



Office Market Report San Francisco - CA

PREPARED BY

HUGHES
MARINO

Cameron Love
Senior Vice President



OFFICE MARKET REPORT

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12 Mo Deliveries in SF

2.8 M

12 Mo Net Absorption in SF

3.1 M

Vacancy Rate

5.8%

12 Mo Rent Growth

6.4%

The tech sector has driven San Francisco's office market to new heights. Leasing activity remains strong as mature tech giants with strong balance sheets and well-capitalized start-ups alike compete for the city's premier office buildings. Large-sized blocks of space have become increasingly rare, and development opportunities are limited.

Net absorption soared to a record high in 2018 and remains elevated in 2019, boosted by tenants taking occupancy in new skyscrapers surrounding the Transbay transit center. Despite multiple building completions over the past several years, demand has outweighed supply growth, sending vacancy in the metro towards expansion era lows.

With the delivery of more high-rise buildings in the South Financial District, and completion of the Mission Bay

headquarters of Uber and Dropbox, inventory growth is on schedule to reach a cyclical peak in 2019. The majority of new inventory in the market is delivering fully preleased to tech tenants, setting the stage for another year of robust net absorption.

Rent growth picked up in 2017 and 2018 in response to tightening market fundamentals, but remains subdued compared to the double-digit annual gains achieved earlier in the economic expansion. Furthermore, the pace of rent growth has been moderating lower in 2019. That said, San Francisco still ranks among the country's strongest markets in year-over-year rent growth.

Asset pricing continues to rise in conjunction with rent potential. Sales volume has picked up in 2019, as the market continues to attract institutional investment, and large user acquisitions.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	91,758,797	6.1%	\$77.19	9.6%	446,962	0	5,466,937
3 Star	52,457,229	5.1%	\$66.43	8.2%	196,385	25,420	914,200
1 & 2 Star	32,667,090	6.4%	\$54.22	8.7%	(92,483)	0	0
Market	176,883,116	5.8%	\$69.96	9.0%	550,864	25,420	6,381,137

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.3%	9.3%	6.8%	16.2%	2003 Q2	1.3%	2000 Q2
Net Absorption SF	3.1 M	1,300,990	1,122,146	7,089,805	2000 Q1	(9,382,408)	2001 Q3
Deliveries SF	2.8 M	1,850,780	2,107,768	6,189,635	2001 Q4	55,198	2006 Q2
Rent Growth	6.4%	4.7%	1.2%	30.7%	2000 Q3	-33.0%	2001 Q4
Sales Volume	\$7.6 B	\$3.4B	N/A	\$9.2B	2007 Q3	\$295.6M	2002 Q2

San Francisco's office market is thriving in the mature stages of a tech-led economic expansion. Absorption soared to nearly 4 million SF in 2018, and totaled nearly 3 million SF in the first three quarters of 2019. Building developments are reaching completion, fully preleased. Despite an abundance of new inventory, tenant demand continues to place downward pressure on vacancy, which is near expansion-era lows at just 5.8%.

Absent substantial supply growth earlier in the expansion period, vacancy declined rapidly, from a recession-era peak of 13% in 2010, to 6% by mid-2015. However, as new development helped satisfy demand, and rising rental costs prompted some tenant out-flow, market fundamentals stabilized. Vacancy has hovered between 6% and 7% since 2015.

In comparison, vacancy at the peak of the dot com expansion period in 2000 fell below 2%. The duration of the current expansion period has provided more time for developers to respond to tenant demand. This time around, a larger share of companies leasing space have established profitable business operations. However, some tenant risk remains in the market. Several technology firms boasting quickly rising revenue streams that have expanded aggressively in San Francisco, remain unprofitable as of yet.

Due to the market's strong demand, availability is scarce for large blocks of space, and for creative office spaces in particular. Tech companies are competing for the market's best located and outfitted buildings in order to attract employees, but many second generation space options in less prestigious buildings remain available for mid-sized and smaller tenants.

Only a few submarkets in the entire metro, primarily located outside of the city, maintain a vacancy rate above 10%. These mid-peninsula suburban submarkets including San Mateo, Burlingame, and Foster City/Redwood Shores lack the population density, amenities, and extensive food and entertainment options found in the city of San Francisco. Transportation can also be a challenge, as San Francisco's MUNI bus system, and BART do not extend South to these submarkets. However, demand is rising specifically near CalTrain stations in the Peninsula, which provide service to the South of Market area of San Francisco. Despite

their higher than average vacancy rates, rent growth in these submarkets remains strong, as demand for affordable and transit-friendly real estate located between San Francisco and San Jose is rising.

The tightest submarkets in San Francisco surround downtown (MidMarket, Yerba Buena, Lower South of Market, Rincon/South Beach and Civic Center) and offer tenants access to centrally located public transit, at a slight discount to prevailing rental rates in the city's Central Business District (Financial District and South Financial District submarkets).

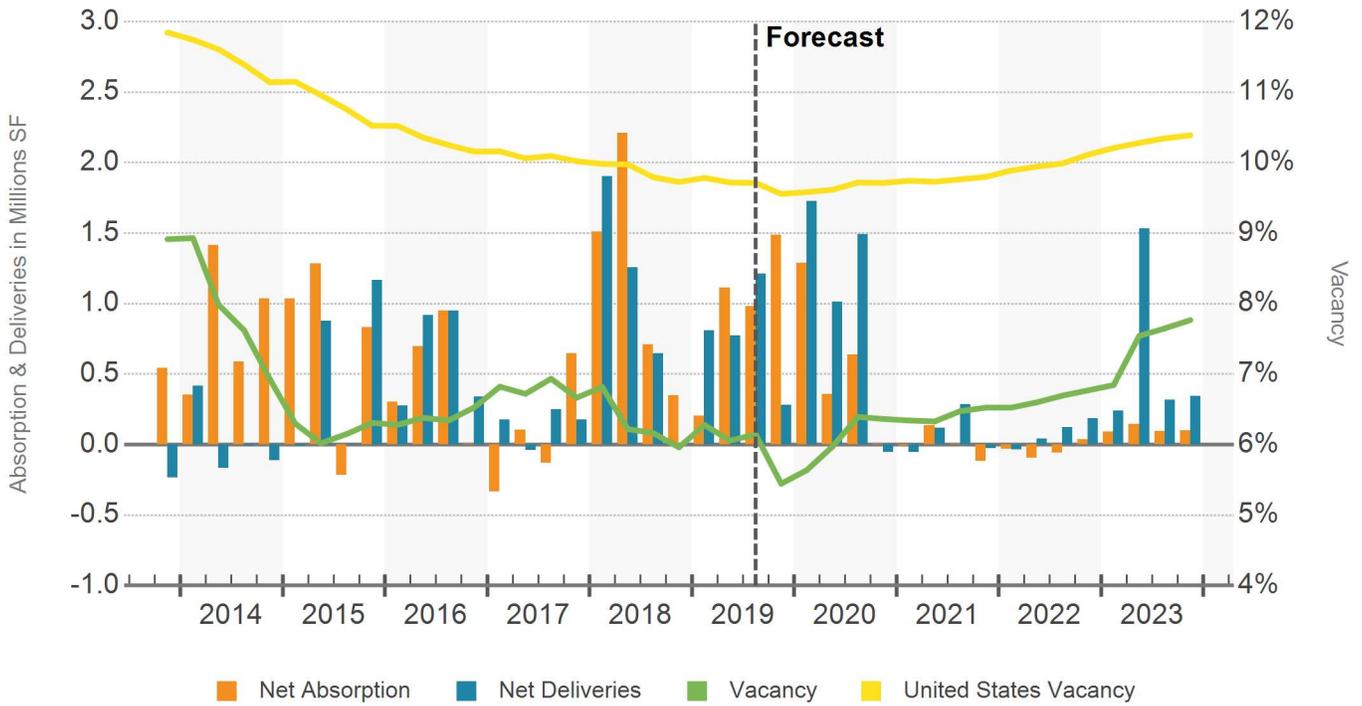
Elevated levels of available sublease space suggest that underlying demand may be slightly weaker than the market's headline vacancy rates suggests. More than 3 million SF of sublease space is currently listed as available, which equates to roughly 2% of market inventory.

While some cost-sensitive tenants are leaving San Francisco to lease more affordable space in the East Bay, cross Bay tenant migration is not as strong as many market observers assumed it would be several years ago. However, notable tenants such as Delta Dental, Blue Shield, Aecom, and most recently, Square and Credit Karma have expanded into Oakland.

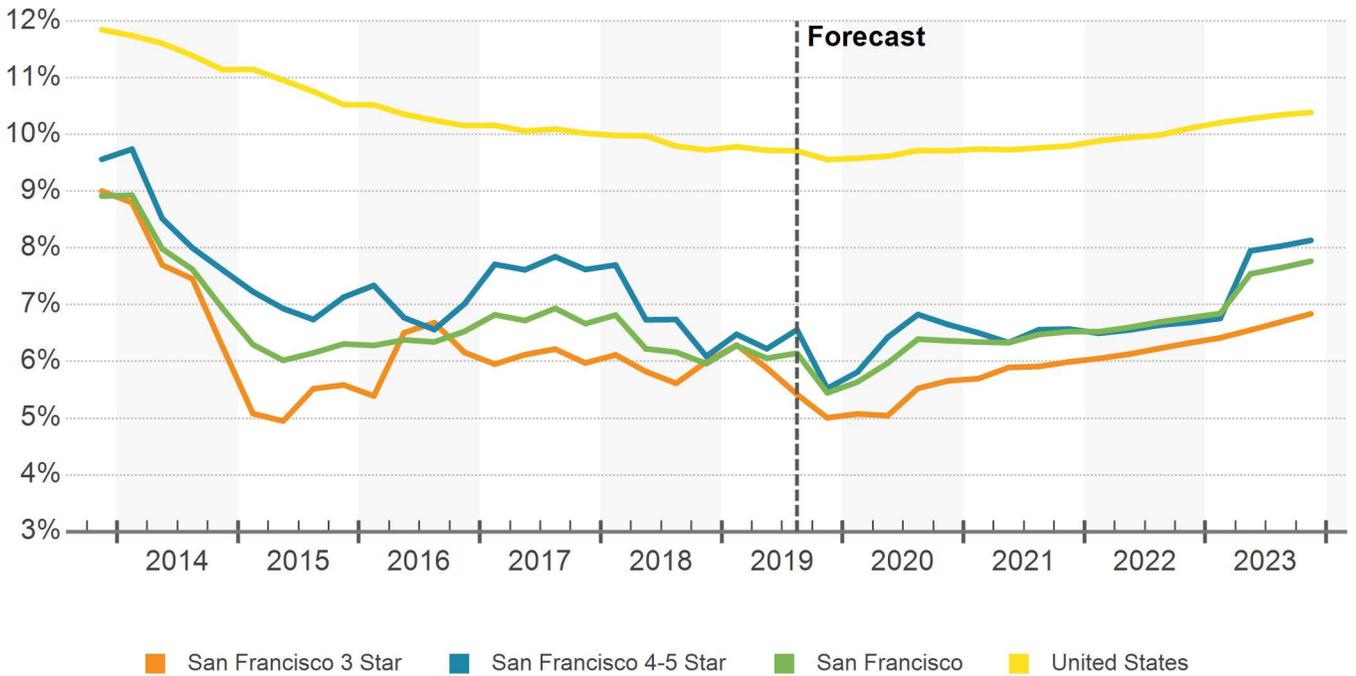
Furthermore, several Fortune 500 firms with longstanding roots in San Francisco are also moving out of town, to parts of the country where the cost of doing business is much lower. Engineering and construction firm Bechtel Group is moving to Virginia, while McKesson and CoreMark are relocating to Texas. Yet, fundamentals in San Francisco remain extremely strong. Tech companies and co-working providers are expanding into the buildings vacated by these more traditional, cost-sensitive tenants.

However, San Francisco has become the most expensive market in the country for office space, and average rents in the East Bay are roughly 40% below those in San Francisco—a difference that widened in the economic expansion cycle. As San Francisco tenants face steep rent hikes upon lease expirations, relocations to the East Bay and out of California entirely could dampen demand.

