

FIGURES | OAKLAND INDUSTRIAL | Q1 2025

Positive market sentiment fuels tenant inquiries amid rising vacancy

▲ 6.3%
 Vacancy Rate

▼ (233.4)K
 SF Net Absorption

▼ 202.4K
 SF Under Construction/Renovation

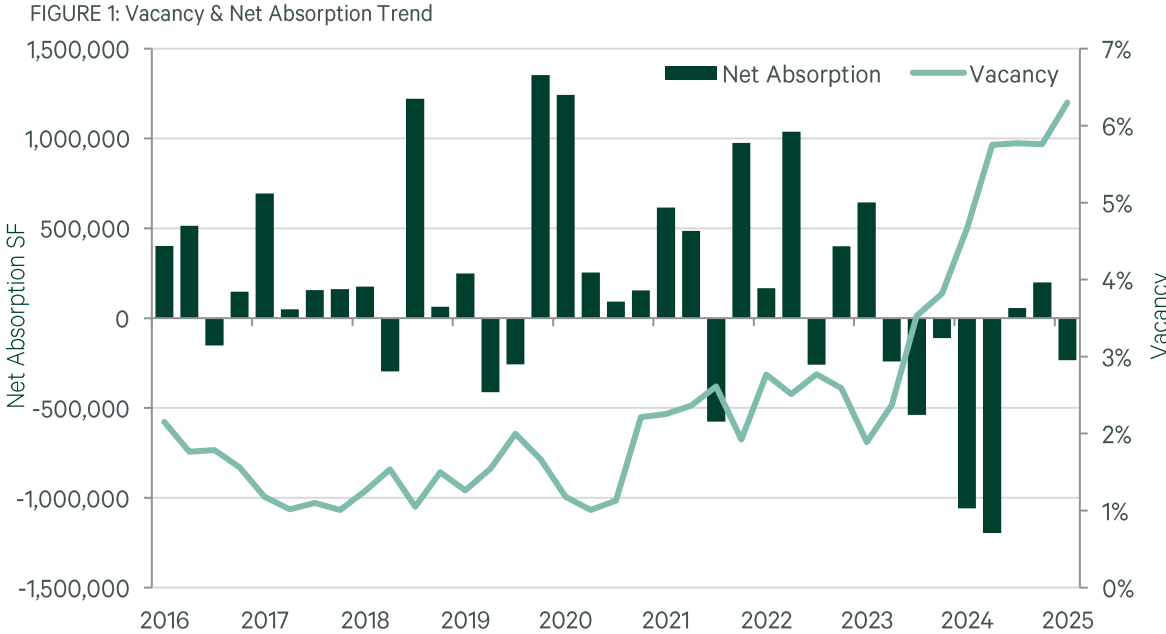
▼ \$1.35
 NNN / Lease Rate
 Existing Properties

▲ 282.8K
 Industrial Using Employment
 Alameda & Contra Costa

Note: Arrows indicate change from previous quarter.

INDUSTRIAL 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 total industrial using employment increased by 0.24%, from 281.2K during Q4 2024 to 282.8K at the beginning of Q1 2025. 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%.
- The overall vacancy rate increased nominally QoQ to 6.3%. This represents a 160 bps increase YoY from the 4.7% reported during Q1 2024. The current availability rate stayed stable QoQ at 7.7%.
- This quarter had 233,401 sq. ft. of negative net absorption with 1.77 million sq. ft. of gross leasing activity. In comparison, Q1 2024 had 1,059,178 million sq.ft. of negative absorption with 1.84 million sq.ft. in gross leasing.
- Warehouse space represented 82% of total leasing activity. New leases, when compared to renewals, were 72% of the total gross leasing activity.



Source: CBRE Research, Q1 2025

INDUSTRIAL OVERVIEW

The Oakland/East Bay industrial market currently consist of just under 127M sq.ft. of inventory. The overall vacancy rate increased 54 bps QoQ to 6.3%, while the overall availability rate remained stable at 7.7% QoQ.

Leasing activity decreased by 3.8% QoQ, from 1.8M sq. ft. during Q4 2024 to 1.7M sq. ft. at the beginning of 2025. Despite this negative quarterly growth, YoY leasing activity increased by 4.8%, rising from 1.6M sq. ft. in Q1 2024. New vacancy additions exceeded new leases in Q1, resulting in 233,401 sq. ft. of negative net absorption. Eden Rock in Hayward added 333,857 sq. ft. of warehouse space to the market this quarter. Overall, direct asking rates from landlords increased slightly to \$1.35 NNN per sq. ft. per month.

Tenant demand decreased 21% QoQ, from 3.9M sq. ft to 3.1M sq. ft. The number of tenants seeking over 50,000 sq. ft. decreased from 25 to 19. There were seven leases signed for over 100,000 sq. ft. during the quarter, representing a 75% increase QoQ. New leases slightly outgained renewals during the quarter as 11 of the top 20 lease transactions were new leases. Three of the top five sale transactions this quarter were user sales, highlighted by OCM Globe purchasing their facility at 30180 Ahern Ave in Union City for \$16.8M (\$257 psf).

