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Gap leases space in Pleasanton office park

Premium content from San Francisco Business Times by Blanca Torres, Reporter

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[Blanca Torres](#)

Reporter- *San Francisco Business Times*

[Email](#) | [Twitter](#) | [Google+](#)

Gap Inc. agreed to lease 35,000 square feet of office space in Pleasanton, continuing the trend of large San Francisco and Oakland companies moving operations to the Tri-Valley to save money.

The San Francisco retailer will take space in the 1 million-square-foot California Center, which is owned by RREEF, the real estate investment arm of **Deutsche Asset Management**.

"Gap Inc. has signed a lease for satellite space in Pleasanton to accommodate expansion of approximately 350 additional corporate information technology employees and contractors," said [Edie Kissko](#), a Gap spokesperson.

Gap will occupy the space early next year, said [Jim Peterson](#) and Chip Wiser, brokers with Cornish & Carey Commercial Newmark Knight Frank who represented the landlord.

Gap follows companies such as PG&E, **Bank of the West** and Clorox, which have moved parts of their teams, mostly back office workers, to the Tri-Valley where rents are about half what companies would pay in San Francisco.

The tenant and landlord declined to comment on details, but market sources said the retailers will move into the top floor of 4430 Rosewood Drive, a 135,000-square-foot building that is currently vacant, with an option to take more space in the future.

The retailer operates more than 3,200 stores in more than 90 countries.

The Pleasanton office will be Gap's first foray into the East Bay. The firm currently owns 1.2 million square feet of corporate office space in San Francisco, San Bruno and Rocklin, of which 448,000 square feet is leased to other tenants. The company also leases a total of 1.2 million square feet of office space.

Peterson said the East Bay offers cheaper rent, proximity to housing and large blocks of space.

"The growth in technology leasing in San Francisco and Silicon Valley pushes more traditional companies out of those markets that just don't need to be there and aren't going to pay \$50 per square foot," Peterson said.

California Center, which is about half occupied, has asking rents near \$26 per square foot. The complex was built in 1989 to house the western headquarters of **AT&T**, which still occupies about 230,000 square feet in the property.

[Mark Triska](#), a broker with **Colliers International** in Pleasanton, said California Center has the most contiguous vacancy in the Tri-Valley, which could be an advantage.

"(The Tri-Valley) doesn't see growth as fast as it happens in the city," Peterson said. "But it means that we have the availability to accommodate those big users when they do come to market."

Blanca Torres covers East Bay real estate for the San Francisco Business Times.