



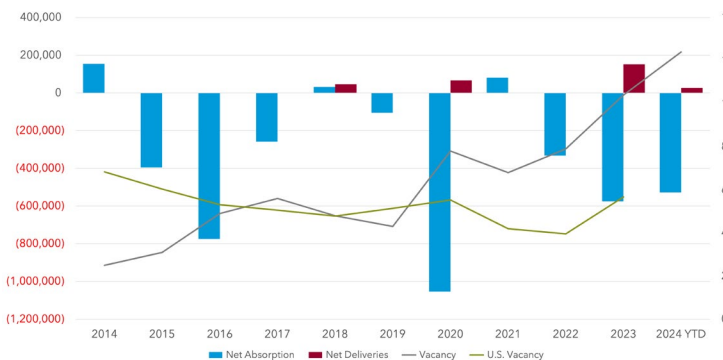
INDUSTRIAL MARKET OVERVIEW

THOMAS NIU, *Senior Vice President*

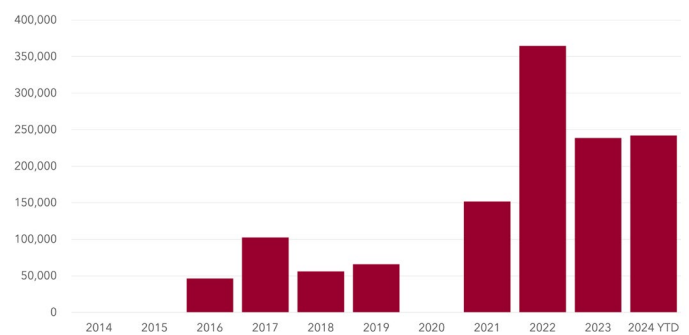
Industrial activity remained muted throughout the third quarter for both leasing and sales. However, the more notable transactions include Zoox (the autonomous robo-taxi developer acquired by Amazon) which expanded in the Mission District by leasing nearly 50,000 square feet of the former Tempo Automation space, and the 62,000 square foot, historic Eng-Skell building on Howard Street which is now in escrow to an investor. On a more sobering note, we also witnessed one of the larger industrial foreclosures at 101 Utah (deed-in-lieu), an industrial building that was converted into a jewelry wholesale center and then returned to a 75,000 square foot, upgraded advanced manufacturing facility by the borrower during the pandemic.

MARKET INDICATORS	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023
▼ 12 Mo. Net Absorption SF	(566,544)	(532,545)	(496,308)	(575,079)	(618,785)
▲ Vacancy Rate	12.2%	11.6%	11.3%	10.4%	9.6%
▼ Avg NNN Asking Rate PSF	\$26.64	\$27.05	\$27.64	\$29.33	\$30.44
▲ Sale Price PSF	\$446.00	\$176.00	\$321.00	\$326.00	\$347.00
▲ Cap Rate	5.65%	5.63%	5.56%	5.47%	5.32%
◀ ▶ Under Construction SF	242,086	242,086	242,086	242,086	393,863
◀ ▶ Inventory SF	27,935,501	27,935,501	27,938,700	27,924,021	27,772,244

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
470 Bayshore Boulevard San Francisco, CA	18,083 SF	\$8,000,000 \$234.54 PSF	Joe Harney Eric & Christine Bugna Family Trust	Class B
435 Portrero Avenue San Francisco, CA	10,000 SF	\$2,000,000 \$200.00 PSF	Gerald, George, Warren Lee 550 Sutter LLC	Class C
65-67 Langton Street San Francisco, CA	7,837 SF	\$6,500,000 \$829.40 PSF	Vinay Patel Nader G. Heydayian	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2725 Oakdale Avenue San Francisco, CA	46,500 SF	Wing Chan	SFPUC	Public Administration
960 Palou Avenue San Francisco, CA	11,320 SF	Theodore Lowpensky	Undisclosed	Undisclosed
635 Brannan Street San Francisco, CA	9,160 SF	Janet Brayer	Decker Electric	Service

The information and details contained herein have been obtained from third-party sources believed to be reliable, however, Lee & Associates has not independently verified its accuracy. Lee & Associates makes no representations, guarantees, or express or implied warranties of any kind regarding the accuracy or completeness of the information and details provided herein, including but not limited to, the implied warranty of suitability and fitness for a particular purpose. Interested parties should perform their own due diligence regarding the accuracy of the information.

The information provided herein, including any sale or lease terms, is being provided subject to errors, omissions, changes of price or conditions, prior sale or lease, and withdrawal without notice. Third-party data sources: CoStar Group, Inc., The Economist, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, Congressional Budget Office, European Central Bank, GlobeSt.com, CoStar Property, and Lee & Associates Proprietary Data. ©

© Copyright 2024 Lee & Associates all rights reserved. Third-party Image sources: sorbis/shutterstock.com, shutterstock.com, pixabay.com, istock.com