

FIGURES | WALNUT CREEK/I-680 CORRIDOR INDUSTRIAL | Q3 2026

Vacancy Rises As Construction Pipeline Clears

▲ 8.2%

Vacant Available Rate

▲ 9.6%

Availability Rate

▼ (187.8)

KSF Net Absorption

▲ 441.8

KSF Construction Delivered

▼ 0.0

KSF Under Construction

▲ \$1.38

Avg. Direct Asking Rate (NNN/MTH)

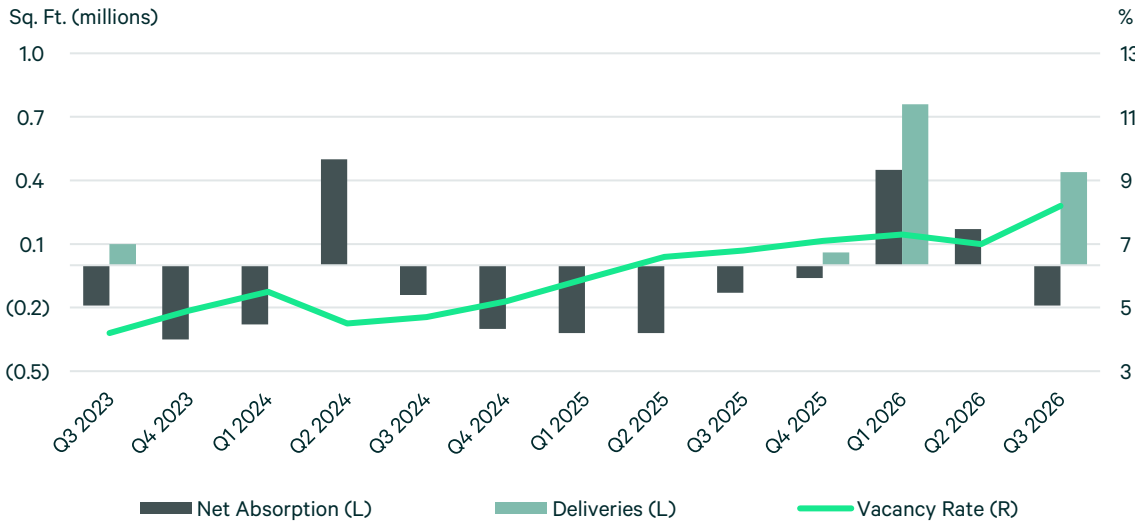
Note: Arrows indicate change from previous quarter.

Market Overview

Q3 2026 saw conditions soften quarter-over-quarter as occupancy contracted, vacancy rose and leasing activity cooled. Net absorption totaled negative 188,000 sq. ft. in the quarter, and vacancy rose 120 basis points from 7.0% in Q2 2026 to 8.2%, while availability increased 80 bps from 8.8% to 9.6%. This softening coincided with the completion of Black Diamond Industrial Center, a 442,000-sf warehouse project at 2901 E 18th St in Antioch. Leasing volume fell sharply from 1.13 million sq. ft. in Q2 2026 to 418,320 sq. ft. in Q3 2026, signaling cooler demand than in early 2026, though activity remained above the lowest levels seen in 2024 and 2025. Average asking rents edged up quarter-over-quarter, from \$1.35 per sq. ft. to \$1.38 per sq. ft.

From Q3 2023 through the current quarter, the market shifted toward higher vacancy, increased availability, and weaker demand, with brief periods of improvement. Vacancy rose 400 basis points from 4.2% to 8.2%, driven by negative net absorption in 10 of 13 quarters. Leasing activity began at 1.06 million square feet in Q3 2023, fell to lows of 276,439 in Q4 2024 and 256,758 in Q3 2025, then peaked at 1.59 million in Q1 2026, and moderated afterward. Average asking rents peaked at \$1.62 per square foot in Q4 2023, dropped to \$1.33 by Q1 2026, and held between \$1.33 and \$1.38 through the current quarter.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



CBRE Research

Vacancy Rate

Vacancy moved higher in Q3 2026, with overall and direct rates rising while sublease vacancy edged lower. Overall vacancy stood at 8.2% this quarter, up 120 basis points quarter-over-quarter from 7.0%, 140 bps higher year-over-year than the 6.8% recorded in Q3 2025, and 400 bps above the 4.2% level of Q3 2023. Direct vacancy reached 7.4%, a 140-bps increase quarter-over-quarter from 6.0%, 200 bps higher year-over-year than 5.4% in Q3 2025, and 390 bps above the 3.5% rate reported in Q3 2023. Sublease vacancy registered 0.8%, declining 20 bps quarter-over-quarter from 1.0% and 60 bps year-over-year from the 1.4% recorded in Q3 2025, but remaining 10 bps above the 0.7% level seen in Q3 2023, so rising vacancy continued to be driven primarily by direct space.

