Research &
Forecast Report

WALNUT CREEK | INDUSTRIAL

Q2 2015

Colliers INTERNATIONAL

Accelerating success.

North I-680 / Highway 4 Corridor Market Summary

- Leasing Activity: 17,649,288
- Current Vacancy: 8.2 percent
- Net Absorption: Negative (147,600) square feet

The North I-680 and Highway 4 industrial market remained relatively unchanged in the second quarter of 2015 with vacancy increasing 80 basis points to 8.2 percent. There was a total vacancy of 147,600 square feet of negative net absorption for the quarter. Total asking rents decreased $0.02 per square foot to $0.60 PSF. Pittsburg gave back the most space with 79,384 square feet of negative net absorption.

All property types posted negative total net absorption. Industrial registered 93,554 square feet followed by warehouse with 51,539

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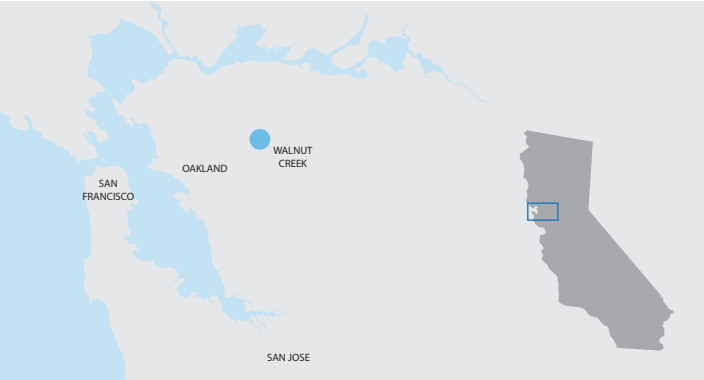


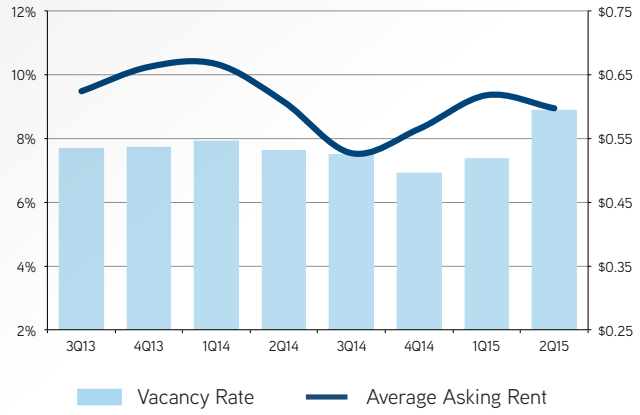
Market Trends

Relative to prior period	Q2 2015	Q3 2015*
Vacancy	↔	↓
Net Absorption	↓	↔
Construction	↔	↑
Rental Rate	↓	↔

