

2Q25

Marin County Office Market Overview



NEWMARK

Market Observations

Economy

- Marin County's unemployment rate decreased by 30 basis points from 3.9% to 3.6% between February and May of 2025, and is now 60 basis points below the United States unemployment rate. It is now 170 basis points below California's unemployment rate of 5.3%.
- The three office using sectors: Information, Professional and Business Services, and Financial Activities all experienced negative year-over-year growth. The Other Services and Education sectors experienced the largest year over year growth.

Major Transactions

- The largest lease signed in the second quarter of 2025 the Visual Concepts Entertainment downsizing and renewing 30,838 square feet at 10 Hamilton Landing in Novato.
- KHP Capital Partners leased 7,091 square feet at 1100 Larkspur Landing Circle in Central Marin.
- Fairview Capital Investment Management renewed 5,861 square feet at 300 Drakes Landing in Central Marin.
- 1660 Tiburon Boulevard, an 8,250 square foot office building in Tiburon sold for \$4.78 million, or \$579.27/sf.

Leasing Market Fundamentals

- Net absorption was negative 69,115 square feet for the second quarter of 2025. This was largely due to the Visual Concepts Entertainment downsizing and leaving 33,393 square feet available at 10 Hamilton Landing in Novato.
- Average weighted full service asking rates across Marin County in the second quarter of 2025 decreased by 20 basis points to \$3.43 per square foot. Prices on average have remained stable 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 20.5%, is faring well when compared to nearby urban metros such as San Francisco, which posted an office vacancy rate of 30.5% in the second quarter of 2025.
- The flight to quality will continue as companies search for high quality office space with on site amenities to attract workers back to office.
- Tariffs have impacted decision making, slowing or in some cases halting lease negotiations. Uncertainty given recent trade relations has heightened caution for executives.

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

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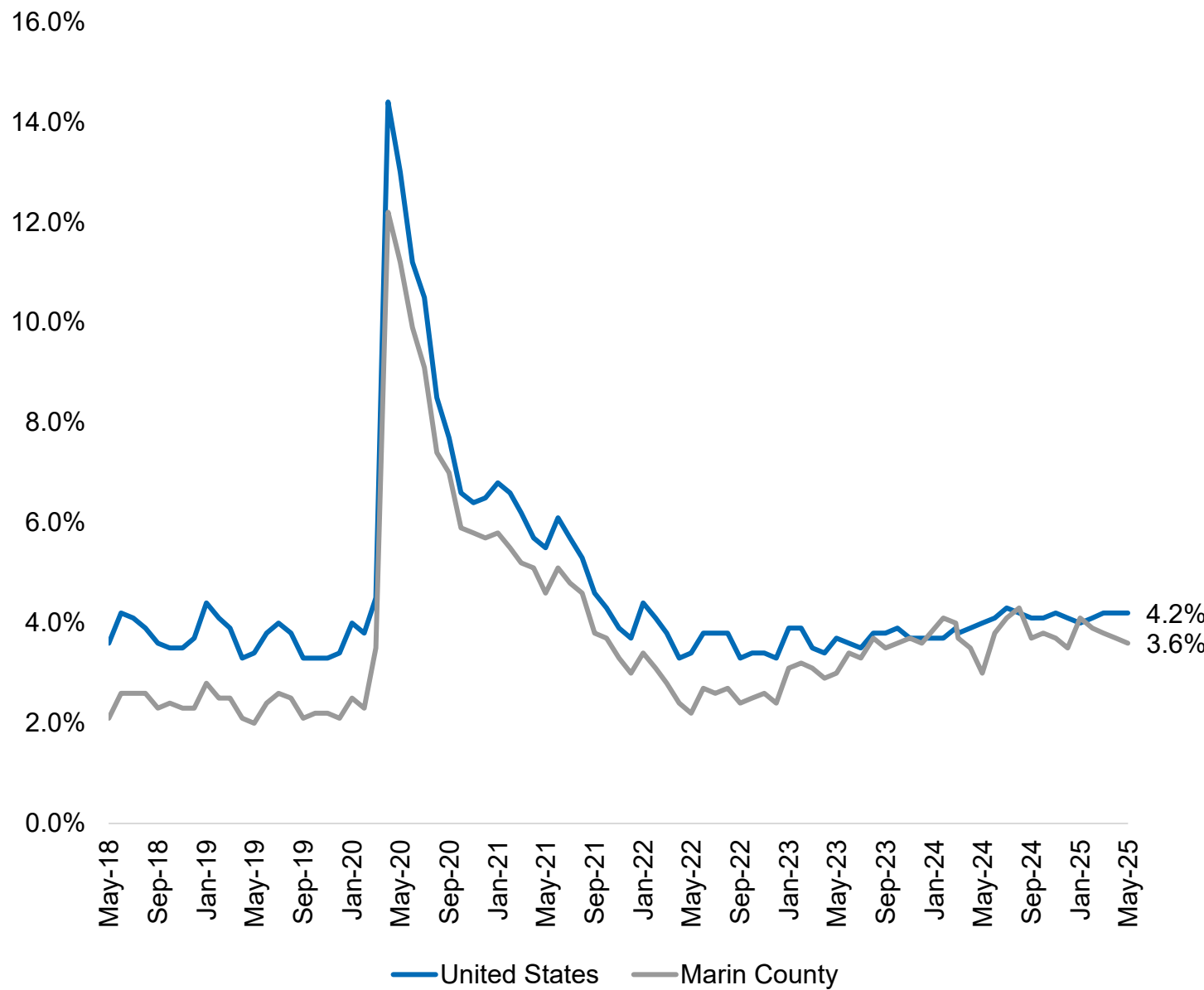
Economy



