Kidder Mathews

3Q 2026

MARKET TRENDS

I-680 CORRIDOR /TRI-VALLEY *OFFICE*

↓ VACANCY	↑ ABSORPTION
↔ RENTAL RATES	↔ NEW DELIVERIES

Year-Over-Year Change

The Tri-Valley office market shows signs of stabilization with improved leasing activity and slightly declining vacancy rates.

Even with this progress, vacancy remains elevated across the Tri-Valley as many occupiers continue to reevaluate long-term workplace strategies, consolidate operations, and right-size their footprints. Recent leasing activity, however, suggests conditions are becoming more balanced. Performance remained mixed by submarket, with some areas benefiting from relatively steady tenant demand while others continued to contend with higher levels of available space.

Much of the current vacancy can be traced to tenant move-outs and lease expirations over the past few years, adding additional space returning to the market.

At the same time, a decent pace of leasing activity has helped offset a portion of that availability, particularly within well-located, high-quality properties. New leases, renewals, expansions, and relocations underscore the continued appeal of modern, amenity-rich buildings that help employers attract and retain talent. This ongoing preference for premium space reinforces the flight-to-quality trend that has increasingly shaped leasing decisions throughout the region.

Rental rates remained generally steady. Rather than significantly reducing asking rents, many landlords focused on offering concessions, flexible lease terms, and customized deal structures to attract and retain tenants. The market-wide average asking lease rate remained relatively stable at $3.10 PSF per month, a slight increase compared to last year. Class A rates closed the quarter at $3.35 PSF per month while Class B was $2.62 PSF per month and Flex rents remained at $2.39 PSF per month. The highest average asking rate was San Ramon Class A at $3.53 PSF, followed by Danville/Alamo at $3.41 PSF per month and Dublin Class A at $3.36 PSF per month.

continued on page 2



NOTABLE SALE TRANSACTIONS

Lennar Corporation purchased 3000-5000 Executive Pkwy in San Ramon | 25 acres | $156,000,000 or $143 PSF

Courtney Inc. purchased 6998 Sierra Ct in Dublin
16,150 SF | $5,500,000 or $340 PSF

Anchor Education Inc., dba OneSchool Global, purchased 2340 Santa Rita Rd in Pleasanton
11,150 SF | $4,000,000 or $359 PSF

NOTABLE LEASE TRANSACTIONS

1AU Technologies leased at 4696 Willow Rd, Pleasanton
42,620 SF (R&D/Flex)

Carlson, Barbee & Gibson, Inc. renewed and expanded at Sycamore, 2633 Camino Ramon, San Ramon | 29,949 SF (Office)

STN expanded at 4464 Willow Rd, Pleasanton | 25,849 SF (R&D/Flex)

Micro Motion Table Tennis Academy (MMTA) leased at 1071 Serpentine Lane, Pleasanton | 23,146 SF (R&D/Flex)

MacKay & Somps renewed lease at 5142 Franklin Dr, Pleasanton
20,404 SF (R&D/Flex)

Investment sales and owner-user acquisitions remained restrained during the quarter as buyers and occupiers continued to assess an evolving economic landscape. Smaller and mid-sized tenants continued to drive market activity, supporting leasing momentum and overall deal volume even as many larger users remained cautious. While demand persisted across the market, larger occupiers generally maintained a measured approach to expansion.

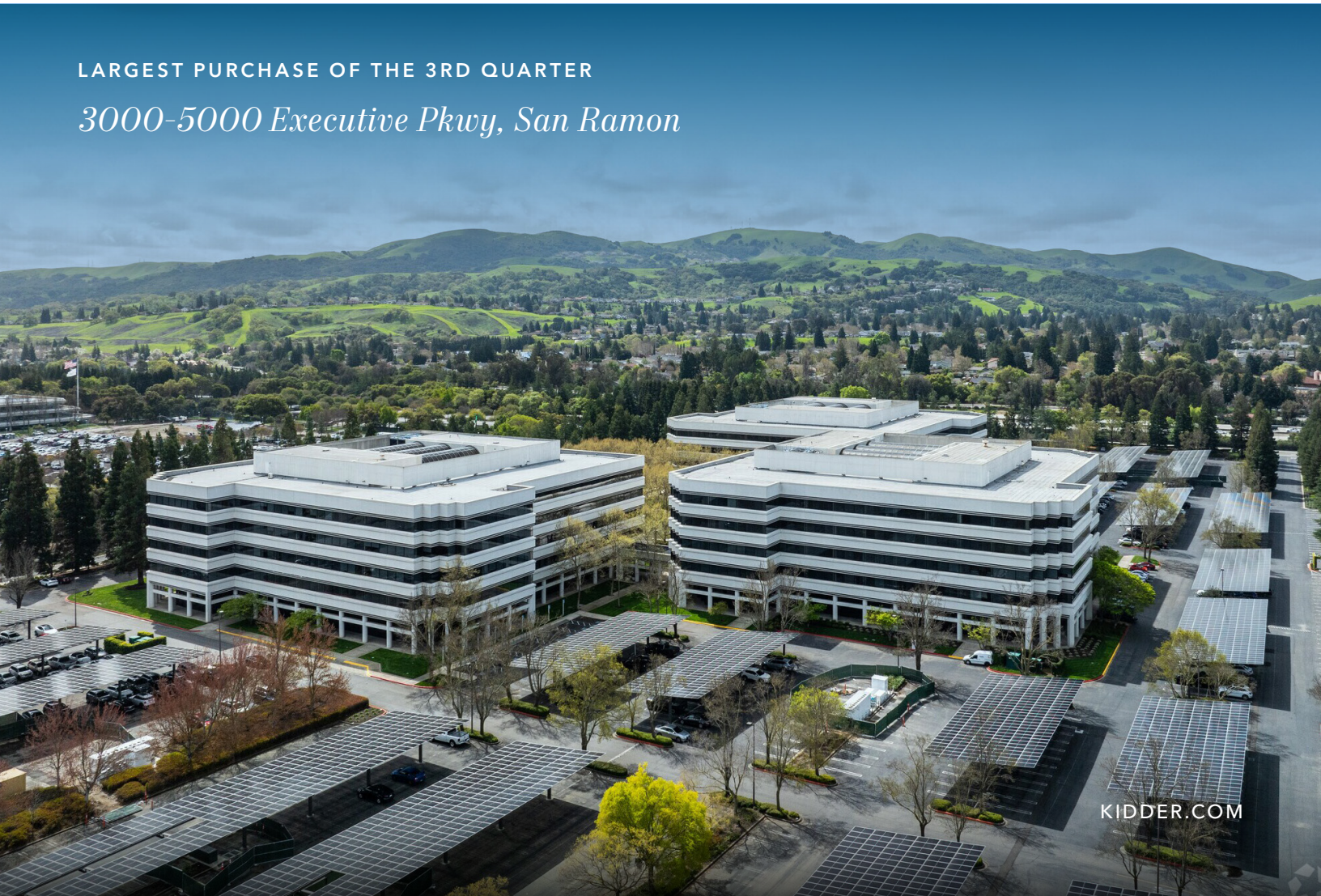
Several notable investment and owner-user transactions closed during the quarter, highlighting continued demand for well-located assets and redevelopment opportunities. The largest sale was Lennar Corporation's acquisition of 25 acres at 3000-5000 Executive Parkway in San Ramon for $156.0M ($143 PSF), where the former Canopy campus will be redeveloped into 255 townhomes. Owner-user demand also remained present, as Courtney Inc. acquired 6998 Sierra Court in Dublin for $5.5M ($340 PSF) to support its expansion from Livermore. In Pleasanton, Anchor Education Inc., dba OneSchool Global, purchased 2340 Santa Rita Road for $4.0M ($359 PSF) and is expected to occupy the entire building following the departure of the existing tenants.

