



THIRD
QUARTER 2022

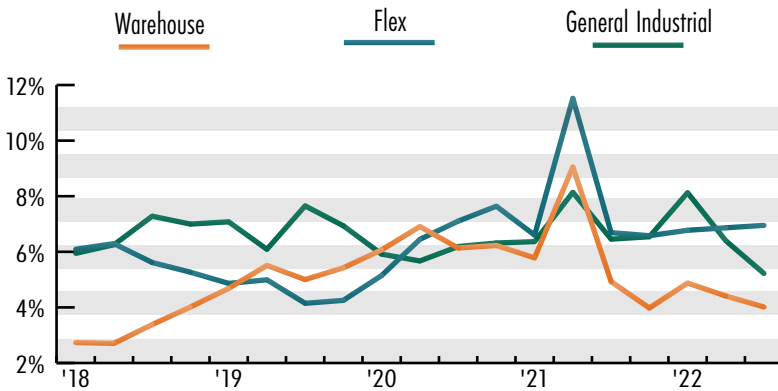
EAST BAY
INDUSTRIAL
REPORT

VACANCY & RENTS

East Bay Industrial Remains Tight, But is Holding Breath For the Economy

- Small industrial vacancies continue to be near-impossible to find for tenants looking for starter spaces or downsized spaces. On the other hand, large spaces can also be tricky to locate - especially when near the Port.
- Rents in the I-80/880 corridor were stable over the summer, however due to the high overturn in ownerships the past decade, there are higher NNN's being passed to tenants. This trend could be hiding some of the growth seen in the market.
- Sublease vacancies have been evening out the tightening of space in the market, which may be a signal for darker skies in the coming months.
- Tri-Valley fundamentals remained strong and served as the anchor for the East Bay's industrial scene this past quarter. Vacancies continued to dip as well as demand high rates while the market is increasingly tight.

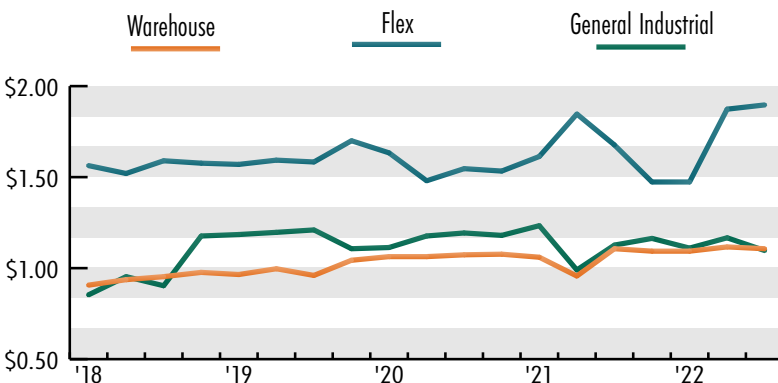
VACANCY RATES BY PRODUCT | Physically Vacant Space



Change in Vacancy (YoY)

 **+0.8%**

AVERAGE RENTAL RATES | Triple Net



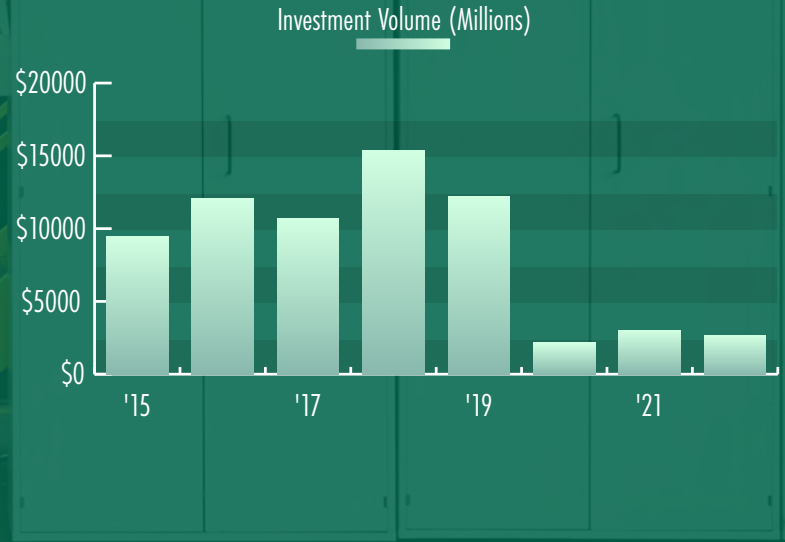
Change in Rents (YoY)

