

MARKET TRENDS | **PENINSULA**

# OFFICE

**3RD QUARTER  
2020**

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

Year-over-year change

**TOP SALE TRANSACTIONS FOR 3Q 2020**

Property	Submarket	Square Feet	Sale Price	Price/SF	Buyer	Seller
1785 San Carlos Ave, San Carlos	Belmont/San Carlos	8,300	\$6,000,000	\$722.89	MPM Corp.	Tanklage Family Limited Partnership II

**TOP LEASE TRANSACTIONS FOR 3Q 2020**

Property	Submarket	Square Feet	Date	Landlord	Tenant
20 Davis Dr, Belmont	Belmont/San Carlos	84,148	August 2020	The Raiser Organization	RingCentral
1850 Gateway Dr, San Mateo	San Mateo	21,737	August 2020	Peninsula Land and Capital	Aryaka Networks

**TOP UNDER CONSTRUCTION**

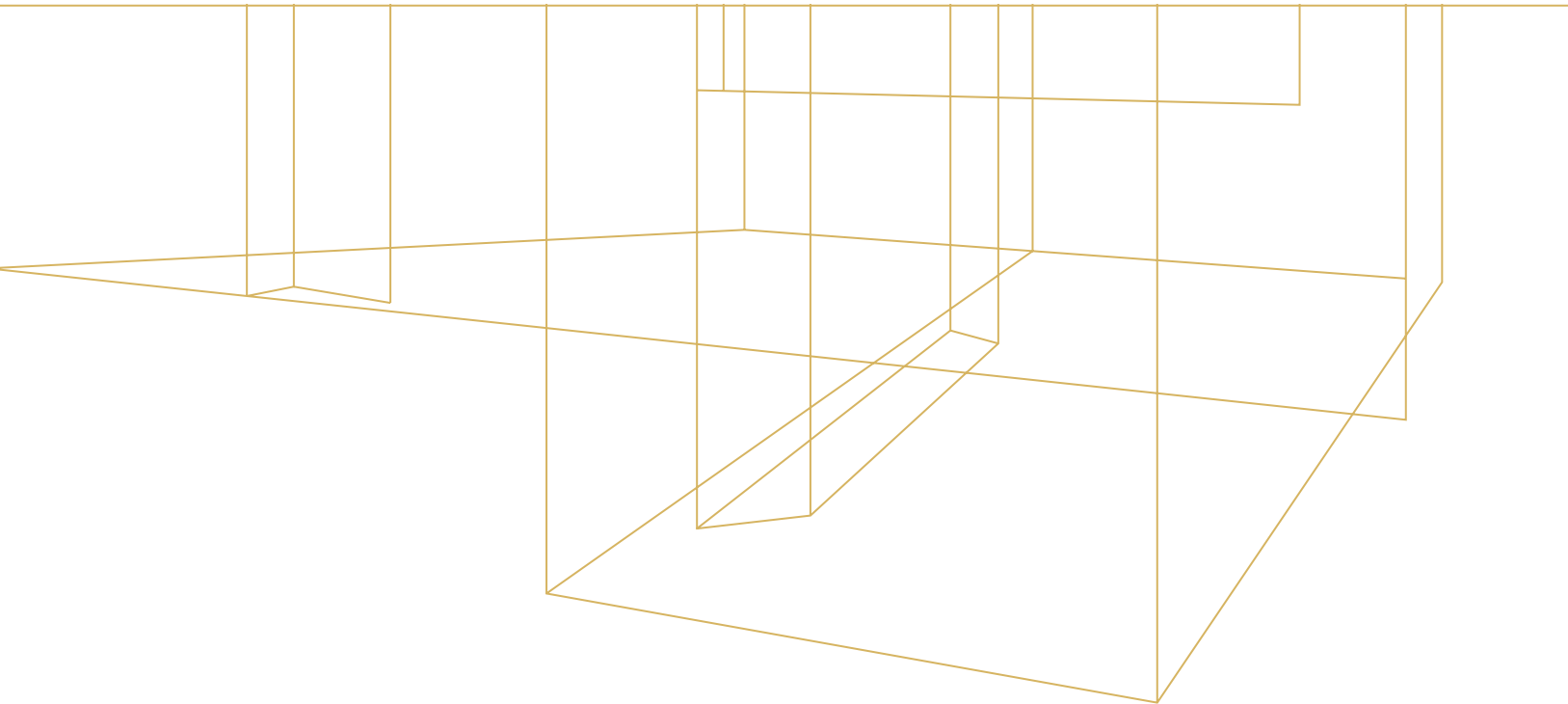
Property	Address	Submarket	Square Feet	Owner	Delivery Date
Facebook Redevelopment	301-309 Constitution Dr	Menlo Park	1,137,200	Facebook, Inc.	Q2 2022
Burlingame Point	300 Airport Blvd	Burlingame	803,853	Kylli, Inc.	Q1 2021
Menlo Gateway-Phase II	125 & 135 Constitution Dr	Menlo Park	521,000	Alexandria Real Estate Equities, Inc	Q1 2021

