



Industrial Market Report

San Francisco - CA (USA)

PREPARED BY

COMPASS
COMMERCIAL
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INDUSTRIAL MARKET REPORT

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12 Mo Deliveries in SF

1.2M

12 Mo Net Absorption in SF

(2.1M)

Vacancy Rate

9.3%

12 Mo Asking Rent Growth

1.6%

With 2024 fast approaching, the San Francisco industrial market is seeing a continuation of the trends that have characterized 2023, with low levels of leasing, vacancy rising and moderate rent growth. However, the two main industrial market segments are on different tracks. The flex market has been weakened by falling demand and historically high levels of new supply, while the logistics segment has remained generally stable.

In recent years, the booming life sciences sector led to a surge in demand by biotech companies for flex/R&D space. Developers responded with the construction of new facilities, primarily in South San Francisco but also in other Peninsular employment centers and parts of the City of San Francisco. With continued new development, flex properties now account for over 30% of total industrial space in San Francisco, a much higher share than the 10%-12% typically seen in other markets.

The economic headwinds of 2023 have reduced tenant demand. Higher interest rates and banking turmoil have slashed venture capital funding for the biotech sector, while the slowing economy has also caused many logistics property users to decrease leasing activity. Total industrial leasing in the first nine months of 2023 was the second-lowest volume since the Great Recession, and activity remains weak in the first quarter. Several life sciences tenants have made blocks of space available for sublease. For example, in November, Charles River

Labs made available half of the space it occupies at 225 Gateway Blvd. in South San Francisco. Accordingly, annual net absorption for the past 12 months is -2.0 million SF, of which flex accounts for -1.1 million SF.

Vacancy has increased and currently stands at 9.3%. The increase is driven by flex space, where vacancy has increased to 17.5%, whereas vacancy in the logistics sector remains close to its long-term average, at 5.4%.

Reflecting high land and operating costs, industrial rents, at \$27.00/SF, are the highest in the nation. However, the rate of growth in rent is one of the lowest. In the past year, rents grew by 1.5%, compared to 5.9% nationally.

New construction activity in the flex segment is at an all-time high, with 26 projects comprising around 5 million SF of new flex space underway and set to deliver over the next three years. Most of this space is speculative, and pre-delivery marketing has pushed the flex availability rate to 26.5% as of the first quarter. In contrast, there are no logistics buildings under construction.

Accordingly, the combination of weaker demand and growing supply is projected to result in higher flex vacancy and limited scope for rent growth in the year ahead.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	49,090,963	5.4%	\$22.21	6.6%	(129,442)	0	0
Specialized Industrial	17,848,303	4.7%	\$22.95	5.1%	(107,980)	0	0
Flex	32,879,242	17.6%	\$36.48	26.5%	50,681	0	4,769,206
Market	99,818,508	9.3%	\$27.47	13.5%	(186,741)	0	4,769,206

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	3.1%	5.7%	9.9%	10.0%	2003 Q4	1.1%	2000 Q2
Net Absorption SF	(2.1M)	(357,954)	351,359	2,119,675	2000 Q2	(4,790,925)	2001 Q4
Deliveries SF	1.2M	503,205	1,138,511	1,596,433	2023 Q3	10,000	2011 Q1
Asking Rent Growth	1.6%	3.1%	3.4%	10.7%	1998 Q1	-4.6%	2002 Q3
Sales Volume	\$353M	\$643.8M	N/A	\$2.5B	2021 Q3	\$99.1M	2010 Q1

The slowdown in leasing activity that began a year ago is still shaping activity heading towards 2024. Total industrial leasing volume in 2023 is looking like it will finish at the lowest amount since the Great Recession,

The leasing slowdown has come about as higher interest rates and economic uncertainty reduced demand for industrial space. Moreover, the demand from biotech companies for R&D space has diminished as venture capital funding has dried up. Coming at a time that coincides with a spike in the delivery of newly constructed flex R&D space, the result has been a sharp increase in vacancy for that segment of the industrial market.

Flex vacancy increased by 6.4% in the past year and stands at 17.5% in the first quarter. By comparison, logistics space vacancy remains close to its long-term average at 5.4%. Overall market vacancy ticked up to its current rate of 9.3%.

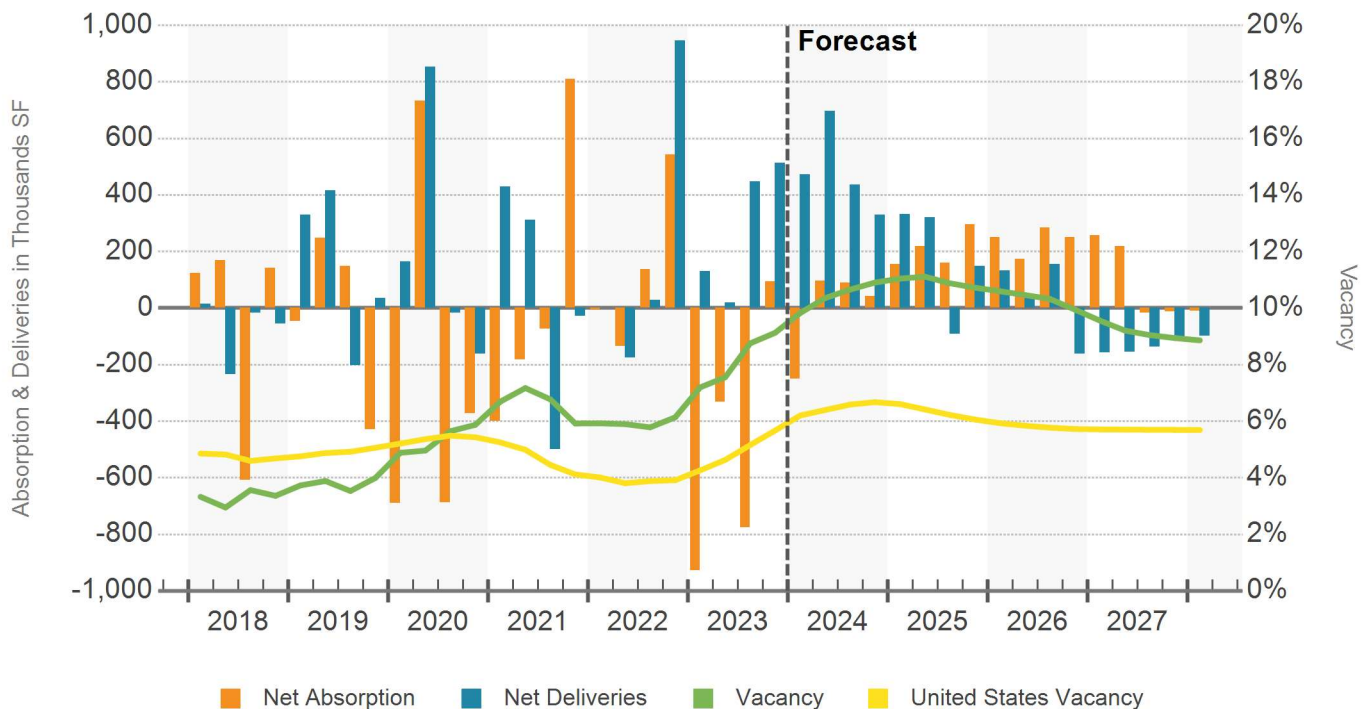
The construction of flex space for life sciences tenants is at record levels, most of which is speculative. As a result, availability in the flex sector has increased substantially

to its current level of 26.5%. Also contributing to this total is an increase in sublet space. For example, in September, FibroGen made 230,000 SF of R&D space available for sublet in Mission Bay. Earlier, in July, Illumina added 110,000 SF of sublet space in Foster City. Some sublease space has found tenants in recent months. For example, in June, Harpoon Therapeutics took 35,000 SF of sublet space at 131 Oyster Point Blvd. in South San Francisco.

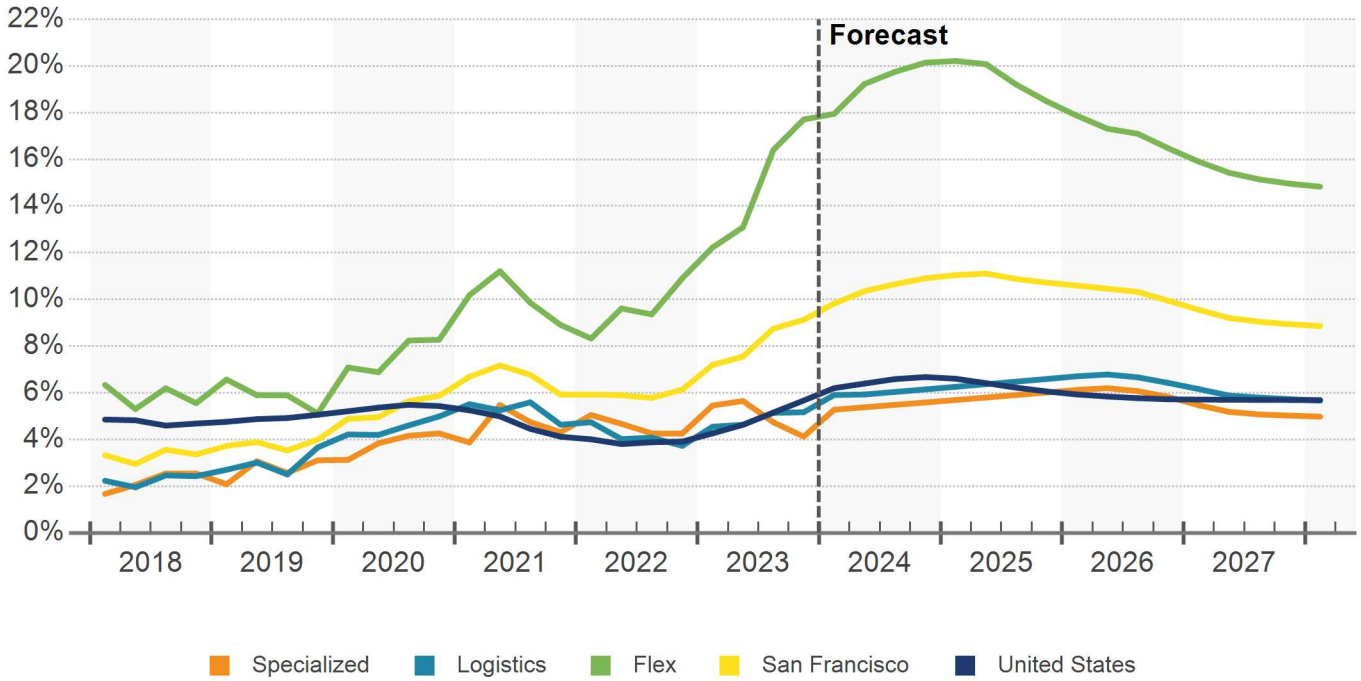
A small number of larger leases have been signed this year in the logistics segment. In 23Q1, battery supplier Ample signed for 90,000 SF at 245 S Spruce Ave. in South San Francisco. In June, TriMark renewed its lease for a 120,000-SF distribution warehouse in Brisbane. The seven-year renewal has a starting monthly rent of \$1.80/SF.

Continued economic uncertainty and deliveries of speculative flex space in the months ahead are projected to cause vacancy to rise further in the coming quarters. Of the 4.8 million SF currently under construction, 3.7 million SF is available for lease.

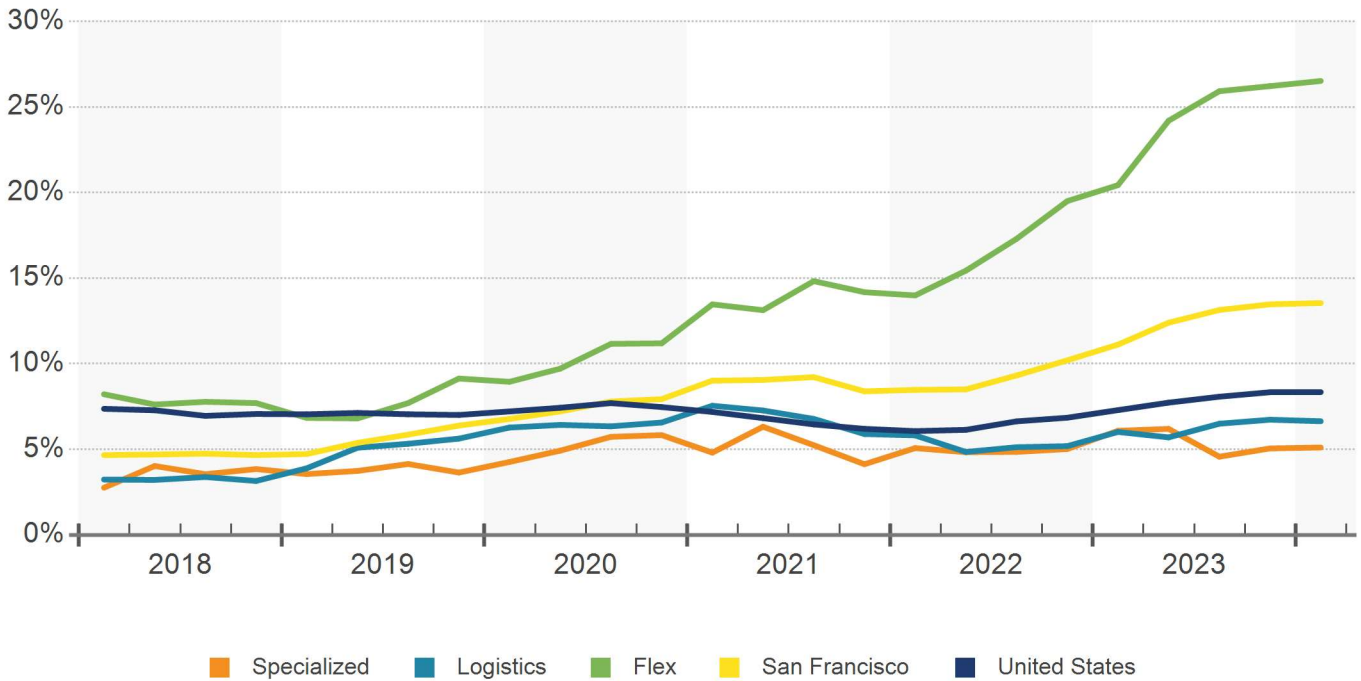
NET ABSORPTION, NET DELIVERIES & VACANCY



