

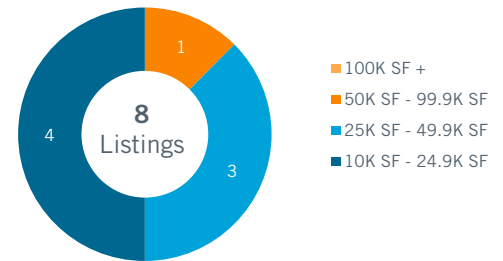
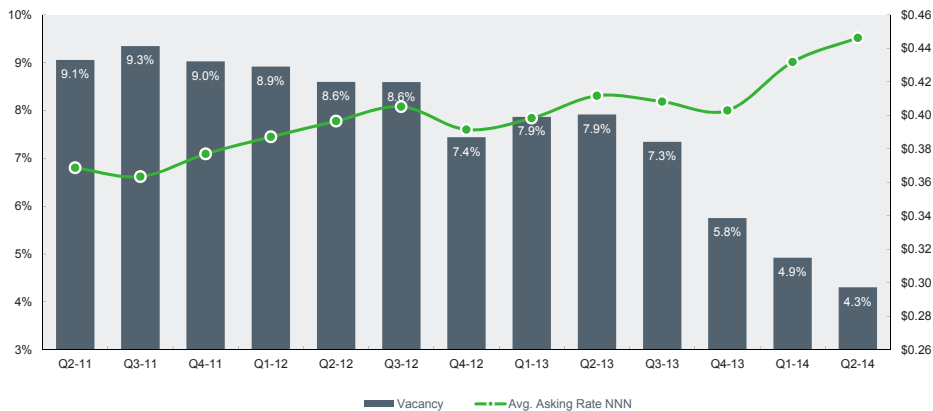
WAREHOUSE

Vacancy in the Richmond warehouse market presently stands at just 4.3%, down from 6.8% at the beginning of 2014, and now below the previous cycle's low. The lack of available space in the marketplace continues to be challenging for users, particularly for those with large requirements. There are currently no available spaces greater than ±100,000 square feet and only one greater than ±50,000 square feet. However, we are currently tracking 10 requirements in the market for spaces greater than ±50,000 square feet, 6 of which are greater than ±100,000 square feet. Richmond has the largest amount of developable land of any East Bay submarket. Persistent low vacancy and the delivery of quality product to the market will continue to push rents upwards for the foreseeable future.

Available Spaces: Notable available properties include: 1085 Essex Ave.- a nice, sunny space with dock and grade-level loading and plenty of parking; 350 Carlson Blvd- a great value; 50 W. Ohio Ave.- grade-level loading only but with great power; 3443 Regatta Blvd.- Class A space in a great location; and 1045 Hensley Street - economically priced with yard.

Deals this Quarter: Serena & Lily expanded 27,000 SF at Point Pinole Business Park. 2600 Goodrick sold to developer with tenant-in-tow. 830 Marina Way South sold to developer. 350 Carlson Boulevard & 925 Hensley St sold to owner user.

Vacancy & Average Asking Rate Trend



Spaces for Lease

350 Carlson Boulevard	59,000 SF (Sub)
1085 Essex Avenue	20,600 SF
50 W. Ohio Ave.	28,000 SF
3443 Regatta Boulevard	20,500 SF
1045 Hensley Street	19,481 SF

Properties for Sale

601 Parr Boulevard	221,420 SF
350 Carlson Boulevard	130,000 SF



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MANUFACTURING

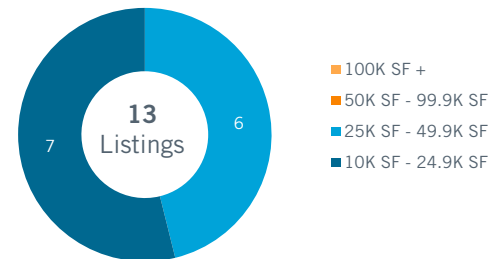
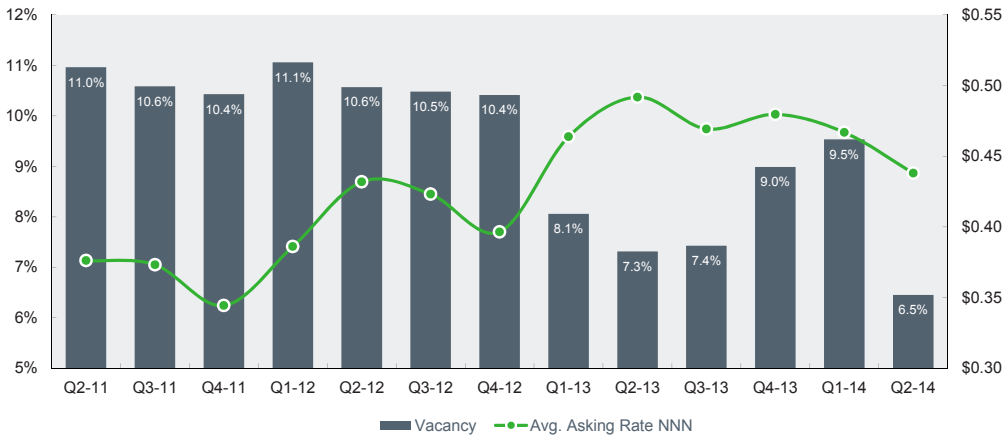
Vacancy in the Richmond manufacturing market presently stands at just 6.5%, down from 8.8% at the beginning of 2014, and down from the 10-13% level it had been for the last several years. Combined with overall occupancy gains, high demand and no planned construction in the manufacturing market (all are warehouse product), we can safely predict that rents will go up across the board, likely eclipsing the previous cycle's peak in the very near future.

