

FIGURES | WALNUT CREEK/I-680 CORRIDOR INDUSTRIAL | Q1 2026

Market Softens as Vacancy Rises and Rents Ease

▲ 8.3%

Vacancy Rate

▲ 391,219

SF Net Absorption

▲ 760,243

SF Construction Delivered

▼ 441,841

SF Under Construction

▲ \$1.39

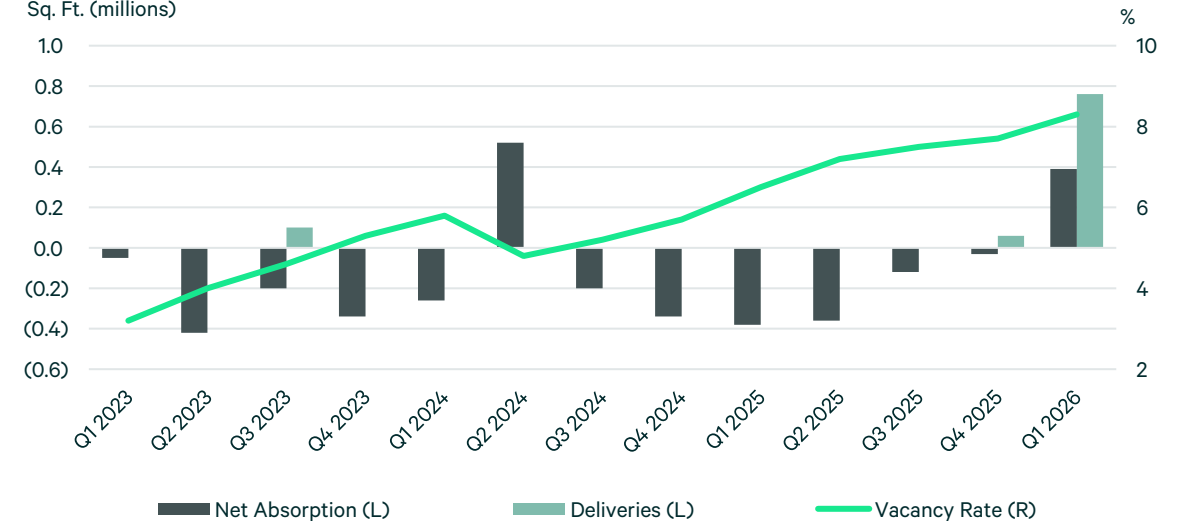
NNN/MTH Direct Lease Rate

Note: Arrows indicate change from previous quarter.

Market Overview

The market remained under pressure in Q1 2026, with elevated vacancy and softer pricing despite an improvement in occupancy. Net absorption turned positive at 391,000 sq. ft., a sharp swing from the negative 29,000 sq. ft. recorded in Q4 2025 and the negative 376,000 sq. ft. a year earlier, marking the first positive quarter since mid-2024. Even so, vacancy rose 0.6 percentage points quarter-over-quarter to 8.3% and stood 1.8 percentage points above Q1 2025, while availability climbed to 10.5%, up 1.3 percentage points from the prior quarter and 2.6 points year-over-year, reflecting the impact of new space hitting the market. Average asking rents edged up 1.8% from Q4 2025 to \$16.67 per sq. ft. but were 4.6% below year-ago levels and 14.2% under the Q4 2023 peak, underscoring ongoing pricing pressure. On the supply side, the construction pipeline contracted from 1.2 million sq. ft. in Q4 2025 to 442,000 sq. ft. as 760,000 sq. ft. delivered, leaving the market characterized by rising vacancy, modest rent erosion, and a shrinking development pipeline despite improving space absorption.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy
Sq. Ft. (millions)



Source: CBRE Research, Q1 2026

Availability Rate

The market availability rate finished Q1 2026 at 10.5%, up from 9.2% in Q4 2025. Availability increased year-over-year, rising from 7.9% in Q1 2025 to 10.5% in Q1 2026. Over the past three years, overall availability climbed from 4.7% in Q1 2023 to 10.5% in Q1 2026.

