

FIGURES | SACRAMENTO OFFICE | Q4 2025

Vacancy edges higher despite increase in office demand

▲ 18.7%

Vacancy Rate

▲ (65.9K)

SF Net Absorption

▶ N/A

Construction Completions

▲ \$2.15

Full-Service Gross Avg, Asking Lease Rate

▲ 200K

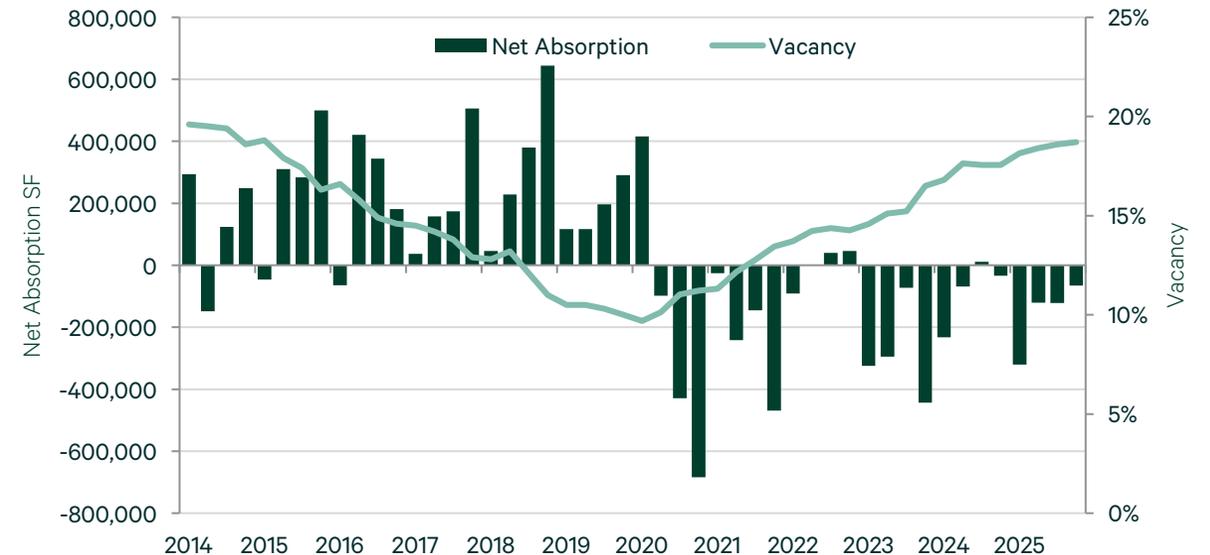
Office Using Employment
Greater Sacramento Region

Note: Arrows indicate change from previous quarter.

MARKET HIGHLIGHTS

- The overall net absorption for the Sacramento office market closed Q4 2025 at negative 65,913 sq. ft. compared to negative 122,009 sq. ft. in Q3 2025.
- Total tenants in the market remained healthy during Q4 2025 with a total of 1.5 million sq. ft. of active and pending office tenant requirements.
- Leasing activity remained stable in Q4 2025, with 278,000 sq. ft. of gross leasing, following a strong Q3 2025 total of 384,000 sq. ft.
- Q4 2025 office sales totaled \$78.8M; the top 2 were owner-user deals: 520 Capitol Mall (\$22.3M), 3000 L St (\$4.85M), and a redevelopment deal at 400 University Ave (\$4.28M).
- Sacramento's labor force stood at 1.16M with 1.10M employed at the close of Q4 2025. The unemployment rate closed the quarter at 5.3%, a 20-basis-point (bps) increase year-over-year (YoY) and 2 bps higher than the previous quarter. Office using employment increased since the previous quarter to 200,000 jobs at the close of Q4 2025.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q4 2025

OFFICE OVERVIEW

Leasing activity in the Sacramento office market remained resilient in Q4 2025, totaling 248,000 sq. ft. across all sectors. The professional services sector was the most active in Q4 2025, contributing over 84,593 sq. ft. of new and renewed space. The largest deal of the quarter was CGI Technologies' 21,290-sq.-ft. renewal at 11050 White Rock Rd in Rancho Cordova, while Kimley-Horn and Associates signed a new lease of 13,018 sq. ft. at 2251 Douglas Blvd in Roseville.

Despite these transactions, overall market fundamentals softened. Sacramento closed the year with 52.2 million sq. ft. of office inventory and posted negative net absorption of 65,913 sq. ft. in Q4, nudging vacancy from 18.6% to 18.7%. Submarket performance varied: South Natomas recorded the largest negative net absorption at -27,624 sq. ft., while Roseville/Rocklin led with 86,114 sq. ft. of positive absorption. The market has experienced ongoing contraction, with the most recent two years posting negative net absorption: -466,656 sq. ft. in 2024 and -651,297 sq. ft. in 2025.

