



WALNUT CREEK, CA | NORTH I-680 CORRIDOR

RESEARCH & FORECAST REPORT



Industrial Market Remained Unchanged in the First Quarter

MARKET OVERVIEW

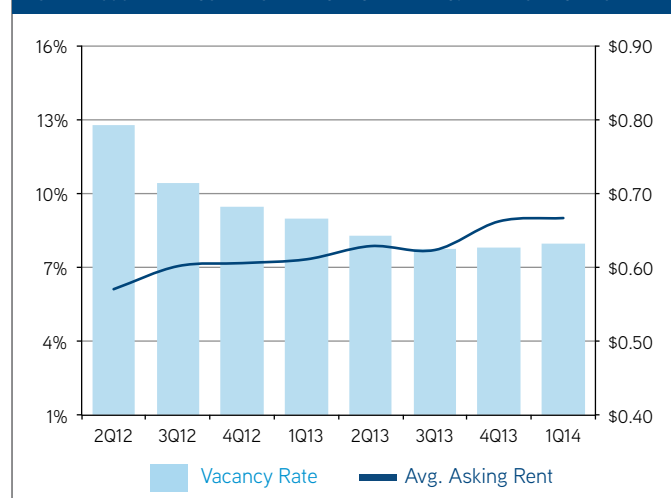
The North I-680 industrial market remained unchanged in the first quarter of 2014 with vacancy increasing 20 basis points to 8.0 percent. There was a total of 30,760 square feet of negative net absorption for the quarter. Total asking rents increased \$0.01 per square foot (PSF) to \$0.67 PSF. Martinez led the market in net absorption with 22,443 square feet, followed by Pacheco with 6,829 square feet. Concord gave back the most space with 62,434 square feet of negative net absorption.

All property types posted negative total net absorption. Industrial registered 17,243 square feet followed by R&D/Flex with 7,139 square feet, and warehouse with 6,378 square feet. The largest lease transaction of the quarter was Fort Knox's 57,000 square foot renewal and downsize at Empire Business Park in Pittsburg. The majority of leasing activity was concentrated in Concord North Commerce and Concord Business Park. Bimbo Bakeries USA renewed 12,260 square feet of warehouse space. Verengo renewed 12,550 square feet of R&D/Flex space within Concord North Commerce. In Concord Business Park, Graybar Electric renewed 7,790 square feet of light industrial space. Kelly-Moore Paint renewed 6,680 square feet in the park as well. At 4070 Nelson Avenue, Orkin leased 3,618 square feet of new space. High End Development expanded 3,200 square feet in Concord Business Park.

MARKET INDICATORS

	Q1	PROJECTED Q2
VACANCY	↔	↓
NET ABSORPTION	↔	↑
CONSTRUCTION	↔	↔
RENTAL RATE	↔	↑

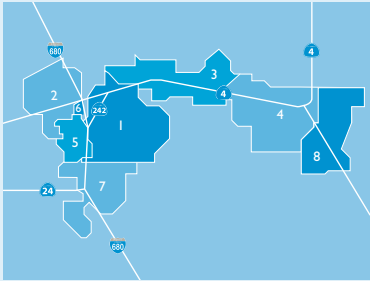
NORTH I-680 HWY 4 CORRIDOR > VACANCY RATE VS. AVERAGE ASKING RENT



The market remained relatively unchanged in the first quarter. Renewals made up the majority of leasing activity.

