Kidder Mathews

2Q 2026

MARKET TRENDS

PENINSULA *INDUSTRIAL*

↓ VACANCY	↑ ABSORPTION
↓ RENTAL RATES	↔ CONSTRUCTION DELIVERIES

Year-Over-Year Change

SIGNIFICANT SALE TRANSACTIONS 2Q 2026

Property	Submarket	SF	Sale Price	$/SF	Buyer	Seller
2634 Bayshore Blvd	Brisbane/Daly City	12,340	$4,100,000	$332.25	Threeandnine, LLC	Air Protein
1815 Bayshore Hwy	Burlingame	10,680	$3,825,000	$358.15	Constructive Solutions	Lorraine M Arnaudo Family Ptp
2951 Middlefield Rd	Redwood City	3,961	$1,900,000	$479.68	Door Pro Properties, LLC	Door Pros

SIGNIFICANT LEASE TRANSACTIONS 2Q 2026

Property	Submarket	SF	Transaction Date	Landlord	Tenant
576 Eccles Avenue	South San Francisco	24,194	May 2026	Odeko (Sublessor)	ZipLine
179 Starlite Street	South San Francisco	22,275	June 2026	Longpoint Realty Partners	Raison D'etre Bakery
845 Stanton Road	Burlingame	18,681	May 2026	Feltsberg, LLC	Any Breakers

MARKET BREAKDOWN

	2Q26	1Q26	2Q25	YOY Change
Direct Vacancy Rate	7.3%	7.7%	7.8%	**-50 bps**
Total Availability Rate	10.1%	9.6%	9.0%	**110 bps**
Direct Asking Lease Rate/SF/Mo	$1.98	$1.93	$2.05	**-3.3%**

	2Q26	2026 YTD	2025 YTD	YOY Change
Leasing Activity (SF)	234,570	639,316	634,454	**0.8%**
Sales Volume (SF)	240,670	313,315	616,869	**-49.2%**
Net Absorption (SF)	89,798	90,642	-498,218	**N/A**

PENINSULA INDUSTRIAL SUBMARKET STATISTICS

Submarket	Total Inventory	Direct Vacancy Rate	Sublet Vacancy Rate	Total Vacancy Rate	Total Available Rate	2Q26 Total Net Absorption	YTD Total Net Absorption	2Q26 Leasing Activity	YTD Leasing Activity	Avg Direct RentalRate
Brisbane/Daly City	4,732,108	5.1%	2.1%	7.3%	9.1%	(151,028)	(113,018)	4,692	19,734	$1.75
South San Francisco	12,359,056	7.3%	1.2%	8.4%	10.2%	198,844	215,082	131,629	397,361	$1.74
San Bruno/Millbrae	985,597	23.6%	0.0%	23.6%	23.6%	0	0	9,542	9,542	$1.90
Burlingame	3,224,335	7.0%	5.3%	12.3%	16.8%	95,716	73,315	52,887	116,759	$1.94
San Mateo	988,278	10.1%	1.0%	11.1%	14.6%	(5,531)	(5,319)	7,965	9,340	$2.10
Belmont/San Carlos	3,647,832	6.2%	0.8%	7.0%	8.6%	(21,634)	(53,192)	23,905	56,459	$2.39
Redwood City	2,767,977	4.8%	0.0%	4.9%	6.6%	(25,522)	(37,631)	3,950	23,869	$2.19
Menlo Park	2,220,337	9.6%	0.0%	9.6%	11.8%	(1,047)	11,405	0	6,252	$2.95
Industrial Total	**30,925,520**	**7.3%**	**1.5%**	**8.8%**	**10.1%**	**89,798**	**90,642**	**234,570**	**639,316**	**$1.98**

