



# Office Market Report

## East Bay - CA

### PREPARED BY

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**OFFICE MARKET REPORT**

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12 Mo Deliveries in SF

**1.4 M**

12 Mo Net Absorption in SF

**1.1 M**

Vacancy Rate

**8.5%**

12 Mo Rent Growth

**5.3%**

The East Bay's office market rally is extending into 2019. Rent growth has slowed since 2016 but remains positive, while market occupancies remain elevated above the historical norm. Investment velocity in East Bay office properties in 2018 nearly matched 2016's record, with sales volume totaling over \$2.2 billion. Overall, assets are selling at record price levels and are among the highest in the nation. Landlords have reasons to be optimistic, with tenant demand rising across the metro. Oakland, in particular, is emerging as a desirable city in which to live, work, and play.

In nearby San Francisco, rents have more than doubled since 2010, and tenants are facing extreme rent hikes upon lease rollover. As a result, Oakland and the emerging East Bay submarkets with solid transportation infrastructure have benefited from an in-migration of tenants moving across the bay. The most recent example of this dynamic was fintech firm Credit Karma leasing space in a new development in Oakland. The deal followed credit card processing company Square's expansion into the East Bay, leasing a newly renovated building in Downtown Oakland. Additionally, long-term East Bay tenants have expanded within the metro.

When compared to the other major metro's in the Bay Area, the East Bay benefited from strong rent growth later in the expansion cycle. Rent growth in the East Bay has slowed over the past three years but remains healthy and continues to outpace the national average. Despite late-cycle rent gains, office space in the East Bay remains available at a significant discount compared to prevailing rents in San Francisco and throughout the San Jose metro area.

New office development in the East Bay has been moderate, with current under-construction office space equivalent to 1% of the market's total existing inventory. Tenants have been responsive to the market's new building availability by preleasing roughly 70% of the speculative office space currently under construction. The majority of this speculative under-construction space is concentrated in Downtown Oakland, where two new office towers are helping redefine the city's skyline. The office buildings under development secured anchor tenants prior to breaking ground, but still contain available space as delivery approaches. Several buildings in Oakland have been completely renovated into creative office spaces, breathing new life into the growing city.

### KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
4 & 5 Star	30,924,122	11.1%	\$47.47	17.2%	(106,861)	596,767	363,696
3 Star	43,688,061	8.9%	\$38.48	10.6%	(29,691)	0	76,706
1 & 2 Star	39,292,908	6.0%	\$32.01	7.6%	(3,773)	0	0
<b>Market</b>	<b>113,905,091</b>	<b>8.5%</b>	<b>\$38.72</b>	<b>11.4%</b>	<b>(140,325)</b>	<b>596,767</b>	<b>440,402</b>

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	-0.4%	9.7%	8.3%	14.0%	2011 Q1	2.8%	2000 Q2
Net Absorption SF	1.1 M	736,591	545,527	6,052,949	2000 Q2	(2,118,928)	2009 Q4
Deliveries SF	1.4 M	1,127,607	687,040	4,115,375	2001 Q4	8,171	2015 Q2
Rent Growth	5.3%	3.8%	1.8%	27.9%	2001 Q1	-13.0%	2002 Q4
Sales Volume	\$2.1 B	\$1.0B	N/A	\$2.6B	2019 Q2	\$153.6M	1997 Q4

Overall, vacancies in the East Bay have remained relatively steady since the beginning of 2016, hovering between 8% and 9%. Vacancies currently register 8.5%, below the market's 10-year historical average. The East Bay's office market last sustained a vacancy rate below 9% in the late 1990s, leading up to the dotcom recession.

Several drivers have fueled demand in the East Bay. San Francisco is running out of both affordable and large blocks of available space, which is a tremendous benefit to the East Bay, as more cost-sensitive tenants are driven east for expansion. The East Bay provides relative affordability for businesses, and excellent access to public transit with BART stations throughout the metro. The East Bay office supply is diverse, with the ability to accommodate a variety of business needs, including large blocks of space for back-office operations in submarkets like Pleasanton and Bishop Ranch, emerging biotech in Emeryville, new modern office spaces in Downtown Oakland, and proximity to Silicon Valley from the southern portion of the metro.

Emeryville has emerged as a biotech hub, led by Zymergen, which recently completed a \$400 million Series C round of funding led by SoftBank. In 2019, Zymergen will almost double its footprint in Emeryville, leasing over 160,000 SF across several buildings, including the newly completed Emery Station West. Emery Station West was able to attract biotech companies including Novartis (62,000 SF), Zogenix (45,000 SF), and Dynavax (75,000 SF), bolstering the collection of biotech tenants operating in the submarket.

In one of the largest deals in 2019, WeWork leased over

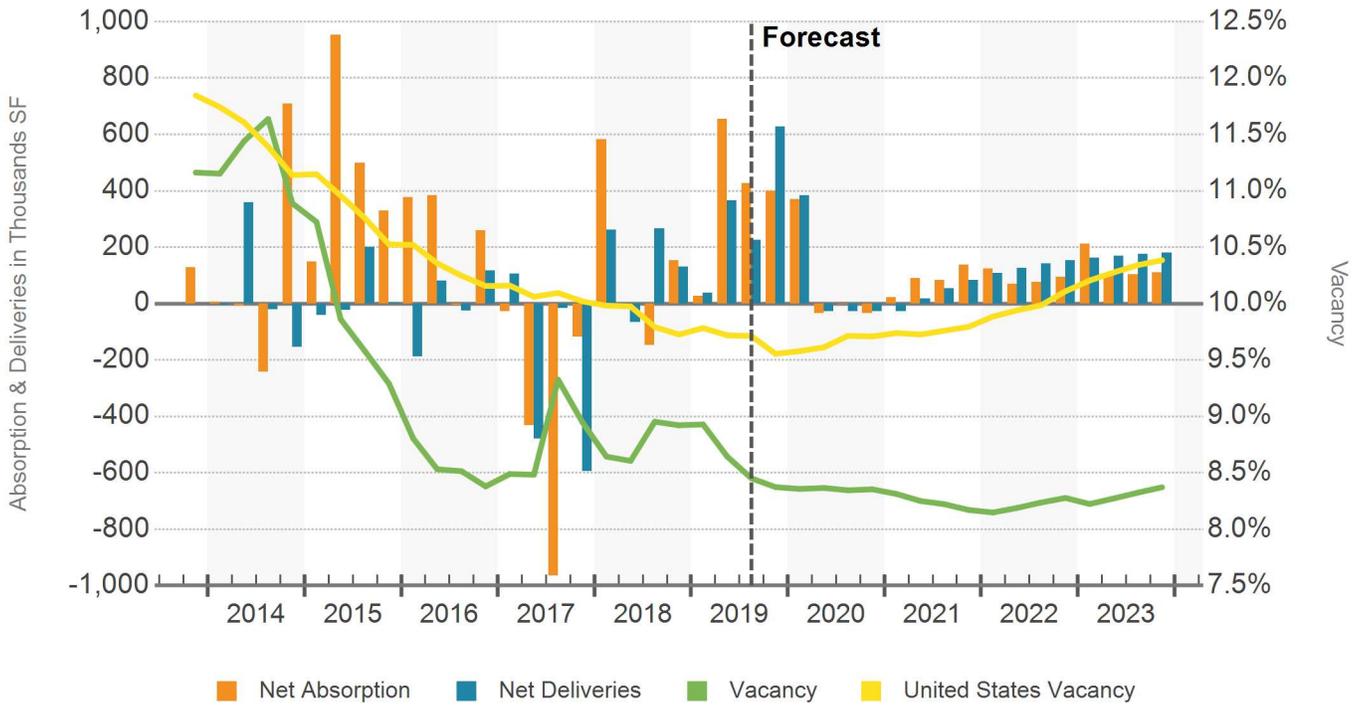
85,000 SF in Bishop Ranch, marking the co-working space company's first location in the inner portion of the East Bay metro. In June of 2018, Facebook leased 750,000 SF of space in Fremont, right across the Dumbarton Bridge from its Menlo Park headquarters. Facebook specifically cited the growing amount of its workforce that lives in the East Bay metro as a prime reason for its continued expansion in Fremont.

The East Bay office market has received an influx of tenants migrating from San Francisco this cycle, with Downtown Oakland benefiting the most. Delta Dental subleased 73,000 SF in Downtown Oakland, one of the East Bay's most significant deals in 2017, and plans to downsize its office space in San Francisco. Blue Shield preleased 200,000 SF to kick off construction of 601 City Center and will relocate most of its San Francisco employees to Oakland upon the building's delivery in 2019.

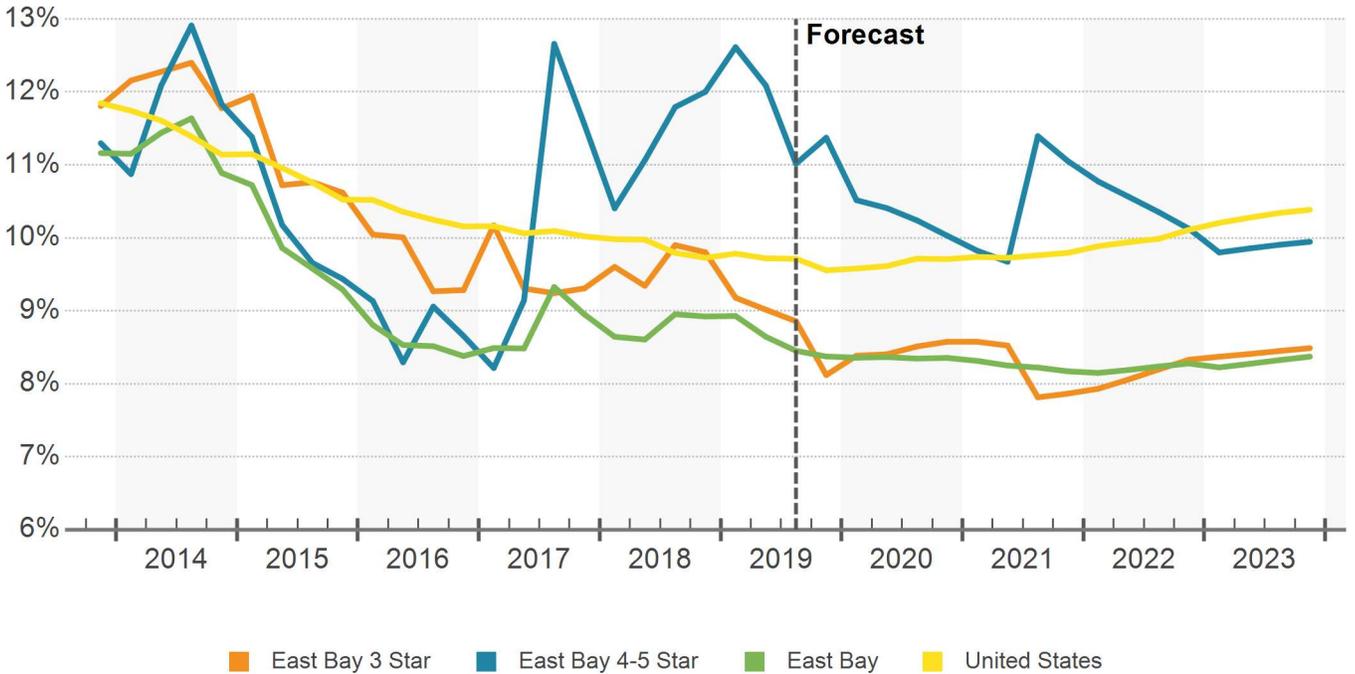
Credit card processing company Square leased all 350,000 SF of office space at Uptown Station in December 2018, becoming the first significant tech firm to migrate across the bay. Most recently, Credit Karma leased almost 160,000 SF in the under-construction project at 1100 Broadway in April 2019. These large tenants will bolster net absorption in 2019 and 2020 as they take occupancy in the newly constructed and renovated buildings.

Vacancies are forecast to be relatively stable over the next five years as demand from in-market expansions and tenant migrations from San Francisco and San Jose match the East Bay's moderate level of supply growth.