The Oakland/East Bay industrial market had two construction deliveries in San Leandro during the quarter. Prologis Nexus was delivered vacant this quarter, contributing 266,000 sq. ft. to both the industrial inventory and vacancy while Prologis at Merced delivered preleased to Torani for 220,495 sq.ft. Currently, Portside Commerce Center at 1411 Harbor Way in Richmond, comprising 202,371 sq.ft. is the only active construction underway. This market currently has five construction projects that have been approved, totaling 820,404 sq.ft.

Despite the rising vacancy and negative absorption, the positive sentiment in the market portends to increased tenant inquires and steady leasing activity through the remainder of the year.

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
				Mfg.	Whs.				
Richmond	13,670,422	6.8%	8.8%	\$0.97	\$1.41	50,964	50,964	(16,185)	(16,185)
Berkeley	4,665,238	1.8%	1.8%	N/A	\$1.70	0	0	(5,775)	(5,775)
Emeryville	2,260,994	7.2%	7.4%	\$1.23	\$2.09	11,171	11,171	(2,540)	(2,540)
Oakland	33,067,921	7.3%	8.7%	\$1.40	\$1.31	510,914	510,914	51,063	51,063
Alameda	3,911,303	6.0%	8.6%	\$1.70	\$1.34	43,355	43,355	0	0
San Leandro	20,207,831	6.2%	7.0%	\$1.07	\$1.47	450,594	450,594	367,631	367,631
San Lorenzo	1,184,671	11.2%	11.2%	N/A	\$1.19	0	0	0	0
Hayward	35,567,503	6.5%	8.6%	\$1.45	\$1.37	270,890	270,890	(712,469)	(712,469)
Union City	12,571,742	3.8%	4.6%	\$1.44	\$1.32	431,765	431,765	84,874	84,874
Oakland Ind. Market	127,107,625	6.3%	7.7%	\$1.27	\$1.37	1,769,653	1,769,653	(233,401)	(233,401)
Manufacturing	33,408,593	3.8%	4.5%	\$1.27	N/A	253,928	253,928	(37,266)	(37,266)
Warehouse	93,699,032	7.2%	8.9%	N/A	\$1.37	1,515,725	1,515,725	(196,135)	(196,135)

Source: CBRE Research, Q1 2025

FIGURE 3: Notable Lease Transactions

Tenant	Location	SF Leased	Type
Omni Logistics*	33300 Dowe Ave, Union City	191,868	Warehouse
FedEx	500 85 th Ave, Oakland	147,500	Warehouse
Benjamin Moore and Co.*	8350 Pardee Dr, Oakland	141,844	Warehouse
Pacific Fusion	2009-2013 Farallon Dr, San Leandro	135,180	Warehouse
Dealer Tire*	7200-7240 Edgewater Dr, Oakland	128,480	Warehouse

Source: CBRE Research, Q1 2025

* Renewal

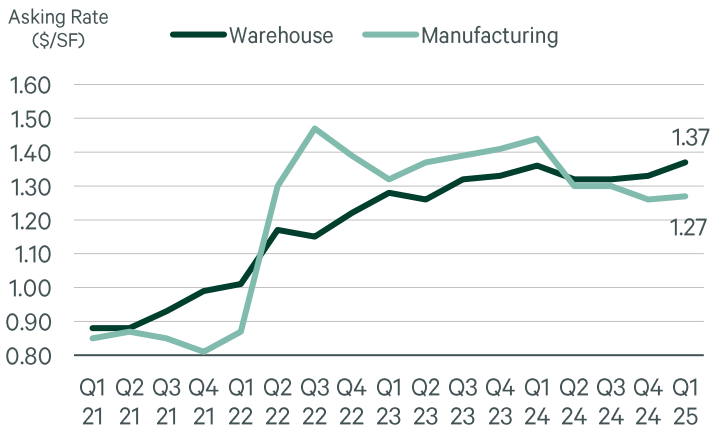
FIGURE 4: Notable Sale Transactions

Buyer	Location	SF Sold	Sale Price \$/SF
OCM Globe*	30180 Ahern Ave, Union City	65,673	\$16.88M \$257 psf
Newark Industrial Park	3744 Sycamore St, Newark	61,524	\$9.30M \$151 psf
Omniverse Group*	4801 Tidewater Ave, Oakland	21,581	\$4.25M \$197 psf