Rental rates remained relatively stable, as the overall average asking lease rate increased slightly from \$2.14 to \$2.15 per square foot on a monthly, full-service, direct basis (FSG) quarter-over-quarter. Downtown continued to command the highest rents at \$2.98 FSG, while Class A space averaged \$2.49 FSG region-wide.

Tenant demand remained robust in Q4 2025, led by the healthcare sector, followed by government and professional services. Overall market activity was healthy, with active office requirements totaling approximately 1.5 million square feet, up from 1.3 million square feet in Q3 2025.

Looking ahead, even as office utilization improves, the Sacramento office market continues to face uncertainty around the timing of new government leasing activity, while overall demand for additional office space remains subdued.

FIGURE 2: Submarket Statistics

Submarket	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Q4 Net Absorption	YTD Net Absorption	Average Direct Asking Rate FSG (\$)
Campus Commons	1,298,573	11.7%	13.9	(5,813)	(24,657)	2.22
Carmichael / Fair Oaks	396,335	4.2%	7.8	0	(5,772)	1.77
Citrus Heights / Orangevale	1,021,586	19.1%	20.0	4,525	(11,800)	1.35
East Sacramento	930,092	6.7%	8.7	(3,729)	(10,815)	2.41
Elk Grove / Galt	1,107,419	5.3%	7.9	(20,797)	(16,532)	2.49
Folsom	2,732,798	14.4%	21.6	(17,730)	(31,775)	2.29
Howe Avenue/Fulton Avenue	2,075,021	17.1%	19.7	(13,267)	(33,006)	1.75
Hwy 50 Corridor	11,351,544	27.0%	30.8	(23,053)	(119,214)	1.74
Midtown	1,333,806	18.3%	23.1	(6,548)	(16,928)	2.44
Northgate/Natomas	2,771,911	15.8%	35.6	(8,069)	(19,841)	1.79
Point West / Tribute Rd	2,085,245	22.9%	27.8	(16,293)	(89,199)	1.98
Roseville / Rocklin	7,568,486	14.1%	17.1	86,114	58,982	2.12
South Natomas	3,302,178	25.1%	36.6	(27,634)	(167,724)	2.21
South Sacramento	1,841,310	12.1%	15.3	6,120	(426)	1.64
Watt Ave / Auburn Blvd	1,338,049	19.8%	22.6	(12,078)	(23,906)	1.57
West Sacramento	1,312,861	4.8%	5.5	0	88,155	2.51
Downtown	9,689,710	19.2	24.8	(7,661)	88,155	2.98
Suburban	42,467,214	18.6	23.8	(366,206)	(424,458)	2.08
Sacramento	52,156,924	18.7	24.0	(65,913)	(651,297)	2.15

Source: CBRE Research, Q4 2025

FIGURE 3: Notable Lease Transactions Q4 2025

Tenant	Address	SF Leased	Type
CGI Technologies	11050 White Rock Rd, Rancho Cordova	21,290	Renewal
Confidential	9324 W Stockton Blvd, Elk Grove	16,135	New Lease
Kimley-Horn and Associates	2251 Douglas Blvd, Roseville	13,018	New Lease

Source: CBRE Research, Q4 2025

FIGURE 4: Notable Sale Transactions Q4 2025

Buyer	Address	Sale Size (SF)	Sale Price
California Housing Finance Agency	520 Capitol Mall, Sacramento	80,752	\$22.3M
Sutter Medical Foundation	3000 L St, Sacramento	22,164	\$4.85M
Bardis & Miry Development LLC	400 University Ave, Sacramento	16,997	\$4.28M

