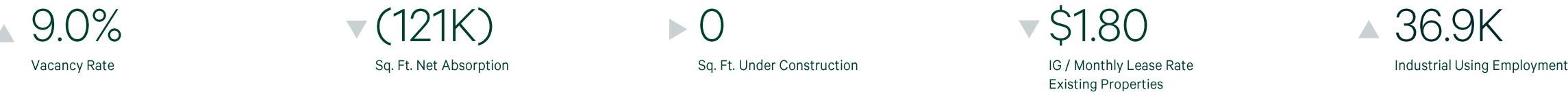


FIGURES | SAN FRANCISCO INDUSTRIAL | Q1 2025

# Weak demand persisted, which pushed the vacancy rate to a new all-time high

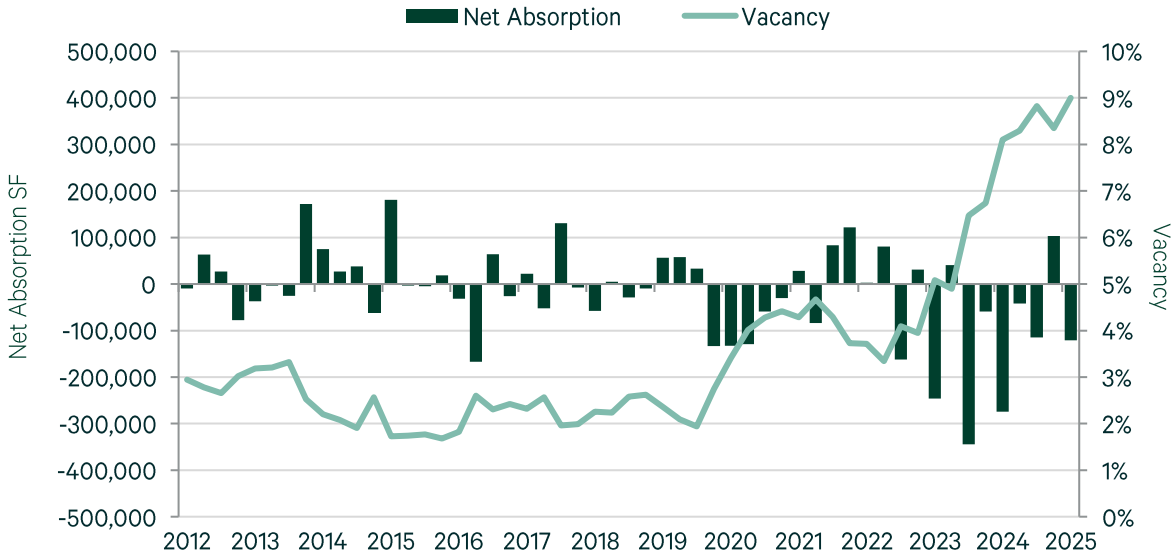


Note: Arrows indicate change from previous quarter.

## MARKET HIGHLIGHTS

- In Q1 2025, the vacancy rate increased by 50 basis points (bps) to 9.0% on 120,957 sq. ft. of negative net absorption. The availability rate increased by 30 bps to 11.6%.
- Mission Bay/China Basin was the only submarket that experienced occupancy gains. Bayview/Hunters Point experienced the largest occupancy losses.
- The vacancy rate for warehouses facilities increased by 40 bps to 7.3%. The vacancy rate for manufacturing facilities increased by 170 bps to 19.2%.
- The average direct asking rate was \$1.80 IG monthly, a 0.2% decrease from Q4 2024, and a 19.3% decrease, year-over-year.
- The development pipeline remained empty with no projects delivered or under construction.
- Industrial-using employment in San Francisco increased by 0.4% to 36,940 jobs.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q1 2025

FIGURE 2: Submarket Statistics

Submarket	Net Rentable Area	Total Available SF	Total Availability (%)	Total Vacant SF	Total Vacancy (%)	Q1 2025 Net Absorption	YTD 2025 Net Absorption	Average Direct Asking Rate IG Monthly
Bayview/Hunters Point	7,543,921	971,394	12.9%	724,959	9.6%	(67,788)	(67,788)	\$1.48
Mission Bay/China Basin	3,174,376	288,746	9.1%	265,222	8.4%	9,929	9,929	\$1.90
Mission/Potrero	8,002,879	577,800	7.2%	477,122	6.0%	(29,187)	(29,187)	\$2.12
Showplace Square	921,628	299,365	32.5%	114,614	12.4%	(30,457)	(30,457)	\$2.15
South of Market	2,322,615	417,609	18.0%	400,118	17.2%	(3,454)	(3,454)	\$2.21
San Francisco Total Market	21,965,419	2,554,914	11.6%	1,982,035	9.0%	(120,957)	(120,957)	\$1.80
Warehouse	18,836,003	1,858,167	10.0%	1,382,134	7.3%	(73,254)	(73,254)	\$1.76
Manufacturing	3,129,416	696,747	21.7%	599,901	19.2%	(47,703)	(47,703)	\$1.94

