

OUTLOOK

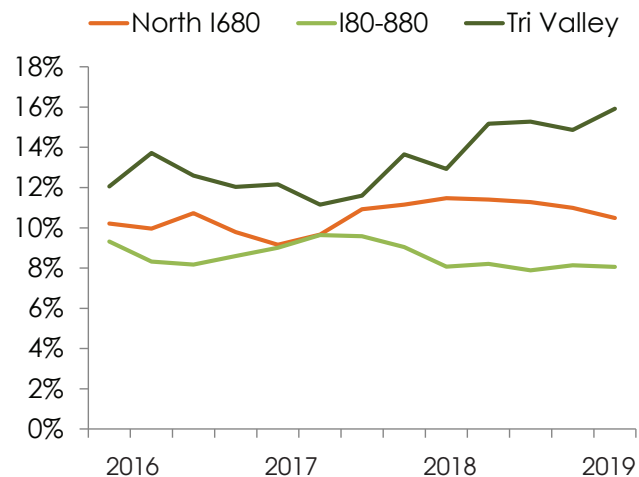
Economy: The East Bay witnessed negative job growth for the first time in over a decade, which could be briefly explained by regular dips in activity from winter, or could herald bad news for office fundamentals. This figure runs in accordance with the leveling off of the unemployment rate in the past several quarters, although 3.5% is still an indicator of a strong market.

Vacancy Rates: Market fundamentals began 2019 strong, especially in the I-80/880 corridor where there has been new construction, but a 2-year stretch of unwavering consistency to 10% vacancy. The Tri-Valley showed signals that it's a market to keep an eye on, however, tenant attrition has continued at a steady, albeit slow, rate.

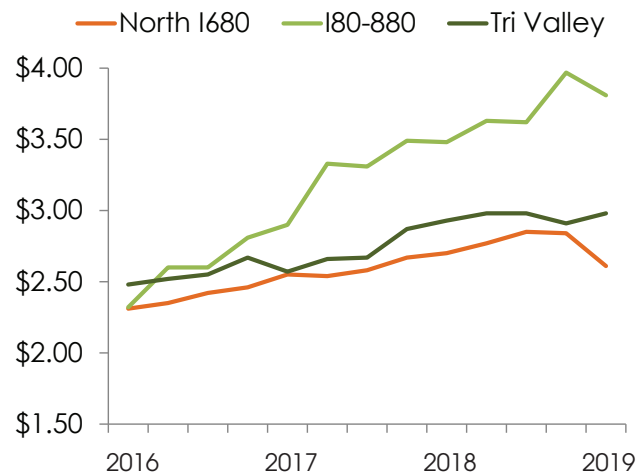
Lease Rates: Rental rates for the East Bay office market are nearly 40% higher than they were five years ago. Rents for the I-80/880 corridor are still enormously high as the region catches tenants moving east from San Francisco. With market figures that much stronger than even a few years ago, the East Bay will likely be able to sustain tenants at high rates throughout momentary shortcomings in the economy.

Absorption: The East Bay office market saw no headline-inspiring leases this past quarter which made a graphic drop in activity. 2018's year-end slowdown appeared to have continued, but may still be shaking off the ice of a slow market during winter. As new construction is finalized in the Oakland market in the near future, office trends will see a boost in activity.

VACANCY RATE | PERCENT BY MARKET



AVERAGE ASKING RENT | WEIGHTED FULL SERVICE



OAKLAND/EAST BAY OFFICE TRENDS | FOURTH QUARTER 2018

ARROWS REPRESENT CHANGES FROM THE PREVIOUS QUARTER

MARKET INDICATORS	Vacancy	Net Absorption	Under Construction	Rents PSF
Q ¹ 2019	10.0%	-168,289	948,000	\$3.13
Q ⁴ 2018	10.1%	30,553	942,067	\$3.24

