Commercial Opportunities

SUMMER 2006

ISSUE NO. 34

DALY CITY REAL ESTATE MARKETPLACE - COMMERCIAL

COMPLIMENTS OF:

City of Daly City
Department of Economic and Community Development
(650) 991-8034

ALSO AVAILABALE ON-LINE AT WWW.DALYCITY.ORG

Commercial Opportunities

A free publication for everyone:

- Looking for commercial land, buildings, or building space in Daly City.
- Wanting to list available commercial property in this publication.
- Wanting to place a "want ad" for commercial real estate in Daly City.

To list your property or change your current listing you may:

1. Complete the form at the end of this booklet and FAX them to the number shown on the form.
2. Telephone Michele Courtney, Dept. of Economic & Community Development, at (650) 991-8034, and she will enter your listing information and answer any questions you may have.
3. Email either Bob Hauser (bhauser@dalycity.org) or Victor Spano (vspano@dalycity.org) with listing information.

If you are looking for commercial property, you can list your name and the type of property you are looking for to appear in a "Property Wanted" section in the next report. Please call (650) 991-8034 for assistance and ask for either Bob Hauser or Michele Courtney.

This list is published quarterly and is available on-line at www.dalycity.org and at the following locations:

- City Hall – Planning Division, Department of Economic & Community Development, 333 90th Street, Daly City
- Daly City Business Center, 355 Gellert Boulevard, Suite 230, Daly City
  Phone: (650) 757-2060
- Enterprise Center - 355 Gellert Boulevard, Suite 234, Daly City
  Phone: (650) 991-5103

Watch for the next issue!

This information is provided by The Daly City Department of Economic and Community Development to assist business development in Daly City. All information contained herein has been provided by the owner, listing agent, or other sources considered reliable. However, this department does not warrant the accuracy of this information.

COMMUNITY ECONOMIC PROFILE

For

Daly City

February 2006

Department of Economic & Community Development

LOCATION: Known as the "Gateway to the Peninsula", Daly City is central to major growth areas of San Francisco and San Mateo counties and features excellent transportation infrastructure linking San Francisco's financial district (eight miles north), the San Francisco International Airport (nine miles southeast and 15 minutes via BART) and Silicon Valley further south. Daly City is also directly linked to the East and South Bay Area. The Oakland International Airport is located 20 miles to the east.

Because of its central location, excellent transportation links and growing young and productive labor force, Daly City has become a regional hub for retail, healthcare and business development.

POPULATION: Daly City has experienced a significant increase in population over the last four decades, and, according to the California Dept. of Finance, has realized an increase of over 5% growth in population over the past ten years, slightly higher than the county. Population estimates as of 1/01/04 are 712,386 for San Mateo County and 103,269 for Daly City (next update 5/05).

Daly City is the largest city in San Mateo County, and, according to the Association of Bay Area Governments (ABAG), is expected to retain this position through at least 2030. During this time, ABAG estimates that Daly City will be the third largest growth city in the county. *Source: ABAG, Projections 2005.*

ECONOMIC GROWTH & TRENDS:

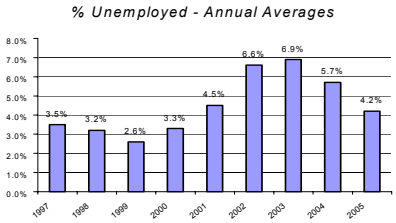
Five-year history of taxable sales and labor force for Daly City and San Mateo County:

Taxable Sales (in thousands of dollars) – Source: State Board of Equalization						
	2000	**2001**	**2002**	**2003**	**2004** (most current)	**Average % Change/Yr.**
County Sales:	$14,044,016	$12,859,589	$11,614,809	$11,358,43	$11,808,074	- 4.2%
Daly City Sales:	$698,541	$688,875	$718,448	$733,154	$751,322	1.8%
Labor Force- Annual Average **Reporting** – Source: CA EDD –Labor Market Information Division						
	2001	**2002**	**2003**	**2004**	**2005**	**Average % Change/Yr.**
County Labor Force	392,400	378,900	369,300	363,400	367,700	- 1.6%
Daly City Labor Force	55,600	53,900	52,500	51,600	52,140	- 1.6%

Daly City has among strongest retail sales of all cities in the county with average annual growth of about 2% compared to a negative 4% +/- for the county. This clearly demonstrates a strong retail market in Daly City. Due to the past economic downturn, both the County and Daly City suffered a retraction in labor force from 2001-2005. However, the decline over the last two years appears to be leveling off for both areas, which bodes some improvement in the economy. Daly City also has a competitive labor force with 78% of the City's population over the age of eighteen, only 12% of the population retired and a median age of 35.

