

San Francisco

Tech Sector Update



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MARKET TAKEAWAYS



Larger tech companies are moving ahead with plans to expand their existing footprints and occupy more space in the market – even amidst announcements of remote flexibility – evidenced by Google’s recent expansion at Two Rincon Center.



Smaller tech companies are focused on reducing costs and have looked to real estate reductions, especially in high-priced San Francisco, which has resulted in a flood of tech-oriented subleases becoming available.

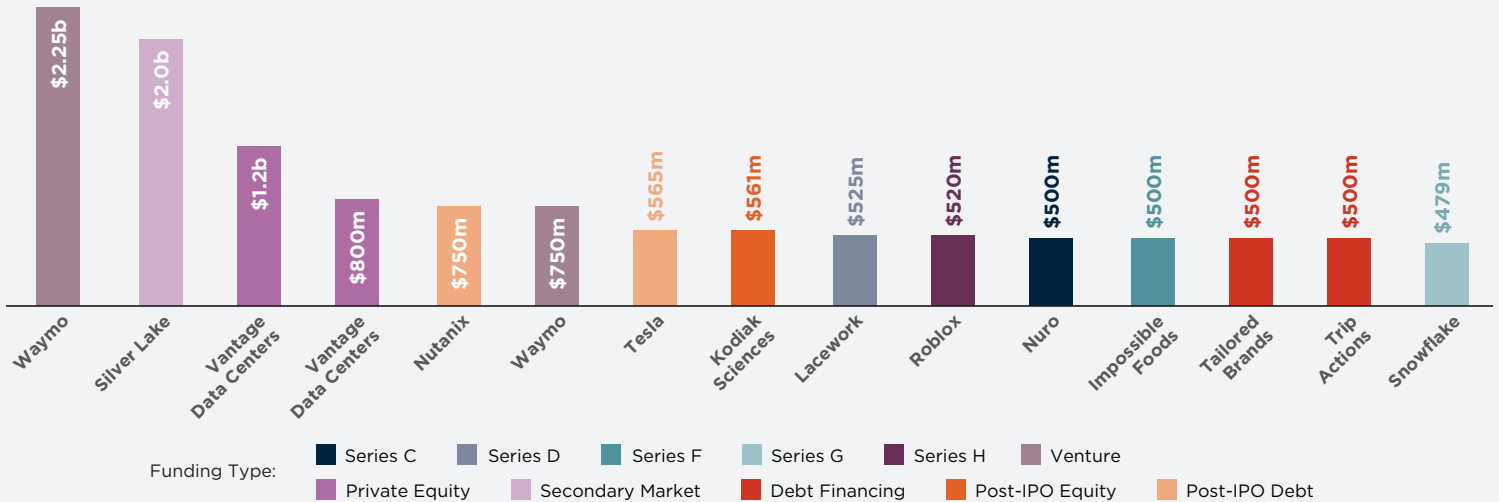


The sublease market in San Francisco has exploded, ending Q4 2020 with 8.7 MSF of available sublease space (10.8% of inventory), up from 3.1 MSF available at the end of Q4 2019.



With San Francisco being a traditional hot-bed for technology companies, tech tenants in the market have a surplus of high-quality and well built-out options to choose from, now at below market pricing and with more flexible terms.

LARGEST VENTURE CAPITAL RAISES IN 2020



KEY TECH MARKET STATISTICS

	SOUTH FIDI		SAN FRANCISCO (OVERALL)	
	Q4'19	Q4 '20	Q4 '19	Q4 '20
Availability	7.2%	16.64% ▲	9.5%	20.2% ▲
Sublease Space	0.9 MSF	2.4 MSF ▲	3.1 MSF	8.8 MSF ▲
Overall Asking Rent	\$87.11	\$73.05 ▼	\$74.27	\$72.93 ▼
Quarterly Leasing Activity	0.6 MSF	0.1 MSF ▼	1.7 MSF	0.2 MSF ▼

