

EAST BAY

Retail Q1 2021



CUSHMAN & WAKEFIELD

\$114,000

Median HH Income

YoY
Chg12-Mo.
Forecast

0.7%

Population Growth



7.2%

Unemployment Rate

U.S. ECONOMIC INDICATORS
Q1 2021

0.2%

GDP Growth

YoY
Chg12-Mo.
Forecast

-1.6%

Consumer Spending
Growth

11.8%

Retail Sales Growth



Source: BLS, BOC, Moody's Analytics
2021Q1 data are based on latest available data.
Growth rates are year-over-year.

ECONOMY: Household Income Gradually Increases

The East Bay, encompassing Alameda and Contra Costa counties, recorded a 7.2% unemployment rate in the first quarter of 2021, up 410 basis points (bps) from 3.1% one year ago before the effects of the global pandemic and economic recession were felt. With the vaccine rollout, the economy has started to show some improvement in early 2021. Median household income was \$114,000, up 5.3% from \$108,300 a year ago. Meanwhile, the population in the East Bay grew by 0.7% year-over-year (YOY).

SUPPLY & DEMAND: Vacancy Rate Keeps Increasing

The shopping center vacancy in the East Bay continued to rise and was recorded at 6.4% in the first quarter of 2021, increased 20 bps from 6.2% last quarter and 70 bps from 5.7% one year ago. The vacancy rate in Alameda County was 5.9%, up from 5.4% last year; and in Contra Costa County it was 6.9%, up from 6.1% a year ago. By submarket, the vacancy rates ranged from 3.2% in the South 80 Corridor to 15.9% in Oakland.

Both Alameda and Contra Costa counties were in the State's purple tier early in the year, which meant tougher restrictions for retail capacity and indoor dining. The restrictions were lifted gradually with both counties moved into the red, and eventually the orange tier in March 2021. In the first quarter of 2021, the East Bay shopping center market recorded 65,000 square feet (sf) of negative net absorption. Contra Costa County contributed the most to retail space givebacks at negative 98,300 sf. Meanwhile, Alameda County posted positive net absorption of 33,300 sf.

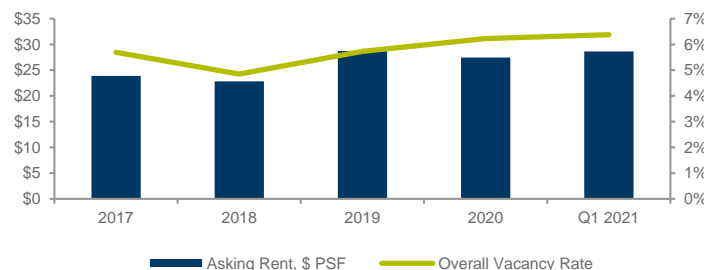
One new retail project was completed in the first quarter, namely Ice House, a ground floor retail condominium project in West Oakland. This added 15,700 sf to the East Bay retail market and brought the total retail inventory to 51.9 million square feet (msf) in the first quarter of 2021. Additionally, there is 69,900 sf of retail space under construction in the East Bay, including 24-Hour Fitness (38,300 sf) in Brentwood and Tivoli Plaza (31,600 sf) in Dublin.

A couple of major sale transactions were Kohl's in Pleasant Hill (102,200 sf) and ground floor retail space of Hotel Shattuck Plaza in Berkeley (92,500 sf). According to Real Capital Analytics' data, a total of 325,800 sf of retail space in the East Bay traded hands with the total investment sales were \$115.8 million in the first quarter of 2021.