EMPLOYMENT:

P*reliminary* numbers for 2005 show a continuing downtrend in Daly City's unemployment rate. This is an improvement from the three previous years. Daly City's current unemployment is 4.2% compared to 3.6% for San Mateo County and 5.4% for the state (annual averages). *Source: CA EDD.*



Major Employers in San Mateo County and in Daly City

Company	Type of Business	Employees
San Mateo County (private sector)		
United Airlines	Airline Service	10,993
Oracle	Database Computer Software	7,000
Genentech	Biotechnology	5,120
Daly City (private sector)		
Seton Medical Center	Medical Services	1,580
Target @ Serramonte	Retail center	610
U.S. Postal Service (quasi private)	International Mail Facility	584
Genesys Telecommunications Lab.	Telecommunications software	380

REAL ESTATE MARKET (SPRING 2006):

The San Mateo County commercial real estate market has improved significantly, and Daly City's office market has remained strong with a year-end vacancy rate of 7.3%, compared to nearly 19% countywide. Daly City's full service, Class A asking rents decreased slightly from $2.26 to $2.23 in the last year, compared to countywide, which saw a slight increase, from $2.08 to $2.10. Annual net absorption for the county continued a positive trend (more occupied space now than previously). In 2006, Daly City's retail market became tight with an all time low vacancy rate of approximately 1.82% (lower than several cities in the County). Countywide retail supply increased with the upgrading of Westlake, the reopening of Tanforan and numerous mixed-use infill projects. In Daly City, little space is available and expansion space at Westlake and Serramonte has essentially been pre-leased. The Linen Outlet leased the Rite-Aid space on Mission Street. At Serramonte Center, while The Good Guys and Toons closed their doors, future expansion is planned.

Office Vacancy:*	**Ending 2005**	**2004**	**2003**	**2002**	**2001**
San Mateo County	**18.%**	21.9%	25.7%	24%	22.3%
Daly City	**7.3%**	13.3%	16.2%	12.9%	18.3%
Retail Vacancy: *					
San Mateo County	**3.0%-5.0%**	3.4-6.0%	4.1%±	N/A	N/A
Daly City	**1.82%**	5.4%±	6.4%±	6.2%±	5.8%±

NEW PROJECTS:

- ***Pacific Plaza:*** Near the Daly City BART station, the City is currently negotiating for development of a full service **Crowne Plaza Hotel** (about 150 rooms) on the north end of this project.
- ***Landmark Plaza:*** The first phase of this mixed-use development has broken ground with completion in 2007. This phase will consist of retail space, 95 condos and ample parking. Phase II office is planned later.
- ***Westlake Shopping Center:*** A Trader Joe's, Cost Plus Imports and Home Depot Design Center are now open. Major redesign is underway as part of a multiphase project consisting of 500,000± s.f. of new construction.
- ***Moonstar Restaurant****:* Formerly the Peppermill, this new restaurant is expected to open March 2006.
- ***Serramonte Center:*** The "Elephant Bar" restaurant is now open. Other new tenants include "Against All Odds" (youth clothing), Cinnabon, Betty Boop and others in a revamped food court.
- ***City Toyota*:** The old Albertson's store at Junipero Serra and San Pedro Rd. was demolished and City Toyota will occupy a new state-of-the-art dealership facility when completed early 2007.

