

FIGURES | OAKLAND R&D | Q3 2026

Occupancy Gains Support Emerging Market Stabilization



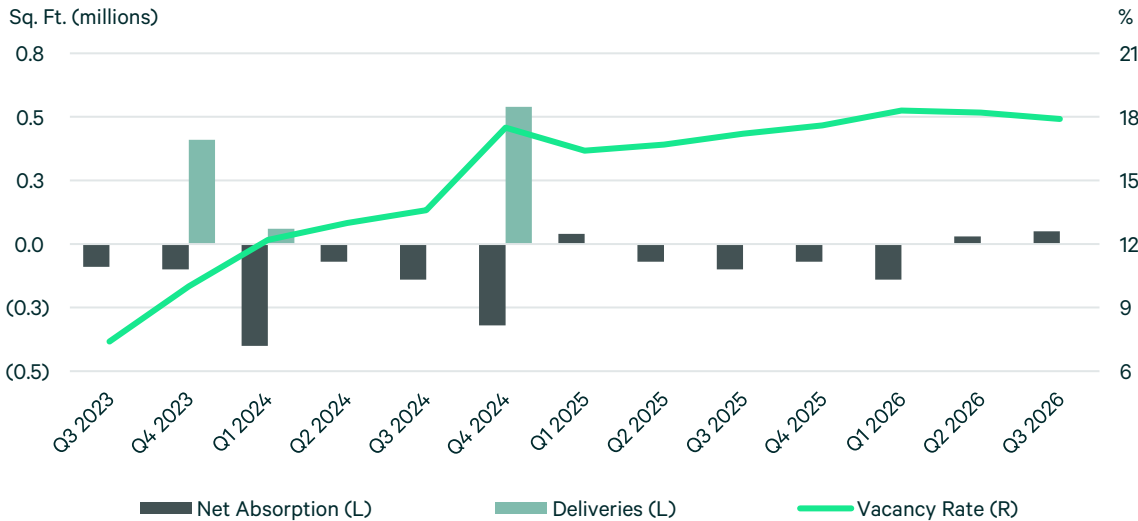
Note: Arrows indicate change from previous quarter.

Market Overview

In Q3 2026, market conditions showed signs of stabilization. Net absorption was positive at 51,000 sq. ft., following negative 140,000 sq. ft. in Q1 2026 and 25,000 sq. ft. of gains in Q2 2026, indicating that occupiers took more space than they returned in two consecutive quarters. Vacancy edged down from 18.2% to 17.9%, a 30 basis points decline, while availability fell from 20.8% to 19.9%, a 90-bps reduction. Asking rents remained stable, nudging up from \$3.89 per sq. ft. to \$3.91 per sq. ft., and leasing activity increased with tenants signing 357,320 sq. ft. compared with 294,564 sq. ft. in Q2 2026 and 233,246 sq. ft. in Q1 2026. There were no new deliveries and no space under construction.

From Q3 2023 through Q3 2026, the market experienced significant occupancy losses, sharply higher vacancy, and cyclical swings in leasing demand. Vacancy rose from 7.4% in Q3 2023 to 17.9% in Q3 2026, an increase of 1,050 bps, while availability climbed from 9.5% to 19.9% over the same period. Cumulative net absorption totaled negative 1.37 million sq. ft., with heavy givebacks in 2024 at negative 923,000 sq. ft. and further contraction in 2025 before modest gains in 2026. Construction added meaningful supply early in the series, with 824,000 sq. ft. under construction in Q3 2023 and total deliveries of 1.01 million sq. ft. concentrated in Q4 2023 and 2024, and vacancy reached 17.5% by Q4 2024 before construction activity stopped.

Figure 1: Historical Net Absorption, Deliveries, and Vacancy



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Vacancy Rate

Vacancy in Q3 2026 remained elevated but eased slightly quarter-over-quarter. The market overall vacancy rate was 17.9% in this quarter, down from 18.2% in Q2 2026, a decline of 30 basis points quarter-over-quarter, while direct vacancy slipped from 15.9% to 15.7%, a 20-bps reduction, and sublease vacancy held at 2.2%. On a year-over-year basis, overall vacancy was 70 bps higher than the 17.2% recorded in Q3 2025, direct vacancy was 30 bps above the 15.4% level, and sublease vacancy was 40 bps higher than its 1.8% reading. Relative to Q3 2023, overall vacancy increased 1,050 bps from 7.4%, direct vacancy climbed 950 bps from 6.2%, and sublease vacancy rose 100 bps from 1.2% to 2.2%, underscoring a pronounced expansion in available space over the past three years.

