

# OAKLAND METROPOLITAN OFFICE MARKET REPORT

Sales activity was much slower this quarter, some of the significant transactions that closed were:

2001 Broadway, Oakland | \$19,478,000  
SOLD to HP Investors

2000 Franklin Street, Oakland | \$13,900,000  
SOLD to The California Endowment, an owner-user

1936 University Avenue, Berkeley | \$13,425,000  
SOLD to Graham Street Realty

We expect the Oakland Metropolitan office market to remain hot in 2016 as demand levels remain at historic levels. Despite the hot market there is no office development scheduled to start in the foreseeable future. Looking ahead, the main challenges moving forward will be the lack of supply and the uncertainty in the global markets, in particular China. We still anticipate rates to continue to increase and large blocks of space to be leased in the next couple quarters of 2016.

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!

The Oakland Metropolitan office market enjoyed another quarter of positive absorption to start 2016. Leasing and sale activity in the 1st quarter of 2016 was much slower than previous quarters as supply is very limited. Overall vacancy in the Oakland Metropolitan office market is down to 6.8% from 8.9% recorded in the final quarter of 2015.

The majority of positive absorption was seen in the Oakland CBD and Jack London Square submarkets. The Lake Merritt submarket enjoyed ±55,790 square feet of positive absorption and the City Center submarket had ±9,500 square feet of occupancy gains. The largest transaction was Geosyntec's ±23,978 square foot lease of 1111 Broadway. Jack London Square had ±25,430 square feet of positive absorption due in large part to Sungevity renewing and expanding into ±40,985 square feet at 66 Franklin Street.

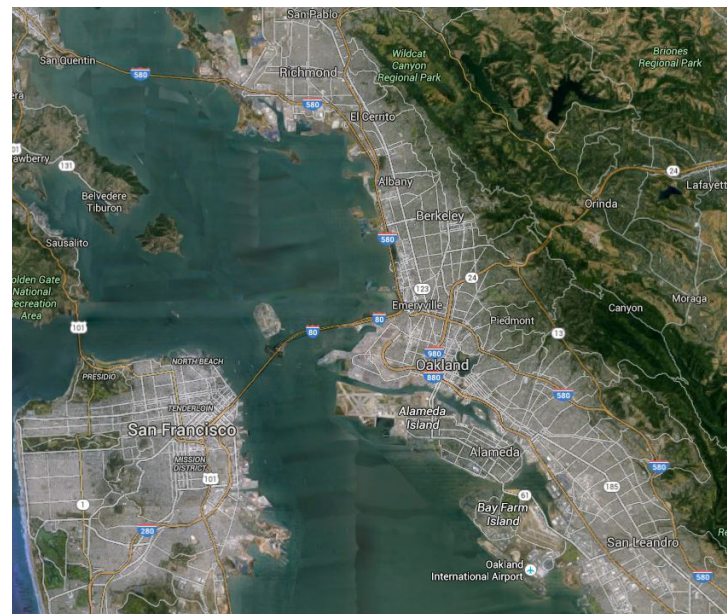
In Emeryville, MedAmerica's renewal and expansion of ±72,367 square feet at 2100 Powell Street was the largest lease transaction of the quarter. Going forward, we expect to see some large lease transactions in Emeryville as it has some of the last remaining large blocks of space in the market. The January sale of 1650 65th Street to Gerding Edlen was the largest sale transaction of the entire market.

Leasing activity remained slow in Berkeley this quarter as supply in West Berkeley and Downtown is minimal. In Alameda, American Cancer Society's ±19,968 square foot lease in Marina Village highlighted the quarter.