Walnut Creek recorded the lowest overall availability rate in Q1 2026 at 0.2%, followed by Brentwood at 0.7%. Dublin posted the highest availability at 21.7%, while Pleasanton and Pleasant Hill also experienced elevated readings of 15.5% and 14.2%, respectively.

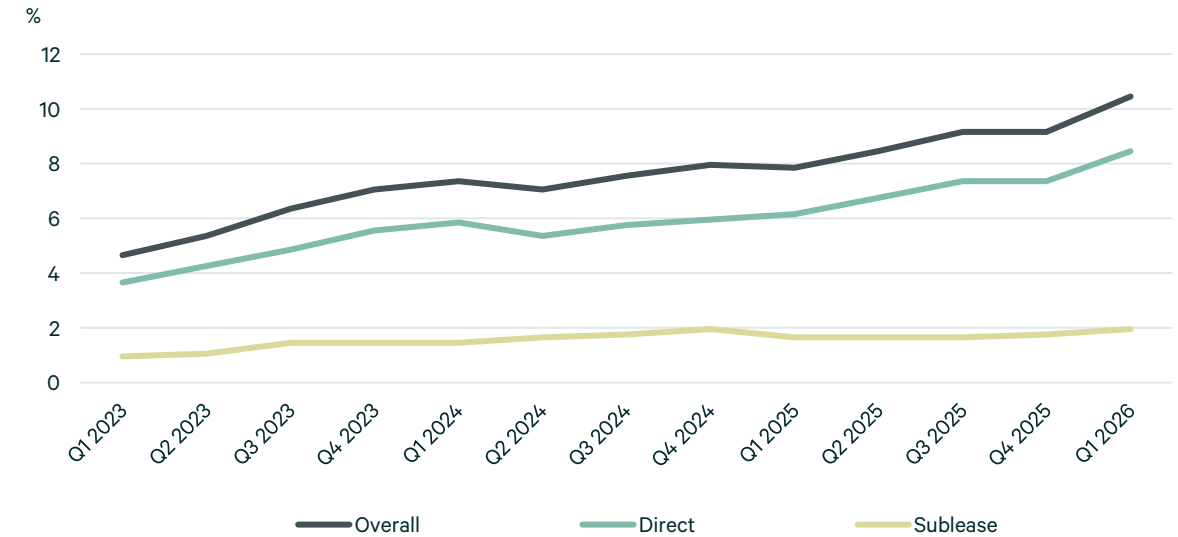
Sublease availability edged higher in Q1 2026, with a rate of 2.0% compared to 1.8% in Q4 2025. In total, there was 982,669 sq. ft. of sublease space on the market in Q1 2026.

Asking Rent

In Q1 2026, the overall market average asking rent was \$1.39 per sq. ft. This represented a 2.2% increase quarter-over-quarter but a negative 4.8% change year-over-year.

