

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

Leasing Activity Moderates But Remains Broadly Distributed



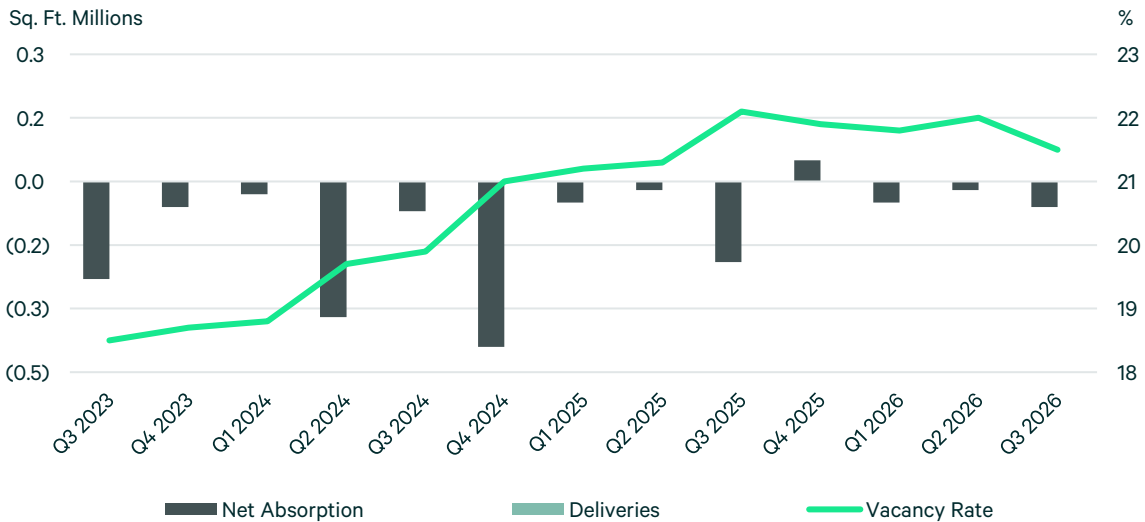
Note: Arrows indicate change from previous quarter.

Market Overview

In Q3 2026, market conditions remained soft but showed mixed quarter-over-quarter signals. Net absorption totaled negative 59,000 sq. ft., indicating that occupiers returned more space than they took, yet vacancy fell 50 basis points quarter-over-quarter from 22.0% in Q2 2026 to 21.5% due to product removal during the quarter. Availability moved in the opposite direction, increasing 20 bps from 25.1% to 25.3%, suggesting more space was marketed even as some space was reoccupied. Leasing activity eased during the quarter, declining from 420,000 sq. ft. in Q2 2026 to 360,000 sq. ft. in Q3 2026, while the average asking rent continued its gradual climb, reaching \$3.08 per sq. ft.

Between Q3 2023 and Q3 2026, the office market endured ongoing occupancy losses alongside elevated vacancy and availability rates, even as overall tenant demand showed signs of recovery. Vacancy expanded from 18.5% in Q3 2023 to a peak of 22.1% in Q3 2025 before settling at 21.5% by Q3 2026, while availability rose 360 basis points over the three-year period to finish at 25.3%. Net absorption was consistently negative across almost the entire timeframe, save for a minor positive uptick of 47,000 square feet in Q4 2025. Despite persistent market headwinds and a total absence of new construction, asking rents held firm near \$3.00 per square foot, gradually edging from \$2.97 to \$3.08. Concurrently, quarterly leasing activity expanded significantly from 320,000 square feet initially to a peak of 690,000 square feet in Q3 2025 before moderating.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



CBRE Research

Vacancy

In Q3 2026, vacancy remained elevated across all office property classes, with only modest quarter-over-quarter changes but much higher rates than in Q3 2023. Class A overall vacancy ended the quarter at 27.2%, down 30 basis points quarter-over-quarter and 20 bps year-over-year, while Class B fell to 11.8%, a 40-bps quarter-over-quarter and 80-bps year-over-year decline. Class C overall vacancy held at 15.2%, unchanged quarter-over-quarter and 20 bps lower year-over-year, underscoring only incremental improvement in the lowest-quality stock. Compared with Q3 2023, overall vacancy was still significantly higher, with Class A up 450 bps, Class B up 60 bps, and Class C up 500 bps over the three-year period.

