

MARKET TRENDS

SAN FRANCISCO RETAIL

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

SIGNIFICANT SALE TRANSACTIONS 2Q 2026

Property	Submarket	SF	Sale Price	\$/SF	Buyer	Seller
Ghirardelli Square - Building A	Waterfront/North Beach	11,790	\$41,963,183	\$3,559.22	1823 Partners Embrace Real Estate	Jamestown LP
San Francisco Bay Club	Waterfront/North Beach	48,029	\$29,187,555	\$607.71	Bay Club	LaSalle Investment Mgmt.
1199 El Camino Real	San Bruno/Millbrae	1,706	\$10,340,000	\$6,060.96	Jaswant Singh Brar & Lakhvir Kaur Brar	Be Green Properties, LLC

SIGNIFICANT LEASE TRANSACTIONS 2Q 2026

Property	Submarket	SF	Transaction Date	Tenant
Linda Mar Shopping Center	Peninsula Coastline	47,331	May 2026	Dollar Tree
Chase Center	Mission Bay/China Basin	6,326	April 2026	Maze
Vignette Collection	San Francisco Market St	4,000	April 2026	Bar Esper

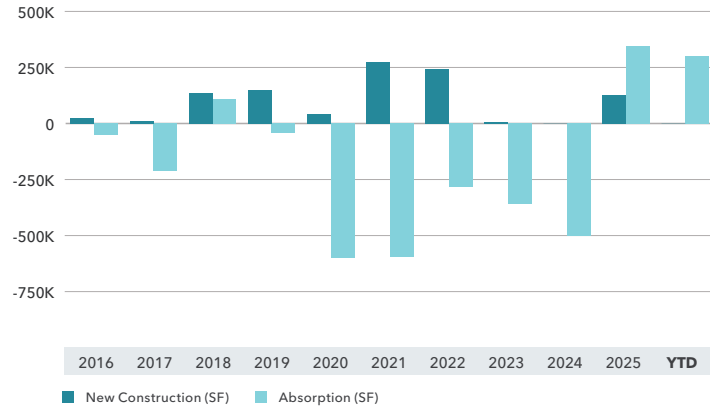
SIGNIFICANT UNDER CONSTRUCTION

Property	Submarket	SF	Delivery
VillaSport Athletic Club	Redwood City	97,101	4Q 2026
79 Saint Francis Sq	Daly City	16,247	3Q 2026
399-127 Airport St	Moss Beach	8,500	3Q 2026

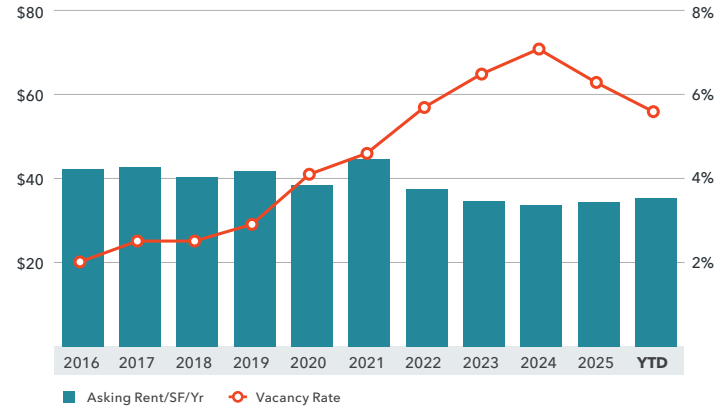
MARKET BREAKDOWN

	2Q26	1Q26	2Q25	YOY Change
Vacancy Rate	5.6%	6.0%	6.5%	-90 bps
Average Asking Rents/SF/Yr	\$35.34	\$35.61	\$33.47	5.59%
Under Construction (SF)	0	0	0	N/A
Average Sales Price/SF	\$495	\$390	\$468	5.96%
Average Cap Rate	6.3%	6.2%	6.8%	-50 bps
	2Q26	YTD 2026	YTD 2025	YOY Change
Construction Deliveries (SF)	0	0	125,000	N/A
Net Absorption (SF)	201,734	301,343	181,983	65.59%

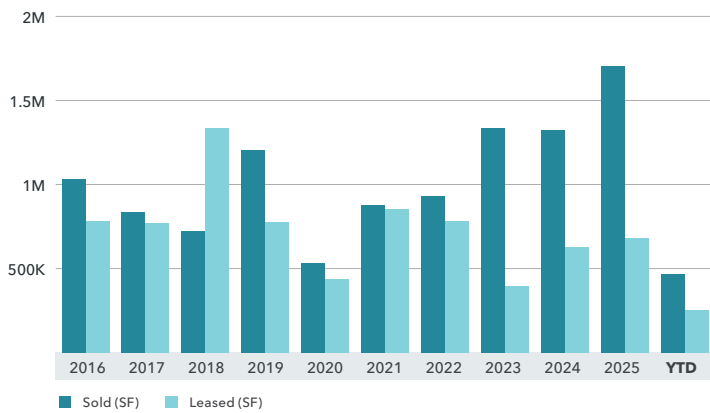
NEW CONSTRUCTION & ABSORPTION



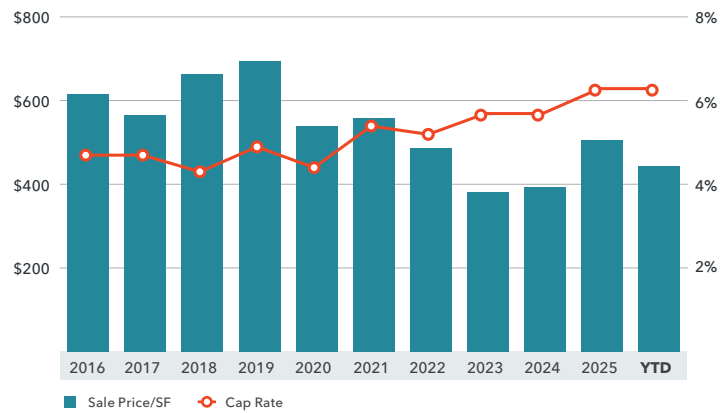
AVERAGE ASKING RENT/SF & VACANCY RATE



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>54M 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