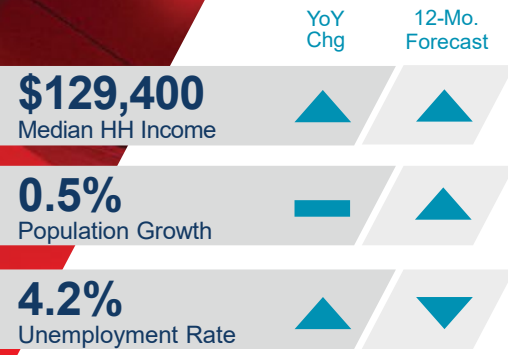


EAST BAY

Retail Q4 2023



ECONOMY: Unemployment Rate Increases

The East Bay, encompassing Alameda and Contra Costa counties, experienced an increase in its unemployment rate in the fourth quarter of 2023. The rate climbed 90 basis points (bps) from 3.3% last year to 4.2% at the end of 2023. Nonetheless, the region also recorded modest growth in its median household income, which increased by 3.4% from \$125,100 in 2022 to \$129,400 by the close of 2023. In addition, the population demonstrated consistent growth at 0.5%.

SUPPLY & DEMAND: Vacancy Rate Declines

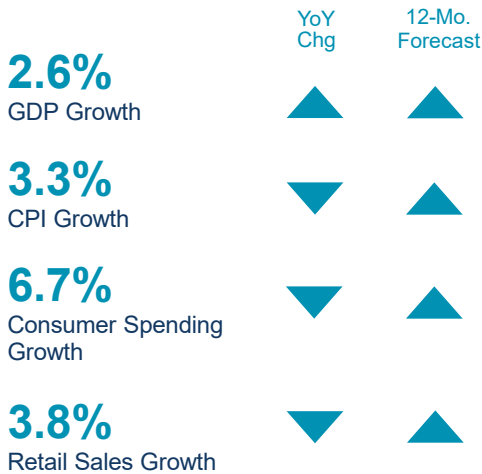
For the fifth consecutive quarter, the retail market in the East Bay witnessed a decline in its vacancy rate, reaching 6.5% in the fourth quarter of 2023. This was a decrease of 10 bps from last quarter's 6.6% and 70 bps from last year's 7.2%. The vacancy rate had reached its peak at 7.3% in the third quarter of 2022 and has been on a downward trend since then. By counties, the vacancy rates were 5.7% (down from 6.2% last year) for Alameda County and 7.3% (down from 8.3% last year) for Contra Costa County.

The East Bay retail market continued to show positive signs of recovery in 2023, with every quarter registering positive absorption and a net increase in occupied space. In the fourth quarter of 2023, there was net absorption of 56,900 square feet (sf), bringing the total annual net absorption to 388,500 sf in 2023. This marked a significant improvement from the figure in 2022, which stood in red at -183,700 sf. Notably, this represented the first positive annual absorption recorded since 2018. Contra Costa County contributed to 31,600 sf and Alameda County contributed to 25,300 sf of net absorption in the fourth quarter of 2023.

There was no new completion of retail spaces in the East Bay in the fourth quarter of 2023, with the market maintaining total inventory at 51.9 million square feet (msf) and leaving nearly 3.4 msf of vacant retail space. Furthermore, there is just a single under-construction retail project – Plaza Gale Ranch Phase IV in San Ramon spanning 125,000 sf.

The retail investment market showed limited activity in the last quarter of 2023 with only three properties with a total of 45,100 sf changing ownership. Investment sales in the fourth quarter came in at \$14.0 million, bringing the total investment volume in the East Bay in 2023 to \$425.3 million or only 32.3% of the total retail investment of \$1.3 billion in 2022.

