



East Bay - Oakland industrial market report

Q2 2022

**AVISON
YOUNG**

Industrial market trends

01

Investment Boom

Investor interest and values in industrial product is at an all-time high around the country, and the East Bay is no different. While sales volume was average in Q2 2022, the price per square foot reached an all-time high hovering at more than \$300.

02

Minor Occupancy Hiccup

After multiple quarters of positive absorption, Q2 2022 experienced a minor dip in activity reporting 53K square feet of negative absorption. Albeit, with new supply coming onto the market and rising rents, this appears to be more of a hiccup than a shifting trend.

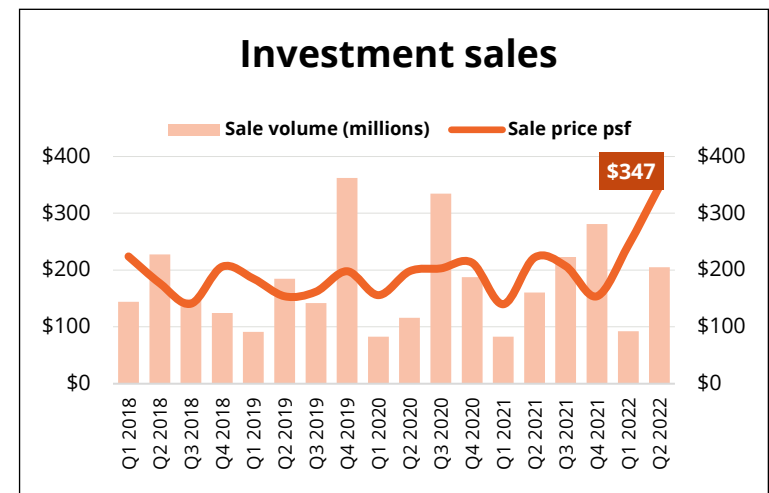
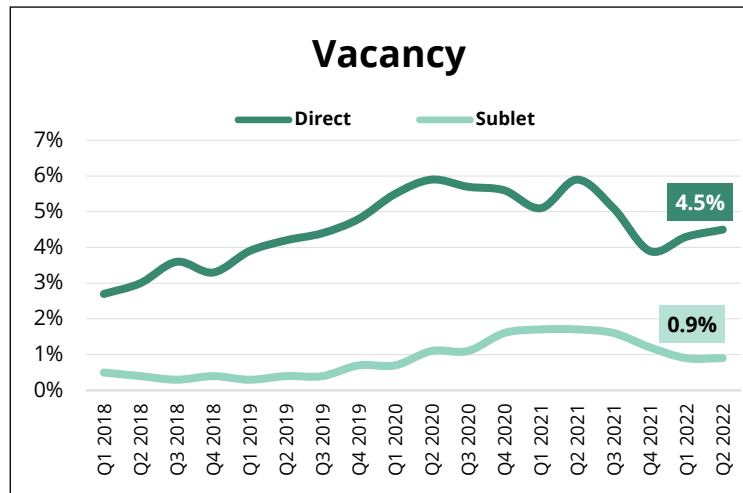
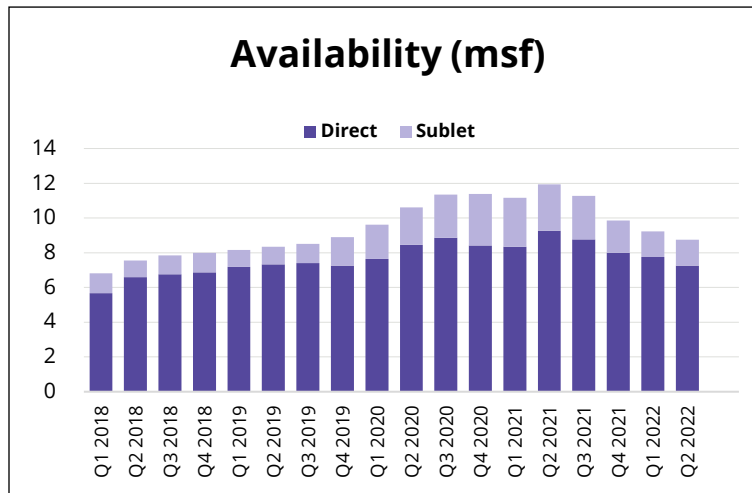
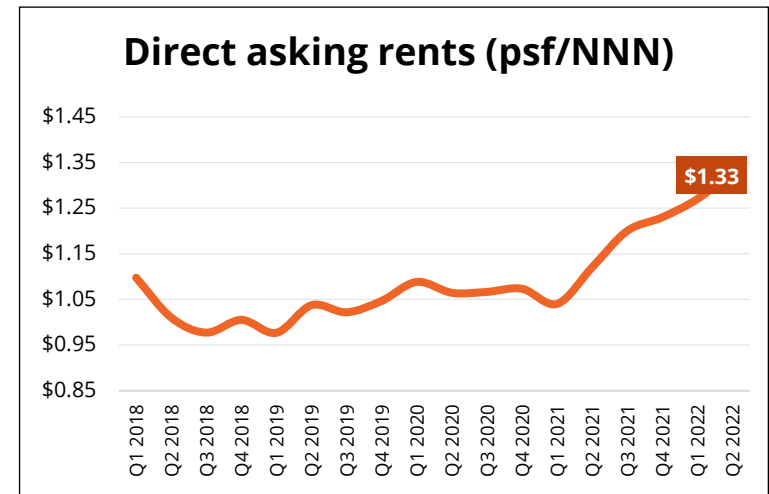
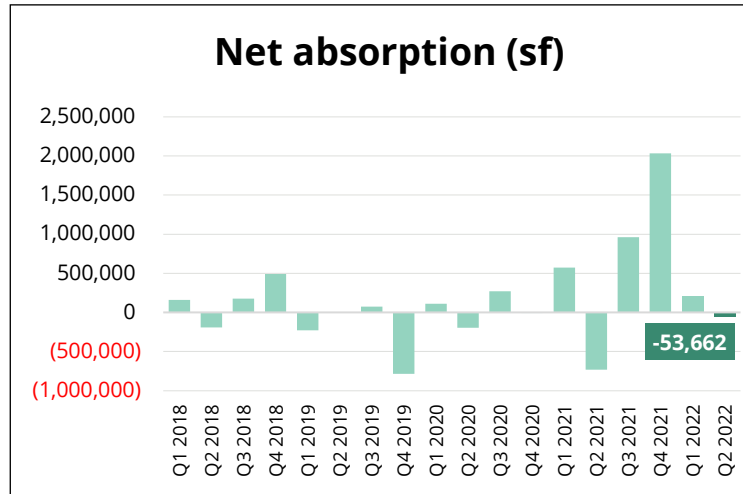
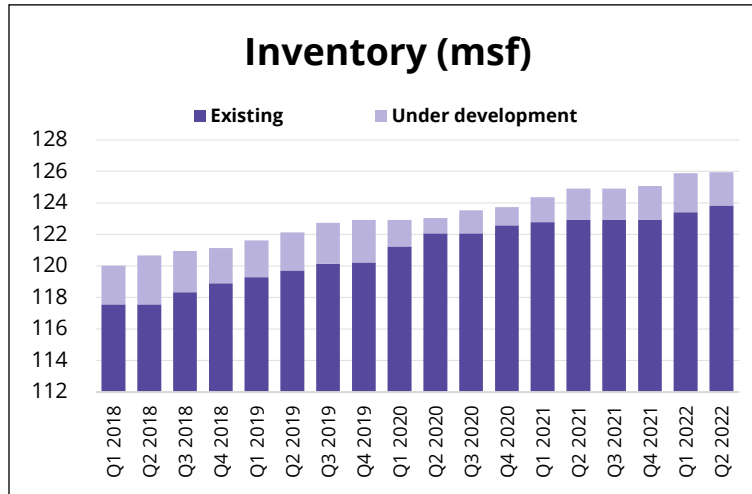
03

