

## Investment 1H 2024

	YoY Chg	12-Mo. Forecast
<b>\$5.1B</b> Total Volume (USD)	▼	▲
<b>170</b> Total Properties Sold*	▼	▲
<b>10.7 MSF</b> Total SF (Excluding MF)	▼	▲
<b>5,494</b> Total Units (MF)	▼	▲

\* Closed transactions over \$10 million  
(All Property Classes)  
MF = Multi-family  
Source: Real Capital Analytics

### ECONOMIC INDICATORS Q2 2024

	YoY Chg	12-Mo. Forecast
<b>4.06M</b> Bay Area Employment	▲	▲
<b>4.4%</b> Bay Area Unemployment Rate	▲	▼
<b>4.1%</b> U.S. Unemployment Rate	▲	▲
<b>4.44%</b> U.S. 10-Yr Treasury Yield (6/30/2024)	▲	▼

Source: BLS, Moody's Analytics  
2024Q2 data are based on latest available data.

### ECONOMIC OVERVIEW: Tech Layoffs and Venture Capital Surge

Layoffs, especially within the tech industry, have significantly impacted the Bay Area economy over the past year. The unemployment rate in the region climbed 100 basis points (bps) year-over-year (YOY) to close the second quarter of 2024 at 4.4%. The pain has been felt primarily in the office sector with 26,300 positions lost YOY. Other sectors have fared much better with health care, leisure & hospitality, and education, instrumental in raising total nonfarm jobs in the Bay Area up by 19,200 positions YOY. The brightest spot in the Bay Area economy continued to be incubator through later stage venture capital (VC) funding. In the first half of 2024, total VC funding into Bay Area-based companies was \$32.0 billion (B), substantially higher than the next highest North American market on the list, greater New York City at \$13.3B. Companies based in the City of San Francisco took in \$11.7B of the total Bay Area figure.

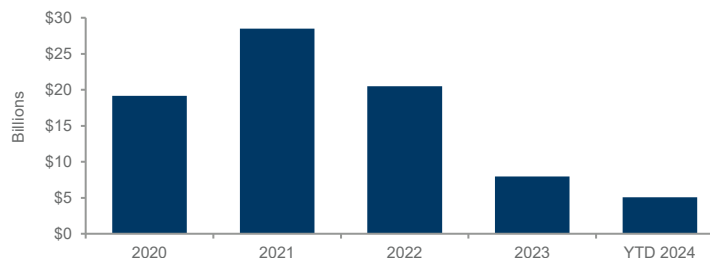
### INVESTMENT OVERVIEW: Interest Rates Held Constant; Sale volume Rose

The Bay Area investment market reported an uptick in sale activity, recording approximately \$5.1 billion in total sales over \$10.0 million in the first half of 2024. This was a significant 45.7% increase from the second half of 2023 where sale volume was \$3.5 billion. Interest rates remained relatively stable since the latter half of 2023; however, the elevated rates have continued to affect investor sentiment. Despite the increase in sales volume, pricing declined from the second half of last year. The average price per square foot (psf) was \$287.4 in the first half of 2024, which was a decrease from \$339.1 psf reported in 2023 for all asset types excluding multi-family.

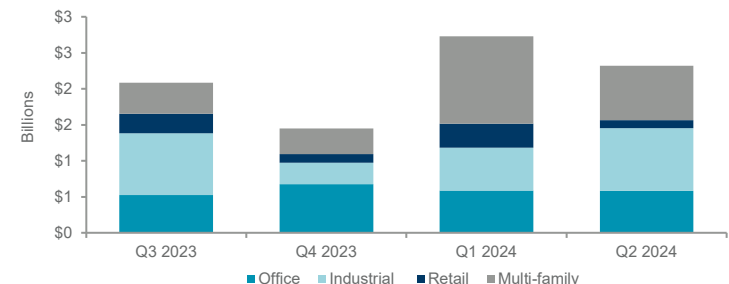
Multi-family and industrial asset types were the primary drivers of demand in the first half of 2024, comprising 39.0% and 29.0% of the total sales volume, respectively. Meanwhile, retail and office assets continued to have low transaction volume. Retail accounted for only 9.0% of total sales volume, with just 14 properties sold in the first half of 2024. Only 20 office properties sold; however, approximately \$1.2 billion accounted for nearly one quarter of the total transaction volume. The continued work-from-home and hybrid employment structures in the Bay Area have affected the office market; although, Interest in this product type has grown as investors seek well-located, high-quality projects that offer attractive basis and yields.

