

FOURTH QUARTER 2021



EAST BAY OFFICE REPORT

VACANCY & RENTS



Coronavirus continued to negatively affect the office leasing market, specially in the larger tenant sector who continued to lease less space and to actually shrink their footprint. Vacancy jumped 5% year-over-year, which is a direct continuation from 2019 as well. Stop and start, along with remote work trends and new variant spikes, could drive vacancy significantly higher by year end 2022.

\$2.66/SF Average full service rents across the East Bay continued their slow downward trend throughout 2021. Downtown Oakland Class A rents were are \$5.00/SF despite a 18% vacancy. Exception is Life Sciences in the central 880 corridor. Expect more traditional office space to be converted to Life Sciences

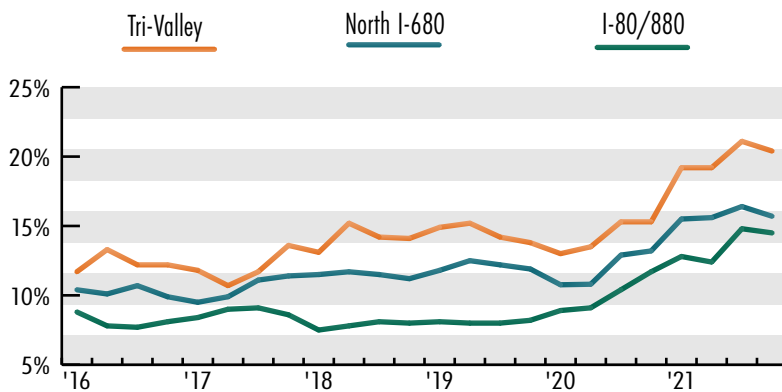
QTR Net Absorption

610,251 SF

Sublease Vacancy Q3 vs Q4 2021

-821,529 SF

VACANCY RATES | Physically Vacant Space

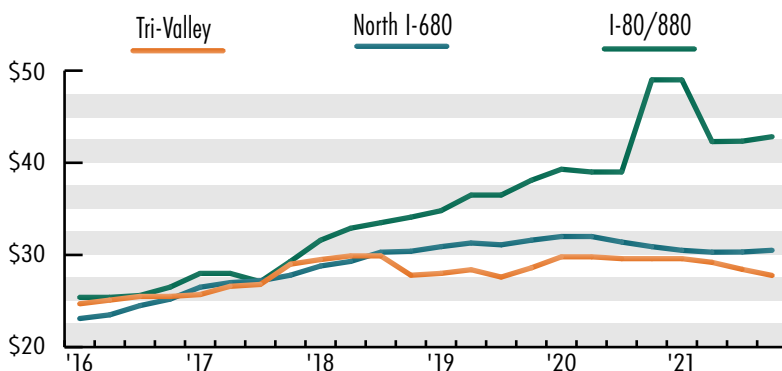


Change in Vacancy (YoY)



+3.4%

AVERAGE RENTAL RATES | Full Service Rents



Change in Asking Rents (YoY)