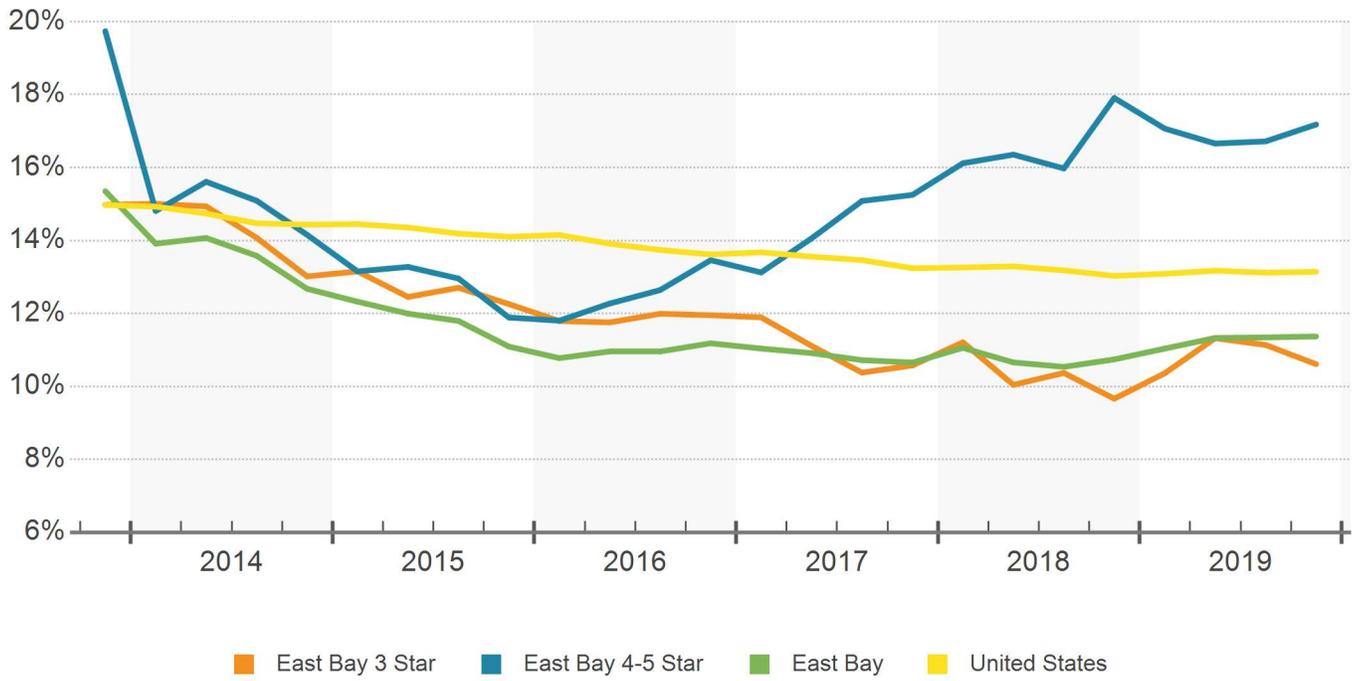
## NET ABSORPTION, NET DELIVERIES & VACANCY



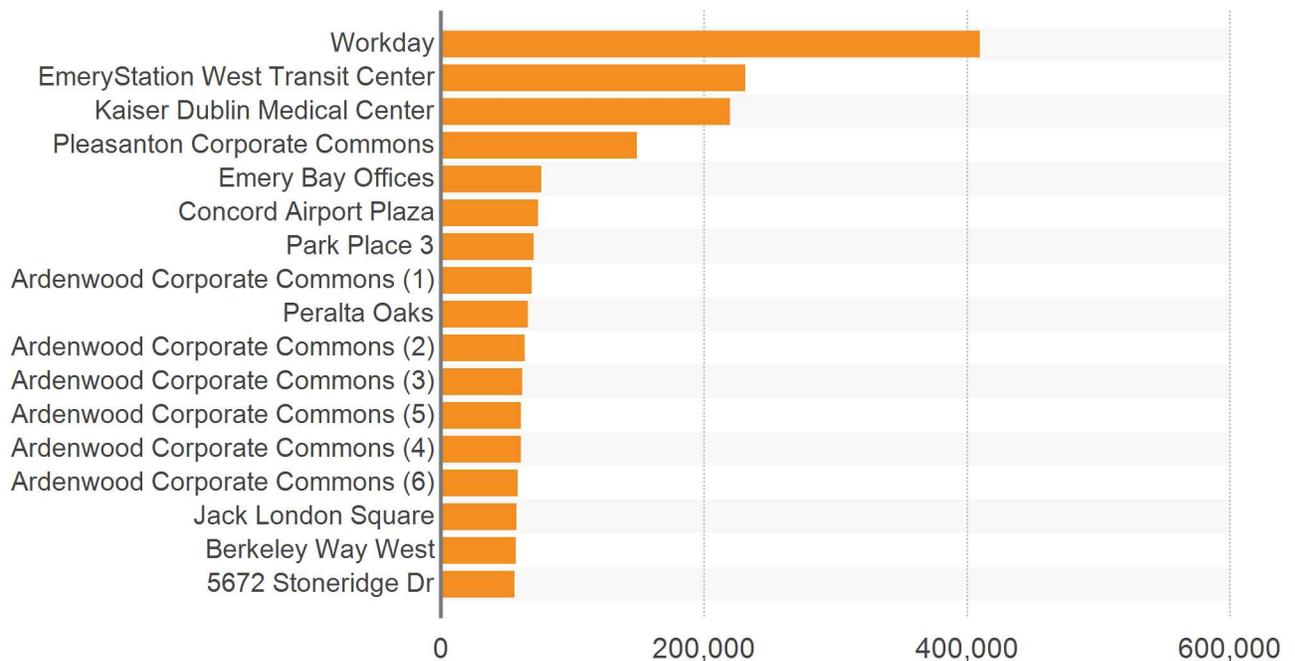
## VACANCY RATE



## AVAILABILITY RATE



### 12 MONTH NET ABSORPTION SF IN SELECTED BUILDINGS



Building Name/Address	Submarket	Bldg SF	Vacant SF	Net Absorption SF				
				1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	12 Month
Workday	Pleasanton-North	409,998	0	0	409,998	0	0	409,998
EmeryStation West Transit Center	Emeryville	265,000	31,492	9,092	107,364	41,397	75,216	231,577
Kaiser Dublin Medical Center	Dublin	220,000	0	0	0	220,000	0	220,000
Pleasanton Corporate Commons	Pleasanton-North	150,151	0	0	0	148,902	0	148,902
Emery Bay Offices	Emeryville	123,042	1,659	29,893	0	46,315	0	76,208
Concord Airport Plaza	Concord	185,517	87,788	16,199	19,494	28,358	9,944	73,995
Park Place 3	Dublin	211,780	141,186	0	70,594	0	0	70,594
Ardenwood Corporate Common...	Fremont East of 880	105,057	0	0	69,130	0	0	69,130
Peralta Oaks	Oakland-South	66,065	0	0	66,065	0	0	66,065
Ardenwood Corporate Common...	Fremont East of 880	63,924	0	0	63,924	0	0	63,924
Ardenwood Corporate Common...	Fremont East of 880	62,000	0	0	62,000	0	0	62,000
Ardenwood Corporate Common...	Fremont East of 880	60,804	0	60,804	0	0	0	60,804
Ardenwood Corporate Common...	Fremont East of 880	60,804	0	60,804	0	0	0	60,804
Ardenwood Corporate Common...	Fremont East of 880	58,655	0	58,655	0	0	0	58,655
Jack London Square	Oakland-Port/Jack L...	91,500	0	7,076	50,275	0	0	57,351
Berkeley Way West	Berkeley	325,000	1,600	0	0	27,000	0	56,898
5672 Stoneridge Dr	Hacienda Business...	56,146	0	0	0	0	56,146	56,146
<b>Subtotal Primary Competitors</b>		<b>2,515,443</b>	<b>263,725</b>	<b>242,523</b>	<b>918,844</b>	<b>511,972</b>	<b>141,306</b>	<b>1,843,051</b>
Remaining East Bay Market		111,389,648	9,452,657	(216,903)	(263,499)	(86,897)	(281,631)	(774,039)
<b>Total East Bay Market</b>		<b>113,905,091</b>	<b>9,716,382</b>	<b>25,620</b>	<b>655,345</b>	<b>425,075</b>	<b>(140,325)</b>	<b>1,069,012</b>

## TOP OFFICE LEASES PAST 12 MONTHS

Building Name/Address	Submarket	Leased SF	Qtr	Tenant Name	Tenant Rep Company	Leasing Rep Company
Uptown Station	Oakland-Downtown	355,762	Q4 18	Square	-	Newmark Knight Frank
Emeryville Center for Innovation	Emeryville	285,000	Q4 19	Zymergen	Newmark Knight Frank	Newmark Knight Frank
The Key at 12th	Oakland-Downtown	103,000	Q2 19	Credit Karma	JLL	JLL
Concord Tech Center *	Concord	96,944	Q2 19	AssetMark, Inc	-	-
Bishop Ranch	Bishop Ranch	85,759	Q2 19	WeWork	CBRE	Sunset Development C...
Sunol Center *	Hacienda Business Park	67,680	Q1 19	County of Alameda	-	-
Pleasanton Corporate Commons	Pleasanton-North	61,544	Q1 19	Medallia, Inc	-	JLL
Bishop Ranch 12 *	Bishop Ranch	59,268	Q2 19	Old Republic Home Prote...	-	-
The Key at 12th	Oakland-Downtown	57,600	Q3 19	Credit Karma	JLL	JLL
1901 Harrison St	Oakland-Downtown	56,641	Q4 18	California Department of I...	-	CBRE
Britannia Business Center *	Hacienda Business Park	56,505	Q1 19	Carl Zeiss Meditec Inc	-	-
1 Park Pl	Dublin	56,116	Q2 19	AEye, Inc.	Newmark Knight Frank	JLL
Bishop Ranch 1	Bishop Ranch	49,315	Q4 18	The Cooper Companies	-	Sunset Development C...
EmeryStation West Transit Center	Emeryville	47,000	Q1 19	Novartis	Newmark Knight Frank	Kidder Mathews
Britannia Business Center	E Hayward/Castro Valley	45,000	Q3 19	-	-	Colliers International
415 20th St *	Oakland-Downtown	41,447	Q2 19	Lawrence Berkeley Labor...	-	-
415 20th St *	Oakland-Downtown	41,446	Q2 19	Regents Of The Universit...	-	-
Bishop Ranch 3 *	Bishop Ranch	40,285	Q4 18	Accela, Inc.	-	-
Marina Village	Alameda	39,420	Q1 19	Alliant University	-	CBRE
2001 Clayton Rd	Concord	38,524	Q3 19	Swinerton Incorporated	-	JLL
Hollis Business Center	Emeryville	37,892	Q1 19	Whole Foods Inc.	-	Cushman & Wakefield
Waterfront at Harbor Bay	Alameda	37,544	Q1 19	Exelixis	Kidder Mathews	Cushman & Wakefield
Civic Executive Center *	Walnut Creek-BART/DT	37,480	Q3 19	Brown and Caldwell	-	Newmark Knight Frank
The Leamington	Oakland-Downtown	37,256	Q3 19	WeWork	-	CBRE
Corporate Centre *	Concord	37,098	Q2 19	Eichleay	-	Newmark Knight Frank
Marina Village	Alameda	35,917	Q2 19	Ology Bioservices, Inc.	-	CBRE
Walnut Creek Executive Pk	Walnut Creek-Shadelands	35,015	Q1 19	Carollo Engineers, Inc	-	Newmark Knight Frank
EmeryStation West Transit Center	Emeryville	35,000	Q1 19	Gritstone Oncology	JLL	Kidder Mathews
Broadway Plaza	Walnut Creek-BART/DT	33,000	Q2 19	-	-	-
Bernal Corporate Park	Pleasanton-South	31,989	Q3 19	Internet Brands	-	CBRE
EmeryStation West Transit Center	Emeryville	30,561	Q1 19	-	-	Kidder Mathews
Bishop Ranch	Bishop Ranch	30,259	Q3 19	SAP	-	Sunset Development C...
Ygnacio Center *	Walnut Creek-BART/DT	28,177	Q1 19	City National Bank	-	JLL
Oakland City Center	Oakland-Downtown	27,831	Q2 19	CRA International, Inc.	-	Cushman & Wakefield
Concord Airport Plaza	Concord	27,540	Q2 19	Concord Title Group	-	Newmark Knight Frank
Berkeley Way West	Berkeley	27,000	Q2 19	-	Colliers International	JLL
Corporate Centre *	Concord	26,399	Q1 19	EPIC Insurance Brokers	-	Newmark Knight Frank
Trans Pacific Centre *	Oakland-Downtown	25,973	Q1 19	Oakland Unified School Di...	-	Cushman & Wakefield
Berkeley Business Center	Berkeley	25,704	Q4 18	-	-	Gordon Commercial Re...
Bernal Corporate Park	Pleasanton-South	25,506	Q4 18	Micro Focus	-	Newmark Knight Frank