CITY FINANCE & TAXES:

Retail Sales Tax: State: 6% County: 0.25% County Transit: 1% City: 1% TOTAL: 8.25%

Bond Rating: Moody's Investors Services Inc.: Aaa Standard & Poor's Corporation: AAA
(Daly City has no significant outstanding public assessment bonds)

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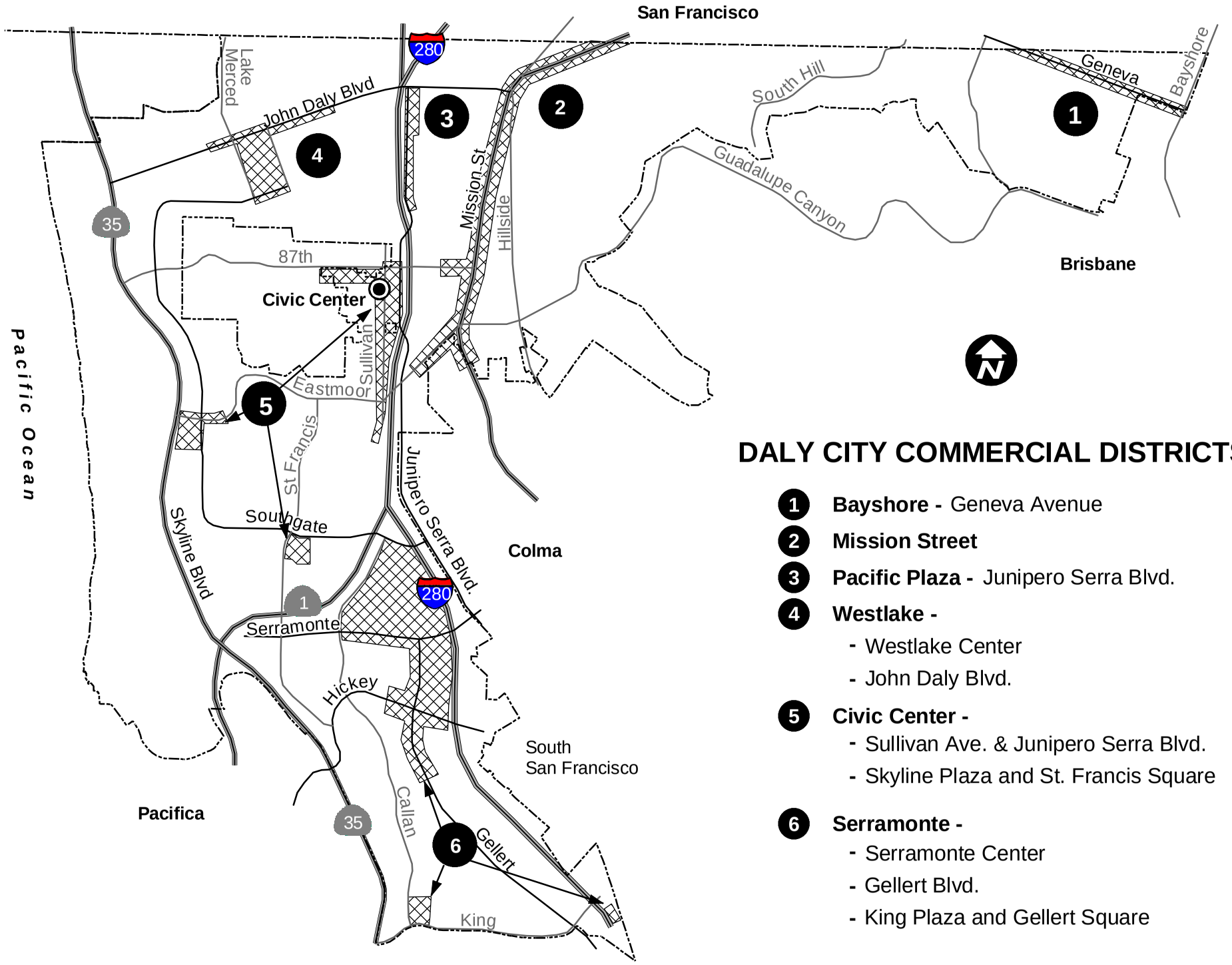
* A major commercial brokerage firm provided office vacancy data. Retail vacancy rates are loosely approximated from different sources.



