

# San Francisco

Office - Q2 2026



## San Francisco leasing activity reaches new heights

The San Francisco office market recorded another exceptional quarter, with leasing activity reaching 4.4 million square feet (msf) in Q2 2026. This brought year-to-date leasing volume to 8.2 msf, marking one of the strongest six-month periods since the onset of the pandemic. Record levels of venture capital investment, particularly within the technology and AI sectors strengthened leasing fundamentals. As startups deployed new funding toward hiring and expansion, well-capitalized firms are increasingly leasing premium office space to accommodate growth, driving demand across the market. This momentum accelerated the market's recovery, with leasing activity concentrated in high-quality Class A assets and top-performing submarkets where AI companies fueled demand for premium workspace.

### Strong demand supports rent growth in the first half of 2026

The recent surge in leasing activity gave landlords greater pricing power, with overall average asking rents increasing 2.6% and Class A average asking rents rising 2.1% year over year. Overall availability has declined for six consecutive quarters, falling 840 basis points (bps) since Q4 2024, including a 630 bps year-over-year decline and a 100 bps quarter-over-quarter decrease. After following a similar downward trajectory over the same period, Class A availability ticked up 80 bps over the quarter to 28.2%. The increase resulted from the addition of several large blocks of space to the market, most notably approximately 340,000 square feet (sf) at 450 California Street, formerly occupied by Wells Fargo.

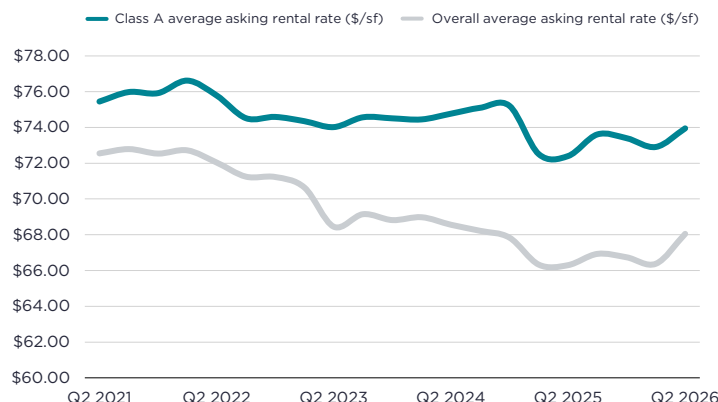
### Flexibility and quality shape tenant demand

Tenants remained focused on minimizing occupancy costs and accelerating workplace deployment, fueling strong demand for turnkey office space that requires little to no upfront investment. This preference supported leasing activity across both direct and sublease inventory while demand remains concentrated in premier office properties with modern amenities and enhanced workplace experiences, prompting landlords to invest in renovations and upgrades as new development activity stays limited.

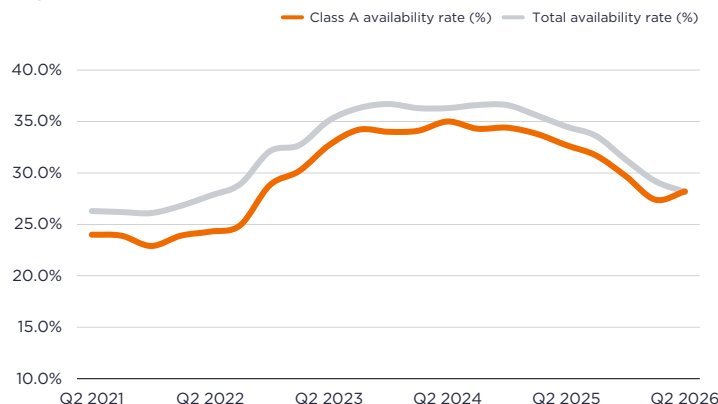
### KEY STATISTICS

|                            | Q2 2025  | Q2 2026  | Y-O-Y    |
|----------------------------|----------|----------|----------|
| Inventory                  | 91.4 msf | 90.2 msf | -1.2 msf |
| Availability rate          | 34.5%    | 28.2%    | -630 bps |
| Asking rental rate         | \$66.30  | \$68.05  | +2.6%    |
| Class A asking rental rate | \$72.40  | \$73.95  | +2.1%    |
| Quarterly leasing activity | 2.5 msf  | 4.4 msf  | +1.9 msf |
| Available sublease space   | 6.4 msf  | 3.9 msf  | -2.5 msf |

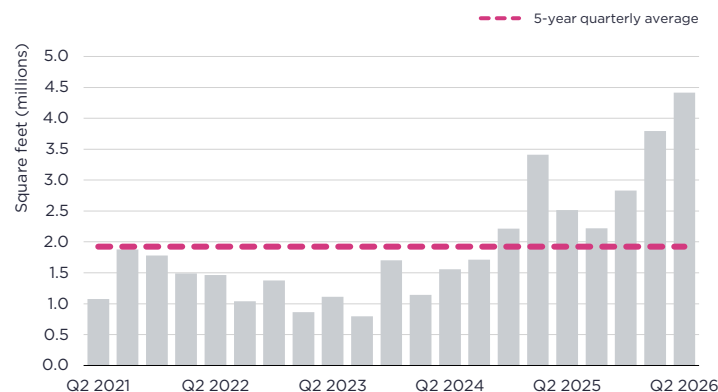
### ASKING RENT



### AVAILABILITY



### LEASING ACTIVITY



## Outlook

01

AI- and tech-driven demand is expected to support leasing activity, though recovery will remain gradual as the market absorbs elevated availability.

02

Declining sublease space and a limited construction pipeline should chip away at excess supply and improve overall market balance.

