

# JLL Markets Perspective: Technology Industry

Explore the top 5 things to know in San Francisco



Research

2024

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# San Francisco



## Technology Top 5

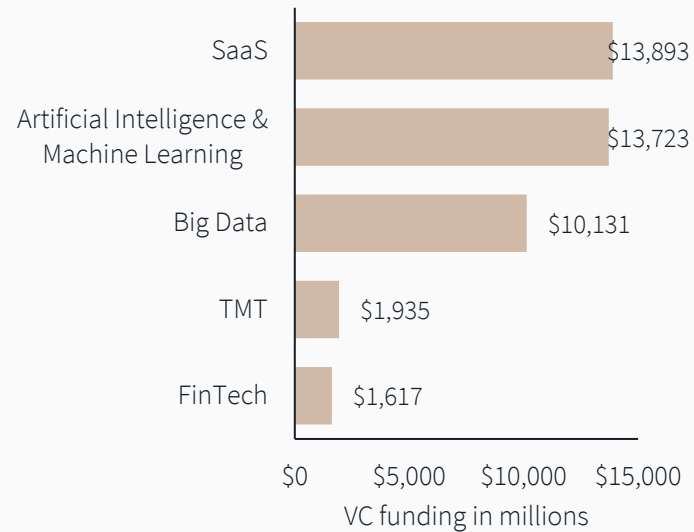
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### Looking ahead

AI VC funding will continue, and San Francisco remains a hub for talent and capital. Return to office mandates are increasing in-person office attendance on a hybrid basis. As a result, there has been a year-over-year increase in office tenant requirements by **90 percent**.

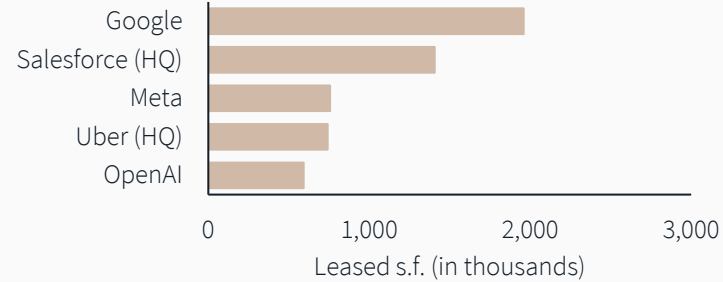
## 1 San Francisco leads all U.S. metros in VC investment in Artificial Intelligence, SaaS, and Big Data investment

VC funding by vertical Q2 2023 - Q1 2024



Source: PitchBook Data, Inc.; \*Data has not been reviewed by PitchBook analysts

## 2 Leading Big Tech companies have a large presence in San Francisco, including their headquarters



Source: JLL Research

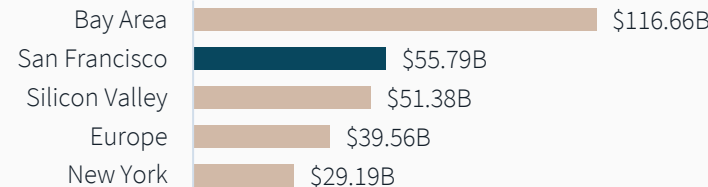
## 4



Source: JLL Research

## 3 San Francisco has received more VC funding among AI companies than all of Europe combined since 2014

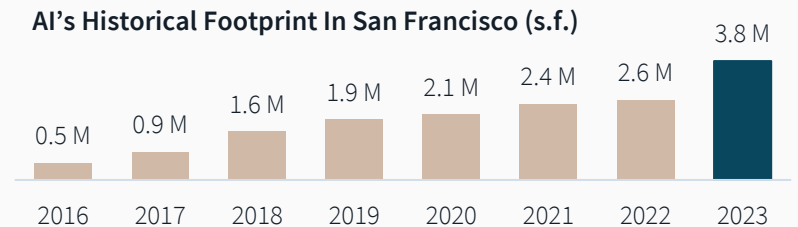
AI VC Funding (Cumulative) Since 2014



Source: PitchBook Data, Inc.; \*Data has not been reviewed by PitchBook analysts

## 5

### San Francisco's AI Footprint has benefitted greatly from generative AI, with over 1.2 million s.f. of leasing in 2023



