



Office Market Report San Francisco - CA

PREPARED BY

HUGHES
MARINO

Cameron Love
Senior Vice President



OFFICE MARKET REPORT

Market Key Statistics	2
Leasing	3
Rent	8
Construction	11
Under Construction Properties	13
Sales	15
Sales Past 12 Months	17
Economy	19
Market Submarkets	22
Supply & Demand Trends	29
Rent & Vacancy	31
Sale Trends	33

12 Mo Deliveries in SF

2.7 M

12 Mo Net Absorption in SF

2.5 M

Vacancy Rate

6.1%

12 Mo Rent Growth

3.5%

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 remained 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 to expansion era lows at the close of 2019. Supply growth in 2020 will be headlined by the Mission Bay headquarters of Uber, and Facebook's newest outposts at Burlingame Point, and Menlo Gateway II. The majority of new inventory in the

market will deliver fully preleased to large tech tenants, setting the stage for another year of robust net absorption in 2020.

Demand is holding up, and landlords are pushing rents higher in response. However, the pace of rent growth slowed dramatically in 2019 and is now subdued compared to the double-digit annual gains achieved earlier in the economic expansion. That said, rent growth in San Francisco over the past year still outpaces the national average.

Despite slowing rent growth, San Francisco clearly remains a premier market for office investment. Sales volume picked up in 2019, as the market continued to attract institutional investment, and several large owner-users were active. Asset pricing continues to rise in conjunction with rent potential.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	91,724,431	5.9%	\$77.40	10.2%	(202,648)	0	6,182,165
3 Star	52,674,138	6.0%	\$65.30	9.8%	(284,840)	0	924,232
1 & 2 Star	32,737,399	6.6%	\$55.41	8.6%	(24,241)	0	9,500
Market	177,135,968	6.1%	\$69.96	9.8%	(511,729)	0	7,115,897

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	0%	9.2%	7.5%	16.2%	2003 Q2	1.3%	2000 Q2
Net Absorption SF	2.5 M	1,298,377	923,069	7,134,980	2000 Q1	(9,611,416)	2001 Q3
Deliveries SF	2.7 M	1,846,894	2,201,489	6,020,069	2001 Q4	55,198	2006 Q2
Rent Growth	3.5%	4.7%	0.4%	30.6%	2000 Q3	-33.0%	2001 Q4
Sales Volume	\$8.2 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 record levels in 2018, and remained strong in 2019, totaling 3 million SF. Building developments are reaching completion, fully preleased. Despite an abundance of new inventory, tenant demand continues to place downward pressure on vacancy, which has fallen to an expansion-era low of just 6.1%.

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 have remained fairly stable since 2015. Vacancy hovered between 6% and 7% for five years, finally dipping below 6% at 2019's year-end.

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 and Burlingame, 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.

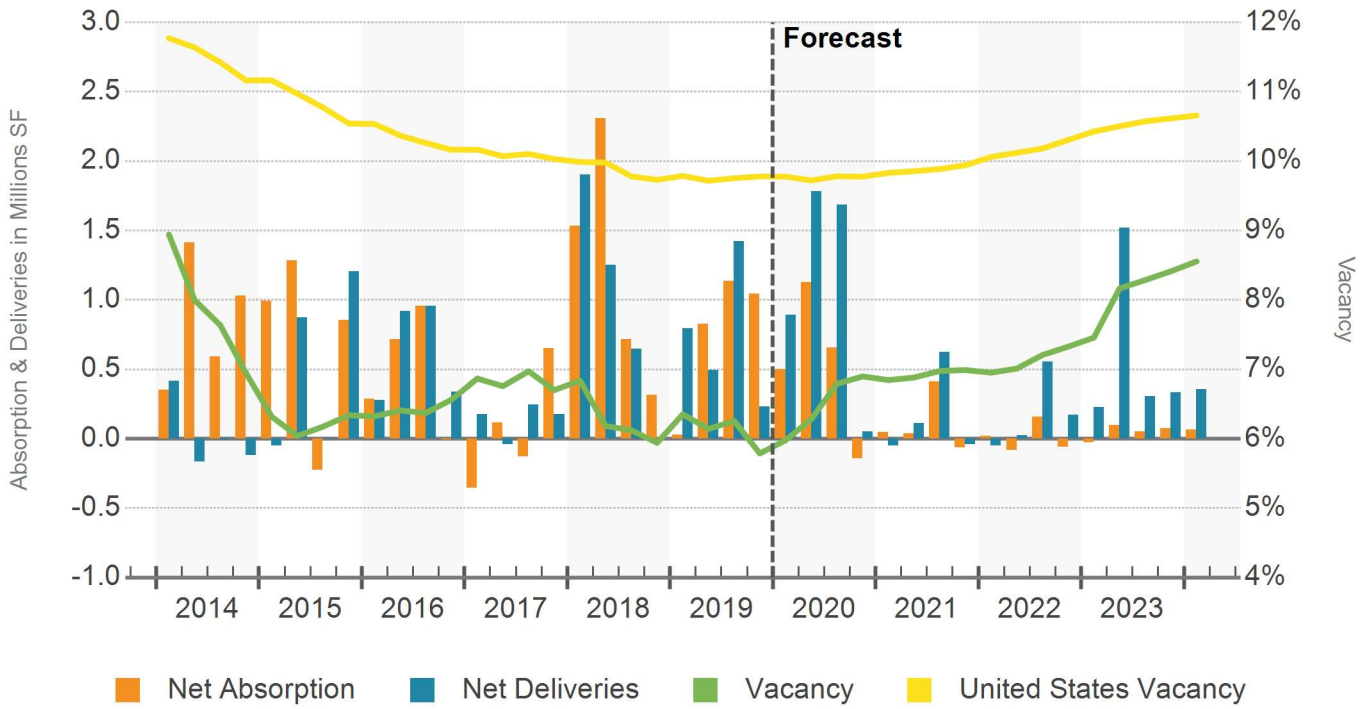
The tightest submarkets in San Francisco, SoMa, Mission Bay and MidMarket are extremely popular with tech tenants.

Elevated levels of available sublease space suggest that underlying demand may be slightly weaker than the market's headline vacancy rates suggests. More than 5 million SF of sublease space is currently listed as available, which equates to nearly 3% of market inventory.

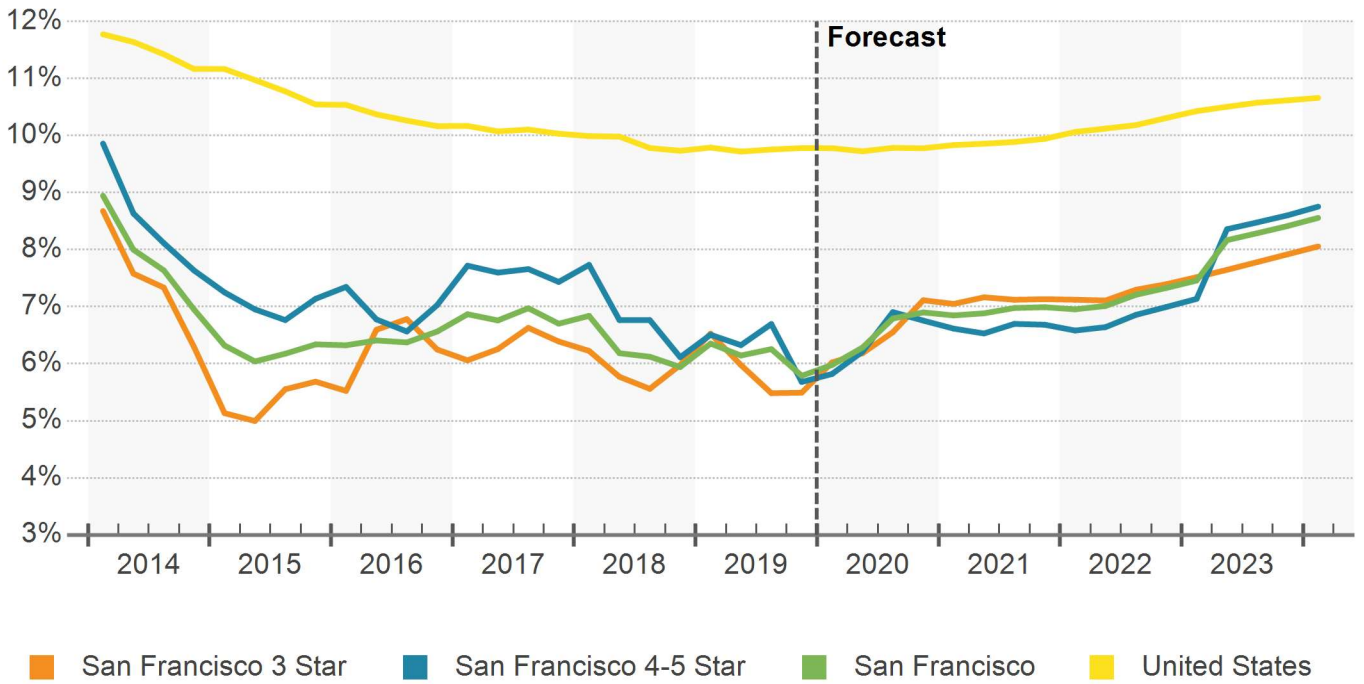
Several tenants, including Delta Dental, Blue Shield, Aecom, and most recently, Square and Credit Karma have moved to Oakland in search of more affordable office space in the Bay Area. Furthermore, several Fortune 500 firms with longstanding roots in San Francisco are also moving out of town, to parts 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 Core-Mark 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 could dampen demand.

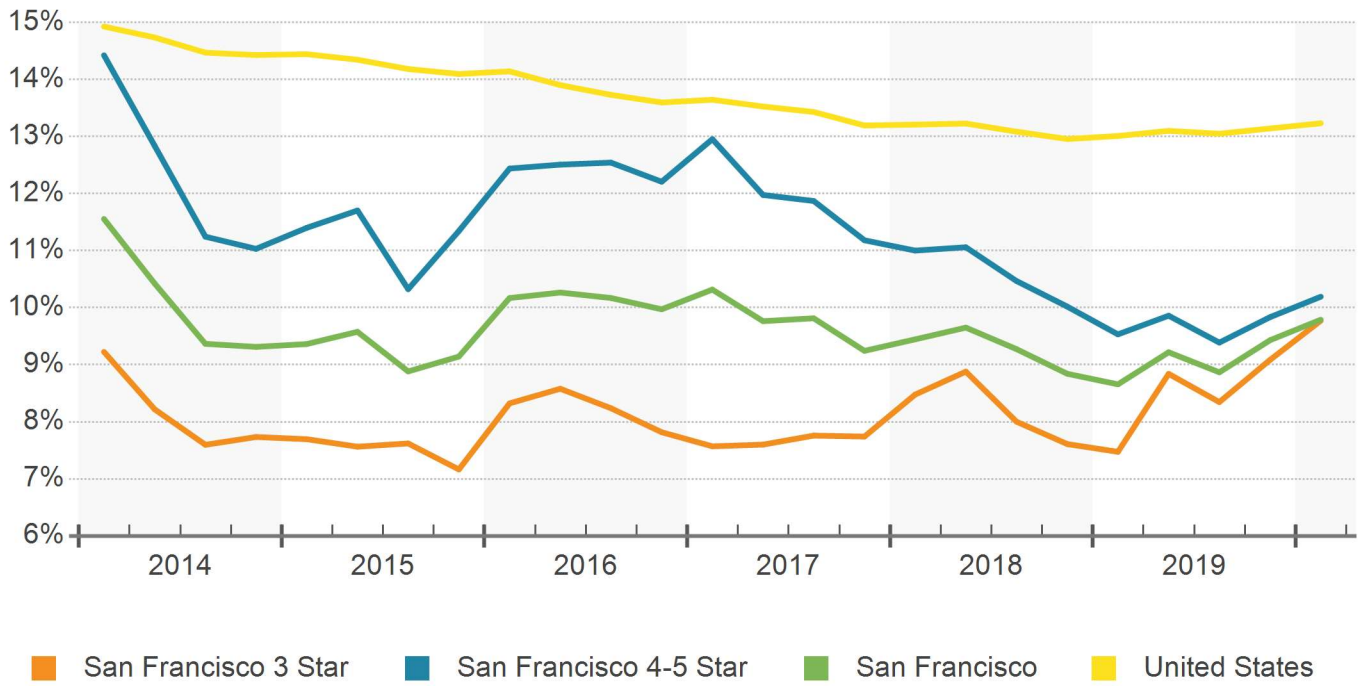
NET ABSORPTION, NET DELIVERIES & VACANCY