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NOTEWORTHY TRANSACTIONS

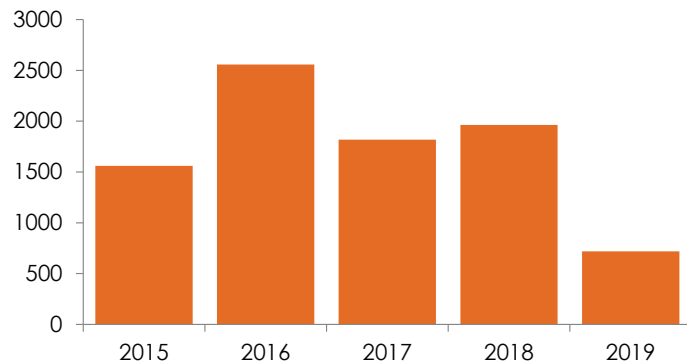
LEASE TRANSACTIONS | NOTABLE OFFICE LEASES SIGNED Q1 2019

Property Address	Submarket	Tenant	Type	Transaction Size
2201 Broadway	Oakland	Center for Environmental Health	Class B	5,696
200 Pringle	Walnut Creek	Brown, Gee & Wenger	Class A	6,941
405 14th St	Oakland	The Build Group	Class B	5,200

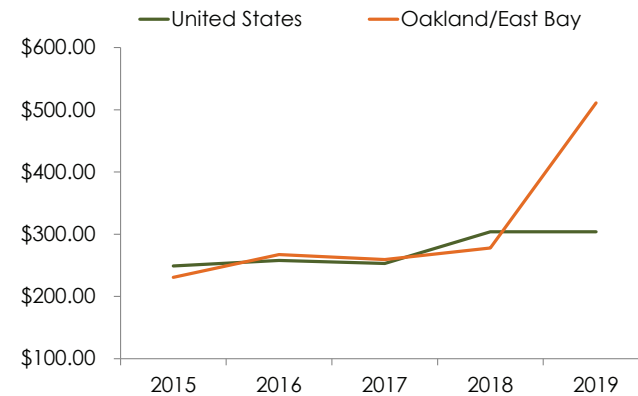
SALE TRANSACTIONS | NOTABLE OFFICE SALES FOR Q1 2019

Property Address	Submarket	Buyer	Sale Price	\$ PSF	Transaction Size
1901 Harrison, 2150 Franklin, & 2101 Webster	Oakland	Starwood Capital	\$512,000,000	\$529	966,957
Tribune Tower	Downtown Walnut Creek	Highbridge Equity	\$48,000,000	\$503	95,353
5300 Chiron Way	Emeryville	Biomed Realty	\$135,000,000	\$540	250,000

EAST BAY SALE VOLUME | TOTAL MILLIONS OF DOLLARS



EAST BAY SALE PRICE | AVERAGE DOLLAR PSF



Q1 2019 **Q1 2018** **% Chg**

Vacancy Rate	10.0%	10.0%	0.0%
Avg. Asking Lease Rate	\$3.13	\$3.04	+2.9%
Net Absorption	-168,289	360,939	(N/A)
Sale Price PSF*	\$511.00	\$277.78	+0.0%

THESE STATISTICS ENCOMPASS THE ENTIRE SURVEY, WHICH INCLUDES CLASS A, B AND C OFFICE, NON-OWNER OCCUPIED EXISTING OR UNDER CONSTRUCTION OVER 10,000 SQUARE FEET BUILDING SIZE.

