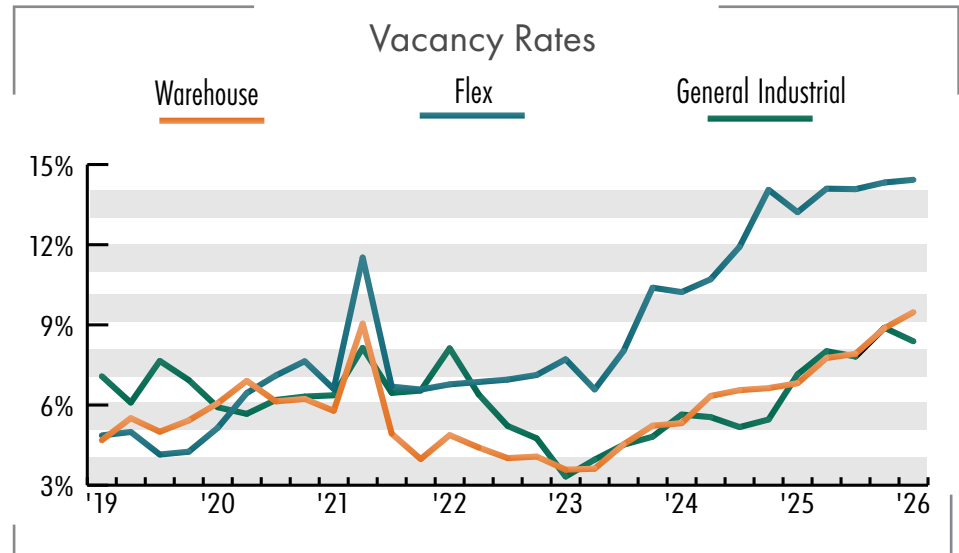




## EAST BAY INDUSTRIAL

- The East Bay industrial sector has transitioned into a tenant-favorable environment with elevated vacancy rates and cooling demand forcing a significant recalibration of asset pricing.
- Average asking lease rates experienced a 7.1% decrease year-over-year, marking a sharp market correction that has compelled landlords to offer more aggressive concessions and tenant-improvement allowances.
- Direct vacancy in the East Bay climbed to 8.8% this quarter, representing an increase driven by major lease expirations and the delivery of new speculative space.
- The market recorded negative net absorption of approximately 561,322 square feet, highlighting a persistent “flight to quality” as occupiers consolidate operations into more modern, efficient facilities, sometimes elsewhere in the state, country, or even world.



### EAST BAY SIGNPOST FIGURES

EAST BAY SIGNPOST FIGURES		TRENDING
YTD Net Absorption	-561,322	
Flex Vacancy Rate	14.4%	^
Warehouse Vacancy Rate	9.5%	^

### FOCUSED FIGURES

I-80/880 General Indust. Asking	\$1.34/SF
Tri-Valley Flex Vacancy	10.6%
I-80/880 Warehouse Vacancy	10.3%

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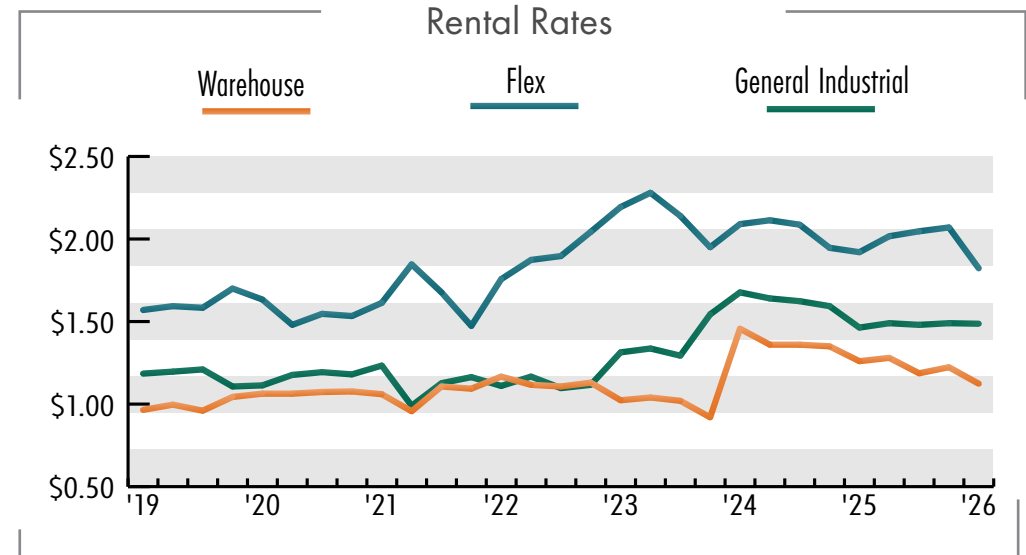
- Total leasing activity for Q1 hovered around 1.23 million square feet, reflecting a nearly 50% year-over-year decrease as transaction volumes across the I-880 corridor continue to contract.
- Regional labor stability remains a relative bright spot, with the unemployment rate for the East Bay sitting at 4.7%, and has outperformed the broader California state average.
- Over 1.6 million square feet of industrial/flex space remains under construction, with a heavy concentration in the Fremont and Newark submarkets specifically targeting the advanced manufacturing and clean energy sectors.
- In late March 2026, Minnesota-based WPT Capital Advisors acquired a 374,700-square-foot warehouse at 8350 Pardee Drive in Oakland for \$112.5 million. Located near the Oakland Airport business park, the facility was previously home to a Benjamin Moore distribution center.
- In its first major East Bay expansion, OpenAI signed a lease in late March 2026 for a 202,000-square-foot facility at the Portside Commerce Center in Richmond. The waterfront site, located near the Richmond ferry terminal, is expected to house the company's robotics manufacturing and R&D operations.

Change in Vacancy (YoY)

 **+0.8%**

Change in Rents (YoY)

 **-7.1%**



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