Bay Area Snapshot

Industrial • 1st Quarter 2024

THE CCIM INSTITUTE
Northern California Chapter

Property Type	# Bldgs	Inventory	Direct Vacant SF	Sublet Vacant SF	1Q 2024 Vacant %	4Q 2023 Vacant %	1Q 2023 Vacant %	1Q 2024 Net Absorption (SF)	4Q 2023 Net Absorption (SF)	2024 YTD Net Absorption (SF)	1Q 2023 Net Absorption (SF)	2023 YTD Net Absorption (SF)	1Q 2024 Deal Velocity	1Q 2023 Deal Velocity	2024 YTD Deal Velocity
Industrial	13,929	371,139,320	19,445,373	2,681,777	6.00%	5.30%	4.20%	(1,122,222)	(813,222)	(1,122,222)	(1,231,225)	(4,558,068)	194	244	194
Industrial Warehouse	8,764	235,889,614	11,799,481	2,096,064	5.90%	5.30%	4.40%	121,640	(599,483)	121,640	(998,645)	(2,416,932)	144	186	144
	22,693	**607,028,934**	**31,244,854**	**4,777,841**	**5.95%**	**5.30%**	**4.30%**	**(1,000,582)**	**(1,412,705)**	**(1,000,582)**	**(2,229,870)**	**(6,975,000)**	**338**	**430**	**338**

Source: CoStar

Still Slowing

Vacancy rates for SF Bay Area industrial space continued to climb as vacancies leapt from 4.3% a year ago to 5.95% at the end of Q1, 2024. Absorption continues to stay negative with 1M sq. ft. coming back in Q1, 2024 contrasted against Q4, 2023's negative 800K sq. ft. and Q1, 2023's 1.2M sq. ft. of negative absorption. Deal velocity dropped 22% compared to Q1, 2023 with only 338 transactions. Sublet space jumped almost 20% year-over-year to 4.7M sq. ft.

By: Eric Rehn, CCIM – TRI Commercial