

NORTH I-680 CORRIDOR | INDUSTRIAL

Q3 2020

Accelerating success.

Slow Motion

- > Industrial Inventory: 17,571,712 SF
- > Current Vacancy: 4.5%
- > Net Absorption: (9,228) Square Feet Year-To-Date

As we move towards the end of the year, the North I-680's industrial market activity has remained mostly flat. Overall vacancy rate decreased to 4.5 percent from 4.6 percent the previous quarter. Rental rates slightly increased to \$0.86 from \$0.84 across the same period. During the quarter there was 16,989 square feet of net absorption. Four sales occurred during the quarter, which is an increase from recent quarters.

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Market Indicators

Unemployment Rate
Contra Costa County

10-Year Nominal
Interest Rate

Consumer
Confidence



Market Trends

Relative to prior period

Q3 2020

Q4 2020*

Vacancy



Net Absorption



Construction



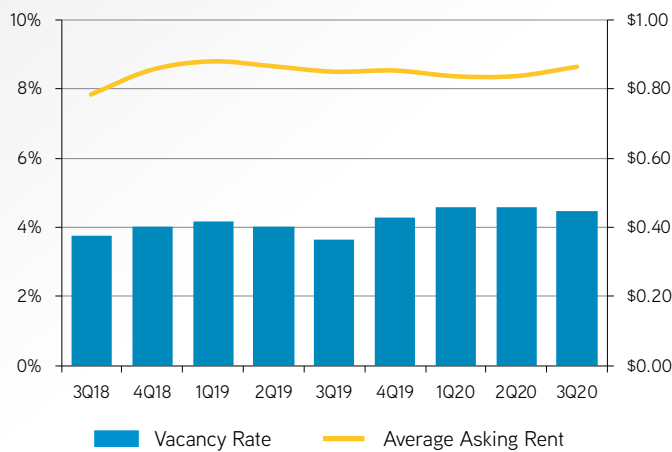
Rental Rate



*Projected

Vacancy Rate vs. Average Asking Rent

North I-680 Highway 4 Corridor



Rents increased slightly while vacancy decreased by 10 basis points.
Gross absorption during the quarter was 102,624 square feet.