Vacancy patterns across submarkets this quarter were mixed, with some locations effectively fully occupied and others carrying considerably higher availability. Walnut Creek remained fully occupied at 0.0% overall vacancy, while Brentwood has a 0.9% overall vacancy, the lowest among non-zero-vacancy submarkets, followed by Martinez at 3.7%. At the other end of the spectrum, Antioch recorded the highest overall vacancy at 26.1%, underscoring the wide dispersion in market conditions.

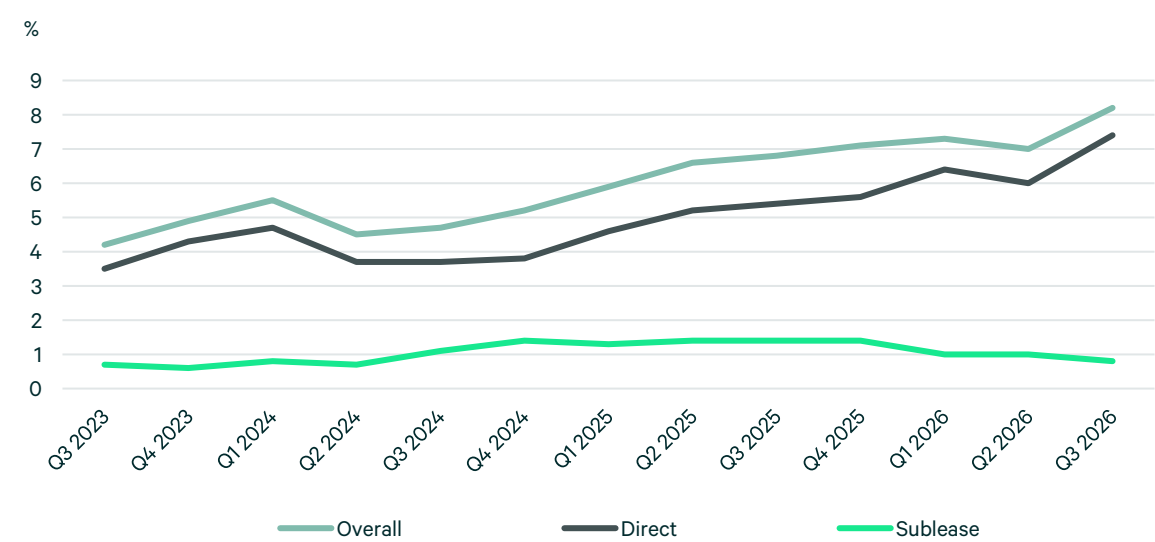
Sublease vacancy played a smaller but still notable role in overall availability this quarter. The market sublease rate eased from 1.0% in Q2 2026 to 0.8% this quarter, a 20-bps decline quarter-over-quarter, with a total of 390,758 sq. ft. of sublease space vacant across the tracked submarkets.

Net Absorption

In Q3 2026, net absorption pointed to renewed occupancy losses across the market. Net absorption for the quarter totaled negative 188,000 sq. ft., reversing the positive 169,000 sq. ft. recorded in Q2 2026 and falling below the negative 128,000 sq. ft. posted in Q3 2025. Despite this setback, the rolling four-quarter average remained positive at 92,750 sq. ft., reflecting improved occupancy compared with negative 208,750 sq. ft. at the end of Q4 2025.

