

East Bay / Tri-Valley

INDUSTRIAL & OFFICE MARKET REPORT



Market remains strong

The first quarter of 2017 continued the trend of 2016 with higher values and lower vacancies. It remains too early to have a clear vision on how 2017 will progress. Our best assessment is that we will continue on a similar path.

The Tri-Valley market continues with strong demand for both Class A office and industrial properties. The demand is from both users and investors. Users continue to migrate to the Tri-Valley from both the East and South Bay. Investors continue to be a combination of institutional owners and high net worth individuals looking to place equity into well-positioned real estate.

We appreciate your business and invite you to contact us with any questions or comments you may have regarding commercial properties in the East Bay. Let us know how we can help you!

-Mike Furay, Managing Principal
Lee & Associates - Pleasanton

MARKET SNAPSHOT

Tri-Valley Industrial Inventory:	28,820,096
Tri-Valley Industrial Availability:	918,606
Tri-Valley Industrial Net Absorption:	-168,380
Tri-Valley Availability Rate:	3.19%
Tri-Valley Office Inventory:	23,915,789
Tri-Valley Office Availability:	2,868,746
Tri-Valley Office Absorption:	-859,869
Tri-Valley Availability Rate:	12.00%

KEY TERMS & DEFINITIONS

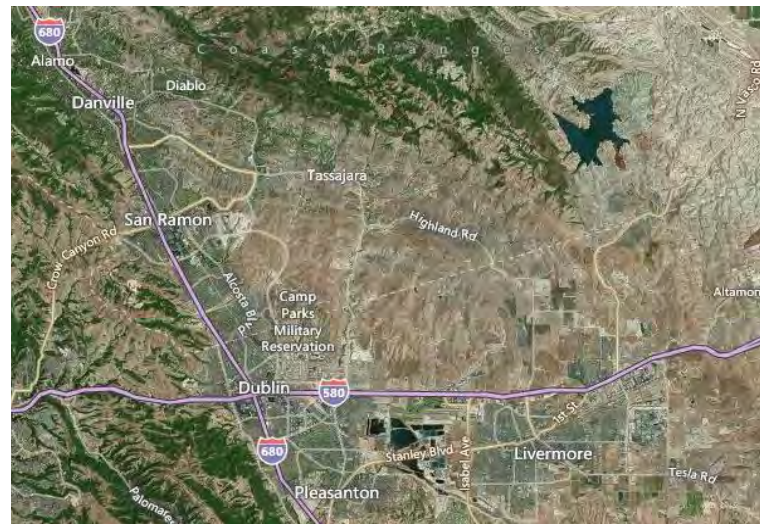
Availability: Square footage that is marketed for lease which is available within 90 days. This also includes sublease space.

Industrial Buildings are defined as buildings with a clearance of less than 22' with drive in truck doors; some may have dock doors. These buildings can be used by a wide variety of users. Parking is usually limited. This is the most prevalent type of industrial building.

Multi-tenant/incubator is defined as an industrial building that divides into units of less than 5,000± SF, with drive in truck doors and a ceiling clearance of less than 18'. These buildings are ideal for expanding small businesses.

Warehouse and distribution buildings have a ceiling clearance of 22' or greater, dock high doors, limited parking and an adequate apron for truck deliveries.

Office/Flex/R&D buildings are characterized by having a parking ratio of at least 3/1,000± SF of building. They usually have a lower clearance height and can be one or two stories. The parking enables these buildings to be flexible in the type of user they can accommodate. Any user from pure office to research & development can take advantage of the flexibility of this type of building.



Lee & Associates maintains an up-to-date database of all available properties and sold/leased properties.