Source: CBRE Research, Q1 2025

FIGURE 3: Notable Lease Transactions Q1 2025

Tenant	Address	SF Leased	Deal Type
Herrero Boldt Webcor	1601 Indiana St	30,900	New Lease
City of San Francisco	1976 Innes Ave	20,900	New Lease
Bauman Construction	244 Napoleon St	19,624	New Lease
Dependable Movers	2340 Jerrold Ave	12,000	New Lease
Creative Art Group	550 15th St	6,119	New Lease

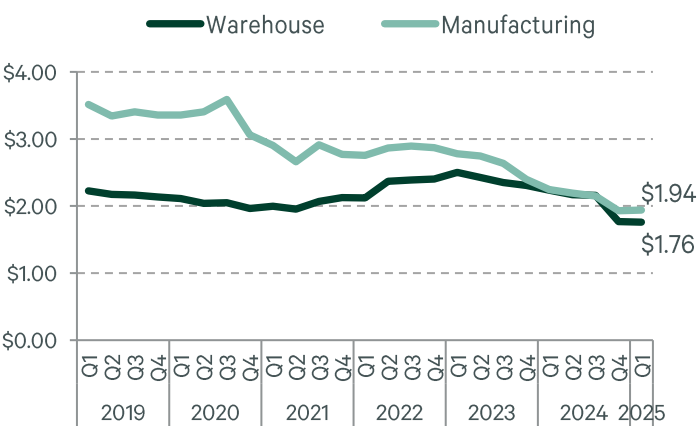
Source: CBRE Research, Q1 2025

FIGURE 4: Notable Sale Transactions Q1 2025

Buyer	Address	SF Sold	Sale Price
TREP 919S Propco LLC	1035 Howard St	62,000	\$8.0M
MCA Realty	1555 Burke St	40,000	\$11.0M
Technicolor Apodemus LLC	735 Bryant St	19,540	N/A

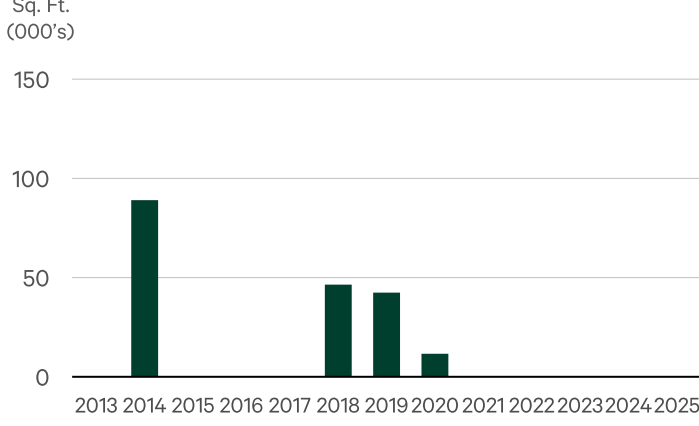
Source: CBRE Research, Q1 2025

FIGURE 5: Average Direct Asking Rate



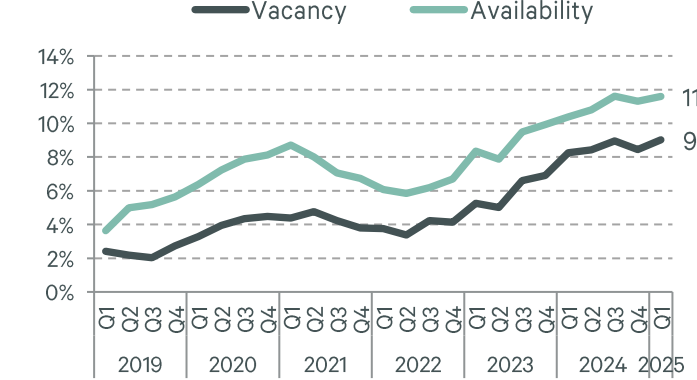
Source: CBRE Research, Q1 2025

FIGURE 7: Construction Completions



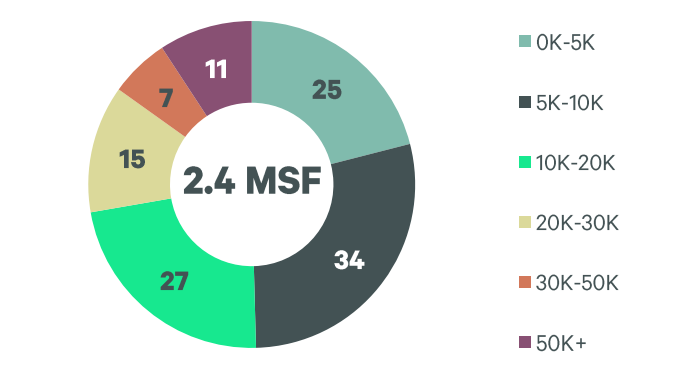
Source: CBRE Research, Q1 2025

FIGURE 6: Vacancy & Availability



Source: CBRE Research, Q1 2025

FIGURE 8: Number of Available Spaces by Size Range



Source: CBRE Research, Q1 2025

Aerial View of Submarkets



Source: CBRE Research, Location Intelligence, Q1 2025

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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