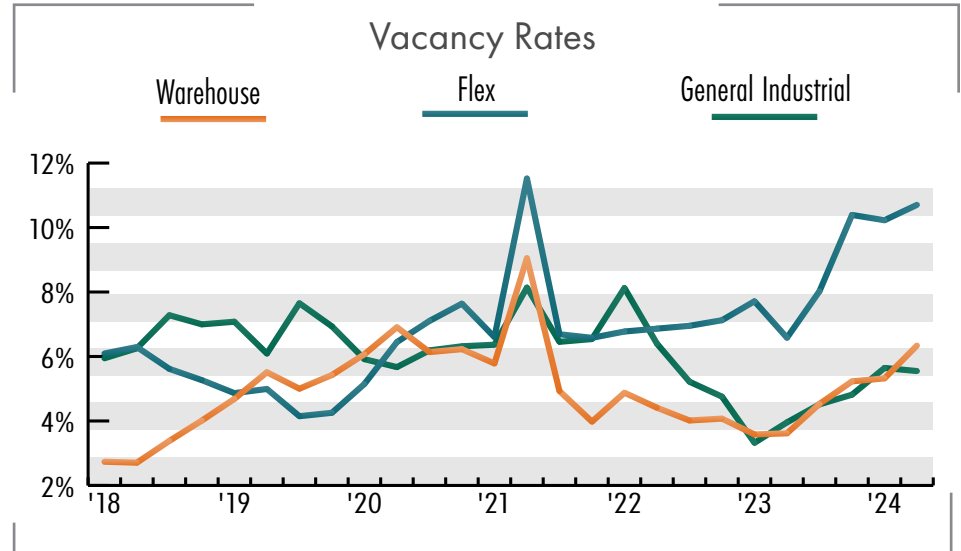




EAST BAY INDUSTRIAL

- Net absorption for industrial product continues a steep negative accrued in the past year, with a total of over negative 1.5 million square feet so far in this year.
- General Industrial continues to be a strong product at only 5.5% vacancy, while Flex and Warehouse have shot up to 10.7% and 6.3% respectively.
- Rents of all product types have some variation, however have risen higher from the rates seen 1 year ago and 2 years ago.
- Sterling Organization acquired a 10-acre Fremont site to redevelop big box retail into a logistics center. Fremont is one of the most in-demand industrial markets at the moment in the entire Bay Area.



EAST BAY SIGNPOST FIGURES

EAST BAY SIGNPOST FIGURES		TRENDING
YTD Net Absorption	-1,588,939	∨
Flex Vacancy Rate	10.7%	∧
Warehouse Vacancy Rate	6.3%	∧

FOCUSED FIGURES

I-80/880 Warehouse Asking	\$1.25/SF
Concord All Types Vacancy	1.9%
Oakland All Types Net Absorption	(279,809)

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



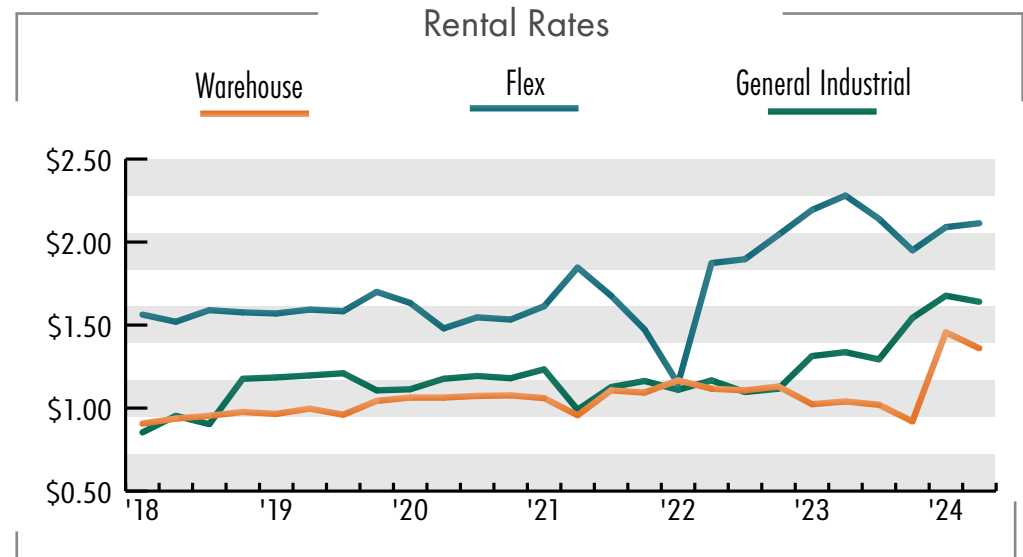
- Nearly half of the industrial space currently in development in Silicon Valley is projected for AI-related manufacturing. Depending on how much a boom the subset of the tech industry experiences, such activity could affect the East Bay’s market as well.
- Energy costs and capacities continue to be a high-importance issue for many tenants. Existing inventory for data centers and even potentially convertible industrial sites for tech use have become less and less suitable as data center users ramps up how much energy they require.
- Amazon rolled out a Southern California same-day pharmaceutical delivery center. While national retail pharmacies are contracting locations, attention is on the delivery model’s success for viability and scaling. Amazon’s new business model coincides with a stream of new warehouse leases.
- Unemployment rates remain strong at a low 3.5%. 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.

Change in Vacancy (YoY)

 **+2.7%**

Change in Rents (YoY)

 **+15.2%**



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