Vacancy varied widely by submarket, with a clear gap between the tightest and most challenged areas this quarter. San Leandro posted the lowest overall vacancy at 8.5%, closely followed by Union City at 8.9%. At the other end of the spectrum, Emeryville recorded the highest overall vacancy at 40.6%, with Berkeley at 32.9% and Alameda at 27.1% also showing elevated levels.

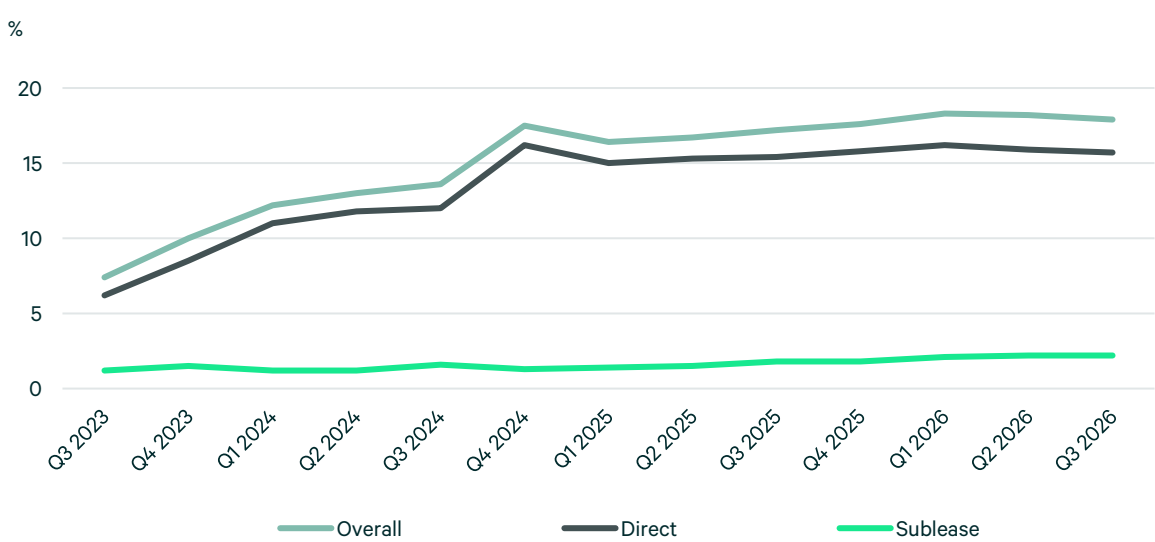
Sublease availability was modest and largely stable quarter-over-quarter. The market sublease vacancy rate remained at 2.2%, unchanged from 2.2% in Q2 2026 and flat quarter-over-quarter with no bps movement, while 453,634 sq. ft. of sublease space stood vacant across the tracked submarkets.

Net Absorption

Net absorption in the overall market improved in Q3 2026 as occupiers took more space than they returned. Net absorption totaled 51,000 sq. ft. in Q3 2026, exceeding the 25,000 sq. ft. recorded in Q2 2026 on a quarter-over-quarter basis and exceeding the negative 98,000 sq. ft. recorded in Q3 2025 on a year-over-year basis. This marked the second consecutive quarter of positive net absorption, following a negative 140,000 sq. ft. in Q1 2026. Even so, the rolling four-quarter average net absorption remained negative at 32,250 sq. ft., exceeding the negative 69,500 sq. ft. level in Q2 2026 on a quarter-over-quarter basis and exceeding the negative 112,000 sq. ft. level in Q3 2025 on a year-over-year basis, indicating that occupancy contraction continued to moderate.

