



SECOND
QUARTER 2022

EAST BAY
OFFICE
REPORT

VACANCY & RENTS

- Office Vacancy Rates in the I80/880 Market remained at a decade high of 15% with Downtown Oakland at 21%. Tenants continued to shrink their footprint due to remote office work trends along with slowing economic activity.
- Leasing activity remains slow with continued, high vacancy rates. The East Bay continued to have a low 3.8% unemployment rate despite slowing economic activity.
- High inflation rates and increased interest rates can be expected to affect rental rates in the next few quarters with investment cap rates increasing and rental rates decreasing.

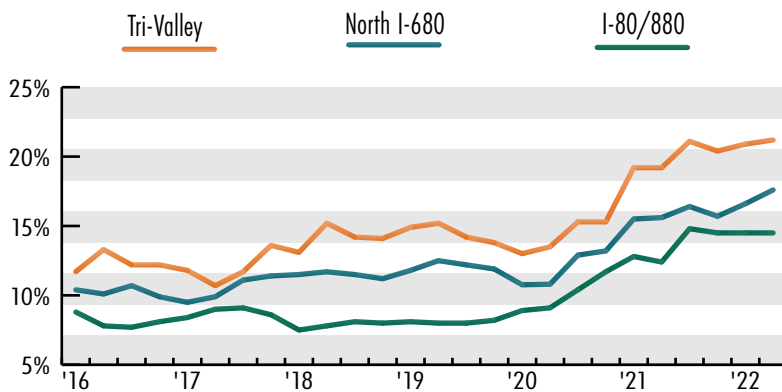
QTR Net Absorption

-202,685 SF

Sublease Vacancy Q1 vs Q2 2022

-154,396 SF

VACANCY RATES | Physically Vacant Space

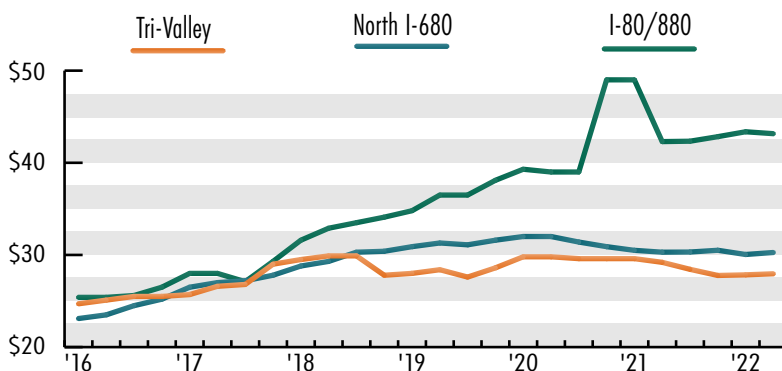


Change in Vacancy (YoY)



+0.3%

AVERAGE RENTAL RATES | Full Service Rents



Change in Asking Rents (YoY)