QUARTER IN REVIEW

1st Quarter 2017

INDUSTRIAL MARKET STATISTICS - 1st QUARTER 2017

MARKET	INVENTORY		AVAILABILITY			AVAILABILITY RATE		ABSORPTION Net Absorption
	Buildings	Total SF	Direct SF	Sublease SF	Available SF	Direct	Total	
DUBLIN								
INDUSTRIAL	47	1,179,765	42,523	9,320	51,843	3.60%	4.39%	-14,820
MULTI TENANT/INCUBATOR	14	319,647	52,098	0	52,098	16.30%	16.30%	6,431
FLEX/R&D	7	553,575	0	0	0	0.00%	0.00%	66,552
WAREHOUSE/DIST	4	552,653	26,029	0	26,029	4.71%	4.71%	0
TOTAL	72	2,605,640	120,650	9,320	129,970	4.63%	4.99%	58,163
LIVERMORE								
INDUSTRIAL	443	5,804,532	180,368	0	180,368	3.11%	3.11%	-67,910
MULTI TENANT/INCUBATOR	30	1,092,146	62,855	1,000	63,855	5.76%	5.85%	-11,650
FLEX/R&D	70	2,093,078	0	116,500	116,500	0.00%	5.57%	0
WAREHOUSE/DIST	84	9,567,074	215,405	46,970	262,375	2.25%	2.74%	-138,606
TOTAL	627	18,556,830	458,628	164,470	623,098	2.47%	3.36%	-218,166
PLEASANTON								
INDUSTRIAL	212	2,101,268	3,990	0	3,990	0.19%	0.19%	0
MULTI TENANT/INCUBATOR	19	508,864	11,874	0	11,874	2.33%	2.33%	-2,920
FLEX/R&D	99	3,228,244	78,065	50,806	128,871	2.42%	3.99%	-4,957
WAREHOUSE/DIST	3	505,405	0	0	0	0.00%	0.00%	0
TOTAL	333	6,343,781	93,929	50,806	144,735	1.48%	2.28%	-7,877
SAN RAMON								
INDUSTRIAL	21	626,761	5,857	0	5,857	0.93%	0.93%	0
MULTI TENANT/INCUBATOR	11	285,228	8,541	0	8,541	2.99%	2.99%	-500
FLEX/R&D	5	401,856	6,405	0	6,405	1.59%	1.59%	0
TOTAL	37	1,313,845	20,803	0	20,803	1.58%	1.58%	-500
MARKET TOTAL	1,069	28,820,096	694,010	224,596	918,606	2.41%	3.19%	-168,380

OFFICE MARKET STATISTICS - 1st QUARTER 2017

	INVENTORY		AVAILABILITY			AVAILABILITY RATE		ABSORPTION Net Absorption
	Buildings	Total SF	Direct SF	Sublease SF	Available SF	Direct	Total	
ALAMO								
B	10	127,934	5,088	0	5,088	3.98%	3.98%	0
TOTAL	10	127,934	5,088	0	5,088	3.98%	3.98%	0
DANVILLE								
A	5	87,360	1,992	0	1,992	2.28%	2.28%	0
B	62	796,915	61,602	12,028	73,630	7.73%	9.24%	-23,705
TOTAL	67	884,275	63,594	12,028	75,622	7.19%	8.55%	-23,705
DUBLIN								
A	10	1,546,876	491,089	87,892	578,981	31.75%	37.43%	-31,796
B	33	906,599	79,131	6,590	85,721	8.73%	9.46%	-3,059
TOTAL	43	2,453,475	570,220	94,482	664,702	23.24%	27.09%	-34,855
LIVERMORE								
A	21	433,722	14,092	0	14,092	3.25%	3.25%	0
B	51	1,017,702	177,888	0	177,888	17.48%	17.48%	-724
TOTAL	72	1,451,424	191,980	0	191,980	13.23%	13.23%	-724
PLEASANTON								
A	73	6,777,496	535,812	82,296	618,108	7.91%	9.12%	-79,730
B	90	1,686,962	192,595	6,176	198,771	11.42%	11.78%	-93,260
TOTAL	163	8,464,458	728,407	88,472	816,879	8.61%	9.65%	-172,990
SAN RAMON								
A	37	8,774,719	1,039,125	24,293	1,063,418	11.84%	12.12%	-616,309
B	86	1,759,504	48,550	2,507	51,057	2.76%	2.90%	-11,286
TOTAL	123	10,534,223	1,087,675	26,800	1,114,475	10.33%	10.58%	-627,595
MARKET TOTAL	478	23,915,789	2,646,964	221,782	2,868,746	11.07%	12.00%	-859,869

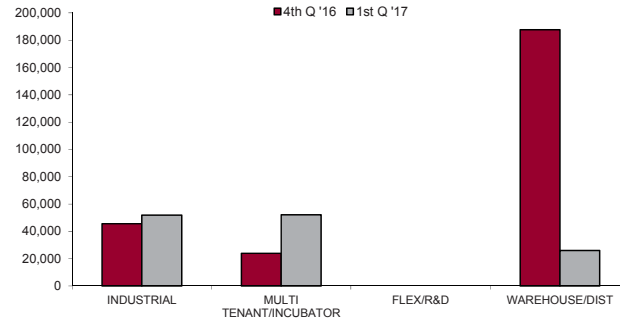
QUARTER IN REVIEW

DUBLIN INDUSTRIAL AVAILABILITY

- AVAILABILITY** ↓ The Dublin Industrial Market has improved from last quarter. The availability rate decreased from 9.11% to 4.99%. There was positive absorption from last quarter. The lease rates are trending upward.
- ABSORPTION** ↑ The trend for this area appears to be improving and we continue to see positive signs that this will continue.

