



# Industrial Market Report San Francisco - CA

PREPARED BY



**INDUSTRIAL MARKET REPORT**

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12 Mo Deliveries in SF

**1.2M**

12 Mo Net Absorption in SF

**(1.8M)**

Vacancy Rate

**8.8%**

12 Mo Rent Growth

**2.2%**

In the fourth quarter of 2023, the San Francisco industrial market continues to see rising vacancy and moderating rent growth, as an influx of new flex space encounters slowing demand.

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.

In contrast to flex buildings, the inventory of logistics and distribution space in San Francisco has been on a steady downward trend for many years, as old industrial sites are demolished or repositioned for other uses. The San Francisco Peninsula is mostly built out, and land is expensive.

However, in 2023, economic headwinds have slowed demand for industrial space. Higher interest rates and banking turmoil have slashed venture capital funding in 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 fourth quarter. Several life sciences tenants have made blocks of space available for sublease, contributing to annual net negative absorption of -1.7 million SF.

Vacancy has increased and currently stands at 8.8%. The increase is driven by flex space, where vacancy has increased to 16.8%, whereas vacancy in the logistics sector remains close to its long-term average, at 5.2%.

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 2.2%, compared to 6.7% nationally. The large pipeline of construction projects is projected to result in higher flex vacancy and limited scope for rent growth in the quarters ahead.

The investment market is showing signs of a sharp slowdown after two years of elevated activity. High interest rates and investor caution have dampened demand and resulted in total sales volume of just \$394 million in the past 12 months. By comparison, annual sales volume peaked at \$1.6 billion in early 2022.

### KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	49,070,951	5.2%	\$22.13	6.6%	(17,169)	0	0
Specialized Industrial	17,880,572	4.2%	\$22.79	4.7%	103,822	0	0
Flex	32,326,659	16.9%	\$36.55	26.0%	(27,856)	151,777	5,120,559
<b>Market</b>	<b>99,278,182</b>	<b>8.8%</b>	<b>\$27.42</b>	<b>13.2%</b>	<b>58,797</b>	<b>151,777</b>	<b>5,120,559</b>

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	2.8%	5.7%	10.0%	10.0%	2003 Q4	1.1%	2000 Q2
Net Absorption SF	(1.8M)	(351,316)	345,588	2,119,175	2000 Q2	(4,771,425)	2001 Q4
Deliveries SF	1.2M	493,236	1,182,020	1,598,176	2023 Q3	7,592	2016 Q2
Rent Growth	2.2%	3.2%	3.3%	11.7%	1998 Q1	-4.8%	2002 Q3
Sales Volume	\$407M	\$642.3M	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.

Flex vacancy increased by 6.4% in the past year and stands at 16.8% in the fourth quarter. By comparison, logistics space vacancy remains close to its long-term average at 5.2%. Overall market vacancy ticked up to its current rate of 8.8%.

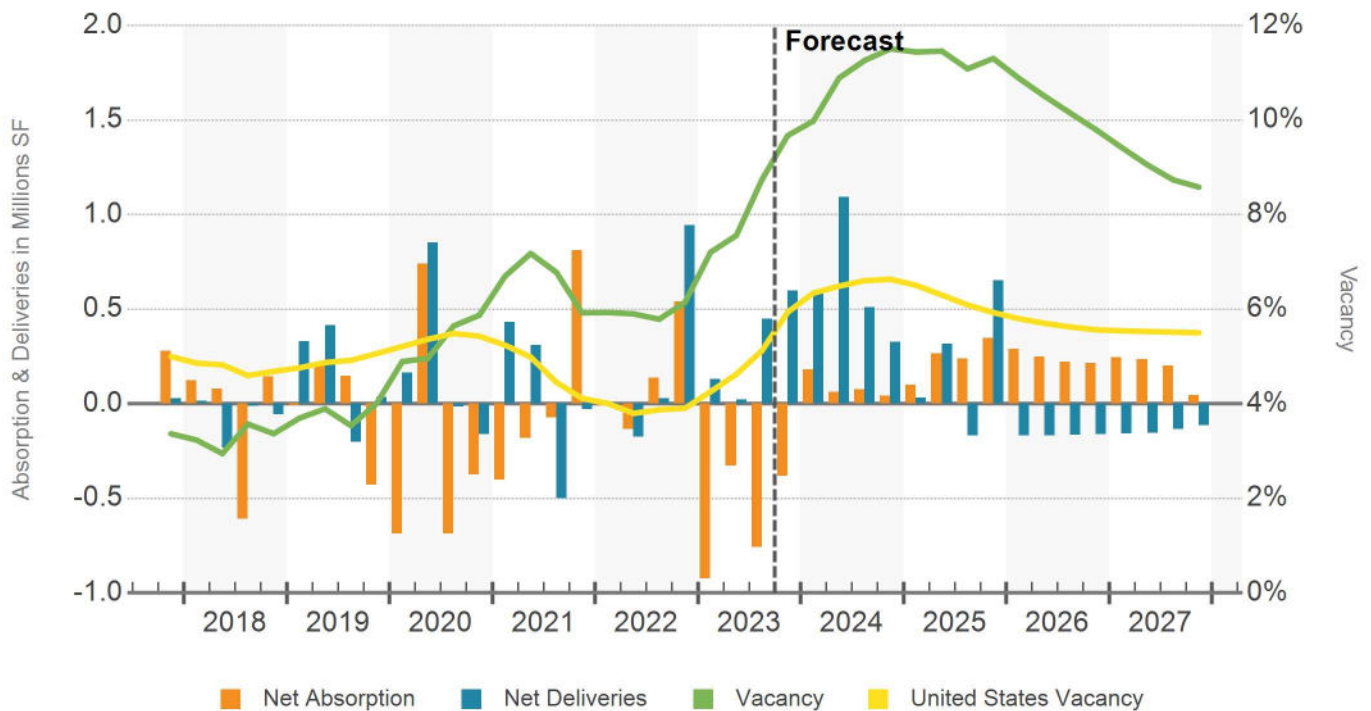
Availability in the flex sector has also increased and is currently 25.9%. This figure reflects both the availability of space in speculative projects under construction and an increase in sublet space. For example, the 350,000-

SF 700 Gateway Blvd. in South San Francisco, which completed in 2022, has over 200,000 SF available. Also in South San Francisco, Arsenal Biosciences and Standard BioTools added a total of 120,000 SF of sublease space at Genesis Tower 2. Further, in July, Illumina added 110,000 SF of sublet space in Foster City. Some of this 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.

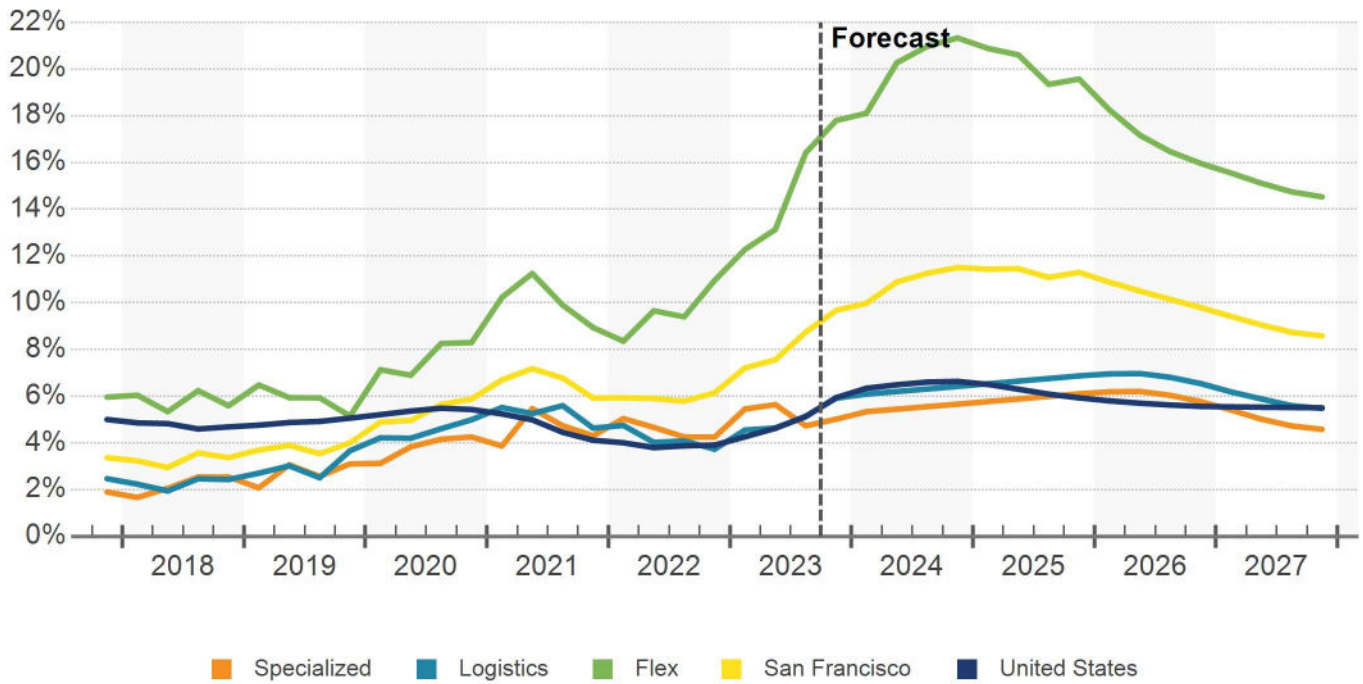
A small number of larger leases have been signed this year in the logistics segment. In 23Q1, battery supplier Ample signed for 90,000 SF at 245 S Spruce Ave. in South San Francisco. In June, TriMark renewed its lease for a 120,000-SF distribution warehouse in Brisbane. The seven-year renewal has a starting 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 5.1 million SF currently under construction, 3.6 million SF is available for lease.

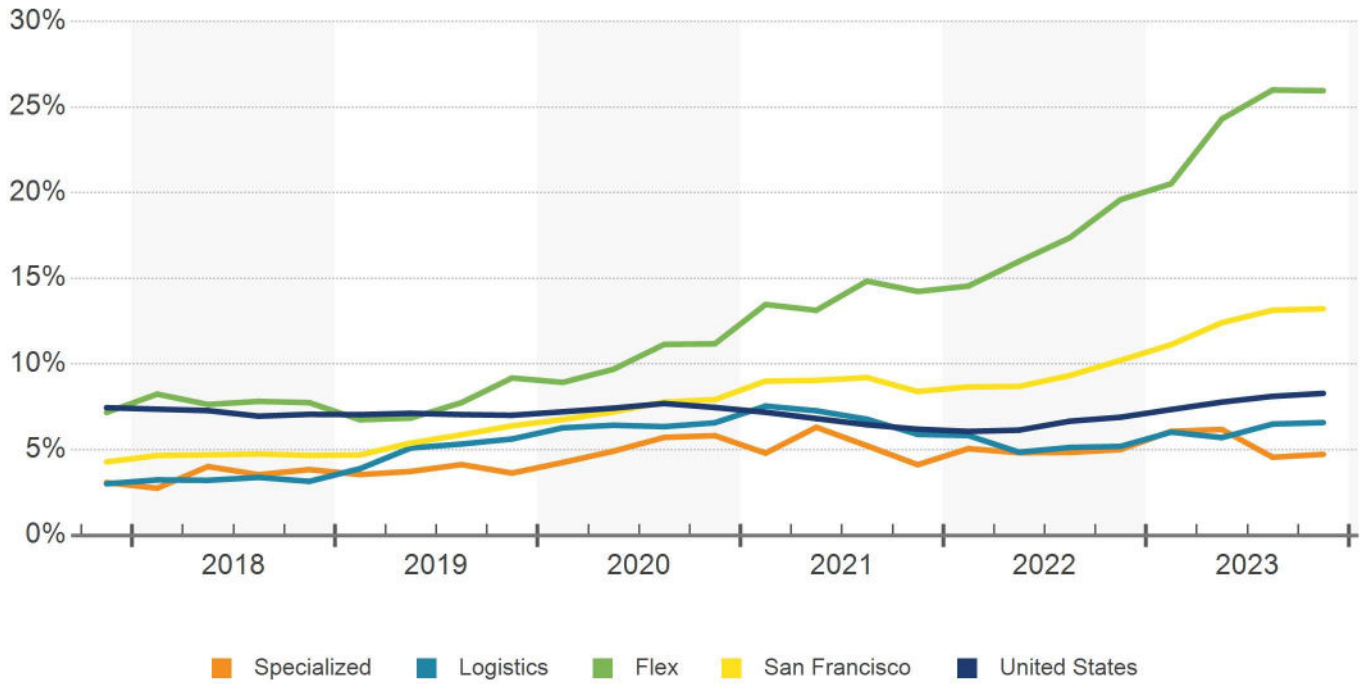
## NET ABSORPTION, NET DELIVERIES & VACANCY



