

NEWMARK

Marin County Office Market Overview

1Q26

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U.S. Market Observations



Economy

- Marin County's unemployment rate declined by 10 basis points, from 4.2% in November 2025 to 4.1% in February 2026, bringing it to 30 basis points below the national rate and 130 basis points below California's 5.4% rate.
- The Information, Professional and Business Services sector posted year-over-year declines, while the Financial Activities sector was flat. The Education and Health sector recorded the strongest year-over-year job growth for the second consecutive quarter.



Leasing Market Fundamentals

- Net absorption in the first quarter of 2026 was a positive 41,266 square feet, largely driven by Sutter Health withdrawing its requirements from the market and backfilling space within its own buildings on Rowland Way.
- Average weighted full service asking rates across Marin County increased over the last quarter by 20 basis points to \$3.49 per square foot.
- Landlords with higher-quality space are beginning to raise asking rents, as tenants prioritize well-amenitized, modern space to boost employee engagement in the workplace.



Major Transactions

- The largest lease of the quarter was the Marin Community Foundation's extension of its 25,924-square-foot lease at 5 Hamilton Landing in Novato.
- The largest direct deal of the quarter was Wonderhouse Properties LLC's lease of 7,082 square feet at 55 Sunnyside Avenue in Mill Valley.
- The 27,200-square-foot office building at 111 Smith Ranch Road in northern San Rafael sold to Sujeewa Sean Pathiratne for \$9.7 million, equating to approximately \$341 per square foot.
- Hamilton Zanze & Company remained active in the North Bay, selling the 23,656-square-foot 100 Tamal Vista Boulevard to MKD Investment LP for \$6.8 million (approximately \$287 per square foot) and the 30,077-square-foot 1500 Grant Avenue to Abraham Sadi for \$3.0 million (approximately \$101 per square foot).



Outlook

- The Marin County office market, with a vacancy rate of 19.1%, is performing relatively well compared with nearby urban metros.
- Demolition of the +720,000 former Fireman's Fund Campus in Novato is complete, with 44 acres of the 65-acre property to be developed into +1,081 residential units.
- Office inventory expected to further decrease as 4040 Civic Center gets redeveloped into residential.
- Demolition of the former Sears building at Northgate Mall is underway and is expected to take roughly 120 days. This marks the first step in converting the property into a mixed-use development with roughly 220,000 square-feet of retail space, including the just announced Good Earth Natural Foods lease, and up to 1,422 residences.

