

LOCAL EXPERTISE INTERNATIONAL REACH WORLD CLASS

MARKET SNAPSHOT

North I-880 Industrial Inventory:	60,207,514
North I-880 Industrial Availability:	2,205,876
North I-880 Industrial Availability Rate:	3.66%
I-880 Industrial Inventory:	79,898,032
I-880 Industrial Availability:	2,531,385
I-880 Industrial Availability Rate:	3.17%
Fremont/Newark Industrial Inventory:	55,613,739
Fremont/Newark Industrial Availability:	2,608,664
Fremont/Newark Industrial Availability Rate:	4.69%

The Industrial Market along the I-880 Corridor remains strong with good activity across all product types.

Several "New Construction" projects have sold or leased, which is always a good indicator. Check our "Under Construction" section of this newsletter for more details.

Class "A" space remains king in our market, fetching the highest lease rates with the shortest lease up periods.

Land and construction costs for industrial developments continue to rise, adding further pressure to increased lease rates and returns. We are now seeing "land bank" purchases for future long term development.

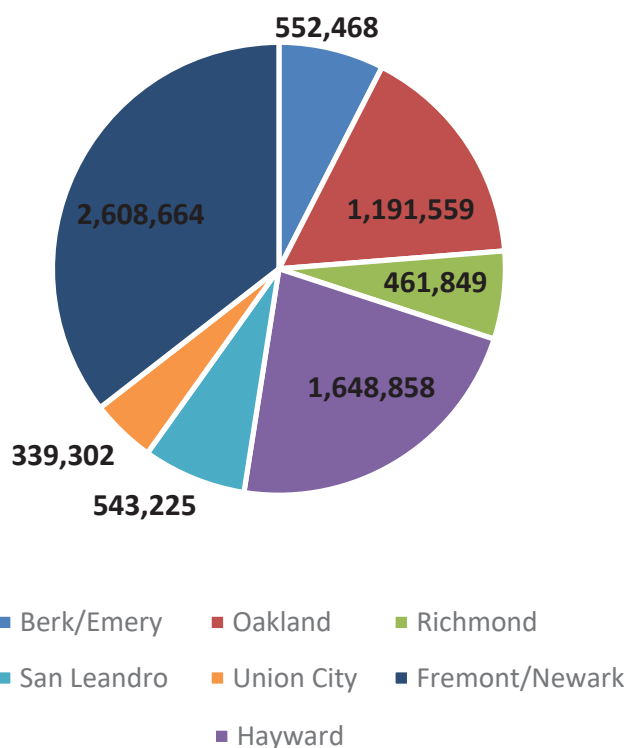
All eyes remain on the economy and jobs in the Bay Area/East Bay, with specific focus on any indicators of a slowdown, i.e. subleasing, layoffs etc. surfacing.

We remain bullish on the I-880 Corridor Industrial Market and expect another strong year.

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/I-880 Corridor. We look forward to working with you!

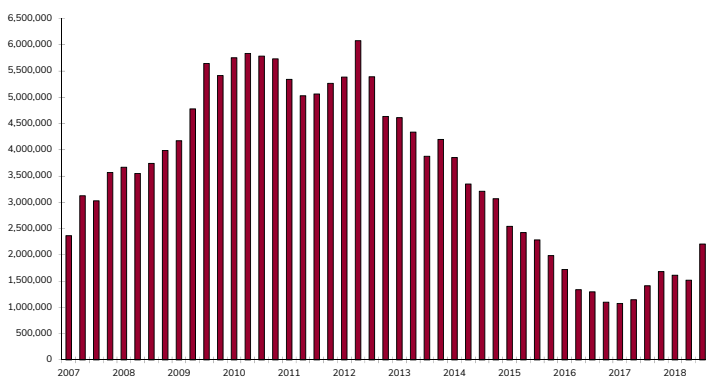
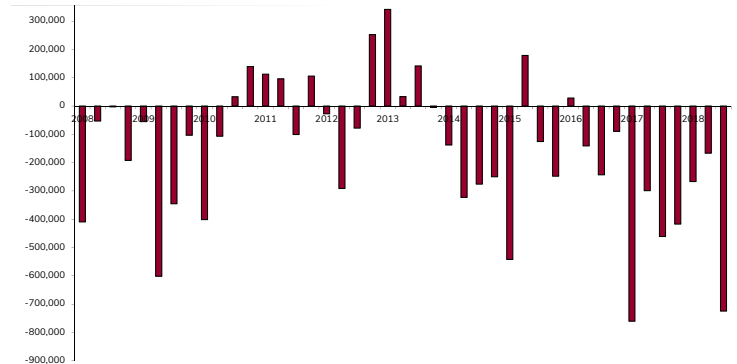
**- Craig Hagglund, SIOR, Managing Principal
Lee & Associates - Oakland**