Vacancy varied widely by submarket this quarter, with a clear split between tightly held areas and locations with substantial available space. Highway 4 recorded the lowest overall vacancy at 2.1%, followed by Danville at 4.4%, highlighting limited options for occupiers in those corridors. At the other end of the spectrum, Pleasant Hill – Bart posted the highest overall vacancy at 31.6%, ahead of Concord at 30.6%, signaling deep availability in transit-served and traditional office nodes.

Sublease vacancy remained a secondary but important component of availability in Q3 2026. Across office property classes, Class A sublease vacancy rose 30 bps quarter-over-quarter to 2.3%, while Class B held at 0.1% and Class C stayed at 0.0%, and sublease space across all tracked submarkets totaled 482,000 sq. ft. of vacant area during the quarter.

Net Absorption

In Q3 2026, the market recorded total net absorption of negative 60,000 sq. ft., indicating that tenants returned more space than they took. This total was below the negative 23,000 sq. ft. recorded in Q2 2026 on a quarter-over-quarter basis but exceeded the negative 185,000 sq. ft. posted in Q3 2025 on a year-over-year comparison, signaling that occupancy losses remained significant but had eased relative to Q3 2025. Class A drove most of the contraction with negative 108,000 sq. ft. of net absorption, partly offset by positive 49,000 sq. ft. in Class B and a small negative 1,000 sq. ft. in Class C, underscoring divergent demand by quality segment.

Across submarkets, Pleasanton and Lamorinda recorded the strongest occupancy gains this quarter, with positive net absorption of 31,000 sq. ft. and 15,000 sq. ft., respectively. Pleasant Hill - Bart and Walnut Creek - Ygnacio Valley followed with positive net absorption of 10,000 sq. ft. and 8,000 sq. ft., respectively. At the other end of the spectrum, San Ramon and Concord registered the largest occupancy contractions, with negative net absorption of 83,000 sq. ft. and 42,000 sq. ft., respectively, highlighting the submarkets with the largest occupancy contractions.

Figure 2: Vacancy Rates by Class



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Figure 3: Net Absorption Trend

Sq. Ft. (millions)



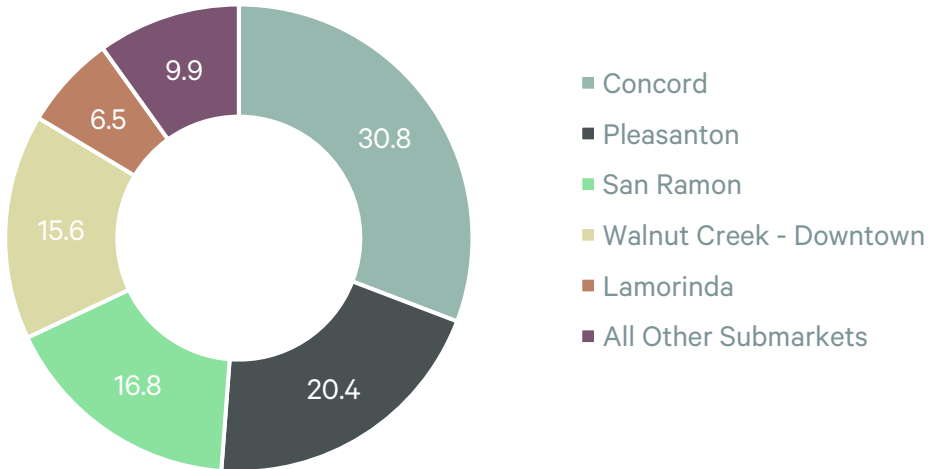
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Leasing Activity

Leasing activity moderated in Q3 2026 but remained meaningful on a year-to-date basis. Total leased area in Q3 2026 reached 361,000 sq. ft., bringing calendar year 2026 activity through Q3 2026 to 1.36 million sq. ft. Leasing declined quarter-over-quarter from 414,000 sq. ft. in Q2 2026, a 12.8% decrease, and fell year-over-year from 689,000 sq. ft. in Q3 2025, a 47.6% reduction.

At the submarket level, Concord and Pleasanton recorded the strongest positive leasing activity in Q3 2026. Concord captured 112,000 sq. ft. of combined Class A and Class B leasing, while Pleasanton tallied 74,000 sq. ft., both well ahead of other locations. Additional submarkets with positive leasing included San Ramon, Walnut Creek - Downtown, Lamorinda, Pleasant Hill - Bart, Danville, Dublin, Highway 4, Livermore, and Walnut Creek - Ygnacio Valley, each contributing incremental volume to overall market activity.

