

MARKET TRENDS

I-680 CORRIDOR / TRI-VALLEY OFFICE



Year-Over-Year Change

Tri-Valley market continues to experience elevated vacancies, stable rents, and increased activity from small to mid-sized tenants.

Over the past several quarters, leasing momentum has remained sluggish as the region works through a surplus of available space. By the close of 4Q 2025, the overall office vacancy rate stood at 27.64%, marking a slight improvement from the previous year. In contrast, flex/R&D space posted an 18.81% vacancy rate, edging up slightly year-over-year.

A clear flight-to-quality trend is emerging. Class A vacancy tightened to 31.91%, while Class B space saw vacancies rise to 18.79%. Still, conditions vary widely by location: Pleasanton's Class A market ended the quarter with a notably high 40.96% vacancy rate, whereas San Ramon and Dublin posted lower, yet still elevated, Class A vacancy

rates of 27.37% and 20.67%, respectively. These figures underscore the uneven demand dynamics and persistent vacancy challenges within many Tri-Valley submarkets.

The market wide average asking lease rate remained relatively stable at \$3.10 PSF per month, a slight increase over the first half of the year and a slight increase from the end of 2024. Class A rates closed the year at \$3.31/SF per month while Class B was \$2.65 PSF per month and Flex rents remained at \$2.35 PSF per month. The highest average asking rate can be found in Danville/Alamo at \$3.41 PSF per month and San Ramon Class A at \$3.41 PSF per month, followed by Dublin Class A at \$3.37 PSF per month.

During the past quarter, investment sales and owner-user transactions slowed noticeably. Buyers and occupiers continued to approach the market cautiously, and this resulted in fewer completed deals. While overall activity remained muted, there was a measurable increase in smaller tenant requirements. Companies seeking spaces under 5,000 SF were more active than in previous quarters, and this segment provided some stability in an otherwise quiet leasing environment.

continued on page 2

NOTABLE SALE TRANSACTIONS

Sonoma PL, LLC purchased 5729 Sonoma Dr in Pleasanton from Mallory Service Buildings, Inc.
21,200 SF | \$4,880,000 or \$230.00 PSF

MUND MALAM LLC purchased 5000 Pleasanton Ave in Pleasanton from Pomfret Estates Incorporated.
23,828 SF | \$4,800,000 or \$201.00 PSF

Shannon B. Jones Law Group purchased 333 Camille Ave in Alamo from Karen Ball.
30,911 SF | \$2,650,000 or \$86.00 PSF

NOTABLE LEASE TRANSACTIONS

Calyxo renewed and expanded 4430 Rosewood Dr, Pleasanton
65,000 SF (Office)

Natera Inc. subleased 5100 Franklin Dr, Pleasanton
31,804 SF (R&D)

Atkinson, Andelson, Loya, Ruud & Romo leased
4160 Dublin Blvd, Dublin | 16,197 SF (Office)

IGW/ REGUS leased 2481 Constitution Dr, Livermore
14,358 SF (Office/Flex)

Rheosense renewed 12667 Alcosta Blvd, San Ramon
12,300 SF (Office)

Several notable property movements occurred during the period. The building at 5928 Stoneridge Mall Road in Pleasanton, totaling 209,000 SF and formerly owned by Workday was purchased by Pacific Gas & Electric in January for \$21,800,000. Another significant event involved Canyon Commons Corporate Plaza at 3130 Crow Canyon Place in San Ramon. This 79,147 SF property was acquired by the San Ramon Unified School District. The district plans to occupy a portion of the current vacant space while keeping the remaining tenants in place as an income-producing investment.

A major ownership change also occurred at Plaza San Ramon, located at 2000 and 2010 Crow Canyon Place and totaling 308,500 SF on more than twelve acres. Wells Fargo Bank foreclosed on the loan and now controls the site. The bank is moving forward with a plan to redevelop the property for residential use. This shift reflects a broader trend in the region, where weakened office demand has made residential conversions more common and more financially

feasible for underperforming office assets.

The largest office lease of the quarter was Calyxo renewing and expanding 65,000 SF at 4430 Rosewood Drive in Pleasanton (office) followed by Natera Inc. subleasing 31,804 SF at 5100 Franklin Drive in Pleasanton (R&D) and Atkinson, Andelson, Loya, Ruud & Romo leasing 16,197 SF at 4160 Dublin Blvd, in Dublin (office).

Demand for both office and flex properties declined during the quarter, and vacancy levels rose as a result. The increase in small-tenant activity helped soften the impact but did not offset the broader pullback among larger occupiers. With office fundamentals still under pressure, many owners and investors are reassessing long-term strategies, including repositioning buildings for alternative uses such as education or housing.

LARGEST PURCHASE OF THE 4TH QUARTER

5729 Sonoma Dr, Pleasanton



The reflected office statistics are exclusive to competitive, multi-tenant Class A and B office projects as well as multi-tenant office-flex properties and is exclusive of single tenant or owner user buildings:

	Class A	Class B	Total	Flex
Market Inventory (SF)	10,680,640	5,159,290	15,839,930	5,624,039
Weighted Average Asking Rent	\$3.31	\$2.65	\$3.10	\$2.35
Vacancy	31.91%	18.79%	27.64%	18.81%
Marketed Sub-Lease Space (SF)	804,791	314,632	1,119,423	307,413

PLEASANTON

	Class A	Class B	Flex
Market Inventory (SF)	4,150,708	1,846,722	2,201,099
Weighted Average Asking Rent	\$3.16	\$2.63	\$2.80
Vacancy	40.96%	26.97%	20.87%
Marketed Sub-Lease Space (SF)	144,341	72,666	142,870

DUBLIN

	Class A	Class B	Flex
Market Inventory (SF)	1,185,634	588,899	767,210
Weighted Average Asking Rent	\$3.37	\$2.27	\$2.54
Vacancy	20.67%	16.56%	16.85%
Marketed Sub-Lease Space (SF)	109,962	0	57,485

SAN RAMON

	Class A	Class B	Flex
Market Inventory (SF)	5,344,298	772,331	269,130
Weighted Average Asking Rent	\$3.41	\$2.35	\$2.47
Vacancy	27.37%	13.16%	6.44%
Marketed Sub-Lease Space (SF)	550,488	52,095	48,931

LIVERMORE

	Class A	Class B	Flex
Market Inventory (SF)	0	797,923	2,386,600
Weighted Average Asking Rent	N/A	\$2.16	\$1.86
Vacancy	N/A	21.05%	18.92%
Marketed Sub-Lease Space (SF)	0	162,544	58,127

DANVILLE/ALAMO

	Total
Market Inventory (SF)	1,153,415
Weighted Average Asking Rent	\$3.41
Vacancy	9.05%
Marketed Sub-Lease Space (SF)	27,327

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COMMERCIAL BROKERAGE

\$9B

AVERAGE ANNUAL
TRANSACTION VOLUME

32.5M

ANNUAL
LEASING SF

500+

NO. OF
BROKERS

32.4M

ANNUAL
SALES SF

ASSET SERVICES

54M+

MANAGEMENT
PORTFOLIO SF

800+

ASSETS UNDER
MANAGEMENT

VALUATION ADVISORY

2,700+

ASSIGNMENTS
ANNUALLY

41/23

TOTAL NO
APPRAISERS/MAI'S

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