

# NORTH I-680 / HIGHWAY 4 | INDUSTRIAL

Q2 2020

Accelerating success.

## Deep Freeze

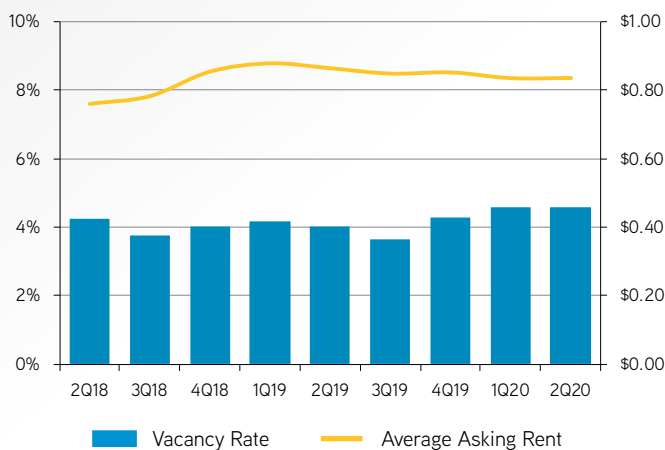
- > Industrial Inventory: 17,569,185 SF
- > Current Vacancy: 4.6%
- > Net Absorption: (874) Square Feet Year-To-Date

As we move into the second half of 2020, the North I-680's industrial market seems to have been put on ice. Overall vacancy rate remained at 4.6 percent, the same as the previous quarter. Rental rates also remained at \$0.84 across the same period. During the quarter there was (874) square feet of negative net absorption. Two sales occurred during the quarter, which is on par with recent quarters.

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### Vacancy Rate vs. Average Asking Rent

North I-680 Highway 4 Corridor



Rents and vacancy had no movement this quarter, as deal volume fell sharply. Gross absorption during the quarter was 11,367 square feet.

