Vacancy declined and rents increased, led by growth in Mission/Potrero

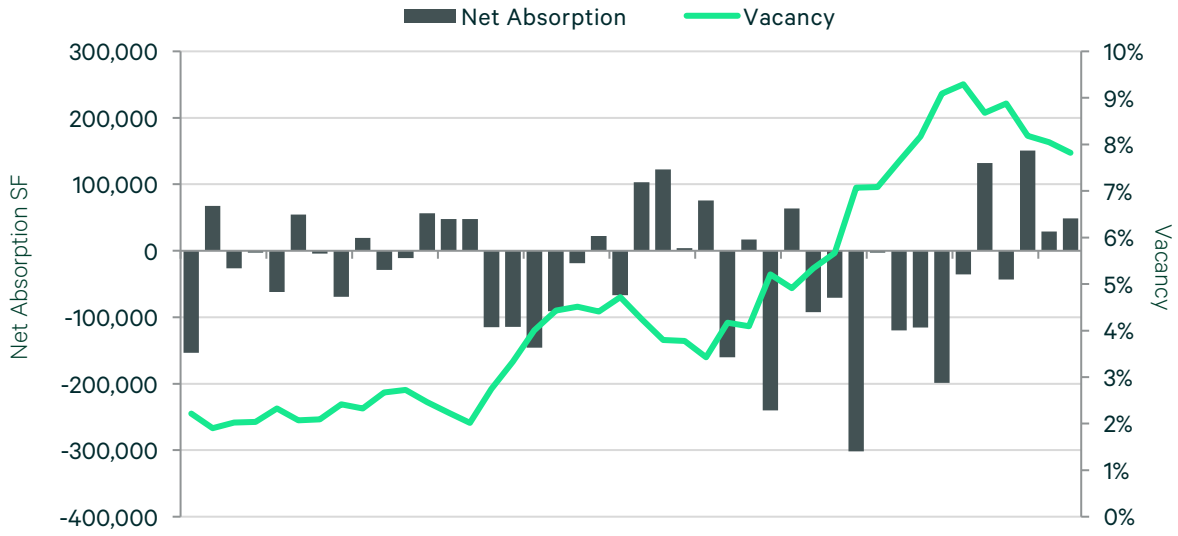
7.8%	49K	0	40K	$1.94
Vacancy Rate	Sq. Ft. Net Absorption	Sq. Ft. Under Construction	Sq. Ft. Under Construction	IG / Monthly Lease Rate Existing Properties

Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

- 48,949 sq. ft. of positive net absorption, reduced vacancy for the third straight quarter, falling 20 basis points (bps) to 7.8%. Availability decreased by 60 bps to 9.3%.
- The Mission/Potrero submarket led occupancy growth in Q3 2026, registering 97,954 sq. ft. of positive net absorption. Mission Bay/China Basin had the lowest vacancy rate at 2.7%.
- Warehouse vacancy declined 10 bps to 7.3%; manufacturing vacancy fell 110 bps to 11.0%.
- Asking rates increased for the fourth straight quarter to $1.94 IG monthly, though pricing remained 28.5% below the Q1 2023 peak.
- No new supply was delivered during the quarter, while 40,000 sq. ft. remained under construction at Pier 70.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q3 2026

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FIGURE 2: Submarket Statistics

Submarket	Net Rentable Area	Total Available SF	Total Availability (%)	Total Vacant SF	Total Vacancy (%)	Q3 2026 Net Absorption	YTD 2026 Net Absorption	Average Direct Asking Rate IG Monthly
Bayview/Hunters Point	7,555,210	924,315	12.2%	892,975	11.8%	(14,423)	(4,331)	$1.44
Mission Bay/China Basin	2,967,579	113,456	3.8%	79,587	2.7%	(33,593)	103,539	$3.12
Mission/Potrero	7,945,499	388,868	4.9%	358,863	4.5%	97,954	105,624	$2.22
Showplace Square	886,247	306,118	34.5%	108,731	12.3%	9,869	49,096	$2.09
South of Market	2,199,892	275,458	12.5%	245,821	11.2%	(10,858)	(25,614)	$2.63
San Francisco Total Market	**21,554,427**	**2,008,215**	**9.3%**	**1,685,977**	**7.8%**	**48,949**	**228,314**	**$1.94**
Warehouse	**18,591,513**	**1,576,734**	**8.5%**	**1,359,426**	**7.3%**	**13,824**	**127,589**	**$1.75**
Manufacturing	**2,962,914**	**431,481**	**14.6%**	**326,551**	**11.0%**	**35,125**	**100,725**	**$2.48**

Source: CBRE Research, Q3 2026

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FIGURE 3: Notable Lease Transactions Q3 2026

