Walnut Creek Downtown
Retail Market Overview

First Quarter 2018

2018 Begins with Increase In Occupancy Rates

PARTNER XTEAM RETAIL ADVISORS

JohnCumbelich & Associates

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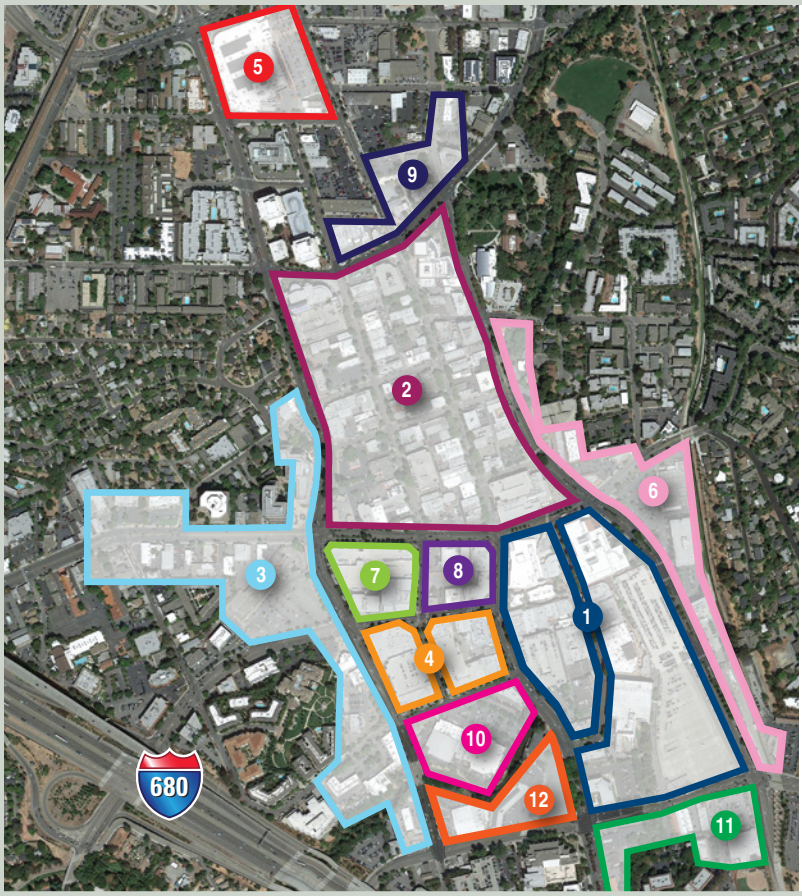


Retail Trade Areas

	Retail Area	Total SF	Vacant SF	Vacancy Rate
1	Broadway Plaza	938,790	3,742	0.4%
2	Historic Downtown	574,950	65,380	11.4%
3	West of California	200,710	16,586	8.3%
4	Plaza Escuela/Talbots	170,835	16,528	9.7%
5	Target	141,558	0	0.0%
6	East of Broadway	118,595	0	0.0%
7	Olympia Place	105,332	0	0.0%
8	The Corners	96,354	0	0.0%
9	North of Civic	99,668	0	0.0%
10	Main Street Plaza	79,378	17,735	22.3%
11	South of Newell	62,319	0	0.0%
12	Newell Promenade	75,457	9,219	12.2%
	Total	**2,663,946**	**129,190**	**4.8%**

Q1 2018: Downtown Walnut Creek Begins 2018 With Slight Increase In Occupancy Rates

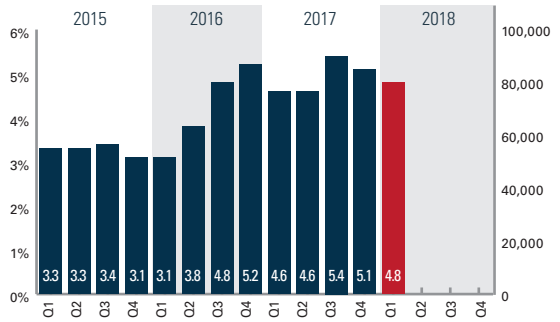
In the first quarter of 2018, Downtown Walnut Creek vacancy rates decreased. Overall vacancy in Downtown Walnut Creek reached a 4.8% during Q1, the lowest level in nine months.

Retailers such as Pokeatery, F45, Ritual, and Johnny Was have signed leases in Q1 2018. Pokeatery, a Bay Area based franchise, held a grand opening in late March. The Downtown Walnut Creek Pokeatery location is the company's fourth unit in the chain, with additional successful stores in San Mateo, Castro Valley, and Austin, TX.

