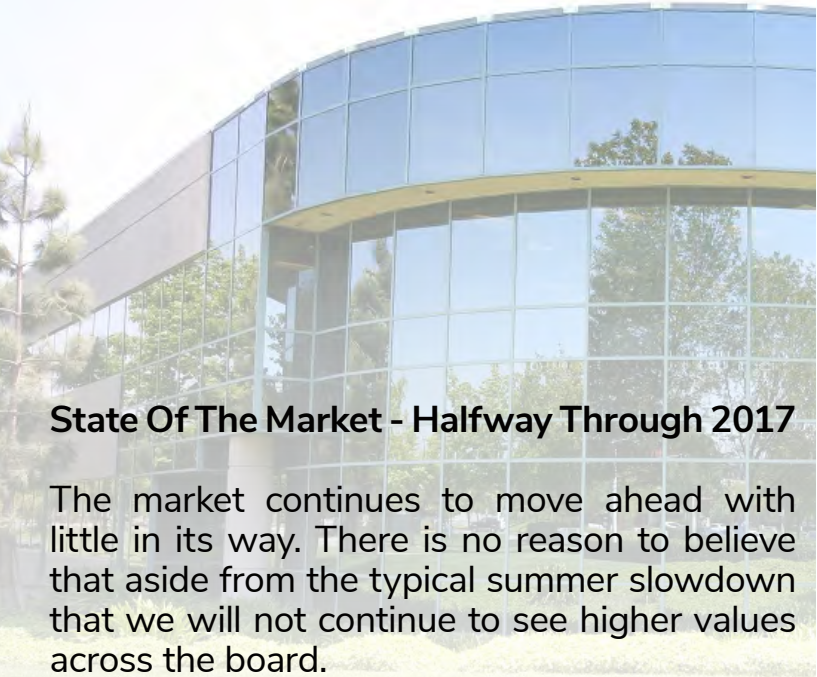


# INDUSTRIAL & OFFICE MARKET REPORT



## State Of The Market - Halfway Through 2017

The market continues to move ahead with little in its way. There is no reason to believe that aside from the typical summer slowdown that we will not continue to see higher values across the board.

From an industrial standpoint, the market is now virtually driven by E-Commerce; with Amazon and their appetite and growth becoming a game changer.

The Tri-Valley continues to benefit from an inward migration, with East and South Bay users looking for less constraints and better economics.

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:	28,748,929
Tri-Valley Industrial Availability:	730,422
Tri-Valley Industrial Net Absorption:	-86,929
Tri-Valley Availability Rate:	2.54%
Tri-Valley Office Inventory:	23,948,633
Tri-Valley Office Availability:	2,983,643
Tri-Valley Office Absorption:	-487,218
Tri-Valley Availability Rate:	12.46%

