3Q25

Marin County Office Market Overview

Market Observations

Economy

- Marin County's unemployment rate increased by 100 basis points from 3.6% to 4.6% between May and August of 2025, and is now 30 basis points above the United States unemployment rate. It is however still 90 basis points below California's unemployment rate of 5.5%.
- The three office using sectors: Information, Professional and Business Services, and Financial Activities all experienced negative year-over-year growth. The Government and Education sectors experienced the largest year over year growth.

Leasing Market Fundamentals

- Net absorption in the third quarter of 2025 was a positive 55,141 square feet. This was driven by small deals done in Central Marin and Novato.
- In Northern San Rafael, Kaiser Foundation Health Plan renewed its lease of 27,200 square feet at 111 Smith Ranch Road. Kaiser has leased the entirety of the building since 2006. The building is now for sale for $9.748 million, or $358 per square foot.
- Average weighted full service asking rates across Marin County increased over the last quarter by 30 basis points to $3.46 per square foot. Hybrid work trends continued to inspire downsizing into quality buildings.

Major Sale Transactions

- In Central Marin, the two-building, 28,417 square foot complex at 2 & 18 Bon Air Road in Larkspur was purchased by Anchor Health Properties for $24.05 million, or $846 per square foot. The property was 100% leased to Marin Health on a triple net basis at the time of sale.
- Also in Central Marin, the 25,745 square foot building at 240 Tamal Vista Boulevard in Corte Madera sold for $8.25 million, or $320 per square foot. The 1.6 acre parcel was purchased by JEMCOR Development Partners, which plans to demolish the building and redevelop the site into 99 units of affordable multi-family housing.
- In Novato, the 18,895 square foot building at 5 Commercial Blvd sold for $2.0 million, or $106 per square foot. The property was vacant at time of sale, and the buyer intends to re-position the 1.0 acre property to a self-storage use.

Outlook

- The Marin County office market, with a vacancy of 19.8%, is faring well when compared to nearby urban metros.
- The flight to quality will continue as companies search for high quality office space with on site amenities to attract workers back to office.
- Demolition has begun on 720,000 +- former Fireman's Fund campus, with more office demolition anticipated.
- Office inventory expected to decrease as 4040 Civic Center hits the market with 134,000 square feet of office space potentially converted to residential use.
- The AI boom in San Francisco is causing housing prices in the Bay Area to increase, especially due to companies no longer allowing work from home from out-of-area locations.