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	427	9,559,329	354,967	0	354,967	3.71%	3.71%
FLEX/R&D	86	3,950,606	197,501	0	197,501	5.00%	5.00%
TOTAL	513	13,509,935	552,468	0	552,468	4.09%	4.09%
OAKLAND							
INDUSTRIAL	1,246	22,907,441	505,959	93,374	599,333	2.21%	2.62%
MULTI TENANT/INCUBATOR	43	292,702	18,287	0	18,287	6.25%	6.25%
FLEX/R&D	117	2,058,529	7,700	0	7,700	0.37%	0.37%
WAREHOUSE/DIST	83	6,736,079	384,839	181,400	566,239	5.71%	8.41%
TOTAL	1,489	31,994,751	916,785	274,774	1,191,559	2.87%	3.72%
RICHMOND							
INDUSTRIAL	291	8,038,434	338,571	0	338,571	4.21%	4.21%
MULTI TENANT/INCUBATOR	24	1,039,280	5,898	12,500	18,398	0.57%	1.77%
FLEX/R&D	28	1,083,745	0	19,935	19,935	0.00%	1.84%
WAREHOUSE/DIST	39	4,541,369	64,945	20,000	84,945	1.43%	1.87%
TOTAL	382	14,702,828	409,414	52,435	461,849	2.78%	3.14%
MARKET TOTAL	2,384	60,207,514	1,878,667	327,209	2,205,876	3.12%	3.66%

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

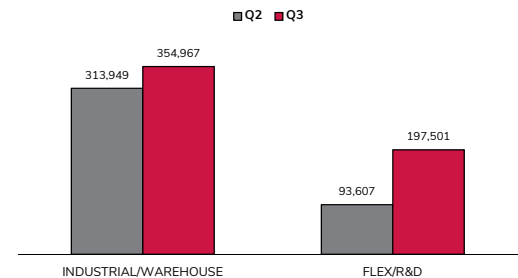
BERKELEY/EMERYVILLE INDUSTRIAL

Notable Sales from the 3rd Quarter:

- 24,931±SF to Hackman Capital Partners | 1300 64th Street
- 3,003±SF to Sontag Construction | 2816 San Pablo Avenue

Notable Leases from the 3rd Quarter:

- 14,740±SF to Airport Appliance | 5811-5817 Shellmound Street
- 8,875±SF to Planted Design LLC | 1310 63rd Street



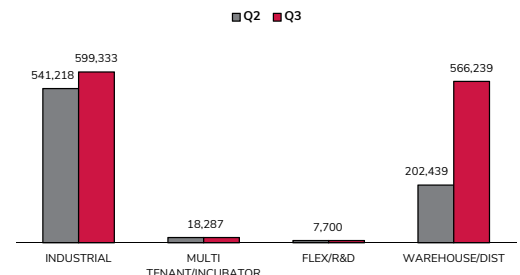
OAKLAND INDUSTRIAL

Notable Sales from the 3rd Quarter:

- 87,870±SF to Westcore Properties | 1660 Kirkham Street
- 25,809±SF to 47th Avenue LLC | 1036 47th Avenue
- 22,000±SF to Tez Marble | 20 Hegenberger Court

Notable Leases from the 3rd Quarter:

- 128,168±SF to Peets Coffee | 650-680 85th Avenue
- 8,470±SF to Apparel Source | 2201-2399 Poplar Street (renewal)
- 4,400±SF to Capture Tech | 3675 Alameda Avenue (renewal)



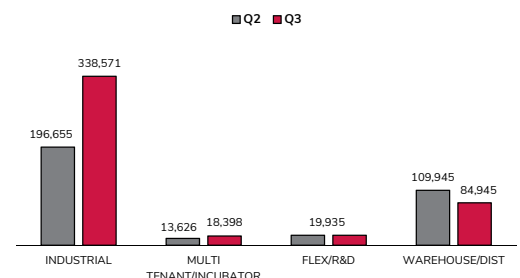
RICHMOND INDUSTRIAL

Notable Sales from the 3rd Quarter:

- 64,900±SF to 870 Harbour, LLC | 870 Harbour Way South
- 10,757±SF to Kevin Strong Architecture | 4800 Bissell Avenue

Notable Leases from the 3rd Quarter:

- 65,000±SF to Drink | 504-506 W. Ohio Avenue
- 7,792±SF to Retro Sport, LLC | 2200 Central Avenue



I-880 Corridor Quarterly Report

I-880 MARKET STATISTICS

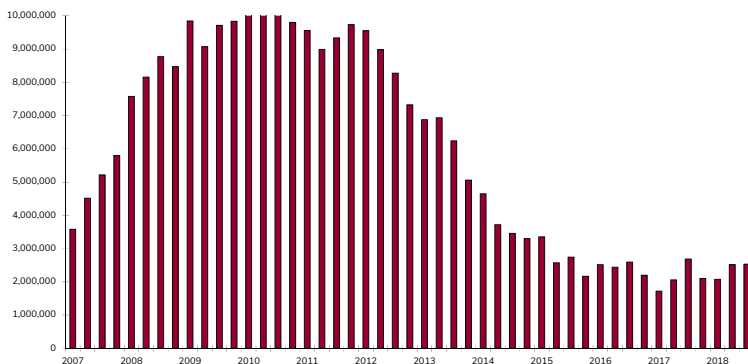
THIRD QUARTER 2018

QUARTER IN REVIEW

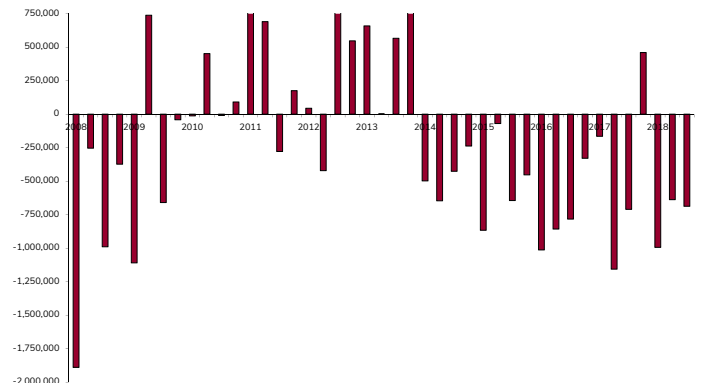


MARKET	INVENTORY		AVAILABILITY			AVAILABILITY RATE	
	Buildings	Total SF	Direct SF	Sublease SF	Available SF	Direct	Total
HAYWARD							
INDUSTRIAL	857	16,137,357	231,684	61,742	293,426	1.44%	1.82%
MULTI TENANT/INCUBATOR	165	2,156,680	39,572	0	39,572	1.83%	1.83%
FLEX/R&D	73	3,276,691	152,850	4,873	157,723	4.66%	4.81%
WAREHOUSE/DIST	229	21,859,720	849,199	308,938	1,158,137	3.88%	5.30%
TOTAL	1,324	43,430,448	1,273,305	375,553	1,648,858	2.93%	3.80%
SAN LEANDRO							
INDUSTRIAL	412	12,776,187	329,658	46,889	376,547	2.58%	2.95%
MULTI TENANT/INCUBATOR	28	578,362	0	4,443	4,443	0.00%	0.77%
FLEX/R&D	34	1,377,984	5,276	4,988	10,264	0.38%	0.74%
WAREHOUSE/DIST	94	7,567,385	146,071	5,900	151,971	1.93%	2.01%
TOTAL	568	22,299,918	481,005	62,220	543,225	2.16%	2.44%
UNION CITY							
INDUSTRIAL	109	3,442,893	130,120	8,100	138,220	3.78%	4.01%