DALY CITY COMMERCIAL DISTRICTS

1. **Bayshore -** Geneva Avenue
2. **Mission Street**
3. **Pacific Plaza -** Junipero Serra Blvd.
4. **Westlake -**
   - Westlake Center
   - John Daly Blvd.
5. **Civic Center -**
   - Sullivan Ave. & Junipero Serra Blvd.
   - Skyline Plaza and St. Francis Square
6. **Serramonte -**
   - Serramonte Center
   - Gellert Blvd.
   - King Plaza and Gellert Square

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Land/Lots

FOR SALE

Summer 2006

Map Area	Size	Location	Zoning	Asking Price	Comments
2	11,000± s.f.	6770 Mission St.	C-1	$850,000	LEVEL LOT suitable for future development. Commercial land leased until 2015; currently pays $2,993/mo. plus annual CPI-based increases. Please do not contact tenant.
	Contact: *Shawn Parker, Ed Campbell Realty, (650) 219-4033 or (650) 324-4771*				
4	1.57 Acres	Mar Vista Stables Olympic Way at Skyline	C-1	$2,750,000 ($40± /s.f.)	STABLES FOR SALE. Zoning allows "visitor-serving commercial."
	Contact: *Tim McClean (415) 288-7864*				
4	Two Sites: 6.5± Acres Total	NW corner John Daly & Skyline Blvd. (Hwy. 35) Olympic Way	C-1	$16,555,000 ($46± /s.f.)	TWO PRITVATELY-OWNED sites for sale or ground lease for "visitor-serving commercial." Panoramic ocean view. Near Olympic Club.
	Contact: *Bruce Norton (801) 268-0823*				

Commercial Buildings

FOR SALE

Summer 2006

Map Area	Property Type	Size	Location	Asking Price	Comments
2	R/O	2,000 s.f. Plus Residential	2950 Geneva Avenue	$980,000	COMMERCIAL UNIT with residential above (two one-bedroom units).
	Contact: *David Woon (650) 246-8858*				
2	R/O	1,000± s.f.	6077 Mission St.	SOLD	MIXED USE.
	Contact: *Sold*				
2	R/O	28,770 s.f.	6755 Mission St.	$5,500,000 ($191.17/s.f.)	MIXED USE: Apartments, office and 3,230 s.f. retail. Excellent exposure with on-site parking.
	Contact: *Andrew Peceimer, Coldwell Banker, (650) 344-4300*				
2	OM	Two Stories	6760 Mission St.	$1,099,000	DEVELOPMENT POTENTIAL on 5,000± s.f. lot.
	Contact: *Neria (650) 867-0549*				
2	O	2,000 s.f.	7080 Mission St.	$899,000	NEWER ONE-STORY professional building. Suitable for medical, dental or other professional use. Well landscaped. Across from Mission Plaza Shopping Ctr.
	Contact: *Lydia Fong, Frank Howard Allen Realtors, (415) 350-1818*				
2	OM	2,500 s.f.	170, 172 and 172A School St.	$898,000	TWO REMODELED OFFICES on ground floor with two-bedroom apartment on second floor. Perfect for owner/user.
	Contact: *Thez Santos, TS Global Realty, (650) 290-0818*				
2	R/O	1,100± s.f.	162-164 School St. Please do not disburb tenants.	$888,888	MIXED-USE near Mission Plaza Shopping Center. Two retail spaces on ground floor. Residential unit upstairs.
	Contact: *Bernard Leung (650) 757-8868*				
3	OM	50,337 s.f.	2171 Junipero Serra Blvd.	$17,000,000	NEWER 7-STORY, Class A office building. Excellent access and visibility, views. Adjacent to Pacific Plaza. Close to BART. Ample parking.
	Contact: *Greg Galli, Woodmont Companies, (650) 592-3960*				

* I = Industrial, 0 = Office, O/M = Office/Medical, R = Retail, R/O = Mixed Retail/Office, OM = Other Mixed Use (e.g., commercial and apartments)

