



**375
BEALE
STREET**

BAY
AREA
METRO
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REVIEW PACKAGE

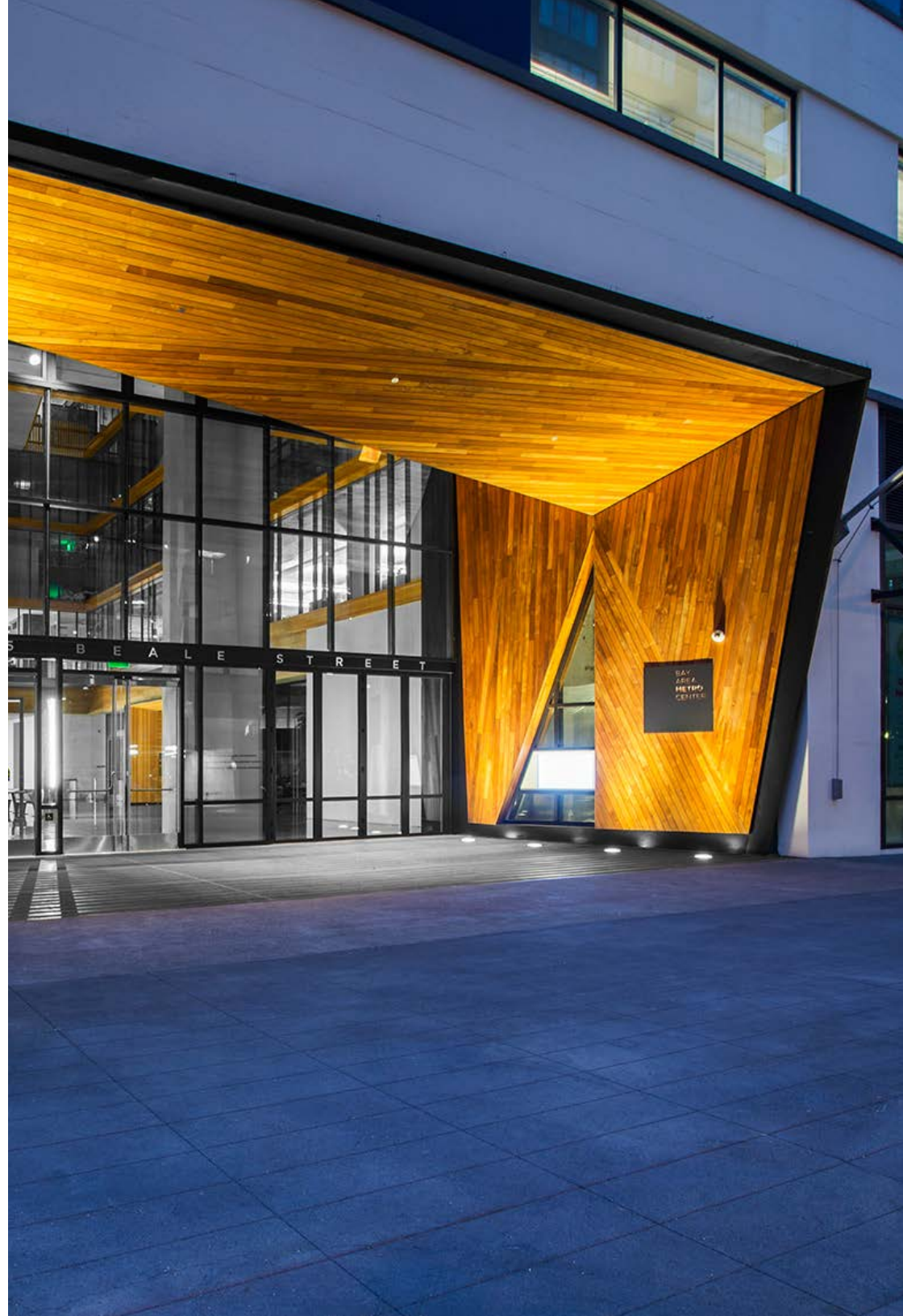
JULY 2023

Presented by John Walsh & Brendon Kane



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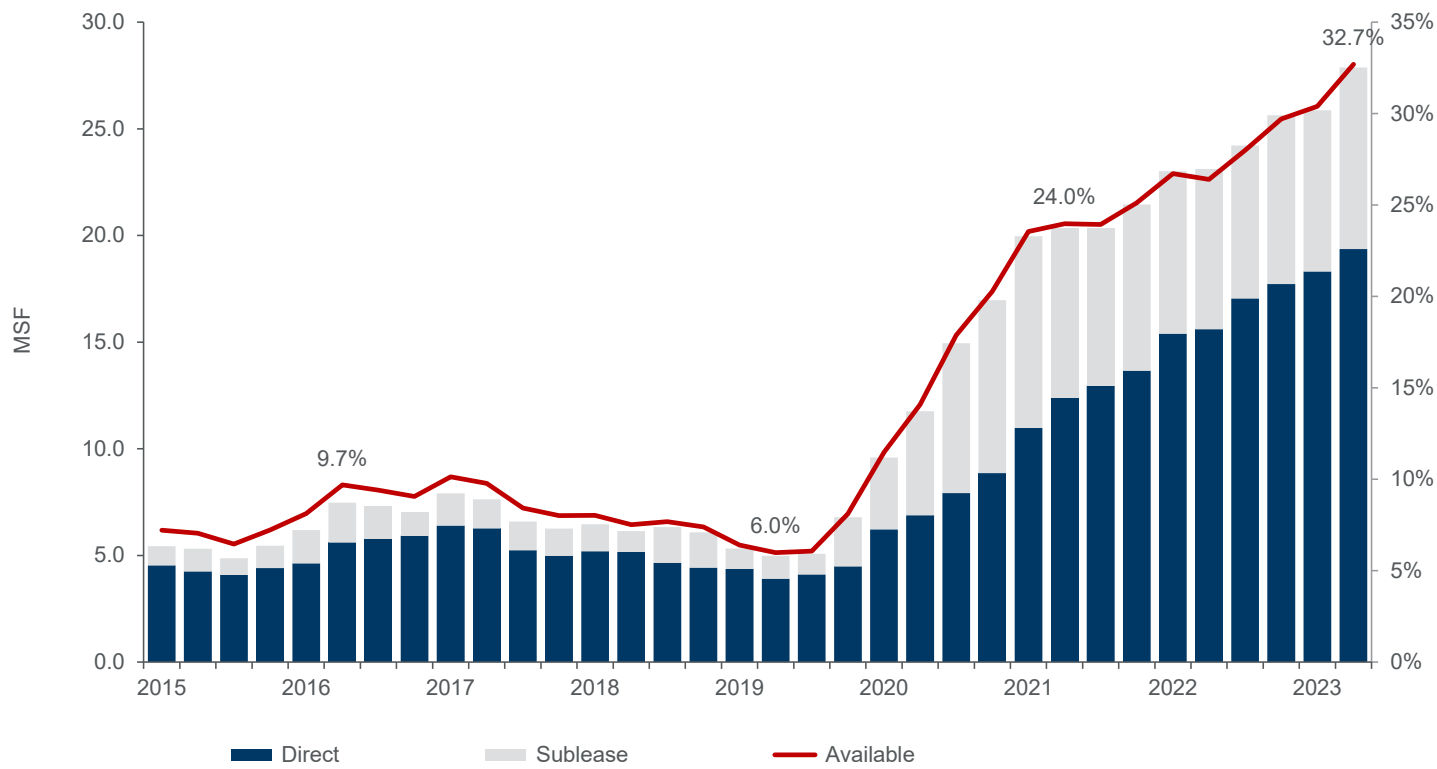
STATE OF THE MARKET

SAN FRANCISCO OFFICE

Q2 2023 AVAILABILITIES

DIRECT AND SUBLEASE AVAILABILITY TOTALS 19.4 MSF AND 8.5 MSF, BRINGING THE OVERALL MARKET AVAILABILITY 26.7% HIGHER THAN Q2 2019

Available space - All space listed on the market, including vacant space and space available in the future