Source: CBRE Research, Q1 2025

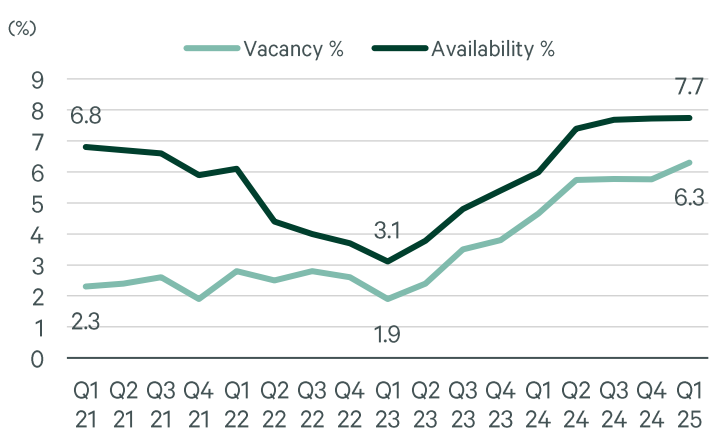
* User Sale

FIGURE 5: Lease Rates



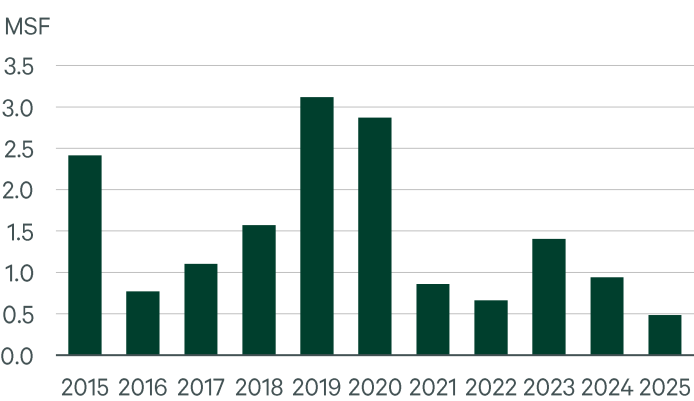
Source: CBRE Research, Q1 2025

FIGURE 6: Vacancy & Availability



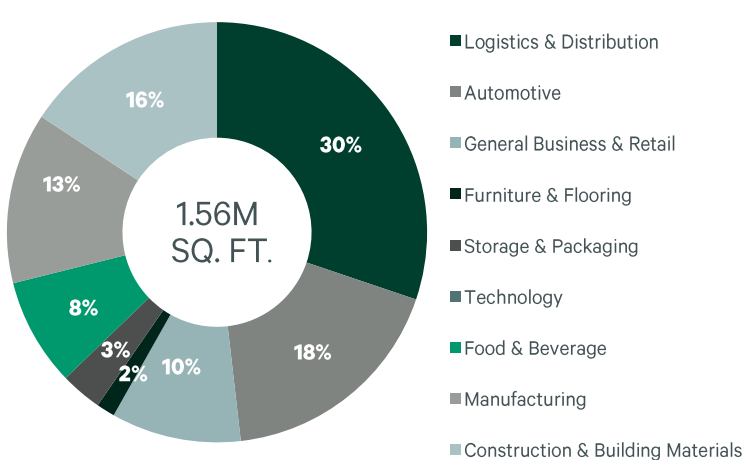
Source: CBRE Research, Q1 2025

FIGURE 7: Construction Completions



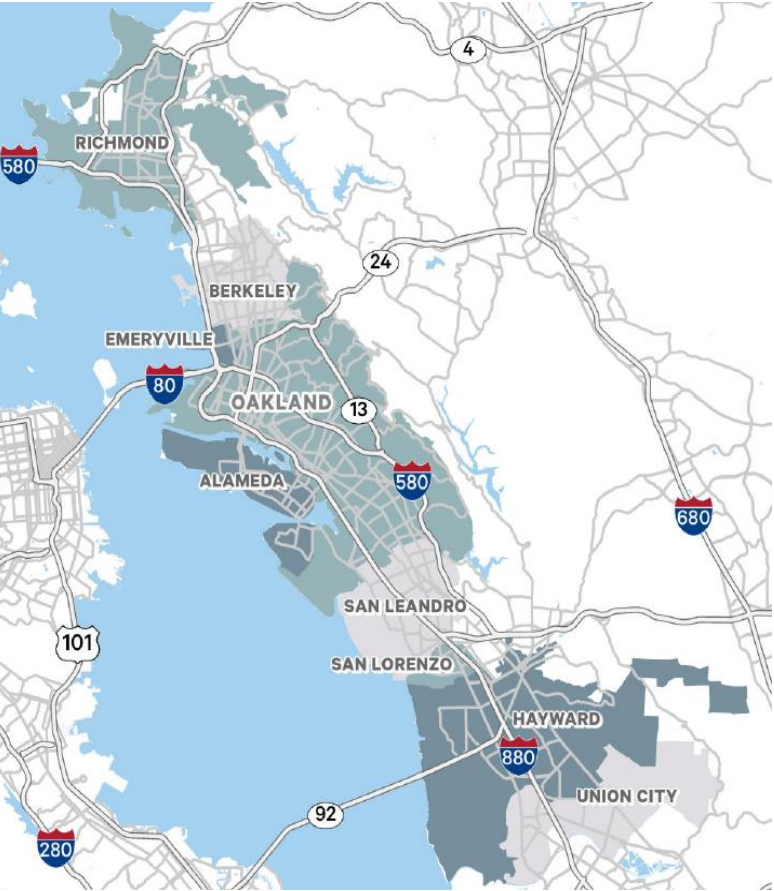
Source: CBRE Research, Q1 2025

FIGURE 8: Top 25 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 industrial 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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