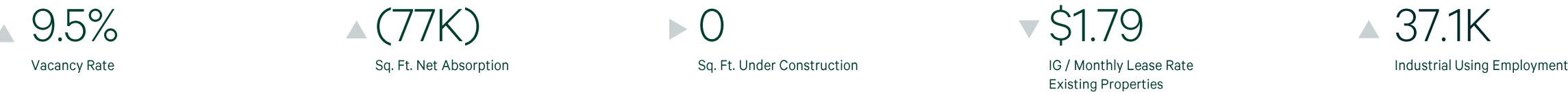


FIGURES | SAN FRANCISCO INDUSTRIAL | Q2 2025

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

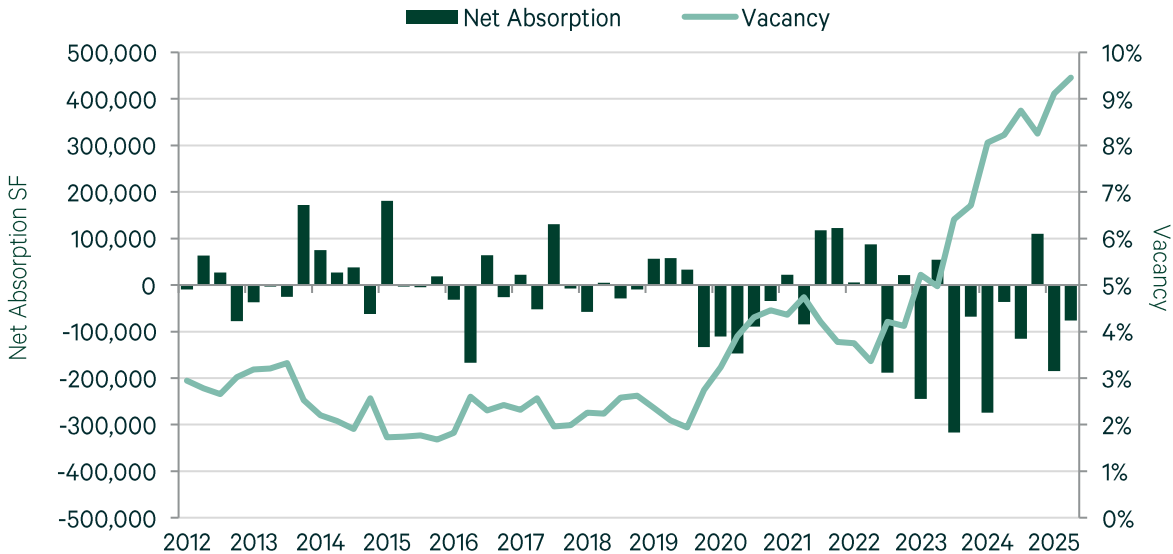


Note: Arrows indicate change from previous quarter.

## MARKET HIGHLIGHTS

- In Q2 2025, the vacancy rate increased by 40 basis points (bps) to 9.5% on 76,510 sq. ft. of negative net absorption. The availability rate decreased by 20 bps to 11.5%.
- Mission/Potrero was the submarket that experienced the largest occupancy gains. Bayview/Hunters Point experienced the largest occupancy losses.
- The vacancy rate for warehouse facilities increased by 80 bps to 8.1%. The vacancy rate for manufacturing facilities decreased by 190 bps to 17.3%.
- The average direct asking rate decreased slightly to \$1.79 IG monthly. Since its peak in Q1 2023, the average direct asking rate has declined by 29.5%
- The development pipeline remained empty with no projects delivered or under construction.
- Industrial-using employment in San Francisco increased by 0.4% to 37,090 jobs.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q2 2025

FIGURE 2: Submarket Statistics

| Submarket                  | Net Rentable Area | Total Available SF | Total Availability (%) | Total Vacant SF | Total Vacancy (%) | Q2 2025 Net Absorption | YTD 2025 Net Absorption | Average Direct Asking Rate IG Monthly |
|----------------------------|-------------------|--------------------|------------------------|-----------------|-------------------|------------------------|-------------------------|---------------------------------------|
| Bayview/Hunters Point      | 7,521,182         | 952,541            | 12.7%                  | 875,242         | 11.6%             | (150,283)              | (248,153)               | \$1.47                                |
| Mission Bay/China Basin    | 3,241,722         | 245,121            | 7.6%                   | 282,630         | 8.7%              | (208)                  | (7,479)                 | \$1.91                                |
| Mission/Potrero            | 8,097,658         | 652,417            | 8.1%                   | 428,478         | 5.3%              | 43,236                 | 15,049                  | \$2.09                                |
| Showplace Square           | 921,628           | 302,058            | 32.8%                  | 109,744         | 11.9%             | 4,870                  | (25,587)                | \$1.81                                |
| South of Market            | 2,301,415         | 387,508            | 16.8%                  | 392,243         | 17.0%             | 25,875                 | 4,421                   | \$2.17                                |
| San Francisco Total Market | 22,083,605        | 2,539,645          | 11.5%                  | 2,088,337       | 9.5%              | (76,510)               | (261,749)               | \$1.79                                |
| Warehouse                  | 18,756,959        | 1,825,114          | 9.7%                   | 1,514,000       | 8.1%              | (149,524)              | (252,860)               | \$1.74                                |
| Manufacturing              | 3,326,646         | 714,531            | 21.5%                  | 574,337         | 17.3%             | 73,014                 | (8,889)                 | \$1.92                                |

