

1Q25

Marin County Office Market Overview



NEWMARK

Market Observations

Economy

- Marin County's unemployment rate increased by 20 basis points from 3.7% to 3.9% between November of 2024 and February of 2025, and is now 20 basis points below the United States unemployment rate. It is now 140 basis points below California's unemployment rate of 5.4%.
- The Leisure and Hospitality sector experienced the largest year over year growth. The information sector experienced no percentage increase in year-over-year growth, while Business and Professional Services, and Financial Activities experienced negative growth.

Major Transactions

- The largest lease signed in the first quarter of 2025 was Pasha Group, leasing 45,147 square feet at 2360 Kerner in Central San Rafael.
- Private Wealth Partners extended their 5,198 square foot lease at 591 Redwood Highway in Southern Marin.
- Club Evexia expanded by 4,322 square feet at 100 Shoreline Highway in Southern Marin.

Leasing Market Fundamentals

- Net absorption was positive 44,795 square feet for the first quarter of 2025. This is largely due to the County of Marin absorbing their 44,420 square foot availability for the Fire Department in February.
- Average weighted full service asking rates across Marin County in the first quarter of 2025 increased slightly to \$3.45 per square foot. Prices on average have remained stagnant, only increasing by \$0.02 per square foot since 2020.
- Hybrid work trends continued to inspire downsizing into quality buildings, allowing employers to better incentivize workers to return to the office.

Outlook

- The Marin County office market, with a vacancy of 19.6%, is fairing well when compared to nearby urban metros such as San Francisco, which posted an office vacancy rate of 30.4% in the first quarter of 2025.
- Companies exiting and downsizing out of larger metro areas are expected to result in a decrease in vacancy across Marin County throughout 2025, with absorption expected in ready to go, well improved spaces.
- With a number of Marin County office buildings scheduled to be converted to housing as well as new housing developments, it is expected in years to come that there could be a lack of supply for the demand of office space.

1. Economy
2. Leasing Market Fundamentals
3. Appendix / Tables

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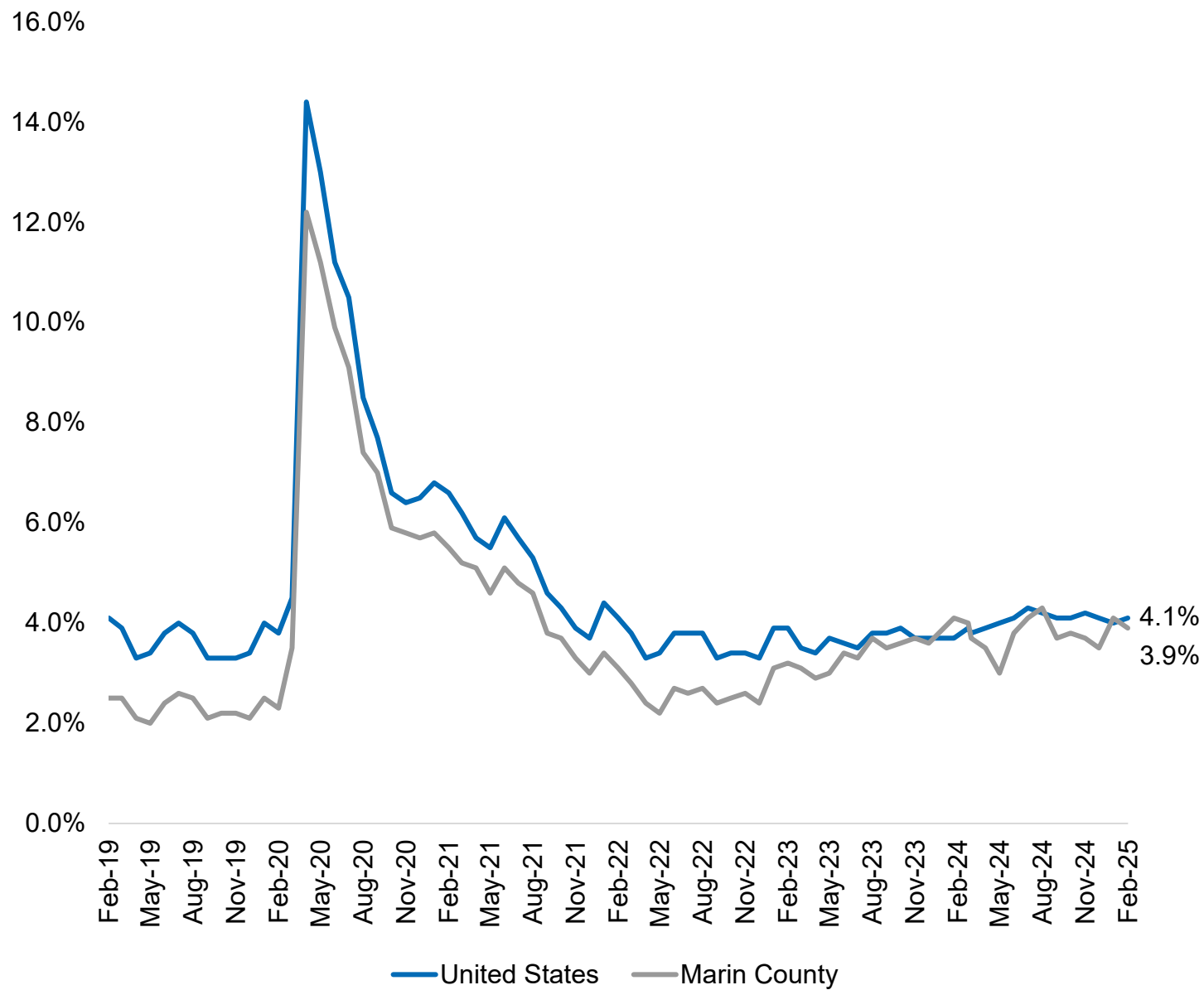
Economy