### Market Indicators

Unemployment Rate  
Contra Costa County

10-Year Nominal  
Interest Rate

Consumer  
Confidence



### Market Trends

Relative to prior period

Q2 2020

Q3 2020\*

Vacancy	↔	↑
Net Absorption	↓	↓
Construction	↔	↔
Rental Rate	↔	↓

\*Projected

### Summary Statistics

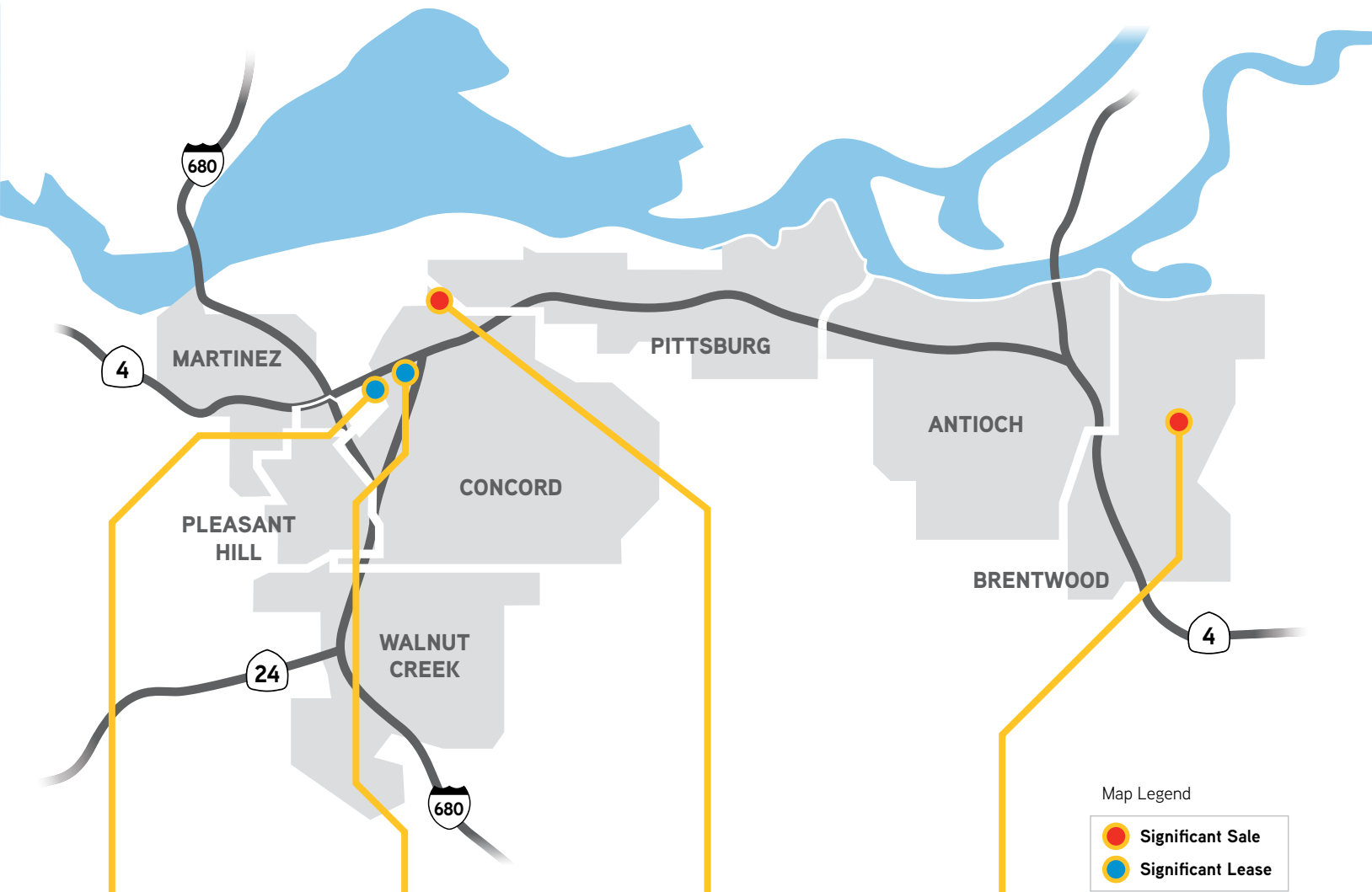
Q2 Walnut Creek Industrial Market

Previous  
Quarter

Current  
Quarter

Overall Vacancy Rate	4.6%	4.6%
Net Absorption	(25,343)	(11,367)
Construction Completed	0	0
Under Construction	0	0
Overall Asking Rents*	\$0.84	\$0.84
Industrial	\$0.85	\$0.85
R&D/Flex	\$0.98	\$0.98
Warehouse/Distribution	\$0.73	\$0.73

\*Asking Rents Reported Monthly



Map Legend

- Significant Sale
- Significant Lease

**Semper Solaris**

1990 Olivera Road,  
Concord  
*April 2020*  
6,686 SF

**Automotive Tenant**

1806 Arnold Industrial Place,  
Concord  
*April 2020*  
2,500 SF

**LRC67 LLC**

5121-5133 Port Chicago Hwy,  
Concord  
*June 2020*  
17,600 SF

**Carrol Court LLC**

390 Carrol Court,  
Brentwood  
*May 2020*  
22,830 SF

**Significant Leases**

PROPERTY ADDRESS	LEASE DATE	SIZE	TENANT	TYPE
1990 Olivera Road, Concord	April 2020	6,686	Semper Solaris	Light Industrial
1806 Arnold Industrial Place, Concord	April 2020	2,500	Automotive Tenant	Light Industrial

**Significant Sales**

PROPERTY ADDRESS	SALE DATE	SIZE	BUYER	TYPE
390 Carrol Court, Brentwood	May 2020	22,830	Carrol Court LLC	Light Industrial
5121-5133 Port Chicago Highway, Concord	June 2020	17,600	LRC67 LLC	Light Industrial