Prepared by Sean Offers, SIOR
- LEASE RATE** ↑

4th QUARTER '16 VS. 1st QUARTER '17 AVAILABILITIES

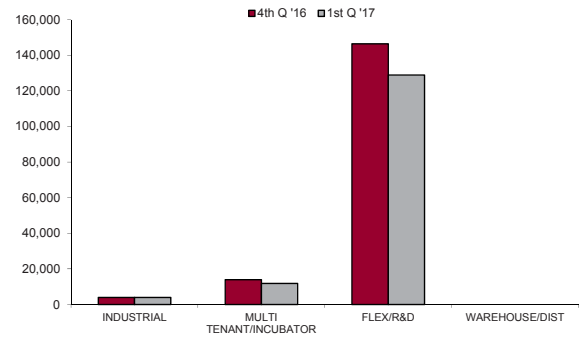


PLEASANTON INDUSTRIAL AVAILABILITY

- AVAILABILITY** ↓ The Pleasanton Industrial Market has improved from last quarter. The availability rate decreased from 2.58% to 2.28%. There was positive absorption from last quarter. The lease rates are trending upward.
- ABSORPTION** ↑ The trend for this area appears to be improving and we continue to see positive signs that this will continue.

Prepared by Tony Ferreri
- LEASE RATE** ↑

4th QUARTER '16 VS. 1st QUARTER '17 AVAILABILITIES

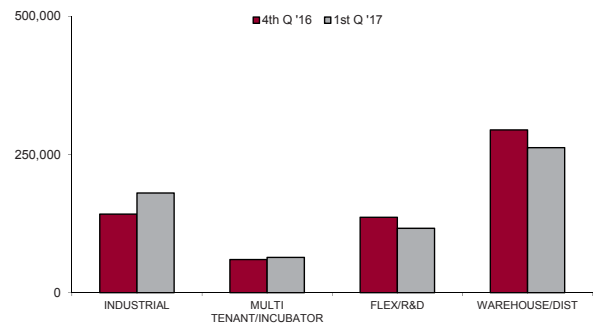


LIVERMORE INDUSTRIAL AVAILABILITY

- AVAILABILITY** ↓ The Livermore Industrial Market has improved from last quarter. The availability rate decreased from 3.42% to 3.36%. There was positive absorption from last quarter. The lease rates are trending upward.
- ABSORPTION** ↑ The trend for this area appears to be improving and we continue to see positive signs that this will continue.

Prepared by Sean Offers, SIOR
- LEASE RATE** ↑

4th QUARTER '16 VS. 1st QUARTER '17 AVAILABILITIES



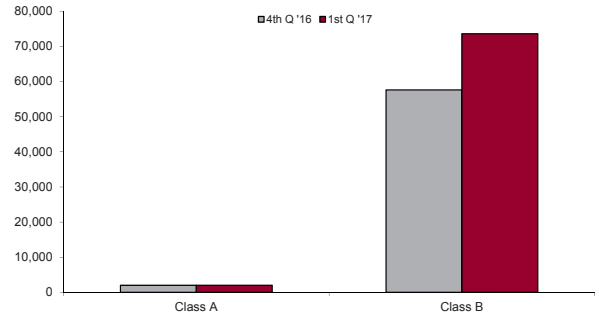
QUARTER IN REVIEW

DANVILLE OFFICE AVAILABILITY

- AVAILABILITY  The Danville Office Market has slipped from last quarter. The availability rate increased from 6.74% to 8.55%. There was negative absorption from last quarter. The lease rates are trending upward.
- ABSORPTION  The trend for this area appears to be improving and we continue to see positive signs that this will continue.

