

# FIRST QUARTER 2023



# **VACANCY & RENTS**

- Office Vacancy Rates throughout the East Bay have increased again, including marketed sublease space.
- Deal velocity continues to remain very low, and average time on market for office spaces has increased.
- Nearly 2 million SF of sublease space still is on the market, which is virtually unchanged from the final quarter of 2022.
- Bank of America and Wells Fargo, among other large tenants, have left very large office footprints in Concord and other markets. While still paying rent, large 'ghost tenants' are becoming a factor.

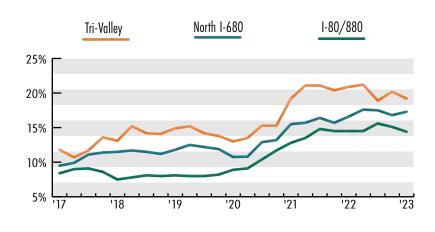
1st QTR Net Absorption

-543,290 sr

Sublease Space Available

1.9M SF

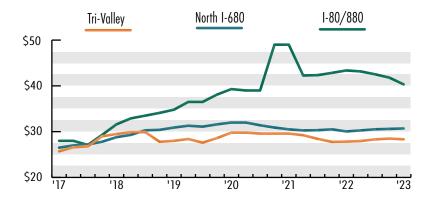
### VACANCY RATES | Physically Vacant Space



Change in Vacancy (YoY)

**3-0.4%** 

### AVERAGE RENTAL RATES | Full Service Rents



Change in Asking Rents (YoY)

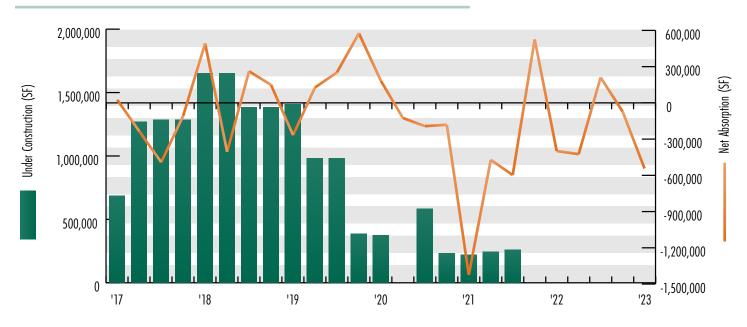


# DEMAND & ECONOMY

- Inflation is still a factor in the market with construction costs still remaining high. It is predicted that an increase on foreclosures and/ or debt restructure will occur in the later half of 2023.
- Biotech companies continue to proliferate around the East Bay, but have a difficult time with office inventory, as municipal

- zoning limitations and extensive tenant improvement requirements make the eligible inventory quite scarce.
- Cap rates took a slight dip after a very high 2022, however the very small sample of transactions made it impossible to calculate an accurate Average Sale Price or an Average CAP Rate, but are predicted to rise when the Federal Reserve raises interest rates.

## UNDER CONSTRUCTION & NET ABSORPTION | Total Square Feet



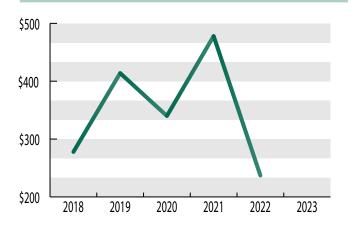
## LEASING ACTIVITY | EAST BAY METRO AREA

TENANT	Property Address	Size (SF)	Туре
Amyris Biotechnologies	5885 Hollis St	150-200k	Renewal
GSA	1855 Gateway Blvd	<i>7</i> 0-80k	New Lease
Bank of America	1331 North California Blvd	50-60k	Extension
Pac-12 Enterprises	12647 Alcosta Boulevard	40-50k	New Lease
Gatan	5794 West Las Positas Blvd	30-40k	Renewal

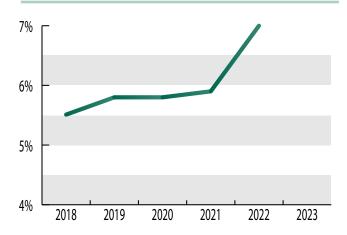
# INVESTMENT & OUTLOOK

- 2700 Ygnacio, the only Class A building in Shadelands, is at 79.8% vacancy, 303 Hegenberger in Oakland is at 84%, and 4000 Executive Parkway in San Ramon is at 76% - bellwethers for large office space far flung from BART, highways, and other office sectors.
- Pleasanton continues to lead the way as the strongest Class A market, with only 15% vacancy and still getting rents above \$3.00 Full Service.
- Current remote work trends reflect a Tuesday through Thurdsay inoffice schedule, reflecting an underutilization of rent-paying space - tenants over time will get better and only paying for what they need, continuing to drive up vacancy.
- For more information, please contact us for additional content and insight.