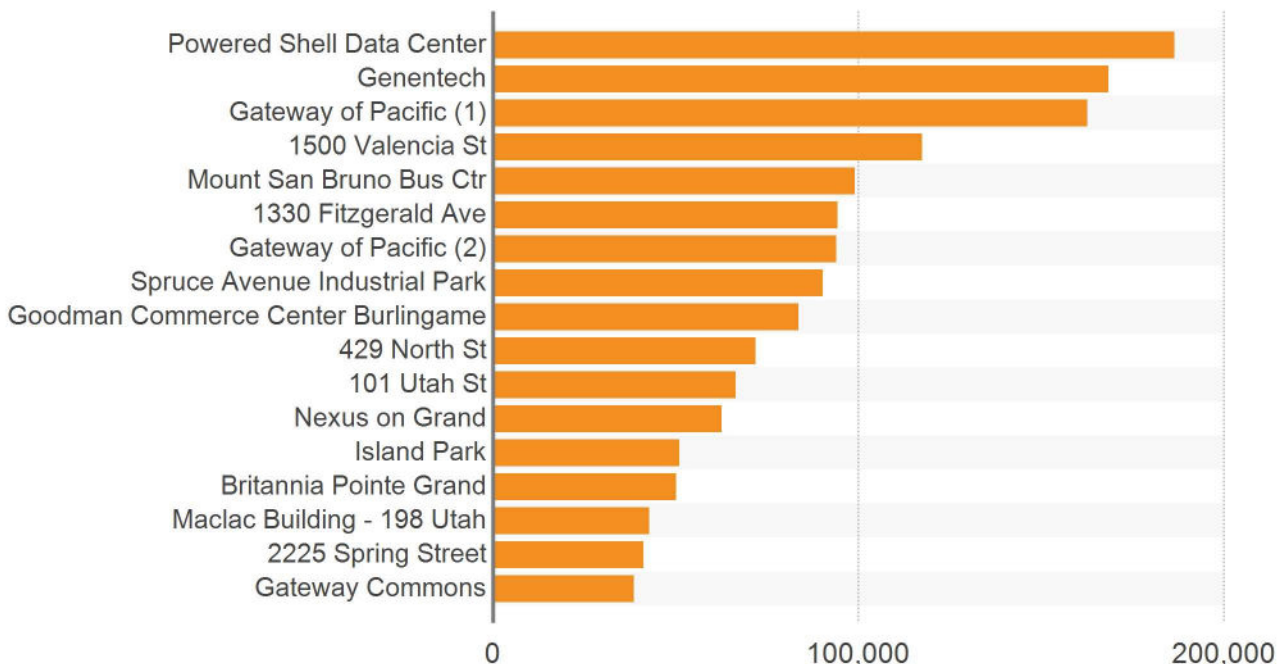
## VACANCY RATE



## 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	55,000	131,415	186,415
Genentech	South San Francisco...	168,500	0	168,500	0	0	0	168,500
Gateway of Pacific (1)	South San Francisco	440,000	0	0	0	(144,996)	144,996	162,608
1500 Valencia St	Mission/Potrero Ind	117,463	0	0	117,463	0	0	117,463
Mount San Bruno Bus Ctr	Brisbane/Daly City Ind	268,270	0	0	0	0	0	99,143
1330 Fitzgerald Ave	Bayview/Hunters Poi...	94,304	0	0	0	94,304	0	94,304
Gateway of Pacific (2)	South San Francisco...	360,000	222,000	67,350	0	726	0	93,917
Spruce Avenue Industrial Park	South San Francisco...	559,605	15,050	90,000	0	0	0	90,369
Goodman Commerce Center Bu...	Burlingame Ind	83,674	0	0	83,674	0	0	83,674
429 North St	Peninsula Coastline I...	110,000	0	0	110,000	0	0	71,860
101 Utah St	South of Market Ind	66,500	0	0	66,500	0	0	66,500
Nexus on Grand	South San Francisco...	148,413	85,795	0	0	63,159	(541)	62,618
Island Park	Foster City/Redwood...	89,172	0	0	(6,904)	88,000	0	51,125
Britannia Pointe Grand	South San Francisco...	50,195	0	50,195	0	0	0	50,195
Maclac Building - 198 Utah	South of Market Ind	42,864	0	0	0	0	42,864	42,864
2225 Spring Street	Redwood City Ind	41,290	0	41,290	0	0	0	41,290
Gateway Commons	South San Francisco...	327,000	286,602	0	0	16,248	22,365	38,613
<b>Subtotal Primary Competitors</b>		<b>3,209,250</b>	<b>665,032</b>	<b>417,335</b>	<b>370,733</b>	<b>172,441</b>	<b>341,099</b>	<b>1,521,458</b>
Remaining San Francisco Market		96,083,932	8,093,387	(1,343,067)	(698,786)	(931,619)	(282,302)	(3,276,381)
<b>Total San Francisco Market</b>		<b>99,293,182</b>	<b>8,758,419</b>	<b>(925,732)</b>	<b>(328,053)</b>	<b>(759,178)</b>	<b>58,797</b>	<b>(1,754,923)</b>

### 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...
245 S Spruce Ave	South San Francisco	90,000	Q1 23	Modular Battery Manufact...	-	Avison Young;Cushma...
1755 Rollins Rd	Burlingame	83,674	Q4 22	Aeronet Worldwide	-	CBRE
380 Valley Dr *	Brisbane/Daly City	70,335	Q4 22	Pacific Gourmet	-	-
868 Cowan Rd	Burlingame	55,700	Q2 23	Gate Gourmet	-	CBRE
570-586 Eccles Ave *	South San Francisco	54,299	Q4 22	Pacific Produce	-	-
401 E Grand Ave	South San Francisco	51,091	Q4 22	HPL Apollo	-	Cushman & Wakefield
570-586 Eccles Ave	South San Francisco	51,048	Q2 23	-	-	Cushman & Wakefield
825 Sansome St	Jackson Square	38,000	Q4 22	-	-	CBRE
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
570-586 Eccles Ave	South San Francisco	24,194	Q2 23	Volley Automation	-	JLL
900-950 23rd St	Mission Bay/China Basin	21,364	Q4 22	-	-	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...
955-1055 Cesar Chavez St	Mission Bay/China Basin	17,400	Q4 23	-	-	Reliance Real Estate A...
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	-	-
245-253 Utah Ave	South San Francisco	14,681	Q1 23	SixWheel	Innovation Propertie...	Calco Commercial, Inc.
1051-1099 Sneath Ln	San Bruno/Millbrae	14,130	Q4 23	-	-	JLL
The Embarcadero	Waterfront/North Beach	13,300	Q1 23	-	-	City & County Of San F...
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.

\*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 has discouraged the use of sites for large scale industrial facilities. Over the years, this diminished supply has kept rents elevated.

The market's average asking rate is \$27.00/SF, which compares to the national average of \$11.80/SF. Flex rent averages \$37.00/SF, and logistics space goes for \$22.00/SF. These rates are approximately twice the national average.

Typical of the type of flex leases being signed in the area, health tech company Petal Surgical took 11,200 SF in Redwood City in June 2023. The tenant signed a three-year lease with an effective rent of \$36.72/SF.

In recent years, however, the rate of rent growth has been notably lower in San Francisco than other markets.

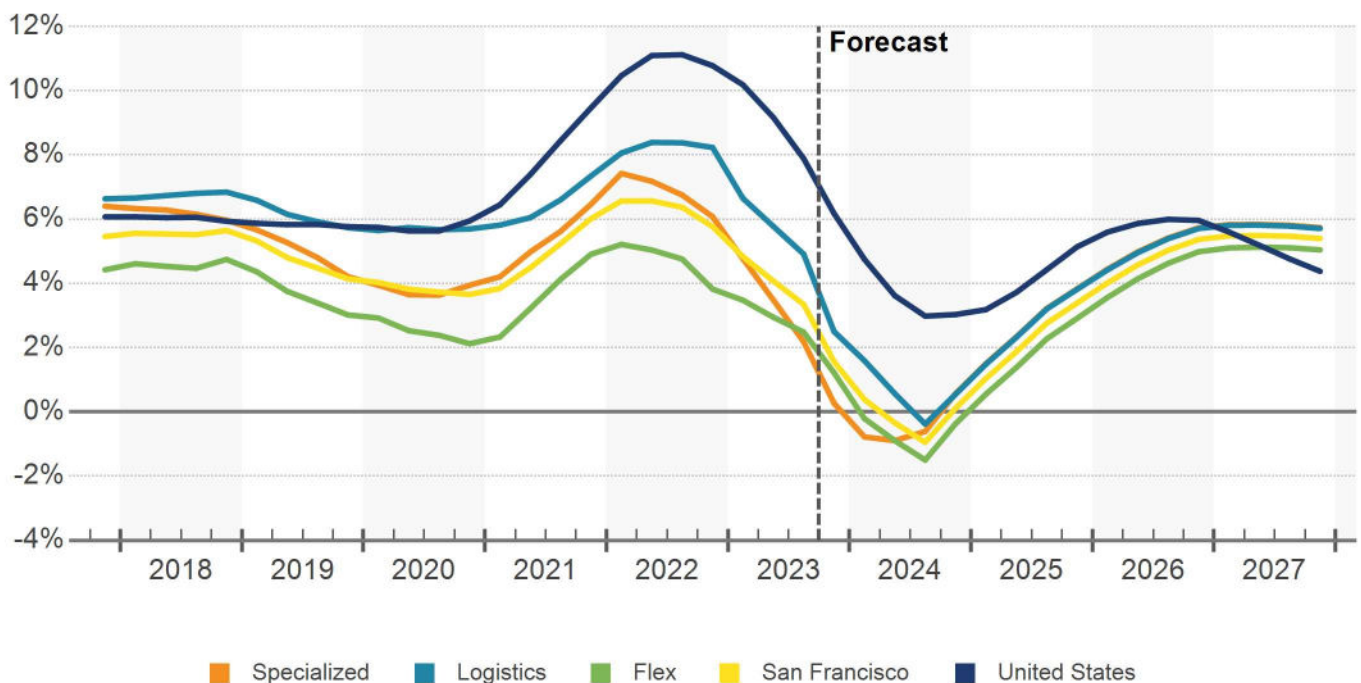
The spike in industrial rents in early 2022 that saw an average annual increase across the nation of 10.8%, registered just 5.8% at its peak in San Francisco.

The fourth quarter of 2023 finds asking rents in San Francisco 2.2% higher than they were a year ago. This is below the national average increase of 6.7%.

Flex properties saw the sharpest slowdown in rent growth over the past two years and are trailing the metro average. Asking rents gained just 1.6% over the past year, with growth constrained by the elevated availability levels in this sector.

