

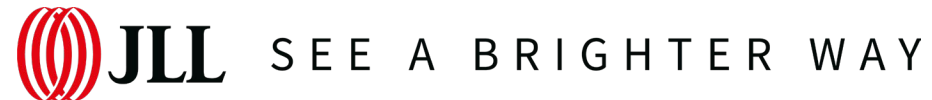
East Bay Rebound

Who, What, Where?

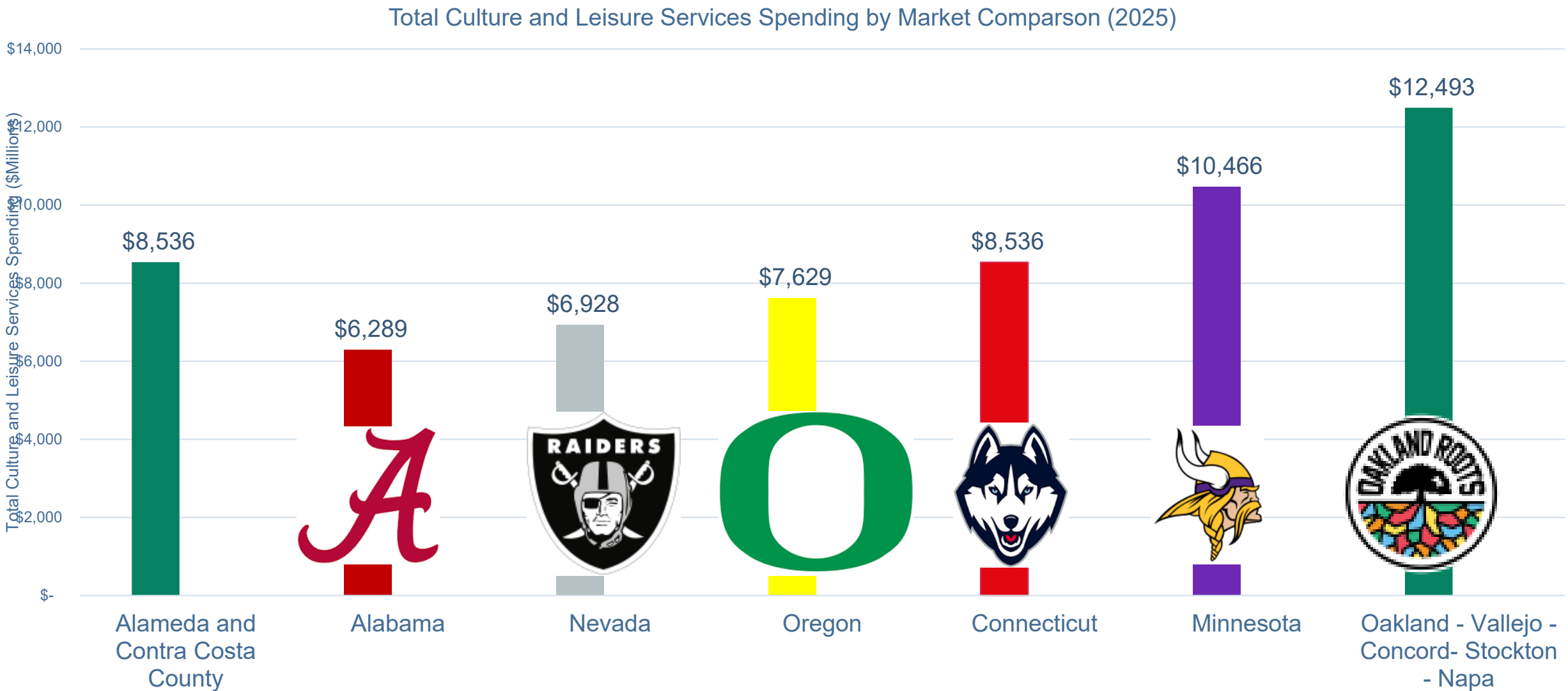
Alexander Quinn

Sr. Director of Research, Northwest Region

May 15, 2025



The East Bay can't support a professional sports franchise?



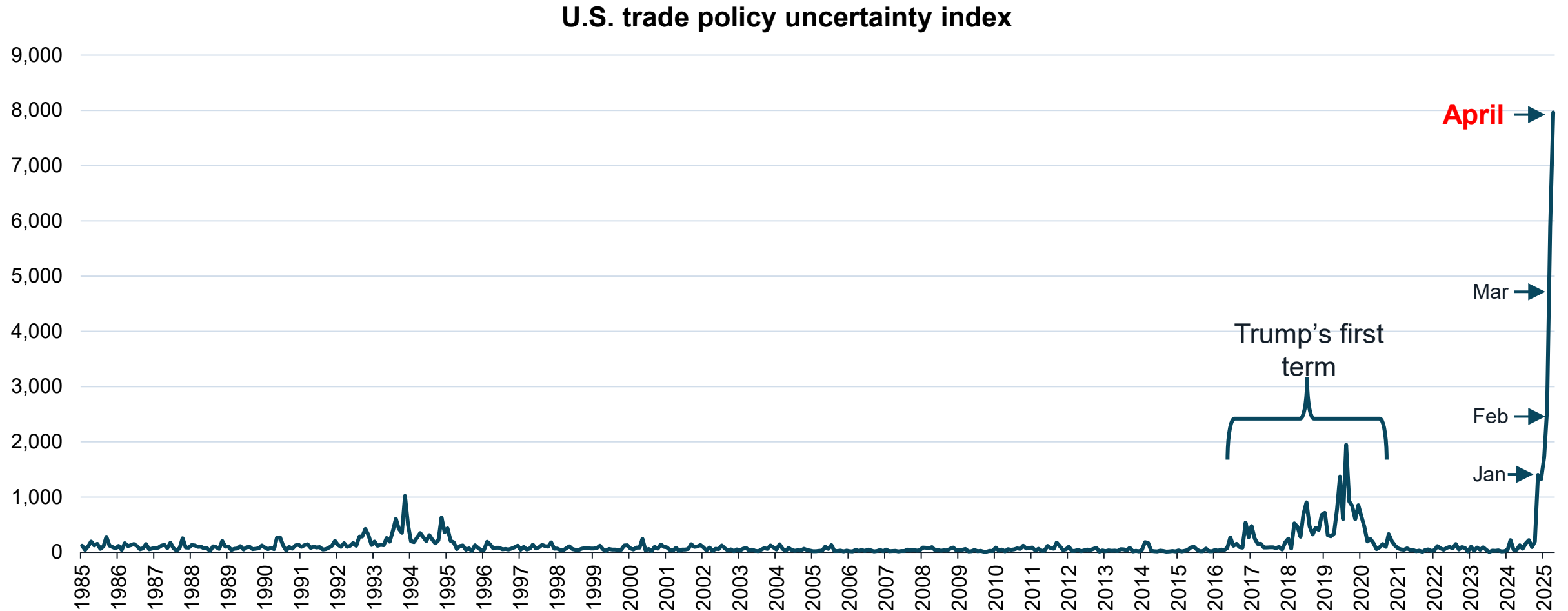
Source: Oxford Economics, Consumer Expenditure Survey, Bureau of Economic Analysis, 2025.

“Liberation Day”?



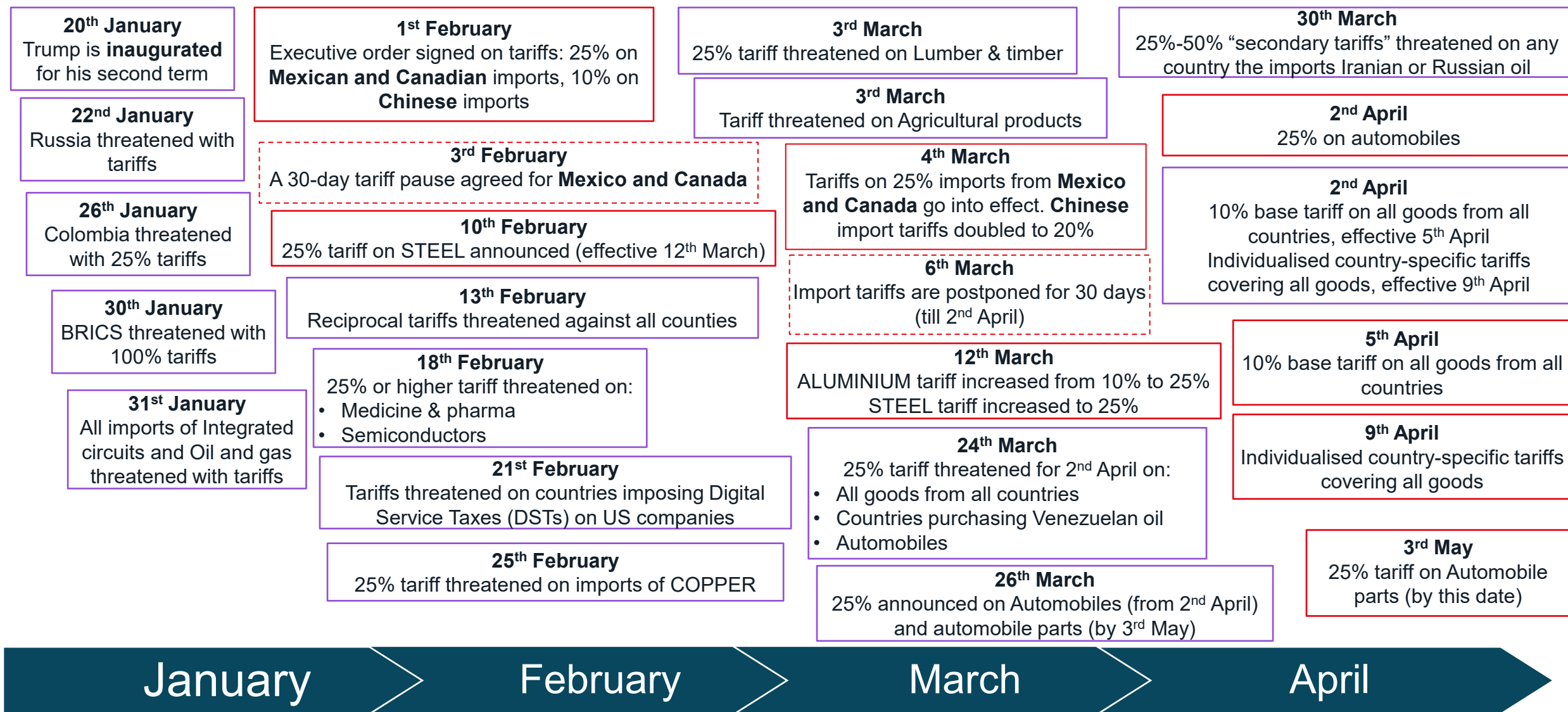
Trade | U.S. trade policy uncertainty reaches new heights

Current disruption to trade is unprecedented



Source: "Measuring Economic Policy Uncertainty" by Scott Baker, Nicholas Bloom and Steven J. Davis at www.PolicyUncertainty.com.

Trade | Timeline of U.S. tariffs announcements (so far) in 2025



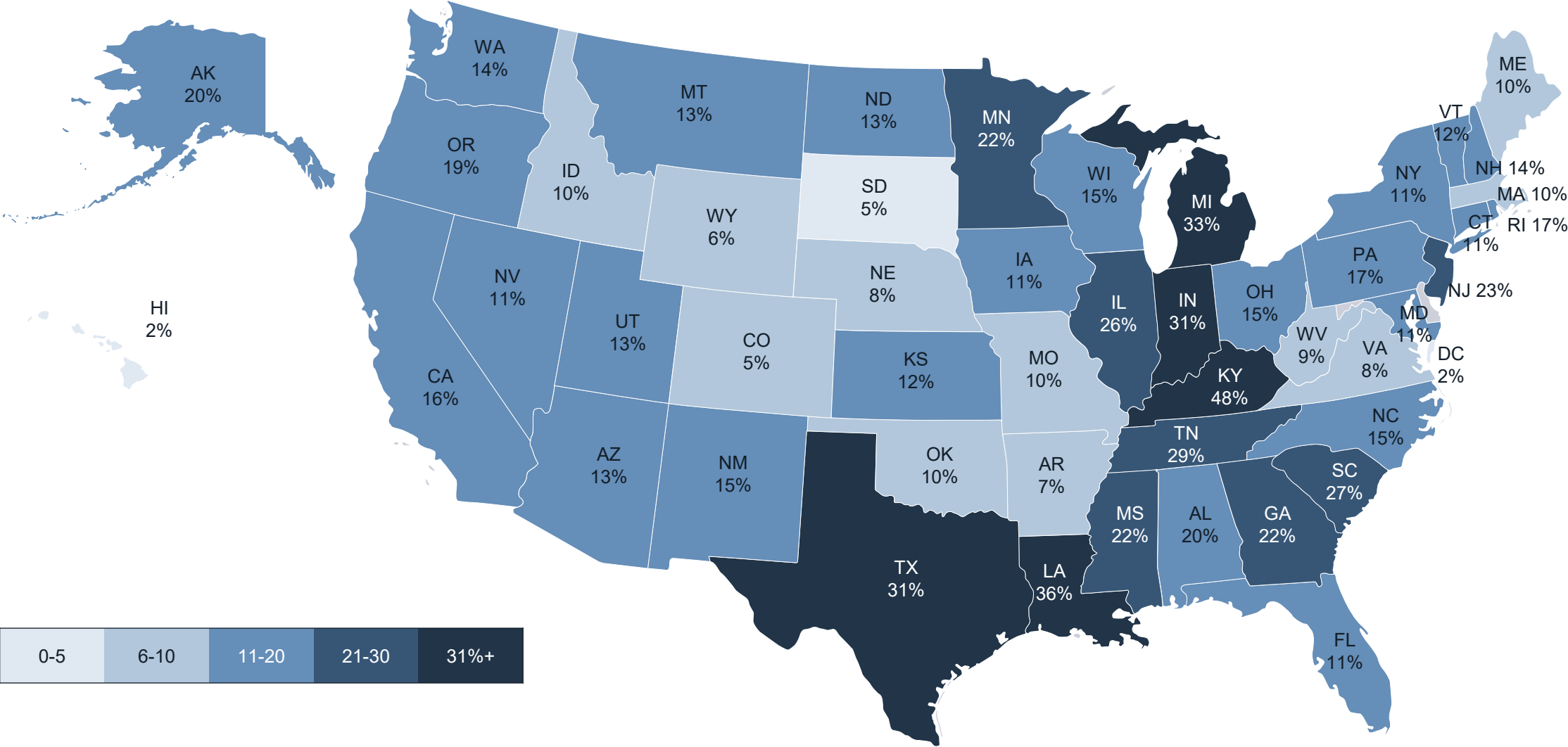
Trade | U.S. tariffs were only slightly lower than their main partners

Recent announcements, if all enacted, would take the U.S. average much, much higher



Source: WTO. Data

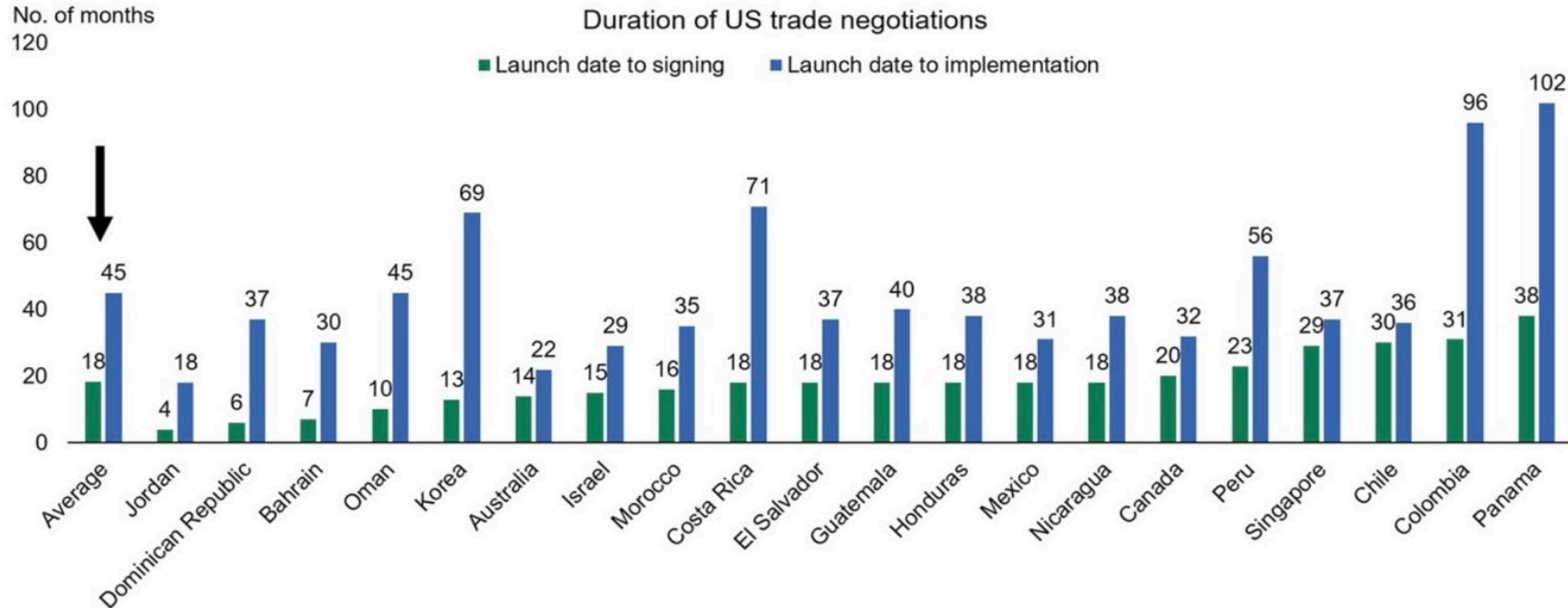
Trade | Total trade by state as a share of GDP



How long do international trade deals normally take to agree upon and then implement?

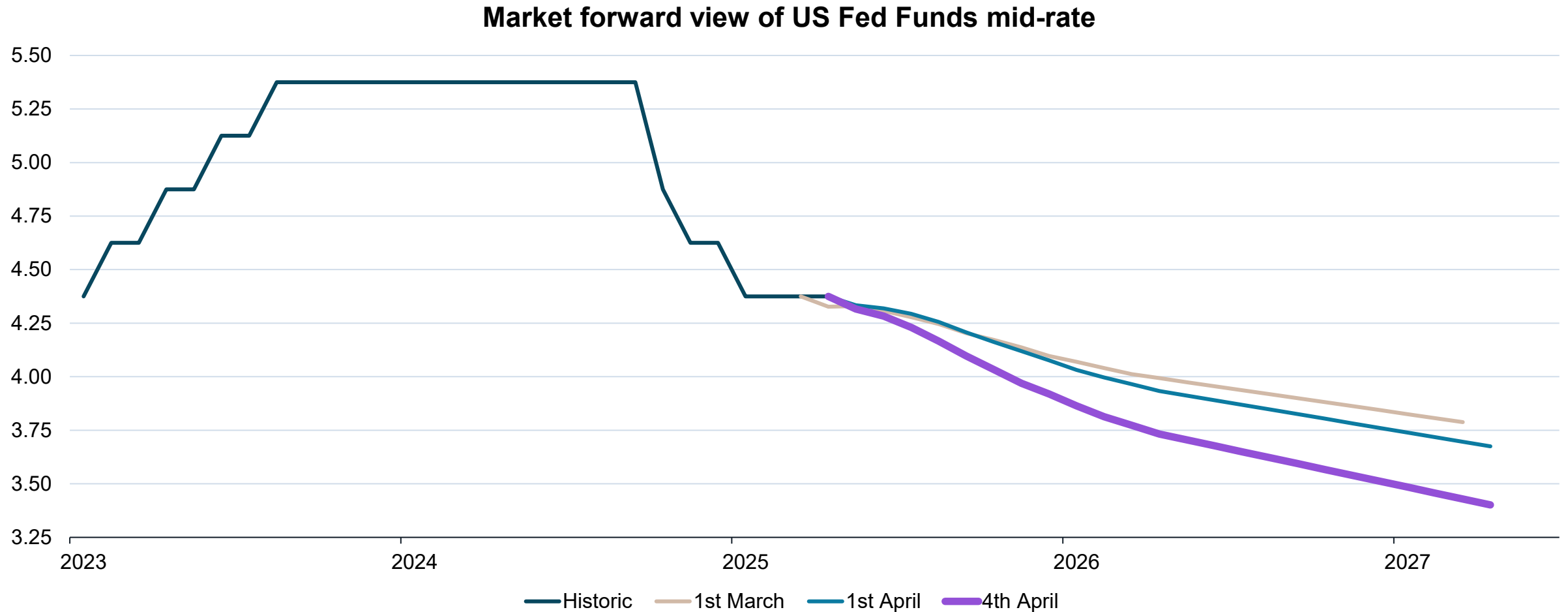
APOLLO

It takes on average 18 months to sign a trade deal and 45 months to implement



Rates | Markets expect more rate cuts than before Liberation Day

Two more cuts now expected from the Fed this year, compared to just one before tariffs were announced



Source: LSEG Workspace, data to 04.04.2025.