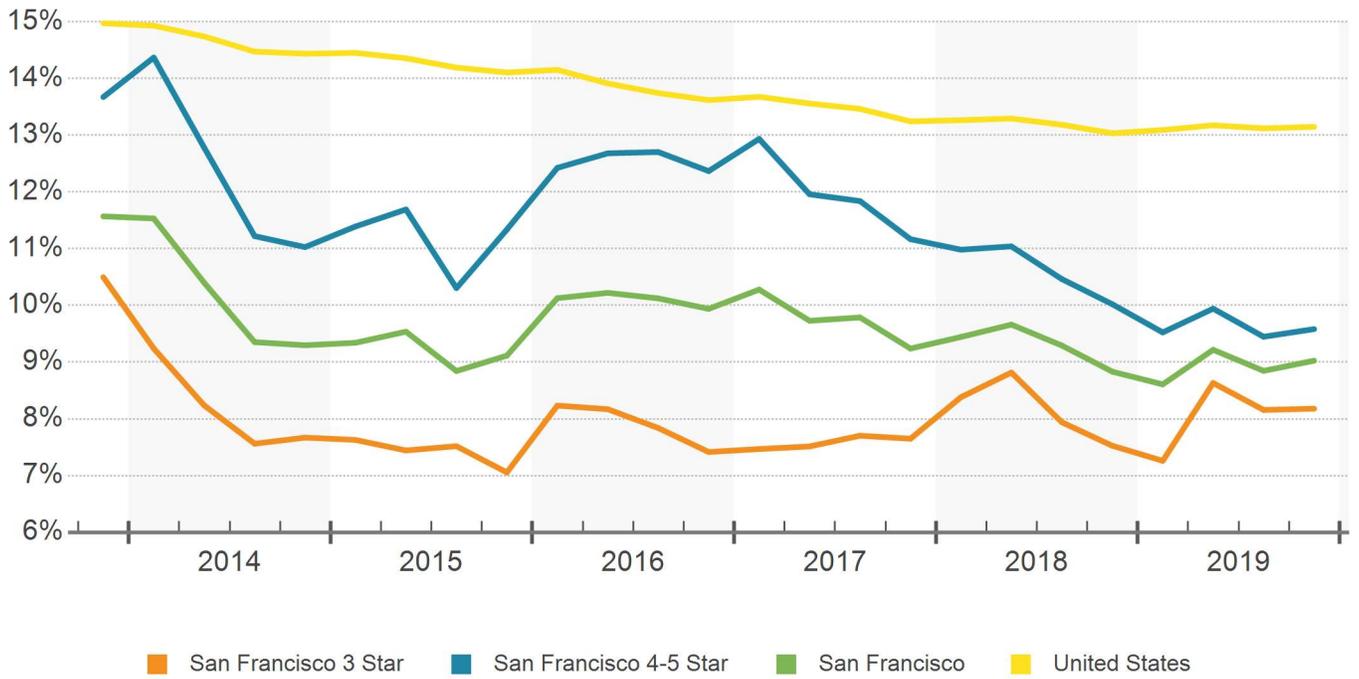
NET ABSORPTION, NET DELIVERIES & VACANCY



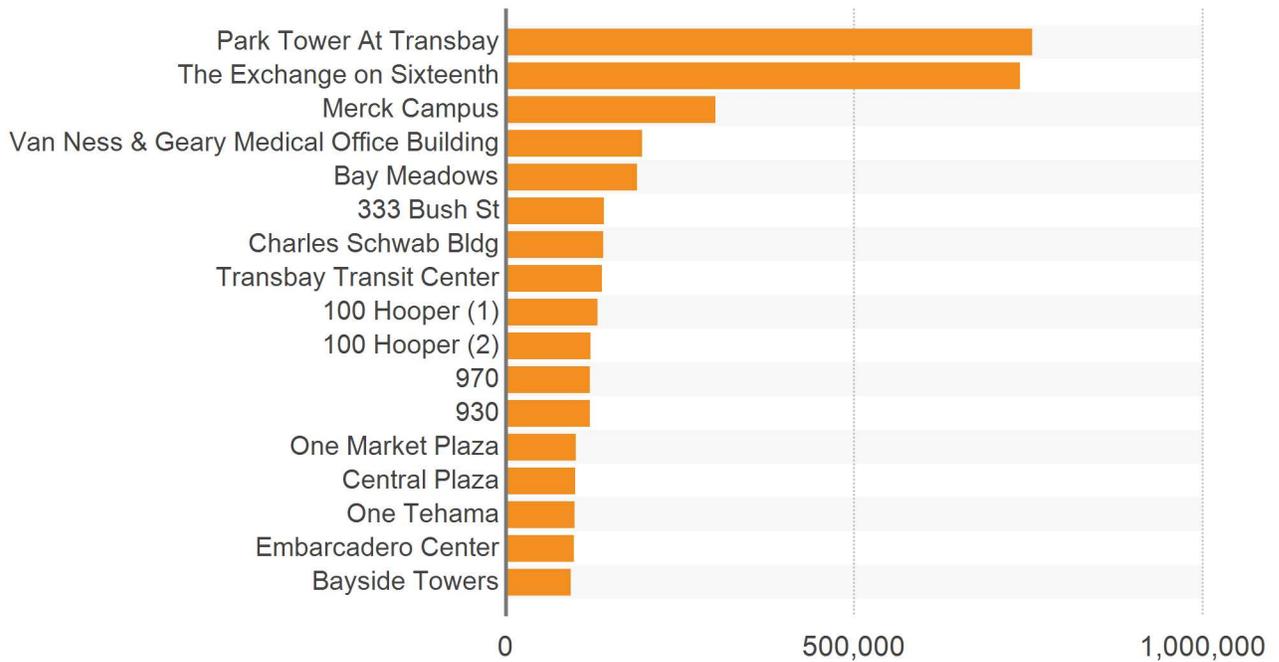
VACANCY RATE



AVAILABILITY RATE



12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
Park Tower At Transbay	South Financial District	764,700	8,746	755,954	0	0	0	755,954
The Exchange on Sixteenth	Mission Bay/China B...	750,370	12,289	0	0	726,973	11,108	738,081
Merck Campus	South SF East of 10...	300,930	0	0	300,930	0	0	300,930
Van Ness & Geary Medical Offic...	Van Ness Corridor	234,000	38,066	0	191,968	3,966	0	195,934
Bay Meadows	San Mateo-Downtow...	189,000	0	0	0	189,000	0	189,000
333 Bush St	Financial District	542,878	56,866	12,925	102,288	43,926	(34,125)	141,448
Charles Schwab Bldg	South Financial District	373,500	0	0	0	0	140,079	140,079
Transbay Transit Center	South Financial District	1,420,682	0	95,741	10,052	0	20,631	138,302
100 Hooper (1)	Showplace Square	200,000	10,984	990	152	12,361	0	131,783
100 Hooper (2)	Showplace Square	200,000	0	2,732	10,690	14,836	0	121,832
970	San Mateo-Downtow...	120,968	0	0	0	120,968	0	120,968
930	San Mateo-Downtow...	120,968	0	0	0	120,968	0	120,968
One Market Plaza	South Financial District	419,371	0	0	309,457	0	0	100,909
Central Plaza	South Financial District	379,203	38,882	14,128	93,035	(10,084)	(12,397)	99,762
One Tehama	South Financial District	98,566	0	0	0	98,566	0	98,566
Embarcadero Center	Financial District	1,035,779	24,030	8,288	14,856	25,665	22,484	98,198
Bayside Towers	Foster City/Redwood...	141,551	0	0	74,241	19,525	0	93,766
Subtotal Primary Competitors		7,292,466	189,863	890,758	1,107,669	1,366,670	147,780	3,586,480
Remaining San Francisco Market		169,590,650	10,151,542	(685,299)	5,327	(386,117)	403,084	(500,714)
Total San Francisco Market		176,883,116	10,341,405	205,459	1,112,996	980,553	550,864	3,085,766

TOP OFFICE LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
88 Bluxome	Lower South of Market	429,820	Q1 19	Pinterest, Inc	CBRE	Alexandria Real Estate...
550 Howard St	South Financial District	324,989	Q4 18	Salesforce	-	-
One Market Plaza	South Financial District	309,457	Q4 18	Google, Inc.	-	-
633 Folsom St	Rincon/South Beach	268,000	Q1 19	Asana Inc.	CBRE	CBRE
One Front St	Financial District	234,993	Q1 19	First Republic Bank	JLL	JLL
45 Fremont St	South Financial District	208,459	Q1 19	Slack	Colliers International	Shorenstein Properties...
Kilroy Oyster Point Phase I	South SF East of 101 Fwy	200,000	Q4 19	Stripe Inc.	-	Kidder Mathews
One Maritime Plaza	Financial District	188,677	Q4 18	Google	CBRE	CBRE
Townsend Center *	Showplace Square	185,000	Q3 19	Zynga, Inc.	-	-
Kilroy Oyster Point Phase I	South SF East of 101 Fwy	160,000	Q4 19	Stripe Inc.	-	Kidder Mathews
500 El Camino Real	Menlo Park-Atherton	154,000	Q3 19	Softbank	-	-
Charles Schwab Bldg	South Financial District	150,079	Q1 19	Google	CBRE	JLL
Embarcadero Center	Financial District	127,640	Q4 18	Cooley LLP	Newmark Knight Frank	-
The California Center *	Financial District	119,000	Q3 19	TPG Global LLC	Cushman & Wakefield	Cushman & Wakefield
300 Mission St	South Financial District	117,673	Q2 19	Autodesk	CBRE	JLL
300 Mission St	South Financial District	116,688	Q2 19	Glassdoor, Inc.	CBRE	JLL
One De Haro	Showplace Square	116,037	Q2 19	Samsara	JLL	Newmark Knight Frank
Concar	San Mateo-Corridor/Hwy 92	102,000	Q1 19	Snowflake Computing	-	-
101 Redwood Shores Pky	Foster City/Redwood Shrs	100,328	Q1 19	Zuora, Inc	JLL	Newmark Knight Frank
The Alexandria District	San Carlos	99,557	Q2 19	Atreca	-	-
The Alexandria District	San Carlos	96,463	Q3 19	ChemoCentryx, Inc.	-	Newmark Knight Frank
The Shore at Sierra Point	Brisbane/Daly City	92,094	Q4 18	Celgene	-	CBRE
153 Townsend St	Rincon/South Beach	86,334	Q4 18	Ancestry.com	-	Colliers International
First Market Tower	South Financial District	86,115	Q3 19	-	-	Cushman & Wakefield
The Alexandria District	San Carlos	80,690	Q3 19	-	-	Newmark Knight Frank
Stevenson Place	South Financial District	79,674	Q4 19	-	-	Savills
1455 Market St	MidMarket	78,031	Q3 19	Reddit	CBRE	JLL
Embarcadero Center *	Financial District	77,214	Q1 19	O'Melveny & Myers LLP	CBRE	-
Alexandria Technology Center *	South SF East of 101 Fwy	74,788	Q3 19	Atreca	-	-
595 Market St	South Financial District	74,602	Q3 19	Benefit Cosmetics	CBRE	Tishman Speyer
Bayside Towers	Foster City/Redwood Shrs	74,241	Q1 19	Zoox, Inc.	-	Newmark Knight Frank
303 2nd St	Rincon/South Beach	69,798	Q2 19	Playstation	CBRE	JLL
Kilroy 360 *	Yerba Buena	66,839	Q3 19	Akqa Inc	CBRE	CBRE
SOMA Square *	Yerba Buena	66,510	Q4 18	Pivotal	-	Colliers International
1455 Market St	MidMarket	66,056	Q1 19	-	-	Cushman & Wakefield
San Francisco Multimedia Center *	Lower South of Market	65,180	Q1 19	Fastly Inc	CBRE	Colliers International
99 Rhode Island St	Showplace Square	63,780	Q3 19	Pax Labs, Inc.	Newmark Knight Frank	Newmark Knight Frank
101 Second St *	South Financial District	63,317	Q3 19	Reed Smith LLP	Colliers International	CBRE
Menlo Corporate Center *	Menlo Park-East/EPA	62,920	Q2 19	Lucile Packard Children's...	Newmark Knight Frank	-
Menlo Corporate Center *	Menlo Park-East/EPA	62,920	Q1 19	E*TRADE	-	Newmark Knight Frank

*Renewal

Office rents in San Francisco skyrocketed early in the economic expansion cycle and continue to rise at a healthy pace. Asking rents are now up to \$69.96/FS, on average, roughly 70% above their 2007 prerecession peak, but just moderately above their 2000 dot-com peak, unadjusted for inflation. Rental rates have more than doubled in the expansion cycle, since bottoming out in 2010.

While annual rent growth soared in double digit territory early in the expansion cycle, 2016 saw a shift in momentum. The completion of new office buildings helped balance tenant demand, while the pace of local job growth and optimism in the economy cooled. Sublease space availability also ticked up, tempering the leverage landlords held in the market at the time. As a result, rent growth slowed significantly.

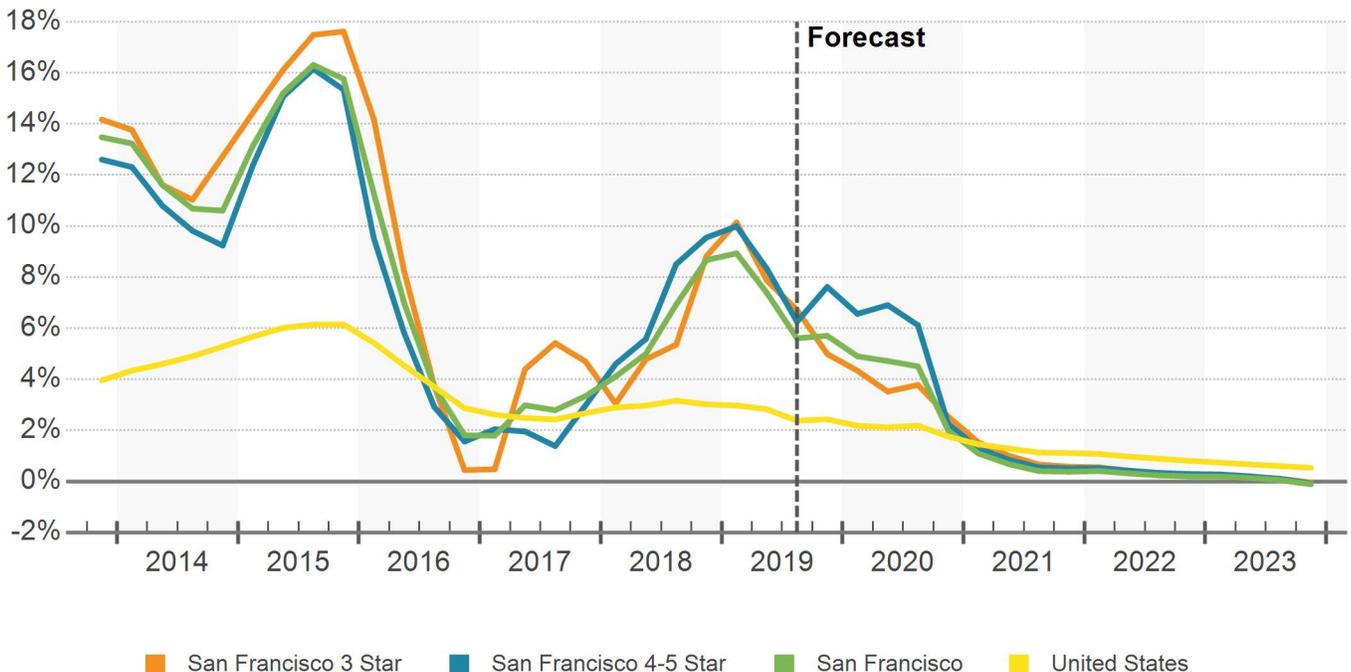
However, as tenant demand has remained strong since then, landlords slowly regained confidence in the market. Rent growth increased steadily in 2017 and 2018, and is outpacing the national average once again. Rent growth is moderating in 2019, perhaps in anticipation of a global economic slowdown, though it remains comparatively strong.

