



Office Market Report

San Francisco - CA

PREPARED BY



Davis Nguyen
Senior Vice President



OFFICE MARKET REPORT

Market Key Statistics	1
Leasing	3
Rent	8
Construction	11
Under Construction Properties	13
Sales	15
Sales Past 12 Months	18
Economy	20
Market Submarkets	25
Supply & Demand Trends	29
Rent & Vacancy	31
Sale Trends	33

12 Mo Deliveries in SF

4M

12 Mo Net Absorption in SF

(5.2M)

Vacancy Rate

13.7%

12 Mo Rent Growth

-4.3%

San Francisco's office sector sustained extensive losses during the pandemic, but signs of a return to stronger market conditions are finally materializing as the year progresses. Sublease space has retracted since the springtime, leading total availability lower in Q3 for the first time since the pandemic hit. Furthermore, leasing recently rebounded close to prepandemic levels.

Preleased construction deliveries concentrated in the Peninsula pushed net absorption into positive territory in Q2 for the first time since the pandemic hit, but vacancy continued to rise with supply growth outpacing the occupancy gains. Deliveries fed tenant expansions again in Q3, but occupancy losses in older buildings weighed on fundamentals, leading net absorption virtually flat for the quarter. Among buildings completed before this year, roughly 1 million square feet was vacated on net in Q3 – at least paring back from steeper occupancy losses in the prior 5 quarters.

Beyond business closures and last year's job cuts, the transition to working from home fostered during the pandemic has significantly impacted San Francisco's tech-heavy office demand. Tech firms have been leaders in announcing longer-term mobile work options. For example, the city's largest employer and occupant, Salesforce, recently canceled its prelease of a yet-to-be-built tower, and offered half of one of its existing office buildings for sublease, as it plans for the majority of its workforce to come into the office one to three days a week.

A Bay Area Council survey of CEOs in 2020 found that almost a fifth of companies are planning to transition to full remote policies and 89% are planning at least partial remote work policies. Jack Dorsey's Twitter and Square announced working from home will remain an option indefinitely, and Twitter listed a portion of its downtown

headquarters for sublease, while Shopify, Coinbase, and Slack rank among the other local office users that are providing a permanent mobile option. Dropbox announced it has become a "Virtual First" company and offered nearly all of its new Mission Bay headquarters for sublease.

The tech sector drove demand for office space in San Francisco to new heights during the 2010s expansion cycle, but the pandemic rocked some of the market's major tenants and challenged the necessity of in-office work, spiking vacancy to levels last seen more than a decade ago. The city was saturated with coworking space, some of which has been relinquished by their operators as social distancing wiped out memberships and operational viability.

With landlords adjusting to weaker tenant demand and discounted sublease availabilities flooding the market, asking rents have declined at the fastest pace in the nation during the pandemic. Rents continue to tick lower in 2021, but at a more moderate pace compared to the onset of the pandemic last year.

Following a nearly frozen office investment market in the two quarters immediately following the outbreak of the pandemic, a bevy of banner deals closed over the past few quarters has propped sales volume back up. Institutional investors are still active, but overall deal velocity is down to a decade-long low.

Asset values are down based on falling rent potential and elevated uncertainty. Cap rates have drifted just slightly higher as investors seek higher returns deemed necessary to take on greater risk, sending CoStar's estimated price of all properties in the market lower since the pandemic hit.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	100,049,162	13.7%	\$67.50	18.6%	(305,522)	268,000	3,298,151
3 Star	53,784,003	14.2%	\$55.71	17.7%	(84,746)	0	185,000
1 & 2 Star	32,393,099	13.0%	\$52.21	15.5%	(51,389)	0	0
Market	186,226,264	13.7%	\$61.54	17.8%	(441,657)	268,000	3,483,151

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	4.7%	9.2%	16.3%	15.8%	2003 Q2	1.3%	2000 Q2
Net Absorption SF	(5.2M)	835,797	(490,714)	7,177,524	2000 Q1	(10,153,116)	2021 Q1
Deliveries SF	4M	1,932,939	1,142,825	5,914,203	2001 Q4	55,198	2006 Q2
Rent Growth	-4.3%	3.8%	1.3%	30.4%	2000 Q3	-32.9%	2002 Q1
Sales Volume	\$5.8B	\$3.5B	N/A	\$9.3B	2007 Q3	\$294M	2002 Q2

San Francisco's office market experienced strong negative ramifications due to the pandemic. Occupancy losses in 21Q1 were the sharpest since the pandemic hit, and net absorption would have been severely negative again in 21Q2, if not for Facebook taking occupancy of their new Burlingame Point campus and two new Menlo Gateway buildings totaling 1.3 million square feet combined, as well as Uber opening its new Mission Bay headquarters. Preleased supply growth led absorption virtually flat in Q3, while tenants vacated space within older properties.

Even accounting for the occupancy of recent deliveries, over 10 million SF of space has been vacated on net since the beginning of 2020. San Francisco has suffered the nation's most severe occupancy losses amid the pandemic. The recent downfall in occupancy nearly matches the dot-com bust's in magnitude. In a market that was boosted by rapidly expanding tech firms, some tenants like WeWork have faltered, while many others have scaled back growth plans. A shift to remote-based work has taken a large bite out of occupancy levels in the city, where many workers are reliant on public transportation and lengthy commutes.

Besides Google and Facebook, most of the major tech firms headquartered in San Francisco have offered at least a portion of their offices for sublet. Among the latest blocks of sublease space exceeding 100,000 SF to hit the market recently, Trulia listed its entire office at 535 Mission St. in April, Splunk listed one of its buildings, 250 at Brannan St. in May, and Ancenstry.com offered its entire office at 153 Townsend in June. In 21Q1, Salesforce offered 17 floors at 350 Mission St. for sublease, Segment availed several floors at 100 California St., and e-commerce platform Wish offered trophy creative space atop 1 Sansome St. for sublease.

Many tech tenants that banked space for future growth have come to the realization that they will not fulfill aggressive real estate growth plans, particularly as they transition to a hybrid of in-office and remote working models. Financial victims of the coronavirus pandemic have also shed space.

The rise in vacancy from roughly 6.0% at the beginning of 2020 to 13.7% today has also been driven by trends that emerged prior to the coronavirus outbreak. For example, cost-sensitive tenants have left the market in search of affordability. San Francisco is the most

expensive market in the U.S. for office space and employee compensation, in addition to carrying California's business tax burden that ranks as the nation's second-highest.

Several tenants have moved to Oakland, including Blue Shield, Square, Credit Karma, and PG&E, while McKesson, Core-Mark, and most recently, Redwood Shores-based Oracle joined the exodus of large corporations to the low-tax state of Texas.

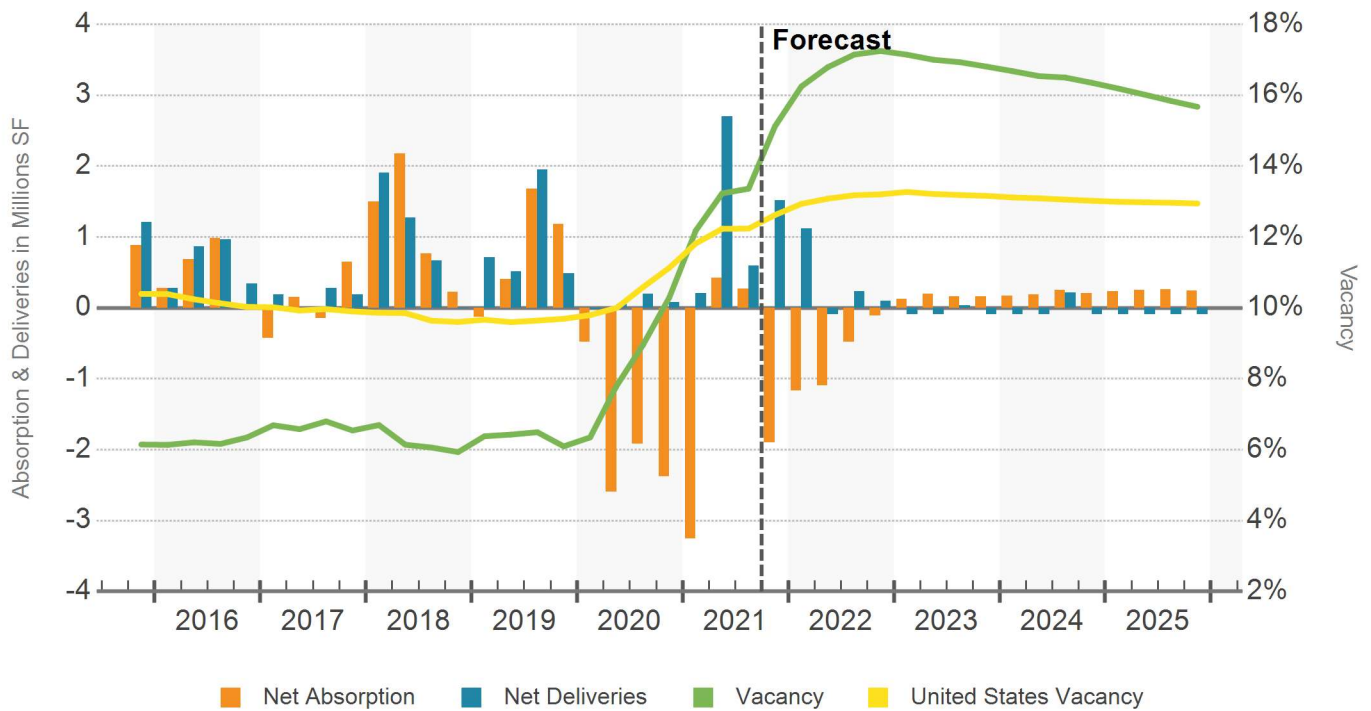
Elevated levels of available sublease space suggest that underlying fundamentals are still weaker than the market's headline vacancy rate suggests. Driven by a flood of sublease space, in addition, to directly listed space, total availability reached a high of 18.8% in 21Q2, but has since retracted to 17.8%, which compares to the national average of 15.8%.

A staggering 9.4 million SF of sublease space is currently listed as available, which equates to 5.0% of market inventory and represents nearly a third of the market's 33.7 million SF of total space availability. San Francisco registers the highest sublease availability rate across the country by far. That said, sublet availability peaked at 6.1% in 21Q1, falling quickly lower over the past few quarters.

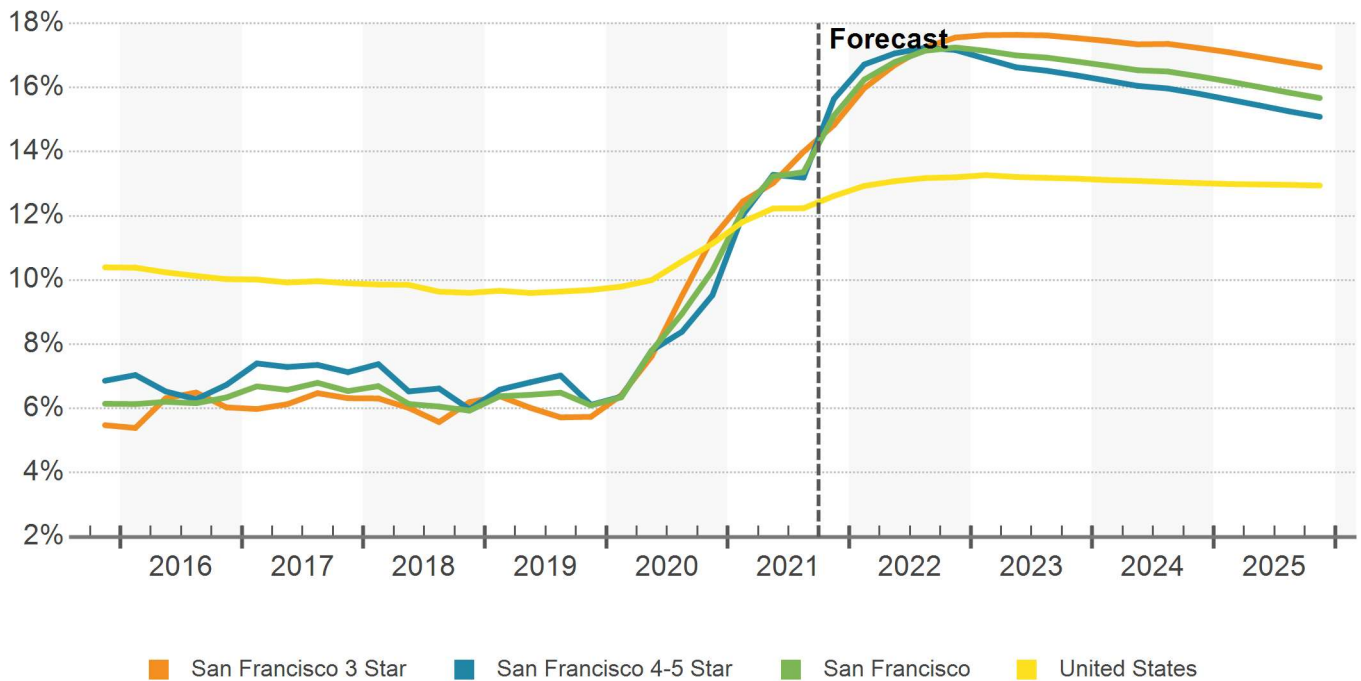
Prior to the pandemic, San Francisco's office market was thriving in the mature stages of a tech-led economic expansion. Absorption remained strong in 2019 after soaring to record levels in 2018. Despite an abundance of new inventory, tenant demand placed downward pressure on vacancy during the 2010s expansion cycle. Developments are still reaching completion, most fully preleased. However, the market has taken a hit with last year's job losses and the rise of remote work curtailing demand.

Beyond high-flying tech firms, many small and mid-sized professional service providers have vacated offices, a trend that could persist if businesses loaded with debt struggle to return to solvency. A significant shift to working from home on a permanent basis could weaken demand for office space further, assuming more businesses fundamentally change the way they operate and reduce office footprints as a result. However, cities have been at the center of disease outbreaks throughout history, and it's still premature to declare the long-term trend to urbanization and tech clustering over.