\*Renewal

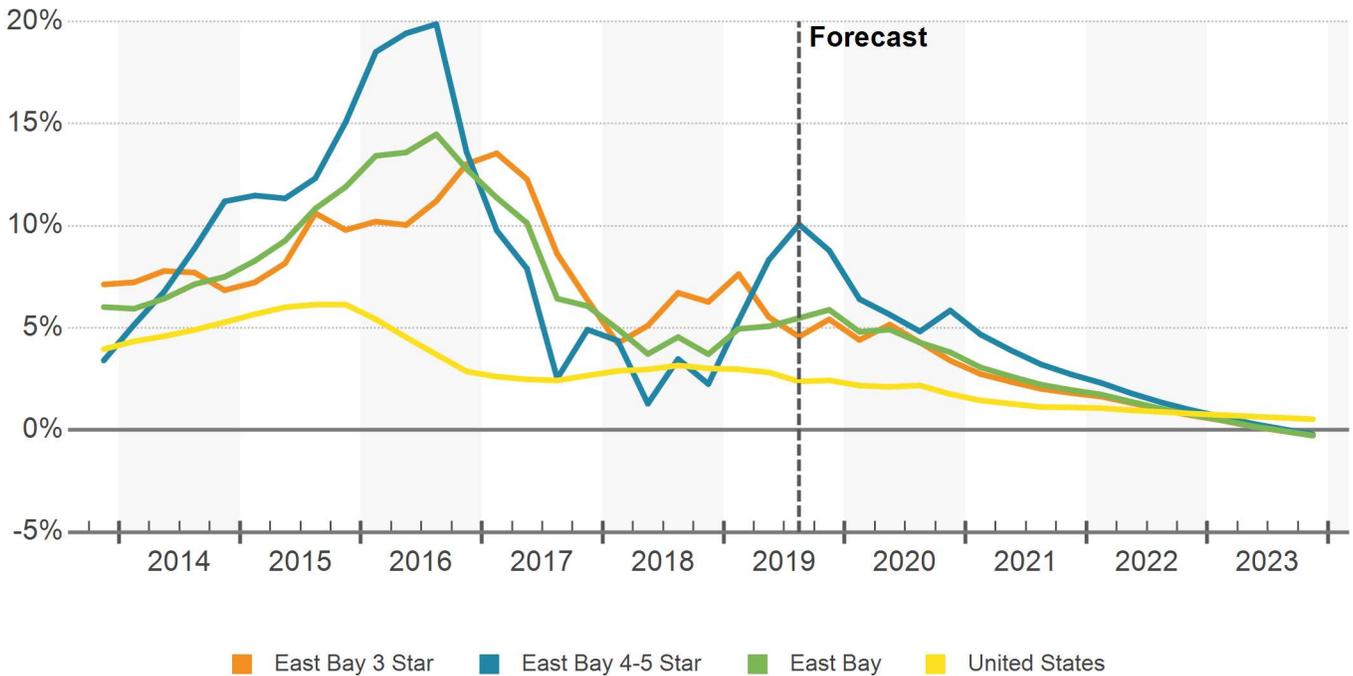
The East Bay ranks among the strongest metros in the country in terms of rent growth this cycle, having climbed over 70% since 2011. Rent growth has declined from the peak experienced in 2016, when year-over-year growth almost reached 13%. The East Bay was able to maintain steady rent growth, outperforming San Francisco and San Jose, which saw rent growth nearly halt in 2016. Year-over-year rent growth in the East Bay now measures 5.3%, which is still outpacing the U.S. national average.

Vacancies remain low, which helped fuel the market's continued yet moderate rent growth in 2018. Rent levels are still significantly lower than in San Francisco and San Jose, allowing the East Bay to provide significant cost savings to Bay Area tenants.

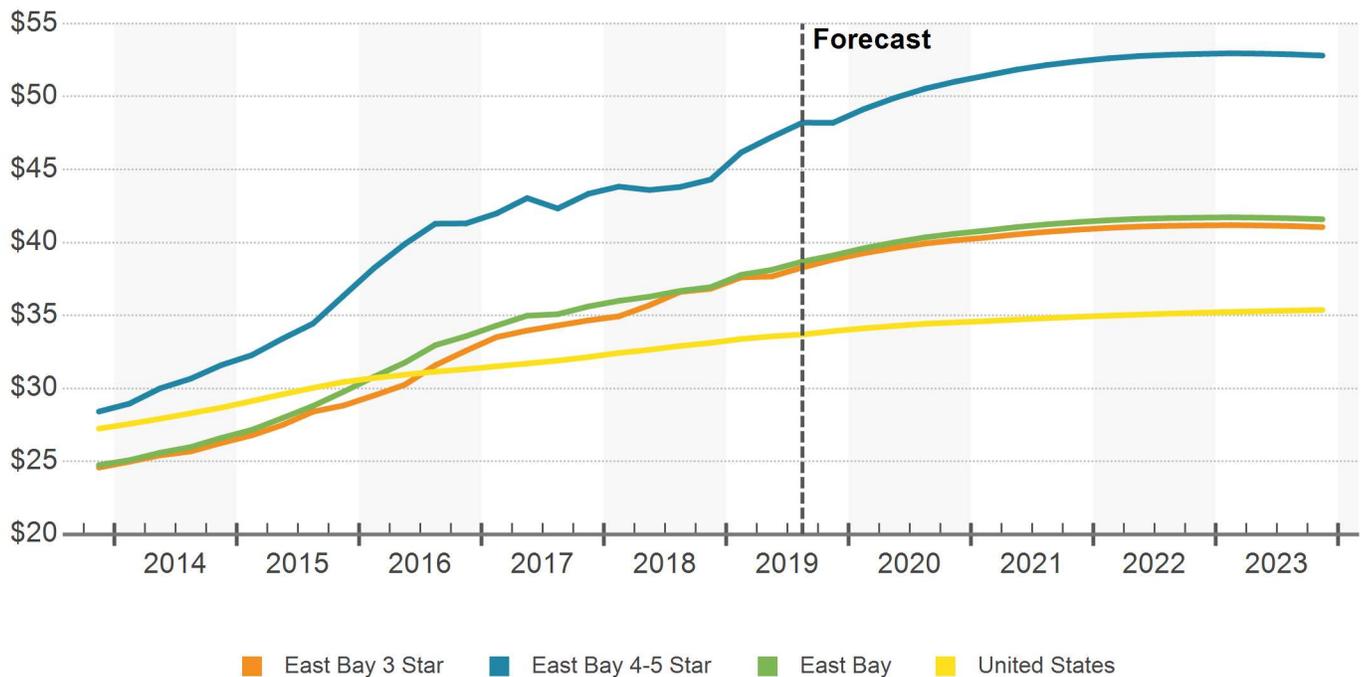
Market-wide, rent in the East Bay currently averages \$38.72/SF, compared to roughly \$55/SF in San Jose and \$65/SF in San Francisco. Downtown Oakland is the most expensive East Bay submarket, with rents averaging around \$51/SF. Premier office space in the East Bay is available for lower rental rates than found in San Francisco and San Jose.

Looking forward, the CoStar's forecast model is projecting stagnating rent growth in 2020 and 2021. This forecast is the result of economists anticipating a slowdown in job growth in late 2020 into the beginning of 2021. The weak job growth forecast, in combination with a moderate supply pipeline, is applying downward pressure to forecasted rents in the metro.

## MARKET RENT GROWTH (YOY)



## MARKET RENT PER SQUARE FOOT



### 4 & 5 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
<b>East Bay</b>	\$0.95	\$1.68	\$0.82	\$3.60	\$4.53	<b>\$11.58</b>
680 Corridor North	\$0.55	\$1.38	\$0.91	\$3.06	\$4.95	<b>\$10.85</b>
680 Corridor South	\$0.51	\$1.38	\$0.72	\$3.46	\$3.35	<b>\$9.42</b>
80 Corridor	\$1.89	\$1.52	\$1.02	\$3.83	\$5.50	<b>\$13.76</b>
880 Corridor	\$2.54	\$1.04	\$0.89	\$2.96	\$1.52	<b>\$8.95</b>
Highway 4	\$1.56	\$1.46	\$0.96	\$3.60	\$4.96	<b>\$12.54</b>
Oakland	\$0.90	\$2.72	\$0.77	\$4.41	\$6.36	<b>\$15.16</b>

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

### 3 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
<b>East Bay</b>	\$0.62	\$1.21	\$0.30	\$3.28	\$3.40	<b>\$8.81</b>
680 Corridor North	\$0.54	\$1.21	\$0.32	\$3.54	\$3.64	<b>\$9.25</b>
680 Corridor South	\$0.51	\$1.19	\$0.33	\$3.61	\$3.48	<b>\$9.12</b>
80 Corridor	\$0.70	\$1.22	\$0.14	\$3.29	\$3.48	<b>\$8.83</b>
880 Corridor	\$0.67	\$0.98	\$0.31	\$3.12	\$1.91	<b>\$6.99</b>
Highway 4	\$0.67	\$1.15	\$0.15	\$2.84	\$3.04	<b>\$7.85</b>
Oakland	\$0.70	\$1.45	\$0.42	\$2.89	\$4.49	<b>\$9.95</b>

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

## 1 & 2 STAR EXPENSES PER SF (ANNUAL)

Market / Cluster	Utilities	Cleaning	Insurance	Taxes	Other	Total
<b>East Bay</b>	\$0.58	\$1.10	\$0.26	\$3.35	\$1.82	<b>\$7.11</b>
680 Corridor North	\$0.53	\$1.10	\$0.30	\$3.67	\$3.07	<b>\$8.67</b>
680 Corridor South	\$0.45	\$0.92	\$0.29	\$3.66	\$3.20	<b>\$8.52</b>
80 Corridor	\$0.66	\$1.14	\$0.14	\$3.78	\$0	<b>\$5.72</b>
880 Corridor	\$0.55	\$0.94	\$0.30	\$3.17	\$1.79	<b>\$6.75</b>
Highway 4	\$0.65	\$1.14	\$0.14	\$2.11	\$0.14	<b>\$4.18</b>
Oakland	\$0.66	\$1.32	\$0.32	\$3.25	\$2.38	<b>\$7.93</b>

Expenses are estimated using NCREIF, Trepp, IREM, and CoStar data using the narrowest possible geographical definition from Zip Code to region.

Developer response to tightening market fundamentals has been measured in the East Bay. Local builders focused on projects in San Francisco and San Jose in recent years, where demand and rent growth have been more robust. As a result, the East Bay has only added around 1.5 million SF of new office space since 2010, and only a few other projects are currently underway around the metro.

Historically, the East Bay has had limited supply growth, and for a market with an inventory of 111 million SF, the approximately 440,000 SF of inventory currently under construction is comparatively small, amounting to only 1% of total existing stock. The lack of development is more apparent when compared to the building boom underway in the other major Bay Area metros, with around 4% of inventory under construction in San Francisco and San Jose.

Considering the East Bay’s minimal historic inventory growth, the concentration of development projects in Downtown Oakland has the submarket on the verge of a relative construction boom. Several office buildings initiated construction after securing large prelease tenants. A 600,000-SF, 24-floor Shorenstein tower scheduled for completion in 2019, 601 City Center, secured Blue Shield as an anchor tenant in 17Q1. Blue

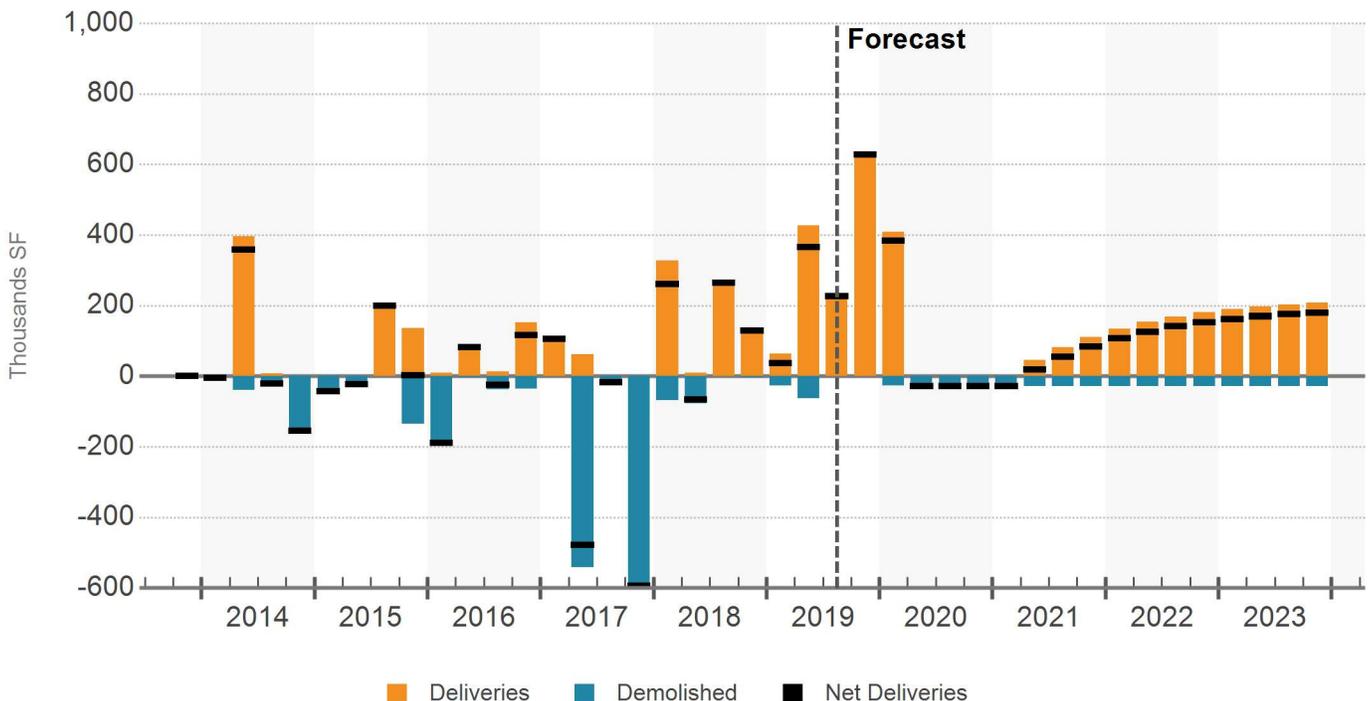
Shield preleased 200,000 SF on the top floors of the building and will be downsizing in San Francisco to save on real estate costs, as many Blue Shield employees already live in the East Bay.