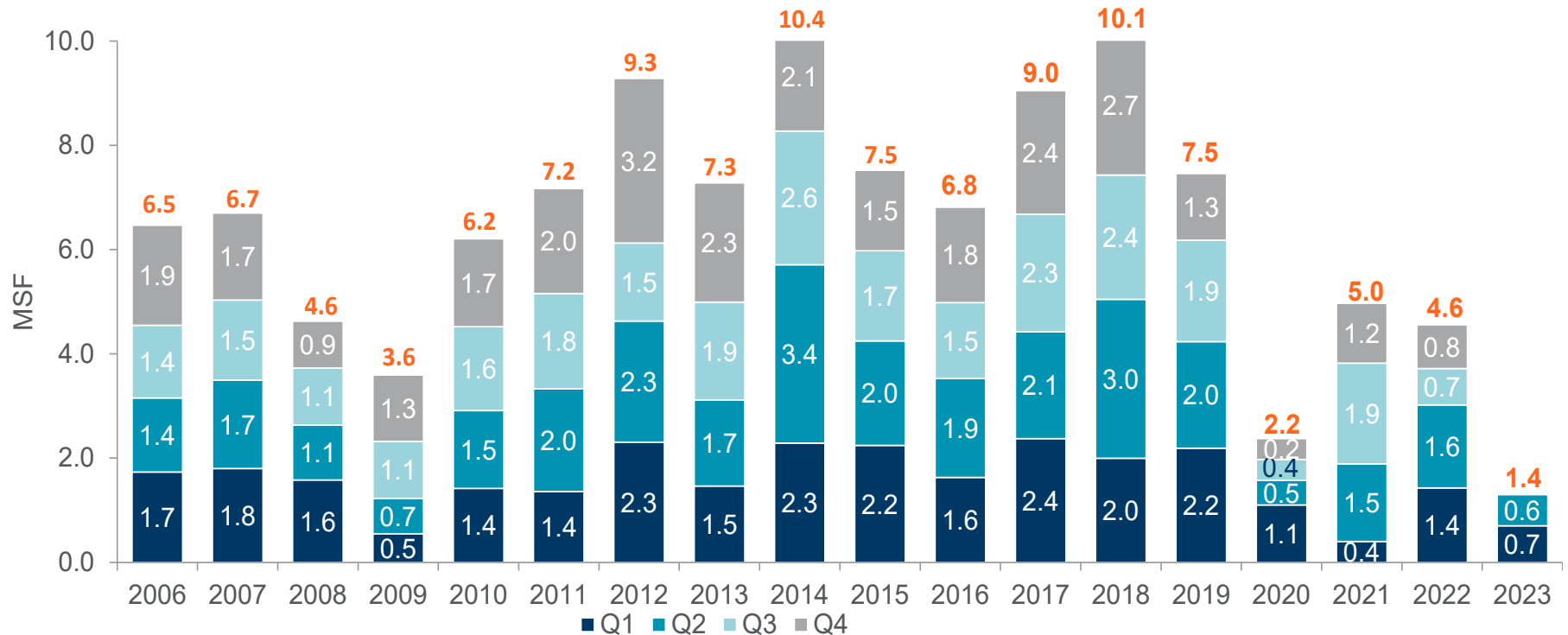
KEY STATS

- 32.7%**
Overall Market Availability
- 19.4 msf**
Total Direct Availability
- 8.5 msf**
Total Sublease Availability

STATE OF THE MARKET

NEW LEASING BY QUARTER

- New leasing continues to be slow in Q2 2023; at just above 560,000 sf, that brings the total for 1H 2023 to 1.4 msf.
- For the year, transactions have been heavily weighted to both Class A (73.3% Citywide) and the CBD (76.9% across all classes).