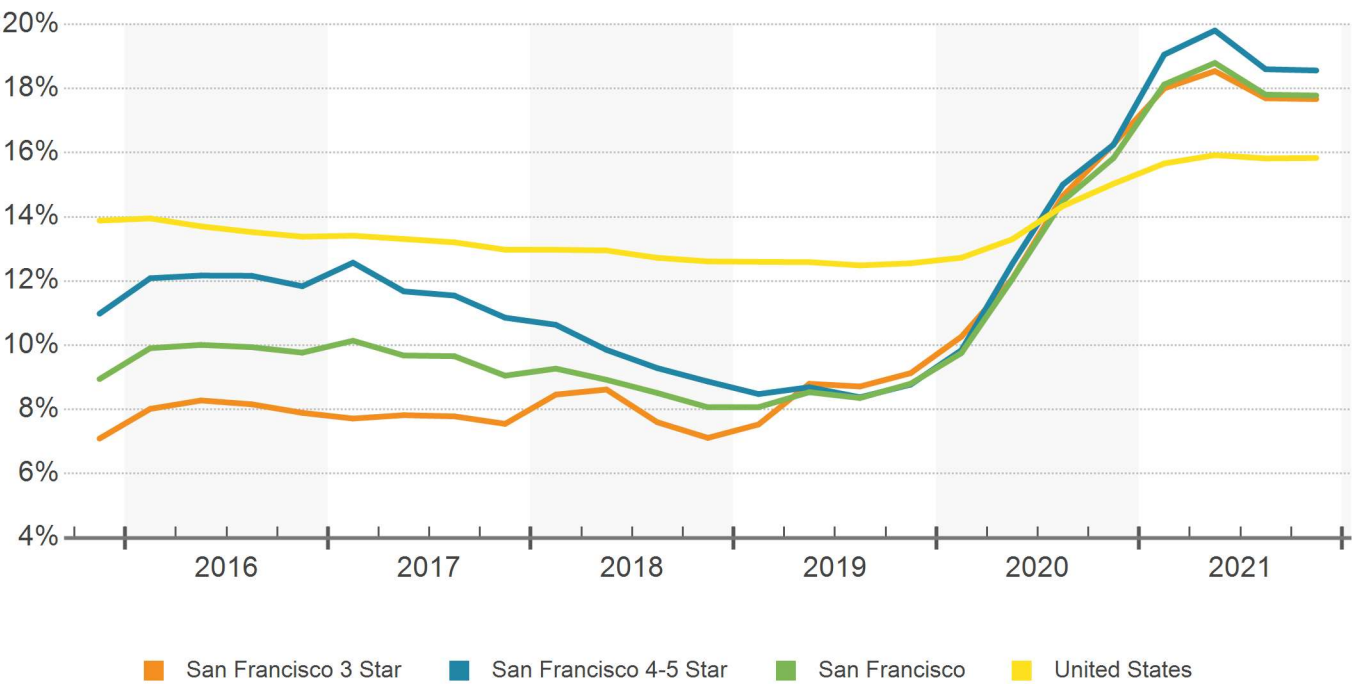
NET ABSORPTION, NET DELIVERIES & VACANCY



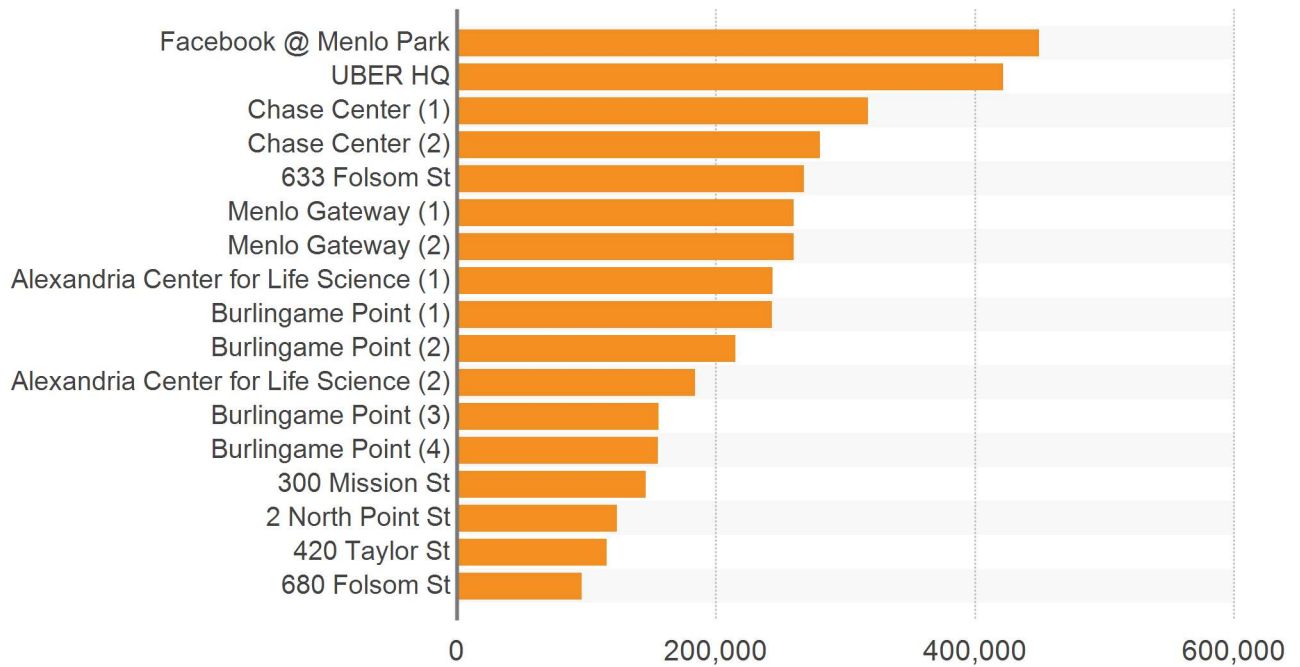
VACANCY RATE



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
Facebook @ Menlo Park	Menlo Park	449,500	0	0	0	449,500	0	449,500
UBER HQ	Mission Bay/China B...	422,980	1,023	0	421,107	850	0	421,957
Chase Center (1)	Mission Bay/China B...	317,660	0	0	317,660	0	0	317,660
Chase Center (2)	Mission Bay/China B...	280,767	0	0	280,767	0	0	280,767
633 Folsom St	Rincon/South Beach	268,000	0	0	0	0	268,000	268,000
Menlo Gateway (1)	Menlo Park	260,500	0	0	260,500	0	0	260,500
Menlo Gateway (2)	Menlo Park	260,488	0	0	260,488	0	0	260,488
Alexandria Center for Life Scien...	Belmont/San Carlos	243,988	0	0	243,988	0	0	243,988
Burlingame Point (1)	Burlingame	243,553	0	0	243,553	0	0	243,553
Burlingame Point (2)	Burlingame	215,321	0	0	215,321	0	0	215,321
Alexandria Center for Life Scien...	Belmont/San Carlos	299,508	115,476	0	0	184,032	0	184,032
Burlingame Point (3)	Burlingame	155,806	0	0	155,806	0	0	155,806
Burlingame Point (4)	Burlingame	155,482	0	0	155,482	0	0	155,482
300 Mission St	South Financial District	662,060	152,119	(88,450)	234,704	0	0	146,254
2 North Point St	Waterfront/North Bea...	123,936	0	123,936	0	0	0	123,936
420 Taylor St	Union Square	115,766	0	115,766	0	0	0	115,766
680 Folsom St	South Financial District	524,793	175,750	(4,562)	(4,942)	106,155	0	96,651
Subtotal Primary Competitors		5,000,108	444,368	146,690	2,784,434	740,537	268,000	3,939,661
Remaining San Francisco Market		181,226,156	25,112,590	(3,400,031)	(2,362,464)	(474,422)	(709,657)	(9,145,189)
Total San Francisco Market		186,226,264	25,556,958	(3,253,341)	421,970	266,115	(441,657)	(5,205,528)

TOP OFFICE LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
Levi's Plaza *	Waterfront/North Beach	351,974	Q2 21	Levi Strauss & Co.	-	Avison Young
Bank of America Tower *	Financial District	302,072	Q4 20	Bank of America	-	CBRE
Pacific Shores Center	Redwood City	283,015	Q3 21	C3.ai, Inc.	-	CBRE
101 California St	Financial District	194,440	Q3 21	Chime	-	CBRE
The Exchange on Sixteenth	Mission Bay/China Basin	133,896	Q4 20	Vir Biotechnology	-	CBRE
Bayside Towers	Foster City/Redwood Shrs	129,084	Q3 21	-	-	Newmark Knight Frank
950	San Mateo	122,630	Q2 21	Roblox Corporation	-	-
Century Centre	San Mateo	116,872	Q3 21	-	-	CBRE
406 E 3rd Ave	San Mateo	116,122	Q2 21	Verkada	JLL	CBRE
680 Folsom St	South Financial District	106,155	Q2 21	Benchling	-	JLL
The Shore at Sierra Point	Brisbane/Daly City	105,000	Q4 20	-	-	CBRE
Phelan Building	Union Square	97,606	Q2 21	Figma	JLL	JLL
Bank of America Tower *	Financial District	88,370	Q1 21	Goldman Sachs & Co. - G...	Newmark Knight Frank	CBRE
Britannia Oyster Point I	South San Francisco	88,106	Q3 21	Nkarta, Inc.	-	CBRE
651 Brannan St *	South of Market	84,355	Q3 21	Pinterest	JLL	Colliers International
Alexandria Center for Life Science	Belmont/San Carlos	77,734	Q1 21	Vaxcyte, Inc.	-	-
100 CAL	Financial District	75,654	Q2 21	Segment	-	Savills
Howard Hawthorne Center	South Financial District	66,436	Q2 21	SC Johnson	-	Newmark Knight Frank
Gateway Commons *	South San Francisco	61,035	Q1 21	Genentech, Inc.	JLL	Newmark;Newmark Kni...
ReadySpaces	South San Francisco	60,000	Q1 21	-	-	Colliers International
85 Bluxome St	South of Market	59,240	Q2 21	Aurora	Cushman & Wakefield	Avison Young
Convention Plaza	South Financial District	57,530	Q2 21	Amplitude	-	JLL
Britannia Oyster Point II	South San Francisco	55,602	Q2 21	-	-	JLL
350 Mission	South Financial District	53,596	Q3 21	Yelp	-	Cushman & Wakefield
Central Plaza	South Financial District	53,285	Q3 21	Hinge Health	-	Cushman & Wakefield
Alexandria Technology Center- Gatew	South San Francisco	50,888	Q3 21	-	-	Newmark
Rialto on New Montgomery	South Financial District	50,348	Q2 21	Sigma Computing	Newmark Knight Frank	JLL
Phelan Building	Union Square	50,297	Q2 21	Afterpay	Raise Commercial R...	JLL
Alexandria Center for Life Science	Belmont/San Carlos	49,918	Q1 21	Codexis Inc	-	-
Alexandria Center for Life Science	Belmont/San Carlos	49,918	Q1 21	Iovance Biotherapeutics, I...	-	Newmark;Newmark Kni...
Redwood LIFE	Foster City/Redwood Shrs	49,696	Q3 21	Altos Lab	-	CBRE;Cushman & Wa...
155 5th St *	Yerba Buena	48,818	Q3 21	Airtable	-	Newmark Knight Frank
Redwood LIFE	Foster City/Redwood Shrs	48,384	Q3 21	Altos Lab	-	CBRE;Cushman & Wa...
Market Center	South Financial District	48,205	Q3 21	Waymo	CBRE	JLL;Newmark Knight Fr...
Alexandria Center for Life Science	Belmont/San Carlos	46,667	Q3 21	-	-	Newmark;Newmark Kni...
Parkside Towers	Foster City/Redwood Shrs	42,088	Q3 21	-	-	Newmark Knight Frank
2300 Harrison St	Mission/Potrero	41,395	Q2 21	Notion	Raise Commercial R...	JLL
De Haro Place	Showplace Square	40,000	Q1 21	Invitae Corporation	-	-
360 Spear St	South Financial District/S...	39,786	Q4 20	Lattice Inc	-	Newmark Knight Frank
Salesforce West	South Financial District	39,256	Q3 21	Qualia Labs, Inc.	-	CBRE

Renewal

Sublease space has flooded the market, mitigating the leverage landlords previously held, and driving the prevailing asking rents lower. Some businesses with near term lease expirations have been willing to sublet their unused swing space at a steep discount in an attempt to cover some costs.

CoStar's same-store rent series unaffected by new premium inventory peaked in 2019, with rent growth on a trailing-year basis turning negative in 2020. The downturn experienced at the height of the pandemic has dissolved some, with rents falling at a less severe pace since 20Q3.

Asking rents are down -4.3% over the past year, having declined at the fastest pace of any market across the country last year. In what could be considered direct evidence of the downturn, landlords and brokers frequently revised asking rents for available spaces listed on CoStar's platform lower.

Leasing velocity was subdued until 21Q3, and businesses are facing challenges that could curtail demand for some time and lead landlords to lower rents more substantially. However, most landlords haven't slashed direct rents extensively, believing a strong bounce back in demand will materialize quickly as the pandemic is stomped out and because rent collections for leased space remain quite high.

Office costs in San Francisco skyrocketed in the 2010s economic expansion cycle. Asking rents in the metro have fallen back recently but still average \$61.54/SF, still up an incredible 74.5% over the past decade. Rent levels

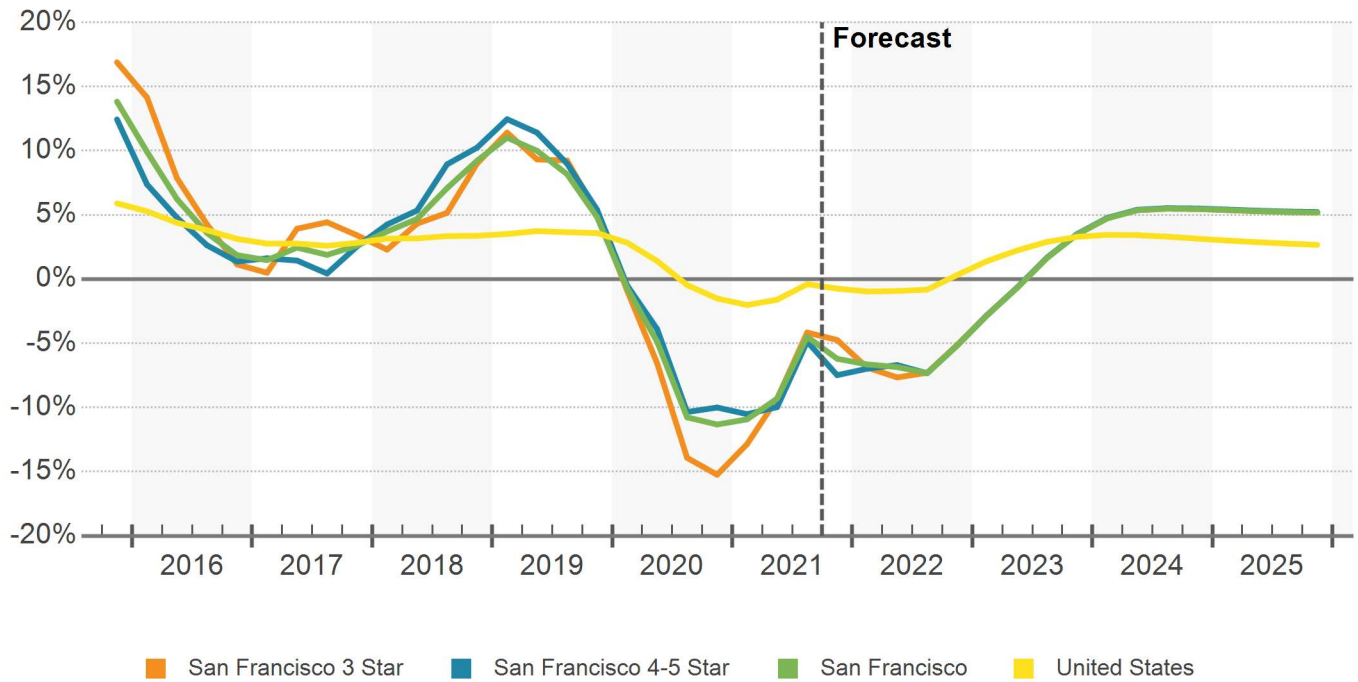
climbed exceedingly high for years during the 2010s expansion cycle, both in San Francisco and in the San Jose metro directly south. Cost-sensitive tenants may be looking to the East Bay, where average rents are 40% lower, or out of the Bay Area entirely in search of affordability.

Rents are historically volatile in the market, and the coronavirus poses a unique threat to demand. In comparison to previous cycles, asking rents fell a staggering 56% over 14 quarters following the dot com crash that hit the local market acutely and by 23% over eight quarters during the global financial crisis, so while steep, the currently forecast decline is now equal to the GFC's in magnitude.