F45, a circuit training based fitness studio, signed a lease at Walnut Creek's Main St Plaza. F45 is one of many new fitness concepts to enter the downtown Walnut Creek market in recent years, entering an already saturated fitness market.

Ritual and Johnny Was are the latest soft goods additions to the expanding Broadway Plaza, collectively absorbing 2,800 SF of retail space. The addition of new-to-market soft goods retailers will continue to bolster Walnut Creek's diverse lineup of emerging retailers.

Overall WC Downtown Vacancy Rate



Downtown Walnut Creek retail occupancy rates remain healthy, although additional retail inventory is constantly coming to market. Underutilized retail assets are being repurposed in the Historic Downtown, such as the former N. California McDonald's. As projects such as 1380 N. California and The Lyric continue to break ground, the Historic Downtown will continue to adapt to the evolving Downtown Walnut Creek market.

Net absorption ended Q1 2018 at 4,984 SF, however vacancy in Historic Downtown north of Mt. Diablo Blvd increased from 10.9% to 11.4%. The Historic Downtown's share of overall vacancy rose in Q4 2017, increasing from 46% to 51% of the overall market. Vacancy rates in the Historical Downtown have continued to increase since Q3 2016, primarily due to an increase in large casual dining vacancies such as the former Lark Creek, Crogan's, Sunol Ridge, and the Stella Bistro. New retail inventory such as the Lyric also has 8,000 SF of vacancy, as inventory supply has outpaced demand in the Historic Downtown.

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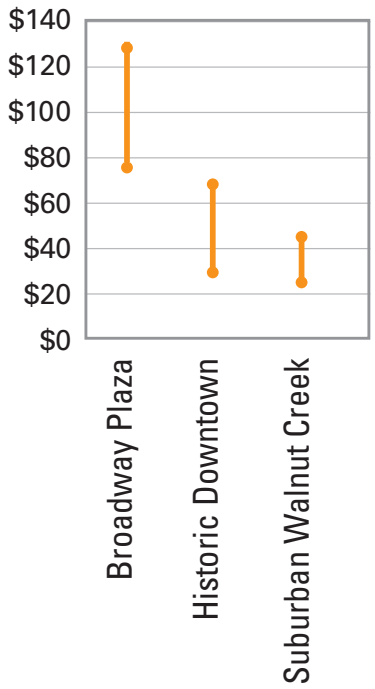
Walnut Creek's Retail Market

The Walnut Creek retail market is the premier shopping destination in the East Bay and home to a wide variety of premium branded retailers. Tiffany & Co., Neiman Marcus, Nordstrom, Coach, Crate & Barrel, Banana Republic, Talbots, Apple and numerous other best-of-class retailers serve the entire East Bay market from stores located in this unique, open air retail landscape that mixes successful restaurant, retail and entertainment destinations.

Downtown Walnut Creek offers a rare mixture of newer retail centers and an historic shopping district that blend seamlessly.

Rental Rates



Key Findings from the Retail Sector

- Soft goods retailers Johnny Was and Ritual signed leases at Broadway Plaza during Q1.
- Downtown retail supply has exceeded demand, largely due to the Broadway Plaza expansion and multiple new mixed use projects.
- Overall vacancy decreased from 5.1% to 4.8% during Q1.
- Pokeatery signed a lease near the Downtown Walnut Creek Whole Foods.
- F45 signed a new lease at Main St Plaza, continuing to add fitness competition to the downtown market.
- Large casual dining vacancies continue to plague the Historic Downtown market.

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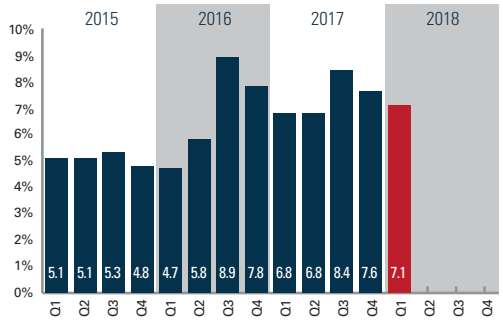
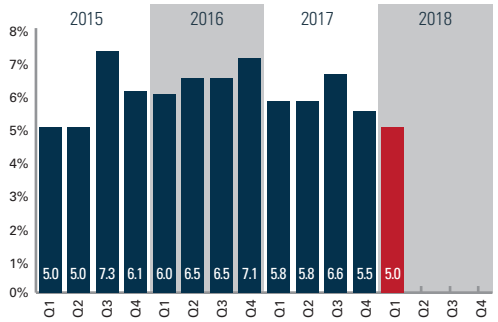
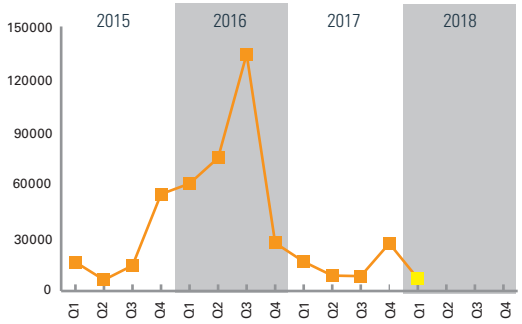
Vacancy Rate Excluding Anchors 30k+ SF



