

Bay Area Regional Shopping Center Quarterly Report



Q1 OCCUPANCY LEVELS RISE AGAIN

John Cumbelich & Associates survey of the Northern California Regional Shopping Center inventory in Q1 captured a second consecutive quarter with total occupancy levels moving higher in the region. Q1 ended with the regional occupancy rate among flagship assets landing at 92.64% the highest occupancy level in the past five quarters.

The region was buoyed again by the strong comeback in the South Bay, whose occupancy level has risen aggressively for four consecutive quarters. At the close of Q1, South Bay occupancy levels reached 97.07%—a significant jump from the 94.64% of Q4. More notably, only three quarters ago, the South Bay was the laggard in the region with an 88.74% occupancy level. Leasing gains at The Plant as well as continued strong performance at El Paseo de Saratoga, Village Oaks and the San Jose Market Center have placed the South Bay as one of the region's two top performing submarkets, along with the North Bay submarket. Following the Q3 announcement of the Vallarta lease at The Plant, a new lease for 18,000 SF with dd's Discounts in Q1 pushed occupancy levels at this asset to 97.69%, its highest rate in a decade. In total, the South Bay experienced 40,500 SF in net positive absorption in the period.

Occupancy levels in the high-performing San Francisco Peninsula (94.43%) and North Bay (97.59%) submar-

(Continued on next page)

About the Report

The attached survey of flagship assets studies the 25 dominant Power Centers located in each of the San Francisco Bay Area's nine counties.

The survey covers 13.1 million square feet of best in class inventory.

The data in this report is for information purposes only.

Summary



Bridgepointe Shopping Center in San Mateo has a 100% occupancy rate.

GO CONSIDER STOP

SOUTH BAY SUCCESS!

The South Bay has seen four consecutive quarters of occupancy gains

TIME TO RAISE RENTS?

Near full occupancy in the North Bay and Peninsula suggest rising rents soon

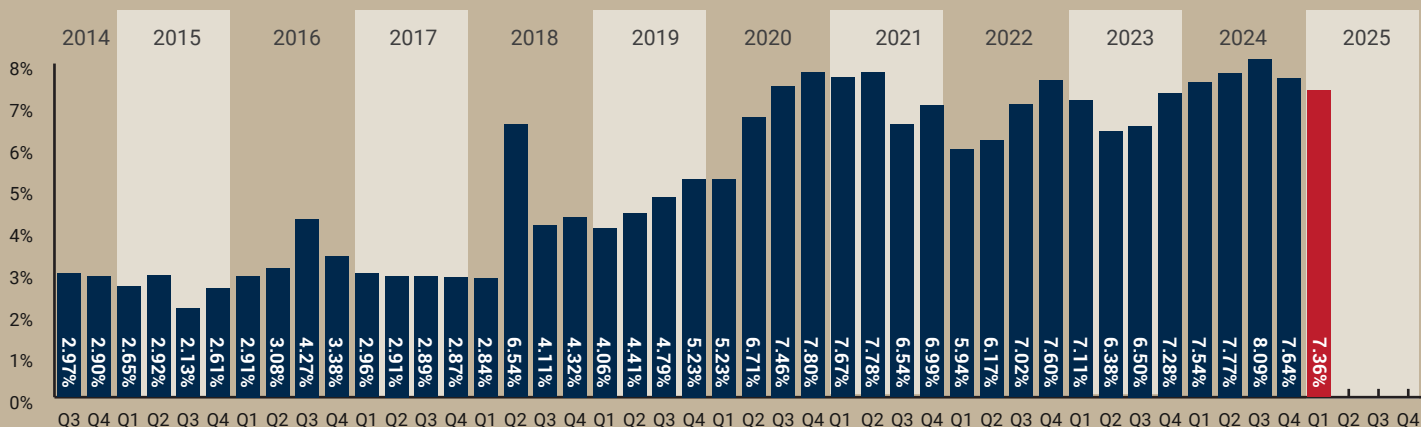
TROUBLED ASSETS IN THE EAST BAY.