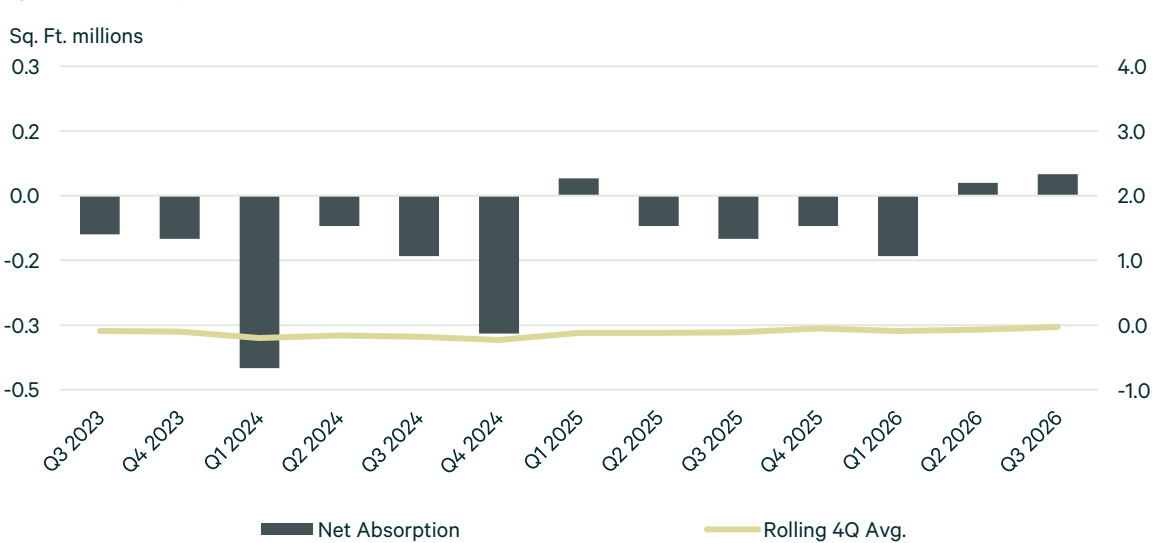
At the submarket level, Emeryville and Union City posted the highest positive net absorption in Q3 2026, at 67,000 sq. ft. and 18,000 sq. ft., respectively. Oakland was the only other submarket with positive net absorption above 10,000 sq. ft., totaling 12,000 sq. ft. for the quarter. At the other end of the spectrum, San Leandro recorded negative net absorption of 32,000 sq. ft., while Hayward posted negative 15,000 sq. ft., underscoring that space was returned in both locations.

Figure 2: Vacancy Rate



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Figure 3: Net Absorption Trend



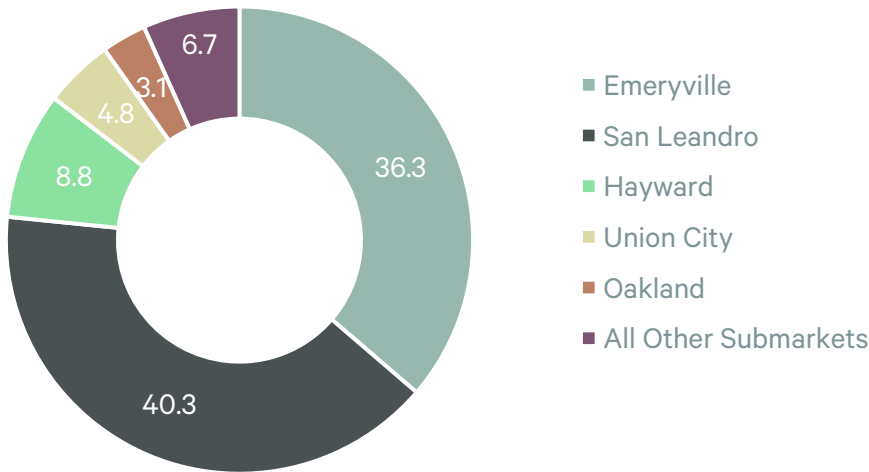
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Leasing Activity

Leasing activity in the market increased in Q3 2026 and remained above its level in Q3 2025. Tenants signed leases totaling 360,000 sq. ft., and overall volume increased 23.1% quarter-over-quarter and 48.8% higher year-over-year, indicating strong demand this stronger.

