

SECOND
QUARTER 2023

EAST BAY
INDUSTRIAL
REPORT

VACANCY & RENTS

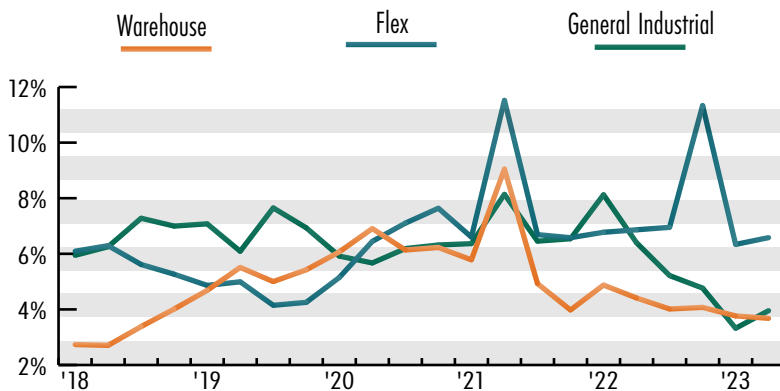


Demand still extremely tight, despite very minor bump up in vacancy. Construction beginning to slow.

- High Cap Rates, high prices, and now rising interest rates from the lively marketplace for industrial space the past few years have signaled to developers that the demand may be slowing down for investors and developers. Slowed development may also be a symptom of a constrained geographical area in which to build.
- Tenants, on the other hand, are still tightly competing for space across every region throughout the Bay Area. Rents compared to this time last year are up nearly 17%, as much as fifty cents more for General Industrial in the 880 Corridor.
- The Berkeley biotech growth spurt is an area to closely watch, as 600 Addison comes online late this year or early next year, and the Bayer development following a year or so after. A slew of office buildings trading hands in Berkeley this past quarter figures that the city may be in a rare moment of being able to redefine its economy.
- Tri-Valley vacancy compared to this time of year 2022 is miniscule. Any business looking for space is having to choose between only 2% of the market vacant of a total 12 million SF. Supply lines are having to look further out of region, a disincentive for a whole business to even base out of the East Bay.

*Rent data in this report does not include NNN estimates

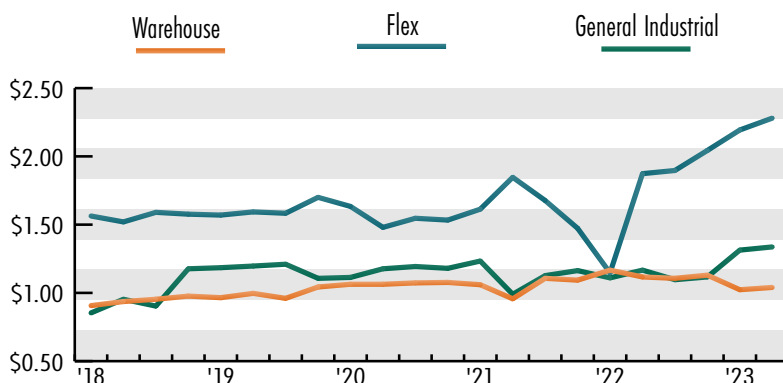
VACANCY RATES BY PRODUCT | Physically Vacant Space



Change in Vacancy (YoY)

+1.1%

AVERAGE RENTAL RATES | Triple Net



Change in Rents (YoY)

+16.7%

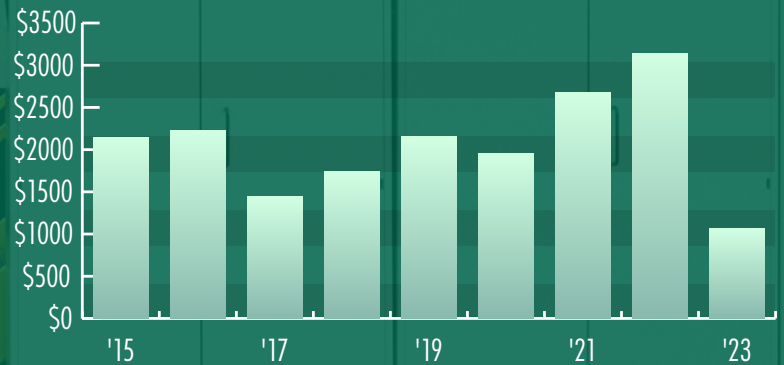
ECONOMY & INVESTMENT



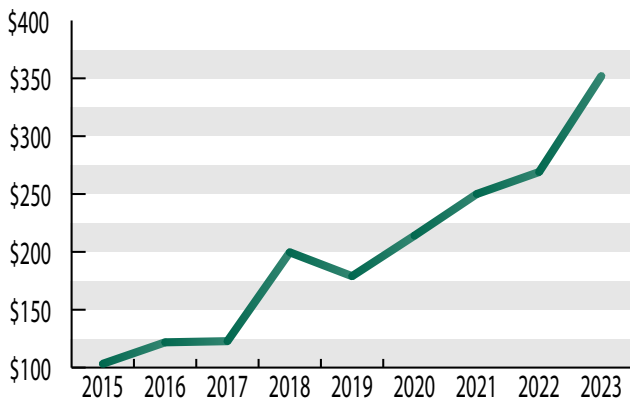
Average Months on Market

I-80/880 General Industrial	5.2 mo
I-80/880 Flex	9 mo
I-80/880 Warehouse	4.7 mo
North I-680 General Industrial	13.9 mo
North I-680 Flex	7.9 mo
North I-680 Warehouse	6 mo
Tri Valley General Industrial	2 mo
Tri Valley Flex	10.9 mo
Tri Valley Warehouse	2.7 mo