MULTI TENANT/INCUBATOR	21	377,117	0	0	0	0.00%	0.00%
FLEX/R&D	15	438,401	11,365	0	11,365	2.59%	2.59%
WAREHOUSE/DIST	105	9,909,255	87,051	102,666	189,717	0.88%	1.91%
TOTAL	250	14,167,666	228,536	110,766	339,302	1.61%	2.39%
MARKET TOTAL	2,142	79,898,032	1,982,846	548,539	2,531,385	2.48%	3.17%

AVAILABLE/ABSORPTION HISTORY



I-880 AVAILABLE



I-880 ABSORPTION

I-880 Corridor Quarterly Report

I-880 MARKET STATISTICS

THIRD QUARTER 2018

QUARTER IN REVIEW



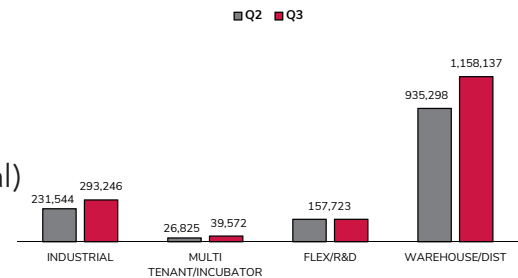
HAYWARD INDUSTRIAL

Notable Sales from the 3rd Quarter:

- 93,345±SF to Allure Labs | 28500 Marina Drive (New Construction)
- 53,872±SF to Terreno Realty | 30983-30991 San Clemente Street
- 51,000±SF to Dermody Properties | 20275 Mack Street

Notable Leases from the 3rd Quarter:

- 107,202±SF to Gexpro | 30830-3880 San Clemente Street (Renewal)
- 72,431±SF to Tire Co | 2391-2399 W. Winton Avenue (Renewal)
- 68,771±SF to Prevost | Hall Road (Build To Suit)



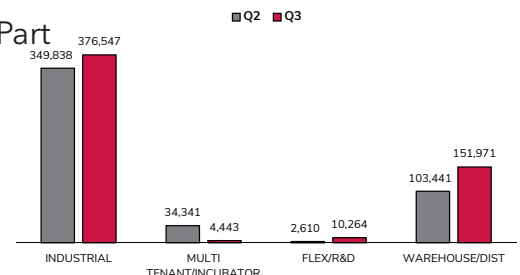
SAN LEANDRO INDUSTRIAL

Notable Sales from the 3rd Quarter:

- 249,686±SF to Terreno Realty | 2700-2800 Merced Street
- 128,000±SF to Terreno Realty | San Leandro Airport Business Park
- 75,200±SF to Prologis | 2001 Williams Street (New Construction; Part of a Larger Portfolio Sale)

Notable Leases from the 3rd Quarter:

- 34,341±SF to Santos Foods | 14275 Catalina Street
- 13,800±SF to Rit Co | 14050 Doolittle Drive
- 11,602±SF to Premiere Sedan & NCM Delivery | 2450 Alvarado Street



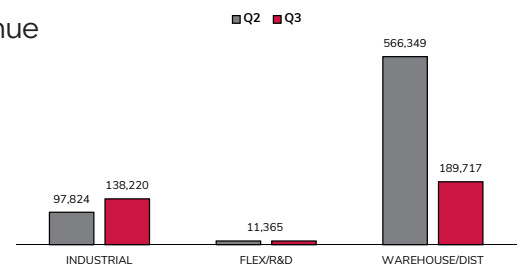
UNION CITY INDUSTRIAL

Notable Sales from the 3rd Quarter:

- 102,516±SF to Healthy Pets | 725 & 34343 Zwissig Way
- 94,976±SF to Grand Jk Cabinetry | 33401 Central Avenue
- 20,000±SF to Western Avenue Investors, LLC | 33441-33459 Western Avenue

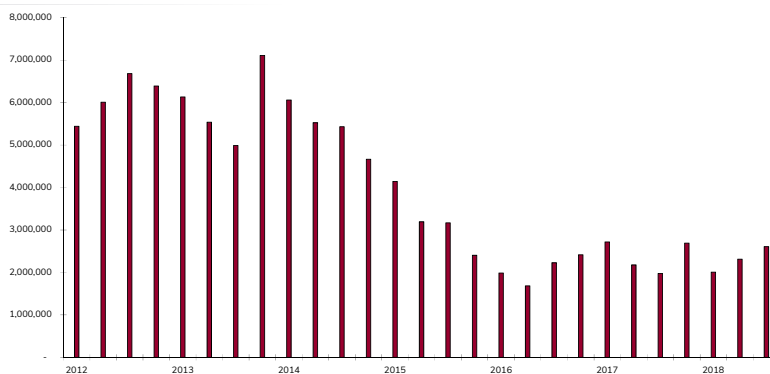
Notable Leases from the 3rd Quarter:

- 181,569±SF to Omni Logistics | 33201-33207 Dowe Avenue
- 154,866±SF to Wholesale Interiors | 4100 Whipple Road
- 53,248±SF to LKQ Corporation | 30336-30340 Whipple Road (Renewal/Expansion)

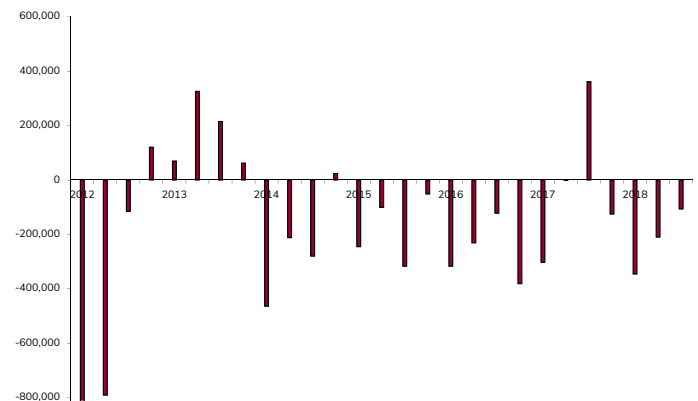


MARKET	INVENTORY Total SF	AVAILABILITY			AVAILABILITY RATE	
		Direct SF	Sublease SF	Available SF	Direct	Total
FREMONT/NEWARK						
INDUSTRIAL/WAREHOUSE	31,938,739	1,315,355	41,569	1,356,924	4.12%	4.25%
FLEX/R&D	23,675,000	1,057,288	194,452	1,251,740	4.47%	5.29%
MARKET TOTAL	55,613,739	2,372,643	236,021	2,608,664	4.27%	4.69%

AVAILABLE/ABSORPTION HISTORY



FREMONT/NEWARK AVAILABLE



FREMONT/NEWARK ABSORPTION

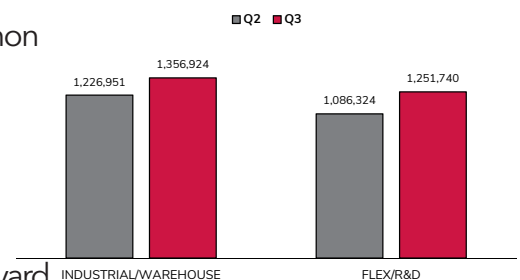
FREMONT/NEWARK INDUSTRIAL

Notable Sales from the 3rd Quarter:

- 217,653±SF to Dermody Properties | Fremont Research Center
- 48,798±SF to Peninsula Land & Capital | 1000-1180 Page Avenue
- 3,688±SF to Evergreen Development Group, LLC | 4616 Enterprise Common

Notable Leases from the 3rd Quarter:

- 225,654±SF to Facebook | 7200-7400 Gateway Boulevard
- 74,674±SF to LAM Research | 46831 Lakeview Boulevard
- 41,017±SF to Nova Measuring Instruments, Inc. | 3342-3358 Gateway Boulevard



I-880 Corridor Quarterly Report
UNDER CONSTRUCTION

THIRD QUARTER 2018



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



Under Construction
Class "A" Warehouse
Estimated Delivery: Q4 2018

93,345±SF, HAYWARD
DEVELOPER: STEELWAVE



ESFR Ready State of the Art
Manufacturing Building

231,660±SF, OAKLAND
DEVELOPER: PROLOGIS



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

804,106±SF, MILPITAS
DEVELOPER: MCCARTHY RANCH



Phase 1 Delivery Q2 2018
Two Buildings Totaling 450,610±SF
Class "A" Advanced Manufacturing

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



11 Buildings on 143± Acres
Class "A" Advanced Manufacturing
Under Construction

75,200±SF, SAN LEANDRO
DEVELOPER: PROLOGIS



Under Construction
Class "A" Warehouse
Estimated Delivery: Q4 2018

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



Class "A" Warehouse
Situated on 13± Acres

440,234±SF, OAKLAND
DEVELOPER: CENTERPOINT



Phase I - Class "A" Industrial Facility
Exclusive Seaport Development
Estimated Delivery: Q1 2020

