Bay Area
Regional Shopping Center
Quarterly Report


Q2 OCCUPANCY HITS HIGHEST LEVEL IN 4+ YEARS

John Cumbelich & Associates survey of the Northern California Regional Shopping Center inventory in Q2 2026 saw occupancy rates move to 93.86%, the highest level across the region since Q1 of 2022.

Net occupancy gains of 20,701 SF in Q2 allowed the rate to tick higher across the board regionally, paced by 46,000 SF of net positive absorption in the East Bay submarket. Occupancy levels also ticked higher in the North Bay and South Bay submarkets, but these achievements we moderated by 38,546 SF in net new vacancies in the San Francisco Peninsula submarket. All four Bay Area submarkets now enjoy occupancy levels above 91% for the first time in over three years.

While supply constrained North Bay, South Bay and San Francisco Peninsula submarkets all enjoy occupancy levels above 94%, the real headline in regional leasing has occurred in the East Bay, which has added over 200,000 SF in net positive absorption over the past five quarters. A notable contributor to this activity has been East Asian merchant H Mart, with new store announcements in Fremont and Dublin. These transactions alone have buoyed overall occupancy in the East Bay, moving the occupancy needle higher in the East Bay, while other assets have generally been able to hold leasing gains.

(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.

Summary

H MART'S TWO NEW TRANSACTIONS BOOST OCCUPANCY

GO CONSIDER STOP

OCCUPANCY GAINS TRACTION
The Bay area achieved the highest occupancy level in 18 quarters during Q2.

STRENGTH IN NUMBERS
Three of the four Bay Area submarkets now enjoy occupancy levels above 94%.

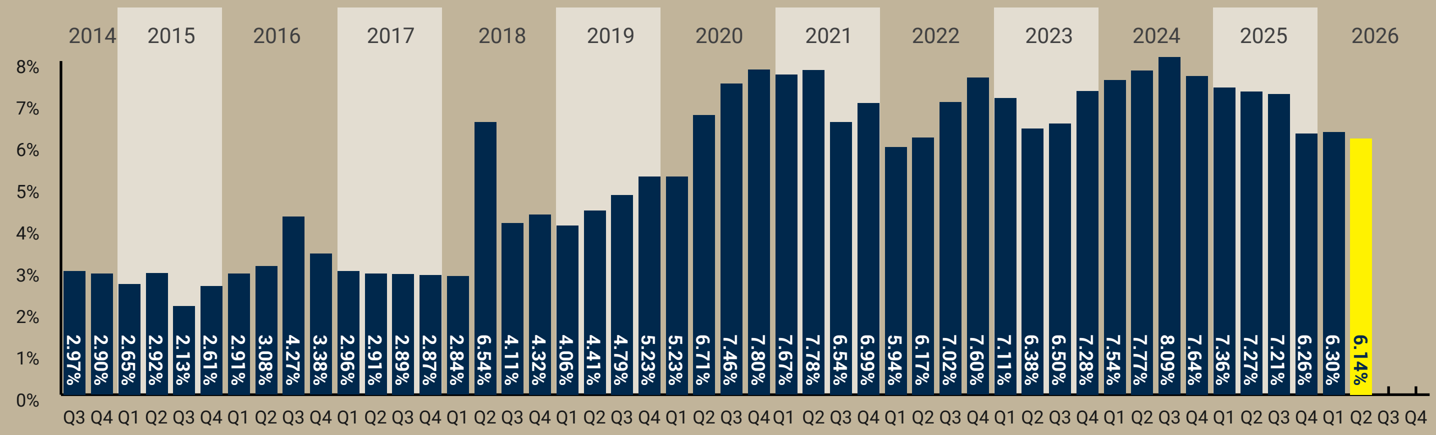
WHERE DID BIG USERS GO?
With only a handful of large format vacancies remaining, long vacant department stores boxes are viable once again.

Notably, the persistent reduction in vacancy levels across the region's flagship retail assets, is creating a positive trickle-down effect on the long-suffering inventory of department store inventory. Large format users including warehouse clubs, Asian grocers, family entertainment concepts and mid-tier apparel brands are moving back to malls as Open-Air options dry up. The laws of supply and demand have helped the regional mall inventory experience renewed anchor activity, further helped by stubborn interest rates that do not encourage new shopping center development.