+0.1%

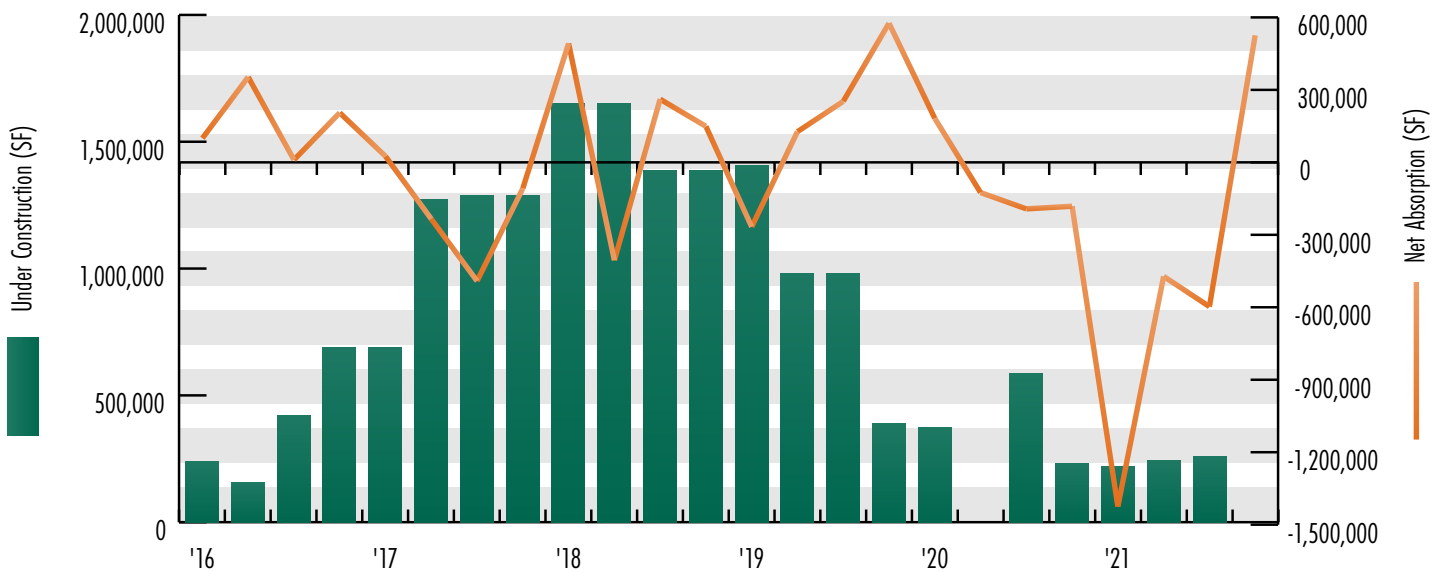
DEMAND & ECONOMY



The Largest lease deals this quarter were relatively small along with renewals. Examples include Sangamo BioScience in Richmond and Gensler in downtown Oakland. These served as Indicators of industries that are doing well and have requirement of in-office work. Metagenomi signed a lease in Emeryville for 23,000 space, utilizing the city's flexible zoning permissions that has made it the destination for Life Science in the East Bay. The economy remains strong in the East Bay at a 5% unemployment rate. Office Space usage changed

however, so the office space inventory of years gone by no longer apply. Office tenants are using about 12.5% less space per employee than they were even 5 years ago. This trend of less space per person is expected to continue due to office automation, AI and remote work factors. The Migration out of the inner Bay Area to the outer suburban third ring of super commuters is expected to continue as ever higher housing prices drive middle class work force jobs away.

UNDER CONSTRUCTION & NET ABSORPTION | Total Square Feet



LEASING ACTIVITY | EAST BAY METRO AREA

TENANT	Property Address	Lease Type	Size (SF)	Type
Sangamo BioSciences	501 Canal Blvd, Richmond	Direct	51,488	Renewal
Gensler	2101 Webster St, Oakland	Direct	24,856	Renewal
CIP Berkeley	2150 Shattuck Ave, Berkeley	Direct	10,350	New
Newmeyer & Dillon	2033 N Main St, Walnut Creek	Direct	8,388	New
McDowell & Hetherington	1999 Harrison St, Oakland	Direct	5,673	New

INVESTMENT & OUTLOOK

Average Sale Price PSF

**\$276**

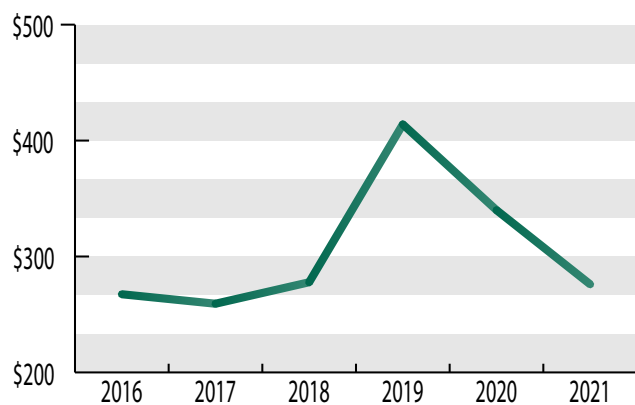
Average Sale CAP Rate

**5.9%**

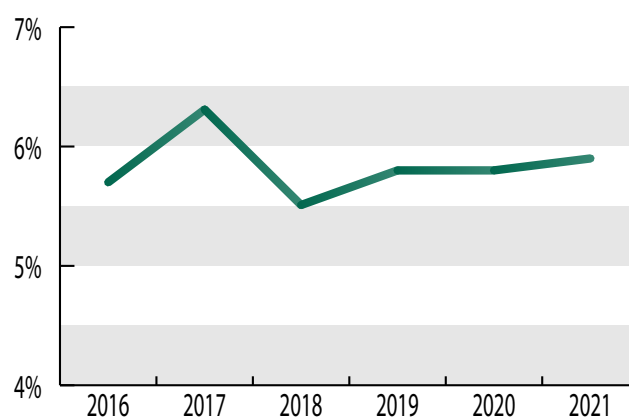
Sales volume for office product closed out the year weakly, totaling only \$55 million in total sale transactions. The Market is digesting possible outcomes of high inflation and future interest rate increase on valuations.

