

OUTLOOK

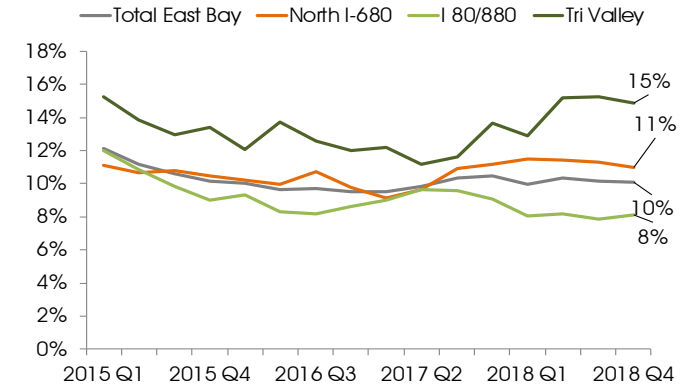
Economy: The Bay Area saw continued job growth which bodes well for office fundamentals. The Bay Area metro added 13,500 jobs in November. This was the most positive employment performance for the nine-county region in more than two years. California added 30,700 payroll jobs and the statewide unemployment rate held steady at 4.1 percent in November, the EDD reported.

Vacancy Rates: Market fundamentals ended 2018 strong with over 2 million square feet less of vacant space than there was five years ago. New construction in Oakland will add to vacancy over the next several quarters as new projects gradually deliver. Provided leasing activity remains robust, single-digit vacancy may be a real possibility for the first time in decades.

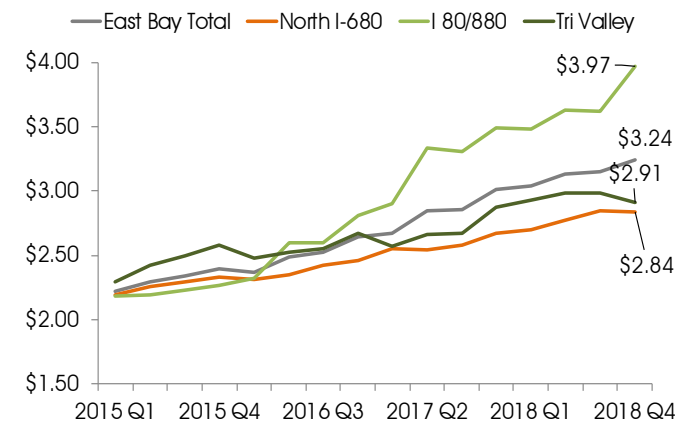
Lease Rates: Rental rates for the East Bay office market are almost 40% higher than they were five years ago. Rents for the I 80/880 corridor are 49% higher than five years ago due to the increased demand and migration from San Francisco. As job growth continues in the region, we expect to see continued demand and vacancy constraints.

Absorption: The East Bay office market witnessed major transactions this past quarter with Square and WeWork taking significant space in the Downtown Oakland submarket. These transactions helped offset an overall slowdown at year-end. Square leased the entire Uptown Station complex in Oakland, and is expected to bring hundreds of the tech company's workers to the city.

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	Sales Price PSF
Q ⁴ 2018	10.1%	30,353	942,067	\$277.78
Q ³ 2018	10.1%	152,227	942,067	\$259.26

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NOTEWORTHY TRANSACTIONS

LEASE TRANSACTIONS | NOTABLE OFFICE LEASES SIGNED Q4 2018

Property Address	Submarket	Tenant	Type	Date Lease Signed	Transaction Size
1955 Broadway	Downtown Oakland	Square	Direct Lease	December 2018	380,000
2201 Broadway	Downtown Oakland	WeWork	Direct Lease	October 2018	67,983
1901 Harrison	Downtown Oakland	Department of Insurance	Direct Lease	October 2018	53,191

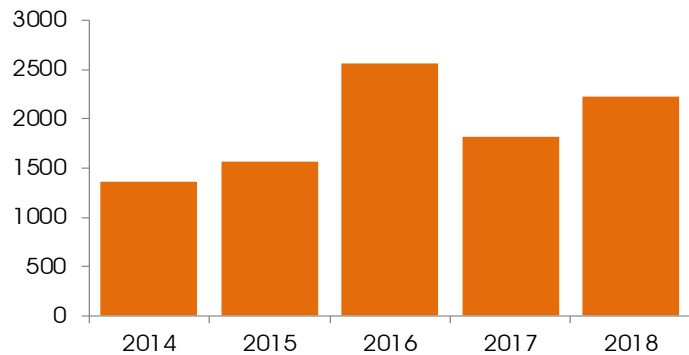
SALE TRANSACTIONS | NOTABLE OFFICE SALES FOR Q4 2018