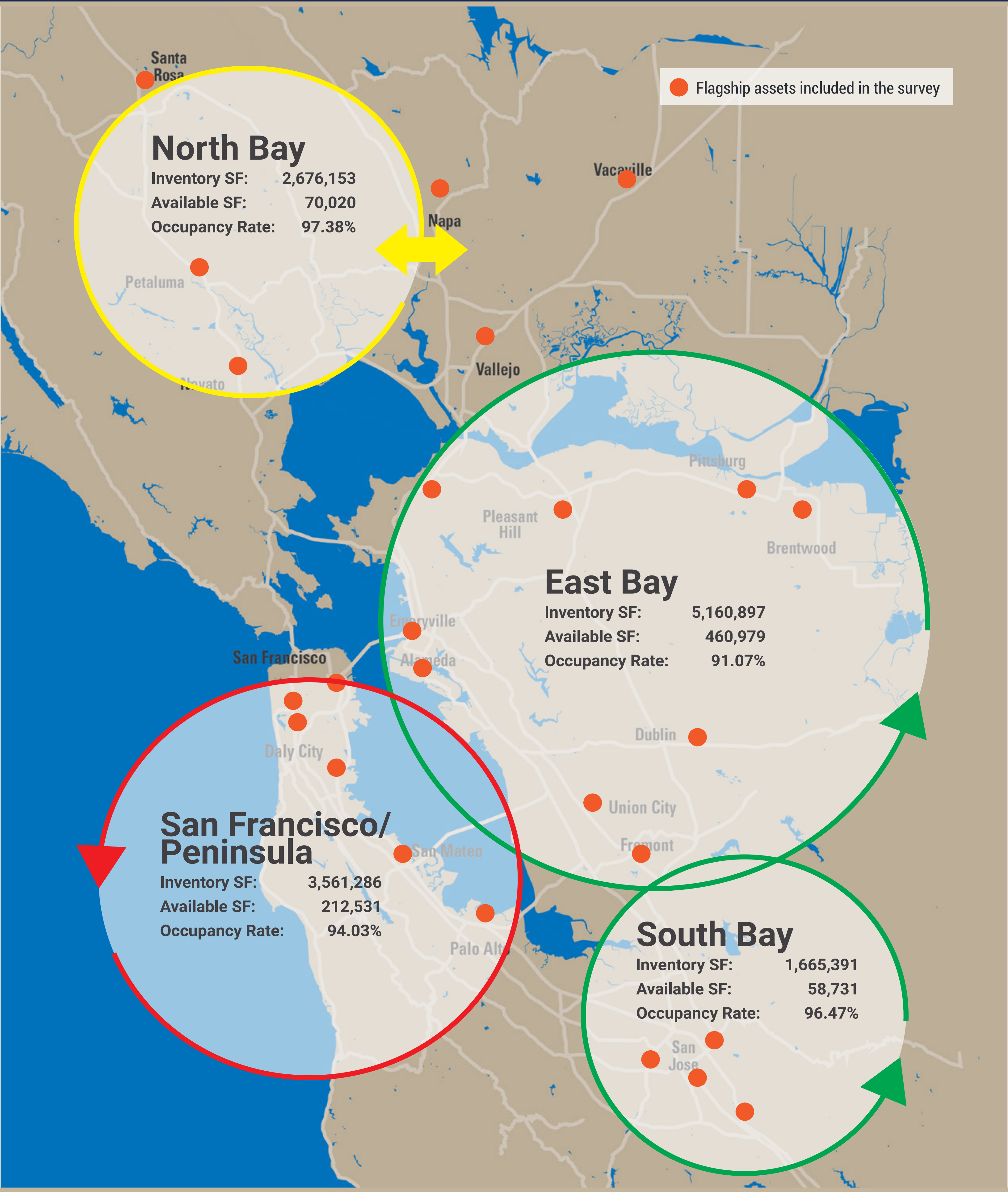
Struggling Power Centers have become a rarity in the current climate, where only two assets in the region have more than 100,000 SF in total availability.

