TRANSWESTERN

EAST BAY/OAKLAND

OFFICE MARKET | Q1 2025

26.2M
Inventory SF

(190K)
Net Absorption SF

21%
Direct Vacant Available Rate

25%
Total Availability

0
Under Construction SF

$3.29
Asking Rent PSF

Vacancy and Deliveries Fall Further

Market Observations

- The direct vacant availability rate reached 20.6% in Q1 2025, up from 19.1% last quarter and 18.3% year-over-year. Downtown Oakland posted the highest vacancy at 35%, followed by Emeryville at 32.4%. However, these two submarkets also account for the largest share of inventory in the region, representing a combined 65% of total market supply

- Net absorption remained negative in Q1 2025, totaling -190,440 square feet. This continues a two-year trend of negative absorption in the East Bay, with the last recorded positive figure occurring in Q4 2022. That said, there are signs of improvement: despite remaining in negative territory, total net absorption improved by 35% year-over-year.

- Negative absorption was led by East Oakland (-115,761 SF) and Downtown Oakland (-62,390 SF)

- Full-service rents averaged $3.29 PSF in Q1 2025, slightly down from $3.81 PSF last quarter and down from $4.32 PSF year-over-year. Emeryville recorded the highest average at $4.61 PSF, while Downtown Oakland followed at $3.82 PSF.

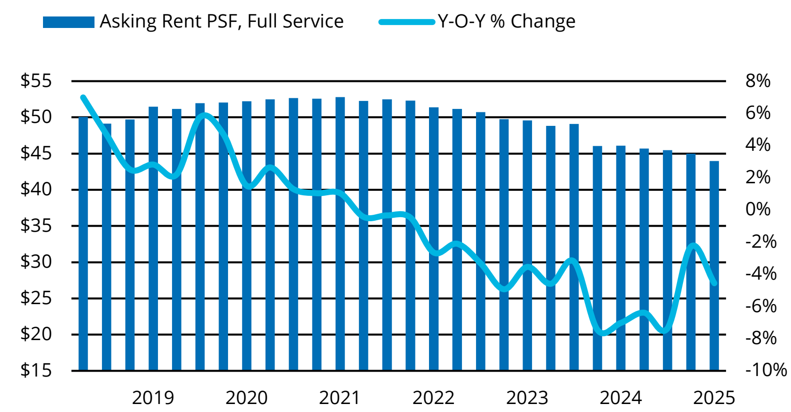
- The construction pipeline remained inactive this quarter, with no new office projects breaking ground. The only project previously under construction has since been removed from the pipeline, leaving no active development underway citywide.

- **Class A vacancy rates** have historically trended higher than overall market vacancy, and that remained true in Q1, with Class A vacancy reaching 21.1%. The gap, however, was less pronounced than in prior quarters—for example, Q4 2024 saw a 6-percentage point difference

- **Net absorption** in the East Bay/Oakland market totaled -190K SF this quarter, though Class A space posted a positive 27K SF. Still, the majority of East Bay submarkets recorded zero net absorption for Class A space, effectively breaking even.

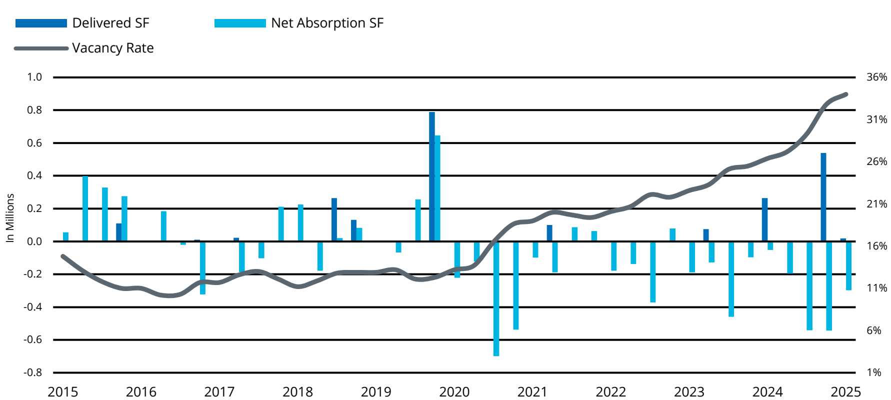
- **Full-service rents** in the East Bay/Oakland area averaged $3.29 PSF this quarter, while Class A asking rents averaged $3.93 PSF. Emeryville commanded the highest rents in both categories, with rates around $4.60 PSF, followed by Downtown Oakland at $4.20 PSF for Class A.

