CBRE

Supply tightened and rents increased, driven by growth in Mission Bay

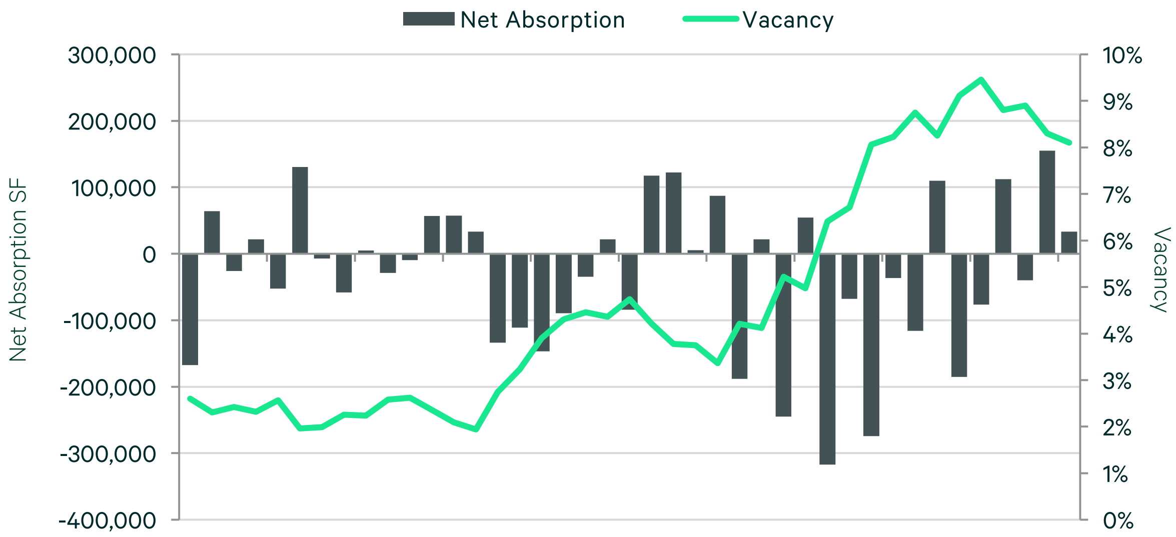
8.1%	33K	0	40K	$1.89
▼ Vacancy Rate	▼ Sq. Ft. Net Absorption	▶ Sq. Ft. Under Construction	▶ Sq. Ft. Under Construction	▲ IG / Monthly Lease Rate Existing Properties

Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

- Driven by 33,309 sq. ft. of positive net absorption, vacancy declined for the second straight quarter, falling 20 basis points (bps) to 8.1%. Availability increased by 20 bps to 9.8%.
- Mission Bay/China Basin occupancy growth continued in Q2 2026, registering 56,142 sq. ft. of positive net absorption. Mission Bay/China Basin led the market in year-to-date occupancy growth and had the lowest vacancy rate of any submarket.
- Warehouse vacancy declined 20 bps to 7.4%, while manufacturing vacancy held at 12.1%.
- Asking rates increased for the second straight quarter to $1.89 IG monthly, though pricing remained 25.6% below the Q1 2023 peak.
- No new supply was delivered during the quarter. 40,000 sq. ft. remained under construction at Pier 70.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q2 2026

FIGURE 2: Submarket Statistics

Submarket	Net Rentable Area	Total Available SF	Total Availability (%)	Total Vacant SF	Total Vacancy (%)	Q2 2026 Net Absorption	YTD 2026 Net Absorption	Average Direct Asking Rate IG Monthly
Bayview/Hunters Point	7,576,976	1,001,699	13.2%	879,262	11.6%	(35,474)	10,092	$1.44
Mission Bay/China Basin	3,172,256	30,994	1.0%	45,994	1.5%	56,142	137,132	$2.96
Mission/Potrero	7,999,822	546,695	6.8%	471,941	5.9%	36,435	12,170	$2.18
Showplace Square	886,247	308,497	34.8%	118,600	13.4%	32,421	39,227	$2.09
South of Market	2,214,931	256,956	11.6%	252,589	11.4%	(56,215)	(14,756)	$2.37
San Francisco Total Market	**21,850,232**	**2,144,841**	**9.8%**	**1,768,386**	**8.1%**	**33,309**	**183,865**	**$1.89**
Warehouse	**18,633,247**	**1,648,047**	**8.8%**	**1,379,301**	**7.4%**	**31,194**	**128,048**	**$1.73**
Manufacturing	**3,216,985**	**496,794**	**15.4%**	**389,085**	**12.1%**	**2,115**	**55,817**	**$2.34**

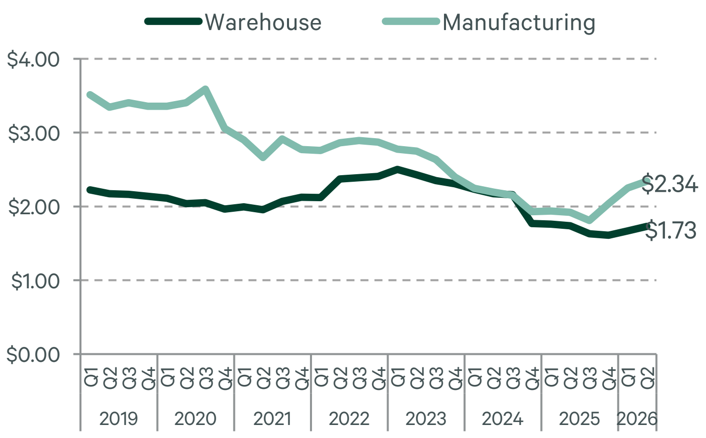
Source: CBRE Research, Q2 2026

FIGURE 3: Notable Lease Transactions Q2 2026

Tenant	Address	SF Leased	Deal Type
ProActive	101 Utah St	68,405	New Lease
Fyusion	630 Tennessee St	11,840	Renewal