TABLE OF CONTENTS

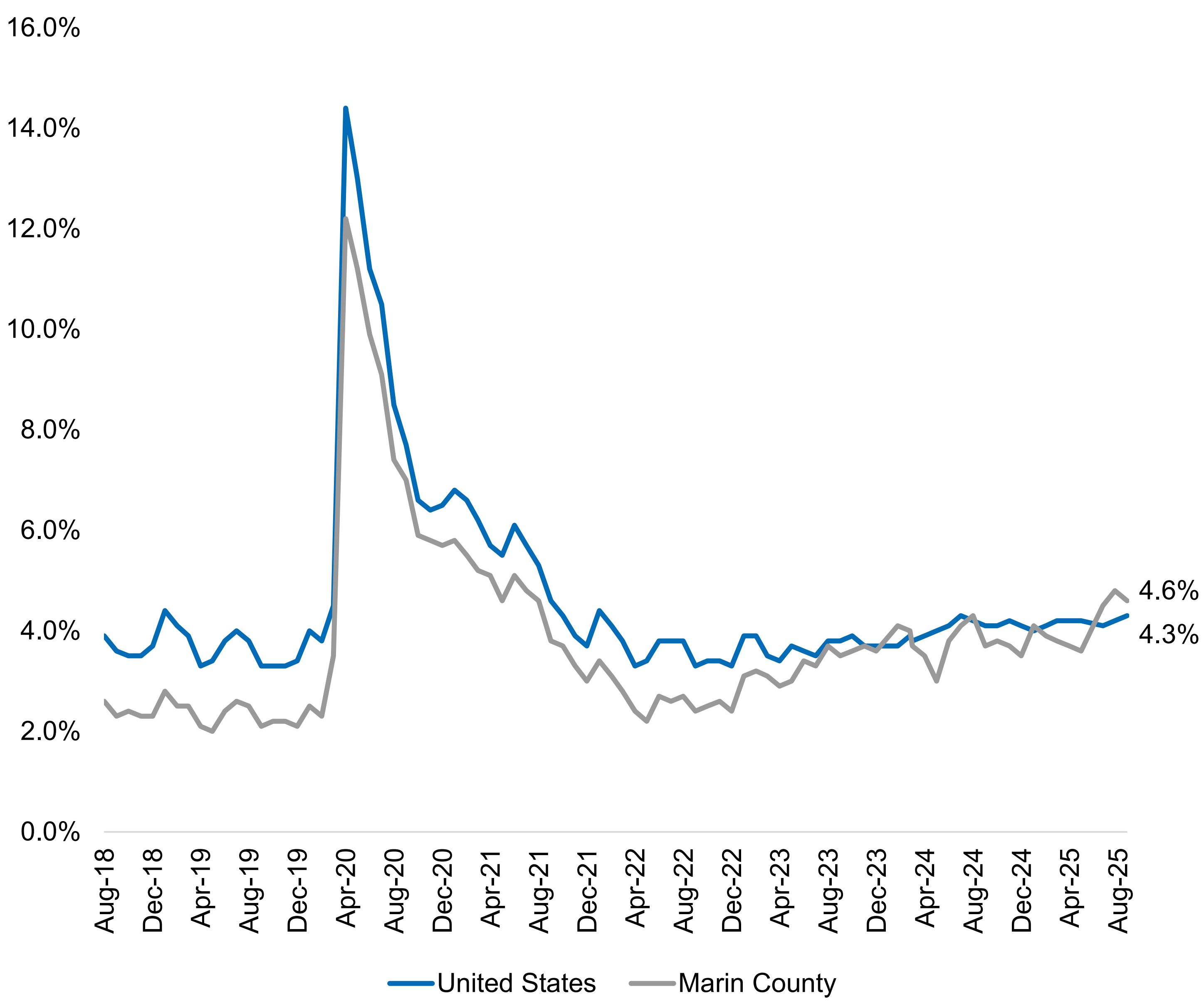
3Q25

Economy

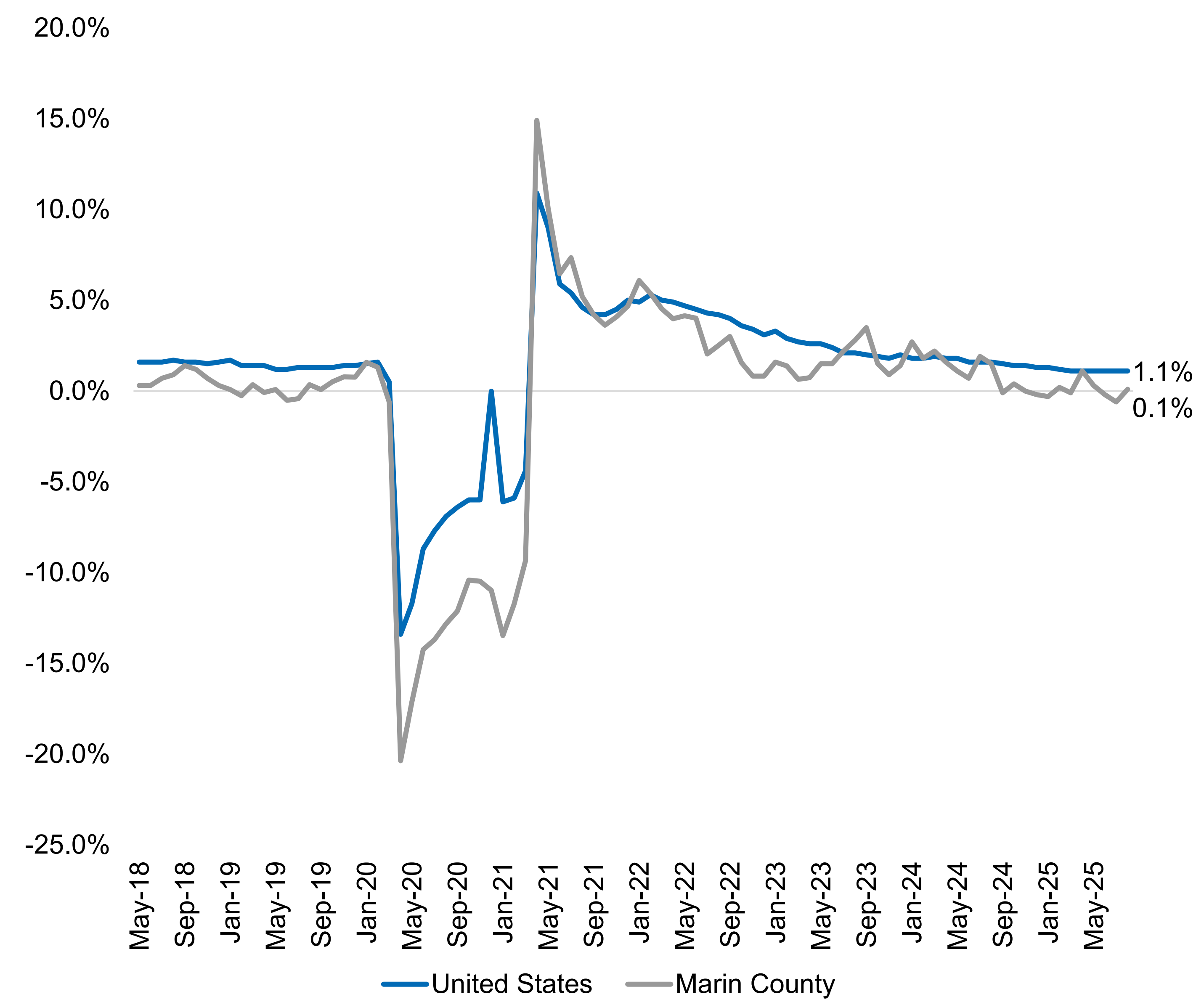
Metro Employment Decrease

Marin County's unemployment rate increased by 100 basis points between May and August of 2025. At 4.6%, the unemployment rate in Marin County was 30 basis points higher than the national rate.