Emeryville and San Leandro recorded the strongest positive leasing activity. Emeryville captured 139,000 sq. ft. of leasing, while San Leandro saw 154,000 sq. ft., followed by Hayward with 34,000 sq. ft., Union City with 18,000 sq. ft., Oakland with 12,000 sq. ft., and Richmond with 1,000 sq. ft., all reflecting positive leasing demand across the submarkets.

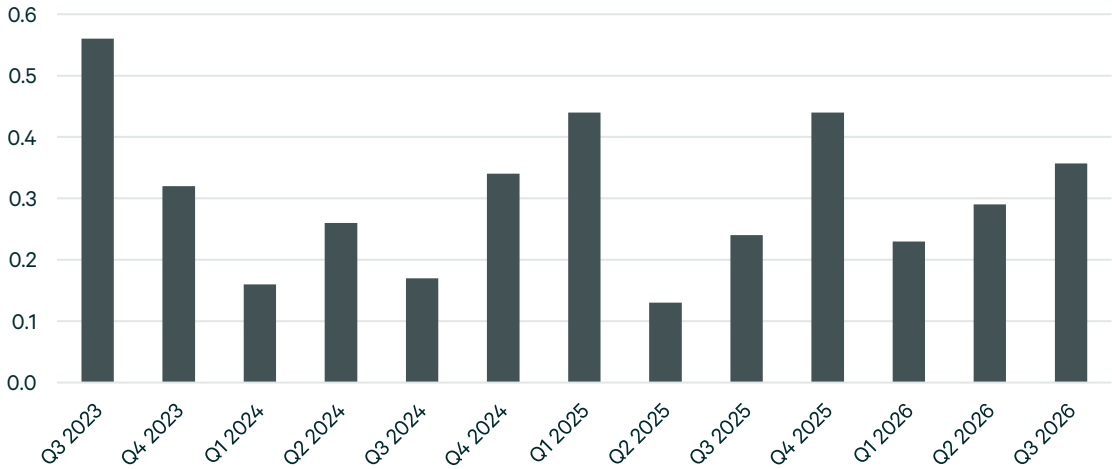
Figure 5: Leasing Activity by Submarket (% of Total Activity)



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Figure 4: Leasing Activity Trend

Sq. Ft. millions



CBRE Research

Figure 6: Key Lease Transactions

Tenant	Sq. Ft. Leased	Transaction Type	Address	Submarket
Confidential Tenant	154,000	New Lease	2020-2040 Williams St	San Leandro
Foundry Robotics	129,000	New Lease	1650 65th St	Emeryville
Goten	20,000	New Lease	31038 Huntwood Ave	Hayward
Confidential Tenant	18,000	New Lease	32910 Alvarado Niles Rd	Union City
Wohler Technologies	14,000	New Lease	21337 Cabot Blvd	Hayward
Orbital Materials	12,000	New Lease	1919 Peralta St	Oakland
Confidential Tenant	10,000	New Lease	1311-1385 63rd St	Emeryville

Source: CBRE Research, Q3 2026

Asking Rent

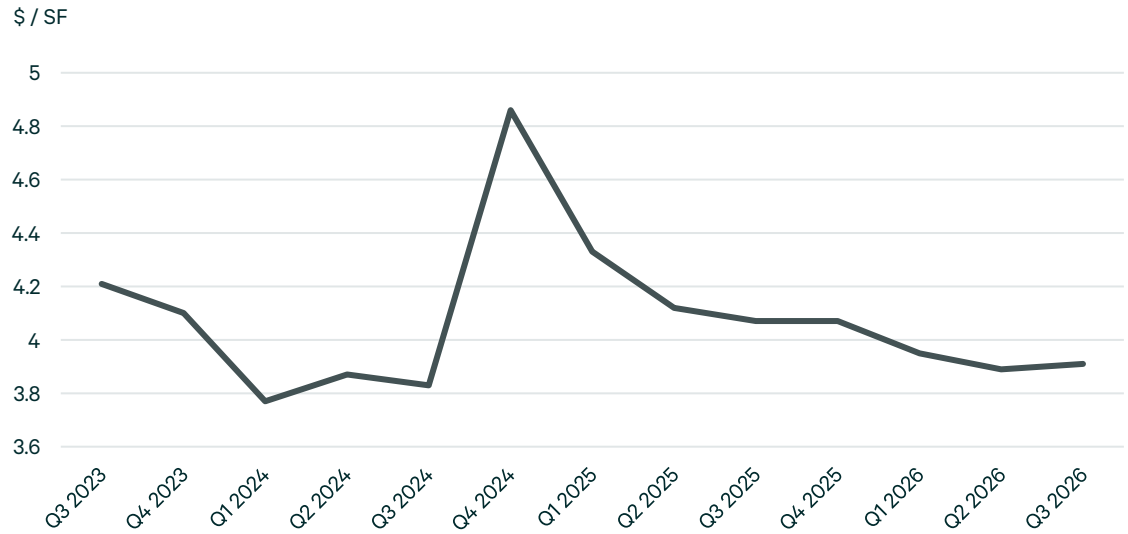
Average asking rents in Q3 2026 trended slightly lower than in Q3 2025 but showed signs of stabilizing after several quarters of volatility. The market’s average asking rent stood at \$3.91 per sq. ft. in Q3 2026, a 0.5% quarter-over-quarter increase but still 3.9% lower year-over-year. Over the full period from Q3 2023 through Q3 2026, average asking rents fluctuated within a band of \$3.77 per sq. ft. to \$4.86 per sq. ft. and ended slightly below the \$4.21 per sq. ft. recorded at the start of the series.