Property Address	Submarket	Buyer	Sale Price	\$ PSF	Transaction Size
1221 Broadway	Downtown Oakland	TMG Partners	\$255,000,000	\$489	521,177
Ygnacio Center	Downtown Walnut Creek	Hines	\$210,517,000	\$406	517,975
1601-1611 Telegraph	Berkeley	Sansome Street Partners	\$61,500,000	\$530	116,056

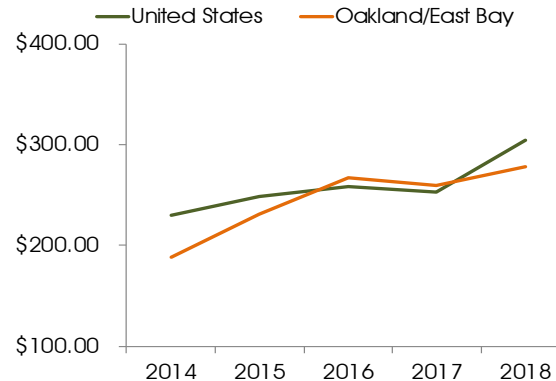
Q4 2018 **Q4 2017** **% Chg**

Vacancy Rate	10.1%	10.5%	-0.1%
Avg. Asking Lease Rate	\$3.24	\$3.01	+7.0%
Net Absorption	30,553	-78,460	(N/A)
Sale Price PSF	\$277.78	\$259.26	+6.0%

EAST BAY SALE VOLUME | TOTAL MILLIONS OF DOLLARS



EAST BAY SALE PRICE | AVERAGE DOLLAR PSF



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.

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	654,961	71,764	11.0%	0	0.0%	71,764	11.0%	-	5,846	\$1.93
Class C	352,264	7,452	2.1%	0	0.0%	7,452	2.1%	-	1,000	\$2.00
Total	1,007,225	79,216	7.9%	0	0.0%	79,216	7.9%	-	6,846	\$2.00
Brentwood										
Class A	-	-	-	-	-	-	-	-	-	-
Class B	402,707	7,793	1.9%	5,798	1.4%	13,591	3.4%	-	(2,876)	\$4.00
Class C	67,197	0	0.0%	0	0.0%	0	0.0%	-	1,100	-
Total	469,904	7,793	1.7%	5,798	1.2%	13,591	2.9%	-	(1,776)	\$4.00
Concord										
Class A	3,239,823	449,524	13.9%	30,081	0.9%	479,605	14.8%	-	(4,124)	\$3.00
Class B	1,413,824	166,494	11.8%	1,414	0.1%	167,908	11.9%	-	(31,612)	\$3.25
Class C	587,252	9,155	1.6%	0	0.0%	9,155	1.6%	-	111	\$1.89
Total	5,240,899	625,173	11.9%	31,495	0.6%	656,668	12.5%	-	(35,625)	\$2.71
Danville/Alamo										
Class A	50,000	9,730	19.5%	0	0.0%	9,730	19.5%	-	(1,417)	\$4.07
Class B	693,632	15,566	2.2%	9,292	1.3%	24,858	3.6%	-	(3,185)	\$2.13
Class C	299,653	12,465	4.2%	2,081	0.7%	14,546	4.9%	-	(1,148)	\$2.75
Total	1,043,285	37,761	3.6%	11,373	1.1%	49,134	4.7%	-	(5,750)	\$2.98
Lamorinda										
Class A	-	-	-	-	-	-	-	-	-	-
Class B	921,274	34,244	3.7%	0	0.0%	34,244	3.7%	-	7,018	\$4.08
Class C	197,967	1,238	0.6%	0	0.0%	1,238	0.6%	-	(1,238)	-
Total	1,119,241	35,482	3.2%	0	0.0%	35,482	3.2%	-	5,780	\$4.08

