

FIGURES | OAKLAND OFFICE | Q3 2026

Asking Rents Ease Amid Prolonged Market Softness



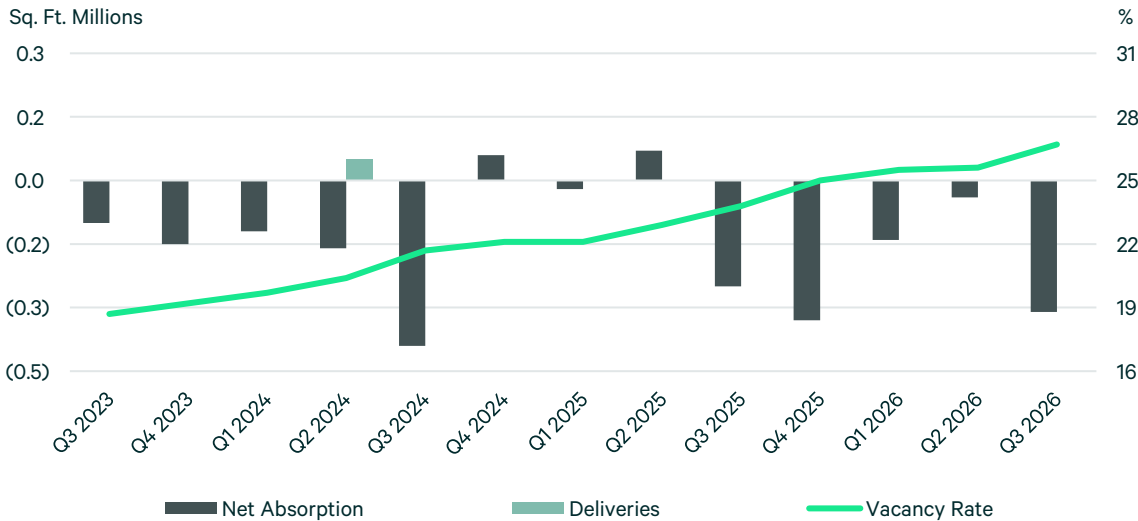
Note: Arrows indicate change from previous quarter.

Market Overview

In Q3 2026, market conditions softened further as occupancy declined and leasing activity slowed. Net absorption totaled negative 315,000 sq. ft., a larger decline from negative 42,000 sq. ft. in Q2 2026, indicating that occupiers returned more space than they took. The vacancy rate rose from 25.6% to 26.7%, an increase of 110 basis points, while availability moved from 27.3% to 28.5%, up 120 bps, underscoring further slack in the market. Asking rents edged down from \$3.70 per sq. ft. to \$3.69 per sq. ft., and leasing volume fell from 350,000 sq. ft. to 150,000 sq. ft. between Q2 2026 and Q3 2026, the lowest quarterly total in the period from Q3 2023 through Q3 2026, pointing to softer tenant demand at the end of the period.

Over the period from Q3 2023 through Q3 2026, the market trended weaker with rising vacancy, limited construction and gradually lower rents. Vacancy increased from 18.7% in Q3 2023 to 26.7% in Q3 2026, a rise of 800 bps, and availability climbed from 21.8% to 28.5%, up 670 bps, as net absorption was negative in most quarters. Large occupancy losses included negative 392,000 sq. ft. in Q3 2024, negative 252,000 sq. ft. in Q3 2025 and negative 315,000 sq. ft. in Q3 2026, only partially offset by modest positive quarters of 60,000 sq. ft. in Q4 2024 and 72,000 sq. ft. in Q2 2025. Tenants generally maintained moderate leasing volumes between 210,000 sq. ft. and 510,000 sq. ft. in Q2 2024 before declining into Q3 2026.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



CBRE Research

Vacancy

Vacancy in Q3 2026 remained elevated across the market, with rates higher than both recent and longer-term benchmarks for every property class. In the quarter, overall vacancy reached 34.8% in Class A, 23.5% in Class B and 11.8% in Class C, reflecting quarter-over-quarter growth of 240 basis points, 20 bps and a 50-bps decline, respectively. Year-over-year, these same overall vacancy rates were 450 bps higher for Class A, 160 bps higher for Class B and 140 bps higher for Class C. Over the three-year period from Q3 2023, vacancy climbed by 1,150 bps in Class A, 560 bps in Class B and 440 bps in Class C, underscoring sustained occupancy contraction across the market.