Bonds | Treasury yields and interest rates likely higher for longer

This will mean a higher cost of borrowing affecting households, businesses and the government

US 10-year Treasury yield (%)



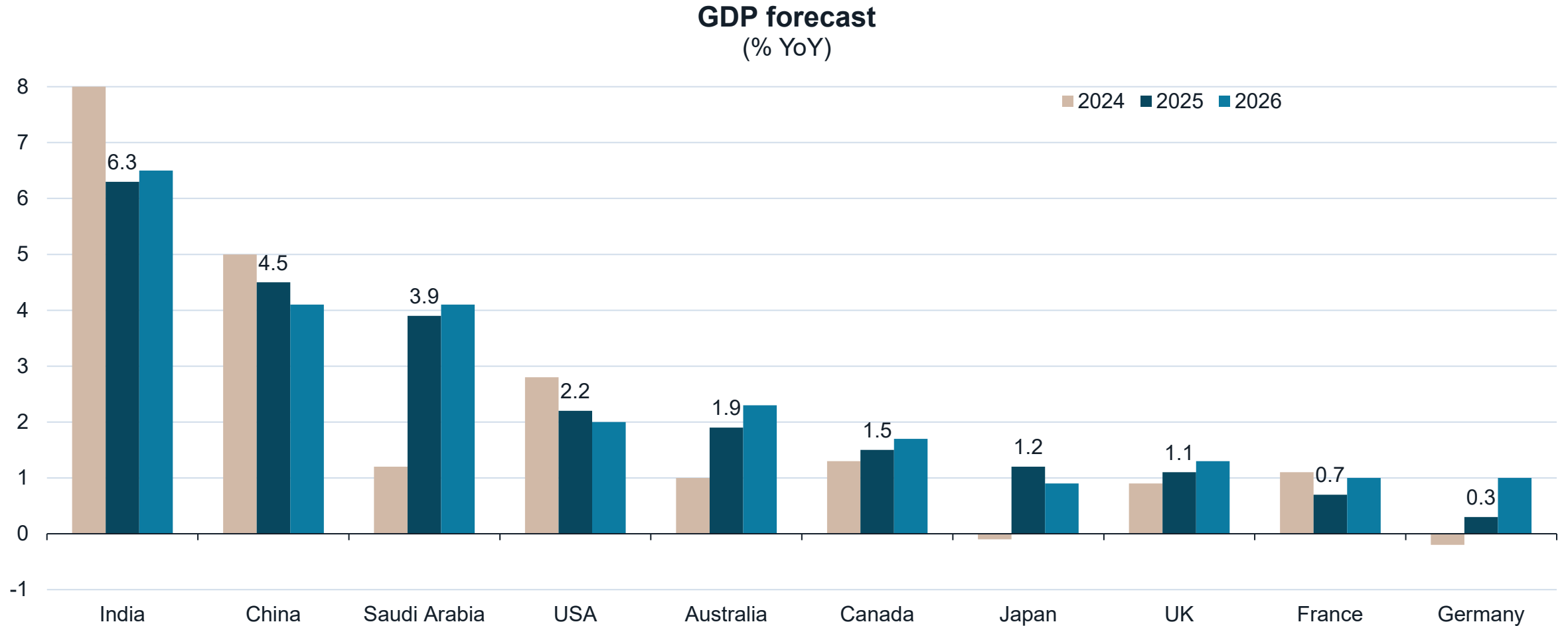
Source: JLL Research, Federal Reserve Bank of St. Louis

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Growth | Growth will be positive and fairly solid in 2025

Yet quite a few major countries will see the pace of growth slower in 2025 than in 2024



Source: Consensus Economics, February 2025.

Tariffs | Impact on macro outlook

Updated forecasts are not available, but the directional impact of tariffs is clear

Indicators (% YoY)	U.S.		Canada		Mexico	
	2025 forecast*	Impact	2025 forecast*	Impact	2025 forecast*	Impact
GDP	2.0%	↓	1.3%	↓	0.7%	↓
Consumer spending	2.5%	↓	1.9%	↓	-0.2%	↓
Industrial production	1.0%	↓	0.3%	↓	-0.6%	↓
Unemployment rate	4.2%	↑	6.9%	↑	3.8%	↑
Inflation	2.9%	↑	2.3%	↓	3.8%	↓
Interest rate (end-December)	3.875%	↓	2.13%	↓	7.75%	↓

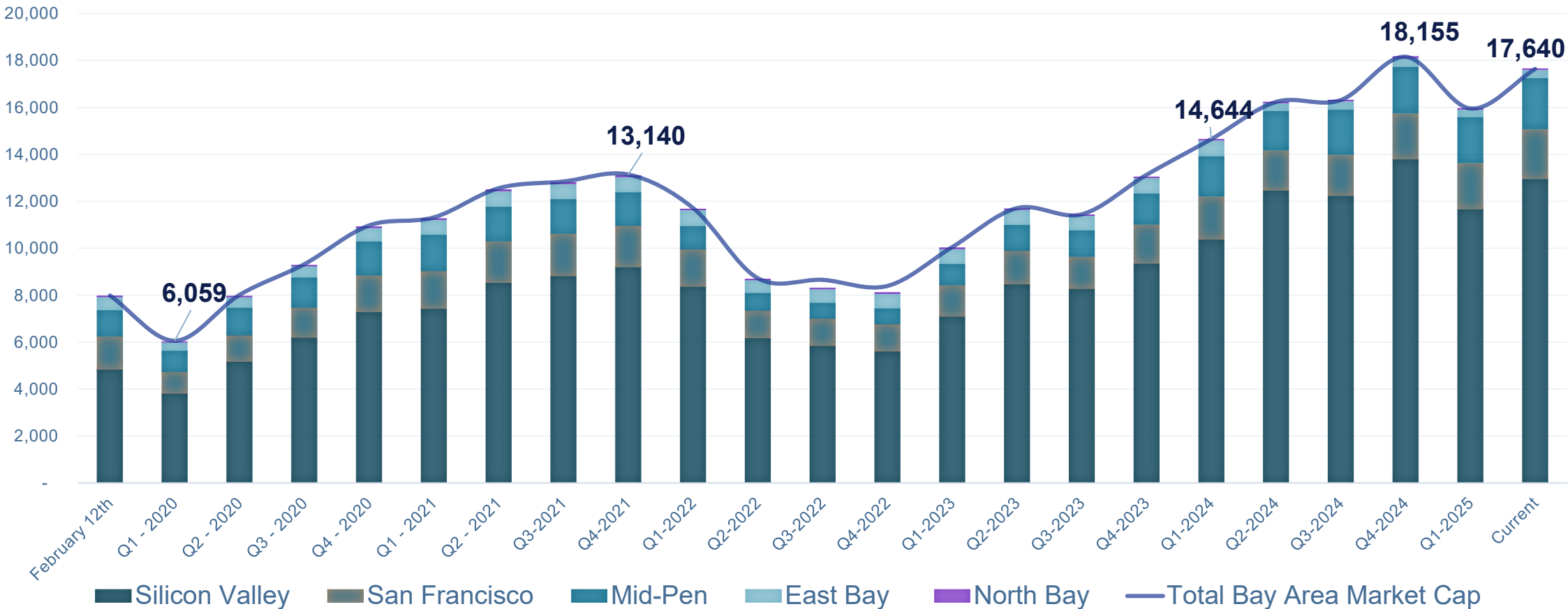
*Consensus Economics, consensus (median) forecast, from mid-March 2025. For Mexico, forecasts are from Oxford Economics, 19th March 2025.

Bay Area Economic Update

Bay Area publicly-traded companies are near their Q1 2025 levels despite the recent tariffs.

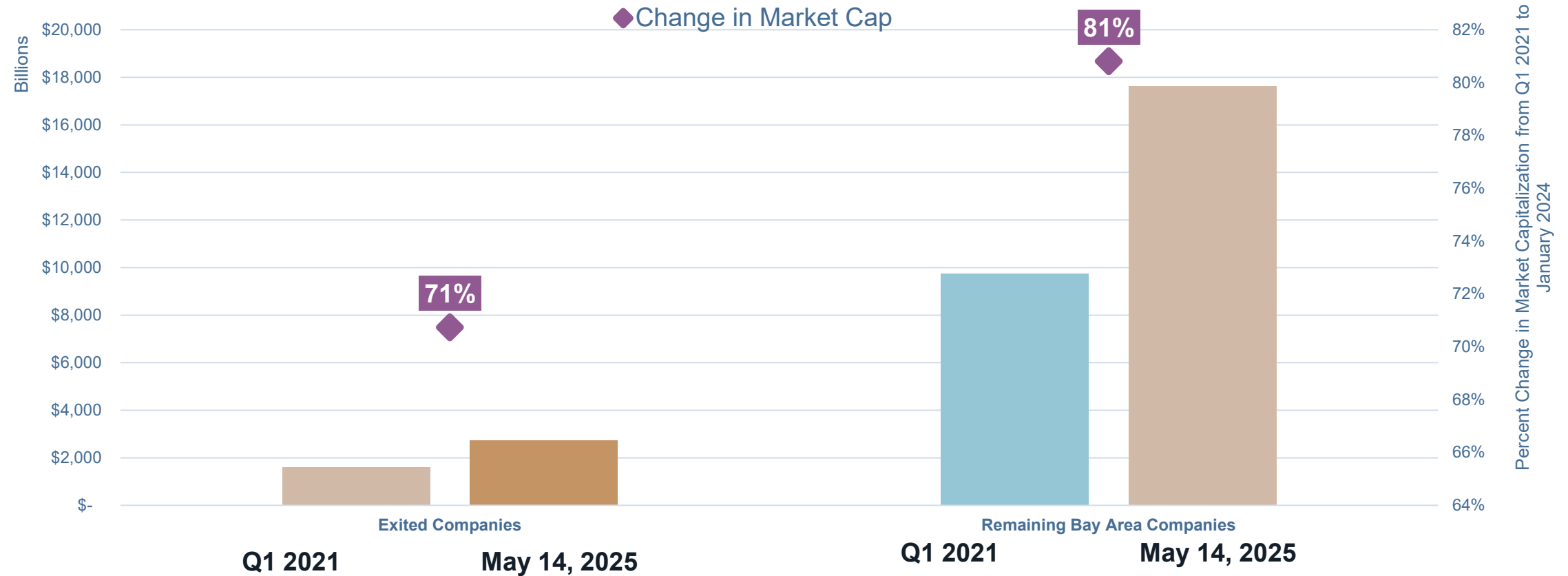
Bay Area market cap by office market by quarter

Market capitalization (\$Billions)



Bay Area companies that have remained have outperformed those that have exited the region.

Market value performance of companies that have remained headquartered in the Bay Area versus those companies that have relocated their headquarters outside of the Bay Area (Q1 2021 to Current).



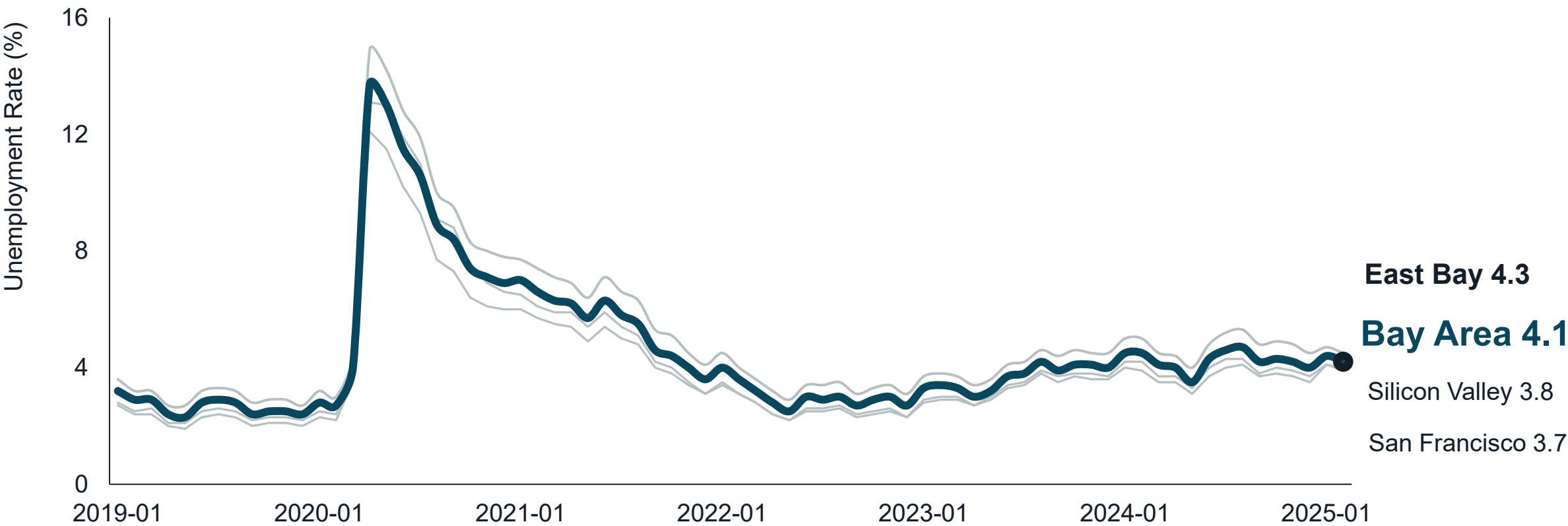
Source: JLL Research, 2025. All estimates based on the end of quarter stock price and outstanding shares.

Last updated May 14, 2025. Exited companies include Tesla, Charles Schwab, Chevron, CrowdStrike, Digital Realty Trust, Snowflake, and others.



The Bay Area regional employment over the past year is at healthy levels. Historic average is 5.5% for the Bay Area and 5.9% for the East Bay.

Unemployment Rate by JLL Market (Mar-2025)

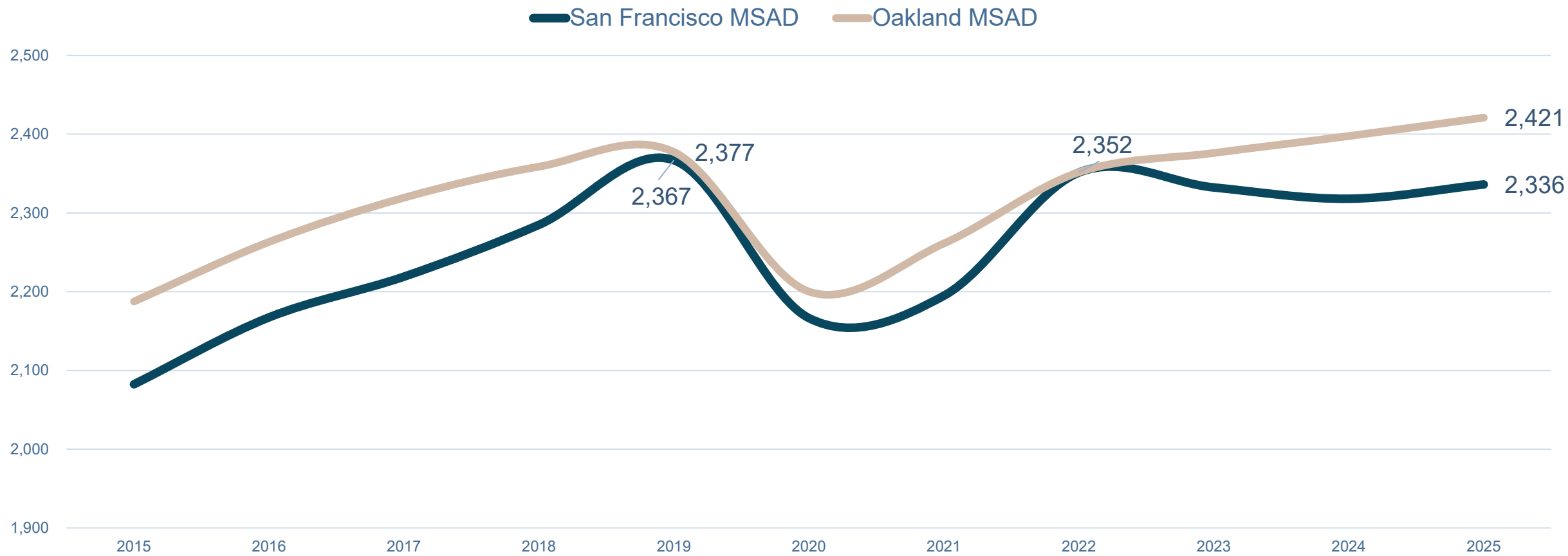


Source: JLL Research, BLS as of March 2025, Seasonally Adjusted.
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East Bay employment has bounced back faster than San Francisco employment.

