

FIGURES | OAKLAND R&D/FLEX | Q1 2025

Vacancy rates fall and absorption rises, marking a positive turn

▼ 17.6%

Vacancy Rate

▲ 35.8K

SF Net Absorption

► 0

SF Under Construction

▼ \$4.11

NNN / Lease Rate
Existing Properties

▲ 269.6K

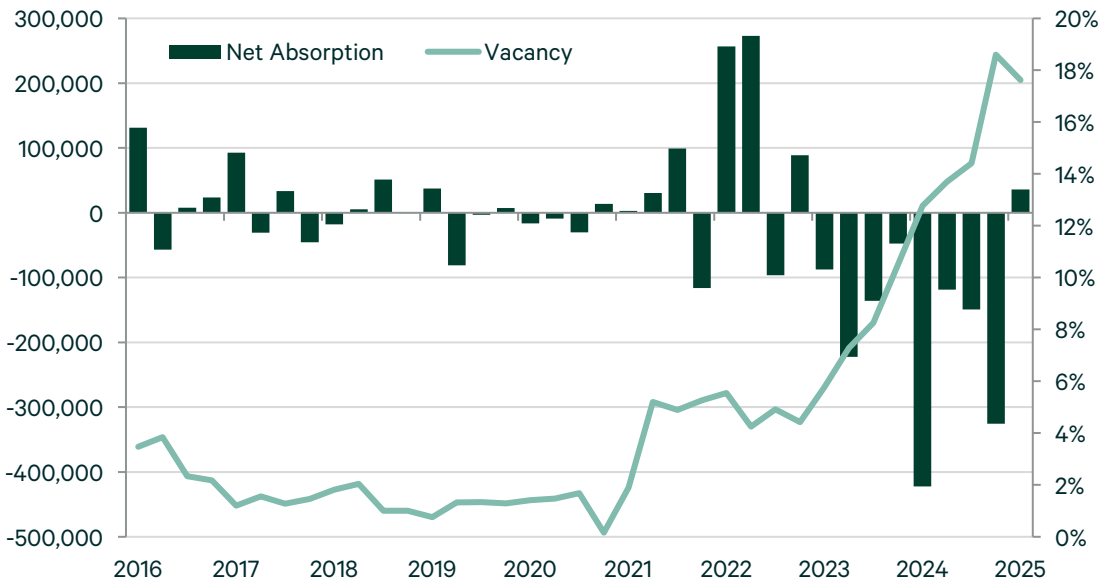
Office Using Employment
Alameda/Contra Costa County

Note: Arrows indicate change from previous quarter.

R&D/FLEX MARKET HIGHLIGHTS

- The total population of Alameda and Contra Costa Counties stood at 2.81 million, an increase of 0.23% from the previous quarter and up 0.94% from Q1 2024. Total labor force increased 0.21%, from 1.393 million to 1.397 million, while the total office employment increased by 0.11% to 269.9K at the beginning of Q1. The unemployment rate increased quarter-over-quarter (QoQ) by 6 basis points (bps) from 4.89% to 4.95% and up 31 bps year-over-year (YoY) from 4.65%.
- Net absorption for the Oakland R&D/Flex market was a positive 35,788 sq. ft. for the quarter, marking the end of eight consecutive quarters of negative absorption. Berkeley recorded the largest positive absorption at 89,045 sq. ft., while Union City experienced the lowest absorption with a negative 43,614 sq. ft.
- Overall weighted average direct NNN asking rents decreased QoQ to \$4.11. This decrease was largely due to the sale and removal of high-rent availabilities in Emery Yards in Emeryville.
- Technology tenants accounted for 32% of the quarterly leasing activity square footage followed by General Business and Government tenants with 17% and 16% respectively. New, versus renewal, lease transactions signed during the quarter accounted for 86% of total number of transactions. This equated to 60% of the total square footage leased.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q1 2025

R&D/FLEX OVERVIEW

The Oakland I-880 Corridor R&D/Flex market is comprised of approximately 21.6 million sq. ft. of net rentable area. The vacancy rate decreased 100 bps QoQ from 18.6% to 17.6% while the overall availability rate grew by 30 bps from 19.6% to 19.9%. The market has seen low sublease availability growth resulting in an increase of 61 bps QoQ to 3.3%. There are no projects currently under construction.

