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## Valley commercial vacancy rates 'healthy'

### Figures reflecting thriving retail, real estate markets

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Inside Bay Area

Article Last Updated:12/27/2006 02:40:08 AM PST

At the end of 2006, vacancy rates for commercial properties in the Tri-Valley are looking healthy, according to representatives from Colliers International, a commercial real estate brokerage and consulting company with an office in Pleasanton.

The Tri-Valley — which Colliers defines as Dublin, Livermore, Pleasanton and San Ramon — ended the year with an 11.9 percent vacancy rate, nearly identical to 11.8 percent at the end of 2005.

The rate includes three types of buildings: type A, which refers to steel structures, typically with three or more stories; type B, which are smaller; and "flex," which often have multiple access doors and can be used for service, office or light industrial.

Colliers uses the vacancy rate and other information, such as subleases and rent prices, to determine how the future might be shaping up.

"You can kind of see what the real trends are in the marketplace," said Ted Helgans, senior vice president.

Vacancy rates can also affect how and when developers choose to build additional space. When vacancy rates hit the single digits, it's generally safe to build new property, said Edward F. Del Baccaro, managing partner.

"That's why these trends become important," he said.

Pleasanton has the lowest vacancy rate with 9.9 percent, followed by San Ramon with 11.7 percent, Dublin with 14.8 percent and Livermore with 23.7 percent. But Pleasanton has the highest total of units included in the data — 200 buildings compared with Livermore's 40 — so Pleasanton's success may keep the Tri-Valley healthy as a whole.

In neighboring Danville and Alamo, which Colliers includes in its North Interstate 680 corridor area, vacancy rates are 8.8 percent.

One sector in which Livermore has more units than other Tri-Valley cities is industrial buildings. Livermore has 412 units with a 9.4 percent vacancy rate, Pleasanton 141 with 3.9 percent vacancy and Dublin 46 with 5.2 percent vacancy.

The number of industrial buildings is small, though, compared with that of the Valley's western neighbors, Hayward and Union City.

"The land values went up so quickly here, that (industrial) never really got established," Helgans said.

One field where the Tri-Valley is visibly flourishing is retail, according to Senior Vice President Sandra Weck, who specializes in retail.

Since BART came to the Valley, retail has succeeded, Weck said. The alternative transit allows more people to live and shop in the Valley, even if it is not where they work.

Places where this is evident are the Hacienda Crossings shopping center in Dublin and Pleasanton's Stoneridge mall, which is ramping up its offerings.

"It's really a very, very vibrant retail market," she said.

Restaurants, apparel shops and electronics stores are reaping the benefits. Despite strong retail, the current housing market has hurt certain stores, such as home furnishings and accessories, Weck said.

But so far, commercial real estate in the Valley and surrounding areas has not been hurt by the residential downturn, Del Beccaro said.

"Our vacancies are still pretty healthy," he said.

Other things can affect local markets, including those in Oakland and San Francisco. The Tri-Valley is generally the least expensive market for companies to get into when choosing buildings, Helgans said.

"All these markets kind of fuel one another," he said.

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