

MARKET TRENDS | **PENINSULA**

# OFFICE

**2ND QUARTER**  
**2020**

▲ VACANCY | ▼ ABSORPTION | ▲ RENTAL RATE | ◀▶ CONSTRUCTION DELIVERIES

**TOP SALE TRANSACTIONS FOR 2Q 2020**

Property	Submarket	Square Feet	Sale Price	Price/SF	Buyer	Seller
1820 Ogden Dr, Burlingame	Burlingame	15,246	\$6,000,000	\$393.55	Sierra Investments	Jerry Warren

**TOP LEASE TRANSACTIONS FOR 2Q 2020**

Property	Submarket	Square Feet	Date	Landlord	Tenant
777 Mariners Island	San Mateo	35,000	April 2020	Wafra, Inc.	Model N
3050 S Delaware St	San Mateo	14,574	April 2020	Stockbridge Capital Group, LLC	Imperva
250 California Dr	Burlingame	12,311	May 2020	Dewey Land Co.	Altos Ventures

**TOP UNDER CONSTRUCTION**

Property	Address	Submarket	Square Feet	Owner	Delivery Date
Facebook Redevelopment	301-309 Constitution Dr	Menlo Park	1,137,200	Facebook, Inc.	Q3 2022
Burlingame Point	300 Airport Blvd	Burlingame	803,853	Kylli, Inc.	Q3 2020
Menlo Gateway-Phase II	125 & 135 Constitution Dr	Menlo Park	521,000	Alexandria Real Estate Equities, Inc.	Q3 2020

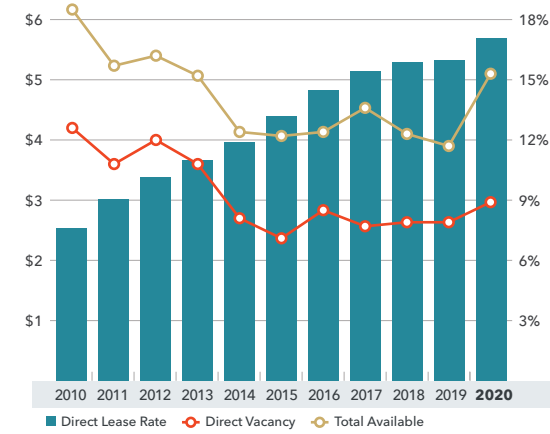
## Market Breakdown

	2Q 2020	1Q 2020	2Q 2019	Annual % Change
Direct Vacancy Rate	8.9%	7.2%	8.4%	5.41%
Availability Rate	16.4%	11.9%	12.5%	30.93%
Asking Lease Rate	\$6.28	\$5.39	\$5.32	18.02%
Leased SF	160,324	604,044	1,218,164	-86.84%
Sold SF	99,246	328,260	1,465,483	-93.23%
Net Absorption	(576,871)	316,481	242,279	N/A