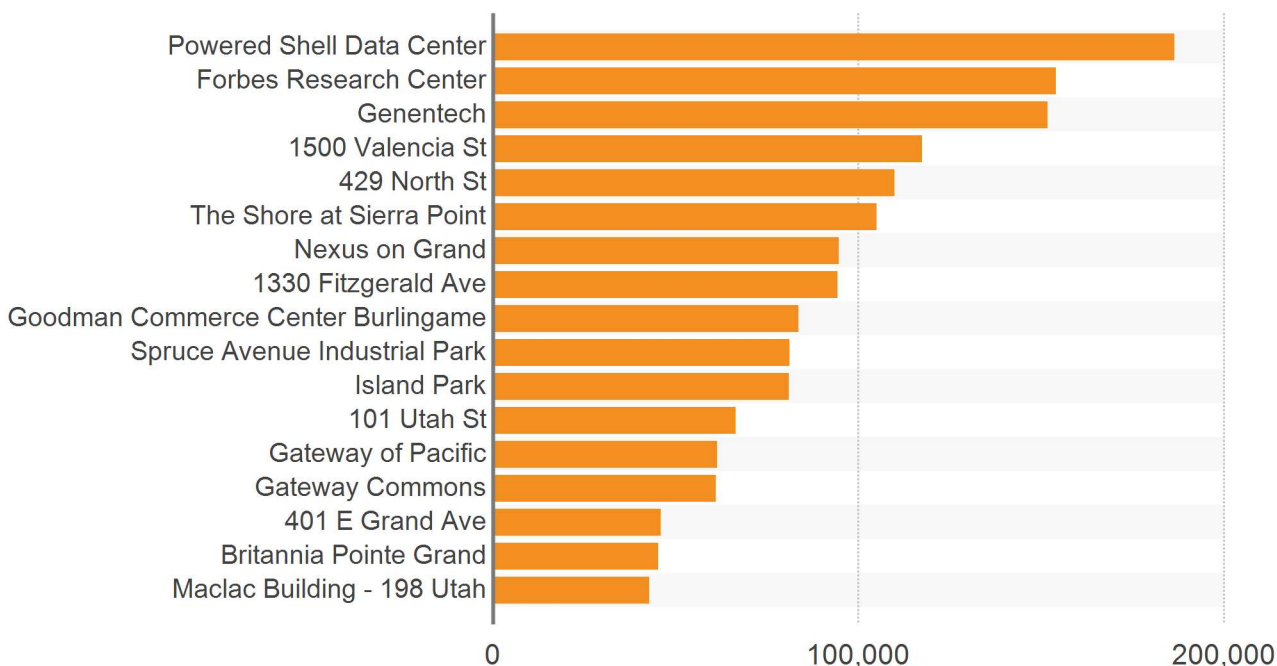
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
Powered Shell Data Center	Bayview/Hunters Poi...	242,000	55,585	0	0	0	0	186,415
Forbes Research Center	South San Francisco...	154,000	0	0	0	0	0	154,000
Genentech	South San Francisco...	168,500	0	0	0	0	0	151,835
1500 Valencia St	Mission/Potrero Ind	117,463	0	0	0	0	0	117,463
429 North St	Peninsula Coastline I...	110,000	0	0	0	0	0	110,000
The Shore at Sierra Point	Brisbane/Daly City Ind	109,237	0	105,000	0	0	0	105,000
Nexus on Grand	South San Francisco...	148,413	53,682	0	0	0	0	94,731
1330 Fitzgerald Ave	Bayview/Hunters Poi...	94,304	0	0	0	0	0	94,304
Goodman Commerce Center Bu...	Burlingame Ind	83,674	0	0	0	0	0	83,674
Spruce Avenue Industrial Park	South San Francisco...	559,605	15,050	0	0	0	0	81,099
Island Park	Foster City/Redwood...	89,172	0	0	0	0	0	81,096
101 Utah St	South of Market Ind	66,500	0	0	0	0	0	66,500
Gateway of Pacific	South San Francisco...	360,000	222,000	0	0	0	0	61,415
Gateway Commons	South San Francisco...	327,000	264,238	22,364	0	0	0	60,977
401 E Grand Ave	South San Francisco...	51,798	0	0	0	0	0	46,038
Britannia Pointe Grand	South San Francisco...	50,200	0	0	0	0	0	45,231
Maclac Building - 198 Utah	South of Market Ind	42,864	0	0	0	0	0	42,864
Subtotal Primary Competitors		2,774,730	610,555	127,364	0	0	0	1,582,641
Remaining San Francisco Market		97,058,778	8,687,472	(314,105)	0	0	0	(3,621,375)
Total San Francisco Market		99,833,508	9,298,027	(186,741)	0	0	0	(2,038,734)

TOP INDUSTRIAL LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
325 Valley Dr *	Brisbane/Daly City	120,000	Q2 23	TriMark	JLL	Reliance Real Estate A...
2050 McKinnon Ave	Bayview/Hunters Point	112,400	Q1 23	Webcor Builders	-	CBRE
180-200 Napoleon St *	Mission/Potrero	105,310	Q2 23	USPS	JLL	Calco Commercial, Inc...
220 Shaw Rd	South San Francisco	70,328	Q4 23	Sixt Rent A Car	Reliance Real Estat...	Reliance Real Estate A...
868 Cowan Rd	Burlingame	55,700	Q2 23	Gate Gourmet	-	CBRE
570-586 Eccles Ave	South San Francisco	51,048	Q2 23	-	-	Cushman & Wakefield
1575 Burke Ave	Bayview/Hunters Point	38,811	Q4 23	Keller Supply	Calco Commercial, I...	HC&M Commercial Pro...
1575 Burke Ave	Bayview/Hunters Point	37,172	Q4 23	-	-	HC&M Commercial Pro...
272-276 S Maple Ave	South San Francisco	29,021	Q2 23	Complete Linen Services	-	-
290-300 Toland St	Mission/Potrero	27,631	Q1 23	Store Transportation	-	Newmark
231 S Maple Ave	South San Francisco	27,360	Q3 23	Mina Metals Co	Coldwell Banker Co...	Coldwell Banker Comm...
550-554 Eccles Ave	South San Francisco	25,797	Q3 23	Golden City Padel Inc	Colton Commercial...	CBRE
239 Utah Ave	South San Francisco	25,262	Q2 23	Gymtowne Gymnastics SSF	-	Colliers
340 Shaw Rd *	South San Francisco	25,000	Q1 23	Unilode Aviation Solutions	-	Cushman & Wakefield
350 Harbor Way	South San Francisco	24,600	Q2 23	-	-	JLL
2177 Jerrold Ave	Mission/Potrero	24,591	Q1 24	City and County of San Fr...	-	Newmark
570-586 Eccles Ave	South San Francisco	24,194	Q2 23	Volley Automation	-	JLL
865 Hinckley Rd	Burlingame	20,822	Q2 23	-	-	Cushman & Wakefield
405 Allerton Ave	South San Francisco	20,000	Q3 23	Decker Electric	Newmark	CBRE
400-460 Talbert St *	Brisbane/Daly City	20,000	Q2 23	Smith Novelty Company	Calco Commercial, I...	Touchstone Commerci...
306-310 S Maple Ave	South San Francisco	18,900	Q4 23	-	-	CBRE
237-239 Harbor Way	South San Francisco	16,500	Q1 23	A & A Kitchen Appliances	-	Sperry Commercial Glo...
1925 Jerrold Ave	Bayview/Hunters Point	15,000	Q2 23	Grubmarket Norcal	-	-
The Embarcadero	Waterfront/North Beach	13,300	Q1 23	-	-	City & County Of San F...
35 N Amphlett Blvd	San Mateo	13,000	Q4 23	UCS Limo	-	Newmark
35 N Amphlett Blvd	San Mateo	13,000	Q2 23	Cal West Rentals	Newmark	Newmark
2409-2427 17th St	Mission/Potrero	12,500	Q1 23	REMOOV	-	Reliance Real Estate A...
1215 Chrysler Dr	Menlo Park	12,500	Q2 23	RIOS Intelligent Machines	Cushman & Wakefield	Newmark
409-423 Littlefield Ave *	South San Francisco	12,470	Q1 23	Traffic International Corpo...	-	Poletti Realty
201-399 Mendell St	Bayview/Hunters Point	12,012	Q2 23	AAA Business Supplies &...	-	CBRE
255-263 Utah Ave	South San Francisco	12,000	Q2 23	SixWheel	Innovation Propertie...	Calco Commercial, Inc.
630 Tennessee St	Mission Bay/China Basin	11,840	Q4 23	Fyusion	-	Calco Commercial, Inc.
444 Harriet St	South of Market	11,569	Q2 23	Popcorn	-	Touchstone Commerci...
1955 Carroll Ave	Bayview/Hunters Point	10,800	Q2 23	National Cab Company, Inc.	The Hawthorne Group	The Hawthorne Group
1850 Donner Ave	Bayview/Hunters Point	10,400	Q3 23	Mint Staging	Touchstone Comme...	The Hawthorne Group
2253 Shafter Ave	Mission/Potrero	10,000	Q2 23	DDC Electric Supply	-	Calco Commercial, Inc.
1600-1680 Tennessee St	Mission Bay/China Basin	9,700	Q1 23	-	-	Calco Commercial, Inc.
145 Barneveld Ave	Mission/Potrero	9,600	Q4 23	White Harmony Design &...	Kidder Mathews	HC&M Commercial Pro...
816 Charter St	Redwood City	9,370	Q3 23	-	-	Cypress Investments
The Embarcadero	Waterfront/North Beach	9,000	Q1 23	-	-	City & County Of San F...

*Renewal

Rents levels for industrial properties in San Francisco are the highest in the nation. A tight market and competition with other land uses for scarce space have discouraged the use of sites for large-scale industrial facilities. Over the years, the repurposing of industrial buildings for other uses has kept industrial supply low and rents high.

The market's average asking rate is \$27.00/SF, which compares to the national average of \$11.80/SF. Flex rent averages \$36.00/SF, and logistics space goes for \$22.00/SF. These rates are approximately twice the national average.

With a limited supply of large industrial buildings available for lease in and around the denser parts of the urban center, spaces that come available can usually find tenants at rents above the market average. For example, in November Keller Supply leased 38,800 SF at 1575 Burke Avenue in San Francisco on an industrial gross lease with a starting rent of \$25.56/SF.

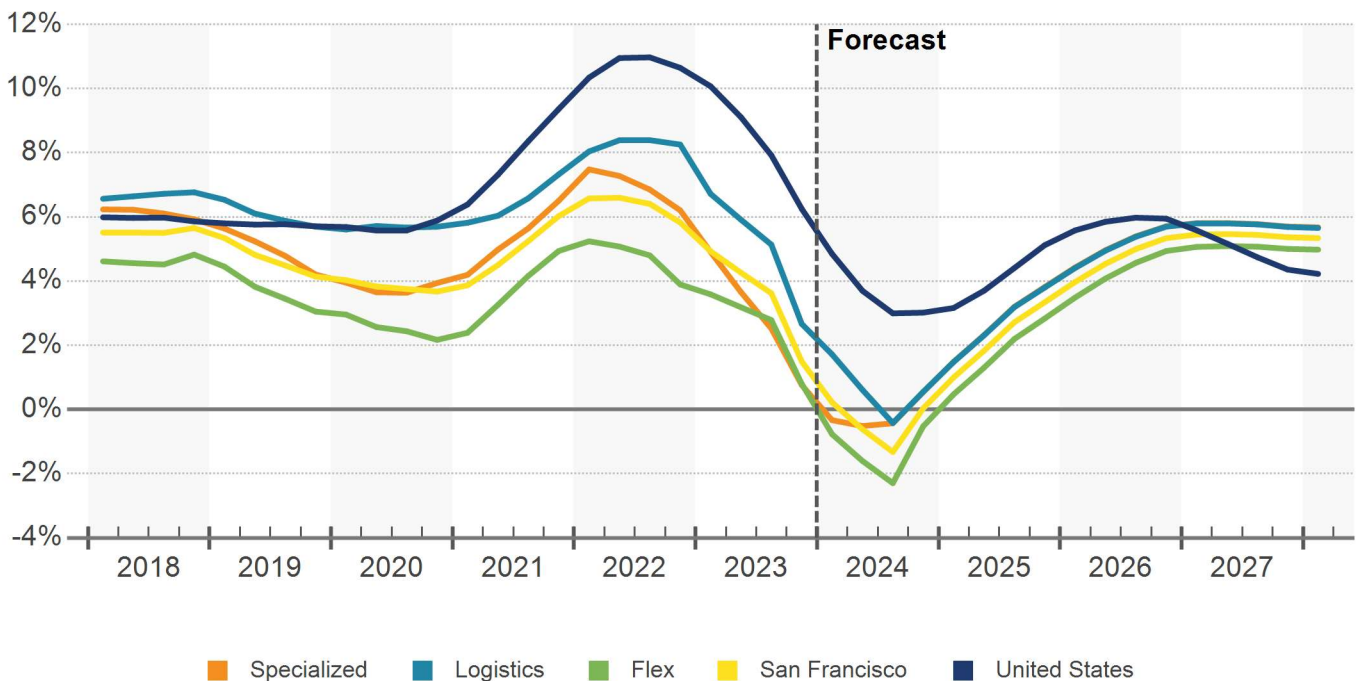
In recent years, rent growth has been notably lower in San Francisco than other markets. The spike in industrial rents in early 2022 that saw an average annual increase across the nation of 10.1%, registered just 4.9% at its peak in San Francisco.

The first quarter of 2024 finds asking rents in San Francisco 1.5% higher than they were a year ago. This is below the national average increase over this period of 5.9%.

