



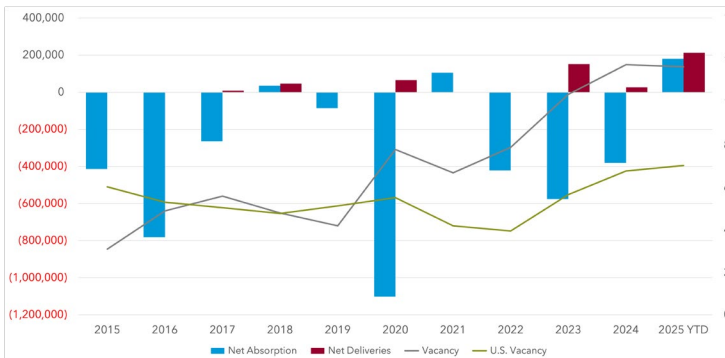
### INDUSTRIAL MARKET OVERVIEW

THOMAS NIU, *Senior Vice President*

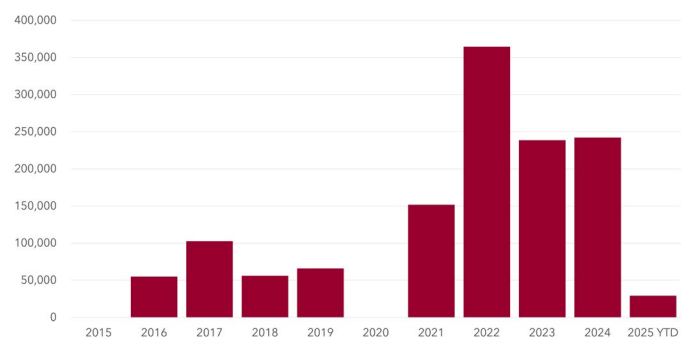
The biggest news to the start of the quarter in San Francisco's industrial market was the announced closure of the operations of Cruise, an autonomous vehicle company with various R&D facilities in the SOMA market. Adding to that negative news, the planned multi-story industrial/lab project of some ¼ million square feet that was planned for 2800 3rd has apparently been cancelled. Offsetting those somber developments is the somewhat sudden appearance of several larger PDR (production, distribution & repair) companies seeking more than 50,000 square feet. With regards to sale activity, the only larger transaction is the sale of 1555 Burke Avenue, where the buyer intends to modernize the interior and exterior of the building, currently leased to more than a dozen smaller tenants.

MARKET INDICATORS	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
▲ 12 Mo. Absorption Units	(166,559)	(381,108)	(554,796)	(741,889)	(557,480)
▼ Vacancy Rate	11.75%	11.85%	12.14%	11.54%	11.30%
▼ Avg NNN Asking Rent PSF	\$27.43	\$27.59	\$27.64	\$27.63	\$27.53
▼ Sale Price PSF	\$429	\$430	\$430	\$429	\$429
▲ Cap Rate	5.70%	5.68%	5.65%	5.61%	5.54%
▼ Under Construction	29,290	242,086	242,086	242,086	242,086
▲ Inventory	28,515,012	28,333,896	28,333,896	28,333,896	28,333,896

#### NET ABSORPTION, NET DELIVERIES, & VACANCY



#### UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
1555 Burke Avenue San Francisco, CA	40,000 SF	\$10,840,000 \$271 PSF	MCA Realty Salvarezza Family Trust	Class B
3743-3745 Mission Street San Francisco, CA	14,000 SF	\$550,000 \$3,929 PSF	44 Leese St LLC Lido Martocchio	Class B
272 Bayshore Boulevard San Francisco, CA	8,000 SF	\$1,472,000 \$184 PSF	Sunpreet Singh State of California	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
1976 Innes Avenue San Francisco, CA	20,900 SF	Kenneth Merrill	City of San Francisco	Services
1280 Van Dyke Avenue San Francisco, CA	19,110 SF	TOV Holdings	Undisclosed	Undisclosed
540 Barneveld Avenue San Francisco, CA	13,482 SF	Julie Thomson	Undisclosed	Undisclosed

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