STATISTICS BY SUBMARKET & CLASSIFICATION

NORTH I-680

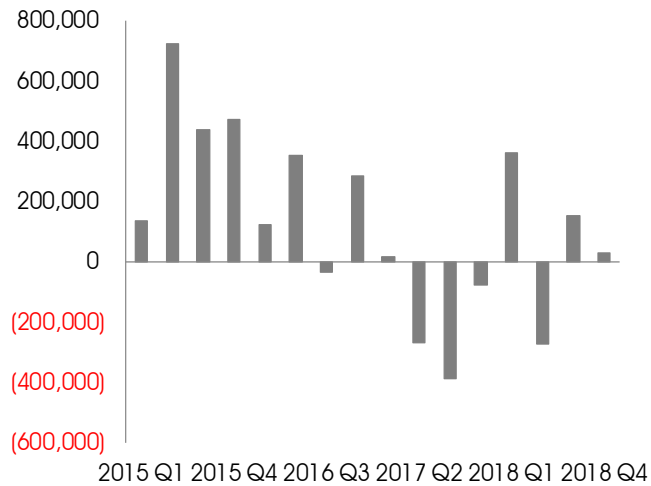
Submarket	Total Inventory	Direct SF	Direct %	Sublease SF	Sublease %	Total SF	Total %	Under Construction	Qtr Net Absorption	Average Asking Rent
Martinez										
Class A	112,904	0	0.0%	0	0.0%	0	0.0%	-	0	-
Class B	243,621	15,759	6.5%	0	0.0%	15,759	6.5%	-	7,409	\$1.92
Class C	78,081	0	0.0%	0	0.0%	0	0.0%	-	1,500	\$1.75
Total	434,606	15,759	3.6%	0	0.0%	15,759	3.6%	-	8,909	\$1.84
Pleasant Hill										
Class A	130,000	18,231	14.0%	0	0.0%	18,231	14.0%	-	8,775	-
Class B	764,346	34,327	4.5%	0	0.0%	34,327	4.5%	-	9,669	\$3.06
Class C	223,725	18,701	8.4%	0	0.0%	18,701	8.4%	-	(1,535)	\$1.94
Total	1,118,071	71,259	6.4%	0	0.0%	71,259	6.4%	-	16,909	\$2.50
San Ramon										
Class A	6,543,653	737,443	11.3%	94,167	1.4%	831,610	12.7%	-	55,487	-
Class B	2,743,947	269,314	9.8%	16,034	0.6%	285,348	10.4%	-	(47,842)	\$2.33
Class C	203,352	18,255	9.0%	0	0.0%	18,255	9.0%	-	(2,529)	\$2.35
Total	9,490,952	1,025,012	10.8%	110,201	1.2%	1,135,213	12.0%	-	5,116	\$2.33
Shadelands										
Class A	107,146	25,238	23.6%	0	0.0%	25,238	23.6%	-	0	-
Class B	1,347,089	298,111	22.1%	3,221	0.2%	301,332	22.4%	-	23,756	\$1.99
Class C	363,626	11,678	3.2%	0	0.0%	11,678	3.2%	-	2,218	\$2.10
Total	1,817,861	335,027	18.4%	3,221	0.2%	338,248	18.6%	-	25,974	\$1.99
Walnut Creek Dtnw/PHB										
Class A	3,358,173	418,387	12.5%	18,650	0.6%	437,037	13.0%	-	31,298	-
Class B	3,155,593	311,741	9.9%	7,316	0.2%	319,057	10.1%	-	27,958	\$2.83
Class C	589,344	17,384	2.9%	1,424	0.2%	18,808	3.2%	-	(2,452)	\$2.13
Total	7,103,110	747,512	10.5%	27,390	0.4%	774,902	10.9%	-	56,804	\$3.33