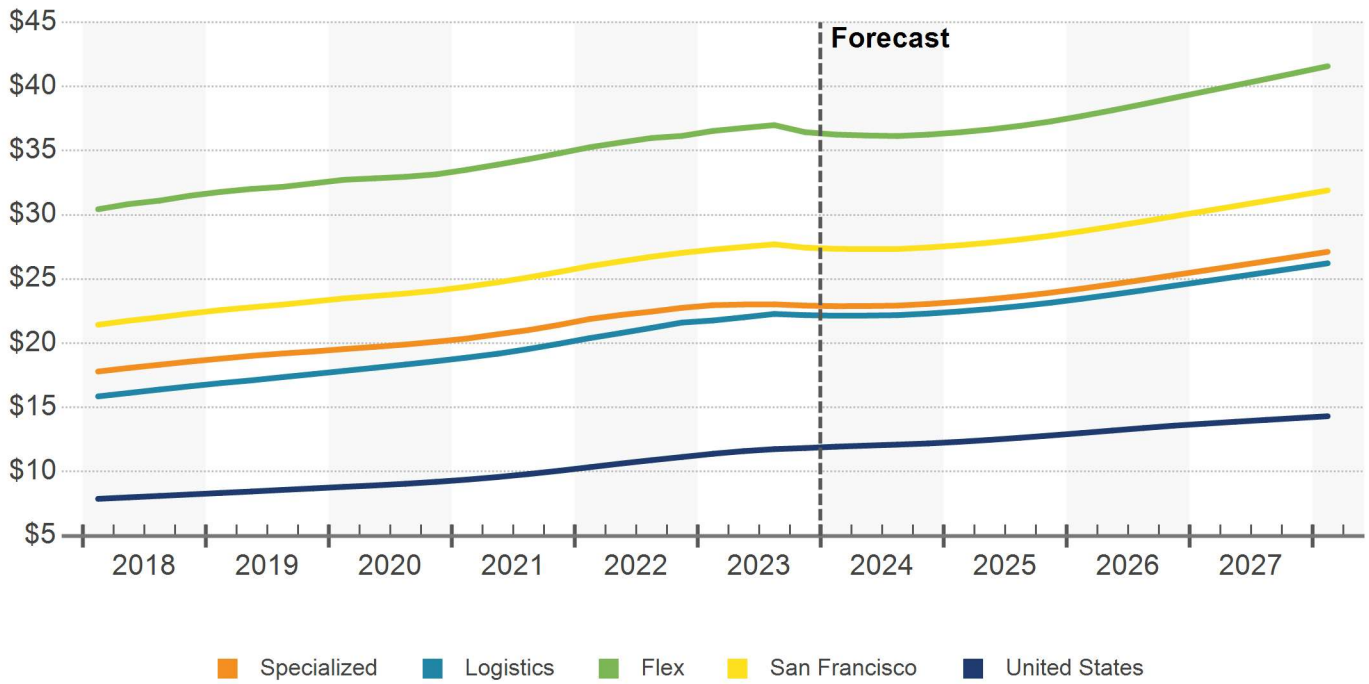
Flex properties saw the sharpest slowdown in rent growth over the past two years and are trailing the metro average. Asking rents gained just 0.8% over the past year, with growth constrained by the elevated availability levels in this sector.

Looking ahead, flat or negative rent growth is forecast for 2024.

MARKET ASKING RENT GROWTH (YOY)



MARKET ASKING RENT PER SQUARE FEET



San Francisco's industrial market is seeing a historically high level of development, with around 1 million SF delivered in 2023 and 5 million SF of space currently under construction. These projects are all flex buildings that are predominantly aimed at providing R&D space for the life science/biotech industry. This sector has seen high levels of growth and occupier demand in recent years. However, in the past 18 months, tenants have reigned in their expansion plans after interest rate hikes curbed funding for biotech businesses.

The geographic focus for new flex space is South San Francisco. However, new construction is disbursed throughout the metro area, with sizable projects also taking shape in the southern part of Downtown San Francisco and several Peninsula employment centers, including Millbrae, San Carlos, Belmont, and Redwood City.

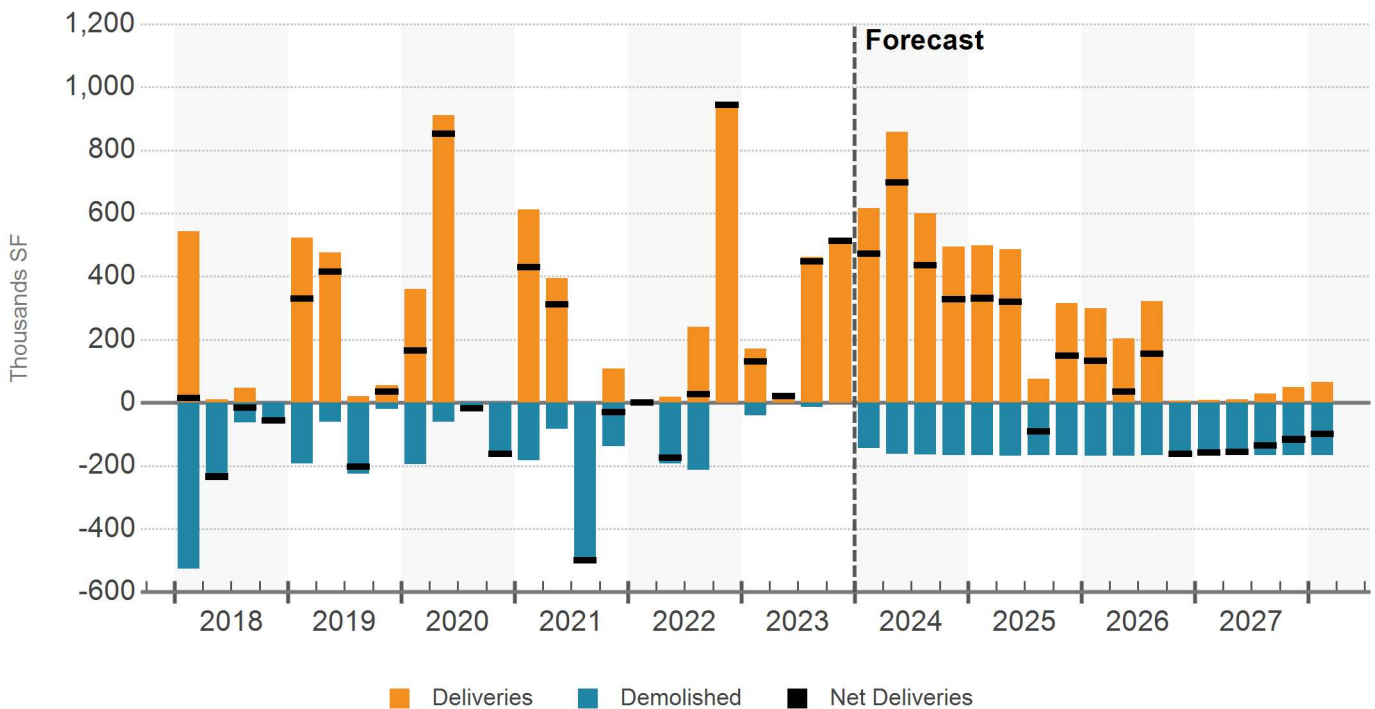
A minority of projects are preleased. In South San Francisco, new buildings have been completed in 2023

for Graphite Bio and Genentech.

Speculative deliveries account for most space under construction. In San Francisco, 310,000 SF of flex/R&D space is underway at Tishman Speyer's Mission Rock development. In South San Francisco, Kilroy Realty's Oyster Point development has delivered the first of three Phase 2 life science and R&D buildings. In total, Oyster Point has 860,000 SF set to deliver in 2023. Phases III and IV have not yet broken ground but are planned to deliver another 1 million SF over the next five years.

In addition to new construction, some owners are seeking to repurpose office buildings as flex or lab space. For example, BioMed Realty is planning to transform part of the old Oracle campus at Island Park in Foster City for biotech users. Two buildings of 90,000 SF each are currently being marketed as spec lab suites. The owner is also pursuing entitlements to convert a further 630,000 SF at the campus.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

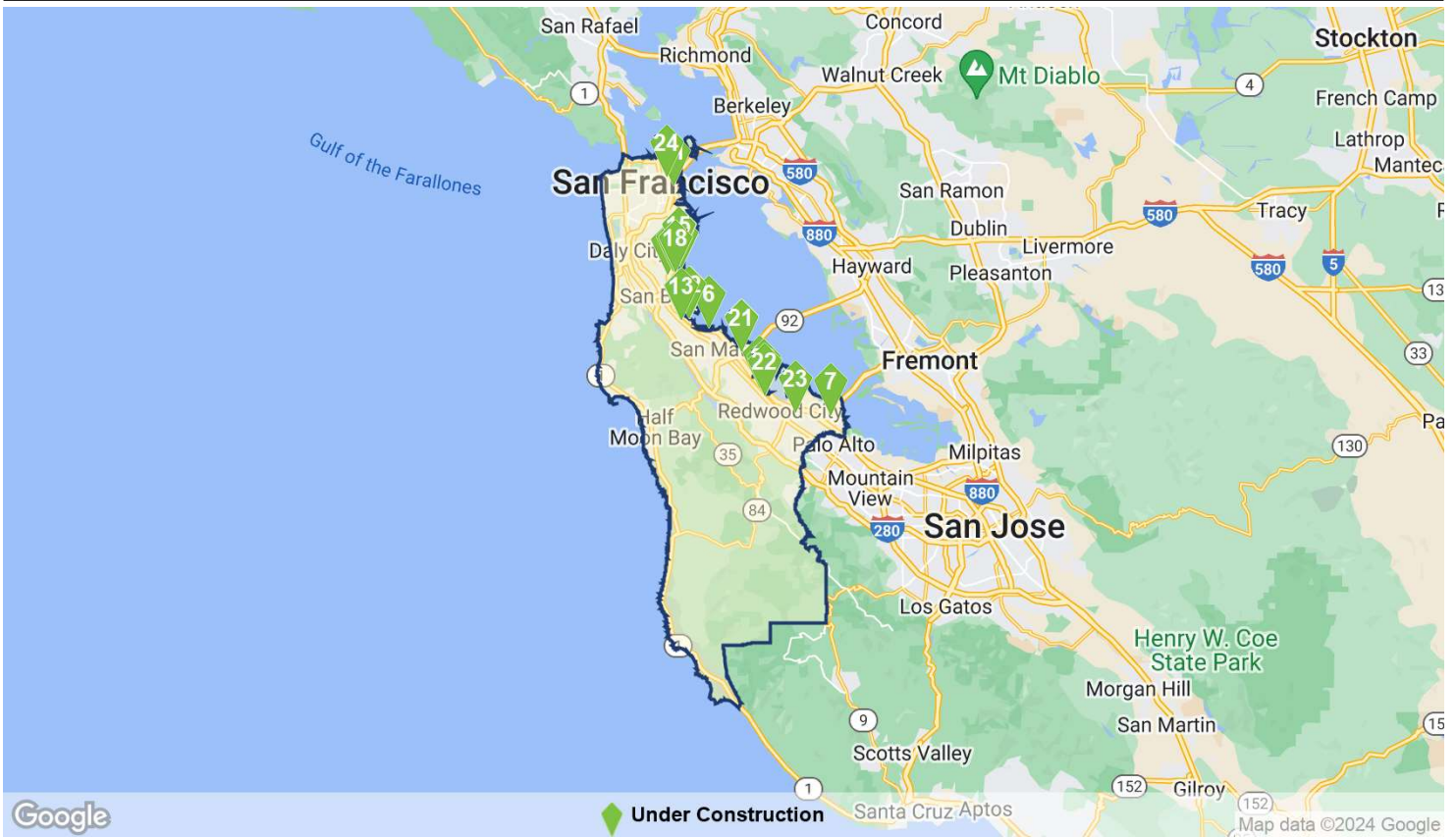
No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	South San Francisco	6	1,468	289	19.7%	5	44,143	244,626	4
2	Burlingame	3	764	260	34.1%	4	22,855	254,585	3
3	Brisbane/Daly City	3	621	328	52.8%	3	40,294	207,039	6
4	Belmont/San Carlos	4	616	76	12.3%	6	15,589	154,028	7
5	San Bruno/Millbrae	2	515	0	0%	8	14,234	257,500	1
6	San Mateo	2	257	22	8.7%	7	9,297	128,506	8
7	Menlo Park	1	255	255	100%	1	29,382	255,000	2
8	Mission Bay/China Basin	1	213	0	0%	8	35,029	212,796	5
9	Redwood City	1	31	0	0%	8	14,466	31,370	9
10	South of Market	1	29	29	100%	1	12,976	29,290	10
	All Other	0	-	-	-		22,258	-	
Totals		24	4,769	1,259	26.4%		23,054	198,717	

Under Construction Properties

San Francisco Industrial

Properties	Square Feet	Percent of Inventory	Released
24	4,769,206	7.1%	26.4%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 580 Dubuque Ave	★★★★☆	339,993	9	Oct 2022	Sep 2024	- IQHQ
2 210 Adrian Rd	★★★★☆	315,000	6	Oct 2022	Oct 2025	- Longfellow Real Estate Partners
3 1699 Bayshore Hwy	★★★★☆	300,000	7	Jun 2023	Oct 2025	- -
4 Phase II - Building F 384 Oyster Point Blvd	★★★★☆	288,384	7	Aug 2021	Apr 2024	Kilroy Realty Corporation Kilroy Realty Corporation
5 Phase II - Building E 384 Oyster Point Blvd	★★★★☆	288,379	7	Aug 2021	Apr 2024	Kilroy Realty Corporation Kilroy Realty Corporation
6 Bay Park Plaza 3 579 Airport Blvd	★★★★☆	260,255	8	Apr 2022	Aug 2024	- Barings Real Estate Advisers
7 1350 Adams Ct	★★★★☆	255,000	5	Oct 2023	Sep 2024	Tarlton Properties, Inc. Tarlton Properties, Inc.