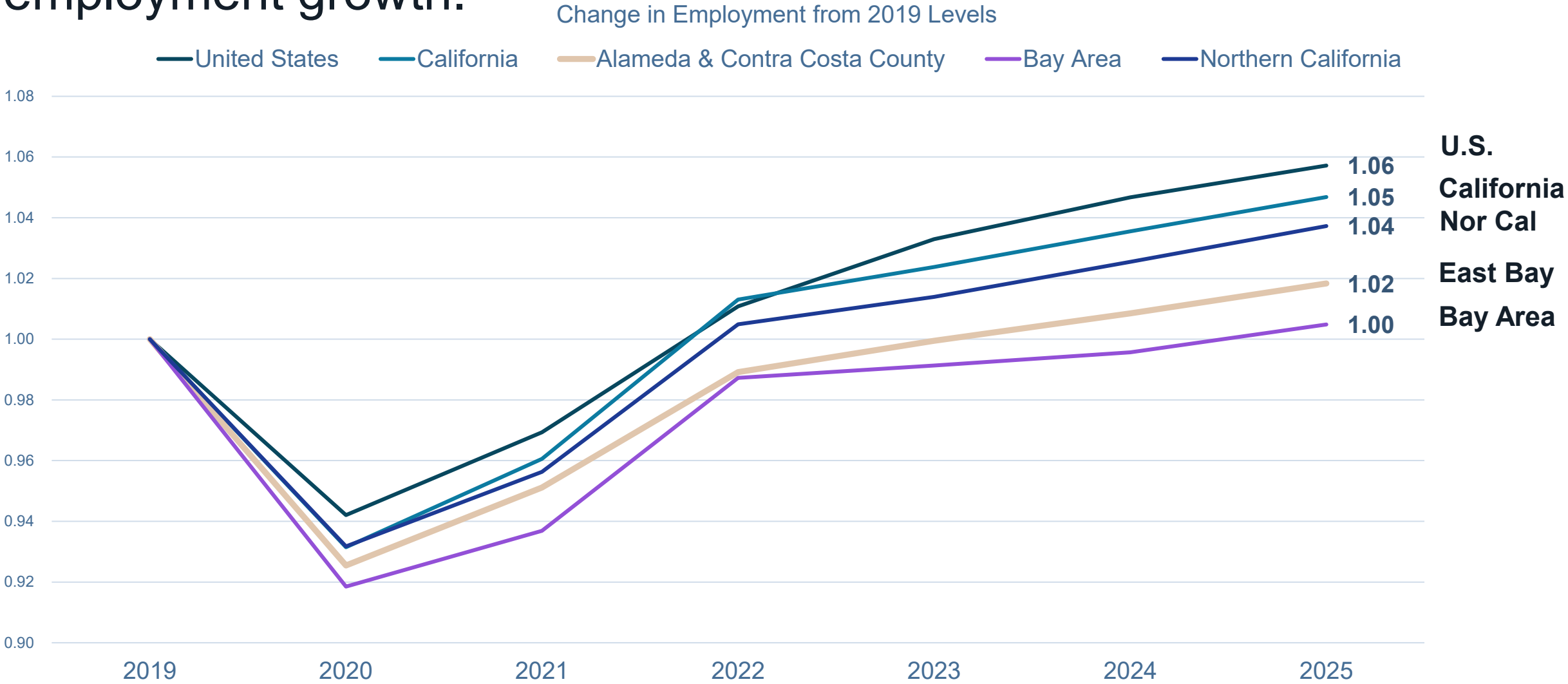
Alameda & Contra Costa Employment vs San Francisco Employment



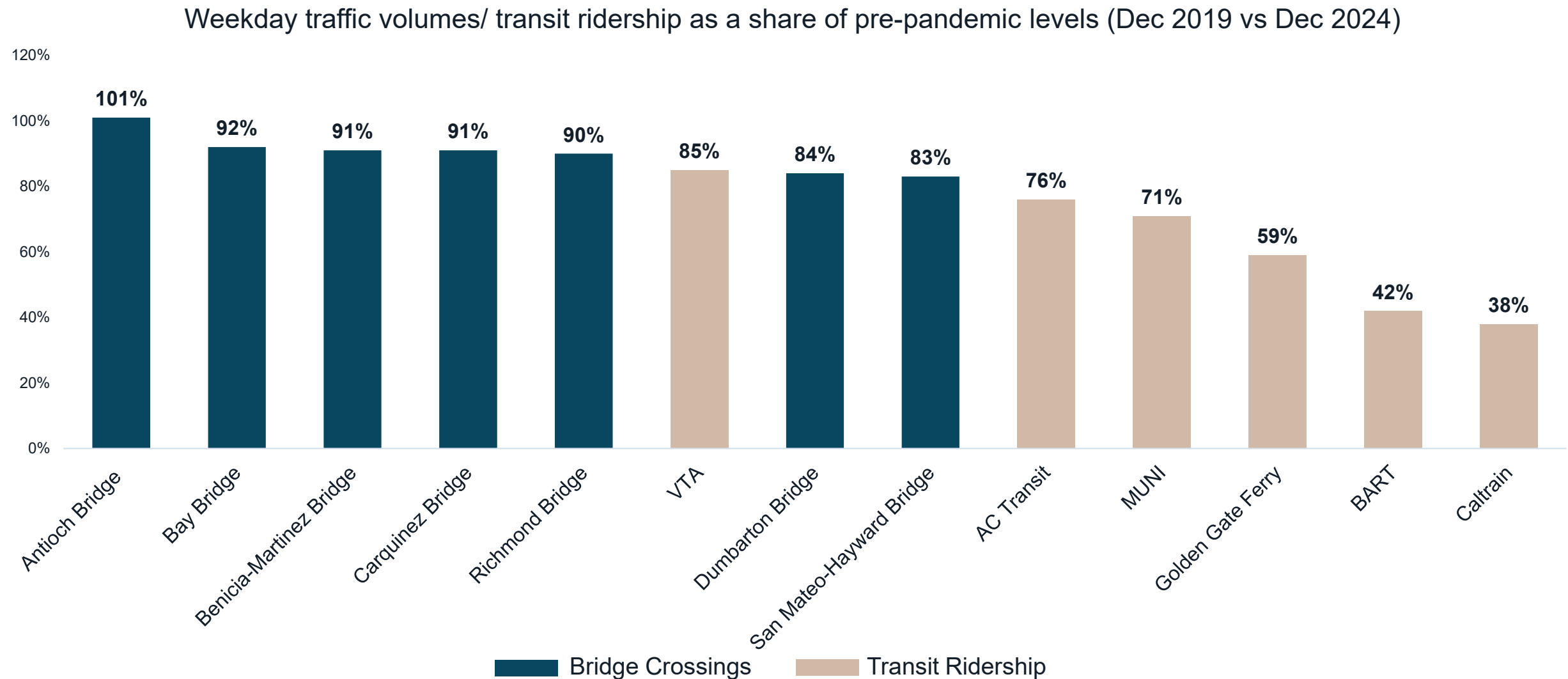
Source: JLL Research, BLS as of February 2025, Seasonally Adjusted.
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All Bay Area geographies are lagging behind national and state employment growth.

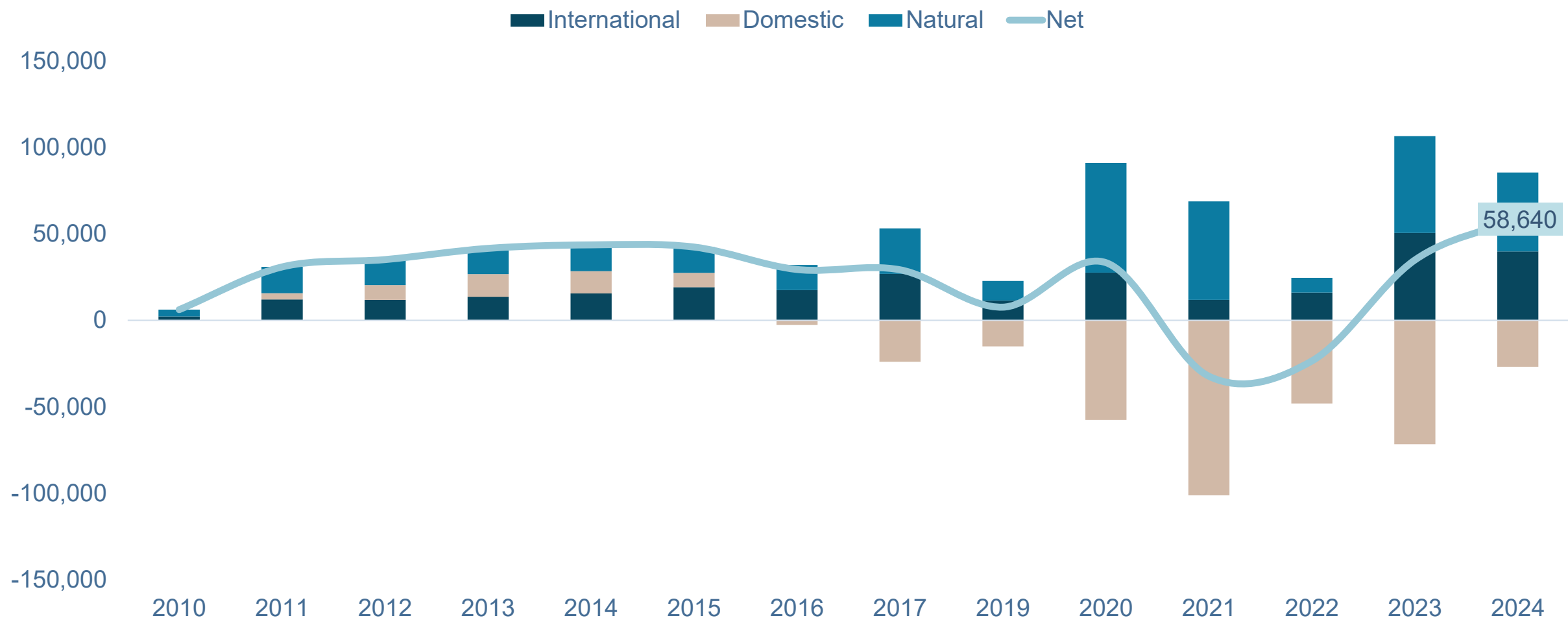


Bay Area’s state-owned toll bridges has made a nearly full recovery but transit remains well below pre-pandemic levels.



Population Recovery

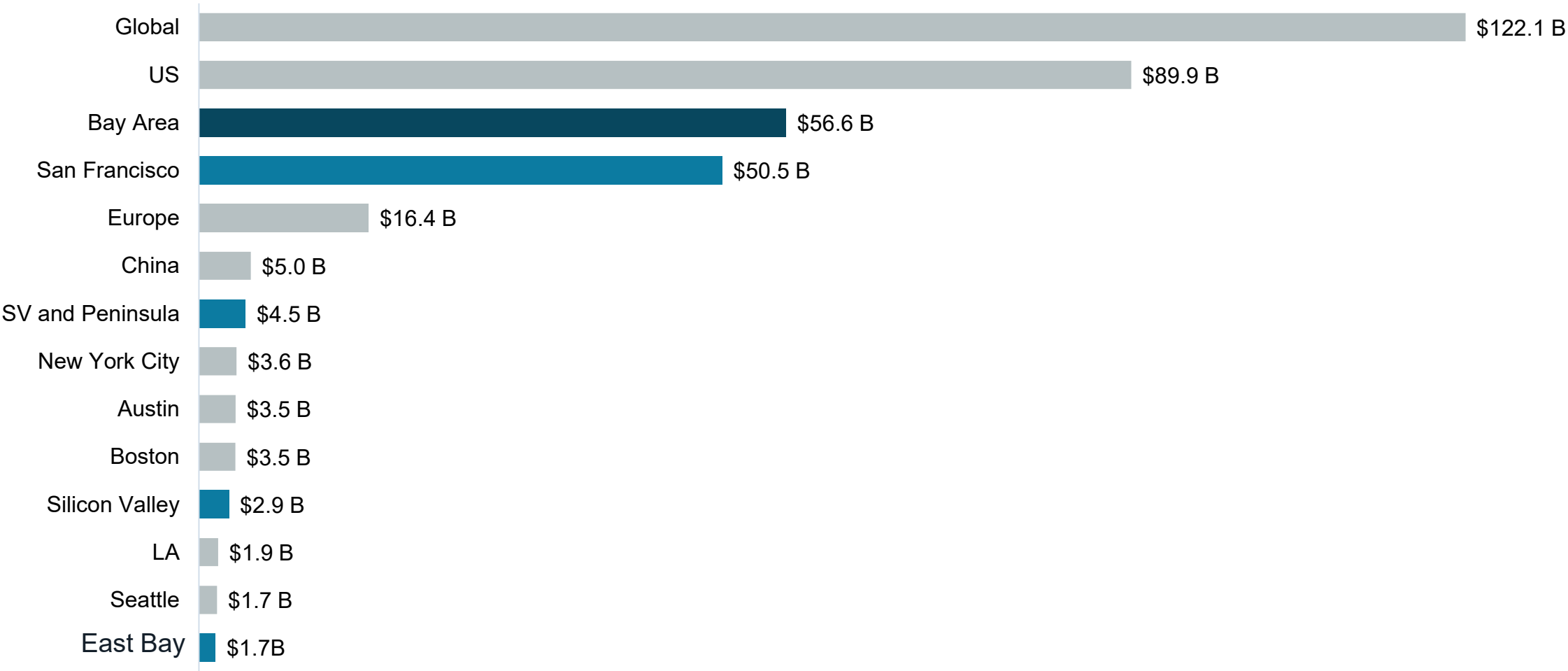
The East Bay saw population growth continue to escalate in 2024. While the market realized a drop in international migration, it also saw a drop in domestic out migration, a trend consistent with all other major US markets.



Source: JLL Research, U.S. Census Bureau, Alameda & Contra Costa Counties

Driven by AI, San Francisco's VC funding YTD is high

VC Funding - Billions (Thru March 31-2025)

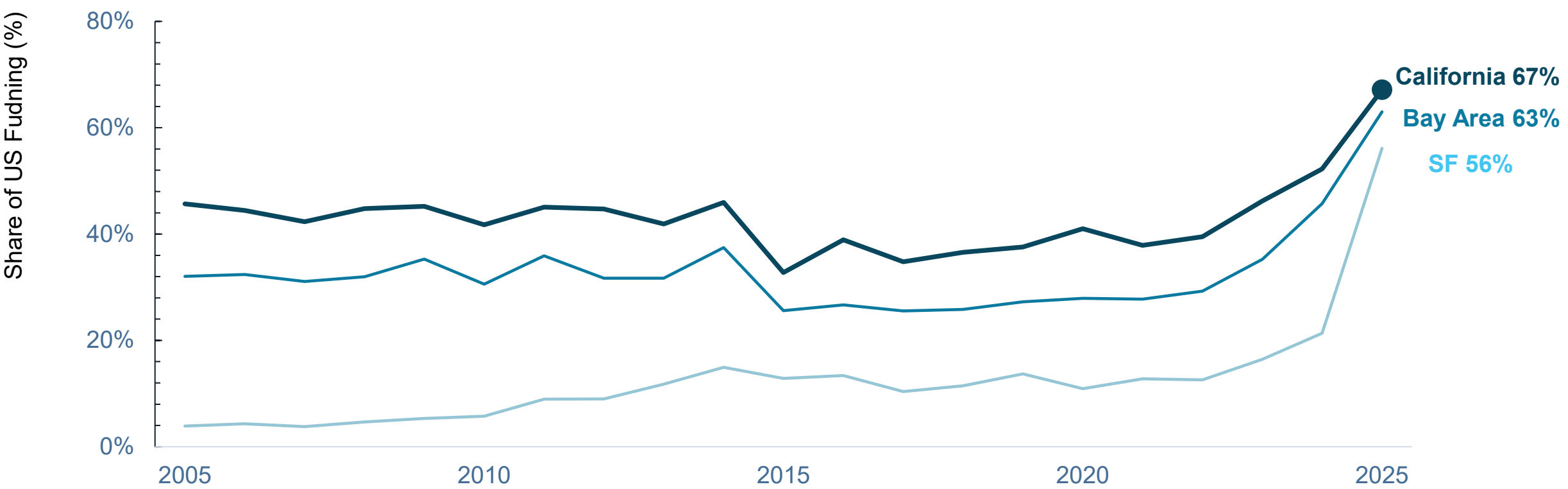


Source: JLL Research and Pitchbook data, 2025



Driven by AI, San Francisco's VC funding YTD is high. The Bay Area accounts for more than half of total investment.

VC Funding as a Share of US Total



Source: JLL Research and Pitchbook data, 2025



Office Trends: Still waiting for the new normal



San Francisco's vacancy rate remains the highest in the nation.

	Q4 2019 Vacancy Rate	Increase Since Q4 2019	Current Vacancy Rate
San Francisco	<div><div></div>5.9%</div>	<div><div></div>+28.4%</div>	35.4%
Dwn. Oakland	<div><div></div>12.0%</div>	<div><div></div>+18.5%</div>	30.5%
LA	<div><div></div>13.4%</div>	<div><div></div>+15.0%</div>	28.4%
Down. Seattle	<div><div></div>10.9%</div>	<div><div></div>+17.1%</div>	28.0%
Dallas	<div><div></div>19.0%</div>	<div><div></div>+8.1%</div>	27.1%
Atlanta	<div><div></div>18.0%</div>	<div><div></div>+8.7%</div>	26.7%
Chicago	<div><div></div>17.4%</div>	<div><div></div>+9.1%</div>	26.5%
Austin	<div><div></div>8.7%</div>	<div><div></div>+16.5%</div>	25.2%
D.C	<div><div></div>12.9%</div>	<div><div></div>+10.2%</div>	23.1%
Boston	<div><div></div>12.6%</div>	<div><div></div>+10.1%</div>	22.7%
Mid-Peninsula	<div><div></div>9.0%</div>	<div><div></div>+13.6%</div>	22.6%
Silicon Valley	<div><div></div>7.7%</div>	<div><div></div>+14.5%</div>	22.2%
New York City	<div><div></div>7.6%</div>	<div><div></div>+8.6%</div>	16.2%
San Diego	<div><div></div>10.3%</div>	<div><div></div>+3.7%</div>	14.0%

Source: JLL, 2024



East Bay Suburbs Supply & Demand

North Concord/Martinez

Inventory: 395,383 SF
Vacancy: 6.6%
Asking Rent: \$2.15 FS

Concord

Inventory: 4.01M SF
Vacancy: 38.6%
Asking Rent: \$2.68 FS

Pleasant Hill

Inventory: 603,361 SF
Vacancy: 9.9%
Asking Rent: \$2.91 FS

Walnut Creek Shadelands

Inventory: 1.49M SF
Vacancy: 25.0%
Asking Rent: \$2.35 FS

Pleasant Hill BART

Inventory: 1.91M SF
Vacancy: 36.0%
Asking Rent: \$3.66 FS

Downtown Walnut Creek

Inventory: 3.76M SF
Vacancy: 25.3%
Asking Rent: \$3.92 FS

LaMorinda

Inventory: 534,328 SF
Vacancy: 16.0%
Asking Rent: \$4.23 FS

Alamo/Danville

Inventory: 308,967 SF
Vacancy: 16.5%
Asking Rent: \$3.08 FS

San Ramon

Inventory: 6.74M SF
Vacancy: 32.4%
Asking Rent: \$3.21 FS

Livermore

Inventory: 835,493 SF
Vacancy: 31.9%
Asking Rent: \$2.25 FS

Dublin

Inventory: 1.7M SF
Vacancy: 30.0%
Asking Rent: \$3.04 FS

Pleasanton

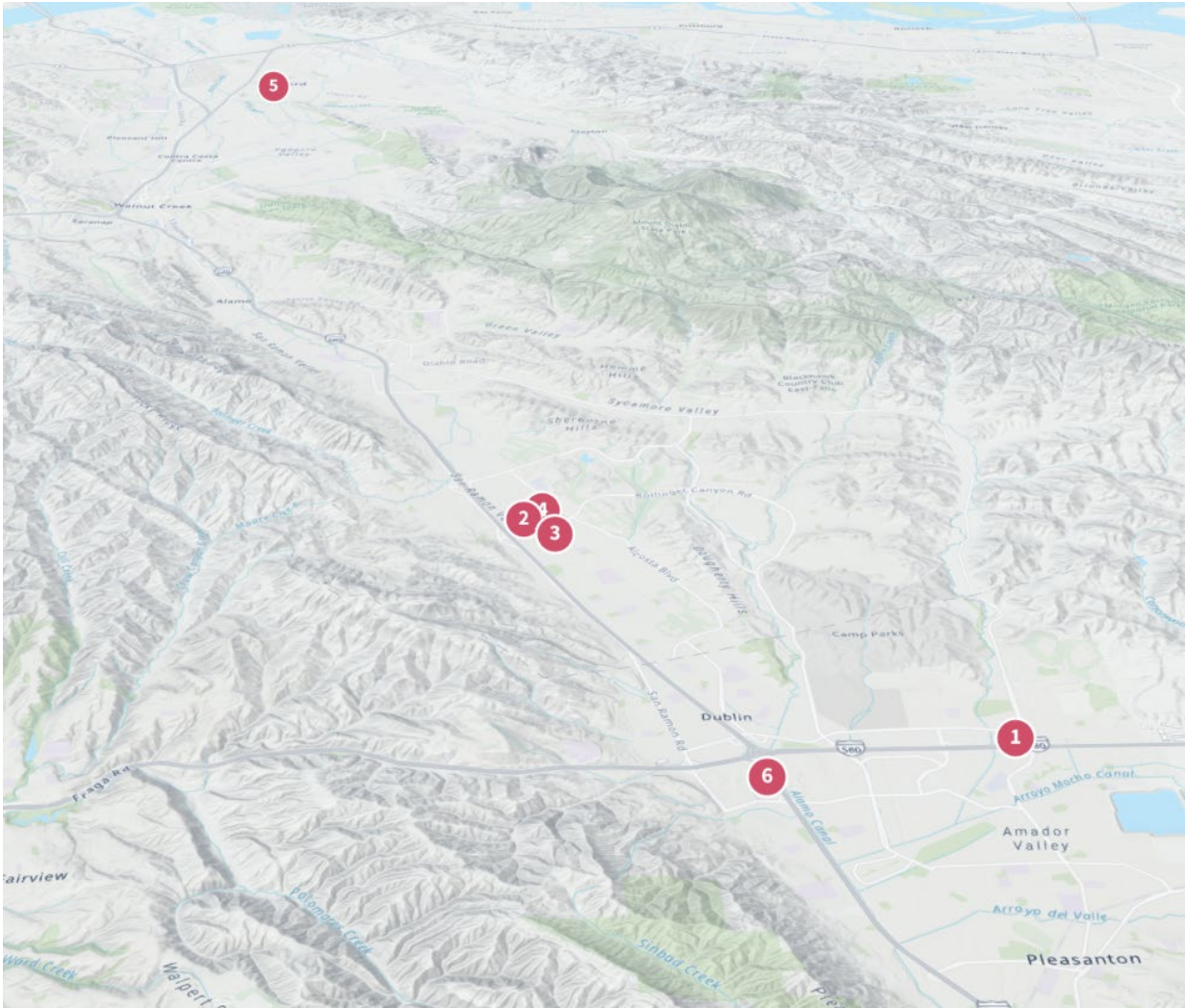
Inventory: 7.11M SF
Vacancy: 23.5%
Asking Rent: \$2.96 FS