The Key building at 1100 Broadway, a glass tower totaling 320,000 SF, broke ground in 2018 and is expected to deliver in early 2020. Ellis Partners and Intercontinental Real Estate purchased the development site in March 2017. University of California’s Office of the President preleased 130,000 SF, and Credit Karma has preleased 160,000 SF on floors 11–16.

Strategic Urban Development Alliance (SUDA) and Lane Partners have submitted plans for what could become the largest office building in the entire East Bay. Their multi-use Eastline development, spanning a city block at 2100 Telegraph Ave., is currently being entitled for 900,000 SF to 1.6 million SF of office space.

The East Bay is poised to attract additional tenant demand moving forward. Successful redevelopment projects like Uptown Station, which recently leased to Square, in combination with new development projects, are bringing high-demand, modern concept office space to the East Bay market.

## DELIVERIES & DEMOLITIONS



## SUBMARKET CONSTRUCTION

No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Oakland-Downtown	1	351	35	9.9%	4	67,585	351,400	1
2	Berkeley	1	45	45	100%	1	15,092	45,325	2
3	Union City	1	31	31	100%	1	8,580	31,381	3
4	Pinole/Hercules/El Sobran	1	12	12	100%	1	8,316	12,296	4
5	Alameda	0	-	-	-	-	19,198	-	-
6	Albany/Kensington	0	-	-	-	-	4,297	-	-
7	Antioch/Pittsburg	0	-	-	-	-	7,660	-	-
8	Bishop Ranch	0	-	-	-	-	265,251	-	-
9	Brentwood	0	-	-	-	-	11,298	-	-
10	Concord	0	-	-	-	-	21,305	-	-
	All Other	0	-	-	-	-	18,523	-	-
<b>Totals</b>		<b>4</b>	<b>440</b>	<b>124</b>	<b>28.1%</b>		<b>21,446</b>	<b>110,101</b>	

# Under Construction Properties

East Bay Office

Properties

Square Feet

Percent of Inventory

Released

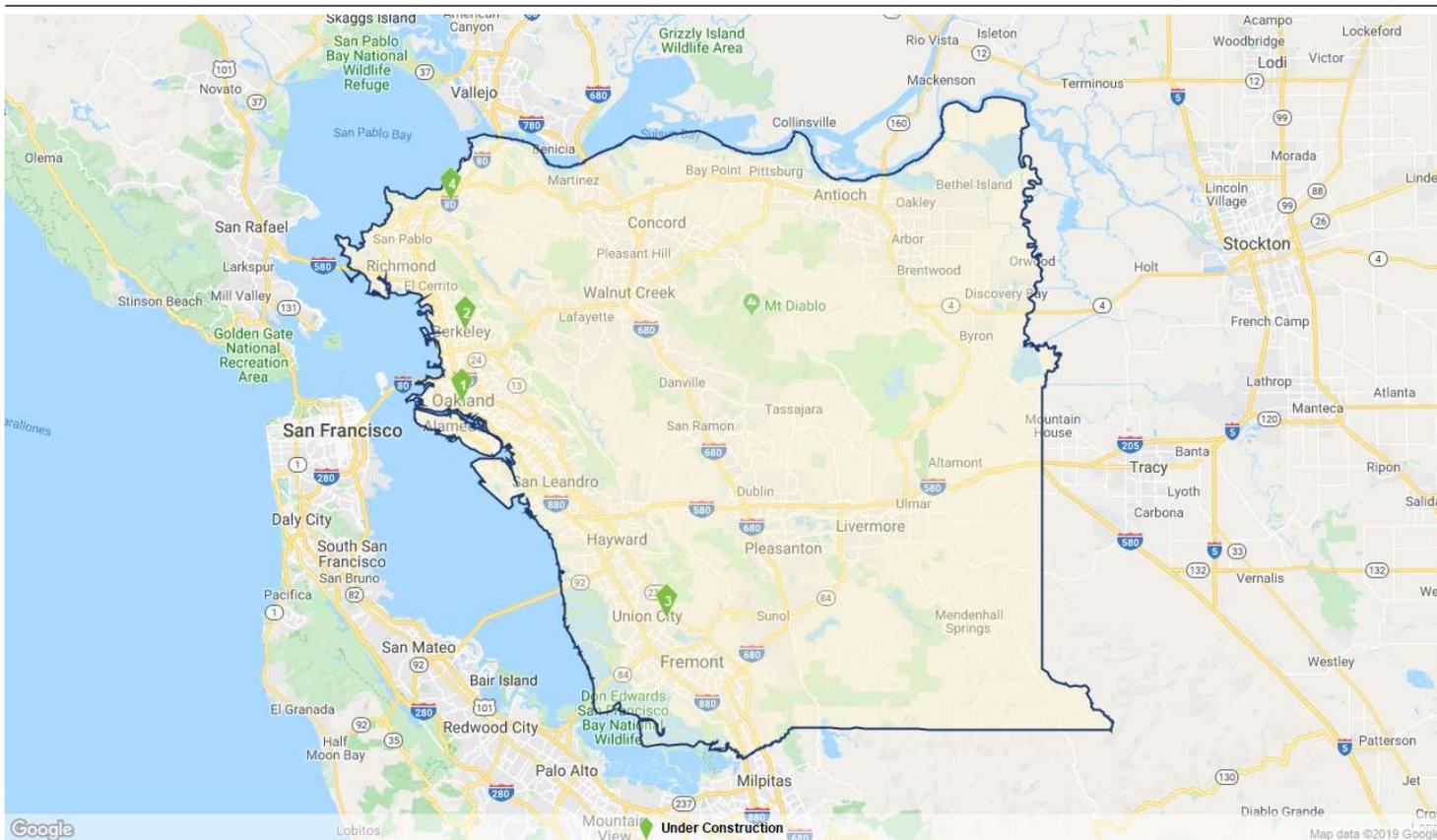
4

440,402

0.4%

97.6%

## UNDER CONSTRUCTION PROPERTIES



## UNDER CONSTRUCTION

Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1 <b>The Key at 12th</b> 1100 Broadway	★★★★☆	351,400	18	Jan-2018	Jan-2020	Hathaway Dinwiddie Construction... Intercontinental Real Estate Corp...
2 <b>2120 Berkeley Way</b>	★★★☆☆	45,325	6	Jan-2017	Jan-2020	- Mahmood Namvar
3 <b>The Station</b> 1320-1328 Decoto Rd	★★★☆☆	31,381	2	May-2018	Nov-2019	Woodstock Development & Inves... Woodstock Development & Inves...
4 <b>DaVita Dialysis Clinic</b> 1301 Pinole Valley Rd	★★★★☆	12,296	1	Jan-2018	Dec-2019	- Kaiser Permanente

Investment activity has remained robust in the East Bay office market, particularly in Downtown Oakland. With over \$2.5 billion in office sales, volume hit a record high in 2016, both in dollar amount and SF traded. Volume fell slightly in 2017 but rose again in 2018 to \$2.3 billion, with the market benefiting from late-cycle price gains.

Overall, average asset prices have increased by almost 70% in the East Bay metro since 2013 to \$350/SF. Even with these price increases, the metro's average asset pricing sits well below San Francisco and San Jose. The East Bay's market average cap rate of 5.5% is yet to rise and remains one of the lowest in the nation.

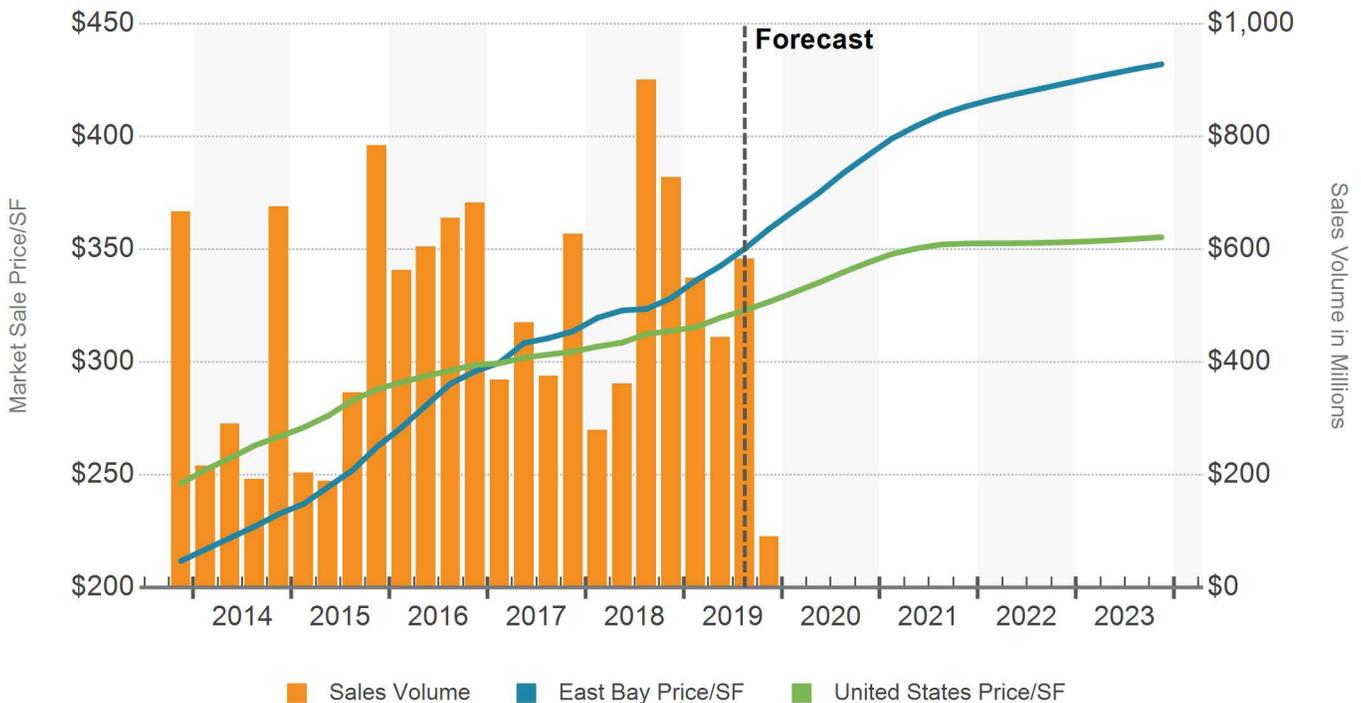
Institutional investment interest in Oakland remains strong. In March 2019, CIM Group sold a four-property portfolio, which included three office properties and a parking garage in Downtown Oakland, to Starwood Capital Group. The assets sold for \$512 million at a 4.81% cap rate. The sale was a part of CIM Group's previously announced plan to unlock embedded value in their portfolio and improve trading liquidity. The three office assets included 2100 Franklin St. (217,000 SF), 1901 Harrison St. (285,000 SF), and 2101 Webster St. (473,000 SF).

CIM Group followed that sale up with an additional transaction in May 2019, selling 1333 Broadway to Swift Real Estate Partners for \$115 million (\$456/SF). The 252,000-SF property located in Oakland's City Center was 95% occupied at the time of sale.

TMG Partners, one of the Bay Area's largest mixed-use developers, and KKR, a leading global investment firm, purchased 1221 City Center for \$255 million (\$489/SF) in December 2018. The sale exemplifies recent price appreciation in the market, as the property previously traded at \$317/SF in 2015 and \$201/SF in 2012. The acquisition was the second transaction by TMG and KKR in Oakland in 2018, following their purchase of another City Center building, 1330 Broadway, in July for \$141 million (\$442/SF).

Another example of investors cashing out on the recent asset appreciation in the metro is the sale of the Ygnacio Center in Downtown Walnut Creek. In the second-largest transaction of 2018, Hines and Oaktree Capital Management purchased the three-property center from LaSalle Investment Management in October for \$220 million (\$424/SF). The property had sold previously in 2016 for \$158 million (\$305/SF), representing a roughly 40% increase in two years.