Commercial Space

FOR LEASE

Summer 2006

Map Area	Property Type	Avail S.F.	Location	Monthly Rent /s.f.	Comments
1	R	2,200 s.f.	2501 Geneva Avenue	$2,200/mo. Gross	FORMER BAR with small kitchen area, hood.
	Contact: *Chris Collins, Gateway Management Rentals, (415) 550-7069*				
2	R/O	150 to 6,000 s.f.	6154-6160 Mission St.	$1.50/s.f. AND UP	NEWLY RENOVATED. Central location. Available August 1..
	Contact: *Hildebrand Properties (650) 755-0610*				
2	R/O	14,297 s.f.	6210 Mission St.	$1.25 s.f. NNN	SUBLEASE THROUGH 2010. Available with 60-days notice.
	Contact: *Marilyn Hansen (408) 453-2371*				
2	R/O	2,500 s.f.	6644 Mission St.	$2.10/s.f. Industrial Gross	THREE STORIES: Street level, 12 years old, large showroom, one office, two bathrooms, 14-foot ceiling, and a lot of light. Includes two parking spaces.
	Contact: *Joyce Chun, JCS Investment & Realty, (650) 994-6500*				
2	O	360 s.f.	6644 Mission St.	$700/mo. Industrial Gross	SECOND FLOOR OFFICE Suite #2. Lots of light. Bathroom, kitchen in common area.
	Contact: *Joyce Chun, JCS Investment & Realty, (650) 994-6500*				
2	R/O	800 s.f.	6656 Mission St.	LEASED	GROUND FLOOR SPACE. Busy Mission St. location. Long-term contract.
	Contact: *Leased*				
2	O	1,200 s.f.	6767 Mission St.	LEASED	ONE FLOOR.
	Contact: *Leased*				
2	R/O	1,200 s.f.	168 School St.	LEASED	GROUND FLOOR RETAIL space.
	Contact: *Leased*				
2	R	1,250 s.f.	75 Washington St.	$1,364/mo. ($1.09/s.f.) Gross	RETAIL SPACE with storefront and high-traffic exposure. Off-street parking for several vehicles.
	Contact: *Joe Welch (650) 589-1262*				

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Commercial Space

FOR LEASE

Summer 2006

Map Area	Property Type	Avail S.F.	Location	Monthly Rent /s.f.	Comments
3	R/O	15,906± s.f. Available Now	2001 Junipero Serra Blvd. Available September: Ste. 600 25,270± s.f. Ste. 530A 2,270± s.f. Available October: Ste. 540 12,200± s.f.	$2.40 to $2.55/s.f. FS Office Space TIs neg	PACIFIC PLAZA (Phase I). New 9-story Class A office building w/ground floor retail. Restaurants adjacent, BART & Hwy. 280. Fifth floor space is divisible to suit tenants. Stes. 530A and 540 are contiguous (total $14,270± s.f.).
	Contact: *Scott Harper, Colliers Commercial Real Estate, (415) 788-3100*				
3	O	1,264 s.f.	2171 Junipero Serra Blvd. Ste. 388	$2.45/s.f. FS	JS OFFICE BUILDING. Class A office space adjacent to Pacific Plaza. Located off Hwy 280, near BART. Views of Pacific Ocean and golf course. Close to restaurants and new movie theatre.
	Contact: *Karen Chin, BT Commercial, (650) 347-3700*				
4	O	538 to 1,656 s.f.	48 Park Plaza Drive	$2.50/s.f. FS	MEDICAL BUILDING primarily. Renovation in progress.
	Contact: *Angie Comstock, Kimco Realty Corporation, (925) 977-1869*				
4	R/O	Varies	WESTLAKE SHOPPING CENTER Park Plaza Dr. & John Daly Blvd.	RETAIL $3.00-$4.60/s.f. NNN	NOW LEASING. RETAIL space available for good quality, high credit tenants.
	Contact: *Angie Comstock, Kimco Realty Corporation, (925) 977-1869; Jaci Wilson, Kimco Realty Corporation, (925) 977-3450*				
4	O	200 to 238 s.f.	375 South Mayfair Avenue	$2.50/s.f. FS	GENERAL OFFICE with on-site parking.
	Contact: *Angie Comstock, Kimco Realty Corporation, (925) 977-1869*				
4	O	2,000 s.f.	45 Southgate Avenue	$2.35/s.f. FS	NEWER OFFICE BUILDING. Great visibility.
	Contact: *Angie Comstock, Kimco Realty Corporation, (925) 977-1869*				
5	R/O	425 s.f. x 2	193-197 87th St. at Sullivan Ave.	$750/mo. Includes all utilities	GREAT LOCATION. Two units available. Small office spaces. Parking on-site.
	Contact: *Sam (650) 787-5841*				