The region's worst performing submarket is stumped for leasing answers

kets were largely unchanged during Q1. The East Bay likewise had flat leasing activity, and continues to underperform the region with total occupancy of 87.42% at the close of Q1. The East Bay's leasing challenges are a microcosm of the perils of power center leasing in a submarket with too much inventory, in an era of declining big box demand among credit tenants. Five of the six assets with the largest vacancy rates in the region are concentrated in the East Bay, with Century Plaza in Pittsburg, Hacienda Crossings in Dublin, Pacific Commons in Fremont and Downtown Pleasant Hill experiencing vacancy rates between 12.46% and 30.35%. These four assets alone account for 509,875 SF in available space, or 53% of all vacancy in the region, but only 15.1% of the region's total inventory. On a positive note, the occupancy level in the region if these four struggling assets are omitted is a very healthy 95.94%.

Among the twenty-five flagship assets covered in the regional survey, five ended Q1 at a 100% occupancy level, and eighteen of the twenty-five enjoyed occupancy levels of 90% or above. The fully occupied assets in the region include Bridgepointe in San Mateo (572,000 SF), Vintage Oaks in Novato (620,228 SF), 280 Metro Center in Colma (227,829 SF), Santa Rosa Marketplace (544,234 SF) and Pinole Vista Crossings (353,838 SF).

Overall Historical Vacancy



The overall vacancy rate decreased 0.28% in Q1 2025.

● Flagship assets included in the survey

North Bay

| | |
|-----------------|-----------|
| Inventory SF: | 2,676,153 |
| Available SF: | 64,532 |
| Occupancy Rate: | 97.59% |



East Bay

| | |
|-----------------|-----------|
| Inventory SF: | 5,160,897 |
| Available SF: | 649,446 |
| Occupancy Rate: | 87.42% |



San Francisco/ Peninsula

| | |
|-----------------|-----------|
| Inventory SF: | 3,561,286 |
| Available SF: | 198,226 |
| Occupancy Rate: | 94.43% |



South Bay

| | |
|-----------------|-----------|
| Inventory SF: | 1,665,391 |
| Available SF: | 48,825 |
| Occupancy Rate: | 97.07% |



Results – Flagship Power Centers

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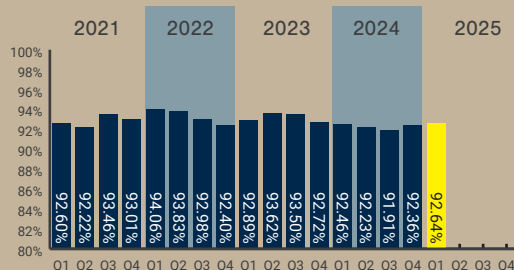
East Bay

Inventory SF: 5,160,897
 Available SF: 649,446
 Occupancy Rate: 87.42%

BAY AREA TOTALS

INVENTORY: 13,109,889
 AVAILABLE: 961,029
 OCCUPANCY RATE: 92.64%

Overall Occupancy



Highest Occupancy

| Power Center | Size (SF) | Occupied SF | Occupancy % |
|------------------------|-----------|-------------|-------------|
| Bridgepointe | 572,000 | 572,000 | 100.00% |
| Vintage Oaks of Novato | 620,228 | 620,228 | 100.00% |
| 280 Metro Center | 227,829 | 227,829 | 100.00% |
| Santa Rosa Marketplace | 544,234 | 544,234 | 100.00% |
| Pinole Vista Crossings | 353,838 | 353,838 | 100.00% |
| Village Oaks | 313,071 | 309,985 | 99.01% |

Highest Vacancy

| Power Center | Size (SF) | Available (SF) | Vacancy % |
|----------------------------|-----------|----------------|-----------|
| Century Plaza | 530,000 | 160,865 | 30.35% |
| Potrero Center | 226,642 | 65,361 | 28.84% |
| Hacienda Crossings | 470,000 | 88,183 | 18.76% |
| Pacific Commons (Combined) | 1,133,000 | 195,466 | 17.25% |
| Downtown Pleasant Hill | 345,687 | 43,064 | 12.46% |
| East Bay Bridge Center | 485,000 | 53,181 | 10.97% |