Tenant	Address	SF Leased	Deal Type
Airbnb	850 Brannan St	122,958	New Lease
Physical Intelligence	850 Brannan St	80,964	Sublease

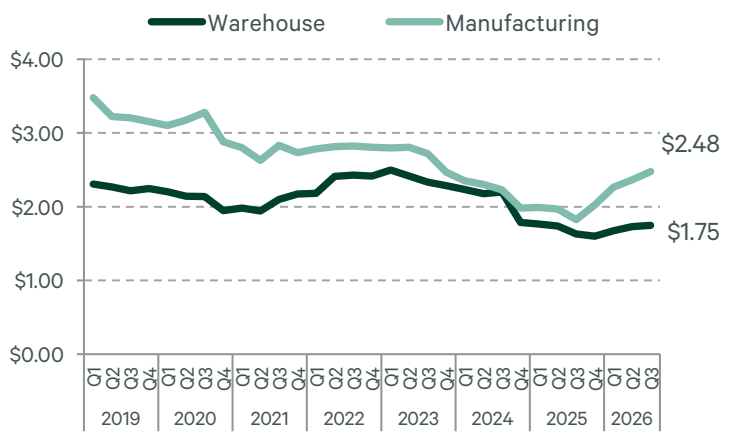
Source: CBRE Research, Q3 2026

FIGURE 4: Notable Sale Transactions Q3 2026

Buyer	Address	SF Sold	Sale Price
Lincoln Property Co	300 Kansas St	150,000	$61.6M
Rishabh Nijhawan	1500-1582 Indiana St	28,700	$750K

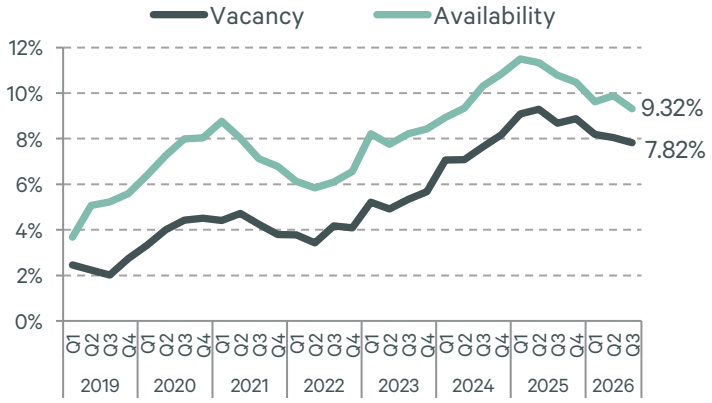
Source: CBRE Research, Q3 2026

FIGURE 5: Average Direct Asking Rate



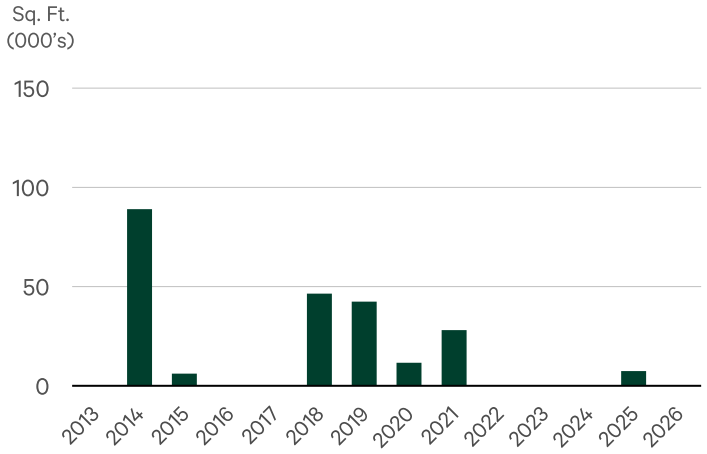
Source: CBRE Research, Q3 2026

FIGURE 6: Vacancy & Availability



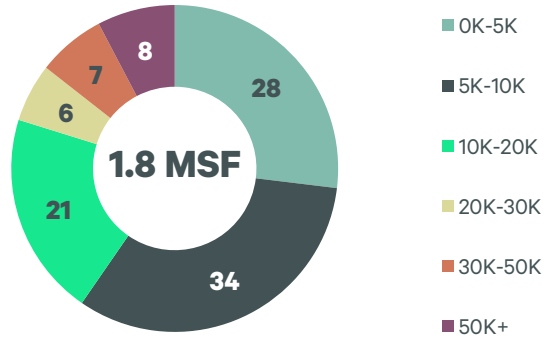
Source: CBRE Research, Q3 2026

FIGURE 7: Construction Completions



Source: CBRE Research, Q3 2026

FIGURE 8: Number of Available Spaces by Size Range



Source: CBRE Research, Q3 2026

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Aerial View of Submarkets



Source: CBRE Research, Location Intelligence, Q3 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

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