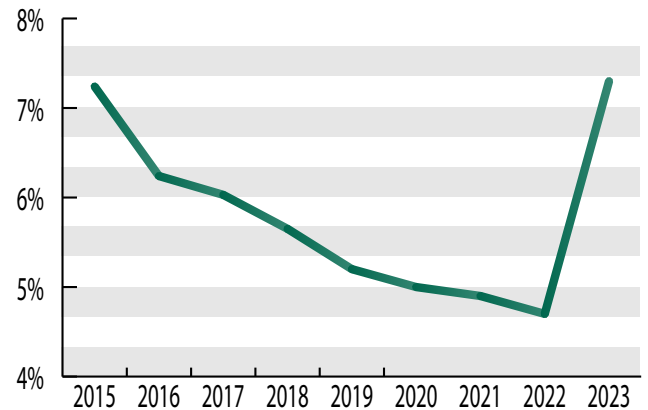
Investment Volume (Millions)



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
47488 Kato Rd, Fremont	575,775	\$260,000,000	\$452	MC Kato Realty LLC	Manufacturing
651 Sandavol Way, Hayward	26,135	\$22,200,000	\$849	Prologis Inc.	Warehouse
4900 Hannover Pl, Fremont	41,400	\$10,940,000	\$264	Exeter 21469 Wy LLC	Warehouse
1605-1619 Abram Ct, San Leandro	37,000	\$10,550,000	\$285	Emery Hills LLC	Manufacturing
1250 Business Center Dr, San Leandro	26,500	\$9,200,000	\$347	SLBC PROPS LLC	Warehouse
4801-4805 Hannover Pl, Fremont	34,123	\$8,760,000	\$257	Exeter 21469 Wy LLC	Warehouse
4811-4817 Hannover Pl	39,200	\$8,270,000	\$211	Exeter 21469 Wy LLC	Warehouse

Under Construction (SF)



3,970,969

Average Price per SF



\$352

STATISTICS BY SUBMARKET

MAJOR CONSTRUCTION | NOTABLE INDUSTRIAL DEVELOPMENTS

Property Address	City	Property Type	Expected Delivery	RBA	Developer
5441 International Blvd	Oakland	Warehouse	Q3 - 2023	534,242	Bridge Development Partners
800 Dwight Way	Berkeley	R&D	-	918,000	Bayer Healthcare LLC
600 Addison St	Berkeley	R&D	Q4 - 2023	304,791	Lane Partners
1701 Springdale Ave	Pleasanton	R&D	2030	163,500	10x Genomics

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.	30,805,586	975,773	103,643	1,079,416	3.2%	0.3%	3.5%	193,962	147,600	\$1.56
Flex	17,547,221	960,685	244,941	1,205,626	5.5%	1.4%	6.9%	105,053	2,013,466	\$2.84
Warehouse	88,040,018	2,676,096	436,074	3,112,170	3.0%	0.5%	3.5%	(91,625)	1,496,948	\$1.19
Total	136,392,825	4,612,554	784,658	5,397,212	3.4%	0.6%	4.0%	207,390	3,658,014	\$1.86
N. I-680										
General Ind.	7,080,264	489,345	-	489,345	6.9%	0.0%	6.9%	(343,526)	-	\$1.25
Flex	3,706,026	218,522	78,391	296,913	5.9%	2.1%	8.0%	(18,943)	-	\$1.98
Warehouse	18,106,064	901,148	4,132	978,946	5.0%	0.0%	5.4%	(124,248)	128,430	\$1.27
Total	28,892,354	1,609,015	82,523	1,765,204	5.6%	0.3%	6.1%	(486,717)	128,430	\$1.50
Tri-Valley										
General Ind.	4,954,063	81,543	44,480	126,023	1.6%	0.9%	2.5%	(72,080)	-	\$1.20
Flex	7,122,018	303,608	61,503	365,111	4.3%	0.9%	5.1%	(103,573)	184,525	\$2.02
Warehouse	12,816,496	224,363	61,923	286,286	1.8%	0.5%	2.2%	101,669	-	\$1.21
Total	24,892,577	609,514	167,906	777,420	2.4%	0.7%	3.1%	(73,984)	184,525	\$1.48
East Bay										
General Ind.	42,839,913	1,546,661	148,123	1,694,784	3.6%	0.3%	4.0%	(221,644)	147,600	\$1.11
Flex	28,375,265	1,482,815	384,835	1,867,650	5.2%	1.4%	6.6%	(17,463)	2,197,991	\$1.76
Warehouse	118,962,578	3,801,607	502,129	4,303,736	3.2%	0.4%	3.6%	(114,204)	1,625,378	\$1.17
Total	190,177,756	6,831,083	1,035,087	7,866,170	3.6%	0.5%	4.1%	(353,311)	3,970,969	\$1.61

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