Largest Vacant Spaces

| Power Center | Size (SF) | Available (SF) |
|------------------------|-----------|----------------|
| Century Plaza | 530,000 | 101,850 |
| Pacific Commons | 1,133,000 | 97,970 |
| East Bay Bridge Center | 485,000 | 43,066 |
| Downtown Pleasant Hill | 345,687 | 40,377 |
| Hacienda Crossings | 470,000 | 35,472 |

Featured Transaction



Mancini's SLEEPWORLD

Mancini's Sleepworld consummated a 6,500 SF, 10 year lease at

Crossroads West Riverbank, CA

The firm represented the lessor, Browman Development

Contact
John Cumbelich/Joe Kuvetakis

Featured Transaction



HEALTH NorthBay

NorthBay Health consummated a 8,256 SF, 10 year lease at

Fairview Plaza Vallejo, CA

The firm represented both the lessee and the lessor, Lewis Retail Centers

Contact
John Cumbelich

Featured Transaction



Sutter Health

Sutter Health consummated a 7,000 SF, 10 year lease at

Crossroads West Riverbank, CA

The firm represented the lessor, Browman Development

Contact
John Cumbelich/Joe Kuvetakis

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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25 YEARS
2000 - 2025

































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PARTNER XTEAM
RETAIL ADVISORS

Notable Completed Transactions

| | | | | |
|--|--|--|---|---|
|  <p>Crate & Barrel 19,725 SF Walnut Creek, CA</p> |  <p>Costco 152,000 SF Riverbank, CA</p> |  <p>Macerich 4,800 SF Walnut Creek, CA</p> |  <p>Dutch Bros Coffee 824 SF/ .52 Acres Merced, CA</p> |  <p>Raising Cane's 54,668 SF Land Parcel Ceres, CA</p> |
|  <p>Lucid Motors 16,985 SF Rockin, CA</p> |  <p>Sprouts Farmers Market 48,137 SF Lodi, CA</p> |  <p>Lululemon 13,249 SF Walnut Creek, CA</p> |  <p>Walgreens 17,506 SF Sedona, AZ</p> |  <p>Caliber Collision 19,400 SF Fresno, CA</p> |
|  <p>Burlington 42,216 SF Pleasant Hill, CA</p> |  <p>Smart & Final 32,350 SF San Jose, CA</p> |  <p>Calicraft Brewing Co. 4,000 SF + Patio Davis, CA</p> |  <p>Model Bakery 4,367 SF Walnut Creek, CA</p> |  <p>El Pollo Loco 20,922 SF Hayward, CA</p> |
|  <p>Sprouts Farmers Market 32,620 SF Newark, CA</p> |  <p>Hobby Lobby 57,000 SF Concord, CA</p> |  <p>Public Storage 212,000 SF Ceres, CA</p> |  <p>Philz Coffee 2,162 SF Lafayette, CA</p> |  <p>Smart & Final 33,000 SF Stockton, CA</p> |
|  <p>La Plaza Market 23,200 SF San Jose, CA</p> |  <p>The Shade Store 1,468 SF Lafayette, CA</p> |  <p>Dick's Sporting Goods 35,000 SF Morgan Hill, CA</p> |  <p>Pvolve 2,042 SF Walnut Creek, CA</p> |  <p>Outdoor Supply Hardware 41,108 SF/3.18 Acres San Leandro, CA</p> |
|  <p>Lewis Retail Centers 12.85 Acre Site Hercules, CA</p> |  <p>Burger Lounge 1,713 SF Walnut Creek, CA</p> |  <p>Bluemercury 2,965 SF Lafayette, CA</p> |  <p>Gott's Roadside 5,500 SF Walnut Creek, CA</p> |  <p>Walgreens 15,000 SF San Jose, CA</p> |
|  <p>Walmart 50,331 SF San Ramon, CA</p> |  <p>Tiffany & Co. 6,785 SF Walnut Creek, CA</p> |  <p>Target 10.8 Acres San Jose, CA</p> |  <p>Regency Centers 34 Acres Petaluma, CA</p> |  <p>LOJA 350,000 SF Pleasant Hill, CA</p> |