Leasing activity was led by several mid-sized transactions, reflecting continued demand from expanding and renewing occupiers. 1AU Technologies signed a 42,620 SF lease at 4696 Willow Road in Pleasanton, while Carlson, Barbee & Gibson renewed and expanded to 29,949 SF at Sycamore in San Ramon. STN also expanded at 4464 Willow Road in Pleasanton, leasing an additional 25,849 SF and bringing its total occupancy in the project to approximately 35,878 SF. Additional activity included Micro Motion Table Tennis Academy's 23,146 SF lease at 1071 Serpentine Lane and MacKay & Somps' 20,404 SF renewal at 5142 Franklin Drive, both in Pleasanton.

As the market continues to evolve, fundamentals are expected to remain relatively stable despite ongoing headwinds. Continued leasing activity and the gradual repositioning of underutilized office properties should help reduce excess inventory and improve supply-demand dynamics over time. Small and mid-sized tenants are expected to remain a key source of demand, providing a foundation for incremental improvement and helping support a broader recovery as conditions continue to normalize.

LARGEST PURCHASE OF THE 3RD QUARTER

3000-5000 Executive Pkwy, San Ramon



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)	9,708,216	4,953,944	14,662,160	5,663,101
Weighted Average Asking Rent	$3.35	$2.62	$3.10	$2.39
Vacancy	26.58%	15.95%	22.99%	14.96%
Marketed Sub-Lease Space (SF)	712,500	129,723	842,223	178,682

PLEASANTON

	Class A	Class B	Flex
Market Inventory (SF)	4,160,521	1,817,762	2,229,003
Weighted Average Asking Rent	$3.15	$2.52	$2.79
Vacancy	39.58%	16.16%	19.71%
Marketed Sub-Lease Space (SF)	109,852	12,486	31,287

DUBLIN

	Class A	Class B	Flex
Market Inventory (SF)	1,192,701	587,520	767,210
Weighted Average Asking Rent	$3.36	$2.26	$2.54
Vacancy	21.93%	15.98%	11.89%
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	$3.53	$2.35	$2.49
Vacancy	15.44%	20.14%	28.03%
Marketed Sub-Lease Space (SF)	453,405	1,012	96,882

LIVERMORE

	Class A	Class B	Flex
Market Inventory (SF)	N/A	720,482	2,390,192
Weighted Average Asking Rent	N/A	$2.17	$1.95
Vacancy	N/A	22.63%	10.01%
Marketed Sub-Lease Space (SF)	N/A	78,845	0

DANVILLE/ALAMO

	Total
Market Inventory (SF)	1,139,569
Weighted Average Asking Rent	$3.41
Vacancy	8.83%
Marketed Sub-Lease Space (SF)	22,287

Kidder Mathews is the largest fully independent commercial real estate firm in the Western U.S., with over 900 real estate professionals and staff in 20 offices in Washington, Oregon, California, Nevada, Arizona, and Texas. We offer a complete range of brokerage, appraisal, asset services, consulting, and 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

55M+
MANAGEMENT PORTFOLIO SF

800+
ASSETS UNDER MANAGEMENT

VALUATION ADVISORY

2,700+
ASSIGNMENTS ANNUALLY

42/23
TOTAL NO APPRAISERS/MAI'S

GARY BARAGONA
Vice President of Research
415.229.8925 | gary.baragona@kidder.com

DAVID NELSON
Regional President, Brokerage
Northern California & Nevada
415.229.8888
david.nelson@kidder.com
LIC N° 01716942

Kidder Mathews

This information supplied herein is from sources we deem reliable. It is provided without any representation, warranty or guarantee, expressed or implied as to its accuracy.