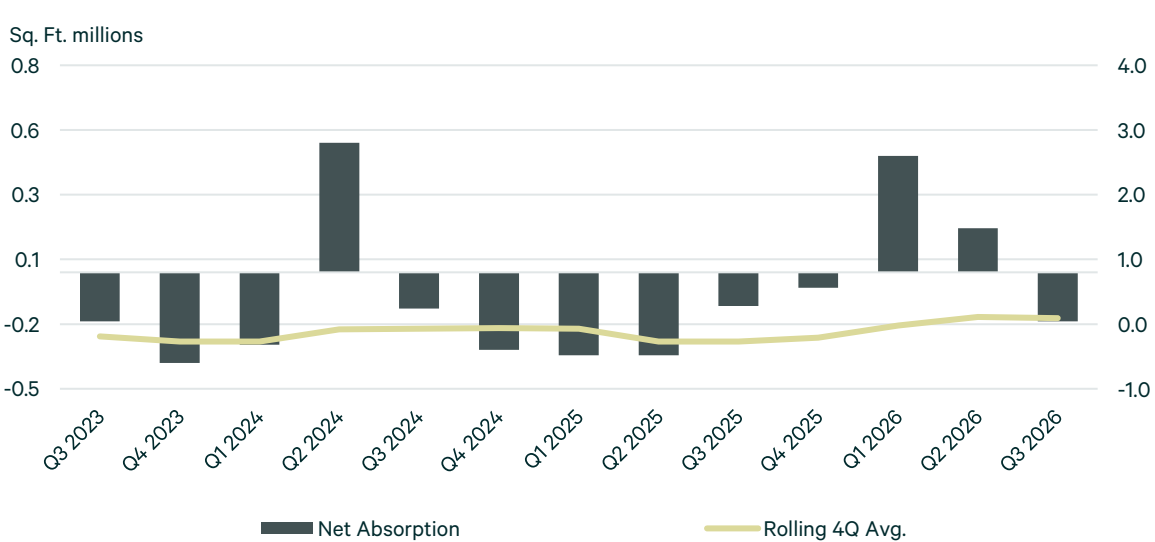
At the submarket level, Livermore and Pleasanton registered the strongest positive net absorption, each recording 81,000 sq. ft. of occupancy growth during the quarter. No other submarket achieved positive net absorption greater than 10,000 sq. ft., underscoring how gains were concentrated in these two locations. In contrast, Antioch and Pleasant Hill experienced the steepest occupancy losses, with net absorption of negative 83,000 sq. ft. and negative 18,000 sq. ft., respectively.

Figure 2: Vacancy Rate



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Figure 3: Net Absorption Trend



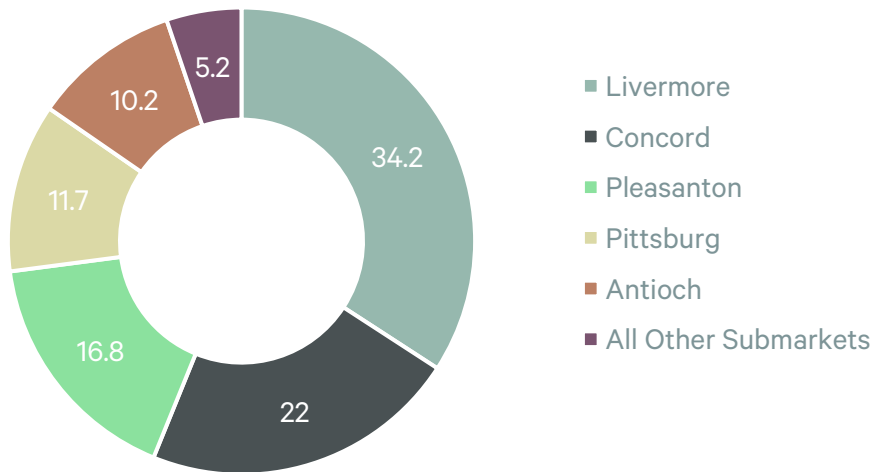
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Leasing Activity

In Q3 2026, leasing activity totaled 418,000 sq. ft., and over the past year from Q4 2025 through Q3 2026 tenants signed 3.74 million sq. ft. of leases. Leasing volume in Q3 2026 fell 62.9% quarter-over-quarter but rose 62.7% year-over-year, indicating a slower pace of deals than Q2 2026 yet stronger activity than Q3 2025.