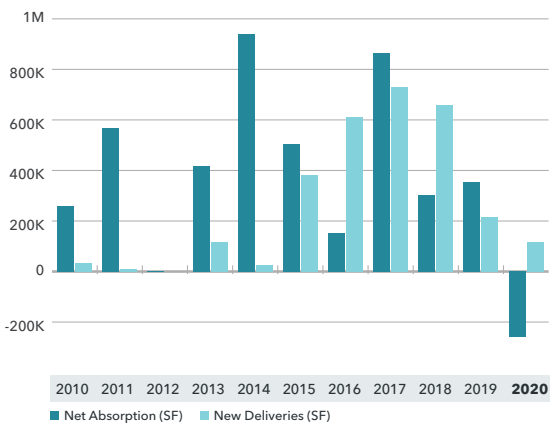
## PENINSULA SUBMARKET STATISTICS

Submarket	Total Inventory	SF Under Construction	Direct Vacancy Rate	Total Vacancy Rate	Total Available Rate	2Q Total Net Absorption	YTD Total Net Absorption	2Q Leasing Activity	YTD Total Leasing Activity	Avg Direct Rental Rate
Daly City	832,233	0	5.2%	5.4%	6.5%	9,471	37,593	5,395	34,093	\$3.78
Brisbane	568,069	0	7.6%	12.3%	18.4%	8,856	31,094	0	26,506	\$4.15
South San Francisco	1,763,083	0	11.2%	12.1%	19.2%	7,203	6,661	2,875	46,636	\$3.71
San Bruno/Millbrae	1,583,740	500,000	12.3%	13.1%	12.9%	(10,090)	(14,076)	3,600	5,460	\$5.25
Burlingame	2,842,782	846,799	10.1%	12.3%	16.6%	(70,219)	(73,914)	25,226	86,186	\$4.94
<b>North County Totals</b>	<b>7,831,699</b>	<b>1,346,799</b>	<b>9.8%</b>	<b>11.3%</b>	<b>14.6%</b>	<b>(54,779)</b>	<b>(12,642)</b>	<b>37,096</b>	<b>198,881</b>	<b>\$4.39</b>
San Mateo	8,043,286	573,353	9.3%	12.2%	22.5%	(251,202)	(172,698)	63,316	195,357	\$5.17
Foster City	2,223,762	0	14.3%	14.4%	16.6%	11,775	112,076	0	31,562	\$5.37
Redwood Shores	3,501,202	0	19.3%	20.9%	26.3%	(278,317)	(194,580)	12,085	118,056	\$5.63
<b>Central County Totals</b>	<b>13,730,072</b>	<b>573,353</b>	<b>12.7%</b>	<b>14.9%</b>	<b>22.4%</b>	<b>(517,744)</b>	<b>(255,202)</b>	<b>75,401</b>	<b>344,975</b>	<b>\$5.33</b>
Belmont/San Carlos	1,633,983	9,475	1.3%	5.8%	25.1%	919	49,121	10,260	119,197	\$4.78
Redwood City	5,281,186	164,104	2.7%	3.4%	7.1%	45,435	162,342	14,882	41,376	\$6.67
Menlo Park	6,508,611	2,344,530	6.1%	7.5%	10.1%	(50,702)	(204,009)	22,685	59,939	\$10.60
<b>South County Totals</b>	<b>13,423,780</b>	<b>2,518,109</b>	<b>4.2%</b>	<b>5.7%</b>	<b>10.7%</b>	<b>(4,348)</b>	<b>7,454</b>	<b>47,827</b>	<b>220,512</b>	<b>\$8.35</b>
<b>Total</b>	<b>34,985,551</b>	<b>4,438,261</b>	<b>8.9%</b>	<b>10.6%</b>	<b>16.4%</b>	<b>(576,871)</b>	<b>(260,390)</b>	<b>160,324</b>	<b>764,368</b>	<b>\$6.28</b>
Class A	14,438,486	4,438,261	9.2%	10.9%	20.6%	(212,389)	127,999	51,946	301,443	\$6.14
Class B	15,053,087	0	10.4%	12.6%	16.3%	(348,175)	(341,247)	91,079	423,201	\$5.16
Class C	5,240,324	0	3.6%	4.4%	4.9%	(16,307)	(47,142)	17,299	39,724	\$4.27

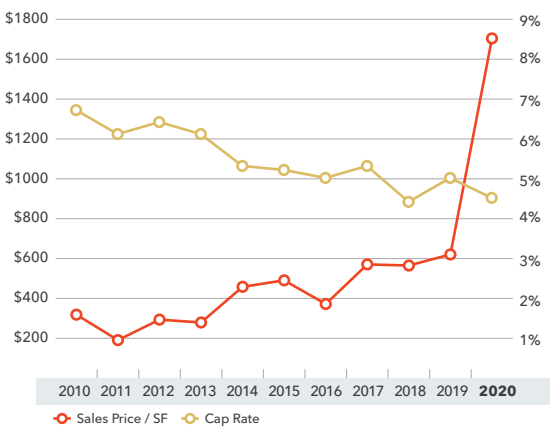
## LEASE RATE, VACANCY & AVAILABILITY



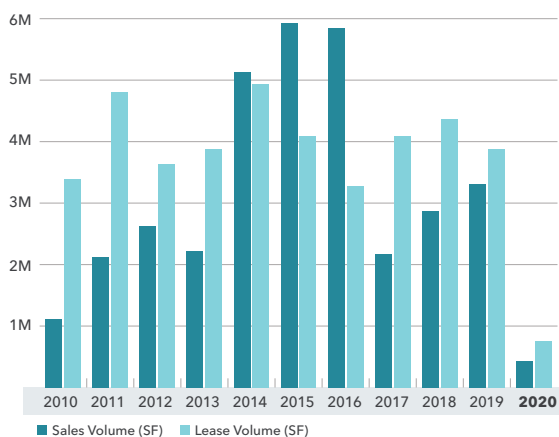
## NET ABSORPTION & NEW DELIVERIES



## AVERAGE SALE PRICE & CAP RATES



## SALES VOLUME VS. LEASE VOLUME



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## COMMERCIAL BROKERAGE

**27M**  
ANNUAL  
SALES SF

**42M**  
ANNUAL  
LEASING SF

**440+**  
NO. OF  
BROKERS

**\$9.6B**  
ANNUAL TRANSACTION  
VOLUME

## VALUATION ADVISORY

**1,680+**  
APPRAISALS  
ANNUALLY

**38/24**  
TOTAL NO.  
APPRAISERS/MAI'S

## PROPERTY MANAGEMENT

**70M+**  
MANAGEMENT  
PORTFOLIO SF

**\$12B+**  
IN ASSETS UNDER  
MANAGEMENT

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

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