

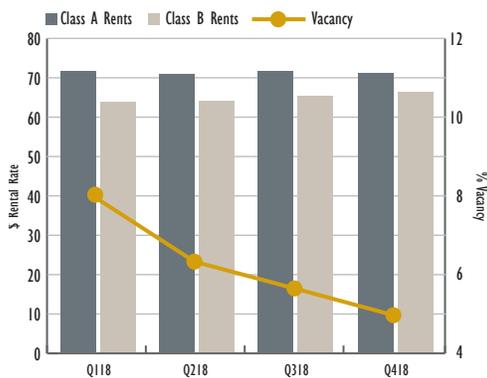
Fourth quarter leasing activity remained strong, mirroring the numbers we saw in the 3rd quarter. Vacancy rates continued to drop, hitting 5%, a number which has not been seen since the year 2000.

Vacancy Rates Drop Again

Fourth quarter leasing activity was strong with vacancy rates continuing to drop. Vacancy rates fell from an adjusted 5.7% in the 3rd quarter to 5.0% in the 4th quarter. Gross leasing increased from 1,081,384 square feet in the 3rd quarter to 1,585,255 square feet in the 4th quarter. Net absorption was 400,447 square feet, slightly less than 3rd quarter absorption of 459,503 square feet.

Average asking rental rates for Class A space decreased to \$70.80 in the 4th quarter from \$71.45 in the 3rd quarter. Average rental rates for Class B financial core space increased from \$65.01 in the 3rd quarter to \$66.08 in the 4th quarter. Class B absorption was negative at -24,171. This was a decrease from the 3rd quarter absorption of 155,222 square feet.

SAN FRANCISCO FINANCIAL CORE



South of Market (SOMA) vacancy rates decreased dramatically due to full building commitments from tech tenants, moving from 6.1% vacancy rate in the 3rd quarter to 3.6% in the 4th quarter.

Google Adds 500,000 Square Feet

Early in the 4th quarter Google committed to over 300,000 square feet of expansion space at One Market Street “The Landmark”. Google also has a letter of intent for an additional

200,000 square feet at One Maritime Plaza. These two new leases will bring Google’s total commitment in San Francisco to 1.5 million square feet of space, making them the 4th largest user of space in San Francisco. Other locations for Google are clustered in the Spear Street corridor at 345 Spear Street/Hills Plaza, 2 Harrison/Hills Plaza 2, 121 Spear Street/Rincon Center 2 and 188 Embarcadero. The space Google leased at One Market Street was previously occupied by Salesforce and became available when they moved into their new headquarters, Salesforce Tower. Space at One Maritime became available due to tenants moving to Salesforce Tower.

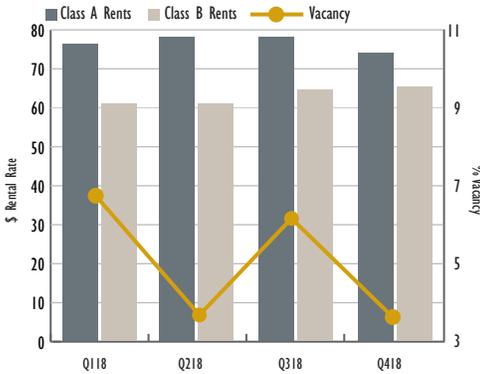
Axiant Represents Coblenz Law Firm

The Axiant Group is pleased to have represented well known San Francisco-based law firm of Coblenz Patch Duffy & Bass. Axiant Group principal Jeff Tremolada was the lead advisor for the firm’s expansion, which will increase their footprint to over 56,824 square feet on three floors. They occupy the 28th, 29th and 30th floors at One Montgomery Tower. The lease was also extended to allow for over twelve years of occupancy. One Montgomery is a 36-floor tower with over 750,000 square feet of space. Originally built as the headquarters for Crocker Bank in 1982, the building was overbuilt and is a Class “A” building in all aspects. The location is also optimal – it is next to BART/Muni and is close to the South of Market area, making the building attractive to both older established firms and technology tenants. The building also features very efficient floor layouts for large users. Some years ago the Axiant group represented Schwab when they leased over 250,000 square feet in the building. Schwab selected this property for its layout – they were able to significantly decrease the amount of square footage they needed in comparison to the alternatives.



