

MARKET TRENDS | **SAN FRANCISCO**

# 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
1331 Columbus Ave	Waterfront/North Beach	7,564	\$4,999,000	\$660.89	Sound Of Hope Radio Network	William & Betti Magoolaghan 2007 Living Trust
456 Clementina St	Yerba Buena	4,950	\$4,162,500	\$840.91	Naartjie Holdings LLC	Muna Trust

**TOP LEASE TRANSACTIONS FOR 2Q 2020**

Property	Submarket	Square Feet	Date	Landlord	Tenant
1455 Market St	Mid-Market	48,845	April 2020	Hudson Pacific Properties, Inc.	Undisclosed
155 5th St	Yerba Buena	48,812	May 2020	University of the Pacific	Airtable
144 Townsend St	Rincon/South Beach	45,000	May 2020	Northshore Resources Inc.	User Testing

**TOP UNDER CONSTRUCTION**

Property	Address	Submarket	Square Feet	Owner	Delivery Date
First Street Tower	50 1st St	South Financial District	1,250,000	Oceanwide Holdings Co. Ltd.	Q1 2023
Uber HQ	1455-1725 3rd St	Mission Bay/China Basin	1,016,745	Alexandria Real Estate Equities, Inc.	Q4 2020
1500 Mission St	1500 Mission St	Mid-Market	466,000	Related California	Q3 2020

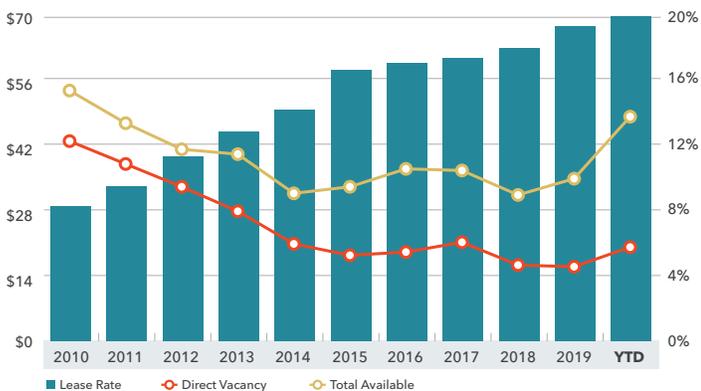
## Market Breakdown

	2Q 2020	1Q 2020	2Q 2019	Annual % Change
New Construction	0	0	769,910	-100.00%
Under Construction	3,473,377	3,473,377	3,199,114	8.57%
Direct Vacancy Rate	5.7%	4.7%	5.8%	-2.28%
Total Availability Rate	14.2%	11.6%	8.9%	59.65%
FIDI Direct Asking Lease Rate (A&B)	\$76.78	\$77.23	\$73.26	4.80%
Leased SF	351,331	1,583,455	3,607,614	-90.26%
Sold SF	13,969	963,107	1,169,018	-98.81%
Net Absorption	(1,123,968)	(207,912)	(296,906)	N/A