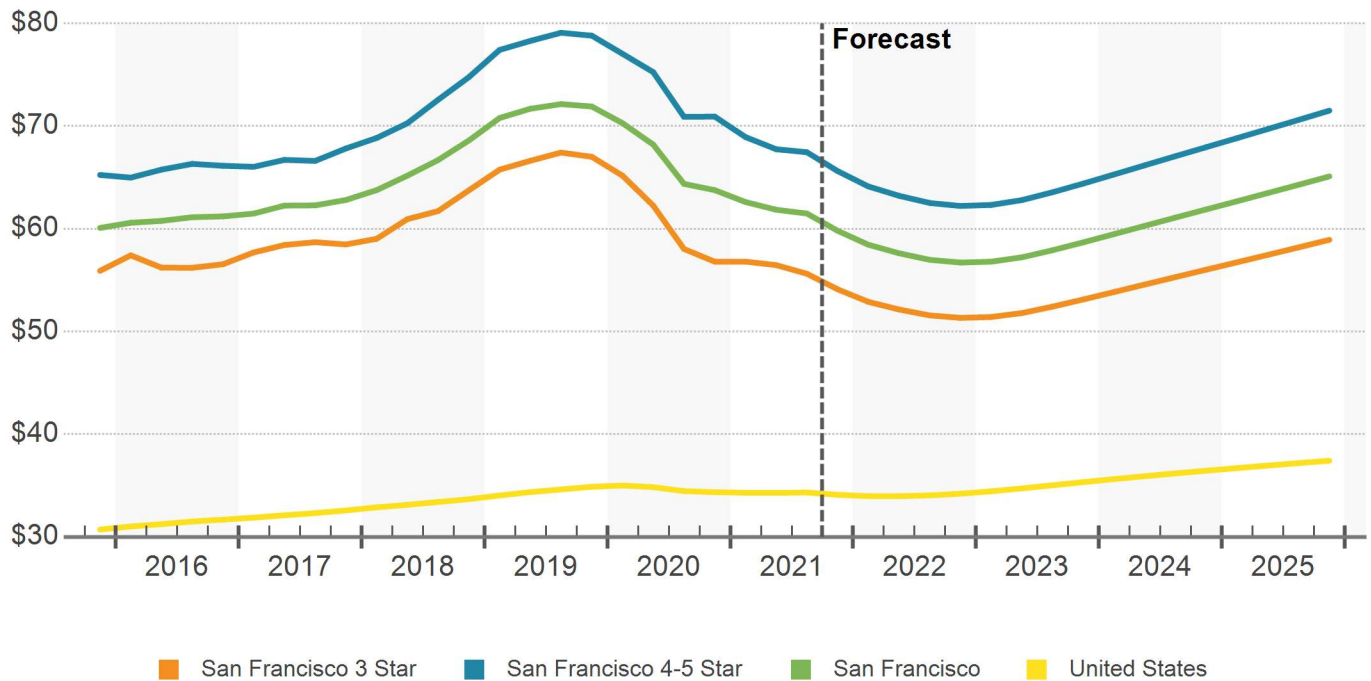
Annual rent growth soared in double-digit territory early in the 2010s expansion cycle, but 2019 saw a slowdown in momentum well before the coronavirus pandemic hit. The completion of new office buildings was already helping balance tenant demand, and sublease space availability had ticked up rather substantially as tech tenants banked space for future growth or left for cheaper pastures.

The group of typical office-using job sectors has fully recovered from their pandemic losses and broke into record territory over the summer, which portends to stronger demand. However, a lasting transition to remote-based work for some adds a caveat to the historical relationship between employment and space occupancy. A further slide in asking rents may be in store unless the economic recovery takes off.

MARKET RENT GROWTH (YOY)



MARKET RENT PER SQUARE FEET



4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
San Francisco	\$1.11	\$2.11	\$1.46	\$7.53	\$7.32	\$19.53
San Mateo Central County	\$1.09	\$1.49	\$1.41	\$8.05	\$6.23	\$18.27
San Mateo North County	\$1.01	\$1.56	\$1.51	\$9.07	\$5.56	\$18.71
San Mateo South County	\$1	\$1.56	\$1.51	\$6.55	\$5.28	\$15.90
SF Downtown Core	\$1.06	\$3.12	\$1.56	\$7.76	\$10.20	\$23.70
SF Downtown North	\$0.93	\$2.46	\$1.44	\$8.43	\$8.99	\$22.25
SF Downtown South	\$1.48	\$2.39	\$1.25	\$6.01	\$7.41	\$18.54
SF Downtown West	\$0.74	\$2.45	\$1.48	\$7.40	\$8.50	\$20.57
SF Outer Areas	\$1.03	\$2.63	\$1.93	\$4.27	\$9.43	\$19.29
SF Southeast	\$1.79	\$1.80	\$1.17	\$8.50	\$7.56	\$20.82

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	\$0.94	\$1.64	\$1.13	\$5.93	\$5.56	\$15.20
San Mateo Central County	\$0.96	\$0.91	\$0.98	\$6.89	\$5.39	\$15.13
San Mateo North County	\$0.92	\$0.92	\$0.98	\$6.96	\$4.90	\$14.68
San Mateo South County	\$0.91	\$0.91	\$1	\$8.53	\$4.74	\$16.09
San Mateo West County	\$0.67	\$0.84	\$0.91	\$5.15	\$5.11	\$12.68
SF Downtown Core	\$0.99	\$2.93	\$1.40	\$5.63	\$6.55	\$17.50
SF Downtown North	\$0.86	\$2.36	\$1.31	\$4.73	\$5.84	\$15.10
SF Downtown South	\$1.29	\$2.26	\$1.19	\$4.90	\$5.49	\$15.13
SF Downtown West	\$0.68	\$2.29	\$1.32	\$4.49	\$6.09	\$14.87
SF Outer Areas	\$0.62	\$0.99	\$1.03	\$4.27	\$6.06	\$12.97
SF Southeast	\$1.03	\$1.58	\$1.10	\$5.55	\$5.84	\$15.10

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	\$0.70	\$1.36	\$0.91	\$4.91	\$2.19	\$10.07
San Mateo Central County	\$0.65	\$0.88	\$0.94	\$5.39	\$2.41	\$10.27
San Mateo North County	\$0.66	\$0.89	\$0.96	\$4.13	\$1.72	\$8.36
San Mateo South County	\$0.67	\$0.90	\$1	\$5.89	\$1.61	\$10.07
San Mateo West County	\$0.61	\$0.91	\$0.99	\$5.29	\$1.89	\$9.69
SF Downtown Core	\$0.92	\$2.54	\$0.80	\$5.50	\$3.27	\$13.03
SF Downtown North	\$0.81	\$2.14	\$0.74	\$5.73	\$2.60	\$12.02
SF Downtown South	\$0.86	\$2.16	\$0.76	\$3.99	\$2.60	\$10.37
SF Downtown West	\$0.68	\$2.09	\$0.74	\$4.71	\$2.66	\$10.88
SF Outer Areas	\$0.63	\$1.02	\$1.02	\$4.72	\$2.05	\$9.44
SF Southeast	\$0.66	\$1.24	\$0.91	\$2.95	\$2.08	\$7.84
Treasure/Yerba Buena Island	\$0.47	\$0.91	\$1	\$3.32	\$2.43	\$8.13

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

Office developers timed the economic cycle well in San Francisco. Most projects underway have been preleased, and only a few major spec developments have initiated construction since the pandemic hit.

Roughly 3.5 million SF remains under construction throughout the metro today, following the delivery of 3.8 million SF over past year. Uber's Mission Bay headquarters and Facebook-preleased Menlo Gateway II and Burlingame Point campus were recently completed. Facebook also expanded its own headquarters in Menlo Park.

Some of the largest tech firms in the market continue to grow local roots, but others have reversed plans to take future developments. Approved developments have been delayed due to canceled commitments and unforeseen economic challenges stemming from the coronavirus pandemic. Salesforce in 18Q4 preleased the office portion of 550 Howard St. but walked away from the commitment in 21Q1. As proposed, the building will become the fourth-tallest tower in the city and includes 325,000 SF of office space. Pinterest agreed to anchor one of two nearly half-a-million-SF connected buildings at 88 Bluxome in 19Q1 that were approved for development in the following quarter, although that agreement was canceled in August 2020 as the firm rethinks where future employees could be based in the post-COVID-19 world.

Supply growth will rise further in 2021. Later this year, Brookfield Properties 5M project, a few biotech buildings in the Peninsula, and several more office buildings at the Bay Meadows redevelopment are scheduled for completion. Just under 60% of the market's under-construction inventory has been preleased. New building availability is rare but could grow in the years ahead if developers push forward on approved projects.

Central SoMa's recent up zoning cleared a path for the development of taller buildings in the area, essentially extending the downtown core. Several large mixed-use developments in the area are positioned to accommodate growth. Developers were encouraged by the market's exceptionally strong demand for new space in the 2010s expansion cycle but are yet to initiate construction.

Key Central SoMa projects recently awarded Prop M allocations for development include phase one of Kilroy Realty's Flower Mart redevelopment, and the aforementioned 88 Bluxome project, led by TMG

Partners and Alexandria. Tishman Speyer received allocation to build 711,000 SF of office space at 598 Brannan St., another mixed-use development that will add just under 1 million SF of commercial space as planned. Lastly, in December 2019, Boston Properties received an allocation for phase one of Harrison Gardens, a 14-story SoMa project between 3rd and 4th streets. The project was expected to break ground in 2020 but has been placed on hold along with other Boston Properties projects around the country.

The largest available office development in the market stems from Oceanwide Center, a 1.25 million-SF building that paused construction in October 2020 due to unforeseen circumstances resulting from the coronavirus pandemic, according to the property's owner, Beijing-based Oceanwide Holdings. Oceanwide was in contact to sell the development to Beijing-based private equity firm Honey Capital, but the deal dissolved following several delays, and the cash-strapped owner is seeking another buyer for the development.

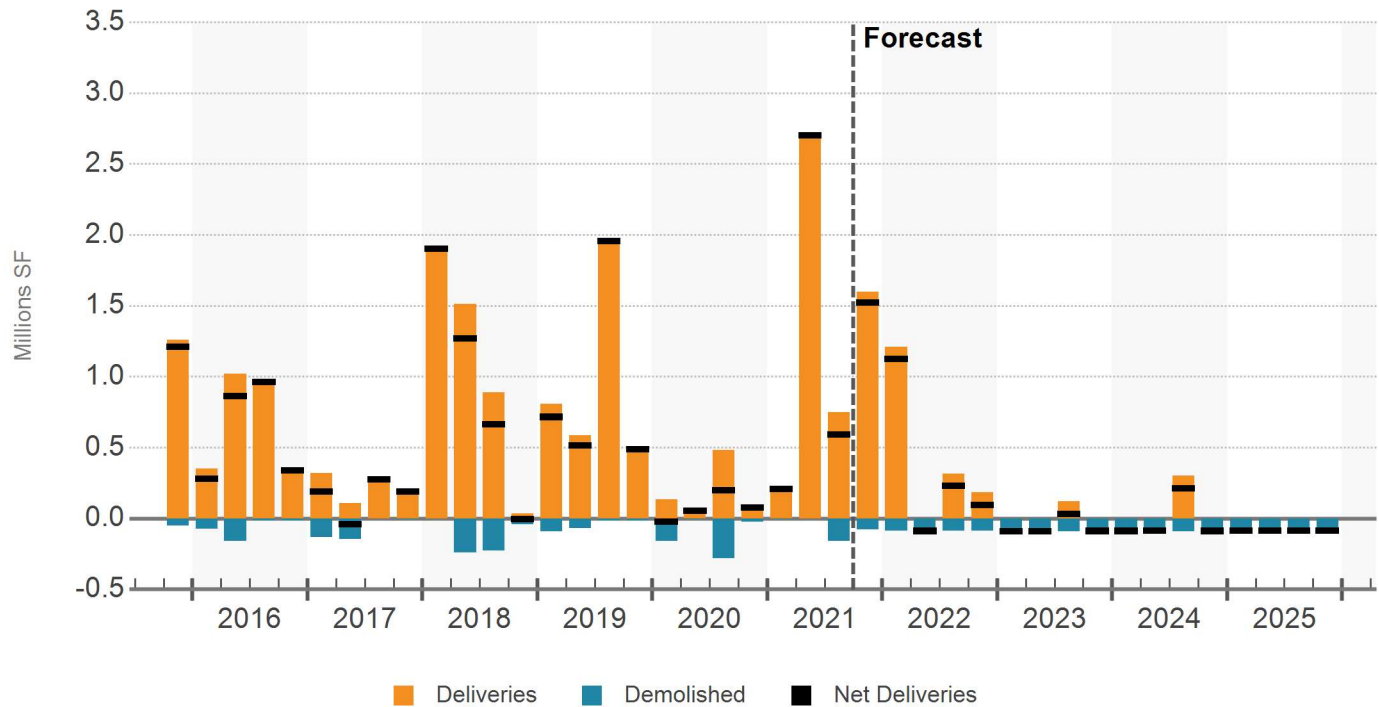
Over the long term, the city's annual limit program for office development, known locally as Prop M, will inhibit the pace at which proposed projects obtain approval moving forward, and Prop E passed in March 2020 will limit office construction even more by tying Prop M allocations to the city's ability to meet its affordable housing goals determined by California's Housing Element and Regional Housing Needs Allocation (RHNA). Historically, San Francisco has failed to meet its RHNA goals substantially. From 2015–19, San Francisco missed its affordable housing development target by 40%, which reduced 2020's allocation pool equally. In the two prior eight-year spans, the city only reached 35% and 46% of its target. San Francisco is not an anomaly, as nearly every city in California fails to meet its full RHNA goals, but it is the only major city in California that limits office development and the first to limit office development based on affordable housing production. The city's unique regulatory constraint on office construction limits growth but also guards against the potential risk of overdevelopment.

The backlog of space available for allocation to large projects (over 50,000 SF) was depleted in the 2010s development cycle, and with a max of only 875,000 SF becoming available annually, developers have lobbied the planning commission for approval of their projects ahead of others. More than 4.5 million SF of pending office space remains in queue for awaiting Prop M allocation, and another 5 million SF is in the pre-

application pipeline. Developers continue to push proposals through San Francisco's arduous and lengthy planning process, anticipating tenant demand could

return by the time the projects would theoretically reach completion.

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

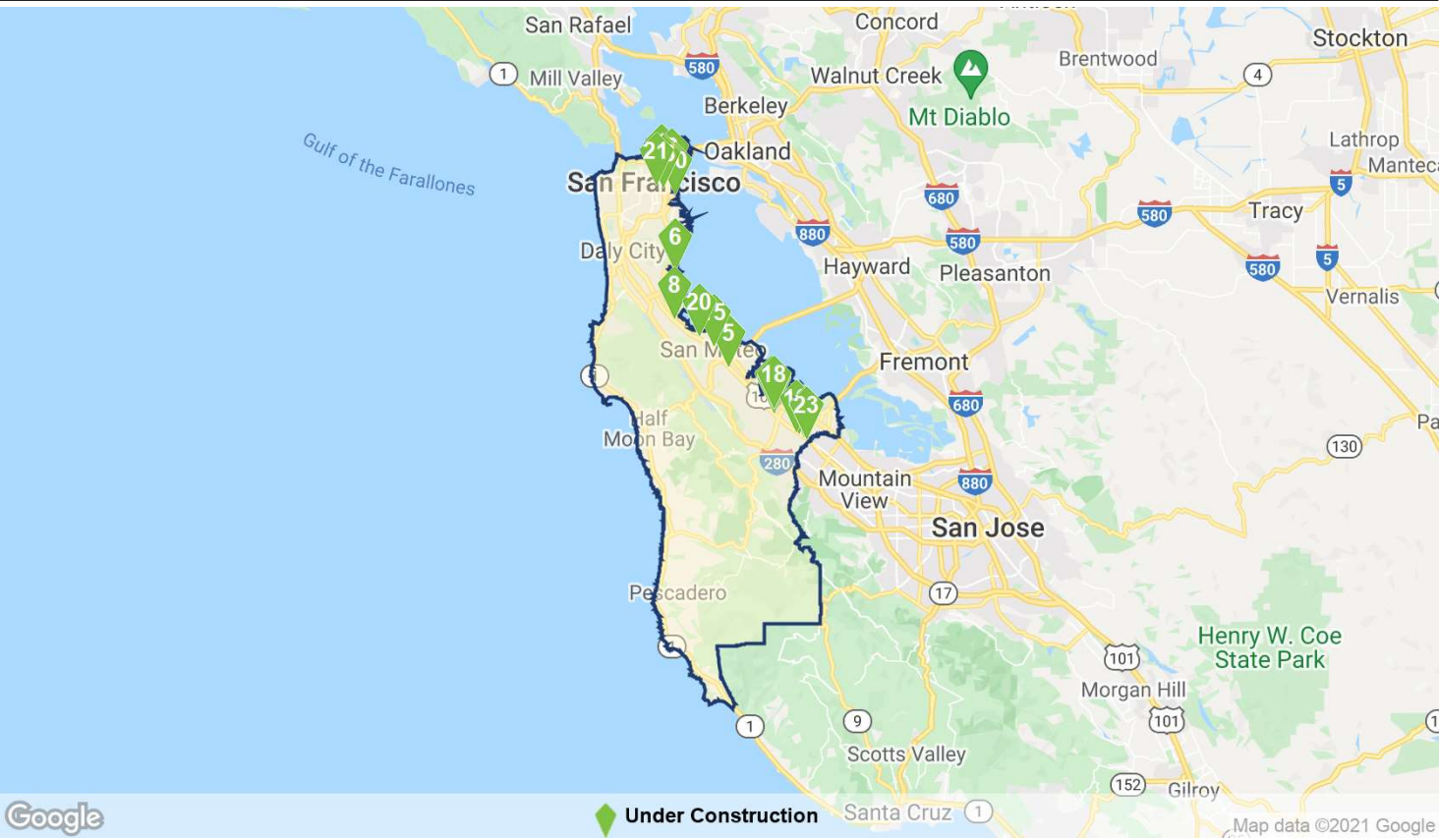
No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Yerba Buena	1	650	64	9.8%	8	52,348	650,000	1
2	San Mateo	3	549	116	21.1%	7	31,730	183,040	4
3	Mission Bay/China Basin	2	445	375	84.3%	3	153,545	222,500	2
4	South San Francisco	2	421	421	100%	1	52,076	210,436	3
5	Redwood City	4	403	333	82.5%	4	24,204	100,771	8
6	Menlo Park	5	359	204	56.7%	5	38,001	71,830	9
7	Burlingame	2	230	199	86.7%	2	31,230	114,803	6
8	Showplace Square	2	228	127	55.4%	6	83,662	114,160	7
9	San Bruno/Millbrae	1	173	15	8.8%	9	26,316	173,000	5
10	South of Market	1	25	0	0%	10	20,869	25,000	10
	All Other	0	-	-	-		52,559	-	
Totals		23	3,483	1,853	53.2%		45,857	151,441	