Within the market, Berkeley and Emeryville recorded the highest asking rents in Q3 2026, reflecting premium pricing compared with other East Bay submarkets. Berkeley reached \$6.24 per sq. ft. and Emeryville \$4.91 per sq. ft., while Alameda and Hayward posted mid-range levels of \$4.11 per sq. ft. and \$3.30 per sq. ft., and more affordable options included Oakland at \$1.54 per sq. ft., Richmond at \$1.83 per sq. ft., San Leandro at \$1.78 per sq. ft., and Union City at \$1.99 per sq. ft.

Construction Activity

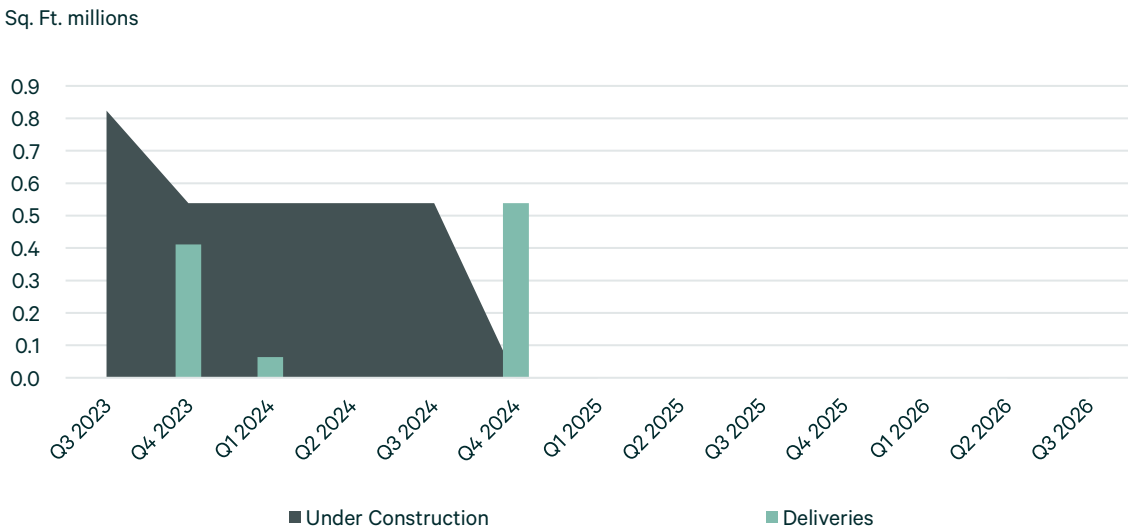
There was no construction activity this quarter, with no space under construction and no construction delivered in Q3 2026. Under construction and delivered space both remained at zero quarter-over-quarter and year-over-year, extending the lack of new supply seen since Q1 2025. The prior construction pipeline of 539,000 sq. ft. was fully delivered in Q4 2024, after which the market carried no space under construction through calendar year 2025 and year-to-date 2026.