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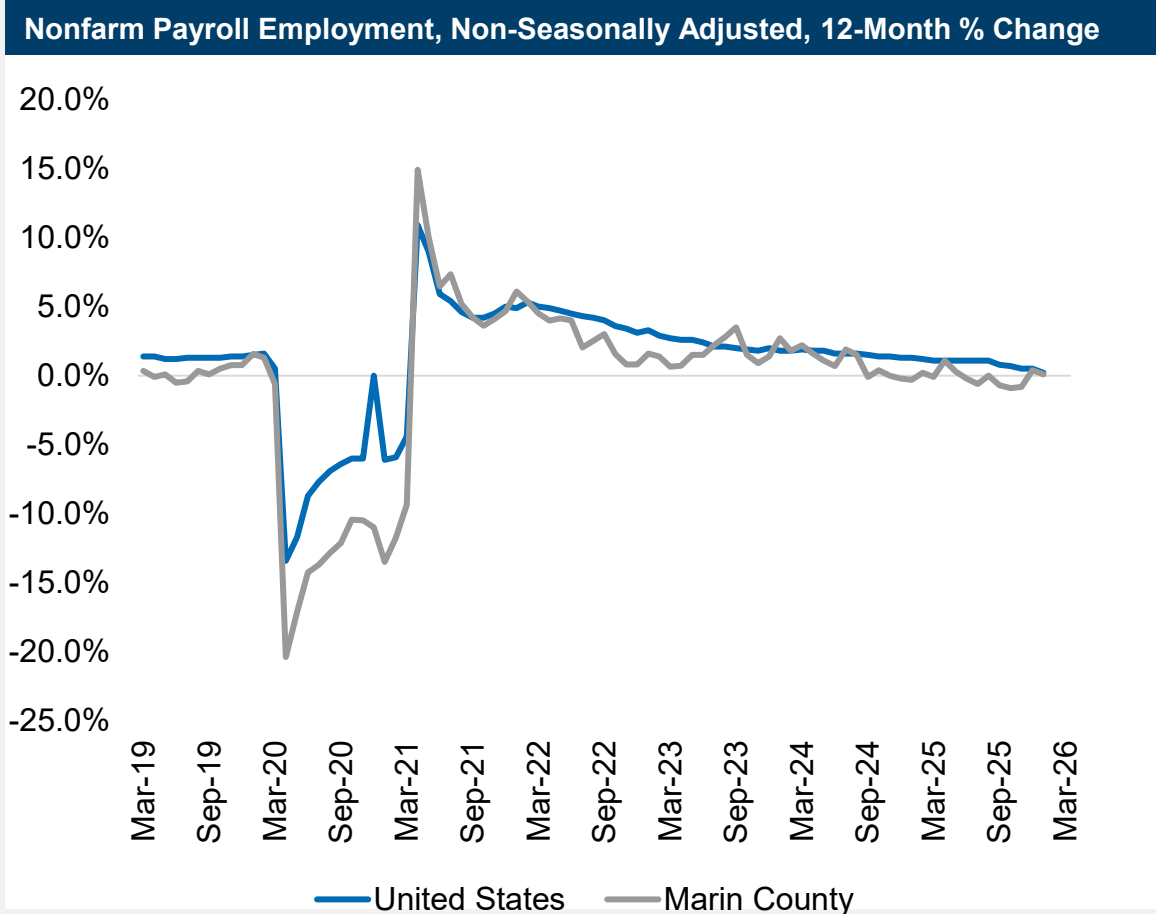
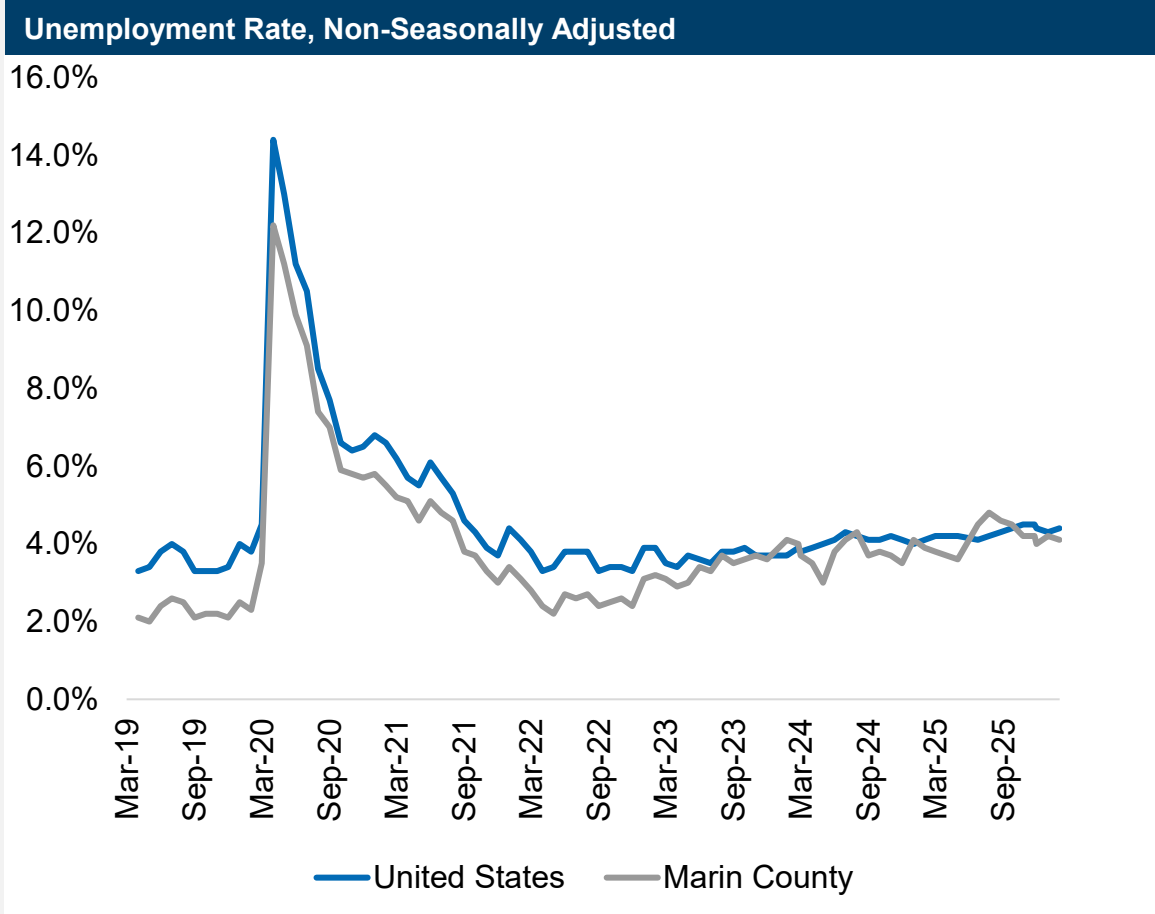
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Economy