## 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

INDUSTRIAL MARKET STATISTICS - 2 <sup>nd</sup> QUARTER 2017								
MARKET	INVENTORY		AVAILABILITY			AVAILABILITY RATE		ABSORPTION
	Buildings	Total SF	Direct SF	Sublease SF	Available SF	Direct	Total	Net Absorption
<b>DUBLIN</b>								
INDUSTRIAL	47	1,179,765	42,523	9,320	51,843	3.60%	4.39%	0
MULTI TENANT/INCUBATOR	14	319,647	47,262	0	47,262	14.79%	14.79%	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
<b>TOTAL</b>	<b>72</b>	<b>2,605,640</b>	<b>115,814</b>	<b>9,320</b>	<b>125,134</b>	<b>4.44%</b>	<b>4.80%</b>	<b>72,983</b>
<b>LIVERMORE</b>								
INDUSTRIAL	442	5,676,217	148,899	0	148,899	2.62%	2.62%	-38,106
MULTI TENANT/INCUBATOR	30	1,092,146	79,446	0	79,446	7.27%	7.27%	-27,685
FLEX/R&D	70	2,093,078	38,937	0	38,937	1.86%	1.86%	-34,437
WAREHOUSE/DIST	84	9,567,074	157,099	66,591	223,690	1.64%	2.34%	-40,201
<b>TOTAL</b>	<b>626</b>	<b>18,428,515</b>	<b>424,381</b>	<b>66,591</b>	<b>490,972</b>	<b>2.30%</b>	<b>2.66%</b>	<b>-140,429</b>
<b>PLEASANTON</b>								
INDUSTRIAL	211	2,059,893	3,990	0	3,990	0.19%	0.19%	0
MULTI TENANT/INCUBATOR	19	508,864	10,954	0	10,954	2.15%	2.15%	-2,000
FLEX/R&D	99	3,229,297	69,666	1,739	71,405	2.16%	2.21%	-9,819
WAREHOUSE/DIST	3	505,405	0	0	0	0.00%	0.00%	0
<b>TOTAL</b>	<b>332</b>	<b>6,303,459</b>	<b>84,610</b>	<b>1,739</b>	<b>86,349</b>	<b>1.34%</b>	<b>1.37%</b>	<b>-11,819</b>
<b>SAN RAMON</b>								
INDUSTRIAL	21	725,761	13,521	0	13,521	1.86%	1.86%	-7,664
MULTI TENANT/INCUBATOR	11	283,698	8,041	0	8,041	2.83%	2.83%	0
FLEX/R&D	5	401,856	6,405	0	6,405	1.59%	1.59%	0
<b>TOTAL</b>	<b>37</b>	<b>1,411,315</b>	<b>27,967</b>	<b>0</b>	<b>27,967</b>	<b>1.98%</b>	<b>1.98%</b>	<b>-7,664</b>
<b>MARKET TOTAL</b>	<b>1,067</b>	<b>28,748,929</b>	<b>652,772</b>	<b>77,650</b>	<b>730,422</b>	<b>2.27%</b>	<b>2.54%</b>	<b>-86,929</b>

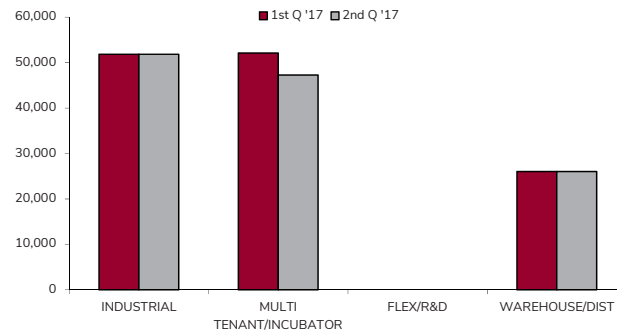
OFFICE MARKET STATISTICS - 2 <sup>nd</sup> QUARTER 2017								
MARKET	INVENTORY		AVAILABILITY			AVAILABILITY RATE		ABSORPTION
	Buildings	Total SF	Direct SF	Sublease SF	Available SF	Direct	Total	Net Absorption
<b>ALAMO</b>								
B	10	127,934	5,088	0	5,088	3.98%	3.98%	0
<b>TOTAL</b>	<b>10</b>	<b>127,934</b>	<b>5,088</b>	<b>0</b>	<b>5,088</b>	<b>3.98%</b>	<b>3.98%</b>	<b>0</b>
<b>DANVILLE</b>								
A	5	87,360	1,992	0	1,992	2.28%	2.28%	0
B	62	796,915	51,646	10,838	62,484	6.48%	7.84%	-2,333
<b>TOTAL</b>	<b>67</b>	<b>884,275</b>	<b>53,638</b>	<b>10,838</b>	<b>64,476</b>	<b>6.07%</b>	<b>7.29%</b>	<b>-2,333</b>
<b>DUBLIN</b>								
A	10	1,546,876	529,031	71,303	600,334	34.20%	38.81%	-37,942
B	33	906,599	78,813	3,518	82,331	8.69%	9.08%	-19,148
<b>TOTAL</b>	<b>43</b>	<b>2,453,475</b>	<b>607,844</b>	<b>74,821</b>	<b>682,665</b>	<b>24.77%</b>	<b>27.82%</b>	<b>-57,090</b>
<b>LIVERMORE</b>								
A	21	433,722	13,351	0	13,351	3.08%	3.08%	0
B	51	1,018,027	182,767	0	182,767	17.95%	17.95%	-24,311
<b>TOTAL</b>	<b>72</b>	<b>1,451,749</b>	<b>196,118</b>	<b>0</b>	<b>196,118</b>	<b>13.51%</b>	<b>13.51%</b>	<b>-24,311</b>
<b>PLEASANTON</b>								
A	73	6,777,496	656,826	123,325	780,151	9.69%	11.51%	-290,575
B	91	1,728,337	194,114	7,271	201,385	11.23%	11.65%	-11,854
<b>TOTAL</b>	<b>164</b>	<b>8,505,833</b>	<b>850,940</b>	<b>130,596</b>	<b>981,536</b>	<b>10.00%</b>	<b>11.54%</b>	<b>-302,429</b>
<b>SAN RAMON</b>								
A	36	8,731,797	966,752	36,195	1,002,947	11.07%	11.49%	-90,901
B	87	1,793,570	46,234	4,579	50,813	2.58%	2.83%	-10,154
<b>TOTAL</b>	<b>123</b>	<b>10,525,367</b>	<b>1,012,986</b>	<b>40,774</b>	<b>1,053,760</b>	<b>9.62%</b>	<b>10.01%</b>	<b>-101,055</b>
<b>MARKET TOTAL</b>	<b>479</b>	<b>23,948,633</b>	<b>2,726,614</b>	<b>257,029</b>	<b>2,983,643</b>	<b>11.39%</b>	<b>12.46%</b>	<b>-487,218</b>