Over the past 12 months, average asking rents have increased by 6.4%, ranking San Francisco among the top 10 metro's nationwide. In the San Jose metro area directly south, rents are also exceedingly high. Cost-sensitive tenants may be looking to the East Bay, where average rents are 40% lower, or out of the Bay Area entirely in search of affordability. Many longstanding tenants are downsizing and improving space efficiency in order to save on rising real estate costs, and maintain local offices.

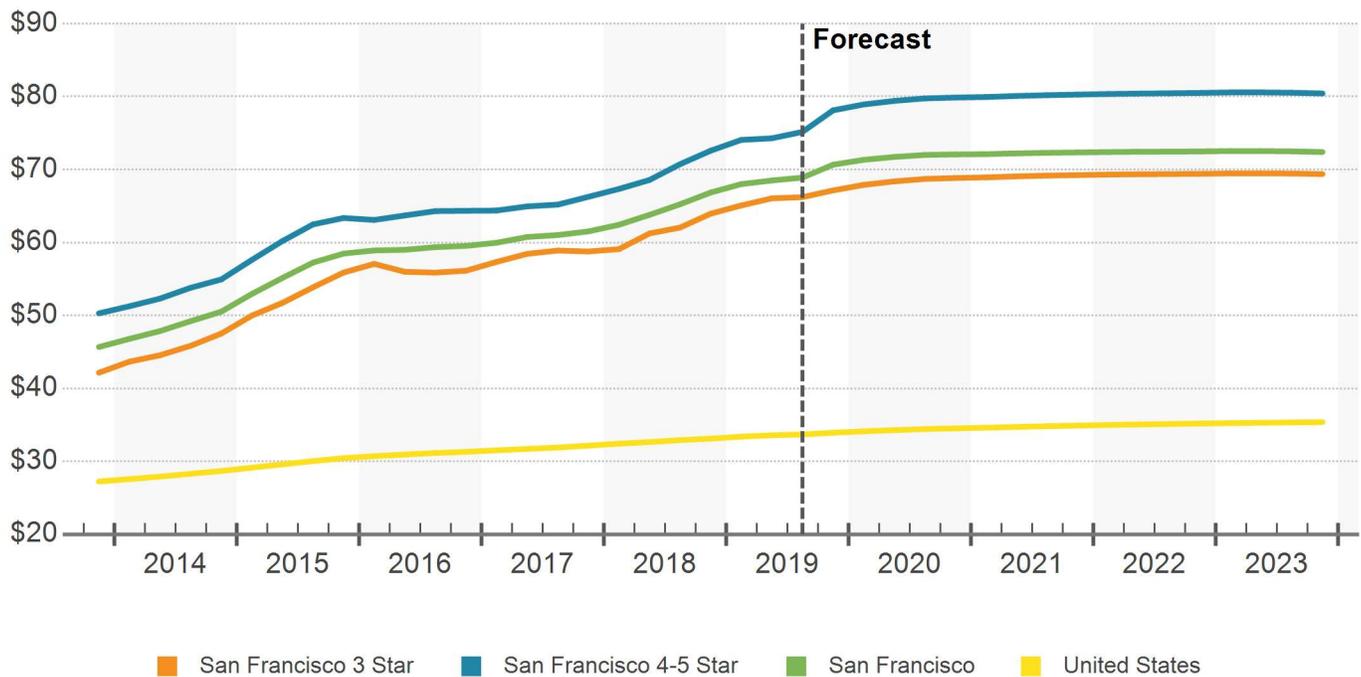
Moving forward, CoStar's forecast model calls for moderating rent growth in 2019 and 2020, and essentially stable rent levels from 2021 through 2023, primarily due to its utilization of an Oxford economic forecast that calls for negligible job gains in those years.

Tech tenant expansions remain prevalent, but San Francisco's rental rates are now the most expensive in the country. As the benefits of the U.S. government's expansionary fiscal policy (tax cuts and increased government spending) wear off by next year, the economy is expected to slow under the weight of a higher interest rate environment, and trade disruption. Job growth will weaken, which would negatively impact market fundamentals and rents.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FOOT



4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
San Francisco	\$1.04	\$2.05	\$1.34	\$5.86	\$7.18	\$17.47
San Mateo Central County	\$1.03	\$1.37	\$1.25	\$4.86	\$5.87	\$14.38
San Mateo North County	\$0.96	\$1.46	\$1.37	\$7.78	\$5.27	\$16.84
San Mateo South County	\$0.95	\$1.47	\$1.38	\$5.27	\$5.05	\$14.12
SF Downtown Core	\$1.00	\$2.96	\$1.44	\$6.34	\$9.68	\$21.42
SF Downtown North	\$0.89	\$2.39	\$1.33	\$5.18	\$8.73	\$18.52
SF Downtown South	\$1.37	\$2.40	\$1.16	\$4.93	\$7.37	\$17.23
SF Downtown West	\$0.71	\$2.46	\$1.37	\$7.15	\$8.53	\$20.22
SF Outer Areas	\$1.12	\$2.85	\$2.02	\$4.14	\$10.01	\$20.14
SF Southeast	\$1.63	\$1.57	\$1.06	\$5.94	\$6.95	\$17.15

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
San Francisco	\$0.90	\$1.59	\$1.04	\$4.31	\$5.35	\$13.19
Outlying San Mateo County	\$0.83	\$0.94	\$0.98	\$7.63	\$5.40	\$15.78
San Mateo Central County	\$0.92	\$0.87	\$0.90	\$4.32	\$5.15	\$12.16
San Mateo North County	\$0.86	\$0.85	\$0.89	\$4.71	\$4.50	\$11.81
San Mateo South County	\$0.88	\$0.88	\$0.94	\$5.14	\$4.60	\$12.44
San Mateo West County	\$0.49	\$0.76	\$0.80	\$3.71	\$4.99	\$10.75
SF Downtown Core	\$0.95	\$2.77	\$1.29	\$4.68	\$6.23	\$15.92
SF Downtown North	\$0.82	\$2.24	\$1.19	\$3.71	\$5.51	\$13.47
SF Downtown South	\$1.25	\$2.23	\$1.10	\$3.83	\$5.40	\$13.81
SF Downtown West	\$0.65	\$2.23	\$1.22	\$4.08	\$5.94	\$14.12
SF Outer Areas	\$0.59	\$0.96	\$0.95	\$3.77	\$5.76	\$12.03
SF Southeast	\$1.07	\$1.59	\$1.02	\$3.92	\$5.54	\$13.14

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

1 & 2 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
San Francisco	\$0.66	\$1.29	\$0.83	\$3.96	\$2.09	\$8.83
Outlying San Mateo County	\$0.56	\$0.86	\$0.91	\$4.01	\$1.84	\$8.18
San Mateo Central County	\$0.62	\$0.83	\$0.86	\$4.16	\$2.28	\$8.75
San Mateo North County	\$0.63	\$0.84	\$0.88	\$3.57	\$1.62	\$7.54
San Mateo South County	\$0.62	\$0.84	\$0.91	\$4.75	\$1.50	\$8.62
San Mateo West County	\$0.56	\$0.86	\$0.91	\$4.40	\$1.84	\$8.57
SF Downtown Core	\$0.88	\$2.40	\$0.73	\$3.98	\$3.06	\$11.05
SF Downtown North	\$0.77	\$2.09	\$0.69	\$4.70	\$2.53	\$10.78
SF Downtown South	\$0.82	\$2.09	\$0.70	\$3.10	\$2.51	\$9.22
SF Downtown West	\$0.65	\$2.04	\$0.68	\$3.91	\$2.60	\$9.88
SF Outer Areas	\$0.59	\$0.98	\$0.92	\$3.65	\$1.95	\$8.09
SF Southeast	\$0.65	\$1.17	\$0.85	\$2.93	\$1.97	\$7.57

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

The office building development cycle in San Francisco has reached full swing, with 6 million SF currently under construction throughout the metro. Supply growth in 2018 jumped to 3.8 million SF, and deliveries are expected to peak in 2019, with over 4.1 million SF scheduled for completion.

A 2018 revision to central SoMa's zoning will allow for the development of taller buildings in the area, essentially extending the downtown core. Nevertheless, the city's annual limit program for office development, known locally as Prop M, will inhibit the pace at which proposed projects obtain approval moving forward.

Allocations were recently awarded to Kilroy Realty's 2.3 million SF Flower Mart redevelopment project, and at 88 Bluxome, a 1.1 million SF project led by TMG Partners and Alexandria, that has already preleased half of its office space to Pinterest. Also, Tishman Speyer gained approval for 598 Brannan St., a 700,000 SF development.

The backlog of space available for allocation to large projects (over 50,000 SF) has been depleted this cycle, and with only 875,000 SF becoming available annually, developers are lobbying the planning commission for approval of their projects ahead of others. More than 6 million SF of proposed office space remains in the pipeline, awaiting Prop M allocation. Developers continue to push speculative projects through San Francisco's arduous and lengthy planning process, as tenant demand remains strong enough to encourage construction.

San Francisco's unique regulatory constraint on office construction is limiting growth, but also guards against the potential risk of overdevelopment.

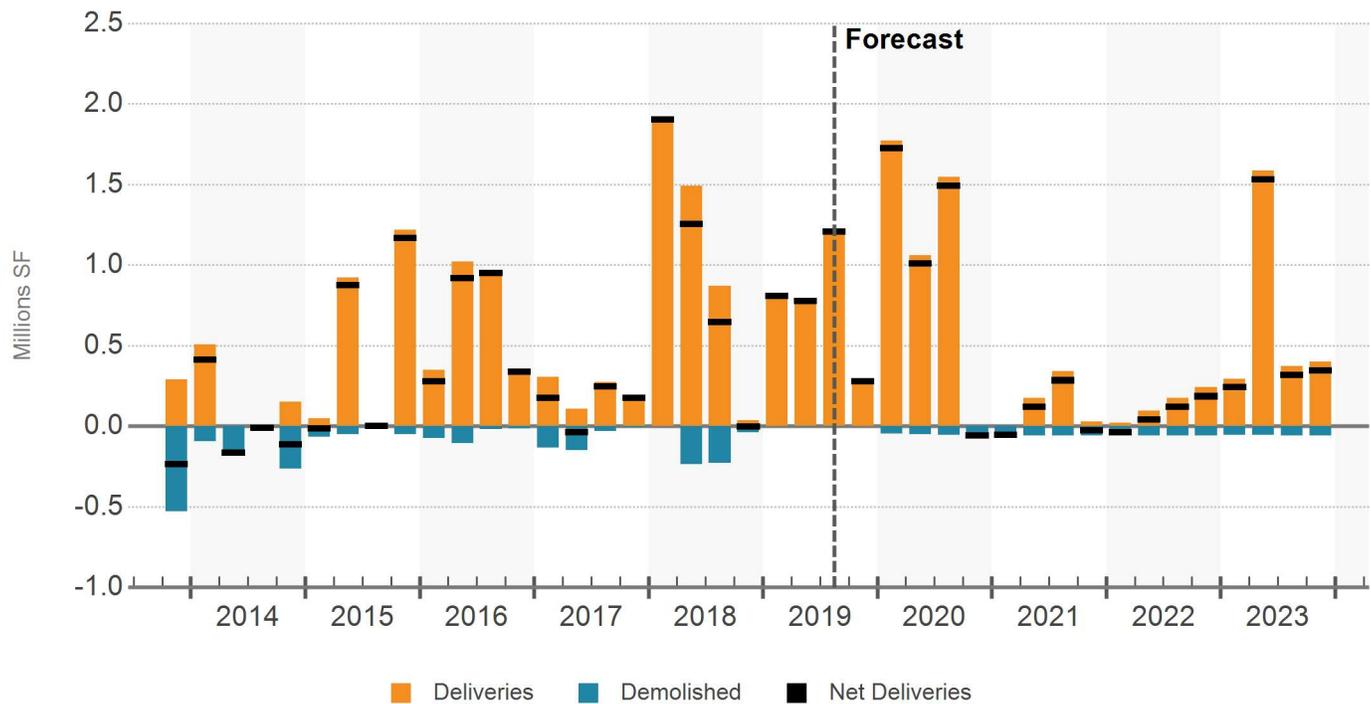
In part due to Prop M's limitation, preleasing activity for

the market's active construction projects is exceptionally strong. Expanding tech companies are securing space for future growth, as large-sized blocks of available space are limited in the market's existing inventory stock. Several tenants have even preleased space in buildings prior to development approval. Salesforce in 18Q4 preleased the office portion of 550 Howard St., which as proposed will become the fourth tallest tower in the city, and provide 325,000 SF of future expansion space for the company. As mentioned, Pinterest, just ahead of its IPO at the end of 19Q1, agreed to anchor 1 of 2 nearly half-a-million-square-foot connected buildings at 88 Bluxome that were approved for development in the following quarter.

Tech firms have led the market's preleasing activity. In addition to Salesforce and Pinterest, Facebook will be expanding at the Menlo Gateway project in the Peninsula, while simultaneously moving into Park Tower at Transbay, its second building in the city's downtown core. Facebook also recently leased Burlingame Point, an 803,000 SF under construction campus located midway between their Menlo Park headquarters and Downtown San Francisco. Burlingame Point is expected to house Facebook's virtual reality arm Oculus, and will be ready for occupancy in a few years. With a flurry of recent leasing activity, Facebook has enabled itself to establish multiple satellite locations throughout the Bay Area over the next several years.

