2026 Mid-Year
Commercial Real Estate Investment Report

San Francisco Capital Advisors

BROKERAGES = COMMISSION FACTORIES?

Brokerage dual agency is an expensive conflict of interest for sellers. This occurs when multiple-commission greed conquers client duty. While illegal in many states, California permits dual agents' chicanery.

It enables a layer-cake of buyer-paid indulgences to be promoted by listing teams who reap additional commissions for financing, leasing, management, a later re-sale reward, and co-investment opportunities. Agents then prioritize and favor *their* most lucrative clients in semi-private, contrived marketing schemes. The result is lower sale prices.

Dual agency conflicts include concealed buyer gifts and partnerships, competitive assignments, delegation, over-automation, and restricted marketing with co-broker obstruction. One-sided listing agreements condone bad behavior and override contrary verbal promises. Wealth is lost when potential profit is diverted into ill-gotten agent income.

Moreover, your attorney would never be allowed to solicit undisclosed compensation from a transaction's opposing party while representing them simultaneously. Yet, brokers' opportunistic behind-the-scenes payoffs are tolerated—despite even higher financial costs to sellers.

What to do? You could assume shrewd salesmen will forgo lavish spousal spending, company promotions, and early retirement by not covertly maximizing their own revenue—for your unknowing benefit.

Alternatively, our proven process guarantees fiduciary representation, alignment of interests, and absolute loyalty. Protecting oneself (with explicit broker mandates and client transparency) has no cost and transactions and prices are optimized when you are the only priority.

To hear about the benefits of broker dedication without compromise or conflicts and its efficient commission structure, please contact:

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MarketView Mid-Year 2026
Commercial Investment Real Estate

Transaction Volume
$2.2B

Transaction volume jumped compared to last year's same period. Propelled by loan sales (with pre-negotiated deeds-in-lieu of foreclosure), property sales also increased by 70 percent. In a transition away from earlier fears about the market's future, cautious investor optimism returned. This shift means there are now more buyers than bargains.

New Buyers
54%

New Buyers (first time local purchasers) experienced a growth in market share. Already at a high level, their fresh perspective remains an important barometer of underlying demand. Sale prices increase when listing agents are prevented from favoring *their* most profitable buyer-clients, freeing you to engage with this ambitious capital source.

Offshore Purchases
17%

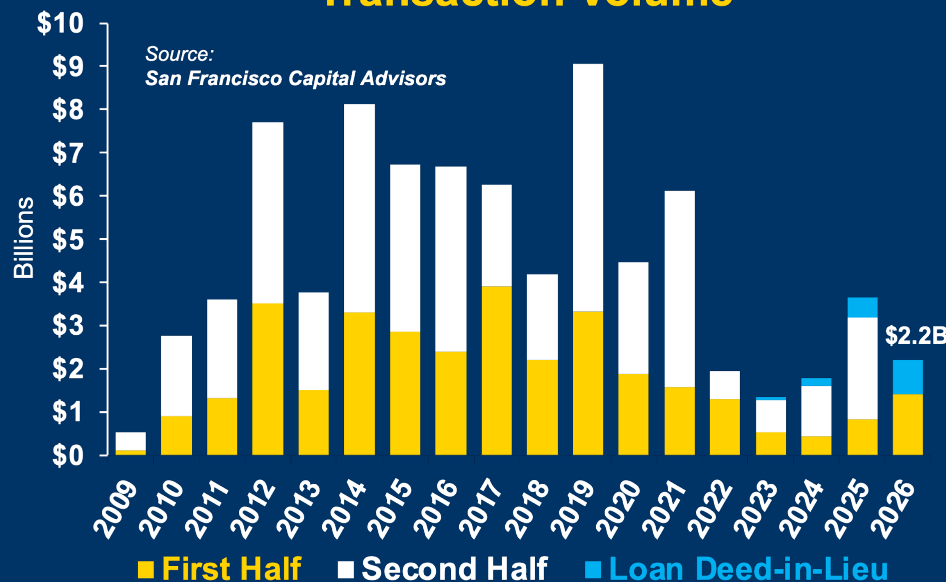
Offshore buyers' purchase quantity percentage almost doubled. This was propelled by higher comparative domestic yields, geographic diversification desires, and a perception about the prospect for both capital gains and security. On a dollar volume basis, foreign capital enjoyed an even larger 38 percent market share.

San Francisco Capital Advisors optimizes transactions using unmatched experience, dedication, honor, tenacity, and market knowledge.

By eliminating common brokerage conflicts-of-interest (including dual agency), you receive superior representation.

Our efficient commission structure further improves your financial outcome.

