



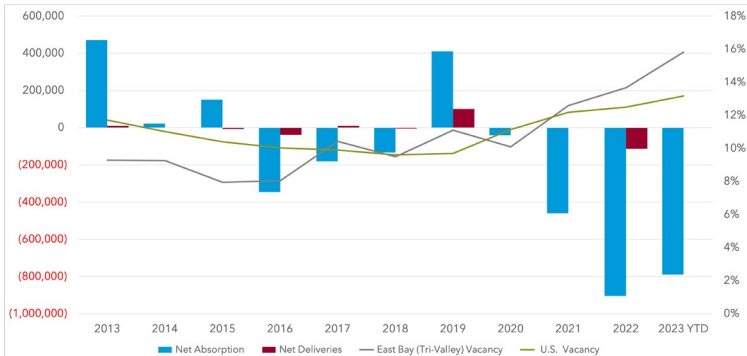
OFFICE MARKET OVERVIEW

MARK RINKLE, *Principal*

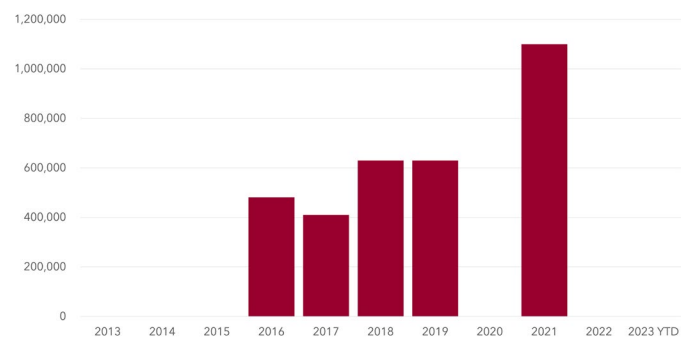
Leasing activity in the 2nd Quarter continues to be weak with few new office tenants coming into the market and many tenants with upcoming lease renewals, continuing to shed office space as hybrid work schedules remain a common theme. This contributed to the slight increase in the office vacancy rate, which reached an annual high of 15.6% this quarter. The total inventory square footage remained consistent, with no new construction on the horizon and likely many owners pondering the possibility of a conversion to residential. Overall, with the office market experiencing a rise in vacancy rate and a negative trend in 12-month net absorption we are likely to see a challenging period ahead for office.

MARKET INDICATORS	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022
▲ 12 Mo. Net Absorption SF	(442,565)	(690,704)	(904,451)	(342,232)	(800,749)
▲ Vacancy Rate	15.6%	14.2%	13.7%	13.1%	15.5%
▲ Avg NNN Asking Rate PSF	\$35.63	\$35.57	\$35.53	\$35.80	\$35.36
◀ ▶ SF Under Construction	-	-	-	-	-
◀ ▶ Inventory SF	27,305,529	27,305,529	27,305,529	27,305,529	27,985,219

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2600 Old Crow Canyon Road San Ramon, CA	10,944 SF	\$4,400,000 \$402.05 PSF	2600 OCC LLC Wachter Enterprises LLC	Class B
1330 Concannon Boulevard Livermore, CA	5,785 SF	\$2,813,000 \$486.26 PSF	J Solomon Investments LLC Hanalei Sunset LLC	Class B
809 Podva Road Danville, CA	3,064 SF	\$2,790,000 \$910.57 PSF	Master Wealth Properties LLC Gary D. Swiggett Trust	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3825 Hopyard Road, Ste 195 Pleasanton, CA	9,045 SF	Harsch Investment Properties LLC	MISCOwater	Energy, Utilities & Waste Treatment
18 Crow Canyon Court, Ste 370 San Ramon, CA	5,252 SF	Eagle Canyon Management LLC	Team Logic IT	Information Technology
4733 Chabot Drive, Ste 101 Pleasanton, CA	2,950 SF	Blackhawk Industries LLC	Thermo Systems	Professional services

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