## MARKET SNAPSHOT



Oakland Office Inventory:	29,524,002
Oakland Office Availability:	2,006,121
Oakland Office Availability Rate:	6.8%





# QUARTER IN REVIEW

## OAKLAND MARKET STATISTICS | 1ST QUARTER • 2016

SUBMARKET	INVENTORY	AVAILABILITY			AVAILABILITY RATE		ABSORPTION Net Absorption	AVERAGE ASKING RENT	
		Direct SF	Sublease SF	Available SF	Direct	Total		All Buildings	Class A
CITY CENTER OAKLAND	5,078,322	205,510	0	205,510	4.0%	4.0%	9,500	\$3.65	\$4.05
LAKE MERRITT OAKLAND	6,954,430	144,750	6,700	151,450	2.1%	2.2%	55,790	\$3.80	\$4.21
JACK LONDON SQUARE	1,648,373	52,390	5,150	57,540	3.2%	3.5%	25,430	\$2.53	\$4.05
OAKLAND AIRPORT	2,119,852	406,458	1,500	407,958	19.2%	19.2%	(13,030)	\$1.47	\$2.25
NORTHERN ALAMEDA	1,653,990	175,450	25,875	201,325	10.6%	12.2%	17,320	\$2.21	\$2.50
SOUTHERN ALAMEDA	1,877,400	358,670	0	358,670	19.1%	19.1%	3,682	\$2.12	\$2.17
EMERYVILLE	4,114,732	313,640	123,450	437,090	7.6%	10.6%	(35,670)	\$3.31	\$3.65
DOWNTOWN BERKELEY	2,136,789	45,740	0	45,740	2.1%	2.1%	11,420	\$2.81	\$3.39
WEST BERKELEY	1,324,646	7,450	0	7,450	0.6%	0.6%	(3,000)	\$2.93	N/A
RICHMOND	2,615,468	133,388	0	133,388	5.1%	5.1%	21,405	\$1.86	\$2.34
<b>MARKET TOTALS</b>	<b>29,524,002</b>	<b>1,843,446</b>	<b>162,675</b>	<b>2,006,121</b>	<b>6.2%</b>	<b>6.8%</b>	<b>92,847</b>	<b>\$2.67</b>	<b>\$3.15</b>

**LEASED | 72,367 SF**



**MEDAMERICA, INC.**  
2100 POWELL STREET  
EMERYVILLE

**LEASED | 40,985 SF**



**SUNGEVITY**  
66 FRANKLIN STREET  
OAKLAND

**LEASED | 23,978 SF**



**GEOSYNTEC**  
1111 BROADWAY  
OAKLAND

**LEASED | 19,698 SF**



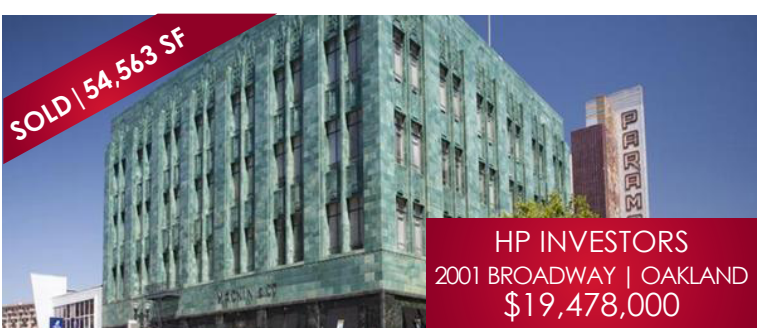
**AMERICAN CANCER SOCIETY**  
1001 MARINA VILLAGE PKWY  
ALAMEDA

**SOLD | 127,246 SF**



**GERDING EDLEN**  
1650 65TH | EMERYVILLE  
\$30,500,000

**SOLD | 54,563 SF**



**HP INVESTORS**  
2001 BROADWAY | OAKLAND  
\$19,478,000

**SOLD | 42,665 SF**



**GRAHAM STREET REALTY**  
1936 UNIVERSITY AVE. | BERKELEY  
\$13,425,000

**SOLD | 33,241 SF**



**THE CA. ENDOWMENT**  
2001 BROADWAY | OAKLAND  
\$13,900,000



### WHO IS LEE & ASSOCIATES?

Celebrating more than 36 years of leadership excellence in commercial real estate, Lee & Associates is the largest broker-owned firm in the country with locations across the nation including California, Colorado, Arizona, Florida, Georgia, Idaho, Illinois, Indiana, Kansas, Maryland, Michigan, Missouri, Nevada, New Jersey, New York, Ohio, Pennsylvania, South Carolina, Texas, and Wisconsin. With more than 800 brokers nationwide, Lee & Associates provides a wide range of specialized commercial real estate services on a local, regional and national level.