Figure 7: Average Direct Asking Rate



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Figure 8: Construction Activity



CBRE Research

Investment Sale Activity

Sales volume in the Oakland R&D market totaled \$6.50 million in Q3 2026. This compared with \$93.87 million in Q2 2026 and \$40.16 million in Q3 2025, representing a 93.1% decline quarter-over-quarter and an 83.8% decline year-over-year. Year-to-date 2026 volume through Q3 2026 was \$107.25 million, combining \$6.88 million in Q1 2026, \$93.87 million in Q2 2026 and \$6.50 million in Q3 2026.

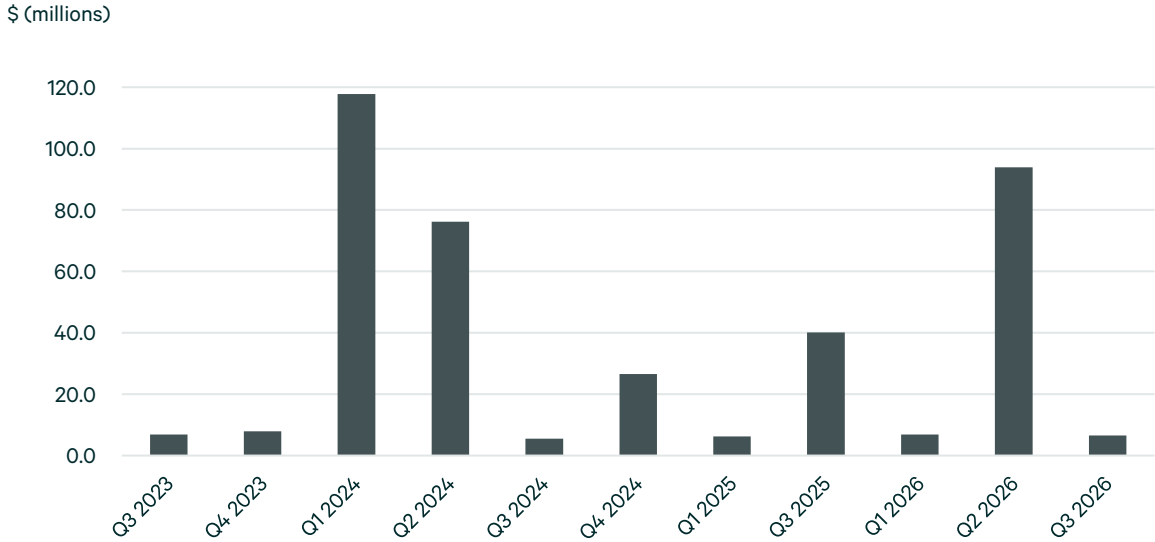
Buyer composition in Q3 2026 consisted of private buyers at 100.0% of volume, with cross-border, institutional, public and user/other buyers each at 0.0%. A transaction in the Alameda submarket was the sale of 2020 North Loop Road to Lorin Bergman for \$6.50 million, totaling 16,350 sq. ft. at \$397.55 per sq. ft.

Figure 10: Key Sales

Property	Submarket	Buyer	Sales Price	Size (SF)	Price Per SF
2020 North Loop Road	Alameda	Lorin Bergman	\$6.5M	16,350	\$397.55

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Figure 9: Quarterly Sales Volume



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Figure 11: Buyer Composition



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Market Statistics by Submarket

Figure 12

Submarket	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/mth)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Alameda	1.35M	27.1	28.4	19.3	9.0	4.11	-	(75,000)	-	-
Berkeley	2.93M	32.9	32.9	28.7	4.2	6.24	-	(36,000)	-	-
Emeryville	1.56M	40.6	40.6	36.2	4.3	4.91	67,000	27,000	-	-
Hayward	5.80M	12.7	16.4	10.5	5.9	3.30	(15,000)	(74,000)	-	-
Oakland	1.60M	17.7	19.3	19.3	-	1.54	12,000	31,000	-	-
Richmond	2.85M	10.5	10.5	10.3	0.2	1.83	1,000	8,000	-	-
San Leandro	2.85M	8.5	12.0	7.9	4.1	1.78	(32,000)	(30,000)	-	-
Union City	1.40M	8.9	12.1	12.1	-	1.99	18,000	86,000	-	-
Total	20.33M	17.9	19.9	16.1	3.8	3.91	51,000	(64,000)	-	-

