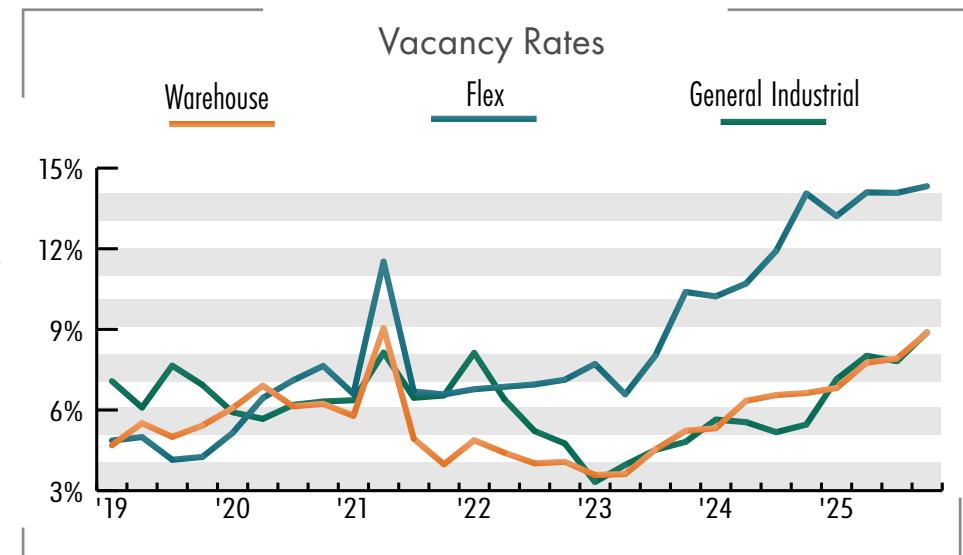




EAST BAY INDUSTRIAL

- The Alameda and Contra Costa Counties unemployment rates were 4.6% and 4.8% respectively November 2025, according to the CA EDD.
- Manufacturing jobs decreased by approximately 4.3% over a year, leading to decreased demand for industrial real estate space. Scientific and Tech jobs also decreased by 3.2%, negatively affecting considered industrial sector real estate.
- Vacancy rates continue to climb for all industrial building types, with the overall industrial vacancy rate increasing to 8.9%, while Flex space rates leveled off slightly, but remained high at 14%.
- Institutional capital remained focused on functional “shallow bay” assets which are smaller, multi-tenant warehouses (typically under 100,000 sq. ft.) with shallow depths and flexible layouts. A prime example is Overton Moore Properties’ January 2026 acquisition of the Livermore Shallow-Bay Industrial Portfolio of the 241,000-square-foot Altamont Portfolio in Livermore for \$49.3 million, a deal driven by the area’s constrained development pipeline and 100% occupancy across diverse tenant bases.



EAST BAY SIGNPOST FIGURES

YTD Net Absorption	-3,369,750	▼
Flex Vacancy Rate	14.3%	▲
Warehouse Vacancy Rate	8.9%	▲

TRENDING

FOCUSED FIGURES

I-80/880 General Indust. Asking	\$1.37/SF
Tri-Valley Flex Vacancy	12.4%
I-80/880 Warehouse Vacancy	9.9%

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



FOURTH QUARTER 2025

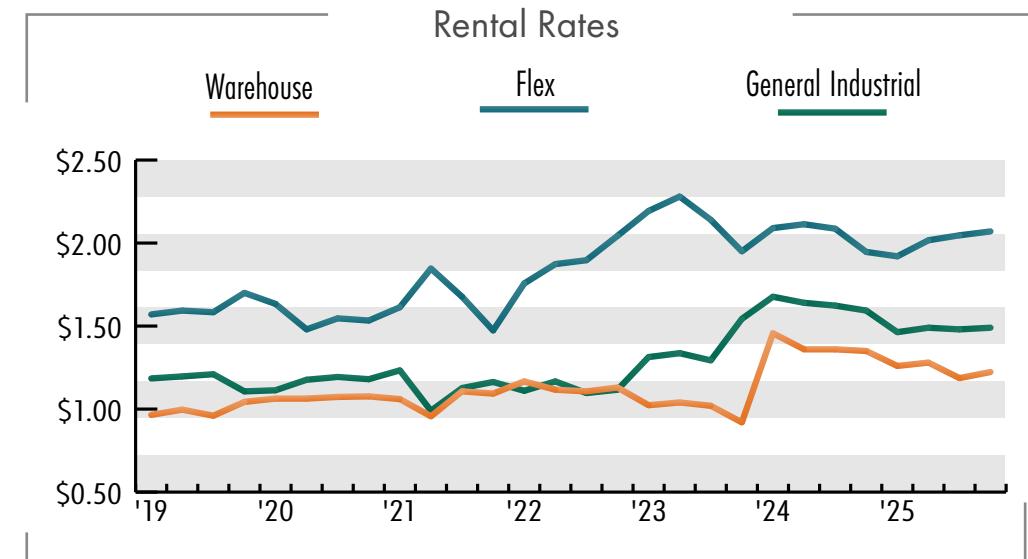
- Access to power has superseded traditional geographic metrics in industrial real estate. As modern tenants integrate EV infrastructure and automation, sites with “ample power” are seeing premium demand that have 2,000 to 10,000 amps vs older, less capacity buildings.
- The November 2025 acquisition of the Pleasant Hill Industrial Park (2420 Estand Way) for \$25 million highlights a trend to take advantage of near-term lease expirations to raise rental rates to market rates—targeting a 20% mark-to-market upside—in submarkets where vacancy can be as low as 1.2%.
- The National manufacturing outlook continues to face uncertainty considering fluctuating tariff policies, manufacturing labor force shortages and supply chain material shortages. The Pittsburg's US Steel site facility could be brought to market in the wake of a huge merger between US Steel and Nippon Steel, which will have major ramifications for East County manufacturing jobs.
- The Inner East Bay Highway 880 corridor continues to be a highly desired industrial corridor. An eleven 11 acre site in San Leandro at 2009 Farallon Drive was one of the largest industrial sales in this submarket in the past half-decade.

Change in Vacancy (YoY)

 **+3.1%**

Change in Rents (YoY)

 **-3.56%**



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