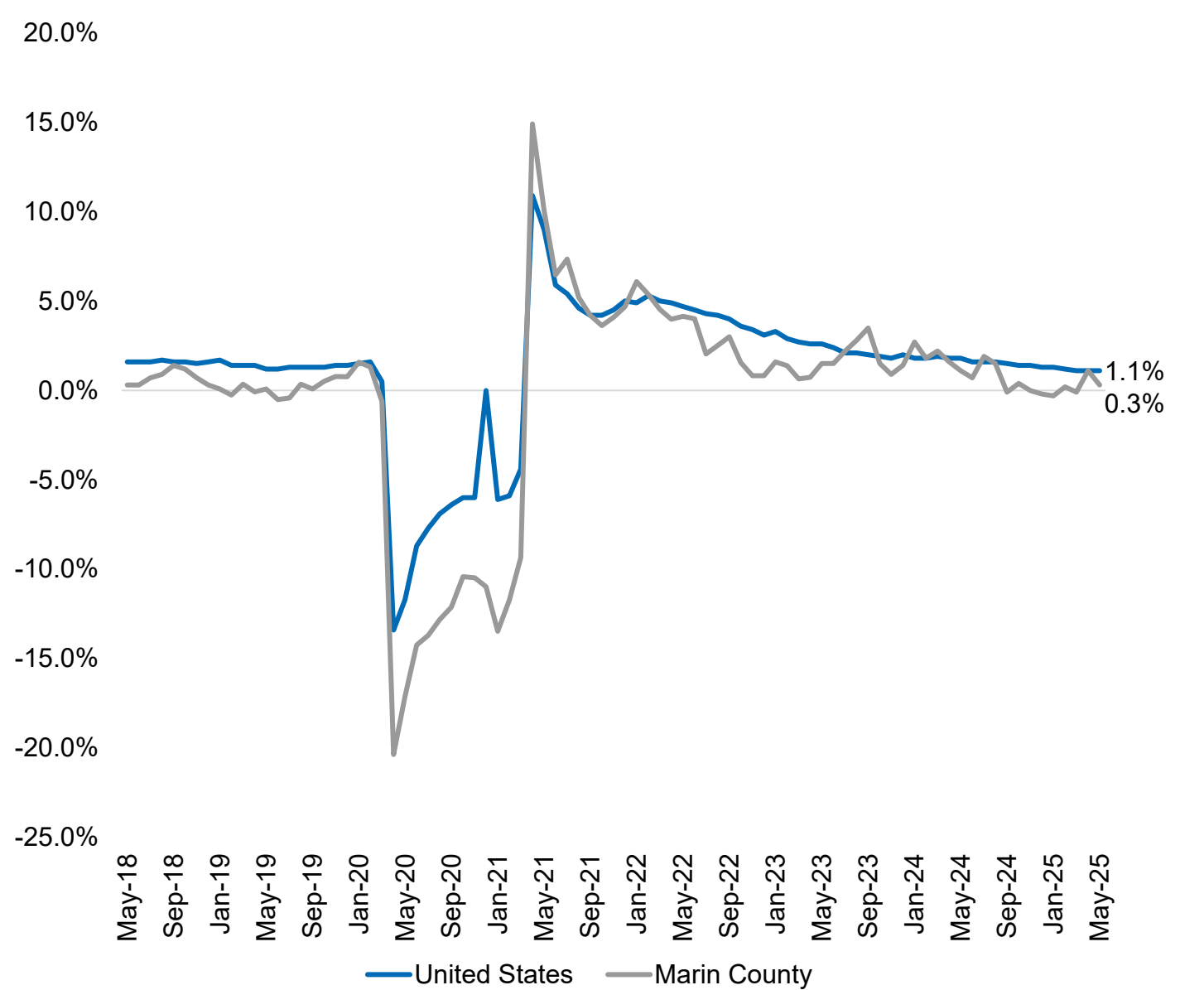
Metro Unemployment Decreased

Marin County's unemployment rate decreased by 30 basis points between February and May of 2025. At 3.6%, the unemployment rate in Marin County was 60 basis points lower than the national rate.

Unemployment Rate, Non-Seasonally Adjusted



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



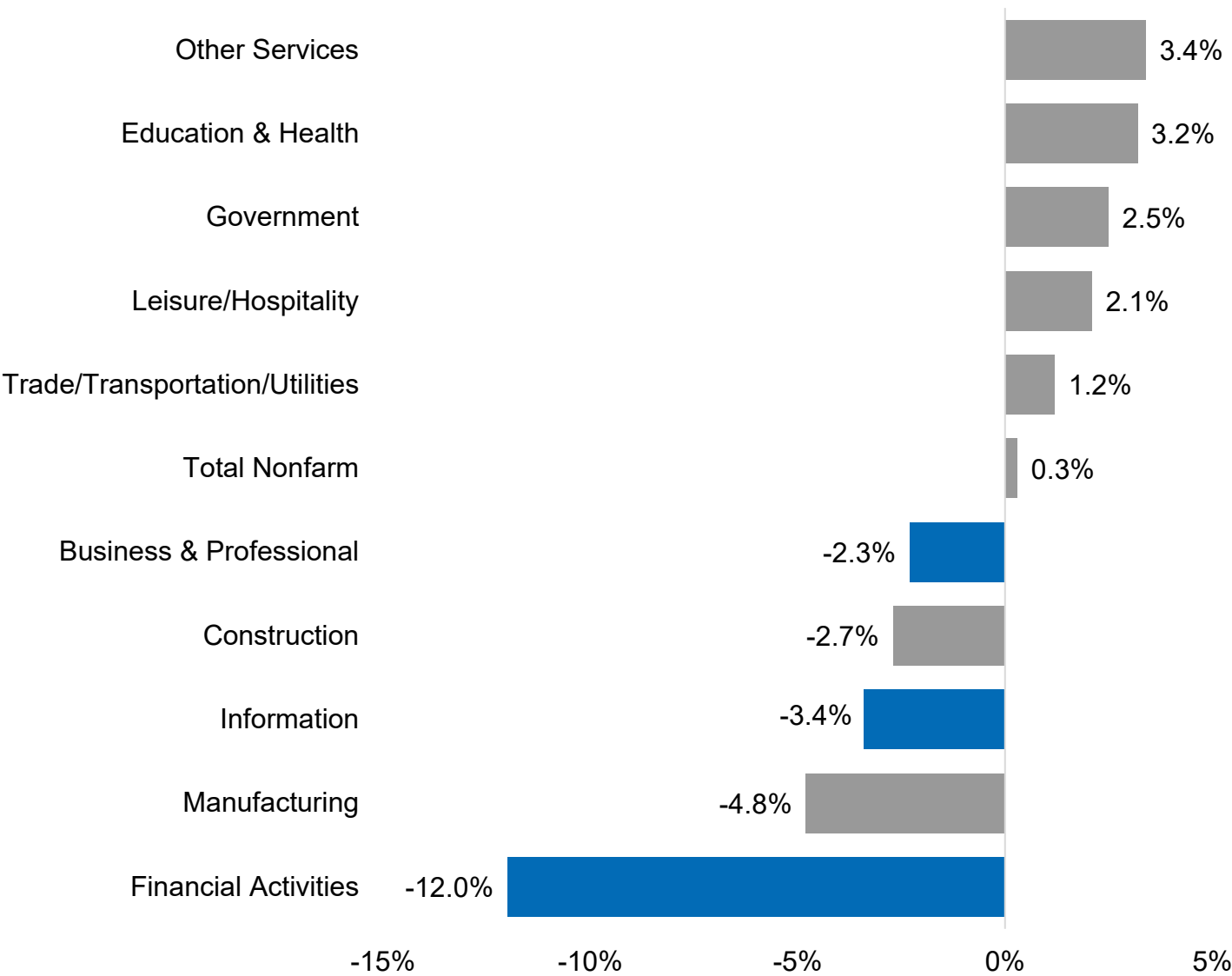
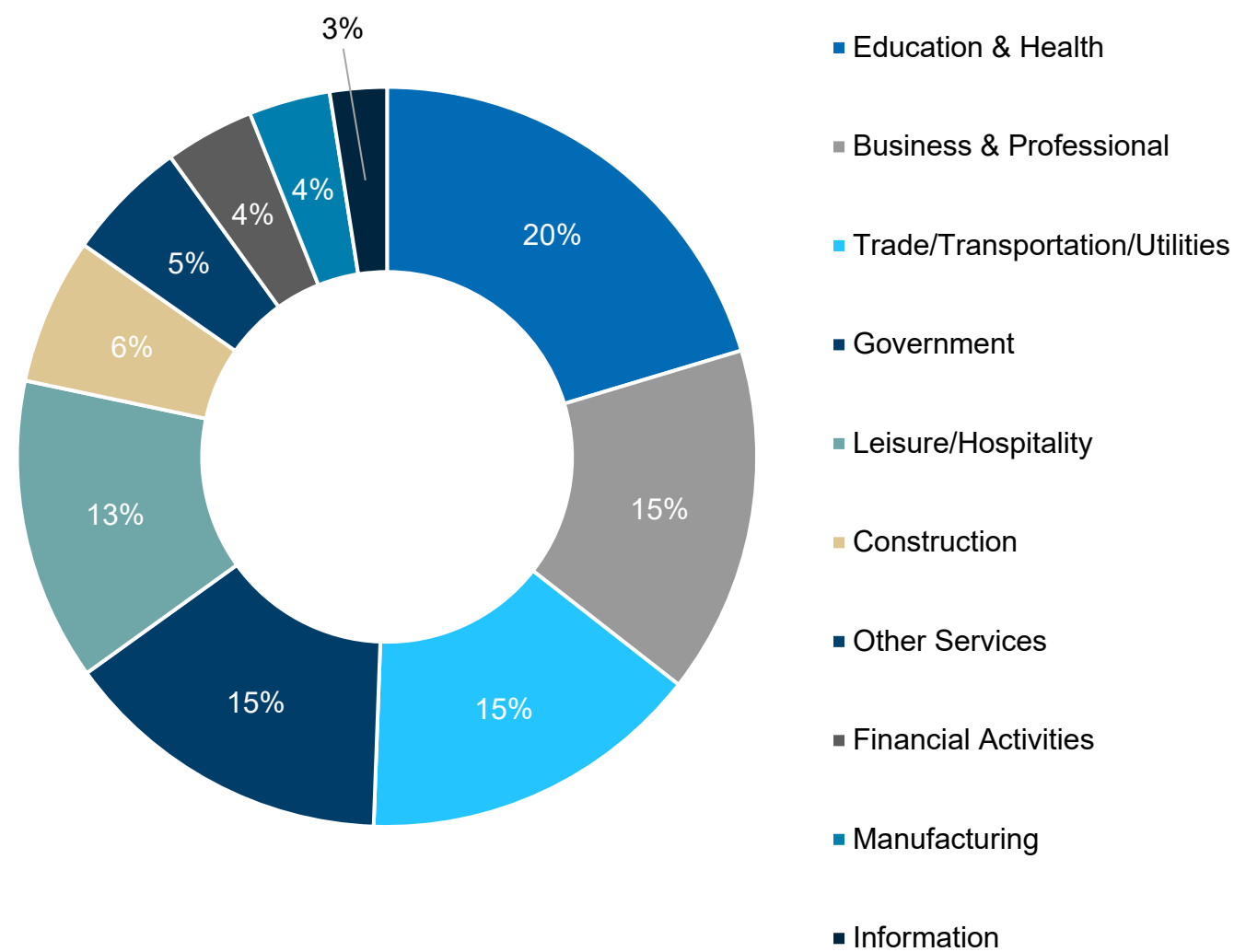
Source: U.S. Bureau of Labor Statistics, San Rafael (comprised of Marin County)

