



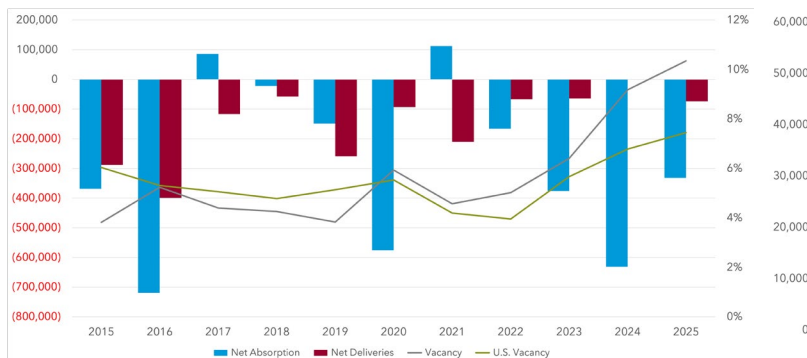
INDUSTRIAL MARKET OVERVIEW

THOMAS NIU, *Senior Vice President*

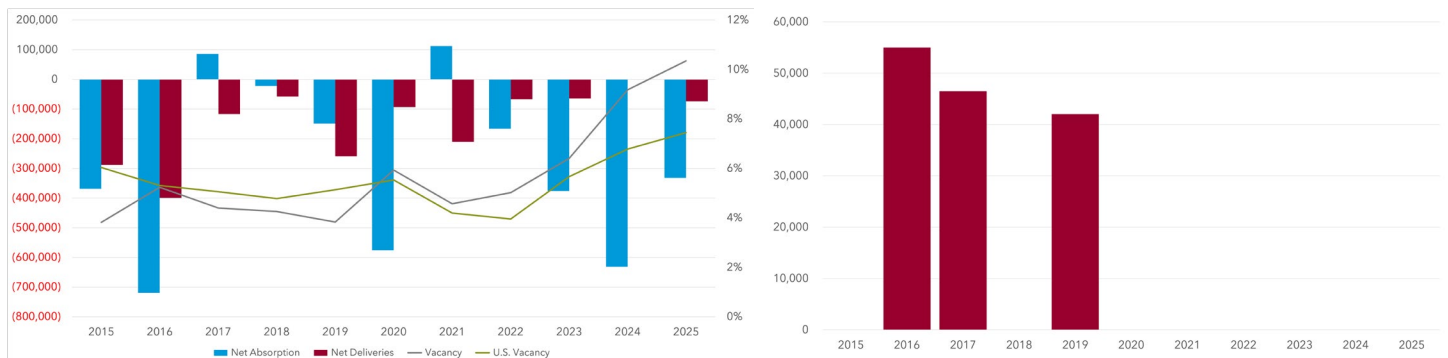
The San Francisco industrial market had a relatively quiet Q4, with a second straight quarter of slightly positive net absorption at 7,404 feet and the vacancy rate dropping to 10.35%. Two noteworthy transactions came from Ouster, a LiDAR company who manufactures sensors for autonomous vehicles, drones, and robotics, as they both signed the largest lease of the quarter with a 26,000 square foot renewal at 350 Treat Avenue and purchased 2741 16th Street for \$18,000,000. Other big news came from the San Francisco Board of Supervisors as they approved Prologis's SF Gateway, a planned 1.6 million square foot warehouse project in the Bayview first proposed by the company in 2015.

MARKET INDICATORS	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024
▲ 12 Mo. Absorption Units	(262,826)	(541,085)	(687,726)	(400,654)	(631,378)
▼ Vacancy Rate	10.35%	10.38%	10.63%	9.46%	9.18%
▼ Avg NNN Asking Rent PSF	\$20.41	\$20.66	\$21.67	\$21.45	\$22.40
▼ Sale Price PSF	\$347.00	\$382.00	\$358.00	\$337.00	\$302.00
◀ ▶ Cap Rate	5.81%	5.81%	5.82%	5.83%	5.78%
◀ ▶ Under Construction	-	-	-	-	-
◀ ▶ Inventory	22,664,050	22,664,050	22,706,086	22,706,086	22,737,766

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
3600 3rd Street San Francisco, CA	27,447 SF	\$12,881,000 \$469.30 PSF	DECA Companies WM Properties	Class C
2741 16th Street San Francisco, CA	22,421 SF	\$18,000,000 \$802.82 PSF	Ouster Ridge Capital Investors	Class C
150 Potrero Avenue San Francisco, CA	13,000 SF	\$6,080,000 \$467.69 PSF	DD Real Property Barbara Kurtz Trust	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
350 Treat Avenue San Francisco, CA	26,125 SF	The Swig Company	Ouster	LiDAR Hardware
201-399 Mendell Street San Francisco, CA	23,000 SF	Lowenberg Corp.	Undisclosed	Undisclosed
2920-2930 3rd Street San Francisco, CA	15,144 SF	Terreno Realty	Glacier Tech	Robotics

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