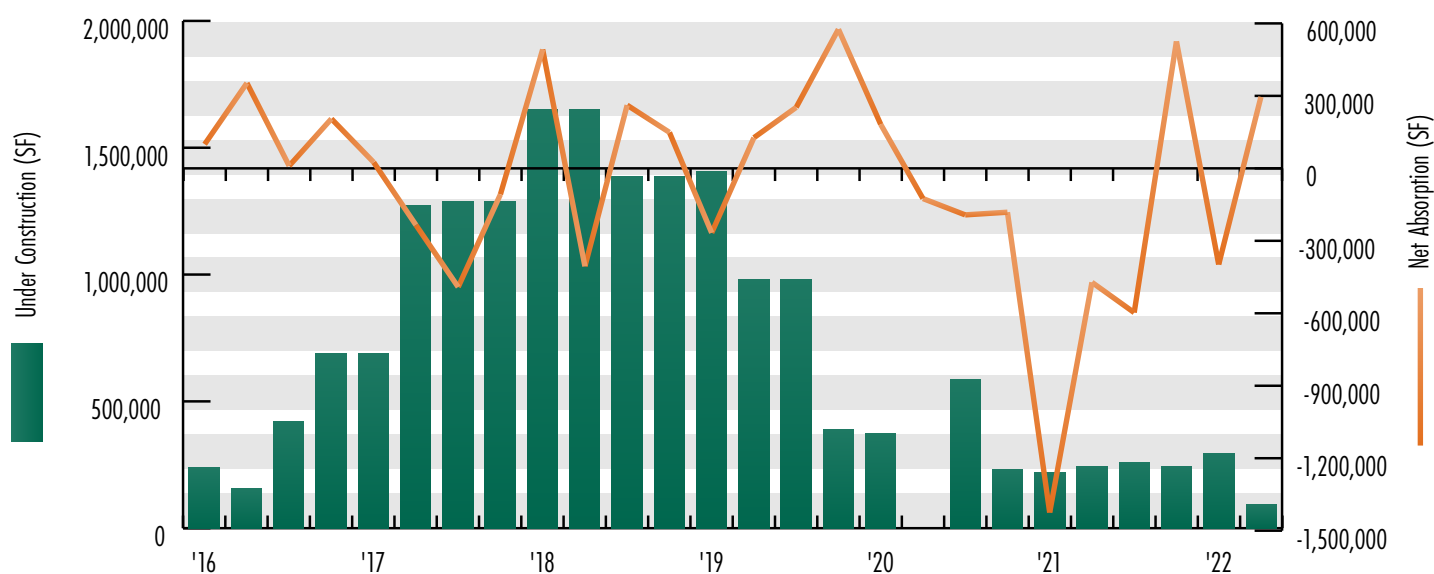


0.9%

DEMAND & ECONOMY

- Vacancy rates in the second quarter increased slightly along Highway 680 and in the TriValley. Class A Vacancy rates continued to increase in Concord, Walnut Creek and TriValley averaging 20% or more.
- The Cost of Tenant improvement costs continue to remain high.
- The East Bay did not see any new general office construction except in the Life Sciences and Medical sectors.

UNDER CONSTRUCTION & NET ABSORPTION | Total Square Feet



LEASING ACTIVITY | EAST BAY METRO AREA

TENANT	Property Address	Lease Type	Size (SF)	Type
Amyris Biotechnologies	5885 Hollis Street, Emeryville	Direct	117,777	Renewal
Vagaro	4430 Rosewood Dr, Pleasanton	Sublease	106,017	New
Snowflake	4140 Dublin Blvd, Dublin	Direct	113,570	New
Charge, Inc	1220 Concord Ave, Concord	Direct	14,908	New
Compass	760 Camino Ramon, Danville	Direct	10,523	New

INVESTMENT & OUTLOOK

Average Sale Price PSF

**\$270**

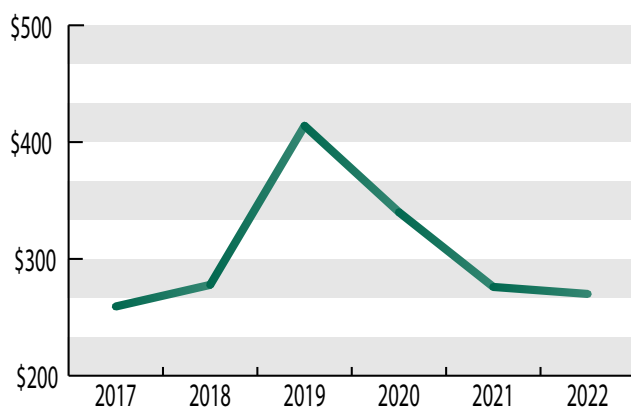
- Sales activity was lackluster, with a low volume of SF being traded – however, compared to last quarter, which saw a couple of large purchases such as the Rotunda Building and 1111 Broadway, the year so far is moderate.

Average Sale CAP Rate

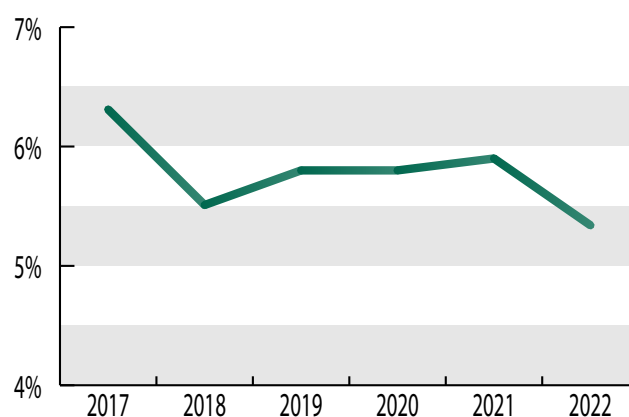
**5.3%**

- The largest acquisition of the quarter was of the Eastmont Town Center by Tidewater Capital. The reinvented mall-turned-administrative service office saw a number of improvements under the previous owners.