Vacancy rates varied widely by submarket, with a handful of locations remaining very tight while others were significantly more available. San Leandro recorded the lowest overall vacancy at 1.3%, followed by East Lake at 7.6%, with Alameda and Oakland also posting comparatively low rates at 10.3% and 13.4%, respectively. At the other end of the spectrum, Oakland - CBD registered the highest vacancy in the market at 40.1%, well above other submarkets such as Emeryville at 27.3% and Jack London Square at 23.2%.

Sublease space played a consistent but secondary role in overall vacancy during the quarter, with only modest shifts across property classes. In the quarter, Class A sublease vacancy declined from 3.3% in Q2 2026 to 2.9%, a 40-bps decrease, while Class B and Class C held at 2.7% and 0.9%, respectively, and sublease vacancy across all submarkets totaled 687,000 sq. ft.

Net Absorption

In Q3 2026, the market recorded a pronounced contraction in occupied space. Total net absorption was negative 315,000 sq. ft., indicating that tenants returned substantially more space than they leased. On a quarter-over-quarter basis, total net absorption was below the level in Q2 2026, deteriorating from negative 43,000 sq. ft. in Q2 2026 to negative 315,000 sq. ft. in Q3 2026. On a year-over-year basis, total net absorption was below Q3 2025, moving from negative 252,000 sq. ft. to negative 315,000 sq. ft., with Class A accounting for most of the decline at negative 302,000 sq. ft., while Class B posted negative 36,000 sq. ft. and Class C was modestly positive at 23,000 sq. ft.

Within the market, Berkeley and Emeryville were the only submarkets to post positive net absorption in Q3 2026. Berkeley recorded 18,000 sq. ft. of net absorption and Emeryville followed with 16,000 sq. ft., while no other submarkets achieved positive net absorption above 10,000 sq. ft. in the quarter. At the other end of the spectrum, Oakland - CBD and Jack London Square posted the most negative net absorption, at negative 308,000 sq. ft. and negative 20,000 sq. ft., respectively, with Alameda and Oakland - Airport also seeing more modest contractions of negative 14,000 sq. ft. and negative 7,000 sq. ft.