30+ spaces of 50K ft+

Available within .5 miles of 375 Beale, with avg time on market of over 2 years

STACKING PLAN

375 BEALE STREET - STACKING PLAN

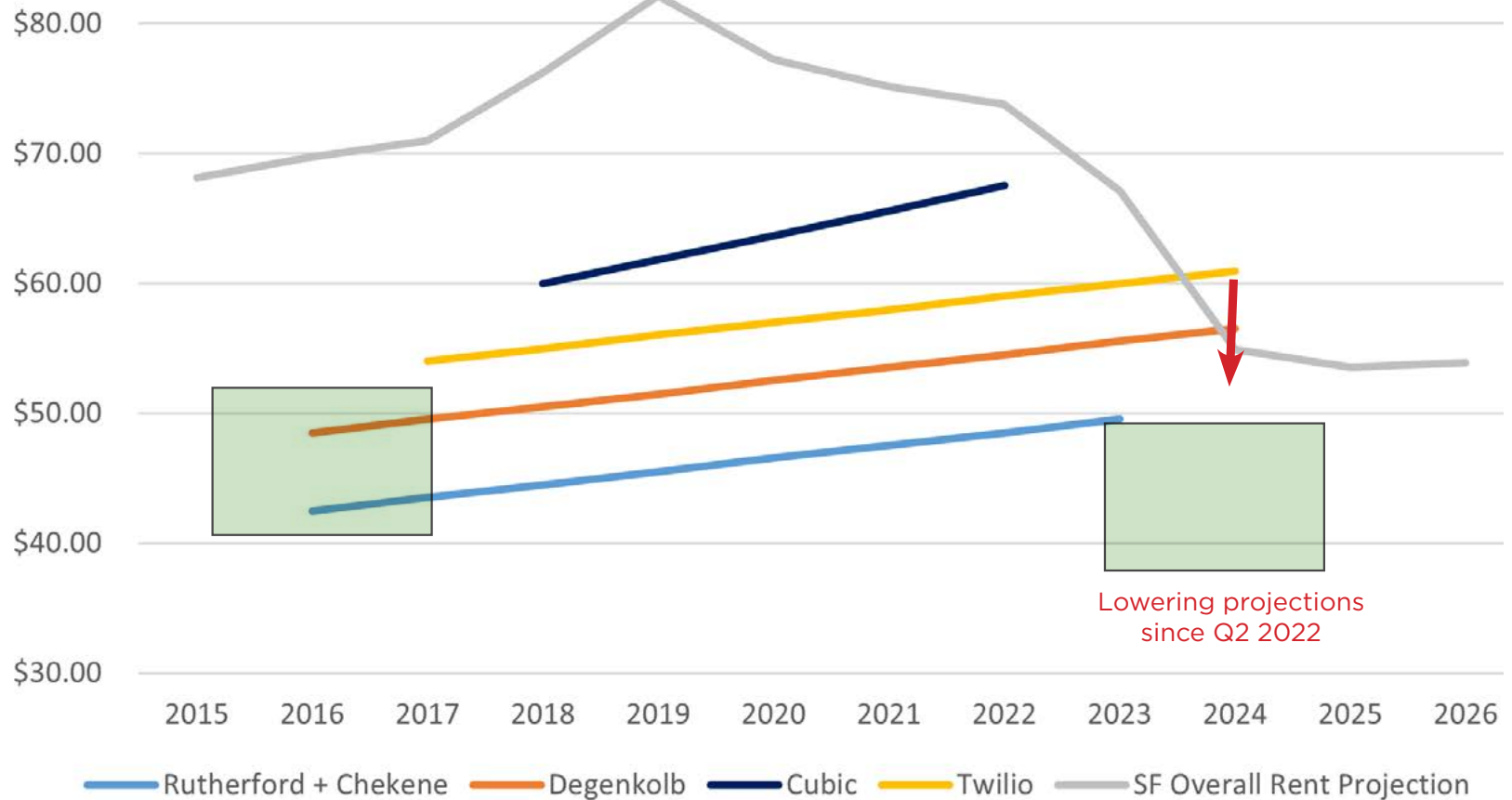
BOMA 2015 Legacy Method A Measurement: Completed by Smith Group 6.19.15 = (2015)
 BOMA 2017 Method A Measurement: Completed by Smith Group 8.31.22 = (2017)