Unemployment Rate, Non-Seasonally Adjusted



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

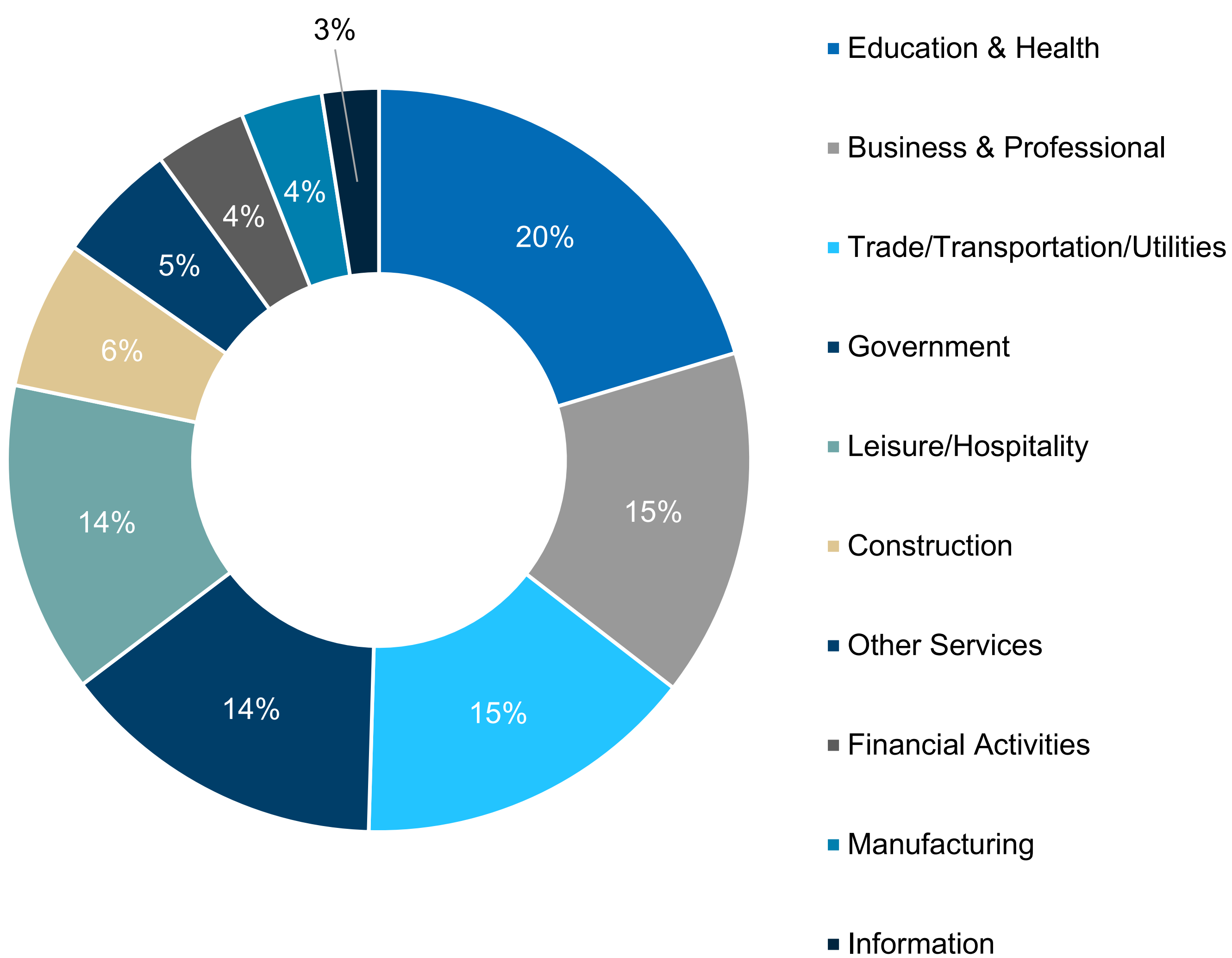


Source: U.S. Bureau of Labor Statistics, San Rafael (comprised of Marin County)

