



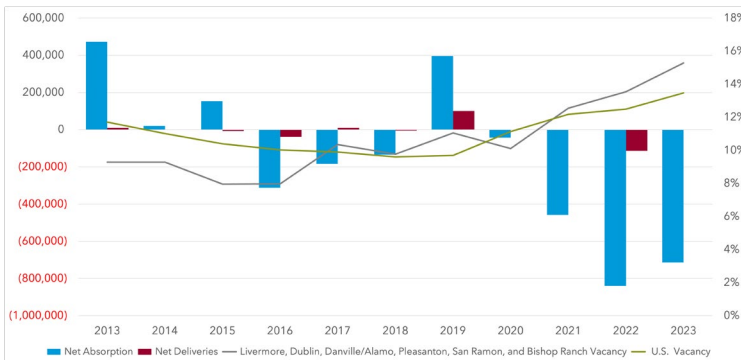
OFFICE MARKET OVERVIEW

MARK RINKLE, *Principal*

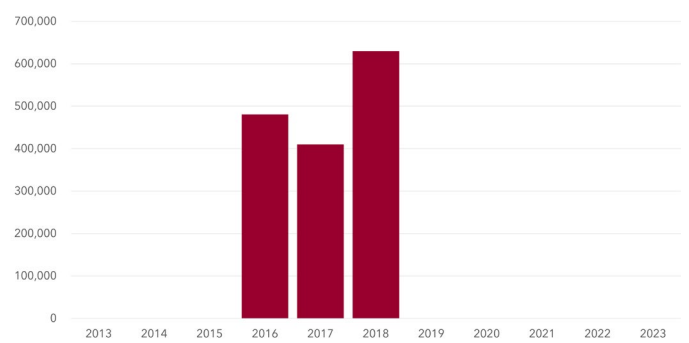
The final quarter of 2023 saw a slight uptick in the vacancy rate to 15.3%, reflecting ongoing challenges in attracting new tenants and a continuation of existing tenant downsizing efforts. Market rent per square foot remained stable at \$35.06, maintaining a consistent trend over the past quarters. The market struggled to absorb existing space, resulting in a 12-month net absorption of -713,605 square feet. This negative absorption trend persists, signaling a continued hesitancy among businesses to expand their office footprint. The dynamics observed in Q4 highlight the need for strategic interventions to stimulate demand and navigate the persistently challenging landscape in the coming months.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▲ 12 Mo. Net Absorption SF	(713,605)	(846,744)	(387,466)	(628,415)	(839,945)
▲ Vacancy Rate	15.3%	15.1%	15.4%	14.1%	13.6%
▼ Avg NNN Asking Rate PSF	\$35.06	\$35.08	\$35.10	\$35.08	\$35.16
◀ ▶ SF Under Construction	-	-	-	-	-
◀ ▶ Inventory SF	27,191,822	27,191,822	27,191,822	27,191,822	27,191,822

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
6001 Bollinger Canyon Road San Ramon, CA	1,289,763 SF	\$174,500,000 \$135.30 PSF	Sunset Development Chevron	Class B
2410 Camino Ramon* San Ramon, CA	230,404 SF	\$37,004,324 \$160.61 PSF	SummerHill Homes Sunset Development	Class B
5860 Owens Drive Pleasanton, CA	96,904 SF	\$35,000,000 \$361.18 PSF	Welltower, Inc. Tenet Healthcare Corporation	Class B

* Part of 5 property portfolio sale

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
4309 Hacienda Drive Pleasanton, CA	14,569 SF	Spieker Keech Hacienda LLC	Shea Homes	Residential Home Construction
7683 Southfront Rd. - 1st Floor Direct Livermore, CA	12,350 SF	Southfront Livermore LLC	Sutter Bay Medical Foundation	Medical/Hospital
5860 Owens Drive. - 4th Floor Direct Pleasanton, CA	11,757 SF	Welltower, Inc.	Clapp Moroney	Law Firm

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