Prepared by Simon Vogt
- LEASE RATE 

4th QUARTER '16 VS. 1st QUARTER '17 AVAILABILITIES

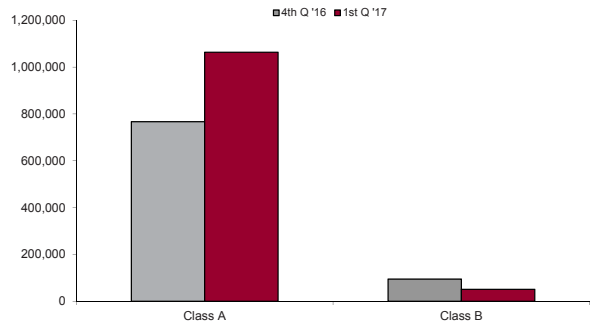


SAN RAMON OFFICE AVAILABILITY

- AVAILABILITY  The San Ramon Office Market has slipped from last quarter. The availability rate increased from 7.94% to 10.58%. There was negative absorption from last quarter. The lease rates are trending upward.
- ABSORPTION  The trend for this area appears to be improving and we continue to see positive signs that this will continue.

Prepared by Mark Rinkle
- LEASE RATE 

4th QUARTER '16 VS. 1st QUARTER '17 AVAILABILITIES

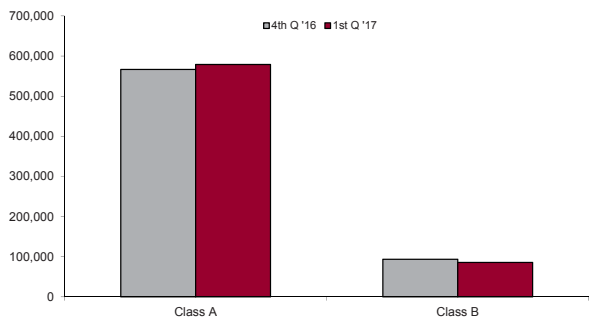


DUBLIN OFFICE AVAILABILITY

- AVAILABILITY  The Dublin Office Market has improved from last quarter. The availability rate decreased from 27.31% to 27.09%. There was positive absorption from last quarter. The lease rates are trending upward.
- ABSORPTION  The trend for this area appears to be improving and we continue to see positive signs that this will continue.

Prepared by Mitch Yaden
- LEASE RATE 

4th QUARTER '16 VS. 1st QUARTER '17 AVAILABILITIES

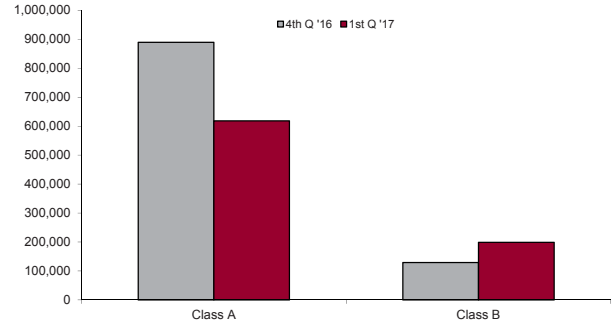


QUARTER IN REVIEW

PLEASANTON OFFICE AVAILABILITY

- AVAILABILITY ↓ The Pleasanton Office Market has improved from last quarter. The availability rate decreased from 12.02% to 9.65%. There was positive absorption from last quarter. The lease rates are trending upward.
- ABSORPTION ↑ The trend for this area appears to be improving and we continue to see positive signs that this will continue.
- LEASE RATE ↑ Prepared by Simon Vogt

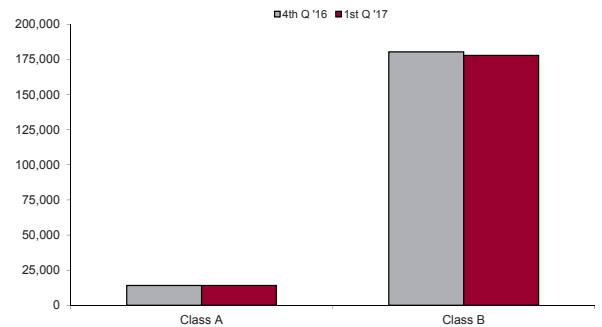
4th QUARTER '16 VS. 1st QUARTER '17 AVAILABILITIES



LIVERMORE OFFICE AVAILABILITY

- AVAILABILITY ↓ The Livermore Office Market has improved from last quarter. The availability rate decreased from 13.36% to 13.23%. There was positive absorption from last quarter. The lease rates are trending upward.
- ABSORPTION ↑ The trend for this area appears to be improving and we continue to see positive signs that this will continue.
- LEASE RATE ↑ Prepared by Simon Vogt

