

Quick Trends & Statistics

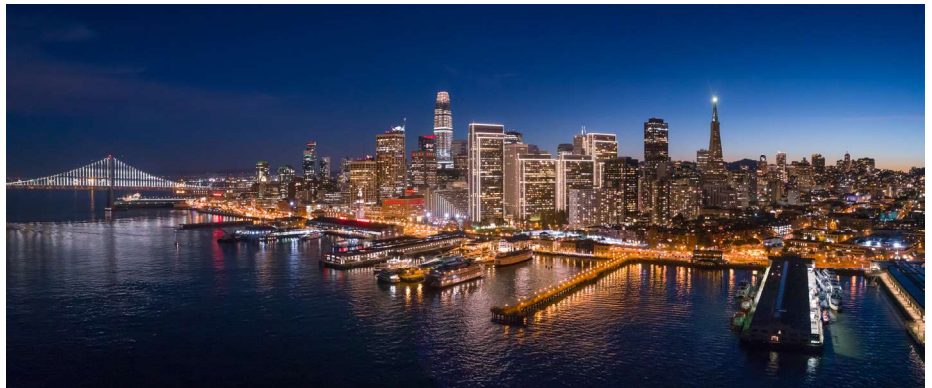
Citywide Average Vacancy	↓
Citywide Average Asking Rates	↑
Class A Buildings Asking Rates	↑
Class B Buildings Asking Rates	↑
Sublease Inventory	↑
Unemployment Rate	↓

"It's not whether you get knocked down, it's whether you get back up."

- Vince Lombardi



Wow, What a Year!



Leasing activity

2019 was a year of amazing activity for those of you that follow the commercial leasing statistics in San Francisco. The top 10 leases alone accounted for over 2 million square feet of space leased. The average asking rate for class A space was nearly \$90.00 per square foot per year, and class B space is fetching \$79.00 a square foot. Rent concessions are close to nonexistent and tenant improvement allowances are dictated by the landlords, with little room for negotiations. The average vacancy rate city wide sits at 6.5%, close to a historic low. Q4 2019 was the 10th time since Q3 of 2017 that the market experienced positive net absorption.

Market changes

The most noteworthy market change is the large amount of sublease space that is currently available. There is now well over 1 million square feet of sublease space available, which accounts for approximately 1/4 of the total space currently available (direct space available is 3,520,000 square feet, excluding buildings under construction, approximately 4 million square feet). Historically, when large amounts of sublease space hits the market, rents begin to drop. That being said, the current market has defied all historical trends.

Sales activity

The 10 largest sales of 2019 sold for an average sales price of \$998 a square foot. The Park Tower (250 Howard Street) sold for an astounding price of \$1,425 per square foot. The single largest sale was 555-575 Market Street, which sold for \$772,000,000 (\$938 +/- per square foot).

Co-Working Update

Please note, that included in our newsletter is a special insert that addresses the impact of co-working companies, which have grown considerably in San Francisco during 2019.

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**COLTON
COMMERCIAL &
PARTNERS**
**RECENTLY CLOSED
TRANSACTIONS**

Property: Parking Garage
Location: 955 Sansome Street
Represented: Seller
Broker: M. Walker, D. Starr

Property: Retail
Retail: 1414 Van Ness Ave.
Represented: Benchmark Climbing
Broker: S. Santiago

Property: Office Building
Location: 601 Montgomery St.
Represented: Constangy, Brooks, Smith & Prophete LLP
Broker: J. Shaffer

Property: Office Building
Location: 235 Montgomery
Represented: Premier Talent Partners
Broker: B. Colton, T. DeCoite

Property: Full Building Retail
Location: 934 Market Street
Represented: Jollibee
Broker: M. Walker & D. Starr

Property: Office Building
Property: 1388 Sutter St.
Represented: Atlas Peak Capital Management
Broker: S. Santiago

Property: Office Building
Location: 301 Howard St.
Represented: Gigster
Broker: M. Walker

Property: Office Building
Location: 351 California St.
Represented: Rudy, Exelrod, Zieff, and Lowe LLP
Broker: J. Shaffer

Property: Office Building
Location: 300 Brannan
Represented: Landlord (Multiple Leases)
Broker: B. Colton, T. DeCoite

Property: Office Building
Location: 50 Osgood
Represented: Clean Sweep Campaigns
Broker: D. Starr

Property: Office Building
Location: 565 Commercial Street
Represented: Landlord
Broker: B. Colton, T. DeCoite

Top 10 Recent Leases*

TENANT	ADDRESS	LEASE TYPE	SQUARE FEET +/-
Pinterest	88 Bluxome St.	Direct	429,820
Visa	Mission Rock	Direct	300,000
Asana	633 Folsom St.	Direct	268,000
Slack	45 Fremont St.	Direct	208,459
Zynga	650 Townsend St.	Direct	185,000
Google	215 Fremont St.	Direct	150,079
TPG Global	345 California St.	Renewal	119,000
Autodesk	300 Mission St.	Direct	117,673
Glassdoor	300 Mission St.	Direct	116,688
Samsara	One De Haro	Direct	116,037

* Within past 12 months

Top 5 Recent Sales*

ADDRESS	PRICE	PRICE perSF	SQUARE FEET
555-575 Market St	\$722,000,000	\$938	777,000
650 Townsend St	\$602,679,598	\$900	670,000
250 Howard St	\$534,000,000	\$1,425	764,700
123 Mission St	\$397,000,000	\$1,094	363,052
550 Terry A. Francois Blvd	\$342,500,000	\$1,211	282,773