I-680 Corridor

Q1 2025 Office Overview

100,000+ SF Options in 2019

	Address	City
1.	4140 Dublin Blvd	Dublin
2.	2600 Camino Ramon	San Ramon
3.	6101 Bollinger Canyon Rd	San Ramon
4.	2623 Camino Ramon	San Ramon
5.	2001 Clayton Rd	Concord
6.	6220 Stoneridge Mall Rd	Pleasanton

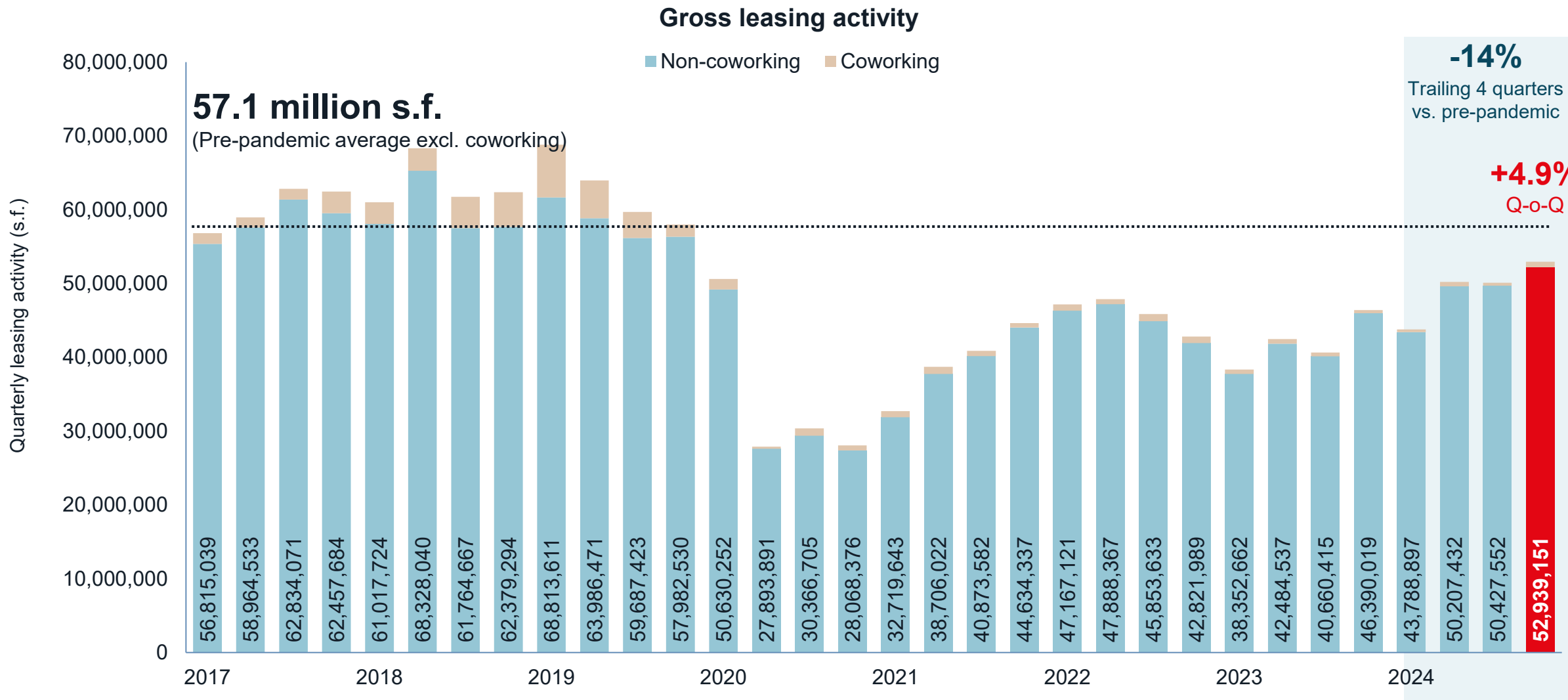


Current 100,000+ SF Options

	Address	City
1.	2000 Clayton Rd	Concord
2.	1850 Gateway Blvd	Concord
3.	3055 Oak Road	Walnut Creek
4.	1340 Treat Blvd	Walnut Creek
5.	2600 Camino Ramon	San Ramon
6.	2613 Camino Ramon	San Ramon
7.	2623 Camino Ramon	San Ramon
8.	6111 Bollinger Canyon Rd	San Ramon
9.	5928 Stoneridge Mall Rd	Pleasanton
10.	6220 Stoneridge Mall Rd	Pleasanton
11.	5050 Hopyard Rd	Pleasanton
12.	5880 Owens Blvd	Pleasanton
13.	1 Park Place	Dublin
14.	5805 Owens Dr	Pleasanton
15.	4460 Rosewood Dr	Pleasanton



Leasing volume establishes new post-pandemic high for third consecutive quarter



Source: JLL Research
Note: Tan bars represent leasing volume by coworking providers and are excluded from pre-pandemic average.



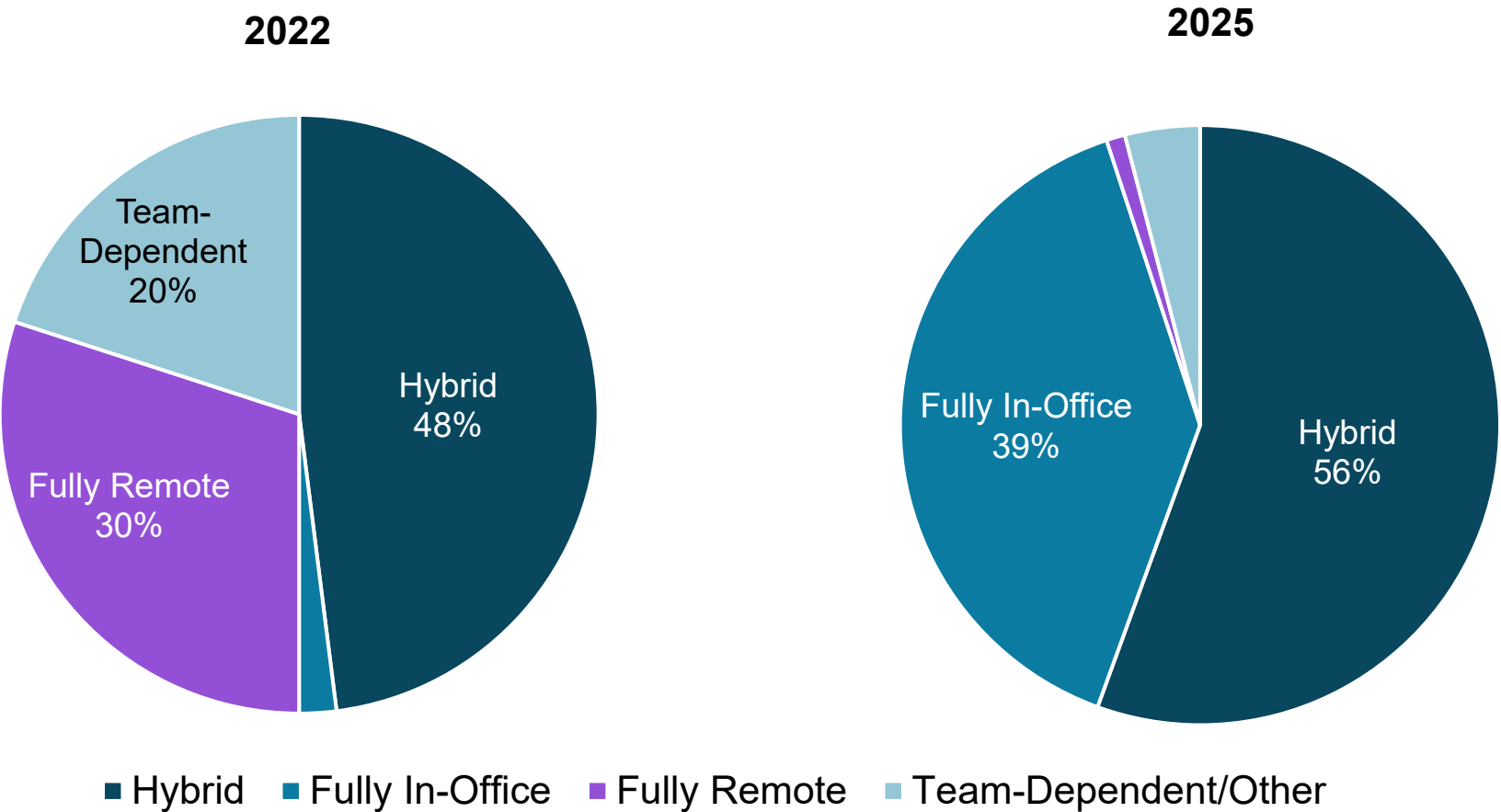
RTO

5 STAGES OF RETURNING TO THE OFFICE



Is Hybrid Working? Hybrid as the “new normal” is being challenged as more groups shift to full-office requirements

Fortune 100 Office Attendance Policies

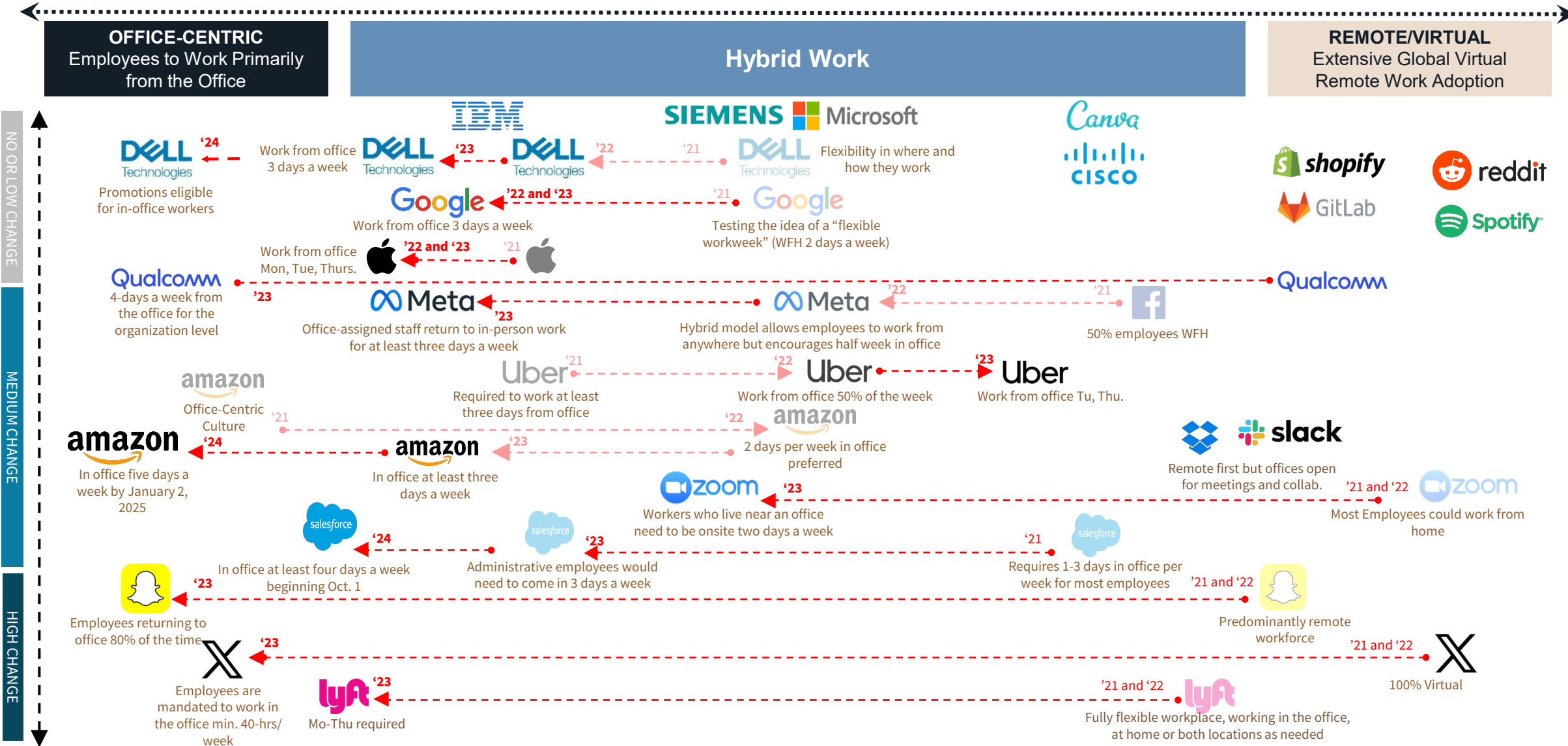


3.74 days

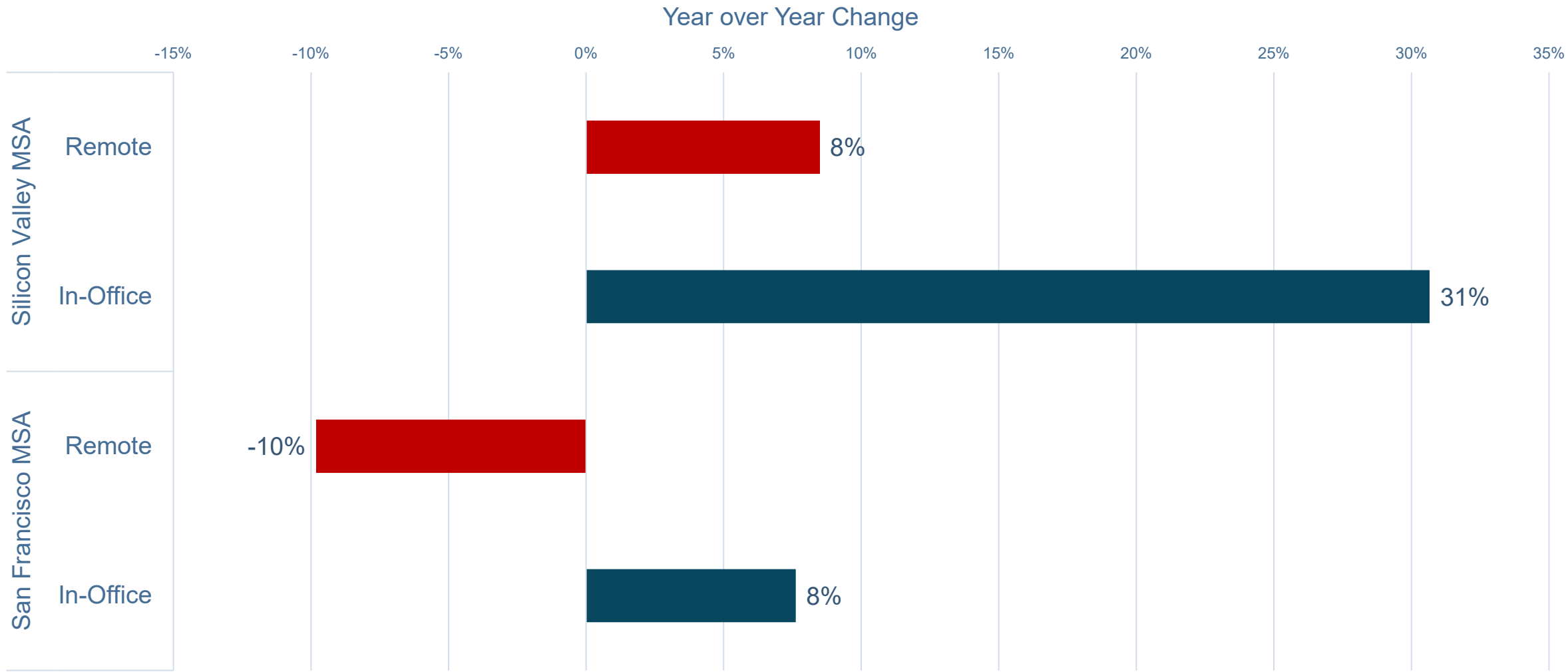
Average weekly attendance requirement for Fortune 100 employers in February 2025

Source: JLL Research

Fully-remote stance will further dissipate



Year over year remote job postings have dropped significantly in San Francisco whereas in person job postings have increased.



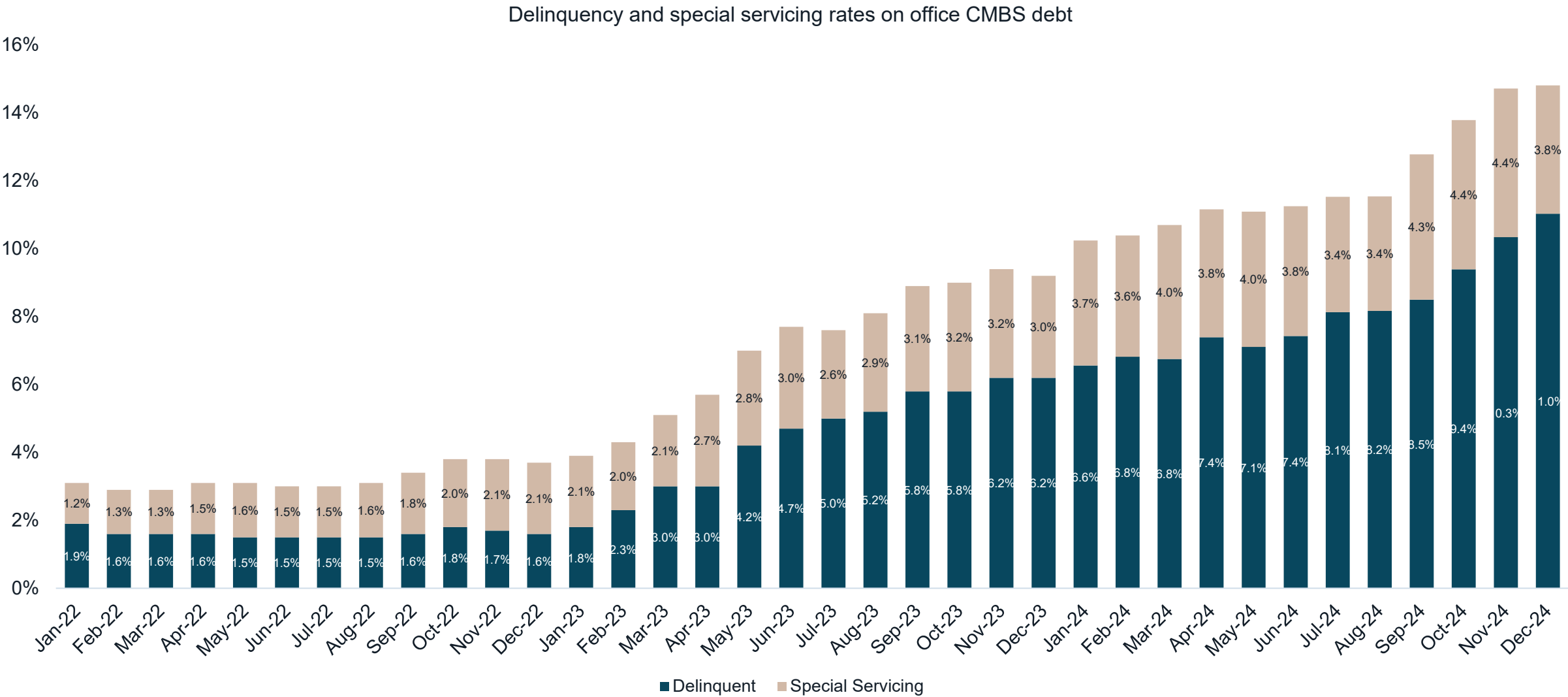
Source: JLL Research, Lightcast, 3-month rolling average, April 2024 to April 2025 comparison. Office related occupations are defined as Finance, Insurance, Real Estate, Professional Services, and Information jobs.





