

Bay Area Snapshot

Industrial • 4th Quarter 2023

THE CCIM INSTITUTE

Northern California Chapter

Property Type	# Bldgs	Inventory	Direct Vacant SF	Sublet Vacant SF	4Q 2023 Vacant %	3Q 2023 Vacant %	4Q 2022 Vacant %	4Q 2023 Net Absorption (SF)	3Q 2023 Net Absorption (SF)	2023 YTD Net Absorption (SF)	4Q 2022 Net Absorption (SF)	2022 YTD Net Absorption (SF)	4Q 2023 Deal Velocity	4Q 2022 Deal Velocity	2023 YTD Deal Velocity
Industrial	13,953	370,330,558	16,712,586	2,884,333	5.30%	5.00%	3.80%	(813,222)	(1,912,318)	(4,558,068)	443,594	1,936,111	212	243	980
Industrial Warehouse	8,780	234,701,967	10,523,147	1,942,395	5.30%	4.90%	4.00%	(599,483)	(854,665)	(2,416,932)	105,657	(699,750)	155	172	722
	11,367	605,032,525	27,235,733	4,826,728	5.30%	4.95%	3.90%	(1,412,705)	(2,766,983)	(6,975,000)	549,251	1,236,361	367	415	1,702

Source: CoStar

Slowdown Continues

The SF Bay area industrial markets continued to slow during Q4 of 2023 as vacancies jumped to 5.3% from 3.9% at the end of 2022. Absorption plunged from a positive 1.2M sq. ft. in 2022 to a negative 7M sq. ft. – that’s an 8 million sq. ft. swing in just 12 months. Space listed for sublease also jumped 20% in 2023 from 4M sq. ft. to 4.8M sq. ft.

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