

MARKETBEAT

EAST BAY PLEASANTON

INDUSTRIAL Q3 2026



MARKET FUNDAMENTALS

	YOY Chg	Outlook
7.3% Vacancy Rate	▼	▲
473K Net Absorption, SF	▲	▼
\$1.23 Asking Rent, PSF <i>(Overall, Net Asking Rent)</i>	▲	▬

ECONOMIC INDICATORS

	YOY Chg	Outlook
1.2M East Bay Employment	▲	▼
4.4% East Bay Unemployment Rate	▼	▲
4.2% U.S. Unemployment Rate <i>Source: BLS</i>	▼	▲

ECONOMY: HEADWINDS PERSIST

The East Bay, consisting of Alameda and Contra Costa counties, recorded a gain of 3,000 jobs year-over-year (YOY) bringing the unemployment rate down 40 basis points (bps) to 4.4%. Macroeconomic forces including elevated interest rates, evolving tariff policies and global trade uncertainty continue to weigh on industrial leasing but significant demand from advanced manufacturing users and tenants supporting AI infrastructure has provided some relief.

SUPPLY & DEMAND: VACANCY FALLS

The vacancy rate in the East Bay Pleasanton or Tri Valley market closed the third quarter at 7.3%, down 210 bps from the previous quarter and 160 bps YOY. The third quarter recorded 472,861 square feet (sf) of positive net absorption, the result of large leases from earlier in the year occupying. This brings the year-to-date total net absorption to over 1.1 million sf, making it the best year since 2016 as it stands. Available spaces of all size ranges, aside from 50,000-99,999 sf, have decreased or remain flat YOY, with the total number of availabilities down 17%.

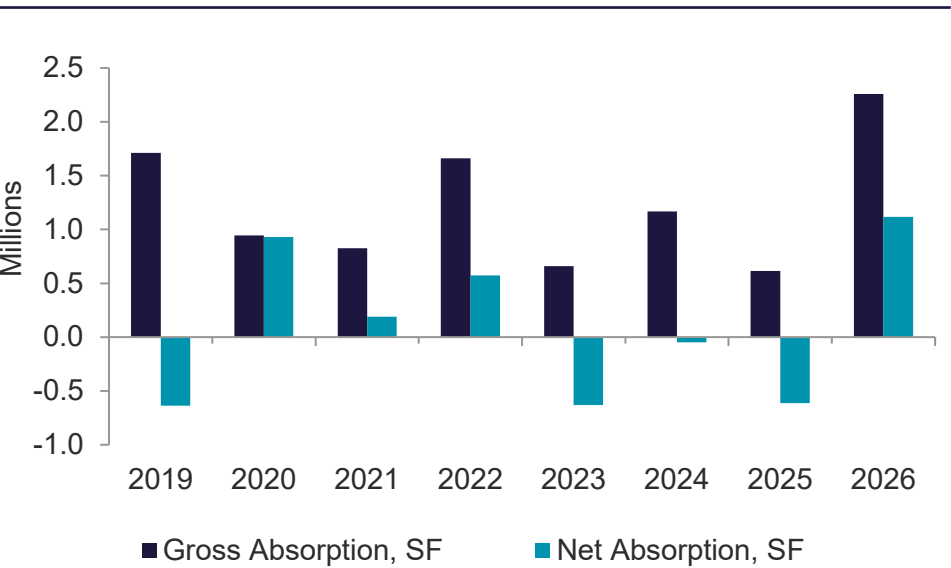
Leasing activity lost some momentum in the third quarter, with 124,256 sf of total leasing, after two historically strong quarters to start the year. Through the third quarter, the market has recorded 2.3 million sf of leasing, the most in any single year since 2016, with the potential to end the year with the most in recorded history. The largest deal of the quarter was signed at 151 Lawrence Drive in Livermore, where Generon leased 56,800 sf. Tri-Valley industrial leasing has begun to benefit from Silicon Valley spillover, as tenants in advanced manufacturing, mobility, and other technology forward industries look east as they are squeezed out of the inner Bay Area by surging AI and hyperscaler demand. For the tenth consecutive quarter, the largest lease was in Livermore, which houses all of the region's newer, big-box inventory. The submarket commanded 88% of all leasing activity in 2025 and 98% through the third quarter of 2026, while making up 80% of the total inventory.