# QUARTER IN REVIEW


## DUBLIN INDUSTRIAL AVAILABILITY

- AVAILABILITY  The Dublin Industrial Market has improved from last quarter. The availability rate decreased from 4.99% to 4.80%. 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 Sean Offers, SIOR

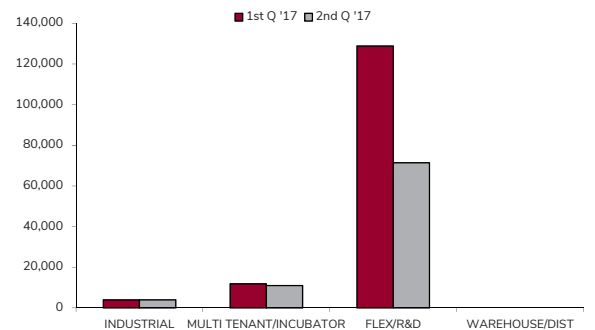
1<sup>st</sup> QUARTER '17 VS. 2<sup>nd</sup> QUARTER '17 AVAILABILITIES






## PLEASANTON INDUSTRIAL AVAILABILITY

- AVAILABILITY  The Pleasanton Industrial Market has improved from last quarter. The availability rate decreased from 2.28% to 1.37%. 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 Tony Ferreri

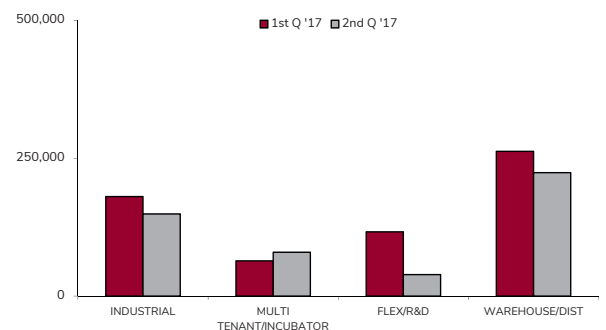
1<sup>st</sup> QUARTER '17 VS. 2<sup>nd</sup> QUARTER '17 AVAILABILITIES