Marin Employment Increased

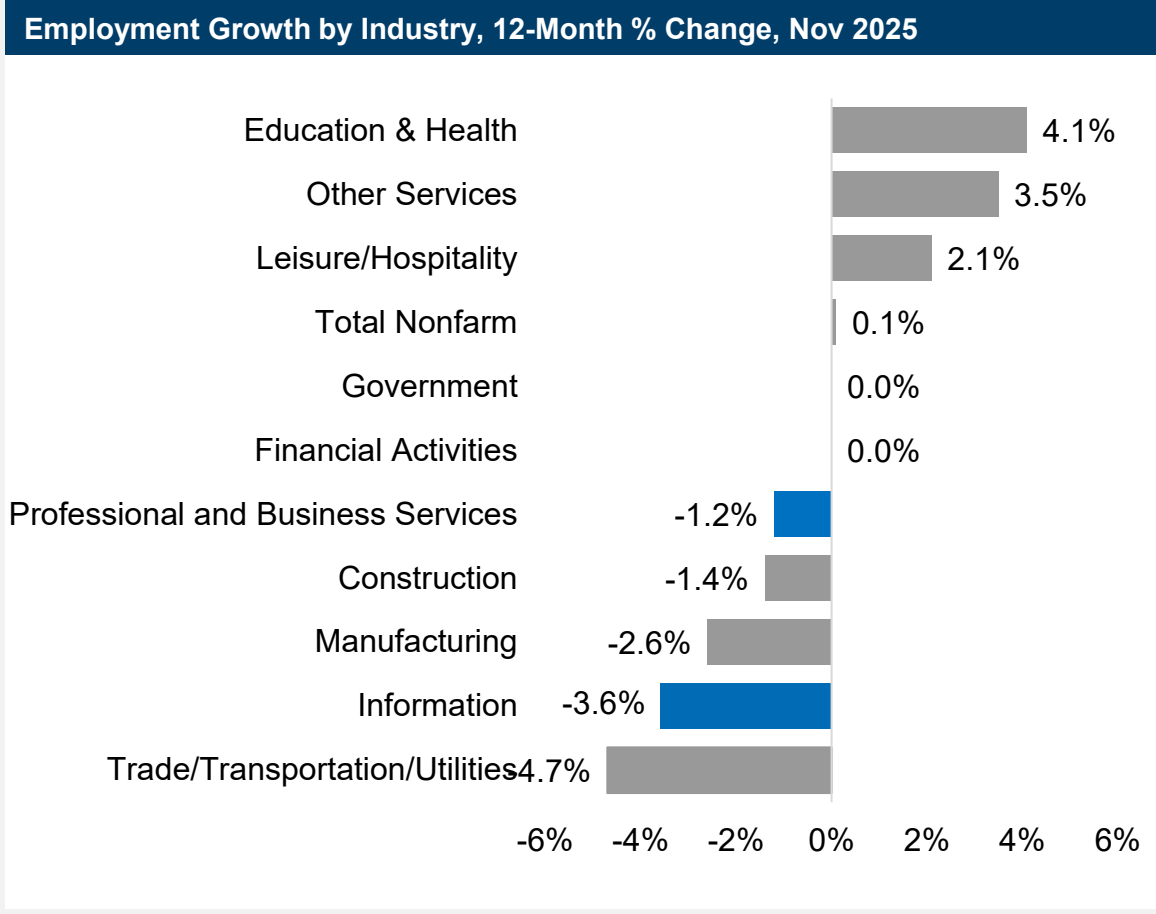
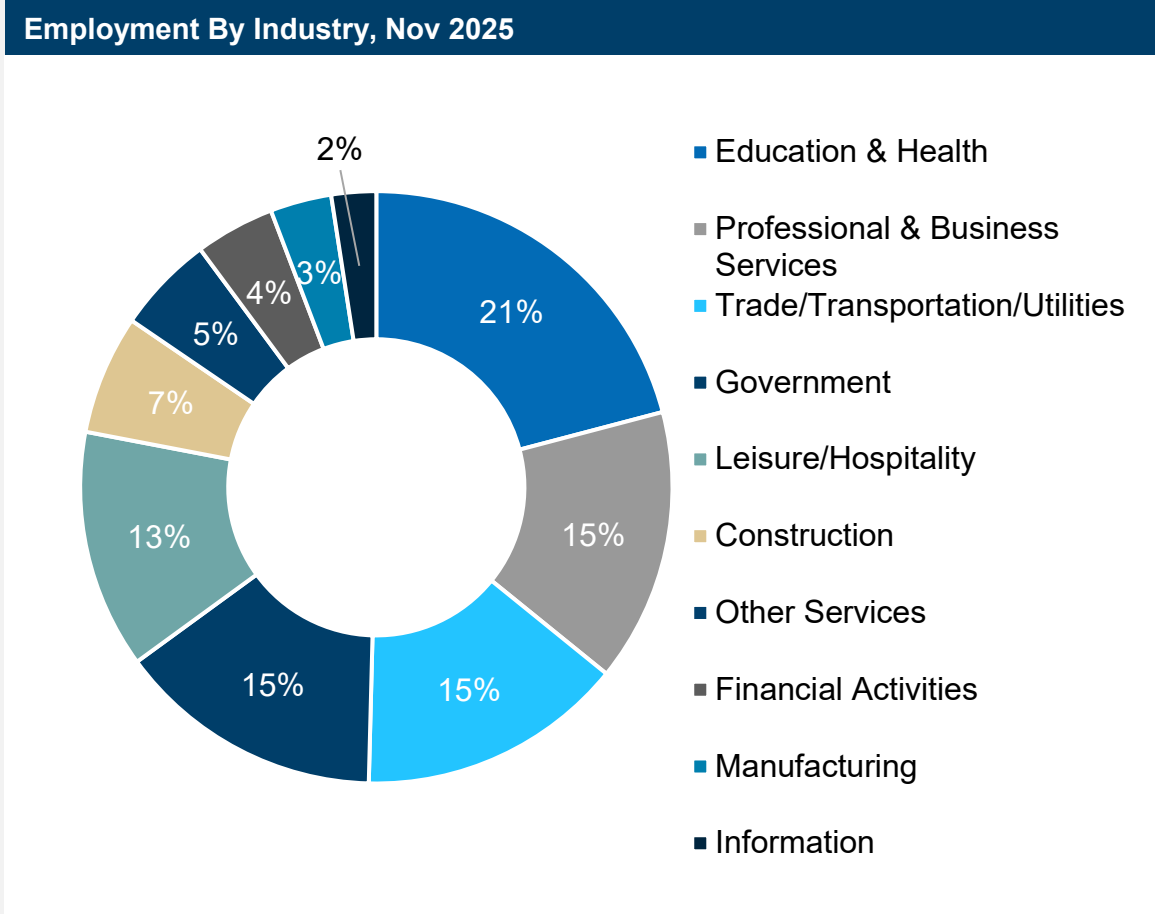
Marin County’s unemployment rate decreased by 10 basis points between November of 2025 and February of 2026. At 4.1%, the unemployment rate in Marin County was 30 basis points lower than the national rate.