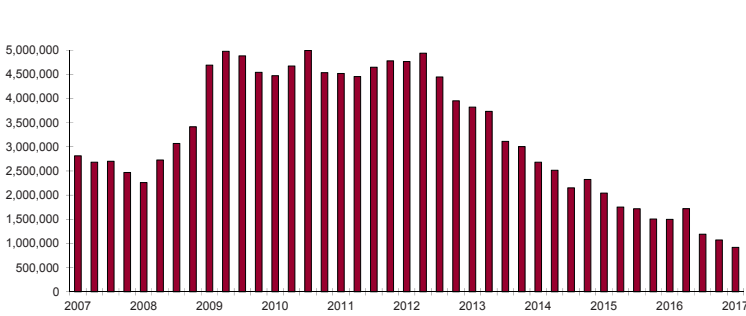
4th QUARTER '16 VS. 1st QUARTER '17 AVAILABILITIES



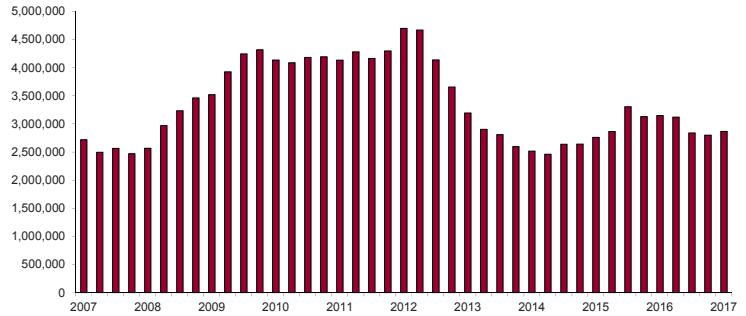
QUARTER IN REVIEW

TRI-VALLEY AVAILABILITY HISTORY

TRI-VALLEY INDUSTRIAL AVAILABLE HISTORY

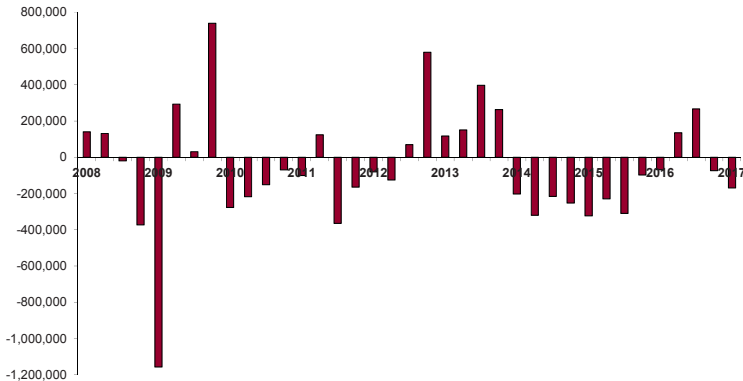


TRI-VALLEY OFFICE AVAILABLE HISTORY

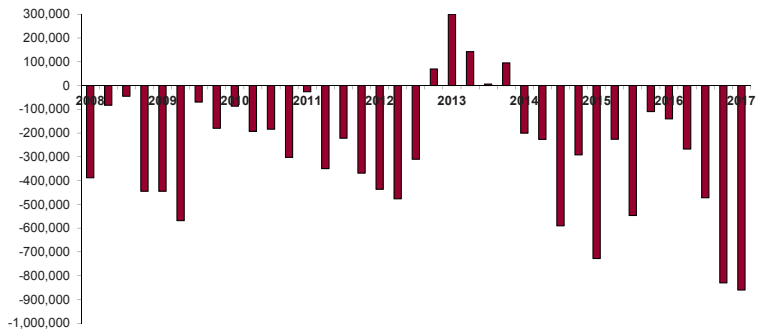


TRI-VALLEY ABSORPTION HISTORY

TRI-VALLEY INDUSTRIAL ABSORPTION HISTORY

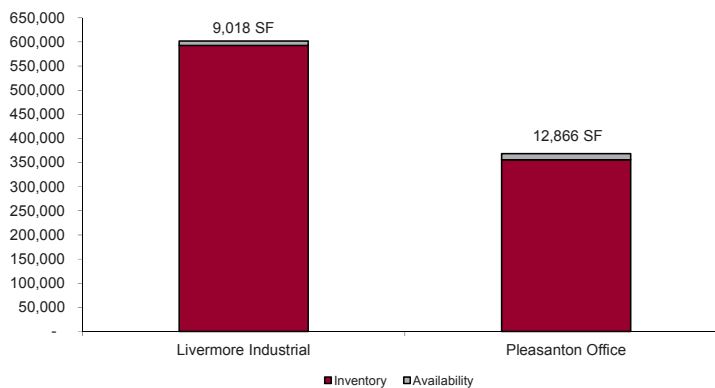


TRI-VALLEY OFFICE ABSORPTION HISTORY



AVAILABILITY

CONDO AVAILABILITY



TRANSACTIONS

Office - 6,475± SF – LEASED
5820 Stoneridge Mall Rd., Pleasanton
VENDORMAX, INC.



Industrial - 42,688± SF – LEASED
7041 Las Positas Rd., Ste. C&D, Livermore
ZELTIQ AESTHETICS



Industrial - 19,427± SF – LEASED
5800 Las Positas Rd., Ste. A, Livermore
SOLTEC AMERICA LLC.



Industrial - 6,528± SF – LEASED