*Projected

Vacancy Rate vs. Average Asking Rent

North I-680 Highway 4 Corridor

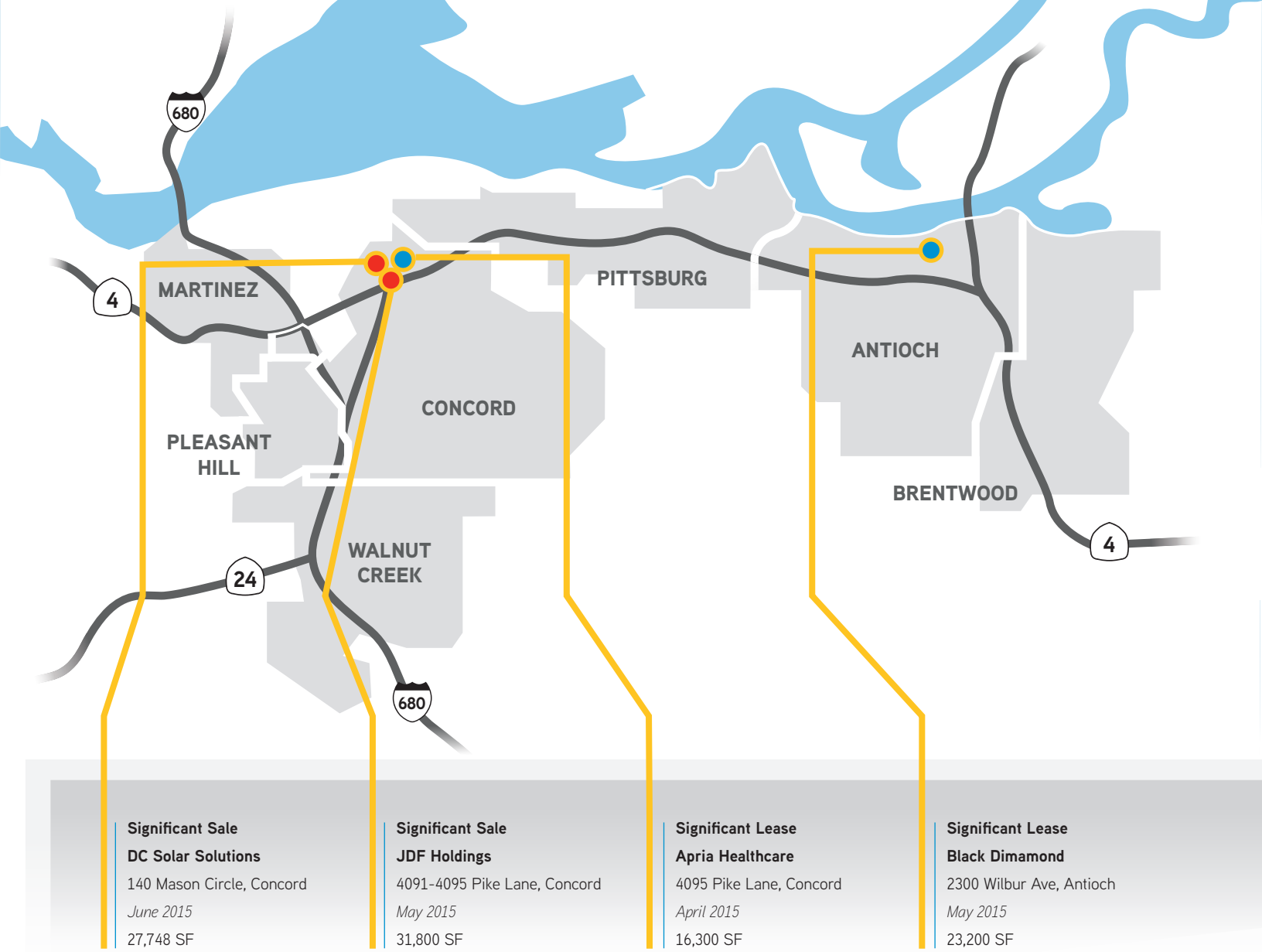


Overall vacancy increased by 0.8 percentage points in the second quarter. Rental rates in the market slightly decreased from $0.62 to $0.60 per square foot.

Summary Statistics

Q2 Walnut Creek Industrial Market	Previous Quarter	Current Quarter
Overall Vacancy Rate	7.4%	8.20%
Net Absorption	(87,484)	(147,600)
Construction Completed	0	0
Under Construction	54,340	54,340
Overall Asking Rents	$0.62	$0.60

Asking Rents Reported Monthly



Significant Sale & Lease Activity

Significant Sales

PROPERTY ADDRESS	SALE DATE	SIZE	BUYER	TYPE
4091-4095 Pike Lane, Concord	May 2015	31,800	JDF Holdings	Industrial
140 Mason Circle, Concord	June 2015	27,748	DC Solar Solutions	Industrial
4064 Pike Lane, Concord	June 2015	15,000	Livermore Properties	Industrial
824 Las Juntas Street, Martinez	April 2015	7,573	John B Logvy Manufacturing Company	Industrial
2516 Verne Roberts Circle, Antioch	June 2015	1,770	Antioch Education Association	Industrial

Significant Leases

PROPERTY ADDRESS	LEASE DATE	SIZE	TENANT	TYPE
2300 Wilbur Avenue, Antioch	May 2015	23,200	Black Dianmond	Warehouse
4095 Pike Lane, Concord	April 2015	16,300	Apria Healthcare	Light Industrial
5159 Commercial Circle, Concord	May 2015	7,248	Shred-it	Light Industrial
1201 Auto center Drive, Antioch	April 2015	4,160	Limitless Kitchen and Bath	Light Industrial
5110 Port Chicago Highway, Concord	May 2015	3,610	Molecule Digital	Light Industrial
981 Garcia Avenue, Pittsburg	April 2015	2,625	Purpline,LLC	Light Industrial