Q4 saw a dramatic dip of office investments as listed for sale, according to CoStar, down from 67 to 50 over the course of 1 year.

SALE PRICE PSF | EAST BAY REGIONAL TRENDS



CAP RATES | EAST BAY REGIONAL TRENDS



SALE TRANSACTIONS | NOTABLE OFFICE TRANSACTIONS

Property Address	Size (SF)	Sale Price	PSF	Buyer
6900 Paseo Padre Pkwy, Fremont	185,790	\$85,000,000	\$458.00	Invesco
6601 Shellmound St, Emeryville	63,406	\$36,000,000	\$568.00	Longfellow
910 Parker St, Berkeley	40,600	\$22,000,000	\$541.00	CCRP
20990 Redwood Road, Castro Valley	33,784	\$10,600,000	\$312.00	Square Assets

STATISTICS BY SUBMARKET

Market/ Submarket	Total Inventory	Under Construction	Direct SF	Direct %	Sublease SF	Sublease %	Total SF	Total %	QTR Net Absor.	Average Asking Rent
Antioch/Pittsburg/Brentwood										
Class A	0	0	0	-	0	-	0	-	0	
Class B	977,492	0	123,844	12.7%	0	0.0%	123,844	12.7%	5,712	\$1.61
Class C	410,991	0	8,521	2.1%	0	0.0%	8,521	2.1%	3,045	\$1.53
Total	1,388,483	0	132,365	9.5%	0	0.0%	132,365	9.5%	8,757	\$1.57
Concord										
Class A	3,403,812	0	673,499	19.8%	101,544	3.0%	775,043	22.8%	(13,022)	\$2.18
Class B	1,474,210	0	198,009	13.4%	9,812	0.7%	207,821	14.1%	(31,017)	\$1.91
Class C	543,311	0	42,753	7.9%	0	0.0%	42,753	7.9%	3,671	\$1.64
Total	5,421,333	0	914,261	16.9%	111,356	2.1%	1,025,617	18.9%	(40,368)	\$1.91
Danville/Alamo										
Class A	50,000	0	15,403	30.8%	0	0.0%	15,403	30.8%	(2,652)	-
Class B	664,849	0	76,946	11.6%	2,601	0.4%	79,547	12.0%	(4,308)	\$2.79
Class C	248,631	0	8,730	3.5%	0	0.0%	8,730	3.5%	(605)	-
Total	963,480	0	101,079	10.5%	2,601	0.3%	103,680	10.8%	(7,565)	\$2.79
Lamorinda										
Class A	0	0	0	-	0	-	0	-	0	
Class B	829,911	0	109,909	13.2%	12,227	1.5%	122,136	14.7%	(7,149)	\$3.43
Class C	222,510	0	10,708	4.8%	0	0.0%	10,708	4.8%	14,119	\$2.10
Total	1,052,421	0	120,617	11.5%	12,227	1.2%	132,844	12.6%	6,970	\$2.77
Martinez										
Class A	112,904	0	0	0.0%	0	0.0%	0	0.0%	0	
Class B	388,683	0	31,339	8.1%	0	0.0%	31,339	8.1%	(1,431)	\$1.93