Source: U.S. Bureau of Labor Statistics, Oakland-Hayward-Berkeley Metropolitan Division (comprised of Alameda and Contra Costa Counties)

Office-Using Employment Down Year-Over-Year

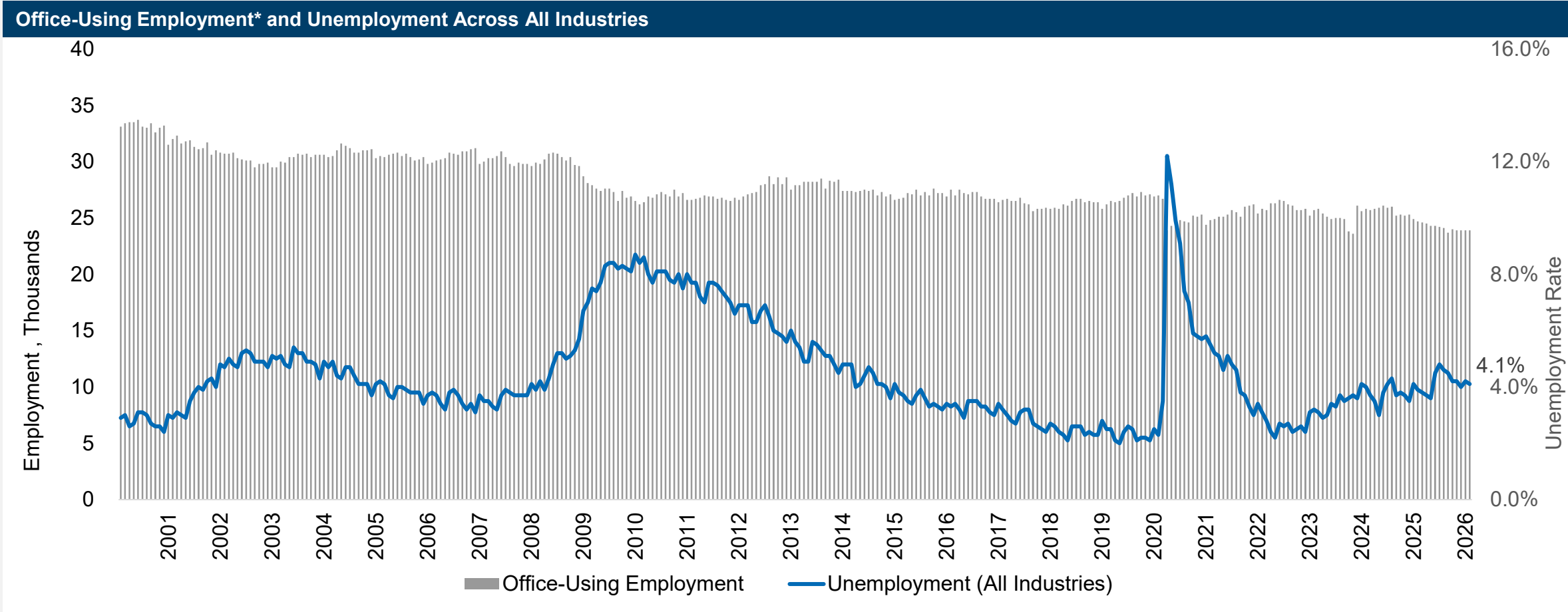
The Education and Health sector had the most employees in Marin County, followed by the Professional & Business Services sector. In total, office using sectors in Marin County experienced negative year-over-year growth, with the Information sector suffering the most losses.



Source: U.S. Bureau of Labor Statistics, Oakland-Hayward-Berkeley Metropolitan Division (comprised of Alameda and Contra Costa Counties)

Office-Using Employment Remained Below Pre-Pandemic Totals

The number of office jobs in Marin County was roughly 2,000 less than pre-pandemic levels in 2019. The unemployment rate in Marin County has remained static and only dropped by 10 basis points between November and February.



Source: U.S. Bureau of Labor Statistics, Oakland-Hayward-Berkeley Metropolitan Division (comprised of Alameda and Contra Costa Counties). Note: November 2025 data is preliminary.
 *Office-using employment includes employment in the following industry sectors: Professional & Business Services, Financial Activities and Information.