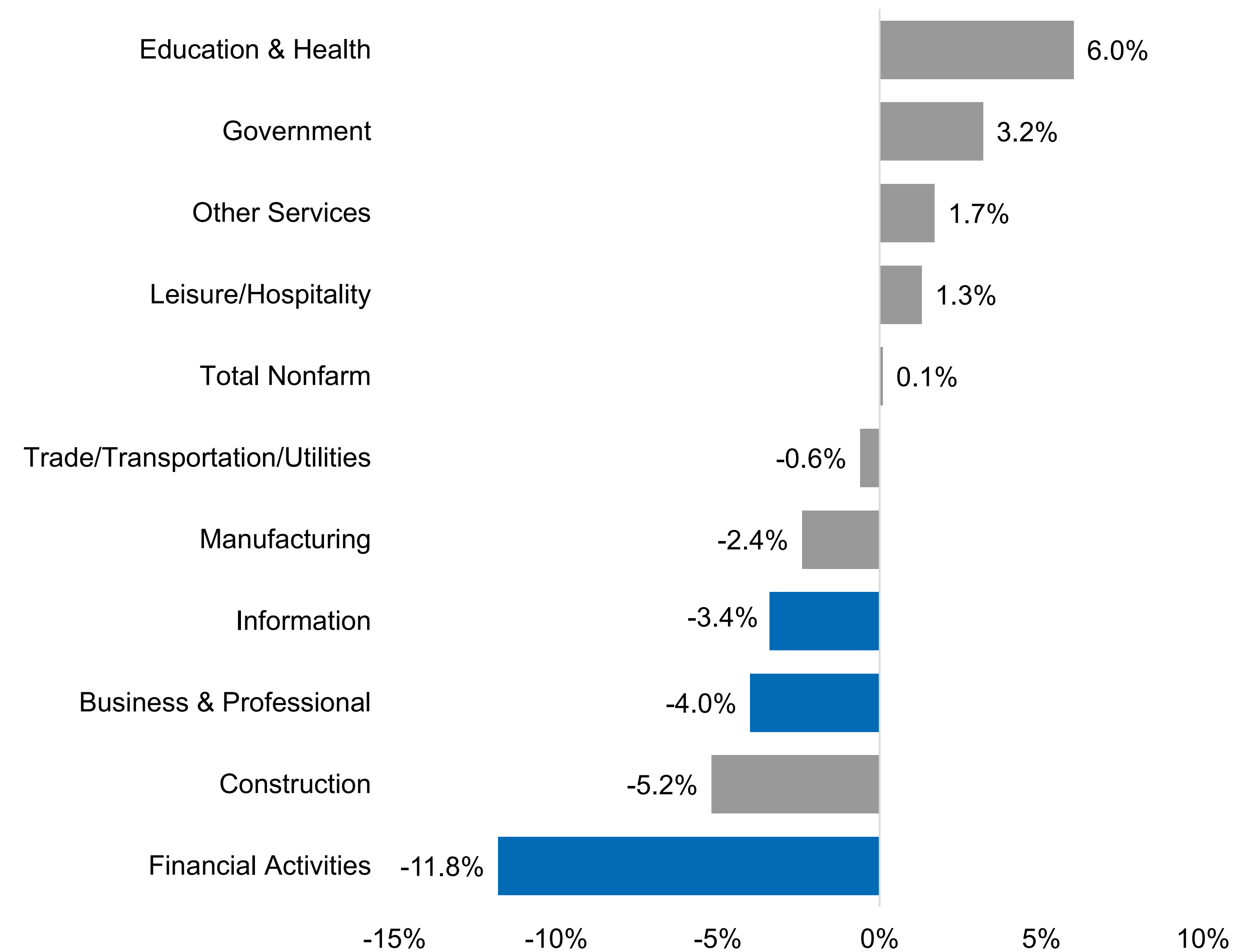
Office-Using Employment Down Year-Over-Year

The Education and Health sector had the most employees in Marin County, followed by Business and Professional Services and Trade/Transportation/Utilities. All office using sectors in Marin County experienced negative year-over-year growth.