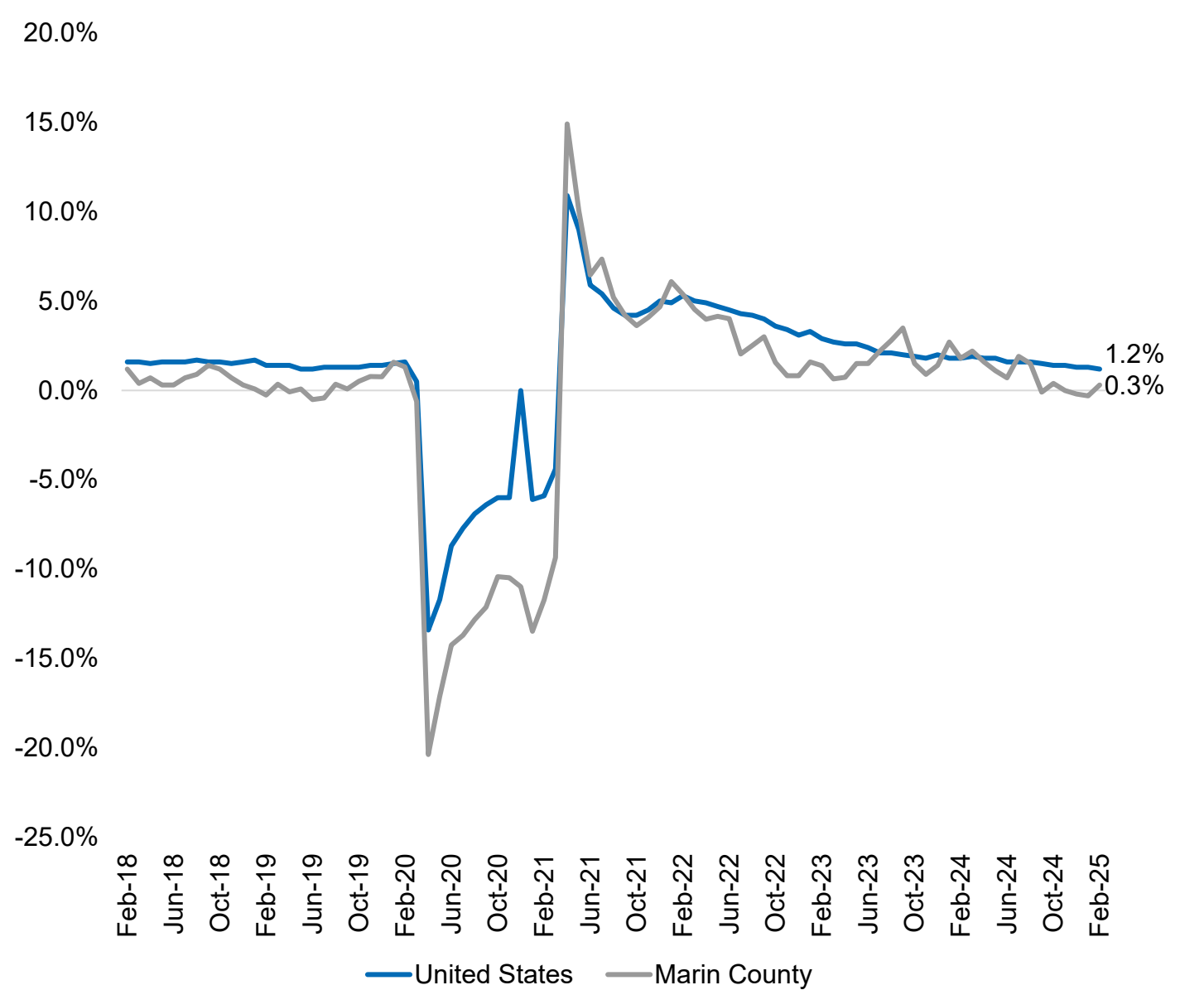
Metro Employment Increase

Marin County’s unemployment rate increased by 20 basis points between November 2024 and February of 2025. At 3.9%, the unemployment rate in Marin County was 20 basis points lower than the national rate.