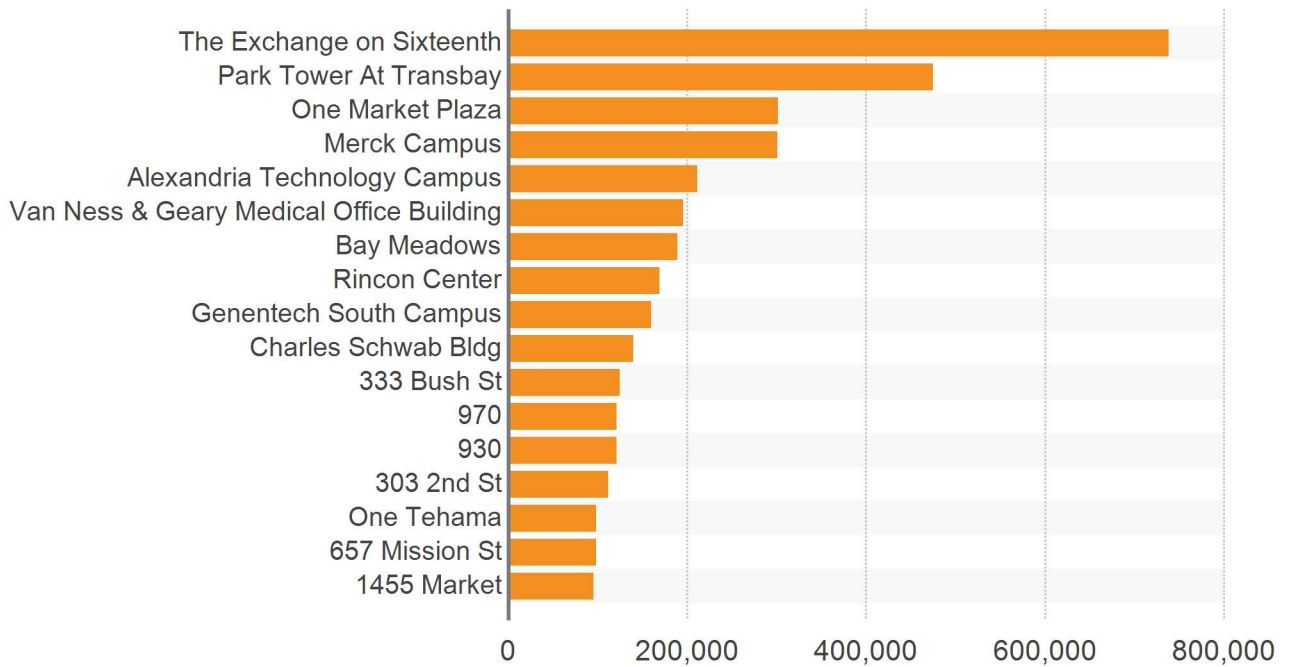
VACANCY RATE



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
The Exchange on Sixteenth	Mission Bay/China B...	750,370	12,289	0	0	0	0	738,081
Park Tower At Transbay	South Financial District	764,700	7,341	0	0	0	0	474,914
One Market Plaza	South Financial District	419,371	7,667	0	0	0	0	301,790
Merck Campus	South San Francisco	300,930	0	0	0	0	0	300,930
Alexandria Technology Campus	South San Francisco	211,405	0	0	0	0	0	211,405
Van Ness & Geary Medical Offic...	Van Ness/Chinatown	234,000	38,066	0	0	0	0	195,934
Bay Meadows	San Mateo	189,000	0	0	0	0	0	189,000
Rincon Center	South Financial District	279,354	85,514	0	0	0	0	169,335
Genentech South Campus	South San Francisco	160,000	0	0	0	0	0	160,000
Charles Schwab Bldg	South Financial District	373,500	0	0	0	0	0	140,079
333 Bush St	Financial District	542,878	52,049	0	0	0	0	125,001
970	San Mateo	120,968	0	0	0	0	0	120,968
930	San Mateo	120,968	0	0	0	0	0	120,968
303 2nd St	Rincon/South Beach	740,047	8,619	61,179	0	0	0	112,219
One Tehama	South Financial District	98,566	0	0	0	0	0	98,566
657 Mission St	South Financial District	105,389	0	98,553	0	0	0	98,553
1455 Market	MidMarket	1,034,977	52,449	29,186	0	0	0	95,242
Subtotal Primary Competitors		6,446,423	263,994	188,918	0	0	0	3,652,985
Remaining San Francisco Market		170,689,545	10,493,552	(700,647)	0	0	0	(1,140,923)
Total San Francisco Market		177,135,968	10,757,546	(511,729)	0	0	0	2,512,062

TOP OFFICE LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
Facebook @ Menlo Park	Menlo Park	449,450	Q4 19	Facebook	-	Facebook, Inc.
88 Bluxome	South of Market	429,820	Q1 19	Pinterest, Inc	CBRE	Alexandria Real Estate...
Mission Rock	Mission Bay/China Basin	300,000	Q4 19	Visa	CBRE	Tishman Speyer
633 Folsom St	Rincon/South Beach	268,000	Q1 19	Asana Inc.	CBRE	CBRE
Kilroy Oyster Point Phase I	South San Francisco	220,872	Q4 19	Stripe Inc.	Savills	Kidder Mathews
45 Fremont St	South Financial District	208,459	Q1 19	Slack	Colliers International	Shorenstein Properties...
Kilroy Oyster Point Phase I	South San Francisco	200,000	Q4 19	Stripe Inc.	Savills	Kidder Mathews
Townsend Center	Showplace Square	185,000	Q3 19	Zynga, Inc.	-	-
Middle Plaza	Menlo Park	154,000	Q3 19	Softbank	-	-
Charles Schwab Bldg	South Financial District	150,079	Q1 19	Google	CBRE	JLL
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
420 Taylor St	Union Square	115,766	Q4 19	Nextdoor.com, Inc	JLL	CBRE
The Shore at Sierra Point	Brisbane/Daly City	105,562	Q1 20	Janssen BioPharma, Inc	-	CBRE
Concar	San Mateo	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	Belmont/San Carlos	99,557	Q2 19	Atreca	-	-
The Alexandria District	Belmont/San Carlos	96,463	Q3 19	ChemoCentryx, Inc.	-	Newmark Knight Frank
First Market Tower	South Financial District	86,115	Q3 19	-	JLL	Cushman & Wakefield
301 Brannan St	Rincon/South Beach	82,830	Q1 20	Knotel	-	CBRE;JLL
425 Market *	South Financial District	81,405	Q2 19	Hanson Bridgett LLP	-	Cushman & Wakefield
Stevenson Place	South Financial District	79,674	Q4 19	Uber	JLL	Savills
1455 Market	MidMarket	78,031	Q3 19	Reddit	CBRE	JLL
Alexandria Technology Center *	South San Francisco	74,788	Q3 19	Atreca	-	-
595 Market Street	South Financial District	74,602	Q3 19	Benefit Cosmetics	CBRE	Tishman Speyer
303 2nd St	Rincon/South Beach	69,798	Q2 19	Playstation	CBRE	JLL
Genesis South San Francisco	South San Francisco	67,744	Q1 19	Fluidigm Corp	Savills	Newmark Knight Frank
Kilroy 360 *	Yerba Buena	66,839	Q3 19	Akqa Inc	CBRE	CBRE
1455 Market	MidMarket	66,056	Q1 19	WeWork	-	Cushman & Wakefield
San Francisco Multimedia Center *	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	62,920	Q2 19	Lucile Packard Children's...	Newmark Knight Frank	-
555 Mission St *	South Financial District	62,556	Q2 19	DLA Piper LLP (US)	-	JLL
123 Mission St	South Financial District	62,425	Q3 19	Juul	-	JLL
405 E 4th Ave	San Mateo	62,338	Q3 19	Verkada Inc.	-	Newmark Knight Frank
100 Potrero Ave	Mission/Potrero	62,031	Q2 19	Faire	-	CBRE
SOMA Square *	Yerba Buena	61,381	Q2 19	Glu Mobile	CBRE	Colliers International

*Renewal

Office rents in San Francisco skyrocketed early in the economic expansion cycle and continue to rise higher, though at a slower pace. Average asking rent in the metro has risen to \$69.96/FS, roughly 83% above its prerecession peak. Boasting the strongest expansion-cycle rent growth in the nation, San Francisco now ranks as the most expensive office market in the country, having surpassed New York in 2015. Asking rents in New York gave stagnated since 2015, while rents in San Francisco continued to rise through 2019. In San Francisco, rents 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, 2019 saw a slowdown in momentum. The completion of new office buildings may have helped balance tenant demand, while economic optimism is cooling. Sublease space availability has ticked up rather substantially, tempering the leverage landlords hold in the market. Rent growth has slowed significantly from earlier in the cycle, but at 3.5% on a year-over-year basis, is still well above the national

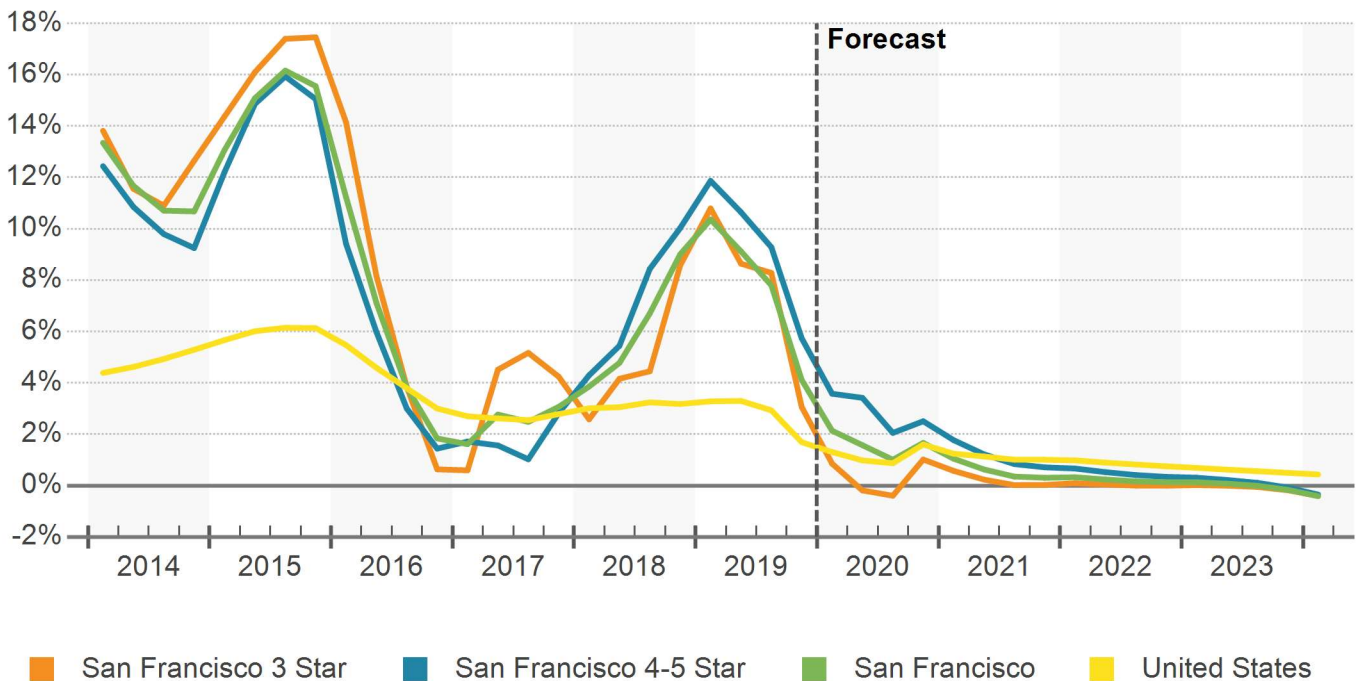
average, and comparatively strong among major markets.

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.