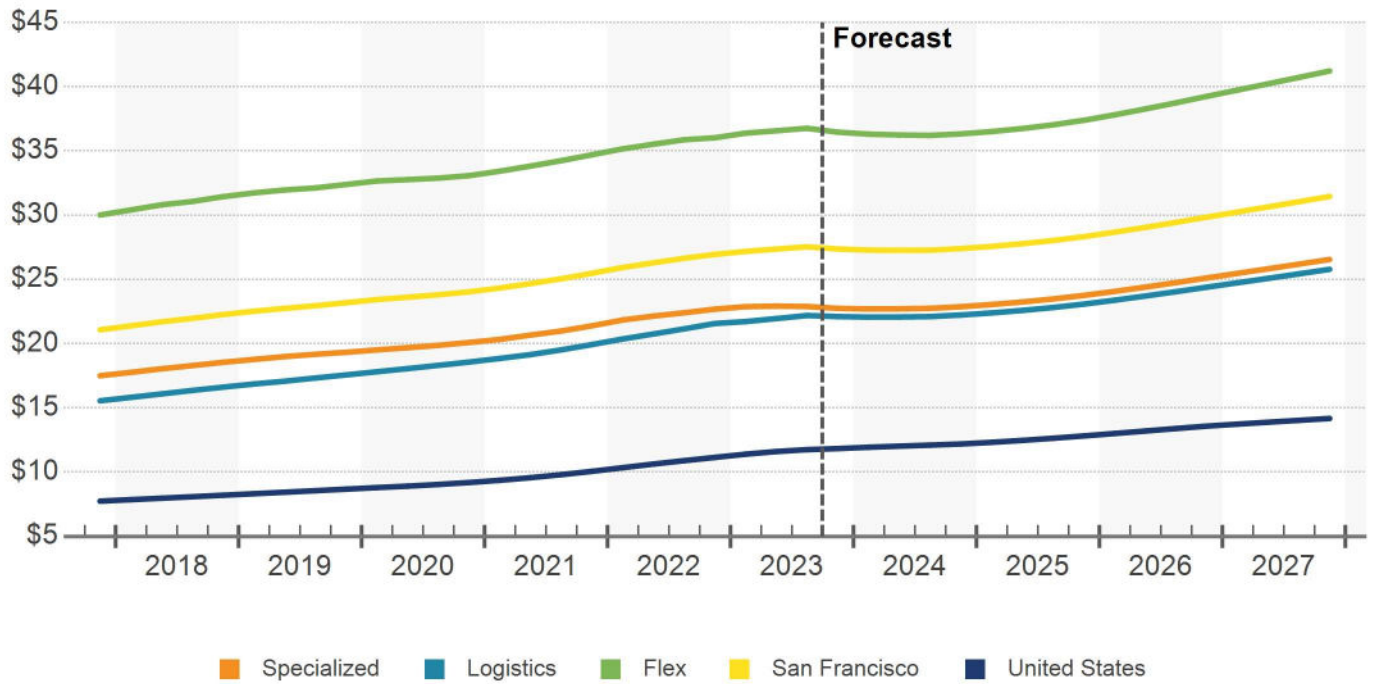
CoStar's Base Case forecast projects that rent growth will be moderate next year before increasing in 2025 towards the long-term average growth rate of around 5% per year.

### MARKET RENT GROWTH (YOY)





### MARKET 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, but as of the fourth quarter of 2023, tenant expansion activity has slowed sharply on the back of high interest rates and recessionary challenges.

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.

In South San Francisco, new buildings have been completed in 2023 for Graphite Bio and Genentech.

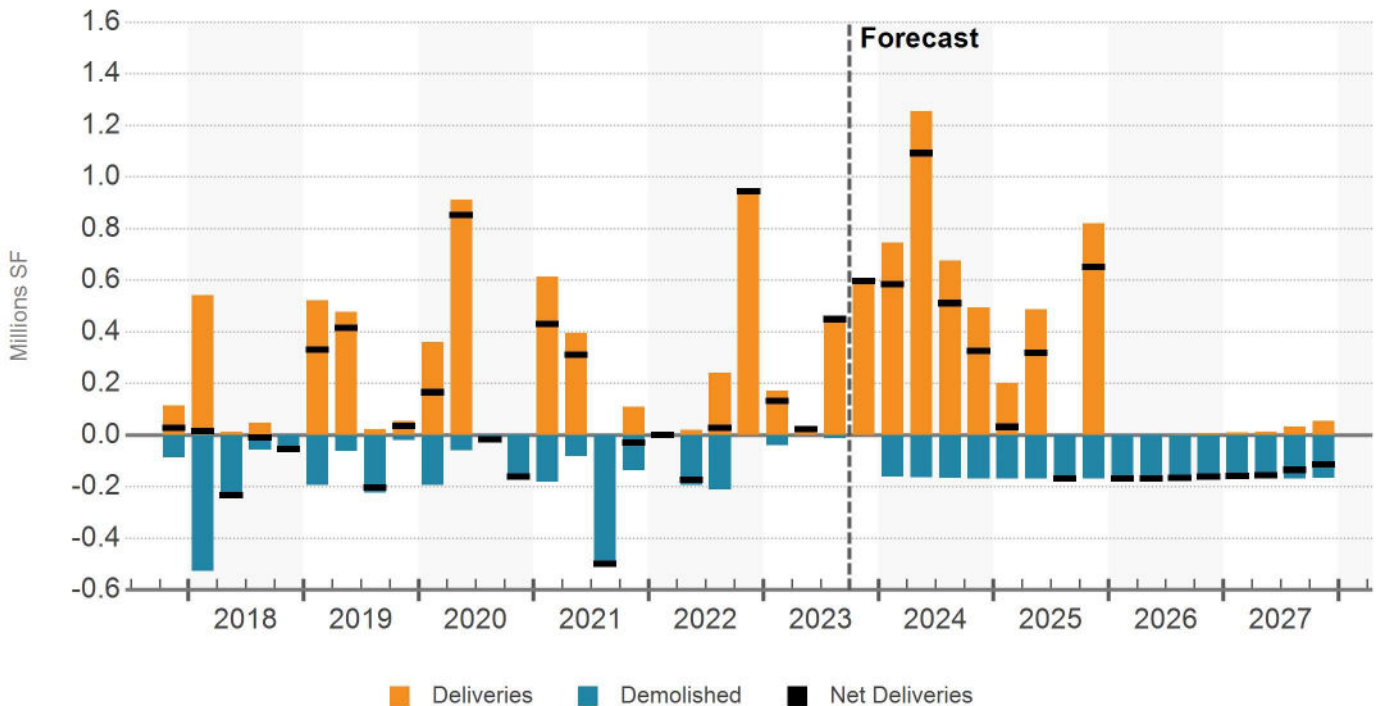
Speculative deliveries in 2023 include 310,000 SF of flex/R&D space at Tishman Speyer's Mission Rock development in San Francisco. In South San Francisco,

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 these new construction projects, there are a handful of conversion projects, typically involving older office, retail, or industrial buildings being redeveloped as flex space. One example is the Shops at Tanforan in San Bruno. This 50-year-old mall, previously anchored by JCPenney and Sears, was sold in 22Q1 for \$82.7 million, or \$142/SF. The buyer was Alexandria Real Estate, which plans to develop a biotechnology campus on the site, adding life science flex space and a mix of other uses.

In another 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

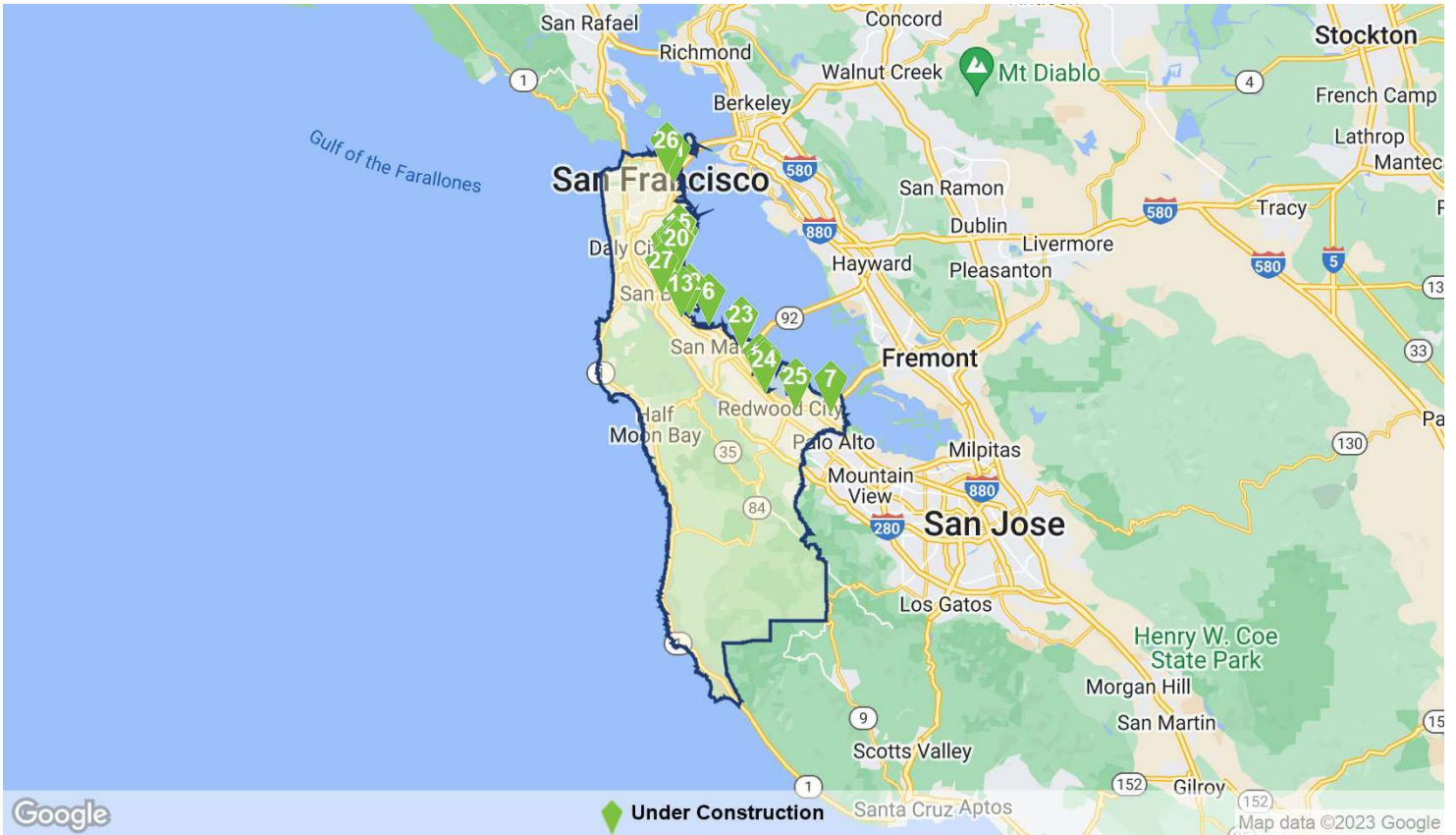
No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	South San Francisco	8	1,810	474	26.2%	5	43,652	226,220	3
2	Burlingame	3	764	260	34.1%	4	22,963	254,585	2
3	Brisbane/Daly City	3	621	328	52.8%	3	39,944	207,039	5
4	Belmont/San Carlos	4	616	76	12.3%	6	15,546	154,028	7
5	San Bruno/Millbrae	3	533	0	0%	8	14,174	177,667	6
6	Menlo Park	1	255	255	100%	1	29,543	255,000	1
7	San Mateo	2	248	22	9.0%	7	9,076	124,182	8
8	Mission Bay/China Basin	1	213	0	0%	8	34,829	212,796	4
9	Redwood City	1	31	0	0%	8	14,471	31,370	9
10	South of Market	1	29	29	100%	1	12,976	29,290	10
	All Other	0	-	-	-		22,308	-	
<b>Totals</b>		<b>27</b>	<b>5,121</b>	<b>1,445</b>	<b>28.2%</b>		<b>22,983</b>	<b>189,650</b>	

# Under Construction Properties

San Francisco Industrial

Properties	Square Feet	Percent of Inventory	Released
<b>27</b>	<b>5,120,559</b>	<b>7.6%</b>	<b>28.2%</b>

## 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	Dec 2023	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	Dec 2023	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	Jan 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	Jan 2024	Phase 3 Real Estate Partners, Inc. Phase 3 Real Estate Partners, Inc.
16 Vantage Blg B 494 Forbes Blvd	★ ★ ★ ★ ★	188,000	6	Mar 2022	Jan 2024	Healthpeak Properties, Inc. Healthpeak Properties, Inc.
17 Brittan West 1091 Industrial Rd	★ ★ ★ ★ ★	173,731	3	Jul 2021	May 2024	Premia Capital Prince Street Partners
18 Bldg-B 475 Eccles Ave	★ ★ ★ ★ ★	160,000	5	May 2022	Apr 2024	BioMed Realty BioMed Realty
19 Bldg-A 475 Eccles Ave	★ ★ ★ ★ ★	160,000	4	Jun 2022	Apr 2024	BioMed Realty BioMed Realty
20 Vantage Blg A 494 Forbes Blvd	★ ★ ★ ★ ★	154,000	5	Mar 2022	Dec 2023	Healthpeak Properties, Inc. Healthpeak Properties, Inc.
21 777 Industrial Rd	★ ★ ★ ★ ★	126,600	4	Apr 2022	Dec 2023	- Presidio Bay Ventures
22 San Mateo BayCenter 1 951 Mariners Island Blvd	★ ★ ★ ★ ★	124,211	7	Jun 2023	Apr 2024	- -
23 San Mateo BayCenter 2 901 Mariners Island Blvd	★ ★ ★ ★ ★	124,153	7	Jun 2023	Apr 2024	- -
24 1030 Brittan Ave	★ ★ ★ ★ ★	75,780	3	Mar 2023	Aug 2024	- MBC BioLabs
25 3150 Bay Rd	★ ★ ★ ★ ★	31,370	1	Jun 2022	Dec 2023	- -
26 952-960 Howard St	★ ★ ★ ★ ★	29,290	3	Sep 2022	Jan 2024	- oWOW
27 750 El Camino Real	★ ★ ★ ★ ★	18,000	2	Feb 2023	Jan 2024	- Miramar Capital Advisors