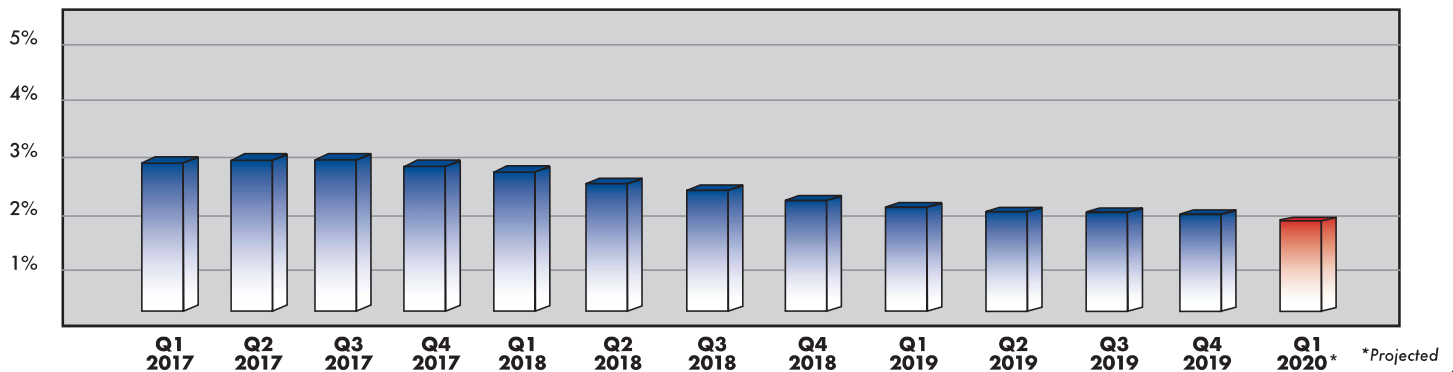
* Within the past 12 months

Market Data

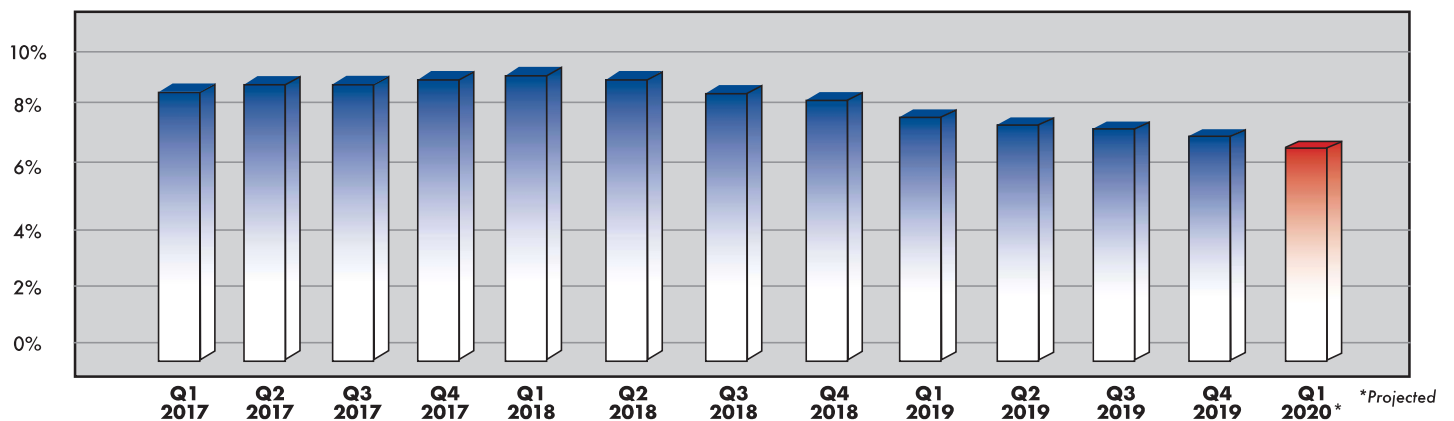
Asking Rents Are Being Driven By The Top 5% Of The Market

SUB MARKET	AVG ANNUAL ASKING RATE PER SF	VACANCY RATE	RENTAL RATE TREND
N. Financial District	\$88.25	5.50%	↑
S. Financial District	\$89.50	5.00%	↑
Jackson Square	\$75.00	6.00%	↑
North Waterfront	\$65.00	8.25%	↑
Union Square	\$74.75	8.00%	↑
Yerba Buena	\$82.50	5.50%	↑
Mid Market & Civic Center	\$64.50	9.00%	↑
Rincon / South Beach	\$90.25	4.90%	↑
SOMA	\$69.75	8.00%	↑
Mission	\$65.00	8.50%	↑

S.F. Historical Unemployment Data



Citywide San Francisco Vacancy



Colton Commercial & Partners, Inc.

Colton Commercial & Partners is a full-service commercial real estate firm specializing in Leasing, Investment Sales, Property Management and Project Management in San Francisco and the Greater Bay Area.

With over **160 years** of combined experience, our team of commercial real estate brokers brings service and expertise to a whole new level.

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CLIENT FOCUSED RESULTS DRIVEN



In recognition of our 12th year in business, we would like to acknowledge the below clients for their continued support



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