

FIGURES | SAN FRANCISCO INDUSTRIAL | Q1 2026

Uptick in leasing activity shrunk vacancy and pushed rents up

▼ 8.3%
Vacancy Rate

▲ +155K
Sq. Ft. Net Absorption

▶ 40K
Sq. Ft. Under Construction

▲ \$1.82
IG / Monthly Lease Rate
Existing Properties

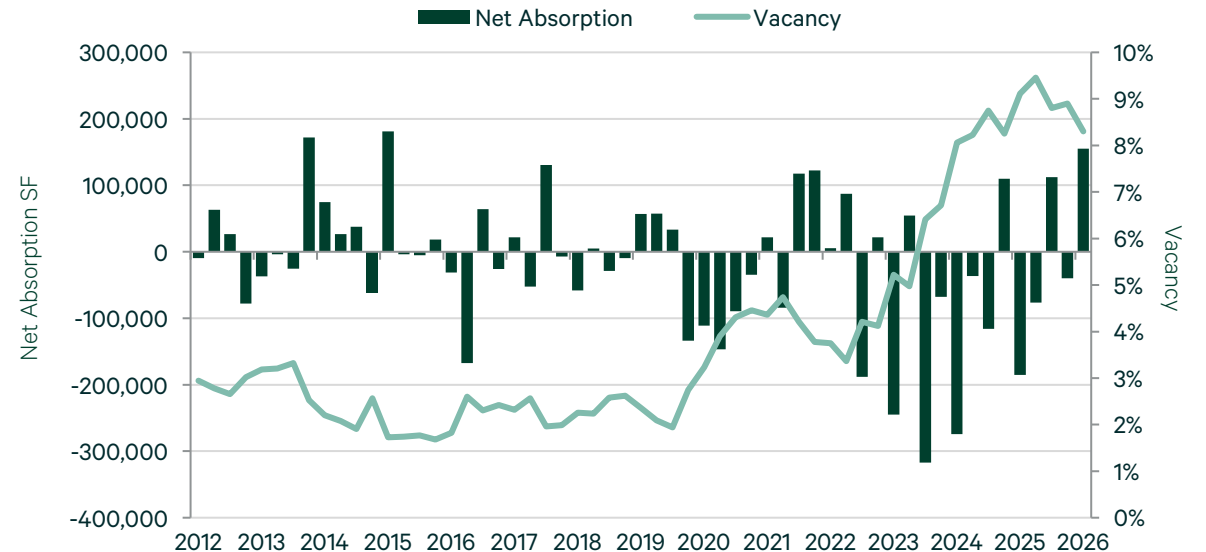
▼ 30.7K
Industrial Using Employment

Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

- During Q1 2026, the vacancy rate dropped by 60 basis points (bps) to 8.3%, bolstered by 155,156 sq. ft. of positive net absorption. The availability rate dropped by 90 bps to 9.6%.
- The Mission Bay/China Basin submarket drove occupancy growth, recording 80,990 sq. ft. of positive net absorption. In contrast, Mission/Potrero was the only submarket that lost occupancy, posting 24,265 sq. ft. of negative net absorption.
- Warehouse vacancy rates dipped by 40 bps to 7.6%, while manufacturing facilities saw a more significant improvement, with vacancy falling by 200 bps to 12.1%.
- Asking rates increased for the second consecutive quarter, reaching \$1.82 IG monthly. Despite this growth, pricing remains 28.3% below the peak recorded in Q1 2023.
- No new developments were completed during the quarter, while 40,000 sq. ft. remained under construction at Pier 70.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q1 2026

FIGURE 2: Submarket Statistics

Submarket	Net Rentable Area	Total Available SF	Total Availability (%)	Total Vacant SF	Total Vacancy (%)	Q1 2026 Net Absorption	YTD 2026 Net Absorption	Average Direct Asking Rate IG Monthly
Bayview/Hunters Point	7,572,716	946,285	12.5%	843,788	11.1%	46,566	46,566	\$1.50
Mission Bay/China Basin	3,180,769	52,898	1.7%	108,330	3.4%	80,990	80,990	\$2.29
Mission/Potrero	8,013,425	586,859	7.3%	511,577	6.4%	(24,265)	(24,265)	\$2.05
Showplace Square	886,247	315,987	35.7%	151,021	17.0%	6,806	6,806	\$2.07
South of Market	2,221,198	206,441	9.3%	191,524	8.6%	45,059	45,059	\$2.21
San Francisco Total Market	21,874,355	2,108,470	9.6%	1,806,240	8.3%	155,156	155,156	\$1.82
Warehouse	18,644,651	1,614,540	8.7%	1,416,689	7.6%	97,854	97,854	\$1.67
Manufacturing	3,229,704	493,930	15.3%	389,551	12.1%	57,302	57,302	\$2.25

Source: CBRE Research, Q1 2026

FIGURE 3: Notable Lease Transactions Q1 2026

Tenant	Address	SF Leased	Deal Type
Zoox	630 Cesar Chavez St	128,005	New Lease
Herrero, Boldt, Webcor	435 23rd St	75,000	New Lease
Mariana Minerals	1000 25th St	18,432	New Lease