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
5075 Hopyard Plaza, Pleasanton	41,290	\$12,500,000	\$303	Charter Properties
2055 Meridian Park Blvd, Concord	25,141	\$20,000,000	\$796	-
1375 Park Ave, Emeryville	7,500	\$4,100,000	\$541	Huntleigh Development
Eastmont Town Center, Oakland	550,000	\$76,571,750	\$139	Tidewater Capital

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	-	-	-	-	-	-	-	-
Class B	1,006,792	0	152,616	15.2%	5,878	0.6%	158,494	15.7%	(13,000)	\$1.60
Class C	410,991	0	7,591	1.8%	0	0.0%	7,591	1.8%	(488)	\$1.48
Total	1,417,783	0	160,207	11.3%	5,878	0.4%	166,085	11.7%	(13,488)	\$1.54
Concord										
Class A	3,101,118	0	716,401	23.1%	16,147	0.5%	732,548	23.6%	(101,727)	\$2.72
Class B	1,521,036	0	223,305	14.7%	34,800	2.3%	258,105	17.0%	17,595	\$1.89
Class C	474,885	0	15,430	3.2%	0	0.0%	15,430	3.2%	6,536	\$1.76
Total	5,097,039	0	955,136	18.7%	50,947	1.0%	1,006,083	19.7%	(77,596)	\$2.12
Danville/Alamo										
Class A	50,000	0	13,275	26.6%	0	0.0%	13,275	26.6%	1,230	-
Class B	679,559	0	58,993	8.7%	6,400	0.9%	65,393	9.6%	3,495	\$2.58
Class C	177,221	0	9,136	5.2%	0	0.0%	9,136	5.2%	(3,715)	-
Total	906,780	0	81,404	9.0%	6,400	0.7%	87,804	9.7%	1,010	\$2.58
Lamorinda										
Class A	0	0	-	-	-	-	-	-	-	-
Class B	829,911	17,000	85,091	10.3%	12,497	1.5%	97,588	11.8%	3,723	\$3.51
Class C	197,967	0	3,168	1.6%	0	0.0%	3,168	1.6%	1,332	-
Total	1,027,878	17,000	88,259	8.6%	12,497	1.2%	100,756	9.8%	5,055	\$3.51
Martinez										
Class A	112,904	0	0	0.0%	0	0.0%	0	0.0%	0	-
Class B	388,683	0	20,303	5.2%	0	0.0%	20,303	5.2%	615	\$1.96
Class C	266,660	0	12,901	4.8%	0	0.0%	12,901	4.8%	(3,050)	\$1.50
Total	768,247	0	33,204	4.3%	0	0.0%	33,204	4.3%	(2,435)	\$1.73
Pleasant Hill										
Class A	134,759	0	16,392	12.2%	0	0.0%	16,392	12.2%	0	-
Class B	771,560	0	84,868	11.0%	0	0.0%	84,868	11.0%	(1,039)	\$2.54
Class C	170,751	0	26,848	15.7%	0	0.0%	26,848	15.7%	(547)	\$1.82
Total	1,077,070	0	128,108	11.9%	0	0.0%	128,108	11.9%	(1,586)	\$2.18
San Ramon										
Class A	3,784,106	0	842,981	22.3%	20,701	0.5%	863,682	22.8%	(18,584)	\$3.16
Class B	5,507,145	0	437,636	7.9%	287,778	5.2%	725,414	13.2%	(49,009)	\$2.65
Class C	203,785	0	20,429	10.0%	0	0.0%	20,429	10.0%	(2,035)	\$2.40
Total	9,495,036	0	1,301,046	13.7%	308,479	3.2%	1,609,525	17.0%	(69,628)	\$2.74
Shadelands										
Class A	107,146	0	85,003	79.3%	0	0.0%	85,003	79.3%	1,067	-
Class B	1,251,304	0	286,941	22.9%	0	0.0%	286,941	22.9%	(22,014)	\$2.19
Class C	388,052	0	41,927	10.8%	0	0.0%	41,927	10.8%	0	\$1.84
Total	1,746,502	0	413,871	23.7%	0	0.0%	413,871	23.7%	(20,947)	\$2.02
Walnut Creek BART Drwn										
Class A	2,500,662	0	491,545	19.7%	31,819	1.3%	523,364	20.9%	(28,110)	\$4.03
Class B	2,186,746	0	370,683	17.0%	10,963	0.5%	381,646	17.5%	(36,519)	\$3.03
Class C	333,050	0	19,264	5.8%	0	0.0%	19,264	5.8%	30,963	\$2.46
Total	5,020,458	0	881,492	17.6%	42,782	0.9%	924,274	18.4%	(33,666)	\$3.17
Walnut Creek/Pleasant Hill BART										
Class A	1,473,822	0	244,830	16.6%	115,915	7.9%	360,745	24.5%	(13,365)	\$3.36
Class B	604,996	0	164,962	27.3%	18,721	3.1%	183,683	30.4%	(2,700)	\$2.82
Class C	0	0	0	-	0	-	0	-	0	-
Total	2,078,818	0	409,792	19.7%	134,636	6.5%	544,428	26.2%	(16,065)	\$3.09
North I-680 Market Totals										
Class A	11,264,517	0	2,410,427	21.4%	184,582	1.6%	2,595,009	23.0%	(159,489)	\$3.36
Class B	14,747,732	17,000	1,885,398	12.8%	377,037	2.6%	2,262,435	15.3%	(98,853)	\$2.48
Class C	2,623,362	0	156,694	6.0%	0	0.0%	156,694	6.0%	28,996	\$1.89
Total	28,635,611	17,000	4,452,519	15.5%	561,619	2.0%	5,014,138	17.5%	(229,346)	\$2.58