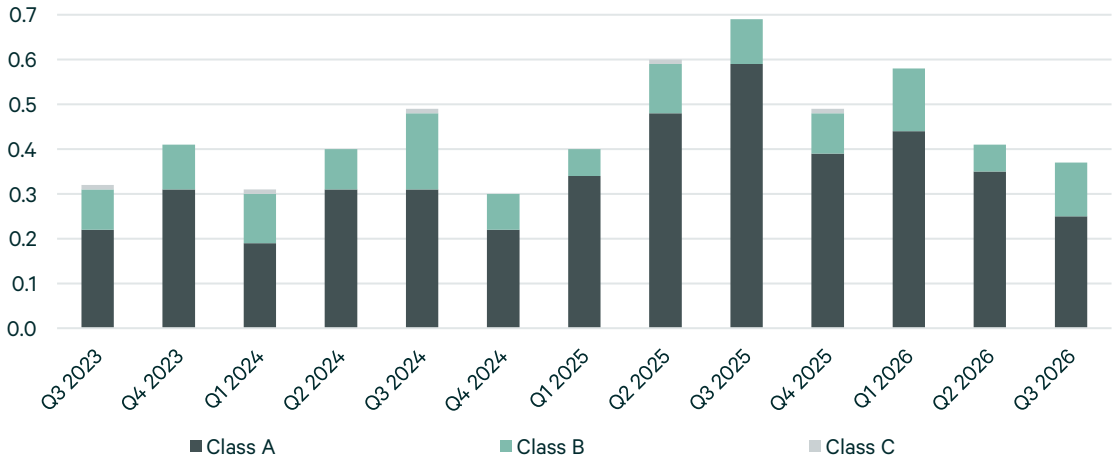
Figure 5: Leasing by Submarket (% of Total Activity)



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Figure 4: Leasing Activity Trend

Sq. Ft. (millions)



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Figure 6: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Regional Center of the East Bay (RCEB)	60,000	Renewal / Expansion	1320 Willow Pass Rd	Concord
Contra Costa County	34,000	New Lease	1850 Gateway Blvd	Concord
Confidential Tenant	25,000	Renewal	2633 Camino Ramon	San Ramon
Anixter	16,000	Renewal	5000 Franklin Dr	Pleasanton
Calyxo	12,000	Renewal	4234 Hacienda Dr	Pleasanton
Burns & McDonnell	11,000	New Lease	2185 N California Blvd	Walnut Creek - Downtown
Amtrust North America	11,000	New Lease	2121 N California Blvd	Walnut Creek - Downtown
Edgewood Partners Insurance Center	11,000	New Lease	1655 Grant St	Concord

Source: CBRE Research, Q3 2026

Investment Sale Activity

Investment sales in the Walnut Creek/I-680 Corridor office market increased in Q3 2026 compared with both Q2 2026 and Q3 2025. Quarterly sales volume reached \$193.05 million in Q3 2026, representing a 190.8% quarter-over-quarter increase from \$66.38 million in Q2 2026 and a 174.8% year-over-year increase from \$70.26 million in Q3 2025. Based on quarterly results for 2026, investment sales volume totaled \$426.41 million year-to-date through Q3 2026.

