

LOCAL EXPERTISE INTERNATIONAL REACH WORLD CLASS

MARKET SNAPSHOT

North I-880 Industrial Inventory:	57,097,452
North I-880 Industrial Availability:	1,612,106
North I-880 Industrial Availability Rate:	2.82%
I-880 Industrial Inventory:	79,292,224
I-880 Industrial Availability:	2,076,734
I-880 Industrial Availability Rate:	2.62%
Fremont/Newark Industrial Inventory:	55,613,739
Fremont/Newark Industrial Availability:	2,007,224
Fremont/Newark Industrial Availability Rate:	3.61%

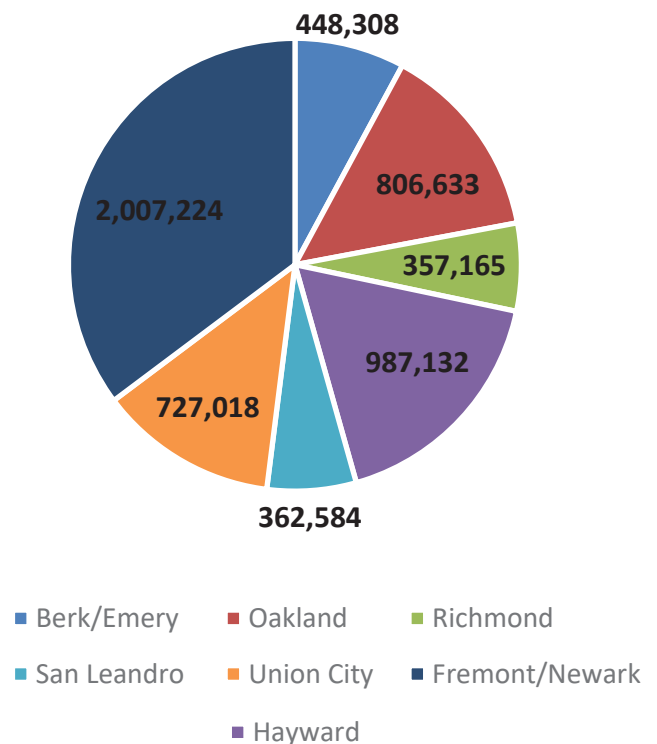
We continue to see strength along the I-880 Corridor with tenant and investor demand in all product sectors. Additionally, developers are looking at any dirt or building they can scrape to redevelop or build on. Class "A" warehouse space is leasing as high as \$0.90 NNN, as demand spills over from the West Bay/Peninsula Market. Some of the concerns facing our market is that many cities are starting to turn their backs on traditional warehouse operations, in hope of landing "advanced manufacturing" oriented businesses that will have heavier employee numbers, less truck traffic and can potentially deliver more tax revenue to the City coffers. Check out our "under construction" section for some of these new developments.

The industrial sale market is also showing incredible resilience. We have seen several buildings sell above construction cost in both Hayward and San Leandro, a phenomenon that is not often seen historically in our market, but yet another positive sign for the I-880 Corridor

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. We look forward to working with you!

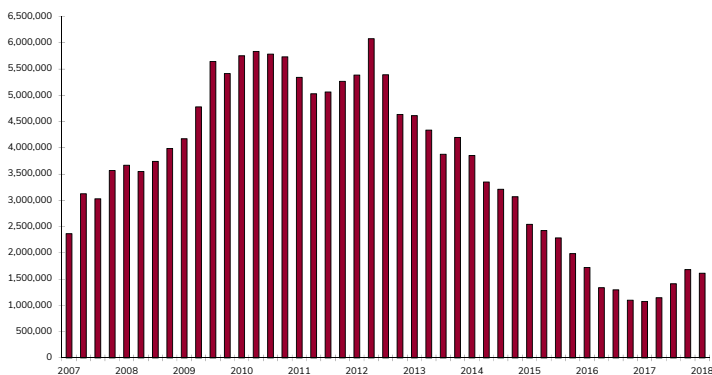
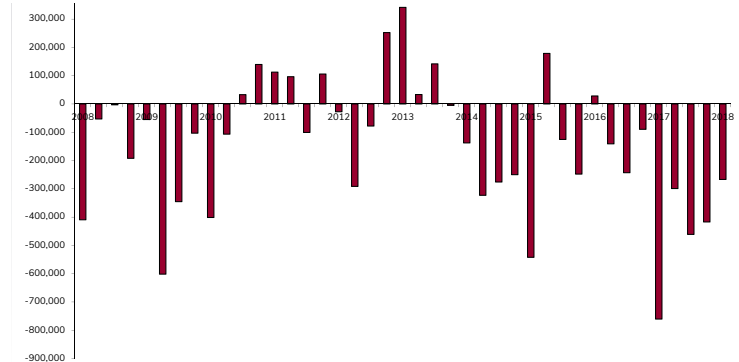
- Craig Hagglund, SIOR, Managing Principal
Lee & Associates - Oakland

TOTAL AVAILABLE SF BY SUBMARKET



Lee & Associates maintains an up-to-date database of all available properties and sold/leased properties.