Source: JLL Research

### Tech Stats

**258,355**  
 Tech employees  
**18%** forecasted growth next 5 years

**9,416**  
 Tech companies  
**2.5%** growth from 2020 to 2023

**18,251**  
 STEM graduates (all degrees) (Up 39% last 4 years)  
**Top university:** UC Berkeley

**\$19.3 billion** in tech venture capital funding since Q2 2023  
 AI was **71%** of total funding

**\$313,345**  
 Tech worker average earnings  
**2<sup>nd</sup>** highest out of largest North American metros

**2.1M s.f.** Technology leasing activity – last 4 quarters up **20%** from 2019



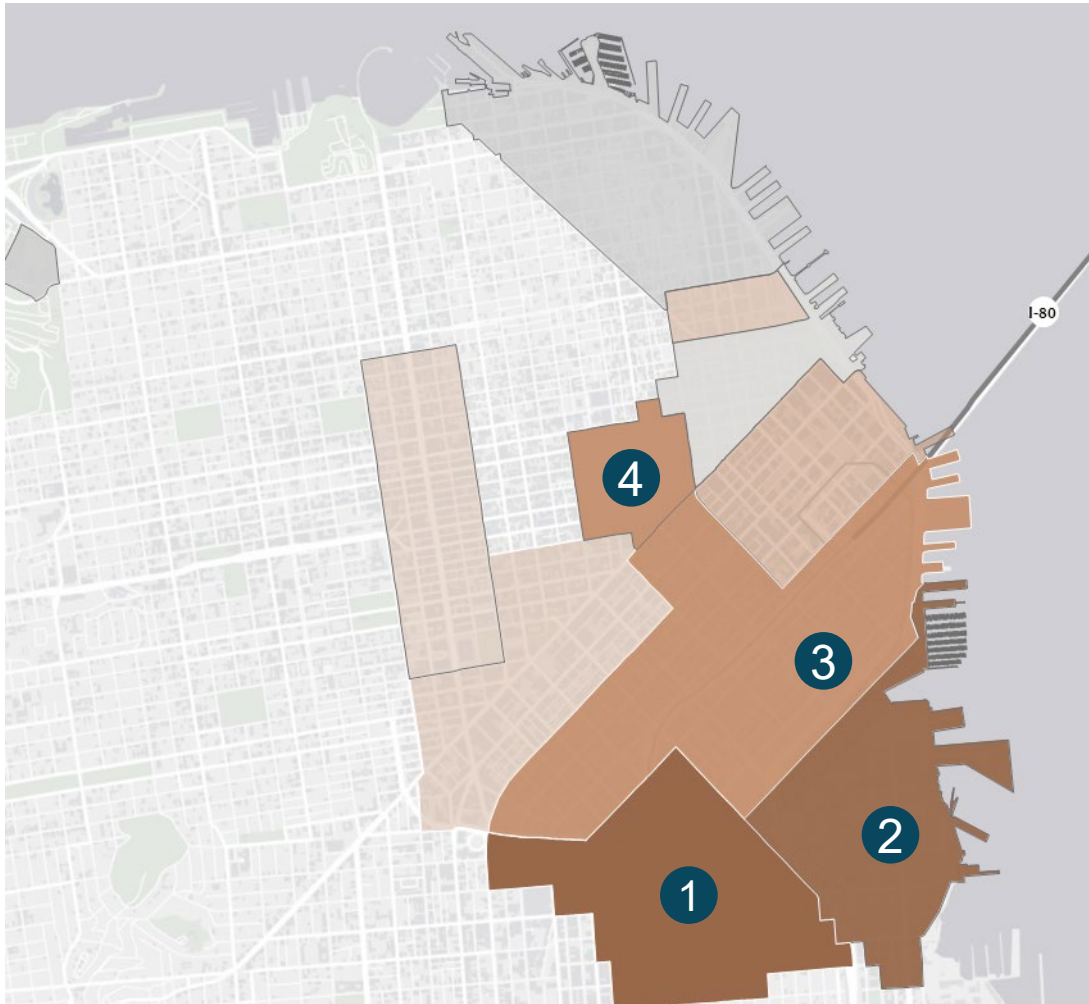
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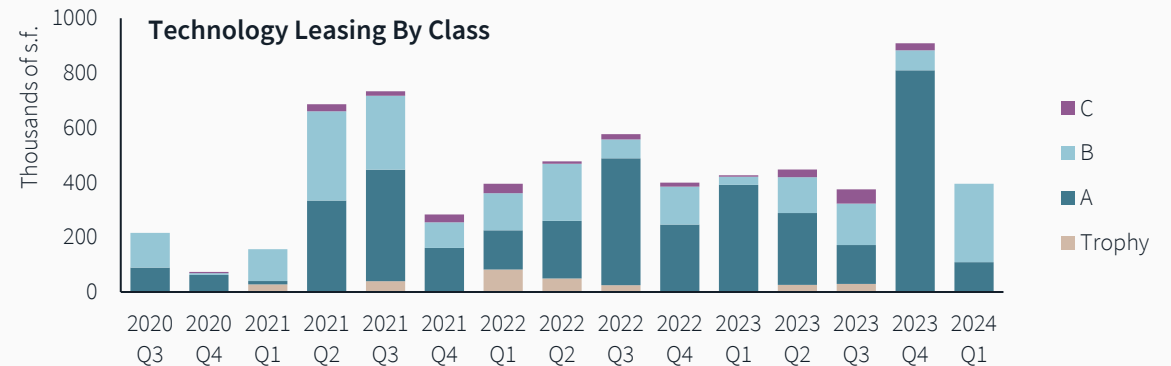
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### Top Tech Submarkets (5-year Leasing Activity)



Map #	Submarket	Tech leasing % last 5 years	Direct Asking Rate	Why it's good for tech
1	Showplace Square	65%	\$62 FSG	Affordable for startups and close to established AI clusters
2	Mission Bay	61%	\$96 FSG	New supply and water views, also near the Golden State Warriors
3	SOMA	54%	\$75 FSG	Brick & timber, more affordable for startups
4	Union Square	52%	\$54 FSG	Close to transit, near major retailers, and affordable.

### Leasing activity has rebounded from 2020 levels, but sublease availability remains elevated



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