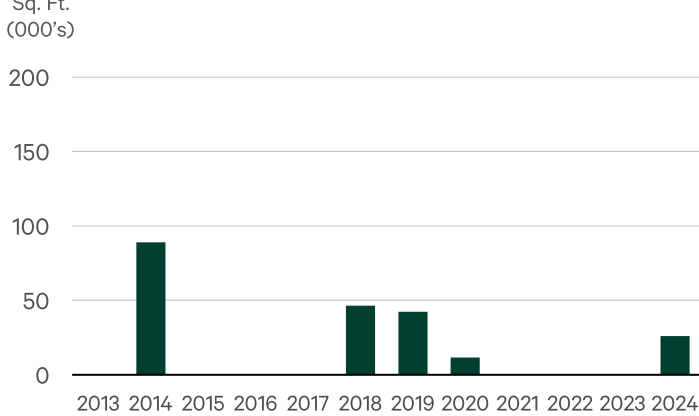
Source: CBRE Research, Q3 2024

FIGURE 5: Average Direct Asking Rate



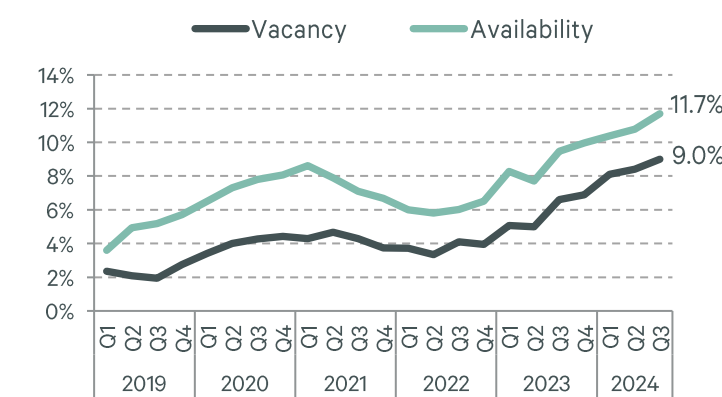
Source: CBRE Research, Q3 2024

FIGURE 7: Construction Completions



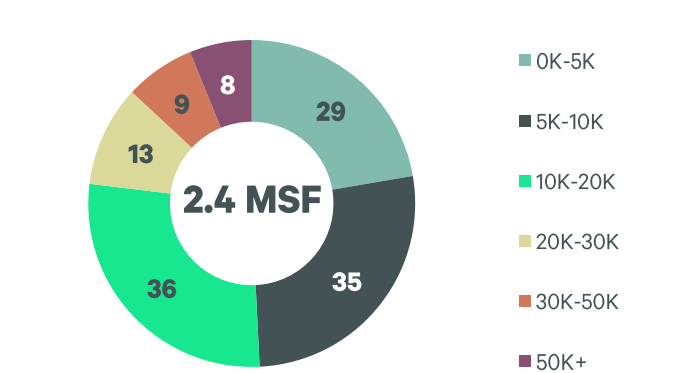
Source: CBRE Research, Q3 2024

FIGURE 6: Vacancy & Availability



Source: CBRE Research, Q3 2024

FIGURE 8: Number of Available Spaces by Size Range



Source: CBRE Research, Q3 2024

Aerial View of Submarkets



Source: CBRE Research, Location Intelligence, Q3 2024

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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