*SALE PRICE FIGURES ARE YEAR-OVER-YEAR

STATISTICS BY SUBMARKET & CLASSIFICATION

NORTH I-680

Submarket	Total Inventory	Direct SF	Direct %	Sublease SF	Sublease %	Total SF	Total %	Under Construction	Qtr Net Absorption	Average Asking Rent
Antioch/Pittsburg										
Class A	-	-	-	-	-	-	-	-	-	-
Class B	684,961	74,464	10.9%	-	0.0%	74,464	10.9%	-	(2,700)	\$1.60
Class C	352,264	23,659	6.7%	-	0.0%	23,659	6.7%	-	(16,207)	\$1.44
Total	1,037,225	98,123	9.5%	-	0.0%	98,123	9.5%	-	(18,907)	\$1.52
Brentwood										
Class A	-	-	-	-	-	-	-	-	-	-
Class B	402,707	6,178	1.5%	-	0.0%	6,178	1.5%	-	7,413	\$1.98
Class C	67,197	-	0.0%	-	0.0%	-	0.0%	-	-	\$1.80
Total	469,904	6,178	1.3%	-	0.0%	6,178	1.3%	-	7,413	\$1.89
Concord										
Class A	3,239,823	360,904	11.1%	16,432	0.5%	377,336	11.6%	-	102,269	\$2.68
Class B	1,425,074	151,535	10.6%	1,414	0.1%	152,949	10.7%	-	(14,341)	\$2.10
Class C	588,552	4,745	0.8%	-	0.0%	4,745	0.8%	-	4,410	\$1.41
Total	5,253,449	517,184	9.8%	17,846	0.3%	535,030	10.2%	-	92,338	\$2.06
Danville/Alamo										
Class A	50,000	9,730	19.5%	-	0.0%	9,730	19.5%	-	-	\$4.07
Class B	738,724	35,659	4.8%	1,096	0.1%	36,755	5.0%	-	(4,402)	\$2.80
Class C	273,810	12,816	4.7%	2,081	0.8%	14,897	5.4%	-	(351)	\$2.81
Total	1,062,534	58,205	5.5%	3,177	0.3%	61,382	5.8%	-	(4,753)	\$3.23
Lamorinda										
Class A	-	-	-	-	-	-	-	-	-	-
Class B	921,274	41,509	4.5%	695	0.1%	42,204	4.6%	-	(7,960)	\$3.63
Class C	197,967	4,853	2.5%	-	0.0%	4,853	2.5%	-	(3,615)	\$2.11
Total	1,119,241	46,362	4.1%	695	0.1%	47,057	4.2%	-	(11,575)	\$2.87

STATISTICS BY SUBMARKET & CLASSIFICATION

NORTH I-680

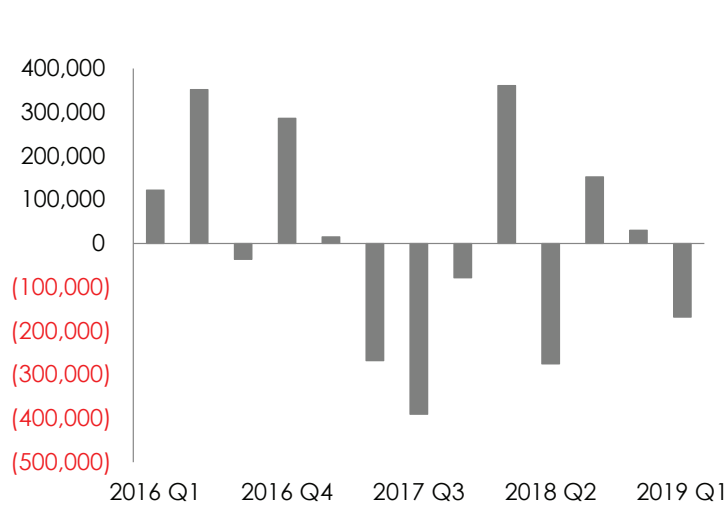
Submarket	Total Inventory	Direct SF	Direct %	Sublease SF	Sublease %	Total SF	Total %	Under Construction	Qtr Net Absorption	Average Asking Rent
Martinez										
Class A	112,904	-	0.0%	-	0.0%	-	0.0%	-	-	-
Class B	243,621	11,771	4.8%	-	0.0%	11,771	4.8%	-	3,988	\$1.73
Class C	78,081	770	1.0%	-	0.0%	770	1.0%	-	(770)	\$1.60
Total	434,606	12,541	2.9%	-	0.0%	12,541	2.9%	-	3,218	\$1.67
Pleasant Hill										
Class A	130,000	18,231	14.0%	-	0.0%	18,231	14.0%	-	-	-
Class B	748,127	28,141	3.8%	-	0.0%	28,141	3.8%	-	1,728	\$2.37
Class C	223,725	18,734	8.4%	-	0.0%	18,734	8.4%	-	(33)	\$1.18
Total	1,101,852	65,106	5.9%	-	0.0%	65,106	5.9%	-	1,695	\$1.78
San Ramon										
Class A	6,543,653	737,443	11.3%	-	0.0%	737,443	11.3%	-	(51,974)	\$2.65
Class B	2,743,947	257,601	9.4%	9,108	0.3%	266,709	9.7%	-	18,639	\$2.29
Class C	203,352	19,095	9.4%	-	0.0%	19,095	9.4%	-	(840)	\$2.41
Total	9,490,952	1,014,139	10.7%	9,108	0.1%	1,023,247	10.8%	-	(34,175)	\$2.45
Shadelands										
Class A	107,146	26,910	25.1%	-	0.0%	26,910	25.1%	-	(1,672)	\$2.18
Class B	1,347,089	315,136	23.4%	-	0.0%	315,136	23.4%	-	(13,804)	\$2.00
Class C	363,626	16,776	4.6%	-	0.0%	16,776	4.6%	-	(5,098)	\$1.74
Total	1,817,861	358,822	19.7%	-	0.0%	358,822	19.7%	-	(20,574)	\$1.97
Walnut Creek Dtnw/PHB										
Class A	3,358,173	456,473	13.6%	19,137	0.6%	475,610	14.2%	-	(38,573)	\$3.76
Class B	3,283,935	323,683	9.9%	9,811	0.3%	333,494	10.2%	-	(12,476)	\$3.08
Class C	576,944	21,414	3.7%	4,484	0.8%	25,898	4.5%	-	(9,051)	\$1.38
Total	7,219,052	801,570	11.1%	33,432	0.5%	835,002	11.6%	-	(60,100)	\$2.74