Under Construction Properties

San Francisco Industrial

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 405 Industrial Rd	★ ★ ★ ★ ☆	240,000	6	Sep 2023	Oct 2024	- Beacon Capital Partners
9 751 Gateway Blvd	★ ★ ★ ★ ☆	231,000	7	May 2021	Mar 2024	Alexandria Real Estate Equities, I... Alexandria Real Estate Equities, I...
10 3500 Marina Blvd	★ ★ ★ ★ ☆	225,117	5	Feb 2021	May 2024	Phase 3 Real Estate Partners, Inc. Phase 3 Real Estate Partners, Inc.
11 1450 Owens St	★ ★ ★ ★ ☆	212,796	7	Jul 2022	Jun 2024	Alexandria Real Estate Equities, I... Alexandria Real Estate Equities, I...
12 1701 Bayshore Hwy	★ ★ ★ ★ ☆	203,500	6	Jun 2023	Oct 2025	- -
13 30 Rollins Rd	★ ★ ★ ★ ☆	200,000	6	Aug 2022	Jan 2025	- -
14 3000 Marina Blvd	★ ★ ★ ★ ☆	198,000	6	Oct 2020	Mar 2024	Phase 3 Real Estate Partners, Inc. Phase 3 Real Estate Partners, Inc.
15 3300 Marina Blvd	★ ★ ★ ★ ☆	198,000	5	Feb 2021	Feb 2024	Phase 3 Real Estate Partners, Inc. Phase 3 Real Estate Partners, Inc.
16 Brittan West 1091 Industrial Rd	★ ★ ★ ★ ☆	173,731	3	Jul 2021	May 2024	Premia Capital Prince Street Partners
17 Bldg-B 475 Eccles Ave	★ ★ ★ ★ ☆	160,000	5	May 2022	Apr 2024	BioMed Realty BioMed Realty
18 Bldg-A 475 Eccles Ave	★ ★ ★ ★ ☆	160,000	4	Jun 2022	Apr 2024	BioMed Realty BioMed Realty
19 San Mateo BayCenter 2 901 Mariners Island Blvd	★ ★ ★ ★ ☆	132,800	7	Jun 2023	Apr 2024	- -
20 777 Industrial Rd	★ ★ ★ ★ ☆	126,600	4	May 2022	Feb 2024	- Presidio Bay Ventures
21 San Mateo BayCenter 1 951 Mariners Island Blvd	★ ★ ★ ★ ☆	124,211	7	Jun 2023	Apr 2024	- -
22 1030 Brittan Ave	★ ★ ★ ★ ☆	75,780	3	Mar 2023	Aug 2024	- MBC BioLabs
23 3150 Bay Rd	★ ★ ★ ☆ ☆	31,370	1	Jun 2022	Feb 2024	- -
24 952-960 Howard St	★ ★ ★ ☆ ☆	29,290	3	Sep 2022	Feb 2024	- oWOW

Investment demand for San Francisco's industrial and flex properties has slowed in the past six months, reflecting both the negative effects of rising interest rates on acquisition financing and the impact of weakening demand on the growth prospects for rents and occupancy.

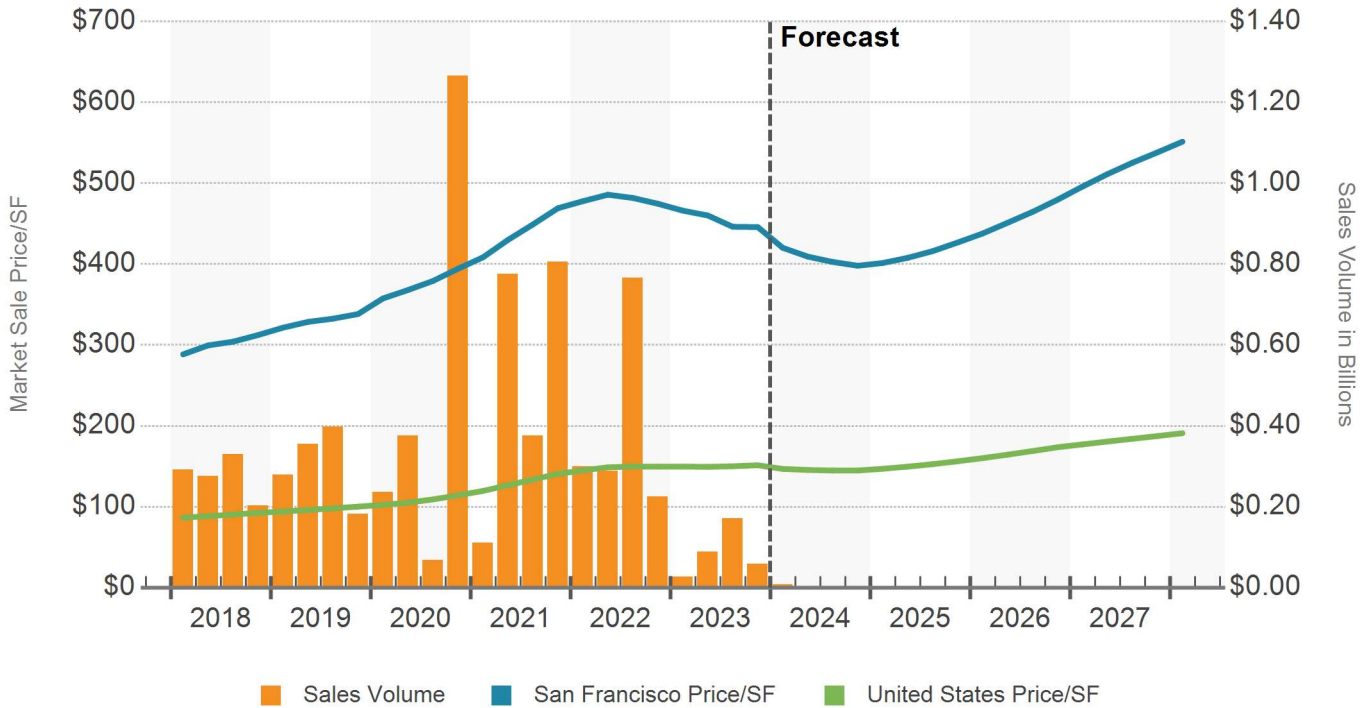
Only 73 transactions have closed in the past 12 months, compared to the long-term annual average of around 200 transactions. Most of the properties that sold in this time period were smaller 2 Star industrial properties, bought by owner/users and local private investors, with sale prices generally below \$15 million.

Average pricing has also receded in the past year,

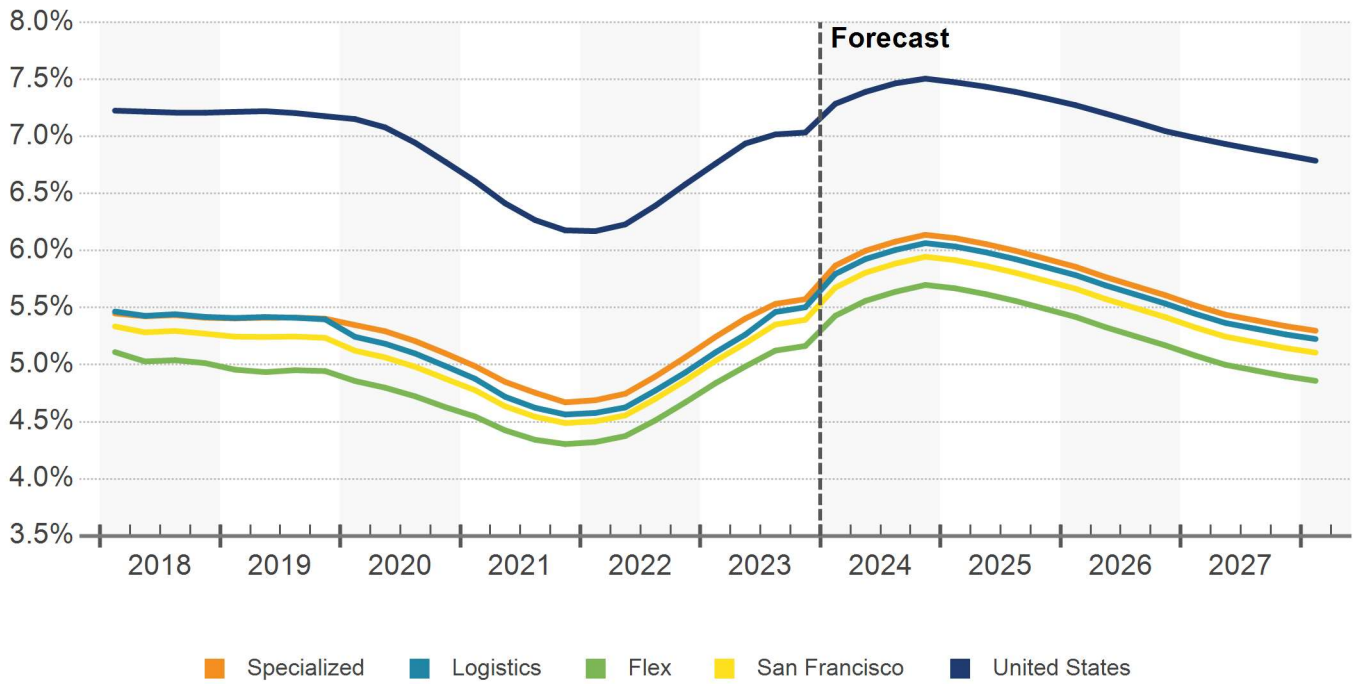
although this is partly a function of the type of buildings that are trading. Smaller and older properties account for most sales, with fewer sales of flex properties or newer industrial buildings. The average transaction price over the past year was \$430/SF, which is below the five-year average of \$580/SF.

Developers and national buyers continue to be active, picking up opportunistic acquisitions when they come along. For example, Tishman Speyer acquired a 126,000-SF warehouse in the Mission/Potrero Submarket in July, paying \$32.7 million, or \$260/SF. The property is one of the few larger distribution buildings close to San Francisco's densely populated urban core.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



Sales Past 12 Months

San Francisco Industrial

Sale Comparables

71

Avg. Cap Rate

4.1%

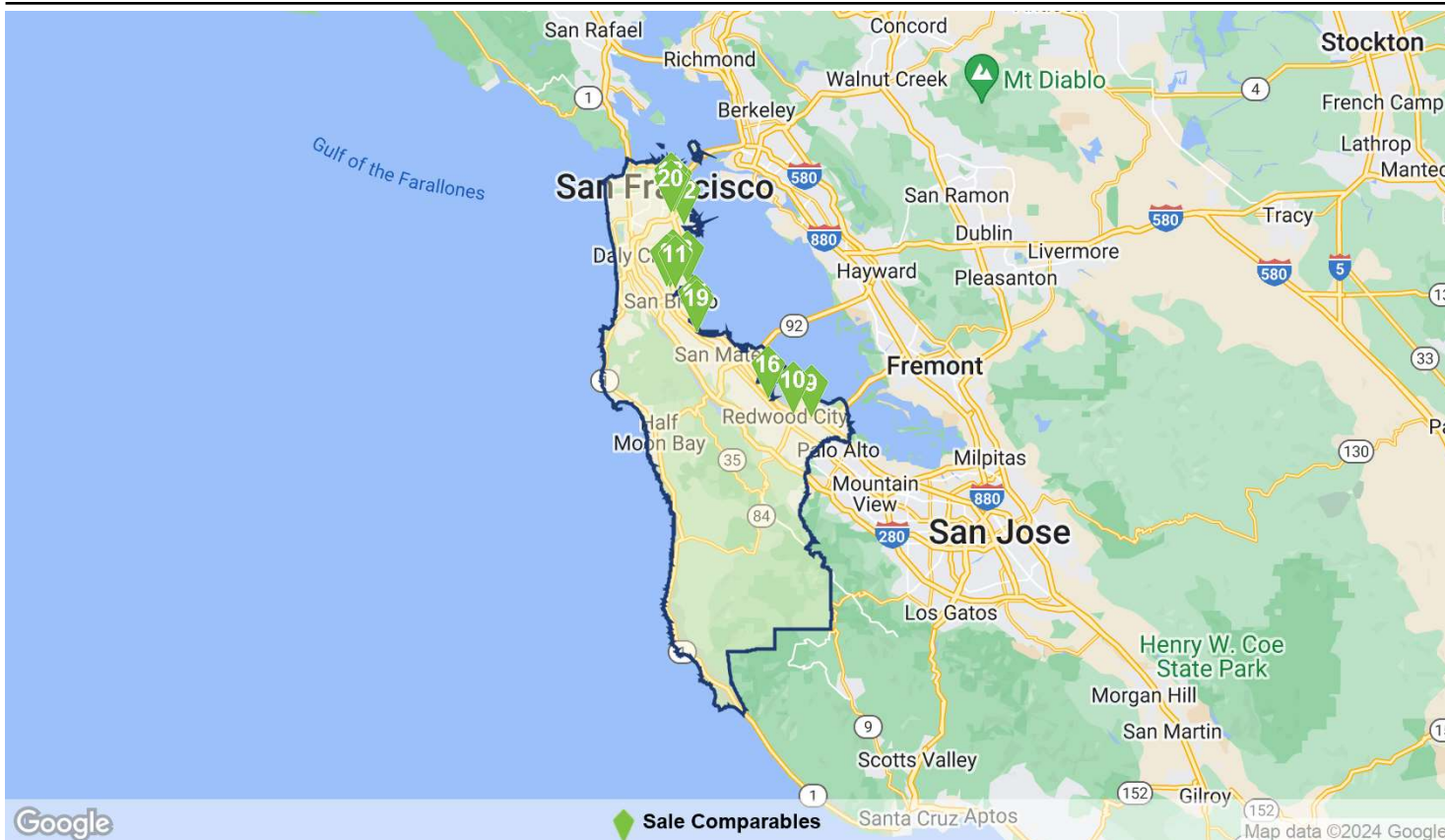
Avg. Price/SF

\$427

Avg. Vacancy At Sale

2.1%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$500,000	\$6,502,853	\$4,325,000	\$32,700,000
Price/SF	\$12	\$427	\$470	\$3,444
Cap Rate	2.3%	4.1%	4.1%	6.0%
Time Since Sale in Months	0.0	6.0	5.9	12.0
Property Attributes	Low	Average	Median	High
Building SF	1,697	15,025	10,196	125,968
Ceiling Height	12'	18'5"	18'	26'
Docks	0	1	0	6
Vacancy Rate At Sale	0%	2.1%	0%	100%
Year Built	1906	1966	1963	2015
Star Rating	★★★★★	★★★★★ 1.9	★★★★★	★★★★★