Looking ahead, growth brands with an appetite to add Bay Area stores include **7 Brew Drive Thru Coffee, Raising Cane's, T&T Market, NRG Adventure Park and Vallarta Supermarket.**

Overall Historical Vacancy



Overall vacancy dropped 0.16% in Q2


Flagship assets included in the survey
North Bay
Inventory SF: 2,676,153
Available SF: 70,020
Occupancy Rate: 97.38%
East Bay
Inventory SF: 5,160,897
Available SF: 460,979
Occupancy Rate: 91.07%
San Francisco/ Peninsula
Inventory SF: 3,561,286
Available SF: 212,531
Occupancy Rate: 94.03%
South Bay
Inventory SF: 1,665,391
Available SF: 58,731
Occupancy Rate: 96.47%
Santa Rosa
Petaluma
Napa
Vacaville
Vallejo
Pittsburg
Pleasant Hill
Brentwood
Emeryville
Alameda
San Francisco
Daly City
Dublin
Union City
Fremont
San Mateo
Palo Alto
San Jose

Results – Flagship Power Centers

North Bay

Inventory SF:	2,676,153
Available SF:	70,020
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San Francisco/Peninsula

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South Bay

Inventory SF:	1,665,391
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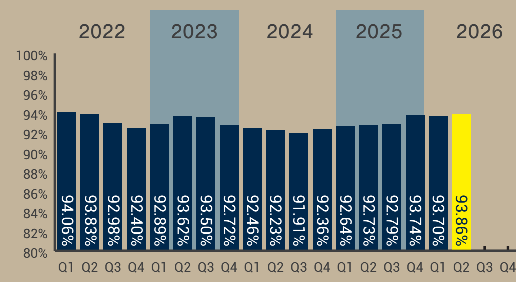
East Bay

Inventory SF:	5,160,897
Available SF:	460,979
Occupancy Rate:	91.07%

BAY AREA TOTALS

INVENTORY SF:	13,063,727
AVAILABLE SF:	802,261
OCCUPANCY	93.86%

Overall Occupancy



Highest Occupancy

Power Center	Size (SF)	Occupied (SF)	Occupancy %
Bridgepointe	572,000	572,000	100.00%
South Napa Market Place	349,530	349,530	100.00%
San Jose Market Center	360,838	360,838	100.00%
Santa Rosa Marketplace	544,234	544,234	100.00%
Village Oaks	313,071	312,021	99.66%
Pinole Vista Crossings	353,838	352,349	99.58%

Highest Vacancy

Power Center	Size (SF)	Available (SF)	Vacancy %
Potrero Center	226,642	65,361	28.84%
Century Plaza	530,000	110,015	20.76%
Hacienda Crossings	470,000	75,847	16.14%
San Bruno Towne Center	333,869	41,739	12.50%
Downtown Pleasant Hill	345,687	40,460	11.70%
Westlake Center	683,254	71,753	10.50%

Largest Vacant Spaces

Power Center	Size (SF)	Available (SF)
Pacific Commons	1,133,000	98,000
Century Plaza	530,000	51,000
Portrero Center	226,642	38,370
Hacienda Crossings	470,000	35,472
San Bruno TC	333,869	25,072
El Paseo de Saratoga	340,950	25,000

Featured Transaction

Valley Strong Credit Union consummated a 4,000 SF, 15 year lease at
CROSSROADS WEST – RIVERBANK, CA
The firm represented the lessor in the transaction.
For more information contact John Cumbelich/Joe Kuvetakis

Featured Transaction

CVS consummated a 3,360 SF, 10 year lease at
CREEKSIDE CENTER – HAYWARD, CA
The firm represented the lessee in the transaction