Under Construction Properties

San Francisco Office

Properties	Square Feet	Percent of Inventory	Released
23	3,483,151	1.9%	53.2%

UNDER CONSTRUCTION PROPERTIES



UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 5M 415 Natoma St	★★★★★	650,000	25	Feb 2020	Nov 2021	Brookfield Properties Brookfield Properties
2 Bldg G 1051 3rd St	★★★★★	300,000	13	Mar 2021	Jun 2024	Tishman Speyer Port of San Francisco
3 N1 Inception - Bldg C 370 Oyster Point Blvd	★★★★★	220,872	5	Oct 2018	Dec 2021	Kilroy Realty Corporation Kilroy Realty Corporation
4 Station 1 2750 S Delaware St	★★★★★	219,000	4	Jan 2020	Dec 2021	Wilson Meany Stockbridge Capital Group, LLC
5 Station 5 3150 S Delaware St	★★★★★	213,999	4	Jan 2020	Dec 2021	Wilson Meany Stockbridge Capital Group, LLC
6 N1 Inception - Bldg B Oyster Point Blvd & Gull Dr	★★★★★	200,000	6	Oct 2018	Dec 2021	Kilroy Realty Corporation Kilroy Realty Corporation
7 220 Park Rd	★★★★★	185,000	6	Sep 2021	Sep 2022	Sares-Regis Group Dostart Development Company,...

Under Construction Properties

San Francisco Office

UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
8 100 Garden Ln	★ ★ ★ ★ ★	173,000	7	Jan 2020	Nov 2021	Republic Urban Properties Republic Urban Properties
9 Softbank 500 El Camino Real	★ ★ ★ ★ ★	154,000	1	Aug 2020	Aug 2022	Stanford Land, Buildings, & Real... Stanford University
10 Pier 70 - Bldg 12 Pier 70	★ ★ ★ ★ ★	145,000	3	Oct 2020	Nov 2021	- Brookfield Properties
11 North Bldg 1302 El Camino Real	★ ★ ★ ★ ★	127,350	3	May 2018	Nov 2021	Presidio Bay Ventures Greenheart Land Company
12 One De Haro 1 De Haro St	★ ★ ★ ★ ★	126,537	5	Feb 2019	Nov 2021	- SKS Partners, LLC
13 San Mateo County Office... 617 Hamilton St	★ ★ ★ ★ ★	121,000	5	Aug 2021	Aug 2023	Truebeck Construction County of San Mateo
14 1180-1190 Main St	★ ★ ★ ★ ★	118,136	4	Jun 2020	Jun 2022	Premia Capital Premia Capital
15 406 E 3rd Ave	★ ★ ★ ★ ★	116,122	4	Dec 2019	Feb 2022	Windy Hill Property Ventures, Inc. Windy Hill Property Ventures, Inc.
16 200 Rhode Island St	★ ★ ★ ★ ★	101,782	6	Mar 2020	Dec 2021	- Westbrook Partners
17 855 Main St	★ ★ ★ ★ ★	93,506	4	Jul 2018	Dec 2021	The Acclaim Companies The Acclaim Companies
18 610 Walnut 610 Walnut St	★ ★ ★ ★ ★	70,443	6	Jun 2019	Nov 2021	Windy Hill Property Ventures, Inc. Windy Hill Property Ventures, Inc.
19 1540 El Camino Real 1540 El Camino Real	★ ★ ★ ★ ★	47,799	2	Apr 2019	Nov 2021	Four Corners Properties Four Corners Properties
20 250 California Dr	★ ★ ★ ★ ★	44,605	4	Nov 2020	Jun 2022	Dewey Land Company, Inc. Divco West Services, LLC
21 350 11th St	★ ★ ★ ★ ★	25,000	4	Feb 2020	Jan 2022	- Shen & Associate
22 300 El Camino Real	★ ★ ★ ★ ★	20,000	1	Apr 2020	Dec 2021	- Stanford University
23 200 El Camino Real	★ ★ ★ ★ ★	10,000	1	Oct 2019	Mar 2022	- Stanford University

Following a nearly frozen investment market in the two quarters immediately following the pandemic outbreak, a bevy of banner deals closed in 20Q4, boosting transaction volume nearly back up to pre-pandemic levels, where it prevailed through 2021. Approaching \$4 Billion in total this year, sales volume is nearly on pace to match the market's annual average over the past decade, \$5.4 billion.

While San Francisco remains a premier market for office investment, deal flow has been slowed by the pandemic and deteriorating market fundamentals. Some lenders and investors are avoiding risk, and fewer purchase opportunities are coming to market. Roughly 65 sales closed in the first three quarters of 2021, on pace to match last year's tally, which fell 64% from 2019's pace. The market's red-hot investment demand, which is partially driven by foreign capital, appears to have moderated slightly by some metrics including deal flow and pricing.

Several marquee deals closed at a slight discount from pre-COVID-19 pricing guidance. The iconic Transamerica Pyramid Center was sold for the first time ever, to New York investor Michael Shvo, BVK, and Deutsche Finance. The deal was originally in negotiation for \$711 million but eventually closed in 20Q4 at a price point roughly 9% lower, for \$650 million, with Transamerica financing the deal.

In another example, Alexandria Real Estate Equities forfeited a \$10 million deposit for The Townsend Building in South Beach, which eventually sold in 20Q3 to CBRE Global Investors for \$140 million, roughly \$10-\$20 million below Alexandria's prepandemic pricing.

Appreciation in the market was strong heading into 2020, but as exemplified in these two key trades, pricing power has been restrained as some buyers and lenders took to the sidelines to maintain caution in response to the pandemic and economic downturn.

Active buyers have negotiated pricing lower based on elevated tenant risk and declining rent potential in some cases. However, rent collections remain high and institutional investors, and their lenders, remain well capitalized, so distressed asset sales at fire-sale prices have yet to emerge. The recession and occupancy losses may eventually lead some owners to divest down the line, providing a limited pool for opportunistic investors.

Institutional investors are still targeting global gateway cities like San Francisco, and enduring demand generated by buyers attracted to the region's expanding tech industry in conjunction with lower loan interest rates have prevented more substantial upward cap rate pressures from forming. Furthermore, national investors may return to core markets as the pandemic subsides and workers return to large expensive cities. Despite falling rents and elevated tenant risk, San Francisco remains a premier coastal market with a strong track record that is ripe for office investment.

Market pricing in San Francisco is typically volatile. However, investors who choose to sell, even in a downturn, often realize strong capital gains during their holding periods. Investors who accepted the market's volatility over the past decade were rewarded with the nation's strongest price appreciation in the 2010s expansion period. Average pricing rose nearly 6% in 2019 but fell by an equal magnitude last year as rents trended lower and cap rates rose ever so slightly.

Highlighting key deals this year, The Exchange a 750,000-SF campus developed by Kilroy Realty in 2019 was acquired by KKR for roughly \$1,440/SF, at the highest price point ever paid for a major office building in the city's history. Dropbox is in place on a long-term master lease at pre-COVID-19 rents for the entire building, but is subletting the space primarily to biotech tenants.

The repeated sales of 123 Mission St., a 345,600-SF high-rise in the South Financial District, provide an excellent example of rising asset pricing in the market over the past decade, as well as investor interest. Initially developed by Shorenstein in 1987, the 29-story, 4 Star building traded four times in the expansion period at escalating pricing, most recently, to electronic cigarette company Juul Labs for \$397 million (\$1,149/SF) in June 2019, essentially twice what the building traded for less than six years earlier. Juul attempted to sell the building last year as it plans relocation to Washington, D.C., but the pandemic unraveled several deal opportunities.

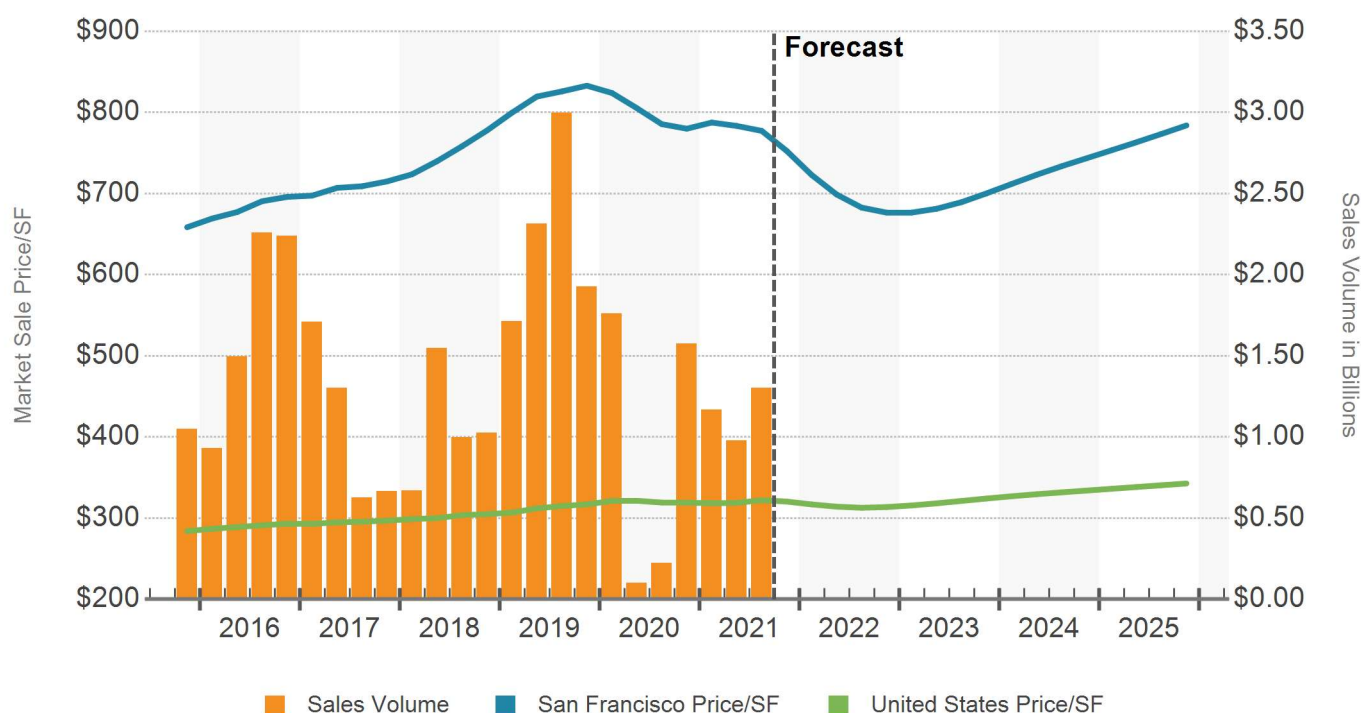
While some corporate occupiers like Gap Inc. have already disposed assets they no longer utilize, other owner/users disposed of assets through sale-leaseback deals that took advantage of the market's high pricing and strong appreciation. For example, Levi's Plaza was sold for \$826 million to Atlanta-based 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 2019, more than 2.5 times the price Zynga paid for the asset in 2012.

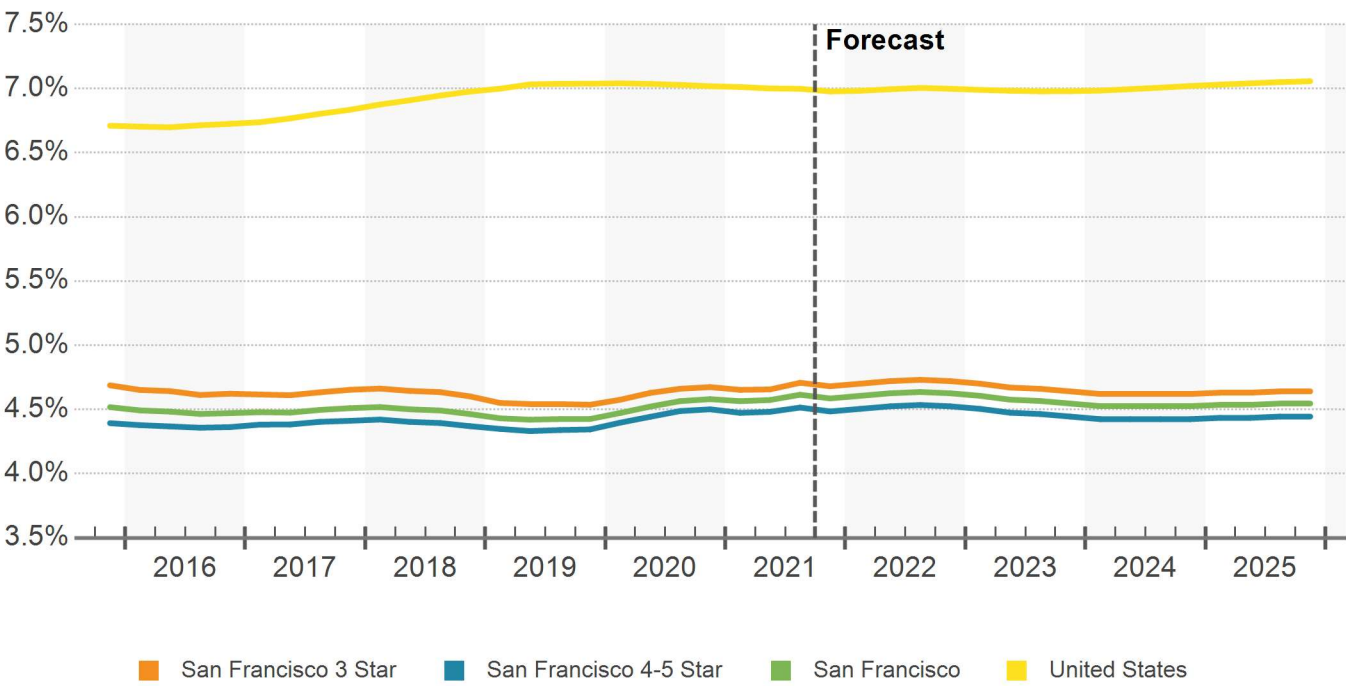
San Francisco's high barriers to entry provide an attractive investment market in which global investors continue to place capital. That said, the rapid price appreciation achieved throughout the 2010s expansion cycle could not last indefinitely. Rents are down, vacancy has spiked, and economic growth took a nosedive last year. These headwinds, along with the ongoing

economic threat of the coronavirus, have given some investors pause for the time being. 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. Venture capital funding to startups is robust, and many companies incubated in the region are going public. Valuations will remain sensitive to investor sentiment, tenant lease-up risk, and rent potential.