Sales Past 12 Months

San Francisco Industrial

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 2225 Jerrold Ave	★★★★★	1982	125,968	0%	7/20/2023	\$32,700,000	\$260	-
2 145 Sylvester Rd	★★★★★	1957	38,346	0%	9/15/2023	\$26,260,000	\$685	-
3 333 Point San Bruno Blvd	★★★★★	-	40,000	0%	11/15/2023	\$25,000,000	\$625	-
4 129 Sylvester Rd	★★★★★	-	21,800	0%	5/1/2023	\$18,250,000	\$837	-
5 120 E Grand Ave	★★★★★	-	15,000	0%	9/15/2023	\$17,380,000	\$1,159	-
6 130 E Grand Ave	★★★★★	1959	19,782	0%	9/15/2023	\$16,925,000	\$856	-
7 1430 San Mateo Ave	★★★★★	1968	22,095	0%	4/28/2023	\$14,750,000	\$668	-
8 131 S Maple Ave	★★★★★	2003	32,748	0%	7/25/2023	\$10,730,000	\$328	-
9 1200 Marsh Rd	★★★★★	1986	15,490	0%	9/29/2023	\$9,600,000	\$620	-
10 939 Broadway	★★★★★	1960	10,160	0%	9/6/2023	\$9,500,000	\$935	-
11 312-314 Harbor Way	★★★★★	1963	31,748	0%	5/19/2023	\$9,300,000	\$293	-
12 2089 Ingalls St	★★★★★	1982	2,475	0%	7/25/2023	\$8,522,727	\$3,444	-
13 Carpenter Rigging & Sup... 222 Napoleon St	★★★★★	1963	30,000	0%	1/8/2024	\$8,200,000	\$273	-
14 1520-1540 Gilbreth Rd	★★★★★	1960	15,000	0%	4/28/2023	\$7,975,000	\$532	2.3%
15 882-890 Mahler Rd	★★★★★	1965	15,000	16.8%	4/28/2023	\$6,525,000	\$435	-
16 929 Bransten Rd	★★★★★	1960	15,000	0%	7/28/2023	\$6,525,000	\$435	-
17 335 Barneveld Ave	★★★★★	1963	14,961	0%	11/1/2023	\$6,320,000	\$422	-
18 1300 Potrero Ave	★★★★★	1987	11,945	0%	10/6/2023	\$6,300,000	\$527	-
19 1335 Rollins Rd	★★★★★	1974	13,680	0%	11/7/2023	\$5,800,000	\$424	-
20 410 Bayshore Blvd	★★★★★	1950	13,600	0%	4/25/2023	\$5,500,000	\$404	-

The San Francisco Bay Area is the global leader in innovation and development of information technology. Home to several of the world's largest companies, including Apple, Alphabet, and Meta, San Francisco and San Jose lead the nation with the highest rates of economic growth at the metropolitan level. The success of Silicon Valley's innovative companies draws the best and brightest graduates to the Bay Area, and this translates into high wages and nation-leading levels of household income growth. As a result, and reflecting limited land availability, San Francisco has some of the nation's highest rents and prices across all real estate asset classes.

However, growth in the technology sector tends to be volatile, with innovation happening in bursts that may deliver high rewards but may also end in over-investment and a downturn in activity. This does not sit well with the slow-moving world of real estate, where buildings take many years to develop and are very difficult to repurpose. Thus, San Francisco's real estate markets have a long history of boom followed by bust, with rents and prices soaring and vacancy falling during the boom periods, and the reverse happening during the busts.

The current boom-bust cycle began with the tech boom of the 2010s, which comprised a massive expansion of cloud computing and mobile technologies. San Francisco was the hub for many of the leading companies that built global businesses around mobile applications that disrupted traditional industries. Real estate demand surged, prompting nation-leading rates of growth in rents and prices and an uptick in construction of office and residential towers in downtown San Francisco.

The cycle abruptly turned downwards in early 2020. By that time, affordability had become a problem, causing both businesses and people to relocate from San Francisco to less expensive parts of the country. The

COVID-19 pandemic and associated lockdowns triggered a surge in this exodus. Tech companies quickly adapted to the distributed workforce model, and employees left the city in large numbers. While the outward migration has now abated, San Francisco's resident population has yet to recover from the tens of thousands of people who moved away.

Starting in 2022, cyclical economic pressures have also been at work, after the Fed raised interest rates to quell inflation by slowing the economy. Locally, the most visible impacts have been layoffs in the tech sector and a large decline in real estate investment sales activity.

The largest impact of the current downturn has been felt by the office sector, which now has record levels of vacancy. Downtown San Francisco has suffered the most, where the exodus of tech workers is part of a broader narrative that involves population decline and an increase in crime, homelessness, and drug abuse. The combination of low levels of economic activity and social problems has impacted the viability of businesses such as retailers, restaurants, and hotels. As these businesses fail, the city's viability falls further, playing out what has been referred to as a "Doom Loop" scenario.

Total employment is now slightly ahead of where it was pre-pandemic. However, with the increase in flexible working practices, it is unclear how many of those employed by San Francisco businesses are living in the metro area. After falling to a 10-year low of 2.3% in 2022, the unemployment rate has since increased to 2.9%.

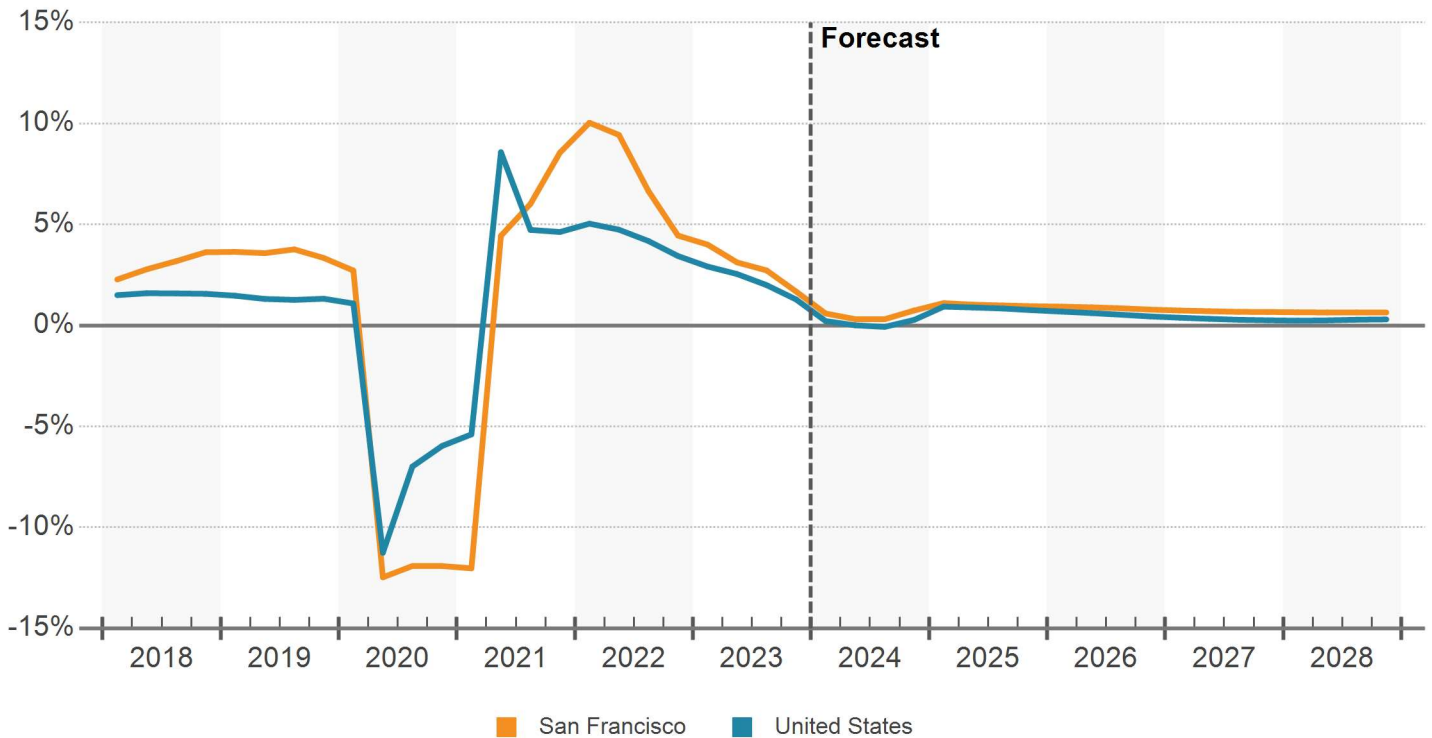
While the current downturn has yet to play out, the longer-term outlook is more positive. Future tech growth in new areas such as AI is expected to remain focused in the Bay Area, as is evident by an increase in leasing activity by AI companies in the past few months.

SAN FRANCISCO EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	39	0.4	-0.70%	-0.12%	0.61%	0.70%	0.49%	0.09%
Trade, Transportation and Utilities	137	0.6	-0.57%	0.10%	0.04%	1.05%	-0.04%	0.15%
Retail Trade	67	0.6	-1.02%	0.39%	-1.65%	0.23%	-0.17%	0.11%
Financial Activities	91	1.3	1.27%	0.48%	2.24%	1.45%	0.00%	0.16%
Government	136	0.8	2.25%	1.43%	1.46%	0.37%	0.54%	0.41%
Natural Resources, Mining and Construction	41	0.6	-0.03%	1.31%	2.55%	2.32%	1.03%	0.29%
Education and Health Services	158	0.8	3.30%	2.89%	2.69%	1.86%	0.64%	0.67%
Professional and Business Services	314	1.8	0.62%	0.65%	3.15%	2.00%	0.90%	0.52%
Information	124	5.2	-4.09%	-2.68%	9.14%	1.09%	1.82%	0.35%
Leisure and Hospitality	135	1.0	10.24%	2.81%	0.52%	1.48%	1.20%	0.83%
Other Services	40	0.9	3.71%	1.56%	0.20%	0.63%	0.44%	0.28%
Total Employment	1,216	1.0	1.57%	1.18%	2.32%	1.30%	0.76%	0.41%

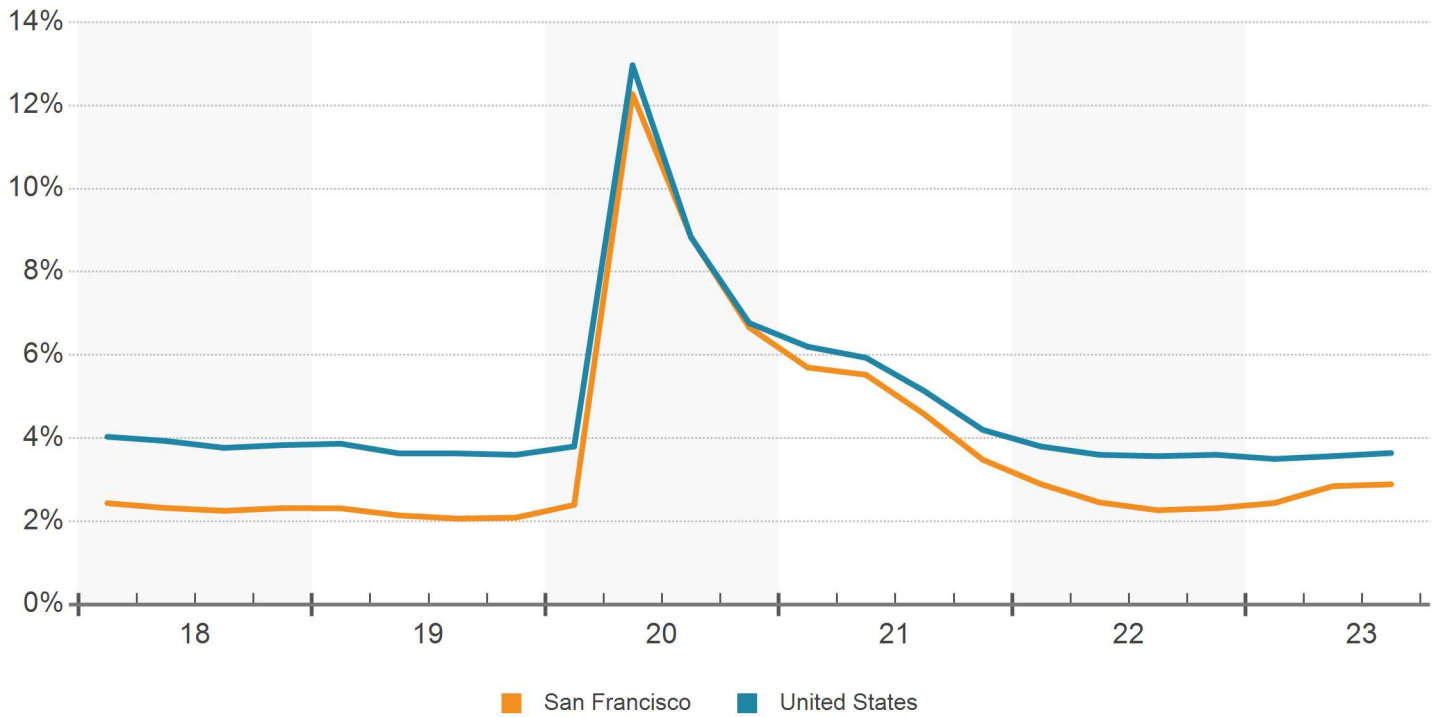
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

