



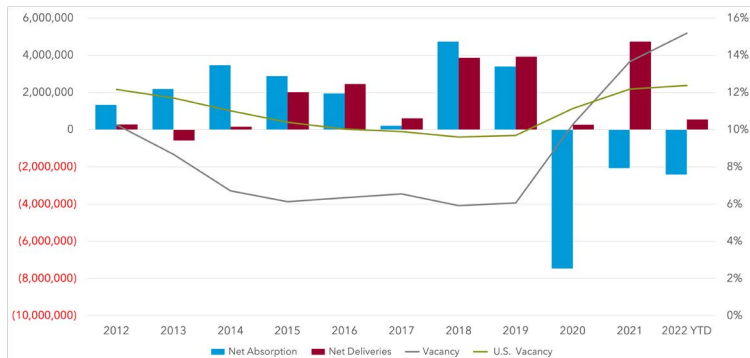
OFFICE MARKET OVERVIEW

JEFF MOELLER, *President*

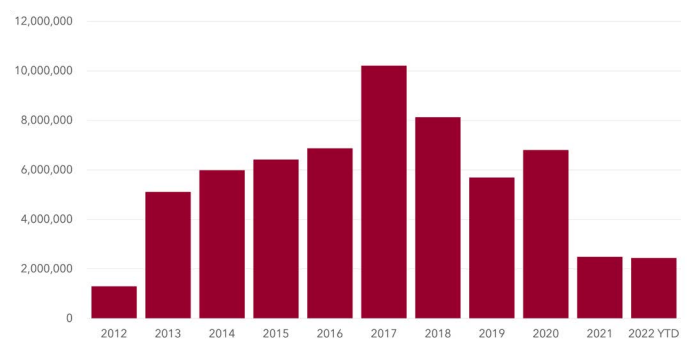
There was an increase in lease transactions in Q2 as more employers returned to the office but it did not translate into positive net absorption. Notably, Salesforce announced it was putting more than 600,000 SF on the market. Several large deals closed in Q2 including Wells Fargo's 621,636-SF renewal at 333 Market Street and the FinTech company Ripple's new 124,547-SF building at 600 Battery Street.

MARKET INDICATORS	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021
▼ 12 Mo. Net Absorption SF	(1,377,777)	(956,945)	(155,376)	(69,166)	(713,380)
▼ Vacancy Rate	13.83%	16.10%	15.30%	14.60%	14.50%
▲ Avg NNN Asking Rate PSF	\$64.06	\$54.24	\$55.08	\$55.56	\$56.16
▲ SF Under Construction	4,645,917	571,782	571,782	1,493,682	1,620,219
▲ Inventory SF	157,765,455	129,539,769	129,539,769	128,633,869	128,612,721

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
550 Terry A Fancois Boulevard San Francisco, CA	314,826 SF	\$356,000,000 \$1,130.78 PSF	Divco West Services, LLC The Gap, Inc.	Class A
270 Masonic Avenue San Francisco, CA	80,000 SF	\$31,000,000 \$387.50 PSF	University of San Francisco Vitalant	Class B
200 Middlefield Road Menlo Park, CA	43,083 SF	\$62,665,000 \$1,454.52 PSF	Ellis Partners TIAA	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
333 Market Street San Francisco, CA	621,636 SF	Columbia Property Trust	Wells Fargo	Banking
510 Townsend Street San Francisco, CA	295,339 SF	Ascendas REIT	Google Cloud	Web Service Cloud Computing
600 Battery Street San Francisco, CA	124,547 SF	TMG/Invesco	Ripple	Computer Software

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