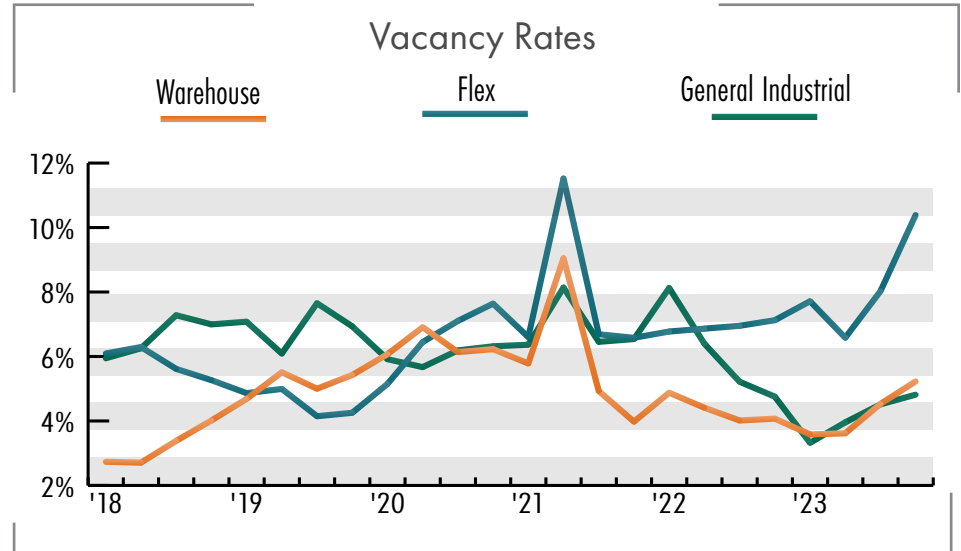




## EAST BAY INDUSTRIAL

- Demand for industrial warehouse, flex and manufacturing space has continued to be high for the last five years in the East Bay Industrial Market. Vacancy rates in 2023 however, have risen over the course of the year by a percent to 6% with flex vacancy rates trending higher than warehouse rates because of the soft, high vacancy office market.
- Absorption in the fourth quarter saw major net negative with over 1,079,000 SF vacant SF coming back on the market.
- Unemployment rates remain strong at a low 4.5%. However high housing costs and inflation have pushed blue collar workers to locate further out from the Bay Area core, with the warehouse sector following behind.



### EAST BAY SIGNPOST FIGURES

EAST BAY SIGNPOST FIGURES		TRENDING
YTD Net Absorption	-1,079,856	∨
Flex Vacancy Rate	10.4%	∧
Warehouse Vacancy Rate	5.2%	∧

### FOCUSED FIGURES

I-80/880 Warehouse Asking	\$1.14/SF
Tri-Valley Flex Asking	\$1.71/SF
Oakland Warehouse Net Absorption	(18,046)



- Sublease space remains a factor in the Tri-Valley, where flex and warehouse subleases constitute over a third of the available space.
- Internationally, a survey from Alix Partners projects that North American industries will gain a benefit in the coming years from an approximately 40% reduction of sourcing of materials and supply from China.
- The Institute for Supply Management reported an end-of-year slight decline in manufacturing output.
- Overton Moore Properties put in a bid for a new 125,304 SF advanced manufacturing facility in Dublin, which was approved by the city's planning commission in December.
- Syrup maker Torani leased 202,000 SF in San Leandro. San Leandro is home to 50 food and beverage manufacturing companies.

Change in Vacancy (YoY)

 **-0.6%**

Change in Rents (YoY)

 **+4.11%**