## LIVERMORE INDUSTRIAL AVAILABILITY

- AVAILABILITY  The Livermore Industrial Market has improved from last quarter. The availability rate decreased from 3.36% to 2.66%. 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 Sean Offers, SIOR

1<sup>st</sup> QUARTER '17 VS. 2<sup>nd</sup> QUARTER '17 AVAILABILITIES

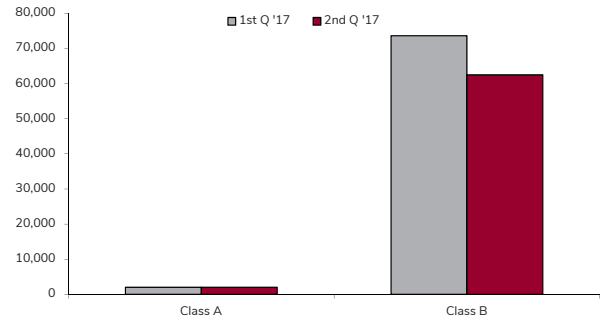


# QUARTER IN REVIEW



## DANVILLE OFFICE AVAILABILITY

- AVAILABILITY  The Danville Office Market has improved from last quarter. The availability rate decreased from 8.55% to 7.29%. 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

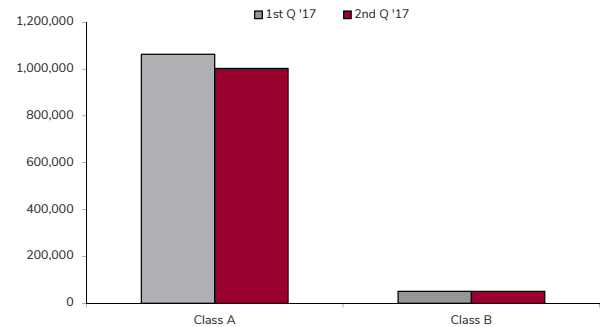
1st QUARTER '17 VS. 2nd QUARTER '17 AVAILABILITIES






## SAN RAMON OFFICE AVAILABILITY

- AVAILABILITY  The San Ramon Office Market has improved from last quarter. The availability rate decreased from 10.58% to 10.01%. 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 Mark Rinkle

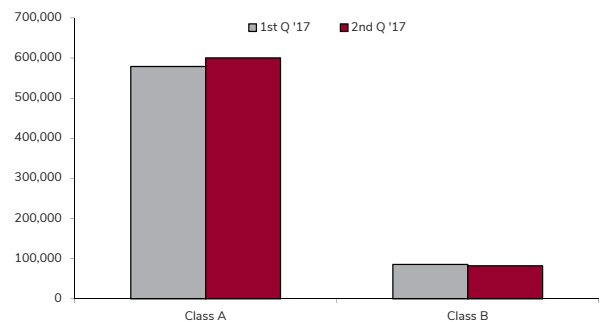
1st QUARTER '17 VS. 2nd QUARTER '17 AVAILABILITIES



## DUBLIN OFFICE AVAILABILITY

- AVAILABILITY  The Dublin Office Market has slipped from last quarter. The availability rate increased from 27.09% to 27.82%. 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.
- LEASE RATE  Prepared by Mitch Yaden

1st QUARTER '17 VS. 2nd QUARTER '17 AVAILABILITIES

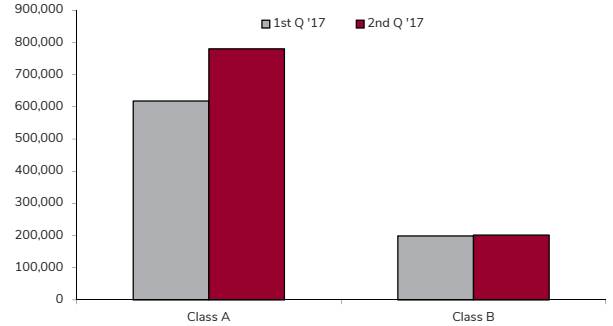


# QUARTER IN REVIEW




## PLEASANTON OFFICE AVAILABILITY

- AVAILABILITY  The Pleasanton Office Market has slipped from last quarter. The availability rate increased from 9.65% to 11.54%. 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.
- LEASE RATE  Prepared by Simon Vogt

