



FOURTH  
QUARTER 2022

---

EAST BAY  
INDUSTRIAL  
REPORT

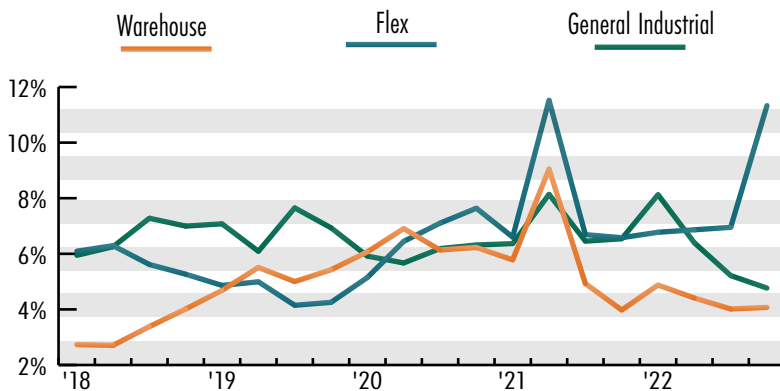
# VACANCY & RENTS

## Warehouse reigns sovereign among commercial asset classes in the East Bay

- Flex space in the East Bay began to flag near the end of the year as the office market rates softened and became more competitive to hybrid-type space.
- North I-680 warehouse, which is a smaller portion of the footprint in the East Bay, has underperformed compared to Port-oriented distribution centers. The subregion had a lot of minor activity this past quarter that helped it catch up.
- Developers looking for construction options continue to scour the market and the active construction count jumped up by another half million SF
- Rents continue to remain quite high, over a dollar a square foot in every category, and absolutely flabbergasting time travelers from twenty years ago.
- I-80/880 Corridor warehouse inventory eased up a chunk of negative absorption as it is the product type and region that is driving the most construction - wherever it is possible. Which isn't much, considering how competitive the map is.

\*Rent data in this report does not include NNN estimates

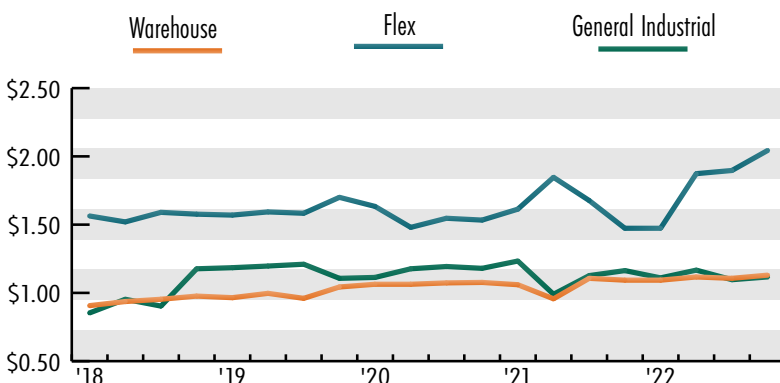
### VACANCY RATES BY PRODUCT | Physically Vacant Space



Change in Vacancy (YoY)

 **+0.8%**

### AVERAGE RENTAL RATES | Triple Net



Change in Rents (YoY)

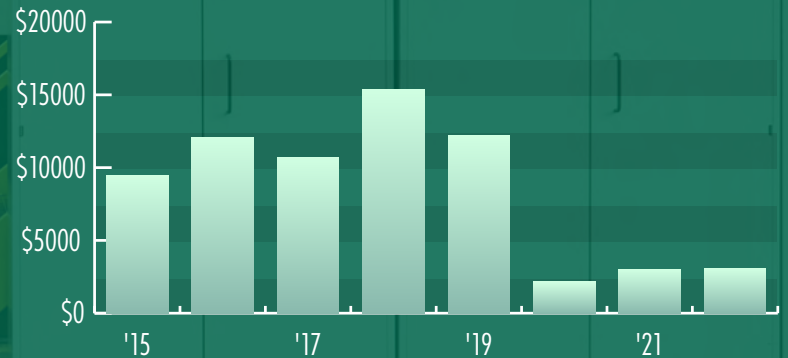
 **+6.3%**

# ECONOMY & INVESTMENT

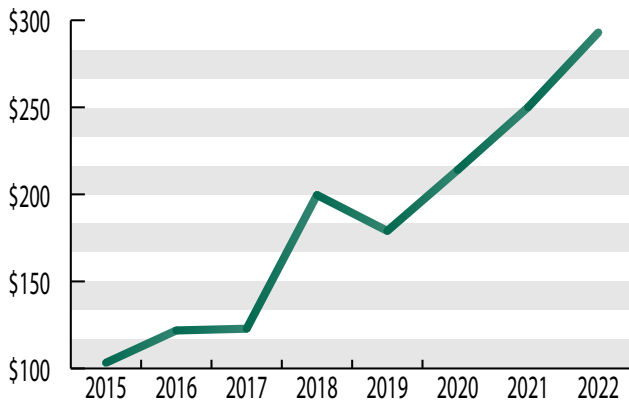


- 355 S Vasco Road, a former Rebar site was the Tri-Valley's top sale the past quarter, and was represented by TRI Commercial. The currently vacant site will likely be one of the top leases in the next quarter.
- Sale prices continue to rise and cap rates continue to fall at remarkably steady rates 3 years running. A possible recession, especially as economists believe it would hit commercial real estate, could carom this trajectory, however.