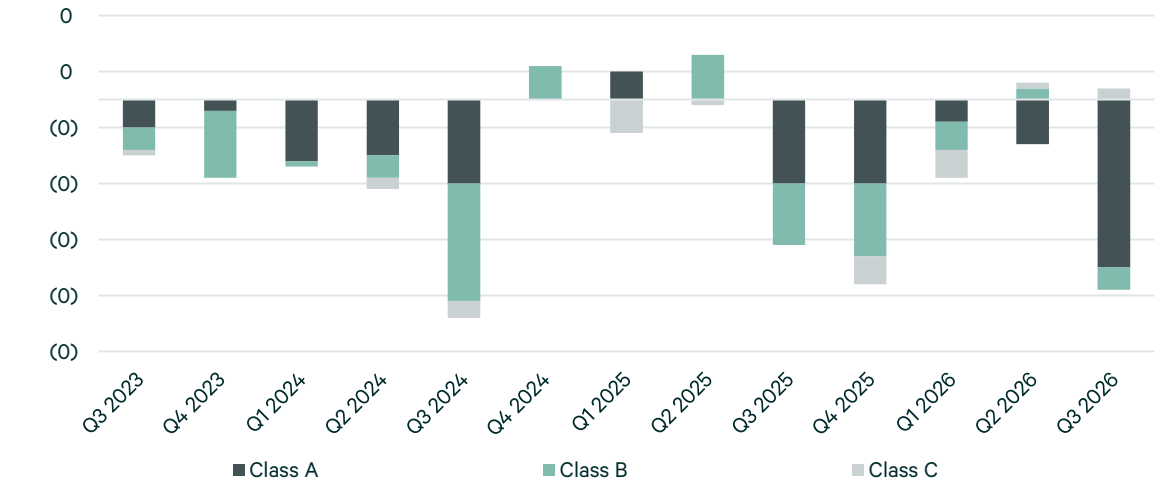
Figure 2: Vacancy Rates by Class



CBRE Research

Figure 3: Net Absorption Trend

Sq. Ft. (millions)



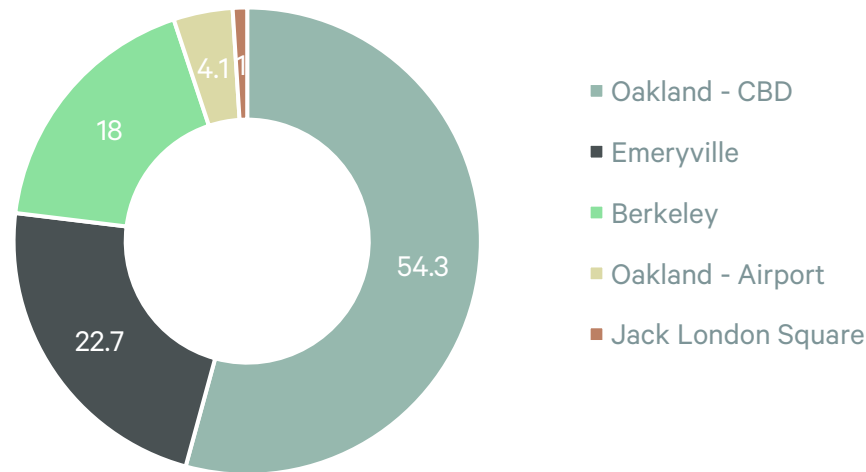
CBRE Research

Leasing Activity

Leasing activity declined in Q3 2026, with the market recording 124,000 sq. ft. of completed leases in the quarter and 1.28 million sq. ft. for calendar year 2025. Quarter-over-quarter, total leased area fell 57.2%, from 290,000 sq. ft. in Q2 2026, while year-over-year activity declined 62.5% from the 331,000 sq. ft. recorded in Q3 2025. Class A space accounted for most of the volume in the quarter, at 77,000 sq. ft. compared with 47,000 sq. ft. in Class B, and both segments posted significant reductions compared with Q2 2026 and Q3 2025.

By submarket, Oakland - CBD and Emeryville posted the strongest results in Q3 2026, with Oakland - CBD recording 78,000 sq. ft. of leasing and Emeryville 35,000 sq. ft., all representing completed leases during the quarter. Berkeley, Oakland - Airport, and Jack London Square also saw positive activity, with 4,000 sq. ft., 6,000 sq. ft., and 1,000 sq. ft. transacting, respectively, albeit at more modest levels. Oakland - CBD combined 41,000 sq. ft. of Class A and 37,000 sq. ft. of Class B leasing, whereas Emeryville was more heavily weighted toward Class A, with 32,000 sq. ft. leased versus 3,000 sq. ft. for Class B space.