In total, roughly 68% of the market's under construction inventory has been preleased, ahead of the U.S. national average and ranking San Francisco among the strongest markets in the country for preleasing. Less than 2 million SF of office space currently under construction throughout the metro is available for lease. New building availability is extremely rare, with the majority stemming from Oceanwide Center, a 1.25 million SF building that will deliver in 2023, at the earliest.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	South Financial District	1	1,250	293	23.4%	9	181,585	1,250,000	1
2	Mission Bay/China Basin	3	1,017	1,017	100%	1	138,456	338,915	3
3	Burlingame-Airport Blvd	5	803	803	100%	1	73,965	160,618	8
4	San Carlos	2	557	277	49.7%	7	13,170	278,473	4
5	Menlo Park-East/EPA	2	521	521	100%	1	69,218	260,494	6
6	South SF East of 101 Fwy	3	520	520	100%	1	102,197	173,333	7
7	MidMarket	1	466	445	95.5%	6	89,594	466,000	2
8	Redwood City-N of 84 Fwy	3	280	120	43.1%	8	18,153	93,218	9
9	Menlo Park-Atherton	6	276	36	13.1%	10	17,533	45,939	10
10	Rincon/South Beach	1	268	268	100%	1	55,491	268,000	5
	All Other	6	424	194	45.8%		36,350	70,680	
Totals		33	6,381	4,494	70.4%		44,272	193,368	

Under Construction Properties

San Francisco Office

Properties

Square Feet

Percent of Inventory

Released

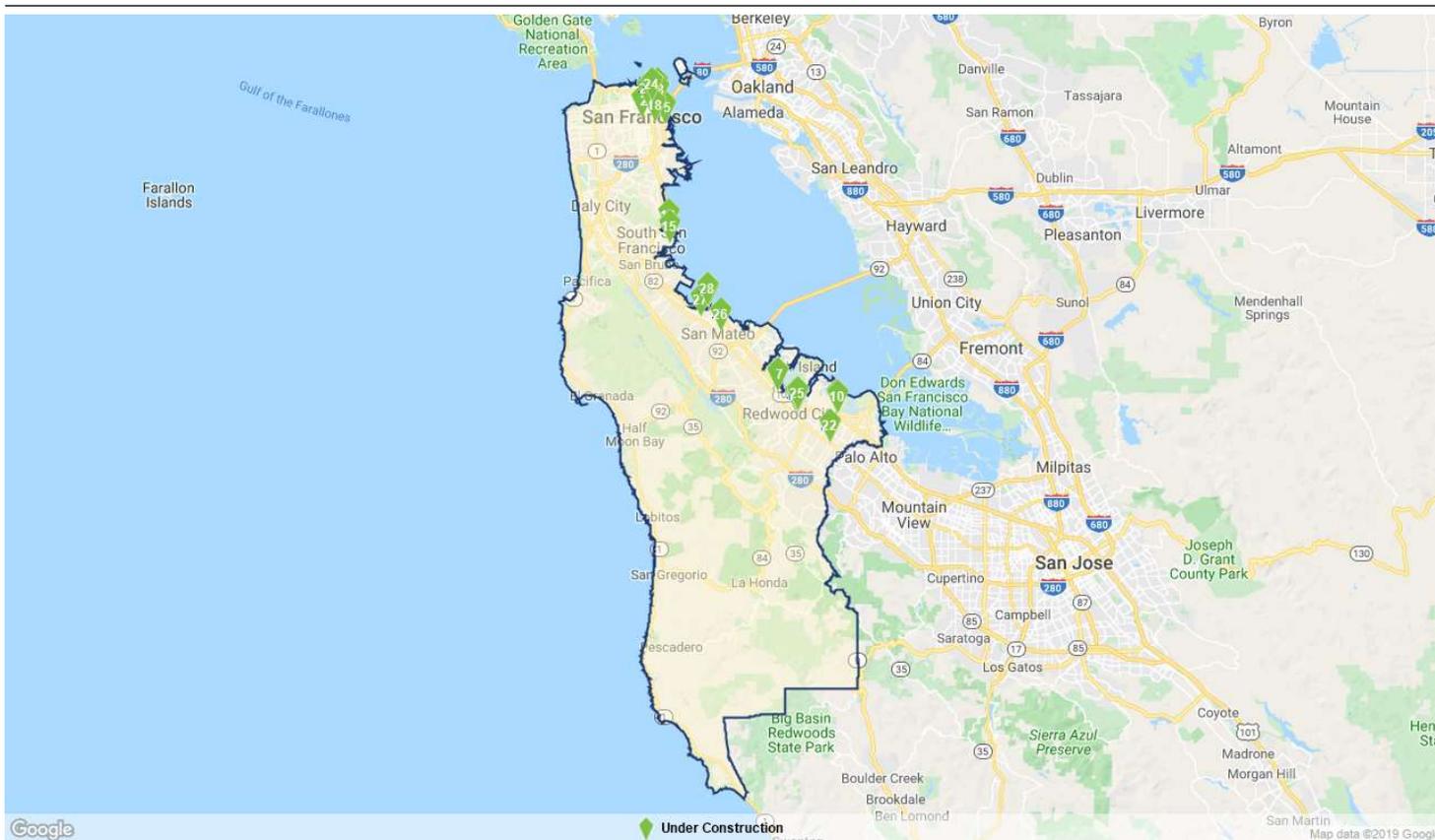
33

6,381,137

3.6%

70.4%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 First Street Tower 50 1st St	★★★★★	1,250,000	61	Jun-2018	Mar-2023	Oceanwide Holdings Co. Ltd. Oceanwide Holdings Co. Ltd.
2 1500 Mission St	★★★☆☆	466,000	16	Aug-2018	May-2020	Related California The Related Companies
3 UBER HQ 1455-1515 3rd St	★★★★★	422,980	11	Sep-2016	Jan-2020	Alexandria Real Estate Equities, I... Alexandria Real Estate Equities, I...
4 Uber South Street 1655 3rd St	★★★★☆	312,998	12	Jul-2017	Jan-2020	Strada Investment Group Alexandria Real Estate Equities, I...
5 Uber 16th Street 1715-1725 3rd St	★★★★☆	280,767	12	Jul-2017	Jan-2020	Strada Investment Group Golden State Warriors
6 Alexandria District for S... 825 Industrial Rd	★★★★☆	280,000	6	Jun-2019	Jul-2021	Alexandria Real Estate Equities, I... Alexandria Real Estate Equities, I...
7 Alexandria District for S... 835 Industrial Rd	★★★★☆	276,945	6	Jun-2019	Mar-2020	Alexandria Real Estate Equities, I... Alexandria Real Estate Equities, I...

Under Construction Properties

San Francisco Office

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 633 Folsom St	★ ★ ★ ★ ★	268,000	12	Jun-2018	Jul-2020	The Swig Company The Swig Company
9 Office - Phase II 135 Constitution Dr	★ ★ ★ ★ ★	260,500	8	Oct-2017	Dec-2019	Bohannon Development Company Alexandria Real Estate Equities, I...
10 Office - Phase II 125 Constitution Dr	★ ★ ★ ★ ★	260,488	8	Oct-2017	Dec-2019	Bohannon Development Company Bohannon Development Company
11 Bldg 4 311 Airport Blvd	★ ★ ★ ★ ★	243,553	8	Jan-2017	Jun-2020	Genzon Investment Group Genzon Investment Group
12 Bldg 3 333 Airport Blvd	★ ★ ★ ★ ★	215,321	7	Jan-2017	Jun-2020	Genzon Investment Group Genzon Investment Group
13 Bldg 2 Oyster Point Blvd & Gull Dr	★ ★ ★ ★ ★	200,000	6	Oct-2018	Jun-2020	Kilroy Realty Corporation Kilroy Realty Corporation
14 Bldg 1 Oyster Point Blvd	★ ★ ★ ★ ★	160,000	5	Oct-2018	Jun-2020	Kilroy Realty Corporation Kilroy Realty Corporation
15 B-40 500 E Grand Ave	★ ★ ★ ★ ★	160,000	8	Oct-2017	Nov-2019	Genentech, Inc. Genentech, Inc.
16 Bldg 1 322 Airport Blvd	★ ★ ★ ★ ★	155,806	5	Jan-2017	Jun-2020	Genzon Investment Group Genzon Investment Group
17 Bldg 2 300 Airport Blvd	★ ★ ★ ★ ★	155,482	5	Jan-2017	Jun-2020	Genzon Investment Group Genzon Investment Group
18 One De Haro 1 De Haro St	★ ★ ★ ★ ★	126,537	5	Feb-2019	May-2020	- SKS Partners, LLC
19 1302 El Camino Real	★ ★ ★ ★ ★	119,454	3	May-2018	Mar-2020	- Greenheart Land Company
20 420 Taylor St	★ ★ ★ ★ ★	115,766	5	Jul-2019	Jul-2020	- Seven Equity Group
21 Broadway Station 2075 Broadway St	★ ★ ★ ★ ★	114,859	4	Mar-2018	Dec-2019	Lane Partners Lane Partners
22 Station 1300 1300 El Camino Real	★ ★ ★ ★ ★	102,708	3	May-2018	Jan-2020	Greenheart Land Company Greenheart Land Company
23 855 Main St	★ ★ ★ ★ ★	95,692	4	Jul-2018	May-2021	The Acclaim Companies The Acclaim Companies
24 300 Grant Ave	★ ★ ★ ★ ★	71,832	6	Dec-2018	Apr-2020	- St. Bride's Managers
25 610 Walnut St	★ ★ ★ ★ ★	69,104	6	Jun-2019	Mar-2021	Windy Hill Property Ventures, Inc. Windy Hill Property Ventures, Inc.
26 405 E 4th Ave	★ ★ ★ ★ ★	62,341	3	Jun-2018	Nov-2019	Windy Hill Property Ventures, Inc. Windy Hill Property Ventures, Inc.
27 250 California Dr	★ ★ ★ ★ ★	44,605	4	Aug-2019	Aug-2021	Dewey Land Company, Inc. Dewey Land Company, Inc.
28 Bldg 5 (Amenity Bldg) 301 Airport Blvd	★ ★ ★ ★ ★	32,926	1	Jan-2018	Jun-2020	Genzon Investment Group Kylli Inc

San Francisco remains a premier market for office investment. While red-hot investment demand from earlier in the expansion cycle may have moderated, sales activity remains strong. Transaction volume totals over \$6 billion in 2019 through September, having already eclipsed 2018 and 2017's annual totals.

Pricing continues to rise at a healthy pace as well. Institutional capital still generally targets global gateway cities like San Francisco, and enduring demand generated by buyers attracted to the region's expanding tech industry has maintained downward pressure on cap rates at premium asset pricing. Average market pricing rose nearly 10% in 2018, and continues to rise in 2019, at a substantial, yet slightly slower pace.

Based on historical volatility, San Francisco is a relatively high-risk market. Buyers who have accepted that risk have been rewarded with the nation's strongest price appreciation in the expansion period.

The repeated sales of 123 Mission St., a 345,600 SF high rise in the South Financial District, provide a good example of rising asset pricing in the market, as well as investor interest. Originally developed by Walter Shorenstein in 1987, the 29-story, 4 Star building was first acquired by Sumitomo Corporation in 2005 for \$87 million. The building traded four more times in the expansion period: in 2013 for \$195 million (\$564/SF) to Hong-Kong based Pacific Eagle (US) Real Estate Fund, in August 2016 for \$255 million (\$738/SF) to China-based HNA Group North America, less than two years later, in May 2018, to New York-based Northwood Investors for \$290 million (\$839/SF), and most recently, electronic cigarette company Juul Labs purchased the building for \$397 million (\$1,149/SF) in June 2019, essentially twice what the building traded for less than six years prior.

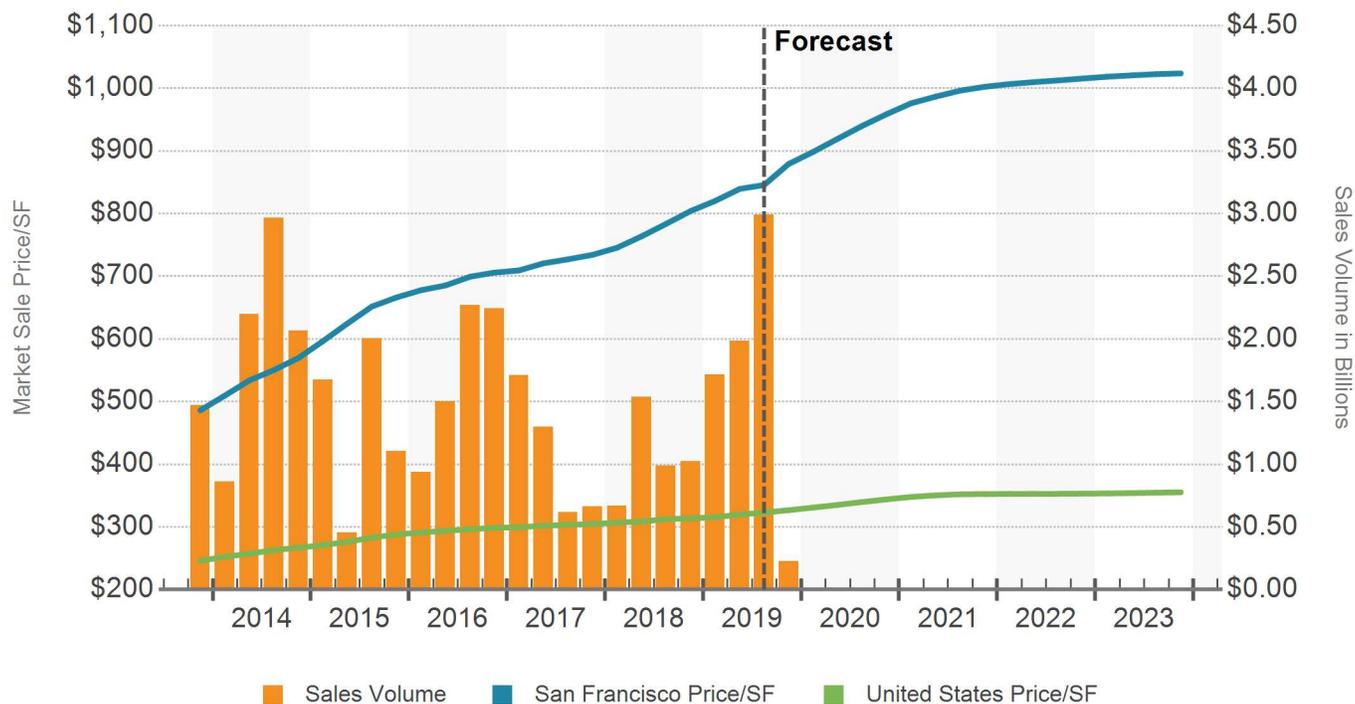
Several other large owner-user sales have closed this year. In February 2019, Gap Inc. exercised their right of first offer to purchase 550 Terry A. Francois Blvd. for \$342.5 million (\$1,211/SF). The 280,000 SF, 5 Star asset is the headquarters of Old Navy and was built in 2002. The property had previously sold in August 2012 for \$180 million (\$636/SF), representing a 90% increase in seven years.