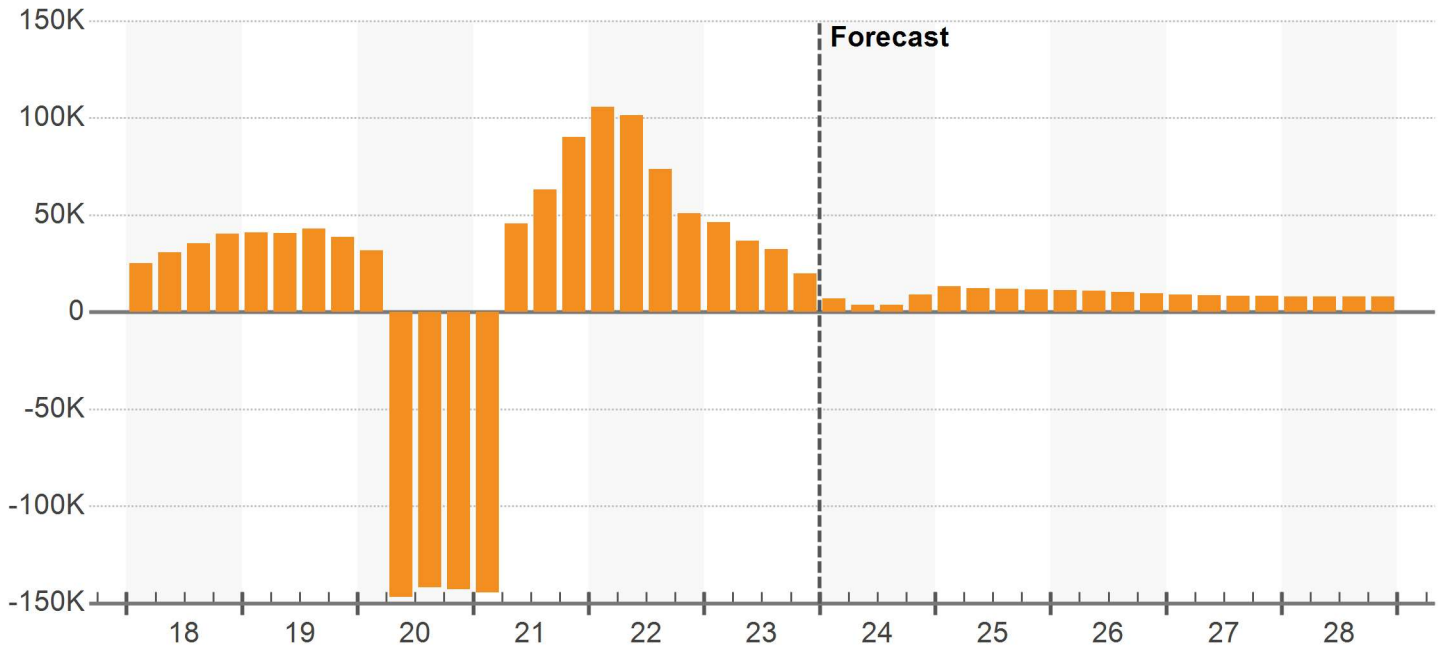


Source: Oxford Economics

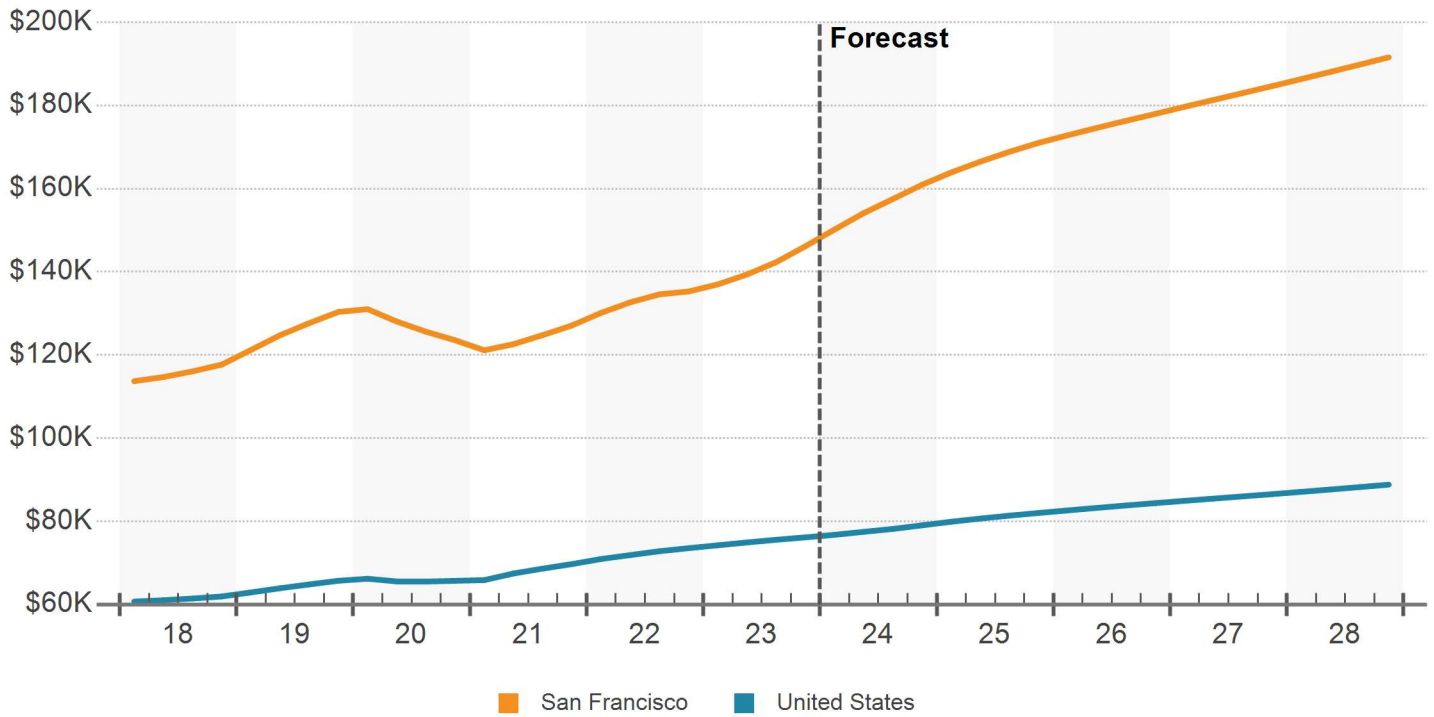
UNEMPLOYMENT RATE (%)



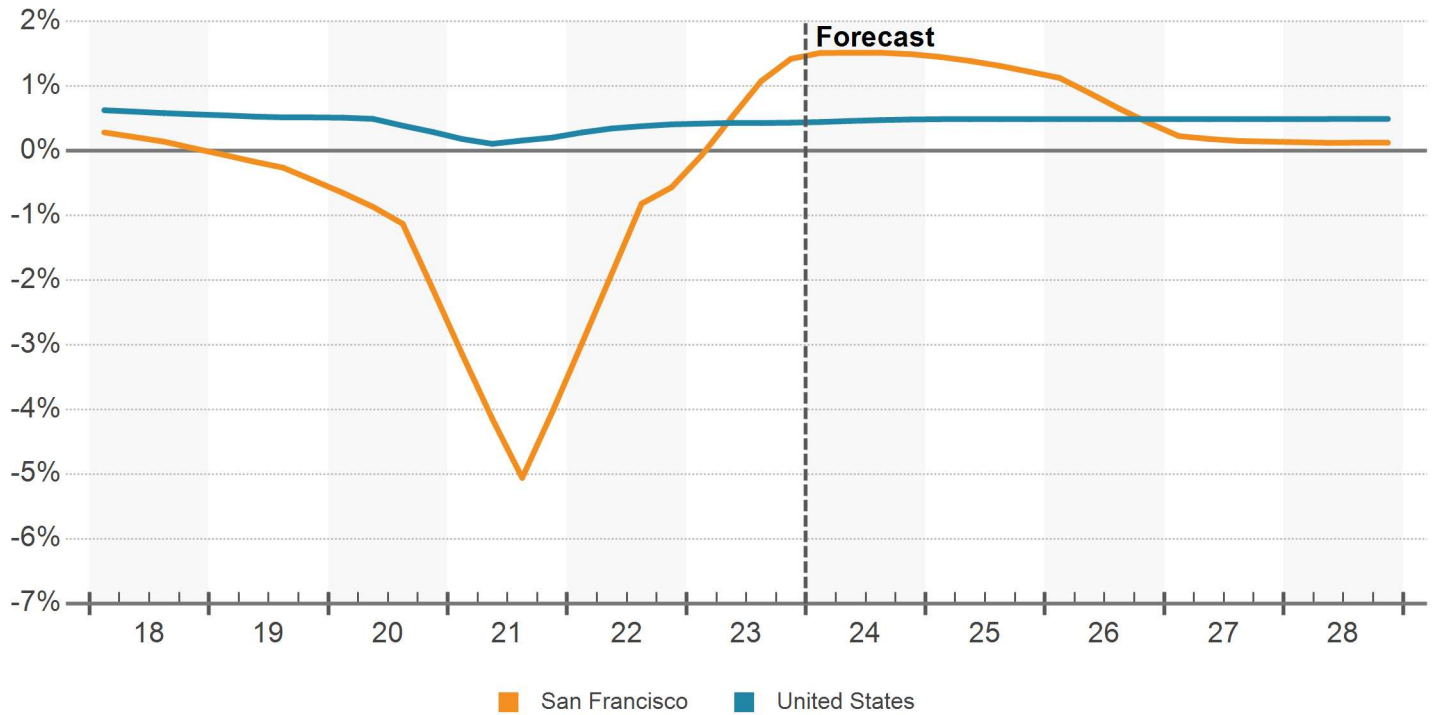
NET EMPLOYMENT CHANGE (YOY)



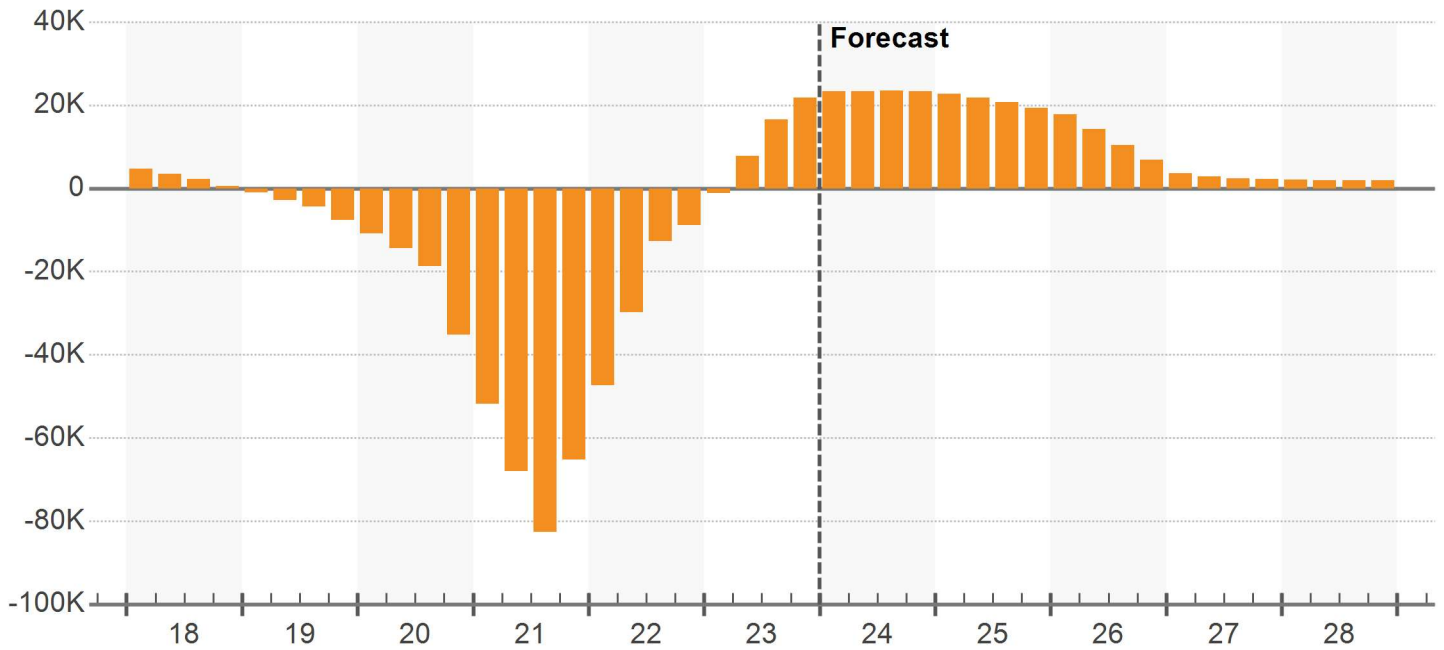
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

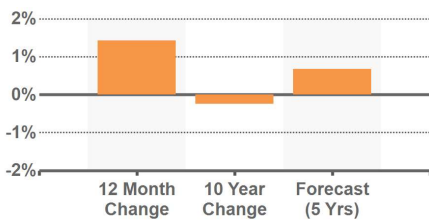


DEMOGRAPHIC TRENDS

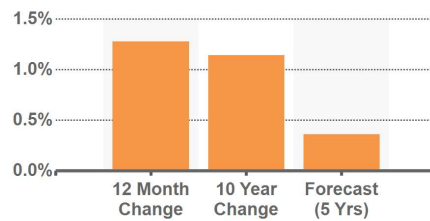
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	1,560,603	335,142,469	1.4%	0.4%	-0.2%	0.5%	0.7%	0.5%
Households	628,199	130,850,828	1.6%	0.6%	0%	0.9%	0.8%	0.6%
Median Household Income	\$146,535	\$76,205	8.2%	3.5%	5.8%	3.8%	5.5%	3.1%
Labor Force	1,045,481	167,592,469	1.3%	1.7%	1.1%	0.8%	0.4%	0.2%
Unemployment	2.9%	3.6%	0.6%	0.1%	-0.2%	-0.3%	-	-