Employment by Industry, August 2025



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

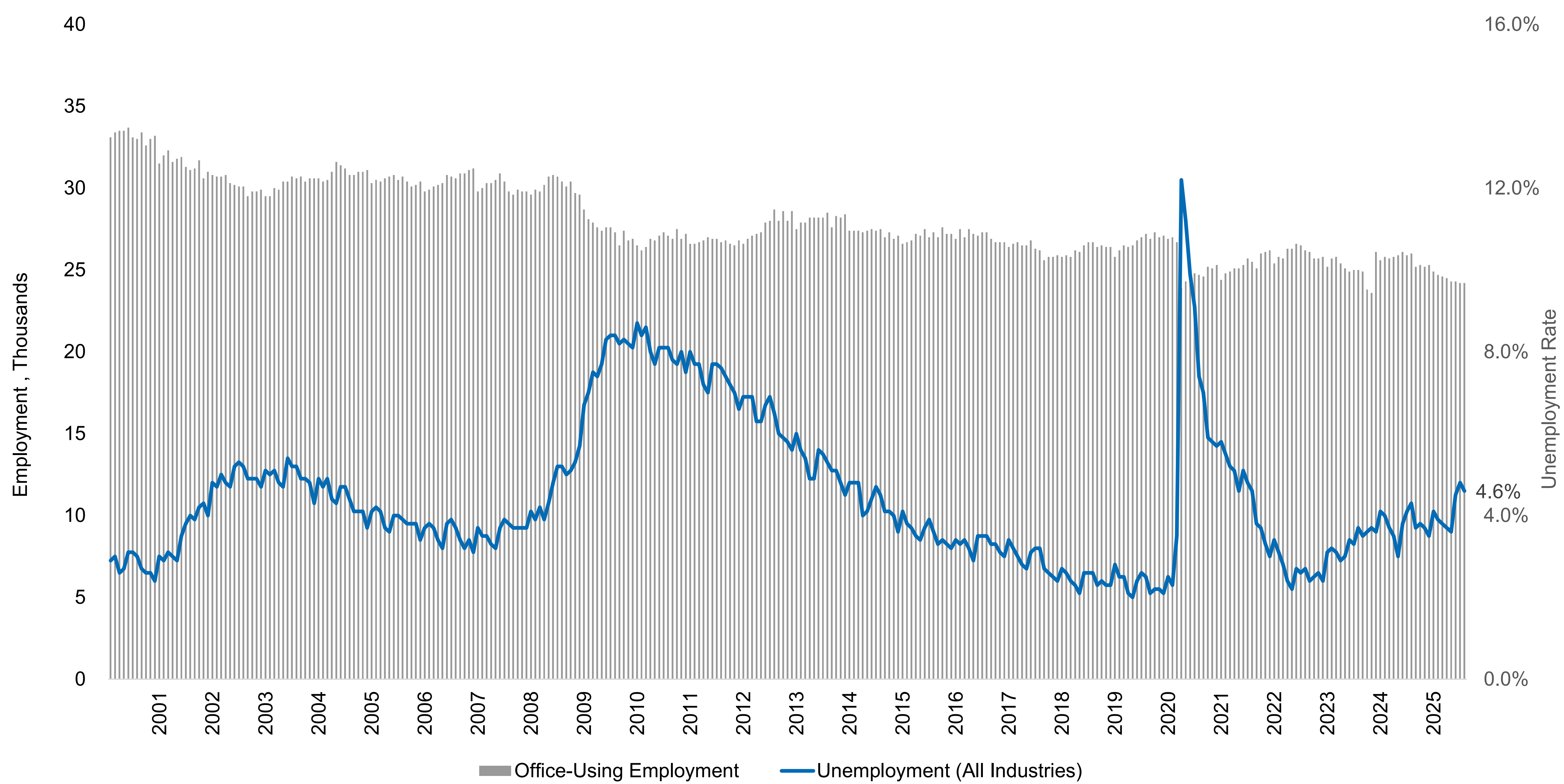


Source: U.S. Bureau of Labor Statistics, San Rafael (comprised of Marin County)

Office-Using Employment Remained Below Pre-Pandemic Totals

The number of office jobs in Marin County was roughly 2,000 less than pre-pandemic levels in 2019, and the unemployment rate in Marin County has increased by 50 basis points since the beginning 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.

