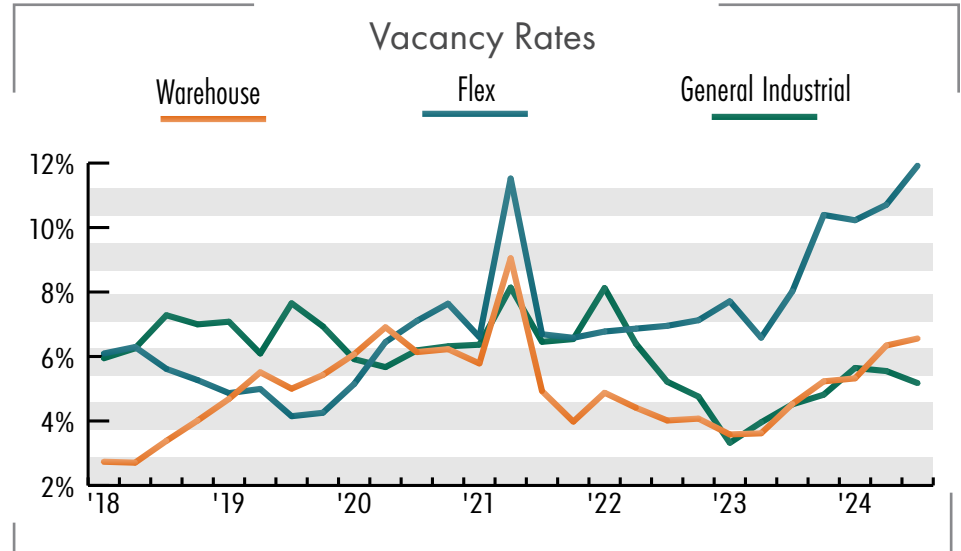




EAST BAY INDUSTRIAL

- Net absorption for all types of industrial product continued a steep negative trend this past year, with a total of over negative 3 million square feet so far in this year.
- General Industrial type alone continues to be one of the strongest asset types, across all commercial product. Vacancy for General Industrial went down in the East Bay by 30 basis points, while occupation of other real estate categories has slowly continue to decrease.
- Rents for all product types generally have increased over the past two years, and not merely to keep up with inflation. Asking rates are 20% higher than at the same time last year. It is possible that a correction of pricing due to demand is just around the corner
- Flex space experienced high vacancy due to the struggle of the life science sector and similar to office. Some landlords in low-rent office areas are tearing out the office component of their flex product to make room for more warehouse.



EAST BAY SIGNPOST FIGURES

EAST BAY SIGNPOST FIGURES		TRENDING
YTD Net Absorption	-3,189,744	∨
Flex Vacancy Rate	11.9%	∧
Warehouse Vacancy Rate	6.6%	∧

FOCUSED FIGURES

I-80/880 General Indust. Asking	\$1.46/SF
Livermore Warehouse Vacancy	7.8%
Oakland All Types Time on Market	8 Months Average

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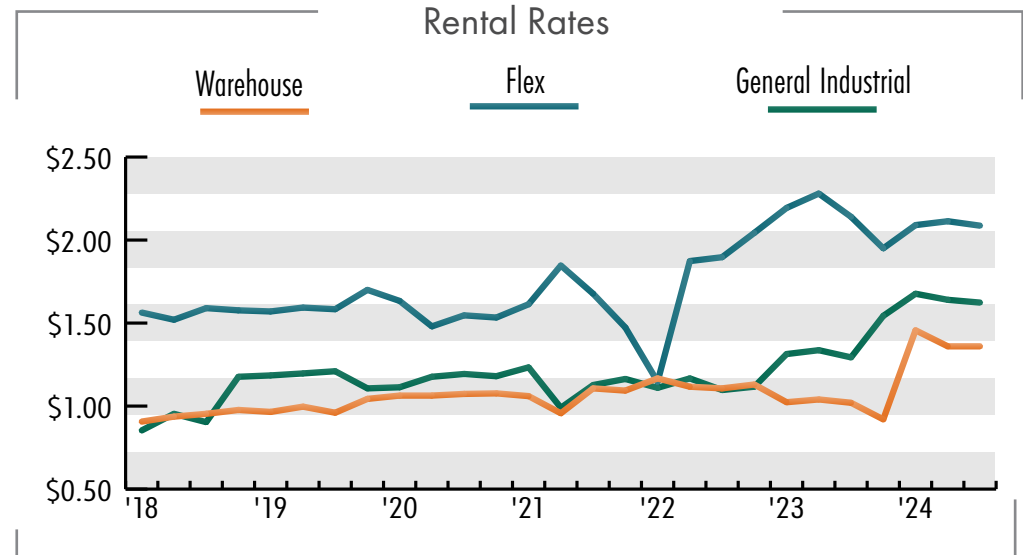
- In 2020-2021, amidst covid and medical resesarch, bioscience was at its peak. As of September, Emeryville saw Atrium labs, a 750,000 SF campus get stopped in its tracks. Totalling only 128k so far, the site accounts for a major vacancy in the small, but famously business-friendly city. Total Life Science Vacancy is over 25%
- 4600 Norris Canyon Road, an R&D building in San Ramon sold at \$357 per foot. Its tenant, a bioscience agriculture company, has 14 years on a lease, reflecting the market's long term value.
- Frontier Elm Business Center, a 209,700 sf building in Fremont, was also sold to an out-of-state investor. RK Logistics had just signed a lease in Q2.
- In Sacramento, the state assembly passed Bill 98, effective in 2026 that limits where, and how densely new warehouses can be built. The California Chamber of Commerce endorsed the bill as a compromise that considers housing needs, business needs, and environmental concerns. It remains to be seen how this will impact warehouse development.

Change in Vacancy (YoY)

 **+2.0%**

Change in Rents (YoY)

 **+20.6%**



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