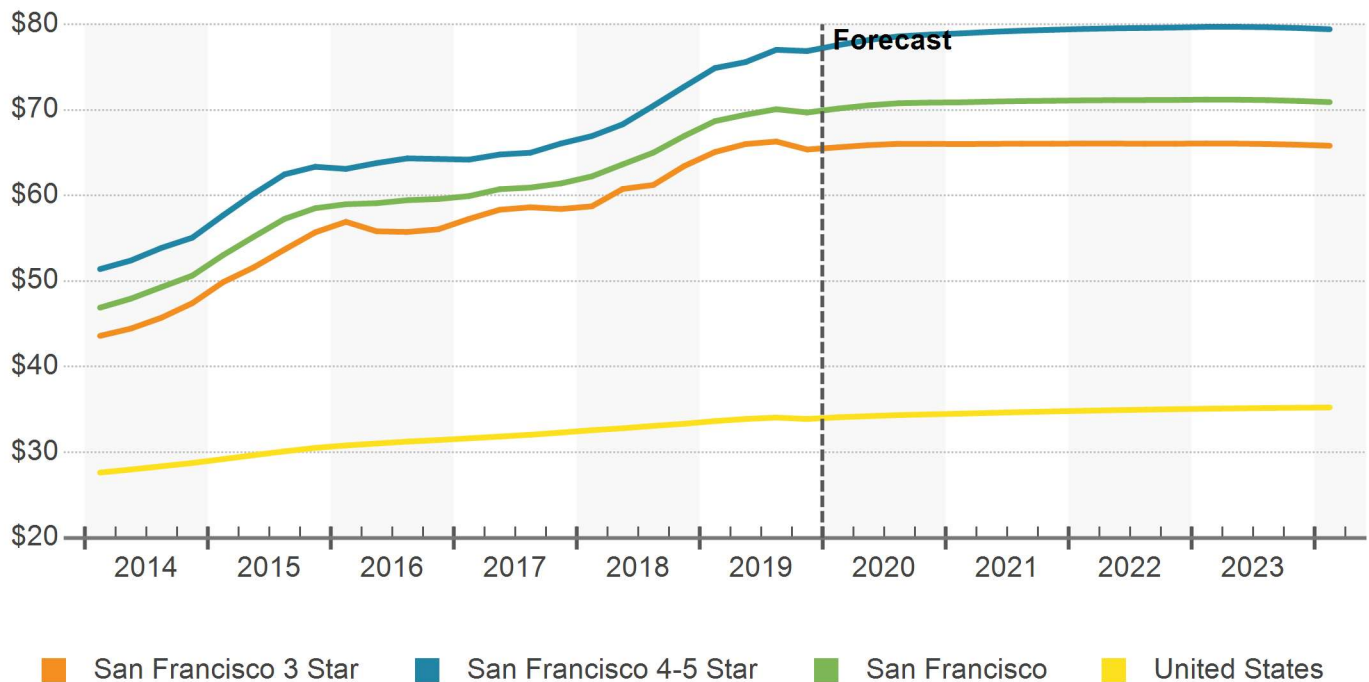
Moving forward, CoStar's forecast model calls for moderating rent growth in 2020, and essentially stable rent levels beyond, primarily due to its utilization of an Oxford economic forecast that calls for negligible job gains and rising vacancy rate projection.

Tech tenant expansions remain prevalent, but San Francisco is the most expensive market in the country. Rents in San Francisco are volatile, and Oxford expects the economy to cool, while more supply is on the way, and sublet availability is already elevated.

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	\$1.05	\$2.05	\$1.36	\$6.06	\$7.16	\$17.68
San Mateo Central County	\$1.04	\$1.38	\$1.27	\$5.20	\$5.92	\$14.81
San Mateo North County	\$0.97	\$1.48	\$1.40	\$7.99	\$5.31	\$17.15
San Mateo South County	\$0.95	\$1.48	\$1.39	\$5.28	\$5.06	\$14.16
SF Downtown Core	\$1.01	\$2.99	\$1.45	\$6.62	\$9.75	\$21.82
SF Downtown North	\$0.89	\$2.41	\$1.34	\$6.81	\$8.80	\$20.25
SF Downtown South	\$1.38	\$2.40	\$1.17	\$4.90	\$7.37	\$17.22
SF Downtown West	\$0.71	\$2.48	\$1.39	\$7.21	\$8.60	\$20.39
SF Outer Areas	\$1.13	\$2.87	\$2.04	\$4.00	\$10.08	\$20.12
SF Southeast	\$1.64	\$1.59	\$1.07	\$5.99	\$7.00	\$17.29

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	\$0.91	\$1.60	\$1.06	\$4.46	\$5.39	\$13.42
Outlying San Mateo County	\$0.83	\$0.94	\$0.99	\$7.74	\$5.43	\$15.93
San Mateo Central County	\$0.92	\$0.87	\$0.91	\$4.28	\$5.20	\$12.18
San Mateo North County	\$0.88	\$0.87	\$0.91	\$4.95	\$4.62	\$12.23
San Mateo South County	\$0.88	\$0.88	\$0.95	\$5.20	\$4.63	\$12.54
San Mateo West County	\$0.60	\$0.76	\$0.81	\$4.11	\$4.69	\$10.97
SF Downtown Core	\$0.95	\$2.79	\$1.30	\$5.00	\$6.26	\$16.30
SF Downtown North	\$0.82	\$2.26	\$1.21	\$4.00	\$5.59	\$13.88
SF Downtown South	\$1.25	\$2.23	\$1.11	\$4.03	\$5.43	\$14.05
SF Downtown West	\$0.65	\$2.24	\$1.23	\$4.15	\$5.97	\$14.24
SF Outer Areas	\$0.59	\$0.98	\$0.96	\$4.00	\$5.80	\$12.33
SF Southeast	\$1.07	\$1.60	\$1.03	\$4.20	\$5.57	\$13.47

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	\$0.67	\$1.30	\$0.84	\$4.10	\$2.10	\$9.01
Outlying San Mateo County	\$0.57	\$0.87	\$0.92	\$4.12	\$1.85	\$8.33
San Mateo Central County	\$0.62	\$0.83	\$0.87	\$4.27	\$2.29	\$8.88
San Mateo North County	\$0.63	\$0.85	\$0.89	\$3.70	\$1.63	\$7.70
San Mateo South County	\$0.63	\$0.85	\$0.92	\$4.83	\$1.51	\$8.74
San Mateo West County	\$0.58	\$0.86	\$0.91	\$4.50	\$1.80	\$8.65
SF Downtown Core	\$0.88	\$2.42	\$0.74	\$4.23	\$3.09	\$11.36
SF Downtown North	\$0.77	\$2.09	\$0.69	\$4.88	\$2.54	\$10.97
SF Downtown South	\$0.82	\$2.10	\$0.70	\$3.37	\$2.52	\$9.51
SF Downtown West	\$0.65	\$2.05	\$0.69	\$4.06	\$2.61	\$10.06
SF Outer Areas	\$0.60	\$0.99	\$0.93	\$3.73	\$1.96	\$8.21
SF Southeast	\$0.65	\$1.19	\$0.86	\$2.94	\$1.99	\$7.63
Treasure/Yerba Buena Island	\$0.45	\$0.87	\$0.92	\$3.15	\$2.32	\$7.71

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 7.1 million SF currently under construction throughout the metro. Supply growth was robust in the past two years and will remain elevated in 2020, with Uber's Mission Bay headquarters and Facebook-preleased Menlo Gateway II and Burlingame Point campus expected for delivery.

Central SoMa's recent upzoning 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.

Several key Central SoMa projects were recently awarded Prop M allocations for development, including phase 1 of Kilroy Realty's Flower Mart redevelopment, and 88 Bluxome, a project led by TMG Partners and Alexandria, that has already preleased half of its office space to Pinterest. Also, Tishman Speyer received allocation to build 711,000 square feet of office space at 598 Brannan St, another mixed-use development that as planned, will add just under 1 million square feet of commercial space when completed.

Finally, in December, Boston Properties received allocation for phase one of Harrison Gardens, a 14 story SoMa project between 3rd and 4th street, which is expected to break ground in 2020.

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

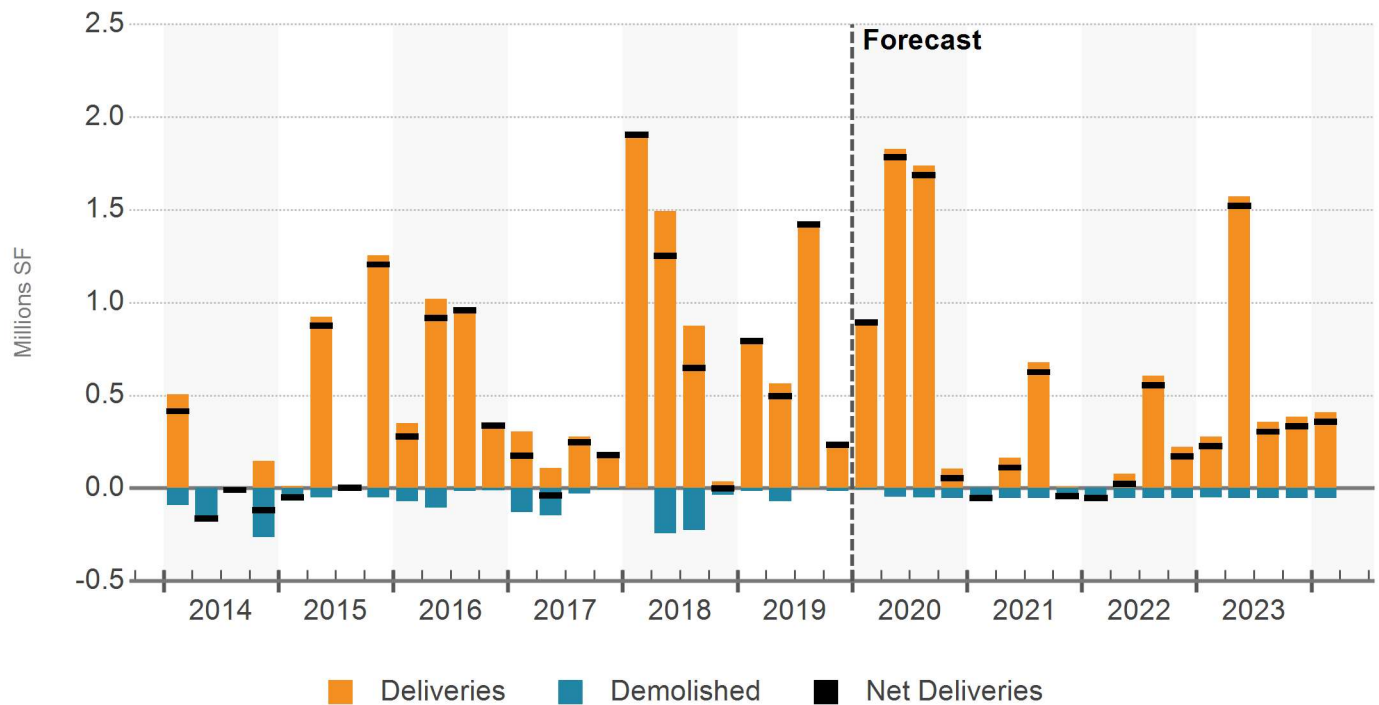
construction is limiting growth, but also guards against the potential risk of overdevelopment.

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 preleased 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 2020. Facebook is expanding its headquarters in Menlo Park, and with a flurry of recent leasing activity, the social media giant has enabled itself to establish multiple satellite locations throughout the Bay Area over the next several years.

In total, roughly 70% 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	181,297	1,250,000	1
2	Mission Bay/China Basin	3	1,017	1,017	100%	1	138,456	338,915	4
3	Menlo Park-East/EPA	3	970	970	100%	1	70,177	323,496	5
4	Burlingame	5	803	803	100%	1	73,965	160,618	8
5	San Carlos	2	526	246	46.8%	7	13,192	263,089	6
6	MidMarket	1	466	445	95.5%	5	89,712	466,000	2
7	South San Francisco	2	421	421	100%	1	101,129	210,436	7
8	San Bruno/Millbrae	1	350	199	56.9%	6	25,760	350,000	3
9	Menlo Park	8	333	43	12.8%	10	17,481	41,617	10
10	Redwood City-N of 84 Fwy	4	293	120	41.1%	8	18,098	73,284	9
	All Other	7	686	570	83.0%		37,459	98,065	
Totals		37	7,116	5,127	72.1%		44,251	192,322	