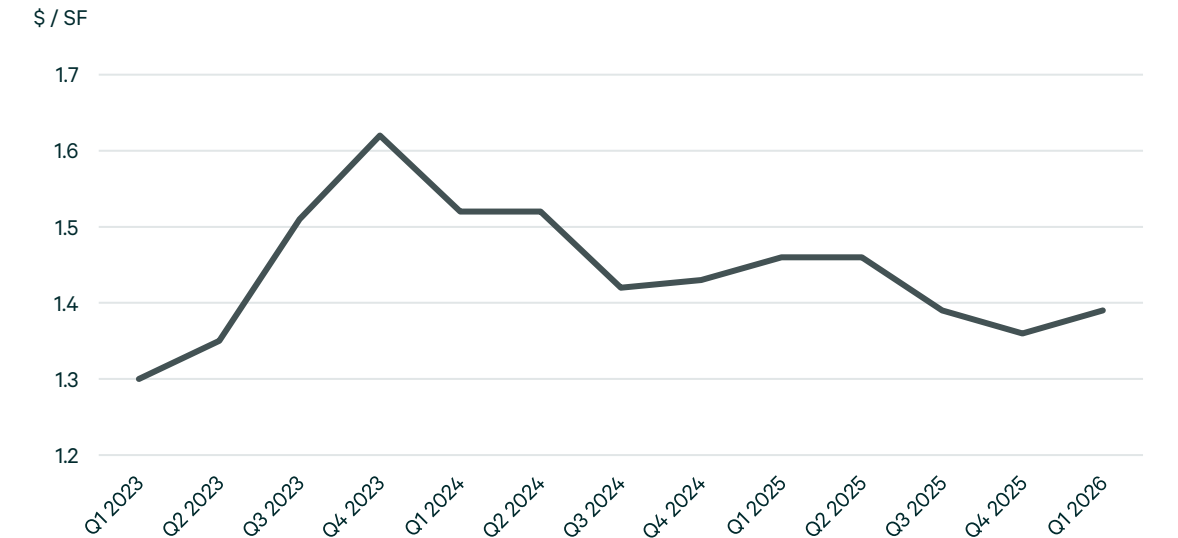
Pleasanton recorded the highest average asking lease rate at \$2.27 per sq. ft. in Q1 2026, followed by San Ramon at \$2.12 per sq. ft. Martinez (\$1.86), Pleasant Hill (\$1.60), Dublin (\$1.53), Concord (\$1.50), Brentwood (\$1.40), Livermore (\$1.27), Pittsburg (\$0.96), and Antioch (\$0.66) also posted positive average asking rents during the quarter.

Figure 2: Availability Rates



Source: CBRE Research, Q1 2026

Figure 3: Average Direct Asking Rate



Source: CBRE Research, Q1 2026

Net Absorption

The market posted positive 391,000 sq. ft. of net absorption in Q1 2026, exceeding both the negative 376,000 sq. ft. recorded in Q1 2025 and the negative 29,000 sq. ft. posted in Q4 2025. Despite this rebound, net absorption over the last year totaled negative 115,000 sq. ft., and cumulative absorption over the last three years remained negative 1.7 million sq. ft.

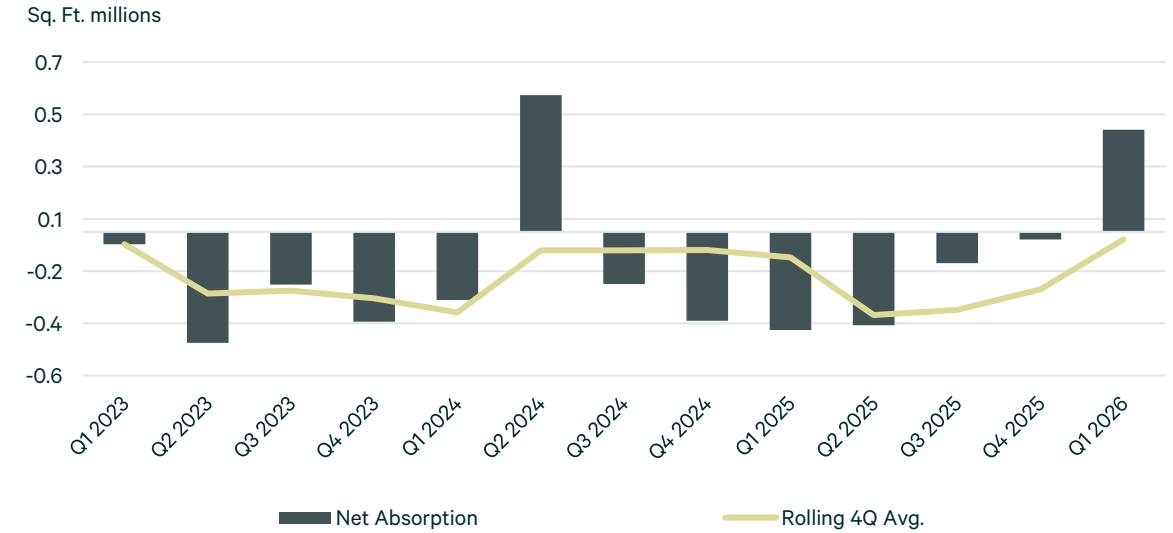
Positive net absorption for Q1 2026 was concentrated primarily in the Livermore submarket with 350,000 sq. ft. for the quarter, and the Concord submarket with 29,000 sq. ft. Pittsburg, Martinez, Pleasant Hill, and San Ramon were the other submarkets recording positive net absorption with 21,000 sq. ft., 3,000 sq. ft., 3,000 sq. ft., and 2,000 sq. ft., respectively. Three submarkets recorded negative net absorption, Dublin with negative 5,000 sq. ft., Brentwood with negative 3,000 sq. ft., and Walnut Creek with negative 2,000 sq. ft.