SALES VOLUME & MARKET SALE PRICE PER SF



MARKET CAP RATE



Sales Past 12 Months

San Francisco Office

Sale Comparables

99

Avg. Cap Rate

4.8%

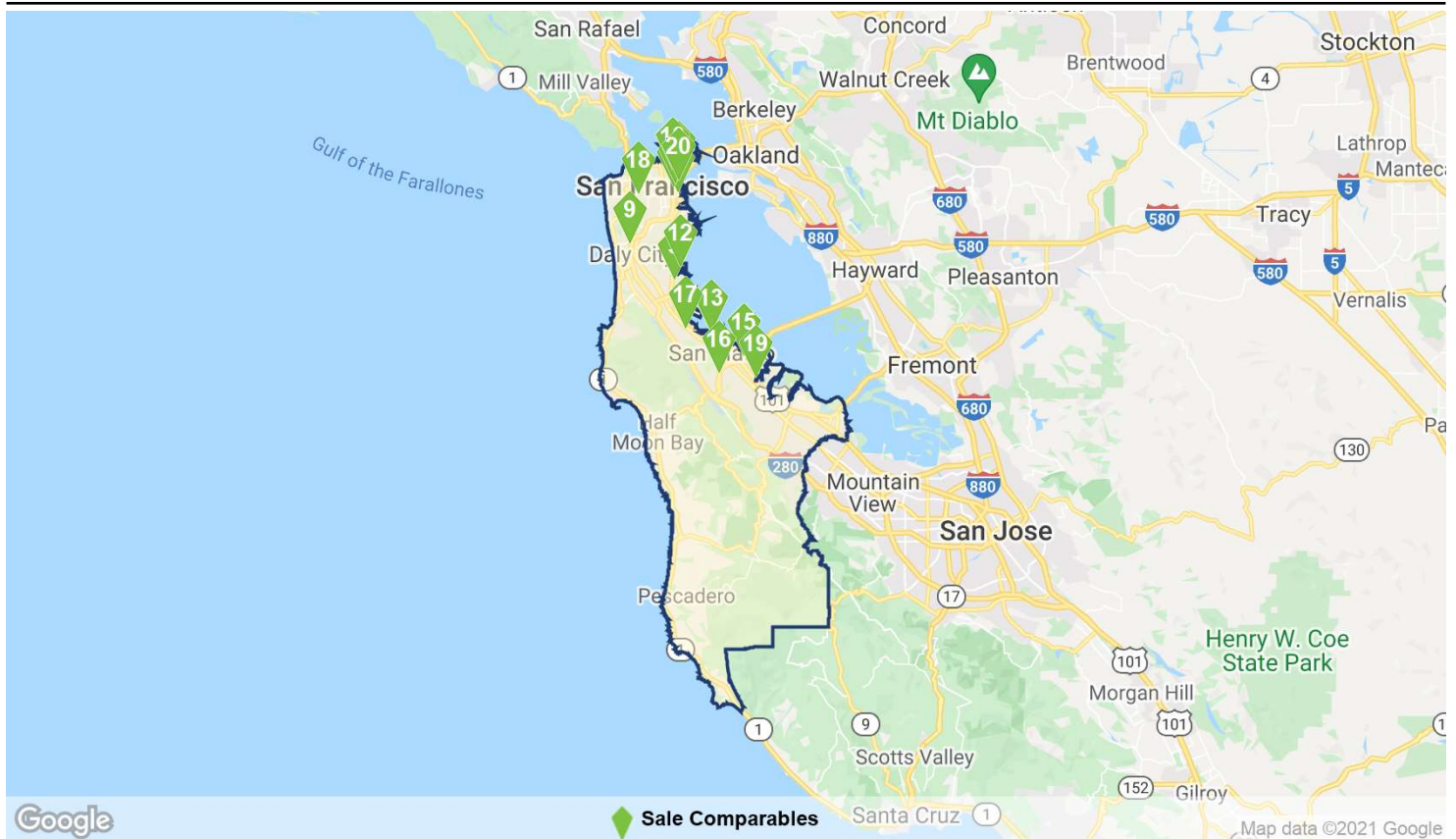
Avg. Price/SF

\$800

Avg. Vacancy At Sale

10.8%

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$499,000	\$64,110,469	\$8,325,000	\$1,080,000,000
Price/SF	\$148	\$800	\$663	\$1,717
Cap Rate	3.7%	4.8%	4.5%	7.8%
Time Since Sale in Months	0.4	5.5	5.3	12.0
Property Attributes	Low	Average	Median	High
Building SF	1,000	86,654	14,800	994,311
Stories	1	5	3	48
Typical Floor SF	867	11,913	7,110	62,531
Vacancy Rate At Sale	0%	10.8%	0%	100%
Year Built	1900	1958	1964	2020
Star Rating	★ ★ ★ ★ ★	★ ★ ★ ★ ★ 2.7	★ ★ ★ ★ ★	★ ★ ★ ★ ★

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 1800 Owens 1800 Owens St	★★★★★	2019	750,370	60.0%	3/30/2021	\$1,080,000,000	\$1,439	-
2 PG&E Headquarters 77 Beale St	★★★★★	1971	994,311	0%	9/17/2021	\$534,640,453	\$538	-
3 Transamerica Pyramid 600 Montgomery St	★★★★★	1972	512,395	9.0%	10/28/2020	\$478,000,000	\$933	-
4 Stripe, Inc 510 Townsend St	★★★★★	2018	295,333	0%	11/23/2020	\$363,700,000	\$1,231	-
5 213 E Grand Ave	★★★★★	2019	300,930	0%	4/22/2021	\$301,000,000	\$1,429	4.5%
6 PG&E 215-245 Market St	★★★★★	1925	583,960	0%	9/17/2021	\$265,359,547	\$454	-
7 Pinterest Building 505 Brannan St	★★★★★	2017	148,146	0%	11/23/2020	\$196,500,000	\$1,326	-
8 221 Main 221 Main St	★★★★★	1974	381,000	5.1%	10/8/2020	\$180,000,000	\$1,050	-
9 2001 Junipero Serra Blvd	★★★★★	2001	383,123	0.4%	5/3/2021	\$168,600,000	\$440	-
10 505 Sansome 505 Sansome St	★★★★★	1981	191,142	14.8%	10/28/2020	\$135,000,000	\$706	-
11 Bay Park Plaza 1 577 Airport Blvd	★★★★★	1986	154,758	31.9%	7/1/2021	\$86,823,787	\$561	-
12 4000 Shoreline Ct	★★★★★	2001	73,295	0%	10/15/2020	\$86,652,198	\$1,182	-
13 Bay Park Plaza 2 555 Airport Blvd	★★★★★	1998	120,988	38.3%	7/1/2021	\$83,176,213	\$687	-
14 San Mateo BayCenter 2 901 Mariners Island Blvd	★★★★★	1982	124,153	12.2%	4/16/2021	\$79,935,646	\$644	-
15 San Mateo BayCenter 1 951 Mariners Island Blvd	★★★★★	1982	124,211	7.1%	4/16/2021	\$76,064,354	\$612	-
16 Peninsula Office Park 9 2955 Campus Dr	★★★★★	1998	137,506	9.5%	6/24/2021	\$71,042,135	\$517	-
17 Mid Peninsula Medical A... 1720 El Camino Real	★★★★★	1957	106,018	0%	6/22/2021	\$64,400,000	\$607	-
18 Parnassus Heights Medi... 350 Parnassus Ave	★★★★★	1968	146,036	10.6%	8/31/2021	\$60,000,000	\$411	-
19 401 Island Pky	★★★★★	2000	81,524	0%	8/31/2021	\$58,499,160	\$718	-
20 634 2nd St	★★★★★	1927	45,032	0%	12/16/2020	\$55,000,000	\$1,221	-

Since the city's early gold rush expansion, San Francisco has experienced rapid booms and busts, and the most recent downturn once again impacted the local economy forcibly. San Francisco adopted some of the most restrictive regulations found across the country to mitigate the spread of coronavirus. Business restrictions and social distancing inflicted significant economic disruption, leading to the sharpest employment downturn on record and a migration out of the city last year. Plans to reopen businesses were stalled several times during the pandemic when coronavirus cases surged, and the reopening of San Francisco's economy has been measured overall.

Nonessential office work and indoor restaurant dining was restricted for a year, finally allowed to reopen at a limited capacity in March. With the vaccine rolling out in 2021, coronavirus cases dropped, prompting further reopenings. Live entertainment venues including sports arenas, nightclubs, music halls, and indoor bars that don't serve food were given the green light to open again in May after more than a year of inactivity. The draws of San Francisco are coming back online, although the recent Delta variant surge has stalled some reopenings and led to renewed indoor mask mandates.

Layoffs in the hospitality, restaurant, retail, and entertainment sectors were severe and have only rebounded modestly in comparison to other cities due to local pandemic restrictions, a loss of visitors, and outflow of residents. However, office-using employment only fell modestly during the pandemic and has already rebounded to reach a new record level.

Total employment in the metro division is still down by 7.6%, or by 91,100 workers as of August, per the latest jobs report released in September. Some businesses in hard-hit segments of the economy slashed headcounts during the pandemic, while others slowed their rate of hiring and real estate expansions. Most industries are recovering lost jobs as the economy reopens. The labor force is growing back quickly now but still remains 4.6% below its pre-pandemic level.

After jumping into double digits last year, unemployment has ticked down to 4.8% as of August, according to the U.S. Department of Labor. Comparatively, unemployment hovered below 3% in the mature phase of the 2010s expansion cycle, as job opportunities outnumbered qualified job seekers.

Large tech firms reliant on digital advertising have

already seen revenues rebound to reach new record levels. Google and Facebook capture the majority of digital ad revenue, which rebounded from an abrupt drop at the onset of the pandemic to reach a 12.2% increase in 2020 compared to 2019, according to the Interactive Advertising Bureau. Business software investment soared amid the pandemic and e-commerce sales spiked higher.

Venture capitalists are still heavily investing in locally based startups and still privately held "unicorn" companies. Total US venture capital funding hit a new record in 21Q1, according to PwC's MoneyTree Report, and San Francisco Bay Area-based firms are still garnering roughly 40% of the nation's VC capital flow and a steady 30% of its deals. A handful of VC firms are relocating to Texas, but Silicon Valley will remain the dominant source of capital for startups. Founders and their investors are both are entrenched in the area and rely on its educational institutions and the mega tech and biotech firms headquartered regionally.

Access to cheap capital and an expanding global economy led by technological advancements drove Bay Area commercial real estate markets to new heights in the 2010s economic expansion. Changes in trade policy and slowing global growth presented headwinds in the mature phases of the 2010s expansion cycle, but the lingering shutdown in response to the coronavirus pandemic sent San Francisco into a deep and rapid, but quick recession from which it is still recovering.

Pandemic business closures in San Francisco elevated well above other metros, according to Yelp!, and the city is cautiously opening now. Large corporate employers have delayed plans to reopen offices over the summer, and are now aiming for a fall or early 2022 return. The trajectory of local commercial real estate will largely depend on how quickly typical city life resumes in the post-pandemic era.

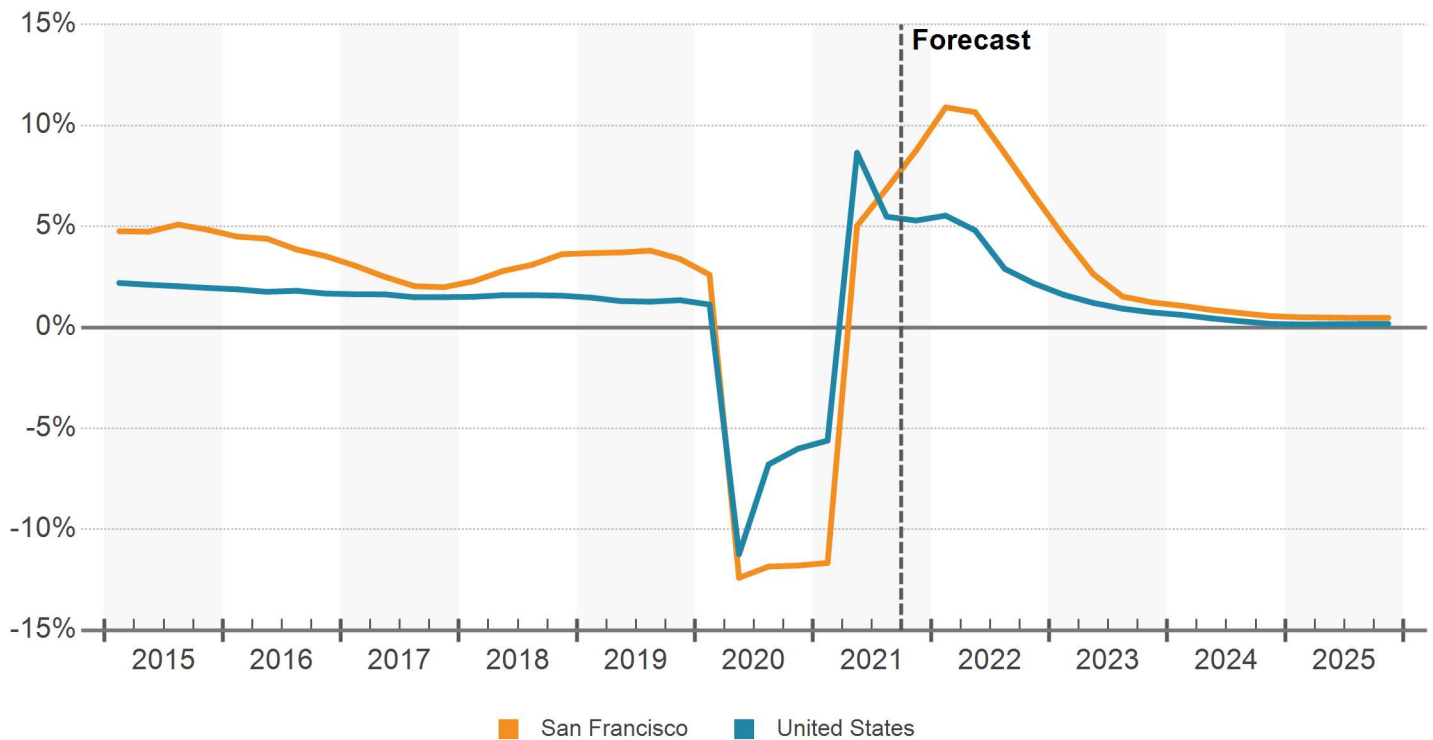
The rise of remote work presents an acute threat that could temper employment gains and the propensity to commute downtown, but Oxford Economics projects that San Francisco's economic recovery will outpace most other markets across the country due to its tech-heavy industry makeup. San Francisco's economy grew rapidly in the 2010s expansion cycle and maintained strength heading into 2020 before the coronavirus pandemic hit, so a return to above-average job growth and robust economic production in the next expansion cycle would not be a surprise.