One Montgomery

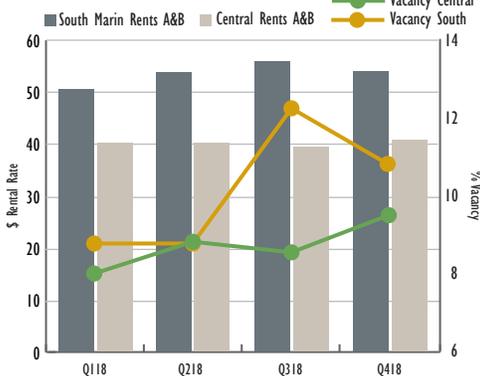
SAN FRANCISCO SOMA



Where's the Space?

Submarket	Direct SF	Vacancy (direct)	Sublet SF	Vacancy (sublet)	Total SF	Vacancy (Total)
Top 10 Build.	521,531	4.70%	72,518	.60%	594,049	5.30%
Fin. Dist. A	1,842,666	4.10%	254,614	.60%	2,097,280	4.60%
Fin. Dist. B	697,994	5.50%	117,192	.90%	815,186	6.50%
SOMA A	70,958	2.40%	75,953	2.60%	146,911	5.00%
SOMA B	270,843	2.60%	70,709	.70%	341,552	3.20%

MARIN



Large Tenants in the Market

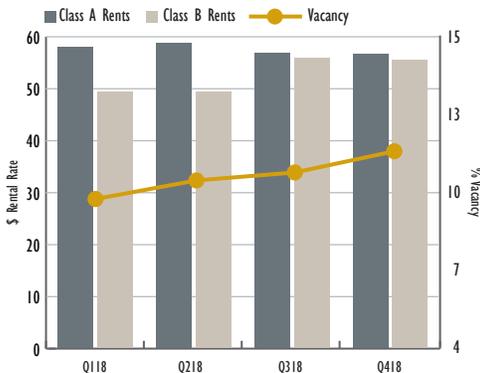
Tenant	Sq. Ft.
Slack	200,000
Google	190,000
Skillz	45,000

Significant Leases Completed in the Fourth Quarter

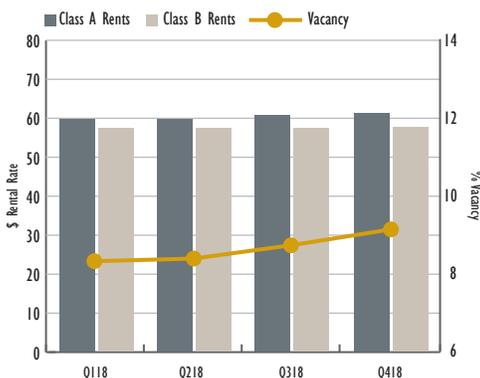
Tenant	Sq. Ft.	Address
Salesforce ***	325,000	550 Howard (Parcel F)
Google ***	309,457	One Market -Landmark
Doordash	175,261	303 Second Street
iRythmn Technologies	117,688	650 Townsend
WeWork ***	103,000	One Post Street
Pivitol	84,000	875 Howard Street
Instacart ***	79,000	50 Beale Street
Twitter * ***	78,603	1301 Market Street
Coblentz et al.* ***	56,824	One Montgomery Tower
Getaround	54,000	55 Green Street
Paypal	45,649	123 Townsend Street
Lime	41,699	85 Second Street

*Renewal **Sublease ***Expansion

OAKLAND CBD



PENINSULA



The Axiant Group Can Help You

Do you want information about rents and space available in your building? Are you interested in subleasing or terminating your lease? Is your lease expiring in the next three years?

Contact The Axiant Group. We have handled transactions from 1,000 to 1,000,000 sq.ft. in the Bay Area and throughout the U.S. The average tenure of our brokers is over 20 years. We have handled assignments for clients including Chevron U.S.A., Coblentz, Patch, Duffy & Bass, Oracle Corporation, PG&E, Sutro & Company, Zurich Scudder Investments, Charles Schwab, Texas Pacific Group, Club One, Moss Adams, and many others.



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