

GLOBAL SPOTLIGHT

Oakland, California



Strong Transport and Big Development Plans Keep Oakland's Horizon Looking Bright.

- Oakland is the shipping transportation hub of the San Francisco Bay Area and Northern California. The port of Oakland is the fourth-largest container port in the United States and 20th in the world for container volume. Similarly, Oakland International Airport is one of the fastest growing airports in the U.S., having transported 648,000 tons of cargo and 14.6 million passengers in 2007.
- Despite the industrial market being dominated by older manufacturing and warehouse buildings (built in the 1940s-1970s), vacancy has remained tight with a negligible amount of net absorption. Overall vacancy rates, asking rates and absorption statistics have remained stable in Oakland and throughout the East Bay market as surrounding areas have had large swings in momentum over the past decade.
- The Oakland office market has grown a diverse tenant base that includes professional services firms, high-tech companies, government and non-profits. As a result, Oakland has become less susceptible to major market fluctuations. Additionally two major projects are being completed that will add over 350,000 SF of new office space.
- Green buildings are on the way. Shorenstein plans to build 601 City Center, a 23-story tower with over 550,000 SF of Class A office space. With an expected LEED Gold Certification, it will be the East Bay's largest "green" office building. SKS has plans to build a 20-story, 320,000 SF office building in downtown Oakland, which will achieve LEED Silver certification.
- While the economy is stalling in response to the credit crisis, the fundamentals of the warehouse and manufacturing markets remain strong. In the multi-family sector, rents have climbed significantly in the past four quarters and transaction volume has slowed, which has created opportunities for investors and a slight increase in capitalization rates and expected IRRs (Internal rate of return).

Oakland At A Glance

Population	394,760
Location	Northern California
Interest	3.90% (US 10 year treasury note)
Unemployment	5.2% (Alameda County)

Property	Rent/SF/Year		Vacancy Rate
	Low	High	
Downtown Office Class A	\$24.00	\$40.20	12.49%
Warehouse	\$3.60	\$8.00	3.2%
Industrial Manufacturing	\$2.40	\$12.00	4.3%
Retail Space Downtown	\$18.00	\$36.00	8.2%

NAI BT Commercial provides local market expertise in the greater Oakland, California region.

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NAI Global is one of the world's leading providers of commercial real estate services. We bring together people and resources wherever needed to deliver outstanding results for our clients.

At A Glance

325	Offices
55	Countries
5,000	Professionals
\$45 billion	Annual Transaction Volume
200	MSF of Property Management

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