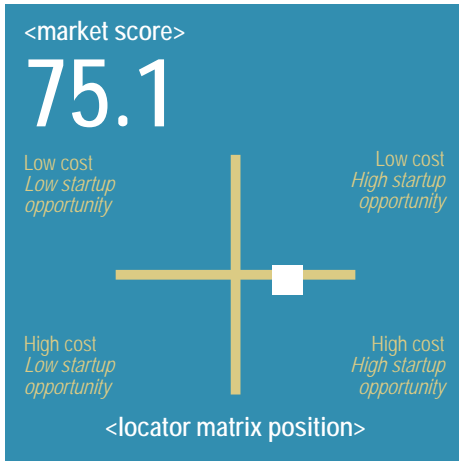


Technology Office Outlook

Oakland-East Bay | 2015



MARKET SCORE AND LOCATOR MATRIX POSITION



Supply 55,984,860 total inventory (s.f.)	Office cost \$30.83 overall direct asking rent	Employee cost \$121,762 average wage 2014	Total cost per employee \$5,395 annual real estate cost (175 s.f./person)
13.7% total vacancy	9.3% 12-month rent growth	6.0% annual wage growth 2014	\$127,157 all-in cost (real estate and wages)
Venture capital \$379.3M total funding Q314-Q215	Population 2,722,260 total population	Talent pool 41.8% % of population with bachelor's or higher	Lifestyle \$1,973 average monthly apartment rent
1.1% share of U.S. funding	4.8% unemployment rate	21.1% share of millennials (work age, 20-34)	8 market dynamism (0-14)

TOP LEASE TRANSACTIONS

Pleasanton Corporate Commons Pleasanton North Tenant: Workday Size: 151,000 s.f. Expansion in market	2600 Camino Ramon Bishop Ranch Tenant: SAP Size: 150,000 s.f. New to market	2101 Webster Street Oakland CBD Tenant: Pandora Media Size: 98,872 s.f. Extension (<36 month term)
--	---	--

OPPORTUNITY

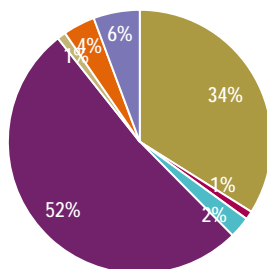
Uber's recent purchase of Uptown Station in Oakland will create more traction in tech-related activity. An increasing number of organizations are popping up across the East Bay, fixating on cultivating talent by offering training services and classes in the tech field. This generates a strong labor pool for companies to penetrate, especially those that are focused on growth. VC funding is increasing, giving companies the ability to expand, translating into a heightened demand for office space.

CHALLENGE

Landlord flexibility remains one of the biggest challenges facing startups in Oakland-East Bay. Landlords are pushing asking rates and have a strong desire for credit worthy tenants. Vacancy rates are at historic lows especially in Oakland's CBD, and prices in surrounding markets such as Emeryville are increasing and will continue to climb as long as startup activity remains strong.

EMPLOYMENT COMPOSITION

- Computer/Electronic product manufacturing
- Electrical/equipment manufacturing
- E-retailers
- Computer systems design & Related services
- Data processing, Hosting & Related services
- Other information services
- Software publishers



"There are a handful of corporate occupiers anchoring the market and expanding, validating Oakland and the East Bay as locations for tech startups."

- Katherine Billingsley
Research Analyst

Employment 50,303 high-tech employment 2014	4.2% annual high-tech employment growth
---	---

