

NORTH I-680 CORRIDOR | INDUSTRIAL

Q4 2020

Accelerating success.

Staying Pace

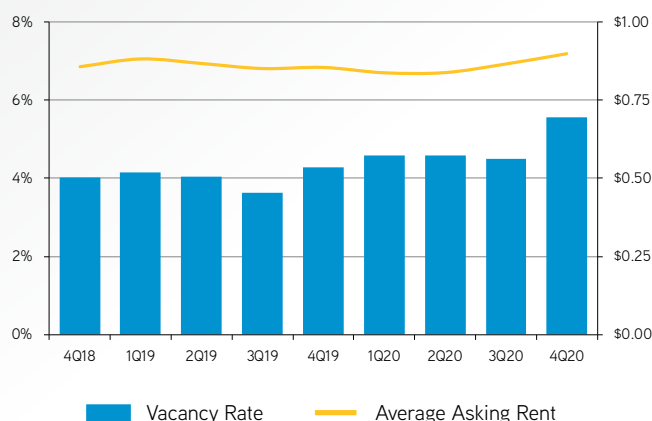
- > Industrial Inventory: 17,571,712 SF
- > Current Vacancy: 5.6%
- > Net Absorption: (198,667) Square Feet Year-To-Date

As we put a bow on 2020, the North I-680's industrial market remains relatively unchanged. The overall vacancy rate increased to 5.6 percent from 4.5 percent the previous quarter. Rental rates increased to \$0.90 from \$0.86 across the same period, the highest rate since Colliers began tracking the market. During the quarter there was negative 189,439 square feet of net absorption. Two sales occurred during the quarter, less than previous quarters.

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Vacancy Rate vs. Average Asking Rent

North I-680 / Highway 4 Corridor



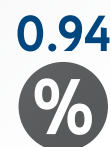
Rents increased to a new high while vacancy increased by 110 basis points. There was negative 189,439 square feet of absorption this quarter.