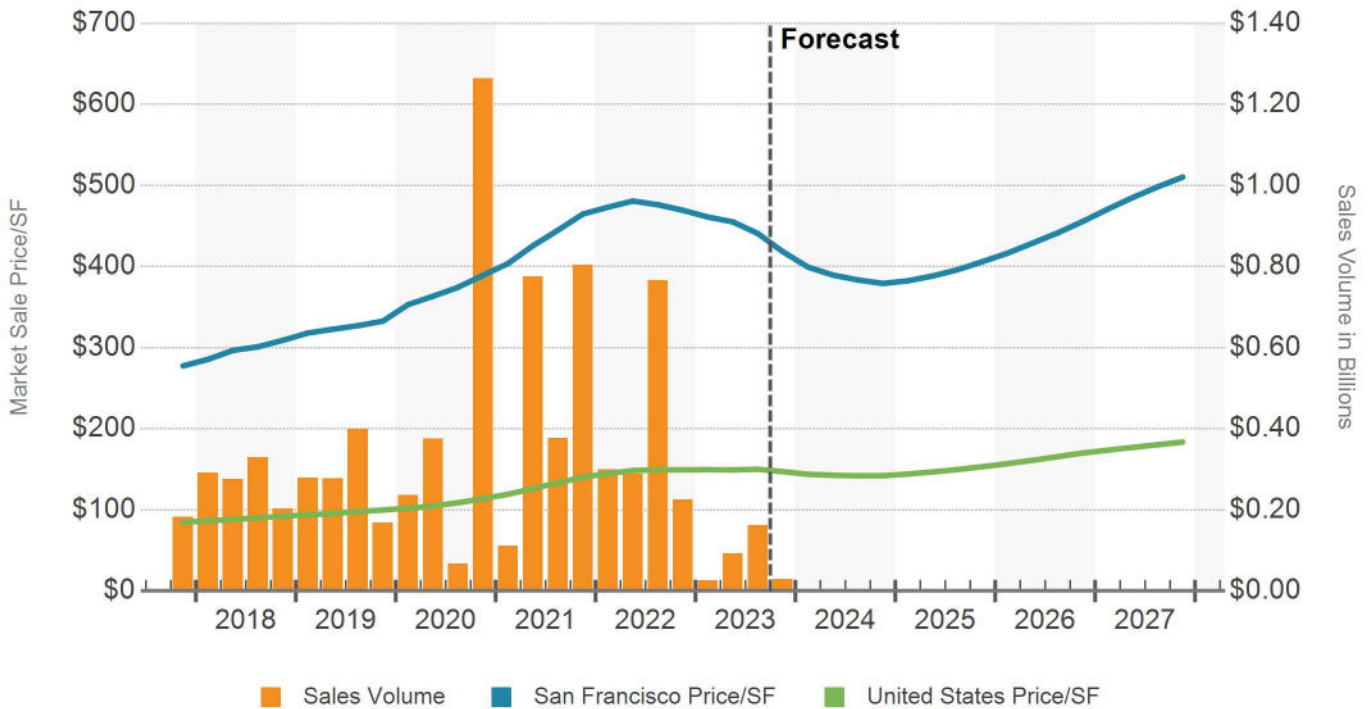
Investment demand for San Francisco's industrial and flex properties has slowed in the past six months, reflecting both the negative impact of rising interest rates on buyer underwriting and the impact of weakening demand on operating performance.

As of the fourth quarter of 2023, only 52 transactions have closed since the start of the year, 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. Individual sale prices were generally below \$15 million, and the average transaction price was \$347/SF.

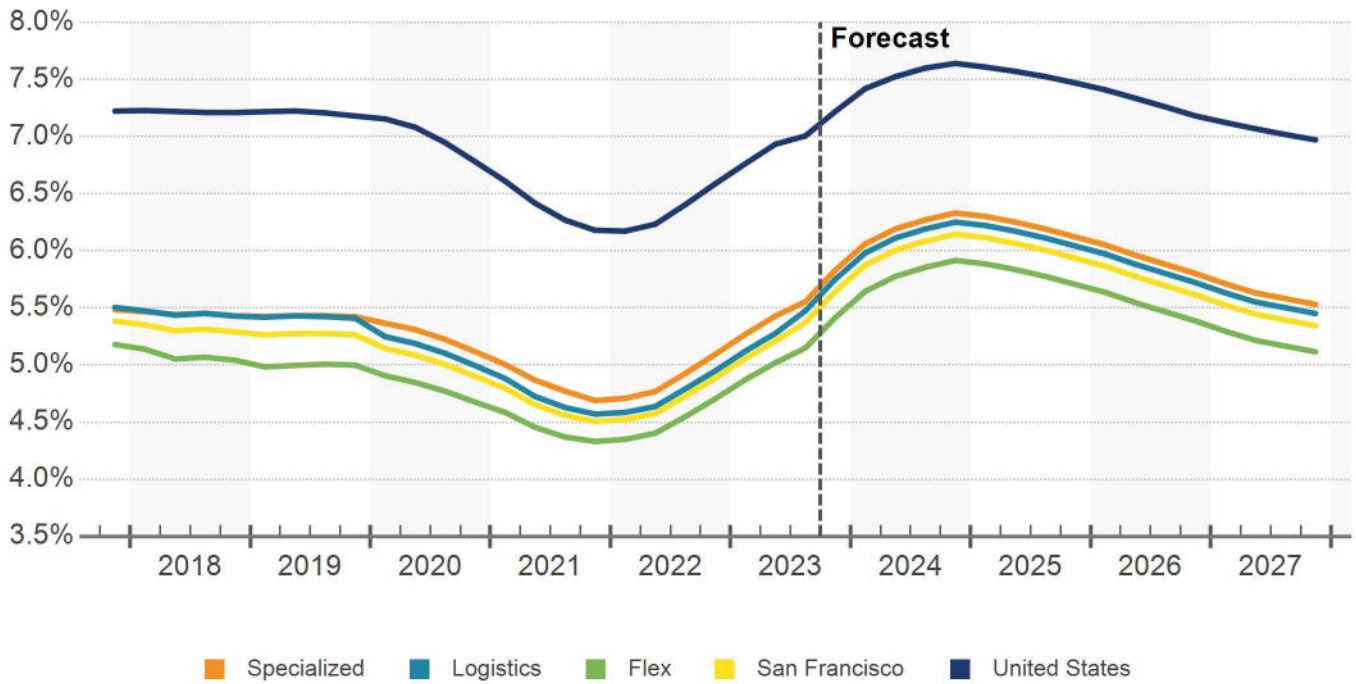
That said, developers and national buyers continue to be active, picking up opportunistic acquisitions when they come along. For example, Tishman Speyer acquired a 126,000-SF warehouse in the Mission/Potrero Submarket in July 2023, paying \$32.7 million, or \$260/SF. The property is one of the few larger distribution buildings close to San Francisco's densely populated urban core.

Cash-only private investors and owner/users have been well-positioned in the past year to acquire properties at prices below recent peaks. The average transaction price for 1 & 2 Star properties in 2023 to date is \$386/SF, a notable reduction from the \$417/SF average price recorded in 2022.

### SALES VOLUME & MARKET SALE PRICE PER SF



### MARKET CAP RATE



# Sales Past 12 Months

## San Francisco Industrial

Sale Comparables

**68**

Avg. Cap Rate

**4.1%**

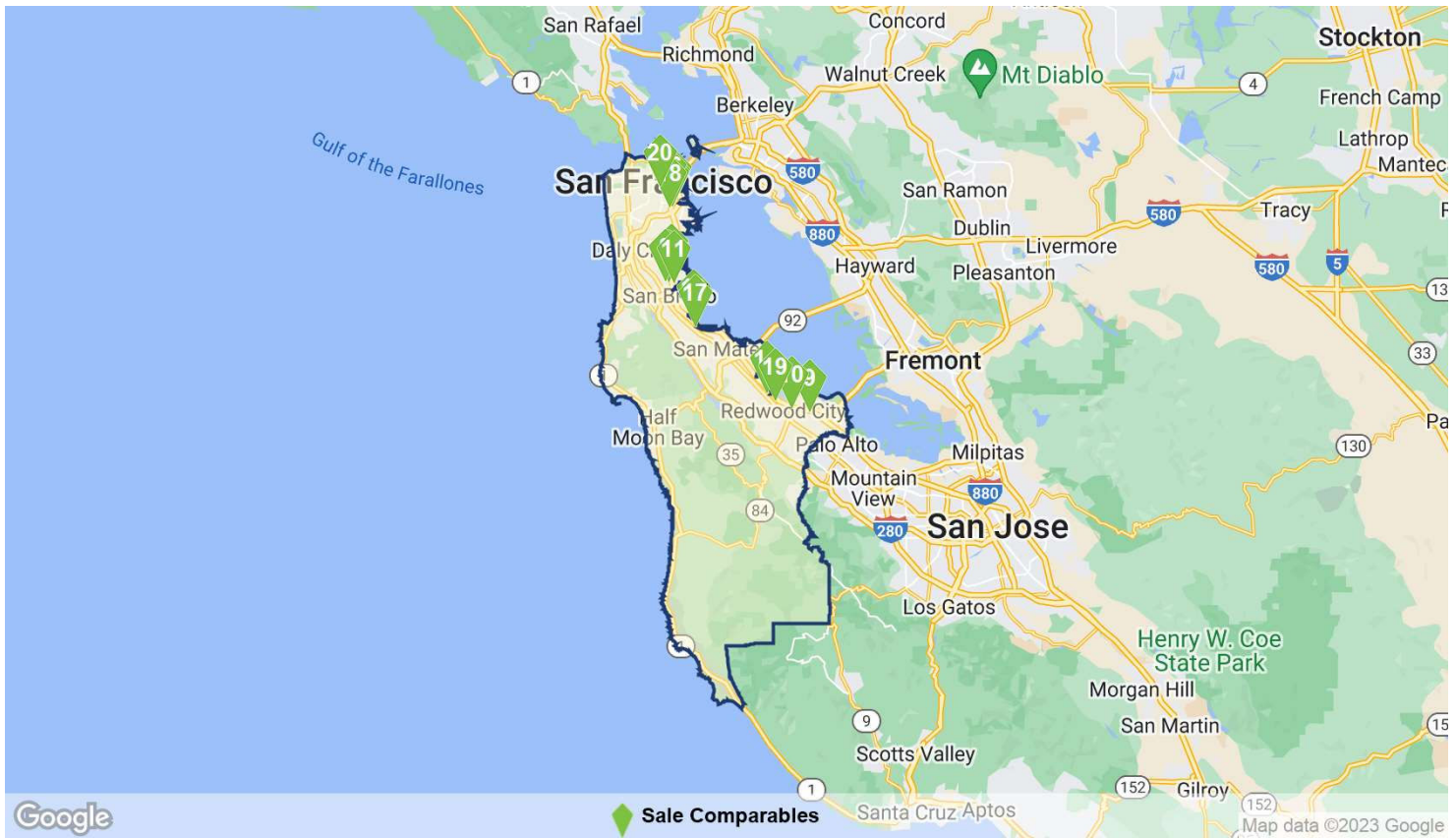
Avg. Price/SF

**\$408**

Avg. Vacancy At Sale

**2.2%**

### SALE COMPARABLE LOCATIONS



### SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$500,000	\$6,957,428	\$3,875,000	\$83,155,500
Price/SF	\$12	\$408	\$435	\$1,159
Cap Rate	2.3%	4.1%	4.1%	6.0%
Time Since Sale in Months	0.7	6.1	5.9	11.9
Property Attributes	Low	Average	Median	High
Building SF	1,697	16,852	10,160	205,674
Ceiling Height	10'	18'	18'	26'
Docks	0	1	0	17
Vacancy Rate At Sale	0%	2.2%	0%	100%
Year Built	1909	1963	1963	2014
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 Goodman Industrial Cen... 180-200 Napoleon St	★★★★★	1960	205,674	0%	11/29/2022	\$83,155,500	\$404	-
2 2225 Jerrold Ave	★★★★★	1982	125,968	0%	7/20/2023	\$32,700,000	\$260	-
3 145 Sylvester Rd	★★★★★	1957	38,346	0%	9/15/2023	\$26,260,000	\$685	-
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 1520-1540 Gilbreth Rd	★★★★★	1960	15,000	0%	4/28/2023	\$7,975,000	\$532	2.3%
13 882-890 Mahler Rd	★★★★★	1965	15,000	16.8%	4/28/2023	\$6,525,000	\$435	-
14 929 Bransten Rd	★★★★★	1960	15,000	0%	7/28/2023	\$6,525,000	\$435	-
15 335 Barneveld Ave	★★★★★	1963	14,961	0%	11/1/2023	\$6,320,000	\$422	-
16 1300 Potrero Ave	★★★★★	1987	11,945	0%	10/6/2023	\$6,300,000	\$527	-
17 1335 Rollins Rd	★★★★★	1974	13,680	0%	11/7/2023	\$5,800,000	\$424	-
18 410 Bayshore Blvd	★★★★★	1950	13,600	0%	4/25/2023	\$5,500,000	\$404	-
19 1790 Industrial Way	★★★★★	1962	16,000	0%	1/10/2023	\$5,450,000	\$341	-
20 351 Valencia St	★★★★★	1922	14,000	0%	8/4/2023	\$5,250,000	\$375	-

From Gold Rush to Dot-Com, the San Francisco economy has a long history of boom followed by bust. And the current iteration of this cycle may prove to be the most dramatic. The tech boom of the 2010s, fed by the world's appetite for new mobile technologies, brought tremendous demand from expanding tech companies for office space, and a growing workforce that needed housing. Real estate prices increased rapidly to among the highest in the nation, prompting a construction boom across the city. In 2020, the COVID-19 pandemic abruptly halted that pattern. Tech companies quickly adapted to remote working, while their workforce left the city in large numbers. Almost four years on, investment demand remains low and prices are adjusting.