Source: CBRE Research, Q2 2025

FIGURE 3: Notable Lease Transactions Q2 2025

| Tenant                 | Address            | SF Leased | Deal Type |
|------------------------|--------------------|-----------|-----------|
| Peacock Interiors      | 1960 Carroll Ave   | 11,000    | New Lease |
| Univ. of San Francisco | 1600 Tennessee St  | 10,800    | New Lease |
| HappyRobot             | 2440 3rd St        | 7,400     | New Lease |
| Pave Robotics          | 1435 San Bruno Ave | 6,775     | New Lease |

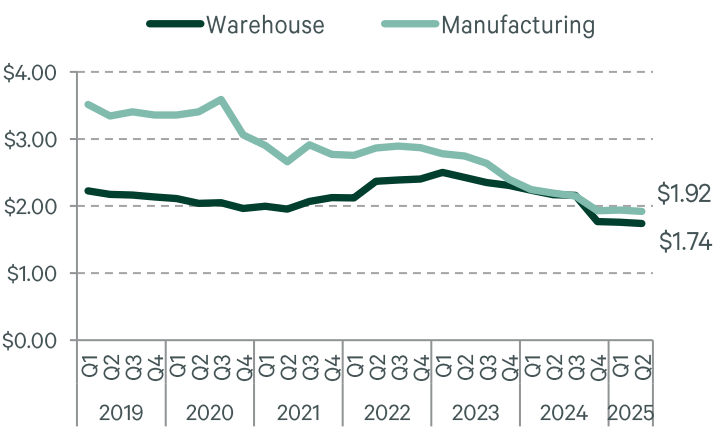
Source: CBRE Research, Q2 2025

FIGURE 4: Notable Sale Transactions Q2 2025

| Buyer                        | Address | SF Sold | Sale Price |
|------------------------------|---------|---------|------------|
| No notable sale transactions |         |         |            |

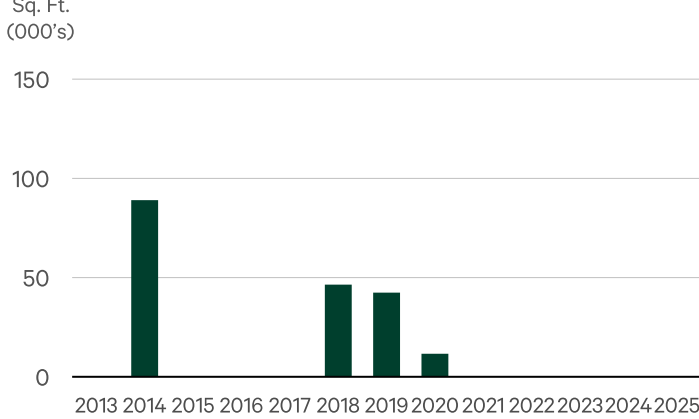
Source: CBRE Research, Q2 2025

FIGURE 5: Average Direct Asking Rate



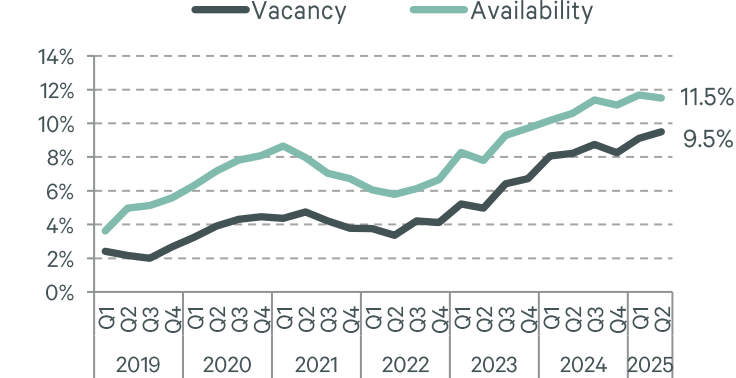
Source: CBRE Research, Q2 2025

FIGURE 7: Construction Completions



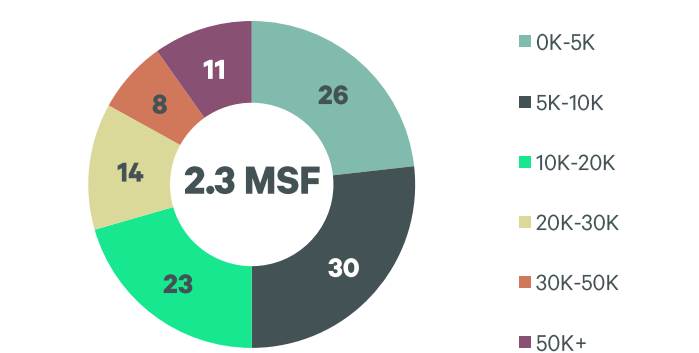
Source: CBRE Research, Q2 2025

FIGURE 6: Vacancy & Availability



Source: CBRE Research, Q2 2025

FIGURE 8: Number of Available Spaces by Size Range



Source: CBRE Research, Q2 2025

Aerial View of Submarkets



Source: CBRE Research, Location Intelligence, Q2 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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