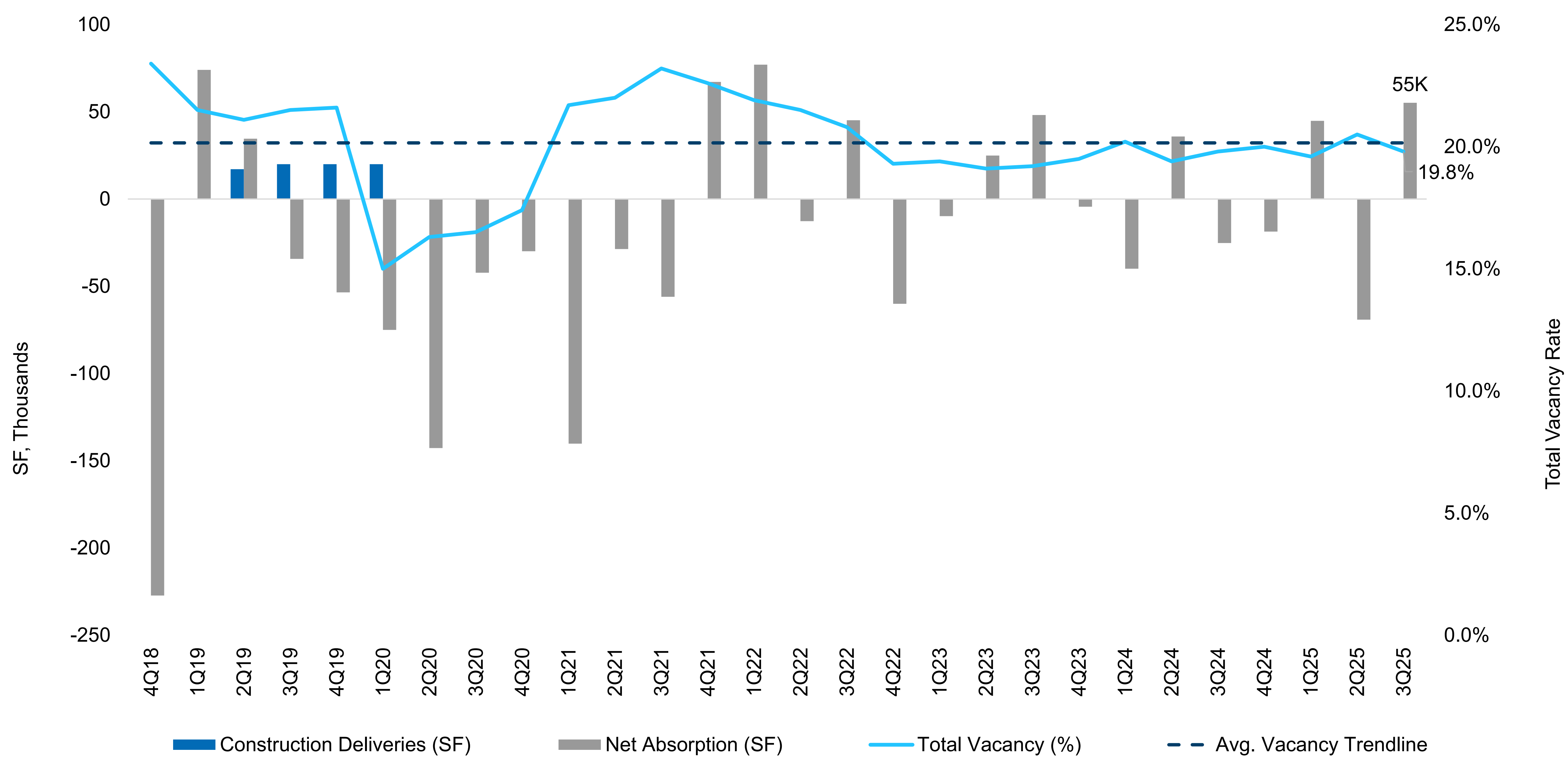
2Q25

Leasing Market Fundamentals

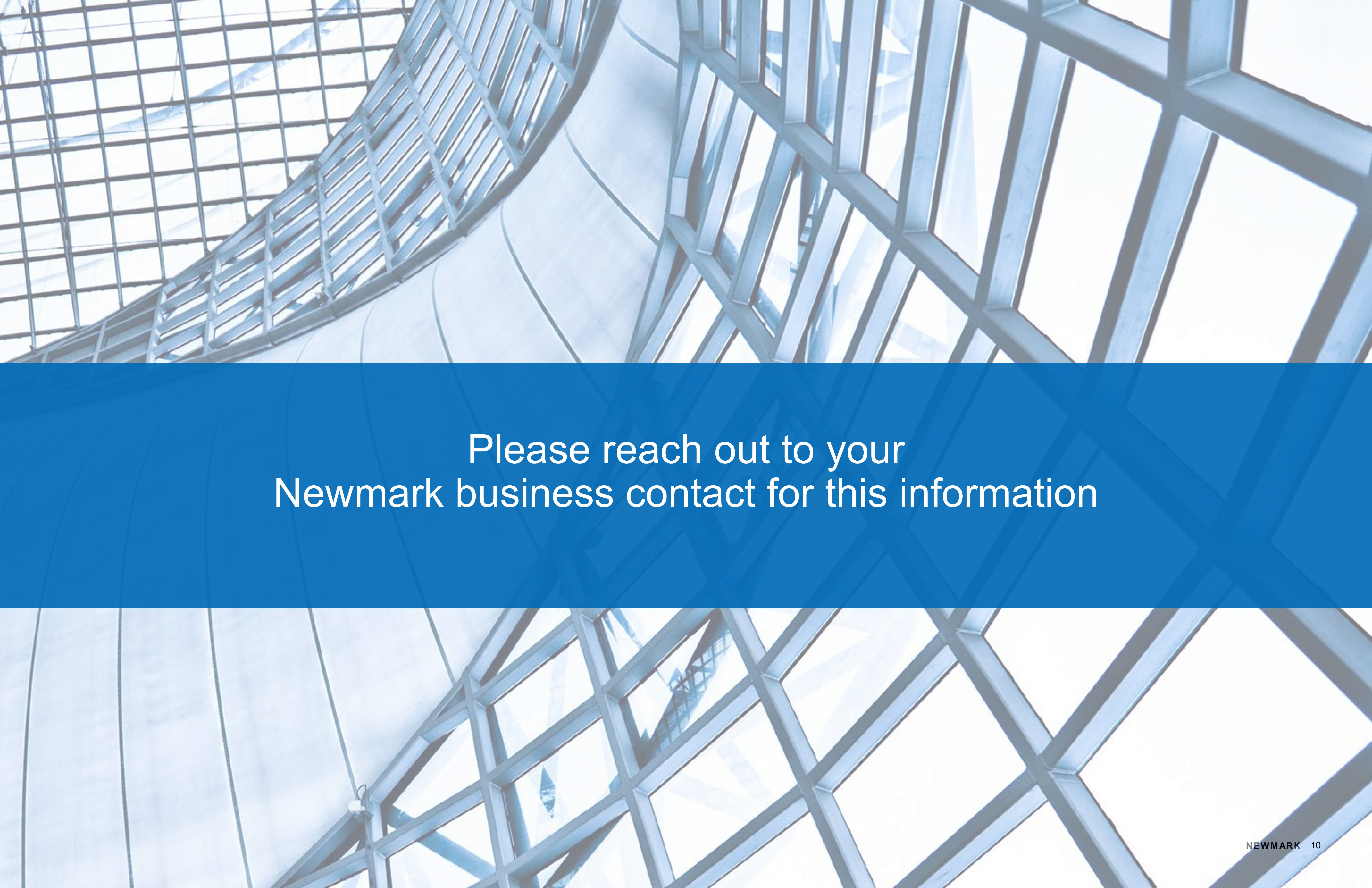
Office Vacancy Decreased in 3Q25

The vacancy rate for office space in Marin County decreased by 70 basis points to 19.8% in the third quarter of 2025.