# Market Comparisons – Walnut Creek

## INDUSTRIAL MARKET

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	COMPLETED CURRENT QTR SF	UNDER CONSTRUCTION SF	WEIGHTED AVG ASKING RENTAL RATE
<b>CONCORD</b>														
IND	270	6,153,884	89,971	1.5%	3,826	0.1%	93,797	1.5%	1.5%	(874)	5,006	-	-	\$1.38
WH	4	320,282	-	0.0%	-	0.00%	-	0.0%	0.0%	-	-	-	-	\$0.95
RD/FL	20	613,559	900	0.1%	-	0.0%	900	0.1%	0.1%	-	27,348	-	-	\$1.25
<b>TOTAL</b>	<b>294</b>	<b>7,087,725</b>	<b>90,871</b>	<b>1.3%</b>	<b>3,826</b>	<b>0.1%</b>	<b>94,697</b>	<b>1.3%</b>	<b>1.3%</b>	<b>(874)</b>	<b>32,354</b>	<b>-</b>	<b>-</b>	<b>\$1.38</b>
<b>MARTINEZ</b>														
IND	39	815,747	-	0.0%	11,520	1.4%	11,520	1.4%	1.4%	-	11,248	-	-	\$0.96
WH	3	118,898	-	0.0%	-	0%	-	0.0%	0.0%	-	-	-	-	\$0.68
RD/FL	7	139,403	14,235	10.2%	-	-	14,235	10.2%	10.2%	-	-	-	-	\$0.96
<b>TOTAL</b>	<b>49</b>	<b>1,074,048</b>	<b>14,235</b>	<b>1.3%</b>	<b>11,520</b>	<b>1.1%</b>	<b>25,755</b>	<b>2.4%</b>	<b>2.4%</b>	<b>-</b>	<b>11,248</b>	<b>-</b>	<b>-</b>	<b>\$0.96</b>
<b>PITTSBURG</b>														
IND	83	3,337,150	500,229	15.0%	4,800	0.1%	505,029	15.1%	15.1%	-	16,505	-	-	\$0.71
WH	7	853,101	58,311	6.8%	-	-	58,311	6.8%	6.8%	-	(58,311)	-	-	\$0.67
<b>TOTAL</b>	<b>90</b>	<b>4,190,251</b>	<b>558,540</b>	<b>13.3%</b>	<b>4,800</b>	<b>0.1%</b>	<b>563,340</b>	<b>13.4%</b>	<b>13.4%</b>	<b>-</b>	<b>(41,806)</b>	<b>-</b>	<b>-</b>	<b>\$0.71</b>
<b>ANTIOCH</b>														
IND	49	1,582,329	52,262	3.3%	-	0.0%	52,262	3.3%	3.3%	-	851	-	-	\$0.94
WH	9	1,671,250	23,200	1.4%	-	-	23,200	1.4%	1.4%	-	(23,200)	-	-	\$0.45
RD/FL	3	66,742	-	0.0%	-	-	-	0.0%	0.0%	-	4,058	-	-	\$1.20
<b>TOTAL</b>	<b>61</b>	<b>3,320,321</b>	<b>75,462</b>	<b>2.3%</b>	<b>-</b>	<b>0.0%</b>	<b>75,462</b>	<b>2.3%</b>	<b>2.3%</b>	<b>-</b>	<b>(18,291)</b>	<b>-</b>	<b>-</b>	<b>\$0.79</b>
<b>PLEASANT HILL</b>														
IND	9	289,620	-	0.0%	-	0.0%	-	0.0%	0.0%	-	-	-	-	\$1.00
RD/FL	2	56,808	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	\$1.20
<b>TOTAL</b>	<b>11</b>	<b>346,428</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>-</b>	<b>0.0%</b>	<b>0.0%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>\$1.05</b>
<b>PACHECO</b>														
IND	21	542,944	2,197	0.4%	-	0.0%	2,197	0.4%	0.4%	-	(2,197)	-	-	\$1.50
<b>TOTAL</b>	<b>21</b>	<b>542,944</b>	<b>2,197</b>	<b>0.4%</b>	<b>-</b>	<b>0.0%</b>	<b>2,197</b>	<b>0.4%</b>	<b>0.4%</b>	<b>-</b>	<b>(2,197)</b>	<b>-</b>	<b>-</b>	<b>\$1.05</b>
<b>WALNUT CREEK</b>														
IND	6	122,500	1,550	1.3%	-	-	1,550	1.3%	1.3%	-	(1,550)	-	-	\$1.80
RD/FL	1	162,014	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	\$2.00
<b>TOTAL</b>	<b>7</b>	<b>284,514</b>	<b>1,550</b>	<b>0.5%</b>	<b>-</b>	<b>-</b>	<b>1,550</b>	<b>0.5%</b>	<b>0.5%</b>	<b>-</b>	<b>(1,550)</b>	<b>-</b>	<b>-</b>	<b>\$1.80</b>
<b>BRENTWOOD</b>														
IND	29	656,103	21,225	3.2%	-	-	21,225	3.2%	3.2%	-	(5,975)	-	-	\$1.43
WH	3	66,851	20,901	31.3%	-	-	20,901	31.3%	31.3%	-	-	-	-	\$1.20
<b>TOTAL</b>	<b>32</b>	<b>722,954</b>	<b>42,126</b>	<b>5.8%</b>	<b>-</b>	<b>-</b>	<b>42,126</b>	<b>5.8%</b>	<b>5.8%</b>	<b>-</b>	<b>(5,975)</b>	<b>-</b>	<b>-</b>	<b>\$1.32</b>

## MARKET TOTAL

IND	506	13,500,277	667,434	4.9%	20,146	0.1%	687,580	5.1%	5.1%	(874)	23,888	-	-	\$0.85
WH	26	3,030,382	102,412	3.4%	-	0.0%	102,412	3.4%	3.4%	-	(81,511)	-	-	\$0.73
RD/FL	33	1,038,526	15,135	1.5%	-	0.0%	15,135	1.5%	1.5%	-	31,406	-	-	\$0.98
<b>TOTAL</b>	<b>565</b>	<b>17,569,185</b>	<b>784,981</b>	<b>4.5%</b>	<b>20,146</b>	<b>0.1%</b>	<b>805,127</b>	<b>4.6%</b>	<b>4.6%</b>	<b>(874)</b>	<b>(26,217)</b>	<b>-</b>	<b>-</b>	<b>\$0.84</b>