Liquidity and pricing in the current market

Distress levels not yet showing meaningful plateau; distress levels during GFC peaked in mid-2012



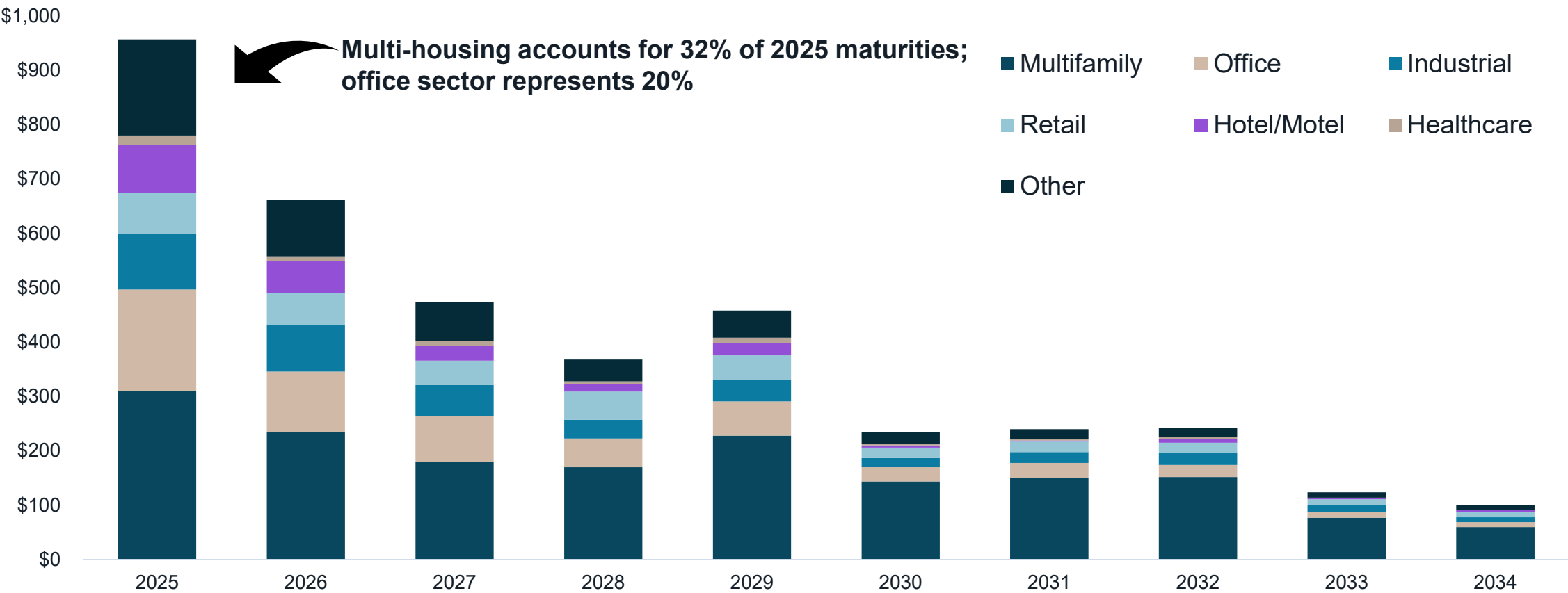
Source: JLL Research, Trepp



Loan maturities catalyzing transactions activity

\$957 billion in loan maturities slated for 2025 (\$383 billion of which rolled from 2024). 2025 maturities represent 20% of the \$4.8 trillion balance of CRE outstanding debt

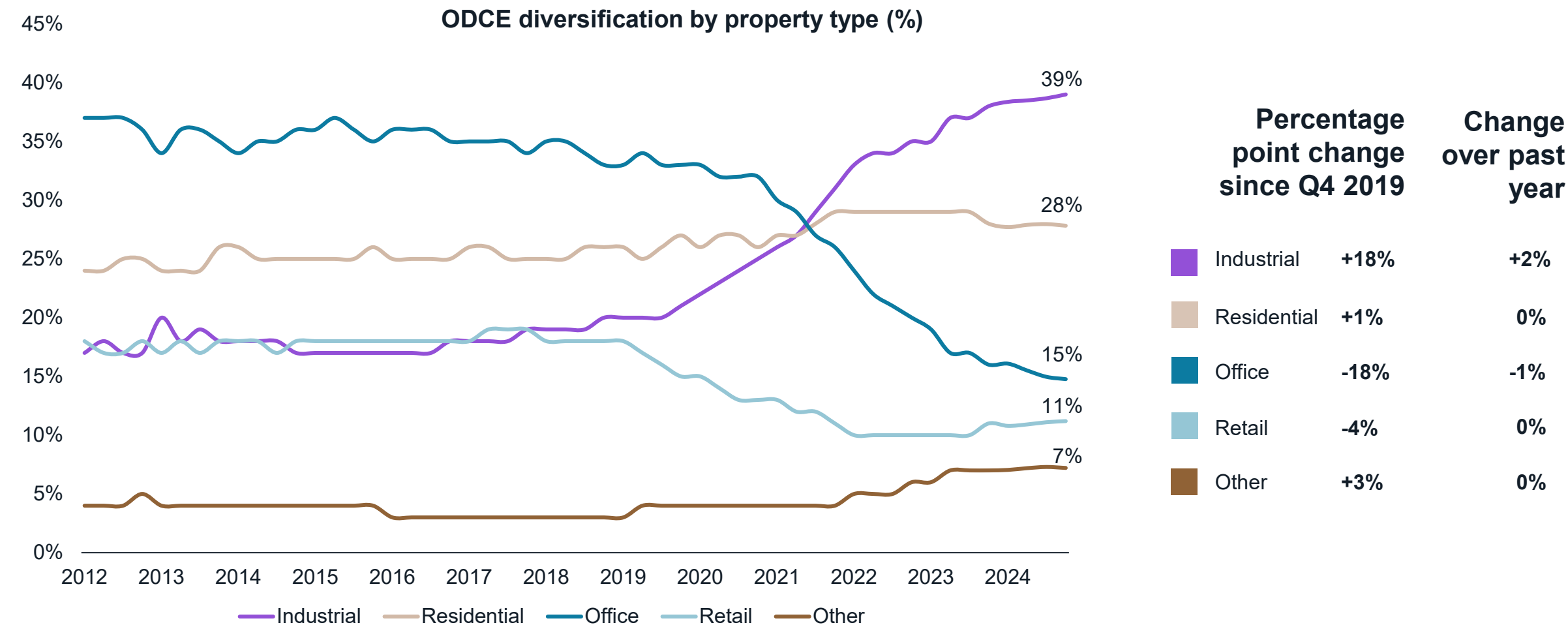
Loan maturities by property type (\$ billions)



Note: Data pertains to all lender types
Source: JLL Research, Mortgage Bankers Association (Data is as of December 31, 2024, and is released once per year, and does not reflect extensions that have taken place during the year)



U.S. core investors' property type weightings continue to shift

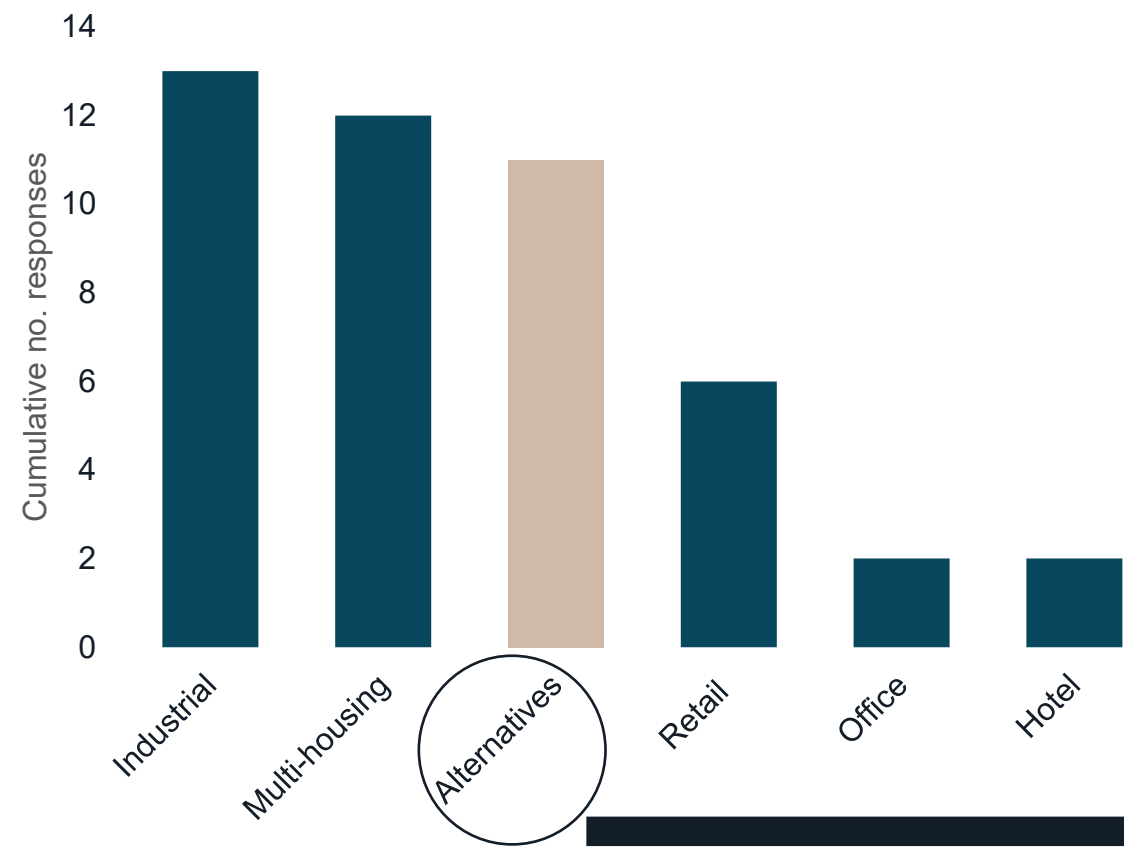


Residential includes apartment, student housing, manufactured housing, SFR. Office includes MOB and life sciences. Other pertains to data centers, self-storage, healthcare, hotels and land.
Source: JLL Research, NCREIF

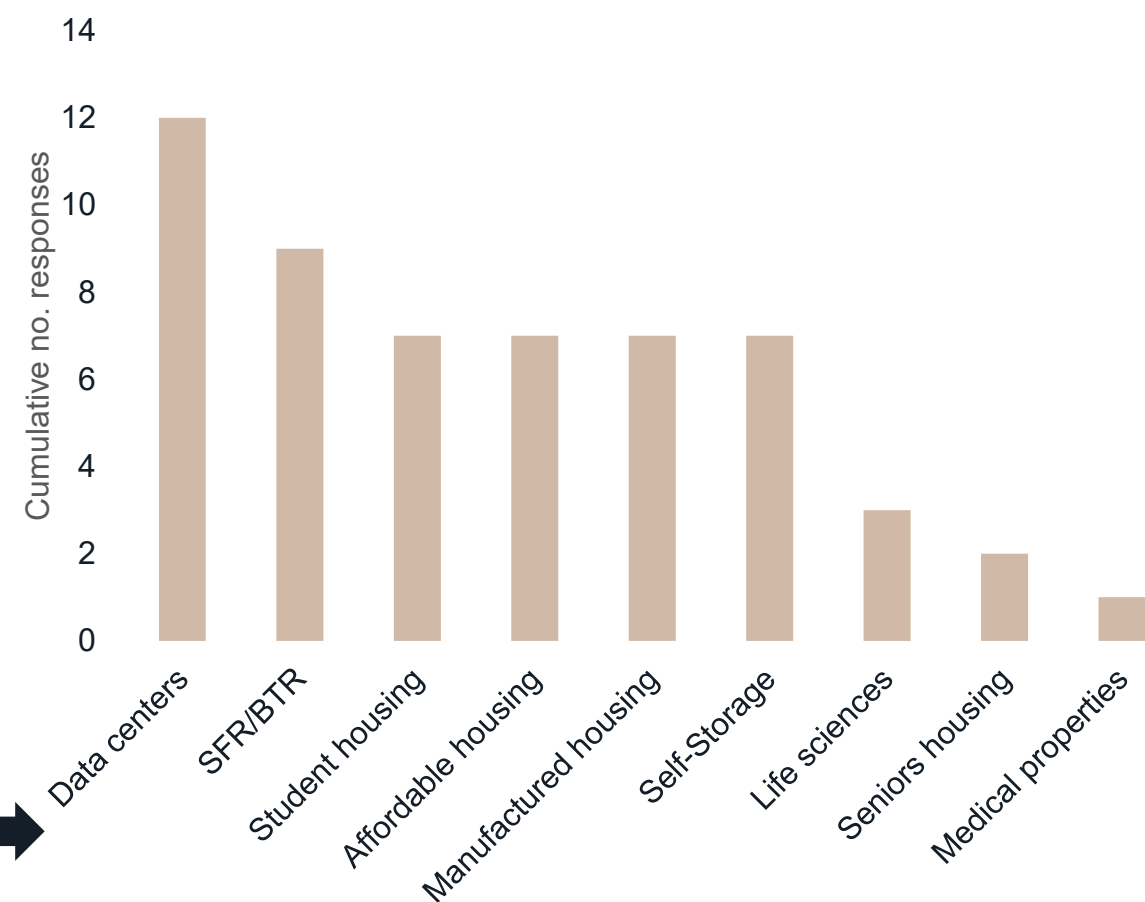


Investors' target sectors for 2025

What property types do you expect to lead your firm's investment interest (acquire/develop) in 2025?



Which alternatives sector(s) do you have the most conviction around?

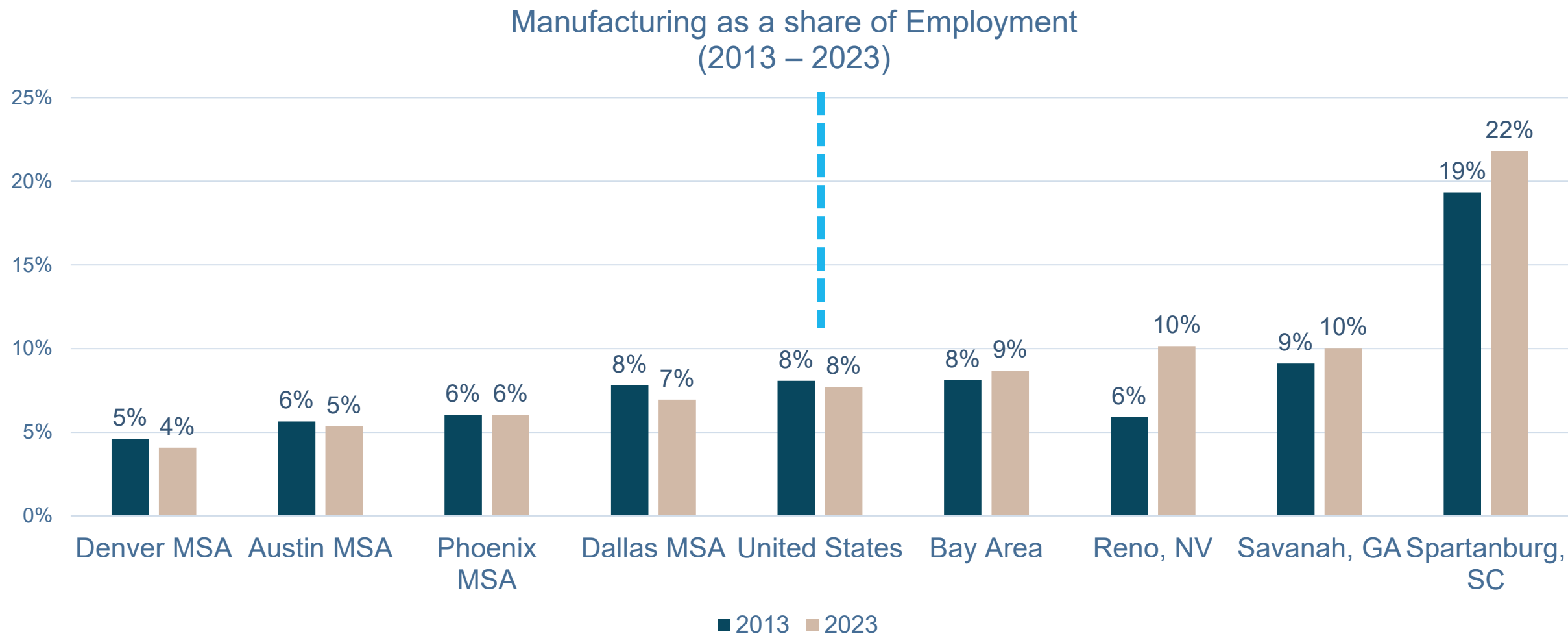


Source: JLL client survey responses (survey conducted from October 21-30, 2024)

An aerial view of a roundabout in a city, likely San Francisco, featuring a central landscaped island with greenery. Several self-driving cars, including a white Lyft Waymo vehicle and a dark blue Waymo vehicle, are visible on the road. The scene is captured during the day with long shadows, suggesting late afternoon or early morning. A semi-transparent dark blue box with white text is overlaid on the right side of the image.

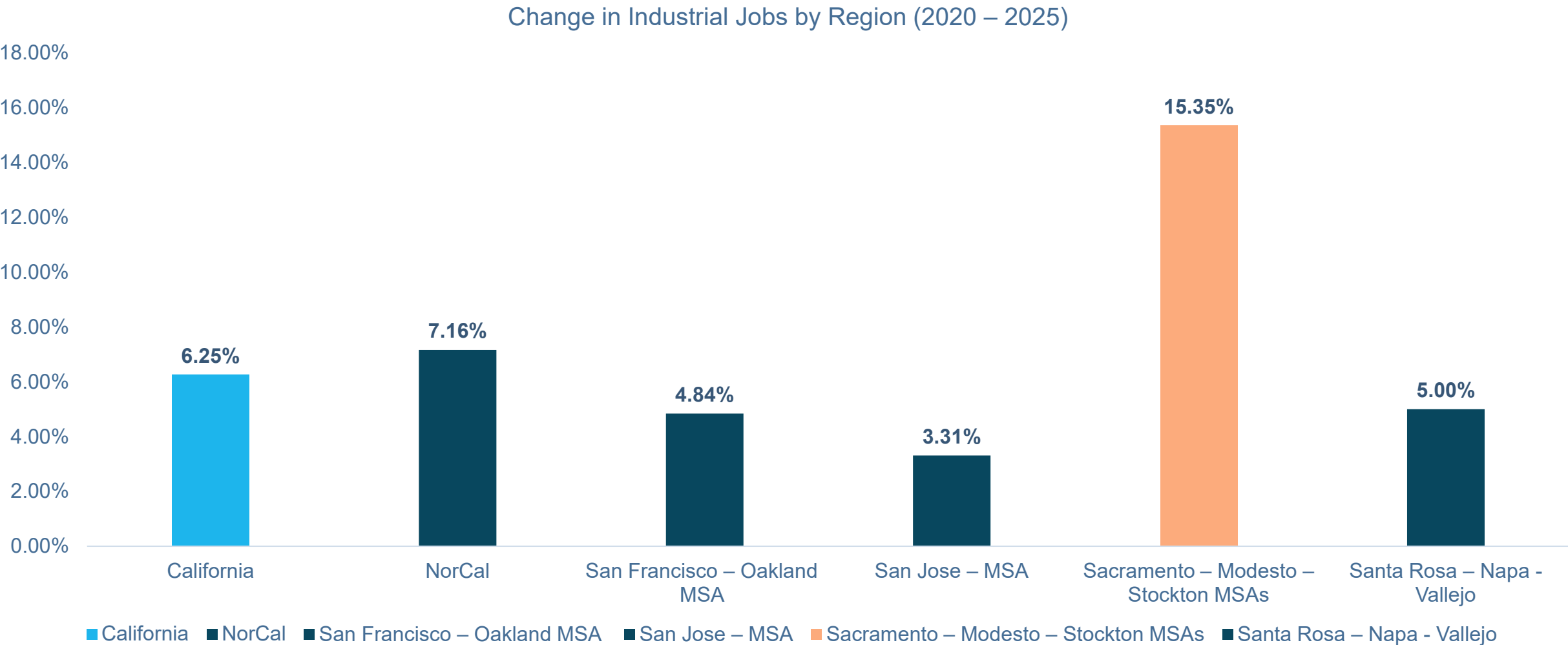
Manu Part Deux?