The overall asking rate closed the third quarter at \$1.23 per square foot (psf) on a monthly triple net basis, up \$0.03 psf from the previous quarter and \$0.04 psf YOY. While the delta between asking rates in the Tri-Valley and Oakland Metro has become increasingly narrow, tenants can still find cost savings in the Tri-Valley, while staying closer to major population centers than the Central Valley to the east.

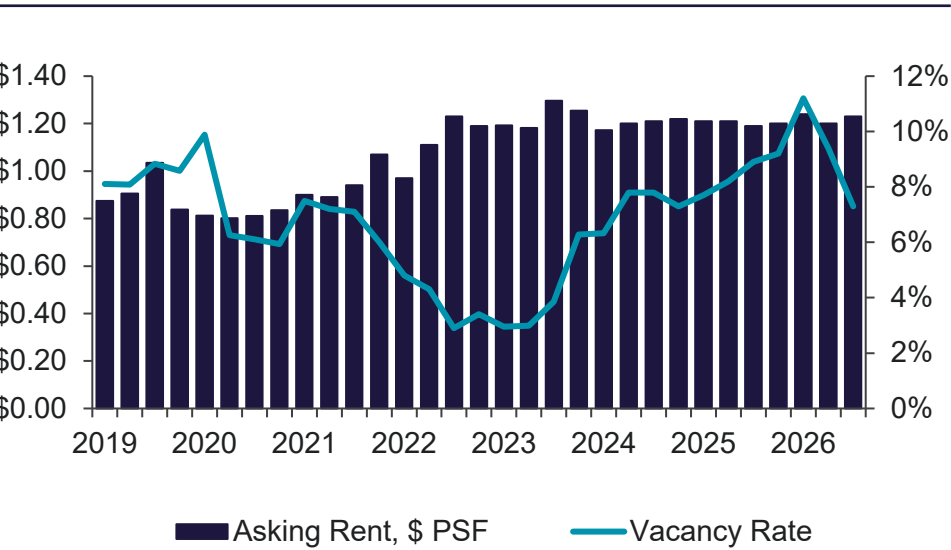
OTHER NEWS: USER SALES

Despite strong leasing fundamentals thus far in 2026, there have been no major investment sales. Users have taken the spotlight with several smaller purchases this year. The largest sale thus far was 6998 Sierra Court, which general contractor Courtney, Inc. purchased for \$5.5M, or \$340 psf.

SPACE DEMAND / ABSORPTION



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SF)	OVERALL VACANT (SF)	OVERALL VACANCY RATE	CURRENT QTR OVERALL NET ABSORPTION (SF)	YTD OVERALL NET ABSORPTION (SF)	YTD LEASING ACTIVITY	YTD DELIVERIES (SF)	OVERALL WEIGHTED AVG NET RENT (MF)	OVERALL WEIGHTED AVG NET RENT (W/D)	OVERALL AVG ASKING RENT
Dublin	1,707,078	178,353	10.4%	-2,340	192,207	5,176	0	\$1.70	\$1.20	\$1.34
Pleasanton	2,629,187	305,523	11.6%	-28,443	-147,419	45,438	0	\$1.24	\$2.00	\$1.56
Livermore	18,470,976	1,185,842	6.4%	503,644	1,072,226	2,236,424	759,747	\$1.19	\$1.12	\$1.13
Total	22,807,241	1,669,718	7.3%	472,861	1,117,014	2,287,038	759,747	\$1.29	\$1.22	\$1.23