Office-Using Employment Down Year-Over-Year

The Education and Health sector had 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 May 2025.

Employment by Industry, February 2025

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

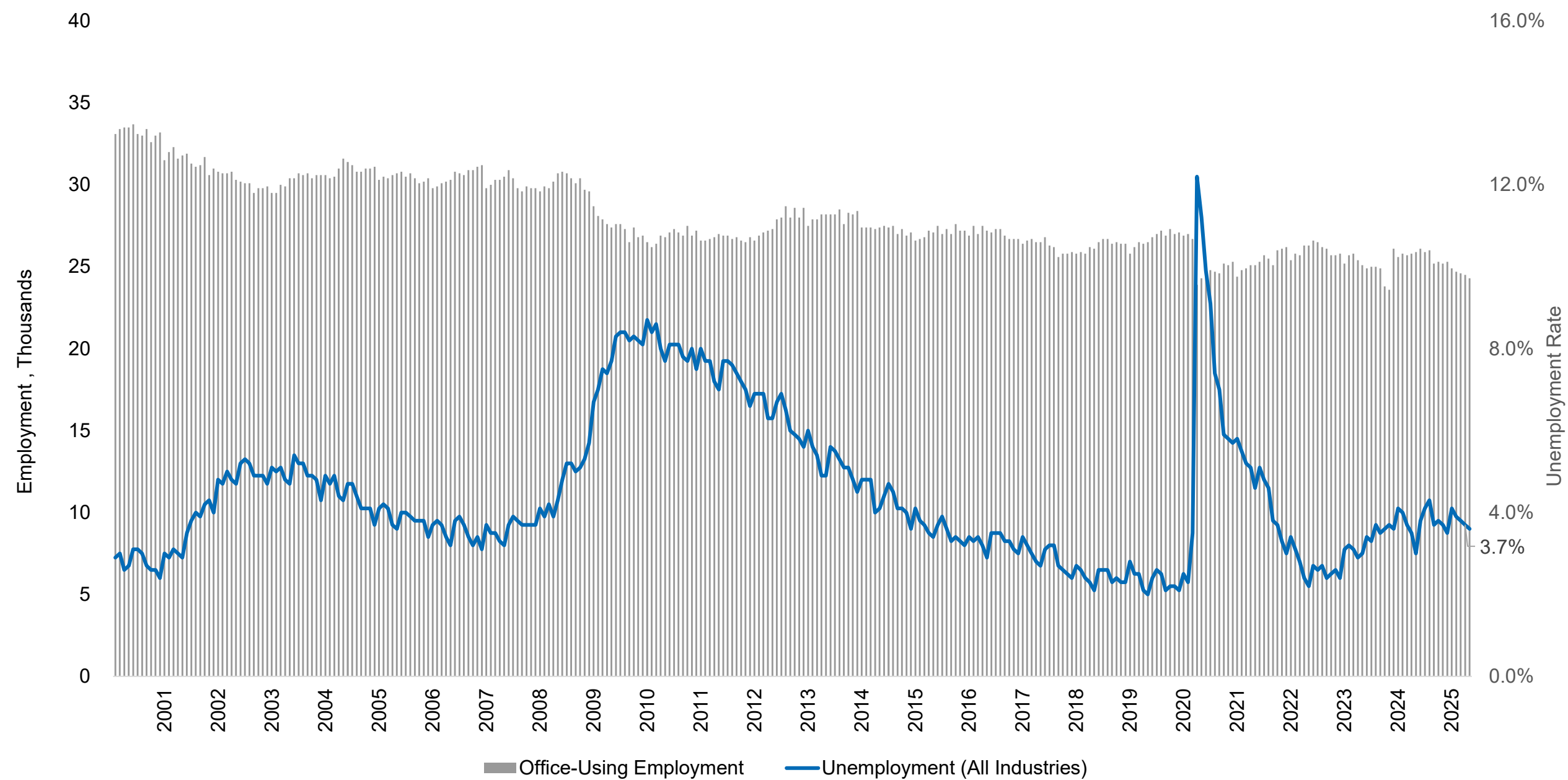


Source: U.S. Bureau of Labor Statistics, San Rafael (comprised of Marin County)

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 decreased by 30 basis points since February of 2025.