## QUARTERLY COMPARISON AND TOTALS

2Q-20	565	17,569,185	784,981	4.5%	20,146	0.1%	805,127	4.6%	4.6%	(874)	(26,217)	-	-	\$0.84
1Q-20	565	17,569,185	784,107	4.5%	20,146	0.1%	804,253	4.6%	4.3%	(25,343)	4,212	-	-	\$0.84
4Q-19	657	18,203,418	738,107	4.1%	40,806	0.2%	778,913	4.3%	3.6%	(97,515)	(32,409)	29,102	-	\$0.85
3Q-19	656	18,156,048	687,528	3.8%	31,280	0.2%	660,497	3.6%	4.0%	71,373	65,106	-	29,102	\$0.87
2Q-19	656	18,156,048	689,490	3.8%	42,380	0.2%	731,870	4.0%	4.2%	22,018	(6,267)	-	29,102	\$0.88

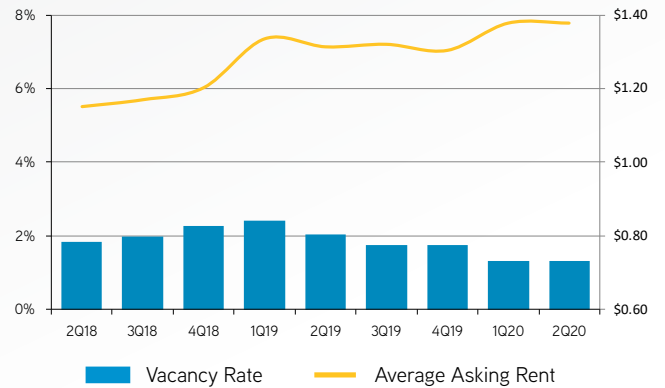
Concord's vacancy remained flat at 1.3 percent, the same as the previous quarter. Average rents in Concord also remained the same at \$1.38 per square foot. Not only Concord experienced this flattening of rents and vacancy as the rest of the North I-680 / Highway 4 Corridor rents also remained flat. Gross leasing for the quarter was 12,676 square feet.

Concord was home to most of the lease and sale transactions that occurred this past quarter. Carrol Court LLC purchased 390 Carrol Court in Brentwood, a light industrial building totaling 22,830 square feet for \$3,800,000 or \$166 per square foot. LRC67 LLC purchased 5121-5133 Port Chicago Highway in Concord, a 17,600 square foot light industrial building for \$3,499,000, or \$199 per square foot. In leasing, Semper Solaris leased 6,686 square feet of light industrial space at 1990 Olivera Road in Concord. An automotive tenant took 2,500 square feet of light industrial space at 1806 Arnold Industrial Place in Concord.

Although the North I-680 / Highway 4 industrial market has been historically competitive and tight, COVID-19 has brought some uncertainty. While asking rents and activity in general have fallen flat, it is interesting that the vacancy rate has not increased. Unlike other property types, the industrial properties have yet to see sharp increases in vacancy and sublease space like office and retail types have experienced this past quarter due to the pandemic. Market sentiment indicates that small tenants are still looking for space, however deal volume has certainly slowed. As much of the country gets back to work, we anticipate the demand to resume where we left off.

## Average Asking Rent vs. Vacancy Rate

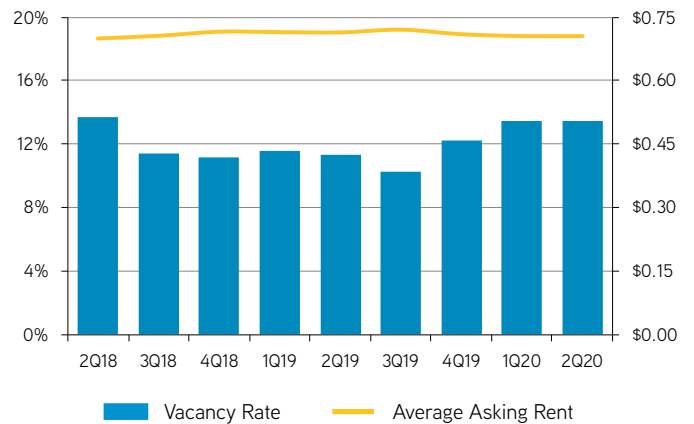
Concord, CA



Source: Colliers International Research

## Average Asking Rent vs. Vacancy Rate

Pittsburg, CA



Source: Colliers International Research

### FOR MORE INFORMATION

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