STATISTICS BY SUBMARKET & CLASSIFICATION

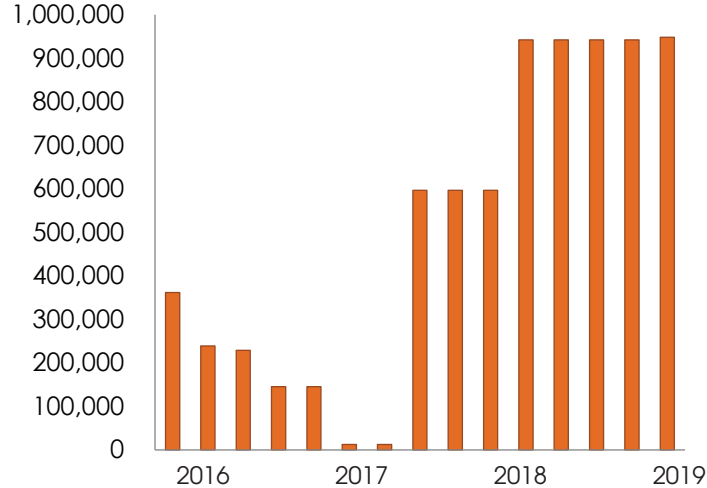
NORTH I-680

Submarket	Total Inventory	Direct SF	Direct %	Sublease SF	Sublease %	Total SF	Total %	Under Construction	Qtr Net Absorption	Average Asking Rent
North I-680 Corridor										
Class A	13,541,699	1,609,691	11.9%	35,569	0.3%	1,645,260	12.1%	-	10,050	\$3.44
Class B	12,539,459	1,245,677	9.9%	22,124	0.2%	1,267,801	10.1%	-	(23,915)	\$2.39
Class C	2,925,518	122,862	4.2%	6,565	0.2%	129,427	4.4%	-	(31,555)	\$2.00
TOTAL	29,006,676	2,978,230	10.3%	64,258	0.2%	3,042,488	10.5%	-	(45,420)	\$2.61