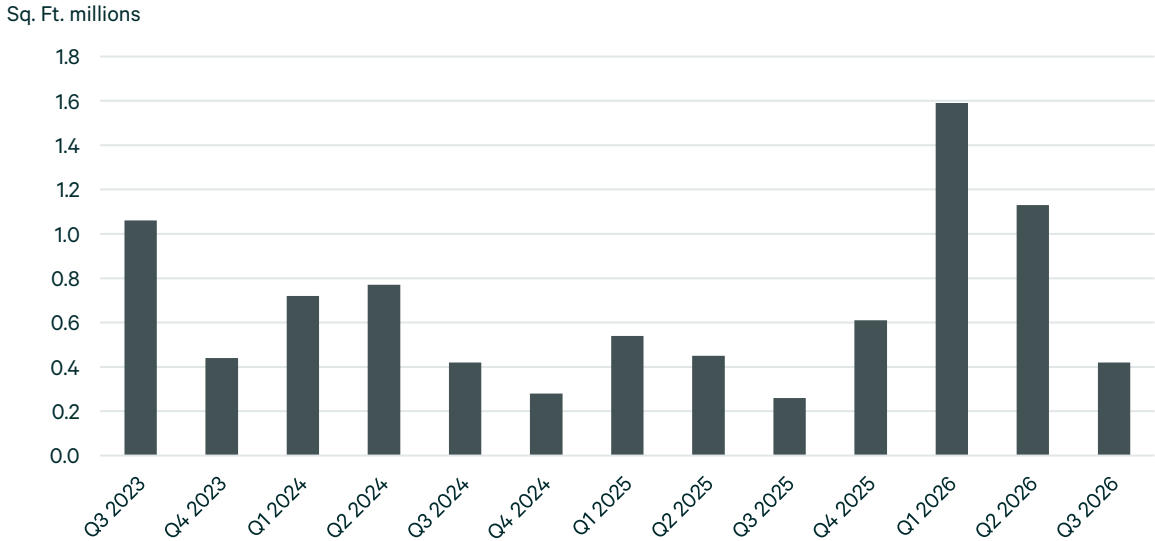
Livermore and Concord recorded the highest leasing activity, with tenants committing to 143,000 sq. ft. and 92,000 sq. ft., respectively. Pleasanton, Pittsburg, Antioch, Martinez and Dublin also registered positive leasing volumes, with leased areas of 70,000 sq. ft., 49,000 sq. ft., 43,000 sq. ft., 20,000 sq. ft. and 2,000 sq. ft., respectively.

Figure 5: Leasing Activity by Submarket (% of Total Activity)



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Figure 4: Leasing Activity Trend



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Figure 6: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Generon IGS	57,000	New Lease	151 Lawrence Dr	Livermore
United Rentals	49,000	Renewal	2700 California Ave	Pittsburg
1AU Technologies	43,000	New Lease	4696-4698 Willow Rd	Pleasanton
Cupertino Towing	43,000	Renewal	1020 Apollo Ct	Antioch
Rivian	32,000	New Lease	1970 Olivera Rd	Concord
UNITS Moving and Portable Storage	31,000	New Lease	6465 National Dr	Livermore
STN	26,000	New Lease	4464 Willow Rd	Pleasanton
United Rentals	20,000	Renewal	5147-5151 Port Chicago Hwy	Concord

