



WALNUT CREEK, CA | NORTH I-680 CORRIDOR

# RESEARCH & FORECAST REPORT



## North I-680 Market Summary

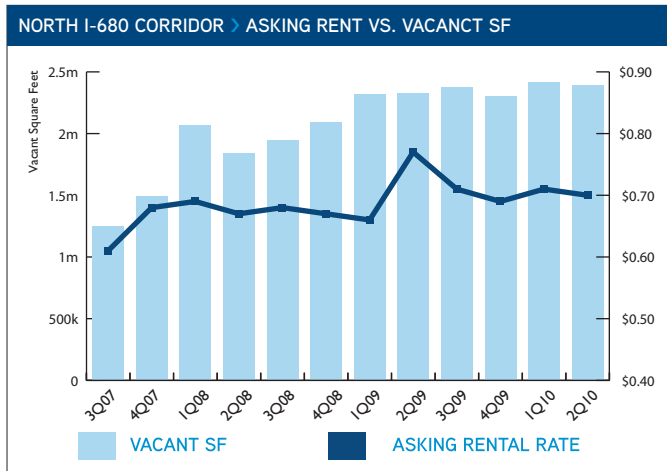
### MARKET OVERVIEW

Market conditions in the North I-680 and Highway 4 corridors continued to improve during the second quarter of 2010. Total vacancy for the market fell 0.2 percentage points to 14.2 percent. Warehouse vacancies dropped 2.1 percentage points to 24.8 percent, while registering 60,750 square feet (SF) of positive net absorption. This is the third quarter in a row showing an increase in total net absorption for warehouse space. R&D vacancies decreased 2.0 percentage points to 18.7 percent with 20,217 SF of positive net absorption. Light industrial space remained relatively flat for the quarter, while total vacancy increased 0.4 percentage points to 11.6 percent with 17,350 SF of negative net absorption. Average asking rents for light industrial space dropped \$0.05 per square foot (PSF) to \$0.86 PSF. Industrial properties continue to have the lowest average vacancies of any commercial property type throughout the North I-680 and Highway 4 corridors.

There were a few lease transactions of note in the Concord submarket. Sartorius Stedim renewed for ±43,000 SF with WCV Commercial Properties. Goodman Distribution renewed with WCV at Concord North Commerce for ±17,300 SF. Food Movers relocated from Benicia to absorb ±12,000 SF in the submarket. Total vacancy for Concord fell 1.4 percentage points to 13.2 percent. Industrial space absorbed 72,176 SF of space with just over 118,000 SF of positive net absorption for the year. Concord R&D vacancy fell 3.4 percentage points to 21.5 percent. Average asking rents for R&D space remained flat at \$1.16 PSF. As a whole, Concord has absorbed 175,198 SF of space for the year.

### MARKET INDICATORS

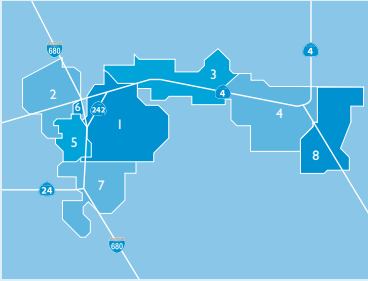
	Q2	Q3
VACANCY	↓	↑
NET ABSORPTION	—	↓
CONSTRUCTION	—	—
RENTAL RATE	—	↓



Total vacancy for the market fell 0.2 percentage points to 14.2 percent.