EAST BAY NET ABSORPTION | SQUARE FEET



EAST BAY UNDER CONSTRUCTION | SQUARE FEET



STATISTICS BY SUBMARKET & CLASSIFICATION

I-80/880 CORRIDOR

Submarket	Total Inventory	Direct SF	Direct %	Sublease SF	Sublease %	Total SF	Total %	Under Construction	Qtr Net Absorption	Average Asking Rent
Alameda										
Class A	-	-	-	-	-	-	-	-	-	-
Class B	2,075,308	196,882	9.5%	12,678	0.6%	209,560	10.1%	-	(25,595)	\$3.16
Class C	1,084,118	133,689	12.3%	0	0.0%	133,689	12.3%	-	(1,176)	\$1.88
Total	3,159,426	330,571	10.5%	12,678	0.4%	343,249	10.9%	-	(26,771)	\$2.74
Berkeley										
Class A	300,000	-	0.0%	240	0.1%	240	0.1%	-	(240)	\$-
Class B	2,584,388	117,510	4.5%	12,212	0.5%	129,722	5.0%	-	(15,331)	\$3.44
Class C	1,342,460	24,980	1.9%	26,142	1.9%	51,122	3.8%	-	17,683	\$2.70
Total	4,226,848	142,490	3.4%	38,594	0.9%	181,084	4.3%	-	2,112	\$3.25
Emeryville										
Class A	2,074,331	148,698	7.2%	38,586	1.9%	187,284	9.0%	-	46,533	\$4.23
Class B	1,410,369	268,783	19.1%	17,731	1.3%	286,514	20.3%	-	(9,028)	\$3.68
Class C	438,426	0	0.0%	0	0.0%	0	0.0%	-	0	\$3.50
Total	3,923,126	417,481	10.6%	56,317	1.4%	473,798	12.1%	-	37,505	\$3.93
Hayward										
Class A	175,918	-	0.0%	-	0.0%	-	0.0%	-	-	-
Class B	897,581	27,825	3.1%	-	0.0%	27,825	3.1%	-	(5,497)	\$1.62
Class C	852,148	9,003	1.1%	-	0.0%	9,003	1.1%	-	4,961	\$1.25
Total	1,925,647	36,828	1.9%	-	0.0%	36,828	1.9%	-	(536)	\$1.54
Oakland - Airport										
Class A	263,833	8,375	3.2%	-	0.0%	8,375	3.2%	-	-	\$2.77
Class B	1,336,562	46,833	3.5%	4,677	0.3%	51,510	3.9%	-	18,320	\$1.99
Class C	645,217	26,278	4.1%	1,980	0.3%	28,258	4.4%	-	4,086	\$1.90
Total	2,245,612	81,486	3.6%	6,657	0.3%	88,143	3.9%	-	22,406	\$2.22

STATISTICS BY SUBMARKET & CLASSIFICATION

I-80/880 CORRIDOR

Submarket	Total Inventory	Direct SF	Direct %	Sublease SF	Sublease %	Total SF	Total %	Under Construction	Qtr Net Absorption	Average Asking Rent
Oakland Downtown										
Class A	7,425,029	415,581	5.6%	33,443	0.5%	449,024	6.0%	948,000	69,325	\$4.95
Class B	5,906,609	748,874	12.7%	32,794	0.6%	781,668	13.2%	-	(81,980)	\$4.50
Class C	1,310,096	39,855	3.0%	-	0.0%	39,855	3.0%	-	7,735	\$4.07
Total	14,641,734	1,204,310	8.2%	66,237	0.5%	1,270,547	8.7%	948,000	(4,920)	\$4.84
Oakland Jack London										
Class A	-	-	-	-	-	-	-	-	-	-
Class B	851,701	110,191	12.9%	-	0.0%	110,191	12.9%	-	(146)	\$3.50
Class C	517,883	66,587	12.9%	-	0.0%	66,587	12.9%	-	7,776	\$4.25
Total	1,369,584	176,778	12.9%	-	0.0%	176,778	12.9%	-	7,630	\$3.88
Oakland South										
Class A	68,640	-	0.0%	-	0.0%	-	0.0%	-	-	-
Class B	1,031,511	182,571	17.7%	-	0.0%	182,571	17.7%	-	(17,569)	\$1.93
Class C	455,184	5,841	1.3%	-	0.0%	5,841	1.3%	-	(818)	\$2.01
Total	1,555,335	188,412	12.1%	-	0.0%	188,412	12.1%	-	(18,387)	\$1.97
Oakland North										
Class A	-	-	-	-	-	-	-	-	-	-
Class B	832,618	38,753	4.7%	-	0.0%	38,753	4.7%	-	(10,156)	\$3.09
Class C	790,525	31,671	4.0%	4,889	0.6%	36,560	4.6%	-	(10,159)	\$2.83
Total	1,623,143	70,424	4.3%	4,889	0.3%	75,313	4.6%	-	(20,315)	\$2.96
Richmond										
Class A	-	-	-	-	-	-	-	-	-	-
Class B	951,386	38,043	4.0%	4,652	0.5%	42,695	4.5%	-	(285)	\$2.29
Class C	439,698	32,182	7.3%	-	0.0%	32,182	7.3%	-	266	\$1.50
Total	1,391,084	70,225	5.0%	4,652	0.3%	74,877	5.4%	-	(19)	\$2.26