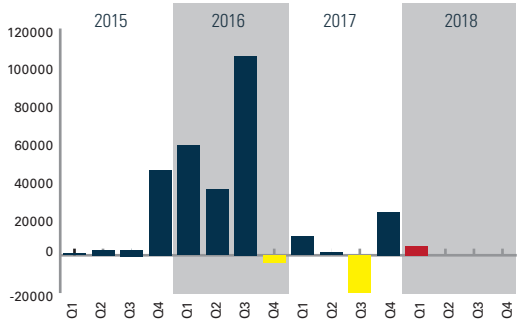
Vacancy Rate Excluding Spaces 10k+ SF



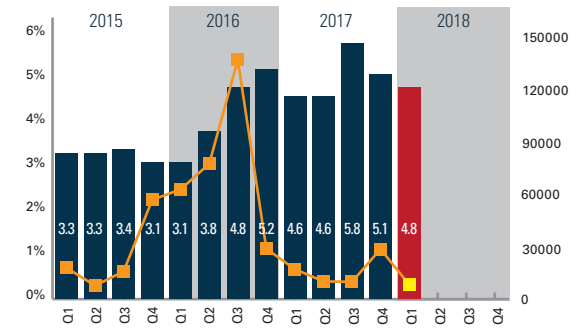
Gross Absorption (SF)



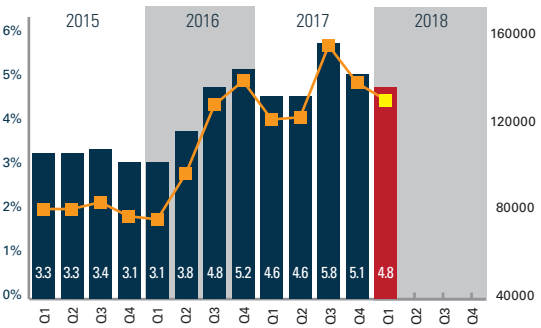
Net Absorption (SF)



Vacancy Rate vs Absorption (SF)



Vacancy Rate vs Available (SF)