Under Construction Properties

San Francisco Office

Properties

Square Feet

Percent of Inventory

Released

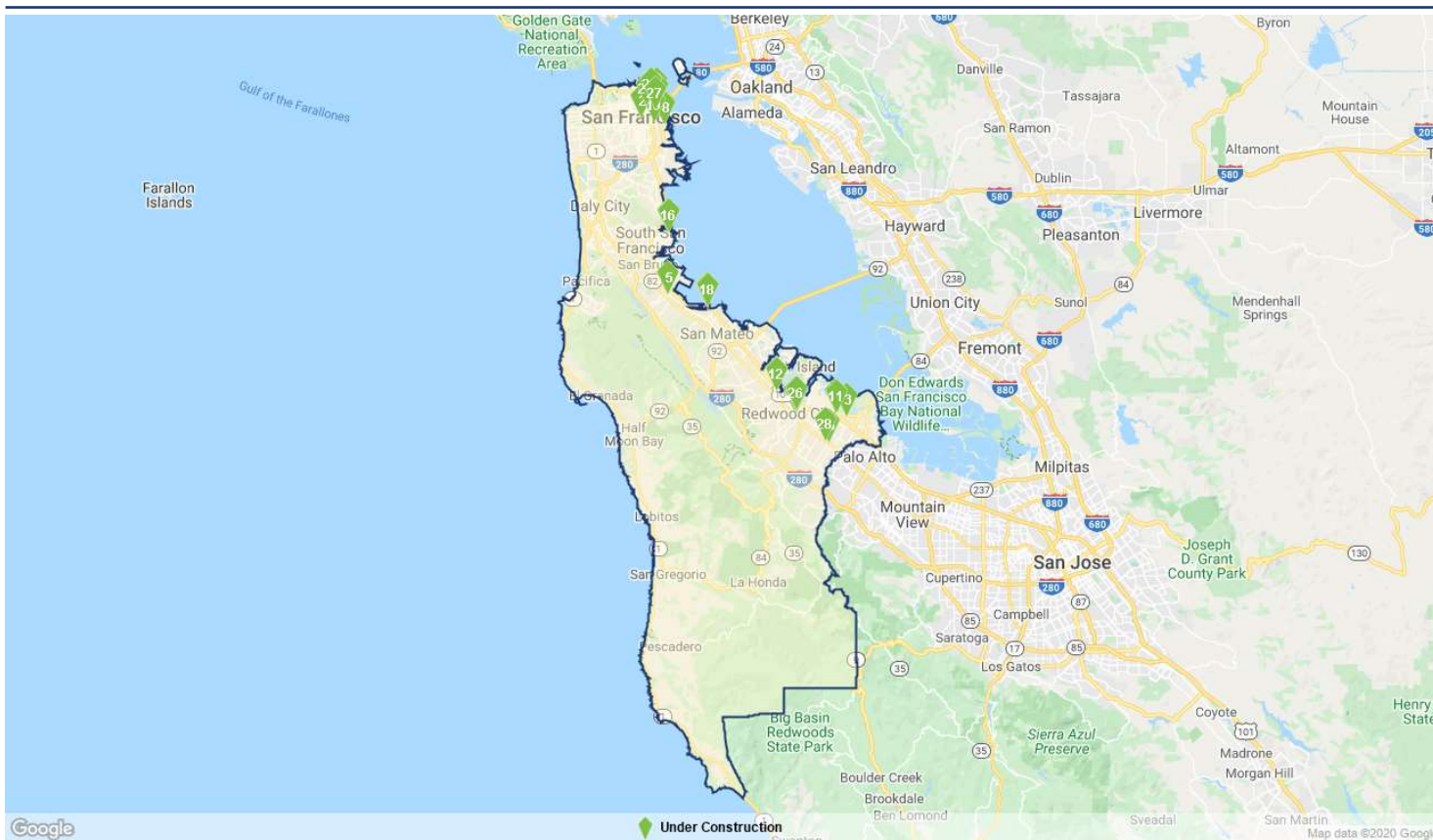
37

7,115,897

4.0%

72.1%

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 Related California
3 MPK 22 301-309 Constitution Dr	★★★★★	449,500	3	Apr-2019	Jun-2022	Facebook, Inc. Facebook, Inc.
4 UBER HQ 1455-1515 3rd St	★★★★★	422,980	11	Sep-2016	Mar-2020	Alexandria Real Estate Equities, I... Alexandria Real Estate Equities, I...
5 Gateway at Millbrae Stati... 100 Garden Ln	★★★★☆	350,000	7	Nov-2019	Aug-2021	Republic Urban Properties Republic Urban Properties
6 Uber South Street 1655 3rd St	★★★★☆	312,998	12	Jul-2017	Mar-2020	Strada Investment Group Alexandria Real Estate Equities, I...
7 Alexandria District for S... 825 Industrial Rd	★★★★☆	282,190	6	Jun-2019	Jul-2021	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 Uber 16th Street 1715-1725 3rd St	★★★★★	280,767	12	Jul-2017	Mar-2020	Strada Investment Group Golden State Warriors
9 633 Folsom St	★★★★★	268,000	12	Jun-2018	Jul-2020	The Swig Company The Swig Company
10 Office - Phase II 135 Constitution Dr	★★★★★	260,500	8	Oct-2017	Mar-2020	Bohannon Development Company Alexandria Real Estate Equities, I...
11 Office - Phase II 125 Constitution Dr	★★★★★	260,488	8	Oct-2017	Mar-2020	Bohannon Development Company Bohannon Development Company
12 Alexandria District for S... 835 Industrial Rd	★★★★★	243,988	6	Jun-2019	Mar-2020	Alexandria Real Estate Equities, I... Alexandria Real Estate Equities, I...
13 Bldg 4 311 Airport Blvd	★★★★★	243,553	8	Jan-2017	Jun-2020	Genzon Investment Group Genzon Investment Group
14 Bldg 1 Oyster Point Blvd	★★★★★	220,872	5	Oct-2018	Jun-2020	Kilroy Realty Corporation Kilroy Realty Corporation
15 Bldg 3 333 Airport Blvd	★★★★★	215,321	7	Jan-2017	Jun-2020	Genzon Investment Group Genzon Investment Group
16 Bldg 2 Oyster Point Blvd & Gull Dr	★★★★★	200,000	6	Oct-2018	Jun-2020	Kilroy Realty Corporation Kilroy Realty Corporation
17 Bldg 1 322 Airport Blvd	★★★★★	155,806	5	Jan-2017	Jun-2020	Genzon Investment Group Genzon Investment Group
18 Bldg 2 300 Airport Blvd	★★★★★	155,482	5	Jan-2017	Jun-2020	Genzon Investment Group Genzon Investment Group
19 One De Haro 1 De Haro St	★★★★★	126,537	5	Feb-2019	May-2020	- SKS Partners, LLC
20 North Building 1302 El Camino Real	★★★★★	119,454	3	May-2018	Mar-2020	- Greenheart Land Company
21 420 Taylor St	★★★★★	115,766	5	Jul-2019	Jul-2020	- Seven Equity Group
22 Broadway Station 2075 Broadway St	★★★★★	114,859	4	Mar-2018	Mar-2020	Lane Partners Lane Partners
23 Station 1300 1300 El Camino Real	★★★★★	102,708	3	May-2018	Jul-2020	Greenheart Land Company Greenheart Land Company
24 855 Main St	★★★★★	93,516	3	Jul-2018	May-2021	The Acclaim Companies The Acclaim Companies
25 300 Grant Ave	★★★★★	71,832	6	Dec-2018	Apr-2020	- St. Bride's Managers
26 610 Walnut St	★★★★★	69,104	6	Jun-2019	Mar-2021	Windy Hill Property Ventures, Inc. Windy Hill Property Ventures, Inc.
27 345 4th St	★★★★★	56,715	7	Nov-2019	Nov-2020	- Tarsadia Alliance of Companies
28 1540 El Camino Real 1540 El Camino Real	★★★★★	47,799	2	Apr-2019	Oct-2020	Four Corners Properties Four Corners Properties

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 totaled over \$8 billion in 2019, a robust total, even for the expansion period.

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 2019, remaining at a fairly steady 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, provides an excellent example of rising asset pricing in the market, as well as investor interest. Initially 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.

Capping off 2019's tremendous sales volume led by mega deals in December, Paramount Group, a New-

York based REIT led the purchase of Market Center for \$722 million, nearly \$959 per square foot.

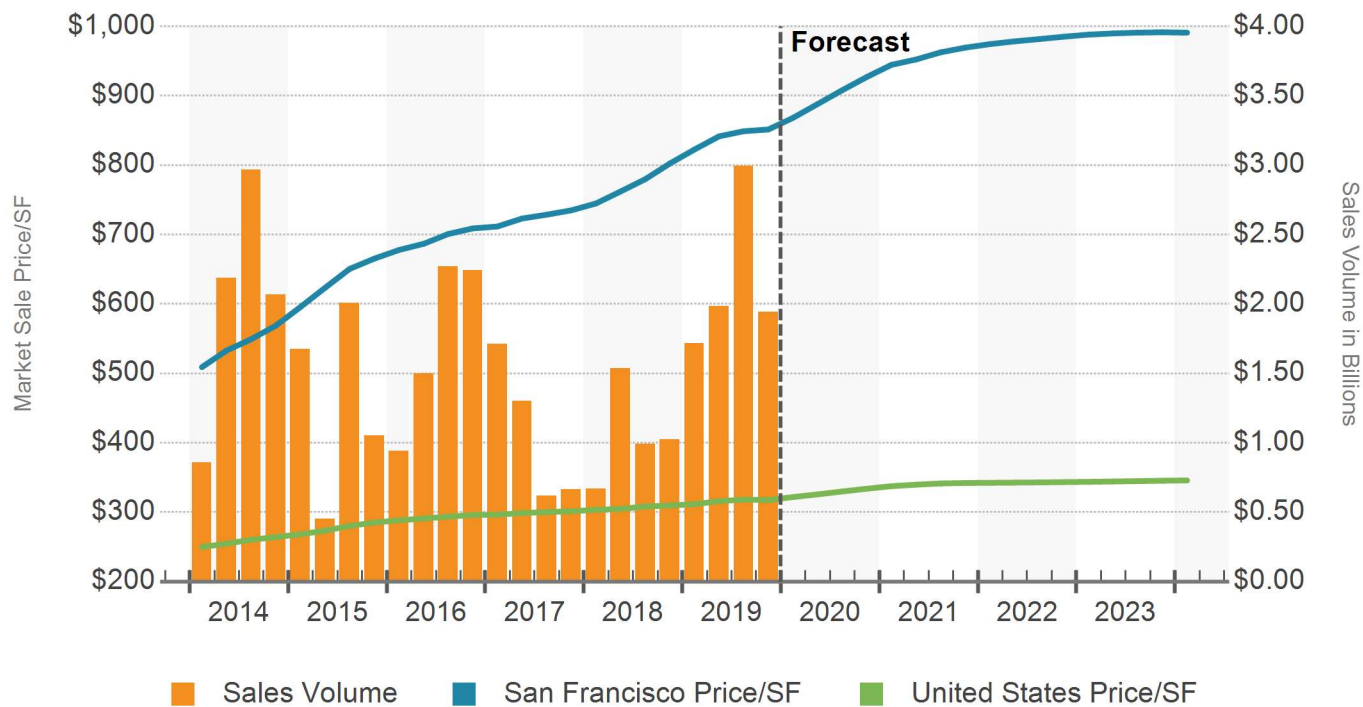
Several other large owner-user sales closed in 2019. In February 2019, Gap Inc. exercised its right of first offer to purchase 550 Terry A. Francois Blvd. for \$342.5 million (\$1,211/SF). The 280,000 SF, 5 Star asset is the headquarters of Old Navy and was built in 2002. The property had previously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

Levi's plaza sold for \$826 million to Atlanta-based Jamestown LP. , and 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 long duration of the expansion period heading into an election year may begin to give 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