FLOOR						+/- USF	LOAD FACTOR	+/- RSF	Agency +/- RSF		
8	SERVICE AREA 6,300 SF / (2015) 4,822.49 SF / (2017)	AGENCY: BAH/MTC/BAAQMD SUITE 800 49,000 RSF (2015) 56,088.10 RSF (2017)				Current: 52,054 New: 51,554	Current: 1.070 New: 1.182	Current: 55,700 New: 60,910	Current: 55,700 New: 60,910		
7	SERVICE AREA 6,300 SF / (2015) 5,279.82 SF / (2017)	AGENCY: BAH/MTC/BAAQMD SUITE 700 49,000 RSF (2015) 56,337.22 RSF (2017)				Current: 53,815 New: 51,576	Current: 1.064 New: 1.191	Current: 57,300 New: 61,617	Current: 57,300 New: 61,617		
6	SERVICE AREA 6,300 SF (2015) 6,060.50 SF (2017)	AGENCY: BAAQMD - SUITE 600 51,800 RSF (2015) 62,383.50 RSF (2017)				Current: 54,579 New: 51,710	Current: 1.064 New: 1.206	Current: 58,100 New: 62,383	Current: 58,100 New: 62,384		
5	SERVICE AREA 6,300 SF (2015) 5,997.42 SF (2017)	AGENCY: MTC - SUITE 510A 14,900 RSF (2015) 15,690.41 RSF (2017)	AGENCY: SHARED 890SF RSF (2015) 809.59 USF / 974.58 RSF (2017)	AGENCY: BCDC - SUITE 510 OCCUPY: 9-1-2019 EXPIRE: 8-31-2027 OPTIONS: N/A 18,890 USF / 21,000 RSF (2015) 18,370.16 USF / 22,114 RSF (2017)	DEGENKOLB - SUITE 500 OCCUPY: 2-1-2017 EXPIRE: 01-31-2027 Option: On-60 months (i.e. 01-31-2032) 19,393 USF / 21,559 RSF (2015) 19,709 USF / 23,725.69 RSF (2017)	Current: 52,344 New: 51,923	Current: 1.116 New: 1.204	Current: 57,459 New: 62,504	Current: 35,900 New: 38,779		
4	SERVICE AREA 2,388 SF (2015) 2,388.87 SF (2017)	TWILIO TWILIO - SUITE 400 OCCUPY: 10-13-2016 EXPIRE: 10-31-2024 OPTION: Two options-36 mos each 58,290 RSF (2015) 55,573.95 USF / 62,665.19 RSF (2017)				Current: 54,571 New: 55,574	Current: 1.071 New: 1.128	Current: 58290 New: 62,665	Current: 0.00 New: 0.00		
3	SERVICE AREA 6,230 SF (2015) 6,230.45 SF (2017)	TWILIO - SUITE 300 OCCUPY: 10-13-2016 EXPIRE: 10-31-2024 OPTION: Two options at 36 mos 29,941 USF / 33,533 RSF (2015) 30,75.98 USF / 36,758.35 RSF (2017)	RUTHERFORD & CHEKENE - SUITE 310 OCCUPY: 12-01-2015 EXPIRE: 08-31-2023 OPTION: One option-extend up to 5 yrs 12,476.00 USF / 13,892.00 RSF (2015) 12,895.12 USF / 15,412.25 RSF (2017)	CONDUENT - SUITE 330 OCCUPY 04-01-2016 EXPIRE: 09-28-2027 OPTION: Annual increments up to 10 yrs 5,517.00 USF / 6,179.00 RSF (2015) 5,619.95 USF / 6,716.96 RSF (2017)	VACANT SPACE - SUITE 340 2,991.00 RSF (2015) 2,945.51 USF / 3,520.47 RSF (2017)	Current: 50,641 New: 52,216	Current: 1.119 New: 1.195	Current: 56,595 New: 62,408	Current: 0.00 New: 0.00		
2	SERVICE AREA 6,300 SF (2015) 4,112.63 SF (2017)	PARKING 16,064 SF (2015) 16,491.54 SF (2017)	AMENITIES 4,100 SF (2015) 4,431.92 SF (2017)	AGENCY: BAAQMD (LAB) 5,500 RSF (2015) 5,885.74 RSF (2017)	AGENCY/SHARED MAILROOM 4,100 RSF (2015) 7,209.44 (2017)	C&W SUITE 256 1,082 RSF (2015) 1,724.78 RSF (2017)	CONDUENT - SUITE 210 OCCUPY: 04-01-2016 EXPIRE: 09-28-2027 Option: Annual increments up to 10 yrs 18,836 USF / 21,096 RSF (2015) 19,586.93 USF / 23,992.03 RSF (2017)	Current: 28,403 New: 28,210	Current: 1.120 New: 1.225	Current: 31,778 New: 34,554	Current: 30,696 New: 10,562
1	SERVICE AREA 27,603.00 SF (2015) 27,603.20 SF (2017)	PARKING 15,912 SF (2015) 16,302.29 SF (2017)	AGENCY: BAH/MTC* 12,666 USF / 14,200 RSF (2015) 17,143.55 USF / 21,390.01 RSF (2017)		RETAIL A 4,310 USF / 4,827 RSF (2015) *COMBINED WITH AGENCY SPACE (2017)	RETAIL/HUB RESOURCE CENTER 1,521 RSF (2015) 1,357.74 USF / 1,694.05 RSF (2017)	Current: 18,334 New: 18,501	Current: 1.120 New: 1.248	Current: 20,548 New: 23,084	Current: 14,200 New: 21,390	

CURRENT TOTALS BASED ON 2015 MEASUREMENT: 364,741 395,770 251,896 64%
 NEW TOTALS BASED ON 2017 MEASUREMENT: 361,445 430,127 255,642 59%