Rising Rents

East Bay industrial asking rents continued on the same upward trajectory they've been on since the beginning of 2021. Asking rents have increased by nearly 15% since Q2 2021 and 22% since Q2 2019. Positive leasing demand has kept rents on the upswing post pandemic.



Industrial market indicators



Industrial market activity

Recent leasing activity

Tenant name	Address	Sign date	Size	Transaction type	Lease type	Term
	7395 Morton Ave	May-22	161,680	New	Direct	
The Companion Group	25858-25864 Clawiter	May-22	160,000	New	Direct	3 years 5 months
CED Greentech	31250-31260 Wiegman Rd	Apr-22	84,480	New	Direct	6 years
TireHub	6345 Coliseum Way	Jun-22	58,530	New	Direct	10 years
Eikon Therapeutics	24590 Clariwater Rd	Aug-21	52,945	New	Direct	6 Years

Recent sales activity

Buyer	Address	Sale date	Sale price	Sale price psf	% Leased at Sale	Seller
Duke Realty	7741 San Leandro St	May 2022	\$62,800,000	\$584.29	100%	McWane, Inc
Prologis	3600 Depot Rd	Apr 2022	\$36,500,000	\$83.79 (land)	100%	Barry Gallagher
East Group Properties	1514-1586 Zephyr Ave	Apr 2022	\$28,500,000	\$347.22	42.1%	Mason Properties
LBA Realty	2801-2809 Faber St	May 2022	\$22,630,000	\$406.69	100%	Faber Street Woodworks
Terreno Realty Corporation	2953-2999 Teagarden St	Jun 2022	\$19,720,000	\$323.45	100%	Reynold & Brown

Large contiguous space availabilities

Owner	Address	Date available	Block size	Listing Type	Space Type
Prologis	500 Pittsburg Ave	Jun 2019	481,487	Direct	Distribution
Prologis	22290 Hathaway Ave	Feb 2022	297,050	Direct	Manufacturing
Aitchison Family Properties	222 Grant Ave	Jun 2020	276,013	Direct	Manufacturing
Simon Propety Group	3199 Alvarado St	Jun 2021	132,721	Sublease	Warehouse

Industrial market stats by submarket

By Submarket	Inventory (sf)	Total %	Vacancy		Net Absorption		SF Under	Average Asking Rent (NNN)		
			W / D	Flex	1Q22	YTD	Construction	Total	W / D	Flex
Richmond	14,861,732	5.80%	6.10%	5.50%	41,284	404,115	690,180	\$1.22	\$1.13	\$1.24
Oakland	27,834,404	8.00%	6.70%	13.10%	-279,873	-466,784	534,208	\$1.43	\$1.25	\$1.63
San Leandro	19,683,233	4.00%	3.90%	6.10%	255,135	267,823	0	\$1.01	\$0.97	\$1.45
Hayward	36,208,786	5.40%	4.70%	10.10%	-108,606	-71,590	881,835	\$1.36	\$1.22	\$2.31
Union City	13,484,285	3.00%	3.10%	1.90%	126,794	117,471	0	\$1.29	\$1.26	\$1.48
Newark	11,627,021	3.90%	2.80%	6.60%	-88,356	11,680	0	\$2.19	\$2.04	\$2.07
Market Total	123,699,461	5.4%	4.55%	7.22%	-53,622	262,715	2,106,223	\$1.33	\$1.31	\$1.70

For more market insights
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