MARKET	INVENTORY		AVAILABILITY			AVAILABILITY RATE	
	Buildings	Total SF	Direct SF	Sublease SF	Available SF	Direct	Total
BERKELEY/EMERYVILLE							
INDUSTRIAL/WAREHOUSE	420	9,156,184	332,399	22,302	354,701	3.63%	3.87%
FLEX/R&D	81	3,351,146	93,607	0	93,607	2.79%	2.79%
TOTAL	501	12,507,330	426,006	22,302	448,308	3.41%	3.58%
OAKLAND							
INDUSTRIAL	1,239	22,640,266	398,838	3,000	401,838	1.76%	1.77%
MULTI TENANT/INCUBATOR	42	291,246	18,287	0	18,287	6.28%	6.28%
FLEX/R&D	116	1,983,760	7,700	0	7,700	0.39%	0.39%
WAREHOUSE/DIST	82	6,304,505	171,128	207,680	378,808	2.71%	6.01%
TOTAL	1,479	31,219,777	595,953	210,680	806,633	1.91%	2.58%
RICHMOND							
INDUSTRIAL	286	7,002,848	195,973	7,500	203,473	2.80%	2.91%
MULTI TENANT/INCUBATOR	23	1,142,316	10,626	3,000	13,626	0.93%	1.19%
FLEX/R&D	22	813,882	29,321	0	29,321	3.60%	3.60%
WAREHOUSE/DIST	39	4,411,299	110,745	0	110,745	2.51%	2.51%
TOTAL	370	13,370,345	346,665	10,500	357,165	2.59%	2.67%
MARKET TOTAL	2,350	57,097,452	1,368,624	243,482	1,612,106	2.40%	2.82%

AVAILABLE/ABSORPTION HISTORY**NORTH I-880 AVAILABLE****NORTH I-880 ABSORPTION**

BERKELEY/EMERYVILLE INDUSTRIAL - RYAN DAVIDSON

The Berkeley/Emeryville Market was quiet in the 1st Quarter of 2018. West Berkeley is reporting a couple of new small building sales and leases. Emeryville is not reporting any sale or leases of significance this Quarter but we are monitoring a handful of pending transactions in that market that will come to fruition in the near future.

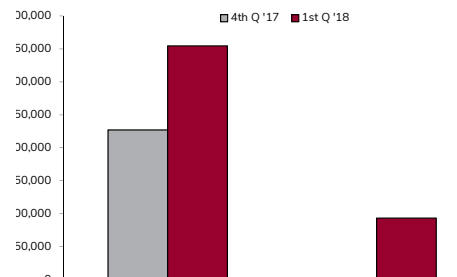
Notable Sale from the 1st Quarter:

- 22,726±SF to Terminal Manufacturing Company | 707 Gilman Street

Notable Lease from the 1st Quarter:

- 20,919±SF to WorldPAC, Inc. | The Flint Ink Facility

Lastly, Craig Hagglund & I are currently marketing a highly unique 90,000±SF leasing opportunity on 4th Street in Berkeley. Please keep it in mind for any and all warehousing and storage needs as the ownership is ready and motivated to make a deal!



OAKLAND INDUSTRIAL - DREW FISCHER

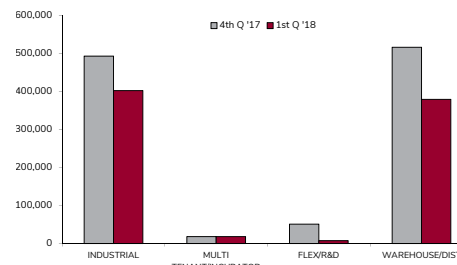
The First Quarter of 2018 in the Oakland Industrial Real Estate market again showed why it is considered one of the strongest sectors in the country. There were notable transactions on both the lease and sale side coming from all the key players; REIT Investment, Cannabis, and Owner-User. Rents and per square foot sales prices continue to rise deal by deal and with less than 2% vacancy we expect conditions to continue.