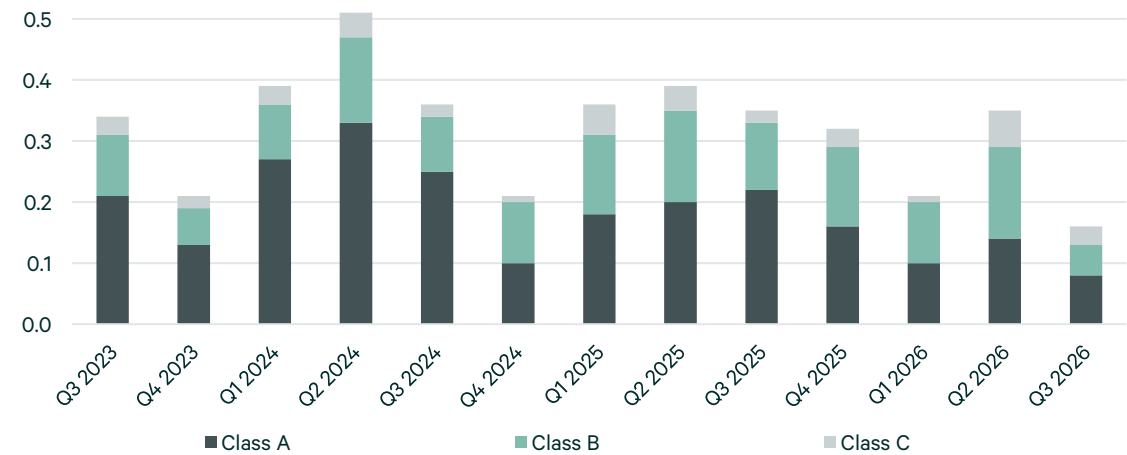
Figure 5: Leasing by Submarket (% of Total Activity)



CBRE Research

Figure 4: Leasing Activity Trend

Sq. Ft. (millions)



CBRE Research

Figure 6: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Simpson Gumpertz & Herger	21,000	Renewal	1999 Harrison St	Oakland - CBD
Confidential Tenant	11,000	New Lease	2200 Powell St	Emeryville
Year Up	11,000	New Lease	2201 Broadway	Oakland - CBD
Confidential Tenant	10,000	New Lease	2168-2180 Shattuck Ave	Berkeley
Bay Area Accountable Care Network	7,000	New Lease	2100 Powell St	Emeryville

Source: CBRE Research, Q3 2026

Investment Sale Activity

Investment sales activity in the Oakland office market in Q3 2026 increased compared with Q2 2026 but declined from Q3 2025. Quarterly sales volume was \$142.97 million, compared with \$7.20 million in Q2 2026 and \$144.97 million in Q3 2025, representing 1885.7% quarter-over-quarter growth and a slight 1.4% year-over-year decline. Year-to-date 2026 office sales volume totaled \$170.97 million, and there were six reported office transactions in Q3 2026.

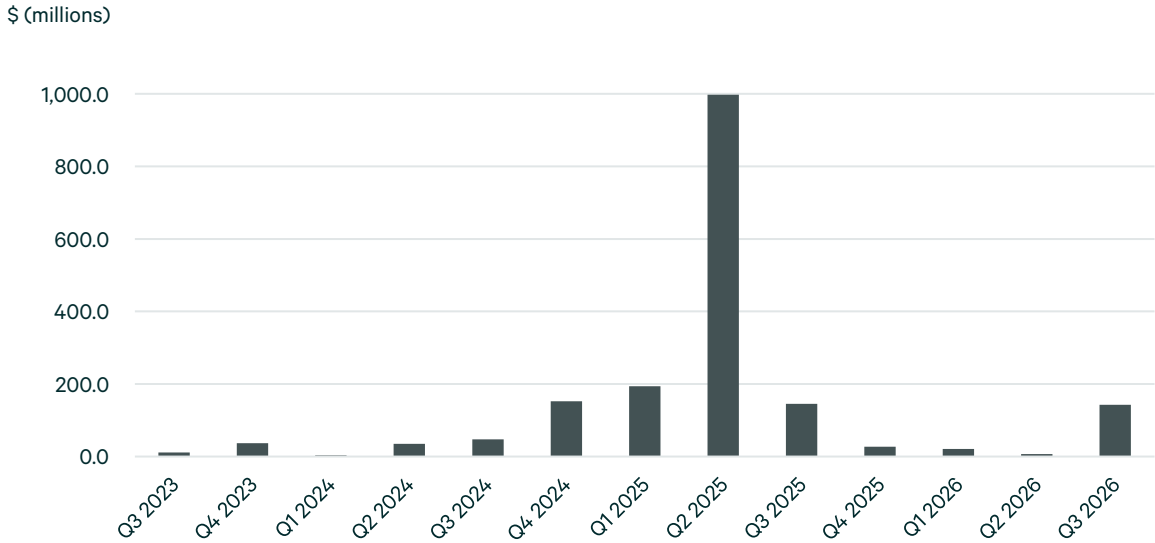
Buyer composition in Q3 2026 included private, institutional and user/other capital sources, with no cross-border or public activity. Private buyers accounted for 50.4% of transaction volume, institutional investors for 41.1%, user/other buyers for 8.5%, and cross-border and public buyers for 0.0% each. The largest transaction was the sale of 1333 Broadway, a 252,080 sq. ft. office property in the Oakland CBD purchased by Libertas Companies for \$58.10 million, or \$230.48 per sq. ft. The second-largest sale was EmeryTech in Emeryville, a 228,110 sq. ft. asset acquired by Cannae Partners for \$55.50 million, or \$243.30 per sq. ft.

