

MARKET TRENDS | **SAN FRANCISCO**

OFFICE

3RD QUARTER
2020

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

Year-over-year change

TOP SALE TRANSACTIONS FOR 3Q 2020

Property	Submarket	Square Feet	Sale Price	Price/SF	Buyer	Seller
123 Townsend St	Rincon/South Beach	145,325	\$140,000,000	\$963.36	CBRE Global Investors	Manchester Capital Management, LLC
1098 Harrison St	South of Market	44,794	\$52,000,000	\$1,160.87	The Hearst Corporation	Embarcadero Capital Partners LLC

TOP LEASE TRANSACTIONS FOR 3Q 2020

Property	Submarket	Square Feet	Date	Landlord	Tenant
575 Florida St	Mission/Potrero	96,960	July 2020	City-Core Development	OpenAi
425 Market St	South Financial District	53,323	August 2020	MetLife	IBM Canada Corporate
333 Valencia St	Mission/Potrero	44,229	August 2020	Angelo, Gordon & Co.	City and County of San Francisco

TOP UNDER CONSTRUCTION

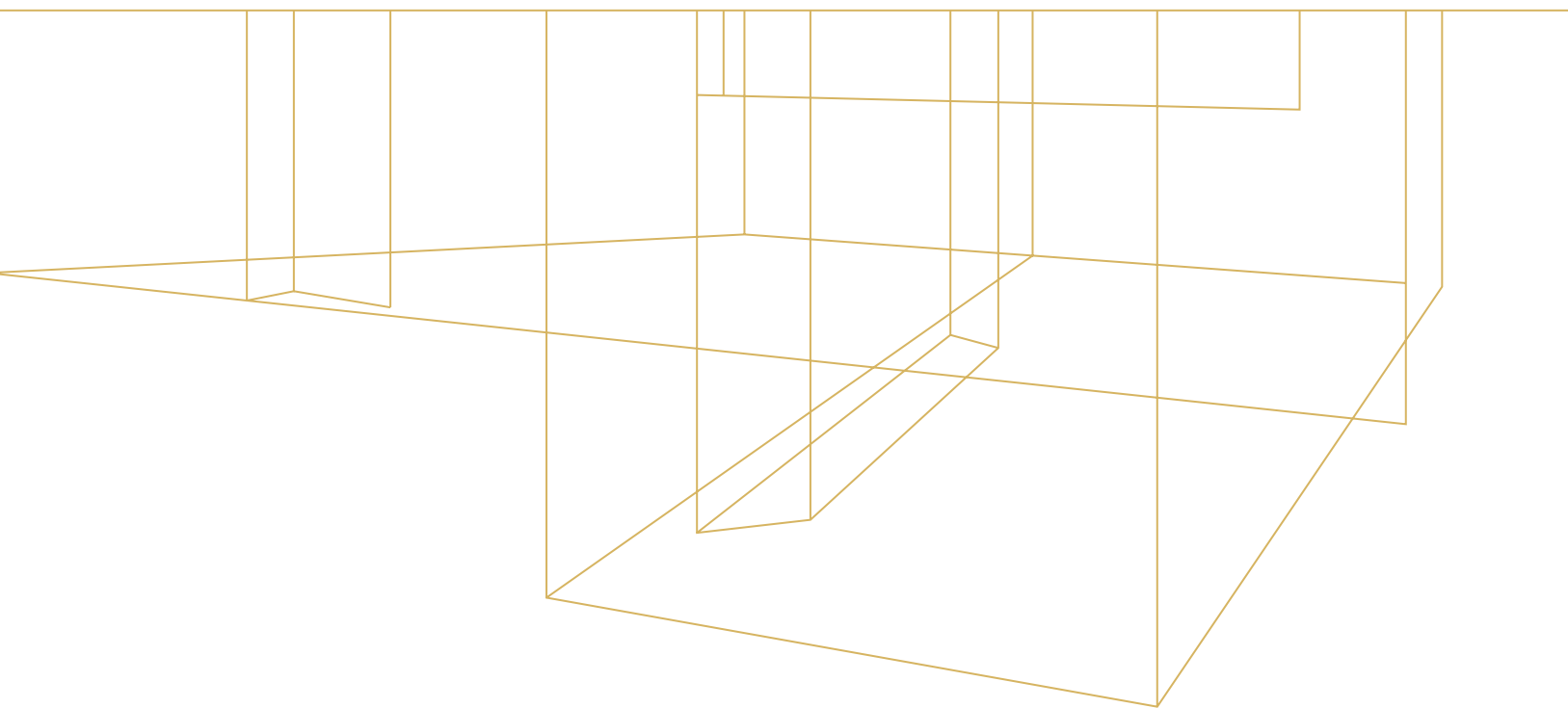
Property	Address	Submarket	Square Feet	Owner	Delivery Date
First Street Tower	50 1st St	South Financial District	1,250,000	Oceanwide Holdings Co. Ltd.	1Q 2023
Uber HQ	1455-1725 3rd St	Mission Bay/China Basin	1,016,745	Alexandria Real Estate Equities, Inc.	4Q 2020
5M	415 Natoma St	Yerba Buena	640,000	Hearst Corporation	1Q 2021