Notable Sales from the 1st Quarter:

- 205,927±SF to LBA Realty | 8511 Blaine Street
- 150,000±SF to Green Sage Merchant Bank | 5733 San Leandro Street
- 39,540±SF to Pace Supply Company | 425 Market Street

Notable Leases from the 1st Quarter:

- 256,00±SF to PODS | Oakland Global Logistics Center Phase I
- 158,133±SF to Veronica Foods (renewal) | 1901 - 1991 Dennison Street



RICHMOND INDUSTRIAL - BRIAN BARDEN

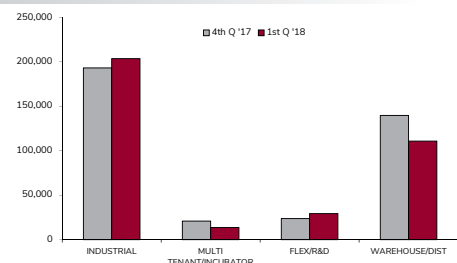
The leasing market has recently had a few vacancies come to the marketplace but the activity continues to be strong, signaling that the market is continuing on its trend upward. The sales market has been strong for some time now and this Quarter was not any different. The Richmond market remains very active, and with the new construction that is starting to trickle onto the market, the future looks very bright!

Notable Sale from the 1st Quarter:

- 23.95± Acres to Center Point Properties Trust | 506 Brookside Drive

Notable Leases from the 1st Quarter:

- 19,481±SF to CityLeaf, Inc. | 1045 Hensley Street
- 17,180±SF to S. 31st Property Management LLC | 543 & 525 S. 31st Street