Manufacturing Quiz: Which markets have a higher share of manufacturing jobs?

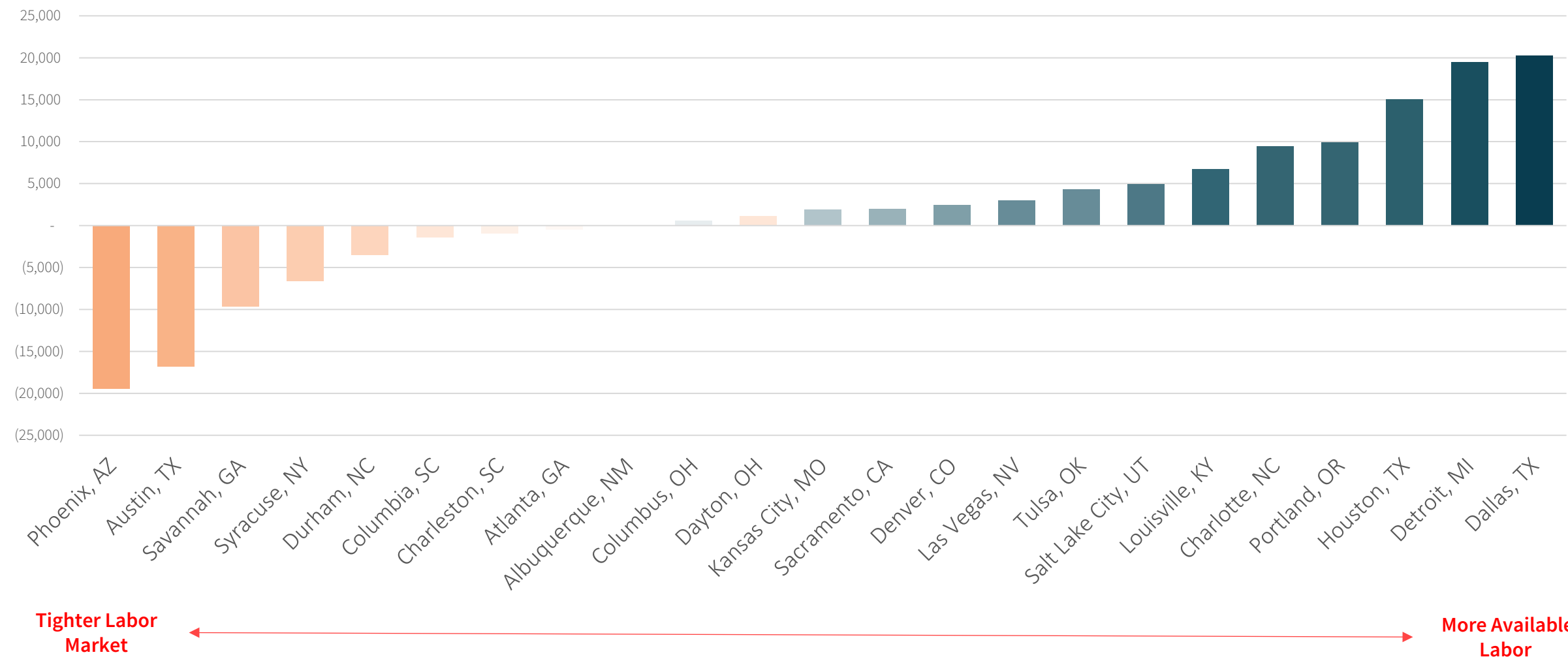


Which Grew Faster in Industrial Employment?

Industrial employment continues to expand in Northern California and outpace the state



Difference between Estimated Available Labor Force and Manufacturing Job Announcements



Negative values means that if 100% of manufacturing announcements proceed, all of the existing labor pool will be exhausted. This does not mean a company is guaranteed to be unsuccessful if they locate there because of migration trends and other market forces, but it does signal possibly delays in hiring large workforces and upward cost pressures over time.



Median age of a manufacturing worker: 44.3

**Manufacturing
Faces a Labor
Shortage as
Workforce Ages**

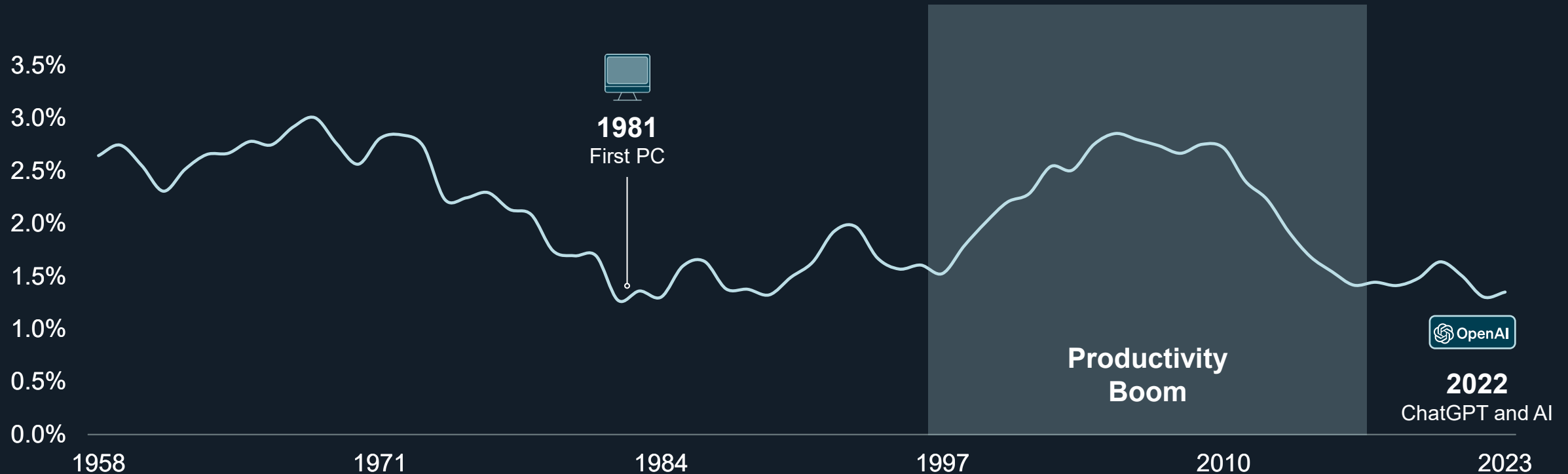


AI could boost labor productivity

Technological milestones have resulted in a labor productivity boom roughly 20 years after invention, with the electric motor in 1890 leading to a production boom around 1910 per Goldman Sachs. AI could be the next milestone in labor productivity

US Nonfarm Labor Productivity Rate – 10 Year Rolling Average

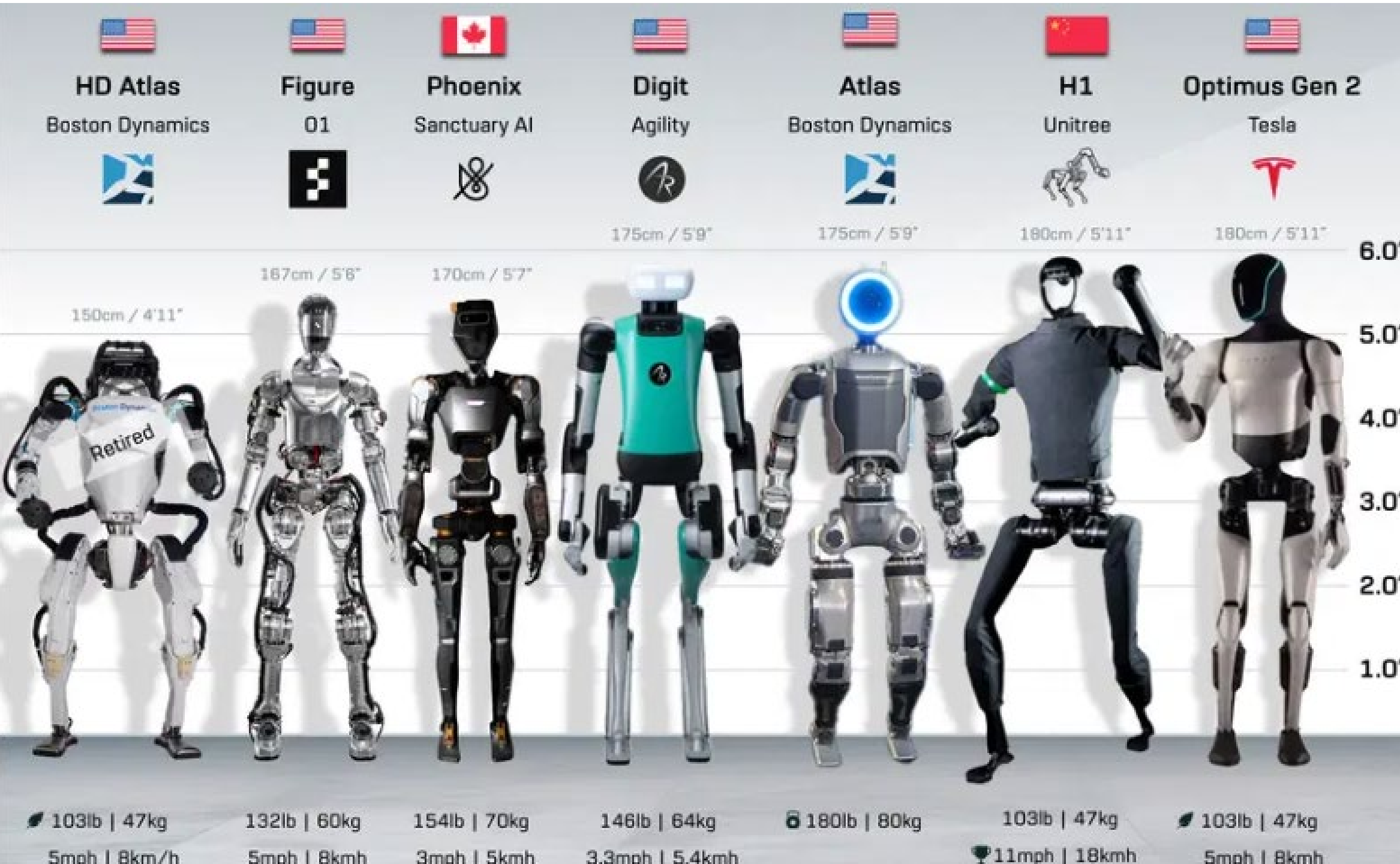
Productivity Rate Change



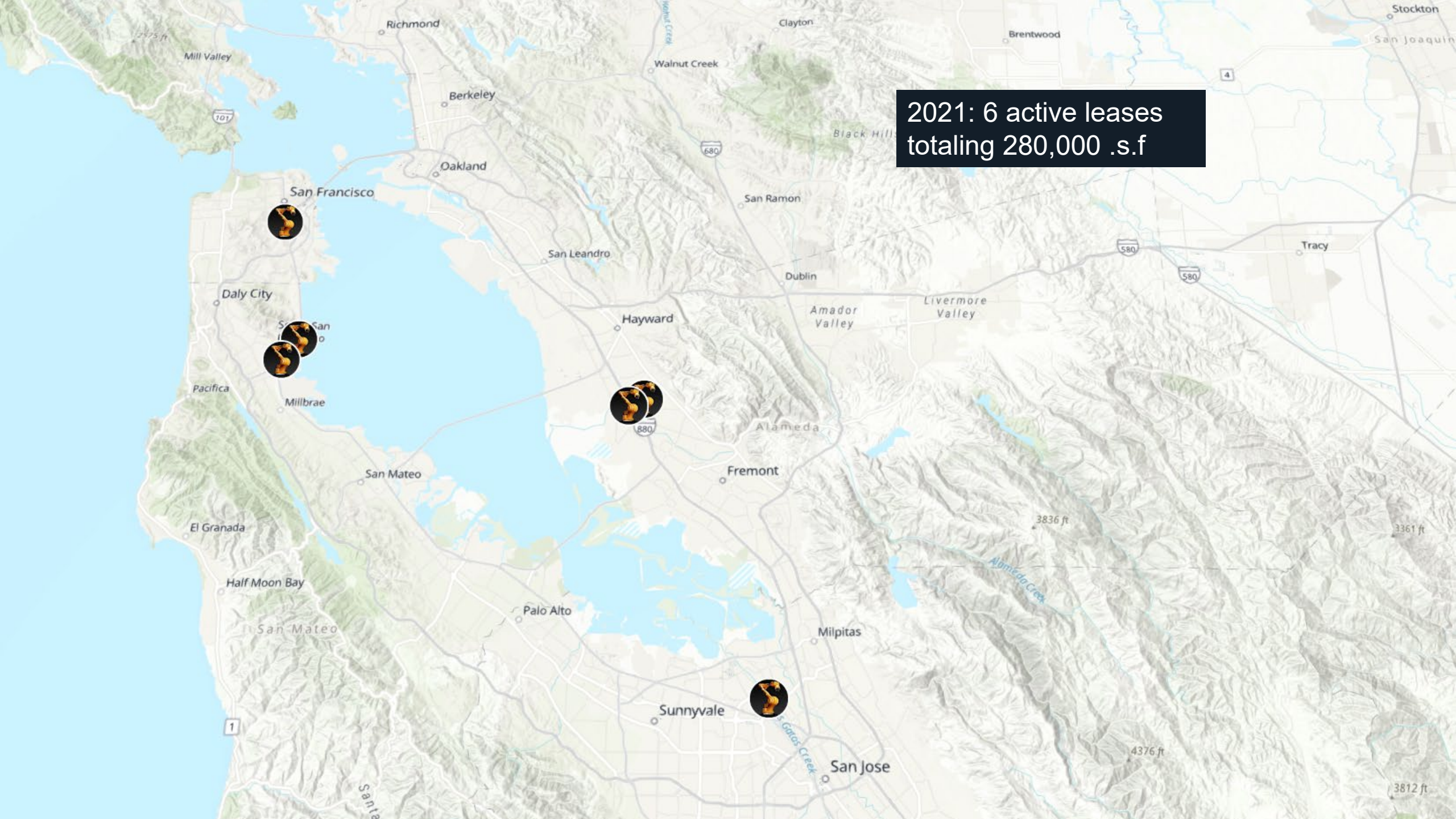
Source: JLL, 2024, Data released May 4, 2023; Bureau of Labor Statistics, Office of Productivity and Technology, Goldman Sachs