Market Breakdown

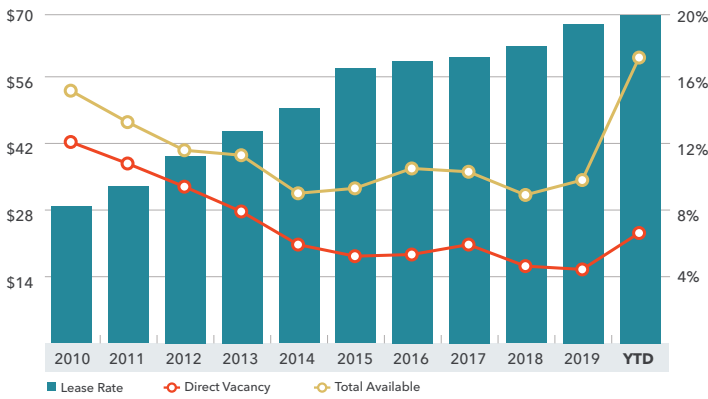
	3Q 2020	2Q 2020	3Q 2019	Annual % Change
New Construction	466,000	0	0	N/A
Under Construction	3,674,999	4,140,999	3,314,880	10.86%
Direct Vacancy Rate	6.6%	5.6%	5.1%	28.72%
Total Availability Rate	18.0%	14.0%	8.7%	106.71%
FIDI Direct Asking Lease Rate (A&B)	\$73.43	\$76.78	\$74.09	-0.89%
Leased SF	443,353	746,483	3,113,030	-85.76%
Sold SF	191,333	142,969	3,116,347	-93.86%
Direct Net Absorption	(724,362)	(1,080,564)	679,153	N/A

SAN FRANCISCO SUBMARKET STATISTICS

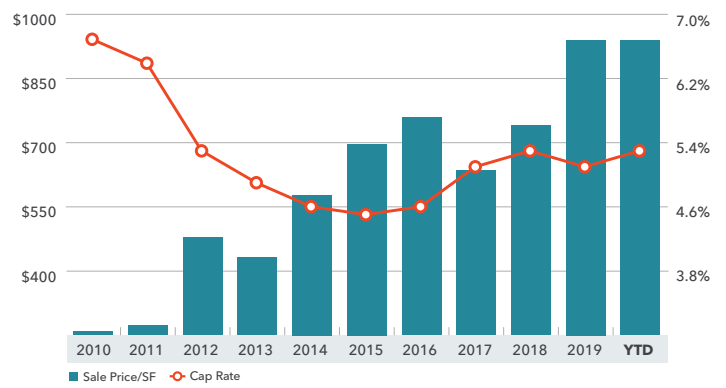
Submarket	Total Inventory	SF Under Construction	Direct Vacancy Rate	Total Vacancy Rate	Total Availability Rate	3Q 2020 Direct Net Absorption	YTD Direct Net Absorption	3Q 2020 Leasing Activity	YTD Leasing Activity	Direct Rental Rate
Civic Center	4,383,842	0	4.3%	4.6%	4.0%	-22,940	-108,200	5,933	8,285	\$21.01
Financial District	30,384,994	0	7.9%	10.7%	17.4%	-526,205	-697,957	130,761	884,976	\$75.23
Jackson Square	3,210,335	0	10.4%	13.9%	23.7%	-238,271	-259,537	7,316	50,395	\$66.94
Mid Market	7,568,648	0	4.6%	7.2%	19.1%	369,752	301,023	2,588	229,129	\$39.14
Mission Bay/China Basin	4,143,925	1,016,745	0.6%	1.6%	9.7%	4,692	-21,851	0	58,441	\$32.35
Mission/Potrero	3,282,456	0	4.8%	6.8%	12.4%	14,049	54,628	144,763	214,400	\$48.60
Rincon/South Beach	7,001,669	268,000	4.0%	10.2%	15.9%	26,969	-29,380	17,820	230,853	\$84.97
Showplace Square	3,779,492	228,319	5.9%	5.9%	17.1%	-39,355	-50,455	0	33,637	\$38.26
South Financial District	31,019,650	1,250,000	5.1%	8.7%	19.0%	60,557	-354,216	74,346	775,294	\$71.17
SOMA	4,503,847	25,000	8.8%	11.5%	19.5%	-88,816	-248,393	12,493	52,991	\$67.37
Union Square	5,469,330	187,598	10.9%	15.8%	23.2%	-111,794	-223,129	16,952	119,532	\$59.86
Van Ness Corridor/ Chinatown	3,192,028	0	9.2%	9.8%	14.0%	-31,751	-35,497	2,200	23,816	\$55.83
Waterfront/North Beach	4,426,277	0	12.7%	15.4%	18.5%	-96,908	-179,581	5,174	28,299	\$72.86
Yerba Buena	3,557,181	699,337	6.6%	14.6%	36.8%	-44,341	-164,793	23,007	125,485	\$65.00
San Francisco Totals	115,923,674	3,674,999	6.6%	9.7%	18.0%	-724,362	-2,017,338	443,353	2,835,533	\$68.99
Class A	60,443,785	3,135,064	5.6%	8.3%	16.9%	275,658	-417,687	139,693	1,411,414	\$78.97
Class B	43,260,278	539,935	7.8%	11.7%	20.7%	-716,612	-1,330,938	257,531	1,248,259	\$61.68
Class C	12,219,611	0	7.2%	9.7%	14.0%	-283,408	-268,713	46,129	175,860	\$53.14