566,725±SF, RICHMOND
DEVELOPER: SCANNELL



Two Proposed Class "A" Warehouses
Delivery Q2 2019

LAND - 7.89± ACRES SOLD
560 BROOKSIDE DRIVE, RICHMOND
CENTERPOINT PROPERTIES



INDUSTRIAL - 302,600± SF LEASED
2100-2190 GOLD STREET, SAN JOSE
SSF REALTY FUND



INDUSTRIAL - 277,080± SF SOLD
GIANT TRADE CENTER, SAN PABLO
PENINSULA LAND & CAPITAL



INDUSTRIAL - 249,686± SF SOLD
2700-2800 MERCED STREET, SAN LEANDRO
TERRENO REALTY



INDUSTRIAL - 225,654± SF LEASED
GATEWAY 84, BUILDING 2, NEWARK
FACEBOOK



INDUSTRIAL - 217,653± SF SOLD
FREMONT RESEARCH CENTER
DERMODY PROPERTIES



INDUSTRIAL - 181,569± SF LEASED
33201-33207 DOWE AVENUE, UNION CITY
OMNI LOGISTICS



INDUSTRIAL - 154,866± SF LEASED
4100 WHIPPLE ROAD, UNION CITY
WHOLESALE INTERIORS



INDUSTRIAL - 128,168± SF LEASED
650-680 85TH AVENUE, OAKLAND
PEETS COFFEE



INDUSTRIAL - 128,000± SF SOLD
AIRPORT BUSINESS PARK, SAN LEANDRO
TERRENO REALTY



INDUSTRIAL - 107,202± SF LEASED
30850 SAN CLEMENTE STREET, HAYWARD
GEXPRO



INDUSTRIAL - 87,870± SF SOLD
1660 KIRKHAM STREET, OAKLAND
WESTCORE PROPERTIES



I-880 Corridor Quarterly Report
EXCLUSIVE LEE LISTINGS

THIRD QUARTER 2018



FOR LEASE
AVAILABLE: 134,391± SF
2230-2242 DAVIS COURT, HAYWARD



FOR LEASE
AVAILABLE: 107,000± SF
45401 RESEARCH AVENUE, FREMONT



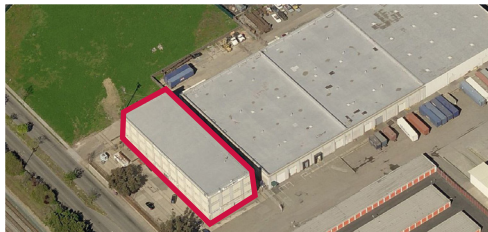
FOR LEASE
AVAILABLE: 90,629± SF
5675 SUNOL BOULEVARD, PLEASANTON



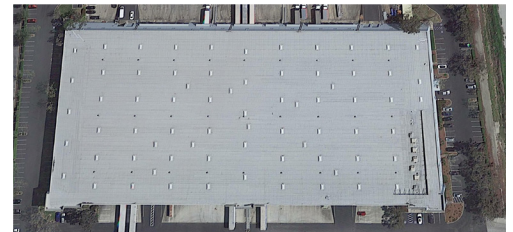
FOR LEASE
AVAILABLE: 73,804± SF
610 85TH AVENUE, OAKLAND



FOR LEASE/SALE
AVAILABLE: 45,000± SF
350 CARLSON BOULEVARD, RICHMOND



FOR SUBLEASE
AVAILABLE: 39,270± SF
47422 KATO ROAD, FREMONT



FOR SALE
AVAILABLE: 29,991± SF
45897 HOTCHKISS STREET, FREMONT



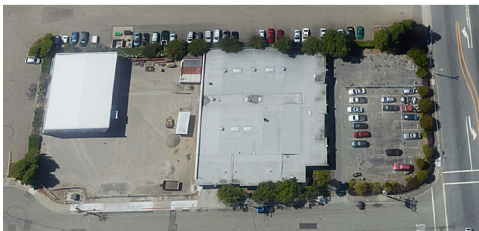
FOR SALE
AVAILABLE: 28,930± SF
1981 W. WINTON AVENUE, HAYWARD



FOR LEASE
AVAILABLE: 17,400± SF
325 FALLON STREET, OAKLAND



FOR LEASE
AVAILABLE: 16,800± SF
295 139TH, SAN LEANDRO



FOR SALE
AVAILABLE: 15,012± SF
161 WHITNEY PLACE, FREMONT



FOR LEASE
AVAILABLE: 14,000± SF
3675 ALAMEDA AVENUE, OAKLAND



I-880 Corridor Quarterly Report YOUR OAKLAND TEAM

THIRD QUARTER 2018



INDUSTRIAL AGENTS

Brian Barden	Principal	510-903-7616	bbarden@lee-associates.com
Zack Barnes	Associate	510-903-7619	zbarnes@lee-associates.com
Ryan Davidson	Principal	510-903-7614	rdavidson@lee-associates.com
Garrett Drew	Principal	510-903-7613	gdrew@lee-associates.com
Drew Fischer	Principal	510-903-7602	dfischer@lee-associates.com
Craig Hagglund, SIOR	Principal	510-903-7611	chagglund@lee-associates.com
Jesse Lucas	Principal	510-903-7607	jllucas@lee-associates.com
Ryan Martens	Principal	510-903-7605	rmartens@lee-associates.com
Doug Pearson	Principal	510-903-7610	dpearson@lee-associates.com
David Scarpinato	Principal	510-907-3022	dscarpinato@lee-associates.com
Chris Schofield, SIOR	Principal	510-903-7608	cschofield@lee-associates.com
Michael Schofield	Principal	510-903-7604	mschofield@lee-associates.com
Andrew Stoddard	Principal	510-903-7618	astoddard@lee-associates.com
Nate Vance	Associate	510-907-3021	nvance@lee-associates.com

INVESTMENT AGENTS

Rick Bland	Principal	510-903-7609	rbland@lee-associates.com
Winston Street	Associate	510-903-7615	wstreet@lee-associates.com
Guy Warren	Principal	510-903-7617	gwarren@lee-associates.com

OFFICE AGENTS

Neil Cowperthwaite	Associate	510-903-7603	ncowperthwaite@lee-associates.com
Ben Jones	Principal	510-903-7606	bjones@lee-associates.com
Dave McCarty	Principal	510-903-7601	dmccarty@lee-associates.com
Joseph McGlynn	Associate	510-903-7612	jmcglynn@lee-associates.com

RETAIL AGENT

Cass Gulden	Associate	510-599-3139	cgulden@lee-associates.com
-------------	-----------	--------------	----------------------------

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.