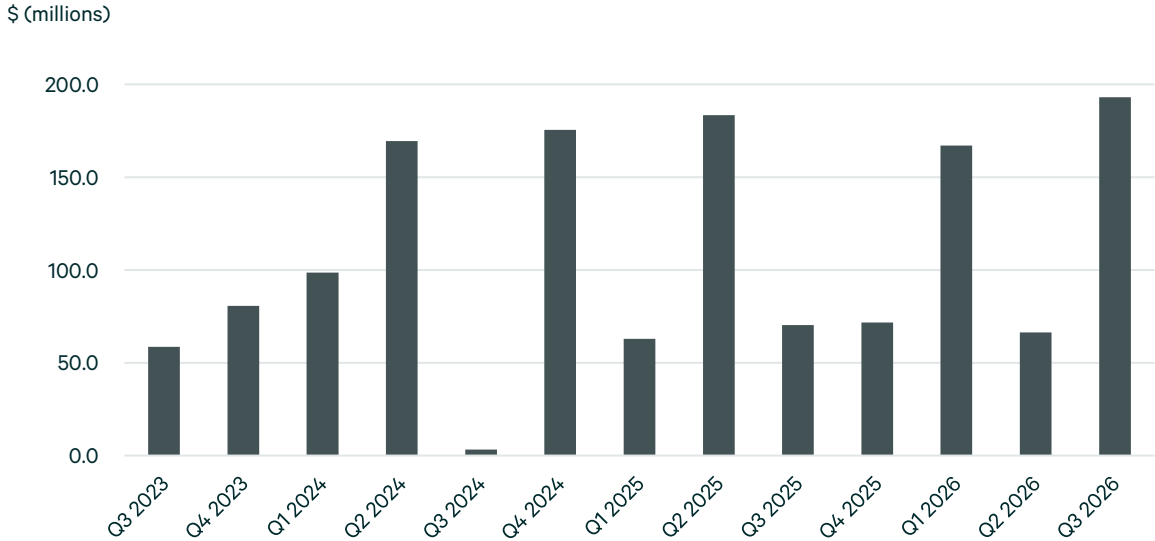
Institutional buyers accounted for 80.8% of investment volume in Q3 2026, followed by private buyers at 17.1% and User/Other buyers at 2.1%; public and cross-border buyers each recorded 0.0%. Six transactions were recorded across Walnut Creek and other I-680 Corridor submarkets. The largest transaction was the sale of Bishop Ranch 8 in San Ramon to Lennar Homes for \$156.00 million, totaling 682,170 sq. ft. at \$228.68 per sq. ft. The second-largest sale was Riviera Plaza in Walnut Creek – Downtown, which traded to Synergy Petroleum for \$14.50 million and 120,166 sq. ft. at \$120.67 per sq. ft.

Figure 8: Key Sales

Property	Submarket	Buyer	Sales Price	Size (SF)	Price Per SF
Bishop Ranch 8	San Ramon	Lennar Homes	\$156M	682,170	\$228.68
Riviera Plaza	Walnut Creek - Downtown	Synergy Petroleum	\$14.5M	120,166	\$120.67
2099 Mt Diablo Blvd	Walnut Creek - Downtown	William Cilker	\$7.7M	20,198	\$379.52
Walnut Creek Financial Plaza	Walnut Creek - Downtown	BE Green Properties LLC	\$7.5M	32,495	\$230.80
1400 Civic Drive	Walnut Creek - Downtown	Fatima Shahid	\$5.3M	20,067	\$261.82
2340 Santa Rita Road	Pleasanton	Anchor Education Inc	\$4M	12,806	\$312.35

