

WAREHOUSE

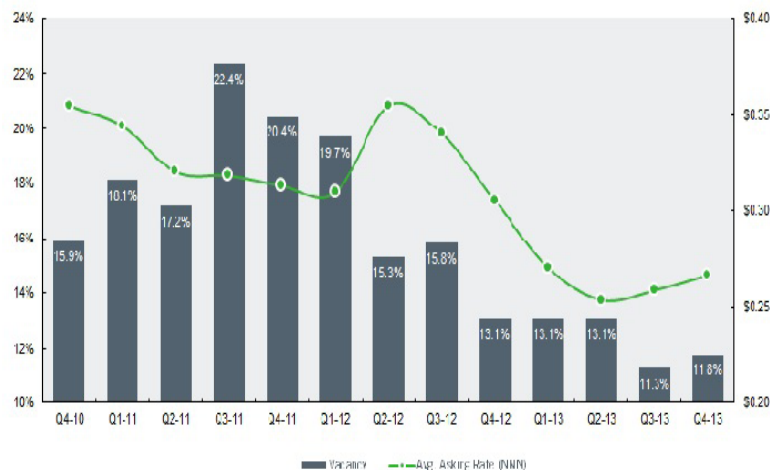
As 2013 draws to a close, Richmond's warehouse submarket continues to recover in earnest. Barring a major adverse impact or the economy as a whole. This recovery will continue for some time. The reason is simple; increasing demand to store and distribute closer to the population, coupled with diminished supply and barriers to build. Expect vacancy rates to go even lower, below 10% and beyond. And expect developers to look at available land to build new, modern warehouse product.

One trend worth noting is the migration of internet-based retailers relocating their distribution warehouse to this side of the hill in order to deliver the computer ordered goods to households in shorter time periods. Instant gratification to the consumer. This trend has brought vacancy levels below pre-recession. Although rents have yet to return to pre-recession rents, they are on their way. Current demand is seeing a resurgence of transactions 100,000 SF and larger. We expect demand to continue to be strong going forward in other size segments as well.

Available Spaces: Notable available properties include: 1085 Essex Ave.- a nice, sunny space with Dock, Grade and plenty of parking; 350 Carlson Blvd. - a great value. 380 Carlson Blvd.- a manufacturing/warehouse building perfect for the food industry; 2920 Regatta Blvd. - a great combination of warehouse and Class A office space; and 2600 Goodrick Ave. - the perfect mix of excess land and rail.

Spaces for Lease

350 Carlson Boulevard	59,000 SF (Sub) & 27,000 SF
1085 Essex Avenue	20,600 SF
1100 Marina Way South (Sub)	51,592 SF
2100 Atlas Road (Sub)	32,632 SF
1900 7th Street, Unit A-1	14,964 SF
1900 7th Street, Unit B-2	16,622 SF
2920 Regatta Boulevard	38,537 SF
50 W. Ohio Ave.	28,000 SF



Deals this Quarter: 3411 Regatta Boulevard (17,200 SF) sold as a short sale.

Properties for Sale

380 Carlson Boulevard	50,995 SF
3443 Regatta Boulevard	20,500 SF
830 Marina Way South (in Escrow)	242,719 SF
1001 Canal Boulevard (in Escrow)	123,669 SF
2600 Goodrick Avenue	54,240 SF
601 Parr Boulevard	221,420 SF



Jeff Leenhouts

Senior Vice President

510.267.6014

Jeffrey.Leenhouts@cassidyurley.com

LIC #01063048

555 12th Street, Suite 1400 | Oakland, CA 94607

T 510.465.8000 | F 510.465.1350

MANUFACTURING

2013 finished the year out strong in the manufacturing submarket. Vacancy seems to be leveling out at 9%, but expect that to drop even lower into 2014 as spaces get gobbled up. Tenant demand seems to be centered around “population serving” uses, namely health food and beverage manufacturing, household goods and services, and construction. 2013 Gross Absorption was at a 5-year high (412,218 SF) and 2013 Net Absorption was also at a 5-year high (120,000 SF). Although Q4 seemed a bit slower than the previous three quarters, we do not believe this is indicative of weakening. In fact, we are tracking a historically high number of requirements in the market and we expect demand to continue to be strong through 2014. The task Richmond faces is the significant amount of existing, vacant space that is challenged or functionally obsolete. With this new cycle approaching, now may be the time to upgrade.