## Market Breakdown

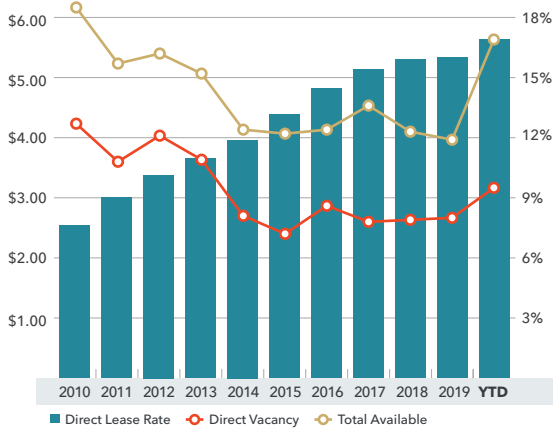
	3Q 2020	2Q 2020	3Q 2019	Annual % Change
Direct Vacancy Rate	9.5%	8.9%	8.0%	<b>18.99%</b>
Availability Rate	18.0%	15.4%	12.3%	<b>46.56%</b>
Asking Lease Rate	\$6.24	\$5.69	\$5.40	<b>15.55%</b>
Leased SF	86,000	231,922	672,947	<b>-87.22%</b>
Sold SF	191,233	99,246	482,624	<b>-60.38%</b>
Net Absorption	(427,573)	(538,135)	381,502	<b>N/A</b>

## PENINSULA SUBMARKET STATISTICS

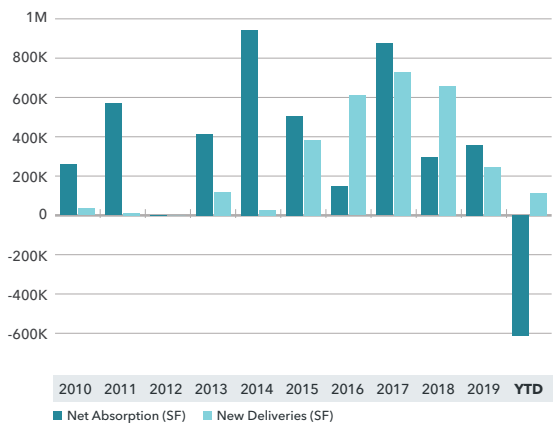
Submarket	Total Inventory	SF Under Construction	Direct Vacancy Rate	Total Vacancy Rate	Total Available Rate	3Q Total Net Absorption	YTD Total Net Absorption	3Q Leasing Activity	YTD Total Leasing Activity	Avg Direct Rental Rate
Daly City	833,833	0	8.6%	8.8%	7.9%	(11,405)	26,188	0	34,093	\$3.78
Brisbane	568,069	0	8.8%	14.7%	20.5%	(14,009)	17,085	2,084	28,590	\$3.95
South San Francisco	1,743,655	0	18.5%	19.7%	21.3%	(129,443)	(122,782)	2,096	48,732	\$3.71
San Bruno/Millbrae	1,583,740	500,000	13.0%	13.7%	13.9%	(9,146)	(23,222)	4,898	10,358	\$5.25
Burlingame	2,846,172	848,458	11.5%	13.7%	18.1%	(50,005)	(114,458)	13,578	99,764	\$4.81
<b>North County Totals</b>	<b>7,817,261</b>	<b>1,348,458</b>	<b>12.5%</b>	<b>14.1%</b>	<b>16.1%</b>	<b>(214,008)</b>	<b>(217,189)</b>	<b>22,656</b>	<b>221,537</b>	<b>\$4.33</b>
San Mateo	8,052,947	636,353	10.0%	13.1%	24.8%	(87,623)	(248,353)	34,275	287,171	\$5.17
Foster City	2,226,284	0	15.9%	16.8%	20.8%	(52,971)	59,105	0	27,877	\$5.37
Redwood Shores	3,522,632	220,000	16.4%	19.1%	23.7%	51,421	(133,307)	20,623	150,604	\$5.63
<b>Central County Totals</b>	<b>13,763,685</b>	<b>856,353</b>	<b>12.6%</b>	<b>15.1%</b>	<b>23.8%</b>	<b>(89,173)</b>	<b>(322,555)</b>	<b>54,898</b>	<b>465,652</b>	<b>\$5.33</b>
Belmont/San Carlos	1,672,859	0	2.6%	9.2%	26.3%	(40,040)	20,374	0	142,299	\$4.68
Redwood City	5,294,553	163,949	3.5%	4.6%	9.8%	(62,672)	99,670	4,691	46,067	\$6.54
Menlo Park	6,503,177	2,239,530	5.7%	7.9%	11.6%	(21,680)	(225,689)	3,755	64,742	\$10.60
<b>South County Totals</b>	<b>13,470,589</b>	<b>2,403,479</b>	<b>4.4%</b>	<b>6.7%</b>	<b>12.7%</b>	<b>(124,392)</b>	<b>(105,645)</b>	<b>8,446</b>	<b>253,108</b>	<b>\$8.28</b>
<b>Total</b>	<b>35,051,535</b>	<b>4,608,290</b>	<b>9.5%</b>	<b>11.8%</b>	<b>18.0%</b>	<b>(427,573)</b>	<b>(645,389)</b>	<b>86,000</b>	<b>940,297</b>	<b>\$6.24</b>
Class A	14,567,039	4,608,290	9.9%	11.8%	22.3%	(162,036)	91,634	43,410	396,327	\$6.10
Class B	14,981,577	0	10.9%	13.9%	18.1%	(191,497)	(615,283)	36,320	498,573	\$5.10
Class C	5,232,592	0	4.1%	5.2%	6.0%	(43,790)	(91,490)	6,270	45,397	\$4.29