Source: CBRE Research, Q3 2026

Asking Rent

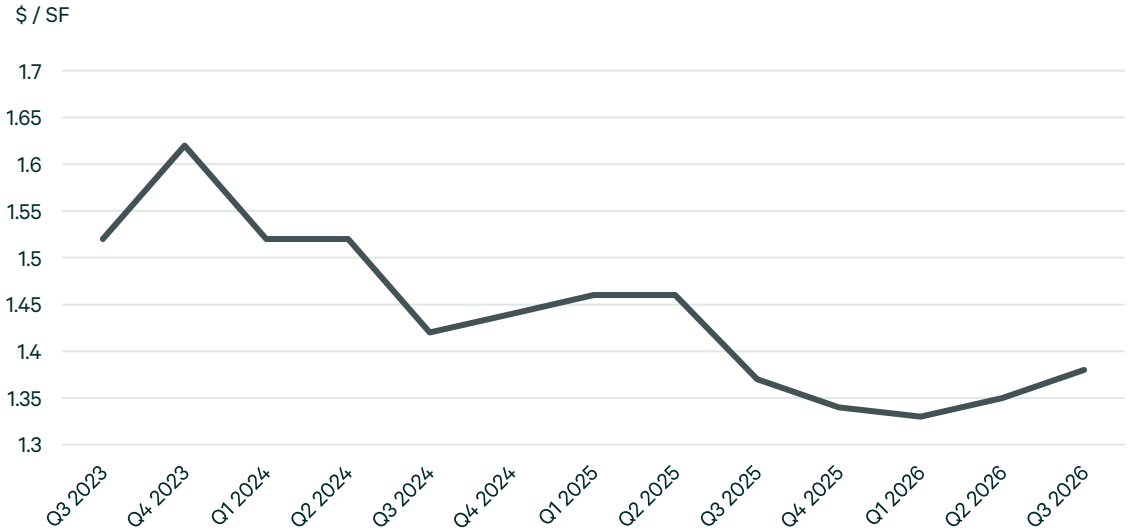
Market asking rents in Q3 2026 showed early signs of improvement after a prolonged period of adjustment. The average asking rent in this quarter was \$1.38 per sq. ft., up 2.2% quarter-over-quarter and 0.7% year-over-year. Over the full period from Q3 2023 through this quarter, the market moved from \$1.52 per sq. ft. to \$1.38 per sq. ft., with a peak of \$1.62 per sq. ft. in Q4 2023 and a low of \$1.33 per sq. ft. in Q1 2026.

Submarket pricing in this quarter varied widely, offering options across a broad rent spectrum. Antioch recorded the lowest average asking rent at \$0.66 per sq. ft., with Pittsburg also in the lower tier at \$0.88 per sq. ft., while Pleasanton posted the highest rent at \$2.26 per sq. ft. and San Ramon followed at \$1.93 per sq. ft. Martinez was also in the upper range at \$1.73 per sq. ft., whereas midrange pricing prevailed in Pleasant Hill at \$1.60 per sq. ft., Dublin at \$1.56 per sq. ft., Concord at \$1.49 per sq. ft., Brentwood at \$1.43 per sq. ft., and Livermore at \$1.29 per sq. ft.

Construction Activity

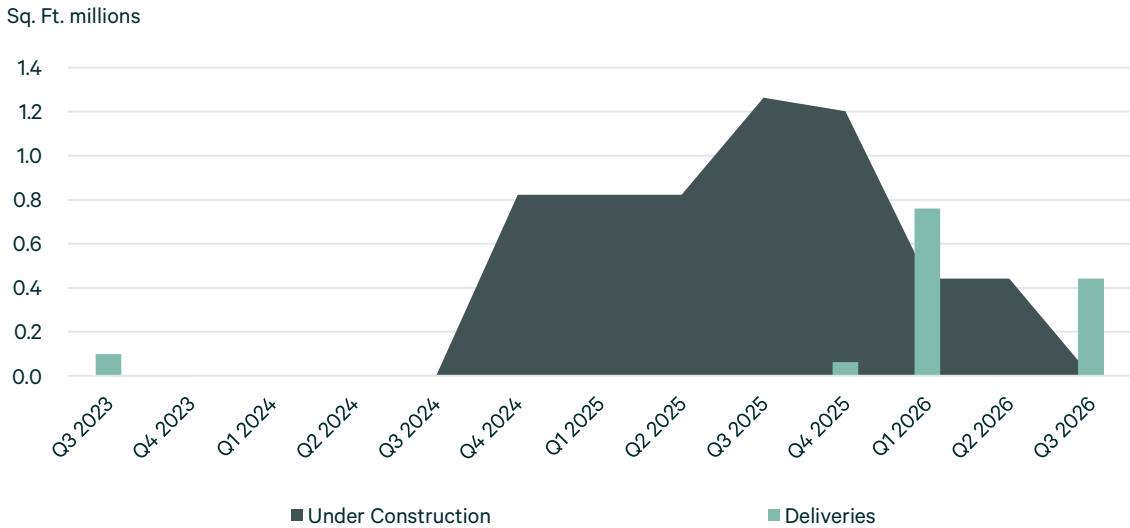
Between Q3 2023 and Q3 2026, the construction market transitioned from complete inactivity to a brief development surge before fully winding down. After a dormant period with zero active construction projects through late 2024, activity expanded rapidly, peaking at 1.26 million sq. ft. in Q3 2025. Supply pressure shifted from the development pipeline into physical deliveries during 2026. Major completions spiked in Q1 2026 with 760,000 sq. ft. delivered. By the close of Q3 2026, active construction dropped to zero with the delivery of Black Diamond Industrial Center, a 442,000-sf warehouse projects located at 2901 E 18th St in Antioch.