Leasing activity decreased by 23% QoQ to 297,944 sq. ft. but increased by 57% YoY compared to what was recorded in Q1 2024. Technology companies accounted for 32% of the leasing activity this quarter, totaling 107,116 sq. ft. Notably, Sila Nanotechnologies renewed at Mariner Square Loop in Alameda for 92,082 sq. ft. The Berkeley Fire Department signed a new lease at 1250 9th St. for 53,660 sq. ft., while TCHO Chocolate secured a new lease at 1700 5th St. for 38,385 sq. ft.

Net absorption for this quarter was a positive 35,788 sq. ft., marking the end of eight consecutive quarters of negative absorption in the R&D/Flex market. Berkeley experienced the largest occupancy gain this quarter with positive 89,045 sq. ft. while Union City saw the largest occupancy loss at negative 43,614 sq. ft.

There was one user sale during the quarter, with Sutter Health acquiring Emery Yards for \$450 million. The property consists of two existing buildings located at 5555 Hollis St and 5300 Chiron Way, as well as raw land where they plan to develop a regional medical center.

Overall asking rates for R&D/Flex space decreased QoQ to \$4.11 NNN per sq. ft. per month. Submarkets influenced by technology and life sciences, such as Berkeley, Emeryville, and Alameda, consistently command the highest asking rates, while traditional R&D/Flex submarkets like Richmond, Oakland, and Union City offer more competitive asking rates.

FIGURE 3: Notable Sale Transactions

Buyer	Location	SF Sold	Sale Price \$/SF
Sutter Health*	Emery Yards, Emeryville	Buildings & Land	\$450M

Source: CBRE Research, Q1 2025

*User Sale

FIGURE 2: Submarket Statistics

Submarket	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Average Asking Lease Rate (\$)	Q1 Leasing Activity	YTD Leasing Activity	Q1 Net Absorption	YTD Net Absorption
Richmond	3,004,060	11.5%	11.5%	\$1.85	6,510	6,510	(1,635)	(1,635)
Berkeley	2,919,642	30.1%	33.2%	\$6.46	92,045	92,045	89,045	89,045
Emeryville	1,592,392	41.1%	44.2%	\$6.02	0	0	8,950	8,950
Oakland	1,920,587	26.9%	27.4%	\$2.10	0	0	(18,471)	(18,471)
Alameda	1,608,685	13.8%	16.7%	\$5.11	65,322	65,322	7,620	7,620
San Leandro	3,034,720	9.7%	12.8%	\$2.43	19,355	19,355	(7,486)	(7,486)
Hayward	6,097,297	11.2%	13.7%	\$2.94	71,324	71,324	1,379	1,379
Union City	1,400,353	15.0%	18.2%	\$1.57	43,388	43,388	(43,614)	(43,614)
Oakland R&D/Flex Market	21,577,736	17.6%	19.9%	\$4.11	297,944	297,944	35,788	35,788

