

# HelloOffice

## SAN FRANCISCO ASKING RENTS FLATTENING, RECESSION DATA SHOWS DECLINE IS COMING

Since January, listings with adjusted asking rents made up 6.0 msf of office space in San Francisco; of the 6.0 msf, 78% were direct listings and 22% were sublease listings.

Asking rents for subleases decreased an average of just 3.9%; the 10,000 to 30,000-sf range of available subleases, however, fared better than other size ranges.

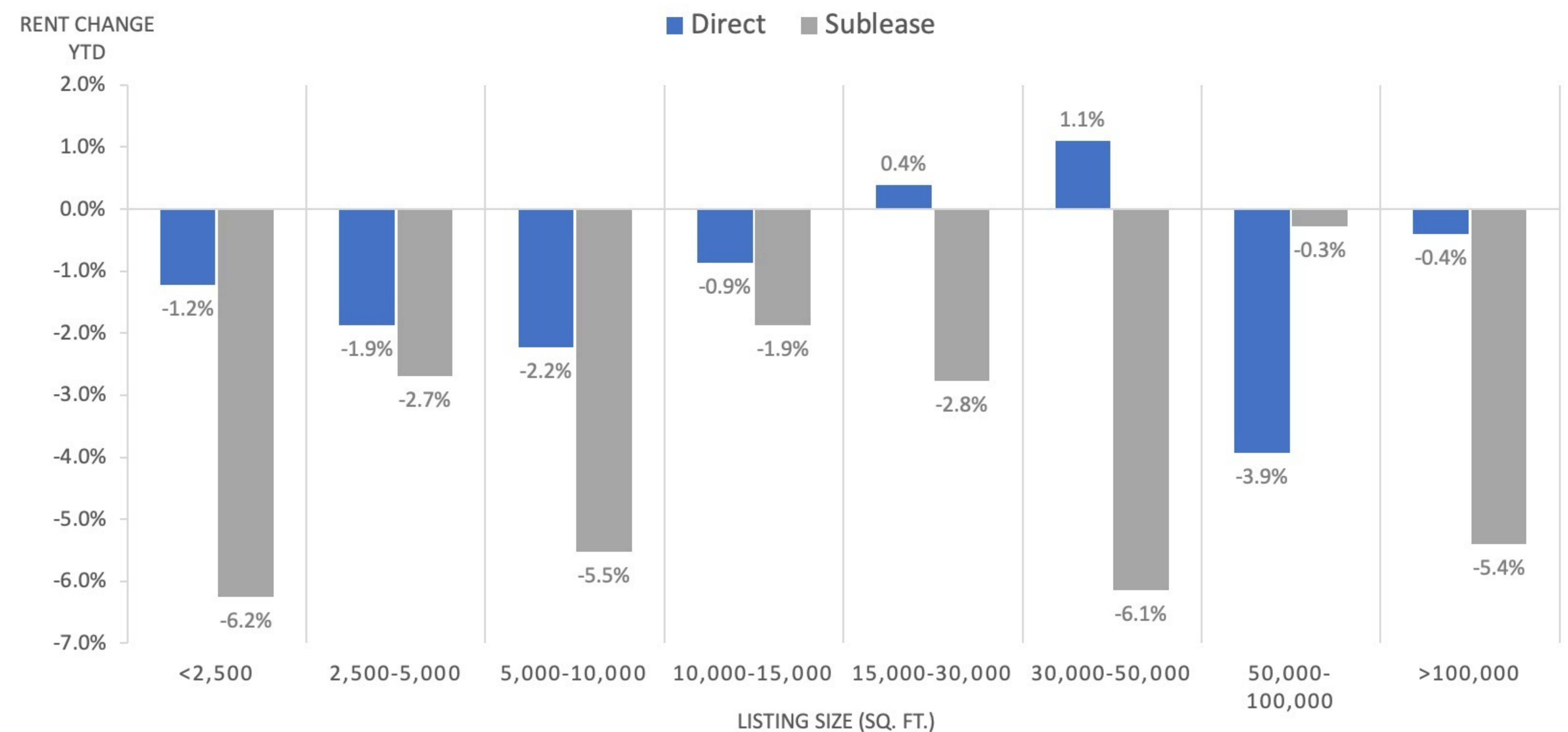
Asking rents for direct listings decreased slightly by an average of 1.4% from 5 months ago; the 50,000 to 100,000-sf range was impacted by a few high-end spaces in the CBD.

According to the National Bureau of Economic Research, the current recession began in February 2020, which substantiates the overall decline in asking rents, but the data suggests that the worst is yet to come. As a comparison, in the 2008 recession, direct asking rents dropped 30.4% over 6 quarters and sublease asking rents dropped 47.6% over 7 quarters, from a high of \$46.97 and \$42.83 per square foot, respectively. Both listing types took 9 quarters to reach pre-recession highs.

Of the total number of rental rate adjustments in 2020, 84% occurred in spaces under 15,000 sq. ft., signifying that smaller businesses were heavily impacted.

### SAN FRANCISCO

Average Rent Change YTD By Size Range



Source: HelloOffice

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