I-880 Corridor Quarterly Report

I-880 MARKET STATISTICS

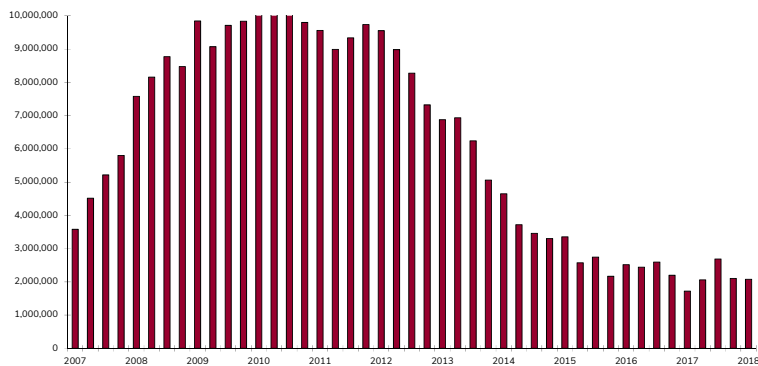
FIRST QUARTER 2018

QUARTER IN REVIEW

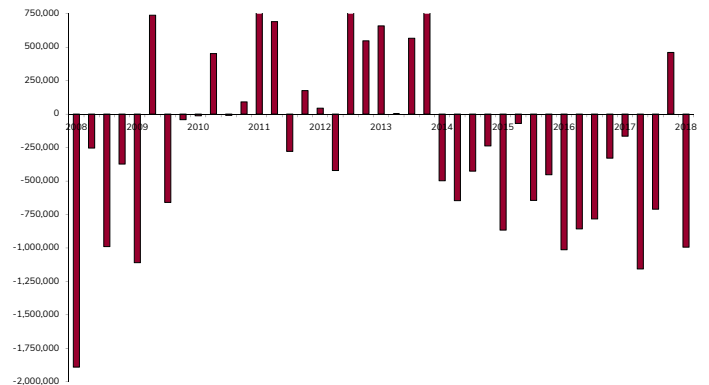


MARKET	INVENTORY		AVAILABILITY			AVAILABILITY RATE	
	Buildings	Total SF	Direct SF	Sublease SF	Available SF	Direct	Total
HAYWARD							
INDUSTRIAL	858	16,133,151	153,443	40,898	194,341	0.95%	1.20%
MULTI TENANT/INCUBATOR	166	2,171,194	44,090	0	44,090	2.03%	2.03%
FLEX/R&D	72	3,301,188	167,962	4,873	172,835	5.09%	5.24%
WAREHOUSE/DIST	224	21,550,651	390,906	184,960	575,866	1.81%	2.67%
TOTAL	1,320	43,156,184	756,401	230,731	987,132	1.75%	2.29%
SAN LEANDRO							
INDUSTRIAL	411	12,417,793	228,618	33,864	262,482	1.84%	2.11%
MULTI TENANT/INCUBATOR	29	595,162	7,060	0	7,060	1.19%	1.19%
FLEX/R&D	34	1,386,848	6,686	0	6,686	0.48%	0.48%
WAREHOUSE/DIST	94	7,566,968	86,356	0	86,356	1.14%	1.14%
TOTAL	568	21,966,771	328,720	33,864	362,584	1.50%	1.65%
UNION CITY							
INDUSTRIAL	109	3,443,173	97,501	8,100	105,601	2.83%	3.07%
MULTI TENANT/INCUBATOR	21	377,632	0	0	0	0.00%	0.00%
FLEX/R&D	15	438,401	13,005	0	13,005	2.97%	2.97%
WAREHOUSE/DIST	105	9,910,063	313,570	294,842	608,412	3.16%	6.14%
TOTAL	250	14,169,269	424,076	302,942	727,018	2.99%	5.13%
MARKET TOTAL	2,138	79,292,224	1,509,197	567,537	2,076,734	1.90%	2.62%

AVAILABLE/ABSORPTION HISTORY



I-880 AVAILABLE



I-880 ABSORPTION

HAYWARD INDUSTRIAL - CRAIG HAGGLUND, SIOR

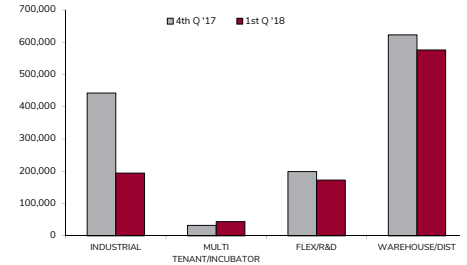
The Hayward market, being the most well located and central location to all areas, remains one of the hottest areas of the I-880 Corridor, with record low vacancy rates and historically high lease rates. Black Creek is soon starting a large spec Class "A" warehouse project on the west end of Winton Avenue. The 550,000±SF warehouse project will break ground shortly and is hoping to achieve lease rates in the mid \$0.80's NNN per month.

Notable Sales from the 1st Quarter:

- 236,976±SF to Duetsche Assett & Wealth Management | 3596 Arden Road
- 24,360±SF to Roddan Investors, LLC | 3486 Investment Boulevard

Notable Leases from the 1st Quarter:

- 63,512±SF to Maple Trade Company | 2660 W. Winton Avenue
- 42,208±SF to BART | 30527 San Antonio Street



SAN LEANDRO INDUSTRIAL - DOUG PEARSON

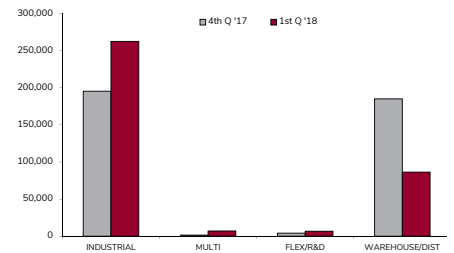
Market surveys show the overall vacancy just under 1.65%, slightly down from 1.74% at the end of the 4th Quarter. Due to a lack of inventory, very few new leases/sales were completed this Quarter. With vacancy this low, we anticipate both lease rates and sale prices will continue to rise over the next Quarter.

Notable Sale from the 1st Quarter:

- 36,908±SF to DCT | 2501 Davis Street

Notable Lease from the 1st Quarter:

- 53,658±SF to R & A Trucking | 2001 Marina Boulevard (sublease)

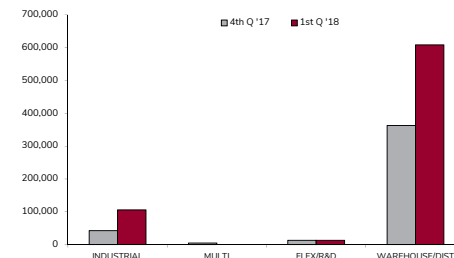


UNION CITY INDUSTRIAL - JESSE LUCAS

Union City's vacancy rate continues to sit under 3%, with very few viable large chunks of space for lease and virtually no desirable buildings to purchase. Recently, a few sublease spaces have come on the market. This will be something to keep an eye on. Prices continue to rise and we expect to see warehouse leases transacting well over \$0.80 NNN and sales taking place north of \$200/SF.