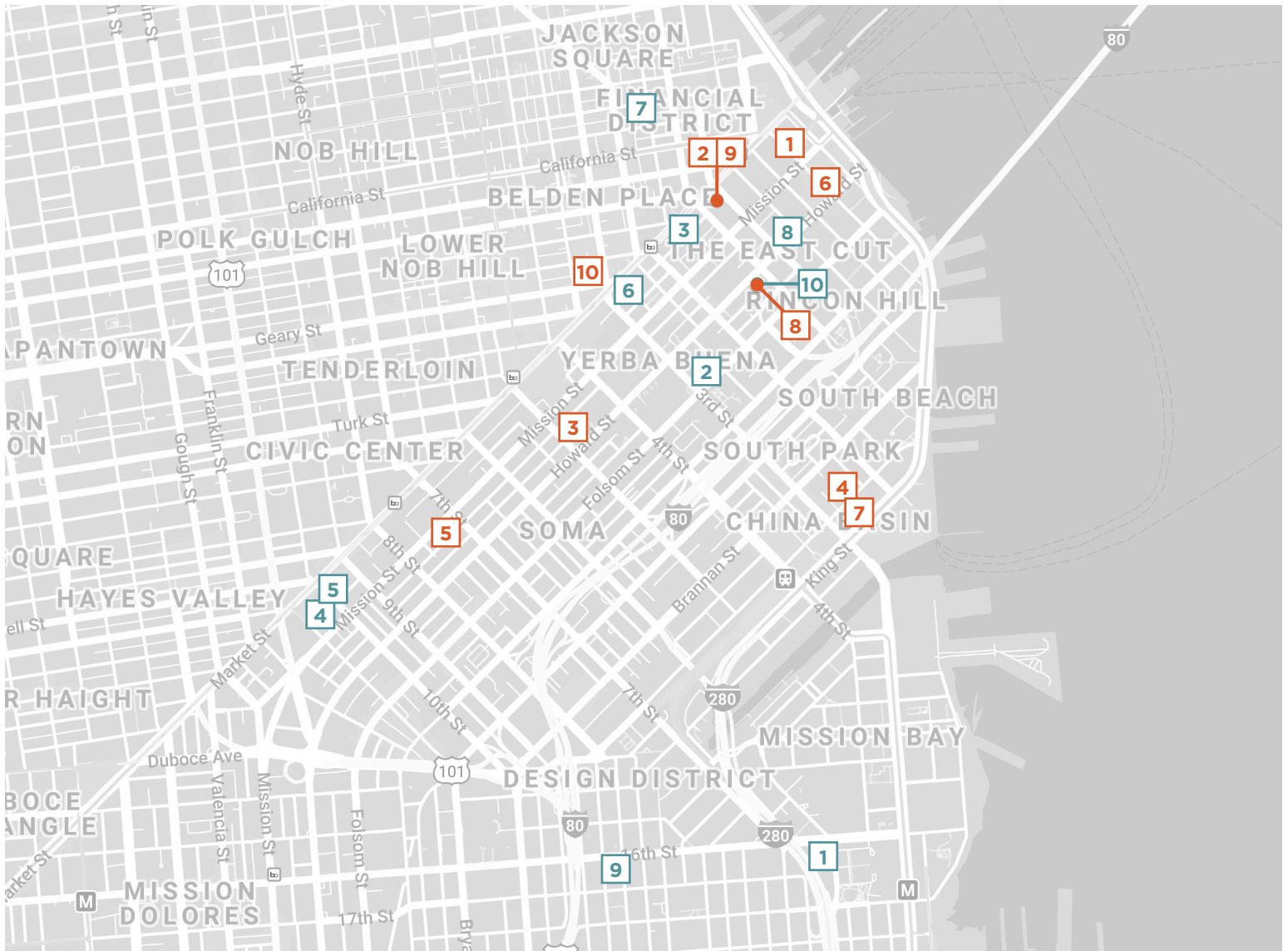
Source: Savills Research

Recent Sublet Blocks (2020)

- | | |
|--|---|
| 1 DropBox
1800 Owens St
447,016 SF | 6 Uber
685 Market St
97,010 SF |
| 2 Macys.com
680 Folsom St
242,753 SF | 7 Oracle
475 Sansome St
85,622 SF |
| 3 Uber
555 Market St
188,317 SF | 8 Stubhub
199 Fremont St
84,141 SF |
| 4 Uber
1455 Market St
179,934 SF | 9 Samsara
350 Rhode Island St
84,004 SF |
| 5 Twitter
1 Tenth St
104,850 SF | 10 Tealeaf Technology
505 Howard St
83,551 SF |

Notable Transactions (2020)

- | | |
|--|--|
| 1 Autodesk
1 Market St
110,000 SF / Renewal | 6 Google
121 Spear St
42,000 SF / Expansion |
| 2 IBM
425 Market St
53,323 SF / Renewal | 7 People.AI
153 Townsend St
35,557 SF / New (Sublease) |
| 3 AirTable
155 5th St
48,812 SF / New | 8 Skillz
505 Howard St
30,574 SF / New (Sublease) |
| 4 User Testing
144 Townsend St
45,000 SF / New | 9 The Trade Desk
425 Market St
27,542 SF / New |
| 5 Lever Inc
1125 Mission St
43,529 SF / New (Sublease) | 10 AppAnnie
30 Maiden Ln
26,220 SF / New |



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