Featured Retailer

7 Brew is Expanding in the Bay Area
Seeking: 0.5 - 1.0 Acres / Bay Area (Ft. Bragg to Salinas)

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

Crate & Barrel 19,725 SF Walnut Creek, CA	Costco 152,000 SF Riverbank, CA	Amazon Fresh 45,040 SF SF Roseville, CA	RH New Gallery Store Walnut Creek, CA	NorthBay Health 30.52 Acres Fairfield, CA
Lucid Motors 16,985 SF Rockin, CA	Sprouts Farmers Market 48,137 SF Lodi, CA	Macerich 4,800 SF Walnut Creek, CA	TJ Maxx 24,000 SF Riverbank, CA	NorthBay Health 8,256 SF Vallejo, CA
Burlington 42,216 SF Pleasant Hill, CA	Smart & Final 32,350 SF San Jose, CA	Calicraft Brewing Co. 4,000 SF + Patio Davis, CA	HmeGoods 25,000 SF Riverbank, CA	El Pollo Loco 20,922 SF Hayward, CA
Sprouts Farmers Market 32,620 SF Newark, CA	Hobby Lobby 57,000 SF Concord, CA	Pvolve 2,042 SF Walnut Creek, CA	Philz Coffee 2,162 SF Lafayette, CA	Skechers 10,500 SF Roseville, CA
Dutch Bros Coffee 824 SF/.52 Acres Merced, CA	Public Storage 212,000 SF Ceres, CA	Dick's Sporting Goods 35,000 SF Morgan Hill, CA	East Brother Beer 2,179 SF + 1,327 SF San Francisco, CA	Outdoor Supply Hardware 41,108 SF/3.18 Acres San Leandro, CA
Lewis Retail Centers 12.85 Acre Site Hercules, CA	Wendy's 2,500 SF Riverbank, CA	Bluemercury 2,965 SF Lafayette, CA	Gott's Roadside 5,500 SF Walnut Creek, CA	Raising Cane's 54,668 SF Land Parcel Ceres, CA
Walmart 50,331 SF San Ramon, CA	Tiffany & Co. 6,785 SF Walnut Creek, CA	Target 10.8 Acres San Jose, CA	Regency Centers 34 Acres Petaluma, CA	LOJA 350,000 SF Pleasant Hill, CA

DECODING THE RETAIL REBRAND

JOHN CUMBELICH | APRIL 23, 2026

Imagine a time machine in which a traveler from 1976 visits 2026. When he learns that tonight "We're going to that millennial place at the lifestyle center with great wraps," he wouldn't know if the family was going to the hospital, a sci-fi movie, or the metro. Yet today's traveler who went back to 1976 would have no trouble understanding, "We're going to the Mexican restaurant that all the kids like at the shopping center."

One of the quirks of our information age is that the changes in the vocabulary used to describe retail and dining have outpaced the changes in retail itself. The 24/7 information cycle has produced not so much a marketplace of information, but rather a marketplace of labels: some clever, some corny, always changing, and frequently unnecessary. Social media certainly doesn't help, frequently suggesting that something old is new when, in fact, it is simply being rebranded.

Dining establishments that were once rated on a universally understood scale of 1 to 5 have been redefined in contemporary parlance as "chef-driven," "elevated," "hand-crafted," "farm-to-table," and "artisanal." Did restaurants really change that much, or just the way that we describe them? More importantly, does "elevated" mean 3 stars or 4?

When you pay close attention, some of the rebranding of traditional goods and services feels like a consumer I.Q. test. A case in point: a Walmart advertisement touting its e-commerce business highlighted that purchases made online could be delivered to your home, or available through "free in-store pickup." Wait a minute… hasn't in-store pickup always been free? Who's fooling whom here?

Shopping centers themselves were already broadly categorized into neighborhood centers, power centers, and malls. A newer so-called class of assets are *open-air centers*, a name which makes as much sense to me as *sunlight centers*. Aren't all centers in the open air? How does this label help? Yet another new label: *experiential centers*. A name that implies that the asset differentiates itself from other shopping centers which… do not offer the consumer a shopping experience? Methinks not.

While the staples of restaurant cuisine remain largely unchanged—burgers, tacos, pizza, etc.—yesteryear's familiar fare has been recoined with labels like "sliders," "street food," "wraps," and "freezes." Similarly perplexing are the names used to describe the restaurants themselves. I still can't tell you the difference between casual dining, fast-casual, fast-fine and quick-service. Does anyone actually eat at a ghost kitchen? Isn't a gastropub just a restaurant that sells beer? Aren't tapas what we used to call appetizers?

Finally, I could not hope to tell you the difference between a trattoria and an osteria. But I found it rather amusing that when I searched online for osteria, my computer tried to spell-check me to "hysteria." "A state of extreme upset." How fitting.

JCA **CLICK TO VIEW MORE BLOG ARTICLES**