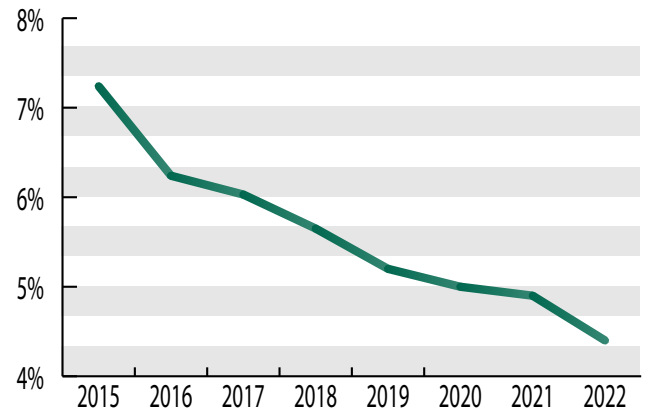
Investment Volume (Millions)



## 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
38811 Cherry St, Newark	575,000	\$120,000,000	\$209	Bentall Green Oak	Warehouse
355 S Vasco Road, Livermore	55,700	\$18,300,000	\$328	J Stewart Cedarleaf	Warehouse
35445 Dumbarton Ct, Newark	55,193	\$16,900,000	\$307	Teledyne Technologies	Flex
1300 7th Street, Oakland	29,040	\$7,300,000	\$251	Self Help Ventures	Warehouse
1970 Republic Ave, San Leandro	26,949	\$6,200,000	\$228	Roque D Moya	Warehouse

# STATISTICS BY SUBMARKET

Under Construction (SF)



**4,715,973**

Average Price per SF



**\$293**

Market/ Submarket	Total Inventory	Direct SF	Sublease SF	Total SF	Direct %	Sublease %	Total %	Qtr Net Absorption	Under Construction	Average Asking Rent
<b>I-80/880</b>										
General Ind.	31,571,405	1,387,611	62,277	1,454,888	6.2%	0.6%	6.8%	198,842	573,471	\$1.07
Flex	17,833,034	2,440,937	269,355	2,710,292	6.3%	0.5%	6.8%	(191,410)	1,793,884	\$2.79
Warehouse	87,572,661	2,743,817	536,390	3,280,207	3.1%	0.7%	3.8%	(240,291)	1,384,943	\$1.24
<b>Total</b>	<b>136,977,100</b>	<b>6,572,365</b>	<b>868,022</b>	<b>7,445,387</b>	<b>4.8%</b>	<b>0.6%</b>	<b>5.4%</b>	<b>(232,859)</b>	<b>3,752,298</b>	<b>\$1.70</b>
<b>N. I-680</b>										
General Ind.	7,013,608	474,074	-	474,074	7.5%	0.0%	7.5%	-	28,745	\$1.08
Flex	3,706,026	214,701	48,931	263,632	8.1%	1.8%	9.9%	5,825	-	\$1.39
Warehouse	17,375,187	1,159,574	20,466	1,180,040	8.7%	0.2%	8.8%	691,579	771,430	\$1.06
<b>Total</b>	<b>28,094,821</b>	<b>1,848,349</b>	<b>69,397</b>	<b>1,917,746</b>	<b>6.6%</b>	<b>0.2%</b>	<b>6.8%</b>	<b>697,404</b>	<b>800,175</b>	<b>\$1.18</b>
<b>Tri-Valley</b>										
General Ind.	4,879,713	142,676	-	142,676	2.8%	0.0%	2.8%	-	0	\$1.20
Flex	7,204,481	212,162	71,825	283,987	4.5%	0.2%	4.7%	8,033	163,500	\$1.95
Warehouse	12,745,899	313,632	19,659	333,282	7.2%	0.5%	7.7%	35,091	0	\$1.09
<b>Total</b>	<b>24,830,093</b>	<b>668,470</b>	<b>91,484</b>	<b>759,945</b>	<b>2.7%</b>	<b>0.4%</b>	<b>3.1%</b>	<b>43,124</b>	<b>163,500</b>	<b>\$1.41</b>
<b>East Bay</b>										
General Ind.	43,464,726	2,004,361	62,277	2,066,638	4.6%	0.1%	4.8%	198,842	602,216	\$1.11
Flex	28,743,541	2,867,800	390,111	3,257,911	10.0%	1.4%	11.3%	(177,552)	1,957,384	\$1.76
Warehouse	117,693,747	4,217,023	576,515	4,793,538	3.6%	0.5%	4.1%	486,379	2,156,373	\$1.17
<b>Total</b>	<b>189,902,014</b>	<b>9,089,184</b>	<b>1,028,903</b>	<b>10,118,087</b>	<b>4.8%</b>	<b>0.5%</b>	<b>5.3%</b>	<b>507,669</b>	<b>4,715,973</b>	<b>\$1.43</b>

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