San Francisco is one of three major markets—the others being the East Bay and San Jose—that compose the San Francisco Bay Area. The Bay Area is one of the largest metropolitan areas in the U.S., with a total population of 9.5 million, and is a major gateway city and generator of economic growth. The San Francisco market comprises San Francisco and San Mateo counties and is home to 1.6 million people. The major center for business activity is the Financial District in Downtown San Francisco. Major industries include information and communications technology, professional and business services, and tourism.

The COVID-19 pandemic triggered an economic downturn that disrupted San Francisco's core economic base and impacted the performance of key commercial real estate sectors. Data from office key card usage and transit activity on BART show that San Francisco has one of the lowest return-to-office levels of any major market in the nation. Reflecting this fall in activity, office vacancy levels have escalated, particularly in the

Financial District and South Financial District, which are the core submarkets that contain the bulk of San Francisco's 4 & 5 Star office space.

The high cost of living led to a decline in San Francisco's population prior to 2020, but the pandemic accelerated this trend, with the population falling by -5.1% at the height of the pandemic. Recently, some of these losses have been reversed. Nevertheless, the metro still has 90,000 fewer people than it did five years ago.

Total employment has recovered and 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 in San Francisco are also living in the metro area. After falling to a 10-year low of 2.3% in 2022, the unemployment rate has increased to 2.9% in 2023. Layoffs in the technology sector have improved liquidity in the tight employment market but have also contributed to some weakening of demand in residential and retail markets.

Innovation in life sciences and biotechnology has driven growth in areas such as South San Francisco, and prompted developers to move forward with a range of lab space, R&D space, and residential construction projects. That said, delivery of life science projects is occurring at a time when businesses are cutting back on capital commitments, as high interest rates impact company valuations and dampen interest from venture capital and other investors.

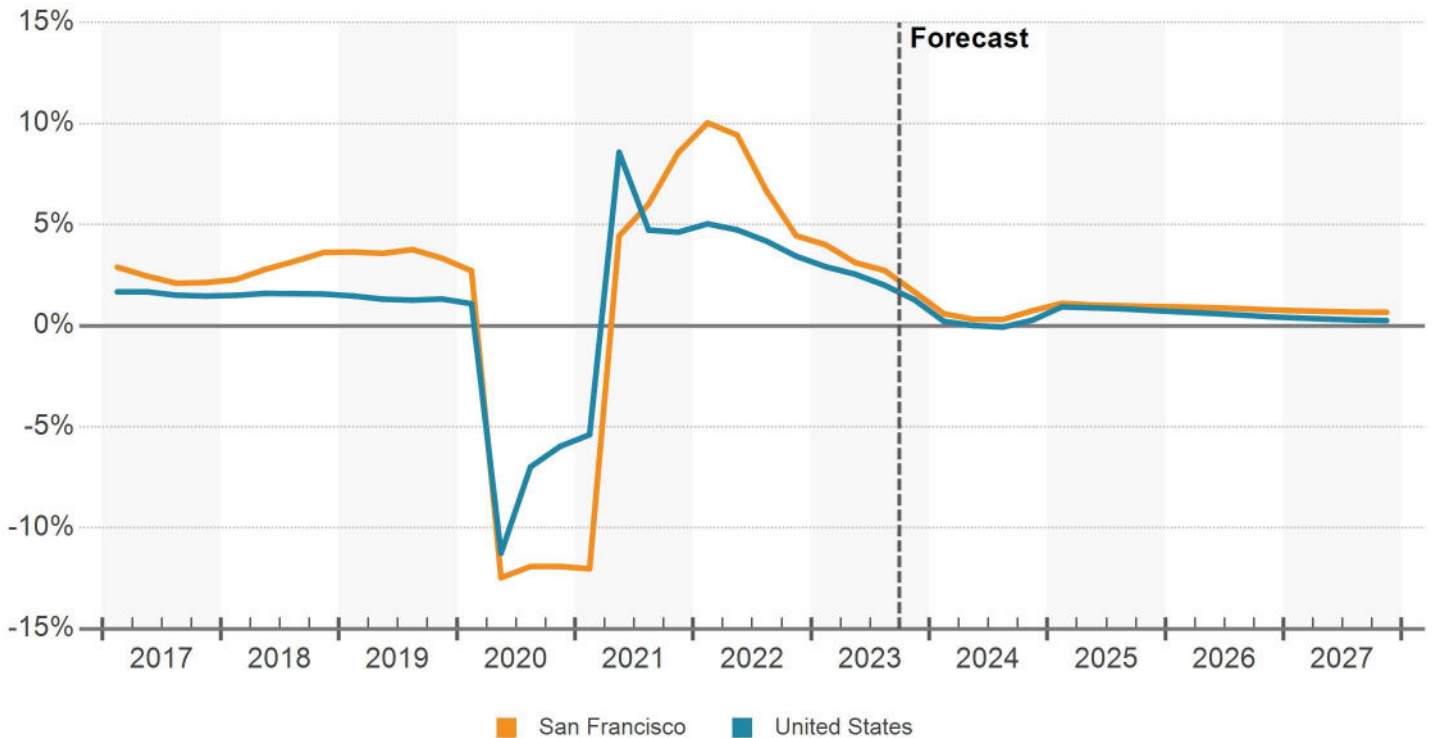
Future tech growth in new areas such as AI is expected to remain focused in the Bay Area, as is evident by an increase in leasing activity by AI companies in the second half of 2023.

### 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	-0.43%	0.26%	0.68%	0.74%	0.42%	0.06%
Trade, Transportation and Utilities	137	0.6	-0.33%	0.24%	0.10%	1.08%	-0.08%	0.13%
Retail Trade	67	0.6	-0.91%	0.42%	-1.59%	0.26%	-0.20%	0.10%
Financial Activities	91	1.3	1.80%	0.72%	2.27%	1.47%	-0.01%	0.13%
Government	137	0.8	2.17%	1.73%	1.52%	0.37%	0.48%	0.39%
Natural Resources, Mining and Construction	41	0.6	0.13%	1.92%	2.71%	2.39%	0.95%	0.24%
Education and Health Services	159	0.8	4.67%	3.43%	2.75%	1.88%	0.58%	0.65%
Professional and Business Services	315	1.8	1.22%	0.94%	3.26%	2.04%	0.83%	0.49%
Information	124	5.3	-3.53%	-2.42%	9.31%	1.14%	1.73%	0.30%
Leisure and Hospitality	134	1.0	10.49%	3.43%	0.50%	1.50%	1.38%	0.84%
Other Services	40	0.9	3.70%	2.00%	0.25%	0.65%	0.48%	0.26%
<b>Total Employment</b>	<b>1,217</b>	<b>1.0</b>	<b>2.05%</b>	<b>1.54%</b>	<b>2.39%</b>	<b>1.33%</b>	<b>0.73%</b>	<b>0.39%</b>

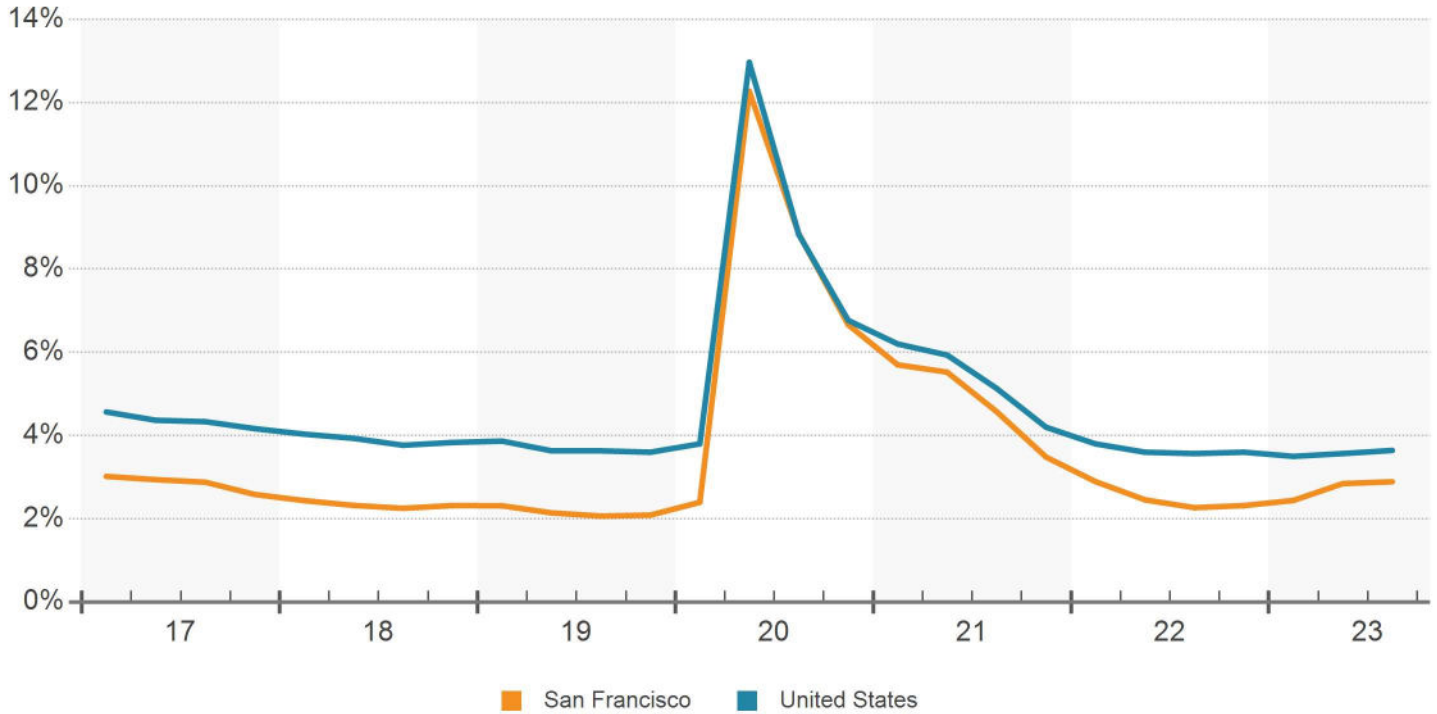
Source: Oxford Economics  
LQ = Location Quotient