## SAN FRANCISCO SUBMARKET STATISTICS

Submarket	Total Inventory	SF Under Construction	Direct Vacancy Rate	Total Vacancy Rate	Total Availability Rate	2Q 2020 Direct Net Absorption	YTD Direct Net Absorption	2Q 2020 Leasing Activity	YTD Leasing Activity	Direct Rental Rate
Civic Center	4,383,642	0	3.7%	3.9%	3.4%	(83,700)	(85,260)	2,352	2,352	\$25.08
Financial District	30,471,235	0	6.5%	8.5%	14.4%	(267,798)	(185,109)	104,769	505,982	\$78.94
Jackson Square	3,209,940	0	3.0%	6.1%	21.4%	(31,961)	(21,266)	365	14,463	\$74.43
Mid Market	7,090,548	466,000	3.5%	6.4%	16.4%	(40,450)	(68,729)	51,065	132,334	\$40.38
Mission Bay/China Basin	4,143,925	1,016,745	0.7%	1.3%	6.5%	(4,428)	(26,543)	0	33,564	\$32.35
Mission/Potrero	3,280,839	0	5.2%	6.8%	8.7%	(18,618)	40,579	33,354	68,302	\$53.34
Rincon/South Beach	6,847,572	268,000	4.3%	8.4%	11.7%	(48,232)	(47,307)	15,002	165,837	\$78.07
Showplace Square	3,759,923	228,319	4.9%	4.9%	14.1%	(116,132)	(11,100)	0	20,259	\$54.09
South Financial District	30,634,588	1,250,000	5.5%	8.3%	15.3%	(256,510)	(450,467)	57,042	704,396	\$69.16
South of Market	4,490,235	0	6.8%	8.3%	15.3%	(114,896)	(158,577)	12,044	40,498	\$62.22
Union Square	5,451,872	187,598	8.8%	14.0%	19.9%	(40,796)	(106,810)	9,170	99,580	\$61.76
Van Ness/Chinatown	3,152,138	0	8.4%	8.9%	12.9%	(15,646)	(8,166)	8,299	21,616	\$56.23
Waterfront/North Beach	4,402,823	0	10.1%	12.0%	11.5%	(85,816)	(82,673)	9,057	23,125	\$72.86
Yerba Buena	3,553,581	56,715	5.4%	13.7%	19.3%	1,015	(120,452)	48,812	102,478	\$64.86
<b>San Francisco Totals</b>	<b>114,872,861</b>	<b>3,473,377</b>	<b>5.7%</b>	<b>8.2%</b>	<b>14.2%</b>	<b>(1,123,968)</b>	<b>(1,331,880)</b>	<b>351,331</b>	<b>1,934,786</b>	<b>\$69.13</b>
Class A	59,324,036	2,495,064	5.6%	7.7%	12.8%	(493,441)	(742,396)	104,374	1,004,148	\$82.67
Class B	43,503,424	978,313	6.1%	9.4%	17.2%	(460,662)	(605,777)	226,913	802,242	\$64.23
Class C	12,045,401	0	4.8%	6.4%	10.2%	(169,865)	16,293	20,044	128,396	\$56.66

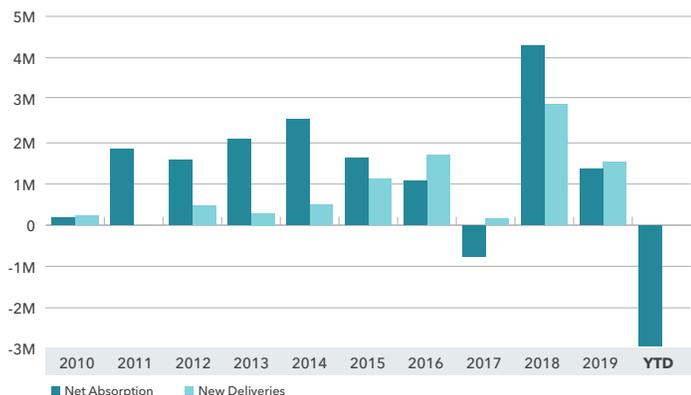
## VACANCY, AVAILABILITY, & LEASE RATE



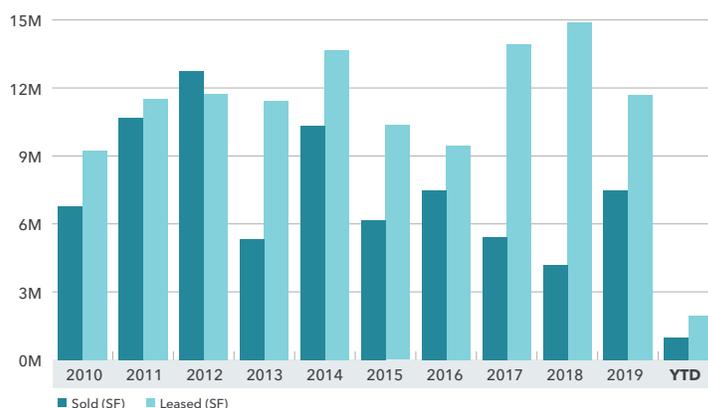
## AVERAGE SALES PRICE/SF & CAP RATES



## NET ABSORPTION & NEW DELIVERIES



## SALE VOLUME & LEASE VOLUME



Kidder Mathews is the largest, independent commercial real estate firm on the West Coast, with 900 real estate professionals and staff in 22 offices in Washington, Oregon, California, Nevada, and Arizona. We offer a complete range of brokerage, appraisal, property management, consulting, project and construction management, 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

**27M** ANNUAL SALES SF  
**440+** NO. OF BROKERS  
**\$9.6B** ANNUAL TRANSACTION VOLUME  
**42M** ANNUAL LEASING SF

### VALUATION ADVISORY

**1,680+** APPRAISALS ANNUALLY  
**38/24** TOTAL NO. APPRAISERS/MAI'S

### PROPERTY MANAGEMENT

**70M+** MANAGEMENT PORTFOLIO SF  
**\$12B+** IN ASSETS UNDER MANAGEMENT

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