



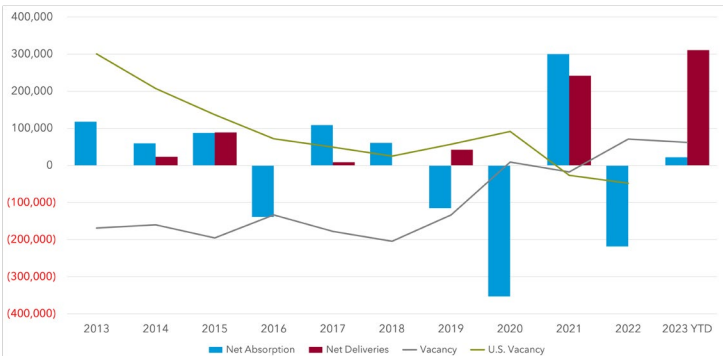
INDUSTRIAL MARKET OVERVIEW

THOMAS NIU, *Senior Vice President*

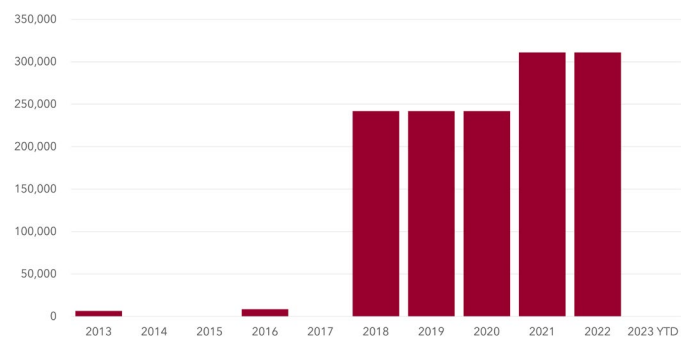
Leasing activity has been fairly muted during a relatively quiet summer. One of the largest leases totaled some 80,000 SF at the LaSalle Business Park by Grubmarket, a door-to-door meat and produce delivery service. Meanwhile, Amazon has renewed its efforts to develop a multi-story, 650,000-SF distribution center on 7th Street after expiration of an 18-month local moratorium on such facilities. The same apprehension was expressed previously by the city to last-mile delivery distribution centers when a Waymo indoor parking garage permit at 301 Toland was denied after an appeal over fears the garage would be used for parcel distribution.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▲ 12 Mo. Net Absorption SF	8,270	(291,044)	(308,520)	(218,210)	(148,232)
▼ Vacancy Rate	6.00%	6.14%	6.26%	5.35%	5.26%
▲ Avg NNN Asking Rate PSF	\$24.86	\$24.74	\$24.54	\$24.29	\$23.87
◀ ▶ SF Under Construction	0	0	0	310,971	310,971
◀ ▶ Inventory SF	21,137,183	21,137,183	21,137,183	20,895,183	20,895,183

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2225 Jerrold Avenue San Francisco, CA	125,968 SF	\$32,700,000 \$259.59 PSF	Tishman Speyer Academy of Art	Class C
2214 Quesada Avenue San Francisco, CA	3,032 SF	\$1,570,000 \$517.81 PSF	Fortunato & Maria Gonzalez Bar Forest Trust	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2050 McKinnon Avenue San Francisco, CA	112,400 SF	Prologis	Undisclosed	Undisclosed
180-200 Napoleon Street San Francisco, CA	105,000 SF	Goodman North America Management	US Postal Service (USPS)	Transportation and Warehousing
955-1055 Cesar Chavez Street San Francisco, CA	17,400 SF	William & Claire Spencer	Undisclosed	Undisclosed