### JOB GROWTH (YOY)

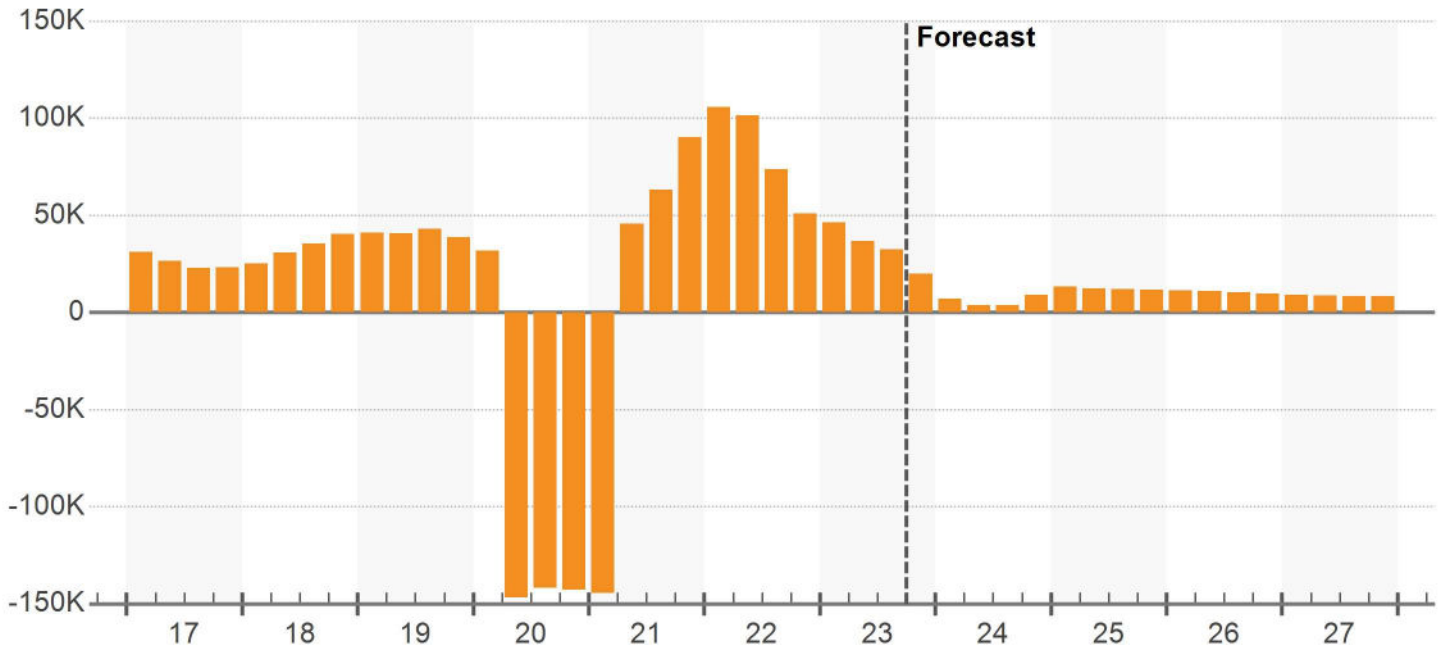


Source: Oxford Economics

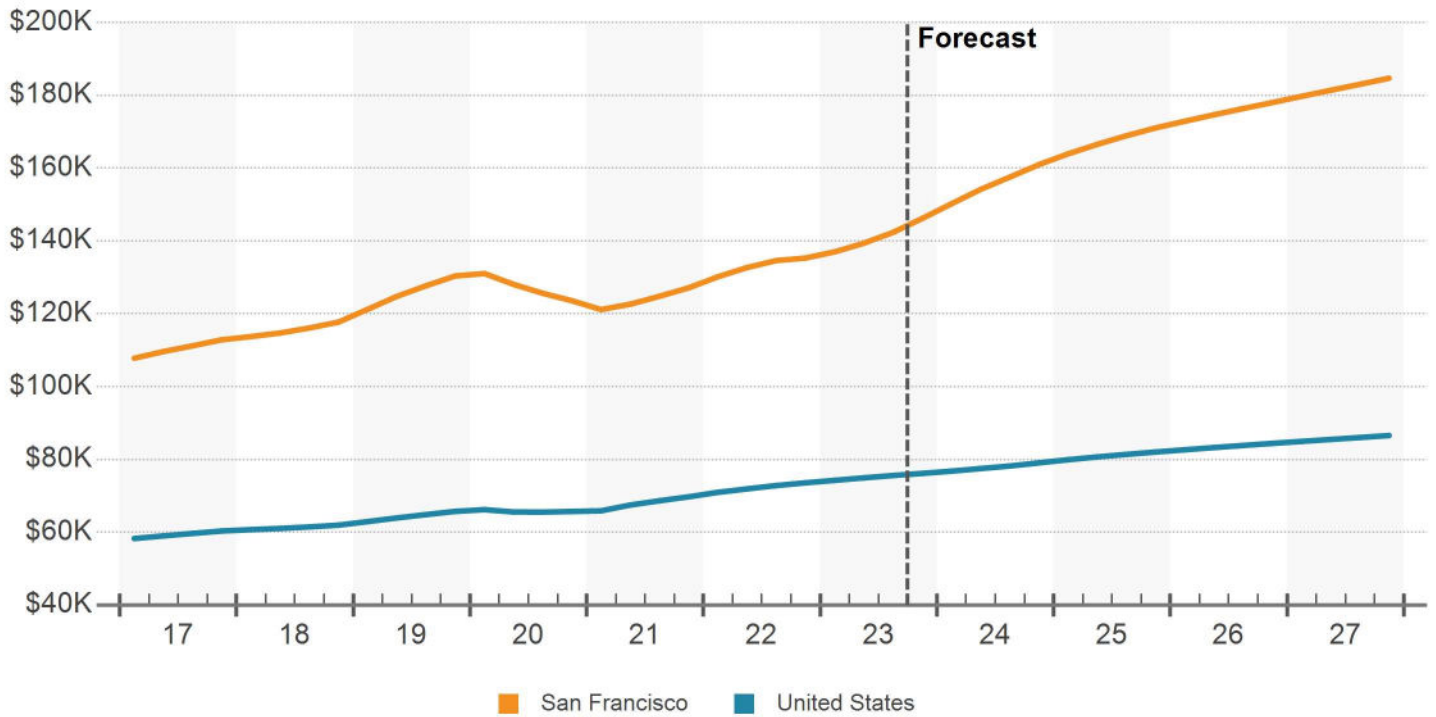
### UNEMPLOYMENT RATE (%)



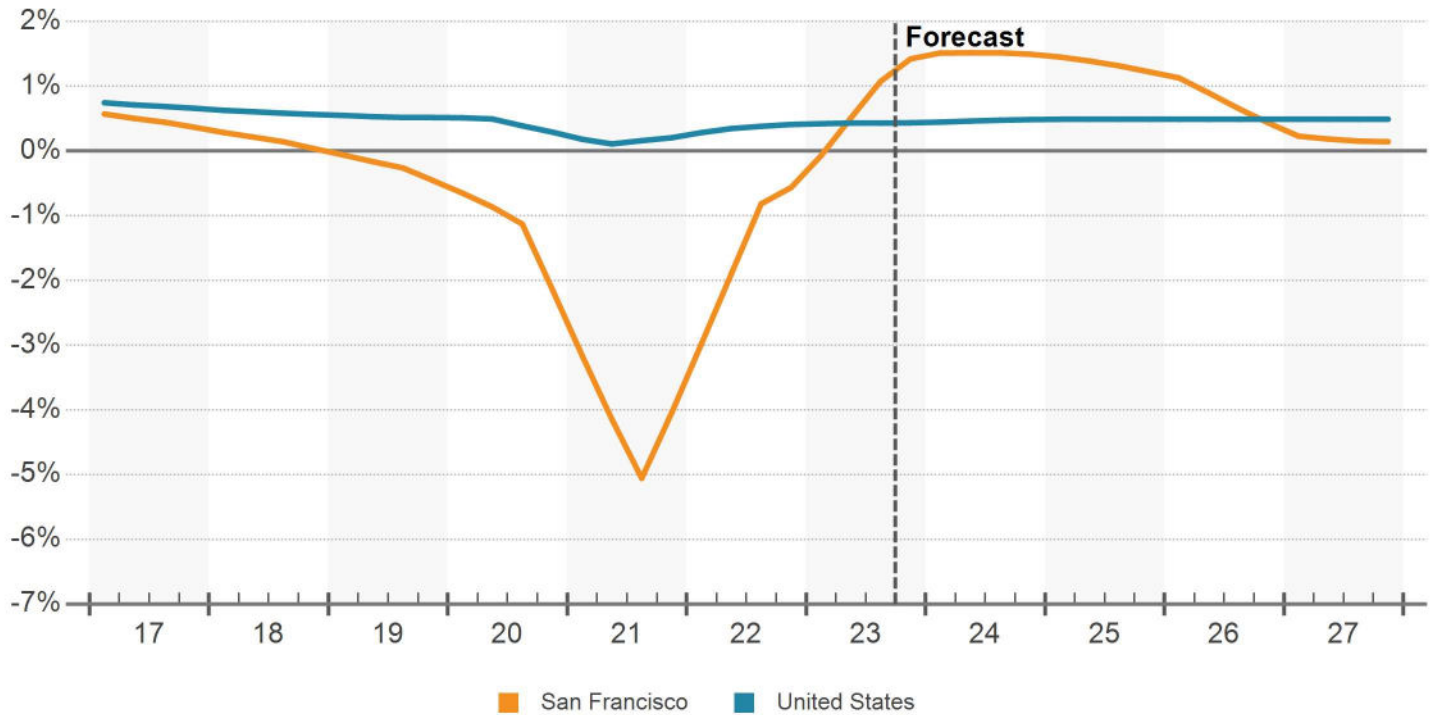
### NET EMPLOYMENT CHANGE (YOY)



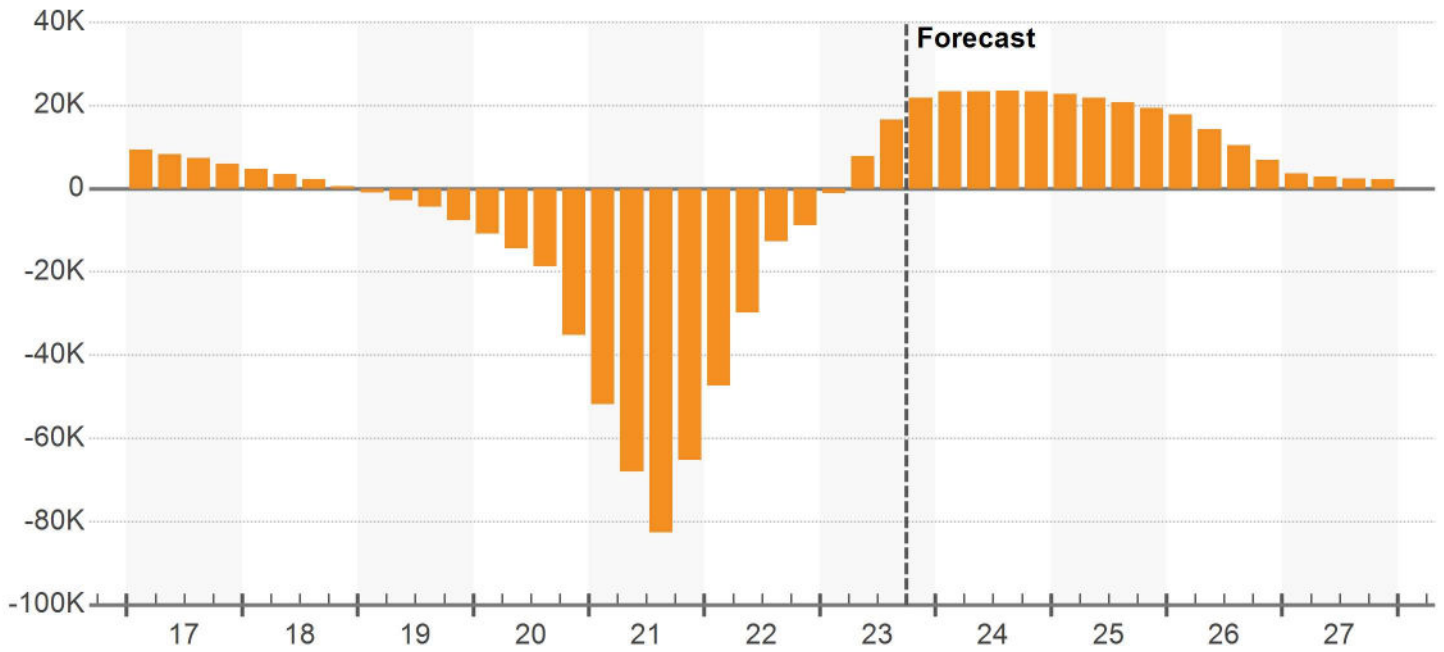
### MEDIAN HOUSEHOLD INCOME



### 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	1,557,943	334,969,969	1.3%	0.4%	-0.2%	0.5%	0.7%	0.5%
Households	627,027	130,762,383	1.5%	0.6%	0%	0.9%	0.8%	0.6%
Median Household Income	\$144,773	\$75,938	7.2%	3.6%	5.7%	3.8%	5.7%	3.1%
Labor Force	1,044,818	167,555,109	1.5%	1.8%	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