Source: Oxford Economics

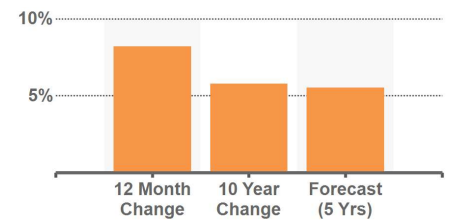
POPULATION GROWTH



LABOR FORCE GROWTH

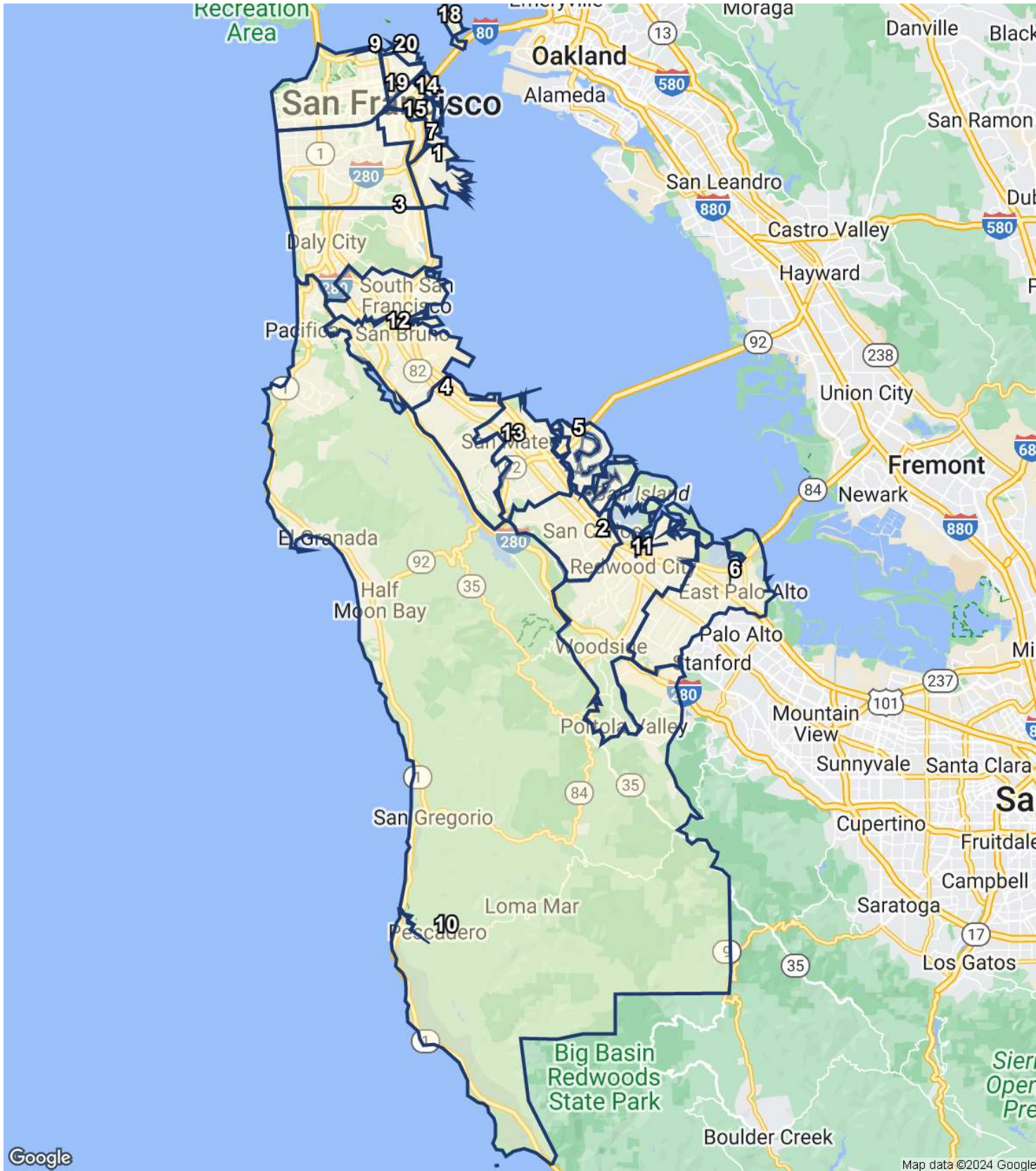


INCOME GROWTH



Source: Oxford Economics

SAN FRANCISCO SUBMARKETS



SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Bayview/Hunters Point	358	7,609	8.2%	3	0	0	0%	-	0	-	-	-
2	Belmont/San Carlos	478	7,452	8.0%	5	0	0	0%	-	4	616	8.3%	4
3	Brisbane/Daly City	175	7,051	7.6%	6	0	0	0%	-	3	621	8.8%	3
4	Burlingame	224	5,119	5.5%	9	1	20	0.4%	4	3	764	14.9%	2
5	Foster City/Redwood Shrs	53	1,896	2.0%	11	0	0	0%	-	0	-	-	-
6	Menlo Park	156	4,584	4.9%	10	0	0	0%	-	1	255	5.6%	7
7	Mission Bay/China Basin	149	5,219	5.6%	8	0	0	0%	-	1	213	4.1%	8
8	Mission/Potrero	473	10,274	11.0%	2	0	0	0%	-	0	-	-	-
9	Northwest San Francisco	39	554	0.6%	17	0	0	0%	-	0	-	-	-
10	Peninsula Coastline	30	460	0.5%	18	1	2	0.4%	6	0	-	-	-
11	Redwood City	412	5,960	6.4%	7	1	24	0.4%	3	1	31	0.5%	9
12	San Bruno/Millbrae	64	911	1.0%	15	1	18	2.0%	5	2	515	56.5%	5
13	San Mateo	176	1,636	1.8%	12	0	0	0%	-	2	257	15.7%	6
14	South Financial District/S...	51	1,350	1.4%	13	0	0	0%	-	0	-	-	-
15	South of Market	582	7,552	8.1%	4	1	152	2.0%	2	1	29	0.4%	10
16	South San Francisco	526	23,219	24.9%	1	5	931	4.0%	1	6	1,468	6.3%	1
17	Southwest San Francisco	41	399	0.4%	19	0	0	0%	-	0	-	-	-
18	Treasure/Yerba Buena Isl...	5	319	0.3%	20	0	0	0%	-	0	-	-	-
19	Van Ness/Downtown	39	556	0.6%	16	0	0	0%	-	0	-	-	-
20	Waterfront/North Beach	14	1,133	1.2%	14	0	0	0%	-	0	-	-	-

Submarkets

SUBMARKET RENT

No.	Submarket	Market Asking Rent		12 Month Market Asking Rent		QTD Annualized Market Asking Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Bayview/Hunters Point	\$21.63	17	2.2%	4	2.9%	9
2	Belmont/San Carlos	\$26.57	11	1.1%	15	1.2%	18
3	Brisbane/Daly City	\$24.16	14	1.9%	9	-6.3%	20
4	Burlingame	\$23.11	16	2.0%	7	1.5%	16
5	Foster City/Redwood Shrs	\$35.89	2	0.8%	17	4.8%	4
6	Menlo Park	\$26.47	12	1.9%	8	2.0%	14
7	Mission Bay/China Basin	\$29.06	4	1.7%	12	4.2%	5
8	Mission/Potrero	\$26.08	13	2.1%	5	3.1%	8
9	Northwest San Francisco	\$26.79	10	1.8%	10	2.3%	13
10	Peninsula Coastline	\$17.16	19	0.5%	18	0.7%	19
11	Redwood City	\$28.57	6	1.7%	11	2.5%	12
12	San Bruno/Millbrae	\$28.55	7	2.2%	3	2.9%	11
13	San Mateo	\$27.99	9	1.1%	16	2.9%	10
14	South Financial District/S...	\$44.35	1	1.3%	14	1.3%	17
15	South of Market	\$34.89	3	-0.2%	19	5.3%	3
16	South San Francisco	\$28.42	8	1.6%	13	6.1%	2
17	Southwest San Francisco	\$23.84	15	2.1%	6	1.9%	15
18	Treasure/Yerba Buena Isl...	\$10.54	20	2.9%	1	4.0%	6
19	Van Ness/Downtown	\$19.58	18	-2.3%	20	8.0%	1
20	Waterfront/North Beach	\$28.77	5	2.2%	2	4.0%	7

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Bayview/Hunters Point	391,720	5.1%	2	101,175	1.3%	1	-
2	Belmont/San Carlos	621,358	8.3%	6	(419,454)	-5.6%	20	-
3	Brisbane/Daly City	481,330	6.8%	5	(188,347)	-2.7%	14	-
4	Burlingame	263,596	5.1%	3	(47,217)	-0.9%	11	-
5	Foster City/Redwood Shrs	217,714	11.5%	12	7,580	0.4%	3	-
6	Menlo Park	286,377	6.2%	4	(164,545)	-3.6%	13	-
7	Mission Bay/China Basin	497,643	9.5%	10	(268,898)	-5.2%	19	-
8	Mission/Potrero	949,408	9.2%	9	7,206	0.1%	4	-
9	Northwest San Francisco	74,930	13.5%	13	(14,930)	-2.7%	8	-
10	Peninsula Coastline	144,700	31.4%	18	35,514	7.7%	2	-
11	Redwood City	543,723	9.1%	8	(207,275)	-3.5%	16	-
12	San Bruno/Millbrae	266,379	29.2%	17	(10,912)	-1.2%	7	-
13	San Mateo	300,067	18.3%	15	(226,208)	-13.8%	17	-
14	South Financial District/S...	123,061	9.1%	7	(36,720)	-2.7%	10	-
15	South of Market	1,370,215	18.1%	14	(243,758)	-3.2%	18	-
16	South San Francisco	2,429,034	10.5%	11	(191,527)	-0.8%	15	-
17	Southwest San Francisco	-	-	-	0	0%	-	-
18	Treasure/Yerba Buena Isl...	-	-	-	0	0%	-	-
19	Van Ness/Downtown	152,485	27.4%	16	(96,784)	-17.4%	12	-
20	Waterfront/North Beach	29,627	2.6%	1	(15,495)	-1.4%	9	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	101,736,515	(320,968)	-0.3%	(88,726)	-0.1%	-
2027	102,057,483	(566,487)	-0.6%	444,479	0.4%	-
2026	102,623,970	162,773	0.2%	956,593	0.9%	0.2
2025	102,461,197	707,806	0.7%	828,071	0.8%	0.9
2024	101,753,391	1,934,883	1.9%	(25,329)	0%	-
YTD	99,818,508	0	0%	(186,741)	-0.2%	-
2023	99,818,508	1,110,234	1.1%	(1,936,102)	-1.9%	-
2022	98,708,274	797,283	0.8%	535,114	0.5%	1.5
2021	97,910,991	210,760	0.2%	159,042	0.2%	1.3
2020	97,700,231	837,256	0.9%	(1,018,199)	-1.0%	-
2019	96,862,975	576,164	0.6%	(81,075)	-0.1%	-
2018	96,286,811	(287,269)	-0.3%	(175,713)	-0.2%	-
2017	96,574,080	(880,023)	-0.9%	(309,586)	-0.3%	-
2016	97,454,103	(271,762)	-0.3%	(684,265)	-0.7%	-
2015	97,725,865	(1,040,060)	-1.1%	(285,399)	-0.3%	-
2014	98,765,925	(583,353)	-0.6%	1,087,791	1.1%	-
2013	99,349,278	(1,128,760)	-1.1%	896,776	0.9%	-
2012	100,478,038	(715,061)	-0.7%	(1,007,665)	-1.0%	-

SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	17,347,080	(100,379)	-0.6%	(71,924)	-0.4%	-
2027	17,447,459	(100,808)	-0.6%	40,367	0.2%	-
2026	17,548,267	(101,431)	-0.6%	(59,121)	-0.3%	-
2025	17,649,698	(101,225)	-0.6%	(168,403)	-1.0%	-
2024	17,750,923	(97,380)	-0.5%	(349,438)	-2.0%	-
YTD	17,848,303	0	0%	(107,980)	-0.6%	-
2023	17,848,303	0	0%	22,695	0.1%	0
2022	17,848,303	(43,731)	-0.2%	(30,467)	-0.2%	-
2021	17,892,034	95,481	0.5%	81,569	0.5%	1.2
2020	17,796,553	(60,123)	-0.3%	(263,328)	-1.5%	-
2019	17,856,676	(92,018)	-0.5%	(190,491)	-1.1%	-
2018	17,948,694	(155,998)	-0.9%	(268,580)	-1.5%	-
2017	18,104,692	(188,736)	-1.0%	(206,991)	-1.1%	-
2016	18,293,428	(249,856)	-1.3%	202,947	1.1%	-
2015	18,543,284	(295,443)	-1.6%	(359,964)	-1.9%	-
2014	18,838,727	(286,943)	-1.5%	(170,555)	-0.9%	-
2013	19,125,670	(164,005)	-0.9%	(145,878)	-0.8%	-
2012	19,289,675	(49,152)	-0.3%	(55,731)	-0.3%	-

LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	47,619,449	(294,604)	-0.6%	(183,168)	-0.4%	-
2027	47,914,053	(295,834)	-0.6%	35,176	0.1%	-
2026	48,209,887	(297,604)	-0.6%	(189,988)	-0.4%	-
2025	48,507,491	(296,913)	-0.6%	(490,275)	-1.0%	-
2024	48,804,404	(286,559)	-0.6%	(734,877)	-1.5%	-
YTD	49,090,963	0	0%	(129,442)	-0.3%	-
2023	49,090,963	(33,510)	-0.1%	(740,559)	-1.5%	-
2022	49,124,473	(249,396)	-0.5%	206,158	0.4%	-
2021	49,373,869	(317,283)	-0.6%	(125,996)	-0.3%	-
2020	49,691,152	(308,118)	-0.6%	(959,352)	-1.9%	-
2019	49,999,270	(303,903)	-0.6%	(911,297)	-1.8%	-
2018	50,303,173	(168,844)	-0.3%	(146,777)	-0.3%	-
2017	50,472,017	(335,505)	-0.7%	(33,143)	-0.1%	-
2016	50,807,522	(181,673)	-0.4%	(153,607)	-0.3%	-
2015	50,989,195	(605,623)	-1.2%	(357,042)	-0.7%	-
2014	51,594,818	(213,645)	-0.4%	593,140	1.1%	-
2013	51,808,463	(941,691)	-1.8%	522,736	1.0%	-
2012	52,750,154	(630,707)	-1.2%	(971,009)	-1.8%	-

FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2028	36,769,986	74,015	0.2%	166,366	0.5%	0.4
2027	36,695,971	(169,845)	-0.5%	368,936	1.0%	-
2026	36,865,816	561,808	1.5%	1,205,702	3.3%	0.5
2025	36,304,008	1,105,944	3.1%	1,486,749	4.1%	0.7
2024	35,198,064	2,318,822	7.1%	1,058,986	3.0%	2.2
YTD	32,879,242	0	0%	50,681	0.2%	0
2023	32,879,242	1,143,744	3.6%	(1,218,238)	-3.7%	-
2022	31,735,498	1,090,410	3.6%	359,423	1.1%	3.0
2021	30,645,088	432,562	1.4%	203,469	0.7%	2.1
2020	30,212,526	1,205,497	4.2%	204,481	0.7%	5.9
2019	29,007,029	972,085	3.5%	1,020,713	3.5%	1.0
2018	28,034,944	37,573	0.1%	239,644	0.9%	0.2
2017	27,997,371	(355,782)	-1.3%	(69,452)	-0.2%	-
2016	28,353,153	159,767	0.6%	(733,605)	-2.6%	-
2015	28,193,386	(138,994)	-0.5%	431,607	1.5%	-
2014	28,332,380	(82,765)	-0.3%	665,206	2.3%	-
2013	28,415,145	(23,064)	-0.1%	519,918	1.8%	-
2012	28,438,209	(35,202)	-0.1%	19,075	0.1%	-