STATISTICS BY SUBMARKET & CLASSIFICATION

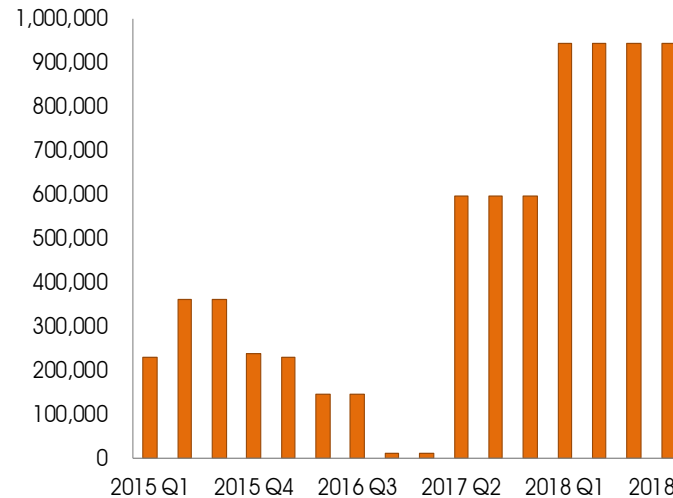
NORTH I-680

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	1,658,553	12.2%	142,898	1.1%	1,801,451	13.3%	-	90,019	\$3.44
Class B	12,340,994	1,225,113	9.9%	43,075	0.3%	1,268,188	10.3%	-	(3,859)	\$2.39
Class C	2,962,461	96,328	3.3%	3,505	0.1%	99,833	3.4%	-	(2,973)	\$2.00
TOTAL	28,845,154	2,979,994	10.3%	189,478	0.7%	3,169,472	11.0%	-	83,187	\$2.84

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	2,074,806	175,107	8.4%	8,858	0.4%	183,965	8.9%	-	2,917	\$3.47
Class C	1,083,666	142,513	13.2%	0	0.0%	142,513	13.2%	-	0	\$2.80
Total	3,158,472	317,620	10.1%	8,858	0.3%	326,478	10.3%	-	2,917	\$3.47
Berkeley										
Class A	250,000	0	0.0%	0	0.0%	0	0.0%	-	0	\$-
Class B	2,640,637	107,052	4.1%	7,339	0.3%	114,391	4.3%	-	(5,938)	\$3.48
Class C	1,378,753	30,971	2.2%	48,022	3.5%	78,993	5.7%	-	(5,901)	\$3.25
Total	4,269,390	138,023	3.2%	55,361	1.3%	193,384	4.5%	-	(11,839)	\$3.45
Emeryville										
Class A	2,074,331	129,976	6.3%	31,306	1.5%	161,282	7.8%	-	(17,536)	\$4.37
Class B	1,401,671	259,755	18.5%	17,731	1.3%	277,486	19.8%	-	(91,267)	\$4.05
Class C	438,426	0	0.0%	0	0.0%	0	0.0%	-	0	-
Total	3,914,428	389,731	10.0%	49,037	1.3%	438,768	11.2%	-	(108,803)	\$4.20
Hayward										
Class A	175,918	0	0.0%	0	0.0%	0	0.0%	-	0	-
Class B	1,042,572	166,826	16.0%	493	0.0%	167,319	16.0%	-	1,012	\$2.33
Class C	852,148	13,964	1.6%	0	0.0%	13,964	1.6%	-	7,063	\$1.50
Total	2,070,638	180,790	8.7%	493	0.0%	181,283	8.8%	-	8,075	\$1.84
Oakland - Airport										
Class A	263,833	8,375	3.2%	0	0.0%	8,375	3.2%	-	4,030	\$2.77
Class B	1,438,842	68,196	4.7%	1,634	0.1%	69,830	4.9%	-	18,011	\$2.00
Class C	645,217	30,364	4.7%	1,980	0.3%	32,344	5.0%	-	(962)	\$1.85
Total	2,347,892	106,935	4.6%	3,614	0.2%	110,549	4.7%	-	21,079	\$2.10