Unemployment Rate, Non-Seasonally Adjusted



Nonfarm Payroll Employment, Non-Seasonally Adjusted, 12-Month % Change

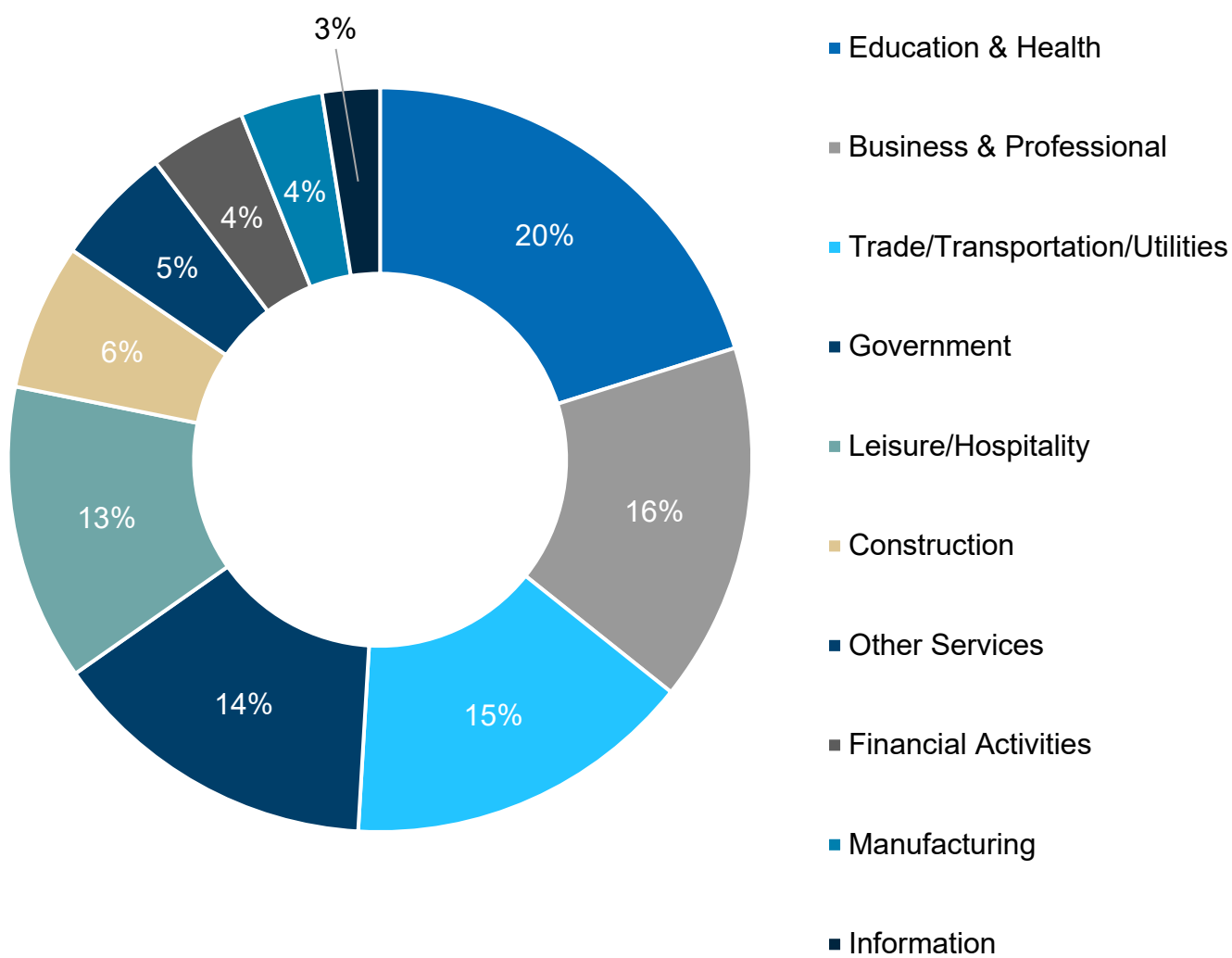


Source: U.S. Bureau of Labor Statistics, San Rafael (comprised of Marin County)