### 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
25 Orinda Way	28,931	\$12,800,000	\$442.43	Volwood Farms LLC
8201 Edgewater Dr	27,665	\$4,650,000	\$168.08	County of Alameda
2161 Ygnacio Valley Rd	12,818	\$4,230,000	\$329.61	Julian Zaka
1773 San Pablo Ave	10,542	\$1,800,000	\$170.27	Ramtin Nassiri
1466 66th St	8,546	\$2,430,000	\$284.34	Nooshin & Mohammed Hakimi

# STATISTICS BY SUBMARKET

Market/ Submarket	Total	Under	Direct SF	Direct %	Sublease SF	Sublease %	Total SF	Total %	QTR	Average Asking Rent
	Inventory	Construction	ЭГ	/0	эг	/0	эг	/0	Net Absor.	Asking Keni
	tsburg/Brent 0		0		^		0		0	
Class A Class B	1,037,042	0	118,831	- 11.5%	0	0.0%	118,831	- 11.5%	4,551	\$1.68
Class C	418,506	Ö	29,026	6.9%	0	0.0%	29,026	6.9%	(16,027)	\$1.41
Total	1,455,548	Ŏ	147,857	10.2%	Ŏ	0.0%	147,857	10.2%	(11,476)	\$1.55
Concord										
Class A	3,106,694	0	460,697	14.8%	35,480	1.1%	496,177	16.0%	63,606	\$2.75
Class B	1,521,036	0	176,649	11.6%	0	0.0%	176,649	11.6%	(11,015)	\$1.96
Class C	474,885	0	12,454	2.6%	1,015	0.2%	13,469	2.8%	(3,239)	\$1.86
Total	5,102,615	0	649,800	12.7%	36,495	0.7%	686,295	13.4%	49,352	\$2.19
Danville/Al		0	7000	15 / 0/	0	0.09/	7000	15 40/	(427)	¢2.04
Class A Class B	50,000 679,559	0 0	<i>7</i> ,809 <i>7</i> 1,400	15.6% 10.5%	0 6,400	0.0% 0.9%	<i>7</i> ,809 <i>77</i> ,800	15.6% 11.4%	(437) (19,023)	\$3.96 \$2.51
Class B Class C	177,221	0	9,136	5.2%	0,400	0.9%	9,136	5.2%	(19,023)	\$Z.JI \$-
Total	906,780	ŏ	88,345	9.7%	6,400	0.7%	94,745	10.4%	(19,460)	\$1.26
Lamorinda	700/700		00/010	707 70	<b>6</b> / 100	70	7 1/2 10	1011/0	(12) 100)	<b>41126</b>
Class A	0	0	0	-	0	-	0	-	0	
Class B	844,339	0	69,121	8.2%	7,796	0.9%	76,917	9.1%	8,692	\$3.48
Class C	187,302	0	3,168	1.7%	0	0.0%	3,168	1.7%	0	\$2.25
Total	1,031,641	0	72,289	7.0%	7,796	0.8%	80,085	7.8%	8,692	\$2.87
Martinez	110.00.4			0.00/		0.00/		0.00/	0	
Class A	112,904	0	0	0.0%	0	0.0%	0	0.0%	0	¢1.00
Class B Class C	290,795 224,005	0	16,279 15,218	5.6% 6.8%	0	0.0% 0.0%	16,279 15,218	5.6% 6.8%	1,020 0	\$1.90 \$1.36