STATISTICS BY SUBMARKET & CLASSIFICATION

I-80/880 CORRIDOR

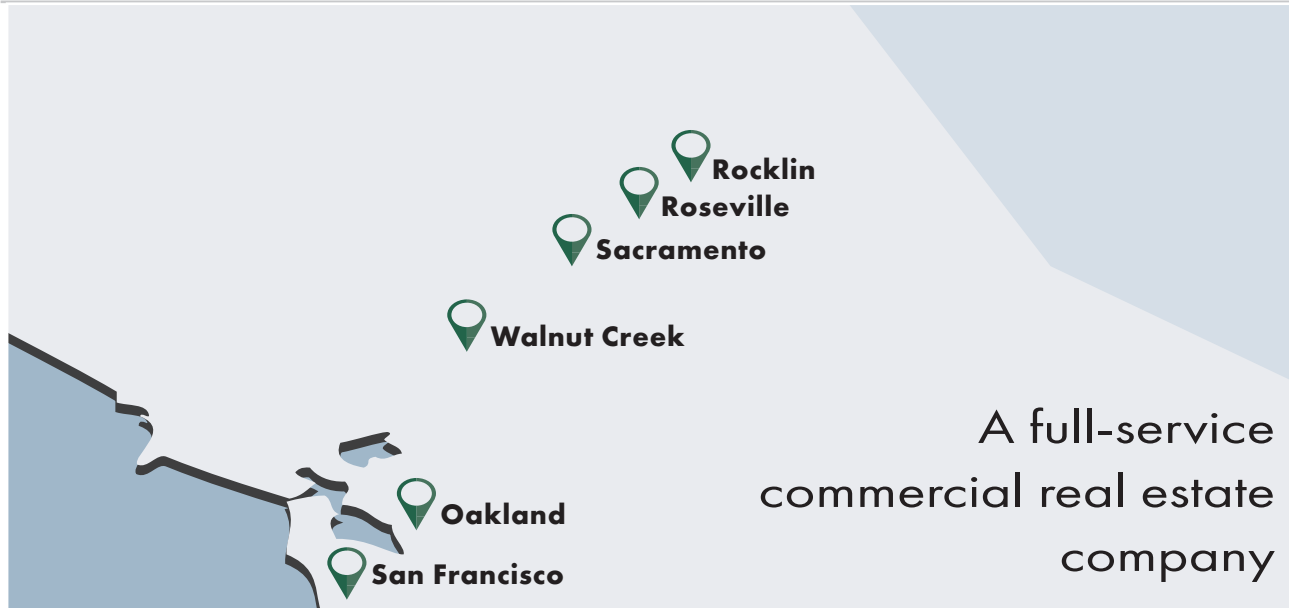
Submarket	Total Inventory	Direct SF	Direct %	Sublease SF	Sublease %	Total SF	Total %	Under Construction	Qtr Net Absorption	Average Asking Rent
San Leandro										
Class A	132,725	-	0.0%	-	0.0%	-	0.0%	-	-	-
Class B	845,157	93,872	11.1%	-	0.0%	93,872	11.1%	-	(2,069)	\$2.32
Class C	525,045	32,758	6.2%	-	0.0%	32,758	6.2%	-	(5,804)	\$1.84
Total	1,502,927	126,630	8.4%	-	0.0%	126,630	8.4%	-	(7,873)	\$2.18
Union City										
Class A	-	-	-	-	-	-	-	-	-	-
Class B	99,162	2,389	2.4%	-	0.0%	2,389	2.4%	-	-	\$1.45
Class C	64,176	638	1.0%	-	0.0%	638	1.0%	-	(638)	\$1.75
Total	163,338	3,027	1.9%	-	0.0%	3,027	1.9%	-	(638)	\$1.60
Oakland I-80/880										
Class A	10,440,476	572,654	5.5%	72,269	0.7%	644,923	6.2%	948,000	115,618	\$4.71
Class B	18,822,352	1,872,526	9.9%	84,744	0.5%	1,957,270	10.4%	-	(149,336)	\$4.02
Class C	8,464,976	403,482	4.8%	33,011	0.4%	436,493	5.2%	-	23,912	\$2.69
TOTAL	37,727,804	2,848,662	7.6%	190,024	0.5%	3,038,686	8.1%	948,000	(9,806)	\$3.81

