

Flight to quality drives optimism in a market full of commodity space

▲ 22.8%

Vacancy Rate

▲ (54K)

SF Net Absorption

▶ \$3.03

Full-Service Gross/Asking Lease Rate Existing Properties

▶ 0

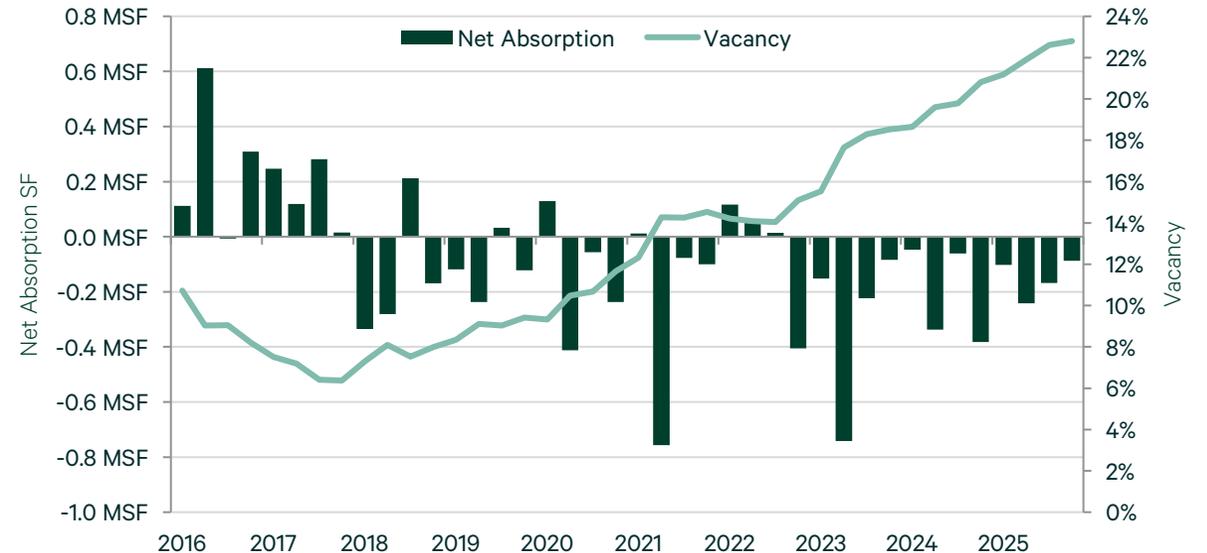
SF Under Construction

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. Total labor force increased quarter-over-quarter (QoQ) by 0.08%, from 1.399 million to 1.40 million, while the total office employment increased by 0.10% to 270.8K at the end of Q4. The unemployment rate decreased QoQ by 3 basis points (bps) from 4.95% to 4.92% and up 3 bps year-over-year (YoY) from 4.89%.
- There were 9 leases signed over 10,000 sq. ft. in Q4. This makes 39 total through all of 2025. Leasing activity reached 367,386 sq. ft. in Q4, bringing the year-to-date total for 2025 to just over 2 million sq. ft.
- Overall net absorption during Q4 was negative 54,792 sq. ft. This follows the negative 167,467 sq. ft. of absorption during Q3, resulting in a YTD total of negative 551,172 sq. ft.
- Market-wide average asking rents remained flat at \$3.03 psf/mo full-service gross (FSG) in Q4.
- Tenant demand in the market rose 9.5% from Q3 to Q4, reaching 1,214,500 sq. ft., despite a YoY decline of 16.1%.

FIGURE 1: Vacancy & Net Absorption Trend



Source: CBRE Research, Q4 2025

OFFICE OVERVIEW

The I-680 Corridor office market, covering 34.3 million sq. ft, continued to demonstrate resilience despite persistent headwinds. While vacancy continued to edge higher throughout 2025, market sentiment remains cautiously optimistic. Vacancy rates increased slightly, with the overall rate rising from 22.6% in Q3 to 22.8% in Q4, and availability from 26.7% to 26.8%. Negative absorption marked its 13th consecutive quarter of negative absorption with the addition of another negative 54,792 sq. ft. in Q4..

Average asking rates remained flat at \$3.03 per sq. ft. FSG in Q4. Class A rents decreased nominally, while Class B rents increased from \$2.44 per sq. ft. FSG in Q3 to \$2.47 per sq. ft. in Q4. The uptick in Class B rents located near stable Class A properties is signaling price stability and potential future rent growth.