Market Comparisons – Walnut Creek

INDUSTRIAL MARKET

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	COMPLETED CURRENT QTR SF	UNDER CONSTRUCTION SF	WEIGHTED AVG ASKING RENTAL RATE
CONCORD														
IND	298	6,297,697	312,724	5.0%	30,970	0.5%	343,694	5.5%	5.0%	(25,890)	(85,445)	-	54,340	$0.90
WH	3	264,128	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	$0.75
RD/FL	20	612,047	23,532	3.8%	12,550	0.02	36,082	5.9%	5.9%	-	(11,585)	-	-	$1.20
TOTAL	321	7,173,872	336,256	4.7%	43,520	0.6%	498,674	7.0%	4.9%	(25,890)	(97,030)	-	54,340	$0.93
MARTINEZ														
IND	55	931,208	54,960	5.9%	-	-	54,960	5.9%	4.7%	(11,184)	(11,184)	-	-	$0.89
WH	3	118,898	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	$0.68
RD/FL	7	139,403	11,241	8.1%	-	-	11,241	8.1%	6.3%	(2,507)	(4,707)	-	-	$0.92
TOTAL	65	1,189,509	66,201	5.6%	-	-	66,201	5.6%	4.4%	(13,691)	(15,891)	-	-	$0.90
PITTSBURG														
IND	94	3,100,149	154,413	5.0%	-	-	154,413	5.0%	2.8%	(67,645)	(72,925)	-	-	$0.70
WH	6	805,767	141,108	17.5%	162,029	20.1%	303,137	37.6%	36.2%	(11,739)	(11,739)	-	-	$0.35
TOTAL	100	3,905,916	295,521	7.6%	162,029	4.1%	457,550	11.7%	9.7%	(79,384)	(84,664)	-	-	$-
ANTIOCH														
IND	63	1,672,710	181,772	10.9%	8,800	0.5%	190,572	11.4%	12.3%	14,794	(6,103)	-	-	$0.51
WH	8	1,647,500	293,626	17.8%	-	-	293,626	17.8%	15.4%	(39,800)	(39,800)	-	-	$0.42
RD/FL	6	85,754	4,058	4.7%	-	-	4,058	4.7%	4.7%	-	(2,667)	-	-	$0.95
TOTAL	77	3,405,964	479,456	14.1%	8,800	0.3%	488,256	14.3%	13.6%	(25,006)	(48,570)	-	-	$0.51
PLEASANT HILL														
IND	10	298,020	12,241	4.1%	12,170	4.1%	24,411	8.2%	8.2%	-	-	-	-	$1.16
RD/FL	2	56,808	8,550	15.1%	-	-	8,550	15.1%	15.1%	-	-	-	-	$0.60
TOTAL	12	354,828	20,791	5.9%	12,170	3.4%	32,961	9.3%	9.3%	-	-	-	-	$1.01
PACHECO														
IND	30	605,690	7,418	1.2%	-	-	7,418	1.2%	0.6%	(3,629)	7,571	-	-	$1.00
TOTAL	30	605,690	7,418	1.2%	-	-	7,418	1.2%	0.6%	(3,629)	7,571	-	-	$1.00
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	17,491	2.5%	-	-	17,491	2.5%	2.5%	-	3,500	-	-	$1.26
WH	2	19,481	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	$0.84
TOTAL	35	708,845	17,491	2.5%	-	-	17,491	2.5%	2.5%	-	3,500	-	-	$1.26

MARKET TOTAL

IND	593	13,737,488	741,019	5.4%	51,940	0.4%	792,959	5.8%	5.1%	(93,554)	(164,586)	-	54,340	$0.78
WH	22	2,855,774	434,734	15.2%	162,029	5.7%	596,763	20.9%	19.1%	(51,539)	(51,539)	-	-	$0.35
RD/FL	36	1,056,026	47,381	4.5%	12,550	1.2%	59,931	5.7%	5.4%	(2,507)	(18,959)	-	-	$1.04
TOTAL	651	17,649,288	1,223,134	6.9%	226,519	1.3%	1,449,653	8.2%	7.4%	(147,600)	(235,084)	-	54,340	$0.60