Market Indicators

Unemployment Rate
Contra Costa County

10-Year Nominal
Interest Rate

Consumer
Confidence



Market Trends

Relative to prior period

Q4 2020

Q1 2020*

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

*Projected

Summary Statistics

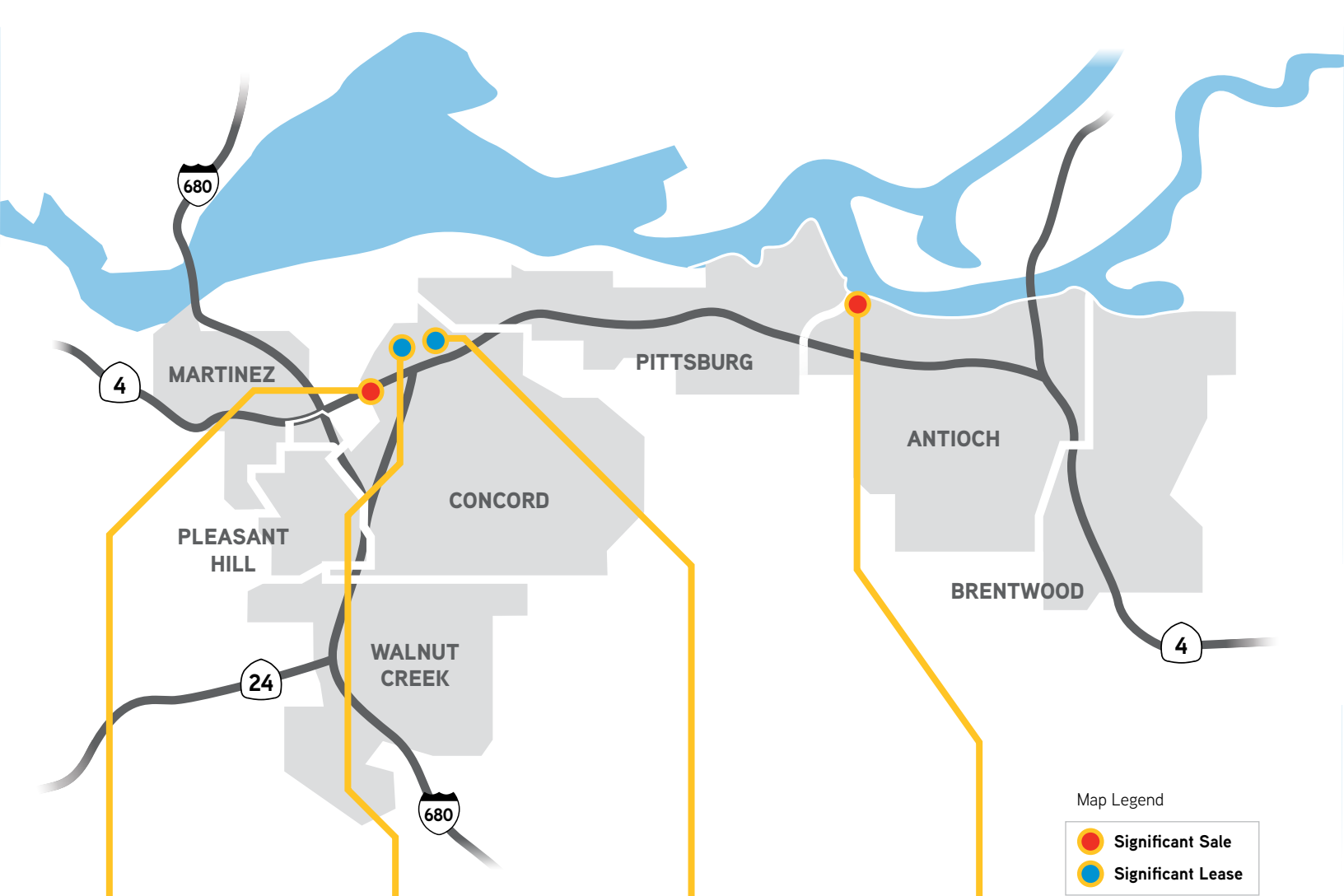
Q4 Walnut Creek Industrial Market

Previous
Quarter

Current
Quarter

Overall Vacancy Rate	4.5%	5.6%
Net Absorption	16,989	(189,439)
Construction Completed	0	0
Under Construction	0	0
Overall Asking Rents*	\$0.86	\$0.90
Industrial	\$0.87	\$0.89
R&D/Flex	\$1.03	\$1.39
Warehouse/Distribution	\$0.81	\$0.83

*Asking Rents Reported Monthly



Map Legend

- Significant Sale
- Significant Lease

Daniel Fadeli

1806-1836 Arnold Industrial Place
 Concord
November 2020
 8,750 SF

ServiceMaster Restoration

195 Mason Circle
 Concord
November 2020
 13,070 SF

Innersense Organic Beauty

2301 Arnold Industrial Way
 Concord
November 2020
 17,555 SF

Republic Flooring

1700 West 4th Street
 Antioch
November 2020
 235,456 SF

Significant Leases

PROPERTY ADDRESS	LEASE DATE	SIZE	TENANT	TYPE
2301 Arnold Industrial Way, Concord	November 2020	17,555	Innersense Organic Beauty	Light Industrial
195 Mason Circle, Concord	November 2020	13,070	ServiceMaster Restoration Services	Light Industrial
1777 Vineyard Drive, Antioch	December 2020	4,571	Lands Machine	Light Industrial