Summary Statistics

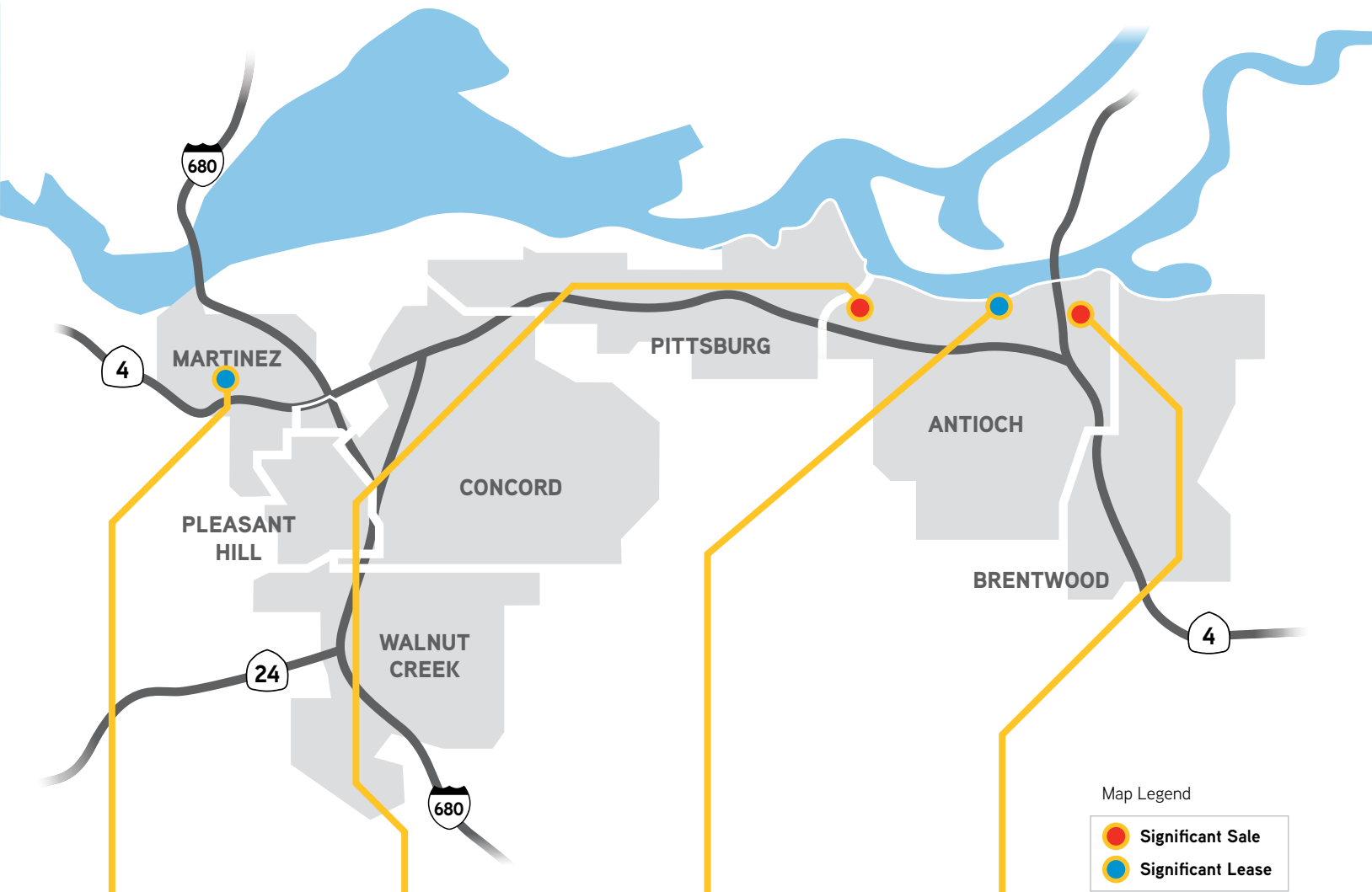
Q3 Walnut Creek Industrial Market

Previous
Quarter

Current
Quarter

Overall Vacancy Rate	4.6%	4.5%
Net Absorption	(874)	16,989
Construction Completed	0	0
Under Construction	0	0
Overall Asking Rents*	\$0.84	\$0.86
Industrial	\$0.85	\$0.87
R&D/Flex	\$0.98	\$1.03
Warehouse/Distribution	\$0.73	\$0.81

*Asking Rents Reported Monthly



Map Legend

- Significant Sale
- Significant Lease

Trader Vic's

970-988 Howe Road,
Martinez

July 2020

11,520 SF

Huan Hu

2591 West 10th Street,
Antioch

September 2020

8,800 SF

Grower's Secret Inc.

2591 West 10th Street,
Antioch

July 2020

23,300 SF

Bel Air Mechanical

5287-5299 Neroly Road,
Oakley

July 2020

10,286 SF

Significant Leases

PROPERTY ADDRESS	LEASE DATE	SIZE	TENANT	TYPE
2300 Wilbur Avenue, Antioch	July 2020	23,200	Growers Secret Inc	Warehouse
970-988 Howe Road, Martinez	July 2020	11,520	Trader Vic's	Light Industrial
4050-4054 Pike Lane, Concord	September 2020	10,920	Game Ready	Light Industrial