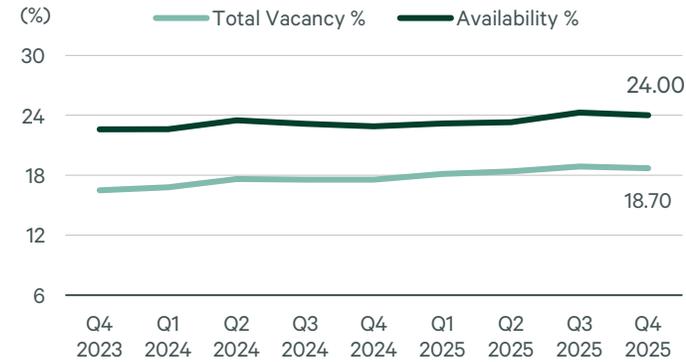
Source: CBRE Research, Q4 2025

FIGURE 5: Lease Rates



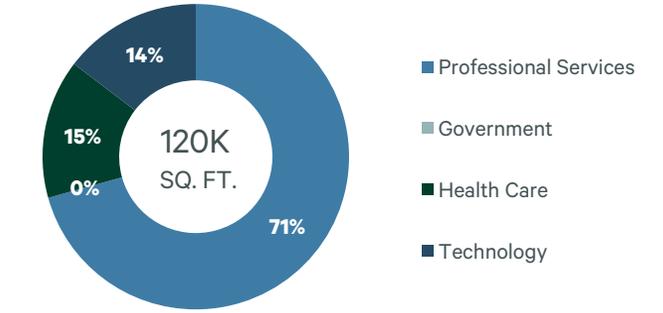
Source: CBRE Research, Q4 2025

FIGURE 6: Vacancy & Availability



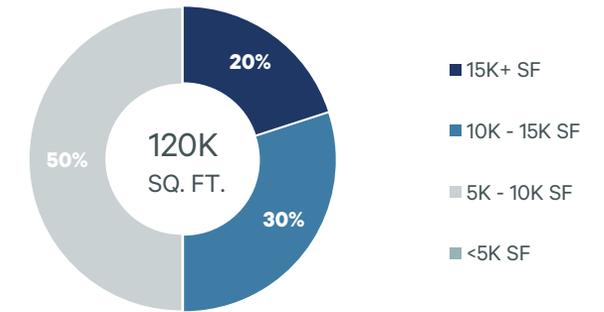
Source: CBRE Research, Q4 2025

FIGURE 7: Top 10 Leases of the Quarter by Industry



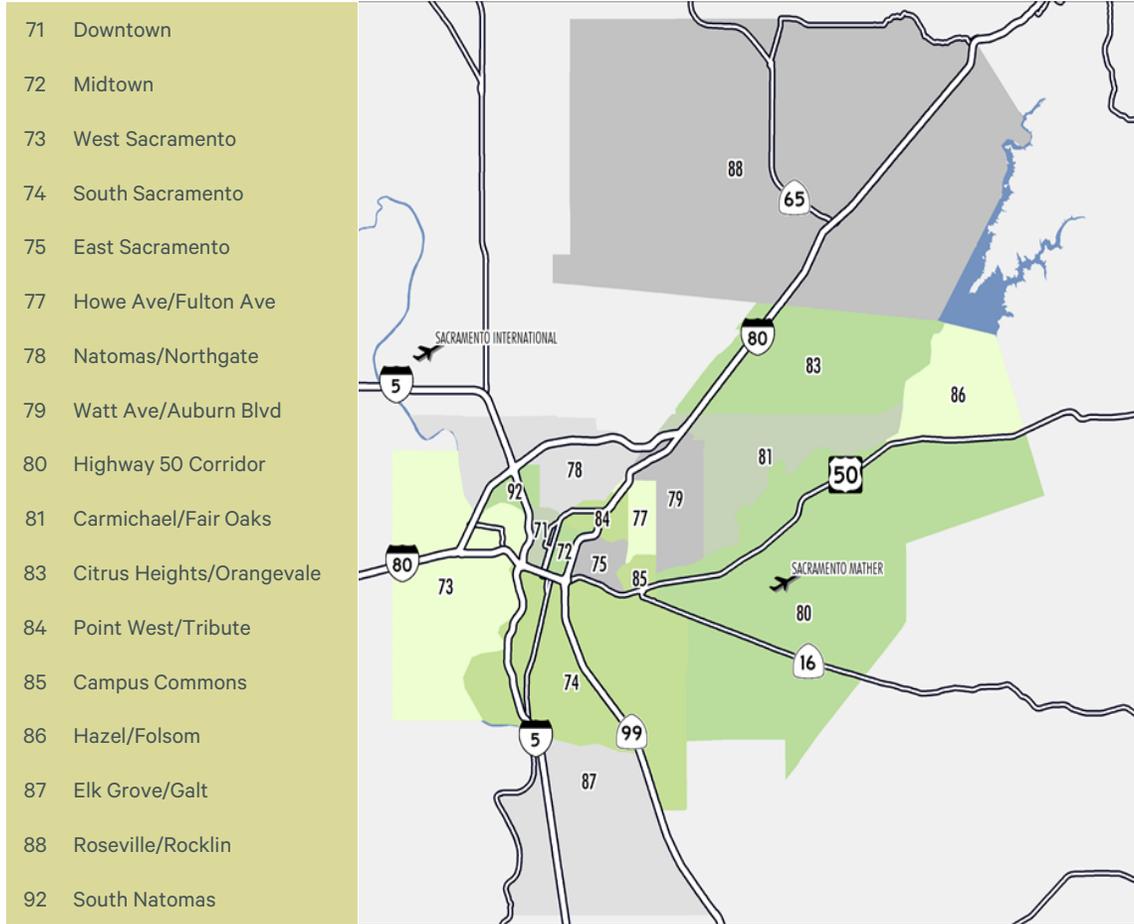
Source: CBRE Research, Q4 2025

FIGURE 8: Top 10 Leases by Size



Source: CBRE Research, Q4 2025

Submarket Map



Source: CBRE Research, Location Intelligence

Definitions

Average Asking Rate Direct Monthly Lease Rates, Full-Service Gross. Availability All existing space being marketed for lease. Total Vacancy Rate Direct Vacancy + Sublease Vacancy. CBD Central Business District; consists of the Downtown submarket.

CBRE's market report analyzes existing single- and multi-tenant office buildings that total 10,000+ sq. ft. in the Greater Sacramento region., excluding 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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