

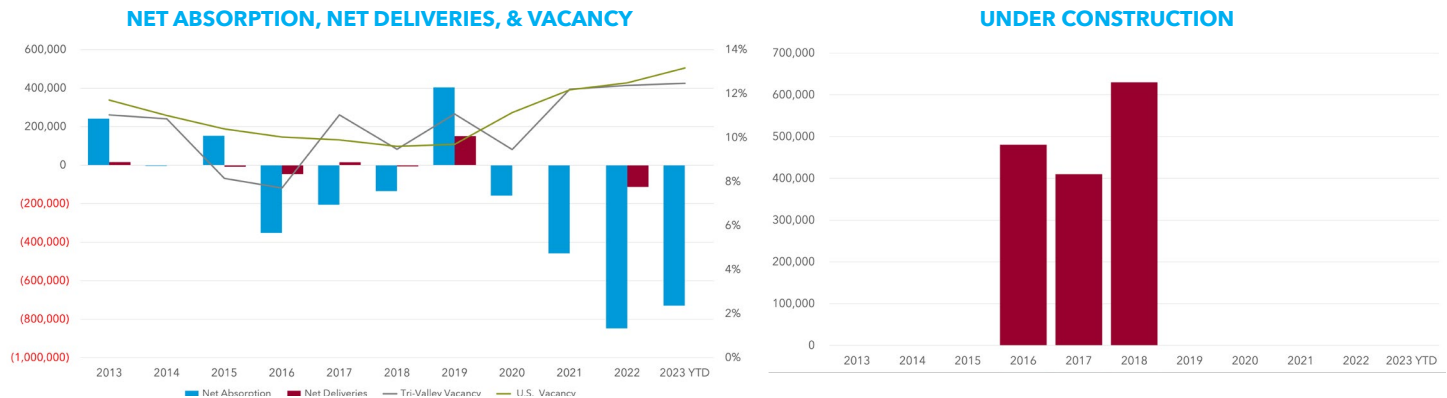


OFFICE MARKET OVERVIEW

MARK RINKLE, *Principal*

Leasing trends in the 3rd Quarter of 2023 remained sluggish within the Tri-Valley region. The persistent embrace of hybrid work models meant fewer new office entrants, and existing tenants either downsizing or foregoing renewals. This landscape nudged the vacancy rate to 15.0%, a modest recovery from Q2's annual peak of 15.6% but far from a healthy recovery. The current dip in market rent and the worrisome 12-month net absorption trend, most notably in the Bishop Ranch/San Ramon area, might prove to be difficult for the local office market in the forthcoming quarters.

MARKET INDICATORS	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022
▼ 12 Mo. Net Absorption SF	(846,744)	(394,925)	(635,874)	(847,404)	(342,232)
▼ Vacancy Rate	15.0%	15.3%	14.2%	13.5%	13.3%
▼ Avg NNN Asking Rate PSF	\$35.37	\$35.39	\$35.28	\$35.27	\$35.71
◀ ▶ SF Under Construction	0	0	0	0	0
◀ ▶ Inventory SF	27,329,362	27,329,362	27,329,362	27,329,362	27,329,362



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
2410 San Ramon Valley Boulevard San Ramon, CA	59,338 SF	\$11,177,000 \$188.00 PSF	The Misson Family Living Trust Bonway Investment LLC	Class B
9260 Alcosta Boulevard San Ramon, CA	7,700 SF	\$2,375,000 \$308.00 PSF	Lawrence Klenow Great Portland Estate	Class C
7041 Koll Center Parkway Pleasanton, CA	2,558 SF	\$1,999,000 \$781.00 PSF	Dr. Gagandeep K. Pandher Nicole Jamali	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
3083 Independence Drive Livermore, CA	18,922 SF	Parley Livingston	Acosta	Advertising/Marketing
5735 W. Las Positas Boulevard Pleasanton, CA	12,542 SF	MV Las Positas LLC	PureRed	Advertising/Marketing
7901 Stoneridge Drive Pleasanton, CA	12,238 SF	ECI Four 7901 Stoneridge LLC	BKF Engineers	Engineering

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