

# EAST BAY RETAIL

## *WHAT'S HAPPENING ON OUR STREETS*

WALNUT CREEK

BERKELEY

OAKLAND

ALAMEDA

SAN FRANCISCO

GOLDMAN  
COMMERCIAL LIMITED REAL ESTATE



# 2022 IN REVIEW

## *IMPACTS ON RETAIL LEASING*

### **PHYSICAL DAYTIME POPULATION**

Slow return to office steers tenants away CBD districts.  
Downtowns are seeing 25-30% occupancy.

### **FIGHT TO QUALITY**

Landlords are seeking quality operators and concepts.  
Tenants seeking class A space. Consumers willing to pay more for something better.

### **LOST OF CAPITAL**

Dramatically slows/stops expansion

### **CONSTRUCTION COSTS**

Overall increases approximately 2x the cost

### **PERMIT DELAYS**

Pre-Covid averaging 4-6 months, during Covid averaging 6-12 months

**GOLDMAN**  
COMMERCIAL LIMITED REAL ESTATE





# WHAT IS LEASING?

## *FIGHT TO QUALITY*

### LOCATION LOCATION LOCATION

- Pedestrian-friendly neighborhoods
- Smaller footprints

### SPACE CONDITION

- Turnkey/Warm Shell
- 2nd Gen Restaurants
- Parking is essential
- Outdoor seating

### LEASE TERMS

- Creative Rent Structures
- Pop-Up/Short Term





# WHO IS LEASING?

## TENANT TYPES

### LOCAL

- Opportunistic
- 2nd generation space
- Low barrier to entry
- Streamline operations
- Expanding regionally



### REGIONAL

- 2nd generation space
- Creative deal terms
- Streamline operations
- Seeking the right location



### NATIONAL

- Active in the market
- Require the “right location”
- Expansion tied to capital





# RETAIL OUTLOOK

2023

## FIGHT TO QUALITY

*What do tenants want? Quality real estate with minimal tenant improvements.*

## HYBRID

*Non traditional uses will continue to capitalize on ground floor identity.*

## ADAPTATION

*To survive, malls must continue to renovate and modernize, creating a destination for live/work/play.*



THANK YOU