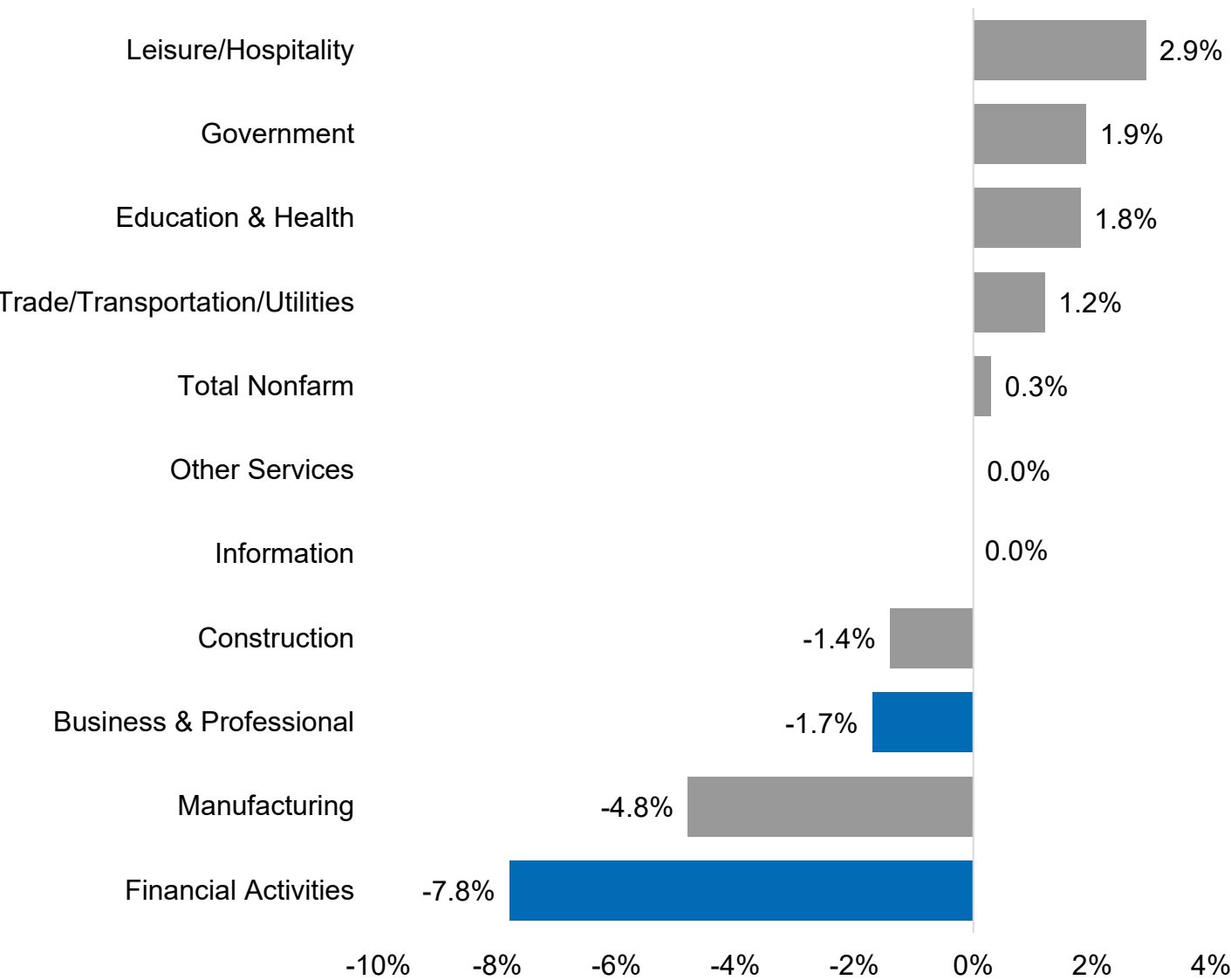
Office-Using Employment Down Year-Over-Year

The Education and Health sector has the most employees in Marin County, followed by Business and Professional Services and Trade/Transportation/Utilities. No office using sector in Marin County experienced year over year increases in employees in February 2025.

