Ask recent college graduates what first pops into their minds when they think of San Francisco and it likely won’t be the Golden Gate Bridge, hills, or even pot! It will almost surely be tech. That single abbreviated word defines San Francisco today — from start-ups to established companies, to headquarters operations to outposts from Silicon Valley and around the world. Why San Francisco? It’s really been caused by a perfect storm including the fact that Silicon Valley, (and its plethora of venture capital firms) is less than 50 miles south, there are numerous top-tier educational institutions nearby, plus the desire to live and work in an urban environment surrounded by other like-minded souls. Despite the steep cost of living and an overburdened transportation network, many tech companies continue to grow and flourish in San Francisco.

Proximity to Silicon Valley, venture capital firms, educational institutions, urban transit-oriented environment, weather, and outdoor activities draw tech companies to the market.

Salesforce Tower, to be completed in late 2017, will serve as global headquarters for the CRM software company. The skyscraper will contain 1.4 msf of multi-tenant office space and be the second tallest building west of the Mississippi River.

Cruise Automation, the GM-owned autonomous car group, announced in Q1 2017 that it will add 1,100 jobs in San Francisco.
The San Francisco Peninsula has one of the highest concentrations of tech companies in the world today. From new venture capital-backed start-ups to domineering giants such as Google and Facebook, the peninsula is teeming with technology. Why the Peninsula? Located between San Francisco and the Silicon Valley, this suburban market has the closest proximity to the top-tier players and educational institutions of both markets. Downtown areas on the peninsula are within walking distance to Caltrain stations that provide quick and easy commuter solutions that bridge the gap between San Francisco and the Valley. North County is dominated by the life science industry with Genentech occupying almost half the city of South San Francisco. One life science project in particular, the Cove, is delivering over a million square feet of new product and so far has had every building pre-leased. In the center of market, San Mateo holds giant software and artificial intelligence firms such as Zoox, GoPro, Medallia, and more. Towards the south in Menlo Park, Facebook occupies over 3 msf in multiple campuses and buildings in one of the most expensive submarkets in the U.S.

Proximity to Silicon Valley and to venture capital firms, educational institutions, weather, and outdoor activities draw tech companies to the market.

**MARKET INDICATORS**

- **CRE - Q1 2017**
  - **CURRENT OFFICE/R&D VACANCY RATE**: 7.7%
  - **TECH LEASING ACTIVITY**: 37%
  - **TECH EMPLOYEES IN MARKET**: 15.9%

- **CURRENT ASKING RENT $ PSF/ANNUAL**: $57.91

- **ECONOMIC - YE 2016**
  - **POPULATION**: 1.6M
  - **MILLENNIAL POPULATION**: 31.5%
  - **CURRENT UNEMPLOYMENT RATE**: 2.8%