HISTORICAL RENT COMPARISON

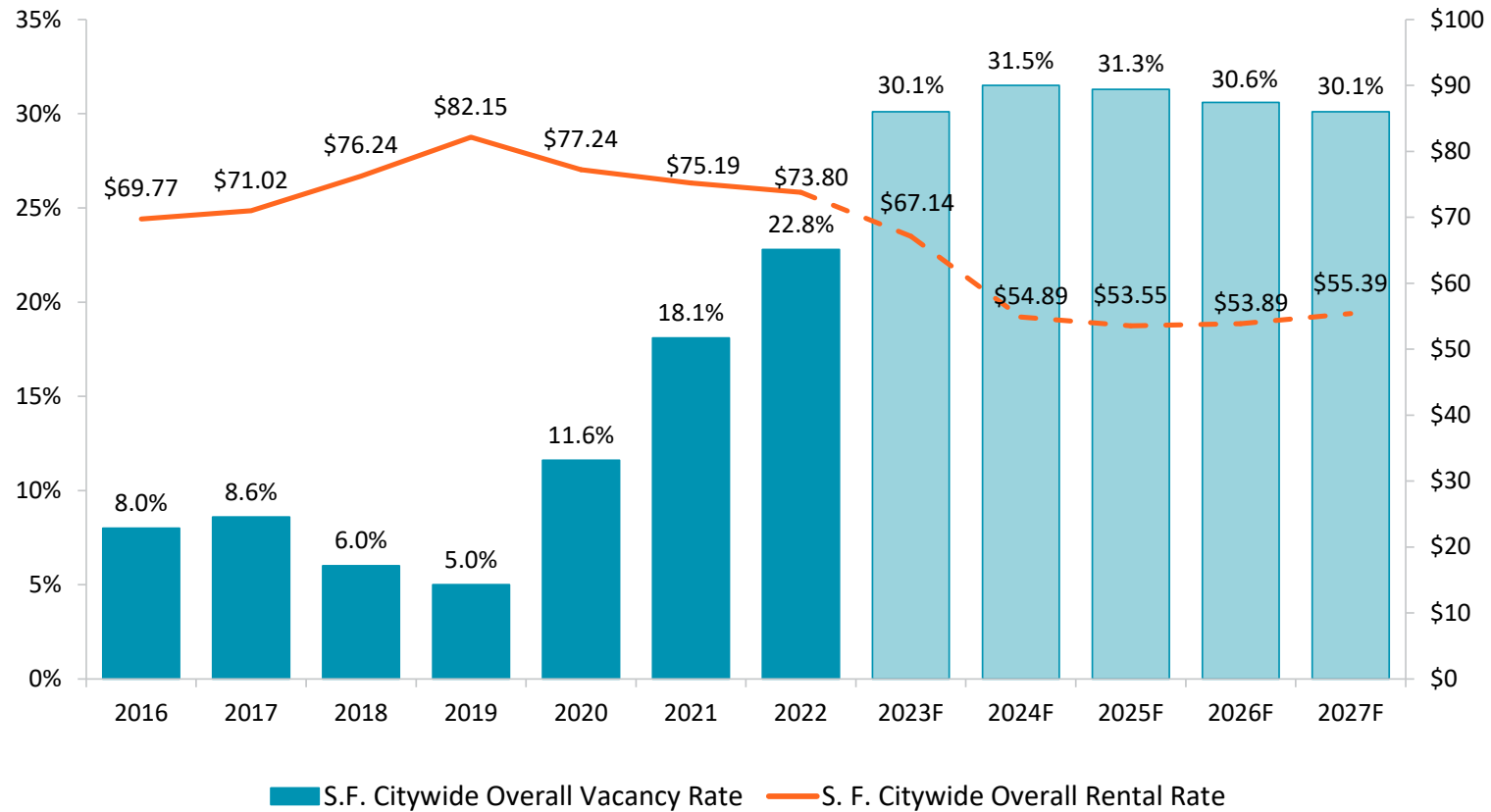
375 Beale vs Average Citywide Asking Rents



* Asking Rent Forecasts are based on Fully Serviced rents.
 375 Beale Rates are Net of Electric
 (\$2-\$3 per ft per year more for Full Service equivalent)

HISTORICAL RENT COMPARISON

San Francisco Citywide Overall Office Forecast



Baseline Forecast

- Asking rent is forecast to fall to \$53.55 at YE 2025 (down 34.8% from the high at YE 2019) with minimal increases through YE 2027.
- The vacancy rate is forecast to increase to rise to 31.5% at YE 2024 before slow improvement through YE 2027.
- Only 656,000 sf of new inventory is expected through the forecast period – all smaller non-CBD properties to be added.



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THANK YOU