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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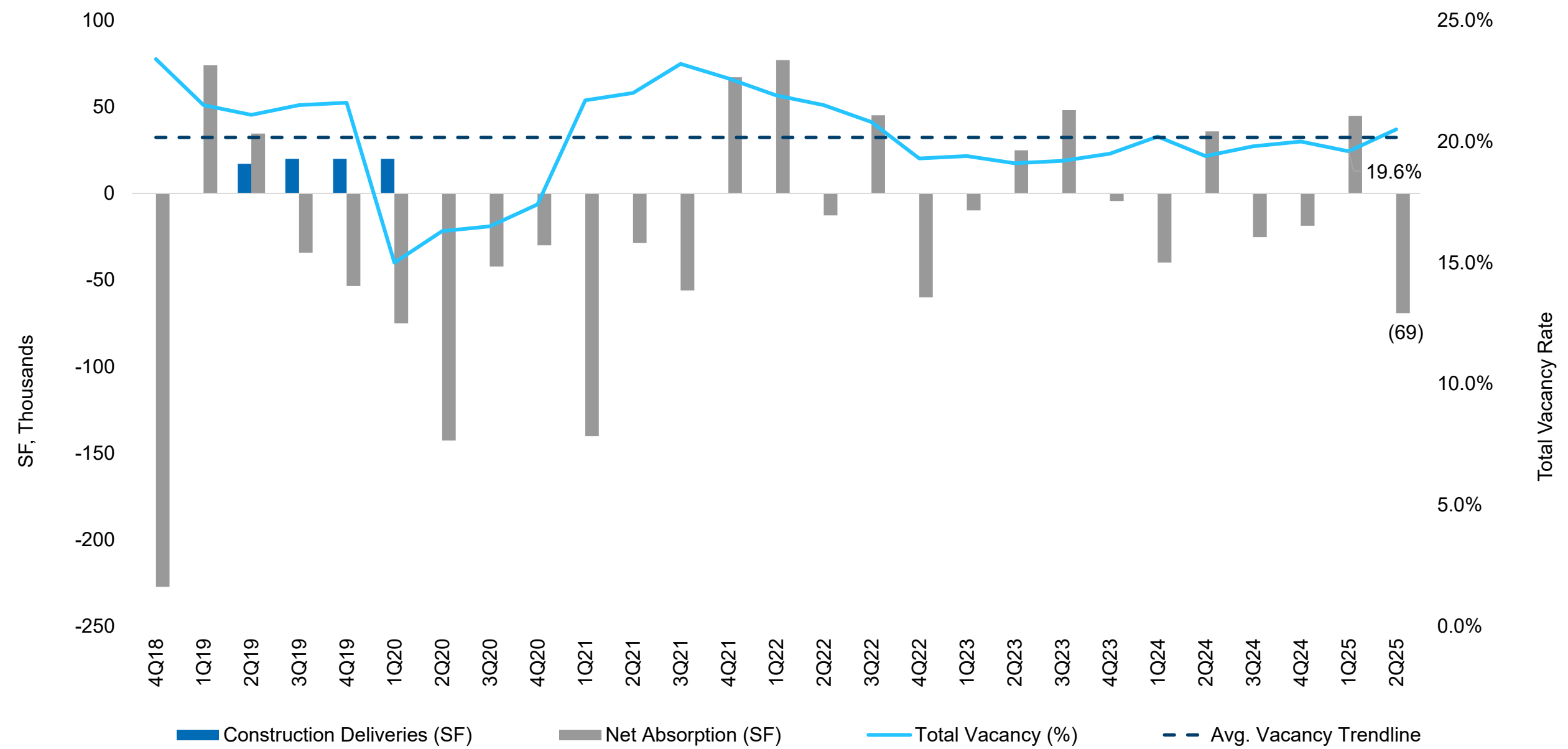
Leasing Market Fundamentals



Office Vacancy Increased in 2Q25

The vacancy rate for office space in Marin County increased by 90 basis points to 20.5% in the second quarter of 2025.