204

Avg. Cap Rate

5.0%

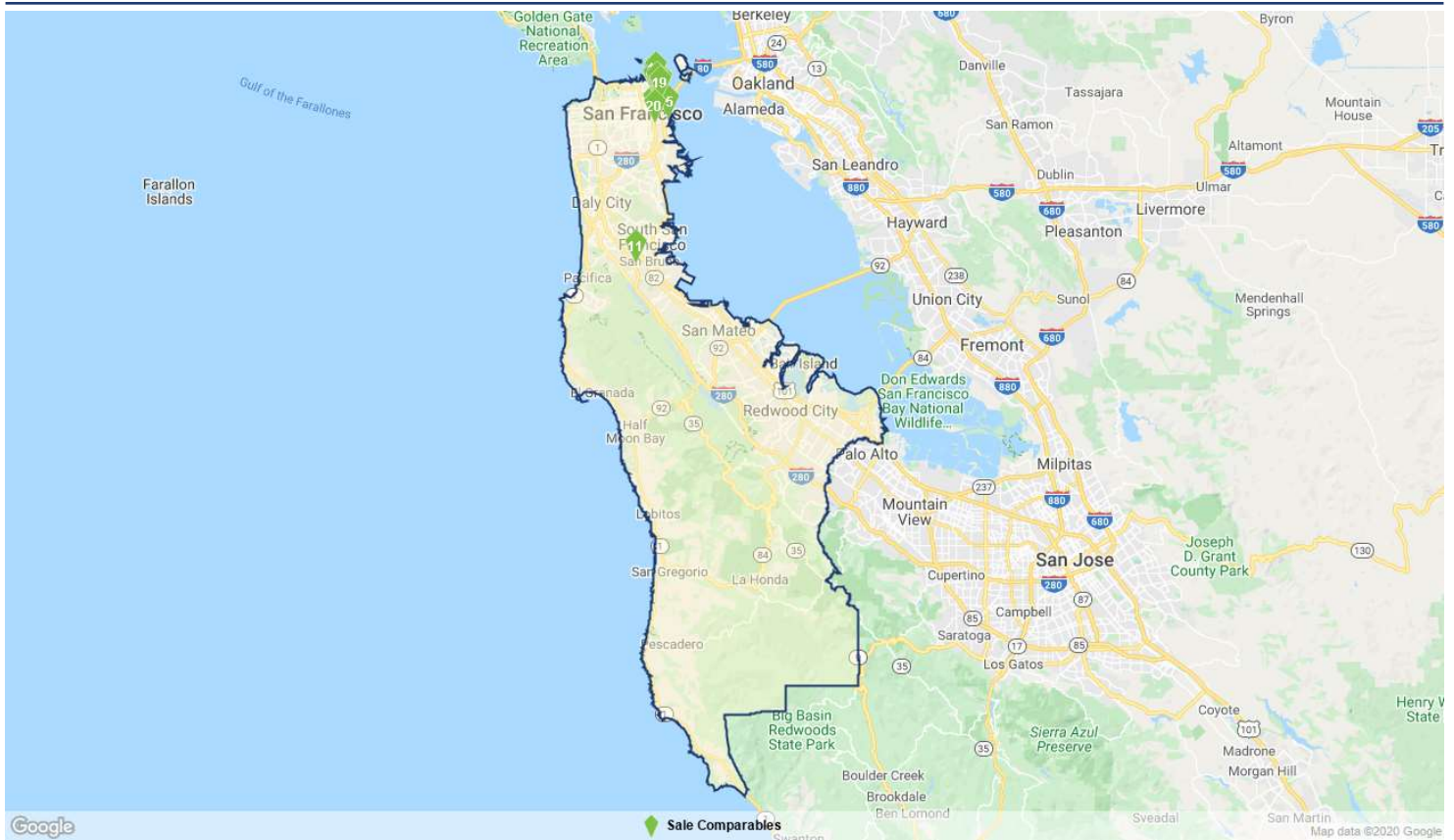
Avg. Price/SF

\$1,069

Avg. Vacancy At Sale

8.9%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$482,929	\$62,171,896	\$16,413,585	\$602,679,598
Price Per SF	\$177	\$1,069	\$655	\$2,969
Cap Rate	2.9%	5.0%	5.0%	7.2%
Time Since Sale in Months	0.2	6.7	6.9	12.0
Property Attributes	Low	Average	Median	High
Building SF	885	77,691	22,400	1,420,682
Stories	1	5	2	61
Typical Floor SF	443	13,162	8,817	111,667
Vacancy Rate At Sale	0%	8.9%	0%	100%
Year Built	1900	1962	1974	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	-
3 575 Market St	★★★★☆	1975	472,565	3.8%	12/11/2019	\$458,501,021	\$970	-
4 123 Mission St	★★★★☆	1987	363,052	38.0%	6/20/2019	\$397,000,000	\$1,094	-
5 Gap Inc. 550 Terry A. Francois Blvd	★★★★★	2002	282,773	0%	2/4/2019	\$342,500,000	\$1,211	-
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	-
8 555 Market St	★★★★☆	1964	280,173	0%	12/11/2019	\$263,498,979	\$940	-
9 201 California St	★★★★☆	1980	272,124	1.4%	12/9/2019	\$251,500,000	\$924	-
10 One Eleven Sutter 111 Sutter St	★★★★☆	1926	293,000	35.1%	2/7/2019	\$227,000,000	\$775	-
11 901 Cherry Ave	★★★★☆	1997	184,000	0%	5/2/2019	\$220,550,000	\$1,199	-
12 Salesforce Tower 415 Mission St	★★★★★	2018	1,420,682	1.5%	4/1/2019	\$210,900,000	\$2,969	-
13 Montgomery Washingto... 655 Montgomery St	★★★★☆	1983	273,000	11.3%	5/6/2019	\$191,500,000	\$701	4.8%
14 199 Fremont St	★★★★★	2000	405,000	0%	10/31/2019	\$186,200,000	\$938	-
15 KPMG Building 55 2nd St	★★★★★	2002	379,328	14.2%	8/21/2019	\$176,880,000	\$1,060	-
16 Koshland Bldg 1160 Battery St	★★★★☆	1982	215,359	0%	7/29/2019	\$163,884,693	\$761	-
17 255 California St	★★★★☆	1959	195,192	9.5%	6/6/2019	\$162,500,000	\$833	4.0%
18 North Building 350 Rhode Island St	★★★★☆	2002	127,074	0%	11/25/2019	\$134,250,000	\$1,056	-
19 One Tehama 246 1st St	★★★★☆	1930	98,566	0%	10/29/2019	\$131,000,000	\$1,329	-
20 South Building 350 Rhode Island St	★★★★☆	2002	138,393	0%	2/5/2019	\$120,000,000	\$867	5.3%

San Francisco's economy is expanding rapidly. A booming technology industry has led employment and household income to record levels. Annual job growth in the expansion era peaked at roughly 5% in 2015, and prevailed at roughly 3% in 2019.

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 has fallen below 2%, according to the U.S. Department of Labor. Job opportunities remain abundant, outnumbering qualified job seekers. Meanwhile, steep housing costs are deterring some potential incomers from moving into the Bay Area.

Technology companies are hiring rapidly as web traffic, users, revenue, and in many cases, profitability rises. Google and Facebook, in particular, have benefited from strong growth in internet advertising revenue, which rose by 17% in the first half of 2019 from a year prior, to over \$115 billion on an annualized basis, according to the Interactive Advertising Bureau. The two Bay Area-based companies are reportedly capturing the majority of all internet ad revenue. E-commerce retail sales are rising 17% annually, benefiting Amazon.com, locally-based Macys.com, Gap, and other online retailers. National software sales reached \$421 billion on an annualized basis in 19Q3, rising by 15% year-over-year, according to the U.S. Bureau of Economic Analysis.

Venture capitalists continue to invest heavily in locally-based start-ups, as well as mature, but still privately-held "unicorn" companies valued over \$1 billion. Venture capital investment into San Francisco set a new record in 2018, soaring to more than \$60 billion, according to PwC's MoneyTree Report, and funding remained robust in 2019. Many venture-backed companies have opted to remain private throughout the expansion period, prompting higher levels of late-stage funding.

Locally-based Okta, Roku, and Mulesoft each went public in 2017 with successful results, as did DocuSign and Survey Monkey in 2018. However, a growing number of Bay Area companies that have gone public in the expansion period are now trading below their initial IPO price. Fitbit, Lending Club, Cloudera, Dropbox, and Eventbrite have all seen their valuations deteriorate since going public, and the past year was particularly rough for tech unicorns going public. The IPO's of Lyft, Uber, and Slack were considered flops, while market valuations for Pinterest and PagerDuty have fallen after initially rising. Some local start-ups like Zoom Video did launch public

offerings that performed well in 2019, but the majority were disappointing as high private market valuations, profitability concerns and the prospect of tighter regulations weighed on investors. AirBnB remains the biggest name on the horizon with a public debut expected in 2020.

Despite the notable downturns among several high-profile newcomers, The NASDAQ index, which is heavily dominated by San Francisco Bay Area-based tech companies and historically correlates with office rents, soared by 35% in 2019 following a dovish pivot by the Fed. 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 9,000 in San Francisco. Led by tech firms, over 340,000 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 3,000, and the company will have capacity to add more workers in 2020 as they expand into another recently leased building.

Facebook has added capacity for well over 5,000 employees at 181 Fremont Street and Park Tower at Transbay, two new skyscrapers recently completed in the South Financial District. Twitter is hiring again, following a restructure in 2016.

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 the second half of 2019.

In the finance sector, Wells Fargo's employment in the Bay Area has declined moderately for several years. Wells closed its 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 3% 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.

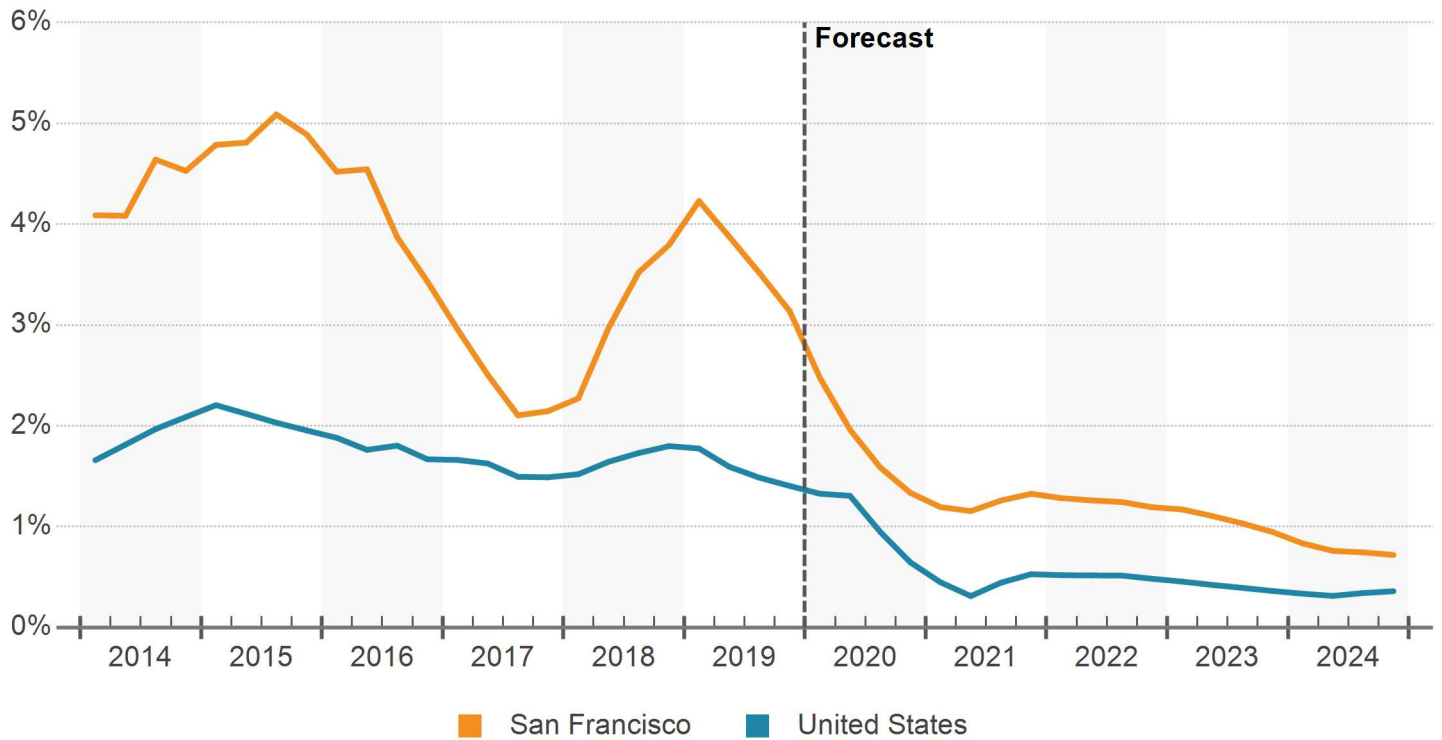
Low interest rates and an expanding global economy led by technological advancements have driven Bay Area commercial real estate markets to new heights over the past decade. However, global growth is now slowing, and consumer sentiment has dropped as changes in trade policy present headwinds to the economy. 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	-1.03%	0.37%	0.84%	1.13%	-0.05%	-0.31%
Trade, Transportation and Utilities	157	0.7	-0.02%	0.43%	2.21%	1.31%	0.71%	0.28%
Retail Trade	80	0.6	-2.33%	-0.12%	0.77%	0.94%	0.51%	0.22%
Financial Activities	87	1.3	4.48%	1.39%	2.43%	1.22%	-0.12%	0.34%
Government	133	0.7	2.13%	0.68%	1.15%	0.06%	0.66%	0.63%
Natural Resources, Mining and Construction	47	0.7	6.02%	1.72%	5.40%	2.80%	0.26%	0.26%
Education and Health Services	144	0.7	3.03%	2.58%	2.59%	2.17%	0.64%	0.59%
Professional and Business Services	307	1.8	3.89%	1.98%	5.34%	2.73%	1.96%	0.89%
Information	93	4.2	5.60%	0.61%	9.49%	0.34%	2.99%	0.51%
Leisure and Hospitality	150	1.1	3.05%	2.10%	3.19%	2.69%	0.62%	0.56%
Other Services	43	0.9	-0.50%	1.40%	2.48%	1.14%	0.28%	0.30%
Total Employment	1,201	1.0	2.89%	1.37%	3.49%	1.61%	1.08%	0.46%