Figure 8: Key Sales

Property	Submarket	Buyer	Sales Price	Size (SF)	Price Per SF
1333 Broadway	Oakland - CBD	Libertas Companies	\$58.1M	252,080	\$230.48
EmeryTech - 1400 65 th St	Emeryville	Cannae Partners	\$55.5M	228,110	\$243.30
2600 10 th St	Berkeley	SRM Associates	\$9.6M	130,000	\$73.85
Berkeley Crossing	Berkeley	TMG Partners / B3 Investors	\$12.0M	115,526	\$103.87
The Promenade Building	Berkeley	Robert Mann	\$5.9M	42,665	\$137.70
2111 Franklin St	Oakland - CBD	Church Of The Unbroken Circle	\$1.9M	22,300	\$79.83

MSCI Real Capital Analytics

Figure 7: Quarterly Sales Volume



MSCI Real Capital Analytics

Figure 9: Buyer Composition



MSCI Real Capital Analytics

Asking Rent

In Q3 2026, the overall average asking rent was \$3.69 per sq. ft., compared with \$3.70 per sq. ft. in Q2 2026 and \$3.73 per sq. ft. in Q3 2025, indicating modest quarter-over-quarter and year-over-year declines. Over the full data series from Q3 2023 through Q3 2026, the overall average asking rent declined 13.4%, from \$4.26 per sq. ft. to \$3.69 per sq. ft., underscoring a steady easing in headline pricing. Class A space followed a similar pattern, with the average asking rent decreasing 11.8% over the same period from \$4.73 per sq. ft. to \$4.17 per sq. ft., while consistently remaining above the overall market rate and reinforcing the premium commanded by higher-quality product.

In Q3 2026, Emeryville and Jack London Square posted the highest Class A asking rents among the tracked submarkets, at \$4.57 per sq. ft. and \$4.50 per sq. ft., respectively. Other core locations such as Berkeley, Oakland - CBD and Alameda also maintained relatively elevated Class A and Class B rents, with Class A rates of \$4.25 per sq. ft., \$4.14 per sq. ft. and \$4.08 per sq. ft. and Class B rents reaching \$3.66 per sq. ft. in Berkeley, \$2.99 per sq. ft. in Oakland - CBD and \$3.25 per sq. ft. in Alameda. By contrast, more cost-sensitive options remained in submarkets like East Lake, Oakland and Oakland - Airport, where Class B asking rents ranged from \$1.93 per sq. ft. to \$2.41 per sq. ft., and in Richmond, where Class B space averaged \$1.85 per sq. ft., offering occupiers a wide spread of price points across the region.