### 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	355	7,565	8.2%	3	0	0	0%	-	0	-	-	-
2	Belmont/San Carlos	477	7,416	8.0%	5	0	0	0%	-	4	616	8.3%	4
3	Brisbane/Daly City	174	6,950	7.5%	6	0	0	0%	-	3	621	8.9%	3
4	Burlingame	223	5,121	5.5%	9	1	22	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	4,609	5.0%	10	0	0	0%	-	1	255	5.5%	6
7	Mission Bay/China Basin	150	5,224	5.6%	8	0	0	0%	-	1	213	4.1%	8
8	Mission/Potrero	475	10,322	11.1%	2	0	0	0%	-	0	-	-	-
9	Northwest San Francisco	39	553	0.6%	17	0	0	0%	-	0	-	-	-
10	Peninsula Coastline	29	453	0.5%	18	1	2	0.5%	5	0	-	-	-
11	Redwood City	412	5,962	6.4%	7	1	24	0.4%	3	1	31	0.5%	9
12	San Bruno/Millbrae	63	893	1.0%	15	0	0	0%	-	3	533	59.7%	5
13	San Mateo	175	1,588	1.7%	12	0	0	0%	-	2	248	15.6%	7
14	South Financial District/S...	50	1,343	1.4%	13	0	0	0%	-	0	-	-	-
15	South of Market	579	7,513	8.1%	4	1	152	2.0%	2	1	29	0.4%	10
16	South San Francisco	524	22,874	24.7%	1	4	792	3.5%	1	8	1,810	7.9%	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	-	-	-



### SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Bayview/Hunters Point	\$21.65	17	3.0%	4	-2.0%	15
2	Belmont/San Carlos	\$26	11	1.6%	15	-1.1%	2
3	Brisbane/Daly City	\$23.93	14	2.9%	5	-1.7%	9
4	Burlingame	\$23.08	16	2.6%	9	-1.8%	10
5	Foster City/Redwood Shrs	\$35.79	2	1.4%	17	-2.1%	16
6	Menlo Park	\$25.68	13	2.0%	13	-1.8%	13
7	Mission Bay/China Basin	\$29.09	4	2.5%	10	-1.8%	12
8	Mission/Potrero	\$25.92	12	2.7%	6	-1.6%	4
9	Northwest San Francisco	\$26.70	10	2.3%	12	-1.7%	7
10	Peninsula Coastline	\$17.10	19	0.2%	19	-1.8%	11
11	Redwood City	\$28.57	8	2.4%	11	-2.5%	17
12	San Bruno/Millbrae	\$28.57	7	3.0%	3	-1.7%	8
13	San Mateo	\$27.98	9	1.5%	16	-2.0%	14
14	South Financial District/S...	\$44.30	1	1.8%	14	0.6%	1
15	South of Market	\$34.97	3	0.3%	18	-4.4%	19
16	South San Francisco	\$28.67	6	2.6%	8	-4.2%	18
17	Southwest San Francisco	\$23.77	15	2.7%	7	-1.7%	6
18	Treasure/Yerba Buena Isl...	\$10.59	20	3.9%	1	-1.4%	3
19	Van Ness/Downtown	\$19.71	18	-1.4%	20	-6.7%	20
20	Waterfront/North Beach	\$28.80	5	3.1%	2	-1.7%	5

### SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Bayview/Hunters Point	284,835	3.8%	2	203,583	2.7%	1	-
2	Belmont/San Carlos	535,059	7.2%	5	(357,557)	-4.8%	20	-
3	Brisbane/Daly City	578,430	8.3%	6	(113,864)	-1.6%	14	-
4	Burlingame	204,415	4.0%	3	6,898	0.1%	3	-
5	Foster City/Redwood Shrs	217,714	11.5%	12	(50,355)	-2.7%	11	-
6	Menlo Park	286,377	6.2%	4	(184,271)	-4.0%	15	-
7	Mission Bay/China Basin	476,235	9.1%	10	(279,344)	-5.3%	18	-
8	Mission/Potrero	929,757	9.0%	9	17,074	0.2%	2	-
9	Northwest San Francisco	69,252	12.5%	13	(9,252)	-1.7%	6	-
10	Peninsula Coastline	143,000	31.6%	18	(18,448)	-4.1%	9	-
11	Redwood City	528,481	8.9%	7	(188,329)	-3.2%	16	-
12	San Bruno/Millbrae	261,709	29.3%	17	(17,378)	-1.9%	8	-
13	San Mateo	302,922	19.1%	15	(231,294)	-14.6%	17	-
14	South Financial District/S...	120,199	9.0%	8	(32,435)	-2.4%	10	-
15	South of Market	1,203,751	16.0%	14	(104,976)	-1.4%	13	-
16	South San Francisco	2,280,100	10.0%	11	(333,232)	-1.5%	19	-
17	Southwest San Francisco	-	-	-	958	0.2%	4	-
18	Treasure/Yerba Buena Isl...	-	-	-	0	0%	-	-
19	Van Ness/Downtown	138,746	25.0%	16	(91,574)	-16.5%	12	-
20	Waterfront/North Beach	29,627	2.6%	1	(15,863)	-1.4%	7	-

### OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	101,829,937	(565,982)	-0.6%	726,815	0.7%	-
2026	102,395,919	(668,214)	-0.6%	970,743	0.9%	-
2025	103,064,133	829,404	0.8%	946,389	0.9%	0.9
2024	102,234,729	2,512,751	2.5%	358,228	0.4%	7.0
2023	99,721,978	1,196,030	1.2%	(2,388,608)	-2.4%	-
YTD	99,278,182	752,234	0.8%	(1,946,570)	-2.0%	-
2022	98,525,948	797,026	0.8%	532,761	0.5%	1.5
2021	97,728,922	210,760	0.2%	156,523	0.2%	1.3
2020	97,518,162	837,256	0.9%	(1,006,909)	-1.0%	-
2019	96,680,906	576,164	0.6%	(82,881)	-0.1%	-
2018	96,104,742	(282,269)	-0.3%	(266,447)	-0.3%	-
2017	96,387,011	(880,023)	-0.9%	(309,486)	-0.3%	-
2016	97,267,034	(316,362)	-0.3%	(717,565)	-0.7%	-
2015	97,583,396	(1,040,060)	-1.1%	(286,099)	-0.3%	-
2014	98,623,456	(583,353)	-0.6%	1,087,591	1.1%	-
2013	99,206,809	(1,128,760)	-1.1%	896,576	0.9%	-
2012	100,335,569	(715,061)	-0.7%	(922,265)	-0.9%	-
2011	101,050,630	(892,962)	-0.9%	(206,690)	-0.2%	-

### SPECIALIZED INDUSTRIAL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	17,474,537	(101,863)	-0.6%	113,814	0.7%	-
2026	17,576,400	(102,506)	-0.6%	(34,738)	-0.2%	-
2025	17,678,906	(102,256)	-0.6%	(172,065)	-1.0%	-
2024	17,781,162	(99,410)	-0.6%	(206,938)	-1.2%	-
2023	17,880,572	0	0%	(137,267)	-0.8%	-
YTD	17,880,572	0	0%	16,936	0.1%	0
2022	17,880,572	(43,731)	-0.2%	(30,467)	-0.2%	-
2021	17,924,303	95,481	0.5%	81,569	0.5%	1.2
2020	17,828,822	(60,123)	-0.3%	(263,328)	-1.5%	-
2019	17,888,945	(92,018)	-0.5%	(190,491)	-1.1%	-
2018	17,980,963	(155,998)	-0.9%	(268,580)	-1.5%	-
2017	18,136,961	(188,736)	-1.0%	(206,991)	-1.1%	-
2016	18,325,697	(249,856)	-1.3%	202,947	1.1%	-
2015	18,575,553	(295,443)	-1.6%	(359,964)	-1.9%	-
2014	18,870,996	(286,943)	-1.5%	(170,555)	-0.9%	-
2013	19,157,939	(164,005)	-0.8%	(145,878)	-0.8%	-
2012	19,321,944	(49,152)	-0.3%	(55,731)	-0.3%	-
2011	19,371,096	(44,062)	-0.2%	(98,760)	-0.5%	-

### LOGISTICS SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	47,879,100	(298,752)	-0.6%	230,916	0.5%	-
2026	48,177,852	(300,594)	-0.6%	(117,456)	-0.2%	-
2025	48,478,446	(299,953)	-0.6%	(494,611)	-1.0%	-
2024	48,778,399	(292,552)	-0.6%	(514,207)	-1.1%	-
2023	49,070,951	(31,510)	-0.1%	(1,102,076)	-2.2%	-
YTD	49,070,951	(31,510)	-0.1%	(741,116)	-1.5%	-
2022	49,102,461	(249,396)	-0.5%	206,158	0.4%	-
2021	49,351,857	(317,283)	-0.6%	(125,996)	-0.3%	-
2020	49,669,140	(308,118)	-0.6%	(957,512)	-1.9%	-
2019	49,977,258	(303,903)	-0.6%	(912,903)	-1.8%	-
2018	50,281,161	(163,844)	-0.3%	(142,011)	-0.3%	-
2017	50,445,005	(335,505)	-0.7%	(33,143)	-0.1%	-
2016	50,780,510	(181,673)	-0.4%	(153,607)	-0.3%	-
2015	50,962,183	(605,623)	-1.2%	(357,042)	-0.7%	-
2014	51,567,806	(213,645)	-0.4%	593,140	1.2%	-
2013	51,781,451	(941,691)	-1.8%	522,736	1.0%	-
2012	52,723,142	(630,707)	-1.2%	(971,009)	-1.8%	-
2011	53,353,849	(682,079)	-1.3%	(359,671)	-0.7%	-

### FLEX SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2027	36,476,300	(165,367)	-0.5%	382,085	1.0%	-
2026	36,641,667	(265,114)	-0.7%	1,122,937	3.1%	-
2025	36,906,781	1,231,613	3.5%	1,613,065	4.4%	0.8
2024	35,675,168	2,904,713	8.9%	1,079,373	3.0%	2.7
2023	32,770,455	1,227,540	3.9%	(1,149,265)	-3.5%	-
YTD	32,326,659	783,744	2.5%	(1,222,390)	-3.8%	-
2022	31,542,915	1,090,153	3.6%	357,070	1.1%	3.1
2021	30,452,762	432,562	1.4%	200,950	0.7%	2.2
2020	30,020,200	1,205,497	4.2%	213,931	0.7%	5.6
2019	28,814,703	972,085	3.5%	1,020,513	3.5%	1.0
2018	27,842,618	37,573	0.1%	144,144	0.5%	0.3
2017	27,805,045	(355,782)	-1.3%	(69,352)	-0.2%	-
2016	28,160,827	115,167	0.4%	(766,905)	-2.7%	-
2015	28,045,660	(138,994)	-0.5%	430,907	1.5%	-
2014	28,184,654	(82,765)	-0.3%	665,006	2.4%	-
2013	28,267,419	(23,064)	-0.1%	519,718	1.8%	-
2012	28,290,483	(35,202)	-0.1%	104,475	0.4%	-
2011	28,325,685	(166,821)	-0.6%	251,741	0.9%	-

### OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$31.45	189	5.4%	16.7%	8,722,857	8.6%	-1.2%
2026	\$29.84	180	5.4%	10.8%	10,014,307	9.8%	-1.5%
2025	\$28.32	171	3.4%	5.1%	11,631,941	11.3%	-0.2%
2024	\$27.39	165	0.1%	1.7%	11,746,891	11.5%	1.8%
2023	\$27.36	165	1.6%	1.6%	9,629,253	9.7%	3.5%
YTD	\$27.42	165	2.2%	1.8%	8,743,419	8.8%	2.7%
2022	\$26.94	162	5.8%	0%	6,045,840	6.1%	0.2%
2021	\$25.47	153	6.0%	-5.5%	5,781,575	5.9%	0%
2020	\$24.03	145	3.7%	-10.8%	5,727,338	5.9%	1.9%
2019	\$23.18	140	4.1%	-14.0%	3,870,500	4.0%	0.6%
2018	\$22.26	134	5.6%	-17.4%	3,236,628	3.4%	0%
2017	\$21.07	127	5.5%	-21.8%	3,245,975	3.4%	-0.6%
2016	\$19.98	120	6.4%	-25.8%	3,816,512	3.9%	0.4%
2015	\$18.79	113	6.4%	-30.3%	3,415,309	3.5%	-0.7%
2014	\$17.65	106	6.0%	-34.5%	4,166,262	4.2%	-1.7%
2013	\$16.66	100	4.2%	-38.2%	5,837,206	5.9%	-2.0%
2012	\$15.98	96	1.8%	-40.7%	7,862,542	7.8%	0.3%
2011	\$15.70	95	0.3%	-41.7%	7,655,339	7.6%	-0.6%