Historical Construction Deliveries, Net Absorption, and Vacancy

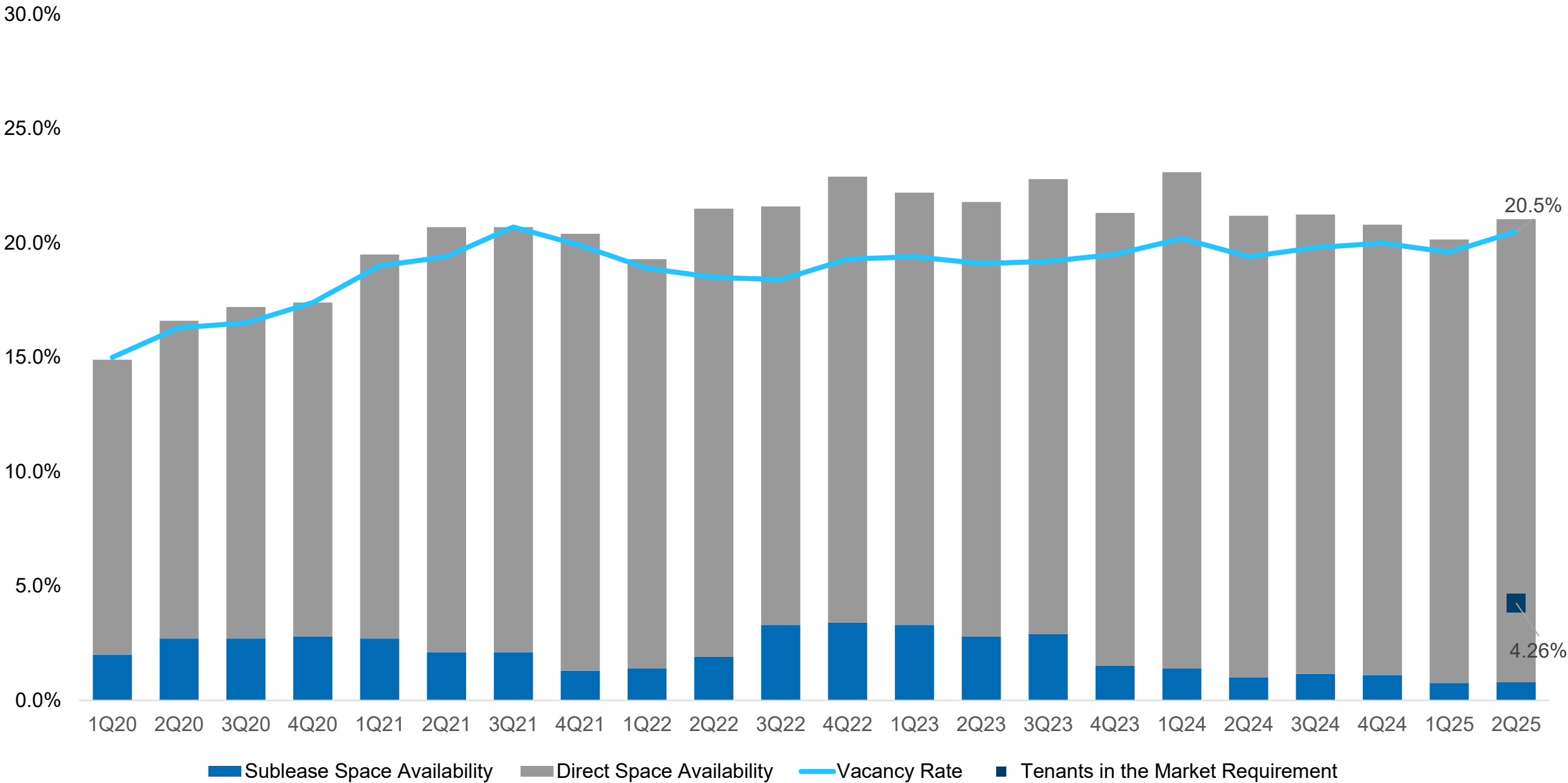


Source: Newmark Research

Tenant Demand

The second quarter demand for tenants in the market for office space was 4.3% of the 7.4 million square feet total office inventory in Marin County.

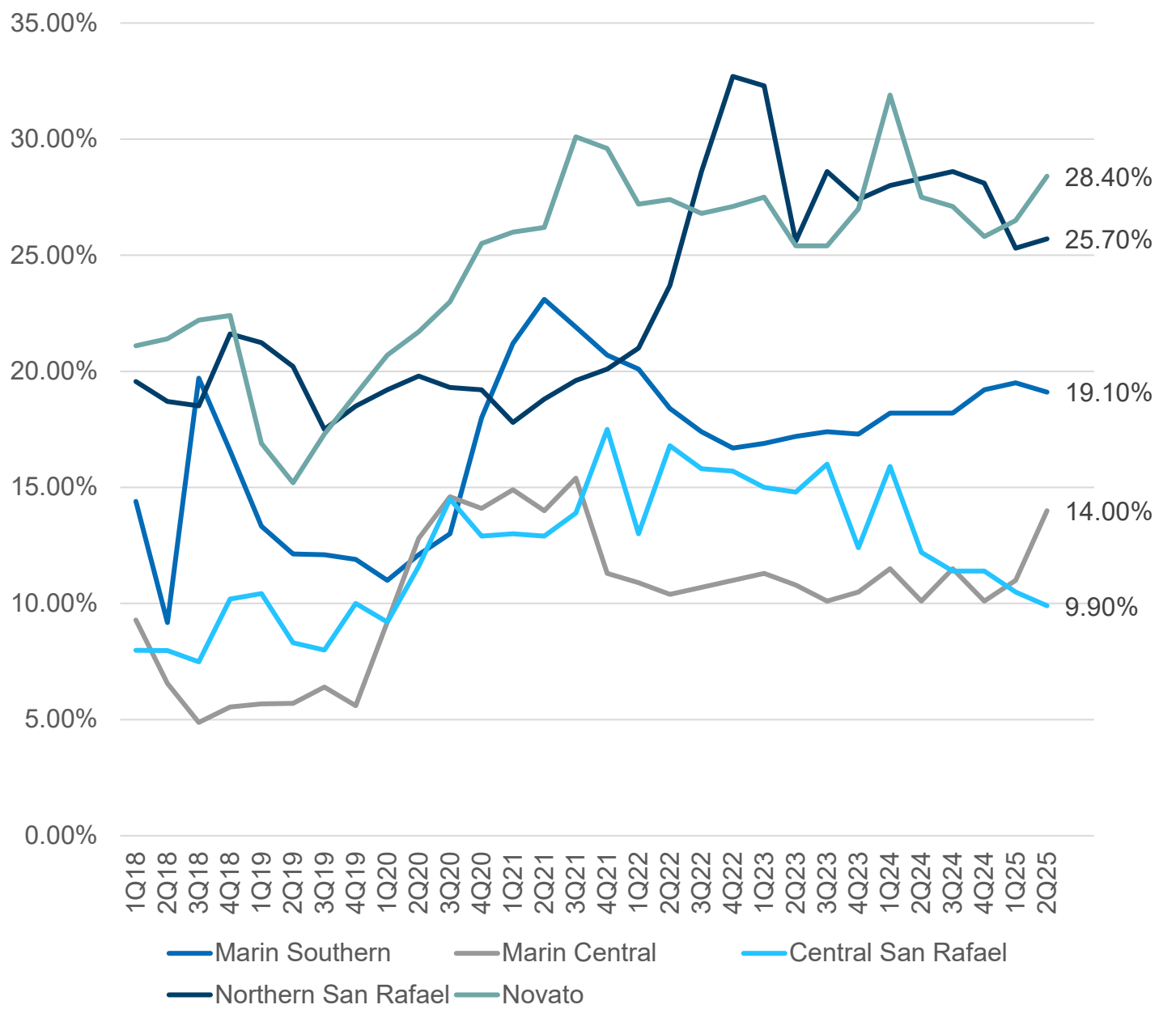
Available Space and Tenant Demand as Percent of Overall Market