03

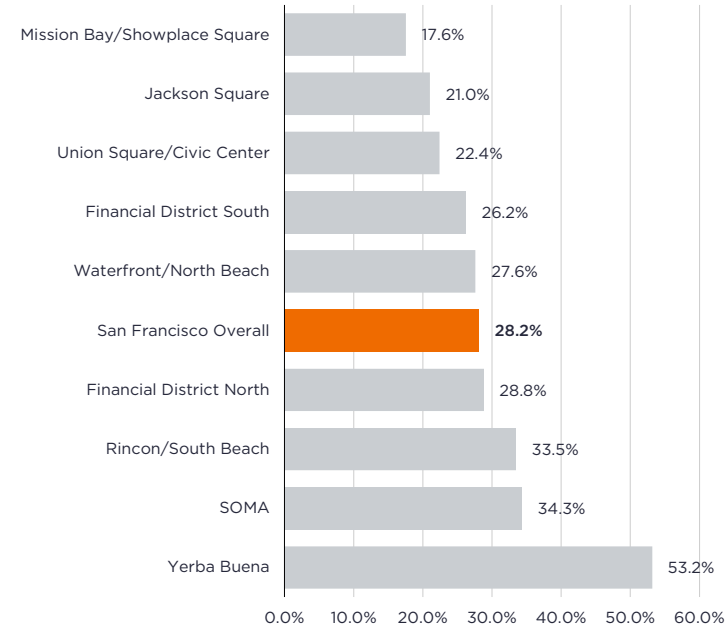
Asking rents are expected to rise, particularly in submarkets where availability remains constrained and demand for high-quality space support pricing.

NOTABLE LEASES

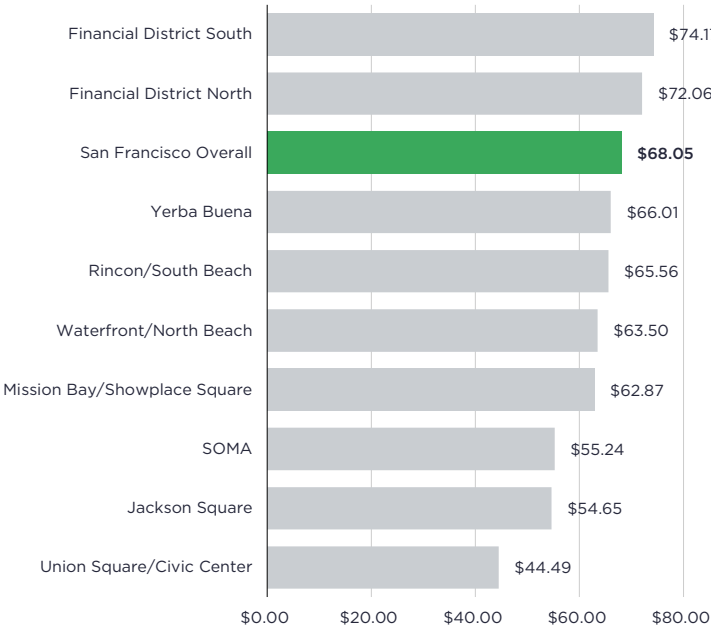
\*Trophy building    \*\*Sublease

| Tenant                           | Industry                                     | Submarket                    | Address                 | Size (SF) | Transaction type    |
|----------------------------------|----------------------------------------------|------------------------------|-------------------------|-----------|---------------------|
| City and County of San Francisco | Government                                   | SOMA                         | 1455 Market Street      | 502,082   | Expansion           |
| Anthropic                        | Technology, Advertising, Media & Information | Financial District South     | 500 Howard Street       | 241,628   | Extension           |
| PwC                              | Business, Professional & Consulting Services | Financial District South     | 405 Howard Street       | 196,356   | Renewal             |
| Anthropic                        | Technology, Advertising, Media & Information | Financial District South     | 400 & 405 Howard Street | 176,377   | New Location        |
| Together AI                      | Technology, Advertising, Media & Information | Mission Bay/Showplace Square | 2 Henry Adams Street    | 148,826   | Relocation          |
| Ripple                           | Technology, Advertising, Media & Information | Jackson Square               | 600 Battery Street      | 124,547   | Renewal             |
| Planet Labs                      | Technology, Advertising, Media & Information | Rincon/South Beach           | 645 Harrison Street     | 116,173   | Renewal & Expansion |
| LangChain                        | Technology, Advertising, Media & Information | Rincon/South Beach           | 303 2nd Street          | 68,942    | Relocation**        |
| Dropbox Inc                      | Technology, Advertising, Media & Information | Financial District South     | 50-60 Hawthorne Street  | 63,438    | Relocation          |
| Assort Health                    | Technology, Advertising, Media & Information | Financial District South     | One Market Plaza*       | 62,384    | Relocation          |

AVAILABILITY RATE COMPARISON (%)  
SAN FRANCISCO SUBMARKETS



RENTAL RATE COMPARISON (\$/SF)  
SAN FRANCISCO SUBMARKETS



Savills Research

For more information, please contact us:

**Savills San Francisco**  
150 California Street,  
14<sup>th</sup> Floor  
San Francisco, CA 99411  
+1 415 421 5900

**Nu Nandar Aung**  
Research Manager,  
Northern California  
naung@savills.us  
+1 415 617 9674



savills.us

Unless otherwise noted, all rents quoted throughout this report are average asking gross (full service) rents per square foot. Statistics are calculated using both direct and sublease information. Current and historical availability and rent data are subject to change due to changes in inventory. The information in this report is obtained from sources deemed reliable, but no representation is made as to the accuracy thereof. Unless otherwise noted, source for data is Savills Research. Copyright © 2026 Savills