### SPECIALIZED INDUSTRIAL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$26.55	195	5.7%	17.0%	800,479	4.6%	-1.2%
2026	\$25.11	184	5.7%	10.7%	1,013,966	5.8%	-0.3%
2025	\$23.75	174	3.8%	4.7%	1,078,897	6.1%	0.4%
2024	\$22.87	168	0.6%	0.8%	1,006,367	5.7%	0.6%
2023	\$22.74	167	0.3%	0.3%	896,289	5.0%	0.8%
YTD	\$22.79	167	1.0%	0.5%	742,086	4.2%	-0.1%
2022	\$22.68	166	6.1%	0%	759,022	4.2%	-0.1%
2021	\$21.38	157	6.5%	-5.7%	772,286	4.3%	0.1%
2020	\$20.08	147	3.9%	-11.4%	758,374	4.3%	1.2%
2019	\$19.32	142	4.2%	-14.8%	555,169	3.1%	0.6%
2018	\$18.54	136	6.0%	-18.2%	456,696	2.5%	0.6%
2017	\$17.50	128	6.4%	-22.8%	344,114	1.9%	0.1%
2016	\$16.45	121	6.5%	-27.5%	325,859	1.8%	-2.4%
2015	\$15.44	113	6.5%	-31.9%	778,662	4.2%	0.4%
2014	\$14.49	106	6.2%	-36.1%	711,133	3.8%	-0.6%
2013	\$13.65	100	4.0%	-39.8%	827,521	4.3%	-0.1%
2012	\$13.12	96	1.6%	-42.2%	845,648	4.4%	0%
2011	\$12.91	95	1.0%	-43.1%	839,069	4.3%	0.3%

### LOGISTICS RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$25.78	209	5.7%	19.6%	2,622,471	5.5%	-1.1%
2026	\$24.39	198	5.7%	13.1%	3,151,007	6.5%	-0.3%
2025	\$23.07	187	3.8%	7.0%	3,329,653	6.9%	0.5%
2024	\$22.22	180	0.5%	3.1%	3,130,434	6.4%	0.5%
2023	\$22.10	179	2.5%	2.5%	2,901,516	5.9%	2.2%
YTD	\$22.13	179	3.4%	2.6%	2,540,556	5.2%	1.4%
2022	\$21.56	175	8.2%	0%	1,832,175	3.7%	-0.9%
2021	\$19.92	162	7.3%	-7.6%	2,287,729	4.6%	-0.4%
2020	\$18.56	151	5.7%	-13.9%	2,479,016	5.0%	1.3%
2019	\$17.56	142	5.7%	-18.6%	1,832,122	3.7%	1.2%
2018	\$16.61	135	6.8%	-23.0%	1,223,122	2.4%	0%
2017	\$15.55	126	6.6%	-27.9%	1,244,955	2.5%	-0.6%
2016	\$14.58	118	6.6%	-32.4%	1,547,317	3.0%	0%
2015	\$13.67	111	6.9%	-36.6%	1,575,383	3.1%	-0.4%
2014	\$12.79	104	6.2%	-40.7%	1,823,964	3.5%	-1.5%
2013	\$12.05	98	4.4%	-44.1%	2,630,749	5.1%	-2.7%
2012	\$11.54	94	1.0%	-46.5%	4,095,176	7.8%	0.7%
2011	\$11.42	93	0.1%	-47.0%	3,754,875	7.0%	-0.5%

### FLEX RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2027	\$41.22	175	5.0%	14.4%	5,299,907	14.5%	-1.4%
2026	\$39.24	166	5.0%	8.9%	5,849,334	16.0%	-3.6%
2025	\$37.38	158	2.9%	3.8%	7,223,391	19.6%	-1.8%
2024	\$36.32	154	-0.4%	0.8%	7,610,090	21.3%	3.5%
2023	\$36.45	154	1.2%	1.2%	5,831,448	17.8%	6.8%
YTD	\$36.55	155	1.6%	1.5%	5,460,777	16.9%	5.9%
2022	\$36.02	153	3.8%	0%	3,454,643	11.0%	2.0%
2021	\$34.69	147	4.9%	-3.7%	2,721,560	8.9%	0.6%
2020	\$33.07	140	2.1%	-8.2%	2,489,948	8.3%	3.1%
2019	\$32.38	137	3.0%	-10.1%	1,483,209	5.1%	-0.4%
2018	\$31.43	133	4.7%	-12.7%	1,556,810	5.6%	-0.4%
2017	\$30.01	127	4.4%	-16.7%	1,656,906	6.0%	-0.9%
2016	\$28.74	122	6.1%	-20.2%	1,943,336	6.9%	3.1%
2015	\$27.08	115	6.1%	-24.8%	1,061,264	3.8%	-2.0%
2014	\$25.54	108	5.8%	-29.1%	1,631,165	5.8%	-2.6%
2013	\$24.14	102	4.2%	-33.0%	2,378,936	8.4%	-1.9%
2012	\$23.17	98	2.3%	-35.7%	2,921,718	10.3%	-0.5%
2011	\$22.65	96	0.2%	-37.1%	3,061,395	10.8%	-1.4%

### 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
2027	-	-	-	-	-	-	\$510.35	298	5.3%
2026	-	-	-	-	-	-	\$455.67	266	5.6%
2025	-	-	-	-	-	-	\$406.24	237	5.9%
2024	-	-	-	-	-	-	\$379.27	222	6.1%
2023	-	-	-	-	-	-	\$418.39	244	5.6%
YTD	62	\$310.3M	0.8%	\$5,349,321	\$409.38	4.1%	\$441.21	258	5.4%
2022	158	\$1.6B	2.4%	\$11,034,733	\$664.41	4.3%	\$469.43	274	4.9%
2021	154	\$2.1B	3.7%	\$13,777,858	\$596.19	4.3%	\$464.81	272	4.5%
2020	98	\$1.9B	2.6%	\$20,671,280	\$791.27	5.1%	\$389.24	227	4.9%
2019	269	\$1.1B	3.8%	\$7,964,153	\$467.92	4.0%	\$332.84	194	5.3%
2018	272	\$1.1B	5.0%	\$9,398,774	\$400.98	4.6%	\$309.18	181	5.3%
2017	269	\$535.9M	3.9%	\$4,871,467	\$335	5.4%	\$277.64	162	5.4%
2016	284	\$756.5M	4.5%	\$4,944,720	\$296.86	3.6%	\$274.21	160	5.1%
2015	331	\$1.4B	7.4%	\$6,773,497	\$295.83	4.6%	\$250.61	146	5.2%
2014	325	\$816.1M	7.1%	\$4,435,076	\$175.78	6.3%	\$214.47	125	5.7%
2013	280	\$486.6M	4.2%	\$3,180,271	\$173.35	6.7%	\$191.52	112	5.9%
2012	397	\$425.2M	5.5%	\$2,500,973	\$151.97	5.9%	\$176.47	103	6.2%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(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
2027	-	-	-	-	-	-	\$448.44	289	5.5%
2026	-	-	-	-	-	-	\$399.93	258	5.8%
2025	-	-	-	-	-	-	\$356.12	230	6.1%
2024	-	-	-	-	-	-	\$331.73	214	6.3%
2023	-	-	-	-	-	-	\$363.99	235	5.8%
YTD	18	\$87.7M	1.3%	\$5,160,506	\$400.99	5.0%	\$383.69	247	5.6%
2022	28	\$124.5M	1.7%	\$4,447,581	\$402.26	3.9%	\$404.45	261	5.1%
2021	33	\$249.2M	2.0%	\$7,551,871	\$684.57	3.2%	\$399.92	258	4.7%
2020	24	\$106M	1.5%	\$4,416,007	\$404.78	4.3%	\$332	214	5.1%
2019	70	\$82.1M	3.4%	\$3,039,147	\$416.55	3.8%	\$289.58	187	5.4%
2018	94	\$183.3M	4.6%	\$5,236,228	\$345.36	3.4%	\$270.16	174	5.4%
2017	83	\$133.4M	4.3%	\$4,043,711	\$417.96	7.0%	\$247.10	159	5.5%
2016	86	\$123.4M	5.0%	\$3,525,917	\$260.42	2.4%	\$241.39	156	5.2%
2015	87	\$171.6M	5.1%	\$3,363,980	\$258.76	4.4%	\$223.28	144	5.3%
2014	87	\$86.7M	4.3%	\$2,407,333	\$247.04	6.0%	\$192.65	124	5.7%
2013	87	\$74.8M	4.4%	\$2,076,776	\$136.67	5.1%	\$171.88	111	6.0%
2012	124	\$61.5M	5.5%	\$1,538,484	\$136.27	6.2%	\$159.01	103	6.2%

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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
2027	-	-	-	-	-	-	\$435.89	301	5.5%
2026	-	-	-	-	-	-	\$388.67	268	5.7%
2025	-	-	-	-	-	-	\$345.99	239	6.0%
2024	-	-	-	-	-	-	\$322.25	222	6.3%
2023	-	-	-	-	-	-	\$353.98	244	5.8%
YTD	33	\$179.1M	0.9%	\$5,970,235	\$396.98	3.8%	\$373.07	258	5.5%
2022	94	\$427.4M	1.9%	\$5,410,092	\$465.94	4.8%	\$403.09	278	4.9%
2021	87	\$824.6M	4.0%	\$9,588,775	\$417	4.6%	\$397.03	274	4.6%
2020	48	\$478.4M	2.0%	\$10,177,857	\$497.87	5.7%	\$328.37	227	5.0%
2019	139	\$449.3M	3.4%	\$5,686,902	\$372.76	3.8%	\$274.57	190	5.4%
2018	122	\$239.2M	4.1%	\$4,984,371	\$364.98	4.8%	\$255.33	176	5.4%
2017	136	\$189.9M	3.7%	\$3,875,776	\$233.07	-	\$231.68	160	5.5%
2016	141	\$234.2M	4.3%	\$3,208,647	\$215.20	3.8%	\$226.99	157	5.3%
2015	151	\$425.8M	7.3%	\$4,950,892	\$216.75	3.9%	\$210.01	145	5.3%
2014	160	\$258.1M	5.9%	\$3,001,415	\$169.58	7.0%	\$179.54	124	5.8%
2013	128	\$260.3M	3.8%	\$3,827,972	\$195.10	7.0%	\$160.39	111	6.1%
2012	217	\$237.5M	6.8%	\$2,527,125	\$151.54	6.0%	\$148.74	103	6.3%

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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.

### 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
2027	-	-	-	-	-	-	\$637.49	299	5.1%
2026	-	-	-	-	-	-	\$570.10	267	5.4%
2025	-	-	-	-	-	-	\$509.13	239	5.7%
2024	-	-	-	-	-	-	\$476.70	223	5.9%
2023	-	-	-	-	-	-	\$528.80	248	5.4%
YTD	11	\$43.4M	0.3%	\$3,947,727	\$493.89	-	\$557.99	262	5.2%
2022	36	\$1B	3.6%	\$28,501,035	\$893.67	4.8%	\$587.42	275	4.7%
2021	34	\$992.8M	4.1%	\$32,026,848	\$882.57	5.0%	\$584.61	274	4.3%
2020	26	\$1.4B	4.1%	\$59,076,385	\$1,101.96	5.0%	\$496.36	233	4.7%
2019	60	\$591.6M	4.7%	\$16,903,526	\$593.03	5.0%	\$429.86	202	5.0%
2018	56	\$677.1M	6.6%	\$19,915,847	\$435.11	5.4%	\$398.39	187	5.0%
2017	50	\$212.5M	3.9%	\$7,589,494	\$456.51	4.9%	\$352.47	165	5.2%
2016	57	\$398.9M	4.7%	\$8,864,529	\$404.49	-	\$351.78	165	4.9%
2015	93	\$811.5M	9.0%	\$11,430,250	\$380.12	5.0%	\$316.86	149	5.0%
2014	78	\$471.3M	11.3%	\$7,601,102	\$170.17	5.7%	\$270.69	127	5.5%
2013	65	\$151.5M	5.0%	\$3,092,153	\$163.69	6.7%	\$241.71	113	5.7%
2012	56	\$126.1M	3.2%	\$3,502,117	\$161.95	5.7%	\$221.15	104	6.0%

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