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	2,257,311	0	191,744	8.5%	12,659	0.6%	204,403	9.1%	1,260	\$2.65
Class C	1,080,869	0	2,590	0.2%	0	0.0%	2,590	0.2%	(1,255)	\$2.08
Total	3,338,180	0	194,334	5.8%	12,659	0.4%	206,993	6.2%	5	\$2.37
Berkeley										
Class A	334,091	0	0	0.0%	0	0.0%	0	0.0%	0	
Class B	2,996,347	0	264,836	8.8%	38,399	1.3%	303,235	10.1%	(48,821)	\$3.73
Class C	1,133,702	0	151,755	13.4%	155,992	13.8%	307,747	27.1%	(1,883)	\$3.79
Total	4,464,140	0	416,591	9.3%	194,391	4.4%	610,982	13.7%	(50,704)	\$3.76
Emeryville										
Class A	2,231,688	75,240	346,054	15.5%	147,643	6.6%	493,697	22.1%	1,710	\$4.26
Class B	1,352,024	0	276,900	20.5%	29,093	2.2%	305,993	22.6%	(230)	\$3.19
Class C	411,245	0	11,046	2.7%	8,678	2.1%	19,724	4.8%	10,386	
Total	3,994,957	75,240	634,000	15.9%	185,414	4.6%	819,414	20.5%	11,866	\$3.73
Hayward										
Class A	314,878	0	9,178	2.9%	3,007	1.0%	12,185	3.9%	(820)	\$1.65
Class B	819,826	0	40,027	4.9%	0	0.0%	40,027	4.9%	3,677	\$1.96
Class C	1,101,289	0	21,285	1.9%	0	0.0%	21,285	1.9%	(1,656)	-
Total	2,235,993	0	70,490	3.2%	3,007	0.1%	73,497	3.3%	1,201	\$1.96
Oakland - South/Airport										
Class A	332,473	0	17,485	5.3%	0	0.0%	17,485	5.3%	(5,946)	\$2.85
Class B	2,021,341	0	215,866	10.7%	13,211	0.7%	229,077	11.3%	883	\$2.37
Class C	1,058,679	0	44,022	4.2%	0	0.0%	44,022	4.2%	(3,480)	\$2.04
Total	3,412,493	0	277,373	8.1%	13,211	0.4%	290,584	8.5%	(8,543)	\$2.42
Oakland Downtown										
Class A	8,346,075	0	1,959,626	23.5%	230,468	2.8%	2,190,094	26.2%	7,363	\$4.86
Class B	7,285,439	0	1,086,931	14.9%	144,521	2.0%	1,231,452	16.9%	(72,164)	\$4.35
Class C	1,262,244	0	111,107	8.8%	9,992	0.8%	121,099	9.6%	(14,313)	\$4.15
Total	16,893,758	0	3,157,664	18.7%	384,981	2.3%	3,542,645	21.0%	(79,114)	\$4.45
Oakland Port/Jack London										
Class A	0	0	0	-	0	-	0	-	0	
Class B	824,965	0	122,778	14.9%	14,600	1.8%	137,378	16.7%	212,007	\$3.96
Class C	288,884	0	10,841	3.8%	0	0.0%	10,841	3.8%	648	\$3.70
Total	1,113,849	0	133,619	12.0%	14,600	1.3%	148,219	13.3%	212,655	\$3.83
Oakland North										
Class A	0	0	0	-	0	-	0	-	0	
Class B	1,124,949	0	123,905	11.0%	67,015	6.0%	190,920	17.0%	1,505	\$2.97
Class C	638,695	0	14,366	2.2%	22,100	3.5%	36,466	5.7%	(533)	\$4.39
Total	1,763,644	0	138,271	7.8%	89,115	5.1%	227,386	12.9%	972	\$3.68
Richmond/San Pablo										
Class A	0	0	0	-	0	-	0	-	0	
Class B	930,049	0	133,873	14.4%	0	0.0%	133,873	14.4%	(9,567)	\$2.09
Class C	500,688	0	10,908	2.2%	0	0.0%	10,908	2.2%	0	\$1.86
Total	1,430,737	0	144,781	10.1%	0	0.0%	144,781	10.1%	(9,567)	\$1.98
San Leandro										
Class A	132,725	0	0	0.0%	0	0.0%	0	0.0%	0	
Class B	991,326	0	23,422	2.4%	0	0.0%	23,422	2.4%	4,423	\$2.51
Class C	458,932	0	17,804	3.9%	0	0.0%	17,804	3.9%	442	
Total	1,582,983	0	41,226	2.6%	0	0.0%	41,226	2.6%	4,865	\$2.51