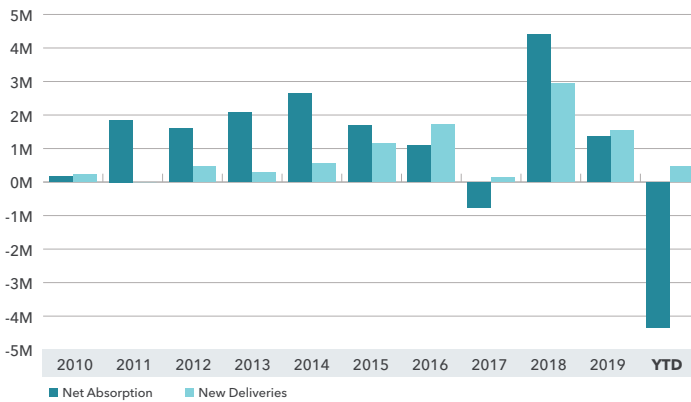
VACANCY, AVAILABILITY, & LEASE RATE



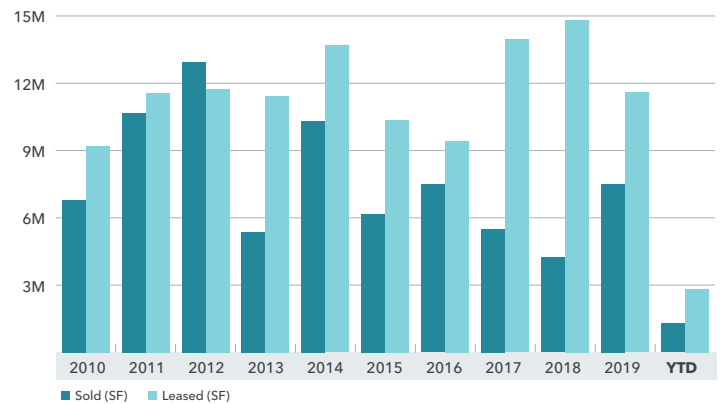
AVERAGE SALES PRICE/SF & CAP RATES



NET ABSORPTION & NEW DELIVERIES



SALE VOLUME & LEASE VOLUME



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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

ERIC LUHRS
 Regional President, Brokerage
 Northern California & Nevada
 415.229.8888
eric.luhrs@kidder.com

KIDDER.COM

COMMERCIAL BROKERAGE

27M	ANNUAL SALES SF	450+	NO. OF BROKERS
\$9.6B	ANNUAL TRANSACTION VOLUME	42M	ANNUAL LEASING SF

VALUATION ADVISORY

1,680+	APPRAISALS ANNUALLY	37/23	TOTAL NO. APPRAISERS/MAI'S
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PROPERTY MANAGEMENT

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