Notable Leases from the 1st Quarter:

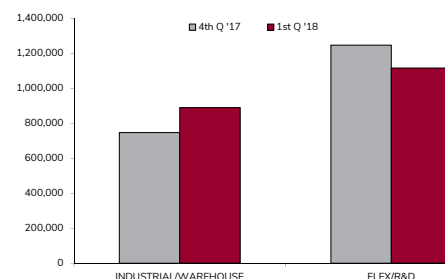
- 48,836±SF to 7-Eleven | 4001-4025 Whipple Road
- 26,130±SF to Abaxis | 30401-30481 Whipple Road



MARKET	INVENTORY Total SF	AVAILABILITY			AVAILABILITY RATE	
		Direct SF	Sublease SF	Available SF	Direct	Total
FREMONT/NEWARK						
INDUSTRIAL/WAREHOUSE	31,938,739	829,665	60,736	890,401	2.60%	2.79%
FLEX/R&D	23,675,000	1,045,655	71,168	1,116,823	4.42%	4.72%
MARKET TOTAL	55,613,739	1,875,320	131,904	2,007,224	3.37%	3.61%

FREMONT/NEWARK INDUSTRIAL - GARRETT DREW

The Fremont/Newark Market continues to have positive net absorption while Landlords push rents to record highs. Fremont currently has 1,155,950±SF of industrial space in development, with other projects anticipated to break ground later this year. Due to strong investor demand there have been several portfolio sales, as highlighted by the sale of The Campus at Ardenwood. We expect to see other portfolios offered for sale later this year as long-term owners are enticed by strong returns.



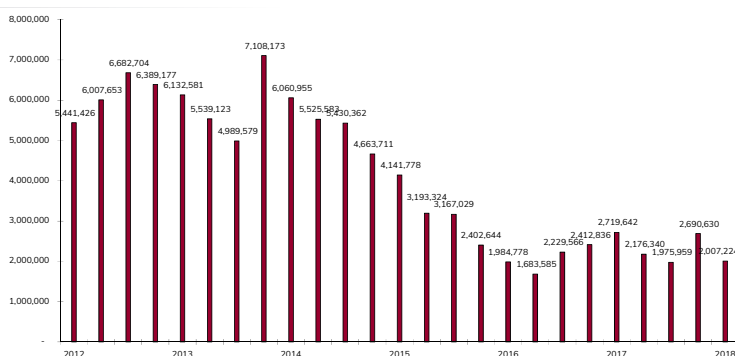
Notable Sales from the 1st Quarter:

- 308,387±SF Deutsche Asset & Wealth Management | The Campus at Ardenwood- Investment Sale
- 31.39± Acres Overton Moore Properties | Central Avenue & Morton Avenue

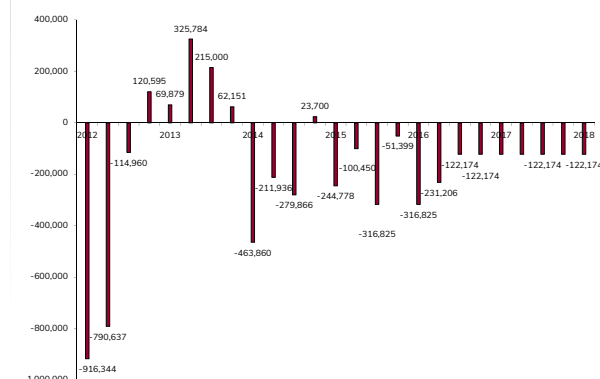
Notable Leases from the 1st Quarter:

- 252,600±SF Renewal to WorldPac | 37137 Hickory Street
- 102,916±SF Renewal to Innovated Packaging Company | 38505 Cherry Street
- 80,258±SF to Inside Source | 7091-7095 Central Avenue