INDUSTRIAL MARKET > Q1 2014

EXISTING PROPERTIES										ABSORPTION		CONSTRUCTION				RENTS
TYPE	BLDGS	TOTAL INVENTORY SF	DIRECT VACANT SF	DIRECT VACANCY RATE	SUBLEASE VACANT SF	SUBLEASE VACANCY RATE	TOTAL VACANT SF	VACANCY RATE CURRENT QUARTER	VACANCY RATE PRIOR QUARTER	NET ABSORPTION CURRENT QTR SF	NET ABSORPTION YTD SF	COMPLETIONS CURRENT QTR SF	COMPLETIONS YTD SF	UNDER CONSTRUCTION SF	PLANNED CONSTRUCTION SF	WEIGHTED AVG ASKING RENTAL RATE
CONCORD																
IND	295	6,201,160	431,502	7.0%	25,015	0.4%	456,517	7.4%	7.0%	(25,034)	(25,034)	-	-	-	-	\$0.83
WH	3	264,128	34,338	13.0%	-	-	34,338	13.0%	0.0%	(34,338)	(34,338)	-	-	-	-	\$0.85
RD/FL	20	612,047	31,857	5.2%	-	-	31,857	5.2%	4.7%	(3,062)	(3,062)	-	-	-	-	\$1.36
TOTAL	318	7,077,335	497,697	7.0%	25,015	0.4%	522,712	7.4%	6.5%	(62,434)	(62,434)	-	-	-	-	\$0.86
MARTINEZ																
IND	55	935,208	71,296	7.6%	-	-	71,296	7.6%	7.5%	(1,440)	(1,440)	-	-	-	-	\$0.87
WH	3	118,898	10,828	9.1%	-	-	-	0.0%	23.5%	27,960	27,960	-	-	-	-	\$-
RD/FL	7	139,403	-	0.0%	-	-	10,828	7.8%	4.8%	(4,077)	(4,077)	-	-	-	-	\$1.00
TOTAL	65	1,193,509	82,124	6.9%	-	-	82,124	6.9%	8.8%	22,443	22,443	-	-	-	-	\$0.89
PITTSBURG																
IND	95	3,100,149	196,137	6.3%	-	-	196,137	6.3%	6.2%	(4,558)	(4,558)	-	-	-	-	\$0.63
WH	6	805,767	-	0.0%	162,029	20.1%	162,029	20.1%	20.1%	-	-	-	-	-	-	\$0.30
TOTAL	101	3,905,916	196,137	5.0%	162,029	4.1%	358,166	9.2%	9.1%	(4,558)	(4,558)	-	-	-	-	\$0.48
ANTIOCH																
IND	62	1,649,674	134,822	8.2%	-	-	134,822	8.2%	8.3%	1,334	1,334	-	-	-	-	\$0.91
WH	8	1,647,500	211,465	12.8%	-	-	211,465	12.8%	12.8%	-	-	-	-	-	-	\$0.25
RD/FL	6	85,754	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	-	-	\$1.00
TOTAL	76	3,382,928	346,287	10.2%	-	-	346,287	10.2%	10.3%	1,334	1,334	-	-	-	-	\$0.51
PLEASANT HILL																
IND	10	298,020	19,086	6.4%	12,170	0.04	31,256	10.5%	6.0%	(13,441)	(13,441)	-	-	-	-	\$1.21
RD/FL	2	56,808	8,550	15.1%	-	-	8,550	15.1%	15.1%	-	-	-	-	-	-	\$0.60
TOTAL	12	354,828	27,636	7.8%	12,170	0.03	39,806	11.2%	7.4%	(13,441)	(13,441)	-	-	-	-	\$1.08
PACHECO																
IND	30	605,690	13,789	2.3%	-	-	13,789	2.3%	3.4%	6,829	6,829	-	-	-	-	\$0.96
TOTAL	30	605,690	13,789	2.3%	-	-	13,789	2.3%	3.4%	6,829	6,829	-	-	-	-	\$0.96
WALNUT CREEK																
IND	10	142,650	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	-	-	\$1.25
RD/FL	1	162,014	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	-	-	\$1.12
TOTAL	11	304,664	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	-	-	\$1.25
BRENTWOOD																
IND	33	689,364	34,956	5.1%	-	-	34,956	5.1%	7.8%	19,067	19,067	-	-	-	-	\$0.94
WH	2	19,481	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	-	-	\$0.84
TOTAL	35	708,845	34,956	4.9%	-	-	34,956	4.9%	7.6%	19,067	19,067	-	-	-	-	\$0.94
MARKET TOTAL																
IND	590	13,621,915	901,588	6.6%	37,185	0.3%	938,773	6.9%	6.8%	(17,243)	(17,243)	-	-	-	-	\$0.82
WH	22	2,855,774	256,631	9.0%	162,029	5.7%	407,832	14.3%	14.1%	(6,378)	(6,378)	-	-	-	-	\$0.25
RD/FL	36	1,056,026	40,407	3.8%	-	0.0%	51,235	4.9%	4.2%	(7,139)	(7,139)	-	-	-	-	\$1.16
TOTAL	648	17,533,715	1,198,626	6.8%	199,214	1.1%	1,397,840	8.0%	7.8%	(30,760)	(30,760)	-	-	-	-	\$0.67
QUARTERLY COMPARISON AND TOTALS																
1Q14	648	17,533,715	1,198,626	6.8%	199,214	1.1%	1,397,840	8.0%	7.8%	(30,760)	(30,760)	-	-	-	-	\$0.67
4Q13	648	17,533,715	1,177,184	6.7%	189,896	1.1%	1,367,080	7.8%	7.7%	(9,507)	286,838	-	-	-	-	\$0.66
3Q13	648	17,533,715	1,325,408	7.6%	32,165	0.2%	1,357,573	7.7%	8.3%	91,068	296,345	-	-	-	-	\$0.62
2Q13	648	17,533,715	1,403,002	8.0%	45,639	0.3%	1,448,641	8.3%	9.0%	128,526	205,277	-	-	-	-	\$0.63
1Q13	648	17,533,715	1,546,801	8.8%	30,366	0.2%	1,577,167	9.0%	9.4%	76,751	76,751	-	-	-	-	\$0.61