Online game maker Zynga unloaded 650 Townsend St., which was purchased by Boston-based Beacon Capital Partners for \$602 million (\$900/SF) in July 2019, 2.6 times the price Zynga acquired the asset for in 2012.

Institutional investors and owner-users continue to place capital in San Francisco office assets. However, rent growth is moderating, global economic growth is slowing, business investment has weakened, and foreign investment is down. These headwinds, and the duration of the current expansion period have given some investors pause. On the bright side, technology-sector sales are strong, and the world's largest tech firms are still growing deeper roots in the San Francisco Bay Area, expanding headquarter campuses and preleasing space for future growth.

San Francisco's solid market fundamentals and high barriers to entry provide an attractive investment market. However, the rapid price appreciation achieved throughout the expansion cycle is not likely to last indefinitely. With CoStar's forecast model utilizing Oxford's weak job growth projection as a primary demand driver, rent growth projections are moderate. In conjunction with an anticipated rising cap rate environment, asset pricing is forecast to stabilize moving forward.

SALES VOLUME & MARKET SALE PRICE PER SF



Sales Past 12 Months

San Francisco Office

Sale Comparables

208

Avg. Cap Rate

5.1%

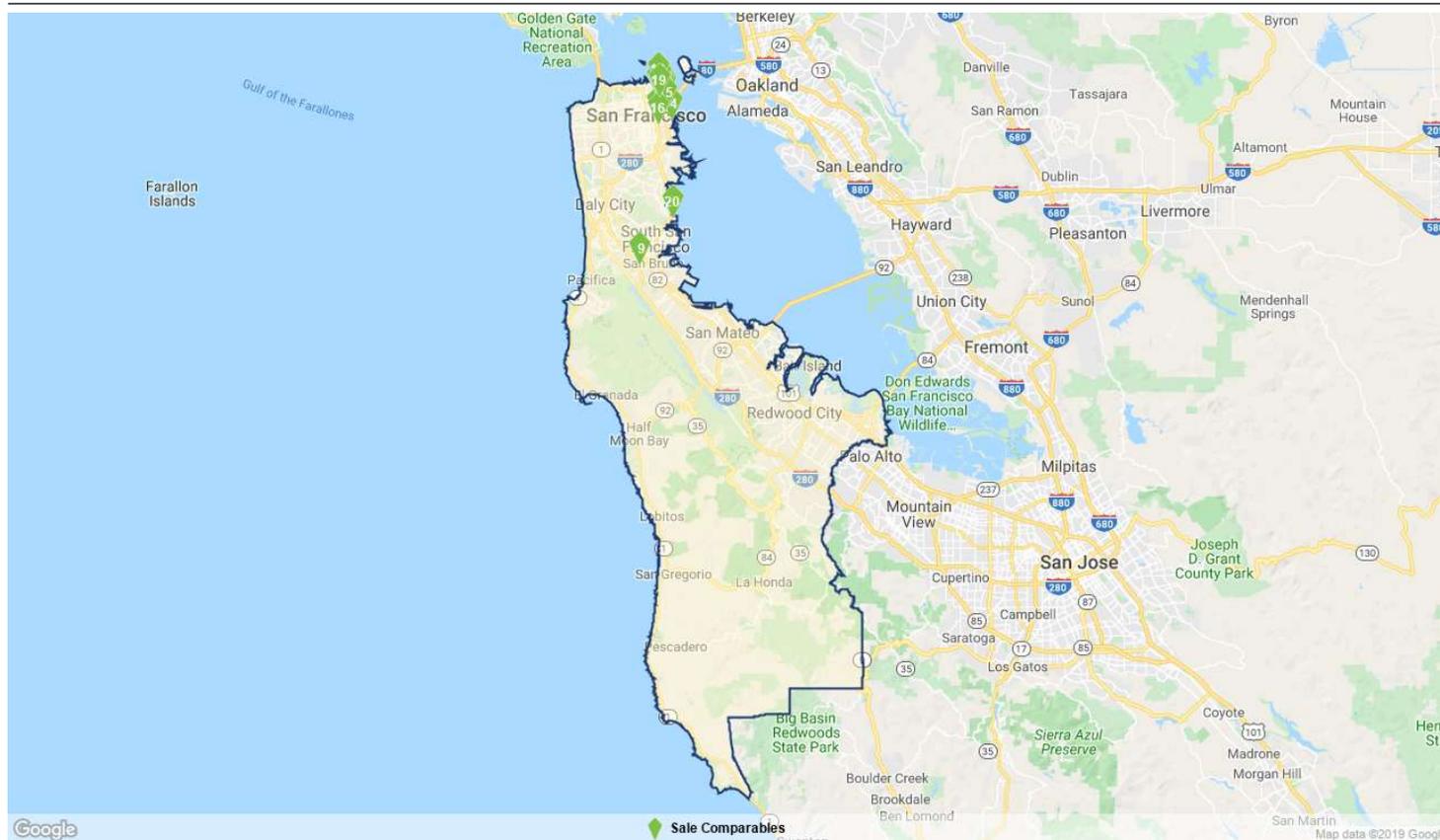
Avg. Price/SF

\$1,088

Avg. Vacancy At Sale

8.3%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$482,929	\$58,481,779	\$16,442,002	\$602,679,598
Price Per SF	\$177	\$1,088	\$682	\$2,969
Cap Rate	2.9%	5.1%	5.0%	7.2%
Time Since Sale in Months	0.1	6.4	6.9	12.0
Property Attributes	Low	Average	Median	High
Building SF	800	73,775	17,808	1,420,682
Stories	1	4	2	61
Typical Floor SF	443	13,762	7,328	111,667
Vacancy Rate At Sale	0%	8.3%	0%	100%
Year Built	1855	1960	1971	2019
Star Rating	★☆☆☆☆	★★★★★ 2.8	★★★★★	★★★★★

Sales Past 12 Months

San Francisco Office

RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
1 650 Townsend St	★★★★☆	1990	670,000	0%	7/1/2019	\$602,679,598	\$900	-
2 Park Tower At Transbay 250 Howard St	★★★★★	2019	764,700	1.1%	8/25/2019	\$534,000,000	\$1,425	-
3 123 Mission St	★★★★☆	1987	345,595	1.8%	6/20/2019	\$397,000,000	\$1,149	-
4 Gap Inc. 550 Terry A. Francois Blvd	★★★★★	2002	282,773	0%	2/4/2019	\$342,500,000	\$1,211	-
5 Charles Schwab Bldg 215 Fremont St	★★★★☆	1928	373,500	37.5%	2/1/2019	\$335,500,000	\$898	-
6 600 California St	★★★★☆	1990	359,883	0%	8/14/2019	\$322,815,535	\$897	4.2%
7 Levi Strauss Bldg 1155 Battery St	★★★★☆	1982	354,614	0%	7/29/2019	\$269,855,482	\$761	-
8 One Eleven Sutter 111 Sutter St	★★★★☆	1926	293,000	35.1%	2/7/2019	\$227,000,000	\$775	-
9 901 Cherry Ave	★★★★☆	1997	184,000	0%	5/2/2019	\$220,550,000	\$1,199	-
10 Salesforce Tower 415 Mission St	★★★★★	2018	1,420,682	1.5%	4/1/2019	\$210,900,000	\$2,969	-
11 Montgomery Washingto... 655 Montgomery St	★★★★☆	1983	273,000	11.3%	5/6/2019	\$191,500,000	\$701	4.8%
12 KPMG Building 55 2nd St	★★★★★	2002	379,328	14.2%	8/21/2019	\$176,880,000	\$1,060	-
13 Koshland Bldg 1160 Battery St	★★★★☆	1982	215,359	0%	7/29/2019	\$163,884,693	\$761	-
14 255 California St	★★★★☆	1959	195,192	9.5%	6/6/2019	\$162,500,000	\$833	4.0%
15 345 Brannan St	★★★★☆	2015	110,000	0.3%	12/21/2018	\$146,000,000	\$1,327	-
16 South Building 350 Rhode Island St	★★★★☆	2002	138,393	0%	2/5/2019	\$120,000,000	\$867	5.3%
17 600 Battery St	★★★★☆	1927	126,000	0%	1/18/2019	\$115,000,000	\$913	-
18 Haas Bldg 1255 Battery St	★★★★☆	1981	145,762	0%	7/29/2019	\$110,922,509	\$761	-
19 Harold Dollar Building 351 California St	★★★★☆	1920	141,076	0%	9/10/2019	\$108,000,000	\$766	-
20 8000 Marina Blvd	★★★★☆	2000	201,861	13.1%	6/11/2019	\$102,525,776	\$508	-

San Francisco's economy continues to expand rapidly. A booming technology industry has led employment and household income to record levels. Annual job growth in the expansion era did peak at roughly 5% in 2015, but prevails at roughly 3% on a year-over-year basis in 2019.

Job opportunities are abundant, outnumbering the metro's qualified job seekers, as tech companies continue to expand rapidly. Job growth has slowed moderately, in part due to a lack of qualified workers needed to fill available positions. San Francisco's metropolitan division unemployment rate registers in the mid-2% range, according to the U.S. Department of Labor. Meanwhile, steep housing costs are deterring some potential employees from moving into the Bay Area.

Technology companies are hiring rapidly as web traffic, revenue, and in many cases, profitability continues to rise. Google and Facebook in particular have benefited from strong growth in internet advertising revenue, which rose by 18% in the U.S. in 19Q1 from a year prior, to over \$114 billion on an annualized basis, according to the Interactive Advertising Bureau. The two Bay Area-based companies are reportedly capturing nearly 60% of all internet ad revenue. E-commerce retail sales are rising 13% annually, benefiting Amazon.com, locally-based Macys.com, and other online retailers. National software sales reached \$411 billion on an annualized basis in 19Q2, rising by 9% year-over-year, according to the U.S. Bureau of Economic Analysis.

Venture capitalist continue to invest heavily in locally-based start-ups, as well as maturing, but still privately-held "unicorn" companies valued over \$1 billion. Venture capital investment to San Francisco set a new record in 2018, soaring to more than \$60 billion, according to PwC's MoneyTree Report, and funding remains robust in 2019. Many venture-backed companies have opted to remain private throughout the expansion period, prompting higher levels of late stage funding. However, strong valuations have improved potential exit opportunities as of late. As a result, more than a handful of San Francisco-based tech companies are filling IPO's in 2019, to varying degrees of success. Locally-based Okta, Roku, and Mulesoft each went public in 2017 with successful results. However, a number of younger Bay Area companies that have gone public in the expansion period, such as Fitbit, Lending Club, Cloudera, and most recently Lyft, and Uber have seen their valuations deteriorate since going public. On the positive side in

2019, Pinterest, Zoom Video, PagerDuty, Fastly, and even Levi Strauss have launched successful IPO's.

The NASDAQ index, which is heavily dominated by San Francisco Bay Area-based tech companies, lost ground in 2018 following a 20% correction in the final quarter of the year. However, a dovish pivot by the Fed has led to a recovery, and the NASDAQ index reached record territory again in 19Q3. Large-scale expansion plans from several publicly traded technology companies remain intact.

Emblematic of San Francisco's transition to a tech industry-led economy, Salesforce surpassed Wells Fargo as the city's largest employer in 2018. The customer relationship management software company continues to grow its headcount as it takes occupancy in the recently delivered Salesforce Tower. Salesforce now employs more than 8,000 in San Francisco. Led by the tech firms, nearly 330,000 jobs have been created in the metro division since the recession ended in 2009.

Lyft, Dropbox, and Affirm have more than doubled their headcounts in the past several years. AirBnB's staff has grown larger than 2,300, with the company expanding by 370,000 SF in 2018. Facebook plans to move 2,000 to 3,000 employee's into 181 Fremont Street, and will potentially have space for an additional 3,000 to 5,000 more in Park Tower at Transbay, two new skyscrapers recently completed in the South Financial District. Twitter is hiring again, after a restructure in 2016 reduced its workforce by approximately 9% to less than 2,000.

Uber aggressively increased its San Francisco headcount over the past several years, to more than 5,000, but rising profitability concerns have led to recent job cuts, including several hundred throughout the Bay Area in 2019.

In the finance sector, Wells Fargo's employment in the Bay Area has declined moderately for several years. Wells closed their historic Crocker building branch in late 2019. Charles Schwab has also relocated many positions to lower-cost markets, but still maintains a downtown headquarters.

On the bright side, fintech start-ups like SoFi, Affirm, and Lending Club are boosting employment within the sector, which has been gaining momentum since stagnating in 2017. The local finance sector was devastated in the dot-com crash and slowly recovered from 2007-09 credit crisis consolidations. Employment in

financial activities has finally risen above its 2007 prerecession peak, but is still climbing towards levels achieved in the 1990's.

Professional and business services - by far the market's largest employment and office using sector - is expanding by more than 4% annually.

San Francisco's economy is booming, as it typically does in expansion periods. Since the city's early gold rush founding, San Francisco has been economically volatile.