Class C	266,660	0	11,554	4.3%	0	0.0%	11,554	4.3%	900	-
Total	768,247	0	42,893	5.6%	0	0.0%	42,893	5.6%	(531)	\$1.93
Pleasant Hill										
Class A	134,000	0	16,392	12.2%	1,000	0.7%	17,392	13.0%	(2,167)	
Class B	771,560	0	59,244	7.7%	23,199	3.0%	82,443	10.7%	2,717	\$2.13
Class C	170,751	0	24,076	14.1%	0	0.0%	24,076	14.1%	742	\$2.16
Total	1,076,311	0	99,712	9.3%	24,199	2.2%	123,911	11.5%	1,292	\$2.15
San Ramon										
Class A	3,784,106	0	716,549	18.9%	40,133	1.1%	756,682	20.0%	(97,584)	\$3.25
Class B	5,507,145	0	467,048	8.5%	323,907	5.9%	790,955	14.4%	326,119	\$2.63
Class C	203,785	0	24,274	11.9%	0	0.0%	24,274	11.9%	6,131	\$2.44
Total	9,495,036	0	1,207,871	12.7%	364,040	3.8%	1,571,911	16.6%	234,666	\$2.77
Shadelands										
Class A	107,146	0	85,003	79.3%	0	0.0%	85,003	79.3%	1,067	\$2.14
Class B	1,251,784	0	308,075	24.6%	28,552	2.3%	336,627	26.9%	303	\$2.14
Class C	369,752	0	8,006	2.2%	0	0.0%	8,006	2.2%	1,980	\$1.85
Total	1,728,682	0	401,084	23.2%	28,552	1.7%	429,636	24.9%	3,350	\$2.04
Walnut Creek BART Drwn										
Class A	2,500,662	0	591,121	23.6%	70,669	2.8%	661,790	26.5%	13,529	\$4.00
Class B	2,029,508	0	331,914	16.4%	18,279	0.9%	350,193	17.3%	(27,145)	\$2.85
Class C	211,238	0	3,235	1.5%	0	0.0%	3,235	1.5%	1,720	\$2.60
Total	4,741,408	0	926,270	19.5%	88,948	1.9%	1,015,218	21.4%	(11,896)	\$3.15
Walnut Creek/Pleasant Hill BART										
Class A	1,277,153	0	343,967	26.9%	128,935	10.1%	472,902	37.0%	7,016	\$3.57
Class B	595,468	0	151,117	25.4%	14,309	2.4%	165,426	27.8%	(17,482)	\$3.03
Class C	0	0	0	-	-	-	-	-	-	-
Total	1,872,621	0	495,084	26.4%	143,244	7.6%	638,328	34.1%	(10,466)	\$3.30
North I-680 Market Totals										
Class A	11,369,783	0	2,441,934	21.5%	686,248	6.0%	3,128,182	27.5%	(93,813)	\$3.29
Class B	14,490,610	0	1,857,445	12.8%	432,886	3.0%	2,290,331	15.8%	246,319	\$2.45
Class C	2,647,629	0	141,857	5.4%	0	0.0%	141,857	5.4%	31,703	\$2.05
Total	28,508,022	0	4,441,236	15.6%	1,119,134	3.9%	5,560,370	19.5%	184,209	\$2.59

