

WALNUT CREEK, CA | NORTH I-680 CORRIDOR

## RESEARCH &amp; FORECAST REPORT

Industrial Market  
Continues Recovery

## MARKET OVERVIEW

The North I-680 industrial market improved in the first quarter of 2013 beginning the year with a 9.3 percent vacancy rate, the lowest total vacancy since the 2007 recession. Transaction velocity was steady throughout the quarter with the majority of leasing activity occurring in Concord. Antioch was the next most active submarket in the region. There was 76,751 square feet of total positive net absorption for the quarter. Total asking rents remained flat at \$0.62 per square foot (PSF). Concord led the market in net absorption posting 135,681 square feet, followed by Antioch with 24,800 square feet. Pittsburg and Martinez registered the highest instances of negative net absorption in the region continuing the trend from the previous quarter.

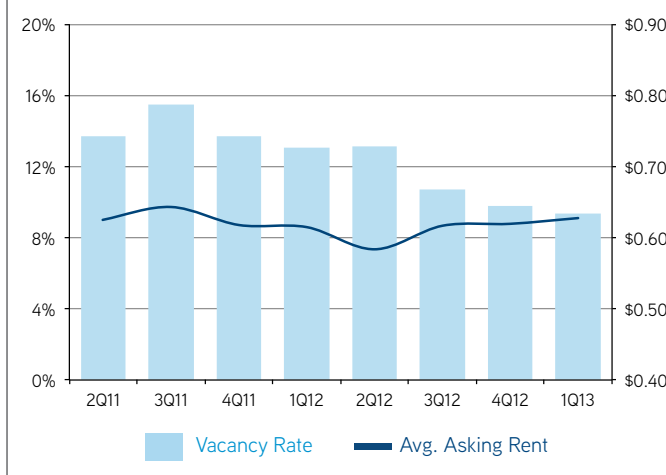
The majority of lease transaction activity was focused in the warehouse submarkets which posted the highest positive net absorption figure at 41,360 square feet. The largest lease transaction of the quarter was a 35,739 square foot direct lease at Northpoint Business Park on Forni Drive. There are a total of three tenants that now occupy 30,000 square feet at 4090 Pike Lane in Concord with Cintas Uniforms occupying the most space. Also in Concord Bimbo Bakeries renewed 19,260 square feet at Concord North Commerce. OC Communications leased 11,560 square feet of warehouse space at Concord North Commerce as well.

Concord recorded its largest dip in vacancy in recent history. Vacancy fell 1.8 percentage points to 9.2 percent. This also marked over two and a half years of declining vacancy. The industrial market posted 79,661 square feet of positive net absorption. Concord warehouse vacancy decreased 13.9

## MARKET INDICATORS

	Q1	PROJECTED Q2
VACANCY	↓	↓
NET ABSORPTION	↓	↑
CONSTRUCTION	↔	↔
RENTAL RATE	↔	↑

NORTH I-680 HWY 4 CORRIDOR &gt; VACANCY RATE VS. AVERAGE ASKING RENT



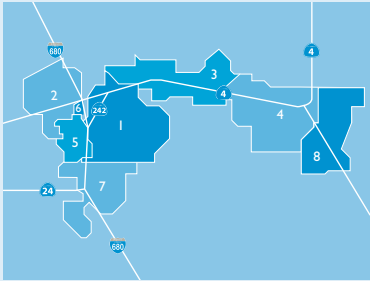
Vacancy has declined for seven consecutive quarters. Rents are expected to increase throughout 2013.