Source: CBRE Research, Q3 2026

Market Statistics by Size

Figure 13

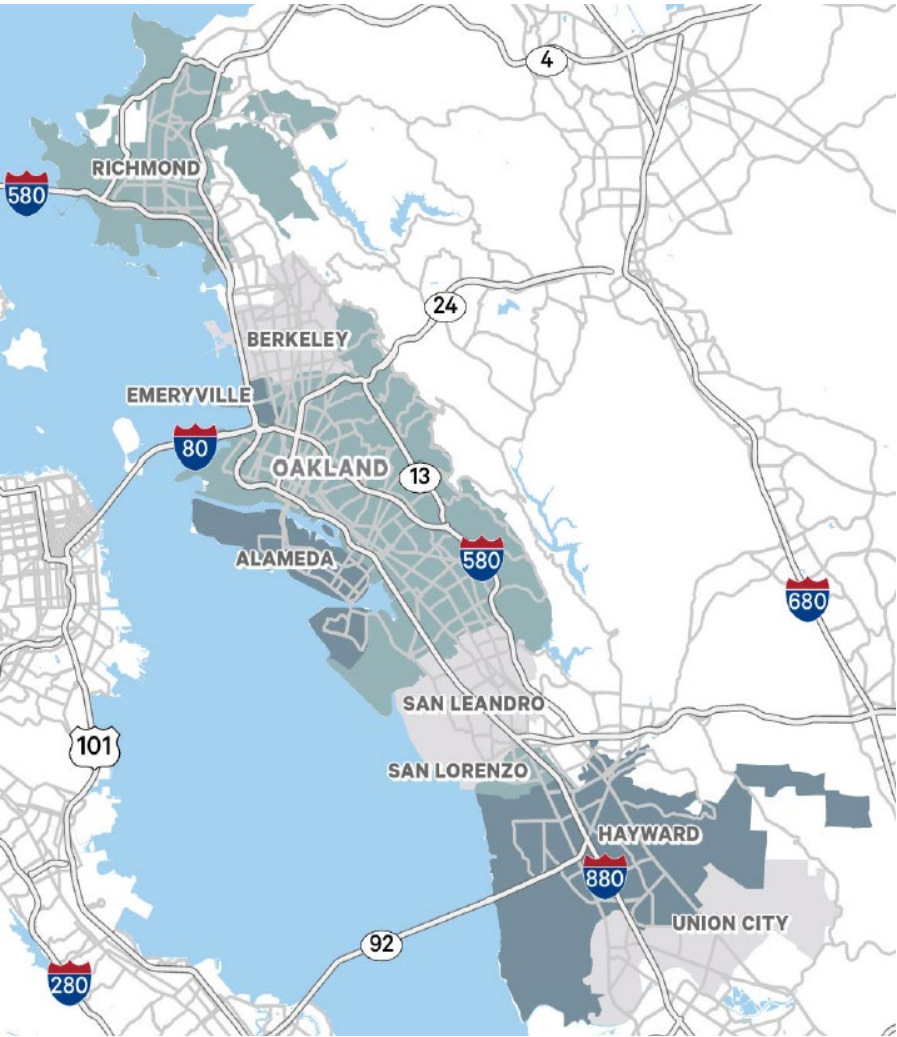
Size Range	Net Rentable Area (SF)	Total Vacancy (%)	Total Availability (%)	Direct Availability (%)	Sublease Availability (%)	Avg. Direct Asking Rate (\$/SF NNN/mth)	Current Quarter Net Absorption (SF)	YTD Net Absorption (SF)	Deliveries (SF)	Under Construction (SF)
Below 50K SF	8.99M	13.4	14.3	12.7	1.6	3.22	(4,000)	(113,000)	-	-
50K-99,999 SF	6.15M	15.4	18.4	15.2	3.2	3.22	(14,000)	3,000	-	-
100K-249,999 SF	3.87M	25.0	25.7	16.9	8.7	5.26	70,000	46,000	-	-
250K-499,999 SF	1.32M	40.1	47.7	40.1	7.6	4.81	-	-	-	-
Total	20.33M	17.9	19.9	16.1	3.8	3.91	51,000	(64,000)	-	-

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