GRE, Not CRE

JOHN CUMBELICH | MARCH 31, 2025

If you would have asked me 20, or even 10 years ago which part of the Commercial Real Estate (CRE) business I was in, I probably would have answered, "the suburban shopping center business." While our brokerage practice has always included a High Street business, and work on select smaller properties, the bulk of our trade has always centered on the sale and leasing of neighborhood shopping centers, power centers, strip centers, malls, outlets and lifestyle centers.

The work we've done for decades on behalf of the owners and developers of these assets, and especially in representing the users that populate them, continuously sharpened our understanding of how great real estate is defined. Sophisticated retail and dining users have an expansive list of site selection criteria made up of a wide array of real estate ingredients. These include: ingress, egress, visibility, access, signage, co-tenancy with dynamic anchor tenants, proximity to a targeted demographic audience, convenience to freeways that expand the audience size, traffic counts, nearby residential growth, footfall, convenient parking, storefront width, left-turn access and more. Just as important to many of these users are the absence of various restrictions, such as anti-chain store ordinances, drive thru constraints, conditional use permits, and various other measures that limit retail success.

A fundamental real estate truth that we've learned and re-learned over the years is that in the retail/commercial arena, no two corners are equal. In the office and industrial arenas, space is much more of a commodity than in retail. An office or industrial user seeking 50,000 or 100,000 square feet can enjoy equal success on all four corners of the same intersection. Yet in retail, the wrong corner can spell disaster, and a location one block away, or less, may as well be in Siberia. Whereas office and industrial landlords seek to differentiate their spaces through amenities, financial incentives and rent deals; in retail, location, location, location is the unsurpassed currency.

As markets have evolved over the past quarter century or so, a fascinating real estate dynamic has come into sharp relief. Increasingly, non-retail uses have crowded the playing field of real estate sites that were once singularly judged as viable for retail uses, both in downtowns and at significant suburban intersections. Urgent cares and hospitals, automobile or E.V. dealerships and showrooms, private schools and senior living communities, title companies, swim schools, residential real estate offices, breweries, chiropractors, dentists, mixed-use residential projects and a growing list of other use types have determined that they also want to position their businesses at dynamic intersections with signage, convenient access, anchor tenant generated traffic, good parking and the other fundamentals first evangelized by retail and dining brands.

In short, these businesses don't view their real estate as a commodity, but rather as a strategic component of the success or failure of their enterprise. Like retail and dining brands, what this expanding list of users wants is the Great Real Estate (GRE) that optimizes the business's performance. And fortunately for us, through decades of studying the factors that characterize the most successful real estate, GRE is the only real estate product type that we have ever worked with. Consequently, we've come to realize that our next opportunity to source or lease or sell or develop GRE is no longer limited to the retail and dining users that we've worked with so closely for so long. Today, we've inverted the equation, looked at the real estate first and instead ask ourselves "who are the right buyers (or users) for this property?" And while a retail or dining user is frequently still the best answer, increasingly it is not.

Firms like ours have historically organized themselves in silos that were defined by the user-type. Big brokerage firms have office and industrial and retail silos, and these practice groups rarely cross lines. Like our peer firms, 25 years ago we followed suit and styled ourselves as a retail-only brokerage house, offering a highly specialized service that concentrated 100% of our talents on the one segment of the industry where we were experts. This became an easy way to differentiate ourselves from the big multi-national firms, all of which are generalists, not specialists like us. How many times would I ask prospective client who needed to address a real estate need, "when you are sick, would you rather work with a generalist or a specialist?"

I still view our expertise as being highly specialized, but defined less by the user and more by the real estate – the Great Real Estate – that we work with.

So today, when someone asks me what business I'm in, my answer is clear – "We're in the Great Real Estate business".



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