The Robots are Coming

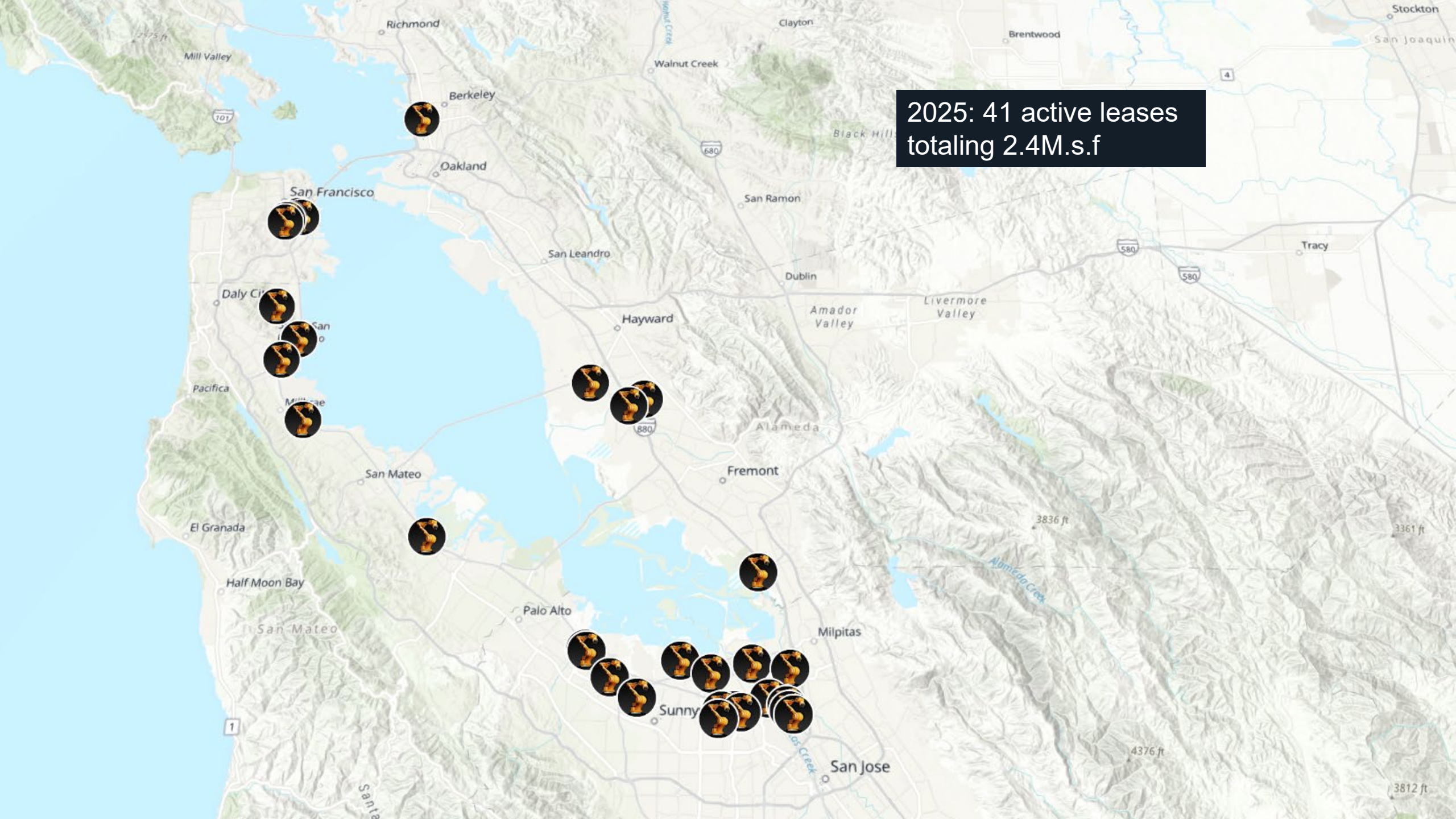




2021: 6 active leases
totaling 280,000 .s.f

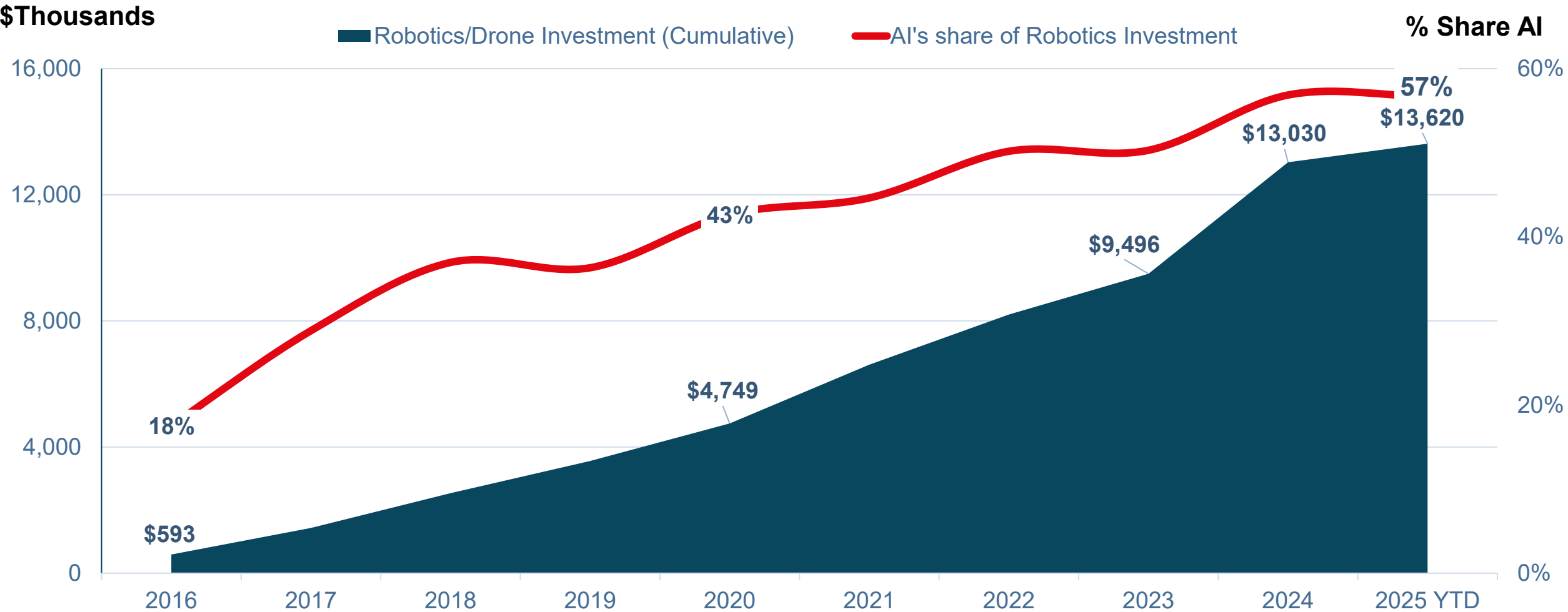


2025: 41 active leases
totaling 2.4M.s.f



Robotics and AI Increasingly Intertwined

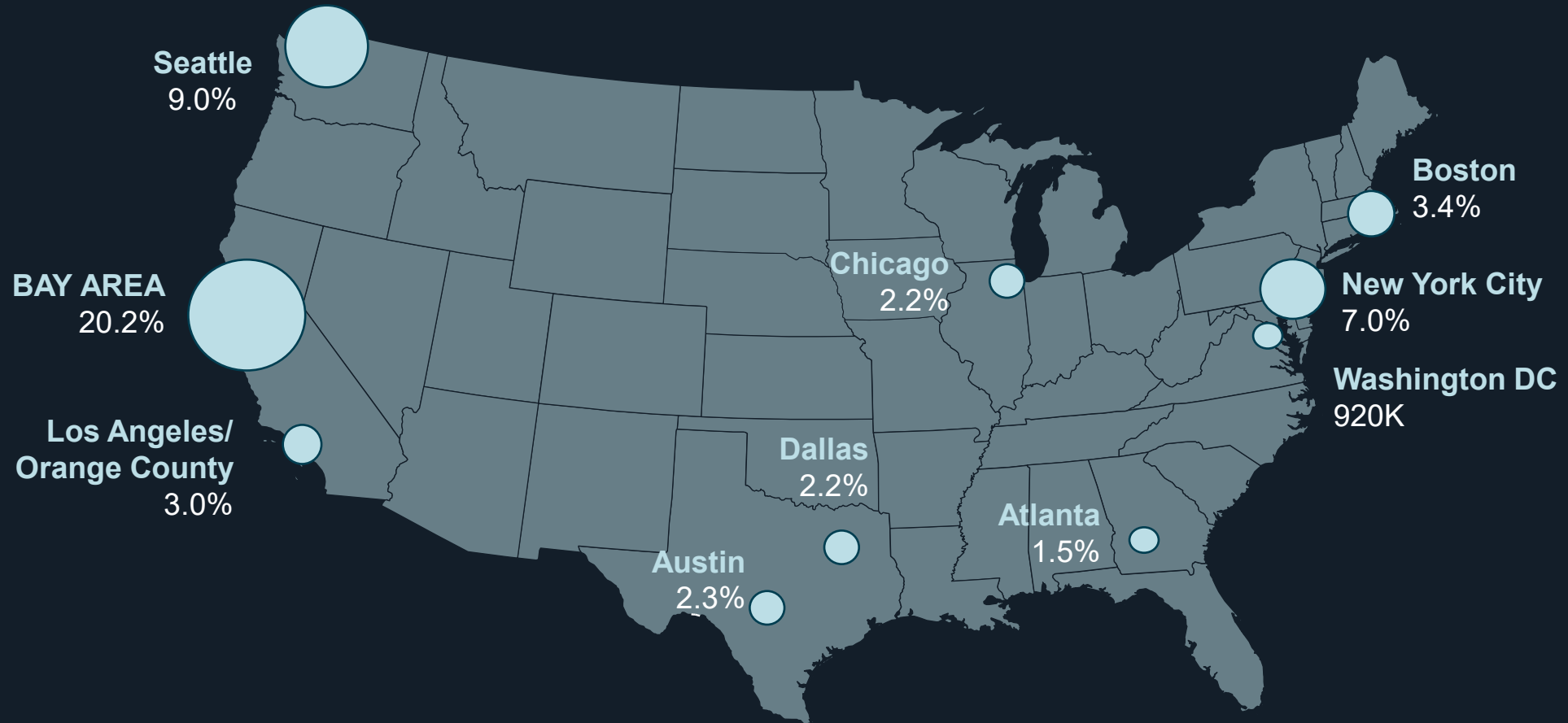
Cumulative Robotics / Drone Investment in the Bay Area (2016 – 2025 YTD)



Source: Pitchbook, May 7, 2025. Robotics and Drones vertical cumulative venture capital investment of active firms based in the Bay Area.

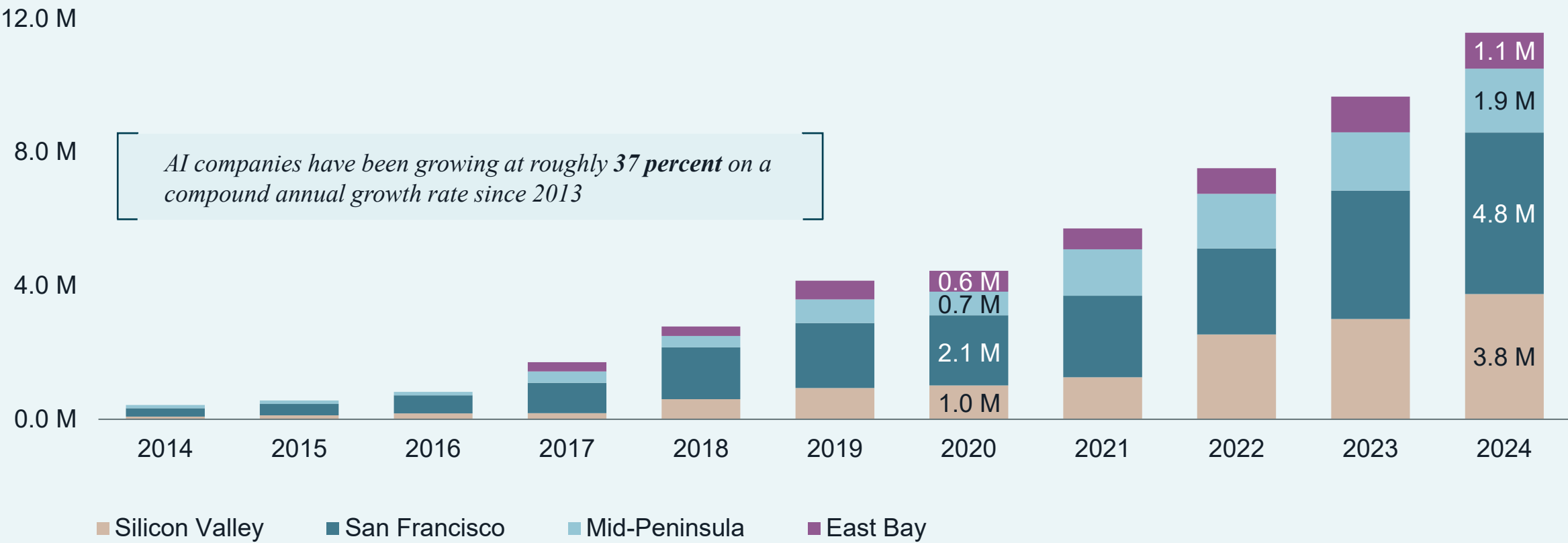
AI talent is primarily concentrated on coastal markets, with the Bay Area, Seattle and New York being the top three

AI talent share in the US



AI growth has occurred primarily in the Bay Area, with San Francisco seeing the most growth followed by Silicon Valley

Bay area AI footprint by market (S.F)

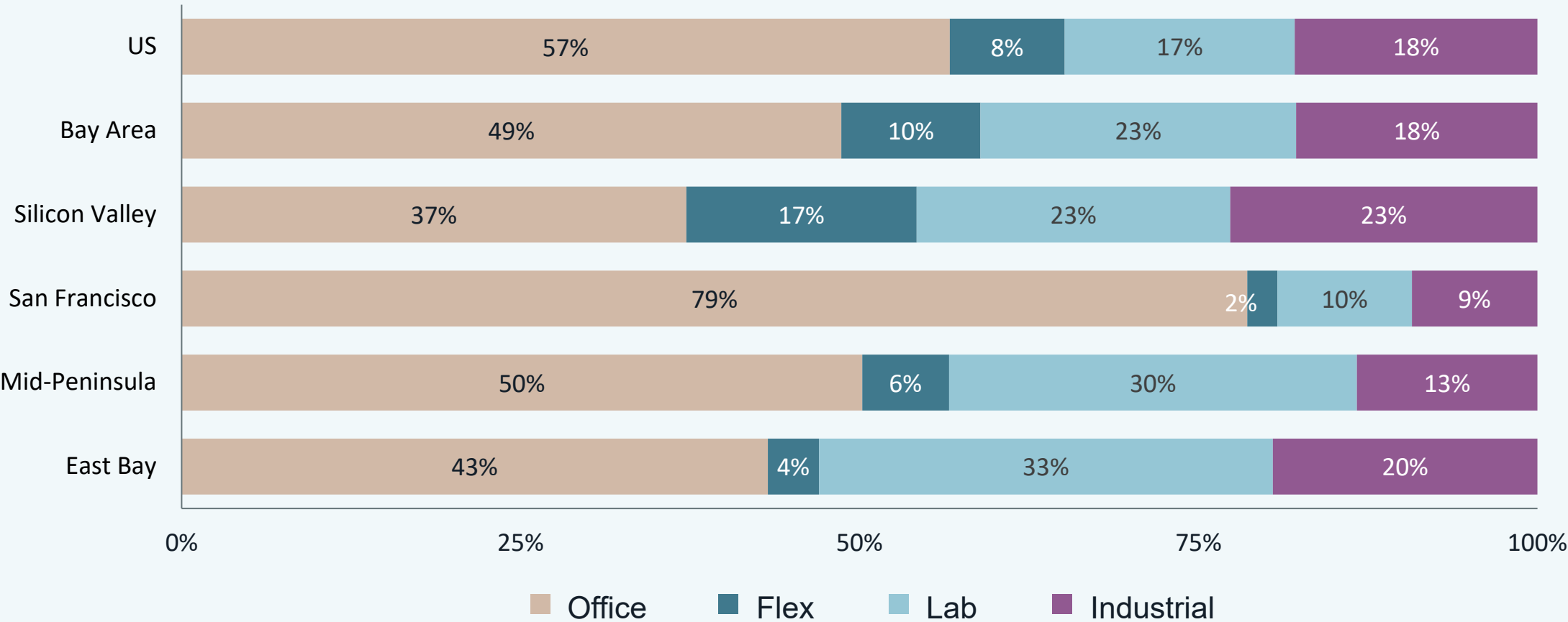


Source: JLL, 2024 Pitchbook and JLL Research, PwC, sizing the Prize (2017). Footprint estimate based on November 2024 totals.



AI companies occupy more than office space with space distribution varying per market

AI occupied property space distribution by square footage (Bay Area)

