Vacancy pressures persist while tenant demand continues to expand

▲ 25.5%
Vacancy Rate

▼ (349.8K)
SF Net Absorption

▶ 0
SF Under Construction

▼ $3.72
Full-Service Gross/Asking Lease Rate Existing Properties

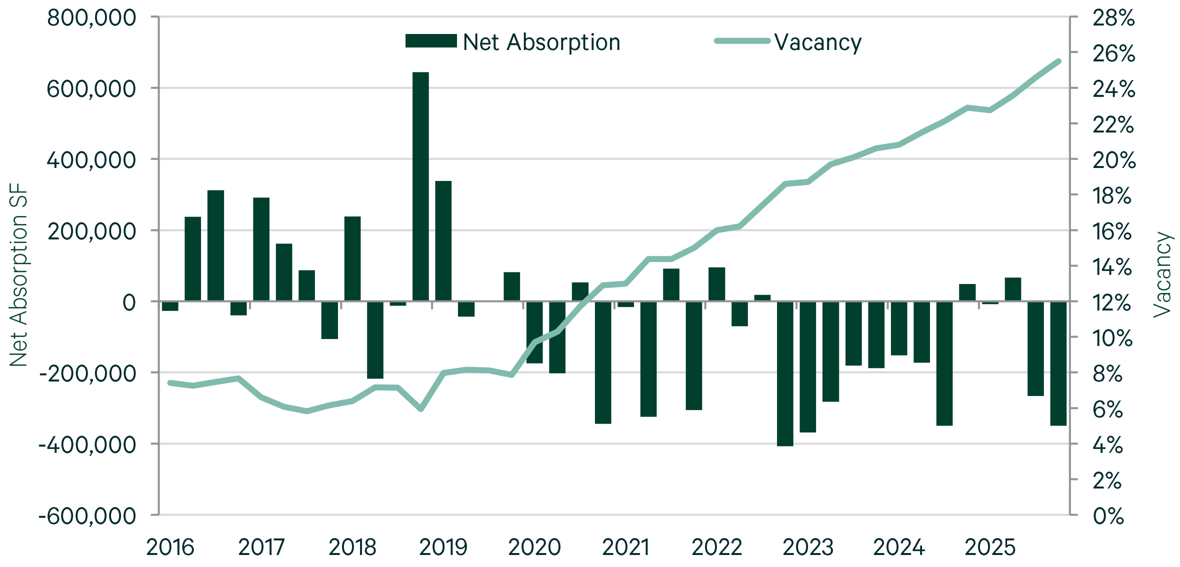
▲ 270.8K
Office Using Employment Alameda/Contra Costa County

Note: Arrows indicate change from previous quarter.

OFFICE MARKET HIGHLIGHTS

- The total population of Alameda and Contra Costa Counties stood at 2.83 million, an increase of 0.19% from the previous quarter and up 0.89% from Q4 2024. Total labor force increased 0.08%, from 1.399 million to 1.400 million, while the total office employment increased by 0.10% to 270.8K at the beginning of Q4. The unemployment rate decreased quarter-over-quarter (QoQ) by 2 basis points (bps) from 4.95% to 4.92% and up 3 bps year-over-year (YoY) from 4.89%.
- The overall vacancy rate increased 122 bps to 25.5% QoQ while the overall availability rate increased 83 bps to 27.1%. Overall net absorption for the Oakland office market was negative 349,770 sq. ft. for the quarter, down from negative 265,745 sq. ft. in Q3.
- Market-wide asking rates softened from $3.75 psf/mo to $3.72 psf/mo on a full-service gross basis. Oakland CBD asking rents decreased from $3.84 psf/mo to $3.81 psf/mo in Q4.
- Total office demand, which includes active and pending tenants, totaled 41 tenants looking for 1,031,700 sq. ft. While the number of tenants in the market decreased from 58 reported in Q3, the square footage increased 31.6% QoQ from the 756,200 sq. ft. reported in Q3. Leasing activity this quarter was down 23.6% to 232,089 sq. ft. from 303,760 sq. ft. in Q3.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q4 2025

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OFFICE OVERVIEW

The Oakland office market, spanning from Richmond in the north to San Leandro in the south, encompasses approximately 27.6 million sq. ft. As of now, there are no speculative office developments underway. The vacancy rate increased by 122 bps QoQ to 25.5%, while the overall availability rate rose to 27.1%, up 83 bps QoQ.

Asking rates experienced minor adjustments. Market-wide rates softened from $3.75 psf/mo in Q3 to $3.72 psf/mo in Q4 on a full-service gross basis. Class A rents declined QoQ to $4.19 psf/mo, and Class B rents decreased $0.11 psf/mo to $3.10 psf/mo.