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	468,308	6.3%	53,480	0.7%	521,788	7.0%	942,067	(115,922)	\$4.88
Class B	5,866,311	671,425	11.4%	28,263	0.5%	699,688	11.9%	-	47,824	\$4.75
Class C	1,328,766	44,647	3.4%	2,943	0.2%	47,590	3.6%	-	7,147	\$4.08
Total	14,620,106	1,184,380	8.1%	84,686	0.6%	1,269,066	8.7%	942,067	(60,951)	\$4.78
Oakland Jack London										
Class A	-	-	-	-	-	-	-	-	-	-
Class B	851,701	80,045	9.4%	7,927	0.9%	87,972	10.3%	-	33,164	\$3.31
Class C	517,883	74,363	14.4%	0	0.0%	74,363	14.4%	-	(13,150)	\$4.00
Total	1,369,584	154,408	11.3%	7,927	0.6%	162,335	11.9%	-	20,014	\$3.66
Oakland South										
Class A	68,640	0	0.0%	0	0.0%	0	0.0%	-	0	-
Class B	1,031,511	165,002	16.0%	0	0.0%	165,002	16.0%	-	9,383	\$1.74
Class C	455,184	5,023	1.1%	0	0.0%	5,023	1.1%	-	2,285	\$2.09
Total	1,555,335	170,025	10.9%	0	0.0%	170,025	10.9%	-	11,668	\$1.85
Oakland North										
Class A	-	-	-	-	-	-	-	-	-	-
Class B	955,503	25,227	2.6%	3,370	0.4%	28,597	3.0%	-	(3,805)	\$3.15
Class C	790,525	26,401	3.3%	0	0.0%	26,401	3.3%	-	24,801	\$2.65
Total	1,746,028	51,628	3.0%	3,370	0.2%	54,998	3.1%	-	20,996	\$2.86
Richmond										
Class A	-	-	-	-	-	-	-	-	-	-
Class B	951,386	40,006	4.2%	2,404	0.3%	42,410	4.5%	-	(6,439)	\$2.21
Class C	439,697	32,448	7.4%	0	0.0%	32,448	7.4%	-	(273)	\$1.35
Total	1,391,083	72,454	5.2%	2,404	0.2%	74,858	5.4%	-	(6,712)	\$2.11

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%	0	0.0%	-	0	-
Class B	845,157	91,803	10.9%	0	0.0%	91,803	10.9%	-	2,398	\$3.25
Class C	545,385	26,954	4.9%	0	0.0%	26,954	4.9%	-	5,380	\$2.01
Total	1,523,267	118,757	7.8%	0	0.0%	118,757	7.8%	-	7,778	\$2.79
Union City										
Class A	-	-	-	-	-	-	-	-	-	-
Class B	99,162	2,389	2.4%	0	0.0%	2,389	2.4%	-	(2,389)	\$1.45
Class C	85,409	0	0.0%	0	0.0%	0	0.0%	-	2,549	-
Total	184,571	2,389	1.3%	0	0.0%	2,389	1.3%	-	160	\$1.45
Oakland I-80/880										
Class A	10,390,476	606,659	5.8%	84,786	0.8%	691,445	6.7%	942,067	(129,428)	\$4.71
Class B	19,199,259	1,852,833	9.7%	78,019	0.4%	1,930,852	10.1%	-	4,871	\$4.02
Class C	8,561,059	427,648	5.0%	52,945	0.6%	480,593	5.6%	-	28,939	\$2.69
TOTAL	38,150,794	2,887,140	7.6%	215,750	0.6%	3,102,890	8.1%	942,067	(95,618)	\$3.97

