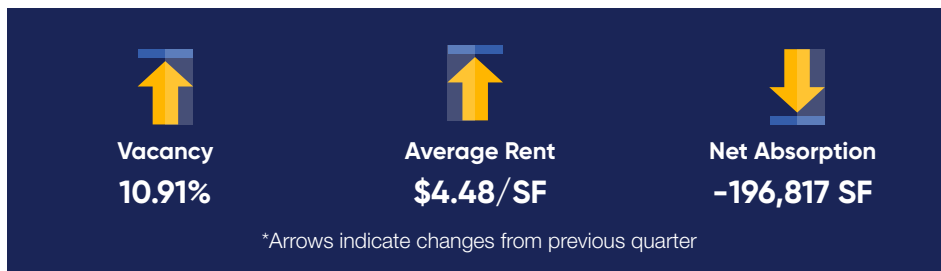
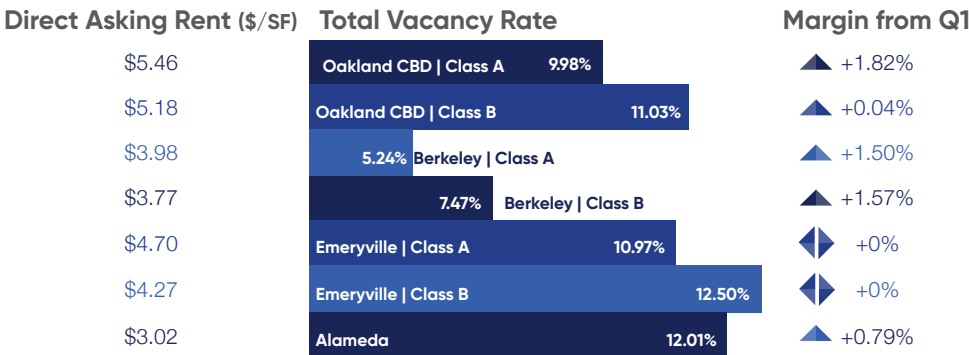


Occupier's Guide

The East Bay market is experiencing signs of a downturn, but not nearly as significant as the San Francisco market. East Bay rental rates and vacancy increased, Q/Q sublease inventory remains largely unchanged, and net absorption decreased. Clearly not all metrics experienced declines - Biotech and similar fields have found themselves in a very friendly environment. With overwhelming demand for a COVID-19 vaccine, and an already strong area for Biotech, the East Bay area is solidifying itself as a hub for developing medicine and vaccines. Industrial and logistics facilities are also on the rise with buildings such as 5441 International Blvd. undergoing an aggressive pre-leasing phase, indicative of a strong industrial market.



Rental and Vacancy Rates



Recent Transactions

	Tenant	City	Type	Size	Sector
1	Lawrence Berkeley National Labs	Emeryville	Renewal	31,000 RSF	Laboratory
2	Everlaw	Oakland	New Lease	24,000 RSF	Technology
3	RGB Spectrum	Alameda	Direct	17,000 RSF	Manufacturing
4	Policy Link	Oakland	Renewal	13,000 RSF	Non-Profit

Tenant's Perspective

- Bayer Healthcare has a 30-year plan to transform its campus and add 1MM SF. This is an example of the long-term vision had in the East Bay market.
- Overall East Bay rental rates experienced an increase of a little over 1% from Q1 2020 to Q2 2020, and a 4.24% YoY increase.
- Biotech companies are sprouting up in the East Bay. Berkeley Lights in Emeryville underwent an IPO issuing 8.1MM shares at \$22 per share. Berkeley Lights, among others, is one of many companies to quickly transform the landscape of the market into a more Biotech-centric area.

Market Trends



The previously GE-owned 534k SF building at 5441 International Blvd. is being redeveloped into a logistics facility and is beginning a pre-leasing phase. This is indicative of a market becoming more oriented to e-commerce product.

Across the East Bay, Q/Q vacancy increased from 10.53% to 10.91%, with an even larger vacancy increase of 2.42% from Q2 2019.

Working with various partners, Dynavax is raising capital to help create one of the many hubs for developing drugs in the East Bay. Now more than ever are Biotech, and other medical fields, flourishing in a largely work-from-home market.