

Real Estate Market Review

San Francisco Retail

Top Sale Transactions for 2Q18

| Property | Submarket | Square Feet | Sale Price | Price/SF | Buyer | Seller |
|--------------------------|--------------------|-------------|--------------|------------|------------------------------------|--------------------------|
| 570-572 Market Street | Financial District | 16,195 | \$14,500,000 | \$895.34 | Kwok Properties SF LLC | Wai J. W. & Lap K. A. Ng |
| 532 Sutter Street | Union Square | 16,596 | \$9,000,000 | \$542.30 | Greenhood Investment | An Sutter Street LLC |
| 2610-2612 Mission Street | Southern City | 12,972 | \$5,600,000 | \$431.70 | CG Jung Institute of San Francisco | Bassem R. Sirhed |
| 124-140 Columbus Avenue | Jackson Square | 5,060 | \$5,250,000 | \$1,037.55 | Eco Terreno, Inc. | Christopher M. Burnett |
| 2884-2898 Mission Street | Southern City | 15,270 | \$4,600,000 | \$301.24 | Azar Management Inc. | Raymont & Donna Wong |

Top Lease Transactions for 2Q18

| Property | Submarket | Square Feet | Date | Landlord |
|-------------------------|----------------------|-------------|------------|----------------------------|
| 1059-1061 Market Street | MidMarket | 23,370 | May 2018 | J.C. Investment Consulting |
| 345 Spear Street | Rincon / South Beach | 11,314 | May 2018 | Morgan Stanley |
| One Embarcadero Center | Financial District | 9,490 | April 2018 | Boston Properties |
| 1633 Fillmore Street | West of Van Ness | 8,800 | April 2018 | Gary & Judith Pasquinelli |
| 939-945 Clement Street | West of Van Ness | 7,900 | May 2018 | Kv Clement LLC |

Top Under Construction

| Property | Address | Submarket | Square Feet | Owner | Delivery Date |
|---------------------------|--------------------|--------------------------|-------------|---------------------------------|---------------|
| Salesforce Transit Center | 425 Mission Street | South Financial District | 98,330 | Transbay Joint Powers Authority | March 2019 |

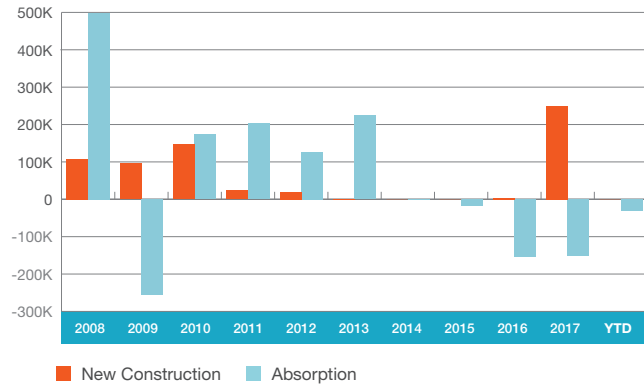
Market Forecast Trends


YEAR-TO-YEAR BASIS

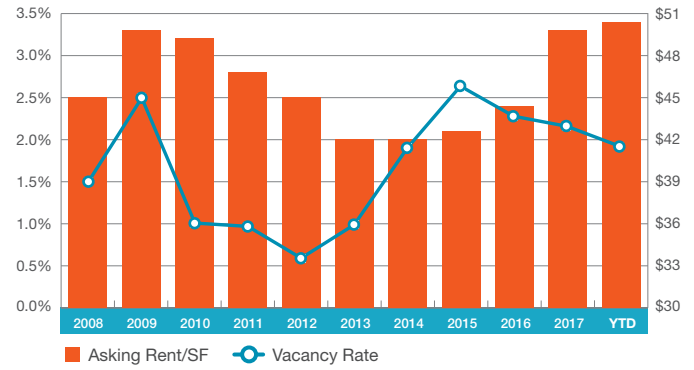
Market Snapshot

| | 2Q 2018 | 1Q 2018 | 2Q 2017 | Annual % Change |
|----------------------------|----------|----------|----------|-----------------|
| New Construction | 0 | 86,859 | 250,000 | -100% |
| Under Construction | 121,312 | 123,684 | 0 | N/A |
| Vacancy Rate | 3.40% | 3.30% | 3.30% | 3.03% |
| Average Asking Rents (NNN) | \$41.52 | \$42.72 | \$42.72 | -2.81% |
| Average Sales Price | \$523.95 | \$512.56 | \$426.41 | 22.87% |
| Cap Rate | 4.13% | 4.60% | 4.62% | -10.61% |
| Net Absorption | -6,437 | -62,382 | -60,000 | -89.27 |

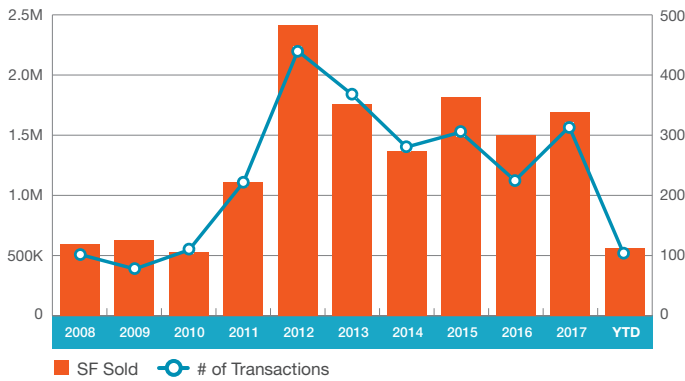
NEW RETAIL CONSTRUCTION & ABSORPTION



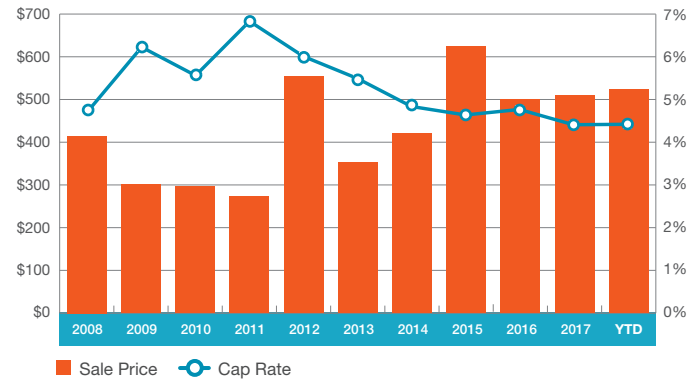
AVERAGE ASKING RENT/SF & VACANCY RATE



NUMBER OF SALE TRANSACTIONS & SF SOLD



AVERAGE SALES PRICE/SF & CAP RATES

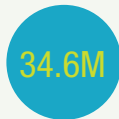


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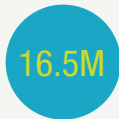
COMMERCIAL BROKERAGE



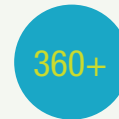
ANNUAL TRANSACTION VOLUME



ANNUAL LEASING SF



ANNUAL SALES SF



BROKERS

PROPERTY MANAGEMENT



MANAGEMENT PORTFOLIO

VALUATION ADVISORY



ASSIGNMENTS ANNUALLY



TOTAL # APPRAISERS/MAI'S

Contact

Jerry Holdner
 Director of Research
 949.557.5050
 jholdner@kiddermathews.com

Brian Hatcher
 Executive VP, Brokerage
 415.229.8888
 bhatcher@kiddermathews.com

Designated Broker
 Mark Read | LIC #00572743

kiddermathews.com



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