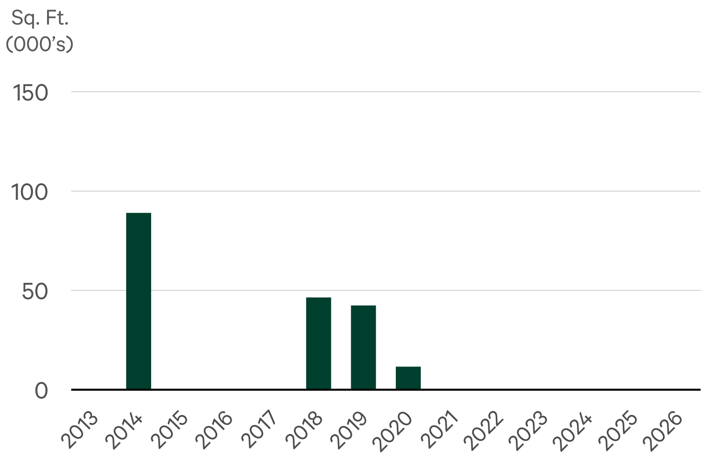
Source: CBRE Research, Q2 2026

FIGURE 5: Average Direct Asking Rate



Source: CBRE Research, Q2 2026

FIGURE 7: Construction Completions



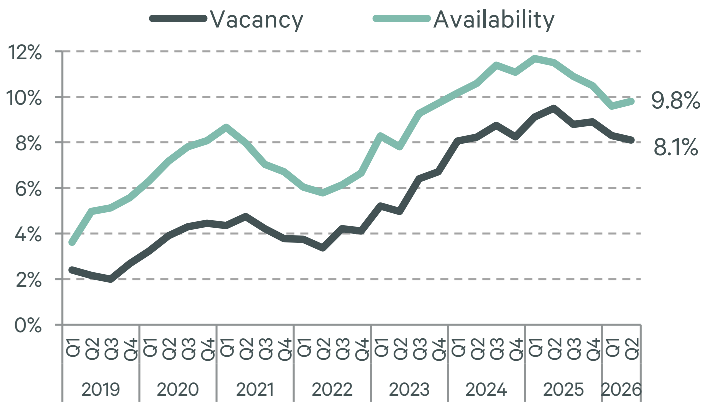
Source: CBRE Research, Q2 2026

FIGURE 4: Notable Sale Transactions Q2 2026

Buyer	Address	SF Sold	Sale Price
Terreno Realty	301 Mendell St	64,903	$26.0M
Private	924 Sansome St	21,822	$5.2M
Private	2765 16th St	17,160	$9.9M
Private	250 Dore St	14,543	$6.0M

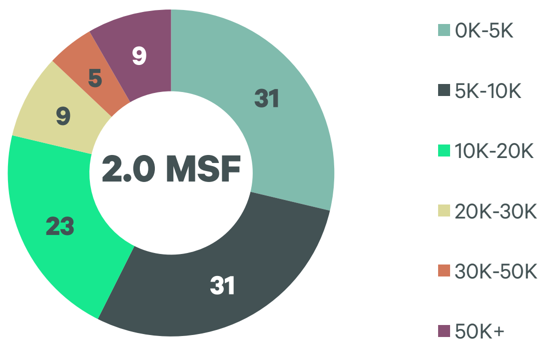
Source: CBRE Research, Q2 2026

FIGURE 6: Vacancy & Availability



Source: CBRE Research, Q2 2026

FIGURE 8: Number of Available Spaces by Size Range



Source: CBRE Research, Q2 2026

Aerial View of Submarkets

Source: CBRE Research, Location Intelligence, Q2 2026

Definitions

Average Asking Rate Direct Monthly Lease Rates., Industrial Gross (IG). Availability: All existing space being marketed for lease. Total Vacancy Rate: Direct Vacancy + Sublease Vacancy.

CBRE's market report analyzes existing single- and multi-tenant industrial buildings that total 1,000+ sq. ft. in San Francisco County. CBRE assembles all information through telephone canvassing, third-party vendors, and listings received from owners, tenants and members of the commercial real estate brokerage community

Contacts

Aaron Goodale

Research Manager
+1 510 579 0713
Aaron.Goodale@cbre.com

Libby Wiskind

Research Analyst
+1 415 772 0432
Libby.Wiskind@cbre.com

Vikram Narula

Research Analyst
+1 925 876 7491
Vikram.Narula@cbre.com

Konrad Knutsen

Associate Director, Northern CA
+1 916 446 8292
Konrad.Knutsen@cbre.com

San Francisco Office

415 Mission St, Suite 4600
San Francisco, CA 94105