Figure 7: Average Direct Asking Rate



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Figure 8: Construction Activity



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Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	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	3.47M	26.1	26.7	24.4	2.3	0.66	(83,000)	(170,000)	442,000	-
Brentwood	3.00M	0.9	1.1	1.1	-	1.43	(7,000)	(14,000)	-	-
Concord	8.20M	6.2	6.3	5.9	0.4	1.49	(229,000)	(290,000)	-	-
Dublin	1.95M	13.6	13.8	11.5	2.3	1.56	2,000	17,000	-	-
Livermore	19.02M	7.0	8.8	7.2	1.6	1.29	81,000	826,000	-	-
Martinez	2.42M	3.7	5.3	4.6	0.8	1.73	(1,000)	1,000	-	-
Pittsburg	4.30M	9.5	9.7	9.7	-	0.88	-	28,000	-	-
Pleasant Hill	391,000	11.5	11.5	11.5	-	1.60	(18,000)	(20,000)	-	-
Pleasanton	5.41M	8.3	11.5	8.6	2.9	2.26	81,000	63,000	-	-
San Ramon	1.25M	5.5	13.2	5.5	7.7	1.93	(13,000)	(11,000)	-	-
Walnut Creek	857,000	-	-	-	-	-	-	-	-	-
Total	50.27M	8.2	9.6	8.1	1.5	1.38	(188,000)	431,000	442,000	-

Source: CBRE Research, Q3 2026

Market Statistics by Product Type

Figure 13

Product Type	Net Rentable Area (SF)	Total Vacancy (%)	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	33.55M	7.1	8.7	7.2	1.5	1.20	(109,000)	657,000	442,000	-
Manufacturing - General	6.08M	12.2	12.3	12.1	0.2	1.10	40,000	(68,000)	-	-
R&D/Flex	10.64M	9.4	10.8	8.5	2.2	1.86	(119,000)	(157,000)	-	-
Total	50.27M	8.2	9.6	8.1	1.5	1.38	(188,000)	431,000	442,000	-

Source: CBRE Research, Q3 2026

Market Statistics by Size

Figure 14

Size Range	Net Rentable Area (SF)	Total Vacancy (%)	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)
Below 50K SF	22.80M	4.9	5.4	4.8	0.6	1.60	(32,000)	(142,000)	-	-
50K-99,999 SF	9.68M	9.2	12.8	10.1	2.8	1.58	108,000	(28,000)	-	-
100K-249,999 SF	7.60M	12.0	13.5	11.9	1.7	1.23	(183,000)	(186,000)	-	-
250K-499,999 SF	7.75M	15.2	16.9	14.2	2.7	0.63	(80,000)	786,000	442,000	-
500K-749,999 SF	2.44M	-	-	-	-	-	-	-	-	-
Total	50.27M	8.2	9.6	8.1	1.5	1.38	(188,000)	431,000	442,000	-

Source: CBRE Research, Q3 2026

Economic Overview

Notable challenges persist, from elevated energy costs and interest rates to lingering geopolitical and technological uncertainties. Despite these concerns, the U.S. economy remains on track to grow by over 2% during 2026, supported by impressive AI-driven business investment. Also, a generally stable labor market continues to underpin consumer activity, providing a cushion against other risks.

The final months of 2026 could prove pivotal. While economic growth supports healthy CRE occupier market fundamentals, the investment side of the market must contend with 5% Treasury yields. Signals from the Federal Reserve, inflation data, and global fixed-income markets suggest rates will remain elevated for the foreseeable future. A key upside catalyst would be a de-escalation in the U.S./Iran conflict, which could ease inflation and provide the Fed with more flexibility.

Market Area Overview



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

Konrad Knutsen Research Director +1 916 446 8292 konrad.knutsen@cbre.com	Paul Magoria Research Manager +1 510 874 1912 paul.magoria@cbre.com	Vikram Narula Research Analyst +1 510 874 1924 vikram.narula@cbre.com
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Walnut Creek Office
1676 N California Blvd. Suite 500
Walnut Creek, CA 94596