Construction Activity

In Q1 2026, the market recorded 760,000 sq. ft. of construction deliveries and 442,000 sq. ft. under construction, compared with 62,000 sq. ft. delivered and 1.2 million sq. ft. under construction at year-end 2025. The construction pipeline declined 63.2% quarter-over-quarter and 46.2% year-over-year, while deliveries increased 1,125.8% from the prior quarter after minimal completions in 2025 and no deliveries in Q1 2025.

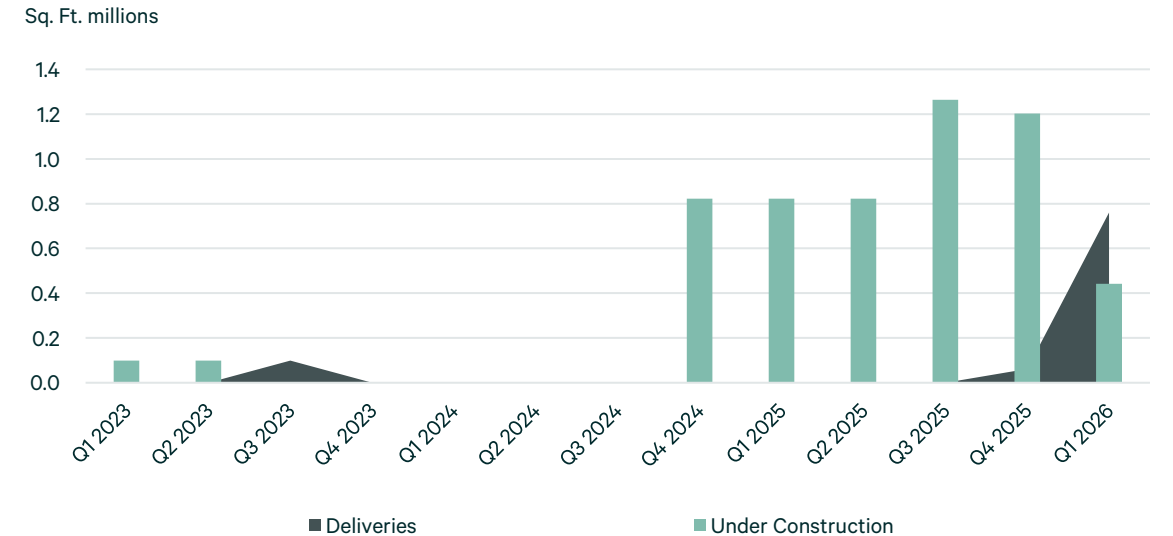
Construction was concentrated in the Antioch submarket, where Black Diamond Industrial on 2901 E 18th St accounted for the entire 442,000 sq. ft. under construction and had Avison pre-leasing as a Distribution/Logistics facility. No other submarkets in the market reported any under construction activity in Q1 2026.