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	-	-	-	-	-	-	-	-
Class B	72,879	0	6,824	9.4%	-	0.0%	6,824	9.4%	3,266	\$1.97
Class C	64,176	0	3,695	5.8%	-	0.0%	3,695	5.8%	-	-
Total	137,055	0	10,519	7.7%	0	0.0%	10,519	7.7%	3,266	\$1.69
Oakland I-80/880 Market Totals										
Class A	11,691,930	75,240	2,332,343	19.9%	381,118	3.3%	2,713,461	23.2%	2,307	\$3.52
Class B	20,676,456	0	2,487,106	12.0%	319,498	1.5%	2,806,604	13.6%	96,239	\$2.89
Class C	7,999,403	0	399,419	5.0%	196,762	2.5%	596,181	7.5%	(11,644)	\$2.75
Total	40,367,789	75,240	5,218,868	12.9%	897,378	2.2%	6,116,246	15.2%	86,902	\$3.05
Dublin										
Class A	1,128,188	0	229,062	20.3%	112,176	9.9%	341,238	30.2%	(51,537)	\$3.17
Class B	657,842	0	44,753	6.8%	-	0.0%	44,753	6.8%	(4,446)	-
Class C	141,692	0	4,373	3.1%	-	0.0%	4,373	3.1%	47	\$2.15
Total	1,927,722	0	278,188	14.4%	112,176	5.8%	390,364	20.3%	(55,936)	\$2.66
Pleasanton										
Class A	2,031,455	0	324,978	16.0%	76,391	3.8%	401,369	19.8%	0	\$3.39
Class B	4,956,235	0	893,945	18.0%	157,545	3.2%	1,051,490	21.2%	19,908	\$2.75
Class C	324,587	0	36,285	11.2%	0	0.0%	36,285	11.2%	5,008	\$2.18
Total	7,312,277	0	1,255,208	17.2%	233,936	3.2%	1,489,144	20.4%	24,916	\$2.77
Livermore										
Class A	-	0	-	-	-	-	-	-	-	-
Class B	924,052	0	122,190	13.2%	71,161	7.7%	193,351	20.9%	(31,743)	\$2.24
Class C	226,625	0	125,752	55.5%	0	0.0%	125,752	55.5%	2,522	-
Total	1,150,677	0	247,942	21.5%	71,161	6.2%	319,103	27.7%	(29,221)	\$2.24
Tri-Valley Market Totals										
Class A	3,159,643	-	554,040	17.5%	188,567	6.0%	742,607	23.5%	(51,537)	\$3.28
Class B	6,538,129	-	1,060,888	16.2%	228,706	3.5%	1,289,594	19.7%	(16,281)	\$2.50
Class C	692,904	-	166,410	24.0%	0	0.0%	166,410	24.0%	7,577	\$2.17
Total	10,390,676	0	1,781,338	17.1%	417,273	4.0%	2,198,611	21.2%	(60,241)	\$2.65
TOTAL EAST BAY										
Class A	26,116,090	75,240	5,296,810	20.3%	754,267	2.9%	6,051,077	23.2%	(208,719)	\$3.38
Class B	41,962,317	17,000	5,433,392	12.9%	925,241	2.2%	6,358,633	15.2%	(18,895)	\$2.62
Class C	11,315,669	0	722,523	6.4%	196,762	1.7%	919,285	8.1%	24,929	\$2.32
TOTAL	79,394,076	92,240	11,452,725	14.4%	1,876,270	2.4%	13,328,995	16.8%	(202,685)	\$2.78



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TRI Commercial | Q2 Market Trends 2022



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