SAN FRANCISCO EMPLOYMENT BY INDUSTRY IN THOUSANDS

Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	38	0.4	5.23%	4.89%	1.16%	0.75%	-0.07%	-0.16%
Trade, Transportation and Utilities	140	0.7	8.10%	4.57%	1.01%	1.00%	2.12%	0.25%
Retail Trade	74	0.6	9.77%	3.57%	-0.09%	0.49%	1.09%	0.22%
Financial Activities	86	1.3	3.59%	2.47%	2.26%	1.46%	0.15%	0.52%
Government	125	0.8	-0.13%	-0.12%	0.50%	-0.11%	1.04%	0.82%
Natural Resources, Mining and Construction	46	0.7	4.23%	5.69%	4.89%	2.65%	1.95%	0.56%
Education and Health Services	146	0.8	6.06%	6.01%	2.60%	1.83%	1.05%	1.14%
Professional and Business Services	293	1.8	7.40%	7.01%	4.27%	2.03%	1.82%	1.09%
Information	109	5.2	4.11%	7.32%	10.11%	0.56%	2.23%	1.65%
Leisure and Hospitality	96	0.9	23.11%	15.32%	-1.91%	1.19%	9.15%	2.56%
Other Services	36	0.9	16.38%	5.41%	0.33%	0.56%	2.75%	0.76%
Total Employment	1,117	1.0	7.01%	5.47%	2.45%	1.18%	2.29%	0.89%

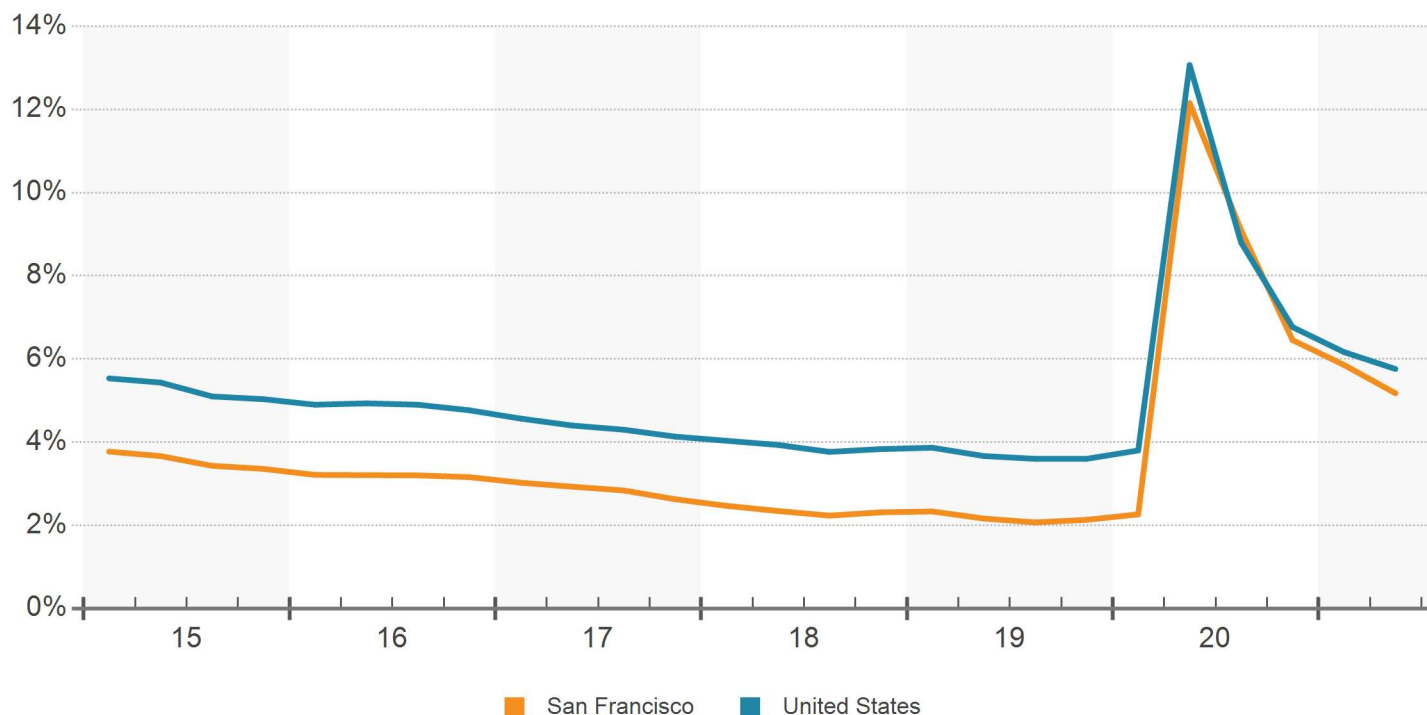
Source: Oxford Economics
LQ = Location Quotient

JOB GROWTH (YOY)

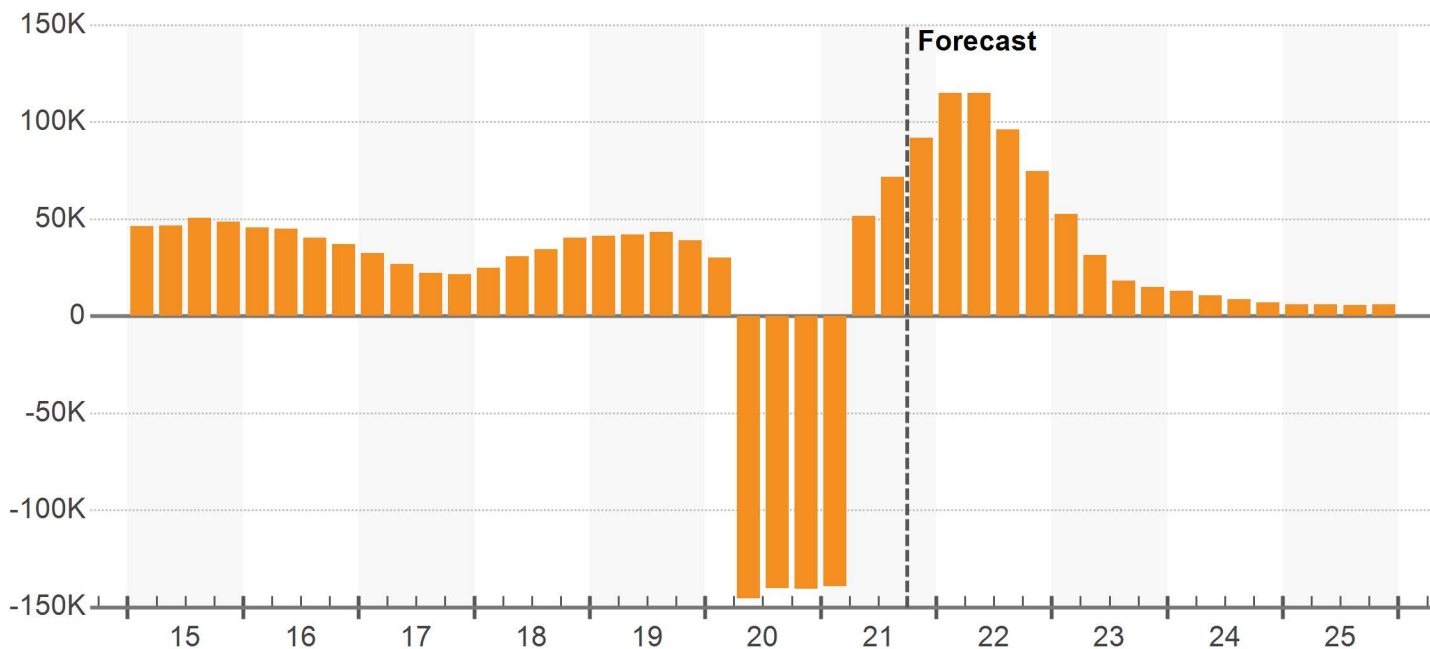


Source: Oxford Economics

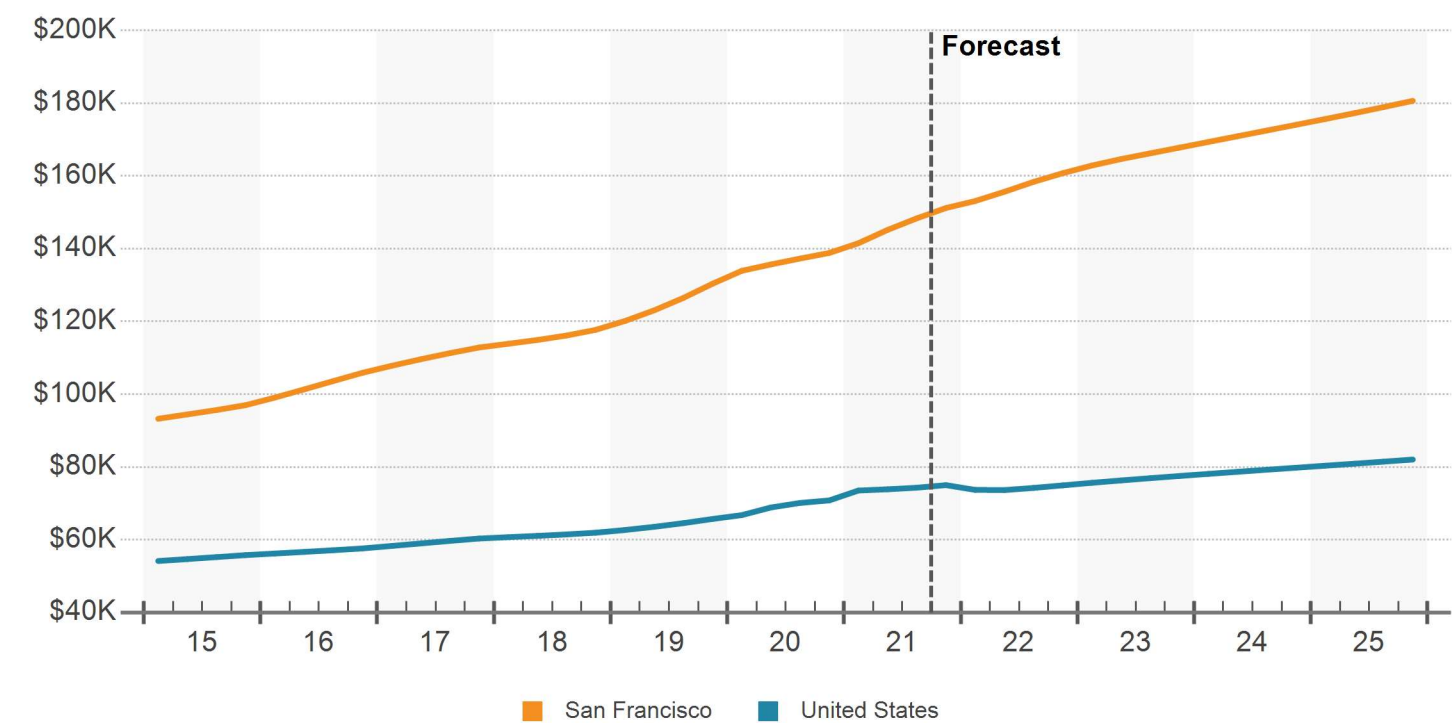
UNEMPLOYMENT RATE (%)



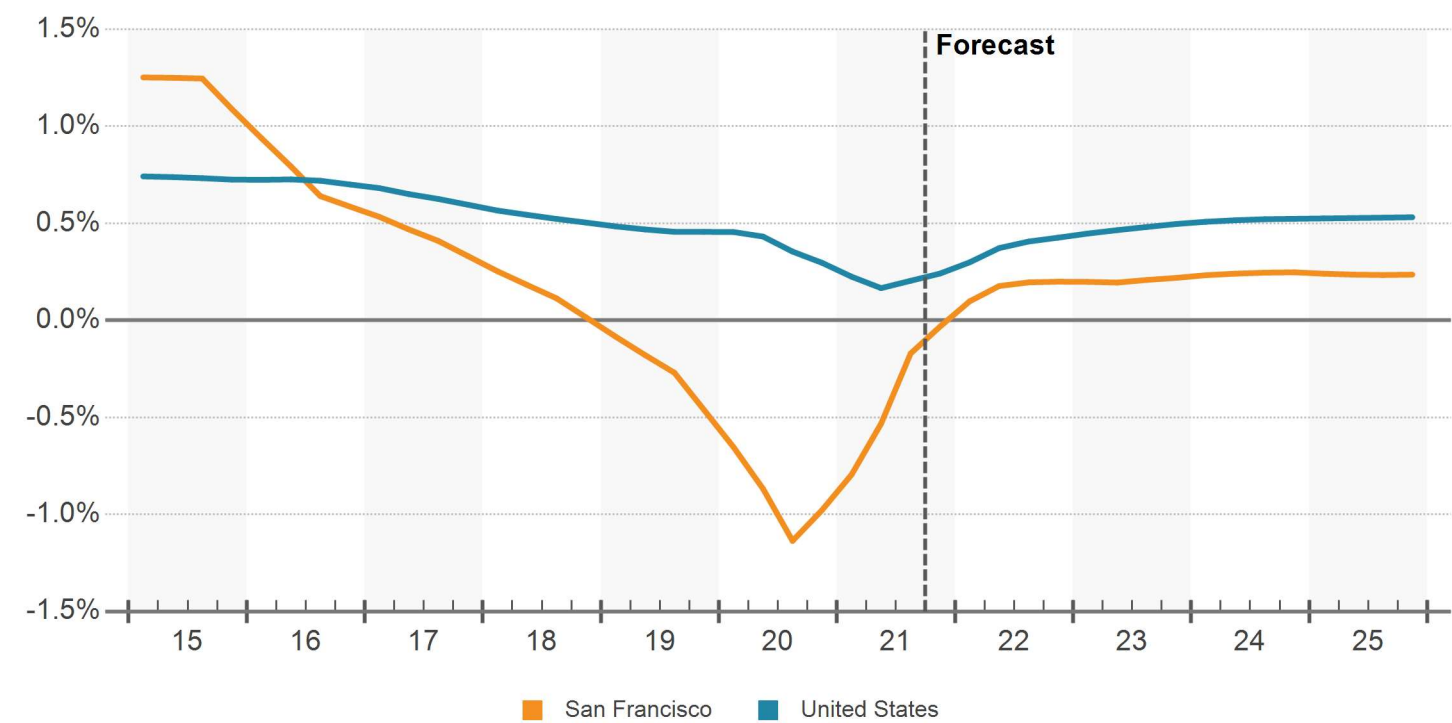
NET EMPLOYMENT CHANGE (YOY)



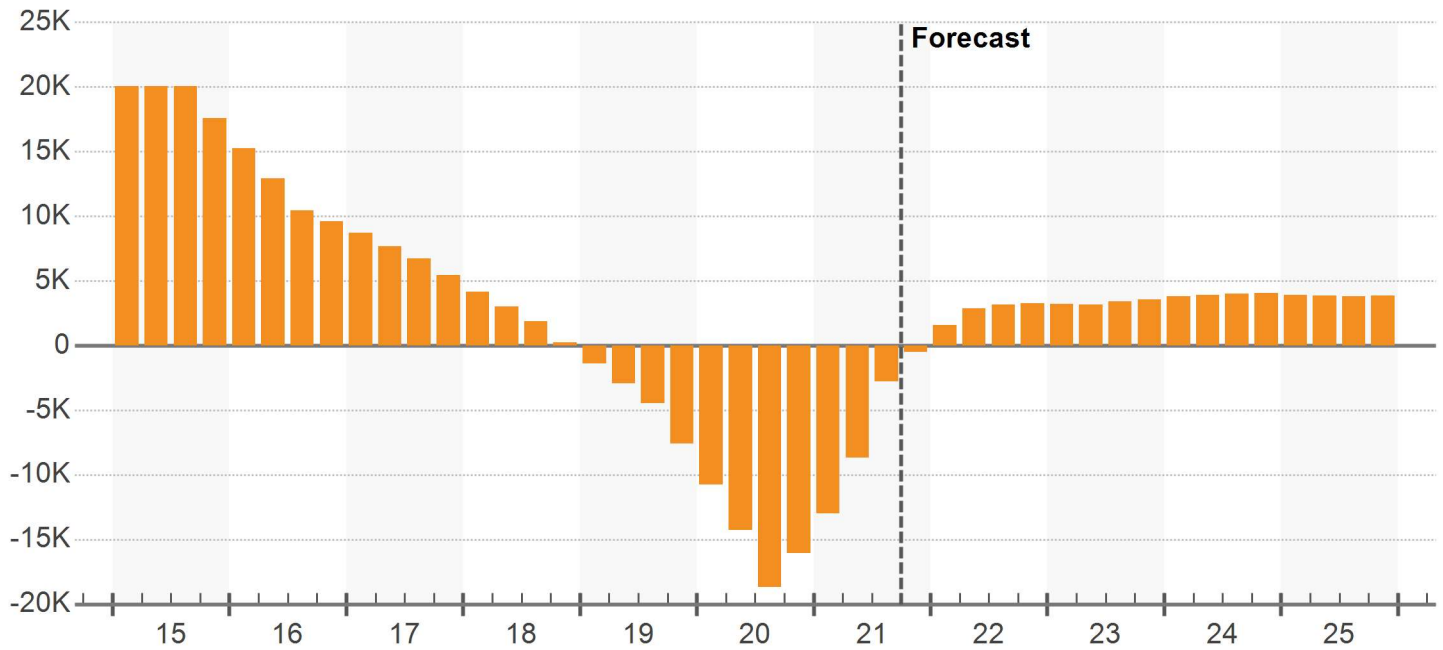
MEDIAN HOUSEHOLD INCOME



POPULATION GROWTH (YOY %)



NET POPULATION CHANGE (YOY)

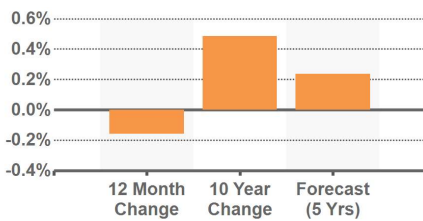


DEMOGRAPHIC TRENDS

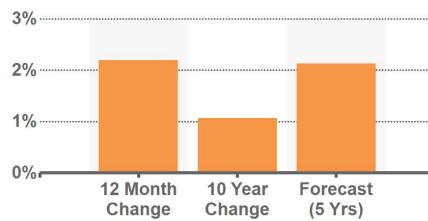
Demographic Category	Current Level		12 Month Change		10 Year Change		5 Year Forecast	
	Metro	US	Metro	US	Metro	US	Metro	US
Population	1,623,094	330,364,063	-0.2%	0.2%	0.5%	0.6%	0.2%	0.5%
Households	622,402	123,393,539	-0.2%	0.1%	0.4%	0.7%	0.2%	0.4%
Median Household Income	\$148,542	\$74,356	8.1%	6.0%	6.5%	4.0%	4.6%	2.5%
Labor Force	990,137	162,773,281	2.2%	1.5%	1.1%	0.6%	2.1%	0.6%
Unemployment	5.2%	5.8%	-3.7%	-2.9%	-0.3%	-0.3%	-	-