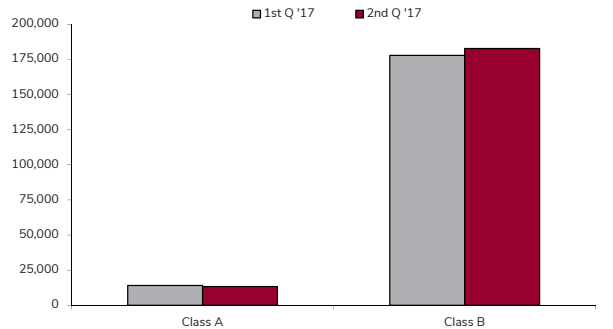
1<sup>st</sup> QUARTER '17 VS. 2<sup>nd</sup> QUARTER '17 AVAILABILITIES



## LIVERMORE OFFICE AVAILABILITY

- AVAILABILITY  The Livermore Office Market has slipped from last quarter. The availability rate increased from 13.23% to 13.51%. 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.
- LEASE RATE  Prepared by Simon Vogt

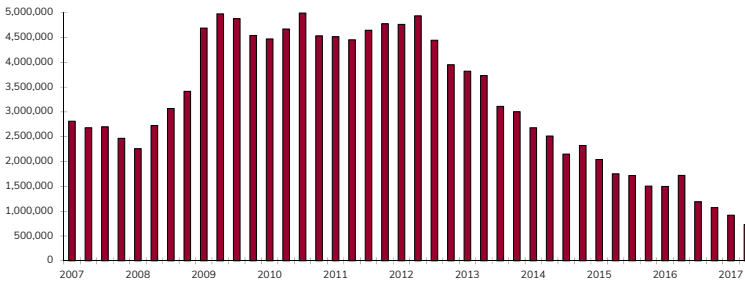
1<sup>st</sup> QUARTER '17 VS. 2<sup>nd</sup> QUARTER '17 AVAILABILITIES