## SALES VOLUME & MARKET SALE PRICE PER SF



# Sales Past 12 Months

East Bay Office

Sale Comparables

**295**

Avg. Cap Rate

**6.1%**

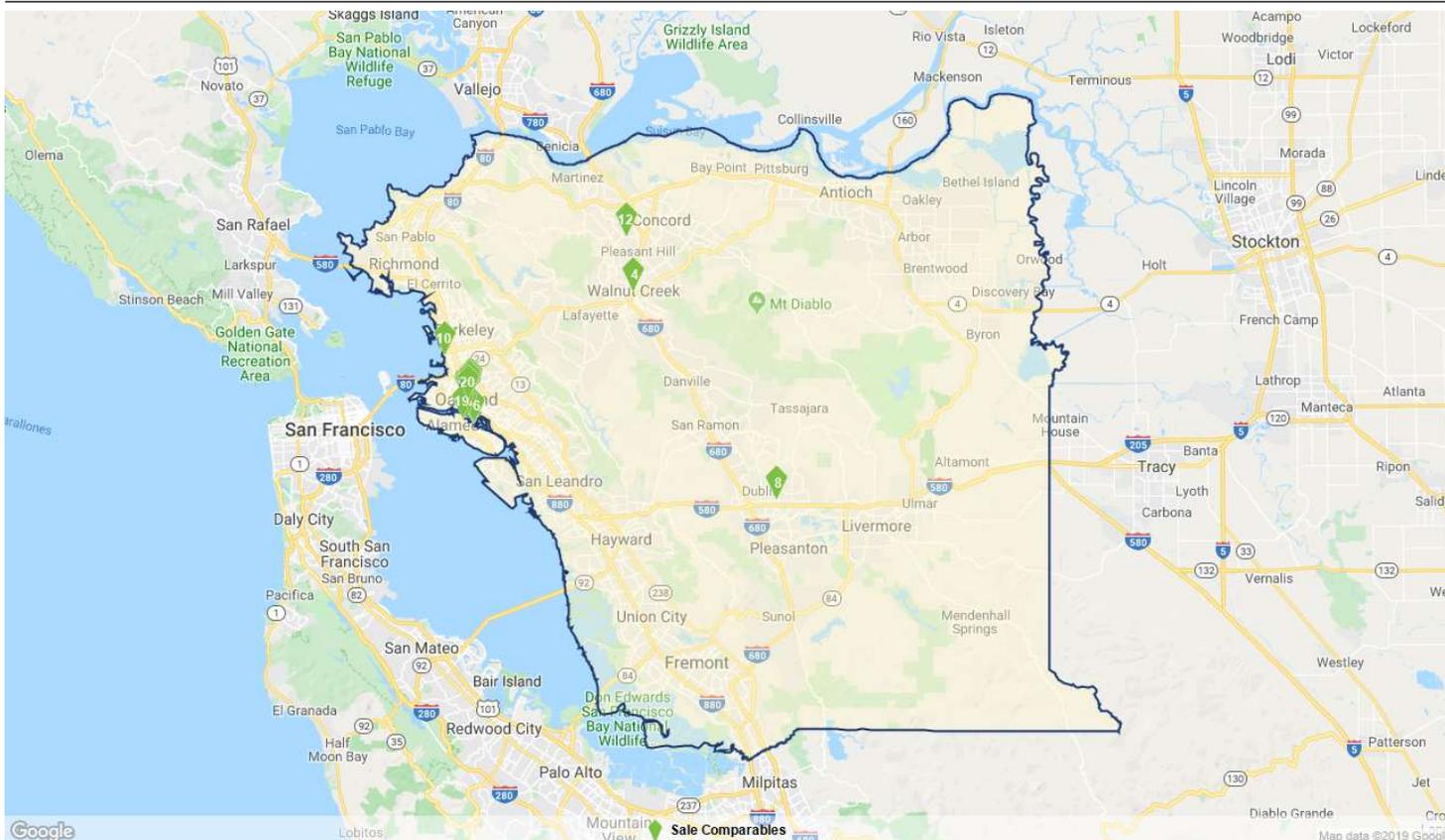
Avg. Price/SF

**\$357**

Avg. Vacancy At Sale

**9.6%**

## SALE COMPARABLE LOCATIONS



## SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	\$321,000	\$12,484,432	\$2,281,204	\$260,000,000
Price Per SF	\$35	\$357	\$286	\$1,501
Cap Rate	3.1%	6.1%	6.0%	9.5%
Time Since Sale in Months	0.0	6.2	6.0	12.0
Property Attributes	Low	Average	Median	High
Building SF	619	26,162	4,844	521,177
Stories	1	2	2	24
Typical Floor SF	466	8,322	3,564	127,000
Vacancy Rate At Sale	0%	9.6%	0%	100%
Year Built	1888	1968	1973	2016
Star Rating	★☆☆☆☆	★★★☆☆ 2.3	★★★☆☆	★★★★★

# Sales Past 12 Months

East Bay Office

## RECENT SIGNIFICANT SALES

Property Name - Address	Property				Sale			
	Rating	Yr Built	Bldg SF	Vacancy	Sale Date	Price	Price/SF	Cap Rate
<b>1</b> 1221 City Center 1221 Broadway	★★★★★	1976	521,177	1.0%	12/3/2018	\$260,000,000	\$499	3.8%
<b>2</b> 2101 Webster St	★★★★★	1985	473,000	8.8%	3/12/2019	\$178,197,725	\$377	4.8%
<b>3</b> Lake Merritt 180 Grand Ave	★★★★★	1981	278,596	0.6%	7/12/2019	\$175,000,000	\$628	-
<b>4</b> California Plaza 2121 N California Blvd	★★★★★	1985	378,696	20.2%	9/19/2019	\$156,863,500	\$414	-
<b>5</b> 1901 Harrison St	★★★★★	1985	284,955	15.1%	3/12/2019	\$129,251,588	\$454	4.8%
<b>6</b> 1333 Broadway 1333 Broadway	★★★★★	1973	252,080	5.1%	5/20/2019	\$115,000,000	\$456	-
<b>7</b> 2100 Franklin St	★★★★★	2008	217,000	0%	3/12/2019	\$109,697,364	\$506	4.8%
<b>8</b> 1 Park Pl	★★★★★	2002	203,938	26.7%	10/25/2019	\$78,300,000	\$384	6.5%
<b>9</b> Latham Square Building 1601-1611 Telegraph Ave	★★★★★	1927	116,056	19.9%	12/5/2018	\$61,500,000	\$530	-
<b>10</b> The Atrium 1650 65th St	★★★★	1953	127,000	0%	9/18/2019	\$50,750,000	\$400	-
<b>11</b> Tribune Tower 409 13th St	★★★★	1923	95,353	45.3%	1/31/2019	\$48,000,000	\$503	-
<b>12</b> California Cancer & Res... 400 Taylor Blvd	★★★★	1986	62,946	0%	9/17/2019	\$36,680,000	\$583	-
<b>13</b> 415 20th St	★★★★	2001	82,893	0%	6/10/2019	\$36,000,000	\$434	-
<b>14</b> 600 Wind River Way	★★★★	2001	75,000	0%	9/3/2019	\$23,004,350	\$307	-
<b>15</b> 300 Wind River Way	★★★★	1998	74,164	100%	9/3/2019	\$22,747,928	\$307	-
<b>16</b> 500 Wind River Way	★★★★	1999	70,720	0%	9/3/2019	\$21,691,568	\$307	-
<b>17</b> 1201 Marina Village Pky	★★★★	1990	83,000	0%	5/31/2019	\$21,114,156	\$254	5.3%
<b>18</b> 1080 Marina Village Pky	★★★★	1985	90,995	0%	5/31/2019	\$20,550,633	\$226	5.3%
<b>19</b> 1301 Marina Village Pky	★★★★	1990	85,472	14.8%	5/31/2019	\$19,968,807	\$234	5.3%
<b>20</b> Webster Hall 1515 Webster St	★★★★	1915	68,000	0%	4/10/2019	\$19,250,000	\$283	-

The East Bay economy remains strong, and like the rest of the San Francisco Bay Area, has been bolstered by the recent success of the tech industry. This emerging tech presence includes established players such as Tesla, Workday, Lam Research, and Oracle, along with recent additions of fintech companies Square and Credit Karma.

Besides its significant tech presence, the East Bay enjoys a diversified economic base, more so than the other major Bay Area metros. This diversity leaves the East Bay less dependent on any one industry to drive economic growth. The East Bay is home to the Port of Oakland, one of the busiest ports in the U.S., and a central economic force in the metro. In addition, the East Bay is home to major operations for a diverse set of large corporations, including major healthcare players Kaiser Permanente, Sutter Health, and John Muir Health.

Strong employment gains throughout the expansion cycle slashed the metro's unemployment rate, which registered under 3% in 19Q2. Unemployment in the East Bay is now near historic lows last reached in the dotcom expansion era.

On the downside, it has become increasingly difficult for employers to fill available positions, due to the region's shrinking pool of job seekers. As a result, annual job growth in the East Bay has slowed from a peak of 3.6% in 2015, to approximately 1.5% over the past year. The pace of job growth in the East Bay is now on par with the national average, after prevailing above it from 2011 to mid-2018.

Construction employment is still booming, boosted by the market's surge of multifamily development. Business and

professional services employment grew over 4% in the past year, as the office market continues to benefit from strong demand and relatively lower rental rates. Education and health services employment growth has slowed but remains positive, given the industry's large presence in the metro.

Altogether, employment in the East Bay has surpassed its prerecession peak by around 10%, but has lagged behind San Francisco and San Jose in job growth, which have surpassed their prerecession employment peaks by around 30% and 20%, respectively.

However, real estate development and public transportation infrastructure projects already in the works may strengthen economic activity in the East Bay moving forward. Most notably, the considerable amount of apartment construction taking place throughout the market, with roughly half of the under-construction units located in Downtown Oakland. In addition to the market's surge in housing development, several office buildings are under construction. A number of large office building proposals could add another 5 million SF to 6 million SF in the metro, increasing capacity for more workers.

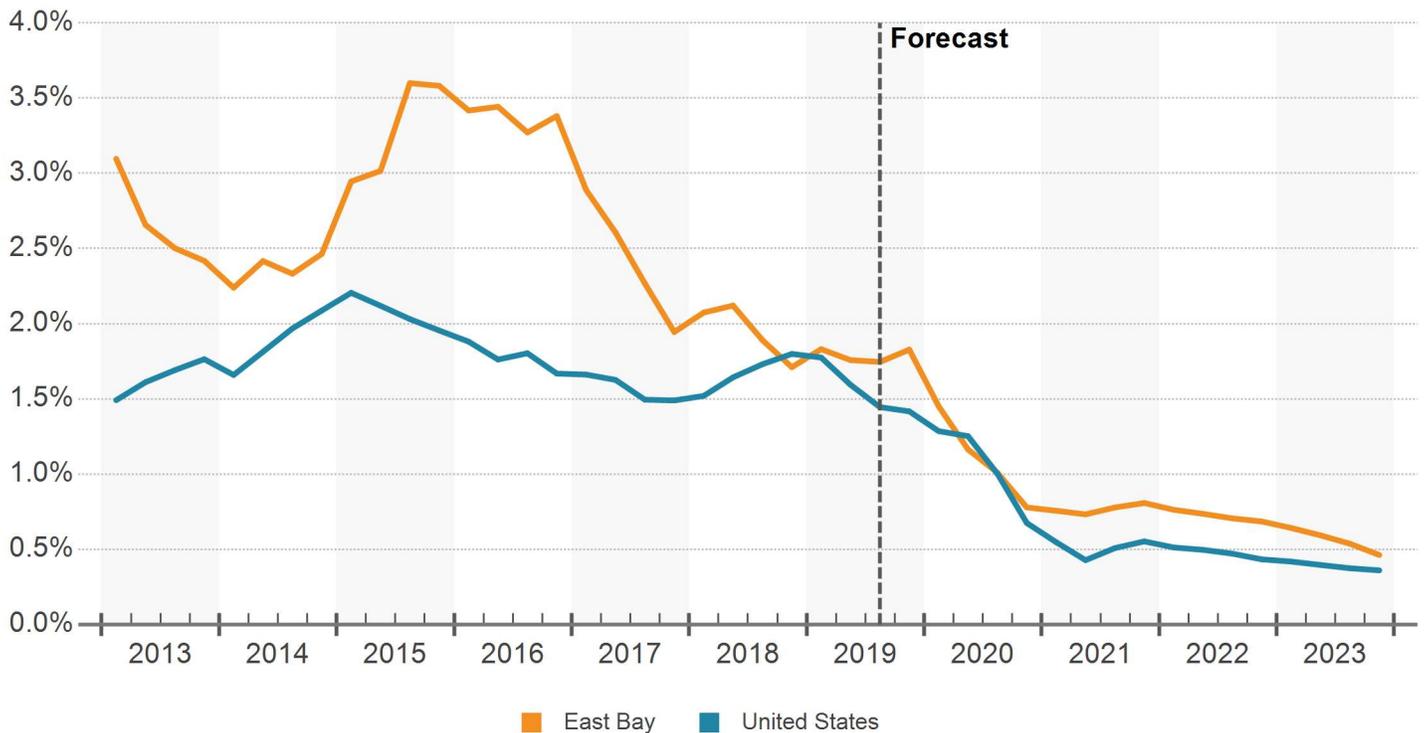
BART's ongoing extension from the East Bay to San Jose is expanding the number of residents who can travel to Downtown Oakland for work in a reasonable time. Simultaneously, the construction of new BART stations through the southern end of the East Bay is opening up pockets for transit-oriented residential and commercial development. When completed, BART's extension to the South Bay is expected to reduce traffic congestion from Hayward, Fremont, and the Tri-Valley area of the East Bay and unlock greater economic potential for the region as a whole.