QUARTERLY COMPARISON AND TOTALS

2Q15	651	17,649,288	1,223,134	6.9%	226,519	1.3%	1,449,653	8.2%	7.4%	(147,600)	(235,084)	-		$0.60
1Q15	652	17,649,288	1,087,004	6.2%	215,049	1.2%	1,302,053	7.4%	6.9%	(87,484)	(87,484)	-	54,340	$0.62
4Q14	652	17,649,388	1,011,439	5.7%	212,814	1.2%	1,224,253	6.9%	7.5%	102,687	142,822	-	-	$0.57
3Q14	652	17,649,388	1,115,958	6.3%	210,987	1.2%	1,326,945	7.5%	7.6%	21,983	40,135	-	-	$0.53
2Q14	652	17,649,388	1,140,245	6.5%	208,683	1.2%	1,348,928	7.6%	7.9%	48,912	18,152	-	-	$0.61

and R&D/flex with 2,507 square feet. The largest lease transaction of the quarter was Black Diamond Packaging's 23,200 square feet of warehouse in Antioch. There were several significant transactions in the second quarter. Apria Healthcare's 16,300 square feet of light industrial space on Pike Lane in Concord. At 5159 Commercial Circle in Concord, Shred-It leased 7,248 square feet of light Industrial space. Limitless Kitchen and Bath leased 4,160 square feet of light industrial space in Antioch. Molecule Digital leased 3,610 square feet of light industrial on Port Chicago Highway in Concord. In Pittsburg, Purpline leased 2,625 square feet of light industrial space.

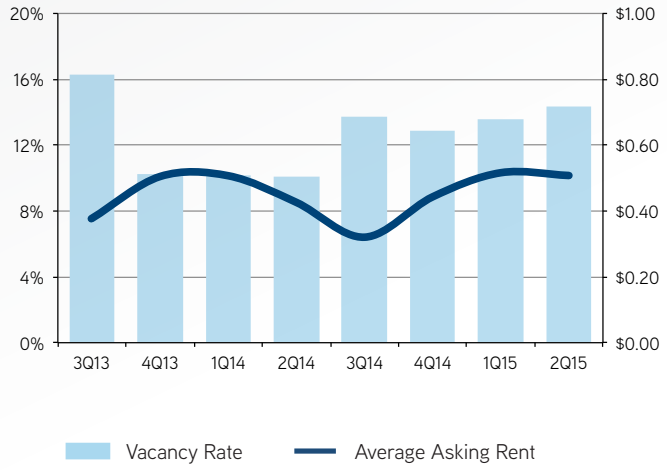
In the Concord submarket, Warehouse and R&D Flex net absorption remained largely unchanged, while the Industrial segment posted negative 25,890 SF. Overall Concord Vacancy increased 210 basis points to 7.0 percent, shaping the largest percentage jump in the market this quarter.

The total vacancy for Pittsburg increased 200 basis points to 11.7 percent. There was 79,384 square feet of negative net absorption for the quarter. Vacancy for industrial space increased 220 basis points to 5.0 percent. In Antioch total vacancy increased fractionally by 70 basis points to 14.3 percent, as did Brentwood, increasing by 60 basis points to 1.2 percent.

Significant sales transactions for the second quarter included JDF Holdings purchase of the 31,800 square feet of industrial at 4091-4095 Pike Lane in Concord. DC Solar Solutions purchased 27,748 square feet of industrial at 140 Mason Circle in Concord. Livermore Properties purchased a 15,000 square foot industrial building at 4064 Pike Lane in Concord. John B Logy Manufacturing Company purchased 7,573 square feet in Martinez at 824 Las Juntas Street. Antioch Education Association ppurchased a 1,770 square foot industrial building in Antioch at 2516 Verne Roberts Circle.

Average Asking Rent vs. Vacancy Rate

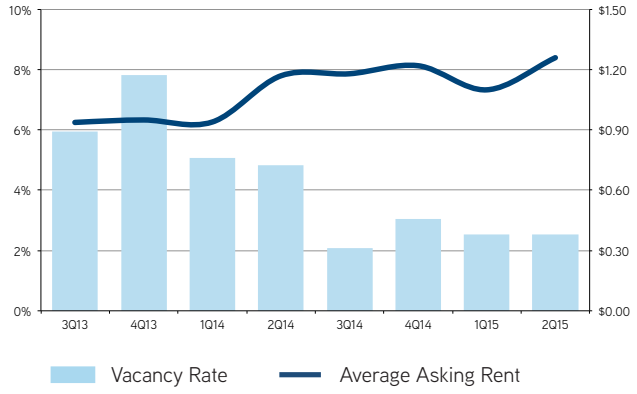
Antioch, CA



Source: Colliers Interntational Research

Average Asking Rent vs. Vacancy Rate

Brentwood, CA



Source: Colliers Interntational Research

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