Total	<b>627,704</b>	0	31,497	5.0%	0	0.0%	31,497	5.0%	1,020	\$1.63
Pleasant Hi	021,704		01,477	3.0 /0		0.0 70	01,477	3.0 /0	1,020	\$1.00
Class A	134, <i>7</i> 59	0	24,291	18.0%	0	0.0%	24,291	18.0%	(10,100)	\$3.00
Class B	794,240	0	94,848	11.9%	0	0.0%	94,848	11.9%	785	\$2.22
Class C	148,071	0	18,906	12.8%	0	0.0%	18,906	12.8%	782	\$1.83
Total	1,077,070	0	138,045	12.8%	0	0.0%	138,045	12.8%	(8,533)	\$2.35
San Ramon										
Class A	3,784,106	0	829,873	21.9%	17,172	0.5%	847,045	22.4%	(132,384)	\$3.20
Class B	4,578,152	0	503,068	11.0%	281,124	6.1%	784,192	17.1%	(36,308)	\$3.04
Class C <b>Total</b>	236,150 <b>8,598,408</b>	0	1,485 <b>1,334,426</b>	0.6% <b>15.5%</b>	0	0.0% <b>3.5%</b>	1,485 <b>1,632,722</b>	0.6% <b>19.0%</b>	2,500	\$2.16 <b>\$2.80</b>
Shadelands		0	1,334,420	13.3 /0	298,296	3.3 /0	1,032,722	17.0 /6	(166,192)	\$2.80
Class A	107,146	0	85,470	79.8%	0	0.0%	85,470	79.8%	(467)	\$2.60
Class B	1,265,700	0	263,900	20.9%	Ō	0.0%	263,900	20.9%	43,458	\$2.28
Class C	422,025	O	36,293	8.6%	0	0.0%	36,293	8.6%	0	\$2.25
Total	1,794,871	0	385,663	21.5%	0	0.0%	385,663	21.5%	42,991	\$2.38
	ek BART Dtwi									
Class A	2,375,583	0	484,059	20.4%	58,266	2.5%	542,325	22.8%	(7,264)	\$4.01
Class B	2,571,040	0	460,141	17.9%	14,509	0.6%	474,650	18.5%	22,259	\$3.01
Class C	383,201	0	25,698	6.7%	1,000	0.3%	26,698	7.0%	(2,252)	\$2.44
Total Walnut Cree	5,329,824 ek/Pleasant	O Hill BART	969,898	18.2%	73,775	1.4%	1,043,673	17.0%	12,743	\$3.15
Class A	1,298,464	0	311,103	24.0%	109,752	8.5%	420,855	32.4%	(33,848)	\$3.82
Class B	606,726	0	160,316	26.4%	4,412	0.7%	164,728	27.2%	2,044	\$3.42
Class C	0	Ö	0	-	0	-	0	-	0	ψ O Z
Total	1,905,190	0	471,419	24.7%	114,164	6.0%	585,583	30.7%	(31,804)	\$3.62
	<b>Market Tota</b>	ls								
Class A	10,969,656	0	2,203,302	20.1%	220,670	2.0%	2,423,972	22.1%	(120,894)	\$3.45
Class B	14,188,629	0	1,934,553	13.6%	314,241	2.2%	2,248,794	15.8%	16,463	\$2.55
Class C	2,671,366	0	151,384	5.7%	2,015	0.1%	153,399	5.7%	(18,236)	\$1.73
Total	27,829,651	0	4,289,239	15.4%	536,926	1.9%	4,826,165	17.3%	(122,667)	<b>\$2.58</b>