Source: Oxford Economics
LQ = Location Quotient

YEAR OVER YEAR JOB GROWTH



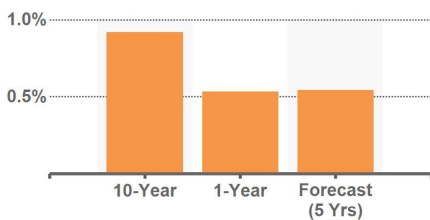
Source: Oxford Economics

DEMOGRAPHIC TRENDS

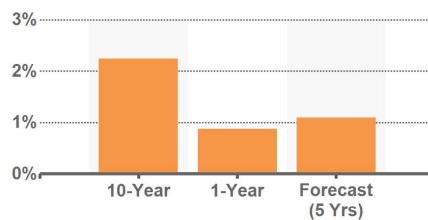
Demographic Category	Current Level		Current Change		10-Year Change		Forecast Change (5 Yrs)	
	Metro	U.S.	Metro	U.S.	Metro	U.S.	Metro	U.S.
Population	1,666,034	330,266,406	0.5%	0.7%	0.9%	0.7%	0.5%	0.7%
Households	626,675	122,489,109	0.4%	0.5%	0.6%	0.7%	0.5%	0.6%
Median Household Income	\$124,775	\$64,288	5.5%	3.5%	4.3%	2.5%	5.6%	3.7%
Labor Force	1,058,189	164,442,063	0.9%	0.9%	2.2%	0.7%	1.1%	0.5%
Unemployment	2.1%	3.5%	-0.2%	-0.3%	-0.7%	-0.7%	-	-

Source: Oxford Economics

POPULATION GROWTH



LABOR FORCE GROWTH



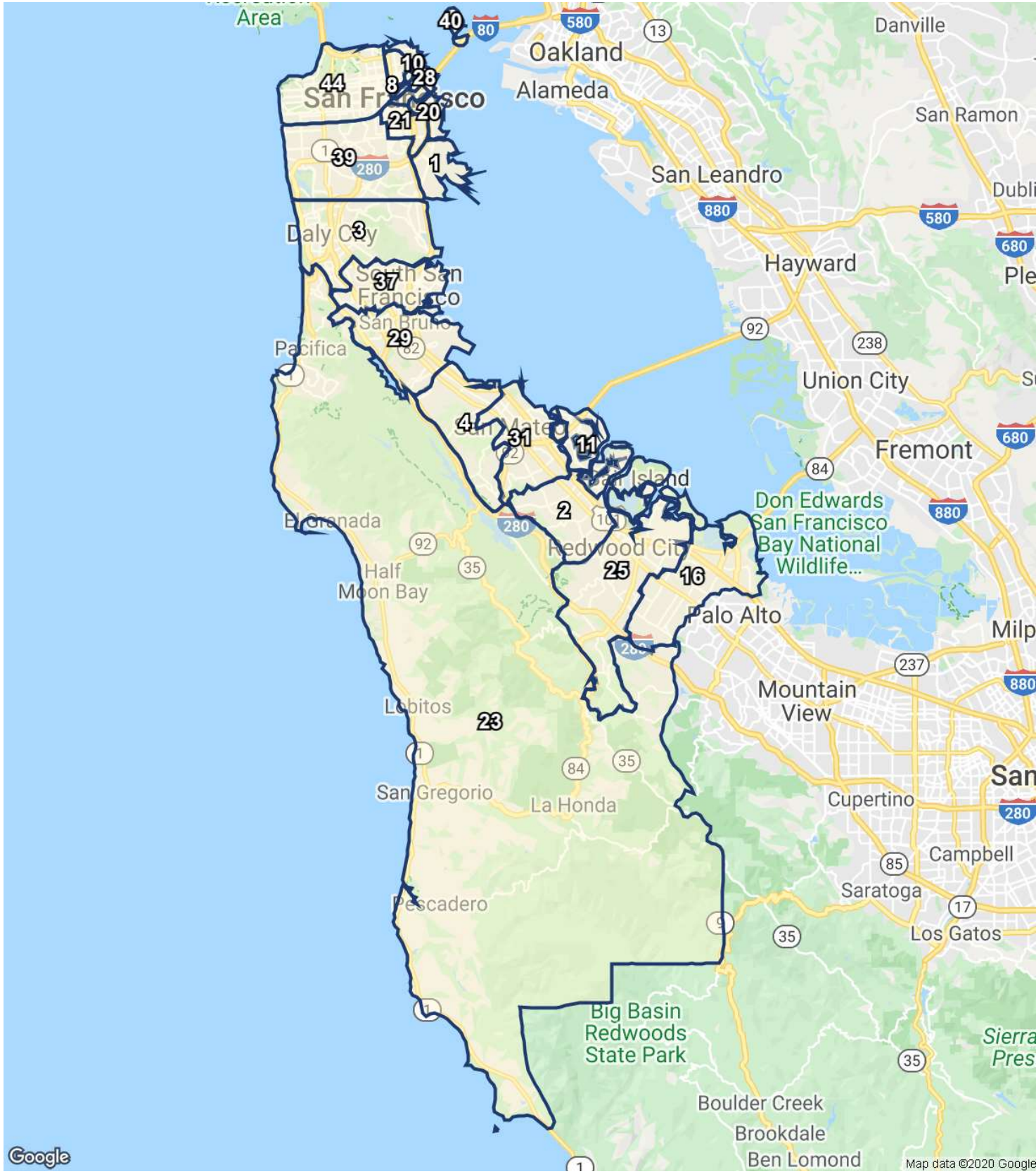
INCOME GROWTH



Source: Oxford Economics

Submarkets

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	614	0.3%	37	0	0	0%	-	0	-	-	-
2	Belmont/San Carlos	41	841	0.5%	35	0	0	0%	-	0	-	-	-
3	Brisbane/Daly City	95	2,889	1.6%	18	0	0	0%	-	0	-	-	-
4	Burlingame	11	814	0.5%	36	0	0	0%	-	5	803	98.7%	4
5	Burlingame-Old Bayshore	30	1,008	0.6%	32	0	0	0%	-	0	-	-	-
6	Burlingame-West of 101	81	1,347	0.8%	30	2	27	2.0%	8	1	45	3.3%	15
7	Chinatown/Nob Hill	63	892	0.5%	34	0	0	0%	-	0	-	-	-
8	Civic Center	62	4,354	2.5%	12	0	0	0%	-	0	-	-	-
9	El Granada/Montara	19	71	0%	43	0	0	0%	-	0	-	-	-
10	Financial District	173	30,473	17.2%	1	0	0	0%	-	0	-	-	-
11	Foster City/Redwood Shrs	111	9,647	5.4%	3	0	0	0%	-	0	-	-	-
12	Half Moon Bay	69	312	0.2%	40	0	0	0%	-	0	-	-	-
13	India Basin	2	36	0%	45	0	0	0%	-	0	-	-	-
14	Jackson Square	123	3,301	1.9%	17	0	0	0%	-	0	-	-	-
15	Lower South of Market	73	2,313	1.3%	23	1	20	0.8%	10	0	-	-	-
16	Menlo Park	159	2,780	1.6%	19	1	25	0.9%	9	8	333	12.0%	9
17	Menlo Park-East/EPA	72	5,053	2.9%	10	0	0	0%	-	3	970	19.2%	3
18	Menlo Park-Sand Hill	37	1,257	0.7%	31	0	0	0%	-	0	-	-	-
19	MidMarket	78	6,998	4.0%	4	0	0	0%	-	1	466	6.7%	6
20	Mission Bay/China Basin	30	4,154	2.3%	13	1	750	18.1%	1	3	1,017	24.5%	2
21	Mission/Potrero	19	359	0.2%	39	0	0	0%	-	0	-	-	-
22	Outer San Mateo County	13	119	0.1%	42	0	0	0%	-	0	-	-	-
23	Peninsula Coastline	36	173	0.1%	41	0	0	0%	-	0	-	-	-
24	Potrero West of 101 Fwy	74	1,989	1.1%	26	0	0	0%	-	0	-	-	-
25	Redwood City	67	964	0.5%	33	0	0	0%	-	1	3	0.3%	16
26	Redwood City-N of 84 Fwy	208	3,764	2.1%	15	1	9	0.3%	11	4	293	7.8%	10
27	Redwood City-Port	34	2,054	1.2%	25	0	0	0%	-	0	-	-	-
28	Rincon/South Beach	126	6,890	3.9%	5	0	0	0%	-	1	268	3.9%	11
29	San Bruno/Millbrae	85	2,190	1.2%	24	0	0	0%	-	1	350	16.0%	8
30	San Carlos	112	1,477	0.8%	29	2	29	2.0%	7	2	526	35.6%	5
31	San Mateo	171	1,804	1.0%	27	1	62	3.5%	6	0	-	-	-
32	San Mateo-Corridor/Hwy 92	124	6,450	3.6%	7	0	0	0%	-	0	-	-	-
33	San Mateo-Downtown So...	26	1,734	1.0%	28	3	431	24.8%	4	0	-	-	-
34	Showplace Square	47	3,776	2.1%	14	0	0	0%	-	1	127	3.4%	13
35	South Financial District	168	30,458	17.2%	2	1	479	1.6%	3	1	1,250	4.1%	1
36	South of Market	153	2,376	1.3%	22	0	0	0%	-	0	-	-	-
37	South San Francisco	64	6,472	3.7%	6	3	672	10.4%	2	2	421	6.5%	7
38	South SF West of 101 Fwy	73	589	0.3%	38	0	0	0%	-	0	-	-	-
39	Southern City	275	2,769	1.6%	20	0	0	0%	-	0	-	-	-
40	Treasure/Yerba Buena Isl...	3	48	0%	44	0	0	0%	-	0	-	-	-
41	Union Square	117	5,566	3.1%	8	0	0	0%	-	2	188	3.4%	12
42	Van Ness/Chinatown	107	2,415	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	101	4,416	2.5%	11	0	0	0%	-	0	-	-	-
44	West of Van Ness	377	5,415	3.1%	9	0	0	0%	-	0	-	-	-
45	Yerba Buena	71	3,717	2.1%	16	0	0	0%	-	1	57	1.5%	14

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	\$43.16	43	1.5%	27	0.6%	13
2	Belmont/San Carlos	\$63.30	21	1.7%	24	0%	28
3	Brisbane/Daly City	\$51.62	37	1.9%	21	-0.5%	40
4	Burlingame	\$63.19	23	5.6%	1	1.0%	8
5	Burlingame-Old Bayshore	\$44.62	42	1.5%	28	0.5%	16
6	Burlingame-West of 101	\$60.06	27	0.5%	39	-0.3%	37
7	Chinatown/Nob Hill	\$49.57	39	1.2%	31	0.3%	22
8	Civic Center	\$64.09	19	2.5%	19	-0.4%	39
9	El Granada/Montara	\$48.03	40	0.9%	36	0.6%	15
10	Financial District	\$76.17	3	3.9%	6	0.4%	18
11	Foster City/Redwood Shrs	\$67.46	15	5.1%	3	0.8%	10
12	Half Moon Bay	\$48.02	41	0.8%	38	0.7%	12
13	India Basin	\$53.59	35	0.2%	42	1.6%	6
14	Jackson Square	\$67.67	13	1.2%	33	-0.2%	36
15	Lower South of Market	\$69.07	11	3.0%	15	0%	29
16	Menlo Park	\$73.13	6	0.5%	40	0.6%	14
17	Menlo Park-East/EPA	\$73.45	5	3.1%	14	0.3%	21
18	Menlo Park-Sand Hill	\$108.76	1	3.7%	7	-0.2%	35
19	MidMarket	\$70.43	9	3.4%	9	-0.7%	42
20	Mission Bay/China Basin	\$75.95	4	4.1%	5	0.1%	27
21	Mission/Potrero	\$55.13	31	1.7%	25	0.4%	17
22	Outer San Mateo County	\$64.67	17	0.9%	37	0.3%	20
23	Peninsula Coastline	\$39.47	44	-0.4%	43	0.8%	11
24	Potrero West of 101 Fwy	\$58.38	30	0.9%	34	-0.1%	34
25	Redwood City	\$72.65	7	2.5%	18	0%	33
26	Redwood City-N of 84 Fwy	\$70.39	10	1.9%	22	0.2%	24
27	Redwood City-Port	\$63.11	24	3.3%	10	-3.5%	44
28	Rincon/South Beach	\$70.94	8	3.1%	13	-3.4%	43
29	San Bruno/Millbrae	\$50.47	38	-4.0%	45	-60.5%	45
30	San Carlos	\$61.81	25	2.0%	20	0.2%	23
31	San Mateo	\$60.94	26	1.2%	32	4.2%	2
32	San Mateo-Corridor/Hwy 92	\$58.76	29	2.9%	16	1.7%	5
33	San Mateo-Downtown So...	\$67.64	14	3.3%	12	0%	31
34	Showplace Square	\$66.05	16	3.3%	11	0%	30
35	South Financial District	\$83.59	2	5.5%	2	20.2%	1
36	South of Market	\$53.74	34	1.7%	23	0.1%	25
37	South San Francisco	\$59.00	28	4.1%	4	2.7%	4
38	South SF West of 101 Fwy	\$37.04	45	-0.8%	44	0.9%	9
39	Southern City	\$53.90	33	0.9%	35	0.4%	19
40	Treasure/Yerba Buena Isl...	\$52.63	36	0.2%	41	1.6%	7
41	Union Square	\$64.57	18	2.5%	17	3.7%	3
42	Van Ness/Chinatown	\$54.27	32	1.5%	26	0.1%	26