Figure 4: Net Absorption Trend



Source: CBRE Research, Q1 2026

Figure 5: Construction Activity



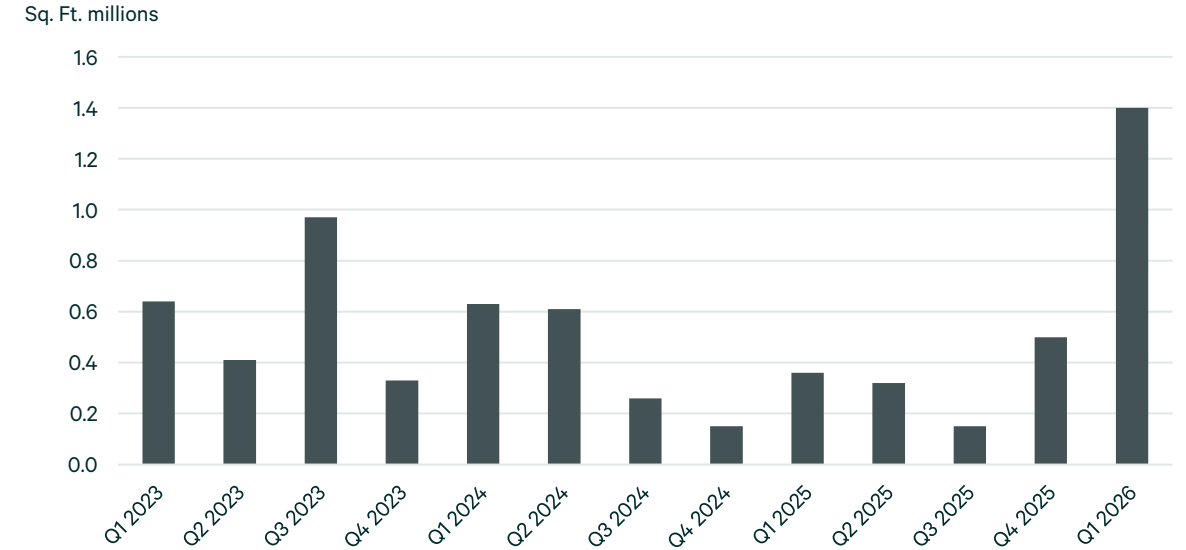
Source: CBRE Research, Q1 2026

Leasing Activity

At the close of Q1 2026, leasing activity totaled 1.4 million sq. ft. for the quarter and year-to-date, up 180.6% quarter-over-quarter and 285.7% year-over-year. Versus Q1 2023, when 643,000 sq. ft. was leased, activity is up 117.8% and now exceeds the 2023 quarterly peak of 966,000 sq. ft. Since Q1 2023, a cumulative 6.7 million sq. ft. has been leased.

Livermore and Pittsburg record the highest positive leasing volumes, at 1.2 million sq. ft. and 64,000 sq. ft., respectively. Additional activity was seen in Concord (51,000 sq. ft.), Walnut Creek (45,000 sq. ft.), Pleasanton (20,000 sq. ft.), and Dublin (10,000 sq. ft.).