Significant Sales

PROPERTY ADDRESS	SALE DATE	SIZE	BUYER	TYPE
5287-5299 Neroly Road, Oakley	July 2020	10,286	Bel Air Mechanical	Light Industrial
2591 West 10th Street, Antioch	September 2020	8,800	Huan Hu	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	270	6,156,411	116,095	1.9%	9,926	0.2%	126,021	2.0%	1.5%	(32,224)	(27,218)	-	-	\$1.38
WH	4	320,282	-	0.0%	-	0.00%	-	0.0%	0.0%	-	-	-	-	\$0.95
RD/FL	20	613,559	1,768	0.3%	-	0.0%	1,768	0.3%	0.1%	(868)	26,480	-	-	\$1.50
TOTAL	294	7,090,252	117,863	1.7%	9,926	0.1%	127,789	1.8%	1.3%	(33,092)	(738)	-	-	\$1.38
MARTINEZ														
IND	39	815,747	-	0.0%	-	0.0%	-	0.0%	1.4%	11,520	22,768	-	-	\$0.96
WH	3	118,898	-	0.0%	-	0%	-	0.0%	0.0%	-	-	-	-	\$0.68
RD/FL	7	139,403	12,362	8.9%	-	-	12,362	8.9%	10.2%	1,873	1,873	-	-	\$0.96
TOTAL	49	1,074,048	12,362	1.2%	-	0.0%	12,362	1.2%	2.4%	13,393	24,641	-	-	\$0.96
PITTSBURG														
IND	83	3,337,150	495,896	14.9%	4,800	0.1%	500,696	15.0%	15.1%	4,333	20,838	-	-	\$0.71
WH	7	853,101	58,311	6.8%	-	-	58,311	6.8%	6.8%	-	(58,311)	-	-	\$0.67
TOTAL	90	4,190,251	554,207	13.2%	4,800	0.1%	559,007	13.3%	13.4%	4,333	(37,473)	-	-	\$0.71
ANTIOCH														
IND	49	1,582,329	48,137	3.0%	-	0.0%	48,137	3.0%	3.3%	4,125	4,976	-	-	\$0.94
WH	9	1,671,250	-	0.0%	-	-	-	0.0%	1.4%	23,200	-	-	-	\$0.45
RD/FL	3	66,742	-	0.0%	-	-	-	0.0%	0.0%	-	4,058	-	-	\$1.20
TOTAL	61	3,320,321	48,137	1.4%	-	0.0%	48,137	1.4%	2.3%	27,325	9,034	-	-	\$0.94
PLEASANT HILL														
IND	9	289,620	-	0.0%	3,000	1.0%	3,000	1.0%	0.0%	(3,000)	(3,000)	-	-	\$1.00
RD/FL	2	56,808	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	\$1.20
TOTAL	11	346,428	-	0.0%	3,000	0.9%	3,000	0.9%	0.0%	(3,000)	(3,000)	-	-	\$1.00
PACHECO														
IND	21	542,944	2,197	0.4%	-	0.0%	2,197	0.4%	0.4%	-	(2,197)	-	-	\$1.50
TOTAL	21	542,944	2,197	0.4%	-	0.0%	2,197	0.4%	0.4%	-	(2,197)	-	-	\$1.50
WALNUT CREEK														
IND	6	122,500	1,550	1.3%	-	-	1,550	1.3%	1.3%	-	(1,550)	-	-	\$1.80
RD/FL	1	162,014	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	\$2.00
TOTAL	7	284,514	1,550	0.5%	-	-	1,550	0.5%	0.5%	-	(1,550)	-	-	\$1.80
BRENTWOOD														
IND	29	656,103	13,195	2.0%	-	-	13,195	2.0%	3.2%	8,030	2,055	-	-	\$1.43
WH	3	66,851	20,901	31.3%	-	-	20,901	31.3%	31.3%	-	-	-	-	\$1.20
TOTAL	32	722,954	34,096	4.7%	-	-	34,096	4.7%	5.8%	8,030	2,055	-	-	\$1.29

MARKET TOTAL

IND	506	13,502,804	677,070	5.0%	17,726	0.1%	694,796	5.1%	5.1%	(7,216)	16,672	-	-	\$0.87
WH	26	3,030,382	79,212	2.6%	-	0.0%	79,212	2.6%	3.4%	23,200	(58,311)	-	-	\$0.81
RD/FL	33	1,038,526	14,130	1.4%	-	0.0%	14,130	1.4%	1.5%	1,005	32,411	-	-	\$1.03
TOTAL	565	17,571,712	770,412	4.4%	17,726	0.1%	788,138	4.5%	4.6%	16,989	(9,228)	-	-	\$0.86