## EAST BAY EMPLOYMENT BY INDUSTRY IN THOUSANDS

NAICS Industry	Current Jobs		Current Growth		10 Yr Historical		5 Yr Forecast	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	100	1.0	-0.98%	1.07%	2.18%	1.06%	0.52%	-0.21%
Trade, Transportation and Utilities	206	0.9	0.66%	0.56%	1.58%	1.24%	0.63%	0.36%
Retail Trade	115	0.9	-0.16%	-0.32%	1.22%	0.89%	0.62%	0.26%
Financial Activities	56	0.8	0.97%	1.21%	1.82%	1.13%	0.04%	0.34%
Government	174	1.0	0.62%	0.51%	0.37%	0.04%	0.53%	0.66%
Natural Resources, Mining and Construction	81	1.2	6.27%	2.40%	4.40%	2.51%	0.27%	0.33%
Education and Health Services	202	1.0	3.97%	2.41%	2.65%	2.14%	0.89%	0.66%
Professional and Business Services	200	1.2	3.63%	2.06%	2.48%	2.72%	1.02%	0.92%
Information	27	1.2	-0.63%	0.14%	0.62%	0.24%	-0.06%	0.50%
Leisure and Hospitality	120	0.9	1.26%	2.05%	3.45%	2.55%	0.96%	0.65%
Other Services	40	0.8	-4.28%	1.58%	1.16%	1.07%	-0.04%	0.26%
<b>Total Employment</b>	<b>1,206</b>	<b>1.0</b>	<b>1.77%</b>	<b>1.44%</b>	<b>2.07%</b>	<b>1.54%</b>	<b>0.66%</b>	<b>0.51%</b>

Source: Oxford Economics  
LQ = Location Quotient

## YEAR OVER YEAR JOB GROWTH



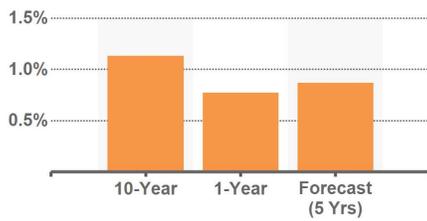
Source: Oxford Economics

## DEMOGRAPHIC TRENDS

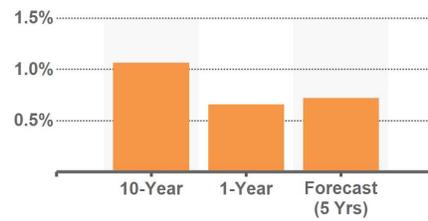
Demographic Category	Current Level		Current Change		10-Year Change		Forecast Change (5 Yrs)	
	Metro	U.S.	Metro	U.S.	Metro	U.S.	Metro	U.S.
Population	2,842,450	329,701,375	0.8%	0.7%	1.1%	0.7%	0.9%	0.7%
Households	976,629	121,378,398	0.6%	0.5%	0.9%	0.6%	0.8%	0.6%
Median Household Income	\$105,534	\$65,306	4.4%	4.1%	4.0%	2.6%	4.3%	4.2%
Labor Force	1,430,130	163,683,703	0.7%	0.8%	1.1%	0.6%	0.7%	0.5%
Unemployment	3.1%	3.7%	0.1%	-0.1%	-0.8%	-0.6%	-	-

Source: Oxford Economics

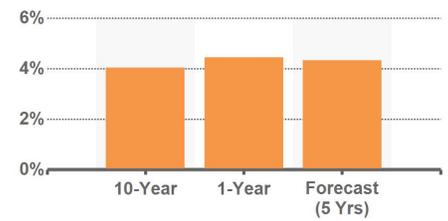
### POPULATION GROWTH



### LABOR FORCE GROWTH

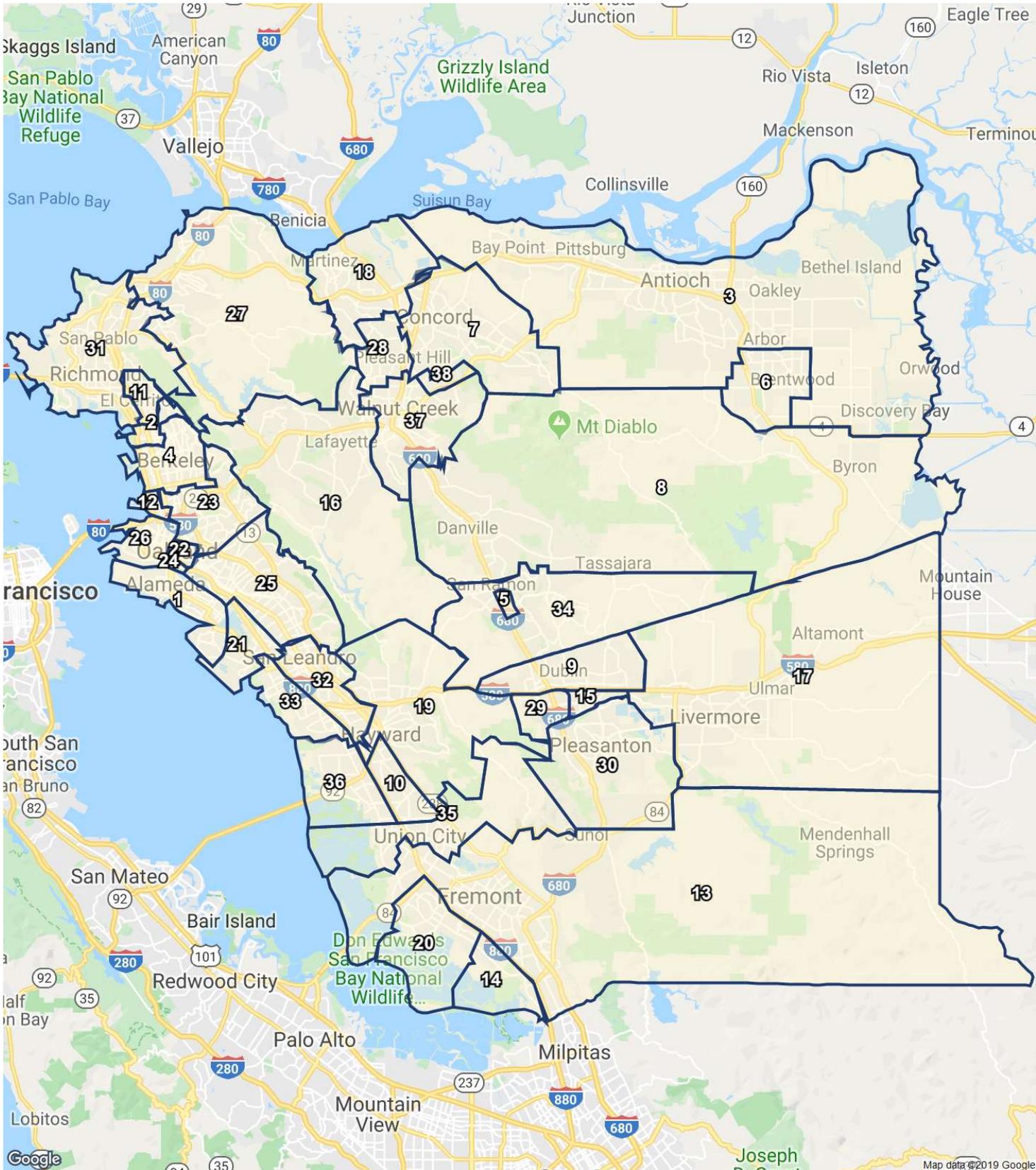


### INCOME GROWTH



Source: Oxford Economics

## EAST BAY SUBMARKETS



## SUBMARKET INVENTORY

No.	Submarket	Inventory				12 Month Deliveries				Under Construction			
		Bldgs	SF (000)	% Market	Rank	Bldgs	SF (000)	Percent	Rank	Bldgs	SF (000)	Percent	Rank
1	Alameda	217	4,166	3.7%	9	1	6	0.1%	6	0	-	-	-
2	Albany/Kensington	60	258	0.2%	35	0	0	0%	-	0	-	-	-
3	Antioch/Pittsburg	244	1,869	1.6%	22	0	0	0%	-	0	-	-	-
4	Berkeley	421	6,354	5.6%	4	0	0	0%	-	1	45	0.7%	2
5	Bishop Ranch	29	7,692	6.8%	3	0	0	0%	-	0	-	-	-
6	Brentwood	53	599	0.5%	33	0	0	0%	-	0	-	-	-
7	Concord	288	6,136	5.4%	5	0	0	0%	-	0	-	-	-
8	Danville/Alamo	144	1,470	1.3%	25	0	0	0%	-	0	-	-	-
9	Dublin	61	2,808	2.5%	12	1	220	7.8%	3	0	-	-	-
10	E Hayward/Castro Valley	39	156	0.1%	38	0	0	0%	-	0	-	-	-
11	El Cerrito	48	226	0.2%	37	0	0	0%	-	0	-	-	-
12	Emeryville	73	5,138	4.5%	7	0	0	0%	-	0	-	-	-
13	Fremont East of 880	237	4,334	3.8%	8	0	0	0%	-	0	-	-	-
14	Fremont West of 880	15	881	0.8%	30	0	0	0%	-	0	-	-	-
15	Hacienda Business Park	70	5,393	4.7%	6	0	0	0%	-	0	-	-	-
16	Lafayette/Moraga/Orinda	218	1,860	1.6%	23	0	0	0%	-	0	-	-	-
17	Livermore	173	2,148	1.9%	20	0	0	0%	-	0	-	-	-
18	Martinez/Pacheco	138	1,398	1.2%	27	0	0	0%	-	0	-	-	-
19	N Hayward/Castro Valley	245	2,498	2.2%	15	0	0	0%	-	0	-	-	-
20	Newark	45	1,115	1.0%	29	0	0	0%	-	0	-	-	-
21	Oakland-Airport	78	2,626	2.3%	14	0	0	0%	-	0	-	-	-
22	Oakland-Downtown	281	18,991	16.7%	1	2	660	3.5%	1	1	351	1.9%	1
23	Oakland-North	337	2,977	2.6%	11	0	0	0%	-	0	-	-	-
24	Oakland-Port/Jack London	60	1,799	1.6%	24	0	0	0%	-	0	-	-	-
25	Oakland-South	231	2,458	2.2%	16	1	18	0.7%	5	0	-	-	-
26	Oakland-West	59	759	0.7%	31	0	0	0%	-	0	-	-	-
27	Pinole/Hercules/El Sobran	73	607	0.5%	32	0	0	0%	-	1	12	2.0%	4
28	Pleasant Hill	91	1,371	1.2%	28	0	0	0%	-	0	-	-	-
29	Pleasanton-North	55	3,911	3.4%	10	1	410	10.5%	2	0	-	-	-
30	Pleasanton-South	122	1,985	1.7%	21	0	0	0%	-	0	-	-	-
31	Richmond/San Pablo	245	2,708	2.4%	13	0	0	0%	-	0	-	-	-
32	San Leandro East of 880	248	2,282	2.0%	18	1	89	3.9%	4	0	-	-	-
33	San Leandro West of 880	44	346	0.3%	34	0	0	0%	-	0	-	-	-
34	San Ramon-Other	115	2,411	2.1%	17	0	0	0%	-	0	-	-	-
35	Union City	29	249	0.2%	36	0	0	0%	-	1	31	12.6%	3
36	W Hayward/Castro Valley	51	1,412	1.2%	26	0	0	0%	-	0	-	-	-
37	Walnut Creek-BART/DT	298	8,317	7.3%	2	0	0	0%	-	0	-	-	-
38	Walnut Creek-Shadelands	76	2,193	1.9%	19	0	0	0%	-	0	-	-	-

