LEE & ASSOCIATES
COMMERCIAL REAL ESTATE SERVICES

Q2 2026
EAST BAY, CA

INDUSTRIAL MARKET OVERVIEW

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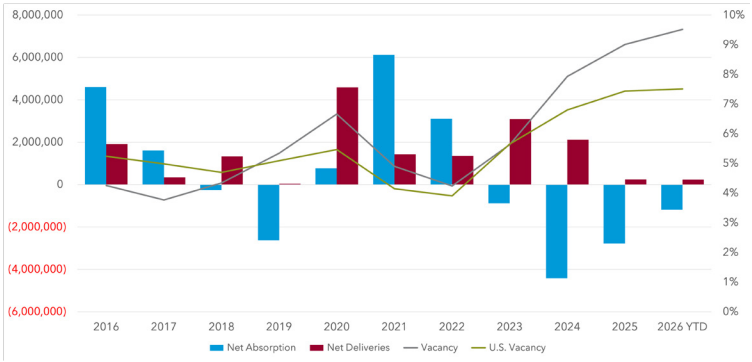
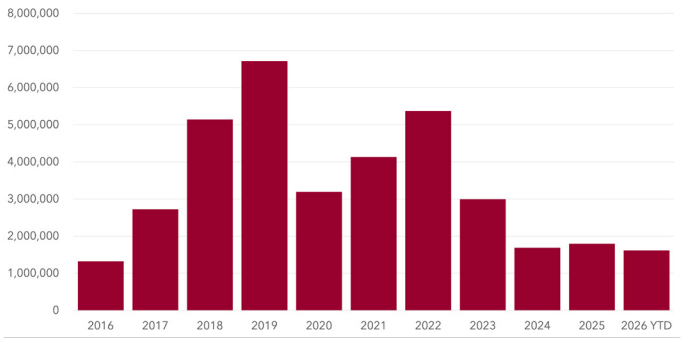
Industrial activity in the East Bay area remained measured through the second quarter of the year. Vacancy continued to tick up, but with less sublease space coming online and several large lease deals completed on new deliveries, there is positive momentum heading into the second half of the year. Tech and AI continue to drive the market and power remains the most sought after amenity. The owner/user sale market remains softened with buildings remaining on the market longer and prices coming down from all-time highs.

MARKET INDICATORS	Q2 2026	Q1 2026	Q4 2025	Q3 2025	Q2 2025
▲ 12 Mo. Net Absorption SF	(1,149,229)	(2,227,022)	(2,778,578)	(4,578,419)	(5,743,620)
▲ Vacancy Rate	9.50%	9.30%	9.00%	9.10%	9.00%
▼ Avg NNN Asking Rate PSF	$1.43	$1.44	$1.45	$1.45	$1.45
▲ Sale Price PSF	$279.00	$275.00	$275.00	$274.00	$269.00
◄ ► Cap Rate	5.90%	5.90%	5.90%	5.80%	5.90%
▼ Under Construction SF	1,600,000	1,700,000	1,800,000	1,300,000	10,000
◄ ► Inventory SF	279,000,000	279,000,000	279,000,000	279,000,000	279,000,000

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
49000 Milmont Drive Fremont, CA	267,099 SF	$132,299,477 $495.32 PSF	Clarion Partners Hines	Class A
38083 Cherry Street Newark, CA	155,500 SF	$28,599,560 $183.92 PSF	Hines United Logistics Solutions	Class B
33401-33441 Central Avenue Union City, CA	94,976 SF	$26,200,079 $275.86 PSF	Alere Elion Partners	Class C

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
25500 Clawiter Road Hayward, CA	232,633 SF	PGIM	Zoox	Auto
6955 Mowry Avenue Newark, CA	161,280 SF	Vivico Partnership	Synnex	Tech
7411 Central Avenue Newark, CA	143,086 SF	Pearlmark RE, LLC	Quanta	ODM

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