Figure 6: Leasing Activity Trend



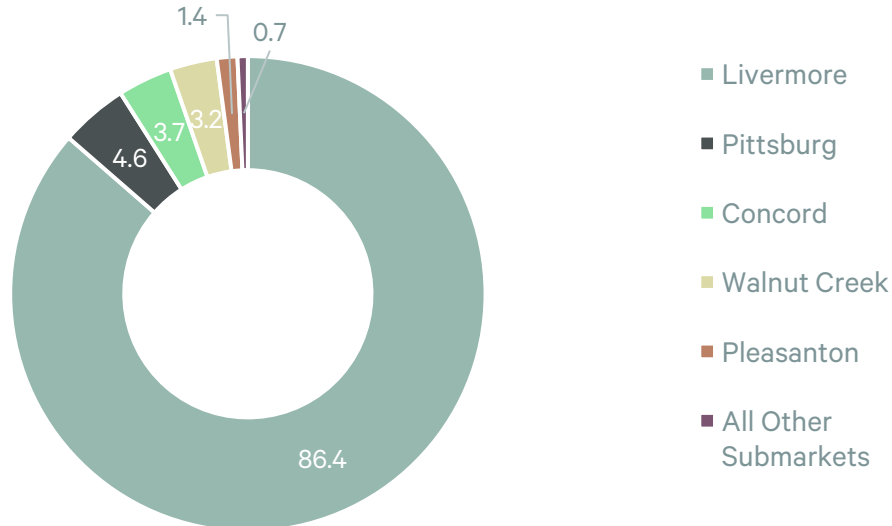
Source: CBRE Research, Q1 2026

Figure 8: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential Tenant	635,000	Renewal	201 Discovery Dr	Livermore
Confidential Tenant	368,000	Renewal	800 Atlantis St	Livermore
Golden West Packaging	128,000	Renewal	6850 Brisa St	Livermore
Control Air Enterprises	58,000	New Lease	6950-6954 Preston Ave	Livermore
Golden State Orthopedic & Spine	45,000	Renewal	2625 Shadelands Dr	Walnut Creek
PGW	43,000	Renewal	701 Willow Pass Rd	Pittsburg
Confidential Tenant	24,000	New Lease	4041 Pike Ln	Concord
Campos Trucking	21,000	New Lease	557-780 Clark Ave	Pittsburg

Source: CBRE Research, Q1 2026

Figure 7: Leasing Activity by Submarket (% of Total Activity)



Source: CBRE Research, Q1 2026

Market Statistics by Submarket

Figure 9

Submarket	Net Rentable Area (MSF)	Total Vacant Available (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/mth)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Antioch	3.02	9.9	13.9	13.9	-	0.66	-	-	-	442,000
Brentwood	3.06	0.5	0.7	0.7	-	1.40	(3,000)	(3,000)	-	-
Concord	8.23	2.7	5.2	4.8	0.3	1.50	29,000	29,000	-	-
Dublin	2.16	21.4	21.7	19.3	2.4	1.53	(5,000)	(5,000)	-	-
Livermore	19.02	10.0	12.7	10.0	2.8	1.27	350,000	350,000	760,000	-
Martinez	2.45	2.6	4.3	3.6	0.7	1.86	3,000	3,000	-	-
Pittsburg	4.30	9.8	9.9	9.9	-	0.96	21,000	21,000	-	-
Pleasant Hill	0.39	6.7	14.2	14.2	-	1.60	3,000	3,000	-	-
Pleasanton	5.54	12.3	15.5	9.9	5.6	2.27	(6,000)	(6,000)	-	-
San Ramon	1.16	4.9	5.7	1.4	4.2	2.12	2,000	2,000	-	-
Walnut Creek	0.95	0.2	0.2	0.2	-	-	(2,000)	(2,000)	-	-
Total	50.28	8.3	10.5	8.5	2.0	1.39	391,000	391,000	760,000	442,000

Source: CBRE Research, Q1 2026

Market Statistics by Size

Figure 10

Size Range	Net Rentable Area (MSF)	Total Vacant Available (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/mth)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Under 100,000 sq. ft.	32.69	6.7	8.3	6.7	1.6	1.62	(109,000)	(109,000)	-	-
100,000-199,999 sq. ft.	6.09	8.7	14.7	9.1	5.5	1.35	28,000	28,000	-	-
200,000-299,999 sq. ft.	3.18	25.8	28.9	28.9	-	1.11	-	-	289,000	-
300,000-499,999 sq. ft.	5.88	10.6	12.8	10.6	2.2	0.98	471,000	471,000	471,000	442,000
500,000-749,999 sq. ft.	2.44	-	-	-	-	-	-	-	-	-
Total	50.28	8.3	10.5	8.5	2.0	1.39	391,000	391,000	760,000	442,000