6800 Sierra Ct., Ste. D, Dublin
BANNER STAKES



Industrial - 62,714± SF – SOLD
6999 Southfront Rd., Livermore
ANDRES FAMILY TRUST



Office - 5,280± SF – SOLD
4487 Stoneridge Dr., Pleasanton
WILL SCHLICHER



LEE AVAILABLES

INDUSTRIAL BUILDING FOR SALE
6,000± SF
6310 HOUSTON PLACE, STE. A
DUBLIN



INDUSTRIAL SPACE FOR SUBLEASE
7,500± SF
440 BOULDER COURT
PLEASANTON



RETAIL SPACE FOR LEASE
5,000± SF
2491 1ST STREET, BLDG. 2 (PROPOSED)
LIVERMORE



OFFICE SPACE FOR LEASE
3,406± SF
7139 KOLL CENTER PARKWAY, SUITE 200
PLEASANTON



INDUSTRIAL BUILDING FOR SALE
10,400± SF
6691 BRISA STREET
LIVERMORE



OFFICE SPACES FOR LEASE
1,007± SF - 5,000± SF
5401 NORRIS CANYON ROAD
SAN RAMON



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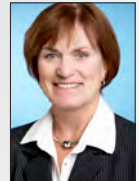
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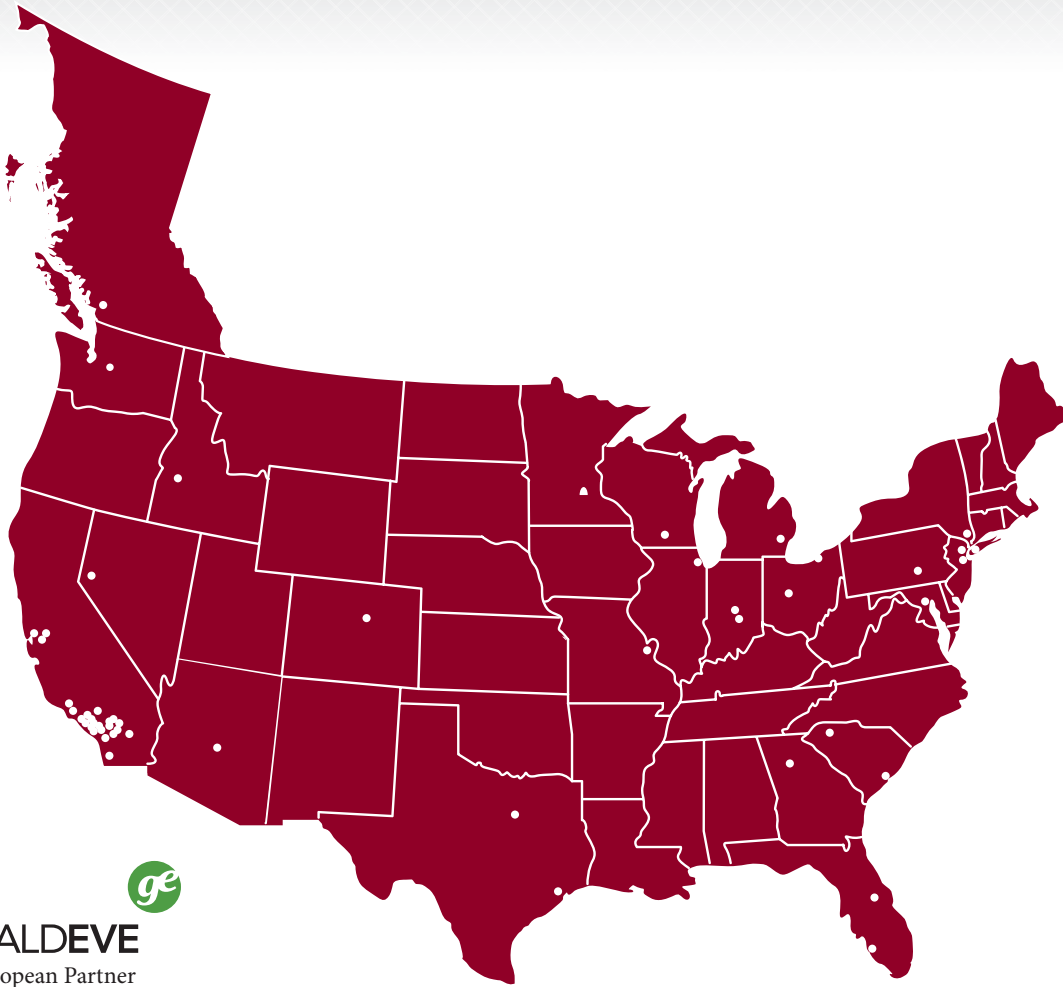


