

MARKET FUNDAMENTALS

	YOY Chg	Outlook
\$141,700 Median HH Income	▲	▲
0.0% Population Growth	▲	▼
4.4% Unemployment Rate	▼	▲

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.6% GDP Growth	▼	▲
1.5% Consumer Spending Growth	▼	▲
1.0% Retail Sales Growth	▼	▬

Source: BLS, BOC, Moody's Analytics
Q3 2026 data are based on latest available data.
Growth rates are year-over-year.

ECONOMY: UNEMPLOYMENT RATE DECLINES

The East Bay, comprising of Alameda and Contra Costa counties, has recorded improving labor market conditions recently. The region added 3,000 jobs over the past year, bringing the unemployment rate to 4.4%, down 40 basis points (bps) year-over-year (YOY) from 4.8%, but still above the national rate of 4.2%. Median household income increased 6.4% YOY to \$141,700, while population growth was flat. Expanding research and development and advanced manufacturing activity within the artificial intelligence, robotics and aerospace sectors is drawing high-growth companies to the East Bay, which may create higher household income and greater consumer demand over time.

SUPPLY & DEMAND: NET ABSORPTION IMPROVES

The East Bay retail market, with an inventory of 51.9 million square feet, rebounded in the third quarter of 2026. The vacancy rate declined to 7.3%, down 20 bps from 7.5% in the previous quarter, but up 10 bps from 7.2% one year ago. The market recorded 109,700 square feet (sf) of positive net absorption, pushing the year-to-date figure back into positive territory at 45,300 sf. Development remained dormant, with no deliveries and no space under construction.

Performance varied by county. Alameda County recorded 115,000 sf of positive absorption, lowering vacancy 40 bps to 6.4%. Contra Costa County posted 5,300 sf of negative absorption, with vacancy holding at 8.3%.

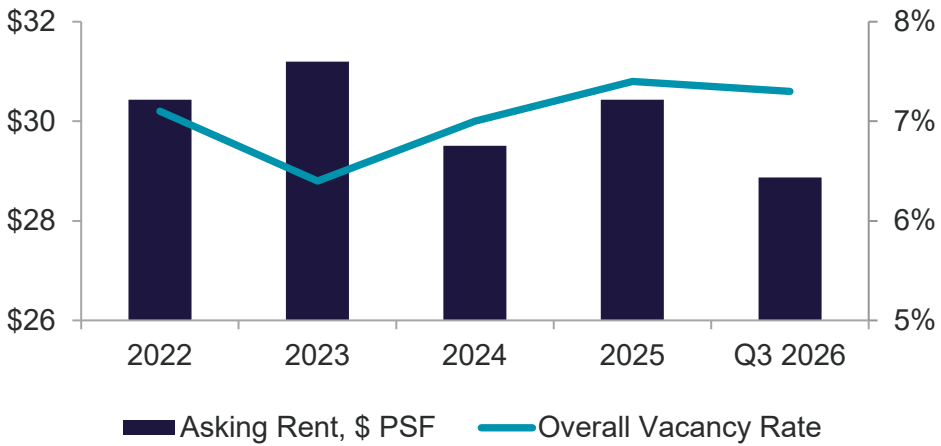
The 880 Corridor led the market with 121,500 sf of positive absorption, bringing vacancy down 80 bps to 5.4%. The North 80 Corridor and Oakland also posted positive absorption of 45,100 sf and 33,000 sf, respectively, though vacancy remained elevated at 13.3% and 12.4%. Other submarkets recorded negative absorption and modest vacancy increases.

The largest retail investment sale in the East Bay during the third quarter was Pleasanton Gateway, a 128,000-sf center acquired by Sterling Organization from Invesco Real Estate for \$79.1 million (\$618 psf) as part of a portfolio.