Tenant requirements decreased from 90 in Q3 to 88 in Q4, but the total square footage increased by 9.5% QoQ to 1,214,500 sq. ft. The average tenant size decreased by 26.7% year-over-year to 13,960 sq. ft. Service-oriented tenants led overall demand, followed by education and health care. Financial services, technology, and legal practices rounded out the top industry sectors of Q4 demand. There is an additional 132,500 sq. ft. of demand earmarked for purchase.

Leasing activity decreased significantly by 45.2% QoQ, reaching 367,386 sq. ft. The largest leases were renewals at 2600 Camino Ramon (55,000 sq. ft.) and at 4120 Dublin Blvd (39,357 sq. ft.). Meanwhile, capital markets activity continued during Q4. The most notable transaction was Lincoln Properties purchase of 400 Taylor Blvd in Pleasant Hill for \$15.2 million.

Although this quarter’s data reflects ongoing challenges, the overall tone in the market is increasingly positive, driven by a flight to quality and sustained demand for walkable, amenity-rich locations. Core downtown Walnut Creek, particularly south of Ygnacio Valley Road, has become a focal point. This outlook is underpinned by strong fundamentals and a growing perception that conditions are stabilizing. Notably, we are closely tracking the ongoing contraction in office inventory and its potential implications for market dynamics and rental rates. Looking ahead. Stakeholders are increasingly evaluating how evolving tenant preferences and shifting development pipelines may shape a more resilient and competitive landscape in the future.

FIGURE 2: Submarket Statistics

Submarket	Net Rentable Area	Total Vacancy (%)	Total Availability (%)	Average Asking Rate (\$)	Q4 Net Absorption	YTD Net Absorption
Walnut Creek – Downtown	4,615,390	22.2%	25.0%	3.73	6,191	(25,600)
Class A	2,758,956	23.0%	27.4%	4.04	21,287	(10,800)
Walnut Creek - Ygnacio Valley	1,715,008	14.3%	16.7%	2.23	(16,007)	36,030
Class A	500,982	12.4%	12.6%	2.40	(13,172)	(12,429)
Pleasant Hill - Bart	1,942,166	32.6%	34.6%	3.73	(11,978)	(39,534)
Class A	1,731,645	33.1%	34.2%	3.83	(4,349)	(48,000)
Pleasant Hill	1,094,044	9.5%	11.0%	2.60	5,580	(10,991)
Class A	129,131	20.2%	30.2%	3.10	1,804	(6,513)
Concord	4,965,836	32.1%	35.5%	2.44	(35,168)	(73,951)
Class A	3,371,331	40.2%	45.1%	2.52	(31,673)	(87,357)
Martinez, Pittsburg, Antioch	592,087	4.5%	4.5%	1.47	0	(1,868)
Class A	N/A	N/A	N/A	N/A	N/A	N/A
Lamorinda	1,100,540	16.9%	20.1%	3.62	(5,564)	(78,179)
Class A	223,264	17.7%	26.5%	4.06	0	(62)
Alamo/Danville	658,422	8.4%	10.4%	3.35	(4,106)	6,214
Class A	220,602	8.1%	12.5%	3.56	(487)	2,799
San Ramon	6,480,992	23.9%	29.7%	3.10	(17,323)	(53,699)
Class A	5,093,595	27.9%	34.2%	3.18	(17,232)	(27,923)
Livermore	523,435	25.6%	28.3%	2.27	9,038	19,776
Class A	N/A	N/A	N/A	N/A	N/A	N/A
Dublin	2,259,208	18.7%	22.3%	2.86	12,318	(49,846)
Class A	1,436,146	24.7%	30.2%	3.08	9,964	(54,112)
Pleasanton	8,330,012	22.0%	27.7%	2.90	2,227	(279,524)
Class A	6,143,428	26.0%	33.1%	2.97	6,731	(239,065)
I-680 Office Market	34,277,140	22.8%	26.8%	3.04	(54,792)	(551,172)
Class A	21,609,080	28.1%	33.6%	3.18	(27,127)	(483,462)