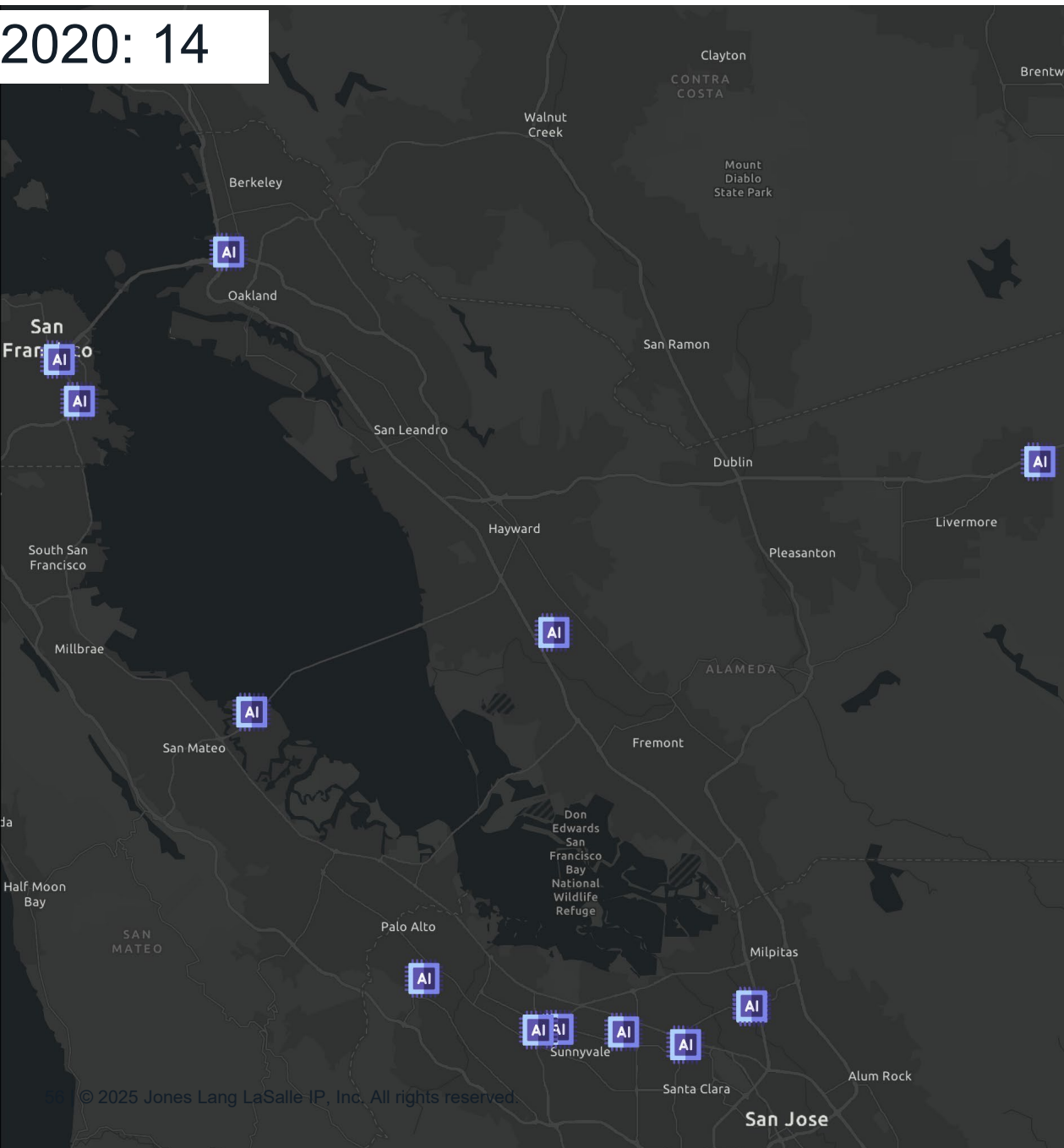


Source: JLL, 2024 Pitchbook and JLL Research

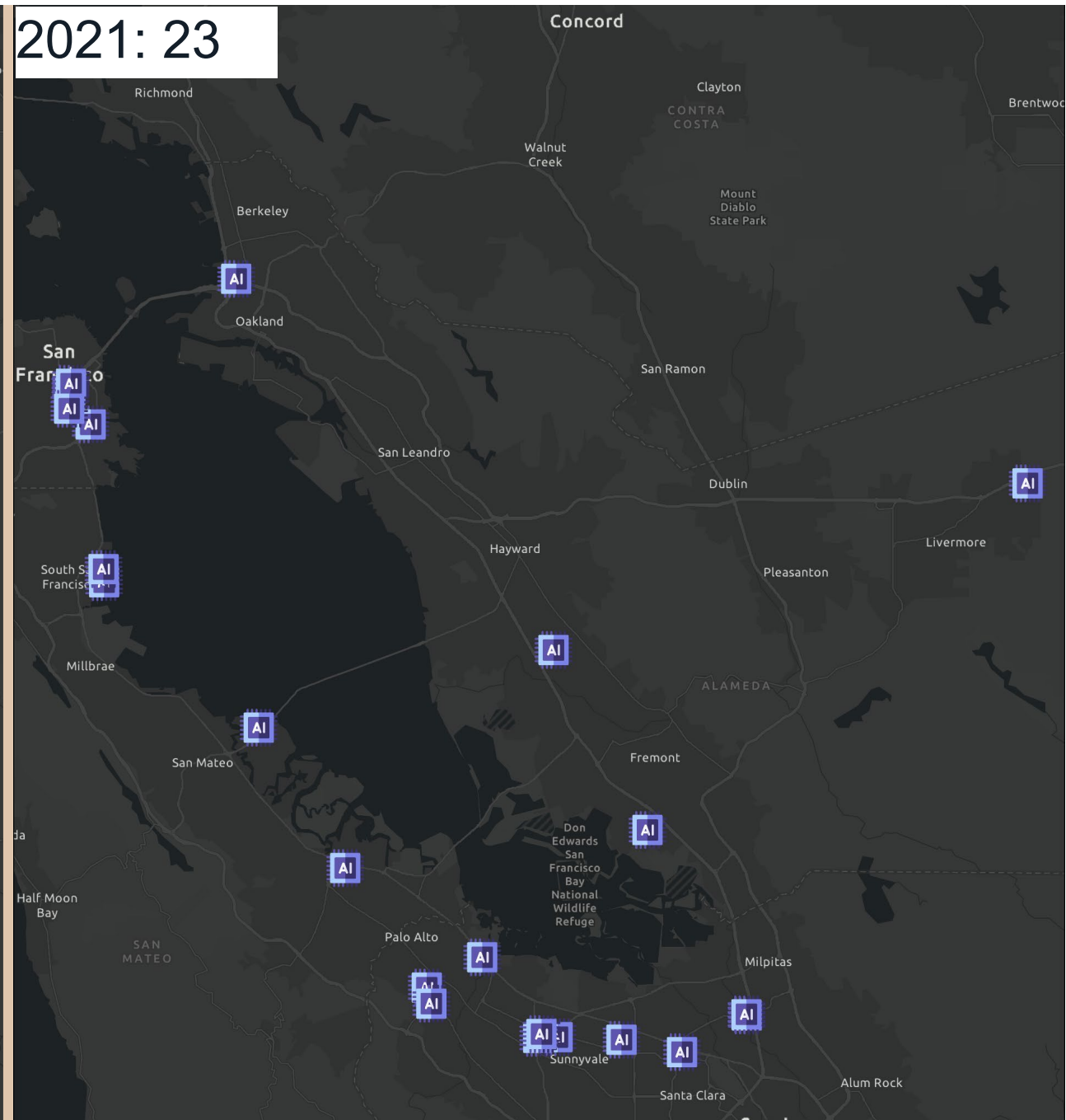


Flex R&D / Industrial Leases to AI Tenants 2020 to 2025 YTD Cumulative

2020: 14

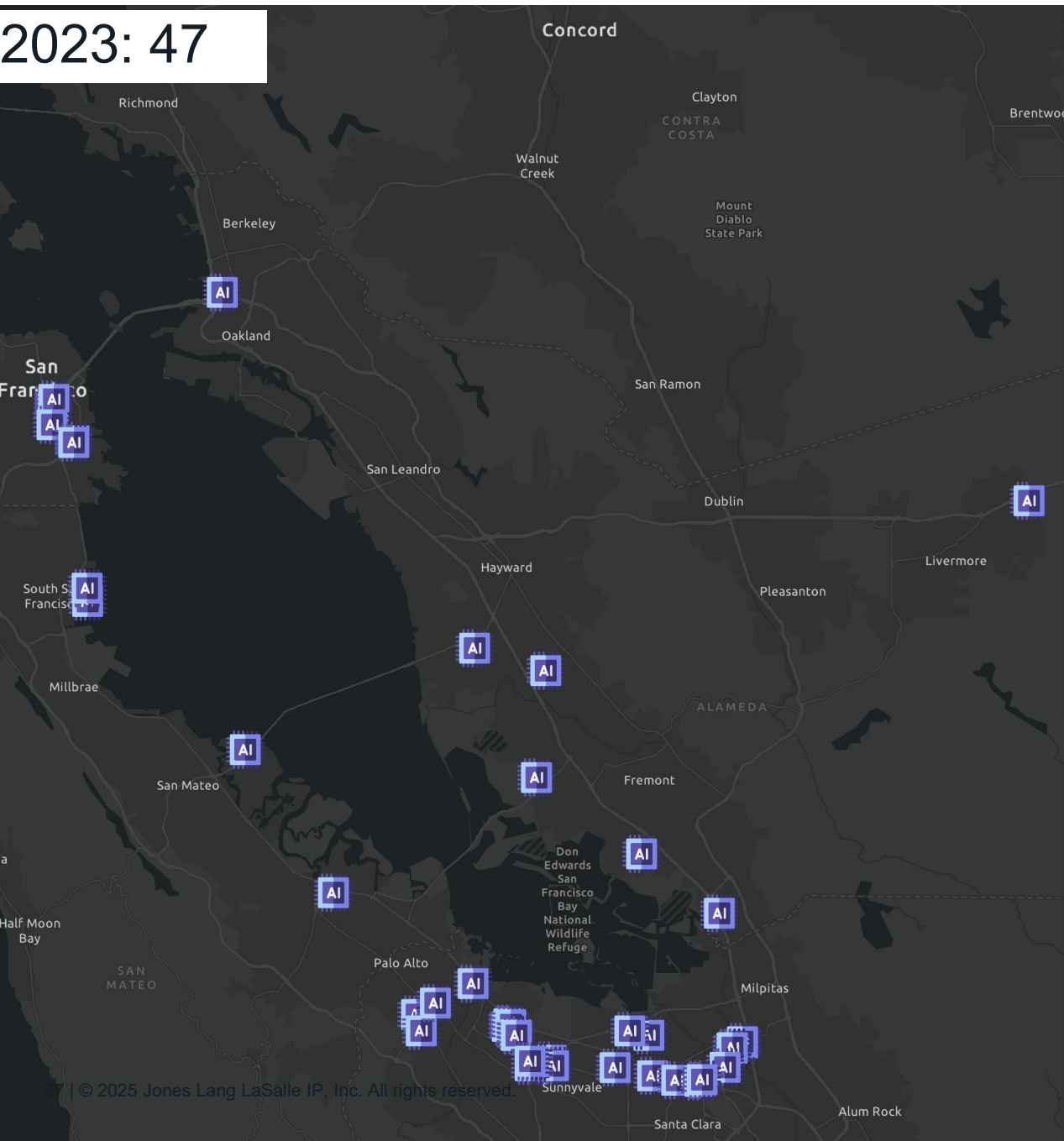


2021: 23

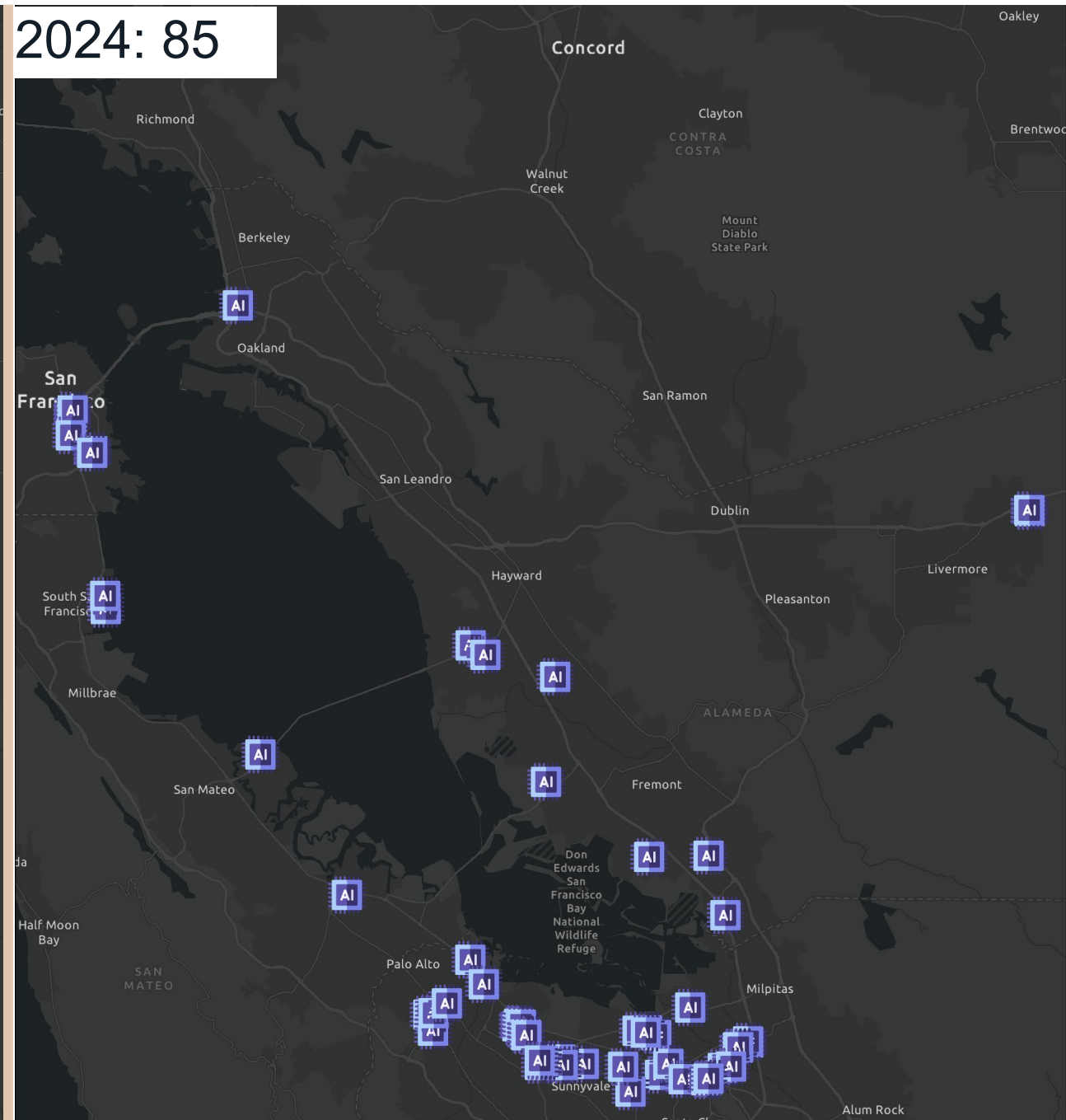


Flex R&D / Industrial Leases to AI Tenants 2020 to 2025 YTD Cumulative

2023: 47

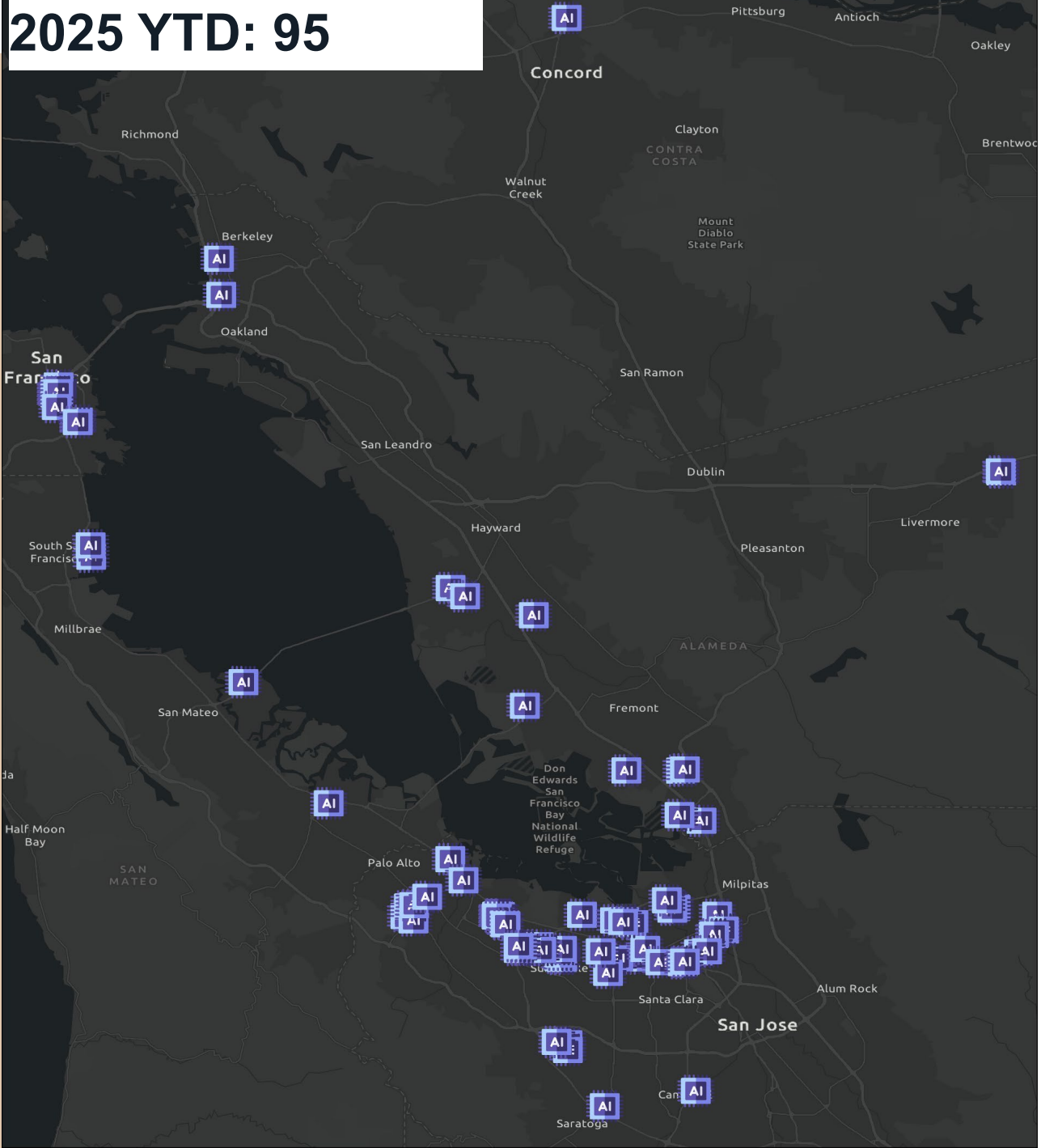


2024: 85



Flex R&D / Industrial Leases to AI Tenants 2020 to 2025 YTD Cumulative

2025 YTD: 95



2025 Bets



Looking forward to 2025, what are our big bets?

- 01** Year over year Bay Area multi-housing rent growth of **4%+**.
- 02** **\$140** billion in U.S. VC Investment with **40%** going to the Bay Area (\$52 billion in total investment)
- 03** **\$40** billion+ in IPO activity with Chime, Hinge Health, and others going public in 2025.
- 04** AI will lease another **1.1+** million s.f. in San Francisco driven by mid-sized requirements of Series A & B funded companies.
- 05** Bay Area's office vacancy will increase in H1 2025 but begin to decline in H2 2025.
- 06** Unemployment will increase and office occupancy will also continue to rise another 7%+
- 07** Bay Area's labor force grows but its population remains flat as international migration declines

Thank you

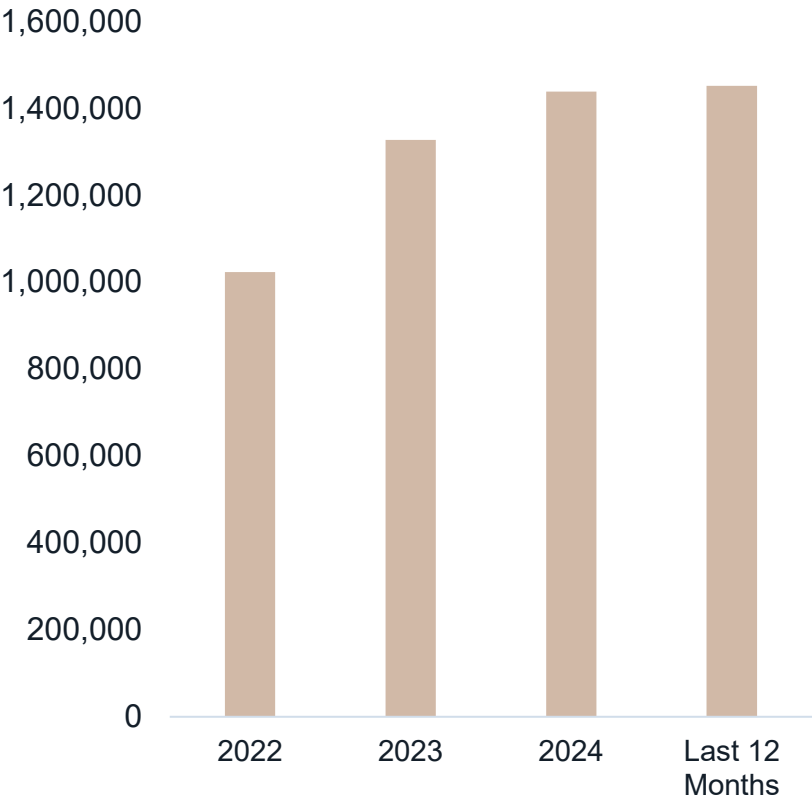
Alexander Quinn

Sr. Director of Research,
Northwest Region

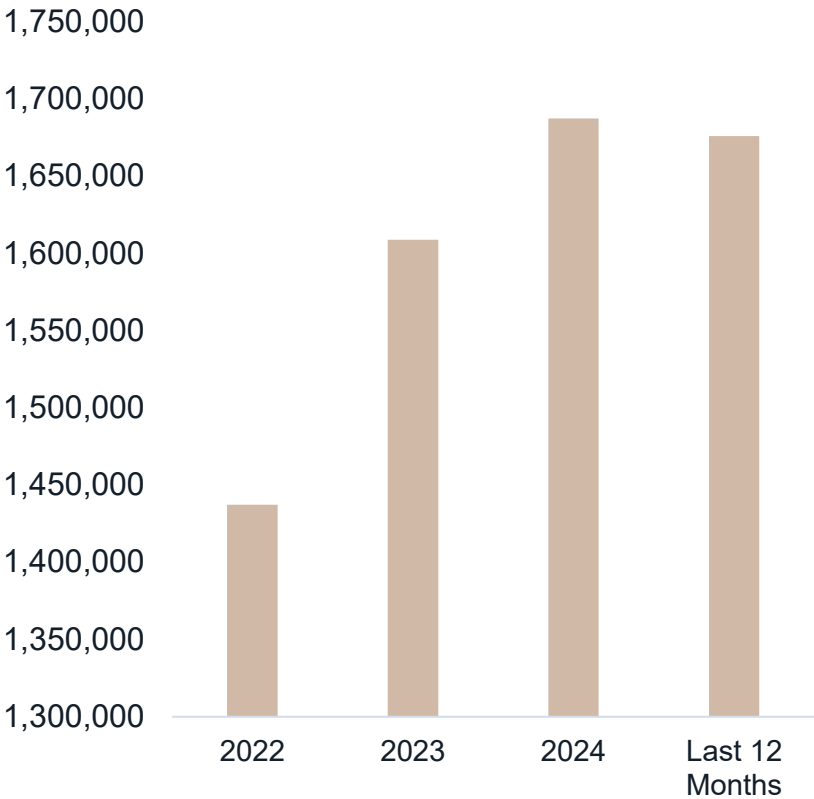
Alexander.Quinn@jll.com

Downtown Oakland Net Foot Traffic – by year & rolling 12-mos

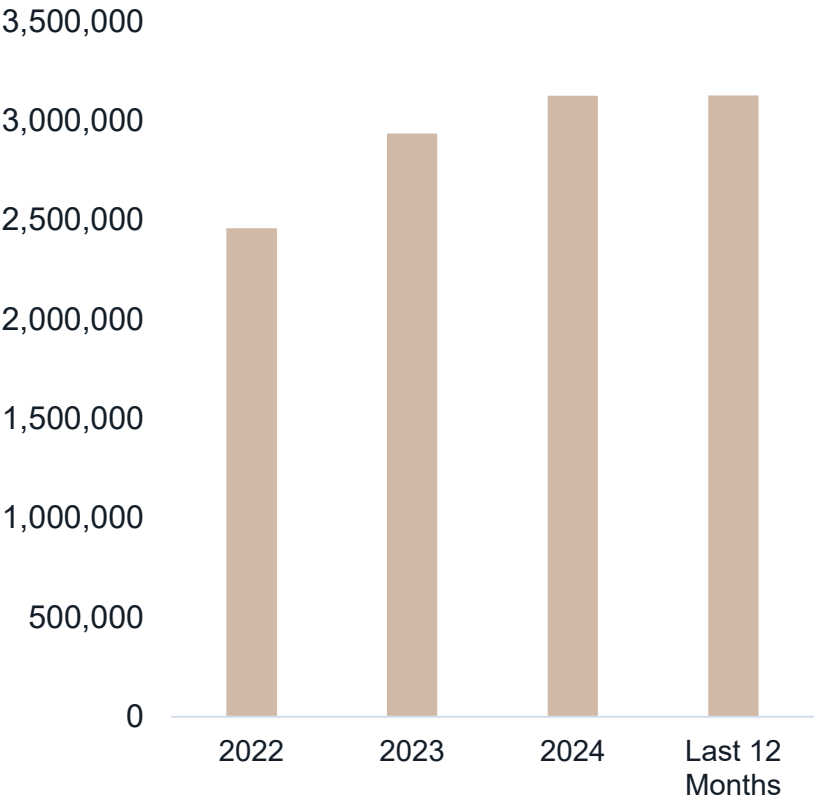
City Center



Uptown



Downtown Oakland



Foot traffic compared to 2019 levels