### THE LEE ADVANTAGE

**FAST CLIENT RESULTS.** As company owners, Lee Principals have a vested interest in the swift, successful completion of client assignments and transactions. Our associate brokers continually strive to earn ownership standing, encouraging a coordinated team effort and fast and effective results for clients.

**STREAMLINED PERSONAL SERVICE.** Each Lee group office is owned and operated by brokers in that office. Clients deal directly with decision makers, not with an unwieldy corporate bureaucracy like many of our competitors.

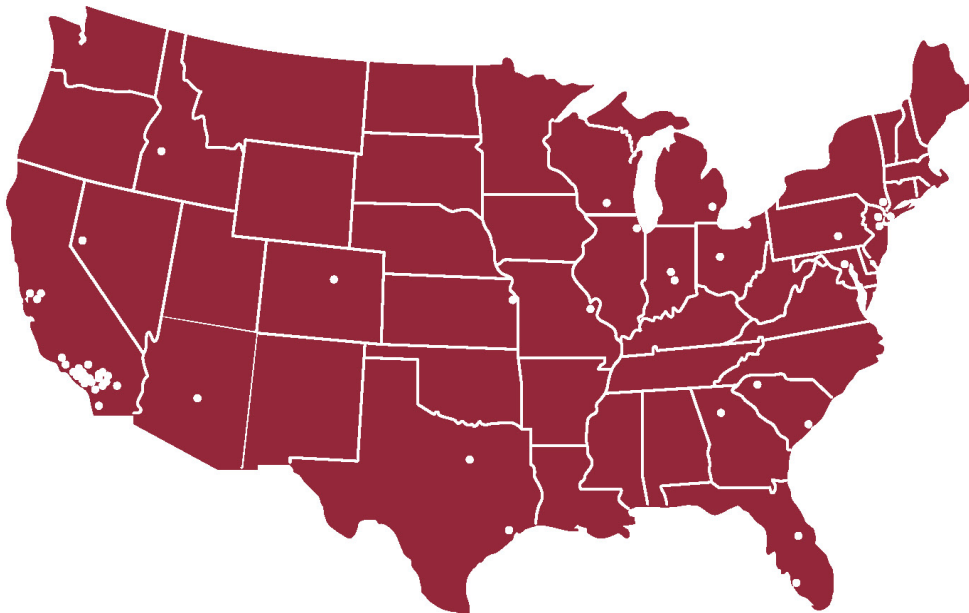
**EXPERIENCE COUNTS.** The average number of years experience of Lee's principal commercial brokers is 15-20 years. Our unique profit-sharing structure attracts the best people as owner brokers, only those with exceptional skills, confidence and ethical practice.

**LONG-TERM RELATIONSHIP.** Lee & Associates boasts the lowest turnover rate in the industry. Our ownership structure encourages longevity, allowing for long term relationships with clients.

**IN-DEPTH MARKET KNOWLEDGE.** Each Lee group office is committed to providing the best data and analysis for the market it serves. No other commercial real estate company has made specialized market knowledge and research as central to its business practice.

**BUSINESS STABILITY.** Since inception, each Lee & Associates group office has been profitable, privately-held and managed by its individual shareholders. Newly formed offices are stable, debt-free operations, with all start-up capital funded by shareholders of all offices through Lee's Venture Capital Group.

**STRONG NATIONAL AFFILIATIONS.** Lee & Associates maintains affiliations with recognized brokers in all major U.S. real estate markets. Lee's national organization affiliations include: SIOR, NACOR, IFMA, CRE, ICSC, IAMC, CoreNet & Lambda Alpha.



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