## INDUSTRIAL MARKET &gt; Q1 2013

EXISTING PROPERTIES										ABSORPTION		CONSTRUCTION				RENTS
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	COMPLETIONS CURRENT QTR SF	COMPLETIONS YTD SF	UNDER CONSTRUCTION SF	PLANNED CONSTRUCTION SF	WEIGHTED AVG ASKING RENTAL RATE
CONCORD																
IND	303	6,387,308	497,956	7.8%	30,366	0.5%	528,322	8.3%	9.5%	79,661	79,661	-	-	-	-	\$0.83
WH	3	264,128	35,800	13.6%	-	-	35,800	13.6%	27.5%	36,760	36,760	-	-	-	-	\$0.85
RD/FL	22	676,827	107,584	15.9%	-	-	107,584	15.9%	9.5%	19,260	19,260	-	-	-	-	\$1.22
TOTAL	328	7,328,263	641,340	8.8%	30,366	0.4%	671,706	9.2%	11.0%	135,681	135,681	-	-	-	-	\$0.90
MARTINEZ																
IND	55	935,208	39,520	4.2%	-	-	39,520	4.2%	2.4%	(17,006)	(17,006)	-	-	-	-	\$0.86
WH	3	118,898	27,960	23.5%	-	-	27,960	23.5%	27.4%	4,600	4,600	-	-	-	-	\$-
RD/FL	7	139,403	21,478	15.4%	-	-	21,478	15.4%	15.8%	602	602	-	-	-	-	\$0.90
TOTAL	65	1,193,509	88,958	7.5%	-	-	88,958	7.5%	6.5%	(11,804)	(11,804)	-	-	-	-	\$0.87
PITTSBURG																
IND	95	3,101,149	210,712	6.8%	-	-	210,712	6.8%	4.5%	(70,028)	(70,028)	-	-	-	-	\$0.60
WH	6	805,767	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	-	-	\$-
TOTAL	101	3,906,916	210,712	5.4%	-	-	210,712	5.4%	3.6%	(70,028)	(70,028)	-	-	-	-	\$0.60
ANTIOCH																
IND	62	1,649,674	257,284	15.6%	-	-	257,284	15.6%	16.9%	21,679	21,679	-	-	-	-	\$0.46
WH	8	1,647,500	328,200	19.9%	-	-	328,200	19.9%	19.9%	-	-	-	-	-	-	\$0.28
RD/FL	6	85,754	-	0.0%	-	-	-	0.0%	3.6%	3,121	3,121	-	-	-	-	\$-
TOTAL	76	3,382,928	585,484	17.3%	-	-	585,484	17.3%	18.0%	24,800	24,800	-	-	-	-	\$0.36
PLEASANT HILL																
IND	9	289,620	25,840	8.9%	-	-	25,840	8.9%	8.9%	-	-	-	-	-	-	\$0.61
RD/FL	2	56,808	8,550	15.1%	-	-	8,550	15.1%	0.0%	(8,550)	(8,550)	-	-	-	-	\$-
TOTAL	11	346,428	34,390	9.9%	-	-	34,390	9.9%	7.5%	(8,550)	(8,550)	-	-	-	-	\$0.61
PACHECO																
IND	30	605,690	9,868	1.6%	-	-	9,868	1.6%	2.0%	2,275	2,275	-	-	-	-	\$0.86
TOTAL	30	605,690	9,868	1.6%	-	-	9,868	1.6%	2.0%	2,275	2,275	-	-	-	-	\$0.86
WALNUT CREEK																
IND	11	151,050	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	-	-	\$-
RD/FL	1	162,014	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	-	-	\$-
TOTAL	12	313,064	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	-	-	\$1.06
BRENTWOOD																
IND	33	663,705	59,279	8.9%	-	-	59,279	8.9%	9.6%	4,377	4,377	-	-	-	-	\$0.89
WH	2	19,531	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	-	-	\$-
TOTAL	35	683,236	59,279	8.7%	-	-	59,279	8.7%	9.3%	4,377	4,377	-	-	-	-	\$0.89
MARKET TOTAL																
IND	598	13,783,404	1,100,459	8.0%	30,366	0.2%	1,130,825	8.2%	8.4%	20,958	20,958	-	-	-	-	\$0.72
WH	22	2,855,824	391,960	13.7%	-	0.0%	391,960	13.7%	15.2%	41,360	41,360	-	-	-	-	\$0.21
RD/FL	38	1,120,806	137,612	12.3%	-	0.0%	137,612	12.3%	13.6%	14,433	14,433	-	-	-	-	\$1.04
TOTAL	658	17,760,034	1,630,031	9.2%	30,366	0.2%	1,660,397	9.3%	9.8%	76,751	76,751	-	-	-	-	\$0.62