Transaction Volume



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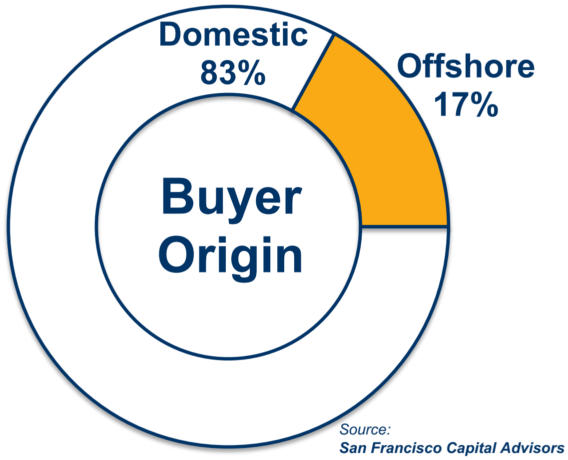
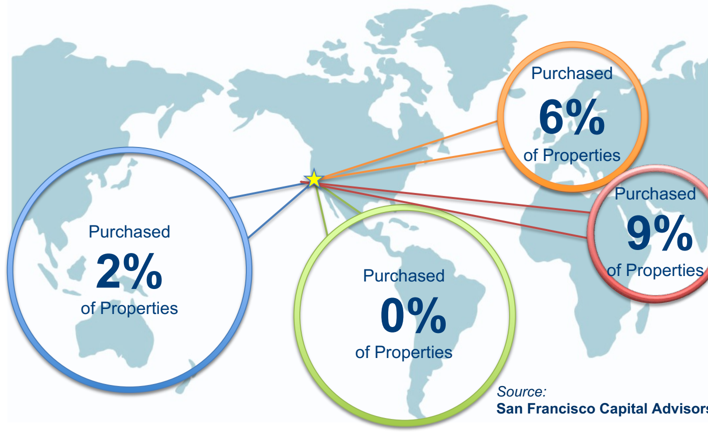
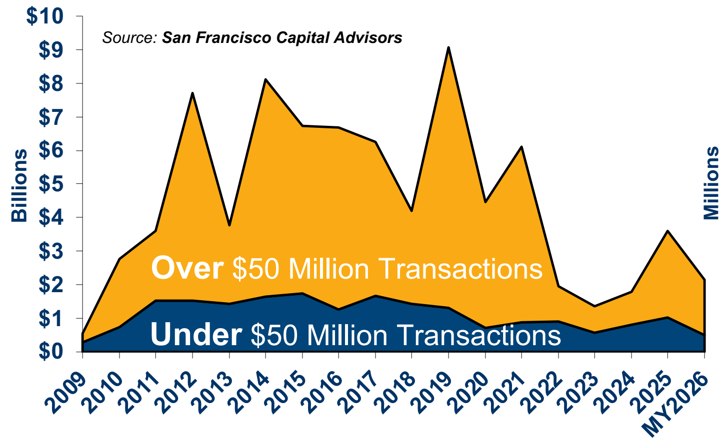


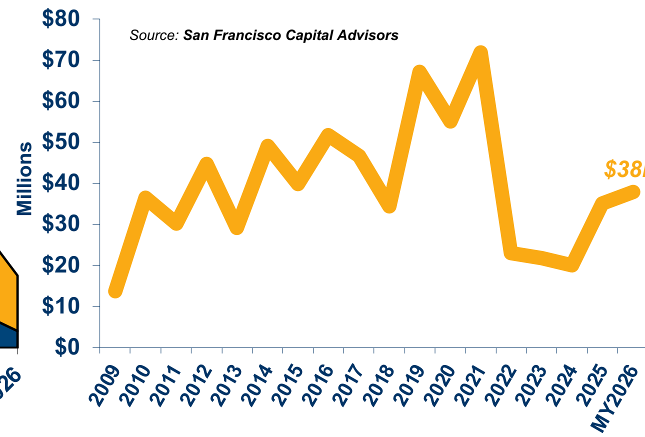
Offshore Direct Investment
Into San Francisco During MY2026



Transaction Volume



Average Transaction Size



Completed Transaction Size and Type Summary for MY2026

Sale Price	Office	Retail	Industrial	Land	Total
$100M+	5	-	-	-	**5**
$50M-100M	3	2	-	1	**6**
$25M-50M	2	2	1	-	**5**
$10M-25M	3	3	2	2	**10**
$3M-10M	6	16	6	3	**31**
Total Quantity	**19**	**23**	**9**	**6**	**57**

Loan sales (when followed by deed-in-lieu ownership transfers) are included in data and charts.

San Francisco Capital Advisors produces optimal transaction solutions. Contact me to learn how we can maximize your property's value and reduce transaction costs.

