

MARKET TRENDS

PENINSULA INDUSTRIAL

↑ VACANCY ↓ ABSORPTION
 ↓ RENTAL RATES ↔ CONSTRUCTION DELIVERIES

Year-Over-Year Change

SIGNIFICANT SALE TRANSACTIONS 1Q 2024

Property	Submarket	SF	Sale Price	\$/SF	Buyer	Seller
352-362 E Grand Ave	South San Francisco	23,000	\$7,200,000	\$313.04	Acme Bread Co	LBC Express, Inc.
807 E Bayshore Rd	Menlo Park	4,615	\$2,500,000	\$541.71	Benjamin Barrigan	Alanna B Light
360 Swift Ave	South San Francisco	4,800	\$2,250,000	\$468.75	Simply Cake	Robert Purdy
20 S Linden Ave	South San Francisco	3,373	\$1,250,000	\$370.59	Undisclosed	Undisclosed
1025 S Claremont St	San Mateo	2,000	\$950,000	\$475.00	Mi Rancho Supermarket	Tema Properties

SIGNIFICANT LEASE TRANSACTIONS 1Q 2024

Property	Submarket	SF	Transaction Date	Landlord	Tenant
370 Portage Ave	Menlo Park	71,029	February 2024	The Sobrato Organization	Global Playground
901 Shasta	Redwood City	23,000	February 2024	W.L. Butler Construction, Inc.	Sequoia
590 Taylor Way	Belmont/San Carlos	23,000	February 2024	Cox Trustees	Zap Surgical
224 Ryan Way	Belmont	21,682	March 2024	224 Egrets Llc	Steven Engineering
400 Chesapeake Dr	Redwood City	19,600	March 2024	Healthpeak Properties, Inc.	Avinger

MARKET BREAKDOWN

	1Q24	4Q23	1Q23	YOY Change
Direct Vacancy Rate	5.6%	4.5%	3.6%	200-bps
Total Availability Rate	7.5%	6.1%	4.6%	290-bps
Direct Asking Lease Rate	\$2.11	\$2.07	\$2.31	-8.66%

	1Q24	2023 Total	1Q23	YOY Change
Leasing Activity (SF)	75,681	1,062,954	285,998	-73.54%
Sales Volume (SF)	125,615	746,271	59,713	110.36%
Net Absorption (SF)	(382,119)	(489,351)	(215,184)	N/A



PENINSULA INDUSTRIAL SUBMARKET STATISTICS

Submarket	Total Inventory	Direct Vacancy Rate	Sublet Vacancy Rate	Total Vacancy Rate	Total Available Rate	1Q24 Total Net Absorption	YTD Total Net Absorption	1Q24 Leasing Activity	YTD Leasing Activity	Avg Direct RentalRate
Brisbane/Daly City	4,842,775	7.3%	0.5%	7.7%	9.8%	-93,691	-93,691	0	0	\$1.90
South San Francisco	12,192,158	4.5%	0.8%	5.3%	9.4%	-169,730	-169,730	25,000	25,000	\$1.92
San Bruno/Millbrae	728,799	36.1%	0.0%	36.1%	5.6%	-18,400	-18,400	800	800	\$1.87
Burlingame	3,540,618	6.1%	0.0%	6.1%	6.1%	-63,074	-63,074	14,935	14,935	\$2.16
San Mateo	798,551	9.1%	0.6%	9.7%	11.0%	-12,915	-12,915	0	0	\$1.93
Belmont/San Carlos	3,678,412	2.6%	0.1%	2.7%	3.6%	-16,505	-16,505	5,276	5,276	\$2.35
Redwood City	2,473,332	6.0%	0.0%	6.0%	6.1%	-12,804	-12,804	29,670	29,670	\$2.76
Menlo Park	2,310,802	1.7%	0.0%	1.7%	3.9%	5,000	5,000	0	0	\$2.60
Industrial Total	30,940,362	5.6%	0.4%	6.0%	7.6%	-382,119	-382,119	75,681	75,681	\$2.11

PENINSULA R&D SUBMARKET STATISTICS

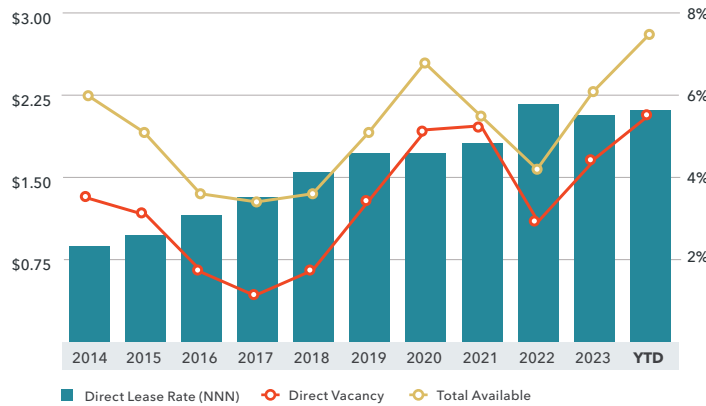
Submarket	Total Inventory	Direct Vacancy Rate	Sublet Vacancy Rate	Total Vacancy Rate	Total Available Rate	1Q24 Total Net Absorption	YTD Total Net Absorption	1Q24 Leasing Activity	YTD Leasing Activity	Avg Direct RentalRate
South San Francisco	7,912,399	8.3%	5.2%	13.5%	22.6%	-96,120	-96,120	0	0	\$6.65
San Bruno/Millbrae	144,229	12.5%	0.0%	12.5%	379.5%	0	0	0	0	\$4.19
Burlingame	847,122	3.0%	1.4%	4.4%	8.7%	-7,579	-7,579	5,460	5,460	\$3.74
San Mateo	437,062	51.2%	0.0%	54.2%	54.7%	-13,032	-13,032	0	0	\$6.01
Belmont/San Carlos	1,829,184	25.2%	2.3%	27.5%	28.1%	-18,845	-18,845	1,800	1,800	\$5.64
Redwood City	1,973,896	14.7%	5.4%	20.1%	33.7%	-28,696	-28,696	0	0	\$4.89
Menlo Park	1,785,971	4.6%	7.5%	12.1%	13.2%	-7,053	-7,053	134	134	\$5.56
R&D Total	16,493,340	11.6%	4.6%	16.2%	25.4%	-171,325	-171,325	7,394	7,394	\$5.74