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Commercial Space

FOR LEASE

Summer 2006

Map Area	Property Type	Avail S.F.	Location	Monthly Rent /s.f.	Comments
5	O	1,233	295 89th St.	LEASED	SECURED, COVERED PARKING. Close to BART.
	Contact: *Leased*				
5	O	1,716 s.f. 1,240 s.f.	295 89th St. Ste. 205 1,716 s.f. Ste. 308 1,240 s.f.	$1.65/s.f. FS	SECURED, COVERED PARKING garage. Close to BART and Hwy. 280.
	Contact: *Karen Chin, BT Commercial, (650) 347-3700*				
6	O	2,600 s.f.	333 Gellert Blvd.	$2.50/s.f. Gross	SECOND FLOOR CORNER office. Break room and some private offices plus conference room.
	Contact: *Emily Renaud, Menlo Management, (650) 299-8780*				
6	O	500 s.f.	333 Gellert Blvd.	$2.50/s.f. Gross	PRIVATE OFFICE with large window.
	Contact: *Emily Renaud, Menlo Management, (650) 299-8780*				
6	O	1,250 s.f.	333 Gellert Blvd.	$2.50/s.f. Gross	SECOND FLOOR corner office.
	Contact: *Emily Renaud, Menlo Management, (650) 299-8780*				
6	O	90 to 200 s.f.	355 Gellert Boulevard	$500 to $1,500/mo. FS	DALY CITY BUSINESS CENTER. Please call for current space availability. Business Center (executive suites) office space with full-time receptionist and variety of services including business assistance. Perfect for start-up or mature businesses.
	Contact: *Tess Lagandaon, Manager, Daly City Business Center, (650) 757-2060*				
6	O	1,161 s.f. 1,150 s.f.	355 Gellert Boulevard Ste. 150 1,161 s.f. Ste. 279 1,150 s.f.	$2.25/s.f. FS	SERRAMONTE PLAZA Suite 150 available.
	Contact: *Karen Chin, BT Commercial, (650) 347-3700*				

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Commercial Space

FOR LEASE

Summer 2006

Map Area	Property Type	Avail S.F.	Location	Monthly Rent /s.f.	Comments
6	O	500 to 9,700 s.f. (divisible)	455 Hickey Boulevard	$2.25 to $2.55/s.f. FS	SERRAMONTE BUSINESS CENTER. Five-story office building with outstanding views. Convenient 280 access. Multi-level covered parking. Flexible lease terms. Medical use allowed. Close proximity to BART & SFO. Spec. suites available on fifth floor.
	Contact: *John Barsocchini or Bob Bauman, BT Commercial, (650)347-3700*				
6	R	600 to 6,000 s.f. (some restaurant space)	SERRAMONTE CENTER	$3.00 to $9.00/s.f. NNN	REGIONAL SHOPPING CENTER anchored by Macy's, Mervyn's and Target.
	Contact: *Dick Bartlett (650) 992-8687 for short-term space. Robert Dishler (310) 378-8781 for long-term space.*				

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FAX FORM

FROM:

NAME:_____

COMPANY:_____

PHONE: _____

FAX: _____

E-MAIL:

TO:

COMMERCIAL OPPORTUNITIES

FAX: (650) 991-8070

City of Daly City

Dept. of Economic and Community Development

Contact Michele Courtney at (650) 991-8034 or mcourtney@dalycity.org if you have any questions.

PLEASE PRINT LEGIBLY!

LAND/LOTS - FOR SALE

Map Area	Size S.F./Ac.	Location	Zoning (if known)	Asking Price	Comments (10 word limit)	Contact & Phone #

COMMERCIAL BUILDINGS - FOR SALE

Map Area	Property Type*	Size	Location	Asking Price	Comments (10 word limit)	Contact & Phone #

COMMERCIAL SPACE - FOR LEASE

Map Area	Property Type	Avail. S.F./ Total S.F.	Location	Monthly Rate/S.F. (state exp. basis NNN /Gross, etc.)	Comments (10 word limit)	Contact & Phone #

*__Property Type:__ **I** = industrial, **O** = Office, **R** = Retail, **R/O** = Mixed Retail/Office, **OM** = Other Mixed Use (e.g., commercial & apartments)