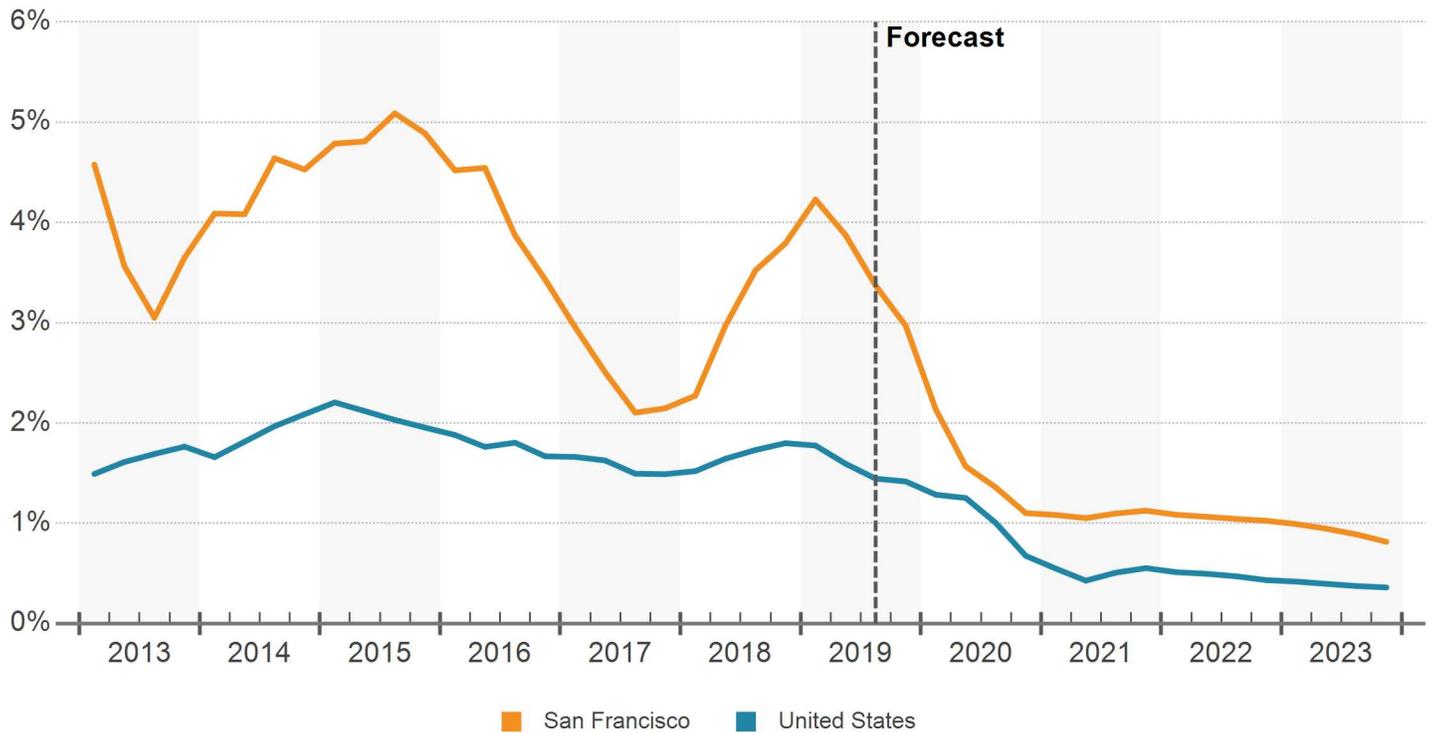
Low interest rates and an expanding global economy led by technological advancements have driven Bay Area commercial real estate markets to new heights over the past decade. However, global growth is now slowing, and consumer sentiment has dropped as changes in trade policy present headwinds to the economy. As a result, Oxford is forecasting a slowdown in job growth for the entire nation, including in San Francisco.

SAN FRANCISCO EMPLOYMENT BY INDUSTRY IN THOUSANDS

NAICS Industry	Current Jobs		Current Growth		10 Yr Historical		5 Yr Forecast	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	39	0.4	-0.15%	1.07%	0.87%	1.06%	0.03%	-0.21%
Trade, Transportation and Utilities	157	0.7	0.10%	0.56%	2.20%	1.24%	0.81%	0.36%
Retail Trade	80	0.6	-2.05%	-0.32%	0.82%	0.89%	0.55%	0.26%
Financial Activities	86	1.3	4.11%	1.21%	2.28%	1.13%	-0.12%	0.34%
Government	132	0.7	1.38%	0.51%	1.02%	0.04%	0.69%	0.66%
Natural Resources, Mining and Construction	48	0.7	9.79%	2.40%	5.37%	2.51%	0.30%	0.33%
Education and Health Services	143	0.7	3.51%	2.41%	2.52%	2.14%	0.70%	0.66%
Professional and Business Services	303	1.8	3.97%	2.06%	5.19%	2.72%	2.04%	0.92%
Information	92	4.1	5.85%	0.14%	9.36%	0.24%	1.31%	0.50%
Leisure and Hospitality	150	1.1	4.04%	2.05%	3.10%	2.55%	0.70%	0.65%
Other Services	43	0.9	1.19%	1.58%	2.56%	1.07%	0.25%	0.26%
Total Employment	1,192	1.0	3.24%	1.44%	3.40%	1.54%	1.00%	0.51%

Source: Oxford Economics
LQ = Location Quotient

YEAR OVER YEAR JOB GROWTH



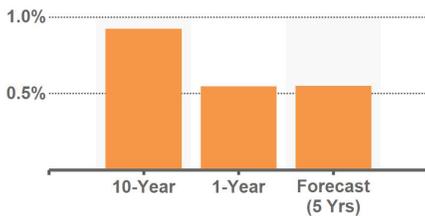
Source: Oxford Economics

DEMOGRAPHIC TRENDS

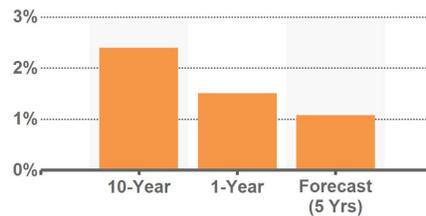
Demographic Category	Current Level		Current Change		10-Year Change		Forecast Change (5 Yrs)	
	Metro	U.S.	Metro	U.S.	Metro	U.S.	Metro	U.S.
Population	1,663,793	329,701,375	0.5%	0.7%	0.9%	0.7%	0.5%	0.7%
Households	628,830	121,378,398	0.4%	0.5%	0.7%	0.6%	0.5%	0.6%
Median Household Income	\$127,924	\$65,306	6.4%	4.1%	4.5%	2.6%	6.3%	4.2%
Labor Force	1,055,930	163,683,703	1.5%	0.8%	2.4%	0.6%	1.1%	0.5%
Unemployment	2.2%	3.7%	0%	-0.1%	-0.7%	-0.6%	-	-

Source: Oxford Economics

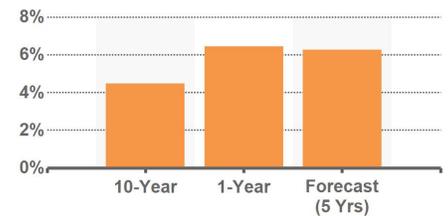
POPULATION GROWTH



LABOR FORCE GROWTH

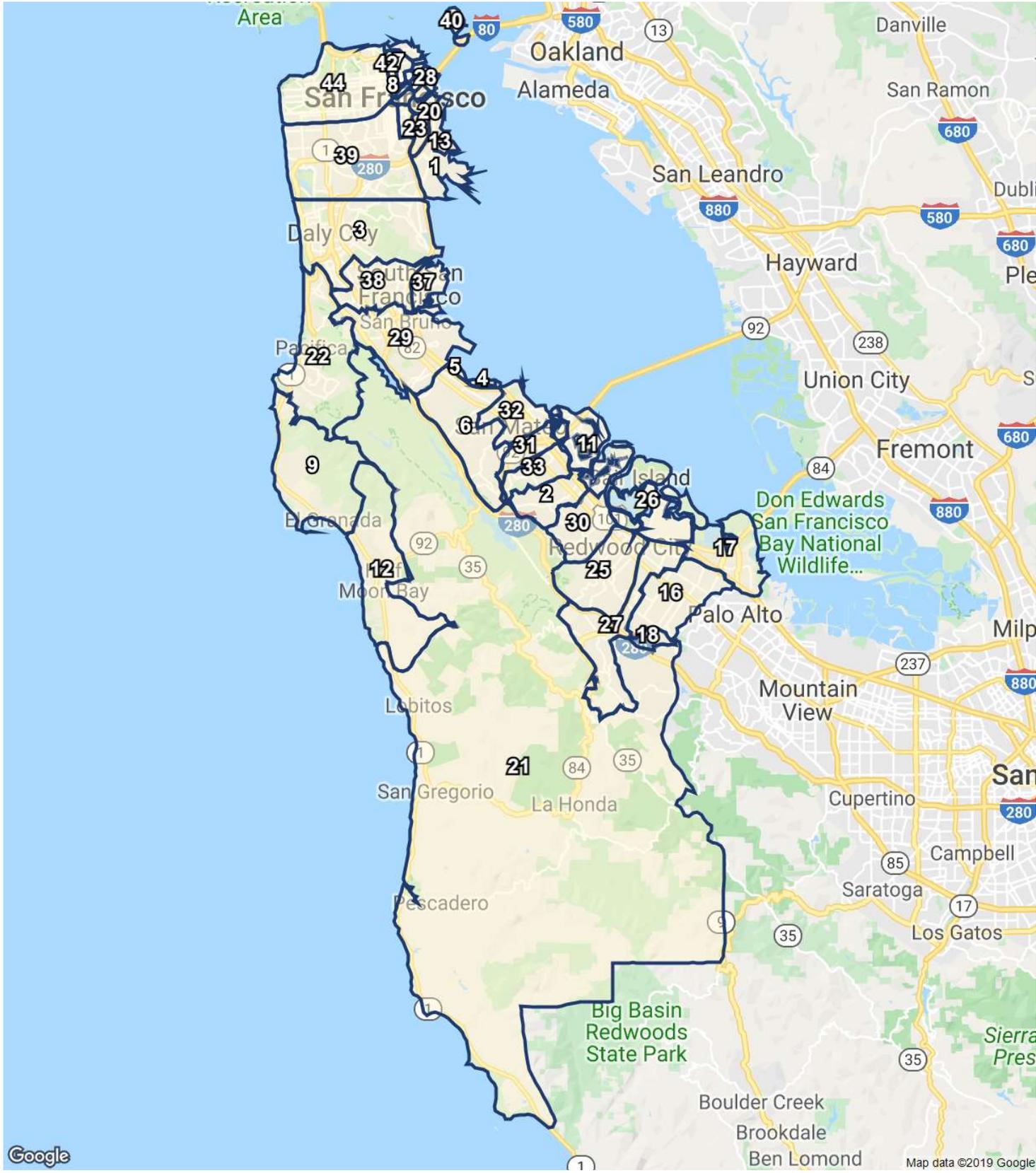


INCOME GROWTH



Source: Oxford Economics

SAN FRANCISCO SUBMARKETS



Submarkets

San Francisco Office

SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Bayview/Hunters Point	23	607	0.3%	37	0	0	0%	-	0	-	-	-
2	Belmont	42	838	0.5%	35	0	0	0%	-	0	-	-	-
3	Brisbane/Daly City	95	2,899	1.6%	18	0	0	0%	-	0	-	-	-
4	Burlingame-Airport Blvd	11	814	0.5%	36	0	0	0%	-	5	803	98.7%	3
5	Burlingame-Old Bayshore	30	1,008	0.6%	32	0	0	0%	-	0	-	-	-
6	Burlingame-West of 101	80	1,320	0.7%	30	2	43	3.2%	6	1	45	3.4%	14
7	Chinatown/Nob Hill	62	890	0.5%	34	0	0	0%	-	0	-	-	-
8	Civic Center	62	4,354	2.5%	12	0	0	0%	-	0	-	-	-
9	El Granada/Montara	21	76	0%	43	0	0	0%	-	0	-	-	-
10	Financial District	173	30,408	17.2%	2	0	0	0%	-	0	-	-	-
11	Foster City/Redwood Shrs	111	9,647	5.5%	3	0	0	0%	-	0	-	-	-
12	Half Moon Bay	69	312	0.2%	40	0	0	0%	-	0	-	-	-
13	India Basin	2	36	0%	44	0	0	0%	-	0	-	-	-
14	Jackson Square	123	3,294	1.9%	17	0	0	0%	-	0	-	-	-
15	Lower South of Market	73	2,307	1.3%	23	1	20	0.8%	10	0	-	-	-
16	Menlo Park-Atherton	159	2,788	1.6%	19	1	25	0.9%	9	6	276	9.9%	9
17	Menlo Park-East/EPA	74	5,122	2.9%	10	0	0	0%	-	2	521	10.2%	5
18	Menlo Park-Sand Hill	37	1,257	0.7%	31	0	0	0%	-	0	-	-	-
19	MidMarket	78	6,988	4.0%	4	0	0	0%	-	1	466	6.7%	7
20	Mission Bay/China Basin	30	4,154	2.3%	13	1	750	18.1%	2	3	1,017	24.5%	2
21	Outer San Mateo County	13	119	0.1%	42	0	0	0%	-	0	-	-	-
22	Pacifica	37	175	0.1%	41	0	0	0%	-	0	-	-	-
23	Potrero East of 101 Fwy	18	354	0.2%	39	0	0	0%	-	0	-	-	-
24	Potrero West of 101 Fwy	73	1,981	1.1%	26	0	0	0%	-	0	-	-	-
25	Redwood City-N of 84 Fwy	206	3,739	2.1%	14	2	34	0.9%	7	3	280	7.5%	8
26	Redwood City-Port	34	2,052	1.2%	25	0	0	0%	-	0	-	-	-
27	Redwood City-S of 84 Fwy	67	958	0.5%	33	0	0	0%	-	1	3	0.3%	15
28	Rincon/South Beach	124	6,881	3.9%	5	0	0	0%	-	1	268	3.9%	10
29	San Bruno/Millbrae	85	2,185	1.2%	24	0	0	0%	-	0	-	-	-
30	San Carlos	112	1,475	0.8%	29	2	29	2.0%	8	2	557	37.8%	4
31	San Mateo-Corridor/Hwy 92	124	6,425	3.6%	7	0	0	0%	-	0	-	-	-
32	San Mateo-Downtown No...	170	1,777	1.0%	27	0	0	0%	-	1	62	3.5%	13
33	San Mateo-Downtown So...	26	1,734	1.0%	28	3	431	24.8%	4	0	-	-	-
34	Showplace Square	44	3,686	2.1%	16	0	0	0%	-	1	127	3.4%	12
35	South Financial District	168	30,506	17.2%	1	1	765	2.5%	1	1	1,250	4.1%	1
36	South of Market	154	2,375	1.3%	22	0	0	0%	-	0	-	-	-
37	South SF East of 101 Fwy	63	6,438	3.6%	6	2	512	8.0%	3	3	520	8.1%	6
38	South SF West of 101 Fwy	73	589	0.3%	38	0	0	0%	-	0	-	-	-
39	Southern City	272	2,757	1.6%	20	0	0	0%	-	0	-	-	-
40	Treasure/Yerba Buena Isl...	1	30	0%	45	0	0	0%	-	0	-	-	-
41	Union Square	118	5,467	3.1%	9	0	0	0%	-	2	188	3.4%	11
42	Van Ness Corridor	107	2,419	1.4%	21	1	234	9.7%	5	0	-	-	-

SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
43	Waterfront/North Beach	103	4,427	2.5%	11	0	0	0%	-	0	-	-	-
44	West of Van Ness	377	5,494	3.1%	8	0	0	0%	-	0	-	-	-
45	Yerba Buena	71	3,701	2.1%	15	0	0	0%	-	0	-	-	-

Submarkets

San Francisco Office

SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Bayview/Hunters Point	\$43.35	43	2.3%	38	11.0%	20
2	Belmont	\$60.48	26	4.5%	24	7.8%	22
3	Brisbane/Daly City	\$51.90	37	5.0%	21	17.4%	11
4	Burlingame-Airport Blvd	\$63.09	21	7.3%	6	28.3%	3
5	Burlingame-Old Bayshore	\$44.57	42	3.8%	27	-1.8%	36
6	Burlingame-West of 101	\$58.82	29	2.4%	37	-0.7%	34
7	Chinatown/Nob Hill	\$50.56	39	3.3%	31	-0.3%	33
8	Civic Center	\$64.53	19	5.9%	16	14.1%	14
9	El Granada/Montara	\$47.13	40	2.0%	40	-4.7%	40
10	Financial District	\$76.59	3	7.7%	2	29.2%	2
11	Foster City/Redwood Shrs	\$67.30	14	7.5%	3	24.2%	7
12	Half Moon Bay	\$47.12	41	2.0%	39	-4.2%	39
13	India Basin	\$53.49	35	-0.2%	45	-10.0%	45
14	Jackson Square	\$66.05	16	4.2%	25	1.4%	30
15	Lower South of Market	\$69.90	12	5.5%	18	14.5%	13
16	Menlo Park-Atherton	\$71.57	7	3.3%	32	0.8%	32
17	Menlo Park-East/EPA	\$72.04	6	6.7%	10	20.4%	8
18	Menlo Park-Sand Hill	\$110.30	1	7.4%	4	7.2%	24
19	MidMarket	\$71.39	9	6.7%	11	13.4%	15
20	Mission Bay/China Basin	\$76.28	4	7.9%	1	30.2%	1
21	Outer San Mateo County	\$65.20	17	2.5%	36	-3.6%	37
22	Pacifica	\$39.28	44	1.3%	42	-5.8%	42
23	Potrero East of 101 Fwy	\$55.63	31	3.3%	33	-4.0%	38
24	Potrero West of 101 Fwy	\$59.46	27	3.5%	30	-1.2%	35
25	Redwood City-N of 84 Fwy	\$70.64	10	5.5%	19	8.5%	21
26	Redwood City-Port	\$62.85	22	7.3%	7	25.1%	5
27	Redwood City-S of 84 Fwy	\$71.45	8	6.3%	14	15.9%	12
28	Rincon/South Beach	\$72.13	5	6.6%	13	11.7%	17
29	San Bruno/Millbrae	\$50.60	38	4.1%	26	3.9%	28
30	San Carlos	\$61.73	24	5.9%	17	17.4%	10
31	San Mateo-Corridor/Hwy 92	\$58.72	30	5.2%	20	11.4%	19
32	San Mateo-Downtown No...	\$62.66	23	3.8%	28	2.7%	29
33	San Mateo-Downtown So...	\$68.28	13	7.2%	8	17.5%	9
34	Showplace Square	\$67.17	15	6.2%	15	11.4%	18
35	South Financial District	\$82.84	2	7.4%	5	27.3%	4
36	South of Market	\$54.77	32	3.0%	34	1.0%	31
37	South SF East of 101 Fwy	\$59.42	28	7.2%	9	25.1%	6
38	South SF West of 101 Fwy	\$36.76	45	0.7%	43	-7.1%	43
39	Southern City	\$52.86	36	1.6%	41	-4.9%	41
40	Treasure/Yerba Buena Isl...	\$53.59	34	-0.2%	44	-10.0%	44
41	Union Square	\$65.10	18	5.0%	22	6.1%	26
42	Van Ness Corridor	\$54.00	33	3.8%	29	5.9%	27

SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
43	Waterfront/North Beach	\$61.05	25	4.6%	23	7.1%	25
44	West of Van Ness	\$63.12	20	2.8%	35	7.4%	23
45	Yerba Buena	\$70.20	11	6.7%	12	13.2%	16

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Net Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construct. Ratio
1	Bayview/Hunters Point	34,030	5.6%	24	14,033	2.3%	16	-
2	Belmont	70,446	8.4%	33	1,881	0.2%	20	-
3	Brisbane/Daly City	200,158	6.9%	32	(107,946)	-3.7%	44	-
4	Burlingame-Airport Blvd	145,958	17.9%	42	(8,059)	-1.0%	32	-
5	Burlingame-Old Bayshore	102,486	10.2%	37	(28,136)	-2.8%	37	-
6	Burlingame-West of 101	48,756	3.7%	13	98,734	7.5%	10	0.4
7	Chinatown/Nob Hill	47,666	5.4%	21	(21,100)	-2.4%	34	-
8	Civic Center	74,319	1.7%	5	(5,928)	-0.1%	28	-
9	El Granada/Montara	-	-	-	2,469	3.3%	19	-
10	Financial District	1,869,042	6.1%	28	366,764	1.2%	3	-
11	Foster City/Redwood Shrs	1,021,990	10.6%	39	21,953	0.2%	14	-
12	Half Moon Bay	20,561	6.6%	30	16,991	5.5%	15	-
13	India Basin	-	-	-	0	0%	-	-
14	Jackson Square	67,584	2.1%	6	108,241	3.3%	9	-
15	Lower South of Market	69,506	3.0%	10	9,764	0.4%	18	2.0
16	Menlo Park-Atherton	60,771	2.2%	7	58,916	2.1%	11	0.4
17	Menlo Park-East/EPA	219,262	4.3%	17	(66,867)	-1.3%	42	-
18	Menlo Park-Sand Hill	73,914	5.9%	27	(6,806)	-0.5%	30	-
19	MidMarket	275,404	3.9%	15	43,591	0.6%	12	-
20	Mission Bay/China Basin	15,112	0.4%	1	744,540	17.9%	2	1.0
21	Outer San Mateo County	585	0.5%	2	725	0.6%	23	-
22	Pacifica	1,200	0.7%	3	1,420	0.8%	21	-
23	Potrero East of 101 Fwy	24,064	6.8%	31	(7,395)	-2.1%	31	-
24	Potrero West of 101 Fwy	61,629	3.1%	12	(36,511)	-1.8%	40	-
25	Redwood City-N of 84 Fwy	218,015	5.8%	26	(10,009)	-0.3%	33	-
26	Redwood City-Port	78,763	3.8%	14	(25,546)	-1.2%	36	-
27	Redwood City-S of 84 Fwy	23,360	2.4%	8	811	0.1%	22	-
28	Rincon/South Beach	278,171	4.0%	16	12,873	0.2%	17	-
29	San Bruno/Millbrae	21,472	1.0%	4	47	0%	24	-
30	San Carlos	129,454	8.8%	34	(31,466)	-2.1%	38	-
31	San Mateo-Corridor/Hwy 92	792,123	12.3%	40	328,989	5.1%	5	-
32	San Mateo-Downtown No...	226,413	12.7%	41	(54,657)	-3.1%	41	-
33	San Mateo-Downtown So...	181,066	10.4%	38	311,765	18.0%	6	1.4
34	Showplace Square	111,284	3.0%	11	232,801	6.3%	7	-
35	South Financial District	1,648,173	5.4%	22	848,148	2.8%	1	0.9
36	South of Market	138,170	5.8%	25	(6,321)	-0.3%	29	-
37	South SF East of 101 Fwy	417,767	6.5%	29	349,832	5.4%	4	1.5
38	South SF West of 101 Fwy	16,377	2.8%	9	(3,395)	-0.6%	27	-
39	Southern City	144,059	5.2%	20	(25,040)	-0.9%	35	-
40	Treasure/Yerba Buena Isl...	-	-	-	0	0%	-	-
41	Union Square	514,292	9.4%	35	(34,606)	-0.6%	39	-
42	Van Ness Corridor	244,139	10.1%	36	169,511	7.0%	8	1.4

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Net Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construct. Ratio
43	Waterfront/North Beach	210,339	4.8%	19	31,429	0.7%	13	-
44	West of Van Ness	243,183	4.4%	18	(100,634)	-1.8%	43	-
45	Yerba Buena	200,342	5.4%	23	(110,039)	-3.0%	45	-

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	184,373,503	2,433,812	1.3%	434,306	0.2%	5.6
2022	181,939,691	309,775	0.2%	(153,315)	-0.1%	-
2021	181,629,916	322,246	0.2%	11,774	0%	27.4
2020	181,307,670	4,172,019	2.4%	2,282,493	1.3%	1.8
2019	177,135,651	3,100,953	1.8%	3,786,464	2.1%	0.8
YTD	176,883,116	2,848,418	1.6%	2,849,872	1.6%	1.0
2018	174,034,698	3,803,262	2.2%	4,774,488	2.7%	0.8
2017	170,231,436	558,149	0.3%	289,633	0.2%	1.9
2016	169,673,287	2,480,568	1.5%	1,948,959	1.1%	1.3
2015	167,192,719	2,028,449	1.2%	2,929,924	1.8%	0.7
2014	165,164,270	125,479	0.1%	3,389,159	2.1%	0
2013	165,038,791	(612,128)	-0.4%	2,167,266	1.3%	-
2012	165,650,919	285,878	0.2%	1,239,781	0.7%	0.2
2011	165,365,041	(618,976)	-0.4%	3,094,188	1.9%	-
2010	165,984,017	38,874	0%	(640,604)	-0.4%	-
2009	165,945,143	226,561	0.1%	(4,544,828)	-2.7%	-
2008	165,718,582	1,863,457	1.1%	197,525	0.1%	9.4
2007	163,855,125	506,416	0.3%	3,113,742	1.9%	0.2

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	99,152,784	2,637,879	2.7%	1,027,037	1.0%	2.6
2022	96,514,905	519,222	0.5%	370,680	0.4%	1.4
2021	95,995,683	532,493	0.6%	573,932	0.6%	0.9
2020	95,463,190	3,514,199	3.8%	2,244,960	2.4%	1.6
2019	91,948,991	2,526,953	2.8%	2,885,477	3.1%	0.9
YTD	91,758,797	2,336,759	2.6%	2,211,857	2.4%	1.1
2018	89,422,038	4,047,983	4.7%	5,107,867	5.7%	0.8
2017	85,374,055	836,891	1.0%	262,290	0.3%	3.2
2016	84,537,164	1,941,947	2.4%	1,901,847	2.2%	1.0
2015	82,595,217	2,030,922	2.5%	2,272,059	2.8%	0.9
2014	80,564,295	518,467	0.6%	2,040,338	2.5%	0.3
2013	80,045,828	14,009	0%	1,523,474	1.9%	0
2012	80,031,819	491,268	0.6%	1,645,699	2.1%	0.3
2011	79,540,551	145,205	0.2%	1,246,066	1.6%	0.1
2010	79,395,346	299,397	0.4%	(49,583)	-0.1%	-
2009	79,095,949	158,267	0.2%	(2,294,301)	-2.9%	-
2008	78,937,682	2,279,932	3.0%	696,175	0.9%	3.3
2007	76,657,750	532,400	0.7%	2,376,666	3.1%	0.2

Supply & Demand Trends

San Francisco Office

3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	53,375,403	3,000	0%	(270,147)	-0.5%	-
2022	53,372,403	980	0%	(178,261)	-0.3%	-
2021	53,371,423	(2)	0%	(178,036)	-0.3%	-
2020	53,371,425	851,855	1.6%	461,724	0.9%	1.8
2019	52,519,570	544,444	1.0%	1,030,923	2.0%	0.5
YTD	52,457,229	482,103	0.9%	927,781	1.8%	0.5
2018	51,975,126	(51,710)	-0.1%	(60,774)	-0.1%	-
2017	52,026,836	(193,548)	-0.4%	(84,171)	-0.2%	-
2016	52,220,384	744,655	1.4%	403,335	0.8%	1.8
2015	51,475,729	115,338	0.2%	452,358	0.9%	0.3
2014	51,360,391	(245,261)	-0.5%	1,188,135	2.3%	-
2013	51,605,652	(122,392)	-0.2%	716,074	1.4%	-
2012	51,728,044	(38,528)	-0.1%	(260,935)	-0.5%	-
2011	51,766,572	(525,525)	-1.0%	1,615,001	3.1%	-
2010	52,292,097	(14,751)	0%	(417,750)	-0.8%	-
2009	52,306,848	309,979	0.6%	(1,106,094)	-2.1%	-
2008	51,996,869	(266,719)	-0.5%	(93,938)	-0.2%	-
2007	52,263,588	14,215	0%	(72,883)	-0.1%	-

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	31,845,316	(207,067)	-0.6%	(322,584)	-1.0%	-
2022	32,052,383	(210,427)	-0.7%	(345,734)	-1.1%	-
2021	32,262,810	(210,245)	-0.6%	(384,122)	-1.2%	-
2020	32,473,055	(194,035)	-0.6%	(424,191)	-1.3%	-
2019	32,667,090	29,556	0.1%	(129,936)	-0.4%	-
YTD	32,667,090	29,556	0.1%	(289,766)	-0.9%	-
2018	32,637,534	(193,011)	-0.6%	(272,605)	-0.8%	-
2017	32,830,545	(85,194)	-0.3%	111,514	0.3%	-
2016	32,915,739	(206,034)	-0.6%	(356,223)	-1.1%	-
2015	33,121,773	(117,811)	-0.4%	205,507	0.6%	-
2014	33,239,584	(147,727)	-0.4%	160,686	0.5%	-
2013	33,387,311	(503,745)	-1.5%	(72,282)	-0.2%	-
2012	33,891,056	(166,862)	-0.5%	(144,983)	-0.4%	-
2011	34,057,918	(238,656)	-0.7%	233,121	0.7%	-
2010	34,296,574	(245,772)	-0.7%	(173,271)	-0.5%	-
2009	34,542,346	(241,685)	-0.7%	(1,144,433)	-3.3%	-
2008	34,784,031	(149,756)	-0.4%	(404,712)	-1.2%	-
2007	34,933,787	(40,199)	-0.1%	809,959	2.3%	-