ABOUT LEE & ASSOCIATES

Lee & Associates, founded in 1979, is one of the largest regional commercial real estate providers in the United States.

Since 1979, our seasoned, motivated shareholders and professionals have been offering comprehensive quality service nationally and locally in a pro-active manner. We develop customized solutions for all of your real estates needs through our market-to-market knowledge in all property types. Our unique business model and extensive experience has helped us become one of the largest commercial real estate providers in the United States.

LOCAL EXPERTISE. NATIONAL REACH. WORLD CLASS.



GERALDEVE
Our European Partner

INTERNATIONAL ORGANIZATION, LOCAL OWNERSHIP

Established in 1979, Lee & Associates has expanded across the nation and North America with offices that are individually owned by the shareholders of that office, thus encouraging an entrepreneurial spirit and allowing more freedom and creativity to make real estate transactions work.

EXPLOSIVE GROWTH

Since its inception there has been an explosive growth of Lee & Associates offices throughout the country and now in Vancouver, British Columbia, making it one of the largest and fastest growing commercial real estate organizations in North America.



COMMERCIAL REAL ESTATE SERVICES

2016 - Seattle, WA	2013 - Long Island-Queens, NY	2010 - Indianapolis, IN	2006 - Madison, WI	2002 - Chicago, IL	1990 - Industry, CA
2016 - Walnut Creek	2013 - Chesapeake Region, MD	2010 - Indianapolis, IN	2006 - Oakland, CA	2001 - Victorville, CA	1989 - LA - Long Beach, CA
2016 - Vancouver, BC Canada	2012 - Edison, NJ	2009 - Long Beach, CA	2006 - Reno, NV	1999 - Temecula Valley, CA	1989 - Riverside, CA
2016 - Twin Cities, MN	2012 - Orlando, FL	2009 - Elmwood Park, NJ	2006 - San Diego - UTC, CA	1996 - Central LA, CA	1987 - Ontario, CA
2016 - Pasadena, CA	2012 - Charleston, SC	2008 - Boise, ID	2006 - Ventura, CA	1994 - Sherman Oaks, CA	1984 - Newport Beach, CA
2015 - Eastern Pennsylvania	2011 - Fort Myers, FL	2008 - ISG, LA, CA	2006 - San Luis Obispo, CA	1994 - West LA, CA	1983 - Orange, CA
2015 - Columbus, OH	2011 - Manhattan, NY	2008 - Palm Desert, CA	2005 - Southfield, MI	1993 - Pleasanton, CA	1979 - Irvine, CA
2015 - Houston, TX	2011 - Greenville, SC	2008 - Santa Barbara, CA	2005 - Los Olivos, CA	1993 - Stockton, CA	
2014 - Denver, CO	2010 - Atlanta, GA	2006 - Antelope Valley, CA	2004 - Calabasas, CA	1991 - Phoenix, AZ	
2014 - Cleveland, OH	2010 - Greenwood, IN	2006 - Dallas, TX	2004 - St. Louis, MO	1990 - Carlsbad, CA	