*Rental rates reflect weighted net asking \$psf/year

MF = Manufacturing W/D = Warehouse/Distribution

KEY LEASE TRANSACTIONS YTD 2026

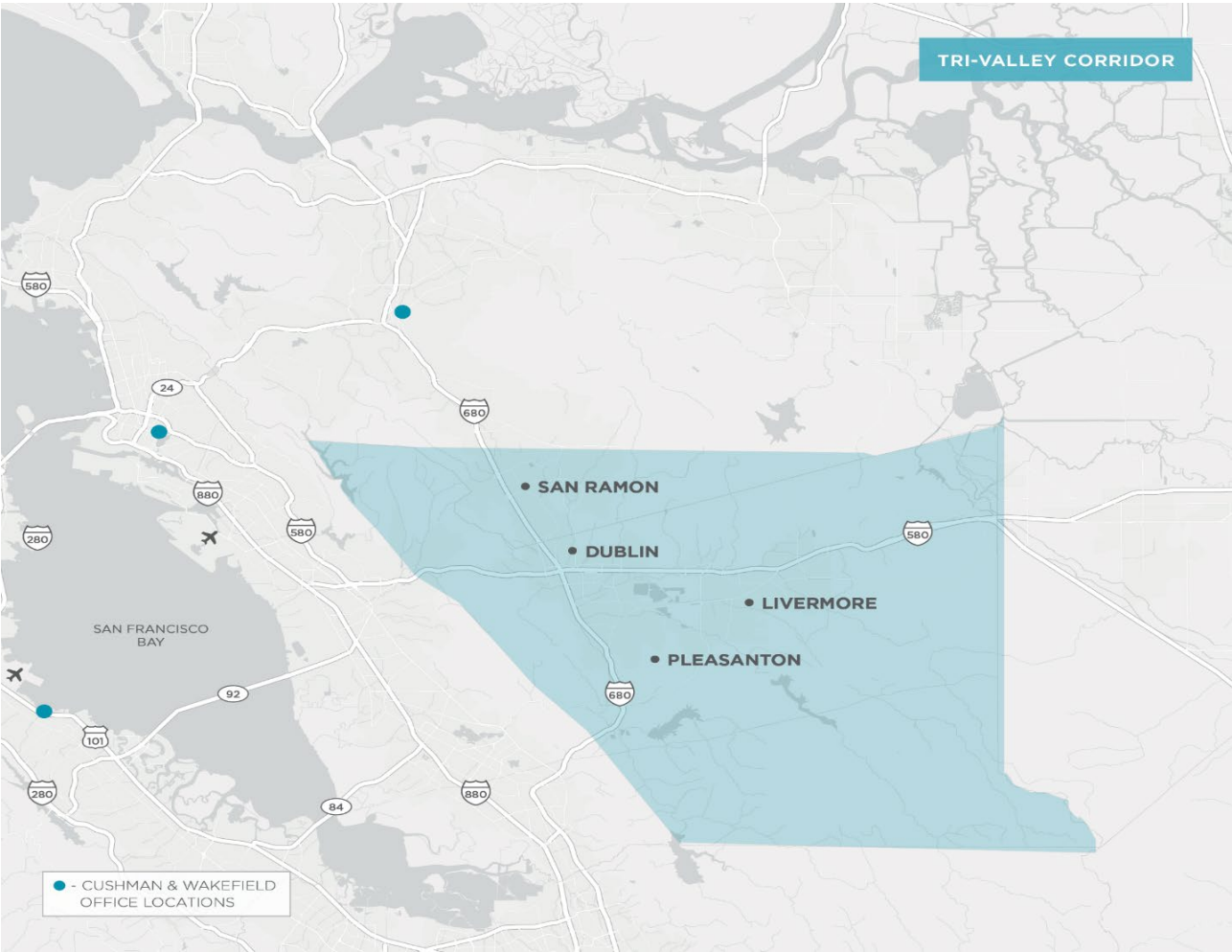
PROPERTY	SUBMARKET	TENANT	RSF	TYPE
Oaks Logistics Center	Livermore	Tesla	1,003,267	Renewal
801 Challenger Street	Livermore	Draxlmaier	294,940	Renewal
711 Challenger Street	Livermore	Confidential	288,747	New Lease
7364 Marathon Drive	Livermore	DYCM Solar Modules	193,240	New Lease

KEY SALE TRANSACTIONS YTD 2026

PROPERTY	SUBMARKET	SELLER / BUYER	SF	PRICE / \$ PSF
6998 Sierra Court	Dublin	John & Cynthia Hunter / Courtney, Inc.	16,160	\$5.5M / \$340
288 Boeing Court	Livermore	Vi-Tec Manufacturing / Paradise Door and Service, Inc.	9,964	\$3.3M / \$330
1270 Quarry Lane	Pleasanton	Scott Singer / Plasmaterials, Inc.	8,100	\$3.0M / \$364

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