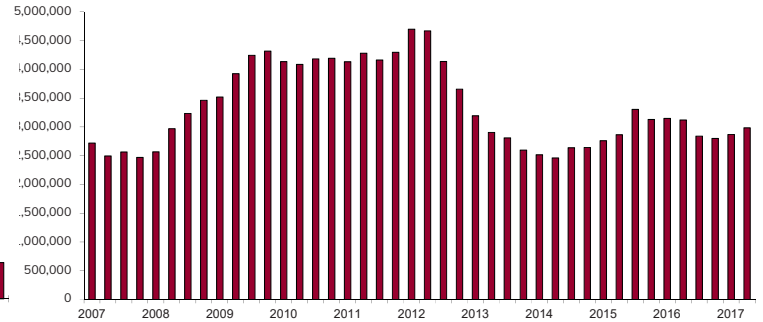
# QUARTER IN REVIEW

## TRI-VALLEY AVAILABILITY HISTORY

TRI-VALLEY INDUSTRIAL AVAILABLE HISTORY

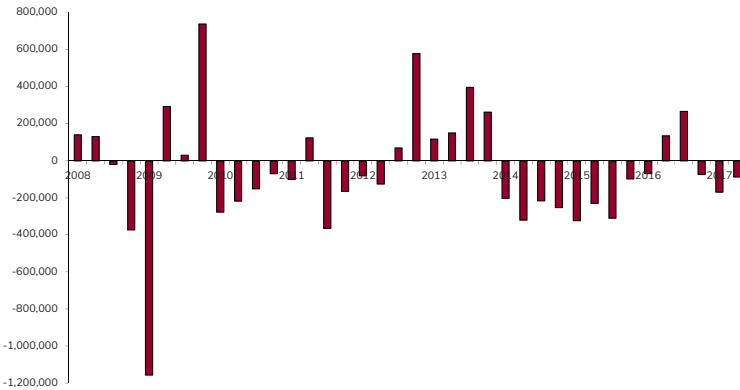


TRI-VALLEY OFFICE AVAILABLE HISTORY

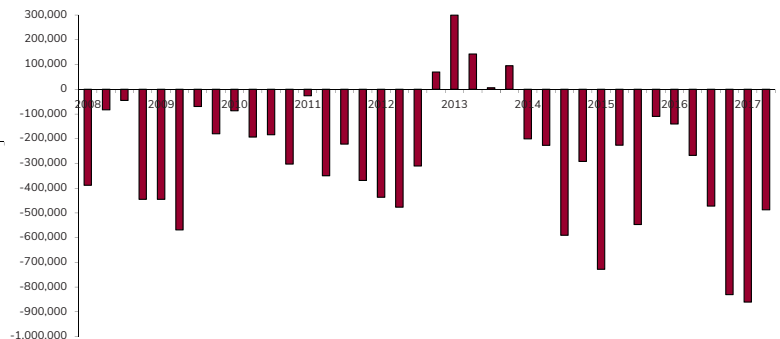


## TRI-VALLEY ABSORPTION HISTORY

TRI-VALLEY INDUSTRIAL ABSORPTION HISTORY

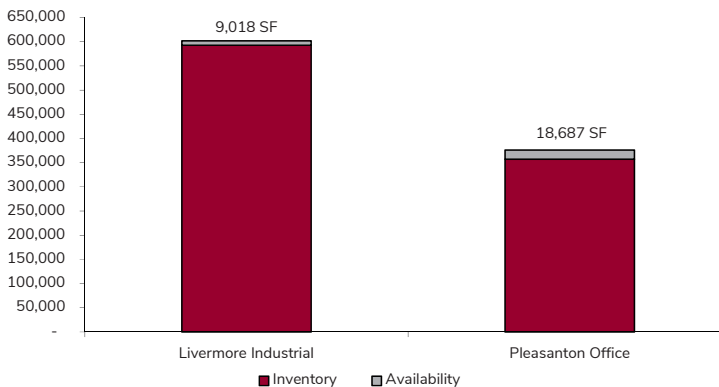


TRI-VALLEY OFFICE ABSORPTION HISTORY



## AVAILABILITY

CONDO AVAILABILITY



# TRANSACTIONS

**Industrial - 153,000± SF – SOLD**  
751 N. Canyons Pkwy., Livermore  
YEUNG FAMILY, LLC.



**Office - 28,821± SF – SOLD**  
100 N. Canyons Pkwy., Livermore  
ALAMEDA COUNTY FLOOD CONTROL



**Industrial - 6,070± SF – SOLD**  
262 Rickenbacker Cir., Livermore  
LIVEWORK SOLUTIONS, LLC.



**Industrial - 6,000± SF – SOLD**  
6310 Houston Pl., Ste. A, Dublin  
TOM & CRAIG GLAZIER



**Industrial - 2,704± SF – SOLD**  
425 Boulder Ct., Ste. 700, Pleasanton  
A.P. REAL ESTATE HOLDINGS, LLC.