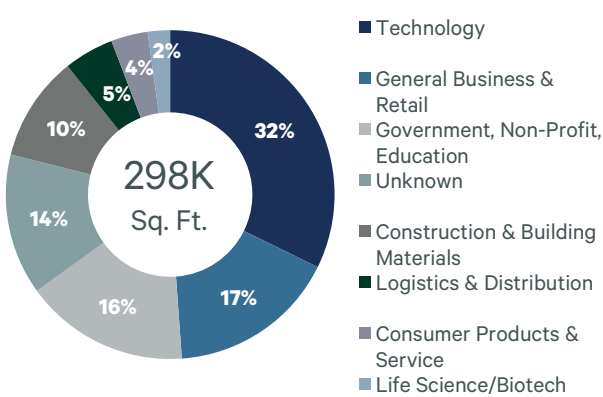
Source: CBRE Research, Q1 2025

FIGURE 4: Notable Lease Transactions

Tenant	Location	SF Leased	Type
Sila Nanotechnologies	2430-70 Mariner Square Loop, Alameda	92,082 (Off & R&D)	Renewal
Berkeley Fire Department	1250 9th St & 1249 8th St, Berkeley	53,660	New Lease
TCHO Chocolate	1700 5th St, Berkeley	38,385	New Lease
Wayne Dalton Doors	1500-1550 Whipple Rd, Emeryville	22,339	Renewal

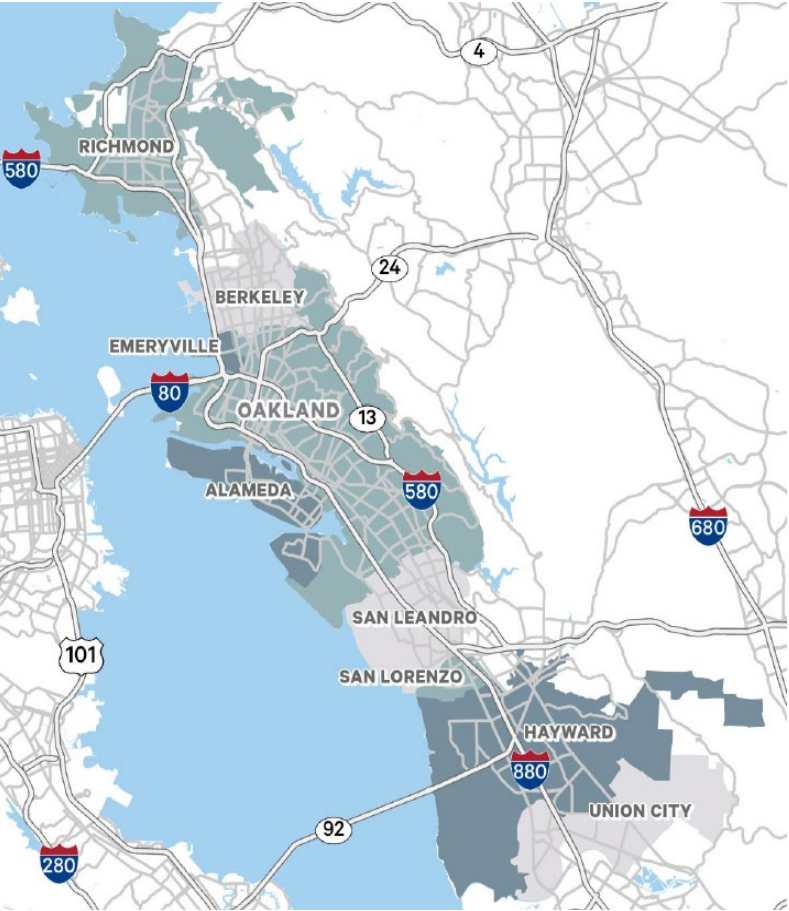
Source: CBRE Research, Q1 2025

FIGURE 5: Leases of the Quarter by Industry



Source: CBRE Research, Q1 2025

Submarket Map



Source: CBRE Research, Location Intelligence

Definitions

Average Asking Rate Direct Monthly Lease Rates, Triple Net (NNN). Availability All existing space being marketed for lease. Total Vacancy Rate Direct Vacancy + Sublease Vacancy.

CBRE’s market report analyzes existing single- and multi-tenant R&D/Flex buildings that total 5,000+ sq. ft. within defined submarkets, including owner-occupied buildings. CBRE assembles all information through telephone canvassing, third-party vendors, and listings received from owners, tenants and members of the commercial real estate brokerage community.

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