## SUBMARKET RENT

No.	Submarket	Market Rent		12 Month Market Rent		QTD Annualized Market Rent	
		Per SF	Rank	Growth	Rank	Growth	Rank
1	Alameda	\$33.72	18	2.4%	31	9.5%	18
2	Albany/Kensington	\$33.00	23	2.7%	30	15.7%	4
3	Antioch/Pittsburg	\$28.65	37	3.8%	23	12.6%	12
4	Berkeley	\$37.97	7	4.6%	15	5.6%	27
5	Bishop Ranch	\$36.51	10	8.3%	1	-3.2%	33
6	Brentwood	\$33.09	22	5.5%	6	8.6%	20
7	Concord	\$31.36	26	4.7%	13	-4.4%	35
8	Danville/Alamo	\$35.95	12	4.6%	16	10.4%	15
9	Dublin	\$34.77	14	5.5%	5	-5.3%	36
10	E Hayward/Castro Valley	\$30.58	32	1.0%	37	19.1%	1
11	El Cerrito	\$29.98	34	3.4%	27	17.3%	3
12	Emeryville	\$45.28	3	5.3%	8	-17.0%	38
13	Fremont East of 880	\$33.96	15	2.1%	33	10.3%	16
14	Fremont West of 880	\$33.84	16	3.9%	22	1.1%	29
15	Hacienda Business Park	\$36.65	9	4.4%	19	-3.4%	34
16	Lafayette/Moraga/Orinda	\$37.20	8	3.1%	28	13.9%	7
17	Livermore	\$30.66	31	4.7%	12	12.3%	13
18	Martinez/Pacheco	\$28.81	36	4.7%	14	13.3%	9
19	N Hayward/Castro Valley	\$31.33	27	2.4%	32	9.3%	19
20	Newark	\$38.54	6	3.4%	26	5.6%	26
21	Oakland-Airport	\$33.54	20	7.0%	3	12.9%	11
22	Oakland-Downtown	\$54.25	1	7.7%	2	-5.4%	37
23	Oakland-North	\$40.06	5	4.5%	17	12.1%	14
24	Oakland-Port/Jack London	\$47.45	2	5.9%	4	4.1%	28
25	Oakland-South	\$32.26	24	4.0%	21	7.6%	23
26	Oakland-West	\$35.09	13	3.7%	24	14.2%	6
27	Pinole/Hercules/El Sobran	\$30.92	30	4.5%	18	10.3%	17
28	Pleasant Hill	\$31.01	29	3.5%	25	8.4%	21
29	Pleasanton-North	\$36.33	11	5.3%	7	-1.1%	31
30	Pleasanton-South	\$33.75	17	5.3%	9	-0.8%	30
31	Richmond/San Pablo	\$31.46	25	4.8%	11	6.9%	25
32	San Leandro East of 880	\$33.59	19	1.9%	34	7.1%	24
33	San Leandro West of 880	\$27.41	38	0.9%	38	17.3%	2
34	San Ramon-Other	\$33.52	21	5.2%	10	8.1%	22
35	Union City	\$31.17	28	1.8%	35	13.8%	8
36	W Hayward/Castro Valley	\$29.25	35	1.5%	36	14.7%	5
37	Walnut Creek-BART/DT	\$40.28	4	4.4%	20	-1.6%	32
38	Walnut Creek-Shadelands	\$30.49	33	3.1%	29	13.2%	10

## SUBMARKET VACANCY & NET ABSORPTION

No.	Submarket	Vacancy			12 Month Net Absorption			
		SF	Percent	Rank	SF	% of Inv	Rank	Construct. Ratio
1	Alameda	388,641	9.3%	27	(7,531)	-0.2%	24	-
2	Albany/Kensington	8,341	3.2%	10	(3,867)	-1.5%	22	-
3	Antioch/Pittsburg	166,653	8.9%	26	(36,174)	-1.9%	29	-
4	Berkeley	251,491	4.0%	12	99,829	1.6%	5	-
5	Bishop Ranch	1,175,450	15.3%	37	(197,388)	-2.6%	38	-
6	Brentwood	15,565	2.6%	8	(3,171)	-0.5%	19	-
7	Concord	658,167	10.7%	33	(14,285)	-0.2%	26	-
8	Danville/Alamo	89,676	6.1%	18	(46,811)	-3.2%	32	-
9	Dublin	474,066	16.9%	38	111,122	4.0%	4	2.0
10	E Hayward/Castro Valley	1,400	0.9%	1	(591)	-0.4%	15	-
11	El Cerrito	8,262	3.6%	11	(1,402)	-0.6%	17	-
12	Emeryville	412,235	8.0%	23	282,482	5.5%	3	-
13	Fremont East of 880	135,808	3.1%	9	701,260	16.2%	1	-
14	Fremont West of 880	10,795	1.2%	3	(3,540)	-0.4%	21	-
15	Hacienda Business Park	532,190	9.9%	30	(69,264)	-1.3%	34	-
16	Lafayette/Moraga/Orinda	95,807	5.2%	16	(39,410)	-2.1%	30	-
17	Livermore	322,604	15.0%	36	(160,295)	-7.5%	37	-
18	Martinez/Pacheco	31,668	2.3%	7	(5,527)	-0.4%	23	-
19	N Hayward/Castro Valley	32,867	1.3%	5	12,995	0.5%	11	-
20	Newark	53,418	4.8%	15	(1,512)	-0.1%	18	-
21	Oakland-Airport	136,022	5.2%	17	(10,768)	-0.4%	25	-
22	Oakland-Downtown	1,781,235	9.4%	28	(139,120)	-0.7%	36	-
23	Oakland-North	61,697	2.1%	6	27,380	0.9%	10	-
24	Oakland-Port/Jack London	121,433	6.8%	22	56,281	3.1%	7	-
25	Oakland-South	112,251	4.6%	14	93,306	3.8%	6	0.2
26	Oakland-West	47,355	6.2%	19	(21,478)	-2.8%	28	-
27	Pinole/Hercules/El Sobran	7,530	1.2%	4	4,040	0.7%	13	-
28	Pleasant Hill	138,305	10.1%	32	(3,516)	-0.3%	20	-
29	Pleasanton-North	244,464	6.3%	20	579,199	14.8%	2	0.7
30	Pleasanton-South	191,233	9.6%	29	74	0%	14	-
31	Richmond/San Pablo	115,991	4.3%	13	10,801	0.4%	12	-
32	San Leandro East of 880	202,732	8.9%	25	41,770	1.8%	9	-
33	San Leandro West of 880	34,727	10.0%	31	(15,372)	-4.4%	27	-
34	San Ramon-Other	203,291	8.4%	24	(42,590)	-1.8%	31	-
35	Union City	2,389	1.0%	2	(956)	-0.4%	16	-
36	W Hayward/Castro Valley	89,065	6.3%	21	(59,656)	-4.2%	33	-
37	Walnut Creek-BART/DT	1,050,151	12.6%	34	(113,782)	-1.4%	35	-
38	Walnut Creek-Shadelands	311,407	14.2%	35	46,479	2.1%	8	-

## OVERALL SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	115,577,120	687,005	0.6%	523,659	0.5%	1.3
2022	114,890,115	526,401	0.5%	363,604	0.3%	1.4
2021	114,363,714	128,131	0.1%	330,545	0.3%	0.4
2020	114,235,583	299,111	0.3%	298,725	0.3%	1.0
2019	113,936,472	1,258,352	1.1%	1,504,016	1.3%	0.8
YTD	113,905,091	1,226,971	1.1%	965,715	0.8%	1.3
2018	112,678,120	588,933	0.5%	568,746	0.5%	1.0
2017	112,089,187	(983,542)	-0.9%	(1,540,734)	-1.4%	-
2016	113,072,729	(15,392)	0%	1,015,596	0.9%	-
2015	113,088,121	137,242	0.1%	1,930,255	1.7%	0.1
2014	112,950,879	177,595	0.2%	465,908	0.4%	0.4
2013	112,773,284	128,226	0.1%	1,342,923	1.2%	0.1
2012	112,645,058	(74,742)	-0.1%	990,077	0.9%	-
2011	112,719,800	(282,466)	-0.2%	586,834	0.5%	-
2010	113,002,266	23,908	0%	(1,306,922)	-1.2%	-
2009	112,978,358	338,015	0.3%	(2,118,928)	-1.9%	-
2008	112,640,343	1,176,530	1.1%	1,428,666	1.3%	0.8
2007	111,463,813	443,570	0.4%	475,052	0.4%	0.9

## 4 & 5 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	32,821,816	730,841	2.3%	715,071	2.2%	1.0
2022	32,090,975	583,645	1.9%	816,049	2.5%	0.7
2021	31,507,330	219,512	0.7%	(124,112)	-0.4%	-
2020	31,287,818	363,696	1.2%	742,498	2.4%	0.5
2019	30,924,122	1,069,980	3.6%	869,993	2.8%	1.2
YTD	30,924,122	1,069,980	3.6%	608,523	2.0%	1.8
2018	29,854,142	722,000	2.5%	504,524	1.7%	1.4
2017	29,132,142	(465,711)	-1.6%	(1,269,372)	-4.4%	-
2016	29,597,853	132,725	0.5%	351,314	1.2%	0.4
2015	29,465,128	310,890	1.1%	979,697	3.3%	0.3
2014	29,154,238	0	0%	(155,694)	-0.5%	-
2013	29,154,238	68,640	0.2%	260,687	0.9%	0.3
2012	29,085,598	178,000	0.6%	458,138	1.6%	0.4
2011	28,907,598	(81,560)	-0.3%	650,858	2.3%	-
2010	28,989,158	86,000	0.3%	(660,838)	-2.3%	-
2009	28,903,158	360,996	1.3%	(102,268)	-0.4%	-
2008	28,542,162	591,723	2.1%	508,796	1.8%	1.2
2007	27,950,439	301,000	1.1%	300,402	1.1%	1.0

# Supply & Demand Trends

East Bay Office

## 3 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	43,908,720	68,594	0.2%	(6,743)	0%	-
2022	43,840,126	54,778	0.1%	(153,205)	-0.3%	-
2021	43,785,348	20,581	0%	329,855	0.8%	0.1
2020	43,764,767	45,325	0.1%	(158,227)	-0.4%	-
2019	43,719,442	249,572	0.6%	960,960	2.2%	0.3
YTD	43,688,061	218,191	0.5%	580,356	1.3%	0.4
2018	43,469,870	(92,652)	-0.2%	(299,310)	-0.7%	-
2017	43,562,522	(455,592)	-1.0%	(423,308)	-1.0%	-
2016	44,018,114	(87,405)	-0.2%	509,986	1.2%	-
2015	44,105,519	(100,980)	-0.2%	420,575	1.0%	-
2014	44,206,499	399,958	0.9%	366,193	0.8%	1.1
2013	43,806,541	72,006	0.2%	493,794	1.1%	0.1
2012	43,734,535	(21,992)	-0.1%	672,355	1.5%	-
2011	43,756,527	(71,660)	-0.2%	168,872	0.4%	-
2010	43,828,187	137,063	0.3%	(332,933)	-0.8%	-
2009	43,691,124	78,751	0.2%	(1,096,493)	-2.5%	-
2008	43,612,373	585,916	1.4%	852,142	2.0%	0.7
2007	43,026,457	187,873	0.4%	69,620	0.2%	2.7

## 1 & 2 STAR SUPPLY & DEMAND

Year	Inventory			Net Absorption		
	SF	SF Growth	% Growth	SF	% of Inv	Construction Ratio
2023	38,846,584	(112,430)	-0.3%	(184,669)	-0.5%	-
2022	38,959,014	(112,022)	-0.3%	(299,240)	-0.8%	-
2021	39,071,036	(111,962)	-0.3%	124,802	0.3%	-
2020	39,182,998	(109,910)	-0.3%	(285,546)	-0.7%	-
2019	39,292,908	(61,200)	-0.2%	(326,937)	-0.8%	-
YTD	39,292,908	(61,200)	-0.2%	(223,164)	-0.6%	-
2018	39,354,108	(40,415)	-0.1%	363,532	0.9%	-
2017	39,394,523	(62,239)	-0.2%	151,946	0.4%	-
2016	39,456,762	(60,712)	-0.2%	154,296	0.4%	-
2015	39,517,474	(72,668)	-0.2%	529,983	1.3%	-
2014	39,590,142	(222,363)	-0.6%	255,409	0.6%	-
2013	39,812,505	(12,420)	0%	588,442	1.5%	-
2012	39,824,925	(230,750)	-0.6%	(140,416)	-0.4%	-
2011	40,055,675	(129,246)	-0.3%	(232,896)	-0.6%	-
2010	40,184,921	(199,155)	-0.5%	(313,151)	-0.8%	-
2009	40,384,076	(101,732)	-0.3%	(920,167)	-2.3%	-
2008	40,485,808	(1,109)	0%	67,728	0.2%	-
2007	40,486,917	(45,303)	-0.1%	105,030	0.3%	-

### OVERALL RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$41.59	162	-0.3%	12.6%	9,676,379	8.4%	0.1%
2022	\$41.70	163	0.7%	12.9%	9,509,904	8.3%	0.1%
2021	\$41.40	162	2.0%	12.1%	9,344,019	8.2%	-0.2%
2020	\$40.60	158	3.8%	9.9%	9,543,248	8.4%	0%
2019	\$39.11	153	5.9%	5.9%	9,540,069	8.4%	-0.5%
YTD	\$38.72	151	4.8%	4.8%	9,716,382	8.5%	-0.4%
2018	\$36.94	144	3.7%	0%	10,052,713	8.9%	0%
2017	\$35.62	139	6.1%	-3.6%	10,032,526	9.0%	0.6%
2016	\$33.58	131	12.8%	-9.1%	9,475,334	8.4%	-0.9%
2015	\$29.77	116	11.9%	-19.4%	10,506,322	9.3%	-1.6%
2014	\$26.61	104	7.5%	-28.0%	12,299,335	10.9%	-0.3%
2013	\$24.75	97	6.0%	-33.0%	12,587,648	11.2%	-1.1%
2012	\$23.34	91	2.8%	-36.8%	13,802,345	12.3%	-0.9%
2011	\$22.71	89	0.5%	-38.5%	14,867,164	13.2%	-0.7%
2010	\$22.58	88	-3.1%	-38.9%	15,738,825	13.9%	1.2%
2009	\$23.30	91	-9.1%	-36.9%	14,407,995	12.8%	2.1%
2008	\$25.62	100	-1.6%	-30.6%	11,967,952	10.6%	-0.3%
2007	\$26.03	102	5.0%	-29.5%	12,220,088	11.0%	-0.1%