Available Spaces: Notable available properties include: a 100,000 SF space at the Ford Assembly Plant - a perfect combination of offices (40,000 SF) and manufacturing/ assembly space (60,000 SF) as well as all the amenities the complex has to offer; 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; and 803 Wright Ave. - a perfect combination of offices, power, floor drains, and yard as well as a great layout for manufacturing.



Deals this Quarter: Weathertight Roofing, out of Marin County, leased a unit at 3701 Collins Ave. (11,397 SF), Northwest Cascade Inc., out of Washington, leased a 28,800 SF space at 900 Brookside Ave. Bently Biofuels, out of Nevada, leased a 4,800 SF building with yard at 3501 Collins Ave. Pacific Marine Supply purchased 555 S. 12th Street (11,140 SF)

Spaces for Lease

500 West Ohio Avenue	47,703 SF
900 Brookside Drive	28,000 SF
1900 7th Street, Unit D	12,500 SF
1090 Marina Way South	5,482 SF
1414 Harbour Way South Ste. 1701	65,280 SF

Properties for Sale

623 South 32nd Street	9,075 SF
3000 Atlas Road (In Escrow)	500,000 SF on 42 Acres
803 Wright Avenue	27,200 SF on 2.35 Acres



Jeff Leenhouts

Senior Vice President

510.267.6014

Jeffrey.Leenhouts@cassidyurley.com

LIC #01063048

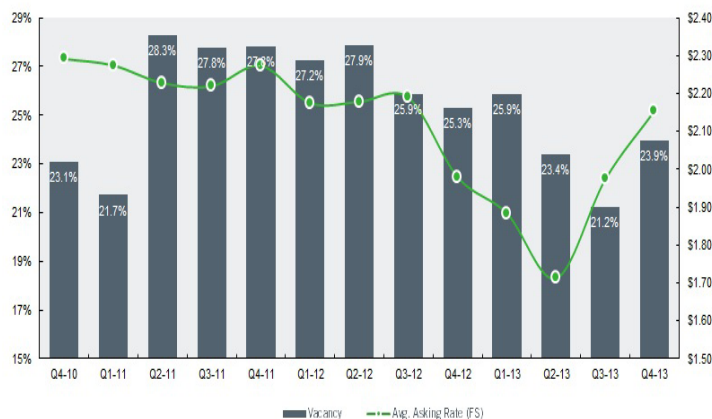
555 12th Street, Suite 1400 | Oakland, CA 94607
T 510.465.8000 | F 510.465.1350

OFFICE & OFFICE/FLEX

With demand from technology tenants in San Francisco still strong and vacancy figures in the single digits, we are hopeful that 2014 is the year to see some migration to Richmond. For now there is still plenty of vacancy and very thin demand. If there was a time for an office or office/flex tenant to strike a deal in Richmond, now is the time. No huge rush, but there are indications that concessions may soon disappear. But regardless of that, Richmond has been and will be in the future, a relative bargain in comparison to outlying markets. The majority of activity is taking place in the Marina Bay Area. Coupled with interest from in-fill residential developers and the future LBNL Campus, Marina Bay is transforming rapidly.

In terms of overall activity, the market posted a mixed year. Occupancy gains have been inconsistent, but with the core markets trending up, we expect Richmond to see tenants squeezed out of these strong surrounding markets, as it historically has in the past.

Available Spaces: Notable available properties include 1402 and 1450 Marina Way South. Now available directly with owner, these spaces offer tremendous value and great views of the Bay. Also, four great small spaces at Hilltop on Research Drive which offer the perfect mix of warehouse space in a great park like setting.



Deals this Quarter: B Cubed Shipping leased an additional 8,454 SF at 1275 Hall Ave.

Spaces for Lease

1402 Marina Way South	40,320 SF
1450 Marina Way South	42,500 SF
3043 Research Drive	13,102 SF
3067 Research Drive	11,748 SF
999 Canal Boulevard	17,706 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



Jeff Leenhouts

Senior Vice President

510.267.6014

Jeffrey.Leenhouts@cassidyurley.com

LIC #01063048

555 12th Street, Suite 1400 | Oakland, CA 94607

T 510.465.8000 | F 510.465.1350