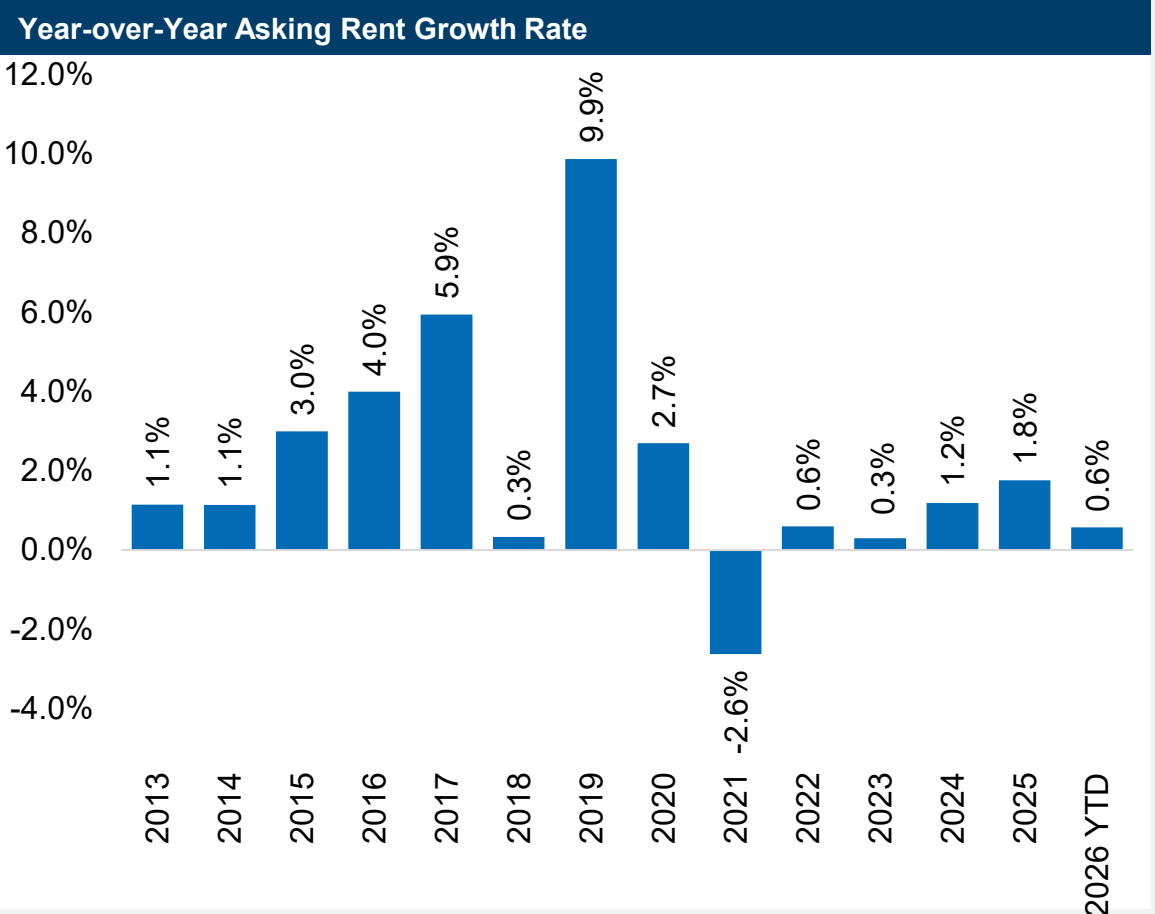
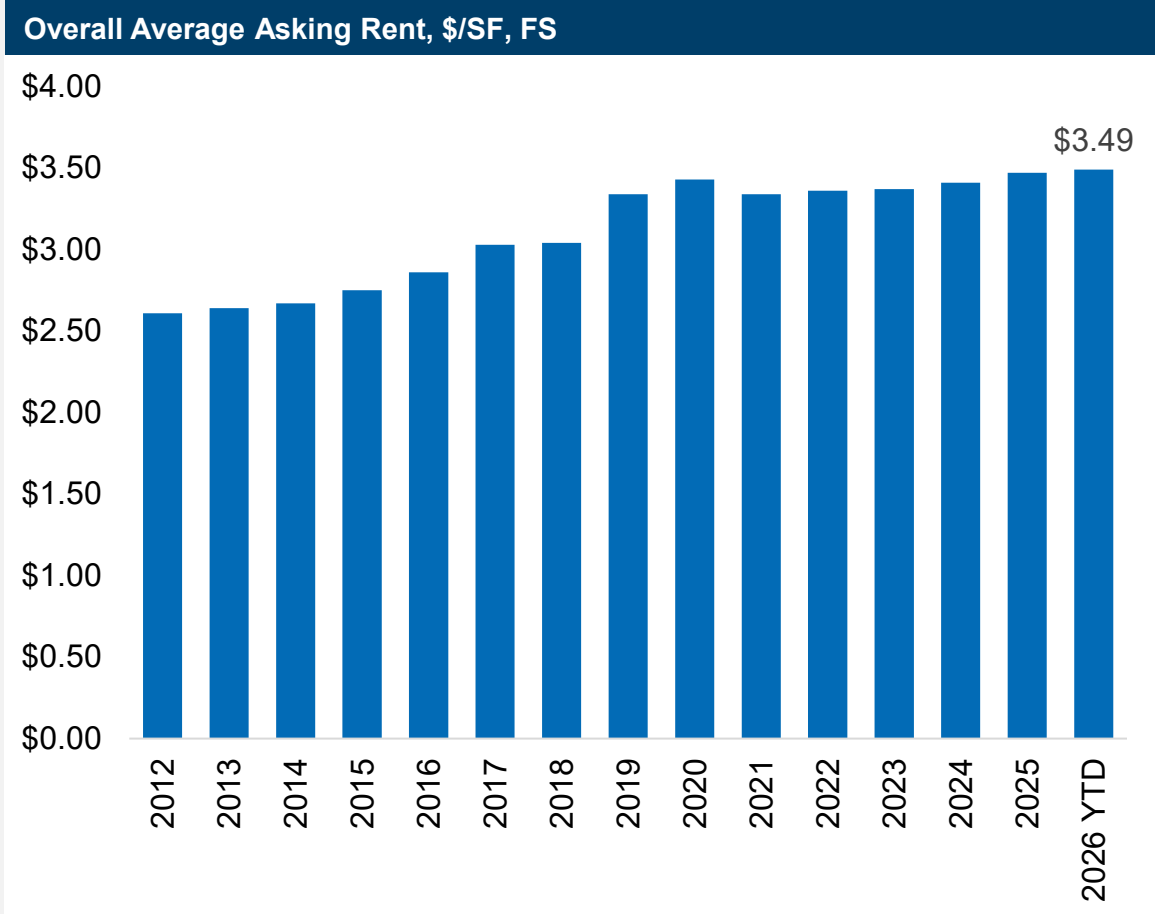
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Leasing Market Fundamentals