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	\$63.24	22	1.5%	29	-0.4%	38
44	West of Van Ness	\$63.34	20	1.3%	30	0%	32
45	Yerba Buena	\$68.72	12	3.5%	8	-0.6%	41

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Net Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construct. Ratio
1	Bayview/Hunters Point	19,199	3.1%	10	20,402	3.3%	13	-
2	Belmont/San Carlos	5,738	0.7%	4	72,078	8.6%	9	-
3	Brisbane/Daly City	256,932	8.9%	37	(126,013)	-4.4%	45	-
4	Burlingame	132,195	16.2%	43	31,555	3.9%	12	-
5	Burlingame-Old Bayshore	85,205	8.5%	36	(18,571)	-1.8%	28	-
6	Burlingame-West of 101	130,441	9.7%	39	(1,799)	-0.1%	22	-
7	Chinatown/Nob Hill	37,887	4.2%	16	(9,673)	-1.1%	27	-
8	Civic Center	86,126	2.0%	7	(20,174)	-0.5%	29	-
9	El Granada/Montara	300	0.4%	1	(2,676)	-3.8%	23	-
10	Financial District	1,904,369	6.2%	23	154,025	0.5%	7	-
11	Foster City/Redwood Shrs	805,945	8.4%	35	334,926	3.5%	6	-
12	Half Moon Bay	20,544	6.6%	29	18,610	6.0%	14	-
13	India Basin	-	-	-	0	0%	-	-
14	Jackson Square	127,952	3.9%	14	(25,052)	-0.8%	31	-
15	Lower South of Market	147,379	6.4%	25	(94,424)	-4.1%	42	-
16	Menlo Park	122,624	4.4%	17	(35,727)	-1.3%	34	-
17	Menlo Park-East/EPA	223,645	4.4%	18	(93,416)	-1.8%	41	-
18	Menlo Park-Sand Hill	80,527	6.4%	26	10,868	0.9%	16	-
19	MidMarket	367,108	5.2%	19	(79,904)	-1.1%	38	-
20	Mission Bay/China Basin	56,037	1.3%	6	704,493	17.0%	2	1.1
21	Mission/Potrero	24,065	6.7%	31	(4,780)	-1.3%	24	-
22	Outer San Mateo County	585	0.5%	2	725	0.6%	18	-
23	Peninsula Coastline	1,200	0.7%	5	2,468	1.4%	17	-
24	Potrero West of 101 Fwy	53,979	2.7%	8	(27,081)	-1.4%	33	-
25	Redwood City	29,305	3.0%	9	(25,056)	-2.6%	32	-
26	Redwood City-N of 84 Fwy	255,233	6.8%	32	(80,494)	-2.1%	39	-
27	Redwood City-Port	11,379	0.6%	3	(8,525)	-0.4%	26	-
28	Rincon/South Beach	436,338	6.3%	24	(125,344)	-1.8%	44	-
29	San Bruno/Millbrae	148,696	6.8%	33	(65,333)	-3.0%	37	-
30	San Carlos	94,841	6.4%	27	(1,502)	-0.1%	21	-
31	San Mateo	182,768	10.1%	40	47,850	2.7%	11	1.3
32	San Mateo-Corridor/Hwy 92	682,836	10.6%	42	368,667	5.7%	5	-
33	San Mateo-Downtown So...	113,688	6.6%	28	387,158	22.3%	4	1.1
34	Showplace Square	144,061	3.8%	12	(20,536)	-0.5%	30	-
35	South Financial District	1,835,622	6.0%	22	745,416	2.4%	1	-
36	South of Market	91,695	3.9%	13	17,338	0.7%	15	2.6
37	South San Francisco	354,603	5.5%	21	556,256	8.6%	3	1.2
38	South SF West of 101 Fwy	22,102	3.7%	11	(8,132)	-1.4%	25	-
39	Southern City	188,205	6.8%	34	(53,818)	-1.9%	36	-
40	Treasure/Yerba Buena Isl...	-	-	-	0	0%	-	-
41	Union Square	516,343	9.3%	38	(36,856)	-0.7%	35	-
42	Van Ness/Chinatown	248,766	10.3%	41	138,459	5.7%	8	1.7

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Net Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construct. Ratio
43	Waterfront/North Beach	238,416	5.4%	20	68,576	1.6%	10	-
44	West of Van Ness	226,570	4.2%	15	(81,370)	-1.5%	40	-
45	Yerba Buena	246,097	6.6%	30	(121,554)	-3.3%	43	-

Supply & Demand Trends

San Francisco Office

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2024	186,778,714	1,509,737	0.8%	481,306	0.3%	3.1
2023	185,268,977	2,382,008	1.3%	197,167	0.1%	12.1
2022	182,886,969	693,639	0.4%	31,963	0%	21.7
2021	182,193,330	639,351	0.4%	430,695	0.2%	1.5
2020	181,553,979	4,409,611	2.5%	2,138,806	1.2%	2.1
YTD	177,135,968	(8,400)	0%	(511,729)	-0.3%	-
2019	177,144,368	2,984,521	1.7%	3,034,210	1.7%	1.0
2018	174,159,847	3,798,262	2.2%	4,865,315	2.8%	0.8
2017	170,361,585	558,149	0.3%	287,115	0.2%	1.9
2016	169,803,436	2,488,568	1.5%	1,949,627	1.1%	1.3
2015	167,314,868	2,028,449	1.2%	2,906,193	1.7%	0.7
2014	165,286,419	119,259	0.1%	3,381,413	2.0%	0
2013	165,167,160	(612,128)	-0.4%	2,184,776	1.3%	-
2012	165,779,288	285,878	0.2%	1,217,307	0.7%	0.2
2011	165,493,410	(618,976)	-0.4%	3,046,135	1.8%	-
2010	166,112,386	39,345	0%	(638,297)	-0.4%	-
2009	166,073,041	226,561	0.1%	(4,516,141)	-2.7%	-
2008	165,846,480	1,860,957	1.1%	194,126	0.1%	9.6

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2024	101,414,280	1,718,033	1.7%	1,116,590	1.1%	1.5
2023	99,696,247	2,586,118	2.7%	801,499	0.8%	3.2
2022	97,110,129	903,033	0.9%	540,774	0.6%	1.7
2021	96,207,096	849,415	0.9%	861,904	0.9%	1.0
2020	95,357,681	3,633,250	4.0%	2,401,137	2.5%	1.5
YTD	91,724,431	0	0%	(202,648)	-0.2%	-
2019	91,724,431	2,496,759	2.8%	2,741,620	3.0%	0.9
2018	89,227,672	4,047,983	4.8%	4,924,815	5.5%	0.8
2017	85,179,689	836,891	1.0%	431,913	0.5%	1.9
2016	84,342,798	1,941,947	2.4%	1,897,282	2.2%	1.0
2015	82,400,851	2,030,922	2.5%	2,283,607	2.8%	0.9
2014	80,369,929	622,505	0.8%	2,205,616	2.7%	0.3
2013	79,747,424	14,009	0%	1,395,224	1.7%	0
2012	79,733,415	491,268	0.6%	1,693,820	2.1%	0.3
2011	79,242,147	145,205	0.2%	1,259,883	1.6%	0.1
2010	79,096,942	299,397	0.4%	(49,583)	-0.1%	-
2009	78,797,545	158,267	0.2%	(2,294,301)	-2.9%	-
2008	78,639,278	2,277,432	3.0%	696,175	0.9%	3.3

Supply & Demand Trends

San Francisco Office

3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2024	53,604,379	3,322	0%	(290,718)	-0.5%	-
2023	53,601,057	2,528	0%	(279,261)	-0.5%	-
2022	53,598,529	634	0%	(140,078)	-0.3%	-
2021	53,597,895	(278)	0%	(10,070)	0%	-
2020	53,598,173	924,035	1.8%	5,337	0%	173.1
YTD	52,674,138	0	0%	(284,840)	-0.5%	-
2019	52,674,138	459,990	0.9%	687,592	1.3%	0.7
2018	52,214,148	(51,710)	-0.1%	166,910	0.3%	-
2017	52,265,858	(193,548)	-0.4%	(255,150)	-0.5%	-
2016	52,459,406	744,655	1.4%	406,918	0.8%	1.8
2015	51,714,751	115,338	0.2%	419,829	0.8%	0.3
2014	51,599,413	(355,519)	-0.7%	1,013,511	2.0%	-
2013	51,954,932	(122,392)	-0.2%	861,534	1.7%	-
2012	52,077,324	(38,528)	-0.1%	(331,430)	-0.6%	-
2011	52,115,852	(525,525)	-1.0%	1,597,270	3.1%	-
2010	52,641,377	(14,751)	0%	(425,549)	-0.8%	-
2009	52,656,128	309,979	0.6%	(1,116,211)	-2.1%	-
2008	52,346,149	(266,719)	-0.5%	(100,337)	-0.2%	-

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2024	31,760,055	(211,618)	-0.7%	(344,566)	-1.1%	-
2023	31,971,673	(206,638)	-0.6%	(325,071)	-1.0%	-
2022	32,178,311	(210,028)	-0.6%	(368,733)	-1.1%	-
2021	32,388,339	(209,786)	-0.6%	(421,139)	-1.3%	-
2020	32,598,125	(147,674)	-0.5%	(267,668)	-0.8%	-
YTD	32,737,399	(8,400)	0%	(24,241)	-0.1%	-
2019	32,745,799	27,772	0.1%	(395,002)	-1.2%	-
2018	32,718,027	(198,011)	-0.6%	(226,410)	-0.7%	-
2017	32,916,038	(85,194)	-0.3%	110,352	0.3%	-
2016	33,001,232	(198,034)	-0.6%	(354,573)	-1.1%	-
2015	33,199,266	(117,811)	-0.4%	202,757	0.6%	-
2014	33,317,077	(147,727)	-0.4%	162,286	0.5%	-
2013	33,464,804	(503,745)	-1.5%	(71,982)	-0.2%	-
2012	33,968,549	(166,862)	-0.5%	(145,083)	-0.4%	-
2011	34,135,411	(238,656)	-0.7%	188,982	0.6%	-
2010	34,374,067	(245,301)	-0.7%	(163,165)	-0.5%	-
2009	34,619,368	(241,685)	-0.7%	(1,105,629)	-3.2%	-
2008	34,861,053	(149,756)	-0.4%	(401,712)	-1.2%	-

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2024	\$70.59	195	-0.6%	1.3%	16,617,565	8.9%	0.5%
2023	\$71.04	197	-0.2%	1.9%	15,586,928	8.4%	1.1%
2022	\$71.16	197	0.1%	2.1%	13,399,827	7.3%	0.3%
2021	\$71.07	197	0.3%	2.0%	12,735,619	7.0%	0.1%
2020	\$70.85	196	1.7%	1.7%	12,523,916	6.9%	1.1%
YTD	\$69.96	194	0.4%	0.4%	10,757,546	6.1%	0.3%
2019	\$69.70	193	4.1%	0%	10,254,217	5.8%	-0.2%
2018	\$66.95	185	9.0%	-3.9%	10,348,703	5.9%	-0.8%
2017	\$61.41	170	3.1%	-11.9%	11,415,756	6.7%	0.1%
2016	\$59.59	165	1.8%	-14.5%	11,144,722	6.6%	0.2%
2015	\$58.51	162	15.6%	-16.0%	10,605,781	6.3%	-0.6%
2014	\$50.64	140	10.7%	-27.3%	11,483,525	6.9%	-2.0%
2013	\$45.76	127	13.5%	-34.4%	14,745,679	8.9%	-1.7%
2012	\$40.31	112	13.3%	-42.2%	17,542,583	10.6%	-0.6%
2011	\$35.56	98	17.3%	-49.0%	18,474,012	11.2%	-2.2%
2010	\$30.32	84	0.6%	-56.5%	22,139,123	13.3%	0.4%
2009	\$30.13	83	-16.6%	-56.8%	21,464,481	12.9%	2.8%
2008	\$36.14	100	-4.7%	-48.1%	16,721,729	10.1%	0.9%