Employment by Industry, February 2025



Employment Growth by Industry, 12-Month % Change, February 2025

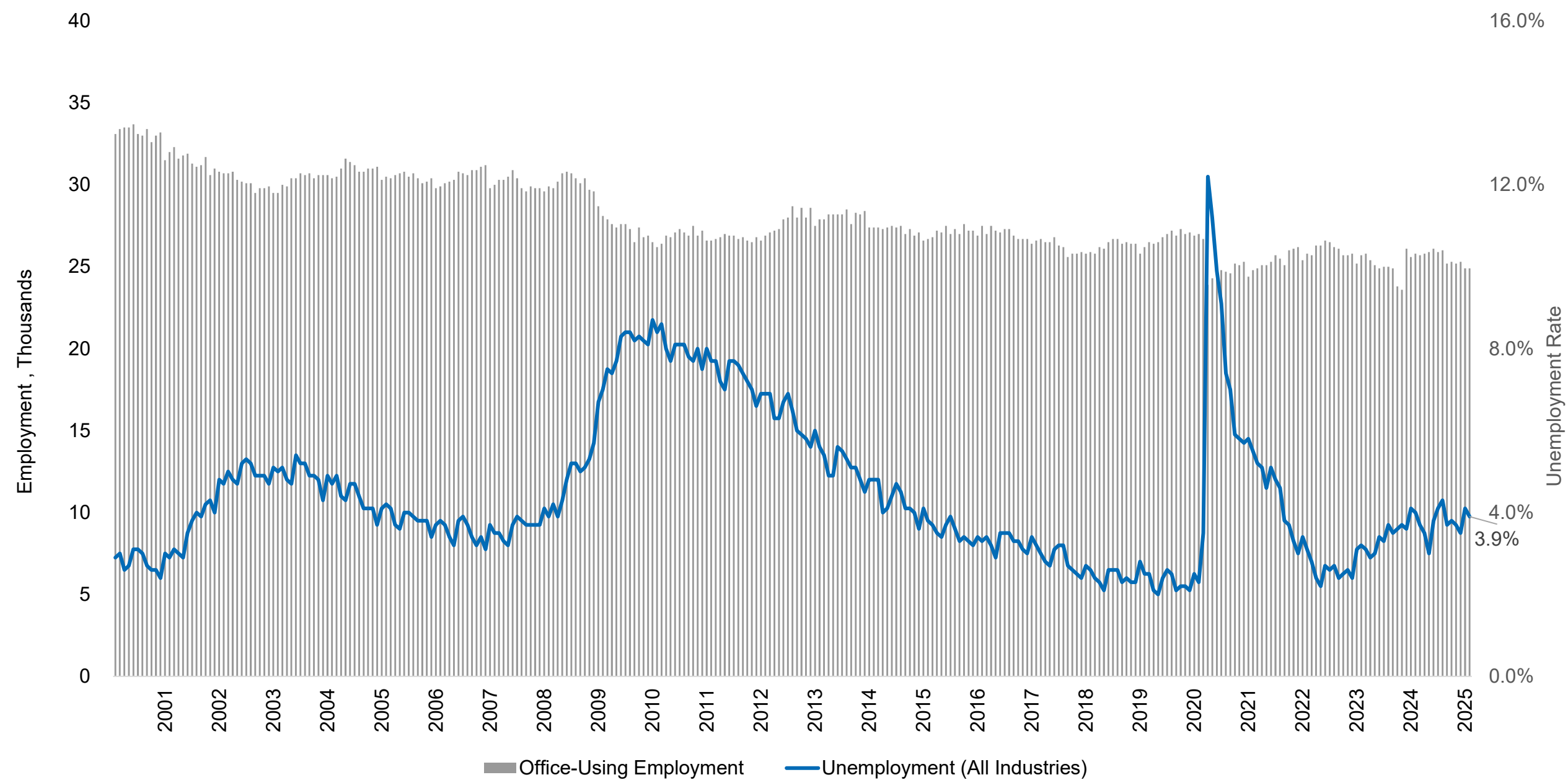


Source: U.S. Bureau of Labor Statistics, San Rafael (comprised of Marin County)

Office-Using Employment Remained Below Pre-Pandemic Totals

The number of office jobs in Marin County was roughly 3,000 less than pre-pandemic levels in 2019, and the unemployment rate in Marin County has increased by 20 basis points since November of 2024.

Office-Using Employment* and Unemployment Across All Industries



Source: U.S. Bureau of Labor Statistics, San Rafael (comprised of Marin County). Note: May 2023 data is preliminary.
*Office-using employment includes employment in the following industry sectors: Professional & Business Services, Financial Activities and Information.

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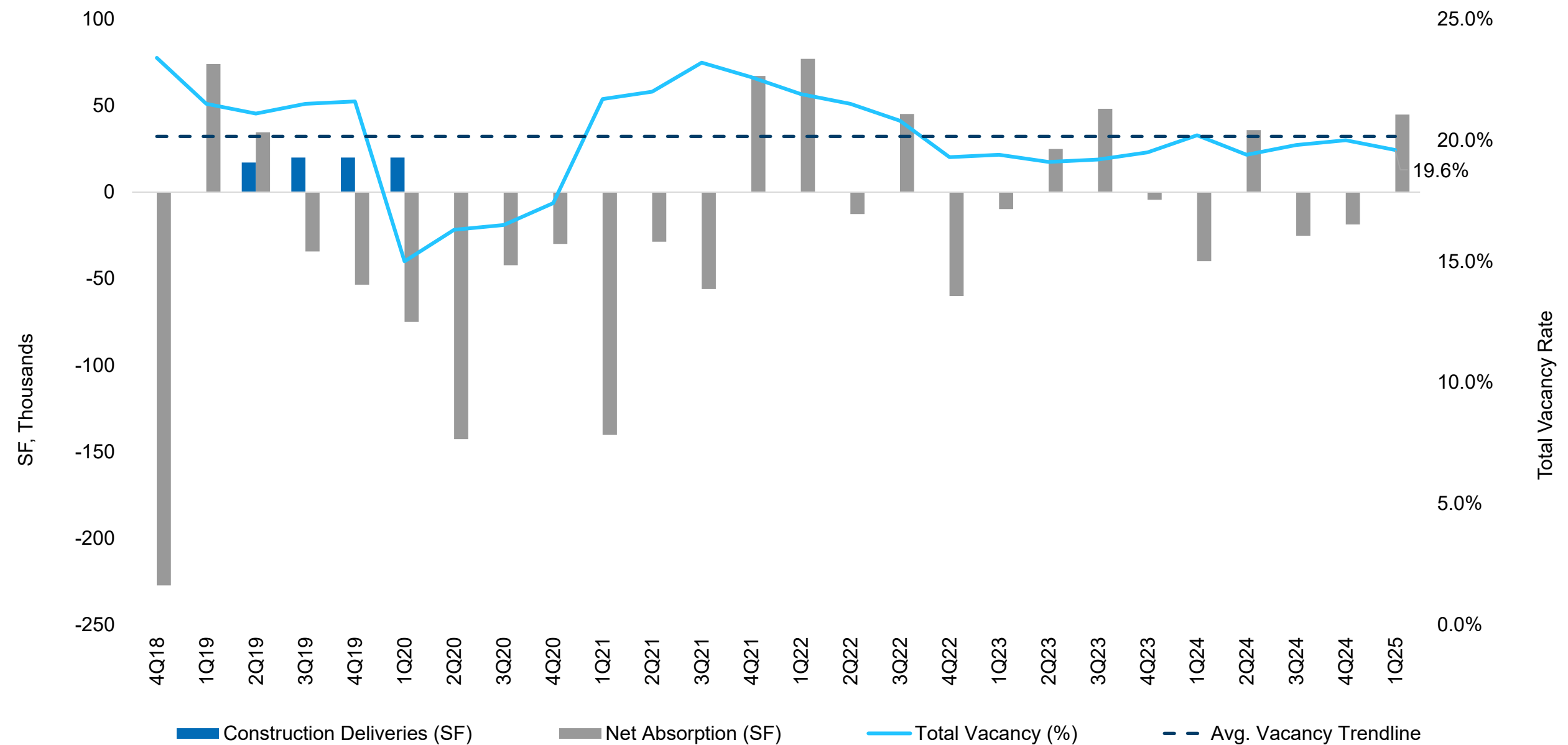
Leasing Market Fundamentals