AVAILABLE/ABSORPTION HISTORY



FREMONT/NEWARK AVAILABLE



FREMONT/NEWARK ABSORPTION

I-880 Corridor Quarterly Report
UNDER CONSTRUCTION

FIRST QUARTER 2018



555,000±SF, SAN LEANDRO
DEVELOPER: TRAMMEL CROW



Under Construction
Class "A" Warehouse

256,136±SF, OAKLAND
DEVELOPER: PROLOGIS



Phase I - State of the Art Class "A"
Warehouse Development

231,660±SF, OAKLAND
DEVELOPER: PROLOGIS



Phase II - State of the Art Class "A"
Warehouse Development

804,106±SF, MILPITAS
DEVELOPER: MCCARTHY RANCH



Phase 1 Delivery Q2 2018
Two Buildings Totaling 450,610±SF

2,530,000±SF, FREMONT
DEVELOPER: OVERTON & CONNOR



11 Buildings on 143± Acres
Construction Slated for 2018

75,200±SF, SAN LEANDRO
DEVELOPER: DCT



Under Construction
Class "A" Warehouse

296,698±SF, SAN LEANDRO
DEVELOPER: OVERTON MOORE



Class "A" Warehouse
Situated on 13± Acres

50,000±SF, HAYWARD
DEVELOPER: EVERWEST



Under Construction
Class "A" Warehouse

566,725±SF, RICHMOND
DEVELOPER: SCANNELL



Two Proposed Class "A" Warehouses
Delivery Q2 2019

LAND - 23.95± ACRES SOLD
506 BROOKSIDE DRIVE, RICHMOND
CENTER POINT PROPERTIES TRUST



LAND - 23.04± ACRES SOLD
7777 GATEWAY BOULEVARD, NEWARK
PANATTONI DEVELOPMENT COMPANY



INDUSTRIAL - 564,000±SF SOLD
N. FIRST STREET, SAN JOSE
GOOGLE



INDUSTRIAL - 1,553,648±SF SOLD
7380 MORTON AVENUE, NEWARK
OVERTON MOORE PROPERTIES



INDUSTRIAL - 308,387± SF SOLD
THE CAMPUS AT ARDENWOOD, FREMONT
DEUTSCHE ASSET & WEALTH MGMT.



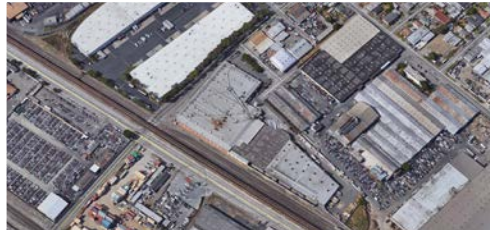
INDUSTRIAL - 256,136± SF LEASED
MARITIME STREET, OAKLAND
PODS, INC



INDUSTRIAL - 252,939± SF LEASED
37137 HICKORY STREET, NEWARK
WORLD PAC



INDUSTRIAL - 205,927± SF SOLD
8511 BLAINE STREET, OAKLAND
LBA REALTY



INDUSTRIAL - 150,000± SF SOLD
5733 SAN LEANDRO STREET, OAKLAND
GREEN SAGE MERCHANT BANK



INDUSTRIAL - 86,5948± SF LEASED
38505 CHERRY STREET, SUITE C, NEWARK
INNOVATED PACKAGING



INDUSTRIAL - 63,512± SF LEASED
2660 W. WINTON AVENUE, HAYWARD
MAPLE TRADE COMPANY



INDUSTRIAL - 53,658± SF LEASED
2001 MARINA BOULEVARD, SAN LEANDRO
R & A TRUCKING



I-880 Corridor Quarterly Report
EXCLUSIVE LEE LISTINGS

FIRST QUARTER 2018



FOR LEASE
AVAILABLE: 5.47± ACRES
6565-87 SMITH AVENUE, NEWARK



FOR LEASE
AVAILABLE: 142,322± SF
2230-42 DAVIS COURT, HAYWARD



FOR LEASE
AVAILABLE: 128,168± SF
650-680 85TH AVENUE, OAKLAND



FOR LEASE
AVAILABLE: 88,995± SF
701 DWIGHT WAY, BERKELEY



FOR SALE
AVAILABLE: 29,450± SF
24615-19 O'NEIL AVENUE, HAYWARD



FOR LEASE/SALE
AVAILABLE: 26,552± SF
1500 ATLANTIC STREET, UNION CITY



FOR LEASE
AVAILABLE: 25,500± SF
2855 MILLER STREET, SAN LEANDRO



FOR LEASE
AVAILABLE: 24,360± SF
3486 INVESTMENT BOULEVARD, HAYWARD



FOR LEASE
AVAILABLE: 21,096± SF
30984 SANTANA STREET, SAN JOSE



FOR LEASE
AVAILABLE: 1,250± SF - 10,000±SF
CLIPPER COURT CENTER, FREMONT



FOR SALE
AVAILABLE: 7,254± SF
2000 E. 14TH STREET, SAN LEANDRO



FOR LEASE
AVAILABLE: 4,584± SF
1435 4TH STREET, BERKELEY



I-880 Corridor Quarterly Report YOUR OAKLAND TEAM

FIRST QUARTER 2018



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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.