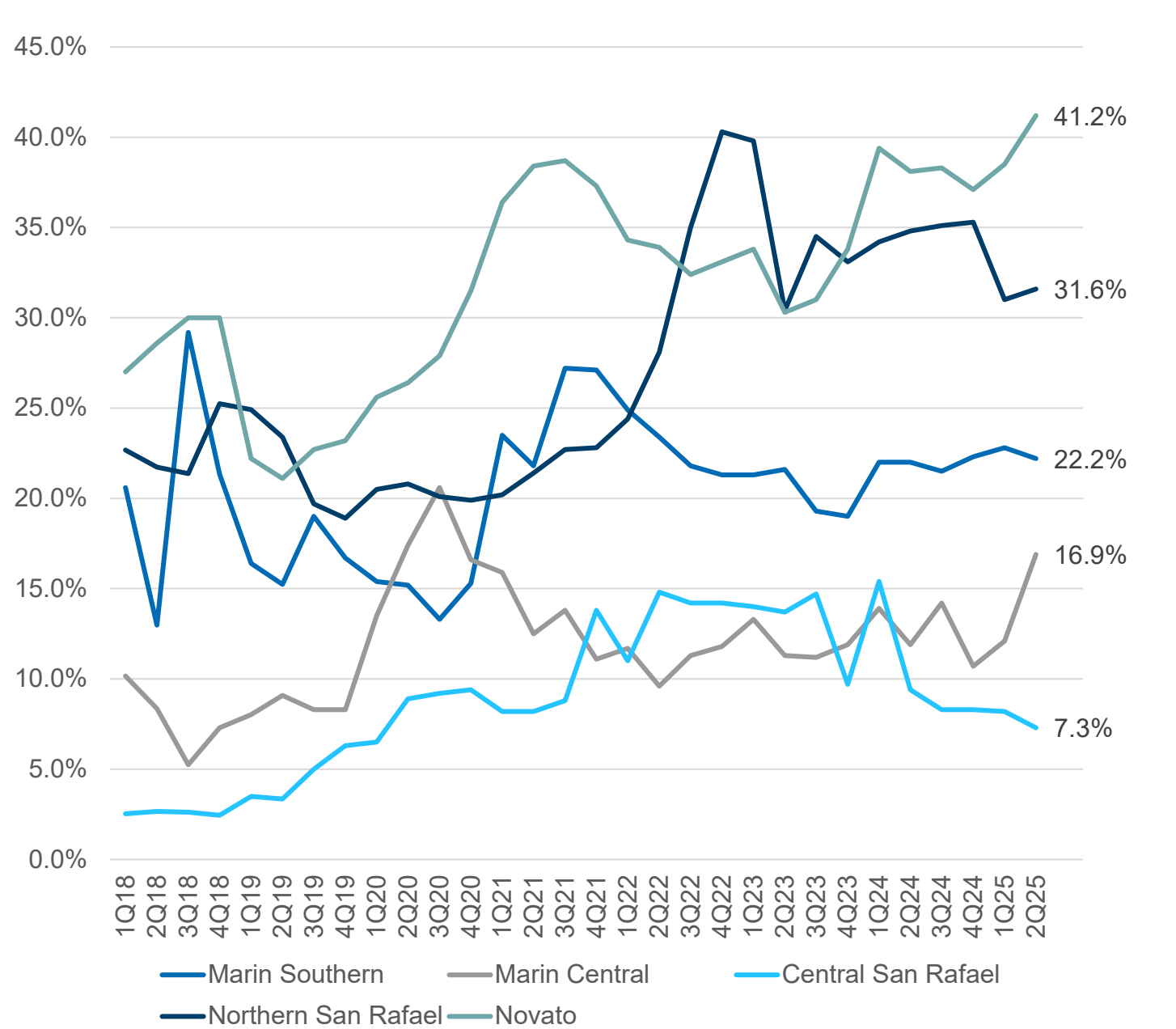
Source: Newmark Research, CoStar

Office Availability by Submarket

Overall Availability Rate by Submarket



Class A Availability Rate by Submarket

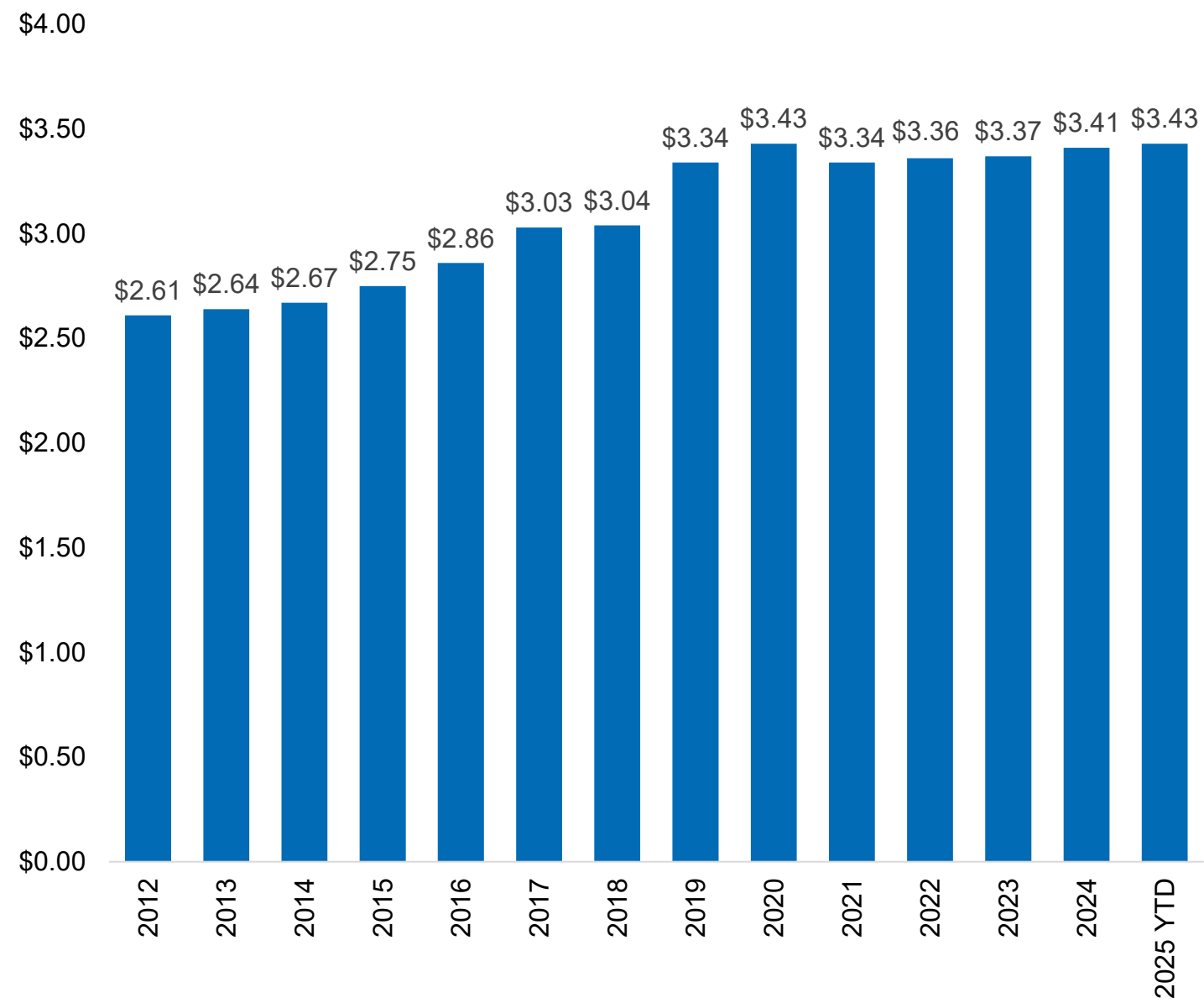