Significant Sales

PROPERTY ADDRESS	SALE DATE	SIZE	BUYER	TYPE
1700 West 4th Street, Antioch	November 2020	235,456	Republic Flooring	Light Industrial
1806-1836 Arnold Industrial Place, Concord	November 2020	8,750	Daniel Fadelli	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
CONCORD														
IND	270	6,156,411	155,945	2.5%	37,050	0.6%	192,995	3.1%	2.0%	(66,974)	(94,192)	-	-	\$1.38
WH	4	320,282	-	0.0%	-	0.00%	-	0.0%	0.0%	-	-	-	-	\$0.95
RD/FL	20	613,559	3,277	0.5%	1,391	0.2%	4,668	0.8%	0.3%	(2,900)	23,580	-	-	\$1.50
TOTAL	294	7,090,252	159,222	2.2%	38,441	0.5%	197,663	2.8%	1.8%	(69,874)	(70,612)	-	-	\$1.38
MARTINEZ														
IND	39	815,747	-	0.0%	-	0.0%	-	0.0%	0.0%	-	22,768	-	-	\$0.96
WH	3	118,898	-	0.0%	-	0%	-	0.0%	0.0%	-	-	-	-	\$0.68
RD/FL	7	139,403	12,378	8.9%	-	-	12,378	8.9%	8.9%	(16)	1,857	-	-	\$1.35
TOTAL	49	1,074,048	12,378	1.2%	-	0.0%	12,378	1.2%	1.2%	(16)	24,625	-	-	\$1.35
PITTSBURG														
IND	83	3,337,150	600,346	18.0%	4,800	0.1%	605,146	18.1%	15.0%	(104,450)	(83,612)	-	-	\$0.71
WH	7	853,101	58,311	6.8%	-	-	58,311	6.8%	6.8%	-	(58,311)	-	-	\$0.67
TOTAL	90	4,190,251	658,657	15.7%	4,800	0.1%	663,457	15.8%	13.3%	(104,450)	(141,923)	-	-	\$0.71
ANTIOCH														
IND	49	1,582,329	44,206	2.8%	-	0.0%	44,206	2.8%	3.0%	3,931	8,907	-	-	\$0.81
WH	9	1,671,250	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	\$0.45
RD/FL	3	66,742	-	0.0%	-	-	-	0.0%	0.0%	-	4,058	-	-	\$1.20
TOTAL	61	3,320,321	44,206	1.3%	-	0.0%	44,206	1.3%	1.4%	3,931	12,965	-	-	\$0.81
PLEASANT HILL														
IND	9	289,620	-	0.0%	3,000	1.0%	3,000	1.0%	1.0%	-	(3,000)	-	-	\$1.00
RD/FL	2	56,808	-	0.0%	-	-	-	0.0%	0.0%	-	-	-	-	\$1.20
TOTAL	11	346,428	-	0.0%	3,000	0.9%	3,000	0.9%	0.9%	-	(3,000)	-	-	\$1.00
PACHECO														
IND	21	542,944	5,197	1.0%	-	0.0%	5,197	1.0%	0.4%	(3,000)	(5,197)	-	-	\$1.67
TOTAL	21	542,944	5,197	1.0%	-	0.0%	5,197	1.0%	0.4%	(3,000)	(5,197)	-	-	\$1.67
WALNUT CREEK														
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
TOTAL	7	284,514	1,550	0.5%	-	-	1,550	0.5%	0.5%	-	(1,550)	-	-	\$1.80
BRENTWOOD														
IND	29	656,103	29,255	4.5%	-	-	29,225	4.5%	2.0%	(16,030)	(13,975)	-	-	\$1.41
WH	3	66,851	20,901	31.3%	-	-	20,901	31.3%	31.3%	-	-	-	-	\$1.27
TOTAL	32	722,954	50,156	6.9%	-	-	50,126	6.9%	4.7%	(16,030)	(13,975)	-	-	\$1.35

MARKET TOTAL

IND	506	13,502,804	836,499	6.2%	44,850	0.3%	881,319	6.5%	5.1%	(186,523)	(169,851)	-	-	\$0.89
WH	26	3,030,382	79,212	2.6%	-	0.0%	79,212	2.6%	2.6%	-	(58,311)	-	-	\$0.83
RD/FL	33	1,038,526	15,655	1.5%	1,391	0.1%	17,046	1.6%	1.4%	(2,916)	29,495	-	-	\$1.39
TOTAL	565	17,571,712	931,366	5.3%	46,241	0.3%	977,577	5.6%	4.5%	(189,439)	(198,667)	-	-	\$0.90