# 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	220,710	0	0	0.0%	0	0.0%	0	0.0%	0	
Class B	2,208,461	0	208 <i>,7</i> 16	9.5%	1,620	0.1%	210,336	9.5%	7,286	\$2.59
Class C	1,080,869	0	21,159	2.0%	0	0.0%	21,159	2.0%	(18,569)	\$2.23
Total	3,510,040	0	229,875	6.5%	1,620	0.0%	231,495	6.6%	(11,283)	\$2.41
Berkeley										
Class A	334,091	0	0	0.0%	0	0.0%	0	0.0%	0	
Class B	3,008,107	0	209,636	7.0%	89,723	3.0%	299,359	10.0%	83,690	\$3.70
Class C	1,179,774	0	123,936	10.5%	0	0.0%	123,936	10.5%	18,270	\$3.14
Total	4,521,972	0	333,572	<b>7.4</b> %	89,723	2.0%	423,295	9.4%	101,960	\$3.42
Emeryville			44.0 = 0.0					00 101	(10.0=0)	*
Class A	2,231,688	<i>7</i> 5,240	413,781	18.5%	308,993	13.8%	722,774	32.4%	(63,973)	\$4.64
Class B	1,188,731	0	188,798	15.9%	52,424	4.4%	241,222	20.3%	(40,197)	\$4.50
Class C	528,463	0	53,499	10.1%	0	0.0%	53,499	10.1%	8,392	\$1.50
Total	3,948,882	75,240	656,078	16.6%	361,417	9.2%	1,017,495	25.8%	(95,778)	\$4.57
Hayward	214.070	0	15.000	4 0 9/	0	0.0%	15.000	4 09/	(2.107)	¢
Class A Class B	314,878 819,820	0	15,009 <i>7</i> 4,573	4.8% 9.1%	0	0.0% 0.0%	15,009 <i>7</i> 4,573	4.8% 9.1%	(2,107) (4,900)	\$- \$2.03
Class B Class C	1,101,289	0	33,832	3.1%	0	0.0%	33,832	3.1%	1,325	\$2.03 \$1.91
Total	2,235,987	0	123,414	5.5%	0	0.0%	123,414	5.5%	(5,682)	\$1.91
	outh/Airpor		125,414	<b>3.3</b> /0	0	0.0 /6	125,414	J.J /6	(3,002)	Ş 1.77
Class A	332,473	0	16,356	4.9%	0	0.0%	16,356	4.9%	(1,585)	\$3.00
Class B	1,961,090	0	308,898	15.8%	0	0.0%	308,898	15.8%	(26,092)	\$2.59
Class C	1,071,479	Ö	33,618	3.1%	Ö	0.0%	33,618	3.1%	3,216	\$2.02
Total	3,365,042	0	358,872	10.7%	0	0.0%	358,872	10.7%	(24,461)	\$2.54
Oakland Do							,		, ,	
Class A	8,359,451	0	1,615,920	19.3%	155,519	1.9%	1,771,439	21.2%	(352,508)	\$5.20
Class B	7,290,478	0	1,115,073	15.3%	216,846	3.0%	1,331,919	18.3%	(79,031)	\$4.37
Class C	1,446,400	18,825	95,487	6.6%	9,992	0.7%	105,479	7.3%	(7,567)	\$3.69
Total	17,096,329	18,825	2,826,480	16.5%	382,357	2.2%	3,208,837	18.8%	(439,106)	\$4.42
	ort/Jack Lone									
Class A	0	0	0	-	0	-	0	-	0	
Class B	824,965	0	130,592	15.8%	0	0.0%	130,592	15.8%	9,978	\$3.50
Class C	288,884	0	10,745	3.7%	0	0.0%	10, <i>7</i> 45	3.7%	(1,379)	\$3.25
Total	1,113,849	0	141,337	12.7%	0	0.0%	141,337	12.7%	8,599	\$3.38
Oakland No		0	0		0		0		0	
Class A	0 1,142,489	0	0 107,842	9.4%	0 80,778	- 7.1%	0 188,620	- 16.5%	0 (10,802)	\$2.98
Class B	1,142,489 679,696			9.4% 4.8%	9,401	7.1% 1.4%	41,729	6.1%		\$2.98
Class C <b>Total</b>	1,822,185	0	32,328 <b>140,170</b>	7.7%	90,179	4.9%	230,349	12.6%	(2,345) ( <b>13,147</b> )	\$2.98
Richmond/	San Pablo	0	140,170	/•// /O	70,177	4.7 /0	230,349	12.0 /6	(13,147)	\$2.70
Class A	0	0	0	-	0	-	0	-	0	
Class B	958,074	0	129,800	13.5%	0	0.0%	129,800	13.5%	0	\$2.10
Class C	500,688	0	11,000	2.2%	0	0.0%	11,000	2.2%	0	\$1.68
Total	1,458,762	Ŏ	140,800	9.7%	Ŏ	0.0%	140,800	9.7%	0	\$1.89
San Leandr			-,				-,			
Class A	132,725	0	0	0.0%	0	0.0%	0	0.0%	0	
Class B	1,043,949	Ō	25,935	2.5%	0	0.0%	25,935	2.5%	145	\$2.64
Class C	390,331	0	8,529	2.2%	0	0.0%	8,529	2.2%	(2,619)	\$2.51
Total	1,567,005	0	34,464	2.2%	0	0.0%	34,464	2.2%	(2,474)	\$2.58

