

Office Stats Snapshot - First Quarter 2011

San Francisco, CA

By Submarket (All Classes)	Total SF ¹	Vacant SF ²	Vacant %	Available SF ²	Available %	Net Absorption		Under Construction ⁴	Average Asking Rent ³		
						This Qtr.	Year-to-date		Class A	Class B	
NORTH FINANCIAL DISTRICT	24,989,011	3,658,335	14.6%	4,818,700	19.3%	171,820	171,820	0	\$33.78	\$26.75	
SOUTH FINANCIAL DISTRICT	20,587,661	2,704,172	13.1%	3,363,399	16.3%	252,273	252,273	70,484	\$37.54	\$26.46	
CBD Subtotal	45,576,672	6,362,507	14.0%	8,182,099	18.0%	424,093	424,093	70,484	\$35.01	\$26.68	
CIVIC CENTER/VAN NESS	3,832,644	1,590,510	41.5%	1,641,271	42.8%	(67,330)	(67,330)	0	\$28.21	\$27.05	
JACKSON SQUARE	1,567,023	179,260	11.4%	211,700	13.5%	22,705	22,705	0	\$32.83	\$29.57	
MISSION BAY	1,376,700	549,487	39.9%	538,487	39.1%	179,500	179,500	0	\$46.06	-	
NORTH WATERFRONT	2,099,425	287,912	13.7%	258,005	12.3%	12,843	12,843	0	\$32.50	\$25.89	
SOMA	5,902,909	1,119,677	19.0%	1,014,822	17.2%	(11,045)	(11,045)	0	\$41.62	\$30.83	
UNION SQUARE	2,208,816	222,612	10.1%	410,604	18.6%	42,287	42,287	0	\$32.62	\$30.83	
YERBA BUENA	3,443,732	562,566	16.3%	622,591	18.1%	22,200	22,200	0	\$31.43	\$25.66	
Non-CBD Subtotal	20,431,249	4,512,024	22.1%	4,697,480	23.0%	201,160	201,160	0	\$38.54	\$29.71	
San Francisco Totals	66,007,921	10,874,531	16.5%	12,879,579	19.5%	625,253	625,253	70,484	\$35.71	\$28.72	
By Building Class									Available For Sublease		
									CBD	Non-CBD	Total
Class A	45,687,953	6,353,783	13.9%	7,927,397	17.4%	745,796	745,796	0	988,116	16,311	1,004,427
Class B	20,319,968	4,520,748	22.2%	4,952,182	24.4%	(120,543)	(120,543)	70,484	113,321	236,432	349,753
Total	66,007,921	10,874,531	16.5%	12,879,579	19.5%	625,253	625,253	70,484	1,101,437	252,743	1,354,180

¹ Survey includes non-owner occupied Class A and B buildings over 15,000 square feet

² Includes sublease space

³ Weighted average asking rates for direct lease space only

⁴ Includes 120 Howard Street (South Financial District) addition of floors 9-12

Office Terms and Definitions

Inventory: Office inventory includes all multi-tenant and single tenant buildings at least 15,000 square feet. Owner-occupied, government and medical buildings are not included.

Office Building Classifications: Grubb & Ellis adheres to the BOMA guidelines. Class A properties are the most prestigious buildings competing for premier office users with rents above average for the area. Class B properties compete for a wide range of users with rents in the average range for the area. Class C buildings compete for tenants requiring functional space at rents below the area average.

Vacancy and Availability: The vacancy rate is the amount of physically vacant space divided by the inventory and includes direct and sublease vacant. The availability rate is the amount of space available for lease divided by the inventory.

Direct Vacant: This is the vacancy rate in space offered on the market directly by the landlord in single and multi-tenant buildings. This excludes vacant space offered for sublease and vacant space that is not offered on the market, for whatever reason.

Net Absorption: The net change in physically occupied space over a period of time.

Asking Rent: The dollar amount asked by landlords for available space expressed in dollars per square foot per year in most parts of the country and dollars per square foot per month in areas of California and selected other markets. Office rents are reported full service where all costs of operation are paid for by the landlord up to a base year or expense stop.. The asking rent for each building in the market is weighted by the amount of available space in the building.

* Grubb & Ellis statistics are audited annually and may result in revisions to previously reported quarterly and final year-end figures.