SUBMARKET MAP

- 1 Concord
- 2 Martinez
- 3 Pittsburg
- 4 Antioch
- 5 Pleasant Hill
- 6 Pacheco
- 7 Walnut Creek
- 8 Brentwood

Concord vacancy increased 90 basis points to 7.4 percent. The industrial market posted 25,034 square feet of negative net absorption. Concord warehouse vacancy increased to 13.0 percent. Concord R&D vacancy increased 50 basis points to 5.2 percent and gave back 3,062 square feet of space.

Total vacancy for Pittsburg registered a slight increase to 9.2 percent. There was 4,558 square feet of negative net absorption for the quarter. Vacancy for industrial space increased 10 basis points to 6.3 percent.

Antioch total vacancy decreased 10 basis points to 10.2 percent. There was 1,334 square feet of net absorption. Average asking rents increased \$0.01 PSF to \$0.51 PSF. Warehouse vacancy remained flat at 12.8 percent.

Sales activity remained strong in the first quarter. Premark Packaging purchased two buildings in Pittsburg totaling 239,000 square feet. In Brentwood, a 16,965 square foot light industrial building at 415 Beatrice Court sold to Stephen Roller. The 15,600 square foot light industrial building at 1033-1037 Shary Cir in Concord sold. Wood Brothers Properties purchased an 8,947 square foot light industrial building at 600 Harvest Park Drive in Brentwood. Two condos in the Gateway Industrial business park sold in the first quarter. In Martinez, a 4,280 square foot light industrial building at 875 Howe Road sold.

485 offices in
63 countries on
6 continents

- United States: 146
- Canada: 44
- Latin America: 25
- Asia Pacific: 186
- EMEA: 84

- > \$2.1 Billion in annual revenue
- > 1.46 Billion* square feet under management
- > Over 15,800 professionals

*Square footage includes office, industrial and retail property under management. Residential property is excluded from this total. All statistics are for 2013.

COLLIERS INTERNATIONAL | WALNUT CREEK

1850 Mt. Diablo Boulevard
Suite 200
Walnut Creek, CA 94596
TEL +1 925 279 5581
FAX +1 925 279 0450

MANAGING PARTNER

Brooks Pedder SIOR
Executive Managing Director
Executive Vice President
CA License No. 00902154
TEL +1 925 279 5581

RESEARCHER

Derek Daniels CPRC
Research Analyst II
TEL +1 925 279 4620

This report and other research materials may be found at www.colliers.com. This report is a research document of Colliers International - Walnut Creek, California. Questions related to information herein should be directed to the Research Department at +1 925 279 4620. Information contained herein has been obtained from sources deemed reliable and no representation is made as to the accuracy thereof. As new, corrected or updated information is obtained, it is incorporated into both current and historical data, which may invalidate comparison to previously issued reports. © 2014 Colliers International.

SIGNIFICANT TRANSACTIONS

SALES ACTIVITY

PROPERTY ADDRESS	SALES DATE	SIZE SF	BUYER	TYPE
1 E Leslie Drive	Jan-14	139,000	Premark Packaging	Manufacturing
761 Port Chicago Highway	Jan-14	100,000	Premark Packaging	Manufacturing
415 Beatrice Court	Feb-14	16,965	Stephen Roller	Light Industrial
1033-1037 Shary Circle	Feb-14	15,600	Darryl Thompson	Light Industrial
600 Harvest Park Drive	Jan-14	8,947	Wood Brothers Properties	Light Industrial
3951 Industrial Way, A/B	Jan-14	6,202	Michael Gratton	Condo

LEASING ACTIVITY

PROPERTY NAME/ADDRESS	LEASE DATE	SIZE SF	TENANT	TYPE
Empire Business Park	Feb-14	57,600	Fort Knox Inc	Warehouse
Concord North Commerce	Mar-14	19,260	Bimbo Bakeries USA	Warehouse
Concord North Commerce	Feb-14	12,550	Verengo	R&D/Flex



Accelerating success.