Source: CBRE Research, Q4 2025

FIGURE 3: Notable Lease Transactions

Tenant	Address	SF Leased	Type
Rodan & Fields	2600 Camino Ramon, San Ramon	55,000	Renewal
Confidential	4120 Dublin Blvd, Dublin	39,357*	Renewal
Calyxo	4430 Rosewood Dr, Pleasanton	29,948	New Lease
Kimley Horn	2999 Oak Rd, Walnut Creek	21,611	New Lease
Black & Veatch	1277 Treat Blvd, Walnut Creek	19,549	New Lease
Wells Fargo	2033 N Main St, Walnut Creek	18,815*	Renewal

Source: CBRE Research, Q4 2025

*CBRE Involved

FIGURE 4: Notable Sale Transactions

Buyer	Address	SF Sold	Sale Price \$/SF
Lincoln Property Company	400 Taylor Blvd, Pleasant Hill	63,639	\$15.2M \$239
Mund Malam	5000 Pleasanton Ave, Pleasanton	22,848	\$8M \$350
Deerfield Realty	1231-1255 S California Ave, Walnut Creek	17,707	\$16.5M \$935
Black Crow Properties	1670 Riviera Ave, Walnut Creek	12,000	\$3.1M \$260

Source: CBRE Research, Q4 2025

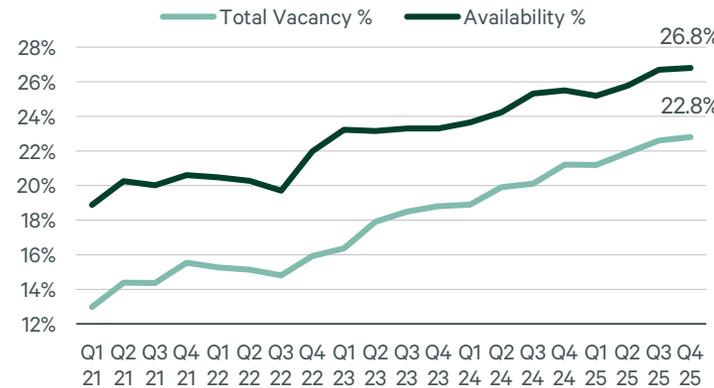
*CBRE Involved

FIGURE 5: Lease Rates (FSG per/mo)



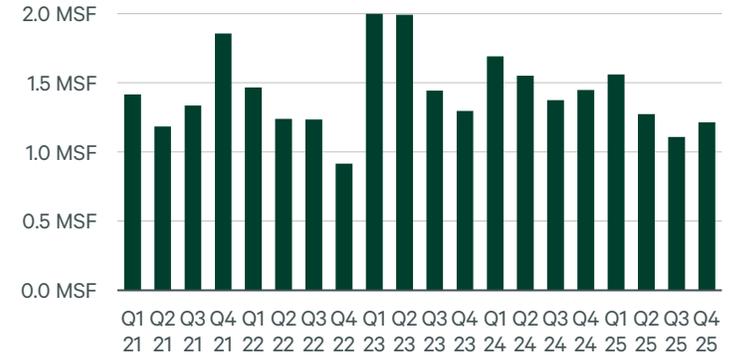
Source: CBRE Research, Q4 2025

FIGURE 6: Vacancy & Availability



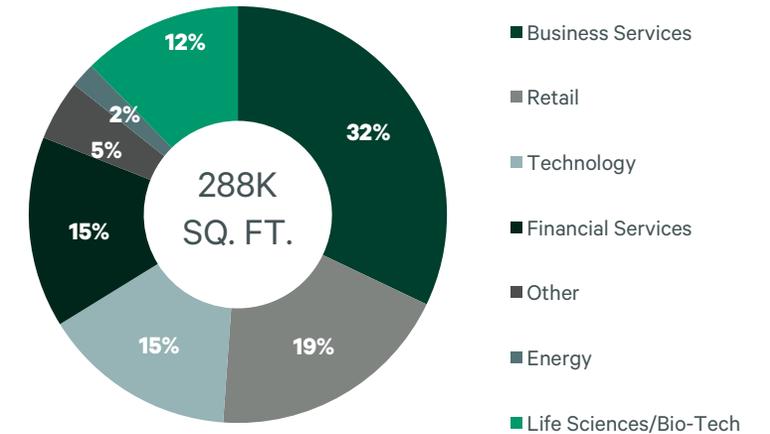
Source: CBRE Research, Q4 2025

FIGURE 7: Historical Demand



Source: CBRE Research, Q4 2025

FIGURE 8: Top 25 Leases of the Quarter by Industry



Source: CBRE Research, Q4 2025

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 the I-680 Corridor, 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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