# STATISTICS BY SUBMARKET

Market/	Total	Under	Direct	Direct	Sublease	Sublease	Total	Total	QTR	Average
Submarket	Inventory	Construction	SF	%	SF	%	SF	%	Net Absor.	Asking Rent
Union City	<u> </u>									
Class A	0	0	0	_	0	-	0	_	0	
Class B	72,879	Ö	0	0.0%	Ö	0.0%	Ö	0.0%	Ö	\$1. <i>7</i> 3
Class C	64,176	0	0	0.0%	0	0.0%	0	0.0%	2,598	\$1.65
Total	137,055	0	0	0.0%	0	0.0%	0	0.0%	2,598	\$1.69
Oakland I-	80/880 Mark	et Totals								
Class A	11,926,016	<i>7</i> 5,240	2,061,066	17.3%	464,512	3.9%	2,525,578	21.2%	(420,173)	\$3.27
Class B	20,519,043	0	2,499,863	12.2%	441,391	2.2%	2,941,254	14.3%	(59,923)	\$2.98
Class C	8,332,049	18,825	424,133	5.1%	19,393	0.2%	443,526	5.3%	1,322	\$2.36
Total	40,777,108	94,065	4,985,062	12.2%	925,296	2.3%	5,910,358	14.5%	(478,774)	\$2.87
Dublin										
Class A	1,328,114	0	281,982	21.2%	<i>7</i> 4,627	5.6%	356,609	26.9%	23,863	\$3.23
Class B	657,842	0	40,276	6.1%	0	0.0%	40,276	6.1%	(1,801)	\$2.39
Class C	141,692	0	2,874	2.0%	4,104	2.9%	6,978	4.9%	(3,169)	\$2.18
Total	2,127,648	0	325,132	15.3%	<b>78,731</b>	3.7%	403,863	19.0%	18,893	\$2.60
Pleasanton		0	0.51.000	11 40/	0/ 527	4.40/	247544	15 70/	14.07/	¢2.20
Class A	2,210,644	0	251,009	11.4%	96,537	4.4%	347,546	15.7%	14,976	\$3.30
Class B	4,906,936	0	775,121	15.8%	226,769	4.6%	1,001,890	20.4%	24,236	\$2.74
Class C <b>Total</b>	297,443	0	18,009	6.1% <b>14.1%</b>	0	0.0% <b>4.4%</b>	18,009	6.1%	7,968	\$2.26
Livermore	7,415,023	0	1,044,139	14.1 %	323,306	4.4%	1,367,445	18.4%	47,180	\$2.77
Class A	0	0	0	-	0	-	0	_	0	
Class B	960,593	0	149,659	15.6%	<i>7</i> 1,161	7.4%	220,820	23.0%	(6,652)	\$2.11
Class C	226,625	0	70,845	31.3%	0	0.0%	70,845	31.3%	(1,270)	\$1.82
Total	1,187,218	Ŏ	220,504	18.6%	71,161	6.0%	291,665	24.6%	(7,922)	\$1.97
	Market Totals		220,00	1010 / 0	2 1/101	0.070	271,000	2 110 /0	(2/2 == /	41022
Class A	3,538,758	-	532,991	15.1%	171,164	4.8%	704,155	19.9%	38,839	\$3.27
Class B	6,525,371	_	965,056	14.8%	297,930	4.6%	1,262,986	19.4%	15,783	\$2.41
Class C	665,760	_	91,728	13.8%	4,104	0.6%	95,832	14.4%	3,529	\$2.09
Total	10,729,889	0	1,589,775	14.8%	473,198	4.4%	2,062,973	19.2%	58,151	\$2.59
	, ,				,				,	
TOTAL EAS	T BAY									
Class A	26,434,430	330,855	4,797,359	18.1%	856,346	3.2%	5,653,705	21.4%	(502,228)	\$3.33
Class B	41,233,043	O	5,399,472	13.1%	1,053,562	2.6%	6,453,034	15.7%	(27,677)	\$2.65
Class C	11,669,175	18,825	667,245	5.7%	25,512	0.2%	692,757	5.9%	(13,385)	\$2.04
TOTAL	79,336,648	349,680	10,864,076	<b>13.7</b> %	1,935,420	2.4%	12,799,496	16.1%	(543,290)	\$2.67



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TRI Commercial | Q1 Market Trends 2023



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