Source: Oxford Economics

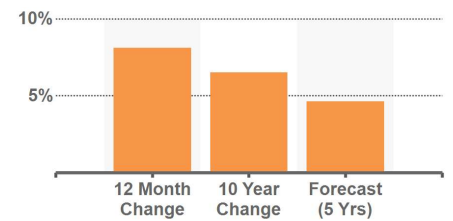
POPULATION GROWTH



LABOR FORCE GROWTH



INCOME GROWTH

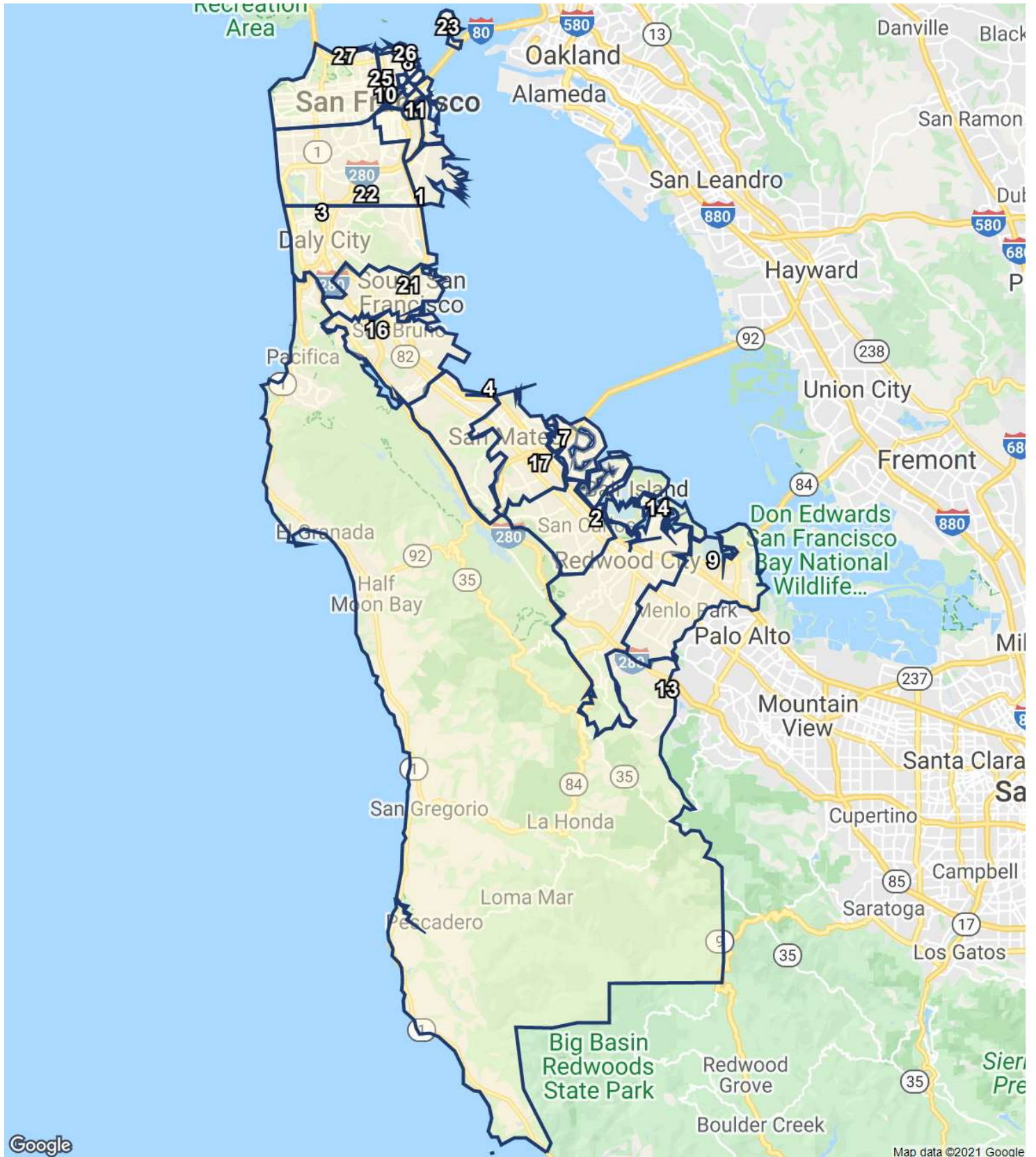


Source: Oxford Economics

Submarkets

San Francisco Office

SAN FRANCISCO SUBMARKETS



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	28	664	0.4%	26	0	0	0%	-	0	-	-	-
2	Belmont/San Carlos	151	2,582	1.4%	23	2	543	21.0%	4	0	-	-	-
3	Brisbane/Daly City	94	2,886	1.5%	22	0	0	0%	-	0	-	-	-
4	Burlingame	129	4,029	2.2%	16	5	803	19.9%	3	2	230	5.7%	7
5	Civic Center	63	4,407	2.4%	15	0	0	0%	-	0	-	-	-
6	Financial District	172	30,911	16.6%	2	0	0	0%	-	0	-	-	-
7	Foster City/Redwood Shrs	107	10,086	5.4%	5	0	0	0%	-	0	-	-	-
8	Jackson Square	123	3,335	1.8%	20	0	0	0%	-	0	-	-	-
9	Menlo Park	275	10,450	5.6%	3	6	1,109	10.6%	1	5	359	3.4%	6
10	MidMarket	83	7,582	4.1%	7	0	0	0%	-	0	-	-	-
11	Mission Bay/China Basin	34	5,221	2.8%	12	3	1,021	19.6%	2	2	445	8.5%	3
12	Mission/Potrero	186	3,621	1.9%	19	0	0	0%	-	0	-	-	-
13	Peninsula Coastline	136	662	0.4%	27	0	0	0%	-	0	-	-	-
14	Redwood City	315	7,624	4.1%	6	0	0	0%	-	4	403	5.3%	5
15	Rincon/South Beach	134	7,531	4.0%	8	2	351	4.7%	5	0	-	-	-
16	San Bruno/Millbrae	87	2,289	1.2%	24	0	0	0%	-	1	173	7.6%	9
17	San Mateo	319	10,122	5.4%	4	0	0	0%	-	3	549	5.4%	2
18	Showplace Square	46	3,848	2.1%	17	0	0	0%	-	2	228	5.9%	8
19	South Financial District	166	31,706	17.0%	1	0	0	0%	-	0	-	-	-
20	South of Market	233	4,862	2.6%	13	0	0	0%	-	1	25	0.5%	10
21	South San Francisco	140	7,291	3.9%	9	0	0	0%	-	2	421	5.8%	4
22	Southern City	181	1,346	0.7%	25	0	0	0%	-	0	-	-	-
23	Treasure/Yerba Buena Isl...	3	48	0%	28	0	0	0%	-	0	-	-	-
24	Union Square	118	5,819	3.1%	10	2	188	3.2%	6	0	-	-	-
25	Van Ness/Chinatown	167	3,279	1.8%	21	0	0	0%	-	0	-	-	-
26	Waterfront/North Beach	103	4,547	2.4%	14	0	0	0%	-	0	-	-	-
27	West of Van Ness	396	5,712	3.1%	11	0	0	0%	-	0	-	-	-
28	Yerba Buena	72	3,769	2.0%	18	0	0	0%	-	1	650	17.2%	1

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	\$38.99	28	-3.1%	1	2.7%	27
2	Belmont/San Carlos	\$57.10	11	-3.2%	2	3.2%	24
3	Brisbane/Daly City	\$46.63	26	-4.5%	19	4.5%	15
4	Burlingame	\$52.57	20	-4.0%	14	3.2%	23
5	Civic Center	\$54.16	17	-4.1%	15	4.9%	10
6	Financial District	\$64.27	5	-4.9%	28	2.7%	26
7	Foster City/Redwood Shrs	\$62.37	6	-4.3%	16	4.6%	13
8	Jackson Square	\$56.29	13	-3.9%	13	5.3%	6
9	Menlo Park	\$77.27	1	-3.4%	3	4.9%	9
10	MidMarket	\$58.30	10	-4.7%	24	4.9%	8
11	Mission Bay/China Basin	\$66.54	3	-4.9%	27	4.1%	18
12	Mission/Potrero	\$47.07	25	-3.7%	10	3.9%	20
13	Peninsula Coastline	\$43.49	27	-3.5%	4	3.5%	22
14	Redwood City	\$66.30	4	-3.6%	6	5.5%	5
15	Rincon/South Beach	\$60.23	7	-4.8%	26	5.7%	4
16	San Bruno/Millbrae	\$49.32	22	-3.6%	5	8.2%	1
17	San Mateo	\$59.49	9	-3.6%	7	4.0%	19
18	Showplace Square	\$56.86	12	-4.6%	23	5.1%	7
19	South Financial District	\$69.82	2	-4.5%	21	6.2%	3
20	South of Market	\$53.15	19	-4.5%	20	4.6%	12
21	South San Francisco	\$54.85	16	-4.4%	17	4.6%	14
22	Southern City	\$47.45	24	-3.8%	11	2.9%	25
23	Treasure/Yerba Buena Isl...	\$49.74	21	-3.7%	8	0.5%	28
24	Union Square	\$55.94	15	-4.6%	22	6.8%	2
25	Van Ness/Chinatown	\$48.19	23	-3.9%	12	3.6%	21
26	Waterfront/North Beach	\$53.44	18	-4.7%	25	4.7%	11
27	West of Van Ness	\$56.03	14	-3.7%	9	4.3%	17
28	Yerba Buena	\$59.63	8	-4.4%	18	4.5%	16

SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construc. Ratio
1	Bayview/Hunters Point	47,617	7.2%	6	(4,012)	-0.6%	7	-
2	Belmont/San Carlos	391,527	15.2%	19	264,912	10.3%	4	2.0
3	Brisbane/Daly City	154,842	5.4%	4	30,826	1.1%	5	-
4	Burlingame	379,881	9.4%	10	823,403	20.4%	2	1.0
5	Civic Center	221,432	5.0%	3	(19,257)	-0.4%	10	-
6	Financial District	5,642,096	18.3%	22	(2,291,840)	-7.4%	28	-
7	Foster City/Redwood Shrs	1,375,161	13.6%	17	(309,590)	-3.1%	22	-
8	Jackson Square	647,246	19.4%	24	(156,305)	-4.7%	16	-
9	Menlo Park	782,004	7.5%	8	880,195	8.4%	1	1.2
10	MidMarket	834,810	11.0%	13	(300,372)	-4.0%	21	-
11	Mission Bay/China Basin	593,467	11.4%	15	495,358	9.5%	3	2.1
12	Mission/Potrero	366,823	10.1%	11	(139,093)	-3.8%	14	-
13	Peninsula Coastline	28,562	4.3%	1	(4,657)	-0.7%	8	-
14	Redwood City	502,300	6.6%	5	(205,028)	-2.7%	19	-
15	Rincon/South Beach	1,426,389	18.9%	23	(377,351)	-5.0%	24	-
16	San Bruno/Millbrae	238,356	10.4%	12	(39,113)	-1.7%	11	-
17	San Mateo	1,562,974	15.4%	20	(335,591)	-3.3%	23	-
18	Showplace Square	504,134	13.1%	16	(279,282)	-7.3%	20	-
19	South Financial District	4,385,902	13.8%	18	(1,691,295)	-5.3%	27	-
20	South of Market	972,479	20.0%	25	(408,648)	-8.4%	25	-
21	South San Francisco	655,079	9.0%	9	(191,780)	-2.6%	18	-
22	Southern City	62,855	4.7%	2	(14,513)	-1.1%	9	-
23	Treasure/Yerba Buena Isl...	-	-	-	0	0%	-	-
24	Union Square	1,193,179	20.5%	26	(111,042)	-1.9%	13	-
25	Van Ness/Chinatown	367,082	11.2%	14	(54,117)	-1.7%	12	-
26	Waterfront/North Beach	815,320	17.9%	21	(139,146)	-3.1%	15	-
27	West of Van Ness	412,433	7.2%	7	(181,472)	-3.2%	17	-
28	Yerba Buena	993,008	26.3%	27	(446,719)	-11.9%	26	-

Supply & Demand Trends

San Francisco Office

OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2025	188,179,859	(357,350)	-0.2%	981,879	0.5%	-
2024	188,537,209	(57,714)	0%	821,996	0.4%	-
2023	188,594,923	(237,173)	-0.1%	635,536	0.3%	-
2022	188,832,096	1,354,903	0.7%	(2,856,924)	-1.5%	-
2021	187,477,193	5,013,723	2.7%	(4,467,624)	-2.4%	-
YTD	186,226,264	3,762,794	2.1%	(3,006,913)	-1.6%	-
2020	182,463,470	302,635	0.2%	(7,381,830)	-4.0%	-
2019	182,160,835	3,713,153	2.1%	3,129,481	1.7%	1.2
2018	178,447,682	3,830,659	2.2%	4,667,061	2.6%	0.8
2017	174,617,023	612,542	0.4%	227,856	0.1%	2.7
2016	174,004,481	2,439,911	1.4%	1,945,865	1.1%	1.3
2015	171,564,570	2,019,106	1.2%	2,921,335	1.7%	0.7
2014	169,545,464	159,740	0.1%	3,493,020	2.1%	0
2013	169,385,724	(584,208)	-0.3%	2,186,477	1.3%	-
2012	169,969,932	287,209	0.2%	1,309,366	0.8%	0.2
2011	169,682,723	(618,976)	-0.4%	3,067,338	1.8%	-
2010	170,301,699	39,345	0%	(659,481)	-0.4%	-
2009	170,262,354	300,719	0.2%	(4,527,052)	-2.7%	-

4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2025	103,347,313	0	0%	744,199	0.7%	0
2024	103,347,313	300,000	0.3%	837,475	0.8%	0.4
2023	103,047,313	121,000	0.1%	917,011	0.9%	0.1
2022	102,926,313	1,527,022	1.5%	(282,432)	-0.3%	-
2021	101,399,291	5,273,849	5.5%	(1,379,516)	-1.4%	-
YTD	100,049,162	3,923,720	4.1%	(653,131)	-0.7%	-
2020	96,125,442	522,859	0.5%	(2,789,781)	-2.9%	-
2019	95,602,583	3,347,700	3.6%	3,017,267	3.2%	1.1
2018	92,254,883	4,134,932	4.7%	4,902,491	5.3%	0.8
2017	88,119,951	839,891	1.0%	436,230	0.5%	1.9
2016	87,280,060	1,948,188	2.3%	1,925,159	2.2%	1.0
2015	85,331,872	2,036,289	2.4%	2,319,347	2.7%	0.9
2014	83,295,583	660,436	0.8%	2,311,956	2.8%	0.3
2013	82,635,147	39,359	0%	1,603,183	1.9%	0
2012	82,595,788	492,599	0.6%	1,786,268	2.2%	0.3
2011	82,103,189	145,205	0.2%	1,282,588	1.6%	0.1
2010	81,957,984	299,397	0.4%	(53,880)	-0.1%	-
2009	81,658,587	164,464	0.2%	(2,282,950)	-2.8%	-