STATISTICS BY SUBMARKET & CLASSIFICATION

TRI VALLEY

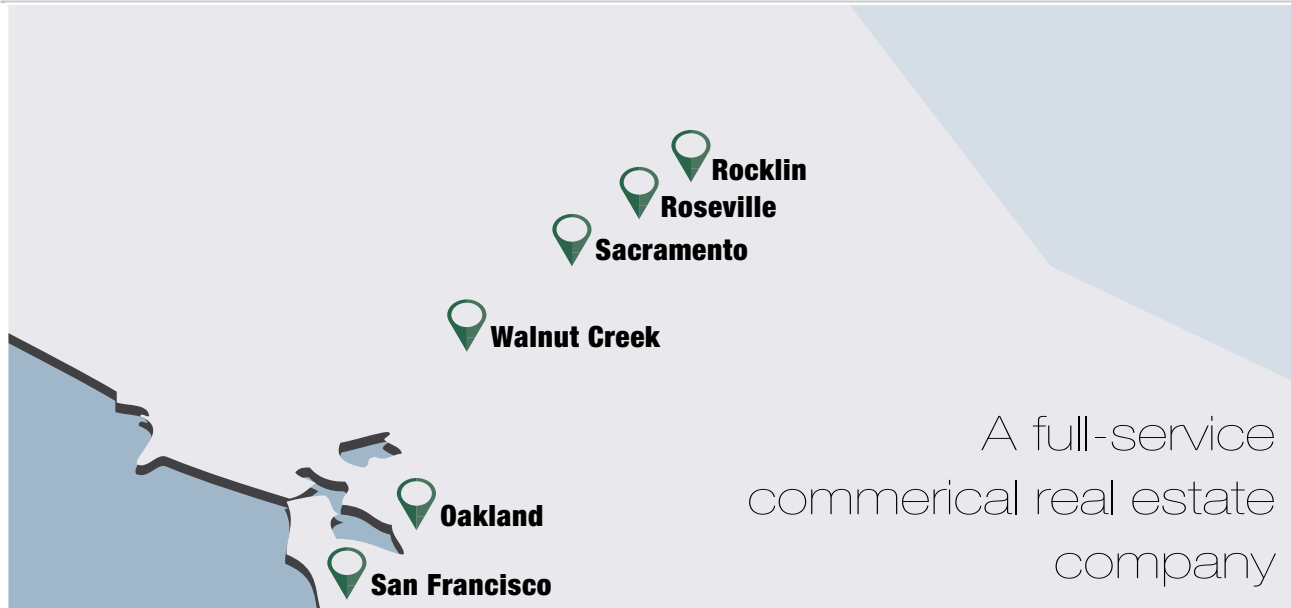
Submarket	Total Inventory	Direct SF	Direct %	Sublease SF	Sublease %	Total SF	Total %	Under Construction	Qtr Net Absorption	Average Asking Rent
Dublin										
Class A	802,043	153,444	19.1%	0	0.0%	153,444	19.1%	-	(26,240)	\$3.22
Class B	996,826	231,256	23.2%	0	0.0%	231,256	23.2%	-	(2,061)	\$2.28
Class C	141,692	2,969	2.1%	2,840	2.0%	5,809	4.1%	-	(2,739)	\$1.98
Total	1,940,561	387,669	20.0%	2,840	0.1%	390,509	20.1%	-	(31,040)	\$3.08
Pleasanton										
Class A	1,402,251	202,997	14.5%	0	0.0%	202,997	14.5%	-	11,070	\$2.79
Class B	5,466,121	674,251	12.3%	42,111	0.8%	716,362	13.1%	-	(5,079)	\$3.45
Class C	436,604	84,932	19.5%	0	0.0%	84,932	19.5%	-	67,819	\$2.59
Total	7,304,976	962,180	13.2%	42,111	0.6%	1,004,291	13.7%	-	73,810	\$3.26
Livermore										
Class A	-	-	-	-	-	-	-	-	-	-
Class B	1,049,426	98,386	9.4%	0	0.0%	98,386	9.4%	-	(1,136)	\$2.10
Class C	207,407	67,815	32.7%	0	0.0%	67,815	32.7%	-	1,350	-
Total	1,256,833	166,201	13.2%	0	0.0%	166,201	13.2%	-	214	\$2.10
Tri Valley										
Class A	2,204,294	356,441	16.2%	0	0.0%	356,441	16.2%	-	(15,170)	\$3.05
Class B	7,512,373	1,003,893	13.4%	42,111	0.6%	1,046,004	13.9%	-	(8,276)	\$3.35
Class C	785,703	155,716	19.8%	2,840	0.4%	158,556	20.2%	-	66,430	\$2.53
TOTAL	10,502,370	1,516,050	14.4%	44,951	0.4%	1,561,001	14.9%	-	42,984	\$2.91
Class A	26,136,469	2,621,653	10.0%	227,684	0.9%	2,849,337	10.9%	942,067	(54,579)	\$3.73
Class B	39,052,626	4,081,839	10.5%	163,205	0.4%	4,245,044	10.9%	-	(7,264)	\$3.25
Class C	12,309,223	679,692	5.5%	59,290	0.5%	738,982	6.0%	-	92,396	\$2.41
TOTAL EAST BAY	77,498,318	7,383,184	9.5%	450,179	0.6%	7,833,363	10.1%	942,067	30,553	\$3.24



OAKLAND/EAST BAY OFFICE

To learn more about TRI Commercial and our real estate services, please visit: www.tricommercial.com
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NORTHERN CALIFORNIA MAP | TRI OFFICE LOCATIONS



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Rocklin

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ABOUT TRI COMMERCIAL

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