Foreign investments had surged significantly since 2023, as the first half of 2024 reported \$828 million, marking an increase of approximately \$732.9 million from the previous year. The multi-family asset type accounted for the largest sales volume in foreign investments, totaling \$615.0 million. Private acquisitions continued to lead the capital sector, reporting approximately \$1.5 billion in sale volume while real estate investment trusts reported the lowest sale volume at approximately \$386.1 million in the first half of 2024. The combined sales volume for the past year totaled approximately \$8.6 billion, a decline of approximately \$35.3 billion, or 80.4%, from the previous year. The Bay Area investment market experienced a significant slowdown since the second half of 2023, especially in retail and office assets; however, with predicted interest rate cuts in the latter half of 2024, there is optimism for investors to become more active and capitalize on opportunities across the market.

### INVESTMENT SALES VOLUME



### INVESTMENT SALES VOLUME BY SECTOR



### INVESTMENT ACTIVITY

PROPERTY TYPE	PROPERTIES SOLD	SALES VOLUME (USD)	TOTAL SOLD	PRICE / SF, UNIT
Office	20	\$1,171,559,055	4,507,253 SF	\$260
Multi-family	98	\$1,971,001,130	5,494 Units	\$358,755
Industrial*	38	\$1,468,650,859	4,483,860 SF	\$328
Retail	14	\$441,246,333	1,730,767 SF	\$255
<b>TOTAL</b>	<b>170</b>	<b>\$5,052,457,377</b>	<b>10,721,880**</b>	<b>\$281**</b>

\*Includes R&D and Data Centers

\*\*Total Sold & Price/SF excludes Multi-family

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### SIGNIFICANT SALES

PROPERTY NAME	TYPE	BUYER TYPE	BUYER	SELLER	TOTAL SF / UNITS	PURCHASE PRICE	PRICE / UNIT (\$ PSF)	MARKET
Veritas/Baupost SF Apt Portfolio	Multi-family	Investor	Brookfield AM/Ballast Investments	Baupost Group/Veritas Investments	2,151 units	\$615,000,000	\$285,914	San Francisco
San Tomas Technology Park	Industrial (R&D)	User	Nvidia	Preylock RE Holdings	625,000	\$374,300,500	\$599	Santa Clara
3833 Kifer Rd	Office	User	Fortinet	Texas Instruments	629,676	\$192,000,000	\$305	Santa Clara
Cyxtera	Office	Investor	Brookfield AM	Digital Core REIT	345,478	\$178,000,000	\$515	Santa Clara
Pleasanton Corporate Commons	Office	Investor	Nome Ventures	UBS Realty Advisors	295,306	\$151,800,000	\$514	Pleasanton

\*SF includes office, industrial and retail. Unit calculation for apartment only

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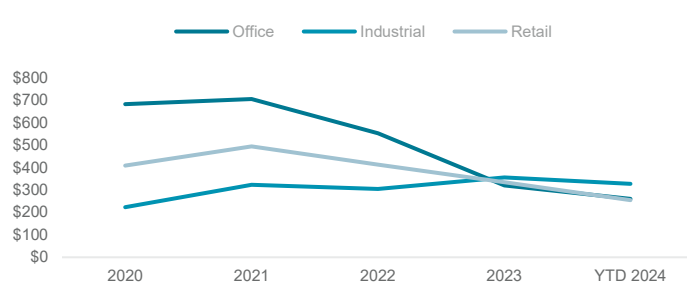
#### About Cushman & Wakefield

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### AVERAGE PRICE/SF BY SECTOR



### TOTAL ACQUISITIONS BY CAPITAL SECTOR