OVERALL RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$33.12	198	5.2%	20.7%	8,869,181	8.7%	-0.2%
2027	\$31.50	189	5.4%	14.7%	9,111,208	8.9%	-1.0%
2026	\$29.89	179	5.3%	8.9%	10,193,059	9.9%	-0.8%
2025	\$28.38	170	3.3%	3.4%	10,970,959	10.7%	-0.2%
2024	\$27.46	165	0%	0%	11,081,418	10.9%	1.8%
YTD	\$27.47	165	1.5%	0.1%	9,283,027	9.3%	0.2%
2023	\$27.45	165	1.5%	0%	9,096,286	9.1%	3.0%
2022	\$27.05	162	5.8%	-1.5%	6,051,175	6.1%	0.2%
2021	\$25.56	153	6.0%	-6.9%	5,789,006	5.9%	0%
2020	\$24.10	144	3.7%	-12.2%	5,737,288	5.9%	1.9%
2019	\$23.25	139	4.1%	-15.3%	3,869,160	4.0%	0.6%
2018	\$22.33	134	5.7%	-18.7%	3,237,094	3.4%	-0.1%
2017	\$21.13	127	5.4%	-23.0%	3,342,175	3.5%	-0.6%
2016	\$20.04	120	6.3%	-27.0%	3,912,612	4.0%	0.4%
2015	\$18.86	113	6.4%	-31.3%	3,500,109	3.6%	-0.7%
2014	\$17.73	106	5.9%	-35.4%	4,251,762	4.3%	-1.7%
2013	\$16.74	100	4.2%	-39.0%	5,922,906	6.0%	-1.9%
2012	\$16.07	96	1.7%	-41.5%	7,948,442	7.9%	0.3%

SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$28.22	206	5.5%	23.0%	849,298	4.9%	-0.1%
2027	\$26.75	195	5.7%	16.6%	876,729	5.0%	-0.8%
2026	\$25.31	185	5.7%	10.3%	1,022,414	5.8%	-0.2%
2025	\$23.94	175	3.8%	4.4%	1,061,575	6.0%	0.4%
2024	\$23.06	168	0.5%	0.5%	991,642	5.6%	1.5%
YTD	\$22.95	167	0.7%	0.1%	844,307	4.7%	0.6%
2023	\$22.94	167	0.8%	0%	736,327	4.1%	-0.1%
2022	\$22.76	166	6.2%	-0.8%	759,022	4.3%	-0.1%
2021	\$21.43	156	6.5%	-6.6%	772,286	4.3%	0.1%
2020	\$20.13	147	3.9%	-12.3%	758,374	4.3%	1.2%
2019	\$19.36	141	4.2%	-15.6%	555,169	3.1%	0.6%
2018	\$18.58	135	5.9%	-19.0%	456,696	2.5%	0.6%
2017	\$17.54	128	6.3%	-23.5%	344,114	1.9%	0.1%
2016	\$16.50	120	6.4%	-28.1%	325,859	1.8%	-2.4%
2015	\$15.51	113	6.4%	-32.4%	778,662	4.2%	0.4%
2014	\$14.57	106	6.1%	-36.5%	711,133	3.8%	-0.6%
2013	\$13.74	100	4.0%	-40.1%	827,521	4.3%	-0.1%
2012	\$13.22	96	1.6%	-42.4%	845,648	4.4%	0%

LOGISTICS RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$27.29	220	5.5%	23.0%	2,633,061	5.5%	-0.2%
2027	\$25.87	209	5.7%	16.6%	2,745,488	5.7%	-0.7%
2026	\$24.48	197	5.7%	10.3%	3,097,262	6.4%	-0.2%
2025	\$23.16	187	3.8%	4.4%	3,198,260	6.6%	0.4%
2024	\$22.32	180	0.5%	0.5%	3,000,108	6.1%	1.0%
YTD	\$22.21	179	2.7%	0.1%	2,667,441	5.4%	0.3%
2023	\$22.19	179	2.7%	0%	2,537,999	5.2%	1.4%
2022	\$21.62	174	8.3%	-2.6%	1,832,175	3.7%	-0.9%
2021	\$19.97	161	7.3%	-10.0%	2,287,729	4.6%	-0.4%
2020	\$18.61	150	5.7%	-16.2%	2,479,016	5.0%	1.3%
2019	\$17.60	142	5.7%	-20.7%	1,830,282	3.7%	1.2%
2018	\$16.66	134	6.8%	-25.0%	1,222,888	2.4%	0%
2017	\$15.60	126	6.6%	-29.7%	1,244,955	2.5%	-0.6%
2016	\$14.64	118	6.6%	-34.0%	1,547,317	3.0%	0%
2015	\$13.74	111	6.8%	-38.1%	1,575,383	3.1%	-0.4%
2014	\$12.87	104	6.1%	-42.0%	1,823,964	3.5%	-1.5%
2013	\$12.13	98	4.3%	-45.4%	2,630,749	5.1%	-2.7%
2012	\$11.62	94	1.0%	-47.6%	4,095,176	7.8%	0.7%

FLEX RENT & VACANCY

Year	Market Asking Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2028	\$43.05	182	4.8%	18.1%	5,386,822	14.7%	-0.3%
2027	\$41.08	174	5.0%	12.7%	5,488,991	15.0%	-1.5%
2026	\$39.12	165	4.9%	7.3%	6,073,383	16.5%	-2.0%
2025	\$37.28	157	2.8%	2.3%	6,711,124	18.5%	-1.7%
2024	\$36.25	153	-0.5%	-0.5%	7,089,668	20.1%	2.4%
YTD	\$36.48	154	0.8%	0.1%	5,771,279	17.6%	-0.2%
2023	\$36.44	154	0.8%	0%	5,821,960	17.7%	6.8%
2022	\$36.15	153	3.9%	-0.8%	3,459,978	10.9%	2.0%
2021	\$34.80	147	4.9%	-4.5%	2,728,991	8.9%	0.6%
2020	\$33.16	140	2.2%	-9.0%	2,499,898	8.3%	3.2%
2019	\$32.46	137	3.0%	-10.9%	1,483,709	5.1%	-0.4%
2018	\$31.50	133	4.8%	-13.6%	1,557,510	5.6%	-0.7%
2017	\$30.05	127	4.4%	-17.6%	1,753,106	6.3%	-0.9%
2016	\$28.77	122	6.1%	-21.1%	2,039,436	7.2%	3.1%
2015	\$27.12	115	6.1%	-25.6%	1,146,064	4.1%	-2.0%
2014	\$25.57	108	5.8%	-29.8%	1,716,665	6.1%	-2.6%
2013	\$24.17	102	4.1%	-33.7%	2,464,636	8.7%	-1.9%
2012	\$23.22	98	2.2%	-36.3%	3,007,618	10.6%	-0.2%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$586.49	341	5.0%
2027	-	-	-	-	-	-	\$538.03	313	5.1%
2026	-	-	-	-	-	-	\$479.49	279	5.4%
2025	-	-	-	-	-	-	\$426.59	248	5.7%
2024	-	-	-	-	-	-	\$397.90	231	5.9%
YTD	2	\$8.2M	0%	\$8,200,000	\$273.33	-	\$446.36	260	5.4%
2023	72	\$344.4M	0.8%	\$5,555,538	\$432.72	4.1%	\$445.70	259	5.4%
2022	158	\$1.6B	2.4%	\$11,034,733	\$661.97	4.3%	\$474.55	276	4.9%
2021	154	\$2.1B	3.7%	\$13,789,462	\$596.58	4.3%	\$468.95	273	4.5%
2020	98	\$1.9B	2.6%	\$20,671,280	\$789.54	5.1%	\$394.14	229	4.9%
2019	271	\$1.2B	3.9%	\$8,481,070	\$479.44	4.1%	\$338.17	197	5.2%
2018	272	\$1.1B	5.0%	\$9,398,774	\$400.90	4.6%	\$312.24	182	5.3%
2017	269	\$535.9M	3.9%	\$4,871,467	\$335	5.4%	\$280.17	163	5.4%
2016	283	\$756.5M	4.5%	\$4,944,720	\$296.86	3.6%	\$276.25	161	5.1%
2015	331	\$1.4B	7.3%	\$6,777,692	\$297.78	4.6%	\$252.46	147	5.2%
2014	326	\$827.8M	7.2%	\$4,474,568	\$174.44	6.3%	\$216.42	126	5.6%
2013	280	\$486.6M	4.2%	\$3,180,271	\$173.32	6.7%	\$193.04	112	5.9%

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(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

SPECIALIZED INDUSTRIAL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$518.15	327	5.2%
2027	-	-	-	-	-	-	\$474.57	300	5.3%
2026	-	-	-	-	-	-	\$422.60	267	5.6%
2025	-	-	-	-	-	-	\$375.65	237	5.9%
2024	-	-	-	-	-	-	\$349.57	221	6.1%
YTD	-	-	-	-	-	-	\$390.86	247	5.6%
2023	20	\$91.4M	1.4%	\$4,812,558	\$407.53	5.0%	\$390.26	247	5.6%
2022	28	\$124.5M	1.7%	\$4,447,581	\$402.26	3.9%	\$411.88	260	5.1%
2021	33	\$249.2M	2.0%	\$7,551,871	\$684.57	3.2%	\$406.53	257	4.7%
2020	24	\$106.2M	1.5%	\$4,425,830	\$405.68	4.3%	\$337.34	213	5.1%
2019	70	\$82.1M	3.4%	\$3,039,147	\$416.55	3.8%	\$294.76	186	5.4%
2018	94	\$183.3M	4.7%	\$5,236,228	\$344.96	3.4%	\$275	174	5.4%
2017	83	\$133.4M	4.3%	\$4,043,711	\$417.96	7.0%	\$251.55	159	5.5%
2016	86	\$123.4M	5.0%	\$3,525,917	\$260.42	2.4%	\$245.83	155	5.2%
2015	87	\$168.7M	4.9%	\$3,308,553	\$268.75	4.4%	\$227.52	144	5.3%
2014	87	\$86.7M	4.3%	\$2,407,333	\$247.04	6.0%	\$196.57	124	5.7%
2013	87	\$74.8M	4.4%	\$2,076,776	\$136.67	5.1%	\$175.47	111	6.0%

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LOGISTICS SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$497.21	343	5.1%
2027	-	-	-	-	-	-	\$455.35	314	5.3%
2026	-	-	-	-	-	-	\$405.28	279	5.5%
2025	-	-	-	-	-	-	\$360.04	248	5.9%
2024	-	-	-	-	-	-	\$334.96	231	6.1%
YTD	2	\$8.2M	0.1%	\$8,200,000	\$273.33	-	\$374.92	259	5.5%
2023	39	\$207.9M	1.0%	\$6,705,799	\$435.72	3.8%	\$374.36	258	5.5%
2022	94	\$427.4M	1.9%	\$5,410,092	\$462.30	4.8%	\$404.22	279	4.9%
2021	87	\$826.4M	4.0%	\$9,609,016	\$417.88	4.6%	\$397.01	274	4.6%
2020	48	\$478.1M	2.0%	\$10,172,841	\$497.63	5.7%	\$328	226	5.0%
2019	139	\$449.3M	3.4%	\$5,686,902	\$372.75	3.8%	\$275.17	190	5.4%
2018	122	\$239.2M	4.1%	\$4,984,371	\$364.98	4.8%	\$255.61	176	5.4%
2017	136	\$189.9M	3.7%	\$3,875,776	\$233.07	-	\$231.79	160	5.5%
2016	140	\$234.2M	4.2%	\$3,208,647	\$215.20	3.8%	\$227.03	157	5.2%
2015	151	\$427.1M	7.3%	\$4,966,015	\$217.41	3.9%	\$209.93	145	5.3%
2014	160	\$258.1M	5.9%	\$3,001,415	\$169.58	7.0%	\$179.82	124	5.8%
2013	128	\$260.3M	3.8%	\$3,827,972	\$195.10	7.0%	\$160.69	111	6.0%

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FLEX SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2028	-	-	-	-	-	-	\$735.30	344	4.8%
2027	-	-	-	-	-	-	\$675.92	317	4.9%
2026	-	-	-	-	-	-	\$603.22	283	5.2%
2025	-	-	-	-	-	-	\$537.53	252	5.5%
2024	-	-	-	-	-	-	\$502.88	236	5.7%
YTD	-	-	-	-	-	-	\$565.83	265	5.2%
2023	13	\$45.1M	0.3%	\$3,760,417	\$477.39	-	\$565	265	5.2%
2022	36	\$1B	3.6%	\$28,501,035	\$892.47	4.8%	\$595.98	279	4.7%
2021	34	\$992.8M	4.0%	\$32,026,848	\$882.07	5.0%	\$592.35	277	4.3%
2020	26	\$1.4B	4.1%	\$59,076,385	\$1,097.18	5.0%	\$507.30	238	4.6%
2019	62	\$681.5M	5.1%	\$18,418,129	\$604.51	4.9%	\$440.90	207	4.9%
2018	56	\$677.1M	6.6%	\$19,915,847	\$435.12	5.4%	\$403.73	189	5.0%
2017	50	\$212.5M	3.9%	\$7,589,494	\$456.51	4.9%	\$356.82	167	5.2%
2016	57	\$398.9M	4.7%	\$8,864,529	\$404.49	-	\$354.83	166	4.9%
2015	93	\$813.9M	9.0%	\$11,464,034	\$379.99	5.0%	\$319.72	150	5.0%
2014	79	\$483M	11.6%	\$7,666,817	\$168.15	5.7%	\$273.54	128	5.4%
2013	65	\$151.5M	4.9%	\$3,092,153	\$163.61	6.7%	\$243.55	114	5.7%

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