Source: Newmark Research

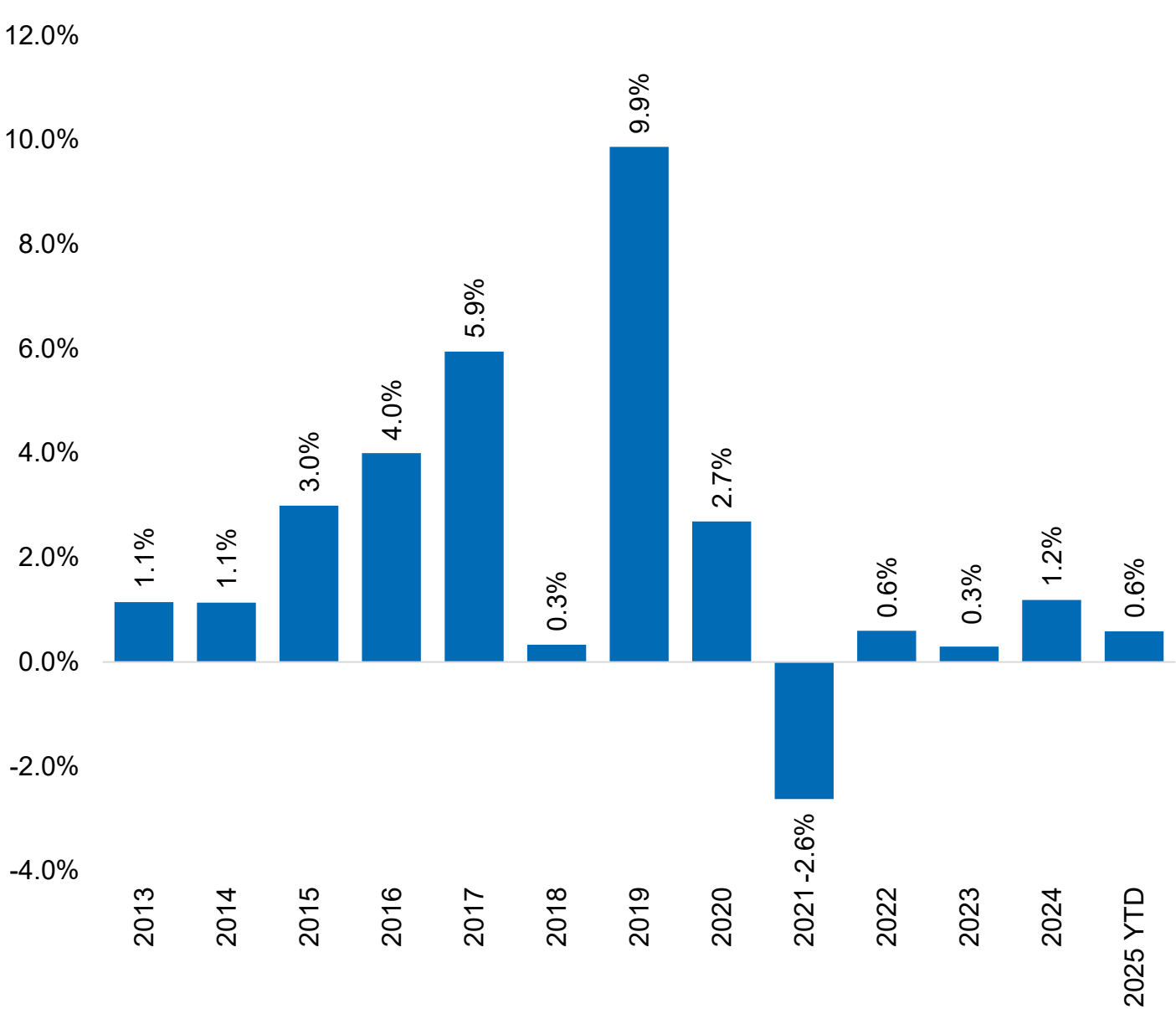
Office Asking Rents Remain Constant

Asking rents in Marin County decreased by 20 basis points over the course of the second 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

