

MARKET TRENDS

SAN FRANCISCO RETAIL

↓ VACANCY	↑ UNEMPLOYMENT
↑ RENTAL RATES	↓ CONSTRUCTION DELIVERIES
Year-Over-Year Change	

SIGNIFICANT SALE TRANSACTIONS 1Q 2026

Property	Submarket	SF	Sale Price	\$/SF	Buyer	Seller
2117-2123 Market St	Mission/Potrero	8,635	\$3,685,000	\$426.75	Pacific Bay Ventures, LLC	CTC Real Estate II, LLC
815 Belmont Ave	Belmont/San Carlos	10,662	\$3,620,000	\$339.52	Bani Holding, LLC	Loring Demartini
1134 Everglades Dr	Peninsula Coastline	7,347	\$3,057,290	\$416.13	Scg Lm, LLC	Sandra J Dellanina Angela & Allen Steinmetz Trust

SIGNIFICANT LEASE TRANSACTIONS 1Q 2026

Property	Submarket	SF	Transaction Date	Tenant
The Beacon	South of Market	25,443	January 2026	Lucky Strike San Francisco
251 Post St	Union Square	7,369	January 2026	The RealReal
Watry Building	Redwood City	3,918	February 2026	Arwa Yemeni Coffee

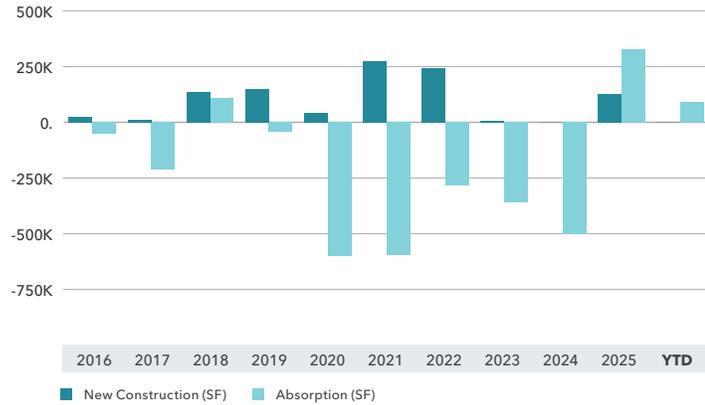
SIGNIFICANT UNDER CONSTRUCTION

Property	Submarket	SF	Delivery
VillaSport Athletic Club	Redwood City	97,101	2Q 2026
Discovery Station	South San Francisco	72,500	2Q 2026
79 Saint Francis Sq	Brisbane/Daly City	17,000	2Q 2026

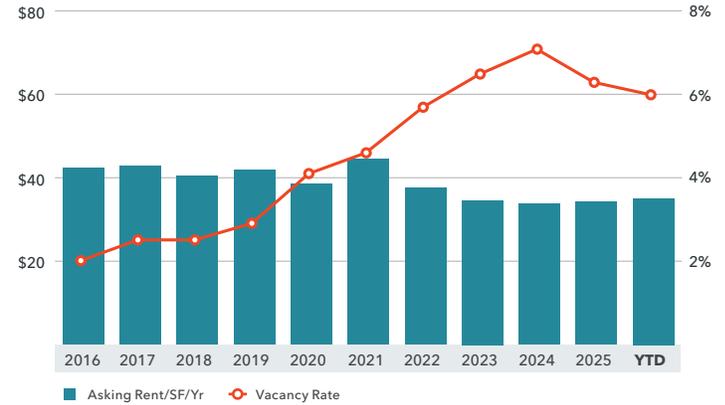
MARKET BREAKDOWN

	1Q26	4Q25	1Q25	YOY Change
Vacancy Rate	6.0%	6.3%	6.8%	-80 bps
Average Asking Rents/SF/Yr	\$35.06	\$34.27	\$33.11	5.89%
Under Construction (SF)	0	0	0	N/A
Average Sales Price/SF	\$388	\$613	\$519	-25.38%
Average Cap Rate	7.2%	6.1%	5.9%	130 bps
	1Q26	4Q25	1Q25	YOY Change
Construction Deliveries (SF)	0	0	125,000	N/A
Net Absorption (SF)	90,029	90,029	0	N/A

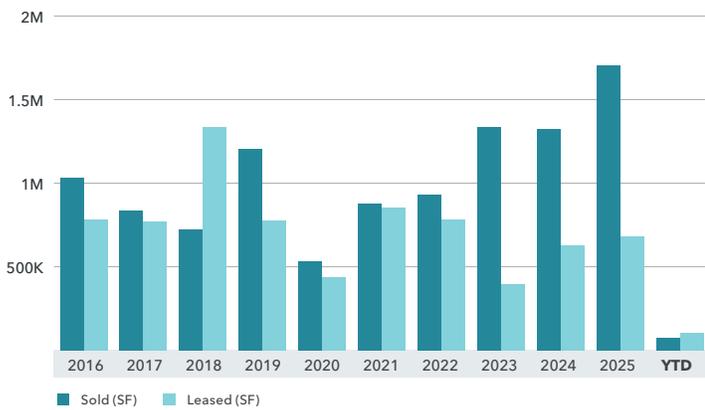
NEW CONSTRUCTION & ABSORPTION



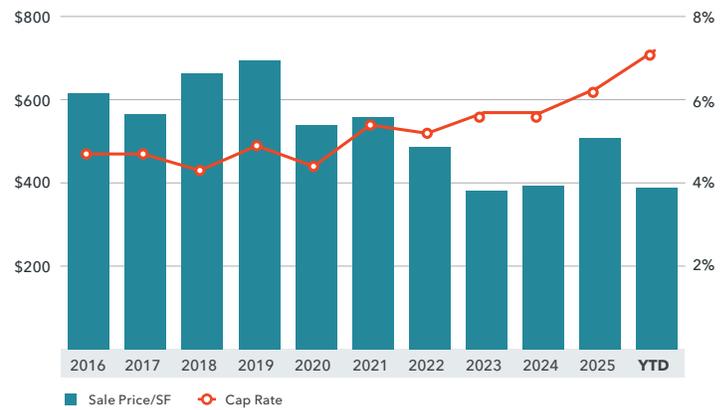
AVERAGE ASKING RENT/SF & VACANCY RATE



SALE VOLUME & LEASE VOLUME



AVERAGE SALE PRICE/SF & CAP RATES



Data Source: CoStar



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	<i>\$9B</i> AVERAGE ANNUAL TRANSACTION VOLUME	<i>32.4M</i> ANNUAL SALES SF	<i>32.5M</i> ANNUAL LEASING SF
ASSET SERVICES	<i>55M SF</i> MANAGEMENT PORTFOLIO SIZE	<i>800+</i> ASSETS UNDER MANAGEMENT	<i>250+</i> CLIENTS SERVED
VALUATION ADVISORY	<i>2,700+</i> AVERAGE ASSIGNMENTS	<i>42</i> TOTAL APPRAISERS	<i>23</i> WITH MAI DESIGNATIONS