## QUARTERLY COMPARISON AND TOTALS

1Q13	658	17,760,034	1,630,031	9.2%	30,366	0.2%	1,660,397	9.3%	9.8%	76,751	76,751	-	-	-	-	\$0.62
4Q12	658	17,760,034	1,706,782	9.6%	30,366	0.2%	1,737,148	9.8%	10.7%	170,062	691,307	-	-	-	-	\$0.62
3Q12	658	17,760,034	1,885,082	10.6%	22,128	0.1%	1,907,210	10.7%	13.1%	418,507	521,245	-	-	-	-	\$0.62
2Q12	658	17,760,034	2,284,389	12.9%	41,328	0.2%	2,325,717	13.1%	13.1%	(6,804)	102,738	-	-	-	-	\$0.58
1Q12	658	17,760,034	2,288,563	12.9%	30,350	0.2%	2,318,913	13.1%	13.9%	109,542	109,542	-	-	-	-	\$0.61



## SUBMARKET MAP

- 1 Concord
- 2 Martinez
- 3 Pittsburg
- 4 Antioch
- 5 Pleasant Hill
- 6 Pacheco
- 7 Walnut Creek
- 8 Brentwood

percentage points to 13.6 percent. Concord R&D absorbed 19,260 square feet as vacancy decreased 2.8 percentage points to 15.9 percent.

Total vacancy for Pittsburg increased 1.8 percentage points to 5.4 percent. There was 70,028 square feet of negative net absorption for the quarter. Vacancy for industrial space increased 2.3 percentage points to 6.8 percent. Total average asking rents increased \$0.05 PSF to \$0.60 PSF.

Antioch total vacancy fell 0.7 percentage points to 17.3 percent. There was 24,800 square feet of positive net absorption. Average asking rents decreased \$0.02 PSF to \$0.36 PSF. Warehouse vacancy remained flat at 19.9 percent. Average asking rents for warehouse space were unchanged at \$0.28 PSF.

Sales activity was tapered off during the first quarter. The most significant sale of the quarter was Jake & Christina Pauline's purchase of 2591 West 10th Street at Delta Business Park in Antioch. FJM Investments sold the 8,800 square foot industrial condo. In Pittsburg, GMSX LLC purchased a 5,500 square foot industrial condo in Empire Commerce Center. Sterling Savings Bank was the seller. JVF Properties LLC purchased a 5,000 square foot condo in the project. Davis and Associates was the seller. The Johnson Family Trust purchased a 4,292 square foot industrial building at 1080 Detroit Avenue in Concord. At Venture Commerce Center in Antioch, Andrew and May Cook purchased a 1,119 square foot R&D Flex condo from Mohamed Baz.

## 482 offices in 62 countries on 6 continents

United States: 140  
Canada: 42  
Latin America: 20  
Asia Pacific: 195  
EMEA: 85

- \$2.0 billion in annual revenue
- 2.515 billion square feet under combined management
- Over 13,500 professionals

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## SIGNIFICANT TRANSACTIONS

## SALES ACTIVITY

PROPERTY ADDRESS	SALES DATE	SIZE SF	BUYER	TYPE
2591 W 10th Street	March	8,800	Pauline Family	Light Industrial
Empire Commerce Center	February	5,500	GMSX LLC	Condo
Empire Commerce Center	March	5,000	JVF Properties LLC	Condo
1080 Detroit Avenue	February	4,292	Johnson Family Trust	Industrial
Venture Commerce Center	March	1,119	Chen Family	Condo

## LEASING ACTIVITY

PROPERTY NAME/ADDRESS	LEASE DATE	SIZE SF	TENANT	TYPE
Northpoint Business Park	January	35,739	N/A	Warehouse
Concord North Commerce	March	19,260	Bimbo Bakeries USA Inc	Warehouse
Concord North Commerce	January	11,560	OC Communications	Warehouse

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