BIGGEST SALE OF THE QUARTER

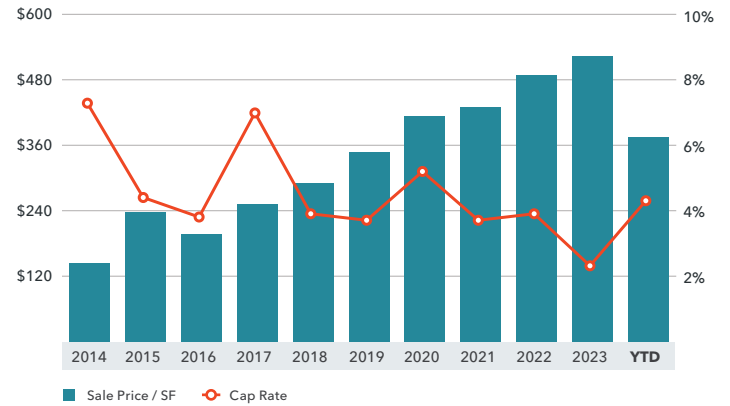
352-362 E Grand Ave, South San Francisco



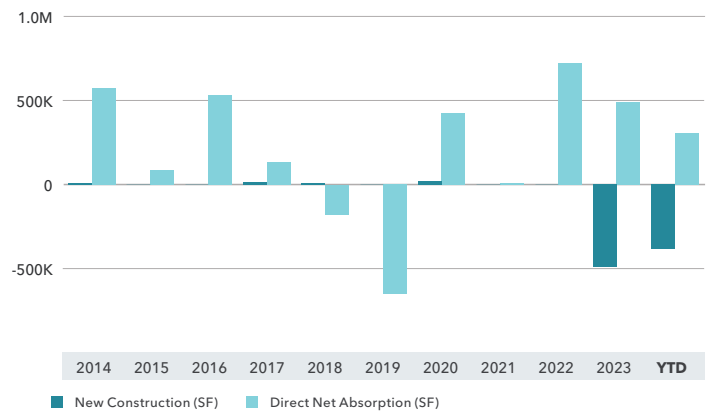
LEASE RATE, VACANCY & AVAILABILITY



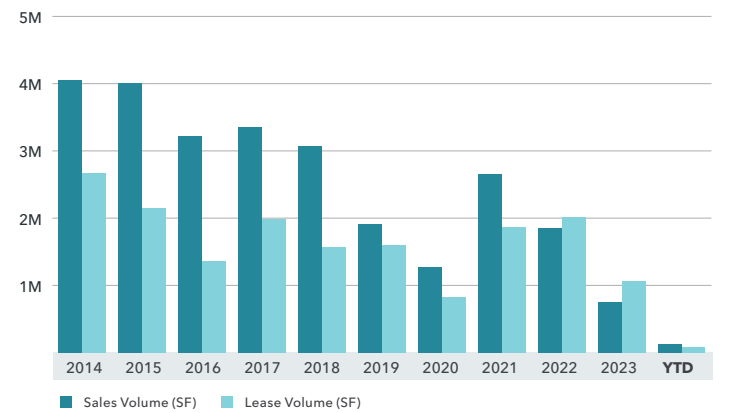
AVERAGE SALES PRICE/SF & CAP RATES



NEW CONSTRUCTION & ABSORPTION



SALE VOLUME & LEASE VOLUME



Data Source: CoStar



Kidder Mathews is the largest independent commercial real estate firm on the West Coast, with over 900 real estate professionals and staff in 19 offices in Washington, Oregon, California, Nevada, and Arizona. We offer a complete range of brokerage, appraisal, asset services, consulting, and debt & equity finance services for all property types.

The information in this report was composed by the Kidder Mathews Research Group.

GARY BARAGONA
 Director of Research
 415.229.8925
 gary.baragona@kidder.com

DAVID NELSON
 Regional President, Brokerage
 Northern California & Nevada
 650.769.3600
 david.nelson@kidder.com
 LIC N° 01716942

COMMERCIAL BROKERAGE	<i>\$10B</i> 3-YEAR AVERAGE TRANSACTION VOLUME	<i>31.7M</i> ANNUAL SALES SF	<i>42.4M</i> ANNUAL LEASING SF
ASSET SERVICES	<i>51M SF</i> MANAGEMENT PORTFOLIO SIZE	<i>750+</i> ASSETS UNDER MANAGEMENT	<i>250+</i> CLIENTS SERVED
VALUATION ADVISORY	<i>2,600+</i> 3-YEAR AVERAGE ASSIGNMENTS	<i>43</i> TOTAL APPRAISERS	<i>25</i> WITH MAI DESIGNATIONS

This information supplied herein is from sources we deem reliable. It is provided without any representation, warranty or guarantee, expressed or implied as to its accuracy. Prospective Buyer or Tenant should conduct an independent investigation and verification of all matters deemed to be material, including, but not limited to, statements of income and expenses. Consult your attorney, accountant, or other professional advisor.