## INDUSTRIAL MARKET &gt; Q2 2010

EXISTING PROPERTIES											ABSORPTION		CONSTRUCTION		RENTS	
Mrkt	Bldgs	Total Inventory SF	Direct Vacancy SF	Direct Vacancy Rate	Sublease Vacant SF	Sublease Vacancy Rate	Total Vacant SF	Vacancy Rate Q2 2010	Vacancy Rate Prior Quarter	Occupied Space	Net Absorption Current SF	Net Absorption YTD SF	Completed YTD SF	Under Construct. SF	Average Asking Rental Rate	Average Annual Rate
<b>CONCORD</b>																
IND	286	5,999,360	763,585	12.7%	10,470	0.2%	774,055	12.9%	14.1%	5,225,305	72,176	118,371	-	-	\$0.97	\$11.64
WH	3	264,128	-	0.0%	-	0.0%	-	0.0%	0.0%	264,128	-	67,741	-	-	\$-	\$-
RD/FL	21	671,296	144,927	21.6%	-	-	144,297	21.5%	14.1%	526,369	23,009	(10,914)	-	-	\$1.16	\$13.92
<b>TOTAL</b>	<b>310</b>	<b>6,934,784</b>	<b>908,512</b>	<b>13.1%</b>	<b>10,470</b>	<b>0.2%</b>	<b>918,352</b>	<b>13.2%</b>	<b>14.6%</b>	<b>6,015,802</b>	<b>95,185</b>	<b>175,198</b>	<b>-</b>	<b>-</b>	<b>\$1.00</b>	<b>\$12.00</b>
<b>MARTINEZ</b>																
IND	45	778,773	60,671	7.8%	-	-	60,671	7.8%	7.8%	718,102	-	23,097	-	-	\$0.92	\$11.04
WH	3	118,898	37,242	31%	-	0.0%	37,242	31.3%	31.3%	81,656	-	-	-	-	\$-	\$-
RD/FL	7	139,403	21,780	15.6%	-	-	21,780	15.6%	13.6%	117,623	(2,792)	(12,466)	-	-	\$-	\$-
<b>TOTAL</b>	<b>55</b>	<b>1,037,074</b>	<b>119,693</b>	<b>11.5%</b>	<b>-</b>	<b>0.0%</b>	<b>119,693</b>	<b>11.5%</b>	<b>11.3%</b>	<b>917,381</b>	<b>(2,792)</b>	<b>10,631</b>	<b>-</b>	<b>-</b>	<b>\$0.92</b>	<b>\$11.04</b>
<b>PITTSBURG</b>																
IND	85	2,990,496	153,027	5.1%	1,750	0.1%	154,777	5.2%	7.8%	2,835,719	29,141	2,075	35,000	-	\$0.61	\$7.32
WH	6	805,767	194,146	24.1%	-	-	194,146	24.1%	31.3%	611,621	-	-	-	-	\$0.35	\$4.20
<b>TOTAL</b>	<b>91</b>	<b>3,796,263</b>	<b>347,173</b>	<b>9.1%</b>	<b>1,750</b>	<b>0.0%</b>	<b>348,923</b>	<b>9.2%</b>	<b>11.3%</b>	<b>3,447,340</b>	<b>29,141</b>	<b>2,075</b>	<b>35,000</b>	<b>-</b>	<b>\$0.47</b>	<b>\$5.58</b>
<b>ANTIOCH</b>																
IND	53	1,530,064	381,799	25.0%	-	0.0%	381,799	25.0%	16.9%	1,148,265	(122,844)	(163,659)	-	-	\$0.63	\$7.56
WH	8	1,697,260	483,610	28.5%	-	-	483,610	28.5%	32.1%	1,213,650	60,750	25,105	-	-	\$0.30	\$3.60
RD/FL	5	82,328	-	0.0%	-	-	-	0.00%	0.00%	82,328	-	-	-	-	\$0.45	\$5.35
<b>TOTAL</b>	<b>66</b>	<b>3,309,652</b>	<b>865,409</b>	<b>26.1%</b>	<b>-</b>	<b>0.0%</b>	<b>865,409</b>	<b>26.1%</b>	<b>24.3%</b>	<b>2,444,243</b>	<b>(62,094)</b>	<b>(138,554)</b>	<b>-</b>	<b>-</b>	<b>\$0.45</b>	<b>\$5.35</b>
<b>PLEASANT HILL</b>																
IND	10	306,120	26,330	8.6%	6,000	2.0%	32,330	10.6%	10.0%	273,790	(1,825)	65,866	-	-	\$0.89	\$10.68
RD/FL	2	56,808	10,700	18.8%	-	-	10,700	18.8%	18.8%	46,108	-	-	-	-	\$0.90	\$10.80
<b>TOTAL</b>	<b>12</b>	<b>362,928</b>	<b>37,030</b>	<b>10.2%</b>	<b>6,000</b>	<b>1.7%</b>	<b>43,030</b>	<b>11.9%</b>	<b>11.4%</b>	<b>319,898</b>	<b>(1,825)</b>	<b>65,866</b>	<b>-</b>	<b>-</b>	<b>\$0.89</b>	<b>\$10.71</b>
<b>PACHECO</b>																
IND	26	561,782	13,433	2.4%	25,000	4.5%	38,433	6.8%	6.8%	523,349	-	(28,800)	-	-	\$1.01	\$12.12
<b>TOTAL</b>	<b>26</b>	<b>561,782</b>	<b>13,433</b>	<b>2.4%</b>	<b>25,000</b>	<b>4.5%</b>	<b>38,433</b>	<b>6.8%</b>	<b>6.8%</b>	<b>523,349</b>	<b>-</b>	<b>(28,800)</b>	<b>-</b>	<b>-</b>	<b>\$1.01</b>	<b>\$12.12</b>
<b>WALNUT CREEK</b>																
IND	12	180,654	4,700	2.6%	-	-	4,700	2.6%	2.6%	175,954	-	2,300	-	-	\$1.51	\$18.12
<b>TOTAL</b>	<b>12</b>	<b>180,654</b>	<b>4,700</b>	<b>2.6%</b>	<b>-</b>	<b>-</b>	<b>4,700</b>	<b>2.6%</b>	<b>2.6%</b>	<b>175,954</b>	<b>-</b>	<b>2,300</b>	<b>-</b>	<b>-</b>	<b>\$1.51</b>	<b>\$18.12</b>
<b>BRENTWOOD</b>																
IND	27	621,170	51,963	8.4%	-	-	51,963	8.4%	9.3%	569,207	6,002	12,462	-	-	\$1.34	\$16.08
<b>TOTAL</b>	<b>27</b>	<b>621,170</b>	<b>51,963</b>	<b>8.4%</b>	<b>-</b>	<b>-</b>	<b>51,963</b>	<b>8.4%</b>	<b>9.3%</b>	<b>569,207</b>	<b>6,002</b>	<b>12,462</b>	<b>-</b>	<b>-</b>	<b>\$1.34</b>	<b>\$16.08</b>
<b>MARKET TOTAL</b>																
IND	544	12,968,419	1,455,508	11.2%	43,220	0.3%	1,498,728	11.6%	11.2%	11,469,691	(17,350)	31,712	35,000	-	\$0.86	\$10.30
WH	20	2,886,053	714,998	24.8%	-	0.0%	714,998	24.8%	26.9%	2,171,055	60,750	92,846	-	-	\$0.30	\$3.58
RD/FL	35	949,835	177,407	18.7%	-	-	176,777	18.7%	20.7%	772,428	20,217	(23,380)	-	-	\$1.14	\$13.70
<b>TOTAL</b>	<b>599</b>	<b>16,804,307</b>	<b>2,347,913</b>	<b>14.0%</b>	<b>43,220</b>	<b>0.3%</b>	<b>2,390,503</b>	<b>14.2%</b>	<b>14.4%</b>	<b>14,413,174</b>	<b>63,617</b>	<b>101,178</b>	<b>35,000</b>	<b>-</b>	<b>\$0.71</b>	<b>\$8.49</b>
<b>QUARTERLY COMPARISON AND TOTALS</b>																
2Q10	599	16,804,307	2,347,913	14.0%	43,220	0.3%	2,390,503	14.2%	14.4%	14,413,174	63,617	101,178	237,478	0	\$0.71	\$8.49
1Q10	598	16,769,307	2,342,292	14.0%	76,828	0.5%	2,419,120	14.4%	13.9%	14,350,187	37,561	37,561	202,478	0	\$0.71	\$8.49
4Q09	599	16,619,249	2,158,210	13.0%	148,413	0.9%	2,306,623	13.9%	14.3%	14,312,626	87,903	(142,397)	83,141	0	\$0.69	\$8.28
3Q09	599	16,601,999	2,188,868	13.2%	188,408	1.1%	2,377,276	14.3%	14.0%	14,224,723	(80,490)	(230,300)	65,891	0	\$0.71	\$8.52
2Q09	600	16,631,436	2,137,815	17.8%	188,408	1.1%	2,326,223	14.0%	13.9%	14,305,213	(82,416)	(149,910)	80,330	0	\$0.77	\$9.24