MSCI Real Capital Analytics

Figure 7: Quarterly Sales Volume



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Figure 9: Buyer Composition



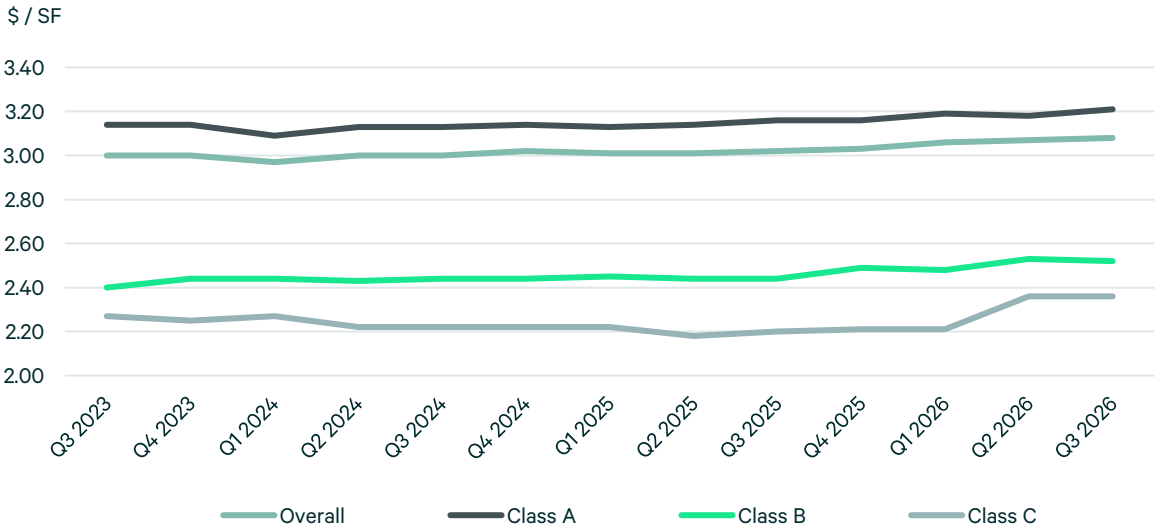
MSCI Real Capital Analytics

Asking Rent

Overall office asking rents in Q3 2026 remained stable but edged higher compared with recent quarters and Q3 2025. The overall average asking rent was \$3.08 per sq. ft., up from \$3.07 per sq. ft. quarter-over-quarter and from \$3.02 per sq. ft. year-over-year, while Class A averaged \$3.21 per sq. ft., compared with \$3.18 per sq. ft. in Q2 2026 and \$3.16 per sq. ft. in Q3 2025. Across the full series from Q3 2023 through Q3 2026, overall asking rents moved within a narrow band between \$2.97 per sq. ft. and \$3.08 per sq. ft., rising by \$0.08 per sq. ft. between \$3.00 per sq. ft. in Q3 2023 and \$3.08 per sq. ft. in Q3 2026; Class A rents followed a similar path, ranging from \$3.09 per sq. ft. to \$3.21 per sq. ft. and increasing by \$0.07 per sq. ft. between \$3.14 per sq. ft. in Q3 2023 and \$3.21 per sq. ft. in Q3 2026.

Premium pricing within the market was concentrated in a handful of submarkets. Class A asking rents were highest in Alamo at \$4.25 per sq. ft. and Lamorinda at \$4.02 per sq. ft., followed by Walnut Creek - Downtown at \$3.98 per sq. ft., Pleasant Hill - Bart at \$3.89 per sq. ft., Danville at \$3.72 per sq. ft., San Ramon at \$3.42 per sq. ft., Dublin at \$3.30 per sq. ft. and Pleasanton at \$3.03 per sq. ft. More moderate pricing was available in submarkets such as Pleasant Hill at \$2.70 per sq. ft. for Class A and \$2.41 per sq. ft. for Class B, Walnut Creek - Ygnacio Valley at \$2.47 per sq. ft. for Class A and \$2.16 per sq. ft. for Class B, and Concord where Class A asking rent was \$2.63 per sq. ft. and Class B was \$2.13 per sq. ft., while lower-rent Class B space was available in Highway 4 and Livermore at \$1.20 per sq. ft. and \$2.23 per sq. ft., respectively.

Figure 10: Average Direct Asking Rate by Class



CBRE Research

Market Statistics by Class

Figure 11: Metro Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/mth)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	20.53M	27.2	32.7	27.7	5.0	3.21	(108,000)	(250,000)	-	-
Class B	11.35M	11.8	12.7	12.4	0.2	2.52	49,000	123,000	-	-
Class C	988,000	15.2	16.5	15.8	0.6	2.36	(1,000)	(1,000)	-	-
Total	32.86M	21.5	25.3	22.0	3.3	3.08	(59,000)	(129,000)	-	-

Source: CBRE Research, Q3 2026

Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate	Class A Asking Rent (\$/SF FSG/mth)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Alamo	158,000	6.3	8.0	8.0	-	4.25	4.25	1,000	(5,000)	-	-
Concord	4.94M	30.6	33.4	31.7	1.6	2.58	2.63	(42,000)	17,000	-	-
Danville	514,000	4.4	5.0	5.0	-	3.28	3.72	7,000	16,000	-	-
Dublin	2.28M	19.8	24.5	17.4	7.2	3.16	3.30	(9,000)	(44,000)	-	-
Highway 4	574,000	2.1	2.1	2.1	-	1.20	-	3,000	(1,000)	-	-
Lamorinda	1.00M	15.9	17.8	16.1	1.7	3.70	4.02	15,000	11,000	-	-
Livermore	523,000	25.8	28.3	28.3	-	2.23	-	2,000	13,000	-	-
Pleasant Hill	1.09M	10.1	11.2	10.3	0.9	2.49	2.70	(7,000)	(21,000)	-	-
Pleasant Hill - Bart	1.94M	31.6	32.0	31.3	0.7	3.76	3.89	10,000	33,000	-	-
Pleasanton	7.99M	18.9	21.9	19.3	2.6	2.94	3.03	31,000	3,000	-	-
San Ramon	5.53M	23.7	33.7	24.3	9.4	3.31	3.42	(83,000)	(136,000)	-	-
Walnut Creek - Downtown	4.61M	22.4	23.2	22.0	1.2	3.74	3.98	4,000	(57,000)	-	-
Walnut Creek - Ygnacio Valley	1.71M	11.2	17.8	17.8	-	2.34	2.47	8,000	42,000	-	-
Total	32.86M	21.5	25.3	22.0	3.3	3.08	3.21	(59,000)	(129,000)	-	-

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.

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