



Current State of Commercial Office Space and Economic Recovery

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Building Owners & Managers Association

225 buildings in San Francisco

- 68 million square feet of office space

Contributing \$22 billion to California's economy

- SF's contribution is \$6.2 billion to the state economy
- Supports 40,542 jobs in the City

Building Ownership in San Francisco

- 80% pension funds
- 20% REIT's, LLP's, corporate ownership

BOMA Membership Includes:

- General Managers
- Property Managers
- Regional Managers
- Portfolio Managers
- Asset Managers
- Pension Funds/REITs
- Architects
- Engineers
- Building Service Providers

Commercial Real Estate Trends

Record high vacancy rates

- End of Q4 '19 – 3.7%
- End of Q4 '20 - 16.7%
- **End of Q1 '21 – 19.7%**

Sublease market has surpassed levels during dot com bust

- 8.4 million square feet
- Potential for plateau

Occupancy rates

- Up to 25% permitted
- Currently 10-15%

Factors Impacting Recovery

PROS

- Increased vaccinations
- School reopening's/childcare
- Strong VC investment
- Advantage as a technology and life science hub
- Entertainment and cultural center
- Desire for collaboration, community and increase in productivity

CONS

- Cost of doing business in SF
- Work from home affords companies global talent pools at significantly less cost
- The uncertainty of COVID-19 future impact
- Quality of life concerns
 - Street Encampments & Homelessness
 - Crime/Safety
 - Transportation
 - Housing

Office Safety

BOMA INTERNATIONAL

- First COVID-19 guidance document released in Jan. 2020
- Consultation with experts including CDC, ASHRAE and NIH
- Produced COVID re-entry guidelines
- Subsequent publishing of guidelines and best practices

BOMA San Francisco

- Coordinating with City leaders (DPH, OEWD)
- Keeping members current on latest guidelines and public health orders
- Promoting member collaboration on re-entry protocols

Future of Office Space & Downtown Environment

Office Space/Workplace Strategy Decisions

- **Healthy building certifications**
- **Flexible workspaces**
- **Hybrid work schedules**
- **HUB & Spoke Model**
- **Access to outdoor/green space**
- **Anticipated decrease in overall amount of leased office space**

Future of Downtown

- **Estimates suggest that up to 80% of retail and restaurants shut down during COVID-19, 50% may never reopen**
- **Need to create an enticing and welcoming environment**
 - **Community investment**
 - **Government needs to facilitate flexible use of space**
 - **Faster permitting process**