ASKING RENT



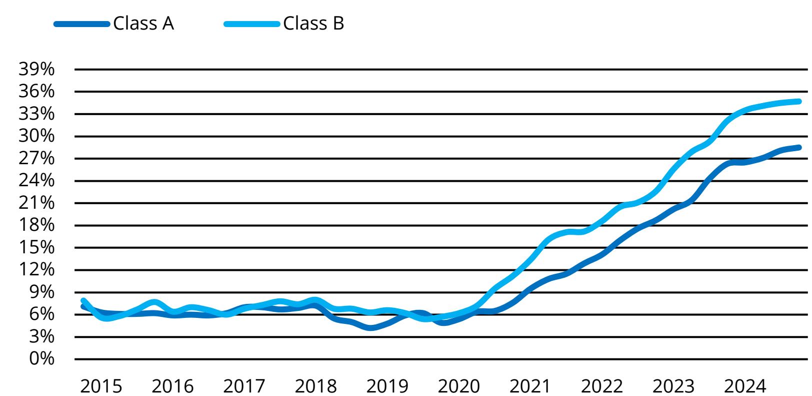
Source: CoStar, Transwestern

DELIVERY IMPACT ON KEY INDICATORS



Source: CoStar, Transwestern

OVERALL VACANCY RATE BY CLASS



Source: CoStar, Transwestern

EAST BAY/OAKLAND OFFICE MARKET | Q1 2025

NOTABLE LEASES

TENANT	ADDRESS	SUBMARKET	TYPE	SF LEASED
Veteran Affairs	1950 Franklin St	Oakland	New	78,196
Voleon Capital Management	1919 Shattuck Ave	Berkeley	New	16,980
Goldfarb & Lipman LLP	1300 Clay St	Oakland	Renewal	16,068
Saten Pharmaceuticals	2100 Powell St	Emeryville	New	15,919
State of California	799	Thornton St	San Leandro	9,063

NOTABLE SALES

ADDRESS	SUBMARKET	SALES PRICE	BUILDING SF	PRICE PSF	BUYER	SELLER
1440 Broadway	Oakland	$5,500,000	90,693	$60.64	Frontline Realty Capital	BrightSpire Capital
6001 Shellmound St	Emeryville	$6,800,000	121,052	$56.17	Blox Ventures	Sagard Real Estate
1220-1240 Broadway	Oakland	$3,175,000	49,453	$64.20	Manfred Edward Simson	Karren Company

MARKET INDICATORS

All Classes of Space | Q1 2025

SUBMARKET	INVENTORY SF	DIRECT VACANT SF	DIRECT VACANCY RATE	OVERALL VACANCY RATE	UNDER CONSTRUCTION SF	NET ABSORPTION SF	YTD NET ABSORPTION SF	ASKING RENT PSF, FULL SERVICE
Downtown Oakland	12,578,026	4,161,867	33.1%	35.9%	0	(62,390)	(62,390)	$3.82
East Oakland	2,918,738	680,994	23.3%	24.2%	0	(115,761)	(115,761)	$2.26
Richmond	1,268,028	517,337	15.0%	15.0%	0	(5,293)	(5,293)	$2.24
Berkeley	2,833,390	1,131,592	10.9%	16.6%	0	(16,148)	(16,148)	$3.43
Emeryville	4,314,331	1,104,409	26.4%	32.4%	0	(28,919)	(28,919)	$4.61
Alameda	1,301,509	134,934	9.7%	11.0%	0	37,517	37,517	$3.49
San Leandro/San Lorenzo	961,051	224,152	9.4%	9.4%	0	554	554	$3.15
TOTAL	**26,175,073**	**7,955,285**	**18.3%**	**20.6%**	**0**	**(190,440)**	**(190,440)**	**$3.29**

Source: CoStar, Transwestern

Research Methodology

The information in this report is the result of a compilation of information on office properties located in the selected metropolitan area. This report includes single tenant, multi-tenant and owner-user properties 10,000 SF and larger, excluding those properties owned by a government agency.

About Transwestern

Four dynamic, integrated companies make up the Transwestern enterprise, giving us the perspective to think broadly, deeply and creatively about commercial real estate. Clients and investors rely on us for expertise that spans institutional and opportunistic investment, development, hospitality, and brokerage and asset services. Our award-winning, collaborative culture empowers team members with resources and independence to work across boundaries in pursuit of innovative solutions, reinforcing a reputation for service excellence that translates to measurable results. Through offices nationwide and alliance partners around the globe, we positively impact the built environment and our communities while fostering a work climate that champions career vitality for all. Learn more at transwestern.com and @Transwestern.

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