### 4 & 5 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$52.81	191	-0.2%	19.2%	3,264,466	9.9%	-0.2%
2022	\$52.92	191	1.0%	19.4%	3,248,889	10.1%	-0.9%
2021	\$52.42	189	2.7%	18.3%	3,481,489	11.0%	1.0%
2020	\$51.03	184	5.9%	15.2%	3,138,035	10.0%	-1.3%
2019	\$48.20	174	8.8%	8.8%	3,516,837	11.4%	-0.6%
YTD	\$47.47	171	7.1%	7.1%	3,447,668	11.1%	-0.9%
2018	\$44.31	160	2.3%	0%	3,582,978	12.0%	0.4%
2017	\$43.34	156	4.9%	-2.2%	3,365,502	11.6%	2.9%
2016	\$41.31	149	13.6%	-6.8%	2,561,841	8.7%	-0.8%
2015	\$36.35	131	15.1%	-18.0%	2,780,430	9.4%	-2.4%
2014	\$31.59	114	11.2%	-28.7%	3,449,237	11.8%	0.5%
2013	\$28.41	103	3.4%	-35.9%	3,293,543	11.3%	-0.7%
2012	\$27.48	99	3.1%	-38.0%	3,485,590	12.0%	-1.0%
2011	\$26.65	96	4.9%	-39.8%	3,765,728	13.0%	-2.5%
2010	\$25.40	92	1.0%	-42.7%	4,498,146	15.5%	2.5%
2009	\$25.16	91	-9.2%	-43.2%	3,751,308	13.0%	1.5%
2008	\$27.71	100	-0.9%	-37.5%	3,288,044	11.5%	0.1%
2007	\$27.97	101	4.3%	-36.9%	3,205,117	11.5%	-0.1%

### 3 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$41.06	163	-0.3%	11.5%	3,726,954	8.5%	0.2%
2022	\$41.17	164	0.7%	11.8%	3,651,716	8.3%	0.5%
2021	\$40.88	162	1.8%	11.0%	3,443,834	7.9%	-0.7%
2020	\$40.15	159	3.4%	9.0%	3,753,187	8.6%	0.5%
2019	\$38.83	154	5.4%	5.4%	3,549,635	8.1%	-1.7%
YTD	\$38.48	153	4.5%	4.5%	3,898,870	8.9%	-0.9%
2018	\$36.83	146	6.3%	0%	4,261,035	9.8%	0.5%
2017	\$34.66	138	6.4%	-5.9%	4,054,377	9.3%	0%
2016	\$32.58	129	13.0%	-11.5%	4,086,661	9.3%	-1.3%
2015	\$28.83	115	9.8%	-21.7%	4,684,052	10.6%	-1.2%
2014	\$26.26	104	6.8%	-28.7%	5,205,607	11.8%	0%
2013	\$24.58	98	7.1%	-33.3%	5,171,842	11.8%	-1.0%
2012	\$22.94	91	5.2%	-37.7%	5,593,630	12.8%	-1.6%
2011	\$21.81	87	-0.5%	-40.8%	6,287,977	14.4%	-0.5%
2010	\$21.93	87	-4.9%	-40.5%	6,528,509	14.9%	1.0%
2009	\$23.06	92	-8.4%	-37.4%	6,058,513	13.9%	2.7%
2008	\$25.18	100	-2.2%	-31.7%	4,883,269	11.2%	-0.8%
2007	\$25.74	102	5.2%	-30.1%	5,149,495	12.0%	0.2%

### 1 & 2 STAR RENT & VACANCY

Year	Market Rent				Vacancy		
	Per SF	Index	% Growth	Vs Hist Peak	SF	Percent	Ppts Chg
2023	\$33.25	136	-0.3%	6.6%	2,684,959	6.9%	0.2%
2022	\$33.36	136	0.5%	7.0%	2,609,299	6.7%	0.5%
2021	\$33.20	136	1.2%	6.5%	2,418,696	6.2%	-0.6%
2020	\$32.80	134	1.9%	5.2%	2,652,026	6.8%	0.5%
2019	\$32.19	132	3.2%	3.2%	2,473,597	6.3%	0.7%
YTD	\$32.01	131	2.7%	2.7%	2,369,844	6.0%	0.4%
2018	\$31.18	128	2.1%	0%	2,208,700	5.6%	-1.0%
2017	\$30.53	125	7.0%	-2.1%	2,612,647	6.6%	-0.5%
2016	\$28.53	117	11.5%	-8.5%	2,826,832	7.2%	-0.5%
2015	\$25.58	105	11.1%	-18.0%	3,041,840	7.7%	-1.5%
2014	\$23.02	94	4.5%	-26.2%	3,644,491	9.2%	-1.1%
2013	\$22.02	90	7.4%	-29.4%	4,122,263	10.4%	-1.5%
2012	\$20.50	84	-0.3%	-34.3%	4,723,125	11.9%	-0.2%
2011	\$20.56	84	-2.4%	-34.1%	4,813,459	12.0%	0.3%
2010	\$21.07	86	-4.6%	-32.4%	4,712,170	11.7%	0.3%
2009	\$22.09	90	-9.7%	-29.2%	4,598,174	11.4%	2.0%
2008	\$24.45	100	-1.4%	-21.6%	3,796,639	9.4%	-0.2%
2007	\$24.79	101	5.5%	-20.5%	3,865,476	9.5%	-0.4%

## OVERALL SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$432.04	242	5.7%
2022	-	-	-	-	-	-	\$423.39	238	5.6%
2021	-	-	-	-	-	-	\$413.26	232	5.5%
2020	-	-	-	-	-	-	\$391.47	220	5.5%
2019	-	-	-	-	-	-	\$359.11	201	5.5%
YTD	235	\$1,667 M	4.7%	\$12,250,289	\$348.57	5.8%	\$353.95	199	5.5%
2018	316	\$2,270 M	7.4%	\$10,637,069	\$291.44	5.9%	\$328.40	184	5.6%
2017	355	\$1,841 M	6.7%	\$9,519,076	\$266.25	6.0%	\$313.69	176	5.6%
2016	339	\$2,506 M	8.4%	\$11,501,705	\$279.35	6.0%	\$295.95	166	5.7%
2015	294	\$1,524 M	7.0%	\$7,190,328	\$230.33	6.0%	\$262.52	147	6.0%
2014	256	\$1,375 M	6.6%	\$7,561,687	\$195.96	6.4%	\$232.72	131	6.2%
2013	277	\$1,189 M	5.3%	\$5,741,771	\$249.76	7.0%	\$211.88	119	6.5%
2012	318	\$1,062 M	6.2%	\$6,349,876	\$174.04	7.7%	\$197.08	111	6.8%
2011	214	\$454.0 M	3.3%	\$4,811,219	\$144.80	8.6%	\$191.82	108	6.9%
2010	149	\$899.7 M	5.0%	\$11,088,185	\$183.01	7.1%	\$171.64	96	7.5%
2009	114	\$245.0 M	1.3%	\$3,625,194	\$221.44	7.9%	\$151.91	85	8.3%
2008	147	\$880.5 M	4.0%	\$10,102,463	\$214.98	6.7%	\$178.27	100	7.7%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

## 4 & 5 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$528.93	245	5.5%
2022	-	-	-	-	-	-	\$518.60	240	5.4%
2021	-	-	-	-	-	-	\$504.22	234	5.3%
2020	-	-	-	-	-	-	\$473.72	220	5.3%
2019	-	-	-	-	-	-	\$425.38	197	5.4%
YTD	9	\$973.2 M	7.1%	\$108,130,526	\$440.86	5.2%	\$417.16	193	5.4%
2018	18	\$1,237 M	12.6%	\$68,710,607	\$330.00	6.0%	\$383.30	178	5.5%
2017	18	\$793.9 M	10.4%	\$46,702,386	\$261.83	5.8%	\$365.85	170	5.5%
2016	16	\$1,224 M	12.6%	\$76,502,770	\$328.36	5.6%	\$347.34	161	5.4%
2015	11	\$581.5 M	9.0%	\$58,147,994	\$285.43	5.3%	\$312.67	145	5.7%
2014	16	\$814.9 M	11.7%	\$50,931,006	\$238.09	5.9%	\$276.97	128	5.9%
2013	11	\$855.0 M	9.8%	\$64,447,167	\$308.38	6.5%	\$253.91	118	6.2%
2012	11	\$356.3 M	6.7%	\$39,254,979	\$204.03	6.2%	\$239.32	111	6.4%
2011	8	\$238.8 M	5.1%	\$29,843,981	\$160.83	13.0%	\$233.04	108	6.6%
2010	12	\$659.1 M	10.7%	\$54,922,812	\$212.26	7.1%	\$208.63	97	7.1%
2009	-	-	-	-	-	-	\$184.06	85	7.8%
2008	9	\$515.2 M	8.3%	\$57,242,952	\$216.23	6.0%	\$215.68	100	7.3%

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(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

## 3 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$407.89	238	5.7%
2022	-	-	-	-	-	-	\$399.56	233	5.7%
2021	-	-	-	-	-	-	\$390.08	227	5.6%
2020	-	-	-	-	-	-	\$369.98	216	5.5%
2019	-	-	-	-	-	-	\$340.75	199	5.6%
YTD	82	\$434.4 M	4.5%	\$7,461,851	\$279.47	5.5%	\$336.46	196	5.6%
2018	68	\$571.7 M	5.4%	\$10,945,744	\$257.95	6.2%	\$312.41	182	5.7%
2017	70	\$726.0 M	6.1%	\$14,059,388	\$283.27	6.8%	\$299.19	174	5.7%
2016	71	\$699.1 M	7.3%	\$12,388,355	\$231.66	5.8%	\$283.46	165	5.8%
2015	50	\$573.6 M	6.2%	\$12,910,692	\$209.42	6.2%	\$251.12	146	6.0%
2014	59	\$308.3 M	4.9%	\$7,594,251	\$155.76	6.7%	\$224.33	131	6.2%
2013	64	\$172.0 M	4.1%	\$6,743,465	\$198.70	7.5%	\$204.71	119	6.5%
2012	97	\$480.3 M	6.6%	\$7,443,553	\$168.87	7.8%	\$190.64	111	6.8%
2011	54	\$96.4 M	2.4%	\$4,440,040	\$100.83	13.0%	\$185.96	108	6.9%
2010	48	\$119.8 M	2.8%	\$6,304,768	\$138.37	10.2%	\$166.03	97	7.5%
2009	47	\$149.4 M	1.9%	\$6,227,737	\$224.36	8.2%	\$147.18	86	8.3%
2008	58	\$232.6 M	2.4%	\$8,389,114	\$245.77	6.8%	\$171.62	100	7.7%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.

## 1 & 2 STAR SALES

Year	Completed Transactions (1)						Market Pricing Trends (2)		
	Deals	Volume	Turnover	Avg Price	Avg Price/SF	Avg Cap Rate	Price/SF	Price Index	Cap Rate
2023	-	-	-	-	-	-	\$381.89	245	5.7%
2022	-	-	-	-	-	-	\$374.25	240	5.7%
2021	-	-	-	-	-	-	\$366.75	235	5.6%
2020	-	-	-	-	-	-	\$350.00	224	5.5%
2019	-	-	-	-	-	-	\$326.85	210	5.6%
YTD	144	\$259.9 M	3.0%	\$3,699,837	\$254.33	6.1%	\$323.18	207	5.6%
2018	230	\$462.0 M	5.7%	\$3,214,867	\$252.94	5.8%	\$302.55	194	5.7%
2017	267	\$321.6 M	4.5%	\$2,553,977	\$243.37	5.8%	\$288.38	185	5.7%
2016	252	\$583.0 M	6.6%	\$3,986,744	\$261.90	6.3%	\$269.01	173	5.8%
2015	233	\$368.6 M	6.2%	\$2,310,374	\$200.45	6.1%	\$235.34	151	6.1%
2014	181	\$252.3 M	4.6%	\$1,999,994	\$155.98	6.4%	\$206.90	133	6.4%
2013	202	\$162.4 M	3.4%	\$1,278,941	\$144.50	7.0%	\$186.45	120	6.7%
2012	210	\$225.9 M	5.3%	\$2,412,872	\$149.16	7.9%	\$170.68	109	7.1%
2011	152	\$118.8 M	3.0%	\$1,798,118	\$171.03	7.2%	\$165.59	106	7.2%
2010	89	\$120.8 M	3.4%	\$2,110,348	\$127.83	6.0%	\$148.48	95	7.8%
2009	67	\$95.6 M	1.5%	\$2,199,993	\$217.02	7.7%	\$131.64	84	8.6%
2008	80	\$132.7 M	2.6%	\$2,542,384	\$173.06	7.0%	\$155.93	100	7.9%

(1) Completed transaction data is based on actual arms-length sales transactions and levels are dependent on the mix of what happened to sell in the period.

(2) Market price trends data is based on the estimated price movement of all properties in the market, informed by actual transactions that have occurred.