

SIX QUICK STATS

The Need-To-Know For Today's San Francisco Commercial Real Estate Market

1

CENTRAL SOMA GETS THE GREEN LIGHT

The lawsuits have been settled and development can begin soon. The first projects to move forward will be the three that were recently entitled: Phase 1 of Flower Mart (**1.4 MSF**), 88 Bluxome Street (**775,000 SF**), and Phase 1 of 598 Brannan Street (**711,000 SF**). New supply in San Francisco will be limited until these buildings are up and open no earlier than the mid-2020's.



2

JOB GROWTH HEALTHY

The unemployment rate for the San Francisco Metropolitan Division (which includes San Francisco and San Mateo Counties) was just **2.2%** in August, down from a revised **2.4%** in July and below the year ago figure of **2.4%**. Over the past twelve months, new jobs have increased a strong **+3.4%** led by the office sector.

3

ASKING RENTS (CITYWIDE COMPARISON) REMAIN HIGHEST IN U.S.

The overall San Francisco average asking rent is now at **\$79.95 psf**, up **7.0%** from **\$74.72 psf** year-over-year; in the U.S., only Manhattan's Midtown South submarket can quote a higher figure.



4

MIX OF TENANTS LEASING SPACE

New leasing totaled **1.7 msf** in Q3 2019, down from a revised **2.0 msf** in Q2. Small to mid-sized transactions drove the market to what is the historical quarterly average even without any mega-deals.

5

VACANCY CONTINUES TO FALL

Citywide vacancy has fallen to just **5.3%**, a 150 basis point (bps) decrease since Q3 2018 and the lowest figure in this economic cycle.



6

SALES ACTIVITY REMAINS ACTIVE

Office sales transactions year-to-date totaled **\$4.9 billion** averaging **\$740 psf**. The top three sales of Q3 2019 totaled **\$1.2 billion**; Levi's Plaza (**\$826 million**), 600 California (**\$331 million**), and 351 California (**\$108 million**).