QUARTERLY COMPARISON AND TOTALS

3Q20	565	17,571,712	770,412	4.4%	17,726	0.1%	788,138	4.5%	4.6%	16,989	(9,228)	-	-	\$0.86
2Q20	565	17,569,185	784,981	4.5%	20,146	0.1%	805,127	4.6%	4.6%	(874)	(26,217)	-	-	\$0.84
1Q20	565	17,569,185	784,107	4.5%	20,146	0.1%	804,253	4.6%	4.3%	(25,343)	4,212	-	-	\$0.84
4Q19	657	18,203,418	738,107	4.1%	40,806	0.2%	778,913	4.3%	3.6%	(97,515)	(32,409)	29,102	-	\$0.85
3Q19	656	18,156,048	687,528	3.8%	31,280	0.2%	660,497	3.6%	4.0%	71,373	65,106	-	29,102	\$0.87

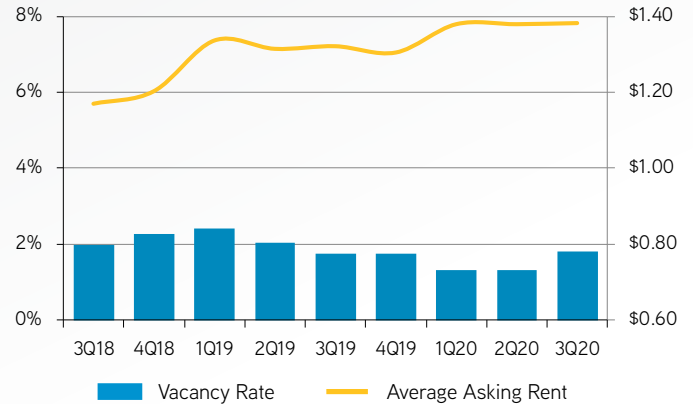
Concord's vacancy increased to 1.8 percent, an increase of 50 basis points from the last quarter. Average rents in Concord remained the same at \$1.38 per square foot. This seems to be the trend across all regions in the North I-680, as activity remains close to flat. Gross leasing for the quarter in Concord was 40,250 square feet.

Bel Air Mechanical purchased 5287-5299 Neroly Road in Oakley, a light industrial building totaling 10,286 square feet for \$1,950,000 or \$190 per square foot. Huan Hu purchased 2591 West 10th Street in Antioch, an 8,800 square foot light industrial building for \$1,475,000, or \$168 per square foot. In leasing, Growers Secret Inc took 23,200 square feet of warehouse space at 2300 Wilbur Avenue in Antioch. Trader Vic's leased 11,520 square feet of light industrial space at 970-988 Howe Road in Martinez. Lastly, Game Ready took 10,920 square feet of light industrial space at 4050-4054 Pike Lane in Concord.

While the North I-680 industrial market remains historically a constricted and competitive market, the pandemic has thrown it a curveball. While vacancy and asking rates are largely unchanged, we did see more leasing and sales activity this quarter than in the previous quarters. While office and retail property types are reeling due to the pandemic, industrial types are largely unaffected as business continues as usual. Brokers mention there is demand for small and medium spaces, however the tight vacancy limits options for prospective tenants. We anticipate the activity we saw this past quarter to continue into the fourth quarter to finish 2020.

Average Asking Rent vs. Vacancy Rate

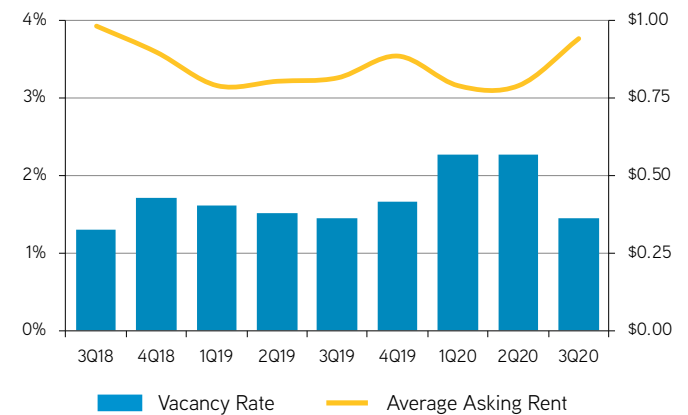
Concord, CA



Source: Colliers International Research

Average Asking Rent vs. Vacancy Rate

Antioch, CA



Source: Colliers International Research

FOR MORE INFORMATION

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