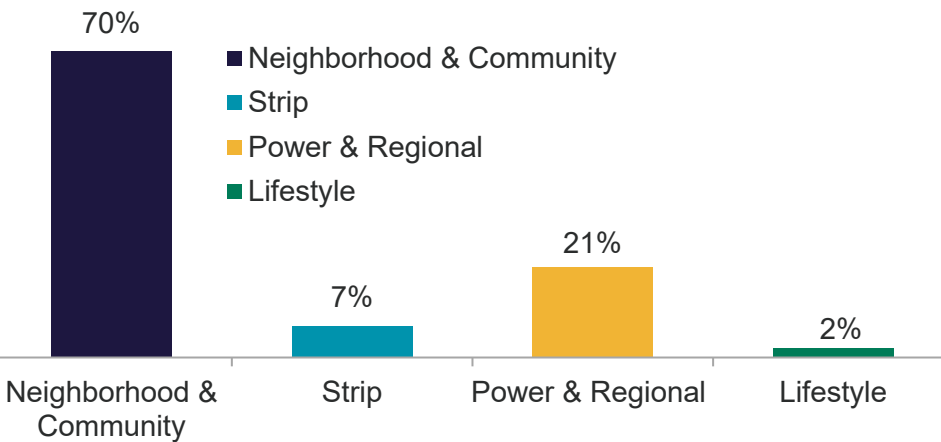
PRICING: AVERAGE ASKING RENT DOWN

The average asking rent in the East Bay declined 3.0% YOY to \$28.87 per square foot per year (psf) on an annual triple-net basis. The highest rents were in the South 80 Corridor (\$34.00 psf), the 880 Corridor (\$32.46 psf) and the 680 Corridor (\$30.50 psf).

OVERALL VACANCY & ASKING RENT



AVAILABILITY BY PRODUCT TYPE



Source: Costar

MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	DIRECT VACANT (SF)	SUBLET VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	UNDER CNSTR (SF)	OVERALL AVG ASKING RENT (NNN)*
Highway 4	8,808,014	817,176	1,546	9.3%	-5,506	-81,128	0	\$24.33
680 Corridor	11,548,947	629,263	29,272	5.7%	-44,875	76,837	0	\$30.50
North 80 Corridor	4,341,235	446,323	129,852	13.3%	45,087	36,773	0	\$21.91
CONTRA COSTA COUNTY TOTALS	24,698,196	1,892,762	160,670	8.3%	-5,294	32,482	0	\$26.21
South 80 Corridor	1,493,521	66,220	0	4.4%	-13,246	-3,992	0	\$34.00
Oakland	2,156,135	267,737	0	12.4%	33,034	-8,771	0	\$20.37
880 Corridor	15,809,183	809,505	44,919	5.4%	121,512	147,983	0	\$32.46
580 Corridor	7,719,899	539,744	10,995	7.1%	-26,264	-122,448	0	\$27.93
ALAMEDA COUNTY TOTALS	27,178,738	1,683,206	55,914	6.4%	115,036	12,772	0	\$31.02
EAST BAY TOTALS	51,876,934	3,575,968	216,584	7.3%	109,742	45,254	0	\$28.87

*Rental rates reflect Triple Net asking \$PSF/Year

KEY LEASE TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	TENANT	SF	TYPE
1551 Sycamore Avenue (Creekside Shopping Center)	Hercules	Goodwill	31,600	New Lease
1743 San Pablo Avenue	Oakland	Oakland Theater Project	15,200	New Lease
35249 Newark Boulevard (Lido Faire Shopping Center)	Newark	Elite Pro Fitness	13,600	New Lease
31300 Dyer Street (Union Landing)	Union City	Jolly Roger Land	10,000	New Lease
337 Main Street	Pleasanton	Maison Benoit	9,700	New Lease

KEY SALES TRANSACTIONS Q3 2026

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
6766 Bernal Avenue (Pleasanton Gateway)*	Pleasanton	Invesco Real Estate / Sterling Organization	128,000	\$79.1M / \$618
7450 Dublin Boulevard (Enea Plaza)	Dublin	ST Michael Investments LP / Mahmood Alam	66,300	\$20.0M / \$302
2702-2830 Pinole Valley Road (Pinole Valley Shopping Center)	Pinole	Stockbridge / Asana Partners	65,800	\$42.7M / \$649
22555 Mission Boulevard (Lucky)	Hayward	Blue Owl Capital / Intelli LLC	61,500	\$14.9M / \$243
2099 Mt Diablo Boulevard	Walnut Creek	Loja Group LLC / Cilker-Walnut Creek LLC; Linsenvestment 02 LLC	21,200	\$7.7M / \$362

*Part of portfolio

Source: Costar, RCA

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