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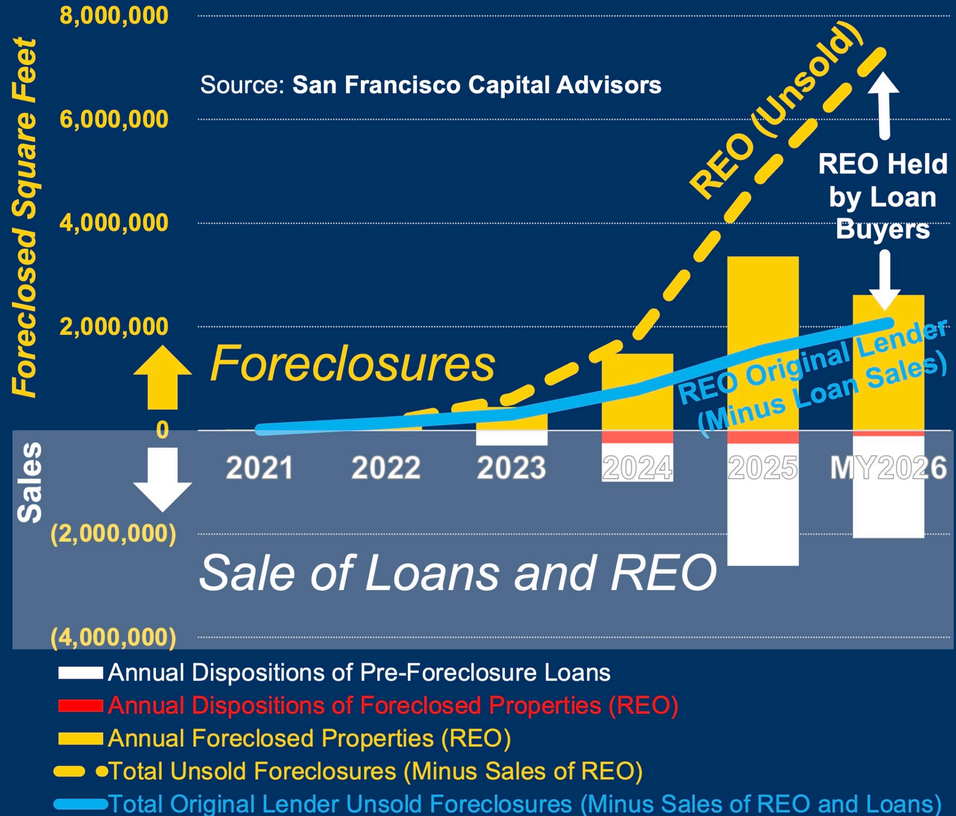
COMMERCIAL FORECLOSURES
AND SALES OF LOANS AND REO



Pre-Foreclosure Loan Sales Affect Future REO Dispositions

Recognizing foreclosed REO (Real Estate Owned) amount and ownership type sets future supply expectations. This results from foreclosing lenders being motivated sellers (usually).

San Francisco's REO commercial assets are shown as an annual square footage (Orange bars) starting in 2021, when interest rates surged. The few REO dispositions (Red bars below the axis), and cumulative remaining REO unsold (Orange dashed line) are also shown. Unsold REO totals 7.7 million square feet comprising 60 properties (as 74 were foreclosed and only 14 have sold).

But, to avoid taking title, lenders have increasingly sold defaulted debt (White bars below axis). Opportunistic loan buyers then foreclose or take deeds in lieu. While technically REO, loan sales transfer foreclosed properties from unintentional (originating lenders) to purposeful owners. Buyers of defaulted loans are less motivated to sell, as purchases were usually for deliberate property ownership.

The amount of REO property held by loan buyers (5.4 million square feet and 27 properties) is illustrated by the labeled gap between REO Unsold Cumulative (Orange dashed line) and the amount still held by REO Original Lenders (Blue line). No REO properties have been sold by loan buyers. Original Lenders currently hold 33 REO properties totaling just 2.3 million square feet.

Foreclosures continue. However, REO sales are few and defaulted loan buyers own most REO square footage and may be longer-term owners than foreclosing original lenders.

For superior market insights, and dedicated brokerage or advisory representation, please contact:

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We provide transactional and advisory services with an unrivaled combination of honor, dedication, experience, tenacity, market knowledge, and enthusiasm.

Your best interests are achieved without dual representation (or other common brokerage conflicts of interest) in the most effective, economic, and ethical manner.

Our unique disposition process also features the broadest reach to the most motivated buyers, which includes offshore capital originating in Asia, Europe, and the Middle East.

A maximization of sale proceeds and the highest levels of client satisfaction and service are the result.

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