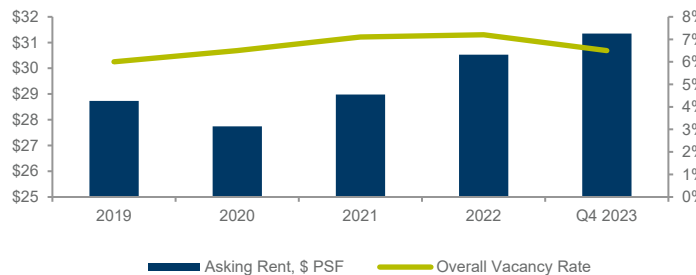
U.S. ECONOMIC INDICATORS Q4 2023



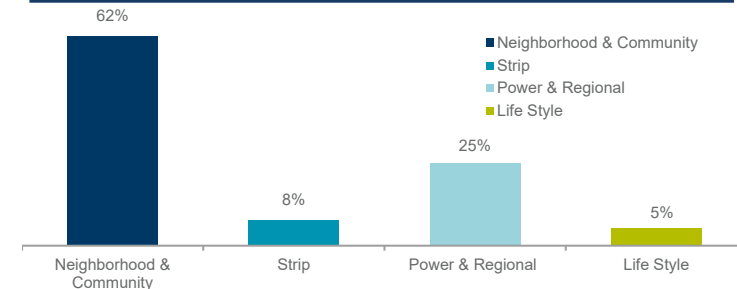
PRICING: Average Asking Rents Rises

The average asking rent in the East Bay stood at \$31.35 per square feet (psf) on an annual triple net basis, increasing marginally by 0.2% from last quarter's figure and 2.7% from \$30.53 psf rate last year. The rental rates ranged from \$24.82 psf in the Highway 4 submarket to \$44.27 psf in Oakland.

RENT / VACANCY RATE



AVAILABILITY BY PRODUCT TYPE



Source: BLS, BOC, Moody's Analytics, Costar, RCA
Q4 2023 data are based on latest available data.
Growth rates are year-over-year.

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	8,835,695	16,868	690,779	8.0%	38,453	223,087	0	\$24.82
680 Corridor	11,528,934	600	833,500	7.2%	-29,937	55,807	125,000	\$33.89
North 80 Corridor	4,150,965	85,852	171,706	6.2%	23,109	-35,682	0	\$29.15
CONTRA COSTA COUNTY TOTALS	24,515,594	103,320	1,695,985	7.3%	31,625	243,212	125,000	\$29.04
South 80 Corridor	1,595,550	5,481	23,617	1.8%	-5,481	3,594	0	\$36.00
Oakland	2,258,904	250	239,215	10.6%	12,671	92,536	0	\$44.27
880 Corridor	15,761,360	48,500	853,322	5.7%	-4,372	-24,099	0	\$31.97
580 Corridor	7,807,654	15,797	370,658	4.9%	22,474	73,261	0	\$39.70
ALAMEDA COUNTY TOTALS	27,423,468	70,028	1,486,812	5.7%	25,292	145,292	0	\$34.37
EAST BAY TOTALS	51,939,062	173,348	3,182,797	6.5%	56,917	388,504	125,000	\$31.35

*Rental rates reflect NNN asking

KEY LEASE TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	TENANT	RSF	TYPE*
5140 Mowry Avenue (Mowry East Shopping Center)	Fremont	Planet Fitness	18,400	New Lease
5130 Mowry Avenue (Mowry East Shopping Center)	Fremont	India Metro Hypermarket	17,800	New Lease
46844 Mission Boulevard (Fremont Town Center)	Fremont	Harbor Freight Tools	15,100	New Lease
4340 Bond Street	Oakland	Mi Pueblo Grocery	14,200	New Lease
4242 Broadway	Oakland	UCSF Benioff Children's Hospital Oakland	12,800	Sublease

*Renewals not included in leasing statistics

KEY SALES TRANSACTIONS Q4 2023

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
2416 San Ramon Valley Blvd (Pointe West Plaza)	San Ramon	Ramon West LLC / Dee Hon Lee; Jessica Lee	17,400	\$5.7M / \$327
14280 San Pablo Avenue (Walgreens)	San Pablo	Walgreens / Orion RE Group	14,800	\$5.3M / \$355
1639 San Pablo Avenue	Berkeley	Pacific Basin LLC / Wang Brothers Investments LLC	12,900	\$3.0M / \$233

KEY CONSTRUCTION COMPLETIONS YTD 2023

PROPERTY	SUBMARKET	MAJOR TENANT	SF	OWNER / DEVELOPER
N/A	N/A	N/A	N/A	N/A

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