Source: CBRE Research, Q1 2026

Market Statistics by Product Type

Figure 11

Product Type	Net Rentable Area (MSF)	Total Vacant Available (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/mth)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Distribution/Logistics	33.30	6.4	9.0	7.2	1.8	1.22	460,000	460,000	760,000	442,000
Manufacturing	6.09	12.5	13.0	12.5	0.5	1.03	(57,000)	(57,000)	-	-
R&D/Flex	10.88	11.6	13.6	10.4	3.2	1.85	(11,000)	(11,000)	-	-
Total	50.28	8.3	10.5	8.5	2.0	1.39	391,000	391,000	760,000	442,000

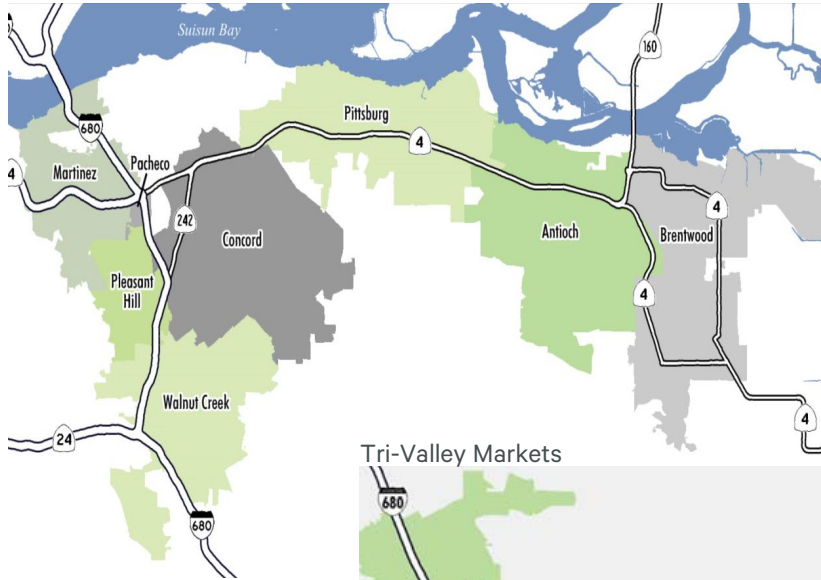
Source: CBRE Research, Q1 2026

Economic Overview

The current business cycle may be five years old, but U.S. growth appears resilient, despite clear risks on the horizon. GDP growth should average 2.1%, matching 2025 and exceeding peer economies. America's aggressive build-out of AI infrastructure is a unique edge. Hyperscaler capex is nearing 3% of GDP—just below residential investment. Concerns about the sustainability of this growth and its broader impact are rattling both credit and equity markets. Operation Epic Fury and global energy prices are also a concern. Assuming the conflict is resolved quickly, and U.S. oil prices stay in the \$80/bbl range, the impact on U.S. growth should be minimal. The impact on headline inflation, which is forecast to average 3.2% this year, up from the mid-2% range in February, will be material. Should the conflict escalate, this would elevate inflation and long-term yields and would likely impact the commercial real estate market.

Market Area Overview

North Contra Costa Markets



Tri-Valley Markets



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

Contacts

Vikram Narula

Research Analyst
+1 510 874 1924
Vikram.Narula@cbre.com

Paul Magoria

Research Manager
+1 510 874 1912
Paul.Magoria@cbre.com

Konrad Knutsen

Director, Northern CA
+1 916 446 8292
Konrad.Knutsen@cbre.com

Walnut Creek Office

1676 N California Blvd. Suite 500
Walnut Creek, CA 94596