

Friday, October 9, 2009

Real estate

Tiny dip in sublease office space brings hope to S.F.

San Francisco Business Times - by [J.K. Dineen and Blanca Torres](#)

Big chunks of Shadelands could sit empty for a while

Filling office space in Walnut Creek's Shadelands business park district has always been tough and just got tougher.

The area is home to about 2 million square feet of office and has large tenants such as **Kaiser Permanente**, **Vodafone** and the **Bay Area News Group**. A 51,000-square-foot office formerly occupied by **Longs Drugs** just came on the market. Systron Donner Inertial, a maker of aerospace inertial sensors and systems, plans to vacate 45,000 square feet at the end of this year, and **Bank of the West** will move out of 42,000 square feet in 2010. A 35,000-square-foot space in 575 Lennon Lane has been vacant for the past eight years since **Chevron Corp.** sold the building.

Colliers International broker Jeffrey Weil said he wouldn't be surprised if those spaces sit empty for a long time, even though the area does have some perks. It's three miles from the Interstate 680-Highway 24 interchange, offers low leasing rates and buildings typically come with lots of free parking.

"There's not a lot of interest any place from office tenants," he said. "And there's a lot of space on the market. Tenants have a lot of choice."