STATISTICS BY SUBMARKET

Market/ Submarket	Total Inventory	Under Construction	Direct SF	Direct %	Sublease SF	Sublease %	Total SF	Total %	QTR Net Absor.	Average Asking Rent
Alameda										
Class A	0	0	0	-	0	-	0	-	0	
Class B	2,257,828	0	385,054	17.1%	144,142	6.4%	529,196	23.4%	(2,355)	\$2.65
Class C	1,070,552	0	67,796	6.3%	24,041	2.2%	91,837	8.6%	41,347	\$2.40
Total	3,328,380	0	452,850	13.6%	168,183	5.1%	621,033	18.7%	38,992	\$2.53
Berkeley										
Class A	300,000	0	0	0.0%	0	0.0%	0	0.0%	0	
Class B	3,074,663	0	266,587	8.7%	33,182	1.1%	299,769	9.7%	42,931	\$3.61
Class C	1,173,863	0	163,439	13.9%	32,555	2.8%	195,994	16.7%	(7,401)	\$2.85
Total	4,548,526	0	430,026	9.5%	65,737	1.4%	495,763	10.9%	35,530	\$3.23
Emeryville										
Class A	2,356,966	0	305,969	13.0%	112,711	4.8%	418,680	17.8%	74,949	\$4.50
Class B	1,395,534	0	340,297	24.4%	38,493	2.8%	378,790	27.1%	6,924	\$4.50
Class C	400,199	0	15,781	3.9%	0	0.0%	15,781	3.9%	2,769	\$3.25
Total	4,152,699	0	662,047	15.9%	151,204	3.6%	813,251	19.6%	84,642	\$4.50
Hayward										
Class A	175,918	0	0	0.0%	0	0.0%	0	0.0%	0	\$-
Class B	991,888	0	62,047	6.3%	1,170	0.1%	63,217	6.4%	(27)	\$1.65
Class C	1,084,158	0	56,503	5.2%	0	0.0%	56,503	5.2%	7,466	-
Total	2,251,964	0	118,550	5.3%	1,170	0.1%	119,720	5.3%	7,439	\$1.65
Oakland - South/Airport										
Class A	332,473	0	13,083	3.9%	2,714	0.8%	15,797	4.8%	(344)	\$2.85
Class B	2,135,114	0	189,852	8.9%	19,146	0.9%	208,998	9.8%	(13,569)	\$2.39
Class C	1,075,608	0	46,847	4.4%	0	0.0%	46,847	4.4%	1,171	\$1.94
Total	3,543,195	0	249,782	7.0%	21,860	0.6%	271,642	7.7%	(12,742)	\$2.39
Oakland Downtown										
Class A	8,333,091	0	1,503,532	18.0%	389,479	4.7%	1,893,011	22.7%	141,016	\$5.06
Class B	7,181,269	0	1,075,673	15.0%	313,816	4.4%	1,389,489	19.3%	15,398	\$4.47
Class C	1,194,190	0	65,364	5.5%	9,992	0.8%	75,356	6.3%	(2,812)	\$3.38
Total	16,708,550	0	2,644,569	15.8%	713,287	4.3%	3,357,856	20.1%	153,602	\$4.30
Oakland Port/Jack London										
Class A	0	0	0	-	0	-	0	-	0	
Class B	930,064	0	124,333	13.4%	30,152	3.2%	154,485	16.6%	5,581	\$3.77
Class C	378,985	0	33,246	8.8%	0	0.0%	33,246	8.8%	(10,786)	-
Total	1,309,049	0	157,579	12.0%	30,152	2.3%	187,731	14.3%	(5,205)	\$3.77
Oakland North										
Class A	0	0	0	-	0	-	0	-	0	
Class B	1,125,824	0	121,257	10.8%	78,529	7.0%	199,786	17.7%	(14,282)	\$3.14
Class C	634,878	0	70,480	11.1%	26,415	4.2%	96,895	15.3%	8,021	\$2.71
Total	1,760,702	0	191,737	10.9%	104,944	6.0%	296,681	16.9%	(6,261)	\$2.93
Richmond/San Pablo										
Class A	0	0	0	-	0	-	0	-	0	
Class B	914,982	0	114,623	12.5%	0	0.0%	114,623	12.5%	(64)	\$2.16
Class C	462,808	0	4,499	1.0%	0	0.0%	4,499	1.0%	0	\$1.94
Total	1,377,790	0	119,122	8.6%	0	0.0%	119,122	8.6%	(64)	\$2.05
San Leandro										
Class A	132,725	0	0	0.0%	0	0.0%	0	0.0%	0	
Class B	991,326	0	28,681	2.9%	0	0.0%	28,681	2.9%	4,188	\$2.30
Class C	429,827	0	27,514	6.4%	0	0.0%	27,514	6.4%	1,456	\$1.72
Total	1,553,878	0	56,195	3.6%	0	0.0%	56,195	3.6%	5,644	\$2.01