**SUBMARKET MAP**

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

Pittsburg continued to have the lowest vacancy of any submarket, although transaction velocity remained flat. Vacancy for industrial space increased 0.2 percentage points to 5.2 percent. Average asking rents for industrial space decreased \$0.03 PSF to \$0.61 PSF, a ten quarter low. The Pittsburg warehouse market remained flat over the previous quarter. Total vacancy increased 0.1 percentage points to 9.2 percent. Average asking rents decreased \$0.01 PSF to \$0.47 PSF.

Antioch was relatively inactive as total vacancy increased 1.8 percentage points to 26.1 percent. The submarket registered ±62,000 SF of negative net absorption. Antioch has ±138,000 SF of negative net absorption for the year. Average asking rents increased \$0.04 PSF to \$0.45 PSF. Warehouse vacancies decreased by 3.6 percentage points to 28.5 percent, the lowest for Antioch in a year. Average asking rents for warehouse space landed in at \$0.30 PSF, a \$0.05 PSF increase over 1Q10.

**480 offices in  
61 countries on  
6 continents**

United States: 135  
 Canada: 39  
 Latin America: 17  
 Asia Pacific: 194  
 EMEA: 95

- \$1.9 billion in annual revenue
- 2.4 billion square feet under management
- Over 15,000 professionals

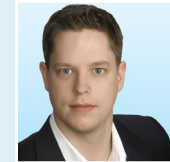
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**SIGNIFICANT TRANSACTIONS**

**SALES ACTIVITY**

PROPERTY ADDRESS	SALES DATE	SIZE SF	SELLER	TYPE
1666 Willow Pass Rd	June	105,000	Eagle Pacific	Industrial
1641 Challenge Dr	May	18,850	Fjeld Family Partnership	Industrial

**LEASING ACTIVITY**

PROPERTY NAME/ ADDRESS	LEASE DATE	SIZE SF	TENANT	TYPE
1910 Mark Court	May	48,000	Sartorius Stedim	R&D / Flex
4591 Pacheco Blvd	April	20,736	Shields, Harper & Co.	Light Industrial
4020 Nelson Ave	May	17,341	Goodman Distribution	Warehouse
1910 Mark Court	June	12,550	Fast Movers International	R&D / Flex
1590 Solano Way	April	9,962	Walton Realty Inc	Light Industrial