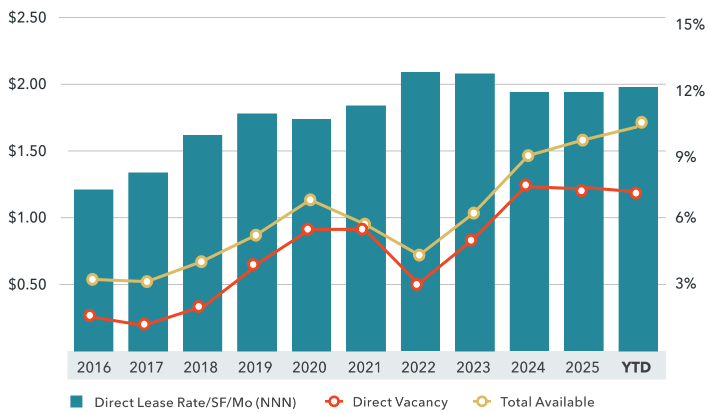
PENINSULA R&D SUBMARKET STATISTICS

Submarket	Total Inventory	Direct Vacancy Rate	Sublet Vacancy Rate	Total Vacancy Rate	Total Available Rate	2Q26 Total Net Absorption	YTD Total Net Absorption	2Q26 Leasing Activity	YTD Leasing Activity	Avg Direct RentalRate
South San Francisco	9,401,544	21.4%	3.5%	24.9%	25.8%	232,507	203,756	133,178	244,549	$6.62
San Bruno/Millbrae	816,246	39.1%	7.8%	46.9%	49.7%	3,200	4,395	3,200	8,335	$4.14
Burlingame	859,514	2.5%	0.0%	2.5%	4.5%	(2,580)	(6,359)	755	2,015	$3.59
Brisbane/Daly City	1,979,180	23.0%	5.3%	28.4%	48.2%	34,485	72,170	0	2,667	$5.90
San Mateo	705,479	48.0%	4.4%	52.4%	54.4%	9,926	17,345	0	0	$6.00
Belmont/San Carlos	2,395,361	16.1%	4.2%	20.4%	21.9%	(18,869)	308,774	8,080	327,620	$5.54
Redwood City	2,938,103	15.4%	3.8%	19.2%	29.8%	(8,218)	29,949	31,445	157,457	$4.74
Menlo Park	2,243,193	21.5%	1.7%	23.2%	27.7%	36,491	(126,386)	8,531	39,785	$5.50
R&D Total	**21,338,620**	**21.0%**	**3.6%**	**24.6%**	**29.2%**	**286,942**	**503,644**	**185,189**	**782,428**	**$5.82**

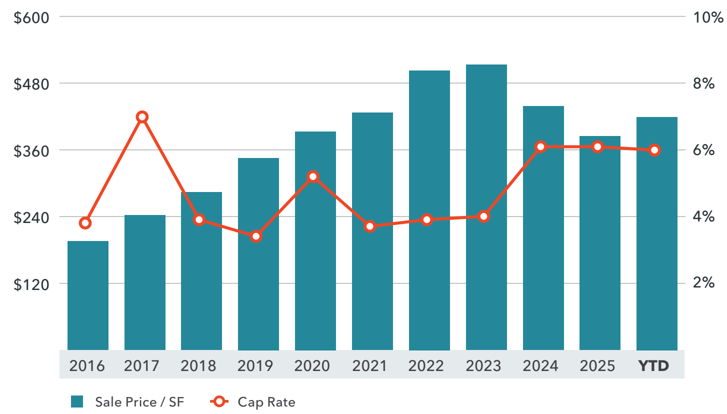
BIGGEST SALE OF THE QUARTER

2634 Bayshore Blvd, Daly City, CA

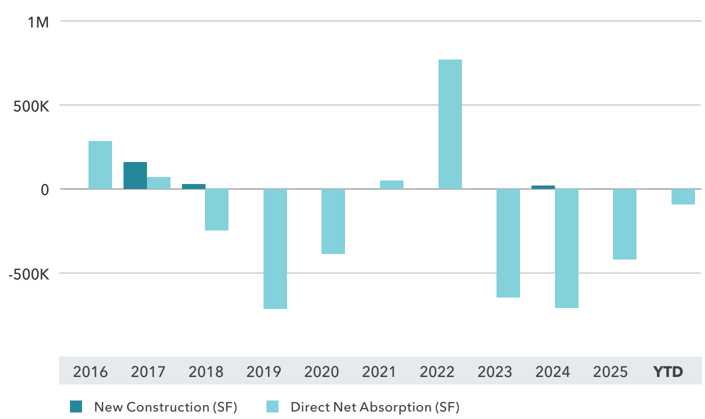
LEASE RATE, VACANCY & AVAILABILITY



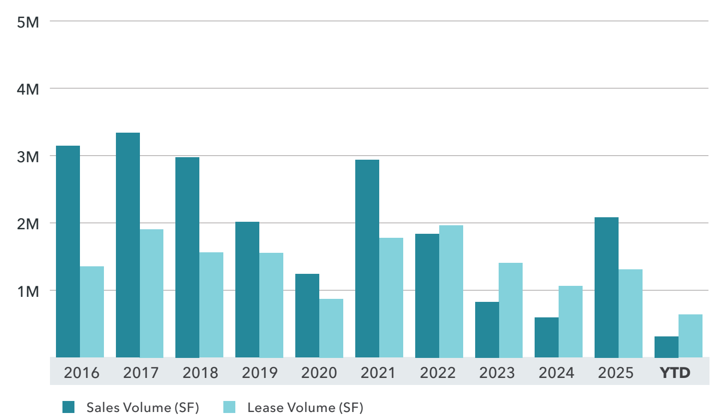
AVERAGE SALES PRICE/SF & CAP RATES



NEW CONSTRUCTION & ABSORPTION



SALE VOLUME & LEASE VOLUME



Data Source: CoStar

Kidder Mathews

Kidder Mathews is the largest fully independent commercial real estate firm in the Western U.S., 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.

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COMMERCIAL BROKERAGE	$9B AVERAGE ANNUAL TRANSACTION VOLUME	32.4M ANNUAL SALES SF	32.5M ANNUAL LEASING SF
ASSET SERVICES	54M SF MANAGEMENT PORTFOLIO SIZE	800+ ASSETS UNDER MANAGEMENT	250+ CLIENTS SERVED
VALUATION ADVISORY	2,700+ AVERAGE ASSIGNMENTS	42 TOTAL APPRAISERS	23 WITH MAI DESIGNATIONS