**Industrial - 11,426± SF – LEASED**  
6902 Patterson Pass Rd., Ste. H, Livermore  
VIRTUES OF COFFEE, INC.



## LEE AVAILABLES

**INDUSTRIAL SPACE FOR LEASE**

15,382± SF  
2637 COLLIER CANYON RD.  
LIVERMORE



**OFFICE SPACE FOR SUBLEASE**

13,440± SF  
5000 EXECUTIVE PKWY., STE. 420  
SAN RAMON



**RETAIL BUILDING FOR SALE**

4,718± SF  
2172 RAILROAD AVE.  
LIVERMORE



**RETAIL SPACE FOR LEASE**

2,408± SF  
480 SAN RAMON VALLEY BLVD.  
DANVILLE



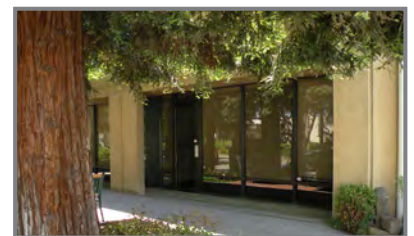
**OFFICE SPACE FOR LEASE**

736± SF  
6601 OWENS DR., STE. 135  
PLEASANTON



**INDUSTRIAL SPACE FOR LEASE**

1,645± SF  
7083 COMMERCE CIR., STE. A  
PLEASANTON



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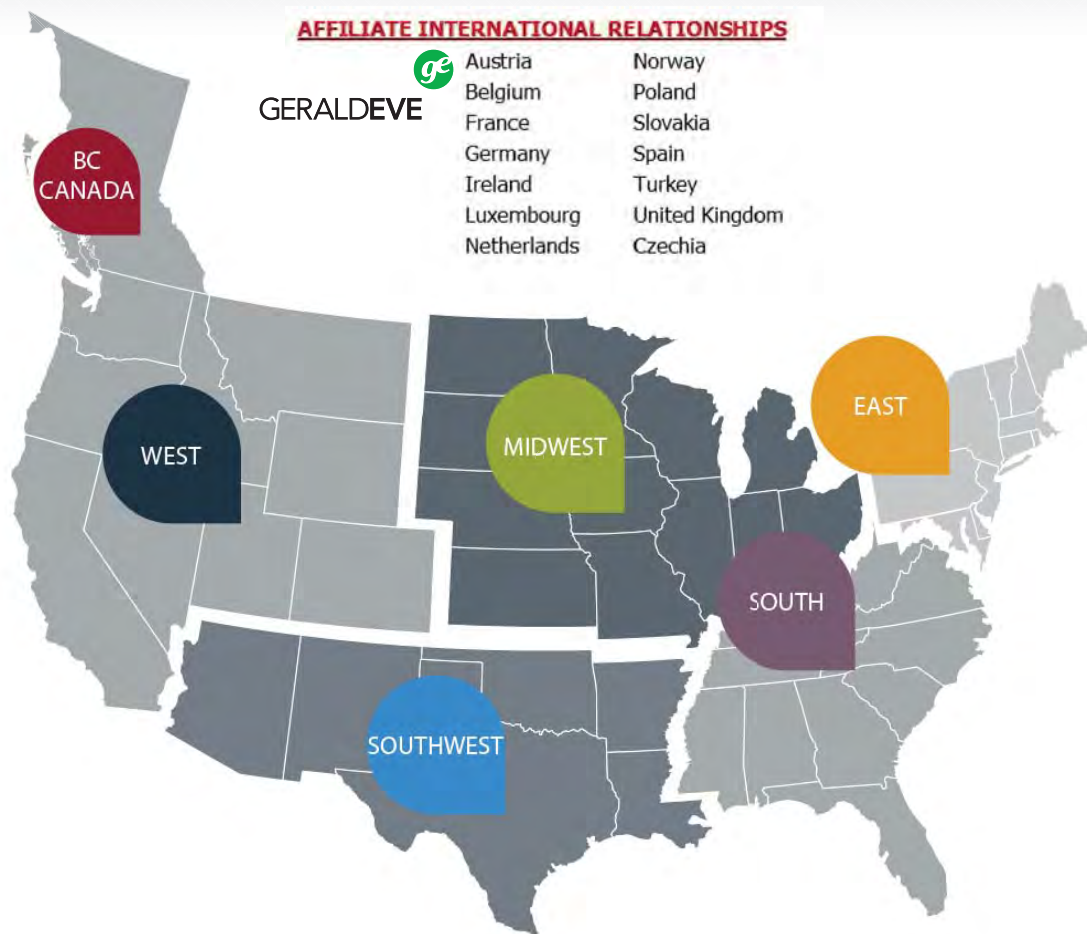
## ABOUT LEE & ASSOCIATES

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.



## 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.*



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