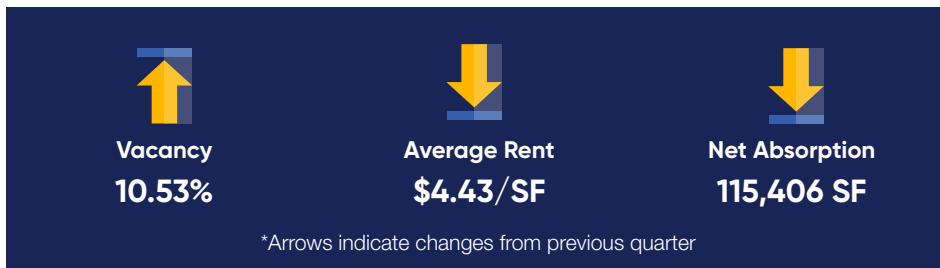


Occupier's Guide

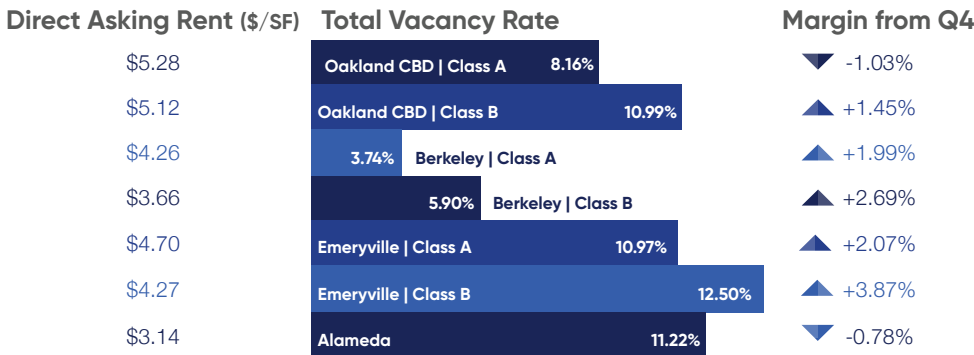
The Bay Area remains under COVID-19-induced shelter-in-place orders, and the global economy has largely come to a standstill. The East Bay experienced increases in vacancy, decreases in rates, and positive net absorption. Oakland's government faces unprecedented levels of economic distress, and has fallen into a budget crisis. Kaiser has pulled out of the Thrive Center development, and will not be consolidating 7,000 employees into the 1.6 million SF building as previously planned. San Leandro experienced notable leasing activity, with three of the top four leases signed this quarter located in San Leandro.



Tenant's Perspective

- Overall East Bay rates experienced a 1.5% decline from the previous quarter.
- Kaiser Permanente has pulled out of its planned Thrive Center in Oakland. The firm had plans to consolidate more than 7,000 employees into the 1.6 million SF building.
- San Leandro is making headlines for the top lease transactions this quarter. Three of the top four leases signed this quarter were in San Leandro.

Rental and Vacancy Rates



Recent Transactions

	Tenant	City	Type	Size	Sector
1	County of Alameda	San Leandro	New Lease	74,000 RSF	Government
2	Alameda Health Consortium	San Leandro	Renewal	21,000 RSF	Non-profit
3	Gallery Furniture	San Leandro	New Lease	14,000 RSF	Retail
4	Cowi	Oakland CBD	New Lease	13,000 RSF	Professional Services

Market Trends



Kaiser's Thrive Center consolidation would have freed up significant amounts of space for other growing companies. With the deal now off, these future vacancies are no longer on the radar.

Across the East Bay, vacancy increased from 9.5% to 10.5%. Square moving into Uptown Station could not hold vacancy static, as other spaces simultaneously became vacant.

The Oakland government has stated "the size and scale of these revenue shortfalls is like nothing Oakland has ever before experienced." This is a testament to the overall economic hardship the city is facing.