The market recorded 232,089 sq. ft. of leasing activity in Q4, representing a 23.6% decrease from Q3. Net absorption was negative 349,770 sq. ft., down from negative 265,745 sq. ft. in the previous quarter. Berkeley Crossing at 1608 4th St. was the largest contributing factor to absorption, adding 90,000 sq. ft. of vacant space to the market. A sublease of 55,523 sq. ft. at 1250 53rd St. in Emeryville expired during the quarter, resulting in new direct vacancy. New leases accounted for 87.2% of all leases signed this quarter and 86.6% of the total space leased. CytomX Therapeutics signed the largest lease of the quarter of 35,584 sq. ft. at 5959 Horton St. in Emeryville. LaunchDarkly renewed for 20,744 sq. ft. at 1999 Harrison St. in Oakland CBD. Most notably, Yerba Madre will relocate its headquarters from Sonoma County to Oakland CBD with a 16,719 sq. ft. lease at the Tapscott Building, located at 1910 Broadway.

Capital market activity remained steady with two deals completed this quarter. B3 Investors closed on 2201 Broadway in Oakland CBD for $14.0M ($70 PSF). 415 20th St. in Oakland CBD sold for $6.8M ($101 PSF) to Behring Company. Lastly, a user Self Help Credit Union, purchased 1700 Broadway in Oakland, for $3.5M ($123 PSF).

Despite persistent vacancy pressures and declining leasing activity, strategic tenant commitments resulting in a 31.6%-increase in demand square feet signal that Oakland is attracting tenants navigating their long-term space requirements in an evolving landscape.

FIGURE 2: Submarket Statistics

Submarket	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Average Direct Asking Rate ($)	Q4 Leasing Activity	YTD Leasing Activity	Q4 Net Absorption	YTD Net Absorption
Alameda	3,345,868	7.3%	10.1%	$3.58	29,431	104,290	18,524	15,518
Class A	1,176,077	8.0%	12.9%	$4.10	0	3,315	0	(6,607)
Berkeley	2,666,890	16.7%	17.6%	$3.43	15,665	111,163	(91,732)	(149,217)
Class A	624,043	2.1%	2.1%	$4.25	4,845	32,701	(3,891)	(7,492)
Emeryville	4,084,245	28.7%	29.4%	$4.38	67,706	302,822	(77,035)	(65,514)
Class A	2,626,726	32.0%	32.9%	$4.57	57,594	278,058	(21,066)	(48,217)
Oakland CBD	11,485,955	38.5%	40.7%	$3.81	93,510	593,107	(132,874)	(195,117)
Class A	7,009,437	41.0%	43.9%	$4.18	37,567	341,834	(94,804)	(121,992)
Oakland General	1,834,546	12.1%	12.4%	$0.00	13,054	57,312	3,125	(13,113)
Class A	0	0.0%	0.0%	$0.00	0	0	0	0
Oakland JLS	906,847	19.3%	20.9%	$2.92	10,495	40,799	(33,581)	(89,515)
Class A	283,008	27.9%	31.0%	$4.50	0	4,109	(39,639)	(63,838)
Oakland Airport	1,725,725	12.6%	13.4%	$2.14	685	26,016	(31,675)	(49,155)
Class A	265,000	5.8%	11.3%	$3.10	0	1,584	(6,851)	(9,238)
Richmond	669,577	18.0%	18.0%	$2.40	1,543	21,926	(4,102)	(20,712)
Class A	172,460	61.6%	61.6%	$2.45	1,543	8,968	(4,102)	(28,693)
San Leandro	936,406	2.8%	2.9%	$2.84	0	34,294	(420)	10,215
Class A	320,032	0.0%	0.0%	$0.00	0	22,424	0	22,424
Oakland Office Market	**27,656,059**	**25.5%**	**27.0%**	**$3.72**	**232,089**	**1,291,729**	**(349,770)**	**(556,610)**
Class A	**12,476,783**	**32.2%**	**34.7%**	**$4.19**	**101,549**	**692,993**	**(170,353)**	**(263,653)**

Source: CBRE Research, Q4 2025

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FIGURE 3: Notable Lease Transactions

Tenant	Address	SF Leased	Type
CytomX Therapeutics	5959 Horton St, Emeryville	35,584	New Lease
LaunchDarkly	1999 Harrison St, Oakland	20,744	Renewal
Yerba Madre	1910 Broadway, Oakland	16,719	New Lease
MedAmerica	2100 Powell St, Emeryville	12,423	Renewal
Zenith American Solutions	1141 Harbor Bay Pkwy, Alameda	10,907	Renewal