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$72.40	201	-0.1%	8.3%	14,319,155	7.8%	1.0%
2022	\$72.48	201	0.2%	8.4%	12,317,369	6.8%	0.2%
2021	\$72.34	201	0.4%	8.2%	11,851,787	6.5%	0.2%
2020	\$72.07	200	2.0%	7.8%	11,538,231	6.4%	0.9%
2019	\$70.66	196	5.7%	5.7%	9,645,961	5.4%	-0.5%
YTD	\$69.96	194	4.6%	4.6%	10,341,405	5.8%	-0.1%
2018	\$66.85	185	8.7%	0%	10,375,061	6.0%	-0.7%
2017	\$61.52	171	3.3%	-8.0%	11,346,287	6.7%	0.1%
2016	\$59.53	165	1.8%	-10.9%	11,077,771	6.5%	0.2%
2015	\$58.48	162	15.8%	-12.5%	10,546,162	6.3%	-0.6%
2014	\$50.52	140	10.6%	-24.4%	11,447,637	6.9%	-2.0%
2013	\$45.68	127	13.5%	-31.7%	14,711,317	8.9%	-1.6%
2012	\$40.25	112	13.6%	-39.8%	17,490,711	10.6%	-0.6%
2011	\$35.44	98	17.2%	-47.0%	18,444,614	11.2%	-2.2%
2010	\$30.24	84	0.5%	-54.8%	22,157,778	13.3%	0.4%
2009	\$30.09	83	-16.6%	-55.0%	21,478,300	12.9%	2.9%
2008	\$36.07	100	-4.7%	-46.0%	16,706,861	10.1%	0.9%
2007	\$37.86	105	17.4%	-43.4%	15,040,929	9.2%	-1.6%

4 & 5 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$80.43	201	-0.1%	10.8%	8,064,764	8.1%	1.4%
2022	\$80.50	202	0.3%	10.9%	6,454,611	6.7%	0.1%
2021	\$80.27	201	0.5%	10.6%	6,306,571	6.6%	-0.1%
2020	\$79.87	200	2.2%	10.0%	6,348,013	6.6%	1.1%
2019	\$78.11	196	7.6%	7.6%	5,078,774	5.5%	-0.6%
YTD	\$77.19	193	6.3%	6.3%	5,570,483	6.1%	0%
2018	\$72.58	182	9.5%	0%	5,445,581	6.1%	-1.5%
2017	\$66.26	166	3.0%	-8.7%	6,505,465	7.6%	0.6%
2016	\$64.35	161	1.6%	-11.3%	5,930,864	7.0%	-0.1%
2015	\$63.36	159	15.3%	-12.7%	5,890,764	7.1%	-0.5%
2014	\$54.93	138	9.2%	-24.3%	6,131,901	7.6%	-2.0%
2013	\$50.29	126	12.6%	-30.7%	7,653,772	9.6%	-1.9%
2012	\$44.66	112	12.4%	-38.5%	9,163,237	11.4%	-1.5%
2011	\$39.73	99	19.3%	-45.3%	10,317,668	13.0%	-1.4%
2010	\$33.29	83	0.7%	-54.1%	11,418,529	14.4%	0.4%
2009	\$33.05	83	-17.2%	-54.5%	11,069,549	14.0%	3.1%
2008	\$39.94	100	-7.3%	-45.0%	8,616,981	10.9%	1.7%
2007	\$43.09	108	16.2%	-40.6%	7,033,224	9.2%	-2.5%

3 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$69.38	219	0%	8.5%	3,650,036	6.8%	0.5%
2022	\$69.41	219	0.2%	8.5%	3,377,026	6.3%	0.3%
2021	\$69.24	219	0.6%	8.3%	3,197,863	6.0%	0.3%
2020	\$68.84	217	2.5%	7.7%	3,019,827	5.7%	0.7%
2019	\$67.14	212	5.0%	5.0%	2,629,696	5.0%	-1.0%
YTD	\$66.43	210	3.9%	3.9%	2,670,534	5.1%	-0.9%
2018	\$63.95	202	8.8%	0%	3,116,212	6.0%	0%
2017	\$58.77	185	4.7%	-8.1%	3,107,148	6.0%	-0.2%
2016	\$56.13	177	0.4%	-12.2%	3,216,525	6.2%	0.6%
2015	\$55.88	176	17.6%	-12.6%	2,875,205	5.6%	-0.7%
2014	\$47.51	150	12.7%	-25.7%	3,212,225	6.3%	-2.7%
2013	\$42.15	133	14.2%	-34.1%	4,645,621	9.0%	-1.6%
2012	\$36.92	117	16.7%	-42.3%	5,484,087	10.6%	0.4%
2011	\$31.65	100	16.2%	-50.5%	5,261,680	10.2%	-4.0%
2010	\$27.24	86	1.1%	-57.4%	7,402,206	14.2%	0.8%
2009	\$26.95	85	-14.9%	-57.9%	6,999,207	13.4%	2.6%
2008	\$31.69	100	-2.2%	-50.4%	5,583,134	10.7%	-0.3%
2007	\$32.41	102	19.7%	-49.3%	5,755,915	11.0%	0.2%

1 & 2 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$53.42	168	-0.4%	-2.0%	2,604,355	8.2%	0.4%
2022	\$53.63	169	-0.3%	-1.6%	2,485,732	7.8%	0.5%
2021	\$53.81	169	-0.6%	-1.3%	2,347,353	7.3%	0.6%
2020	\$54.14	171	-0.2%	-0.7%	2,170,391	6.7%	0.8%
2019	\$54.25	171	-0.5%	-0.5%	1,937,491	5.9%	0.4%
YTD	\$54.22	171	-0.6%	-0.6%	2,100,388	6.4%	0.9%
2018	\$54.53	172	5.0%	0%	1,813,268	5.6%	0.3%
2017	\$51.92	164	2.3%	-4.8%	1,733,674	5.3%	-0.6%
2016	\$50.77	160	5.3%	-6.9%	1,930,382	5.9%	0.5%
2015	\$48.20	152	14.0%	-11.6%	1,780,193	5.4%	-1.0%
2014	\$42.29	133	12.1%	-22.5%	2,103,511	6.3%	-0.9%
2013	\$37.71	119	15.8%	-30.8%	2,411,924	7.2%	-1.2%
2012	\$32.58	103	12.9%	-40.3%	2,843,387	8.4%	0%
2011	\$28.86	91	10.7%	-47.1%	2,865,266	8.4%	-1.3%
2010	\$26.07	82	-1.2%	-52.2%	3,337,043	9.7%	-0.1%
2009	\$26.39	83	-16.9%	-51.6%	3,409,544	9.9%	2.7%
2008	\$31.75	100	1.7%	-41.8%	2,506,746	7.2%	0.8%
2007	\$31.21	98	18.2%	-42.8%	2,251,790	6.4%	-2.4%

OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$1,023.75	340	4.3%
2022	-	-	-	-	-	-	\$1,015.59	337	4.3%
2021	-	-	-	-	-	-	\$1,002.36	333	4.2%
2020	-	-	-	-	-	-	\$958.75	318	4.2%
2019	-	-	-	-	-	-	\$879.20	292	4.2%
YTD	164	\$6,916 M	5.2%	\$63,883,551	\$838.27	5.1%	\$859.34	285	4.2%
2018	185	\$4,219 M	4.1%	\$37,151,964	\$663.88	5.0%	\$804.08	267	4.3%
2017	213	\$4,291 M	4.5%	\$41,283,630	\$621.31	5.4%	\$734.20	244	4.4%
2016	215	\$6,949 M	7.8%	\$50,642,027	\$600.42	4.9%	\$705.88	234	4.4%
2015	239	\$5,237 M	7.1%	\$40,453,333	\$645.96	4.9%	\$666.17	221	4.5%
2014	283	\$8,088 M	9.5%	\$46,652,933	\$542.26	5.1%	\$569.54	189	4.8%
2013	222	\$2,898 M	4.8%	\$21,474,319	\$390.07	5.3%	\$486.15	161	5.2%
2012	296	\$6,352 M	9.4%	\$39,410,464	\$449.77	5.8%	\$416.36	138	5.6%
2011	215	\$3,091 M	7.8%	\$22,043,773	\$259.61	5.9%	\$370.10	123	6.0%
2010	125	\$1,930 M	4.8%	\$22,331,761	\$266.45	7.0%	\$301.13	100	6.8%
2009	93	\$725.3 M	1.7%	\$13,310,502	\$320.63	6.8%	\$248.57	82	7.7%
2008	134	\$1,208 M	2.4%	\$15,994,703	\$353.44	5.2%	\$301.38	100	7.1%

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4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$1,099.82	328	4.3%
2022	-	-	-	-	-	-	\$1,091.02	325	4.2%
2021	-	-	-	-	-	-	\$1,074.56	320	4.2%
2020	-	-	-	-	-	-	\$1,025.82	306	4.2%
2019	-	-	-	-	-	-	\$937.20	279	4.2%
YTD	32	\$4,329 M	5.8%	\$149,267,682	\$861.41	5.1%	\$913.51	272	4.2%
2018	24	\$2,070 M	3.8%	\$98,561,620	\$712.17	5.1%	\$857.35	255	4.2%
2017	29	\$3,228 M	6.0%	\$119,473,666	\$663.45	5.8%	\$783.91	233	4.3%
2016	34	\$4,575 M	8.4%	\$152,512,177	\$671.45	5.0%	\$759.23	226	4.3%
2015	39	\$3,263 M	8.3%	\$144,735,895	\$709.90	4.8%	\$721.90	215	4.4%
2014	46	\$6,073 M	12.6%	\$134,905,390	\$599.72	4.3%	\$623.61	186	4.6%
2013	18	\$1,850 M	4.8%	\$102,803,804	\$477.67	4.8%	\$539.61	161	5.0%
2012	37	\$5,063 M	12.4%	\$140,635,173	\$509.07	4.9%	\$466.09	139	5.3%
2011	18	\$1,232 M	5.4%	\$68,466,625	\$286.38	4.7%	\$418.66	125	5.7%
2010	16	\$1,406 M	5.6%	\$100,399,961	\$345.17	6.2%	\$342.90	102	6.4%
2009	9	\$636.4 M	2.7%	\$79,549,978	\$354.02	-	\$278.14	83	7.4%
2008	6	\$585.9 M	1.8%	\$117,173,628	\$406.97	6.6%	\$335.74	100	6.8%

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Sale Trends

San Francisco Office

3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$969.15	363	4.4%
2022	-	-	-	-	-	-	\$960.45	360	4.4%
2021	-	-	-	-	-	-	\$947.92	355	4.3%
2020	-	-	-	-	-	-	\$905.06	339	4.3%
2019	-	-	-	-	-	-	\$825.65	310	4.3%
YTD	61	\$2,199 M	6.3%	\$50,855,701	\$800.52	5.1%	\$806.79	302	4.3%
2018	49	\$1,648 M	5.1%	\$42,065,588	\$634.40	5.8%	\$747.44	280	4.4%
2017	46	\$564.6 M	2.5%	\$21,686,093	\$490.29	5.5%	\$681.74	256	4.5%
2016	77	\$1,829 M	9.4%	\$37,963,230	\$483.21	5.1%	\$651.30	244	4.5%
2015	60	\$1,422 M	7.1%	\$44,126,190	\$574.13	5.2%	\$611.16	229	4.6%
2014	82	\$1,371 M	6.7%	\$28,843,169	\$437.18	5.7%	\$518.70	194	4.9%
2013	69	\$715.6 M	4.2%	\$17,673,031	\$341.95	5.3%	\$435.17	163	5.4%
2012	72	\$891.1 M	6.4%	\$23,343,859	\$325.76	6.0%	\$370.18	139	5.9%
2011	96	\$1,646 M	14.2%	\$24,524,091	\$244.17	6.1%	\$324.01	121	6.3%
2010	41	\$410.6 M	5.6%	\$13,659,888	\$152.53	8.4%	\$261.29	98	7.2%
2009	36	\$41.8 M	0.9%	\$2,356,861	\$168.21	7.4%	\$220.59	83	8.1%
2008	60	\$413.0 M	2.9%	\$20,278,375	\$378.80	5.1%	\$266.74	100	7.4%

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1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$887.57	346	4.4%
2022	-	-	-	-	-	-	\$882.24	344	4.3%
2021	-	-	-	-	-	-	\$877.39	342	4.3%
2020	-	-	-	-	-	-	\$847.77	331	4.3%
2019	-	-	-	-	-	-	\$794.91	310	4.3%
YTD	71	\$388.6 M	1.9%	\$10,662,934	\$812.03	4.9%	\$784.10	306	4.3%
2018	112	\$501.6 M	3.3%	\$9,204,151	\$588.99	4.4%	\$738.83	288	4.3%
2017	138	\$497.9 M	4.1%	\$9,495,541	\$560.37	5.0%	\$672.71	263	4.4%
2016	104	\$544.7 M	3.8%	\$9,158,599	\$559.03	4.4%	\$637.03	249	4.5%
2015	140	\$552.7 M	4.4%	\$7,415,691	\$533.87	4.8%	\$591.00	231	4.6%
2014	155	\$643.6 M	6.2%	\$7,737,977	\$389.59	5.1%	\$492.45	192	4.9%
2013	135	\$332.2 M	5.7%	\$4,212,751	\$226.99	5.9%	\$411.11	160	5.4%
2012	187	\$397.6 M	6.8%	\$4,541,976	\$275.89	6.2%	\$344.51	134	5.9%
2011	101	\$212.0 M	3.9%	\$3,829,362	\$246.69	6.4%	\$301.57	118	6.4%
2010	68	\$113.3 M	1.6%	\$2,503,224	\$237.35	6.4%	\$242.49	95	7.3%
2009	48	\$47.1 M	0.9%	\$1,488,583	\$218.16	5.9%	\$206.73	81	8.2%
2008	68	\$208.9 M	3.1%	\$4,163,342	\$235.43	5.0%	\$256.23	100	7.4%

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