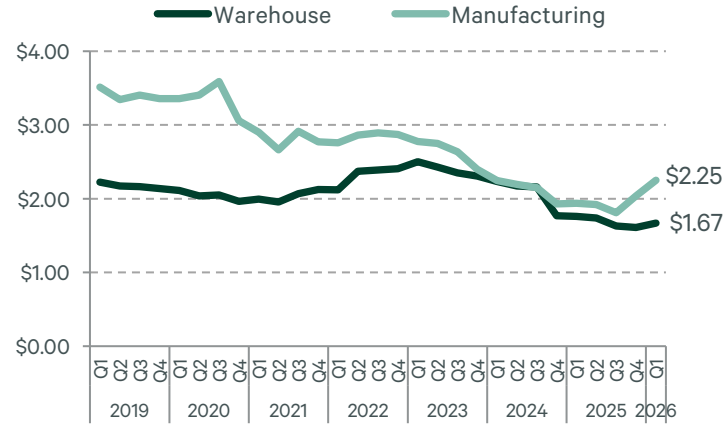
Source: CBRE Research, Q1 2026

FIGURE 4: Notable Sale Transactions Q1 2026

Buyer	Address	SF Sold	Sale Price
Norges Bank	180 Napoleon St	205,674	\$35.2M
Shepherd Futures	501 De Haro St	89,630	\$5.0M
Minnesota St Project	1150 25th St	53,034	\$20.0M
MCA Realty	2025 Newcomb Ave	42,497	\$7.8M

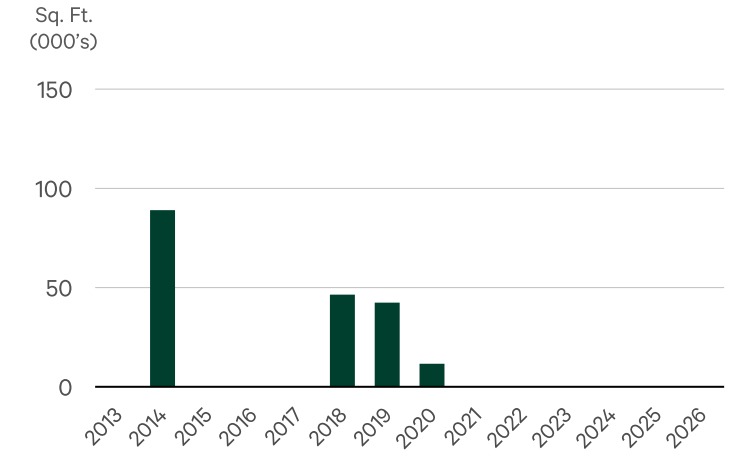
Source: CBRE Research, Q1 2026

FIGURE 5: Average Direct Asking Rate



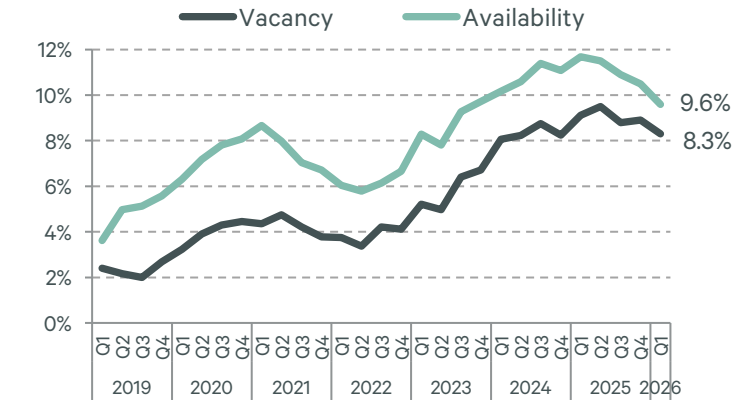
Source: CBRE Research, Q1 2026

FIGURE 7: Construction Completions



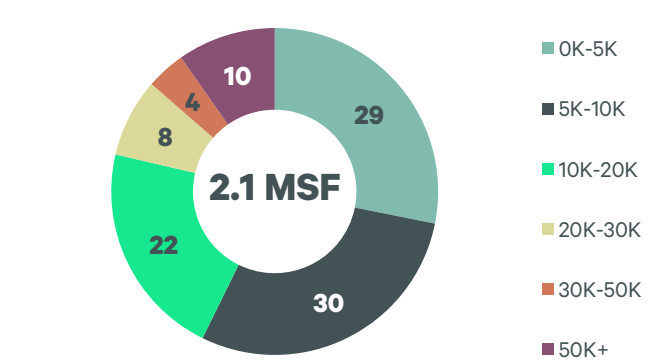
Source: CBRE Research, Q1 2026

FIGURE 6: Vacancy & Availability



Source: CBRE Research, Q1 2026

FIGURE 8: Number of Available Spaces by Size Range



Source: CBRE Research, Q1 2026

Aerial View of Submarkets



Source: CBRE Research, Location Intelligence, Q1 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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