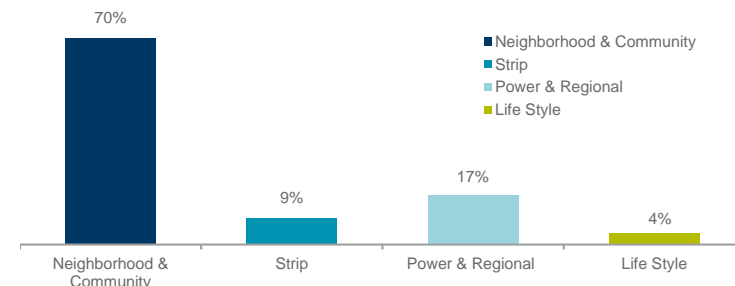
PRICING: Asking Rents Relatively Stable

The average asking rent in the East Bay in the first quarter of 2021 was \$28.63 per square foot (psf) on annual triple net basis, up minimally 0.4% from the last year's figure of \$28.53 psf. The rental rates range from \$19.27 psf for the Highway 4 submarket to \$32.19 psf in the 580 Corridor submarket.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE





MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	SUBLET VACANT (SF)	DIRECT VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Highway 4	8,940,384	59,881	712,465	8.6%	-44,186	-44,186	38,300	\$19.27
680 Corridor	11,564,491	20,583	672,172	6.0%	-42,571	-42,571	0	\$31.42
North 80 Corridor	4,009,098	0	216,719	5.4%	-11,560	-11,560	0	\$23.91
CONTRA COSTA COUNTY TOTALS	24,513,973	80,464	1,601,356	6.9%	-98,317	-98,317	38,300	\$25.03
South 80 Corridor	1,696,280	0	55,041	3.2%	1,522	1,522	0	\$28.05
Oakland	2,182,194	0	346,943	15.9%	6,043	6,043	0	\$28.13
880 Corridor	15,787,217	25,278	732,616	4.8%	-8,966	-8,966	0	\$30.94
580 Corridor	7,701,114	8,346	459,809	6.1%	34,742	34,742	31,606	\$32.19
ALAMEDA COUNTY TOTALS	27,366,805	33,624	1,594,409	5.9%	33,341	33,341	31,606	\$31.21
EAST BAY TOTALS	51,880,778	114,088	3,195,765	6.4%	-64,976	-64,976	69,906	\$28.63

*Rental rates reflect NNN asking

KEY LEASE TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	TENANT	RSF	TYPE
6203 Jarvis Avenue	880 Corridor	N/A	28,200	New Lease
10715-10739 MacArthur Boulevard	Oakland	Planet Fitness	21,800	New Lease
1697 Mount Diablo Boulevard (Olympia Place)	680 Corridor	N/A	19,000	New Lease
700 Camino Ramon (The Rose Garden)	680 Corridor	Face Reality	8,200	New Lease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q1 2021

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE/\$ PSF
2302 Monument Boulevard (Kohls)	680 Corridor	Berk Investments/Oxford Gardens LLC / Parview Financial-Afari	102,200	\$36.7M / \$359
2200-2240 Shattuck Avenue	South 80 Corridor	Hill Street Realty / CA Ventures	92,500	\$20.0M / \$216
2400-2428 Las Positas Road (Arroyo Plaza)	580 Corridor	JJCT Properties LLC / Alamo Business Corp	30,000	\$6.3M / \$208
942-972 San Pablo Avenue	South 80 Corridor	CL Meier; Friedman S Meier / Nanak Foundation Trust	23,600	\$8.0M / \$339
312 Railroad Avenue	680 Corridor	Ronald M Tate / Disher S Dhoot MD	22,800	\$7.4M / \$326

KEY CONSTRUCTION COMPLETIONS YTD 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
950-990 West Grand Avenue (Ice House)	Oakland	N/A	15,700	City Ventures

SOANY GUNAWAN

Senior Research Analyst

+1 415 658 3665 / soany.gunawan@cushwake.com

ROBERT SAMMONS

Senior Director

+1 415 773 3514 / robert.sammons@cushwake.com

cushmanwakefield.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global real estate services firm that delivers exceptional value for real estate occupiers and owners. Cushman & Wakefield is among the largest real estate services firms with approximately 50,000 employees in 400 offices and 60 countries. In 2020, the firm had revenue of \$7.8 billion across core services of property, facilities and project management, leasing, capital markets, valuation and other services. To learn more, visit www.cushmanwakefield.com or follow @CushWake on Twitter.

©2021 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable. The information may contain errors or omissions and is presented without any warranty or representations as to its accuracy.