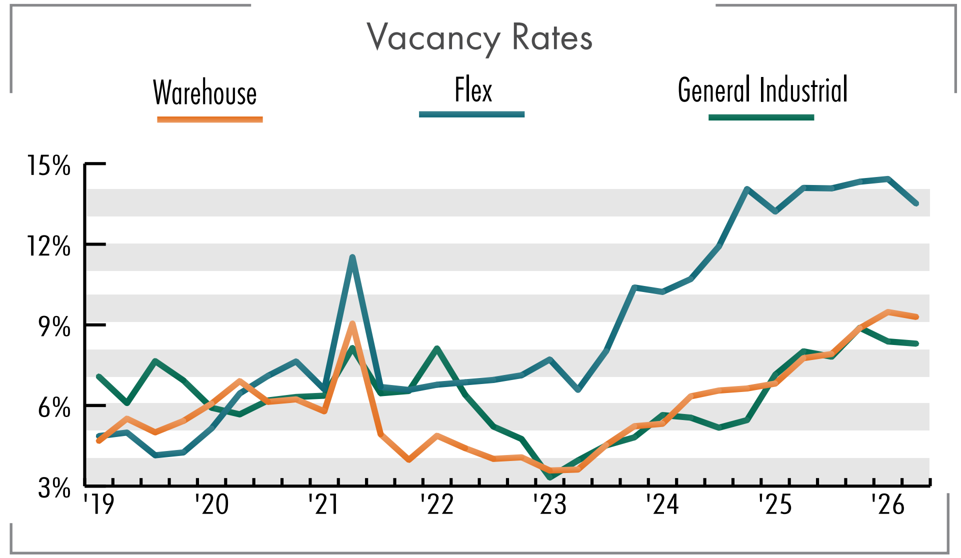
SECOND QUARTER 2026

EAST BAY INDUSTRIAL

- The East Bay industrial sector is becoming a tenant-favorable market with elevated vacancy rates and cooling demand forcing a significant recalibration of asset pricing. Landlords to keep or attract tenants, are offering rent discounts in the form of free rent and higher tenant improvement allowances
- Average asking lease rates were lower by a 0.6% decrease year-over-year. Direct vacancies in the East Bay climbed to 9.7% this quarter, representing a 0.8% increase year-over-year.
- The market recorded negative 2nd quarter net absorption of 686,521 square feet, reflecting several smaller scale tenant sectors vacating their footprints in the region, especially smaller distribution hub uses.
- While transaction volumes across the I-880 corridor continued their downward trend several macroeconomic factors including a developing



EAST BAY SIGNPOST FIGURES		TRENDING
Qtr Net Absorption	-686,521	
Flex Vacancy Rate	13.5%	∨
Warehouse Vacancy Rate	9.7%	∨

FOCUSED FIGURES	
I-80/880 General Indust. Asking	$1.46/SF
Tri-Valley Flex Vacancy	8.5%
I-80/880 Warehouse Vacancy	9.8%

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THESE STATISTICS ENCOMPASS THE ENTIRE SURVEY, WHICH INCLUDES ALL MANUFACTURING, WAREHOUSE & FLEX TYPES OVER 1,000 SF

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network of green tech manufacturing, electric automotive jobs, and advanced clean-energy supply chains stretching north from San Jose into Fremont and Hayward increased their leasing activity.

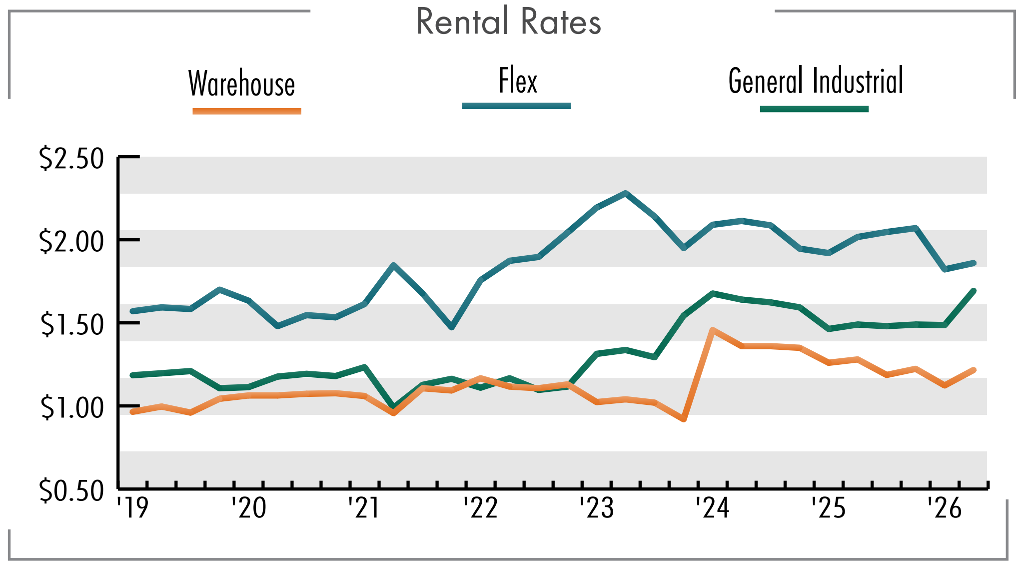
- Sierra Trinity in Dublin was sold as part of an 11-building, 97%-leased multi-tenant shallow-bay industrial portfolio, demonstrating that leased assets still attract investors.
- Oakland-based investor Layline acquired a 6.7-acre heavy industrial site featuring a 23,000-square-foot cross-dock terminal at 2348 Industrial Parkway West in Hayward from UPS for $20.1 million, with site renovations paving the way for fresh tenant placement.
- Ongoing, heated public discussion continues over data centers, including the Project Perseus site in Pittsburg, despite having its own power source. More cities are considering data center moratoriums or outright bans. Nationwide developers of data centers have heard this and are developing power sources that do not stress the nearby residential power rates.
- A couple of other noteworthy leases signed include 'Quanta Computing', renewing 100k SF and expanding to an additional 140k SF in Newark. Biotech company 'BillionToOne' also leased 60,000 SF in Union City.

Change in Vacancy (YoY)

+0.8%

Change in Rents (YoY)

-0.6%



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