Figure 10: Average Direct Asking Rate by Class



CBRE Research

Market Statistics by Class

Figure 11: Metro Market Statistics by Class

Property Class	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF FSG/mth)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Class A	12.48M	34.8	37.5	33.4	4.1	4.17	(302,000)	(418,000)	-	-
Class B	10.47M	23.5	24.6	21.7	2.9	2.96	(36,000)	(69,000)	-	-
Class C	4.49M	11.8	12.6	11.1	1.5	2.99	23,000	(14,000)	-	-
Total	27.44M	26.7	28.5	25.3	3.2	3.69	(315,000)	(501,000)	-	-

Source: CBRE Research, Q3 2026

Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate	Class A Asking Rent (\$/SF FSG/mth)	Current Quarte Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Alameda	3.35M	10.3	12.9	9.1	3.8	3.57	4.08	(14,000)	(118,000)	-	-
Berkeley	2.57M	18.1	18.5	17.1	1.4	3.26	4.25	18,000	(26,000)	-	-
East Lake	317,000	7.6	7.6	7.6	-	2.00	-	-	-	-	-
Emeryville	4.08M	27.3	27.9	23.7	4.3	4.39	4.57	16,000	(6,000)	-	-
Jack London Square	907,000	23.2	24.7	20.7	3.9	3.02	4.50	(20,000)	(47,000)	-	-
Oakland	1.46M	13.4	17.6	17.6	-	2.40	-	-	(7,000)	-	-
Oakland - Airport	1.71M	14.4	14.6	14.0	0.6	2.08	3.10	(7,000)	(29,000)	-	-
Oakland - CBD	11.47M	40.1	41.5	37.1	4.4	3.78	4.14	(308,000)	(284,000)	-	-
Richmond	640,000	18.0	18.0	18.0	-	2.41	2.45	-	2,000	-	-
San Leandro	937,000	1.3	15.4	15.4	-	3.01	-	-	14,000	-	-
Total	27.44M	26.7	28.5	25.3	3.2	3.69	4.17	(315,000)	(501,000)	-	-

Source: CBRE Research, Q3 2026

Economic Overview

Notable challenges persist, from elevated energy costs and interest rates to lingering geopolitical and technological uncertainties. Despite these concerns, the U.S. economy remains on track to grow by over 2% during 2026, supported by impressive AI-driven business investment. Also, a generally stable labor market continues to underpin consumer activity, providing a cushion against other risks.

The final months of 2026 could prove pivotal. While economic growth supports healthy CRE occupier market fundamentals, the investment side of the market must contend with 5% Treasury yields. Signals from the Federal Reserve, inflation data, and global fixed-income markets suggest rates will remain elevated for the foreseeable future. A key upside catalyst would be a de-escalation in the U.S./Iran conflict, which could ease inflation and provide the Fed with more flexibility.

Market Area Overview



Definitions

Available Sq. Ft.: Space in a building, ready for occupancy within six months; can be occupied or vacant. Availability Rate: Total Available Sq. Ft. divided by the total building Area. Average Asking Lease Rate: A calculated average that includes net and gross lease rate, weighted by their corresponding available square footage. Building Area: The total floor area sq. ft. of the building, typically taken at the “drip line” of the building. Gross Activity: All sale and lease transactions completed within a specified time period. Excludes investment sale transactions. Gross Lease Rate: Rent typically includes real property taxes, building insurance, and major maintenance. Net Absorption: The change in Occupied Sq. Ft. from one period to the next. Net Lease Rate: Rent excludes one or more of the “net” costs (real property taxes, building insurance, and major maintenance) typically included in a Gross Lease Rate. Occupied Sq. Ft.: Building Area not considered vacant. Vacancy Rate: Total Vacant Sq. Ft. divided by the total Building Area. Vacant Sq. Ft.: Space that can be occupied within 30 days. Class A industrial are buildings built after 2000, with 32’ or greater clear height and ESFR sprinklers.

Contacts

Konrad Knutsen
Research Director
+1 916 446 8292
konrad.knutsen@cbre.com

Paul Magoria
Research Manager
+1 510 874 1912
paul.magoria@cbre.com

Vikram Narula
Research Analyst
+1 510 874 1924
vikram.narula@cbre.com

Oakland Office
1111 Broadway, Suite 1850
Oakland, CA 94607