



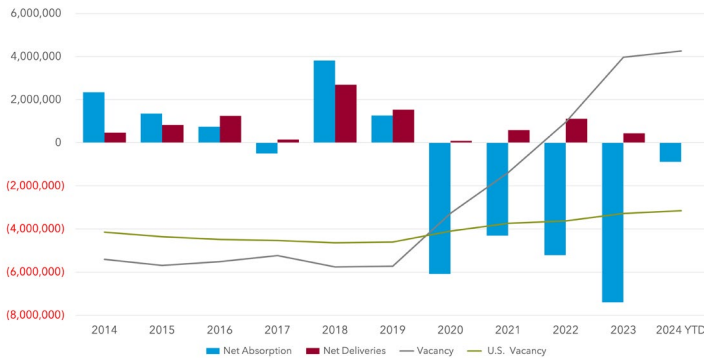
OFFICE MARKET OVERVIEW

JEFF MOELLER, *President*

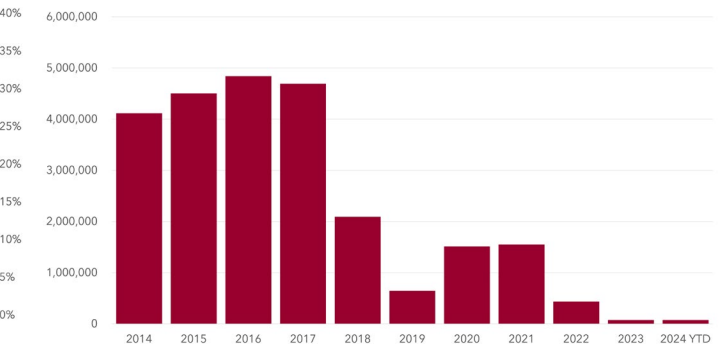
While the vacancy remains at a historic high, the office market is becoming cautiously optimistic about San Francisco's future. According to Placer.ai, office visits in San Francisco were up 24% year over year. Companies like Adyen (148K SF - Sublease), KPMG (142K SF - Renewal), and Figma (97K SF - Expansion) are taking advantage of the tenant driven market. With several leases expiring within the next two years, we continue to expect companies to take space off the sublease market. Many are seeking already built out space that includes furniture. As the market continues to settle, we expect more distressed office buildings to trade hands. Our office continues to see more private investors call on our market for any future opportunities as the office market continues to reset.

MARKET INDICATORS	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
▲ 12 Mo. Net Absorption SF	(6,539,446)	(7,825,078)	(6,310,974)	(6,198,046)	(5,115,795)
▲ Vacancy Rate	35.02%	34.16%	31.64%	29.23%	27.04%
▼ Avg NNN Asking Rate PSF	\$44.03	\$44.63	\$44.77	\$48.95	\$50.61
◀ ▶ SF Under Construction	76,179	76,179	79,179	387,150	513,932
◀ ▶ Inventory SF	90,831,429	90,831,429	90,831,429	90,520,458	90,393,676

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
535 Pacific Avenue San Francisco, CA	39,586 SF	\$59,700,000 \$1,508.11 PSF	LoveFrom, Inc. Clint Reilly Landmark Properties	Class B
1990 Lombard Street San Francisco, CA	9,500 SF	\$3,100,000 \$326.32 PSF	Danny Bernardini Wall Company	Class C
2745-2747 19th Street San Francisco, CA	7,565 SF	\$5,800,000 \$766.69 PSF	Joseph A. DiNapoli Mohazab Family Living Trust	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
505 Brannan Street* San Francisco, CA	148,148 SF	Ascendas-Singbridge Group	Adyen	FinTech Services
55 2nd Street San Francisco, CA	142,785 SF	Paramount Group	KPMG	Professional Services
760 Market Street San Francisco, CA	97,606 SF	Aegis Asset Management	Figma	Technical Services

* Sublease

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