STATISTICS BY SUBMARKET & CLASSIFICATION

TRI VALLEY

Submarket	Total Inventory	Direct SF	Direct %	Sublease SF	Sublease %	Total SF	Total %	Under Construction	Qtr Net Absorption	Average Asking Rent
Dublin										
Class A	1,013,823	364,734	36.0%	-	0.0%	364,734	36.0%	-	(13,012)	\$3.23
Class B	714,046	17,178	2.4%	-	0.0%	17,178	2.4%	-	2,298	\$2.30
Class C	141,692	1,475	1.0%	2,840	2.0%	4,315	3.0%	-	1,494	\$2.07
Total	1,869,561	383,387	20.5%	2,840	0.2%	386,227	20.7%	-	(9,220)	\$3.13
Pleasanton										
Class A	1,402,251	298,475	21.3%	-	0.0%	298,475	21.3%	-	(95,478)	\$3.07
Class B	5,466,121	674,921	12.3%	39,540	0.7%	714,461	13.1%	-	1,901	\$2.73
Class C	436,604	84,932	19.5%	-	0.0%	84,932	19.5%	-	-	\$2.68
Total	7,304,976	1,058,328	14.5%	39,540	0.5%	1,097,868	15.0%	-	(93,577)	\$2.84
Livermore										
Class A	-	-	-	-	-	-	-	-	-	-
Class B	1,049,426	98,386	9.4%	-	0.0%	98,386	9.4%	-	-	\$1.46
Class C	207,407	78,081	37.6%	-	0.0%	78,081	37.6%	-	(10,266)	\$1.58
Total	1,256,833	176,467	14.0%	-	0.0%	176,467	14.0%	-	(10,266)	\$1.50
Tri Valley										
Class A	2,416,074	663,209	27.4%	-	0.0%	663,209	27.4%	-	(108,490)	\$3.05
Class B	7,229,593	790,485	10.9%	39,540	0.5%	830,025	11.5%	-	4,199	\$3.35
Class C	785,703	164,488	20.9%	2,840	0.4%	167,328	21.3%	-	(8,772)	\$2.53
TOTAL	10,431,370	1,618,182	15.5%	42,380	0.4%	1,660,562	15.9%	-	(113,063)	\$2.98
East Bay Totals										
Class A	26,398,249	2,845,554	10.8%	107,838	0.4%	2,953,392	11.2%	948,000	17,178	\$3.73
Class B	38,591,404	3,908,688	10.1%	146,408	0.4%	4,055,096	10.5%	-	(169,052)	\$3.25
Class C	12,176,197	690,832	5.7%	42,416	0.3%	733,248	6.0%	-	(16,415)	\$2.41
TOTAL EAST BAY	77,165,850	7,445,074	9.6%	296,662	0.4%	7,741,736	10.0%	948,000	(168,289)	\$3.13

NORTHERN CALIFORNIA MAP | TRI OFFICE LOCATIONS



TRI CONTACT INFORMATION

San Francisco

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Tel: (415) 268-2200 | Fax: (415) 268-2299

Oakland

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Oakland, CA 94607
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Walnut Creek

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Sacramento

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Sacramento, CA 95815
Tel: (916) 669-4500 | Fax: (916) 525-8017

Roseville

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Roseville, CA 95678
Tel: (916) 677-8000 | Fax: (916) 677-8199

Rocklin

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ABOUT TRI COMMERCIAL

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