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ASKING LEASE RATES	1st Quarter 2011						Last Quarter		Year Ago Quarter		
By Submarket (All Classes)	Total SF ¹	Asking Rent ¹		% Change Last Qtr		% Change Year Ago Qtr		Average Asking Rent ³		Average Asking Rent ³	
		Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B	Class A	Class B
NORTH FINANCIAL DISTRICT	24,989,011	\$33.78	\$26.75	4.5%	-0.8%	2.8%	1.6%	\$32.31	\$26.97	\$32.87	\$26.34
SOUTH FINANCIAL DISTRICT	20,587,661	\$37.54	\$26.46	4.7%	8.6%	7.8%	13.0%	\$35.87	\$24.37	\$34.82	\$23.41
CBD Subtotal	45,576,672	\$35.01	\$26.68	4.1%	0.3%	4.5%	2.9%	\$33.64	\$26.60	\$33.49	\$25.94
CIVIC CENTER/VAN NESS	3,832,644	\$28.21	\$27.05	-0.5%	27.4%	-4.6%	23.7%	\$28.34	\$21.24	\$29.56	\$21.86
JACKSON SQUARE	1,567,023	\$32.83	\$29.57	-0.2%	3.8%	17.1%	17.2%	\$32.91	\$28.49	\$28.03	\$25.24
MISSION BAY	1,376,700	\$46.06	-	NA	NA	NA	NA	\$45.00	-	-	-
NORTH WATERFRONT	2,099,425	\$32.50	\$25.89	19.3%	-1.2%	16.8%	-0.7%	\$27.25	\$26.20	\$27.83	\$26.08
SOMA	5,902,909	\$41.62	\$30.83	7.1%	2.5%	12.7%	18.6%	\$38.87	\$30.09	\$36.94	\$25.99
UNION SQUARE	2,208,816	\$32.62	\$30.83	-11.2%	4.2%	5.5%	8.6%	\$36.74	\$29.59	\$30.93	\$28.39
YERBA BUENA	3,443,732	\$31.43	\$25.66	1.5%	0.2%	8.2%	-1.3%	\$30.97	\$25.62	\$29.04	\$26.00
Non-CBD Subtotal	20,431,249	\$38.54	\$29.71	6.3%	2.1%	24.8%	11.0%	\$36.26	\$29.10	\$30.88	\$26.76
San Francisco Totals	66,007,921	\$35.71	\$28.72	3.9%	1.6%	8.4%	8.5%	\$34.36	\$28.27	\$32.94	\$26.46

VACANCY	1st Quarter 2011						Last Quarter		Year Ago Quarter	
By Submarket (All Classes)	Total SF ¹	Direct Vacant SF	Sublease Vacant SF	Total Vacant SF ²	Vacancy Rate	Available For Sublease	Vacant Space ²	Vacancy Rate	Vacant Space ²	Vacancy Rate
NORTH FINANCIAL DISTRICT	24,989,011	3,397,211	261,124	3,658,335	14.6%	783,007	3,830,155	15.3%	3,804,697	15.2%
SOUTH FINANCIAL DISTRICT	20,587,661	2,523,171	181,001	2,704,172	13.1%	318,430	2,849,405	14.7%	2,715,860	13.3%
CBD Subtotal	45,576,672	5,920,382	442,125	6,362,507	14.0%	1,101,437	6,679,560	15.0%	6,520,557	14.3%
CIVIC CENTER/VAN NESS	3,832,644	1,527,706	62,804	1,590,510	41.5%	62,804	1,588,878	34.1%	1,531,939	42.7%
JACKSON SQUARE	1,567,023	171,526	7,734	179,260	11.4%	11,138	201,965	12.7%	233,635	14.7%
MISSION BAY	1,376,700	549,487	0	549,487	39.9%	0	523,487	44.7%	607,168	51.8%
NORTH WATERFRONT	2,099,425	245,988	41,924	287,912	13.7%	44,750	300,755	14.3%	370,977	17.7%
SOMA	5,902,909	1,086,003	33,674	1,119,677	19.0%	57,742	1,149,632	19.8%	1,186,132	20.4%
UNION SQUARE	2,208,816	222,612	0	222,612	10.1%	21,738	305,722	14.6%	397,594	19.0%
YERBA BUENA	3,443,732	515,895	46,671	562,566	16.3%	54,571	552,102	17.9%	666,078	19.3%
Non-CBD Subtotal	20,431,249	4,319,217	192,807	4,512,024	22.1%	252,743	4,622,541	22.5%	4,993,523	25.2%
San Francisco Totals	66,007,921	10,239,599	634,932	10,874,531	16.5%	1,354,180	11,302,101	17.4%	11,514,080	17.6%
By Building Class										
Class A	45,687,953	5,935,514	418,269	6,353,783	13.9%	1,004,427	6,988,331	15.3%	6,977,176	15.3%
Class B	20,319,968	4,304,085	216,663	4,520,748	22.2%	349,753	4,313,770	22.4%	4,536,904	23.1%

¹ Survey includes non-owner occupied Class A and B buildings over 15,000 square feet

² Includes sublease space

³ Weighted average asking rates for direct lease space only