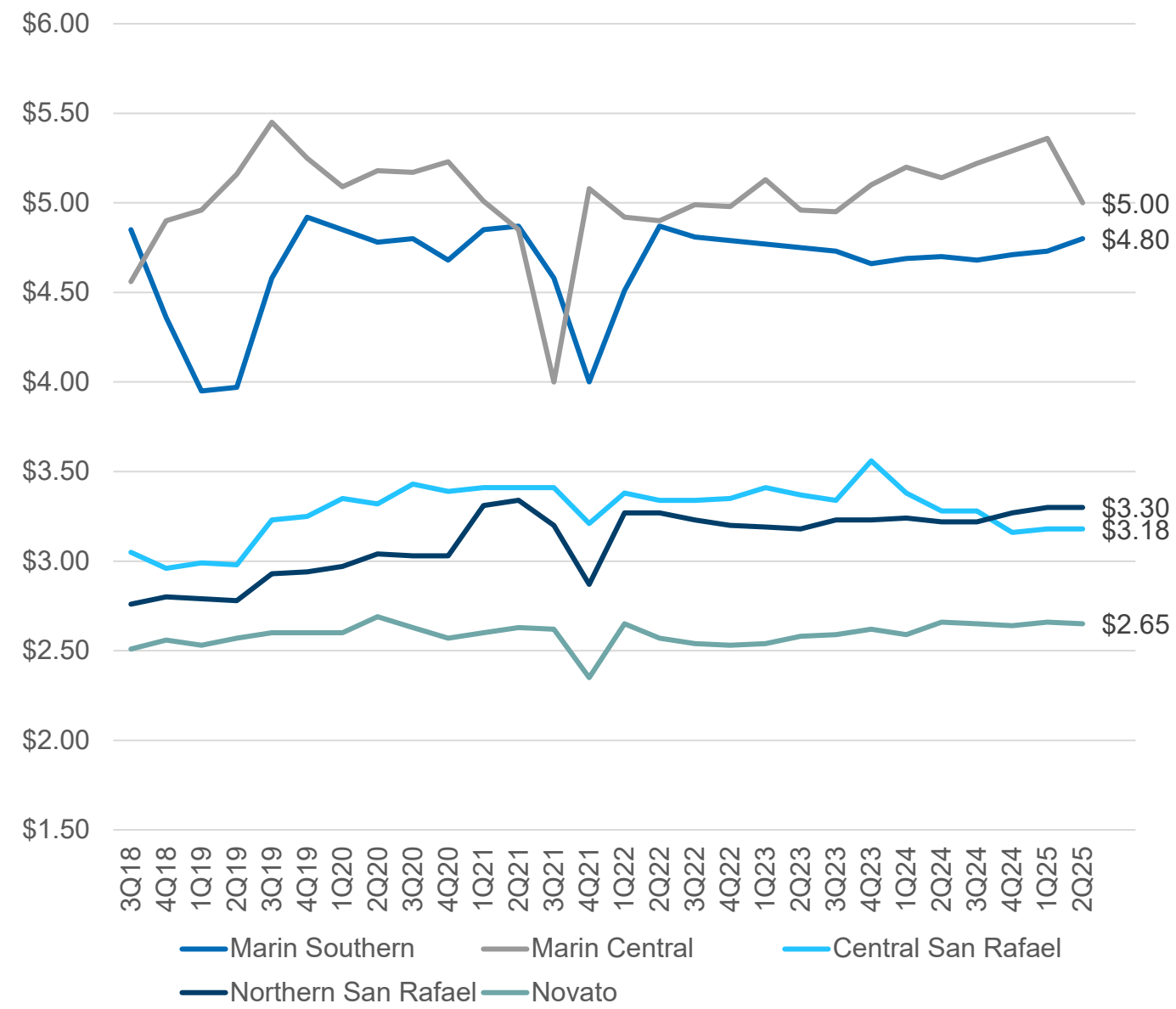


Source: Newmark Research, CoStar

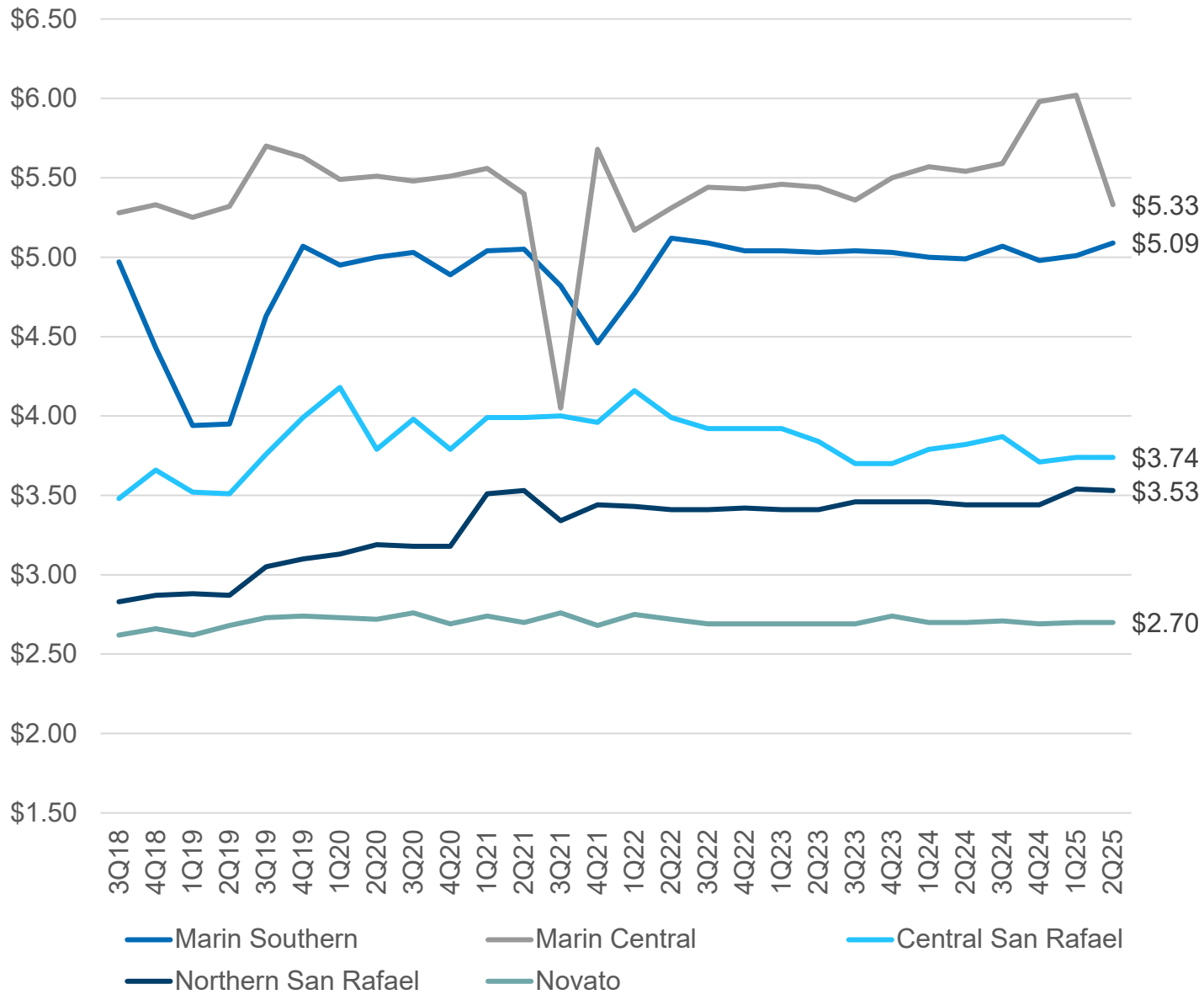
Asking Rents by Submarket

Overall rents in Marin County have remained constant in the second quarter of 2025. Central and Southern Marin's Class A asking rents remained the strongest per square foot and will continue being market leaders for pricing, although Central Marin's rates dropped slightly in the second quarter.

Overall Asking Rent by Submarket



Class A Asking Rent by Submarket



Source: Newmark Research

2Q25 Notable Lease Transactions

Notable 2Q25 Lease Transactions				
Tenant	Building(s)	Submarket	Type	Square Feet
Visual Concepts Entertainment	10 Hamilton Landing	Novato	Downsizing	30,838
KHP Capital Partners	1100 Larkspur Landing Circle	Marin Central	Direct	7,091
Fairview Capital Investment Management	300 Drakes Landing Road	Marin Central	Lease Renewal	5,861
BOK Modern	990 Fifth Street	Marin Southern	Direct	5,199
Tangram Insurance Services	7200 Redwood Boulevard	Novato	Direct	4,200
Relevant Wealth Advisors	2 Belvedere Place	Marin Southern	Lease Extension	3,560

Source: Newmark Research

Appendix



Marin County Market Statistics

Office Market Stats 2Q25

	Inventory (SF)	Vacancy Rate	Total Availability (SF)	Sublease Availability (SF)	Total Availability Rate	Qtr. Net Absorption (SF)	Year-to-Date Absorption (SF)	Direct FS Asking Rent (Price/SF)
Marin Central	1,149,134	13.7%	161,418	20,267	14.0%	-34,392	-41,587	\$5.00
Class A	759,826	16.5%	128,335	20,267	16.9%	-36,103	-43,780	\$5.33
Class B	389,308	8.3%	33,083	0	8.5%	1,711	2,193	\$3.80
Marin Southern	987,767	17.9%	188,528	16,283	19.1%	5,303	9,101	\$4.80
Class A	661,562	20.3%	146,643	5,767	22.2%	5,771	3,301	\$5.09
Class B	326,205	13.0%	41,885	10,516	12.8%	-468	5,800	\$3.49
Novato	1,892,576	29.8%	538,146	17,150	28.4%	-35,404	-32,425	\$2.65
Class A	1,195,409	38.1%	492,757	17,150	41.2%	-31,757	-37,362	\$2.70
Class B	697,167	15.5%	45,389	0	6.5%	-3,647	4,937	\$2.22
Central San Rafael	1,247,035	10.0%	122,924	1,488	9.9%	6,071	4,074	\$3.18
Class A	789,784	7.3%	57,545	0	7.3%	7,147	7,790	\$3.74
Class B	457,251	14.6%	65,379	1,488	14.3%	-1,076	-3,716	\$2.62
Northern San Rafael	2,113,968	23.4%	544,321	3,721	25.7%	-10,693	36,517	\$3.30
Class A	1,533,374	26.1%	484,760	2,965	31.6%	-6,621	38,811	\$3.53
Class B	580,594	16.2%	59,561	756	10.3%	-4,072	-2,294	\$2.36
Marin County Total	7,390,480	20.5%	1,555,337	58,909	20.1%	-69,115	-24,320	\$3.43
Class A	4,939,955	23.8%	1,310,040	46,149	26.5%	-61,563	-31,240	\$3.60
Class B	2,450,525	14.0%	245,297	12,760	10.0%	-7,552	6,920	\$2.75

Source: Newmark Research

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