Supply & Demand Trends

San Francisco Office

3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2025	53,952,802	(35)	0%	325,954	0.6%	-
2024	53,952,837	(36)	0%	164,895	0.3%	-
2023	53,952,873	(35)	0%	9,575	0%	-
2022	53,952,908	184,965	0.3%	(1,313,365)	-2.4%	-
2021	53,767,943	(121,449)	-0.2%	(1,985,288)	-3.7%	-
YTD	53,784,003	(105,389)	-0.2%	(1,623,912)	-3.0%	-
2020	53,889,392	27,628	0.1%	(2,973,741)	-5.5%	-
2019	53,861,764	352,273	0.7%	552,256	1.0%	0.6
2018	53,509,491	(103,261)	-0.2%	(31,034)	-0.1%	-
2017	53,612,752	(181,841)	-0.3%	(324,439)	-0.6%	-
2016	53,794,593	689,557	1.3%	353,439	0.7%	2.0
2015	53,105,036	115,388	0.2%	463,706	0.9%	0.2
2014	52,989,648	(352,969)	-0.7%	1,019,355	1.9%	-
2013	53,342,617	(122,392)	-0.2%	674,706	1.3%	-
2012	53,465,009	(38,528)	-0.1%	(390,944)	-0.7%	-
2011	53,503,537	(525,525)	-1.0%	1,587,973	3.0%	-
2010	54,029,062	(14,751)	0%	(294,787)	-0.5%	-
2009	54,043,813	398,287	0.7%	(1,111,877)	-2.1%	-

1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2025	30,879,744	(357,315)	-1.1%	(88,274)	-0.3%	-
2024	31,237,059	(357,678)	-1.1%	(180,374)	-0.6%	-
2023	31,594,737	(358,138)	-1.1%	(291,050)	-0.9%	-
2022	31,952,875	(357,084)	-1.1%	(1,261,127)	-3.9%	-
2021	32,309,959	(138,677)	-0.4%	(1,102,820)	-3.4%	-
YTD	32,393,099	(55,537)	-0.2%	(729,870)	-2.3%	-
2020	32,448,636	(247,852)	-0.8%	(1,618,308)	-5.0%	-
2019	32,696,488	13,180	0%	(440,042)	-1.3%	-
2018	32,683,308	(201,012)	-0.6%	(204,396)	-0.6%	-
2017	32,884,320	(45,508)	-0.1%	116,065	0.4%	-
2016	32,929,828	(197,834)	-0.6%	(332,733)	-1.0%	-
2015	33,127,662	(132,571)	-0.4%	138,282	0.4%	-
2014	33,260,233	(147,727)	-0.4%	161,709	0.5%	-
2013	33,407,960	(501,175)	-1.5%	(91,412)	-0.3%	-
2012	33,909,135	(166,862)	-0.5%	(85,958)	-0.3%	-
2011	34,075,997	(238,656)	-0.7%	196,777	0.6%	-
2010	34,314,653	(245,301)	-0.7%	(310,814)	-0.9%	-
2009	34,559,954	(262,032)	-0.8%	(1,132,225)	-3.3%	-

OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	\$65.10	176	5.2%	-9.5%	29,491,545	15.7%	-0.7%
2024	\$61.89	167	5.5%	-13.9%	30,824,836	16.3%	-0.5%
2023	\$58.68	158	3.5%	-18.4%	31,699,218	16.8%	-0.4%
2022	\$56.71	153	-5.2%	-21.1%	32,566,815	17.2%	2.1%
2021	\$59.80	161	-6.2%	-16.8%	28,349,839	15.1%	4.8%
YTD	\$61.54	166	-4.3%	-14.4%	25,556,958	13.7%	3.4%
2020	\$63.76	172	-11.3%	-11.3%	18,787,251	10.3%	4.2%
2019	\$71.90	194	4.8%	0%	11,102,786	6.1%	0.2%
2018	\$68.59	185	9.2%	-4.6%	10,588,453	5.9%	-0.6%
2017	\$62.80	170	2.6%	-12.7%	11,424,855	6.5%	0.2%
2016	\$61.20	165	1.9%	-14.9%	11,040,169	6.3%	0.2%
2015	\$60.08	162	13.8%	-16.4%	10,546,123	6.1%	-0.6%
2014	\$52.78	142	11.6%	-26.6%	11,448,352	6.8%	-2.0%
2013	\$47.31	128	13.7%	-34.2%	14,781,632	8.7%	-1.6%
2012	\$41.60	112	13.5%	-42.1%	17,552,317	10.3%	-0.6%
2011	\$36.64	99	18.2%	-49.0%	18,574,474	10.9%	-2.1%
2010	\$31	84	0.1%	-56.9%	22,260,788	13.1%	0.4%
2009	\$30.96	84	-16.4%	-56.9%	21,564,962	12.7%	2.8%

4 & 5 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	\$71.50	174	5.2%	-9.3%	15,592,680	15.1%	-0.7%
2024	\$67.95	166	5.5%	-13.8%	16,336,879	15.8%	-0.6%
2023	\$64.40	157	3.5%	-18.3%	16,874,354	16.4%	-0.8%
2022	\$62.22	152	-5.2%	-21.0%	17,670,365	17.2%	1.5%
2021	\$65.61	160	-7.5%	-16.7%	15,860,912	15.6%	6.1%
YTD	\$67.50	164	-4.8%	-14.3%	13,736,573	13.7%	4.2%
2020	\$70.92	173	-10.0%	-10.0%	9,159,722	9.5%	3.4%
2019	\$78.80	192	5.4%	0%	5,847,082	6.1%	0.1%
2018	\$74.76	182	10.2%	-5.1%	5,516,649	6.0%	-1.2%
2017	\$67.81	165	2.5%	-13.9%	6,284,208	7.1%	0.4%
2016	\$66.13	161	1.4%	-16.1%	5,880,547	6.7%	-0.1%
2015	\$65.24	159	12.4%	-17.2%	5,857,518	6.9%	-0.5%
2014	\$58.02	141	10.8%	-26.4%	6,140,576	7.4%	-2.1%
2013	\$52.38	128	13.3%	-33.5%	7,792,096	9.4%	-1.9%
2012	\$46.21	113	12.3%	-41.4%	9,355,920	11.3%	-1.6%
2011	\$41.14	100	20.6%	-47.8%	10,649,589	13.0%	-1.4%
2010	\$34.12	83	0.1%	-56.7%	11,786,972	14.4%	0.4%
2009	\$34.10	83	-16.9%	-56.7%	11,433,695	14.0%	3.0%

3 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	\$58.92	185	5.2%	-12.1%	8,971,207	16.6%	-0.6%
2024	\$56.02	176	5.5%	-16.4%	9,297,224	17.2%	-0.3%
2023	\$53.12	167	3.5%	-20.7%	9,462,183	17.5%	0%
2022	\$51.33	161	-5.1%	-23.4%	9,471,818	17.6%	2.7%
2021	\$54.10	170	-4.7%	-19.3%	7,973,521	14.8%	3.5%
YTD	\$55.71	175	-3.8%	-16.9%	7,612,145	14.2%	2.8%
2020	\$56.79	178	-15.2%	-15.2%	6,093,622	11.3%	5.6%
2019	\$67	210	5.1%	0%	3,092,253	5.7%	-0.5%
2018	\$63.73	200	9.0%	-4.9%	3,316,781	6.2%	-0.1%
2017	\$58.47	184	3.4%	-12.7%	3,389,008	6.3%	0.3%
2016	\$56.54	178	1.1%	-15.6%	3,246,410	6.0%	0.6%
2015	\$55.90	176	16.9%	-16.6%	2,910,292	5.5%	-0.7%
2014	\$47.83	150	12.7%	-28.6%	3,258,610	6.1%	-2.5%
2013	\$42.43	133	14.1%	-36.7%	4,630,934	8.7%	-1.5%
2012	\$37.20	117	16.5%	-44.5%	5,428,032	10.2%	0.7%
2011	\$31.93	100	16.4%	-52.3%	5,075,616	9.5%	-3.8%
2010	\$27.43	86	1.4%	-59.1%	7,189,114	13.3%	0.5%
2009	\$27.06	85	-15.0%	-59.6%	6,912,078	12.8%	2.7%

1 & 2 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2025	\$54.95	167	5.0%	-5.3%	4,927,658	16.0%	-0.7%
2024	\$52.32	159	5.3%	-9.9%	5,190,733	16.6%	-0.4%
2023	\$49.69	151	3.3%	-14.4%	5,362,681	17.0%	0%
2022	\$48.09	146	-5.3%	-17.2%	5,424,632	17.0%	3.0%
2021	\$50.77	154	-3.3%	-12.5%	4,515,406	14.0%	3.1%
YTD	\$52.21	158	-3.3%	-10.1%	4,208,240	13.0%	2.1%
2020	\$52.51	159	-9.5%	-9.5%	3,533,907	10.9%	4.3%
2019	\$58.04	176	1.8%	0%	2,163,451	6.6%	1.2%
2018	\$57	173	5.5%	-1.8%	1,755,023	5.4%	0%
2017	\$54.01	164	1.4%	-7.0%	1,751,639	5.3%	-0.5%
2016	\$53.24	162	5.2%	-8.3%	1,913,212	5.8%	0.4%
2015	\$50.60	154	14.1%	-12.8%	1,778,313	5.4%	-0.8%
2014	\$44.34	135	12.9%	-23.6%	2,049,166	6.2%	-0.9%
2013	\$39.26	119	14.9%	-32.4%	2,358,602	7.1%	-1.1%
2012	\$34.18	104	13.4%	-41.1%	2,768,365	8.2%	-0.2%
2011	\$30.14	91	11.6%	-48.1%	2,849,269	8.4%	-1.2%
2010	\$27.01	82	-1.7%	-53.5%	3,284,702	9.6%	0.3%
2009	\$27.48	83	-16.6%	-52.7%	3,219,189	9.3%	2.6%

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
2025	-	-	-	-	-	-	\$784.07	259	4.5%
2024	-	-	-	-	-	-	\$743.56	246	4.5%
2023	-	-	-	-	-	-	\$700.32	231	4.5%
2022	-	-	-	-	-	-	\$676.59	223	4.6%
2021	-	-	-	-	-	-	\$752.66	249	4.6%
YTD	71	\$3.4B	2.7%	\$55,402,016	\$713.54	4.8%	\$774.88	256	4.6%
2020	80	\$3.7B	1.9%	\$52,839,861	\$1,053.12	4.4%	\$780.01	258	4.6%
2019	229	\$9B	6.1%	\$63,811,857	\$833.83	5.1%	\$833.03	275	4.4%
2018	190	\$4.2B	4.1%	\$37,321,825	\$661	4.7%	\$777.76	257	4.5%
2017	220	\$4.3B	4.6%	\$40,968,403	\$610.89	5.1%	\$715.01	236	4.5%
2016	214	\$6.9B	7.9%	\$51,612,858	\$592.51	4.8%	\$695.94	230	4.5%
2015	241	\$5.2B	7.2%	\$40,112,540	\$633.58	4.8%	\$658.57	217	4.5%
2014	284	\$8.1B	9.5%	\$46,507,517	\$527.51	5.0%	\$567.84	187	4.8%
2013	223	\$2.9B	4.8%	\$21,215,954	\$378.52	5.3%	\$478.27	158	5.2%
2012	306	\$6.4B	9.3%	\$39,925,467	\$445.75	5.3%	\$408	135	5.6%
2011	212	\$3.1B	7.7%	\$21,984,117	\$255.84	6.4%	\$360.38	119	6.1%
2010	126	\$2B	4.7%	\$22,358,195	\$259.84	6.6%	\$292.04	96	6.9%

(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
2025	-	-	-	-	-	-	\$849.93	250	4.4%
2024	-	-	-	-	-	-	\$805.83	237	4.4%
2023	-	-	-	-	-	-	\$758.72	223	4.4%
2022	-	-	-	-	-	-	\$732.65	215	4.5%
2021	-	-	-	-	-	-	\$815.03	239	4.5%
YTD	13	\$2.6B	3.2%	\$232,255,950	\$830.08	4.5%	\$836.93	246	4.5%
2020	9	\$2.3B	2.3%	\$254,000,244	\$1,046.63	-	\$834.75	245	4.5%
2019	38	\$6B	7.2%	\$157,916,270	\$870.45	4.7%	\$891.92	262	4.3%
2018	26	\$2.5B	4.3%	\$107,866,103	\$724.40	4.8%	\$836.17	246	4.4%
2017	29	\$3.2B	5.9%	\$119,520,399	\$649.72	5.5%	\$769.25	226	4.4%
2016	34	\$4.6B	8.2%	\$152,611,947	\$660.48	4.4%	\$752	221	4.4%
2015	38	\$3.1B	8.0%	\$145,658,214	\$694.14	4.6%	\$715.11	210	4.4%
2014	46	\$6.1B	12.5%	\$134,659,002	\$580.07	4.0%	\$622.13	183	4.6%
2013	20	\$1.9B	4.9%	\$93,214,781	\$462.65	4.9%	\$529.52	156	5.0%
2012	37	\$5.1B	12.1%	\$140,710,009	\$507.27	4.9%	\$454.69	134	5.4%
2011	18	\$1.3B	5.6%	\$72,232,180	\$283.87	5.5%	\$404.35	119	5.8%
2010	15	\$1.4B	5.4%	\$106,529,761	\$345.93	5.3%	\$329.40	97	6.5%

(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.

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
2025	-	-	-	-	-	-	\$715.49	277	4.6%
2024	-	-	-	-	-	-	\$678.23	262	4.6%
2023	-	-	-	-	-	-	\$638.55	247	4.6%
2022	-	-	-	-	-	-	\$616.83	238	4.7%
2021	-	-	-	-	-	-	\$685.66	265	4.7%
YTD	20	\$682.9M	2.6%	\$42,364,784	\$481.75	5.0%	\$710.85	275	4.7%
2020	23	\$629M	1.5%	\$38,830,069	\$797.32	-	\$716.19	277	4.7%
2019	78	\$2.4B	5.8%	\$45,616,557	\$769.03	5.5%	\$758.98	293	4.5%
2018	51	\$1.3B	4.2%	\$32,771,389	\$582.56	5.2%	\$700.89	271	4.6%
2017	46	\$558.8M	2.4%	\$22,347,679	\$490.77	5.8%	\$644.27	249	4.7%
2016	79	\$1.8B	9.9%	\$38,757,752	\$482.88	5.2%	\$623.86	241	4.6%
2015	66	\$1.5B	7.8%	\$46,140,736	\$582.10	5.0%	\$587.71	227	4.7%
2014	85	\$1.4B	6.9%	\$28,723,861	\$416.90	5.7%	\$503.30	195	5.0%
2013	69	\$711.5M	4.2%	\$18,007,047	\$327.42	5.2%	\$417.85	162	5.4%
2012	78	\$1B	6.7%	\$23,390,035	\$331.17	5.8%	\$355.06	137	5.9%
2011	96	\$1.6B	13.4%	\$23,204,963	\$240.69	6.5%	\$310.69	120	6.4%
2010	48	\$455M	5.7%	\$14,156,904	\$149.57	8.0%	\$250	97	7.3%

(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
2025	-	-	-	-	-	-	\$688.21	268	4.7%
2024	-	-	-	-	-	-	\$653.75	255	4.7%
2023	-	-	-	-	-	-	\$616.90	240	4.7%
2022	-	-	-	-	-	-	\$597.29	233	4.8%
2021	-	-	-	-	-	-	\$665.28	259	4.8%
YTD	38	\$207.3M	1.0%	\$5,779,229	\$622.43	4.8%	\$683.58	266	4.8%
2020	48	\$748.3M	1.6%	\$16,787,889	\$1,480.32	4.4%	\$711.70	277	4.7%
2019	113	\$565.5M	3.0%	\$11,215,615	\$764.49	3.8%	\$768.53	299	4.5%
2018	113	\$474.3M	3.3%	\$8,987,484	\$604.81	4.5%	\$719.44	280	4.5%
2017	145	\$513.3M	4.5%	\$9,383,374	\$550.56	4.7%	\$659.77	257	4.6%
2016	101	\$519.1M	4.0%	\$9,055,266	\$535.12	4.6%	\$637.17	248	4.6%
2015	137	\$523M	4.1%	\$7,025,011	\$501.22	4.6%	\$596.19	232	4.6%
2014	153	\$635.2M	5.9%	\$7,633,831	\$407.22	5.4%	\$502.16	196	4.9%
2013	134	\$330.3M	5.7%	\$4,140,251	\$223.94	6.2%	\$415.43	162	5.4%
2012	191	\$278.8M	6.7%	\$3,460,217	\$228.60	5.4%	\$347.25	135	5.9%
2011	98	\$222.4M	4.1%	\$4,029,887	\$226.50	6.8%	\$302.91	118	6.4%
2010	63	\$114.3M	1.6%	\$2,553,693	\$240.44	6.3%	\$242.89	95	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.