Office Vacancy Increased in 1Q25

The vacancy rate for office space in Marin County decreased by 40 basis points to 19.6% in the first quarter of 2025.

Historical Construction Deliveries, Net Absorption, and Vacancy

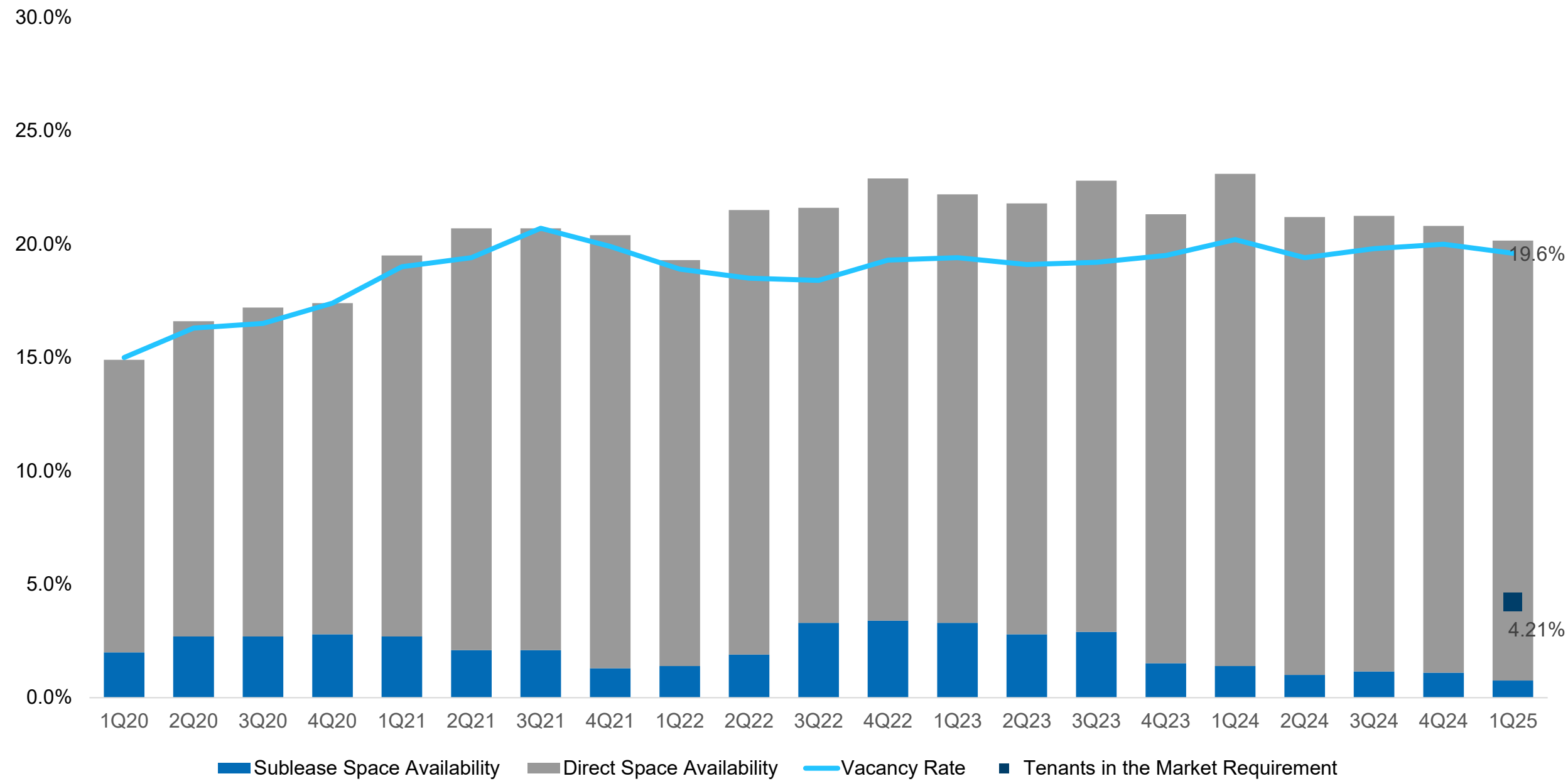


Source: Newmark Research

Tenants Demand

The fourth quarter demand for tenants in the market for office space is 4.2% of the 7.4 million square feet total office inventory in Marin County. With the volatility of the market due to the trade wars, tenant demand is expected to go down.

