Kidder Mathews

2Q 2026

MARKET TRENDS

I-680 CORRIDOR /TRI-VALLEY *OFFICE*

↓ VACANCY	↑ ABSORPTION
↔ RENTAL RATES	↔ NEW DELIVERIES

Year-Over-Year Change

The Tri-Valley office market is showing early signs of recovery, driven by a flight to quality despite relatively sluggish leasing activity.

Leasing activity has gradually improved over the past several quarters as the market continues to absorb an elevated supply of available space. As of 2Q 2026, the overall office vacancy rate declined to 23.69%, while flex/R&D vacancy fell to 15.83%, reflecting stronger market fundamentals compared with a year ago.

Despite this progress, vacancy remains elevated across the Tri-Valley office market as tenants continue to reassess long-term space needs, consolidate operations, and reduce footprints. Recent leasing activity, however, suggests the market may be approaching stabilization.

Performance varied across submarkets, with some areas demonstrating resilience while others continued to experience higher levels of availability.

Elevated vacancy has been driven by tenant move-outs, lease expirations, and additional space coming to market. At the same time, leasing activity remained steady, particularly in well-located, high-quality properties. New leases, expansions, and relocations helped offset some of the space returned to the market, underscoring tenant demand for modern, amenity-rich environments that support evolving workplace strategies. This continued preference for premium office space reinforces the flight-to-quality trend observed throughout the region.

Rental rates remained generally steady despite higher vacancy levels. Rather than significantly reducing asking rents, many landlords focused on offering concessions, flexible lease terms, and customized deal structures to attract and retain tenants.

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NOTABLE SALE TRANSACTIONS

Schnitzer purchased 6693 -6785 Sierra Court in Dublin
192,113 SF | $57,500,000 or $299 PSF

Dollinger Prop. purchased 6630-6666 Owens Dr in Pleasanton from Reynolds & Brown | 50,762 SF | $13,600,000 or $268 PSF

Arroyo Capital purchased 18 Crow Canyon Ct in San Ramon from Sam Hirbad | 54,000 SF | $9,400,000 or $174 PSF

Grant Private Wealth Management purchased 6000 Stoneridge Mall Rd in Pleasanton from Workday, Inc.
64,254 SF | $5,500,000 or $95 PSF

NOTABLE LEASE TRANSACTIONS

Blackhawk Networks renewed and downsized at 6220 Stoneridge Mall Rd, Pleasanton | Pleasanton Corporate Commons
62,060 SF (Office)

Cloud Software Group expanded at 2623 Camino Ramon in San Ramon | Bishop Ranch-Sycamore | 20,262 SF (Office)

KabaFusion renewed lease at 5860 W Las Positas Blvd in Pleasanton | 9,980 (R&D/Flex)

Hoge, Fenton, Jones & Appel expanded lease at 6801 Koll Center Pkwy in Pleasanton | Sycamore Plaza | 9,885 SF (Office)

The market wide average asking lease rate remained relatively stable at $3.09 PSF per month, a slight increase compared to last year. Class A rates closed the quarter at $3.33 PSF per month while Class B was $2.62 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 $3.42 PSF per month followed by Dublin Class A at $3.37 PSF per month.

Investment sales and owner-user activity remained subdued during the quarter as buyers and occupiers continued to navigate uncertain market conditions. Smaller tenant requirements, however, helped support leasing activity and sustain transaction volume, even as larger users remained cautious about expansion.

Several notable investment sales closed during the quarter. The largest transaction was Schnitzer's acquisition of Sierra Trinity Business Park, located at 6693-6785 Sierra Court in Dublin, for $57.5M ($299 PSF). The 192,113-SF, 11-building project was 97% leased at the time of sale. Another significant sale was Dollinger Properties' purchase of Poplar Plaza, located at 6630-6666 Owens Drive in Pleasanton, from Reynolds & Brown for $13.6M ($268 PSF). The four-building, 50,762 SF office project was originally constructed in 1983.

Arroyo Capital also acquired 18 Crow Canyon Court in San Ramon, a 54,000-SF office property, for $9.4M ($174 PSF). The fully vacant asset was purchased with plans for a future multifamily residential redevelopment.