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Office Asking Rents Slightly Increase

Asking rents in Marin County have slightly increased by 20 basis points over the course of the first quarter of 2026. It is expected that asking rents will remain stable into the foreseeable future.



Marin County Office 1Q26 Notable Transactions

Notable 1Q26 Lease Transactions

Tenant	Building(s)	Submarket	Type	Square Feet
Marin Community Foundation	5 Hamilton Landing	Novato	Extension	25,924
Wonderhouse Properties LLC	55 Sunnyside Avenue	Marin Southern	Direct	7,082
Teijin Holdings USA	1 Harbor Drive	Marin Southern	Direct	6,361

Notable 1Q26 Sale Transactions

Building Address	Square Footage	Buyer	Seller	Submarket	Sale Price	Price Per Square Foot
111 Smith Ranch Road	27,200	Sujeewa Sean Pathiratne	Roger A Smith	Northern San Rafael	\$9,275,000	\$341
100 Tamal Vista Boulevard	23,656	MKD Investment, LP	Hamilton Zanze & Co	Marin Central	\$6,800,000	\$287
1500 Grant Avenue	30,077	Abraham Sadi	Hamilton Zanze & Co	Novato	\$3,025,000	\$101

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Appendix

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Jack Baughman

Senior Research Analyst

North Bay Research

Jack.Baughman@nmrk.com

San Rafael Office

1101 Fifth Avenue, Ste 370

San Rafael, CA 94901

t 415-526-7676

New York Headquarters

125 Park Ave.

New York, NY 10017

t 212-372-2000

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