 **+2.9%**

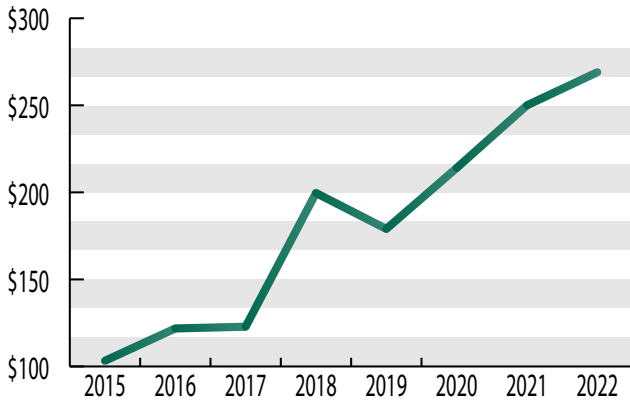
ECONOMY & INVESTMENT



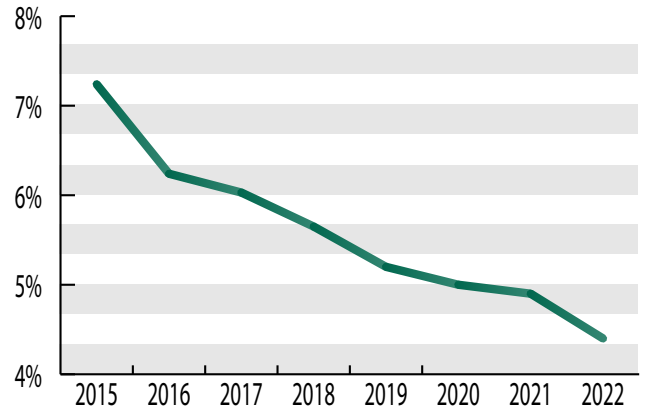
- The marquee transaction in the East Bay occurred in Union City, with the sale of Coca-Cola Bottling at 1551 Atlantic for over \$1,000/SF. The play is an investment in the site in case it and surrounding properties are able to be converted to a tech campus.
- Investment in industrial assets appear to be steady, but with Amazon slowing their global expansion for now, it could be a while before they pre-covid heyday of distribution center development demand returns.



SALE PRICE PSF | EAST BAY REGIONAL TRENDS



CAP RATES | EAST BAY REGIONAL TRENDS



SALE TRANSACTIONS | NOTABLE INDUSTRIAL TRANSACTIONS

Property Address	Size (SF)	Sale Price	PSF	Buyer	Type
2480 Baumann Ave, San Lorenzo	121,686	\$34,900,000	\$287	EverWest RE Investors	Warehouse
47071 Bayside Pkwy, Fremont	87,544	\$82,200,000	\$937	Diversified Healthcare	Flex/R&D
114 Adeline St, Oakland	65,011	\$9,100,000	\$140	3rd & Adeline LLC	Warehouse
1461 - 1509 Atlantic St, Union City	58,991	\$65,000,000	\$1,102	Fortinet	Warehouse
2525 Collier Canyon Rd, Livermore	36,400	\$10,950,000	\$301	Livermore Three LLC	Flex/R&D
4075 Nelson Ave, Concord	246,000	\$58,674,102	\$239	Blackstone	Flex

STATISTICS BY SUBMARKET

Under Construction (SF)



3,421,559

Average Price per SF



\$269

Market/ Submarket	Total Inventory	Direct SF	Sublease SF	Total SF	Direct %	Sublease %	Total %	Qtr Net Absorption	Under Construction	Average Asking Rent
I-80/880										
General Ind.	31,958,776	2,447,277	484,199	2,931,476	6.2%	0.6%	6.8%	235,454	573,031	\$0.96
Flex	17,459,627	1,290,743	60,761	1,351,504	6.3%	0.5%	6.8%	54,905	-	\$2.33
Warehouse	87,625,375	2,862,923	1,065,149	3,711,122	3.1%	0.7%	3.8%	(529,052)	1,272,837	\$1.06
Total	137,043,778	6,600,943	1,610,109	7,994,102	4.8%	1.2%	5.8%	(238,693)	1,845,868	\$1.45
N. I-680										
General Ind.	7,013,608	487,116	-	487,116	7.5%	0.0%	7.5%	14,151	28,745	\$1.20
Flex	3,766,187	203,154	68,170	271,324	8.1%	1.8%	9.9%	21,204	-	\$1.21
Warehouse	16,346,060	1,164,196	5,382	1,169,578	8.7%	0.2%	8.8%	8,279	1,396,946	\$1.27
Total	27,125,855	1,854,466	73,552	1,928,018	6.8%	0.3%	7.1%	43,634	1,425,691	\$1.23
Tri-Valley										
General Ind.	4,879,713	144,550	-	144,550	2.8%	0.0%	2.8%	(17,933)	0	\$1.17
Flex	7,187,636	235,226	66,813	302,039	4.5%	0.2%	4.7%	38,233	150,000	\$1.73
Warehouse	12,760,868	772,189	38,980	811,169	7.2%	0.5%	7.7%	174,676	0	\$1.17
Total	24,828,217	1,151,965	105,793	1,257,758	4.6%	0.4%	5.1%	194,976	150,000	\$1.36
East Bay										
General Ind.	43,852,097	3,078,943	484,199	3,563,142	7.0%	1.1%	8.1%	231,672	601,776	\$1.11
Flex	28,413,450	1,729,123	195,744	1,924,867	6.1%	0.7%	6.8%	114,342	150,000	\$1.76
Warehouse	116,732,303	4,799,308	1,109,511	5,908,819	4.1%	1.0%	5.1%	(346,097)	2,669,783	\$1.17
Total	188,997,850	9,607,374	1,789,454	11,396,828	5.1%	0.9%	6.0%	(83)	3,421,559	\$1.34

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