STATISTICS BY SUBMARKET

Market/ Submarket	Total Inventory	Under Construction	Direct SF	Direct %	Sublease SF	Sublease %	Total SF	Total %	QTR Net Absor.	Average Asking Rent
Union City										
Class A	0	0	0	-	0	-	0	-	0	
Class B	72,879	0	9,684	13.3%	0	0.0%	9,684	13.3%	(234)	-
Class C	64,176	0	3,695	5.8%	0	0.0%	3,695	5.8%	(187)	\$1.65
Total	137,055	0	13,379	9.8%	0	0.0%	13,379	9.8%	(421)	\$1.69
Oakland I-80/880 Market Totals										
Class A	11,631,173	0	1,822,584	15.7%	504,904	4.3%	2,327,488	20.0%	215,621	\$3.24
Class B	21,071,371	0	2,718,088	12.9%	658,630	3.1%	3,376,718	16.0%	44,491	\$3.06
Class C	7,969,244	0	555,164	7.0%	93,003	1.2%	648,167	8.1%	41,044	\$2.43
Total	40,671,788	0	5,095,836	12.5%	1,256,537	3.1%	6,352,373	15.6%	301,156	\$2.91
Dublin										
Class A	1,128,188	0	287,785	25.5%	260,515	23.1%	548,300	48.6%	16,400	\$2.41
Class B	657,842	0	44,486	6.8%	0	0.0%	44,486	6.8%	(4,277)	\$1.84
Class C	141,692	0	6,651	4.7%	0	0.0%	6,651	4.7%	(4,644)	-
Total	1,927,722	0	338,922	17.6%	260,515	13.5%	599,437	31.1%	7,479	\$2.13
Pleasanton										
Class A	1,934,531	0	395,768	20.5%	219,906	11.4%	615,674	31.8%	54,131	\$3.39
Class B	5,031,596	0	1,095,868	21.8%	157,134	3.1%	1,253,002	24.9%	63,071	\$3.39
Class C	346,675	0	42,556	12.3%	0	0.0%	42,556	12.3%	(2,633)	\$2.24
Total	7,312,802	0	1,534,192	21.0%	377,040	5.2%	1,911,232	26.1%	114,569	\$3.01
Livermore										
Class A	0	0	0	-	0	-	0	-	0	
Class B	976,098	0	289,244	29.6%	83,161	8.5%	372,405	38.2%	2,838	\$1.70
Class C	174,579	0	52,948	30.3%	0	0.0%	52,948	30.3%	0	\$1.51
Total	1,150,677	0	342,192	29.7%	83,161	7.2%	425,353	37.0%	2,838	\$1.61
Tri-Valley Market Totals										
Class A	3,062,719	-	683,553	22.3%	480,421	15.7%	1,163,974	38.0%	70,531	\$2.90
Class B	6,665,536	-	1,429,598	21.4%	240,295	3.6%	1,669,893	25.1%	61,632	\$2.31
Class C	662,946	-	102,155	15.4%	0	0.0%	102,155	15.4%	(7,277)	\$1.88
Total	10,391,201	0	2,215,306	21.3%	720,716	6.9%	2,936,022	28.3%	124,886	\$2.36
TOTAL EAST BAY										
Class A	26,063,675	0	4,948,071	19.0%	1,327,606	5.1%	6,275,677	24.1%	192,339	\$3.14
Class B	42,227,517	0	6,005,131	14.2%	1,331,811	3.2%	7,336,942	17.4%	352,442	\$2.61
Class C	11,279,819	0	799,176	7.1%	93,003	0.8%	892,179	7.9%	65,470	\$2.24
TOTAL	79,571,011	0	11,752,378	14.8%	2,752,420	3.5%	14,504,798	18.2%	610,251	\$2.66



CONTACT INFO

SAN FRANCISCO

4 Embarcadero Center, Suite 1400
San Francisco, CA 94111
Tel: (415) 268-2200 | Fax: (415) 268-2299

SILICON VALLEY

1900 The Alameda, Suite 530
San Jose, CA 95126
Tel: (408) 413 3555

OAKLAND

1404 Franklin Street, Penthouse
Oakland, CA 94607
Tel: (510) 622-8466 | Fax: (510) 622-8499

WALNUT CREEK

1777 Oakland Boulevard, Suite 220
Walnut Creek, CA 94596
Tel: (925) 296-3300 | Fax: (925) 296-3399

SACRAMENTO

1515 River Park Drive, Suite 200
Sacramento, CA 95815
Tel: (916) 669-4500 | Fax: (916) 669-4598

ROSEVILLE

532 Gibson Drive, Suite 200
Roseville, CA 95678
Tel: (916) 677-8000 | Fax: (916) 677-8199

ROCKLIN

2209 Plaza Drive, Suite 100
Rocklin, CA 95765
Tel: (916) 960-5700 | Fax: (916) 960-5799

The Information in this document was obtained from sources we deem reliable; however, no warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein. The market statistics represent properties that are 10,000 square feet or larger. This quarterly market report is a research document of TRI Commercial and may be found on our website at www.tricommercial.com. CoStar was the main source of information used in this report.

TRI Commercial | Q4 Market Trends 2021



Report Prepared By:

Justin Flom

Director of San Francisco Bay Area
Marketing & Research
justin.flom@tricommercial.com

Edward F. Del Beccaro

Executive Vice President
San Francisco Bay Area Manager
ed.delbeccaro@tricommercial.com