Available Space and Tenant Demand as Percent of Overall Market



Source: Newmark Research, CoStar

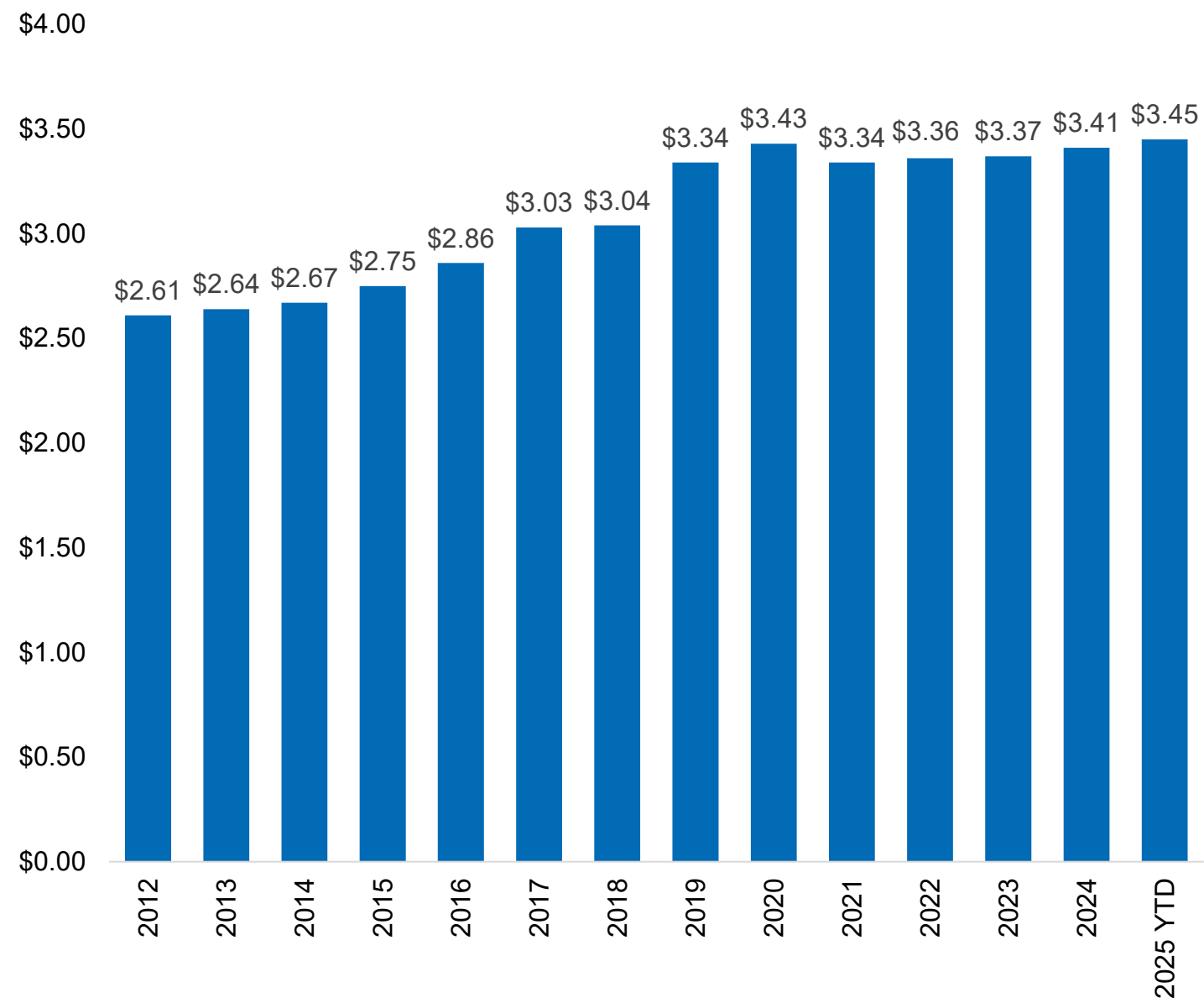


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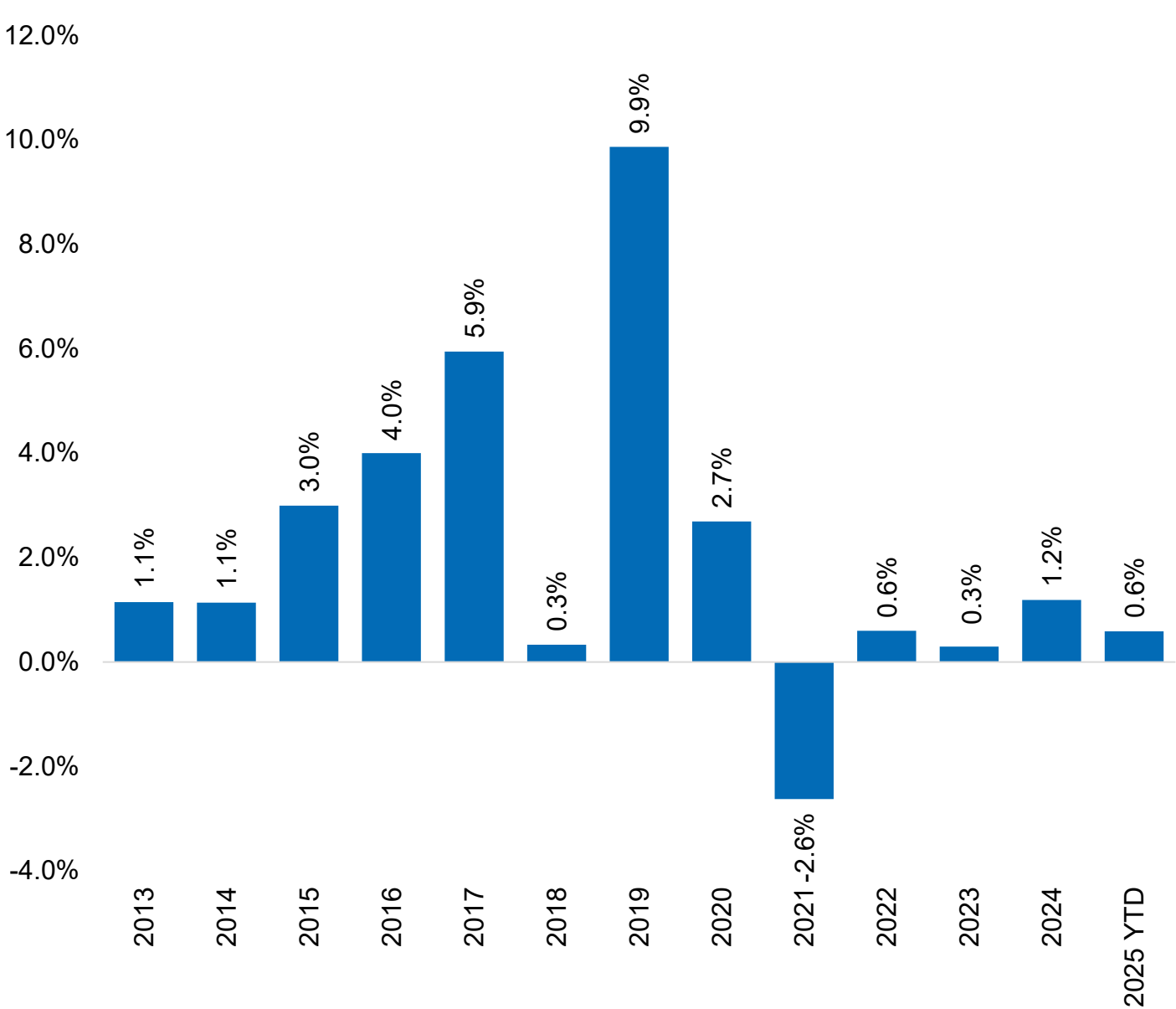
Office Asking Rents Remain Constant

Asking rents in Marin County have slightly increased by 40 basis points over the course of the first quarter of 2025. It is expected that asking rents will remain constant into the foreseeable future.

Office Average Asking Rent, \$/SF, FS



Year-over-Year Asking Rent Growth Rate



Source: Newmark Research, CoStar



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1Q25 Lease Transactions

There were six office leases signed over 2,000 square feet in the first quarter for the Marin Office market, the largest being Pasha Group, leasing 45,147 square feet at 2350 Kerner in San Rafael.

Notable 1Q25 Lease Transactions				
Tenant	Building(s)	Submarket	Type	Square Feet
Pasha Group	2360 Kerner	San Rafael	Direct Lease	45,147
Private Wealth Partners	591 Redwood Highway	Marin Southern	Lease Extension	5,198
Club Evexia	100 Shoreline Highway	Marin Southern	Lease Expansion	4,322
Atkinson, Andelson, Loya, Ruud, & Romo	3 Harbor Drive	Marin Southern	Direct Lease	3,852
Violich Capital Management	2 Belvedere Place	Marin Southern	Direct Lease	2,437
CSI Telecommunications Inc.	6 Hamilton Landing	Novato	Lease Extension	2,036

Source: Newmark Research

Appendix





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