4 & 5 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2024	\$79.07	197	-0.6%	2.9%	9,175,744	9.0%	0.4%
2023	\$79.56	198	-0.1%	3.5%	8,575,005	8.6%	1.6%
2022	\$79.62	199	0.3%	3.6%	6,791,073	7.0%	0.3%
2021	\$79.36	198	0.7%	3.2%	6,429,341	6.7%	-0.1%
2020	\$78.80	196	2.5%	2.5%	6,441,830	6.8%	1.1%
YTD	\$77.40	193	0.7%	0.7%	5,412,386	5.9%	0.2%
2019	\$76.87	192	5.7%	0%	5,209,738	5.7%	-0.4%
2018	\$72.70	181	10.0%	-5.4%	5,454,599	6.1%	-1.3%
2017	\$66.08	165	2.8%	-14.0%	6,331,431	7.4%	0.4%
2016	\$64.27	160	1.4%	-16.4%	5,926,453	7.0%	-0.1%
2015	\$63.36	158	15.0%	-17.6%	5,881,788	7.1%	-0.5%
2014	\$55.07	137	9.2%	-28.4%	6,134,473	7.6%	-2.0%
2013	\$50.41	126	12.6%	-34.4%	7,717,584	9.7%	-1.7%
2012	\$44.76	112	11.9%	-41.8%	9,098,799	11.4%	-1.6%
2011	\$40.00	100	19.5%	-48.0%	10,301,351	13.0%	-1.4%
2010	\$33.47	83	0.8%	-56.5%	11,416,029	14.4%	0.4%
2009	\$33.19	83	-17.2%	-56.8%	11,067,049	14.0%	3.1%
2008	\$40.11	100	-7.4%	-47.8%	8,614,481	11.0%	1.7%

3 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2024	\$65.54	208	-0.6%	0.3%	4,537,835	8.5%	0.5%
2023	\$65.93	209	-0.2%	0.8%	4,243,935	7.9%	0.5%
2022	\$66.05	210	0%	1.0%	3,962,289	7.4%	0.3%
2021	\$66.05	210	0%	1.0%	3,821,651	7.1%	0%
2020	\$66.04	210	1.0%	1.0%	3,811,857	7.1%	1.6%
YTD	\$65.30	207	-0.1%	-0.1%	3,178,004	6.0%	0.5%
2019	\$65.37	207	3.1%	0%	2,893,164	5.5%	-0.5%
2018	\$63.43	201	8.6%	-3.0%	3,120,769	6.0%	-0.4%
2017	\$58.42	185	4.2%	-10.6%	3,339,389	6.4%	0.1%
2016	\$56.05	178	0.6%	-14.3%	3,277,787	6.2%	0.6%
2015	\$55.70	177	17.5%	-14.8%	2,940,050	5.7%	-0.6%
2014	\$47.42	150	12.6%	-27.5%	3,244,541	6.3%	-2.6%
2013	\$42.09	134	14.3%	-35.6%	4,613,571	8.9%	-1.9%
2012	\$36.82	117	16.9%	-43.7%	5,597,497	10.7%	0.6%
2011	\$31.50	100	16.1%	-51.8%	5,304,595	10.2%	-3.9%
2010	\$27.14	86	1.3%	-58.5%	7,427,390	14.1%	0.8%
2009	\$26.78	85	-15.0%	-59.0%	7,019,592	13.3%	2.6%
2008	\$31.51	100	-2.3%	-51.8%	5,593,402	10.7%	-0.3%

1 & 2 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2024	\$53.49	168	-0.8%	-3.6%	2,903,986	9.1%	0.5%
2023	\$53.94	169	-0.5%	-2.8%	2,767,988	8.7%	0.4%
2022	\$54.23	170	-0.5%	-2.3%	2,646,465	8.2%	0.6%
2021	\$54.51	171	-0.9%	-1.7%	2,484,627	7.7%	0.7%
2020	\$54.99	173	-0.6%	-0.9%	2,270,229	7.0%	0.4%
YTD	\$55.41	174	0.2%	-0.1%	2,167,156	6.6%	0.1%
2019	\$55.32	174	-0.3%	-0.3%	2,151,315	6.6%	1.1%
2018	\$55.47	174	5.9%	0%	1,773,335	5.4%	0.1%
2017	\$52.36	164	1.9%	-5.6%	1,744,936	5.3%	-0.6%
2016	\$51.40	161	5.6%	-7.4%	1,940,482	5.9%	0.5%
2015	\$48.65	153	14.0%	-12.3%	1,783,943	5.4%	-0.9%
2014	\$42.67	134	12.8%	-23.1%	2,104,511	6.3%	-0.9%
2013	\$37.84	119	15.7%	-31.8%	2,414,524	7.2%	-1.2%
2012	\$32.70	103	13.0%	-41.1%	2,846,287	8.4%	0%
2011	\$28.93	91	10.8%	-47.8%	2,868,066	8.4%	-1.2%
2010	\$26.12	82	-1.4%	-52.9%	3,295,704	9.6%	-0.2%
2009	\$26.49	83	-16.9%	-52.3%	3,377,840	9.8%	2.5%
2008	\$31.88	100	2.0%	-42.5%	2,513,846	7.2%	0.8%

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
2024	-	-	-	-	-	-	\$986.60	327	4.4%
2023	-	-	-	-	-	-	\$991.36	328	4.3%
2022	-	-	-	-	-	-	\$985.00	326	4.3%
2021	-	-	-	-	-	-	\$969.29	321	4.2%
2020	-	-	-	-	-	-	\$927.03	307	4.2%
YTD	4	\$9.1 M	0%	\$4,537,500	\$1,269.41	4.2%	\$861.62	285	4.2%
2019	205	\$8,636 M	6.2%	\$63,794,114	\$828.69	5.1%	\$851.33	282	4.2%
2018	185	\$4,219 M	4.1%	\$37,151,964	\$661.98	5.0%	\$802.31	266	4.3%
2017	211	\$4,291 M	4.5%	\$41,283,630	\$619.16	5.4%	\$734.88	243	4.4%
2016	215	\$6,947 M	7.9%	\$50,627,358	\$599.77	4.9%	\$708.88	235	4.4%
2015	239	\$5,181 M	7.1%	\$40,653,324	\$641.52	4.9%	\$665.29	220	4.5%
2014	282	\$8,079 M	9.5%	\$46,870,691	\$542.56	5.1%	\$568.77	188	4.8%
2013	224	\$2,907 M	4.9%	\$21,226,172	\$387.71	5.3%	\$486.13	161	5.2%
2012	295	\$6,351 M	9.4%	\$39,650,217	\$449.78	5.8%	\$416.84	138	5.6%
2011	216	\$3,091 M	7.8%	\$22,043,773	\$259.58	5.9%	\$370.41	123	6.0%
2010	125	\$1,930 M	4.8%	\$22,331,761	\$266.03	7.0%	\$301.65	100	6.8%
2009	93	\$725.3 M	1.7%	\$13,310,502	\$320.69	6.8%	\$249.28	83	7.7%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

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
2024	-	-	-	-	-	-	\$1,054.65	318	4.3%
2023	-	-	-	-	-	-	\$1,060.53	320	4.3%
2022	-	-	-	-	-	-	\$1,053.06	317	4.2%
2021	-	-	-	-	-	-	\$1,032.70	311	4.2%
2020	-	-	-	-	-	-	\$983.01	296	4.2%
YTD	-	-	-	-	-	-	\$919.29	277	4.2%
2019	38	\$5,672 M	7.5%	\$162,054,483	\$865.54	5.1%	\$894.78	270	4.2%
2018	24	\$2,070 M	3.9%	\$98,561,620	\$707.92	5.1%	\$844.75	254	4.2%
2017	29	\$3,231 M	6.0%	\$119,584,917	\$660.95	5.8%	\$774.63	233	4.3%
2016	34	\$4,575 M	8.4%	\$152,512,177	\$670.70	5.0%	\$752.28	227	4.3%
2015	39	\$3,263 M	8.3%	\$144,725,004	\$709.85	4.8%	\$710.78	214	4.4%
2014	46	\$6,073 M	12.6%	\$134,905,390	\$599.72	4.3%	\$614.45	185	4.6%
2013	18	\$1,852 M	4.9%	\$102,886,938	\$475.92	4.8%	\$532.92	161	5.0%
2012	37	\$5,063 M	12.5%	\$140,635,173	\$509.07	4.9%	\$460.54	139	5.4%
2011	17	\$1,213 M	5.2%	\$71,370,446	\$292.81	4.7%	\$413.30	125	5.7%
2010	15	\$1,385 M	5.5%	\$106,517,452	\$351.56	6.2%	\$338.51	102	6.4%
2009	9	\$636.4 M	2.7%	\$79,549,978	\$354.02	-	\$275.03	83	7.4%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

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
2024	-	-	-	-	-	-	\$931.43	342	4.4%
2023	-	-	-	-	-	-	\$934.47	343	4.4%
2022	-	-	-	-	-	-	\$928.29	341	4.4%
2021	-	-	-	-	-	-	\$915.54	336	4.3%
2020	-	-	-	-	-	-	\$878.04	322	4.3%
YTD	-	-	-	-	-	-	\$797.91	293	4.3%
2019	74	\$2,392 M	5.9%	\$47,458,075	\$783.19	5.2%	\$810.10	297	4.3%
2018	49	\$1,648 M	5.0%	\$42,065,588	\$634.40	5.8%	\$757.43	278	4.4%
2017	46	\$564.6 M	2.4%	\$21,686,093	\$490.29	5.5%	\$693.62	255	4.5%
2016	77	\$1,830 M	9.6%	\$37,978,605	\$483.35	5.1%	\$664.85	244	4.5%
2015	59	\$1,404 M	7.0%	\$44,991,297	\$571.03	5.0%	\$620.38	228	4.6%
2014	83	\$1,366 M	6.7%	\$29,368,956	\$439.89	5.7%	\$526.22	193	4.9%
2013	69	\$712.6 M	4.2%	\$17,599,150	\$340.33	5.3%	\$442.12	162	5.4%
2012	72	\$891.1 M	6.3%	\$23,343,859	\$325.76	6.0%	\$377.14	138	5.9%
2011	97	\$1,665 M	14.4%	\$24,444,350	\$241.38	6.1%	\$330.42	121	6.3%
2010	44	\$430.5 M	5.8%	\$13,859,343	\$151.74	8.4%	\$267.25	98	7.2%
2009	36	\$41.8 M	0.9%	\$2,356,861	\$168.21	7.4%	\$225.53	83	8.1%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

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
2024	-	-	-	-	-	-	\$873.97	334	4.4%
2023	-	-	-	-	-	-	\$878.18	335	4.4%
2022	-	-	-	-	-	-	\$874.85	334	4.3%
2021	-	-	-	-	-	-	\$868.17	332	4.3%
2020	-	-	-	-	-	-	\$840.28	321	4.3%
YTD	4	\$9.1 M	0.1%	\$4,537,500	\$1,269.41	4.2%	\$793.83	303	4.3%
2019	93	\$572.1 M	3.0%	\$11,347,894	\$702.80	4.9%	\$789.26	301	4.3%
2018	112	\$501.6 M	3.3%	\$9,204,151	\$588.47	4.4%	\$749.25	286	4.3%
2017	136	\$494.9 M	4.1%	\$9,436,643	\$556.32	5.0%	\$683.94	261	4.4%
2016	104	\$542.0 M	3.8%	\$9,112,029	\$555.57	4.4%	\$651.55	249	4.4%
2015	141	\$514.3 M	4.4%	\$6,985,906	\$503.73	4.8%	\$603.21	230	4.6%
2014	153	\$639.4 M	6.2%	\$7,685,710	\$385.74	5.1%	\$502.23	192	4.9%
2013	137	\$342.9 M	5.8%	\$4,241,392	\$226.52	5.9%	\$418.69	160	5.4%
2012	186	\$396.6 M	6.8%	\$4,582,580	\$275.65	6.2%	\$351.50	134	5.9%
2011	102	\$212.0 M	4.0%	\$3,829,362	\$245.49	6.4%	\$307.99	118	6.3%
2010	66	\$114.3 M	1.6%	\$2,527,737	\$239.50	6.4%	\$248.06	95	7.2%
2009	48	\$47.1 M	0.9%	\$1,488,583	\$218.56	5.9%	\$211.35	81	8.1%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.