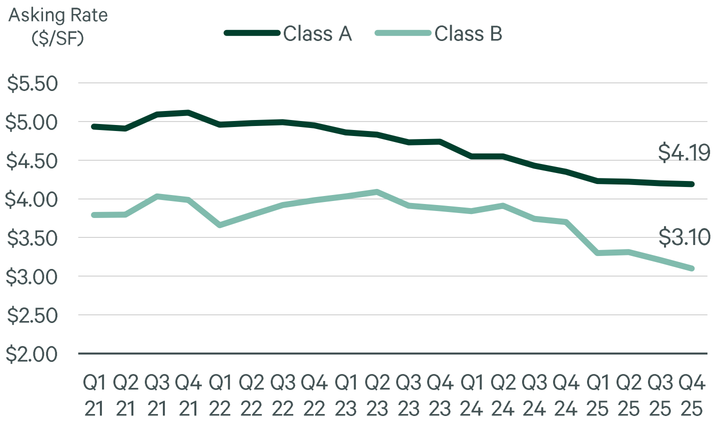
Source: CBRE Research, Q4 2025

FIGURE 4: Notable Sale Transactions

Buyer	Address	SF Sold	Sale Price $/SF
B3 Investors (note sale)	2201 Broadway, Oakland	200,000	$14M $70
Behring	415 20th St, Oakland	67,000	$6.8M $101
Self Help Credit Union	1700 Broadway, Oakland	28,560	$3.5M $123

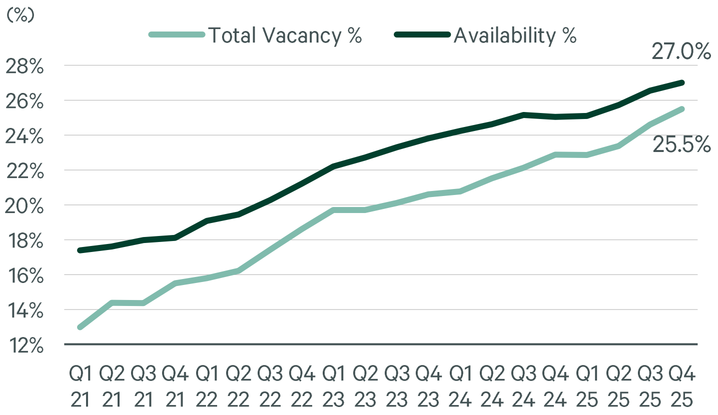
Source: CBRE Research, Q4 2025

FIGURE 5: Lease Rates (FSG per/mo)



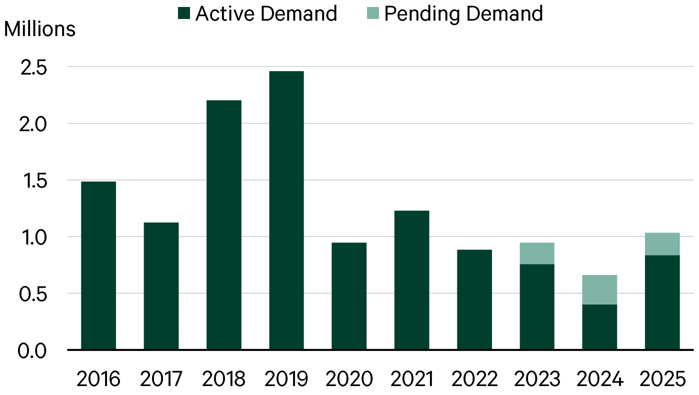
Source: CBRE Research, Q4 2025

FIGURE 6: Vacancy & Availability



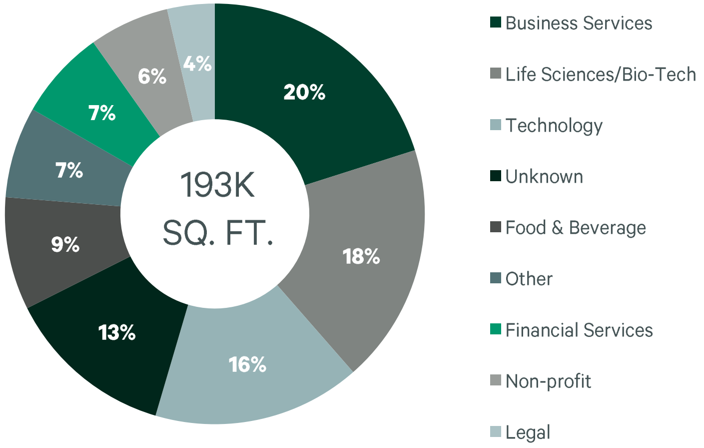
Source: CBRE Research, Q4 2025

FIGURE 7: Historical Demand



Source: CBRE Research, Q4 2025

FIGURE 8: Top 25 Leases of the Quarter by Industry



Source: CBRE Research, Q4 2025

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Submarket Map

Source: CBRE Research, Location Intelligence

Definitions

Average Asking Rate Direct Annual 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 Financial District and South Financial District submarkets.

CBRE's market report analyzes existing single- and multi-tenant office buildings that total 10,000+ sq. ft. in downtown San Francisco, 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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