Historical Construction Deliveries, Net Absorption, and Vacancy



Source: Newmark Research

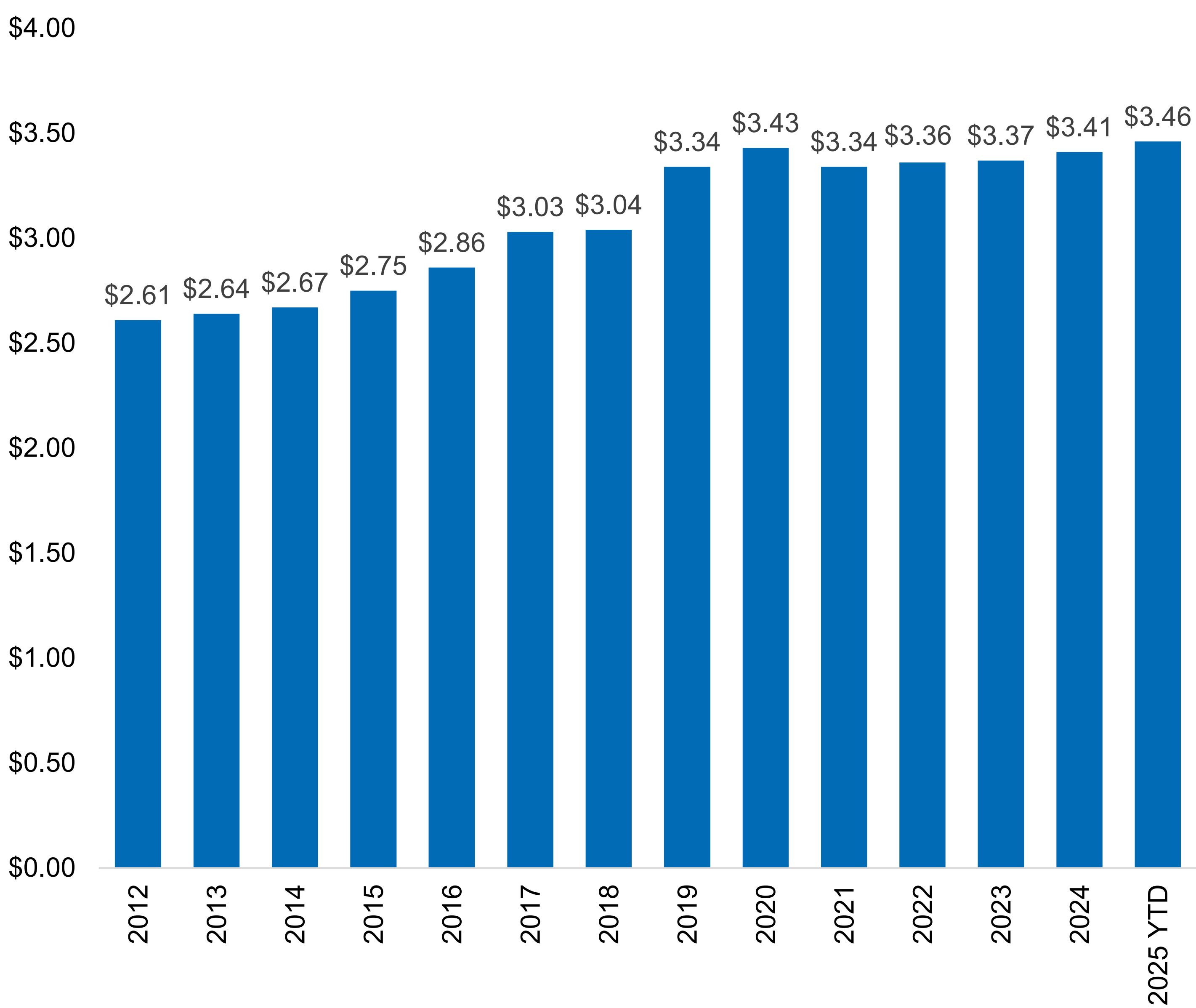


Please reach out to your
Newmark business contact for this information

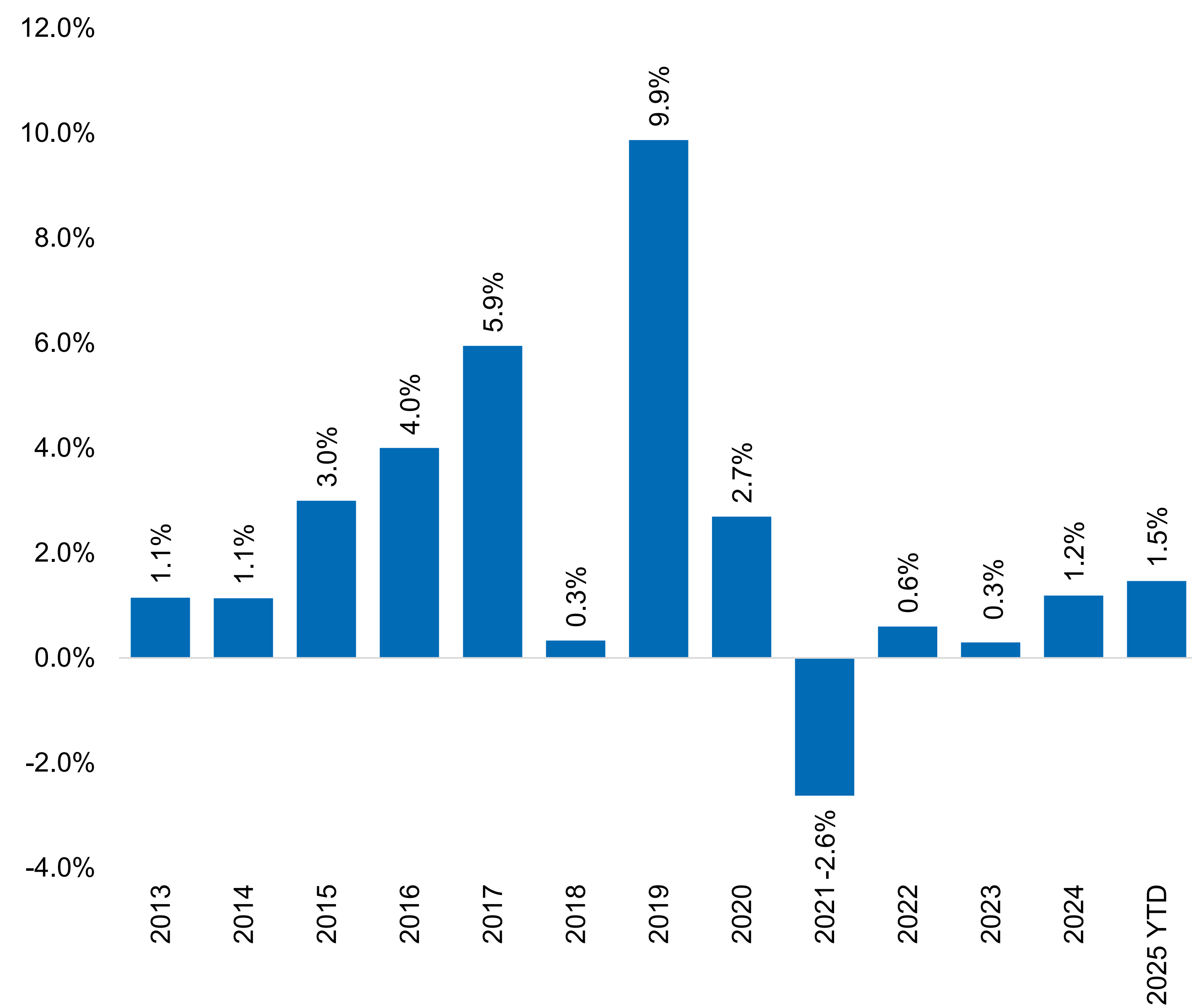
Office Asking Rents Slightly Increase

Asking rents in Marin County have slightly increased by 30 basis points over the course of the third 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

Please reach out to your
Newmark business contact for this information

3Q25 Notable Transactions

Notable 3Q25 Lease Transactions

Tenant	Building	Submarket	Type	Square Footage
Kaiser Foundation Health Plan	111 Smith Ranch Road San Rafael	San Rafael - Northern	Renewal	27,200
Navitas Organics	1 McInnis Parkway San Rafael	San Rafael - Northern	Direct	4,707
Paul Handelman, D.O.	899 Northgate Drive San Rafael	San Rafael – Northern	Extension	2,776

Notable 3Q25 Sale Transactions

Building Address	Square Footage	Buyer	Seller	Submarket	Sale Price	Price Per Square Foot
2 & 18 Bon Air Road Larkspur	28,417	Anchor Health Properties	Wareham Development Group	Central Marin	$24,050,000	$846
240 Tamal Vista Boulevard Corte Madera	25,745	JEMCOR Development Partners	Graham Street Realty	Central Marin	$8,250,000	$320
5 Commercial Boulevard Novato	18,895	Greg Suski	Copperman Trust	Novato	$2,000,000	$106
365 Bel Marin Keys Blvd Novato	6,928	Blue Line Sterilization Service	Leslie A Ruhland	Novato	$1,700,000	$245

Source: Newmark Research

Appendix

Please reach out to your
Newmark business contact for this information

For more information:

Jack Baughman
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

nmrk.com

NEWMARK