QUARTERLY COMPARISON AND TOTALS

4Q20	565	17,571,712	931,366	5.3%	46,241	0.3%	977,577	5.6%	4.5%	(189,439)	(198,667)	-	-	\$0.90
3Q20	565	17,571,712	770,412	4.4%	17,726	0.1%	788,138	4.5%	4.6%	16,989	(9,228)	-	-	\$0.86
2Q20	565	17,569,185	784,981	4.5%	20,146	0.1%	805,127	4.6%	4.6%	(874)	(26,217)	-	-	\$0.84
1Q20	565	17,569,185	784,107	4.5%	20,146	0.1%	804,253	4.6%	4.3%	(25,343)	4,212	-	-	\$0.84
4Q19	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

Concord

Concord's vacancy increased to 2.8 percent, an increase of 100 basis points from the last quarter. Average rents in Concord continue to hold strong at \$1.38 per square foot, the highest rate since Colliers began tracking the market. Concord was home to the largest lease transactions this quarter. Innersense Organic Beauty leased 17,555 square feet of light industrial space at 2301 Arnold Industrial Way. ServiceMaster Restoration Services leased 13,070 square feet at 195 Mason Circle in Concord.

East County

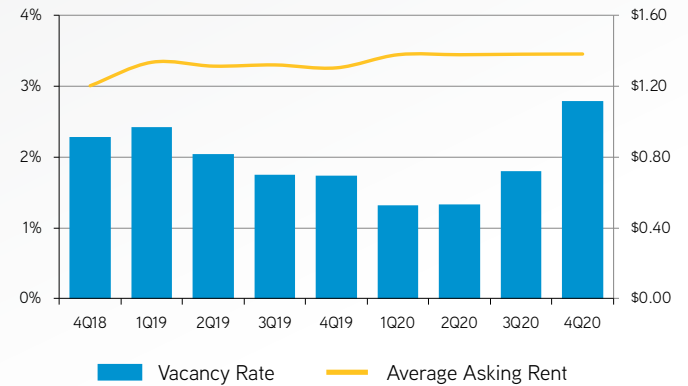
Pittsburg also experienced a slight increase in vacancy from 15.0 percent last quarter to 18.1 percent, although much of that can be attributed to roughly 90,000 square feet of manufacturing space becoming available at Contra Costa Industrial Park. Much like Concord and most of the North I-680 Corridor, Pittsburg's rental rate remained unchanged at \$0.71. Antioch had the largest sale transaction of the quarter, where a 235,456 square foot light industrial building was bought by Republic Flooring for \$11,255,000. Regarding leasing, Lands Machine leased 4,571 square feet of light industrial space at 1777 Vineyard Drive in Antioch.

Looking Forward

Although there was a slight increase in vacancy to finish 2020, there is still an inventory shortage for many industrial tenants looking for small and medium sized blocks of space. Market sentiment indicates there is significant demand from tenants looking for industrial and warehouse properties to buy and lease, but there simply is not enough supply to keep up with this demand. Furthermore, rents have reached a new high watermark. Expect these trends to continue into 2021.

Average Asking Rent vs. Vacancy Rate

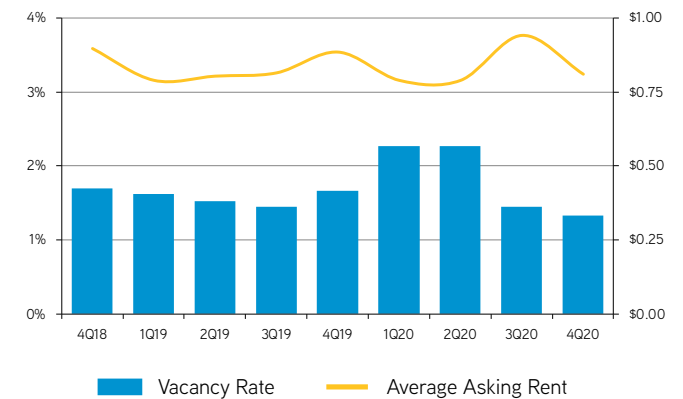
Concord, CA



Source: Colliers International Research

Average Asking Rent vs. Vacancy Rate

Antioch, CA



Source: Colliers International Research

FOR MORE INFORMATION

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