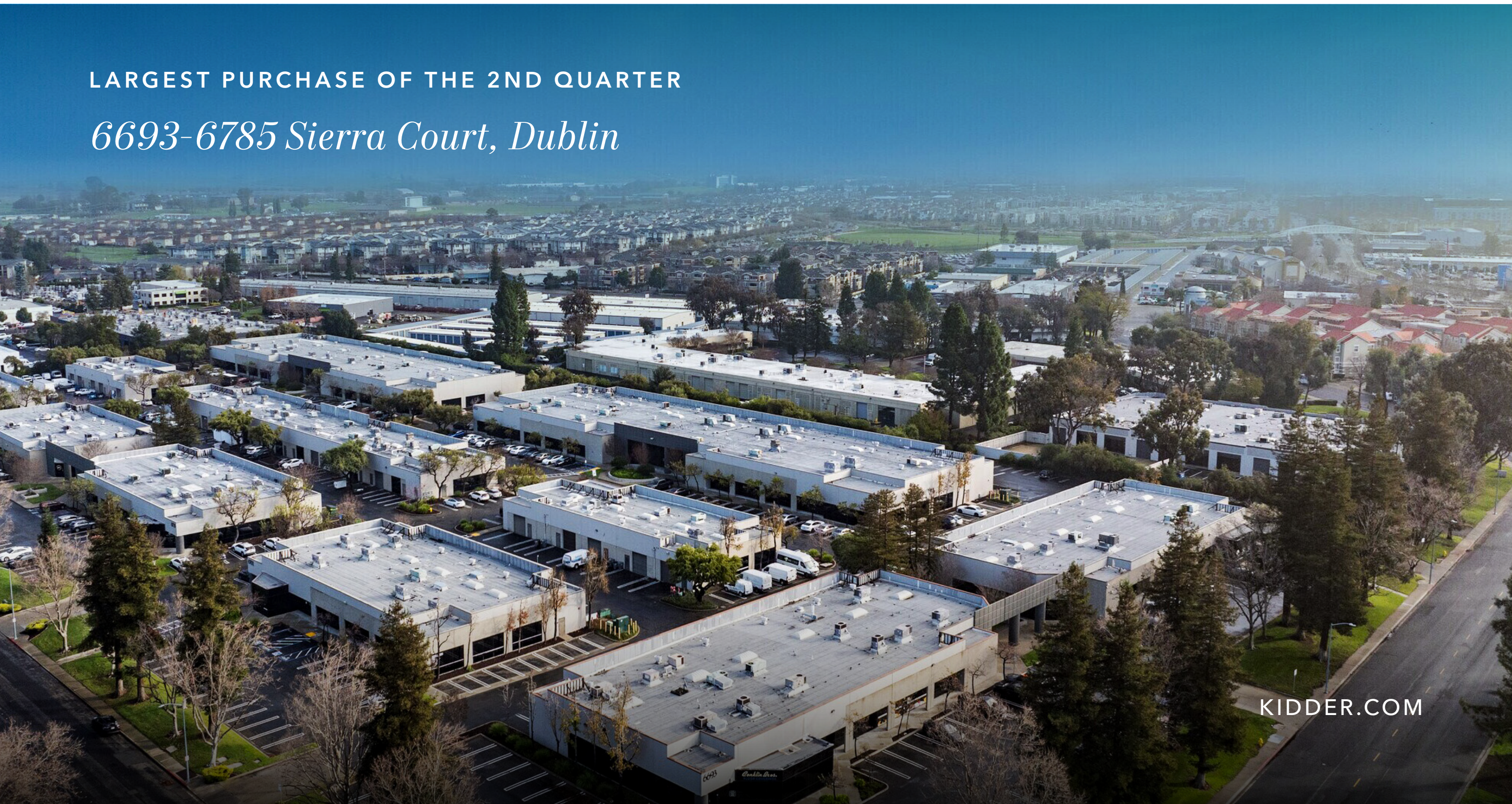
Situated on approximately 2.91 acres, the transaction equated to roughly $3.23M per acre ($74 per land SF). Additionally, Grant Private Wealth Management purchased the vacant 64,254 SF office building at 6000 Stoneridge Mall Road in Pleasanton from Workday, Inc. for $5.5M ($95 PSF). The property was delivered fully furnished at closing.

Leasing activity was led by Blackhawk Network's 62,060 SF renewal at Pleasanton Corporate Commons, located at 6220 Stoneridge Mall Road in Pleasanton. As part of the renewal, the company reduced its footprint and now occupies two full floors. Another notable transaction was Cloud Software Group's expansion into 20,262 SF at Bishop Ranch-Sycamore, located at 2623 Camino Ramon in San Ramon. Following the expansion, the company occupies approximately 53,774 SF within the project.

Looking ahead, market fundamentals are expected to remain challenged but stable. Continued leasing activity, coupled with efforts to reposition or convert underutilized office properties to alternative uses, should gradually reduce excess inventory and improve supply-demand balance over time. Consistent demand from smaller tenants is expected to remain an important source of market support as the recovery continues to unfold.

LARGEST PURCHASE OF THE 2ND QUARTER

6693-6785 Sierra Court, Dublin



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)	9,701,149	4,982,820	14,683,969	5,652,911
Weighted Average Asking Rent	$3.33	$2.62	$3.09	$2.35
Vacancy	27.54%	16.18%	23.69%	15.83%
Marketed Sub-Lease Space (SF)	974,184	158,179	1,132,363	378,322

PLEASANTON

	Class A	Class B	Flex
Market Inventory (SF)	4,160,521	1,717,762	2,229,003
Weighted Average Asking Rent	$3.15	$2.52	$2.79
Vacancy	38.81%	21.58%	23.73%
Marketed Sub-Lease Space (SF)	360,434	31,921	123,869

DUBLIN

	Class A	Class B	Flex
Market Inventory (SF)	1,185,634	602,550	767,210
Weighted Average Asking Rent	$3.37	$2.28	$2.54
Vacancy	24.64%	13.06%	11.63%
Marketed Sub-Lease Space (SF)	149,243	15,093	50,513

SAN RAMON

	Class A	Class B	Flex
Market Inventory (SF)	4,354,994	688,611	276,696
Weighted Average Asking Rent	$2.50	$2.34	$2.47
Vacancy	17.57%	16.05%	8.29%
Marketed Sub-Lease Space (SF)	464,507	4,117	145,813

LIVERMORE

	Class A	Class B	Flex
Market Inventory (SF)	0	720,482	2,380,002
Weighted Average Asking Rent	N/A	$2.17	$1.86
Vacancy	N/A	22.71%	10.66%
Marketed Sub-Lease Space (SF)	0	85,103	58,127

DANVILLE/ALAMO

	Total
Market Inventory (SF)	1,153,415
Weighted Average Asking Rent	$3.42
Vacancy	7.17%
Marketed Sub-Lease Space (SF)	21,945

Kidder Mathews is the largest fully independent commercial real estate firm in the Western U.S., with 900 real estate professionals and staff in 19 offices in Washington, Oregon, California, Nevada, and Arizona. We offer a complete range of brokerage, appraisal, asset services, consulting, debt equity finance services for all property types.

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

42/23
TOTAL NO APPRAISERS/MAI'S

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