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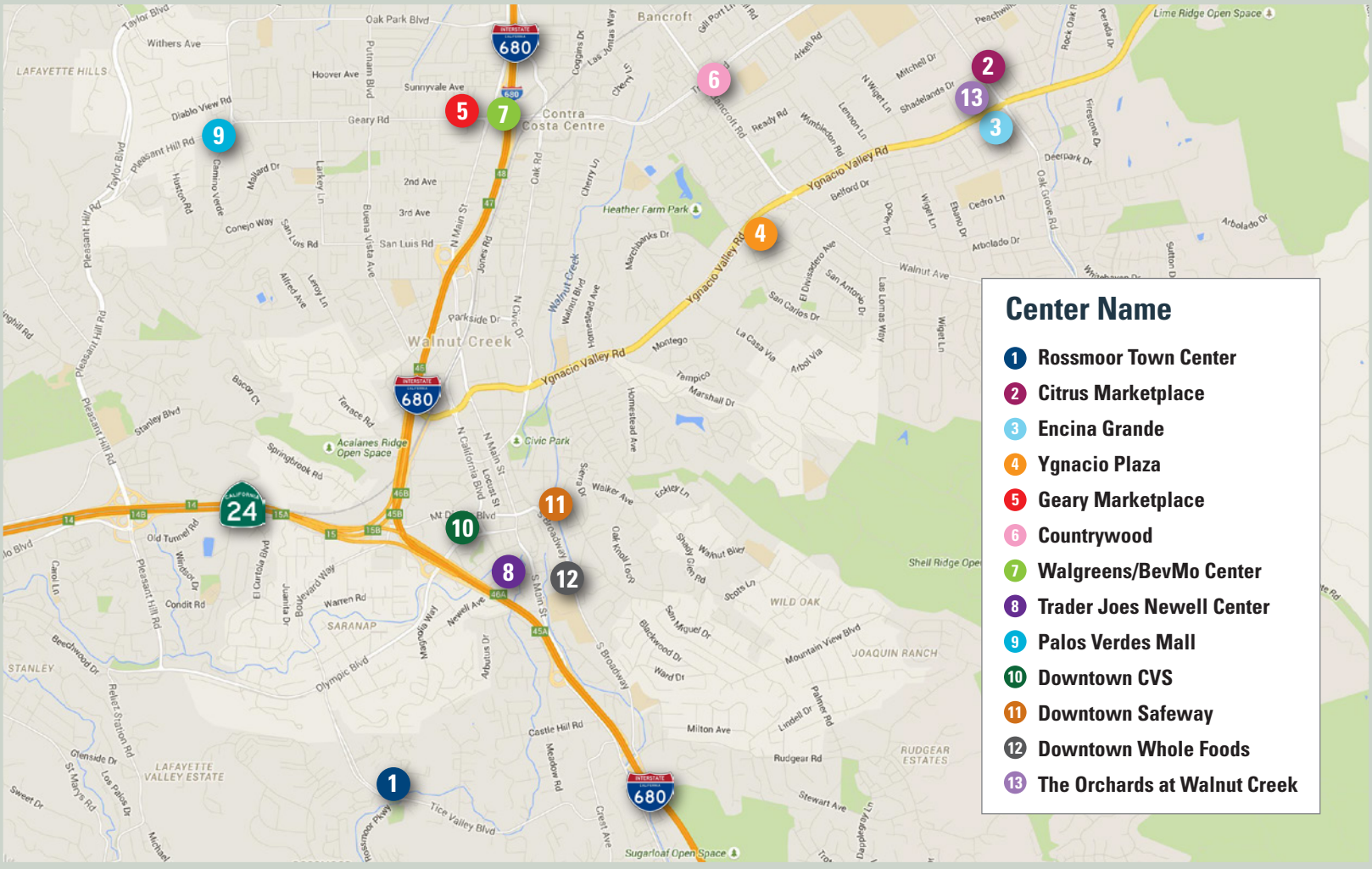
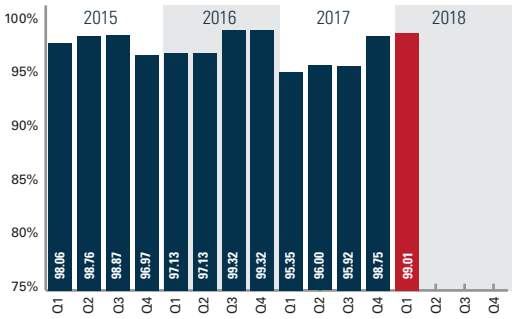


Neighborhood Center Summary

- The 13 shopping centers comprising Walnut Creek's neighborhood shopping center inventory reported at an overall occupancy of 99.01%, increasing from Q4 2017's 98.75%.
- Eleven out of the thirteen neighborhood shopping centers are over 99% occupancy.
- Eight out of the thirteen neighborhood shopping centers are at 100% occupancy.
- Rent levels remain at all-time highs both in the suburban Walnut Creek market and neighboring communities.

Neighborhood Center Occupancy Rate



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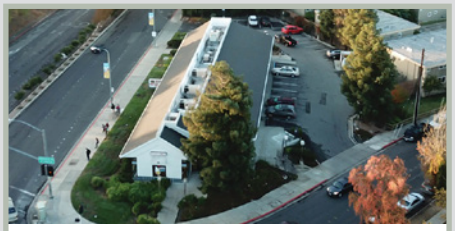
Recent Transactions

F45 Training consummated a 3,288 SF, 10 year lease at

Main Street Plaza
Walnut Creek, CA



The disposition of a 5,800 SF retail center located at

2995 Monument Blvd
Concord, CA

Featured Retailer

Black Bear Diner

4,000 – 7,000 SF
Select Markets

High quality pizza and italian favorites served in a unique, at affordable prices.

Contact
Chris Micco

Featured Listing

AGORA
at south main

A NEW RETAIL DEVELOPMENT

34,661 SF of Ground Floor Retail Space
Plus Two Levels of Underground Parking

Click to View Brochure | Contact Joe Kuvetakis

ABOUT THE FIRM

John Cumbelich & Associates is a San Francisco Bay Area firm that provides commercial real estate services to Fortune 500 retailers and select owners and developers of retail commercial properties. The firm's expertise is in developing store networks for retailers seeking to penetrate the Northern California marketplace, and the representation of premier power center and lifestyle developments.

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