Also, for the foreseeable future, manufacturing tenants will continue to be challenged by limited space options. This is causing a slow down in occupancy growth. Richmond was one of the last markets in the East Bay that had mid to large size blocks of quality space left to absorb. No longer the case (though a few do remain). Hopefully some portion of the projected warehouse construction will eventually house these manufacturing uses.

Available Spaces: Notable available properties include: 500 West Ohio Ave.- a great mix of docks, offices, heavy power, employee parking and yard; 1090 Marina Way South - a hard to find smaller space with both dock and grade-level loading; 803 Wright Ave - a perfect combination of offices, power, floor drains and yard, as well as a great layout for manufacturing; and 900 Brookside Drive - a tremendous value.

Deals this Quarter: Sun Power renewed 65,280 SF at Ford.

Vacancy & Average Asking Rate Trend



Spaces for Lease

500 West Ohio Avenue	47,703 SF
900 Brookside Drive	28,000 SF
1090 Marina Way South	5,482 SF
1430 Potrero Avenue	18,549 SF

Properties for Sale

623 South 32nd Street	9,075 SF
803 Wright Avenue	27,200 SF on 2.35 Acres
2400 Florida Avenue	32,828 SF
1150 Hensley Street	24,000 SF on 2.5 Acres



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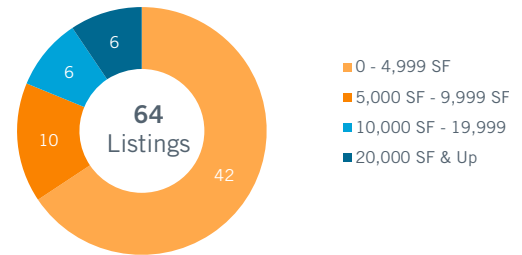
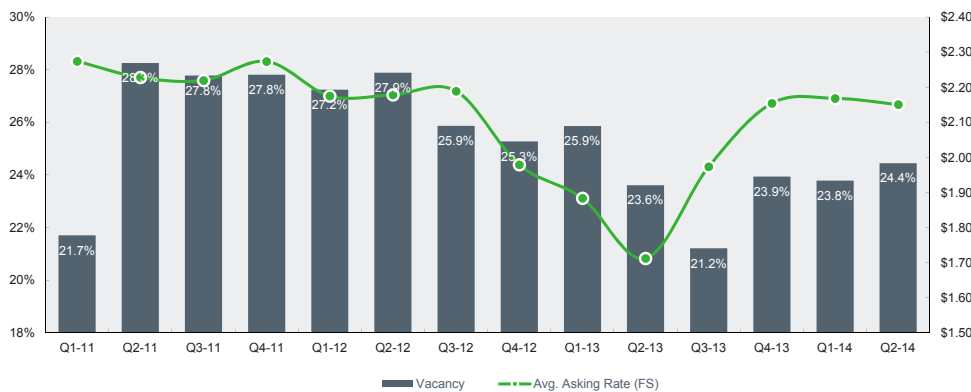
OFFICE & OFFICE/FLEX

The humdrum start to 2014 did pick up in Q2 for the Richmond Office & Office/Flex market. We are currently tracking a decent amount of active Office & Office/Flex tenant requirements in the East Bay. While other markets are struggling to supply these tenants with space to accommodate this swelling demand, Richmond certainly has the product to meet this demand. Expect some of these requirements to land in Richmond in the remainder of 2014. What will really affect the Office & Office/Flex market is any decision by LBNL and UC to develop on the Field Station Property and any decision by the CCTA to go ahead with the Richmond Ferry Terminal Project of Sheridan Point at the end of Harbour Way South.

Available Spaces: Notable available properties include: 41,089 SF at the Ford Assembly Plant – a perfect open office space with a brick and timber feel as well as all the amenities the complex has to offer; 1450 Marina Way South now available directly with owner, offering Class A office at a tremendous value and great views of the Bay; and four great small spaces at Britannia Business Center on Research Drive which offer the perfect mix of warehouse and office space in a great park-like setting.

Deals This Quarter: Incubator startup, Topline, leased 40,320 SF at 1402 Marina Way South.

Vacancy & Average Asking Rate Trend



Spaces for Lease

1450 Marina Way South	42,500 SF
3043 Research Drive	13,102 SF
3067 Research Drive	11,748 SF
1414 Harbour Way South, Ste. 2401	41,089 SF
860 Harbour Way South, Unit E	7,980 SF
3065 Research Drive	7,543 SF
3069 Research Drive	7,868 SF

Properties for Sale

None



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