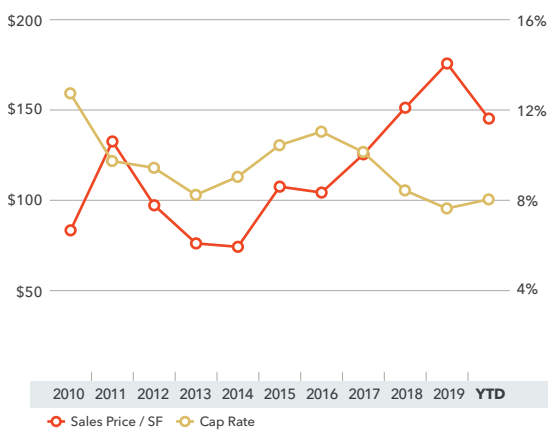
## LEASE RATE, VACANCY & AVAILABILITY



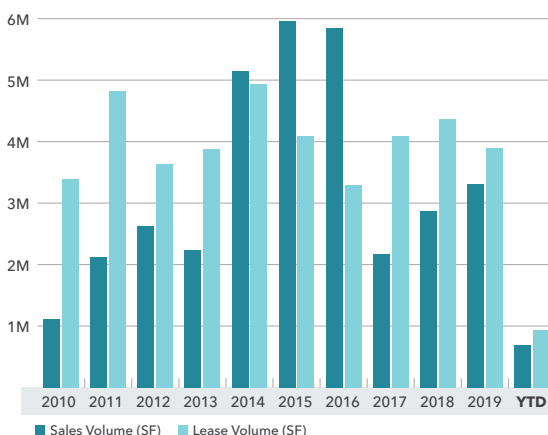
## NET ABSORPTION & NEW DELIVERIES



## AVERAGE SALE PRICE & CAP RATES



## SALES VOLUME VS. LEASE VOLUME



DATA SOURCE: COSTAR

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## COMMERCIAL BROKERAGE

**27M**  
ANNUAL SALES SF

**42M**  
ANNUAL LEASING SF

**450+**  
NO. OF BROKERS

**\$9.6B**  
ANNUAL TRANSACTION VOLUME

## VALUATION ADVISORY

**1,680+**  
APPRAISALS ANNUALLY

**37/23**  
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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